



# TUI Group Factbook December 2019



# TUI GROUP - REASONS TO INVEST & BUSINESS MODEL



# Attractive TUI investment case – three reasons to invest

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## STRONG STRATEGIC POSITION



- Market leader in growing tourism market
- Own customer end to end: Markets & Airlines, Hotels, Cruises, Destination Experiences
- Differentiated product offering and strong customer base
- Driving Holiday Experiences premium returns through scale in Markets & Airlines
- Customer ownership: digitalised product upselling
- Risk capacity mitigation by double diversification

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## SUSTAINABLE EARNINGS GROWTH



- Tourism sector growing above GDP
- Focus and deliver on four strategic initiatives to expand TUI's ecosystem:
  1. Protect and where possible extend leading positions in Markets & Airlines
  2. Grow Hotel & Cruise businesses through asset-light expansion
  3. Build scale in new markets through our new GDN-OTA<sup>1</sup> digital platform
  4. Build scale in Destination Experiences markets and target "One million things to do"

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## DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

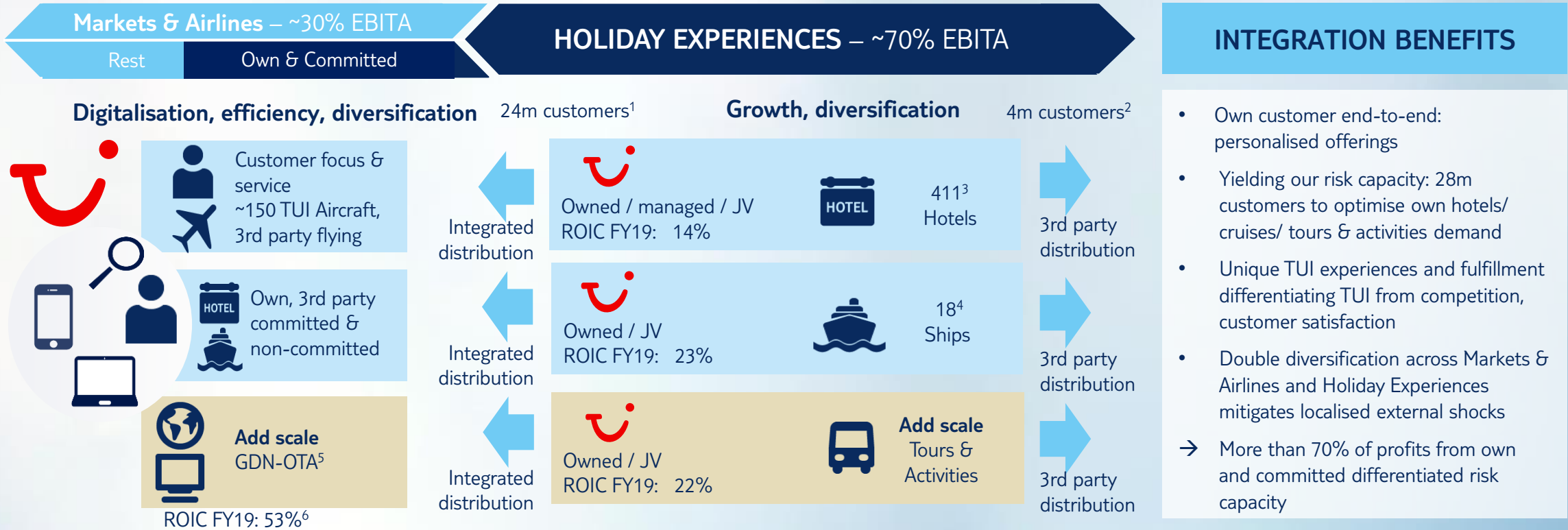


- Holiday Experiences ROIC 1/3 higher than peers<sup>2</sup>
- Organic growth opportunities: Investments into own assets, JV & asset light growth as well as digital platforms to achieve superior returns
- Reliable core dividend: 30-40% of EAT<sup>3</sup> with a dividend floor of €0.35
- Accretive mergers and acquisitions and portfolio optimisation
- Excess cash to be returned to shareholders
- Solid balance sheet – target gross leverage ratio comfortably within range of 2.25x-3.00x<sup>4</sup>

<sup>1</sup> Global Distribution Network – Online Travel Agency | <sup>2</sup> H&R FY18 and FY19 ROIC of 14% pre IFRS 16 basis versus Melia FY18 ROIC. Cruise Segment: FY18 and FY19 ROIC pre IFRS 16 basis of 23% versus average of Royal Caribbean Cruises and Carnival Cruises FY18 ROIC | <sup>3</sup> Underlying post minorities at constant currency | <sup>4</sup> Range of 2.25x – 3.00x based on current planning scenario whereby MAX returns to service by end of April 2020 and pre IFRS 16 basis



# 1 Our business model: Integrated & product-focused holiday provider with over 70% Holiday Experiences earnings



1 21m Markets & Airlines customers plus a further 3m for Cruise and from our strategic joint ventures in Canada and Russia totals 24m | 2 4m customers direct and via 3<sup>rd</sup> party channels to our Hotels & Resort and Cruise brands | 3 This number includes group hotels and 3<sup>rd</sup> party concept hotels as at end of FY19 | 4 As at December 2019 | 5 Global Distribution Network – Online Travel Agency | 6 Relates to Markets & Airlines and All other segments, excluding MAX impact





## 2 Successful delivery of merger synergies and reinvestment of disposal proceeds; future earnings growth driven by efficiency and digitalisation benefits

