

Spirit Airlines, Inc.
Form FWP
November 13, 2017

November 2017
SAVE 2017-1 EETC Investor Presentation
Issuer Free Writing Prospectus
Filed Pursuant to Rule 433(d)
Registration No. 333-202260

November 13, 2017

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Statements in this Investor Presentation contain various forward-looking statements within the meaning of Section 27A of the Securities Exchange Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent expectations or beliefs concerning Spirit Airlines, Inc. (the Company, we). The words expects, estimates, plans, anticipates, indicates, believes, will, should, seeks, targets and similar expressions are intended to identify forward-looking statements. Similarly, objectives, plans or goals, or actions the Company may take in the future, are forward-looking statements. Forward-looking statements are subject to various risks and uncertainties. Forward-looking statements are not a guarantee of performance. Forward-looking statements are not a limitation, statements regarding the Company's intentions and expectations regarding revenues, cost of operations, the delivery of new service routes, 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 to future results of operations, financial performance, or otherwise, except as required by law. Forward-looking statements are subject to a number of factors that could cause actual results to differ materially from the Company's expectations, including the competitive environment in the airline industry; the Company's ability to attract and retain passengers; changes in fuel costs; the impact of worldwide economic conditions; the Company's liquidity and general level of capital resources; changes in demand for air travel; changes in non-ticket revenues; government regulation; changes in legislation, regulation and government policy as a result of the 2016 congressional elections; operational disruptions out of key airports; and dependence on a limited number of aircraft and engine manufacturers. A discussion concerning these and other factors is contained in the Company's Securities and Exchange Commission (SEC) filings, including its 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. The Prospectus Supplement and Prospectus Supplement (including the risk factors 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. Alternatively, the Company, any underwriter or any dealer participating in the offering, will provide you the prospectus and prospectus supplement if you request it by calling Morgan Stanley & Co. LLC at 1-800-718-1649, Citigroup at 1-800-955-5223, Goldman Sachs & Co. at 1-866-471-2526, or Barclays at 1-888-603-5847.

Forward Looking Statements

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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

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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 Depositary: Commonwealth Bank of Australia, New York Branch, and Citibank, N.A., respectively

Transaction Overview

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Summary of the Certificates Offering

1.

Initial LTV as of February 15, 2019, the first regular distribution date after all aircraft are expected to have been financed and all distributions expected to be made on or prior to such date and assumed depreciation of aircraft. Appraised value is calculated using the mean and median (LMM) values of each aircraft as appraised by AISI, BK and MBA. An appraisal is only an estimate 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, is, at the time of issuance equal to at least 1,000 euros) and integral multiples of \$1,000 in excess thereof

Class AA

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

(1)

41.1%

54.8%

68.3%

Interest Rate

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

(2)

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

(3)

\$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

Fixed rate, semiannual payments, 30/360 day count

Class A

Class B

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SAVE 2017-1 Indicative Transaction Structure
Consistent with recent US airline EETC Issues
Indenture / Loan Trustees
(1)
Mortgage Payments
Series AA
Equipment
Notes
Series A
Equipment
Notes

Series B

Equipment

Notes

Subordination

Agent

Liquidity

Provider

(2)

Advances and

Reimbursements

(if any)

Equipment Note

Payments on all

Aircraft

Principal, Premium

Amount (if any) and

Interest Distributions

Depositary

(3)

Escrow

Agent

(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.

Class B

Certificate
holders

Class A

Certificate
holders

Class AA

Certificate
holders

Class AA

Trustee

Class A

Trustee

Class B

Trustee

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Key Structural Considerations (cont d)
Documentation consistent with most recent precedent EETC structures
(1)
Collateral
Waterfall
Strategically core aircraft types to Spirit Airlines fleet operation all of which are expected to be
delivered new in 2017 and 2018
Buyout Rights
Cross-
Collateralization and
Cross-Default

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Classes Offered

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

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

The Equipment Notes will be cross-collateralized by all Aircraft

All Indentures will include cross-default provisions

Three tranches of amortizing debt are being offered

All three tranches will benefit from a separate liquidity facility covering three semiannual interest payments

1. See Preliminary Prospectus Supplement for further details

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Collateral Summary

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

Appraised Base Value (\$MM)

#

AISI

BK

MBA

LMM

(4)

Aircraft Type

Expected Delivery Date

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Registration Number

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

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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
Total
(5)
610.0

