



Hawaiian Holdings, Inc. (HA)

Investor Presentation (Second Quarter 2019)

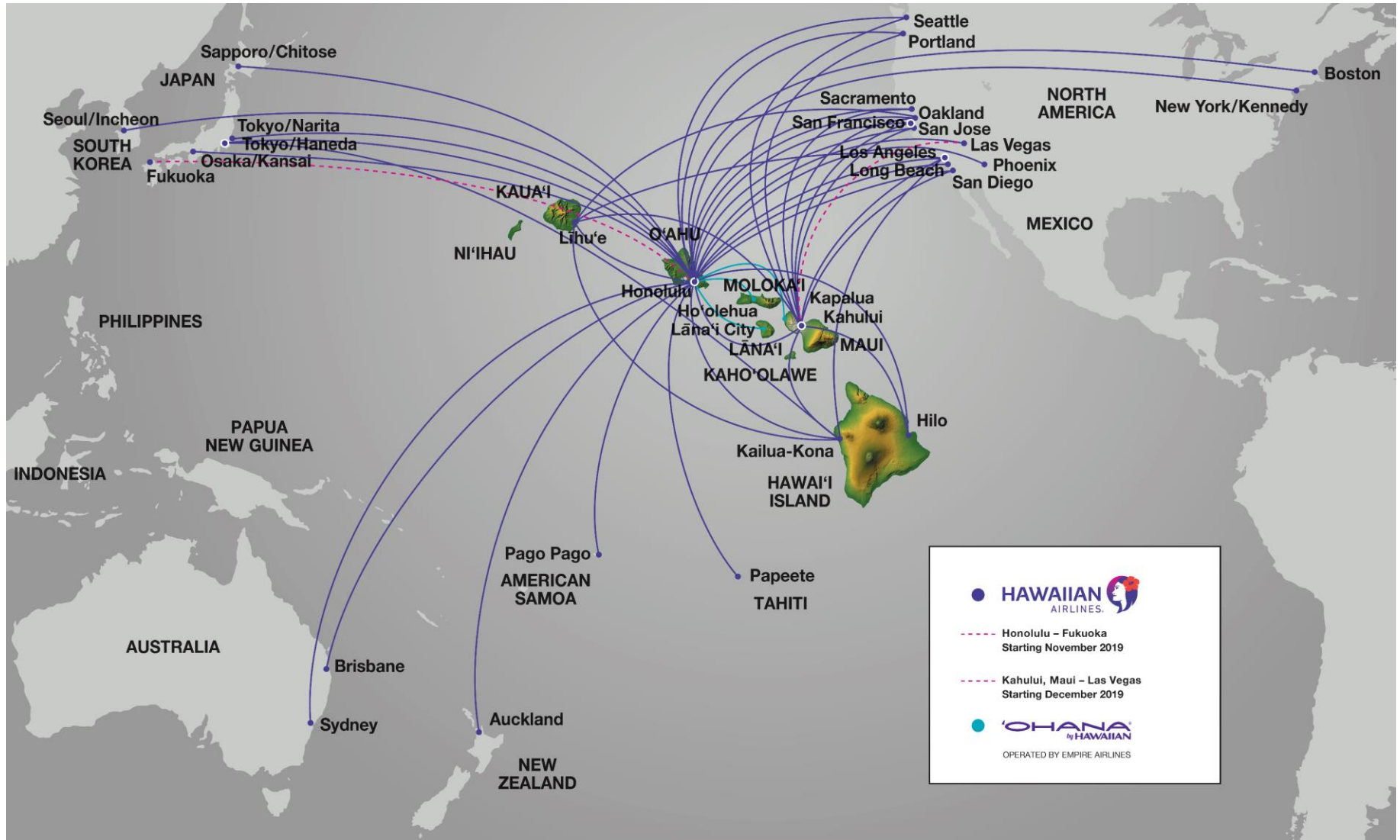


Forward-looking statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the current views of Hawaiian Holdings, Inc. (“the Company”) with respect to certain current and future events and financial performance and the Company’s continued ability to compete successfully. All statements other than statements of historical fact could be deemed forward-looking, including but not limited to statements with words such as “expects,” “anticipates,” “projects,” “intends,” “plans,” “believes,” “estimates,” variations of such words, and similar expressions. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and assumptions relating to the Company’s operations and business environment, all of which may cause the Company’s actual results to be materially different from any anticipated future results, expressed or implied, in these forward-looking statements. These risks, uncertainties, and assumptions that contribute to the uncertain nature of the forward-looking statements contained herein include, without limitation, the Company’s ability to accurately forecast quarterly and annual results; business plans and strategies of the Company; economic volatility; macroeconomic developments; political developments; geopolitical tensions; the price and availability of aircraft fuel; fluctuations in demand for transportation in the markets in which the Company operates, including due to the occurrence of natural disasters, such as hurricanes, earthquakes, and tsunamis; the Company’s dependence on tourist travel; labor negotiations and related developments; competitive pressures, including the potential impact of rising industry capacity between North America and Hawai’i and between the Hawaiian Islands; actions and perceived actions of our competitors; the Company’s ability to continue to generate sufficient cash flow to support the payment of a quarterly dividend; changes in the Company’s future capital needs; foreign currency exchange rate fluctuations; and the Company’s ability to implement its growth strategy.

The risks, uncertainties and assumptions referred to above that could cause the Company’s results to differ materially from the results expressed or implied by such forward-looking statements also include the risks, uncertainties and latest assumptions discussed from time to time in the Company’s other public filings and public announcements, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2018, and the Company’s Quarterly Reports on Form 10-Q, as well as other documents that may be filed by the Company from time to time with the Securities and Exchange Commission. All forward-looking statements included in this document are based on information available to the Company on the date hereof. The Company does not undertake to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date hereof, even if experience or future changes make it clear that any projected results expressed or implied herein will not be realized.

Our mission is connecting the world to Hawai‘i



We have a track record of strong, profitable growth

\$2.8B

**Total Operating Revenue
(2018)**

record annual result

3.5x

**Adjusted Pre-Tax Margin¹
expansion (2013 – 2018)**

vs. 1.4x US peer average²

44%

**Adjusted EPS CAGR¹
(2013 – 2018)**

vs. 18% US peer average²

\$3.2B

**Total Assets
(2018)**

vs. \$2.2B as of year end 2013

2.4x

**Adjusted Debt/EBITDAR
(Leverage Ratio)¹ (2018)**

vs. 4.9x for the full year 2013

19%

**Pre-Tax Return on Invested
Capital (ROIC)¹ (2018)**

vs. 13% for the full year 2013

¹ Non-GAAP financial measure. See appendix for reconciliation to the most comparable GAAP financial metric.

² US peers include AAL, ALGT, ALK, DAL, JBLU, LUV, SAVE, and UAL

Our advantages in serving Hawai'i are undeniable



We have a **brand rooted in Hawai'i** that resonates with our guests



We have the **optimal fleet** for each of our missions



We have a **strong and balanced network** with growth potential



We have **tailored our products** to the needs of the Hawai'i traveler

We deliver authentic Hawaiian hospitality...



We make travel effortless

Your vacation starts the moment you meet us



We practice ho'okipa

Hawaiian for 'hospitality,' we treat each guest as we would a guest in our own home



We are Hawai'i

With most of our more than 7,300 employees born and raised in the islands, our culture is not easily replicated

