INVESTOR DAY 2017

December 6th 2017

TSE: WJA

Agenda

1	Introduction	8:30 – 8:40am
	Hugh Harley Director, Investor Relations	
2	Evolving our airline into a global player	8:40 – 9:00am
	Gregg Saretsky, President & CEO	
3	Diversified, sustainable revenue growth	9:00 – 9:45am
	Ed Sims EVP, Commercial	
4	Swoop business strategy	9:45 – 10:15am
	Bob Cummings EVP, Strategy	
	Break – 10:15 – 10:45am	
5	Creating shareholder value	10:45 – 11:15am
	Harry Taylor EVP, Finance & CFO	
6	Closing remarks	11:15 – 11:20am
	Gregg Saretsky, President & CEO	
7	Q&A	11:20 – 12:00pm
	Lunch & Networking – 12:00 – 1:00pm	
8	Tours	1:00 – 2:30pm

Caution regarding forward-looking information

This presentation contains forward-looking information, as defined under applicable securities legislation, including without limitation, relating to the following: our expectations regarding the timing and impact of introducing new, and building upon existing, aircraft, destinations, technologies and initiatives; our expectations regarding expansion into new markets and our ability to create demand in those markets; our expectations regarding the success of our competitive strategy; our expectations regarding the launch and impact of our ultra-low-cost carrier; our expectations regarding the operation and impact of our capacity purchase agreement; our expectations regarding the consummation and impact of the joint venture; our expectations regarding our airline and strategic partnerships; our expectations regarding our fleet and ownership mix; our expectations regarding aircraft deliveries; our expectations regarding our ability to address the needs of employees; our expectations regarding future acquisitions, dispositions and option exercises; our expectations regarding the future need for and opening of new facilities and infrastructure; our expectations regarding long term financial and performance targets; our dividend policies; our ability to repurchase outstanding shares; or ability to continue to our expectations regarding our internal control over financial reporting and ability to maintain compliance with accounting standards, and the adoption of new accounting standards; our expectations regarding financial and operating performance; our expectations regarding our credit ratings and our ability to access financing; our expectations regarding fuel prices and our hedging strategy; our expectations regarding the strengthening economy in Alberta and the value of the Canadian dollar; our expectations regarding the receipt of governmental certifications and the absence of material adverse regulatory changes; and our expectations regarding the outcome and impact of ongoing legal proceedings. You are cautioned that our expectations, estimates, projections and assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking information.

With respect to forward-looking information contained in this presentation, we have made certain key assumptions based on: the terms of agreements we have entered into including agreements with respect to future aircraft acquisitions and dispositions, leasing and with our airline and strategic partners; our ability to execute on our strategic plans and initiatives; existing delivery, maintenance and configuration plans and schedules; our assessment of labour and infrastructure requirements; our forecasts and budgets concerning financial performance and capital expenditures; our assessment of the markets in which we operate or plan to operate; our expectation that we will maintain investment grade corporate debt credit ratings; our ability to repay existing debt as scheduled; our assessment of the economic environment in Canada, foreign exchange rates and fuel prices; our discussions with governmental agencies and contractual counterparties; current legislation and expectations regarding legislative changes; and our assessment of legal proceedings.

Any forward-looking information included in this presentation is subject to and should be read in conjunction with the cautionary statements in our Annual Information Form dated March 15, 2017, and filed on SEDAR on March 22, 2017, Management Information Circular dated March 20, 2017 in connection with the annual meeting of shareholders held on May 2, 2017, and filed on SEDAR on March 31, 2017, Management's Discussion and Analysis of Financial Condition and Operating Results for the years ended December 31, 2016 and 2015, and filed on SEDAR on February 7, 2017 ("Annual MD&A") and Management's Discussion and Analysis of Financial Condition and Operating Results for the three and nine months ended September 30, 2017 and 2016, and filed on SEDAR on October 31, 2017 ("Interim MD&A"), as applicable. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information. We can give no assurance that any of the events anticipated will transpire or occur, or if any of them do, what benefits or costs we will derive from them. By its nature, forward-looking information is subject to numerous risks and uncertainties, including, but not limited to, the impact of general economic conditions, changing domestic and international industry conditions, volatility of fuel prices, maintenance and operating costs, dependence on key markets, airports, partnerships and suppliers, loss of contracts or adverse changes to existing agreements, failure of critical systems, privacy and security of guest information, terrorism, safety incidents, currency fluctuations, interest rates, competition from other industry participants (including new entrants and more generally in regards to capacity fluctuations and the pricing environment), adverse changes to our corporate culture, internal and third-party labor matters, government regulation, stock-market volatility, weather conditions, pandemics, political or economic instability in emerging international markets, the ability to access sufficient capital from internal and external sources, the ability to service financial obligations, the risks set out under the heading "Risks and Uncertainties" in our Annual MD&A and other documents we file from time to time with securities regulatory authorities, which are available on SEDAR or, upon request, without charge from us.

The forward-looking information contained in this presentation is expressly qualified by this cautionary statement. Our assumptions relating to the forward-looking information referred to above are updated annually and, except as required by law, we do not undertake to update any other forward-looking information.
Note: All references to dollars contained in the presentation refer to Canadian Dollars (CAD), unless otherwise noted

Non-GAAP and additional GAAP measures

This presentation contains disclosure respecting non-GAAP financial measures including, without limitation, return on invested capital (ROIC); cash to twelve month revenue; and adjusted net debt to earnings before interest, taxes, depreciation, aircraft rent and other items (EBITDAR). These measures are included to enhance the overall understanding of WestJet's financial performance and to provide an alternative method for assessing WestJet's operating results in a manner that is focused on the performance of WestJet's ongoing operations, and to provide a more consistent basis for comparison between reporting periods. These measures are not calculated in accordance with, or an alternative to, GAAP and do not have standardized meanings. Therefore, they may not be comparable to similar measures provided by other entities. Readers are urged to review the section entitled "Reconciliation of non-GAAP and additional GAAP measures" in WestJet's management's discussion and analysis of financial results for the three and nine months ended September 30, 2017, which is available under WestJet's profile at www.sedar.com, for a further discussion of such non-GAAP measures.

KEY OPERATING INDICATORS

Key operating indicators used herein have the meanings ascribed thereto in WestJet's management's discussion and analysis of financial results for the three and nine months ended September 30, 2017 under the heading "Definition of key operating indicators".

PRESENTATION OF FINANCIAL INFORMATION

All financial data contained in this presentation in respect of WestJet for periods subsequent to December 31, 2009 has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). For periods prior to January 1, 2010, WestJet prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the Canadian Institute of Chartered Accountant's Handbook ("**Previous GAAP**"). For additional information concerning the impact upon WestJet's financial statements for periods prior to January 1, 2011 of significant differences between IFRS as utilized in preparing its financial statements and Previous GAAP, please see note 22 to WestJet's financial statements for the years ended December 31, 2011 and 2010.

Financial information with respect to WestJet's competitors included in this presentation has been derived from the financial information made publicly available by those companies, which, in most cases, was prepared using financial reporting standards different from those used by WestJet, which may not be comparable to those used by WestJet.

Note: All references to dollars contained in the presentation refer to Canadian Dollars (CAD), unless otherwise noted

VIDEO

Evolving our airline into a global player

Gregg Saretsky
President & CEO

WESTJET

Our mission

To enrich the lives of everyone in WestJet's world.

Four key pillars for achieving our vision

1. **Diversified, sustainable revenue growth**
2. **Financial strength**
3. **People & culture**
4. **Operational excellence**

See › it 2022

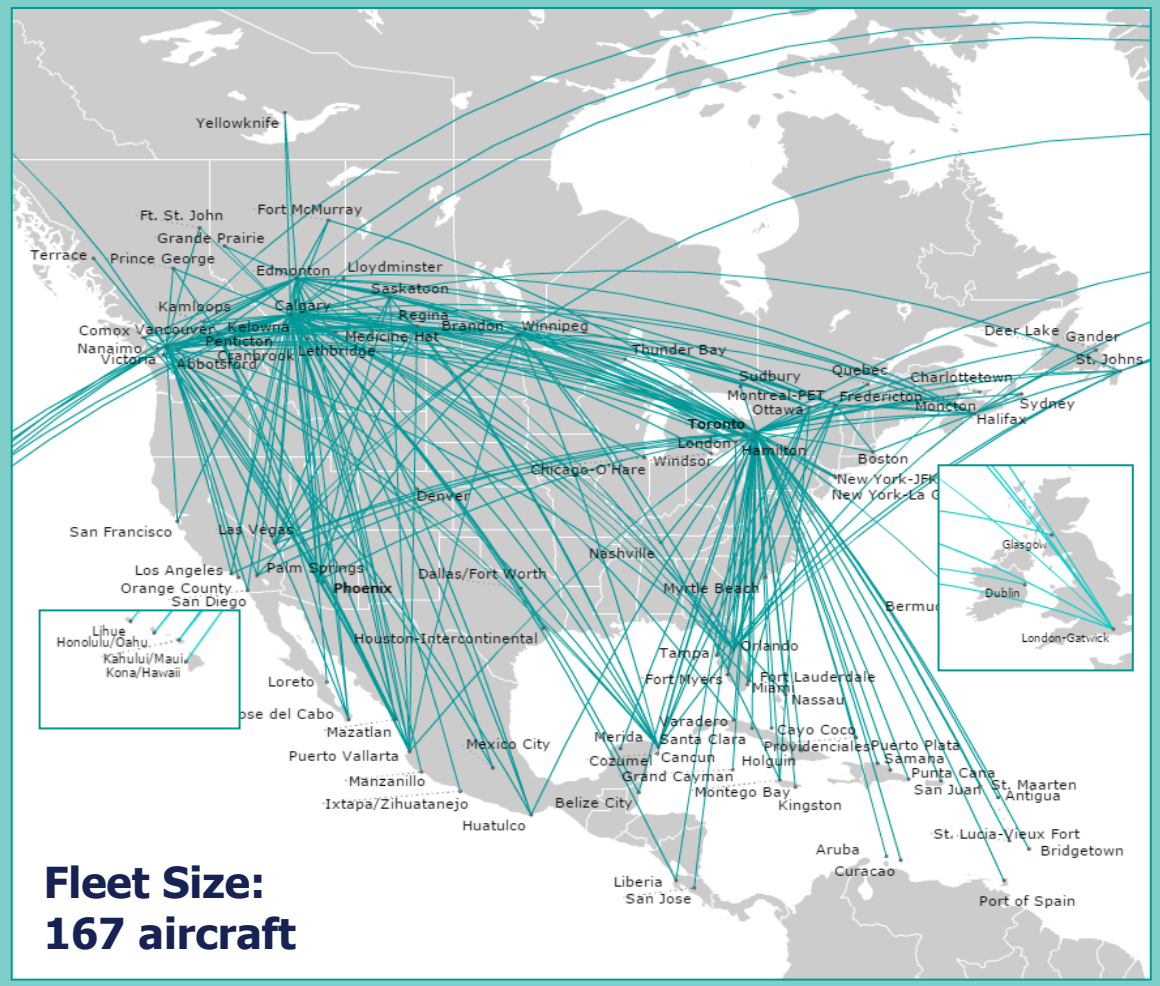
WESTJET

A history of successful growth

1996: 5 destinations

Fleet Size:
3 aircraft

Today: over 100 destions



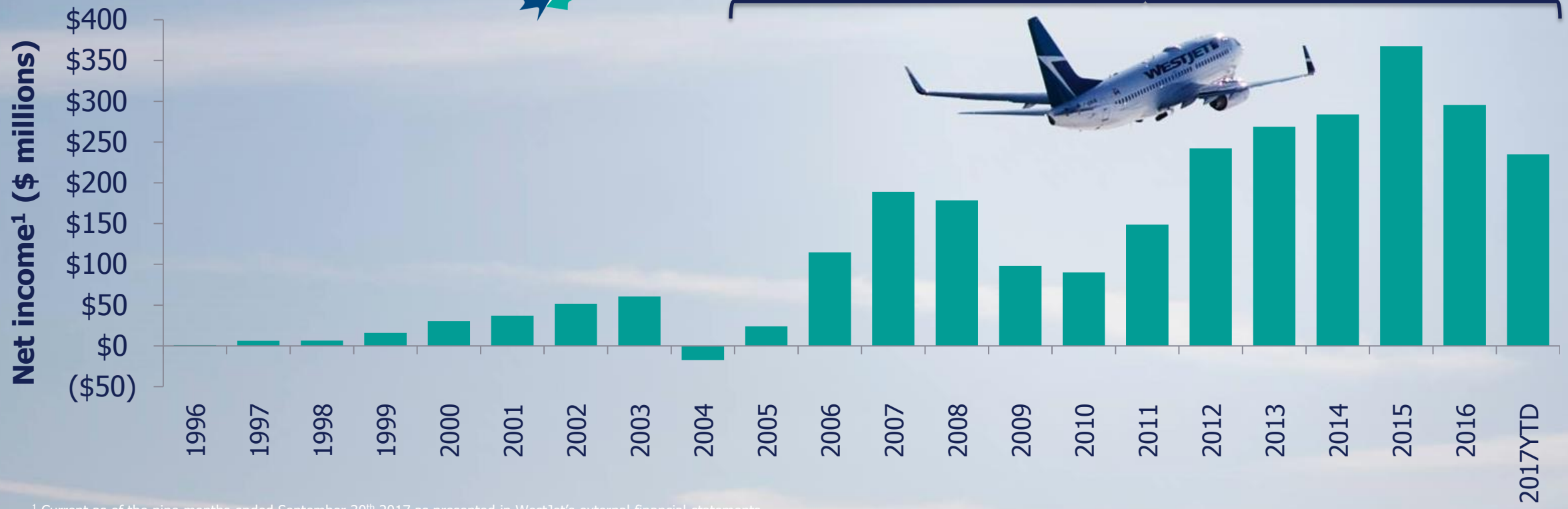
Fleet Size:
167 aircraft

Source: IATA SRS, WestJet internal systems

Profitability and value creation are hallmarks of our story

Over $1 billion returned to shareholders since 2010

50 consecutive quarters of profit



[1] Current as of the nine months ended September 30th 2017 as presented in WestJet's external financial statements

Current positioning: competing at both ends of the spectrum

Thrift	Value	Premium/Luxury

Low ← Network / Schedule / Product → High

New Entrants

FLAIR Airlines

jetlines Flying your way

FlyToo LET'S GO!

WESTJET

porter

sunwing

Air transat

AIR CANADA rouge

Future positioning: a focused approach to market segmentation

Thrift	Value	Premium/Luxury

Low ← Network / Schedule / Product → High

ULCC[1]

SWOOP

737

+

High-Value, Global Network Carrier

WESTJET

Q400	737NG/MAX	767 / 787

Strategy: WestJet will evolve from a low-cost, point-to-point airline into a high-value, global network carrier; Swoop will win in the price-sensitive segment

[1] "ULCC" refers to ultra low-cost carrier

Globally, airlines have developed similar segmentation strategies

	Thrift	Value	Premium/Luxury
EUROPE		Joon, Eurowings	Air France, Lufthansa
AUSTRALIA	tigerair	Jetstar	Qantas, Virgin australia
ASIA	Jin Air	Scoot, SilkAir	Singapore Airlines, Korean Air

