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Cargojet Inc (TSX: CJT)

Sector: Transportation

Buy Recommendation

Target Price: $150 (23% Upside)

Current Price as of January 12, 2023: $122.38

Executive Summary

CJT is a high-quality business at a critical inflection point

We initiate coverage on Cargojet Inc (CJT) with a BUY recommendation based on a 12-month price target of $150 using both intrinsic and relative valuation methods. This target price represents a 23% upside from the last close price of $122.38 on January 12, 2023.

CJT is Canada's largest pure play dedicated air cargo freighter, providing time-sensitive overnight air cargo services for leading domestic and international transportation and logistics (T&L) businesses. A recent strategy shift positions CJT to drive strong ROIC and FCF improvements with excess cash flow being returned to shareholders through a growing dividend and NCIB program. We view CJT as a highly stable business with excellent competitive positioning and attractive growth opportunities that indicate an inflection point in its ability to generate returns.

Investment Thesis Highlights

Upon valuing CJT using a DCF and comparable companies analysis, we believe CJT presents an attractive investment opportunity with a low risk-return profile.

Thesis #1: CJT has a domestic monopoly with minimal threat of competition and churn

CJT services 90%+ of Canadian overnight air cargo deliveries at a 99%+ on-time performance rating. Minimal competition combined with 75%+ of its domestic revenue from long-term contracts with high minimum volume guarantees creates a highly stable business. The extreme cost and challenge of insourcing middle mile freight alongside strategic agreements with DHL and Amazon minimizes customer churn and will allow CJT to capitalize on the growth of its customers. Given its dominant competitive positioning, we view CJT as an extremely defensible business with a strong competitive moat and track record of retaining customers.

Thesis #2: CJT's high operating leverage will drive margin expansion due to its growth opportunities

We believe the market may be pricing in modest growth and margin expansion despite the high growth and high operating leverage nature of the business. Amazon's focus on Canada as a key market is likely to drive above market growth for CJT while a partnership with DHL provides them with access to fast-growing and resilient markets in Latin America (LatAm) and Southeast Asia (SEA). As 85% of direct costs are fixed, volumes drive margins and CJT is poised to benefit greatly from its customers' expansion.

Thesis #3: CJT is at an inflection point and is poised to drive significantly higher returns

CJT has historically invested in growth at the cost of returns. Now, CJT is at a critical inflection point where a shift in strategy to focus on profitability and cash flow generation will drive strong ROIC improvement, as all operating cash flows generated will go directly to shareholders through increasing dividends and an active NCIB program. We believe this will lead to a re-rating of CJT's multiple and drive sustainable returns.

Figure 1: Company Data

Last Close	$122.38
Market Cap	$2.11B
Shares Outstanding	17.2M
52-Week High	$135.27
52-Week Low	$76.50
EV/NTM EBITDA	9.5x

Source: Capital IQ/Team 4 Analysis, 2024

Figure 2: Valuation Results

DCF – Terminal Growth	$158
DCF – Exit Multiple	$167
Comps – EV / NTM EBITDA	$98
Target Price	$150
Implied Return	23%

Source: Team 4 Analysis

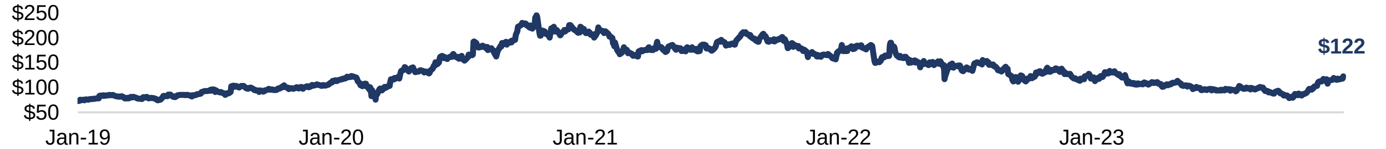
Figure 3: Financial Data

	22A	23E	24E	25E
Rev. ($M)[1]	$713	$708	$771	$893
Rev. Growth	21%	(1%)	9%	16%
Adj. EBITDA ($M)	$327	$309	$343	$419
Adj. EBITDA Margin	45.8%	43.7%	44.5%	46.9%

Source: Company Filings/Team 4 Analysis, 2023

"CJT is an extremely well positioned business with industry-leading customers that will drive strong growth for them. I don't think there are any players who can disrupt CJT without immense levels of investment over the next few years" – Expert F, freight leader at a regional airline

Figure 4: CJT 5-year Stock Chart



Note 1: Revenue excludes fuel surcharge

Business Overview

Founded in 2002 and headquartered in Mississauga, Ontario, CJT is Canada's leading middle mile provider of time-sensitive overnight air cargo freight, servicing 90%+ of the Canadian market through its network of facilities across 16 city centers and an extensive fleet comprised of 41 leased and owned freighter planes.

Key operating segments

CJT operates 71+ routes across three main segments; 1) Domestic Overnight; 2) ACMI, providing aircraft, crew, maintenance, and insurance; 3) Charter, supplying aircraft on ad hoc charter basis (**Figure 5**). Revenue for the domestic overnight network is generated through customers pre-purchasing a guaranteed space and weight allocation with contracts featuring high minimum revenue guarantees and full fuel cost pass through. Any remaining capacity is sold on an ad hoc basis (**Figure 6**). For ACMI, CJT is paid a fixed rate to operate a flight with variable costs fully covered by the customer (**Figure 7**). Charter flights are sold "all-in" with customers paying a single, inclusive fixed amount.

Strong position in the transportation value chain

As a middle mile air freight operator, CJT picks up goods from first-mile carriers at an airport and flies them to last-mile couriers at a different airport (**Figure 8**). Consistently meeting the often-volatile nature of cargo demand establishes a symbiotic relationship between CJT and its customers, by enabling cost reductions and risk mitigations. Emphasizing service, quality, and punctuality, CJT has earned industry recognition through winning numerous industry awards with a 99.4% on-time performance record drives growth and stability in their customer base and overnight freight volume.

CJT's recurring revenues and history of growth

A key factor in CJT's success is its long-standing customer relationships. ~75% of domestic volumes are secured under long-term contracts through 2029 (**Appendix 2**), including full fuel cost pass through and minimum volume guarantees. CJT currently services 400+ customers, and has global relationships with leading couriers, freight forwarders, specialty shippers, and international airlines. Key customers include Amazon, DHL, Canada Post/Purolator, and other leading T&L businesses, with Amazon and DHL aligned through warrants (**Appendix 4**).

Industry Overview

To form a view on the air freight industry, we interviewed 12 experts across the value chain. These experts include former executives, senior advisors, and freight leaders at competitors and customers, as well as lawyers, and consultants who have significant exposure to the industry (**Appendix 1**).

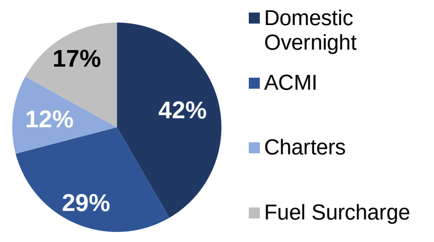
Monopoly in a mature industry – Positive

Air freight plays a critical role in providing fast, flexible transportation services and is heavily tied to trade and the global economy. Air freight caters to the transport of high-value goods, time-sensitive documents, perishables, pharmaceuticals, and more. In Canada, there are limited players due to the significant infrastructure investment, logistics expertise, and anchor customers required to operate effectively. CJT operates a monopoly on domestic air freight with Air Canada Cargo and WestJet fulfilling most of their volumes internationally (**Appendix 3**).

Essential to e-commerce – Positive

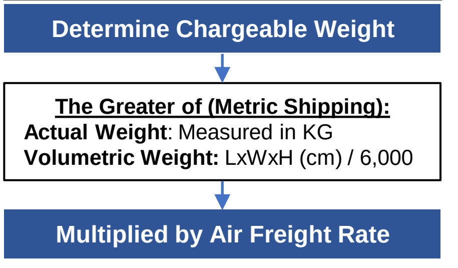
Air freight is essential to uphold the value proposition of e-commerce giants like Amazon. Expedited freighters bring goods with unmatched speed and reliability, allowing for same- and next-day delivery in a geographically dispersed country like Canada. As e-commerce penetration continues to rise due to behavioural shifts in consumers, dedicated freighters support growth aspirations and uphold customer expectations. In Canada, the e-commerce market is expected to grow at an 8% CAGR from 2023-2027, mainly driven by Canada's quickly growing population (**Figure 9**).

Figure 5: 2023 Q3 Revenue Segments



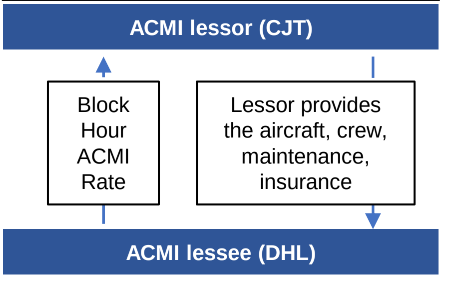
Source: Company Filings, 2023

Figure 6: Domestic Business Model Overview



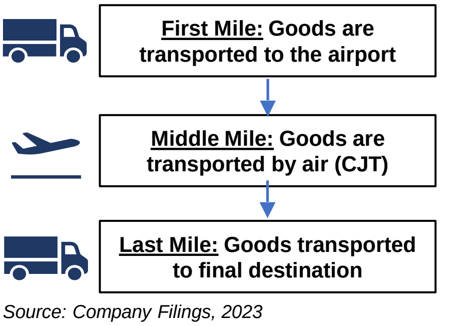
Source: Company Filings, 2023

Figure 7: ACMI/Charter Business Model Overview



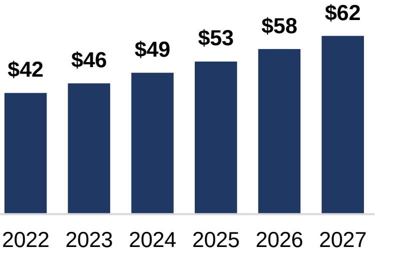
Source: Company Filings, 2023

Figure 8: Air Freight Value Chain



Source: Company Filings, 2023

Figure 9: Canadian Retail E-Commerce Market ($B)



Source: StatsCan, 2023

Ongoing freight recession – Negative

There is a global freight recession that stemming from the global supply and demand imbalance, due to softening volumes, and industry-wide over-investment (**Appendix 5**). The recession has caused freight businesses to conduct large-scale layoffs and cost-cutting initiatives to defend against the competitive landscape, lower prices, and declines in the volume of goods. Based on our conversations with customers and freight forwarders, the industry is expected to recover in H2 2024 with volumes beginning to stabilize (**Figure 10**) and rates are expected to recover shortly (**Figure 11**).

High-barrier and strict regulatory environment – Positive

Domestically, a significant level of investment and expertise is required to operate, reducing the threat of new entrants. Internationally, cabotage laws restrict non-Canadian businesses from transporting goods between two points in Canada, creating high-barriers for foreign air freight players.

No substitute for other transportation forms – Positive

Air freight is defensible, domestically, against other transportation methods due to its speed and less capacity restrictions. Freight customers care about reliability and on-time performance and compared to rail and truck, air freighters are faster and typically more reliable, entrenching the industry.

Competitive Positioning

CJT is the only scaled overnight carrier in Canada

Our meetings with freight leaders at Canadian and international airlines, indicate that the only way a dedicated air freight business can run profitably is by having anchor customers. Canada Post, Amazon, and other leading T&L customers create a consistent stream of volumes that sustain CJT's operations; which other players do not have. As CJT has recently renewed contracts with all large-scale customers, it is very unlikely that other airlines will pursue dedicated freight, especially as passenger businesses struggle.

Customers cannot leave and CJT gives them no reason to

Customers using dedicated overnight freight primarily care about one thing: on-time performance. CJT has leading on-time performance and experts do not foresee any reason for customers to leave. In addition to the lack of desirable air freight substitutes, customers will be challenged to replace CJT in their operations due to the differences between belly and dedicated freight (**Figure 12**), as few competitors exist. Our analysis also indicates a customer would need to individually carry more than 30% of national domestic volume to break-even on insourcing their middle mile (**Figure 13**).

CJT has entrenched its top customers

Warrants with Amazon and DHL have created moats for the business by strategically aligning world class customers. These warrants create strong disincentives for these customers to leave and further entrench CJT as an industry leader in Canada and a credible player internationally.

