

IMPROVED FIRST QUARTER RESULTS

STRATEGIC PLAN IMPLEMENTATION AND LAUNCH OF HOTEL DEVELOPMENT PLAN

INVESTOR'S PRESENTATION

MARCH 2018



Caution Regarding Forward-Looking Statements / Non-IFRS Financial Measures

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS WITH RESPECT TO THE CORPORATION. THESE FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, NECESSARILY INVOLVE RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS. WE CONSIDER THE ASSUMPTIONS ON WHICH THESE FORWARD-LOOKING STATEMENTS ARE BASED TO BE REASONABLE, BUT CAUTION THE READER THAT THESE ASSUMPTIONS REGARDING FUTURE EVENTS, MANY OF WHICH ARE BEYOND OUR CONTROL, MAY ULTIMATELY PROVE TO BE INCORRECT SINCE THEY ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT AFFECT US. THE CORPORATION DISCLAIMS ANY INTENTION OR OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, OTHER THAN AS REQUIRED BY LAW.

THIS PRESENTATION ALSO INCLUDES REFERENCES TO NON-IFRS FINANCIAL MEASURES, SUCH AS ADJUSTED NET INCOME (LOSS), ADJUSTED EBITDA, ADJUSTED EBITDAR, FREE CASH FLOW AND ADJUSTED NET DEBT. PLEASE REFER TO THE APPENDIX AT THE END OF THIS PRESENTATION FOR ADDITIONAL INFORMATION ON NON-IFRS FINANCIAL MEASURES

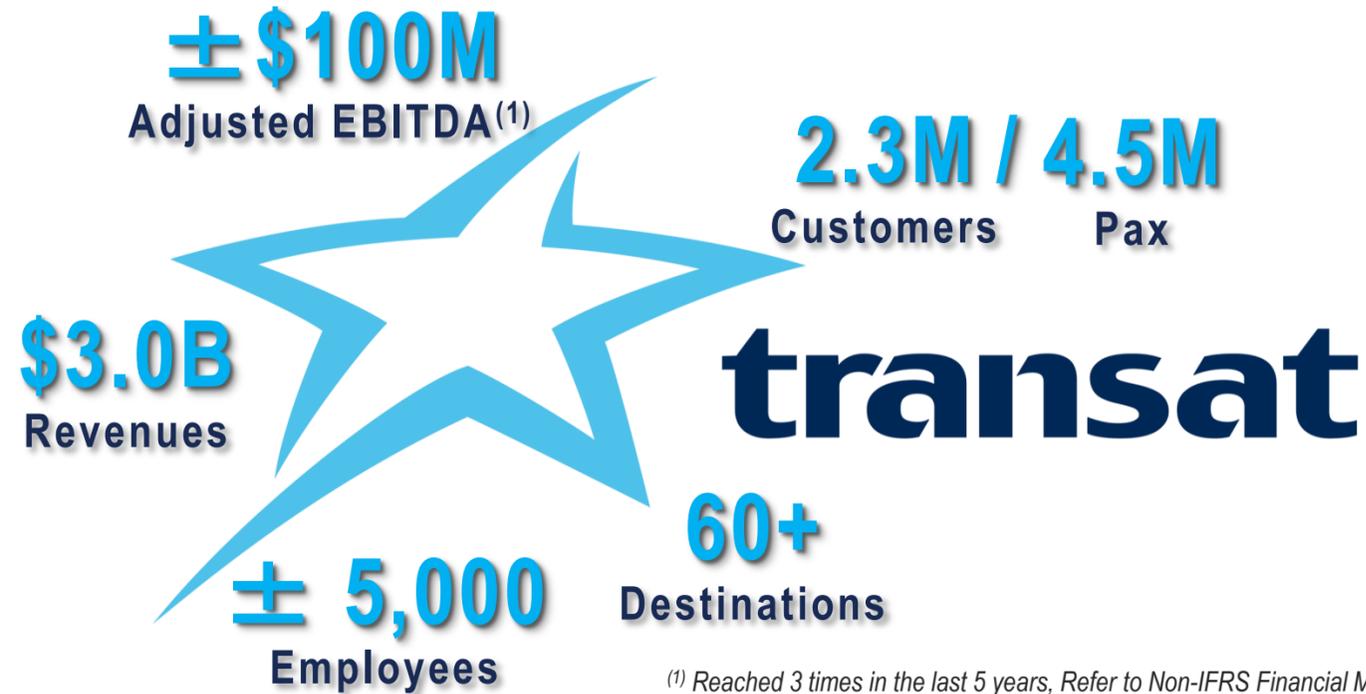
Section 1: Introduction

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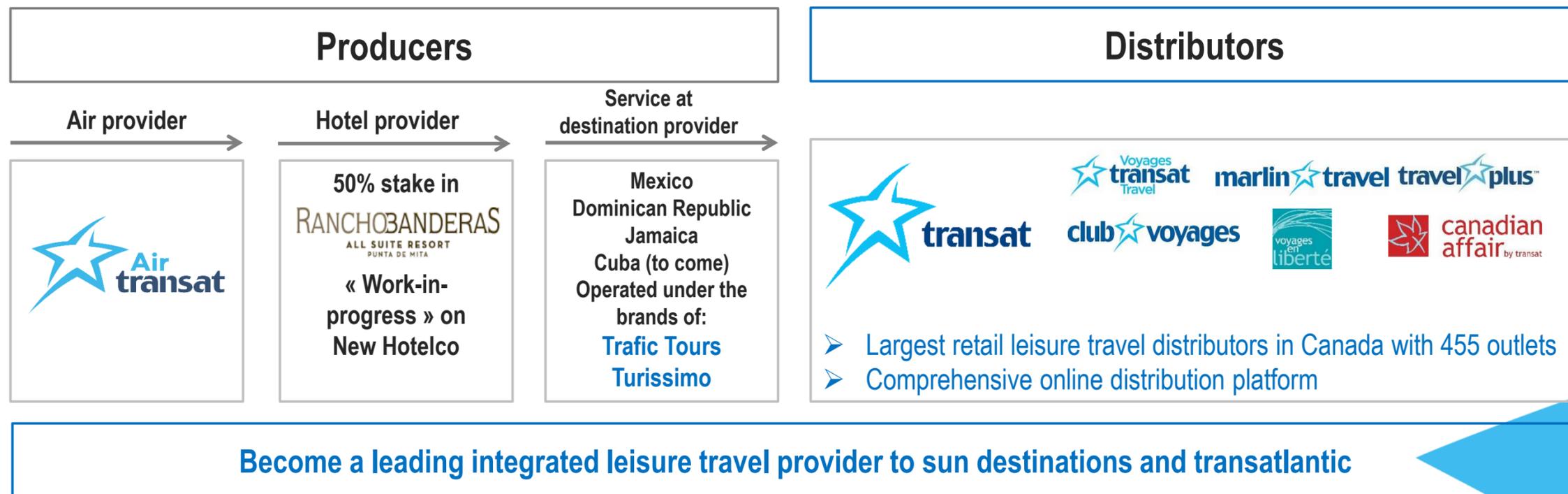
One Of The Largest Tour Operators In North America

