



Sun Country Airlines

March 2023

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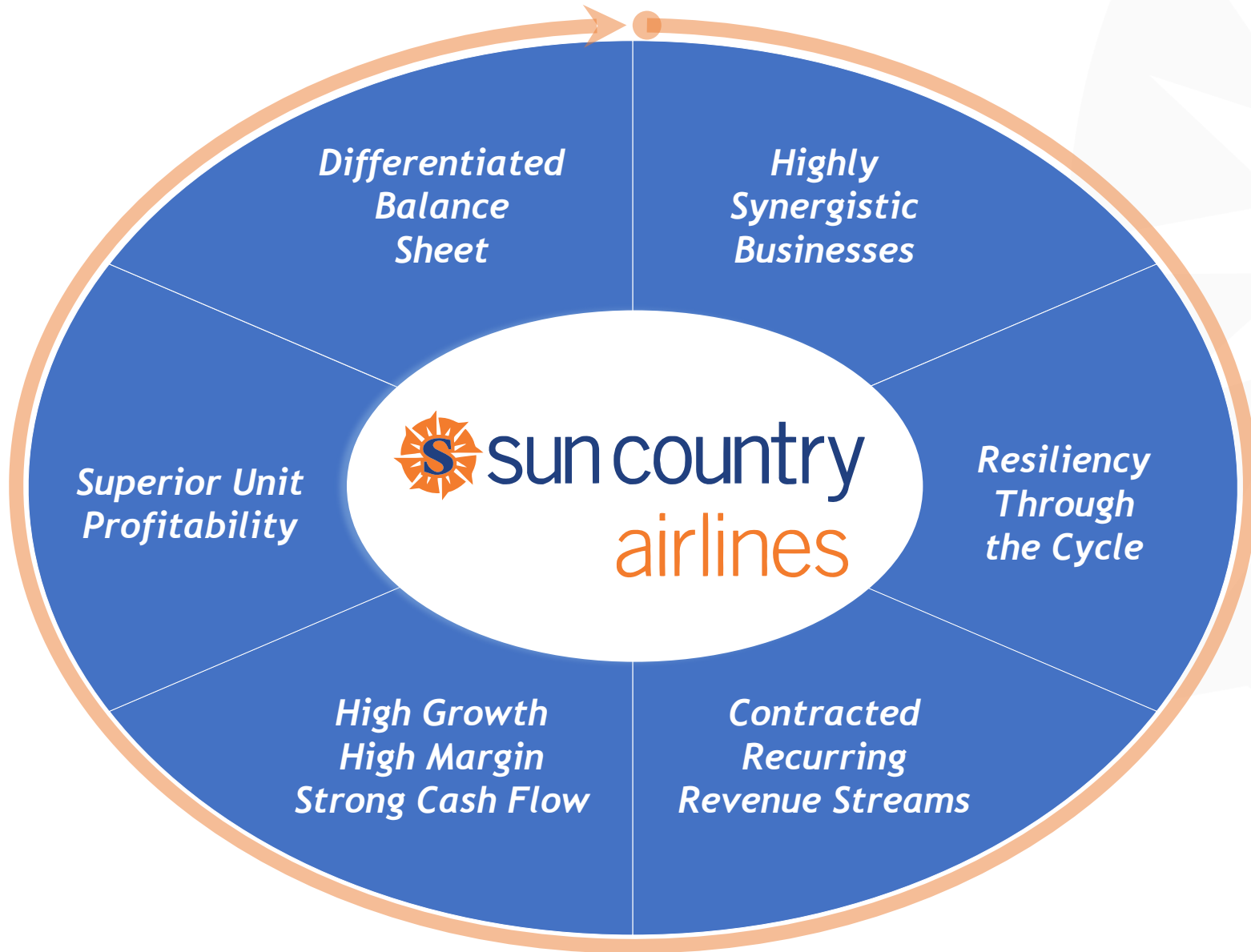
Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Adjusted EBIT, Adjusted EBIT Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income, Adjusted CASM and free cash flow. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Please see the reconciliations included in the Appendix to this presentation.



Business Overview

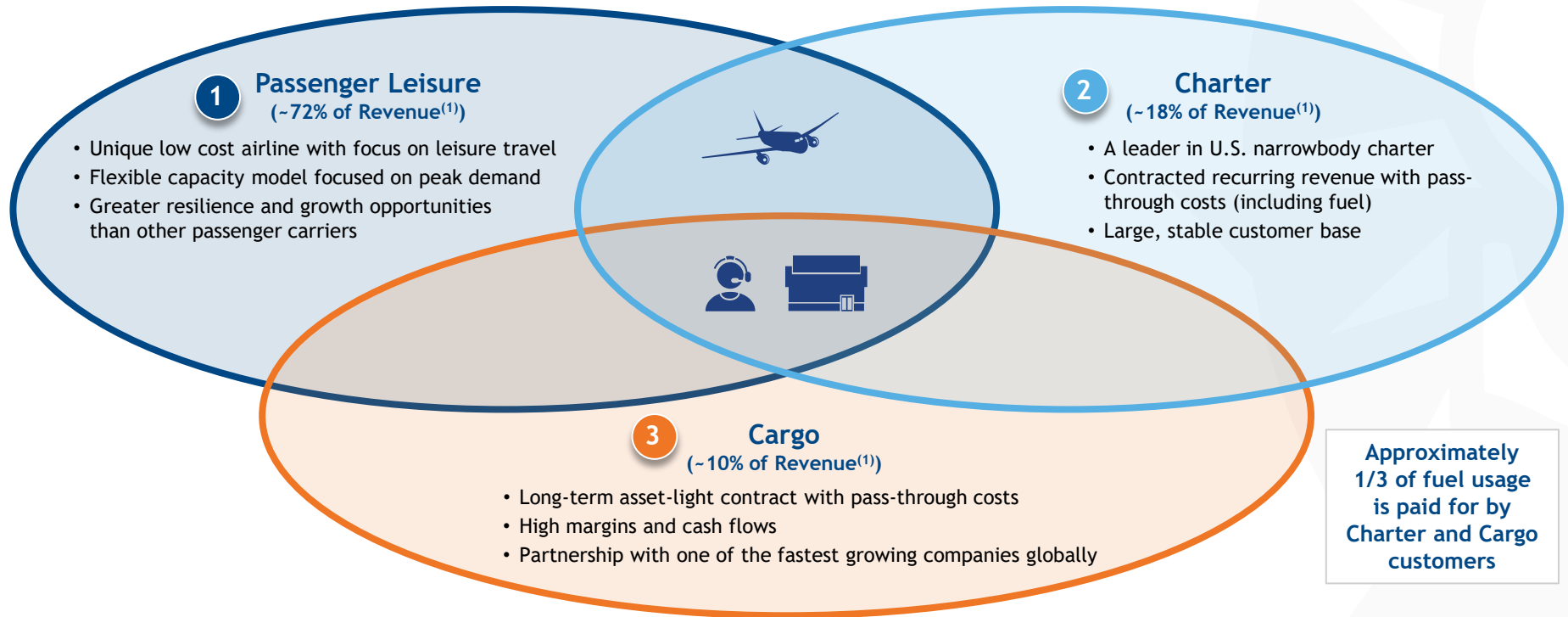
Differentiated and Unique Aviation Company



