# FY19 Q3 Results

13 August 2019

Cameron Highlands, Malaysia

## FORWARD-LOOKING STATEMENTS

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.

# STRATEGY UPDATE

## FRITZ JOUSSEN

# TUI's unique integrated business model and strong strategic position delivers superior returns, even within a challenging market environment

## MARKETS & AIRLINES

### STRONG CUSTOMER BASE

- **21m** customers
- Leading market shares **20-40%**[1]
- Ave. spend **per customer €900** p.a.[2]
- **1/3** of profit pool
- Under **cyclical pressure**

## HOLIDAY EXPERIENCES

### DIFFERENTIATED CONTENT

- **380**[3] **Hotels**
- **17 Cruise ships**[4]
- **ROIC >1/3 higher** than peers[5]
- **2/3** of profit pool
- **High profit** resilience
- High investments and **cash returns**

## 4 STRATEGIC INITIATIVES

1. Grow **Hotel & Cruise** business with vertical integration to drive **premium returns**
2. **Retain** and where possible **extend strong positions** in **Markets & Airlines**
3. **Add scale** in new markets: **new GDN**[6]**-OTA platform**
4. **Add scale** in destination experience markets: **new tours & activities platform**

**MARKETS & AIRLINES SCALE DRIVES HOLIDAY EXPERIENCES RETURNS**

1 Company estimates – market defined as traditional sun and beach tour operator market 2 Based on FY18 Group Revenue divided by 21m Markets & Airlines customers 3 Includes group hotels and 3rd party concept hotels as at end of FY18 4 As at May 2019
5 H&R FY18 ROIC of 14% pre IFRS 16 basis versus Melia FY18 ROIC. Cruise Segment FY18 ROIC pre IFRS 16 basis of 23% versus average of Royal Caribbean Cruises and Carnival Cruises FY18 ROIC. 6 Global Distribution Network

# 1 Grow Hotel & Cruise business – Significant progress made in last quarter

## VERTICAL INTEGRATION TO DRIVE PREMIUM RETURNS

- **Holiday Experiences** standing strong, underpinned by Q3 results
- Geographical **diversification** works (Spain down, Turkey up)
- **23 hotels** opened – mainly asset light
- Hotel **rates up**
- **3 cruise ships** added
- High cruise occupancy maintained
- Premium returns – **ROIC target of ≥15%**

## TUI BLUE

- **TUI Blue adding scale** to Robinson and TUI Magic Life by **creating an integrated hotel platform**
- Aim to become the **world's largest leisure hotel brand**
- Brand footprint to grow **from 10 to ~100 hotels by 2020**
- **Creation of management brand**: TUI Blue power brand will **combine** existing hotels and concepts under **one umbrella,** increasingly asset-light
- **Strong footprint in Europe & Caribbean**
- **Expansion focus** on growth regions, e.g. South East Asia & Indian Ocean

# 2 Retain /extend strong positions in Markets & Airlines: Unlock scale benefits

## MARKETS TRANSFORMATION PROGRAMME

Drive market competitiveness

| | |
|---|---|
| CRM | • Revenues: Upselling, mass-individualisation, differentiation |
| Hotels | • Costs: Harmonise €5bn purchasing |
| Airlines | • ~150 aircraft: Consolidation potential<br>• Costs: Fuel efficiency, competitive fleet financing[1] |
| Distribution | • Costs: From retail to online to mobile[2] |
| Overhead | • Harmonisation of IT and processes<br>• Drive cost, innovation and speed |

## MARKETS & DOMAIN TRANSFORMATION BOARD

Drive cost, innovation and speed

"The purpose of the Markets & Domain Transformation Board is to ensure we are fully aligned behind our strategic goals of maximising our integrated business model, leveraging our scale, increasing revenues, growing in new markets and adapting to an increasingly online and mobile business whilst moving to a common platform and domain lead IT organisation."

## PORTFOLIO REVIEW

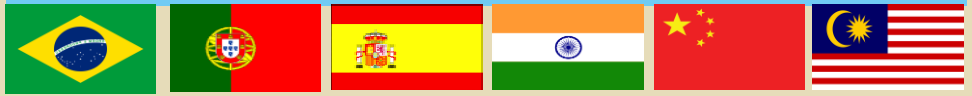
Flexibility and focus on core

- Constant portfolio optimisation
- Flexibility of asset base and sale of non-synergistic businesses (e.g. Corsair)
- Sale of German Specialists - Berge & Meer and Boomerang (€96-106m EV[3], €10.6m FY19e EBITA expected, considerable book gain anticipated, closing in October 2019 envisaged)

1 ~14% fuel efficiency benefits for MAX vs NG generating ~€1m operational savings and ~€1m benefit from ownership mix 2 1% App sales = €10m savings 3 €106m EV includes €10m earn-out

# 3 + 4 Add scale in new markets and destination experiences – Significant progress made in Q3

## NEW GDN[1]-OTA PLATFORM



- **Building reach**: Complementary markets to existing business
- Dynamic packaging: **flexible customer choice, flexible input costs,** own & directly contracted 3rd party hotels and flights
- **Strong momentum**: PAX booking run rate increased from ~200k (H1) to ~250k (Q3) **(+25%)**
- Accommodation only and meta-search distribution particularly strong
- **2022 target of 1m** additional customers may be **achieved earlier**

## NEW TOURS & ACTIVITIES PLATFORM

- Integration of **Musement** platform almost completed
- **Basis set** for business to benefit from strong summer season volumes, strong momentum with **excursions & activities, up by 92% in Q3**
- Ramp up of platform on both sides:
  - **Expand 3rd party** distribution, e.g. Ctrip
  - **Expand product** portfolio

