



**2025 Capitalization Rate Study
Scheduled Airlines - Freight**

Final

Completed: April 18, 2025

MONTANA DEPARTMENT OF REVENUE

Yield Capitalization Rate Conclusion Industry: Scheduled Airlines - Freight 2025 Assessment Year

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	11.44%	64%
Capital Asset Pricing Model - Ex Ante ^[2]	8.93%	16%
3 Stage Dividend Discount Model - Dividends ^[3]	8.58%	10%
3 Stage Dividend Discount Model - Earnings ^[3]	11.83%	10%
Weighted Average	10.79%	100%
Selected Cost of Equity	10.79%	

Debt Cost of Capital

		Weighting
A - Mergent's - Avg. YTM of A Rated Corporate Bonds ^[4]	5.53%	33%
Baa - Mergent's - Avg. YTM of Baa Rated Corporate Bonds ^[4]	5.80%	33%
Ba - MTDOR Debt Study ^[5]	6.84%	0%
B - MTDOR Debt Study ^[5]	7.33%	33%
Weighted Average	6.22%	100%
Selected Cost of Debt	6.22%	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Cost of Capital	Marginal Tax Rate	After-tax Unweighted	Pre-tax Weighted	After-tax Weighted
Equity	60.00%	10.79%		10.79%	6.47%	6.47%
Debt	40.00%	6.22%	24.00%	4.73%	2.49%	1.89%
WACC	100.00%				8.96%	8.36%
WACC (Rounded)						8.40%

Notes

- [1] From worksheet: Capital Structure
- [2] From worksheet: Capital Asset Pricing Model Summary
- [3] From worksheet: Yield Equity Summary
- [4] January 2025, Mergent Bond Record
- [5] Montana Department of Revenue High Yield Debt Study

MONTANA DEPARTMENT OF REVENUE

**Direct Capitalization Rate Conclusion
Industry: Scheduled Airlines - Freight
2025 Assessment Year**

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Capitalization Rate ^[2]

NOI After-tax	6.58%
GCF	11.39%

Debt Capitalization Rate ^[3]

Calculated Current Yield	4.67%
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NOI After-tax Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Weighted	After-tax Weighted
Equity	60.00%	6.58%		6.58%	3.95%	3.95%
Debt	40.00%	4.67%	24.00%	3.55%	1.87%	1.42%
Total	100.00%				5.81%	5.37%
Total (Rounded)						5.40%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Weighted	After-tax Weighted
Equity	60.00%	11.39%		11.39%	6.84%	6.84%
Debt	40.00%	4.67%	24.00%	3.55%	1.87%	1.42%
Total	100.00%				8.70%	8.25%
Total (Rounded)						8.25%

Notes

[1] From worksheet: Capital Structure

[2] From worksheet: Direct Equity Summary

[3] From worksheet: Calculated Current Yield

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Scheduled Airlines - Freight

2025 Assessment Year

Screening Requirements:

The universe of companies is all companies listed in Value Line under the air transport industry.

Companies were then selected using the following screening criteria:

1. Operates primarily as a freight carrier / air cargo service.
2. Actively traded on an American exchange.
3. Headquartered / incorporated in the United States
4. No significant merger & acquisition activity during the year.

Company Ticker	Air Cargo	Actively traded on an American exchange	Headquartered in the United States	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
AAL	No						
AIRT	Yes	Yes	Yes	Yes	Yes	Yes	
ALGT	No						
ALK	No						
ATSG	Yes	Yes	Yes	Yes	No	No	[1]
BLDE	No						
CPA	No						
DAL	No						
FDX	Yes	Yes	Yes	Yes	Yes	Yes	
JBLU	No						
LUV	No						
MESA	No						
RLGT	No						
RYAAY	No						
SKYW	No						
SNCY	No						
UAL	No						
ULCC	No						
UP	No						
UPS	Yes	Yes	Yes	Yes	Yes	Yes	
VTOL	No						

[1] Agreed to be acquired by Stonepeak

MONTANA DEPARTMENT OF REVENUE

Support for Capital Structure
Industry: Scheduled Airlines - Freight
2025 Assessment Year

(\$ and Shares Outstanding In Millions, Except Per Share Amounts)

