



Saskatoon Airport

Digging into Delta: Feasibility on Return to Service at YXE

Agenda

- Introduction
- Market Analysis
- Pandemic Impact & Recovery
- YXE Transborder Service (US)
- Delta: MSP-YXE Service
- Looking Ahead
- Q&A



Introduction



Introduction



CJ Dushinski,
Vice President of Business
Development and Service Quality at
Skyxe Saskatoon Airport

10 years of experience working directly with airlines
on:

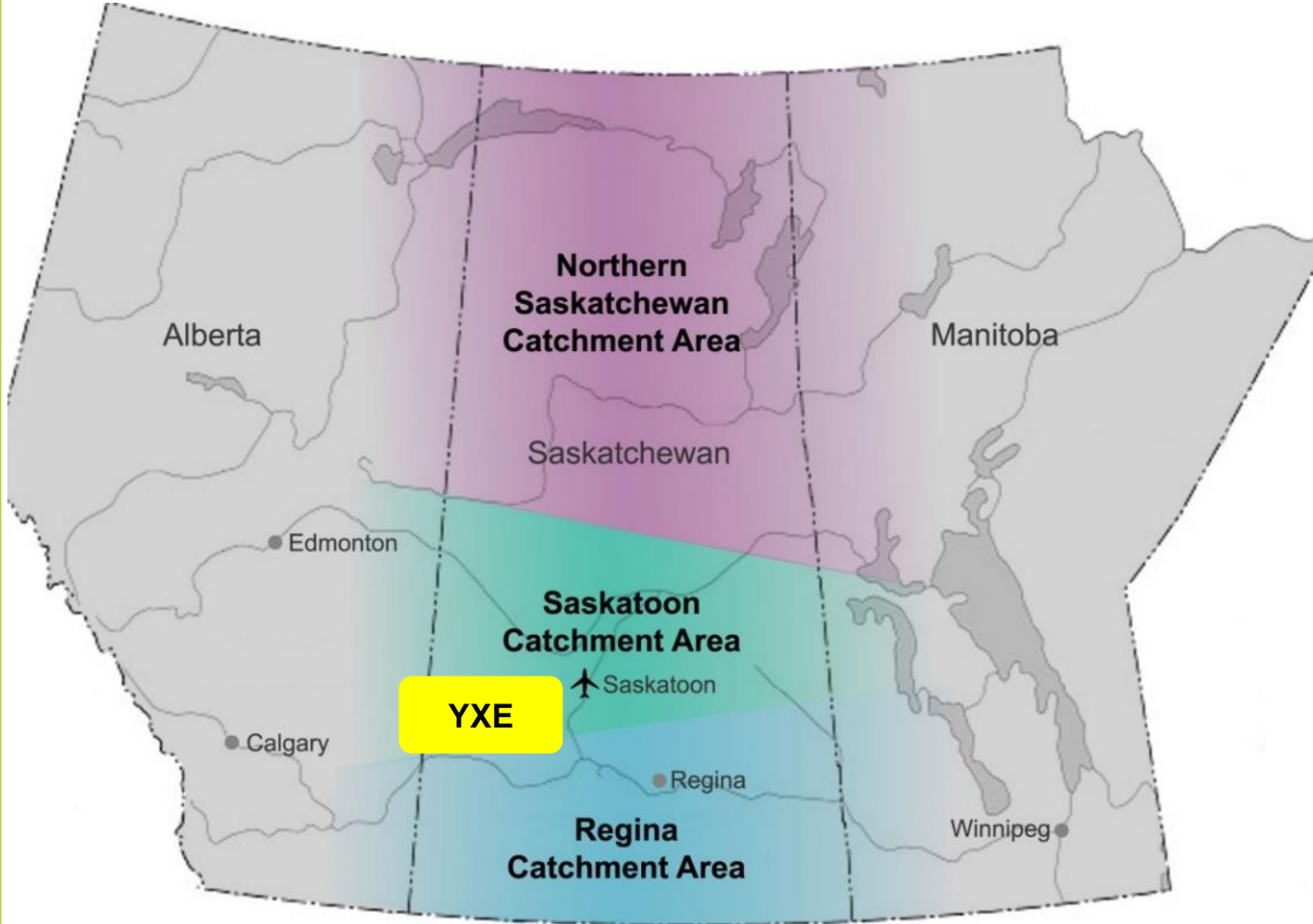
- Airline and tourism partnership development
- Route development
- Airline start-up
- Route marketing



Market



Saskatoon Market



Catchment Of
600k+ Residents

Catchment Area	Population (est. 2016)
Saskatoon	567,000
North	47,000
Sub-total	614,000
Regina	529,000
Grand Total	1,143,958



