INITIATION OF COVERAGE

SKY HARBOUR GROUP CORPORATION (NYSE: SKYH)

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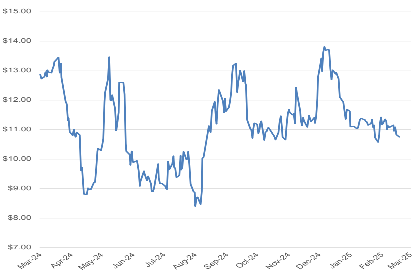
Market Statistics in USD	
Price	$ 10.24
52 week Range	$8.26 - $14.52
Daily Vol (3-mo. average)	89,720
Market Cap (M)	$ 341.5
Enterprise Value (M)	$ 676.0
Shares Outstanding: (M)	33.3
Float (M)	20.1
Public Ownership	41.2%
Institutional Ownership	20.4%

Financial Summary in USD	
Cash (M)	$ 3.5
Cash/Share	$ 0.14
Debt (M)	$ 300.5
Equity (M)	$ 99.5
Equity/Share	$ 1.68

FYE: Dec	**2024E**	**2025E**	**2026E**
(all figures in M, expect per share information)			
Rev	$ 14.4	$ 31.7	$ 56.7
Chng%	90%	120%	79%
EBITDA	$ (19.3)	$ (2.0)	$ 8.6
Net Income	$ (42.9)	$ (10.8)	$ (2.6)
EPS	$ (1.45)	$ (0.38)	$ (0.09)
EV/Revenue	21.3x	11.9x	0.0x
EV/EBITDA	-346.1x	78.8x	0.0x
P/E	-7.1x	-27.1x	-117.7x



COMPANY DESCRIPTION

Sky Harbour Group Corp. develops, operates, and leases premium general aviation hangars, offering secure, efficient, and concierge-level home-based solutions for business aircraft owners. Founded in 2017 by Tal Keinan and headquartered in White Plains, NY, the company is expanding its network of aviation campuses across the U.S., setting new industry standards in private aviation infrastructure. The Company's focus is designed to minimize delays and streamline aircraft operations, its facilities set new industry standards in efficiency, security, and customer service, redefining private aviation infrastructure.

Company Updates

Sky Harbour continued to demonstrate resilience and growth throughout FY24. The Company successfully navigated economic challenges, including inflation and rising interest rates, while maintaining a strong focus on expanding its portfolio of aviation infrastructure. Key achievements included the completion of several major construction projects, securing new leases, and maintaining robust occupancy rates. The Company's strategic investments in new developments and its commitment to operational excellence have positioned it well for future growth.

Occupancy and Revenue Performance: SKYH delivered an impressive third-quarter performance with lease revenue reaching $4.1M, marking a 64% increase year-over-year from $2.5M. The Company's property portfolio expansion and lease renewals at higher rental rates contributed to these gains. Occupancy rates remained steady at 97%, reflecting sustained demand and effective asset management. Additionally, the Company reported total revenue of $10.1M, compared to $5.3M for the same period in 2023, representing a 90% increase year-over-year.

New Leases and Upcoming Construction: Sky Harbour secured several new lease agreements during the third and fourth quarters, increasing the total leased square footage to ~580,000 square feet (sq ft). This represented a significant increase both q/q and y/y. Additionally, Construction projects are progressing as planned, with 1,904,761 sq ft of new developments expected to be completed in FY25. These new developments are projected to generate an additional $37.6M in annual revenue. Lastly, Sky Harbour's ability to execute large-scale developments efficiently is evident in its robust pipeline, with seven new ground leases expected in FY25.

Margins and Profitability: Gross margins improved to 10.2% in 3Q24, up from 7.7% sequentially and down from 33.1% in third quarter of the prior year. Operating income decrease to $(4.9)M from $(3.4)M in 3Q23, primarily due to increased ground lease expenses and higher salaries, wages, and benefits associated with increased headcount. EBITDA was relatively flat sequentially at $(4.2M) as the Company works through the new leases and upcoming constructions mentioned above. We expect EBITDA to gradually improve and turn positive in FY26.

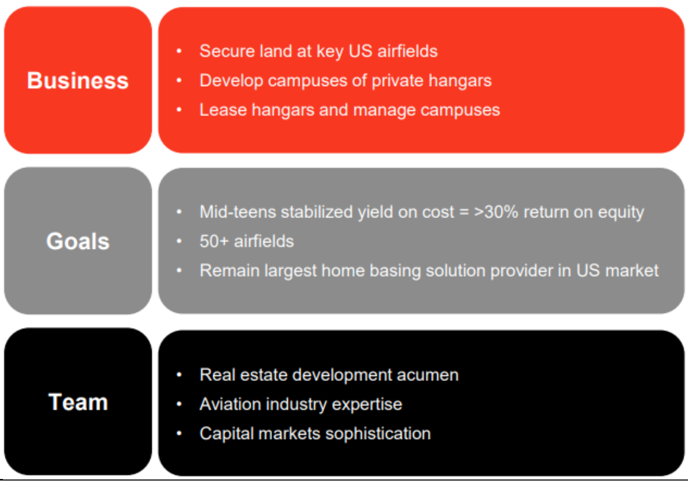
Balance Sheet Strength: The Company's balance sheet remained strong, with total assets reaching $456.8M, coupled with a total liquidity position of $110.3M, providing an ample runway for growth and expansion. Additionally, in December, the Company announced the second closing of its PIPE equity raise, this closing added $37.6M in liquidity and provides SKYH with a strong cash position going into FY25.

Valuation: We use a Discounted Cash Flow Analysis to guide our valuation of SKYH. Our DCF analysis produces a valuation range of $12.79 to $21.17 with a mid-point of $16.33. This analysis relies on a range of discount rates between 9.13% and 9.38% with a midpoint of 9.25% and accounts for SKYH's debt being assumable which has an estimated blended interest rate of 4.25%.

Business Overview

Sky Harbour Group Corporation is a pioneering aviation infrastructure company dedicated to developing the first nationwide network of private hangar campuses in the United States. The Company's mission is to address the persistent shortage of high-quality hangar space for business aviation, a sector experiencing significant demand growth. By offering an exclusive network of Home-Basing campuses for business aircraft, Sky Harbour aims to provide private aircraft owners and operators with a secure, efficient, and premium home for their aircraft.

