



Administration de pilotage des Laurentides
Laurentian Pilotage Authority

Management's discussion and analysis

SECOND QUARTER (Q2)

At June 30, 2022

LAURENTIAN PILOTAGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTER ENDED JUNE 30, 2022

Notice to reader

The current report covers the LPA's activities and financial situation for the six-month period ended June 30, 2022. You should read this report in conjunction with the unaudited financial statements for the six-month period ended June 30, 2022 and with the audited financial statements for the financial year ended December 31, 2021. These financial statements were established and are presented following IFRSs and are included in the LPA's 2021 Annual Report.

1. **Analysis of financial results**

COMPARISON WITH THE 2022 BUDGET

REVENUES

Pilotage charges

Pilotage charges amounted to \$ 43.4 million for the six-month period ended June 30, 2022 versus \$ 43.2 million for the corresponding budget period. This positive variation of \$0.2 million is due to a slight increase in assignments compared to the budgeted traffic and by the variation in the type of vessels with different margins. Including revenues from pilot boats, total pilotage charges amounted to \$50.1M for this six-month period.

Other revenues

The LPA's other revenues totalled \$ 96 720 for the six-month period ended June 30, 2022 compared to \$ 85 000 for the corresponding budget period. This favourable difference originates, mainly, from a higher interest rate.

LAURENTIAN PILOTAGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTER ENDED JUNE 30, 2022

EXPENSES

Pilot fees

Pilot fees have reached \$ 39 million for the six-month period ended June 30, 2022 compared to \$ 39.1 million for the corresponding budget period. The favorable variance is due to a variation in the type of traffic, which affected the fees, and a variation in our margins and to the impact of the contract renegotiation with the Corporation of Lower St. Lawrence Pilots

Operating costs of pilot boats

Operating costs of pilot boats amounted to \$ 6.1 million for the six-month period ended June 30, 2022, compared to \$ 6 million for the corresponding budget period. The variance in operating costs is mainly due to the variation in the number of transhipments.

Administrative and operational expenses

Administrative and operational expenses totalled \$ 5.3 million for the six-month period ended June 30, 2022 compared to \$ 5.8 million for the corresponding budget period. The main favorable variance is due to the amortization related to the postponed delivery of the some of the fixed assets purchased.

COMPARISON WITH THE 2021 FINANCIAL YEAR

REVENUES

Pilotage charges

Pilotage charges amounted to \$ 43.4 million for the six-month period ended June 30, 2022 versus \$ 38.8 million for the corresponding period last year. This favorable variance is due to a variation in the traffic in general and the variation in the size, types of vessels and types of voyages, a slight increase in traffic and the increase of the tariffs.

Other revenues

The LPA's other revenues totalled \$ 96 720 for the six-month period ended June 30, 2022 versus \$ 62 197 for the corresponding period last year. This favourable difference originates, mainly, from a higher interest rate.

LAURENTIAN PILOTAGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTER ENDED JUNE 30, 2022

EXPENSES

Pilot fees

Pilot fees have reached \$ 39 million for the six-month period ended June 30, 2022 compared to \$ 36.7 million for the corresponding previous year period. This 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 \$ 6 million for the six-month period ended June 30, 2022 versus \$ 5.2 million for the corresponding period of the previous year. The variance in operating costs is mainly due to a number of transhipments.

Administrative and operational expenses

Administrative and operational expenses totalled \$ 5.3 million for the six-month period ended June 30, 2022, in line with the \$ 5.2 million for the corresponding period last year.

2. Risk analysis

No major change in the risk analysis of the Authority's operations has occurred since the preparation of its 2021 Annual Report.

Regarding the Authority's operational and personnel activities, they have not significantly changed since the preparation of the LPA's 2022-2026 Corporate Plan. During its last strategic planning in summer 2021, the LPA has carried out a full update of operational and strategic risks, which has been integrated into the 2022-2026 Corporate Plan. An update of this risks analysis will be made within the actual year.