...and an unparalleled level of service to Hawai'i



On-time performance leader for 15 years

2004 – 2018



Best Domestic Airlines

2015 – 2018



Best U.S. Airlines

2011 – 2017



Best Leisure Airline

2014 – 2018

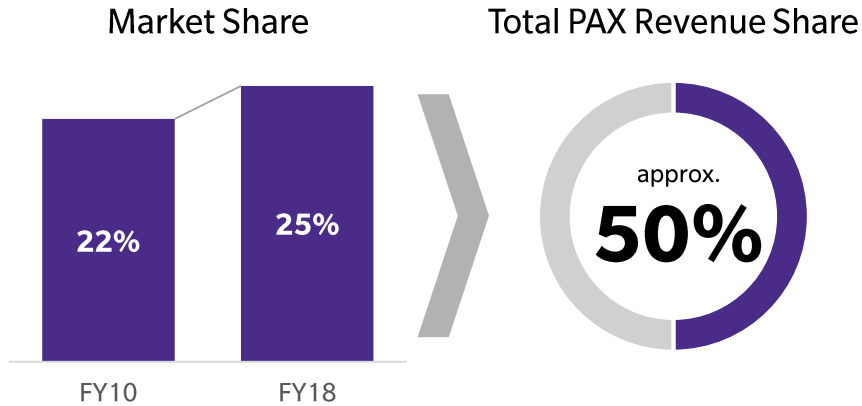


Best Regional Airline, Business and Economy Class

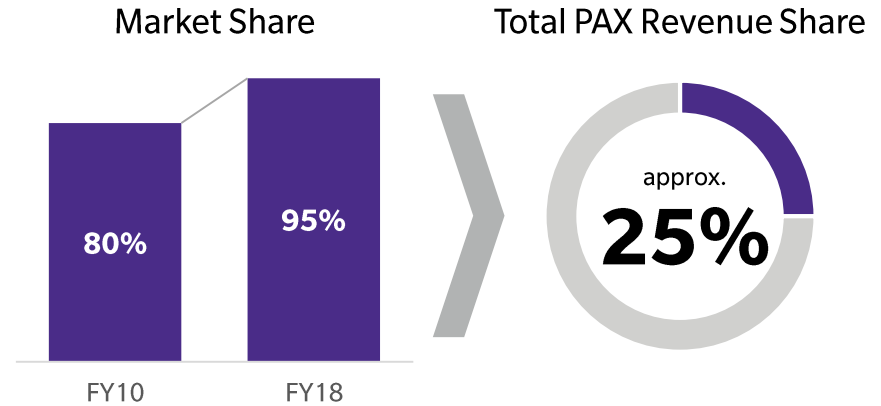
2018

We have a diversified network with room to grow

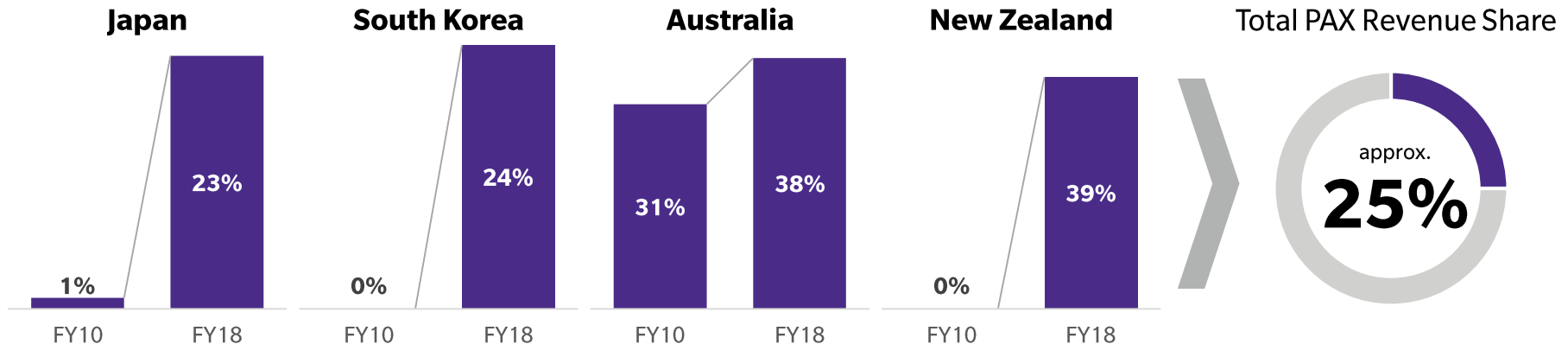
North America



Neighbor Islands (flights within the State of Hawai'i)



International (Market Share by Geography)

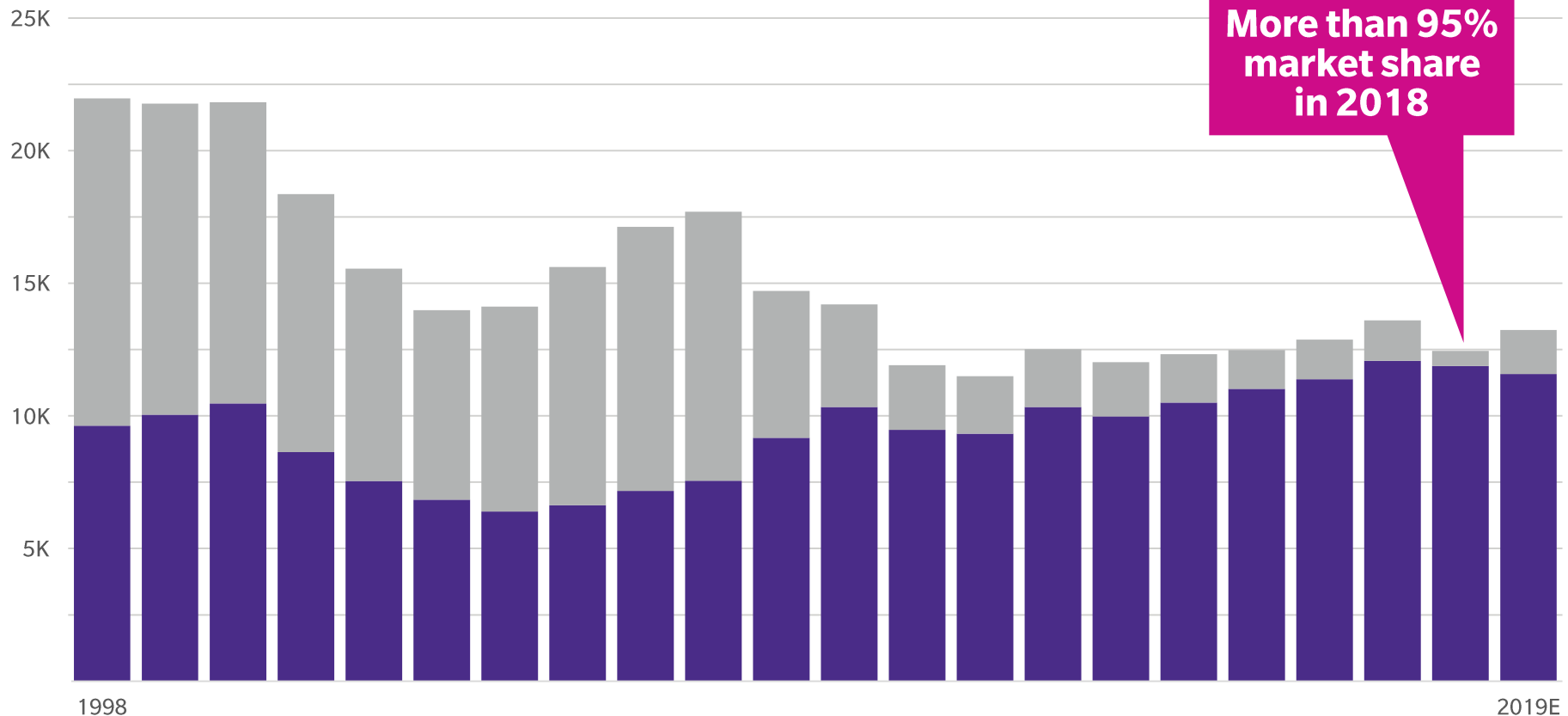


Note: Market share measured as percentage of daily seats between markets and Hawai'i. International PAX Revenue Share also includes revenue from markets in China, American Samoa, and Tahiti
 Source: T100 flown seats; Total PAX Revenue Share based on approximate average from FY10 – FY18, as reported

We have a strong position in the Neighbor Islands

Daily seats between the Neighbor Islands (within the State of Hawai'i)

