UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 001-40217

Sun Country Airlines Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	82-4092570
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2005 Cargo Road Minneapolis, Minnesota	55450
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (651) 681-3900

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	SNCY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated Filer ☑	Accelerated Filer ☐	Non-accelerated Filer ☐
	Smaller reporting company ☐	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

Number of shares outstanding by each class of common stock, as of March 31, 2024:
Common Stock, $0.01 par value – 52,611,323 shares outstanding

Sun Country Airlines Holdings, Inc.
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PART I. Financial Information
ITEM 1. FINANCIAL STATEMENTS

SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share and share amounts)

	March 31, 2024	December 31, 2023
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 28,427	$ 46,279
Restricted Cash	11,173	17,401
Investments	132,779	141,127
Accounts Receivable, net of an allowance for credit losses of $39 and $17, respectively	37,525	38,166
Short-term Lessor Maintenance Deposits	1,816	1,046
Inventory, net of a reserve for obsolescence of $753 and $977, respectively	8,583	7,793
Prepaid Expenses	12,604	15,823
Other Current Assets	2,062	3,716
Total Current Assets	234,969	271,351
Property & Equipment, net:		
Aircraft and Flight Equipment	703,222	685,559
Aircraft and Flight Equipment Held for Operating Lease	154,399	154,185
Ground Equipment and Leasehold Improvements	44,379	39,847
Computer Hardware and Software	19,430	17,875
Finance Lease Assets	344,500	304,384
Rotable Parts	24,987	19,848
Total Property & Equipment	1,290,917	1,221,698
Accumulated Depreciation & Amortization	(272,590)	(252,717)
Total Property & Equipment, net	1,018,327	968,981
Other Assets:		
Goodwill	222,223	222,223
Other Intangible Assets, net of accumulated amortization of $25,622 and $24,190, respectively	82,119	83,551
Operating Lease Right-of-use Assets	14,252	14,917
Aircraft Deposits	9,564	9,564
Long-term Lessor Maintenance Deposits	48,181	44,675
Other Assets	9,444	8,365
Total Other Assets	385,783	383,295
Total Assets	$ 1,639,079	$ 1,623,627

See accompanying Notes to Condensed Consolidated Financial Statements

SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share and share amounts)

	March 31, 2024	December 31, 2023
	(Unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	$ 59,929	$ 59,011
Accrued Salaries, Wages, and Benefits	31,787	33,305
Accrued Transportation Taxes	16,459	18,097
Air Traffic Liabilities	119,938	157,996
Finance Lease Obligations	45,083	44,756
Loyalty Program Liabilities	9,404	9,898
Operating Lease Obligations	2,233	2,219
Current Maturities of Long-term Debt, net	74,398	74,177
Income Tax Receivable Agreement Liability	10,611	3,250
Other Current Liabilities	13,725	15,873
Total Current Liabilities	383,567	418,582
Long-term Liabilities:		
Finance Lease Obligations	268,687	232,546
Loyalty Program Liabilities	3,664	3,839
Operating Lease Obligations	15,904	16,611
Long-term Debt, net	313,733	327,468
Deferred Tax Liability	18,080	9,148
Income Tax Receivable Agreement Liability	87,083	97,794
Other Long-term Liabilities	7,355	3,236
Total Long-term Liabilities	714,506	690,642
Total Liabilities	1,098,073	1,109,224
Commitments and Contingencies (see Note 10)		
Stockholders' Equity:		
Common stock, with $0.01 par value, 995,000,000 shares authorized, 58,954,329 and 58,878,723 issued and 52,611,323 and 53,291,001 outstanding at March 31, 2024 and December 31, 2023, respectively	590	589
Preferred stock, with $0.01 par value, 5,000,000 shares authorized, no shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	—	—
Treasury stock, at cost, 6,343,006 and 5,587,722 shares held at March 31, 2024 and December 31, 2023, respectively	(105,937)	(94,341)
Additional Paid-In Capital	517,012	513,988
Retained Earnings	129,542	94,229
Accumulated Other Comprehensive Loss	(201)	(62)
Total Stockholders' Equity	541,006	514,403
Total Liabilities and Stockholders' Equity	$ 1,639,079	$ 1,623,627

See accompanying Notes to Condensed Consolidated Financial Statements

SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share and share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Operating Revenues:		
Passenger	$ 274,664	$ 267,269
Cargo	23,948	23,361
Other	12,871	3,485
Total Operating Revenues	311,483	294,115
Operating Expenses:		
Aircraft Fuel	70,304	72,290
Salaries, Wages, and Benefits	82,238	75,430
Aircraft Rent	—	1,480
Maintenance	16,817	13,039
Sales and Marketing	10,679	9,929
Depreciation and Amortization	23,809	19,460
Ground Handling	9,154	9,170
Landing Fees and Airport Rent	14,729	10,945
Other Operating, net	28,577	26,589
Total Operating Expenses	256,307	238,332
Operating Income	55,176	55,783
Non-operating Income (Expense):		
Interest Income	2,448	2,741
Interest Expense	(11,112)	(8,630)
Other, net	46	(212)
Total Non-operating Expense, net	(8,618)	(6,101)
Income Before Income Tax	46,558	49,682
Income Tax Expense	11,245	11,354
Net Income	$ 35,313	$ 38,328
Net Income per share to common stockholders:		
Basic	$ 0.67	$ 0.68
Diluted	$ 0.64	$ 0.64
Shares used for computation:		
Basic	53,034,538	56,630,656
Diluted	55,397,685	59,535,045

See accompanying Notes to Condensed Consolidated Financial Statements

SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Net Income	$ 35,313	$ 38,328
Other Comprehensive (Loss) Income:		
Net unrealized (losses) gains on Available-for-Sale securities, net of deferred tax (benefit) expense of $(42) and $116, respectively	(139)	389
Other Comprehensive (Loss) Income	(139)	389
Comprehensive Income	$ 35,174	$ 38,717

See accompanying Notes to Condensed Consolidated Financial Statements

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SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in thousands, except share amounts)
(Unaudited)

	Three Months Ended March 31, 2024							
		Common Stock		Treasury Stock					
	Warrants	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
December 31, 2023	3,224,093	58,878,723	$ 589	5,587,722	$ (94,341)	$ 513,988	$ 94,229	$ (62)	$ 514,403
Stock Issued for Stock-Based Awards	—	75,606	1	—	—	110	—	—	111
Net Income	—	—	—	—	—	—	35,313	—	35,313
Common Stock Repurchases	—	—	—	755,284	(11,596)	—	—	—	(11,596)
Amazon Warrants	189,652	—	—	—	—	1,400	—	—	1,400
Stock-based Compensation	—	—	—	—	—	1,514	—	—	1,514
Other Comprehensive Income	—	—	—	—	—	—	—	(139)	(139)
March 31, 2024	3,413,745	58,954,329	$ 590	6,343,006	$ (105,937)	$ 517,012	$ 129,542	$ (201)	$ 541,006

	Three Months Ended March 31, 2023							
		Common Stock		Treasury Stock					
	Warrants	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
December 31, 2022	2,402,268	58,217,647	$ 582	892,409	$ (17,605)	$ 488,494	$ 22,048	$ (807)	$ 492,712
Stock Issued for Stock-Based Awards	—	147,105	2	—	—	554	—	—	556
Net Stock Settlement of Stock-Based Awards	—	—	—	406	(8)	—	—	—	(8)
Net Income	—	—	—	—	—	—	38,328	—	38,328
Common Stock Repurchases	—	—	—	1,230,932	(22,549)	7,501	—	—	(15,048)
Amazon Warrants	189,652	—	—	—	—	1,400	—	—	1,400
Stock-based Compensation	—	—	—	—	—	2,678	—	—	2,678
Other Comprehensive Income	—	—	—	—	—	—	—	389	389
March 31, 2023	2,591,920	58,364,752	$ 584	2,123,747	$ (40,162)	$ 500,627	$ 60,376	$ (418)	$ 521,007

See accompanying Notes to Condensed Consolidated Financial Statements

SUN COUNTRY AIRLINES HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net Income	$ 35,313	$ 38,328
Adjustments to reconcile Net Income to Cash from Operating Activities:		
Depreciation and Amortization	23,809	19,460
Deferred Income Taxes	8,974	10,450
Other, net	2,883	4,643
Changes in Operating Assets and Liabilities:		
Accounts Receivable	4,147	(468)
Inventory	(1,319)	(305)
Prepaid Expenses	3,218	(198)
Lessor Maintenance Deposits	(4,276)	(2,858)
Aircraft Deposits	—	(187)
Other Assets	1,093	581
Accounts Payable	2,455	(288)
Accrued Transportation Taxes	(1,638)	(2,264)
Air Traffic Liabilities	(38,058)	(16,382)
Loyalty Program Liabilities	(669)	(1,638)
Operating Lease Obligations	(455)	(1,434)
Other Liabilities	(4,756)	421
Net Cash Provided by Operating Activities	30,721	47,861
Cash Flows from Investing Activities:		
Purchases of Property & Equipment	(29,698)	(104,978)
Purchases of Investments	(31,200)	(24,228)
Proceeds from the Maturities of Investments	39,500	32,840
Other, net	1,091	1,129
Net Cash Used in Investing Activities	(20,307)	(95,237)
Cash Flows from Financing Activities:		
Common Stock Repurchases	(11,493)	(14,812)
Proceeds from Borrowings	—	71,280
Repayment of Finance Lease Obligations	(5,847)	(4,277)
Repayment of Borrowings	(13,830)	(10,122)
Other, net	(3,324)	(3,258)
Net Cash Provided by (Used in) Financing Activities	(34,494)	38,811
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(24,080)	(8,565)
Cash, Cash Equivalents and Restricted Cash--Beginning of the Period	63,680	102,928
Cash, Cash Equivalents and Restricted Cash--End of the Period	$ 39,600	$ 94,363
Non-cash transactions:		
Aircraft Acquired under Finance Lease	$ 40,116	$ —

The following provides a reconciliation of Cash, Cash Equivalents and Restricted Cash to the amounts reported on the Condensed Consolidated Balance Sheets:

	March 31, 2024	March 31, 2023
Cash and Cash Equivalents	$ 28,427	$ 71,587
Restricted Cash	11,173	22,776
Total Cash, Cash Equivalents and Restricted Cash	$ 39,600	$ 94,363

See accompanying Notes to Condensed Consolidated Financial Statements

1. BASIS OF PRESENTATION

Sun Country Airlines Holdings, Inc. (together with its consolidated subsidiaries, "Sun Country" or the "Company") is the parent company of Sun Country, Inc., which is a certificated air carrier providing scheduled passenger service, air cargo service, charter air transportation and related services.

The Company has prepared the unaudited Condensed Consolidated Financial Statements according to U.S. Generally Accepted Accounting Principles (“GAAP”) and has included the accounts of Sun Country Airlines Holdings, Inc. and its subsidiaries. Certain information and footnote disclosures normally included in the audited annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for Form 10-Q. Therefore, the accompanying Condensed Consolidated Financial Statements of Sun Country Airlines Holdings, Inc. should be read in conjunction with the Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 as filed with the SEC ("2023 10-K"). Management believes that all adjustments necessary for the fair presentation of results, consisting of normally recurring items, have been included in the unaudited Condensed Consolidated Financial Statements for the interim periods presented. The Company reclassified certain prior period amounts to conform to the current period presentation. All material intercompany balances and transactions have been eliminated in consolidation.

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Due to impacts from seasonal variations in the demand for air travel, the volatility of aircraft fuel prices, the impact of macroeconomic conditions, and other factors, operating results for the three months ended March 31, 2024 are not necessarily indicative of operating results for other interim periods or for the full year ending December 31, 2024.

2. REVENUE

Sun Country is a certificated air carrier generating Operating Revenues from Scheduled Service, Charter, Ancillary, Cargo and Other revenue. Scheduled Service revenue mainly consists of base fares. Charter revenue is primarily generated through service provided to the U.S. Department of Defense ("DoD"), collegiate and professional sports teams, and casinos. Ancillary revenues consist of revenue earned from air travel-related services, such as: baggage fees, seat selection fees, other fees and on-board sales. Cargo consists of revenue earned from flying cargo aircraft for Amazon.com Services, Inc. (together with its affiliates, “Amazon”) under the Air Transportation Services Agreement (the “ATSA”). Other revenue consists primarily of revenue from services in connection with Sun Country Vacations products and rental revenue related to certain transactions where the Company acts as a lessor. The Company recognized $9,275 of rental revenue during the three months ended March 31, 2024. The rental revenue was not material to the Company's results of operations for the three months ended March 31, 2023.

