



# SKYWEST

INCORPORATED



## INVESTOR UPDATE

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Q4 2024



# SkyWest



# Forward Looking Statements



In addition to historical information, this presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “forecasts,” “expects,” “intends,” “believes,” “anticipates,” “estimates,” “should,” “likely” and similar expressions identify forward-looking statements. Such statements include, but are not limited to, statements about the continued demand for our product, the effect of economic conditions on SkyWest’s business, financial condition and results of operations, the scheduled aircraft deliveries and fleet size for SkyWest in upcoming periods and the related execution of SkyWest’s fleet transition strategy and expected timing thereof, expected production levels in future periods and associated staffing challenges, pilot attrition trends, SkyWest’s coordination with major airline partners to optimize the delivery of aircraft under previously announced agreements, the expected terms, timing and benefits related to SkyWest’s leasing and joint venture transactions, as well as SkyWest’s future financial and operating results, plans, objectives, expectations, estimates, intentions and outlook, and other statements that are not historical facts. All forward-looking statements included in this presentation are made as of the date hereof and are based on information available to SkyWest as of such date. SkyWest assumes no obligation to update any forward-looking statements unless required by law. Readers should note that many factors could affect the future operating and financial results of SkyWest and could cause actual results to vary materially from those expressed in forward-looking statements set forth in this presentation. These factors include, but are not limited to: the challenges of competing successfully in a highly competitive and rapidly changing industry; developments associated with fluctuations in the economy and the demand for air travel, including related to inflationary pressures, and related decreases in customer demand and spending; uncertainty regarding continued recovery from the COVID-19 pandemic and other potential future outbreaks of infectious diseases or other health concerns, and the consequences of such outbreaks to the travel industry, including travel demand and travel behavior, and our major airline partners in general and the financial condition and operating results of SkyWest in particular; the prospects of entering into agreements with existing or other carriers to fly new aircraft; ongoing negotiations between SkyWest and its major airline partners regarding their contractual obligations; uncertainties regarding operation of new aircraft; the ability to attract and retain qualified pilots, including captains, and related staffing challenges; the impact of regulatory issues such as pilot rest rules and qualification requirements; the ability to obtain aircraft financing; the financial stability of SkyWest’s major airline partners and any potential impact of their financial condition on the operations of SkyWest; fluctuations in flight schedules, which are determined by the major airline partners for whom SkyWest conducts flight operations; variations in market and economic conditions; significant aircraft lease and debt commitments; estimated useful life of long-lived assets, residual aircraft values and related impairment charges; labor relations and costs and labor shortages; the impact of global instability; rapidly fluctuating fuel costs and potential fuel shortages; the impact of weather-related, natural disasters and other air safety incidents on air travel and airline costs; aircraft deliveries; uncertainty regarding ongoing hostility between Russia and the Ukraine, as well as Israel and Hamas, and the related impacts on macroeconomic conditions and on the international operations of any of our major airline partners as a result of such conflict; and other unanticipated factors. Risk factors, cautionary statements and other conditions which could cause SkyWest’s actual results to differ materially from management’s current expectations are contained in SkyWest’s filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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## Financial Results

Ended Q3-24 with **\$836m** in Cash

### Q3-24 Cash Activity Included:

**\$112m** scheduled debt repayments

**\$16m** stock repurchases

### Q3-24 Profitability:

Pre-tax Income **\$116m**

Net Income **\$90m**

EPS **\$2.16**

**\$913m** Total Revenue

**↑ \$46m** from Q2-24

Block hours up, 5.4% from Q2-24

## Growth Outlook



Captain constraint easing

Anticipate our 2024 block hours to be  
**↑ 13%** from 2023  
and our 2025 block hours **↑ 10%** from 2024

Optimistic we can regrow small and underserved markets over the coming years

 **20 new E175** deliveries through 2026





## Share Repurchase

Purchased **217k shares** for **\$16m**  
in Q3-24 at **\$74.98 per share**



Authorized Share Repurchase Program  
has **\$53m** remaining as of September 30, 2024

