



Results for the Fourth 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 Montréal 36 years ago, Transat has achieved worldwide recognition as a provider of leisure travel. Known for operating as an air carrier under the Air Transat brand, Transat also consists of specialist tour operators and other entities in the retail distribution of holiday travel packages. Its full offerings include products and services for exploring a multitude of international destinations, mainly in Europe and the Caribbean, with growth ambitions in South America and North Africa.

Transat is headquartered in Montréal, with places of business in France and the United Kingdom, as well as the Caribbean. Its airline, Air Transat, is an important part of the Montréal-Trudeau (YUL) and Toronto Pearson (YYZ) airport platforms. Transat employs over 5,000 individuals who share the same purpose: reducing the distances that separate us.

Voted World's Best Leisure Airline by passengers at the 2023 Skytrax World Airline Awards, Air Transat is known for its exceptional customer service. (TSX: TRZ) www.transat.com

For the fourth quarter:

- Revenues of \$764.5 million
- Adjusted EBITDA¹ of \$89.0 million
- Operating income of \$44.7 million
- Net income of \$3.2 million

For the year 2023:

- Revenues of \$3,048.4 million
- Adjusted EBITDA¹ of \$263.3 million
- Operating income of \$89.7 million
- Net loss of \$25.3 million

Cash flow and financial position:

- Cash flow from operating activities of \$321.8 million and free cash flow¹ of \$162.4 million for the year, partially used to reimburse \$53.0 million in long-term debt
- Cash and cash equivalents of \$435.6 million as at October 31, 2023, up from \$322.5 million last year
- Customer deposits for future travel of \$754.2 million, up 25% from October 31, 2022

Quick Facts

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

Year end: October 31

Driven by a strong execution of its strategic plan, Transat has solidified its positioning in the Canadian leisure travel industry. As industry dynamics gathered momentum throughout the year, our team focused on meeting growing demand and improving operating efficiency, allowing us to end fiscal 2023 with financial results that exceeded the upper range of our profitability target. Driven by robust yields, we delivered a strong fourth-quarter performance with revenues of \$764.5 million, 10% above 2019 levels on 7% less capacity and with similar load factors, while adjusted EBITDA reached \$89.0 million, culminating a solid second half. We also generated free cash flow of \$162.4 million in fiscal 2023, enabling us to reduce debt and conclude the year with an improved cash position.

Looking ahead to the new fiscal year, Transat will continue executing on its strategic plan. Our recently announced joint venture with Porter Airlines will be a key element in accelerating growth, as we expect this agreement to gradually increase passenger traffic. Meanwhile, a greater frequency on leading routes, the launch of new destinations and ongoing efforts to optimize fleet utilization will raise our capacity by approximately 19% in 2024. Given the current operating environment, we expect our adjusted EBITDA margin to be in the range of 7.5% to 9% in fiscal 2024, which would exceed Transat's historical levels. In addition, we intend to further improve our capital structure through sustained free cash flow generation.



Annick Guérard

President and Chief Executive Officer, Transat

Financial Highlights

Financial Highlights for the Quarters Ended October 31

(in thousands of Canadian dollars, except per share amounts)	2023 \$	2022 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	764,467	573,139	191,328	33.4
Operating income (loss)	44,721	(48,848)	93,569	191.6
Net income (loss)	3,195	(126,231)	129,426	102.5
Basic earnings (loss) per share	0.08	(3.32)	3.40	102.4
Diluted earnings (loss) per share	0.08	(3.32)	3.40	102.4
Adjusted operating income (loss) ¹	89,007	(11,545)	100,552	870.9
Adjusted net income (loss) ¹	15,676	(75,930)	91,606	120.6
Adjusted net earnings (loss) per share ¹	0.41	(2.00)	2.41	120.5

Financial Highlights for the Years Ended October 31

(in thousands of Canadian dollars, except per share amounts)	2023 \$	2022 \$	Difference \$	Difference %
Consolidated statements of loss				
Revenues	3,048,352	1,642,038	1,406,314	85.6
Operating income (loss)	89,733	(303,420)	393,153	129.6
Net income (loss)	(25,292)	(445,324)	420,032	94.3
Basic earnings (loss) per share	(0.66)	(11.77)	11.11	94.4
Diluted earnings (loss) per share	(0.66)	(11.77)	11.11	94.4
Adjusted operating income (loss) ¹	263,264	(156,752)	420,016	267.9
Adjusted net income (loss) ¹	(11,543)	(403,711)	392,168	97.1
Adjusted net earnings (loss) per share ¹	(0.30)	(10.67)	10.37	97.2

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at October 31, 2023 \$	As at October 31, 2022 \$	Difference \$	Difference %
Consolidated Statements of Financial Position				
Cash and cash equivalents	435,647	322,535	113,112	35.1
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	450,752	375,557	75,195	20.0
	886,399	698,092	188,307	27.0
Total assets	2,569,370	2,271,131	298,239	13.1
Debt (current and non-current)	669,145	664,160	4,985	0.8
Total debt ¹	2,058,046	1,932,901	125,145	6.5
Total net debt ¹	1,622,399	1,610,366	12,033	0.7

¹Non-IFRS Financial Measures

Adjusted operating income (loss) or adjusted EBITDA	Operating income (loss) before depreciation, amortization and asset impairment expense, restructuring and transaction 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 and transaction costs, write-off of assets, 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 and transaction costs, write-off of assets, 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 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 our Annual Report of 2023, which is available on SEDAR at www.sedarplus.ca 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

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