

Hyannis Air Service, Inc., dba Cape Air Attn: Andrew Bonney, SVP Planning 660 Barnstable Road, Hyannis, MA 02601 (508) 862-9719

26x Weekly to/from Pittsburgh



#### Preface Regarding the COVID-19 Pandemic

#### **Key points**

- Cape Air has embraced CDC protocols for cleaning aircraft, personal protective equipment and passenger facilities
- Despite the inherent uncertainties in today's pandemic news,
   Cape Air is confident in the durability of high-frequency, reliable,
   9-seat commuter service with connections to/from major airlines
- Some facts and figures in the contextual information of this presentation may change, but Cape Air's proposal for Altoona's EAS is firm
- Despite recent business disruption, Cape Air is resilient and our finances remain strong



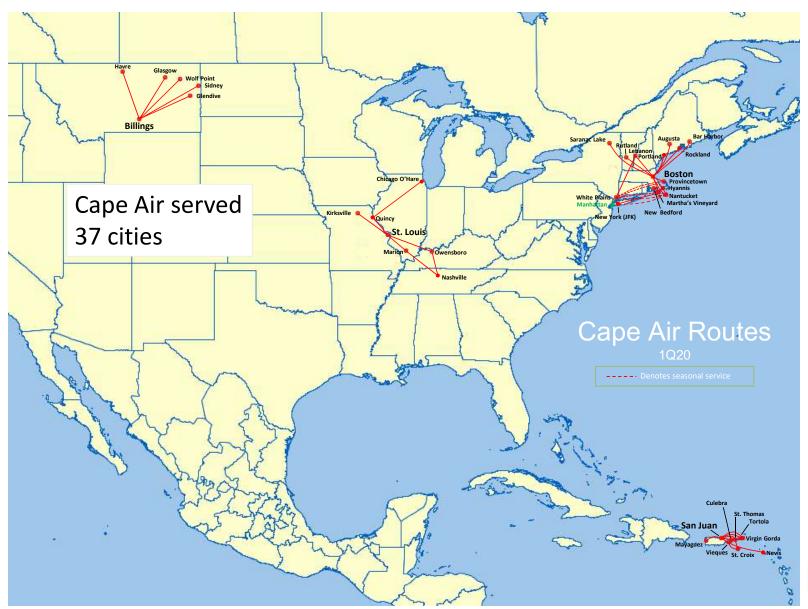


#### Cape Air Overview



- Providing scheduled service since 1989
- 99 aircraft in the fleet
- 37 cities served
- 850 employees
- Flying 500,000+ passengers per year
- Employee-owned and empowered workforce







# Featuring World class distribution Interline with all legacy airlines Hosted in Amadeus reservations system Selling through major online travel agencies





### Airline partners

Cape Air connects with:



















# Sales distribution is a key strength for Cape Air, with our connecting service showing on aa.com...

#### American Airlines

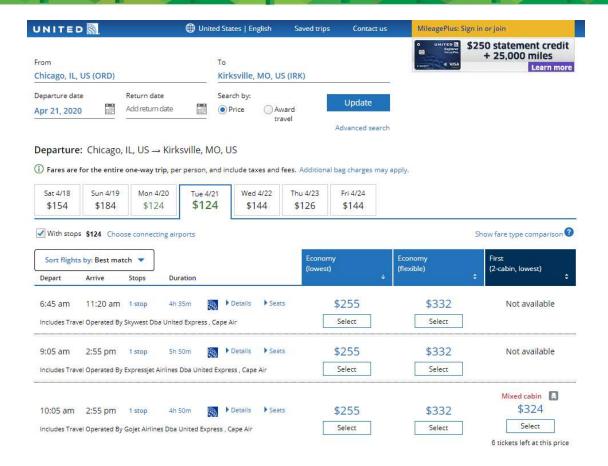
Depart Marion, IL to Dallas/ Fort Worth, TX Tuesday, July 30, 2019

(i) American Airlines flights may be listed first.





### ...united.com...





#### ...and jetblue.com



#### **Select Your Flight**

View more JetBlue fare options here.

#### Rutland, VT (RUT) to Fort Lauderdale, FL (FLL)

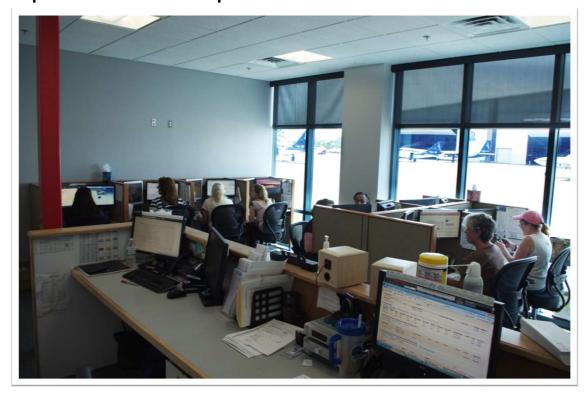
Prices displayed are one-way per person including taxes and fees Additional baggage fees a may apply. Flights operated by partner airlines can only be paid using credit cards. The order of flights displayed is not neutral with respect to carrier identity; lowest priced JetBlue flights are displayed first, followed by codeshare and interline partner-operated flights, prioritized by price and schedule.

