



**RESEARCH UPDATE**

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**Market Statistics** in USD

Price	\$ 5.12
52 week Range	\$0.90 - \$9.91
Daily Vol (3-mo. average)	8,438,544
Market Cap (M)	\$ 179.4
Enterprise Value (M)	\$ 241.5
Pro Forma Shares Outstanding:	42.8
Float (M)	26.9
Public Ownership	44.9%
Institutional Ownership	4.6%

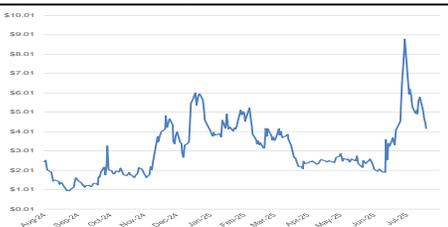
**Financial Summary** in USD

Pro Forma Cash (M)	\$ 52.5
Cash/Share	\$ 1.23
Pro Forma Debt (M)	\$ 108.2
Equity (M)	\$ (85.6)
Equity/Share	\$ (2.00)

FYE: Dec	2024	2025E	2026E
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(all figures in M, expect per share information)

Rev	\$ 119.4	\$ 106.9	\$ 145.6
Chng%	97%	-10%	36%
EBITDA	\$ (44.1)	\$ (26.4)	\$ 7.0
Net Income	\$ (74.9)	\$ (74.9)	\$ (48.8)
EPS	\$ (5.80)	\$ (3.79)	\$ (2.33)
EV/Revenue	1.5x	2.3x	1.7x
EV/EBITDA	-4.1x	-9.1x	34.3x
P/E	-0.4x	-1.4x	-2.2x



**COMPANY DESCRIPTION**

Surf Air Mobility Inc. is a pioneering company in the advanced air mobility sector, headquartered in Los Angeles, California. The Company operates a comprehensive air mobility platform that includes scheduled routes and on-demand charter flights, primarily in the United States. This platform is supported by SRFM's Surf OS software platform. The Company is dedicated to transforming regional air travel by bringing to market both software and electrification technology. Surf Air aims to both facilitate the development of regional point to point flight, leveraging the more than 5,000 public use airports that already exist in the U.S. as well as leverage innovative electric and hybrid-electric powertrain technologies, significantly reduce the cost and environmental impact of regional flights.

**SURF AIR MOBILITY INC. (NYSE: SRFM)**

**Company Updates**

**Overview:** SRFM reported revenue, Adj. EBITDA, and Adj. EPS of \$27.4M, (\$9.5)M, and (\$1.34), respectively, exceeding both revenue and EBITDA guidance for the quarter. This performance reflects a clear inflection point for the Company, driven by improved airline operations, continued optimization of the On Demand segment, and growing momentum in its SurfOS software platform. Notably, airline operations were profitable in the quarter on an Adj. EBITDA basis, supported by sequential improvement in controllable completion factors to 95% and better margins in On Demand services. The quarter was further marked by strategic capital actions, including \$44.7M in equity capital raised and subsequent deleveraging through the equitization of \$29.9M of convertible notes in July. We also highlight the Company's expanded partnership with Palantir, securing a five-year exclusive agreement for the configuration and sale of software.

**Air Mobility:** Air mobility saw notable operational gains in 2Q25, with on-time departure and on-time arrival metrics each improving by over 20% y/y, the highest levels since January 2023. The Company also renewed an Essential Air Service contracts in Hawaii—Waimea (\$4.2M over four years). SRFM also invested in fleet refurbishment to further enhance customer experience. These operational and commercial wins underscore management's focus on network reliability and strategic partnerships as foundational to sustainable growth.

**Software:** SRFM gave further clarity on the SurfOS platform. The suite includes, BrokerOS, OperatorOS, and OwnerOS—built on Palantir's Foundry platform. BrokerOS streamlines charter sourcing, pricing, and booking; OperatorOS optimizes aircraft and crew scheduling with a companion mobile Crew App; and OwnerOS delivers utilization transparency and asset optimization tools for owners. In the quarter, SRFM signed six new LOI agreements with charter brokers and operators, expanding its SurfOS beta user base. Feature rollouts included a flight and crew scheduling module, new data integrations for pricing and availability accuracy, and the launch of FlightDocs for maintenance process streamlining.

**Electrification:** SRFM remains at the forefront of aviation electrification with its proprietary electric powertrain program for the Cessna Caravan, targeting FAA certification by 2027. Management continues to explore JV structures to advance electrification efforts while maintaining capital efficiency.

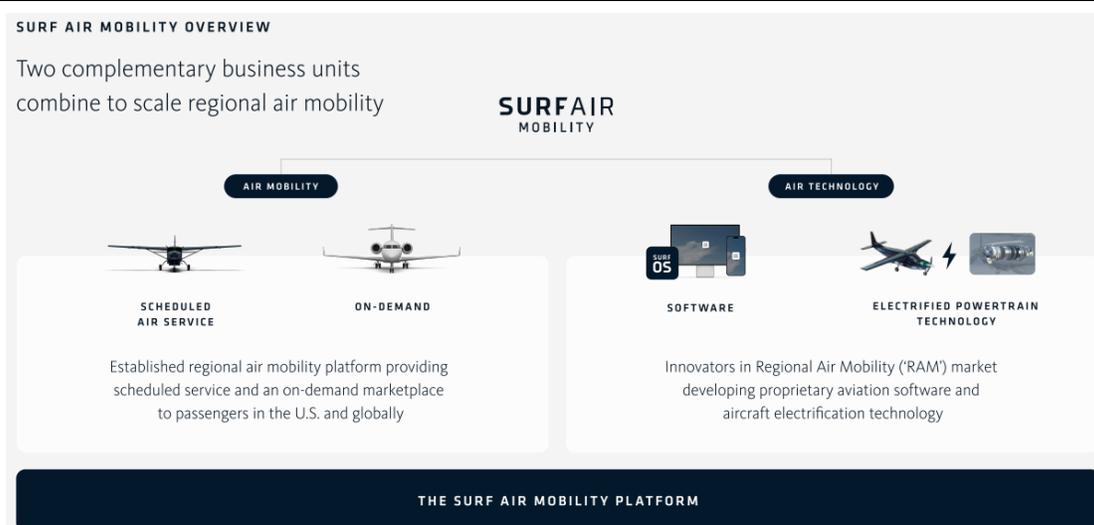
**Outlook:** It was notable in the quarter that management does not believe that tariffs will have a significant impact on results in FY25. We believe this is reasonable and gives us confidence that SRFM will reach its full year targeted revenue of \$100.0M, and positive Adj. EBITDA by year end. For 3Q25 the Company has outlined revenue guidance in the range of \$27.0M to \$28.5M and an Adj. EBITDA loss of \$10.0M to \$8.5M.

