



Cargojet Announces Fourth Quarter Financial Results

Company delivers strong year-over-year EBITDA growth and EBITDA margin expansion in the fourth quarter

Mississauga, ON, February 24, 2026 - Cargojet Inc. ("Cargojet" or the "Corporation") (TSX: CJT) today announced financial results for the fourth quarter and year ended December 31, 2025.

"Our disciplined execution and customer-first operating model delivered fourth quarter EBITDA growth of \$3.3 million and margin expansion of 210 basis points year-over-year, supported by nearly 17% domestic revenue growth. Through one of the most challenging winter operating environments in recent years, our team achieved 99% on-time performance – a result that reflects the strength of the best team in the industry. Their professionalism, precision, and relentless execution drive our best-in-class reliability," said Pauline Dhillon, Chief Executive Officer. "We are sincerely grateful to our customers for their continued trust. Performance earns partnership, and we work every day to strengthen that trust. Our priorities remain clear: profitable growth, maximum utilization of our fixed assets and infrastructure, rigorous cost discipline, and an uncompromising focus on safety. This operational excellence and financial discipline are what protect and grow the shareholder value that investors place their trust in us to deliver. I thank our Cargojet team members for setting the standard for this industry – and raising it".

For the quarter ended December 31, 2025:

- Adjusted EBITDA⁽¹⁾ (earnings before interest, taxes, depreciation and amortization) was \$95.0 million, an increase of \$3.3 million or 3.6% compared to the same quarter of the previous year primarily driven by lower direct and SG&A costs excluding depreciation and share-based compensation, partially offset by lower revenue excluding amortization of stock warrant contract assets.
- Adjusted EBITDA⁽¹⁾ margin of 33.4%, up 210 basis points compared to the same quarter last year, primarily driven by lower direct and SG&A costs excluding depreciation and share-based compensation, partially offset by lower revenue excluding amortization of stock warrant contract assets.
- Total revenues were \$284.7 million, a decrease of \$8.5 million or 2.9% compared to the same period of the previous year, supported by a \$17.4 million or 16.9% year-over-year increase in domestic revenue, more than offset by declines in ACMI and Charter revenues driven primarily by macroeconomic conditions.
- Free Cash Flow was an outflow of \$9.8 million, an increase of \$23.5 million compared to an outflow of \$33.3 million in the same quarter last year driven by a decrease in proceeds from disposal of property, plant and equipment and assets held for sale, net of purchases, of \$93.0 million, partially offset by a decrease in cash flow from operations of \$69.5 million primarily due to changes in non-cash working capital.
- Net earnings of \$26.6 million, a decrease of \$44.6 million or 62.6% compared to net earnings of \$71.2 million for the fourth quarter of 2024 primarily driven by an increase of \$37.7 million in net finance costs and other gains and losses.

⁽¹⁾ Non-GAAP measures. See "Non-GAAP Financial Measures" section.

FOURTH QUARTER AND FULL YEAR RESULTS

Financial highlights

	Three Month Periods Ended				Years Ended			
	December 31,				December 31,			
(Canadian dollars in millions, except where indicated)	2025	2024	Change	%	2025	2024	Change	%
Domestic network, ACMI and charter revenues	\$243.0	\$250.7	(\$7.7)	(3.1%)	\$844.9	\$828.4	\$16.5	2.0%
Total revenues	\$284.7	\$293.2	(\$8.5)	(2.9%)	\$992.7	\$1,000.0	(\$8.1)	(0.8%)
Net earnings	\$26.6	\$71.2	(\$44.6)	(62.6%)	\$80.2	\$108.4	(\$28.2)	(26.0%)
Adjusted net earnings⁽¹⁾	\$22.2	\$27.2	(\$5.0)	(18.4%)	\$68.1	\$86.2	(\$18.1)	(21.0%)
EPS Diluted	\$1.76	\$4.28	(\$2.52)	(58.9%)	\$5.24	\$6.68	(\$1.44)	(21.6%)
Adjusted EPS⁽¹⁾	\$1.47	\$1.71	(\$0.24)	(14.0%)	\$4.45	\$5.32	(\$0.87)	(16.4%)
Adjusted EBITDA⁽¹⁾	\$95.0	\$91.7	\$3.3	3.6%	\$326.4	\$331.4	(\$5.0)	(1.5%)
Adjusted EBITDA margin ⁽¹⁾ - (%)	33.4%	31.3%	2.1%		32.9%	33.1%	(0.2%)	
Net cash from operating activities	\$34.1	\$103.6	(\$69.5)	(67.1%)	\$234.6	\$328.6	(\$94.0)	(28.6%)
Free cash flow⁽¹⁾	(\$9.8)	(\$33.3)	\$23.5	(70.6%)	\$11.1	\$183.7	(\$172.6)	(94.0%)