Exhibit 1: Sky Harbour Business Overview



Source: Corporate Presentation

Sky Harbour's business model is built on a real estate development and aviation service framework. The Company secures long-term leases on strategically located airport land and develops high-end, private hangar campuses tailored to meet the needs of business aviation clients. As a green field development SKYH shareholders participate in all of the upside as new leases are signed. Additionally, due to the greenfield status, the Company funds development with tax exempt debt further adding to the attractiveness of the projects. These campuses are not just physical hangar spaces; they are comprehensive service hubs that offer concierge-level services designed to optimize aircraft management, improve security, and enhance convenience for aircraft owners.

The Company's approach is a significant departure from the traditional community hangar model, which often presents operational inefficiencies, security risks, and logistical challenges for high-net-worth individuals and corporations operating private jets. Instead, Sky Harbour delivers a differentiated offering that caters to the growing segment of the business aviation market that values exclusivity, privacy, and high-end services. This unique positioning allows Sky Harbour to attract a clientele that seeks more than just storage space for their aircraft; they seek a seamless, premium experience.

Sky Harbour's growth strategy is centered on expanding its footprint to major business aviation hubs across the United States. By leveraging a proven site selection and acquisition methodology, the Company aims to establish itself as the leading provider of private hangar infrastructure in North America. This strategy involves identifying airports with significant demand-supply imbalances for high-quality private hangar space and securing long-term leases at these locations. Efficiencies are driven by the Company having a vertically-integrated metal building manufacturer and one national leasing team.

In addition to its real estate and service offerings, Sky Harbour integrates advanced technology and design into its hangar campuses. Each facility is constructed using a standardized design approach, which allows the Company to streamline development timelines and reduce costs while maintaining high standards of quality. This operational efficiency is a key component of Sky Harbour's business model, enabling the Company to scale its operations effectively and deliver consistent value to its clients.

Overall, Sky Harbour Group Corporation is uniquely positioned within the business aviation infrastructure sector. By addressing a critical shortage of high-quality hangar space, leveraging a scalable development model, and capitalizing on industry growth trends, the company is poised for significant expansion in the coming years. Sky Harbour's innovative approach and commitment to excellence make it a leader in the niche but highly lucrative business aviation infrastructure market.

Segment Overview

Sky Harbour Group Corporation's business model revolves around the development, leasing, and management of private aviation hangars, segmented into several core areas. The primary business activity, private hangar development, involves acquiring long-term ground leases at key airports and constructing purpose-built private hangar campuses. These facilities are designed with high-end finishes, state-of-the-art security, and optimal operational efficiency to cater to business jet owners.

Private Hangar Development & Leasing and Property Management

Each campus is constructed using a standardized design approach, allowing the Company to streamline development timelines and reduce costs while maintaining quality. As of 4Q24, Sky Harbour is in operation at five campuses totaling over 580,000 square feet of hangar and office space. These campuses include Sugar Land Regional Airport (Houston), Nashville International Airport, Miami-Opa Locka Airport, San Jose International Airport, and Camarillo Airport (Los Angeles). The Company is projecting the completion of an additional 370,000 square feet of hangar and office space by the end of 1Q25.

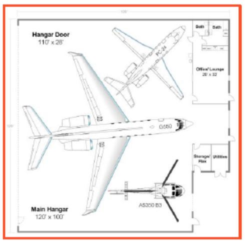
Exhibit 2: Sky Harbour's Development Highlights

1. Prototype Approach

- Best Hangar in BizAv
- Minimizes development time and risk
  - Code compliance precedent
  - General Contractor request for proposal ("RFP") issued with full construction drawings and SKYH standard parts
  - Accommodates easy implementation of refinements across entire portfolio, improving offering and lowering development cost over time

2. Vertical Integration

- Lower costs
  - Pre-Engineered Metal Buildings ("PEMB") and hangar door margin
  - Centralized materials purchasing
- Manage Supply Chain
- Assure quality
- Rapid feedback loop



Source: Corporate Presentation

Once developed, Sky Harbour leases out these hangar spaces to business aircraft owners on multi-year contracts (avg.~3.5 years). Unlike community hangars, where multiple aircraft share space and risk potential damage, Sky Harbour's model ensures tenants have dedicated, private hangars. This arrangement enhances aircraft security and minimizes operational downtime, which is a critical value proposition for high-net-worth individuals and corporations. The Company's leasing and property management segment has seen significant growth, with high occupancy rates across its campuses.

Concierge Aviation Services

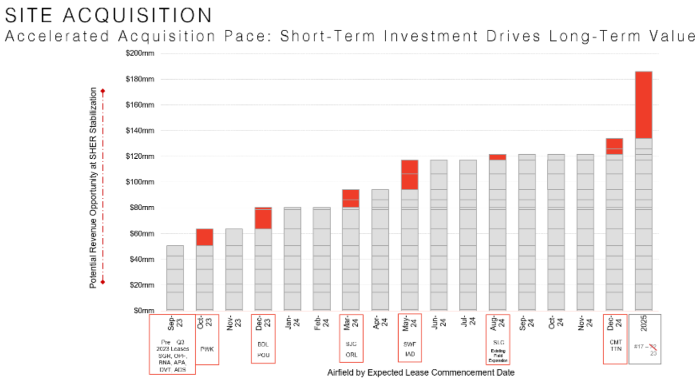
Beyond real estate, Sky Harbour integrates aviation service elements into its offering. Each campus provides tenants with services such as aircraft fueling and ground support, ensuring a seamless ownership experience. This holistic approach differentiates Sky Harbour from traditional hangar providers that cater to transient, not based, aircraft and adds additional fuel revenue beyond lease payments. The concierge aviation services segment has contributed to increased customer satisfaction and retention, further solidifying Sky Harbour's market position.

Expansion Through Strategic Site Selection

Sky Harbour employs a proprietary site selection methodology, targeting airports with significant demand-supply imbalances for high-quality private hangar space. The Company prioritizes locations where business aviation activity is growing, and suitable infrastructure is limited. This strategic site selection has enabled Sky Harbour to expand its footprint effectively, with new projects soon to be completed in Denver, Phoenix, and Dallas.