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Industry Group	Financial Strength	Shares Outstanding	End of Year Closing Stock Price	MV Common Stock	MV Preferred Stock	MV Long Term Debt	PV of Operating Leases	Total Common, Preferred, LT Debt, & Op Leases	% Common	% Preferred	% Debt & Op Leases
		<i>Value Line</i>	<i>Value Line</i>	<i>10-K</i>	<i>Yahoo</i>	<i>ExF</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>G+H+I+J</i>	<i>G/K</i>	<i>H/K</i>	<i>(I+J)/K</i>
							<i>Note [1]</i>	<i>Note [2]</i>					
AIRT	Air T Inc	AIRTRANS	C	2.775	19.95	55	0	113	12	181	31%	0%	69%
FDX	FedEx Corp.	AIRTRANS	B++	244.302	281.33	68,730	0	20,203	17,516	106,449	65%	0%	35%
UPS	United Parcel Serv.	AIRTRANS	A	739.874	126.10	93,298	0	21,284	4,368	118,950	78%	0%	22%
All Companies						162,083	0	41,600	21,896	225,579	72%	0%	28%
Average											58%	0%	42%
Median											65%	0%	35%
Trimmed Average											65%	0%	35%
High											78%	0%	69%
Low											31%	0%	22%
Selected											60%		40%

Notes

- [1] Market value of preferred stock assumed to equal book value
[2] Market value of debt is fair value of long term debt from 10-K notes

MCA 15-1-210, rationale for changes to guideline companies:
2025 - ATSG removed for M&A activity

		<u>Median</u>	
Current Year	65%	0%	35%
Prior Year	51%	0%	49%
2 Years Prior	55%	0%	45%
3 Year Average	57%	0%	43%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Scheduled Airlines - Freight

2025 Assessment Year

$$k_e = R_f + \beta \times ERP$$

		<i>Ex Post</i>	<i>Ex Ante</i>
$k_e =$	Cost of Equity	11.44%	8.93%
$R_f =$	Risk Free Rate	4.86%	4.86%
$\beta =$	Beta	0.90	0.90
$ERP =$	Equity Risk Premium ($R_m - R_f$)	7.31%	4.52%
$R_m =$	Market Rate of Return	12.17%	9.38%

Risk Free Rate Measures (R_f):

The Value Line Investment Survey: Selection & Opinion^[1]

January 3, 2025 Page 218

Selected Yields on Taxable U.S. Treasury Securities as of 12/20/24

10-year	4.52%
30-year	4.72%

Federal Reserve Statistical Release^[2]

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2024

10-year	4.58%
20-year	4.86%
30-year	4.78%

Risk Free Rate Selected 4.86%

Notes

[1] "Value Line Selection & Opinion", Value Line (January 3, 2025)

[2] <https://www.federalreserve.gov/releases/h15/>

Ex Post - Equity Risk Premium Measures ($ERP = R_m - R_f$)

Kroll, 2025 Cost of Capital Navigator

		<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Historical" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	12.17%	4.86%	7.31%
ERP "Supply-side" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	11.12%	4.86%	6.26%
Ex Post Equity Risk Premium Selected		<u><u>12.17%</u></u>	<u><u>4.86%</u></u>	<u><u>7.31%</u></u>

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Scheduled Airlines - Freight

2025 Assessment Year

$$k_e = R_f + \beta \times ERP$$

Ex Ante - Equity Risk Premium Measures (ERP = Rm - Rf)

DOR 3 Stage Dividend Growth Model, S & P 500, See Exhibit

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP - <i>Ex Ante</i>	7.19%	4.86%	2.33%

Kroll, 2025 Cost of Capital Navigator

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>	8.50%	3.50%	5.00%

Damodaran Implied ERP (Jan 5, 2025)

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium - <i>Ex Ante</i> - Trailing 12 month, with adjusted payout	8.58%	4.58%	4.00%
Implied Premium - <i>Ex Ante</i> - Trailing 12 month cash yields	8.91%	4.58%	4.33%
Implied Premium - <i>Ex Ante</i> - Average CF yield last 10 years	10.73%	4.58%	6.15%
Implied Premium - <i>Ex Ante</i> - Net cash yield	8.73%	4.58%	4.15%
Implied Premium - <i>Ex Ante</i> - Normalized earnings and payout	<u>8.39%</u>	<u>4.58%</u>	<u>3.81%</u>
Damodaran Average	9.07%	4.58%	4.49%

