



Results for the Second Quarter 2018

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

- Traffic Tours

- Transat Holidays USA

- Turissimo

- North America

- Europe

Transat A.T. Inc.: Integrated International Tour Operator Specializing in Holiday Travel

Transat A.T. Inc. is a leading integrated international tourism company specializing in holiday travel. It offers vacation packages, hotel stays and air travel under the Transat and Air Transat brands to some 60 destinations in 26 countries in the Americas, Europe and the Middle East. Based in Montreal, the company has 5,000 employees. Transat is firmly committed to sustainable tourism development, as reflected in its multiple corporate responsibility initiatives over the past 10 years, and was awarded Travelife Partner status in 2016.

For the Second Quarter:

- Revenues of \$902.0 million (\$884.3 million in 2017).
- Operating loss of \$8.7 million (\$15.1 million).
- Adjusted operating income¹ of \$6.6 million (\$1.5 million).
- Net income attributable to shareholders of \$6.7 million (net loss attributable to shareholders of \$8.4 million).
- Adjusted net loss¹ of \$4.5 million (\$8.1 million).

For the First Six Months:

- Revenues of \$1.6 billion (\$1.6 billion in 2017).
- Operating loss of \$54.5 million (\$65.7 million).
- Adjusted operating loss¹ of \$24.5 million (\$35.6 million).
- Net income attributable to shareholders of \$0.1 million (net loss attributable to shareholders of \$40.4 million).
- Adjusted net loss¹ of \$38.4 million (\$44.1 million).
- Sale of the subsidiary Jonview Canada Inc. for \$48.9 million on November 30, 2017.

Quick Facts

Ticker: TRZ

Year end: October 31

Listings: Toronto Stock Exchange (TSX)

Employees: approximately 5,000

"On a comparable basis versus last year, our adjusted operating income¹ improved by \$7.8 million for the quarter and \$16.7 million for the winter season, despite the impact of hurricanes. We're satisfied with the improvement in our results, particularly in our sun destination market, while the transformation of our fleet will only take effect starting in summer 2019. Our hotel project is also moving forward satisfactorily. We've identified the first opportunities and we're setting up the structures of our division."

Jean-Marc Eustache

President and Chief Executive Officer of Transat



Financial Highlights for the Quarters Ended April 30

(In thousands of dollars, except per share amounts)

	2018 \$	2017 \$	Difference \$	Difference %
Consolidated Statements of Income (Loss)				
Revenues	901,981	884,310	17,671	2.0
Operating income (loss)	(8,747)	(15,061)	6,314	41.9
Net income (loss) attributable to shareholders	6,683	(8,354)	15,037	180.0
Basic earnings (loss) per share	0.18	(0.23)	0.41	178.3
Diluted earnings (loss) per share	0.18	(0.23)	0.41	178.3
Adjusted operating income ¹	6,563	1,508	5,055	335.2
Adjusted net income (loss) ¹	(4,548)	(8,100)	3,552	43.9
Adjusted net income (loss) per share ¹	(0.12)	(0.22)	0.10	45.5

Financial Highlights for the Six-Month Periods Ended April 30

(In thousands of dollars, except per share amounts)

	2018 \$	2017 \$	Difference \$	Difference %
Consolidated Statements of Income (Loss)				
Revenues	1,627,763	1,573,642	54,121	3.4
Operating income (loss)	(54,542)	(65,732)	11,190	17.0
Net income (loss) attributable to shareholders	95	(40,427)	40,522	100.2
Basic earnings (loss) per share	—	(1.10)	1.10	100.0
Diluted earnings (loss) per share	—	(1.10)	1.10	100.0
Adjusted operating income (loss) ¹	(24,463)	(35,571)	11,108	31.2
Adjusted net income (loss) ¹	(38,416)	(44,139)	5,723	13.0
Adjusted net income (loss) per share ¹	(1.02)	(1.20)	0.18	15.0

Consolidated Statements of Financial Position

(In thousands of dollars)

	As at April 30 2018 \$	As at October 31 2017 \$	Difference \$	Difference %
Consolidated Statements of Financial Position				
Cash and cash equivalents	903,300	593,582	309,718	52.2
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	241,615	309,064	(67,449)	(21.8)
	1,144,915	902,646	242,269	26.8
Total Assets	1,658,419	1,453,216	205,203	14.1
Debt (current and non-current)	—	—	—	—
Total debt ¹	610,980	660,695	(49,715)	(7.5)
Total net debt (Cash and cash equivalents net of total debt) ¹	(292,320)	67,113	(359,433)	(535.6)

1Non-IFRS Financial Measures

The terms “adjusted operating income”, “adjusted operating loss”, “adjusted net income”, “adjusted net loss”, “total debt” and “total net debt” do not have a standardized meaning as prescribed by IFRS and are therefore unlikely to be comparable to similar measures reported by other issuers or those used by financial analysts. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Management believes that these measures or some of these measures are used by the readers of our Management’s Discussion and Analysis (“MD&A”) to analyze the Corporation’s results, its financial performance and its financial position. These terms are presented on a consistent basis from year to year, as Management uses them to measure the Corporation’s financial performance.

The adjusted operating income (loss) is the operating income (loss) before depreciation and amortization 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 (adjusted net loss) is the net income (loss) attributable to shareholders before net income (loss) from discontinued operations, change in fair value of fuel-related derivatives and other derivatives, gain (loss) on business disposals, restructuring charge, asset impairment and other significant unusual items, and including premiums for fuel-related derivatives and other derivatives 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.

For more detailed information and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to the 2018 Second Quarterly Report by [clicking here](#).

Senior Management

Jean-Marc Eustache

Chairman of the Board
President and Chief Executive Officer

Bruno Leclaire

Vice-President and Chief Information Officer

Annick Guérard

Chief Operating Officer, Transat

Bernard Bussières

Vice-President, General Counsel
and Corporate Secretary

Jordi Solé

President, Hotel Division, Transat

Christophe Hennebelle

Vice-President, Human Resources
and Corporate Affairs

Jean-François Lemay

President-General Manager, Air Transat

Daniel Godbout

Senior Vice-President, Transport
and Yield Management

Joseph Adamo

President, Transat Distribution Canada
Vice-President and Chief Distribution Officer, Transat

Denis Pétrin

Vice-President, Finance and Administration
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