

Investor Overview

September 2023



CAUTION REGARDING FORWARD LOOKING STATEMENTS

This presentation contains certain “forward looking statements”. These statements relate to future events or future performance and reflect management’s expectations regarding our growth, results of operations, performance, business prospects and opportunities and industry performance and trends. They reflect management’s current internal projections, expectations or beliefs and are based on information currently available to management. Some of the market conditions and factors that have been considered in formulating the assumptions upon which forward looking statements are based include the impact of the COVID-19 pandemic, traffic, the Canadian Dollar relative to the US Dollar, fuel costs, construction costs, the state of the economy, fluctuating financial markets, demographics, tax changes, and the requirements of the Coastal Ferry Services Contract.

Specific forward looking statements included in this presentation include statements with respect to: capital investments, vessel replacement programs, investments in employees, traffic levels, fare flexibility models, Safe Restart Funding, the need for adequate positive net earnings, the transition to alternative energy sources, expanded product and service offerings, diversifying future revenue streams, management of controllable costs, and future investment strategies.

In some cases, forward looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other comparable terminology. A number of factors could cause actual events or results to differ materially from the results discussed in the forward looking statements. In evaluating these statements, prospective investors should consider all risks and uncertainties, and uncertainties associated with a forward looking statement.

Actual results may differ materially from any forward looking statement. Although management believes that the forward looking statements contained in this presentation are based upon reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward looking statements. These forward looking statements are made as of the date of this presentation, and British Columbia Ferry Services Inc. assumes no obligation to update or revise them to reflect new events or circumstances except as may be required by applicable law.

Non-IFRS Measures

In addition to providing measures prepared in accordance with International Financial Reporting Standards (IFRS), we present certain financial measures that do not have any standardized meanings prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies. These supplemental financial measures are provided to assist readers in determining our ability to generate cash from operations and improve the comparability of our results from one period to another. We believe these measures are useful in assessing operating performance of our ongoing business on an overall basis.



BC Ferries: A Sound Investment



An Essential Service Connecting BC's Coast



Proven Operating History



Strong Traffic and Utilization Growth



Our People



Our Regulatory Framework and Provincial Support



MV Spirit of British Columbia

About The Company



Regulatory Structure

- An independent regulated ferry service contractor that serves the public interest
- Established in 2003 to create a new, more sustainable model for the delivery of coastal ferry services
- Operates under a 60-year service contract with the provincial government
- Services and fees reviewed every four years
- Ferry Commissioner establishes a price cap on fares for each next four-year performance term
- BC Ferries will have a ruling for Performance Term 6 (April 1, 2024 – March 31, 2028) by September 30

CUSTOMER CENTRED GOVERNANCE MODEL



Where we sail

39

Vessels

47

Terminals

25

Routes

- ▶ Metro Vancouver
- ▶ Vancouver Island
- ▶ Sunshine Coast
- ▶ Southern Gulf Islands
- ▶ Northern Gulf Islands
- ▶ Central Coast
- ▶ North Coast
- ▶ Haida Gwaii

[Click here to see a
detailed route map](#)





Executive Team

Nicolas Jimenez

President &
Chief Executive Officer

Brian Anderson

Vice President,
Strategy &
Community Engagement

Jason Barabash

Vice President,
General Counsel &
Corporate Secretary

Janet Carson

Vice President,
Marketing & Customer
Experience

Cameron Brine

Vice President &
Chief People Officer

James Tan

Vice President &
Chief Information Officer

Jill Sharland

Vice President &
Chief Financial Officer

Corrine Storey

Vice President &
Chief Operating Officer

Employees and Operations

A woman with dark hair, wearing a bright yellow high-visibility safety vest over a white short-sleeved shirt and blue cargo pants, stands smiling in front of a large industrial facility. The facility features a long, covered walkway with a metal truss roof and rows of white industrial equipment with blue accents. The background is slightly blurred, emphasizing the woman in the foreground.

