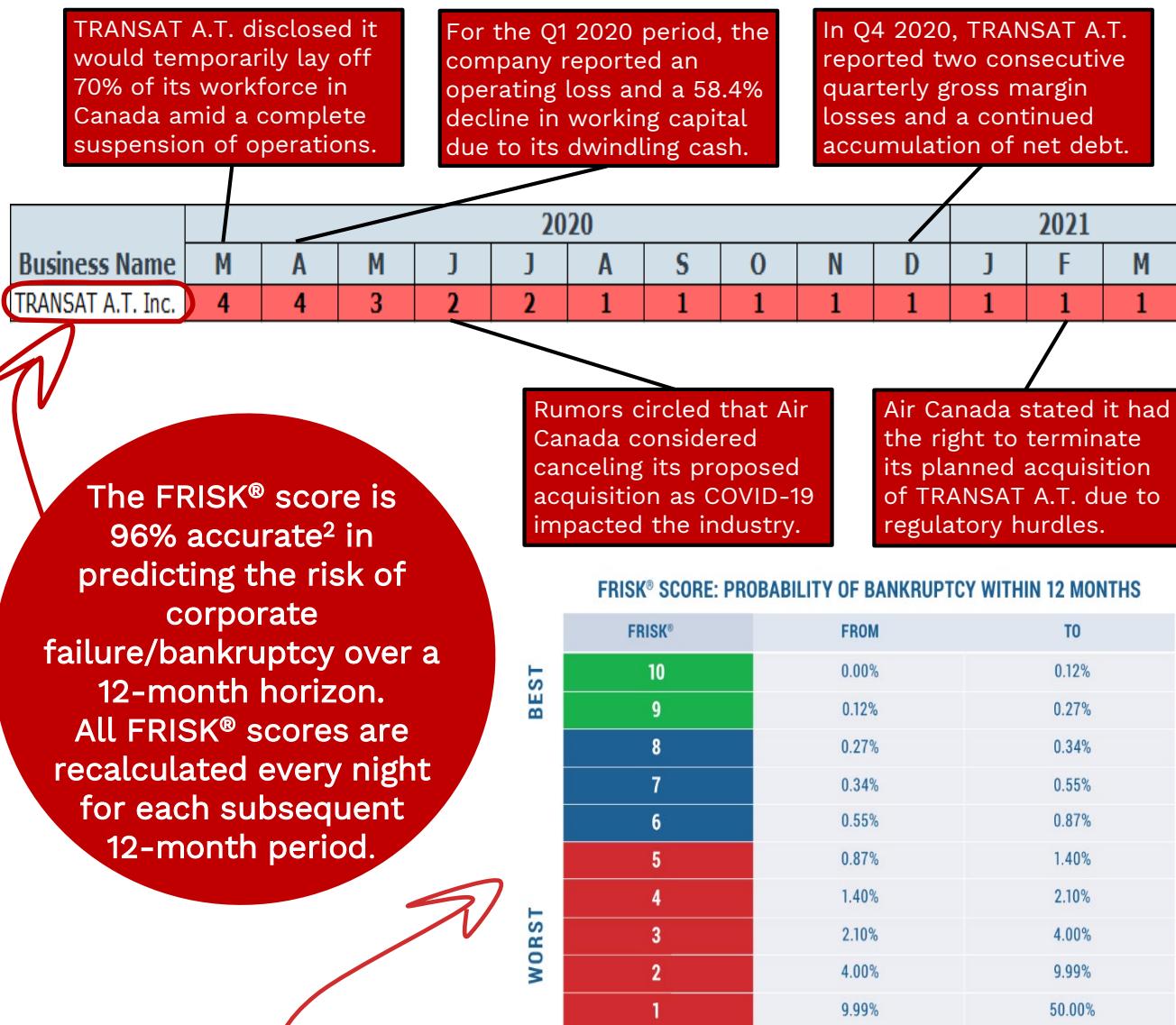


CreditRiskMonitor's assessment of TRANSAT A.T. Inc.'s ("TRANSAT A.T.") "high risk" status has been determined by a combination of factors:

Monthly Average FRISK® Score	Page 2
The FRISK® Score Components	3
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FRISK® Deep Dive and Adjusted Market Cap Volatility	5
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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that TRANSAT A.T. (TSE: TRZ) **has a 10 to 50 times greater risk of bankruptcy¹** than the average public company.