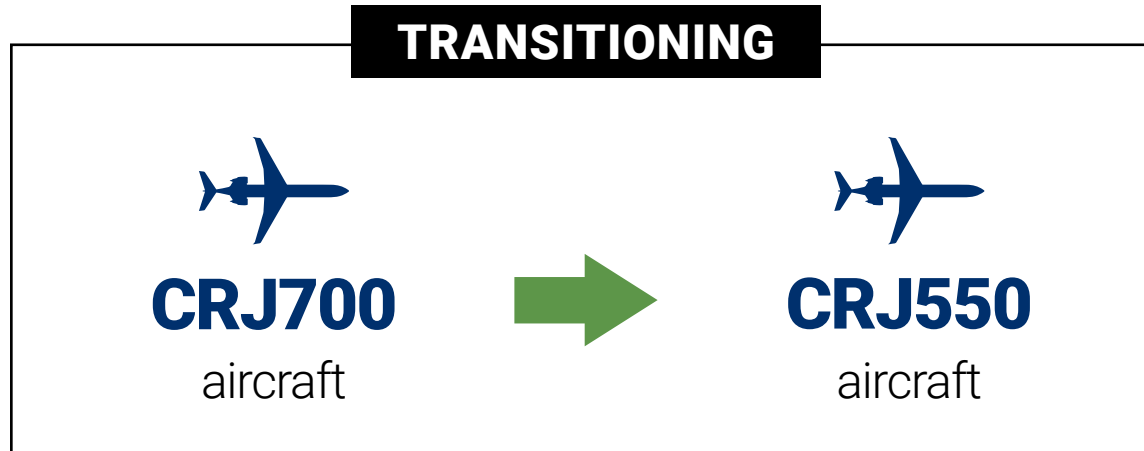
# E175 Deliveries 2024-2026

| E175 DELIVERIES  | YTD 2024  | Q4 2024  | 2025     | 2026     | TOTAL     |
|--|-----------|----------|----------|----------|-----------|
| <br>SkyWest Financed  | -         | 4        | 7        | 8        | 19        |
| <br>United Financed   | 20        | -        | -        | -        | 20        |
| <br>SkyWest Financed  | 1         | -        | -        | -        | 1         |
| <br>SkyWest Financed | -         | -        | 1        | -        | 1         |
| <b>TOTAL</b>   | <b>21</b> | <b>4</b> | <b>8</b> | <b>8</b> | <b>41</b> |

We anticipate having **278 E175s** in service by end of 2026

# Executing on the CRJ550 Opportunity

The **CRJ550** is a CRJ700 aircraft in a dual-class, 50-seat configuration and is **well-suited for the small, underserved markets.**