(Dollars in thousands, except per share and share amounts)

The significant categories comprising Operating Revenues are as follows:

	Three Months Ended March 31,	
	2024	2023
Scheduled Service	$ 141,194	$ 152,657
Charter	47,312	46,187
Ancillary	86,158	68,425
Passenger	274,664	267,269
Cargo	23,948	23,361
Other	12,871	3,485
Total Operating Revenues	$ 311,483	$ 294,115

The Company attributes and measures its Operating Revenues by geographic region as defined by the United States Department of Transportation ("DOT") for airline reporting based upon the origin of each passenger and cargo flight segment.

The Company's operations are highly concentrated in the U.S., but include service to many international locations, primarily based on scheduled service to Latin America during the winter season and on military charter services.

Total Operating Revenues by geographic region are as follows:

	Three Months Ended March 31,	
	2024	2023
Domestic	$ 290,214	$ 273,423
Latin America	21,269	20,255
Other	—	437
Total Operating Revenues	$ 311,483	$ 294,115

Contract Balances

The Company's contract assets primarily relate to costs incurred to get Amazon cargo aircraft ready for service. The balances are included in Other Current Assets and Other Assets on the Condensed Consolidated Balance Sheets.

The Company's contract liabilities are comprised of: 1) ticket sales for transportation that have not yet been provided (reported as Air Traffic Liabilities on the Condensed Consolidated Balance Sheets), 2) outstanding loyalty points that may be redeemed for future travel and other non-air travel awards (reported as Loyalty Program Liabilities on the Condensed Consolidated Balance Sheets) and, 3) the Amazon Deferred Up-front Payment received (reported within Other Current Liabilities and Other Long-term Liabilities on the Condensed Consolidated Balance Sheets).

(Dollars in thousands, except per share and share amounts)

Contract Assets and Liabilities are as follows:

	March 31, 2024	December 31, 2023
Contract Assets		
Costs to fulfill contract with Amazon	$ 1,279	$ 1,493
Total Contract Assets	$ 1,279	$ 1,493
Contract Liabilities		
Air Traffic Liabilities	$ 119,938	$ 157,996
Loyalty Program Liabilities	13,068	13,737
Amazon Deferred Up-front Payment	1,955	2,225
Total Contract Liabilities	$ 134,961	$ 173,958

The balance in the Air Traffic Liabilities fluctuates with seasonal travel patterns. Most tickets can be purchased no more than twelve months in advance, therefore any revenue associated with tickets sold for future travel will be recognized within that timeframe. For the three months ended March 31, 2024, $128,502 of revenue was recognized in Passenger revenue that was included in the Air Traffic Liabilities as of December 31, 2023.

Loyalty Program

The Sun Country Rewards program provides loyalty awards to program members based on accumulated loyalty points. The Company records a liability for loyalty points earned by passengers under the Sun Country Rewards program using two methods: 1) a liability for points that are earned by passengers on purchases of the Company's services is established by deferring revenue based on the redemption value, net of estimated loyalty points that will expire unused, or breakage; and 2) a liability for points attributed to loyalty points issued to the Company's Visa card holders is established by deferring a portion of payments received from the Company's co-branded agreement. The balance of the Loyalty Program Liabilities fluctuates based on seasonal patterns, which impacts the volume of loyalty points awarded through travel or issued to co-branded credit card and other partners (deferral of revenue) and loyalty points redeemed (recognition of revenue). Due to these reasons, the timing of loyalty point redemptions can vary significantly.

Changes in the Loyalty Program Liabilities are as follows:

	2024	2023
Balance – January 1	$ 13,737	$ 15,437
Loyalty Points Earned	2,430	2,294
Loyalty Points Redeemed [1]	(3,099)	(3,932)
Balance – March 31	$ 13,068	$ 13,799

(1) Loyalty points are combined in one homogenous pool, which includes both air and non-air travel awards, and are not separately identifiable. As such, the revenue recognized is comprised of points that were part of the Loyalty Program Liabilities balance at the beginning of the period, as well as points that were earned during the period.

(Dollars in thousands, except per share and share amounts)

3. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net Income	$ 35,313	$ 38,328
Denominator:		
Weighted Average Common Shares Outstanding - Basic	53,034,538	56,630,656
Dilutive effect of Stock Options, RSUs and Warrants (1)	2,363,147	2,904,389
Weighted Average Common Shares Outstanding - Diluted	55,397,685	59,535,045
Basic earnings per share	$ 0.67	$ 0.68
Diluted earnings per share	$ 0.64	$ 0.64

(1) There were 2,778,194 and 3,117,544 performance-based stock options outstanding at March 31, 2024 and 2023, respectively. As of March 31, 2024 and 2023, 100% and 43% of the performance-based stock options had vested, respectively. As of March 31, 2023, 64% of the performance-based stock options were expected to vest.

The Company has excluded 4,230,975 of stock options, RSUs and warrants that would have had an anti-dilutive effect on its diluted earnings per share calculation for the three months ended March 31, 2024. The Company's anti-dilutive shares for the three months ended March 31, 2023 were not material to the Condensed Consolidated Financial Statements.

(Dollars in thousands, except per share and share amounts)

4. AIRCRAFT

As of March 31, 2024, Sun Country's fleet consisted of 63 Boeing 737-NG aircraft, comprised of 58 Boeing 737-800s and five Boeing 737-900ERs.

The following tables summarize the Company's aircraft fleet activity for the three months ended March 31, 2024 and 2023, respectively:

	December 31, 2023	Additions	Reclassifications	Removals	March 31, 2024
Passenger:					
Owned	29	1	—	—	30
Finance leases	13	1	—	—	14
Sun Country Airlines' Fleet	42	2	—	—	44
Cargo:					
Aircraft Operated for Amazon	12	—	—	—	12
Other:					
Owned Aircraft Held for Operating Lease	5	—	—	—	5
Subleased Aircraft (1)	1	1	—	—	2
Total Aircraft	60	3	—	—	63

	December 31, 2022	Additions	Reclassifications	Removals	March 31, 2023
Passenger:					
Owned	29	—	—	—	29
Finance leases	11	—	—	—	11
Operating leases	2	—	—	—	2
Sun Country Airlines' Fleet	42	—	—	—	42
Cargo:					
Aircraft Operated for Amazon	12	—	—	—	12
Other:					
Owned Aircraft Held for Operating Lease	—	3	—	—	3
Total Aircraft	54	3	—	—	57

(1) The head lease associated with these subleases are classified as finance leases.

During the three months ended March 31, 2024, the Company acquired one incremental aircraft and took control of two aircraft through finance lease arrangements, one of which was subsequently subleased to an unaffiliated airline through the fourth quarter of 2024. Upon expiry of the sublease, the aircraft will be redelivered to the Company and is expected to be inducted into the Company's passenger fleet. Of the 35 Owned aircraft and Owned Aircraft Held for Operating Lease as of March 31, 2024, 31 aircraft were financed and four aircraft were unencumbered. Subsequent to March 31, 2024, the Company purchased one aircraft previously classified as a finance lease, which is now unencumbered.

(Dollars in thousands, except per share and share amounts)

During the three months ended March 31, 2023, the Company acquired three 737-900ERs that are currently on lease to an unaffiliated airline ("Owned Aircraft Held for Operating Lease"). The Owned Aircraft Held for Operating Lease are financed through a term loan arrangement. See Note 6 within Part II, Item 8 in our 2023 10-K for more information on this transaction.

Depreciation, amortization, and rent expense on aircraft are as follows:

		Three Months Ended March 31,	
Aircraft Status	**Expense Type**	**2024**	**2023**
Owned	Depreciation	$ 14,340	$ 11,872
Finance Leased	Amortization	5,730	4,683
Operating Leased	Aircraft Rent [(1)]	—	1,480
		$ 20,070	$ 18,035

(1) Aircraft Rent expense includes credits for the amortization of over-market liabilities established at the Acquisition Date.

5. DEBT

Credit Facilities

On February 10, 2021, the Company executed a five-year credit agreement (the “Credit Agreement”) with a group of lenders. The Credit Agreement includes a $25,000 Revolving Credit Facility (the "Revolving Credit Facility") and a $90,000 Delayed Draw Term Loan Facility (“DDTL”), which are collectively referred to as the “Credit Facilities.” The Credit Agreement includes financial covenants that require a minimum trailing 12-month EBITDAR of $87,700 and minimum liquidity, as defined within the Credit Agreement, of $30,000 at the close of any business day. The Company was in compliance with these covenants as of March 31, 2024.

Due to previous transactions which utilized the DDTL and the subsequent repayment, no amounts under the DDTL were available to the Company as of March 31, 2024. As of March 31, 2024, the Company had $24,393 of financing available through the Revolving Credit Facility, as $607 had been pledged to support letters of credit.

Long-term Debt

Term Loan Credit Facility

During the three months ended March 31, 2023, the Company executed a term loan credit facility with a face amount of $119,200 for the purpose of financing the five Owned Aircraft Held for Operating Lease. The loan is repaid monthly through March 2030. During the lease term, payments collected from the lessee are applied directly to the repayment of principal and interest on the term loan credit facility. The Owned Aircraft Held for Operating Lease, as well as the related lease payments received from the lessee, are pledged as collateral.

The interest rate on the term loan credit facility is determined by using a base rate, which resets monthly, plus an applicable margin, and a fixed credit spread adjustment of 0.1%. The applicable margin during the lease term is fixed at 3.75%, and is subsequently reduced to 3.25% once the aircraft have been redelivered to the Company and a Loan-to-Value ("LTV") ratio calculation is completed at the end of the lease term. The interest rate in effect as of March 31, 2024 was 9.2%. To the extent that the LTV ratio exceeds 75% at the end of the lease term, a principal prepayment will be required in order to reduce the ratio to 75%. If at any point within 12 months of the end of the lease term for each respective aircraft the Company deems it probable that a principal prepayment will be required in order to reduce the LTV ratio to 75%, and such amount can be reasonably estimated, the estimated principal prepayment amount will be reclassified from Long-term Debt, net to Current Maturities of Long-term Debt, net on the Company's Condensed Consolidated Balance Sheets. In the event a principal prepayment is required, amounts received under the end of lease maintenance compensation clause will be applied towards any prepayment obligation. No amounts related to an estimated principal prepayment have been reclassified from Long-term Debt, net to Current Maturities of Long-term Debt, net on the Company's Condensed Consolidated Balance Sheets as of March 31, 2024.

(Dollars in thousands, except per share and share amounts)

Pass-Through Trust Certificates

During March 2022, the Company arranged for the issuance of Class A and Class B certificates (the "2022-1 EETC") in an aggregate face amount of $188,277 for the purpose of financing or refinancing 13 aircraft. The Company is required to make bi-annual principal and interest payments each March and September, through March 2031. These notes bear interest at an annual rate between 4.84% and 5.75%. The weighted average interest rate was 5.05% as of March 31, 2024.

In December 2019, the Company arranged for the issuance of Class A, Class B and Class C trust certificates Series 2019-1 (the “2019-1 EETC”), in an aggregate face amount of $248,587 for the purpose of financing or refinancing 13 aircraft, which was completed in 2020. The Company is required to make bi-annual principal and interest payments each June and December, through December 2027. These notes bear interest at an annual rate between 4.13% and 6.95%. The weighted average interest rate was 4.30% as of March 31, 2024.

Long-term Debt includes the following:

	March 31, 2024	December 31, 2023
2019-1 EETC (see terms and conditions above)	$ 138,423	$ 138,423
2022-1 EETC (see terms and conditions above)	148,653	158,775
Term Loan Credit Facility (see terms and conditions above)	104,733	108,442
Total Debt	391,809	405,640
Less: Unamortized debt issuance costs	(3,678)	(3,995)
Less: Current Maturities of Long-term Debt, net	(74,398)	(74,177)
Total Long-term Debt, net	$ 313,733	$ 327,468

Future maturities of the outstanding Debt are as follows:

	Debt Principal Payments	Amortization of Debt Issuance Costs	Net Debt
Remainder of 2024	$ 61,559	$ (871)	$ 60,688
2025	80,005	(956)	79,049
2026	61,150	(709)	60,441
2027	65,175	(525)	64,650
2028	36,362	(337)	36,025
Thereafter	87,558	(280)	87,278
Total as of March 31, 2024	$ 391,809	$ (3,678)	$ 388,131

(Dollars in thousands, except per share and share amounts)

The fair value of Debt was $368,207 as of March 31, 2024 and $383,061 as of December 31, 2023. The fair value of the Company's debt was based on the discounted amount of future cash flows using the Company's end-of-period estimated incremental borrowing rate for similar obligations. The estimates were primarily based on Level 3 inputs.

