

# SPIRIT AIRLINES, INC.

## FORM FWP

(Free Writing Prospectus - Filing under Securities Act Rules 163/433)

Filed 11/13/17

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**spirit**<sup>™</sup>  
*Less Money. **MORE GO.***

SAVE 2017-1 EETC Investor Presentation

**November 2017**

# Forward Looking Statements

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Statements in this Investor Presentation contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent expectations or beliefs concerning future events of Spirit Airlines, Inc. (the "Company", "we"). The words "expects," "estimates," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook," "may," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Similarly, statements that describe the Company's objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements include, without limitation, statements regarding the Company's intentions and expectations regarding revenues, cost of operations, the delivery schedule of aircraft on order, and announced new service routes. All forward-looking statements are based upon information available to the Company at the time the statement is made. The Company has no intent, nor undertakes any obligation, to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Forward-looking statements are subject to a number of factors that could cause the Company's actual results to differ materially from the Company's expectations, including the competitive environment in the airline industry; the Company's ability to keep costs low; changes in fuel costs; the impact of worldwide economic conditions; the Company's liquidity and general level of capital resources; the Company's ability to generate non-ticket revenues; government regulation; changes in legislation, regulation and government policy as a result of the 2016 presidential and congressional elections; operational disruptions out of key airports; and dependence on a limited number of aircraft and engine suppliers. Additional information concerning these and other factors is contained in the Company's Securities and Exchange Commission ("SEC") filings, including but not limited to the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.

This Investor Presentation highlights basic information about the Company and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing.

We have filed a registration statement (including a prospectus) and a related prospectus supplement with the SEC for the offering to which this Investor Presentation relates. Before you invest, you should read such prospectus and prospectus supplement (including the risk factors described in the prospectus supplement) and other documents we have filed with the SEC for more complete information about us and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Company, any underwriter or any dealer participating in this offering will arrange to send you the prospectus and prospectus supplement if you request it by calling Morgan Stanley & Co. LLC at 1-800-718-1649, Citigroup Global Markets, Inc. at 1-212-723-6171, Goldman Sachs & Co. at 1-866-471-2526, or Barclays at 1-888-603-5847.

# Transaction Overview

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## ***Spirit Airlines, Inc. ("SAVE" or "Spirit Airlines") intends to offer an EETC ("SAVE 2017-1") to raise ~\$421 million of proceeds***

- ✓ Spirit Airlines intends to issue \$420,500,000 of Pass Through Certificates, Series 2017-1, in three classes, as follows:
  - ✓ Class AA: \$247,099,000
  - ✓ Class A: \$82,366,000
  - ✓ Class B: \$91,035,000
- ✓ The Equipment Notes underlying the SAVE 2017-1 certificates will have the benefit of a security interest in the following twelve (12) Airbus aircraft to be delivered new to Spirit Airlines
  - ✓ Five (5) new Airbus A321-200ceo aircraft scheduled to be delivered new to Spirit Airlines between February 2018 and March 2018
  - ✓ Seven (7) new Airbus A320-200ceo aircraft scheduled to be delivered new to Spirit Airlines between December 2017 and October 2018
- ✓ The EETC Structure will include the following:
  - ✓ Senior Class AA debt amortizing over 12.2 years
  - ✓ Subordinate Class A debt amortizing over 12.2 years
  - ✓ Subordinate Class B debt amortizing over 8.2 years
  - ✓ Liquidity Facilities will be provided for three semi-annual interest payments on Class AA, Class A and Class B
- ✓ The waterfall structure will be consistent with recent EETC precedents
- ✓ Joint Structuring Agents and Joint Lead Bookrunners: Morgan Stanley and Citi
- ✓ Joint Bookrunners: Goldman Sachs & Co. and Barclays
- ✓ Liquidity Provider and Depository: Commonwealth Bank of Australia, New York Branch, and Citibank, N.A., respectively

