



FY22 Q4/12M RESULTS & STRATEGY UPDATE

14 December 2022

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.



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TUI Ad-hoc 13.12.2022: TUI and WSF agree return of Corona state aid

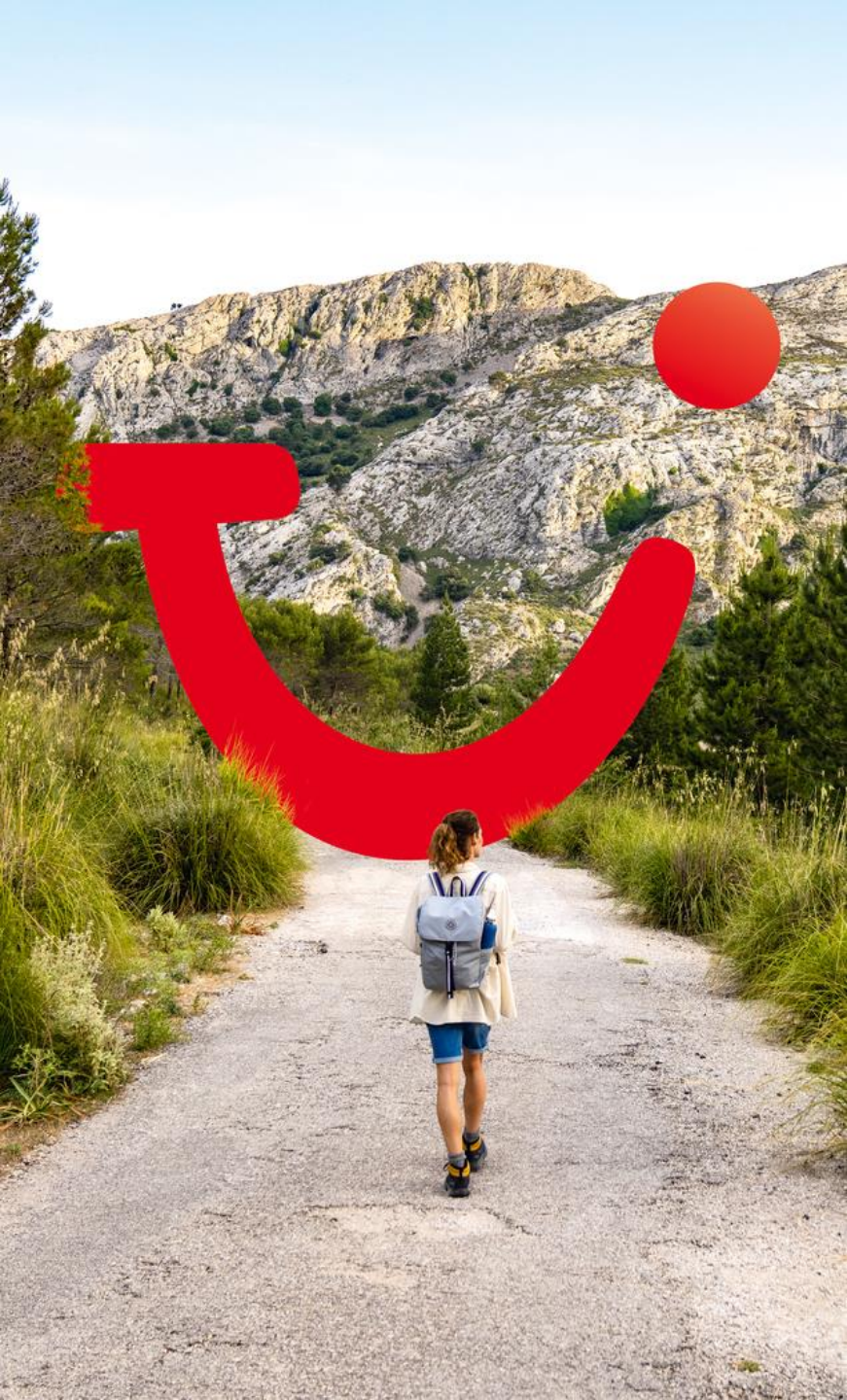
TUI Group CEO Sebastian Ebel

“Our goal has always been clear: reduce net debt and interest burden and strengthen our balance sheet. Now is the right time for it: TUI is stable and on the way back to profitable growth. Summer 22 was strong, FY22 was solid, the transformation is paying off more and more. Our commitment remains: we will do what we say, we will execute what we promise.”