**STRONG GROWTH TRACK RECORD:  
GROWTH FROM MERGER SYNERGIES AND CONTENT INVESTMENT**

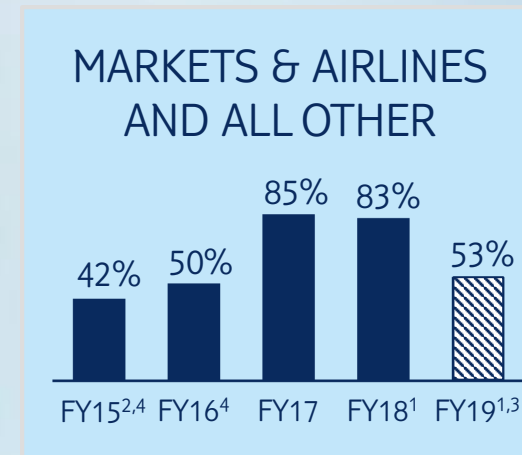
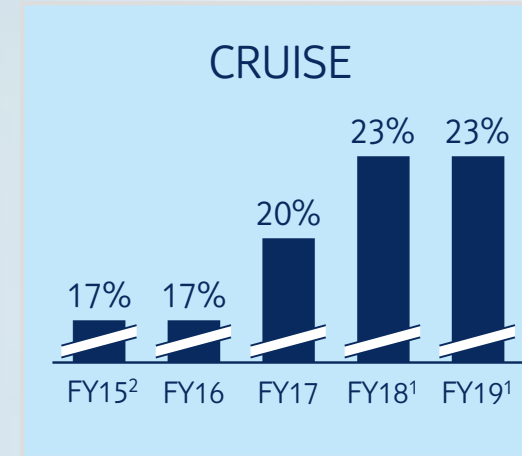
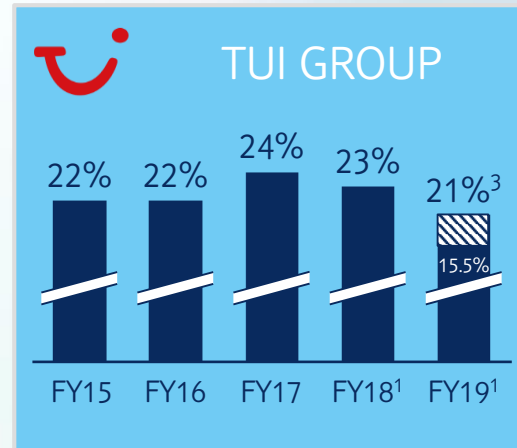
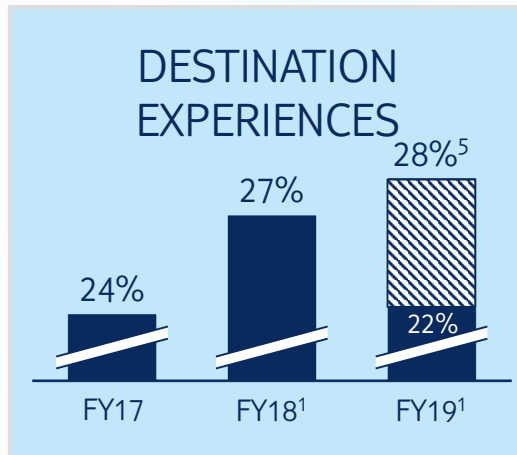
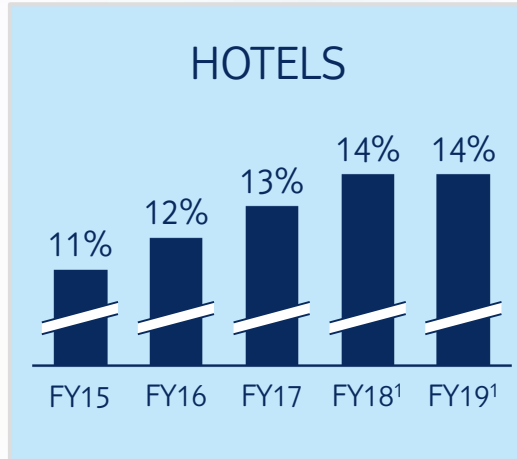
**FOUR STRATEGIC INITIATIVES TO GROW OUR INTEGRATED  
BUSINESS MODEL**



<sup>1</sup> Underlying EBITA CAGR of 9% excluding FY19 MAX impact of €293m | <sup>2</sup> Global Distribution Network – Online Travel Agency



### 3 Business model protects strong ROIC even in a challenging market environment



<sup>1</sup> Pre IFRS 16; FY18 restated for IFRS15 | <sup>2</sup> Based on former segmentation - Marella Cruises within Markets & Airlines | <sup>3</sup> ROIC excl. MAX impact | <sup>4</sup> Based on former segmentation - Destination Experiences within Markets & Airlines |

<sup>5</sup> ROIC excl. Musement



### 3 New capital allocation framework



#### Organic growth



Investment into own assets, JV & asset-light growth as well as digital platforms to achieve superior returns



#### Core dividend



Reliable core dividend: 30-40% of EAT<sup>1</sup> with a dividend floor of €0.35



#### Acquisitions



Accretive M&A & portfolio optimisation



#### Excess cash



Return to shareholders



Solid balance sheet / Target leverage ratio of comfortably within target range of 2.25x – 3.00x

<sup>1</sup> Underlying EAT post minorities at constant currency is calculated as Underlying EBIT minus interest expenses adjusted by one-off items minus tax based on underlying tax rate of currently 18% minus minorities adjusted for one-off items



### 3 TUI's updated dividend policy as part of the new capital allocation framework

**Dividend policy  
as of FY20+**  
*(first payment under the  
new policy in Feb 2021)*

- Core dividend payout of 30-40% of underlying EAT<sup>1</sup>
- Introduction of a dividend floor of €0.35 per share



Capital allocation model facilitates investments in strategic initiatives & financing future growth as well as a solid & robust financial structure with shareholder returns



Linked to development of earnings, new dividend policy remains an attractive, balanced and sustainable element of shareholder returns



Dividend floor guarantees a minimum payout and thereby reliable yield – irrespective of any cyclical market environment

<sup>1</sup> Underlying EAT post minorities at constant currency is calculated as underlying EBIT minus interest expenses adjusted by one-off items minus tax based on underlying tax rate of currently 18% minus minorities adjusted for one-off items





# GROUP FINANCIALS



# Income Statement – Key Figures

In €m	FY19	FY18 <sup>1</sup>	Δ YOY	% YOY
Turnover	18,928.1	18,468.7	459.5	+3%
<b>Underlying EBITDA</b>	<b>1,359.5</b>	<b>1,554.8</b>	<b>-195.3</b>	<b>-13%</b>
Depreciation	-466.2	-412.0	-54.2	
<b>Underlying EBITA<sup>2</sup></b>	<b>893.3</b>	<b>1,142.8</b>	<b>-249.5</b>	<b>-22%</b>
Adjustments (SDI's and PPA)	-124.9	-88.3	-36.6	
<b>EBITA</b>	<b>768.4</b>	<b>1,054.5</b>	<b>-286.1</b>	<b>-27%</b>
Net interest expense	-77.0	-88.7	11.7	
<b>EBT</b>	<b>691.4</b>	<b>965.8</b>	<b>-274.4</b>	<b>-28%</b>
Income taxes	-159.5	-190.9	31.4	
<b>Group result continuing operations</b>	<b>531.9</b>	<b>774.9</b>	<b>-243.0</b>	<b>-31%</b>
Discontinued operations	-	38.7	-38.7	
Minority interest	-115.7	-86.4	-29.3	
<b>Group result after minorities</b>	<b>416.2</b>	<b>727.2</b>	<b>-311.0</b>	
<b>Basic EPS (€, continuing)</b>	<b>0.71</b>	<b>1.17</b>	<b>-0.46</b>	<b>-40%</b>
<b>Underlying EPS (€, continuing)</b>	<b>0.89</b>	<b>1.16</b>	<b>-0.27</b>	<b>-23%</b>

€1,186m pre Boeing MAX impact

<sup>1</sup> PY reported adjusted for retrospective application of IFRS 15 | <sup>2</sup> FY19 guidance based on FY18 comparative rebased in December 2018 to €1,187m to take into account €40m impact for revaluation of Euro loan balance within Turkish Lira entities in FY18, and adjusted further to €1,183m for retrospective application of IFRS 15. Equating to -24.5% YoY at actual rates and -25.6% YoY at constant currency.