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	8.72%		4.25%
<u>Median</u>	8.58%		4.15%
<u>High</u>	10.73%		6.15%
<u>Low</u>	7.19%		2.33%

Ex Ante Equity Risk Premium Selected

9.38%	4.86%	4.52%
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MONTANA DEPARTMENT OF REVENUE

Support for Beta Selection in CAPM
 Industry: Scheduled Airlines - Freight
 2025 Assessment Year

A	B	C	D	E
Ticker	Company	Industry Group	Financial Strength	Beta
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
AIRT	Air T Inc	AIRTRANS	C	0.95
FDX	FedEx Corp.	AIRTRANS	B++	0.95
UPS	United Parcel Serv.	AIRTRANS	A	0.80
Average				0.90
Median				0.95
Trimmed Average				0.95
High				0.95
Low				0.80
Selected				0.90

MONTANA DEPARTMENT OF REVENUE

Inflation & Real Growth

Industry: Scheduled Airlines - Freight

2025 Assessment Year

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey ^[1]	2.29%	2.11%	4.40%		
Survey of Professional Forecasters ^[2]	2.38%	2.10%	4.48%		
Congressional Budget Office ^[3]	2.30%	1.80%	4.10%		
Average	2.32%	2.00%	4.33%		
Median	2.30%	2.10%	4.40%		
High	2.38%	2.11%	4.49%		
Low	2.29%	1.80%	4.09%		
Selected	2.30%	2.10%	4.40%	4.09%	4.49%

Inflationary Trend Factors						
Year	Dec. CPI-U Index	Percent Change From Previous	Dec. to Dec. Conversion Factor	Annual Avg. CPI-U Index	Percent Change From Previous	Annual Conversion Factor
	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>
2013	233.049	1.5%	1.3542	232.957	1.4%	1.3466
2014	234.812	0.8%	1.3441	236.736	1.6%	1.3251
2015	236.525	0.7%	1.3343	237.017	0.1%	1.3235
2016	241.432	2.0%	1.3072	240.007	1.2%	1.3070
2017	246.524	2.1%	1.2802	245.120	2.1%	1.2797
2018	251.233	1.9%	1.2562	251.107	2.4%	1.2492
2019	256.974	2.2%	1.2282	255.657	1.8%	1.2270
2020	260.474	1.3%	1.2117	258.811	1.2%	1.2120
2021	278.802	6.6%	1.1320	270.970	4.5%	1.1577
2022	296.797	6.1%	1.0634	292.655	7.4%	1.0719
2023	306.746	3.2%	1.0289	304.702	4.0%	1.0295
2024	315.605	2.8%	1.0000	313.689	2.9%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 20, 2024 Table 3 Inflation Rate and Real GDP mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>

[2] Federal Reserve Bank of Philadelphia Survey of Professional Forecasters February 14, 2025 Table 8 and Table 9 Average over next 10-Year mean

<https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/survey-of-professional-forecasters>

[3] The Budget and Economic Outlook: 2025 To 2035

<https://www.cbo.gov/data/budget-economic-data#4>

[5] Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages (1982-84=100, unless otherwise noted)

<https://www.bls.gov/cpi/tables/supplemental-files/>

[6] (Row year - Previous Year) / Row Year

[7] Most current year / Row year

MONTANA DEPARTMENT OF REVENUE

3 Stage Dividend Discount Model (DDM)

Industry: Scheduled Airlines - Freight

2025 Assessment Year

$$k_e = (D_1 / P_0) + g$$

k_e = Cost of Equity

D_1 = Expected Dividend

P_0 = Current Price Per Share

g = Sustainable Long-Term Growth

A	B	C	D	E	F	G	H	I
Ticker	Company	2024 Year End Stock Price	2025 Est Div'ds Decl'd per sh	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate ^[1]	Sustainable Long-Term Growth Rate ^[1]	Cost of Equity Dividend Growth	Cost of Equity Earnings Growth
		<i>Yahoo</i>	<i>Value Line</i>	<i>D/C</i>	<i>Dividends</i>	<i>Earnings</i>	<i>E+F</i>	<i>E+G</i>
		P_0	D_1	D_1/P_0	g	g	k_e	k_e
AIRT	Air T Inc	19.95	0.00	0.00%	0.00%	0.00%		
FDX	FedEx Corp.	281.33	5.76	2.05%	4.98%	7.19%	7.02%	9.24%
UPS	United Parcel Serv.	126.10	6.84	5.42%	4.71%	8.99%	10.13%	14.41%
Average							8.58%	11.83%
Median							8.58%	11.83%
Trimmed Average								
High							10.13%	14.41%
Low							7.02%	9.24%
Selected							8.58%	11.83%

