FINAL TRANSCRIPT

Chorus Aviation Inc.

First Quarter 2016 Earnings Conference Call

Event Date/Time: May 13, 2016 — 11:00 a.m. E.T.

Length: 36 minutes

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PRESENTATION

Operator

Good morning, ladies and gentlemen. My name is Sally (phon), and I will be your conference Operator today. At this time, I would like to welcome everyone to the Chorus Aviation Inc. First Quarter 2016 Earnings Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you'd like to ask a question during this time, simply press *, then the number 1 on your telephone keypad. If you'd like to withdraw your question, press the # key. Thank you.

I will now turn the call over to Nathalie Megann, VP, Investor Relations. Please go ahead.

Nathalie Megann — Vice President, Investor Relations, Chorus Aviation Inc.

Thank you, Sally. Hello, and thank you for joining us today for our first quarter 2016 conference call and audio webcast.

With me today from Chorus are Joe Randell, President and Chief Executive Officer, and Jolene Mahody, Executive Vice President and Chief Financial Officer. We'll start by giving a brief overview of the results, and then go on to questions from the analyst community.

Because some of the discussion in this call may be forward looking, I'll direct your attention to the caution regarding forward-looking statements and information, which are subject to various risks, uncertainties, and assumptions that may be included on Page 3 of our Management's Discussion and Analysis of the results and operations of Chorus Aviation Inc. for the period ended March 31, 2016, the Outlook section, and other sections of our MD&A where such statements appear.

In addition, some of the following discussion involves certain non-GAAP measures, including references to EBITDA, adjusted EBITDA, and adjusted net income. Please refer to Section 17 of our MD&A for the discussion related to the use of such non-GAAP measures.

I'll now turn the call over to Joe Randell.

Joe Randell — President and Chief Executive Officer, Chorus Aviation Inc.

Thank you, Nathalie, and good day, everyone. And thank you all for joining our first quarter 2016 earnings call.

It's a beautiful day here in Halifax, and we spent this morning at historic Pier 21 on the waterfront where we conducted our Annual General Meeting of Shareholders. I'm pleased to report all orders of business addressed at the meeting were approved by our shareholders, and I thank our investors and our Board for their support.

We've had a positive start to this year and delivered solid earnings and operational performance in the first quarter. Quarter over quarter we generated increases in operating income and adjusted EBITDA of 69 percent and 62 percent, respectively, and ended the quarter with net income per basic share of $0.45, or $0.12 per basic share on an adjusted basis.

Our Capacity Purchase Agreement with Air Canada continues to provide strong cash flow. It also provides the levers required to help lower our costs and focus on supporting our customer through improved network efficiencies and customer service.

In the first quarter, we were pleased that Jazz's maintenance and engineering employees ratified a new long-term collective agreement that is in place until 2025. In addition to this agreement, we also have collective agreements with our pilots, flight attendants, and dispatchers that are consistent with the term of the CPA. These collective agreements provide us with market-competitive costs.

While the current collective agreement with Jazz's airport services group doesn't expire until 2017, preliminary discussions are underway, as are discussions with crew schedulers.

The standardization and modernization of the Jazz fleet continues. Last month we announced that we've signed a firm purchase agreement to acquire five Bombardier CRJ900 regional jets with purchase rights for five additional aircraft.

The five firm aircraft are expected to operate under the Air Canada Express brand under the CPA. These aircraft are expected to generate leasing revenue under the CPA with terms and economic similar to those of the Q400 aircraft currently generating leasing revenue under the CPA.

The CRJ900 is essentially the same aircraft as the CRJ705 currently operating within the fleet. As part of our fleet standardization plan, the existing CRJ705s will be reconfigured from 75 to 76 seats, thereby converting those aircraft as well to CRJ900s. The new CRJ900s will be delivered with 76 seats, and are planned to enter service in 2017.

Jazz also intends to reconfigure the 21 original Q400s currently operating under the CPA from 74 to 78 seats.

The ongoing modernization of the Jazz fleet is strengthening cost competitiveness as the increased seat capacity lowers unit costs. The modification of both aircraft types will be conducted by Jazz with the assistance of Bombardier, and is expected to be completed by year-end 2017.

This initiative does not impact our CapEx guidance for 2016, as the costs associated are essentially treated as a pass-through cost to Air Canada.

