



# ALLEGiant AND SUN COUNTRY AIRLINES TO COMBINE, CREATING A LEADING, MORE COMPETITIVE LEISURE-FOCUSED U.S. AIRLINE

News / Airlines



Allegiant and Sun Country Airlines announced a definitive merger agreement under which Allegiant will acquire Sun Country in a cash and stock transaction at an implied value of \$18.89 per Sun Country share. Sun Country shareholders will receive 0.1557 shares of Allegiant common stock and \$4.10 in cash for each Sun Country share owned, representing a premium of 19.8% over Sun Country's closing share price of \$15.77 on January 9, 2026, and 18.8% based on the 30-day volume-weighted average price. The transaction values Sun Country at approximately \$1.5 billion, inclusive of \$0.4 billion of Sun Country's net debt. Upon closing, Allegiant and Sun Country shareholders will own approximately 67% and 33%, respectively, of the combined company on a fully diluted basis.

The combination will create a leading leisure-focused U.S. airline, expanding service to more popular vacation destinations across the United States, as well as international destinations, and providing more people with access to affordable, convenient air travel. Allegiant and Sun Country are well positioned to create one of the most adaptable and resilient airline models in the industry, with the ability to respond quickly to changing market conditions, traveler demand, and charter and cargo partner needs. The combination of two financially strong leisure carriers in the U.S. will create benefits for customers, communities, employees, and partners by enhancing stability, expanding opportunities, and enabling continued investment and innovation.

Gregory C. Anderson, Allegiant CEO, commented: "This combination is an exciting next chapter in Allegiant and Sun Country's shared mission in providing affordable, reliable, and convenient service from underserved communities to premier leisure destinations. We have long admired Sun Country for their well-run, flexible, and diversified business model that optimizes for year-round utilization and strong margins. Together, our complementary networks will expand our reach to more vacation destinations including international locations. With our combined strengths—including operational excellence, consistent profitability, strong balance sheets, and fleet ownership, we will create an even more resilient and agile airline that delivers greater value to travelers, partners, Team Members, shareholders, and the communities we serve."

Jude Bricker, Sun Country President & CEO, stated: "Over Sun Country's 43-year history, we have grown to become one of the nation's most respected low-cost, leisure airlines with a unique business model for serving scheduled service and charter passengers as well as delivering cargo, with a strong brand and deep roots in Minnesota. Today marks an exciting next step in our history as we join Allegiant to create one of the leading leisure travel companies in the U.S. We are two customer-centric organizations, deeply committed to delivering affordable travel experiences without compromising on quality. Importantly, we believe this transaction delivers significant value to Sun Country shareholders and an opportunity to continue to benefit from our growth plans as a combined company."

## **A Shared Commitment to Affordable Leisure Travel for Our Combined 22 Million Annual Passengers**

Both Allegiant and Sun Country have built their businesses with a focus on connecting travelers to the places they love, with a commitment to value, convenience, and customer choice. The combined airline will offer:

- **Complementary footprint provides more destinations, more often:** The combination brings together complementary route networks across Allegiant's small and mid-sized localities and Sun Country's larger cities and will provide more than 650 routes, including 551 Allegiant routes and 105 Sun Country routes. This combination will connect MSP to Allegiant's mid-sized markets, and expand nonstop service to popular vacation spots, with a continued focus on underserved markets across the U.S. while expanding opportunities into international locations.
- **Expanded international service:** With access to Sun Country's vast international network across Mexico, Central America, Canada, and the Caribbean, the combined airline will offer Allegiant customers access to expanded service from its small and mid-sized cities to 18 international destinations.
- **Greater scheduling agility, improved reliability, and dynamic route planning enhance on-time performance:** Integrated scheduling and fleet management will enhance on-time

performance. The combined airline's flexible capacity will match demand during peak leisure travel seasons and days of the week, while leveraging year-round charter and cargo operations to maximize profitability. By rapidly adjusting and expanding passenger and charter routes to support emerging vacation trends and expertly matching demand trends, the combined company can better service underserved markets and meet charter and cargo customer demands.

- **Enhanced loyalty rewards program:** Expanded frequent flyer and membership benefits, combining the best of both airlines' programs. Adding Sun Country's more than 2 million members to Allegiant's 21 million member base further enhances the relevance of the combined program, driving greater customer rewards.