Investment Summary

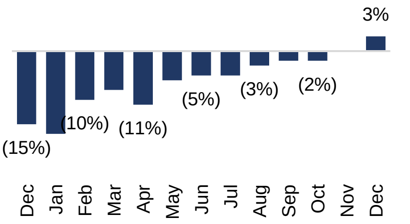
Thesis #1: CJT has a domestic monopoly with minimal threat of competition and churn

CJT operates cargo fundamentally different from passenger airlines who move freight in their unused belly space. With leading reliability, strong customer entrenchment, and minimal competition, CJT is well positioned.

<u>CJT faces minimal competition for dedicated overnight freight</u>

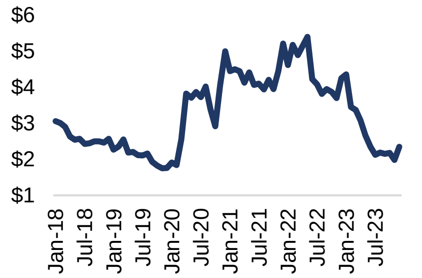
As a direct result of the anchor customers required to effectively run such a capital-intensive business, CJT faces minimal competition in the domestic overnight business (**Figure 14**). Passenger airlines who attempt to compete using belly cargo space cannot ship large volumes of cargo, are liable to have packages bumped, have no capacity for ad-hoc deliveries, and cannot run dedicated freighters profitably. Attempts to branch into overnight cargo by Air Canada and WestJet have been unsuccessful (**Appendix 3**).

Figure 10: Global Air Freight Volume YoY Change (2023)



Source: DHL, 2023

Figure 11: Air Freight Rates ($/kg)



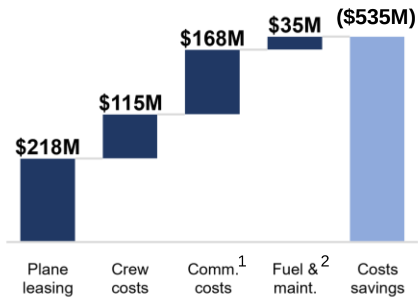
Source: Baltic Exchange, 2024

Figure 12: Dedicated Freight vs Passenger Belly Freight

Criteria	Dedicated Freight	Belly freight
Time-sensitive deliveries	✓	✗
Reliable on-time performance	✓	✗
Large volumes of cargo	✓	✗

"As a former customer of CJT, they were always the only option we looked at for anything domestic in Canada" – Expert D, CFO at an international freight forwarder

Figure 13: Cost of Insourcing



Source: Team 4 Analysis

"There are no real alternative competitors for dedicated freight in Canada and no customers do enough volume to sustain their own freight operation" – Expert C, senior executive at an international freight association

Note 1: Commercial, Note 2: Maintenance

CJT's customers will not leave, and CJT has full power in the value chain

Cabotage insulation, lack of significant domestic competition **(Figure 14)**, and customer dependence on air transport leave CJT as an irreplicable component of the air freight supply chain. This enables CJT to structure contracts on terms that are favourable to them, with full fuel cost pass through, clear block-hour requirements, dedicated time periods to use planes, and minimum guaranteed revenues. Beyond CJT's power as a sole monopoly in a high-barrier to entry industry, the extreme cost and logistical challenge associated with fulfilling middle mile services deters customers from churning, as experts believe no customers have enough volume to fulfill their own demand in an efficient and profitable manner.

CJT has strategic alignment with key customers

Experts interviewed believe customers are highly satisfied with CJT's on-time performance and have no interest in leaving. For larger customers like Amazon and DHL, CJT issued warrants for greater strategic alignment, an incentive to solidify revenues, and to further reduce the risk of replacement. CJT plays an important role in Amazon and DHL's expansive e-commerce strategies both in Canada and abroad. Warrants that will vest to Amazon and DHL owning 14.9% and 9.5% of the business, respectively, further entrench CJT as an industry leader.

Thesis #2: CJT's high operating leverage will drive margin expansion due to its growth opportunities

CJT has a high degree of operating leverage with 85% of direct costs being fixed. These costs are largely driven by facility and fleet expansion, which we believe is unlikely as CJT has excess capacity due to significant levels of investment during COVID. High operating leverage combined with strong growth from its industry leading customers will drive margin expansion.

A reverse DCF indicates the market seems to be pricing in modest revenue growth and subtle margin expansion

Holding all other assumptions constant, it appears the market is pricing in revenue growth at a 6.0% CAGR and slight margin expansion (**Appendix 12**). This is much lower than e-commerce growth rates within Canada and other CJT focused regions. Stronger than priced-in growth combined with CJT's high operating leverage will drive margin expansion that we believe this is not reflected in CJT's current share price.

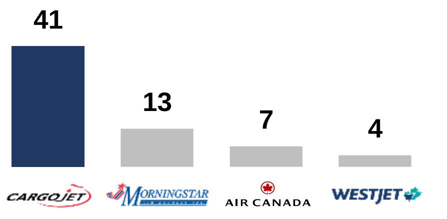
Domestic growth opportunities remain attractive due to shifting consumer behaviour and a quickly growing population

Amazon has marked Canada as one of its most important markets due to its low e-commerce penetration (**Figure 15**) and high population growth. Throughout COVID, consumer habits have pivoted to favour online shopping in a meaningful way (**Figure 16**). This behaviour shift has caused Amazon and other customers to invest heavily in Canada to capitalize on the growth (**Appendix 6**), which will subsequently drive strong volumes to CJT at low incremental costs.

CJT's international exposure through DHL is in highly attractive regions with globally leading e-commerce growth

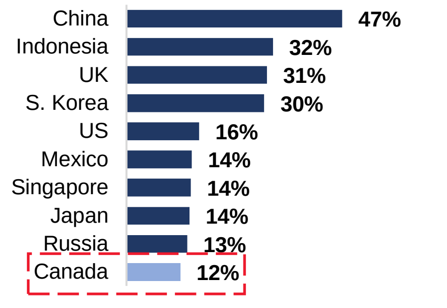
DHL's executive leadership has emphasized CJT's important role in their global expansion plans, paving the way for significant growth opportunities over the long-term (**Appendix 6**). DHL comprises 95% of CJT's ACMI business and their warrants anticipate $2.3B in revenue over seven years. Given their strategic priority to heavily invest in SEA and LatAm (**Appendix 7**), we expect CJT will capitalize on cargo routes to these high growth regions (**Figure 17**). CJT fulfills numerous routes for DHL through SEA, Europe, and LatAm and will benefit strongly from DHL's recent total $1.3B investment in the regions. We believe DHL's market leadership will drive sustained volumes to CJT as they are strategically partnered with leading e-commerce marketplaces and will capture significant growth.

Figure 14: Full-Size Dedicated Cargo Total Fleet



Source: Company Filings, 2024

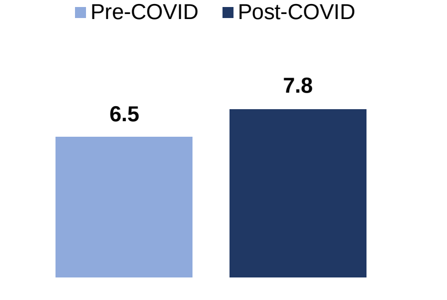
Figure 15: Global E-Commerce Penetration



Source: Oberlo, 2023

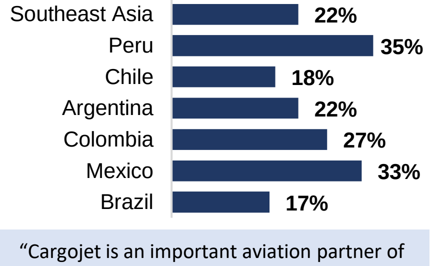
"Despite spending cuts in the US, Amazon has made significant investments into Canada near CJT hubs, due to the attractiveness of the Canadian e-commerce market" – Expert B, consultant with 15+ years of air freight experience

Figure 16: Team 4 E-Commerce Behaviour Survey[1]



Source: Team 4 Analysis

Figure 17: E-Commerce Growth Rates



"Cargojet is an important aviation partner of DHL... its versatile cargo fleet and high on-time reliability position us well to capitalize on the dynamically growing e-commerce market" – Mike Parra, CEO, DHL Americas

Source: Americas Market Intelligence, DHL, 2023

Note 1: The question asked was 'Do you value shopping online more than you value shopping in person?' 1 being strongly prefer in person shopping, 5 being that you are indifferent and 10 being that you strongly prefer online shopping. N = 97

Thesis #3: CJT is at an inflection point and is poised to drive significantly higher returns

CJT's pursuit of growth and industry leadership led to sacrifices in FCF and ROIC (**Appendix 8**). Now at a key inflection point, CJT no longer requires significant fleet investments, resulting in minimal capex. This shift promises higher ROIC, with excess cash flowing directly to shareholders.

CJT's past investments have focused on growth, putting pressure on ROIC

CJT's proportional capex spend has consistently surpassed dedicated freight peers (Atlas[1] and ATSG) over the last five years (**Figure 18**). In 2022 alone, capex spend represented approximately 32% of CJT's cumulative capex since 2005 (**Figure 19**). CJT has made significant investments in its fleet to consolidate the Canadian market and capture the surge in e-commerce. Consequently, excluding the COVID period, CJT has consistently produced subpar ROIC due to its investment in growth (**Figure 20**). This has led to CJT's stock trading down, reflecting concerns regarding FCF generation and poor ROIC in a higher cost of capital environment.

CJT's investment in its fleet has led to excess capacity

As announced during a January 15th, 2024, press conference, CJT has excess capacity. During CJT's growth period, they expanded from 22 aircrafts in 2016 to 41 in 2023, moving away from those with limited payload capacity to wide-body planes, allowing for more efficient volume reconsolidation, driving margin improvements. Analysis of CJT's total capacity across its fleet reveals that revenue per pound of cargo volume will not exceed pre-pandemic levels (**Figure 21**). This means fixed costs will remain highly stable and there is minimal need for growth capex. This will lead to greatly reduced capex spend and stronger returns.

Strategic shift: prioritizing cash flow and capital return to shareholders

CJT is streamlining its fleet and pausing its expensive international expansion strategy. This shift will reduce future growth capex by $450M. CJT has canceled all of the initially planned eight 777 freighters and listed four Boeing 757s for sale. These adjustments showcase management's agility and are forecasted to result in strong positive FCF and ROIC (**Figure 28**). To underscore this strategic focus towards shareholder value, CJT announced a NCIB program to buy back 8.7% of public float by the end of 2024 and a 10% increase in quarterly dividends. CJT has already repurchased 2.1% of public float. These initiatives signal a long-term emphasis on returning capital to shareholders and were received positively by the market, as CJT has traded up 45% since the announcement. We strongly believe that combined with CJT's strong growth potential, its strategy shift will drive long-term, sustainable returns for shareholders.

Valuation

We conducted both an intrinsic and relative valuation to arrive at a 12-month target price of $150 per share, a 23% upside from CJT's closing price of $122.38 on January 12, 2024 (**Figure 22**). Our methodology assigns a weighting of 80% on our DCF (exit multiple and terminal growth) and a 20% weight on our comparable companies analysis (EV/NTM EBITDA) due to the uniqueness of CJT's operations and competitive moat.

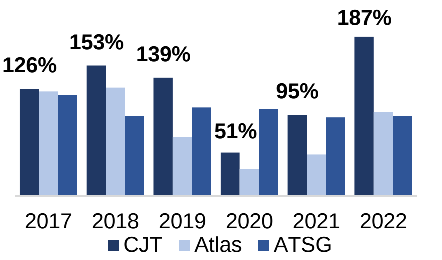
DCF with 5-year projection period

We valued CJT using a 5-year DCF model. CJT's disclosure is limited, so forecasting volumes, rates and costs by segment is unreliable as there are complexities and nuances in the business. Instead, we have forecasted revenue by percentage growth for each segment to reflect the underlying drivers of the different segments.