**15 CRJ550s**  
DELTA  prorate  
by Q1 2025



**40 CRJ550s**  
UNITED  contract  
from 2024 to 2026



purchasing **11** from  
UNITED 

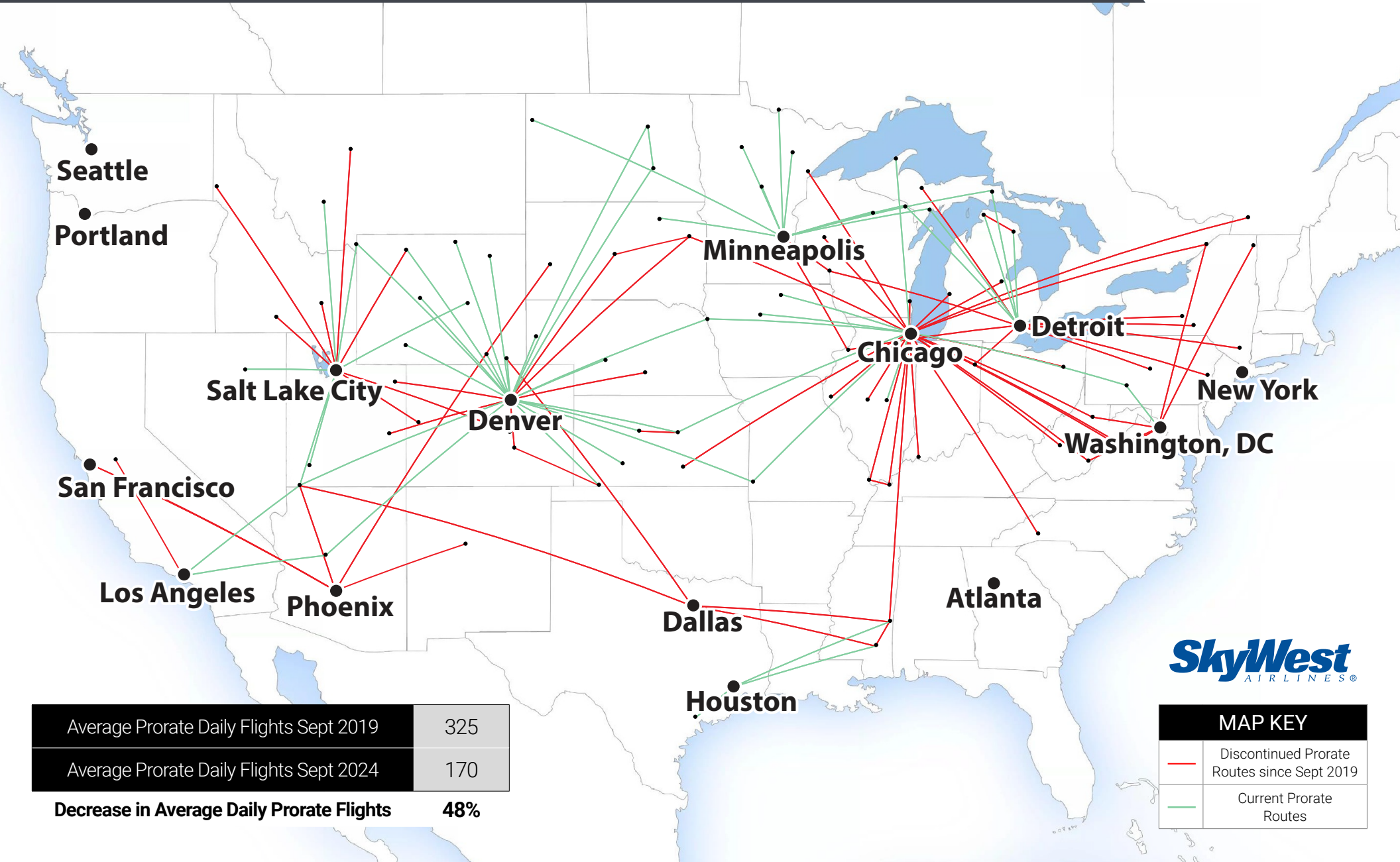


converting **29** from  
existing **CRJ700** fleet



# Prorate Small Market Opportunity

As of September 30, 2024



|   |     |
|---|-----|
| Average Prorate Daily Flights Sept 2019 | 325 |
| Average Prorate Daily Flights Sept 2024 | 170 |

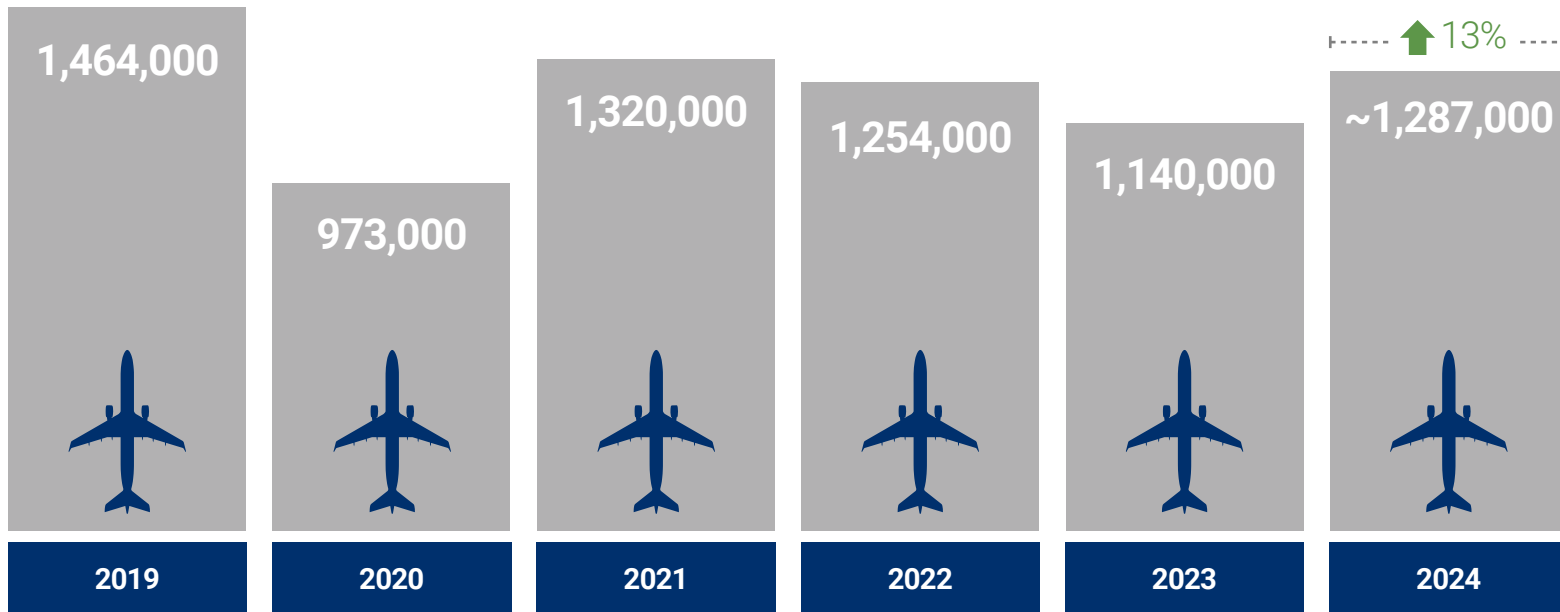
**Decrease in Average Daily Prorate Flights 48%**



