



Update

Réseau express métropolitain

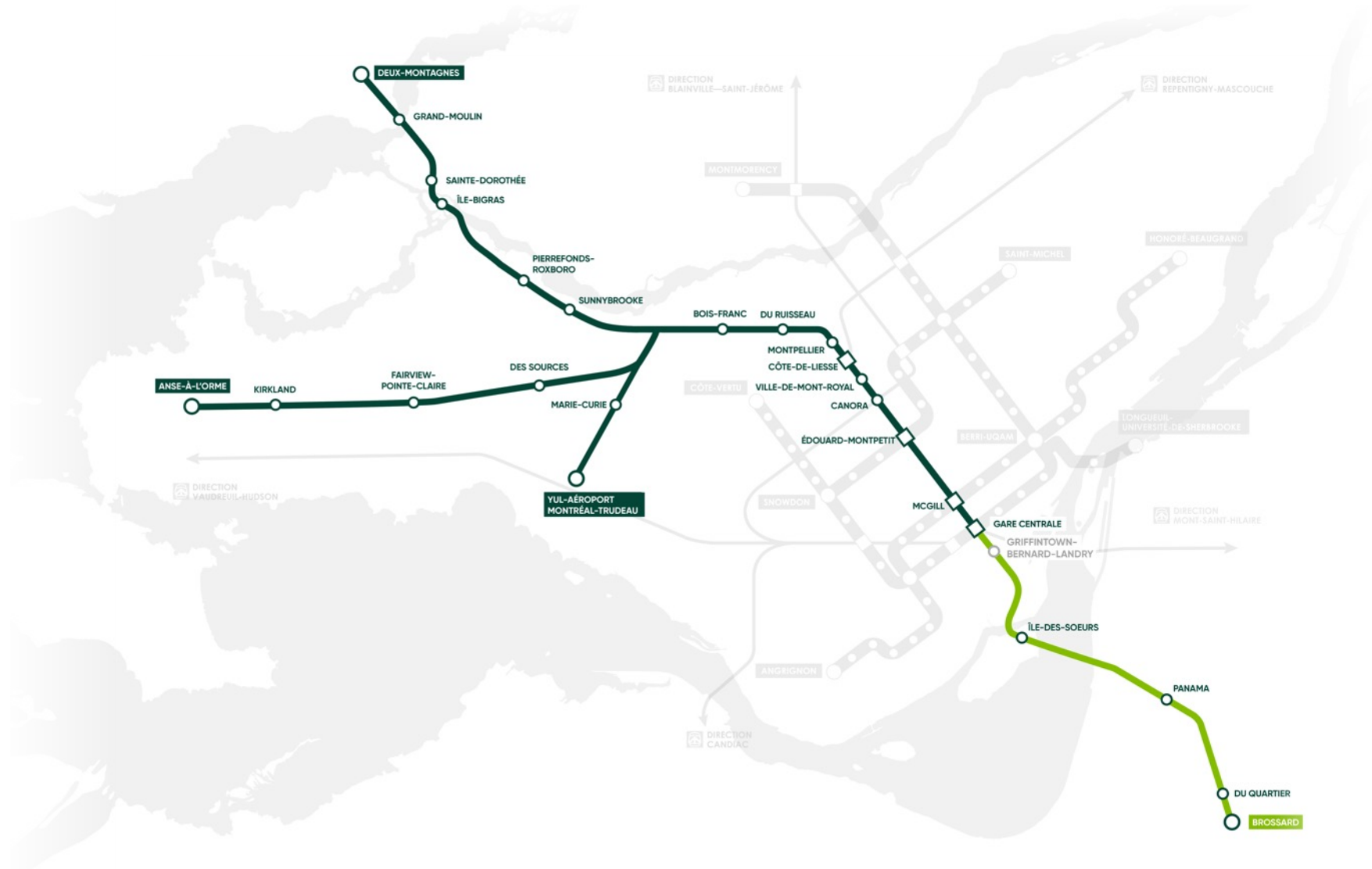
Media presentation
September 2023

Réseau
express
métropolitain



Agenda

- Recap of the first few weeks of operations
- Achievements across the network
- Financial update
- Question period