TRANSAT HIGHLIGHTS



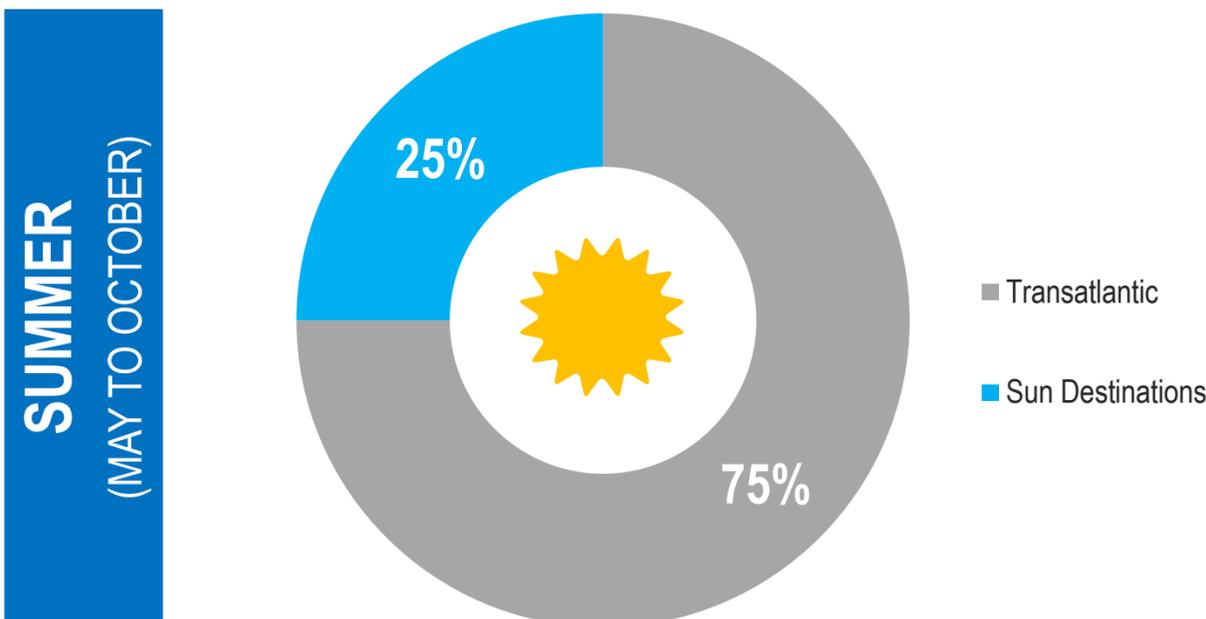
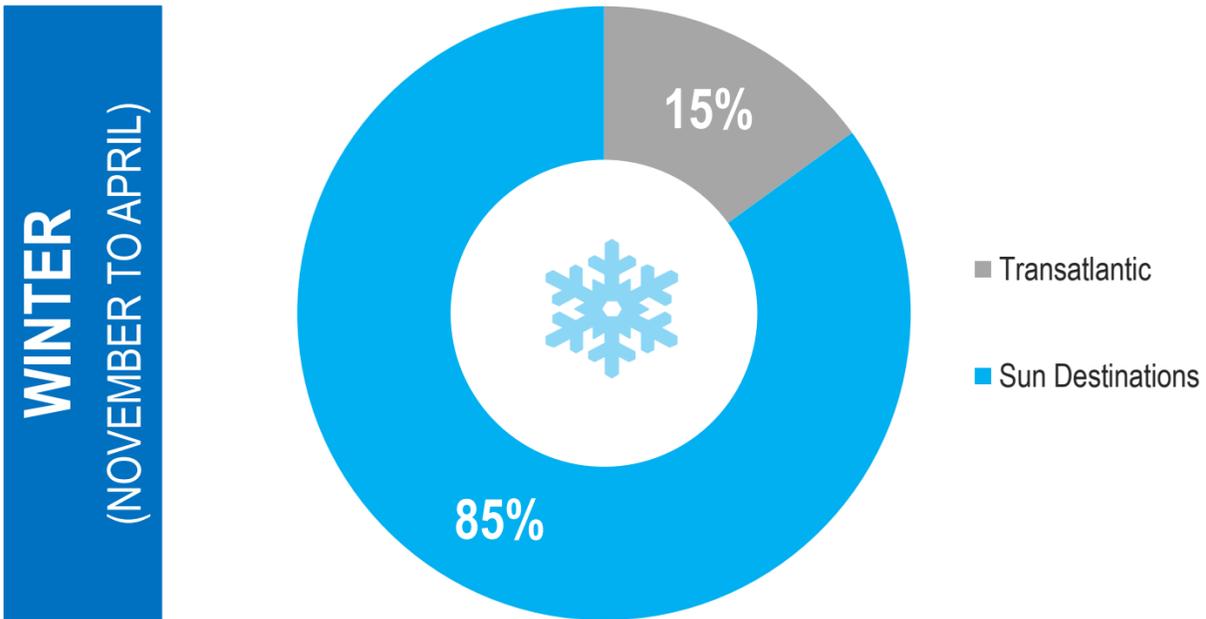
⁽¹⁾ Reached 3 times in the last 5 years, Refer to Non-IFRS Financial Measures in the Appendix

TRANSAT VALUE CHAIN

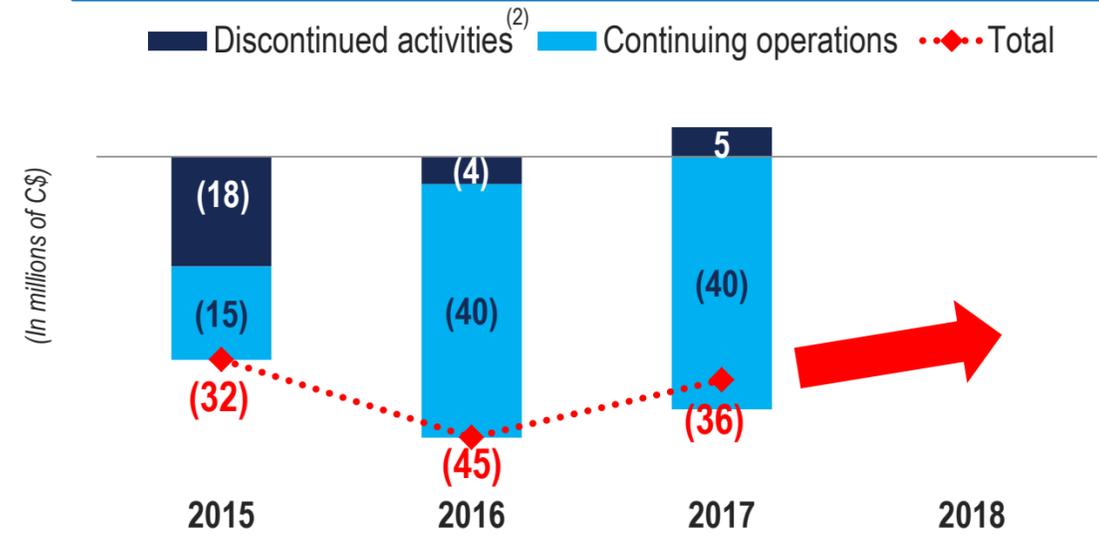


Distinct Summer and Winter Markets

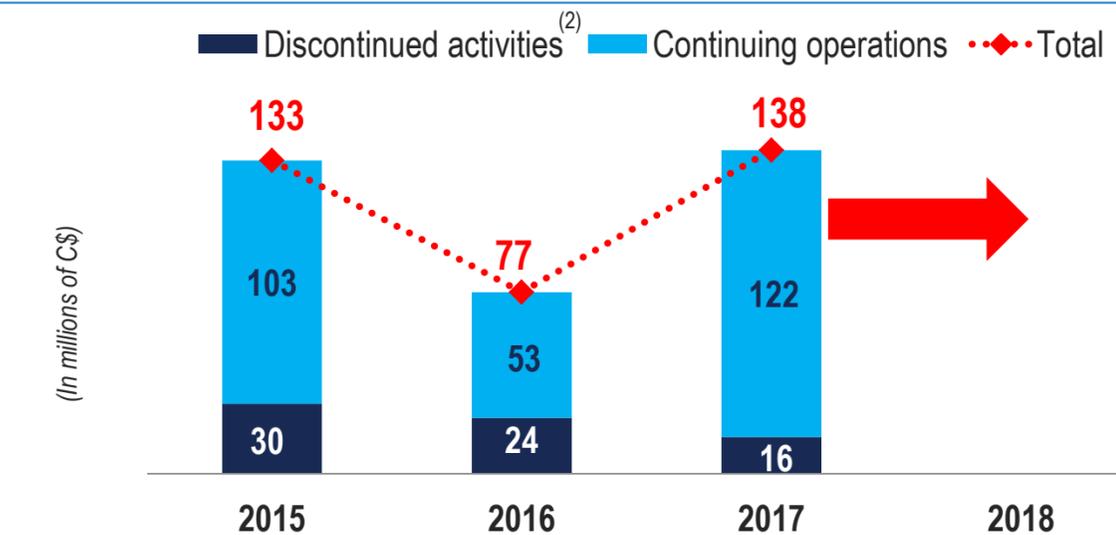
PAX DISTRIBUTION



HISTORICAL ADJUSTED EBITDA ⁽¹⁾



Focus on Returning to Profitability in Winter



Protect Performance in Summer

(1) Adjusted EBITDA from continuing operations only and distribution activities included distributors, airline and destination management company. Refer to Non-IFRS Financial Measures in the Appendix

(2) In 2015 and 2016, discontinued activities included Transat France, TourGreece, Jonview Canada and Ocean Hotels and in 2017, Jonview Canada and Ocean Hotels

2015-2017 Achievements

✓ **\$105M Cost Reduction and Margin Improvement Program Achieved over 3-year**

✓ **Improved Product Offering**

- Introduced new European destinations
- Optimized sun destination offering
- Enhanced incoming tour operator presence in sun destinations

✓ **Transformed Distribution Strategy**

- Developed Transat Travel brand
- Improved new distribution website

✓ **Fleet Renewal and Efficiency**

- Agreement signed on the replacement of A310 by A321neo LR gradually with its superior cost efficiency starting 2019
- Agreement signed on the replacement of seasonal narrow-body aircraft starting 2019 with Thomas Cook to achieve a full Airbus fleet with same cockpit

✓ **Succession Plan**

- Appointment of Annick Guerard as Chief Operating Officer
- New management team who's taking over the controls

✓ **Market Refocusing and Development**

- Unlock significant value of unrecognized assets **(~\$330M)**
 - Sold our activities in France and Greece (~\$90M)
 - Sold our 35% interest in Ocean (~\$190M)
 - Sold our incoming tour operator in Canada, Jonview (~\$50M)
- Reinvestment of disposal proceeds by FY22 towards the development of our own hotel chain with the objective of doubling the returns

\$105M Cost Reduction and Margin Improvement Program (C\$ M)



Cost Reductions and Margin Improvements (C\$ M)	2015	2016	2017
Cost Reductions			
Narrow-body flexible fleet	18	21	24
Reduction in the number of flight attendants	0	2	6
Buy-on-Board (sun destinations)	3	4	4
Optimization of hotel costs (sun destinations)	2	13	19
Optimization of distribution costs	11	13	13
Other	4	2	3
Sub-total (Costs)	38	55	69
Margin Improvement			
Ancillary revenues and cargo <i>(more details in appendix)</i>	5	15	30
Densification of three A330-300s	2	5	5
Other	0	0	1
Sub-total (Margin)	7	20	36
Total	45	75	105



