



Presented at the  
2019 Value Investing Conference  
Toronto, ON

*April 10, 2019*



Delivering regional aviation  
to the world

TSX: CHR

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Chorus is a fast-growing  
global provider of integrated regional aviation  
solutions

# Regional aviation is based on aircraft carrying

## Up to 130 passengers

2 main types of regional aircraft

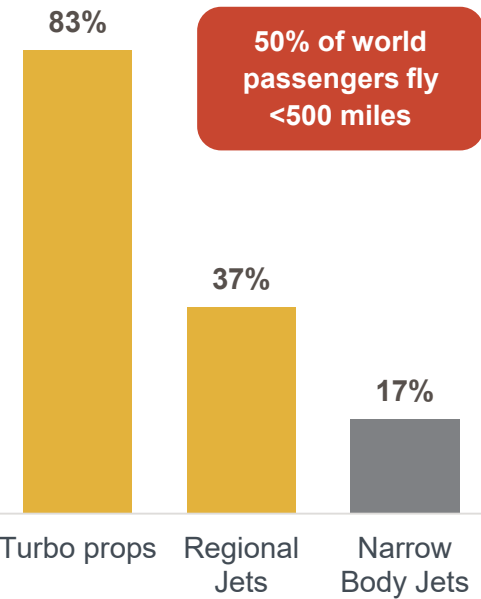
Flying shorter distances than *Narrow Body* jets

Accounting for ~22% of the world's commercial fleet

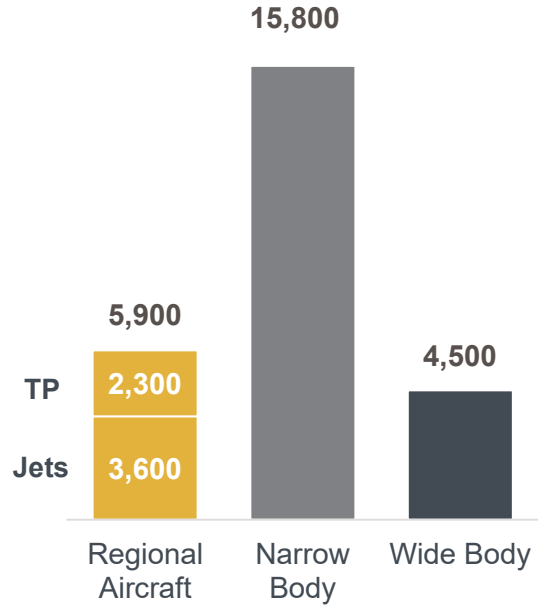
<b>Regional Jets</b>	<b>Up to 130 passengers</b>
Bombardier	CRJ-200 to CRJ-1000
Embraer	E135 to E190
Airbus	A220

<b>Turbo props</b>	<b>Up to 90 passengers</b>
Bombardier	Dash 8 – 100 to 400
ATR	ATR 42 to ATR 72

% of all flights below 500 miles <sup>1</sup>



Worldwide aircraft fleet <sup>2</sup>



<sup>1</sup> OAG (2012). <sup>2</sup> FlightGlobal (2019), includes in-service aircraft with more than 20 seats

Regional aircraft are fundamental to efficient air transport networks and link 60% of the world's communities <sup>1</sup>



## Investment Highlights

1

Chorus has a **unique strategy** to provide a full suite of regional aviation services to customers worldwide

2

Chorus is **well-positioned for significant growth opportunities**, as an international aircraft lessor and leasing opportunities within its CPA with Air Canada

3

Chorus has a **predictable revenue stream**, with 90%+ of annual revenues secured through long-term contracts and strong relationships



# Contents

1

**Chorus Overview**

2

Regional Aviation  
Services

3

Regional Aircraft  
Leasing

4

Chorus Evolution

5

Growth and  
Diversification

6

Conclusion



## Chorus Overview - Highlights

- Chorus has become a significant player in global regional aviation
  - \$1.45B revenues in 2018
  - \$343M adjusted EBITDA<sup>1</sup> in 2018
  - 5,200 employees worldwide
  - \$1.1B market capitalization
- Led by a very experienced and stable management team
- 3 complementary lines of business generate value at every stage of an aircraft's lifecycle
- 12%+ ROIC in the last 2 fiscal years, including fast-growing aircraft leasing division