Sources of competitive advantage

Segmented Brand Strategy

People & Culture

Competitive Cost Structure

Network

Guest Experience

Rewards

Our executive team: committed to enhancing shareholder value

Gregg Saretsky
President & CEO

Barb Munroe
EVP,
Corporate Services & General Counsel

Bob Cummings
EVP,
Strategy

Cam Kenyon
EVP,
Operations

Rossen Dimitrov
Chief Guest Experience Officer

Charles Duncan
EVP,
President-
WestJet Encore

Craig Maccubbin
EVP,
CIO

Ed Sims
EVP,
Commercial

Harry Taylor
EVP,
Finance & CFO

Mark Porter
EVP,
People & Culture

Proven track record of successful execution

2010 — WestJet Rewards & co-brand

2011 — First codeshare

2012 — Fare bundles

2013 — WestJet Encore

2014 — First transatlantic 737 flights

2015 — WestJet Connect

2016 — Wide-body service to Europe

2017 — First 737 MAX operator in Canada

Source: WestJet internal systems

The next chapter of our partnership journey

Note: Joint venture is subject to regulatory approval

The next phase of growth

787 Dreamliner

Joint venture

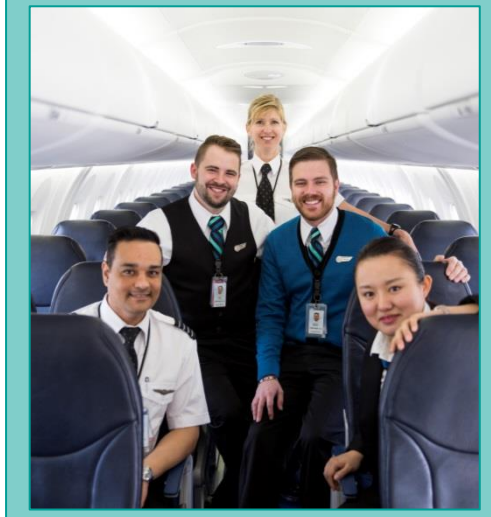
Swoop

Capacity Purchase Agreement

Rewards growth

Ground & inflight product

Five things to take away from today



People, culture, and guests remain at our core

Competitive cost structure

Segmented brand strategy

Premium segment growth

Outlook is strong

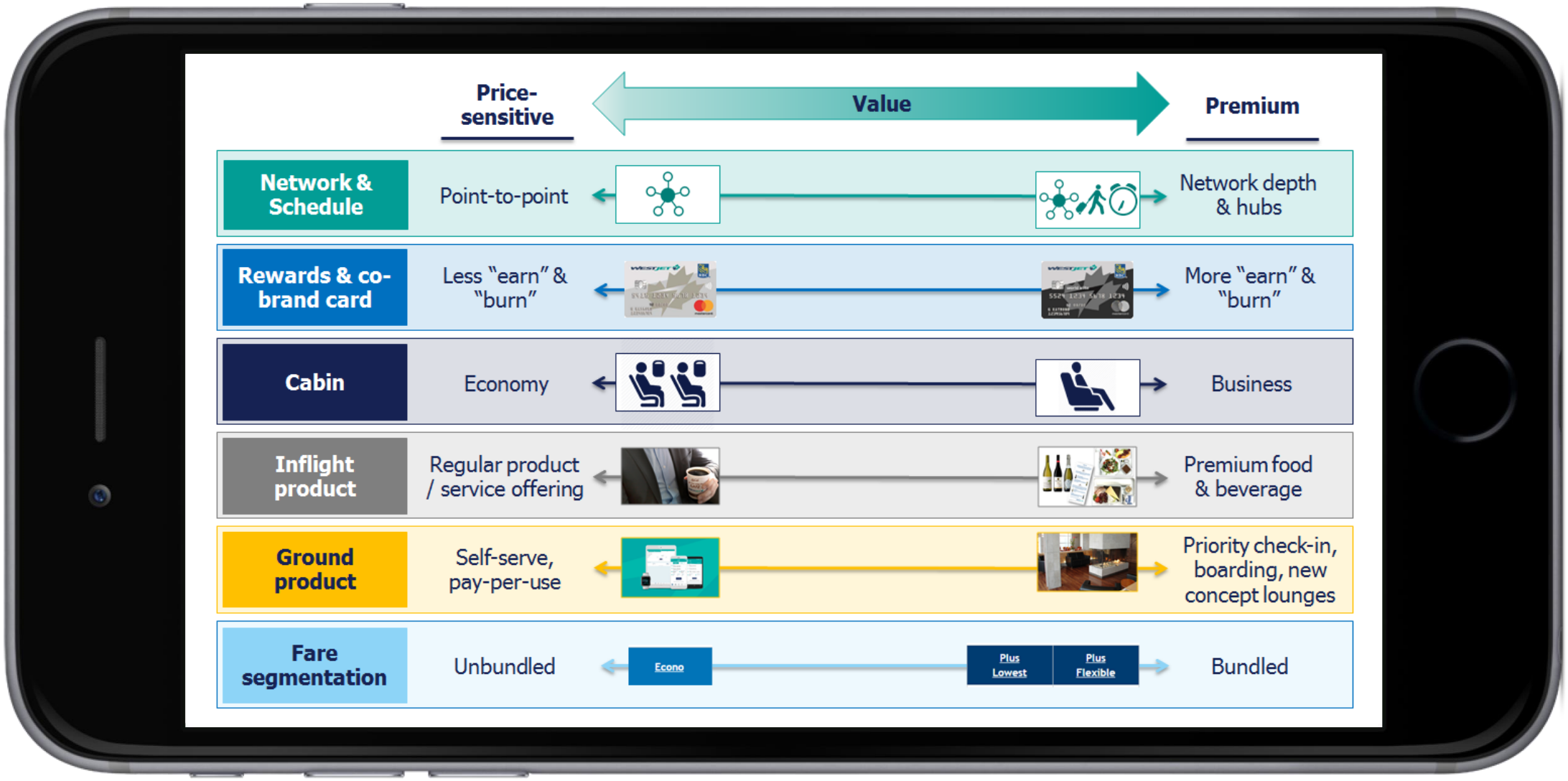
Diversified, Sustainable Revenue Growth

Ed Sims

Executive Vice President, Commercial

WESTJET

Aligning our products & services with what guests value most



Multiple levels of insight generate a deep understanding of our guests

Segmentation

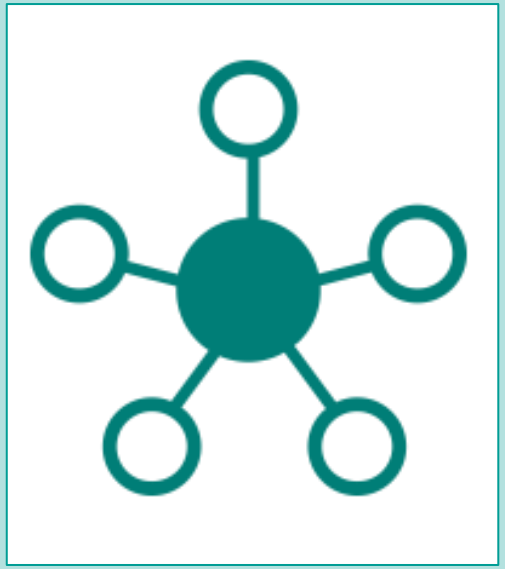
Data Analytics

Voice of the Guest

Proactively anticipating guest needs & influencing behaviour

Network & Schedule:
Building Network Depth & Schedule Utility

Network strategy based on four core tenets



Build our hubs

(e.g. coverage & frequency)

Improve schedule utility

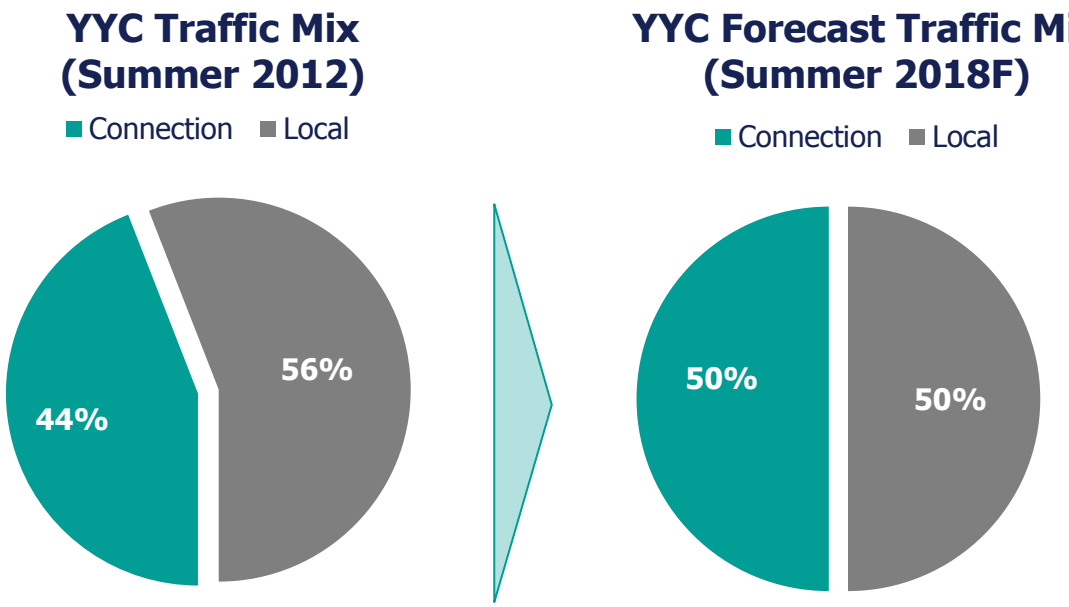
(e.g. reliable hourly schedules in key markets)

Enhance connectivity & feed

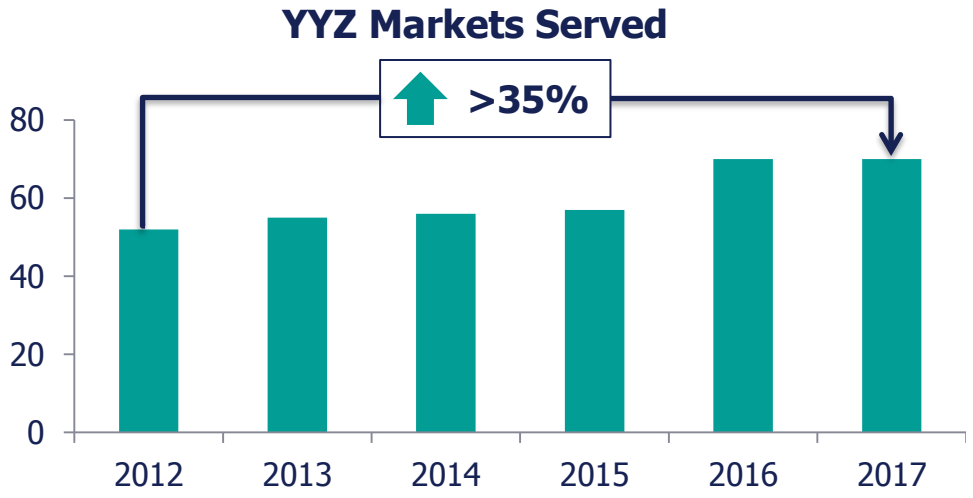
Partnerships

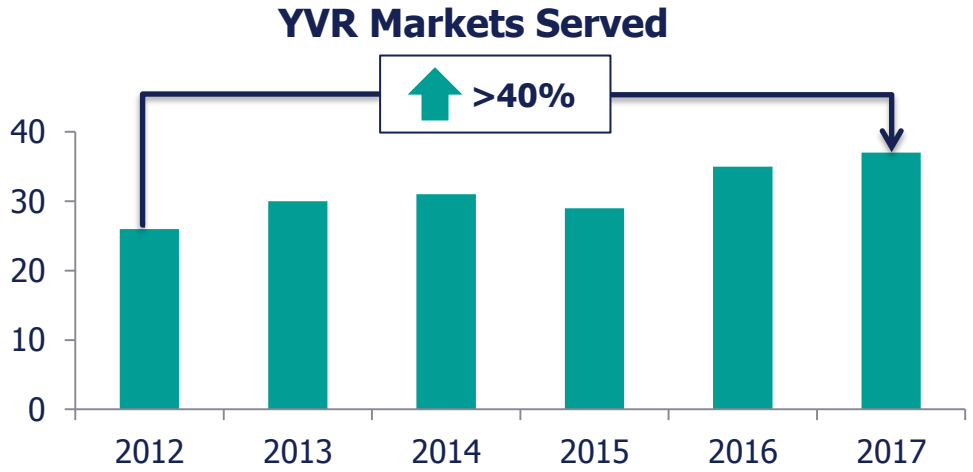
We have built long-term resilience into our network

A balanced mix of local & connecting traffic



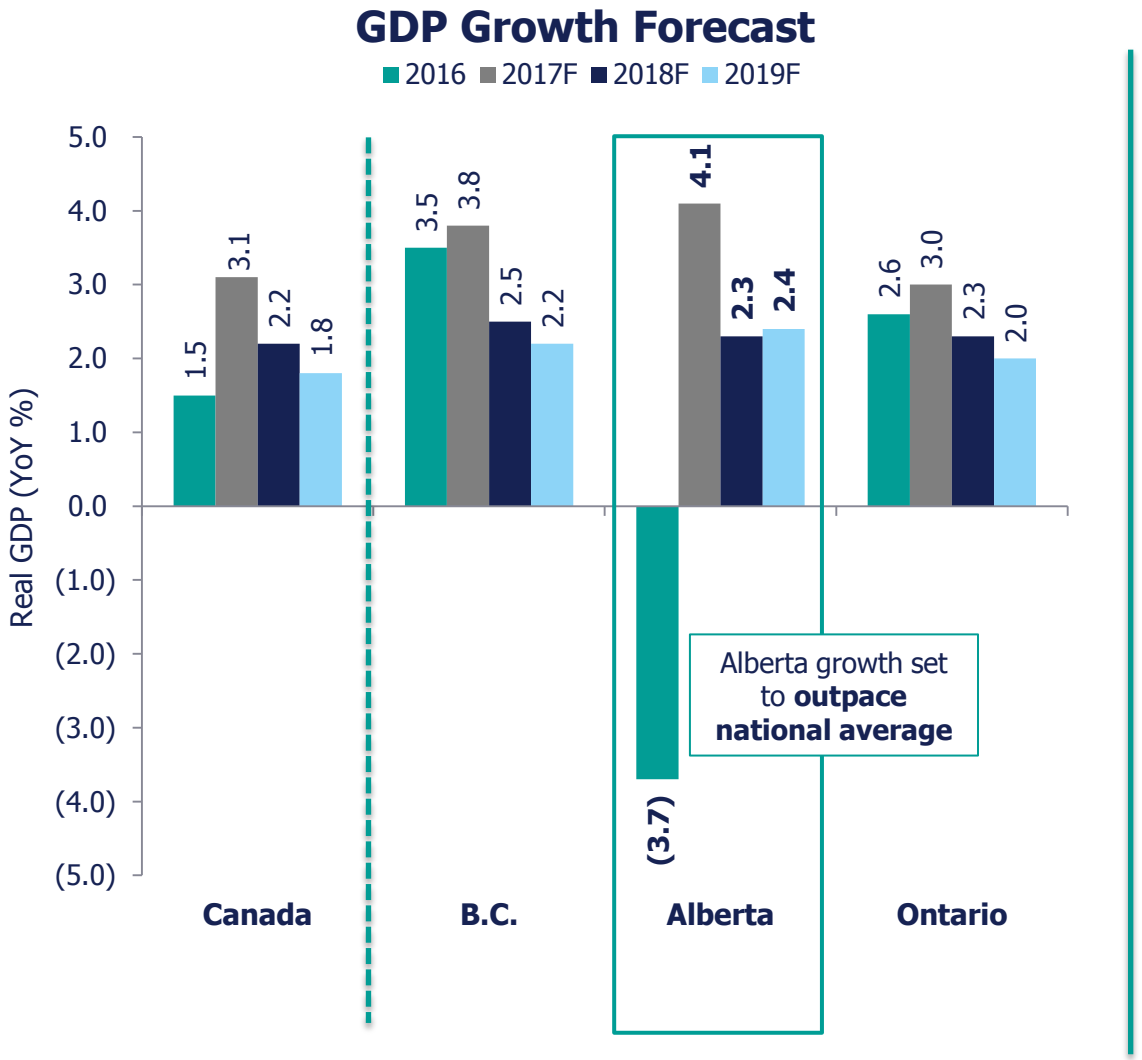
Investing in Toronto & Vancouver hubs



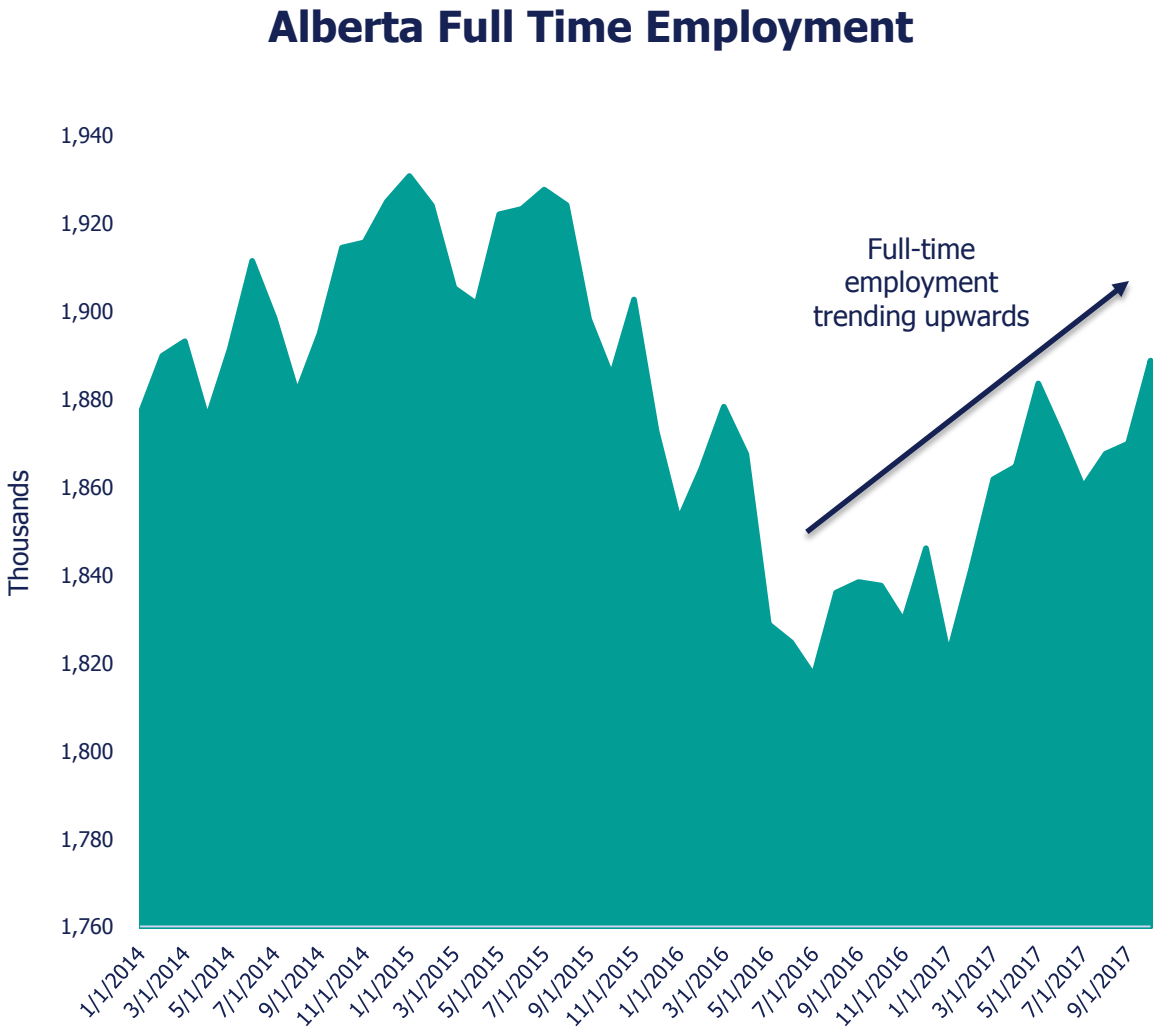


Source: WestJet internal systems, IATA SRS

Alberta headwinds are dissipating

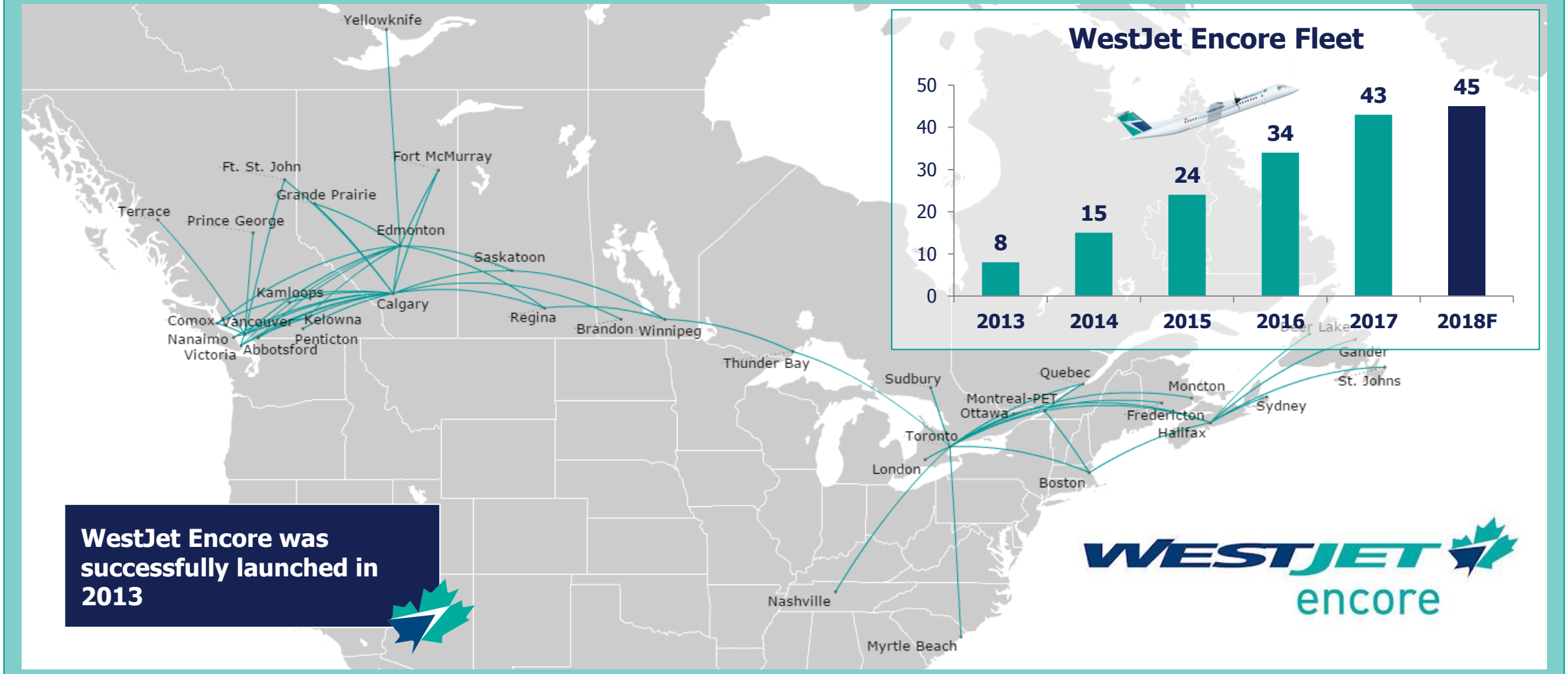


Source: BMO Provincial Economic Outlook (November 2017)