# Adjustments & Net Interest Result

In €m	FY19	FY18
Gain/(Loss) on disposals	-12.0	2.1
Restructuring expense	-52.0	-34.9
Purchase Price Allocation	-38.8	-33.3
Other one-off items	-22.1	-22.2
<b>Total Adjustments</b>	<b>-124.9</b>	<b>-88.3</b>

In €m	FY19	FY18
Debt related interest	-125	-110
Non-debt related charge	-39	-49
Interest income	87	70
<b>Net interest result</b>	<b>-77</b>	<b>-89</b>
<i>o/w cash interest</i>	<i>-80</i>	<i>-81</i>



# Earnings per share (continuing operations)

In €m	Reported FY19	Reported FY18 <sup>1</sup>	Pro forma FY19	Pro forma FY18 <sup>1</sup>
EBITA	768	1,055	893	1,143
Net interest expense	-77	-89	-112	-120
<b>EBT</b>	<b>691</b>	<b>967</b>	<b>781</b>	<b>1,023</b>
<i>Tax rate<sup>2</sup></i>	18%	20%	18%	20%
Tax Charge	-160	-191	-141	-205
Minority Interest	-116	-86	-116	-135
<b>Net Income</b>	<b>416</b>	<b>689</b>	<b>525</b>	<b>683</b>
Basic number of shares (m)	589	588	589	588
<b>Basic Earnings Per Share (€)</b>	<b>0.71</b>	<b>1.17</b>	<b>0.89</b>	<b>1.16</b>

- FY19 interest adjusted for €35m provision release
- FY18 interest adjusted for €31m provision release
- Underlying effective tax rate calculated based on underlying EBT
- Adjusted to reflect normalised non-controlling/minority interest
- Pro forma NOSH based on issued share capital as at 30.09.19

1 Retrospective adjustment for IFRS 15 applied | 2 Assumed Effective Tax Rate, see Annual Report FY19 page 39



# Cash Flow & Movement in Net Cash

In €m	FY19	FY18 <sup>1</sup>
<b>EBITDA underlying</b>	<b>1,359.5</b>	<b>1,554.8</b>
Adjustments	-82.1	-60.5
<b>EBITDA reported</b>	<b>1,277.4</b>	<b>1,494.3</b>
Working capital	-25.6	64.5
Other cash effects	138.4	75.0
At equity income	-297.5	-292.1
Dividends received from JVs and associates	244.6	222.7
Tax paid	-117.5	-236.0
Interest (cash)	-80.2	-80.8
Pension contribution & payments	-143.1	-207.5
<b>Operating Cash flow</b>	<b>996.6</b>	<b>1,040.2</b>
Net capex	-805.8	-746.2
Net financial investments	-313.2	-63.1
Net pre-delivery payments	0.8	-17.7
<b>Free Cash flow</b>	<b>-121.5</b>	<b>213.2</b>
Dividends	-475.4	-435.3
<b>Free Cash flow after Dividends</b>	<b>-596.9</b>	<b>-222.1</b>

In €m	30 Sep 2019	30 Sep 2018
<b>Opening net cash as at 1 October</b>	<b>124</b>	<b>583</b>
FCF after Dividends	-597	-222
Asset Finance	-337	-204
Other <sup>2</sup>	-100	-33
<b>Closing net (debt)/cash as per Balance Sheet</b>	<b>-910</b>	<b>124</b>

<sup>1</sup> PY reported adjusted for retrospective application of IFRS 15 | <sup>2</sup> Incl. -€6m from German specialists (Berge & Meer and Boomerang) disposal group





# Balance Sheet

In €m	30 Sep 2019	30 Sep 2018 <sup>1</sup>
Non-current assets	11,957.4	10,650.8
Current assets	4,313.5	4,940.0
<b>Assets</b>	<b>16,270.9</b>	<b>15,590.8</b>
Subscribed capital	1,505.8	1,502.9
Capital and revenue reserves	1,948.1	2,137.9
Non-controlling interest	711.4	634.8
<b>Equity</b>	<b>4,165.3</b>	<b>4,275.6</b>
Non-current provisions	1,810.6	1,730.3
Current provisions	394.3	380.9
<b>Provisions</b>	<b>2,204.9</b>	<b>2,111.2</b>
Non-current financial liabilities	2,457.6	2,250.7
Current financial liabilities	224.6	192.2
<b>Financial liabilities</b>	<b>2,682.2</b>	<b>2,442.9</b>
Other non-current liabilities	482.4	412.9
Other current liabilities	6,633.0	6,348.2
<b>Other liabilities</b>	<b>7,115.4</b>	<b>6,761.1</b>
Debt related to assets held for sale	103.1	-
<b>Liabilities</b>	<b>12,105.6</b>	<b>11,315.2</b>
<b>Equity and Liabilities</b>	<b>16,270.9</b>	<b>15,590.8</b>



<sup>1</sup> PY reported adjusted for retrospective application of IFRS 15

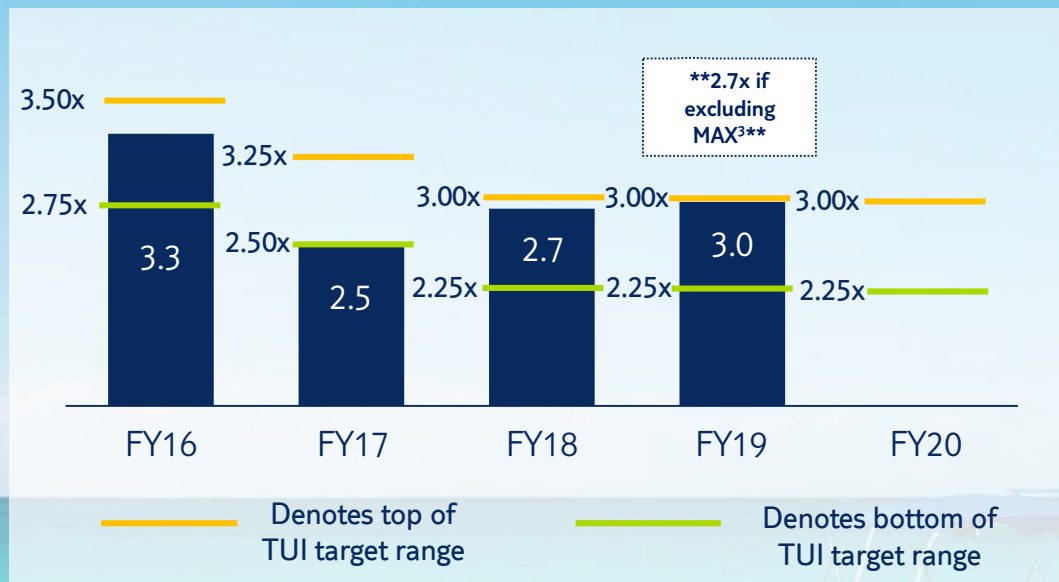


# Gross Leverage Ratio FY19 and Target for FY20

## LEVERAGE RATIO FY19

€m	FY19
Gross debt	2,682
to Bonds	298
to Liabilities to banks	870
to Finance lease	1,495
to Other financial liabilities	19
Pensions	758
Discounted value of operating leases <sup>1</sup>	2,580
Debt	6,020
Reported EBITDAR	1,990
<b>Leverage Ratio</b>	<b>3.0x</b>