**Guidance and Valuation:** We are using an EV/Revenue framework to inform our SRFM valuation. Currently SRFM is trading at a FY26 EV/Revenue of 1.7x compared to comps at a median of 3.3x. We are using our F26 expected Revenue, and an EV/Revenue range of 2.0x to 3.0x with a midpoint of 2.5x. This arrives at a valuation range of \$5.50 to \$8.90 with a mid-point of \$7.20.

## Business Overview

Surf Air Mobility Inc. (“Surf Air”, “the Company”, or “SRFM”) is a pioneering company in the advanced air mobility sector, headquartered in Los Angeles, California. The Company operates a comprehensive air mobility platform that includes scheduled routes and on-demand charter flights, primarily in the United States. This platform is supported by SRFM’s Surf OS software platform, which is being developed in partnership with Palantir and is expected to significantly improve the efficiency and profitability of the regional air mobility market. The Company is dedicated to transforming regional air travel by bringing to market both software and electrification technology. These technological advancements are expected to underpin the Surf Air platform and support the rapid expansion of regional air mobility. Surf Air aims to both facilitate the development of regional point to point flight, leveraging the more than 5,000 public use airports that already exist in the U.S. as well as leverage innovative electric and hybrid-electric powertrain technologies, significantly reduce the cost and environmental impact of regional flights. The Company trades on the NYSE under the ticker symbol “SRFM”.

### Exhibit 1: Surf Air Mobility Overview



Source: Company Reports

Since 2011, Surf Air Mobility has grown to become one of the largest commuter airline in the U.S. by scheduled departures. The Company’s fleet includes a variety of aircraft, such as Cessna Caravans and Pilatus PC-12s which are integral to its operations. Surf Air Mobility’s business model is built around providing efficient, cost-effective, and environmentally friendly air travel solutions. The Company is also focused on developing proprietary software to enhance operational efficiency and customer experience, in collaboration with industry leaders like Palantir Technologies.

Surf Air Mobility's strategic vision includes a four-phase transformation plan (see *Transformation Plan*) aimed at optimizing airline operations, recalibrating its on-demand business, commercializing SurfOS, and deploying electrified aircraft across its network. This plan is designed to strengthen the Company's financial position, improve operational efficiencies, and expand its market presence. With a commitment to innovation and sustainability, Surf Air Mobility is poised to lead the regional air mobility market into a new era of electrified aviation.

### Exhibit 2: FY24 “Track Record”



Source: Company Reports

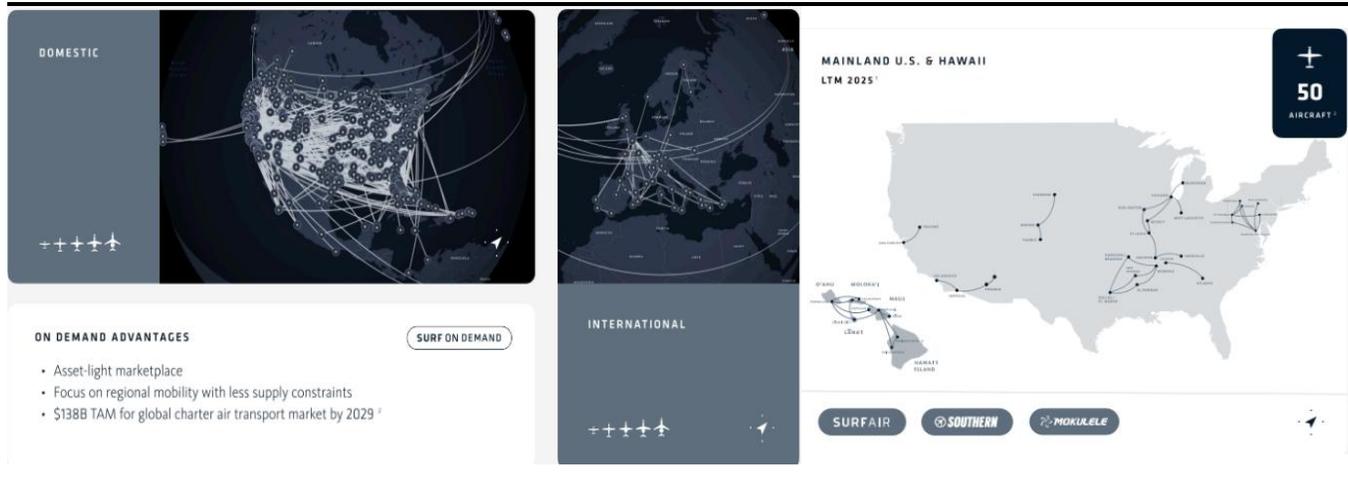
## Segment Overview

Surf Air Mobility operates through two primary business segments: Air Mobility and Air Technology.

**Air Mobility:** This segment encompasses the Company's core operations, including scheduled air services and on-demand charter flights. Surf Air Mobility provides regional air travel solutions through its extensive network of routes across the mainland U.S. and Hawaii. The Company's scheduled air service is supported by a fleet of over 57 aircraft, which includes Cessna Caravans and Pilatus PC-12s.

In 2024, Surf Air Mobility flew over 350,000 scheduled passengers over 69,000 scheduled departures, with an additional 3,523 on demand flights. The Company also operates under the Essential Air Service (EAS) program, which ensures air connectivity for small communities and underserved markets. Once optimized, this program is poised to provide significant tailwinds to SRFM in the future. While the Company is presently exiting unprofitable routes, future tailwinds include both an increase in the subsidy cap as well as costs becoming an equal consideration when DOT is selecting air carriers. These tailwinds are expected to both increase the Company's subsidy revenues as well as increasing volumes due to Surf Air's competitive low cost positioning.

