



THE
GOVERNMENT OF THE
TURKS & CAICOS ISLANDS

PROVIDENCIALES INT'L AIRPORT (PLS) REDEVELOPMENT PROJECT TECHNICAL, FINANCIAL AND LEGAL CONSULTANT

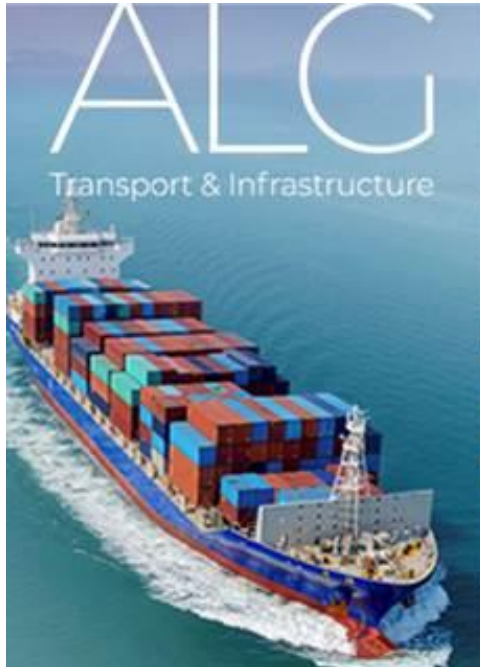
Stakeholder Session
20th July 2022



Who are we?

One-stop-shop strategy consulting firm specialized in aviation and air transport

Shaping excellence



Maritime

We identify opportunities to take advantage of global trade tendencies, cruise markets and marina concessions



Aviation

Working alongside our clients, we provide in-depth knowledge of the industry (airports, airlines, providers, air navigation and space)



Land transportation

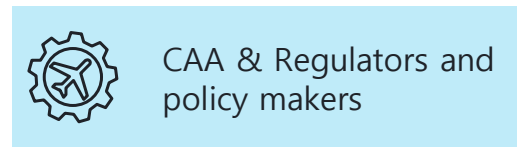
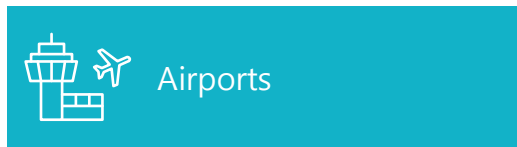
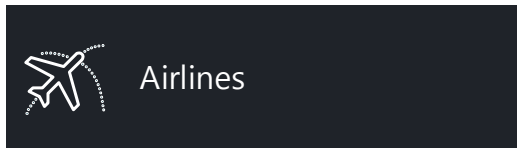
Top players in the highway & railway sectors and public transport authorities trust us to achieve more efficient and sustainable transport



Logistics

Constant innovation is our basis to design new strategies and modern logistics process

Strategy consulting firm specialized in aviation and air transport



ALG delivers business consulting for airports, airlines, civil aviation authorities, air navigation providers and related industries

Core assignments

- Policy & strategy
- Business planning
- Feasibility analysis
- Market research and traffic development plans
- Commercial
- PPP projects/ Transaction support
- Project structuring
- Infrastructure Planning and Development
- Master planning
- Operations
- Regulation & Safety
- Organization
- IT Strategy
- Performance monitoring
- Capacity building
- Green aviation
- CBAs (Cost Benefit Analysis)
- Digital transformation
- Advanced analytics
- innovation & technology blueprint
- Audit compliance support
- Project Management Office (PMO)

The project is the starting point to set the basis for the redevelopment of Providenciales International Airport

Objectives of the project

- Identify the investment requirements for Providenciales to:
 - Meet current and expected traffic
 - Operate in line with international best practices
 - Upgrade the airport infrastructure and equipment
- Leverage private sector investment and expertise to improve facilities and operations
- Increase quality standards and overall customer experience
- Position the airport in a manner consistent with Turks & Caicos as a premier destination in the Caribbean

Fundamentals



Asset ownership and regulatory control will remain with the Government



The project will evaluate several options up to financing, build and operations risks