# Summary of the Certificates Offering

	<b><u>Class AA</u></b>	<b><u>Class A</u></b>	<b><u>Class B</u></b>
Aggregate Face Amount	\$247,099,000	\$82,366,000	\$91,035,000
Expected Ratings (S&P / Fitch)	AA / AA	A / A	BBB- / BBB+
Initial LTV <sup>(1)</sup>	41.1%	54.8%	68.3%
Interest Rate	Fixed rate, semiannual payments, 30/360 day count		
Initial Average Life	8.6	8.6	5.4
Regular Distribution Dates	February 15 & August 15	February 15 & August 15	February 15 & August 15
Expected Principal Distribution Window <sup>(2)</sup>	0.7 - 12.2	0.7 - 12.2	0.7 - 8.2
Final Expected Distribution Date	February 15, 2030	February 15, 2030	February 15, 2026
Final Legal Distribution Date	August 15, 2031	August 15, 2031	August 15, 2027
Minimum Denomination <sup>(3)</sup>	\$2,000	\$2,000	\$2,000
Liquidity Facility Coverage	3 semiannual interest payments	3 semiannual interest payments	3 semiannual interest payments
Depository	Proceeds of the offering will be held in escrow with the Depository and withdrawn from time to time to purchase the Equipment Notes as the aircraft are financed		

1. Initial LTV as of February 15, 2019, the first regular distribution date after all aircraft are expected to have been financed and after giving effect to distributions expected to be made on or prior to such date and assumed depreciation of aircraft. Appraised value is calculated using the lesser of the mean and median ("LMM") values of each aircraft as appraised by AISI, BK and MBA. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value
2. Each series of Equipment Notes will mature on the Final Expected Distribution Date for the related class of certificates
3. The certificates will be issued in minimum denominations of \$2,000 (or such other denomination that is the lowest integral multiple of \$1,000 that is, at the time of issuance equal to at least 1,000 euros) and integral multiples of \$1,000 in excess thereof

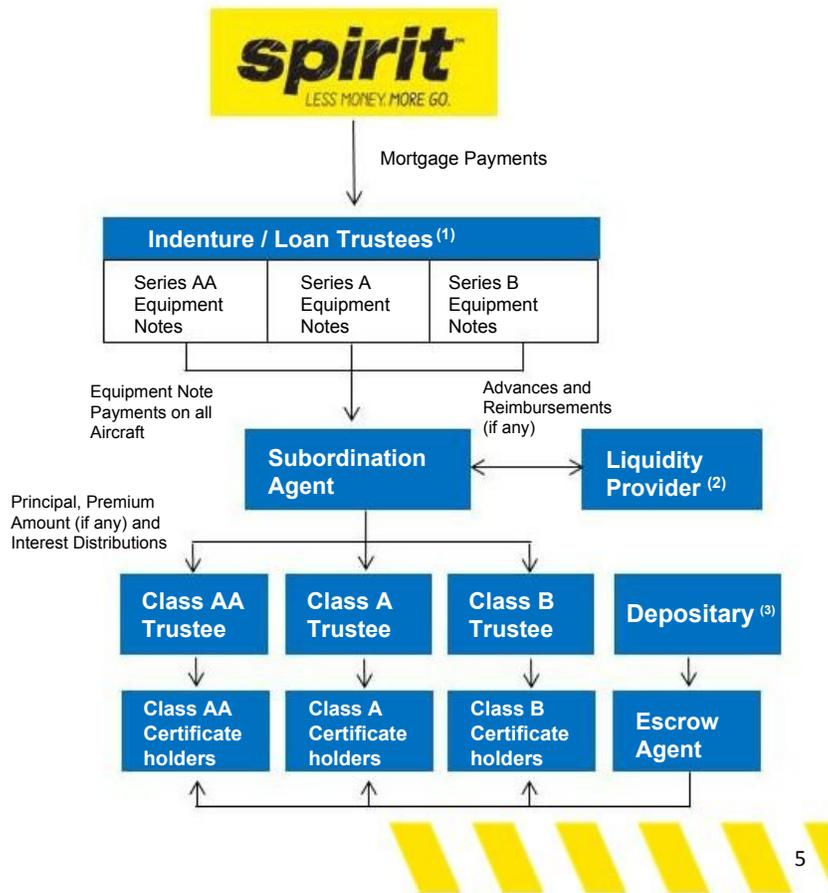
# SAVE 2017-1 Indicative Transaction Structure

