



# COPA HOLDINGS, S.A.

INVESTOR DAY

September 20, 2018

# 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.

# Agenda

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Business and Strategic Overview **1**

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# Business and Strategic Overview

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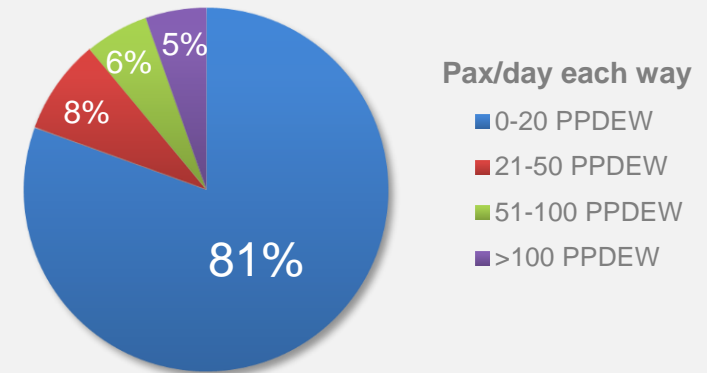
**PEDRO HEILBRON**  
CHIEF EXECUTIVE OFFICER

# Business Model – 4 Fundamental Strengths

## Best Geographic Location



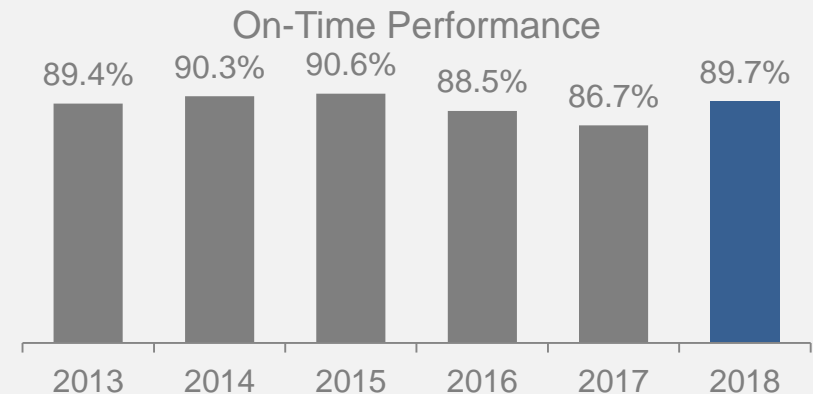
## Markets that need a Hub



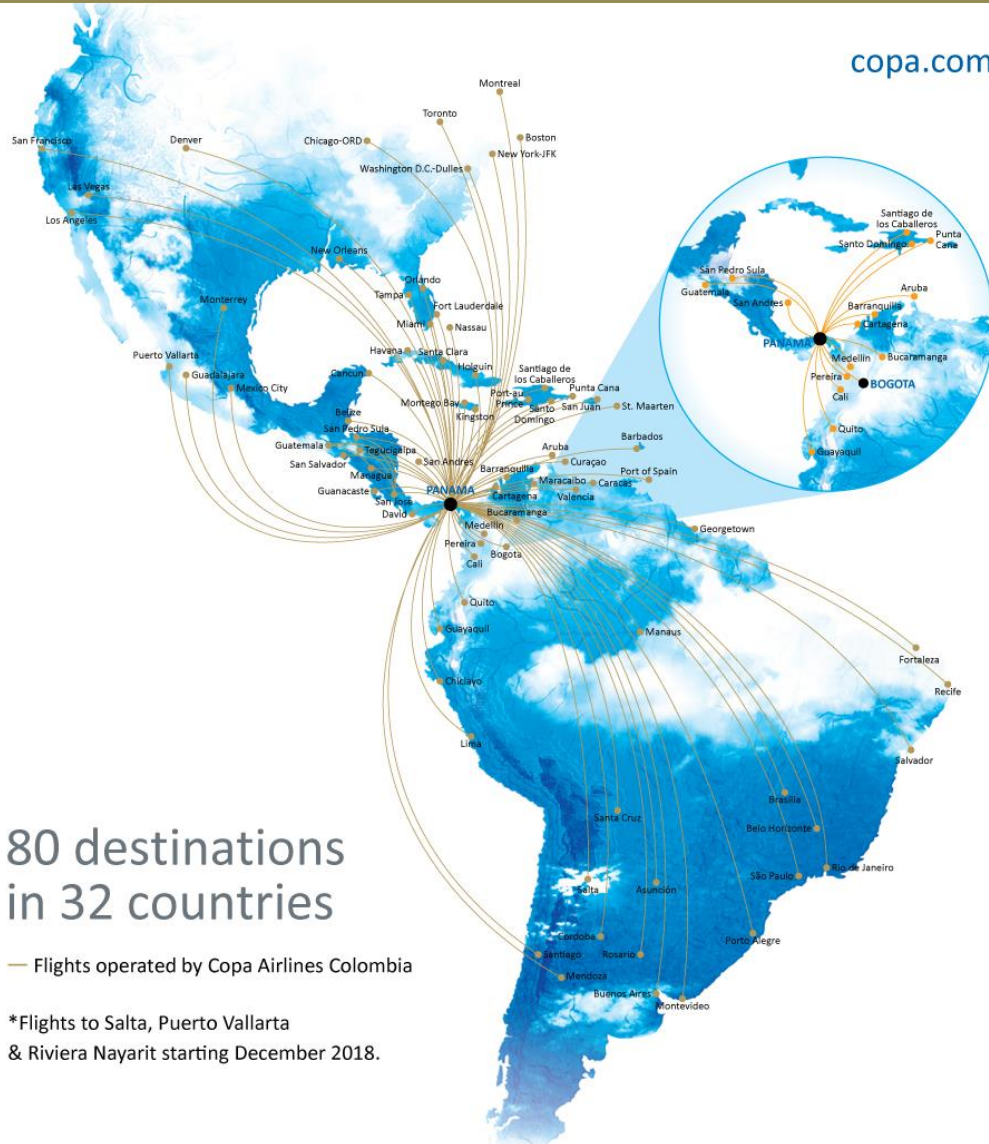
## Right Infrastructure



## World Class Product

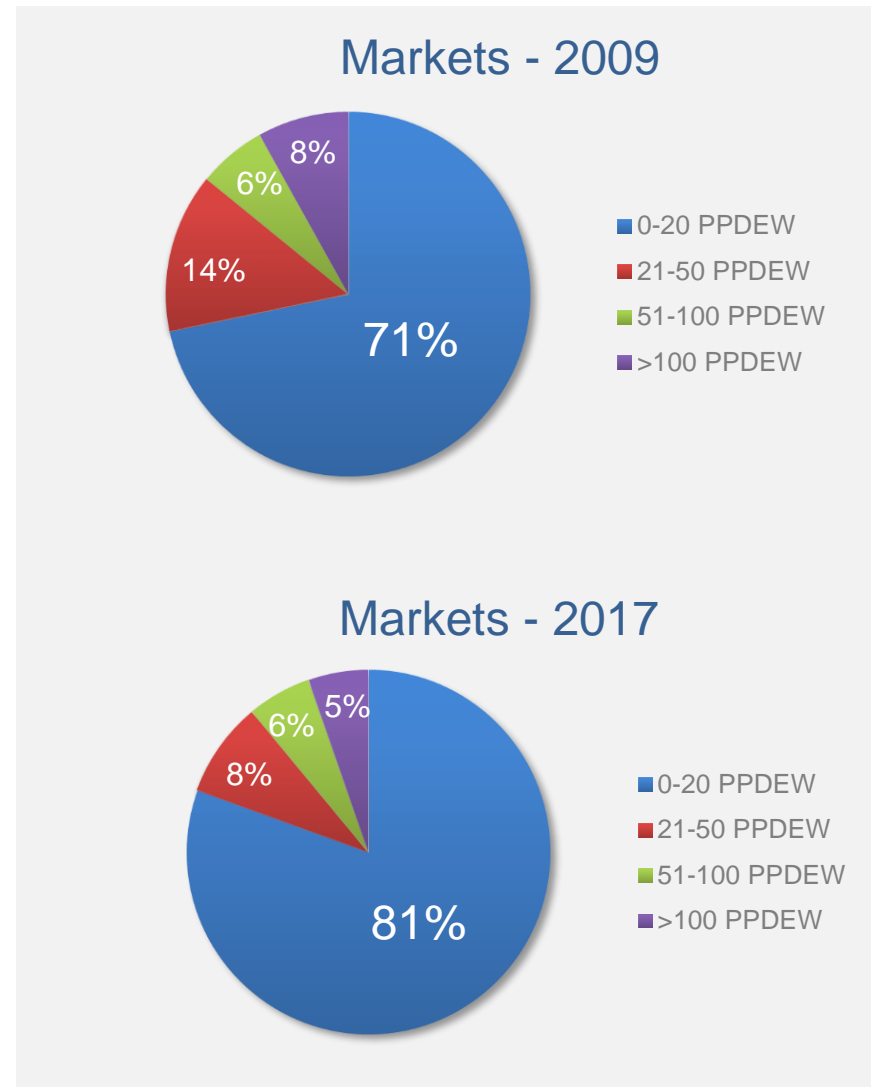


# Best Geographic Position



# Markets that need a Hub

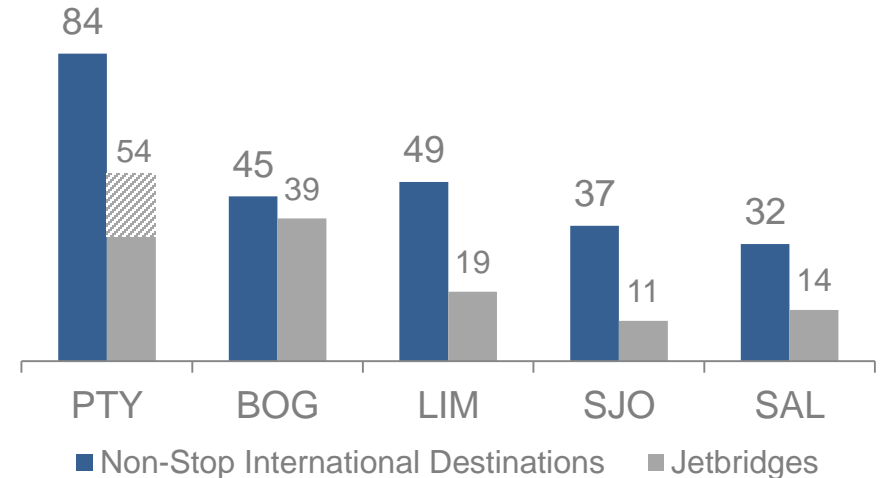
- Network focused on underserved, thin markets
  - 5 new destinations in 2018
- 20+ potential underserved new destinations that could complement our network
- Most Latin American International O&D's cannot sustain point-to-point service
- Copa's Extensive network is in many cases the most convenient option
  - More than 50% market share in half of our markets
  - More than half of our passengers come from these markets





# 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 ~85% complete
  - Partial opening in 4Q2018/1Q2019
  - Completion expected in 2019
- Duty free stores are attractive for passengers and an important generator of revenues for the airport





# World Class Product

- World Class Service
  - Skytrax World Airline Awards 2018 winner:
    - Best Airline in region
    - Best Staff in region
- Leading on-time performance
  - FlightStats Award for “Most on-time airline in Latin America”, 5<sup>th</sup> consecutive year
  - OAG award for 4<sup>th</sup> most on-time airline in the world
- Average fleet age of ~8 years
- Premium configuration for longer flights
- Star Alliance – Premier Global Alliance
- Copa Club – VIP Lounges

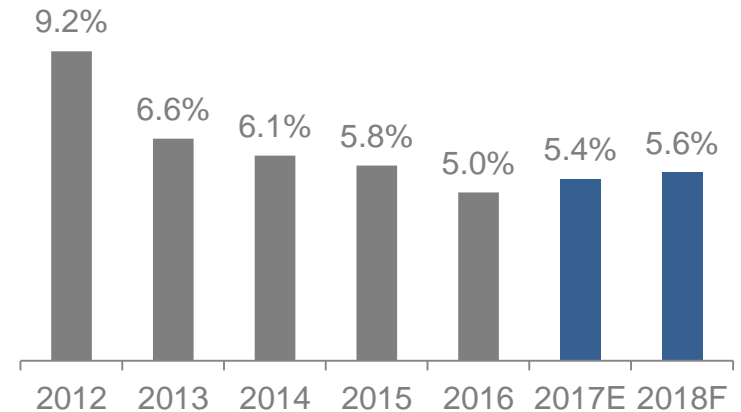


## PANAMA & LATIN AMERICAN OUTLOOK

# Panama: One of the fastest Growing Economies

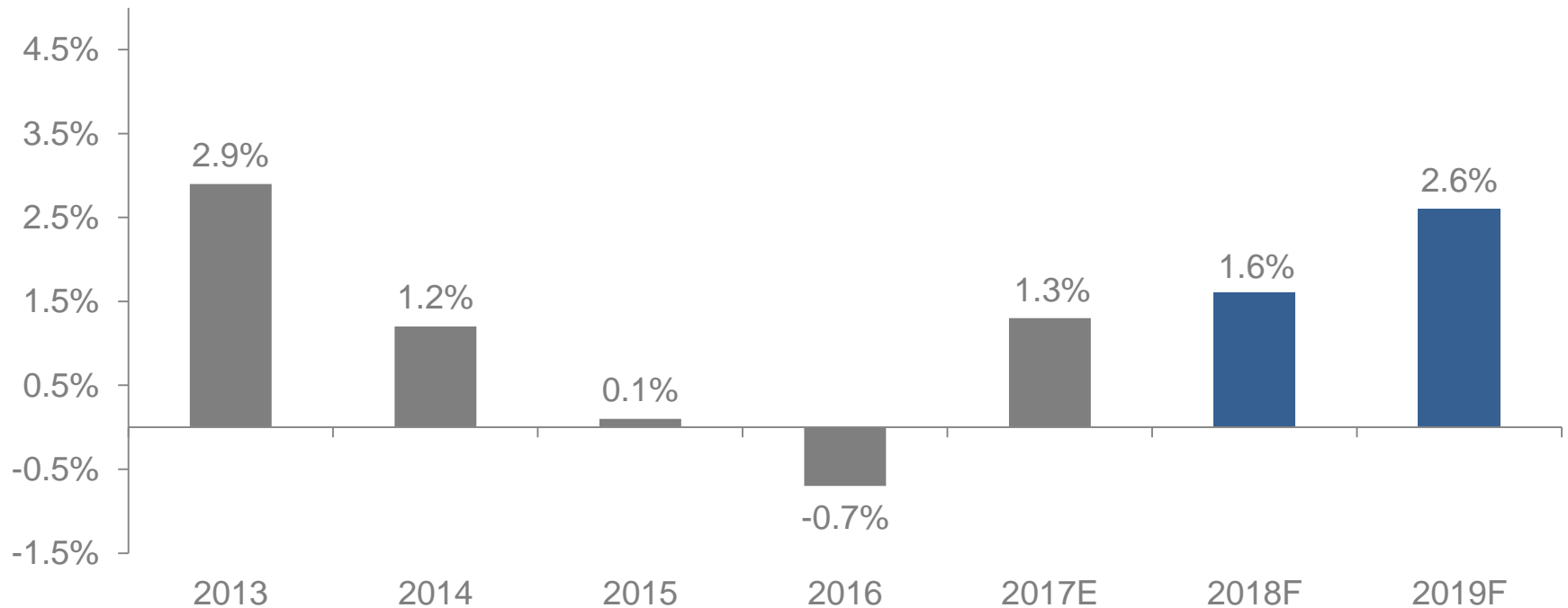
- Regional business and logistics hub
  - Largest container ports in Latin America
- Strong public and private sector investment
  - Panama Canal Expansion (completed 2016)
  - Metro Transportation System (2<sup>nd</sup> line ready 2Q19, 3<sup>rd</sup> line in bidding phase)
  - 3<sup>rd</sup> Bridge over the Canal on the Pacific
  - New Convention Center
  - New Cruise Ship Terminal
- Investment grade credit rating
- Growing as regional headquarters base for multinational companies

