



Sun Country Airlines

December 2023

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Non-GAAP Financial Measures

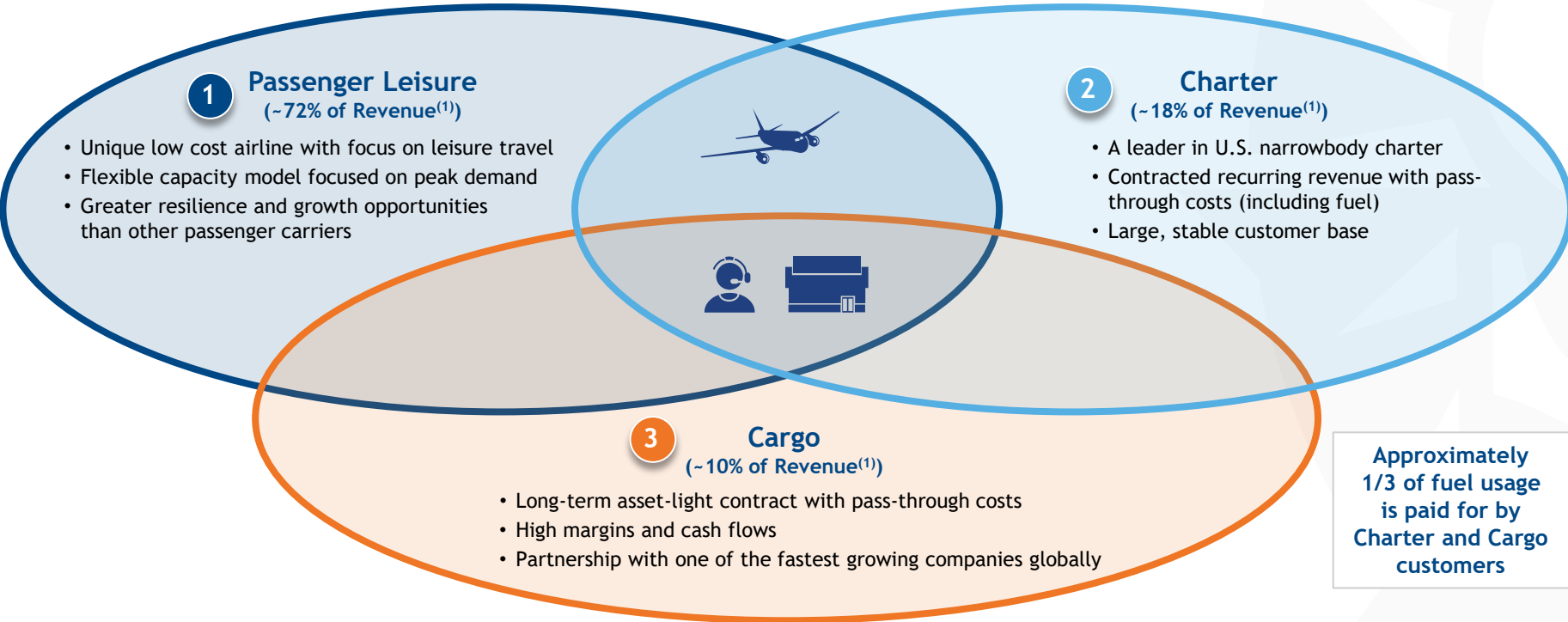
This presentation includes certain non-GAAP financial measures, including Adjusted EBIT, Adjusted EBIT Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income, Adjusted CASM and free cash flow. These non-GAAP financial measures 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

Unique, Diversified Business Model

Sun Country Business Line Synergies



Shared Foundational Assets

Aircraft

Standard fleet of 42 Boeing 737s that are used across scheduled service and charter; 12 737 Freighters used for Cargo

Pilots

618⁽²⁾ Pilots that serve across the entire set of assets

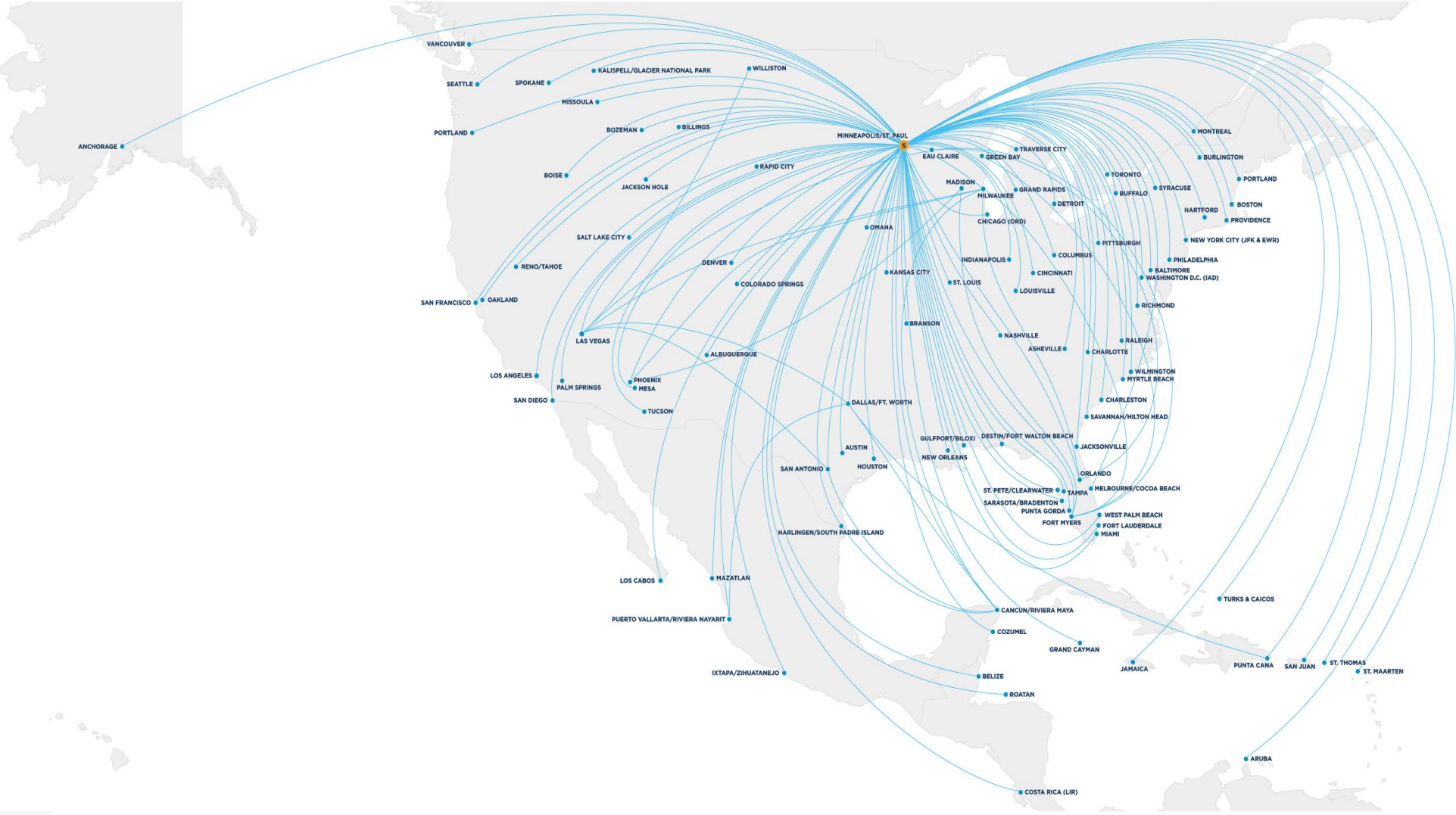
Shared Services

An already lean operation supporting the entire set of assets

Sun Country's symbiotic business lines share assets to maximize operating leverage