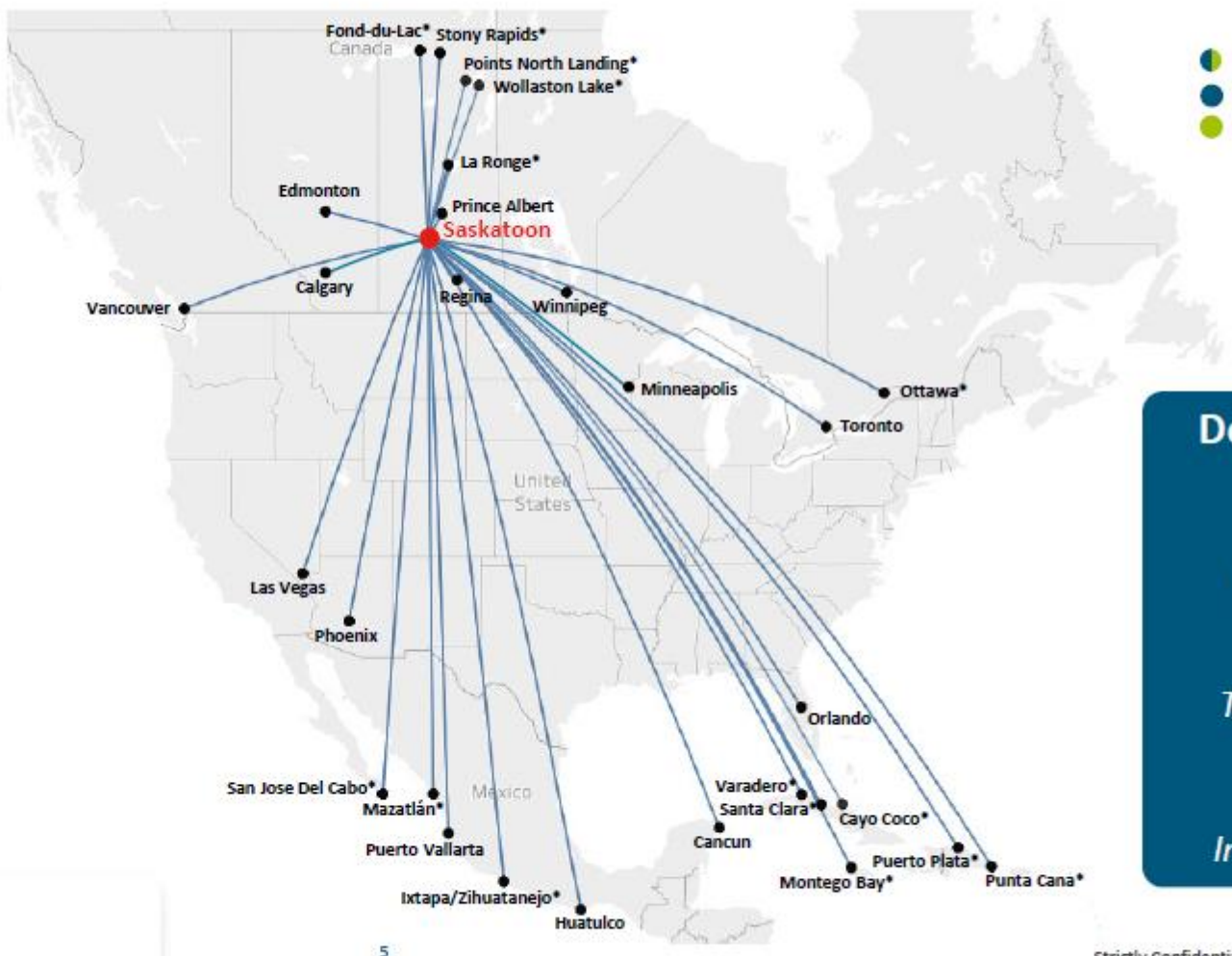
Saskatoon Market: Pre-pandemic Route Map

Saskatoon Had Service to 13 Destinations in Canada, 4 in the U.S., and 12 in Mexico/Caribbean

- Canada**
- Toronto – YYZ
 - Edmonton – YEG
 - Calgary – YYC
 - Vancouver – YVR
 - Ottawa* - YOW
 - Winnipeg - YWG
 - Regina – YQR
 - Prince Albert – YPA
 - La Ronge* – YVC
 - Wollaston Lake* – ZWL
 - Stony Rapids* – YSF
 - Fond-du-Lac* – ZFD
 - Points North Landing* - YNL

- United States**
- Minneapolis/St. Paul - MSP
 - Las Vegas - LAS
 - Phoenix - PHX
 - Orlando - MCO

- Mexico & Caribbean**
- Cancun - CUN
 - Puerto Vallarta - PVR
 - Huatulco – HUX
 - Varadero* - VRA
 - Ixtapa/Zihuatanejo* - ZIH
 - San Jose Del Cabo* - SJD
 - Mazatlán* - MZT
 - Montego Bay* - MBJ
 - Punta Cana* – PUJ
 - Puerto Plata* – POP
 - Cayo Coco* – CCC
 - Santa Clara* - SNU



- Year-round service
- Winter only service
- Summer only service

Destinations

13
Domestic

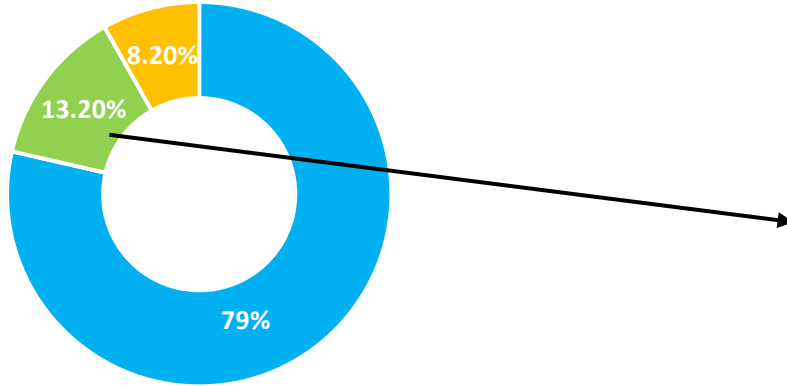
4
Transborder

12
International

*Service is one-stop in at least one direction.
Source: Innovata schedules via Diio, YE Feb 2020