Recap of the first few weeks of operations

High reliability rate as of the first few weeks

Since the REM was commissioned on July 31:

- **880** hours of service
- **6** service interruptions (8 hours)
- **99%** reliability

- Over **1 million** trips completed
- Peak ridership on September 7 with **35,000** trips
- Daily average of **30,000** trips over the entire operating period



Improvements underway

Escalators



Noise in operation



Elevators



Communication during breakdowns



ARTM

Signage



Ticketing





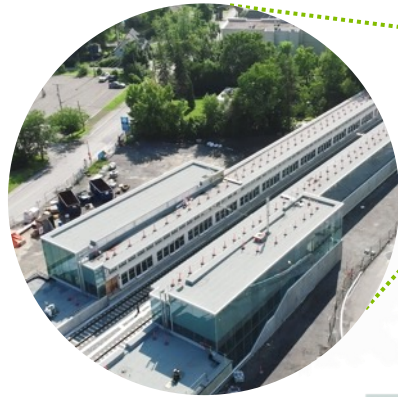
Network completion

Network is already 85% complete

Remaining work on the other branches

North Shore and West Island

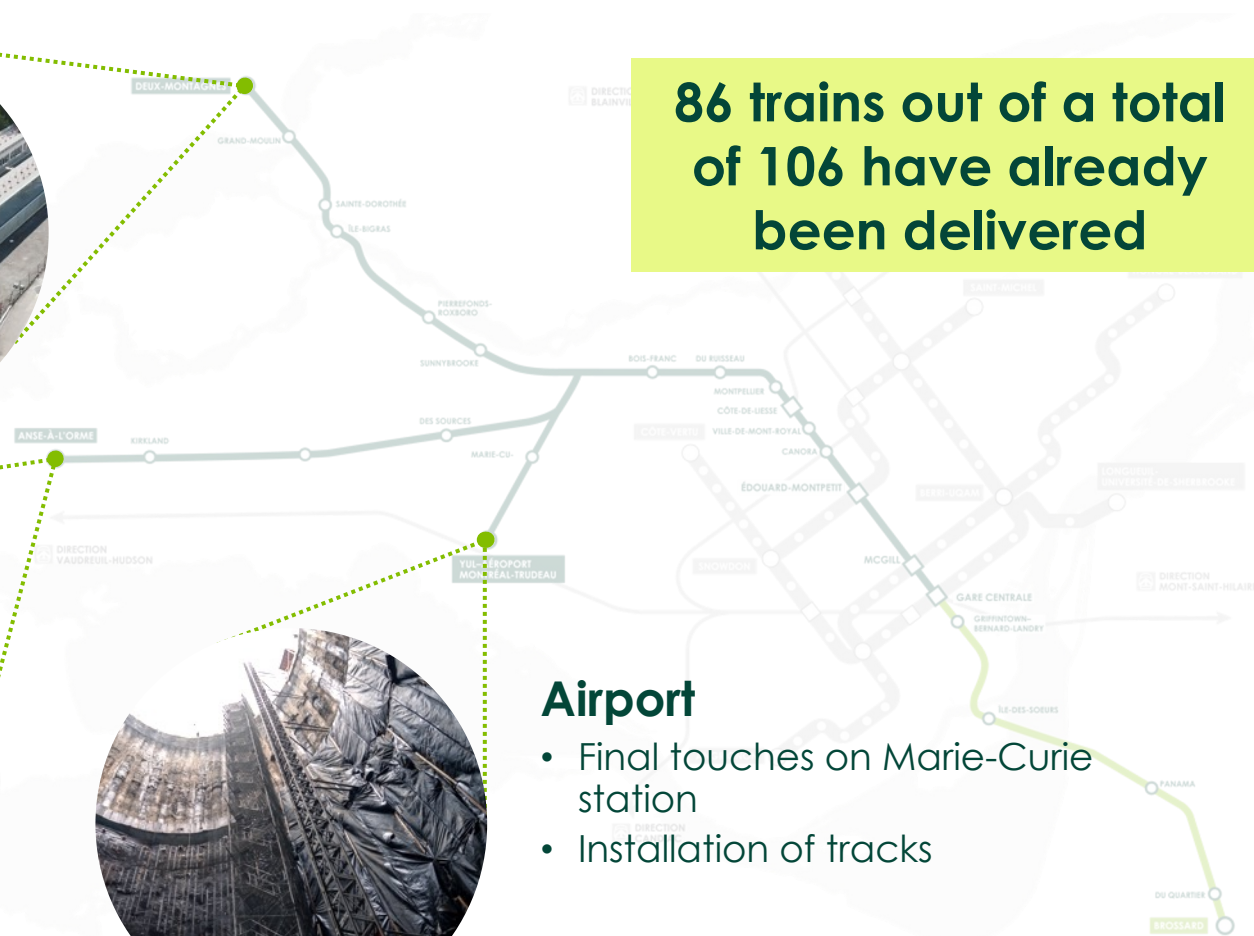
- Final touches on stations
- Installation of control systems
- Completion of tracks installation and electrification
- Mount Royal Tunnel: Installation of tracks
- Start of tests