Departs		Arrives	Duration			Airline	Flight	Cabin	
O \$216 USD	One-w	vay							
<b>RUT 7:20 AM</b> Tue, Sep 15	9	BOS 8:23 AM Tue, Sep 15	1h 3m Layover 2h 8m			jetBlue Operated by Cape Air	₹ 5100	Economy	
BOS 10:31 AM Tue, Sep 15	0	FLL 1:51 PM Tue, Sep 15	3h 20m Total: 6h 31m	View seats	Amenities	jetBlue	₹ 269	Economy	



### Reservations: 1-800-CAPE-AIR

#### **Cape Air Reservations Department**

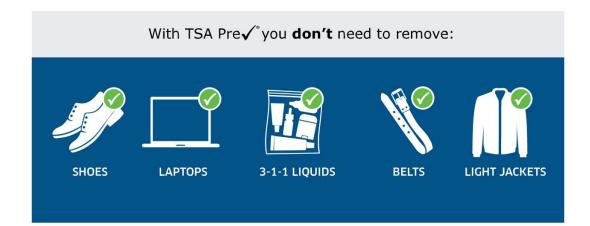


No fee to speak with a reservations agent!



# Cape Air participates in TSA's PreCheck program







# Commitment To Safety





# Safety first Core of our culture

#### Cape Air's #1 priority is the safety of our operation

- Multi-engine aircraft
- Safety audits annually by:
  - American Airlines
  - United Airlines
  - JetBlue Airways
- SMS program approved by FAA
- 30 years experience
  - 100,000+ flights per year

- FAA certified under Part 135 Commuter
- All captains have an Air Transport Pilot Certificate
  - 1,500 hours minimum
- Director of Safety
  - Department of 3 safety professionals
- WAAS-enabled GPS navigation

Safety mantra:

"Make the tough call in the name of safety, and we will support you"



## Cape Air proposes service in our fleet of brand new twin-engine Tecnam Travellers





#### **Features**

- Two engines, for safety
- 9 passenger seats
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports



### The "Traveller" was custom designed by Cape Air and Tecnam for commuter air service





#### Highlights

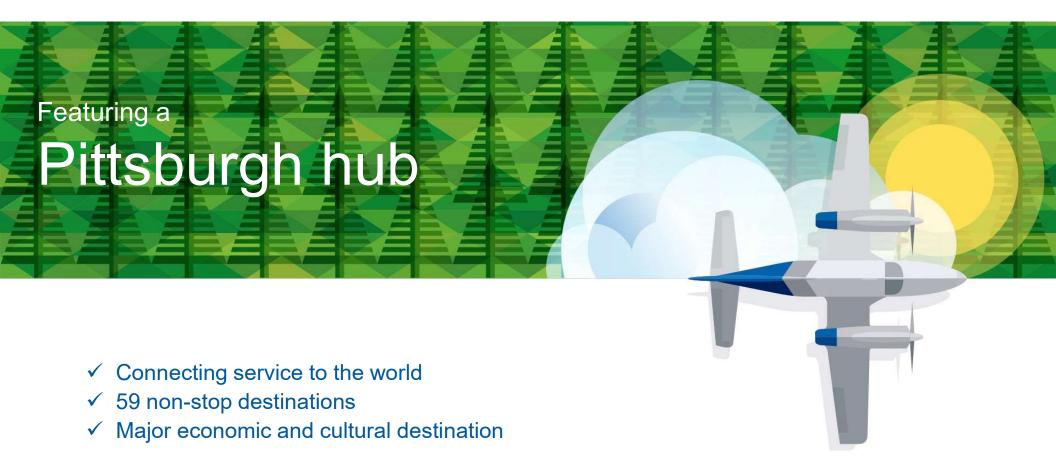
- The first new purpose-designed commuter aircraft in 40 years
- Brand-new design
- Electronically controlled engines
- Luxurious cabin with 9 single seats