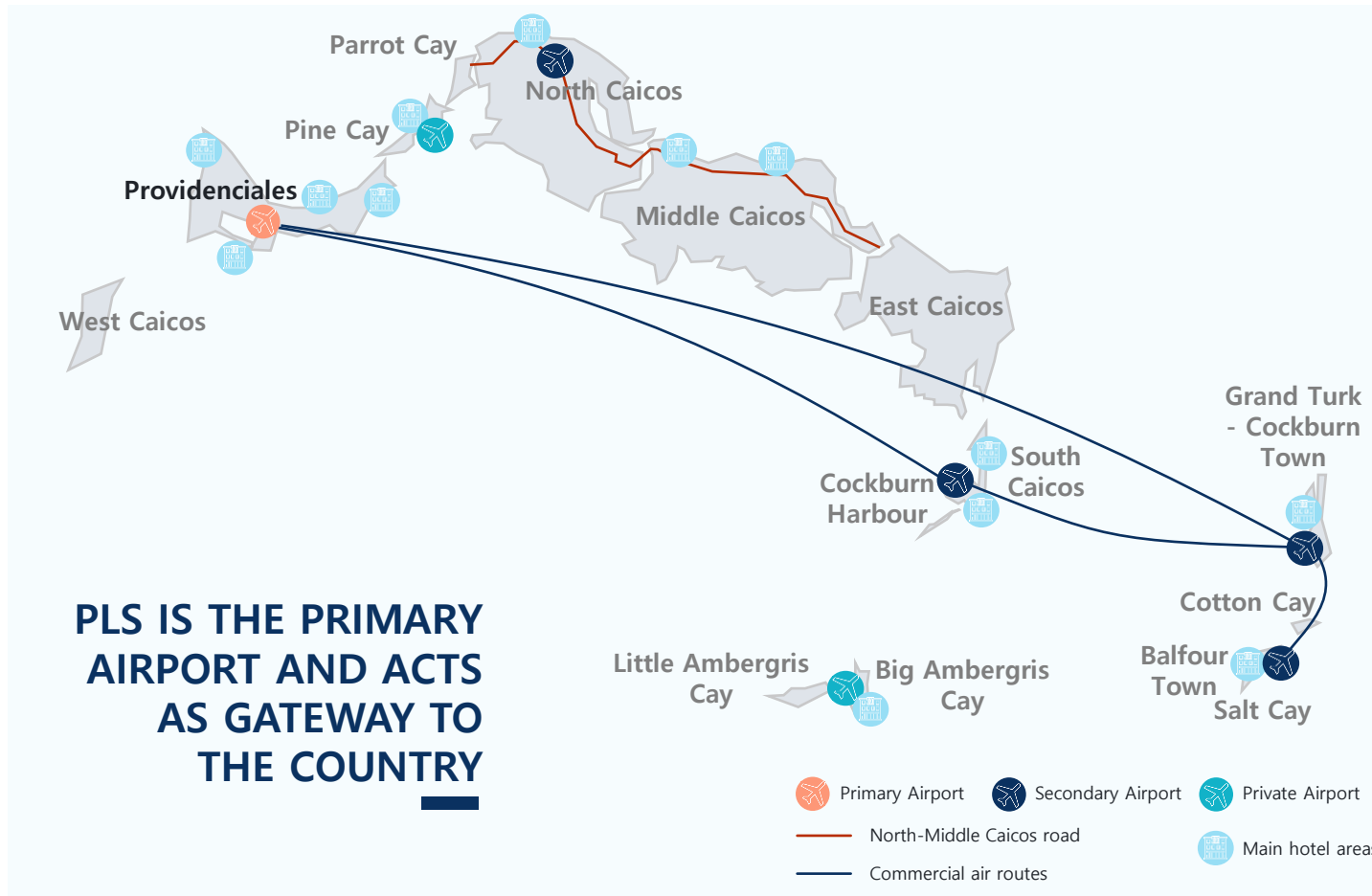
Private sector will support TCIAA to implement international best practices



What are the market dynamics in TCI?
What are the growth perspectives?

