

407 International Reports Second Quarter Results

Traffic increased by 15% compared to the same period in 2022

TORONTO, July 13, 2023 - 407 International Inc. (the Company) announced today financial results for its second quarter ended June 30, 2023. Revenues were \$405.3 million and net income was \$155.4 million, up 21% and 41% respectively, compared with the second quarter of 2022. Earnings before interest and other, taxes, depreciation and amortization (EBITDA¹) for the second quarter of 2023 totalled \$355.9 million and were also up 21% compared with the second quarter of 2022.

The Board of Directors declared an eligible dividend of \$0.194 per common share payable on or about July 13, 2023 to shareholders of record on July 13, 2023.

Traffic trips during the second quarter of 2023 were higher by 15% compared to the same period in 2022, and vehicle kilometres travelled increased by 18% as average trip length also increased. Cash flows from operations were \$130.6 million, up 22% in the second quarter of 2023 compared with the second quarter of 2022. "Our customers continue to recognize the value of the service that Highway 407 ETR provides, including improved productivity and the peace of mind of a stressfree, reliable drive," said Javier Tamargo, President and Chief Executive Officer. "The traffic increase we saw during the second quarter can be partly attributed to an increase in commuting, as more workers returned to the office."

During the second quarter of 2023, the Company bolstered its commitment to address biodiversity loss and climate change with the announcement of its largest environmental donation to date with a three-year \$800,000 commitment to the Nature Conservancy of Canada (NCC).

On June 23, 2023, the Company released its 2022 Environmental, Sustainability and Governance (ESG) Report, *The Better Road*, in alignment with internationally recognized reporting frameworks, marking significant progress in transparency and accountability and which can be found on the Company's website [407etr.com/esgreporting](https://www.407etr.com/esgreporting).

¹ EBITDA is not a standardized financial measure under International Financial Reporting Standards and investors are cautioned that EBITDA should not be construed as an alternative to net income as an indicator of the Company's performance. The Company's method of calculating EBITDA may differ from other company's methods, and may not be comparable to measures used by other companies. See "Non-IFRS Financial Measures" in the Company's management's discussion and analysis which is available on SEDAR at [sedar.com](https://www.sedar.com).

Highlights

(unaudited)

| | Three-month period ended June 30 | | Six-month period ended June 30 | |
|---|-------------------------------------|----------|-----------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Selected Financial Information (in millions) | | | | |
| Revenues | \$ 405.3 | \$ 336.1 | \$ 700.2 | \$ 572.7 |
| Operating expenses | 49.4 | 41.8 | 102.0 | 83.9 |
| EBITDA ¹ | 355.9 | 294.3 | 598.2 | 488.8 |
| Depreciation and amortization | 24.2 | 23.8 | 48.7 | 48.0 |
| Interest and other expenses | 122.2 | 121.3 | 203.8 | 213.8 |
| Income before tax | 209.5 | 149.2 | 345.7 | 227.0 |
| Income tax expenses | 54.1 | 39.1 | 90.2 | 59.7 |
| Net income | \$ 155.4 | \$ 110.1 | \$ 255.5 | \$ 167.3 |

Traffic

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Total trips (in thousands) | 29,330 | 25,538 | 51,858 | 43,468 |
| Average revenue per trip | \$13.36 | \$13.03 | \$13.09 | \$13.03 |
| Average workday number of trips | 369,324 | 321,143 | 330,815 | 277,869 |
| Total vehicle kilometres (in thousands) | 670,255 | 569,461 | 1,150,360 | 943,368 |
| Number of transponders in circulation at June 30 | 1,698,843 | 1,638,851 | 1,698,843 | 1,638,851 |

ABOUT 407 INTERNATIONAL

The Company is owned by indirectly owned subsidiaries of Canada Pension Plan Investment Board (total 50.01%), also known as CPP Investments; 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 407etr.com/newsroom

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