FINAL TRANSCRIPT

Chorus Aviation Inc.

Third Quarter Results Conference Call

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PRESENTATION

Operator

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

If you have a question after the speakers' remarks, please press *, followed by the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. Thank you.

Nathalie Megann, VP, Investor Relations, you may begin your conference.

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

Thank you, Tiffany. Hello, and thank you for joining us today for our third 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 direct your attention to the caution regarding forward-looking statements and information, which are subject to various risks, uncertainties, and assumptions that are included on Page 5 of our management's discussion and analysis of the results and operations of Chorus Aviation Inc. for the period ended September 30, 2016, the Outlook section, and another 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 a discussions relating 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 morning everyone. Thank you for joining us. This morning we announced strong financial and operational results for the third quarter.

This is the seventh consecutive quarter of solid and consistent earnings under the new CPA.

We're also pleased to share our news of our first substantive leasing arrangement or agreement over and above the CPA for four new CRJ1000 regional jets with Air Nostrum.

I'll start by sharing some highlights from the quarter, and then provide colour on the proposed leasing transaction with Air Nostrum.

The focus in the third quarter centred on improving Jazz's cost competitiveness, fleet modernization, establishing Voyageur's Avparts business, and advancing the business diversification strategy as we continue to create additional long-term value for our shareholders.

The Jazz operation had a very good quarter earning 4.7 million in performance incentives under the CPA, which was consistent with the third quarter performance last year. Jazz remained within the top North American carriers for on-time flight arrivals and completion. And thank you to the Jazz team for delivering great customer service despite the challenging weather conditions and very heavy passenger loads experienced in the quarter.

A primary driver of Jazz's cost-reduction strategy is the pilot mobility program, whereby Jazz pilots flow to Air Canada and are backfilled with new pilots under a more cost-competitive labour agreement. The program continues to run smoothly with good coordination between our flight operations department and Air Canada.

As of the end of October, 308 senior pilots have left the Company either via this program or retirement. We are replacing these pilots at industry-competitive new-entry wage rates.

We're not experiencing any issues with hiring new pilots, and Jazz has established strong partnerships with aviation colleges and smaller air operators to ensure a healthy pool of new pilot candidates.

The modernization of the Jazz fleet is progressing as planned. We currently have 39 Q400s operating under the CPA, and expect to grow this to 44 aircraft by the end of the first quarter next year when we'll return to Billy Bishop Airport.

We're also preparing to take delivery of five new CRJ900 regional jets that will go into the CPA operation in the second quarter. By the end of 2017, Jazz will have removed 36 aircraft from its fleet and replaced them with 28 larger, more efficient aircraft since the renewal of the CPA.

I'm pleased to share that Jazz Technical Services has secured another significant contract to conduct the interior refurbishment of the Dash 8-300 CPA fleet over the next two to three years beginning next month. Each aircraft will have its entire interior passenger cabin updated and refurbished.

Now turning to Voyageur. We have a number of initiatives underway to strengthen and grow the business, as evidenced by the new corporate structure launched earlier this year.

In October, Voyageur Airways celebrated 20 years of service and the completion of the 9,000th air ambulance transport flight on behalf of the Province of New Brunswick. Voyageur won a new long-term contract with its service last year, and now operates two King Air 200 aircraft for this operation.

This month Voyageur Airways was awarded a new one-year contract with a one-year renewal term in Africa with a major NGO customer for two Dash 8 aircraft and an option for a third. This is a boost for our international ACMI flying, and the contract will commence in early December.

This fall we established Voyageur Avparts, a new division that specializes in the provisioning of aircraft parts; inventory management; inventory consignment services; component repair and overall; and aircraft assembly management. Avparts completed the disassembly of a second former Dash 8-100 for the Jazz fleet, and is planning to complete a third due to very good customer demand for parts, producing healthy margins.

We're excited about the potential for this new division to grow the parts sales business for Chorus, and view Avparts as a natural expansion of the suite of aviation services the Chorus group of companies provide.

We're also putting other former Dash 8-100 aircraft to work by leasing them to a third-party Operator. We have leased one aircraft that was delivered in September, and we've also signed a term sheet and received a deposit from a customer for a second aircraft to be delivered in the first quarter. And we are in discussions to place an additional aircraft as well.