1. Percentage of total revenue as of LTM Sep 30, 2023.
2. As of Sep 30, 2023

Flexible Scheduled Service Route Network

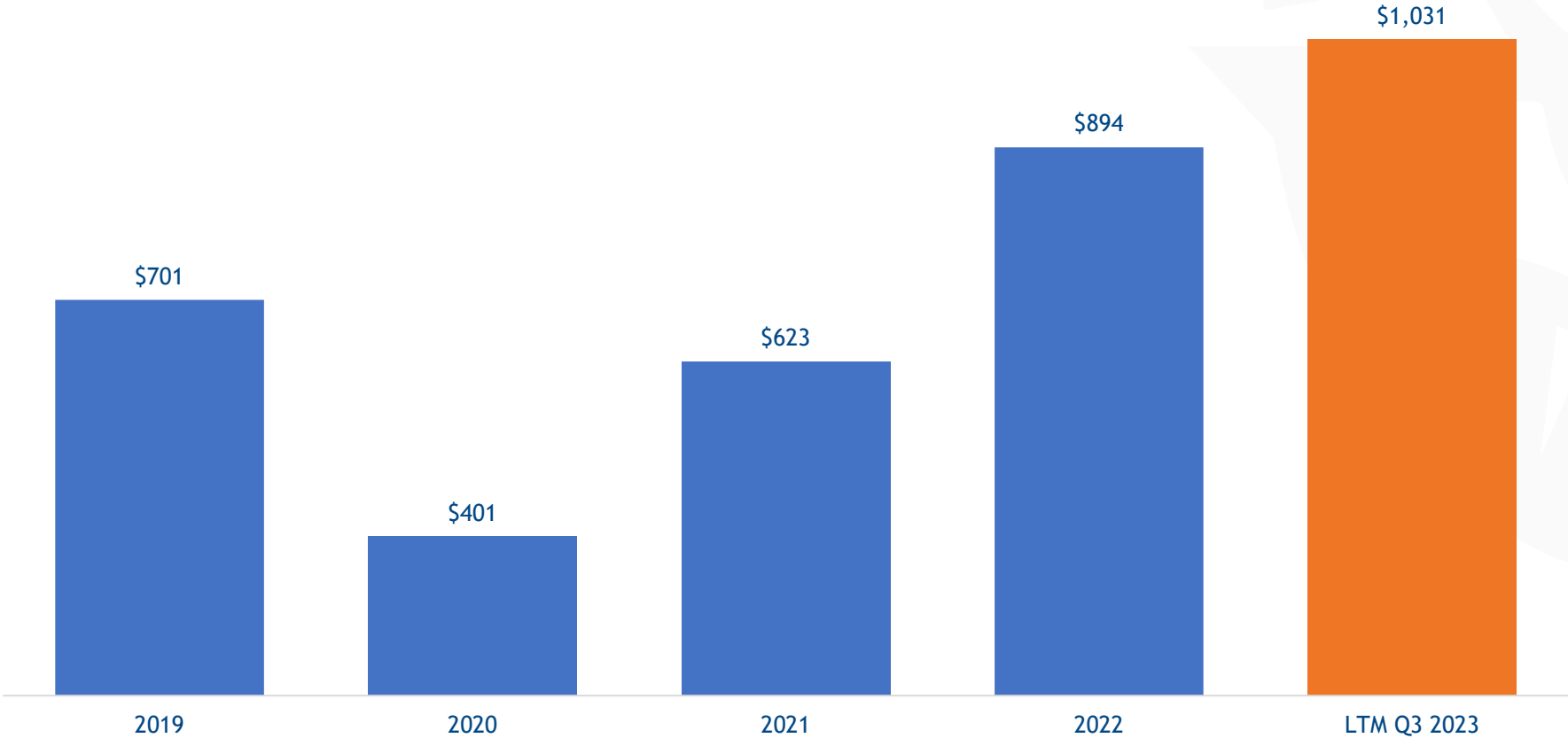


~91% of our markets are seasonal which reflects demand trends of our customer

Business Model Has Facilitated Rapid Growth...

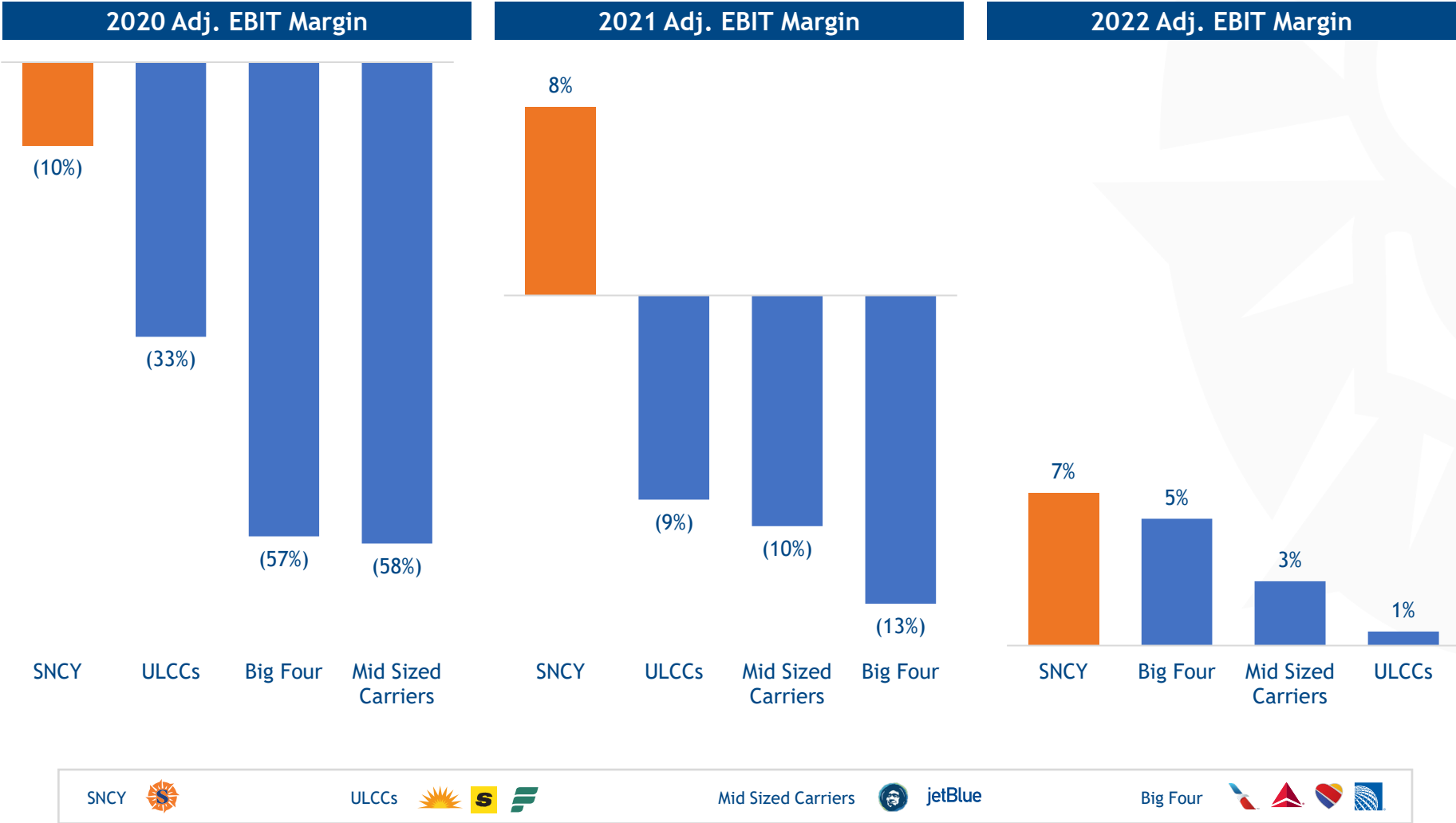
Exceeding Pre-Pandemic Levels

(Revenue, \$mm)