Panama GDP Growth



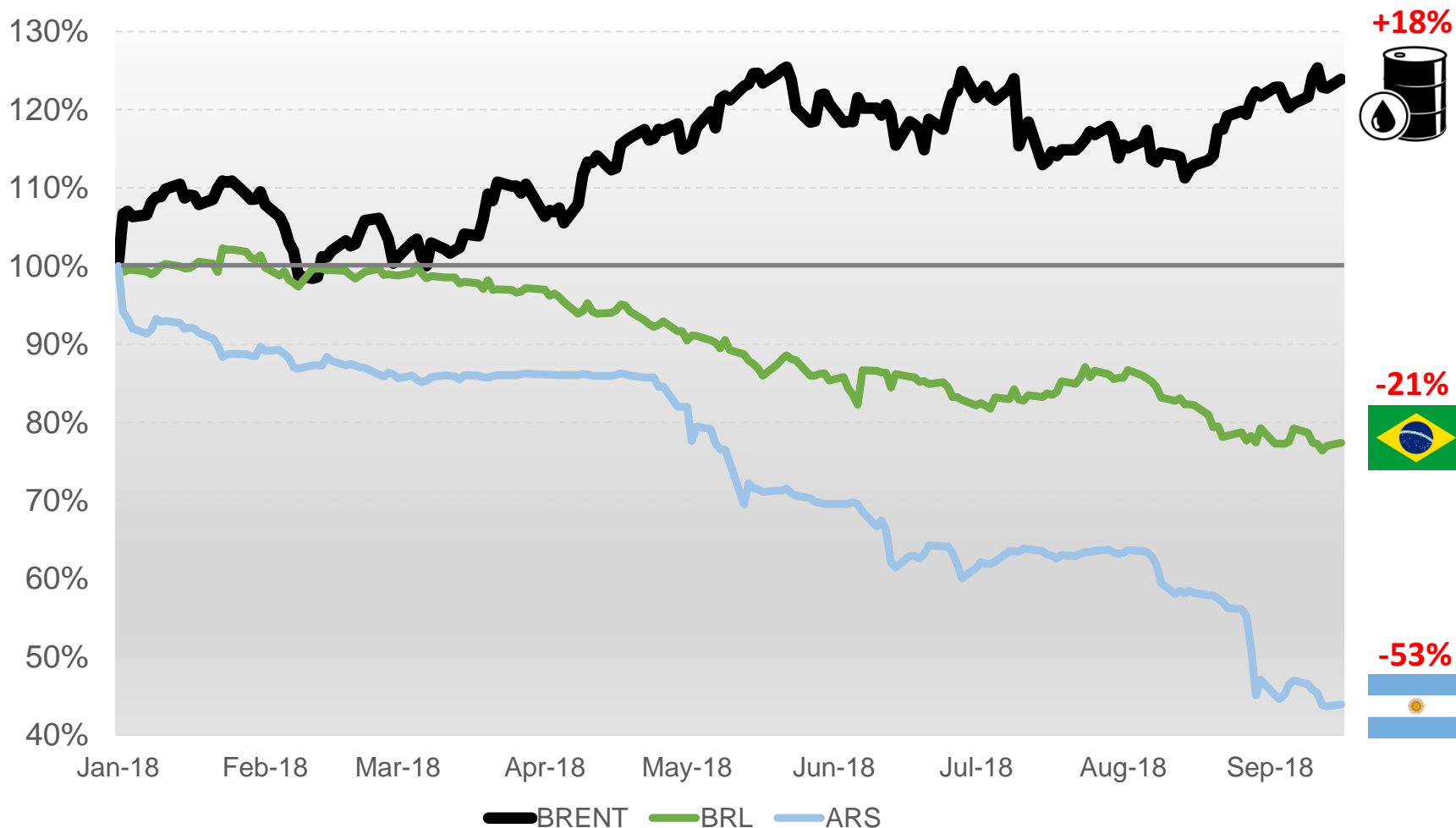
# Recent weakness in BRA and ARG will affect recovery...

Latin America GDP Growth



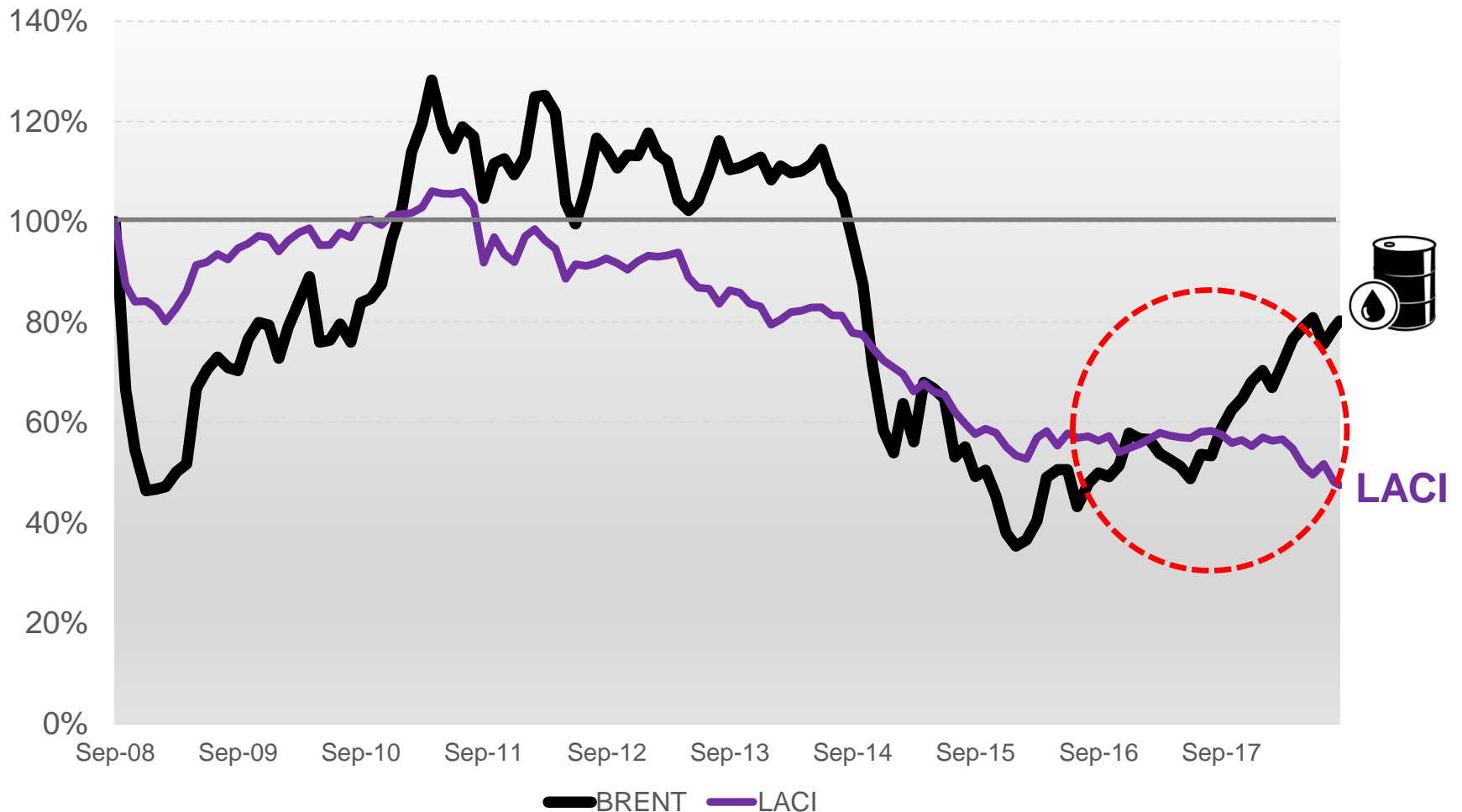
# Currencies in BRA and ARG under pressure...

BRL, ARS and BRENT Price indexed to January 2018



# Historical correlation to oil prices not materializing...

## Latin America Currency Index and BRENT Price - Last 10 Years



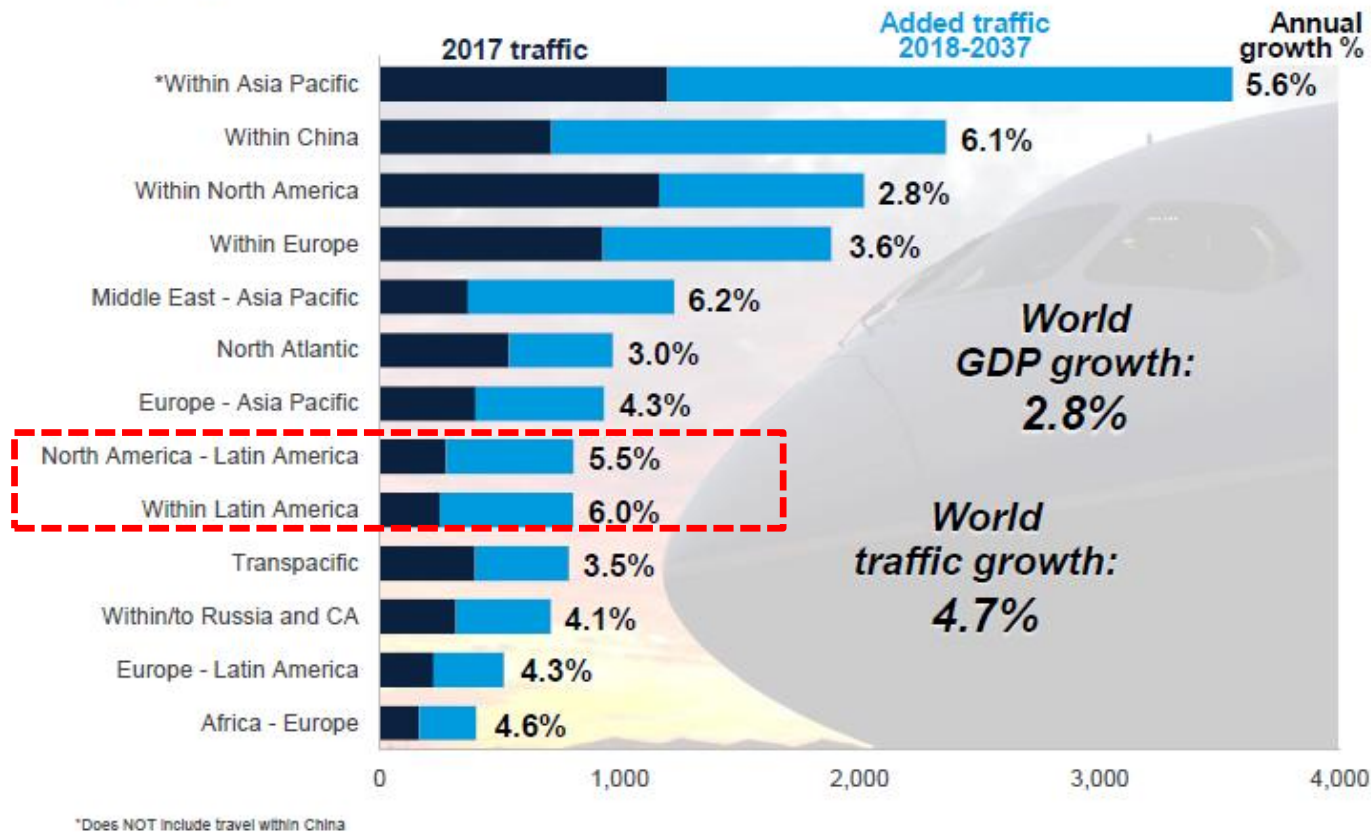


# Business and Strategic Overview

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**LOOKING BEYOND 2018**

# Air Traffic: Latin America expected to be 3<sup>rd</sup> fastest growing region



- 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>, surpassing the world average

# Order Book Supports Growth Strategy

- Aircraft orders to fund future growth
  - All Boeing narrow body aircraft
  - 71 737- MAX
- Deliveries between 2018–2024
  - MAX deliveries started in Aug 2018
  - 29 Lease expirations and 15 owned aircraft of more than 20 years
- Order includes MAX8s, MAX9s and MAX10s, and flexibility to convert between types



# Well positioned for an even brighter future...

- **Best and largest network for intra-Latin America travel**
  - Diversified revenue base
  - Flexible Fleet Plan based on B737NG and B737MAX
- **Managing the business effectively**
  - Deploying several initiatives to increase ancillary revenues
  - Continuous improvement of leading unit costs
  - World-leading Operational Indicators
- **Strong Company Culture**
  - Team focused on Company's vision and objectives
- **Consistently delivering premium results**
  - Strongest financial position

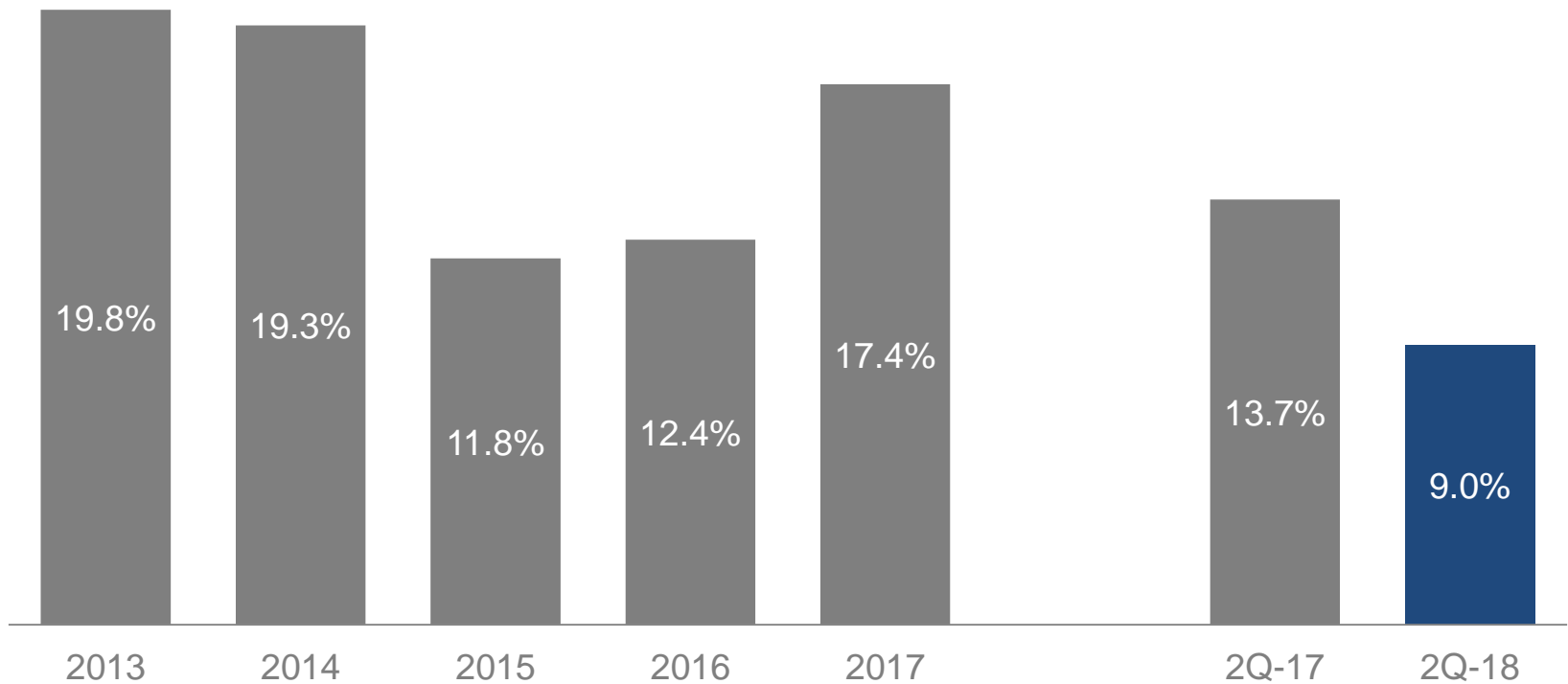
# Financial Overview

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**JOSE MONTERO**  
CHIEF FINANCIAL OFFICER

