

## 407 International Reports Second Quarter Results

**TORONTO, July 16, 2020** - 407 International Inc. (the "Company") announced today revenues of \$129.6 million for the second quarter of 2020, compared to \$390.5 million for the same period of 2019. Earnings before interest, taxes, depreciation and amortization ("EBITDA"<sup>1</sup>) totalled \$93.4 million for the second quarter of 2020 compared to \$347.4 million for the same period of 2019. The Company reported a net loss of \$46.9 million for the second quarter of 2020, compared to net income of \$147.1 million for same period of 2019.

The Board will continue to monitor the pandemic situation during the third quarter, and will review any potential dividend distribution to Shareholders, as appropriate.

### COVID-19 PANDEMIC

The Company continues to remain focused on the health and safety of customers and employees, while maintaining the highway and open-access to an essential transportation corridor. During the second quarter of 2020, traffic levels across Highway 407 ETR have been significantly impacted, with average trip volume reductions of 67%, relative to 2019 traffic levels. With the phased reopening of the Province and GTA businesses, the Company has observed modest but steady improvements in traffic volumes as compared to the earlier periods of the pandemic. In late March, average traffic volume was lower by approximately 75% relative to 2019 traffic levels. By comparison, traffic volume was lower by approximately 55% at the end of June 2020 compared with June 2019. Despite the impact of lower revenues due to the COVID-19 pandemic, the Company maintains sufficient liquidity to satisfy all of its obligations during 2020.

During the second quarter of 2020, 407 International made a significant charitable contribution to support the COVID-19 relief measures at hospitals and across the community.

### ABOUT 407 INTERNATIONAL

The Company is owned by indirectly owned subsidiaries of Canada Pension Plan Investment Board (total 50.01%), Cintra Global S.E., a wholly owned subsidiary of Ferrovial S. A. (43.23%), and SNC-Lavalin (6.76%).

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News releases are available at [www.407etr.com](http://www.407etr.com).

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<sup>1</sup> EBITDA is not a recognized measure under International Financial Reporting Standards and investors are cautioned that EBITDA should not be construed as an alternative to net income or cash from operating activities as an indicator of the Company's performance or cash flows. The Company's method of calculating EBITDA may differ from other companies' methods, and may not be comparable to measures used by other companies.



## Highlights

(Unaudited)

|   | Three-month period ended<br>June 30 |          | Six-month period ended<br>June 30 |           |
|---|-------------------------------------|----------|-----------------------------------|-----------|
|   | 2020                                | 2019     | 2020                              | 2019      |
| <b>Selected Financial Information (in millions)</b> |                                     |          |                                   |           |
| Revenues  | \$ 129.6                            | \$ 390.5 | \$ 417.4                          | \$ 699.6  |
| Operating expenses                                  | 36.2                                | 43.1     | 85.3                              | 89.5      |
| Depreciation and amortization                       | 22.0                                | 26.1     | 49.4                              | 52.0      |
| Interest and other expenses                         | 136.4                               | 121.3    | 192.0                             | 228.3     |
| Income (Loss) before tax                            | (65.0)                              | 200.0    | 90.7                              | 329.8     |
| Income tax expense (recovery)                       | (18.1)                              | 52.9     | 23.1                              | 87.3      |
| Net income (loss)                                   | \$ (46.9)                           | \$ 147.1 | \$ 67.6                           | \$ 242.5  |
| <b>Traffic</b>                                      |                                     |          |                                   |           |
| Total trips (in thousands)                          | 10,740                              | 32,438   | 34,249                            | 59,700    |
| Average revenue per trip                            | \$11.81                             | \$11.96  | \$12.02                           | \$11.64   |
| Average workday number of trips                     | 139,767                             | 422,954  | 226,910                           | 394,499   |
| Total vehicle kilometres (in thousands)             | 210,927                             | 706,952  | 701,692                           | 1,273,837 |
| Number of transponders in circulation<br>at June 30 |                                     |          | 1,602,033                         | 1,555,429 |