MESA AIR GROUP INC
Form S-1
July 13, 2018
Table of Contents

As filed with the Securities and Exchange Commission on July 13, 2018

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

Under

The Securities Act of 1933

MESA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada	**4512**	**85-0302351**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

410 North 44th Street, Suite 700

Phoenix, Arizona 85008

(602) 685-4000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Jonathan G. Ornstein

Chairman and Chief Executive Officer

Mesa Air Group, Inc.

410 North 44th Street, Suite 700

Phoenix, Arizona 85008

(602) 685-4000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Executive Vice President, General Counsel and Secretary

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New York, New York 10020-1001

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 (do not check if a smaller reporting company)	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 to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(1)	Amount Of Registration Fee
Common stock, no par value per share			$150,000,000	$18,675

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares that the

underwriters have the option to purchase.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 13, 2018.

Shares

Mesa Air Group, Inc.

Common Stock

This is the initial public offering of our common stock. We are offering shares.

We estimate that the initial public offering price per share will be between $ and $. Currently, no public market exists for our common stock. We have applied to have our common stock listed on the Nasdaq Global Select Market under the symbol MESA.

We are an emerging growth company as defined under the federal securities laws, and, as such, we are subject to reduced public company reporting requirements. See *Prospectus Summary Implications of Being an Emerging Growth Company*.

Investing in our common stock involves risks. See *Risk Factors* beginning on page 15 to read about factors you should consider before buying shares of our common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[1]	$	$
Proceeds to us (before expenses)	$	$
Proceeds to the selling shareholders (before expenses)	$	$

(1) See the *Underwriting* section beginning on page 145 for additional information regarding underwriting compensation.

The selling shareholders identified in this prospectus have granted the underwriters the right to purchase up to an additional shares of common stock at the initial public offering price, less underwriting discounts and commissions. The underwriters can exercise this option within 30 days from the date of this prospectus. We will not receive any of the proceeds from the sale of any shares by the selling shareholders if the overallotment option is exercised.

Neither the Securities and Exchange Commission, nor any state securities commission, nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to the purchasers on or about , 2018.

RAYMOND JAMES **BofA Merrill Lynch**

Cowen **Stifel** **Imperial Capital**

Prospectus dated , 2018.

Table of Contents

Table of Contents

TABLE OF CONTENTS

We are responsible for the information contained in this prospectus or contained in any free writing prospectus prepared by or on behalf of us to which we have referred you. Neither we, the underwriters, nor the selling shareholders have authorized anyone to provide you with additional information or information different from that contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission and we take no responsibility for any other information that others may give you. We and the selling shareholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, operating results or financial condition may have changed since such date.

Until , 2018 (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer s obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

Table of Contents

We have obtained federal registration of the Mesa Airlines® trademark. American® and American Eagle® are trademarks of American Airlines, Inc. United® and United Express® are trademarks of United Airlines, Inc. All other trade names, trademarks, and service marks appearing in this prospectus are the property of their respective holders. We have omitted the ® and designations, as applicable, for the trademarks used in this prospectus.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of the offering, but does not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully before making an investment decision, especially the risks of investing in our common stock described under Risk Factors. Unless the context otherwise requires, the terms we, us, our, the Company and Mesa refer to Mesa Air Group, Inc. and its predecessors, direct and indirect subsidiaries and affiliates. Our airline operations are conducted through our subsidiary, Mesa Airlines, Inc. (Mesa Airlines). Certain terms related to the airline industry are described under Glossary of Airline Terms at the end of this prospectus.

Our Company

Mesa Airlines is a regional air carrier providing scheduled passenger service to 110 cities in 38 states, the District of Columbia, Canada, Mexico and the Bahamas. All of our flights are operated as either American Eagle or United Express flights pursuant to the terms of capacity purchase agreements we entered into with American Airlines, Inc. (American) and United Airlines, Inc. (United) (each, our major airline partner). We have a significant presence in several of our major airline partners key domestic hubs and focus cities, including Dallas, Houston, Phoenix and Washington-Dulles. We have been the fastest growing regional airline in the United States over our last five fiscal years, based on fleet growth, with a cumulative increase in aircraft of 137%.

