



LAUNCHING POINT

2020 | Q4

YEAR AND STRATEGIC PLAN IN REVIEW



Launching Point Five-Year Strategic Plan in Review



Five years in today’s world seems like a lifetime ago. We at CVG knew it was time for bold leadership through the debut of a new strategic plan. *Launching Point* became our guide to grow the airport business. We are proud to have achieved incredible progress in enacting our vision to create an unforgettably positive travel experience at CVG. We also feel confident that we’re living our mission to be the airport of choice to work for, fly from and do business with.

Prior to the pandemic, passenger volumes increased 45%. Through 2020, cargo tonnage increased by 77%. We grew to 14,000 employees across the airport campus and saw a 75% increase in our annual economic impact. Old facilities came down. New developments have been built, and more are soon to be completed.

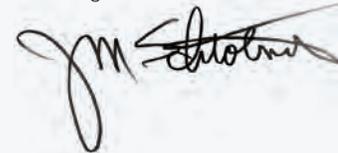
We continue to adapt and evolve, but our *Launching Point* strategic plan has been our focus—our guide to navigate through both good and challenging times. As we mark the end of this strategic plan, we look forward to a new chapter for CVG: the recovery from a pandemic that we are confident will see us rebound to a stronger position for the benefit of our community and region.

You will soon learn more about our new strategic plan, *New Heights*. Our proven record of success gives us confidence that we will secure future opportunities for growth and success. For now, we invite you to read through the pages that follow. It is good to see what we have accomplished in five years—together. Our success would not be possible without the community, and, for that, we will always be grateful.



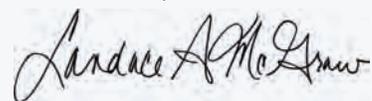
J. MICHAEL SCHLOTMAN
Board Chair

Retired CFO
The Kroger Co.



CANDACE MCGRAW
CEO

Cincinnati/Northern Kentucky
International Airport





Take Flight

PLAN GOAL:
9.4 million passengers
by 2021

ACHIEVEMENT:
9.1 million passengers

Flight is at the heart of what we do, and over the last five years we have broken records for both passenger and cargo operations. Our passenger goal was to serve 9 million annual passengers by 2021. When we nearly surpassed that goal in 2018, we decided to stretch ourselves to serve 9.4 million passengers by 2021. Our plans didn't account for a pandemic, but with the massive air service growth, including the air cargo boom we've experienced, we are well-positioned to recover.

Some air service highlights include:

- Increased number of airlines and tour operators serving CVG to 11:
 - Southwest began service in 2017
 - Alaska announced service in 2020 to begin in 2021
- Increased number of nonstop destinations served from CVG on an annual or seasonal basis to more than 50.
- Each airline serving CVG added and/or expanded flight offerings. Seat capacity increased 40%.
- Increased passenger traffic by 44%.
- Lowest fares in CVG's history for multiple years. Passengers on average are saving \$250 per ticket versus five years ago.
- Increased cargo tonnage by 77%.



Propel Community

PLAN GOAL:
\$5.5 billion annual
economic impact by 2021

ACHIEVEMENT:
\$6.8 billion annual economic
impact study in 2019
(based on 2018 information)

CVG has always been a regional jobs hub. That status has been solidified since 2015. With all the growth and activity at the airport, CVG's annual economic impact, as of 2018, has increased 75% to \$6.8 billion. We are proud to support more than 47,000 direct and indirect jobs, a figure which has increased 54% since 2015.

A key step in these efforts was the creation of the CVG Strategic Workforce Collaborative (SWC) in 2018. CVG led the effort to convene 70+ airport campus employers to meet regularly and collaborate on best employment practices. Collectively supporting more than 14,000 badged employees on campus, this group of campus leaders has continued to engage to develop a thriving airport community.

A major initiative of the SWC was the development of an online job portal, which brings all airport job openings together in one place. Jobs.CVGairport.com went live in July 2019 and continues to expand the number of posted openings. This resource is complemented by the CVG Career Center, an office of the Kentucky Career Center, which reopened in the Terminal in 2019.





PLAN GOAL:

350 acres of airport land leased for development by 2021

ACHIEVEMENT:

267 acres, distinct from the 900 acres leased to Amazon

A hallmark of this strategic plan has been to grow and diversify the business of the airport. More than 150 acres of airport land have been developed since 2016, an increase of nearly 143%. Thousands of new jobs have been created and have had a positive impact on our region's economy.