# Profitability – Solid Track Record

## OPERATING MARGIN





# Guidance provided on August 8th

## 2018 Guidance

YOY Capacity Growth	8%
Operating Margin	14-16%

2018 Guidance is based on the following assumptions:





- Load Factor of approximately 84%
- RASM of approximately 10.7 cents
- CASM of approximately 6.2 cents
- Jet fuel price (all-in) of \$2.30

...keeping track of:

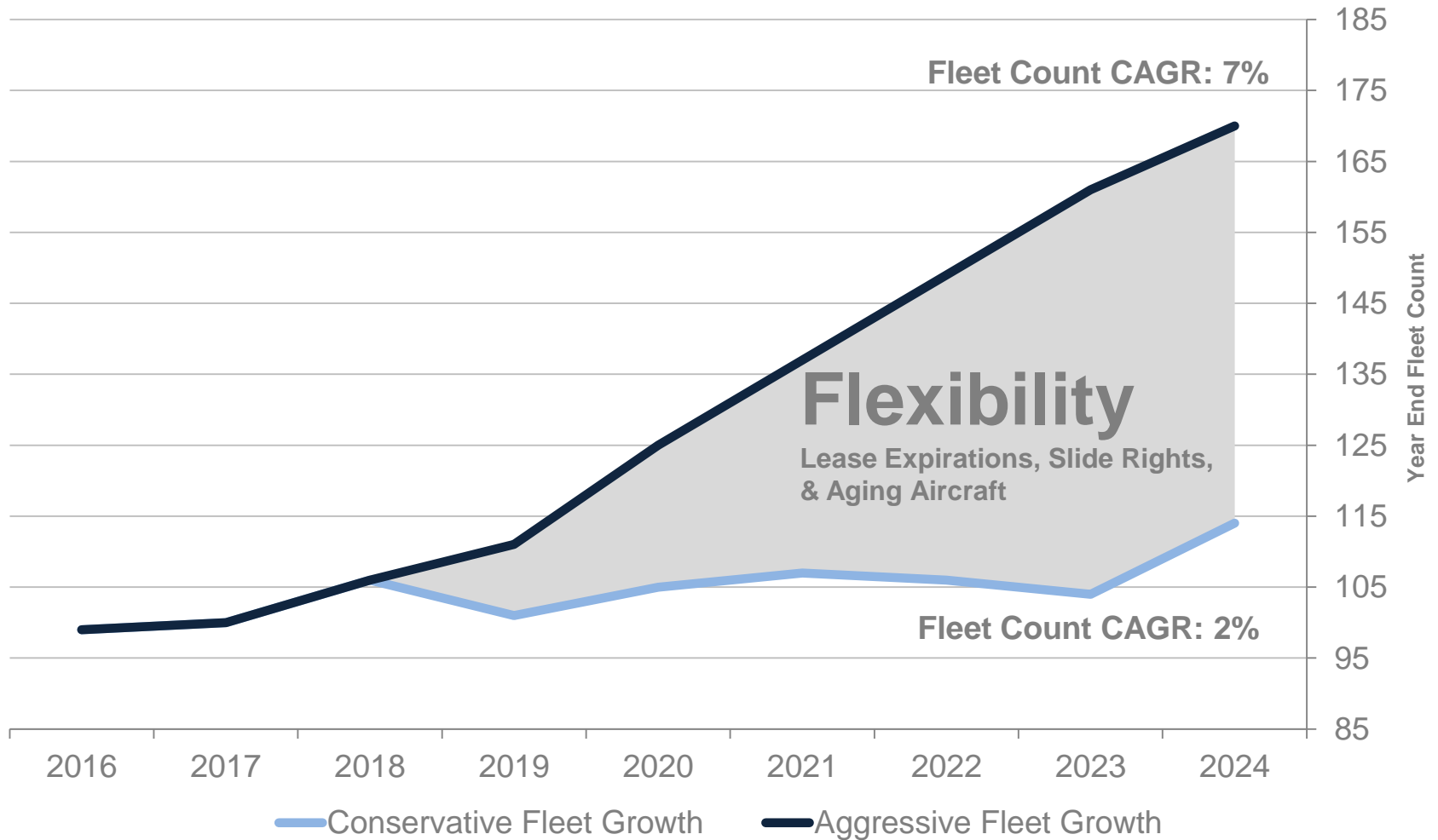
- Increase in fuel prices
- Weakness in currencies, especially BRL and ARS



# Current Fleet Plan

Aircraft Type		2016	2017	2018	2019*	2020*
	Capacity: 94 pax Range: 2,200nm Type: EMB-190	21	20	19	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	64	66	68	64	61
	Capacity: 166 pax Range: 3,390nm Type: MAX-8/9	0	0	5	13	22
		<b>99</b>	<b>100</b>	<b>106</b>	<b>110</b>	<b>116</b>

# Fleet Plan



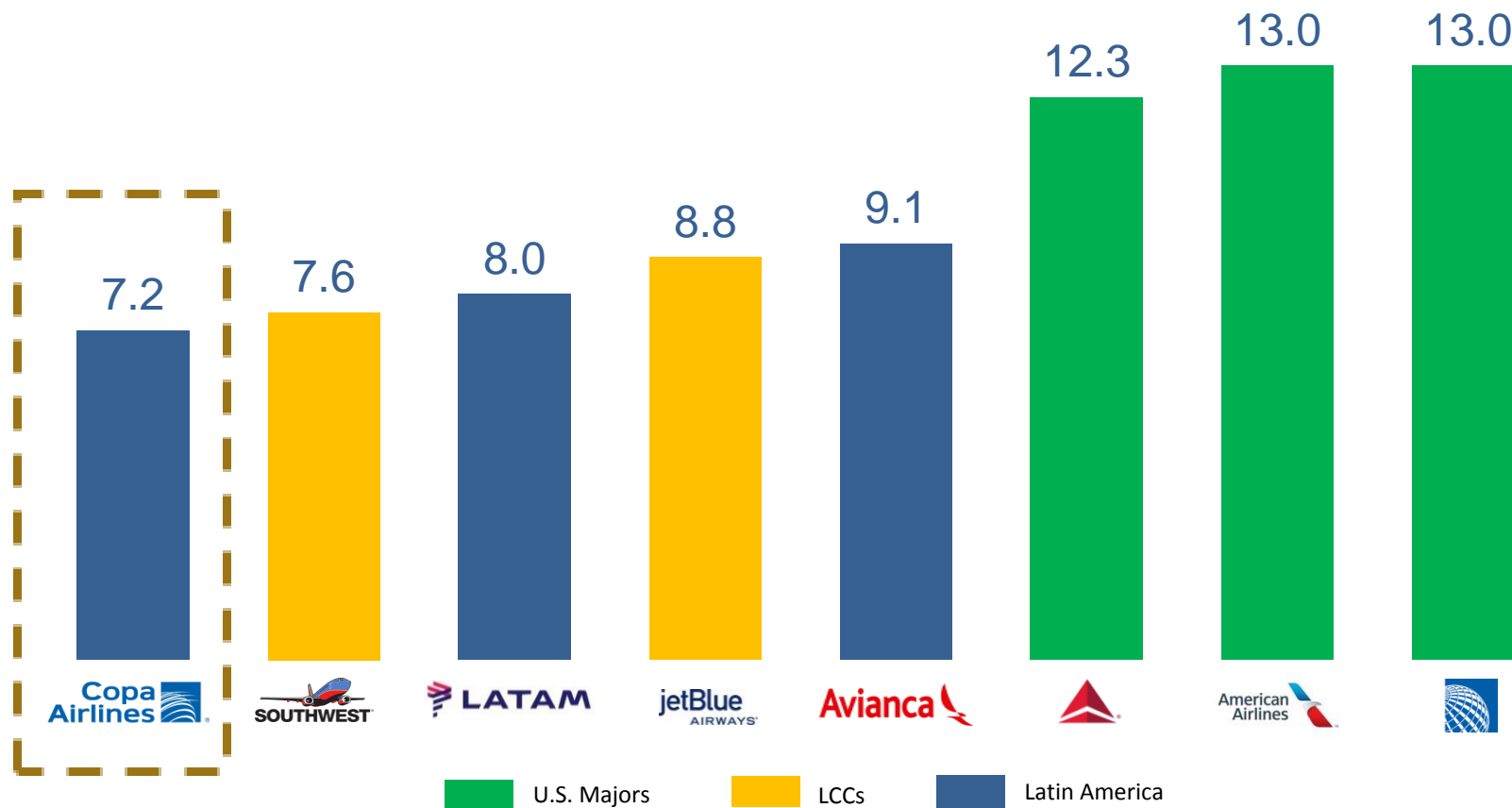
# Competitive Unit Costs

## STAGE LENGTH ADJUSTED CASM EX-FUEL

LTM ended Jun 30, 2018

(All figures adjusted to a 1,000 Mile Stage Length)

US\$ Cents









■ U.S. Majors    
 ■ LCCs    
 ■ Latin America

# Cost Saving Initiatives

Area	Initiative	Impact (MM USD) 2016-2018	
Fuel Management	APU, Flight Plans, GSI, SET, etc.	9	✓
Suppliers	GDS, Admin, etc.	17	✓
Maintenance	MRO, In-House Checks, etc.	13	✓
On-Board Service	Efficiencies, Suppliers, etc.	4	✓
Others	Airports, Contracts, etc.	12	✓
<b>Total Recurring Savings</b>		<b>55</b>	<b>✓</b>

# Stretch Goal of \$11 million in Additional Savings

Area	Initiative	Impact (MM USD)	
		2016-2018	2018-2019
Fuel Management	APU, Flight Plans, GSI, SET, etc.	9 	9
Suppliers	GDS, Admin, etc.	17 	<2
Maintenance	MRO, In-House Checks, etc.	13 	0
On-Board Service	Efficiencies, Suppliers, etc.	4 	<1
Others	Airports, Contracts, etc.	12 	<1
<b>Total Recurring Savings</b>		<b>55 </b>	<b>11</b>



# Cost Saving Initiatives – Further opportunities

## ■ Introduction of the 737MAX

- Less fuel burn per seat
- Increases average fleet gauge
- In 5 years, roughly half of our capacity will be flown on MAX aircraft

## ■ Maintenance facilities expansion

- Additional capacity for in-sourced maintenance work

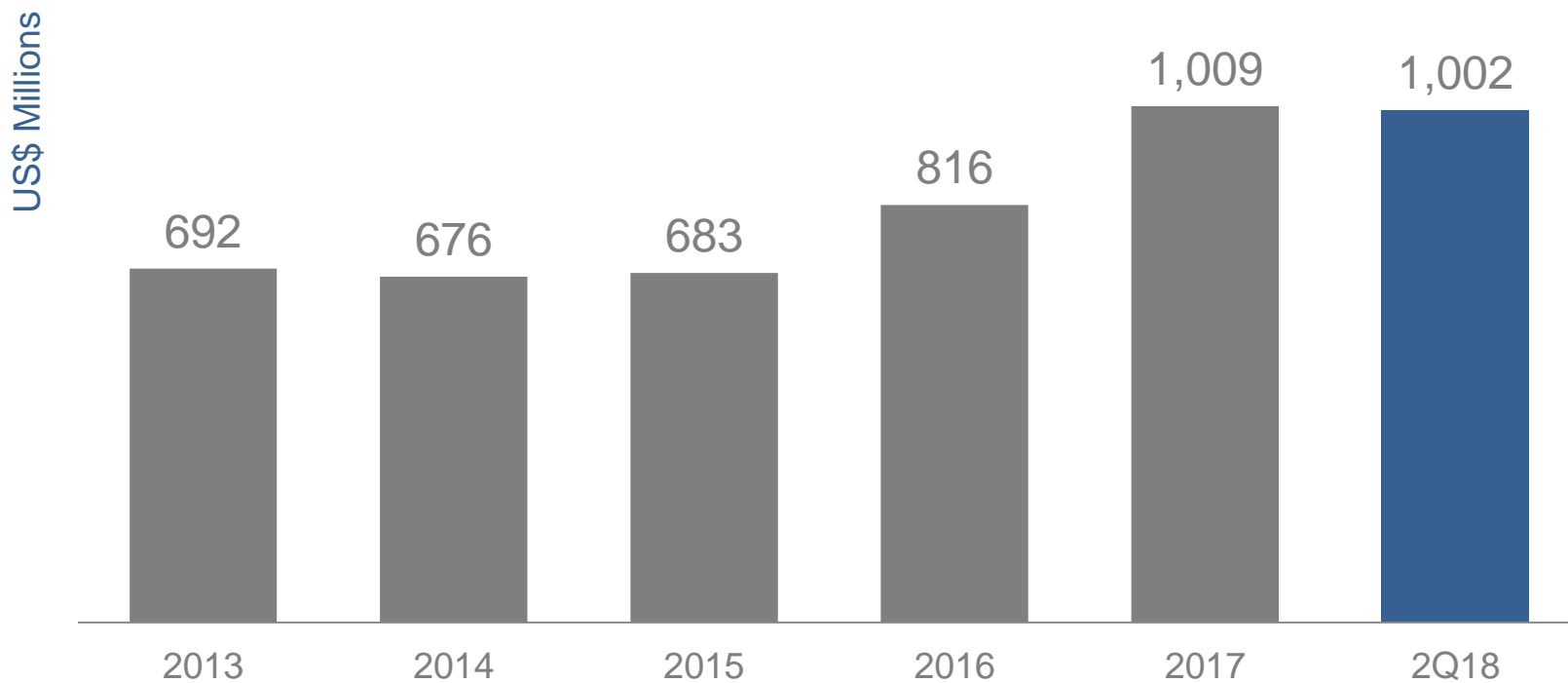
## ■ Distribution

- New forms of payment
- Further investments in [copa.com](http://copa.com) and other technologies



# Solid Balance Sheet: Liquidity

## CASH AND CASH EQUIVALENTS

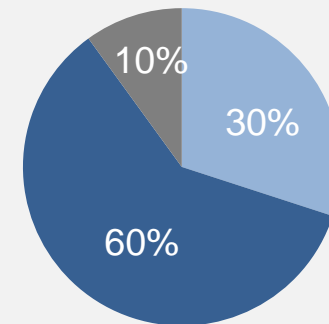


% LTM Revs.	25%	27%	25%	30%	40%	39%

# Debt Profile

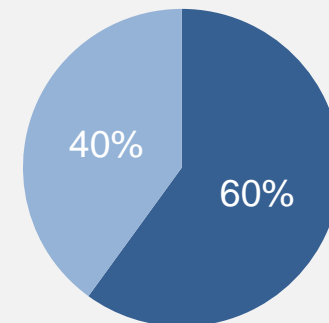
- 100% of debt is asset based
- Competitive cost of debt
  - ~3.3% blended cost of debt
- > 60% of total debt fixed
- Received two B737-800; one in January and one in April 2018, and one B737-MAX9 in August
- Secured financing for all 2019 deliveries

