Air Cargo Overview
May 2019
Air Freight Segments

Belly-Cargo: Freight in the baggage hold of passenger flights

All-Cargo: Freight on the main deck of all-cargo aircraft

Integrators: Freight on the main deck of all-cargo aircraft
Importance of Air Freight for Passenger Airlines

Air freight accounts for 12% of the total revenue of the airline industry

North Atlantic Routes: 5% to 15% of the revenue

North Pacific roads: 5% to 20% of the revenue

Very few international flights would be profitable without air cargo revenues.

Source: IATA
Air Freight User Profile

- Time-sensitive goods (aerospace, flowers, perishables)
- Temperature sensitive products (food products, pharmaceuticals)
- High value items
- Live animals
- Couriers and documents
# Air Freight Markets by Community

<table>
<thead>
<tr>
<th>Location</th>
<th>Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YVR</strong></td>
<td>Intermodal: air and sea freight&lt;br&gt;Seafood&lt;br&gt;Perishable goods (cherries)</td>
</tr>
<tr>
<td><strong>YYC</strong></td>
<td>Distribution for the prairies&lt;br&gt;Aerospace&lt;br&gt;Agri-Food&lt;br&gt;Livestock&lt;br&gt;Oil rigs</td>
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<tr>
<td><strong>YEG</strong></td>
<td>Retail distribution&lt;br&gt;Oil rigs</td>
</tr>
<tr>
<td><strong>YYZ</strong></td>
<td>Aerospace&lt;br&gt;Pharma&lt;br&gt;Electronics&lt;br&gt;Freight Consolidation&lt;br&gt;Distribution Center</td>
</tr>
<tr>
<td><strong>YUL/YMX</strong></td>
<td>Aerospace&lt;br&gt;Pharma&lt;br&gt;Electronics&lt;br&gt;Freight Consolidation&lt;br&gt;Distribution Center for QC</td>
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</tbody>
</table>
ON-QC Trade Corridor

Air Freight Users

Source: Statistiques Canada
E-Commerce in Canada

• 95% of Canadians aged 18 to 34 shop online

• E-commerce accounts for 9.5% of retail sales in Canada

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Source: BMO Capital Markets as quoted by Financial Post, 2017
Amazon has changed the expectations of buyers

Guaranteed Delivery in 48 Hours = Growth in Air Freight Demand

Source: BMO Capital Markets as quoted by Financial Post, 2017
Air Cargo Gateways in Canada

Source: Annual Reports - 2017

Note: Metric Tons
What do airport need to become a leading air freight gateway

- Freight Forwarders Cluster
- Affordable costs
- Fast intermodal platform (access to main highways)
- Cooler space
- Security Services (air cargo screening)
- 24/7 Customs
- Dedicated cargo aprons and sufficient equipment to support simultaneous cargo operations
- Handling equipment for oversized cargo
- Specialized equipment for live animal handling
- Adequate facilities to handle air freight (warehouses with airside access)
- World class cargo and ramp handling services
Tonnage Growth 2014-2018

- 2014: 80,000,000
- 2015: 90,000,000
- 2016: 100,000,000
- 2017: 110,000,000
- 2018: 120,000,000

YUL and YMX
Mirabel Airport
Trudeau Airport
Focus on Growth

- Cargo Infrastructure
- Security
- Cargo & Ramp Handling
- Operational Efficiency
- Marketing Support
- Cargo Facilities
- Agency Services

Growth
Airports stimulate trade in the 21st century as much as:

Highways in the 20th century
Railways in the 19th century
Maritime ports in the 18th century