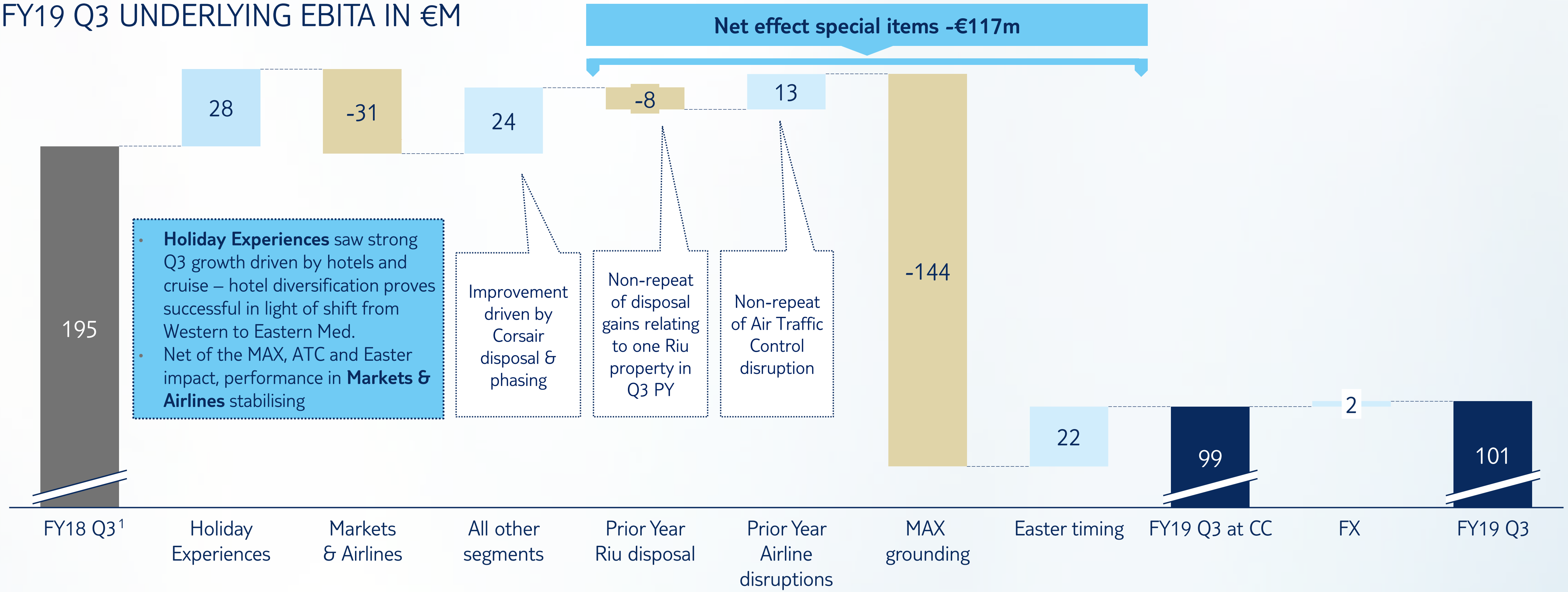
1 Global Distribution Network

# FY19 Q3 PERFORMANCE

## FRITZ JOUSSEN

# Hotels and Cruises with strong Q3 results, Markets & Airlines is stabilising but heavily impacted by MAX grounding

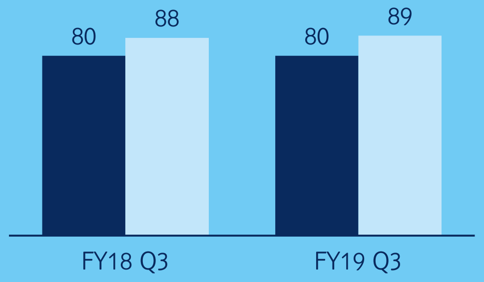
## FY19 Q3 UNDERLYING EBITA IN €M



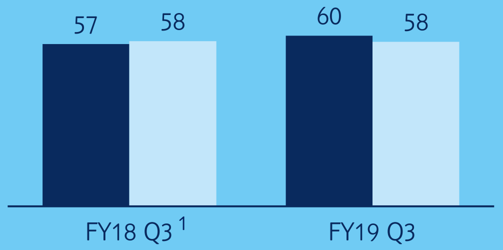

1 PY reported EBITA of €193m adjusted by -€6m for retrospective application of IFRS 15 and by +€8m for the negative impact from the revaluation of Euro loan balances in Turkey for FY18 Q3

# Holiday Experiences: Hotels & Resorts – Q3
## Strong performance as a result of diversified hotel portfolio

### AVERAGE OCCUPANCY %



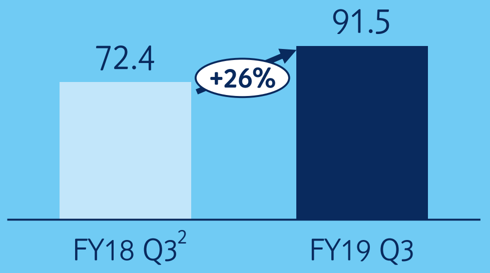

### AVERAGE REVENUE PER BED €




### 67 NEW HOTEL OPENINGS SINCE MERGER

**of which ~66% are lower capital intensity**

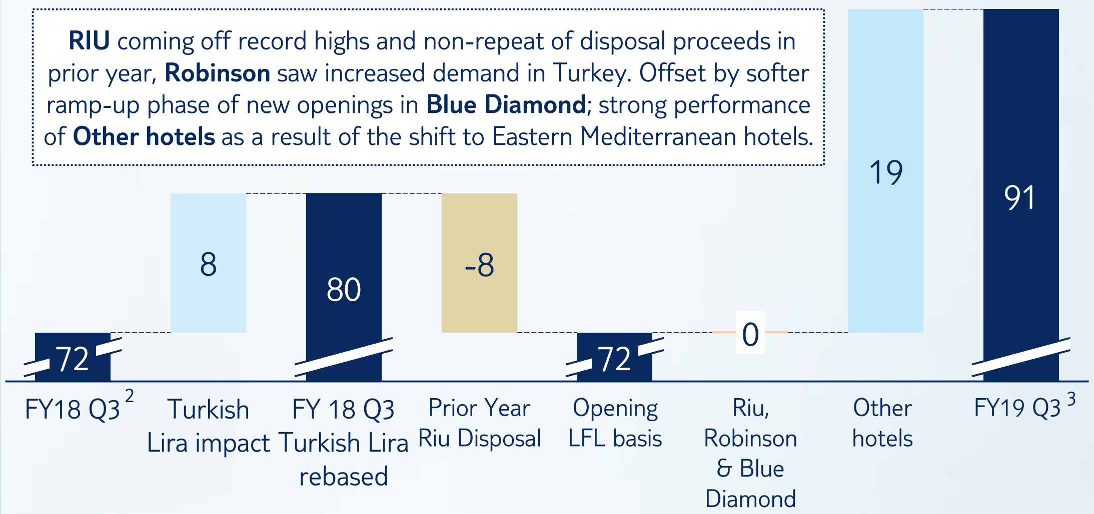
### UNDERLYING EBITA €M




### UNDERLYING EBITA (€M)

| | FY19 Q3 | FY18 Q3[2] | % |
|---|---|---|---|
| Underlying EBITA | 91.5 | 72.4 | 26.4 |
| Underlying EBITA at CC [4] | 90.0 | 80.2 | 12.2 |

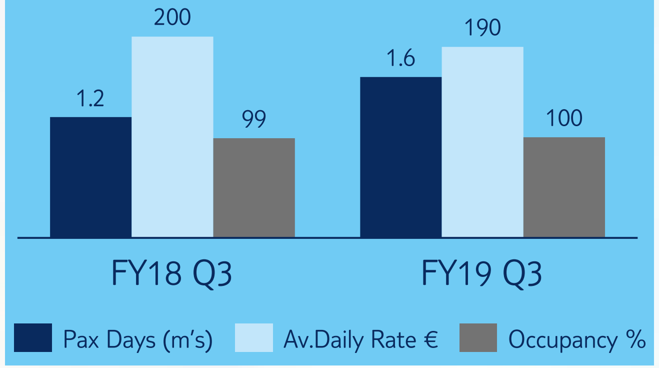
### BRIDGE UNDERLYING EBITA (€M)



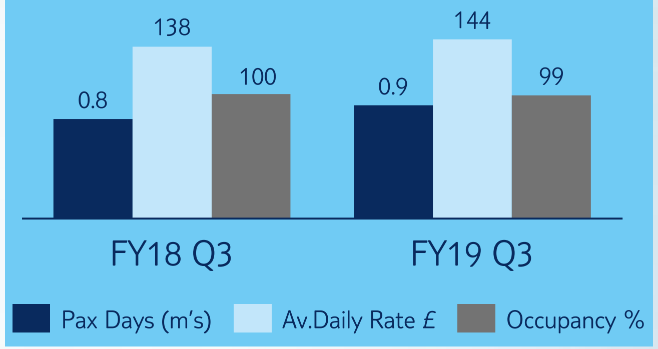

1 FY18 Q3 Total H&R average revenue per bed restated to reflect revised PY rate at Blue Diamond 2 PY reported adjusted for retrospective application of IFRS 15 3 Includes FX translation impact of ~€1m 4 Previous year's number adjusted for €8m in Q3 2018, arising from the revaluation of Euro loan balances within Turkish hotel entities