As of March 31, 2018, we operated a fleet of 145 aircraft with approximately 610 daily departures. We operate 64 CRJ-900 aircraft under our capacity purchase agreement with American (the American Capacity Purchase Agreement) and 20 CRJ-700 and 60 E-175 aircraft under our capacity purchase agreement with United (the United Capacity Purchase Agreement). Over the last five calendar years, our share of the total regional airline fleet of American and United has increased from 7% to 11% and from 4% to 15%, respectively. Driven by this fleet growth, our total operating revenues have grown by 55% from $415.2 million in fiscal 2013 to $643.6 million in fiscal 2017, respectively. We believe we have expanded our share with our major airline partners because of our competitive cost structure, access to pilots under our labor agreements and track record of reliable performance. All of our operating revenue in our 2017 fiscal year and the six months ended March 31, 2018 was derived from operations associated with our American and United Capacity Purchase Agreements.

Our long-term capacity purchase agreements provide us guaranteed monthly revenue for each aircraft under contract, a fixed fee for each block hour and flight flown, and reimbursement of certain direct operating expenses, in exchange for providing regional flying on behalf of our major airline partners. Our capacity purchase agreements shelter us from many of the elements that cause volatility in airline financial performance, including fuel prices, variations in ticket prices, and fluctuations in number of passengers. In providing regional flying under our capacity purchase agreements, we use the logos, service marks, flight crew uniforms and aircraft paint schemes of our major airline partners. Our major airline partners control route selection, pricing, seat inventories, marketing and scheduling, and provide us with ground support services, airport landing slots and gate access, allowing us to focus all of our efforts on delivering safe, reliable and cost-competitive regional flying.

Regional aircraft are optimal for short and medium-haul scheduled flights that connect outlying communities with larger cities and act as feeders for domestic and international hubs. In addition, regional aircraft are well suited to serve larger city pairs during off-peak times when load factors on larger jets are low. The lower trip costs and operating efficiencies of regional aircraft, along with the

1

Table of Contents

competitive nature of the capacity purchase agreement bidding process, provide significant value to major airlines. According to the Regional Airline Association, we were the fifth largest regional airline company in the United States in 2016, as measured by passenger enplanements, and our flights accounted for approximately 8.4% of all passengers carried on U.S. regional airlines.

Regional airlines play a daily, essential role in the U.S. air travel system. According to the Regional Airline Association, 42% of all scheduled passenger flights in the United States in 2016 were operated by regional airlines. Of all the U.S. airports with passenger airline service, 64% are served exclusively by regional airlines. Some of the most popular U.S. airports have more than half of all their flights on regional airlines, including New York-LaGuardia, Philadelphia, Washington-Dulles, Charlotte, Houston-Bush and Chicago-O Hare.

Our Competitive Strengths

We believe that our primary strengths are:

Low-Cost Operator. We believe that we are among the lowest cost operators of regional jet service in the United States. There are several key elements that contribute to our cost efficiencies:

Efficient Fleet Composition. We exclusively operate large regional aircraft with 70+ passenger seats on a single Federal Aviation Administration (the FAA) certificate. Operating large regional aircraft allows us to enjoy unit cost advantages over smaller regional aircraft. Larger regional aircraft require less fuel and crew resources per passenger carried, and may also have maintenance cost efficiencies.

Cost Effective, Long-Term Collective Bargaining Agreements. Our pilots and flight attendants ratified new four-year collective bargaining agreements effective as of July 13, 2017 and October 1, 2017, respectively, which are among the longest in the regional airline industry and include labor rate structures through 2023 for our pilots and 2022 for our flight attendants. We believe that our collective bargaining agreements and favorable labor relationships are critical for pilot retention and will provide more predictable labor costs into 2023. We derive cost advantages from efficient work rules and the relatively low average seniority of our pilots.

Low Corporate Overhead. Our general and administrative expenses per block hour have decreased by more than 35% over the five-year period ended September 30, 2017. We have significantly reduced our overhead costs by operating with a modest administrative and corporate team, offering cost-effective benefit programs and implementing automated solutions to improve efficiency.