2018-2022 Strategic Plan

- ✓ Transat focused on sustainable profitability through the improvement and strengthening of its current business model and by developing its hotel chain
- ✓ Hotel business unit will operate all-inclusive hotels in the Caribbean and Mexico (wholly owned and managed)
 - Strengthen Transat Winter profitability
 - Deliver a controlled end-to-end experience to its Canadian customers
- ✓ Current business model focused on satisfying the expectations of leisure customers with friendly service at affordable prices
 - Increase efficiency and reduce costs
 - Improve Corporation's digital footprint
 - Focus on developing the revenue management and air network planning further

2018 TRANSAT OBJECTIVES

- 1 Launch a wholly-owned Transat hotel chain; Set up the team, develop the concept and select the brand and initiate the first acquisitions of hotels and/or land
- 2 Improve efficiency, in particular by improving revenue management, pricing and aircraft utilization and by pursuing its cost reduction program
- 3 Improve distribution by continuing to grow direct sales, refining channel management and strengthening our presence in mobile technologies
- 4 Enhance customer proximity, particularly through centralized customer relationship management and satisfaction metrics
- 5 Strengthen our commitment to corporate responsibility, particularly by obtaining Travelife certification and refining our employee satisfaction metrics



TO CREATE LONG TERM SHAREHOLDER VALUE

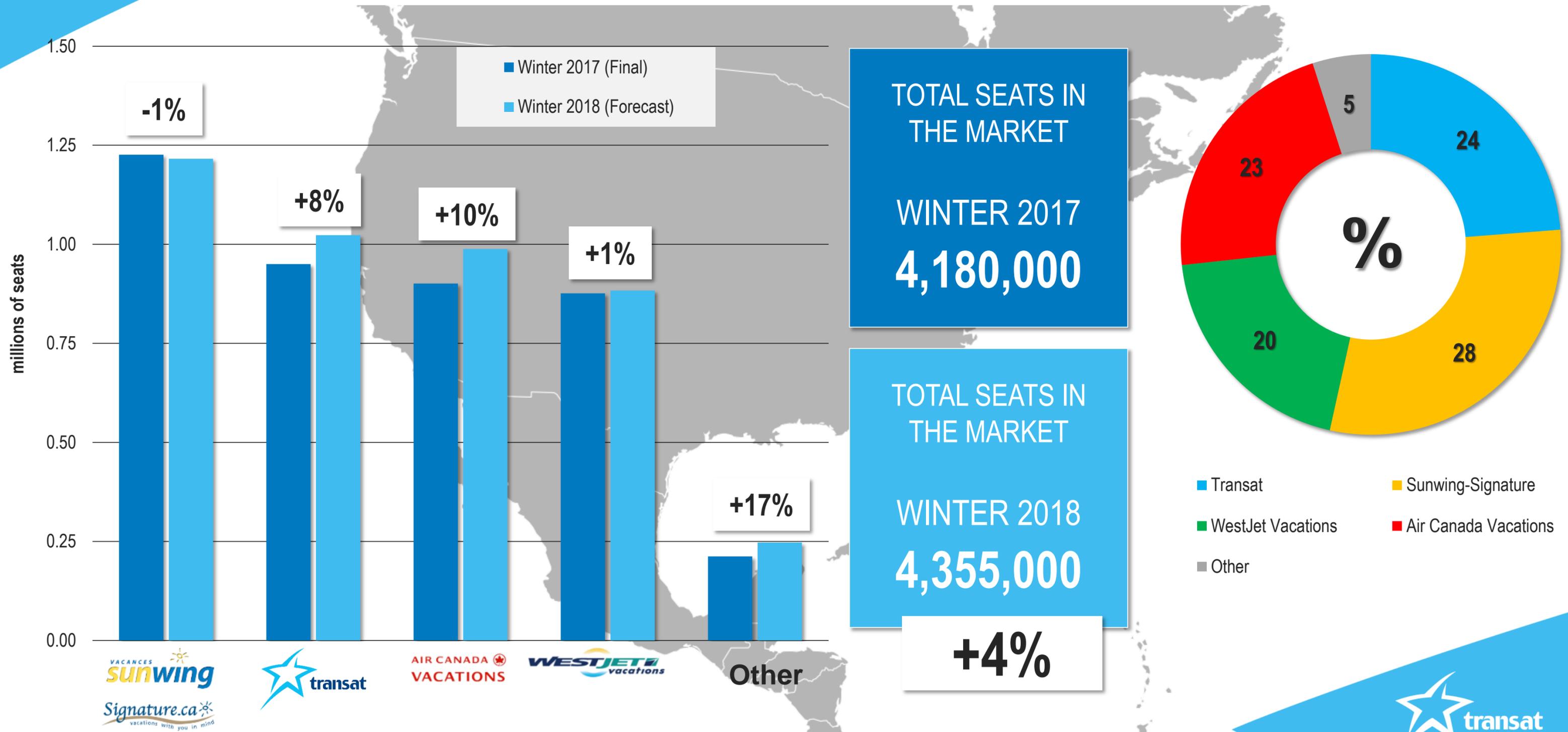
Section 2: Financial Performance and Outlook

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Sun Destinations Capacity Breakdown | Winter 2017-18 ⁽¹⁾

(Based on scheduled and chartered flight deployed)



(1) Capacity between Canada and the following sun destinations as : Mexico, Dominican Republic, Cuba, Caribbean, Jamaica and Central America



First Quarter Financial Performance

HIGHLIGHTS (vs. 2017)

- **Adjusted EBITDA⁽¹⁾ improved by \$6M or \$9M on a like-for-like basis** (excluding business sold in 2017 such as Ocean Hotels and Jonview Canada)
- **Sun Destination industry capacity up by 6%**
- **Sun Destination Market (453k seats)**
 - ✓ Capacity increased by 10.0%
 - ✓ Travelers up by 6.2%
 - ✓ Average prices were slightly higher
- **Transatlantic Market (100k seats)**
 - ✓ Capacity increased by 21.4%
 - ✓ Travelers up by 20.8%
 - ✓ Average prices were higher
- **Costs**
 - ✓ Appreciation of C\$ against US\$ combined to an increase in fuel prices leads to a decrease of our operational costs by (\$13M)
 - ✓ Negative impact in maintenance costs related to one-time events of +\$9M

(in thousands of C\$)

	1 st quarter results ended January 31			
	2018	2017	2018 vs. 2017	
			\$	%
REVENUES	725,782	689,332	36,450	5.3%
Adjusted EBITDAR ⁽¹⁾	(857)	(976)	119	12.2%
Adjusted EBITDA ⁽¹⁾	(31,026)	(37,079)	6,053	16.3%
<i>As % of revenues</i>	(4.3%)	(5.4%)	1.1%	20.5%
Adjusted net income (loss) ⁽¹⁾	(33,868)	(36,039)	2,171	6.0%
<i>As % of revenues</i>	(4.7%)	(5.2%)	0.6%	10.7%
<i>Per share</i>	(\$0.91)	(\$0.98)	\$0.07	6.8%
Net income (loss) attributable to shareholders	(6,588)	(32,073)	25,485	79.5%

(1) Refer to Non-IFRS Financial Measures in the Appendix

Winter Financial Outlook

Q2 HIGHLIGHTS (vs. 2017)

- **Sun Destination industry capacity up by 3%**
- **Sun Destination Market (570k seats)**
 - ✓ Transat capacity up by 5.5%
 - ✓ 77% of inventory sold
 - ✓ Load factor down by 1.4%
 - ✓ Strengthening of C\$ against US\$ offset by rising fuel costs leads currently to a decrease of our operational expenses by 3.3%
 - ✓ Margin up by 0.8%
- **The hurricanes that occurred in September 2017 significantly impacted results in the Sun Destination Market**
 - ✓ Results from Cuba destinations were negatively impacted (25% of Transat capacity)
 - ✓ Besides, bookings taken until December 2017 presented a higher margin than last year's but this is less the case since January (*take note that large portion of the inventory is sold in the last 30 days*)
- **Transatlantic Market (116k seats)**
 - ✓ Capacity up by 19%
 - ✓ 68% of inventory sold
 - ✓ Load factor down by 4.9%
 - ✓ Margin down by 1.2%

- 11 ➤ **If these trends continue, Transat expects second quarter results to be comparable to 2017 performance**

	Q1	Q2	Winter
Adj. EBITDA 2017 ⁽¹⁾	(37M)	1M	(36M)
Adj. EBITDA from discontinued activities ⁽²⁾	(3M)	(3M)	(6M)
Adj. EBITDA 2017 from continuing operations ⁽¹⁾	(40M)	(2M)	(42M)
Δ FX / Fuel on costs on sun destinations packages	13M	20M	33M
Sun destinations Yield Management ⁽³⁾	9M		
Maintenance charges related to one-off events	(9M)		
Others (Transatlantic, other subs, ...)	(4M)		
Adj. EBITDA 2018 ⁽¹⁾	(31M)		

