



Results for the Third 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 leisure travel, operating as an air carrier under the Air Transat brand. Voted World's Best Leisure Airline by passengers at the 2023 Skytrax World Airline Awards, it flies to international 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

For the third quarter:

- Revenues of \$746.3 million
- Adjusted EBITDA¹ of \$114.8 million
- Operating income of \$64.4 million
- Net income of \$57.3 million

Financial position:

- Unrestricted liquidity¹ of \$670.6 million as at July 31, 2023, up from \$511.3 million at the same time last year due to a solid cash flow generation in the last 12 months
- Customer deposits for future travel of 819.9 millions \$, an all-time high for a third-quarter, up 40% from July 31, 2022
- Land sale in Mexico completed on August 31 and proceeds of US\$38 million to be applied to debt reduction

Quick Facts

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

Year end: October 31

Transat generated record adjusted EBITDA and net income for a third quarter, and its first net profit since the end of 2019. These results demonstrate strong overall execution and our ability to meet sustained customer demand in a cost-efficient way.

Third-quarter revenues of \$746.3 million were 6.8% above 2019 levels despite capacity being 14% less, while our record adjusted EBITDA of \$114.8 million was nearly 85% higher. Robust demand for leisure travel produced yields 29% above those of 2019.

Transat will conclude fiscal 2023 with solid momentum and, as a result, we are raising our adjusted EBITDA margin target from 5.5-7% to 7.5-8% for the year.

Looking ahead to the winter season, the addition of three new A321LR and one A321ceo will contribute to increasing available capacity by 23% to be deployed on our best performing routes and promising new destinations. Early bookings are ahead of last year which, combined with firm pricing, bode well for the start of the new fiscal year.

Annick Guérard

President and Chief Executive Officer, Transat



Financial Highlights

Financial Highlights for the Quarters Ended July 31

(in thousands of Canadian dollars, except per share amounts)	2023 \$	2022 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	746,317	508,304	238,013	46.8
Operating income (loss)	64,375	(93,218)	157,593	169.1
Net income (loss)	57,303	(106,472)	163,775	153.8
Basic earnings (loss) per share	1.49	(2.82)	4.31	152.8
Diluted earnings (loss) per share	1.49	(2.82)	4.31	152.8
Adjusted operating income (loss) ¹	114,782	(57,824)	172,606	298.5
Adjusted net income (loss) ¹	42,302	(120,901)	163,203	135.0
Adjusted net earnings (loss) per share ¹	1.10	(3.20)	4.30	134.4

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at July 31, 2023 \$	As at October 31, 2022 \$	Difference \$	Difference %
Consolidated Statements of Financial Position				
Cash and cash equivalents	570,592	322,535	248,057	76.9
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	293,348	375,557	(82,209)	(21.9)
	863,940	698,092	165,848	23.8
Total assets	2,611,256	2,271,131	340,125	15.0
Debt (current and non-current)	710,653	664,160	46,493	7.0
Total debt ¹	2,038,475	1,932,901	105,574	5.5
Total net debt ¹	1,467,883	1,610,366	(142,483)	(8.8)

¹Non-IFRS Financial Measures

Adjusted operating income (loss) or adjusted EBITDA	Operating income (loss) before depreciation, amortization and asset impairment expense, restructuring costs 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.
Adjusted pre-tax income (loss) or adjusted EBT	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.
Adjusted net income (loss)	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 costs, 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.
Adjusted net earnings (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.
Free cash flow	Cash flows related to operating activities less cash flows related to investing activities and repayment of lease liabilities. The Corporation uses this measures to assess the cash that's available to be distributed in a discretionary way such as repayment of long-term debt or deferred government grant or distribution of dividend to shareholders.

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 Third Quaterly Report of 2023, which is available on SEDAR at www.sedar.com and on www.transat.com in the Investors section.

Senior Management

Annick Guérard	President and Chief Executive Officer, Transat
Joseph Adamo	President, Transat Distribution Canada Chief Sales and Marketing Officer, Transat
Michèle Barre	Chief Revenue Officer
Patrick Bui	Chief Financial Officer
Bernard Bussi�res	Chief Legal and Government Relations Officer and Corporate Secretary
Julie Lamontagne	Chief People, Sustainability and Communications Officer
Marc-Philippe Lump�	Chief Airline Operations Officer
Bamba Sissoko	Chief Information Officer

Investor Relations Information

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