Source: Statistics Canada

WestJet Encore supports our network strategy



Source: IATA SRS; WestJet internal systems

WestJet Encore is accretive

- ✓ Service to new destinations
- ✓ Network feed
- ✓ Increased 737 availability
- ✓ Efficient & cost-effective
- ✓ Adds schedule depth

Source: WestJet internal systems

CPA increases network feed

CPA Benefits:

- ✓ Expand network reach
- ✓ Strengthen Calgary (YYC) hub
- ✓ Network flow & connections
- ✓ Service and operations consistent with WestJet
- ✓ Opportunity to expand & replicate CPA model across Canada

Initial Network

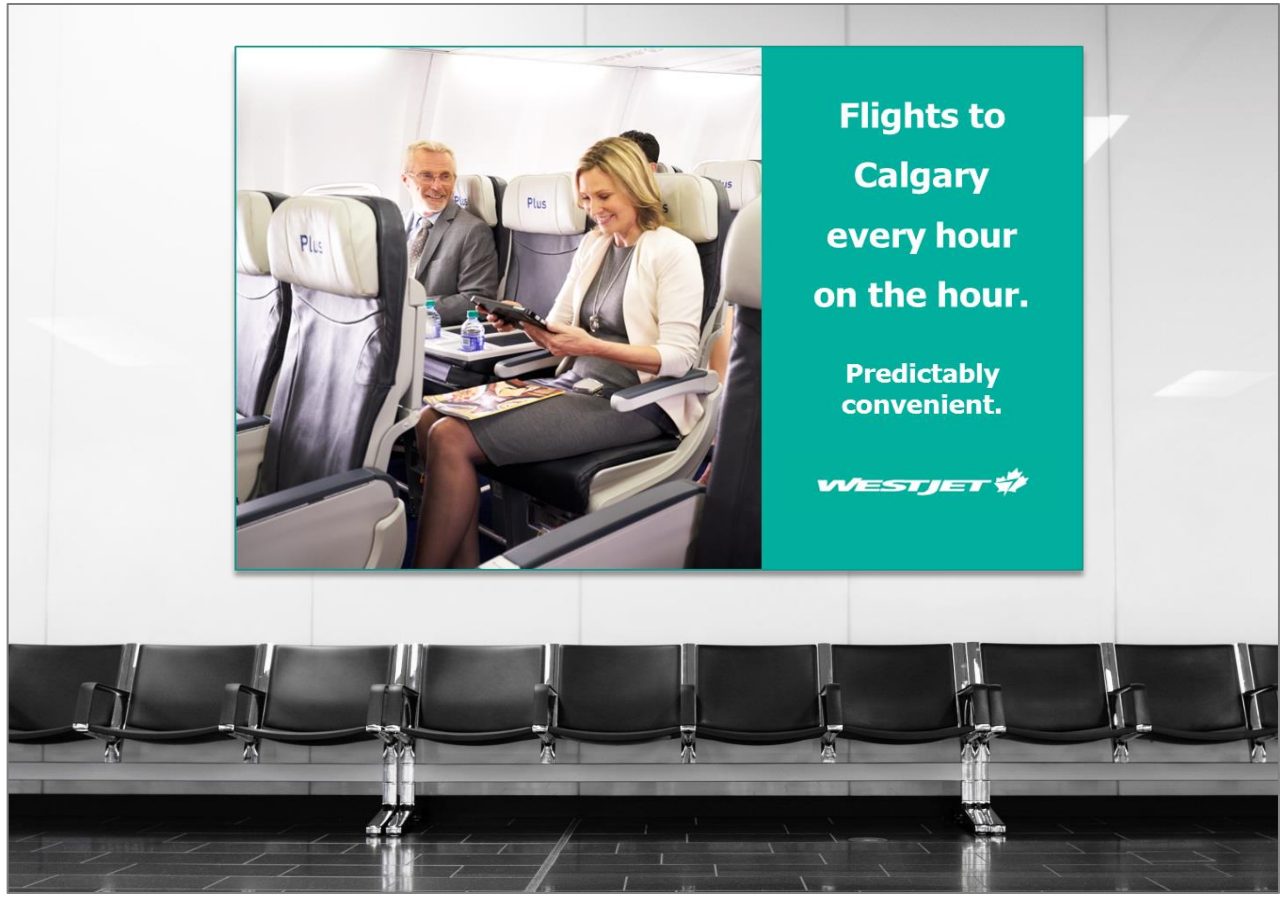
Note: "CPA" refers to Capacity Purchase Agreement

Winter 2017: our network strategy in action

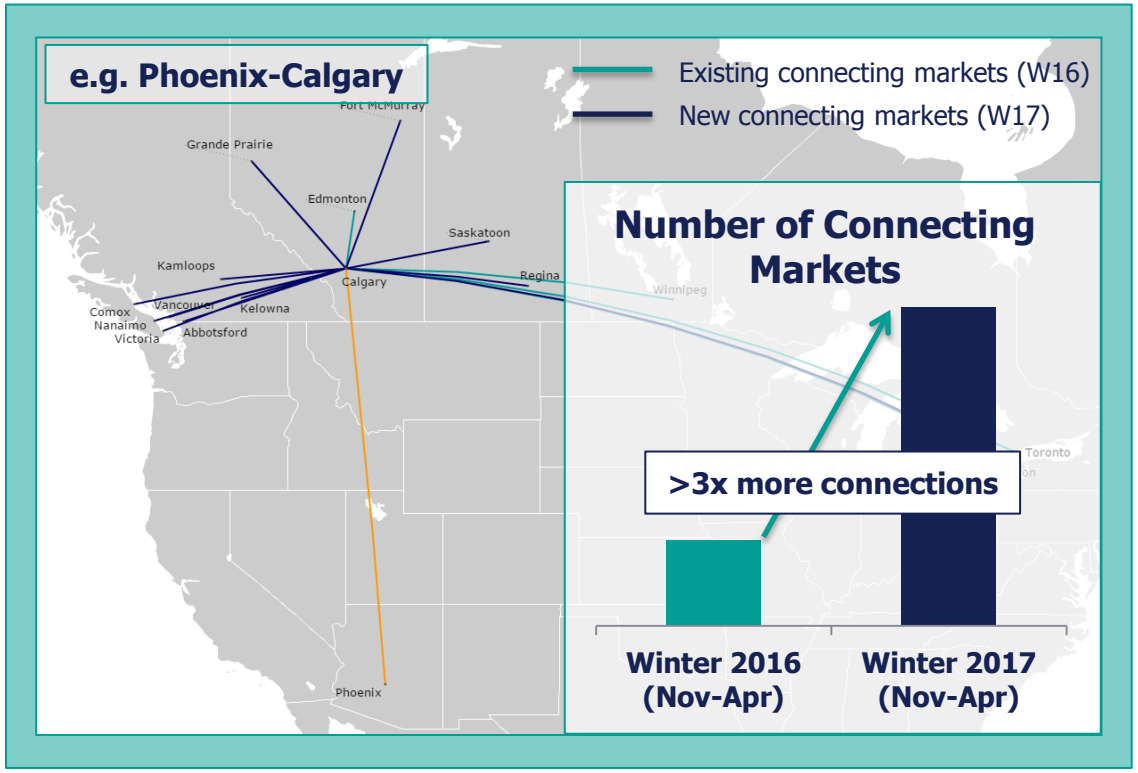
Improve schedule utility

Enhance connectivity & feed

Improved schedule utility[1]



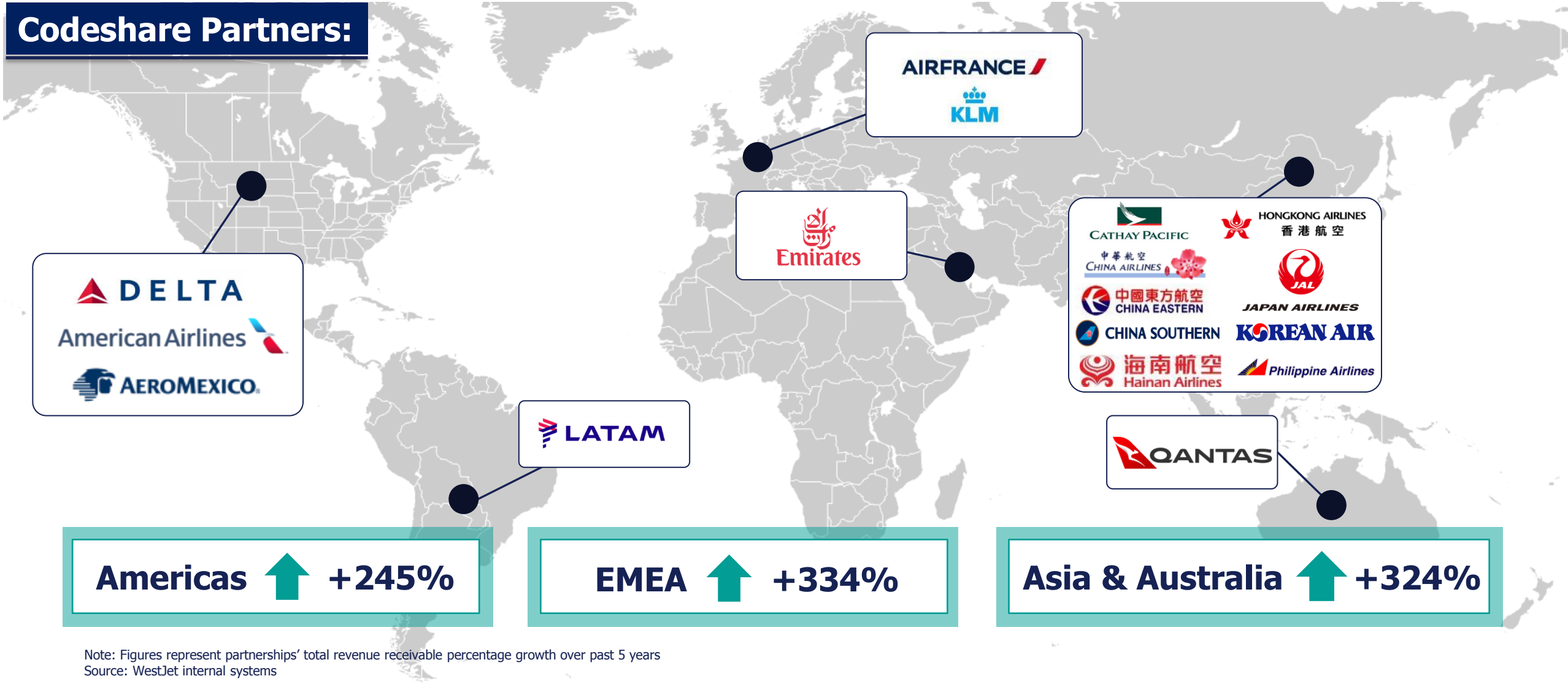
Enhanced connectivity



[1] Advertisement mock-up refers to WestJet Winter 2017 schedule (Vancouver (YVR) to Calgary (YYC)) 09:00 through 20:00 timeframe
Source: IATA SRS, WestJet internal systems

Airline partnerships already contribute over $250M in annual revenue

Codeshare Partners:



Americas ↑ **+245%**

EMEA ↑ **+334%**

Asia & Australia ↑ **+324%**

Note: Figures represent partnerships' total revenue receivable percentage growth over past 5 years
Source: WestJet internal systems

The next chapter of our partnership journey

Scope:

Transborder Joint Venture

Agreement:

Memorandum of Understanding

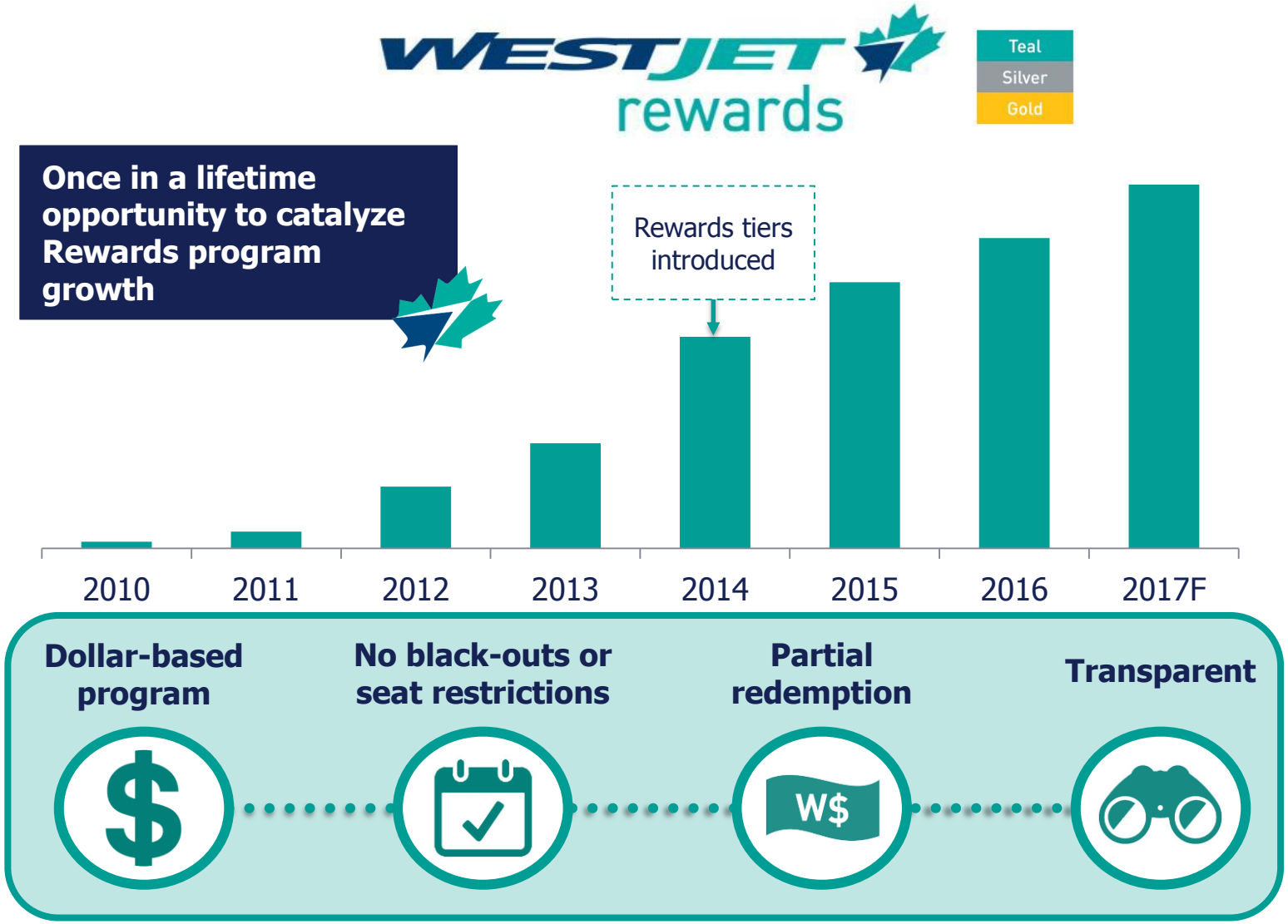
Timing[1]:

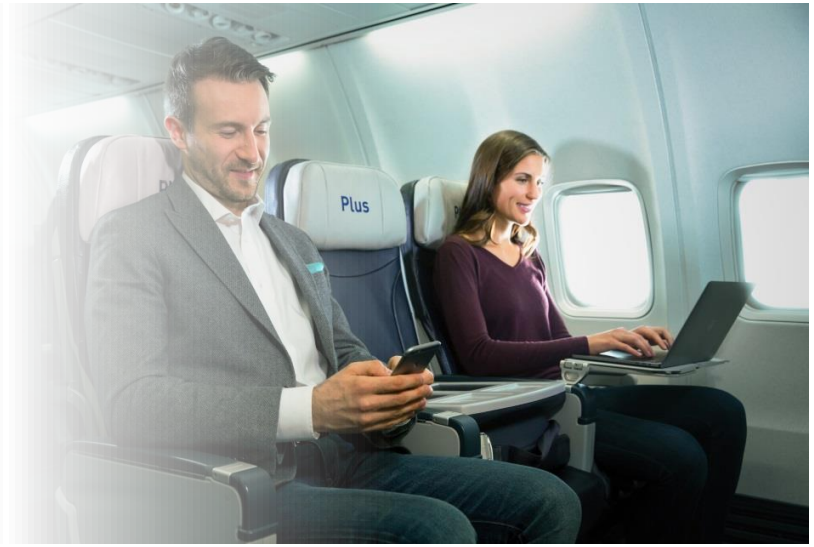
2018

[1] Planned application to regulatory authority
Note: Joint venture is subject to regulatory approval

Rewards:
Attracting & Retaining Premium Guests

WestJet Rewards: simple and transparent





WestJet Rewards:

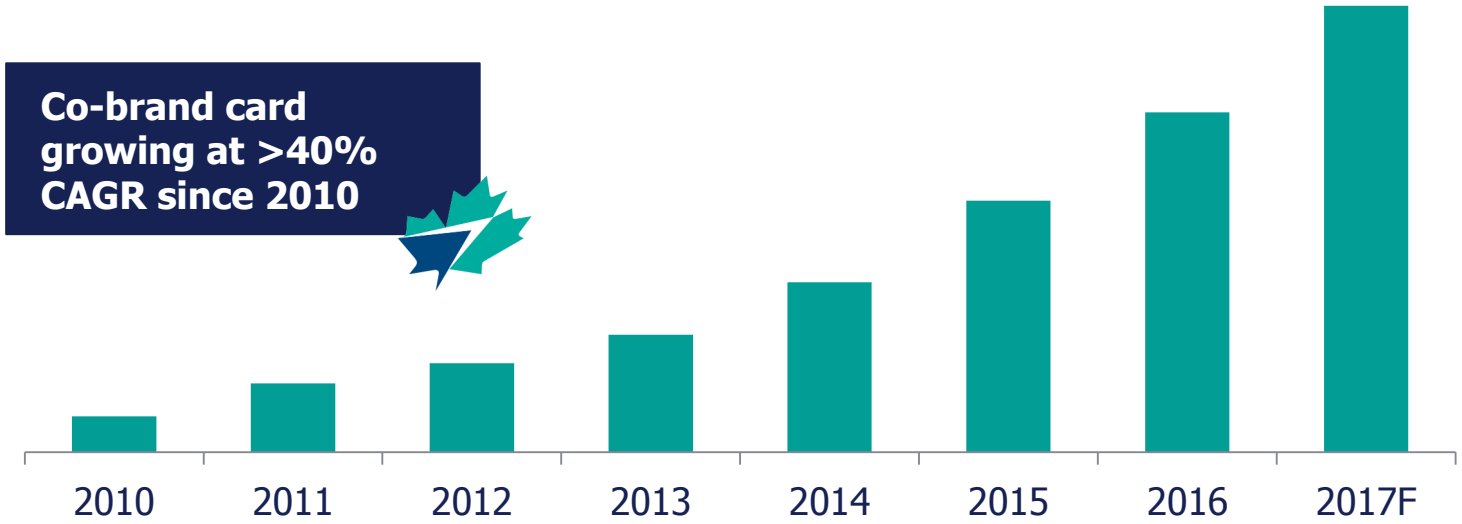
- Program exceeds 4M members
- Largest growth coming from top-tier segment

Source: WestJet internal systems

WestJet RBC® Mastercard‡: #1 travel rewards card in Canada four years in a row[1]

WestJet RBC® Mastercard‡

Co-brand card growing at >40% CAGR since 2010



Up to 2% earn

Annual companion pass

Free 1st checked bag

Welcome bonus

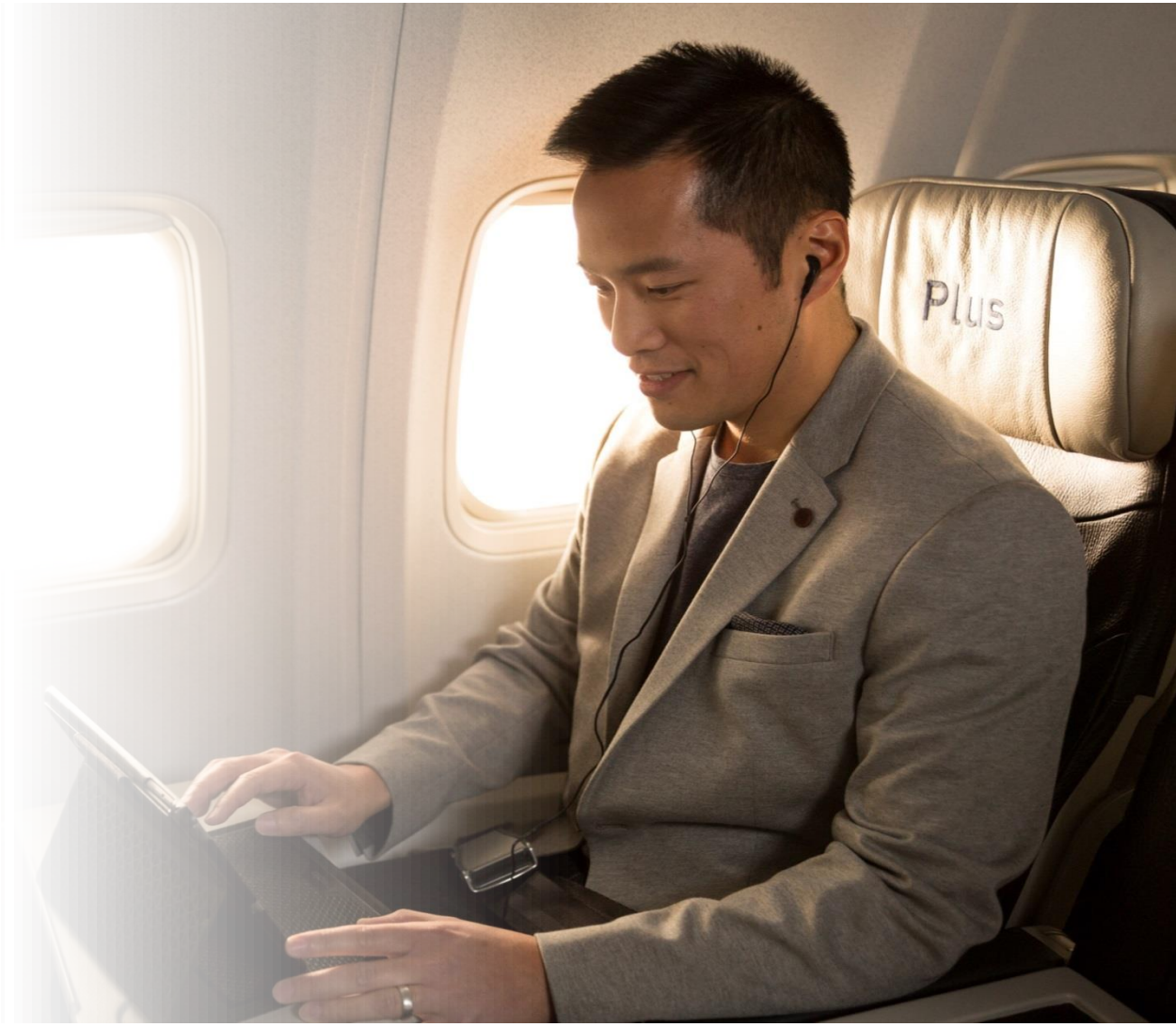
- **Partnered with Canada's largest bank**
- New product features & card art launched in November

‡ Registered trademark of Mastercard International Incorporated. Used under license.
[1] Moneysense 2013-2016

Deepening our loyalty partnership

+ RBC Royal Bank

- Deepening our reach amongst **high value customers & premium travellers** through our strategic partnership
- Building out a series of **guest-related enhancements** starting in 2018



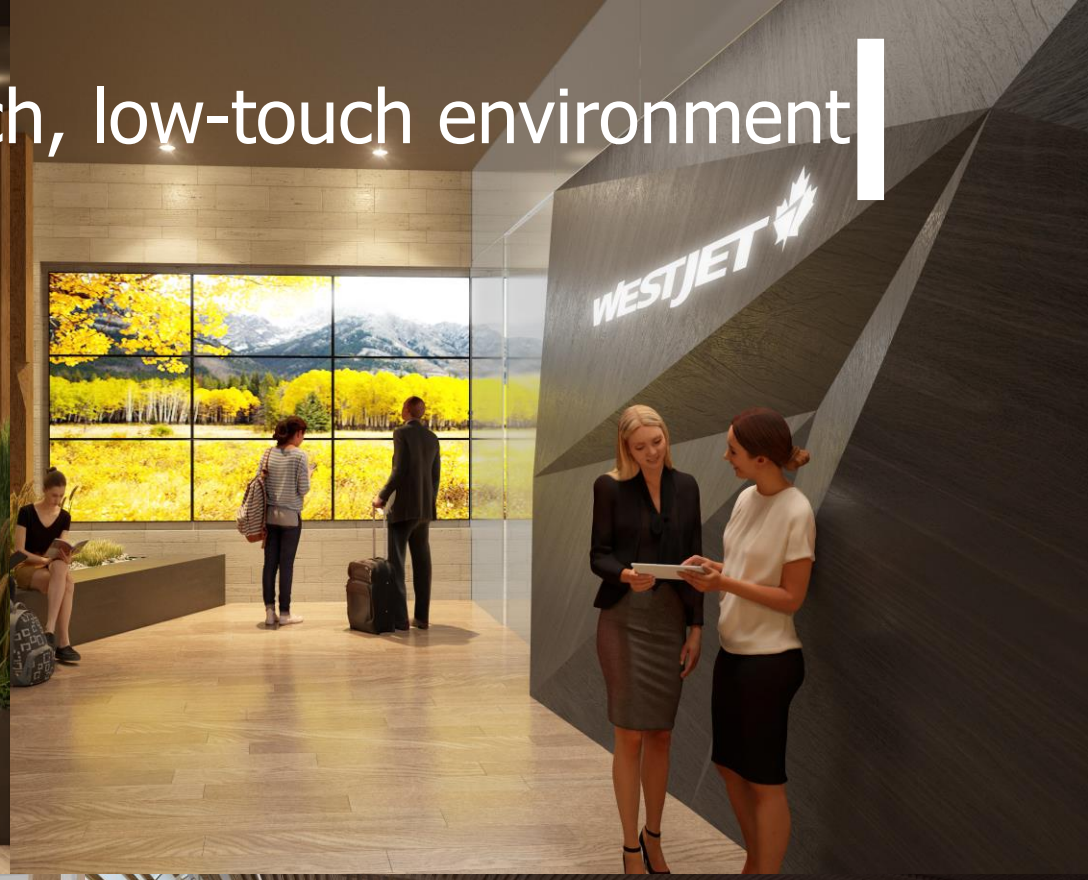
Product & Digital: Investing for the Future

Inflight product will enhance premium traveller appeal

Building on Plus momentum

New premium food & beverage offering

Nine new lounges create a high-tech, low-touch environment



Enhancing the digital experience throughout the guest journey

Building brand strength and product awareness in key markets

Save money on travel with the WestJet RBC® World Elite Mastercard‡

WestJet Plus: stretch your legs without stretching your budget

‡ Registered trademark of Mastercard International Incorporated. Used under license.

Fare Bundles:
Enhancing Guest Choice & Value

Fare bundles support our segmentation strategy

Current Fare Bundles

Econo	Flex	Plus Lowest	Plus Flexible
	1st checked bag	1st checked bag	1st checked bag
	More flexible	2nd checked bag	2nd checked bag
		Less flexible	Most flexible
		Advance seat selection	Advance seat selection
		Priority screening	Priority screening
		Plus product	Plus product
		Advance boarding	Advance boarding

Enhanced ability to address different segments; priced according to what guests value most

- Baggage
- Change/cancel flexibility
- Guest experience

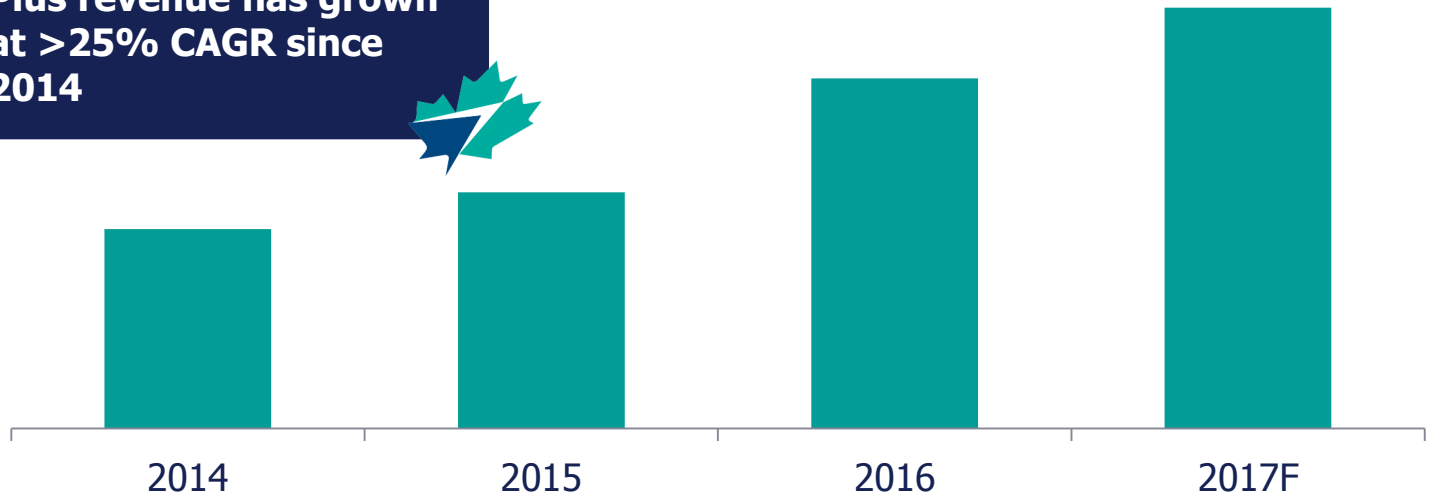
Source: WestJet internal systems

New initiatives will grow ancillary revenue

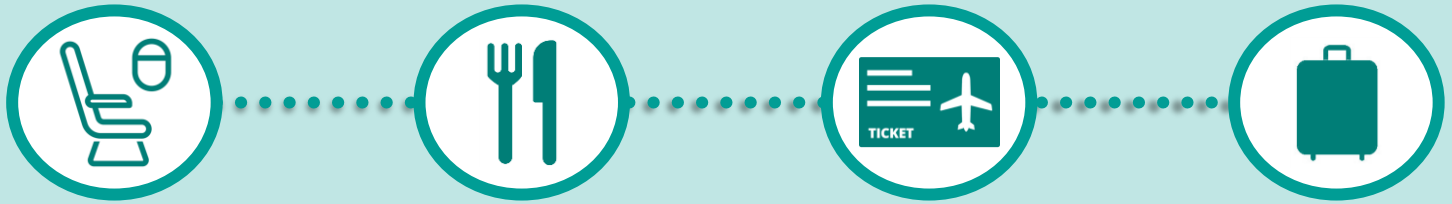
WestJet Plus Revenue

Plus Lowest | Plus Flexible

Plus revenue has grown at >25% CAGR since 2014



More leg room · **Enhanced inflight product** · **Advance boarding** · **Priority screening**



Opportunities for ancillary growth:

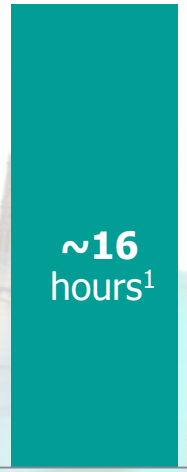
- Dynamic ancillary pricing (e.g. pre-reserved seating)
- Enhanced buy-on-board product
- Swoop

Source: WestJet internal systems

787 Dreamliner:
The Next Chapter of Growth

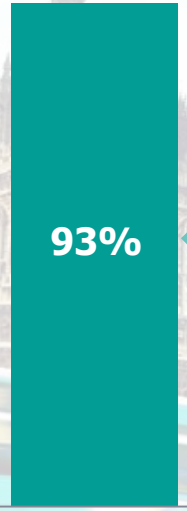
Successfully competed in a mature, highly saturated market

Utilization
767 London Gatwick



Summer 2017
(May-Oct)

Load Factor
767 London Gatwick



Oct. 2017
Trailing Twelve Months

Point of Sale
Summer 2017

58%

32%

5%

Other 5%

42% foreign point of sale

[1] Actual utilization; excludes operational spare
Note: "London" refers to London-Heathrow and London-Gatwick
Source: WestJet internal systems

787 Dreamliner opens up a world of possibilities

Illustrative Network

787 Dreamliner product offering

Business class product offering

- ✓ Flat-bed, direct-aisle access seat
- ✓ IFEC with large monitor
- ✓ In-seat power
- ✓ Dedicated flight attendant
- ✓ Hot meals
- ✓ Lounge access
- ✓ Dedicated lavatory & closets

Premium economy product offering

- ✓ Wider seat with more leg room
- ✓ IFEC with seatback monitor
- ✓ In-seat power
- ✓ Dedicated flight attendant
- ✓ Hot meals
- ✓ Dedicated lavatory

VIDEO

Summary: significant opportunity for top-line growth

$300 – 500M

Annual revenue opportunity through 2022

Attracting & retaining premium travellers

[1] "RM" refers to Revenue Management
Note: Based on internal estimates

Why we will win: key elements of WestJet's commercial strategy

Building network depth

Deeper strategic partnerships

Rewards & co-brand growth

Ground & inflight product enhancements

Digital / self-serve

WESTJET

High-value, global network carrier

+

SWOOP

Win in the price-sensitive segment

Swoop Business Strategy

Bob Cummings
EVP, Strategy

Swoop leadership team

Bob Cummings
EVP, Strategy

David Moore
Senior Leader, Flight Operations

Jamie MacDonald
Senior Leader, People

Jennifer Bue
Senior Leader, Finance

Karen Kersch
Senior Leader, Maintenance

Karen Romanchuk
Senior Leader, Digital & Marketing

Stephen Platt
Senior Leader, Airports, Contact Centre & Central Support

Todd Andaya
Senior Leader, IT

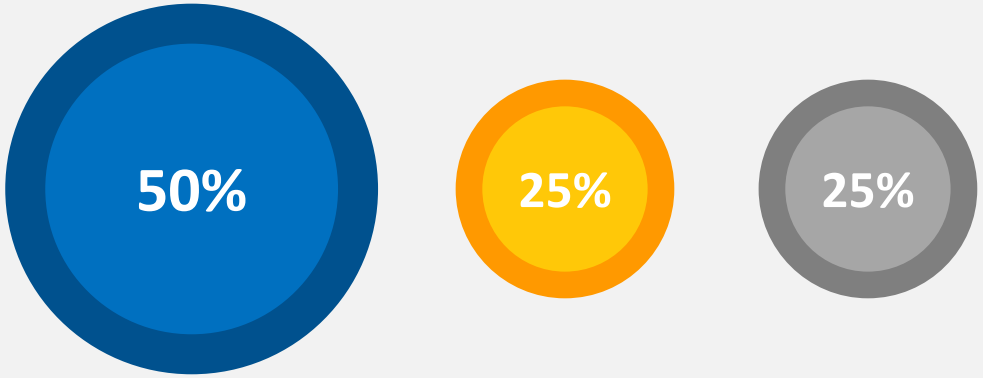
Kellie Farrer
Leader, Inflight

WestJet's parallel brand strategy

	Swoop	WestJet
Description	Stand-alone; ultra-low cost	High-value, global network carrier
Guest Focus	Price-sensitive guests	Core leisure & premium guests
Network	Stand-alone; point-to-point (no connections onto WestJet)	Connected global network
Branding	Stand-alone; separate from WestJet	WestJet; WestJet Encore; WestJet Link
Fares	Fully unbundled, focus on ancillary revenue	Bundled, price according to what guests value most
Cost Structure	30-40% lower than mainline	Focus on cost competitiveness while investing in network, product, service