# The cockpit features the Garmin G1000NXi integrated flight deck











# In addition to being a world-class destination, Pittsburgh has non-stop air service to 59 destinations

#### Pittsburgh cities served (2020 OAG)

<u>Index</u>	<u>City</u>	<u>Code</u>	<u>Seats</u>	<u>Index</u>	<u>City</u>	<u>Code</u>	<u>Seats</u>	Index	<u>City</u>	<u>Code</u>	<u>Seats</u>
1	Atlanta, GA	ATL	531,268	21	Washington, DC	DCA	90,741	41	Sanford, FL	SFB	17,037
2	Chicago, IL	ORD	391,957	22	Seattle, WA	SEA	85,469	42	Cancun, Mexico	CUN	15,772
3	Charlotte, NC	CLT	322,411	23	San Francisco, CA	SFO	84,917	43	Charleston, SC	CHS	14,664
4	Orlando, FL	MCO	283,578	24	Nashville, TN	BNA	78,361	44	Montreal, QC	YUL	14,404
5	New York, NY	LGA	275,430	25	Miami, FL	MIA	68,736	45	West Palm Beach, FL	PBI	14,352
6	Boston, MA	BOS	263,218	26	Phoenix, AZ	PHX	66,334	46	Jacksonville, FL	JAX	14,196
7	Newark, NJ	EWR	222,108	27	Fort Myers, FL	RSW	61,007	47	Morgantown, WV	MGW	11,349
8	Denver, CO	DEN	220,965	28	Houston, TX	HOU	54,638	48	DuBois, PA	DUJ	11,340
9	Dallas/Ft. Worth, TX	DFW	210,660	29	St. Louis, MO	STL	53,605	49	Bradford, PA	BFD	11,304
10	Chicago, IL	MDW	183,331	30	Myrtle Beach, SC	MYR	53,024	50	Frankfurt, Germany	FRA	9,288
11	Philadelphia, PA	PHL	172,880	31	Los Angeles, CA	LAX	52,400	51	Altoona, PA	A00	8,955
12	Fort Lauderdale, FL	FLL	156,967	32	Toronto, ON	YYZ	49,978	52	Austin, TX	AUS	8,424
13	Detroit, MI	DTW	152,930	33	Dallas, TX	DAL	49,348	53	Lancaster, PA	LNS	8,046
14	Houston, TX	IAH	143,955	34	Salt Lake City, UT	SLC	40,681	54	Johnstown, PA	JST	6,615
15	Minneapolis/St. Paul, MN	MSP	139,628	35	Raleigh/Durham, NC	RDU	39,619	55	Valparaiso, FL	VPS	4,368
16	Las Vegas, NV	LAS	127,404	36	London, UK	LHR	39,594	56	Memphis, TN	MEM	4,056
17	Tampa, FL	TPA	118,045	37	St. Petersburg, FL	PIE	22,899	57	Norfolk, VA	ORF	4,056
18	New York, NY	JFK	108,634	38	Punta Gorda, FL	PGD	20,697	58	Indianapolis, IN	IND	3,390
19	Washington, DC	IAD	102,874	39	Sarasota/Bradenton, FL	SRQ	19,344	59	New Orleans, LA	MSY	2,951
20	Baltimore, MD	BWI	92,226	40	Savannah, GA	SAV	19,221	Total			5,455,649

### Pittsburgh route map



Source: OAG (2020)



# Marketing And Community Engagement





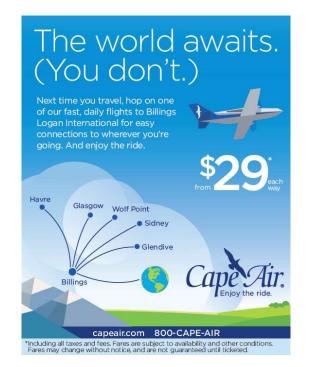


# Cape Air's marketing department specializes in small community air service marketing and communicating Cape Air's many strengths



The marketing plan for Altoona includes:

- ✓ Targeted SEM, SEO and digital display
- ✓ Traditional mediums: print/outdoor/radio/TV/streaming/social platforms
- ✓ Leveraging UGC
- ✓ Community sponsored events
- Partnerships with local businesses and universities
- ✓ Local contesting and trip giveaways







Cape Air has an in-house professional marketing team

### The Cape Air Difference

New multi-engine aircraft, connectivity, community



- Newest aircraft: Tecnam P2012 Traveller
  - Multi-engine aircraft
- 26x weekly service to/from Pittsburgh
- Interlines with American, Delta, JetBlue, Alaska, United and more
- Planes and pilots based in Altoona
- Robust marketing program and dedicated community partner

- Independence, retaining full control over:
  - Fares
  - Schedule
  - Marketing
- No fees:
  - No 1<sup>st</sup> checked bag fees
  - No change fees
  - No reservations fees



# EAS Proposal Economics





#### Cape Air proposes 26x weekly to/from Pittsburgh



#### **Drivers**

Daily RTs 3.7
Pax/Dpt 4.8
LF 53%
Fare (net) \$39
Pax Rev \$489,275

#### **Expenses**

Two-year term; discount for 4-year term, preferred, is noted below

Return of 5%	\$135 109
Return of 5%	\$135,109
Economic Expense	\$2,702,170
•	
Passenger Revenue	\$489,275
Profit	(\$2,212,895)
Subsidy Required	\$2,212,895
Per Departure	\$841
Per Passenger	\$176



## To align revenue with costs, Cape Air proposes escalation factors



#### Annual subsidy including escalation

Two-year selection Year 1 Year 2	\$2,212,895 \$2,279,282
Four-year selection Year 1 Year 2 Year 3 Year 4	\$2,172,800 \$2,237,984 \$2,305,123 \$2,374,277

Preferred