5,362

Employees in peak
Season

1,681

Casual & fixed term

3,681

Regular full and
part-time



Fiscal 2023

a look back at last year



The Ferry System



9.4M

Vehicles per year
Highest annual vehicle traffic ever



21.6M

Passengers per year



177,582

Sailings per year



1.3M

Nautical miles per year



\$8B

Cargo transported per year



85.0%

On-time Performance
(Percentage of sailings departing within 10 minutes of schedules departure times)



\$17.1M

Commercial trailer
transportation revenue



86,835

Round trips
(Up from 82,743 round trips the year prior)



99.60%

Fleet reliability
(Percentage of sailings that sailed without incident)

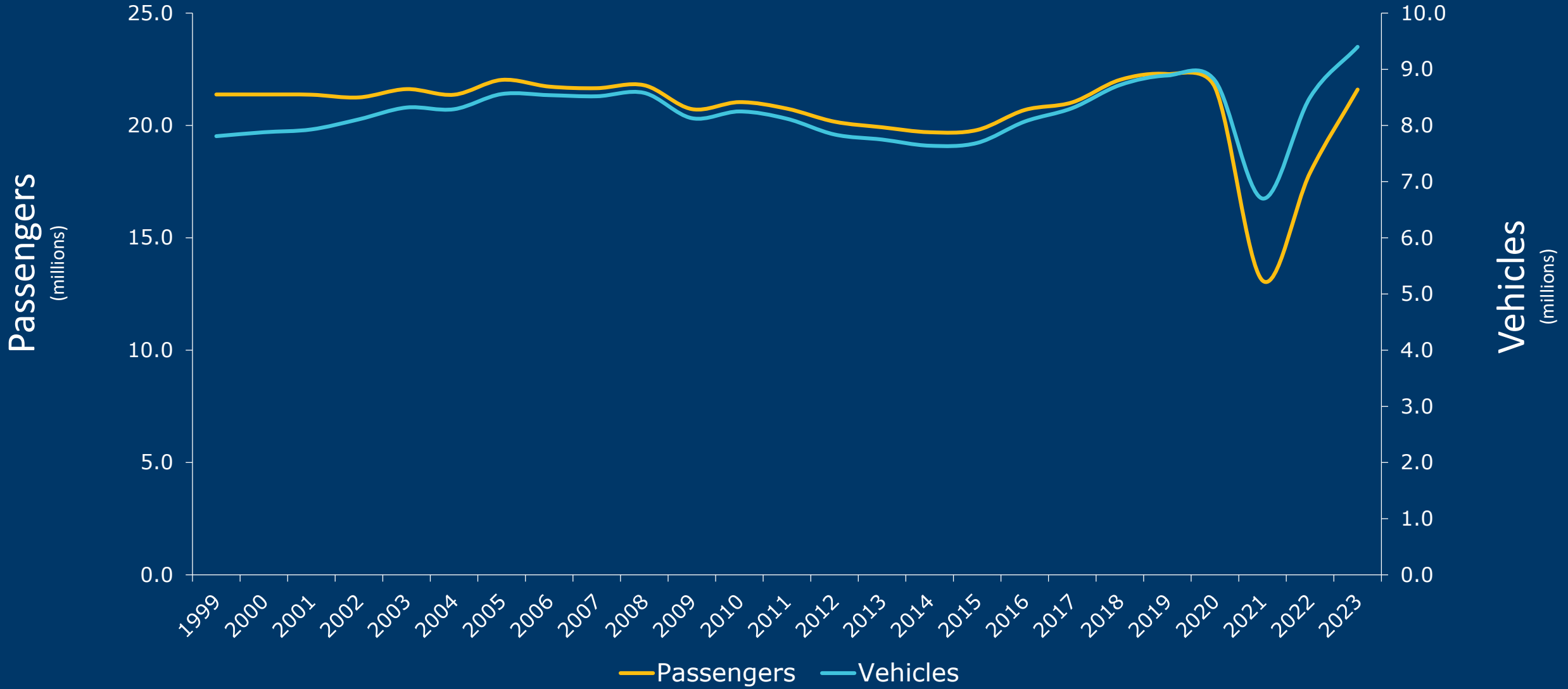


66.9%

Capacity utilization system
wide (Up from 63.3% the year prior)

Traffic Recovery

(Total Passengers and Vehicles, All Routes)



Key Accomplishments



Safety track record



**Performance improvements
(reliability, on-time and round trips)**



New vessels in-service and terminal upgrades



**Transition to cleaner fuel alternatives
and carbon credit monetization**



**Successfully guiding company through
Covid and the post-Covid environment**



**BC Ferries App to check schedules,
current conditions and book sailings**



Delivering Safe and Efficient Service



MV Salish Heron



SailSafe is an innovative culture program rooted in safety. SailSafe signifies the commitment to safety from all people at BC Ferries.