## Consistent with recent US airline EETC Issues

(1) The Equipment Notes with respect to each Aircraft will be issued under a separate Indenture

(2) The Liquidity Facility for each of the Class AA Certificates, Class A Certificates and Class B Certificates is expected to be sufficient to cover up to three consecutive semiannual interest payments with respect to such Class, except that the Liquidity Facilities will not cover interest on the Deposits.

(3) The proceeds of the offering of each Class of Certificates will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft. The Depositary will hold such funds as interest bearing Deposits and such funds, in the case of the Class AA Certificates, will be held in fiduciary accounts. Each Trust will withdraw funds from the Deposits relating to such Trust to purchase Equipment Notes of the corresponding series from time to time as each Aircraft is financed. The scheduled payments of interest on the Equipment Notes and on the Deposits relating to a Trust, taken together, will be sufficient to pay accrued interest on the outstanding Certificates of such Trust. If any funds remain as Deposits with respect to a Trust at the Delivery Period Termination Date, such funds will be withdrawn by the Escrow Agent and distributed to the holders of the Certificates issued by such Trust, together with accrued and unpaid interest thereon. No interest will accrue with respect to the Deposits after they have been fully withdrawn.



# Key Structural Considerations (cont'd)

## Documentation consistent with most recent precedent EETC structures <sup>(1)</sup>

### Classes Offered

- Three tranches of amortizing debt are being offered
- All three tranches will benefit from a separate liquidity facility covering three semiannual interest payments

### Cross-Collateralization and Cross-Default

- The Equipment Notes will be cross-collateralized by all Aircraft
- All Indentures will include cross-default provisions

### Waterfall

- Same waterfall both before and after an event of default
- Interest on Eligible Pool Balance of Class A and Class B is paid ahead of principal on Class AA

### Buyout Rights

- After a Certificate Buyout Event, subordinate Certificate holders have the right to purchase all (but not less than all) of the Certificates ranking senior thereto at par plus accrued and unpaid interest
- No buyout right during the 60-day Section 1110 period
- No Equipment Note buyout rights

### Collateral

- Strategically core aircraft types to Spirit Airlines' fleet operation all of which are expected to be delivered new in 2017 and 2018

1. See Preliminary Prospectus Supplement for further details

# Collateral Summary

## **SAVE 2017-1 will have the following Airbus aircraft as collateral**

- ✓ The initial aggregate aircraft Appraised Value is \$572,720,100 <sup>(1)</sup>
- ✓ Appraisals indicate an initial collateral cushion of approximately 58.9% <sup>(2)</sup>, 45.2% <sup>(2)</sup> and 31.7% <sup>(2)</sup> on the Class AA, Class A and Class B Certificates, respectively, which increases over time as the debt amortizes based on assumed depreciation of collateral value <sup>(3)</sup>

#	Aircraft Type	Expected Delivery Date	Registration Number	Appraised Base Value (\$MM)			
				AISI	BK	MBA	LMM <sup>(4)</sup>
1	A320-200	Dec-17	N651NK	47.5	44.7	44.7	44.7
2	A320-200	Dec-17	N652NK	47.5	44.7	44.7	44.7
3	A320-200	Jan-18	N653NK	47.5	44.8	44.8	44.8
4	A321-200	Feb-18	N683NK	55.0	53.6	55.2	54.6
5	A321-200	Feb-18	N684NK	55.0	53.6	55.2	54.6
6	A321-200	Feb-18	N685NK	55.0	53.6	55.2	54.6
7	A321-200	Mar-18	N686NK	55.1	53.6	55.2	54.6
8	A321-200	Mar-18	N687NK	55.1	53.6	55.2	54.6
9	A320-200	Apr-18	N654NK	47.8	45.2	44.9	45.2
10	A320-200	Aug-18	N655NK	48.1	45.3	45.0	45.3
11	A320-200	Sep-18	N656NK	48.2	45.3	45.1	45.3
12	A320-200	Oct-18	N690NK	48.3	45.5	45.1	45.5
<b>Total <sup>(5)</sup></b>				<b>610.0</b>	<b>583.1</b>	<b>590.0</b>	<b>588.3</b>