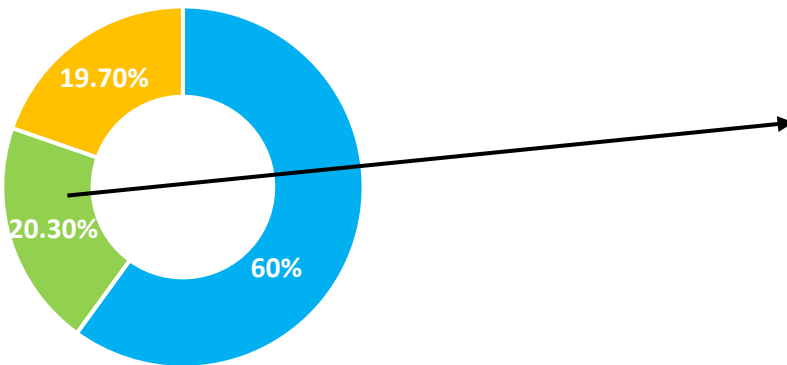
Saskatoon Market: Demand

Summer 2019



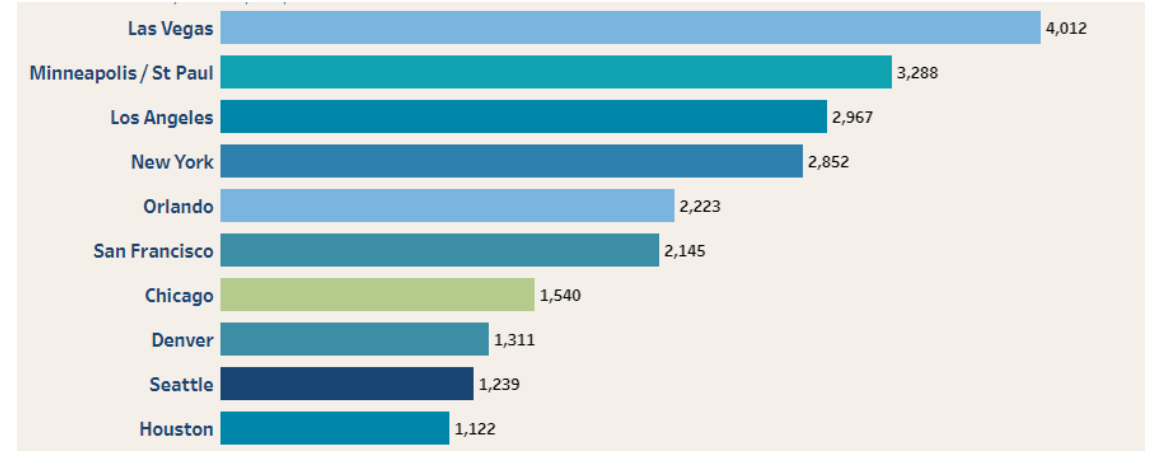
■ Domestic ■ Transborder (US) ■ International

Winter 2019

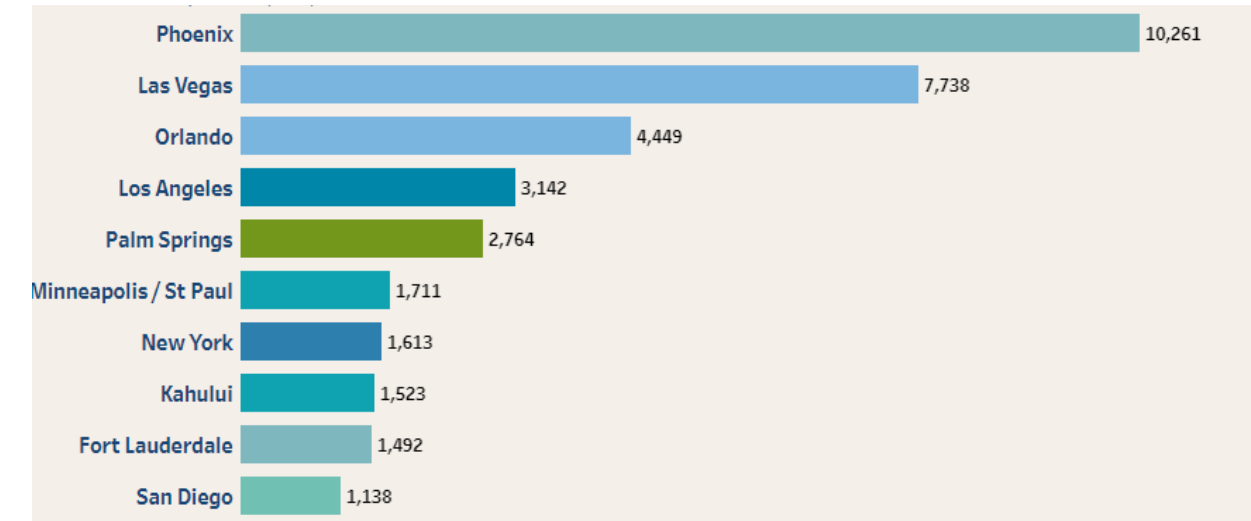


■ Domestic ■ Transborder (US) ■ International

Top 10 US Summer markets (monthly)



Top 10 US Winter markets (monthly)

