



2023 GTAA Annual Update York Region

October 26, 2023

Toronto Pearson and York Region

Partners in economic growth and community building



Almost **3,000 residents of York Region** hold jobs at Toronto Pearson in 2022



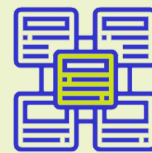
York businesses had **\$39.9 million** in contracts with GTAA in 2022



Toronto Pearson a 2023 **sponsor of the Woodbridge Farmer's Market** - engaged with 150+ members of the community



With connectivity to over **175 global destinations**, Toronto Pearson's close proximity to York Region supports the **competitiveness of local businesses** and facilitates inbound visitor spending

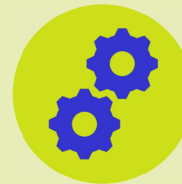
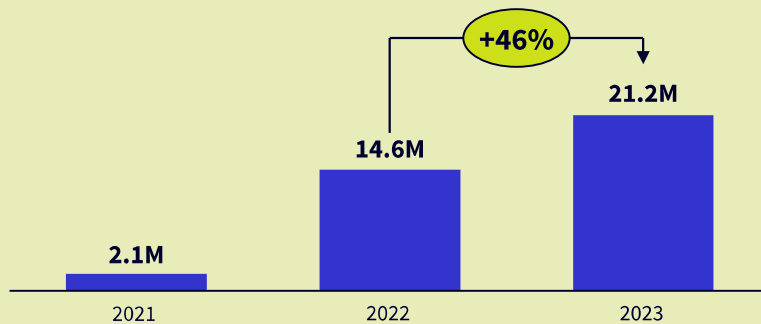


Ongoing job opportunities for residents through Pearson's first airport-wide job portal, seeing about 100 new job postings per month (avg.)

A year of comeback, growth and improvement

GTAA worked with aviation ecosystem during hockey-stick growth in 2023

Passengers (#s in Millions) - Q1/Q2



Operations Performance Transformation

Driving performance improvement by re-engineering processes, implementing new technologies, more employees, and leveraging real time data to deploy solutions and address root cause issues.



Shared commitment to accountability

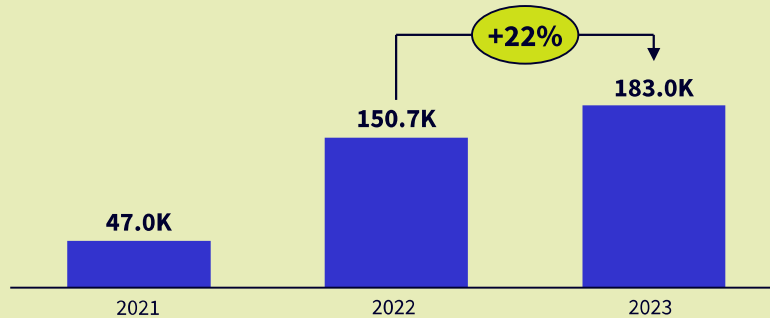
Our set of commitments, expectations and shared accountabilities for partners and ourselves to build a new performance culture at Toronto Pearson.



Incentivizing On Time Performance

Rates agreement that offers financial incentives to airlines to improve operational performance and passenger experience at YYZ, through clearly defined metrics. Our goal is to get every airline to 70% on-time performance.

Aircraft Movements (#s in Thousands) - Q1/Q2



Summer 2023 Operations

Toronto Pearson worked with partners to drive improvements over summer 2022, despite continued on-time performance challenges with airlines and weather events

Convective weather in the Northeast US and the shortage of air traffic controllers at other airports throughout the summer led to almost daily flight delays of about 25% of our traffic.



Overall improvement of 12% over summer 2022

- Departures improved by 15%
- Moved from 'worst' to 17th despite airline performance
- Reduced air traffic and smoothed peak periods for less congestion
- Added buses to support late-arrivals with no slots

All border and security agencies either met or surpassed wait time targets

- CBSA: Average wait times for primary processing were under 20 minutes even during afternoon peaks
- CBP: Average wait time for primary processing was under 30 minutes, including during morning peak
- CATSA: Over 90% of passengers screened in under 15 minutes throughout the day, and about 82-85% during peaks
- Only 13 flights held, versus 1,792 last summer

Baggage system operated more consistently, with few events resulting in missed bags