■ HA ■ Industry ex-HA

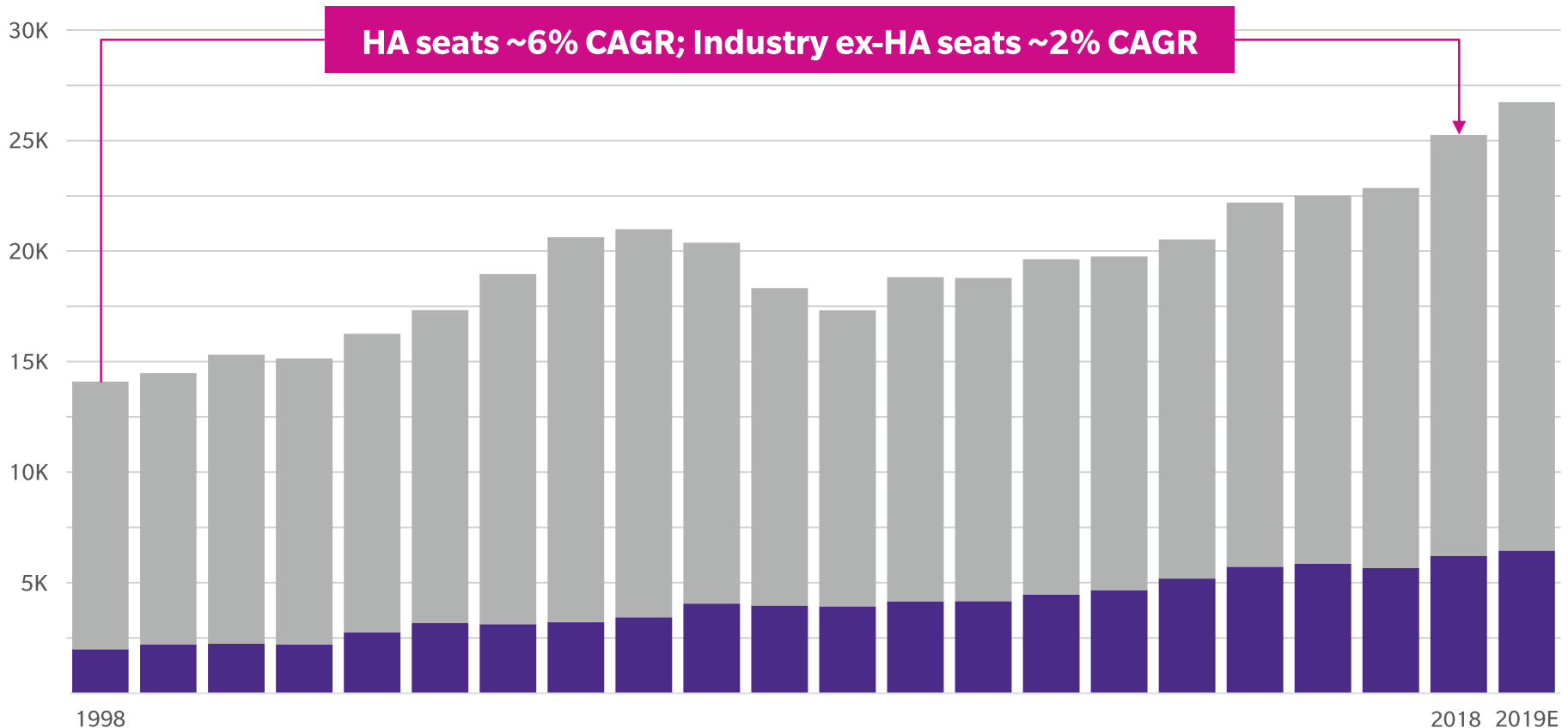


Note: Industry ex-HA includes Aloha Airlines (1998-2008), go! (2006-2014), Island Air (2002-2017), Southwest Airlines (beginning 2019) and other carriers; excl. 'Ohana by Hawaiian
Sources: T100 flown seats through April 2019; Innovata from May – December 2019

We have outpaced the competition in North America...

Daily seats between North America and Hawai'i

■ HA ■ Industry ex-HA



Note: Industry ex-HA includes Alaska Airlines, American Airlines, ATA (1998-2008), Delta Airlines, Southwest Airlines, United Airlines, and other carriers
Sources: T100 flown seats through April 2019; Innovata from May – December 2019

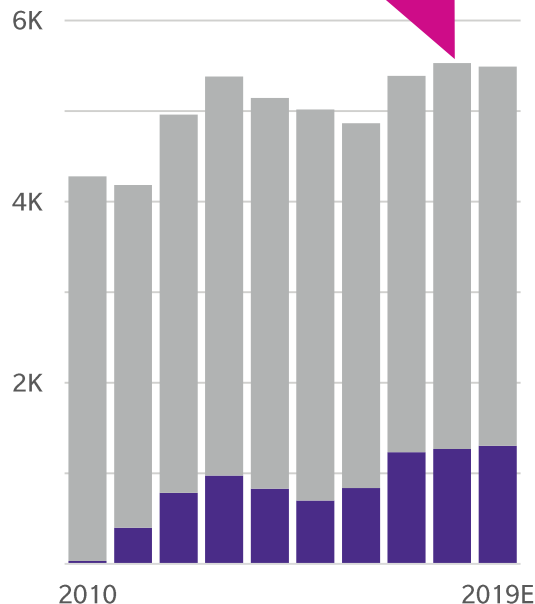
...and are well-positioned in key international markets

Daily seats between Hawai'i and...