86 trains out of a total of 106 have already been delivered

Airport

- Final touches on Marie-Curie station
- Installation of tracks



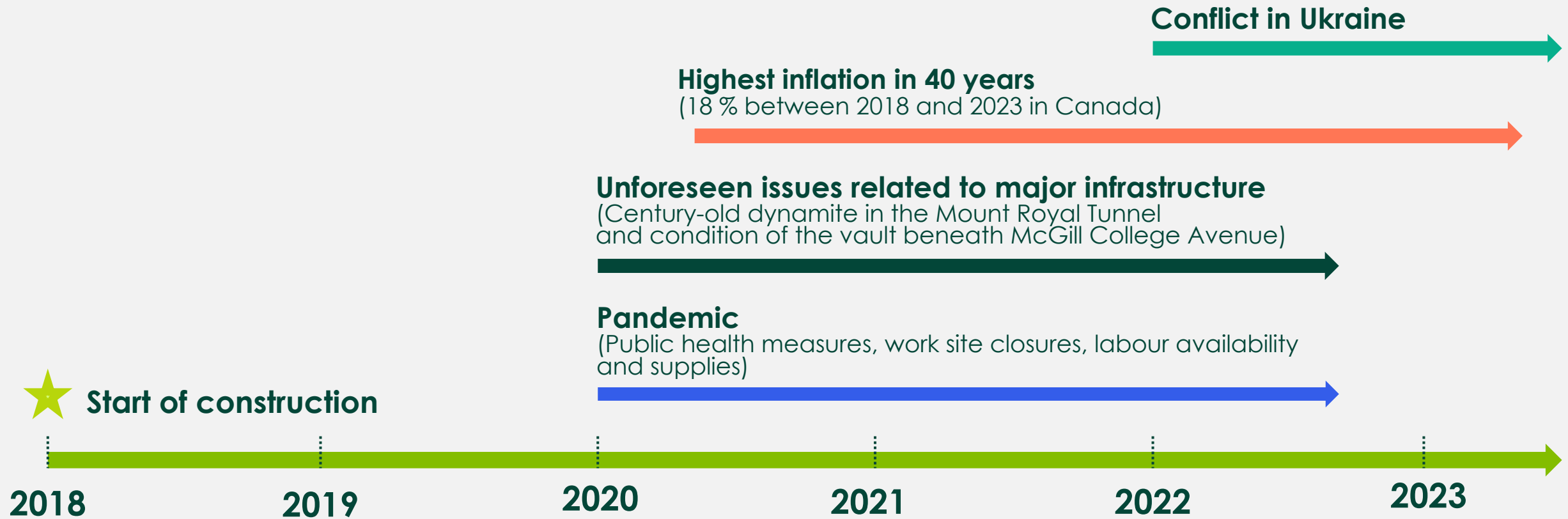