By leveraging its expertise in aviation real estate and development, Sky Harbour is positioning itself as a leader in the niche but highly lucrative business aviation infrastructure sector. The Company's ability to secure prime locations, coupled with its comprehensive service offerings, ensures a competitive edge in meeting the growing demand for private hangar space.

Exhibit 3: Acquisition & Scaling Overview



Airfields	12	20	50
Total Capital	$600,000,000	$1,100,000,000	$3,000,000,000
Total Debt	$420,000,000	$792,000,000	$2,400,000,000
Leverage	70%	72%	80%
Blended Rate:	5.00%	5.50%	5.25%
Project Equity	$180,000,000	$308,000,000	$600,000,000
Cost of Debt	$21,000,000	$43,560,000	$126,000,000
NOI(1)	$81,000,000	$154,000,000	$345,000,000
Pre-tax Cash Flow to Equity	$60,000,000	$110,440,000	$219,000,000
NOI Yield (unlevered)	13.5%	14.0%	11.5%
Illustrative Return on Project Equity (levered)	**33%**	**35%**	**36%**

Source: Corporate Presentation

Growth Drivers

Sky Harbour is well-positioned to capitalize on multiple growth drivers that support its expansion strategy and long-term financial performance.

1. Increasing Demand for Business Aviation

The business aviation sector has witnessed steady growth over the past decade, driven by rising corporate profits, globalization, and an increasing preference for private air travel. The COVID-19 pandemic further accelerated this trend as individuals and corporations sought safer, more flexible travel alternatives to commercial airlines. The continued expansion of the U.S. business jet fleet directly translates into increased demand for high-quality hangar space, a core focus area for Sky Harbour.

2. Chronic Hangar Supply Shortage

One of the most significant challenges in the business aviation industry is the limited availability of high-quality hangar infrastructure. Data from industry sources indicate that hangar occupancy at major business aviation airports often exceeds 100%. It's important to note that hangar occupancy percentage is a different metric from the hangar supply/demand imbalance at an airfield. However, this metric still highlights the significant demand for hangar space, validating it as a key growth driver. Sky Harbour's strategy to develop exclusive private hangar campuses addresses this unmet need, making its offering particularly attractive to aircraft owners seeking security, convenience, and premium services.

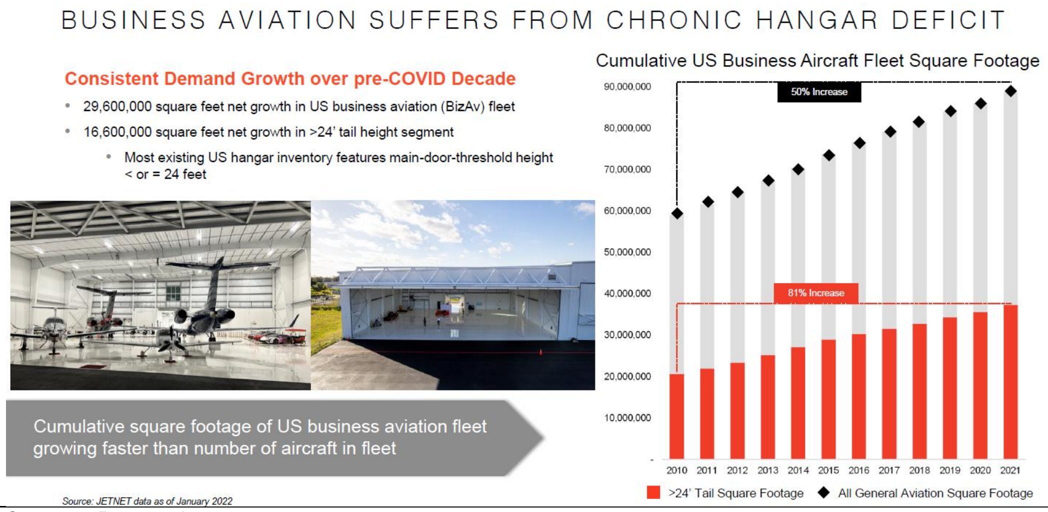
3. Strategic Location Expansion

Sky Harbour's growth is fueled by a robust pipeline of new development projects. The Company has secured long-term leases at multiple key airports across the U.S. and is actively expanding its portfolio. The Company's disciplined approach to site selection ensures that each new campus is located in a market with strong demand and favorable economic conditions.

4. Scalable Business Model and Operational Efficiency

By standardizing its hangar designs and leveraging a vertically integrated development model, Sky Harbour can achieve economies of scale as it expands. This efficiency translates into lower costs per project and higher profitability over time. Additionally, the company's ability to finance developments through federally-tax exempt municipal bond offerings enhances its capital efficiency and reduces its cost of funding.

Exhibit 4: Industry Shortage



Source: Corporate Presentation

5. Additional Revenue Streams

While Sky Harbour's primary source of revenue is leasing hangar space, the Company is also positioned to generate revenue from ancillary services such as fuel sales, maintenance services, and aircraft management. These additional revenue streams help diversify income sources and strengthen the overall financial resilience of the business.

Market Overview

Sky Harbour operates in a highly specialized segment of the aviation infrastructure market. The business aviation sector in the U.S. is substantial, comprising thousands of private jets and corporate aircraft that require dedicated storage and operational facilities. This market is driven by several key factors that position Sky Harbour favorably.

