

Exchange  
Income  
Corporation



# DEPENDABLE

**MIKE PYLE, PRESIDENT & CEO  
EXCHANGE INCOME CORPORATION  
ANNUAL GENERAL MEETING  
MAY 2014**

# FORWARD-LOOKING STATEMENTS

*The statements contained in this presentation that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially.*

*These uncertainties and risks include, but are not limited to, the dependence of Exchange Income Corporation on the operations and assets currently owned by it, the degree to which its subsidiaries are leveraged, the fact that cash distributions are not guaranteed and will fluctuate with the Corporation's financial performance, dilution, restrictions on potential future growth, the risk of shareholder liability, competitive pressures (including price competition), changes in market activity, the cyclical nature of the industries, seasonality of the businesses, poor weather conditions, and foreign currency fluctuations, legal proceedings, commodity prices and raw material exposure, dependence on key personnel, and environmental, health and safety and other regulatory requirements.*

*Further information about these and other risks and uncertainties can be found in the disclosure documents filed by Exchange Income Corporation with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com)*

# AGENDA

- Review of 2013 financial and operational highlights
- Spotlights on
  - WesTower; and
  - Regional One
- Stability of dividend distributions
- Q1 2014 results
- Outlook

# 2013 HIGHLIGHTS

Revenue topped **\$1 Billion**

Profitability impacted by **WesTower's** growth

Completed **largest** acquisition to date

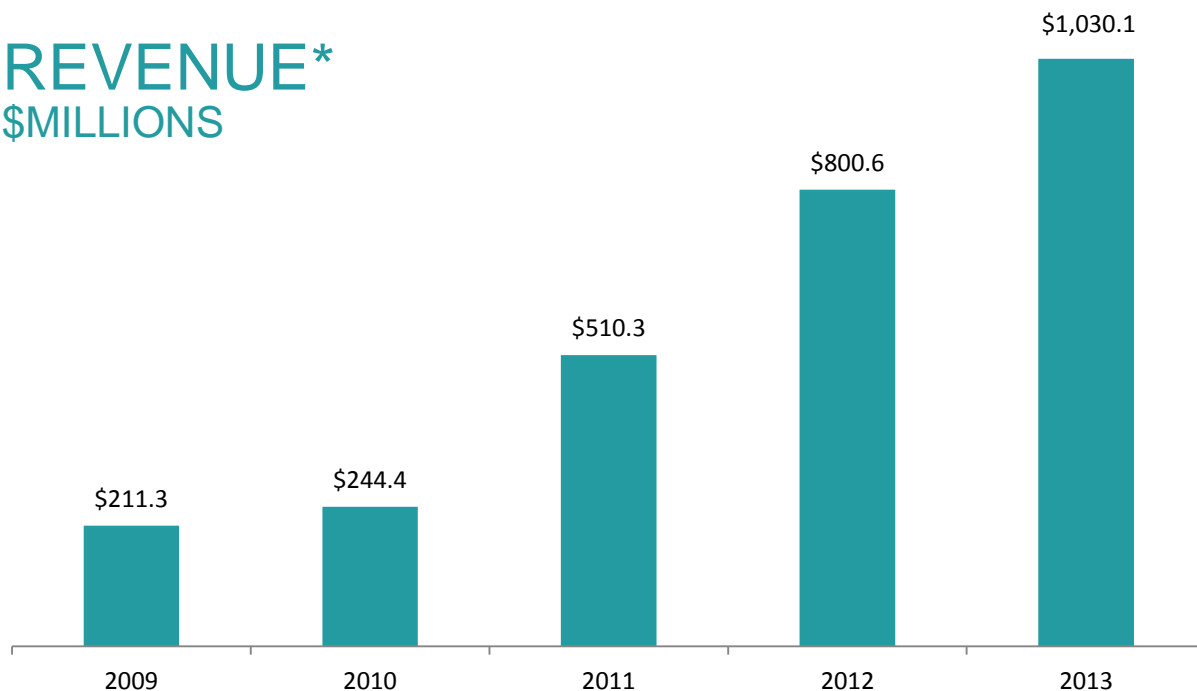
Retained strategy of having a **strong balance sheet** to support strategic growth