| MAP KEY                              |   |
|--------------------------------------|---|
| <span style="color: red;">—</span>   | Discontinued Prorate Routes since Sept 2019 |
| <span style="color: green;">—</span> | Current Prorate Routes                      |



## TOTAL BLOCK HOURS



### PRODUCTION COLOR

We anticipate being at or near full partner-requested contract utilization by the middle of 2025.

Anticipate 2025 block hours will be up 10% from 2024.


2025 maintenance expected to be elevated (~\$200m/quarter on average) as fleet returns to normal utilization and we prepare parked aircraft for service.

Expect third-party MRO network will be an ongoing challenge.







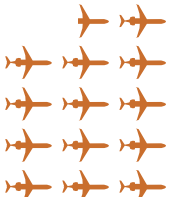
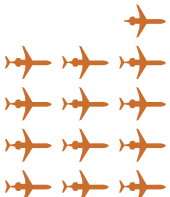
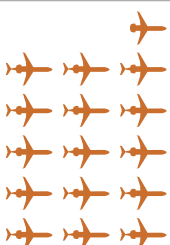
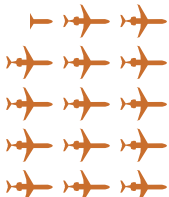
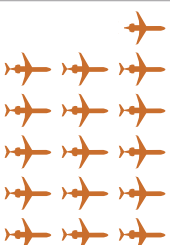
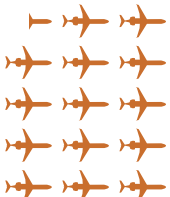
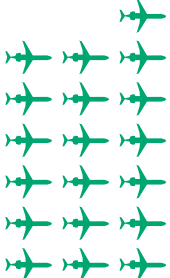
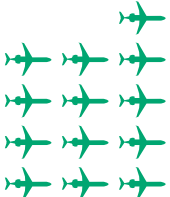
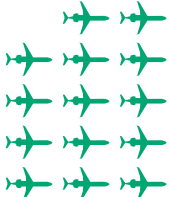
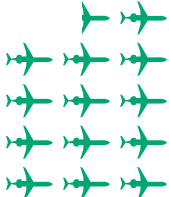


### Dual Class Block Hours



# Fleet Transition

 = Qty. of 10

End of Year

|                              | 2019   | 2020   | 2021   | 2022  | 2023  | Q3 2024   |
|------------------------------|--|--|--|---|---|---|
| <b>DUAL-CLASS AIRCRAFT</b>   |  |  |  |   |   |   |
| <b>E175</b>                  | <br>156   | <br>193   | <br>211   | <br>236   | <br>237  | <br>258  |
| <b>CRJ700/900*</b>           | <br>137   | <br>129   | <br>158   | <br>145   | <br>159  | <br>145  |
| <b>SINGLE-CLASS AIRCRAFT</b> |  |  |  |   |   |   |
| <b>CRJ200</b>                | <br>190 | <br>130 | <br>140 | <br>136 | <br>89 | <br>81 |
| <b>TOTAL</b>                 | <b>483</b>   | <b>452</b>   | <b>509</b>   | <b>517</b>  | <b>485</b>  | <b>484</b>  |