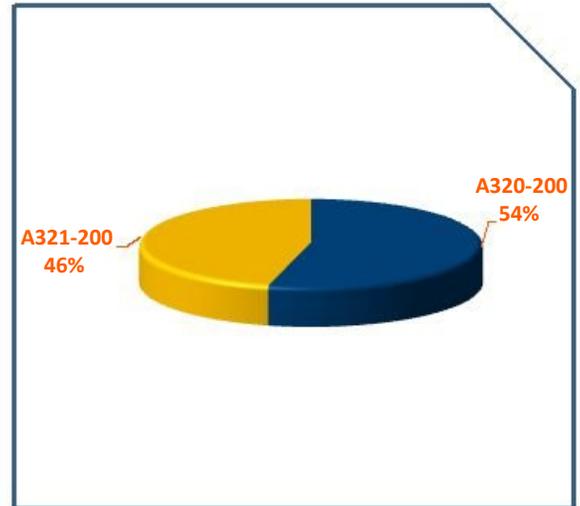
1. As of February 15, 2019, the first Regular Distribution Date after all aircraft are assumed to be financed and after giving effect to all distributions expected to be made on or prior to such date and assumed depreciation of the aircraft. Appraised value is calculated using the lesser of the mean and median ("LMM") values of each aircraft as appraised by AISI, BK and MBA. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value
2. Initial collateral cushion is calculated as the first Regular Distribution Date after all aircraft are assumed to be financed
3. Assumes that the base value of the aircraft depreciates by 3% per year during the first 15 years after assumed initial delivery date
4. Lesser of the median and mean of the base values of the aircraft as appraised by AISI, BK and MBA
5. Totals may not sum due to rounding



# Transaction Collateral Fleet Composition

***An entirely narrowbody collateral pool representing arguably the most liquid aircraft in the global marketplace***

- ✓ SAVE 2017-1 collateral includes (5) new A321-200 and (7) new A320-200
  - ✓ 46% A321-200 by Base Value<sup>(1)</sup>
  - ✓ 54% A320-200 by Base Value<sup>(1)</sup>
- ✓ A320's and A321's advanced technology includes sharklets that are more fuel efficient
  - ✓ Helps Spirit Airlines maintain and further lower its cost structure
- ✓ Fly-by-wire flight controls provide total airframe structural protection for improved safety
  - ✓ Reduces pilot workload and fewer mechanical parts
- ✓ Cockpit standardization across A320 family allows a pilot qualified on one family member to fly all of them
  - ✓ Enables Spirit Airlines to conduct effective scheduling of aircraft and crew across full network
  - ✓ Helps Spirit Airlines maintain and further lower its cost structure

