



# Results for the Third Quarter 2025

## 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 in 1987, Transat has achieved worldwide recognition as a provider of leisure travel particularly as an airline under the Air Transat brand. Voted World's Best Leisure Airline by passengers at the 2025 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. Based in Montreal, Transat has 5,000 employees with a common purpose to bring people closer together. (TSX: TRZ) [www.transat.com](http://www.transat.com)

### Third Quarter highlights:

- Revenues of \$766.3 million, up 4.1% from \$736.2 million last year
- Adjusted EBITDA<sup>1</sup> of \$81.2 million compared to \$48.0 million last year
- Net income of \$399.8 million (\$9.97 per share), including \$345.1 million from long-term debt restructuring, compared to a net loss of \$39.9 million (\$1.03 per share) last year
- Negative free cash flow<sup>1</sup> of \$122.1 million compared to negative \$168.7 million last year
- Cash and cash equivalents of \$357.2 million as at July 31, 2025
- Elevation Program initiatives implemented to date are on track to deliver \$100M in adjusted EBITDA<sup>1</sup> by mid-2026, in line with the objective
- Conclusion of the LEEFF debt restructuring, reducing the amount owed under the program from \$762.2 million as of last quarter to \$333.9 million
- Sale-leaseback transactions valued at \$61.5 million for two Pratt & Whitney GTF<sup>2</sup> engines; proceeds used to reduce debt and fund operations

## Quick Facts

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

Year end: October 31

<sup>2</sup> Geared turbofan ("GTF").

"Transat delivered improved operating and financial performances in the third quarter of fiscal 2025. Revenues grew 4.1%, driven by a 2.6% year-over-year yield improvement and a 1.0% passenger traffic increase. Benefits from our Elevation Program, a comprehensive optimization plan aimed at maximizing long-term profitable growth, are materializing as anticipated and continue to drive results towards generating adjusted EBITDA of \$100 million by mid-2026. The increase in revenue, combined with rigorous control of operating expenses and favourable fuel costs, resulted in improved operating profitability.

Looking ahead, economic uncertainty and capacity redeployment across the industry are posing short-term challenges for load factors, and we do not expect fuel costs to provide the same significant tailwind as they did so far this year. In this context, we are maintaining our focus on executing our business strategy through disciplined cost management, fleet optimization and network expansion. As for the upcoming winter season, we are excited with our broader offering. With new destinations in South America and Türkiye, along with the extension of transatlantic services, we are pursuing our diversification strategy to offer more leisure travel options."

**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)	2025 \$	2024 \$	Difference \$	Difference %
<b>Consolidated statements of Income (Loss)</b>				
Revenues	766,301	736,203	30,098	4.1
Operating income (loss)	24,241	(9,837)	34,078	346.4
Net income (loss)	399,821	(39,893)	439,714	1,102.2
Basic earnings (loss) per share	9.97	(1.03)	11.00	1,068.0
Diluted earnings (loss) per share	9.39	(1.03)	10.42	1,011.7
Adjusted operating income <sup>1</sup>	81,179	47,994	33,185	69.1
Adjusted net loss <sup>1</sup>	(11,752)	(36,300)	24,548	67.6
Adjusted net loss per share <sup>1</sup>	(0.28)	(0.93)	0.65	69.9

## Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at July 31, 2025 \$	As at October 31, 2024 \$	Difference \$	Difference %
<b>Consolidated Statements of Financial Position</b>				
Cash and cash equivalents	357,153	260,336	96,817	37.2
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	305,463	484,944	(179,481)	(37.0)
	662,616	745,280	(82,664)	(11.1)
Total assets	2,647,863	2,750,910	(103,047)	(3.7)
Debt (current and non-current)	180,427	682,295	(501,868)	(73.6)
Total debt <sup>1</sup>	1,768,039	2,277,320	(509,281)	(22.4)
Total net debt <sup>1</sup>	1,410,886	2,016,984	(606,098)	(30.0)

## <sup>1</sup>Non-IFRS Financial Measures

<b>Adjusted operating income (loss) or adjusted EBITDA</b>	Operating income (loss) before depreciation, amortization and asset impairment expense, reversal of impairment of the investment in a joint venture, the effect of changes in discount rates used for accretion of the provision for return conditions, 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 operating income is also used to calculate variable compensation for employees and senior executives.
<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 and preferred shares, gain on long-term debt extinguishment, gain on business disposals, gain on disposal of investment, gain (loss) on asset disposals, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring costs, write-off of assets, reversal of impairment of the investment in a joint venture, 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 change in fair value of derivatives, revaluation of liability related to warrants and preferred shares, gain on long-term debt extinguishment, gain on business disposals, gain on disposal of investment, gain (loss) on asset disposals, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, restructuring costs, write-off of assets, reversal of impairment of the investment in a joint venture, 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 earnings (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 costs related to the subordinated 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>Free cash flow</b>	Cash flows related to operating activities less cash flows related to investing activities and repayment of lease liabilities. The Corporation uses this measure 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 Third Quarterly Report of 2025, which is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and on [www.transat.com](http://www.transat.com) in the Investors section.

## 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>Bernard Bussi�res</b>	Chief Legal and Government Relations Officer and Corporate Secretary
<b>Julie Lamontagne</b>	Chief People, Sustainability and Communications Officer
<b>Marc-Philippe Lump�</b>	Chief Airline Operations Officer
<b>Sebastian Ponce</b>	Chief Revenue Officer
<b>Jean-Fran�ois Pruneau</b>	Chief Financial Officer
<b>Bamba Sissoko</b>	Chief Information Officer

## Investor Relations Information

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