Another important milestone in Jazz's objective to become a stronger competitor in the regional business was realized earlier this month with the announcement of the intention to transition the heavy maintenance business to a separate profit centre under Jazz.

The new division called Jazz Technical Services will continue to operate out of Halifax, and has been awarded its first third-party heavy maintenance contract. The contract’s term is five years. Beginning this summer, Jazz will conduct heavy maintenance work on Air Georgian's fleet of CRJ100 and CRJ200 regional jets.

While this contract is not material to the bottom line, it does provide unit cost reductions that improved our cost competitiveness under the CPA. This agreement provides an opportunity to generate incremental revenue and to strengthen the bottom line by reducing unit costs through organic growth.

Jazz is well-recognized in the industry as a high-quality maintenance Operator with skilled technicians, and unmatched experience with Bombardier regional aircraft, as evidenced by the three awards, one at Bombardier's annual Airline Reliability Performance Awards held last month in Dallas, Texas.

Jazz has been the top recipient in terms of the number of awards won at this event for three consecutive years. Specifically, Jazz won the top North American awards for the Q400, the CRJ100/200, and the CRJ700/900/1000 aircraft programs for exceptional reliability performance in 2015.

On the Voyageur front, we continue to be pleased with the progress being made. In the quarter Voyageur contributed 14.4 million in operating revenue and 4.5 million to adjusted EBITDA.

In the first quarter, Voyageur acquired a second King Air 200 aircraft, and completed modifications in April. These aircraft are operating under contract to Ambulance New Brunswick and the two King Air 100 aircraft previously used under this contract have been sold.

Also in the quarter Voyageur, using a former Jazz Dash 8-100, won a contract with an international humanitarian organization. Voyager modified the aircraft before its deployment to Africa. Voyageur continues to actively market the Dash 8-100s to customers, as it seeks to grow this aircraft type in its international contracted flying operations.

Voyageur also concluded an internal reorganization whereby it's established Voyageur Aviation Corp. as the parent company to Voyageur Airways, which is the contracted flying division, and establish Voyageur Aerotech as a separate MRO company.

The Aerotech name enables Voyageur to market its MRO services under a brand that better reflects the specialized and customized design, engineering, and maintenance services it provides to international blue-chip customers.

Building shareholder value is a constant focus. Last night, we announced our intention to consolidate Chorus' ticker symbols to CHR. We anticipate this to become effective May 24th, and undertook this initiative in response to market feedback. We're hopeful the consolidation of the ticker symbols will improve the liquidity of the shares.

With the fundamentals of our core businesses firmly in place, we have a solid platform to profitably grow and diversify.

Given our experience in the regional business, the scope of our operations, and the infrastructure we have in terms of maintenance; engineering; training; dispatch; airports; and personnel, we have the ability to contract a full suite of support services to customers.

These trends are behind our decision to fully explore and to continue to work on a new sector for the Chorus business regional aircraft leasing; although we are essentially already in the aircraft leasing business, when you consider that by the end of 2018 we expect to have a minimum of 58 aircraft leased under the CPA and there's potential for more.

In the segment where we operate, regional aircraft, leasing is an emerging form with very few relevant providers, but substantial and growing demand. Although by no means as large or as liquid as the narrow-body wide-body sector, regional aircraft are an essential component of air transport.

In fact, of the regional aircraft produced, approximately 20 to 25 percent of them are leased, while approximately 50 percent of narrow-body aircraft produced are leased. The regional aircraft leasing space is not crowded, and we see opportunity for it to grow.

It's a $10 billion a year worldwide business, as airlines tend to have considerable appetite and increasing appetite for operating leases. We view this as an appealing business proposition, and this is where we're focusing our attention at this time.

So thank you for listening. And now I'll turn the call over to Jolene to take you through the first quarter results.

Jolene Mahody — Executive Vice President and Chief Financial Officer, Chorus Aviation Inc.

Thank you, Joe, and good morning. The Chorus group of companies generated strong financial results in the first quarter, and delivered adjusted net earnings per basic share of $0.12 compared to $0.07 in the same period of 2015.

Here's the breakdown of the first quarter financial performance as compared to the same period of 2015. Operating revenue decreased by 54.6 million to just over 320 million. The decrease in revenue was driven primarily by the amended CPA terms whereby our compensation structure has changed, and more importantly, certain costs are no longer billed to Air Canada. And I'll explain this further as I take you through the results.