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure



Chorus has become a **significant player**  
in global regional aviation

**\$1.45B** 2018 Revenues

Consistently profitable  
since 2006 IPO

**135** Aircraft owned

**\$343M** 2018 Adjusted  
EBITDA

**5,200** Employees

**TSX:CHR** Trading symbol

**87** Aircraft Leased: 40  
outside N-A  
47 inside CPA

**\$0.04** Monthly dividend  
per share (DRIP)

*Note: Market capitalization value based on 157,284,240 shares outstanding and TSX closing stock price of \$7.18 as of March 29, 2019.*

~\$1.12B market capitalization as of March 29, 2019 <sup>1</sup>





Chorus activities are carried out through 2 business segments: *Regional Aviation Services* and *Regional Aircraft Leasing*

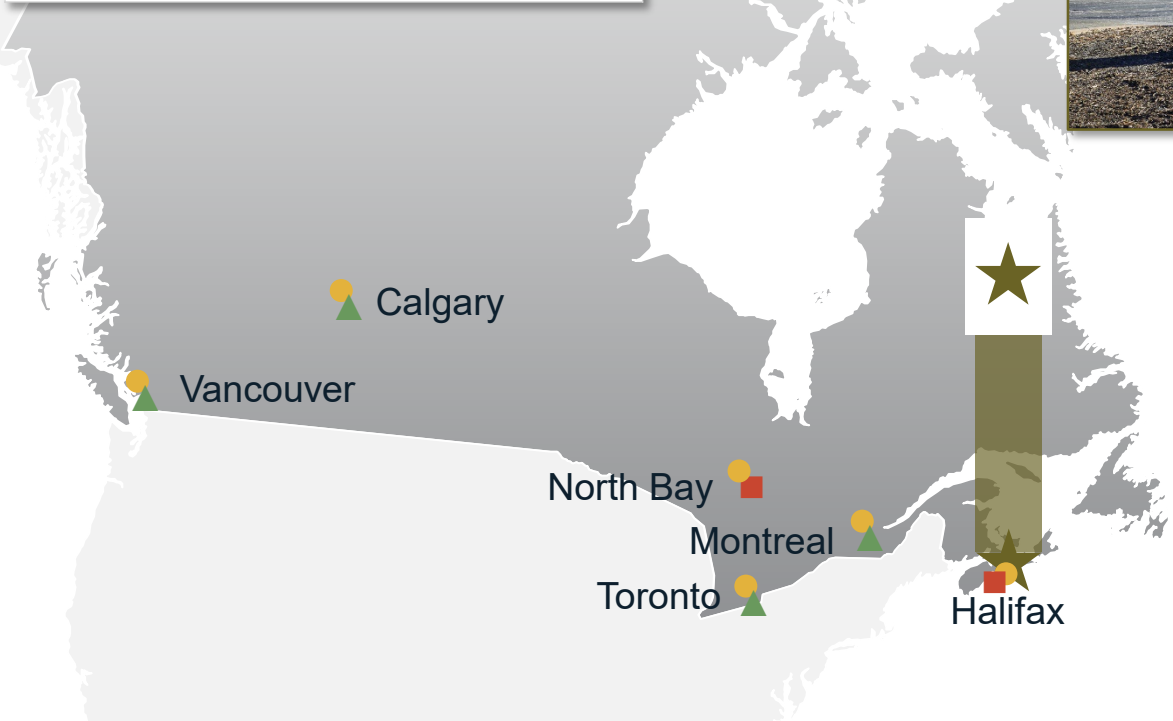
	Legal Entity	Division	Aircraft Fleet owned	Aircraft Leasing	Lines of business							
					Contracted Flying			Maintenance				
					Scheduled Flights	Charter	Specialized contract flying	MRO	Heavy mods and part-out	Spare parts provisioning		
Regional Aircraft Leasing	Chorus Aviation Capital Corp.		40	40							~ 20 % FY 2018 Adjusted EBITDA	
Regional Aviation Services	Jazz Aviation LP	Aircraft leasing under CPA	75	47							~ 34 % FY 2018 Adjusted EBITDA	
		Jazz			✓	✓						
		Jazz Technical Services						✓				
	Voyageur Aviation Corp.	Voyageur Airways	20				✓	✓				~ 46 % FY 2018 Adjusted EBITDA
		Voyageur Aerotech						✓	✓			
		Voyageur Avparts								✓		
Total			135	87								