- Performed above target for outbound bags
- 82% reduction in passenger complaints related to baggage compared to summer 2022
- Transparency on baggage handler performance drove improvements

Winter Readiness

- Expect to see **6% more movements and 10% more passengers** this winter
- **Leveraging data** to be laser-focused in **driving improvements across our operation**
- Working with airport partners to **bolster staff for our busiest days**, with **contingency plans for unexpected events**. Added nearly 200 additional staff for winter operations, and 45 volunteers to our Welcome Team.
- Expand the use of new, **predictive technology** that has helped us improve daily operations
- Taking steps to influence external partners to ensure we have contingency plans in place to overcome operational impacts **i.e., plane tows.**



Being a Good Neighbour

Supporting stronger, healthier and happier communities

Community investment program: The Propeller Project supports organizations that break down barriers to employment and cultivate opportunity for our neighbouring communities, as well as those that work to build better futures for those impacted by systemic racism.

- Spending \$750,000 in community investments in 2024

Street Team and Community Sponsorships: This year we participated in 66 events and sponsored 71 community events in the Greater Toronto Area including the Farmer's Market in Vaughan.

Job Fairs: We host multi-employer, airport-wide job fairs – the first 3 events welcomed over 2,500 + job seekers visited and filled 270 + jobs (and counting!), as part of Pearson Works.

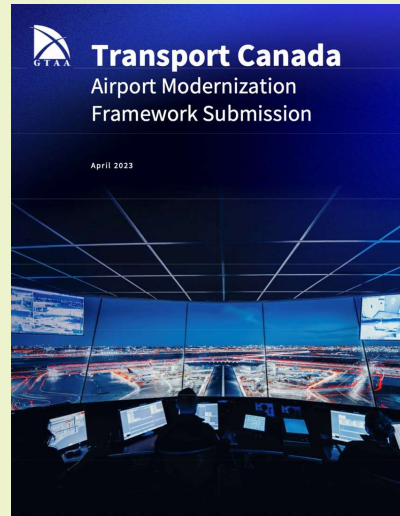
Pearson Works is a new program to support reskilling and upskilling of employees. We also host a new job portal for the 400+ companies working at the airport.



Answering government's call for airport modernization and data sharing

Passenger rights legislation led government to also look to airports to improve processes and operations in the 8 following areas:

- Financing
- Accountability and Transparency
- Stakeholder Coordination
- Stakeholder Communication
- Service Level Standards
- Data Sharing
- Governance, Net Zero, and Diversity, Equity & Inclusion
- Labour



Pearson's proactive response

Pearson submitted its recommendations and considerations **but we have not waited for regulations.**

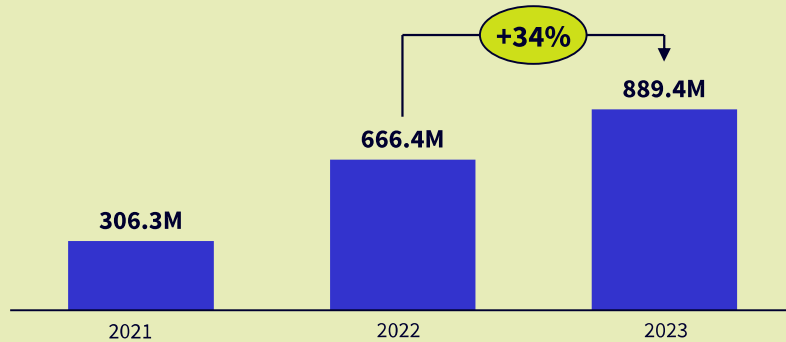
- Transparency on wait times for baggage handlers; dashboard for airport conveyors
- Spearheaded communications protocols
- Financial incentives to airlines to achieve better on-time performance
- Push for regulation that will compel airlines to share data with airports on everything from delay codes to # of passengers so we can plan accordingly
- Spearheaded communications protocol among airports, agencies and airlines

Asking government NOT to implement legislation that might hurt our ability to raise \$ on capital markets.