# Holiday Experiences: Cruises – Q3
## Growth driven by capacity additions and resilience of high occupancy levels

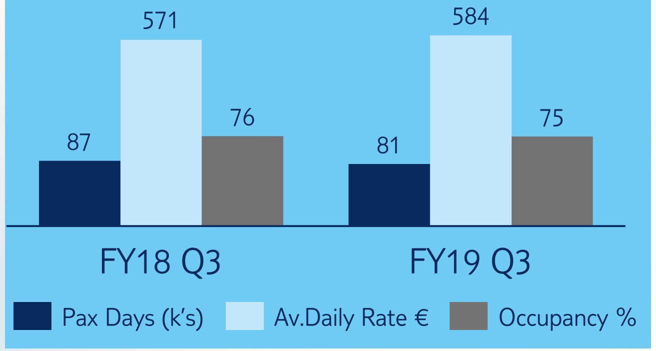
### TUI CRUISES



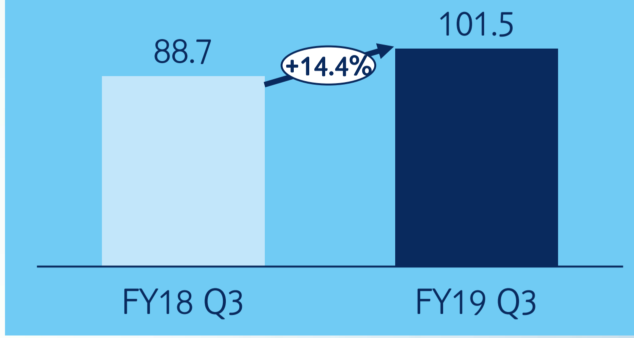

### MARELLA CRUISES




### HAPAG-LLOYD CRUISES




### UNDERLYING EBITA €M

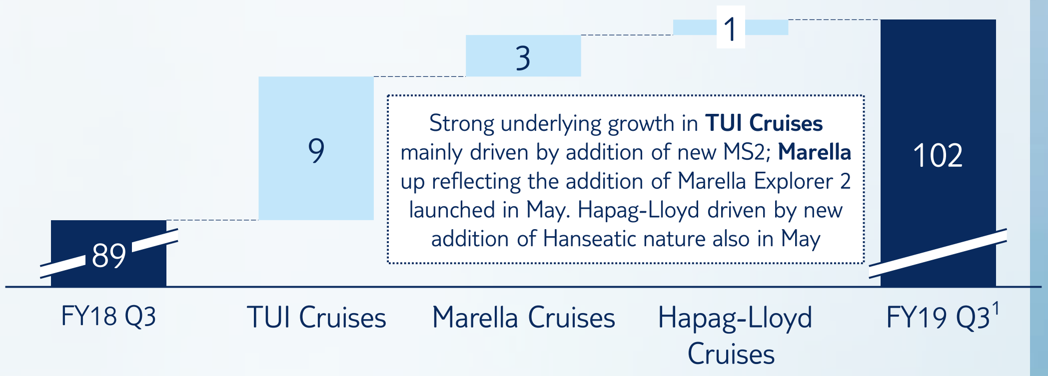



### UNDERLYING EBITA (€M)

| | FY19 Q3 | FY18 Q3 | % |
|---|---|---|---|
| Underlying EBITA | 101.5 | 88.7 | 14.4 |
| o/w fully consolidated | 35.6 | 32.1 | 10.9 |
| o/w equity result | 65.9 | 56.6 | 16.4 |

* TUI Cruises joint venture (50%) is consolidated at equity

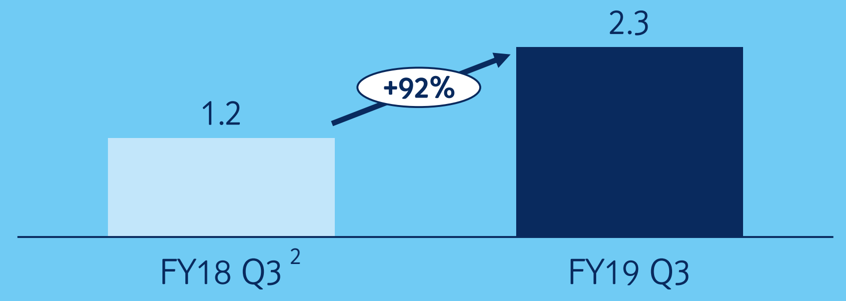
### BRIDGE UNDERLYING EBITA (€M)




1 Includes FX translation impact of less than €1m

# Holiday Experiences: Destination Experiences – Q3
# Significant growth achieved, basis set for summer season

## EXCURSIONS & ACTIVITES SOLD (M's)




## TURNOVER AND EARNINGS (€M)

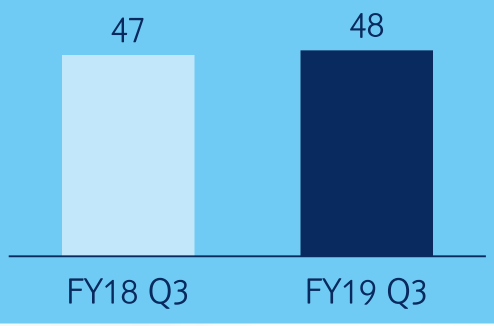
| | FY19 Q3 | FY18 Q3[1] | % |
|---|---|---|---|
| Total Turnover | 379.7 | 143.8 | 164.0 |
| o/w Turnover 3rd Party | 259.4 | 65.8 | 294.2 |
| Underlying EBITA | 15.3 | 17.4 | -12.1 |
| Underlying EBITA excl. Musement integration | 18.0 | 17.4 | 3.4 |

- Excursion & activities sold up 92% yoy
- Underlying EBITA excl. Musement integration costs up by 3%
- Integration of Musement platform almost completed
- Basis set for business to benefit from strong summer season volumes
- Ramp up of platform on both sides:
  - Expand 3rd party distribution, e.g. Ctrip etc.
  - Expand product portfolio

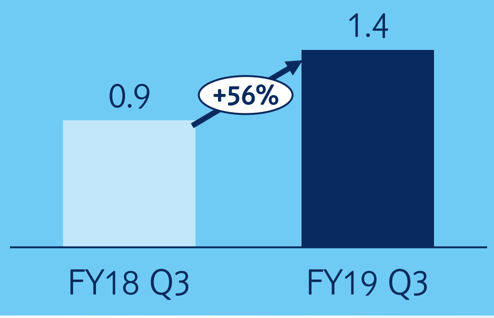
1 PY restated for reclassification of TUI DX Crystal previously reported in Markets & Airlines Northern Region 2 FY18 excludes Destination Management (acquired August 2018) and Musement (completed October 2018)

# Markets & Airlines – Q3
## Stabilising underlying performance with costs from MAX impact as expected

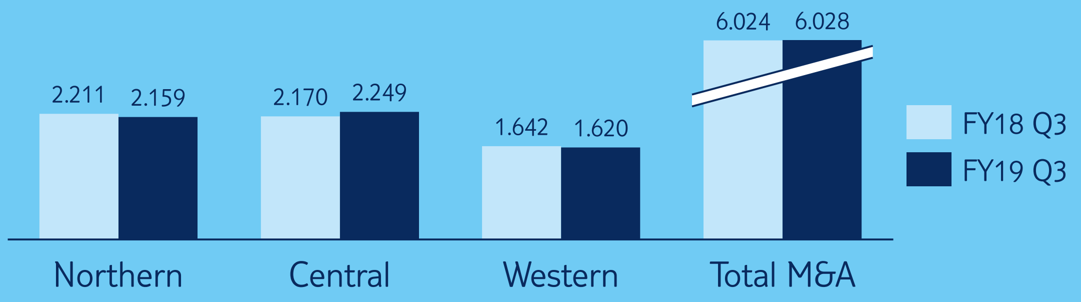
### ONLINE DISTRIBUTION %




### APP DISTRIBUTION %[1]



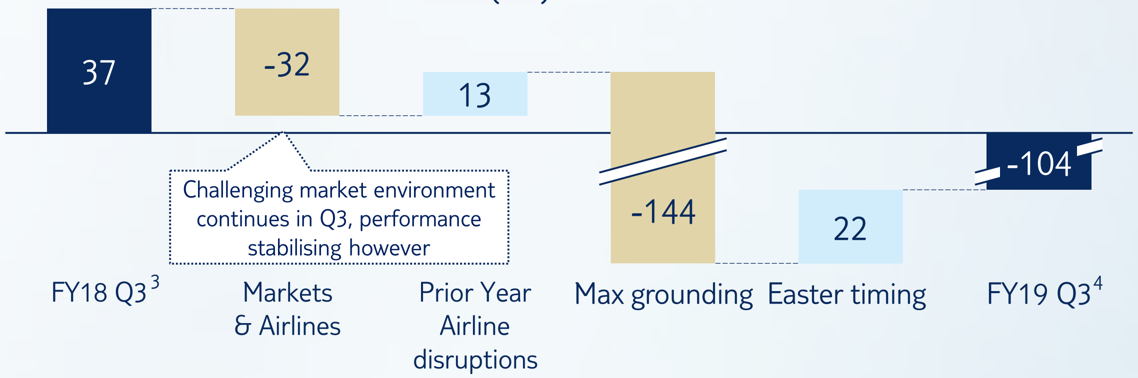

### CUSTOMERS (M's)[2]




### TURNOVER AND EARNINGS (€M)

| | FY19 Q3 | FY18 Q3[3] | % |
|---|---|---|---|
| Turnover | 4,002.3 | 3,988.3 | 0.4 |
| Underlying EBITA | -103.9 | 37.2 | n.a. |

### BRIDGE UNDERLYING EBITA (€M)




1 Percentage of Markets & Airlines pax bookings via App 2 Central now includes Italy. Total Markets & Airlines customers excludes Cruise and strategic joint ventures in Canada and Russia 3 PY reported adjusted for retrospective application of IFRS 15 4 Includes FX translation impact of ~-€1m

# Summer 2019 expected development

## HOLIDAY EXPERIENCES

### HOTELS & RESORTS

- Three further hotel openings planned for Summer 2019, bringing the total since merger to ~70
- Benefit from demand shift to Eastern Mediterranean visible
- Spain, in particular Canaries are normalising

### CRUISES

- Continued high occupancy in Germany for our differentiated product
- Marella well-booked for Summer 2019, expect increased yields from fleet modernisation
- Hanseatic nature H2 contribution largely offset by Q1 exit of old Hanseatic