Revenue growth

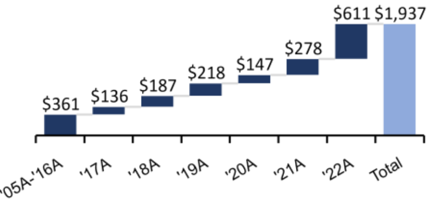
As CJT represents 90%+ of the domestic overnight market, growth has historically been strongly correlated to the growth of e-commerce in Canada. We forecast growth in the domestic business at a 6.6% CAGR, to

Figure 18: Capex / Adj. EBITDA



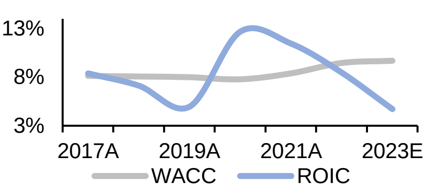
Source: Capital IQ, 2024

Figure 19: Capex Spend ($M)



Source: Company Filings, 2024

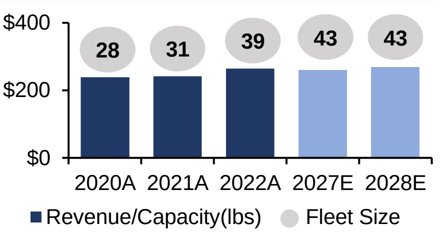
Figure 20: Historical ROIC



Source: Company Filings/Team 4 Analysis, 2024

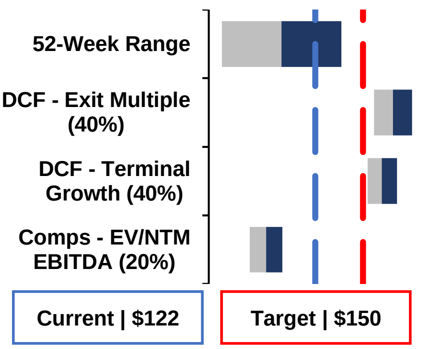
"CJT's pursuit of growth and leadership has come at the sacrifice of returns. The business is now at a critical inflection point where it no longer needs to invest in its fleet to maintain its leadership and keep pace with future demand and excess cash flows will go straight to shareholders" – Expert A, consultant with 20+ years of air freight experience

Figure 21: CJT Revenue per Lb. of Cargo Volume



Source: Team 4 Analysis

Figure 22: Target Price Ranges



Source: Team 4 Analysis

Note 1: Atlas Air was acquired by Apollo (Appendix 16) reflect a conservative view on the 8.0% CAGR of the e-commerce market in Canada. As DHL represents 95% of CJT's ACMI business, we have forecasted growth in the segment to reflect the nature of CJT's relationship with DHL. CJT is an important part of DHL's expansion into LatAm and will benefit greatly from 20%+ CAGR's expected in the region (**Figure 17**). Through strategic warrants, DHL is expected to deliver $2.3B in revenue to CJT by 2029 (**Appendix 4**). We have taken a conservative view on a mix of LatAm growth and the expected revenue from DHL to forecast growth at a 12.0% CAGR in the ACMI business. The charter business performed strongly during COVID due to the high volume of emergency flights. CJT fulfilled emergency PPE flights for the Canadian Government and rescue flights for the Hawaii wildfires. We do not believe growth in the segment is sustainable and is forecasted to contract to pre-COVID levels to reflect a normalized level of charter demand.

Management's strategy shift

As outlined in Thesis #3 on p. 5, CJT has undergone a recent strategy shift. Management plans to complete its capex plan by 2025 with the focus shifting to cost optimization to drive higher margins. This has been reflected in our valuation as we have forecasted minimal growth capex after 2025. Due to the high operating leverage nature of CJT's business (85% of direct costs are fixed excluding, fuel), margins are largely driven by volume growth. We have conviction in CJT's growth prospects and margin expansion, driving modest EBITDA margin growth over the projection period from 44% in 2023E to 48% in 2028E (**Figure 24**).

WACC

Cost of Debt: We considered three methodologies to calculate the cost of debt: 1) the rate used to calculate the PV of hybrid debentures, 2) weighted average interest rate on hybrid debentures, and 3) credit spreads. We believe the rate of 7% used to calculate the PV of hybrid debt reflects the long-term borrowing capabilities of CJT more than the weighted average borrowing cost of 5.5% and is a more conversative view on their cost of debt. CJT does not have a reported credit rating, as such, we could not benchmark CJT's cost of borrowing against similarly rated peers.

Cost of Equity: CJT's beta of 1.17 was derived from relevering its peers' unlevered beta at CJT's target capital structure[1]. This is a less aggressive view than CJT's 5-year monthly beta of 1.04. We used CAPM to calculate cost of equity as, in a higher rate environment, CAPM is reflective of investors' return requirements. CAPM derives an implied cost of equity of 9.10%, which is similar to CJT's 5-year average return on equity of 8.82%.

WACC: CJT is at its target leverage ratio, extrapolating at its current D/E level using a cost of equity of 9.10% with an after-tax cost of debt of 5.11% implies a WACC of 8.20% (**Figure 26**).This is conservative in relation to Damodaran's industry average cost of capital for air transport of 6.98%[2].

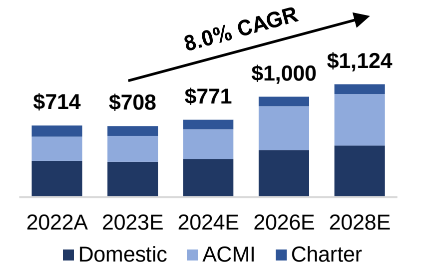
Terminal growth and exit multiple

We assumed a terminal growth rate of 2.25% given the strong correlation between GDP growth and the Canadian 10-year government bond yields of 3.25%. Our chosen exit multiple is 9.0x which is a strong discount to CJT's historical 5-year EV/NTM EBITDA multiple of 11.0x (**Appendix 17**). As a result of CJT's competitive moat and attractive FCF generation potential, we believe CJT should trade closer to its long-term average when combined with the premium it historically traded at above other pure plays.

Comparable companies analysis

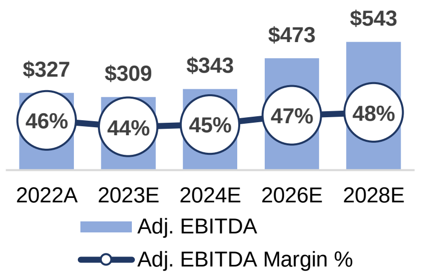
We have chosen a peer set comprising of businesses that have similar underlying drivers as CJT. Based on our comp set with criteria outlined in **Appendix 15**, CJT currently trades at a premium to peers implying a 20% downside (**Figure 27**). We have chosen to weigh comps at 20% of our valuation due to the uniqueness of CJT's business and competitive moat. CJT is a domestic monopoly in a high-barrier industry with long-term contracts that include high minimum revenue guarantees. We have not included FCF multiples as CJT has historically been cash flow negative and complex balance sheet items skew earnings-based multiples.

Figure 23: Segmented Revenue



Source: Team 4 Analysis

Figure 24: EBITDA Forecast



Source: Team 4 Analysis

Figure 25: Case Scenarios

Criteria	Bear	Base	Bull
Revenue CAGR	5.3%	8.0%	10.8%
EBITDA Margins	44% ->43%	44% ->48%	44% ->52%
Implied Return	3%	33%	100%

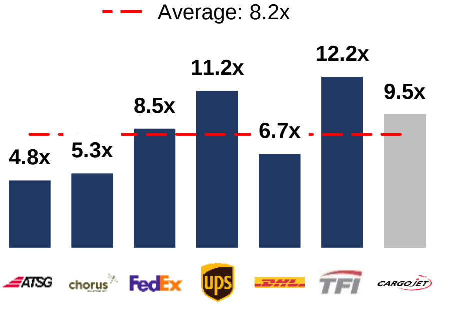
Source: Team 4 Analysis

Figure 26: WACC Buildup

Pre-tax Cost of Debt	7.00%
Tax Rate	27%
After-tax cost of debt	**5.11%**
Risk-free rate	3.25%
Market risk premium	5.00%
Levered beta	1.17
Cost of Equity	**9.10%**
Net debt	$764M
Market value of equity	$2,598M
Enterprise value	$3,361M
WACC	**8.20%**

Source: Team 4 Analysis

Figure 27: EV / NTM EBITDA



Source: Capital IQ/Team 4 Analysis, 2024

Financial Analysis

Figure 28: DuPont Analysis

	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E
DuPont Analysis										
Gross Margin	32.8%	45.2%	39.4%	34.7%	22.7%	24.8%	30.5%	33.2%	34.8%	35.1%
EBITDA Margin	43.1%	16.8%	58.6%	55.2%	41.4%	42.4%	45.1%	45.8%	46.4%	46.9%
Adjusted EBITDA Margin	32.2%	52.1%	49.3%	45.8%	43.7%	44.5%	46.9%	47.4%	47.8%	48.3%
Net Profit Margin	2.4%	-13.1%	22.1%	19.5%	8.4%	5.7%	10.6%	13.3%	14.7%	14.9%
Asset Turnover	0.4x	0.6x	0.6x	0.6x	0.5x	0.5x	0.5x	0.6x	0.6x	0.5x
Return on Assets	1.1%	-7.8%	12.9%	11.4%	3.8%	2.7%	5.7%	7.6%	8.3%	7.8%
Financial Leverage (A/E)	4.0x	5.8x	3.5x	2.4x	2.5x	2.4x	2.1x	1.8x	1.6x	1.5x
Return on Equity	4.2%	-44.8%	45.6%	27.6%	9.5%	6.4%	11.9%	13.8%	13.6%	12.1%
Return on Invested Capital	5.0%	12.7%	11.5%	8.5%	3.9%	5.3%	8.8%	11.3%	12.6%	12.8%
Liquidity										
Current Ratio	0.6x	0.5x	2.0x	0.8x	0.8x	0.7x	0.9x	2.1x	3.1x	4.5x
Quick Ratio	0.6x	0.5x	2.0x	0.7x	0.7x	0.7x	0.8x	2.0x	3.0x	4.4x
Debt Ratios										
Interest Coverage Ratio	1.4x	4.3x	5.6x	5.1x	1.7x	2.6x	4.9x	7.4x	8.5x	8.9x
Debt / Adj. EBITDA	4.0x	2.0x	1.4x	2.2x	2.6x	2.1x	1.4x	1.0x	1.0x	0.9x

Source: Company Filings, Team 4 Analysis

Stronger than anticipated post-COVID growth

COVID was a perfect storm for CJT. Massive supply/demand imbalances due to the cancellation of passenger flights and the boom in e-commerce meant CJT benefited from excess demand and a lack of capacity. While COVID growth rates are not sustainable, we believe CJT has significant growth opportunities post COVID through their top-quality customers, as outlined in Thesis #2 on p. 4.

Margins stabilize above pre-COVID levels

Net operating profit margins increased during COVID as e-commerce grew significantly and capacity diminished due to a lack of passenger flights. CJT filled the gap for cargo traditionally transported in passenger aircrafts and shipped critical goods such as PPE and COVID test-kits, which drove higher margins due to increasing volumes. These tailwinds were unique, and top-line will not grow as rapidly as it did during the pandemic. However, in the future, we expect margins to stabilize above pre-pandemic levels as CJT has already managed their largest cost driver, capacity utilization. By selling off smaller aircrafts and consolidating cargo volume, CJT now avoids suboptimal routes, reducing operating costs. Margins are expected to expand to drive higher FCF in a sustainable manner.

Increasing returns for investors

Management's strategy shift is anticipated to drive higher ROIC for investors. While it is too early to see any impact from the strategy shift, our analysis indicates it will drive ROIC improvement above pre-pandemic levels by 2025 (**Figure 29**). Improved operating efficiency and growth spending reductions combined with growing dividends (**Figure 30**) and an NCIB program (**Figure 31**) will drive higher returns for investors despite entering a higher cost of capital environment. As this has been a historical concern for investors, we believe it will be a catalyst for stock performance.

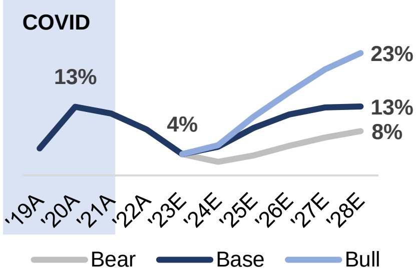
Strong sustainable cash flows

Despite the possibility of increased capital expenditures resulting from significant volume growth, CJT's lean operations and sizeable margins will persist, ensuring the generation of substantial FCF. Furthermore, as a monopolistic middle mile air freight operator, we believe that CJT's forecasted steady FCF profile is sustainable.