It is an **internationally recognized, award-winning program** based on concepts of a 'just' culture, trust, teamwork, commitment, inclusiveness, openness and respect.



100%
Employee
Driven

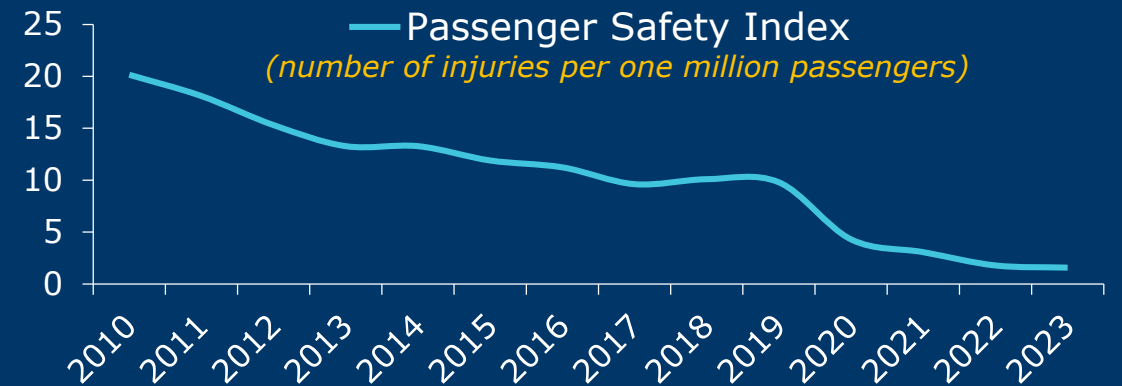
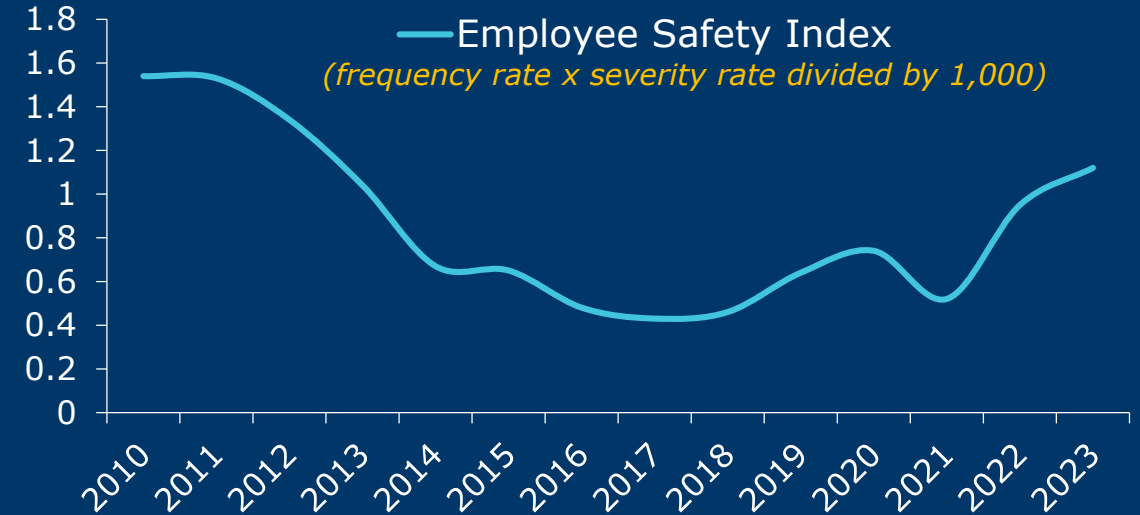
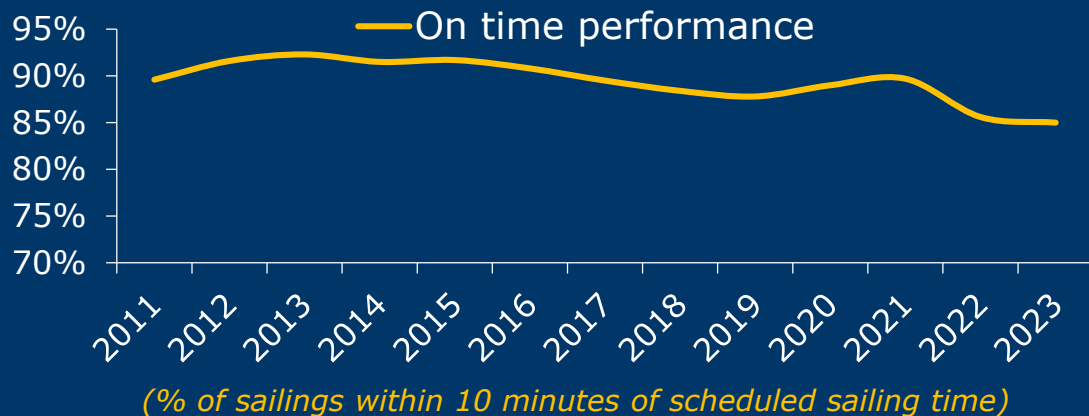