Turks & Caicos Islands, with an economy primarily based on tourism, has an airport network which eases the connectivity between the main tourist areas

Geographical and Socioeconomic Figures of Turks & Caicos Islands



Population:

44.542 inhab. (2020)

>50% located in Providenciales

Extension:

430 Km² (High water mark)

116.5 Km² North Caicos Island
 136.0 Km² Middle Caicos Island
 146.5 Km² East Caicos Island

GDP/capita:

US\$ 27.877 (2019)

GDP break down:

Agriculture: 0.5%

Industry: 8.9%

Services: 90.6%

Note: Pine Cay and Ambergris Cay aerodromes are privately owned

Source: Statistics Department of the Government of the Turks and Caicos Islands, World Bank, CIA, ALG analysis

Providenciales Airport is the gateway to the Turks & Caicos Islands connecting the country with the main tourism markets



PLS / MBPV

H14
 4E
 6m
 CAT 7



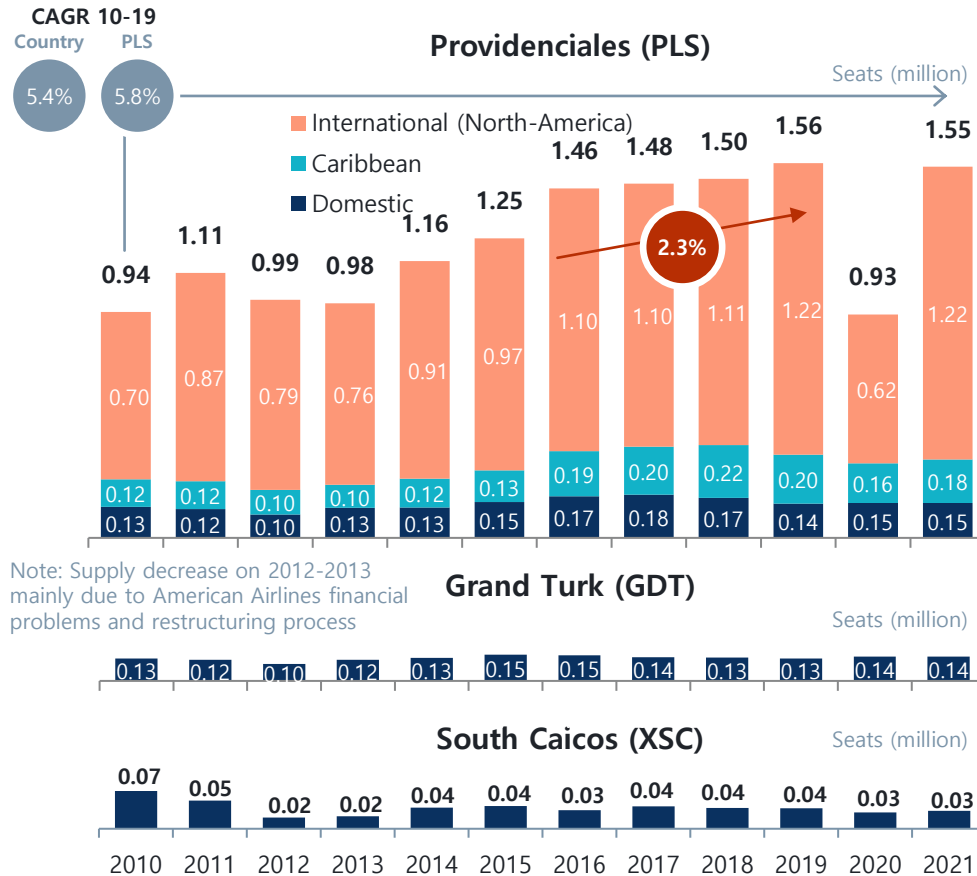
Annual passengers 2019	1.23 Mpax
International / Domestic	90%-10%
Annual ATMs 2019	40.4 kATMs
Annual Cargo	N/A
Terminal Building	92,322 ft ² / 0.9-1.2 Mpax*
Commercial Apron	9 code C + 3 code A/B stands
Airfield Capacity	~14 ATMs/h*
Characterization	International

Source: AIP (Partial), Google Earth, OAG, ALG Analysis

*Note: annual capacity of terminal / airfield estimated

Providenciales airport reached 1.6 million seats in 2021 almost recovering pre-COVID traffic levels after growing at a 5.8% CAGR during the last decade

Turks & Caicos Airports Commercial Seats Offer (Mseats) Turks & Caicos Airports Commercial ATMs ('000)



Note: Supply decrease on 2012-2013 mainly due to American Airlines financial problems and restructuring process