With continuing efforts to grow and diversify the Voyageur business, Max Shapiro, the former owner and current president, will assume the role of chairman of Voyageur Aviation, and he will have responsibility for overseeing the high-level strategic direction of Voyageur. However, he will be supported by Scott Tapson, who will be taking on the position of president.

Scott will be responsible for the overall day-to-day management for the Voyageur group of companies. As vice president, corporate and commercial development at Chorus, Scott played an integral role in Chorus' acquisition of Voyageur, and has since been very involved in its operations since the acquisition. So these appointments become effective January 1, 2017.

We've also made progress in advancing our revenue diversification strategy, as evidenced by a 51 percent increase quarter over quarter in our aircraft leasing revenue under the CPA to 25.7 million. Year to date, aircraft leasing revenue has grown by over 23 million, or approximately 47 percent.

Our revenue diversification strategy is taking another meaningful step forward with the pending transaction to purchase and lease four new CRJ1000 regional jets to Air Nostrum, a leading

European regional carrier that currently operates a fleet of 42 aircraft and is a franchise partner of Iberia, Spain's leading national airline, and an affiliate of the oneworld Alliance.

These aircraft will be financed by Export Development Canada for up to 80 percent of the net purchase price of each CRJ1000. The four aircraft are scheduled to be delivered in November and December 2016, and July and October 2017, respectively, subject to completion of definitive documents.

This leasing transaction with a high-quality regional carrier is a meaningful step and good progress in our strategy to diversify our regional aircraft leasing revenue over and above our CPA with Air Canada. We expect the EDC financing and leases on the first two aircraft to close as scheduled within the quarter.

We remain committed to building additional shareholder value by strengthening our foundational business with Jazz; growing our aircraft leasing revenues; pursuing growth opportunities for the Voyageur operation; and advancing towards further business diversification.

So that concludes my commentary. And with that, I'll turn the call over to Jolene to take you through the third quarter financial results.

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

Thank you, Joe, and good morning, everyone. Here's the breakdown of the third quarter financial performance as compared to the same period of 2015.

We reported revenue of 331 million, a decline of 81 million from the third quarter of 2015. The overall decrease in revenue is consistent with the simplification and cost-reduction strategy under the CPA, whereby many costs, such as fuel, are no longer billed to Air Canada. Approximately 76 million of the reduction in revenue resulted from this change to the CPA.

Lower operating costs in the quarter contributed a 10 million reduction in controllable revenue as compared to 2015.

When you take these reductions out of the equation, operating revenue increased by 4.6 million. This was due primarily to an increase in aircraft leasing under the CPA of 8.7 million, partially offset by lower charter, contract flying, and other revenue of 4.1 million.

Adjusted EBITDA, excluding other items, was 70 million, an increase of 1.1 million. The increase was primarily driven by the 4.6 million increase in operating revenue I just mentioned, and partially offset by the absence of the 2.8 million curtailment gain under the pilot pension plan that was recorded in 2015 as a result of the flow of Jazz pilots to Air Canada; increased operating costs related to a $2.6 million reduction in capitalized labour and maintenance costs on owned aircraft for major maintenance overhauls; an increase stock-based compensation of 2.2 million resulting from the fluctuations in Chorus' stock price; increased expenses related to business development and financing activities that are outside of the CPA accounting for 1.5 million; and a decrease in other expenses of 5.6 million, including those related to the Voyageur operation.

As such, adjusted net income, excluding other items, of 28.7 million or $0.24 per basic share declined quarter over quarter by 6.5 million.

The 1.1 million increase in adjusted EBITDA, excluding other items, was primarily offset by 5.3 million in additional depreciation expense, which is mainly related to the new aircraft, and 1.9 million of additional net interest expense on long-term debt.

Net income increased by 13.7 million over last year to 20.1 million, or $0.16 per basic share. The increase was due primarily to a 16.6 million decline in unrealized foreign exchange losses on long-term debt and a 3.5 million decline in signing bonuses, partially offset by the previously noted 6.5 million decline in adjusted net income, excluding other items.