## DEVELOPMENT AND OUTLOOK



- **Current corporate credit ratings**  
 “Ba2/negative” from Moody’s and  
 “BB/negative” from S&P
- Revised by Moody’s from “stable” in April 2019, however affirming “Ba2” corporate family rating
- S&P revised from “stable” to “negative” outlook in February 2019 whilst reaffirming our “BB” long-term rating

**FY20 Gross Leverage Target<sup>2</sup> range 2.25x – 3.00x**

<sup>1</sup> At simplified discount rate of 0.9% at 30.09.2019 and 1.7% at 30.09.2018 | <sup>2</sup> Range of 2.25x – 3.00x based on current scenario planning whereby MAX returns to service by end of April 2020 and pre IFRS 16 basis |

<sup>3</sup> Indicative pro forma calculation of gross leverage excluding MAX impact



# Key Sources of Funding 30 September 2019

Instrument	Issue	Maturity	Amount €m	Interest % p.a.
Revolving Credit Facility	Sep 14	Jul 22 <sup>1</sup>	1,750 <sup>2</sup>	E/L +1.40 <sup>3</sup>
Senior Notes	Oct 16	Oct 21	300	2.125
Schuldschein	Jun 18	Jul 23 - Jul 28	425 <sup>4</sup>	1.75 <sup>5</sup>
Finance leases	Various	Various	1,495	Various

1 Last extension in July 2017 | 2 Including a tranche of €215m for the issue of bank guarantees | 3 Margin depending on rating grid | 4 €425m split into three tranches with maturity of 5 years, 7 years and 10 years (closed July 2018) |

5 Average interest rate including interest hedge costs for floating tranches



# ROIC and Economic Value Added methodology

In €m	Notes to ARA	FY19	FY18 <sup>1</sup>
<b>Equity</b>		<b>4,165.3</b>	<b>4,275.6</b>
<i>Subscribed capital</i>	(25)	1,505.8	1,502.9
<i>Capital reserves</i>	(26)	4,207.5	4,200.5
<i>Revenue reserves</i>	(27)	-2,259.4	-2,062.6
<i>Non-controlling interest</i>	(29)	711.4	634.8
<b>Plus interest bearing financial liability items</b>		<b>3,966.4</b>	<b>3,516.2</b>
<i>Pension provisions and similar obligations</i>	(30)	1,068.0	994.8
<i>Non-current financial liabilities</i>	(32, 40)	2,457.6	2,250.7
<i>Current financial liabilities</i>	(32, 40)	224.6	192.2
<i>Derivative financial instruments</i>	(40)	216.2	78.5
<b>Less financial assets</b>		<b>1,762.8</b>	<b>2765.0</b>
<i>Derivative financial instruments</i>	(40)	347.7	525.0
<i>Cash and cash equivalents</i>	(23, 40)	1,741.5	2,548.0
<i>Other financial asset<sup>2</sup></i>		173.6	192.0
<i>Seasonal adjustment<sup>3</sup></i>		-500.0	-500.0
<b>Less Overfunded pension plans</b>		<b>310.0</b>	<b>125.1</b>
<b>= Invested Capital before addition of effects from purchase price allocation</b>		<b>6,058.9</b>	<b>4,901.7</b>
Invested Capital excluding purchase price allocation prior year		4,901.7	4,285.7
<b>Ø Invested Capital before addition of effects from purchase price allocation<sup>4</sup></b>		<b>5,480.3</b>	<b>4,593.7</b>
<b>Invested Capital before addition of effects from purchase price allocation</b>		<b>6,058.9</b>	<b>4,901.7</b>
Plus effects from purchase price allocation		250.8	343.5
<b>Invested capital</b>		<b>6,309.7</b>	<b>5,245.2</b>
Invested capital prior year		5,245.2	4,603.2
<b>Ø Invested capital<sup>4</sup></b>		<b>5,777.5</b>	<b>4,924.2</b>
<b>Underlying EBITA</b>		<b>893.3</b>	<b>1,142.8</b>
<b>Ø Invested capital<sup>4</sup></b>		<b>5,777.5</b>	<b>4,924.2</b>
<b>ROIC %</b>		<b>15.46</b>	<b>23.21</b>
Weighted average cost of capital (WACC) %		6.46	6.37
<b>Economic Value Added</b>		<b>520.0</b>	<b>829.2</b>



<sup>1</sup> PY reported adjusted for retrospective application of IFRS 15 | <sup>2</sup> Mainly comprises other financial assets and advances and loans | <sup>3</sup> Adjustment to net debt to reflect a seasonal average cash balance | <sup>4</sup> Average value based on balance at beginning and year-end



# HOTELS & RESORTS

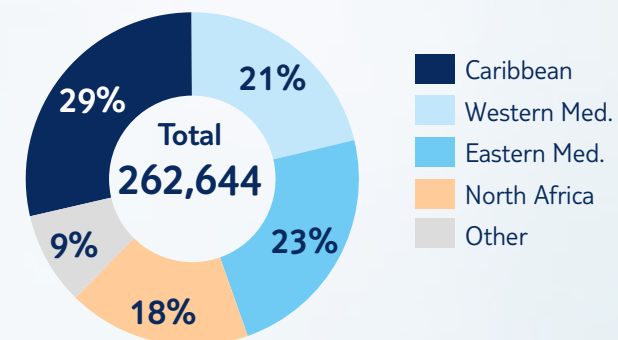




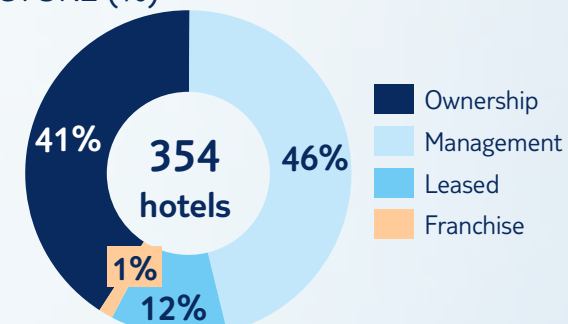
# Hotels & Resorts Summary FY19

Key Facts	FY19
Total Turnover (€m)	1,512
o/w Turnover 3 <sup>rd</sup> party (€m)	660
Underlying EBITDA (€m)	563
Underlying EBITA (€m)	452
o/w Equity result (€m)	97
Number of hotels <sup>1</sup>	411
Number of beds <sup>2</sup>	262,644
Capacity ('000) <sup>3</sup>	42,094
Revenue/bed (€) <sup>4</sup>	66
Occupancy (%) <sup>5</sup>	82

