



# COPA HOLDINGS, S.A.

MCC 2017  
Panama

# Safe Harbor Statement

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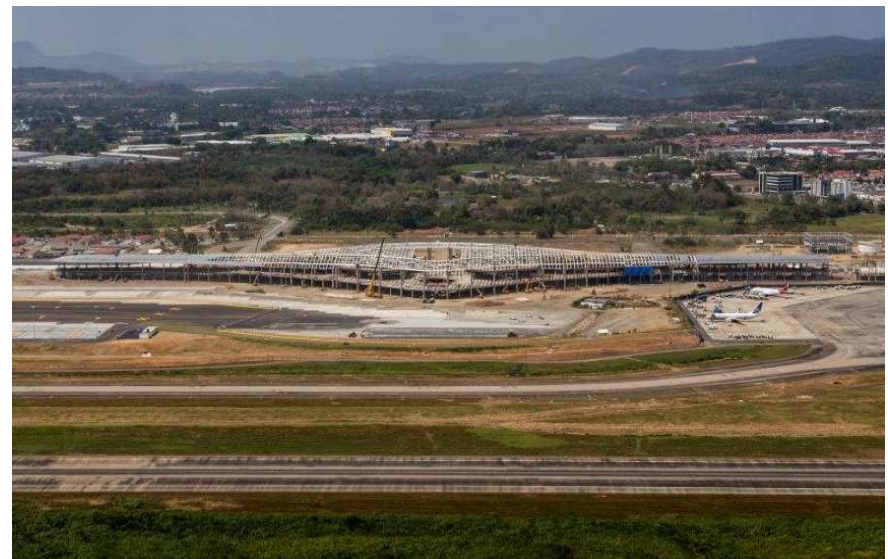
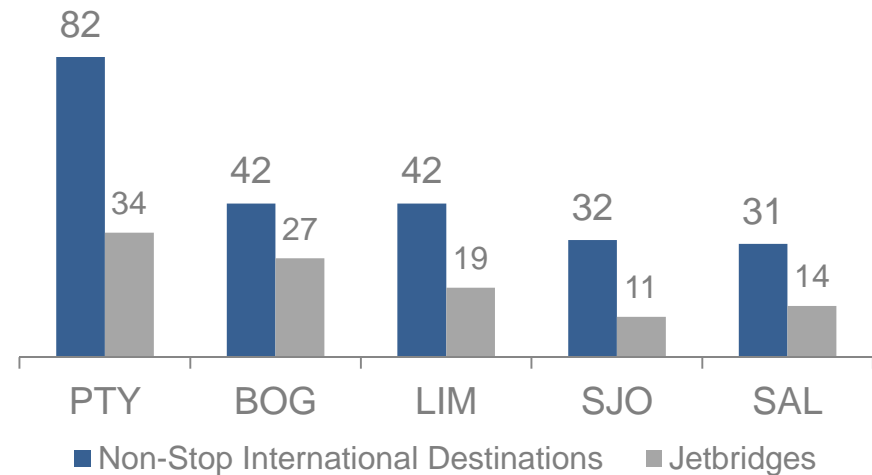
Statements in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under the caption “Risk Factors” and “Forward-Looking Statements” in the Company’s Annual Report (20-F Form) filed with the U.S. Securities and Exchange Commission.

# Best Geographic Position



# Right Infrastructure – Hub of the Americas

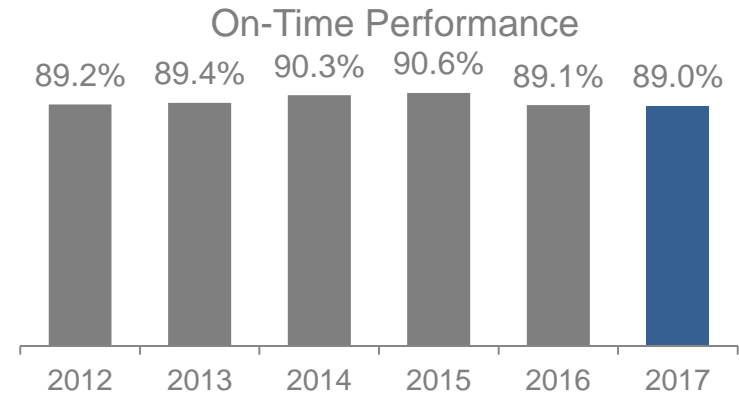
- 2 sea-level runways
- More jetbridges than competing hubs
- Copa represents >80% of the Tocumen Airport daily operations
- South Terminal expansion accommodates long-term growth needs
  - 20 additional jetbridges
  - Currently ~70% complete
  - 8 remote positions added in 2016
  - Partial opening expected 2Q 2018