Competitive Procurement of Certain Operating Functions. We have long-term maintenance agreements with expirations extending from December 2020 to December 2027 with AAR Aircraft Services, Inc. (AAR), GE Engine Services, LLC (GE), StandardAero Limited (StandardAero), Aviall Services, Inc. (Aviall) and Bombardier Aerospace (Bombardier), respectively, to provide parts procurement, inventory and engine, airframe and component overhaul services. We expect that our long-term agreements with these and other strategic vendors will provide predictable high-quality and cost-effective solutions for most maintenance categories over the next several years. In prior periods, we also invested in long-term engine overhauls on certain aircraft, which we believe will reduce related maintenance obligations in future periods.

Advantages in Pilot Recruitment and Retention. We believe that we are well positioned to attract and retain qualified pilot candidates. Following the ratification of our collective bargaining agreements in July 2017, the average number of new pilot applications per month has increased by 45.3% compared to the six months prior to such ratification. In addition, our average pilot attrition has decreased by 16.2% over the same period.

The following chart presents our cumulative increase in new pilots who have completed training, net of attrition, from July 2017 through June 2018:

We believe that the increased number of new pilot applications per month will continue with the introduction of our Career Path Program (CPP) with United. In addition to offering competitive compensation, bonuses and benefits, we believe the following elements contribute to our recruiting advantage:

- *Career Path Program.* We recently announced our CPP with United, which is designed to provide our qualified current and future pilots a path to employment as a pilot at United. We believe that our CPP will help us continue to attract qualified pilots, manage natural attrition and further strengthen our decades-long relationship with United.

- *Modern, Large-Gauged Regional Jets*. We exclusively operate large regional aircraft with advanced flight deck avionics. We believe that pilot candidates prefer advanced flight deck avionics because they are similar to those found in the larger commercial aircraft types flown by major airlines.

- *Opportunities for Advancement.* We believe that our career progression is among the most attractive in the regional airline industry. During fiscal 2017, our pilots had the opportunity to be promoted from first officer to captain in as little as 12 months.

- *Stable Labor Relations.* Throughout our long operating history, we believe that we have had constructive relationships with our employees and their labor representatives. We have never been the subject of a labor strike or labor action that impacted our operations.

- *Enthusiastic and Supportive Culture.* Our pilots helping pilots philosophy helps us attract, retain and inspire our next generation of pilots. Our team-oriented culture, as demonstrated by the mentorship of our senior pilots, is both encouraged and expected. We strive to create an environment for our personnel where open communication is customary and where we celebrate our successes together.

Table of Contents

Stable, Long-Term Revenue-Guarantee Capacity Purchase Agreements. We have long-term capacity purchase agreements with American and United that extend beyond 2020 for 94 of our 144 aircraft in scheduled service (with 34 aircraft expiring between June and December 2019 and 16 aircraft expiring between January and August 2020, if not extended prior to contract expiration). Both of our capacity purchase agreements are capacity purchase, rather than revenue sharing arrangements. This contractual structure provides us with a predictable revenue stream and allows us to increase our profit margin to the extent that we are able to lower our operating costs below the costs anticipated by the agreements. In addition, we are not exposed to price fluctuations for fuel, certain insurance expenses, ground operations or landing fees as those costs are either reimbursed under our capacity purchase agreements or paid directly to suppliers by our major airline partners.

Fleet Exclusively Comprised of Large, Efficient Regional Jets. We exclusively operate large regional aircraft with 70+ passenger seats. These aircraft are the highest in demand across the regional airline industry and provide us with best-in-class operating efficiencies, providing our major airline partners greater flexibility in route structuring and increased passenger revenues. As of March 31, 2018, we had 145 aircraft (owned and leased) consisting of the following:

	Embraer Regional Jet-175 (76 seats)	Canadair Regional Jet-700 (70 seats)	Canadair Regional Jet-900 (76-79 seats)	Canadair Regional Jet-200 (50 seats)(1)	Total
American Eagle			64		64
United Express	60	20			80
Subtotal	60	20	64		144
Unassigned				1	1
Total	60	20	64	1	145

(1) CRJ-200 is an operational spare not assigned for service under our capacity purchase agreements.