Ad-hoc published on 13.12.2022

- **Agreement with WSF** for repayment of Silent Participation I & Warrant Bond
- **Seek shareholder approval** at AGM 2023 for capital reduction / **share consolidation (10:1)**
- Enable subsequent **capital increase with subscription rights for repayment of WSF & substantial redemption of KfW RCF facilities**





Strong performance in Q4 with Und. EBIT above €1bn - all segments with positive profit contribution

- Following limited Winter trading due to Covid, a restart of operations in Q3, we saw **Q4 delivering a strong performance** in a more normalised trading environment
- **Summer 22** closed out strongly with 13.7m customers enjoying holidays, Q4 customers at 93% of FY19 LFL levels, high airline load factors of 92%
- **Q4 Und. EBIT above €1bn**, excluding the impact from additional flight disruption costs (€58m) Und. EBIT at €1.1bn
 - **Hotels & Resorts:** 5th consecutive positive quarter, delivering a strong Und. EBIT of €291m, again above 2019 levels
 - **Cruises:** Und. EBIT of €103m with significant profit improvement, TUI Cruises 2nd consecutive positive Earnings After Tax (EAT) contribution of €66m
 - **TUI Musement:** strong catch-up in Und. EBIT of €39m following Markets & Airlines recovery and significant growth in Experiences sold
 - **Markets & Airlines:** all regions contributing to a first positive Und. EBIT of €612m since start of pandemic
- **Positive Group Result (EAT after Min.)** of ca. **€799m** underlining strong Summer
- Solid Q4 Operating Cash Flow supports **FY22 Operating Cash Flow** of **€1.7bn**
- **Net debt significantly improved** by €1.5bn to **€3.4bn** & **strong liquidity position¹** of **€3.7bn** to cover typical seasonal Winter swing

¹ Available liquidity position defined as available cash plus committed lines including financing packages as of 30 Sep 2022



All segments & regions delivering positive contribution – Hotels & Resorts back at FY19 levels for the second quarter in a row

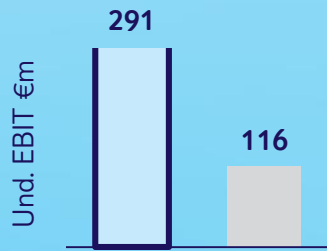
HOLIDAY EXPERIENCES

€433m (+€368m YoY)

FY22 Q4

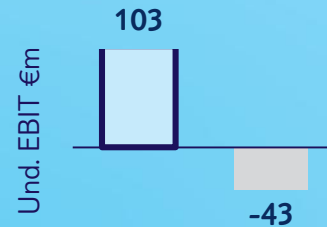
FY21 Q4

HOTELS & RESORTS



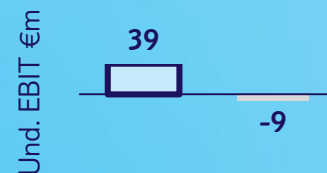
	Q4	YoY
Avail. Bednights:	11.5m	+4%
Occupancy:	92%	+27%pts
Ave. Rate:	€80	+10%

CRUISE



	Q4	YoY
Avail. Pax Days	2.4m	+30%
Occupancies:	80% to 93%	

TUI MUSEMENT



	Q4	YoY
# Experiences sold	3.2m	+206%
# Transfers:	11.0m	+119%

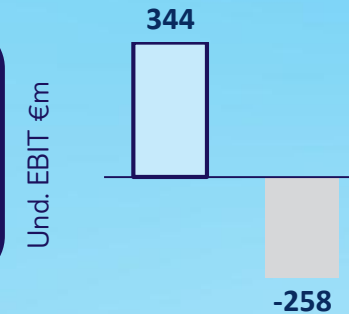
MARKETS & AIRLINES

€612m (+€750m YoY)

FY22 Q4

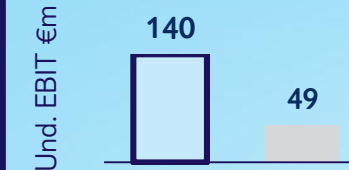
FY21 Q4

NORTHERN REGION



	Q4	YoY
Departed pax:	3.0m	+351%
Load Factor:	91%	+17%pts

CENTRAL REGION



	Q4	YoY
Departed Pax:	2.7m	+49%
Load Factor:	95%	+8%pts

WESTERN REGION



	Q4	YoY
Departed Pax:	1.9m	+42%
Load Factor:	89%	+6%pts



Strong progress made across all of TUI's digital platforms

% ONLINE BOOKINGS FY22



ENHANCED USAGE & CUSTOMER EXPERIENCE

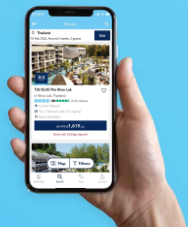


73%
of package customers
download and use the app

(+28% pts vs. FY19)
package bookings loaded in-app

% APP BOOKINGS FY22

App users currently **convert at twice the rate**
of mobile web users



3.4%
of total pax sales are now
made through the app

(+1.6% pts vs. FY19)
app pax share of total pax sales



8.1 CSAT¹
TUI app experience

September 2022



Partnership with
TUI Netherlands

Digital travel companion: daily sights
suggestions & Q&A support for guests
in destination via WhatsApp