Controllable revenue decreased by 8.4 million, or 4.2 percent. Controllable revenue refers to the compensation paid by Air Canada on certain controllable costs to Chorus under the CPA.

This reduction was primarily driven by rate decreases under the CPA related to aircraft lease returns and other reductions in controllable costs, such as flight and cabin crew, which accounted for 8.7 million of the decrease.

A further decrease of approximately 6.5 million resulted from 4,729 fewer billable block hours generated in the first quarter compared to the same period last year. These decreases were offset by a change in the US dollar exchange rate that resulted in a 6.8 million increase in the quarter.

As discussed in the past, the majority of our controllable costs are set on an annual basis and negotiated with Air Canada on a rolling basis. The annual rate reset enables costs to be reviewed in a timely manner, and to reflect the realities of the current environment. Controllable revenue rates are established based on annual forecasted block-hour demand.

With that said, in certain quarters there will be some unit rate compression imperious with less than average block-hour activity. Typically, we've experienced this unit rate compression in the first and fourth quarters, while in the second and third quarters we've experienced higher block hour activity, which resulted in increased controllable revenue.

The rate-setting process is designed to be cost neutral, with the objective being to simply compensate Chorus for its estimated controllable costs.

Aircraft leasing revenue under the CPA in the first quarter was generated from 28 Q400 aircraft and force Q400 engines owned by Chorus. It increased by 7.2 million to 23.2 million in the quarter.

Five-point-six million of the increase was generated from the addition of new Q400 aircraft to the CPA-covered fleet, and 1.6 million was related to a change in the US dollar exchange rates. Annually, these aircraft and engines generate cash margin of approximately 20 percent after consideration of debt servicing charges.

Further, under the CPA, Chorus is compensated by fixed fees that provides a minimum level of compensation for the term of the CPA, regardless of the block hours of flying activity. Combined, compensation from the fixed margin and infrastructure fees for aircraft was contractually set for the first quarter of 2016 at 27.4 million.

In the first quarter, Chorus earned 5.7 million in performance incentives, or 96.7 percent of maximum incentive payment available under the CPA for meeting or exceeding certain targets. This is great performance by the Jazz team.

CPA pass-through revenue refers to certain costs that are passed through to Air Canada and reimbursed to Chorus dollar-for-dollar. CPA pass-through revenue decreased by 66.5 million to 56.9 million.

Aircraft fuel, effective November 1, 2015, deicing, and certain other costs provided to Chorus by Air Canada are no longer billed.

Effective January 1, 2016, Air Canada entered into a new commercial agreement with the Vancouver Airport Authority in connection with Jazz's CPA operations. Costs at this airport related to airport fees and certain terminal handling services are now paid directly by Air Canada. This change accounted for a 4.8 million decrease in CPA pass-through revenue.

Charter and other contract flying revenue increased by 10.1 million to 11.2 million. Contract flight revenue from the Voyageur operation accounted for 9.9 million of the increase.

Other revenue increased by 2.9 million to 6.5 million. Revenue from the Voyageur operation, which includes maintenance, repair and overhaul, and leasing, accounted for 5.3 million. And this was offset by decreased ancillary revenue and decreased sale of consignment inventory of 2.4 million.

I'll now turn to the expenses. Operating expenses decreased by 65.5 million to 293.8 million. Salaries, wages, and benefits decreased by 2.1 million to 116 million. Adjusted salaries, wages, and benefits increased 4.3 million, primarily as a result of the addition of the Voyageur operation.

As part of the newly ratified collective agreement with Jazz maintenance and engineering employees, Chorus incurred a $5.5 million onetime signing bonus in 2016, while in the first quarter of 2015, Chorus incurred a $10 million onetime signing bonus with Jazz pilots as part of their newly ratified collective agreement. The accounted for a net decrease of 4.5 million in the quarter.

Stock-based compensation decreased primarily as a result of fluctuations in Chorus' share price.

Aircraft maintenance expense decreased by 3.1 million to 47 million. Compared to the first quarter 2015, fewer block hours and engine overhaul events accounted for 1.9 million and 1.2 million decreases, respectively.

Other maintenance costs decreased by 3 million, and decreased cost of sales of consignment inventory accounted for 0.80 million. These decreases were offset by a change in the US dollar exchange rate on certain maintenance material purchases, which accounted for a 2.2 million increase, and the Voyageur operation accounted for a 1.6 million increase.