Key Performance Metrics

Safety is the #1 Priority and has shown improved performance since 2010:

- **85% of sailings on time**
- **Slight increase in Employee Safety Index (1.12x)**
- **Passenger Safety Index at record levels (1.58x)**



Improved Capacity Utilization Across Routes



77.7%

Major Routes

74.6%

Northern Routes

55.4%

Other Routes

66.9%

System wide



Strong Provincial Support

\$308 million
Safe Restart

\$500 million
Fare Affordability

\$30 million
Electrification of
vessels & terminals





Focusing on our People

- Resources & funding to support long term health and wellness
- International recognition of our **SEA Program** for customized marine training
- **SailSafe** program launched in 2007, joint commitment by the Company and Union
- Simulator Training Centre
- Incorporating a diverse and inclusive workspace, reflecting the communities we serve





Responding to Workforce Challenges

- **Launched Recruitment Centre of Excellence**
- **Undertook significant recruitment push**
- **Advance candidacy of international mariners, reciprocal agreements with Transport Canada**
- **Enhanced offer to seasonal employees (summer)**
- **Outreach to retired employees**
- **Enhanced professional development opportunities**



MV Island Nagalis



Taking Action for a Sustainable Future

- **98% of Emissions come from our Vessels**
- **Targeting a 27% reduction in emissions by 2030**
- **Net Zero Emissions by 2050**
- **Progress through New Major Vessel Design, Island Class**
- **Adopting low Carbon-Intensive energy sources**