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

...And Outperformance in COVID and Through the Recovery

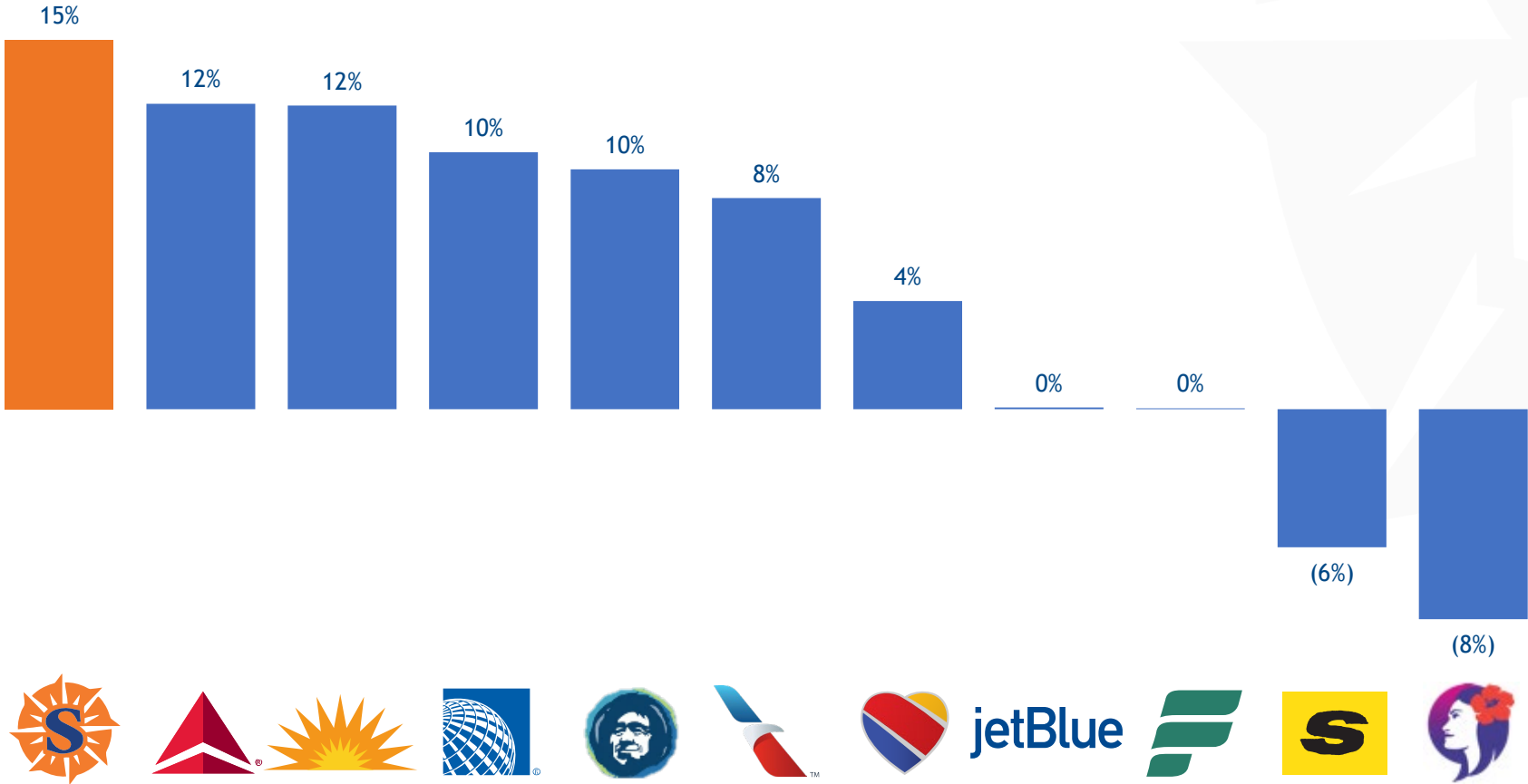


Our business model results in stability through the cycle, outperforming the industry during the depths of COVID

Source: Public filing.

Outperformance Continues Through YTD 2023

YTD 2023 Adj. EBIT Margin

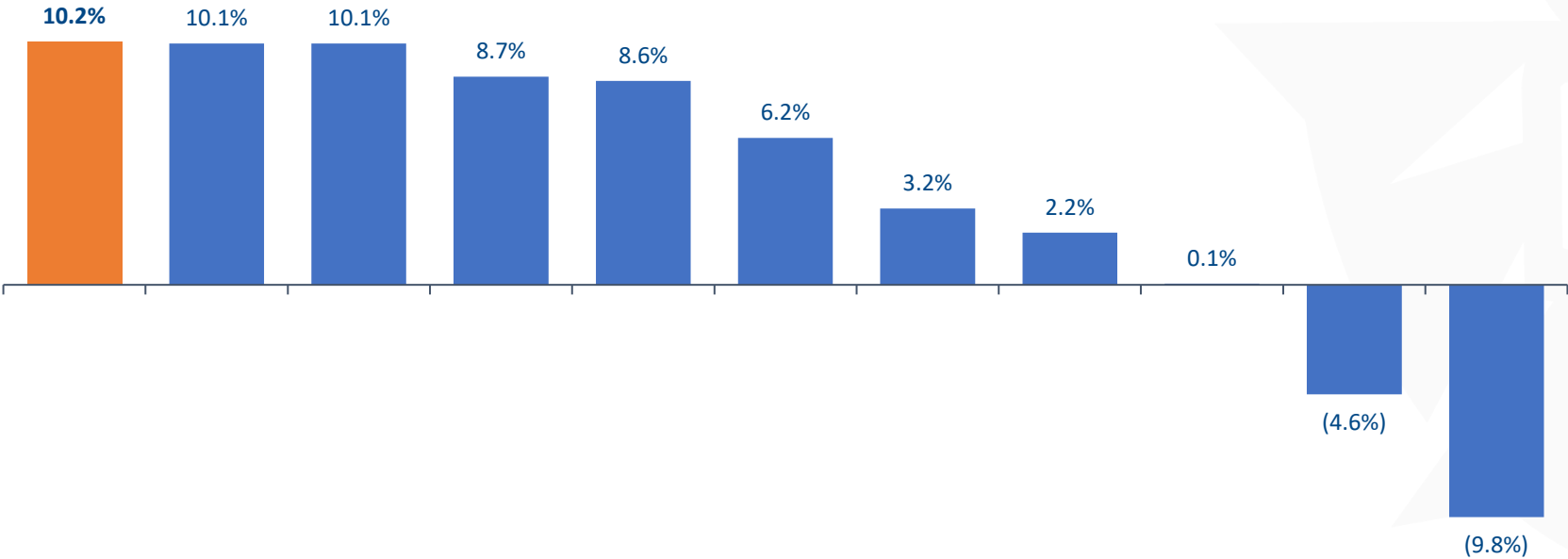


Seasonal business model - Q1 is historically the strongest

Source: Public filing.