Regional Aircraft Leasing and CPA leasing account for 54% of Adjusted EBITDA and hold strong growth potential



# Chorus operates 13 facilities across Canada plus 3 international offices for its leasing business

- ★ Headquarters (2)
- Admin offices / crew bases (8)
- ▲ Line maintenance facilities (4)
- Heavy maintenance facilities (2)



Note: Chorus' presence in Singapore and England consists of business development representatives



# Our strategic agenda



Grow our regional aircraft leasing business through aircraft acquisitions, portfolio acquisitions and potential skyline transactions



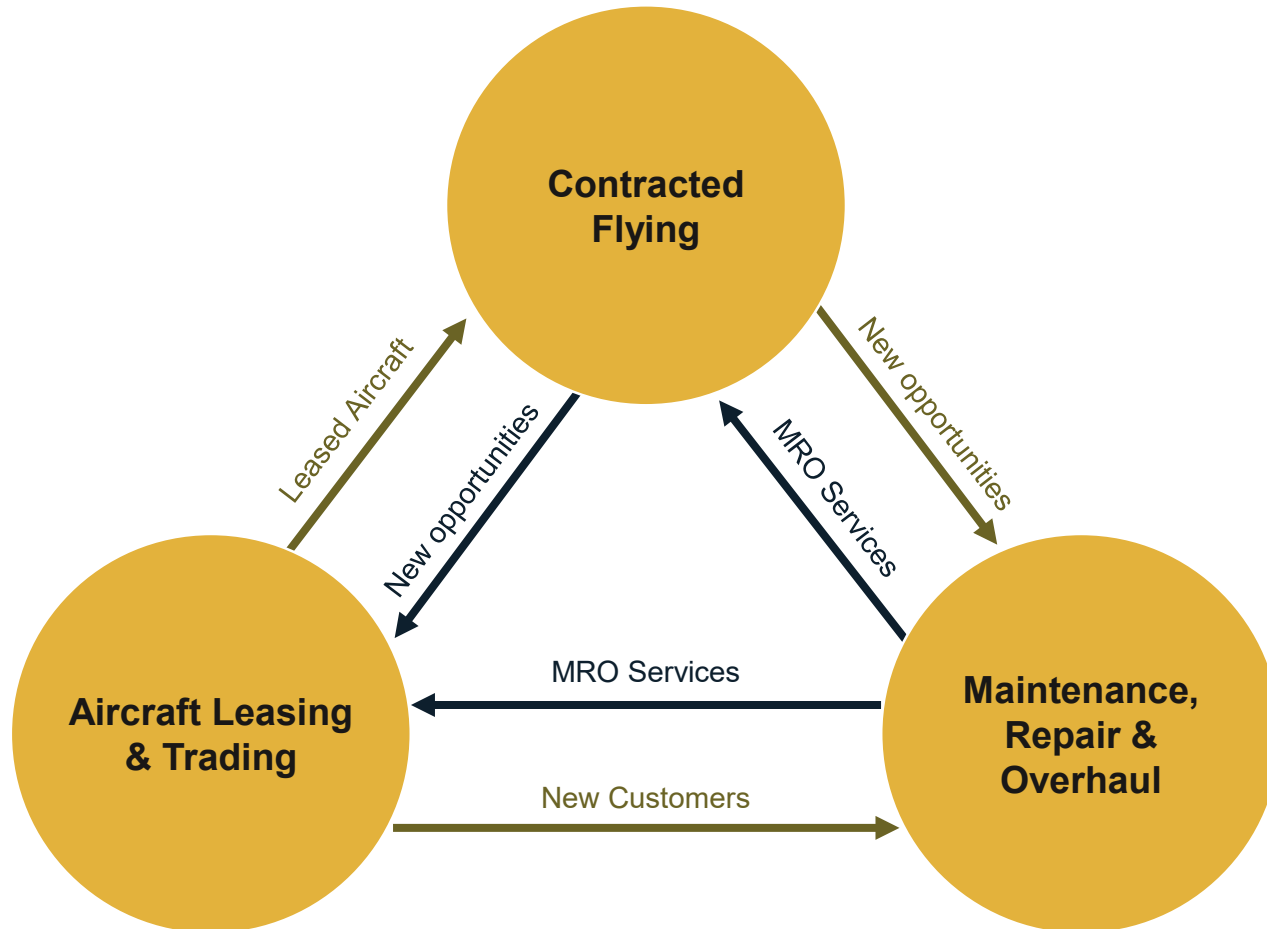
Grow our regional aviation services of contracted flying, MRO and technical services