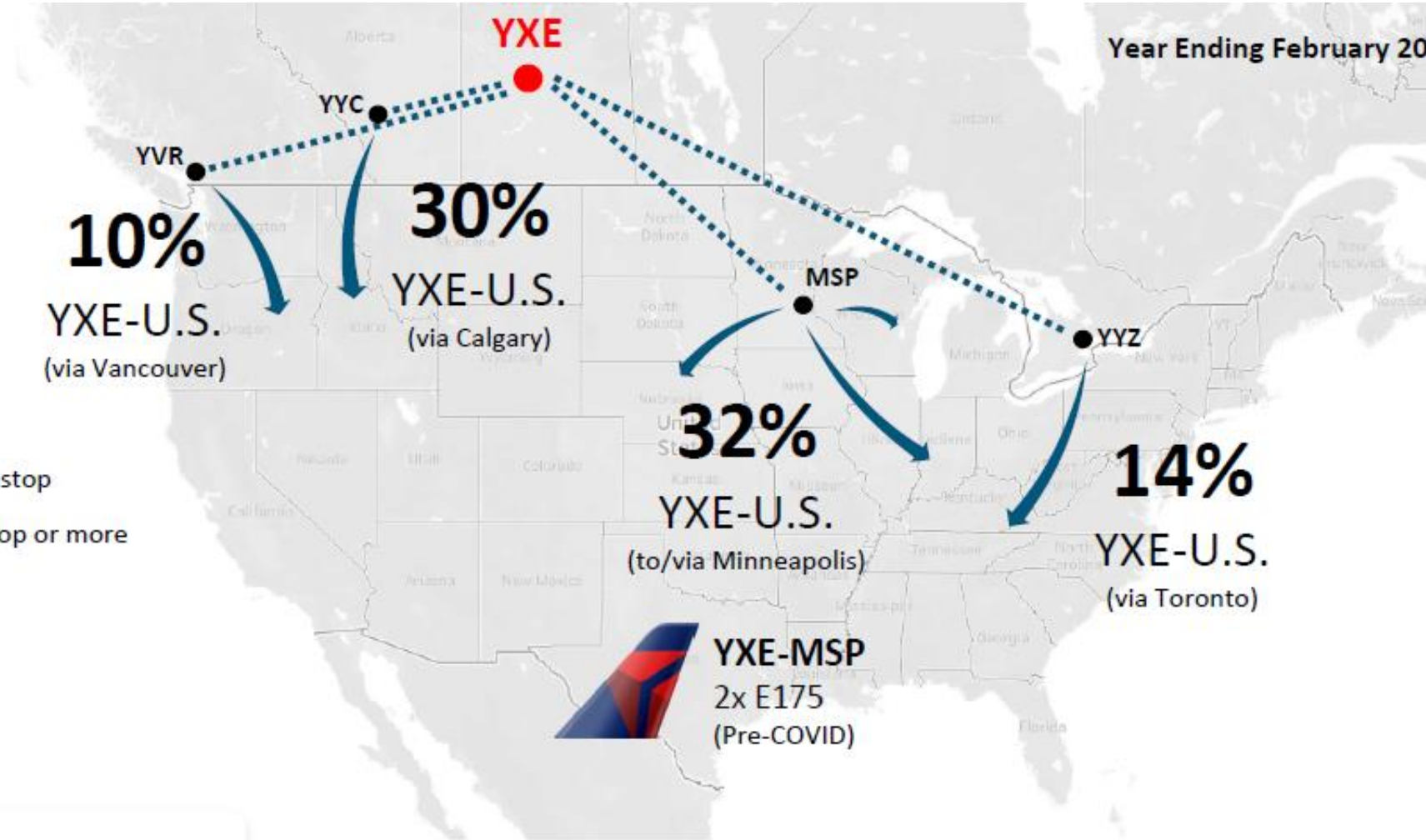


Saskatoon Market: Demand

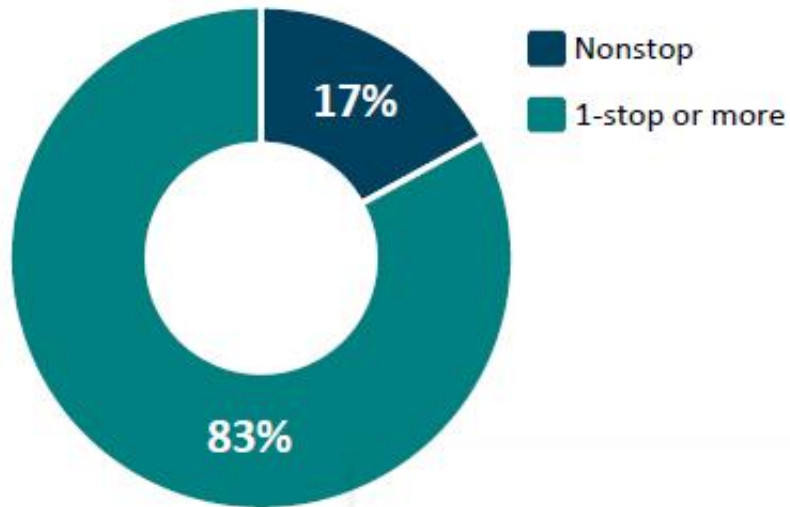
The majority of U.S. demand (70%) was served via 1-stop via the hub gateways in Minneapolis, Calgary, and Toronto.

Top 3 Destinations:

1. Las Vegas – 55 PDEWs
2. Phoenix – 40 PDEWs
3. Los Angeles – 28 PDEWs



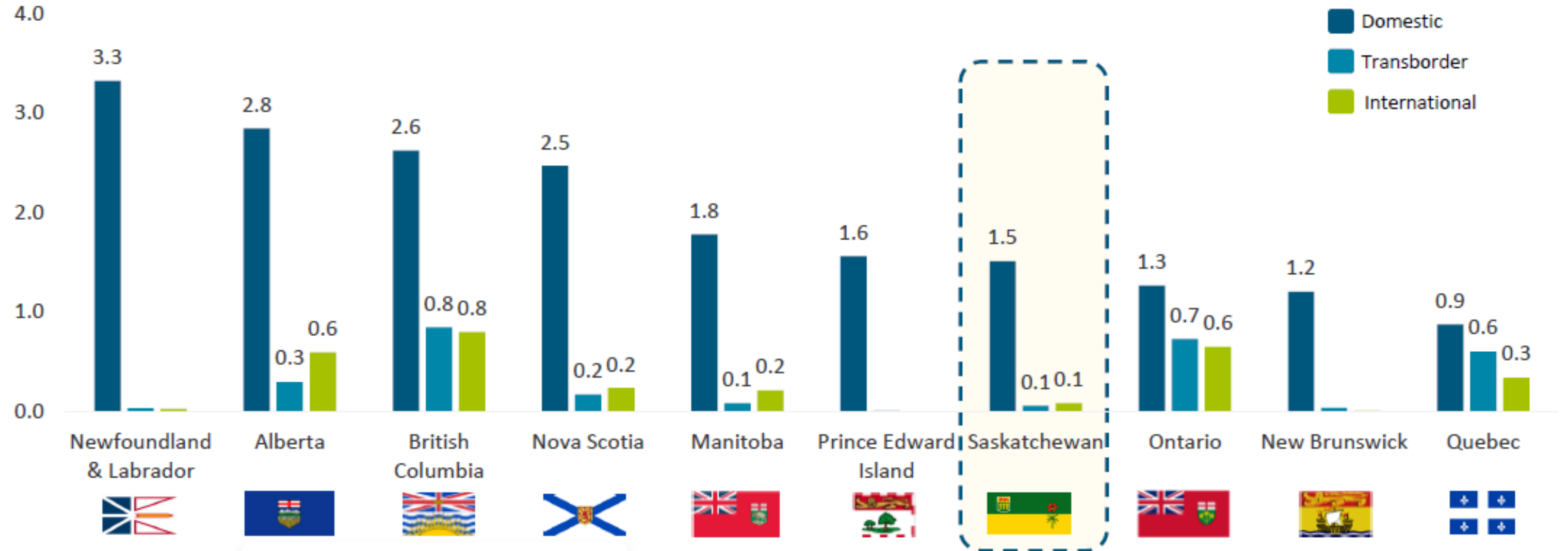
YXE-U.S. Traffic by Itinerary Type



Saskatoon Market: Seats per Capita

Departing Seats per Capita by Sector

Capacity YE Feb 2020 / Provincial Population in Q1 2020



Source: Innovata schedules via Diio, Statistics Canada; Excludes Territories



Impact & Recovery



Pandemic Impact & Recovery

Canada

Toronto – YYZ	Victoria* – YYJ
Edmonton – YEG	Regina – YQR
Calgary – YYC	Prince Albert – YPA
Vancouver – YVR	La Ronge – YVC
Ottawa - YOW	Wollaston Lake – ZWL
Winnipeg – YWG	Stony Rapids – YSF
Kelowna* – YLW	Fond-du-Lac – ZFD
Montreal* - YUL	Points North Landing - YNL

