

FINANCIAL REPORT SUMMARY – FIRST QUARTER ENDED MARCH 31, 2018

This Aéroports de Montréal financial report presents the consolidated operating results for the quarter ended March 31, 2018. These results are accompanied by data on passenger traffic at Montréal-Trudeau International Airport.

Highlights

The number of passengers at Montréal-Trudeau continues to grow in 2018, with the airport welcoming 4.4 million passengers in the first quarter of 2018, representing an increase of 7% compared to the same quarter in 2017. The three sectors - domestic, transborder and international – all contributed to this growth.

EBITDA (excess of revenues over expenses before financial expenses, taxes and depreciation of property and equipment) was \$65.4 million for the first quarter of 2018, an increase of \$4.8 million, or 7.9%, compared to the corresponding period in 2017.

The Corporation's capital investments were \$24.3 million in the first quarter of 2018 (\$30.5 million for the same period in 2017). Investments in the airports were financed by cash flows from operating activities, including airport improvement fees.

Financial results

Consolidated revenues in the first quarter of 2018 were \$145.5 million, an increase of \$10.3 million, or 7.6%, over the corresponding period in 2017. This increase is mainly attributable to higher passenger traffic.

Operating expenses for the quarter under review were \$53.7 million, an increase of \$4.3 million, or 8.7%, over the previous year. This variance is mainly due to the increase in operating expenses related to winter conditions, spending on measures to ensure better fluidity of the passenger process, and the implementation of security measures since April 2017.

Transfers to governments (payments in lieu of municipal taxes and rent paid to Transport Canada) totalled \$26.4 million in the quarter under review (\$25.2 million in 2017), representing more than 18% of the Corporation's total revenues.

Depreciation of property and equipment amounted to \$35.4 million in the quarter under review, an increase of \$3.1 million, or 9.6%, over the same period in 2017. This increase is mainly attributable to the commissioning of projects completed during 2017.

Financial expenses rose from \$24.7 million to \$25.9 million in the quarter under review, an increase of \$1.2 million, or 4.9%. This variance is mainly due to the higher interest expense following the issuance of the Series N bonds in April 2017, net of interest income generated by surplus cash.

The quarter ended March 31, 2018 resulted in a \$4.1 million excess of revenues over expenses compared with \$3.6 million for the same period in 2017, an increase of 13.9%.

Financial results (in millions de dollars)	First quarter		
	2018	2017	Variance (%)
Revenues	145.5	135.2	7.6
Operating expenses	53.7	49.4	8.7
Payments in lieu of municipal taxes	11.0	11.0	-
Rent paid to Transport Canada	15.4	14.2	8.5
Depreciation of property and equipment	35.4	32.3	9.6
Financial expenses (net)	25.9	24.7	4.9
Total expenses	141.4	131.6	7.4
Excess if revenues over expenses	4.1	3.6	13.9
EBITDA	65.4	60.6	7.9

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 first quarter of 2018, total passenger traffic at Montréal-Trudeau increased by 7.0% to 4.4 million. International traffic was up 8.4%, domestic traffic grew 3.6%, and transborder (US) traffic climbed by 9.3% compared to the same quarter last year.

Total passenger traffic*

Aéroports de Montréal ('000)			
	2018	2017	Variance
January	1,419.1	1,347.9	5.3 %
February	1,338.4	1,262.3	6.0 %
March	1,628.4	1,490.0	9.3 %
Total at March 31	4,385.9	4,100.2	7.0%

**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