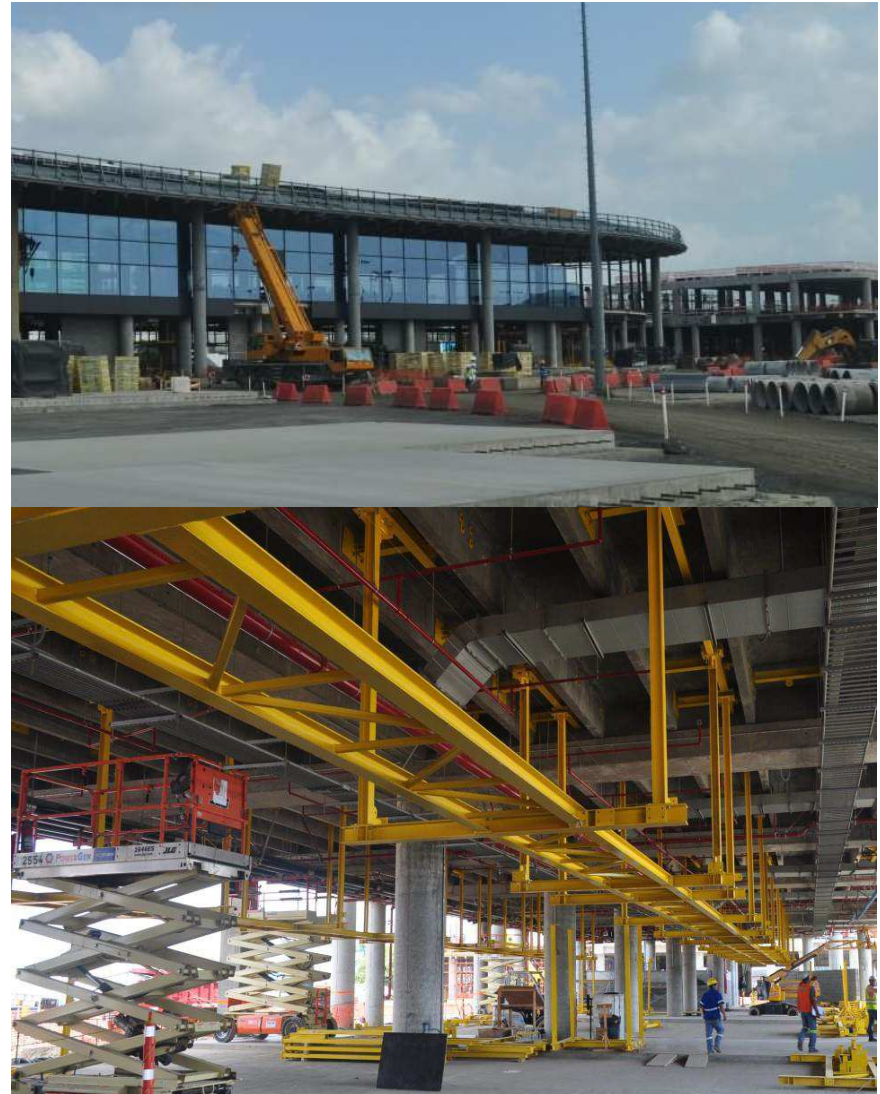
# World Class Product

- World Class Service
  - Skytrax World Airline Awards 2016 winner:
    - Best Airline in region
    - Best Staff in region
    - Best Regional Airline in region
  - World Travel Awards' 2015 Leading Airline for Mexico and Central America
- Leading on-time performance
  - FlightStats 2016 Award for “Most on-time Airline in LatAm”, 4<sup>th</sup> consecutive year
  - OAG 2016 award for 2<sup>nd</sup> most on-time airline in the world, 2<sup>nd</sup> consecutive year
- Average fleet age of ~7 years
- Premium configuration for longer flights
- Star Alliance – Premier Global Alliance
- Copa Club – VIP Lounges



# South Terminal

- Construction 70% complete
  - Began installation of windows
  - Baggage Handling system, Electrical & Fuel systems installation underway
- Operational readiness and airport transfer (ORAT) began in June
  - Expect soft opening of 3-4 gates in Q2 2018
  - Full terminal opening later in 2018
- South Terminal remote aircraft positions are being utilized for live operations



# South Terminal

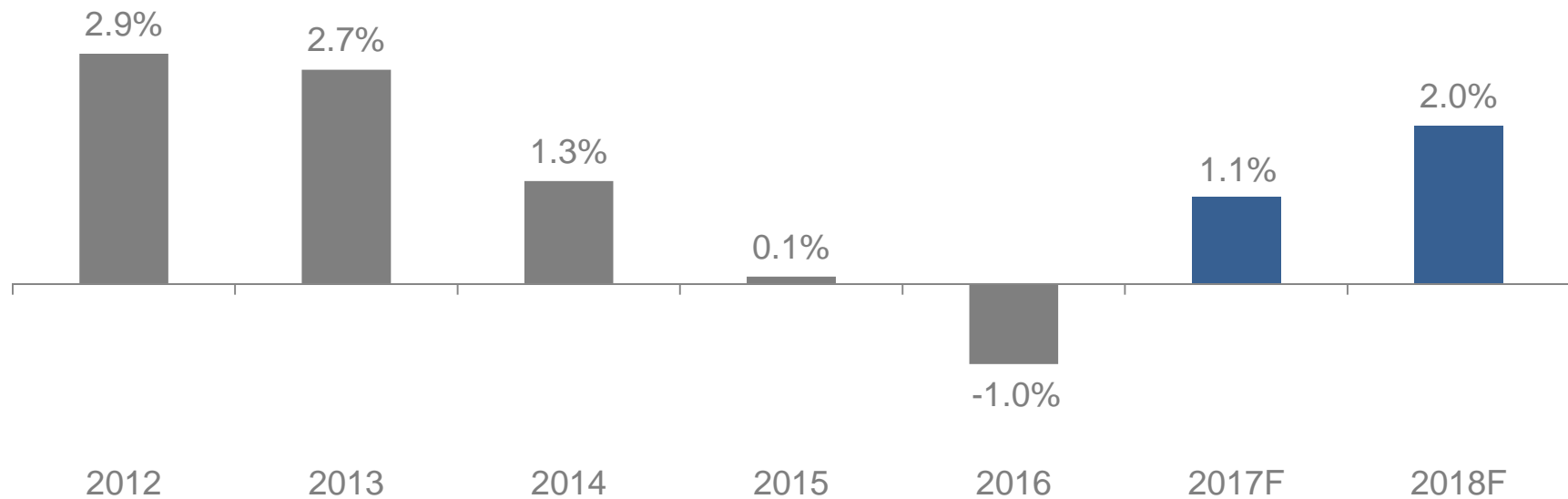


# PANAMA & LATIN AMERICAN OUTLOOK



# Latin America: Recovery underway...

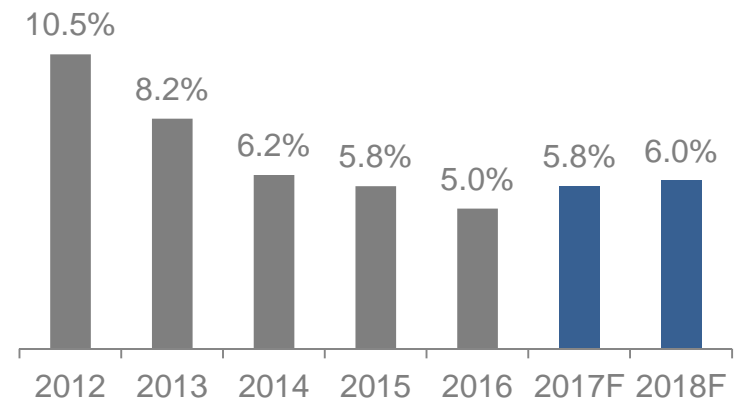
Latin America GDP Growth



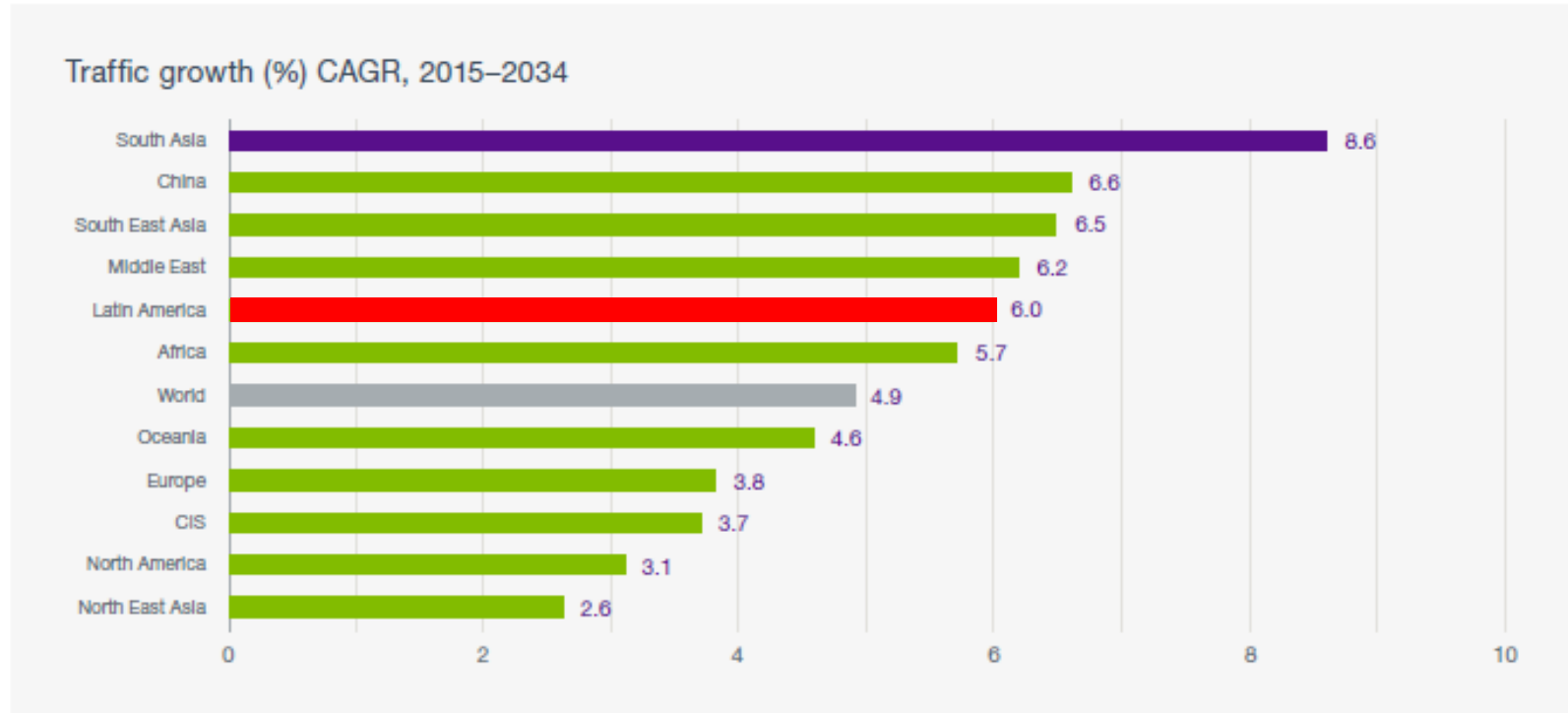
# Panama: Fastest Growing Economy in LatAm