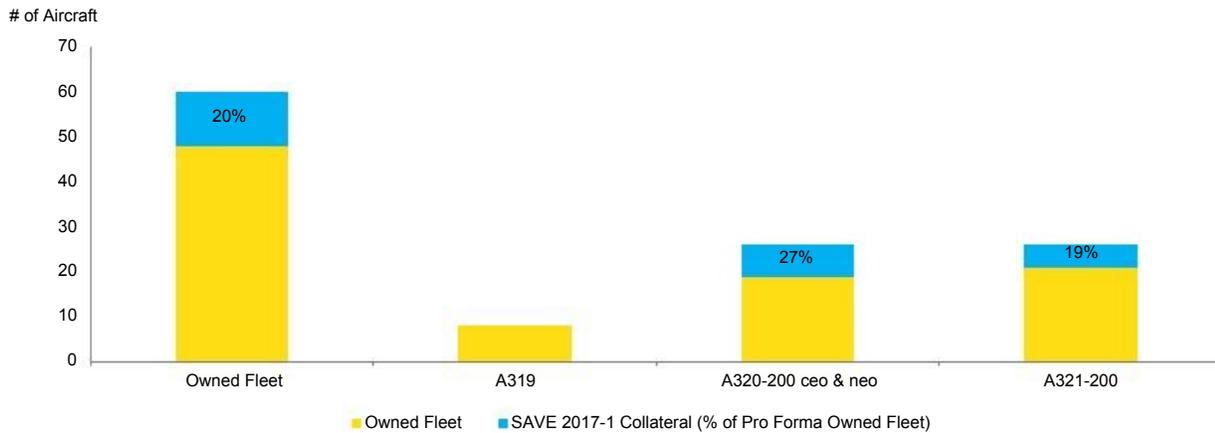


1. Lesser of the median and mean of the base values of the aircraft as appraised by AISI, BK and MBA



# Collateral Fleet Importance

**The transaction collateral is an essential component of Spirit Airlines' owned fleet and is core to its future fleet strategy**



- ✓ The SAVE 2017-1 collateral pool represents ~ **20%** of Spirit Airlines' pro forma total owned fleet <sup>(1)(2)(3)</sup>
  - ✓ A320 represents ~ **27%** of pro forma total owned A320 fleet <sup>(1)(2)(3)</sup>
  - ✓ A321 represents ~ **19%** of pro forma total owned A321 fleet <sup>(1)(2)(3)</sup>
- ✓ This shows the importance of the SAVE 2017-1 collateral pool to Spirit Airlines

Source: Spirit Airlines

1. Owned fleet count as of 9/30/2017 as provided by Spirit Airlines

2. Fleet statistics based on total pro forma owned fleet including 2017-1 collateral

3. The SAVE 2017-1 collateral pool represents ~10% of Spirit Airlines' pro forma total operating fleet (consisting of owned and leased aircraft); A320 represents ~11% of pro forma operating A320 fleet; A321 represents ~19% of pro forma operating A321 fleet



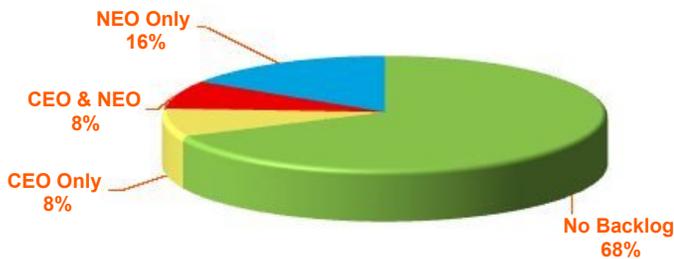
# A320ceo Expected to be in Demand for Years to Come

## CEO operator base continues to grow via new deliveries and secondary market acquisition

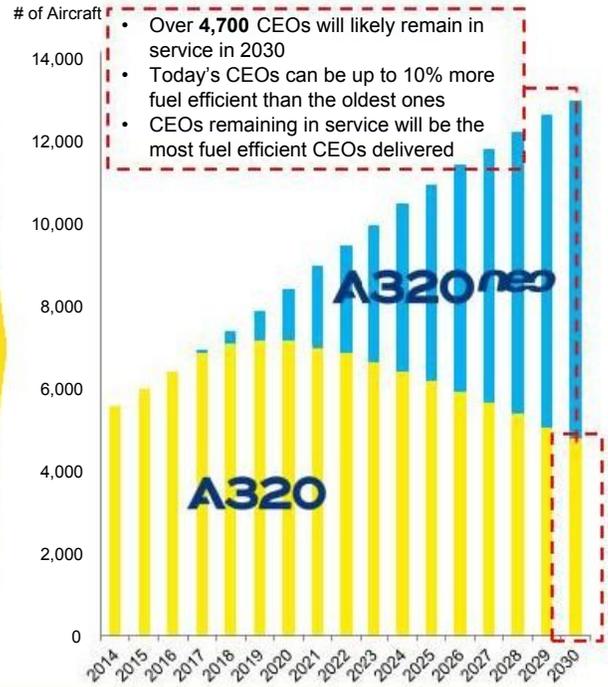
130 A320ceo orders since 2016, in 6+ years following neo launch<sup>(1)</sup>