HOTEL BEDS BY REGION (%)



FINANCING STRUCTURE (%)





Plus 57 3<sup>rd</sup> party concept hotels = 411 Group hotels

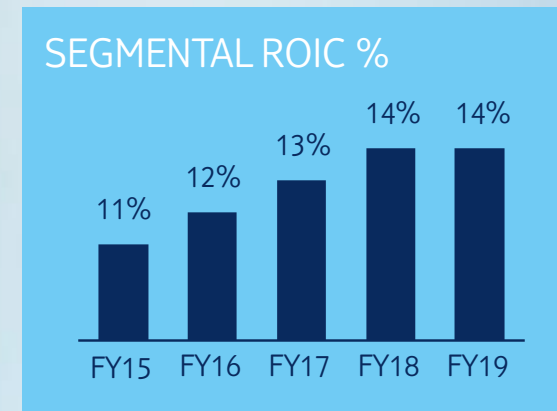
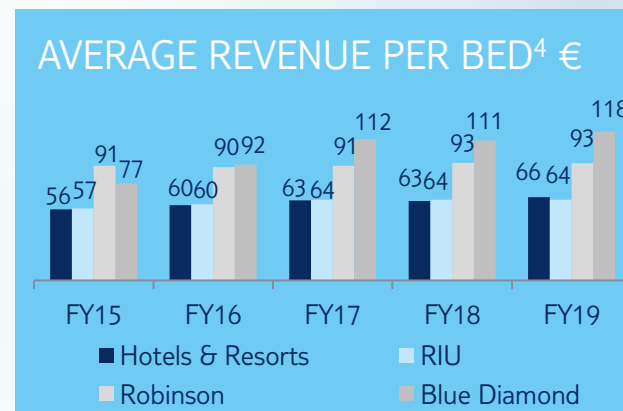
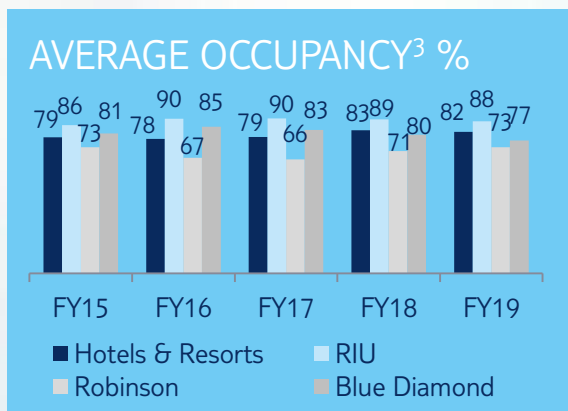
<sup>1</sup> o/w 57 are third party concept hotels (354 Group hotels reflect the Hotel & Resorts segment) | <sup>2</sup> Based on 354 Group hotels | <sup>3</sup> Group owned or leased hotel beds multiplied by opening days per annum |

<sup>4</sup> Arrangement revenue divided by occupied beds | <sup>5</sup> Occupied beds divided by capacity



# Hotels & Resorts Summary by brand

Key figures FY19	<b>RIU</b> HOTELS & RESORTS	 ROBINSON	 BlueDiamond Resorts	Total
Turnover (€m)	415.1	103.1	-	660.0
Underlying EBITA (€m)	326.2	54.7	9.9	451.5
Capacity (k) <sup>1</sup>	18,056	3,333	4,379	42,094
Number of hotels <sup>2</sup>	99 <sup>2</sup>	23	32	354
Number of beds	90,460	13,927	30,080	262,644



<sup>1</sup> Group owned or leased hotel beds multiplied by opening days in the period | <sup>2</sup> Count as at 30 September 2019 (includes RIU Calypso which operates as a TUI Sensimar hotel), excludes 3<sup>rd</sup> Party hotels |

<sup>3</sup> Occupied beds divided by capacity | <sup>4</sup> Arrangement revenue divided by occupied beds

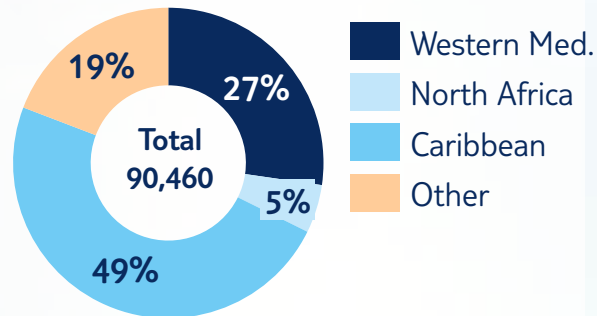


# Hotels & Resorts

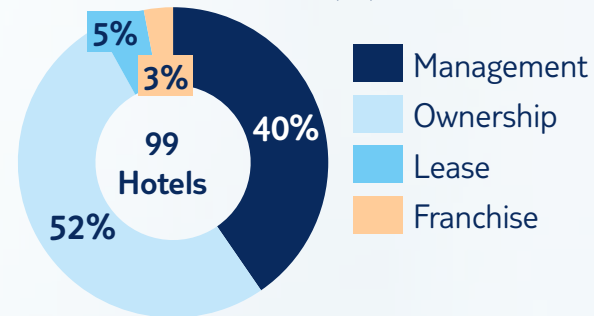
## RIU – Key figures FY19

RIU 100% view <sup>1</sup> In €m	Total	o/w RIUSA II (fully consolidated)	o/w Riu Hotels (consolidated at equity)	Riu in TUI accounts
Turnover	1,191	850	341	850
Underlying EBITA	401	283	118	326
<i>EBITA Margin</i>	34%	33%		
<b>EAT</b>	<b>318</b>	<b>226</b>	<b>92</b>	
o/w EAT to TUI	156	113	43	156
ROIC (incl. Goodwill)	17%			
ROIC (excl. Goodwill)	20%			

HOTEL BEDS BY REGION (%)



FINANCING STRUCTURE (%)



<sup>1</sup> Unaudited figures



# Hotels & Resorts

## Robinson – Key figures FY19

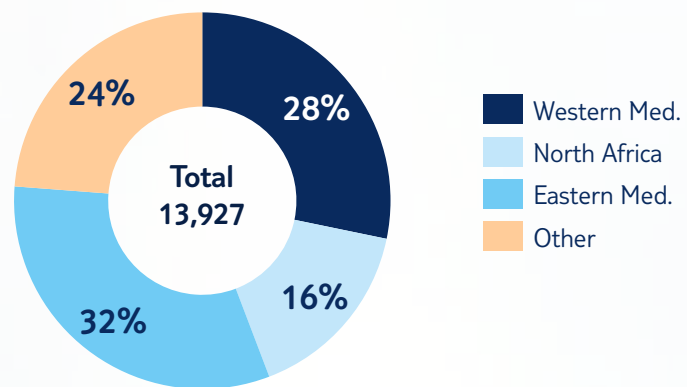
(€M)

Robinson In TUI accounts <sup>1</sup>	FY19	FY18 <sup>2</sup>
Total Turnover	257	213
Underlying EBITA	55	42
EBITA margin	21%	20%
ROIC	11%	10%