Sun Country was built to generate best in class performance in most environments

Unique, Diversified Business Model

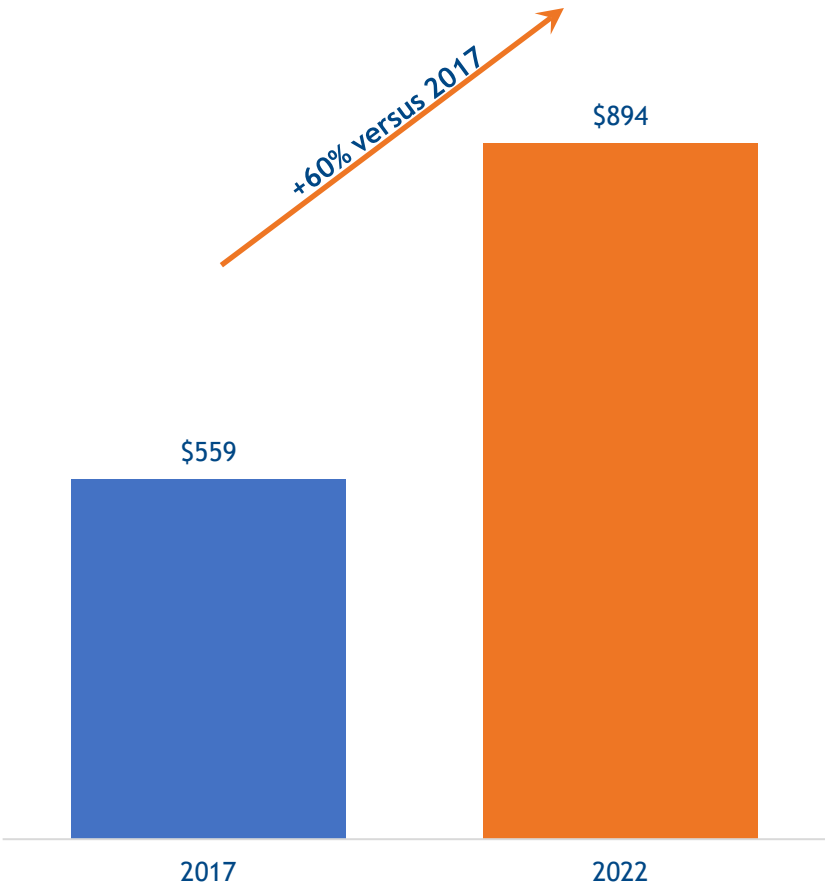
Sun Country Business Line Synergies



Business Model Has Facilitated Rapid Growth...

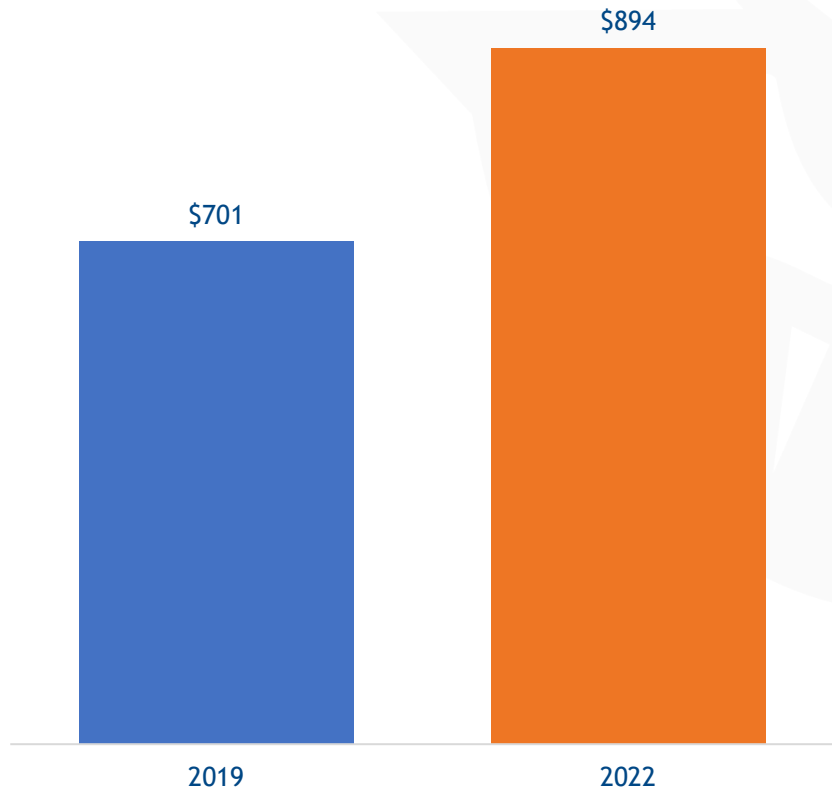
Significant Growth Since 2017...

(Revenue, \$mm)