Raised **\$65M** from convertible debentures

**DELIVERING DEPENDABLE RETURNS**

# 2013 FINANCIALS

REVENUE\*  
\$MILLIONS



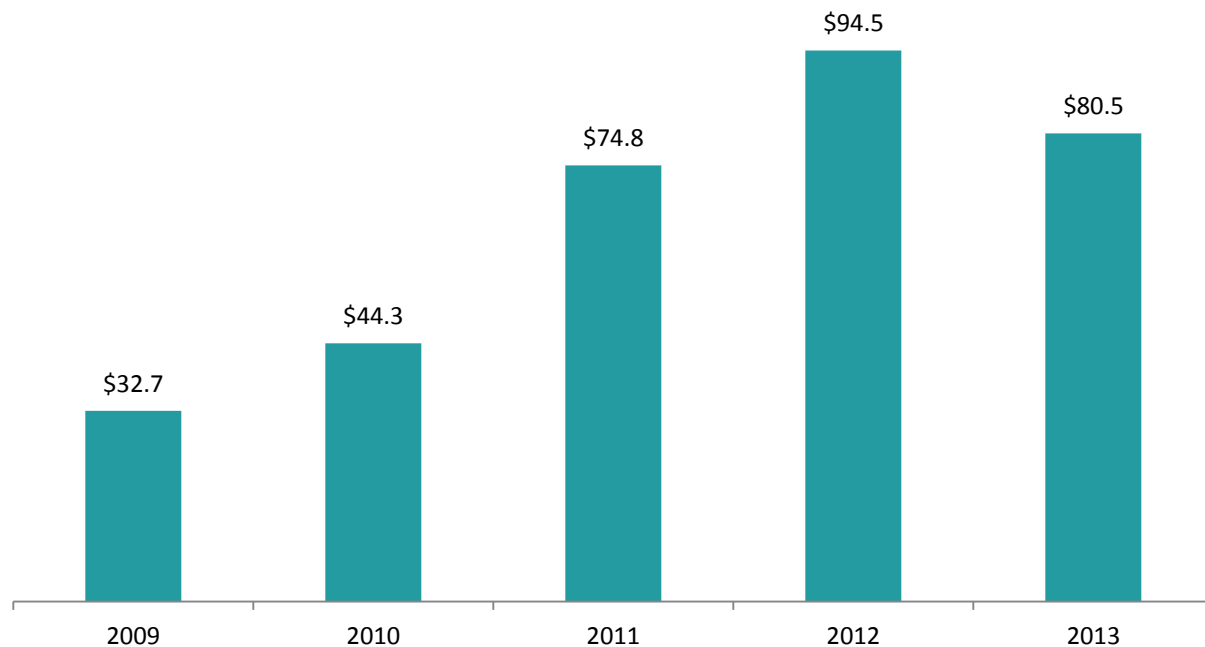
**37.3%**  
5-YEAR CAGR

**Organic growth driven by WesTower  
Accretive growth due to Regional One**

\*The Company adopted International Financial Reporting Standards (IFRS) in 2010. Previously, the Company used Canadian Generally Accepted Accounting Principles (CGAAP). As a result, comparison of historical results may include financial treatments that are not identical.

# 2013 FINANCIALS

EBITDA  
\$MILLIONS



**19.7%**  
5-YEAR CAGR

**WesTower's massive growth led to margin erosion and higher expenses**

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SPOTLIGHT ON:

# WESTOWER

Revenue contributions for 2013

**\$627.9<sub>M</sub>**

- Growth of 377% since 2011
- Driven by 4G & LTE network expansions and turf contract with AT&T
- New executive team focused on margin recovery in 2014



MOST RECENT ACQUISITION:

# REGIONAL ONE

**\$89.9M** purchase price

**\$22.0M** *EBITDA contributions in*  
*12 months since April 2013 purchase*

Largest acquisition to date

Diversifies revenue & cash flow

Sales/leasing of after-market parts  
and fleet equipment to regional  
carriers worldwide

