

ADM Announces Exceptional Measures to Ensure Continued Airport Operations

Montréal, April 16, 2020 – As the COVID-19 pandemic continues to hit all countries hard, the airport industry is not being spared, with an unprecedented and unexpected drop in passenger traffic. ADM Aéroports de Montréal, like other Canadian airports, is therefore taking extraordinary measures to ensure the survival of its airport sites, which are important engines of economic development for the city and Québec as a whole. At the same time, it is continuing to work with public health organizations and air carriers to facilitate the final safe repatriation of travellers and to enable essential travel in Canada and abroad.

While it is impossible to accurately predict the full impact of COVID-19, ADM is nevertheless working to make forecasts about the decline in passenger traffic based on the information currently on hand. For example, it expects that the numerous flight cancellations will have the following repercussions:

- The number of travellers is expected to decrease by a minimum of 80% in the second quarter of 2020 (April-June) compared with the previous year.
- A loss of revenue of approximately 35% (\$250 million) is projected compared to what had been anticipated for 2020. The drastic drop in passenger volumes is having an impact on both airport improvement fee revenues and aeronautical revenues. Non-aeronautical revenues from commercial and parking operations are also being impacted. At the same time, some costs have increased, such as those related to more frequent cleaning and disinfection of the airport terminal building.

A budget review exercise has been carried out in light of these forecasts. The financial strategy is based on three objectives: to maximize cost reduction; to reduce the capital projects budget to a bare minimum by focusing on projects that safeguard key assets; and to adjust the workforce to provide essential services to fewer and fewer passengers and users.

Transport Canada's announcement of a [10-month rent waiver](#) offers a welcome temporary relief for ADM, but the amounts freed up - approximately \$38 million - are not sufficient to preserve the organization's sustainability and other measures need to be taken.

Exceptional measures to be deployed in the short term include the following:

- The closure of runway 06G-24D, the aeroquay building, and approximately one third of the gates in the various jetties of the terminal.
- A 45% reduction in the capital budget, leading to the partial or complete halt of many construction projects. Projects that maintain safe and functional facilities, as well as those that are strategically more cost-effective to complete this year, are the only ones that will continue.
- A total review of the cityside program. ADM will focus on one priority, that of advancing the REM station.
- The elimination of professional and consulting expenses and the adjustment of contracts for external outsourcing resources to bring the services provided in line with passenger traffic.

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- A 20% salary reduction for senior management and directors and 10% for members of the management team.
 - Cancellation of salary increases for non-unionized employees.
 - The full use of the Canada Emergency Wage Subsidy Program, which will compensate a portion of the salaries of approximately one-third of ADM's employees who hold positions considered "non-essential" in the current context. Although they will not be required to provide full work performance, they will maintain their employment relationship for the duration of the program.

"ADM needs to make difficult decisions that will allow it to continue to manage its assets responsibly," said Philippe Rainville, President and CEO of ADM Aéroports de Montréal. "The assistance received from the federal government through the Emergency Wage Subsidy Program is helping to ensure the maintenance of quality jobs for our workforce and we are extremely grateful for this. I would like to thank ADM employees and union partners who have agreed to make a collective effort on their overall compensation to avoid layoffs."

Mr. Rainville concluded: "While no one can speculate on what the future holds, one thing remains unchanged: the remarkable dedication and mobilization of our employees and all industry players will be demonstrated more than ever as soon as airplanes are able to start landing and taking off again from YUL in Montréal. The wellbeing of the entire community and our economy depends on it."

About Aéroports de Montréal

ADM Aéroports de Montréal is the airport authority for the Greater Montréal area responsible for the management, operation and development of YUL Montréal-Trudeau International Airport and YMX International Aerocity of Mirabel.

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