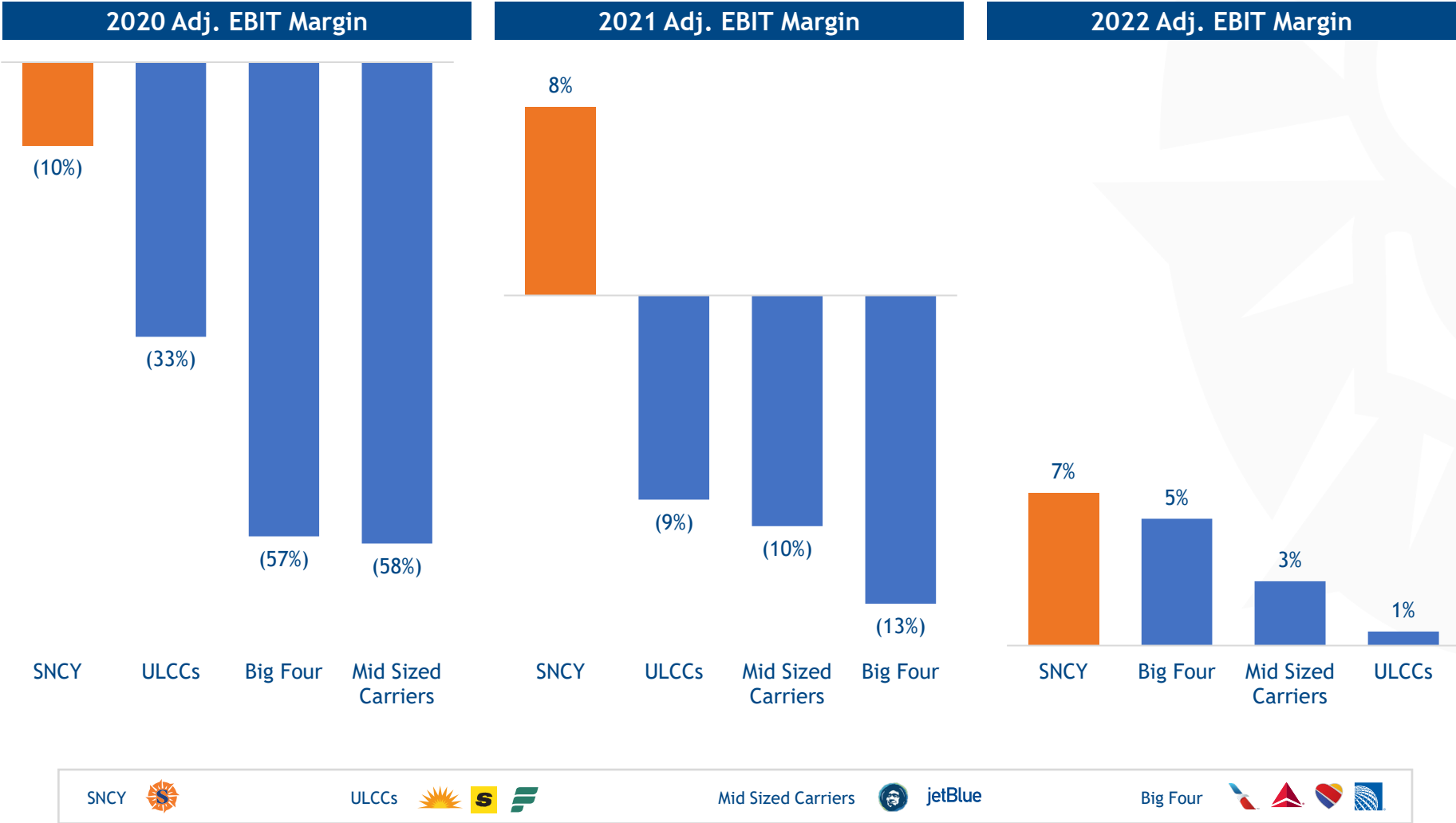
...Exceeding 2019 Levels

(Revenue, \$mm)



Our financial performance has demonstrated growth and resilience inherent in our business model

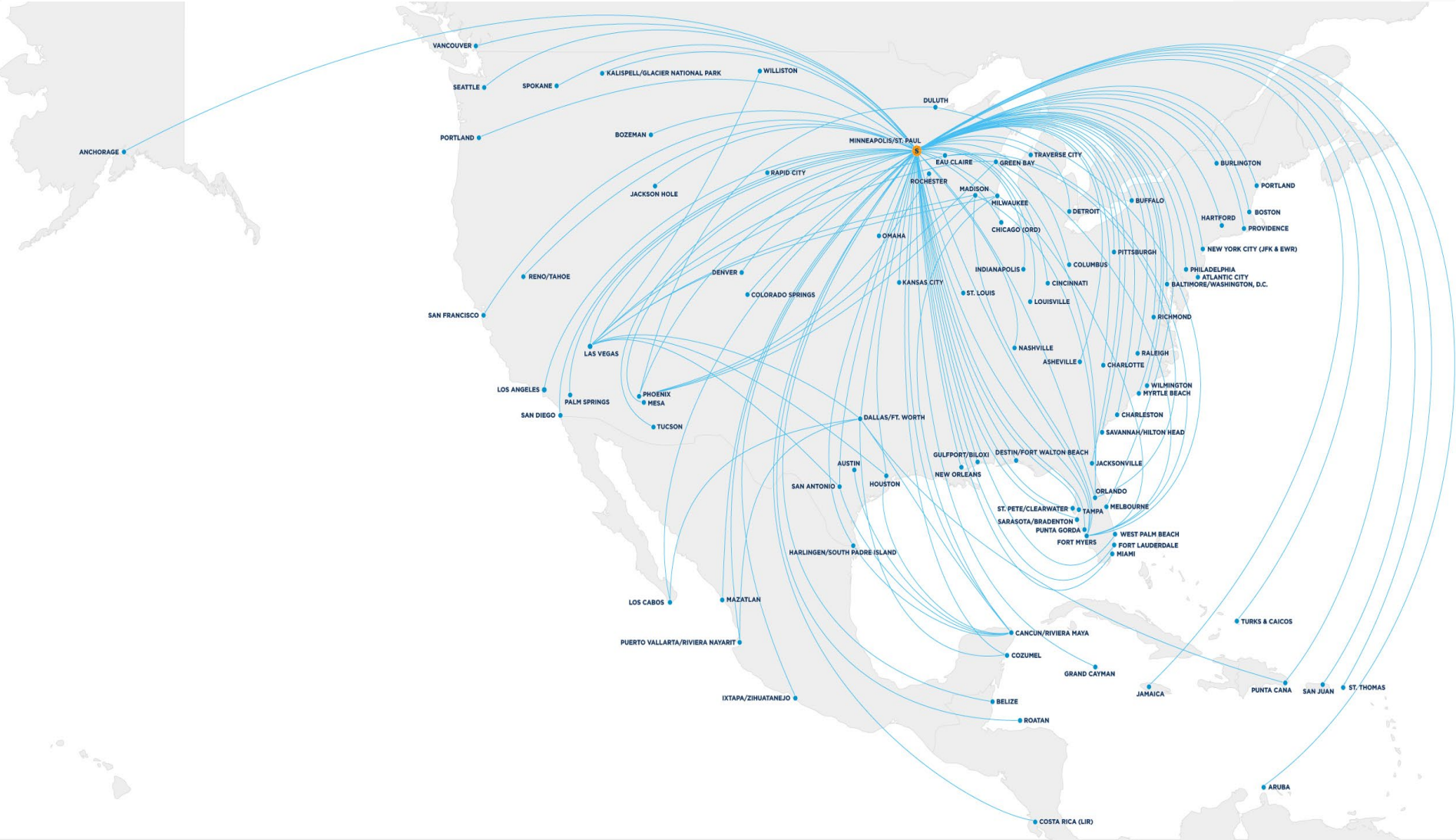
...And Outperformance in COVID and Through the Recovery



Our business model results in stability through the cycle, outperforming the industry during the depths of COVID


Source: Public filing.

Flexible Scheduled Service Route Network



~91% of our markets are seasonal which reflects demand trends of our customer

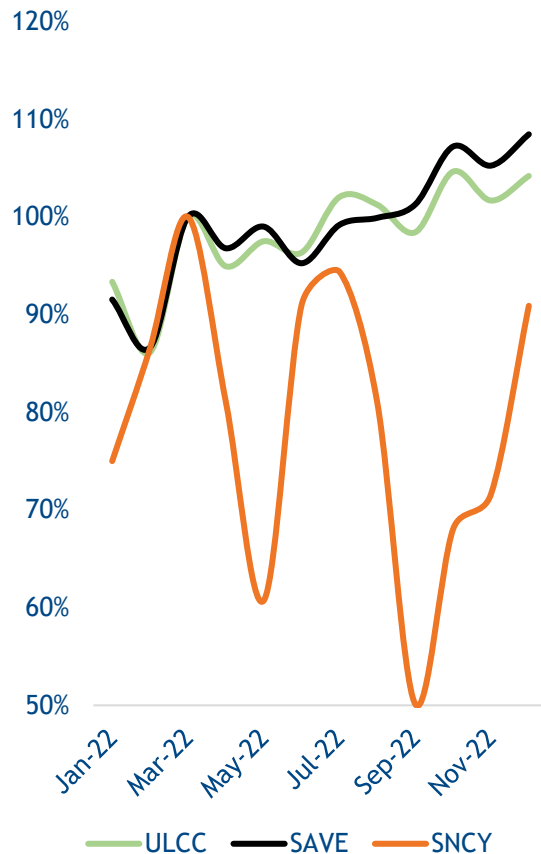
We Offer A High-Quality Product

	Weighted Average Seat Pitch	Seat Recline	In-Flight Entertainment	In-Seat Power	Free Beverage
	31"	✓	✓	✓	✓
	32"	✓	✓	✓	✓
	30"	✗	✗	✗	✗
	30"	✗	✗	✗	✗
	28"	✗	✗	✗	✗