Financial update

Unprecedented construction circumstances



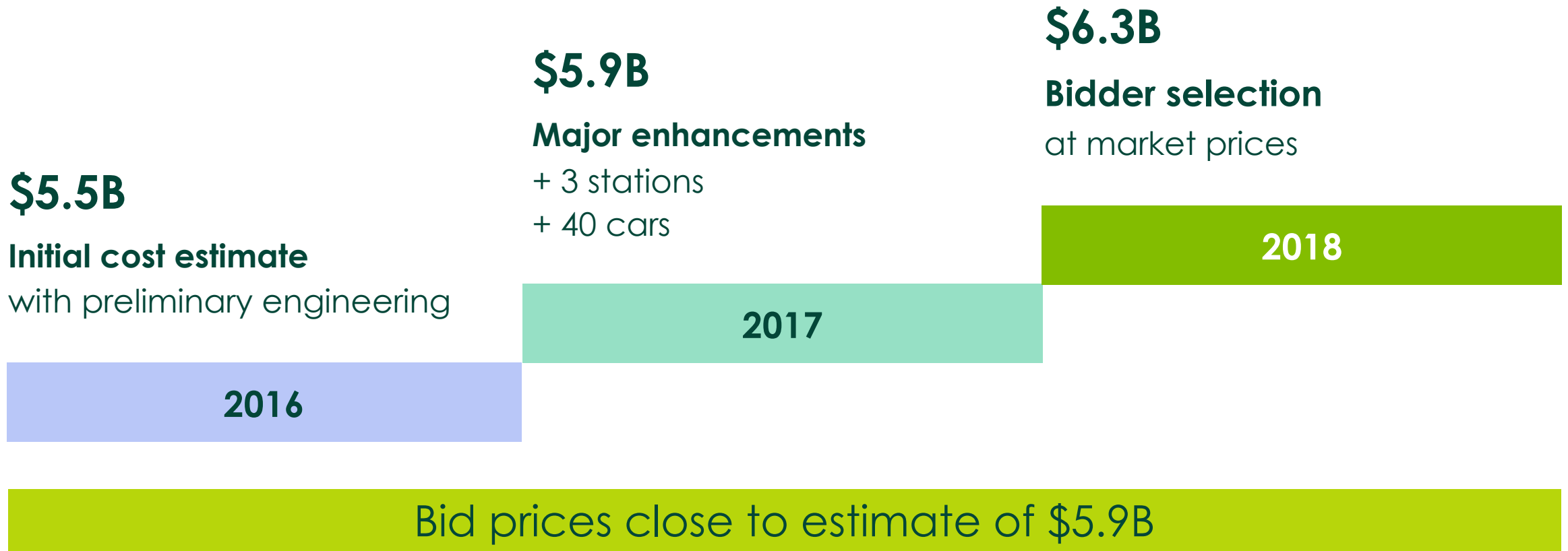
A combination of exceptional events and challenges