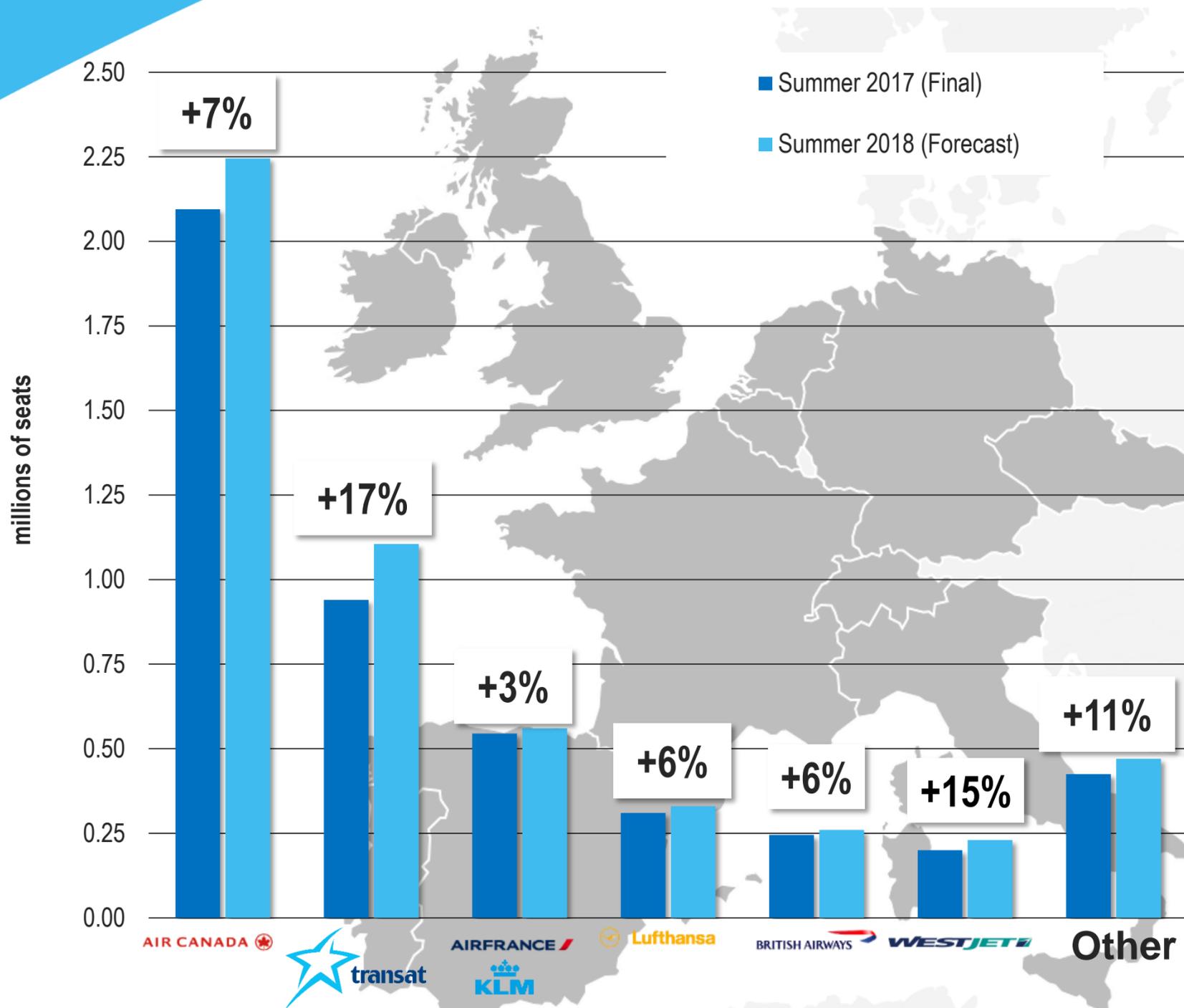
(1) Refer to Non-IFRS Financial Measures in the Appendix

(2) 2017 Adjusted EBITDA of Jonview Canada and minority interest in Ocean Hotels

(3) Capacity, price, load factor and airline / hotel costs at FX constant basis impact on adjusted EBITDA



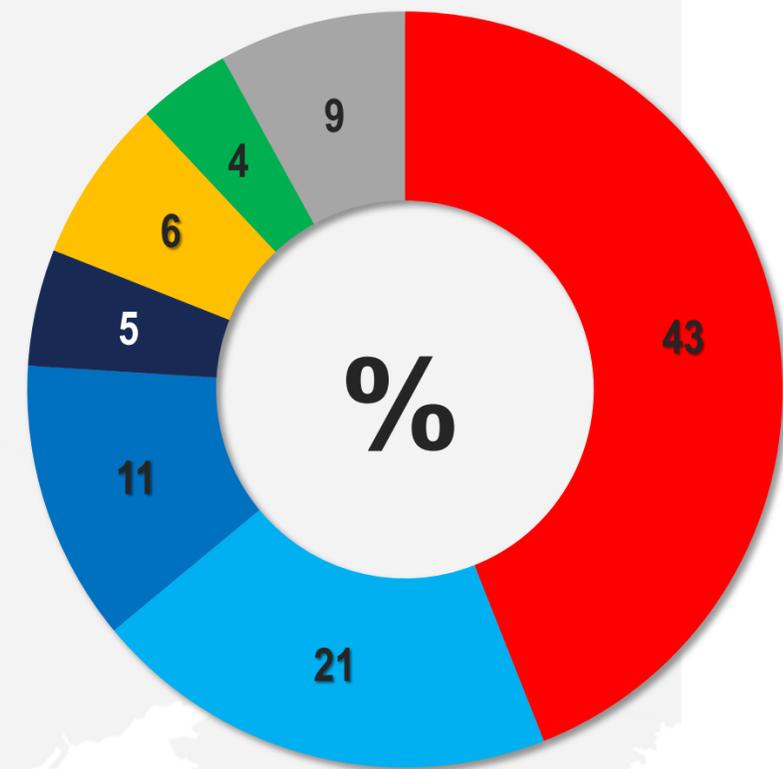
Transatlantic Capacity Breakdown | Summer 2018 ⁽¹⁾



TOTAL SEATS IN THE MARKET
SUMMER 2017
4,760,000

TOTAL SEATS IN THE MARKET
SUMMER 2018
5,200,000

+9%



- Air Canada
- Transat
- Air France - KLM
- British Airways
- Lufthansa
- WestJet
- Other

(1) Capacity between Canada and the following European countries as : France, United Kingdom, Italy, Spain, Portugal, Greece, Netherlands, Germany, Belgium, Ireland, Switzerland, Austria, Czech Republic, Hungary and Croatia



Summer Financial Performance

HIGHLIGHTS (vs. 2017)

- **Transatlantic industry capacity up by 9%**
- **Transatlantic Market (1.1M seats)**
 - ✓ Transat capacity up by 17%
 - ✓ 30% of inventory sold
 - ✓ Load factor similar to previous year
 - ✓ Price up by 1.7%
 - ✓ Strengthening of C\$ against US\$ offset by rising fuel costs leads currently to an increase of our operational expenses by 3.3%
- **Sun Destination Market (280k seats)**
 - ✓ Low leisure season
- **Beyond these first trends, too early to draw any conclusions**

	Q3	Q4	Summer
Adj. EBITDA 2017 ⁽¹⁾	59M	79M	138M
Adj. EBITDA from discontinued activities ⁽²⁾	(7M)	(9M)	(16M)
Adj. EBITDA 2017 from continuing operations ⁽¹⁾	52M	70M	122M
Δ FX / Fuel on transatlantic flight margin	(12M)	(14M)	(26M)
Transatlantic Yield Management ⁽³⁾ Others (Sun Destinations, other subs, STIP, ...)			
Adj. EBITDA 2018 ⁽¹⁾			

(1) Refer to Non-IFRS Financial Measures in the Appendix

(2) 2017 Adjusted EBITDA of Jonview Canada and minority interest in Ocean Hotels

(3) Capacity, price, load factor and airline costs at FX constant basis impact on adjusted EBITDA

Annual Financial Performance

HIGHLIGHTS

➤ Historical (2013-2017)

- Reached C\$100M of adjusted EBITDA 3 times in the last 5 years
- 4 record summers in last 5 years despite capacity increases

➤ Vision for coming years

- **Sun destinations:** Transformation plan underway to reduce seasonality of earnings
- **Transatlantic:** Our strong airline brand and enhanced customer experience will allow us to go through the peak capacity period
- Sound balance sheet and our on-going cost-and-margin initiatives program give us tool to be competitive

(in millions of C\$, except per share amounts)

	12-month period ended October 31 ⁽¹⁾				
	2017	2016	2015	2014	2013
REVENUES	3,005.3	2,889.6	2,898.0	2,996.1	2,969.6
Adjusted EBITDAR ⁽²⁾	223.0	161.6	199.5	168.5	190.6
Adjusted EBITDA ⁽²⁾	102.0	25.8	100.6	81.3	109.3
<i>As % of revenues</i>	3.4%	0.9%	3.5%	2.7%	3.7%
Adjusted net income (loss) ⁽²⁾	29.1	(15.5)	45.9	37.1	60.7
<i>As % of revenues</i>	1.0%	(0.5%)	1.6%	1.2%	2.0%
<i>Per share</i>	\$0.78	(\$0.42)	\$1.19	\$0.95	\$1.58
Net income (loss) attributable to shareholders	134.8	(91.5)	44.9	16.6	55.8