- Regional business and logistics hub
  - Largest container port in Latin America
- Strong public and private sector investment
  - Panama Canal Expansion (completed Jun 2016)
  - Metro Transportation System (2<sup>nd</sup> line under construction)
  - 3<sup>rd</sup> Bridge over the Canal on the Pacific
  - New Convention Center
- Investment grade credit rating
- Growing as regional headquarters base for multinational companies
- Strong tourism sector

Panama GDP Growth



# Latin America: A bright future...



- Air Traffic in Latin America has historically expanded 2-3x GDP Growth
- Traffic within Latin America expected to grow ~6% per year for the next 20 years<sup>1</sup>

# Business and Strategic Overview

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**BEYOND 2017**







# Order Book Supports Growth Strategy

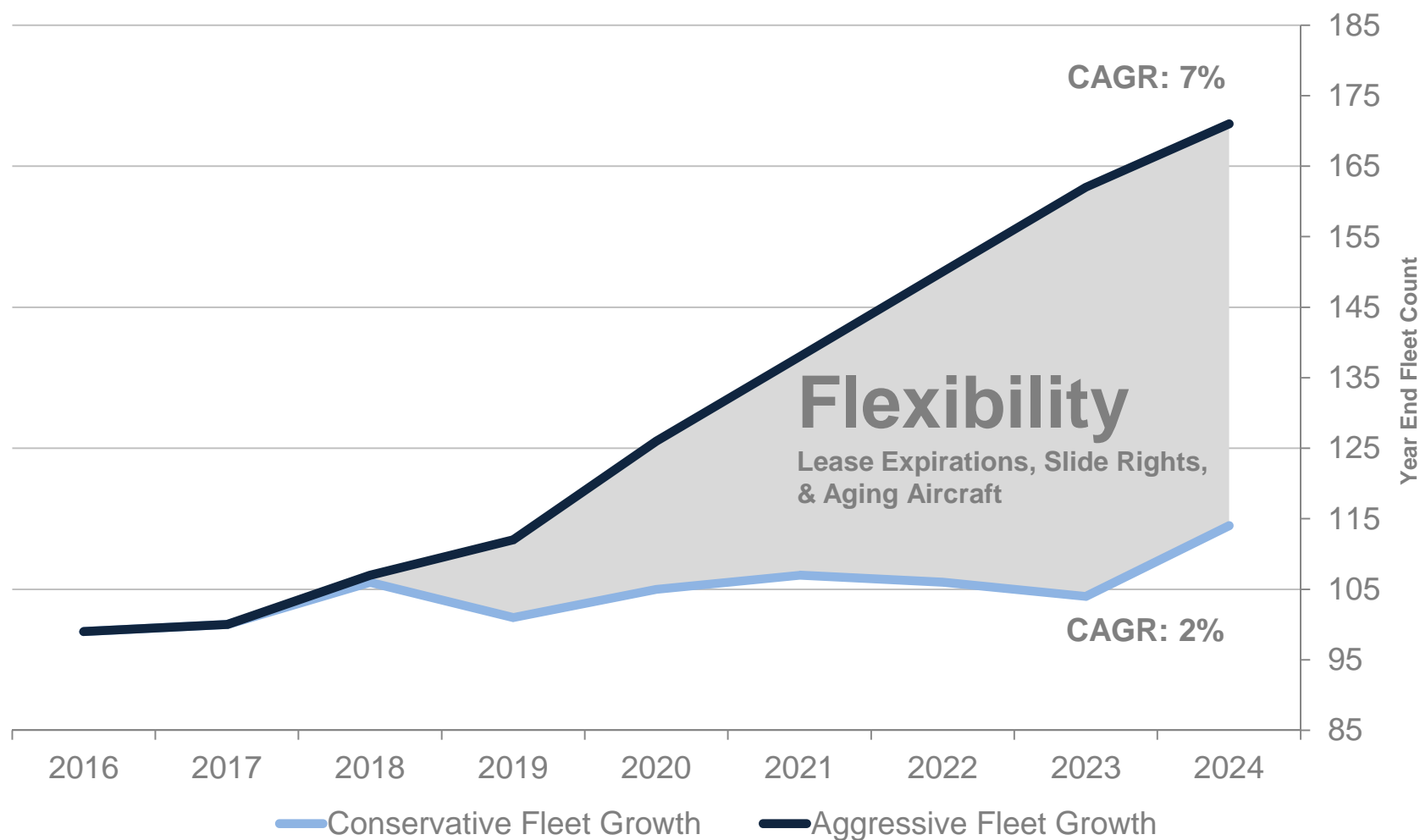
- Aircraft orders to fund future growth
  - All Boeing narrow body aircraft
  - 2 737 NGs & 71 737- MAX
- Deliveries between 2017–2024
  - First MAX deliveries in 2018
  - 31 Lease expirations and 15 owned aircraft of more than 20 years
- First airline in region with Scimitar Winglets
  - Approximately 1.5% fuel burn improvement on NG fleet



# Fleet Plan

Aircraft Type		2015	2016	2017	2018	2019
	Capacity: 94 pax Range: 2,200nm Type: EMB-190	23	21	20	19	19
	Capacity: 124 pax Range: 3,000nm Type: 737-700	14	14	14	14	14
	Capacity: 160 pax Range: 3,000nm Type: 737-800	63	64	66	68	63
	Capacity: 170 pax Range: 3,390nm Type: MAX-9	0	0	0	5	15
		100	99	100	106	111

# Fleet Plan



# Operations Overview

2016: Another great year:

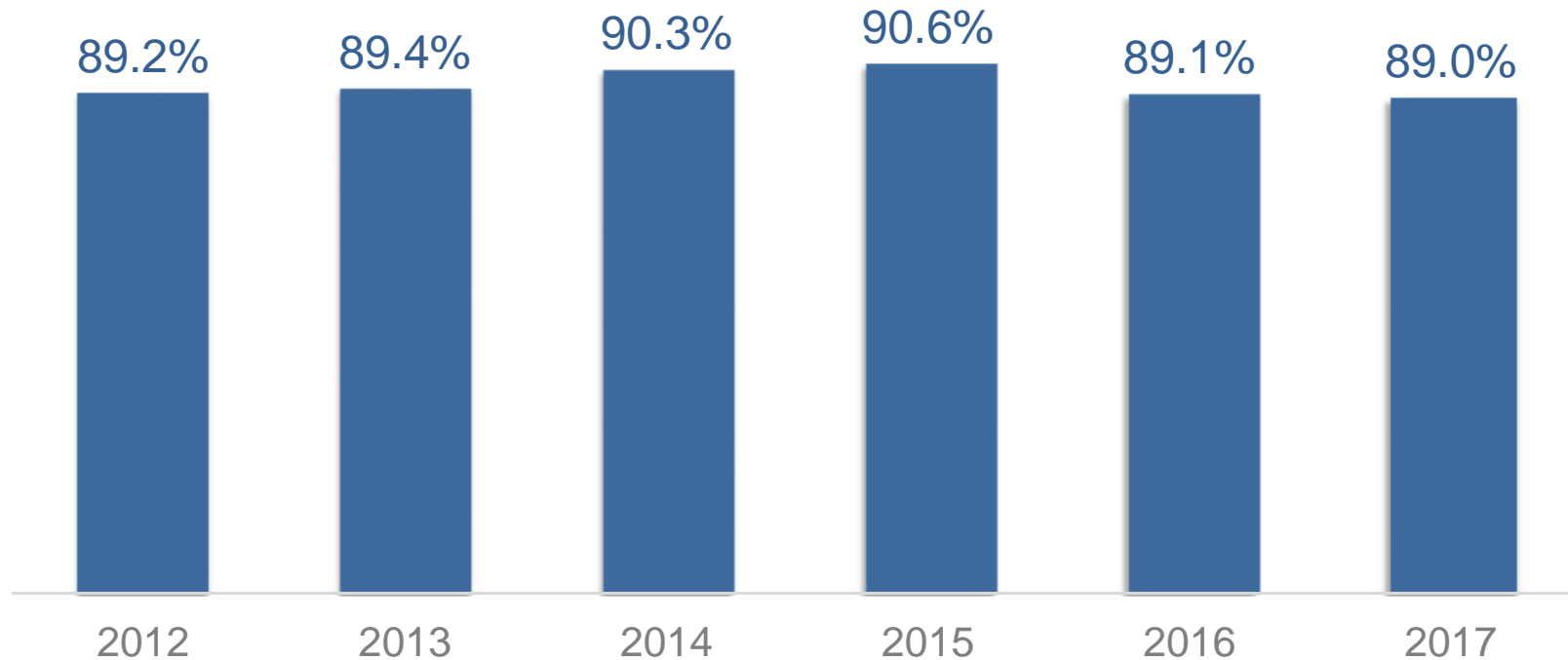
- World-class operational metrics
- Continued focus on service and efficiency initiatives
- Continued expansion of Panama Hub
- Further enhancements in maintenance capabilities
- Recognized leader in on-time performance
- Leaders in service and quality