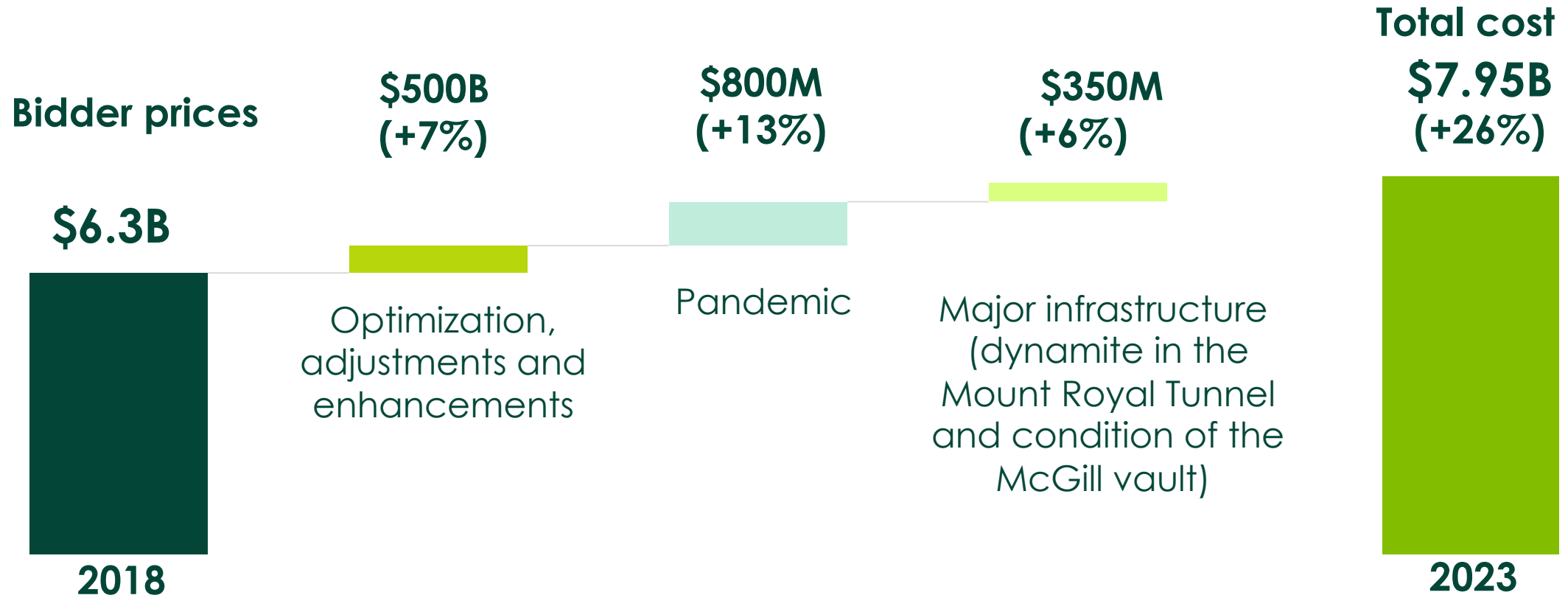
Project design period



Major enhancements between the launch and bidder selection



REM construction period



Initial project cost rose 26%
(13% excluding the exceptional impact of the pandemic)

Sources of costs since 2018

Source of costs	Description	Amount	Impact
Impact of the pandemic	Safety-related work site closures; decreased productivity due to pandemic measures; inflation; additional costs of contractors; extension of work	\$800M	13%
Unforeseen issues related to existing major infrastructure	Mount Royal Tunnel (century-old dynamite); southern section of the vault beneath McGill College Avenue (reconstruction)	\$350M	6%
Optimization and adjustments	Work optimization and infrastructure adjustments carried out by third parties and rail operators	\$350M	5%
Responses to community requests	Addition of wildlife's crossing, pedestrians and bike pathways; addition of canopies between stations and bus terminals; improved access	\$150M	2%
Total		\$1.65B	26%