(1) Results from continuing operations (including minority interest in Ocean Hotels and Jonview Canada)

(2) Refer to Non-IFRS Financial Measures in the Appendix

Section 3: Financial Profile

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Current Financial Position

HIGHLIGHTS

➤ Free Cash: C\$749M vs. C\$455M (2017)

✓ Variation of +C\$295M attributable to :

- Cash flow from operations of +C\$ 80M
- Proceeds from disposal of Ocean Hotels of +C\$ 188M
- Proceeds from disposal of Jonview Canada, net of cash disposed of +C\$ 29M
- Change in net working capital of +C\$ 67M (\$39M more customer deposits + \$13M less prepaid expenses + \$29M of income taxes recovered + \$5M of income taxes to be paid in beginning of 2018 offset by more receivables and slightly more cash in trust)
- Offset by few items (see on right chart)

➤ Excess cash available

- ✓ Mid-December 2017: C\$460M (equivalent to US\$360M) of excess cash available over C\$150M (cash reserve for unforeseen events) to be deployed towards our hotel business development plan

➤ Capital expenditures

- ✓ FY2018E : ~\$60M net of deferred lease inducements

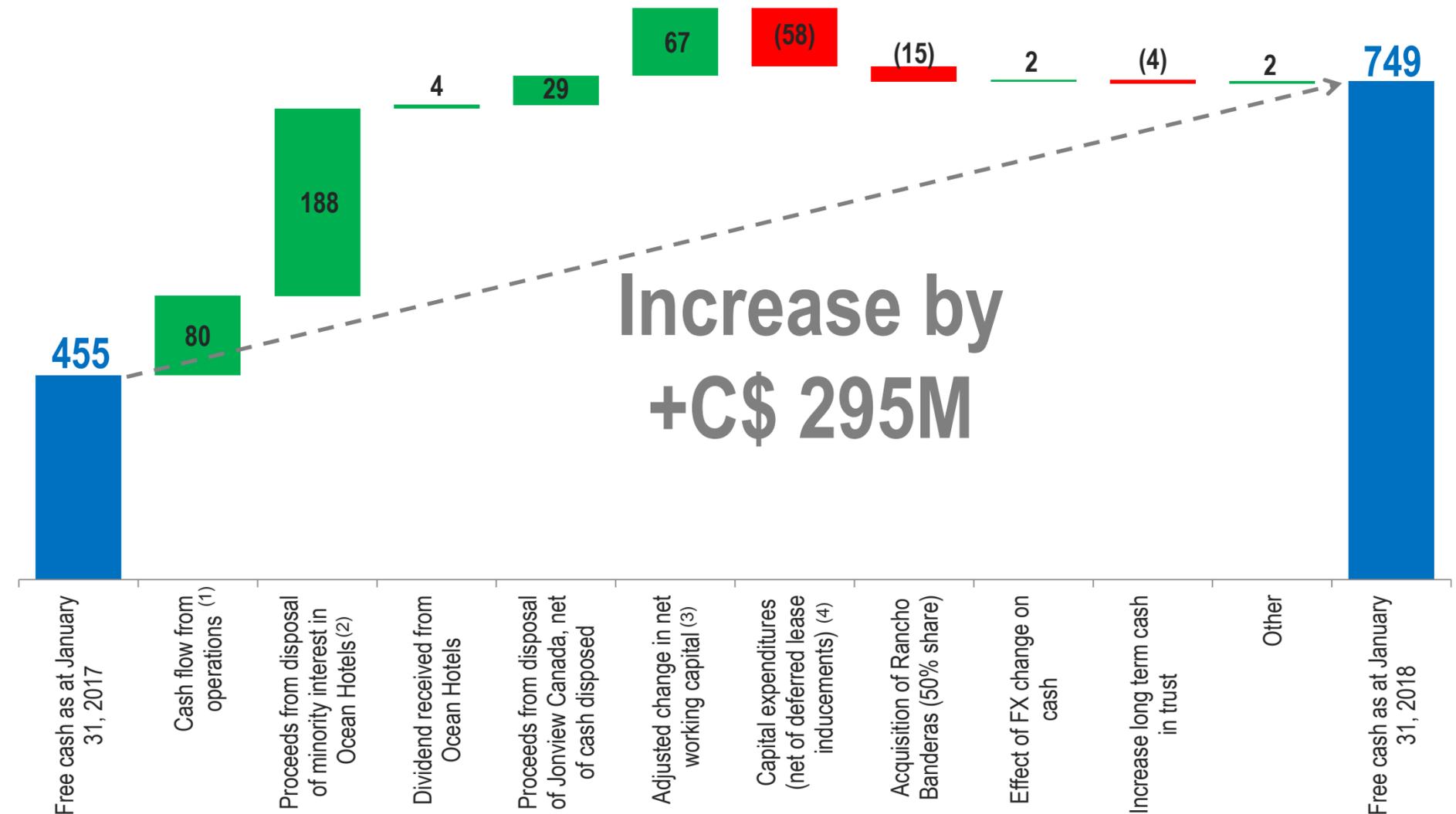
➤ Hotels investment asset : C\$15M (Transat equity investment in Rancho Banderas)

➤ Off-balance sheet arrangements: C\$1.8B vs. C\$0.7B

✓ Variation vs Y-1 attributable to :

- Agreement signed for the lease of 10 A321neo LR that will be introduced gradually from spring 2019 and 4 A330
- Extension of few A330 in our current fleet with better terms
- Agreement signed for 2 new A321ceo and 2 new A330 in service starting this Summer
- Increase offset by the appreciation of C\$ against US\$

FREE CASH BRIDGE



- (1) Adjusted net income excluding share of hotel JV plus depreciation and amortization
 (2) Proceeds of disposal of minority interest in Ocean Hotels for US\$150.5M (C\$187.5M)
 (3) Change in net working capital adjusted of change in deferred lease inducements of (\$2M)
 (4) Net of change in deferred lease inducements of +\$2M

Section 4: Transat Global Strategy

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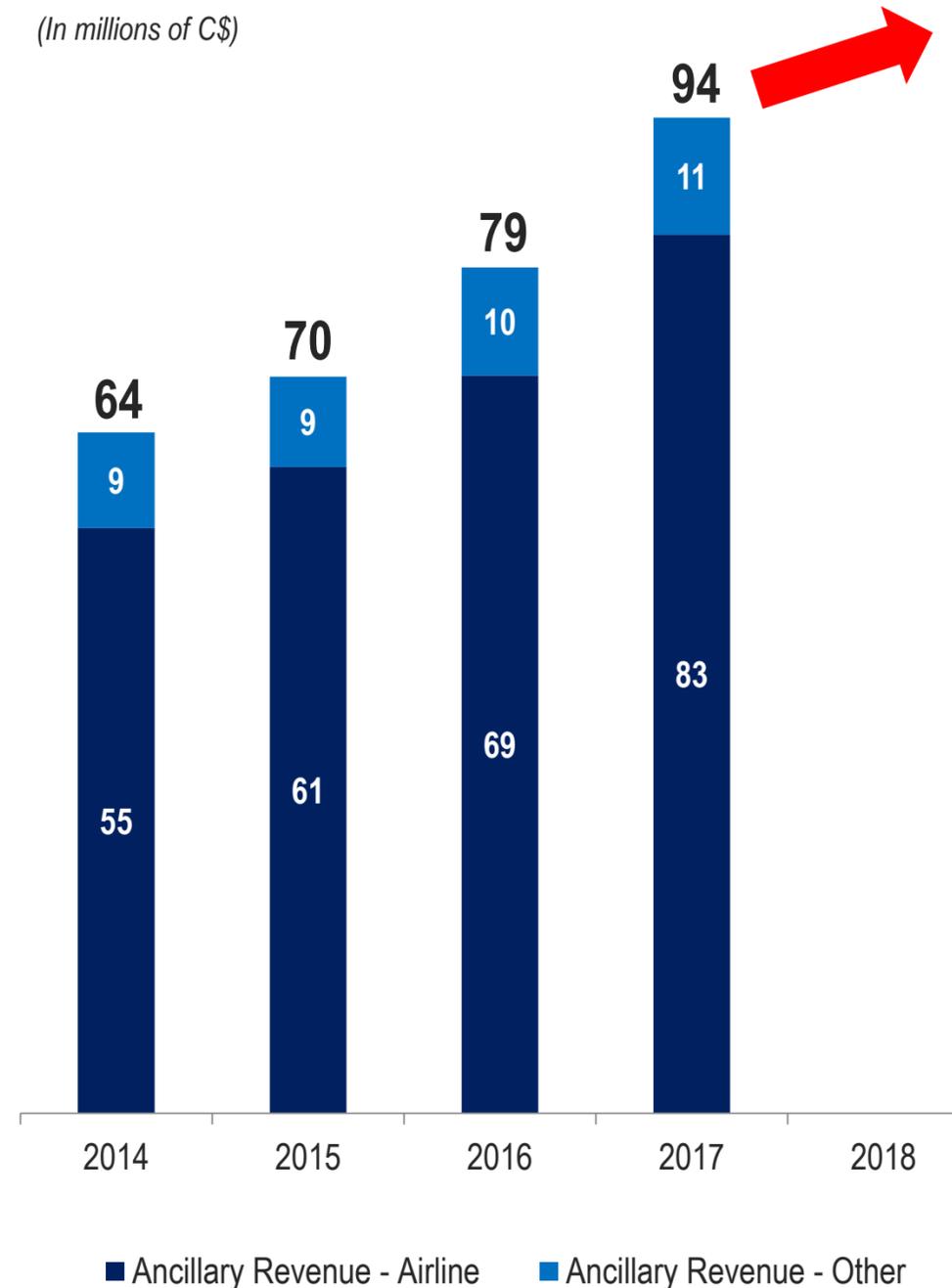