Swoop will be targeting millennials, young families and cost-conscious flyers

MARKET SIZE[1]



MARKET STIMULATION

BORDER LEAKAGE

EXISTING PRICE SENSITIVE

TARGET DEMOGRAPHICS

Millennials
40%

Young families
20%

Value boomers
40%

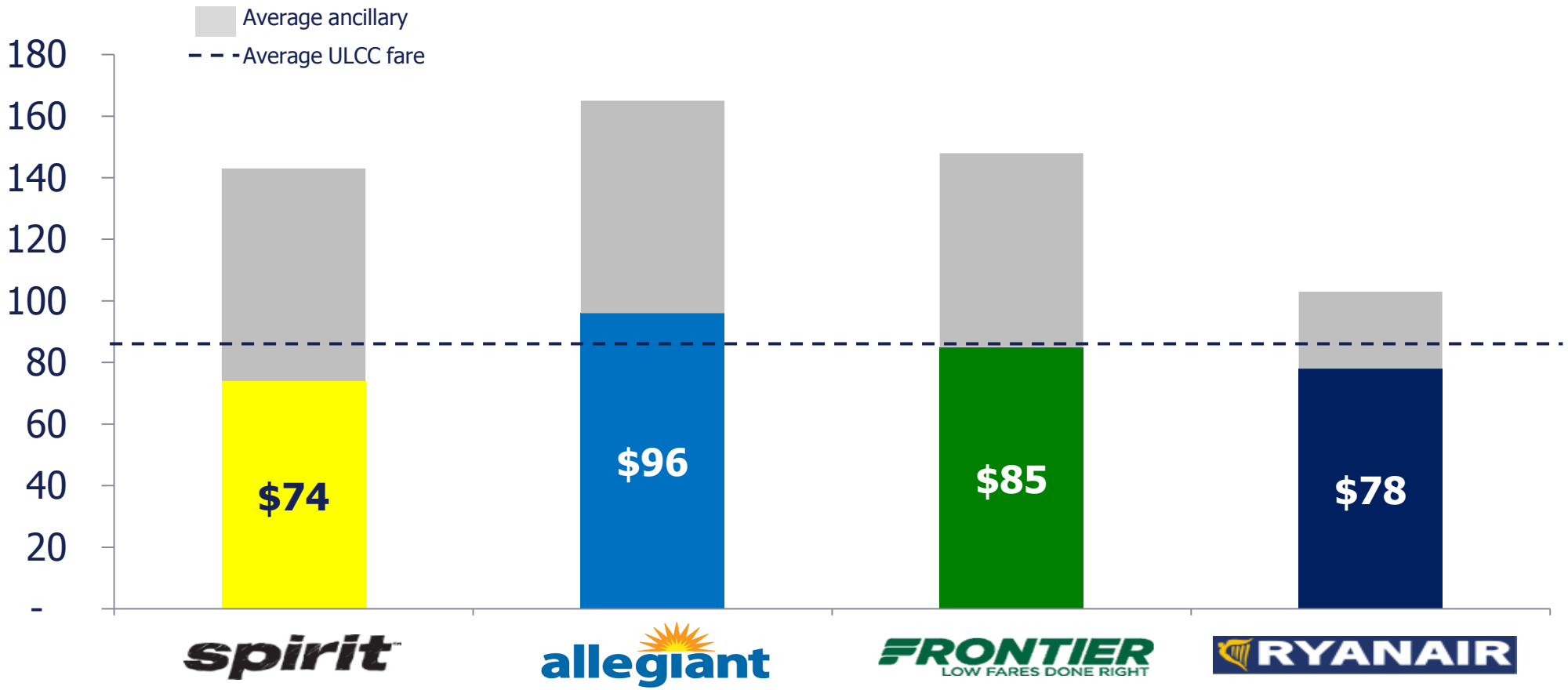
TRAVEL PURPOSE

Leisure	Visiting friends & relatives (VFR)	Business / Groups
60%	**30%**	**10%**

[1] WestJet internal estimates

ULCCs around the world are focused on low fares with high ancillary fees

ULCC Average Fare and Ancillary Per Passenger[1]

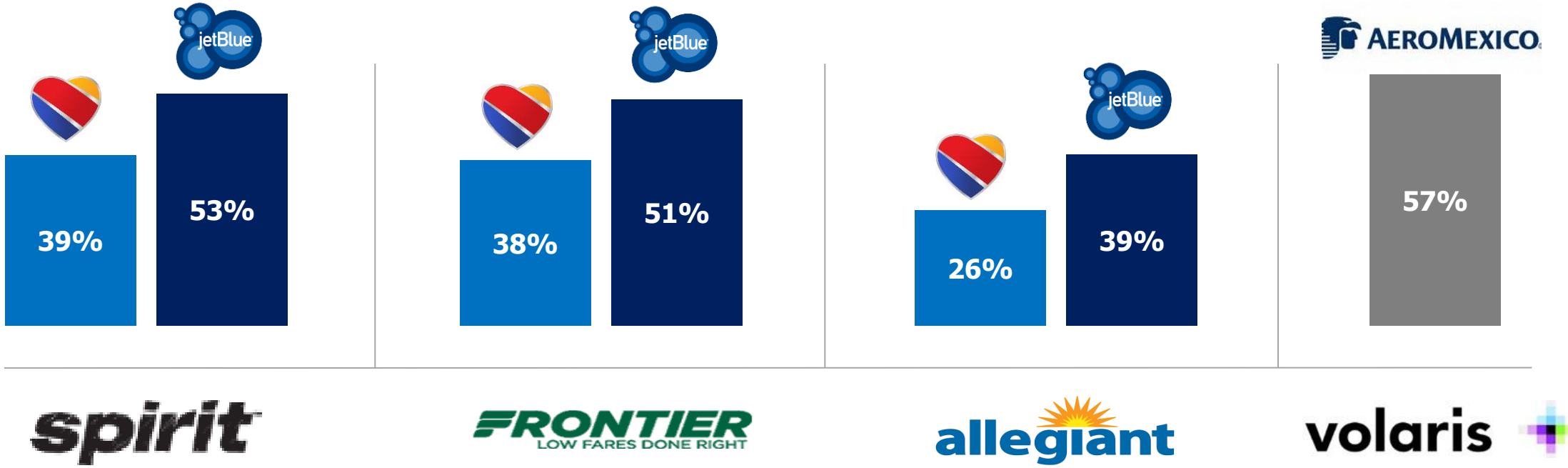


[1] All revenue figures are from FY 2016 publically disclosed financial information, converted to CAD$

Global ULCC's have set a ~40% benchmark of cost advantage vs. LCCs in their operating region

ULCC Relative Cost Advantage vs. LCC

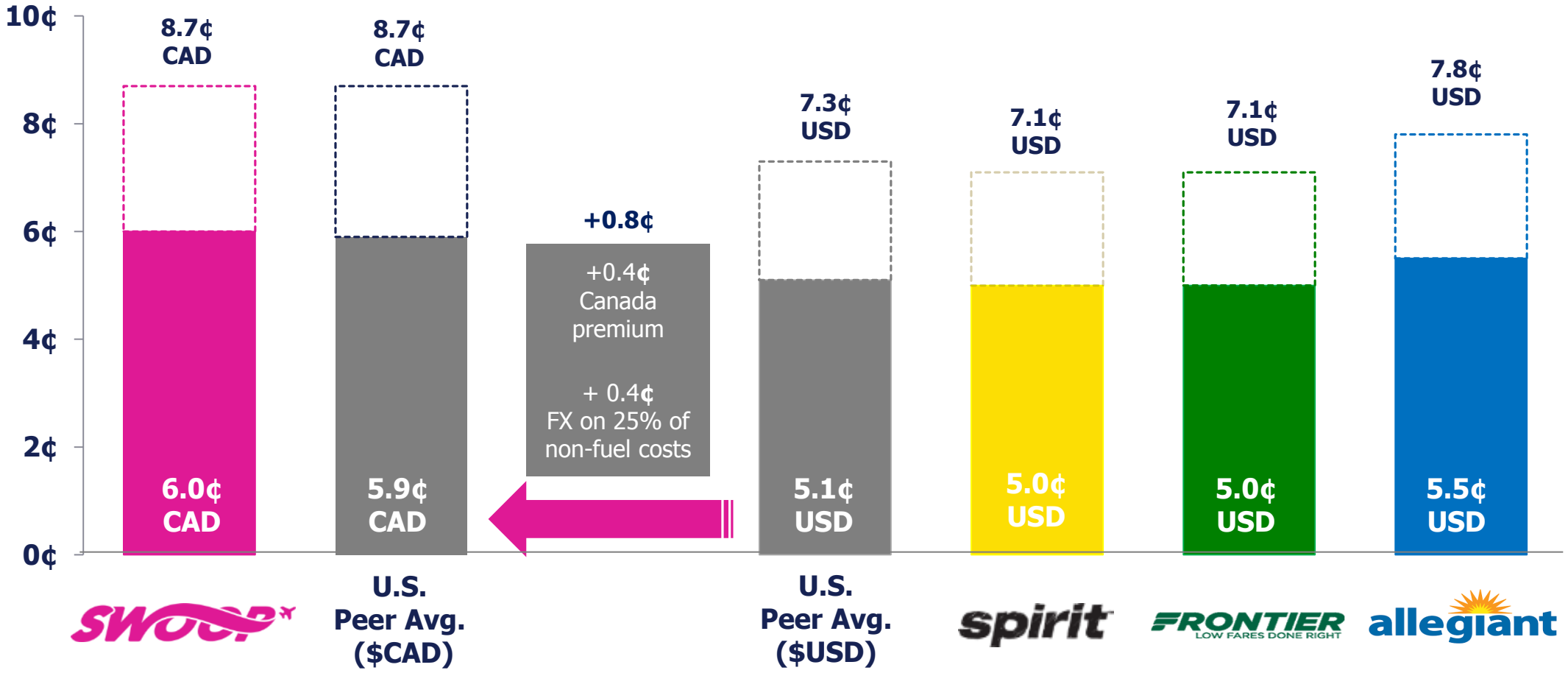
Stage length adjusted CASM ex-fuel [1, 2]



[1] All CASM excluding fuel figures are LTM September 2017 from publicly disclosed (as of November 15, 2017) financial information except Frontier which is full year 2016
[2] All CASM excluding fuel figures have been stage length adjusted based on (carrier stage length / 1,250)^0.5

Swoop will have industry leading CASM

Stage Length Adjusted CASM, CASM ex-fuel [1, 2, 3]



[1] All CASM figures are LTM ended September 2017 except Frontier as FY 2016 and include adjustments as noted by each carrier.
[2] All CASM figures been normalized to fuel @ CAD$0.67 and 1,250 stage length based on standard adjustment of (carrier stage length / 1,250)^0.5
[3] Swoop forecasted CASM represents a cost structure when operational with a fleet of 10

Swoop success factors

Cost	Labour efficiency	High ancillary revenue	Simplicity
All decisions must pass cost benefit analysis Avoid replicating WestJet model	Outsource where it makes sense Highly productive employees Sales commissions for inflight purchases	Unapologetic unbundling	Complexity adds cost Forego some revenue opportunities to minimize complexity

Business model for our separate ULCC airline

Swoop business model

Separate from WestJet
AOC, Brand, Employees, HQ, Airport Operations, Website

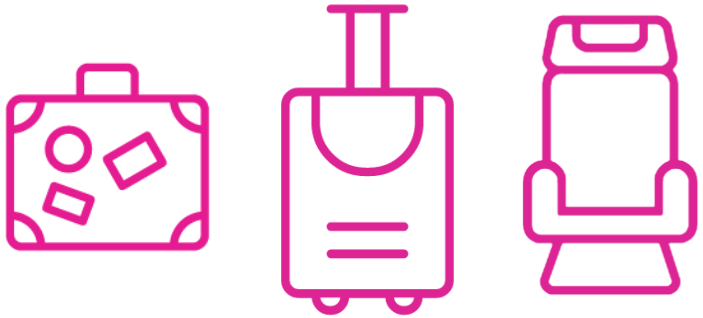
Direct-Only Distribution
No GDS, flyswoop.com direct web sales

Single Fleet Type
Young 737-800 aircraft with 189 seats, high utilization

Labour Efficiency
High productivity, efficient work rules

High Ancillary
Fully unbundled model

Swoop will be a fully unbundled model generating ULCC benchmarked ancillary fees



BOOKING

Carry-on & checked bags
Priority boarding
Seats

INFLIGHT

All food and beverage
Movies & TV
Internet

OTHER

Cancellations
Call Centre

Swoop is WestJet's parallel brand: intentionally separate with distinct personality

Separate from WestJet

Brand Personality

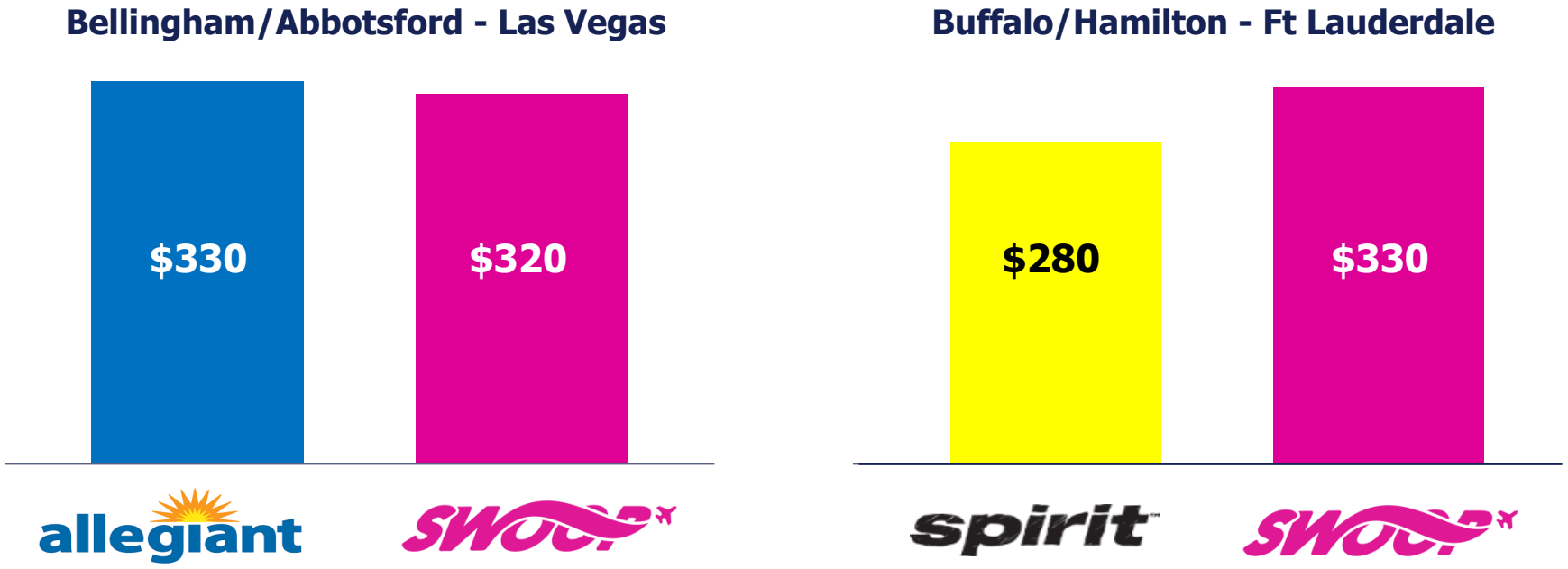
Digital Focus

Enabling Experiences

Spend the savings on yourself

Eliminating the need to cross the border to access cheap fares

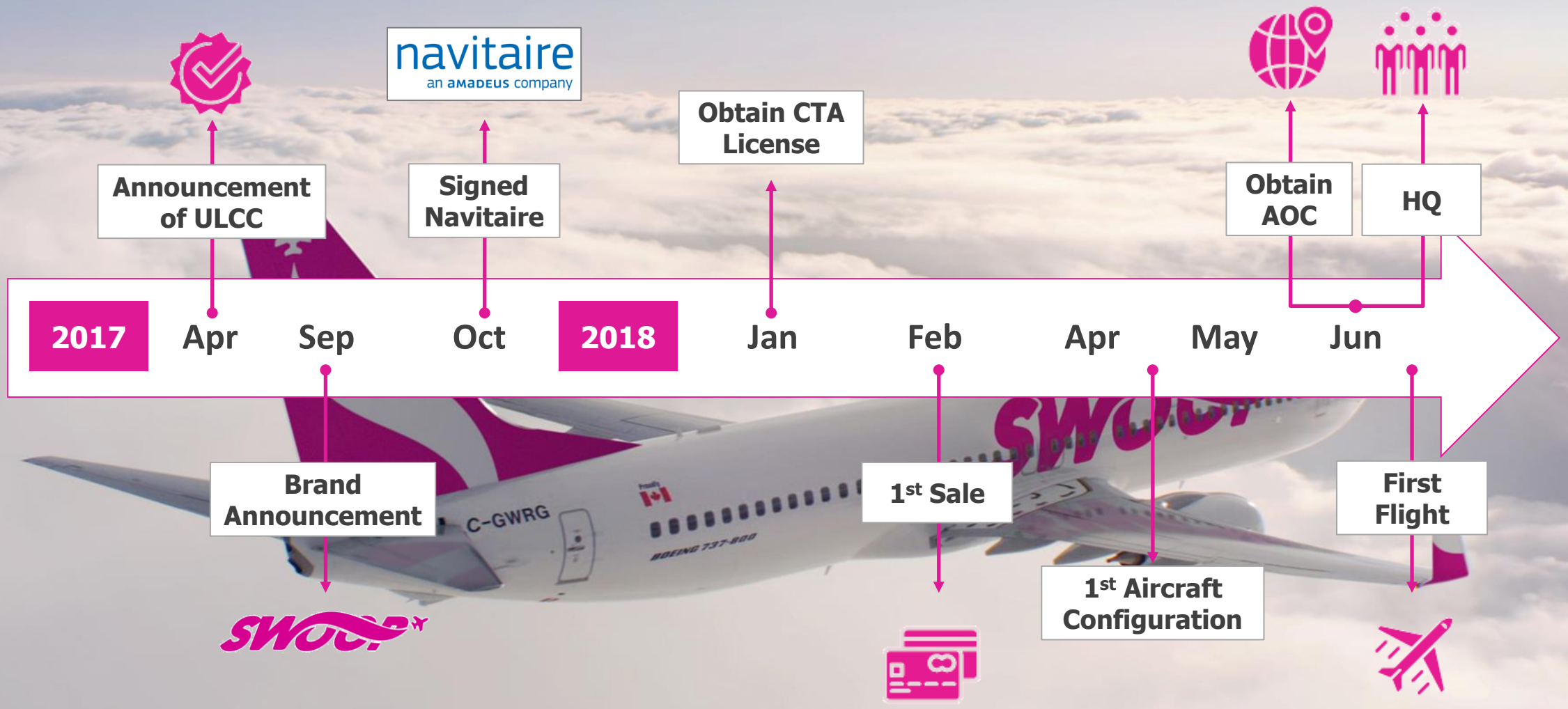
Roundtrip All-in Price for 1 traveller + 1 Checked Bag ($CAD)