(1) Non-GAAP Measures

Below is a description of certain non-GAAP financial measures and non-GAAP financial ratios used by the Corporation to provide readers with additional information on its financial and operating performance. Non-GAAP financial ratios are ratios or percentages that are calculated using a non-GAAP financial measure. Such measures are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, may not be comparable to similar measures presented by other entities and should not be considered a substitute for or superior to GAAP results.

“Adjusted EBITDA” is used by the Corporation to assess earnings before interest, taxes, depreciation, amortization, gain or loss on disposal of capital assets, share-based compensation, gain or loss on disposal of property, plant and equipment and assets held for sale, fair value write-down of assets held for sale and property, plant and equipment, fair value increase or decrease on stock warrant, amortization of stock warrant contract assets, gain or loss on fair value or settlement of swap derivatives, unrealized foreign exchange gains or losses, gains or losses on settlement of debts, share of income or loss in associate, and provision for employee pension, as these costs can vary significantly among airlines due to differences in the way airlines finance their aircraft and other assets. The most directly comparable financial measure disclosed in the Corporation’s financial statements is net earnings.

“Adjusted EBITDA margin” is defined as Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA margin is commonly used in the airline industry and is used by the Corporation as a means to measure the operating margin excluding certain items as described above.

“Free Cash Flow” is used by the Corporation to evaluate its financial strength and performance of its business, indicating the amount of cash the Corporation can generate from operations after capital expenditures. Free Cash Flow is defined as cash flows from operating activities less purchases of property, plant and equipment plus proceeds from disposals of property, plant and equipment and assets held for sale, and insurance proceeds related to these assets.

“Adjusted net earnings” and “Adjusted net earnings per share” (“Adjusted EPS”) are used to assess the overall financial performance of its business. Adjusted net earnings and adjusted EPS are defined as net earnings and net earnings per basic share excluding impairment and gain on insurance claim, fair value increase or decrease on stock warrant, amortization of stock warrant contract assets, gain or loss on swap derivatives, and unrealized foreign exchange gain or loss, as well as the tax impact of these adjustments where applicable. These items are excluded as they may distort the analysis of certain business trends and render comparative analysis to other airlines less meaningful.

Reconciliations of non-GAAP measures are provided below and in the “Non-GAAP Measures” section of the Corporation’s Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) for the three month period ended December 31, 2025 and is available on SEDAR+ at www.sedarplus.ca.

(Unaudited - Canadian dollars in millions, except where	Three Month Periods Ended		Years Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Calculation of EBITDA and Adjusted EBITDA	\$	\$	\$	\$
Net (loss) earnings	26.6	71.2	80.2	108.4
Add:				
Interest	11.7	13.6	49.7	56.8
Provision of deferred taxes	6.3	6.1	14.4	29.3
Depreciation of property, plant and equipment	51.9	41.5	187.1	165.1
EBITDA	96.5	132.4	331.4	359.6
Add:				
Share-based compensation	-	(4.4)	3.3	9.7
Gain on disposal of property, plant and equipment	(0.1)	-	(1.0)	(17.4)
Fair value write-down of assets held for sale and property, plant and equipment	-	1.5	7.0	2.6
Fair value adjustment on warrant valuation and amortization of stock warrant contract assets	(8.7)	(61.8)	(26.7)	(26.1)
Loss (gain) on swap derivative	4.6	18.2	13.5	(3.3)
Unrealized foreign exchange loss (gain)	1.3	4.6	(0.6)	6.0
Loss on extinguishment of debts	0.8	0.4	0.8	0.4
Share of (income) loss in associate	(0.1)	0.5	(2.2)	(0.4)
Employee pension	0.7	0.3	0.9	0.3
Adjusted EBITDA	95.0	91.7	326.4	331.4
Revenue	284.7	293.2	992.7	1,000.8
Adjusted EBITDA margin	33.4%	31.3%	32.9%	33.1%