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 billable block hours to date and updated planning assumptions from Air Canada, we're changing our projected 2016 billable block hour guidance from a range of 340,000 to 347,000 based on 113 covered aircrafts as at December 31, 2016, to a range of 341,000 to 345,000 block hours based on 113 aircraft as at year-end. The actual number of billable block hours for 2016 may vary from this anticipated range due to a number of factors.

Our capital expenditure guidance for 2016, excluding those for the acquisition of finance leases, aircraft acquisitions, and the extended service program on the Dash 8-300, including capitalized heavy checks, is unchanged from last quarter, and anticipated to range between 37 million and 47 million.

With the planned acquisition of the CRJ1000 for the Air Nostrum transaction, we've updated our 2016 outlook for aircraft acquisitions and the extended service program to range between 389,000 and 404,000. This reflects the planned purchase of two CRJ1000s.

For additional information supporting our projected guidance for the balance of the year, I'll refer you to Section 15 of the 2016 Outlook section of the MD&A for the period ended September 30, 2016.

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

Q&A

Operator

At this time, I would like to remind everyone in order to ask a question, please press *, followed by the number 1 on your telephone keypad.

Your first question comes from the line of Derek Spronck with RBC Capital Markets. Your line is open.

Derek Spronck — RBC Capital Markets

Great. Good morning, Joe and Jolene.

Joe Randell

Good morning.

Jolene Mahody

Good morning.

Derek Spronck

If we were to look at some of your initiatives that you've transacted on outside of the CPA, including maintenance, Avparts, aircraft leasing, where do you see your total revenue mix between CPA revenue and non-CPA revenue in the next few years?

Joe Randell

Well, certainly I think looking forward the CPA contract is so substantive that we see the revenue derived from that contract as being the majority of our revenue. We are looking to build revenue from other sources. The leasing business clearly does that; the expansion of Voyageur in terms of Avparts we see some good opportunities on the MRO side.

So we see the revenue line certainly diversifying, but in the foreseeable future we certainly see the CPA with Air Canada as being sort of the anchor of our business. And that is in very healthy shape.

And now as we address some of the issues that we've had with respect to our cost competitiveness and the age of the fleet, et cetera, in our view this is a very substantial long-term business that we look to preserve and potentially grow itself because we continue to talk with Air

Canada about opportunities in the marketplace that could be beneficial to them and to us. So we're looking to grow that mix, and we've not put out any targets at this point, other than to say that it's certainly a priority for us.

Jolene Mahody

Yeah. I think, Derek, the other thing I would just add is that I do think that when you're looking at kind of the revenue breakdown, and even though a large part of our aircraft leasing business is being driven from aircraft leased under the CPA, it was very intentful of us when we renegotiated the contract with Air Canada to separate that business between flying operations and aircraft leasing under that agreement.

So you are seeing the growth in the aircraft leasing revenue piece. And it'll be in excess of—well in excess of $100 million next year with the addition of the CRJ900s and now the first launch, I guess, of a significant piece outside of the CPA with the Air Nostrum deal.

Derek Spronck

Okay. So it's tracking towards a little bit of growth, but I guess tough to really get a mix because, as you mentioned, CPA growth is there as well and you've separated out the leasing business. If we were to look at, though, the revenue quality between the CPA business and your non-CPA initiative, are the margins and free cash flow profile roughly the same? Or a little bit better? Or any sort of colour on that?

Jolene Mahody

Yeah. I mean I think the CPA business is, as you pointed out, still a very significant portion of both the revenue and the bottom-line generation here. But if I can think to the Voyageur complement of this and Voyageur and its performance are still very much they're very solid. It is a little bit different than the nature of the CPA because, as you know, the CPA it's a fixed-fee contract that extends out to 2025, and so very, very predictable, while Voyageur tends to—the contracts are often shorter term in nature; they'll renew on a regular basis, but they're not logged down in long-term 10-year agreements like the CPA.

Although I will say when we look to our Voyageur business and the initial decision to invest in that business and earning about a 17 million plus EBITDA range, we're still very comfortable with that investment decision. And the performance is still anticipated at that level plus as we migrate the business and move into other synergistic platforms like Avparts.

Joe Randell

Yeah. The margins in the Voyageur operations, and because it's more speciality, are generally higher. And certainly we're seeing some very good margins in the Avparts business, and of course, we're encouraged by the type of margins and cash that's produced through the leasing business as well.