*YYJ and YLW did not return in summer 2022

United States

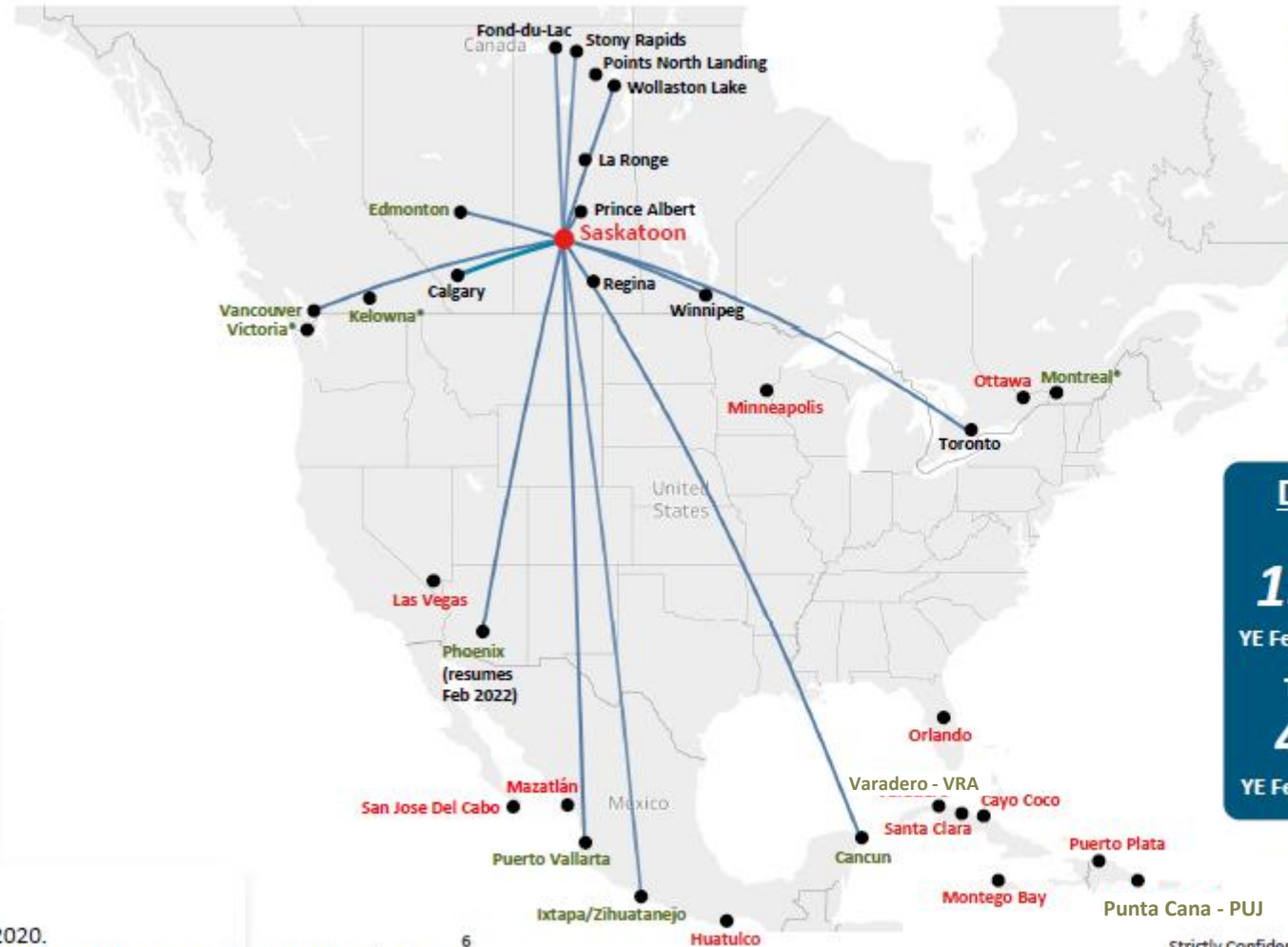
Minneapolis/St. Paul - MSP
Las Vegas - LAS
Phoenix – PHX
Orlando - MCO

Mexico & Caribbean

Cancun - CUN	Mazatlán – MZT
Puerto Vallarta - PVR	Montego Bay - MBI
Huatulco – HUX	Punta Cana - PUJ
Varadero - VRA	Puerto Plata – POP
Ixtapa/Zihuatanejo – ZIH	Cayo Coco – CCC
San Jose Del Cabo - SJD	Santa Clara - SNU

*New summer seasonal destination compared to YE Feb 2020.

Source: Innovata Schedules via Diio; February 2022. Based on schedules filed as of December 7th, 2021.



City in **green** denotes air services to/from Saskatoon that were added in 2021 or have been announced to begin/resume in 2022.

City in **red** denotes continued loss of air services to/from Saskatoon.