68%+ of CEO operators have no NEO backlog



## Demand for CEOs will remain strong



Many operators will have no choice but to acquire used aircraft to meet growth and replacement requirements

Source: Airbus

1. New plus existing airlines and lessor customers; 1/1/2016 – 9/30/2017

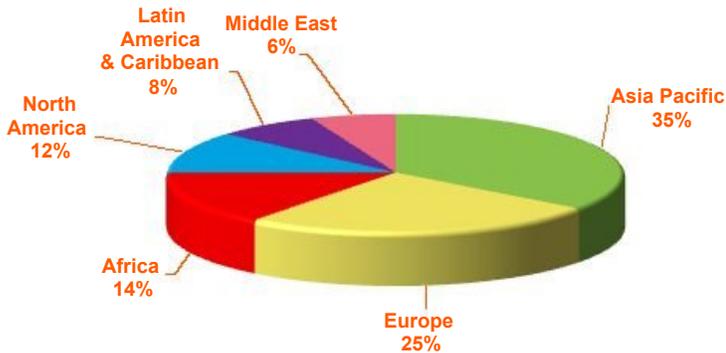
# A320-200 Customers

## A320-200 has a global population and operators in all sectors

- ✓ The A320 series is operated across many regions with 8,405<sup>(1)</sup> firm orders placed as of September 30, 2017
  - ✓ A320-200ceo is one of the most popular variants with 4,732 firm orders placed from 179 customers worldwide
  - ✓ Spirit Airlines currently has 8 firm open orders<sup>(2)</sup> as of September 30, 2017

### A320-200ceo (In Service/On Order)

Breakdown by Geography



Source: Airbus. Ascend Q3 2017 Market Commentary, Spirit 3Q 2017 10Q filing

1. Includes A320-200ceo and A320-200neo aircraft
2. Includes only A320-200ceo aircraft

### Top 5 Airline Operators<sup>(2)</sup> (In Service / On Order)

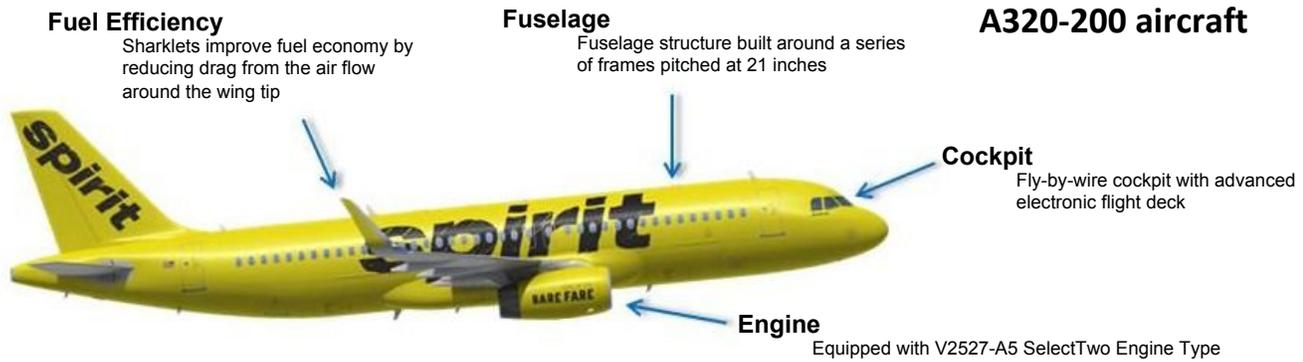
Airlines	# of Aircraft
AirAsia	181
中國東方航空 CHINA EASTERN	174
easyJet	149
jetBlue	130
中国南方航空 CHINA SOUTHERN	122