Agile Passenger Capacity Built to Capture Highest Unit Revenues

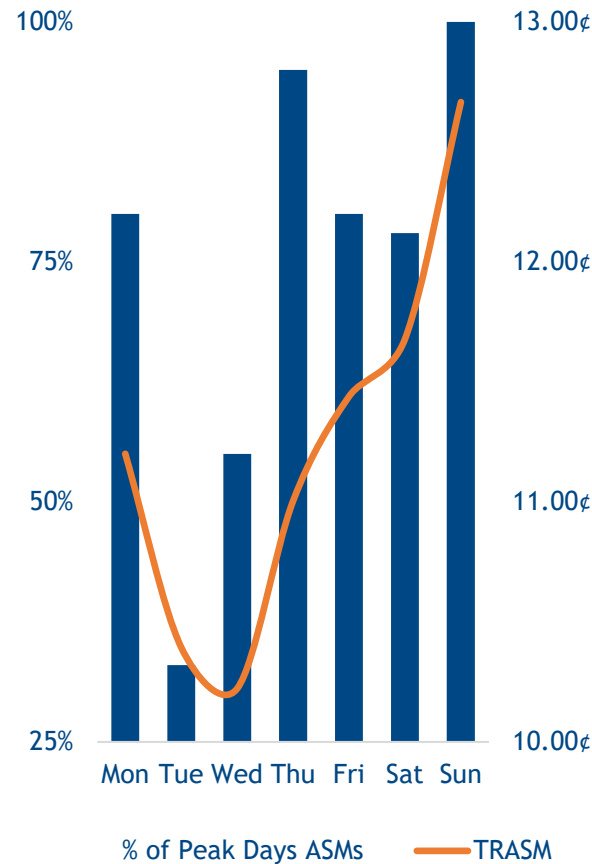
Seasonal Demand Dictates Monthly Schedule

Monthly Seats as % of March 2022



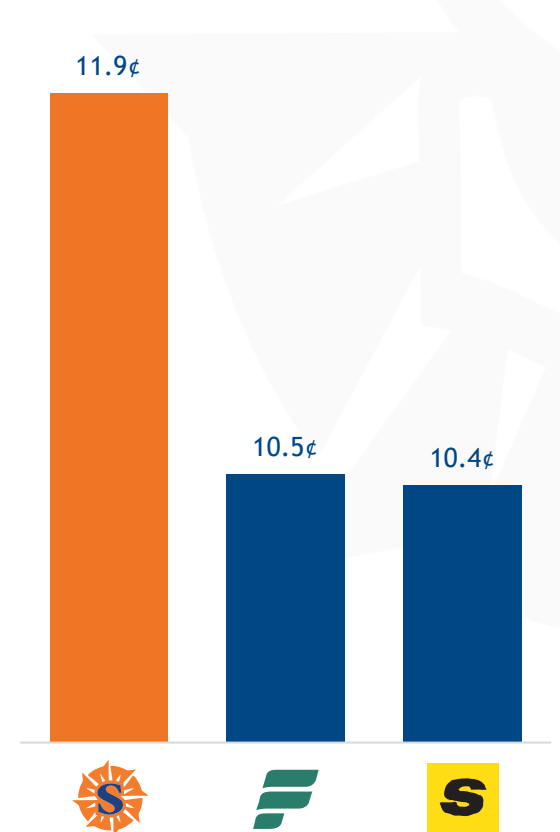
Day-of-Week Capacity Determined by Demand Patterns⁽¹⁾

(% of Peak Day ASMs) (TRASM) (¢)



Results in Higher Unit Revenue Versus High Utilization Peers

2022 TRASM



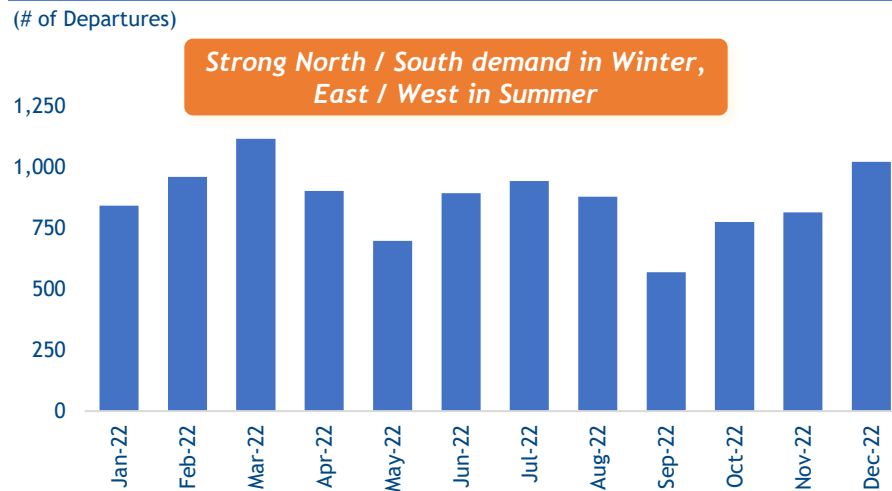
Unlike other passenger airlines, we quickly shift our capacity to focus flying during peak demand to maximize our yields

Source: Diio Mi.
1. Based on FY2022 data.

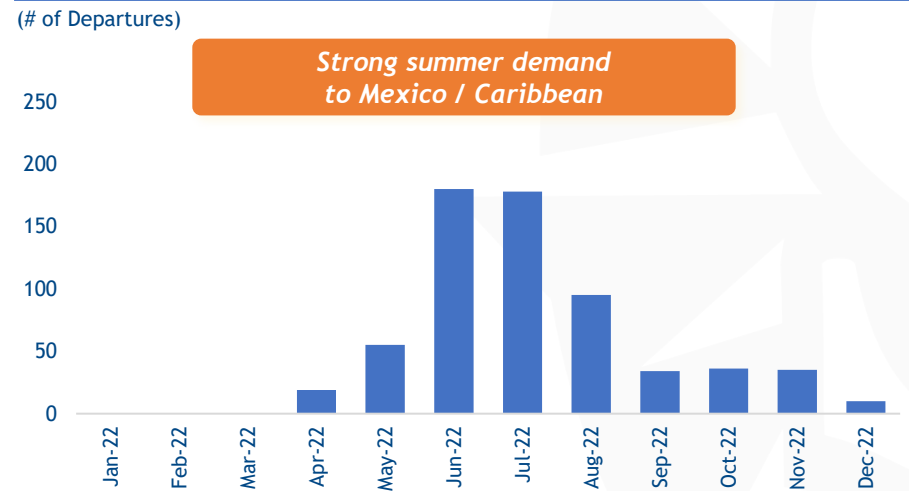
Experts in Executing a Seasonal Network

Departures by Month at Three of Our Largest Cities

MSP Departures



DFW Departures



Top 5 Destinations from MSP in...

