

ADM ANNOUNCES ITS FINANCIAL RESULTS AT SEPTEMBER 30, 2022

Montreal, November 1, 2022 – ADM Aéroports de Montréal today announced its consolidated operating results for the period ending September 30, 2022. These results are accompanied by passenger traffic data for YUL, Montréal-Trudeau International Airport.

Highlights

- Passenger traffic at YUL totalled 5.4 million in the third quarter of 2022, up 173.0% compared with 2021, or 89.4% of the traffic in the corresponding period of 2019. Growth was sustained throughout the quarter, reaching 90.9% of 2019 traffic levels in September. Of particular note is the marked recovery in the transborder and international sectors, which reached 92.5% and 93.1% of 2019 traffic levels, respectively, in the third quarter. For the first nine months of 2022, passenger traffic stood at 11.6 million, up 302.6% from 2021.
- EBITDA (the excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment and share of results of a joint venture, see “Non-GAAP measures” section for more information) was \$108.1 million for the quarter under review, an increase of \$76.8 million over EBITDA of \$31.3 million for the same period in 2021. For the year-to-date period ended September 30, 2022, EBITDA was \$225.0 million, an increase of \$205.2 million over EBITDA of \$19.8 million for the first nine months of 2021.
- Capital investments were \$31.3 million in the third quarter of 2022 compared with \$13.9 million in the corresponding period of 2021, an increase of \$17.4 million, or 126.1%. Capital investments for the period ended September 30, 2022, amounted to \$103.7 million (\$44.2 million in 2021), an increase of \$59.5 million, or 134.8%. For the first nine months of 2022, grants from the Airport Critical Infrastructure Program (ACIP) totalled \$41.3 million.

Quote

“The first nine months of the year show results in full growth mode and increasingly close to 2019 indicators thanks to a very strong recovery in aviation activities during the summer. With 5.4 million passengers in the last quarter, YUL Montreal-Trudeau International Airport has fully resumed its role as a major international air traffic hub. Our organization is even more proud to have obtained the renewal of its 4-Star certification under Skytrax’s World Airport Star Rating program, which places it among the world’s leading airports. Our industry has faced many challenges over the past few months, and I would like to once again thank the employees of the airport community for their efforts during this difficult period and since the beginning of the year,” said Philippe Rainville, President and CEO of ADM.

Financial results

Consolidated revenues were \$199.7 million for the third quarter of 2022, an increase of \$115.3 million, or 136.7%, from the same period in 2021. For the first nine months of 2022, revenues were \$460.6 million, an increase of \$292.9 million, or 174.7%, compared with the same period in 2021. These positive results are the result of the significant recovery in passenger traffic that began at the end of the first quarter of 2022 and continued through the summer season.

Operating expenses for the quarter under review were \$56.6 million, an increase of \$20.1 million, or 55.0%, over the same quarter in 2021. For the period ended September 30, 2022, operating expenses increased by \$47.1 million, or 44.7%, from \$105.4 million to \$152.5 million. This variance in operating expenses is primarily related to the increase in operational expenses for passenger services due to the sustained recovery of activities since the spring of 2022, and to the decrease in salary subsidies. ADM met the eligibility criteria of the Tourism and Hospitality Recovery Program until March 2022, while it qualified for the Canada Emergency Wage Subsidy Program for the entire year 2021.

Transfers to governments (payments in lieu of taxes to municipalities (“PILT”) and rent to Transport Canada) were \$35.0 million for the quarter under review, an increase of \$18.4 million compared to the previous year, and represent 17.5% of ADM’s revenues (19.6% in 2021). For the first nine months of 2022, these transfers amounted to \$83.1 million, an increase of \$40.6 million compared to the same period in 2021 and represented 18.0% of ADM’s total revenues (25.3% in 2021).

Depreciation and impairment of property and equipment and right-of-use assets were \$40.4 million for the third quarter of 2022, up \$0.4 million, or 1.0%, from the same period in 2021. As of September 30, 2022, these expenses were \$118.4 million, a decrease of \$3.3 million, or 2.7%, from the same period in 2021.

Net financial expense totalled \$29.9 million for the three months ended September 30, 2022, down by \$3.5 million, or 10.3%, compared with the same period in 2021. Cumulative net financial expenses as at September 30, 2022 totalled \$93.2 million compared with \$98.7 million for 2021, down by \$5.5 million, or 5.6%. This variance is primarily due to the increase in interest income on surplus cash.

For the three months ended September 30, 2022, the excess of revenues over expenses was \$37.9 million compared to a deficiency of revenues over expenses of \$41.9 million for the same period in 2021, an increase of \$79.8 million. As at September 30, 2022, the excess of revenues over expenses was \$13.6 million compared to a deficiency of \$199.9 million for the same period in 2021.

Financial situation

ADM's net debt at September 30, 2022 is \$2.32 billion compared to \$2.45 billion as at December 31, 2021; see the "Non-GAAP Measures" section for more information.

For the years 2021 and 2022, ADM has obtained the consent of the bondholders to amend the Master Trust Indenture, thereby allowing ADM to be temporarily released from its obligations to comply with or satisfy the requirements of certain covenants therein. This waiver was requested due to the uncertainty surrounding the duration of the significant decline in passenger traffic and air movements resulting from the COVID-19 pandemic.

Non-GAAP Measures

ADM sometimes presents financial measures that do not have a meaning prescribed by International Financial Reporting Standards ("IFRS"), referred to as non-GAAP measures. They are therefore unlikely to be comparable to similar measures presented by other companies.