### DESTINATION EXPERIENCES

- Significant increase in excursions & activities 9M to date
- Integration of Musement digital platform sets basis for business to benefit from strong summer season volume

## MARKETS & AIRLINES

- FY19 results impacted by 737 MAX grounding
- Measures in place to end of Summer, working towards an up to approximately €300m impact scenario in FY19
- Volume uplift expected versus extended heatwave period in prior year
- Margins continue to be pressured from overcapacity in airlines but improving in recent weeks
- Bookings for S19[1] have improved since our last trading update helped by softer comparatives, bookings currently down 1% and ASP up +1%
- 87% of programme sold vs. 88% in Summer 2018

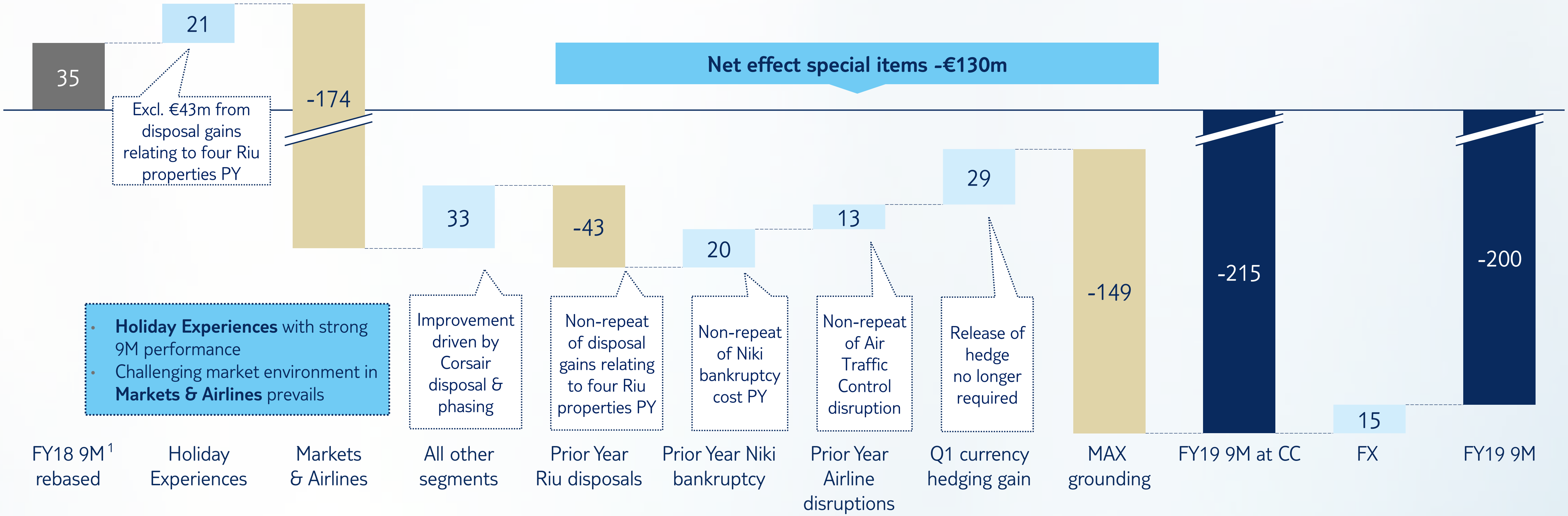
[1]These statistics are up to 4 August 2019 and shown on a constant currency basis and relate to all customers whether risk or non-risk

# FY19 9M RESULTS

BIRGIT CONIX

# Holiday Experiences businesses standing strong. Market challenges impacting Markets & Airlines, Boeing MAX impact weighs on 9M performance

## FY19 9M UNDERLYING EBITA IN €M




1 PY reported EBITA of €35m adjusted by -€18m for retrospective application of IFRS 15 and by +€18m for the negative impact from the revaluation of Euro loan balances in Turkey for FY18 for 9M (of which €8m relate to Q3)

# Income Statement – 9M Group result after minorities mainly impacted by Boeing MAX

| In €m | FY19 9M | FY18 9M[1] | DELTA YOY |
|---|---|---|---|
| Turnover | 11,421.4 | 11,142.6 | 278.8 |
| **Underlying EBITDA** | **141.8** | **312.5** | -170.7 |
| Depreciation | -341.5 | -295.4 | -46.1 |
| **Underlying EBITA** | **-199.7** | **17.1** | -216.8 |
| Adjustments (SDI's and PPA) | -62.9 | -44.5 | -18.4 |
| **EBITA** | **-262.6** | **-27.4** | -235.2 |
| Net interest expense | -60.3 | -90.0 | 29.7 |
| **EBT** | **-322.9** | **-117.4** | -205.5 |
| Income taxes | 82.5 | 11.6 | 70.9 |
| **Group result continuing operations** | **-240.4** | **-105.8** | -134.6 |
| Discontinued operations | - | 41.4 | -41.4 |
| Minority interest | -79.7 | -75.9 | -3.8 |
| **Group result after minorities** | **-320.1** | **-140.3** | -179.8 |
| Basic EPS (€) | -0.54 | -0.31 | -0.23 |

€290.8m pre Boeing MAX impact

## TURNOVER
- Broadly stable excluding the effect of smaller M&A

## UNDERLYING EBITDA
- Positive after 9M. Pre Boeing MAX underlying EBITDA would have been nearer to last years result

## DEPRECIATION
- Higher as a result of our progressive investment strategy

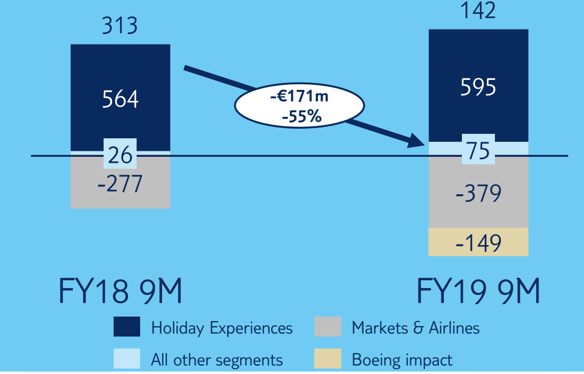
## ADJUSTMENTS
- Mainly related to Markets & Airlines cost competitiveness strategy, driving higher restructuring-related SDIs for 9M, on track to meet full year expectations of ~€125m

## INTEREST EXPENSES AND TAX CREDITS
- Partially offset 9M EBITA losses, reducing negative impact on Group result after minorities. Underlying full year interest and tax expectations remain at ~€130m and ~18% ETR respectively

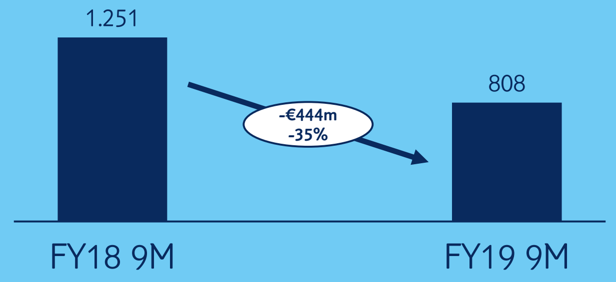
1 PY reported adjusted for retrospective application of IFRS 15

# Free cash flow – 9M impacted by Boeing MAX, lower working capital change and elevated net capex and investments as expected

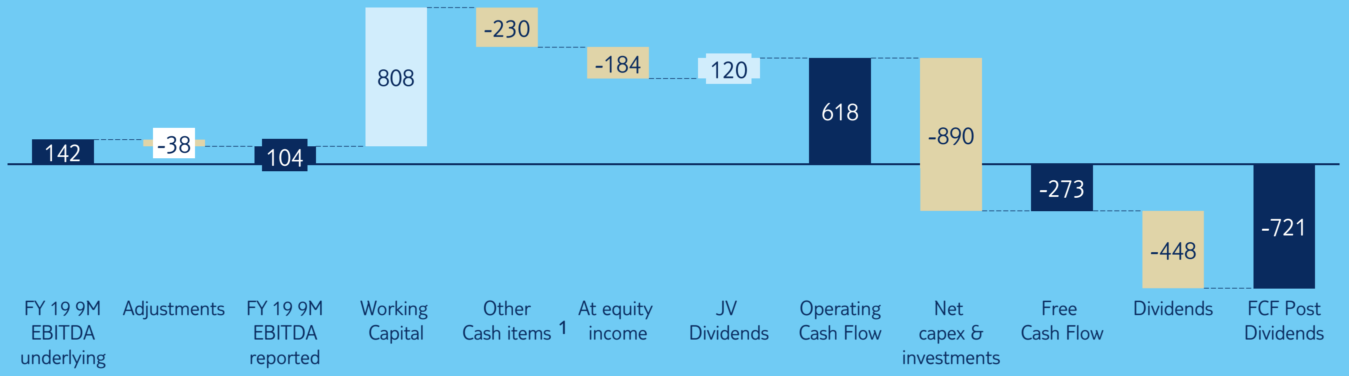
## UNDERLYING EBITDA (€M)