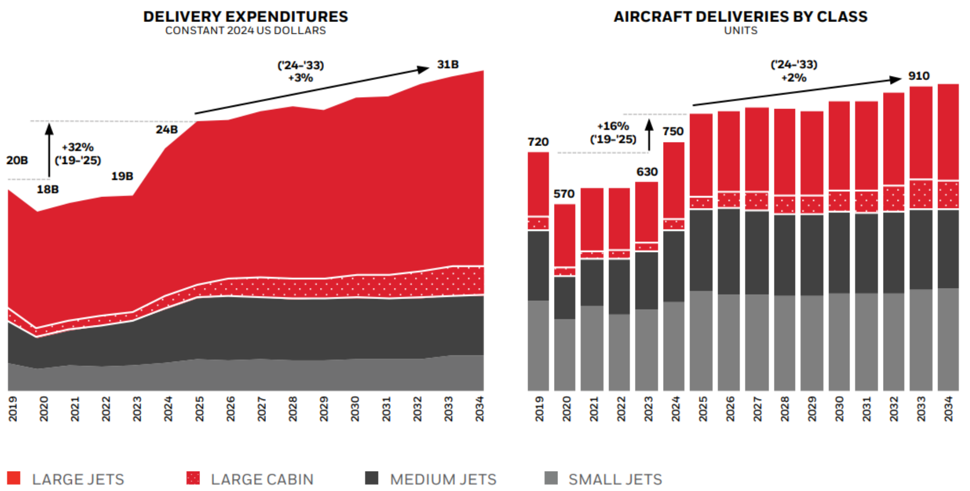
The demand for business aviation services continues to grow, driven by increased private jet ownership and corporate aircraft usage. According to industry reports, the global business aviation market is projected to see significant growth, with Honeywell's Global Business Aviation Outlook forecasting 8,500 new business jet deliveries valued at $280 billion over the next decade. In 2025 alone, deliveries are expected to rise by 12% compared to 2024.

This growth is fueled by rising corporate profits, globalization, and an increasing preference for private air travel, particularly in the wake of the COVID-19 pandemic. The total square footage of the U.S. business aviation fleet has been expanding at a faster rate than the number of aircraft, indicating a growing need for larger and more sophisticated hangar facilities.

This trend aligns perfectly with Sky Harbour's premium private hangar model, which caters to the increasing demand for high-quality, exclusive hangar space.

The aviation infrastructure sector presents significant barriers to entry, including regulatory challenges, long-term lease negotiations, and high capital investment requirements. Sky Harbour's established relationships with airport authorities and its ability to navigate these complexities provide a competitive advantage, making it difficult for new entrants to replicate its model at scale.

Exhibit 5: Business Aviation Market Outlook



Source: Honeywell Aerospace (2024 Global Business Aviation Outlook)

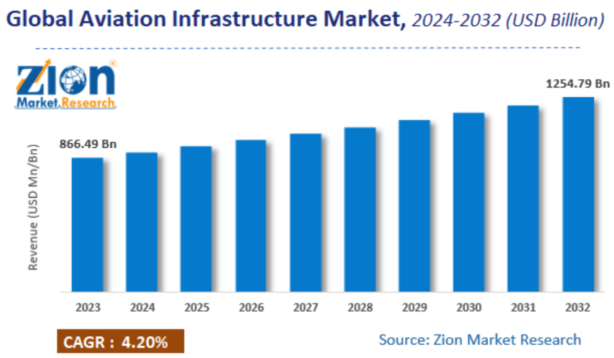
The company's proprietary site selection methodology and strategic long-term leases at key airports further strengthen its market position.

The competitive landscape of the aviation infrastructure market is characterized by a few key players, with most existing providers operating under a traditional community hangar model. This model does not offer the same level of exclusivity and personalized service as Sky Harbour. By focusing on private, high-end aviation infrastructure, Sky Harbour differentiates itself from fixed-base operators (FBOs) that primarily offer fuel services and shared hangar spaces.

This unique positioning limits direct competition and enhances Sky Harbour's appeal to high-net-worth individuals and corporations seeking premium services.

Despite macroeconomic fluctuations, the business aviation sector has historically demonstrated resilience due to the high net worth of its clientele and the essential nature of corporate travel. The aviation infrastructure market, valued at approximately ~900 billion, is projected to grow at a compound annual growth rate (CAGR) of over 4.2% between 2024 and 2032.

Exhibit 6 : Global Aviation Infrastructure Market



Source: Zion Market Research

Aviation real estate is considered a strong asset class with long-term value appreciation, further strengthening Sky Harbour's market positioning.

The integration of emerging technologies, such as artificial intelligence and IoT, is set to revolutionize the operational landscape, paving the way for smarter, more efficient airport experiences.

In summary, we believe Sky Harbour Group Corporation is uniquely positioned within the business aviation infrastructure sector. By addressing a critical shortage of high-quality hangar space, leveraging a scalable development model, and capitalizing on industry growth trends, the company is poised for significant expansion in the coming years.

Risks

Interest Rates – High interest rates have historically impacted the value of real estate. SKYH's business model is sensitive to volatile movements in interest rates as a result of it's leverage, SKYH could see a reduction in the value of its assets as well as a rise in the cost of debt should rates remain volatile.

Tenants – Weakening economic conditions could cause SKYH's tenants to be unable to meet obligations. Any failure to meet these obligations would result in a significant impact on SKYH's operations.

Regulatory - The Company relies on a regulatory system that prioritizes and allows for the bidding on long term leases. Should the regulatory system change it would inhibit SKYH from securing additional leases, thus capping the Company's growth potential.

Geography – The locations of SKYH's geographic markets pose environmental and economic risks. Immobile hard assets are subject to environmental disasters which could damage the properties.

Profitability - The Company has no history of net income, dividends, or cash flow and there can be no assurance that the Company will be profitable going forward. In the case that the Company cannot create enough revenue to sustain on-going business activities, Sky Harbour's only source of financing will be through the sale of existing securities or borrowing.

Valuation Summary

Given the stability of earnings and predictability of CapEx we are using a DCF model to guide our valuation for SKYH. We adjust our DCF model to account for the Sky Harbour's debt being assumable. This takes of the form of subtracting the yearly debt service cost from the annual FCF projections as opposed to forecasting FCF and then subtracting net debt from the projected enterprise value. We believe this more appropriately values the estimated cash flows of the Company.

Our DCF analysis relies on a range of discount rates between 9.13% and 9.38% with a midpoint of 9.25% and estimates the Company's blended interest rate at 4.25%. This arrives at a valuation range of $12.79 to $21.17 with a mid-point of $16.33.