# Operational Excellence – On Time

## ON-TIME ARRIVAL PERFORMANCE<sup>(1)</sup>

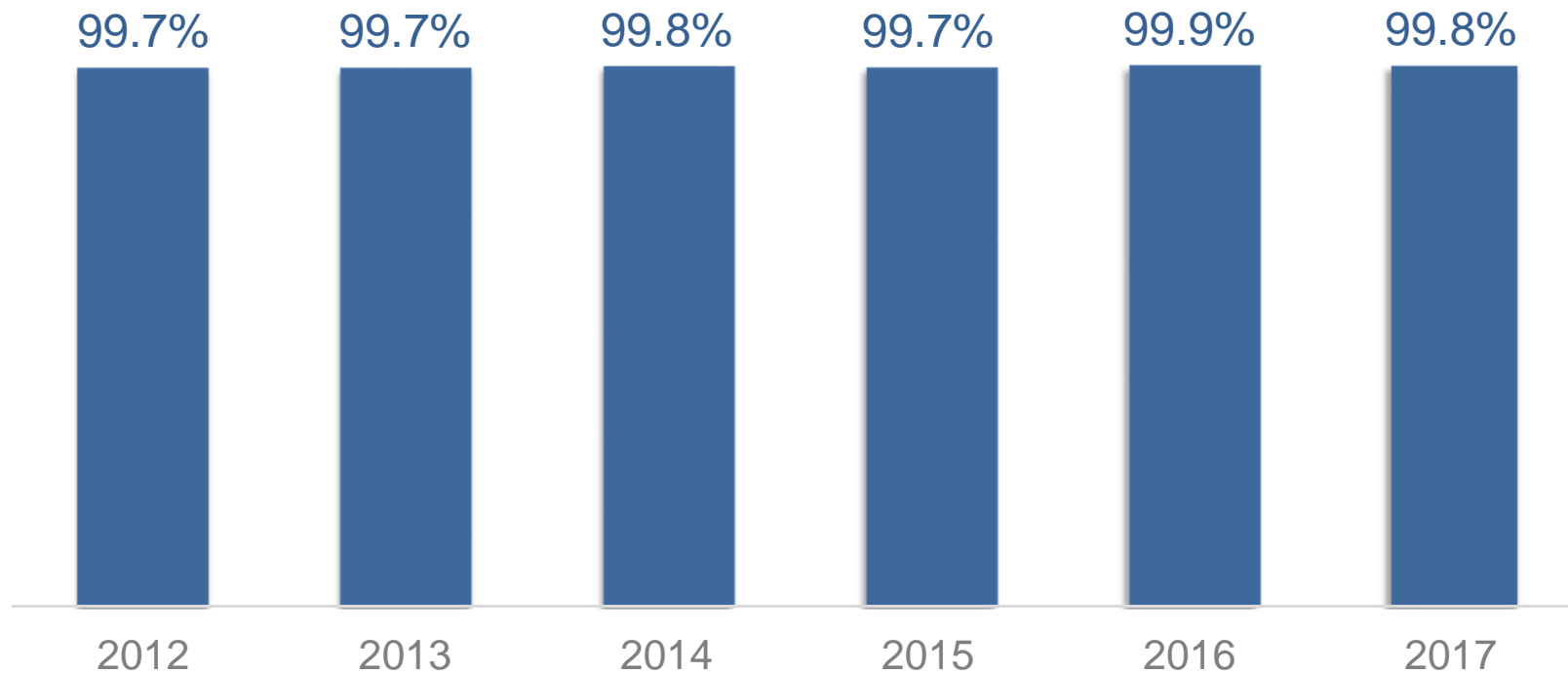


**Copa Airlines' OTP is among the best in the industry**

1. Measure: DOT Reporting Standard: within 15 minutes of Scheduled Arrival.
2. 2017 figures are YTD April.

# Operational Excellence – Schedule Reliability

## COMPLETION FACTOR

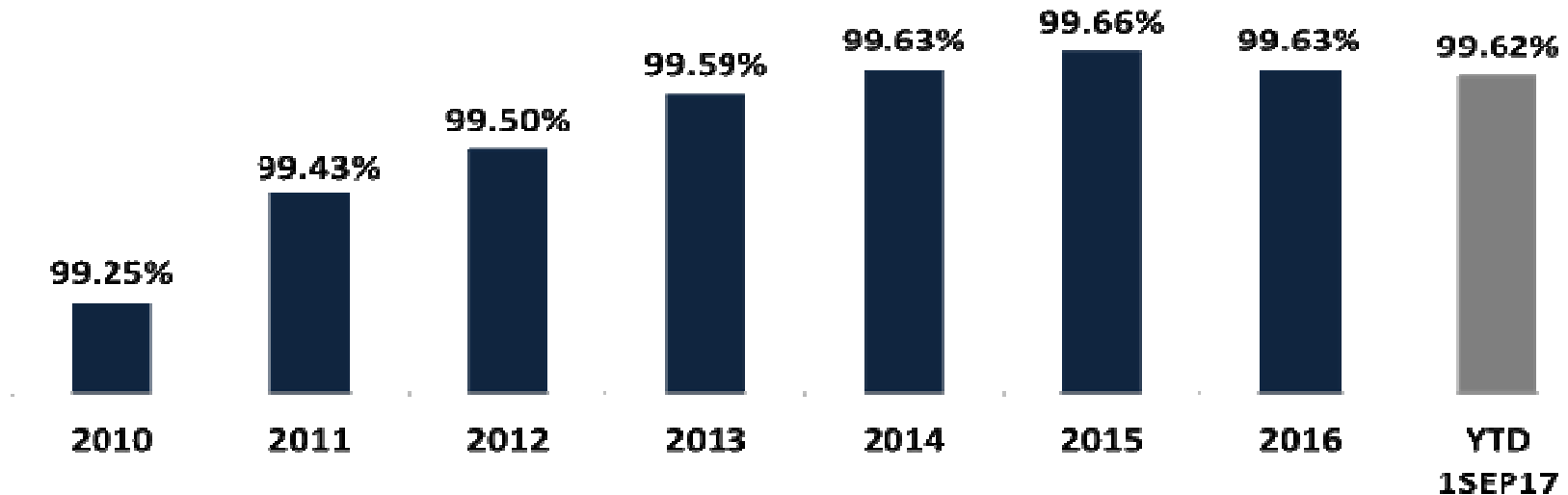


**Copa Airlines' completion factor is among the best in the industry**

1. 2017 figures are YTD April.

# Operational Excellence – Fleet Reliability

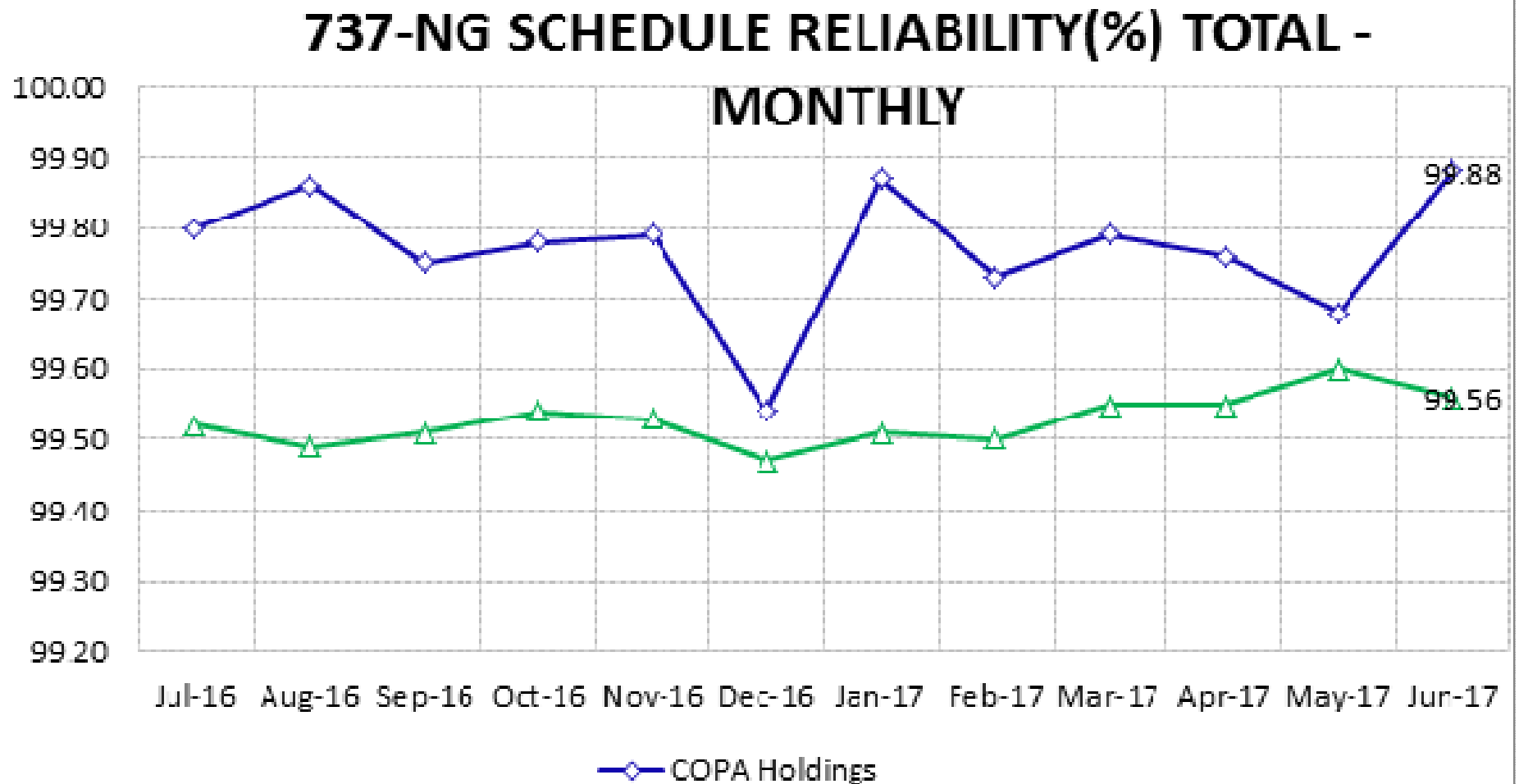
## FLEET MAINTENANCE DISPATCH PERFORMANCE