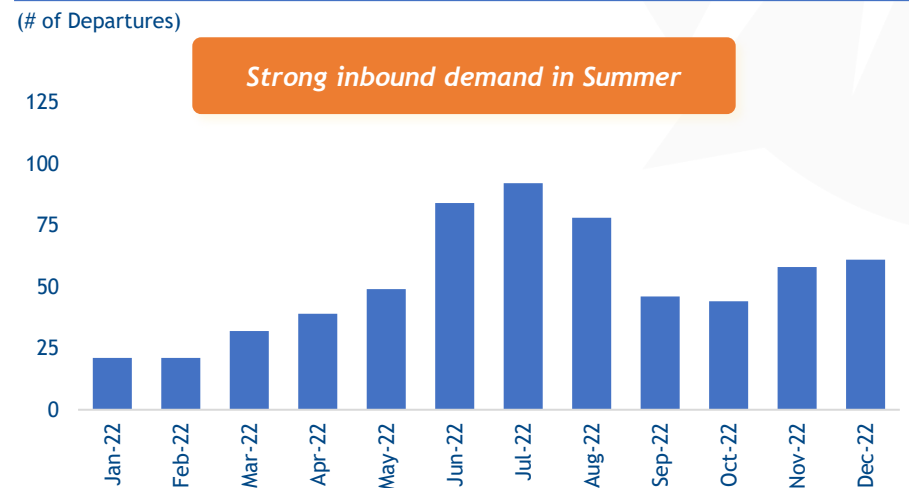
March 2022

- RSW
 - MCO
 - PHX
 - CUN
 - LAS
- 47%**
of Departures

July 2022

- LAX
 - SFO
 - LAS
 - SEA
 - ANC
- 34%**
of Departures

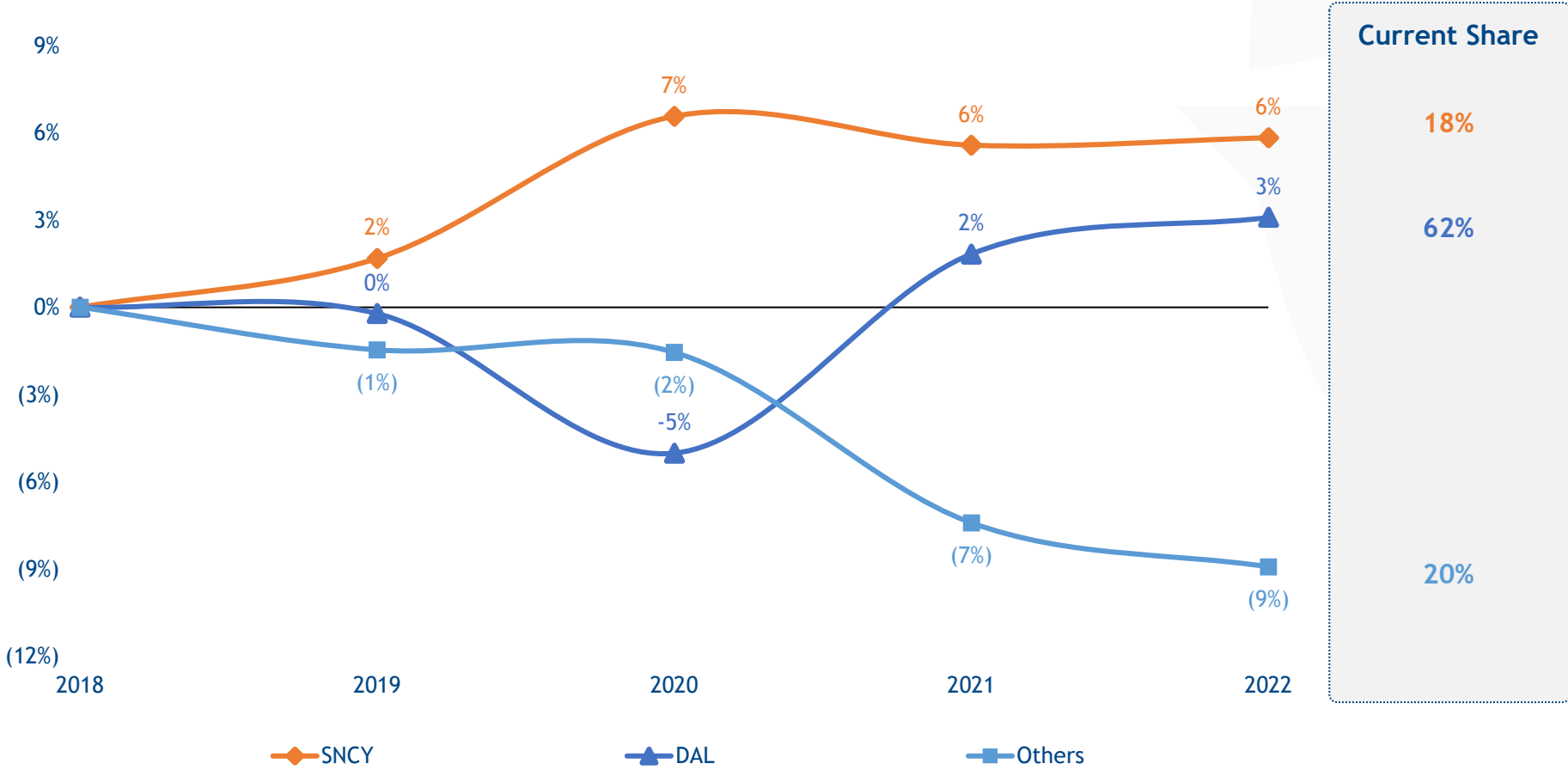
LAX Departures



We only fly when and where demand exists

Sun Country Has Been Growing its Share at MSP

Cumulative Change in MSP Point-of-Origin Passenger Share Since 2018⁽¹⁾⁽²⁾



MSP share growth has been achieved at the expense of smaller scale carriers

Source: Diio Mi, DOT O&D.
 1. Based on rolling 4-quarter passengers per day data, 2022 is through 3Q.
 2. SNCY - Sun Country, DAL - Delta.