...Japan

■ HA ■ Industry ex-HA

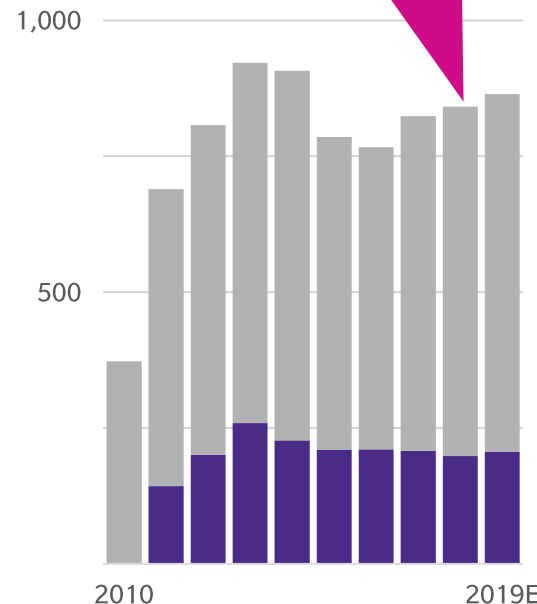
Approx. 23%
market share
in 2018



...South Korea

■ HA ■ Industry ex-HA

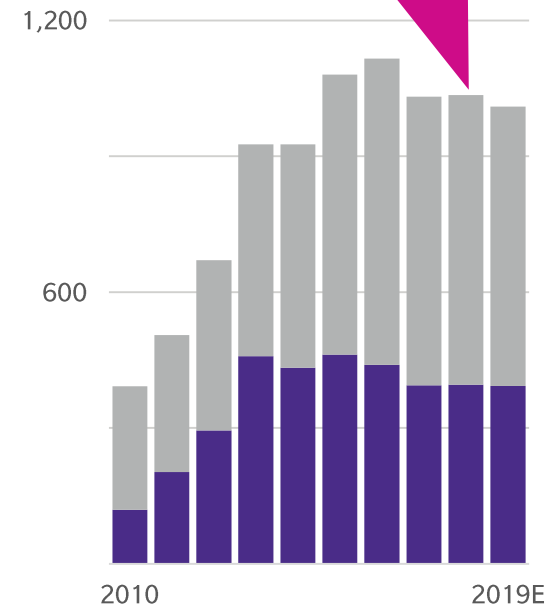
Approx. 24%
market share
in 2018



...Australia

■ HA ■ Industry ex-HA

Approx. 38%
market share
in 2018

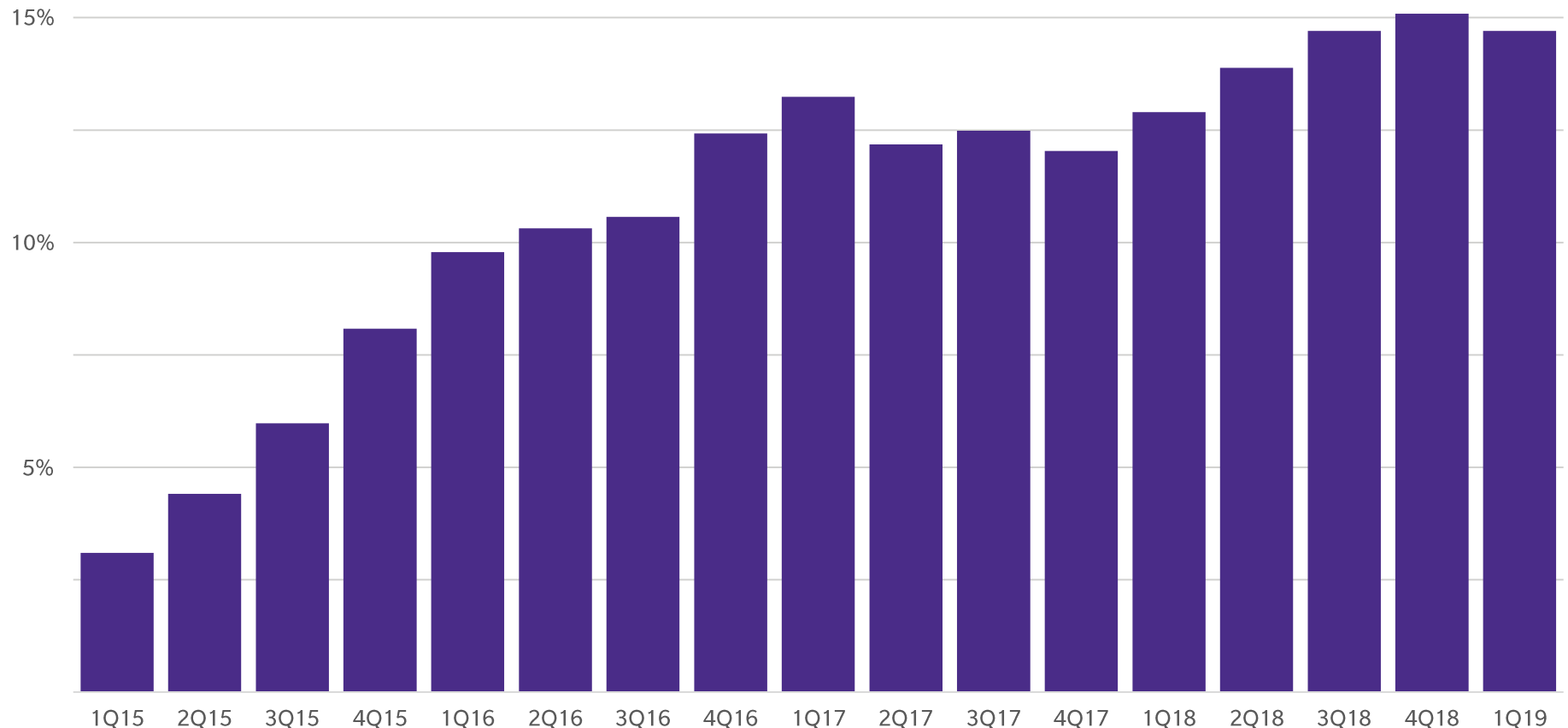


Note: Industry ex-HA includes ...

Sources: T100 flown seats through April 2019; Innovata from May – December 2019

We generate a revenue premium off the West Coast...

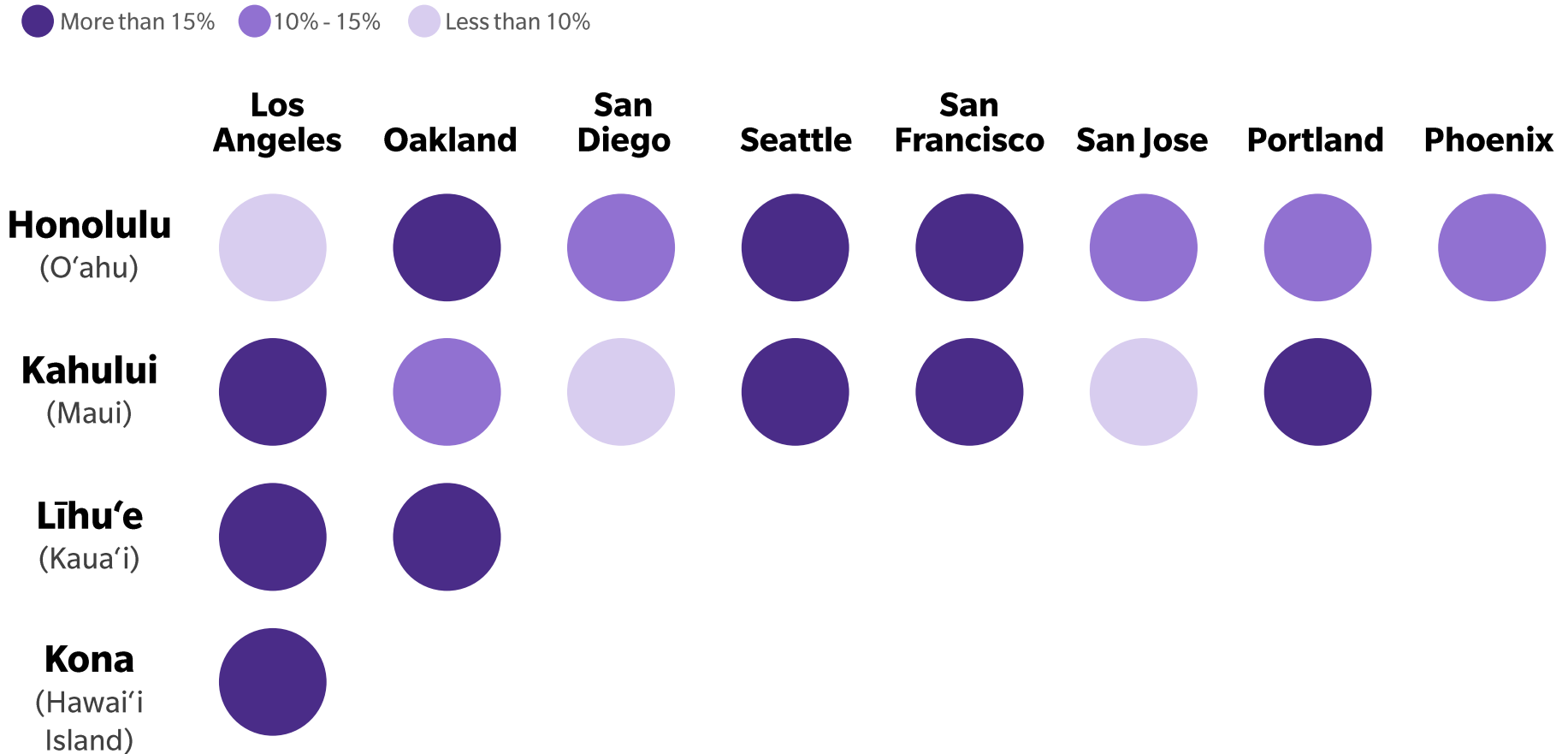
US West Coast-to-Hawai'i PRASM Premium (LTM)



Sources: DB1B, T100, Diio Airline Performance Report, and Hawaiian Airlines analysis

...by outperforming the competition in key markets

Route-specific passenger unit revenue (PRASM) premium (1Q19 LTM)



Sources: DB1B, T100, Diio Airline Performance Report, and Hawaiian Airlines analysis

Optimizing our West Coast service with A321neos

New service

A321neos allow for new service to mid-sized markets that previously were not accessible with larger gauge aircraft

Extended service

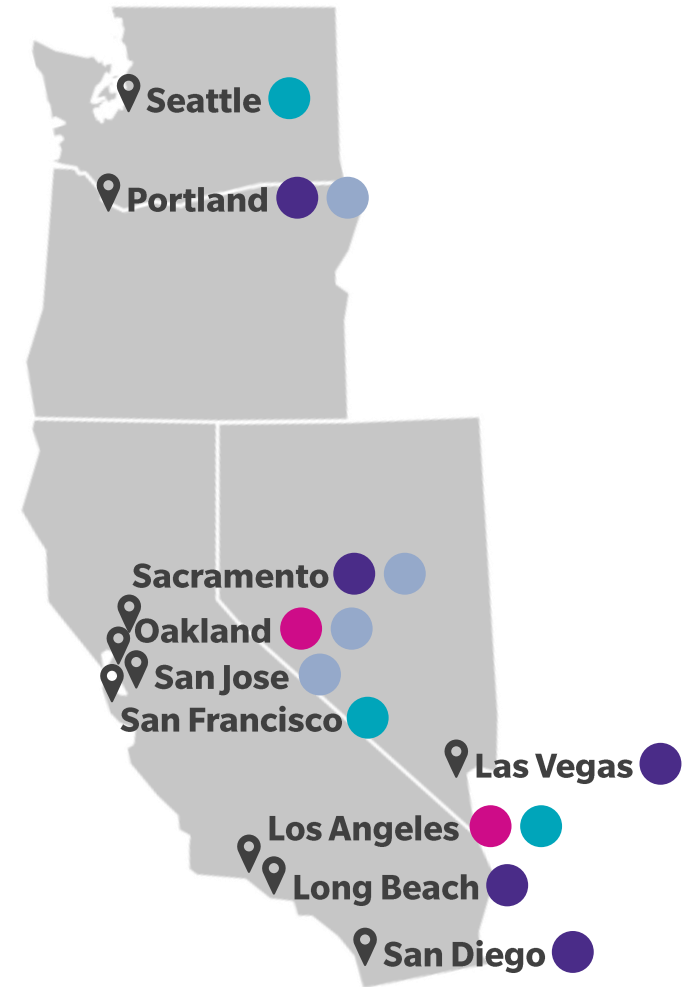
A321neos allow seasonal service to be extended to year-round service to meet market demand

Expanded service

A321neos complement widebody service to large markets based on seasonal and year-round demand