Ancillary Revenues



TOTAL ANCILLARY REVENUES

(In millions of C\$)



HIGHLIGHTS

- ▲ FY2017: Increase total ancillary revenues up to ~ C\$ 94M
 - Increase of 46% over 3-year period)
- ▲ Target 2018: Above ~C\$100M
- ▲ Ancillary revenues allocation:
 - Seat selection
 - Different fares (Option flex, eco extra, eco max)
 - Airport revenues
 - Buy-on-board
 - Excess baggage
 - Duty-Free
 - Excursions
 - Travel insurance, etc.
- ▲ First year when Datalex software is used in all markets

Aircraft Fleet Renewal



A330/A310



A321neo LR

LONG-HAUL	2017		2018		2019		2020		2021	
	☁	☀	☁	☀	☁	☀	☁	☀	☁	☀
A330	14	16	18	20	20	20	20	20	20	20
A310	9	9	6	6	5	4	3	1	-	-
A321neo LR	-	-	-	-	-	2	5	8	10	10
TOTAL BASE FLEET	23	25	24	26	25	26	28	29	30	30
Seasonally withdrawn ⁽¹⁾	(8)	-	(8)	-	(9)	-	(9)	-	(9)	-
Sublease to other airline	(3)	-	(2)	-	(4)	-	(2)	-	(2)	-
TOTAL FLEET IN OPERATION ⁽²⁾	12	25	14	26	12	26	17	29	19	30

⁽¹⁾As a result to improved leasing terms, Transat has the flexibility on few A330s to be withdrawn from the fleet in winter with no fixed costs or reduced leases costs. In addition, Transat has flexibility also on the A310s it owns (less utilization overtime). Introduction of new A330 in Summer and Fall 2017 with no fixed costs during winter season



B737-700/800



A320-321ceo

MEDIUM-HAUL	2017		2018		2019		2020		2021	
	☁	☀	☁	☀	☁	☀	☁	☀	☁	☀
B737-800	7	7	6	5	5	5	5	5	5	5
A321ceo	-	-	-	2	4	5	5	5	5	5
TOTAL BASE FLEET	7	7	6	7	9	10	10	10	10	10
+ Seasonal Lease – B737-700/800	13	-	16	-	11	-	-	-	-	-
+ Seasonal Lease – A320-321ceo	-	-	1	2	8	-	14	-	14	-
+ Seasonal Lease – Other Canadian carriers	1	1	1	1	1	1	1	1	1	1
TOTAL FLEET IN OPERATION ⁽²⁾	21	8	24	10	29	11	25	11	25	11

⁽²⁾ Aircraft that we flew or in backup

Divestitures Summary

Transat France + TourGreece (October 2016)			35% interest in Ocean Hotels (October 2017)			Jonview Canada (November 2017)		
Winter	Summer	Annual	Winter	Summer	Annual	Winter	Summer	Annual

FINANCIAL HIGHLIGHTS (LAST FULL YEAR)

Revenues	285M	400M	685M	-	-	-	20M	160M	180M
Adjusted EBITDA ⁽²⁾	(8M)	15M	7M	9M	2M	11M	(5M)	14M	9M
Adjusted net income (loss) ⁽²⁾	(7M)	7M	0M	9M	2M	11M	(4M)	10M	6M

CONSOLIDATED STATEMENTS OF INCOME IMPACT

Selling price			93M			188M			48M
Transaction costs			(7M)			(2M)			-
Price adjustments (provision)			-			(2M)			(4M)
Cash and cash equivalents disposed of			(23M)			-			(14M)
Net assets disposed of (excluding cash and cash equivalents)			(13M)			(97M)			1M
Gain on disposal			50M			86M			31M
FX gain on disposal ⁽¹⁾			-			15M			-

(1) FX gain of C\$15M realized following the transaction explained by an investment done in US\$ when it was at parity and a divestiture at 1.25

(2) Refer to Non-IFRS Financial Measures in the Appendix

Unlock Significant Value of Unrecognized Assets for ~C\$ 330M in the last year with the objectives to reinvest for doubling the returns by FY22



Hotels Development

OCEAN JV ASSETS SOLD

- Sale of our 35% interest to H10 completed on October 4th.
- Proceed of disposal of US\$ 150.5M (C\$ 187.5M) equivalent to an implied EV/EBITDA multiple of 11.6x
- Book value of C\$ 97.3M as at October 4th
- Transaction costs of C\$ 1.9M and price adjustments of US\$ 1.8M (C\$ 2.3M)
- Gain on disposal of C\$ 101.5M ⁽¹⁾, net of transaction fees and price adjustments
- Enterprise value established at ~US\$425-450M for :
 - ✓ 3 owned hotel including time share business for a total of 1,618 rooms
 - ✓ 4 hotels management contracts for a total of 2,007 rooms
 - ✓ 2 plots: 1 in Dominican Republic and 1 in Jamaica at historical costs

NEW HOTEL JV ASSET (OUTSIDE OCEAN)

Mexico (Puerto Vallarta)



- 50% Interest (50% held by Gesmex, owner of Marival group) into an hotel in Puerto Vallarta that operates under the name of Rancho Banderas All Suites Resort
- Cash consideration paid was US\$12M (C\$15.3M)
- As of now, the hotel operates **49 rooms** and the construction is underway to grow up to **263 rooms by April 2019** financed through local debt with no significant additional capital increase from Transat
- Hotel will be managed by our partner Marival group which also owns a 30% interest in our incoming tour operator in the South, Trafictours (Mexico) and Turissimo (Dominican Republic and Jamaica)
- This transaction constitutes an additional step for Transat in the hotel sector

HOTEL DEVELOPMENT PLAN

- Experienced hotel operator, Jordi Sole started as President of Transat Hotel division on February 20th and is fully-committed to develop the hotel chain from the ground up
- **Vision (1st phase):** Develop an hotel chain including 4-5 stars hotels through a combination of acquisition of lands and existing hotels to achieve a manageable size (**±5,000⁽²⁾ rooms wholly-owned and managed**) over 7 years period for a total investment of ~US\$750M which can be financed up to 50%
- We will of course aim to locate them in our most popular destinations in the South
- To be initially financed through a combination of Transat excess cash, cash flow generated and local senior debt loan in Mexico and Caribbean at good terms and conditions



Data and Digital Strategy

✓ Personalized experiences during journey

- Increase customer satisfaction
- Revenue per customer enhancement
- Repeat bookings

✓ Multiple customer touchpoints

- Retail stores (largest travel agency network in Canada)
- Online
- Mobile (Apps)
- Partnership agreements (loyalty programs through Air Miles)

✓ Continuously improving our online platform to increase our direct sales (*growth and better margin*)



1

Creating a fully integrated centralized customer file accessible to all points of contacts