(Unaudited - Canadian dollars in millions)	Three Month Periods Ended		Years Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Calculation of Free Cash Flow	\$	\$	\$	\$
Net cash from operating activities	34.1	103.6	234.6	328.6
Purchase of property, plant and equipment ⁽¹⁾	(47.5)	(136.9)	(336.1)	(250.0)
Proceeds from disposal of property, plant and equipment and assets held for sale	3.6	-	112.6	105.1
Free cash flow	(9.8)	(33.3)	11.1	183.7

(Unaudited - Canadian dollars in millions, except where indicated)	Three Month Periods Ended		Years Ended	
	December 31,		December 31,	
	2025	2024	2025	2024
Calculation of Adjusted Earnings and Adjusted EPS	\$	\$	\$	\$
Net earnings	26.6	71.2	80.2	108.4
Add:				
Fair value write-down of assets held for sale and property, plant and equipment	-	1.5	7.0	2.6
Fair value adjustment on stock warrant and amortization of stock warrant contract assets	(8.7)	(61.8)	(26.7)	(26.1)
Loss (gain) on swap derivative	4.6	18.2	13.5	(3.3)
Unrealized foreign exchange loss (gain)	1.3	4.6	(0.6)	6.0
Tax impact on items listed above	(1.6)	(6.5)	(5.3)	(1.4)
Adjusted net earnings	22.2	27.2	68.1	86.2
Weighted average number of shares - basic (in millions of shares)	15.1	15.9	15.3	16.2
Adjusted EPS	1.47	1.71	4.45	5.32

Notice on Forward Looking Statements:

Certain statements contained herein constitute "forward-looking statements", including with respect to the Corporation's intention to continue rationalizing costs and capital expenditures to generate cash, strengthen strategic customer relationships, and drive shareholder value. Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "targeting," "suggests" and similar expressions. These forward-looking statements are based on current expectations and entail various risks and uncertainties. Reference should be made to the Corporation's most recent Annual Information Form ("AIF") filed with the Canadian securities regulators, and its most recent Annual Consolidated Financial Statements and Notes thereto and related MD&A, for a summary of major risks. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. The Corporation cautions that the list of risk factors and uncertainties described in the AIF and MD&A is not exhaustive and other factors could also adversely affect its results. Readers are urged to carefully consider the risks, uncertainties and assumptions in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained herein represents our expectations as of the date hereof (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. In the event that we update any forward-looking statement, no inference should be made that we will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

All references to "\$" in this press release are to Canadian dollars.

About Cargojet

Cargojet is Canada's leading provider of time sensitive premium air cargo services to all major cities across North America, providing Dedicated, ACMI and International Charter services and carries over 25,000,000 pounds of cargo weekly. Cargojet operates its network with its own cargo fleet of 41 aircraft.

For further information, please contact investor relations at investorrelations@cargojet.com

FINANCIAL INFORMATION AND OPERATING STATISTICS HIGHLIGHTS

(Unaudited - Canadian dollars in millions, except where indicated)