Drive & wait time	3 hours 20 mins	**1 hour 40 mins**	4 hours 10 mins	**1 hour 50 mins**

Note: All in fares including checked bag fees are based on carriers average fares stage length adjusted to route mileage plus actual checked bag fee by route converted to CAD$. Drive & wait times from Vancouver & Toronto, respectively

Swoop implementation timelines



Note: Subject to regulatory approval

Swoop: Canada's first and strongest ULCC

Committed to doing it right
Key resources have direct ULCC competencies and experience

Low cost is key
Targeting 6.0¢ CASM ex-fuel (CAD)

High ancillary model
Fit for purpose reservation system

Canadian market is ready for Swoop
Model fully-developed and tested in other countries

BREAK

VIDEO

Creating shareholder value

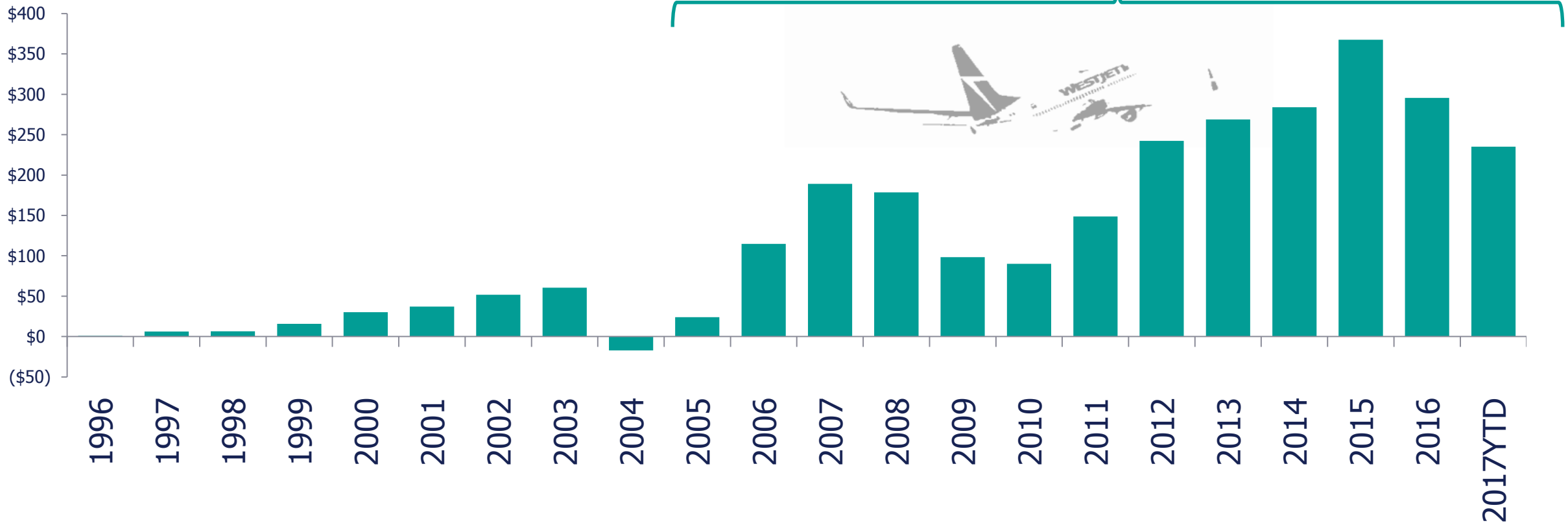
Harry Taylor
EVP, Finance & CFO

WESTJET

Track record of profitable growth

50 consecutive quarters of profitability

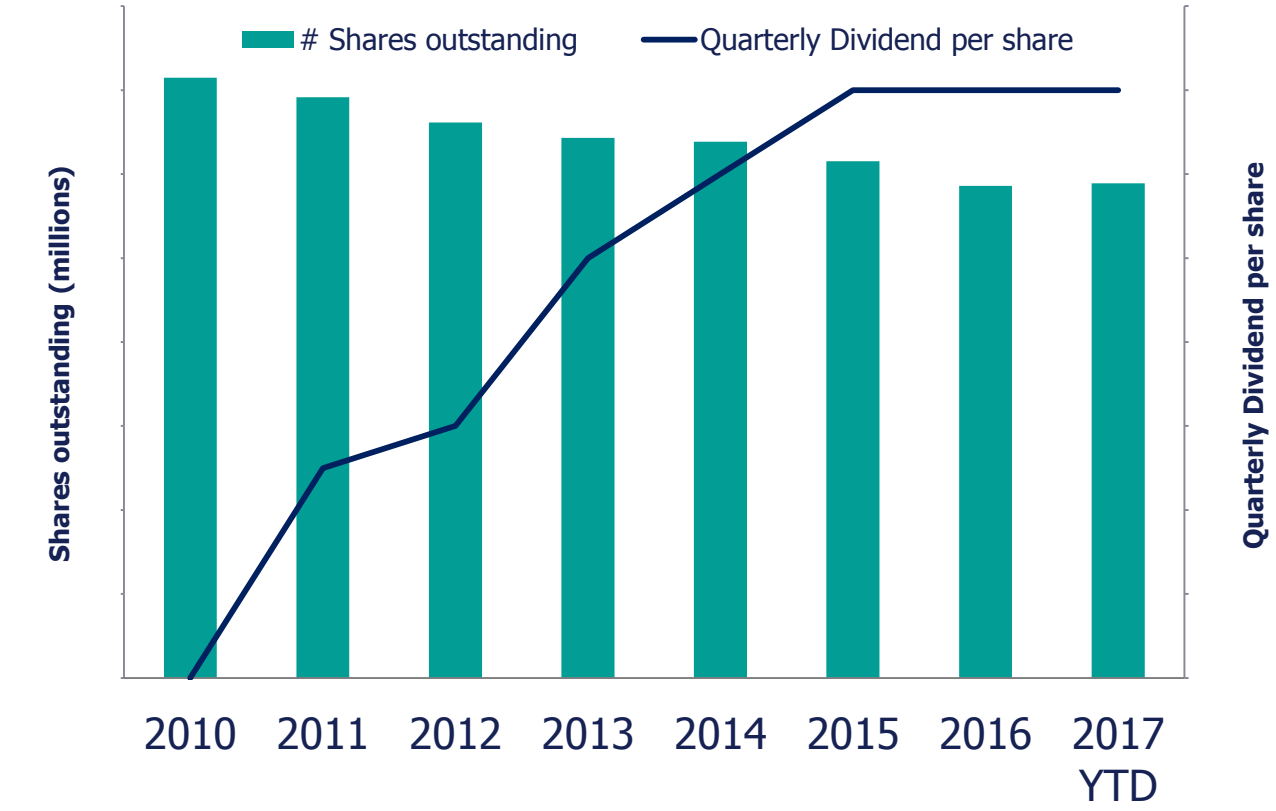
Net income (millions)[1]



[1] Current as of the nine months ended September 30th 2017 as presented in WestJet's external financial statements

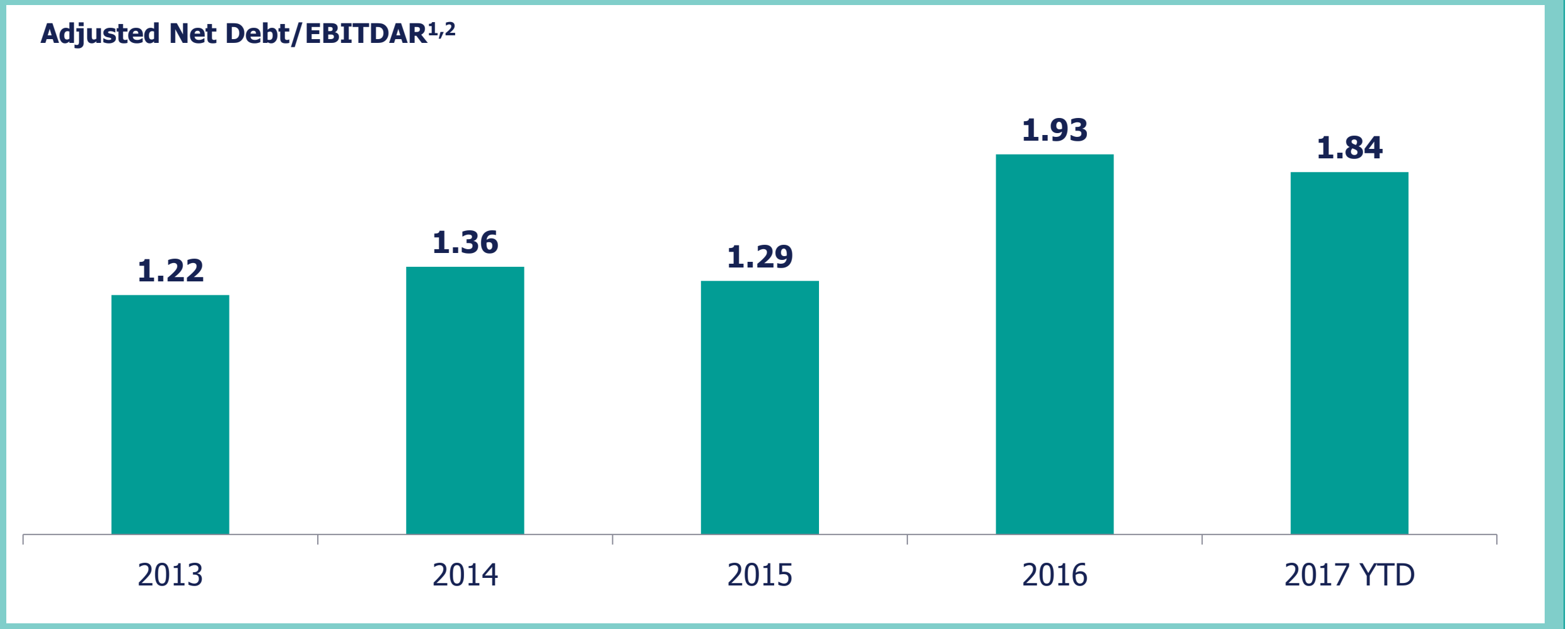
$1 billion returned to shareholders

Returned to shareholders since November 2010	
Dividend	$371 million
Normal course issuer bids (NCIB)	$678 million
Total	>$1 billion[1]



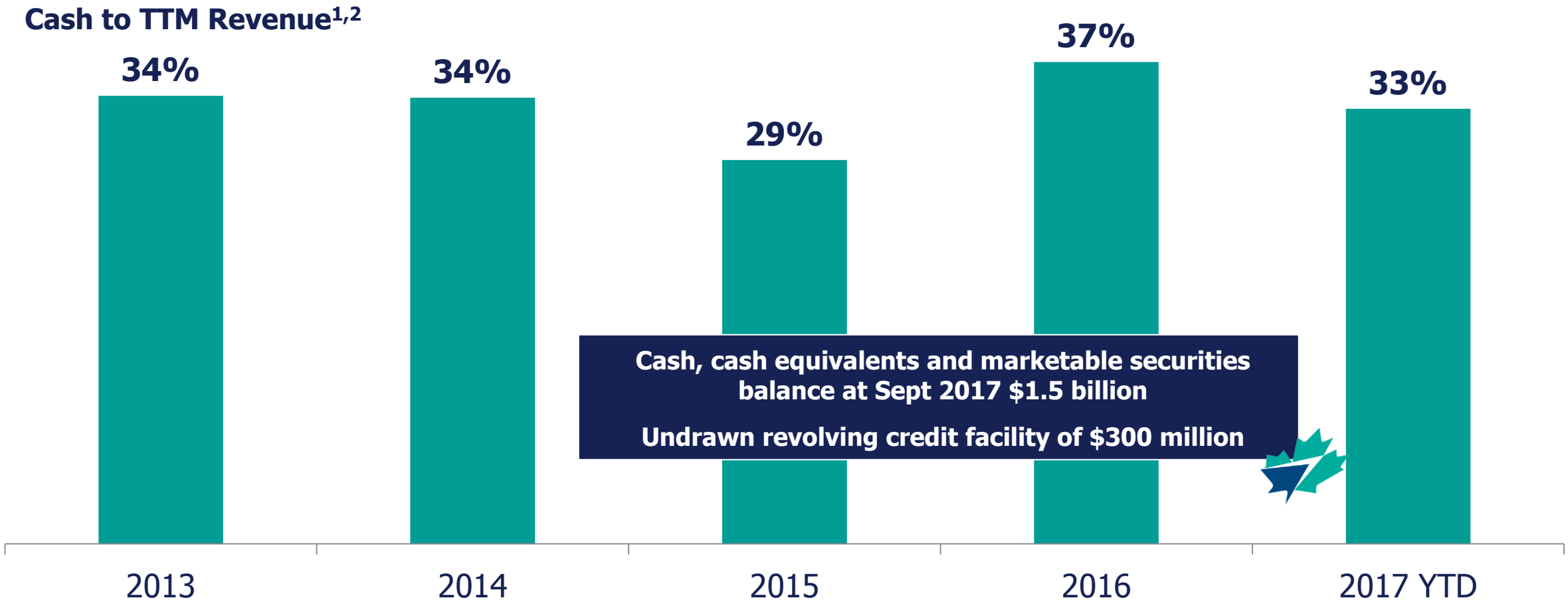
[1] Current as of the nine months ended September 30th 2017

Strong balance sheet



[1] Non-GAAP measure
[2] Trailing 12 months earnings before interest, taxes, depreciation, and aircraft rent and other items (EBITDAR)

Significant liquidity

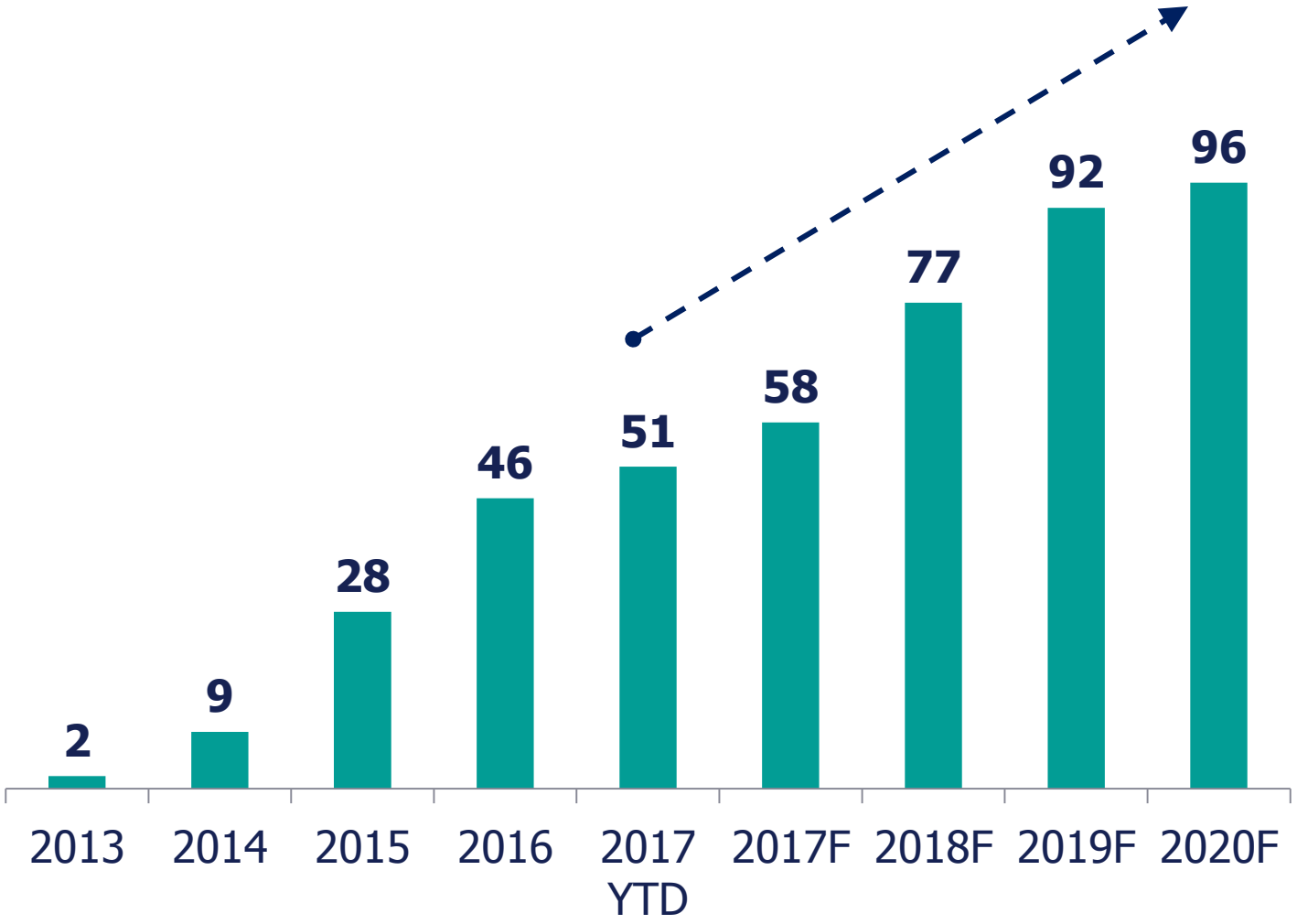


Cash, cash equivalents and marketable securities balance at Sept 2017 $1.5 billion