Sky Harbour Group Corporation
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	**2022**	**2023**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**	**Terminal Value**
Revenue	1.8	7.6	14.4	31.7	56.7	110.5	182.3	255.3	331.8	398.2	457.9	503.7	554.1	
Opearting Income	(18.9)	(17.0)	(20.0)	(10.0)	(1.6)	11.0	45.6	76.6	99.5	129.4	148.8	176.3	193.9	
Less: Taxes (benefit)	-	-	-	-	-	0.6	3.4	7.7	10.0	25.9	29.8	35.3	38.8	
NOPAT	(18.9)	(17.0)	(20.0)	(10.0)	(1.6)	10.5	42.2	68.9	89.6	103.5	119.1	141.0	155.1	
Plus: Depreciation & Amortization	0.7	2.3	2.6	8.0	10.2	11.0	10.9	12.8	13.3	15.9	16.9	18.6	16.6	
Plus: Changes in WC	(12.9)	2.6	2.2	3.2	5.7	(0.6)	(0.9)	(1.3)	(1.7)	(2.0)	(2.3)	(2.5)	(2.8)	
Less: Capex	(46.0)	(56.1)	(65.0)	(128.9)	(284.0)	(49.7)	(36.5)	(38.3)	(33.2)	(29.9)	(27.5)	(25.2)	(22.2)	
Free Cash Flow	(77.0)	(68.2)	(80.3)	(127.7)	(269.8)	(28.7)	15.7	42.1	68.0	87.6	106.2	132.0	146.8	
Debt Level	162.2	171.7	185.0	195.0	215.0	225.8	237.0	246.5	256.4	266.6	274.6	282.9	291.4	
Est. Blended Interst Rate	4.3%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	
Debt Service	6.9	7.3	7.9	8.3	9.1	9.6	10.1	10.5	10.9	11.3	11.7	12.0	12.4	
FCF less Debt Service	(83.9)	(75.5)	(88.2)	(136.0)	(278.9)	(38.3)	5.7	31.6	57.1	76.3	94.6	120.0	134.5	1,891.6
Discount period - months			3	15	27	39	51	63	75	87	99	111	123	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	
Discount factor			0.98	0.90	0.82	0.75	0.69	0.63	0.58	0.53	0.48	0.44	0.40	
PV of FCF			(86.2)	(121.7)	(228.6)	(28.7)	3.9	19.9	32.9	40.2	45.6	52.9	54.3	763.8
Growth rate assumptions:														
Revenue		310.6%	89.7%	120.4%	78.9%	95.0%	65.0%	40.0%	30.0%	20.0%	15.0%	10.0%	10.0%	
Operating Income		-9.9%	17.8%	-50.3%	-83.7%	######	312.5%	68.0%	30.0%	30.0%	15.0%	18.5%	10.0%	
EBITDA		-19.0%	18.6%	-88.8%	-539.2%	157.7%	155.8%	58.1%	26.3%	28.8%	14.1%	17.6%	8.0%	
Debt Level		5.9%	7.7%	5.4%	10.3%	5.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	
Free Cash Flow		-11.4%	17.7%	59.0%	111.3%	-89.3%	######	167.8%	61.5%	28.8%	21.3%	24.2%	11.3%	
Margin assumptions:														
Operating Income	#######	-224.3%	-139.3%	-31.4%	-2.9%	10.0%	25.0%	30.0%	30.0%	32.5%	32.5%	35.0%	35.0%	
D&A as a % of sales	37.7%	30.1%	17.9%	25.3%	18.0%	10.0%	6.0%	5.0%	4.0%	4.0%	3.7%	3.7%	3.0%	
EBITDA	-984.4%	-194.3%	-121.4%	-6.2%	15.1%	20.0%	31.0%	35.0%	34.0%	36.5%	36.2%	38.7%	38.0%	
Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	7.5%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	
Changes in WC	-697.1%	34.9%	15.0%	10.0%	10.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Capex as a % of sales	#######	-741.1%	-452.3%	-407.0%	-501.2%	-45.0%	-20.0%	-15.0%	-10.0%	-7.5%	-6.0%	-5.0%	-4.0%	

Valuation:

Shares outstanding	33.3
PV of FCF	(215.7)
PV of Terminal Value	763.8
Enterprise Value	548.2
plus: Cash	3.5
Estimated Total Value:	544.6
Est Equity Value/share:	**$16.33**
Price	$10.24

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
9.00%	$12.03	$14.56	$17.80	$22.13	$28.18
9.13%	$11.52	$13.95	$17.05	$21.17	$26.90
9.25%	$11.03	$13.36	$16.33	$20.26	$25.68
9.38%	$10.55	$12.79	$15.64	$19.38	$24.52
9.50%	$10.08	$12.24	$14.97	$18.54	$23.41