Leverage the synergies and expertise across our lines of business to further drive diversification and profit



## What differentiates us from the competition



Chorus generates value at every stage of an aircraft's lifecycle



# Contents

1 Chorus Overview

2 **Regional Aviation  
Services**

3 Regional Aircraft  
Leasing

4 Chorus Evolution

5 Growth and  
Diversification

6 Conclusion



# Contracted flying generates **greatest revenue stream**

Air Canada Express flying

Specialized contracted flying

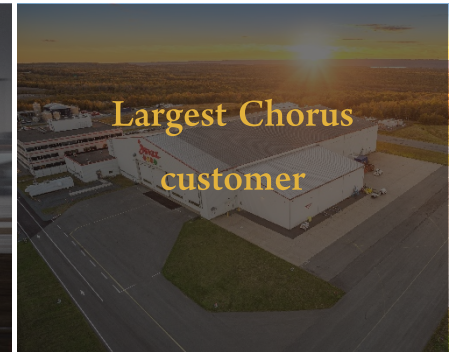
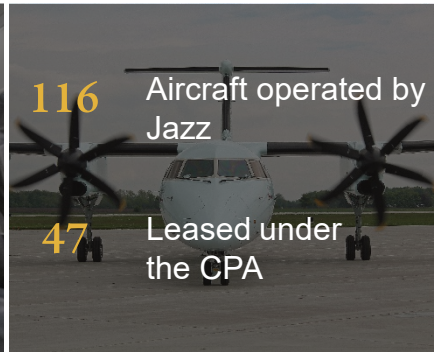
Charter flights

more operations to blue chip customers globally

Offers charters throughout North America for corporate clients, governments, special interest groups and individuals



# Chorus is Air Canada's primary regional partner



Responsibilities under the Capacity Purchase Agreement	<i>Air Canada</i>		<i>Jazz</i>
	<ul style="list-style-type: none"> <li>• Purchases capacity</li> <li>• Manages routes</li> <li>• Sets flight schedules</li> <li>• Sets ticket prices</li> </ul>	<ul style="list-style-type: none"> <li>• Conducts marketing</li> <li>• Assumes commercial risk</li> <li>• Retains revenues for passenger &amp; cargo transport</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of flying crews</li> <li>• Airframe maintenance</li> <li>• Flight operations</li> <li>• Some airport operations</li> <li>• General administration</li> </ul>

Benefits for Air Canada	
	<ul style="list-style-type: none"> <li>• Flexibility to respond quickly and efficiently to market changes and opportunities</li> <li>• Jazz manages Air Canada Express operations at 36 airports across Canada</li> <li>• Source of qualified pilots through Pilot Mobility Program</li> </ul>



## Maintenance Repair & Overhaul (MRO) and Parts

### Halifax, NS

- 6-bay, 80 000 sq. ft. facility
- 24/7 operations provide flexibility to serve carriers exactly when needed
- Certified to perform traditional heavy maintenance activities on Bombardier and Embraer 135/145 regional aircraft

### North Bay, ON

- 200 000 sq. ft. facility
- Performs heavy MRO activities, customized designs and engineering and aircraft modifications
- Transport Canada, FAA and European Aviation Safety Agency approved
- Transport Canada certified *Canadian Design Approval Organization*
- Supplemental Type Certificates for Dash 8 100/200/300/ Q400s and Dash 7s
- Provides parts provisioning, sales and service for regional aircraft - great complement to MRO activities