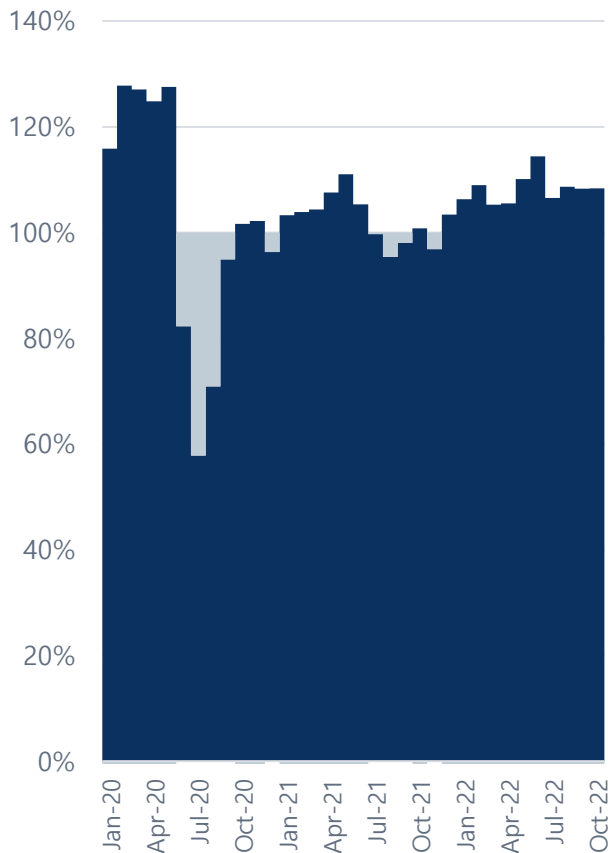
Source: OAG

Post-pandemic recovery has been strong on the international segment (dominated by American carriers), achieving 1.22 Mpax in 2021, however, domestic capacity has increased vs 2019

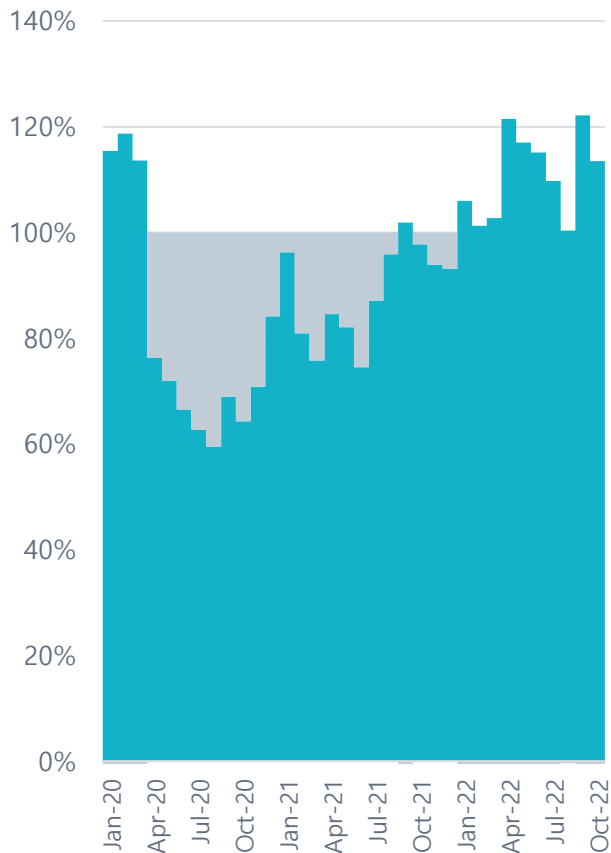
Seat supply from PLS airport to North America has already surpassed significantly 2019 volume, Caribbean and Dom also recovered