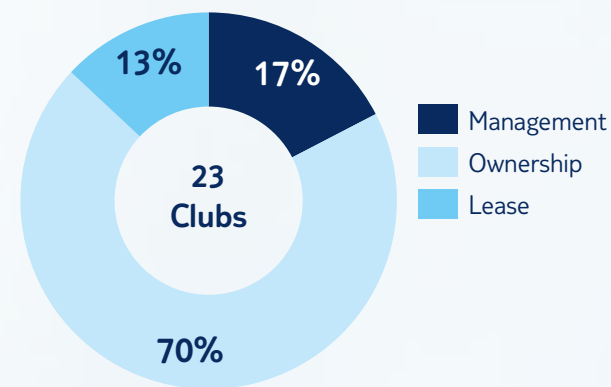


Robinson Club Sarigerme Park, Turkey

### HOTEL BEDS BY REGION (%)



### FINANCING STRUCTURE (%)



<sup>1</sup> Unaudited figures | <sup>2</sup> PY reported adjusted for retrospective application of IFRS 15



# Hotels & Resorts

## Blue Diamond – Key figures FY19

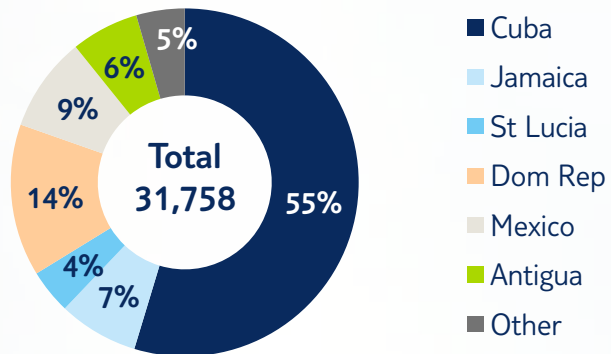
(€M)

Blue Diamond 100% view <sup>1</sup>	FY19	FY18 <sup>2</sup>
Turnover	455	388
EBITA	73	70
EBITA margin	16%	18%
<b>EAT</b>	<b>20</b>	<b>38</b>
o/w EAT to TUI (49%)	10	18

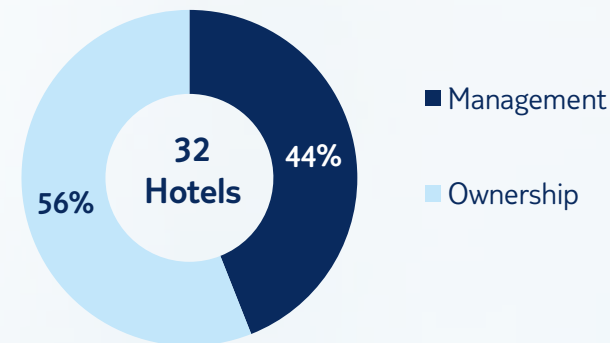


Blue Diamond Royalton Antigua

### NUMBER OF BEDS BY LOCATION (%)



### FINANCING STRUCTURE (%)



<sup>1</sup> Unaudited figures | <sup>2</sup> PY reported adjusted for retrospective application of IFRS 15





# Hotels & Resorts investments: 70 new hotels since merger, lower capital intensity

## PORTFOLIO DIVERSIFICATION



## DERISKED GROWTH

- Predominantly lower capital intensity
- Ownership in 365 days destinations/ where scarcity of assets
- De-risking through JV off-balance sheet financings
- 15% blended ROIC hurdle

**~65% OF NEW INVESTMENTS WITH LOWER CAPITAL INTENSITY<sup>1</sup>**

**70 NEW HOTELS OPENED SINCE MERGER**

**ROIC 70 HOTELS FY19: BLENDED 15% (HURDLE)**

**CAPITAL DISCIPLINE**

<sup>1</sup> Low capital intensity is defined as Management, Franchise and 50% of owned hotels due to joint venture structures




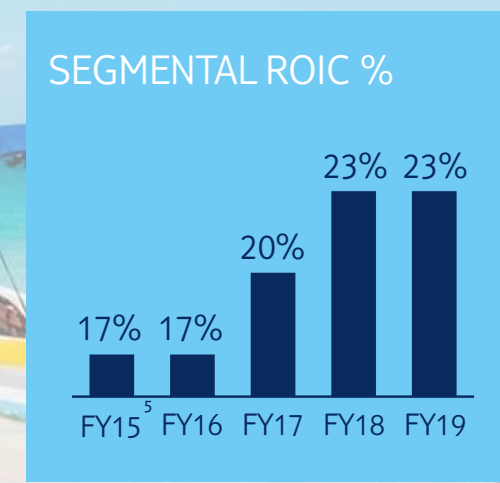
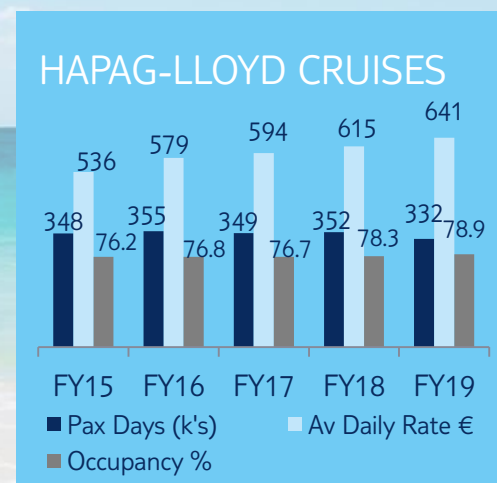
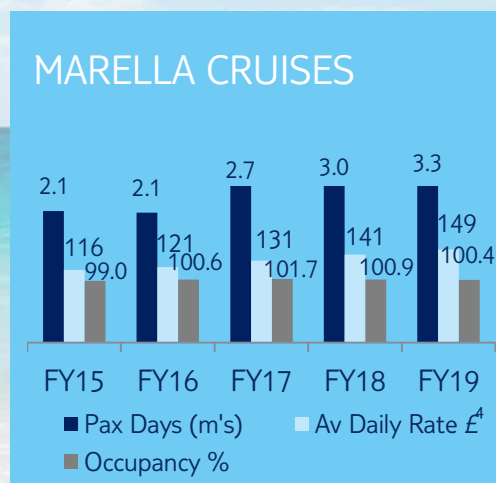
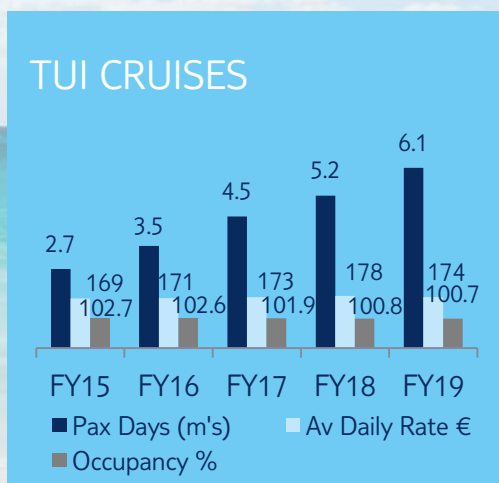
# CRUISE