Improving credit profile

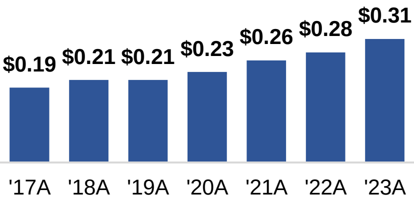
CJT has made meaningful strides in reducing its leverage, seen in its increasing interest coverage ratio and decreasing debt/EBITDA ratio (**Figure 32**) to its target leverage levels. The company is maintaining a strong balance sheet through its asset sales and reduction in capex. CJT's level of debt capacity also enables them to pursue aggressive growth should market conditions be optimal for it and historically, CJT has performed extremely well during times of expansive market conditions related to e-commerce, especially during COVID.

Figure 29: ROIC Forecast



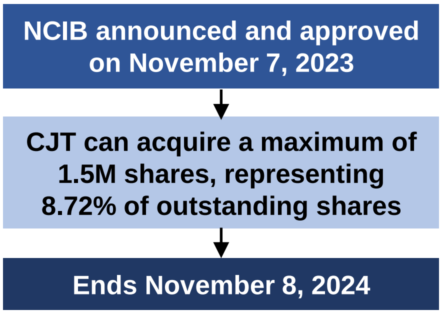
Source: Team 4 Analysis

Figure 30: Dividend Growth



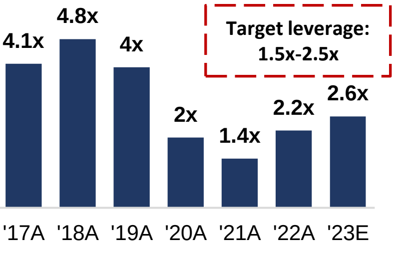
Source: Company Filings, 2023

Figure 31: Share Buybacks



Source: Company Filings, 2023

Figure 32: Debt/EBITDA



Source: Company Filings/ Team 4 Analysis, 2023

Superior EBITDA margins against peers

As evident by **Figure 34**, CJT has consistently stronger margins than peers. This is due to CJT's strong competitive moat and monopolistic characteristics in Canada and favourable agreements with customers. We believe CJT's margin advantage is sustainable as the business continues to focus on cost optimization efforts to further enhance profitability.

Figure 34: Peer Adj. EBITDA Margins[1]

	2019	2020	2021	2022	LTM
Cargojet	32%	44%	39%	34%	35%
Atlas Air	18%	26%	25%	19%	n/a
ATSG	30%	32%	31%	31%	27%
Chorus Airways	25%	36%	26%	24%	28%

Source: Capital IQ, 2024

Investment Risks

Risk #1: Customer concentration risk

Customer concentration poses a notable risk as 80% of CJT's revenue is derived from its top 10 customers (**Figure 35**), a consequence of the oligopolistic nature of Canadian delivery services. Potential alternatives such as rail, passenger plane belly cargo space, or inshoring by key customers could adversely impact revenues and influence other customers to seek better contracts or leave.

Mitigant: Despite the risk, CJT benefits from a lack of alternatives in the market. Customers have few viable alternatives as other methods of freight lack the timeliness required and passenger belly freight is unreliable. The stable nature of revenues is attributed to world-class anchor customers with long-term contracts, creating a scenario where customers are locked in and satisfied, reducing the incentive for churn. Additionally, the sheer cost of insourcing the middle mile creates strong disincentives to customer churn as it is highly unlikely customers could profitably insource their middle mile.

Risk #2: Inability to turn around ROIC

CJT's historical struggle to drive ROIC above a minimum return threshold concerns investors as they enter a higher cost of capital environment. Investors are concerned about management's ability to generate returns as rates continue to rise and the macro environment for freight softens.

Mitigant: CJT's track record of flexible capital management, evident in selling planes even during recessions, supports our view of their ability to manage through a higher cost of capital environment. Management's commitment to completing growth capex plans by 2025 (**Figure 36**), combined with ongoing cost-cutting measures and optimized capacity utilization, mitigates the risk of inefficiency. Attractive growth avenues at minimal incremental cost combined with high operating leverage will likely lead to sustained margin expansion and cash flow growth.

Risk #3: Heightened International Competition

Although the threat of new entrants is low, DHL and Amazon have their own dedicated air freight businesses through ACMI agreements with other airlines. This would limit CJT's sole focus on high-growth areas. Market share growth is constrained domestically, and international expansion is highly challenging. The primary growth source lies in the expanding e-commerce market (**Figure 37 / Appendix 6/7**).

Mitigant: Despite domestic limitations, CJT is well-positioned to stay strategically aligned based on a proven track record that maintains top performance. We can expect CJT to capitalize on DHL's expected double-digit growth in SEA and LatAm. CJT's high quality customers are leaders in their respective markets and are partnered with leading local e-commerce players which will continue to drive strong volumes for CJT, despite slowdowns in the macro environment.

Figure 33: Risk Matrix

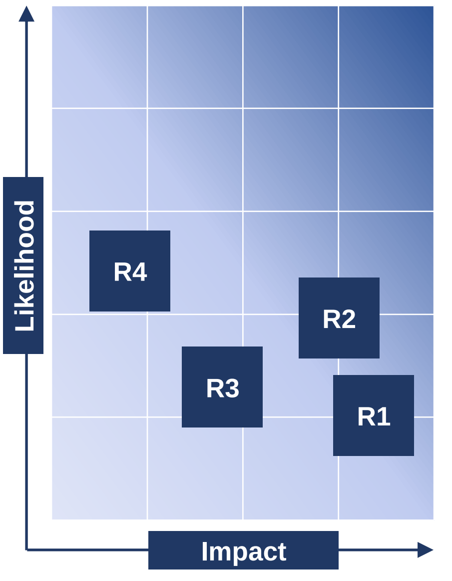
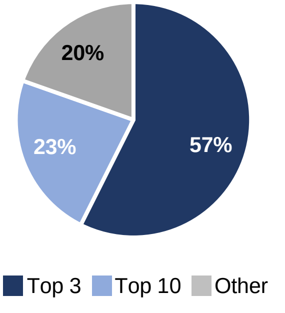
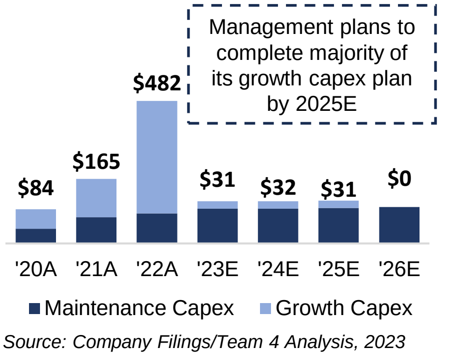


Figure 35: Customer Concentration



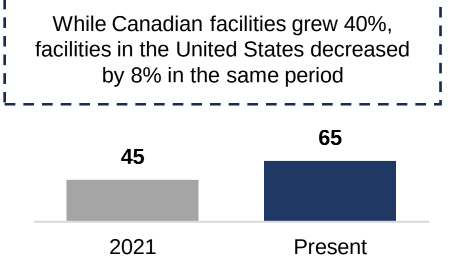
Source: Company Filings, 2023

Figure 36: CJT Capex Breakdown ($M)



Source: Company Filings/Team 4 Analysis, 2023

Figure 37: Amazon Investments in Canada



Source: Company Filings, 2023

Note 1: Adj. EBITDA Margins based on revenue incl. fuel surcharge

Risk #4: Prolonged impact of the freight recession

The current freight recession, triggered by post-pandemic interest rate hikes leading to decreased consumer spending combined with industry-wide over-investment in freight capacity poses a threat to CJT's financial performance. As consumer spending diminishes, demand for cargo services may remain subdued, impacting volumes and, consequently, revenue. The prolonged nature of this recession could exacerbate the challenge, leading to sustained financial pressure.

Mitigant: CJT's ability to weather the impact of the freight recession is supported by its strong performance throughout the ongoing freight recession as well as its geographically diversified revenue streams, operational flexibility, and high-quality customer base. While the business may experience a slowdown, the company's established relationships with major players like Amazon and DHL and high minimum volume guarantees, CPI-based price escalations and full fuel cost pass through provide a level of stability and resilience. **Figure 38** also demonstrates investors believe interest rates will decline, providing relief for CJT.

ESG

With the upward trend in the importance of and efforts toward achieving sustainability, CJT's ESG profile impacts stakeholder views on the business. CJT is rated as a medium risk by ESG rating agencies (**Figure 39**), with environment and social being weaker components as there is less disclosure on initiatives (**Appendix 17**). Based on our internal analysis of the most important and industry relevant ESG factors (**Figure 40**), CJT does not lag peers in any category. Our scorecard method is further detailed in **Appendix 18**.

Environmental

CJT engages in initiatives led by the Canadian government, sustainability regulatory bodies, and is aligned with the global aviation industry.

Global aviation industry goals: The aviation industry contributes about 11% of the world's emissions, which is why the United Nations Climate Change Conference committed to net-zero greenhouse gas (GHG) emissions by 2050. CJT joins industry players in improving their fuel efficiency, carbon-neutral growth, and reduction in net aviation CO_2 emissions. CJT is in line with dedicated freight peers with respect to their emissions score, creating no cause for concern.

Sustainable Aviation Fuel: As a founding member of the Canadian Council for Sustainable Aviation Fuels (C-SAF), CJT's role is to accelerate the commercial production and use of Canadian-produced low-carbon SAF. While SAF is seen as a costly method to decarbonize, there is currently no alternative that is as universally implementable or effective. However, with the current regulatory limits and production capabilities for SAF, C-SAF activism may not be as impactful for CJT's GHG emissions in the next year.

Carbon capture and offsetting: CJT is a participating airline under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and is required to monitor, report carbon emissions, as well as purchase carbon offsets. Furthermore, CJT plans to adopt small-scale Carbon Capture Utilization and Storage technology to capture residual emissions once these devices become available. However, this is highly dependent on the technology development and availability of devices.

Fleet modernization and optimization: CJT recognizes the challenges they face due to the inherently carbon inefficient air cargo model of converting old passenger planes, thus taking a multi-pronged approach by modernizing their fleet, implementing the Fleet Efficiency and Optimization Program, and implementing the Aircraft Maintenance and Load Control Program to minimize GHG emissions unrelated to customer flying hours.

Social

CJT is in line with regulations and has management support to promote safety and diversity in their workforce.

Figure 38: Interest Rate Forecast

Meeting Date	Ease	No Change
1/31/2024	18.6%	81.4%
3/20/2024	77.2%	22.8%
5/1/2024	97.0%	3.0%
6/12/2024	100.0%	0.0%
7/31/2024	100.0%	0.0%
9/18/2024	100.0%	0.0%

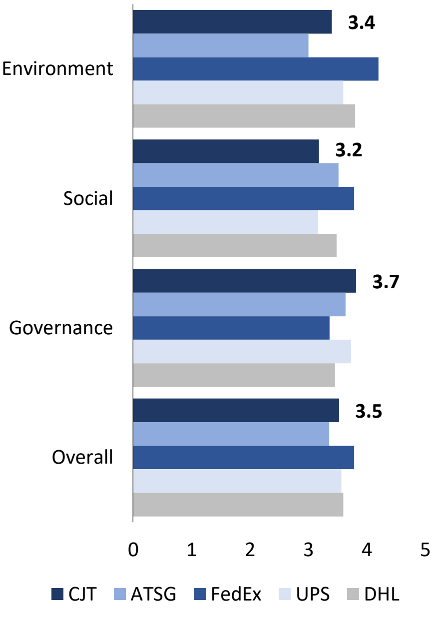
Source: Apollo Global Management, 2023

Figure 39: ESG Scorecard

	Overall Score	Environ.	Social	Gov.
LSEG	37/100	21	47	44
Morningstar	27.1/40+			
Bloomberg	3.39/10	2.72	2.47	6.2
Team 4	3.5/5	3.4	3.2	3.8

Source: Company Websites/Team 4 Analysis, 2023

Figure 40: Team 4 ESG Scorecard



Source: Team 4 Analysis, 2024

Figure 41: Employee Reviews

	Overall Rating	CEO Approval	Would Rec. to a Friend
CJT	4.1	88%	84%
Atlas Air	3.7	99%	70%
Air Canada	3.6	69%	67%
WestJet	3.4	39%	57%

Source: Glassdoor, 2024

Workplace health & safety: All CJT employees receive mandatory health and safety training at onboarding and refresher training every three years per regulation guidance. In addition, CJT also provides a Non-Punitive Safety Reporting system that all employees can access to report incidents, a whistleblower program, and an Employee Assistance Program for employee well-being and safety.