FY22 performance: Strong close to the year with Covid restrictions lifted

	FY22	YoY
REVENUE		
GROUP	€16.5bn	+€11.8bn
UND. EBIT		
HOLIDAY EXPERIENCES	€505m	+€1.0bn
MARKETS & AIRLINES	-€45m	+€1.4bn
GROUP	€409m	+€2.5bn

- ✓ €2.5bn improvement leading to positive Und. EBIT after two years
- ✓ Achieving target to be “significantly positive”
- ✓ Well positioned for strong growth in FY23

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Achievements 2022 - TUI has made good progress in deleveraging the Group

2022

FY22 / Q4 Highlights

FY22

€16.5bn Revenue
€409m Und. EBIT
€1.3bn FCF

Q4

€1.0bn Und. EBIT

Net Debt of €3.4bn

Significant improvement by €1.5bn

Net Leverage³ improved to 3.2x

Well below headroom covenant of 4.5x

Gross leverage¹ improved to 4.7x

Pro-forma² Gross Leverage already well below 3.0x target ratio

Reduction of government funding from €4.3bn to €2.6bn⁴

2023

Agreement with WSF for repayment of SP I & Warrant Bond

Seek shareholder approval at the AGM for share consolidation

Enable subsequent capital increase for repayment of WSF and substantial redemption of KfW RCF facilities



Income Statement

Und. EBIT Q4 above €1bn supports significantly positive full year

In €m (IFRS 16)	FY22 Q4	FY21 Q4	FY22 12M	FY21 12M
Revenue	7,614	3,366	16,545	4,732
Underlying EBITDA	1,232	160	1,225	-1,145
Depreciation & Amortisation	-193	-257	-816	-930
Underlying EBIT	1,039	-97	409	-2,075
Adjustments (SDI's and PPA)	Excl. disruption +€1,097m -62	131	Excl. disruption +€542m -89	63
EBIT	977	34	320	-2,013
Net interest expense*	-90	-105	-466	-449
EBT	887	-71	-146	-2,462
Income taxes	-60	28	-67	-19
Group result cont. operations	826	-43	-213	-2,481
Minority interest	-27	-15	-65	14
Group result after minorities	799	-58	-277	-2,467
Basic EPS (€)	0.45	-0.05	-0.17	-2.59
Underlying EPS (€)	0.42	-0.20	-0.07	-2.28

REVENUE

- Full Year revenue at €16.5bn following return to more normalised environment in H2, with 16.7m Markets & Airlines passengers departing, up 212% on FY21

UNDERLYING EBIT(DA)

- Full Year EBIT at €0.4bn, an improvement of €2.5bn, with all segments achieving significantly improved results due to increased levels of operations
- Result impacted by -€133m of additional flight disruption costs
- Depreciation reduced by c. €115m including one-off impairments booked in the prior year

ADJUSTMENTS

- Adjustments includes cost relating to hotel reconstruction and Airline restructuring. Prior Year credit related to RIU I real estate book gain of €197m
- **FY23 assumption:** range between -€60m and -€80m

NET INTEREST

- FY22 net interest in line with guidance (€450-€475m), cash interest c.€100m lower
- FY22 YoY increase mainly due to accounting treatment of early repayment of WSF Silent Participation II and partial early repayment of Warrant Bond
- **FY23 assumption:** range of -€410m to -€430m