## WORKING CAPITAL CHANGE (€M)




## CASH FLOW STATEMENT (€M)




| | FY 19 9M EBITDA underlying | Adjustments | FY 19 9M EBITDA reported | Working Capital | Other Cash items [1] | At equity income | JV Dividends | Operating Cash Flow | Net capex & investments | Free Cash Flow | Dividends | FCF Post Dividends |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FY18 9M | €313m | -€27m | €286m | €1,251m | -€297m | -€190m | €149m | €1,199m | -€586m | €613m | -€407m | €206m |

### UNDERLYING EBITDA

- Strong earnings contribution from Holiday Experiences; Markets & Airlines impacted by external challenges in H1 and by Boeing MAX grounding

### LOWER WORKING CAPITAL CHANGE

- Lower customer deposits from later booking behaviour (~€130m), higher payable outflow from quarterly phasing and cyclical trading in H1 (~€150m), higher flight and hotel prepayments as a consequence of the Boeing MAX impact and securing Eastern Mediterranean capacities (~€120m)

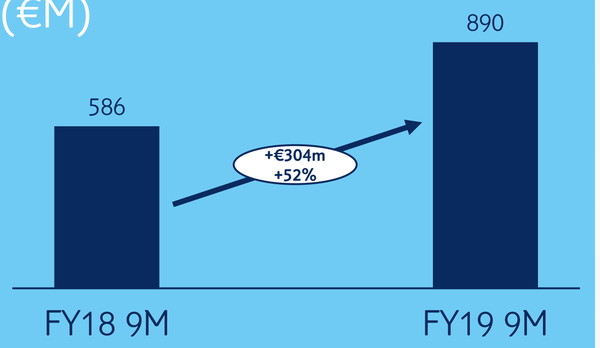
### OTHER CASH ITEMS

- Overall improvement in cash interest, pension contribution & payments, tax paid and other cash effects

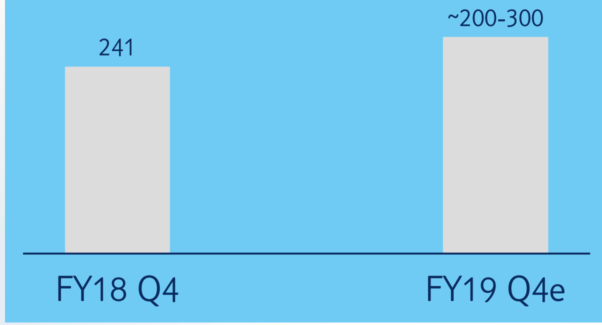
Other cash items include other cash effects, tax paid, cash interest as well as pension contribution & payments

# 9M Capex is in line with expectations – Growth investments will continue to deliver attractive returns

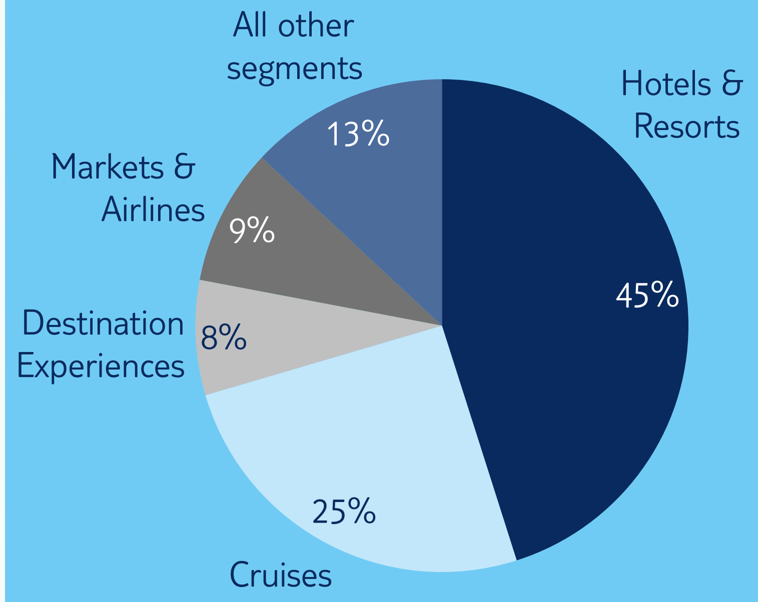
## NET CAPEX & INVESTMENTS (€M)




## NET CAPEX & INVESTMENTS TO GO FOR FY19 (€M)




## 9M NET CAPEX & INVESTMENTS BY SEGMENT (€M)




9M Investment split:
~2/3 growth & ~ 1/3 maintenance

**NET CAPEX AND INVESTMENTS**

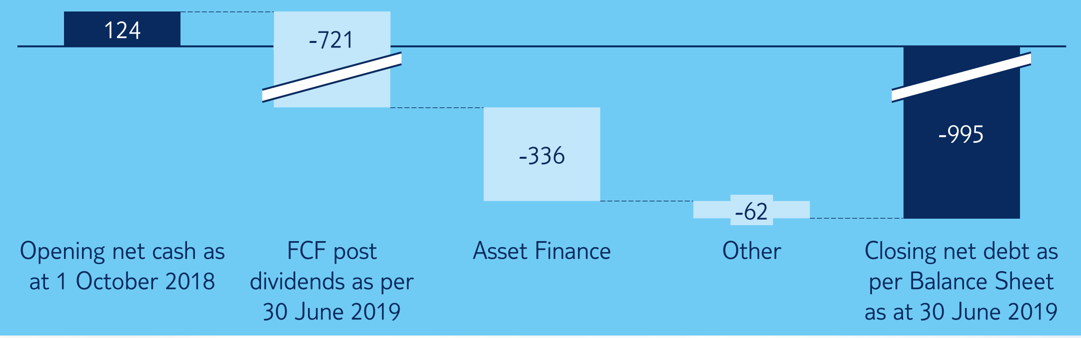
- Hotels: Reflects delivery of our growth strategy and some phasing from FY18; blended ROIC target of ≥15% across portfolio
- Cruises: Marella Explorer 2 & Hanseatic spirit ~€185m, ~15% blended run-rate ROIC
- Destination Experiences: Musement and remaining DM acquisition of ~€54m, >50% mid-term ROIC

**GUIDANCE**

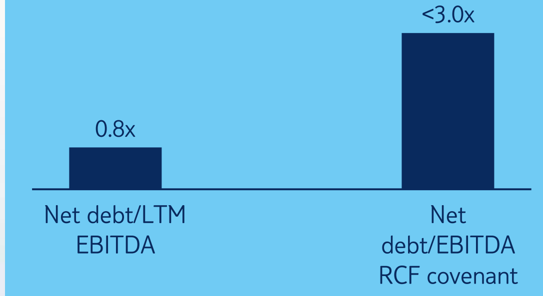
- FY19 Net capex and investments guidance of €1.0-1.2bn remains unchanged, expect upper end of the range
- Net capex and investments will normalise going forward, expect ~3.5% of turnover

# Higher net debt position reflects ~€150m Boeing MAX impact, operational development, working capital movement and our planned re-investment and financing strategy

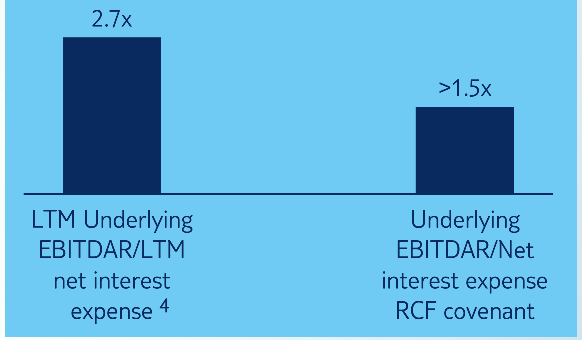
## FY19 9M MOVEMENT IN NET DEBT (€M)




## FY19 Q3 NET LEVERAGE HEADROOM




## FY19 Q3 INTEREST COVER HEADROOM




### 9M NET DEBT

- Net debt increased due to Free Cash Flow development (Boeing MAX and investments) and planned asset financing relating to aircraft and cruise