# Contents

1 Chorus Overview

2 Regional Aviation Services

3 **Regional Aircraft Leasing**

4 Chorus Evolution

5 Growth and Diversification

6 Conclusion



## Regional Aircraft Leasing

- Rapidly growing business launched in 2017
- Attractive business with many synergies with *Contracted Flying* and *MRO*
- Led by industry veterans with strong relationships throughout the industry, including over 100 airlines
- Key achievements in 2 years:
  - C\$401M<sup>1</sup> capital raised to date
  - Committed fleet of 40 aircraft worth US\$ 860M
  - US\$300M warehouse facility

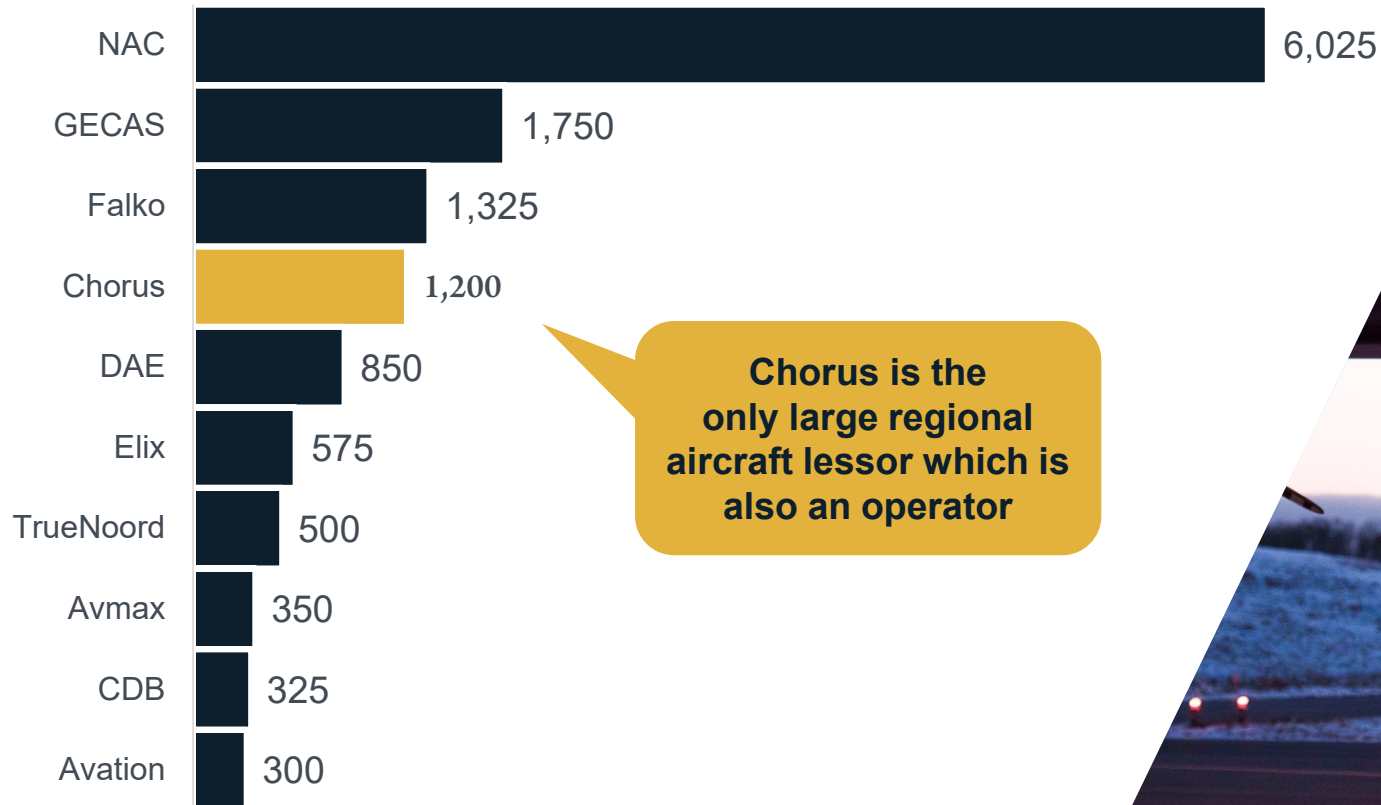
<sup>1</sup> \$97.26M of the \$401M relates to Air Canada's equity investment; 40% will be used to acquire third-party leases and 60% to acquire aircraft to operate under the CPA