6. INVESTMENTS

A summary of debt securities by major security type:

	March 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Securities: [1]				
Corporate Debt Securities	$ 62,525	$ 3	$ (146)	$ 62,382
U.S. Government Agency Securities	64,165	—	(119)	64,046
Total	$ 126,690	$ 3	$ (265)	$ 126,428

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-Sale Securities: [1]				
Municipal Debt Securities	$ 6,981	$ —	$ (5)	$ 6,976
Corporate Debt Securities	59,222	76	(50)	59,248
U.S. Government Agency Securities	68,118	23	(125)	68,016
Total	$ 134,321	$ 99	$ (180)	$ 134,240

(1) The Company also holds Certificates of Deposit that are included in Investments on the Condensed Consolidated Balance Sheets totaling $6,351 and $6,887 as of March 31, 2024 and December 31, 2023, respectively.

As of March 31, 2024, the unrealized losses were the result of increases in market interest rates and were not the result of a deterioration in the credit quality of the securities. The Company believes that any unrealized losses are recoverable prior to the investment's conversion to cash.

7. FAIR VALUE MEASUREMENTS

The following table summarizes the assets measured at fair value on a recurring basis:

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Cash & Cash Equivalents	$ 28,427	$ —	$ —	$ 28,427
Available-for-Sale Securities:				
Corporate Debt Securities	—	62,382	—	62,382
U.S. Government Agency Securities	—	64,046	—	64,046
Total Available-for-Sale Securities	—	126,428	—	126,428
Total Assets Measured at Fair Value on a Recurring Basis	$ 28,427	$ 126,428	$ —	$ 154,855

(Dollars in thousands, except per share and share amounts)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Cash & Cash Equivalents	$ 46,279	$ —	$ —	$ 46,279
Available-for-Sale Securities:				
Municipal Debt Securities	—	6,976	—	6,976
Corporate Debt Securities	—	59,248	—	59,248
U.S. Government Agency Securities	—	68,016	—	68,016
Total Available-for-Sale Securities	—	134,240	—	134,240
Total Assets Measured at Fair Value on a Recurring Basis	$ 46,279	$ 134,240	$ —	$ 180,519

8. INCOME TAXES

The Company's effective tax rate for the three months ended March 31, 2024 and 2023 was 24.2% and 22.9%, respectively. The effective tax rate represents a blend of federal and state taxes and includes the impact of certain nondeductible or nontaxable items. The quarter-over-quarter increase in the effective tax rate was primarily due to a decrease in the impact of stock option exercises over the comparative periods.

Tax Receivable Agreement

The total Tax Receivable Agreement ("TRA") balance as of March 31, 2024 and December 31, 2023 was $97,694 and $101,044, of which $10,611 and $3,250 was current, respectively. The TRA liability is an estimate and actual amounts payable under the TRA could differ from this estimate. During the three months ended March 31, 2024 and 2023, the Company made payments of $3,350 and $2,425, respectively, to the pre-IPO stockholders (the “TRA holders”), which includes certain members of the Company's management and certain members of the Company's Board of Directors. The payment is included within Financing Activities on the Condensed Consolidated Statements of Cash Flows. Payments will be made in future periods as attributes that existed at the time of the IPO (the “Pre-IPO Tax Attributes”) are utilized.

9. STOCKHOLDERS' EQUITY

Equity Transactions

Common Stock Repurchases

The Company maintains a stock repurchase program, which has no expiration date and may be modified, suspended, or terminated by the Company's Board of Directors at any time. As of March 31, 2024, the Company did not have any remaining amount of Board authorization to repurchase shares of its Common Stock.

During the three months ended March 31, 2024, the Company repurchased 755,284 shares of its Common Stock at a total cost of $11,493, or an average price of $15.22 per share. The repurchases were part of open market purchases. During the three months ended March 31, 2023, the Company repurchased 750,000 shares of its Common Stock at a total cost of $14,812, or an average price of $19.75 per share. The repurchases were part of a secondary public offering of the Company's shares by the Apollo Stockholder. The settlement of a $25,000 Accelerated Share Repurchase Program occurred during January 2023, upon which the Company received an additional 480,932 shares.

Amazon Agreement

On December 13, 2019, the Company signed a six-year contract (with two, two-year extension options, for a maximum term of 10 years) with Amazon to provide cargo services under the ATSA. In connection with the ATSA, the Company issued warrants to Amazon to purchase an aggregate of up to 9,482,606 shares of common stock at an exercise price of approximately $15.17 per share. During both the three months ended March 31, 2024 and 2023, 189,652 warrants vested, respectively. As of March 31, 2024 and 2023, the cumulative vested warrants held by Amazon were 3,413,745 and 2,591,920, respectively. The exercise period of these warrants is through the eighth anniversary of the issue date.

Stock Compensation

During the first quarter of 2024, the Company issued performance-based restricted stock units ("PRSUs") to certain employees. The PRSUs are long-term incentive opportunities that represent the right to receive shares of the Company's Common Stock based on the achievement of certain performance conditions over a three-year period. Potential payouts range from 50%-150% of a target level. The maximum number of shares that may be issued on the PRSU vesting date is 259,095. The Company recognizes PRSU stock compensation expense to the extent it is probable the performance condition(s) will be satisfied.

10. COMMITMENTS AND CONTINGENCIES

The Company has contractual obligations and commitments primarily with regard to lease arrangements, repayment of debt (see Note 5), payments under the TRA (see Note 8), and probable future purchases of aircraft.

The Company is subject to an audit by the Internal Revenue Service ("IRS") related to the collection of federal excise taxes on optional passenger seat selection charges covering the period of October 1, 2021 through June 30, 2023. During 2024, the Company received an assessment of approximately $2,700 from the IRS related to the results of the audit. The Company believes a loss in this matter is not probable and has not recognized a loss contingency.

The Company is subject to various legal proceedings in the normal course of business and expenses legal costs as incurred. Management does not believe these proceedings will have a materially adverse effect on the Company.

(Dollars in thousands, except per share and share amounts)

11. OPERATING SEGMENTS

The following tables present financial information for the Company's two operating segments: Passenger and Cargo.

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Passenger	Cargo	Consolidated	Passenger	Cargo	Consolidated
Operating Revenues	$ 287,535	$ 23,948	$ 311,483	$ 270,754	$ 23,361	$ 294,115
Non-Fuel Operating Expenses	160,700	25,303	186,003	140,637	25,405	166,042
Aircraft Fuel	70,304	—	70,304	72,266	24	72,290
Total Operating Expenses	231,004	25,303	256,307	212,903	25,429	238,332
Operating Income (Loss)	$ 56,531	$ (1,355)	55,176	$ 57,851	$ (2,068)	55,783
Interest Income			2,448			2,741
Interest Expense			(11,112)			(8,630)
Other, net			46			(212)
Income Before Income Tax			$ 46,558			$ 49,682

12. SUBSEQUENT EVENTS

The Company evaluated subsequent events for the period from the Balance Sheet date through May 7, 2024, the date that the Condensed Consolidated Financial Statements were available to be issued.

Subsequent to March 31, 2024, the Company purchased one aircraft previously classified as a finance lease, which is now unencumbered.

For more information on the subsequent events, see Note 4 of the Notes to the Condensed Consolidated Financial Statements included elsewhere in this report.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, the terms "Sun Country," "we," "us" and "our" refer to Sun Country Airlines Holdings, Inc., and its subsidiaries.

Forward-Looking Statements

The following discussion and analysis presents factors that had a material effect on our results of operations during the three months ended March 31, 2024 and 2023. Also discussed is our financial position as of March 31, 2024 and December 31, 2023. This section should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and related notes and discussion under the heading, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 10-K. This discussion contains forward-looking statements that involve risk, assumptions and uncertainties, such as statements of our plans, objectives, expectations, intentions and forecasts. Our actual results and the timing of selected events could differ materially from those discussed in these forward-looking statements as a result of several factors, including those set forth under the section of this report titled, "Risk Factors" and elsewhere in this report. You should carefully read the "Risk Factors" included in our 2023 10-K to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.

Business Overview

Sun Country is a new breed of hybrid low-cost air carrier that dynamically deploys shared resources across our synergistic Scheduled Service, Charter, and Cargo businesses. By doing so, we believe we are able to generate high growth, high margins and strong cash flows with greater resilience than other passenger airlines. Based in Minnesota, we focus on serving leisure and visiting friends and relatives ("VFR") passengers, Charter customers and providing crew, maintenance and insurance ("CMI") service to Amazon, with flights throughout the U.S. and to destinations in Canada, Mexico, Central America and the Caribbean. We share resources, such as flight crews, across our Scheduled Service, Charter and Cargo business lines with the objective of generating high returns and margins and mitigating the seasonality of our route network. We optimize capacity using an agile peak demand scheduling strategy which aims to shift flying to markets during periods of peak demand and away from markets during periods of low demand. We believe this flexible business model provides greater resiliency to economic and industry downturns than a traditional scheduled service carrier. This strategy has been implemented and executed by an experienced management team with deep knowledge of the industry.

Our Scheduled Service business combines low costs with a high-quality product to generate higher Total Revenue per Available Seat Mile ("TRASM") than Ultra Low-Cost Carriers ("ULCCs") while maintaining lower Adjusted Cost per Available Seat Mile ("CASM") than Low Cost Carriers ("LCCs"), resulting in best-in-class unit profitability. Our business includes many cost characteristics of ULCCs, such as an unbundled product (which means we offer a base fare and allow customers to purchase ancillary products and services for an additional fee), point-to-point service and a single-family fleet of Boeing 737-NG aircraft, which allow us to maintain a cost base comparable to ULCCs. However, we offer a high-quality product that we believe is superior to ULCCs and consistent with that of LCCs. For example, our product includes more average legroom than ULCCs, complimentary soft drinks and juices, complimentary in-flight entertainment, and in-seat power, none of which are offered by other ULCCs.

Our Charter business, which is one of the largest narrow body Charter operations in the United States, is synergistic with our other businesses and provides both inherent diversification and downside protection. Our

Charter business has several favorable characteristics, including: large repeat customers, more stable demand than Scheduled Service flying, and the ability to pass through certain costs, including fuel. Our diverse Charter customer base includes casino operators, the DoD, and collegiate and professional sports teams. Our Charter business includes ad hoc, repeat, short-term and long-term service contracts with pass through fuel arrangements and annual rate escalations. Most of our business is non-cyclical because the DoD and sports teams continue to fly during normal economic downturns and our casino contracts are long-term in nature.

On December 13, 2019, we signed the ATSA with Amazon to provide air cargo services. Flying under the ATSA began in May 2020 and we are currently flying 12 Boeing 737-800 cargo aircraft for Amazon. Our CMI service is asset-light from a Sun Country perspective as Amazon supplies the aircraft and covers many of the operating expenses, including fuel, and provides all cargo loading and unloading services. We are responsible for flying the aircraft under our air carrier certificate, crew, aircraft line maintenance and insurance, all of which allow us to leverage our existing operational expertise from our passenger businesses. Our cargo business also enables us to leverage certain assets, capabilities, and fixed costs to enhance profitability and promote growth across our Company.

Operations in Review

We believe a key component of our success is establishing Sun Country as a high growth, low-cost carrier in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality passenger experience, offering state-of-the-art interiors, complimentary streaming of in-flight entertainment to passenger devices, seat reclining and seat-back power in all of our aircraft.

