

ADM ANNOUNCES ITS FINANCIAL RESULTS AT JUNE 30, 2021

Montréal, August 10, 2021 – ADM Aéroports de Montréal today announced its consolidated operating results for the six months ended June 30, 2021. These results are accompanied by passenger traffic data for YUL, Montréal-Trudeau International Airport.

Highlights

Passenger volumes at YUL totalled 475,557 passengers during the second quarter of 2021, an increase of 187.9% compared with the same period in 2020 and a decrease of 90.5% compared with 2019. For the six months ended June 30, 2021, passenger traffic was 911,857 passengers, down 78.6% from the same semester in 2020 and down 90.6% from the same period in 2019.

EBITDA (the excess of revenues over expenses before financial expenses, taxes and depreciation and impairment of property and equipment and share of results of a joint venture) was negative \$0.7 million for the three months ended June 30, 2021, an improvement of \$25.3 million, or 97.5%, compared with negative EBITDA of \$26.0 million for the corresponding period in 2020. For the semester ended June 30, 2021, EBITDA was negative \$11.5 million, a decrease of \$59.0 million, or 124.2%, compared with the corresponding six months in 2020.

ADM's capital investments, reduced to the essentials, were \$12.5 million in the second quarter of 2021 and \$30.3 million for the first six months of 2021 (\$55.4 million and \$160.3 million, respectively in 2020). The investments at YUL and YMX were funded by long-term debt.

Quote

“The results for the second quarter of 2021 are just as dismal as those for the previous period. However, the recent opening of Canadian borders to fully vaccinated US travellers gives us hope for the future. In August, we expect to recover about 30% of 2019 passenger traffic. As our teams prepare to welcome back international visitors in mid-September, there is a sense of excitement at YUL Montréal-Trudeau International Airport that, while not comparable to the frenzy of the great pre-pandemic summer seasons, has been greatly missed. In the coming weeks, we will be continuing to work with our valued partners to improve our processes and ensure our passengers can arrive safely in our city despite the current situation,” said Philippe Rainville, President and CEO of ADM Aéroports de Montréal.

Financial results

The impact of the COVID-19 pandemic began to be felt in early March 2020 until the air transport sector came to a virtual standstill in the second quarter of 2020. Consequently, results for the first half of 2021 are lower than for the corresponding period of 2020.

Consolidated revenues for the second quarter of 2021 were \$44.2 million, an increase of \$16.1 million, or 57.8%, over the same period in 2020 when the pandemic had a major negative impact on the airline sector. Cumulative revenues to June 30, 2021 were \$83.3 million, a decrease of \$93.6 million, or 52.9%, compared with 2020. This is a result of the travel restrictions imposed in many countries since March 2020 due to the pandemic and the strategy put in place in Canada to manage it.

Operating expenses for the quarter under review were \$32.1 million, a decrease of \$8.6 million, or 21.2%, compared with the same period in 2020. For the six months ended June 30, 2021, operating expenses decreased by \$33.8 million, or 32.9%, from \$102.7 million to \$68.9 million. ADM implemented significant operating cost reduction measures, including those related to reduced airport activities and the temporary closure of certain areas of the terminal building. In addition, ADM continues to take advantage of the Canada Emergency Wage Subsidy program, which was implemented in March 2020.

Transfers to governments (payments in lieu of taxes to municipalities and rent to Transport Canada) remained relatively stable at \$12.8 million for the quarter under review and \$25.9 million for the first six months of 2021 (\$13.4 million and \$26.7 million, respectively, in 2020). However, the 2021 rent payment to Transport Canada is deferred and will be payable over a ten-year period beginning in 2024.

Depreciation and impairment of property and equipment and right-of-use assets were \$41.3 million in the three months ended June 30, 2021, an increase of \$2.3 million, or 5.8%, over the same period last year. These charges totalled \$81.7 million in the first half of 2021, an increase of \$4.1 million, or 5.2%, over the first semester of 2020. This increase is primarily due to the commissioning of new assets.