Financing Source



■ EXIM ■ JOLCO ■ Commercial

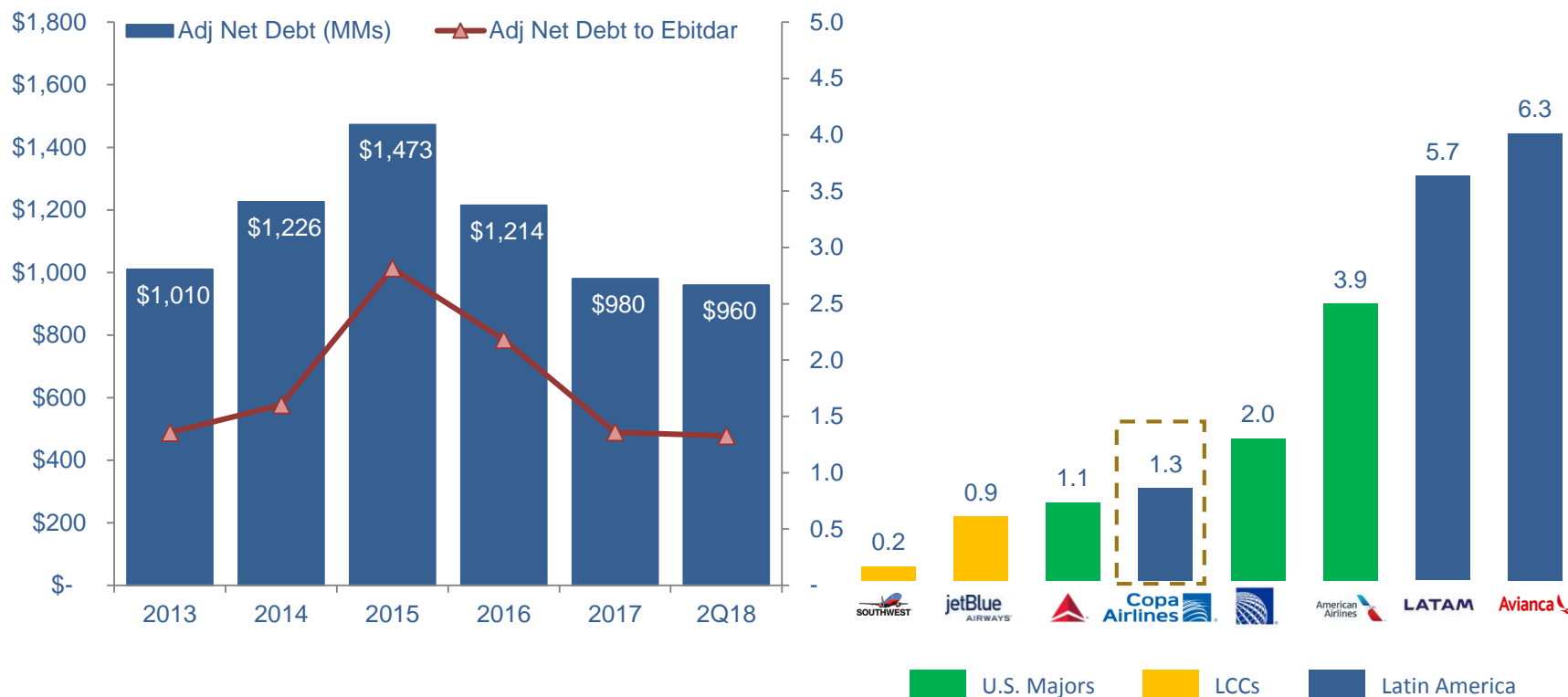
Fixed vs Variable Rate



■ Fixed ■ Floating

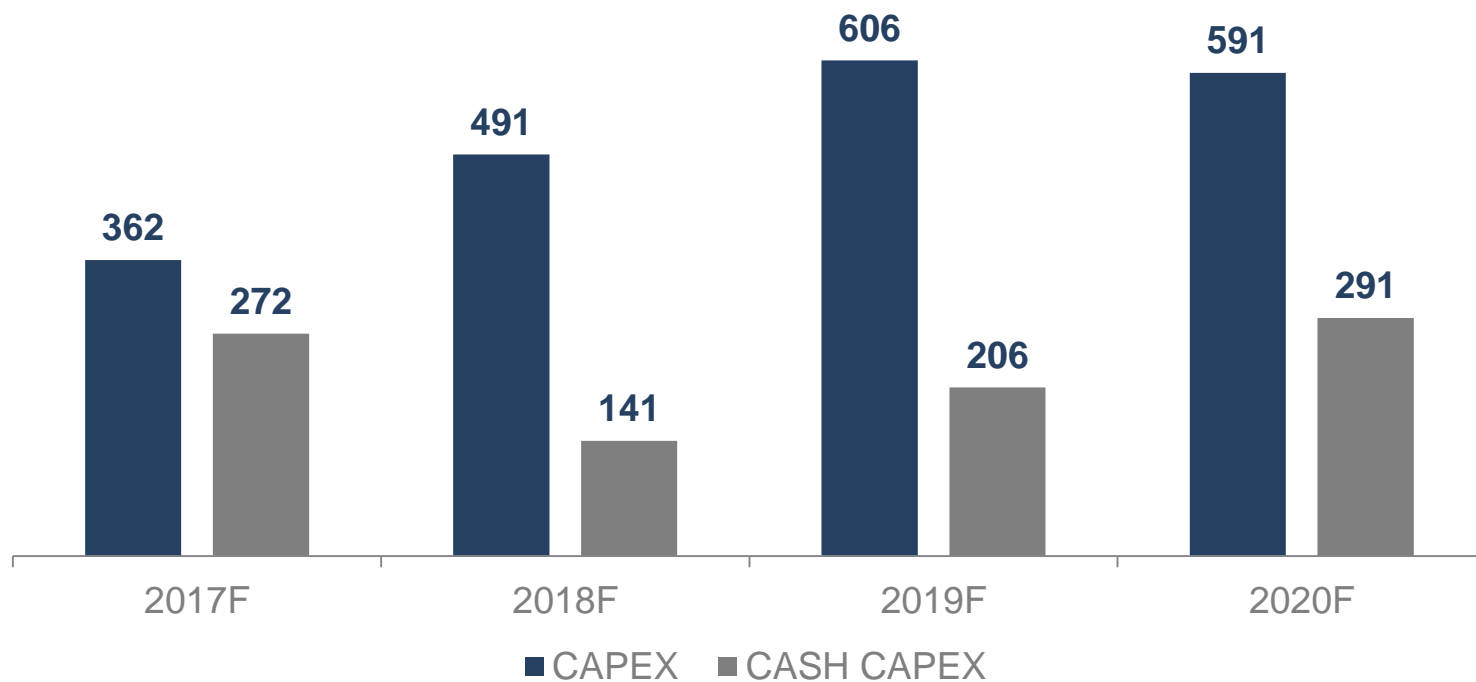
# Solid Balance Sheet: Low Leverage

## ADJUSTED NET DEBT/EBITDAR



# CAPEX Forecast

## CAPEX AND CASH CAPEX ESTIMATES



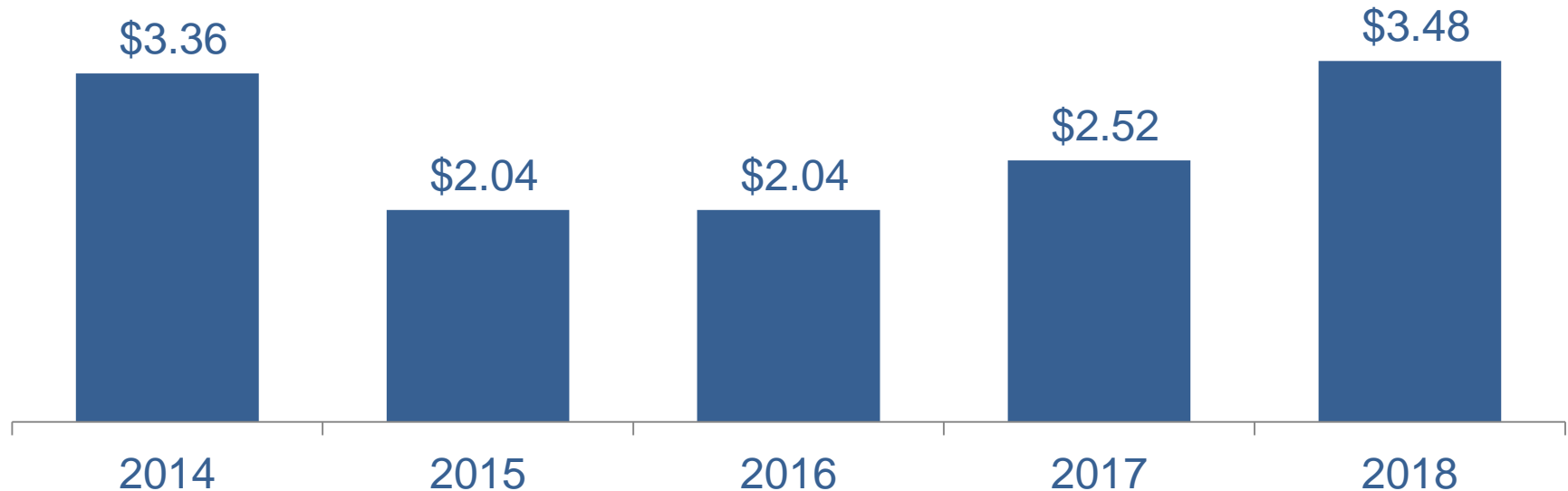
Aircraft	2017F	2018F	2019F	2020F
Owned/Leased:	2/0	7/0	8/0	6/3 <sup>†</sup>

\*Leased aircraft are the product of sale-leasebacks.

\*\*2017-2020 – assumes all aircraft financed at 100% LTV. †Owned/Leased fleet make-up for 2020 is preliminary.

# Returning Value to Shareholders

## DIVIDEND PAYOUT



- The Board of Directors ratified the quarterly dividend payment of \$0.87 per share for 2018, corresponding to our dividend policy of 40% of last years' adjusted net income.

# Operations Overview

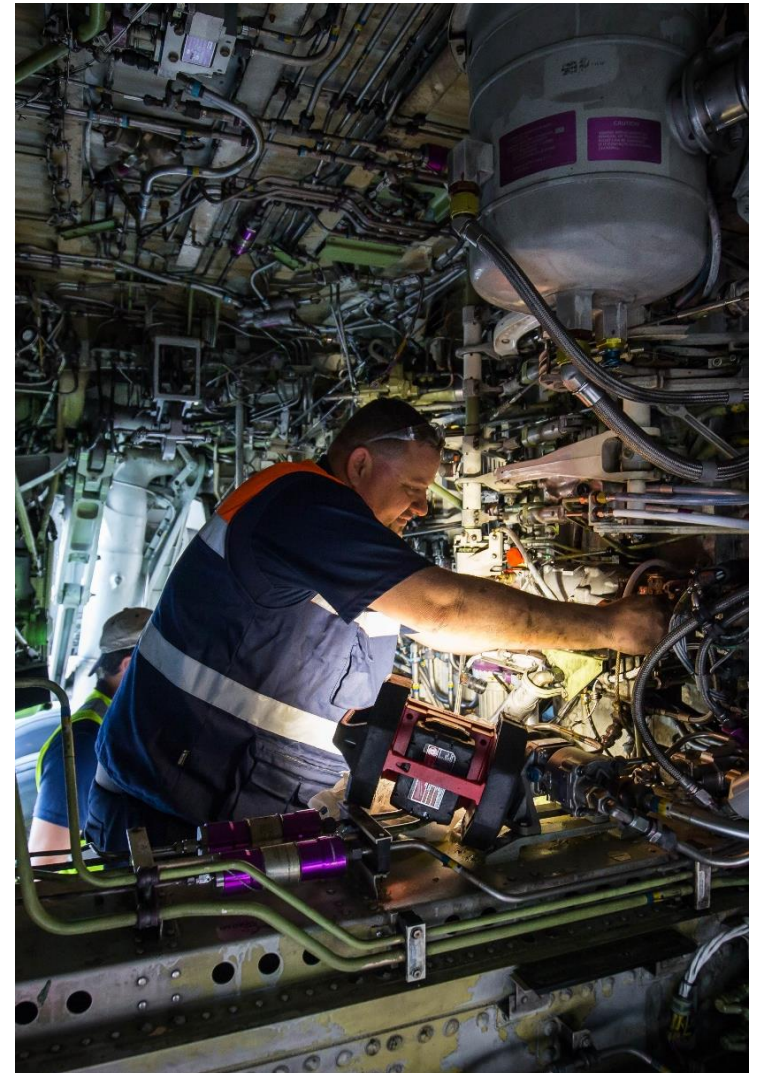
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**DAN GUNN**  
SVP OPERATIONS

# Operations Overview

Consistent operational performance:

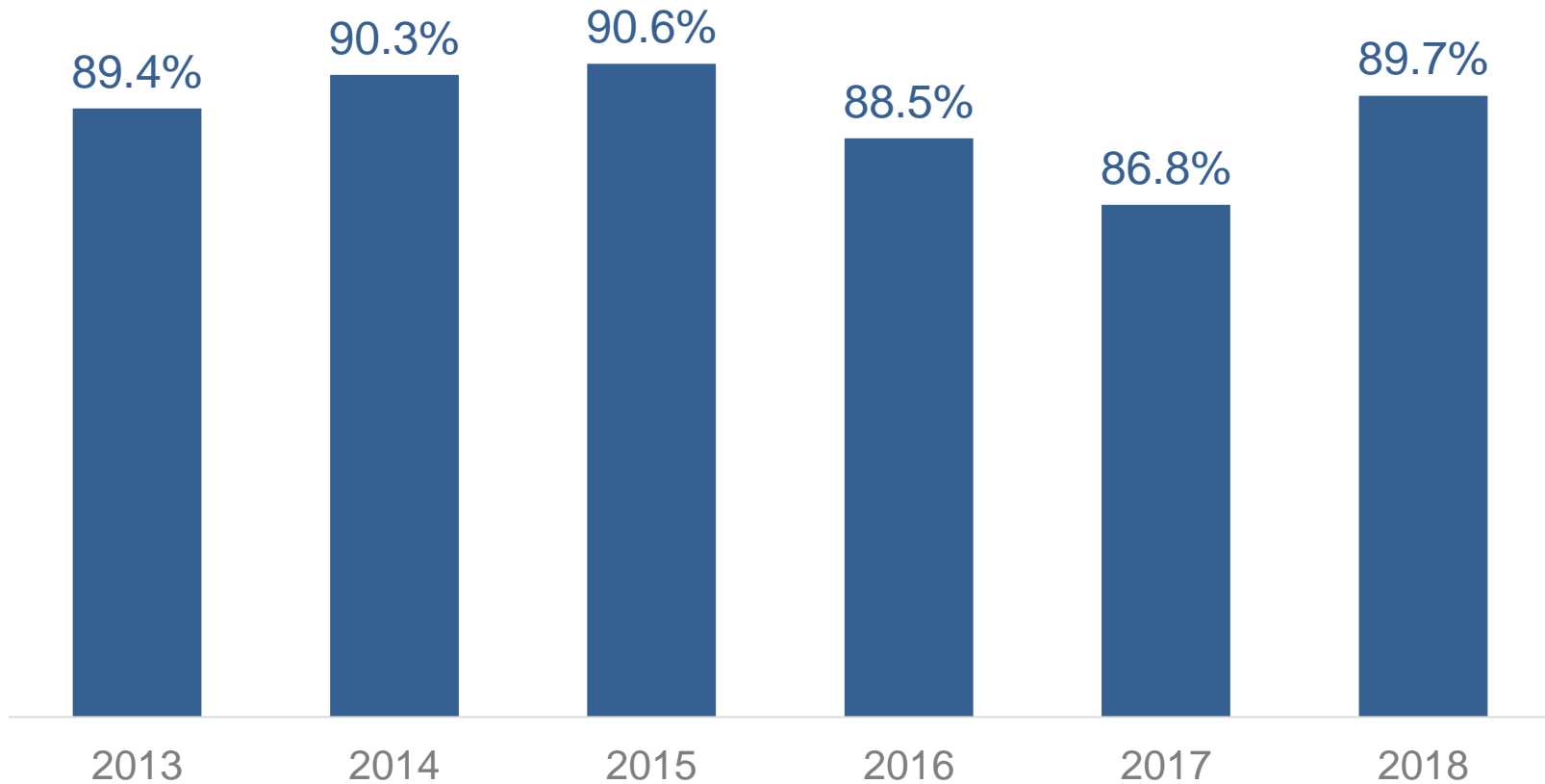
- World-class operational metrics
- Continued focus on service and efficiency initiatives
- Continued expansion of Panama hub facilities
- Further enhancements in maintenance capabilities
- Recognized leader in on-time performance





