



Results for the First Quarter 2019

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 more than 25 countries in the Americas and Europe. 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 12 years, and was awarded Travelife certification in 2018.

For the First Quarter:

- Revenues of \$647.6 million.
- Operating loss of \$52.6 million.
- Adjusted operating loss¹ of \$37.7 million.
- Net loss attributable to shareholders of \$49.6 million.
- Adjusted net loss¹ of \$36.0 million.

Quick Facts

Ticker: TRZ

Year end: October 31

Listings: Toronto Stock Exchange (TSX)

Employees: approximately 5,000

“We’re at the heart of the implementation cycle of our strategic plan. The material transformations, especially in the fleet, lead to an increase in costs, which is a necessary step in order to improve our medium-term performance. If we add fuel and currency to that, we did not yet have all the right cards in hand to improve our results. We look forward to seeing our first two A321LRs arrive in the next three months, the first step before we start reaping the benefits of the changes in the coming years.”

Jean-Marc Eustache

President and Chief Executive Officer of Transat



Financial Highlights for the Quarters Ended January 31

(In thousands of dollars, except per share amounts)

	2019	2018	Difference	Difference
		Restated ²		
	\$	\$	\$	%
Consolidated Statements of Income (Loss)				
Revenues	647,566	648,389	(823)	(0.1)
Operating income (loss)	(52,555)	(43,528)	(9,027)	(20.7)
Net income (loss) attributable to shareholders	(49,646)	(3,195)	(46,451)	(1,453.9)
Basic earnings (loss) per share	(1.32)	(0.09)	(1.23)	(1,366.7)
Diluted earnings (loss) per share	(1.32)	(0.09)	(1.23)	(1,366.7)
Adjusted operating income (loss) ¹	(37,728)	(28,759)	(8,969)	(31.2)
Adjusted net income (loss) ¹	(36,029)	(32,196)	(3,833)	(11.9)
Adjusted net income (loss) per share ¹	(0.96)	(0.87)	(0.09)	(10.3)

Consolidated Statements of Financial Position

(In thousands of dollars)

	As at	As at	Difference	Difference
	January 31	October 31		
	2019	2018		
	\$	Restated ²	\$	%
	\$	\$	\$	%
Consolidated Statements of Financial Position				
Cash and cash equivalents	620,445	593,654	26,791	4.5
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	456,379	338,919	117,460	34.7
	1,076,824	932,573	144,251	15.5
Total Assets	1,796,268	1,565,035	231,233	14.8
Debt (current and non-current)	—	—	—	—
Total debt ¹	664,405	622,270	42,135	6.8
Total net debt ¹	43,960	28,616	15,344	53.6

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, 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.

²Change in accounting standards

The Corporation adopted IFRS 9, *Financial Instruments*, and IFRS 15, *Revenue from Contracts with Customers*, on November 1, 2018, and the consolidated statement of loss for the period ended January 31, 2018 has been restated. The opening consolidated statement of financial position as of October 31, 2017 and the consolidated statement of financial position as of October 31, 2018 have been restated. The main changes related to the adoption of IFRS 9 and IFRS 15 are described in note 3 to the interim condensed consolidated financial statements for the period ended January 31, 2019. **For more detailed information and for the reconciliations between the IFRS financial measures and the non-IFRS financial measures, please refer to the First Quarterly Report of 2019 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
and Chief Financial Officer

Investor Relations

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Information

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