



Results for the Second Quarter 2022

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 grown to become a holiday travel reference worldwide, particularly as an air carrier under the Air Transat brand. Voted World's Best Leisure Airline by passengers at the Skytrax World Airline Awards, it flies to international and Canadian destinations, striving to serve its customers with enthusiasm and friendliness at every stage of their trip or stay, and emphasizing safety throughout. Transat has been Travelife-certified since 2018, renewing its fleet with the greenest aircraft in their category as part of a commitment to a healthier environment, knowing that this is essential to the integrity of its operations and the magnificent destinations it serves (TSX: TRZ).

For the second quarter:

- Revenues of \$358.2 million
- Adjusted operating loss¹ of \$51.0 million (operating loss of \$87.5 million)
- Adjusted net loss¹ of \$111.6 million (net loss of \$98.3 million)

Financial position and financing:

- Unrestricted liquidity¹ of \$515.9 million as at April 30
- Customer deposits of 494.2 millions \$, representing 80% of pre-pandemic levels and a 60% increase over last quarter, reflecting the recovery in demand

Continuation of the strategic plan:

- Rebuilding of the pre-pandemic network, with the opening of several routes and the implementation of codeshare agreements
- Continued fleet renewal, with the expected delivery of two A321neoLRs during the third quarter and five more to come

Quick Facts

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

Year end: October 31

"When the effect of Omicron subsided at the end of February, operations and sales rebounded strongly, allowing us to end the quarter on a very encouraging note and generate revenues of \$358 million for the period. We foresee a strong recovery and will continue to implement all the measures necessary to capitalize on it," stated Annick Guérard, President and Chief Executive Officer of Transat.

"Sales are progressing in a very satisfactory manner for the summer. The cost of fuel rose sharply, without which we would have reported positive adjusted operating results in April. Nonetheless, we observe that consumers are ready to accept price hikes and we have implemented a fuel hedging program to protect us against significant increases during the summer."

"For the longer term, we continue to implement our strategic plan. While continuing to receive new fuel-efficient aircraft to the fleet, we continue to develop our network by adding new destinations and connections, with or without code sharing. We also benefit from our employees' strong support, including our pilots with whom we have entered into a three-year agreement, ensuring stability for the coming period," concluded Ms. Guérard.

Annick Guérard

President and Chief Executive Officer, Transat



Financial Highlights

Quarters ended April 30

(in thousands of Canadian dollars, except per share amounts)	2022 \$	2021 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	358,157	7,569	350,588	4,631.9
Operating loss	(87,513)	(86,480)	(1,033)	(1.2)
Net loss attributable to shareholders	(98,276)	(69,561)	(28,715)	(41.3)
Basic loss per share	(2.60)	(1.84)	(0.76)	(41.3)
Diluted loss per share	(2.60)	(1.84)	(0.76)	(41.3)
Adjusted operating loss ¹	(51,014)	(50,963)	(51)	(0.1)
Adjusted net loss ¹	(111,563)	(103,287)	(8,276)	(8.0)
Adjusted net loss per share ¹	(2.95)	(2.74)	(0.21)	(7.7)

Six-month periods ended April 30

(in thousands of Canadian dollars, except per share amounts)	2022 \$	2021 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	560,595	49,489	511,106	1,032.8
Operating loss	(161,354)	(184,528)	23,174	12.6
Net loss attributable to shareholders	(212,621)	(130,095)	(82,526)	(63.4)
Basic loss per share	(5.63)	(3.45)	(2.18)	(63.2)
Diluted loss per share	(5.63)	(3.45)	(2.18)	(63.2)
Adjusted operating loss ¹	(87,383)	(104,595)	17,212	16.5
Adjusted net loss ¹	(206,880)	(212,336)	5,456	2.6
Adjusted net loss per share ¹	(5.48)	(5.63)	0.15	2.7

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at April 30, 2022 \$	As at October 31, 2021 \$	Difference \$	Difference %
Consolidated Statements of Financial Position				
Cash and cash equivalents	511,210	433,195	78,015	18.0
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	223,194	170,311	52,883	31.1
	734,404	603,506	130,898	21.7
Total assets	2,162,416	1,897,658	264,758	14.0
Debt (current and non-current)	636,205	463,180	173,025	37.4
Total debt ¹	1,781,497	1,604,121	177,376	11.1
Total net debt ¹	1,270,287	1,170,926	99,361	8.5

¹Non-IFRS Financial Measures

Adjusted operating income (loss)	Operating income (loss) before depreciation, amortization and asset impairment expense, restructuring charge and other significant unusual items, and including premiums for fuel-related derivatives and other derivatives 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.
Adjusted net income (loss)	Net income (loss) attributable to shareholders before net income (loss) from discontinued operations, change in fair value of fuel-related derivatives and other 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 for fuel-related derivatives and other 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.
Adjusted net income (loss) per share	Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share.
Total debt	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.
Total net debt	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.
Unrestricted liquidity	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 [Second Quarterly Report of 2022](#), which is available on SEDAR at www.sedar.com.

Senior Management

Annick Guérard	President and Chief Executive Officer, Transat
Joseph Adamo	President, Transat Distribution Canada Chief Sales and Marketing Officer, Transat
Michèle Barre	Vice President, Network, Revenue Management and Pricing
Patrick Bui	Chief Financial Officer
Bernard Bussi�res	Vice-President, General Counsel and Corporate Secretary
Christophe Hennebelle	Vice-President, Human Resources and Corporate Affairs
Bruno Leclaire	Vice-President and Chief Information Officer
Jean-Fran�ois Lemay	President-General Manager, Air Transat
Marc-Philippe Lump�	Chief Airline Operations Officer

Investor Relations Information

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