# Operational Excellence – On Time

## ON-TIME ARRIVAL PERFORMANCE<sup>(1, 2)</sup>

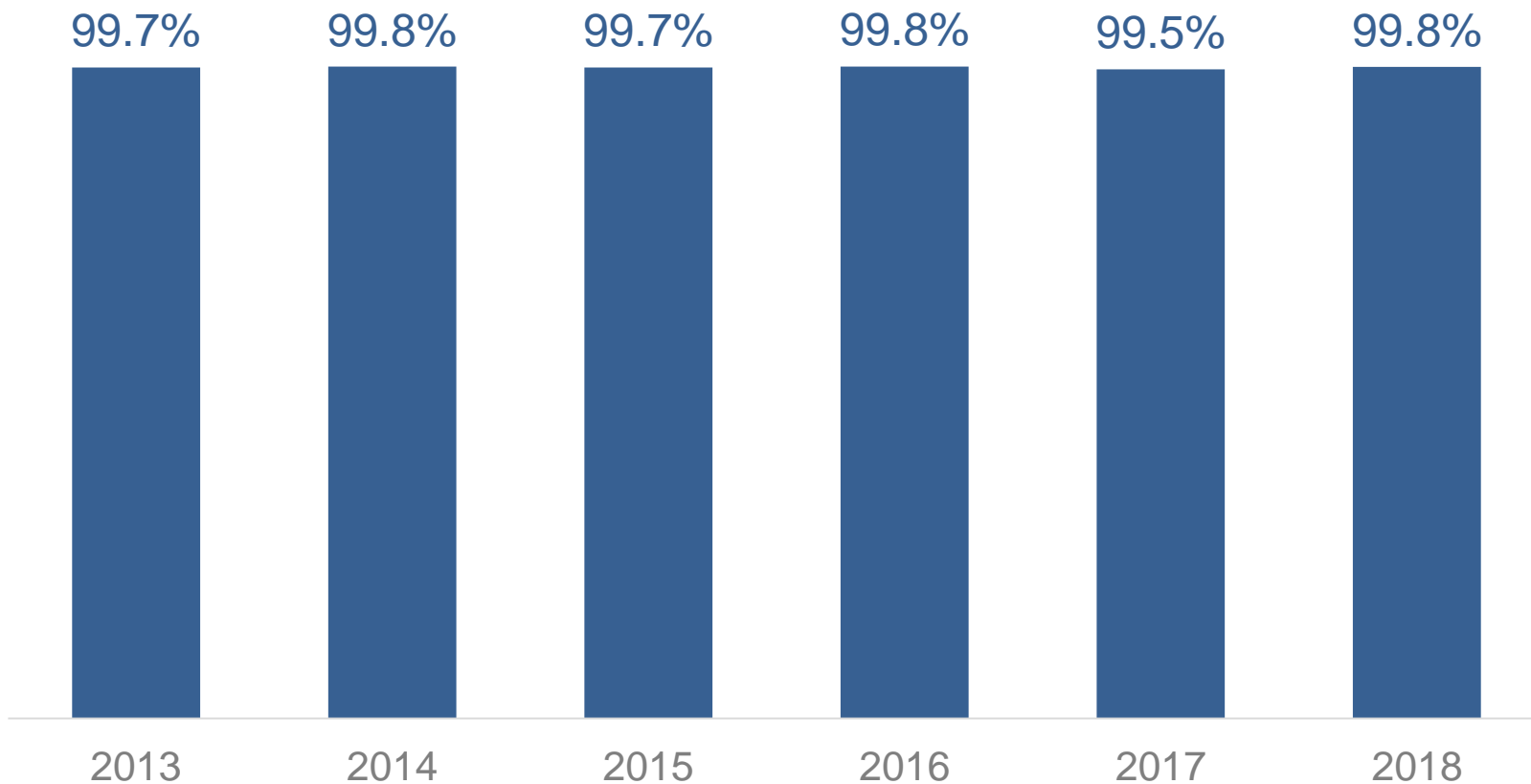


**Copa Airlines' OTP is among the best in the industry**

1. Measure: DOT Reporting Standard: within 15 minutes of Scheduled Arrival.  
2. 2018 figures are YTD August.

# Operational Excellence – Schedule Reliability

## COMPLETION FACTOR<sup>(1)</sup>

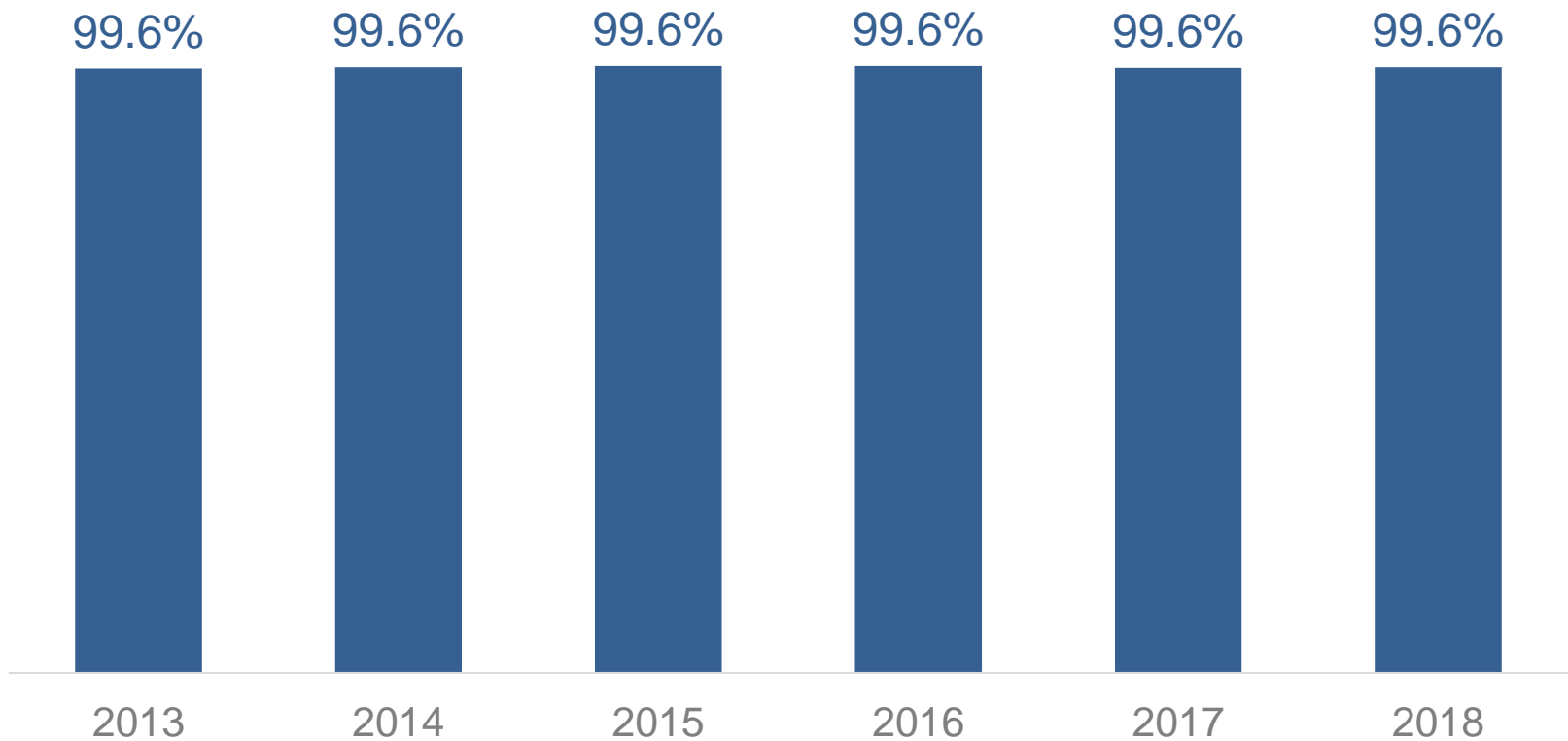


**Copa Airlines' completion factor is among the best in the industry**

1. 2018 figures are YTD August.

# Operational Excellence – Fleet Reliability

## FLEET MAINTENANCE DISPATCH PERFORMANCE<sup>(1)</sup>



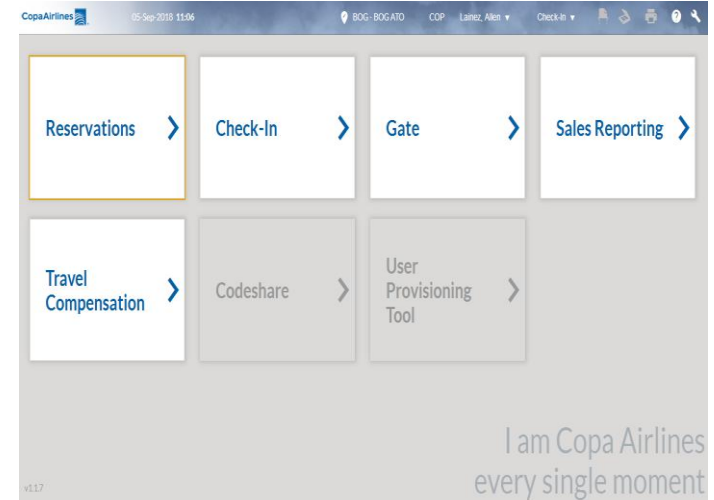
**Copa Airlines has world class maintenance dispatch performance**

1. 2018 figures are YTD August.

# Service Initiatives

## Improving Customer Satisfaction, Self Service, and Efficiency at our airports:

- GUI for front line staff rolling out 4Q18
- Expansion of Baggage Tracking Solution
- Baggage Claims App
- Self Service Kiosks deployment in progress
- Multi-year roadmap of future enhancements



# B737-MAX Fleet Operational Benefits

The MAX-9 is a better aircraft for Copa's long haul markets:

- ~10-14% fuel burn per seat improvement vs. 800 NG
- NG-like maintenance intervals beginning at into service
- +300 Nautical Miles greater range than 800 NG
  - More payload & revenue
  - Less restrictions in long haul markets
  - Improved operational integrity – more holding fuel



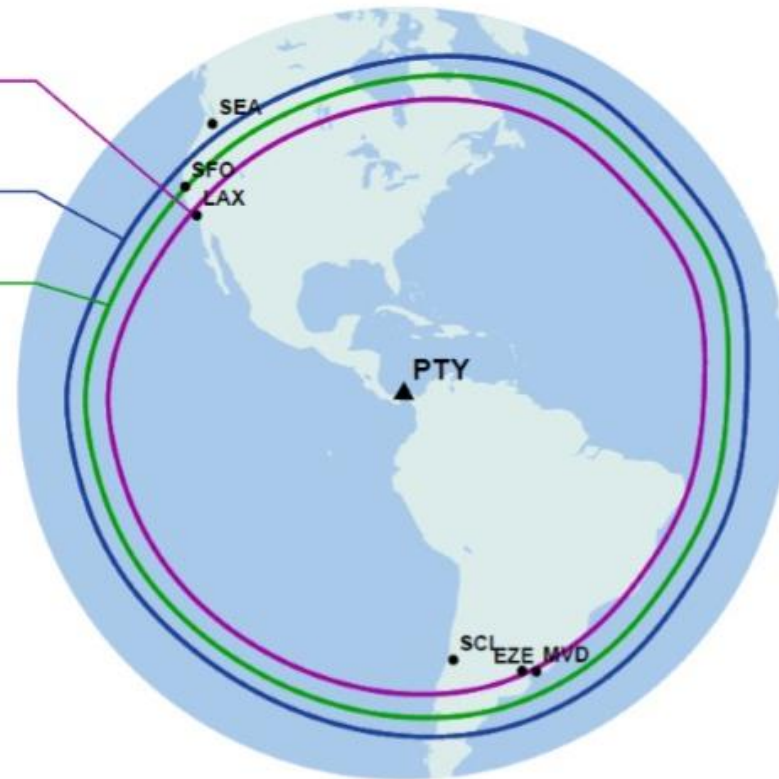
# B737-MAX Fleet Operational Benefits - SFO

**737-800W (CFM56-7B26E)**  
MTOW: 174,200 lb OEW: 95,800 lb  
Passengers: 154

**737-8 (LEAP-1B\_SEATS.LE.162)**  
MTOW: 181,200 lb OEW: 102,590 lb  
Passengers: 154

**737-9 (LEAP-1B\_SEATS.LE.180)**  
MTOW: 194,700 lb OEW: 107,810 lb  
Passengers: 172

Boeing typical mission rules  
85% annual probability wints and temps  
Fuel degradation factor 2%  
Great Circle Distance +3%  
Redispatch to optimum point

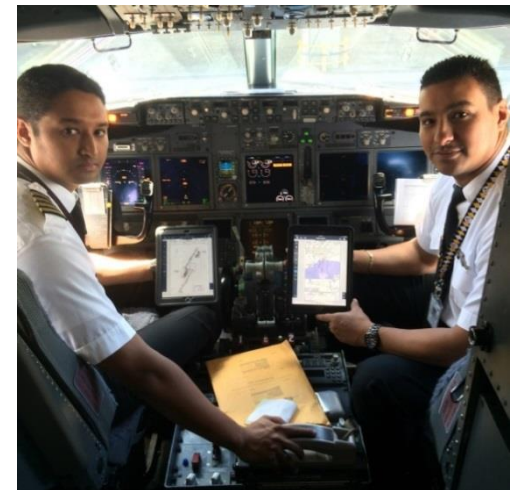
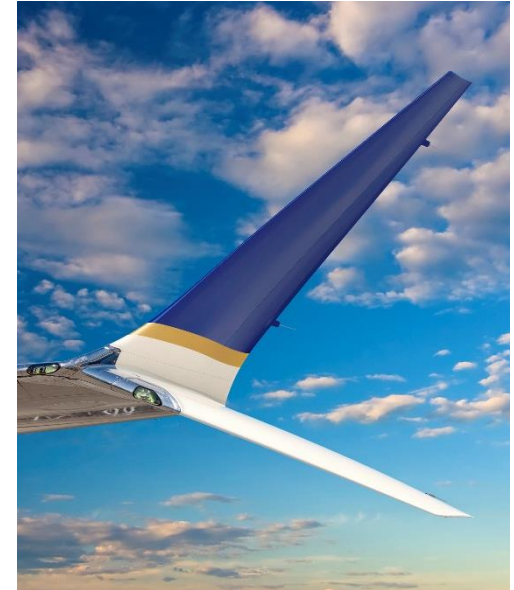


- 737NG operations in SFO are currently restricted:
  - +20 seats during 3 months; +5 seats during 2 months
- Max 9 is expected to operate unrestricted year-round
  - Plus payload capacity for cargo most of the year.