	Three Month Periods Ended December 31,				Years Ended December 31,			
	2025	2024	Change	%	2025	2024	Change	%
Domestic network, ACMI and charter revenues	\$243.0	\$250.7	(\$7.7)	(3.1%)	\$844.9	\$828.4	\$16.5	2.0%
Fuel surcharge and other revenues	\$43.2	\$48.5	(\$5.3)	(10.9%)	\$167.4	\$193.5	(\$26.1)	(13.5%)
Total revenues excluding warrant amortization	\$286.2	\$299.2	(\$13.0)	(4.3%)	\$1,012.3	\$1,021.9	(\$9.6)	(0.9%)
Amortization of stock warrant contract assets	(\$1.5)	(\$6.0)	\$4.5	(75.0%)	(\$19.6)	(\$21.1)	\$1.5	(7.1%)
Total revenues	\$284.7	\$293.2	(\$8.5)	(2.9%)	\$992.7	\$1,000.8	(\$8.1)	(0.8%)
Direct expenses	\$217.7	\$219.6	(\$1.9)	(0.9%)	\$793.8	\$775.0	\$18.8	2.4%
Gross margin	\$67.0	\$73.6	(\$6.6)	(9.0%)	\$198.9	\$225.8	(\$26.9)	(11.9%)
Gross margin - (%)	23.5%	25.1%	(1.6%)		20.0%	22.6%	(2.5%)	
Selling, general and administrative expenses	\$26.0	\$25.3	0.70	2.8%	\$83.4	\$90.6	(\$7.2)	(7.9%)
Net finance costs and other gains and losses	\$8.2	(\$29.5)	\$37.7	127.8%	\$23.1	(\$2.1)	\$25.2	1200.0%
Share of (income) loss in associate	(\$0.1)	\$0.5	(0.60)	(120.0%)	(\$2.2)	(\$0.4)	(\$1.8)	(450.0%)
Earnings before income taxes	\$32.9	\$77.3	(\$44.4)	(57.4%)	\$94.6	\$137.7	(\$43.1)	(31.3%)
Income taxes	6.3	\$6.1	\$0.2	3.3%	\$14.4	\$29.3	(\$14.9)	(50.9%)
Net earnings	\$26.6	\$71.2	(\$44.6)	(62.6%)	\$80.2	\$108.4	(\$28.2)	(26.0%)
Adjusted net earnings⁽¹⁾	\$22.2	\$27.2	(\$5.0)	(18.4%)	\$68.1	\$86.2	(\$18.1)	(21.0%)
Earnings per share								
Basic	\$1.76	\$4.49	(\$2.73)	(60.8%)	\$5.24	\$6.68	(\$1.44)	(21.6%)
Diluted	\$1.76	\$4.28	(\$2.52)	(58.9%)	\$5.24	\$6.68	(\$1.44)	(21.6%)
Adjusted ⁽¹⁾	\$1.47	\$1.71	(\$0.24)	(14.0%)	\$4.45	\$5.32	(\$0.87)	(16.4%)
Adjusted EBITDA⁽¹⁾	\$95.0	\$91.7	\$3.3	3.6%	\$326.4	\$331.4	(\$5.0)	(1.5%)
Adjusted EBITDA margin ⁽¹⁾ - (%)	33.4%	31.3%	2.1%		32.9%	33.1%	(0.2%)	
Net cash from operating activities	\$34.1	\$103.6	(\$69.5)	(67.1%)	\$234.6	\$328.6	(\$94.0)	(28.6%)
Free cash flow⁽¹⁾	(\$9.8)	(\$33.3)	\$23.5	70.6%	\$11.1	\$183.7	(\$172.6)	(94.0%)
Operating statistics⁽²⁾								
Operating days ⁽³⁾	50	50	-	0.0%	198	199	(1)	(0.5%)
Average domestic network revenue per operating day ⁽⁴⁾	2.40	2.06	0.34	16.5%	2.16	1.89	0.27	14.3%
Block hours ⁽⁵⁾	19,153	21,307	(2,154)	(10.1%)	68,200	75,173	(6,973)	(9.3%)
B757-200	16	17	(1)		16	17	(1)	
B767-200	3	3	-		3	3	-	
B767-300	22	21	1		22	21	1	
Cargo operating fleet	41	41	-	0.0%	41	41	-	0.0%
Head count	1,930	1,981	(51)	(2.6%)	1,930	1,981	(51)	(2.6%)

1. Non-GAAP measures. See "Non-GAAP Financial Measures" section.
2. The definitions for the Operating statistics included in this table are provided in the notes below.
3. Operating days refer to the days on which the full domestic network air cargo network is in operation. The Corporation's domestic network air cargo network operates primarily from Monday to Thursday with a reduced network operating on Friday, weekends and on certain weekdays that are adjacent to certain statutory holidays.
4. Average domestic network revenue per operating day refers to total domestic network revenues earned by the Corporation's per operating day.
5. Block hours refer to the total duration of a flight from the time the aircraft releases its brakes when it initially moves from the airport parking area prior to flight, to the time the brakes are set when it arrives at the airport parking area after the completion of the flight.