

FINANCIAL REPORT SUMMARY

This Aéroports de Montréal financial report presents the audited consolidated operating results for the year ended December 31, 2017. These results are accompanied by data on passenger traffic at Montréal-Trudeau International Airport.

Highlights

The number of passengers at Montreal-Trudeau reached a new milestone in 2017: 18.2 million, or 9.5% more than in 2016. The three sectors - domestic, transborder and international - all contributed to the sustained growth.

EBITDA (excess of revenues over expenses before financial expenses, taxes and depreciation of property and equipment) was \$281.9 million for the fiscal year ended December 31, 2017, an increase of \$27.7 million, or 10.9%, compared with 2016.

The Corporation invested a total of \$229.4 million in 2017 (\$254.8 million in 2016). Investments in the airports were financed by cash flows from operating activities, including airport improvement fees.

Financial results

Consolidated revenues were \$579.7 million in 2017, an increase of \$52.5 million, or 10.0%, compared with 2016. This improvement is mainly attributable to higher passenger traffic and increased revenues from commercial activities.

Operating expenses for the year under review were \$196.2 million, an increase of \$19.4 million, or 11.0%, over the previous year. This variance is mainly due to increased operational costs namely those related to the planning of future projects, the commissioning of the expansion of the international jetty in May 2016, the improvement of international arrivals services, including the opening of a new connections centre, winter conditions and security measures.

Transfers to governments (payments in lieu of municipal taxes and rent paid to Transport Canada) totalled \$101.6 million in 2017 (\$96.2 million in 2016), representing almost 18% of the Corporation's total revenues.

Depreciation of property and equipment amounted to \$139.1 million in 2017, an increase of \$18.4 million, or 15.2%, over 2016. This increase is mainly attributable to the commissioning of projects completed during 2016 and 2017, including the expansion of the international jetty in May 2016.

Financial expenses rose from \$97.7 million in 2016 to \$103.1 million in 2017, an increase of \$5.4 million, or 5.5%. This variance is mainly due to higher interest expense following the issuance of the Series N bonds in April 2017, net of interest income generated by surplus cash.

The year ended December 31, 2017 produced an excess of revenues over expenses of \$39.7 million compared to \$35.8 million in fiscal 2016, an increase of \$3.9 million, or 10.9%.

	Fiscal years ended December 31		
(in millions of dollars)	2017	2016	Variance (%)
Revenues	579.7	527.2	10.0
Operating expenses	196.2	176.8	11.0
Payments in lieu of municipal taxes	40.2	41.3	(2.7)
Rent paid to Transport Canada	61.4	54.9	11.8
Depeciation of property and equipment	139.1	120.7	15.2
Financial expenses (net)	103.1	97.7	5.5
Total expenses	540.0	491.4	9.9
Excess of revenues over expenses	39.7	35.8	10.9
EBITDA	281.9	254.2	10.9

EBITDA is a financial measurement that is not recognized by International Financial Reporting Standards (IFRS). It is therefore unlikely to be comparable to similar measures used by other entities that are not airports. EBITDA is defined by the Corporation as the excess of revenues over expenses before financial expenses, taxes, and depreciation of property and equipment. It is used by management as an indicator to evaluate operational performance. EBITDA is meant to provide additional information and is not intended to replace other performance measures prepared under IFRS.

Passenger traffic

During the fourth quarter of 2017, total passenger traffic at Montréal-Trudeau increased by 9.5% to 4.1 million. International traffic was up by 12.5%, domestic traffic rose 7.1%, and transborder (United States) traffic climbed by 9.3% compared to the same quarter last year. For fiscal 2017, Montréal-Trudeau's traffic totalled 18.2 million passengers, an increase of 9.5% over 2016.

Total passenger traffic*

Aéroports de Montréal ('000)			
	2017	2016	Variance
January	1,347.9	1,261.5	6.8%
February	1,262.3	1,225.1	3.0%
March	1,490.0	1,370.3	8.7%
1 st quarter	4,100.2	3,856.9	6.3%
April	1,449.4	1,238.7	17.0%
May	1,410.4	1,313.1	7.4%
June	1,601.8	1,448.3	10.6%
2 st quarter	4,461.6	4,000.1	11.5%
July	1,912.2	1,718.3	11.3%
August	1,970.4	1,771.5	11.2%
September	1,591.4	1,471.0	8.2%
3 ^{re} quarter	5,474.0	4,960.8	10.3%
October	1,490.4	1,364.7	9.2%
November	1,236.6	1,128.4	9.6%
December	1,402.2	1,278.2	9.7%
4 th quarter	4,129.2	3,771.3	9.5%
Total	18,165.0	16,589.1	9.5%

**Note: Total passenger traffic includes revenue and non-revenue passengers and the variance is based on non-rounded numbers.*

Source: Aéroports de Montréal, preliminary results