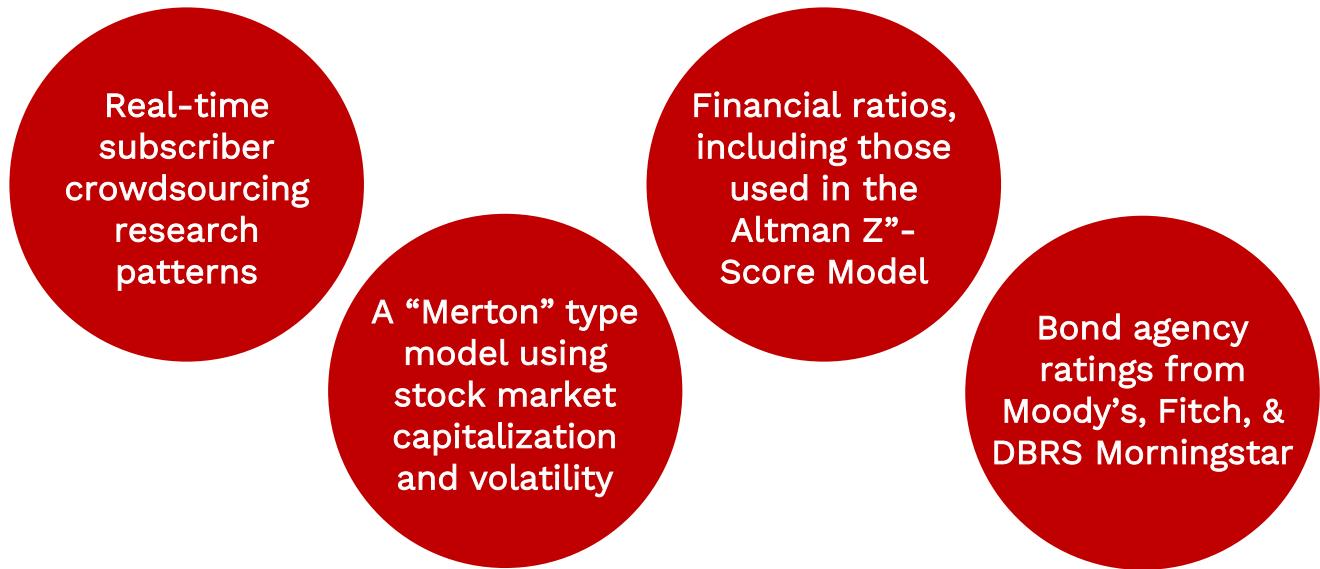
While the risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. **A FRISK® score of 5 or less is an important warning sign.**

¹ "Bankruptcy" throughout this high risk report refers to various legal proceedings in Canada, which have several similarities to the U.S. Bankruptcy code.

² FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor® process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:



Crowdsourced CreditRiskMonitor® Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor® subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

COMPANY REPORT DETAIL

TRANSAT A.T. Inc.

300 Leo-Pariseau St
MONTREAL, QC H2X 4C2 Canada

Phone: (514) 987-1660 Ticker: TRZ

Latest Financial Statements as of 1/31/2021

Business Summary

Transat A.T. Inc. is a Canada-based international tour operator that specializes in holiday travel. The Company's primary business consists of developing and marketing holiday travel services in package and air-only formats. It operates as an outgoing, as well as an incoming tour operator by bundling services purchased in Canada and abroad, and reselling them primarily in Canada, France, the United Kingdom and in over 10 other European countries, directly or through intermediaries. It is also a retail distributor, both online and through travel agencies, some of which it owns. The Company offers destination services to Canada, Mexico, the Dominican Republic and Jamaica. It offers its products in over 20 destination countries and distributes products in over 50 countries.