### FY19 NET DEBT EXPECTATION

- Final quarter net debt expected to increase by ~€0.3 – €0.4bn due to remaining Boeing MAX impact, capex and planned asset financing
- Expect FY19 average net debt number of ~€1.5bn

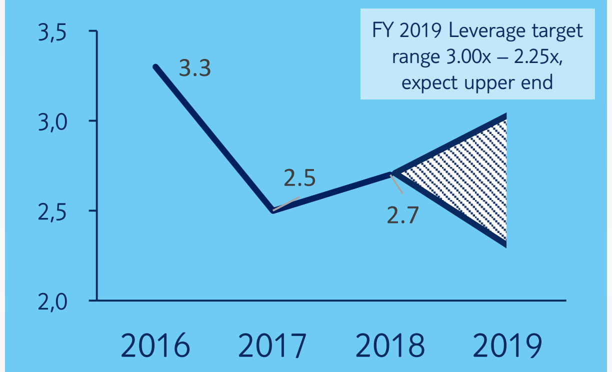
### COVENANT HEADROOM

- Net debt/LTM EBITDA of 0.8x[1]
- Headroom of €2.7bn[2] to 3x net debt/EBITDA RCF covenant[3]
- Interest cover at 2.7x with headroom to 1.5x underlying EBITDAR/net interest expense RCF covenant

1 Based on the ratio of net debt of €995m (as at 30.06.19) to the last twelve months reported EBITDA of €1,217m 2 Based on the LTM reported EBITDA of €1,217m 3 Compliance with a net debt/EBITDA ratio 4 Interest result and lease and rental expenses

# Reiterating TUI's robust financial position

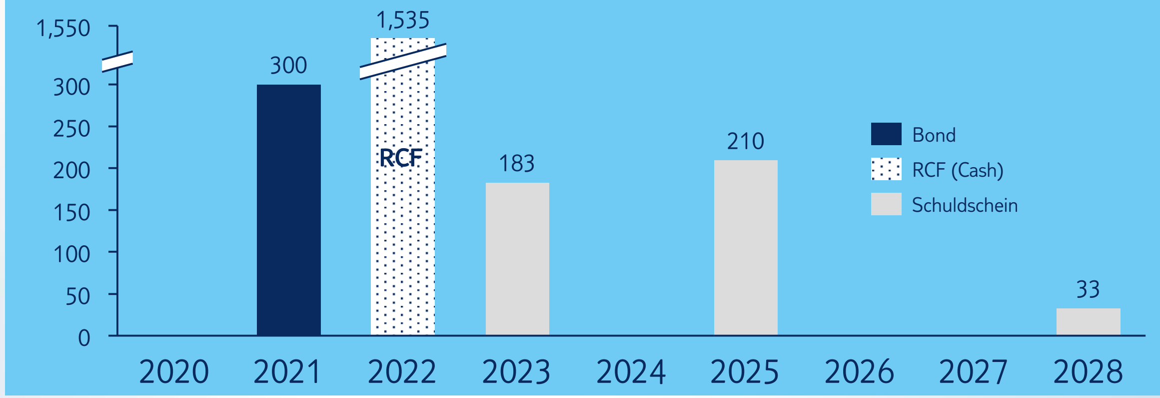
## LEVERAGE RATIO




## CREDIT RATING

| Rating agency | FY16 | FY17 | FY18 | Current view |
|---|---|---|---|---|
| S&P | BB- positive | BB stable | BB stable | BB negative |
| Moody's | Ba2 stable | Ba2 stable | Ba2 positive | Ba2 negative |

## MATURITY PROFILE (€M)[3]




### LEVERAGE RATIO

- Leverage ratio driven by asset investments and grounding of Boeing MAX leads to FY19 expectation at upper end of range[1]
- Leverage ratio expected to improve going forward

### CREDIT RATING

- Credit Rating of BB (S&P) and Ba2 (Moody's), both with negative outlook

### MATURITY PROFILE

- 3.4 years weighted average remaining maturity
- 1.6% weighted average cost of debt
- Interest on Bond and Schuldschein 100% fixed[2]

1 Leverage target according to TUI financial policy (Adjusted debt/rep. EBITDAR) 2 Floating tranches of Schuldschein swapped into fixed rate 3 Calendar year

# FY19 guidance confirmed

| | FY19e[1] | FY18 |
|---|---|---|
| Turnover[2] | Around 3% growth | €18,504m[5] |
| Underlying EBITA rebased[3,5] | Full summer season flight capacity replacement for 737 MAX aircraft: approx. up to minus 26% (total one-off impact of approx. up to €300m) | €1,177m[3,5] |
| Adjustments | ~€125m | €87m |
| Net capex and investments[4] | ~€1.0bn-€1.2bn | €0.8bn |
| Leverage ratio | 3.0x to 2.25x (upper end expected) | 2.7x |
| Dividend per share | Growth in line with underlying EBITA rebased[3,5] | €0.72 |

1 Based on constant currency
2 Excluding cost inflation relating tvo currency movements
3 Rebased to take into account €40m impact of revaluation of Euro loan balances within Turkish Lira entities in FY18
4 Including PDPs, excluding aircraft assets financed by debt or finance leases, "cash CAPEX"
5 Adjusted for retrospective application of IFRS 15 and PPA adjustment for Destination Management

# SUMMARY

## FRITZ JOUSSEN

# TUI's transformation into a tourism platform business

## POST MERGER (2014-2018)

- Creation of an **integrated tourism company**
- Four years of **strong earnings growth** - CAGR of 13%[1]
  - > €100m of **merger synergies** p.a. realised
  - **Reinvestment** of €2bn **disposal proceeds** (Hotels & Cruises)
  - **Superior returns** in Hotels and Cruises

## FUTURE TRANSFORMATION

- Focused growth in **Hotels and Cruises**: Diversification, reduced capital intensity, **ROIC target of ≥15%**, investments ~3.5% of revenues
- **Improve competitiveness** of **Markets & Airlines**: Digital upselling, harmonise purchasing, potential airline consolidation, mobile distribution, IT and process harmonisation
- **Add scale** in new markets: **new GDN-OTA platform**
- **Add scale** in destination experience markets: **New tours & activities platform**

1 average CAGR of 13% since merger at constant currency

# APPENDIX

# IFRS 15 and IFRS 9 application

## IFRS 15 – Revenue from contracts with customers

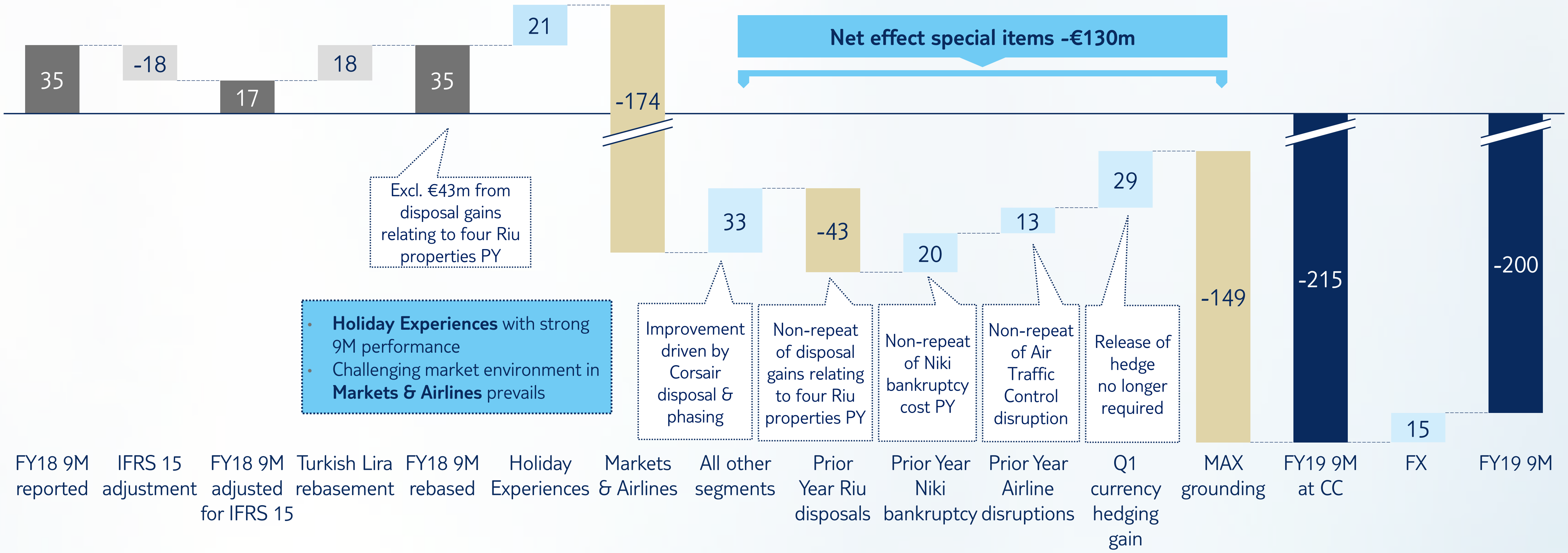
- Application from 1 October 2018 using retrospective method (FY18 now fully aligned to IFRS 15)
- Main change relates to package holidays, recognition from start-date accounting to over-time accounting
    - Impacts revenue and cost of sales
    - Results in changes to quarterly and full-year FY18 revenue and underlying EBITA
- In addition, there are changes in gross and net presentation of revenue, mainly in relation to denied boarding compensation, passenger related taxes and car rentals
    - This impacts revenue and cost of sales (no impact on underlying EBITA, across the quarters and for the full-year FY18)