See cautionary statement regarding forward-looking information on slide 2



# Chorus has rapidly become the world's 4<sup>th</sup> largest regional aircraft lessor (in portfolio value)

Portfolio value (US\$ B)



Source: FlightGlobal (2019); portfolio values based on half-life CMVs  
Chorus value includes 47 aircraft leased under the capacity purchase agreement



# Contents

1 Chorus Overview

2 Regional Aviation Services

3 Regional Aircraft Leasing

4 **Chorus Evolution**

5 Growth and Diversification

6 Conclusion



# Chorus has a **robust history** in Canadian aviation

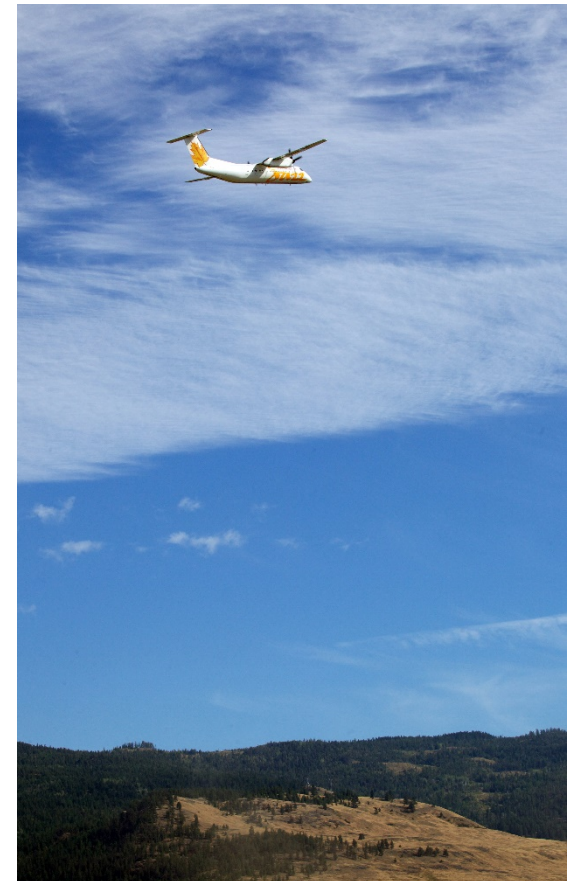
Consolidation of major regional airlines



Jazz Air Income Fund



Strong business model



# Navigating through turbulent times

## Challenges of an evolving regional business

- New entrants
- New compensation levels
- Legacy costs and senior workforce
- One single customer

## 2008-2009 Recession

- Soaring fuel prices
- Decreased passenger demand
- Reduction in Air Canada network capacity
- Decrease in Jazz flying activity

## Significant cost reductions

- Cost-saving initiatives
- Staff reductions

## High-cost operating environment

- Federal/provincial fuel excise taxes
- Security fees
- NavCanada fees
- Airport charges