Optimizing our fleet since 2019

- E175s ▲ 65%
- CRJ700/900s ▲ 6%
- CRJ200s ▼ 57%

### DUAL-CLASS PRODUCTION

87% of our block hours were dual-class in Q3 2024

\*Includes CRJ550 aircraft, a 50-seat configuration of the CRJ700 aircraft

# Aircraft Under Agreement

September 30, 2024



|  |     | UNITED   |         | DELTA    |         | American Airlines |         | Alaska   |         |
|--|-----|----------|---------|----------|---------|-------------------|---------|----------|---------|
|  |     | CONTRACT | PRORATE | CONTRACT | PRORATE | CONTRACT          | PRORATE | CONTRACT | PRORATE |
| <b>E175</b>  | 258 | 110      | -       | 86       | -       | 20                | -       | 42       | -       |
| <ul style="list-style-type: none"> <li>• Own (5), debt (203) and partner financed (50)</li> <li>• Average age 6 years</li> </ul> |     |          |         |          |         |                   |         |          |         |

## BOMBARDIER

|   |            |            |           |            |           |           |   |           |   |
|---|------------|------------|-----------|------------|-----------|-----------|---|-----------|---|
| <b>CRJ900</b>   | 36         | -          | -         | 35         | 1         | -         | - | -         | - |
| <ul style="list-style-type: none"> <li>• Own (12) and partner financed (24)</li> <li>• Average age 14 years</li> </ul>            |            |            |           |            |           |           |   |           |   |
| <b>CRJ700</b>   | 109        | 19         | -         | 5          | 14        | 71        | - | -         | - |
| <ul style="list-style-type: none"> <li>• Own (95), debt (12), and partner financed (2)</li> <li>• Average age 19 years</li> </ul> |            |            |           |            |           |           |   |           |   |
| <b>CRJ200</b>   | 81         | 61         | 20        | -          | -         | -         | - | -         | - |
| <ul style="list-style-type: none"> <li>• Own (81)</li> <li>• Average age 22 years</li> </ul>                                      |            |            |           |            |           |           |   |           |   |
| Under Flying Agreements   | <b>484</b> | <b>190</b> | <b>20</b> | <b>126</b> | <b>15</b> | <b>91</b> | - | <b>42</b> | - |

### Leased to 3rd Parties

### Unassigned



|               |           |
|---------------|-----------|
| <b>CRJ900</b> | 5         |
| <b>CRJ700</b> | 35        |
|               | <b>40</b> |

+

|               |           |
|---------------|-----------|
| <b>CRJ900</b> | 8         |
| <b>CRJ700</b> | 24        |
| <b>CRJ200</b> | 42        |
|               | <b>74</b> |

+

|               |           |
|---------------|-----------|
| <b>CRJ200</b> | 17        |
|               | <b>17</b> |