## IFRS 9 – Financial instruments

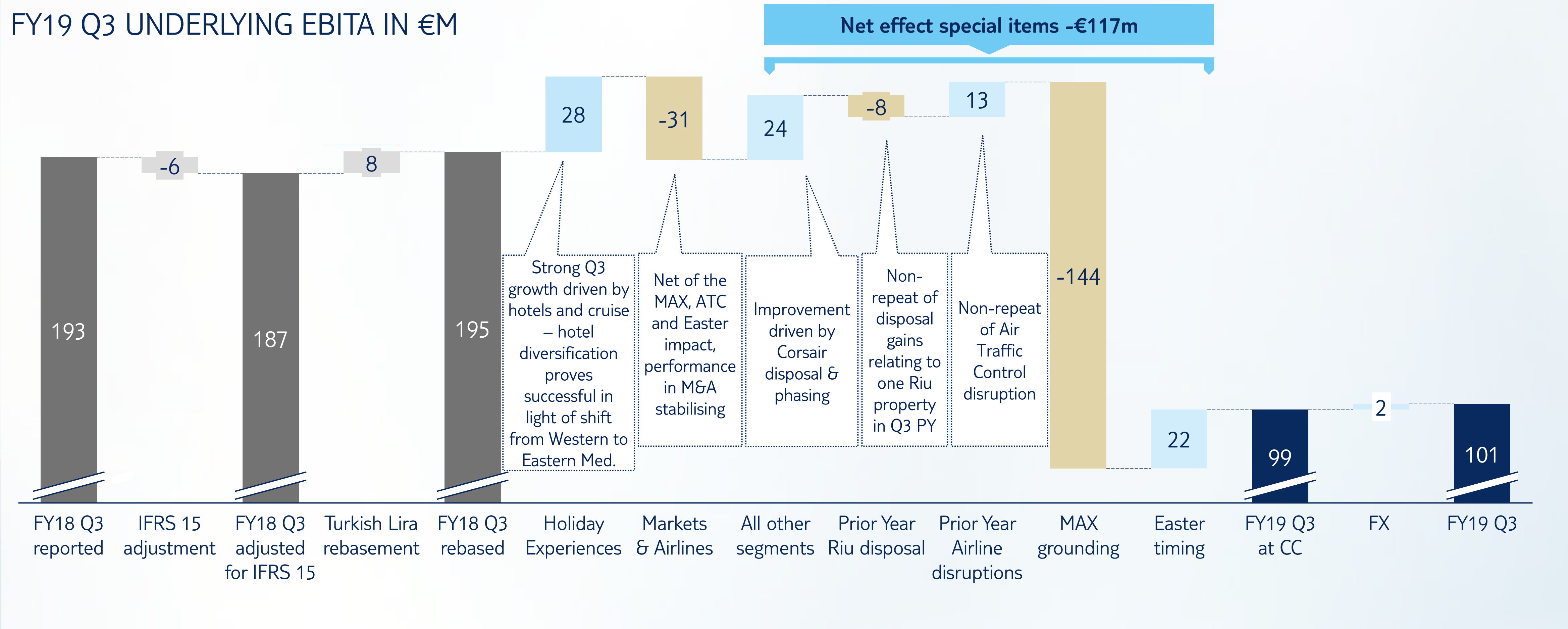
- Application from 1 October 2018 (FY18 related line items in B/S and I/S adjusted, measurement unchanged)
- The new standard replaces IAS 39 guidance on:
    - Classification & Measurement – a new line item 'other financial instruments' was introduced for previous 'available for sale financial assets' and existing financial assets and financial liabilities was reclassified in accordance with IFRS 9 guidance
    - Impairment – introduction of a new model based on expected credit losses. Impacts opening balances, no prior year adjustments. New line item introduced to I/S
    - Hedge Accounting – we have elected to continue applying IAS 39 hedge accounting requirements, in accordance to option permitted by IFRS 9

# 9M reported position rebased for Turkish Lira

## FY19 9M UNDERLYING EBITA IN €M



# Q3 reported position rebased for Turkish Lira



# FY19 9M Turnover by Segment – restated for IFRS15 (excludes Intra-Group Turnover and JVs/associates)*

| In €m | FY19 9M | FY18 9M[1] | Change | FX | Change ex FX |
|---|---|---|---|---|---|
| **Hotels & Resorts** | **425.5** | **448.9** | **-23.4** | **-0.3** | **-23.1** |
| - Riu | 294.5 | 343.1 | -48.6 | 7.7 | -56.3 |
| - Robinson | 67.4 | 53.3 | 14.1 | -1.0 | 15.1 |
| - Blue Diamond | - | - | - | - | - |
| - Other | 63.6 | 52.5 | 11.1 | -7.0 | 18.1 |
| **Cruises** | **680.9** | **619.6** | **61.3** | **2.0** | **59.3** |
| - TUI Cruises | - | - | - | - | - |
| - Marella Cruises | 455.5 | 386.6 | 68.9 | 2.0 | 66.8 |
| - Hapag-Lloyd Cruises | 225.4 | 233.0 | -7.6 | - | -7.6 |
| **Destination Experiences[2]** | **562.2** | **131.4** | **430.8** | **4.1** | **426.7** |
| ***Holiday Experiences*** | ***1,668.6*** | ***1,199.9*** | ***468.8*** | ***5.9*** | ***462.8*** |
| - Northern Region | 3,722.9 | 3,842.6 | -119.7 | -10.7 | -109.0 |
| - Central Region[2] | 3,823.1 | 3,761.3 | 61.8 | 1.5 | 60.3 |
| - Western Region | 1,861.4 | 1,911.2 | -49.8 | -29.6 | -20.2 |
| ***Markets & Airlines*** | ***9,407.4*** | ***9,515.1*** | ***-107.6*** | ***-38.7*** | ***-68.9*** |
| All other segments | 345.4 | 427.6 | -82.2 | -0.3 | -81.9 |
| **TUI Group** | **11,421.4** | **11,142.6** | **278.9** | **-33.1** | **312.0** |

* Table contains rounding effects 1 PY reported adjusted for retrospective application of IFRS 15 2 PY restated for reclassification of TUI DX Crystal to Destination Experiences from Markets & Airlines Northern Region and TUI Italy to Markets & Airlines Central Region from All other segments

# FY19 9M Underlying EBITA by Segment*

| In €m | FY19 9M | FY18 9M[1] | Change | FX | Change ex FX |
|---|---|---|---|---|---|
| **Hotels & Resorts** | **226.9** | **244.7** | **-17.8** | **12.8** | **-30.6** |
| - Riu | 223.0 | 278.7 | -55.7 | 3.6 | -59.3 |
| - Robinson | 6.2 | 6.2 | - | 1.7 | -1.7 |
| - Blue Diamond** | 16.5 | 16.3 | 0.2 | 1.6 | - 1.4 |
| - Other | -18.9 | -56.5 | 37.7 | 6.0 | 31.7 |
| **Cruises** | **207.9** | **182.4** | **25.5** | **0.1** | **25.5** |
| - TUI Cruises** | 119.8 | 109.9 | 9.9 | - | 9.9 |
| - Marella Cruises | 60.7 | 53.5 | 7.2 | 0.1 | 7.2 |
| - Hapag-Lloyd Cruises | 27.4 | 19.0 | 8.4 | - | 8.4 |
| **Destination Experiences[2]** | **4.9** | **4.1** | **0.8** | **0.1** | **0.7** |
| ***Holiday Experiences*** | ***439.7*** | ***431.2*** | ***8.5*** | ***13.0*** | ***-4.4*** |
| - Northern Region | -263.7 | -111.6 | -152.1 | -1.7 | -150.4 |
| - Central Region[2] | -119.6 | -113.2 | -6.4 | 0.1 | -6.5 |
| - Western Region | -217.4 | -113.7 | -103.7 | - | -103.7 |
| ***Markets & Airlines*** | ***-600.7*** | ***-338.5*** | ***-262.2*** | ***-1.6*** | ***-260.6*** |
| All other segments | -38.7 | -75.6 | 37.0 | 3.5 | 33.5 |
| **TUI Group** | **-199.7** | **17.1** | **-216.7** | **14.8** | **-231.4** |