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Sky Harbour Group Corporation
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24
Cash	6.8	48.6	3.8	0.7	2.2	2.2	2.9	2.6	2.5	60.3	60.3	2.6	25.0	3.5
Restricted Cash	197.1	18.0	38.4	17.2	39.2	39.2	70.3	16.6	34.3	12.0	12.0	99.5	97.3	70.6
Investments	-	-	29.9	29.8	24.9	24.9	18.4	17.1	16.8	11.9	11.9	37.0	10.1	19.5
Restricted Investments	-	166.6	138.1	145.3	114.6	114.6	74.6	114.2	80.2	88.2	88.2	20.2	16.7	16.7
Accounts Receivable, Prepaid Exp and other	3.1	3.8	4.2	4.0	4.4	4.4	6.5	4.0	3.8	6.0	6.0	8.2	6.8	6.2
Cost of Construction	25.0	39.4	54.3	66.7	48.2	48.2	17.6	33.3	48.2	64.2	64.2	71.7	92.0	120.4
Constructed Assets	14.5	14.4	14.2	14.1	39.7	39.7	78.5	78.4	78.1	77.3	77.3	76.8	77.2	79.8
ROU Assets	56.9	56.6	56.4	56.1	56.7	56.7	56.5	57.2	56.8	70.5	70.5	116.7	124.6	127.8
Long Lived Assets	0.4	0.4	0.6	0.8	1.2	1.2	1.3	11.9	12.1	11.8	11.8	11.8	11.9	12.2
Assets	**303.9**	**347.8**	**339.9**	**334.6**	**331.2**	**331.2**	**326.5**	**335.3**	**332.8**	**402.2**	**402.2**	**444.4**	**461.6**	**456.8**
LIABILITIES AND SHAREHOLDERS' EQUITY														
Account Payable	11.0	12.1	18.4	15.7	14.2	14.2	13.1	13.4	13.9	16.7	16.7	13.8	26.0	21.2
Operating Lease Liability	61.3	61.5	52.3	52.5	53.5	53.5	53.8	54.9	55.0	69.4	69.4	116.4	125.5	130.0
Loans Payable and Finance Lease Liabilities	-	-	-	-	-	-	-	11.0	10.6	162.4	162.4	8.9	8.4	8.0
Bonds Payable	160.7	160.8	160.8	162.2	162.2	162.2	162.3	162.3	162.4	9.3	9.3	162.5	162.5	162.6
Warrants Liability	-	21.9	6.5	5.1	2.9	2.9	7.1	4.5	2.9	12.0	12.0	27.3	19.6	35.6
Liabilities	**232.9**	**256.3**	**238.0**	**235.5**	**232.8**	**232.8**	**236.3**	**246.1**	**244.8**	**270.0**	**270.0**	**328.8**	**342.0**	**357.3**
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Class A Stock	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Class B Stock	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid-in Capital	-	28.7	28.8	29.3	29.6	29.6	30.1	30.6	31.1	88.2	88.2	91.8	92.8	93.6
Accumulated Deficit	-	(15.8)	(3.1)	(3.7)	(3.2)	(3.2)	(9.4)	(8.6)	(8.8)	(19.4)	(19.4)	(38.3)	(32.5)	(51.1)
Accumulated Other Comprehensive Income	-	-	(0.1)	(0.2)	(0.1)	(0.1)	0.1	0.1	0.3	0.3	0.3	0.7	0.1	0.0
Total Parent Net Equity	**-**	**12.9**	**25.7**	**25.3**	**26.3**	**26.3**	**20.8**	**22.2**	**22.7**	**69.2**	**69.2**	**54.2**	**60.3**	**42.6**
Minority interest	16.9	78.6	76.3	73.9	72.1	72.1	69.4	67.1	65.4	63.1	63.1	60.9	59.2	57.0
Total Consolidated Equity	**16.9**	**91.5**	**101.9**	**99.2**	**98.4**	**98.4**	**90.3**	**89.3**	**88.0**	**132.2**	**132.2**	**115.1**	**119.6**	**99.5**
Total Liabilities and Shareholders' Equity	**303.9**	**347.8**	**339.9**	**334.6**	**331.2**	**331.2**	**326.5**	**335.3**	**332.8**	**402.2**	**402.2**	**443.8**	**461.6**	**456.8**
Liquidity														
Current Ratio	2.9x	3.2x	3.0x	2.9x	2.7x	2.7x	2.6x	2.3x	2.0x	2.1x	2.1x	1.3x	1.0x	0.8x
Working Capital	70.96	91.51	101.93	99.19	98.37	98.37	90.27	89.26	88.01	132.25	132.25	115.60	119.57	99.53
Leverage														
Net Debt to Equity	1270.8%	189.8%	205.3%	215.6%	217.1%	217.1%	236.2%	252.8%	256.2%	136.8%	136.8%	247.8%	226.9%	298.4%
Net Debt to Capital	70.8%	49.9%	61.6%	63.9%	64.5%	64.5%	65.3%	67.3%	67.8%	45.0%	45.0%	64.2%	58.8%	65.0%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Sky Harbour Group Corporation
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 E Dec-24	FY 2024E	Q1 E Mar-25	Q2 E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
Rental Revenue	$ 1.6	$ 1.8	$ 7.6	$ 2.4	$ 3.6	$ 4.1	$ 4.3	$ 14.4	$ 5.8	$ 7.6	$ 8.5	$ 9.8	$ 31.7	$ 11.0	$ 13.7	$ 14.9	$ 17.1	$ 56.7
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	**1.6**	**1.8**	**7.6**	**2.4**	**3.6**	**4.1**	**4.3**	**14.4**	**5.8**	**7.6**	**8.5**	**9.8**	**31.7**	**11.0**	**13.7**	**14.9**	**17.1**	**56.7**
Operating Expenses	4.5	5.0	7.2	2.1	3.3	3.7	3.8	12.9	2.8	3.7	4.2	4.8	15.4	5.4	6.8	7.4	8.7	28.3
Gross Profit	**(2.9)**	**(3.2)**	**0.4**	**0.3**	**0.3**	**0.4**	**0.4**	**1.4**	**3.0**	**3.9**	**4.3**	**5.0**	**16.2**	**5.6**	**6.9**	**7.5**	**8.4**	**28.4**