(Source: Company's Website)

Employees: 1,785 (as of 10/31/2020) Incorporated: 2/13/1987

Credit Score History [Why are these scores different?](#) **FRISK® Score Analysis**

Score/ Index	2020						2021						
	M	A	M	J	J	A	S	O	N	D	J	F	M
FRISK® Score*	4	4	3	2	2	1	1	1	1	1	1	1	1
DBT Index	8	8	5	3	4	6	8	7	8	7	7	7	5
Z-Score	0.81	-0.02	-0.43	-2.25	-2.89								

* FRISK® Scores are month-end

Net Sales(millions)

Period	Net Sales
1/20	692.8
4/20	571.3
7/20	9.5
10/20	28.4
1/21	41.9

Working Capital (millions)

Period	Working Capital
1/20	54.9
4/20	-11.2

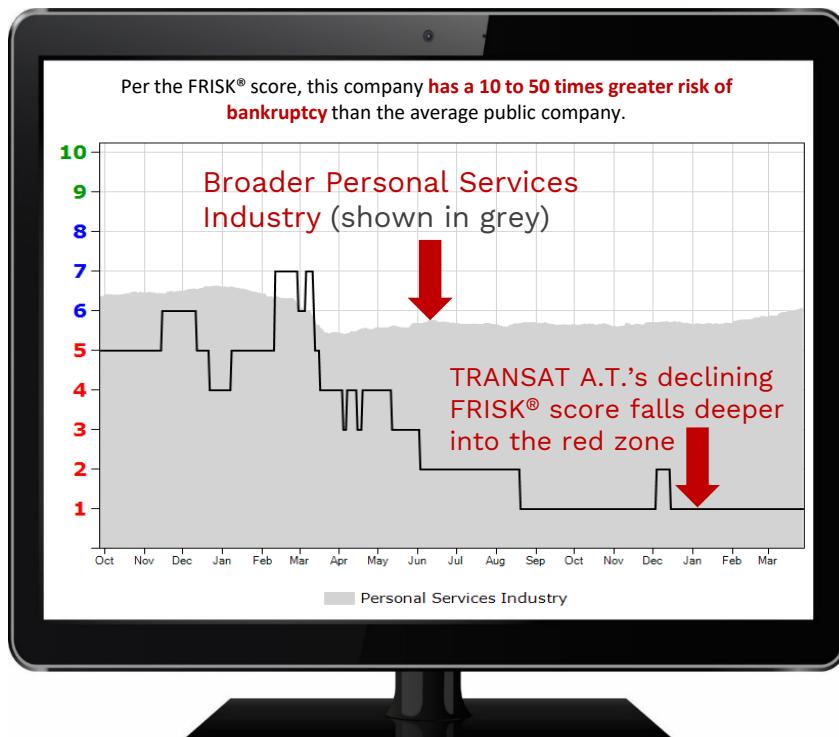
FRISK® Score Analysis

- Probability of bankruptcy within 12 months is 10% to 50%.
- Market Capitalization has declined by 27% over the last 12 months.
- Total Liabilities are 9 times larger than Market Capitalization.
- Financial stress.
- Other factors.

