



Results for the Fourth 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 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 Fourth Quarter:

- Revenues of \$668.3 million, up 8.7%, from retained companies.
- Operating income of \$18.0 million.
- Adjusted operating income¹ of \$35.9 million.
- Net income attributable to shareholders of \$7.8 million.
- Adjusted net income¹ of \$16.9 million.
- Land acquired in Puerto Morelos, in Mexico.

For the year:

- Revenues of \$3.0 billion, up 6.0%, from retained companies.
- Operating loss of \$44.6 million.
- Adjusted operating income¹ of \$16.5 million.
- Net income attributable to shareholders of \$3.8 million.
- Adjusted net loss¹ of \$24.5 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

"We are very pleased to have completed the acquisition of our first parcel of land in Puerto Morelos, Mexico. This is a major step in the development of our hotel division. In 2018, we also moved forward on all the initiatives in our strategic plan. This will allow us to achieve our long-term financial objectives, despite a disappointing quarter and year, particularly due to the sharp increase in aircraft fuel prices in the spring. We are also satisfied with the strong growth in our comparable revenues, despite the sale of Jonview, which had annual revenue of \$182.0 million last year."

Jean-Marc Eustache

President and Chief Executive Officer of Transat



Financial Highlights for the Quarters Ended October 31

(In thousands of dollars, except per share amounts)

	2018	2017	Difference	Difference
	\$	\$	\$	%
Consolidated Statements of Income (Loss)				
Revenues	668,268	698,551	(30,283)	(4.3)
Operating income	17,961	59,500	(41,539)	(69.8)
Net income attributable to shareholders	7,762	148,147	(140,385)	(94.8)
Basic earnings per share	0.21	4.00	(3.79)	(94.8)
Diluted earnings per share	0.21	3.97	(3.76)	(94.8)
Adjusted operating income ¹	35,885	78,541	(42,656)	(54.3)
Adjusted net income ¹	16,902	46,381	(29,479)	(63.6)
Adjusted net income per share ¹	0.45	1.24	(0.79)	(63.8)

Financial Highlights for the year Ended October 31

(In thousands of dollars, except per share amounts)

	2018	2017	Difference	Difference
	\$	\$	\$	%
Consolidated Statements of Income (Loss)				
Revenues	2,992,582	3,005,345	(12,763)	(0.4)
Operating income (loss)	(44,575)	34,720	(79,295)	(228.4)
Net income attributable to shareholders	3,819	134,308	(130,489)	(97.2)
Basic earnings per share	0.10	3.63	(3.53)	(97.2)
Diluted earnings per share	0.10	3.63	(3.53)	(97.2)
Adjusted operating income ¹	16,513	102,025	(85,512)	(83.8)
Adjusted net income (loss) ¹	(24,540)	29,099	(53,639)	(184.3)
Adjusted net income (loss) per share ¹	(0.65)	0.79	(1.44)	(182.3)

Consolidated Statements of Financial Position

(In thousands of dollars)

	As at October 31 2018	As at October 31 2017	Difference	Difference
	\$	\$	\$	%
Consolidated Statements of Financial Position				
Cash and cash equivalents	593,654	593,582	72	0.0
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	338,919	309,064	29,855	9.7
	932,573	902,646	29,927	3.3
Total Assets	1,559,860	1,453,216	106,644	7.3
Debt (current and non-current)	—	—	—	—
Total debt ¹	622,270	660,695	(38,425)	(5.8)
Total net debt	28,616	67,113	(38,497)	(57.4)

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, lump-sum payments related to collective agreements 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, 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 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 Annual 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
and Chief Financial Officer

Investor Relations

Denis Pétrin

Chief Financial Officer
+1 514 987-1660
investorrelations@transat.com

Information

Transat A.T. Inc.

Tour Transat
300 Léo-Pariseau Street
Suite 600
Montreal (Quebec) H2X 4C2
Tel: +1 514 987-1616
Fax: +1 514 987-8035

Transfer Agent and Registrar

AST Trust Company (Canada)
2001 Robert-Bourassa Blvd., Suite 1600
Montreal (Quebec) H3A 2A6

Answerline (toll free):

1 800 387-0825
inquiries@astfinancial.com
www.astfinancial.com/ca-en