Longstanding Relationships with American and United. We began flying for United in 1991 and American, through its predecessor entities, in 1992. Since 2013, we have added 26 aircraft to our American Capacity Purchase Agreement and 60 aircraft to our United Capacity Purchase Agreement.

Strong Recent Record of Operational Performance. In January 2018, the U.S. Department of Transportation (DOT) recognized us as the number one regional airline for on-time performance. In addition, we believe that we were the number one regional airline for on-time performance in 2016 and 2017 based on a comparison of our internal data to publicly available DOT data for reporting airlines. Under our capacity purchase agreements, we may receive financial incentives or incur penalties based upon our operational performance, including controllable on-time departures and controllable completion percentages.

Experienced, Long-Tenured Management Team. Our senior management team has extensive operating experience in the regional airline industry. Our Chief Executive Officer and President/Chief Financial Officer have served us in senior officer positions since 1998, and our management team has helped us navigate through and emerge successfully from bankruptcy in early 2011. From 2013 to September 30, 2017, we have significantly grown the business in the following ways:

achieved revenue growth of 55%;

expanded the number of aircraft flown under our American Capacity Purchase Agreement from 38 to 64;

4

Table of Contents

expanded the number of aircraft flown under our United Capacity Purchase Agreement from 20 to 78;

closed the first enhanced equipment trust certificate (EETC) financing by a regional airline; and

improved our operating efficiencies and maintained our cost advantage.

Our Business Strategy

Our business strategy consists of the following elements:

Maintain Low-Cost Structure. We have established ourselves as a low-cost, efficient and reliable provider of regional airline services. We intend to continue our disciplined cost control approach through responsible outsourcing of certain operating functions, by flying large regional aircraft with associated lower maintenance costs and common flight crews across fleet types, and through the diligent control of corporate and administrative costs. Additionally, we expect our long-term collective bargaining agreements to protect us from significant labor cost increases over the next five years. These efficiencies, coupled with the low average seniority of our pilots, has enabled us to compete aggressively on price in our capacity purchase agreement negotiations.

Attractive Work Opportunities. We believe our employees have been, and will continue to be, a key to our success. Our ability to attract, recruit and retain pilots has supported our industry-leading fleet growth. We intend to continue to offer competitive compensation packages, foster a positive and supportive work environment and provide opportunities to fly state-of-the-art, large-gauged regional jets to differentiate us from other carriers and make us an attractive place to work and build a career.

Maintain a Prudent and Conservative Capital Structure. We intend to continue to maintain a prudent capital structure. We believe that the strength of our balance sheet and credit profile will enable us to optimize terms with lessors and vendors and, when preferred by our major airline partners, allow us to procure and finance aircraft on competitive terms. Also, once we complete this offering, our financial resources and publicly traded securities may allow us to take advantage of attractive acquisition opportunities should they arise. We may use a portion of the offering proceeds to purchase some of our leased aircraft. The purchase of leased aircraft would allow us to lower our operating costs and avoid lease-related use restrictions and return conditions.

Minimize Tail Risk. We have structured our aircraft leases and financing arrangements to minimize or eliminate, as much as possible, so-called tail risk, which is the amount of aircraft-related lease obligations or projected negative equity existing beyond the term of that aircraft s corresponding capacity purchase agreement. As of March 31, 2018, we had 18 aircraft with leases extending past the term of their corresponding capacity purchase agreements with an aggregate exposure of less than $33.0 million and no financing arrangements with projected negative equity. We intend to continue to align the terms of our aircraft leases and financing agreements with the terms of our capacity purchase agreements in order to maintain low tail risk.