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

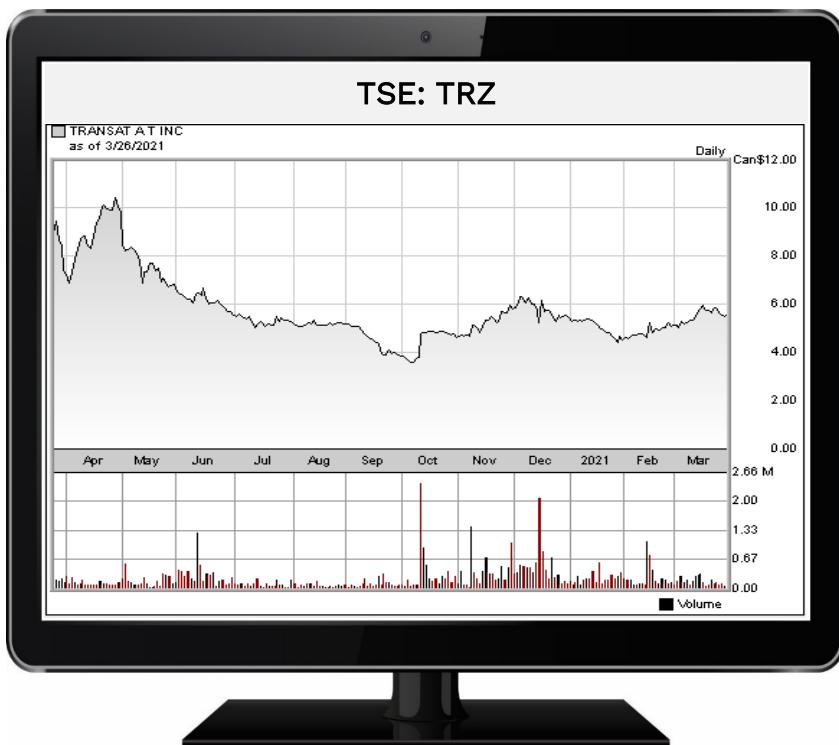
FRISK® DEEP DIVE



The FRISK® score relative to the broader Personal Services industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

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FRISK® STRESS INDEX

#	Business Name	Country	Current FRISK® score
1	TRANSAT A.T. Inc.	Canada	1
2	TUI AG	Germany	1
3	CVC Brasil Operadora e Agencia d Vgns SA	Brazil	3
4	Saga PLC	United Kingdom	3
5	Tabikobo Co Ltd	Japan	3
6	Hanatour Japan Co Ltd	Japan	4
7	Lindblad Expeditions Holdings Inc	United States	5
8	Monaker Group Inc	United States	5
9	Vietnam Travel&Mktg Trnspt Vietravel JSC	Vietnam	5
10	XiAn Qujiang Cultural Tourism Co Ltd	China	5

Primary industry codes only Primary and secondary industry codes

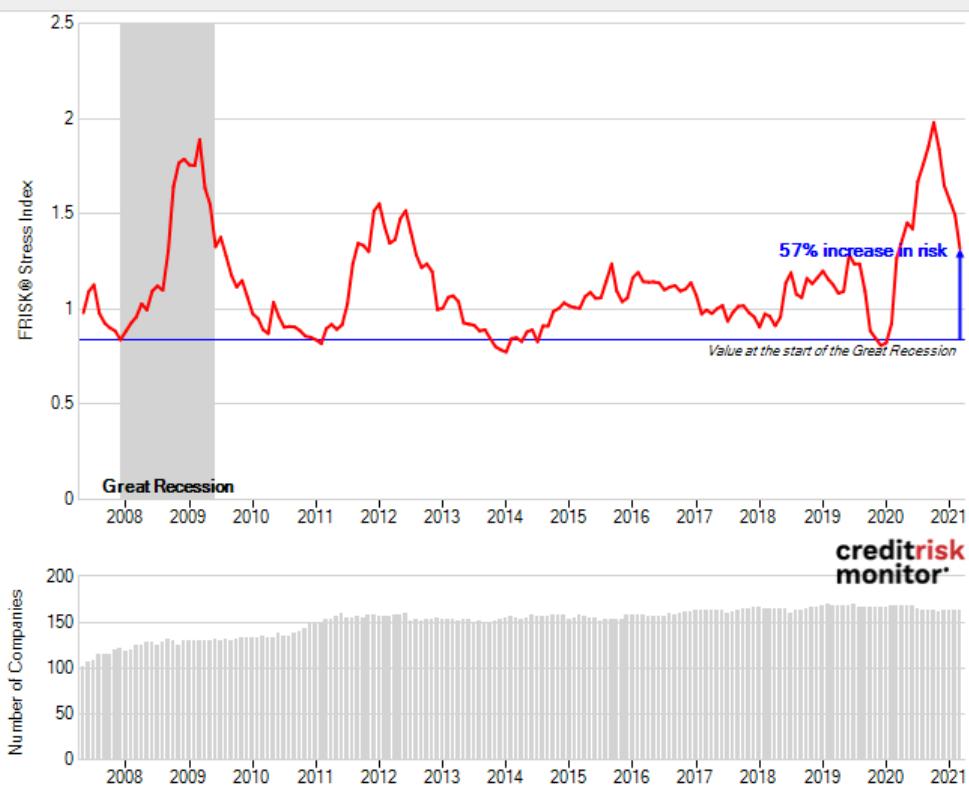
Businesses From: [All Businesses](#)

In Industry: [SIC 4725: Tour operators](#)

Country: [All Countries](#)

Scale: [Auto](#)

Total Companies in all months: [241](#)