2

Launching a new and improved mobile friendly airline and vacation websites

3

Improving mobile apps to accompany our customers during their trips

4

Optimizing our digital marketing strategy



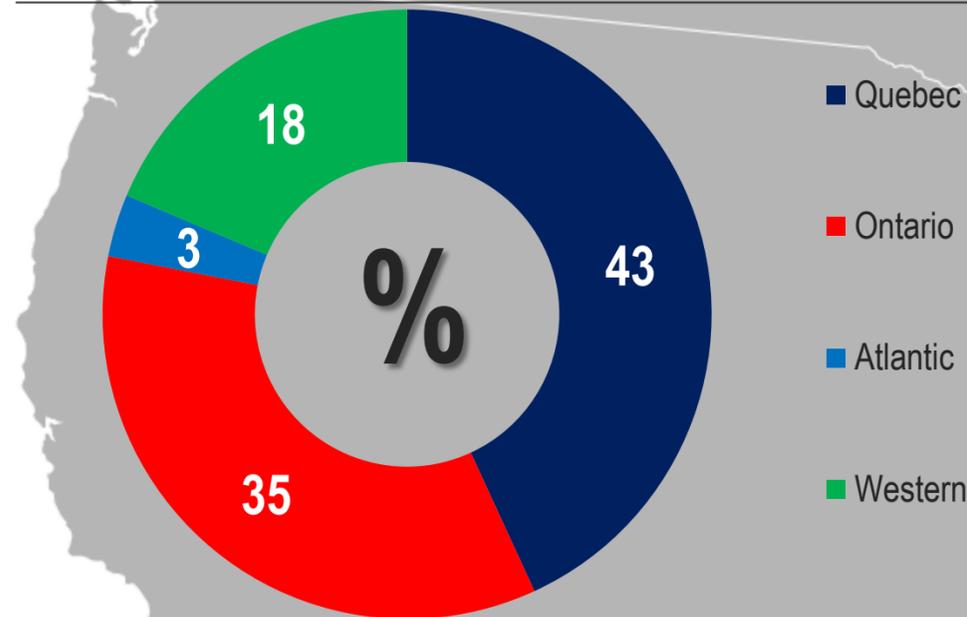
INCREASE CUSTOMER SATISFACTION AND REVENUE

Appendix

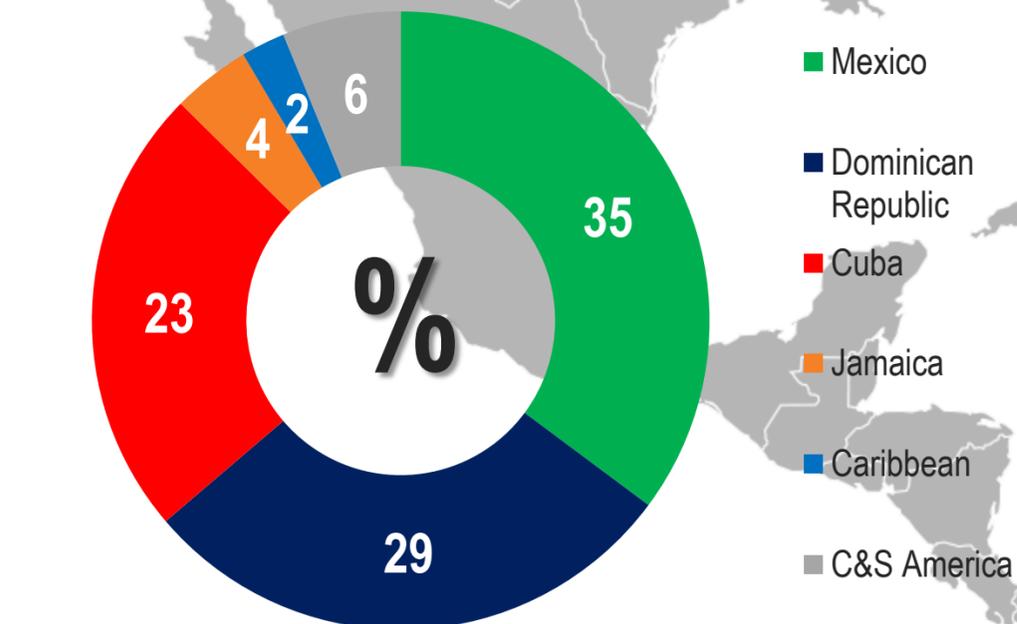
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Sun Destinations Capacity Breakdown by Destination and Origin

ORIGINS



DESTINATIONS



GLOBAL MARKET OVERVIEW

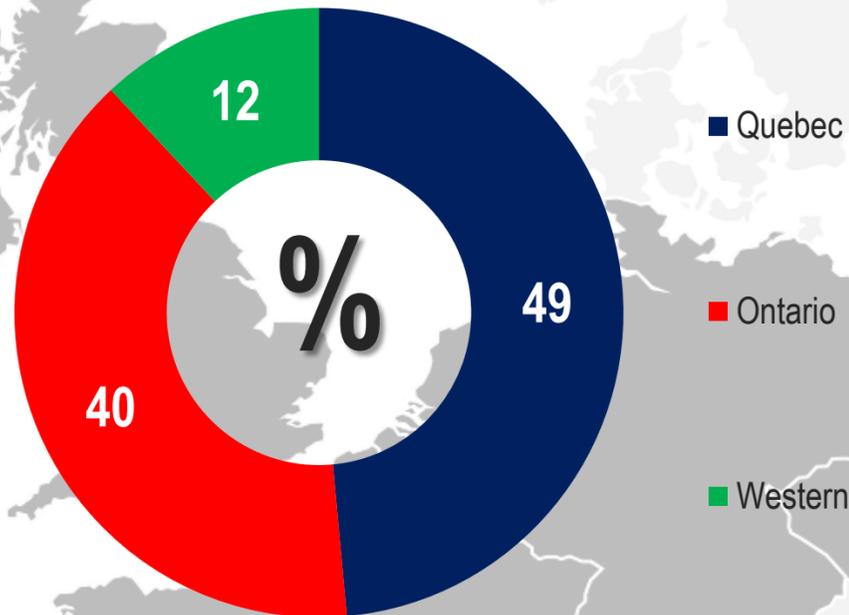
- ▣ Mexico and Caribbean : One of the largest sun and beach market in the world
- ▣ 4.3M seats in Winter 2017-2018 between Canada and Mexico and Caribbean

TRANSAT STRATEGY AND MARKET POSITION

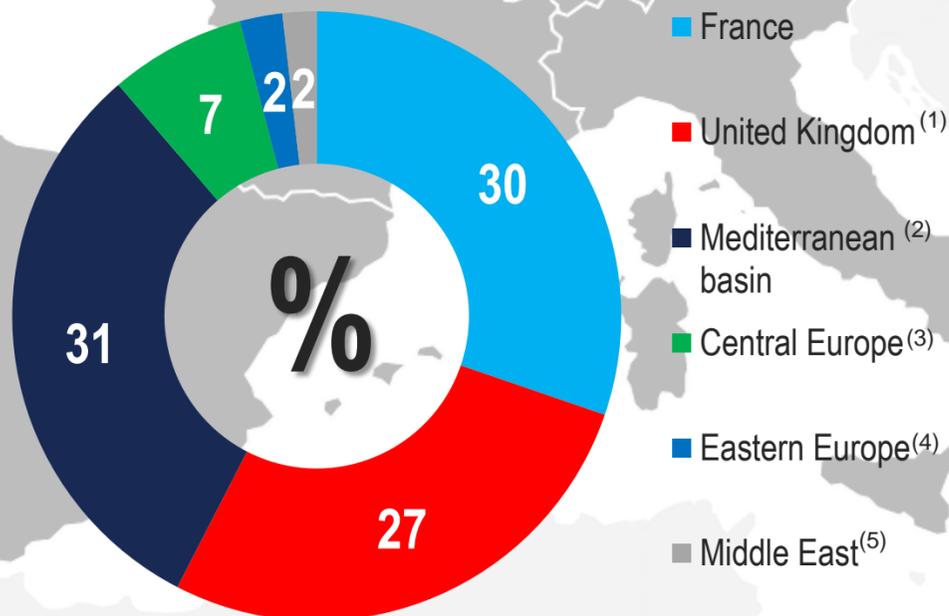
- ▣ Winter 2017-2018: Increase capacity and introduction of 9 new routes
- ▣ All-inclusive products at 41 destinations for a wide portfolio of more than 650 hotels, including 46 exclusive properties
- ▣ Most important destinations are Cancun (232k seats), Punta Cana (202K seats), Puerto Vallarta (105k seats) and Varadero (86k seats)
- ▣ Sun offer for everyone with All-inclusive packages; Guided tours and Duo packages; All-in one cruises packages

Transatlantic Capacity Breakdown by Destination and Origin

✈️ ORIGINS



✈️ DESTINATIONS



GLOBAL MARKET OVERVIEW

- Europe: Largest tourism market in the world
- 5.2M seats in summer 2018 between Canada and Europe

TRANSAT STRATEGY AND MARKET POSITION

- Summer 2018: Increase capacity and frequency on certain routes
- Wide portfolio of direct flights (27 destinations)
- Increase our feeder program to offer more destinations from certain gateways (particularly from Western Canada)
- Strong airline brand and friendly service at affordable prices (lowest-cost producer)
- 40% of European passengers = sales in foreign currency
- Attractive offering of packages including accommodations, transfers, cruises, tours, rental cars and excursions

5-Year Historical Winter Financial Results

(Results from continuing operations)

	6-month period ended on April 30				
	2017	2016	2015	2014	2013
<i>(in thousands of C\$, except per share amounts)</i>					
REVENUES	1,573,642	1,613,944	1,559,102	1,675,704	1,648,540
Adjusted EBITDAR ⁽¹⁾	37,893	34,339	32,856	17,561	29,206
Adjusted EBITDA ⁽¹⁾	(35,571)	(36,685)	(14,995)	(21,462)	(11,769)
<i>As % of revenues</i>	<i>(2.3%)</i>	<i>(2.3%)</i>	<i>(1.0%)</i>	<i>(1.3%)</i>	<i>(0.7%)</i>
Adjusted net income (loss)⁽¹⁾	(44,139)	(42,246)	(25,620)	(27,543)	(19,279)
<i>As % of revenues</i>	<i>(2.8%)</i>	<i>(2.6%)</i>	<i>(1.6%)</i>	<i>(1.6%)</i>	<i>(1.2%)</i>
<i>Per share</i>	<i>(\$1.20)</i>	<i>(\$1.14)</i>	<i>(\$0.66)</i>	<i>(\$0.71)</i>	<i>(\$0.50)</i>
Net income (loss) attributable to shareholders	(40,427)	(78,726)	(27,173)	(30,259)	(33,692)

(1) Refer to Non-IFRS Financial Measures in the Appendix

5-Year Historical Summer Financial Results

(Results from continuing operations)

(in thousands of C\$, except per share amounts)