Workforce: CJT discloses the diversity of their workforce, with 16% identifying as female, 27% as a visible minority, and 2.1% as persons with disabilities; similar to their diversity in the prior year. As an air cargo carrier, CJT employs around 300 pilots and 1,500 logistics and warehousing personnel. These careers have been pre-dominantly male; with only around 6% of pilots globally being women and 7% in Canada. Considering the industry diversity, CJT's workforce is much more diverse than initially implied. Overall employee reviews of CJT are more positive than other airline peers, with a high CEO approval and likeliness to recommend the company to a friend (**Figure 41**). CJT has one group of unionized employees, pilots, that are represented by the Airline Pilots Association (ALPA). CJT's collective bargaining agreement expires in 2026 and from our discussions with lawyers that have experience with dealing with airline unions, we believe there is a low likelihood of an adverse outcome.

Governance

CJT has strong corporate governance practices and policies that align management interests with its stakeholders.

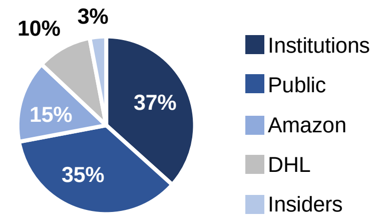
Shareholder ownership: CJT is currently majority owned by institutional investors and as part of passive mutual funds (**Figure 42**). RBC Dominion Securities is the only current shareholder that owns more than 10% with Amazon and DHL poised to own 14.9% and 9.5% of CJT respectively if their warrants are exercised (**Appendix 4**). We do not believe there are any shareholders that will exercise significant or negative influence over CJT.

Executive Compensation: Executives are compensated through a base salary, a STIP, and an LTIP, with 74% of compensation being variable in 2022 (**Figure 43**). STIP and LTIP are based on CJT's adjusted EBITDA for the year, annual absolute ROIC, and relative total shareholder return, which strongly aligns management with CJT's strategy. On a relative basis, executive compensation is greater than peers (**Figure 44**), however, CJT's total compensation in the past five years is significantly lower despite generating higher shareholder returns compared to the majority of peers (**Figure 45**), indicating strong and effective pay for performance links and excellent management. We have strong conviction in management's ability to execute on their strategy shift due to their alignment through STIP and LTIP, as well as their ability to generate above average returns in recent years compared to peers.

Management: CJT's newly appointed co-CEOs, Jamie Porteous and Pauline Dhillon, have been with CJT since its inception. The management team is comprised of highly experienced individuals, with decades of relevant industry experience and prior executive experience, ensuring CJT is well-positioned to execute on the opportunities ahead (**Appendix 19**). With the industry experience and familiarity with CJT's historical growth strategies and successes, CJT's management is very well-positioned to execute on the ongoing strategy shift. The co-CEO transition will benefit from the involvement of Dr. Ajay Virmani, the founder of CJT, who will remain involved in the business as the Executive Chairman.

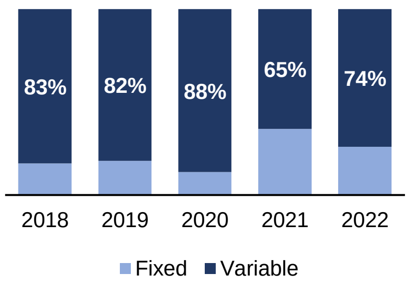
Board of Directors: The tenure of the Board, excluding their newest member, ranges from 5 to 17 years, with strong shareholder approval ratings in 2022. With the addition of the new member, there is a 40% female representation on CJT's Board, surpassing both the average representation of women on Canadian boards and that on the boards of other airlines. The diversity of industry experience across the Board members and years of experience in management positions and other board positions positively reflects on the abilities of CJT's Board (**Appendix 20**).

Figure 42: Shareholder Ownership Assuming Amazon and DHL Warrants are Exercised



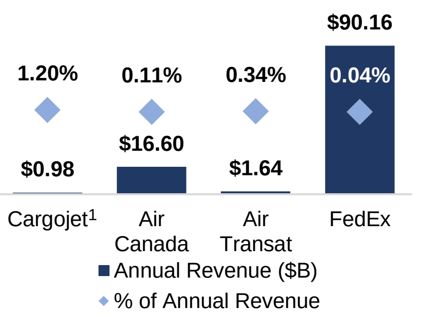
Source: Capital IQ, 2023

Figure 43: Executive Historical Compensation Mix



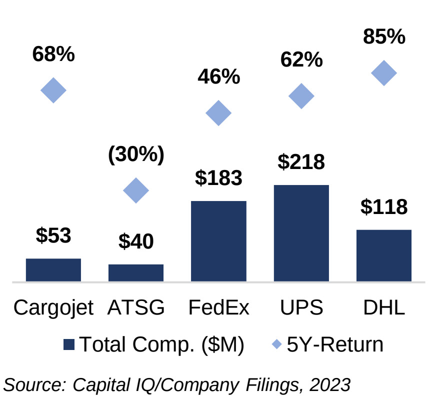
Source: Company Filings, 2023

Figure 44: Executive Compensation Benchmarking



Source: Company Filings, 2023

Figure 45: Executive Comp. vs Shareholder Returns



Source: Capital IQ/Company Filings, 2023

"Cargojet's management team is highly capable and having Ajay stay involved in the business will massively support the success of the strategy shift" – Expert A, consultant with +20 years of air freight experience

Note 1: Does not incorporate CEO change

Appendix 1: Expert Interviews Conducted[1]

Expert A	• Consultant with 20+ years in air cargo at a leading global consulting firm
Expert B	• Consultant with 15+ years in air cargo at a leading global consulting firm
Expert C	• Senior executive at an International Freight Association
Expert D	• CFO at a leading international freight forwarder
Expert E	• Freight leader at an international airline
Expert F	• Freight leader at a regional airline
Expert G	• Senior freight leader at a top 10 customer of CJT
Expert H	• Board director at an air freight company with 30+ years of experience in air freight
Expert I	• Former IT executive at an international airline
Expert J	• Senior leader at a law firm that has previously covered airline union disputes
Expert K	• Freight leader at a Latin American airline
Expert L	• Consultant with project experience advising transportation and logistics companies on ESG matters
Expert M	• Consultant with project experience advising airports on cargo expansion strategies

Appendix 2: Breakdown of Business Segments

Segment breakdown and revenue generation

Domestic Network: The domestic air cargo network generates revenue primarily through customers pre-purchasing a guaranteed space and weight allocation on CJT's fleet network. As a result, a significant amount of domestic revenues are contracted (over 75% of domestic volumes) due to guaranteed allocations but will fluctuate with customer volume. The remaining capacity in the domestic network is sold on an ad hoc basis to varying contract and non-contract customers.

ACMI: Under an ACMI agreement, CJT provides aircraft, crew, maintenance and insurance to a customer. Variable flight costs such as fuel, navigation fees and landing fees are borne by the customer. CJT is paid a fixed amount to operate the flight priced as a rate per block hour.

Charter: CJT provides dedicated aircraft to customers on an ad hoc and scheduled basis typically in the daytime and on weekends for cargo and passenger charters. Charter flights are sold at an "all-in" basis where the customer will pay a single, all inclusive fixed amount per flight.

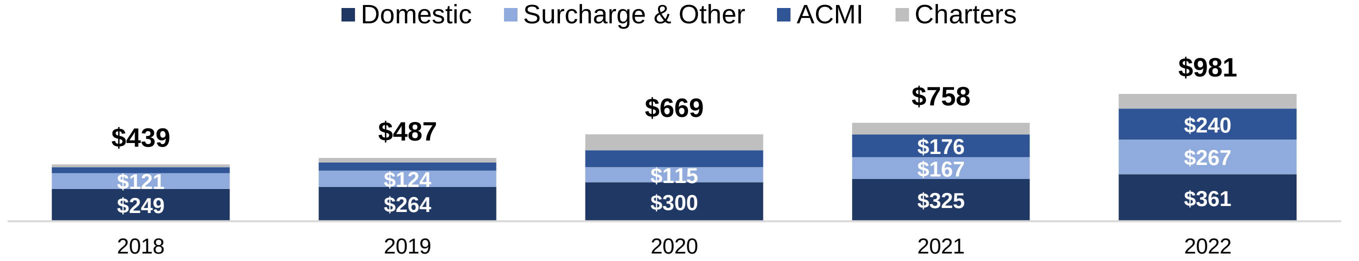
Fuel Surcharge: CJT's domestic customer contracts contain variable surcharges for uncontrollable costs with the ability to pass through 100% of fuel costs on to customers.

Key customers

Domestic Network: CJT has signed long-term agreements with Amazon, Canada Post and UPS who are key customers in the domestic segment. Other customers include leading T&L businesses like FedEx, TFI International and others.

ACMI: CJT has a long-term ACMI/ CMI agreement with DHL through 2029 to support their international expansion.

Charter: Demand in this segment is variable, with examples including carrying COVID test kits and PPE for the Canadian Government.



Source: Company Filings, 2023

Note 1: Experts are not named due to requests to maintain confidentiality

Appendix 3: Competitor Profiles

AIR CANADA CARGO

• Operates a diverse fleet that moves cargo in the belly of passenger planes.
• Operates 7/200 planes as dedicated cargo freighters.
• Prioritizes passenger baggage, special deliveries, urgent shipments, temperature sensitive goods, human remains, and humanitarian aid above cargo.
• Unable to offer time-sensitive guarantees to customers and is not focused on expedited overnight freight.
• Cancelled plans to add two B777s to their fleet of dedicated freighters after underperforming in Q2 2023.

WESTJET cargo

• Attempted the conversion of four passenger planes to dedicated cargo, the completion of which took over a year for regulatory approval.
• Experienced low bookings on dedicated cargo planes and have been unsuccessful so far.
• Unable to guarantee timeliness to customers for belly-cargo business due to the likelihood of being bumped by higher priority packages.
• Few long-term contracts with important customers and no anchor customer exists to provide volume certainty.

MORNINGSTAR AIR EXPRESS INC. / Buffalo AIRWAYS

• There are a few small dedicated freighters focused on fulfilling select routes for single customers.
• Morningstar Air Express supports some FedEx volume but is primarily focused on charters.
• Buffalo Airways services a dedicated freighter route between Edmonton and Yellowknife and is focused exclusively in Northern Canada.
• There are no other scaled, nationwide players that are focused on domestic overnight.

Source: Company Filings, 2023

Appendix 4: Amazon and DHL Warrants

Amazon Warrants to acquire 9.9% + 5.0% of CJT – August 23, 2019:
Share Price: $102.33
Strike Price: $91.78
Status: Vesting
Terms: $400M in revenue delivered during 2019 – 2026 period

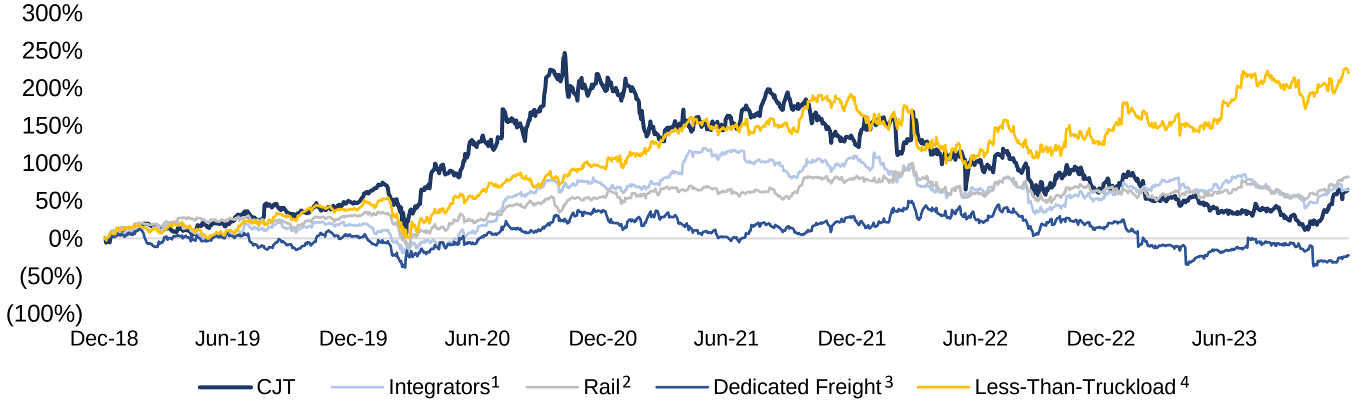
DHL Warrants to acquire 9.5% of CJT – March 29, 2022
Share Price: $185.03
Strike Price: $158.92
Status: Vesting
Terms: $2.3B in revenue from 2022 –2029

Cash Inflow	Assuming warrants are exercised, CJT can use the cash for Capex, debt paydowns and buybacks.
Guaranteed Revenue	Financial incentives encourages major customers to invest alongside CJT and continue to grow with them.
Aligned Interests	In similar agreements, Amazon has held shares after exercising and has acted as a strategic partner to ATSG and Atlas.
Lower Risk of Replacement	Warrants significantly reduce the risk of key customer churn while creating incentives for increased economic activity.