Destinations

Domestic	
13	13
YE Feb 20	→ May 022
Transborder	
4	1
YE Feb 20	→ Feb 22

Pandemic Impact & Recovery: Delta

Seattle - SEA

Calgary
Vancouver

Minneapolis – MSP

Calgary
Vancouver
Toronto
Montreal
Winnipeg

Saskatoon
Edmonton

New York – LGA

Toronto
Montreal

Ottawa

Salt Lake City – SLC

Calgary
Vancouver
Toronto

Atlanta – ATL

Toronto
Montreal

Vancouver

Detroit - DTW

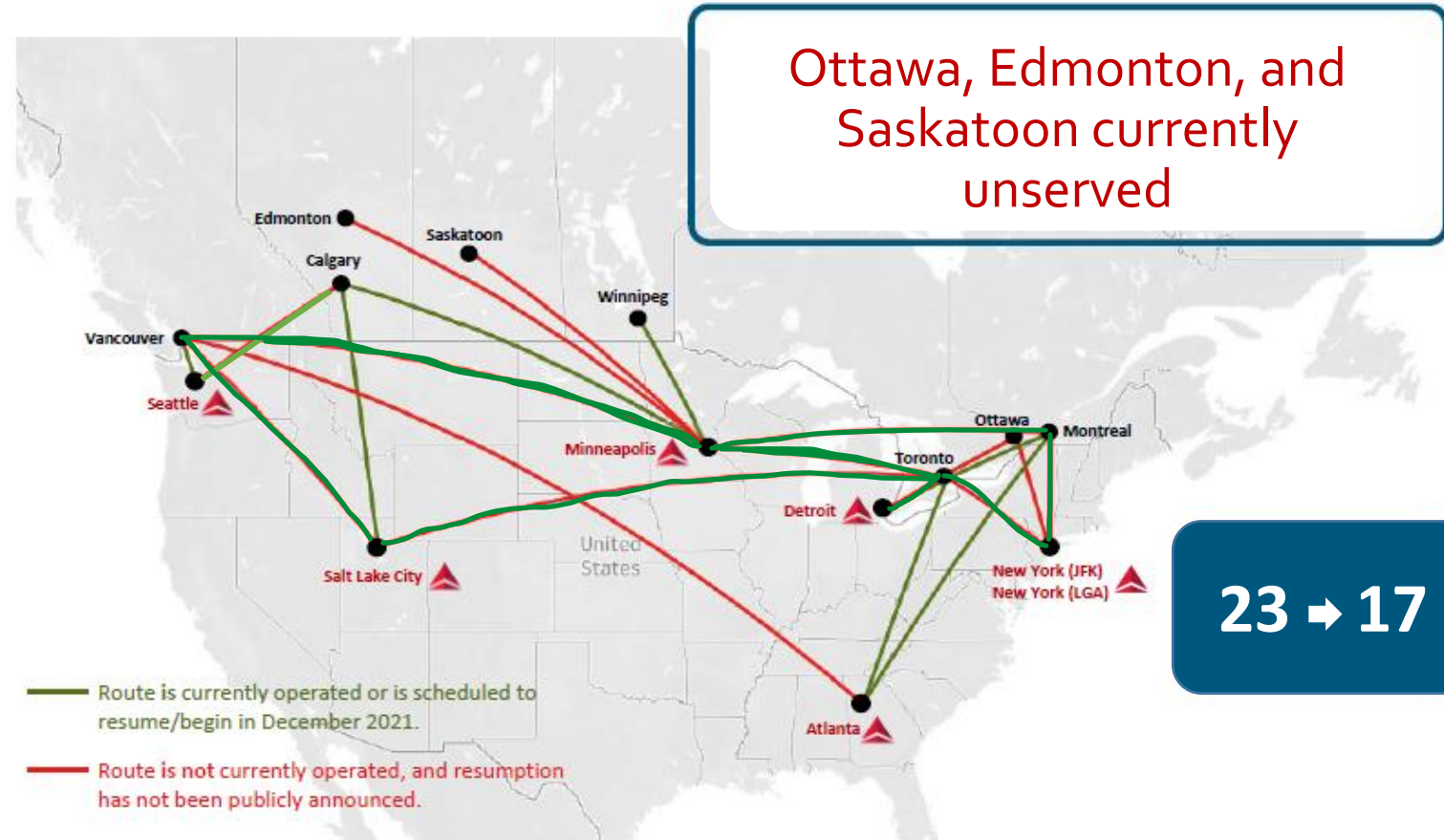
Toronto
Montreal

Ottawa

New York – JFK

Toronto

Montreal



Pandemic Impact & Recovery

Airports	April 2019 Seats	April 2022 Seats	% Recovery
YYT	64,466	51,363	80%
YUL	953,103	739,092	78%
YLW	113,722	87,370	77%
YYC	837,233	637,372	76%
YVR	1,175,534	868,677	74%
YYG	12,593	9,328	74%
YYJ	102,742	72,439	71%
YYZ	2,429,541	1,688,319	69%
YQR	66,253	43,903	66%
YWG	218,071	142,942	66%
YEG	411,186	266,553	65%
YXS	29,983	18,247	61%
YHZ	209,194	119,419	57%
YQB	108,917	60,415	55%
YOW	275,197	147,455	54%
YTZ	172,642	92,820	54%
YXE	77,885	41,372	53%
YQM	40,728	20,184	50%
YHM	53,305	22,362	42%
YMM	35,907	14,246	40%
YXU	27,871	10,104	36%
Grand Total	7,416,073	5,153,982	69%
Tier I	6,509,059	4,609,829	71%
Tier II	907,014	544,153	60%