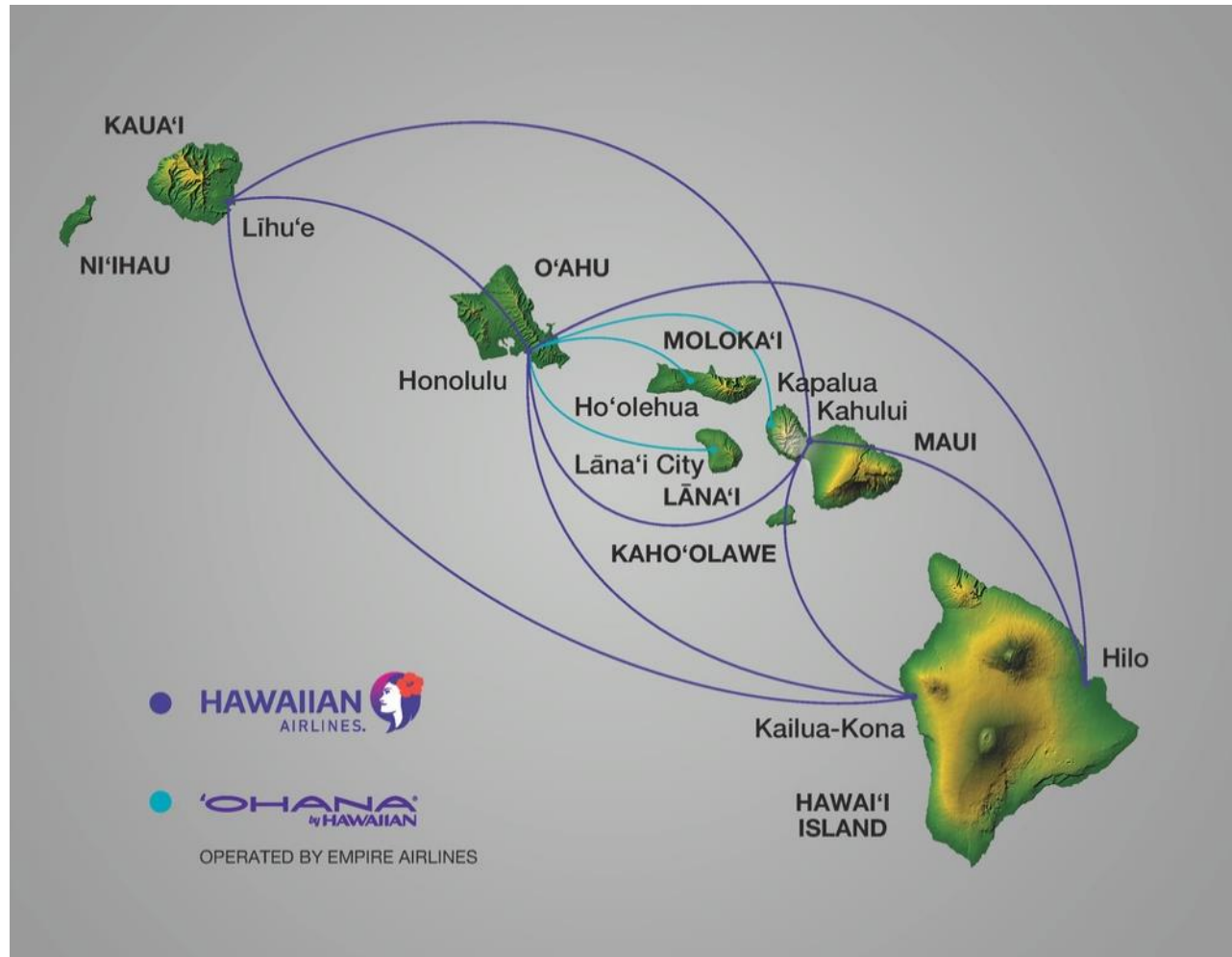
Optimized service

A321neos allow for more efficient service where prior widebody service was sub-optimal



Note: A321neo routes announced as of 12 August 2019

Our Neighbor Island network is a unique asset



more **than 70%**
local traffic

160
total flights daily between
the Hawaiian Islands ¹

27
average round-trips daily
between Honolulu and Maui ¹

every **5 mins.**
HA flight departing, on
average, between the islands ²

¹ Based on published schedules as of 31 March 2019 for travel in July 2019

² Based on published schedules as of 31 March 2019, for travel in July 2019 for departures/arrivals between 7am HT and 7pm HT

Our JAL partnership unlocks new opportunities...

Phase 1A: Codeshare **Expanded Reach**



JAPAN AIRLINES

Completed March 2018

Phase 1B: JALPAK **New Distribution**



Completed April 2018

Phase 2: Joint Venture **One Vision**



Schedule
Optimization



Product
Enhancement



Network
Expansion

**ATI anticipated by the
end of 3Q19**

ATI = Anti-trust immunity

...and deepens our reach into Asia

New destinations

Opportunity to open **34 new online destinations** between Hawai'i and Japan, Guam, Hong Kong, Indonesia, Vietnam, and Taiwan

34
markets

Connecting markets

Opportunity to create **72 single-connection markets** between Hawai'i and Japan, Guam, Hong Kong, Indonesia, Vietnam, Singapore, Taiwan, and Thailand

72
markets

Unserved markets

Opportunity to create service to **31 single-connection markets** between Hawai'i and Japan, South Korea, and Taipei that are **not served by any one airline today**

31
markets

Illustrative of destination and market growth opportunities under a joint venture, which is pending approval of anti-trust immunization from US and Japan governments

Our aircraft are optimized for each mission

	Airbus A330-200	Airbus A321neo	Boeing 717-200	ATR 42-500⁴	ATR 72-200⁴	Boeing 787-9
Fleet size¹	24	13	20	4	3	Flagship wide-body aircraft of the next decade Firm order: 10 aircraft Purchase rights: 10 additional aircraft First delivery expected in 1Q 2021
<i>Owned</i>	12	11	15	4	3	
<i>Leased</i>	12	2	5	-	-	
Primary market(s)	Large and long-haul domestic markets International markets	Mid-sized US West Coast markets	Neighbor Islands	Small-market Neighbor Islands	Neighbor Island cargo-service only	
Average Age²	5.5 years	0.5 years	16.7 years	15.7 years	25.4 years	
Seats	278	189	128	48	Not available (freight only)	
<i>Premium Cabin</i>	18	16	8	-		
<i>Extra Comfort³</i>	68	44	17	-		
<i>Main Cabin</i>	192	129	103	48		

¹ Fleet size and ownership as of 30 June 2019

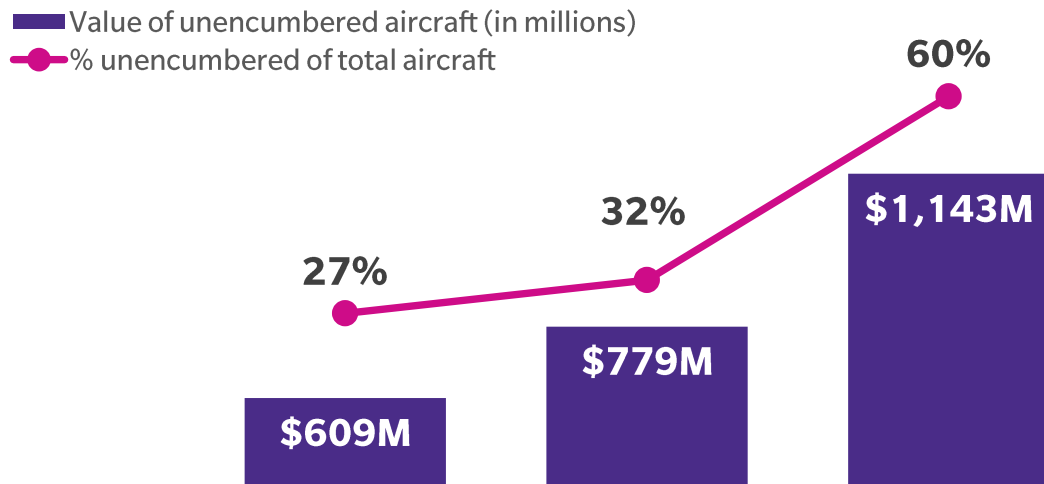
² Simple average age as of 31 December 2018

³ Marketed as Preferred Seats on 717-200s

⁴ Operated by Empire Airlines dba 'Ohana by Hawaiian

We have a fleet of readily financeable assets

Market value of unencumbered aircraft



Aircraft	FY17	FY18	FY19E ¹
A330-200	7	6	6
A321neo	2	7	13
767-300	1	1	-
717-200	-	-	15
ATR (42/72)	6	7	7
Total	16	21	41
Unencumbered			
Total Fleet	60	66	68

