

407 International Reports First Quarter Results

TORONTO, April 20, 2023 - 407 International Inc. (the “Company”) announced today strong financial results for the first quarter of 2023 with revenues of \$294.9 million, compared to \$236.6 million for the same period of 2022 and net income of \$100.1 million, compared to a net income of \$57.2 million for the same period of 2022. Earnings before interest and other, taxes, depreciation and amortization (“EBITDA”¹) totalled \$242.3 million for the first quarter of 2023 compared to \$194.5 million for the same period of 2022.

The Board of Directors declared an eligible dividend of \$0.194 per common share payable on or about April 20, 2023 to shareholders of record on April 20, 2023.

The Company delivered significant year-over-year growth as higher traffic volumes on Highway 407 ETR led to increases in total trips, vehicle kilometres travelled and average trip length. Total traffic volumes during the first quarter of 2023 were higher by 28% as compared to the same period in 2022, resulting in revenue that was higher by 25% in the first quarter of 2023 compared to the same period in 2022. Additionally, robust cash flows from operations of \$109.6 million, an increase of 32% in the first quarter of 2023 compared to the same period in 2022, have further strengthened the Company’s balance sheet, enhanced its resilience, and reaffirmed its ability to meet all of its commitments and obligations.

In the first quarter of 2023, the Company implemented key initiatives to improve the customer experience and manage costs. Its web chat channel was enhanced with artificial intelligence to improve efficiency of its dedicated support channels and the Company transitioned web account customers to paperless billing, increasing digital convenience for associated customers, reducing its environmental footprint and realizing cost savings.

Another area of focus in the first quarter of 2023 was the environment and advancing the Company’s Environmental, Social and Governance (“ESG”) goals as the Company announced a three-year sponsorship with the Canadian Wildlife Federation in support of its Rights-of-Way as Habitat Program which aims to enhance monarch butterfly and pollinator habitats in municipalities along Highway 407 ETR. “As a toll road operator, we recognize the impact of our operations on the environment and that ESG is absolutely linked to our vision to be the first choice for transportation in the Greater Toronto and Hamilton Area and to provide the best customer experience on and off the highway,” said Javier Tamargo, President and Chief Executive Officer.

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 companies’ 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.

Highlights

(unaudited)

Three-month period ended March 31

	2023	2022
Revenues	\$ 294.9	\$ 236.6
Operating expenses	52.6	42.1
EBITDA ¹	242.3	194.5
Depreciation and amortization	24.5	24.2
Interest and other expenses	81.6	92.5
Income before tax	136.2	77.8
Income tax expenses	36.1	20.6
Net income	\$ 100.1	\$ 57.2

Selected Financial Information (in millions)

Revenues	\$ 294.9	\$ 236.6
Operating expenses	52.6	42.1
EBITDA ¹	242.3	194.5
Depreciation and amortization	24.5	24.2
Interest and other expenses	81.6	92.5
Income before tax	136.2	77.8
Income tax expenses	36.1	20.6
Net income	\$ 100.1	\$ 57.2

Traffic

Total trips (in thousands)	22,527	17,930
Average revenue per trip	\$12.73	\$13.03
Average workday number of trips	292,306	233,289
Total vehicle kilometres (in thousands)	480,104	373,907
Number of transponders in circulation at March 31	1,676,198	1,625,219

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%).

For more information, contact:

Investors:

Geoffrey Liang

Chief Financial Officer

Tel: 905-265-4070

Media:

Christina Basil

Director, Communications and Government Relations

Tel: 416-706-1861

News releases are available at 407etr.com

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 companies' 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.