583.1

590.0

588.3

1. As of February 15, 2019, the first Regular Distribution Date after all aircraft are assumed to be financed and after giving effect to the expected to be made on or prior to such date and assumed depreciation of the aircraft. Appraised value is calculated using the LMM and median (LMM) values of each aircraft as appraised by AISI, BK and MBA. An appraisal is only an estimate of value and is not intended to be used 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

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

The

initial

aggregate

aircraft

Appraised

Value

is

\$572,720,100

(1)

Appraisals

indicate

an

initial

collateral

cushion

of

approximately

58.9%

(2)

,

45.2%

(2)

and

31.7%

(2)

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

(3)

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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

(1)

54% A320-200 by Base Value

(1)

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

A320-200

54%

A321-200

46%

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

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Collateral Fleet Importance

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

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
Source: Spirit Airlines

0
10
20
30
40
50
60
70
Owned Fleet

A319
A320-200 ceo & neo
A321-200
Owned Fleet
SAVE 2017-1 Collateral (% of Pro Forma Owned Fleet)
of Aircraft

27%
19%
The
SAVE
2017-1
collateral
pool
represents
~20%

of
Spirit
Airlines
pro
forma
total
owned
fleet

(1)(2)(3)
A320
represents
~27%
of
pro
forma
total
owned
A320
fleet
(1)(2)(3)
A321
represents
~19%
of
pro
forma
total
owned
A321
fleet
(1)(2)(3)
This shows the importance of the SAVE 2017-1 collateral pool to Spirit Airlines
20%

10

No Backlog

68%

CEO Only

8%

CEO & NEO

8%

NEO Only

16%

A320ceo Expected to be in Demand for Years to Come

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

Source: Airbus

130 A320ceo orders since 2016, in 6+ years following neo launch

(1)

1. New

plus

existing

airlines

and

lessor

customers;

1/1/2016

9/30/2017

68%+ of CEO operators have no NEO backlog

Demand for CEOs will remain strong

of Aircraft

Over 4,700

CEOs will likely remain in

service in 2030

Today's CEOs can be up to 10% more

fuel efficient than the oldest ones

CEOs remaining in service will be the

most fuel efficient CEOs delivered

Many

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

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

11
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

(1)

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

(2)

as

of

September

30,

2017

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

Asia Pacific

35%

Europe

25%

Africa

14%

North

America

12%

Latin

America

& Caribbean

8%

Middle East

6%

A320-200ceo (In Service/On Order)

Breakdown by Geography

Airlines

of Aircraft

181

149

130

174

122

Lessors

of Aircraft

233

226

174

92

89

Top 5 Airline Operators

(2)

(In Service / On Order)

Top 5 Operating Lessors

(2)

(In Service / On Order)

12

A320-200 Aircraft Characteristics

Founding member of Airbus single-aisle family

A320-200 aircraft

Engine

Equipped with V2527-A5 SelectTwo Engine Type

Fuselage

Fuselage structure built around a series
of frames pitched at 21 inches

Fuel Efficiency

Sharklets improve fuel economy by
reducing drag from the air flow

around the wing tip
Cockpit
Fly-by-wire cockpit with advanced
electronic flight deck
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
(1)
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

13
A321-200 Customers
A321-200 continues to be an increasingly popular type
The
A321
series
is
operated
across
many
regions
with

3,271

(1)

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

(2)

as

of

September

30,

2017

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

A321-200ceo (In Service/On Order)

Breakdown by Geography

Airlines

of Aircraft

219

122

96

75

68

Lessors

of Aircraft

99

51

38

34

29

Top 5 Airline Operators

(2)

(In Service / On Order)

Top 5 Operating Lessors

(2)

(In Service / On Order)

Asia Pacific
33%
Europe
30%
North America
28%
Latin America
& Caribbean
5%
Middle East
3%
Africa
1%

14

A321-200 Aircraft Characteristics

Cockpit

Fly-by-wire cockpit with advanced
electronic flight deck

Engine

Equipped with V2533-A5

SelectTwo Engine Type

A321-200 aircraft

Fuselage

A321 has 13 frames more than A320

Fuel Efficiency

Sharklets improve fuel economy by reducing drag from the air flow around the wing tip

Cabin

High density layout allows seating to accommodate 218 passengers with push to 230 in newer configurations

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

Source: Airbus

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

Benchmark A320 Family's Largest Member