Outperformance in Pre-tax margin

LTM Q3 2023 Adj. Pre-Tax Margin

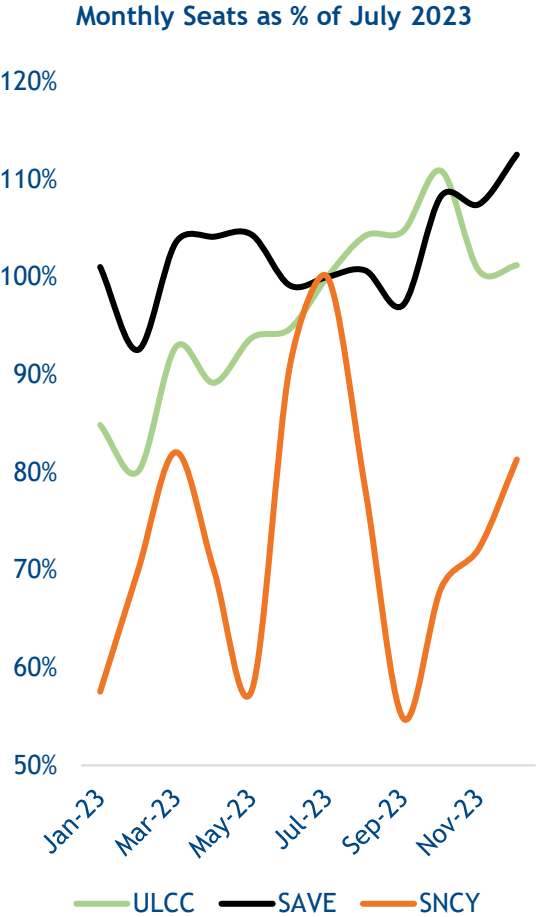


Not burdened with excessive debt raised through COVID

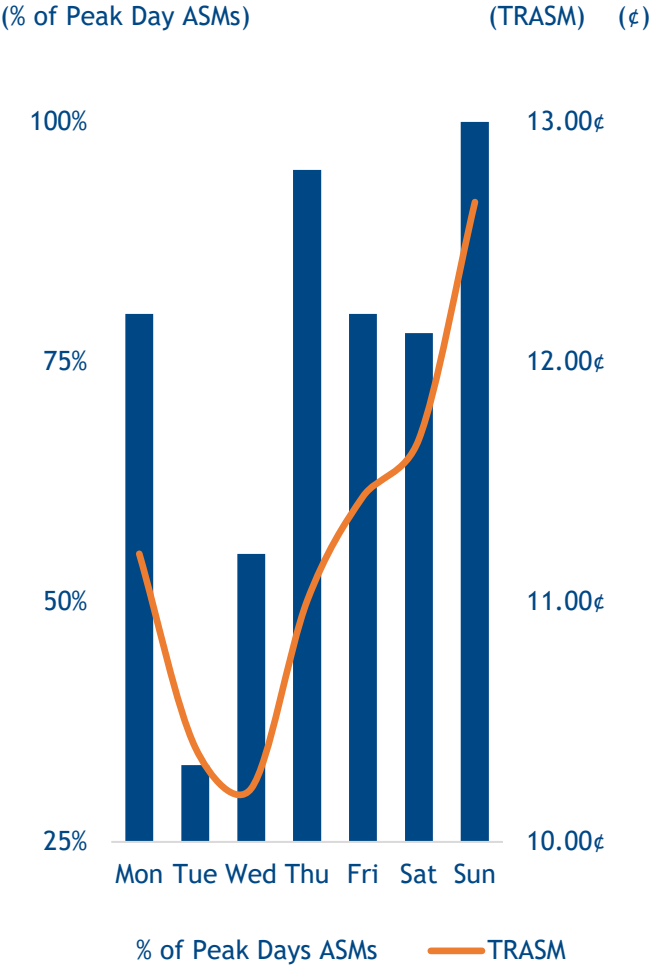
Source: Public filing.

Agile Passenger Capacity Built to Capture Highest Unit Revenues

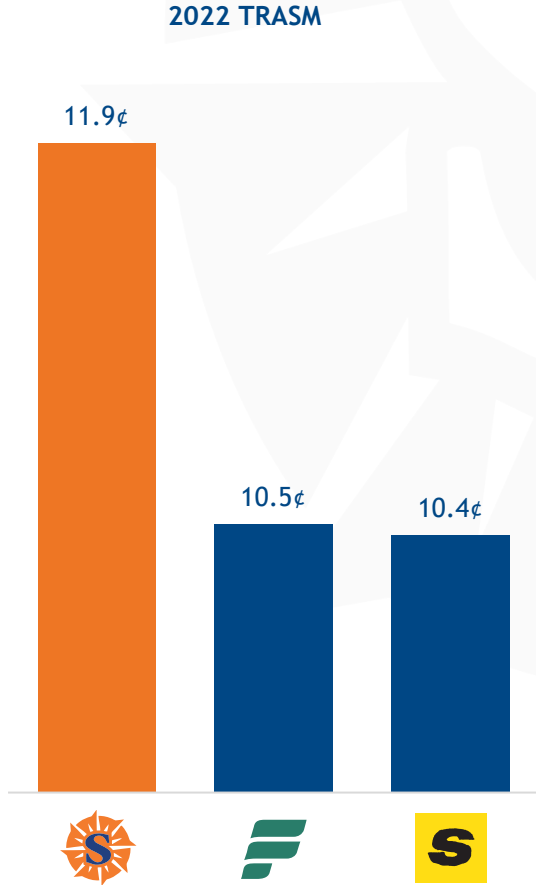
Seasonal Demand Dictates Monthly Schedule



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



Results in Higher Unit Revenue Versus High Utilization Peers



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

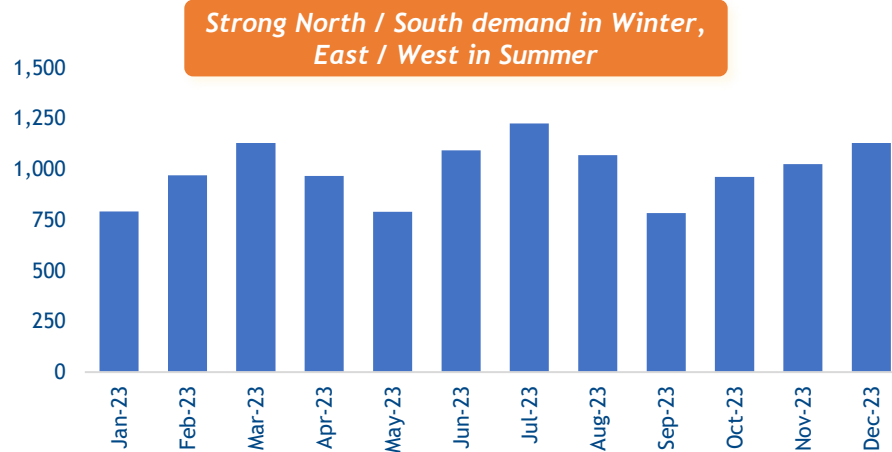
Source: Diio Mi.
1. Based on FY2022 data.