# Efficiency Initiatives

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

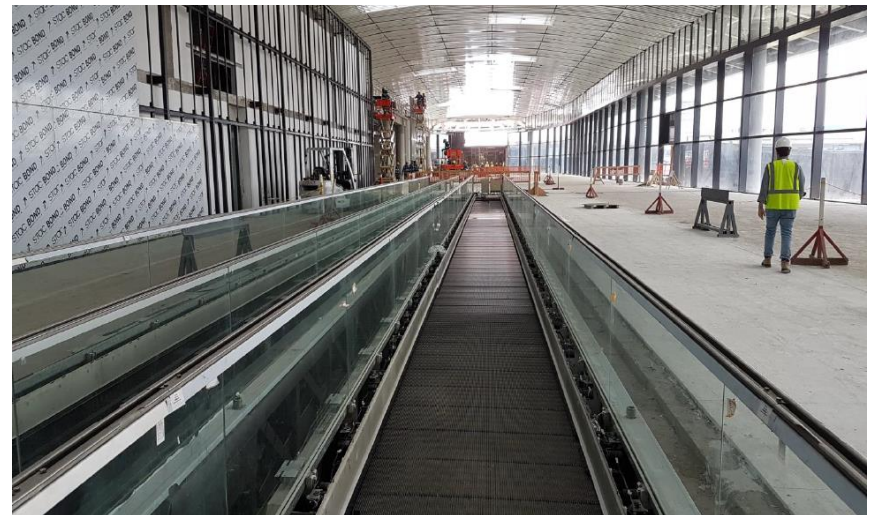
- 737-800NG fleet with split scimitar winglets – Incremental fuel burn savings of 1.5%
- iPads in the cockpit
- Fuel savings initiatives have yielded nearly 1.2% reduction in fuel burn since 2015:
  - Optimization of APU usage
  - Single Engine taxi
  - Direct routings and use of optimal alternates
  - Efficiencies in Remaining fuel
  - Aircraft towing vs taxiing





# South Terminal (T2) Expansion

- Construction 85% complete
  - Final installation of roofing is underway
  - Electro mechanic equipment being installed.
- Operational Readiness and Airport Transfer (ORAT) ongoing
  - 3-4 gates late 2018 / early 2019
  - Full terminal opening in 2019
- Over 40 daily remote operations will move to jet-bridges
  - Improved passenger experience
  - More reliable connecting times
  - Reduced operational complexity





# South Terminal (T2) – In & Out



# Future Tocumen Expansion

- Masterplan includes 8-gate extension to the south
- A third parallel runway to the east is also planned
  - Would allow full parallel simultaneous operations
- Planned airspace redesign project
- Taxiway infrastructure improvements in late 2018



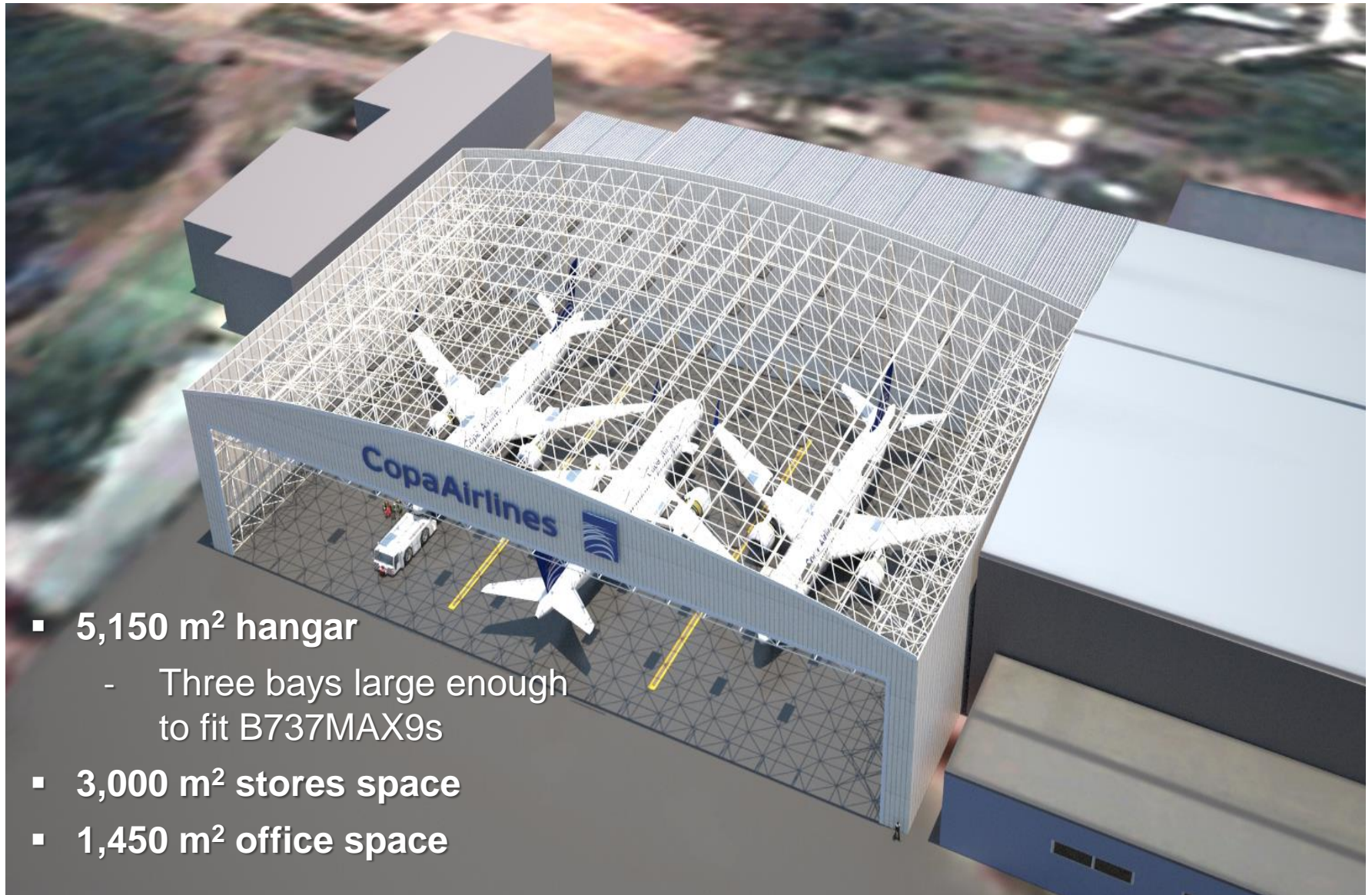


# Maintenance Capabilities expansion

- **Continue to in-source heavy maintenance work**
  - 70% of C-Checks in-house in 2018
  - Supporting shops drive efficiencies
- **Plan to add a second heavy check line in 1Q2019 with hangar expansion**
  - Investment of \$14MM in 2017 and 2018
  - Estimated completion December 2018
- **Incremental annual savings of approximately \$3MM by 2019**



# Hangar Expansion



- **5,150 m<sup>2</sup> hangar**
  - Three bays large enough to fit B737MAX9s
- **3,000 m<sup>2</sup> stores space**
- **1,450 m<sup>2</sup> office space**



# Hangar Expansion

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# World-leading On-Time Performance

- FlightStats - “Most On-Time Airline in Latin America” 5 years running
- OAG 4th Most on-time airline in the world in 2017
- Through August 2018 – #1 in Latin America and top three in the world!



“Lo que destaco en este reconocimiento es ese valor del capitán de trabajo en equipo y que se preocupó por avisarnos para poder tomar en la operación las previsiones necesarias que nos llevaron a tener un **vuelo a tiempo**”

“En ambos casos, Mateus realizo un excelente trabajo encontrando las fallas y corrigiéndolas a tiempo, permitiéndonos regresar estas aeronaves a servicio **sin ocasionar delays.**”

# Commercial Overview

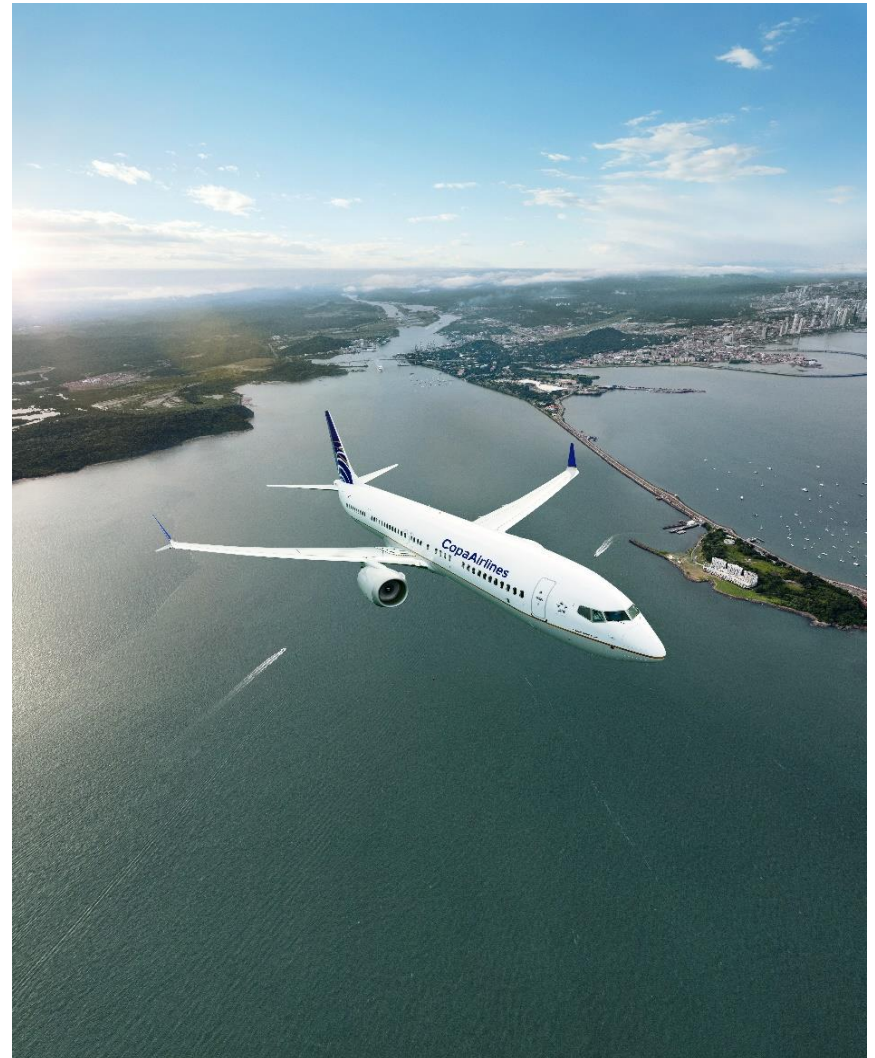
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**DENNIS CARY**  
SVP COMMERCIAL & PLANNING



# Commercial & Planning Overview

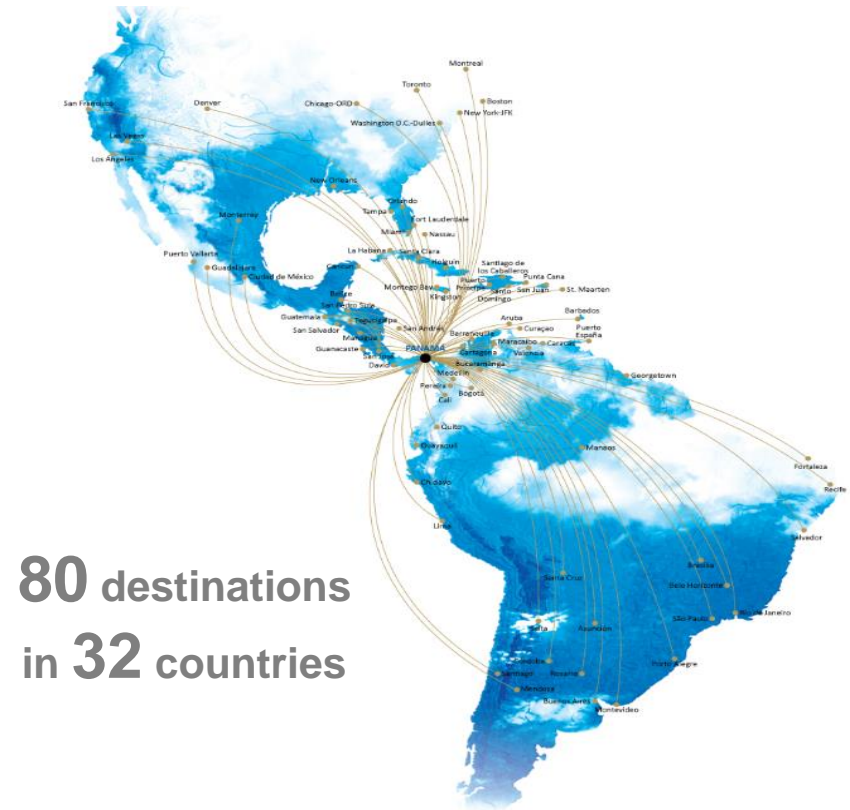
- Maintain strong revenue premiums to peers even in challenging conditions
- Continue to be nimble with fleet plan and utilization in response to market opportunities
- Drive additional growth in ConnectMiles and Ancillary revenue
- Improve yields with MAX9 'long-haul' product





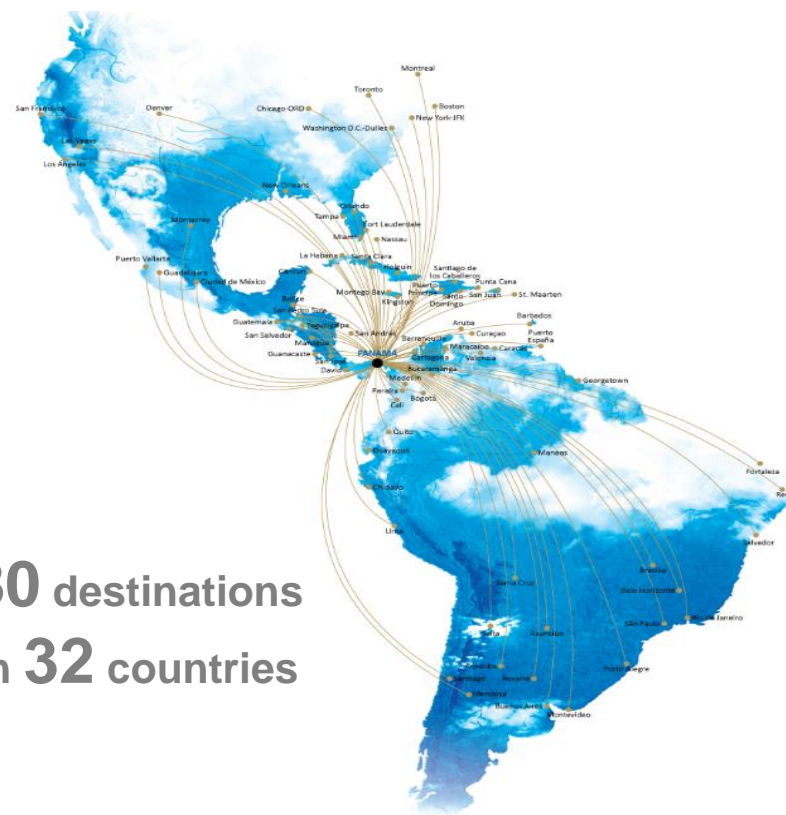
# Solid first quarter revenue performance

Indicators	1Q18	Var vs. LY
<b>Passenger Revenue</b> (MM USD)	<b>\$695</b>	<b>16.3%</b>
<b>RASM</b> (In U.S. Cents)	<b>11.36</b>	<b>7.2%</b>
<b>Load Factor</b>	<b>83%</b>	<b>1.5pts</b>
<b>Yield</b> (In U.S Cents)	<b>13.3</b>	<b>5.3%</b>
<b>Traffic</b> (MM RPMs)	<b>5,223</b>	<b>10.4%</b>
<b>Capacity</b> (MM ASMs)	<b>6,297</b>	<b>8.4%</b>



# Second quarter more challenging

Indicators	2Q18	Var vs. LY
<b>Passenger Revenue</b> (MM USD)	<b>\$612</b>	<b>10.5%</b>
<b>RASM</b> (In U.S. Cents)	<b>9.84</b>	<b>-0.6%</b>
<b>Load Factor</b>	<b>83.5%</b>	<b>1.3pts</b>
<b>Yield</b> (In U.S Cents)	<b>11.36</b>	<b>-2.2%</b>
<b>Traffic</b> (MM RPMs)	<b>5,384</b>	<b>13.0%</b>
<b>Capacity</b> (MM ASMs)	<b>6,446</b>	<b>11.2%</b>