Notes

[1] From worksheet: DDM Sustainable Long-Term Growth

Implied Sustainable LTG:

4.84%

8.09%

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Short Term Growth Rate Calculations

Industry: Scheduled Airlines - Freight

2025 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2025 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2027-2029 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
AIRT	Air T Inc	19.95				
FDX	FedEx Corp.	281.33	5.76	2.05%	6.90	6.20%
UPS	United Parcel Serv.	126.10	6.84	5.42%	7.90	4.92%

A	B	C	D	E
Ticker	Company	Earnings per share 2025 Est	Earnings per share 2027-2029 Est	Short-Term Growth Rate
		<i>Value Line</i>	<i>Value Line</i>	<i>Note [1]</i>
AIRT	Air T Inc	0.00	0.00	0.00%
FDX	FedEx Corp.	19.50	27.00	11.46%
UPS	United Parcel Serv.	8.70	12.00	11.32%

Notes

[1] 4 year compound annual growth rate (CAGR) - 3 periods

MONTANA DEPARTMENT OF REVENUE

**DDM Sustainable Long Term Growth
Industry: Scheduled Airlines - Freight
2025 Assessment Year**

Dividend Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Dividend Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AIRT	Air T Inc	19.95	0.00%	4.40%	0.00%	0.00%	0.00%	(19.95)	0.00	0.00	0.00	0.00	0.00
FDX	FedEx Corp.	281.33	6.20%	4.40%	2.05%	7.02%	4.98%	(281.33)	5.76	6.12	6.50	6.90	7.33
UPS	United Parcel Serv.	126.10	4.92%	4.40%	5.42%	10.13%	4.71%	(126.10)	6.84	7.18	7.53	7.90	8.29

Earnings Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Earnings Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AIRT	Air T Inc	19.95	0.00%	4.40%	0.00%	0.00%	0.00%	(19.95)	0.00	0.00	0.00	0.00	0.00
FDX	FedEx Corp.	281.33	11.46%	4.40%	2.05%	9.24%	7.19%	(281.33)	5.76	6.42	7.16	7.98	8.89
UPS	United Parcel Serv.	126.10	11.32%	4.40%	5.42%	14.41%	8.99%	(126.10)	6.84	7.61	8.48	9.43	10.50

Notes

[1] From worksheet: DDM Short Term Growth Rate Calculations

[2] From worksheet: Inflation & Real Growth

MONTANA DEPARTMENT OF REVENUE

**DDM Sustainable Long Term Growth
Industry: Scheduled Airlines - Freight
2025 Assessment Year**

Dividend	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
AIRT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
FDX	7.77	8.25	8.75	9.28	9.85	10.44	11.08	11.75	12.47	13.23	14.03	14.89	15.79	16.75	17.77	18.55	19.37	16,826,012,182
UPS	8.69	9.12	9.56	10.03	10.52	11.03	11.57	12.14	12.73	13.35	14.01	14.69	15.41	16.16	16.95	17.70	18.48	16,048,220,674

Earnings	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
AIRT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
FDX	9.87	10.95	12.15	13.49	14.97	16.61	18.44	20.47	22.72	25.21	27.98	31.05	34.47	38.25	42.46	44.33	46.28	40,196,506,159
UPS	11.64	12.91	14.31	15.86	17.58	19.49	21.60	23.95	26.55	29.43	32.62	36.17	40.09	44.44	49.27	51.43	53.70	46,642,981,115

MONTANA DEPARTMENT OF REVENUE

Support for Cost of Debt Component - Yield to Maturity

Industry: Scheduled Airlines - Freight

2025 Assessment Year

A	B	C	D	E	F
Ticker	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Yield to Maturity
		<i>Value Line</i>	<i>Value Line</i>	<i>Moodys.com</i>	
AIRT	Air T Inc	AIRTRANS	C	B	7.33%
FDX	FedEx Corp.	AIRTRANS	B++	Baa2	5.80%
UPS	United Parcel Serv.	AIRTRANS	A	A2	5.53%
Average					6.22%
Median					5.80%
Trimmed Average					5.80%
High					7.33%
Low					5.53%
Selected					6.22%

