



MONTANA
DEPARTMENT OF
REVENUE

**2026 Capitalization Rate Study
Scheduled Airlines - Freight**

Final

Completed: April 22, 2026

MONTANA DEPARTMENT OF REVENUE

**Yield Capitalization Rate Conclusion
Industry: Scheduled Airlines - Freight
2026 Assessment Year**

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	12.16%	64%
Capital Asset Pricing Model - Ex Ante ^[2]	9.61%	16%
3 Stage Dividend Discount Model - Dividends ^[3]	8.34%	10%
3 Stage Dividend Discount Model - Earnings ^[3]	10.31%	<u>10%</u>
Weighted Average	<u>11.18%</u>	100%
Selected Cost of Equity	<u>11.18%</u>	

Debt Cost of Capital

		Weighting
A - Avg. YTM of A Rated Corporate Bonds ^[4]	5.71%	33%
Baa - Avg. YTM of Baa Rated Corporate Bonds ^[4]	5.98%	33%
Ba - Avg. YTM of Ba Rated Corporate Bonds ^[5]	7.39%	0%
B - Avg. YTM of B Rated Corporate Bonds ^[5]	8.47%	<u>33%</u>
Weighted Average	<u>6.72%</u>	100%
Selected Cost of Debt	<u>6.72%</u>	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Cost of Capital	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	60.00%	11.18%		11.18%	6.71%	6.71%
Debt	40.00%	6.72%	24.00%	5.11%	2.69%	2.04%
WACC	100.00%				9.40%	8.75%
WACC (Rounded)						8.75%

Notes

- [1] From worksheet: Capital Structure
- [2] From worksheet: Capital Asset Pricing Model Summary
- [3] From worksheet: Yield Equity Summary
- [4] January 2026 Mergent Bond Record, Bloomberg, and Capital IQ
- [5] MDOR High Yield Debt Study, Bloomberg, and Capital IQ

MONTANA DEPARTMENT OF REVENUE

**Direct Capitalization Rate Conclusion
Industry: Scheduled Airlines - Freight
2026 Assessment Year**

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Capitalization Rate ^[2]

NOI After-tax	7.29%
GCF	12.32%

Debt Capitalization Rate ^[3]

Calculated Current Yield	5.21%
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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 Debt Weighted	After-tax Weighted
Equity	60.00%	7.29%		7.29%	4.38%	4.38%
Debt	40.00%	5.21%	24.00%	3.96%	2.08%	1.58%
Total	100.00%				6.46%	5.96%
Total (Rounded)						5.96%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	60.00%	12.32%		12.32%	7.39%	7.39%
Debt	40.00%	5.21%	24.00%	3.96%	2.08%	1.58%
Total	100.00%				9.48%	8.98%
Total (Rounded)						8.98%

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
2026 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						
AC.TO		No					
AIRT	Yes		Yes	Yes	Yes	Yes	
ALGT	No						
ALK	No						
CPA	No						
DAL	No						
FDX	Yes	Yes	Yes	Yes	Yes	Yes	
JBLU	No						
JOBY	No						
LUV	No						
RJET	No						
RYAAY	No						
SKYW	No						
SNCY	No						
SRFM	No						
UAL	No						
ULCC	No						
UP	No						
UPS	Yes	Yes	Yes	Yes	Yes	Yes	
VTOL	No						

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Support for Capital Structure
Industry: Scheduled Airlines - Freight
2026 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	2.703	19.10	52	0	114	14	179	29%	0%	71%
FDX	FedEx Corp.	AIRTRANS	B++	238.000	288.86	68,749	0	20,579	16,837	106,165	65%	0%	35%
UPS	United Parcel Serv.	AIRTRANS	A	743.856	99.19	73,783	0	24,127	4,463	102,373	72%	0%	28%
All Companies						142,583	0	44,820	21,314	208,717	68%	0%	32%
Average											55%	0%	45%
Median											65%	0%	35%
Trimmed Average											65%	0%	35%
High											72%	0%	71%
Low											29%	0%	28%
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:

2026 - No changes to guideline companies

		<u>Median</u>	
Current Year	65%	0%	35%
Prior Year	65%	0%	35%
2 Years Prior	51%	0%	49%
3 Year Average	60%	0%	40%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)
Industry: Scheduled Airlines - Freight
2026 Assessment Year

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

		<i>Ex Post</i>	<i>Ex Ante</i>
k_e =	Cost of Equity	12.16%	9.61%
R_f =	Risk Free Rate	4.79%	4.79%
β =	Beta	1.00	1.00
ERP =	Equity Risk Premium ($R_m - R_f$)	7.37%	4.82%
R_m =	Market Rate of Return	12.16%	9.61%

Risk Free Rate Measures (R_f):

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

January 2, 2026 Page 1934

Selected Yields on Taxable U.S. Treasury Securities as of 12/22/25

10-year	4.17%
30-year	4.84%

Federal Reserve Statistical Release^[2]

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2025

10-year	4.18%
20-year	4.79%
30-year	4.84%
Risk Free Rate Selected	<u>4.79%</u>

Notes

[1] "Value Line Selection & Opinion", Value Line (January 2, 2026)

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

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

Kroll, 2026 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>	12.16%	4.79%	7.37%
ERP "Supply-side" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	11.10%	4.79%	6.31%
Ex Post Equity Risk Premium Selected		<u>12.16%</u>	<u>4.79%</u>	<u>7.37%</u>

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Scheduled Airlines - Freight

2026 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>
3 Stage Dividend Discount Model - <i>Ex Ante</i>	7.73%	4.79%	2.94%
Implied Premium - <i>Ex Ante</i>	8.92%	4.79%	4.13%

Kroll, 2026 Cost of Capital Navigator

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>	9.79%	4.79%	5.00%

Damodaran Implied ERP (Jan 1, 2026)

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium - <i>Ex Ante</i> - Trailing 12 month, with sustainable payout	8.36%	4.18%	4.18%
Implied Premium - <i>Ex Ante</i> - Trailing 12 month cash yields	8.41%	4.18%	4.23%
Implied Premium - <i>Ex Ante</i> - Average CF yield last 10 years	10.36%	4.18%	6.18%
Implied Premium - <i>Ex Ante</i> - Net cash yield	8.14%	4.18%	3.96%
Implied Premium - <i>Ex Ante</i> - Normalized earnings and payout	<u>7.80%</u>	<u>4.18%</u>	<u>3.62%</u>
Damodaran Average	8.61%	4.18%	4.43%

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	8.69%		4.28%
<u>Median</u>	8.39%		4.16%
<u>High</u>	10.36%		6.18%
<u>Low</u>	7.73%		2.94%

Ex Ante Equity Risk Premium Selected

9.61%	4.79%	4.82%
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Support for Beta Selection in CAPM
Industry: Scheduled Airlines - Freight
2026 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	0.70
FDX	FedEx Corp.	AIRTRANS	B++	1.15
UPS	United Parcel Serv.	AIRTRANS	A	1.05
Average				0.97
Median				1.05
Trimmed Average				1.05
High				1.15
Low				0.70
Selected				1.00

MONTANA DEPARTMENT OF REVENUE

**Inflation & Real Growth
Industry: Scheduled Airlines - Freight
2026 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%	2.01%	4.30%		
Survey of Professional Forecasters ^[2]	2.25%	2.40%	4.65%		
Congressional Budget Office ^[3]	2.30%	1.80%	4.10%		
Average	2.28%	2.07%	4.35%		
Median	2.29%	2.01%	4.30%		
High	2.30%	2.40%	4.70%		
Low	2.25%	1.80%	4.05%		
Selected	2.30%	2.00%	4.30%	4.05%	4.70%