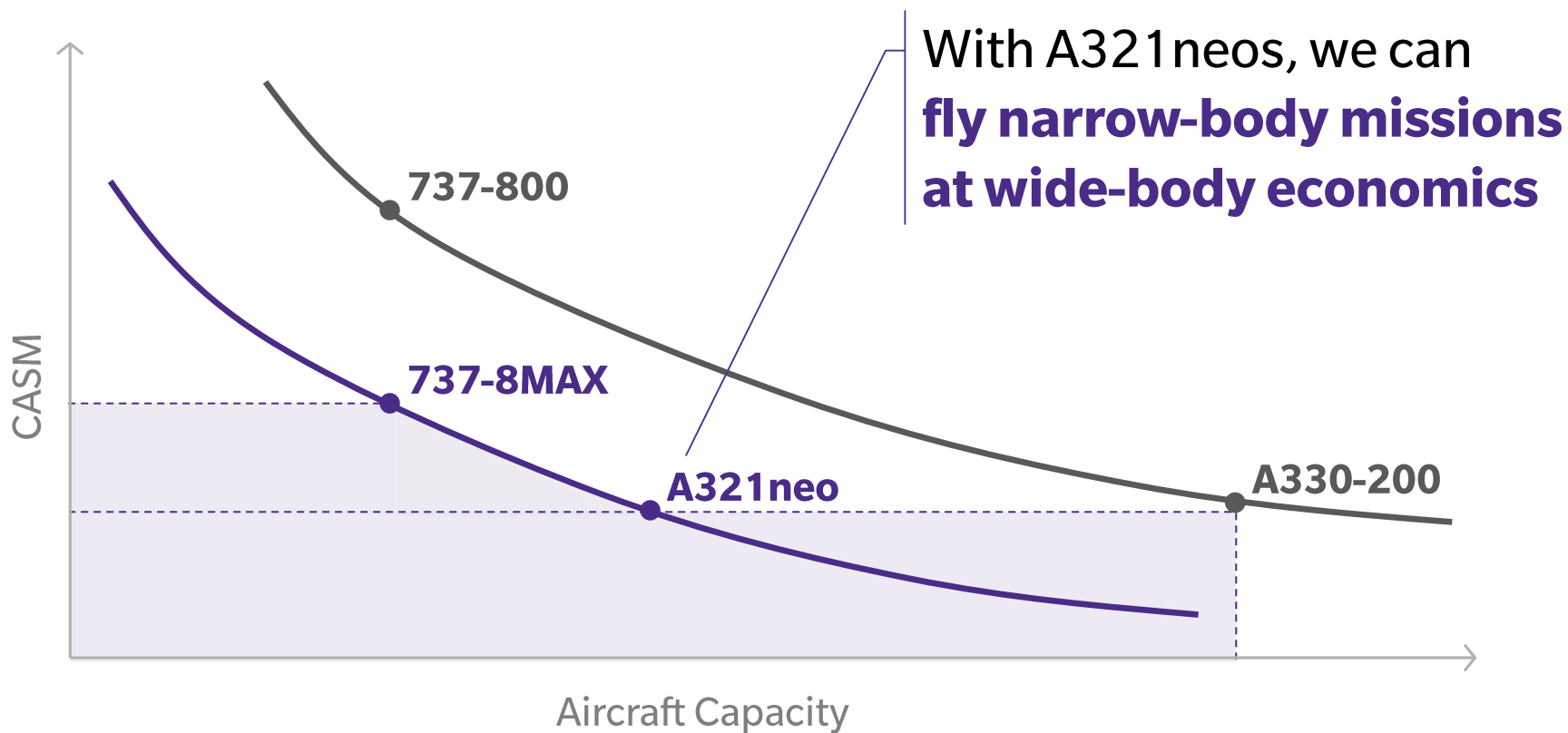
- » **Unencumbered assets can be leveraged** when opportunities arise
- » **Unencumbered fleet grows significantly** from 2017-2019
- » **Highly competitive financing environment** presents opportunities for HA

¹ Estimated as of 31 July 2019

A321neos enhance our competitive advantages

Unit cost curve per aircraft type

● Narrowbody aircraft ● Widebody aircraft



Note: Illustrative cost curves assume fuel price at \$2.05 per gallon. Includes variable and ownership costs.
Source: Based on Form41 data and Hawaiian Airlines analysis, 1 December 2018

Our products are tailored to the Hawai'i traveler



Premium Cabin

Highest level of comfort with full lie-flat seats in A330-200s



Extra Comfort

More legroom, priority services and additional amenities



Main Cabin

Genuine Hawaiian hospitality with complimentary meals ¹



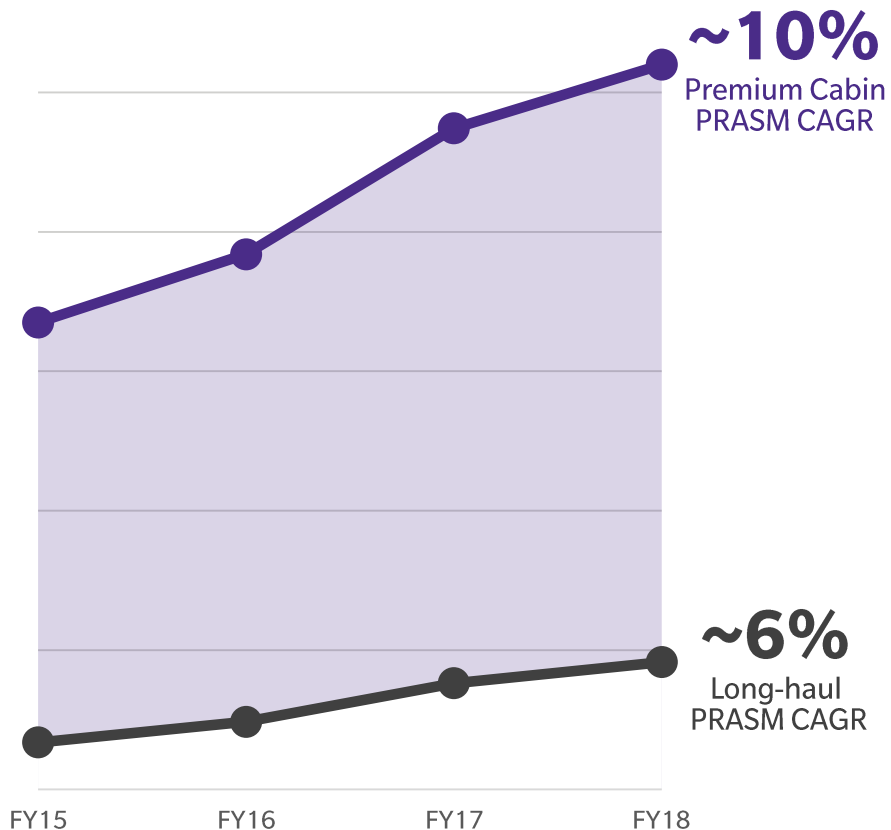
Main Cabin Basic

Main Cabin experience with certain restrictions and amenities

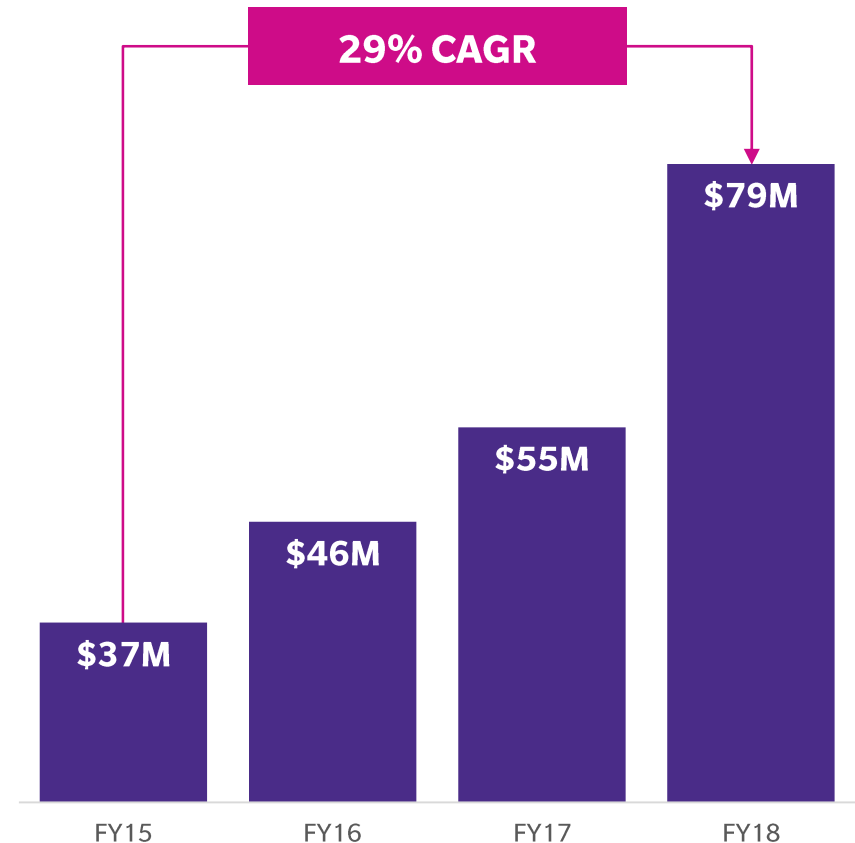
¹ Complimentary meals on North America and International flights