And as we proceed along that we're even more encouraged and see more opportunities here, so we're very excited about the prospects there.

Derek Spronck

Okay. That's great. And just one more quickly; with your new leasing opportunity here with the European carrier, how did that come about? I mean are you actively marketing your services outside of Canada and are there other airlines that you're actively in talks with right now?

Joe Randell

We are—we look at the world as being a marketplace for the services that we offer in terms of the leasing side, in terms of the some of the speciality MRO business, even the parts business, et cetera. So we are certainly active in talking to many operators and others in terms of opportunities to expand our business.

And so this is where from these conversations we're very encouraged by what we see. And we're finding that a lot we're able to offer here is resonating very well in the marketplace.

Derek Spronck

Were there other—like what allowed you to win that business? Were there other options that they had? Or where there—

Joe Randell

There are clearly other options. And for us a lot of the business is a result of relationships. And we have people with us, including Steve Ridolfi and Bruce Peddle and others, who have a lot of experience and relationships in the business throughout the world in terms of regional aircraft. And we're certainly benefitting from those relationships and the knowledge.

And these relationships have been long term. So while Chorus leasing is new to, for instance, an Air Nostrum, the relationships and the people that are here are certainly not, and they go back some ways.

Derek Spronck

Okay. That's great. Thanks very much.

Operator

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

Cameron Doerksen — National Bank Financial

Thank you and good morning. I guess maybe a few sort of follow-up questions on the Air Nostrum deal, and I apologize if this is in the MD&A somewhere, but I'm just wondering if you've provided what the term of the lease is? And I guess related to that, is that going to be matched up with the term of the financing that you're getting from EDC?

Jolene Mahody

Good morning, Cameron. So I think now that we have our first significant leasing transaction outside of the CPA, we are going to be less descriptive in describing the terms of the deals here just for competitive reasons. But I think what—the guidelines that we've established around our leasing business with Air Canada and the terms or the nature of the principles that we have there will hold as we expand this business.

So we like long-term customer commitment for the aircraft. We will be matching the lease term with the debt term. We'll look to match the currency of the lease payments with the debt servicing currency so that we have no exchange exposure.

So while not kind of sharing kind of the details of this specific deal, all of those principles will govern us as we move forward with the leasing business.

Cameron Doerksen

Okay. So I guess just on that it's sort of safe to maybe assume that the term of the lease is pretty much aligned with the term of the debt financing?

Jolene Mahody

Yeah. Yeah.

Cameron Doerksen

Okay. And as far as the EDC debt, I mean is it—are you getting any similar terms for this type of financing with a non, I guess, Air Canada CPA customer as—or are the terms effectively the same as what you've been getting in the past—

Jolene Mahody

Yeah. Yeah.

Cameron Doerksen

—as far as the rates?

Jolene Mahody

Yeah. I mean under the aircraft sector understanding, yeah, all of what we've kind of done here is consistent with what we would have done with Air Canada and consistent with our expectations for EDC financing.

Cameron Doerksen

And—

Jolene Mahody

If you're—

Cameron Doerksen

No, go ahead.

Jolene Mahody

If you're kind of trying to kind of work into how you kind of forecast this go-forward, I think you have in the CapEx outlook section we've reflected the acquisition cost there for the two Nostrum aircraft that we'll be adding this year. So you can work into kind of revenue kind of estimates based on sourcing kind of appropriate lease rate factors, or even using our current aircraft leasing revenue base per aircraft as a bit of a proxy, and you have the deliveries there. So we're taking delivery in November and December of this year and leasing those aircraft.

Cameron Doerksen

Okay. And maybe just final one on the Air Nostrum; CRJ1000 is not a that popular of aircraft. I mean there's not that many operators of it, so I guess one of the thing that lessors look for is sort of liquidity once the lease term ends. I mean what's your comfort level with the risk here that you're now going to be stuck with an aircraft that not a lot of operators operate whenever the lease term ends?

Joe Randell

These aircraft, while not certainly as pervasive as the 700s or 900s, as you know, is a variant of those aircraft. It just operates at a higher capacity. There have been 68 aircraft that have been ordered in total, of which 41 have been delivered.