### Top 5 Operating Lessors<sup>(2)</sup> (In Service / On Order)

Lessors	# of Aircraft
AERCAP	233
GECAS	226
BOC AVIATION	174
AWAS	92
SMBC AVIATION CAPITAL	89

# A320-200 Aircraft Characteristics

## Founding member of Airbus single-aisle family



- ✓ Airbus first delivered A320-200 on March 1982 to Air France
- ✓ Strong orderbook indicates operator enthusiasm
  - ✓ Currently there are **4,732** firm orders with **179** customers worldwide
- ✓ Spirit Airlines' configuration accommodates 182 passengers (compared to 150 on United and American and 162 on JetBlue)

- ✓ A320's advanced technology includes a centralized fault display for easier troubleshooting and lower maintenance costs
- ✓ A320 is equipped with the advanced electronic flightdeck
  - ✓ Six fully integrated EFIS<sup>(1)</sup> color displays
  - ✓ Innovative sidestick controllers rather than conventional control columns
- ✓ Wider fuselage than main competitors allow increased passenger comfort and better cargo capacity

Source: Airbus. Ascend Q3 2017 Market Commentary

1. Electronic flight instrument system

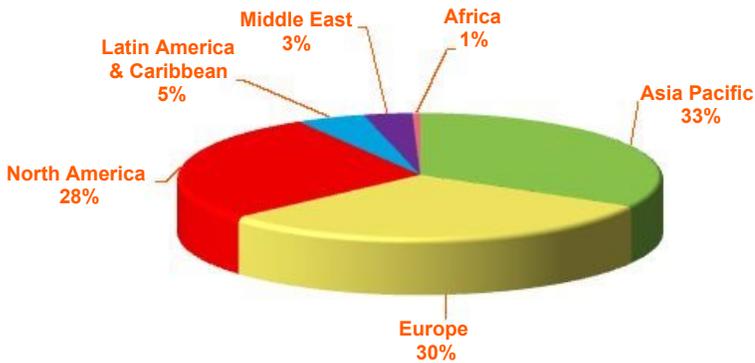
# A321-200 Customers

## A321-200 continues to be an increasingly popular type

- ✓ The A321 series is operated across many regions with 3,271<sup>(1)</sup> firm orders placed as of September 30, 2017
  - ✓ A321-200ceo is one of the most popular variants with 1,793 firm orders placed from 99 customers worldwide
  - ✓ Spirit Airlines currently has 9 open firm orders<sup>(2)</sup> as of September 30, 2017

### A321-200ceo (In Service/On Order)

Breakdown by Geography



### Top 5 Airline Operators<sup>(2)</sup> (In Service / On Order)

Airlines	# of Aircraft
	219
	122
	96
	75
	68

### Top 5 Operating Lessors<sup>(2)</sup> (In Service / On Order)

Lessors	# of Aircraft
	99
	51
	38
	34
	29

Source: Airbus. Ascend Q3 2017 Market Commentary, Spirit 3Q 2017 10Q filing

1. Includes A321-200ceo and A321-200neo aircraft
2. Includes only A321-200ceo aircraft

# A321-200 Aircraft Characteristics

## Benchmark A320 Family's Largest Member



- ✓ 1,793 cumulative orders from 99 customers worldwide
- ✓ A321-200ceo offers lower seat-mile costs than 150-seaters
  - ✓ Provides more capacity at slot-constrained airports
- ✓ Compared to A320, A321's major change is the elongated fuselage

- ✓ A321 is the largest member of Airbus' A320 series
  - ✓ Spirit Airlines' configuration accommodates 228 passengers (compared to 187 on American Airlines and 200 on JetBlue)
- ✓ Sharklets improves fuel burn, emissions and raises payload range
- ✓ A321ceo is outperforming the Boeing competitor (737-900ER) in terms of fleet size, order growth and total backlog

Source: Airbus