**80** destinations  
in **32** countries

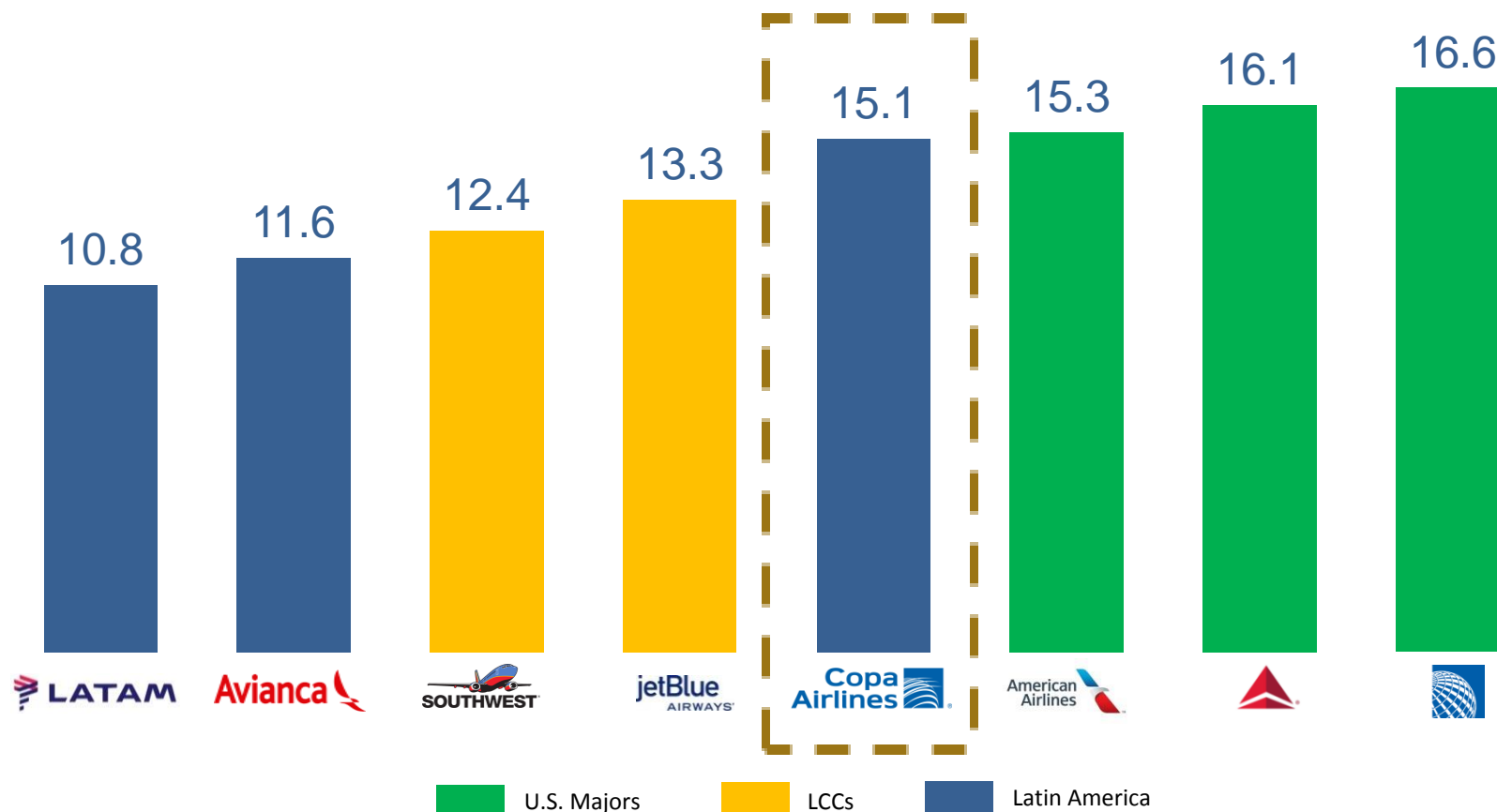
\*Unit Revenues (RASM) excluding Argentina and Brazil for the second quarter estimated at +0.7% versus last year

# Strong unit revenues relative to peers

## LENGTH OF HAUL ADJUSTED PRASM

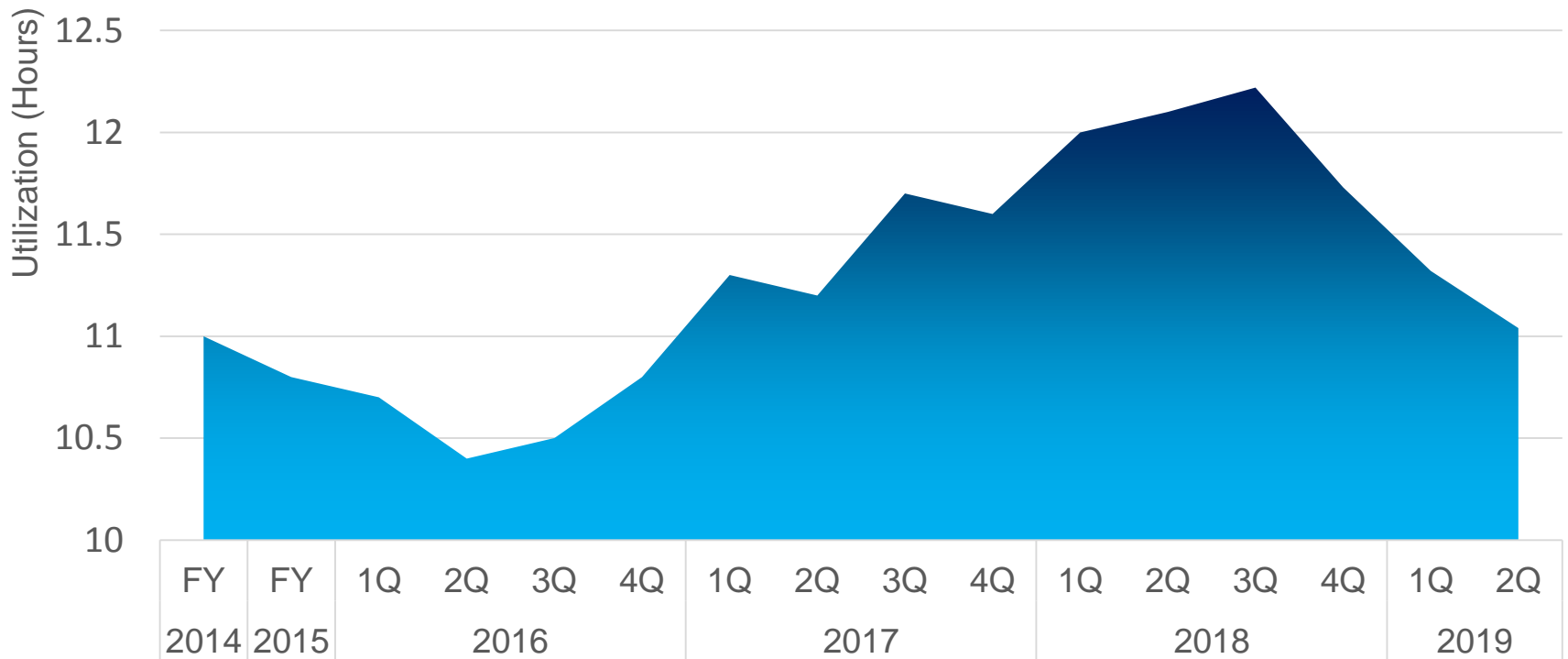
LTM ended Jun 30, 2018

(All figures adjusted to a 1,000 Mile Length of Haul)



# Flexing utilization to the environment

## AVERAGE DAILY UTILIZATION PER AIRCRAFT



# ConnectMiles Strong and Growing

## Membership Growth



**+45%** members in  
2017YE vs. 2016YE



Forecasted membership  
growth **+35%** 2018YE

## Cash Generation






Co-Brand Credit card  
mileage sales doubled  
in 2 years



Other mileage sales plus  
fees will generate ~\$5MM  
in 2018 vs ~\$0 in 2016

# Ancillary revenue growth on track...

Products	2017	2018	2019
 <b>Seats/ Upgrades</b>	~5M	~10M	~20M
 <b>Bags</b>	~2M	~5M	~20M
 <b>Others</b>	~10M	~15M	~15M
<b>Total Revenue</b>	<b>\$15+M</b>	<b>\$30+M</b>	<b>\$50+M</b>

*Note: Illustrative, all years incremental to 2016 base*

# ...and technology will enable even further growth



# Potential for deeper U.S.-Latin America partnership



STAR ALLIANCE  
THE WAY THE EARTH CONNECTS





# MAX 9 Seating

## Economy

### Highlight features

- 126 economy seats
- Portable electronic device (PED) holder
- 1 USB outlet per pax



## Economy Extra

### Highlight features

- 24 Economy Extra seats
- 10" AVOD monitors
- 1 USB outlet/pax + 2 AC outlets/triple
- Priority boarding
- More legroom, Guaranteed food choice



# DREAMS Business Class

- 16 lie-flat seats
- 16" AVOD monitor
- 1 USB and 1 AC outlet per pax
- Advanced lavatory with new amenity rack
- Upgraded onboard amenities
  - Headphones
  - Pillows and blankets
  - Amenity kits

CopaAirlines 

**DREAMS**  
Business Class



# DREAMS Business Class



# DREAMS Business Class

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# IT – Pursuing Significant Opportunities

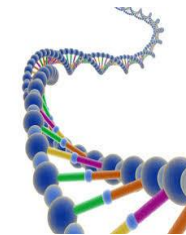
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**JULIO TORO**  
CHIEF INFORMATION OFFICER

# IT – Pursuing Significant Opportunities

Roadmap to deploy proven technologies to:

- Enable more and better products,
- in more channels,
- with lower distribution cost,
- and improved customer service





# IT – Pursuing Significant Opportunities

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## NEW REVENUE GENERATION

# Modern Tools for Sales Agents

New integrated, modern agent interface:

- Facilitates agents sales of ancillaries at our call centers and ticket offices
- Improves compliance and controls
- Automates exchanges and refunds
- Provides a single payment hub for all currencies and payment methods
- Rollout in Q4 2018

CM-ACC Host Session - BA- SHARES Available-UDP(MOM) Port: 3022

NO. DE RESERVACION/CONFIRMATION NUMBER: BRGOTO

FORMA DE PAGO/FORM OF PAYMENT : CASH#

FECHA DE EMISION/DATE OF ISSUE : 18SEP18

NO. DE BOLETO/REF NO. : 2382178433479

SEGMENTO/ SEGMENT	HORA/ TIME	FECHA/ DATE	VOLELO/ FLIGHT	ESTATUS/ STATUS	ALLOW
1. LU BOGOTA BOG AR PANAMA CITY PTY	332PM 537PM	11NOV18	CH 418V	OK	2PC
2. LU PANAMA CITY PTY AR NEW YORK JFK	618PM 1135PM	11NOV18	CH 884V	OK	2PC
3. LU NEW YORK JFK AR PANAMA CITY PTY	645AM 228PM	16NOV18	CH 883V	OK	2PC
4. LU PANAMA CITY PTY AR BOGOTA BOG	338PM 587PM	16NOV18	CH 893V	OK	2PC

USD FARE      TAX-USD      TAX-USD      TAX-USD      USD TTL

PSS App Shell: CM - HDQITPRO27 - COPA - v2.0 TEST

CopaAirlines 10-Sep-2018 14:37 TMV - PTY CTO ALTA, USD Escobar, Josue Reservations

Home | < Back Search Reservations > GAMSEI X

CM148 Departure Arrival  
11-Sep-2018  PTY 07:39 > MEX 11:32

CM121 Departure Arrival  
15-Sep-2018  MEX 14:00 > PTY 17:51

Advanced Display

Seat Map Key

- Available  Taken
- Assigned  Blocked
- Held  Unusable
- 42.80 Premium
- 21.40 Emergency Exit

ECONOMY

A	B	C	D	E	F
1	2	5			
	V	V	6		
V	V		7	V	
V	V		8	V	V
V	V		9	V	V
			10		
			17	E	E
			18	E	E
			19		
			20		
			21		
			22		
			23		

Economy | 92 Equipment | 73E

1 5A  CENTENO / ARGELIS

2 5B  CRESPO / CARMARI

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Order Total

Total 85.60 USD

Add To Order



# More Competitive Online Shopping

## Rio De Janeiro (GIG), Rio de Janeiro, Brazil - Seattle (SEA), Was 07 2018

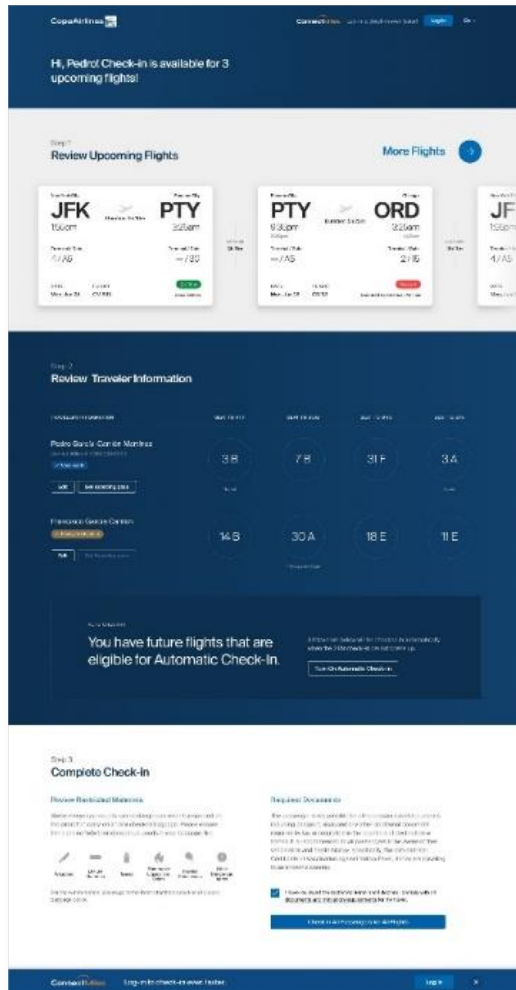
Each way fare for 1 passenger, based on round trip purchase, including fuel surcharge and baggage policy for flights operated by partner airlines.