### Exhibit 3: SAS, EAS, Domestic On Demand, and International On Demand Routes

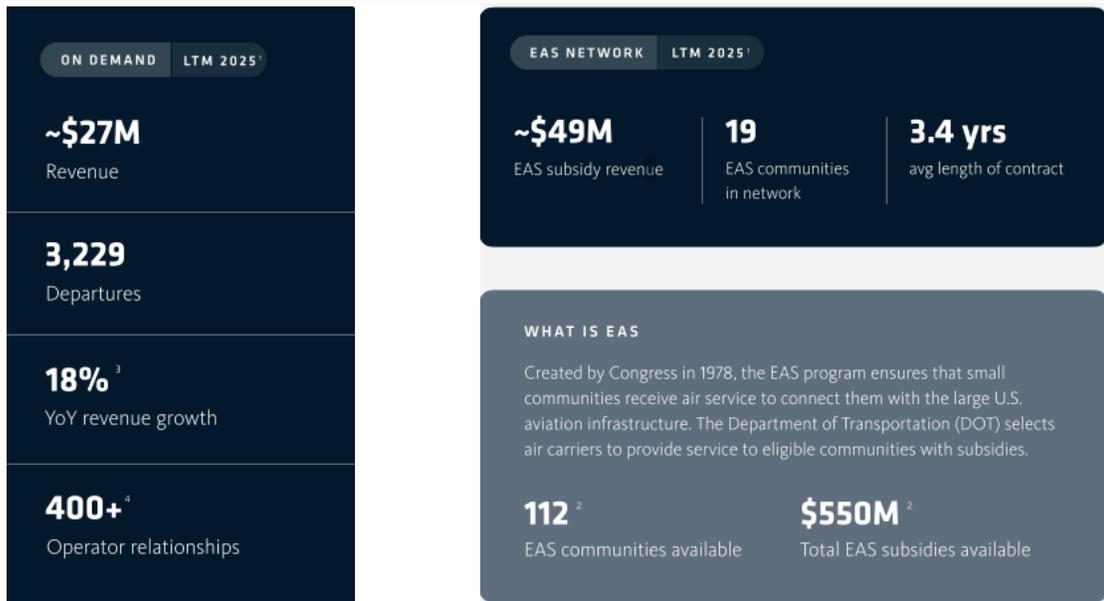


Source: Company Reports

The Air Mobility segment is integral to Surf Air Mobility's mission of transforming regional air travel. By offering both scheduled and on-demand services, the Company caters to a diverse customer base, ranging from business travelers to leisure passengers. The scheduled services provide reliable and regular connections between key regional destinations, while the on-demand charter flights offer flexibility and convenience for those requiring quicker, premium solutions for air travel. Additionally, the EAS program plays a crucial role in maintaining air service to remote and underserved areas.

The Company's strong and extensive network in Hawaii, for example, demonstrates the potential of regional air mobility. This makes Hawaii the perfect testing grounds for the Company as it further fine tunes and leverages the benefit of scale it has over competitors. Hawaii also presents an ideal market for SRFM to launch and to test electrified planes as that technology comes online.

**Exhibit 4: EAS & On-Demand Growth**

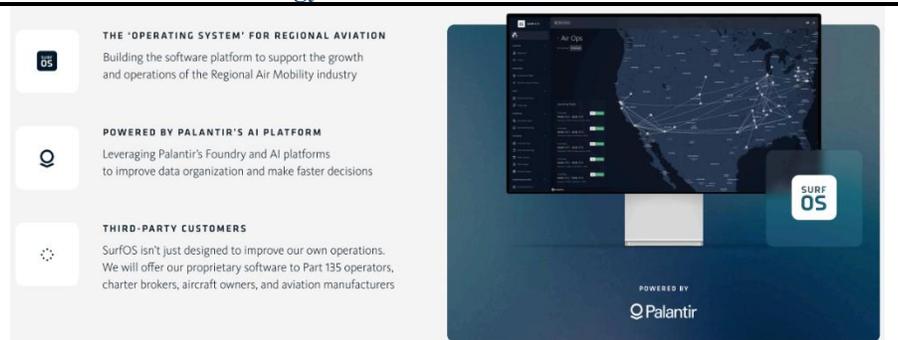


Source: Company Reports

**Air Technology:** The Air Technology segment is pivotal to Surf Air Mobility's long-term strategy of creating a sustainable and efficient regional air travel ecosystem. This segment focuses on the development and commercialization of electric and hybrid-electric powertrain technologies as well as the Company's Surf OS software solution that is designed to support the growth and operations of the advanced air mobility industry. The development of electric and hybrid-electric powertrains is expected to revolutionize regional air travel by significantly reducing operating costs and carbon emissions. Surf Air Mobility is at the forefront of aviation innovation, working on the certification of electrified powertrains and the deployment of electrified aircraft. The Company has also entered into strategic partnerships, including a notable collaboration with Palantir Technologies to develop advanced air mobility software solutions for the aviation industry. These technologies aim to enhance operational efficiency, reduce costs, and minimize complications for operators, brokers, and owners. It is notable that the current landscape of software available to regional operators is fragmented and outdated, leaving low barriers to entry for SRFM to capture significant market share, further aided by the over 400 relationships that SRFM already has in the regional air mobility market.

**Exhibit 5: Air Technology Overview**

Surf Air Mobility's partnership with Palantir Technologies is a key component of this strategy, leveraging Palantir's AI and data analytics capabilities as well as its salesforce Surf Air will be able to optimize operations and improve decision-making processes. The Company's proprietary software platform, SurfOS, is designed to support the advanced air mobility industry



Source: Company Reports

by providing comprehensive tools for scheduling, pricing, and operational management. This platform is not only intended to enhance Surf Air Mobility's own operations but also to be offered to other operators, charter brokers, and aviation manufacturers, thereby driving industry-wide improvements.

In addition to software development, the Air Technology segment is focused on the certification and deployment of electrified aircraft. Surf Air Mobility is pursuing Supplemental Type Certification (STC) for its proprietary powertrain technology for the Cessna Grand Caravan, in collaboration with Textron Aviation. This initiative aims to bring best-in-class electric aircraft to market, further solidifying the Company's position as a leader in sustainable aviation. The segment also explores joint ventures with industry leaders to pursue capital-efficient growth opportunities and accelerate the adoption of electrified aircraft.

Overall, Surf Air Mobility's dual focus on Air Mobility and Air Technology positions the Company to lead the regional air mobility market into a new era of electrified aviation. By combining operational excellence with cutting-edge technology, Surf Air Mobility is well-equipped to meet the growing demand for efficient, cost-effective, and environmentally friendly air travel solutions.

## Transformation Plan

Surf Air Mobility has outlined a comprehensive Four-Phase Transformation Plan designed to enhance its operational efficiency, financial stability, and market position. This strategic plan is structured to guide the Company through a series of targeted initiatives from 2024 to beyond 2027, ensuring sustainable growth and profitability.

### Phase 1: Transformation (2024)

The first phase, now complete, focused on transforming the Surf Air's foundational aspects. Key initiatives included:

1. **Improving Capital Structure:** Surf Air Mobility secured \$50 million in funding and extended the maturity of other secured debts to December 31, 2028. This move significantly strengthened the Company's financial position.
2. **Strengthening the Balance Sheet:** The Company is addressing past liabilities totaling approximately \$70 million, with a targeted reduction of over 50%. These efforts are crucial in stabilizing the Company's financial health.
3. **Leadership Enhancement:** Surf Air Mobility appointed experienced leaders across the organization, bringing decades of aviation expertise to drive the Company's strategic goals.
4. **Realizing M&A Synergies:** Following its merger with Southern Airways, the Company achieved M&A synergies amounting to approximately \$6.5 million, enhancing operational efficiencies and cost savings.