**Copa Airlines has world class maintenance dispatch performance**

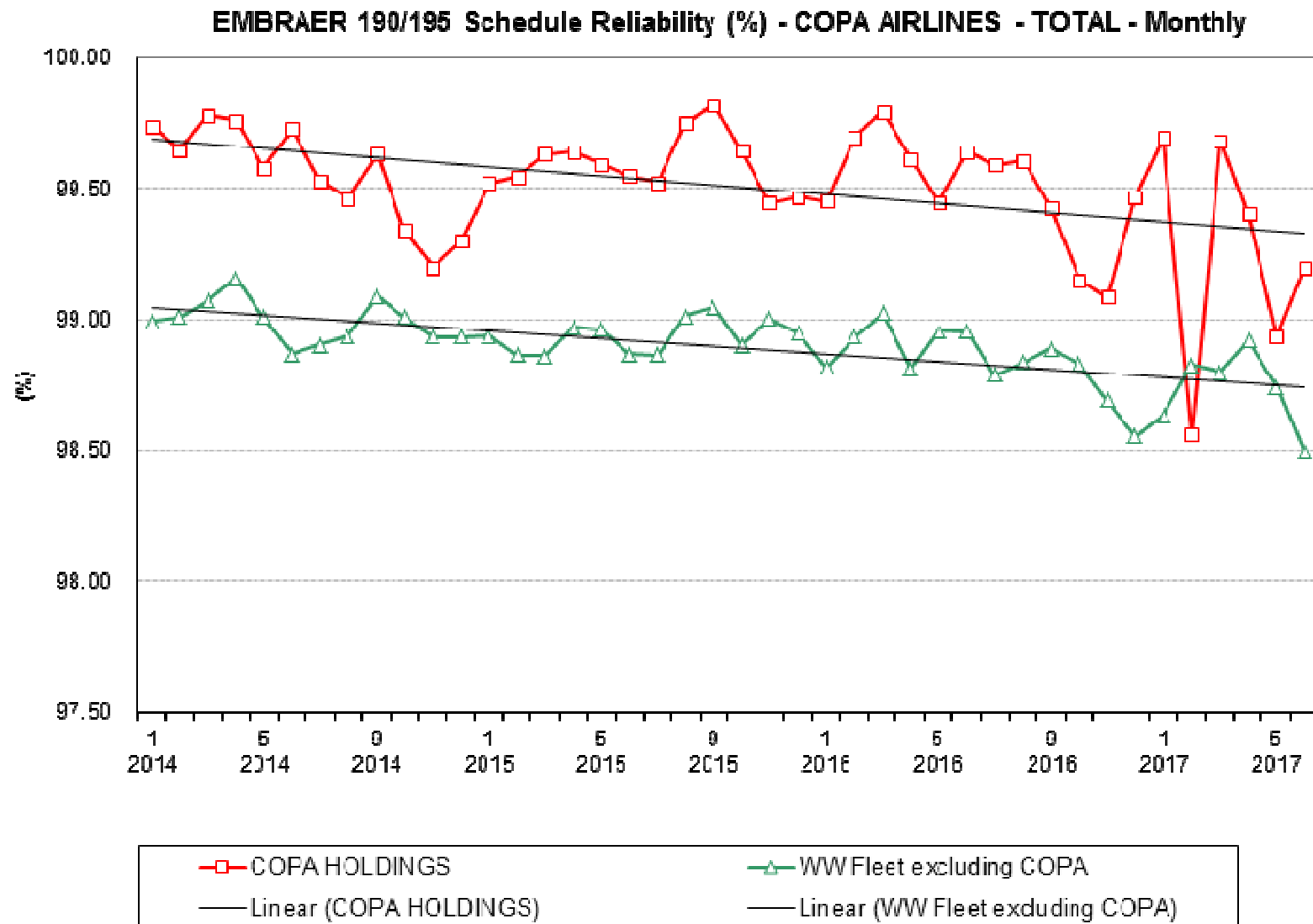
1. 2017 figures are YTD April.

