



# Results for the First Quarter 2025

## 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 37 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 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)

### First Quarter highlights:

- Revenues of \$829.5 million, up 5.6% from \$785.5 million last year
- Adjusted EBITDA<sup>1</sup> of \$20.0 million compared to negative Adjusted EBITDA<sup>1</sup> of \$3.3 million last year
- Net loss of \$122.5 million (\$3.10 per share), compared to a net loss of \$61.0 million (\$1.58 per share) last year
- Free cash flow<sup>1</sup> of \$129.1 million compared to \$39.1 million last year
- Customer deposits of \$1,034.3 million, up 0.7% from January 31, 2024
- Extension of the \$312.0 million LEEFF subordinated financing maturity from April 2026 to April 2027, and the \$50.0 million revolving term credit and \$41.4 million LEEFF secured financing maturities from February 2026 to November 2026
- Elevation optimization Program initiatives implemented to date are expected to deliver an annualized adjusted EBITDA<sup>1</sup> run-rate of \$37.0 million

## Quick Facts

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

Year end: October 31

<sup>2</sup> Geared turbofan ("GTF").

The first quarter of fiscal 2025 ended with a better performance compared to the same period last year despite economic uncertainty. Higher traffic and a disciplined capacity increase of 0.5% resulted in a yield improvement of 1.7% year-over-year. Transat's financial results also progressed with revenue growing 5.6% from the first quarter last year and adjusted EBITDA totaling \$20.0 million driven by reduced fuel costs and a tight control on operating expenses.

Our Elevation Program, a comprehensive optimization plan aimed at maximizing long-term profitable growth, continues to advance as anticipated. Once fully deployed, the initiatives implemented to date under the program are expected to generate an annualized adjusted EBITDA run-rate of \$37 million. The program remains on track to reach \$100 million by mid-2026. The initial phase has optimized our organizational cost structure, with efficiency gains and cost savings generated through the implementation of new technology tools and AI. In the upcoming months, we will move forward revenue management initiatives and various productivity measures to further bolster profitable growth.

The refinancing of our debt of more than \$800 million and the strengthening of our balance sheet remain our top priorities. Assisted by a special advisory committee of the Board of Directors composed of independent directors, we continue to explore all alternatives that will allow us to implement an optimal capital structure over the long term. Although they have not yet led to a permanent solution, discussions with our main lender, the Federal Government, initiated more than 18 months ago, and other stakeholders are still ongoing. Given the complexity of these discussions, and to provide greater flexibility while they continue, we recently extended the maturity dates of our subordinated and secured LEEFF financing agreements with the federal government to April 2027 and November 2026, respectively. Additionally, we renegotiated our revolving credit facility, extending its maturity to November 2026.



**Annick Guérard**  
**President and Chief Executive Officer, Transat**

# Financial Highlights

## Financial Highlights for the Quarters Ended January 31

	2025	2024	Difference	Difference
(in thousands of Canadian dollars, except per share amounts)	\$	\$	\$	%
<b>Consolidated statements of loss</b>				
Revenues	829,505	785,498	44,007	5.6
Operating loss	(51,956)	(52,429)	473	0.9
Net loss	(122,532)	(60,977)	(61,555)	(100.9)
Basic loss per share	(3.10)	(1.58)	(1.52)	(96.2)
Diluted loss per share	(3.10)	(1.58)	(1.52)	(96.2)
Adjusted operating income (loss) <sup>1</sup>	19,969	(3,349)	23,318	696.3
Adjusted net loss <sup>1</sup>	(74,968)	(76,066)	1,098	1.4
Adjusted net loss per share <sup>1</sup>	(1.90)	(1.97)	0.07	3.6

## Consolidated Statements of Financial Position

	As at January 31, 2025	As at October 31, 2024	Difference	Difference
(in thousands of Canadian dollars)	\$	\$	\$	%
<b>Consolidated Statements of Financial Position</b>				
Cash and cash equivalents	389,355	260,336	129,019	49.6
Cash and cash equivalents in trust or otherwise reserved (current and non-current)	635,395	484,944	150,451	31.0
	1,024,750	745,280	279,470	37.5
Total assets	3,018,224	2,750,910	267,314	9.7
Debt (current and non-current)	699,678	682,295	17,383	2.5
Total debt <sup>1</sup>	2,301,505	2,277,320	24,185	1.1
Total net debt <sup>1</sup>	1,912,150	2,016,984	(104,834)	(5.2)

## <sup>1</sup>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, the effect of changes in discount rates used for accretion of the provision for return conditions, 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, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, 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, gain on sale and leaseback of assets, the effect of changes in discount rates used for accretion of the provision for return conditions, 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 subordinated 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 First Quarterly Report of 2025, 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

**Jean-François Pruneau**  
**Chief Financial Officer**  
+1 514 987-1616  
[investorrelations@transat.com](mailto:investorrelations@transat.com)

**Transat A.T. Inc.**  
Tour Transat  
300 Léo-Pariseau Street, Suite 600  
Montreal (Quebec) H2X 4C2  
Tel: 1-514-987-1660  
Fax: 1-514-987-8035

**Transfer Agent and Registrar**  
**TSX Trust**  
1701-1190, Canadiens-de-Montréal Avenue  
Montreal (Quebec) H3B 0G7  
Telephone (toll-free): 1-800-387-0825  
[shareholderinquiries@tmx.com](mailto:shareholderinquiries@tmx.com)  
[tsxtrust.com](http://tsxtrust.com)