Source: Company Filings, 2023

Appendix 5: Peer Performance/Freight Recession Overview

Since 2022, the cargo market has been suffering from an imbalance of supply and demand, resulting in a freight recession. Although freight volumes have been more robust than expected during an economic recession, overcapacity has led to lower freight spot rates, more competitive pricing, and changing dynamics in cargo movement between dedicated freighters and the belly of passenger airlines. This recession has caused many peers in the air freight and transportation industries to perform poorly, while having to navigate an economic environment where growth is difficult to achieve.



Source: Capital IQ, 2024

Note 1: UPS, FDX, DHL, 2. CNR, CP, UNP, 3. ATSG, CHR, 4. SAIA, JBHT, KNX, ODFL, MTL, TFI, XPO

Appendix 6: DHL and Amazon's Expansion

CJT's competitors have been investing heavily in globalization. International expansion provides significant benefits through increased volumes and exposure to high quality freight. DHL and Amazon have focused on regions such as Canada, LatAm, and SEA. Trade routes from manufacturing hubs in SEA and Europe to LatAm prefer to pivot through Canada due to lower exchange rates and faster customs times, which positions CJT well to capitalize on international growth opportunities and increased investment in Canada and nearby regions.

DHL

- <u>September 2021</u>: By John C. Munro International Airport, CJT's main base in Hamilton, DHL invested $100M CAD to build a facility to meet the needs of increased shipping volumes to Canada.
- <u>July 2023</u>: DHL has announced an investment of $562M into LatAm over the next five years given the strong growth in the region, requiring rising supply chain management services.
- <u>October 2023</u>: DHL will be deploying $370M in capital over the next five years within SEA to boost their warehousing capacity, workforce, and sustainability initiatives.
- <u>November 2023</u>: DHL has invested $410M in the expansion of their Hong Kong Hub to increase the capacity of their only warehouse in East Asia.

Amazon

- <u>April 2022</u>: Adjacent to John C. Munro Hamilton International Airport, Amazon opened its most advanced robotics facility to extend the reach and capability of their expansion plan in Canada.
- <u>August 2023</u>: Amazon business has begun to creep up in Canada, driven by CJT operating a new 40,000-square-foot cargo terminal at Vancouver International Airport, which has enabled CJT to add a direct flight out of its base in Hamilton to Vancouver with one of two Amazon-provided 767s.
- <u>August 2023</u>: Over the past two to three years, Vietnamese enterprises have led SEA in garnering the highest international sales via Amazon. The value generated from e-commerce in Vietnam is expected to continue its robust ascent.
- <u>September 2023</u>: Amazon has launched its biggest last-mile delivery center in Mexico City to expedite deliveries in the densely populated area. This expansion is part of Amazon's $3B investment in Latin America, aimed at strengthening its market presence and competing with regional and global players.
- <u>November 2023</u>: Amazon announced its fourth renewable energy project in Canada. These projects will help power Amazon's operations in Alberta, including its fulfilment centers, sortation centers, delivery and more.
- <u>Q4 2024</u>: Amazon had announced the development a sorting centre in Windsor. In August 2023, after reevaluating their needs, they stated the facility would be 50% larger than officially announced 16 months ago.

Source: Company Filings, 2023

Appendix 7: E-Commerce Growth in LatAm and SEA

Improving Infrastructure

Shifting Consumer Behaviours

Mobile-First Society

MercadoLibre (#1 ranked LatAm e-commerce marketplace) and Shopee (#1 ranked SEA e-commerce marketplace) are both strategic partners of DHL

Eight of the top ten countries ranked by retail e-commerce growth globally are located in LatAm and SEA. The surge in e-commerce across these regions is driven by technological and demographic shifts. Increased internet and mobile device penetration have provided a solid foundation for digital marketplaces, with both regions witnessing widespread adoption of online shopping, especially among the younger, tech-savvy populations. The rapid urbanization in these areas has also facilitated a more consolidated consumer base, making the logistics of e-commerce more viable. Simultaneously, economic expansion has bolstered consumer spending power, thus fueling demand for the convenience and variety that online shopping platforms offer. The COVID pandemic has been a significant catalyst, expediting the shift from brick-and-mortar stores to online retail. Innovative payment options have emerged, while government initiatives to support the digital economy have encouraged entrepreneurial ventures and investments. The e-commerce sector in these regions is poised for sustained growth, with a notable shift in consumer purchasing behaviors towards online platforms. In mature e-commerce markets, 70% of sales come from marketplaces, this is lower in North and Latin America and as these markets mature marketplace penetration will increase. As seen on the left, CJT's customers are either leading marketplaces or are partnered with top marketplaces.

Source: Americas Market Intelligence, DHL, Company Filings

Appendix 8: Historical ROIC

	2013A	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A
NOPAT Margin	2.8%	-2.7%	0.6%	6.5%	8.6%	10.2%	9.0%	18.6%	16.8%	13.0%
Invested Capital Turnover	1.9x	1.1x	1.2x	1.1x	1.0x	0.7x	0.6x	0.7x	0.7x	0.7x
Return on Invested Capital	5.1%	-3.0%	0.7%	7.2%	8.4%	7.1%	5.0%	12.7%	11.5%	8.5%

Source: Company Filings, 2023

The relationship between CJT's NOPAT Margin (net operating profit after tax / sales) and invested capital turnover (sales / average invested capital) provides greater clarity into the firms historically underperforming ROIC. Net PP&E accounts for approximately 90% of CJT's average invested capital. Invested capital has been steadily increasing due to CJT's significant year-over-year investments in growth capex, which has reduced their turnover. When combined with poor operating margins, CJT has failed to drive a reasonable return on invested capital in the past. However, the need for further growth capex spend is no longer present, and with a stable PP&E base, margin improvements will directly lead to a higher ROIC. From the high degree of operating leverage, route optimization, and increasing volumes, CJT will be able to drive higher margins and ROIC.

Appendix 9: Fleet Assessment

Aircraft Model	Capacity (lbs)	2021A	2022A	2023E	2024E	2025E
B767-300	125,000	16	18	21	22	23
B767-200	100,000	3	3	3	3	3
B757-200	80,000	9	13	17	15	15
B767-200	100,000	1	1	-	-	-
Challenger 601	6,000	2	2	-	-	-
Cessna 750	2,375	-	1	-	-	-
Beechcraft 1900D	4,375	-	1	-	-	-
Total		**31**	**39**	**41**	**40**	**41**

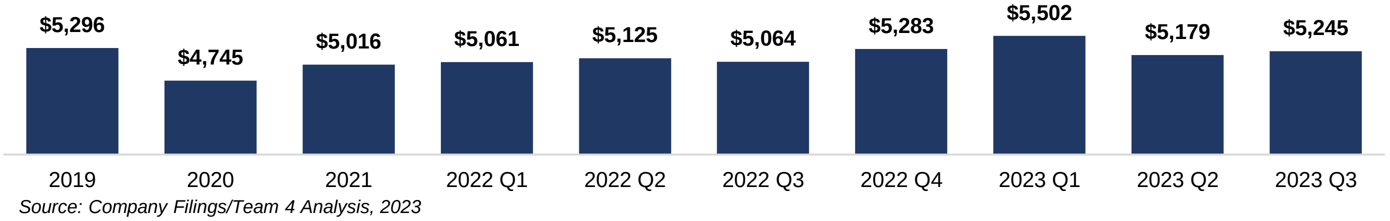
Fiscal Year	Total Capacity (lbs)
2019A	2,352,000
2020A	2,802,000
2021A	3,132,000
2022A	3,708,750
2023E	4,285,000
2024E	4,250,000
2025E	4,375,000
2026E	4,375,000

Source: Company Filings/Team 4 Analysis, 2023

The main fleet initiative was CJT selling off its smaller passenger aircraft. In 2023, to adapt to lower market demand, the company sold the entirety of its passenger fleet including a non-converted B767-200, two Challenger 601's, a Cessna 750, and a Beechcraft 1900D. The latter three aircrafts each had total payload capacity of less than 10,000 pounds. This decision also enabled CJT to reposition pilots and implement a new long-term incentive plan to maintain industry-leading pilot retention. These changes led to aircraft and crew costs in aggregate being cut by $1.8M. By streamlining their fleet, CJT is now able to focus on repositioning with larger aircraft by selling its 757s. Performing a detailed fleet analysis allowed us to determine that total payload capacity (lbs) will significantly exceed pandemic levels, eliminating the necessity for increased growth capex to meet growing demand.

Appendix 10: Cost Optimization

Direct Cost per Block Hour (Excl. Fuel Costs/D&A)



Source: Company Filings/Team 4 Analysis, 2023

For dedicated air cargo carriers such CJT, suboptimal capacity utilization translates to diminished yields and revenues. This occurs as the number of block hours and the associated cost per block hour remain constant, but the revenue generated declines with lower capacity utilization. CJT leverages robust customer relationships fortified by strategic long-term contracts and a stellar on-time track record. This approach enables CJT to engage closely with customers, steering clear of suboptimized routes. This, in turn, leads to a reduction in block hours and associated costs. CJT's ability to move away from suboptimal routes is a core strength, demonstrating superior cost management capability compared to competitors within the domestic overnight market. This can be directly observed by calculating CJT's direct cost per block hour (excl. fuel costs/D&A). CJT has been able to drive direct costs per block hour lower than pre-COVID levels with ongoing efforts expected to drive further declines.

Appendix 11: Valuation Support (Base Case)

Valuation Takeaway

CJT discloses few details about revenue which makes a detailed revenue build challenging. Due to the nature of disclosure, it is challenging to have conviction over an implied level of volume and average rate charged by segment. We have chosen to forecast revenue by segment using a % growth approach in order to reflect the fundamental drivers of each segment. Costs have been forecasted by category based on the fixed or variable nature as well as using a % of approach.

Free Cash Flow Projections

	Historical				Forecast						CAGR	
	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	2028E	'19-'22	'23-'28
Domestic Revenue	$264	$300	$325	$361	$350	$378	$427	$470	$498	$513	8.1%	6.6%
ACMI Revenue	$66	$132	$176	$240	$259	$298	$373	$436	$488	$513	37.9%	12.0%
Charter Revenue	$33	$122	$90	$113	$99	$95	$93	$94	$95	$98	36.1%	(0.0%)
Revenue (Excl. FS)	**$363**	**$554**	**$591**	**$713**	**$708**	**$771**	**$893**	**$1,000**	**$1,082**	**$1,124**	18.4%	8.0%
% Growth		*52.5%*	*6.6%*	*20.7%*	*(0.7%)*	*8.9%*	*15.8%*	*12.0%*	*8.2%*	*3.9%*		
Gross Profit	**$119**	**$251**	**$232**	**$248**	**$161**	**$191**	**$272**	**$332**	**$377**	**$394**		
Gross Margin %	*32.8%*	*45.2%*	*39.4%*	*34.7%*	*22.7%*	*24.8%*	*30.5%*	*33.2%*	*34.8%*	*35.1%*		
Adjusted EBITDA	**$157**	**$289**	**$291**	**$327**	**$309**	**$343**	**$419**	**$473**	**$518**	**$543**	20.1%	9.8%
Adjusted EBITDA Margin %	*43.2%*	*52.1%*	*49.3%*	*45.8%*	*43.7%*	*44.5%*	*46.9%*	*47.4%*	*47.8%*	*48.3%*		
EBIT	**$59.7**	**$169.1**	**$172.9**	**$172.9**	**$96**	**$122**	**$199**	**$254**	**$294**	**$308**		
Operating Margin %	*16.4%*	*30.5%*	*29.3%*	*24.2%*	*13.5%*	*15.8%*	*22.3%*	*25.4%*	*27.2%*	*27.4%*		
NOPAT (Net Operating Profit After Taxes)	**$44**	**$123**	**$126**	**$126**	**$70**	**$89**	**$145**	**$186**	**$215**	**$225**		
(+) D&A	$92	$98	$114	$140	$183	$205	$204	$203	$207	$219		
(-) Capex	($218)	($147)	($278)	($611)	($262)	($181)	($184)	($156)	($222)	($172)		
(-) Change in NWC		$34	($36)	$3	$0	($18)	($12)	($8)	($6)	($2)		
Unlevered Free Cash Flow	**($82)**	**$108**	**($73)**	**($342)**	**($10)**	**$95**	**$153**	**$224**	**$193**	**$269**		
Discount Rate					8.20%	8.20%	8.20%	8.20%	8.20%	8.20%		
Discount Period						1.00	2.00	3.00	4.00	5.00		
Present Value of Unlevered Free Cash Flow						**$88**	**$130**	**$177**	**$141**	**$182**		