PLS airport monthly supply by segment vs. 2019

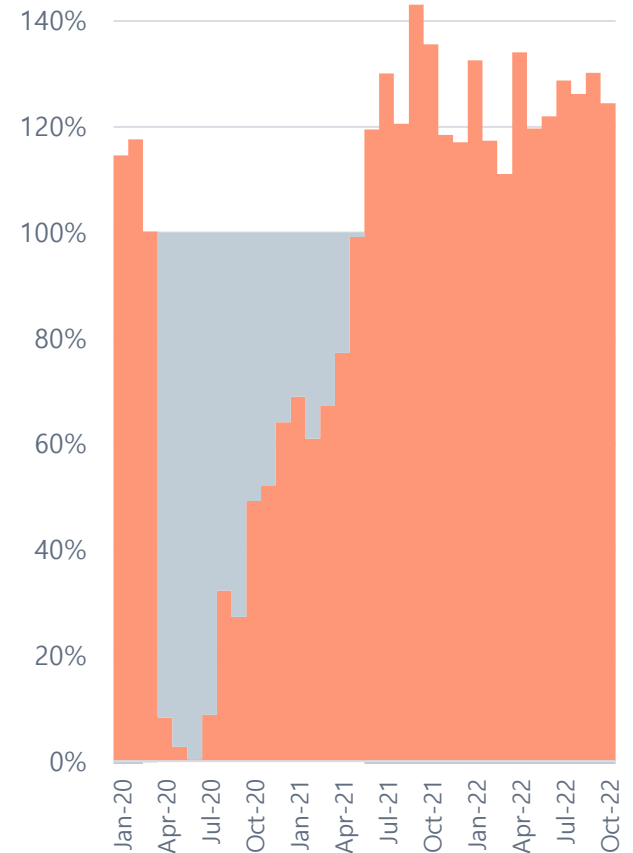
Domestic
(9% of total 2019 supply)



Caribbean
(13% of total 2019 supply)



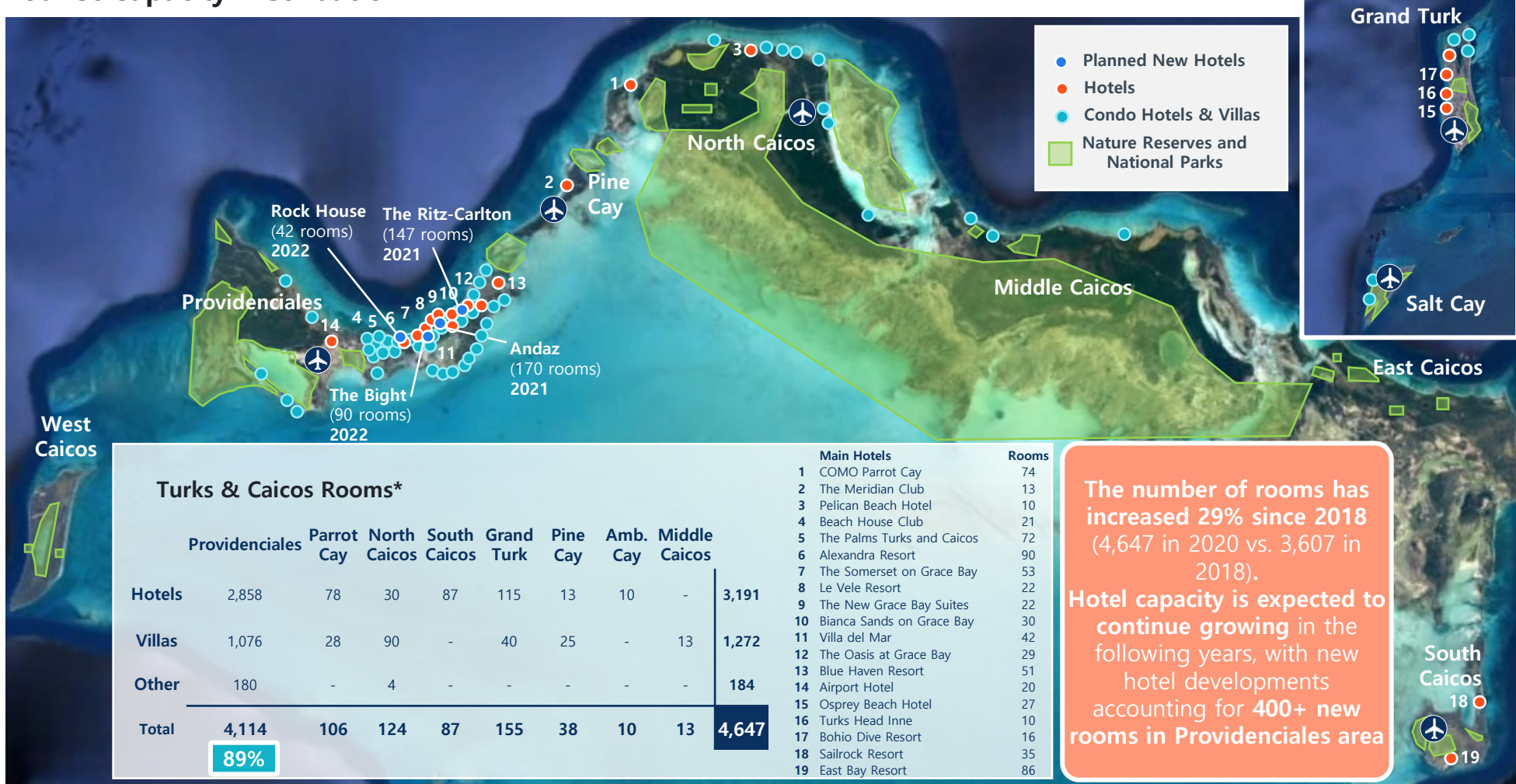
International (99% North America)
(78% of total 2019 supply)