Other expenses increased by 3.9 million to 33.6 million. This increase was generated by 3.1 million from the addition Voyageur and 1 million from crew costs related to training and travel associated with the flow of pilots to Canada. These increases were offset by general overhead decreases of 0.2 million.

Nonoperating expenses decreased by 70.9 million from an expense of 37.2 million in the first quarter of 2015 to a nonoperating income of 33.8 million.

Net interest expense increased by 1.7 million. Interest expense related to long-term debt increased by 1.4 million as a result of the change in the US dollar exchange rate, new Q400 long-term debt, and 0.3 million related to interest on consideration payable.

The strengthening of the Canadian dollar in the quarter contributed to a foreign exchange gain of $38.8 million compared to a foreign exchange loss of 33.9 million in the previous year.

This brings us to an operating income of 26.8 million and adjusted EBITDA of 45.4 million, increases of 10.9 million and 7.4 million, respectively.

Adjusted net income for the quarter—for the first quarter 2016 was 14.8 million, or $0.12 per basic share compared to 8.9 million, or $0.07 per basic share for the same period 2015.

Net income in the quarter was 55.4 million, or $0.45 per basic share compared to 2015’s net loss of 24.8 million, or a $0.21 loss per basic share.

While billable block hours no longer directly affect our compensation, they are relevant to the rate-setting process on controllable costs and in determining controllable revenue. Based on the 2015/2016 winter schedule, the summer 2016 schedule, and updated planning assumptions from Air Canada, we’re projecting 2016 billable block hours to range between 345,000 and 355,000 hours. This is based on 116 covered aircraft as at December 31, 2016.

The actual number of billable block hours for 2016 may vary from this anticipated range due to a number of factors.

Capital expenditures for 2016, excluding those for the acquisition of finance leases, aircraft acquisitions, and the extended service program on the Dash 8-300, and including capitalized heavy checks, are expected to be between 35 million and 41 million. The increase in 2016 reflects additional spend for Voyageur and lower anticipated major maintenance overhauls.

For additional information supporting our projected guidance for the balance of this year, I'll refer you to Section 15 of the 2016 Outlook section of our MD&A for the period ended March 31, 2016.

And now I'll turn the call back to Joe for some final comments.

Joe Randell

Thank you, Jolene. I'm sure we've all seen the visuals of the devastation in Fort McMurray due to the wildfires. Our thoughts are with all of those as they recover from this tragedy.

Fort McMurray is served by Jazz and its employees. Our employees have come together in a number of ways to support those who have been evacuated from their homes.

Operational personnel have worked tirelessly to organize and operate relief flights. To date, Jazz has completed 19 round charter trips from the nearby airdromes at the Albian Sands and Firebag located in Northern Alberta to assist in the evacuation.

In times of crisis, Canadians are undoubtedly amongst the most generous people in the world, and our employees are no exception. Coordinated fundraising efforts amongst employee unions and at Jazz have generated significant donations to financially support our Jazz colleagues in Fort McMurray who have been personally impacted by the wildfires.

Thankfully, all 41 Jazz employees who work at the airport there, and their families, were evacuated safely. We continue to actively manage our response to best support those affected.

That concludes my commentary. Thank you for listening and, Operator, we can open the call to questions from the analyst community.

Thank you.

Q&A

Operator

Certainly. At this time, I would like to remind everyone if you would like to ask a question, please press *, then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

And your first question comes from the line of Cameron Doerksen with National Bank Financial. Your line is open.

Cameron Doerksen — National Bank Financial

Yeah. Thanks. Good morning. I guess maybe my first question is just on the third-party maintenance operation that you're establishing. I guess maybe the first part of question is how much room do you have to grow that business?

And I guess secondly, historically you're doing heavy air permits (phon); not necessarily greatest margins in the world. So is the real value here for you guys really the ability to, I guess, absorb more of the overhead costs of that operation?

Joe Randell

Right. Thank you for that question, Cameron. Essentially, Chorus has two different types of MRO operations. Firstly, it's the one operated by Voyageur, which is more specialized more heavily along the design aircraft modification side, et cetera. Jazz itself has been doing heavy maintenance on its aircraft for years, and has continued to improve its efficiency.