Depreciation	0.6	0.7	2.3	0.6	0.6	0.6	0.7	2.6	2.0	2.0	2.0	2.0	8.0	2.6	2.6	2.6	2.6	10.2
Loss on Impairment of Long-Lived Assets	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	8.7	14.7	15.1	4.9	4.6	4.6	4.8	18.9	4.6	4.6	4.6	4.6	18.2	5.0	5.0	5.0	5.0	19.8
Total Operating Expenses	9.3	15.7	17.4	5.5	5.2	5.3	5.4	21.5	6.6	6.6	6.6	6.6	26.2	7.5	7.5	7.5	7.5	30.0
Operating Income	**(12.2)**	**(18.9)**	**(17.0)**	**(5.2)**	**(5.0)**	**(4.9)**	**(5.0)**	**(20.0)**	**(3.5)**	**(2.6)**	**(2.2)**	**(1.6)**	**(10.0)**	**(1.9)**	**(0.6)**	**(0.0)**	**0.9**	**(1.6)**
Interest Expense, net	1.2	-	0.5	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9
Other	-	(0.1)	(0.7)	(0.4)	(1.1)	(0.3)	-	(1.8)	-	-	-	-	-	-	-	-	-	-
Unrealized (gain)/loss on warrants	-	(5.1)	8.6	16.2	(8.2)	16.0	-	23.9	-	-	-	-	-	-	-	-	-	-
Loss on Extinguishment of Note Payable	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	**(13.6)**	**(13.7)**	**(25.4)**	**(21.2)**	**4.2**	**(20.7)**	**(5.2)**	**(42.9)**	**(3.8)**	**(2.8)**	**(2.4)**	**(1.8)**	**(10.8)**	**(2.1)**	**(0.8)**	**(0.2)**	**0.6**	**(2.6)**
Provision for Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	**(13.6)**	**(13.7)**	**(25.4)**	**(21.2)**	**4.2**	**(20.7)**	**(5.2)**	**(42.9)**	**(3.8)**	**(2.8)**	**(2.4)**	**(1.8)**	**(10.8)**	**(2.1)**	**(0.8)**	**(0.2)**	**0.6**	**(2.6)**
Non-Controlling Interest	-	(10.5)	(9.3)	(2.3)	(1.6)	(2.1)	(0.5)	(6.5)	(0.4)	(0.3)	(0.2)	(0.2)	(1.1)	(0.2)	(0.1)	(0.0)	0.1	(0.3)
Net Income To Common Stkhldrs	**(13.6)**	**(3.2)**	**(16.2)**	**(18.9)**	**5.8**	**(18.6)**	**(4.7)**	**(36.4)**	**(3.4)**	**(2.6)**	**(2.2)**	**(1.6)**	**(9.7)**	**(1.9)**	**(0.7)**	**(0.2)**	**0.6**	**(2.3)**
Basic EPS	**N/M**	**$ (0.23)**	**$ (0.98)**	**$ (0.78)**	**$ 0.23**	**$ (0.74)**	**$ (0.18)**	**$ (1.45)**	**$ (0.13)**	**$ (0.10)**	**$ (0.08)**	**$ (0.06)**	**$ (0.38)**	**$ (0.07)**	**$ (0.03)**	**$ (0.01)**	**$ 0.02**	**$ (0.09)**
Diluted EPS	**N/M**	**$ (0.23)**	**$ (0.98)**	**$ (0.78)**	**$ 0.06**	**$ (0.74)**	**$ (0.18)**	**$ (1.45)**	**$ (0.13)**	**$ (0.10)**	**$ (0.08)**	**$ (0.06)**	**$ (0.38)**	**$ (0.07)**	**$ (0.03)**	**$ (0.01)**	**$ 0.02**	**$ (0.09)**
WTD Shares Out - Basic	-	14.0	16.5	24.3	24.7	25.1	26.3	25.1	25.3	25.6	25.9	26.1	25.7	26.0	26.2	26.5	26.8	26.4
WTD Shares Out - Diluted	-	14.0	16.5	24.3	69.5	25.1	26.3	25.1	25.3	25.6	25.9	26.1	25.7	26.0	26.2	26.5	26.8	26.4
EBITDA	**(11.6)**	**(18.2)**	**(14.7)**	**(4.6)**	**(4.3)**	**(4.2)**	**(4.3)**	**(17.5)**	**(1.5)**	**(0.6)**	**(0.2)**	**0.4**	**(2.0)**	**0.6**	**2.0**	**2.5**	**3.4**	**8.6**
Margin Analysis																		
Gross Margin	-183.3%	-173.5%	5.4%	13.4%	7.7%	10.2%	10.0%	10.0%	52.0%	51.5%	51.0%	51.0%	51.3%	51.0%	50.5%	50.3%	49.0%	50.1%
Operating Margin	-773.1%	-1022.1%	-224.3%	-217.3%	-137.0%	-118.7%	-117.0%	-139.3%	-61.5%	-34.7%	-25.9%	-16.0%	-31.4%	-17.4%	-4.3%	0.0%	5.2%	-2.9%
EBITDA Margin	-721.2%	-976.3%	-204.0%	-208.1%	-149.4%	-110.3%	-101.7%	-134.0%	-26.9%	-8.4%	-2.4%	4.5%	-6.2%	5.8%	14.3%	17.1%	20.1%	15.1%
Pre-Tax Margin	-862.5%	-741.4%	-335.9%	-881.8%	115.1%	-505.2%	-121.6%	-298.6%	-65.0%	-37.5%	-28.4%	-18.2%	-34.1%	-19.4%	-6.0%	-1.6%	3.8%	-4.5%
Net Income Margin	-862.5%	-741.4%	-335.9%	-881.8%	115.1%	-505.2%	-121.6%	-298.6%	-65.0%	-37.5%	-28.4%	-18.2%	-34.1%	-19.4%	-6.0%	-1.6%	3.8%	-4.5%
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Growth Rate Y/Y																		
Total Revenue		16.9%	310.6%	117.2%	109.4%	63.7%	90.0%	89.7%	140.0%	110.0%	108.0%	130.0%	120.4%	90.0%	80.0%	75.0%	75.0%	78.9%
Total cost of revenues		68.2%	11.1%	38.7%	22.8%	24.9%	9.9%	23.3%	18.1%	25.1%	24.1%	21.3%	22.1%	14.5%	14.5%	14.5%	14.5%	14.5%
Operating Income		54.6%	-9.9%	11.5%	16.8%	43.1%	6.7%	17.8%	-32.0%	-46.8%	-54.7%	-68.6%	-50.3%	-46.2%	-77.5%	-99.7%	-156.7%	-83.7%
Pre-Tax Income		0.5%	86.0%	142.0%	-354.8%	935.5%	-60.4%	68.7%	-82.3%	-168.4%	-88.3%	-65.5%	-74.8%	-43.2%	-71.1%	-89.9%	-136.2%	-76.4%
Net Income		0.5%	86.0%	142.0%	-354.8%	935.5%	-60.4%	68.7%	-82.3%	-168.4%	-88.3%	-65.5%	-74.8%	-43.2%	-71.1%	-89.9%	-136.2%	-76.4%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