Source: OAG, G1

Air traffic development at TCI will be strongly correlated with the capability to accommodate the tourists, the country has ~4,650 rooms officially registered

Tourist Capacity Distribution

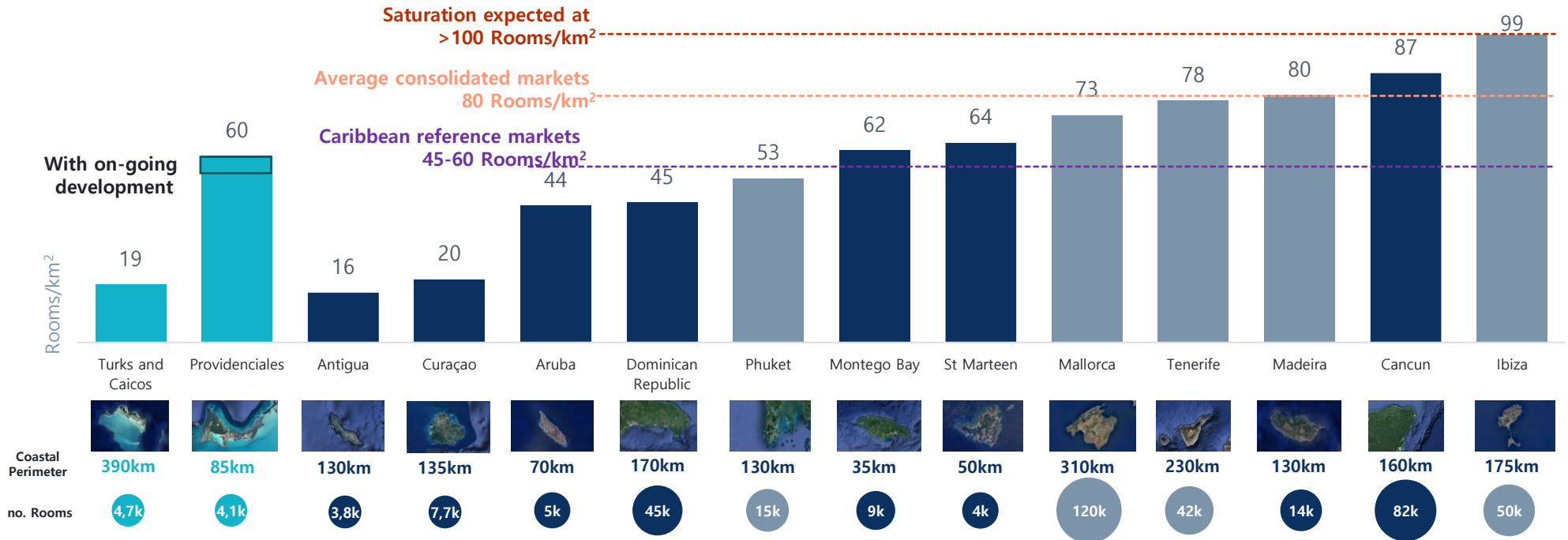


Source: Google Earth, National Parks Order Maps, 2020 Tourism Report, ALG Analysis

*Figures assuming 3 or 4 rooms per villa

Providenciales island has a hotel density comparable to other mature markets, but other islands seem to have room for a sustainable development