Experts in Executing a Seasonal Network

Departures by Month at Three of Our Largest Cities

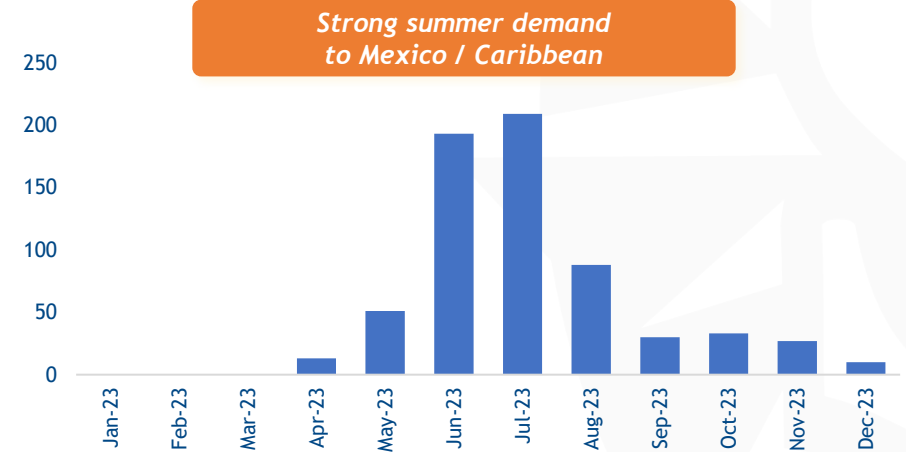
MSP Departures

(# of Departures)



DFW Departures

(# of Departures)



Top 5 Destinations from MSP in...

March 2023⁽¹⁾

- MCO
- CUN
- RSW
- PHX
- LAS

44%

of Departures

July 2023⁽¹⁾

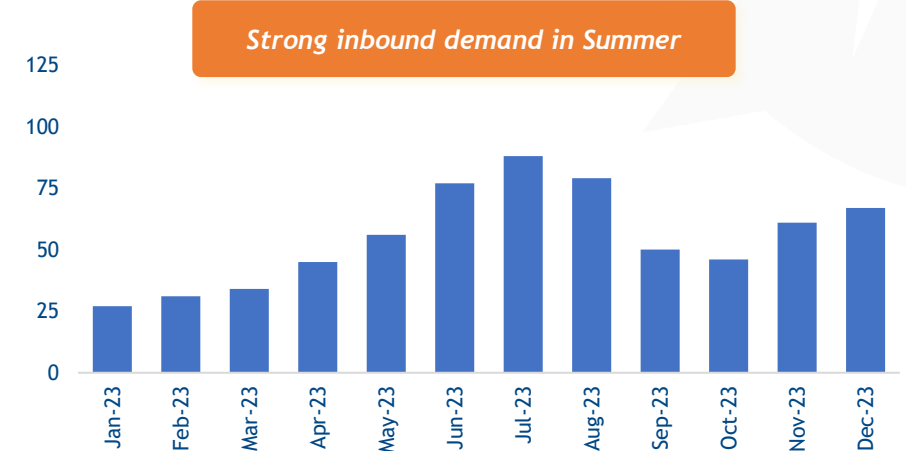
- LAX
- SFO
- SEA
- LAS
- ANC

30%

of Departures

LAX Departures

(# of Departures)