Scheduled Service Growth Builds On Existing Foundation

Scheduled Service Growth “Playbook”

MSP			
2018		2022	
Markets	ASMs (B)	Markets	ASMs (B)
44	3.9	71	5.1

Drivers of Growth

- Existing markets: “same store” growth across the spectrum of markets
- Significant growth: over 50 unserved markets with more than 30 daily passengers, markets start with small footprint (2x/week) giving easy ability to grow, have added 16 markets in 2023
- Integrated scheduling: half of new ‘23 markets create economic or Operational value due to line-of-business crossover efficiencies

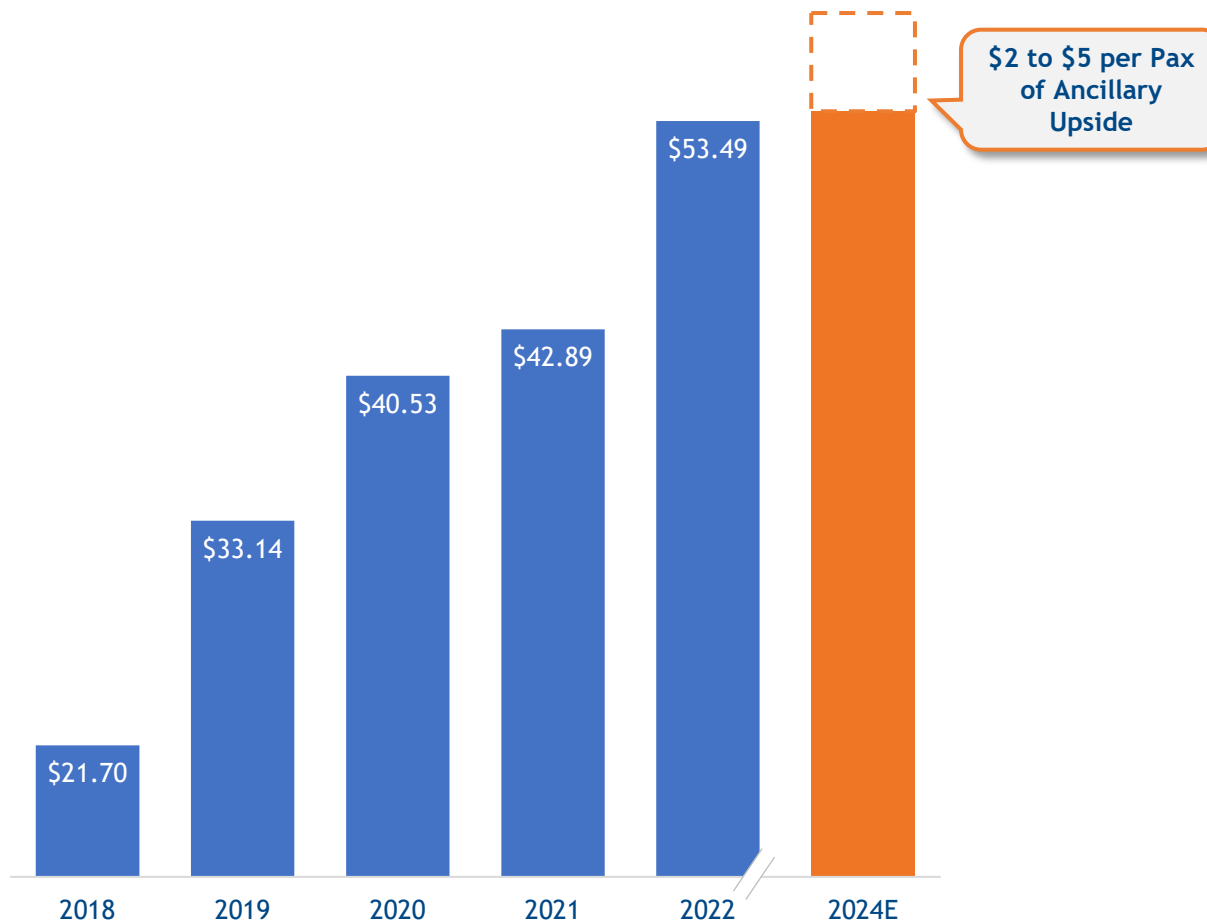
Non-MSP			
2018		2022	
Markets	ASMs (B)	Markets	ASMs (B)
29	0.46	27	0.53

- Super-scaper: high seasonal peaks in large markets (DFW-CUN), majority of largest U.S. markets have a summer seasonality spike
- Upper Midwest: brand extends well, similar seasonalities to MSP
- Strong profitability: network has been optimized

Further development on existing strategy

Ancillary Revenue Growth Potential

Ancillary Revenue per Passenger Growth Range⁽¹⁾⁽²⁾



Initiative Areas

- **Enhanced Merchandising** - improved offer and product presentation on suncountry.com, including bundled ancillary products
- **New Products** - introduction of new product offerings
- **Pricing Optimization** - improved technology enabling enhanced pricing practices, including machine learning
- **3rd Party Products** - continued expansion and optimization of the 3rd party product portfolio

Ancillary revenue per passenger is expected to continue to grow, driven by better merchandising, new products and pricing initiatives

1. Includes ancillary and other revenue per passenger.
2. There can be no assurance that projections or estimates of future performance will be realized.

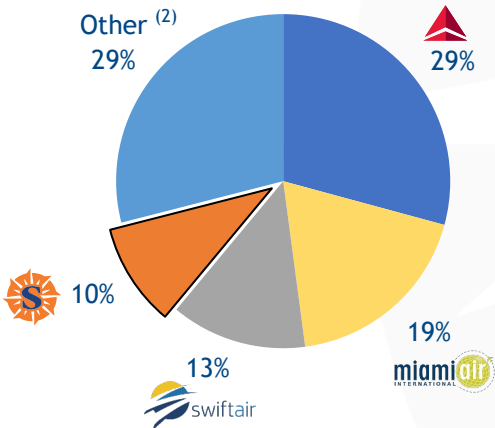
Differentiated, Leading Charter Business

NCAA and professional sports, casino/VIP, US military, among other customers

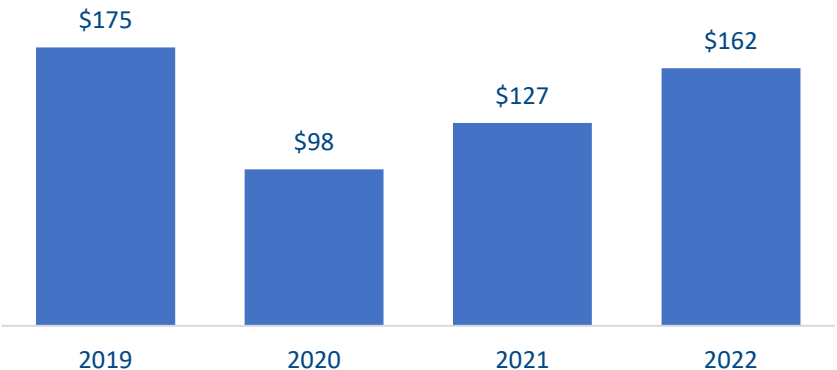
Overview

- Contract based business provides recurring revenues
- Integrated scheduling capability drives efficiencies
- Growth opportunities remain both ad-hoc and “contracted”

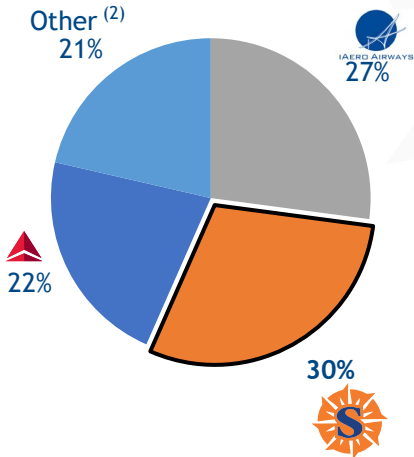
2014 Domestic Narrowbody Charter Block Hours



Charter Revenue by Year - millions



2022 Domestic Narrowbody Charter Block Hours(1)



Charter revenue and block hours have rebounded with a stronger customer portfolio

Source: Diio Mi, DOT T-100.
 1. Based on year-end November '22 block hours.
 2. Includes airlines that provide less than 10%.