Financing package



CDPQ Infra absorbs all cost overruns,
despite the unusual circumstances

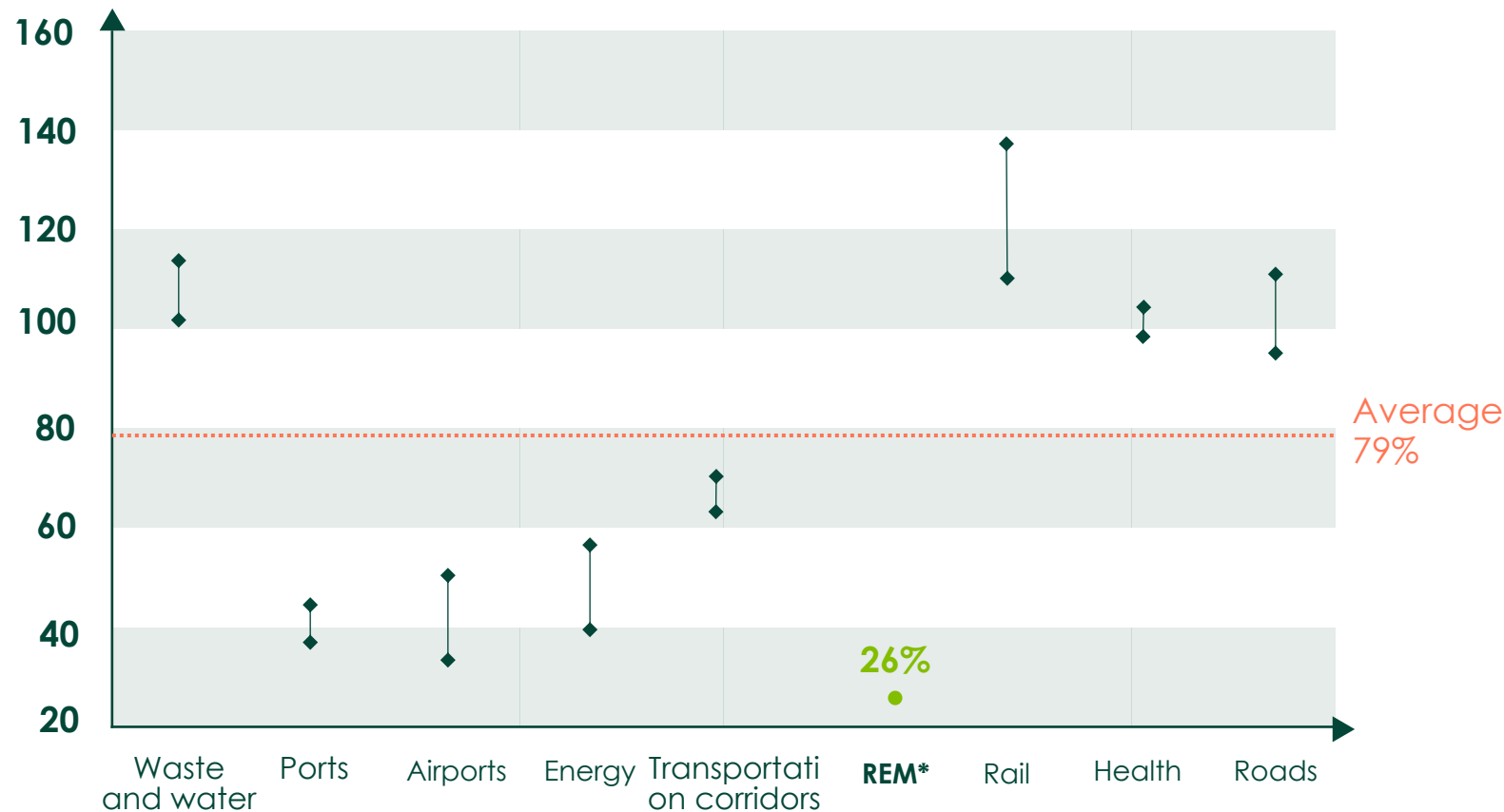
REM financing package – September 2023

CDPQ Infra	\$4.58B	+\$1.65B
Québec government	\$1.28B	Unchanged
Canada Infrastructure Bank	\$1.28B	Unchanged
Hydro-Québec	\$295M	Unchanged
ARTM	\$512M	Unchanged
TOTAL	\$7.95B	

A competitive performance

Compared to several hundreds of projects worldwide

Cost overrun intervals (%) based on announced capital investments¹



On average, the cost overrun on a major project is 79% compared to the initial budget.¹ The REM therefore stands out favourably with a cost overrun of 26%, half of which was related to the pandemic.

REM*: Based on the budget after bidder selection

¹ Based on a sample of 532 projects

Information based on a 2022 study by McKinsey & Company: *How capital expenditure management can drive performance*

Summary of financial parameters



No additional investment required for the government

- **Consistent with the 2015 and 2018 agreements** between the Québec government and CDPQ Infra
- **Off-balance sheet** project for the government
- CDPQ Infra **assumes all construction and ridership risks** (except regulatory risks)

Fare indexation of 75¢ based on the integration agreement between the ARTM and CDPQ Infra

- Financing of capital and operating costs
- Reserve for long-term network maintenance
- Competitive fares, indexed according to price indexes, as stipulated in the integration agreement with the ARTM
- Predictability for public authorities

Maintain performance targets

- Structured returns based on risk
 - CDPQ Infra: 8%
- Beyond this, returns are shared with the government



Next steps

Start of tests on Deux-Montagnes
and Anse-à-l'Orme branches: Spring 2024

Question period





Learn more
rem.info