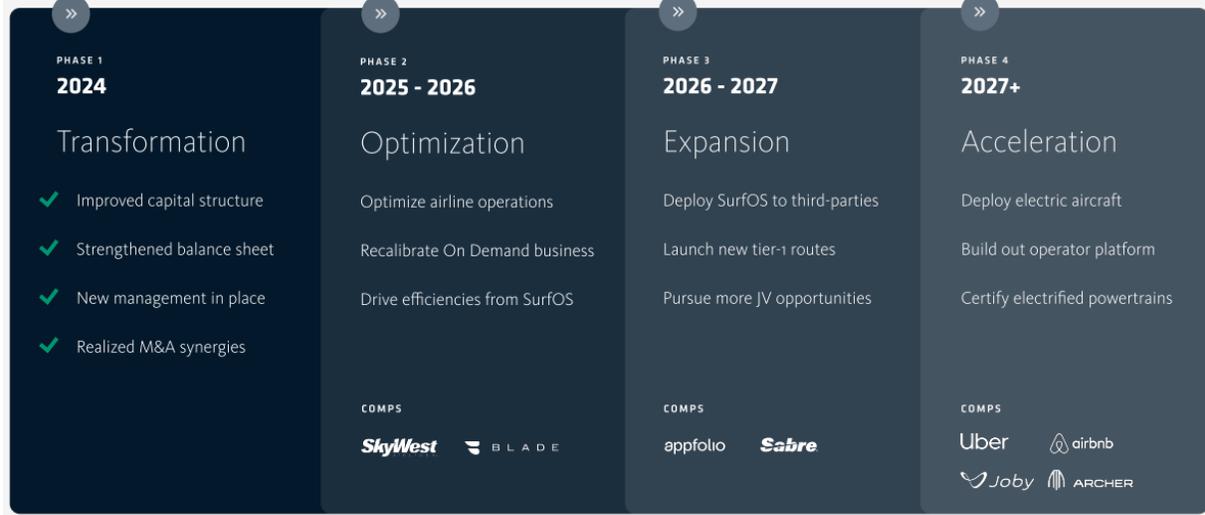
### Phase 2: Optimization (2025-2026)

The second phase, Optimization, aims to maximize the profitability of Surf Air Mobility's scheduled services and on-demand charter operations. Key focus areas include:

1. **Scheduled Service Optimization:** The Company is implementing systems and processes to measure and drive efficiencies against real-time operational and financial KPIs. Addressing deferred maintenance backlogs will improve aircraft availability and flight completion rates. Additionally, Surf Air Mobility is exiting unprofitable routes and redeploying aircraft to more lucrative markets. This strategic reallocation of assets is expected to contribute to the generation of positive segment EBITDA for FY25.
2. **On-Demand Business Recalibration:** The Company is focusing on expanding its market share in the higher-margin jet category, securing inventory through advance volume purchase agreements, and pursuing international partnerships. These efforts are aimed at driving revenue growth and profitability in the on-demand segment.

3. **SurfOS Implementation:** The continued implementation of SurfOS software solutions, developed in collaboration with Palantir, will drive productivity and efficiency improvements across the organization.

**Exhibit 6: 4-Phase Transformation Overview**



Source: Company Reports

**Phase 3: Expansion (2026-2027)**

The third phase, Expansion, is set to begin in FY 2026. This phase focuses on profitable network expansion and leveraging data-driven insights to identify and launch new tier-1 routes across the U.S. Key initiatives include:

1. **Network Expansion:** Using data-driven insights, Surf Air Mobility will quantify and qualify route attractiveness, selecting tier-1 routes for profitability using current combustion aircraft. Further margin improvements are anticipated once electrified planes are commercialized. Currently the US has ~5,000 underutilized public airports with 90% of American living within a 30 minute drive of one of these airports. This presents a perfect opportunity for SRFM to expand its network.
2. **Joint Venture Opportunities:** The Company plans to pursue additional joint ventures to capitalize on high-growth initiatives with strategic partners, leveraging its scale and market presence. JV opportunities will give the Company the ability to leverage its understanding of its markets and R&D capabilities. It is these JV opportunities that will give SRFM the advantage as it capitalizes on its electrification efforts as well as its software venture.
3. **SurfOS Marketing:** SurfOS will be broadly marketed to third-party customers, including air operators, charter brokers, and aviation OEMs, through the Surf Air Technologies LLC venture with Palantir. This initiative aims to develop revenue traction and establish SurfOS as a leading software solution in the regional and advanced air mobility segment.

**Phase 4: Acceleration (2027+)**

The final phase, Acceleration, is anticipated to commence in FY 2027. This phase focuses on leveraging Surf Air Mobility's platform to accelerate the adoption of new aviation technologies throughout the platform thus driving significant revenue growth and margin expansion. Key initiatives include:

1. **Certification of Electrified Powertrain Technology:** A key focus will be the certification of the Company's proprietary electrified powertrain technology for the Cessna Grand Caravan. This certification is expected to occur within the framework of a joint venture with a leading industry partner.
2. **Commercialization of Powertrains:** Post-certification, Surf Air Mobility will leverage its exclusive sales and marketing relationship with Textron Aviation to commercialize these powertrains, driving widespread adoption and market penetration.
3. **Leveraging Network Effects:** The Company will utilize the network effects of its operator platform to emerge as a category leader in regional air mobility, capitalizing on its position as one of the largest commuter airlines in the U.S. by scheduled departures.

## Market Overview

The regional air mobility market is undergoing a transformative phase, driven by technological advancements, regulatory support, and increasing demand for sustainable transportation solutions. The market is expected to experience substantial growth over the next decade, with projections indicating a global market size of \$75 billion to \$115 billion by 2035. In the United States alone, the market is anticipated to reach between \$15 billion and \$22 billion by the same year. This growth is fueled by several key factors that are reshaping the landscape of regional air travel.

**Technological Advancements:** One of the primary drivers of growth in the regional air mobility market is the rapid advancement in electric and hybrid-electric propulsion technologies. Companies like Surf Air Mobility are at the forefront of this innovation, developing powertrain technologies that promise to reduce operating costs and environmental impact. The shift towards electrified aircraft is expected to revolutionize regional air travel by making it more efficient, cost-effective, and environmentally friendly. These advancements are not only enhancing the performance and reliability of aircraft but also opening up new possibilities for regional point to point connectivity.

**Regulatory Support and Government Initiatives:** The regulatory environment is increasingly supportive of sustainable aviation solutions. Governments and regulatory bodies are implementing policies and incentives to promote the adoption of electric and hybrid-electric aircraft. In the United States, programs like the Essential Air Service (EAS) ensure that small and remote communities remain connected to the broader aviation network. These programs provide financial support to airlines, enabling them to offer services to areas that might otherwise be unprofitable. Such initiatives are crucial for maintaining regional connectivity and supporting the growth of the regional air mobility market.