Growing Business Under Charter Contracts

Recent New Customers	Details
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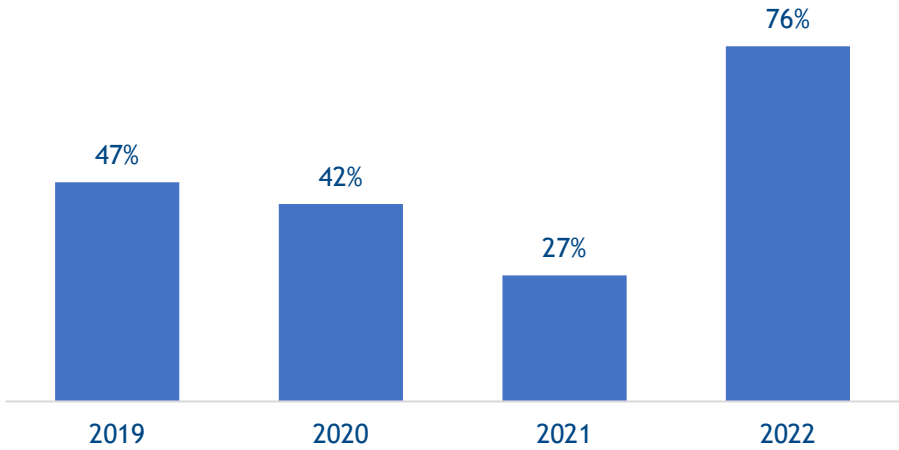
- 5-year agreement to provide charter service to all Major League Soccer teams - Agreement began at the beginning of 2022



CAESARS

- 5-year agreement to provide charter service for Caesars Entertainment guests - Agreement began in March 2022

Percentage of Charter Block Hours Under Long Term Contracts



Other Select Charter Customers



UNIVERSITY OF MINNESOTA

Unique, Asset-Light Cargo Business

Overview

- 12 Boeing 737-800 freighter aircraft operated on behalf of Amazon
- Amazon supplies the aircraft, pays for many flight expenses, including fuel and is responsible for all cargo-related activities (including loading / unloading)
- 10 year contract, initial term six years and two, two-year extension options
- Since contract was signed with Amazon in 2019, all of Amazon's new 737 cargo aircraft have been assigned to Sun Country

Key Highlights

- ✓ Third largest narrowbody cargo operator in the U.S⁽¹⁾
- ✓ High margin and cash flow with stable revenue and pass-through cost structure
- ✓ Asset light business with no ongoing capex
- ✓ Synergistic with other business lines, leveraging pilots and other shared resources
- ✓ Partnership with one of the fastest growing companies globally

Statistics

\$90mm

2022 Revenue

100%

Fuel Costs Paid by Amazon

\$0

Ongoing Capital Expenditures

11%

Variance in Daily Block Hours, Driving Operational Stability

Partnership between Amazon and a scheduled passenger service carrier with stable, high margin revenue and cash flow

1. Based on LTM Q1 2022 block hours.

Ratified Pilot Contract Unlocks Growth

Key Benefits

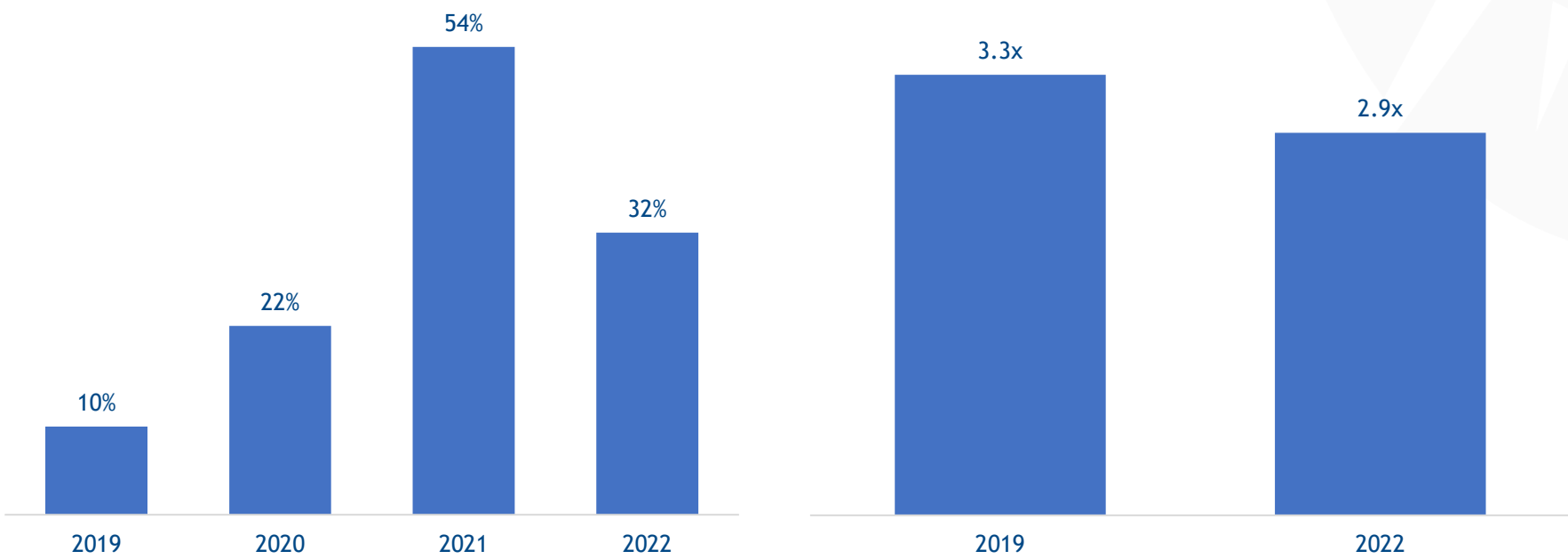
- Pay scales and benefits competitive with low-cost peers and on par with current legacy rates by 2025
- First airline to ratify new pilot contract post-COVID, providing predictable costs
- To date, effect has been reduced attrition and increase in applicants
- Ex-fuel per block hour costs in 2022 were nearly identical to 2019

Balance Sheet Positions Sun Country for Growth

- \$289m of liquidity at year end 2022 provides ample capital to support growth
- Manageable CAPEX requirements given mid-life passenger fleet; cargo segment asset-lite
- No non-aircraft debt
- Reduced debt levels during COVID
- Returned \$40m to shareholders through share repurchases since Nov 2022