YXE Transborder (US) Service

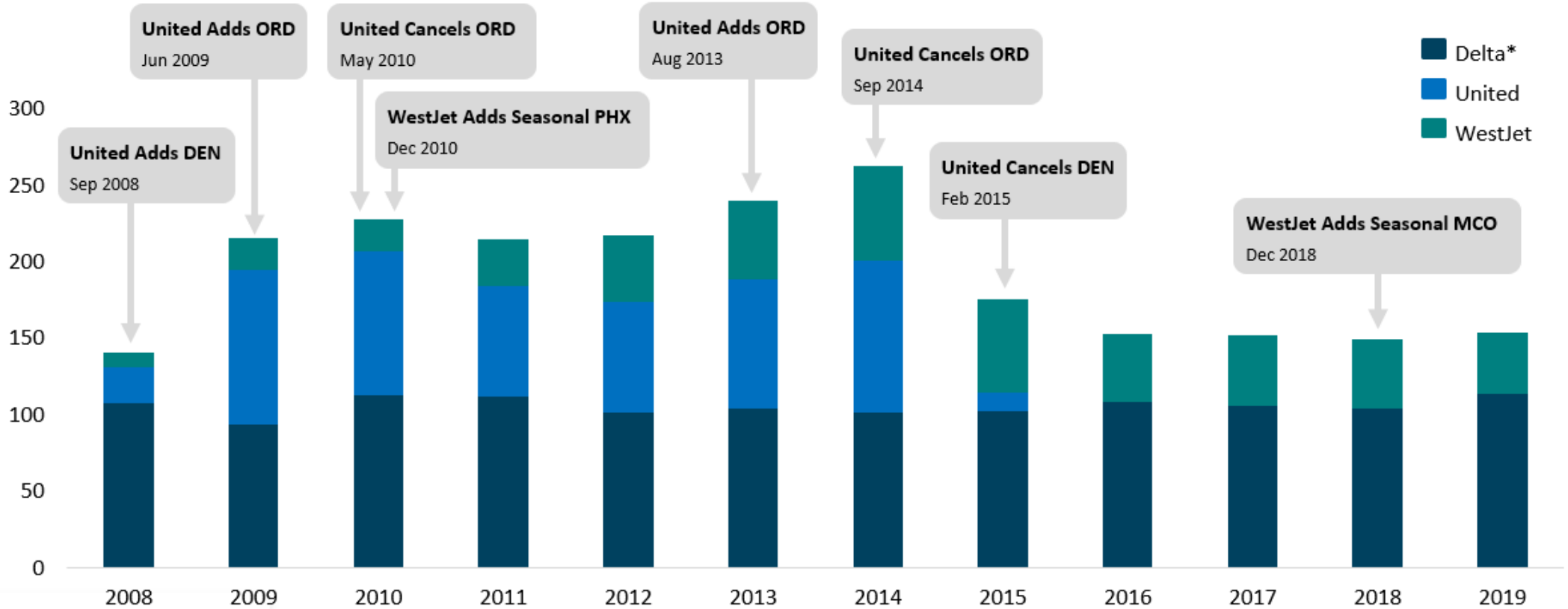


YXE Transborder Service

YXE – U.S. Seat Capacity
Thousands of Seats, 2008-2019



Delta-Northwest has been the longest serving and most stable U.S. operator at YXE



Sources: Innovata schedules via Diio. *Service includes Northwest Airlines operations pre-2010 DL-NW merger.

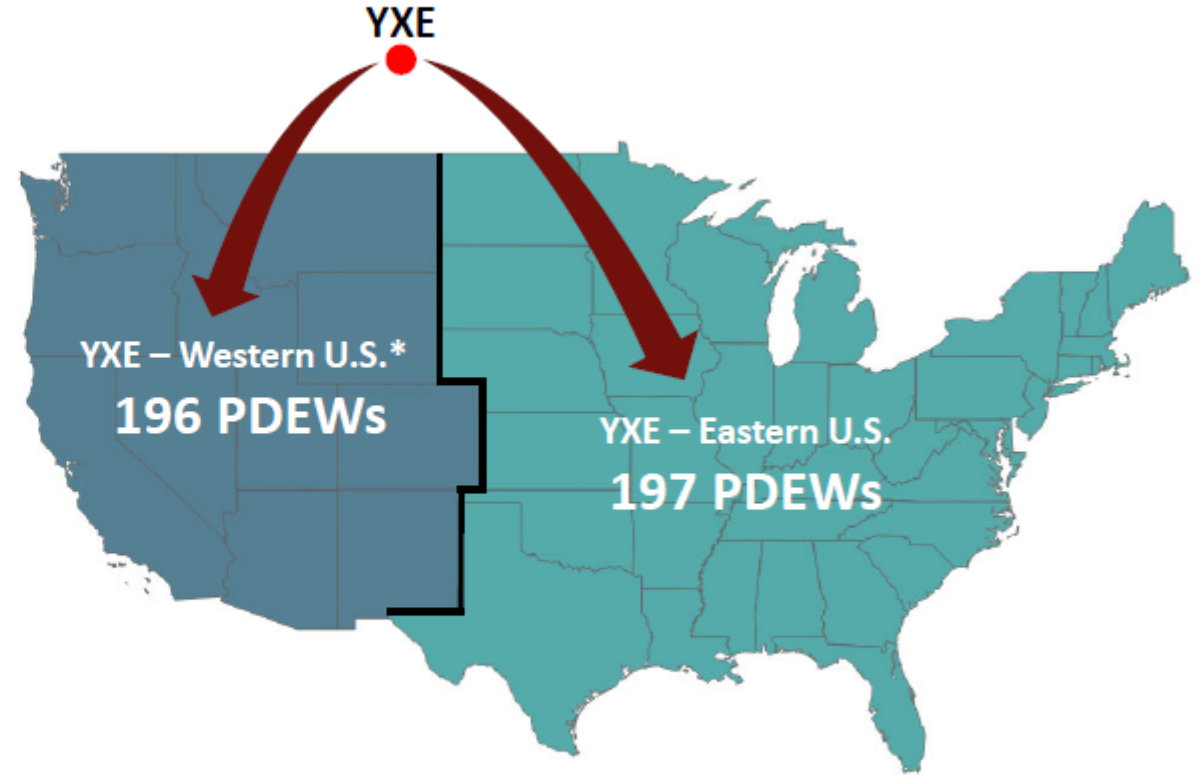


YXE Transborder Service

Top 15 Largest Transborder Markets

Ranking	Destination	PDEWs		
		Summer	Winter	Annual ▾
1	Las Vegas	46	68	55
2	Phoenix	20	69	40
3	Los Angeles	25	32	28
4	Minneapolis / St Paul	30	17	25
5	Orlando	16	35	24
6	New York	24	16	21
7	San Francisco	16	10	13
8	Chicago	12	8	10
9	Houston	11	9	10
10	Denver	10	9	10
11	Atlanta	10	8	9
12	Palm Springs	3	16	8
13	Nashville	9	8	8
14	San Diego	6	9	7
15	Boston	9	6	7

Region	PDEWs		
	Summer	Winter	Annual ▾
Eastern U.S.	201	191	197
Western U.S.*	156	251	196
Total Transborder	357	442	392



**400 people per day (each way) traveling between Saskatoon and US
Split between 4 hubs**

PDEWs: Passengers Per Day Each Way

Source: Sabre Global Demand Database (GDD), YE Feb 2020; InterVISTAS 2019 Saskatoon/Regina Transborder Leakage Study. *Includes Hawaii and Alaska.