Hotel Rooms per Square Kilometer at Touristic Regions



- The benchmarking analysis reveals that at regions that start to saturate such as Ibiza or Cancun-Riviera Maya the hotel densities lie between 80 and 100 rooms per square kilometre, considerably higher than that of Turks and Caicos and that of Providenciales
- Providenciales rooms density is ~60 rooms/km², but in other islands rooms density is still low given that tourism accommodations are small in capacity but use large areas to provide clients with a nature-rich experience
- As the tourism sector grows, a density of up to 65 rooms/km² could be reached in Providenciales. Higher values would mean building large resorts as other mass touristic regions have done. Other island should keep vales below 20 rooms/km² to maintain the "exclusivity" experience, typical of high-yield tourism

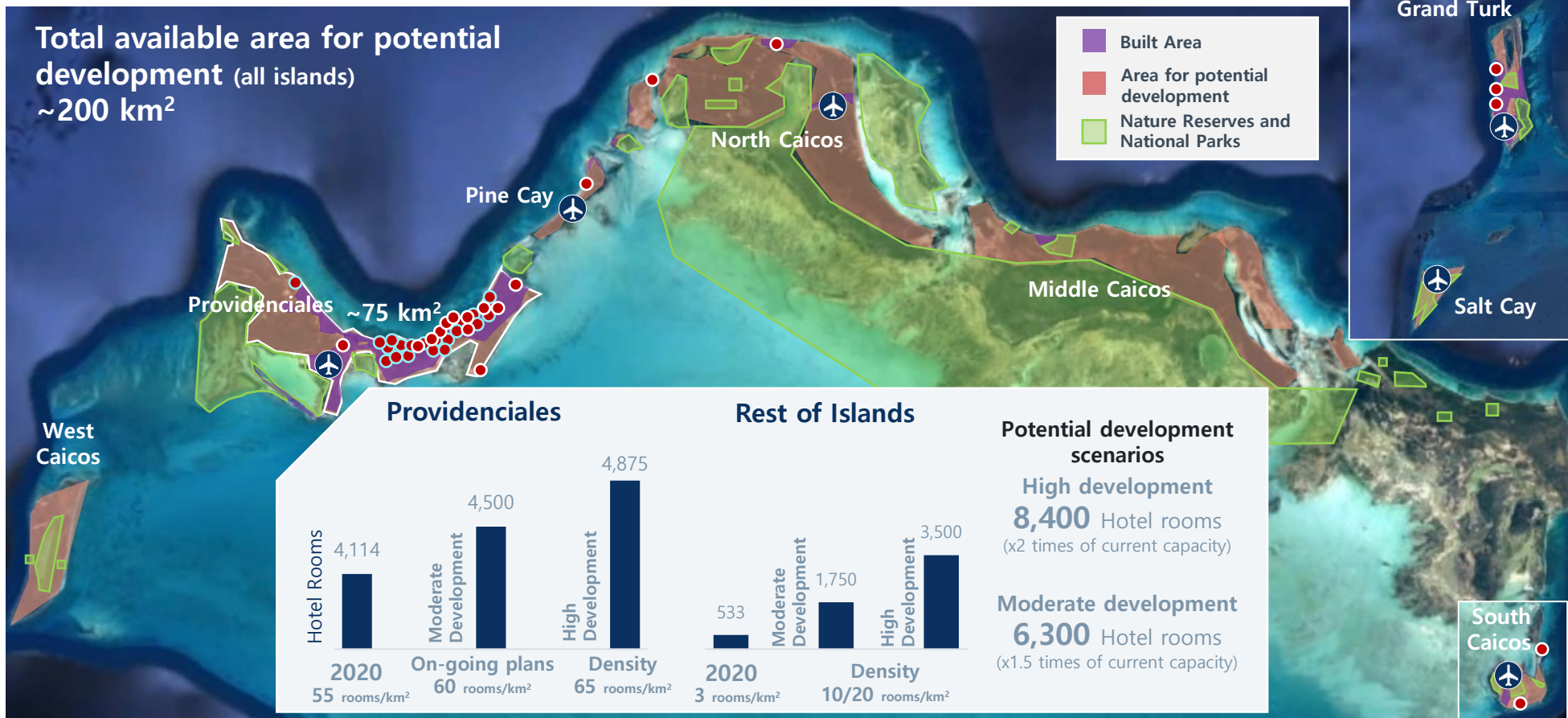
Note: The area considers the total area of the island except protected areas