Fuel price volatility due to market conditions and geopolitical events, and the impact of macroeconomic conditions, continue to impact the Company, as well as the industry. Our diversified business model, which includes a focus on leisure and VFR passengers, Charter and Cargo service, is unique in the airline sector and mitigates the impact of economic and industry downturns on our business when compared with other large U.S. passenger airlines. This strategy has allowed us to offset a majority of additional costs associated with fuel price volatility and the impact of macroeconomic conditions. Additionally, our Charter and Cargo businesses have the ability to pass on certain costs, including fuel. Our flexible business model gives us the ability to adjust our services in response to market conditions, which is targeted at producing the highest possible returns for Sun Country.

For more information on our business and strategic advantages, see the "Business" and "Management's Discussion and Analysis of Operations" sections within Part I, Item 1 and Part II, Item 7, respectively, in our 2023 10-K.

Components of Operations

For a more detailed discussion on the nature of transactions included in the separate line items of our Condensed Consolidated Statement of Operations, see "Management's Discussion and Analysis of Operations" in Part II, Item 7 in our 2023 10-K.

(Dollars in thousands, except per share amounts)

Operating Statistics

	Three Months Ended March 31, 2024 [(1)]				Three Months Ended March 31, 2023 [(1)]			
	Scheduled Service	Charter	Cargo	Total	Scheduled Service	Charter	Cargo	Total
Departures [(2)]	7,169	2,292	2,961	12,539	6,177	2,369	3,027	11,672
Block hours [(2)]	25,496	4,900	7,688	38,437	21,941	5,054	7,776	35,083
Aircraft miles [(2)]	10,176,835	1,696,121	2,856,662	14,840,468	8,740,473	1,725,753	2,840,370	13,401,208
Available seat miles (ASMs) (thousands) [(2)]	1,892,891	299,058		2,211,886	1,625,728	301,913		1,945,001
Total revenue per ASM (TRASM) (cents) [(3)]	12.20	15.82		12.58	13.81	15.30		13.92
Average passenger aircraft during the period [(4)]				42.0				41.3
Passenger aircraft at end of period [(4)]				44				42
Cargo aircraft at end of period				12				12
Leased Aircraft [(5)]				7				3
Average daily aircraft utilization (hours) [(4)]				8.0				7.3
Average stage length (miles)				1,255				1,225
Revenue passengers carried [(6)]	1,157,511				998,238			
Revenue passenger miles (RPMs) (thousands) [(6)]	1,654,851				1,432,131			
Load factor [(6)]	87.4 %				88.1 %			
Average base fare per passenger [(6)]	$ 121.98				$ 152.93			
Ancillary revenue per passenger [(6)]	$ 74.43				$ 68.55			
Total fare per passenger [(6)]	$ 196.41				$ 221.48			
Charter revenue per block hour [(6)]		$ 9,655				$ 9,139		
Fuel gallons consumed (thousands) [(2)]	20,050	3,434		23,676	17,383	3,526		21,073
Fuel cost per gallon, excluding indirect fuel credits				$ 3.01				$ 3.45
Employees at end of period				2,865				2,634
Cost per available seat mile (CASM) (cents) [(7)]				11.59				12.25
Adjusted CASM (cents) [(8)]				7.09				7.10

(1) Certain operating statistics and metrics are not presented as they are not calculable or are not utilized by management.
(2) Total System operating statistics for Departures, Block hours, Aircraft miles, ASMs and Fuel gallons consumed include amounts related to flights operated for maintenance; therefore, the Total System amounts are higher than the sum of Scheduled Service, Charter and Cargo amounts.
(3) Scheduled Service TRASM includes Schedule Service revenue, Ancillary revenue, and ASM generating revenue classified within Other Revenue on the Condensed Consolidated Statements of Operations.
(4) Scheduled Service and Charter utilize the same fleet of aircraft. Aircraft counts and utilization metrics are shown on a system basis only.
(5) Includes both the Company's Owned Aircraft Held for Operating Lease as well as subleased aircraft. These aircraft are leased to unaffiliated third parties.
(6) Passenger-related statistics and metrics are shown only for Scheduled Service. Charter revenue is driven by flight statistics.
(7) CASM is a key airline cost metric. CASM is defined as operating expenses divided by total available seat miles.
(8) Adjusted CASM is a non-GAAP measure derived from CASM by excluding fuel costs, costs related to our cargo operations, and certain other costs that are unrelated to our airline operations.

(Dollars in thousands, except per share amounts)

Results of Operations
For the Three Months Ended March 31, 2024 and 2023

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	$ Change	% Change
Operating Revenues:				
Scheduled Service	$ 141,194	$ 152,657	$ (11,463)	(8)%
Charter	47,312	46,187	1,125	2 %
Ancillary	86,158	68,425	17,733	26 %
Passenger	274,664	267,269	7,395	3 %
Cargo	23,948	23,361	587	3 %
Other	12,871	3,485	9,386	269 %
Total Operating Revenues	311,483	294,115	17,368	6 %
Operating Expenses:				
Aircraft Fuel	70,304	72,290	(1,986)	(3)%
Salaries, Wages, and Benefits	82,238	75,430	6,808	9 %
Aircraft Rent	—	1,480	(1,480)	(100)%
Maintenance	16,817	13,039	3,778	29 %
Sales and Marketing	10,679	9,929	750	8 %
Depreciation and Amortization	23,809	19,460	4,349	22 %
Ground Handling	9,154	9,170	(16)	— %
Landing Fees and Airport Rent	14,729	10,945	3,784	35 %
Other Operating, net	28,577	26,589	1,988	7 %
Total Operating Expenses	256,307	238,332	17,975	8 %
Operating Income	55,176	55,783	(607)	(1)%
Non-operating Income (Expense):				
Interest Income	2,448	2,741	(293)	(11)%
Interest Expense	(11,112)	(8,630)	(2,482)	29 %
Other, net	46	(212)	258	(122)%
Total Non-operating Expense, net	(8,618)	(6,101)	(2,517)	41 %
Income Before Income Tax	46,558	49,682	(3,124)	(6)%
Income Tax Expense	11,245	11,354	(109)	(1)%
Net Income	$ 35,313	$ 38,328	$ (3,015)	(8)%

Total Operating Revenues increased $17,368, or 6%, to $311,483 for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023. The revenue increase was driven by an increase in rental revenue included within Other revenue, as well as an 11% increase in Passenger segment departures, partially offset by an 11% decrease in Total Fare per passenger.

Passenger. Passenger revenue increased $7,395, or 3%, to $274,664 for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

(Dollars in thousands, except per share amounts)

The table below presents select operating data for lines of revenue within Passenger, expressed as quarter-over-quarter changes:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change	% Change
Scheduled Service and Ancillary Statistics:				
Departures	7,169	6,177	992	16 %
Block Hours	25,496	21,941	3,555	16 %
Passengers	1,157,511	998,238	159,273	16 %
Average base fare per passenger	$ 121.98	$ 152.93	$ (30.95)	(20)%
Ancillary revenue per passenger	$ 74.43	$ 68.55	$ 5.88	9 %
Total Fare per passenger	$ 196.41	$ 221.48	$ (25.07)	(11)%
RPMs (thousands)	1,654,851	1,432,131	222,720	16 %
ASMs (thousands)	1,892,891	1,625,728	267,163	16 %
TRASM (cents)	12.20	13.81	(1.61)	(12)%
Passenger load factor	87.4 %	88.1 %	(0.7)pts	N/A
Charter Statistics:				
Departures	2,292	2,369	(77)	(3)%
Block hours	4,900	5,054	(154)	(3)%
Charter revenue per block hour	$ 9,655	$ 9,139	516	6 %

The quarter-over-quarter increases in certain Scheduled Service operating data were primarily the result of increased capacity due to a 10% increase in average daily aircraft utilization. As a result, Scheduled Service departures and ASMs both increased by 16%. This increase in capacity drove the 16% increase in passengers, which offset the quarter-over-quarter decreases in both Total Fare per passenger and TRASM. The 16% increase in Schedule Service passengers during the period also resulted in greater sales of ancillary products. Ancillary revenue was further benefited by per unit growth.

Passenger revenue was further supported by the $1,125, or 2%, increase in Charter revenue during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The Company was able to reduce the number of ferry flights by leveraging scheduled service opportunities, which drove the 3% decrease in Charter block hours and departures. This resulted in a 6% increase in Charter revenue per block hour.

Cargo. Revenue from Cargo services increased $587, or 3%, to $23,948 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase was primarily driven by the annual rate escalation included in the ATSA, which went into effect on December 13, 2023. This increase was offset by a 2% and 1% quarter-over-quarter decrease in departures and block hours, respectively.

Other. Other revenue increased $9,386, or 269%, to $12,871 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Other revenue benefited from the $9,275 of rental revenue associated with the seven leased aircraft during the three months ended March 31, 2024, as compared to an immaterial amount in the three months ended March 31, 2023.

(Dollars in thousands, except per share amounts)

Operating Expenses

Aircraft Fuel. We believe Aircraft Fuel expense, excluding indirect fuel credits, is the best measure of the effect of fuel prices on our business as it consists solely of direct fuel expenses that are related to our operations and is consistent with how management analyzes our operating performance. This measure is defined as GAAP Aircraft Fuel expense, excluding indirect fuel credits that are recognized within Aircraft Fuel expense, but are not directly related to our Fuel Cost per Gallon.

The primary components of Aircraft Fuel expense are shown in the following table:

	Three Months Ended March 31,			
	2024	2023	Change	% Change
Total Aircraft Fuel Expense	$ 70,304	$ 72,290	$ (1,986)	(3)%
Indirect Fuel Credits	954	440	514	117 %
Aircraft Fuel Expense, Excluding Indirect Fuel Credits	$ 71,258	$ 72,730	$ (1,472)	(2)%
Fuel Gallons Consumed (thousands)	23,676	21,073	2,603	12 %
Fuel Cost per Gallon, Excluding Indirect Fuel Credits	$ 3.01	$ 3.45	$ (0.44)	(13)%

Aircraft Fuel expense decreased 3% quarter-over-quarter primarily due to a 13% decrease in the average fuel cost per gallon, partially offset by a 12% increase in consumption.

Salaries, Wages, and Benefits. Salaries, Wages, and Benefits expense increased $6,808, or 9%, to $82,238 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The quarter-over-quarter increase in Salaries, Wages, and Benefits was impacted by a 9% increase in employee headcount, an increase in block hours as a result of operational growth, and contractual rate increases for our pilots.

Aircraft Rent. Aircraft Rent expense decreased $1,480, or 100%, to $0 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Aircraft Rent expense decreased due to the composition of our aircraft fleet shifting from aircraft under operating leases to owned aircraft or finance leases.

Maintenance. Maintenance expense increased $3,778, or 29%, to $16,817 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The quarter-over-quarter increase in Maintenance expense was primarily driven by an increase in routine, time-based heavy maintenance and landing gear events, as well as the increase in the size of our fleet and operations.

Sales and Marketing. Sales and Marketing expense increased $750, or 8%, to $10,679 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The change quarter-over-quarter was primarily driven by an increase in advertising costs and an increase in credit card processing fees due to quarter-over-quarter passenger growth.

Depreciation and Amortization. Depreciation and Amortization expense increased $4,349, or 22%, to $23,809 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase was due to the impact of a change in the composition of our aircraft fleet that resulted in an increased number of owned aircraft and aircraft under finance leases. As of March 31, 2024 and 2023, there were 51 and 43 aircraft that were owned or under finance leases, respectively.

Ground Handling. Ground Handling expense decreased $16, to $9,154, for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Ground Handing expenses during the three months ended March 31, 2023 were significantly impacted by the challenging winter weather conditions at our main hub, the Minneapolis – St. Paul International Airport. This quarter-over-quarter benefit was offset by an 11% increase in Passenger segment departures as a result of our expanding operations, as well as rate increases due to market pressures.

Landing Fees and Airport Rent. Landing Fees and Airport Rent increased $3,784, or 35%, to $14,729 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase was a result of the exhaustion of the remaining Coronavirus Aid, Relief, and Economic Security Act funding, which increased rates. The increase was also impacted by market pressures and the 11% increase in Passenger segment departures as a result of our expanding operations.

Other Operating, net. Other operating, net increased $1,988, or 7%, to $28,577 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily due to increases in costs associated with our operational growth.

Non-operating Income (Expense)

Interest Income. Interest income decreased $293, or 11%, to $2,448 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The decrease was primarily due to the decrease in the Company's investment balance quarter-over-quarter.