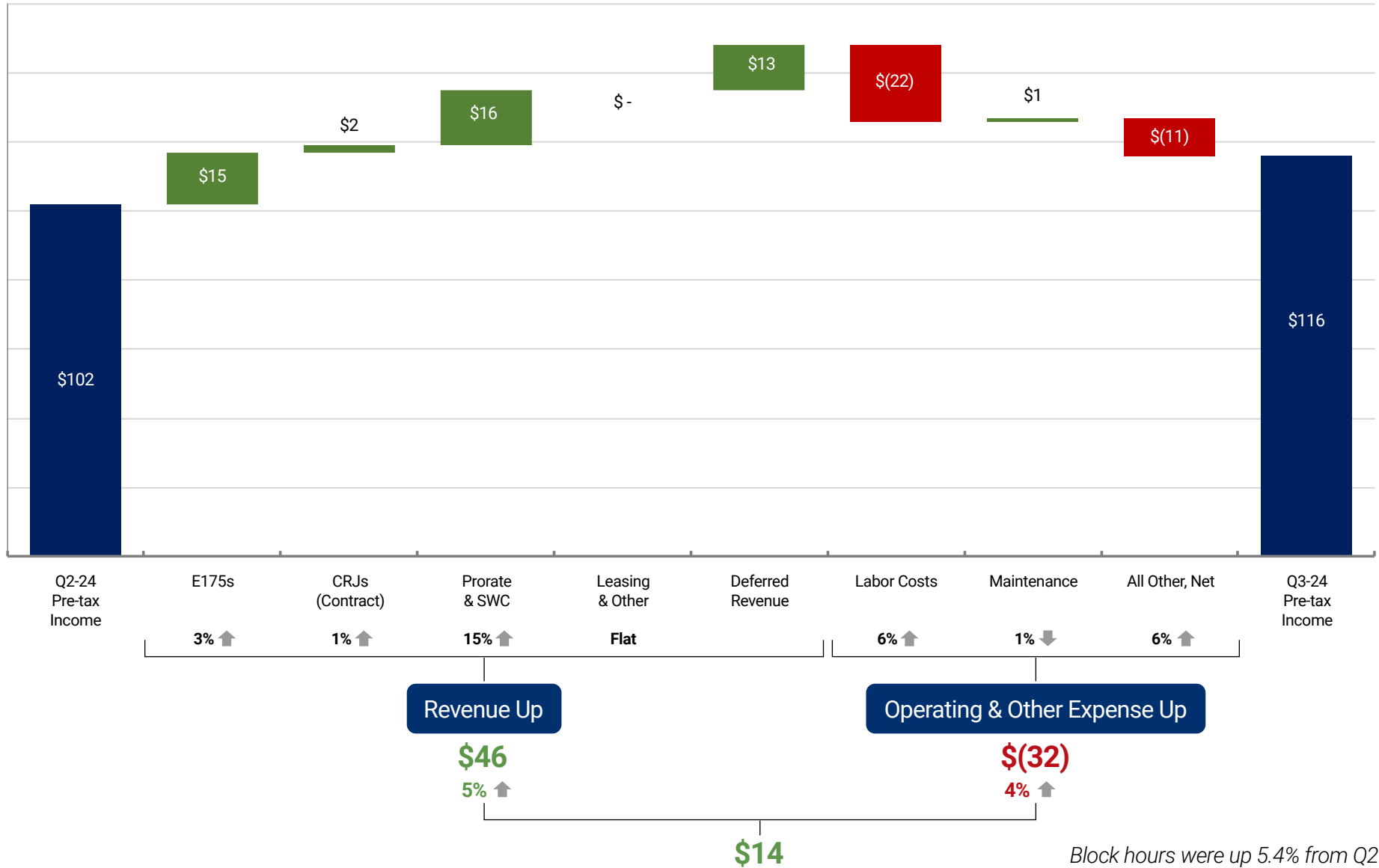
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**TOTAL FLEET 615**