Undrawn revolving credit facility of $300 million

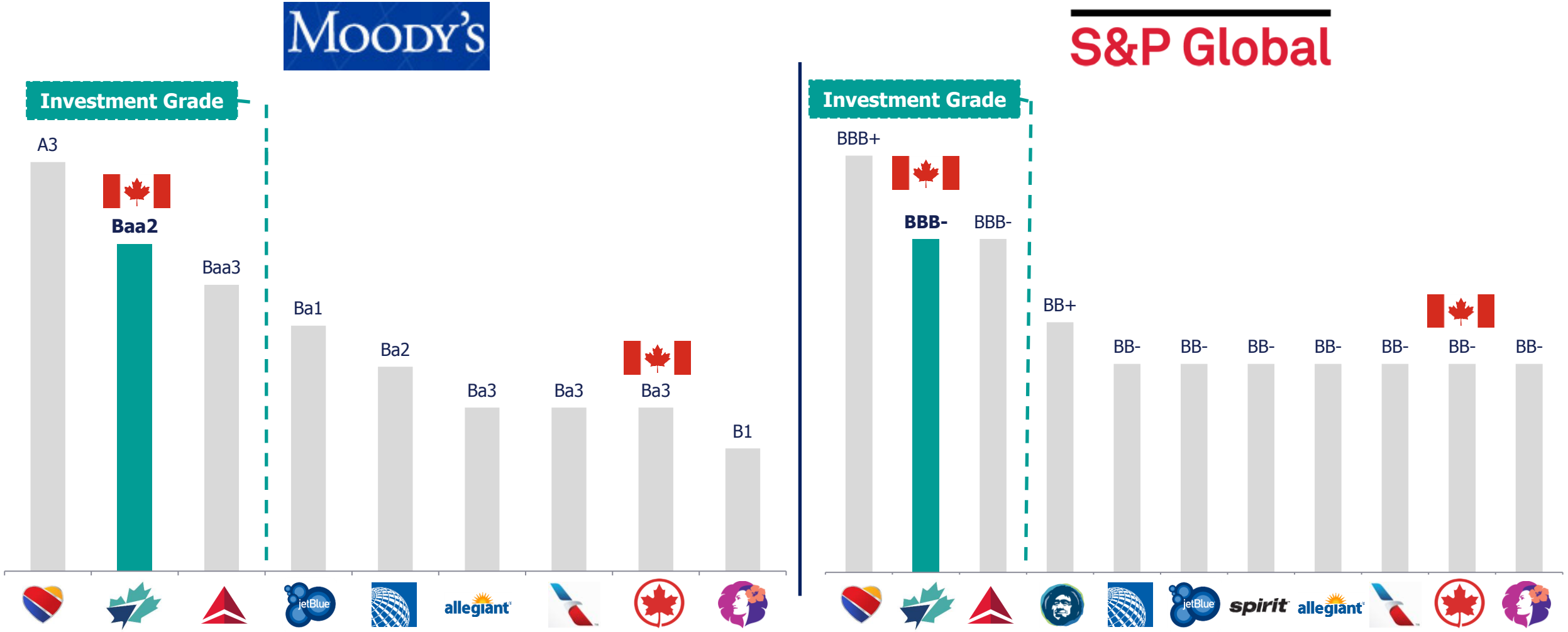
[1] Non-GAAP measure
[2] Trailing 12 months revenue

Growing unencumbered aircraft[1]



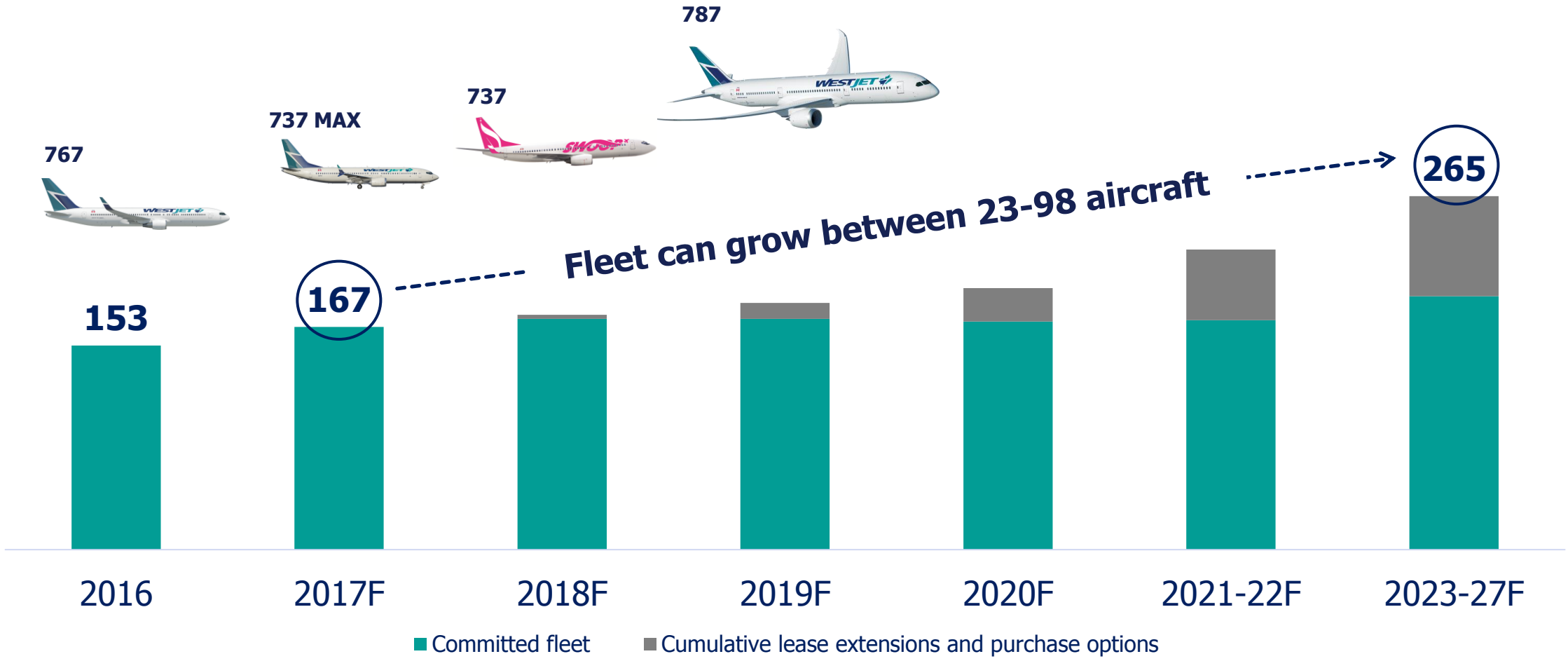
[1] The number of growing unencumbered aircraft assumes (i) WestJet's existing fleet, (ii) the terms of agreements WestJet has entered into with respect to future confirmed aircraft acquisitions as at the date of this presentation, (iii) repayment of existing secured long-term debt facilities as scheduled, and (iv) WestJet's continued ability to access unsecured financing alternatives

The only Canadian airline with investment grade credit ratings



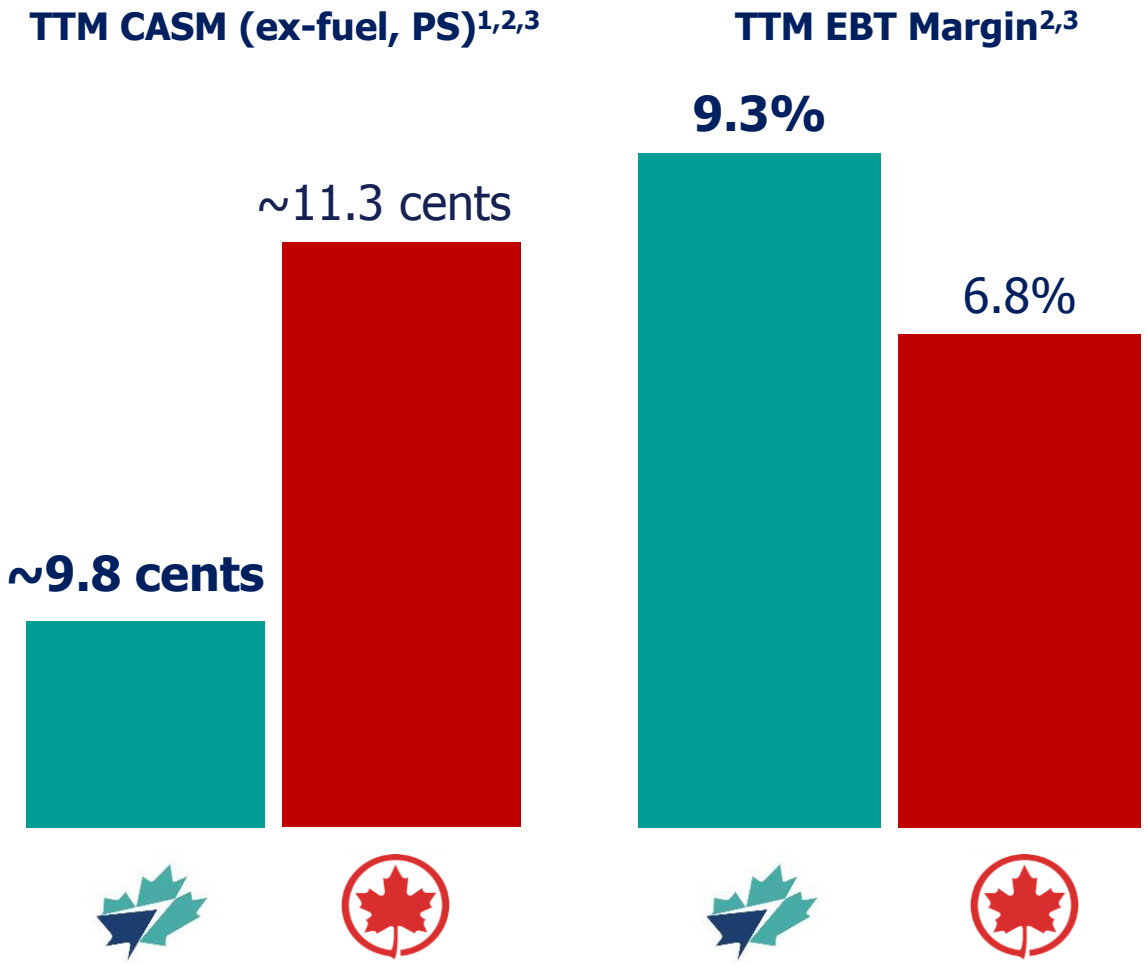
Source: Bloomberg, as of October 30, 2017

Flexible fleet plan[1]



[1] The flexible fleet plan as at the date of this presentation is based on (i) WestJet's existing fleet, (ii) the terms of agreements WestJet has entered into with respect to future confirmed aircraft acquisitions and purchase options, (iii) the terms of agreements WestJet has entered into with lessors with respect to leased aircraft, and (iv) WestJet's future decisions with respect to the renewal of leases and the exercise of purchase options and its ability to do so.

Significant cost and EBT Margin advantage



[1] Non-GAAP Measure
[2] As reported in Q4 2016 and YTD Q3 2017 external financial statements, unadjusted
[3] TTM = Trailing 12 months

Key cost reduction initiatives

Fleet reconfiguration

Airport operations

Optimized maintenance plan

737 MAX

Digital & self-serve

Sales & distribution

Continuous improvement (LEAN)

$140 – $200M

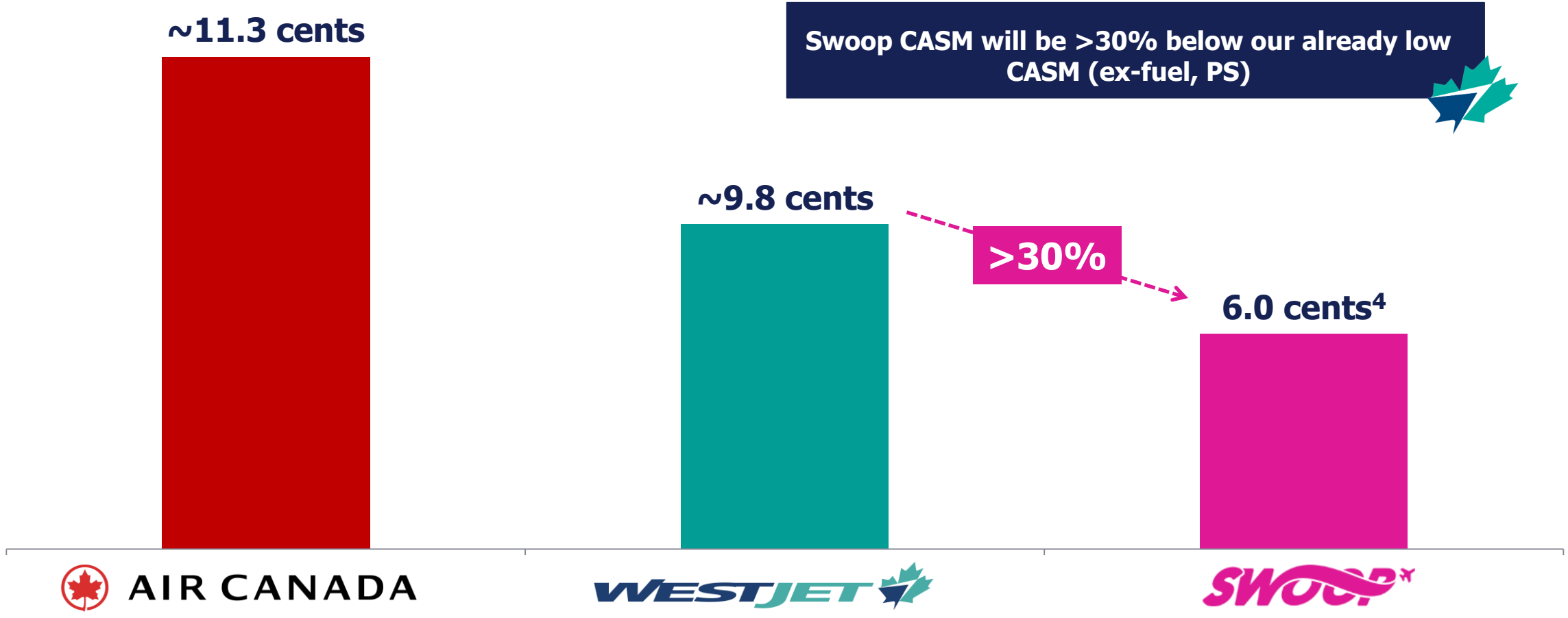
Annual cost savings opportunity through 2022

Note: Based on internal estimates

Swoop creates a new cost frontier

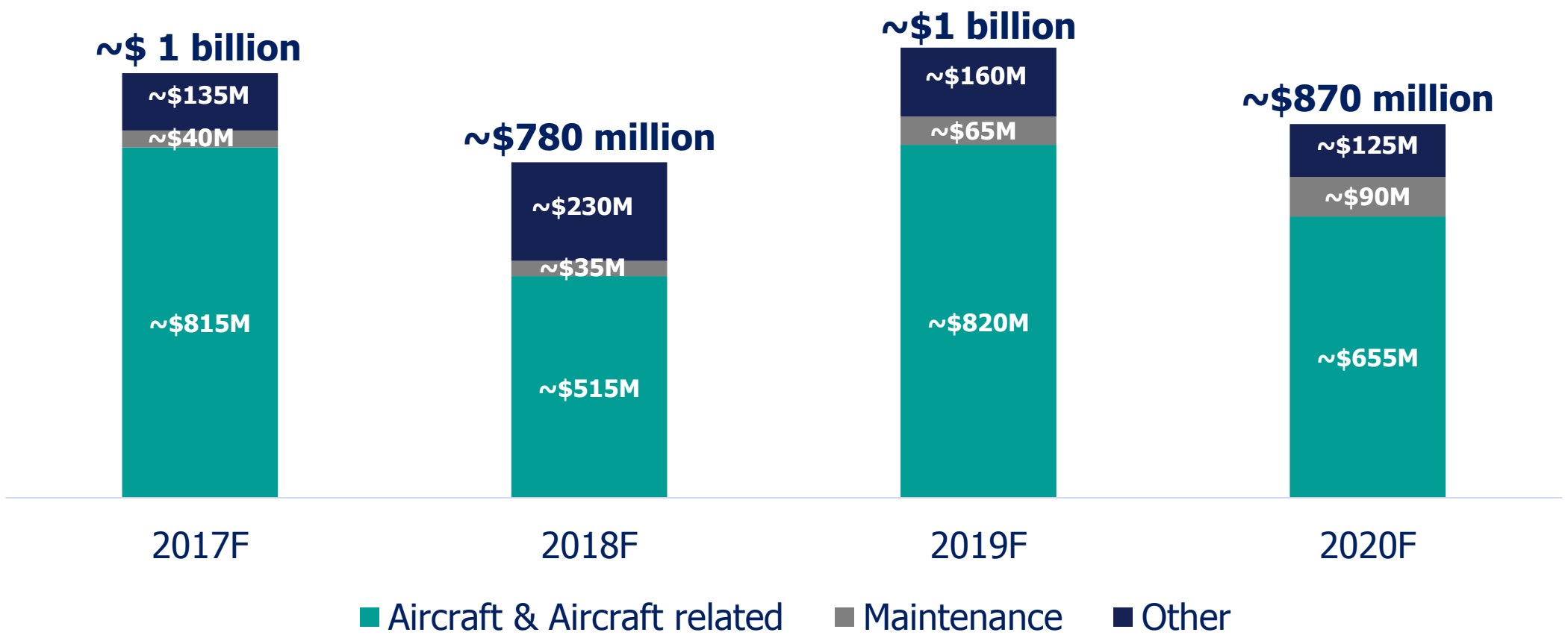
TTM CASM (ex-fuel, PS)[1,2,3]

Swoop CASM will be >30% below our already low CASM (ex-fuel, PS)