*Table contains rounding effects **Equity result 1 PY reported adjusted for retrospective application of IFRS 15 2 PY restated for reclassification of TUI DX Crystal to Destination Experiences from Markets & Airlines Northern Region and TUI Italy to Markets & Airlines Central Region from All other segments

# FY19 Q3 Turnover by Segment – restated for IFRS15 (excludes Intra-Group Turnover and JVs/associates)*

| In €m | FY19 Q3 | FY18 Q3[1] | Change | FX | Change ex FX |
|---|---|---|---|---|---|
| **Hotels & Resorts** | **154.5** | **161.0** | **-6.5** | **-2.1** | **-4.4** |
| - Riu | 93.8 | 108.7 | -14.9 | 3.4 | -18.4 |
| - Robinson | 24.8 | 19.4 | 5.4 | -0.9 | 6.2 |
| - Blue Diamond | - | - | - | - | - |
| - Other | 35.9 | 32.8 | 3.1 | -4.7 | 7.7 |
| **Cruises** | **256.3** | **222.7** | **33.6** | **0.2** | **33.4** |
| - TUI Cruises | - | - | - | - | - |
| - Marella Cruises | 180.8 | 149.1 | 31.7 | 0.2 | 31.5 |
| - Hapag-Lloyd Cruises | 75.5 | 73.6 | 1.9 | - | 1.9 |
| **Destination Experiences[2]** | **259.4** | **65.8** | **193.6** | **2.4** | **191.2** |
| ***Holiday Experiences*** | ***670.2*** | ***449.5*** | ***220.6*** | ***0.5*** | ***220.2*** |
| - Northern Region | 1,599.6 | 1,616.0 | -16.5 | -4.8 | -11.6 |
| - Central Region[2] | 1,598.4 | 1,525.7 | 72.7 | 2.4 | 70.3 |
| - Western Region | 804.3 | 846.6 | -42.2 | -29.6 | -12.6 |
| ***Markets & Airlines*** | ***4,002.3*** | ***3,988.3*** | ***14.1*** | ***-32.0*** | ***46.1*** |
| All other segments | 72.5 | 138.9 | -66.4 | -0.2 | -66.2 |
| **TUI Group** | **4,745.0** | **4,576.7** | **168.4** | **-31.7** | **200.0** |

* Table contains rounding effects 1 PY reported adjusted for retrospective application of IFRS 15 2 PY restated for reclassification of TUI DX Crystal to Destination Experiences from Markets & Airlines Northern Region and TUI Italy to Markets & Airlines Central Region from All other segments

# FY19 Q3 Underlying EBITA by Segment*

| In €m | FY19 Q3 | FY18 Q31[1] | Change | FX | Change ex FX |
|---|---|---|---|---|---|
| **Hotels & Resorts** | **91.5** | **72.4** | **19.1** | **1.4** | **17.7** |
| - Riu | 73.4 | 78.3 | -4.9 | 1.8 | -6.7 |
| - Robinson | 6.5 | 5.3 | 1.2 | -0.6 | 1.9 |
| - Blue Diamond** | -2.3 | 2.0 | -4.3 | 0.0 | -4.3 |
| - Other | 13.9 | -13.2 | 27.1 | 0.1 | 27.0 |
| **Cruises** | **101.5** | **88.7** | **12.8** | **-0.1** | **12.9** |
| - TUI Cruises** | 65.9 | 56.6 | 9.3 | - | 9.3 |
| - Marella Cruises | 30.5 | 27.9 | 2.6 | -0.1 | 2.7 |
| - Hapag-Lloyd Cruises | 5.2 | 4.2 | 1.0 | - | 1.0 |
| **Destination Experiences[2]** | **15.3** | **17.4** | **-2.1** | **0.2** | **-2.3** |
| ***Holiday Experiences*** | ***208.3*** | ***178.5*** | ***29.8*** | ***1.5*** | ***28.3*** |
| - Northern Region | -58.6 | 14.2 | -72.8 | -0.8 | -72.0 |
| - Central Region[2] | 8.2 | 31.5 | -23.3 | 0.1 | -23.3 |
| - Western Region | -53.5 | -8.5 | -45.0 | - | -45.0 |
| ***Markets & Airlines*** | ***-103.9*** | ***37.2*** | ***-141.0*** | ***-0.7*** | ***-140.3*** |
| All other segments | -3.5 | -28.9 | 25.3 | 1.2 | 24.1 |
| **TUI Group** | **100.9** | **186.8** | **-86.0** | **2.0** | **-87.8** |

*Table contains rounding effects **Equity result 1 PY reported adjusted for retrospective application of IFRS 15 2 PY restated for reclassification of TUI DX Crystal to Destination Experiences from Markets & Airlines Northern Region and TUI Italy to Markets & Airlines Central Region from All other segments

# Cash Flow & Movement in Net Debt – 9M

| In €m | FY19 9M | FY18 9M |
|---|---|---|
| **EBITDA underlying** | **141.8** | **312.5** |
| **EBITDA reported** | **103.7** | **285.4** |
| Working capital | 807.5 | 1,251.4 |
| Other cash effects | 35.0 | 15.7 |
| At equity income | -184.0 | -189.9 |
| Dividends received from JVs and associates | 120.4 | 149.1 |
| Tax paid | -98.1 | -134.9 |
| Interest (cash) | -59.8 | -62.3 |
| Pension contribution & payments | -107.2 | -115.9 |
| **Operating Cash flow** | **617.4** | **1,198.6** |
| Net capex | -629.3 | -581.8 |
| Net financial investments | -259.2 | 13.8 |
| Net pre-delivery payments | -1.9 | -17.7 |
| **Free Cash flow** | **-273.0** | **612.9** |
| Dividends | -448.4 | -406.9 |
| **Free Cash flow after Dividends** | **-721.4** | **206.0** |

| In €m | 30 Jun 2019 | 30 Jun 2018 |
|---|---|---|
| **Opening net cash as at 1 October** | **124** | **583** |
| FCF after Dividends | -721 | 206 |
| Asset Finance | -336 | -199 |
| Other | -62 | -1 |
| **Closing net debt as per Balance Sheet** | **-995** | **589** |

# Net Financial Position, Pensions and Operating Leases

| In €m | 30 Jun 2019 | 30 Jun 2018 |
|---|---|---|
| **Financial liabilities** | **-2,637** | **-2,031** |
| - Finance leases | -1,487 | -1,360 |
| - Senior Notes | -298 | -296 |
| - Liabilities to banks | -835 | -349 |
| - Other liabilities | -17 | -26 |
| **Cash & Bank Deposits** | **1,642** | **2,620** |
| **Net debt** | **-995** | **589** |
| - Net Pension Obligation | -878 | -930 |
| - Discounted value of operating leases[1] | -2,791 | -2,829 |

## FINANCIAL LIABILITIES

- Higher versus prior year as a result of Schuldschein and new finance leases relating to aircraft re-fleeting as well as cruise ship financing

1 At simplified discount rate of 0.9% at 30.6.2019 and 1.5% at 30.6.2018

# Contact

ANALYST AND INVESTOR ENQUIRIES

Peter Krueger, Member of the Group Executive Committee,
Group Director Strategy, M&A and Investor Relations — Tel: +49 (0)511 566 1440

Contacts for Analysts and Investors in UK, Ireland and Americas

Hazel Chung, Senior Investor Relations Manager — Tel: +44 (0)1293 645 823

Corvin Martens, Senior Investor Relations Manager — Tel: +49 (0)170 566 2321

Contacts for Analysts and Investors in Continental Europe, Middle East and Asia

Nicola Gehrt, Head of Investor Relations — Tel: +49 (0)511 566 1435

Ina Klose, Senior Investor Relations Manager — Tel: +49 (0)511 566 1318

Jessica Blinne, Junior Investor Relations Manager — Tel: +49 (0)511 566 1425

Cameron Highlands, Malaysia