

FINANCIAL REPORT SUMMARY AT MARCH 31, 2019

This ADM Aéroports de Montréal financial report presents the audited consolidated operating results for the quarter ended March 31, 2019. These results are accompanied by data on passenger traffic at YUL Montréal-Trudeau International Airport.

Highlights

The number of passengers at YUL is continuing to grow in 2019, with 4.7 million passengers in the first quarter of 2019, or 6.5% more than in the same quarter in 2018. The three sectors – domestic, transborder and international – contributed to the sustained growth.

EBITDA (excess of revenues over expenses before financial expenses, taxes, depreciation and impairment of property and equipment) was \$89.6 million for the three months ended March 31, 2019, an increase of \$24.0 million, or 36.6%, compared with the same period in 2018.

Capital investments totalled \$39.3 million in the first quarter of 2019 (\$24.3 million in the same period of 2018). Investments in YUL and the YMX Aerocity of Mirabel were financed by cash flows from operating activities, including airport improvement fees.

Financial results

Consolidated revenues were \$178.0 million in the first quarter of 2019, an increase of \$32.5 million, or 22.3%, over the corresponding period in 2018. This increase is mainly due to higher passenger traffic, the rate increase of airport improvement fees (AIFs) from \$25 to \$30 on April 1, 2018, and a gain on the disposition of assets.

Operating expenses for the quarter under review were \$59.2 million, an increase of \$5.7 million, or 10.7%, over the same quarter of 2018. This variance is namely attributable to investments to maintain a high level of service for travelers as well as to implementation costs related to initiatives to enhance competitiveness.

Transfers to governments (payments in lieu of taxes to municipalities and rent to Transport Canada) totalled \$29.2 million for the period under review (\$26.4 million for the corresponding period of 2018), representing 16.2% of total revenues (18.1% in 2018).

Depreciation of property and equipment amounted to \$36.9 million in the first three months of 2019, an increase of \$1.4 million, or 3.9%, over the corresponding period of 2018. This increase is mainly due to the commissioning of projects completed in 2018.

Financial expenses totalled \$24.6 million in the first quarter of 2019, a decrease of \$1.4 million, or 5.4%, compared with the same period last year. This variance is mainly due to higher capitalized interest on capital projects and interest income generated by excess cash.

The quarter ended March 31, 2019 resulted in an excess of revenues over expenses of \$28.2 million compared with \$4.1 million for the same period in 2018, an increase of \$24.1 million.

(in millions of dollars)	Cumulative at March 31		
	2019	2018	Variance (%)
Revenues	178.0	145.5	22.3
Operating expenses	59.2	53.5	10.7
Payments in lieu of municipal taxes	10.2	11.0	(7.3)
Rent paid to Transport Canada	19.0	15.4	23.4
Depreciation of property and equipment	36.9	35.5	3.9
Financial expenses (net)	24.6	26.0	(5.4)
Total expenses	149.9	141.4	6.0
Excess of revenues over expenses before share in the results of an associate	28.1	4.1	585.4
Share in the results of an associate	0.1	-	-
Excess of revenues over expenses	28.2	4.1	587.8
EBITDA	89.6	65.6	36.6

EBITDA is a financial measure 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 as the excess of revenues over expenses before financial expenses, taxes, depreciation and impairment 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

In the first quarter of 2019, traffic at YUL totalled 4.7 million passengers, an increase of 6.5% over the corresponding quarter of 2018. International traffic increased by 11.5%, while transborder traffic (United States) grew by 3.6% and domestic was 2.3% higher than in the first quarter of 2018.

Total passenger traffic*

YUL Montréal-Trudeau International Airport ('000)			
	2019	2018	Variance
January	1,532.1	1,420.1	7.9%
February	1,432.8	1,338.5	7.0%
March	1,712.3	1,633.2	4.8%
Total	4,677.2	4,391.8	6.5%

**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