MV Island Gwawis and MV Island Kwigwis



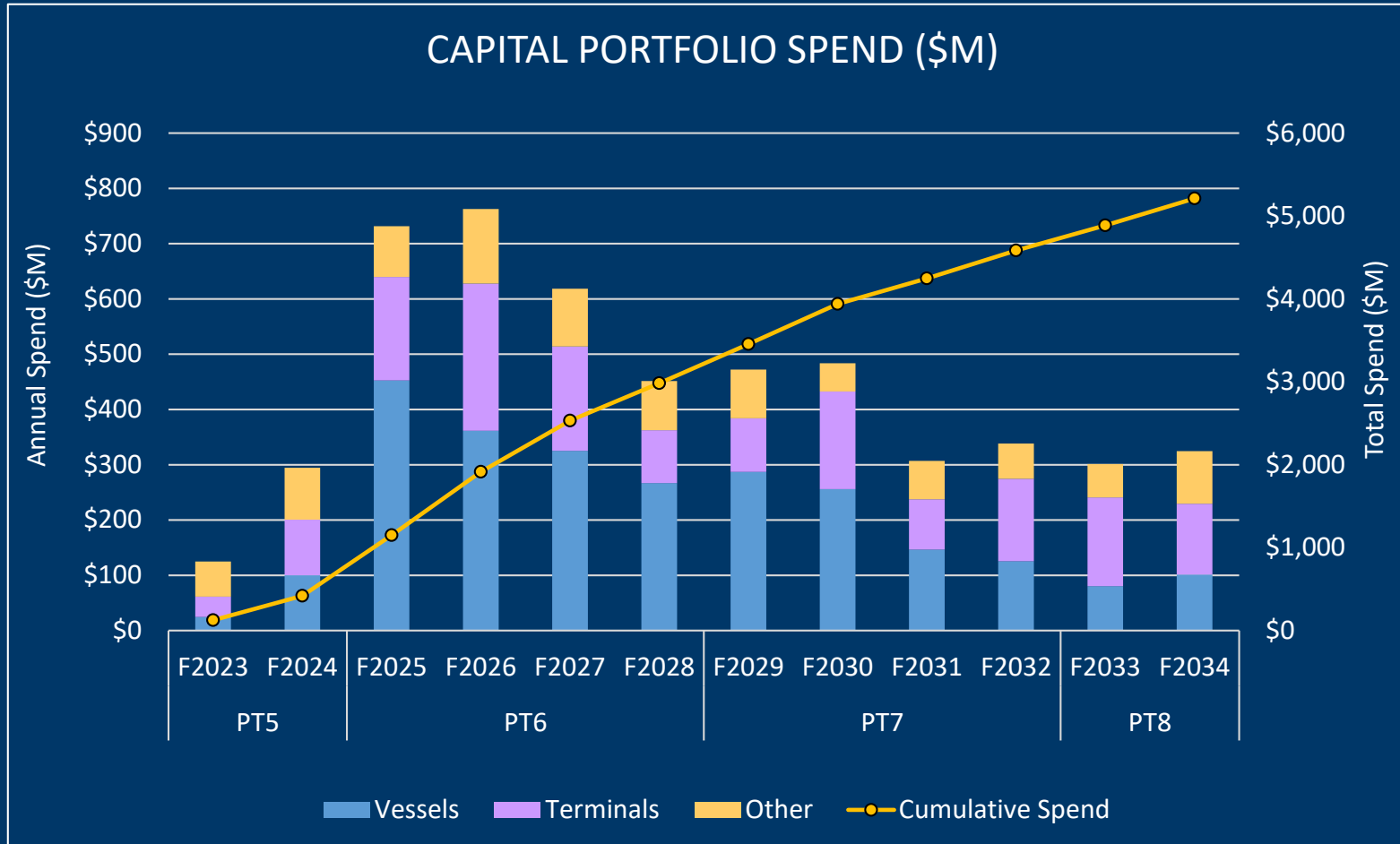
Making Needed Investments



MV Spirit of Vancouver Island



12-Year Capital Plan: \$5.2 Billion



Major Expenditures

- **Replace 7 major class vessels on high volume, high revenue routes**
- **Accelerate the addition of 4 Island Class Electric Vessels**
- **Major terminal upgrades, including new electrification infrastructure**
- **IT system upgrades, customer experience initiatives**

Financial Results



Annual Results

Fiscal 2023

(\$millions)	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Revenues	863.1	1033.5	20%
Safe Restart Funding	<u>102.3</u>	<u>9.3</u>	
Total Revenues	965.4	1042.8	8%
Operating Expenses	<u>868.0</u>	<u>991.5</u>	<u>14%</u>
Operating Profits	97.4	51.3	
Net Finance and Other Expenses	<u>63.3</u>	<u>53.1</u>	<u>(16%)</u>
Net Earnings	<u>\$ 34.1</u>	<u>\$ (1.8)</u>	
Net Earnings without Safe Restart Funding	<u>\$ (68.2)</u>	<u>\$ (11.1)</u>	