**OFFSETS MAJOR EXPENSE CATEGORY FOR AVIATION SEGMENT**



# SHAREHOLDER RETURNS

Monthly dividend distributions of \$0.14 per share (or \$1.68 annualized)

100+ consecutive months of dividend distributions with 8 increases

Current yield of 8.9% based on May 9<sup>th</sup> close price of \$18.84

Dividend Distributions Declared per share per Year



**Yield and dividend stability is what our shareholders want.  
It's what we deliver.**

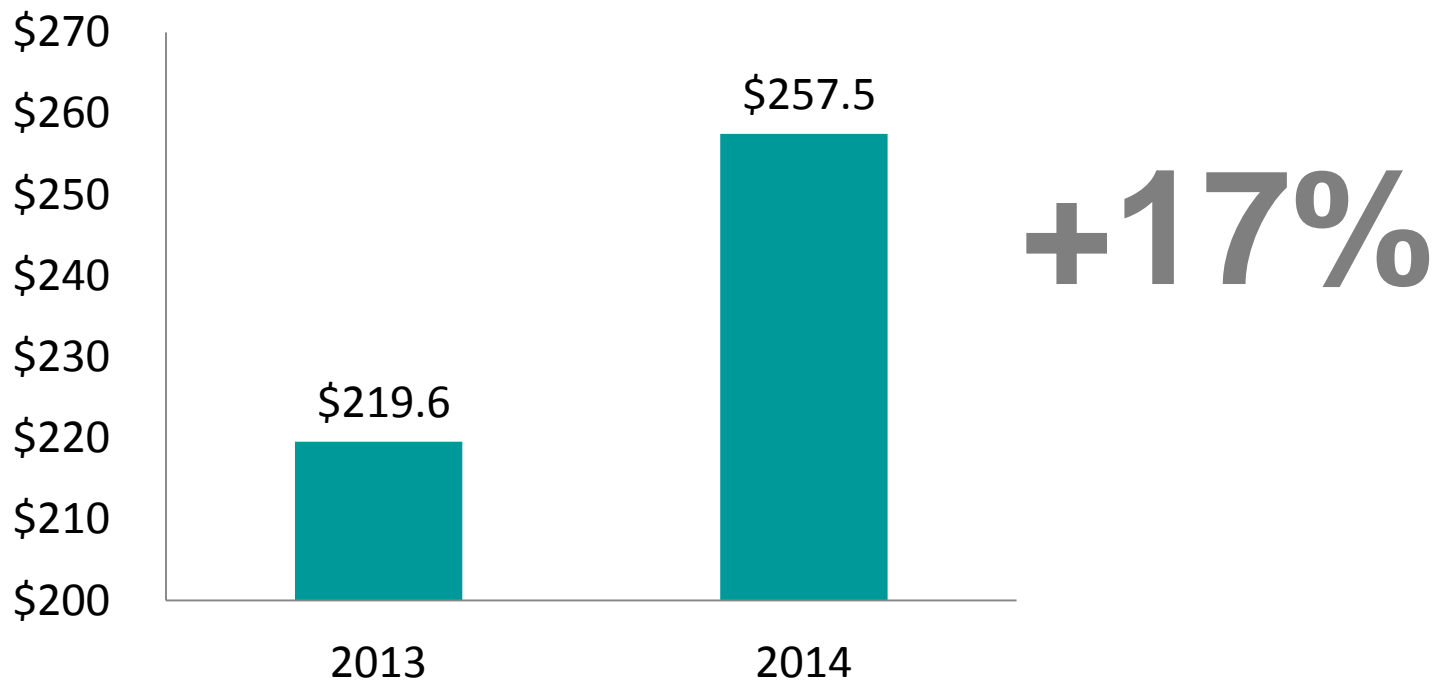
# Q1 HIGHLIGHTS

- **Double-digit growth in both revenue and EBITDA**
- **Increase in Free Cash Flow**
- **Regional One exceeded expectations**
- **Results impacted by:**
  - **Coldest, longest winter on record**
  - **WesTower's performance**
  - **Calm Air cost improvements**