	6-month period ended on October 31				
	2017	2016	2015	2014	2013
REVENUES	1,431,703	1,275,702	1,338,848	1,320,401	1,321,102
Adjusted EBITDAR ⁽¹⁾	196,271	127,250	166,611	150,960	161,348
Adjusted EBITDA ⁽¹⁾	137,596	62,461	115,603	102,754	121,053
<i>As % of revenues</i>	9.6%	4.9%	8.6%	7.8%	9.2%
Adjusted net income (loss)⁽¹⁾	73,238	26,706	71,534	64,660	79,957
<i>As % of revenues</i>	5.1%	2.1%	5.3%	4.9%	6.1%
<i>Per share</i>	\$1.98	\$0.72	\$1.86	\$1.67	\$2.06
Net income (loss) attributable to shareholders	174,735	(12,793)	72,093	46,852	89,519

(1) Refer to Non-IFRS Financial Measures in the Appendix

5-Year Historical Winter Financial Position

(in thousands of C\$)

	As at January 31					As at April 30				
	2018	2017	2016 ⁽¹⁾	2015	2014	2017	2016 ⁽¹⁾	2015	2014	2013
Free cash	749,342	454,827	427,541	393,631	359,596	566,288	440,559	441,536	404,554	336,148
Cash in trust or otherwise reserved	336,531	332,646	391,582	394,896	418,504	174,416	247,321	291,300	300,848	296,747
Trade and other payables	300,131	297,682	463,298	402,516	421,172	287,316	314,683	380,712	373,840	372,094
Customer deposits	636,753	597,745	609,393	636,303	621,618	523,754	483,739	578,449	540,293	514,674
Working capital ratio	1.37	1.15	1.08	1.05	1.07	1.14	1.02	1.01	1.04	0.98
Balance sheet debt	0	0	0	0	0	0	0	0	0	0
Obligations under operating leases	1,770,151	703,121	672,066	684,551	633,475	742,667	713,606	624,156	626,816	480,199
Hotels investment	15,381	99,133	107,317	85,322	74,579	122,866	101,909	94,532	77,510	68,300
LTM capital expenditures	59,981	74,271	60,007	68,406	54,463	79,260	51,926	62,822	63,239	61,561
LTM free cash flow ⁽²⁾	92,897	(49,655)	69,148	37,588	104,940	52,327	23,597	52,527	54,745	(5,778)

(1) Financial profile for continuing operations only

(2) Refer to Non-IFRS Financial Measures in the Appendix

5-Year Historical Summer Financial Position

(in thousands of C\$)

	As at July 31					As at October 31				
	2017	2016 ⁽¹⁾	2015	2014	2013	2017	2016 ⁽¹⁾	2015	2014	2013
Free cash	580,739	470,065	515,552	497,072	389,337	593,582	363,664	336,423	308,887	265,818
Cash in trust or otherwise reserved	184,989	199,594	266,700	262,803	290,558	258,964	292,131	367,199	340,704	361,743
Trade and other payables	329,614	349,355	466,644	463,785	443,189	245,013	247,795	355,656	338,633	326,687
Customer deposits	509,931	440,418	527,868	485,867	456,215	433,897	409,045	489,622	424,468	410,340
Working capital ratio	1.26	1.05	1.04	1.06	1.02	1.51	1.28	1.09	1.12	1.10
Balance sheet debt	0	0	0	0	0	0	0	0	0	0
Obligations under operating leases	1,383,171	693,309	624,047	562,821	658,885	1,745,221	691,841	675,385	657,639	632,804
Hotel investments	15,019 ⁽³⁾	99,216	96,453	78,026	69,281	15,888	97,668	97,897	83,949	70,041
LTM capital expenditures	69,245	65,452	61,460	58,436	62,029	69,523	70,754	59,295	64,976	55,457
Free cash flow (TTM) ⁽²⁾	50,744	(9,282)	28,829	100,580	71,220	91,964	(28,266)	39,658	41,264	67,582

(1) Financial profile for continuing operations only

(2) Refer to Non-IFRS Financial Measures in the Appendix

(3) As at July 31st, the 35% minority interest in Ocean Hotels represented an asset amounting to C\$100.7M, reported as an asset held for sale in the statement of financial position

Experienced and Results-Driven Executive Team



Jean-Marc Eustache
Chairman of the Board
President and
Chief Executive Officer
Transat A.T. Inc

Jean-Marc Eustache was the principal architect of the 1987 creation of Transat A.T. Inc. His forward-thinking business vision — focused on vertical integration — combined with outstanding leadership skills have helped elevate Transat A.T. Inc. to the rank of Canada's tourism industry leader. With its subsidiaries and affiliates, the Company has also become international in scope and one of the world tourism industry's largest players

He holds a Bachelor of Science degree in Economics (1974) from l'Université du Québec à Montréal. He began his career in the tourism industry in 1977 at Tourbec, a travel agency specializing in youth and student tourism, before founding Trafic Voyages — the foundation for the creation of Transat A.T. — in 1982.



Jordi Solé
President, Hotel division
Transat A.T. Inc.

Jordi Solé was appointed President of Transat's hotel division in 2018. Since 2001, he has overseen the operations of resorts belonging to several major international hotel chains, where he has acquired extensive experience in operations, sales, marketing and staff management at all-inclusive resorts. He began his career in the industry in Spain as Deputy Managing Director of Barcelo Hotels and Resorts, where he optimized operational and organizational procedures across Europe. In 2009, he came to Latin America as head of Iberostar Hotels and Resorts in Mexico, where he oversaw the 10 resorts in the region (4,000 rooms and 4,500 employees). More recently, he was appointed Senior Vice-President, Operations, for Blue Diamond Resorts, participating in the extensive growth and development of the company.

Mr. Solé holds an MBA from IESE Business School and a bachelor's degree in industrial engineering from Universitat Politècnica de Catalunya, in Barcelona, Spain



Denis Pétrin
Vice-President, Finance
& Administration and
Chief Financial Officer
Transat A.T. Inc.

Denis Petrin, CPA has held the position of Vice-President, Finance and Administration and Chief Financial Officer for Transat A.T. Inc. since 2009.

He began his career with EY before joining Air Transat in 1990. In 1997, he was appointed Vice-President, Finance and Administration for Air Transat to which was added the equivalent position for Transat Tours Canada in 2003.

Mr. Petrin holds a bachelor's degree in Business Administration from Université du Québec à Trois-Rivières.



Annick Guérard
Chief Operating Officer
Transat A.T. Inc.

Annick Guérard began her professional career in the transportation industry as a Project Manager in engineering consulting, and then worked as a Senior Consultant in organizational management for the Deloitte management consulting firm.

Since 2002, Ms. Guérard has held a variety of management positions within different Transat A.T. Inc. business units, including working four years as Senior Director, Customer Service, for Air Transat. In 2006, she joined Transat Tours Canada's team as Director, Brands, then served as its Interim Director, Marketing. A year later, she took over the leadership of Jonview Canada in Toronto. In 2009, she was appointed Vice-President, Marketing and Web Commercialization, for Transat Tours Canada. Since October 2011, Annick has acted as Vice-President, South Market, and was then appointed to the position of General Manager of Transat Tours Canada, on the 3rd of December 2012.

Ms. Guérard holds an MBA from HEC Montréal and a Bachelor's degree in Engineering from l'école Polytechnique de Montréal.



**Jean-François
Lemay**
President and
General Manager
Air Transat

Jean-François Lemay joined Transat's senior management team in October 2011. He has some 30 years of experience in the practice of law, including with the firms Desjardins Ducharme, then Bélanger Sauvé and finally Dunton Rainville, where he was a partner and member of the executive committee. A specialist in labor law, he has advised many clients on issues related to labor relations, human rights and freedoms, and occupational health and safety. He is invited regularly to speak to professional associations and is the author of numerous articles on labor relations. He has also served as a lecturer in labor law with the Law Faculty of Université de Montréal, where he obtained his law degree, and as a professor in labor law with the École du Barreau of the Quebec Bar.



Non-IFRS Financial Measures

Non-IFRS financial measures included in this presentation are not defined under IFRS. Therefore, It is likely that the non-IFRS financial measures used by the Corporation will not be comparable to similar measures reported by other issuers or those used by financial analysts as their measures may have different definitions. The non-IFRS measures used by the Corporation in this presentation are defined as follows:

Adjusted net income (loss):

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 disposal of an investment, restructuring charge, lump-sum payments related to collective agreements, 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 items mentioned previously 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 EBITDA (Adjusted operating income (loss)) :

Operating income (loss) before depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements 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 items mentioned previously to ensure better comparability of financial results.

Adjusted EBITDAR:

Operating income (loss) before aircraft rent, depreciation and amortization expense, restructuring charge, lump-sum payments related to collective agreements 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 items mentioned previously to ensure better comparability of financial results.

Free cash flow:

Cash flows related to operating activities, net of capital expenditures. The Corporation uses this measure to assess the amount of cash that it is able to generate from its operations after accounting for all capital expenditures, mainly related to aircraft and IT

Adjusted Net Debt:

Long-term debt plus 7.5x the aircraft rent expense from the last 12 months, less cash and cash equivalents. Management uses adjusted net 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 discharge its current and future financial obligations in comparison with other companies from its sector.

Note: The reconciliations between IFRS financial measures and non IFRS financial measures are available in our First Quarter report 2018 and in our Annual report 2017 by clicking on the following links: [First Quarter Report 2018](#) and [Annual Report 2017](#)

IMPROVED FIRST QUARTER RESULTS

STRATEGIC PLAN IMPLEMENTATION AND LAUNCH OF HOTEL DEVELOPMENT PLAN

THANK YOU!