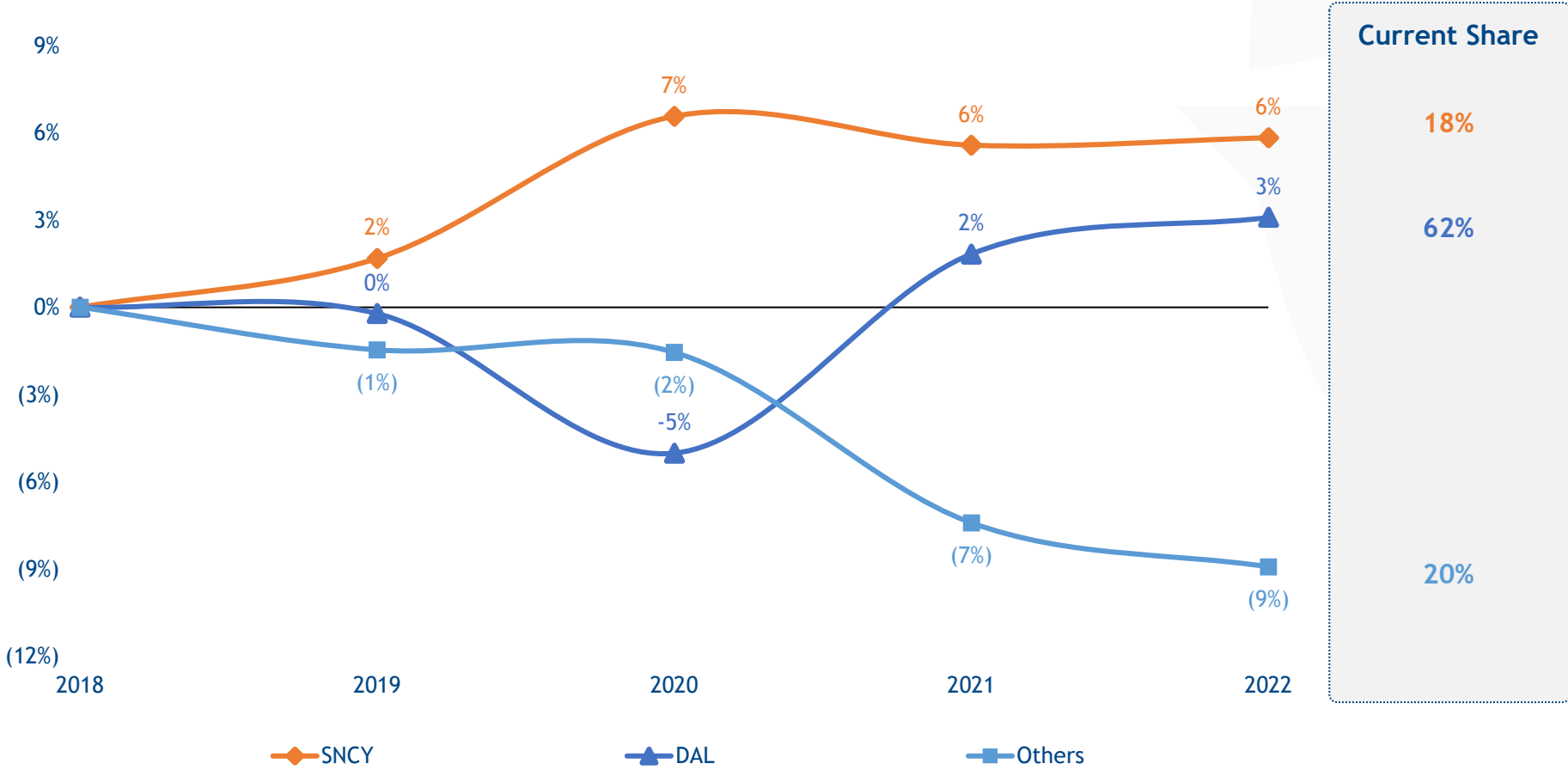


We only fly when and where demand exists

1. Source: Diio Mi. Subject to change

Sun Country Has Been Growing its Share at MSP

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

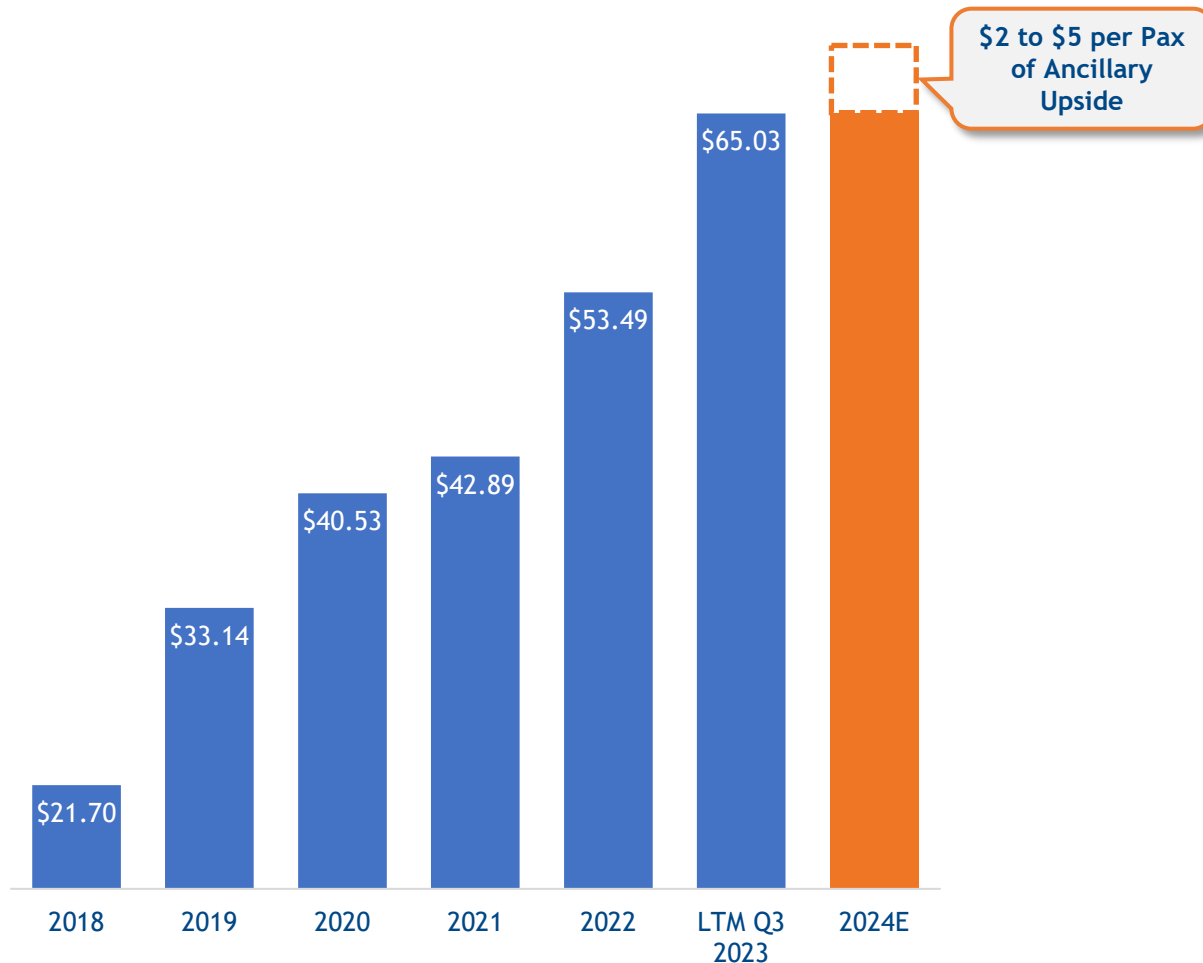


MSP share growth has been achieved at the expense of smaller scale carriers

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.

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.

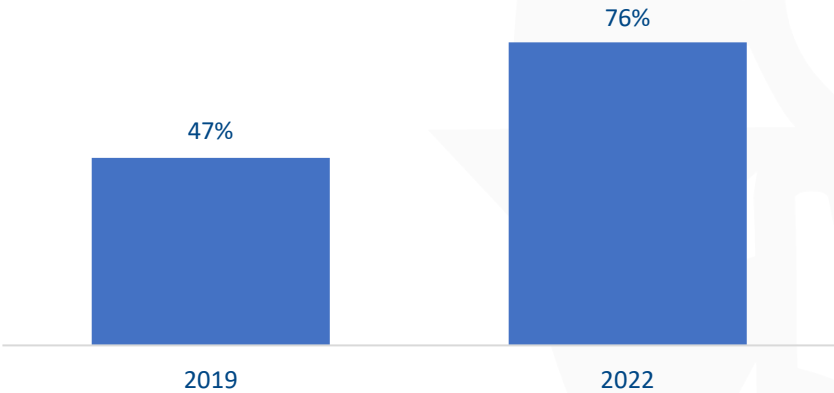
Differentiated, Leading Charter Business

NCAA and professional sports, Casino, VIP, US military, among other customers

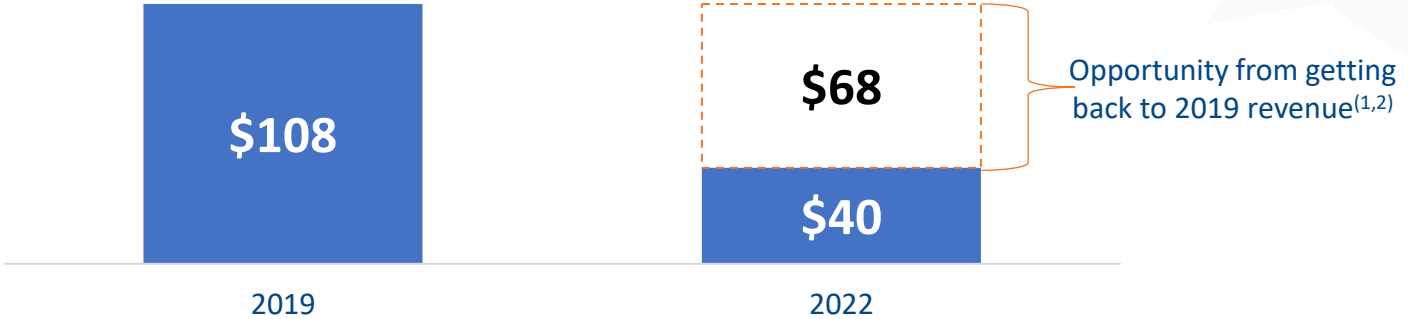
Overview

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

% Charter Flying Under Long Term Contracts



Ad-hoc Charter Revenue - millions



Charter growth through long term contracts, opportunity through normalizing ad-hoc

1. Assumes aircraft are flying at 2019 utilization levels and normalized pilot staffing
 2. There can be no assurance that projections or estimates of future performance will be realized.

Growing Business Under Charter Contracts

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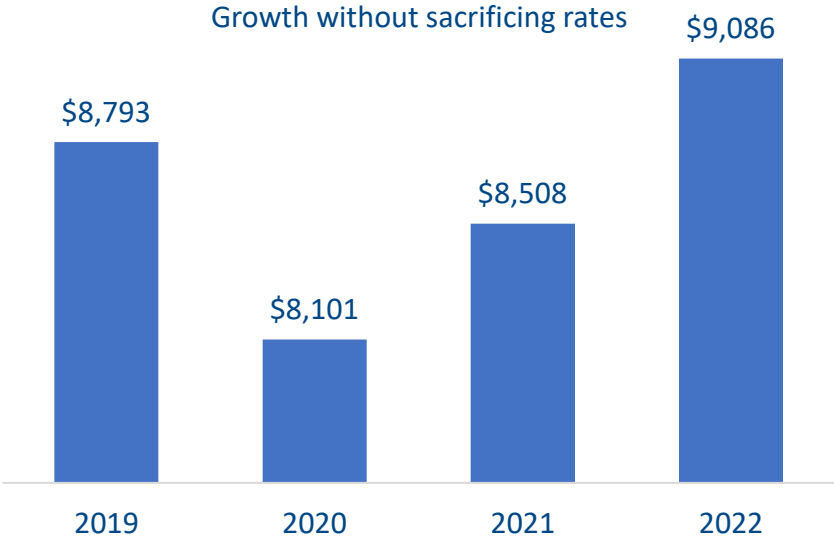
- 5-year agreement to provide charter service to all Major League Soccer teams - Agreement began at the beginning of 2022