Premium products are delivering strong revenue gains

Premium Cabin vs. long-haul passenger unit revenue (PRASM)













Extra Comfort seat revenue



Main Cabin Basic expands our segment offerings

Main Cabin Basic vs. existing Basic Economy products to Hawai'i

	 HAWAIIAN AIRLINES. Main Cabin Basic	 Saver Fare	 Basic Economy	 Basic Economy	 Basic Economy
 Ticketing	No changes, refunds, or upgrades	No changes, refunds, or upgrades	No changes, refunds, or upgrades	No changes, refunds, or upgrades	No changes, refunds, or upgrades
 Seating	Assigned at or after check-in	Most assigned at or after check-in	Assigned at or after check-in	Assigned at or after check-in	Assigned at or after check-in
 Boarding	Last boarding group	Last boarding group	Last boarding group	Last boarding group	Last boarding group
 Luggage	Complimentary carry-on	Complimentary carry-on	Complimentary carry-on	Complimentary carry-on	Fee for carry-on luggage
 Award miles	Based on miles flown	Based on miles flown	Based on ticket price; limitations for Elites	Based on ticket price	Based on ticket price; limitations for Elites

Source: Company websites as of 23 September 2019; product features for Domestic fare products only

Appendix

- Non-GAAP Reconciliations
- Route Maps

APPENDIX

Non-GAAP Reconciliations: Adjusted Net Income

Amounts in thousands of dollars, except per share data	FY13		FY18	
	Total	Diluted per share	Total	Diluted per share
Net income, as reported	51,854	0.98	233,200	4.62
Add (deduct): changes in fair value of derivative contracts	(8,684)	(0.17)	19,973	0.39
Add: unrealized loss on foreign debt	-	-	380	0.01
Add: loss on sale of aircraft	-	-	309	0.01
Add: contract terminations expense	-	-	35,322	0.70
Deduct: tax effect of adjustments	3,474	0.07	(14,365)	(0.29)
Adjusted net income	46,644	0.88	274,819	5.44

APPENDIX

Non-GAAP Reconciliations: Adjusted Pre-Tax Margin

Amounts in thousands of dollars, except percentages		FY13	FY18
Income before income taxes, as reported		86,410	301,158
Add (deduct): changes in fair value of derivative contracts		(8,684)	19,973
Add: unrealized loss on foreign debt		-	380
Add: loss on sale of aircraft		-	309
Add: contract terminations expense		-	35,322
Adjusted income before income taxes		77,726	357,142
Operating revenue		2,155,865	2,837,411

	FY13	FY18
Pre-tax margin, as reported	4.0%	10.6%
Add (deduct): changes in fair value of derivative contracts	(0.4%)	0.7%
Add: unrealized loss on foreign debt	-	0.0%
Add: loss on sale of aircraft	-	0.0%
Add: contract terminations expense	-	1.3%
Adjusted pre-tax margin	3.6%	12.6%

APPENDIX

Non-GAAP Reconciliations: Leverage

Amounts in thousands of dollars, except Leverage ratio	FY13	FY18
Debt and capital lease obligations	806,473	709,781
Plus: aircraft leases capitalized at 7x last 12 months' aircraft rent	759,738	881,727
Adjusted debt and capital lease obligations	1,566,211	1,591,508
EBITDAR		
Income before income taxes	86,410	301,158
Add: interest and amortization of debt expense	50,453	33,001
Add: depreciation and amortization	83,050	139,866
Add: aircraft rent	108,534	125,961
EBITDAR	328,477	599,986
Adjustments		
Add: changes in fair value of derivative contracts	(8,684)	19,973
Add: unrealized loss on foreign debt	-	380
Add: loss on sale of aircraft	-	309
Add: contract terminations expense	-	35,322
Adjusted EBITDAR	319,763	655,970
Leverage ratio	4.9x	2.4x

APPENDIX

Non-GAAP Reconciliations: Return on Invested Capital¹

Amounts in thousands of dollars, except percentages	FY13	FY18
Operating income ²	133,747	314,368
Add: one-time charges	-	35,322
Operating income less one-time charges	133,747	349,690
Add: aircraft rent expense for operating leases	108,534	125,961
Add: depreciation for operating lease ³	(27,351)	(31,742)
Add: return on invested cash	323	426
Adjusted operating income	215,253	444,335
After-tax adjusted operating income	129,131	333,250
Average total debt and capital leases	735,676	651,874
Common equity	302,141	910,931
Average capitalized operating leases ⁴	759,747	881,734
Remove average excess cash	(122,710)	(144,334)
Average invested capital	1,674,855	2,300,205
Pre-tax ROIC	12.9%	19.3%
After-tax ROIC	7.7%	14.5%

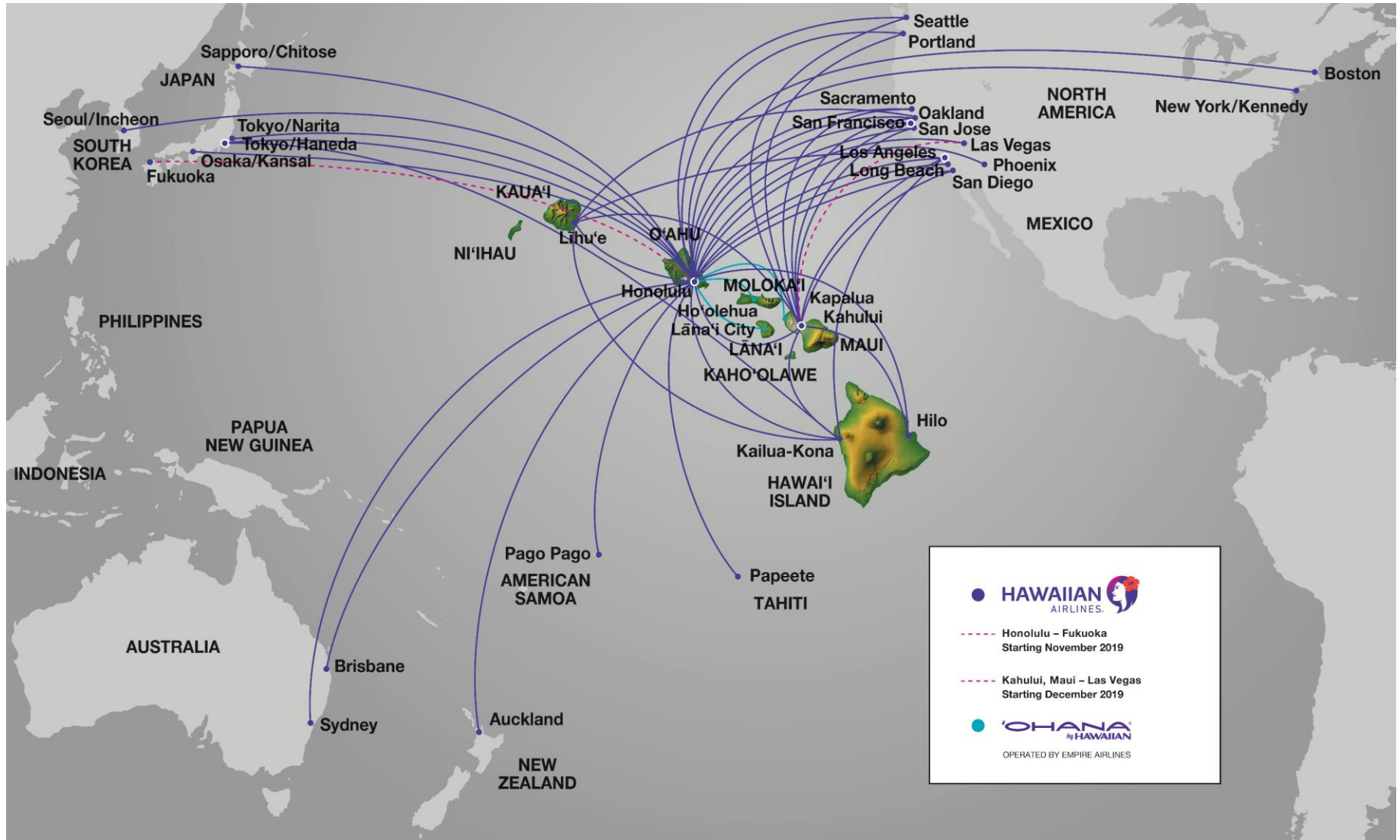
¹ All unrestricted cash removed from invested capital, except for working capital required to operate the business, defined as unrestricted cash equal to 15% of LTM total revenue.