**Market Demand and Consumer Preferences:** There is a growing demand for convenient, efficient, and sustainable transportation options. Consumers are increasingly prioritizing environmental sustainability in their travel choices, and regional air mobility offers a compelling solution. The ability to provide quick and direct connections between regional destinations without the need for extensive ground transportation is a significant advantage. This is particularly relevant in regions with limited infrastructure or challenging geography, where traditional transportation options may be less viable.

**Strategic Partnerships and Industry Collaboration:** The regional air mobility market is characterized by a high degree of collaboration between various stakeholders, including airlines, technology developers, and regulatory bodies. Strategic partnerships are essential for driving innovation and accelerating the adoption of new technologies. Surf Air Mobility's collaboration with Palantir Technologies, for example, leverages advanced data analytics and AI to optimize operations and enhance service delivery. Such partnerships are instrumental in developing integrated solutions that address the complex challenges of regional air mobility.

**Economic and Environmental Benefits:** The economic and environmental benefits of regional air mobility are significant. Electrified aircraft are expected to reduce operating costs by lowering fuel consumption and maintenance expenses. This, in turn, can lead to lower ticket prices and increased accessibility for passengers. Additionally, the reduction in carbon emissions aligns with global efforts to combat climate change and promote sustainable development. The adoption of electric and hybrid-electric aircraft is a critical step towards achieving these environmental goals.

In summary, the regional air mobility market is poised for significant growth, driven by technological advancements, regulatory support, and increasing consumer demand for sustainable transportation solutions. Companies like Surf Air Mobility are well-positioned to capitalize on these trends, leveraging their expertise and strategic partnerships to lead the market into a new era of electrified aviation. The continued development and adoption of electric and hybrid-electric aircraft will be key to realizing the full potential of regional air mobility, offering economic, environmental, and social benefits.

## Risks

**Changes in government policies** – The Essential Air Service is reliant upon government policies for rate setting and demand. Changes to government regulations could have adverse effects on the Company's business.

**Loss of key partnerships** – The Company is currently a part of several key partnerships to drive innovation. Any significant changes in or losses of these key partnerships could have adverse effects on the Company's business.

**Unproven technology** – Should the Company bring any or all of its assets to market, there is no guarantee that a profitable market will exist for those products. While we are encouraged by the current market outlook for electronic powertrains these current expectations may differ from future results.

**Geographic concentration** – The Company derives a significant percentage of its revenues from its Hawaiian operations. This geographic concentration makes the Company increases risk while SRFM is working to expand its offerings into the Air Technology subsegment.

## Valuation

When creating a valuation for SRFM we rely on a comparative analysis. When selecting comparable companies for SRFM we note the current position of the company between a legacy passenger airline and an advanced, tech-enabled, air mobility company. Finding legacy comps is fairly straight forward, albeit limited given the small number of publicly traded comps. For tech enabled comps we had a broader number of companies to choose from that we think accurately capture the path that SRFM is on.

Comparative Analysis  
(all figures in M, except per share information)

Company Name	Symbol	Price <sup>(1)</sup>	Mrkt Cap	EV	Gross Margin	EV/Revenue <sup>(2, 3)</sup>			EV/EBITDA <sup>(2, 3)</sup>			EBITDA Margin <sup>(2, 3)</sup>		
						2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Airbnb, Inc.	ABNB	\$ 123.88	\$ 74,454.0	\$ 65,380.0	83.2%	6.6x	5.40x	4.94x	28.3x	15.4x	13.9x	N/A	2.9%	2.8%
Archer Aviation Inc.	ACHR	\$ 10.03	\$ 6,566.5	\$ 5,614.4	0.0%	9031.4x	3963.11x	54.30x	N/A	N/A	N/A	N/A	0.0%	-0.2%
AppFolio, Inc.	APPF	\$ 268.22	\$ 9,767.8	\$ 9,679.9	63.9%	10.79x	10.27x	8.73x	60.4x	36.9x	30.2x	5.6%	3.6%	3.5%
Sabre Corporation	SABR	\$ 1.95	\$ 769.3	\$ 5,411.8	58.2%	1.92x	1.89x	1.80x	15.2x	9.9x	8.6x	7.9%	5.3%	4.8%
Uber Technologies, Inc.	UBER	\$ 90.89	\$ 191,295.5	\$ 192,355.5	33.9%	2.92x	3.74x	3.25x	36.3x	22.1x	17.5x	12.4%	5.9%	5.4%
				<b>Average</b>	<b>47.9%</b>	<b>1810.7x</b>	<b>796.9x</b>	<b>14.6x</b>	<b>35.1x</b>	<b>21.1x</b>	<b>17.6x</b>	<b>8.7%</b>	<b>3.5%</b>	<b>3.2%</b>
				<b>Median</b>	<b>58.2%</b>	<b>6.6x</b>	<b>5.4x</b>	<b>4.9x</b>	<b>32.3x</b>	<b>18.8x</b>	<b>15.7x</b>	<b>7.9%</b>	<b>3.6%</b>	<b>3.5%</b>
Blade Air Mobility, Inc.	BLDE	\$ 4.53	\$ 367.6	\$ 263.0	24.4%	0.89x	1.00x	0.93x	N/A	24.5x	14.9x	-12.0%	24.5%	15.9%
Jet.AI Inc.	JTAI	\$ 3.14	\$ 7.9	\$ (3.5)	-7.0%	0.56x	-0.22x	-0.07x	N/A	0.5x	1.0x	N/A	-2.0%	-14.2%
SkyWest, Inc.	SKYW	\$ 118.40	\$ 4,735.6	\$ 6,585.0	33.3%	1.70x	1.64x	1.56x	6.8x	6.8x	6.2x	4.0%	4.1%	4.0%
Volatus Aerospace Inc.	TSXV: FLT	\$ 0.33	\$ 193.4	\$ 209.0	34.9%	3.22x	6.35x	4.26x	N/A	N/A	N/A	N/A	11.6%	6.3%
				<b>Average</b>	<b>21.4%</b>	<b>1.6x</b>	<b>2.2x</b>	<b>1.7x</b>	<b>6.8x</b>	<b>10.6x</b>	<b>7.4x</b>	<b>-4.0%</b>	<b>9.5%</b>	<b>3.0%</b>
				<b>Median</b>	<b>28.9%</b>	<b>1.3x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>6.8x</b>	<b>6.8x</b>	<b>6.2x</b>	<b>-4.0%</b>	<b>7.9%</b>	<b>5.2%</b>
				<b>Average</b>	<b>36.1%</b>	<b>1006.7x</b>	<b>443.7x</b>	<b>8.9x</b>	<b>29.4x</b>	<b>16.6x</b>	<b>13.2x</b>	<b>3.6%</b>	<b>6.2%</b>	<b>3.1%</b>
				<b>Median</b>	<b>33.9%</b>	<b>2.9x</b>	<b>3.7x</b>	<b>3.3x</b>	<b>28.3x</b>	<b>15.4x</b>	<b>13.9x</b>	<b>5.6%</b>	<b>4.1%</b>	<b>4.0%</b>
Surf Air Mobility Inc.	NYSE:SRFM	\$ 5.12	\$ 179.4	\$ 241.5	4.6%	1.5x	2.3x	1.7x	-4.1x	-9.1x	34.3x	-37.0%	-24.7%	4.8%

