

Allegiant Air orders 50 Boeing 737 MAX jets with option for 50 more

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Allegiant Air reached agreement to buy 50 737 MAX planes from Boeing, with an option for another 50 jets.

Boeing reached an agreement to sell 50 737 MAX planes to low-cost US

carrier Allegiant Air, with an option for another 50, the companies announced Wednesday.

Las Vegas-based Allegiant, which has built its fleet mainly around used aircraft, said the upheaval of the "pandemic recovery cycle" presented "unique opportunities to acquire new equipment," according to a [press release](#).

For Boeing, the sale marks a welcome victory after Air France-KLM and Qantas announced major deals with European rival Airbus in December.

The order with Allegiant—currently an all-Airbus company—is Boeing's first "US ultra-low cost carrier (ULCC) [deal](#)," Boeing said.

"This deal further validates the economics of the 737 MAX family in the ULCC market and we're excited to stand alongside Allegiant as they integrate these new airplanes into their fleet," said Boeing Commercial President Stan Deal.

Allegiant services mostly leisure travelers in under-served US cities.

"While the heart of our strategy continues to center on previously-owned aircraft, the infusion of up to 100 direct-from-the-manufacturer 737s will bring numerous benefits for the future -- including flexibility for capacity growth and aircraft retirements, significant environmental benefits, and modern configuration and cabin features our customers will appreciate," said Allegiant Chief Executive Maurice Gallagher.

Under the agreement, Allegiant will accept a group of initial planes in 2023, with the remaining deliveries coming the following two years.

A narrow-body plane designed for short- and medium-length trips, the MAX has scored several major contracts since being cleared to resume

service in late 2020 following a 20-month grounding due to two [fatal crashes](#).

The smaller of the two planes in the Allegiant deal, the 737-7, currently lists for \$99.7 million each, although contract prices are usually set below that level.

Shares of Allegiant Travel Company fell 4.4 percent to \$184.72 in early trading, while Boeing rose 2.0 percent to \$217.85.

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