Positioning Chorus  
for **growth** and  
**diversification**



# Contents

1 Chorus Overview

2 Regional Aviation Services

3 Regional Aircraft Leasing

4 Chorus Evolution

5 **Growth and Diversification**

6 Conclusion





Chorus' **diversification** began in early 2015

**VOYAGEUR** 



A natural extension to Chorus' lines of business

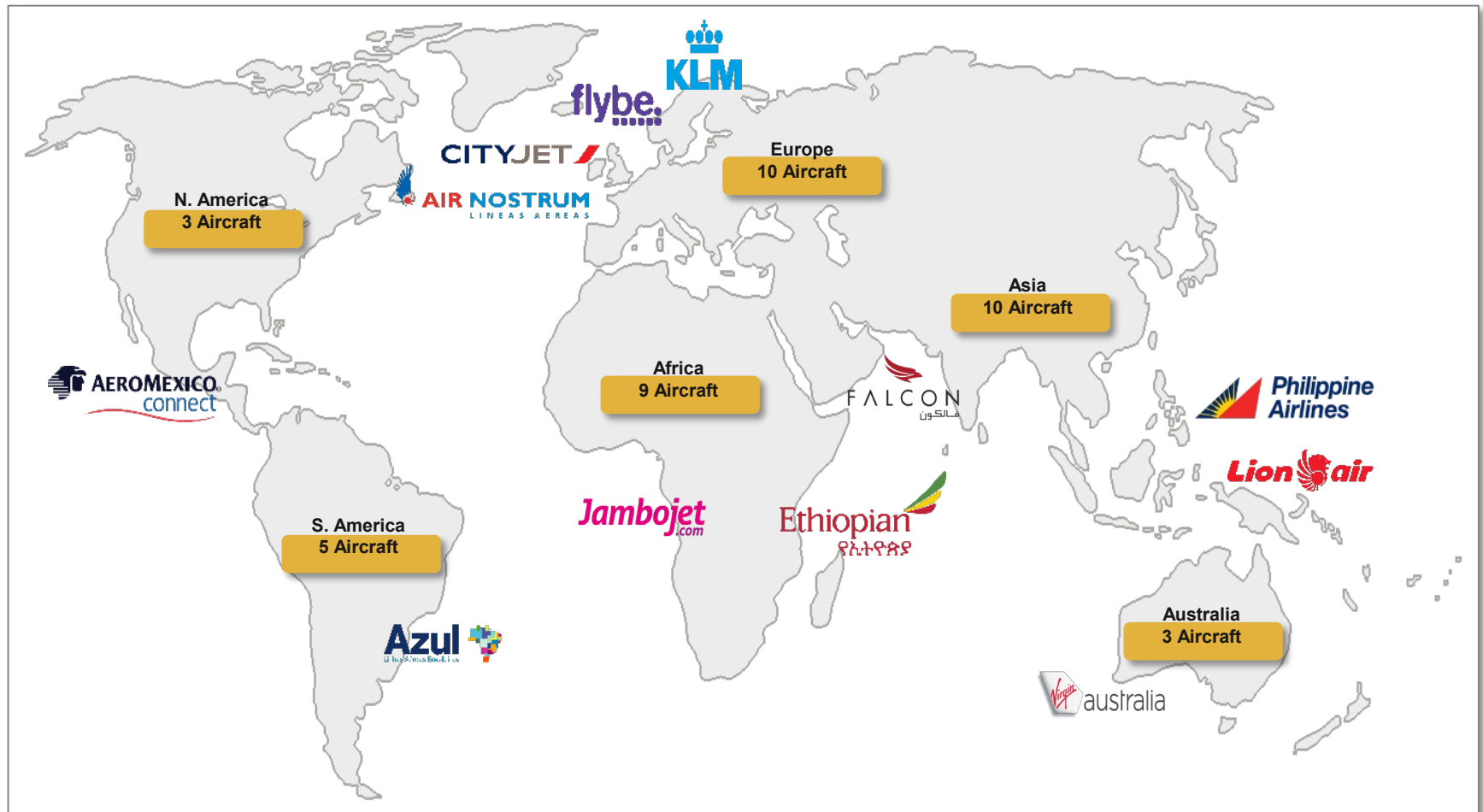


Launched **third-party leasing** in January 2017

- Established Chorus Aviation Capital to seize opportunities in regional aircraft leasing
- Fairfax Financial invested \$200 million in Chorus through a private placement of convertible debt units
- Chorus Aviation Capital is building a global, regional aircraft leasing platform and further advancing Chorus' growth and diversification strategy



## Committed fleet of 40 aircraft worth US\$ 860M



We intend to leverage our expertise in all aspects of regional aviation to support growth in this sector