Interest Expense. Interest expense increased $2,482, or 29%, to $11,112 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase was due to the change in our aircraft fleet that resulted in an increase of aircraft under finance leases and owned aircraft that were financed with debt proceeds. For more information on the Company's Debt, see Note 5 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

Other, net. Other, net changed by $258, or 122% to a net benefit of $46 for the three months ended March 31, 2024, as compared to a net expense of $212 for the three months ended March 31, 2023.

Income Tax. The Company's effective tax rate for the three months ended March 31, 2024 was 24.2% compared to 22.9% for the three months ended March 31, 2023. The increase in the effective tax rate was primarily due to a decrease in the impact of stock option exercises over the comparative periods.

(Dollars in thousands, except per share amounts)

Segments
For the Three Months Ended March 31, 2024 and 2023

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023		
	Passenger	Cargo	Total	Passenger	Cargo	Total
Operating Revenues	$ 287,535	$ 23,948	$ 311,483	$ 270,754	$ 23,361	$ 294,115
Operating Expenses:						
Aircraft Fuel	70,304	—	70,304	72,266	24	72,290
Salaries, Wages, and Benefits	65,588	16,650	82,238	58,808	16,622	75,430
Aircraft Rent	—	—	—	1,480	—	1,480
Maintenance	13,404	3,413	16,817	9,482	3,557	13,039
Sales and Marketing	10,679	—	10,679	9,929	—	9,929
Depreciation and Amortization	23,804	5	23,809	19,430	30	19,460
Ground Handling	9,145	9	9,154	9,170	—	9,170
Landing Fees and Airport Rent	14,576	153	14,729	10,844	101	10,945
Other Operating, net	23,504	5,073	28,577	21,494	5,095	26,589
Total Operating Expenses	231,004	25,303	256,307	212,903	25,429	238,332
Operating Income (Loss)	$ 56,531	$ (1,355)	$ 55,176	$ 57,851	$ (2,068)	$ 55,783
Operating Margin %	19.7 %	(5.7)%	17.7 %	21.4 %	(8.9)%	19.0 %

Passenger. Passenger Operating Income decreased $1,320 to $56,531 for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The Operating Margin Percentage for the three months ended March 31, 2024 decreased by 1.7 percentage points, as compared to the three months ended March 31, 2023. The quarter-over-quarter decrease in Passenger Operating Income and Operating Margin Percentage was due to increased expenses associated with our operational growth, contractual rate increases for our pilots, an increase in heavy maintenance and landing gear events, and rate increases for Landing Fees and Airport Rent. These impacts were partially offset by a quarter-over-quarter revenue growth due to an increase in departures and passengers. For more information on the changes in the components of Operating Income for the Passenger segment, refer to the Results of Operations discussion above.

Cargo. Cargo Operating Loss decreased by $713, to $1,355, for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Operating Margin Percentage for the three months ended March 31, 2024 improved by 3.2 percentage points, as compared to the three months ended March 31, 2023. The changes in both Operating Loss and Operating Margin Percentage were driven by scheduling efficiency improvements between our segments, which offset the contractual rate increases for our pilots and resulted in materially consistent quarter-over-quarter Operating Expenses. The changes in Operating Loss and Operating Margin Percentage were further benefited by the annual rate escalation included in the ATSA. For more information on the components of Operating Income for the Cargo segment, refer to the Results of Operations discussion above.

Non-GAAP Financial Measures

We sometimes use information that is derived from the Condensed Consolidated Financial Statements, but that is not presented in accordance with GAAP. We believe these non-GAAP measures provide a meaningful comparison of our results to others in the airline industry and our prior year results. Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial performance measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. We believe certain charges included in our operating expenses on a GAAP basis make it difficult to compare our current period results to prior periods as well as future periods and guidance. The tables below show a reconciliation of non-GAAP financial measures used in this Report to the most directly comparable GAAP financial measures.

Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income and Adjusted EBITDA

Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income, and Adjusted EBITDA are non-GAAP measures included as supplemental disclosure because we believe they are useful indicators of our operating performance. Derivations of Operating Income and Net Income are well recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

The measures described above have limitations as analytical tools. Some of the limitations applicable to these measures include: they do not reflect the impact of certain cash and non-cash charges resulting from matters we consider not to be indicative of our ongoing operations; and other companies in our industry may calculate these non-GAAP measures differently than we do, limiting each measure's usefulness as a comparative measure. Because of these limitations, the following non-GAAP measures should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP and may not be the same as or comparable to similarly titled measures presented by other companies due to the possible differences in the method of calculation and in the items being adjusted.

For the foregoing reasons, Adjusted Operating Income, Adjusted Operating Income Margin, Adjusted Net Income and Adjusted EBITDA have significant limitations which affect their use as indicators of our profitability. Accordingly, readers are cautioned not to place undue reliance on this information.

(Dollars in thousands, except per share amounts)

The following table presents the reconciliation of Operating Income to Adjusted Operating Income, and Adjusted Operating Income Margin for the periods presented below.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Adjusted Operating Income Margin Reconciliation:		
Operating Revenue	$ 311,483	$ 294,115
Operating Income	55,176	55,783
Stock Compensation Expense	1,514	2,678
Adjusted Operating Income	$ 56,690	$ 58,461
Operating Income Margin	17.7 %	19.0 %
Adjusted Operating Income Margin	18.2 %	19.9 %

The following table presents the reconciliation of Net Income to Adjusted Net Income for the periods presented below.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Adjusted Net Income Reconciliation:		
Net Income	$ 35,313	$ 38,328
Stock Compensation Expense	1,514	2,678
Secondary offering costs	—	528
TRA adjustment (1)	—	(357)
Income tax effect of adjusting items, net (2)	(348)	(737)
Adjusted Net Income	$ 36,479	$ 40,440

(1) This represents the adjustment to the TRA for the period, which is recorded in Non-Operating Income (Expense).

(2) The tax effect of adjusting items, net is calculated at the Company's statutory rate for the applicable period. The TRA adjustment is not included within the income tax effect calculation.

(Dollars in thousands, except per share amounts)

The following table presents the reconciliation of Net Income to Adjusted EBITDA for the periods presented below.

	Three Months Ended March 31,	
	2024	2023
Adjusted EBITDA Reconciliation:		
Net Income	$ 35,313	$ 38,328
Stock Compensation Expense	1,514	2,678
Secondary offering costs	—	528
TRA adjustment [1]	—	(357)
Interest Income	(2,448)	(2,741)
Interest Expense	11,112	8,630
Provision for Income Taxes	11,245	11,354
Depreciation and Amortization	23,809	19,460
Adjusted EBITDA	$ 80,545	$ 77,880

(1) This represents the adjustment to the TRA for the period, which is recorded in Non-Operating Income (Expense).

CASM and Adjusted CASM

CASM is a key airline cost metric defined as operating expenses divided by total available seat miles. Adjusted CASM is a non-GAAP measure derived from CASM by excluding fuel costs, costs related to our cargo operations, depreciation and amortization recognized on certain assets that generate lease income, stock-based compensation, certain commissions and other costs of selling our vacation products from this measure as these costs are unrelated to our airline operations and improve comparability to our peers. Adjusted CASM is an important measure used by management and by our Board of Directors in assessing quarterly and annual cost performance. Adjusted CASM is commonly used by industry analysts and we believe it is an important metric by which they compare our airline to others in the industry, although other airlines may exclude certain other costs in their calculation of Adjusted CASM. The measure is also the subject of frequent questions from investors.

Adjusted CASM excludes fuel costs. By excluding volatile fuel expenses that are outside of our control from our unit metrics, we believe that we have better visibility into the results of operations and our non-fuel cost initiatives. Our industry is highly competitive and is characterized by high fixed costs, so even a small reduction in non-fuel operating costs can lead to a significant improvement in operating results. In addition, we believe that all domestic carriers are similarly impacted by changes in jet fuel costs over the long run, so it is important for management and investors to understand the impact and trends in company-specific cost drivers, such as labor rates, aircraft costs and maintenance costs, and productivity, which are more controllable by management.

We have excluded costs related to the Cargo operations, as well as depreciation and amortization recognized on certain assets that generate lease income as these operations do not create ASMs. The Cargo expenses in the reconciliation below are different from the total operating expenses for our Cargo segment in the "Segment Information" table presented above, due to several items that are included in the Cargo segment, but have been captured in other line items used in the Adjusted CASM calculation. We have entered into a series of transactions where we act as an aircraft lessor. As of March 31, 2024, we leased or subleased seven aircraft. Depreciation and Amortization expense on these aircraft materially began during the three months ended June 30, 2023. Adjusted CASM further excludes special items and other adjustments, as defined in the relevant reporting period, that are not representative of the ongoing costs necessary to our airline operations and may improve comparability between periods. We also exclude stock compensation expense when computing Adjusted CASM. The Company's compensation strategy includes the use of stock-based compensation to attract and retain employees and executives and is principally aimed at aligning their interests with those of our stockholders and long-term employee retention, rather than to motivate or reward operational performance for any period. Thus, stock-based compensation expense varies for reasons that are generally unrelated to operational decisions and performance in any period.

(Dollars in thousands, except per share amounts)

As derivations of Adjusted CASM are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Adjusted CASM as presented may not be directly comparable to similarly titled measures presented by other companies. Adjusted CASM should not be considered in isolation or as a replacement for CASM. For the aforementioned reasons, Adjusted CASM has significant limitations which affect its use as an indicator of our profitability. Accordingly, readers are cautioned not to place undue reliance on this information.

The following tables present the reconciliation of CASM to Adjusted CASM.

	Three Months Ended March 31,			
	2024		2023	
	Operating Expenses	Per ASM (in cents)	Operating Expenses	Per ASM (in cents)
CASM	$ 256,307	11.59	$ 238,332	12.25
Less:				
Aircraft Fuel	70,304	3.18	72,290	3.72
Stock Compensation Expense	1,514	0.07	2,678	0.13
Cargo expenses, not already adjusted above	24,970	1.13	24,812	1.28
Sun Country Vacations	539	0.02	436	0.02
Leased Aircraft, Depreciation and Amortization Expense (1)	2,251	0.10	—	—
Adjusted CASM	$ 156,729	7.09	$ 138,116	7.10
ASM (thousands)	2,211,886		1,945,001	

(1) Includes both the Company's Owned Aircraft Held for Operating Lease as well as subleased aircraft. These aircraft are leased to unaffiliated third parties.

Liquidity and Capital Resources

The airline business is capital intensive. Our ability to successfully execute our business strategy is largely dependent on the continued availability of capital with attractive terms and maintaining sufficient liquidity. We have historically funded our operations and capital expenditures primarily through cash from operations, proceeds from stockholders' capital contributions, the issuance of promissory notes, and debt financing.

Our primary sources of liquidity as of March 31, 2024 included our existing cash and cash equivalents of $28,427 and short-term investments of $132,779, our expected cash generated from operations, and the $24,393 of available funds from the Revolving Credit Facility. In addition, we had restricted cash of $11,173 as of March 31, 2024, which generally consists of cash received as prepayment for chartered flights that is maintained in separate escrow accounts in accordance with DOT regulations requiring that charter revenue receipts received prior to the date of transportation are maintained in a separate third-party escrow account. The restrictions are released once the charter transportation is provided.

Our primary uses of liquidity are for operating expenses, capital expenditures, lease rentals and maintenance reserve deposits, debt repayments, working capital requirements, and other general corporate purposes. Our single largest capital expenditure requirement relates to the acquisition of aircraft. We do not maintain an aircraft order book; instead, we enter into aircraft transactions on an opportunistic basis based on market conditions, our prevailing level of liquidity and capital market availability. As a result, we are not locked into large future capital expenditures. We have historically acquired aircraft through finance leases and debt. Our management team retains broad discretion to allocate liquidity.

We believe that our unrestricted cash and cash equivalents, short-term investments, and availability under our Revolving Credit Facility, combined with expected future cash flows from operations, will be sufficient to fund our operations and meet our debt payment obligations for at least the next twelve months. However, we cannot predict what the effect on our business and financial position might be from a change in the competitive environment in which we operate or from events beyond our control, such as volatile fuel prices, economic conditions, pandemics, weather-related disruptions, the impact of airline bankruptcies, restructurings or consolidations, U.S. military actions, regulations, or acts of terrorism.

Aircraft – As of March 31, 2024, our fleet consisted of 63 Boeing 737-NG aircraft. This includes 44 aircraft in the passenger fleet, 12 cargo operated aircraft through the ATSA, and seven aircraft currently on lease to unaffiliated airlines.