And with the recent agreement that we made with Unifor, it really establishes a different base and cost base going forward for the growth of Jazz operations. Bringing in the Air Georgian aircraft is a first step, and I think in my commentary I mentioned while it doesn't meaningfully provide margin in any material way, what we're doing is through economies of scale is we're lowering costs, and in fact that will help lower the cost to Air Canada, and we will also be doing the reconfigurations of the aircraft here in Halifax.

We do have within our existing facility space to expand in terms of that business. We are becoming a lot better; very efficient. We're a 24-hour-a-day operation. We turn aircraft very quickly, and the type of work that Jazz does, which is your normal routine MRO. And you are correct in terms of that industry itself it is competitive, margins are not great, but we see ourselves now coming out of this with a cost and potentially an efficiency advantage that we're able to lever, both in terms of reducing the cost of our existing operation, but also in bringing in additional margin.

Cameron Doerksen

Okay. No, that's a good explanation. I guess maybe just question, the new CRJ900s coming in, it looks like you're incurring pretty much all the CapEx for those aircraft this year. But maybe you can just sort of tell us when you expect those aircraft to be in operation out the CPA? Is it going to be Q1 2017?

Jolene Mahody

Yeah. Cameron, it's Jolene here. And yeah, we're planning to bring them all in by the end of this year, as you've seen in our CapEx outlook disclosure. For into service—by the end of Q2 of next year, all five of those aircrafts will be into service.

Cameron Doerksen

Okay. And maybe just final question just related to that. You're taking on some more debt here on-balance sheet to pay for these aircraft. What's your degree of comfort to add additional aircraft on-balance sheet? Do you still think you have some pretty good financial room to do that? Or do you have a comfort level that—or I guess is there is a point at which you become uncomfortable with the amount of aircraft you're bringing on-balance sheet?

Jolene Mahody

Yeah. We'll—we assess it as we look at these different opportunities to bring on aircraft and lease them productively under the CPA. I think we're comfortable with where we are. We're comfortable adding more. All the debt is EDC-backed, as you pointed out, and it's all deploying productive aircraft assets into the CPA that are earning us a good return.

So we feel we have some good head room there, and are comfortable with our plan.

Cameron Doerksen

Okay.

Joe Randell

For us it is very productive debt.

Cameron Doerksen

Right. Okay. Very good. Thanks very much.

Operator

Your next question comes from the line of Walter Spracklin with RBC Capital Markets. Your line is open.

Walter Spracklin — RBC Capital Markets

Yeah. Thank you very much, Operator. Good morning, everyone.

Joe Randell

Walter.

Walter Spracklin

So I guess my first question is on the leasing strategy, Joe. You touched in on the market opportunity; obviously a very attractive one worldwide not limited to Canada, and this is I'm obviously talking about beyond the Capacity Purchase Agreement you have with Air Canada for leasing opportunities. Can you talk about when we might start seeing some announcements there with regards to new customers? When is it—what's your strategy to get those customers? And when will you be implementing that strategy? And again, I guess that relates back to when we might see some announcements related to it.

Joe Randell

Right. Well, we really started working in greater detail on this toward the end of last year. And we've spent the last six or seven months; we've added expertise within our organization, and our plans are developing. And they are actually well-developed, and the analysis that we've done has been very comprehensive.

There are a number of alternative ways of approaching this in terms of how we go at this from a Chorus point of view. But we are really, I think, within the next few months we'll be working very diligently to bring the plan to market. I won't give you an exact date because for us it's more important to do it well than to do it quickly, or just to meet a date for the sake of doing that.

But this is nearer term than further term for us, and we see this as the single greatest opportunity we have now, and discussions, exploration, and work is well underway.

Walter Spracklin

That's great. No, thank you for that colour. Next would be just on the pilot agreement you have with Air Canada in terms of migrating the pilots up into Air Canada. Obviously, that was a key component of your new agreement with them. It was—but very much that, just part of an agreement. Now that you've had some time for it to play out, can you give us an assessment as to how that's gone relative to plan? And have you had any feedback from the pilots in terms of what they think of the new arrangement?

Joe Randell

It's going very well. As a matter of fact, it's going better than we had originally thought and planned for. So last year we had 100 of our senior pilots that actually flowed to Air Canada. This year we anticipate between 150 and 180.