There are a number of other carriers, including Garuda in Indonesia, Air Nostrum, Brit Air, et cetera, and actually Nordic, which is, of course, the largest regional lessor owner in the world, recently ordered 12 of those for Garuda. And the delivery began some time ago.

So given the variation, we know the aircraft very well. Air Nostrum itself has a fleet of 15 and so while it doesn't have the penetration of the 700 or 900, it is a newer variant. And we feel that the aircraft has a very good niche and is very competitive for an aircraft that delivers that number of seats.

Cameron Doerksen

Okay. Maybe just final one for me just thinking about, I guess, the aircraft deliveries you have, I mean outside the CRJ1000s, but the aircraft deliveries you have for the CPA in 2017. Can you just remind us when those aircraft come into the fleet? And also maybe if you can talk about, I guess, the upgraded Q300s that also start to get delivered in 2017; when do they start to roll into the fleet?

Joe Randell

The CRJ900s will commence operation in the second quarter, the five aircraft, of 2017. And the Dash 8-300s will begin the ESP program later next year. And there are quite a number of them that flow through the ESP program starting in the fall.

Jolene Mahody

Yeah. The majority of the ESP—so we're doing ESP on 19 Dash 8-300s. And I think seven or eight of them occur in 2017, about the same number in 2018, and then a small trickle over into '19.

Joe Randell

And as those aircraft are completed we will be leasing those to Air Canada at a varied lease rate from, of course, what we've been paid now and in the past.

Cameron Doerksen

Right. Yeah.

Joe Randell

(unintelligible)

Cameron Doerksen

Yeah. That's why I was asking the question. So no, that's great. That answers my questions. Thanks very much.

Jolene Mahody

Thank you.

Operator

Your next question comes from the line of Tim James with TD Securities. Your line is open.

Tim James — TD Securities

Thanks. Good morning, everyone. Just wondering if you can provide a little more detail on the year-over-year decline in contract flying in the third quarter? And also the Voyageur revenue decline of $2 million in the quarter?

Joe Randell

Well, certainly in terms of the contract flying revenue there was a decline in the Voyageur contract flying revenue over the quarter. Some of these contracts are, as you know, one, two years. In some cases there can be a bit of a lull and then it picks up again.

As we mentioned earlier, yesterday actually, we signed this contract for four additional Dash 8 flying in Africa, so we see that contract flying starting to pick up. But there was a lull in activity over the quarter, and we did see that in our contract flying.

As well, in the charter business that Jazz has done we've seen a softening of the market in Western Canada certainly in terms of the contract flying that we do there. So that would have contributed to those numbers.

Jolene Mahody

The one other piece, Tim, that was a contributing factor is with Voyageur's maintenance and repair and overhaul revenue there was quite a bit of activity in the quarter that was actually internal activity and internal activity in work on our owned aircraft or our owned leased aircraft. So while that's being done it's not obviously reflected in the numbers because it's all internal.

So there will be some of that drag that happens from time to time.

Joe Randell

That does have a negative impact on the external revenue.

Tim James

Okay. And so that, I assume, is the impact that's referred to here under other revenue, the $2 million decrease—

Jolene Mahody

Yeah.

Tim James

—year over year. Okay. And so it sounds like from your comments then that if we were to sort of think about this on a trailing four-quarter basis or on a full year basis, there's nothing here sort of fundamental that should cause revenue to decline on a year-over-year basis? This is just a short—

Joe Randell

No—

Tim James

—one-quarter blip kind of thing?

Jolene Mahody

Yeah.

Joe Randell

Yeah. You don't see anything that is of a long-term negative effect here at all.

Jolene Mahody

No. No. And in fact, as we move forward we're actually doing some renovations to the hangar space in North Bay at Voyageur. We've taken back over some of the space that used to be rented out to third parties, and we're making some renovations in order to have more capabilities from an MRO side so that we can do the internal work at the same time.

Joe Randell

Yeah. But overall Voyageur has continued to operate at capacity under the present facilities. As Jolene said, we're expanding the facilities. It's just that a little more of that space was taken by work that was done on Voyageur's own fleet in the short term.