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Due to SRFM being in the midst of its transition and without yet achieving positive EBITDA, we look further up the income statement and rely on EV/Revenue when choosing a valuation multiple. We believe this is reasonable for early-stage tech companies, the likes of which SRFM is pivoting into with the beta launch of SurfOS. We note that legacy comps trade at a forward EV/Revenue multiple of 1.3x at the median compared to tech enabled comps trading at 4.9x. Even when we control for ACHR in the comp set, tech enabled comps still trade at 4.7x. The total comp sets FY26 EV/Revenue trades at 3.7x with ACHR and 3.2x without ACHR. Given Surf Air's launch of SurfOS, the strong balance sheet showing a clear path to mobility becoming profitable, and the upside embedded in electrification we believe that the premium multiple to legacy comps is appropriate. For our valuation we have selected an EV/Revenue range of 2.0x to 3.0x with a midpoint of 2.5x, which values SRFM closer to tech enabled comps. We expect the Company to continue re-rating towards tech enabled comps as the numerous catalysts mentioned above are realized. This values SRFM in a range of \$5.50 to \$8.90 per share, with a midpoint of \$7.20. We expect that we will begin using a DCF analysis and EV/EBTIDA analysis in FY26 following the Company becoming EBTIDA positive.

	EV/Revenue		
<b>2026 E</b>	<b>2.00x</b>	<b>2.50x</b>	<b>3.00x</b>
Revenue	145.6	145.6	145.6
TEV	291.2	364.0	436.8
Cash	52.5	52.5	52.5
Debt	108.2	108.2	108.2
Mrkt Cap	235.5	308.3	381.1
S/O	42.8	42.8	42.8
<b>Price</b>	<b>\$ 5.50</b>	<b>\$ 7.20</b>	<b>\$ 8.90</b>