Source: Google Earth, SEDETUR Mexico, ONE República Dominicana, JTB Jamaica, INE España, C9hotelworks, Gov. Madeira, OneCaribbean, The Worldk Bank data, ALG Analysis



Providenciales area could reach ~4,900 rooms and there is room for a sustainable hotel offer increase in the rest of the islands (up to ~3,500 rooms)

Land Available for Development



Source: Google earth, National Parks Order Maps, 2020 Tourism Report, ALG Analysis

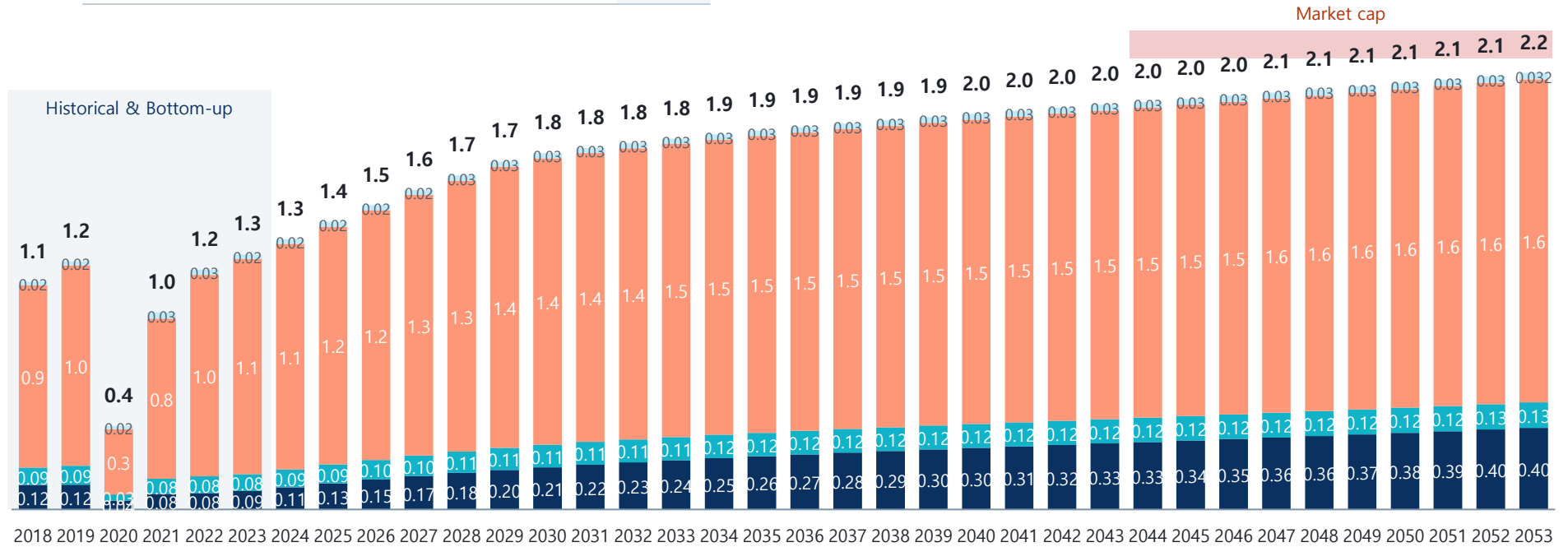
Domestic air transport must play a key role in the development of the tourism in the archipelago, facilitating the connectivity from Providenciales to the rest of the the islands

What is the expected demand
in PLS in the long term?

The traffic forecast estimates that PLS could reach up to 2.2 Mpax by 2053 growing at a CAGR of 1.8% (2023-2053)

PLS Traffic forecast (Mpax)

	CAGR '19-'23	CAGR '23-'30	CAGR '30-'40	CAGR '40-'53	CAGR '23-'53
Dom	-6.9%	12.6%	3.8%	2.2%	5.1%
Caribbean	-0.5%	4.2%	0.6%	0.5%	1.4%
International	1.8%	4.2%	0.6%	0.5%	1.4%
FBO	4.7%	1.8%	1.0%	0.9%	1.2%
Total	2.9%	4.9%	1.0%	0.8%	1.8%



Source: ALG analysis

ALG

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