



# Results for the First Quarter 2023

## OUR ORGANIZATION

### Outgoing tour operators

- Transat Tours Canada (Canada)
- Canadian Affair (United Kingdom)

### Retail distribution

- Transat Distribution Canada (Canada)

### Air transportation

- Air Transat

### Incoming tour operators

#### Destination services

- Trafictours
- Turissimo
  
- North America
- Europe

## Transat A.T. inc., a holiday travel reference worldwide, particularly as an air carrier under the Air Transat brand

Founded in Montreal 35 years ago, Transat has achieved worldwide recognition as a provider of holiday travel particularly as an airline under the Air Transat brand. Voted World's Best Leisure Airline in North America by passengers at the 2022 Skytrax World Airline Awards, it flies to international, U.S. and Canadian destinations. By renewing its fleet with the most energy-efficient aircraft in their category, it is committed to a healthier environment, knowing that this is essential to its operations and the destinations it serves. Transat has been Travelife-certified since 2018. (TSX: TRZ) [www.transat.com](http://www.transat.com)

### For the first quarter:

- Revenues of \$667.5 million
- Adjusted operating income<sup>1</sup> (adjusted EBITDA) of \$3.3 million
- Operating loss (EBIT) of \$38.1 million

### Financial position:

- Unrestricted liquidity<sup>1</sup> of \$567.7 million as at January 31, following strong cash flow generation of \$145.2 million
- Customer deposits of 898.3 millions \$, a new high, breaking the previous record in January 2020 by 11%.

## Quick Facts

Ticker: TRZ - Listings: Toronto Stock Exchange (TSX)

Year end: October 31

The momentum from the end of 2022 continues, confirming our financial scenarios. Transat is on an upswing and is headed for a return to profitability. In the first quarter of 2023, revenues more than tripled compared with the corresponding quarter in 2022. Across all programs, combining European and South destinations, Transat deployed capacity comparable to that of 2019; load factors were slightly lower, but the shortfall was largely offset by higher prices. In addition, airline unit revenues, expressed in yield, increased by more than 20% compared with the first quarter of 2019. As a result, we recorded an adjusted operating income of \$3.3 million for the period, an improvement of \$39.7 million compared with the first quarter of 2022. These results are especially encouraging since the first quarter, which falls in the shoulder period, is usually the lowest of the year.

Transat maintains the adjusted operating income margin target of 4% to 6% for the year. Resilient demand for travel is supporting prices and helps us deal with the pressure on operating costs. The context is therefore challenging but remains favourable to recovery in travel and Transat's relaunch.

During the first quarter, Transat deployed capacity equivalent to that of 2019 and recorded a satisfactory load factor of 84.5%. The Corporation acted prudently and rigorously to seize market opportunities, while minimizing operational risks. This balanced approach to capacity deployed served Transat and its travellers well. The Corporation successfully coped with numerous disruptions and delays caused by inclement weather and operational difficulties at several airports across North America between late December 2022 and early January 2023. Transat was thus able to record strong business volume, while maintaining its reputation for excellent customer service. This corporate culture is demonstrated every day by Transat employees, to whom the Corporation would like to express its appreciation.



**Annick Guérard**

President and Chief Executive Officer, Transat

# Financial Highlights

## Financial Highlights for the Quarters Ended January 31

(in thousands of Canadian dollars, except per share amounts)	2023 \$	2022 \$	Difference \$	Difference %
<b>Consolidated statements of loss</b>				
Revenues	667,457	202,438	465,019	229.7
Operating loss	(38,103)	(73,841)	35,738	48.4
Net loss	(56,610)	(114,345)	57,735	50.5
Basic loss per share	(1.49)	(3.03)	1.54	50.8
Diluted loss per share	(1.49)	(3.03)	1.54	50.8
Adjusted operating income (loss) <sup>1</sup>	3,331	(36,369)	39,700	109.2
Adjusted net loss <sup>1</sup>	(61,564)	(95,317)	33,753	35.4
Adjusted net loss per share <sup>1</sup>	(1.62)	(2.53)	0.91	36.0

## Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at January 31, 2023 \$	As at October 31, 2022 \$	Difference \$	Difference %
<b>Consolidated Statements of Financial Position</b>				
Cash and cash equivalents	467,712	322,535	145,177	45.0
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	555,106	375,557	179,549	47.8
	1,022,818	698,092	324,726	46.5
Total assets	2,527,062	2,271,131	255,931	11.3
Debt (current and non-current)	679,387	664,160	15,227	2.3
Total debt <sup>1</sup>	1,889,638	1,932,901	(43,263)	(2.2)
Total net debt <sup>1</sup>	1,421,926	1,610,366	(188,440)	(11.7)

## **1Non-IFRS Financial Measures**

<b>Adjusted operating income (loss) or adjusted EBITDA</b>	Operating income (loss) before depreciation, amortization and asset impairment expense, restructuring charge and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the operational performance of its activities before the aforementioned items to ensure better comparability of financial results.
<b>Adjusted pre-tax income (loss) or adjusted EBT</b>	Income (loss) before income tax expense before change in fair value of derivatives, revaluation of liability related to warrants, gain (loss) on long-term debt modification, gain (loss) on business disposals, gain (loss) on asset disposals, restructuring charge, asset impairment, foreign exchange gain (loss) and other significant unusual items, and including premiums related to derivatives that matured during the period. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results.
<b>Adjusted net income (loss)</b>	Net income (loss) before net income (loss) from discontinued operations, change in fair value of derivatives, revaluation of liability related to warrants, gain (loss) on long-term debt modification, gain (loss) on business disposals, gain (loss) on asset disposals, restructuring charge, asset impairment, foreign exchange gain (loss), reduction in the carrying amount of deferred tax assets and other significant unusual items, and including premiums related to derivatives that matured during the period, net of related taxes. The Corporation uses this measure to assess the financial performance of its activities before the aforementioned items to ensure better comparability of financial results. Adjusted net income (loss) is also used in calculating the variable compensation of employees and senior executives.
<b>Adjusted net income (loss) per share</b>	Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share.
<b>Total debt</b>	Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing cost related to the unsecured debt - LEEFF. Management uses total debt to assess the Corporation's debt level, future cash needs and financial leverage ratio. Management believes this measure is useful in assessing the Corporation's capacity to meet its current and future financial obligations.
<b>Total net debt</b>	Total debt (described above) less cash and cash equivalents. Total net debt is used to assess the cash position relative to the Corporation's debt level. Management believes this measure is useful in assessing the Corporation's capacity to meet its current and future financial obligations.
<b>Unrestricted liquidity</b>	The sum of cash and cash equivalents and available undrawn funds from credit facilities. The Corporation uses this measure to assess the total potential cash available in the short term.

For more detailed information and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to Section 2 Non-IFRS financial measures of our MD&A in our [First Quaterly Report of 2023](#), which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Senior Management**

<b>Annick Guérard</b>	President and Chief Executive Officer, Transat
<b>Joseph Adamo</b>	President, Transat Distribution Canada Chief Sales and Marketing Officer, Transat
<b>Michèle Barre</b>	Vice President, Network, Revenue Management and Pricing
<b>Patrick Bui</b>	Chief Financial Officer
<b>Bernard Bussièrès</b>	Vice-President, General Counsel and Corporate Secretary
<b>Bruno Leclaire</b>	Vice-President and Chief Information Officer
<b>Marc-Philippe Lumpé</b>	Chief Airline Operations Officer

\*At January 31, 2023

## **Investor Relations Information**

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