Our Growth Opportunities

During our last five fiscal years, our total operating revenues grew at a compounded annual rate of 11.6% and our fleet size increased from 59 to 140 regional aircraft, a cumulative growth rate of 137%. We believe that our cost discipline, strong operational performance and financial resources will provide additional opportunities to expand our operations, including:

Expand Flying With New and Existing Airline Partners. We enjoy strong relationships with our major airline partners and have significantly expanded our fleet size and flight operations with

Table of Contents

American and United over the last five years. As the demand for air travel among our major airline partners continues to grow, we expect to have the opportunity to increase our flight services for each major airline partner. In addition, over the next five years, we expect that capacity purchase agreements representing up to 300 aircraft currently flown by our competitors on behalf of major airlines will expire by their terms and be subject to rebidding or replacement by more desirable types of aircraft. We believe that our cost structure and operational efficiencies position us well to compete for this flying. Additionally, we intend to pursue opportunities to provide regional flying to other major airlines with hub cities that do not overlap with our existing major airline partners. In addition, if a market for regional flying on behalf of low-cost and ultra low-cost carriers materializes, we believe that we are well positioned to partner with them, as one of the lowest cost regional airlines in the United States.

Acquisitions of Other Regional Airlines. In the future, we may evaluate the strategic acquisition of other regional air carriers. The opportunity to make an acquisition may arise if, for example, a major airline makes a divestiture of a captive regional airline, as major airlines have done in the past.

Opportunities in the Air Cargo and Express Package Sector. We believe that our cost structure and business model may be successfully deployed in the burgeoning air cargo and express shipping sectors. Amazon.com, Inc. and several of the largest integrated logistics companies, including United Parcel Service, Inc., FedEx Corporation and DHL International GmbH, utilize contractual arrangements similar to our capacity purchase agreements with regional air cargo carriers to service outlying areas. We intend to explore future regional air cargo opportunities.

Regulatory Relief. We actively support the efforts of trade organizations, industry leaders, policymakers and other airlines to encourage regulatory reforms related to the current shortage of qualified pilots, lowering the cost of pilot training and providing access to air service for small communities. While the regulatory reform agenda and policies of the current administration are not fully known, it is possible that favorable regulatory changes may take place. We believe that favorable regulatory changes by the current administration, were they to occur, could increase the number of qualified pilots, lower our operating costs and create incremental opportunities for us with our existing and other potential future major airline partners.

Recent Developments

We acquired nine CRJ-900 aircraft for $76.5 million on June 28, 2018 and financed the purchase through a combination of new borrowings and a refinancing of existing debt on six CRJ-900 aircraft. All nine aircraft were previously part of our operating fleet and leased from GE Capital Aviation Services LLC under the GECAS Lease Facility (as defined below). We also mutually agreed with GE Capital Aviation Services LLC to terminate a warrant to purchase 100,000 shares of our common stock. In connection with the transaction, we expect to record non-cash lease termination expense of $15.1 million in our fiscal quarter ended June 30, 2018.

Risks Affecting Us

Our business is subject to numerous risks and uncertainties, including those highlighted in the section of this prospectus titled Risk Factors immediately following this prospectus summary. These risks include, but are not limited to:

- the supply and retention of qualified airline pilots;

the volatility of pilot attrition;

dependence on, changes to, or non renewal of, our capacity purchase agreements;

Table of Contents

- increases in our labor costs;
- reduced utilization under our capacity purchase agreements;
- the financial strength of our major airline partners;
- direct operation of regional jets by our major airline partners;
- limitations on our ability to expand regional flying within the flight systems of our major airline partners and those of other major airlines;
- our significant amount of debt and other contractual obligations;
- our compliance with ongoing financial covenants under our credit facilities; and
- our ability to keep costs low and execute our growth strategies.

Corporate Information

We are a Nevada corporation with our principal executive office in Phoenix, Arizona. We were founded in 1982 and reincorporated in Nevada in 1996. In addition to operating Mesa Airlines, we also wholly own Mesa Air Group Airline Inventory Management, LLC, (MAG-AIM), an Arizona limited liability company, which was established to purchase, distribute and manage Mesa Airline s inventory of spare rotable and expendable parts. MAG-AIM s financial results are reflected in our consolidated financial statements.