Delta MSP-YXE Service



Delta MSP-YXE

Operated by SkyWest E175 on behalf of Delta Airlines:
76 seats (152 seats per day)



YXE

MSP

18.3% local
81.7% connecting

81.0%

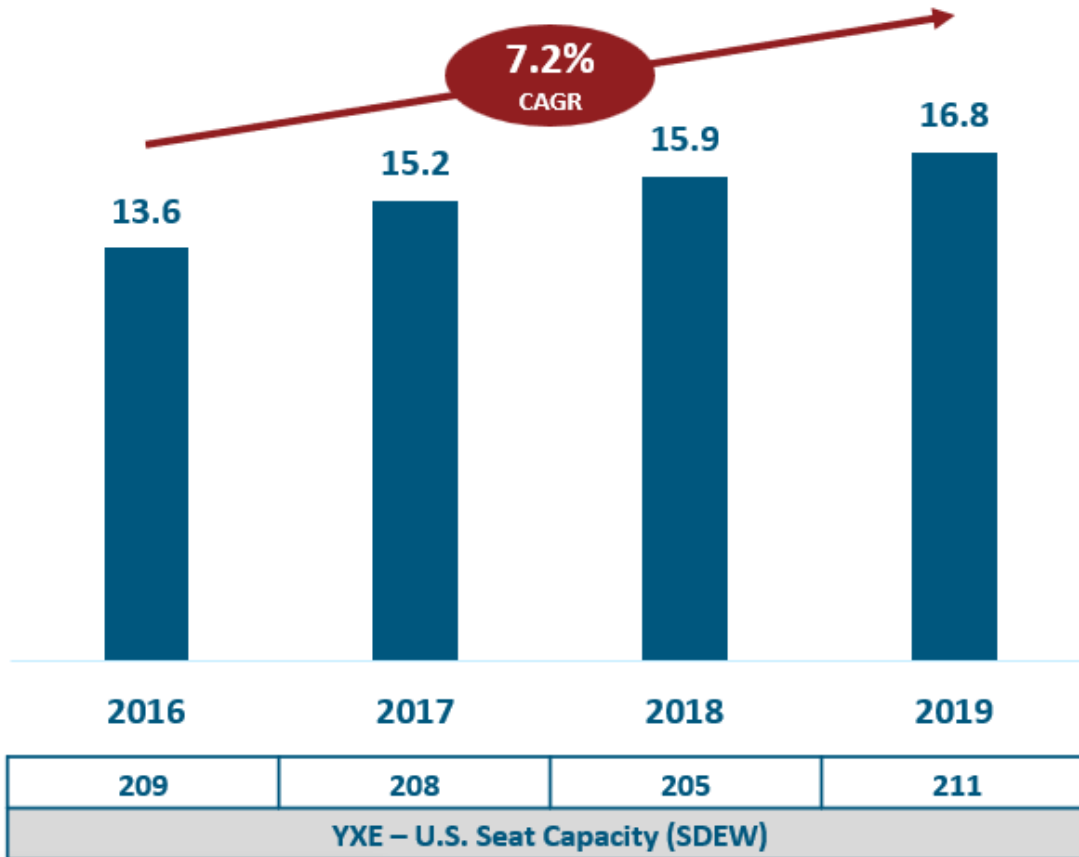
Forecast Annual Load Factor

Proposed Schedule (Summer)

Frequency	Origin	Destination	Dep	Arr	Block Time	Aircraft	Days of Ops
1	MSP	YXE	1930	2100	2h30	E175	1234567
1	YXE	MSP	540	900	2h20	E175	1234567
2	MSP	YXE	1305	1435	2h30	E175	1234567
2	YXE	MSP	1510	1830	2h20	E175	1234567

Delta MSP-YXE

Saskatoon – U.S. Yield
US¢/mile, 2016-2019



SDEW: Seats Per Day Each Way
Sources: Sabre Global Demand Database (GDD)

Delta Q1 2022 Financial Results*:

- Avg passenger mile yield (cents) of **17.85**
 - Pre-pandemic yields perform below company average by 1.0 (cents)



Delta MSP-YXE: Challenges

Fleet/Aircraft Availability (E175, 76 seats):

- 71 in Delta fleet + 16 on order to replace retired CRJ900
- Owned/flown by SkyWest on behalf of Delta (Delta Connection) – All CND operations
- -25% reduction in SkyWest's Delta Connection fleet since 2019 (199 vs. 149)

Load Factors & Yield:

- Delta network 83% avg. load factor in 2021 (YXE 81% forecasted LF)
- Delta network 17.85 cent yield (YXE 16.8 cents in 2019)



Delta MSP-YXE: Challenges

Pilot Shortage:

“The United States is facing its worst pilot shortage in recent memory, forcing airlines to cut flights just as travelers are returning after more than two years of the Covid-19 pandemic.” – CNBC, May 2022

Border Restrictions:

- US still requires inbound COVID-19 testing

Seasonality:

- Weaker winter performance (November - March), -12% forecasted fares, forecasted LF of 77% (-5%)



Looking Ahead



Looking Ahead:

- Strong business case with some limitations
- Next meeting with Delta: June 14th
 - Backfilled with some great data provided by the Outfitters Association of Sask.
- Promised support from the Government of Saskatchewan to help Delta offset landing and terminal fees
- Potential marketing support from Destination Canada
- Partner support from Tourism Saskatoon
- Earliest possible re-start: September 2022, more likely 2023



Looking Ahead:

What can you do to help?

Data on flight utilization:

- How many nonstop flights (YXE-MSP) on Delta did your organization use in 2019?
- Estimated utilization going forward
- Business class vs. economy
- Seasonality travel trends



Q&A

