

ADM ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2021

Montreal, March 22, 2022 – ADM Aéroports de Montréal today announced its consolidated operating results for the year ended December 31, 2021. These results are accompanied by passenger traffic data for YUL, Montréal-Trudeau International Airport.

Highlights

Passenger traffic at YUL totalled 5.2 million passengers, down 4.3% from 2020 and 74.4% compared with 2019. The gradual recovery in the second half of the year concluded with passenger levels at 50% of 2019 levels for the fourth quarter.

Even though passenger numbers were lower than in 2020, EBITDA (the excess of revenues over expenses before taxes, financial expenses, depreciation and impairment and share in the results of a joint venture) increased by 56.0%, from \$40.8 million in 2020 to \$63.6 million in 2021.

Capital investments were significantly reduced to \$51.8 million in 2021, compared with \$247.7 million in 2020. The airport program, being limited to essential projects, totalled \$32.8 million in 2021 (\$216.5 million in 2020) while the amount invested in the REM station (net of subsidy) was \$19.0 million in 2021 (\$31.2 million in 2020). The investments in YUL and YMX in 2021 were funded by operations as well as funds available at the beginning of the year.

Quote

“The last few months of 2021 allowed us to reconnect with our passengers and resume some level of activity at YUL. Of course, the measures put in place in mid-December by the Government of Canada to control the new wave associated with the Omicron variant of COVID-19 led to a downturn in travel plans at the very end of the year. Fortunately, the situation is changing rapidly. The easing of regulations that came into effect a few weeks ago put our international airport back on the road to recovery. Then last week’s announcement to end testing for fully vaccinated travellers seeking to enter the country as of April 1 means we can finally say that the worst is behind us. After two years, passengers, our employees and those in the airport community have been greatly looking forward to this moment,” said Philippe Rainville, President and CEO of ADM Aéroports de Montréal.

Financial results

Consolidated revenues were \$277.7 million in 2021, a decrease of \$4.5 million, or 1.6%, compared with 2020. The results for the last six months of 2021 indicate that a gradual recovery in passenger traffic has begun. However, the impact of the travel restrictions imposed in many countries since March 2020 due to the pandemic, as well as the strategy put in place in Canada to manage the pandemic, resulted in lower cumulative revenues at December 31, 2021 than in the corresponding period of 2020.

Operating expenses for the year under review were \$150.9 million, a decrease of 7.7 million, or 4.9%, compared with the same period in 2020. ADM continued to focus on significant measures to reduce operating expenses. This included reducing airport operations and temporarily closing certain areas of the terminal building while gradually reopening them based on passenger traffic. In addition, ADM took advantage of the Canada Emergency Wage Subsidy program and the Tourism and Hospitality Recovery Program. An amount of \$15.7 million related to salary reductions was recorded for the year 2021 compared to \$15.6 million in 2020.

In addition, no pandemic related costs were incurred in 2021 compared to \$39.9 million in 2020. These included relief granted to certain tenants for whom the pandemic had a significant impact, additional costs to terminate contracts with certain suppliers and to close certain construction sites, and severance costs related to workforce reductions.

Transfers to governments (payments in lieu of taxes to municipalities (“PILT”) and rent to Transport Canada) were \$63.2 million in 2021 compared to \$42.9 million in 2020. The increase is primarily due to the Transport Canada rent exemption for the period from March to December 2020. It should be noted, however, that the 2021 rent payment of \$24.8 million is deferred and will be payable in equal installments over a ten-year period beginning in 2024. In addition, it should also be noted that PILT totalling \$25.5 million due in 2021 has also been deferred to 2022.

Depreciation and impairment of property and equipment and right-of-use assets amounted to \$162.6 million in 2021, a decrease of \$9.2 million, or 5.4%, compared to 2020. This decrease is primarily the result of accelerated depreciation taken in 2020 for certain projects that have changed in scope.

Net financial expenses totalled \$132.8 million in 2021, up \$29.4 million from 2020. The increase is due, on the one hand, to higher interest expense of \$14.1 million related to the series of revenue bonds issued in April 2020 and 2021, respectively, and to the reduction of \$12.6 million in capitalized interest on work in progress.

As at December 31, 2021, the deficiency of revenues over expenses was \$230.8 million, an improvement of \$3.2 million, or 1.4%, over the deficiency of \$234.0 million for the same period in 2020.

Financial situation

ADM’s net debt as at December 31, 2021 was \$2.5 billion compared to \$2.3 billion as at December 31, 2020.

In March 2021, ADM obtained consent from its bondholders to amend the master trust indenture thereby relieving it temporarily of its obligations to comply with or satisfy certain covenants required by the master trust indenture for the years 2021 and 2022. This temporary waiver was requested due to the persisting uncertainty surrounding the significant decline in passenger traffic and flight activity 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 taxes, financial expenses, 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 the difference between the gross balance due on long-term obligations, including leases, and the amount available in cash and cash equivalents as well as in the debt service reserve fund.

Key financial measures

(in millions of dollars)	Years ended December 31		
	2021	2020	Variance (%)
Revenues	\$277.7	\$282.2	(1.6)
Operating expenses	150.9	158.6	(4.9)
Pandemic related costs	-	39.9	(100.0)
PILT	37.9	38.2	(0.6)
Transport Canada rent	25.3	4.7	436.1
Depreciation and impairment of property and equipment and right-of-use assets	162.6	171.8	(5.4)
Financial expenses (net)	132.8	103.4	28.5
Total expenses	\$509.5	\$516.6	(1.4)
Deficiency of revenues over expenses before share in the results of a joint venture and income taxes	\$(231.8)	\$(234.4)	1.1
Share in the results of a joint venture net of taxes	1.0	0.5	90.1
Income taxes	-	(0.1)	(111.1)
Deficiency of revenues over expenses	\$(230.8)	\$(234.0)	1.4
EBITDA	\$63.6	\$40.8	56.0

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

Passenger traffic

For the 2021 fiscal year, traffic at YUL totalled 5.2 million passengers, a 4.3% decrease from 2020. International traffic was down 20.3%, transborder (U.S.) saw a 17.8% decrease, while domestic was up 21.6% from 2020.

Compared with 2019, the year 2021 posted a 74.4% decrease.

Total passenger traffic *

Aéroports de Montréal					
(in thousands)	2021	2020	Variance 2021 vs. 2020	2019	Variance 2021 vs. 2019
January	215.5	1,598.2	-86.5%	1,532.2	-85.9%
February	111.0	1,531.8	-92.8%	1,432.6	-92.3%
March	109.6	961.3	-88.6%	1,712.6	-93.6%
April	119.0	35.9	231.5%	1,567.9	-92.4%
May	136.0	39.2	247.0%	1,603.2	-91.5%
June	220.8	90.1	145.1%	1,839.2	-88.0%
July	525.4	176.4	197.8%	2,098.0	-75.0%
August	768.8	238.7	222.0%	2,146.8	-64.2%
September	684.5	195.2	250.7%	1,801.9	-62.0%
October	729.3	164.1	344.4%	1,624.4	-55.1%
November	701.5	157.4	345.6%	1,364.2	-48.6%
December	880.3	248.6	254.0%	1,583.4	-44.4%
Total	5,201.6	5,437.0	-4.3%	20,306.5	-74.4%

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

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 of YMX International Aerocity of Mirabel.

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Source:

Aéroports de Montréal

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