BALANCE SHEET

Surf Air Mobility Inc. Consolidated Balance Sheets (\$M) Fiscal Year End: December															
ASSETS	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25
Cash & cash equivalents	7.4	0.7	0.0	0.2	2.3	5.9	1.7	1.7	1.3	1.5	0.5	21.1	21.1	6.6	22.6
Accounts receivable	0.2	0.0	0.2	0.2	0.1	3.9	5.0	5.0	4.7	4.5	4.4	4.3	4.3	4.7	5.3
Prepaid expenses & other current assets	0.8	1.2	7.8	7.6	7.7	18.2	11.1	11.1	10.7	9.9	9.3	8.5	8.5	8.6	10.8
<b>Total Current Assets</b>	<b>8.4</b>	<b>1.9</b>	<b>7.9</b>	<b>8.1</b>	<b>10.1</b>	<b>28.0</b>	<b>17.7</b>	<b>17.7</b>	<b>16.7</b>	<b>15.9</b>	<b>14.2</b>	<b>33.9</b>	<b>33.9</b>	<b>20.0</b>	<b>38.7</b>
Restricted Cash	0.1	0.9	0.9	0.9	0.9	0.9	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	5.0
Property and Equipment (PP&E)	0.6	0.7	0.6	0.7	0.7	49.2	46.0	46.0	46.7	47.0	44.0	42.2	42.2	39.7	42.0
Intangible Assets	2.6	4.1	3.1	2.9	2.7	34.6	26.7	26.7	25.8	24.9	24.0	23.1	23.1	22.3	21.5
Operating Lease Assets	-	-	1.1	0.8	0.4	13.2	12.8	12.8	12.3	10.5	8.8	17.0	17.0	15.6	15.0
Finance Lease Assets	-	-	-	-	-	1.4	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.0	1.0
Other Assets	-	-	-	-	-	58.2	5.7	5.7	5.3	5.3	5.1	6.1	6.1	6.1	5.8
<b>Total Assets</b>	<b>11.7</b>	<b>7.6</b>	<b>13.7</b>	<b>13.3</b>	<b>14.8</b>	<b>185.5</b>	<b>111.0</b>	<b>111.0</b>	<b>108.8</b>	<b>105.5</b>	<b>97.9</b>	<b>124.1</b>	<b>124.1</b>	<b>105.3</b>	<b>129.0</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>															
Accounts Payable	8.8	14.0	12.9	15.2	13.1	20.0	18.9	18.9	20.6	26.0	26.8	18.0	18.0	17.8	19.5
Accrued expenses and other current liabilities	11.6	13.2	14.7	13.9	15.3	46.4	59.6	59.6	72.2	78.9	72.9	45.5	45.5	48.3	49.6
Deferred revenue	3.1	5.2	7.8	8.0	8.4	16.4	19.0	19.0	18.1	17.1	14.7	17.4	17.4	16.6	17.9
Current maturities of long-term debt	-	-	-	-	-	2.9	5.2	5.2	5.1	4.9	4.8	2.5	2.5	2.6	2.6
Operating lease liabilities	-	-	0.9	0.6	0.3	4.3	4.1	4.1	4.8	4.3	3.7	4.1	4.1	3.9	3.8
Finance lease liabilities	-	-	-	-	-	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
SAFE notes at fair value	0.0	0.0	0.1	0.2	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible notes at fair value	20.0	23.1	15.9	17.4	35.1	-	7.7	7.7	7.9	8.0	-	-	-	-	-
Due to related parties	0.1	0.1	4.9	14.1	12.7	14.2	25.4	25.4	36.5	47.4	10.0	1.8	1.8	2.5	3.5
<b>Total Current Liabilities</b>	<b>43.6</b>	<b>55.6</b>	<b>57.4</b>	<b>69.4</b>	<b>131.8</b>	<b>104.5</b>	<b>140.1</b>	<b>140.1</b>	<b>165.5</b>	<b>186.8</b>	<b>133.102</b>	<b>89.6</b>	<b>89.6</b>	<b>92.1</b>	<b>97.1</b>
Long-term debt	-	-	-	-	-	23.6	20.6	20.6	20.0	18.3	17.7	59.9	59.9	60.3	60.7
Convertible notes	0.4	0.4	13.1	13.6	-	7.5	-	-	-	-	8.0	7.3	7.3	6.3	5.9
Operating lease liabilities, long term	-	-	0.2	0.2	142.6	6.3	5.5	5.5	4.7	3.9	3.2	11.5	11.5	10.8	10.5
Finance lease liabilities, long term	-	-	-	-	0.1	1.2	1.1	1.1	1.1	1.1	1.0	0.9	0.9	0.9	0.8
Due to related parties, long term	-	-	-	-	-	1.7	1.7	1.7	1.3	1.0	49.0	50.5	50.5	50.2	50.0
Other long-term liabilities	112.6	127.9	34.3	175.1	28.5	12.4	19.4	19.4	22.5	22.5	21.4	24.3	24.3	20.3	19.4
<b>Total Liabilities</b>	<b>156.5</b>	<b>183.9</b>	<b>105.1</b>	<b>258.3</b>	<b>303.0</b>	<b>157.2</b>	<b>188.5</b>	<b>188.5</b>	<b>215.1</b>	<b>233.6</b>	<b>233.5</b>	<b>244.1</b>	<b>244.1</b>	<b>240.9</b>	<b>244.5</b>
Common Stock - Par Value	0.2	0.2	3.4	0.3	128.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	96.1	101.0	126.3	127.2	(416.9)	519.8	525.0	525.0	533.2	538.4	543.1	557.4	557.4	560.3	608.4
Accumulated deficit	(241.7)	(277.5)	(351.8)	(372.4)	-	(491.5)	(602.5)	(602.5)	(639.5)	(666.5)	(678.7)	(677.4)	(677.4)	(695.9)	(723.9)
<b>Total Parent Net Equity</b>	<b>(145.5)</b>	<b>(176.3)</b>	<b>(222.1)</b>	<b>(244.9)</b>	<b>(288.2)</b>	<b>28.3</b>	<b>(77.5)</b>	<b>(77.5)</b>	<b>(106.3)</b>	<b>(128.1)</b>	<b>(135.6)</b>	<b>(120.0)</b>	<b>(120.0)</b>	<b>(135.6)</b>	<b>(115.5)</b>
Other (Commitments and Contingencies)	0.6	-	130.7	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Consolidated Equity</b>	<b>(144.8)</b>	<b>(176.3)</b>	<b>(91.4)</b>	<b>(244.9)</b>	<b>(288.2)</b>	<b>28.3</b>	<b>(77.5)</b>	<b>(77.5)</b>	<b>(106.3)</b>	<b>(128.1)</b>	<b>(135.6)</b>	<b>(120.0)</b>	<b>(120.0)</b>	<b>(135.6)</b>	<b>(115.5)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>11.7</b>	<b>7.6</b>	<b>13.7</b>	<b>13.3</b>	<b>14.8</b>	<b>185.5</b>	<b>111.0</b>	<b>111.0</b>	<b>108.8</b>	<b>105.5</b>	<b>97.879</b>	<b>124.1</b>	<b>124.1</b>	<b>105.3</b>	<b>129.0</b>
<b>Liquidity</b>															
Current Ratio	0.2x	0.0x	0.1x	0.1x	0.1x	0.3x	0.1x	0.1x	0.1x	0.1x	0.1x	0.4x	0.4x	0.2x	0.4x
Working Capital	(35.20)	(53.64)	(49.48)	(61.31)	(121.70)	(76.46)	(122.38)	(122.38)	(148.76)	(170.97)	(118.93)	(55.74)	(55.74)	(72.09)	(58.36)
<b>Leverage</b>															
Net Debt to Capital	112.0%	302.2%	256.9%	342.1%	1275.6%	30.3%	62.9%	62.9%	73.8%	83.1%	99.3%	95.0%	95.0%	124.6%	89.6%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Surf Air Mobility Inc.																	
Consolidated Statements of Income (in USD\$ M, except per share amounts)																	