# Cruises

## Summary by brand

Key figures FY19		MARELLA CRUISES	HAPAG <sup>18</sup> / <sub>91</sub> LLOYD CRUISES
Turnover (€m)	-	660.6	305.2
<i>Memo: TUI Cruises Turnover (€m)</i>	1,445.4	-	-
Underlying EBITA (€m)	202.6 <sup>1</sup>	120.4	43.0
Passengers (k)	663	338	25
Fleet Size <sup>2</sup> (Group Total 18)	7	6	5
Total Berths <sup>3</sup>	17,780	10,195	1,318



<sup>1</sup> Equity result | <sup>2</sup> Fleet count as at December 2019 | <sup>3</sup> Static count as at 30 September 2019 | <sup>4</sup> Inclusive of transfers, flights and hotel due to the integrated nature of Marella Cruises | <sup>5</sup> FY15 ROIC excludes Marella Cruises



# Cruises

## TUI Cruises - Key figures FY19 – 100% View

TUI Cruises 100%	FY19	FY18 <sup>1</sup>	Var %
Turnover	1,445	1,250	+16%
Underlying EBITA	465	406	+15%
<i>EBITA Margin</i>	32%	33%	
EAT (100% TUI)	405	363	+12%
o/w TUI EAT (50%)	203	181	+12%
ROIC	18%	18%	
ROE	56%	53%	

<sup>1</sup> PY reported adjusted for retrospective application of IFRS 15



# TUI's cruise capacity growth financed through disposal proceeds re-investment programme and off-balance sheet (JV)

BRAND / OWNERSHIP	FLEET DEVELOPMENT	OFF-BALANCE SHEET FINANCING AS PREFERRED OPTION
<p>Off-balance sheet: JV</p> 	<p><b>Current fleet:</b>        Exit FY22</p> <p><b>Deliveries:</b>    FY23 FY24 FY26</p>	<ul style="list-style-type: none"> <li>• Funded by JV</li> <li>• No CAPEX requirements for TUI</li> </ul>
<p>On balance sheet</p> 	<p><b>Current fleet:</b>      </p>	<ul style="list-style-type: none"> <li>• Part of TUI's growth investment strategy</li> <li>• Funded by reinvesting disposal proceeds</li> </ul>
<p>On balance sheet</p> 	<p><b>Current fleet:</b>     </p> <p><b>Deliveries:</b>  FY21</p>	<ul style="list-style-type: none"> <li>• Part of TUI's growth investment strategy</li> <li>• Funded by reinvesting disposal proceeds</li> </ul>

Fleet and pipeline as at December 2019





# Cruises

## TUI Cruises Fleet

Mein Schiff Herz (Prev MS2)	Mein Schiff 1	Mein Schiff 2	Mein Schiff 3	Mein Schiff 4	Mein Schiff 5	Mein Schiff 6	Mein Schiff 7	New Build 1	New Build 2
									
1,912 BERTHS	2,894 BERTHS	2,894 BERTHS	2,506 BERTHS	2,506 BERTHS	2,534 BERTHS	2,534 BERTHS	2,894 BERTHS	TBC BERTHS	TBC BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1997 CONSTRUCTION	May 2018 CONSTRUCTION	Feb 2019 CONSTRUCTION	June 2014 CONSTRUCTION	June 2015 CONSTRUCTION	July 2016 CONSTRUCTION	June 2017 CONSTRUCTION	New build 2023 CONSTRUCTION	New build 2024 CONSTRUCTION	New build 2026 CONSTRUCTION



# Cruises

## Marella Cruises Fleet

Marella Celebration	Marella Dream	Marella Discovery	Marella Discovery 2	Marella Explorer	Marella Explorer 2
					
1,262 BERTHS	1,533 BERTHS	1,830 BERTHS	1,832 BERTHS	1,924 BERTHS	1,814 BERTHS
Wholly owned OPERATING MODEL	Finance Lease exp. 2020 OPERATING MODEL	Finance Lease exp. 2026 OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1984 CONSTRUCTION	1986 CONSTRUCTION	1995 CONSTRUCTION	1994 CONSTRUCTION	1996 CONSTRUCTION	1995 CONSTRUCTION
				May 2018 LAUNCH	April 2019 LAUNCH

Fleet as at December 2019



# Cruises

## Hapag-Lloyd Cruises Fleet

Europa	Europa 2	Bremen	Hanseatic nature	Hanseatic inspiration	Hanseatic spirit
					
408 <sup>1</sup> BERTHS	516 <sup>1</sup> BERTHS	164 BERTHS	230 BERTHS	230 BERTHS	230 BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1999 CONSTRUCTION	2013 CONSTRUCTION	1990 CONSTRUCTION	New build May 2019 CONSTRUCTION	New build October 2019 CONSTRUCTION	New build 2021 CONSTRUCTION
		April 2021 EXIT			

Fleet and pipeline as at December 2019 | 1 Additional sofa-bed in most of the suites (usable for persons up to the age of 6, 10, 12 or 15 years)



# DESTINATION EXPERIENCES





# Destination Experiences

## Key figures FY19



More than  
**9,500**  
colleagues



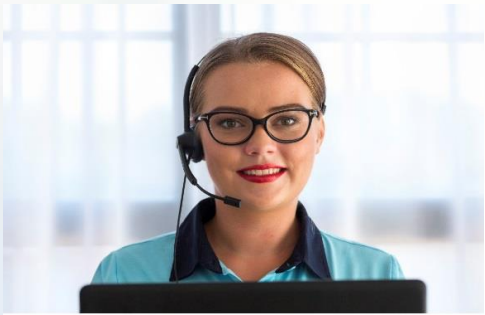
**9.7**  
million excursions  
sold



**>31**  
million transfers  
operated



**>16**  
million guests



Operating in  
**122**  
destinations



Number of  
vehicles  
**>2,000**



# Strategic expansion of our Destination Experiences business – Ticking all boxes: Musement acquisition complementary to Destination Management acquisition





# Destination Experiences: Building scale – target 1m “things to do” and attracting customers to extend TUI’s ecosystem



- Strong strategic position
  - €150bn market, 7% growth, highly fragmented (~350k suppliers), mostly offline
  - TUI existing customer base
  - TUI in-destination organisation
- Extend ecosystem
  - Run at scale to lead consolidation
  - Acceleration may initially come at expense of margin
- TUI Ecosystem upselling
  - Product depth and differentiation improvement
  - Target 1m “things to do”

<sup>1</sup> FY19, external turnover



# GDN-OTA



# GDN-OTA: Building scale based on competitive pricing to enlarge TUI's ecosystem

## NEW MARKETS

GDN-OTA 🧑 250k run-rate

6 complementary markets<sup>1</sup>  
today, more to come



+ Global metasearchers

## MODEL

Building scale

- Lean and efficient platform
- New market segments:  
Accommodation  
only/dynamic packaging
- 3rd party flying only, no  
own airlines
- Target: scale without own  
aircraft assets