Subsequent to March 31, 2024, the Company purchased one aircraft previously classified as a finance lease, which is now unencumbered.

For more information on our fleet, see Note 4 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

Maintenance Deposits - In addition to funding the acquisition of aircraft, we are required by certain of our aircraft lessors to fund reserves in cash in advance for scheduled maintenance to act as collateral for the benefit of lessors. Qualifying payments that are expected to be recovered from lessors are recorded as Lessor Maintenance Deposits on our Condensed Consolidated Balance Sheets. As of March 31, 2024, we had $49,997 of total Lessor Maintenance Deposits.

Investments - We invest our cash and cash equivalents in highly liquid securities with strong credit ratings. As of March 31, 2024, the Company held $126,428 of debt securities, all of which are classified as current assets because of their highly liquid nature and availability to be converted into cash to fund current operations. Given the significant portion of our portfolio held in cash and cash equivalents and the high credit quality of our debt security investments, we do not anticipate fluctuations in the aggregate fair value of our investments to have a material impact on our liquidity or capital position.

We also hold $6,351 of Certificates of Deposit that are included in Investments on the Condensed Consolidated Balance Sheets as of March 31, 2024.

Credit Facilities - We use our Credit Facilities to provide liquidity support for general corporate purposes and to finance the acquisition of aircraft.

As of March 31, 2024, the Company had $24,393 of the $25,000 Revolving Credit Facility available due to $607 being pledged to support letters of credit, and no balance drawn. The Credit Agreement includes financial covenants that require a minimum trailing 12-month EBITDAR of $87,700 and minimum liquidity, as defined within the Credit Agreement, of $30,000 at the close of any business day. The Company was in compliance with these covenants as of March 31, 2024.

(Dollars in thousands, except per share amounts)

Debt - At our discretion, we obtain debt financing through the issuance of pass-through trust certificates to purchase, or refinance aircraft. In December 2019, we issued the 2019-1 EETC, for the purpose of financing or refinancing 13 aircraft. In March 2022, the Company issued the 2022-1 EETC for the purpose of financing or refinancing 13 aircraft.

During the three months ended March 31, 2023, we executed a term loan credit facility with a face amount of $119,200 for the purpose of financing the five Owned Aircraft Held for Operating Lease. The lease term for each aircraft expire at various dates between the fourth quarter of 2024 and the fourth quarter of 2025. On each lease expiry date, a LTV ratio calculation is completed. To the extent that the LTV ratio exceeds 75% at the end of the lease term, a principal prepayment will be required in order to reduce the ratio to 75%. If at any point within 12 months of the end of the lease term for each respective aircraft the Company deems it probable that a principal prepayment will be required in order to reduce the LTV ratio to 75%, and such amount can be reasonably estimated, the estimated principal prepayment amount will be reclassified from Long-term Debt, net to Current Maturities of Long-term Debt, net on the Company's Condensed Consolidated Balance Sheets. In the event a principal prepayment is required, amounts received under the end of lease maintenance compensation clause will be applied towards any prepayment obligation. No amounts related to an estimated principal prepayment have been reclassified from Long-term Debt, net to Current Maturities of Long-term Debt, net on the Company's Condensed Consolidated Balance Sheets as of March 31, 2024.

For more information on our credit facilities or debt, see Note 5 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

TRA Liability - During the three months ended March 31, 2024 and 2023, we made a payment of $3,350 and $2,425 to the TRA holders, respectively. Payments will be made in future periods as Pre-IPO Tax Attributes are utilized. For more information on the TRA liability, see Note 8 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

Liquidity and Financial Condition Indicators

The table below presents the major indicators of financial condition and liquidity:

	March 31, 2024	December 31, 2023
Cash and Cash Equivalents	$ 28,427	$ 46,279
Available-for-Sale Securities	126,428	134,240
Amount Available Under Revolving Credit Facility	24,393	24,650
Total Liquidity	$ 179,248	$ 205,169

	March 31, 2024	December 31, 2023
Total Debt, net	$ 388,131	$ 401,645
Finance Lease Obligations	313,770	277,302
Operating Lease Obligations	18,137	18,830
Total Debt, net, and Lease Obligations	720,038	697,777
Stockholders' Equity	541,006	514,403
Total Invested Capital	$ 1,261,044	$ 1,212,180
Debt-to-Capital	0.57	0.58

(Dollars in thousands, except per share amounts)

Sources and Uses of Liquidity

	Three Months Ended March 31,		$	%
	2024	2023	Change	Change
Total Operating Activities	$ 30,721	$ 47,861	$ (17,140)	(36)%
Investing Activities:				
Purchases of Property & Equipment	(29,698)	(104,978)	75,280	(72)%
Purchases of Investments	(31,200)	(24,228)	(6,972)	29 %
Proceeds from the Maturities of Investments	39,500	32,840	6,660	20 %
Other, net	1,091	1,129	(38)	(3)%
Total Investing Activities	(20,307)	(95,237)	74,930	(79)%
Financing Activities:				
Common Stock Repurchases	(11,493)	(14,812)	3,319	(22)%
Proceeds from Borrowings	—	71,280	(71,280)	(100)%
Repayment of Finance Lease Obligations	(5,847)	(4,277)	(1,570)	37 %
Repayment of Borrowings	(13,830)	(10,122)	(3,708)	37 %
Other, net	(3,324)	(3,258)	(66)	2 %
Total Financing Activities	(34,494)	38,811	(73,305)	(189)%
Net Decrease in Cash	$ (24,080)	$ (8,565)	$ (15,515)	181 %

"Cash" consists of Cash, Cash Equivalents and Restricted Cash

Operating Cash Flow Activities

Operating activities in the three months ended March 31, 2024 provided $30,721, as compared to $47,861 during the three months ended March 31, 2023. During the three months ended March 31, 2024, our Net Income was $35,313, as compared to $38,328 during the three months ended March 31, 2023.

Our operating cash flow is primarily impacted by the following factors:

Seasonality of Advance Ticket Sales. We sell tickets for air travel in advance of the customer's travel date. When we receive a cash payment at the time of sale, we record the cash received on advance sales as deferred revenue in Air Traffic Liabilities. Air Traffic Liabilities typically increase during the fall and early winter months as advanced ticket sales grow prior to the late winter and spring peak travel season and decrease during the summer months. Most tickets can be purchased no more than twelve months in advance, therefore any revenue associated with tickets sold for future travel will be recognized within that timeframe. For the three months ended March 31, 2024, $128,502 of revenue recognized in Passenger revenue was included in the $157,996 of Air Traffic Liabilities as of December 31, 2023.

Aircraft Fuel. Aircraft Fuel expense represented approximately 27% and 30% of our total operating expense for the three months ended March 31, 2024 and 2023, respectively. The market price for jet fuel is volatile, which can impact the comparability of our periodic cash flows from operations. Fuel cost per gallon decreased by 13% quarter-over-quarter. Fuel consumption increased by 12% during the three months ended March 31, 2024, compared to the prior year as a result of the increase in fleet size and total operations. We expect volatility in Aircraft Fuel prices per gallon throughout 2024 due to market conditions and global geopolitical events.

Investing Cash Flow Activities

Capital Expenditures. Our capital expenditures were $29,698 and $104,978 for the three months ended March 31, 2024 and 2023, respectively. Our capital expenditures during the three months ended March 31, 2024 included the acquisition of an aircraft and other items not individually material. Our capital expenditures during the three months ended March 31, 2023, primarily included the purchase of three Owned Aircraft Held for Operating Lease and one spare engine.

Investments. The Company's net investment activity resulted in cash inflows of $8,300 and $8,612 during the three months ended March 31, 2024 and 2023, respectively, due to maturing debt securities exceeding purchases of investments.

Financing Cash Flow Activities

Debt. During the three months ended March 31, 2023, the Company executed a term loan credit facility with a face amount of $119,200 for the purpose of financing the five Owned Aircraft Held for Operating Lease. The Company received gross proceeds of $71,280 with respect to three of the Aircraft Held for Operating Lease during the three months ended March 31, 2023. The term loan credit facility is repaid monthly through March 2030. During the lease term, payments collected from the lessee are applied directly to the repayment of principal and interest on the term loan credit facility.

The Company is required to make bi-annual principal and interest payments on the 2022-1 EETC each March and September, through March 2031. The Company is required to make bi-annual principal and interest payments on the 2019-1 EETC each June and December, through December 2027.

Finance Leases. Our repayments of finance lease obligations were $5,847 and $4,277 for the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and 2023, the Company had 16 and 11 aircraft finance leases, respectively.

Common Stock Repurchases. During the three months ended March 31, 2024, the Company repurchased 755,284 shares of its Common Stock at a total cost of $11,493, or $15.22 per share. During the three months ended March 31, 2023, the Company repurchased 750,000 shares of its Common Stock at a total cost of $14,812, or $19.75 per share. For more information on the stock repurchase program and this purchase, see Note 9 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

Other. During the three months ended March 31, 2024 and 2023, the Company made payments of $3,350 and $2,425 to the TRA holders, respectively. For more information on the payment of the TRA, see Note 8 of the Condensed Consolidated Financial Statements included in Part I, Item I of this report.

Off Balance Sheet Arrangements

For a detailed discussion on the nature of the Company's Off Balance Sheet Arrangements, see “Management’s Discussion and Analysis of Operations” in Part II, Item 7 in our 2023 10-K. There have been no material changes to the Company's Off Balance Sheet Arrangements as compared to the 2023 10-K.

Commitments and Contractual Obligations

See Note 10 to our Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for more information regarding commitments and contractual obligations.

Recently Adopted Accounting Pronouncements

During the three months ended March 31, 2024, there were no recently adopted accounting standards that had a material impact to the Company.

Critical Accounting Policies and Estimates

Our unaudited Condensed Consolidated Financial Statements and the accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of the Condensed Consolidated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. For more information on our critical accounting policies, see "Management's Discussion and Analysis of Operations" sections within Part II, Item 7, respectively, in our 2023 10-K.

There have been no material changes to our critical accounting policies and estimates as compared to the 2023 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to market risks in the ordinary course of our business. These risks include commodity price risk, specifically with respect to aircraft fuel, as well as interest rate risk. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Accordingly, actual results may differ from the information provided below.

Aircraft Fuel. Unexpected pricing changes of aircraft fuel could have a material adverse effect on our business, results of operations and financial condition. For example, based on our forecasted Aircraft Fuel expense for the second quarter of 2024, we estimate that a one cent per gallon increase in the average aircraft fuel price would increase Aircraft Fuel expense by approximately $216. Aircraft Fuel expense does not include amounts where we are considered the customer's agent for procuring fuel. We had no fuel option and swap contracts in place to hedge the economic risk associated with volatile fuel prices as of March 31, 2024. We currently do not expect to enter into these types of contracts prospectively, although significant changes in market conditions could affect our decisions.

Interest Rates. We have exposure to market risk associated with changes in interest rates related to the interest expense from our variable-rate debt and our short-term investment securities. A change in market interest rates would impact interest expense under the $119,200 term loan credit facility used to finance the Owned Aircraft Held for Operating Lease. A 100 basis point increase in interest rates on the March 31, 2024 balance of the term loan would result in a corresponding increase in interest expense of approximately $1,047 annually. As of the date of this filing, the entire term loan credit facility had been drawn. The Company also maintains a $25,000 Revolving Credit Facility with a variable interest rate that is impacted by market conditions. As of March 31, 2024, the Company had $24,393 of financing available through the Revolving Credit Facility, as $607 had been pledged to support letters of credit. As of March 31, 2024, no amounts on the Revolving Credit Facility had been drawn.

Our short-term investment securities are primarily comprised of fixed-rate debt investments. An increase in market interest rates decreases the market value of fixed-rate investments. Conversely, a decrease in market interest rates increases the market value. The fair market value of our short-term investments with exposure to interest rate risk was $126,428 as of March 31, 2024. The Company limits its investments to investment grade quality securities. Given these factors and that a significant portion of our portfolio is held in cash and cash equivalents, we do not anticipate fluctuations in the aggregate fair value of our financial assets to have a material impact on our liquidity or capital position.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures represent controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

In connection with the preparation of this Form 10-Q, pursuant to Rule 13a-15(b) of the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2024.