² ASU 2017-07 adopted in 1Q 2017 is applied to 2016 and 2017 calculations. Prior periods have not been recalculated from what has been previously disclosed.

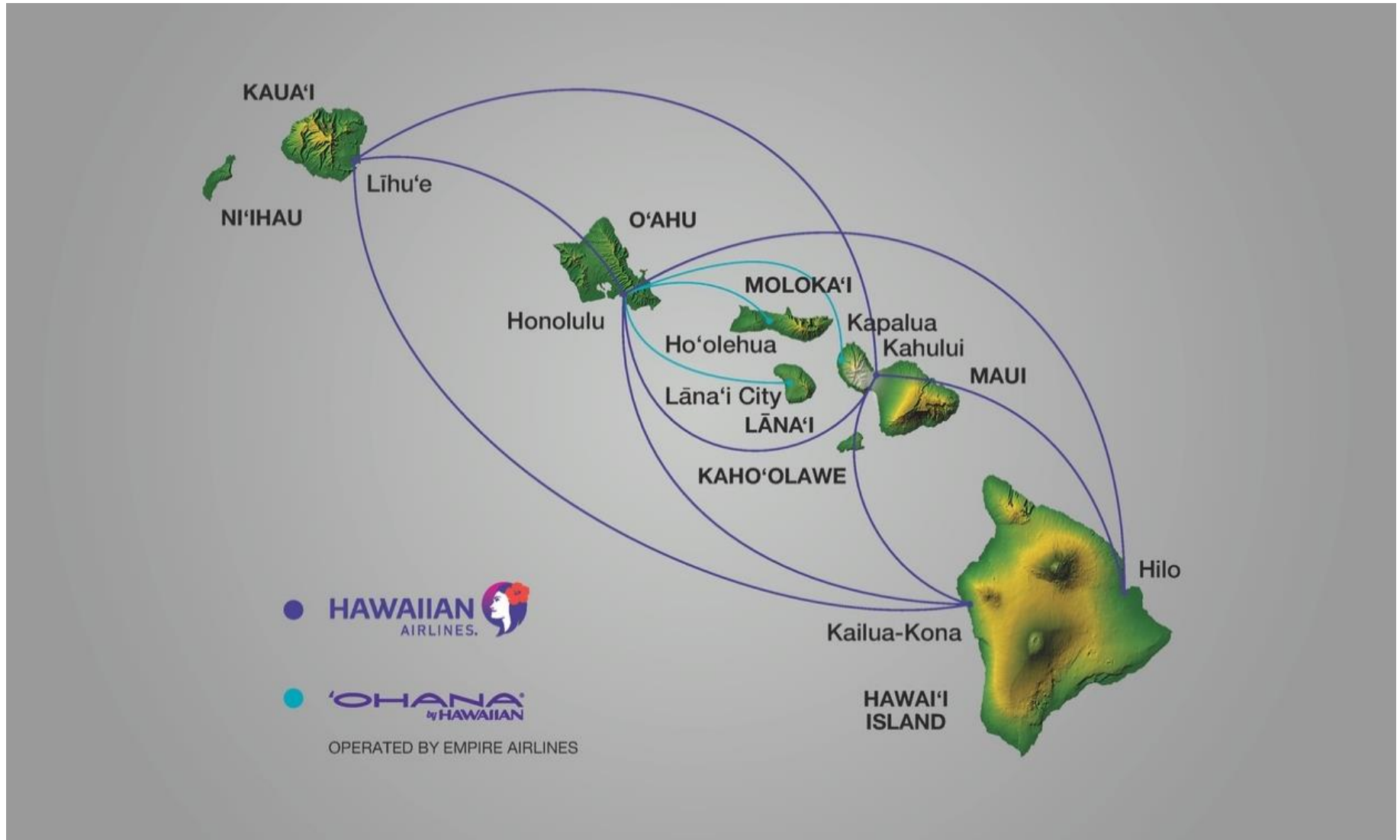
³ Assumes 25 years useful life of aircraft and 10% salvage value.

⁴ Average capitalized operating leases equals LTM rent multiplied by 7.

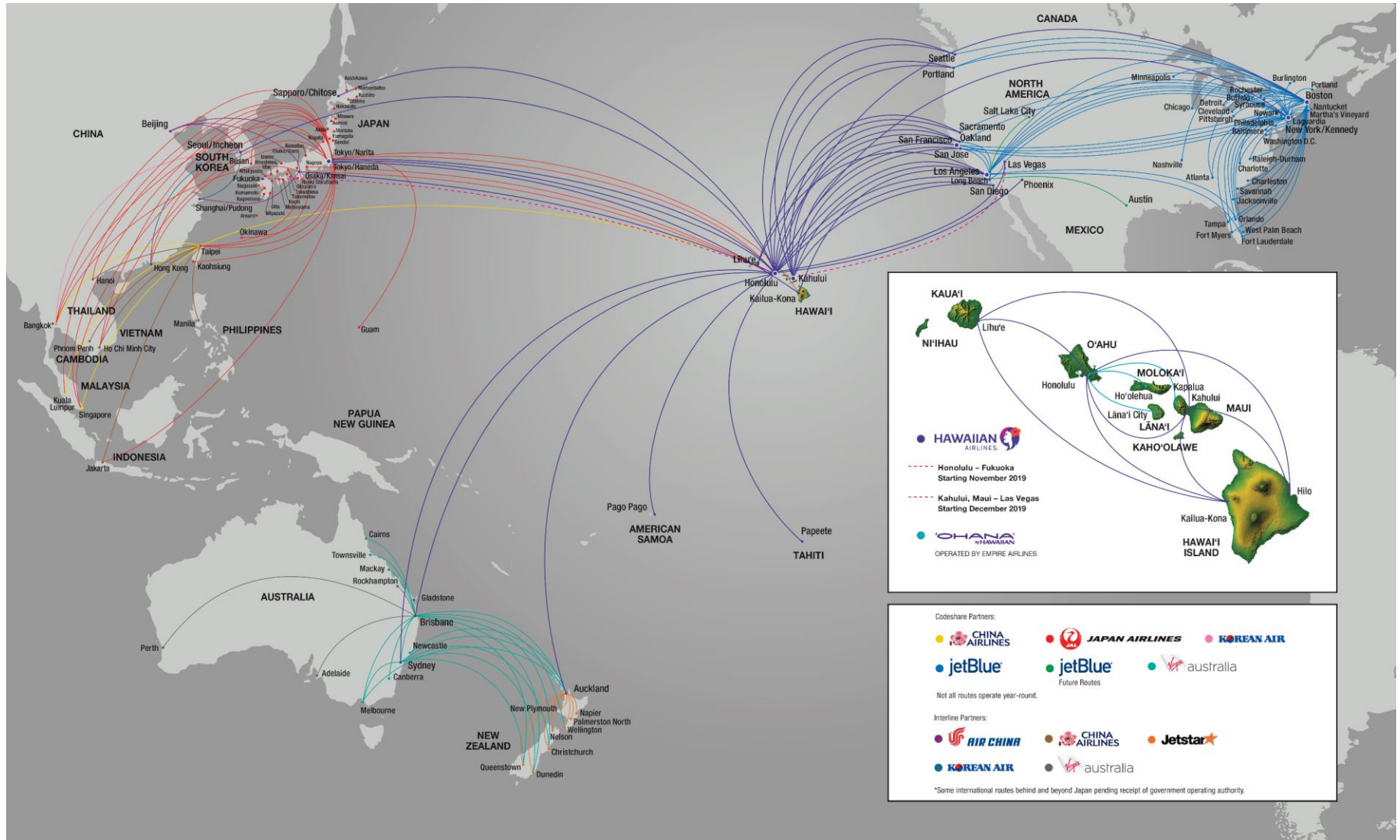
Worldwide Route Map



Neighbor Island Route Map



Codeshare Route Map



HAWAIIAN
AIRLINES®