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>
2014	234.812	0.8%	1.3801	236.736	1.6%	1.3599
2015	236.525	0.7%	1.3701	237.017	0.1%	1.3583
2016	241.432	2.0%	1.3422	240.007	1.2%	1.3414
2017	246.524	2.1%	1.3145	245.120	2.1%	1.3134
2018	251.233	1.9%	1.2899	251.107	2.4%	1.2821
2019	256.974	2.2%	1.2610	255.657	1.8%	1.2593
2020	260.474	1.3%	1.2441	258.811	1.2%	1.2439
2021	278.802	6.6%	1.1623	270.970	4.5%	1.1881
2022	296.797	6.1%	1.0918	292.655	7.4%	1.1001
2023	306.746	3.2%	1.0564	304.702	4.0%	1.0566
2024	315.605	2.8%	1.0268	313.689	2.9%	1.0263
2025	324.054	2.6%	1.0000	321.943	2.6%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 19, 2025 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 November 17, 2025 Table 8 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: 2026 To 2036

<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

2026 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	2025 Year End Stock Price	2026 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	19.10	0.00	0.00%	0.00%	0.00%		
FDX	FedEx Corp.	288.86	5.80	2.01%	5.96%	5.17%	7.97%	7.18%
UPS	United Parcel Serv.	99.19	6.70	6.75%	1.96%	6.69%	8.71%	13.44%
Average							8.34%	10.31%
Median							8.34%	10.31%
Trimmed Average								
High							8.71%	13.44%
Low							7.97%	7.18%
Selected							8.34%	10.31%

Notes

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

Implied Sustainable LTG:

3.96%

5.93%

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Support for DDM - Short Term Growth Rate Calculations

Industry: Scheduled Airlines - Freight

2026 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2026 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2028-2030 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	19.10	0.00	0.00%	0.00	
FDX	FedEx Corp.	288.86	5.80	2.01%	7.50	8.95%
UPS	United Parcel Serv.	99.19	6.70	6.75%	6.80	0.50%

A	B	C	D	E
Ticker	Company	Earnings per share 2026 Est	Earnings per share 2028-2030 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	
FDX	FedEx Corp.	21.25	26.00	6.96%
UPS	United Parcel Serv.	8.00	10.00	7.72%

Notes

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

MONTANA DEPARTMENT OF REVENUE

DDM Sustainable Long Term Growth

Industry: Scheduled Airlines - Freight

2026 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
		<i>Yahoo</i>	<i>Note [1]</i>	<i>Note [2]</i>	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AIRT	Air T Inc	19.10	0.00%	4.30%	0.00%	0.00%	0.00%	(19.10)	0.00	0.00	0.00	0.00	0.00
FDX	FedEx Corp.	288.86	8.95%	4.30%	2.01%	7.97%	5.96%	(288.86)	5.80	6.32	6.88	7.50	8.17
UPS	United Parcel Serv.	99.19	0.50%	4.30%	6.75%	8.71%	1.96%	(99.19)	6.70	6.73	6.77	6.80	6.83

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
		<i>Yahoo</i>	<i>Note [1]</i>	<i>Note [2]</i>	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AIRT	Air T Inc	19.10	0.00%	4.30%	0.00%	0.00%	0.00%	(19.10)	0.00	0.00	0.00	0.00	0.00
FDX	FedEx Corp.	288.86	6.96%	4.30%	2.01%	7.18%	5.17%	(288.86)	5.80	6.20	6.63	7.10	7.59
UPS	United Parcel Serv.	99.19	7.72%	4.30%	6.75%	13.44%	6.69%	(99.19)	6.70	7.22	7.77	8.38	9.02

Notes

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

[2] From worksheet: Inflation & Real Growth

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**DDM Sustainable Long Term Growth
Industry: Scheduled Airlines - Freight
2026 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	8.88	9.64	10.48	11.38	12.36	13.43	14.59	15.85	17.22	18.71	20.32	22.08	23.99	26.06	28.31	29.52	30.79	16,918,430,922
UPS	6.88	6.94	6.99	7.04	7.09	7.15	7.20	7.25	7.31	7.36	7.42	7.47	7.53	7.59	7.64	7.97	8.31	4,567,880,613