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 4725 (Tour Operators) has increased 57% since 2007. TRANSAT A.T. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

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PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Metric	Value	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
					Low	Median	High
Credit Ratings							
Z-Score	78	88		-2.89	-405.42	1.47	39.25
Performance ratios:							
Net Sales (Thousands of U.S. Dollars)		10		5	33,000	3,973,000	
Gross Margin % Of Sales	44	87		18.86	-2,624.11	18.86	99.28
Gross Margin % Of Sales -- TTM	33	87		31.57	-172.36	18.99	93.47
SGA % Of Sales	67	84		83.37	0.80	33.92	28,515.38
SGA % Of Sales -- TTM	61	87		41.67	0.90	26.68	4,496.11
Operating Margin % Of Sales	77	91		-233.89	-33,058.21	-15.10	62.13
Operating Margin % Of Sales -- TTM	71	91		-	-	-	-
EBITDA Margin Of Sales	37	46		-	-	-	-
EBITDA Margin Of Sales -- TTM	46	58		-	-	-	-
Net Profit Margin % Of Sales	68	91		-	-	-	-
Net Profit Margin % Of Sales -- TTM	67	91		-	-	-	-
Pre-tax Income % Of Sales	66	91		-	-	-	-
Effective Tax Rate	17	87		-	-	-	-
Depreciation % Of Prop/Plant/Equipment	64	82		-	-	-	-
Capital Expense % Of Prop/Plant/Equipment	10	64		0.99	0.04	4.67	6,996.29
Interest Coverage	28	38		-2.93	-4,423.66	-0.45	751.97
Interest Coverage -- TTM	43	53		-3.96	-1,567.70	-0.16	1,960.95
Liquidity ratios:							
Cash Ratio	56	88		0.33	0.00	0.64	23.91
Quick Ratio	66	83		0.34	-0.01	0.95	24.13
Current Ratio	72	88		0.77	0.02	1.31	25.78
Efficiency ratios:							
Accounts Receivable Turnover	60	87		-	-	-	-
Days Sales Outstanding	68	91	11	-	-	-	-
% of Inventory Financed by Vendors		67		-	-	-	-
% of Inventory Financed by Vendors -- TTM		71		-	-	-	-
Inventory Turnover	38	79		-	-	-	-
Inventory Turnover -- TTM	19	80	3	-	-	-	-
Days Sales in Inventory	38	77	2	-	-	-	-
Inventory to Working Capital	71	76		-	-	-	-
Accounts Payable Turnover		82		-	-	-	-
Accounts Payable Turnover -- TTM		83		0.00	5.02	81.79	
Leverage & debt coverage:							
Total Debt to Equity Ratio	74	74		169.69	0.00	0.74	169.69
Debt to Tangible Equity Ratio		70		-	-	-	-
Total Debt to Assets Ratio	57	80		0.48	0.00	0.33	3.32
Short-Term Debt % of Total Debt	14	77		14.40	0.00	33.21	100.00
Short-Term Debt % of Working Capital	70	79		-60.51	-3,229.14	4.76	419.44
Liabilities to Net Worth Ratio		78		-	0.03	1.15	524.88
Total Liabilities to Equity Ratio	82	82		352.17	0.03	1.12	352.17
TTM EBITDA to Total Debt	42	52		-0.34	-4.66	-0.03	12.92
Net Debt to TTM EBITDA		25		-27.76	3.54	24.62	
Legend:							
Green - Ranked in Upper Quartile of Peer Group							
White - Ranked in the Middle Two Quartiles of Peer Group							
Red - Ranked in Lower Quartile of Peer Group							
Orange - Confidential							
Grey - Data is Not Available							

TTM = trailing 12 months
N/A = Not Available

TRANSAT A.T. demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

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QUARTERLY PERFORMANCE RATIOS