Shares Outstanding

Basic S.O	17.21
(+) In-the-money options	0.00
(-) Shares repurchased from proceeds	0
(+) Warrants Outstanding	4.02
Fully diluted shares outstanding	**21.23**

Cost of Equity Methodologies

Cost of Equity (DDM)		**Cost of Equity (CAPM)**	
Annual dividend per share	1.28	Risk-free rate	3.25%
Current share price	$122.38	Market risk premium	5.00%
Sust. Dividend growth	10%	Levered beta	1.17
Cost of Equity	**11.05%**	**Cost of Equity**	**9.10%**

Terminal Growth Method

Terminal Growth Method	
WACC	8.20%
Terminal Growth Rate	2.25%
Implied Exit Multiple	8.5X
PV of UFCF	$718
Terminal Year UFCF	$4,629
PV of Terminal Year	$3,122
EV	$3,839
Less: Debt & Leases	($773)
Less: Minority Interest	$0
Add: Cash	$43
Equity Value	**$3,109**
S.O	21.2
Implied Price	**$146**
1-Yr Target	**$158**
Current Price	$122
Implied Return	**29%**

Discount	Terminal Growth Rate				
Rate	1.75%	2.00%	2.25%	2.50%	2.75%
7.2%	46.9%	54.3%	62.5%	71.5%	81.6%
7.7%	31.7%	37.8%	44.4%	51.8%	59.8%
8.2%	18.8%	23.9%	29.4%	35.4%	42.0%
8.7%	7.7%	12.0%	16.7%	21.7%	27.2%
9.2%	(1.9%)	1.8%	5.8%	10.1%	14.7%

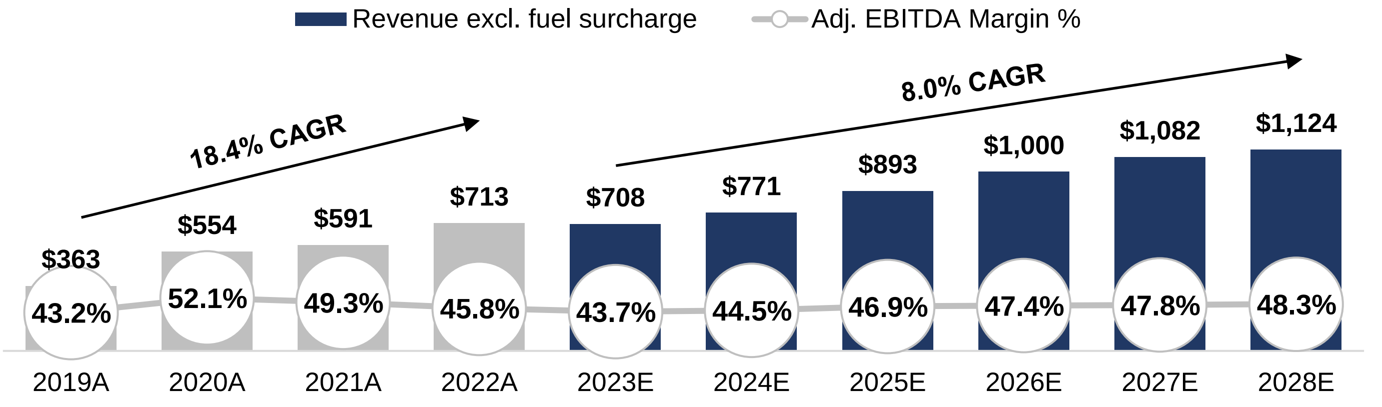
Exit Multiple Method

Exit Multiple Method	
WACC	8.20%
Exit Multiple	9.0X
Implied Growth Rate	2.55%
PV of UFCF	$718
Terminal Year EBITDA	$4,886
PV of Terminal Year	$3,295
EV	$4,013
Less: Net Debt	($773)
Less: Minority Interest	$0
Add: Cash	$43
Equity Value	**$3,283**
S.O	21.2
Implied Price	**$155**
1-Yr Target	**$167**
Current Price	$122
Implied Return	**37%**

Discount	Exit Multiple (EV/EBITDA)				
Rate	8.0x	8.5x	9.0x	9.5x	10.0x
7.2%	27.0%	34.9%	42.8%	50.7%	58.6%
7.7%	24.2%	32.0%	39.7%	47.5%	55.3%
8.2%	21.5%	29.1%	36.7%	44.3%	52.0%
8.7%	18.8%	26.3%	33.7%	41.2%	48.7%
9.2%	16.2%	23.5%	30.9%	38.2%	45.5%

Source: Team 4 Analysis

Base Case Graphic



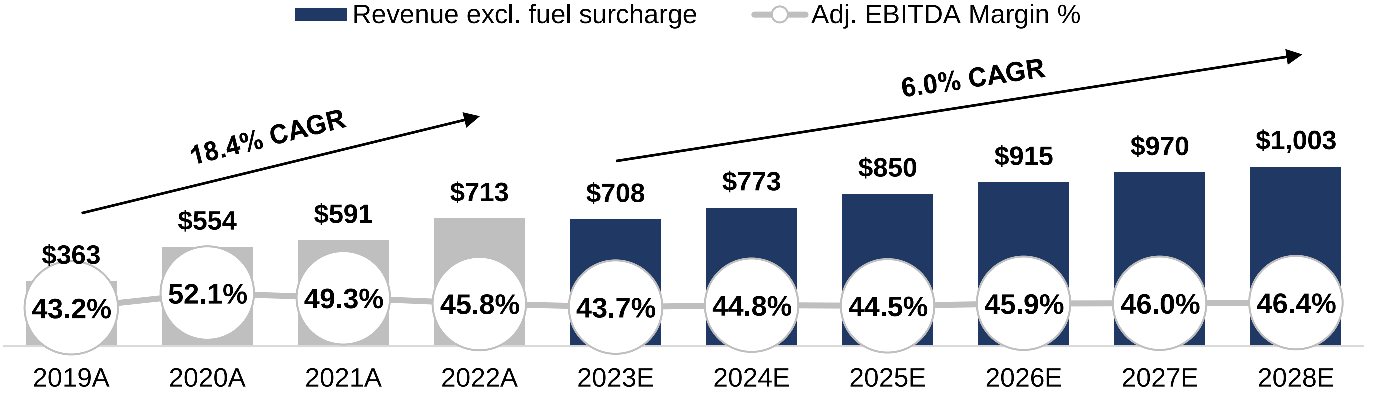
Source: Team 4 Analysis

Appendix 12: Reverse DCF

Reverse DCF Takeaway

To understand the level of growth the market may be pricing in, we conducted a reverse DCF. After adjusting revenue growth and direct cost assumptions until our model arrived at CJT's current price, it is evident that the market seems to be pricing in modest growth and margin expansion. We believe this is not reflective of the opportunities CJT has at hand and have conviction that top line strong growth will drive margin expansion given the high level of operating leverage in the business.

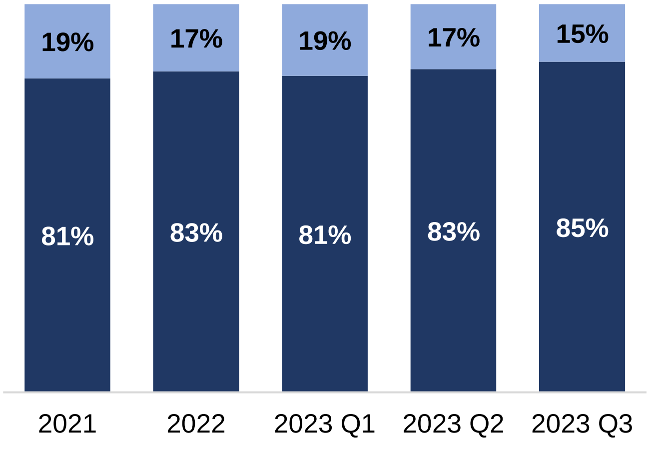
Reverse DCF Graphic



Source: Team 4 Analysis

Appendix 13: Cost Breakdown

CJT Fixed vs Variable Cost Trends



Source: Company Filings, 2023

CJT's fixed direct costs include aircraft costs, D&A, maintenance costs, crew costs, ground services, and SG&A (mainly fixed salaries). Fixed costs constitute a larger share of direct costs and are influenced by the scale of Cargojet's aircraft fleet. Consequently, CJT experiences a high degree of operating leverage. Given that fixed costs make up a portion of the operating expenses for each flight route, the costs associated with individual flight routes do not fluctuate in direct proportion to the number of shipments handled by Cargojet. We maintained this cost trend through the forecast period with fixed costs grown at a nominal rate of 5% annually. Variable costs are directly related to the volume of flight activity, determined by the level of customer demand and are therefore forecasted as a % of revenue. Fuel costs are variable costs that are completely passed through, leaving no impact to cash flows.

Appendix 14: Bull, Bear and Base Case Assumptions

	Revenue CAGR				EBITDA Margins				Implied Return	
	Domestic Revenue	ACMI Revenue	Charter Revenue	Overall	'23E	'24E	'26E	'28E	Implied Target Price	Implied Return
Bull	10.5%	13.5%	3.3%	10.8%	44.3%	45.8%	50.0%	52.3%	$244	100%
Base	6.6%	12.0%	(0.0%)	8.0%	44.3%	44.5%	47.4%	48.3%	$163	33%
Bear	4.9%	7.9%	(2.0%)	5.3%	44.3%	40.8%	42.1%	43.2%	$126	3%

Source: Team 4 Analysis

Appendix 15: Comparable Companies Analysis Criteria

Key Performance Drivers

- **A** Demand for time-sensitive freight (e-commerce)
- **B** Freight volume/capacity
- **C** Government fiscal stimulus
- **D** Globalization of supply chains

Key Cost Drivers

- **E** Fuel Costs
- **F** Fleet / equipment capex spending
- **G** Labour and workforce costs
- **H** Regulatory compliance costs

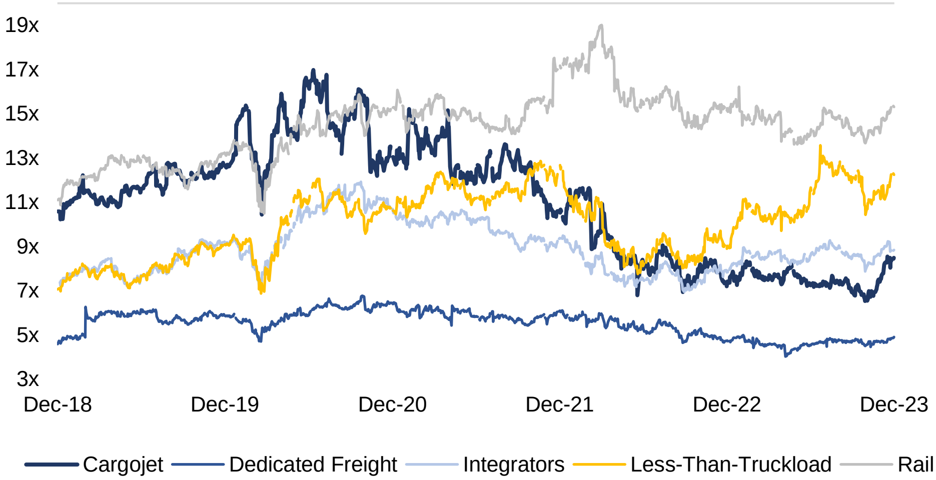
Segment	Performance Drivers	Cost Drivers	Included in Comps
Dedicated Freighters	**A, B, C, D**	**E, F, G, H**	**ATSG, Chorus Aviation**
Integrators	**A, B, C, D**	**E, F, G, H**	**DHL, FedEx, UPS**
Less-than Truckload	**A, B, C**	**E, F, G, H**	**TFI International**
Commercial Airlines	**C**	**E, F, G, H**	None Included
Railways	**B, C**	**E, F, G, H**	None Included

