



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

Management's discussion and analysis

Second QUARTER (Q2)

At June 30, 2021

LAURENTIAN PILOTAGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTER ENDED JUNE 30, 2021

Notice to reader

The current report covers the LPA's activities and financial situation for the six-month period ended June 30, 2021. You should read this report in conjunction with the unaudited financial statements for the six-month period ended June 30, 2021 and with the audited financial statements for the financial year ended December 31, 2020. These financial statements were established and are presented following IFRSs and are included in the LPA's 2020 Annual Report.

1. **Analysis of financial results**

COMPARISON WITH THE 2021 BUDGET

REVENUES

Pilotage charges

Pilotage charges amounted to \$38.8 million for the six-month ended June 30, 2021 versus \$42.2 million for the corresponding budget period. An unfavourable variation of \$3.4 million for the period is showed and originates from a variance in different elements, without one prevailing.

Other revenues

The LPA's other revenues totalled \$62,197 for the six-month ended June 30, 2021 compared to \$110,000 for the corresponding budget period. This unfavourable difference originates from a variation in the current account and lower interest rate.

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EXPENSES

Pilot fees

Pilot fees have reached \$36.7 million for the six-month ended June 30, 2021 compared to \$39 million for the corresponding budget period. This favourable variance originates from the variation in the type of traffic that affected the pilot fees, combined with a variance with margins.

Operating costs of pilot boats

Operating costs of pilot boats amounted to \$5.2 million for the six-month ended June 30, 2021, compared to \$5.6 million for the corresponding budget period. The variance in operating costs is mainly due to a number of transhipments.

Administrative and operational expenses

Administrative and operational expenses totalled \$5.2 million for the six-month ended June 30, 2021, compared to \$5.3 million for the corresponding budget period, in line with budgeted period.

COMPARISON WITH THE 2020 FINANCIAL YEAR

REVENUES

Pilotage charges

Pilotage charges amounted to \$38.8 million for the six-month ended June 30, 2021 versus \$38.9 million for the corresponding period last year. This unfavorable variation comes from an unfavorable variation in the general traffic.

Other revenues

The LPA's other revenues totalled \$62,197 for the six-month ended June 30, 2021 compared to \$95,955 for the corresponding period last year. This unfavourable difference originates from a variation in the current account and interest rates.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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EXPENSES

Pilot fees

Pilot fees have reached \$36.7 million for the six-month ended June 30, 2021 compared to \$36.9 million for the corresponding previous year period. This favourable variance originates from the variation in the type of traffic that affected the pilot fees.

Operating costs of pilot boats

Operating costs of pilot boats amounted to \$5.2 million for the six-month ended June 30, 2021 versus \$5.6 million. The variance in operating costs is mainly due to a number of transhipments.

Administrative and operational expenses

Administrative and operational expenses totalled \$5.2 million for the six-month ended June 30, 2021, compared to \$4.9 million for the corresponding period last year. The variance comes from different positions, mainly the employee salaries and benefits.

2. Risk analysis

No major change in the risk analysis of the Authority's operations has occurred since the preparation of its 2020 Annual Report.

Regarding the Authority's operational and personnel activities, they have not significantly changed since the preparation of the LPA's 2021-2025 Corporate Plan. During its last strategic planning in summer 2020, the LPA has carried out a full update of operational and strategic risks, which has been integrated into the 2021-2025 Corporate Plan. An update of this risks analysis will be made within the actual year.