CAESARS

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

Average Charter Rates⁽¹⁾



Other Select Charter Customers



1 - Annual charter revenue / annual charter block hours

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

\$99mm

LTM Q3 2023 Revenue

100%

Fuel Costs Paid by Amazon

\$0

Ongoing Capital Expenditures

11%

Variance in Daily Block Hours, Driving Operational Stability

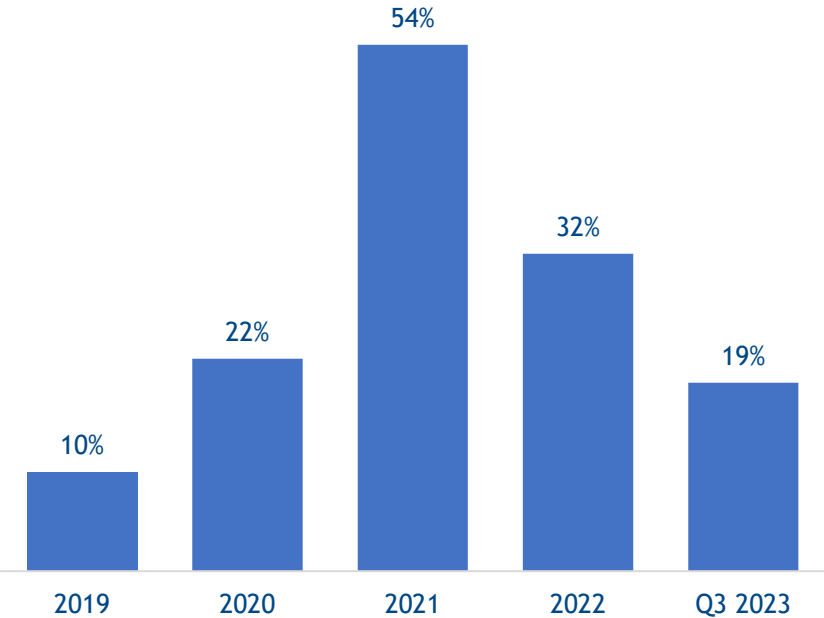
Partnership between Amazon and a scheduled passenger service carrier with stable, high margin revenue and cash flow

1. Based on LTM Q1 2022 block hours.

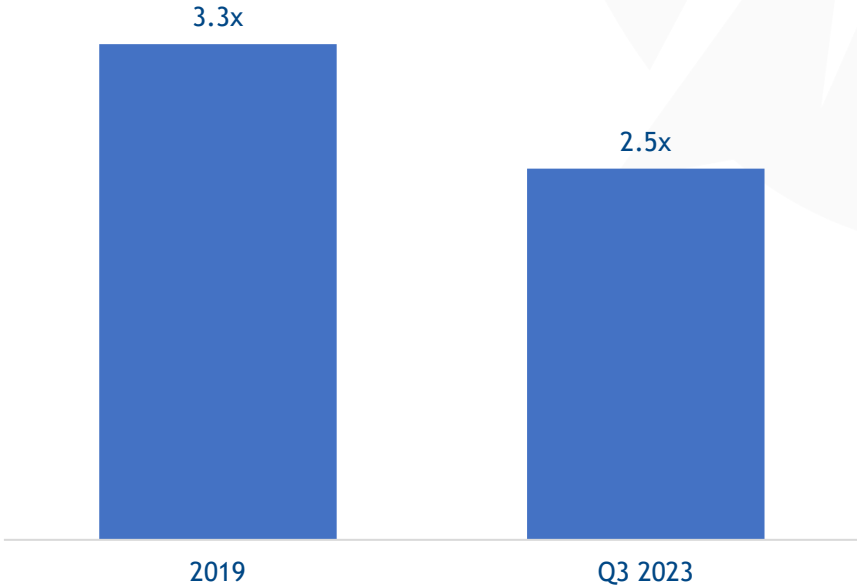
Balance Sheet Positions Sun Country for Growth

- \$198m of liquidity at year end of Q3 23 provides ample capital to support growth
 - \$230m of liquidity as of November 6, end of quarter influenced by share repurchases in late September
- Manageable CAPEX requirements given mid-life passenger fleet; cargo segment asset-lite
 - Expect 2024 CAPEX to be under ½ the \$225m expected in 2023
- No non-aircraft debt
- Returned \$80m to shareholders through share repurchases since Nov 2022, current \$25m authority

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.

Acquisition of Aircraft Currently on Lease

5 737-900s

- Acquired 5 737-900ERs currently on lease to Oman Air
 - 2023 operating income ~ \$3m⁽¹⁾ per quarter began Q2 2023. Steps up to a higher amount in 2024
 - First lease expires Q4 2024, remainder through 2025
- Expect to begin to bring these aircraft into Sun Country service Q1 2025
- 737-900ER is expected to have ~ 200 seats vs 186 seats in 737-800

2 737-800s

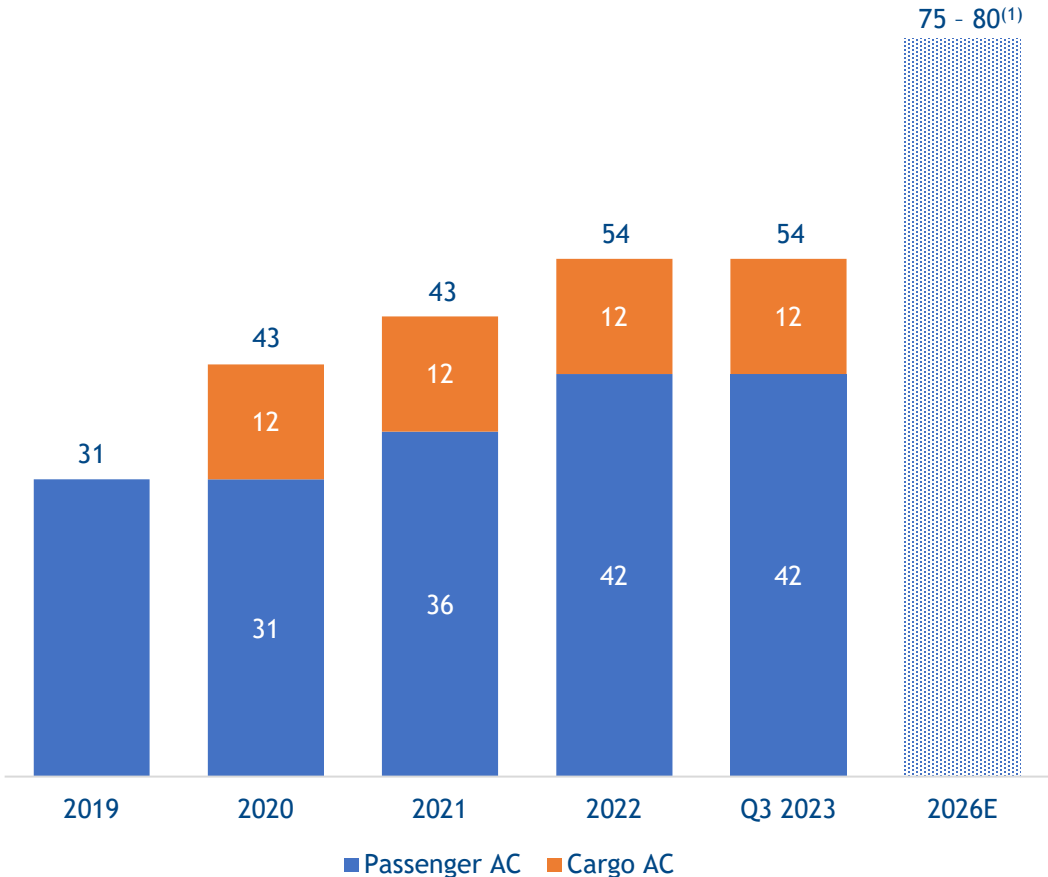
- Acquired 2 737-800s currently on lease to Fly Dubai through late 2024 / early 2025
- Expect to bring aircraft into Sun Country service Q1 2025