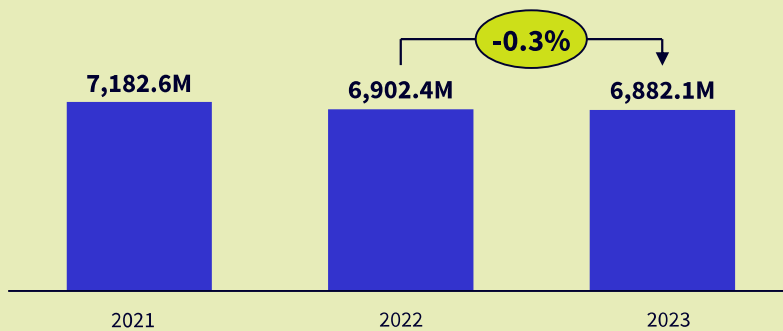
Strong 2023 Financial Results

High travel demand has driven stronger revenues and net income in 2023, over the same periods in previous years (Q1/Q2), but that was accompanied by higher required capital expenditures, funded through GTAA's own operating cash flow.

Total Revenues (\$s in Millions) - Q1/Q2



Total Debt (\$s in Millions) - Q1/Q2

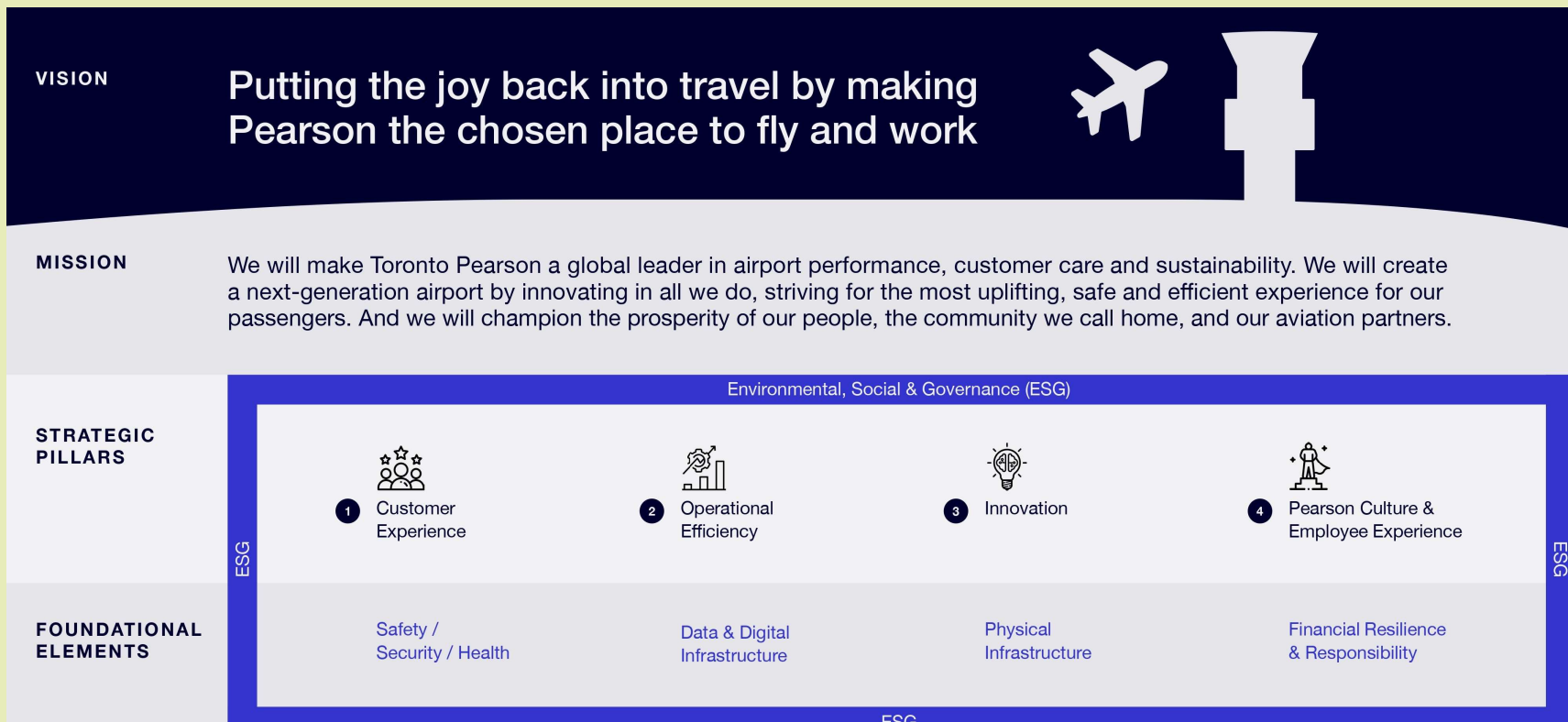


BUT the impact of the pandemic lingers

- Took on \$800 million in debt to keep airport open when passenger traffic dropped 80%
- Still paid the federal government \$350 million in rent during the pandemic
- Meanwhile, US airports received \$40 billion in operating and capital during the pandemic
- Even with high level of debt, airport has focused on recovery and reinvestment of aging infrastructure to improve operational efficiencies