Collapse in revenue causes steep operating and net losses

Poor interest coverage ratio & cumulatively negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3 mos 1/31/2021	3 mos 10/31/2020	3 mos 7/31/2020	3 mos 4/30/2020	3 mos 1/31/2020
Net Sales \$	\$41,920	\$28,426	\$9,546	\$571,298	\$692,799
% change	47.47%	197.78%	-98.33%	-17.54%	-0.06%
Gross Margin \$	\$7,905	(\$16,751)	(\$33,757)	\$248,212	\$303,443
% change	147.19%	50.38%	-113.60%	-18.20%	-20.57%
% of sales	18.86%	-58.93%	-353.62%	43.45%	43.80%
change as % of incremental sales	182.72%	90.07%	n/m	n/m	n/m
SG&A \$	\$34,950	\$42,490	\$27,752	\$166,187	\$201,965
% change	-17.75%	53.11%	-83.30%	-17.72%	5.23%
% of sales	83.37%	149.48%	290.72%	29.09%	29.15%
change as % of incremental sales	-55.88%	78.06%	n/m	n/m	n/m
Operating margin \$	(\$98,048)	(\$239,332)	(\$132,013)	(\$29,551)	(\$25,066)
% change	59.03%	-81.29%	-346.73%	-17.89%	-167.61%
% of sales	-233.89%	-841.95%	-1,382.91%	-5.17%	-3.62%
change as % of incremental sales	1,047.01%	-568.43%	n/m	n/m	n/m
EBITDA \$	(\$42,586)	(\$184,661)	(\$11,473)	(\$66,655)	\$11,218
% change	76.94%	-1,509.53%	82.79%	-694.18%	-87.17%
% of sales	-101.59%	-649.62%	-120.19%	-11.67%	1.62%
change as % of incremental sales	1,052.88%	-917.31%	n/m	n/m	n/m
EBIT \$	(\$80,076)	(\$234,153)	(\$64,654)	(\$119,809)	(\$37,067)
% change	65.80%	-262.16%	46.04%	-223.22%	-199.82%
% of sales	-191.02%	-823.73%	-677.29%	-20.97%	-5.35%
change as % of incremental sales	1,141.82%	-897.77%	n/m	n/m	n/m
Pre-tax income \$	(\$60,305)	(\$241,307)	(\$45,850)	(\$157,852)	(\$43,964)
% change	75.01%	-426.30%	70.95%	-259.05%	-236.59%
% of sales	-143.86%	-848.90%	-480.31%	-27.63%	-6.35%
change as % of incremental sales	1,341.35%	-1,035.26%	n/m	n/m	n/m
Net income (loss) \$	(\$60,534)	(\$238,077)	(\$45,115)	(\$179,548)	(\$33,805)
% change	74.57%	-427.71%	74.87%	-431.13%	-246.67%
% of sales	-144.40%	-837.53%	-472.61%	-31.43%	-4.88%
change as % of incremental sales	1,315.72%	-1,022.04%	n/m	n/m	n/m
Tax expense \$	\$198	(\$2,937)	(\$129)	\$21,860	(\$11,002)
Effective tax rate	-0.33%	1.22%	0.28%	-13.85%	25.03%
Depreciation expense \$	\$37,490	\$49,492	\$53,181	\$53,154	\$48,285
% of sales	89.43%	174.11%	557.10%	9.30%	6.97%
% of capital expenses	1,632.84%	-9,338.11%	3,002.88%	196.26%	145.88%
% of PP&E, net (annualized)	16.13%	19.86%	20.87%	22.57%	21.29%
Capital expenditures \$	\$2,296	(\$530)	\$1,771	\$27,083	\$33,098
% change	533.21%	-129.93%	-93.46%	-18.17%	-26.20%
% of PP&E, net (annualized)	0.99%	-0.21%	0.69%	11.50%	14.60%
% of working capital (annualized)	-4.86%	1.78%	-16.43%	498.48%	141.88%
Interest coverage ratio	(2.93)	(14.46)	(0.99)	(1.74)	1.26
% change	79.76%	-1,364.39%	43.37%	-238.93%	-85.73%
Free cash flow \$	(\$108,591)	(\$123,018)	(\$147,160)	\$22,511	\$140,109
% change	11.73%	16.41%	-753.72%	-83.93%	202.69%
Source:	Interim Report 3/10/2021	ARS 12/11/2020	Interim Report 9/9/2020	Interim Report 6/10/2020	Interim Report 3/11/2020

QUARTERLY LEVERAGE RATIOS

Prior increase in debt resulted from the company drawing down on its renewable revolving credit facility