# Q1 FINANCIALS

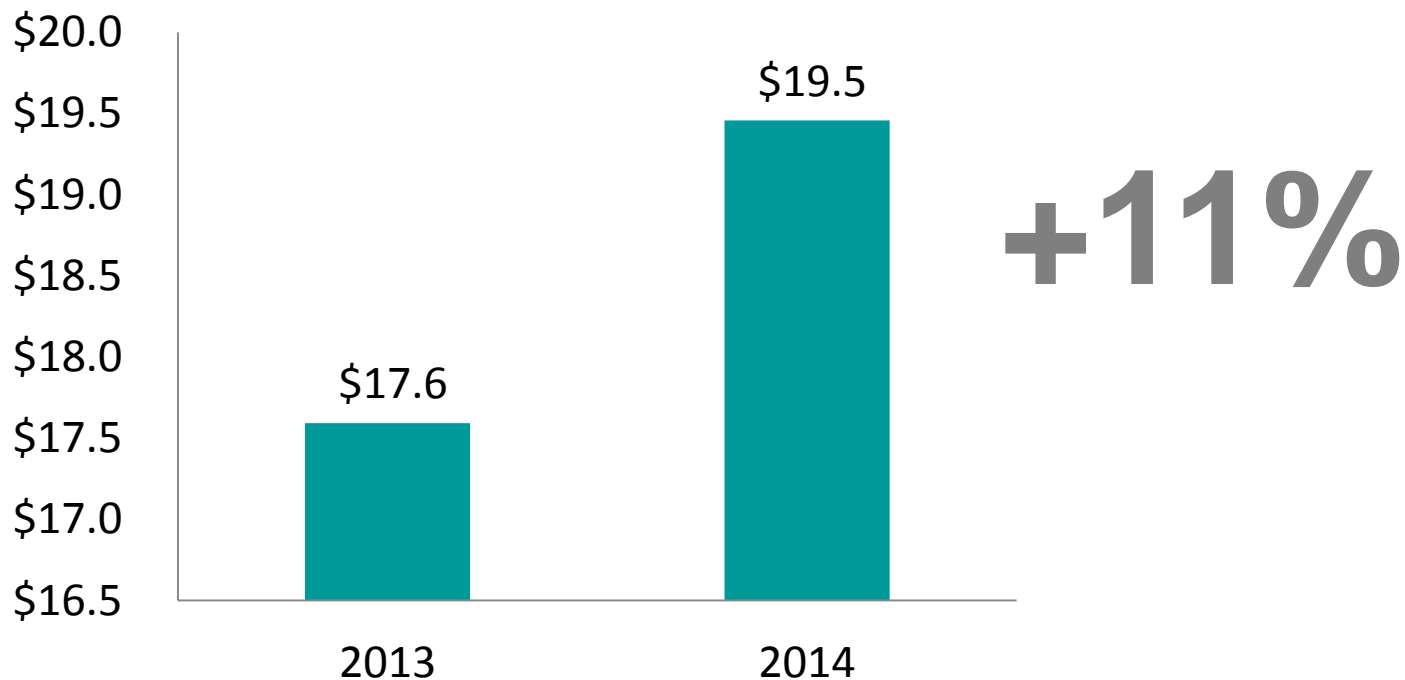
REVENUE\*  
\$MILLIONS



Driven by organic and accretive growth

# Q1 FINANCIALS

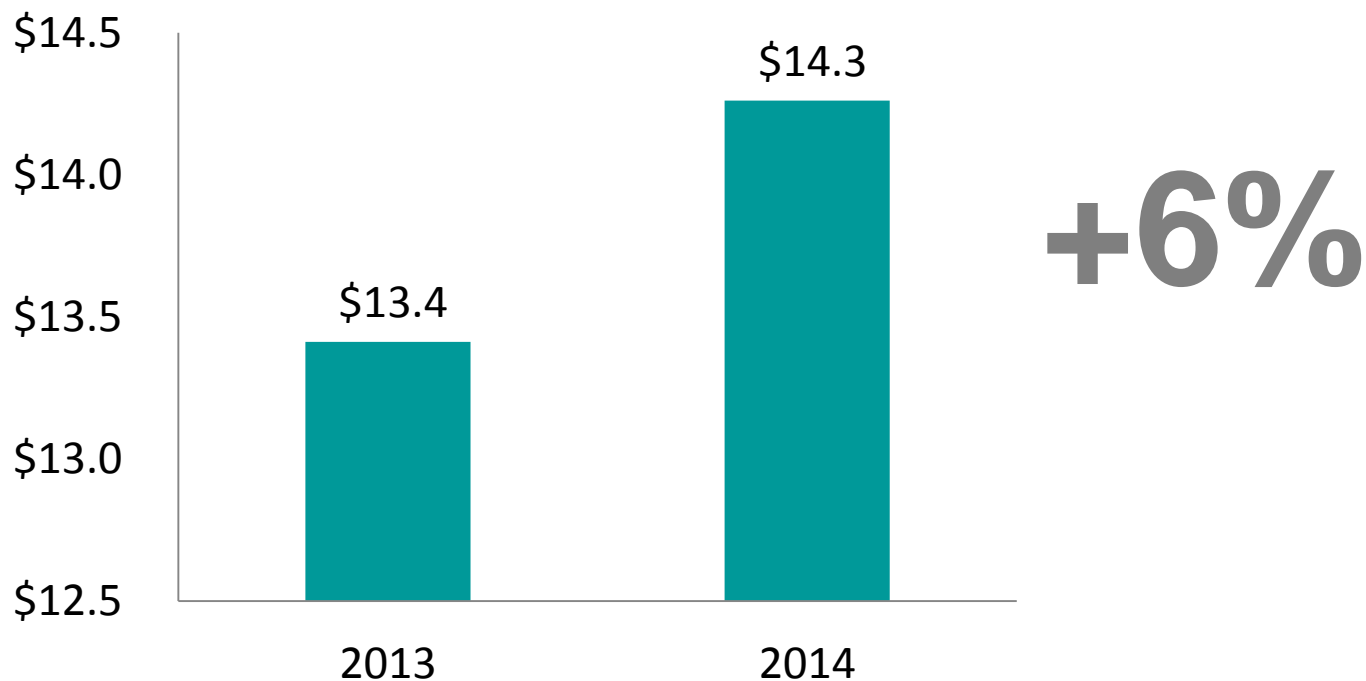
EBITDA\*  
\$MILLIONS



**Strong contributions by Regional One**

# Q1 FINANCIALS

## FREE CASH FLOW\* \$MILLIONS



Improved EBITDA from Regional One

# OTHER DEVELOPMENTS

**3** reporting segments

*Aviation, Manufacturing & Infrastructure*

**\$40M** bought deal financing and credit facility extension to 2018

**Calm Air** fleet plan benefits

Restructuring of **Bearskin**