Flight	Departs	Arrives	Airports	Duration
<a href="#">CM0872</a>	01:25 AM	06:41 AM	GIG-PTY	7h 16m Time in PTY: 1h 12m
<a href="#">CM0360</a>	07:53 AM	12:45 PM	PTY-LAX	6h 52m Time in LAX: 2h 45m
<a href="#">CM2083</a> Operated by United Airlines, Inc.	03:30 PM	06:20 PM	LAX-SEA	1h 50m Total: 20h 55m
<a href="#">CM0872</a>	01:25 AM	06:41 AM	GIG-PTY	7h 16m Time in PTY: 2h 47m
<a href="#">CM0208</a>	09:28 AM	03:05 PM	PTY-SFO	7h 37m Time in SFO: 1h 57m
<a href="#">CM2322</a> Operated by United Airlines, Inc.	05:02 PM	07:10 PM	SFO-SEA	1h 8m Total: 21h 45m
<a href="#">CM0215</a>	11:30 AM	04:55 PM	GIG-PTY	7h 25m Time in PTY: 1h 25m
<a href="#">CM0382</a>	06:20 PM	11:58 PM	PTY-SFO	7h 38m Time in SFO: 17h 4m
<a href="#">CM2322</a> Operated by United Airlines, Inc.	05:02 PM+1	07:10 PM+1	SFO-SEA	1h 8m Total: 35h 40m
<a href="#">CM0215</a>	11:30 AM	04:55 PM	GIG-PTY	7h 25m Time in PTY: 1h 47m
<a href="#">CM0302</a>	06:42 PM	11:45 PM	PTY-LAX	7h 3m Time in LAX: 15h 45m
<a href="#">CM2083</a> Operated by United Airlines, Inc.	03:30 PM+1	06:20 PM+1	LAX-SEA	1h 50m Total: 34h 50m

- Expand our offering and compete better with OTAs
  - Interline, long connections, etc.
  - All digital channels
  
- Vendor selection imminent, implementation during 2019



# Ancillary Products Offered during Check-in



- At the airport check-in counter
  - New GUI starting Q4 2018
- Self check-in:
  - Upgrades
  - Premium seats
  - Baggage
- In all channels:
  - Web
  - Mobile app
  - Kiosks
- Implementation in 2019

# Fulfillment at Airports/Gates

PSS App Shell: CM - HDQSAPDIR00 - COPA - v2.0 PRODUCTION

CopaAirlines 14-Sep-2018 10:53 PTY - PTY ATO USD Quijano De Moses, Patricia Gate

CM113 - PTY x CM113 14-Sep-2018 PTY > CUN Status Delayed Gate 16 Time Remaining 00:00

From PTY Departure Date 9/14/2018 Flight Checklist Flight Actions

Capacity C 16 Y 138 Booked 7 129 Checked In 7 129 Stand By 2 0

Home | < Back

All 137 Need APIS 0 eTKT Not Sync 9 Held Seats 0 Oversold 0 Standby 0 Inbound 126 Unreconciled 0

Passenger List Options Standard CheckIn

Boarding Pass Name Enter

Off Load Proceed To Check In

Select All	Name	Order	Seat	From	To
<input type="checkbox"/>	122 ✓ ACOSTAHERNANDEZ / JAIME AV FQTV	Doc Check Party - 2	CMMXC3 PTY > CUN O 33A Y 1	SSR 0 EMD 0	CM630
<input type="checkbox"/>	45 ✓ ALCALDE / ENRIQUEMR No FQTV	Doc Check Party - 3	DPAH42 PTY > CUN K 19E Y 1	SSR 0 EMD 0	CM174
<input type="checkbox"/>	67 ✓ AMIGOFERNANDEZ / JUANFRANCIS CO No FQTV	Doc Check Party - 2	E3KQCS PTY > CUN K 27F Y 1	SSR 0 EMD 0	CM174
<input type="checkbox"/>	62 ✓ ANDREWS / MICHAELMR No FQTV	Doc Check Party - 1	GM1N00 PTY > CUN D 2A C 1	SSR 0 EMD 0	CM315
<input type="checkbox"/>	34 ✓ ANGARITA / ANDREAMISS No FQTV	Doc Check	C4P3RA PTY > CUN O 7B Y 1	SSR 0 EMD 0	CM630

Restrict FLIFO Final Report Close

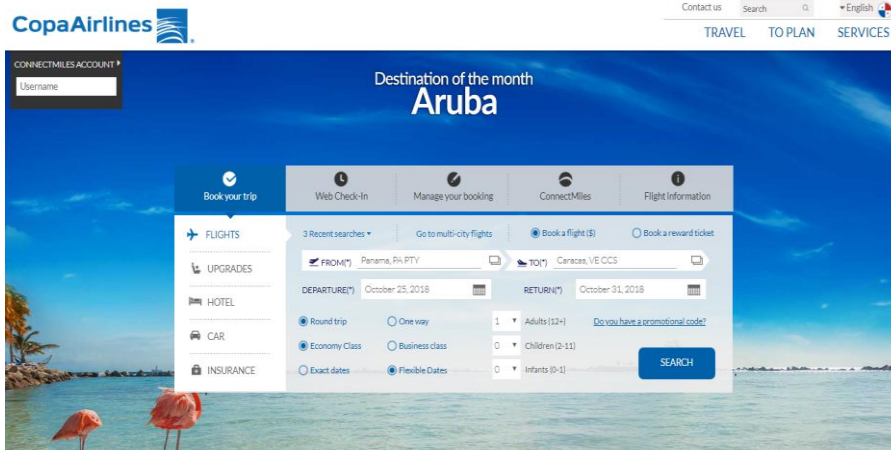
BUSINESS  
A B E F  
1 2 3 4

ECONOMY  
A B C D E F  
5

- At gate: better control of fulfillment with new GUI
  - Baggage
  - Fare families

## REDUCING COSTS

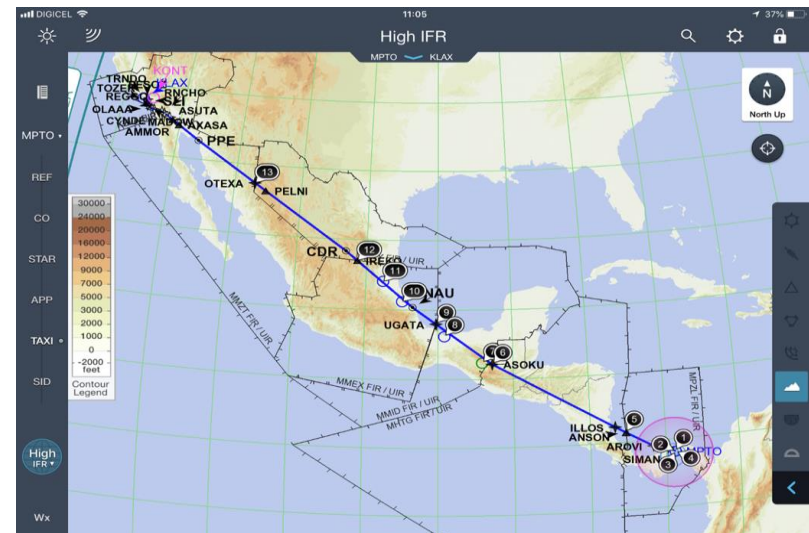
# Optimizing Direct Channels and Agencies



- Leverage Shopping and Merchandising platforms
- Use NDC to sell ancillaries through GDS and OTAs
- Facilitate direct connections with B2B customers
- Increase direct penetration
- Reduce GDS fees

# Fuel, Procurement and Efficiencies

- Fuel Management
  - Through data and analytics
- Procurement portal
  - Negotiate discounts with providers
- Mobile workforce
  - Process and cost efficiencies
  - Pilots
  - Crew
  - Mechanics
  - Airport agents





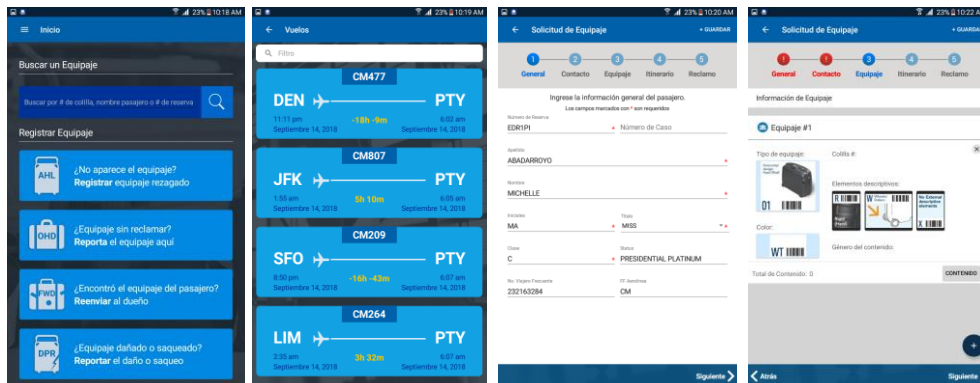
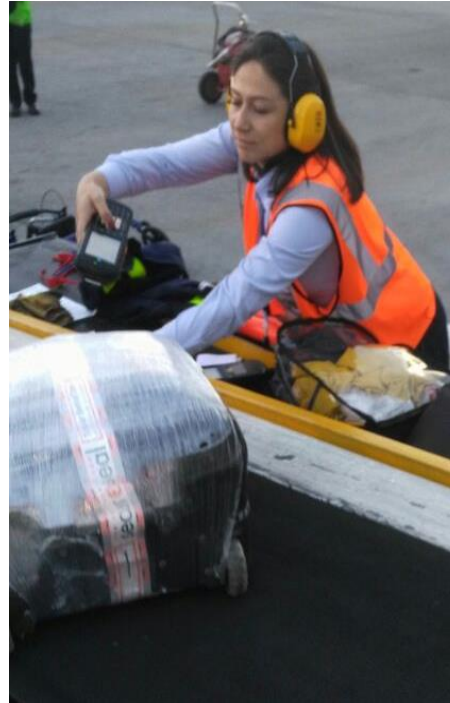
# IT – Pursuing Significant Opportunities

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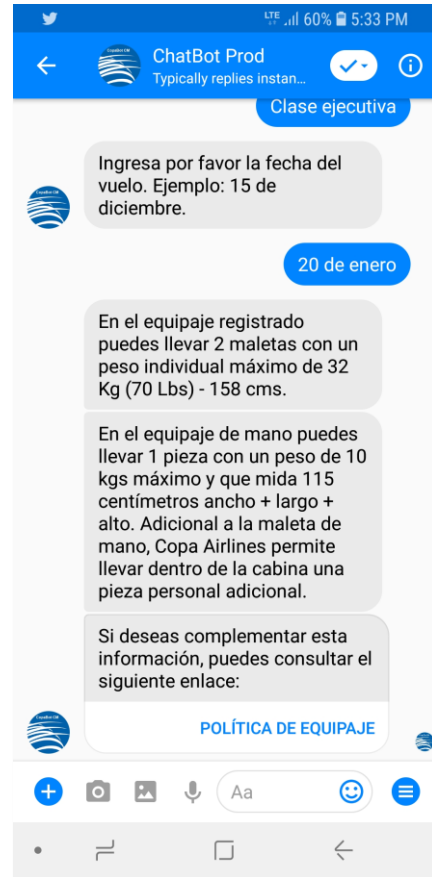
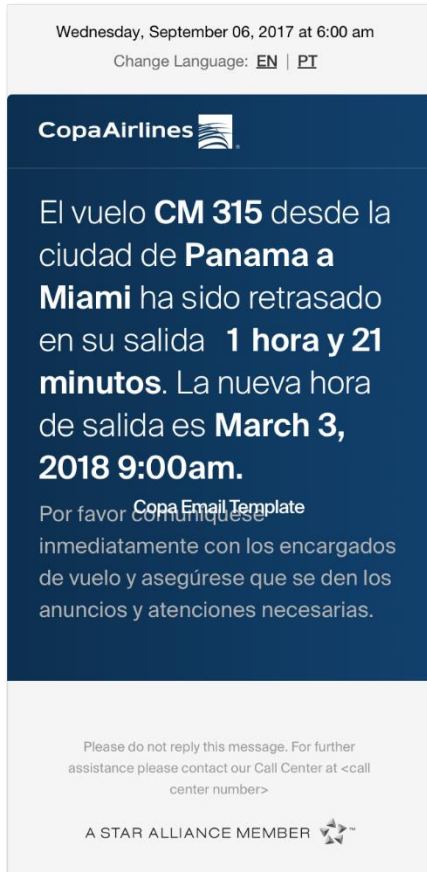
## IMPROVING SERVICE

# Improved Baggage Tracking and Services

- Baggage tracking
  - Scanning at hubs and major stations
  - Implemented at hub – deploying at stations
- Baggage services
  - Mobile agents
  - Baggage claims and service app
  - Currently piloting in Panama and San José



# Serving a mobile and informed customer



- Self service improvements in digital channels:
  - Implementation in 2019
  - Customer convenience and efficiency
- Notifications:
  - Smarter event-based notifications
  - Directs to self-service
- Chatbot:
  - Piloting answers to FAQs and simple transactions
  - Cost-efficient and meets customer expectations

# Closing Remarks

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**PEDRO HEILBRON**  
CHIEF EXECUTIVE OFFICER

# Strengthening our competitive advantages

- **Continue Improving Leading Unit Costs**
  - Additional Cost Saving Initiatives
  - Introduction of the MAX fleet
  - More In-sourced Maintenance
  - Distribution Efforts
  
- **Continue Growing our Revenue Base**
  - Investing in necessary IT Platforms
  - Optimizing current ancillary offering and deploying new products
  - Improving long-haul Business Class product
  - Leveraging ConnectMiles



# People – Our most valuable resource

## OUR PEOPLE

**9779**  
EMPLOYEES



**37% Women**  
**63% Men**

**43%** Women in  
Managerial Positions

**3,6%**

Voluntary Turnover



**74%** based in PTY

**73%** Manager positions filled  
with internal candidates



**1015**  
PILOTS

**9%** are women



## TALENT DEVELOPMENT

Launched “We, the leaders at Copa”

**75** pilots  
graduated from ALAS

**35** mechanics  
graduated from ATA

**16** hours  
per leader in  
Leadership and  
Management  
Training

**16** hours  
per front line  
employee in  
Customer Service  
Training



More than  
**200**  
employees in  
Tuition Aid

More than  
**24**  
Copa Talk for  
personal  
development

More than  
**350**  
employees graduated  
from our Technical  
English Program

## CLIMATE AND ENGAGEMENT

**73%** Climate Index

**75%** Satisfaction Index

**75%** Engagement Index

**89%** Understanding Individual's Impact  
and Contribution to Customers

**87%** Understanding team's impact  
on the "Road to Success"



Employee Value Proposition (EVP)  
as a road map for actions



## COMMUNICATION, RECOGNITION AND WELLBEING



**+100 hours** of top executives  
dedicated to Leadership and  
Communication Agenda



**+15** Corporate  
Recognition and  
Celebration Events



- 4 Walk-in Clinics, 2 lactation rooms, Health and Vaccination Days
- Employee Assistance Program supports + 100 employees every year with different needs (health, donations, contingencies)



# People – Our most valuable resource

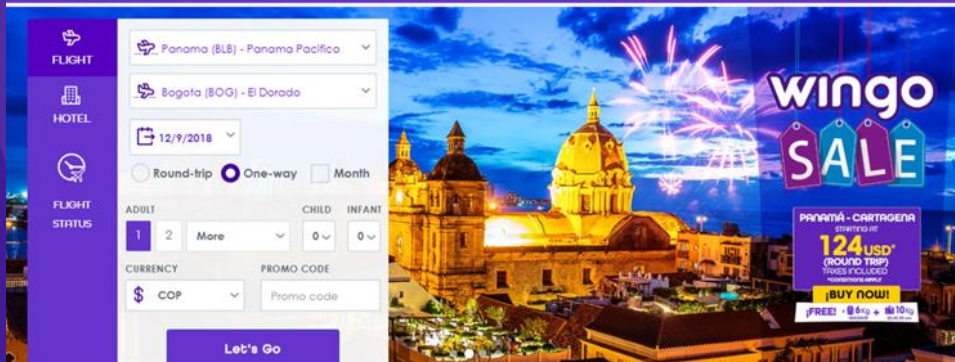
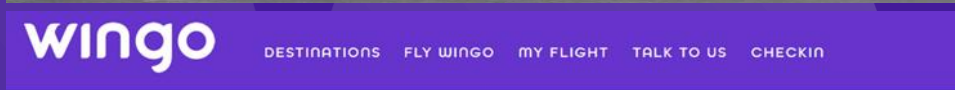




A large, light purple, stylized letter 'W' is centered in the background, serving as a watermark. The 'W' has rounded, wing-like shapes at its top and bottom points.

wingo

# On Dec 2016, we launched Wingo, our Colombia-based ULCC



**Pure ULCC, with reliable product, friendly service and cool brand**

- 4 densified B737-700
- No-frill fares + ancillaries
- Point-2-Point service to 14 destinations in 8 countries
- Direct sales channels
- Accessible payment options

**Independent management leveraging Copa strengths**

- Flat and lean dedicated organization for planning, commercial, customer experience, IT & culture
- Shared services of Copa's core strengths: operations, finance, legal and HR operations

# With only 1.5 years of operations, Wingo has delivered results faster than expected

## Flying Well at Low Prices

1.6M happy passengers<sup>1</sup>

90.9% On-time performance<sup>2</sup>

99.87% Completion rate<sup>2</sup>

**Steel Pencil Award** for the design of our brand

**Effie Award** for the effectiveness of our marketing communications

## Creating value to our shareholders

**Turn-around** of the Colombian domestic and off-hub operation earlier than planned

**Stimulation** of traffic in almost every route



# Strategic Focus for 2018 and Beyond

**In spite of current headwinds, we remain focused on continuing to deliver strong results:**

- Continue strengthening our network and connectivity
- Take advantage of future growth opportunities while maintaining flexibility
- Maximize value through commercial opportunities
- Use technology to improve customer experience and tap into ancillary revenue opportunities
- Continue improving our cost advantage while maintaining operational excellence and company culture



# Q&A Session



# Copa Holdings S.A. – Investor Day

# Thank you!