Tangible net worth turned negative, which could limit future borrowing capacity

Leverage Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	1/31/2021	10/31/2020	7/31/2020	4/30/2020	1/31/2020
Total debt \$	\$902,942	\$903,886	\$959,133	\$820,959	\$689,564
% change	-0.10%	-5.76%	16.83%	19.05%	3.55%
Stockholders' equity \$	\$5,321	\$66,307	\$310,342	\$357,431	\$525,971
% change	-91.98%	-78.63%	-13.17%	-32.04%	-5.65%
Total debt to equity ratio	169.69	13.63	3.09	2.30	1.31
% change	1,144.84%	341.07%	34.56%	75.19%	9.74%
Tangible net worth \$	(\$17,895)	\$40,798	\$281,212	\$323,537	\$490,721
% change	-143.86%	-85.49%	-13.08%	-34.07%	-5.74%
Total debt to tangible net worth	n/a	22.16	3.41	2.54	1.41
% change	n/a	549.58%	34.41%	80.58%	9.85%
Total assets \$	\$1,879,237	\$2,016,071	\$2,413,356	\$2,487,860	\$2,634,064
% change	-6.79%	-16.46%	-2.99%	-5.55%	13.32%
Total debt to assets ratio	0.48	0.45	0.40	0.33	0.26
% change	7.18%	12.81%	20.42%	26.05%	-8.62%
Tangible assets \$	\$1,856,021	\$1,990,562	\$2,384,226	\$2,453,966	\$2,598,814
% change	-6.76%	-16.51%	-2.84%	-5.57%	13.60%
Short-term debt \$	\$130,036	\$147,980	\$172,590	\$135,810	\$112,001
% change	-12.13%	-14.26%	27.08%	21.26%	12.21%
Short-term debt % of total debt	14.40%	16.37%	17.99%	16.54%	16.24%
% change	-12.03%	-9.02%	8.77%	1.85%	8.36%
Short-term debt % of working capital	-60.51%	-90.68%	-230.66%	-1,192.15%	204.17%
% change	33.27%	60.69%	80.65%	-683.90%	169.54%
Total liabilities \$	\$1,873,916	\$1,949,764	\$2,103,014	\$2,130,429	\$2,108,093
% change	-3.89%	-7.29%	-1.29%	1.06%	19.30%
Total liabilities to equity ratio	352.17	29.41	6.78	5.96	4.01
% change	1,097.66%	333.93%	13.69%	48.71%	26.44%
Total liabilities to tangible net worth ratio	n/a	47.79	7.48	6.58	4.30
% change	n/a	539.05%	13.57%	53.28%	26.57%
Total debt to EBITDA ratio (annualized)	n/a	n/a	n/a	n/a	15.37
% change	n/a	n/a	n/a	n/a	707.28%
Source:	Interim Report 9/9/2020	Interim Report 6/10/2020	Interim Report 3/11/2020		

Debt to assets ratio deteriorates towards the bottom quartile of industry peers at 50%

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QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital falls into a deficit

Quick assets rapidly decline

Liquidity Ratios - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	1/31/2021	10/31/2020	7/31/2020	4/30/2020	1/31/2020
Current assets \$	\$702,611	\$851,146	\$1,037,465	\$1,218,840	\$1,375,589
% change	-17.45%	-17.96%	-14.88%	-11.40%	22.96%
% of short-term debt	540.32%	575.18%	601.12%	897.46%	1,228.19%
Current liabilities \$	\$917,506	\$1,014,334	\$1,112,291	\$1,230,232	\$1,320,732
% change	-9.55%	-8.81%	-9.59%	-6.85%	33.82%
Working capital \$	(\$214,895)	(\$163,188)	(\$74,826)	(\$11,392)	\$54,857
% change	-31.69%	-118.09%	-556.83%	-120.77%	-58.37%
% of sales (annualized)	-128.16%	-143.52%	-195.96%	-0.50%	1.98%
Cash \$	\$302,846	\$426,433	\$576,431	\$733,679	\$682,181
% change	-28.98%	-26.02%	-21.43%	7.55%	20.77%
% of short-term debt	232.89%	288.17%	333.99%	540.22%	609.08%
Cash ratio	0.33	0.42	0.52	0.60	0.52
% change	-21.48%	-18.87%	-13.11%	15.47%	-9.75%
Quick assets \$	\$309,217	\$521,767	\$691,752	\$861,269	\$829,345
% change	-40.74%	-24.57%	-19.68%	3.85%	18.01%
% of short-term debt	237.79%	352.59%	400.81%	634.17%	740.48%
Quick ratio	0.34	0.51	0.62	0.70	0.63
% change	-34.49%	-17.29%	-11.17%	11.50%	-11.82%
Current ratio	0.77	0.84	0.93	0.99	1.04
% change	-8.74%	-10.04%	-5.85%	-4.88%	-8.12%
Source:	Interim Report 3/10/2021	ARS 12/11/2020	Interim Report 9/9/2020	Interim Report 6/10/2020	Interim Report 3/11/2020