EBITDA

EBITDA is defined by ADM as the excess of revenues over expenses before financial expenses, income taxes, depreciation and impairment 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.

Net debt

Net debt is defined as the difference between the gross balance due on long-term debt, including lease liabilities, and the amount available in cash and cash equivalents as well as the debt service reserve fund.

Key financial measures

(in millions of dollars)	Third Quarter			Cumulative to September 30		
	2022	2021	Variance (%)	2022	2021	Variance (%)
Revenues	199.7	84.4	136.7	460.6	167.7	174.7
Operating costs	56.6	36.5	55.0	152.5	105.4	44.7
PILT	13.0	8.8	47.1	33.9	27.9	21.3
Transport Canada rent	22.0	7.8	184.1	49.2	14.6	238.1
Depreciation of property and equipment and right-of-use assets	40.4	40.0	1.0	118.4	121.7	(2.7)
Financial expenses (net)	29.9	33.4	(10.3)	93.2	98.7	(5.6)
Total expenses	161.9	126.5	28.0	447.2	368.3	21.4
Excess (deficiency) of revenues over expenses before share in the results of a joint venture and income taxes	37.8	(42.1)	189.8	13.4	(200.6)	106.7
Share in the results of a joint venture, net of taxes	0.2	0.2	(32.3)	0.6	0.8	(26.6)
Income taxes	(0.1)	-	500.0	(0.4)	(0.1)	271.0
Excess (deficiency) of revenues over expenses	37.9	(41.9)	190.4	13.6	(199.9)	106.8
EBITDA	108.1	31.3	245.5	225.0	19.8	1,035.4

(in billions of dollars)	September 30, 2022	December 31, 2021	Variance (%)
Net debt	2.32	2.45	(5.5)

Capital investments

The investments at YUL and YMX in 2022 were funded from operations.

(in millions of dollars)	Third Quarter			Cumulative to September 30		
	2022	2021	Variance (%)	2022	2021	Variance (%)
Airport Program						
Work completed	16.7	8.6	94.9	61.2	31.5	94.8
ACIP subsidy	(15.3)	-	100.0	(15.3)	-	100.0
Sub-total airport program	1.4	8.6	(83.2)	45.9	31.5	46.3
REM Station						
Work completed	14.6	5.3	176.5	42.5	12.7	233.6
ACIP subsidy	(9.8)	-	100.0	(26.0)	-	100.0
Subtotal REM Station	4.8	5.3	(9.4)	16.5	12.7	29.2
Total capital investments	6.2	13.9	(55.0)	62.4	44.2	41.3

The % variance in the above tables are calculated with results in thousands.

Passenger traffic

For the third quarter of 2022, traffic at YUL totalled 5.4 million passengers, an increase of 173.0% over the same period in 2021. All three sectors saw an increase in traffic compared to the third quarter of 2021: 272.1% for the international sector, 286.6% for the transborder (US) sector and 74.1% for the domestic sector.

For the quarter under review, passenger traffic at YUL reached 89.4% of the 2019 traffic level: 93.1% international, 92.5% transborder and 82.8% domestic.

Passenger traffic in the first nine months of 2022 represented 74.0% of traffic in the corresponding period of 2019: 76.8% international, 71.3% transborder and 72.1% domestic.

Total passenger traffic *

Aéroports de Montréal					
(in thousands)	2022	2021	Variance 2022 vs 2021	2019	2022 as % of 2019
January	606.3	215.5	+181.4%	1,532.2	39.6%
February	623.2	111.0	+461.6%	1,432.6	43.5%
March	1,012.4	109.6	+823.6%	1,712.6	59.1%
April	1,130.5	119.0	+850.4%	1,567.9	72.1%
May	1,272.0	136.0	+835.3%	1,603.2	79.3%
June	1,590.8	220.4	+621.8%	1,839.2	86.5%
July	1,885.1	525.4	+258.8%	2,098.0	89.9%
August	1,879.2	768.8	+144.4%	2,146.8	87.5%
September	1,638.5	685.1	+139.1%	1,801.9	90.9%
Total	11,638.0	2,890.8	+302.6 %	15,734.5	74.0%

Note: Note: Total passenger traffic includes revenue and non-revenue passengers and are calculated with results in thousands.

Source: Aéroports de Montréal

Sustainability at ADM

During this quarter, ADM implemented the following initiatives to continue its commitment to sustainability:

- The launch of a consultation with 13 stakeholder groups as part of a sustainability initiative. The responses will help validate whether the sustainability challenges identified during the consultation conducted in 2019 should still be those prioritized by ADM and thus guide the revision of its action plans.
- A four-month pilot project at YMX International Aerocity of Mirabel using biodiesel in grounds maintenance equipment, resulting in a reduction of 8.7 tonnes of GHG emissions, the equivalent of two round-trip passenger flights between Montréal and Toronto.
- The adoption of a directive to YUL Montréal-Trudeau International Airport's concessions and VIP lounge operators to eliminate single-use plastic, such as utensils, food containers, cups and bags. This directive is in line with ADM's sustainability objectives of achieving a recovery rate of 70% by 2025 and zero waste by 2030.

To learn more about ADM's actions, visit its Sustainability [Indicators platform](#) or consult [its 2021 Annual Report](#), which presents its first-ever Sustainability Report based on the Global Reporting Initiative (GRI) standards.

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.

- 30 -

Source:

Montreal Airports

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