Fiscal Year End: December																	
	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
Revenue	\$ 20.3	\$ 60.5	\$ 30.6	\$ 32.4	\$ 28.4	\$ 28.0	\$ 119.4	\$ 23.5	\$ 27.4	\$ 27.9	\$ 28.1	\$ 106.9	\$ 32.9	\$ 34.3	\$ 37.6	\$ 40.8	\$ 145.6
<b>Total Revenues</b>	<b>20.3</b>	<b>60.5</b>	<b>30.6</b>	<b>32.4</b>	<b>28.4</b>	<b>28.0</b>	<b>119.4</b>	<b>23.5</b>	<b>27.4</b>	<b>27.9</b>	<b>28.1</b>	<b>106.9</b>	<b>32.9</b>	<b>34.3</b>	<b>37.6</b>	<b>40.8</b>	<b>145.6</b>
Operating Expenses:																	
Cost of revenue	24.8	61.9	28.5	27.7	27.5	26.2	109.9	24.7	24.1	23.6	22.2	94.6	25.9	27.7	30.2	32.2	116.0
<b>Gross Profit</b>	<b>(4.6)</b>	<b>(1.4)</b>	<b>2.1</b>	<b>4.6</b>	<b>0.9</b>	<b>1.8</b>	<b>9.5</b>	<b>(1.2)</b>	<b>3.4</b>	<b>4.3</b>	<b>5.9</b>	<b>12.4</b>	<b>7.0</b>	<b>6.5</b>	<b>7.5</b>	<b>8.6</b>	<b>29.6</b>
Technology and development	3.3	20.9	7.0	5.7	5.7	5.7	24.0	2.7	2.7	2.7	2.7	10.8	3.0	3.0	3.0	3.0	11.8
Sales and marketing	5.2	10.0	3.0	2.6	1.3	0.6	7.5	1.7	1.5	1.5	1.5	6.2	2.2	2.2	2.2	2.2	8.8
General and administrative	36.8	100.7	24.6	19.6	0.4	(14.8)	29.9	10.9	12.6	9.0	9.0	41.5	8.0	8.0	8.0	8.0	32.0
Depreciation and amortization	1.0	3.8	2.0	2.1	2.1	2.2	8.3	2.1	2.4	2.2	2.2	8.9	2.5	2.5	2.5	2.5	10.0
Impairment of goodwill	-	60.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenses</b>	<b>46.4</b>	<b>195.4</b>	<b>36.6</b>	<b>29.9</b>	<b>9.5</b>	<b>(6.3)</b>	<b>69.7</b>	<b>17.4</b>	<b>19.3</b>	<b>15.4</b>	<b>15.4</b>	<b>67.4</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>15.7</b>	<b>62.6</b>
<b>Operating Income</b>	<b>(50.9)</b>	<b>(196.8)</b>	<b>(34.5)</b>	<b>(25.3)</b>	<b>(8.6)</b>	<b>8.1</b>	<b>(60.3)</b>	<b>(18.6)</b>	<b>(15.9)</b>	<b>(11.0)</b>	<b>(9.5)</b>	<b>(55.0)</b>	<b>(8.6)</b>	<b>(9.1)</b>	<b>(8.2)</b>	<b>(7.0)</b>	<b>(33.0)</b>
Changes in fair value	(27.7)	(50.2)	(0.5)	(0.2)	(1.2)	(9.8)	(11.7)	5.4	(7.8)	-	-	(2.4)	-	-	-	-	-
Interest expense	(0.6)	(3.0)	(1.7)	(1.9)	(2.1)	(2.9)	(8.6)	(3.9)	(3.8)	(3.8)	(3.8)	(15.2)	(3.8)	(3.8)	(3.8)	(3.8)	(15.1)
Gain/(loss) on extinguishment of debt	6.0	(0.3)	-	-	-	5.4	5.4	0.0	-	-	-	0.0	-	-	-	-	-
Other gains/loses	(1.1)	(3.7)	(0.4)	0.3	(0.3)	0.3	0.0	(1.5)	(0.6)	(0.3)	(0.3)	(2.6)	(0.3)	(0.3)	(0.3)	(0.3)	(1.0)
<b>Profit Before Taxes</b>	<b>(74.4)</b>	<b>(254.0)</b>	<b>(37.0)</b>	<b>(27.0)</b>	<b>(12.2)</b>	<b>1.1</b>	<b>(75.2)</b>	<b>(18.5)</b>	<b>(28.1)</b>	<b>(15.0)</b>	<b>(13.5)</b>	<b>(75.1)</b>	<b>(12.7)</b>	<b>(13.1)</b>	<b>(12.2)</b>	<b>(11.1)</b>	<b>(49.0)</b>
Provision for Income Tax	-	3.3	0.0	0.0	0.0	0.2	0.3	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.2
<b>Net Income</b>	<b>(74.4)</b>	<b>(250.7)</b>	<b>(37.0)</b>	<b>(27.0)</b>	<b>(12.2)</b>	<b>1.3</b>	<b>(74.9)</b>	<b>(18.5)</b>	<b>(28.0)</b>	<b>(15.0)</b>	<b>(13.4)</b>	<b>(74.9)</b>	<b>(12.6)</b>	<b>(13.1)</b>	<b>(12.1)</b>	<b>(11.0)</b>	<b>(48.8)</b>
<b>Basic EPS</b>	<b>\$ (5.51)</b>	<b>\$ (6.35)</b>	<b>\$ (0.48)</b>	<b>\$ (0.33)</b>	<b>\$ (0.94)</b>	<b>\$ 0.10</b>	<b>\$ (5.80)</b>	<b>\$ (1.09)</b>	<b>\$ (1.34)</b>	<b>\$ (0.72)</b>	<b>\$ (0.64)</b>	<b>\$ (3.79)</b>	<b>\$ (0.60)</b>	<b>\$ (0.62)</b>	<b>\$ (0.58)</b>	<b>\$ (0.53)</b>	<b>\$ (2.33)</b>
<b>Diluted EPS</b>	<b>\$ (5.51)</b>	<b>\$ (6.35)</b>	<b>\$ (0.48)</b>	<b>\$ (0.33)</b>	<b>\$ (0.94)</b>	<b>\$ 0.10</b>	<b>\$ (5.80)</b>	<b>\$ (1.09)</b>	<b>\$ (1.34)</b>	<b>\$ (0.72)</b>	<b>\$ (0.64)</b>	<b>\$ (3.79)</b>	<b>\$ (0.60)</b>	<b>\$ (0.62)</b>	<b>\$ (0.58)</b>	<b>\$ (0.53)</b>	<b>\$ (2.33)</b>
WTD Shares Out - Basic	13.5	39.5	77.3	81.9	13.0	12.9	12.9	16.9	20.9	20.9	20.9	19.8	20.9	20.9	20.9	20.9	20.9
WTD Shares Out - Diluted	13.5	39.5	77.3	81.9	13.0	12.9	12.9	16.9	20.9	20.9	20.9	19.8	20.9	20.9	20.9	20.9	20.9
<b>EBITDA</b>	<b>(72.7)</b>	<b>(247.3)</b>	<b>(33.4)</b>	<b>(23.0)</b>	<b>(8.0)</b>	<b>6.2</b>	<b>(58.2)</b>	<b>(12.5)</b>	<b>(21.9)</b>	<b>(9.1)</b>	<b>(7.6)</b>	<b>(51.0)</b>	<b>(6.4)</b>	<b>(6.9)</b>	<b>(5.9)</b>	<b>(4.8)</b>	<b>(24.0)</b>
<b>Adjusted EBITDA</b>	<b>\$ (49.4)</b>	<b>\$ (50.9)</b>	<b>\$ (16.5)</b>	<b>\$ (11.8)</b>	<b>\$ (8.9)</b>	<b>\$ (6.9)</b>	<b>\$ (44.1)</b>	<b>\$ (14.4)</b>	<b>\$ (9.5)</b>	<b>\$ (2.9)</b>	<b>\$ 0.4</b>	<b>\$ (26.4)</b>	<b>\$ 1.4</b>	<b>\$ 0.9</b>	<b>\$ 1.8</b>	<b>\$ 3.0</b>	<b>\$ 7.0</b>
<b>Margin Analysis</b>																	
Gross Margin	-22.4%	-2.3%	7.0%	14.3%	3.1%	6.5%	7.9%	-5.1%	12.3%	15.5%	20.9%	11.6%	21.3%	19.1%	19.9%	21.1%	20.4%
Operating Margin	-251.1%	-325.2%	-112.6%	-78.0%	-30.4%	28.9%	-50.5%	-79.0%	-58.1%	-39.5%	-33.7%	-51.4%	-26.3%	-26.5%	-21.7%	-17.3%	-22.6%
EBITDA Margin	-243.9%	-84.2%	-53.8%	-36.5%	-31.5%	-24.5%	-37.0%	-61.1%	-34.8%	-10.5%	1.5%	-24.7%	4.1%	2.6%	4.9%	7.2%	4.8%
Net Income Margin	-366.8%	-414.3%	-120.7%	-83.4%	-43.1%	4.5%	-62.7%	-78.6%	-102.1%	-53.7%	-47.7%	-70.0%	-38.3%	-38.1%	-32.2%	-27.0%	-33.5%
Tax Rate	0.0%	-1.3%	-0.1%	-0.1%	-0.1%	17.9%	-0.4%	-0.3%	-0.2%	-0.5%	-0.5%	-0.3%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%

Source: Company Reports, Stonegate Capital Partners estimates

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