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	8.10	8.65	9.24	9.87	10.54	11.25	12.01	12.83	13.70	14.63	15.62	16.68	17.81	19.01	20.30	21.17	22.08	12,133,722,217
UPS	9.70	10.42	11.21	12.05	12.95	13.92	14.96	16.08	17.29	18.58	19.98	21.47	23.08	24.81	26.67	27.82	29.01	15,940,298,828

MONTANA DEPARTMENT OF REVENUE

Support for Cost of Debt Component - Yield to Maturity

Industry: Scheduled Airlines - Freight

2026 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	8.47%
FDX	FedEx Corp.	AIRTRANS	B++	Baa2	5.98%
UPS	United Parcel Serv.	AIRTRANS	A	A2	5.71%
Average					6.72%
Median					5.98%
Trimmed Average					5.98%
High					8.47%
Low					5.71%
Selected					6.72%

**Highlighted ratings are estimated based on financial strength and historical interest coverage ratios*

MONTANA DEPARTMENT OF REVENUE
Support for Direct Capitalization - Equity Capitalization Rate
Industry: Scheduled Airlines - Freight
2026 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	19.10	(2.46)	0.00	(7.76)				(0.66)	0.00	(28.94)				52	(3.20)	(16.13)
FDX	FedEx Corp.	288.86	18.46	21.25	15.65	13.59	6.39%	7.36%	36.53	37.55	7.91	7.69	12.65%	13.00%	68,749	28,074.00	2.45
UPS	United Parcel Serv.	99.19	6.88	8.00	14.42	12.40	6.94%	8.07%	11.97	11.50	8.29	8.63	12.07%	11.59%	73,783	16,718.00	4.41
Average					7.43	13.00	6.66%	7.71%			(4.25)	8.16	12.36%	12.30%			(3.09)
Median					14.42	13.00	6.66%	7.71%			7.91	8.16	12.36%	12.30%			2.45
Trimmed Average					14.42						7.91						2.45
High					15.65	13.59	6.94%	8.07%			8.29	8.63	12.65%	13.00%			4.41
Low					(7.76)	12.40	6.39%	7.36%			(28.94)	7.69	12.07%	11.59%			(16.13)
Selected					13.71		7.29%				8.12		12.32%				3.43

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Scheduled Airlines - Freight

2026 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>	<i>(D+F)/2</i>	<i>(C/H)</i>	<i>(F/G)</i>
AIRT	Air T Inc	8.39	123.93	112.93	131.24	113.61	127.58	6.57%	1.16
FDX	FedEx Corp.	789	17,931	20,203	17,880	20,579	17,906	4.41%	0.87
UPS	United Parcel Serv.	1,017	20,255	21,284	23,581	24,127	21,918	4.64%	0.98
All Companies		1,814			41,592	44,820	39,951	4.54%	0.93
Average								5.21%	1.00
Median								4.64%	0.98
Trimmed Average								4.64%	0.98
High								6.57%	1.16
Low								4.41%	0.87
Selected								5.21%	1.00