Based on the evaluation of our disclosure controls and procedures as of March 31, 2024, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2024.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. We currently believe that the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations.

ITEM 1A. RISK FACTORS

We have disclosed under the heading “Risk Factors” in our 2023 10-K the risk factors which materially affect our business, financial condition or results of operations. Except for the updated risk factors set forth below, there have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in our 2023 10-K and the risk factors presented in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes the Company's repurchases of Common Stock for the quarter ended March 31, 2024. All stock repurchases during the quarter reflect shares repurchased pursuant to the Company's stock repurchase program and shares withheld from employees to satisfy the taxes due in connection with grants of stock under the Company's equity incentive plans. Incremental costs associated with trade execution for the Common Stock repurchases are outside of the scope of the Board’s authorization. For the avoidance of doubt, such costs are permissible as administrative execution expenses. The shares of Common Stock withheld to satisfy tax withholding obligations are considered to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item, but are not considered to be part of the Company's stock repurchase program. For more information on the Company's stock repurchase program, see Note 9 to the Condensed Consolidated Financial Statements included in Part I, Item 1 of this report.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Dollar Value ($ in thousands) of Shares that May Yet be Purchased Under Plan (2)
January 1-31, 2024	—	$ —	—	$ 11,478
February 1-29, 2024	580,000	15.20	580,000	2,659
March 1-31, 2024	175,284	15.17	175,284	—
Total	755,284	$ 15.20	755,284	$ —

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Our directors and executive officers may purchase or sell shares of our common stock in the market from time to time, including pursuant to equity trading plans adopted in accordance with Rule 10b5-1 under the Exchange Act ("Rule 10b5-1") and in compliance with guidelines specified by the Company. In accordance with Rule 10b5-1 and the Company's insider trading policy, directors, officers and certain employees who, at such time, are not in possession of material non-public information about the Company are permitted to enter into written plans that pre-establish amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including shares acquired pursuant to the Company's equity plans ("Rule 10b5-1 Trading Plans"). Under a Rule 10b5-1 Trading Plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The following table describes contracts, instructions or written plans for the sale or purchase of our securities adopted, terminated or modified by our directors and executive officers during the three months ended March 31, 2024, each of which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c).

Name and Title	Adoption, Termination or Modification	Date of Adoption, Termination or Modification	Duration of Plan (Scheduled Expiration Date of Plan)	Number of Securities to be Purchased (Sold) under the Plan
Gregory Mays, Executive Vice President and Chief Operating Officer	Adoption	February 2, 2024	March 31, 2025	(268,000)
Grant Whitney, Senior Vice President and Chief Revenue Officer	Termination	March 4, 2024	April 2, 2024	(142,463)
Grant Whitney, Senior Vice President and Chief Revenue Officer	Adoption	March 4, 2024	July 7, 2025	(226,288)

ITEM 6. EXHIBITS

(a) Exhibits

10.1*	Form of Performance-Based Restricted Stock Unit Award Agreement under the Sun Country Airlines Holdings, Inc. 2021 Omnibus Incentive Plan
31.1*	Certification by Sun Country's Chief Executive Officer with respect to Sun Country's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024
31.2*	Certification by Sun Country's President and Chief Financial Officer with respect to Sun Country's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024
32*	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by Sun Country Airlines Holdings, Inc.'s Chief Executive Officer and President and Chief Financial Officer with respect to Sun Country's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024
101.INS*	Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data Files (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sun Country Airlines Holdings, Inc.
(Registrant)

/s/ Dave Davis

Dave Davis
President and Chief Financial Officer
(Principal Financial and Accounting Officer)

May 7, 2024

SUN COUNTRY AIRLINES HOLDINGS, INC.
2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT (this "Agreement"), is entered into effective as of [GRANT DATE] (the "Date of Grant"), by and between Sun Country Airlines Holdings, Inc., a Delaware corporation (the "Company"), and [NAME] (the "Participant"). Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Sun Country Airlines Holdings, Inc. 2021 Omnibus Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the "Plan").

WHEREAS, the Company has adopted the Plan, pursuant to which performance-based restricted stock units may be granted (the performance-based restricted stock units eligible to be earned under this Agreement, the "PRSUs"); and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the PRSUs provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the promises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Performance-Based Restricted Stock Units.

(a) Grant. The Company hereby grants to the Participant a total number of [NUMBER] PRSUs (the "Target PRSUs"), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The PRSUs shall vest in accordance the Performance Matrix attached hereto as Exhibit A (the "Performance Matrix") and the other terms and conditions of this Agreement. The Performance Matrix shall constitute a part of this Agreement. The PRSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant's beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting; Settlement.

(a) Subject to the Plan and the other terms of this Agreement, the PRSUs subject to this Agreement shall vest in accordance with the Performance Matrix.

(b) The PRSUs subject to this Agreement shall be settled in the manner set forth in the Performance Matrix.

(c) In the event of a Change in Control where the PRSUs under this Agreement are not either (i) continued or assumed pursuant to Section 12(b)(i) of the Plan or (ii) substituted by the surviving corporation or its parent in accordance with Section 12(b)(ii) of the Plan, then upon such Change in Control the PRSUs shall become immediately vested upon such Change in Control, subject to the Participant's continued employment or engagement of services with the Company through such Change in Control, with the number of PRSUs so vesting to be based on "target" level performance (provided, that, any PRSUs that constitute Eligible Units as of the Change in Control will become so vested regardless of whether the number of Eligible Units would exceed the "target" number of PRSUs for such Performance Year).

3. Dividend Equivalents. In the event of any issuance of a cash dividend on the shares of Common Stock (a "Dividend"), the Participant shall be credited, as of the payment date for such Dividend, with an amount (a "Dividend Equivalent") equal to the product of (i) the number of PRSUs granted pursuant to this Agreement and outstanding as of the record date for such Dividend multiplied by (ii) the amount of the Dividend per share. The aggregate amount of the Dividend Equivalents (the "Distributable Amount") shall be distributed to the Participant in connection with the settlement of the PRSUs either in cash or, at the discretion of the Committee, in a number of shares of Common Stock with a Fair Market Value (as determined on the Vesting Date) equal to the Distributable Amount. To the extent any PRSUs are forfeited prior to vesting, the corresponding Dividend Equivalents in respect thereof shall be forfeited immediately thereupon.

4. Termination of Employment or Services.

(a) If the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates is terminated by the Company or its Affiliates for Cause, all vested and unvested PRSUs (including any Eligible Units, as defined in the Performance Matrix) shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

(b) Except as otherwise provided for in the Performance Matrix, if the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates terminates for any reason other than for Cause, all unvested PRSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto, and any PRSUs that have vested in accordance with the terms of the Performance Matrix shall be settled in accordance with the terms of the Performance Matrix.

5. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock underlying the PRSUs unless, until and to the extent that (i) the Company shall have issued and delivered to the Participant the shares of Common Stock underlying the PRSUs and (ii) the Participant's name shall have been entered as a stockholder of record with respect to such shares of Common Stock on the books of the Company. The Company shall cause the actions described in clauses (i) and (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

6. Compliance with Legal Requirements.

(a) Generally. The granting and settlement of the PRSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the

Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Agreement. Without limiting the generality of the foregoing, the Committee, in its sole discretion, may postpone the issuance or delivery of shares of Common Stock as the Committee may consider appropriate and may require the Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of shares of Common Stock in compliance with applicable laws, rules and regulations.

(b) Tax Withholding. Vesting and settlement of the PRSUs shall be subject to the Participant's satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Company has arranged for the Participant to satisfy such tax obligations by a broker-assisted cashless settlement mechanism, whereby the broker will sell shares of Common Stock otherwise deliverable upon the settlement of the PRSU and deliver promptly to the Company sufficient funds to satisfy the tax obligations. Notwithstanding the foregoing, the Company shall maintain the right to withhold from any amounts payable to the Participant in connection with the PRSUs or otherwise the amount of any required withholding taxes in respect of the PRSUs, their settlement or any payment or transfer of the PRSUs or under the Plan and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts).

7. Clawback. Notwithstanding anything to the contrary contained herein, the Committee may cancel the PRSU award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interests of the Company or any Affiliate while employed by, serving as a director of, or otherwise providing services to the Company or any Subsidiary, including fraud or conduct contributing to any financial restatements or irregularities, or any violation of any of the covenants set forth on Exhibit B attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Subsidiary (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or settlement of the PRSUs, the sale or other transfer of the PRSUs, or the sale of shares of Common Stock acquired in respect of the PRSUs (provided that the PRSUs vested during the 12-month period immediately prior to the Participant's adverse activity), and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the PRSUs for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall promptly repay any such excess amount to the Company. To the extent required by applicable law or the rules and regulations of any securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the PRSUs shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

8. Restrictive Covenants.

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit B attached hereto, which Exhibit B is incorporated herein and forms part of this Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 8, in addition to any other remedy that may be available at law or in equity, the PRSUs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

9. Miscellaneous.

(a) Transferability. The PRSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the PRSUs contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the PRSUs, shall be null and void and without effect.

(b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) Section 409A. The PRSUs are intended to be exempt from, or compliant with, Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 9(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the RSUs will not be subject to interest and penalties under Section 409A.

(d) General Assets. All amounts credited in respect of the PRSUs to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.

(e) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal executive office.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Employment, Directorship or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(h) Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to this Agreement, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares of Common Stock, or whether such fractional shares of Common Stock or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(k) Entire Agreement. This Agreement (including Exhibit A and Exhibit B attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit B hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 11 or 13 of the Plan.

(l) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the PRSUs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective 10 days after such mailing.

(ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(o) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

(p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(q) Business Day. If any vesting event under this Agreement falls on a weekend or a Company-observed holiday, then the applicable vesting date will occur on the next subsequent business day.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Performance-Based Restricted Stock Unit Award Agreement has been executed by the Company and the Participant as of the day first written above.

SUN COUNTRY AIRLINES
HOLDINGS, INC.

By: __________________________
Name:
Title:

PARTICIPANT

____
[NAME]

Exhibit A

Performance Matrix

The "target" number of PRSUs eligible to vest and be earned under this Agreement in accordance with this Performance Matrix is [#] (the "Target PRSUs"). However, the Participant is eligible to earn between 0%-150% of the Target PRSUs based on the Company's level of achievement of the performance factors described below. In no event shall the Participant be eligible to earn more than 150% of the Target PRSUs (the "Maximum PRSUs") under this Agreement.

50% of the PRSUs (the "Earnings PRSUs") will be eligible to vest and be earned based on the Company's level of achievement of the Earnings Performance Factor (the target amount being the "Target Earnings PRSUs"), and 50% of the PRSUs (the "Margin PRSUs") will be eligible to vest and be earned based on the Company's level of achievement of the Margin Performance Factor (the target amount being the "Target Margin PRSUs").

"Earnings Performance Factor" means Adjusted Earnings Per Share (EPS), plus dividends per Share.

"Good Reason" shall have the meaning set forth in the Participant's employment agreement with the Company, if any, or in the absence of such employment agreement, shall mean any of the following events, unless otherwise consented to in writing by the Participant (a) a material diminution in the Participant's annual base salary or target annual bonus opportunity (other than an across-the-board reduction of not more than 10% that impacts all similarly situated executives of the Company equally); (b) any material diminution in the Participant's position, authority or responsibilities with the Company; or (c) the Company's material breach of this Agreement or any other material compensatory agreement with the Participant. Notwithstanding the foregoing, a resignation will only qualify as being for "Good Reason" if, within 30 days following the initial existence of a condition listed above (or, if later, the time at which the Participant knew or reasonably should have known of its existence), the Participant provides notice to the Company of the existence of a supposedly qualifying condition and the related circumstances that cause it to qualify, and within 30 days after such notice, the Company does not remedy the condition and, within 30 days following the Company's failure to remedy the condition, the Participant actually resigns from employment with the Company.

"Margin Performance Factor" means Pre-Tax Margin as compared to seven non-major U.S. airlines.[1]

"Performance Period" means January 1, 2024 - December 31, 2026.

"Performance Year" means each of the 2024, 2025 and 2026 calendar years.

[1] ALGT, ULCC, ALK, HA, JBLU, SAVE, and SNCY, subject to adjustment as a result of business combinations/consultants.