1. There can be no assurance that projections or estimates of future performance will be realized.

Responsible Fleet Growth With Low Capital Outlays

Total Aircraft in Service

(# of aircraft)



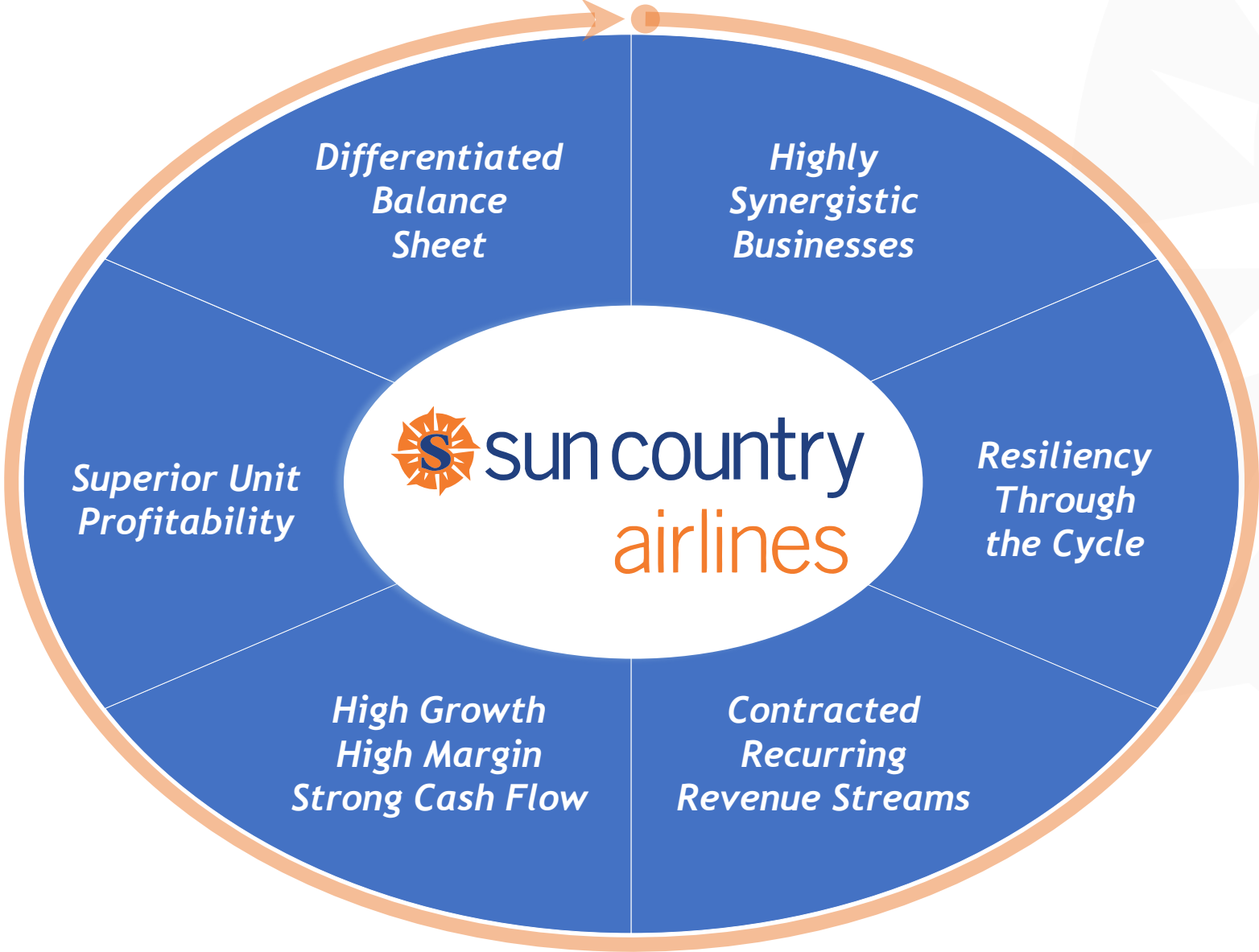
Strategy in Place to Support Fleet Growth

- Sun Country maintains no order book and acquires aircraft based on demand needs
- Focus on ownership of Boeing 737 NGs with low capital commitments
- 7 aircraft to support growth in 2025 already acquired

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

1. There can be no assurance that projections or estimates of future performance will be realized.

Differentiated and Unique Aviation Company



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



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 Operating Income

Adjusted operating income – in millions USD				
	FY 2020	FY 2021	FY 2022	Nine Months Ended September 30, 2023
Operating revenue	\$401.5	\$623.0	\$894.4	\$804.1
Operating income	17.4	111.9	55.7	110.4
Special items, net	(64.6)	(72.4)	-	
Stock compensation expense	2.1	5.6	2.8	8.1
Other adjustments ¹	4.9	3.0	-	
Taxable receivable agreement expense	-	0.3	-	
Adjusted operating income	(\$40.2)	\$48.4	\$58.5	\$118.5
Adjusted operating income margin	(10.0%)	7.8%	6.5%	14.7%

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	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	LTM Q3 2023
Net income (loss)	\$46.1	\$17.7	\$66.5	\$10.4	\$73.8
Provision for income taxes	14.1	6.3	20.0	4.1	22.2
Interest expense	17.2	31.0	31.3	23.1	39.2
Interest income	(0.9)	(4.5)	(7.8)	(2.2)	(10.1)
Special items, net	7.1	-	-	-	-
Secondary offering costs	-	-	0.6	-	0.6
Tax receivable agreement adjustment ¹	-	5.0	(0.4)	5.0	(0.4)
Stock compensation expense	1.9	2.8	8.1	2.0	8.9
Loss (gain) on asset transactions, net	0.7	(0.3)	-	(0.3)	-
Depreciation and amortization	34.9	67.6	64.6	49.4	82.8
Adjusted EBITDA	\$121.2	\$125.6	\$183.0	\$91.5	\$217.0

Numbers may not add due to rounding

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

Adjusted LTM Q3 2023 Pre-Tax Margin

Adjusted operating income – in millions USD				
	FY 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	LTM Q3 2023
Net income (Loss)	\$17.7	\$66.5	\$10.4	\$73.8
Add: Provision for income tax expense	6.3	20.0	4.1	22.2
Income before income tax, as reported	24.0	86.5	14.5	96.0
Stock compensation expense	2.8	8.1	2.0	8.9
Gain on asset transactions, net	(0.3)	-	(0.3)	-
Tax receivable agreement adjustment	5.0	(0.4)	5.0	(0.4)
Loss on refinancing credit facility	1.6		1.6	-
Secondary offering costs	-	0.6	-	0.6
Adjusted income before income tax	\$33.1	\$94.9	\$22.7	\$105.1
Total revenue	894.4	804.1	667.3	1,031.2
Pre-tax margin	3.7%	11.8%	3.4%	10.2%

Numbers may not add due to rounding