Tim James

Okay. Thank you. And then I just wanted to follow up on Cam's question just regarding the CRJ1000, the market opportunity there. It's clearly a smaller fleet; fewer operators than some of the other regional aircraft. I guess what I'm trying to find out is do you take that into account when considering and determining what kind of a lease rate and what the terms will be like for you in leasing those four aircraft to Air Nostrum? Do you take into account that residual value risk, for lack of a better term?

Joe Randell

Yes. Yes, we do, the short answer is. And the other thing I'd point out on the CRJ1000s is why the demand so far has been more limited than on the 900s is what's been driving the 900s and 700s basically has been the scope clause in the US. And as you know, right now the CRJ1000 operates above the scope clause in the US.

So it's hard to know how scope clauses may change in the future, et cetera, but that could obviously influence the ultimate demand for the aircraft. However, having said that, on your question looking at the fleet size, the residual value is certainly a big part of the determination on the economics of the lease.

Tim James

So again, if we were just to sort of—we'd want to be a little cautious by using kind of Q400 lease rates, for example, as a bit of a proxy. And I don't mean adjusting for various things because the Q400s, just the market size for those is significantly better, so presumably you'd get a bit more of a premium, all else equal, for a CRJ1000 lease than you would a Q400 lease.

Jolene Mahody

Yeah. I think you can use something similar, maybe not quite as high, but we—it should be very, very close in terms of if you're modelling what we've experienced on a revenue-generation per aircraft on the current fleet versus what we expect to see on these 1000s.

Tim James

When you say very close, do you mean just sort of simplistically on a dollar basis per aircraft? I mean I'm sort of thinking there's other factors coming into play here like size of the aircraft, number of seats, jets versus turbo props, et cetera, et cetera, but are you just speaking then sort of fairly generally then on a—

Jolene Mahody

Yeah.

Tim James

—dollar basis? They actually—despite these other differences they're actually pretty close in terms of lease revenue that will come from the aircraft?

Jolene Mahody

Yeah. I mean you're right. There's all kinds of factors that go into what the lease rate factor is in terms of age; condition of aircraft; size of the fleet that you're leasing; credit worthiness of the lessee. But these are new aircraft. They're new aircraft that we're very comfortable with. We're comfortable with the residuals. They have strong demand, from our perspective, because they are a variant of the other CRJ products that are there. So …

Joe Randell

And it's a long-term lease.

Jolene Mahody

Yeah.

Tim James

Okay. That's great. That's the only questions I have. Thank you very much.

Joe Randell

Okay.

Operator

As a reminder, to ask a question, please press *, followed by the number 1 on your telephone keypad.

Your next question comes from the line of David Ocampo with Cormark Securities. Your line is open.

David Ocampo — Cormark Securities

Hi. Thanks for taking my questions. Quick one here on your 2016 outlook for CapEx; the increase, is there anything in the increase related to the deposits for the Q400 and CRJs?

Jolene Mahody

Sorry. We're having a tough time hearing you, David.

David Ocampo

Yeah. For the CapEx for 2016 in your updated guidance, is there anything in the updated plan related to the deposits for the Q400s and CRJs?

Jolene Mahody

No—

David Ocampo

Or is it strictly to the 1000s?

Jolene Mahody

Yeah. The only changes made to the aircraft acquisition CapEx outlook would be the CRJ1000s, the addition of two aircraft, and some foreign exchange changes. There's nothing changed related to the Q400s or the CRJ900s that are to come.

David Ocampo

Okay.

Joe Randell

All Q400s have been delivered.

David Ocampo

Okay. And last one for me is regarding the maintenance here. I see it's down 6 million, so is this sustainable at all? Or what should we look for going forward?

Jolene Mahody

Yeah. I mean maintenance it's difficult to kind of, I guess, look at it from quarter to quarter, given the significant fleet changes that we've experienced. And we've really transitioned the fleet quite substantially phasing out of a lot of the older Dash 8-100s, and also the CRJ200s a number of them have exited the fleet.

So with the Q400s coming in, now that they're all in place as of the third quarter I think you can, for purposes of your modelling, use something consistent with what we would have seen in Q3.

David Ocampo

Okay. Thanks. That's all for me.

Operator

There are no further questions in queue at this time. I turn the conference back over to our presenters.

Nathalie Megann

Thank you, Operator, and thank you to everyone for being present on the call.

We wish you a great day.

Operator

This concludes today's conference call. You may now disconnect.

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