Appendix F

The Six-Month Period (Q2) Ending June 30, 2025, Combined Operating Income (Loss) for Exhibition Place and Automotive Building

Forecast

With the year-to-date results as of June 30, 2025 now finalized, staff are confident that Exhibition Place is on track to exceed the targeted operating budget deficit of ($0.450) million. As reported to City FPD on Q2 Variance Report, staff have reported a break-even budget position, reflecting a favourable variance of $0.450 million.

Year-to-Date Combined Summary

For the six months ending June 30, 2025, Exhibition Place and the Automotive Building reported a combined operating loss before naming fees and City funding of ($0.168) million, significantly better than the budgeted loss of ($3.505) million, resulting in a favourable variance of $3.337 million. This favourable result was driven by:

- $6.129 million favourable Event & Tenant Income variance, primarily due to higher-than-expected user fees from major one-off events in May and June, including the Shopify Summit, VCT Master, Loblaw Supplier Summit, and Salesforce World Tour.
- ($0.585) million unfavourable Direct Expenses variance, attributable to costs associated with these large events; and
- ($2.204) million unfavourable Indirect Operating Expenses variance, primarily due to increased spending on special repairs and the replacement of older equipment, partially offset by lower utility costs. Indirect operating expenses encompass costs from departments such as the CEO's office, CFO and Corporate Secretary, General Manager, Accounting Services, Marketing/Event Services, Records & Archives, Purchasing & Stores, Human Resources, Payroll & Benefits, Security, Operations, Facilities, Utilities, Special Appropriations, Telecommunications, and base building maintenance.

Combined year-over-year Analysis

	Q2 2025 Actual ($ million's)	Q2 2024 Actual ($ million's)	Change ($ million's)	% Chge	Explanation
Event & Tenant Income	27.941	24.466	3.48	14.20%	Increase primarily due to one-off events in May and June 2025 VCT Master, Loblaw Supplier Summit, Inventa, SIAL (biannual event) and Salesforce World Tour, New leases with MLSE for Team Space and West Annex Office
Direct Expenses	3.522	2.945	0.58	19.59%	Increase in line with increase of revenues.
Indirect Operating Expenses	23.387	20.105	3.28	16.32%	Increase primarily due to increased spending on special repairs and replacement of older equipment, site improvement, landscaping cost and snow removing supplies, TPA management fees, natural gas (DES was under repair thus lesser consumption in 2024), higher paid duty police cost, higher event PMD costs in 2025
Interest expense	1.199	1.226	-0.03	-2.20%	Decrease due to reduction in principal from loan payments over term.
Naming Rights - contribution from Conference Centre Reserve Fund	0.14	0.53	-0.39	-72.92%	Decrease due to reduction of naming rights from non-renewal from Beanfield naming rights for Automotive Building and extension of term for Enercare due to pandemic for the Enercare Centre.
Operating Income (Loss) before City Deficit Funding	-0.03	0.72	-0.74	-103.49%	Decrease primarily due to increased spending on special repairs and replacement of older equipment, site improvement as well as a reduction in naming rights revenue.