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of Canadian Dollars)

Period Ended	3 mos 1/31/2021	3 mos 10/31/2020	3 mos 7/31/2020	3 mos 4/30/2020	3 mos 1/31/2020
Return on equity	-91.29%	-76.71%	-12.62%	-34.14%	-6.06%
% change	-19.00%	-507.78%	63.02%	-462.92%	-235.63%
Return on net tangible equity	-148.37%	-84.66%	-13.94%	-36.59%	-6.49%
% change	-75.26%	-507.14%	61.89%	-463.47%	-234.30%
Return on total assets	-3.11%	-10.75%	-1.84%	-7.01%	-1.36%
% change	71.09%	-483.91%	73.74%	-414.19%	-217.31%
Return on tangible assets	-3.15%	-10.88%	-1.87%	-7.11%	-1.38%
% change	71.08%	-483.59%	73.76%	-413.65%	-216.77%
Source:	Interim Report 3/10/2021	ARS 12/11/2020	Interim Report 9/9/2020	Interim Report 6/10/2020	Interim Report 3/11/2020

YEAR OVER YEAR STATEMENT OF CASH FLOWS

Net losses
materially
expand

Cash from
operating
activities
turns
negative

Statement of Cash Flows - Year-over-Year - Standardized - Year-to-Date

(Thousands of Canadian Dollars)

Period Ended	3 mos 1/31/2021	3 mos 1/31/2020	3 mos 1/31/2019	3 mos 1/31/2018	3 mos 1/31/2017
	Reclassified 1/31/2020				
Cash Flows from Operating Activities:					
Net income	(\$60,503)	(\$32,962)	(\$51,970)	(\$5,233)	(\$31,054)
Depreciation/depletion	37,490	48,285	41,160	14,769	14,206
Deferred taxes	75	(9,112)	(15,284)	(7,285)	880
Non-cash Items	(52,092)	14,957	19,970	2,248	(6,937)
Changes in working capital	(31,265)	152,039	89,035	129,599	139,288
Total cash from operating activities	(106,295)	173,207	82,911	134,098	116,383
Cash Flows from Investing Activities:					
Capital expenditures	(2,296)	(33,098)	(39,259)	(9,761)	(19,303)
Other investing cash flow items, total	422	0	1,100	29,261	(4,983)
Total cash from investing activities	(1,874)	(33,098)	(38,159)	19,500	(24,286)
Cash Flows from Financing Activities:					
Financing cash flow items	n/a	n/a	n/a	(191)	(630)
Issuance/retirement of stock, net	n/a	0	341	1,606	273
Issuance/retirement of debt, net	(15,143)	(24,066)	(19,642)	n/a	n/a
Total cash from financing activities	(15,143)	(24,066)	(19,301)	1,415	(357)
Foreign exchange effects	(275)	1,294	1,340	747	(577)
Net change in cash	(123,587)	117,337	26,791	155,760	91,163
Net cash-beginning balance	426,433	564,844	593,654	593,582	363,664
Net cash-ending balance	\$302,846	\$682,181	\$620,445	\$749,342	\$454,827
Supplemental Disclosures:					
Cash interest paid	\$746	\$221	\$186	\$117	\$129
Cash taxes paid, supplemental	(\$158)	\$1,009	\$344	\$7,479	\$822
Source:	Interim Report 3/10/2021	Interim Report 3/11/2020	Interim Report 3/11/2020	Interim Report 3/14/2018	Interim Report 3/15/2017

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