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Equity Capitalization Rate

Industry: Scheduled Airlines - Freight

2025 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Ticker	Company	End of Year Closing Stock Price	VL Historic EPS	VL Est EPS	VL Historic P/E Ratio	VL Est P/E Ratio	Ke Estimate - Earnings (Hist. P/E)	Ke Estimate - Earnings (Est. P/E)	VL Historic Cash Flow Per Share	VL Est Cash Flow Per Share	VL Historic P/CF Ratio	VL Est P/CF Ratio	Ke Estimate - Cash Flow (Hist. P/CF)	Ke Estimate - Cash Flow (Est. P/CF)	Market Value of Equity	Book Value of Equity	MTBR
		Yahoo	Value Line	Value Line	C/D	C/E	1/F	1/G	Value Line	Value Line	C/J	C/K	1/L	1/M	Price x Shrs	Value Line	P/Q
AIRT	Air T Inc	19.95	(0.28)	0.00	(71.25)				(1.45)	0.00	(13.76)				55	4.80	11.53
FDX	FedEx Corp.	281.33	16.92	19.50	16.63	14.43	6.01%	6.93%	35.88	37.20	7.84	7.56	12.75%	13.22%	68,730	27,582.00	2.49
UPS	United Parcel Serv.	126.10	7.73	8.70	16.31	14.49	6.13%	6.90%	12.81	11.95	9.84	10.55	10.16%	9.48%	93,298	17,306.00	5.39
Average					(12.77)	14.46	6.07%	6.92%			1.31	9.06	11.46%	11.35%			6.47
Median					16.31	14.46	6.07%	6.92%			7.84	9.06	11.46%	11.35%			5.39
Trimmed Average					16.31						7.84						5.39
High					16.63	14.49	6.13%	6.93%			9.84	10.55	12.75%	13.22%			11.53
Low					(71.25)	14.43	6.01%	6.90%			(13.76)	7.56	10.16%	9.48%			2.49
Selected						15.20		6.58%				8.78		11.39%			6.47

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Scheduled Airlines - Freight

2025 Assessment Year

(\$ in Millions)

A	B	C	D	E	F	G	H	I	J
Ticker	Company	Current Year Interest Exp.	Previous Year MV LT Debt	Previous Year BV LT Debt	Current Year MV LT Debt	Current Year BV LT Debt	Average MV LT Debt	Current Yield	MTBR
		<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	$(D+F)/2$	(C/H)	(F/G)
AIRT	Air T Inc	7	125	125	113	113	119	5.81%	1.00
FDX	FedEx Corp.	745	18,300	20,579	17,931	20,203	18,116	4.11%	0.89
UPS	United Parcel Serv.	866	22,100	22,264	20,300	21,284	21,200	4.08%	0.95
All Companies		1,618			38,344	41,600	39,435	4.10%	0.92
Average								4.67%	0.95
Median								4.11%	0.95
Trimmed Average								4.11%	0.95
High								5.81%	1.00
Low								4.08%	0.89
Selected								4.67%	0.95