**WesTower** showing early improvements to build on

**STILL FOCUSED ON DISCIPLINED ACQUISITIONS & STEADY FINANCIAL GROWTH**

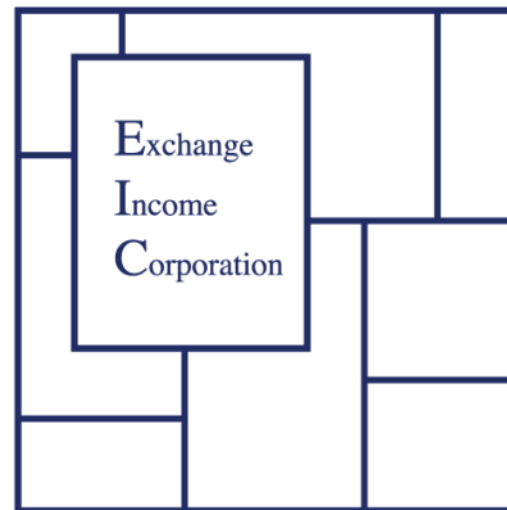
# LOOKING AHEAD

- **Margin improvement at WesTower U.S. with continued demand for services**
- **Expansion of Regional One's portfolio of sales & lease assets**
- **Benefiting from Calm Air's fleet rationalization plan**
- **Access to approx. \$140M in deployable capital in our credit facility**
- **Continued disciplined approach to acquisitions and retaining a strong balance sheet**



# QUESTIONS

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