- Enlarge ecosystem
  - Initially run as customer acquisition engine
  - Attracting customers with competitive pricing
  - Accept moderate losses to build scale
  - Target of 1m customers by 2022 to be achieved earlier
- TUI ecosystem
  - Target profitability through higher occupancy in own and committed 3<sup>rd</sup> party hotels
  - Focus on customer retention and upselling

411<sup>2</sup> Hotels and €5bn 3<sup>rd</sup> party committed hotels

<sup>1</sup> Spain, Portugal, Brazil, India, China, Malaysia | <sup>2</sup> Includes group hotels and 3<sup>rd</sup> party concept hotels as at end of FY19



# GDN-OTA: opportunity to become the "Amadeus" for independent hotels

## GDN-OTA



+ Global metasearchers

Competition to global OTAs

Full IT stack:  
"Amadeus" for hotel sector



## TUI RISK CAPACITY

411<sup>1</sup> Hotels and €5bn 3<sup>rd</sup> party hotel purchasing

## INDEPENDENT HOTELIERS

3<sup>rd</sup> party hotel capacity

## STRONG VALUE PROPOSITION FOR INDEPENDENT HOTELS

Strong distribution

• 21m customers<sup>2</sup>

• High occupancy

+

GDN-OTA

• New Markets

• Reach

+

Strong brand  
(TUI BLUE)

• ~100 hotels

• Trust

+

Full digital value chain

• Property Management  
• CRM  
• Musement

• 1:1 offering  
• Yield efficiency  
• Upselling

<sup>1</sup> Includes group hotels and 3<sup>rd</sup> party concept hotels as at end of FY19 | 2.6m UK&I, 7m Germany, 5m Netherlands and Belgium, 1m Nordics, 1m France, ~1m Poland, ~0.2m Switzerland



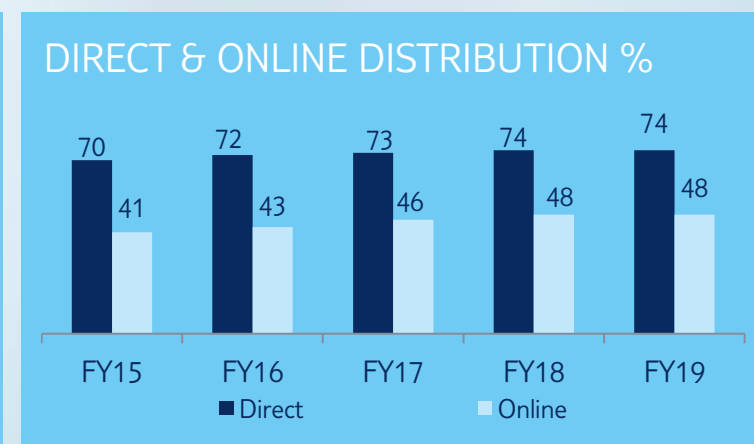
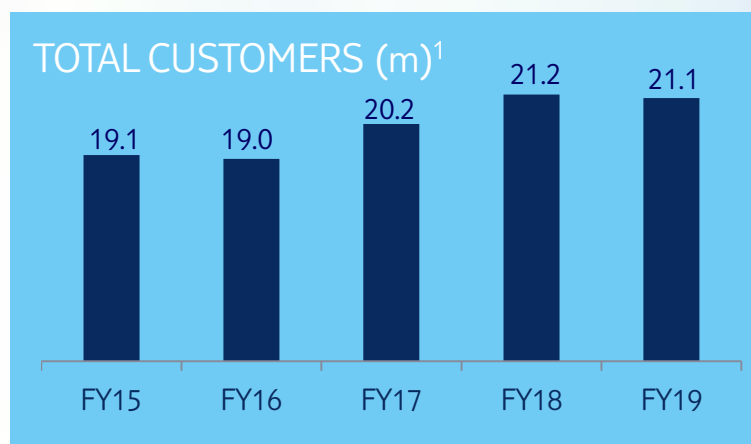
# MARKETS & AIRLINES



# Markets & Airlines

## Key figures by Markets

Key figures FY19	Northern Region	Central Region	Western Region	Total Markets & Airlines
Customers (k) <sup>1</sup>	7,428	7,830	5,816	<b>21,075</b>
External Turnover (€m)	6,345	6,413	3,232	<b>15,990</b>
Underlying EBITA <sup>2</sup> (€m)	57	102	-27	<b>132</b>
EBITA margin (%)	0.9	1.6	n/a	<b>0.8</b>
Direct Distribution Mix (%)	94	50	75	<b>74</b>
Online Mix (%)	67	22	57	<b>48</b>



<sup>1</sup> Excludes Cruise and strategic joint ventures in Canada and Russia, this would be 24m if including Cruise and strategic joint ventures in Canada and Russia | <sup>2</sup> Includes impact of MAX grounding for Northern Region of €170m, for Central Region of €27m and for Western Region of €96m





# Aircraft Commitments by Financing Type

	Operating Lease	Finance Lease	Owned	Held for Sale	Total
<b>As at 30 September 2018</b>	124	20	10	-	154
Order book financing	5	5	1	-	11
External Lessor deliveries <sup>1</sup>	2	-	-	-	2
External Lessor returns	(10)	-	-	-	(10)
Disposals	-	-	(2)	-	(2)
Corsair Disposal	(1)	-	(4)	-	(5)
<b>As at 30 September 2019</b>	<b>120</b>	<b>25</b>	<b>5</b>	<b>-</b>	<b>150</b>

Fleet split : UK - TUI Airways (63), Germany - TUI fly (37), Nordic - TUI fly Nordic (5), Netherlands - TUI fly Netherlands (9), Belgium - TUI fly Belgium (34) | 1 Externally leased aircraft (2) delivered to Corsair post Corsair disposal



# Aircraft order book deliveries – FY20 to FY24

	FY20	FY21	FY22	FY23	FY24
B737-MAX	18*	19*	16*	8	-
B787-9	2	-	-	-	-
<b>Firm order book deliveries 2019-2024</b>	<b>20</b>	<b>19</b>	<b>16</b>	<b>8</b>	<b>-</b>

Financial Years (FY) ending 30 September; figures correct as at 30 September 2019

Supplementary to the above firm orders, TUI Group has further aircraft options:

	FY20	FY21	FY22	FY23	FY24
B737-MAX	-	-	11	14	14
B787-9	-	-	1	-	-
<b>Option order book deliveries 2019-2024</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>14</b>	<b>14</b>

Financial Years (FY) ending 30 September; figures correct as at 30 September 2019

\*Due to MAX grounding since 12-Mar-19 7x B737-8 MAX aircraft were delayed from FY19 to FY20 and 5x B737-8 MAX aircraft were deferred from FY20 to FY21/FY22