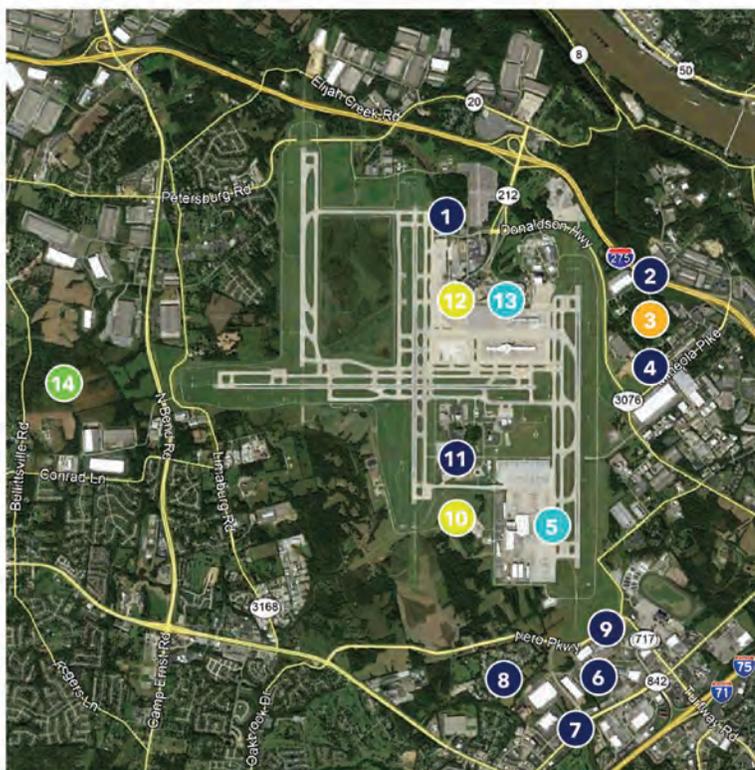
In early 2017, Amazon announced it would invest \$1.5 billion to develop its primary North American air cargo hub, which remains on track for initial opening in late 2021.

In addition to Amazon's investment, CVG has continued to support the growth of DHL, which operates its second-busiest global super hub at the airport. DHL has invested hundreds of millions in its facilities at CVG since 2015, and its employee count has increased 75% since that time.

Altogether, DHL, Amazon, FedEx and others have helped CVG ascend the rankings to become North America's 7th largest cargo airport in 2020.

Both aviation-related developments and non-aeronautical investments have helped keep airport costs low, ensuring CVG is a competitive place to do business. We are proud to have one of the lowest costs per enplanement (CPE) of our regional peers, and we are committed to this business philosophy.

CVG's approach and business successes were just a few reasons the Boyd Group International selected CVG and Cincinnati to host its 25th International Aviation Forecast Summit in October 2020. Aviation leaders from across the globe came to the region in-person and virtually to discuss the industry's future. Apart from being one of the first safe, in-person conferences to be held during the pandemic, CVG hosting this conference offered new opportunities to continue growing our business in the years to come.



- 1 Aeroterm Common Use Cargo/FedEx
- 2 Warehouse Distribution Facility
- 3 GE Aviation - 1
- 4 Wayfair Warehouse
- 5 DHL Air Hub
- 6 Wayfair Outlet & Warehouse
- 7 GE Aviation - 2
- 8 DB Schenker Warehouse
- 9 Bosch Automotive
- 10 Amazon Air Hub
- 11 FEAM Aircraft Maintenance Hangar
- 12 CVG Rental Car Facility
- 13 CVG Passenger Terminal/Concourses
- 14 Planned Development with Paul Hemmer Company - Multi-Use Development

● New business on campus since 2016
 ● Update to facility since 2016
● To be completed in 2021
 ● Ongoing development



PLAN GOAL:

Demolish functionally obsolete terminal facilities and build a state-of-the-art rental car facility to be completed in 2021.

ACHIEVEMENT:

Old facilities demolished. New roadway system and new garage entrance/exit completed in 2019. Rental car facility on track for completion in 2021.

Beyond more flight options and lower fares, our focus on ensuring safety and security—and delivering outstanding service—are critical pieces in bringing travelers back time and again. We are proud to have received exemplary inspection results by both TSA and FAA over the last five years. Additionally, CVG remains the only airport to have received DHS’s SAFETY Act certification and designation.

One major objective over the last five years has been to demolish functionally obsolete facilities and build a state-of-the-art consolidated rental car facility. In 2016, we demolished Terminals 1 and 2, as well as Concourse C, and shortly after updated the entrance roadway to make way for the new rental car facility, which will open in 2021. The main Terminal was modernized in 2017 with floor-to-ceiling upgrades and a renovated ground transportation center.

Overall, there have been billions of dollars in improvements made over the five years of the Launching Point strategic plan, including other airport projects and those completed by our tenants.



PLAN GOAL:

Airport Service Quality (ASQ) ranking superior to peer airports by 2021.

ACHIEVEMENT:

CVG increased our ASQ ranking amongst peer airports.

Redefining who we are was a guiding light throughout the course of this strategic plan. We knew if we were going to differentiate ourselves, we needed to go beyond and have been recognized as an industry leader in airport service quality and innovation. In fact, we stood up an entirely new Innovation Department and launched dozens of pilot programs with startups and local companies.

For seven of the last nine years, CVG has been recognized as the Best Regional Airport in North America by Skytrax, lauding our customer service and innovative solutions. A reflection of this was through various technologies implemented to enhance the travel experience, including Taskwatch, a wearable that alerts housekeepers when a restroom needs attention and Losant, an enterprise IoT platform that gathers real-time data to communicate wayfinding information for travelers and workplace efficiencies for employees.



And in 2017, we focused on connecting our passengers with local flavors, zeroing in on shops and restaurants that represented our unique regional attributes. More than 20 restaurants and concessions were improved, added or began to be developed.

All of this work has led CVG to a top ranking among our peers in 2019 for Airport Service Quality (ASQ). In response to the pandemic in 2020, CVG is proud to have earned the global Airport Health Accreditation from Airports Council International. This means that CVG has met global cleanliness standards to go above and beyond for travelers. Through good times and challenging ones, our team’s focus has been to create an unforgettably positive travel experience, and we’re proud to continue delivering on that promise.