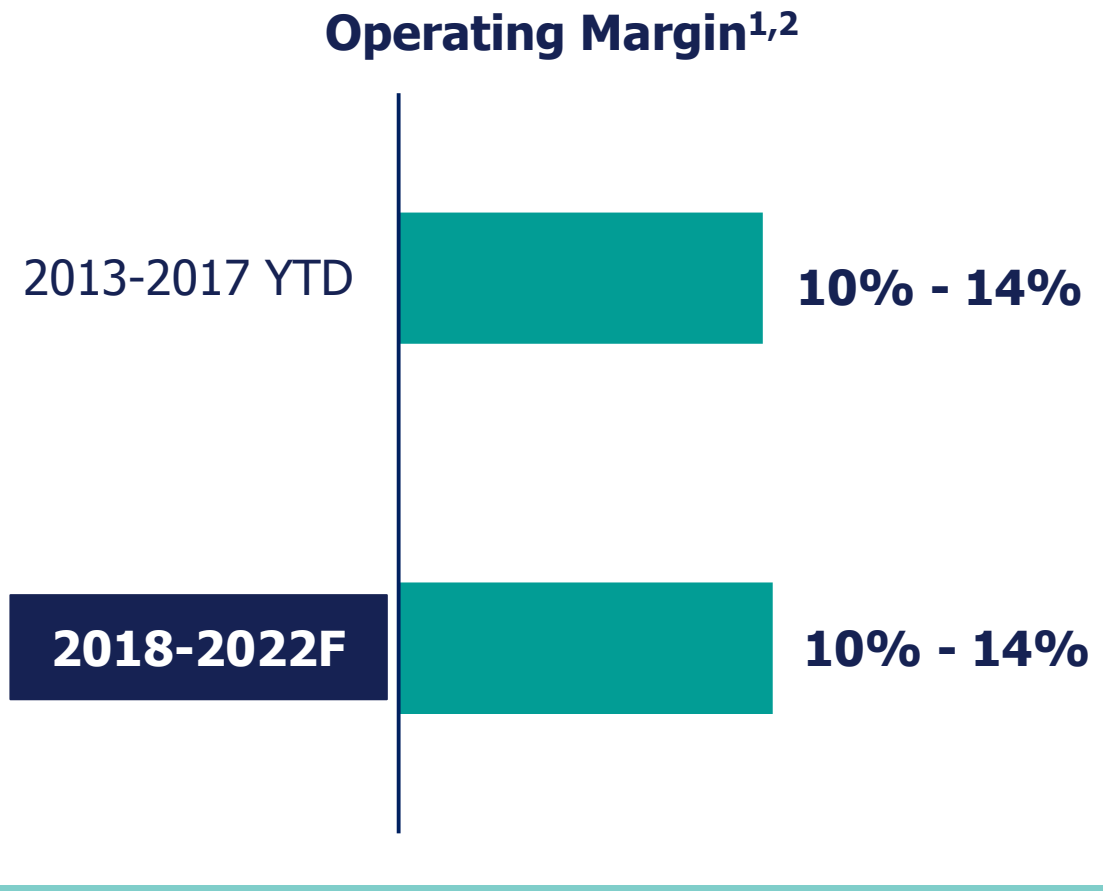
[1] Non-GAAP Measure
[2] As reported in Q4 2016 and YTD Q3 2017 external financial statements, unadjusted
[3] TTM = Trailing 12 months
[4] CASM (ex-fuel, PS) at full fleet of 10 aircraft and adjusted to stage length of 1,250 miles

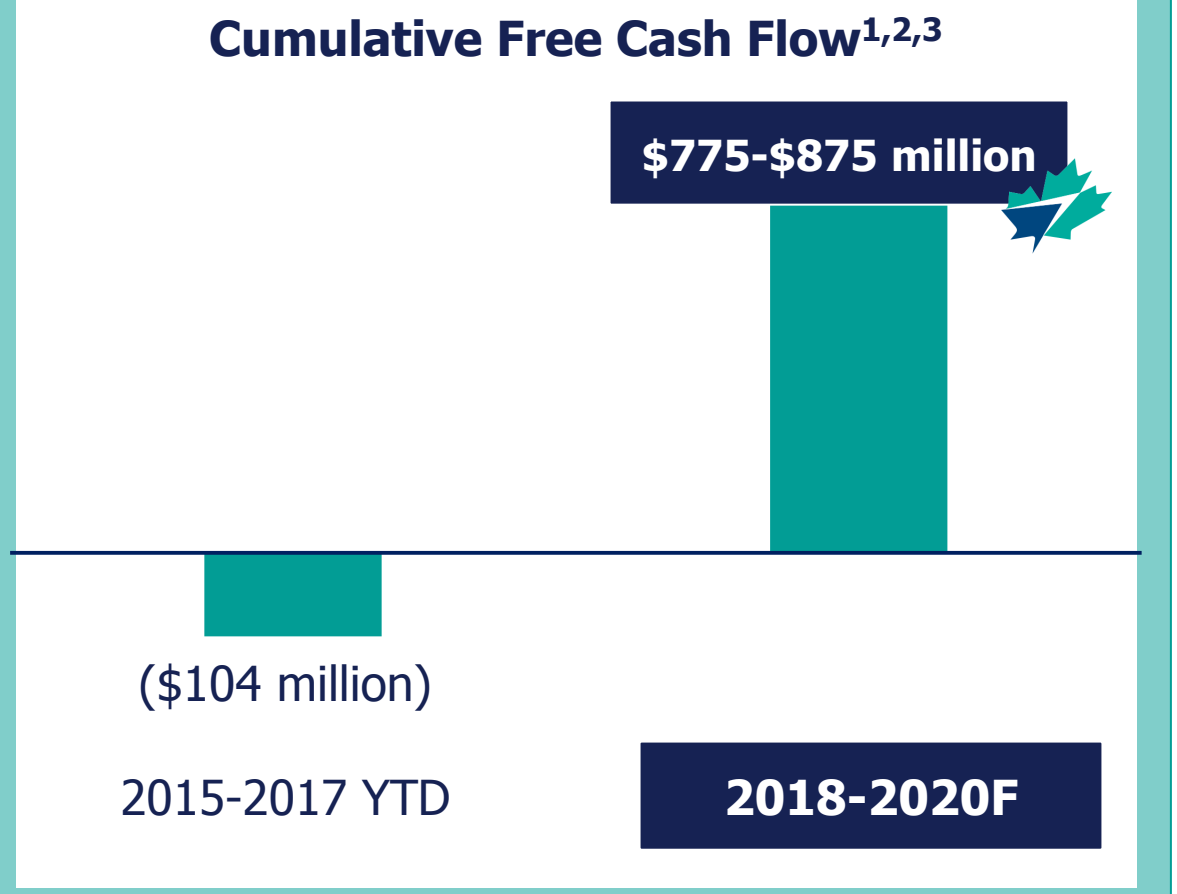
Capital Expenditures peak in 2019[1,2]



[1] 2018: FX 1.29, 2019: FX 1.30, 2020: FX 1.32
[2] Forward-looking information is based on current forecast and strategy and assumptions related to demand, fuel price, foreign exchange, maintenance, agreements, aircraft commitments and bookings

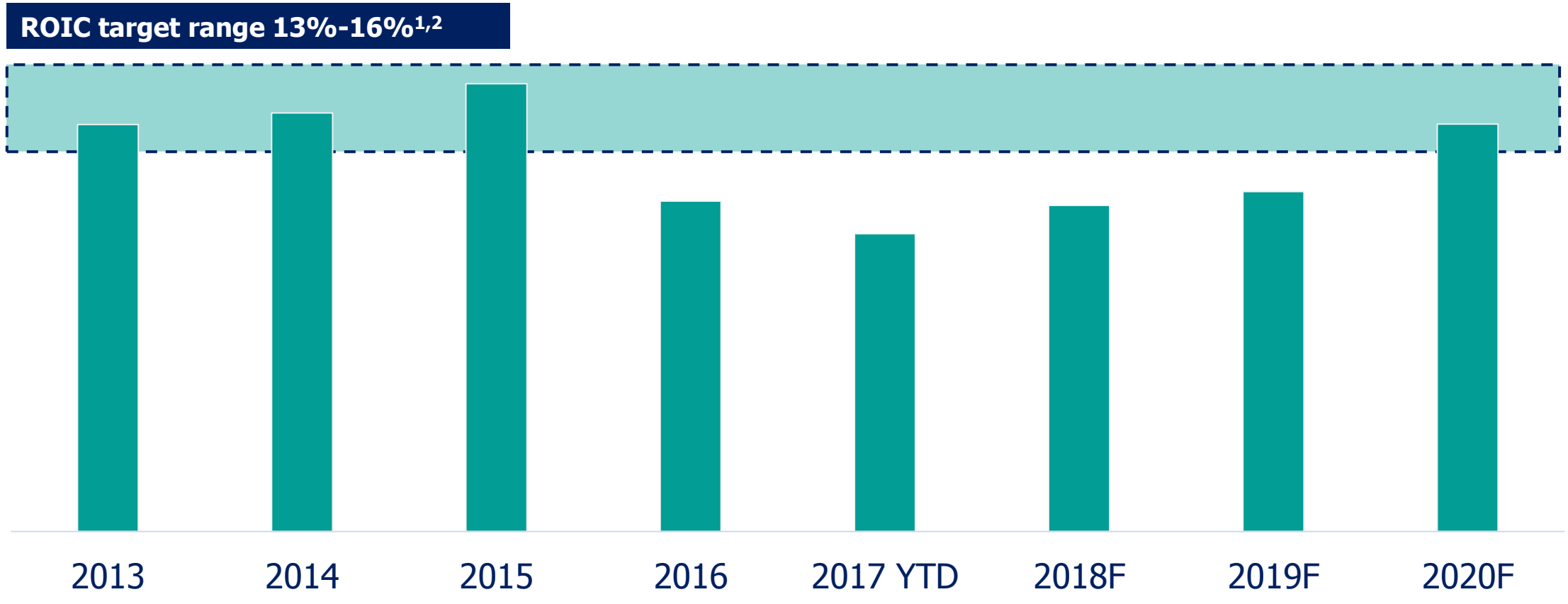
Strong Operating Margin and significant Free Cash Flow





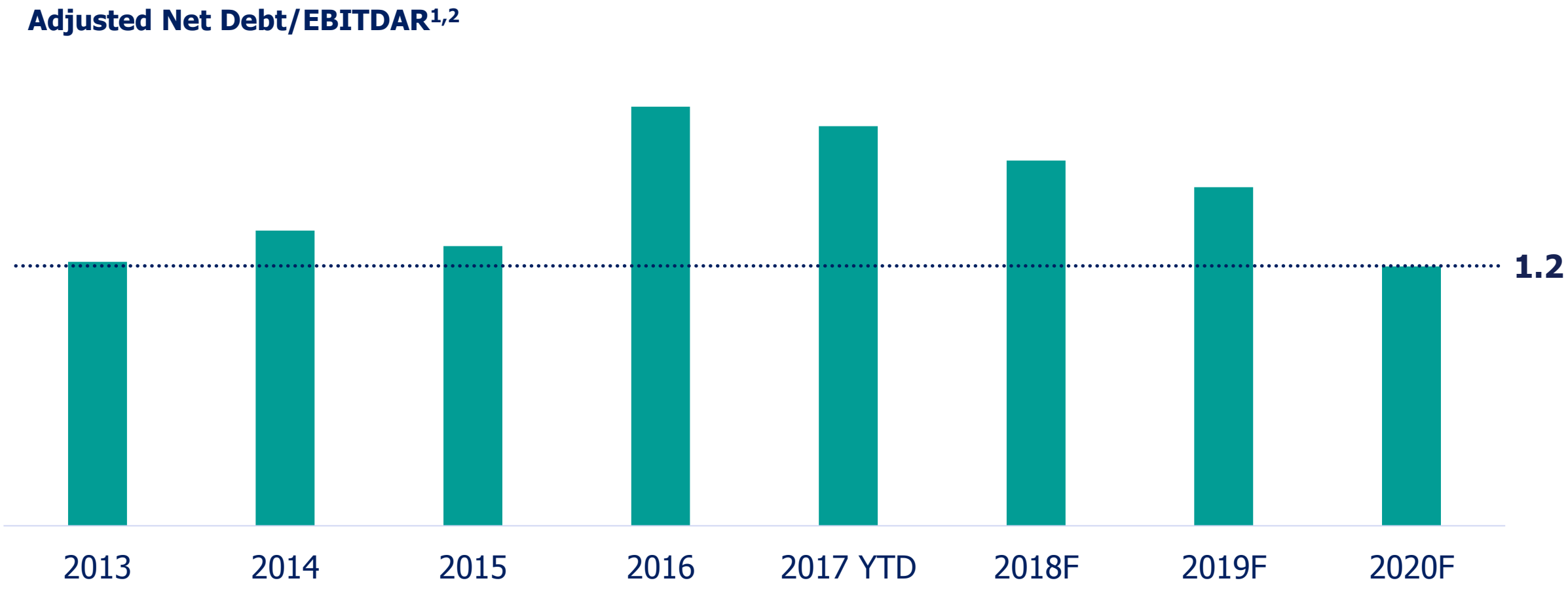
[1] Assumes moderate annual 2% GDP growth, 2018: FX 1.29, CPL 0.67, 2019: FX 1.30, CPL 0.68 cents, 2020: FX 1.32, CPL 0.68 cents
[2] Forward-looking information is based on current forecast and strategy and assumptions related to demand, fuel price, foreign exchange, maintenance, agreements, aircraft commitments and bookings
[3] Free cash flow calculated as operating cash flow less capital expenditures

ROIC returns to target range



[1] Non-GAAP Measure
[2] Forward-looking information is based on current forecast and strategy and assumptions related to demand, fuel price, foreign exchange, maintenance, agreements, aircraft commitments and bookings

Key credit metric declines to 1.2 in 2020



[1] Trailing 12 months earnings before interest, taxes, depreciation, and aircraft rent and other items (EBITDAR)
[2] Forward-looking information is based on current forecast and strategy and assumptions related to demand, fuel price, foreign exchange, maintenance, agreements, aircraft commitments and bookings

Committed to enhancing shareholder value

	2018-2020 Target
Annual Operating Margin	10% to 12%
Cumulative Free Cash Flow	$775M - $875M
ROIC	13% - 16% in 2020
Adjusted Net Debt/EBITDAR	1.2 by end of 2020

WESTJET

Closing Remarks

Gregg Saretsky
President & CEO

Focused on sustainable, profitable growth

Successful execution

Competitive cost structure

ROIC growth; sustainable capex

Premium segment growth

787 preparation

Swoop success

Q&A

Appendix

Accounting standards change

IFRS 15 – Revenue from Contracts with Customers

The impact of this change is not incorporated into WestJet's 2017 Investor Day projections

- The revised IFRS standard will replace existing revenue recognition guidance and is effective January 1, 2018 for annual and interim reporting periods. We will adopt this standard using the full retrospective approach on the required effective date.
- We anticipate a change in the timing of the recognition of breakage on certain ticket sales which we believe will shorten our period of revenue deferral.
- We anticipate that the majority of our ancillary services will no longer be considered distinct from our guest's associated flight, and therefore, will be presented within Guest revenue whereas today it is presented within Other revenue. Additionally, the timing of recognition of certain ancillary fees will be deferred until the flight occurs. We anticipate this will predominantly impact change and cancel fees which are currently recognized at the date of the ticket change.
- We will continue to defer the revenue related to WestJet rewards issued to guests. The allocation methodology of how we apportion the airfare between the flight segments and WestJet rewards will change. Upon implementation, we anticipate that tier status will be considered a marketing expense therefore no revenue will be deferred related to the guest benefits associated with tier status.
- We are finalizing our work on the impact on our co-brand credit card program, the quantitative impact of all the anticipated changes and drafting illustrative disclosures to our quarterly and annual 2018 financial statements.

Accounting standards change

IFRS 16 - Leases

The impact of this change is not incorporated into WestJet's 2017 Investor Day projections

- The revised IFRS standard will replace the existing lease standard and is effective for annual and interim reporting periods beginning on or after January 1, 2019. We will adopt this standard on the effective date.
- This standard eliminates the classification of leases as either operating leases or finance leases for a lessee, and instead, all leases are capitalized by recognizing the present value of lease payments and presenting them as either lease assets or together with property and equipment.
- It also allows for the service component of a lease agreement to be separated from the value of the asset and thus not reported on the statement of financial position.
- We have initiated a scoping exercise to identify the potential number and types of contracts that may contain leases.

Annual assumptions

	2018	2019	2020
GDP Canada	Approximately 2%		
Foreign exchange ($CAD/$USD)	1.29	1.30	1.32
Average jet fuel price ($CAD cents per litre)	67	68	68

Financial information

Financial information contained in this section of the presentation has been derived from the historical consolidated financial statements of WestJet for the applicable period's noted

WestJet's consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook – Accounting ("CPA Handbook"), which incorporates Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The forward looking financial information in this presentation is based upon the accounting policies and assumptions in effect as of September 30th 2017 and does not reflect the impact of any accounting standards changes that may be applicable to WestJet's financial statements in the future

Note: All references to dollars contained in the presentation refer to Canadian Dollars (CAD), unless otherwise noted

Non-GAAP Financial Measures

The following non-GAAP and additional GAAP measures are used to monitor our financial performance:

Adjusted debt:
The sum of long-term debt and off-balance-sheet aircraft operating leases. Our practice, consistent with common airline industry practice, is to multiply the trailing 12 months of aircraft leasing expense by 7.5 to derive a present value debt equivalent. This measure is used in the calculation of adjusted debt-to-equity and adjusted net debt to EBITDAR, as defined below.

Adjusted net debt:
Adjusted debt less cash and cash equivalents. This measure is used in the calculation of adjusted net debt to EBITDAR, as defined below.

EBITDAR:
Earnings before net finance costs, taxes, depreciation, amortization, aircraft rent and other items, such as asset impairments, gains and losses on derivatives, and foreign exchange gains or losses. Trailing 12 months EBITDAR is a measure commonly used in the airline industry to evaluate results by excluding differences in the method by which an airline finances its aircraft. Cash to trailing 12 months revenue: Cash as a percentage of the trailing twelve months' revenue is a measure commonly used in the airline industry to compare liquidity positions, adjusting for seasonality that may occur within a financial year.

Non-GAAP Financial Measures (continued)

Return on invested capital:
ROIC is a measure commonly used in the airline industry to assess the efficiency with which a company allocates its capital to generate returns. Return is calculated based on our earnings before tax, excluding special items, finance costs and implied interest on our off-balance-sheet aircraft leases. Invested capital includes average long-term debt, average finance lease obligations, average shareholders' equity and off-balance-sheet aircraft operating leases.

Free cash flow:
Operating cash flow less capital expenditures. This measure is used to calculate the amount of cash available that can be used to pursue other opportunities after maintaining and expanding the asset base

Cash to trailing 12 months revenue:
Cash as a percentage of the trailing twelve months' revenue is a measure commonly used in the airline industry to compare liquidity positions, adjusting for seasonality that may occur within a financial year.

CASM, excluding fuel and employee profit share:
CASM is a common measure used in the airline industry to measure an airline's cost structure and efficiency. We exclude the effects of aircraft fuel expense and employee profit share expense to assess the operating performance of our business. Fuel expense is excluded from our operating results because fuel prices are affected by a host of factors outside our control. Additionally, employee profit share expense is excluded as it varies based on the outcome of our net earnings. Excluding these expenses allows us to analyze our operating results to those of other airlines.