Our principal executive offices are located at 410 North 44th Street, Suite 700, Phoenix, Arizona 85008, and our telephone number is (602) 685-4000. Our website is located at www.mesa-air.com. The information on, or accessible through, our website does not constitute part of, and is not incorporated into, this prospectus.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an emerging growth company as defined in the Jumpstart Our Business Startups Act (the JOBS Act), enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act);

- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and

- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such

Table of Contents

five-year period, including if we become a large accelerated filer, our annual gross revenue exceeds $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our shareholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have irrevocably elected not to avail ourselves of this exemption and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Table of Contents

THE OFFERING

Common stock offered by us	shares.
Common stock to be outstanding after the offering	shares.
Underwriters option to purchase additional shares from the selling shareholders	The selling shareholders may sell up to additional shares if the underwriters exercise their option to purchase additional shares.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and commissions and estimated expenses of this offering payable by us. We intend to use the net proceeds to be received by us from this offering to (i) repay approximately $ million of existing indebtedness under our , which is described in *Management s Discussion and Analysis of Financial Condition and Results of Operations Commitments and Contractual Obligations* and (ii) to pay fees and expenses related to this offering, which we expect to be $. We intend to use any remaining proceeds for general corporate purposes, which may include the repayment of indebtedness, working capital and capital expenditures, including flight equipment acquisitions and lease buyouts. See *Use of Proceeds*. are the selling shareholders in this offering. We will not receive any of the proceeds from the sale of any shares by the selling shareholders if the underwriters exercise their option to purchase additional shares. See *Principal and Selling Shareholders*.
Risk factors	See *Risk Factors* beginning on page 15 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed symbol	MESA

The number of shares of our common stock outstanding after this offering is based on 4,957,686 shares outstanding as of March 31, 2018, 4,356,362 shares issuable upon exercise of warrants with an exercise price of $0.01 per share, 100,000 shares issuable upon exercise of warrants with an exercise price of $8.00 per share and 78,893 issued but unvested shares under the Mesa Air Group, Inc. 2011 Stock Incentive Plan (the 2011 Plan) and the Mesa Air Group, Inc. 2017 Stock Plan (the 2017 Plan), accounted for under the treasury method, and excludes:

- an aggregate of 2,000,000 shares of common stock reserved for issuance under the Mesa Air Group, Inc. Amended and Restated Stock Appreciation Rights Plan (the SAR Plan), 846,664 of which were outstanding as of March 31, 2018, which settle in cash; and

Table of Contents

- an aggregate of 500,000 shares of common stock reserved for issuance under the Mesa Air Group, Inc. Restricted Phantom Stock Units Plan (the RSU Plan), 123,360 of which were issued as of March 31, 2018, and may be settled in cash, shares of common stock, or in a combination of cash and shares of common stock, at either our option or the holder s option pursuant to the terms of the award agreement.

Except as otherwise indicated, information in this prospectus reflects or assumes the following:

- the filing and effectiveness of our second amended and restated articles of incorporation in Nevada and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the consummation of this offering;

- no exercise of the underwriters option to purchase up to additional shares of our common stock from the selling shareholders; and

- a -for-one forward stock split, which will occur immediately prior to the completion of this offering.

Table of Contents

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables summarize the financial and operating data for our business for the periods presented. You should read this summary consolidated financial data in conjunction with *Management s Discussion and Analysis of Financial Condition and Results of Operations* and our consolidated financial statements and related notes, all included elsewhere in this prospectus.

The summary historical consolidated statement of operations data for our fiscal years ended September 30, 2016 and 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated balance sheet data for the six months ended March 31, 2018 has been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus. The summary historical consolidated statements of operations data for our fiscal years ended September 30, 2013, 2014 and 2015 have been derived from our consolidated financial statements that are not included in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future, and results for the six months ended March 31, 2018 are not indicative of the results expected for the full year.

	Year Ended September 30,					Six Months Ended March 31,	
	2013(1)	**2014(1)**	**2015**	**2016**	**2017**	**2017**	**2018**
	(in thousands, except per share data)						
Operating revenues:							
Contract revenue	$ 382,125	$ 407,408	$ 481,168	$ 569,373	$ 618,698	$ 309,711	$ 310,904
Pass-through and other	33,131	28,617	24,931	18,463	24,878	9,619	21,420
Total operating revenues	**415,256**	**436,025**	**506,099**	**587,836**	**643,576**	**319,330**	**332,324**