# Income Waterfall Q2-24 to Q3-24

\$ in Millions + Favorable - Unfavorable

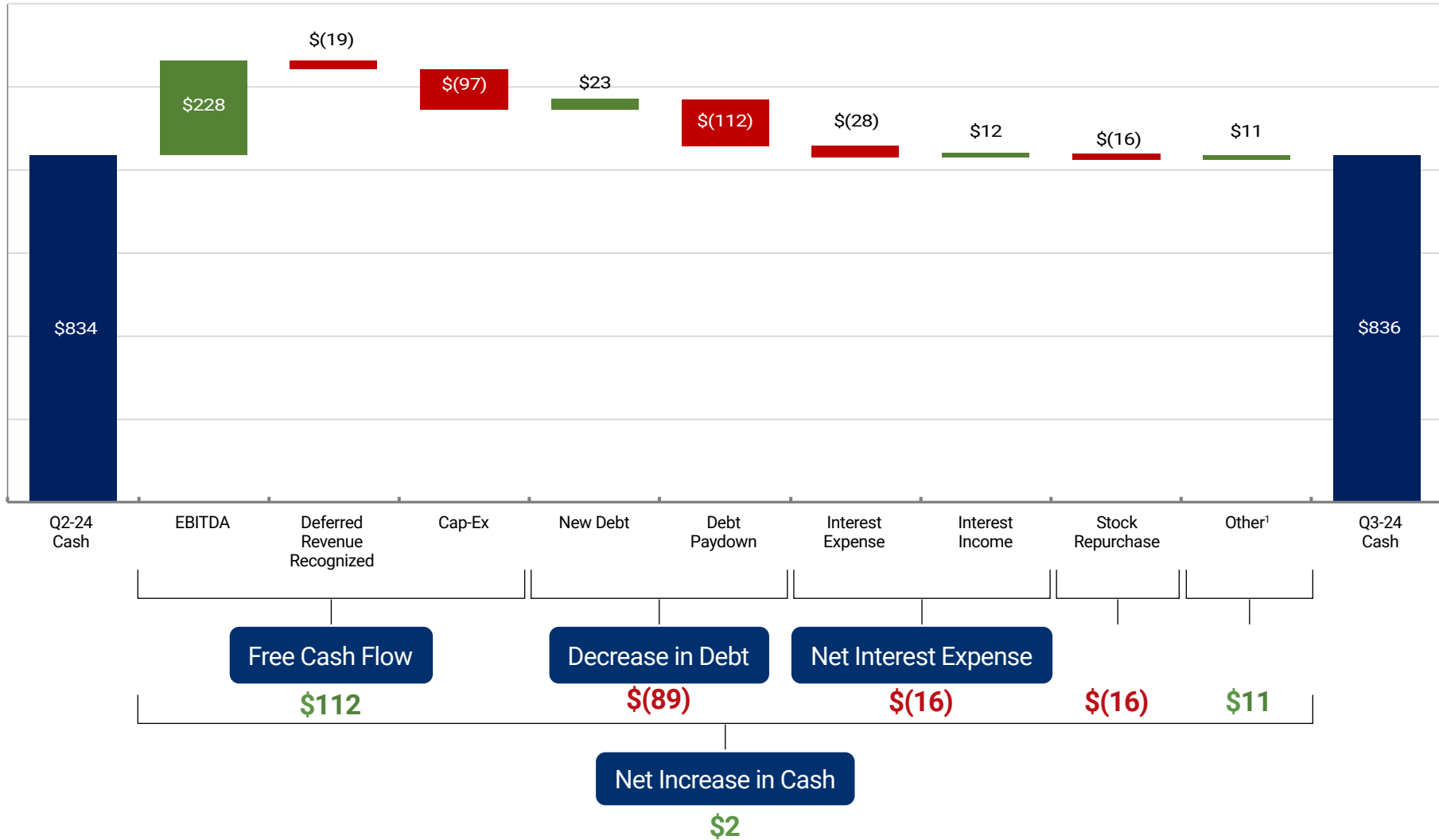
Q2-24 TO Q3-24



# Cash Waterfall Q3-24

\$ in Millions + Inflow - Outflow

Q2-24 TO Q3-24



(1) Other non-cash expenses not reflected in EBITDA

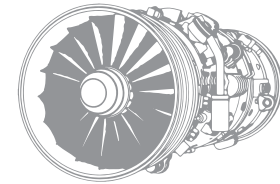
**TOTAL DEBT: \$2.7b**



**\$2.4b** aircraft financing



**\$0.2b** debt from PSP



**\$0.1b** spare engine financing

**1**

Scheduled to pay down over  
**\$400m** per year in debt

**2**

Have over **\$1b** in  
unpledged assets

**3**

E175 debt term largely aligns  
with flying contracts

# Q3-24 Aircraft Summary by Financing

## Debt-financed Aircraft (Total 215)

**203** E175s \$2.3b debt balance  
**12** CRJs \$10.9m debt balance

## Aircraft Owned Outright

**188** CRJs  
**5** E175s No debt outstanding

## Partner Provided Aircraft

**50** E175s  
**26** CRJs No financing obligation

**40%**  
of fleet

Over **55%**  
of fleet we  
operate has  
no financing

**484** September 30, 2024 fleet in scheduled service

*SkyWest had no leased aircraft in scheduled service at September 30, 2024.*

# E175 Cash Flow Characteristics



**E175** contract with partner largely aligns with debt amortization period of **12 years**

Each aircraft is expected to have **13+ years** of remaining life after its debt payoff



Our first **20 E175s** delivered in 2014 are scheduled for debt payoff in 2026

Over half of our debt financed **E175s** were delivered between 2014-2017

We anticipate the cash flow characteristics of our E175 fleet will significantly improve beginning in 2026











# INVESTOR UPDATE

Q4 2024

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