



# Results for the Third Quarter 2024

## 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 2024 Skytrax World Airline Awards, Air Transat is known for its exceptional customer service. (TSX: TRZ) [www.transat.com](http://www.transat.com)

#### Third Quarter highlights:

- Revenues of \$736.2 million, down 1.4% from \$746.3 million last year
- Adjusted EBITDA<sup>1</sup> of \$41.3 million, compared to \$114.8 million last year
- Net loss of \$39.9 million (\$1.03 per share), versus net income of \$57.3 million (\$1.49 per share) last year
- Negative free cash flow<sup>1</sup> of \$168.7 million compared to \$52.1 million last year
- Customer deposits for future travel of \$825.8 million, up 1% from July 31, 2023
- Named the World's Best Leisure Airline for the sixth time at the 2024 Skytrax World Airline Awards

## Quick Facts

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

Year end: October 31

Transat's third-quarter results reflect evolving market conditions and industry-wide pressure as recently indicated by other carriers. Demand for leisure travel remains healthy, as evidenced by higher traffic, but consumers are increasingly price conscious given the current economic uncertainty. Capacity increases throughout the industry also added to competitive pressure and negatively impacted yields.

We have launched a comprehensive plan, referred to as our Elevation Program, which is designed to accelerate our corporate strategy execution and drive long-term profitable growth. The program, initiated this summer, aims for a complete review of operations and business practices. Its objective is to accelerate the implementation of enhanced tools and processes for our teams, in order to optimize overall execution and efficiency. The program will be spearheaded by the newly created Elevation Management Office, which will strengthen governance and accountability for the initiatives undertaken. Our target is to achieve a \$100 million improvement in annual adjusted EBITDA over the next 18 months.

Annick Guérard  
President and Chief Executive Officer, Transat



# Financial Highlights

## Financial Highlights for the Quarters Ended July 31

(in thousands of Canadian dollars, except per share amounts)	2024 \$	2023 \$	Difference \$	Difference %
<b>Consolidated statements of loss</b>				
Revenues	736,203	746,317	(10,114)	(1.4)
Operating income (loss)	(9,837)	64,375	(74,212)	(115.3)
Net income (loss)	(39,893)	57,303	(97,196)	(169.6)
Basic earnings (loss) per share	(1.03)	1.49	(2.52)	(169.1)
Diluted earnings (loss) per share	(1.03)	1.49	(2.52)	(169.1)
Adjusted operating income <sup>1</sup>	41,326	114,782	(73,456)	(64.0)
Adjusted net income (loss) <sup>1</sup>	(42,968)	42,302	(85,270)	(201.6)
Adjusted net earnings (loss) per share <sup>1</sup>	(1.10)	1.10	(2.20)	(200.0)

## Consolidated Statements of Financial Position

(in thousands of Canadian dollars)	As at July 31, 2024 \$	As at October 31, 2023 \$	Difference \$	Difference %
<b>Consolidated Statements of Financial Position</b>				
Cash and cash equivalents	361,891	435,647	(73,756)	(16.9)
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	305,867	450,752	(144,885)	(32.1)
	667,758	886,399	(218,641)	(24.7)
Total assets	2,793,005	2,569,370	223,635	8.7
Debt (current and non-current)	664,268	669,145	(4,877)	(0.7)
Total debt <sup>1</sup>	2,251,840	2,058,046	193,794	9.4
Total net debt <sup>1</sup>	1,889,949	1,622,399	267,550	16.5

## **1 Non-IFRS Financial Measures**

<b>Adjusted operating income (loss) or adjusted EBITDA</b>	Operating income (loss) before depreciation, amortization and asset impairment expense, reversal of impairment of the investment in a joint venture, 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.
<b>Adjusted pre-tax income (loss) or adjusted EBT</b>	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 on disposal of investment, gain (loss) on asset disposals, restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, 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.
<b>Adjusted net income (loss)</b>	Net income (loss) 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 on disposal of investment, gain (loss) on asset disposals, restructuring and transaction costs, write-off of assets, reversal of impairment of the investment in a joint venture, 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.
<b>Adjusted net earnings (loss) per share</b>	Adjusted net income (loss) divided by the adjusted weighted average number of outstanding shares used in computing diluted earnings (loss) per share.
<b>Total debt</b>	Long-term debt plus lease liabilities, deferred government grant and liability related to warrants, net of deferred financing costs 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.
<b>Total net debt</b>	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.
<b>Free cash flow</b>	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 Third Quarterly Report of 2024, which is available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and on [www.transat.com](http://www.transat.com) in the Investors section.

## **Senior Management**

<b>Annick Guérard</b>	President and Chief Executive Officer, Transat
<b>Joseph Adamo</b>	President, Transat Distribution Canada Chief Sales and Marketing Officer, Transat
<b>Bernard Bussières</b>	Chief Legal and Government Relations Officer and Corporate Secretary
<b>Julie Lamontagne</b>	Chief People, Sustainability and Communications Officer
<b>Marc-Philippe Lumpé</b>	Chief Airline Operations Officer
<b>Sebastian Ponce</b>	Chief Revenue Officer
<b>Jean-François Pruneau</b>	Chief Financial Officer
<b>Bamba Sissoko</b>	Chief Information Officer

## **Investor Relations Information**

<b>Jean-François Pruneau</b> Chief Financial Officer +1 514 987-1616 <a href="mailto:investorrelations@transat.com">investorrelations@transat.com</a>	<b>Transat A.T. Inc.</b> Tour Transat 300 Léo-Pariseau Street, Suite 600 Montreal (Quebec) H2X 4C2 Tel: 1-514-987-1660 Fax: 1-514-987-8035	<b>Transfer Agent and Registrar</b> <b>TSX Trust</b> 1701-1190, Canadiens-de-Montréal Avenue Montreal (Quebec) H3B 0G7 Telephone (toll-free): 1-800-387-0825 <a href="mailto:shareholderinquiries@tmx.com">shareholderinquiries@tmx.com</a> <a href="http://tsxtrust.com">tsxtrust.com</a>
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