# Copa 737NG Reliability vs. the World Average





# Copa Embraer 190 Reliability vs. the World Average



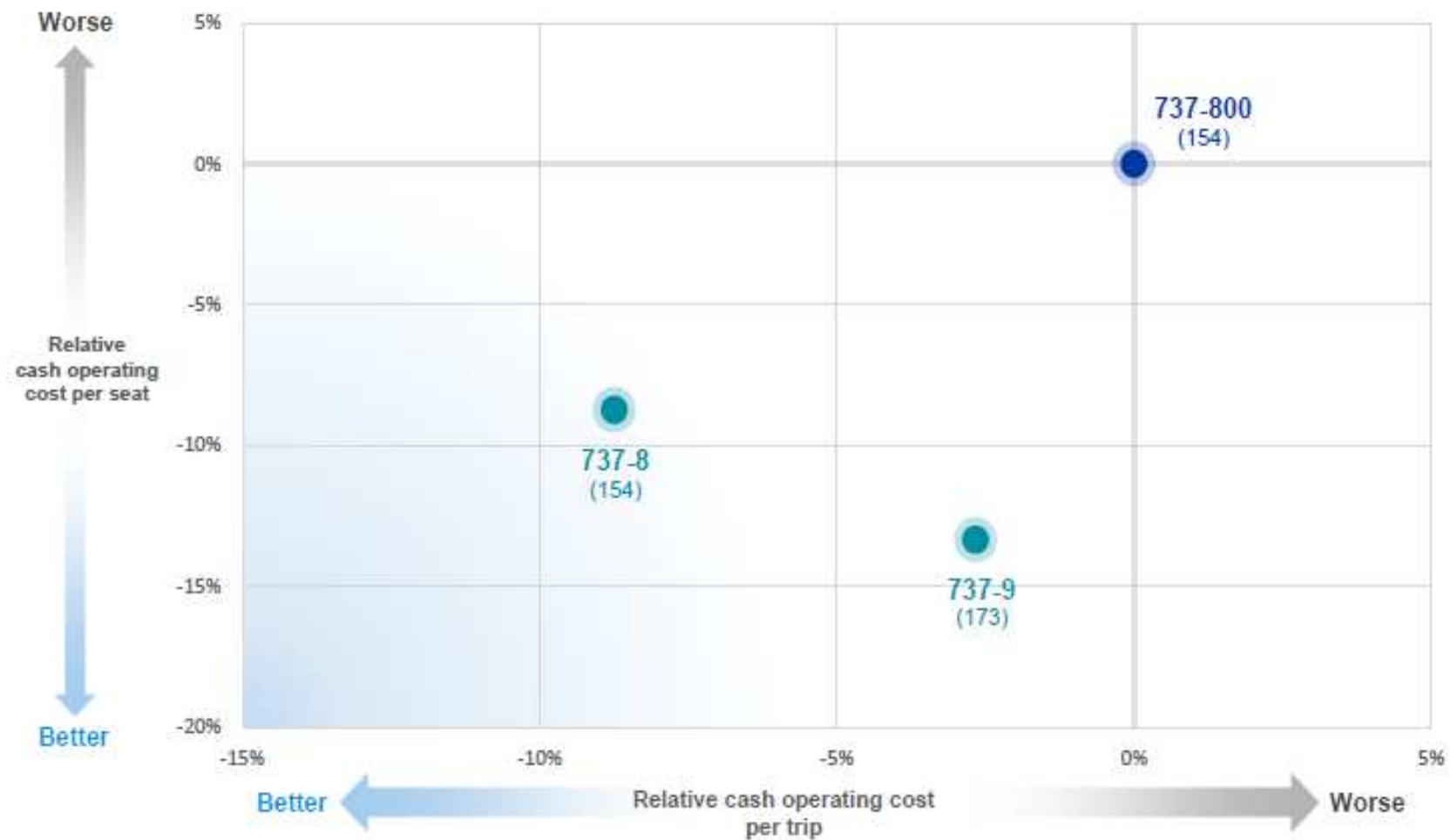
# Efficiency Initiatives

**Copa Airlines is a leader in the implementation of initiatives to improve efficiency:**

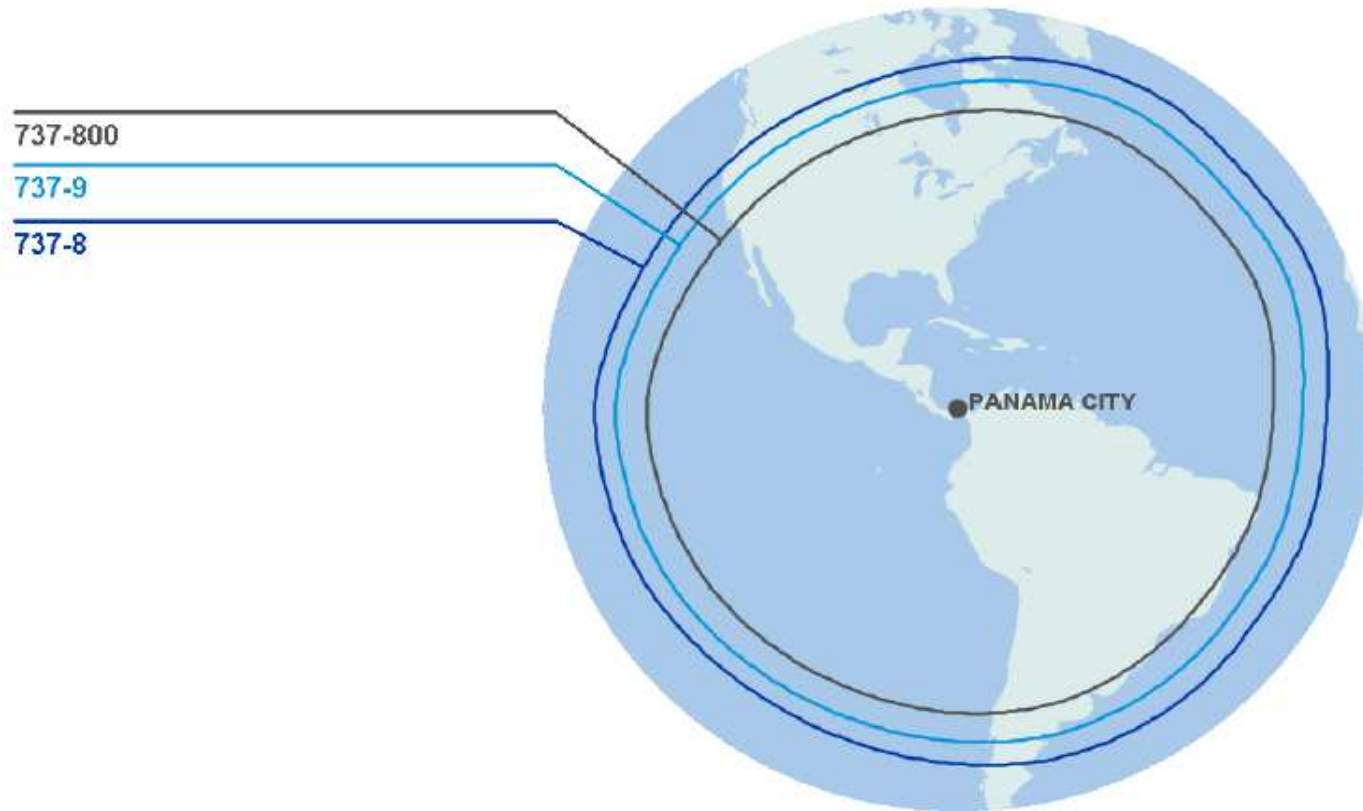
- 95% of our 737-800NG fleet has split scimitar winglets – Incremental fuel burn savings of 1.5%
- iPads in the cockpit
- Other Fuel savings initiatives have yielded nearly 1% reduction in fuel burn since 2015:
  - Optimization of APU usage
  - Single Engine taxi
  - More direct routing and use of optimal alternates
  - Efficiencies in remaining fuel
  - Aircraft towing vs taxiing



# B737-MAX Fleet will deliver cost advantages



# B737-MAX will have better performance



- More capacity
- Increased operating range
- Improved performance out of restrictive missions



# MRO System Replacement

## Implementation of MXI Maintenix MRO software for 2017 on-track:

- Unifies and replaces two systems simplifying training, control and processes
- Improved functionality and reporting capabilities
- Will allow Copa to optimize maintenance program fully for our operation
- Simplifies into-service process for 737 MAX
- Total investment of approximately \$8.5M over 5 years. Net annual benefit of over \$2.5M in 2018 and beyond



# Maintenance Capabilities Expansion

- **We continue to in-source more heavy maintenance work**
  - 70% of C-Checks done in-house in 2016
  - Continue to add supporting shops to drive efficiencies
- **We plan to add a second heavy check line in 4Q2018 with hangar expansion**
  - Investment of \$15MM in 2017 and 2018
  - Estimated completion date: Q4 2018



# Total Employees of Technical Operations FTE

Departamento	2011	2016	2017	2017 vs 2011
Technical Operations VP	12	16	16	33%
Dir. Maintenance	19	33	33	74%
Hangar	107	142	142	33%
MRO PTY	0	121	124	100%
Mx Line	88	118	118	34%
TOCC	19	21	21	11%
Shops	49	69	71	45%
Mx Stations, GUA & SCL	30	54	54	80%
Interiors & Appearance	52	98	97	87%
Dir. Engineering & Mx Planning	16	23	22	38%
Dir. Airworthiness & Reg. Compliance	24	32	33	38%
Technical Records	16	19	19	19%
Planning	15	18	17	13%
Dir. Technical Purchasing & Procurement	15	17	17	13%
AOG Desk	8	8	8	0%
Material Planning	5	12	12	140%
Component Repairs	7	8	10	43%
Stores	56	69	59	5%
Copa Colombia	242	134	134	-45%
<b>TOTAL</b>	<b>780</b>	<b>1012</b>	<b>1007</b>	<b>29%</b>

## Number of Required Technicians Per Year

	2013	2014	2015	2016	2017	2018	2019	2020
Hangar y Talleres de Motores	96	97	109	109	109	76	84	92
Supervisores (Hangar, Línea y Talleres)	25	34	34	36	36	42	43	50
Taller de Estructuras	20	23	22	22	23	24	24	25
Taller de Interiores	26	30	38	38	38	42	46	51
Talleres (Batería, Eq. Emerg.; Llantas y Frenos; O2)	24	27	31	33	35	37	39	41
Mantenimiento Línea	88	97	101	109	109	120	132	145
Soporte Técnico y MOC	18	18	19	19	20	20	20	20
Mantenimiento Pesado	39	67	70	80	80	117	150	180
Inspectores de Control de Calidad	22	25	31	34	34	38	38	38
<b>Total de Técnicos</b>	<b>358</b>	<b>418</b>	<b>455</b>	<b>480</b>	<b>484</b>	<b>516</b>	<b>576</b>	<b>642</b>
Incremento		60	37	25	4	32	60	66
Rotacion (3%)		13	14	14	15	15	17	19
<b>Técnicos de Mantenimiento requeridos</b>		<b>73</b>	<b>51</b>	<b>39</b>	<b>19</b>	<b>47</b>	<b>77</b>	<b>85</b>