## Opportunities for Our Teams Flying Together

Allegiant and Sun Country share cultures rooted in respect, teamwork, and opportunity, where employees are empowered to grow their careers and contribute to a mission they believe in: connecting communities and helping travelers reach the places they love. As part of a leading leisure-focused airline, employees will have increased opportunities, including:

- **Career growth:** A larger network and fleet will create new roles, advancement opportunities, and cross-training possibilities across the combined airline.
- **Shared culture of service:** Both airlines' emphasis on safety, hospitality, and affordable leisure travel will remain central to training, operations, and customer care.
- **Seasonal stability:** In addition to expanded leisure travel opportunities, the combined airline's diversified operations, including Sun Country's long-term charter contracts and cargo partnerships, will create more year-round flying opportunities for pilots, crews, and operations personnel. This stability supports career growth, cross-training, and operational efficiency across the network.
- **Employee engagement:** Continued investment in programs that support professional development and recognition of team member contributions.

Allegiant and Sun Country will work closely with employees and their unions — including pilots, flight attendants, mechanics, ground staff, and dispatchers — to ensure a smooth and transparent integration process. Existing collective bargaining agreements will remain in effect, and the companies will follow all processes required under the Railway Labor Act. Both companies share a goal to support employees throughout the transition, creating a unified team for the future.

## Creating Outsized, Long-Term Value for Shareholders

The combination of Allegiant and Sun Country brings together two profitable airlines with strong balance sheets and is expected to deliver immediate and sustained value to shareholders of both companies through significant long-term growth potential and enhanced financial strength, including:

- **Synergy realization:** Allegiant expects to achieve \$140 million in annual synergies within three years following the closing and integration, primarily driven by the ability to provide more customers with more options across the combined network. Expected cost savings and revenue synergies are also expected from scale efficiencies, fleet optimization, and procurement.
- **EPS accretion:** Transaction expected to be accretive to earnings per share one year post closing, while enhancing long-term financial results.
- **Balance sheet flexibility and leverage:** The combined company expects Net Adjusted Debt<sup>[1]</sup> to EBITDAR of less than 3.0x at closing and to maintain balance sheet flexibility post-closing.
- **Diversified operations:** Sun Country remains a major narrow-body freighter operator in the U.S., with its multi-year agreement with Amazon Prime Air, as well as its charter contracts with casinos, Major League Soccer, collegiate sports teams, and the Department of Defense. With the addition of Allegiant's existing charter business, the combined airline will benefit from a further diversified business model that balances demand cycles, provides stable revenue streams, and maximizes aircraft and crew utilization.
- **Enhanced fleet optimization and leverage:** Owning and operating both Airbus and Boeing aircraft – with the ability to source additional aircraft from new and existing markets – will enable the company to deploy aircraft where they deliver the greatest operational and financial benefit. The combined airline will have the scale to more fully utilize Allegiant's 737 MAX fleet and order book, improving fuel efficiency and capacity. On closing, the combined airline will operate approximately 195 aircraft, with 30 on order and an additional 80 options.
- **Financial resilience through economic cycles:** The combined airline's diversified revenue streams, including its high ancillary revenues and long-term contracts in cargo and charter that are able to pass through fuel risk to the end customer, are expected to provide greater resilience through economic cycles.

## Leadership, Governance, and Footprint

Following close, Allegiant will continue to be the publicly held parent company and the combined company will continue under the Allegiant name. However, each airline will operate separately until the airline operations obtain a single operating certificate from the FAA which consolidates the airlines' operations, procedures, and safety protocols into one framework. There will be no immediate impact to ticketing, flight schedules, and travel experience, or the Sun Country brand, and customers can continue to book and fly with Allegiant and with Sun Country as they do today.

Upon closing, Allegiant CEO Gregory C. Anderson will serve as Chief Executive Officer of the combined company, and Robert Neal will serve as President and Chief Financial Officer. Sun Country President and CEO Jude Bricker will join the Board of Directors, alongside two additional Sun Country Board members, expanding the size of the Allegiant board to 11. Maury Gallagher, Chairman of the Board of Allegiant, will serve as Chairman of the Board of the combined company. Jude Bricker will serve as an advisor to Mr. Anderson to help ensure a smooth and successful integration.

The combined company will be headquartered in Las Vegas and will maintain a significant presence in Minneapolis-St. Paul where Sun Country is based.

### **Timing and Approvals**

The transaction has been unanimously approved by the boards of directors of both companies and is expected to close in the second half of 2026, subject to receipt of U.S. federal antitrust clearance and other required regulatory approvals, the approval of both companies' shareholders and other customary closing conditions.

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