Net financial expense totalled \$32.9 million in the second quarter of 2021, up \$7.3 million, or 28.6%, from the same period the previous year. Cumulative net financial expenses as at June 30, 2021 totalled \$65.3 million compared to \$48.8 million, an increase of \$16.5 million, or 33.9%. The increase in net finance expenses was primarily due to higher interest expense as a result of the April 2020 and April 2021 Series R and S bond issues, respectively, as well as costs associated with the consent process completed in March 2021 with bondholders.

For the three months ended June 30, 2021, the deficiency of revenues over expenses was \$74.5 million, an improvement of \$16.2 million, or 17.9%, over the deficiency of \$90.7 million for the same period in 2020. As at 30 June 2021, the deficiency of revenues over expenses was \$158.0 million, a deterioration of \$79.2 million compared to the same period in 2020.

The % variance in this table are calculated with results in thousands

(in millions of dollars)	Second quarter			Cumulative at June 30		
	2021	2020	Variation (%)	2021	2020	Variance (%)
Revenues	44.2	28.1	57.8	83.3	176.9	(52.9)
Operating costs	32.1	40.7	(21.2)	68.9	102.7	(32.9)
Payments in lieu of municipal taxes (PILT)	9.2	10.1	(8.6)	19.1	20.1	(4.9)
Rent paid to Transport Canada	3.6	3.3	9.8	6.8	6.6	3.6
Depreciation and impairment of property and equipment and right-of-use assets	41.3	39.0	5.8	81.7	77.6	5.2
Financial expenses (net)	32.9	25.6	28.6	65.3	48.8	33.9
Total expenses	119.1	118.7	0.3	241.8	255.8	(5.5)
Deficiency of revenues over expenses before share in the results of a joint venture and income taxes	(74.9)	(90.6)	17.4	(158.5)	(78.9)	(100.6)
Share in the results of a joint venture net of taxes	0.4	0.1	194.1	0.6	0.3	73.9
Income taxes	-	(0.2)	(86.0)	(0.1)	(0.2)	(61.2)
Deficiency of revenues over expenses	(74.5)	(90.7)	17.9	(158.0)	(78.8)	(100.2)
EBITDA	(0.7)	(26.0)	97.5	(11.5)	47.5	(124.2)

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 ADM as the excess of revenues over expenses before financial expenses, taxes, depreciation and impairment of property and equipment and share in the results of a joint venture. 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

Passenger volumes at YUL totalled 475,557 passengers during the second quarter of 2021, an increase of 187.9% compared with the same period in 2020. There was an increase in all three sectors – domestic, transborder and international – of 187.1%, 393.9% and 149.7%, respectively.

For the first six months of 2021, traffic at YUL totalled 911,857 passenger miles, a decrease of 78.6% compared with 2020. International traffic was down 84.2%, transborder (US) declined by 88.5%, while domestic traffic decreased by 63.8% compared with 2020.

Compared with 2019, the second quarter saw a 90.5% decrease, and for the first six months of the year, a 90.6% decrease was observed.

Total passenger traffic*

Aéroports de Montréal

(in thousands)	2021	2020	Variance 2021 vs 2020	2019	Variance 2021 vs 2019
January	215.7	1,598.2	-86.5%	1,532.2	-85.9%
February	111.0	1,531.8	-92.8%	1,432.6	-92.3%
March	109.7	961.3	-88.6%	1,712.6	-93.6%
April	118.7	35.9	230.9%	1,567.9	-92.4%
May	135.3	39.2	245.4%	1,603.2	-91.6%
June	221.5	90.1	145.8%	1,839.2	-88.0%
Total	911.9	4,256.5	-78.6%	9,687.7	-90.6%

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

Source: Aéroports de Montréal

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, certified 4-stars under the Skytrax World Airport Star Rating program, and YMX International Aerocity of Mirabel.

Source:

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