And we see good going-forward pilot demand from Air Canada, given its fleet plans, given its new routes, and Air Canada success, which we're very, very happy to see. And of course, Air Canada from what we understand is very pleased with the quality of the pool of pilots that has gone there. We know that these—and I know several of them personally—they're very happy.

And to date, we've hired approximately 225 new pilots under the new collective agreement. And so we—this is a cost-competitive collective agreement; this is part of our change. And we've developed some very successful programs with the colleges in terms of ensuring the pipeline is full. And we are very, very pleased with the quality of the candidates that we're getting and how this flow agreement is working with Air Canada and with our pilots.

Walter Spracklin

That's fantastic.

Jolene Mahody

And, Walter, I'll just add that what we're seeing, financially we're seeing the gain in the cost competitiveness from that because part of the reasoning around the decline in our controllable revenue, as we pointed out, was really the flight crew. So we're seeing the new entries coming in at the new entry rates that are turning around into the numbers.

Walter Spracklin

And I guess not only on the new entry rates, but it doesn't sound like a one-for-one replacement either, so you're able to take advantage of some attrition there; is that right?

Jolene Mahody

Yeah. That's right because we would have also a decline in block hours…

Walter Spracklin

Right.

Jolene Mahody

That you've seen in the quarter.

Joe Randell

And I'd reiterate again that with our maintenance agreement now, our goal is to have all of our agreements with our employees really reaching out to the term of the CPA. And that's a focus for us.

And I have to say that generally morale seems to be very high within the company, and we're very pleased with the way things are going.

Walter Spracklin

That's fantastic. Last question here, and this might be an obscure one, and it was obscure in the way it was announced, but WestJet indicated that there's an announcement coming out on a charter opportunity. I'm not sure if you have any other further insight on that, but just really is there any risk that you see to your business emanating from this? Just based on what it might be that they're referring to? I know that's a tough question to answer.

Joe Randell

Yeah. I'm not sure what they're referring to, to tell you the truth, but we're feeling very, very good in terms of our competitiveness with WestJet Encore, so I guess we'll see what happens there.

As I mentioned, we've been doing some work out west and that sort of thing. Generally, there's been a bit of a decline year over year in the charter business because, of course, the changes in the oil industry.

Walter Spracklin

Mm-hmm.

Joe Randell

We've seen a little bit of the decline there. But we're not seeing anything other than that of significance at this point. So I'm not really—I'm not clear at this point what they'd be referring to.

Walter Spracklin

Okay. All right. That's all my questions. Thanks very much for the colour.

Jolene Mahody

Thank you.

Joe Randell

You're welcome.

Operator

Again, if you would like to ask a question, please press *, 1 on your telephone keypad.

Your next question comes from the line of George Trapkov with Beacon Securities. Your line is open.

George Trapkov — Beacon Securities

Good morning, and congrats on the quarter. A couple of quick questions on the Voyageur. You've had it for a while where you're probably looking at all the deployments. What are you seeing in terms of bidding for new business and deploying some of your existing fleet? Or potentially them acquiring additional airplanes and servicing new customers?

Joe Randell

We're very encouraged by what we see. As a matter of fact, Voyageur itself has many proposals out there utilizing some of the—the Dash 8-100s that are coming out of the Jazz fleet. We see an ongoing strong demand for the type of operation that Voyageur is doing.

We're seeing an ongoing strong demand in the MRO side of the business, and we see Voyageur as being a very good growth vehicle for us. And it's been a year now, and we see really starting to move ahead with traction here. We have parted out one of our Dash 8-100s, as well as Voyageur itself is growing its parts business in North Bay.

And so we see some really good synergistic opportunities there. And I think we feel more positive about Voyageur's prospects than we did when we acquired the company a year ago.

George Trapkov

Okay. And the second one on the Dash 8-100. Any further update on other planes being redeployed?

Joe Randell

We have a number of different proposals and opportunities out there that I won't get into now for competitive reasons. But we're certainly optimistic that these assets will provide good cash flow in the future to Chorus.

George Trapkov

Perfect. Thank you.

Jolene Mahody

Thank you.

Operator

Thank you. Again, if you would like to ask a question, please press *, 1.

And there are no further questions at this time. I'll turn the call back over to Nathalie Megann.

Nathalie Megann

Thank you, Sally, and thank you, everyone, for being present on the call. And we wish you a pleasant weekend.

Operator

Thank you, ladies and gentlemen, for your participation. This concludes today's conference call. You may now disconnect.

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