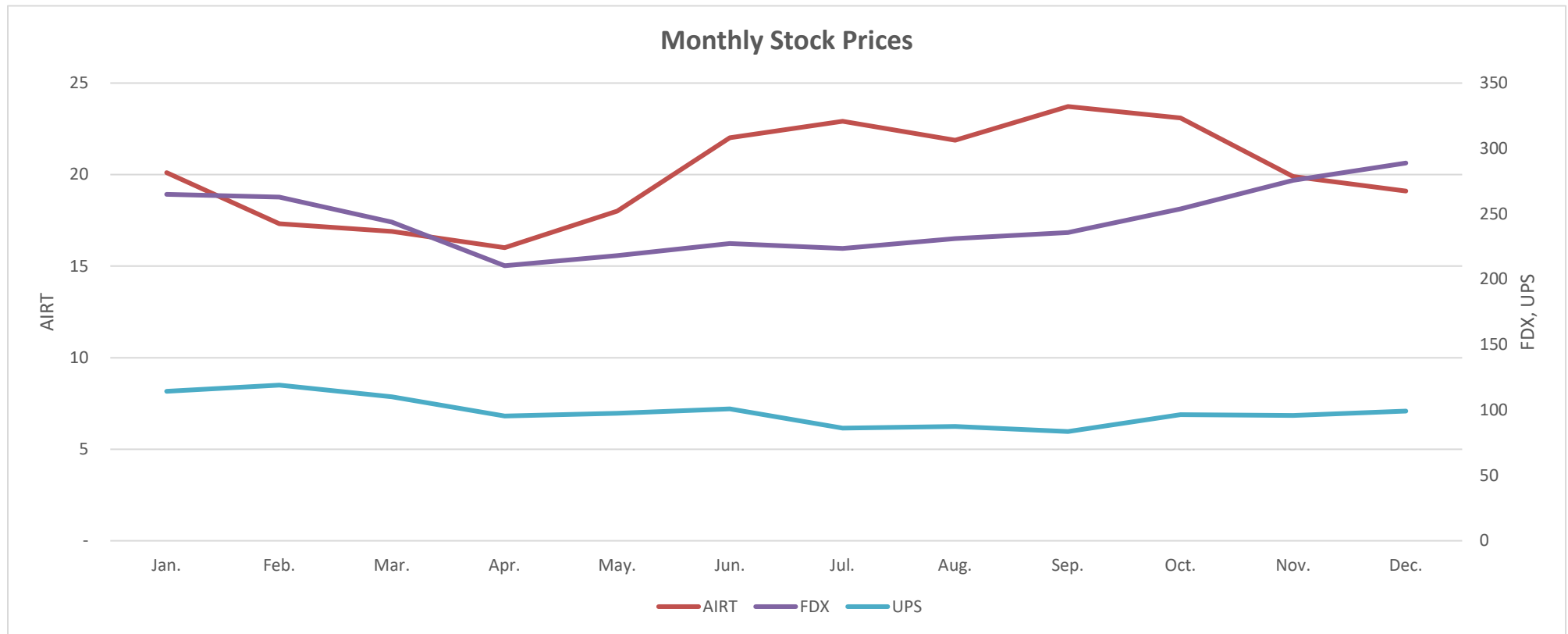
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Scheduled Airlines - Freight

2026 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	20.11	17.31	16.90	16.01	18.01	22.01	22.91	21.88	23.72	23.10	19.90	19.10
FDX	FedEx Corp.	264.87	262.90	243.78	210.33	218.10	227.31	223.49	231.07	235.81	253.82	275.68	288.86
UPS	United Parcel Serv.	114.23	119.03	109.99	95.30	97.54	100.94	86.16	87.44	83.53	96.42	95.79	99.19



MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

Industry: Scheduled Airlines - Freight

2026 Assessment Year

(\$ In Millions)

<i>1</i>	<i>2</i>		<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
A	B	C	D	E	F	G	H	I	J	K	L
Ticker	Company	Inflation	PP&E, Gross	PP&E, Gross	Average	Depreciation	Average			Replacement	RC as % of
			<i>Current Year</i>	<i>Previous Year</i>	<i>PP&E</i>	<i>Expense</i>	<i>Life of</i>	<i>Note [1]</i>	<i>Note [1]</i>	<i>Note [1]</i>	<i>Depreciation</i>
		<i>MTDOR (CPI)</i>	<i>10-K, Notes</i>	<i>10-K, Notes</i>	<i>(D+E)/2</i>	<i>10-K</i>	<i>F/G</i>	<i>C*H</i>	<i>1/(1+C)^H</i>	<i>G*I/(1-J)</i>	<i>K/G</i>
AIRT	Air T Inc	2.30%	29.53	28.57	29.05	4.36	6.67	0.15	0.86	4.75	109.01%
FDX	FedEx Corp.	2.30%	87,622	84,391	86,007	4,264	20	0.46	0.63	5,377	126.11%
UPS	United Parcel Serv.	2.30%	75,162	73,296	74,229	3,746	20	0.46	0.64	4,706	125.64%
Average											120.25%
Median											125.64%
Trimmed Average											125.64%
High											126.11%
Low											109.01%
Selected											120.25%

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.