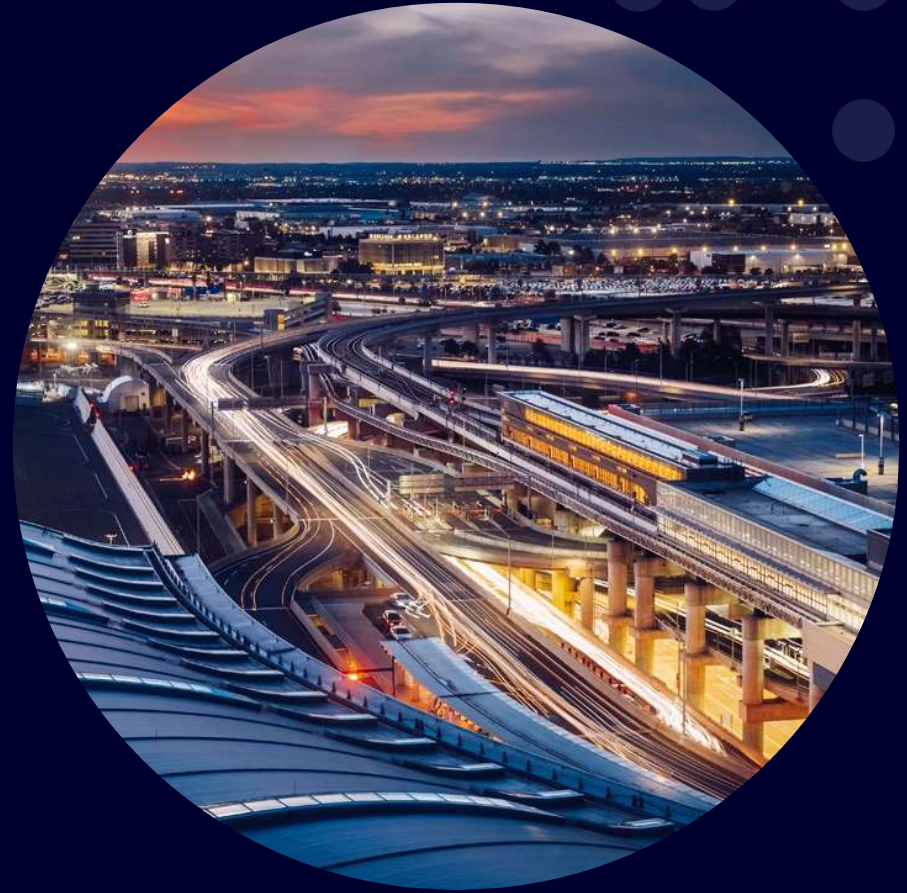
Where we're going

GTAA 10-year strategic plan for 2023-2032 will guide our growth as we deliver a first-class experience for its passengers, employees, airlines and partners.



Our vision for Pearson's Transformative Capital Program

- **Restore aging airport infrastructure** and enhance the **passenger experience. Affordability** is key
- Protect Canada's **direct global air connectivity** and Toronto Pearson's status as a mega-hub airport
- **Create economic growth** through business and investment opportunities benefitting national and regional economies, creating thousands of jobs
- Implement a digital environment to make **data driven decisions** for more predictable and efficient operations
- Build more direct roadways and **transit connections** for employees, passengers and cargo
- Reduce environmental impacts while **advancing Canada's climate goals and energy transition**



Our path forward

Building the airport of the future, together with our partners

- Seeking to align objectives with regional objectives
- Creating inclusive procurement processes to support the region and meet our DEI objectives
- Build sustainability and affordably
- We promise a comprehensive, collaborative engagement process will support this work – **engaging 150 + stakeholder groups in the region** and across the country

What happens at Toronto Pearson matters to us all – we want you on board for this evolution.





Thank you