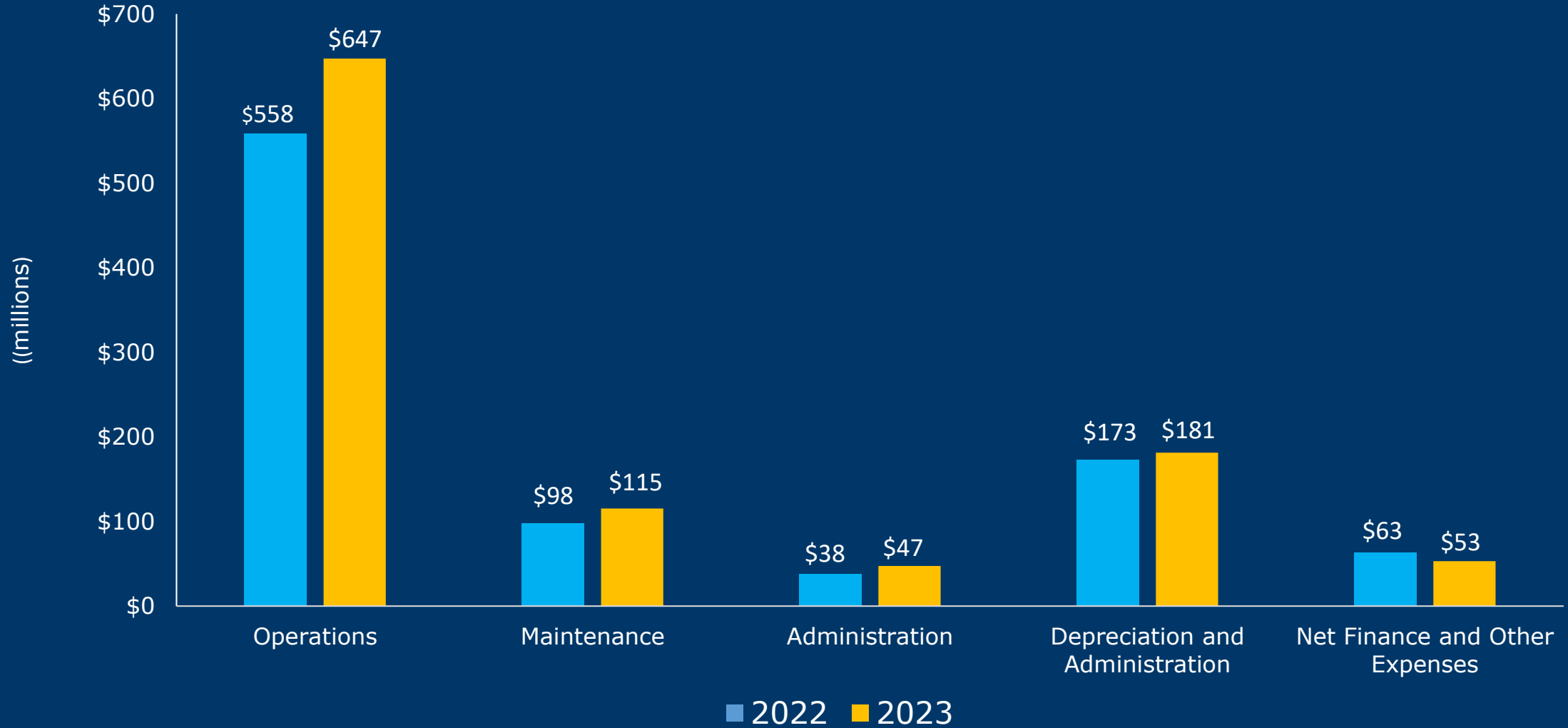
Revenue Sources

(millions)



Operating Expenses and Net Financing

(millions)