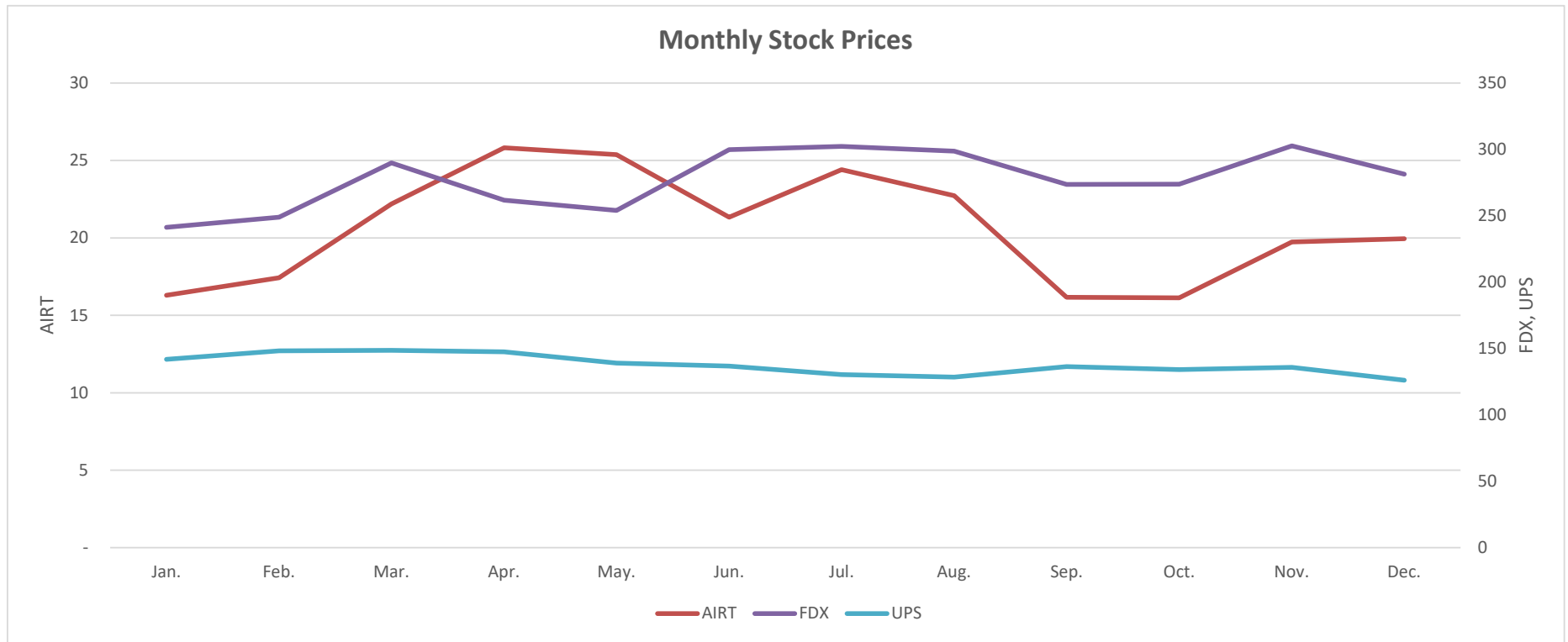
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Scheduled Airlines - Freight

2025 Assessment Year

		End of Period Closing Stock Price											
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
AIRT	Air T Inc	16.30	17.42	22.20	25.82	25.38	21.33	24.40	22.73	16.16	16.13	19.74	19.95
FDX	FedEx Corp.	241.29	248.97	289.74	261.78	253.96	299.84	302.25	298.77	273.68	273.85	302.67	281.33
UPS	United Parcel Serv.	141.90	148.26	148.63	147.48	138.93	136.85	130.37	128.55	136.34	134.06	135.72	126.10



MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

Industry: Scheduled Airlines - Freight

2025 Assessment Year

(\$ In Millions)

1	2		3	4	5	6	7	8	9	10	11
A	B	C	D	E	F	G	H	I	J	K	L
Ticker	Company	Inflation	PP&E, Gross	PP&E, Gross	Average PP&E	Depreciation Expense	Average Life of Assets			Replacement Cost (RC)	RC as % of Depreciation
			Current Year	Previous Year		Current Year		Note [1]	Note [1]	Note [1]	
		MTDOR (CPI)	10-K, Notes	10-K, Notes	(D+E)/2	10-K	F/G	C*H	1/(1+C)^H	G*I/(1-J)	K/G
AIRT	Air T Inc	2.30%	29	28	28	3	10	0.23	0.79	3	113.23%
FDX	FedEx Corp.	2.30%	84,391	80,624	82,508	4,287	19	0.44	0.65	5,354	124.89%
UPS	United Parcel Serv.	2.30%	73,296	71,515	72,406	3,609	20	0.46	0.63	4,546	125.97%
Average											121.36%
Median											124.89%
Trimmed Average											124.89%
High											125.97%
Low											113.23%
Selected											121.36%

Notes

[1] Cornell, B. & Gerger, R. (2017). Estimating Terminal Values with Inflation: The Inputs Matter-It Is Not a Formulaic Exercise. *Business Valuation Review*, Volume 36, Number 4, 117-123.