# Source of Mechanic Training

## **Universidad Tecnológica de Panama (UTP)**

Técnicos de Mantenimiento de Aviación

Programa de 2 años de duración

15-20 graduados por promoción

## **Escuela de Técnicos de Mantenimiento de Aeronaves de Copa Airlines (ATA)**

Desde 4Q 2014

18 estudiantes por promoción

26 graduados (a Julio 2017)

53 estudiantes en curso (a Julio 2017)

# Certifications

## **AAC**

Autoridad Aeronáutica Civil - Panamá  
OMA (Organismo de Mantenimiento Aprobado)

## **FAA**

Federal Aviation Administration - Estados Unidos  
FAR 145 Repair Station

## **UAEAC**

Unidad Administrativa Especializada en Aeronáutica Civil -  
Colombia  
TARE (Taller Aeronáutico Reparador en el Extranjero)

## **IOSA**

IATA Operational Safety Audit

# Number of Maintenance Events

			2011	2012	2013	2014	2015	2016	2017	2018
<b>PDM's</b> IFE, Sillas, Winglets, Iridium	PTY	⇒								
	SJO SAL		9	8	7	4	9	1	2	7
<b>CHEQUEOS "C"</b> NG & EMB	PTY	⇒	2	7	11	12	19	17	18	25
	SJO SAL	⇒	20	24	13	10	19	9	16	7
<b>CHEQUEOS "A"</b> NG A1-A36 / EMB A1-A10	PTY	⇒	514	580	690	739	750	719	729	495
			←			→		→		→
			PTY, GUA, BOG			PTY, BOG		PTY		



# Copa Shops in PTY

- Motores
- Baterías
- Llantas, Rines y Frenos
- Hornos y Cafeteras
- Armado de Equipos de Emergencia
- Estructuras
- Materiales Compuestos
- Impresión de Calcomanías y Plantillas
- Confección de Alfombras
- Confección de Cortinas
- Lavado en Seco de Forros
- Restauración (Overhaul) de Crew Seats
- Restauración de Sillas de Cabina
- Reparación de Paneles Laterales
- Relleno de Botellas de Oxígeno
- Relleno de Botellas de Nitrógeno
- Prueba Hidrostática de Cilindros de Oxígeno



# Subcontracted Maintenance Services

**Overhaul (Restauración) y reparación de:**

- **Motores**
  - General Electric
- **Auxiliary Power Units (APU)**
  - Hamilton Sundstrand (EMB 190)
  - Honeywell (B737 NG)
- **Mantenimiento Mayor de Aeronaves**
  - Coopesa
  - Aeroman
- **Componentes**
  - Rockwell Collins (Aviónica y IFE)
  - Honeywell (Aviónica y Sistemas)
  - Hamilton Sundstrand
  - Lufthansa Technik
  - Goodrich (Trenes de Aterrizaje)
  - Panasonic (IFE)

## Recognized by CFM as the First in IFSD Rate, First Total Removal Rate, and Second Unplanned Removal Rate in Americas during the last five years



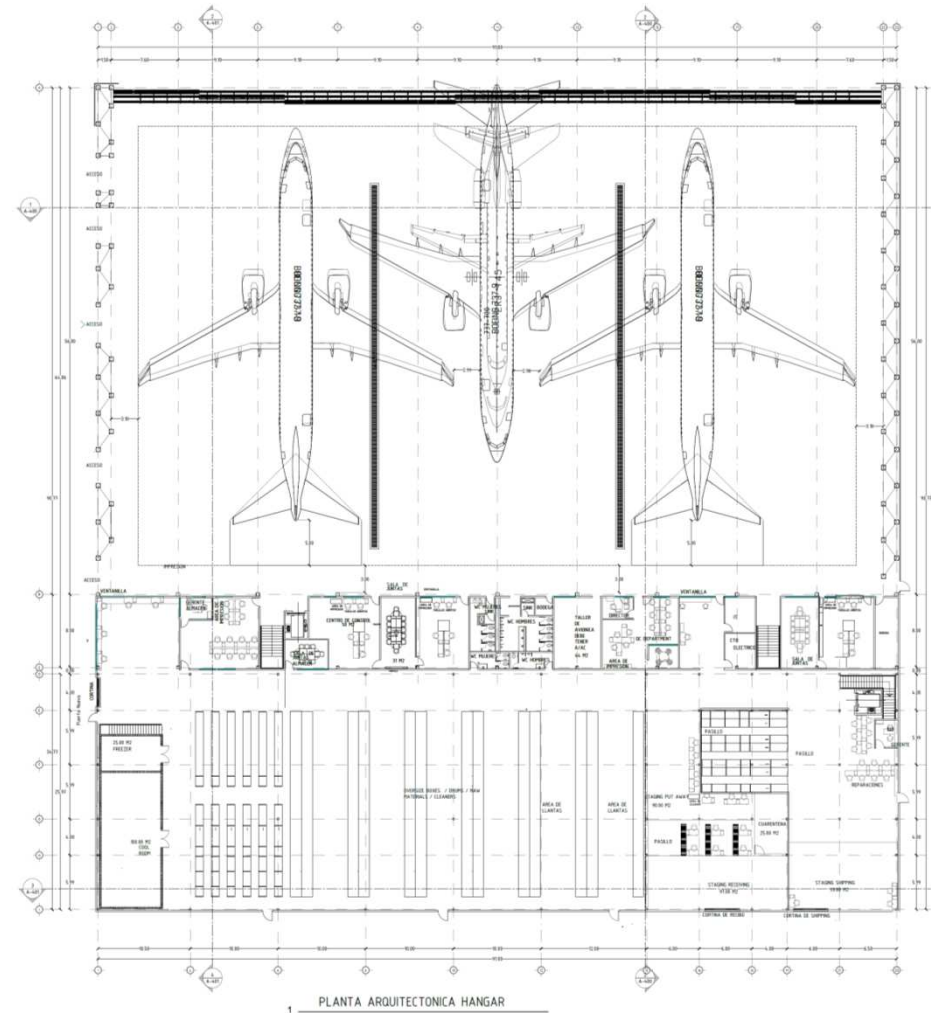


# Hangar Expansion Plan



# Maintenance Capabilities expansion

- **5,150 m<sup>2</sup> of hangar space**
  - Three bays large enough to fit B737MAX9s
- **3,000 m<sup>2</sup> of stores space**
- **1,456 m<sup>2</sup> of office space**





# Hangar Expansion





# Hangar 2 – Groundbreaking

20-Enero-2017





# Copa Tech Ops Golf Tournament

- The 7th edition will be held in February 15-17, 2018
- So far, we have generated around \$1.1M
- Supporting 7 non-profit organizations in Panamá





# Supporting Non-Profit Organizations



windgo

# wingo



- **Copa Airlines'** Colombian **LCC** based in BOG
- 4 **single cabin B737-700s** (142 leather seats, 28 of those with extra pitch)
- Majorly **point-2-point** service
- 9 initial **ancillary products**, 2 free services (carry-on & water)
- Value proposition  
The Way to Fly: **fly well, feel well, at low prices**
- In service since December 2016

# Copa Holdings S.A. – Investor Day

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**Thank you!**