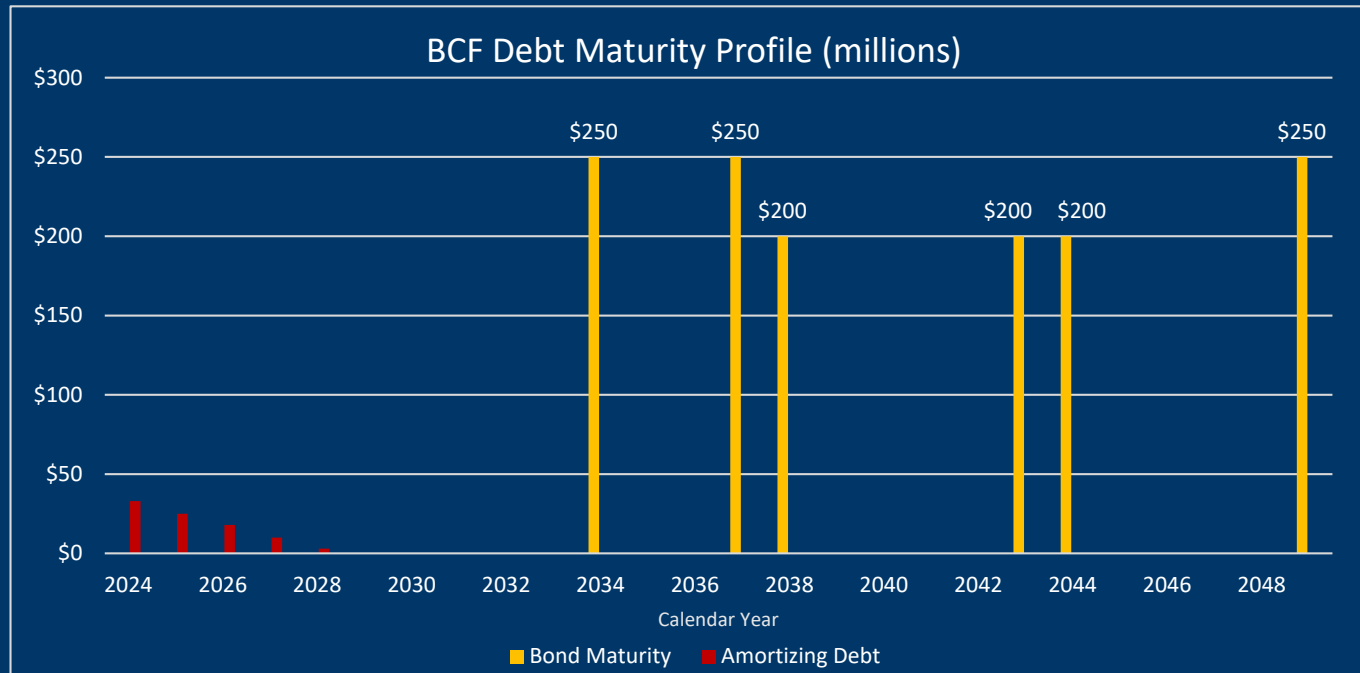


Financial Profile

CREDIT RATING

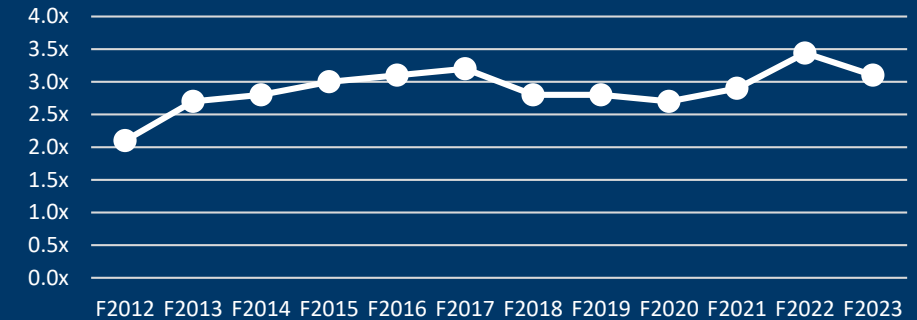
S&P: AA-, Stable Outlook (November 2022)

DBRS: A (high), Stable Trend (February 2023)



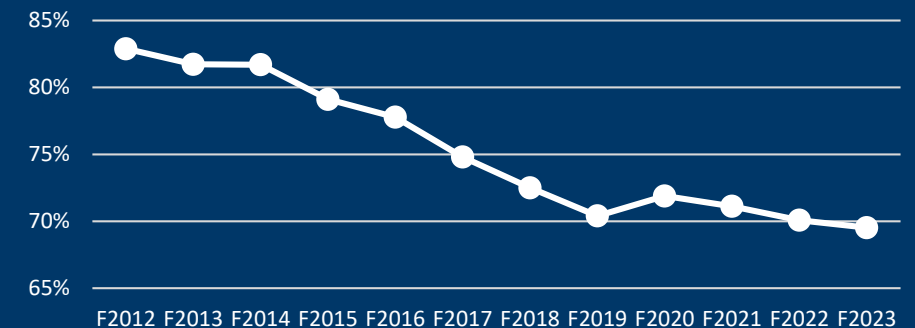
* Credit Facility Agreement, \$105 million
(4-year Revolver, undrawn)

Debt Service Coverage Ratio



12-mos. ending Jun. 30, 2023: **3.15X**

Debt To Capitalization Ratio



12-mos. ending Jun. 30, 2023: **69.1%**

Fiscal 2024 YTD Business Review



2.5M

Vehicles Q1 FY24
Highest ever for a Q1 period



3.0%

Tariff increase in April 2023



5.8M

Passengers Q1 FY24
Highest ever for a Q1 period



\$15M

Net earnings



22,568

Round trips



**Coastal Ferry Services Contract
amended for PT6**



Looking Forward

- **Improving the Customer Experience**
- **Increased vessel capacity to serve growing public demand**
- **Expanding fare choice options to shift traffic**
- **Technology improvements to support online food ordering and website functionality**
- **Employee development program for long term sustainability**





Continue to Focus On

- **Safe, reliable and efficient service – investing in our greatest asset – our employees**
- **Investing in our capital assets. Over the next 14 years there is a need to replace 13 vessels, 6 of these are the larger vessels on the major routes.**
- **Financial strength to support ongoing sustainability**

We will do that by:

- Building on the success of Fare Flexibility
- Transitioning to low cost, low carbon alternative energy
- Expanding the products and services we offer, diversifying revenue streams to increase net earnings from activities other than ferry travel
- Focusing on the management of controllable costs
- Selective about our investment and efficient with our spending

Questions?

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 **BC Ferries**



MV Northern Expedition