Liquidity⁽¹⁾ / LTM Revenue

Deleveraging Through the Pandemic & Recovery
(Adj. Net Debt / LTM EBITDA⁽²⁾)

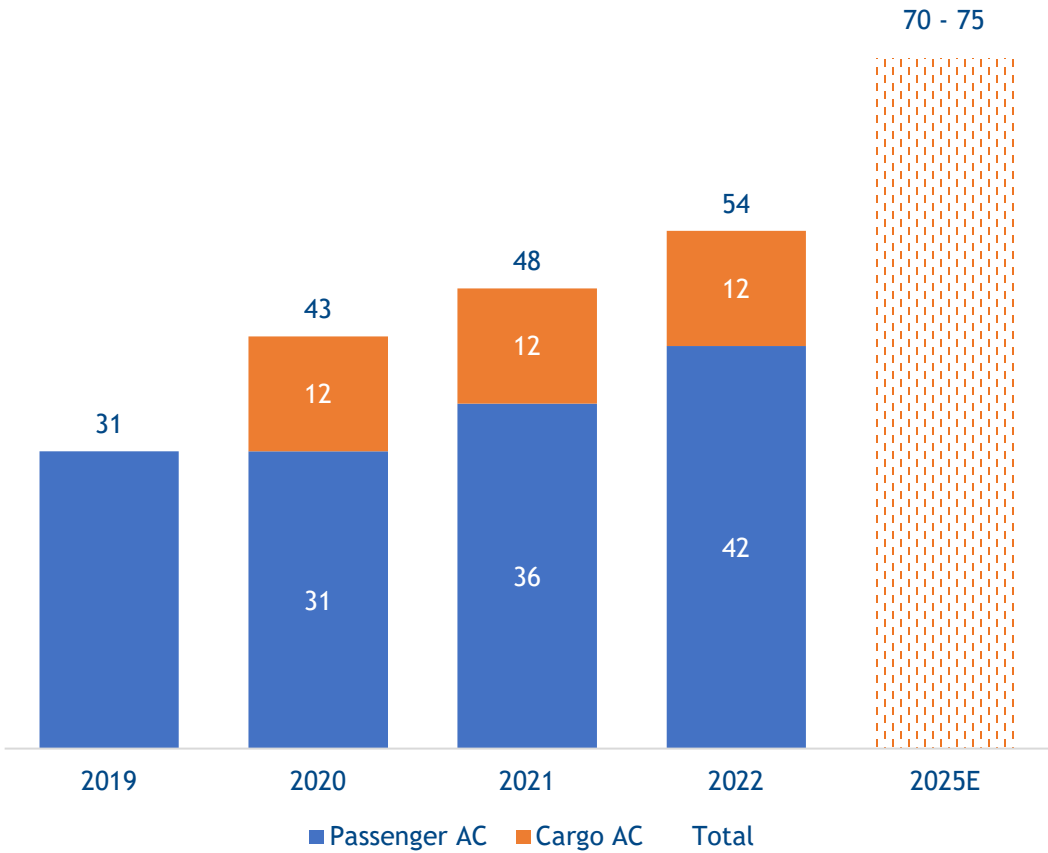


1. Liquidity is cash balance + undrawn portion of revolver.
 2. Adjusted Net Leverage calculated as Adj. Net Debt / EBITDA; Adj. Net Debt defined as long-term debt, finance leases, operating leases less cash & equivalents.

Responsible Fleet Growth

Total Aircraft in Service

(# of aircraft)



Strategy in Place to Support Fleet Growth

- Focus on ownership of Boeing 737 NGs with low capital commitments
- The 737-800 is the LCC stalwart for airlines such as Southwest and Ryanair
- Sun Country maintains no order book and acquires aircraft based on demand needs

With no order book and extensive experience purchasing mid-life aircraft, Sun Country can opportunistically acquire aircraft at lower prices



Appendix

Description of Special Items

Special items, net – in millions USD				
	FY 2019	FY 2020	FY 2021	FY 2022
CARES Act grant recognition	-	(\$62.3)	(\$71.6)	-
CARES Act employee retention credit	-	(2.3)	(0.8)	-
Contractual obligations for retired technology ¹	7.6	-	-	-
Sale of airport slot rights ²	(1.2)	-	-	-
Other ³	0.7	-	-	-
Total special items, net	\$7.1	(\$64.6)	(\$72.4)	-

Numbers may not add due to rounding

1 - represents contractual obligation for retired technology

2 - represents proceeds from the sale of unused airport slot rights

3 - costs related to Company's prior headquarters building

Adjusted Ex Fuel Cost per Block Hour

Adjusted ex fuel costs– in millions USD				
	FY 2019	FY 2020	FY 2021	FY 2022
Operating expenses - GAAP	\$623.3	\$384.1	\$511.1	\$838.7
Less:				
Aircraft fuel	165.7	83.4	129.1	268.4
Stock compensation expense	1.9	2.1	5.6	2.8
Special items, net	7.1	(64.6)	(72.4)	-
Voluntary leave expense ¹	-	4.9	-	-
Tax Receivable Agreement expense ²	-	-	0.3	-
Other ³	0.2	-	3.0	-
Adjusted ex fuel costs	\$448.4	\$358.3	\$445.5	\$567.5
Total block hours	101,137	72,424	114,106	127,361
Adjusted ex fuel costs per block hour	\$4,434	\$4,947	\$3,904	\$4,456

Numbers may not add due to rounding

1 - expenses related to a voluntary leave program in response to COVID-19

2 - one time cost to establish the tax receivable agreement with pre-IPO stockholders

3 - adjustments to expenses related to pilot vacation time resulting from CBA

Adjusted Operating Income

Adjusted operating income – in millions USD			
	FY 2020	FY 2021	FY 2022
Operating revenue	\$401.5	\$623.0	\$894.4
Operating income	17.4	111.9	55.7
Special items, net	(64.6)	(72.4)	-
Stock compensation expense	2.1	5.6	2.8
Other adjustments ¹	4.9	3.0	-
Taxable receivable agreement expense	-	0.3	-
Adjusted operating income	(\$40.2)	\$48.4	\$58.5
Adjusted operating income margin	(10.0%)	7.8%	6.5%

Numbers may not add due to rounding

1 - includes an adjustment to record the impact on pilot vacation pay resulting from the new pilot labor contract and the expenses related to voluntary employee leave program in response to COVID-19

Adjusted EBITDA

Adjusted EBITDA Reconciliation – in millions USD		
	FY 2019	FY 2022
Net income (loss)	\$46.1	\$17.7
Provision for income taxes	14.1	6.3
Interest expense	17.2	31.0
Interest income	(0.9)	(4.5)
Special items, net	7.1	-
Tax receivable agreement adjustment ¹	-	5.0
Stock compensation expense	1.9	2.8
Loss (gain) on asset transactions, net	0.7	(0.3)
Depreciation and amortization	34.9	67.6
Adjusted EBITDA	\$121.2	\$125.6

Numbers may not add due to rounding

1 - represents adjustment to the TRA for the period, which is recorded in non-operating income