Sky Harbour Group Corporation
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24
Operating Activities														
Net Loss	(13.6)	(19.5)	10.3	(3.1)	(1.3)	(13.7)	(8.8)	(1.6)	(2.0)	(13.0)	(25.4)	(21.2)	4.2	(20.7)
Depreciation and Amortization	1.0	0.1	0.2	0.1	0.2	0.7	0.5	0.5	0.7	0.6	2.3	0.6	0.6	0.6
Straight-line Rent Adjustments	(0.1)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.0)	0.0	(0.1)
Equity Based Compensation	0.2	-	0.3	0.5	0.4	1.2	0.5	0.6	0.6	0.6	2.3	1.0	1.1	0.9
Non-Cash Operating Lease Expense	2.6	0.5	0.4	0.5	0.5	2.0	0.5	0.4	0.5	0.7	2.1	0.8	1.1	1.3
Realized Gain on Available for Sale Investments	-	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.0)
Gain on Disposition of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.0)
Unrealized Loss on Warrants	-	13.9	(15.4)	(1.5)	(2.2)	(5.1)	4.2	(2.6)	(1.6)	8.6	8.6	16.2	(8.2)	16.0
Other	0.3	0.1	0.2	-	-	0.2	-	-	-	-	-	-	-	-
Cash Flow from operating activities before working capital changes	**(9.6)**	**(4.8)**	**(4.1)**	**(3.4)**	**(2.4)**	**(14.6)**	**(3.2)**	**(2.8)**	**(1.9)**	**(2.5)**	**(10.4)**	**(2.6)**	**(1.3)**	**(1.9)**
Accounts Receivable	(0.3)	(3.5)	(0.4)	2.1	(0.2)	(2.0)	(0.7)	(1.0)	2.4	(1.1)	(0.4)	(0.7)	0.2	0.8
ROU Assets	-	-	(9.6)	-	(0.0)	(9.6)	(0.0)	(0.0)	-	-	(0.0)	(0.0)	(0.0)	-
Accounts Payable	3.3	(1.9)	(0.1)	0.3	0.4	(1.3)	(0.7)	2.7	(1.0)	2.1	3.1	(1.2)	0.1	(0.0)
Cash flow generated/(absorbed) from operating Activities	**(6.6)**	**(10.2)**	**(14.1)**	**(1.0)**	**(2.2)**	**(27.5)**	**(4.6)**	**(1.2)**	**(0.5)**	**(1.5)**	**(7.7)**	**(4.4)**	**(1.0)**	**(1.2)**
Investing Activities														
Purchase of Long Lived Assets	(0.2)	(0.0)	(0.5)	(0.2)	(0.4)	(1.1)	(0.2)	(0.0)	(0.4)	(0.2)	(0.8)	(0.3)	(0.4)	(0.6)
Payments for Cost of Construction	(15.8)	(12.4)	(8.3)	(14.9)	(9.3)	(44.9)	(8.9)	(15.6)	(15.5)	(15.3)	(55.4)	(9.1)	(8.9)	(36.1)
Proceeds from Disposition of Long Lived Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0
Investment in Notes Receivable	-	-	-	(2.0)	(0.2)	(2.2)	(1.3)	(0.7)	(0.0)	-	(2.0)	-	-	-
Net Cash Provided by Acquisition of Business	-	-	-	-	-	-	-	1.8	-	-	1.8	-	-	-
Purchase of Available for Sale Investments	-	-	(30.0)	0.0	(0.0)	(30.0)	-	(3.4)	(2.0)	(49.1)	(54.5)	(95.8)	(56.5)	(54.6)
Purchase of Held to Maturity Investments	-	(166.6)	-	(27.3)	-	(193.8)	-	(53.0)	(51.0)	(68.0)	(172.0)	-	-	-
Proceeds from Available for Sale Investments	-	-	-	-	79.1	79.1	6.7	4.8	2.5	54.2	68.2	71.1	82.9	45.2
Proceeds from Held to Maturity Investments	-	-	28.5	20.0	(43.4)	5.0	40.0	13.4	85.0	60.0	198.4	68.0	3.5	-
Cash flow generated by Investing Activities	**(16.0)**	**(179.0)**	**(10.3)**	**(24.2)**	**25.7**	**(187.8)**	**36.3**	**(52.7)**	**18.6**	**(18.4)**	**(16.3)**	**33.9**	**20.7**	**(46.2)**
Financing Activities														
Proceeds from Exercise of Warrants	-	-	-	0.0	-	0.0	-	0.0	-	-	0.0	1.5	1.5	-
Proceeds from Issuance Sky Serise A	30.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Issuance Sky Serise B	55.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Issuance of PIPE Shares	-	45.0	-	-	-	45.0	-	-	-	57.3	57.3	-	-	-
Proceeds from Issuance of PIPE Warrants	-	-	-	-	-	-	-	-	-	0.5	0.5	-	-	-
Proceeds from Yellowstone Trust	-	15.7	-	-	-	15.7	-	-	-	-	-	-	-	-
Proceeds from ATM Facility	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Principal Payments for loans Payable and Finance Lease	-	-	-	-	-	-	-	(0.0)	(0.5)	0.5	-	(0.4)	(0.5)	(0.4)
Payments for Equity Issuance Costs	(1.6)	(8.8)	-	(0.3)	-	(9.2)	-	-	-	(0.8)	(0.8)	(0.0)	(0.2)	(0.2)
Refund of Debt Issuance Costs	(6.1)	-	-	1.2	-	1.2	-	-	-	-	-	-	-	-
Payments of Loans Payable	149.2	-	-	-	-	-	-	-	-	(1.8)	(1.8)	-	-	-
Payments of Employee Tax Related to Vested Equity Awards	-	-	-	-	-	-	-	-	-	(0.4)	(0.4)	(0.7)	(0.2)	(0.2)
Cash flow generated/(absorbed) by financing Activities	**226.5**	**51.9**	**-**	**0.9**	**-**	**52.8**	**-**	**(0.0)**	**(0.5)**	**55.4**	**54.9**	**0.3**	**0.7**	**(0.8)**
Net Cash flow in the year	**203.9**	**(137.3)**	**(24.5)**	**(24.3)**	**23.5**	**(162.5)**	**31.8**	**(54.0)**	**17.6**	**35.5**	**30.9**	**29.7**	**20.3**	**(48.1)**
Cash and Cash Equivalents														
Beginning Cash balance	0.1	203.9	66.6	42.2	17.9	203.9	41.4	73.2	19.2	36.8	41.4	72.3	102.0	122.3
Ending Cash balance	203.9	66.6	42.2	17.9	41.4	41.4	73.2	19.2	36.8	72.3	72.3	102.0	122.3	74.2

Source: Company Reports, Stonegate Capital Partners

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