Vesting & Settlement of Earnings PRSUs

For each Performance Year, up to 1/3rd of the Earnings PRSUs shall become eligible to vest (subject to the other terms and conditions set forth herein) based on the Company's actual level of achievement of the Earnings Performance Factor for such Performance Year, as compared to the threshold, target and maximum levels set forth below:

Level of Achievement	Earnings Performance Factor Goal/Level	Percentage of Earnings PRSUs Eligible to be Earned for the Performance Year (as a percentage of 1/3rd of the Target Earnings PRSUs)
Below Threshold	*Communicated separately*	0%
Threshold	*Communicated separately*	50%
Target	*Communicated separately*	100%
Maximum	*Communicated separately*	150%

If, upon conclusion of the applicable Performance Year, achievement of the Earnings Performance Factor goal exceeds a specified level shown in the table above, but is below the next specified level, the percentage of Earnings PRSUs earned and eligible to vest in respect of such Performance Year shall be linearly interpolated on a straight-line basis. No Earnings PRSUs shall be earned in respect of a Performance Year if the achievement of the Earnings Performance Factor goal for such Performance Year falls below the "Threshold" level established for that Performance Year.

Determination of Eligible Units. As soon as reasonably practicable following the completion of each Performance Year (but in no event later than 60 days thereafter), the Committee will determine (i) whether and to what extent the Earnings Performance Factor has been achieved for such Performance Year, and (ii) the number of Earnings PRSUs that are deemed earned in respect of such Performance Year based on the table above (the "Eligible Units"). The Eligible Units for each Performance Year will remain eligible to vest on the date on which the Committee determines the level of achievement of the Earnings Performance Factor for the 2026 Performance Year (such date, as applicable, the "Vesting Date"), subject to the Participant's continuous employment with, or engagement to provide services to, the Company or any of its Affiliates through the Vesting Date. Any Earnings PRSUs that do not constitute Eligible Units as of the Vesting Date shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

Eligible Units that vest upon the Vesting Date shall be settled within 15 days following the Vesting Date (but in no event later than March 15, 2027) in an equivalent number of shares of Common Stock (such date, as applicable, the "Settlement Date").

If the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates terminates for any reason prior to the Vesting Date, all Earnings PRSUs granted under this Agreement (including any Eligible Units) shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto. Notwithstanding the foregoing, if the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates terminates prior to the Vesting Date as a result of the Company's termination of the Participant's employment without Cause or the Participant resigns for Good Reason (as defined herein) (a "Qualifying Termination"), then the Participant will become vested in any Earnings PRSUs that constitute Eligible Units as of the date of such termination (in which case, such Eligible Units will be settled on the 30th day following the date of such termination, subject to the Participant's execution of a release of claims on a form provided by the Company), and any Earnings PRSUs that do not constitute Eligible Units as of the date of the Qualifying Termination shall be canceled immediately. If there is a Change in Control where the Earnings PRSUs are either (i) continued or assumed pursuant to Section 12(b)(i) of the Plan or (ii) substituted by the surviving corporation or its parent in accordance with Section 12(b)(ii) of the Plan, and following such Change in Control there is a Qualifying Termination of Participant's employment prior to the Vesting Date, then the Earnings PRSUs under this Agreement shall become fully vested upon such Qualifying Termination, assuming "target" level performance (provided, that, any PRSUs that constitute Eligible Units as of the Qualifying Termination will become so vested regardless of whether the number of Eligible Units would exceed the "target" number of PRSUs for such Performance Year), and all such vested Earnings PRSUs shall be settled on the 30th day following the date of such termination.
Vesting & Settlement of Margin PRSUs

The Margin PRSUs shall become eligible to vest (subject to the other terms and conditions set forth herein) based on the Company's actual level of achievement of the Margin Performance Factor as compared to the threshold, target and maximum levels set forth below, as measured on a cumulative basis in respect of the full Performance Period, as set forth below:

Level of Achievement	Margin Performance Factor Goal/Level	Percentage of Margin PRSUs Eligible to be Earned for the Performance Period (as a percentage of the Target Margin PRSUs)
Below Threshold	*Communicated separately*	0%
Threshold	*Communicated separately*	50%
Target	*Communicated separately*	100%
Maximum	*Communicated separately*	150%

If, upon conclusion of the Performance Period, achievement of the Margin Performance Factor goal exceeds a specified level shown in the table above, but is below the next specified level, the percentage of Target Margin PRSUs earned shall be linearly interpolated on a straight-line basis. No Margin PRSUs shall be earned in respect of the Performance Period if the achievement of the Margin Performance Factor goal falls below the "Threshold" level.

Determination of Earned Margin PRSUs. As soon as reasonably practicable following the completion of the Performance Period (but in no event later than 60 days thereafter) (such date, as applicable, the "Determination Date"), the Committee will determine (i) whether and to what extent the Margin Performance Factor has been achieved for the Performance Period, and (ii) the number of Margin PRSUs that are deemed earned based on the table shown above (the "Earned Margin PRSUs"). The Earned Margin PRSUs will vest on Determination Date, subject to the Participant's continuous employment with, or engagement to provide services to, the Company or any of its Affiliates through the Determination Date. Any Margin PRSUs that do not constitute Earned Margin PRSUs as of the Determination Date shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

Earned Margin PRSUs shall be settled within 15 days following the Determination Date in an equivalent number of shares of Common Stock.

If the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates terminates for any reason prior to the Determination Date, all Margin PRSUs granted under this Agreement shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto. Notwithstanding the foregoing, if there is a Change in Control where the Margin PRSUs are either (i) continued or assumed pursuant to Section 12(b)(i) of the Plan or (ii) substituted by the surviving corporation or its parent in accordance with Section 12(b)(ii) of the Plan, and following such Change in Control there is a Qualifying Termination of Participant's employment prior to the Determination Date, then the Margin PRSUs under this Agreement shall become fully vested upon such Qualifying Termination, assuming "target" level performance, and all such vested Margin PRSUs shall be settled on the 30th day following the date of such termination.

Exhibit B

Restrictive Covenants

By accepting the grant of the PRSUs hereunder, in addition to any other representations, warranties, and covenants set forth this Agreement, the Participant agrees to be subject to and comply with the following covenants.

1. Non-Disparagement. During the term of the Participant's employment or service with the Company or any of its Affiliates and thereafter in perpetuity, the Participant shall not, directly or indirectly, knowingly disparage, criticize, or otherwise make derogatory statements regarding the Company or any of its Affiliates, successors, directors or officers. The foregoing shall not be violated by the Participant's truthful responses to legal process or inquiry by a governmental authority. Neither the Agreement nor this Exhibit B limit any right Participant may have to file a charge under Title VII, ADEA, ADA, 42 USC Section 1981, the National Labor Relations Act, or any other civil rights statute, regulation, or ordinance; or to participate in an investigation or proceeding conducted by the EEOC, National Labor Relations Board, or other anti-discrimination or anti-retaliation agency; or to speak with a representative of any such agency.

2. Non-Disclosure of Confidential Information; Return of Property. During the term of the Participant's employment or service with the Company or any of its Affiliates and thereafter in perpetuity, the Participant shall maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for the Participant's benefit or the benefit of any Person, any confidential or proprietary information or trade secrets of or relating to the Company or any of its Affiliates, including, without limitation, information with respect to the Company's or any of its Affiliates' operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, compensation paid to employees or other terms of employment, or deliver to any Person any document, record, notebook, computer program or similar repository of or containing any such confidential or proprietary information or trade secrets; provided, that the Participant's good faith performance of his or her duties and responsibilities for the Company and its Affiliates during employment or service shall not be deemed a breach of this Exhibit B. Upon the Participant's termination of employment or service for any reason, the Participant shall promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents concerning the Company's or any of its Affiliates' customers, business plans, marketing strategies, products or processes. The Participant may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and, if requested by the Company, shall reasonably assist such counsel in resisting or otherwise responding to such process.

3. Non-Solicitation. To the fullest extent permitted by applicable law, the Participant agrees that during the Participant's employment or other service relationship with the Company or any of its Affiliates, and for the one (1) year period following the Participant's termination of employment or service for any reason, the Participant will not, directly or indirectly, on Participant's own behalf or on behalf of another (i) solicit, induce or attempt to solicit or

induce any officer, director or employee of the Company or any of its Affiliates with whom you had a direct business relationship or about whom you learned personnel information resulting from your employment with the Company to terminate their relationship with or leave the employ of the Company or any of its Affiliates, or in any way interfere with the relationship between Company or any of its Affiliates, on the one hand, and any such officer, director or employee thereof, on the other hand, (ii) hire (or other similar arrangement) any Person (in any capacity whether as an officer, director, employee or consultant) who is or at any time was an officer, director or employee of the Company or any of its Affiliates and with whom you had a direct business relationship or about whom you learned personnel information resulting from your employment with the Company until six (6) months after such individual's relationship (whether as an officer, director or employee) with the Company or any of its Affiliates has ended, or (iii) induce or attempt to induce any customer, supplier, prospect, licensee or other business relation of the Company or any of its Affiliates with which you had a direct business relationship or about which you learned confidential information resulting from your employment with the Company to cease doing business with the Company or any of its Affiliates, or in any way interfere with the relationship between any such customer, supplier, prospect, licensee or business relation, on the one hand, and the Company or any of its Affiliates, on the other hand.

4. The Participant acknowledges and agrees that irreparable injury will result to the Company, and to its business, in the event of a breach by the Participant of any of the Participant's covenants and commitments under this Agreement, including the covenants of confidentiality and non-solicitation. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. The Participant acknowledges and agrees the non-solicitation provisions contained in this Agreement are expressly intended to benefit the Company (which includes all parents, subsidiaries and/or affiliated entities as third party beneficiaries) and its successors and assigns; and the Participant expressly authorizes the Company (including all third party beneficiaries) and its successors and assigns to enforce these provisions. In the event of any breach or violation by the Participant of any of the restrictive covenants in this Exhibit B, the time period of such covenant with respect to the Participant shall, to the fullest extent permitted by law, be tolled until such breach or violation is resolved.

5. The covenants in this Exhibit B are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit B relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

6. All of the covenants in this Exhibit B shall be construed as an agreement independent of any other provisions in Exhibit B, and the existence of any claim or cause of action the Participant may have against the Company (which includes all parents, subsidiaries and/or affiliated entities as third party beneficiaries), whether predicated on this Exhibit B or otherwise, shall not constitute a defense to the enforcement by the Company (which includes all parents, subsidiaries and/or affiliated entities as third party beneficiaries) of such covenants.

7. The Participant has carefully read and considered the provisions of this Exhibit B and, having done so, agrees that the restrictive covenants in this Exhibit B impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the

Company (which includes all parents, subsidiaries and/or affiliated entities as third party beneficiaries) and their respective officers, directors, employees, and equityholders.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jude Bricker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sun Country Airlines Holdings, Inc. ("Sun Country") for the three month period ended March 31, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Sun Country as of, and for, the periods presented in this report;

4. Sun Country's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Sun Country and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Sun Country, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Sun Country’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Sun Country's internal control over financial reporting that occurred during Sun Country's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Sun Country's internal control over financial reporting; and

5. Sun Country's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Sun Country's auditors and the Audit Committee of Sun Country's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Sun Country's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Sun Country's internal control over financial reporting.

May 7, 2024

/s/ Jude Bricker
Jude Bricker
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dave Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sun Country Airlines Holdings, Inc. ("Sun Country") for the three month period ended March 31, 2024;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Sun Country as of, and for, the periods presented in this report;

4. Sun Country's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Sun Country and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Sun Country, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of Sun Country’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in Sun Country's internal control over financial reporting that occurred during Sun Country's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Sun Country's internal control over financial reporting; and

5. Sun Country's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Sun Country's auditors and the Audit Committee of Sun Country's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Sun Country's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Sun Country's internal control over financial reporting.

May 7, 2024

/s/ Dave Davis
Dave Davis
President and Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

May 7, 2024

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the quarterly report on Form 10-Q of Sun Country Airlines Holdings, Inc. ("Sun Country") for the quarterly period ended March 31, 2024 (the "Report").

Each of the undersigned, the Chief Executive Officer and the President and Chief Financial Officer, respectively, of Sun Country, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Sun Country.

/s/ Jude Bricker
Jude Bricker
Chief Executive Officer

/s/ Dave Davis
Dave Davis
President and Chief Financial Officer