Appendix 16: Dedicated Freight Precedent Transactions

Target	Acquirer	Date	Transaction Value (USD $M)	EV/NTM EBITDA	Equity Premium
ATLAS AIR	APOLLO	Aug 4, 2022	$5,117.7	4.7x	57%

Source: Capital IQ, 2023

Appendix 17: Historical EV/NTM EBITDA Multiple



	5Y Average	Current Multiple
Cargojet	11.0x	9.5x
Dedicated Freight[1]	5.9x	5.1x
Integrators[2]	8.9x	8.8x
Less-Than-Truckload[3]	10.1x	12.2x
Rail[4]	14.4x	15.3x

Source: Capital IQ, 2023

Note: 1. ATSG, CHR. 2. DHL, UPS & FedEx. 3. SAIA, JBHT, ODFL, XPO, KSX, MTL, TFII. 4. CNR, CPKC, UNP

Appendix 18: ESG Scorecard

Approach & Rationale

With the lack of standardization on ESG reporting and CJT's unique position as a firm, CJT has been penalized or rewarded by ESG rating agencies for the industry assigned. We consulted the LSEG, Bloomberg, and MSCI rating rationale and selected peers that best represented the mix of each of the ESG factors for CJT to develop our own scorecard. Our ratings and rationale for the factors that are most relevant to our analysis are below:

Rating	Description	Team 4 Assessment
0	N/A	No or lack of evidence of effort to achieve criterion.
1	Laggard	Evidence of some effort but little success to achieve criterion.
2	Satisfactory	Evidence of effort and a level of success to achieve criterion.
3	Average	Effort and success in line with industry standards for criterion.
4	Excellent	Higher level of effort and success in achieving criterion.
5	Leader	Innovator for industry initiatives and high level of effort and success.

Criteria	Cargojet	ATSG	FedEx	UPS	DHL
GHG Emissions	Committed to net zero by 2050 and invested heavily in SAF and modernizing their fleet.	No specified commitment to a net zero target, but clear path to reduce emissions with past results.	Committed to carbon neutral operations by 2040 and clear path to achieve their commitment.	Committed to carbon neutrality by 2050 with intermediate goals.	Committed to net zero by 2050 with a clear path to achieve their commitment and past results.
Target Reduction	3.0	0.0	4.0	3.0	3.0
Plan & Execution	4.0	4.0	4.0	4.0	4.0
Use of clean energy	4.0	4.0	4.0	4.0	4.0
Disclosure	Annual ESG reports disclose relevant environmental concerns and activities. Also discloses GHG emissions.	Annual ESG reports disclose clear and concise details on environmental activities and impacts as a direct result of changing practices.	Annual ESG reports disclose details on past actions and impact as well as detailed plans and objectives, with additional data in an appendix.	Annual sustainability reports disclose major plans and objectives and historical achievements in environmental activities.	Annual ESG reports disclose plans and objectives. Additional downloadable data including GHG emissions.
Timeliness	3.0	3.0	4.0	3.0	3.0
Relevance & Specificity	3.0	4.0	5.0	4.0	5.0
Environment	**3.4**	**3.0**	**4.2**	**3.6**	**3.8**

Criteria	Cargojet	ATSG	FedEx	UPS	DHL
Workplace Health & Safety	Required onboarding and refresher training for all employees with standard incident response protocols.	Ongoing training and emergency practice drills with 13 safety programs to assess and mitigate risks.	Required onboarding training for all employees. Tracked key metrics and employee engagement on safety procedures.	USD$343M investment in training in the past year with details on types of training available. Standard incident response protocols.	EUR€193M investment in staff development but no details on frequency of training. Standard incident response protocols.
Training	3.0	3.0	3.0	4.0	3.0
Incident Response	3.0	4.0	4.0	3.0	3.0
Workforce	Required diversity training for employees on how to create an inclusive work environment. Workforce satisfaction from 58 reviews.	Required diversity training for employees and surveys to measure progress and set diversity goals. Workforce satisfaction from 24 reviews.	Required diversity training. Contributions to create opportunities in and around the company. Workforce satisfaction from 10.9k reviews.	Not disclosed whether diversity training is required for all employees, but workforce is diverse. Workforce satisfaction based on 238 reviews.	Not disclosed whether diversity training is required but workforce is diverse and meaningful actions are taken. Workforce satisfaction based on 4.7k reviews.
Diversity & Inclusion	3.0	4.0	5.0	3.0	4.0
Satisfaction[1]	4.1	4.1	3.7	3.0	3.9
Disclosure	Annual ESG reports disclose social activities and programs undertaken to foster a healthy work environment.	Annual ESG reports disclose social activities and programs	Annual ESG reports disclose social activities and programs with additional data in an appendix.	Annually published reports with detailed disclosure on social activities; however, disclosure is scattered.	Annually published reports with detailed disclosure on social activities with additional downloadable data for tracked metrics.
Timeliness	3.0	3.0	3.0	3.0	3.0
Relevance & Specificity	3.0	3.0	4.0	3.0	4.0
Social	**3.2**	**3.5**	**3.8**	**3.2**	**3.5**

Source: Company Filings, Team 4 Analysis, Note: 1. Glassdoor

Criteria	Cargojet	ATSG	FedEx	UPS	DHL
Board of Directors	All members are independent and have relevant experience. High gender and moderate ethnic diversity.	All members are independent and have relevant experience.	Almost all members are independent and have relevant experience.	Almost all members are independent and have relevant experience. High gender and ethnic diversity.	Almost all members are independent and have relevant experience.
Independence	4.0	4.0	3.0	4.0	3.0
Experience	4.0	4.0	4.0	4.0	4.0
Diversity	5.0	3.0	4.0	5.0	3.0
Management	Management have relevant industry knowledge and compensation heavily tied to performance.	Management have relevant industry knowledge with compensation below market and is influenced by company performance.	Newer management team, but with relevant industry knowledge. Compensation tied to company performance vs market.	Management have relevant industry knowledge with compensation above market but tied to company performance.	Management have relevant industry knowledge with compensation tied to company performance.
Experience & Competence	4.0	4.0	3.0	4.0	4.0
Diversity	4.0	4.0	4.0	4.0	3.0
Compensation Structure	4.0	4.0	3.0	3.0	4.0
Shareholder Rights	Currently no concern as one class of shares with 97% owned by institutions or the public. However, there is concern with the warrant execution.	One class of shares with 97% owned by institutions, Amazon, or the public.	One class of shares with 92% owned by institutions, private corporations, or the state.	One class of shares with 99.04% owned by institutions, the state, or the public.	One class of shares completely owned by institutions, private corporations, or the public.
Voting Rights	3.0	5.0	5.0	5.0	5.0
Audit Committee	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.	Independent members familiar with compliance requirements.
Independence	3.0	3.0	3.0	3.0	3.0
Experience	3.0	3.0	3.0	3.0	3.0
Disclosure	Relevant financial reporting and human capital are disclosed, including impact of outstanding derivative securities.	Relevant financial reporting and human capital data are disclosed.	Relevant financial reporting disclosed. Lack of concise disclosure on human capital.	Relevant financial reporting and human capital data are disclosed.	Relevant financial reporting and human capital data are disclosed.
Financial Reporting	3.0	3.0	3.0	3.0	3.0
Human Capital	3.0	3.0	2.0	3.0	3.0
Governance	**3.7**	**3.6**	**3.4**	**3.7**	**3.5**
Overall	**3.5**	**3.4**	**3.8**	**3.6**	**3.6**

Overall ESG ratings are calculated with Environment and Governance weighted at 40% each and Social weighed at 20%, due to the relative importance of the categories to businesses in the industries examined. CJT does not lag in any one area compared to peers but does not lead either. CJT's ESG does not create any cause for concern.

Appendix 19: Management's Bios

Name & Position	Years of Industry Experience	Background
Jamie Porteous *Co-CEO*	38	Jamie served as CJT's Chief Strategy Officer prior to being appointed as a co-CEO in January 2024. Jamie has been with CJT since its inception but began his career in cargo at Air Canada.
Pauline Dhillon *Co-CEO*	23	Pauline started her career at CJT in 2001 and served as CJT's Chief Corporate Officer prior to being appointed as a co-CEO in January 2024.
Scott Calver *CFO*	18	Scott was the CFO of Trimac Transportation prior to joining CJT as its CFO in May 2022. He has over 19 years of experience in transportation and logistics and held financial roles in the manufacturing sector.

Source: Company Filings, Team 4 Analysis

Sanjeev Maini *VP Finance*	19	Sanjeev served as CJT's Corporate Controller prior to his role as VP Finance and was the interim CFO for CJT from June 2021 to May 2022.
Paul Rinaldo *Sr VP Fleet Management and Support Services*	35	Paul has over 33 years of experience in aviation management for major Canadian carriers, including Wardair Canada and Air Transat. He joined CJT in April 2003.
Shane Workman *Sr VP Flight Operations*	31	Shane has over 30 years in the aviation industry and over 13,600 flight hours. He was an executive at Swoop, Sunwing, Enerjet, and joined CJT in August 2022.
George Sugar *Sr VP Regulatory Compliance*	22	George held management and supervisory positions at other airlines and was the Chief Pilot for CJT since 2002 prior to his current position he began in January 2006.
Gord Johnston *Sr VP Strategic Partnerships Sales*	30	Gord has over 30 years of commercial aviation industry experience, including at American Airlines Cargo and Air Canada Cargo, prior to joining CJT in 2005.
Leo Cordeiro *Sr VP Maintenance and Engineering*	35	Leo has over 35 years of experience in the aviation sectors, including 30 years with Air Canada and Air Canada Express. He joined CJT in 2019.
Vito Cerone *Sr VP Sales and Customer Experience*	33	Vito has over 31 years of experience in the aviation industry, including over 31 years with Air Canada. He was the VP for Cargo Sales and Commercial Strategy at Air Canada Cargo prior to joining CJT in September 2021.

Appendix 20: Board of Directors' Bios

Name & Position	Since	Prior Board Experience?	Background
Dr. Ajay Virmani	2005	Yes	Dr. Virmani has served as the President and CEO of CJT since inception, and recently entrusted Jamie Porteous and Pauline Dhillon to be co-CEOs of the company starting January 1, 2024. He has served as a Director of CJT's Board since its IPO in 2005 and had a 97.57% approval by shareholders in 2022. Dr. Virmani currently also serves as a Director on the Board of TD Bank.
Arlene Dickinson *Chair of the Audit Committee (AC)*	2018	Yes	Arlene has served on CJT's Board since 2018 and had a 95.17% approval by shareholders in 2022. She is the Founder and Managing General Partner of District Ventures Capital, Founder of District Ventures Accelerator, and CEO and sole owner of Venture Communications Ltd., with extensive experience working with Canadian brands. Arlene has also served on numerous public and private boards, but currently hold no other public company directorships.
Mary Traversy	2023	Yes	Mary was appointed as a Director in 2023. She spent 35 years at Canada Post, retiring in 2019, and served as the Chief Operating Officer prior to her retirement.
Paul Godfrey *Chairman of the Board Chair of the Corporate Governance Committee*	2009	Yes	Paul has served on CJT's Board since 2009 and had an 82.17% approval by shareholders in 2022. He currently serves as Founder and Special Advisor to the CEO and Board of Postmedia Network, where he previously served as Executive Chairman until 2022 and CEO until January 2019. Paul had served on the Board of and as the CEO of several other organizations since 1964. He has served on the Bragg Gaming Group Inc.'s Board since January 12, 2021.
John Webster *Chair of the Compensation & Nomination Committee*	2005	Yes	John has served on CJT's Board since its IPO in 2005 and had a 76.71% approval by shareholders in 2022. He also has been the President and CEO of Scotia Mortgage Corporation since 2006, and the President and CEO of Maple Trust Company since 1989 prior to its acquisition by the Scotia Mortgage Corporation. John has been the CEO and COO for regulated financial institutions for over 30 years, overseeing internal and external audits as a member of senior management and as a board member. He does not hold other public company directorships.

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Source: Company Filings