



Which Stock Saw its 4th-Quarter Results Soar?

Description

When you think of Canadian airlines, your thoughts probably go to our two big players: **Air Canada** ([TSX:AC](#))(TSX:AC.B) and **WestJet Airlines Ltd.** (TSX:WJA). (Fool contributor Joey Frenette just [wrote](#) a comparison on what to expect from each of the main players in 2018 that's worth a read.)

But it's a smaller industry player that just posted great fourth-quarter results: **Transat AT Inc.** (TSX:TRZ). How good? Let's take a look.

Fourth-quarter 2017 results

Transat is a late reporter, with fourth-quarter results coming in on December 14. Transat focuses on holiday travel and the tourism market. This focus makes it a smaller player in the Canadian airline industry. The stock's market cap sits at \$381 million.

For its final quarter of the year, Transat reported revenue of \$698.6 million — an increase from \$612 million in the 2016's fourth quarter. Analysts were expecting a number closer to \$662 million, so the results beat market expectations — always a nice thing to see. Net income attributable to shareholders came in at \$148.1 million, dwarfing last year's \$34.9 million result.

For the year, revenues came in at \$3 billion — just above 2016's \$2.9 billion. Operating income for the year was \$34.7 million, which is up from a loss of \$30.3 million in 2016.

In terms of highlights for the year, the company increased its offerings in the transatlantic market by almost 8%. Total travelers for the year were up 8.2%. The company closed its sale of Ocean Hotels in October and completed the sale of subsidiary Jonview Canada to a Japanese multinational at the end of November. The company also entered a lease for 10 Airbus planes that should be operational in 2019 and extended other Airbus leases under better conditions.

What to expect in 2018

Looking ahead to 2018, the company says winter bookings are up by 9.2% so far, and operating expenses are down slightly at 2%. Many things can affect the bottom line, such as weather and the

strength of the Canadian dollar, but things look good for the stock at the moment.

Investor takeaway

We've [reported](#) other good news for the stock earlier this year, so it seems to be on a good trend. The stock price has mostly moved higher over the last year, so people are seeing value in this stock. If you are thinking of investing, keep an eye on how Transat fares in the busy winter holiday months.

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