

AÉROPORTS DE MONTRÉAL ANNOUNCES ITS RESULTS FOR THE THIRD QUARTER OF 2016

Montréal, October 21, 2016 — Aéroports de Montréal (ADM) today announced its consolidated operating results for the three- and nine-month periods ended September 30, 2016. These results are accompanied by data on passenger traffic at Montréal–Pierre Elliott Trudeau International Airport and by aircraft movements at both Montréal-Trudeau and Montréal–Mirabel international airports.

Highlights

Montréal–Trudeau set new passenger records for both periods, with 4.9 million passengers enplaned/deplaned in the third quarter, an increase of 9.8% over the same quarter a year ago, and 12.8 million passengers for the nine months ended September 30, 2016, up 6.8% over the same period of 2015. All three sectors – domestic, transborder (U.S.) and international – contributed to this sustained growth.

EBITDA (excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment of property and equipment) totalled \$80.9 million for the third quarter of 2016, a rise of \$11.7 million, or 16.9% over the same year-ago quarter. EBITDA for the nine months ended September 30, 2016, reached \$200.3 million, up \$18.7 million, or 10.3%, against the corresponding 2015 period.

The Corporation invested a total of \$84.7 million in the third quarter and \$178.8 million for the nine months of 2016 (compared with \$75.2 million and \$165.0 million respectively in 2015). Investments in the airports were financed by cash flows from operating activities, including cumulative airport improvement fees (AIFs) of \$127.1 million in 2016 (\$121.8 million net of fees collected for the airlines).

Financial results

Consolidated revenues amounted to \$148.8 million for the third quarter, an increase of \$16.5 million, or 12.5%, over the same 2015 quarter. Accumulated revenues as at September 30, 2016, rose by \$30.3 million, or 8.1%, reaching \$402.2 million compared with \$371.9 million for the nine months of 2015. This improvement is mainly attributable to the growth of passenger traffic and higher revenues from commercial activities.

Operating costs for the quarter under review were \$41.2 million, up \$2.3 million, or 5.9%, over the corresponding 2015 period. Operating costs for the nine months ended September 30, 2016, rose by \$6.5 million, or 5.3%, to \$128.0 million from \$121.5 million for the same period a year earlier. This variance is due to the annual increase in salaries and benefits, as well as certain operating expenses.

Transfers to governments (payments in lieu of municipal taxes [PILT] and rent paid to Transport Canada) reached \$26.7 million for the third quarter of 2016 (\$24.2 million for the 2015 period) and \$73.9 million for the nine months ended September 30, 2016 (\$68.8 million for the 2015 period), representing more than 18% of the Corporation's total revenues.

Depreciation of property and equipment amounted to \$30.7 million for the quarter, an increase over the prior-year period of \$2.9 million, or 10.4%. Depreciation of property and equipment for the nine months ended September 30, 2016, was \$89.1 million, an increase of \$6.9 million, or 8.4%, over the corresponding period of 2015. This rise is mainly attributable to the commissioning of projects completed during 2015 and the expansion of the international jetty in May 2016.

Financial expenses rose to \$25.1 million for the quarter under review, up \$1.4 million, or 5.9%. Cumulative financial expenses as at September 30, 2016, rose by \$5.3 million, or 7.8%, to \$73.3 million. This increase is due mainly to higher financial expenses related to the issuance of Series M revenue bonds in June 2015 and by the decrease in capitalized financial expenses for work in progress.

The third quarter ended September 30, 2016, produced an excess of revenues over expenses of \$25.1 million, compared with \$8.7 million for the corresponding quarter a year earlier, an increase of \$16.4 million. For the nine months ended September 30, 2016, the excess of revenues over expenses was \$37.9 million, up \$15.5 million, or 69.2%, over the \$22.4 million reported for the same period of 2015.

Financial highlights

(in millions of dollars)	Third quarter			Cumulative as at September 30		
	2016	2015	Variance (%)	2016	2015	Variance (%)
Revenues	148.8	132.3	12.5	402.2	371.9	8.1
Operating expenses	41.2	38.9	5.9	128.0	121.5	5.3
Payments in lieu of municipal taxes (PILT)	10.8	10.3	4.9	31.8	30.3	5.0
Rent paid to Transport Canada	15.9	13.9	14.4	42.1	38.5	9.4
Depreciation of property and equipment	30.7	27.8	10.4	89.1	82.2	8.4
Impairment of property and equipment	-	9.0	(100.0)	-	9.0	(100.0)
Financial expenses (net)	25.1	23.7	5.9	73.3	68.0	7.8
Total expenses	123.7	123.6	0.1	364.3	349.5	4.2
Excess of revenues over expenses	25.1	8.7	188.5	37.9	22.4	69.2
EBITDA	80.9	69.2	16.9	200.3	181.6	10.3

EBITDA is a financial measurement that is not recognized by International Financial Reporting Standards (IFRS) and is therefore unlikely to be comparable to similar measures presented by other corporations. EBITDA is defined by the Corporation as the excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment of property and equipment. EBITDA is used by management as an indicator to evaluate ongoing operational performance. It is meant to provide additional information and should not be considered as a substitute for other performance measurements prepared in accordance with IFRS.

Passenger traffic

Total passenger traffic at Montréal–Trudeau for the third quarter of 2016 was up by 9.8%, to 4.9 million passengers enplaned/deplaned. Domestic traffic rose by 13.3%, international traffic by 8.4%, and transborder (U.S.) traffic by 6.5% over the year-earlier quarter. For the nine months of 2016, traffic at Montréal–Trudeau was up by 6.8% over the corresponding 2015 period, to 12.8 million passengers.

Total passenger traffic*

Aéroports de Montréal			
	2016	2015	Variance
January	1,267,976	1,216,277	4.3%
February	1,226,775	1,146,488	7.0%
March	1,371,820	1,317,448	4.1%
1st quarter	3,866,571	3,680,213	5.1%
April	1,237,382	1,218,201	1.6%
May	1,313,208	1,236,588	6.2%
June	1,449,876	1,362,287	6.4%
2nd quarter	4,000,466	3,817,076	4.8%
July	1,713,564	1,550,819	10.5%
August	1,746,695	1,604,271	8.9%
September	1,462,134	1,327,826	10.1%
3rd quarter	4,922,393	4,482,916	9.8%
Total at September 30	12,789,430	11,980,205	6.8%

*Note: Total passenger traffic includes revenue and non-revenue passengers.

Source: Aéroports de Montréal, preliminary figures

Aircraft movements

Total aircraft movements at both ADM airports rose by 1.5% in the third quarter of 2016, to 64,758, against 63,809 movements for the same 2015 quarter. For the nine months of the year, aircraft movements rose by 2.6% over the corresponding period a year earlier, to 181,021 from 176,460.

About Aéroports de Montréal

Aéroports de Montréal is the local airport authority that has been responsible for the management, operation and development of Montréal–Trudeau and Montréal–Mirabel international airports since 1992. The Corporation employs 625 people at both airports and at head office. ADM has been ISO 14001 certified since 2000 and BOMA BEST certified since 2008.