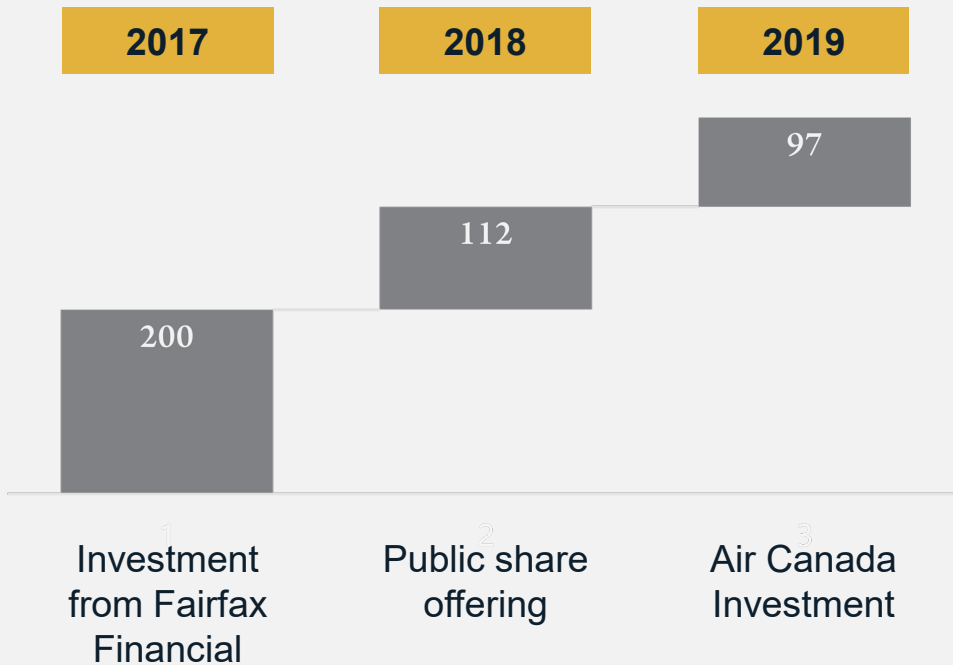


# Building scale as a **worldwide** aircraft lessor

C\$ 401 M raised since 2017

*Net proceeds*

C\$ M



- Provides ~\$1.6B of investment capital when levered at 3:1
- ~75% of capital committed as of April 10, 2019
- Remaining capital expected to be committed by early 2020
- 60% of Air Canada's investment allocated to leasing under the CPA

Note: Amounts shown above are expressed in terms of gross proceeds, except for the \$401 M, which is net proceeds  
See cautionary statement regarding forward-looking information on slide 2



## Amended/extended agreement with Air Canada to 2035

- Guarantees ~\$2.5B in contracted revenue over 17 years
- \$97.26M equity investment by Air Canada in Chorus
- 60% of investment proceeds to purchase nine new CRJ900s for Air Canada Express fleet will increase leasing revenue under the CPA
- 40% of investment proceeds to acquire aircraft for the leasing business

Secures highly predictable revenues and earnings  
for the next 17 years

See cautionary statement regarding forward-looking information on slide 2

Values are key to continued **strength, stability and growth**

### Guided by three distinct core values

- Listening
- Collaborating
- Improving

### Diversity

- Respect and value the unique and diverse perspectives of all individuals

### Ethical conduct

- Essential to maintain trust and confidence of employees, customers, investors, and all stakeholders



## Chorus is poised for growth



- Regional aircraft leasing is fastest growing line of our business
- Strong growth potential worldwide with few providers and growing demand



- Growth within our agreement with Air Canada
- Further aircraft leasing opportunities in fleet modernization



- Opportunities to grow MRO and technical services
- Aircraft parts provisioning business gaining momentum

Chorus presents unique opportunity for value investors



# Contents

1 Chorus Overview

2 Regional Aviation Services

3 Regional Aircraft Leasing

4 Chorus Evolution

5 Growth and Diversification

6 **Conclusion**





## Conclusion

1

Chorus is **very well positioned to grow significantly in the regional aircraft leasing business**, led by a very strong team of industry veterans and supported by internal expertise and capabilities in regional aviation services

2

Chorus is committed to **grow its regional aviation services**, both inside and outside the CPA

3

**Chorus has a predictable revenue stream**, with a business model based on long-term contracts, less exposed to downturns than main line carriers and lessors





Thank you



Delivering regional aviation  
to the world

TSX: CHR