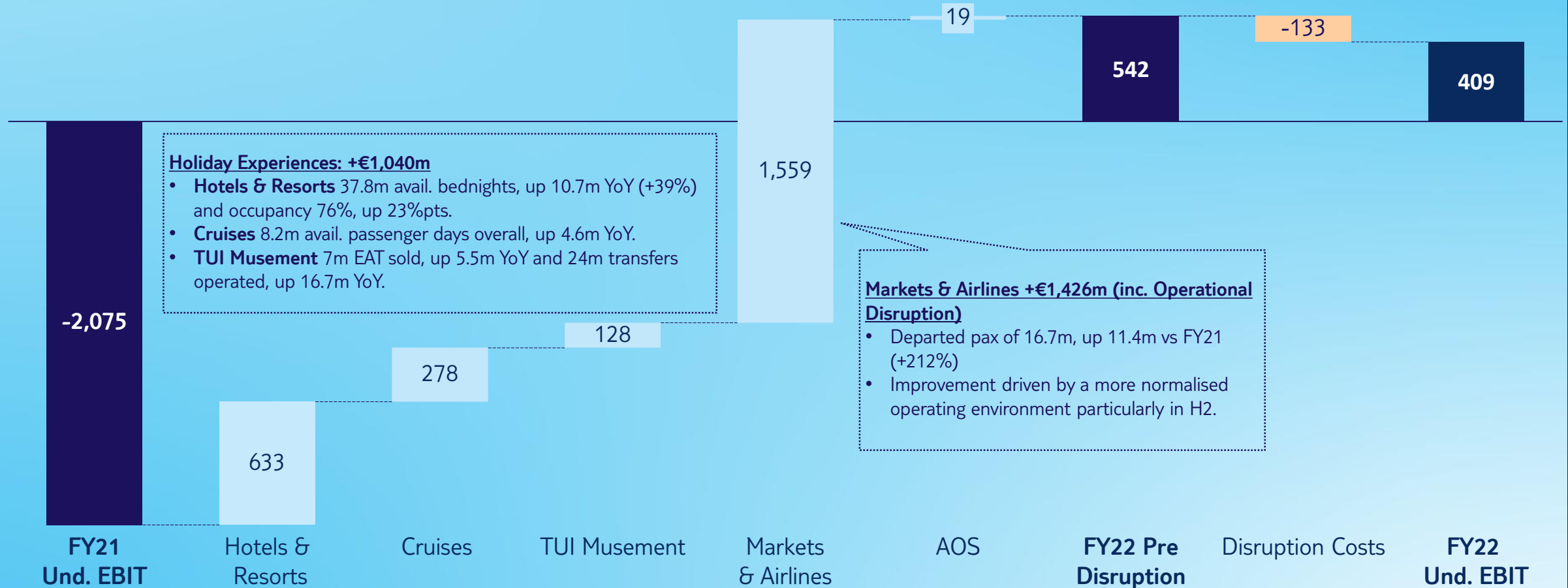
INCOME TAXES

- FY22 tax expense of -€67m mainly driven by charges in profitable countries



12M result – Significantly improved result YoY due to a return to more normalised pre-pandemic environment in H2

FY21 vs. FY22 UNDERLYING EBIT IN €M



FY22 Free Cash flow of €1.3bn driven by positive EBITDA and WC inflow

In €m (IFRS 16)	FY22 Q4	FY21 Q4	FY22 12M	FY21 12M
Underlying EBITDA	1,232	160	1,225	-1,145
Adjustments	-15	163	-21	145
Reported EBITDA	1,218	322	1,203	-1,000
Working capital	-1,025	737	1,073	823
Other cash effects	102	-89	202	-108
At equity income	-110	6	-101	233
Dividends received (JV's, associates)	0	1	0	14
Tax paid	-9	-5	-131	-9
Interest (cash)	-81	-103	-373	-398
Pension contribution & payments	-75	-38	-181	-110
Operating Cash flow	20	833	1,692	-556
Net Investments	-27	576	-316	699
Free Cash flow	-7	1,409	1,376	143
WSF SP2 coupon payment	0	0	-51	0
Free Cash flow after Dividends	-7	1,409	1,325	143
Cash flow from financing	124	-1,354	-1,187	177
<i>o/w inflow from fin. Instruments¹</i>	<i>284</i>	<i>164</i>	<i>961</i>	<i>2,599</i>
<i>o/w outflow from fin. Instruments²</i>	<i>-160</i>	<i>-1,518</i>	<i>-2,148</i>	<i>-2,423</i>
Total Cash Flow	117	55	139	320

WORKING CAPITAL

- Q4 outflow is in line with seasonal development, PY not comparable due to pandemic
- Full year inflow of c. €1.1bn driven by strong bookings and pricing development

OTHER CASH EFFECTS

- YoY increase due to PY reversal of the RIU real estate book gain of €197m and increase in maintenance reserves

TAX PAID

- Payment of -€131m mainly driven by a deferral of tax payments from prior years

CASH INTEREST

- YoY improvement because of reduced RCF drawings driven by positive cash flow and capital increase in Q1 FY22

NET INVESTMENTS

- YoY increase mainly due to PY divestments; some more normalized gross investments post pandemic
- **FY23 assumption:** expect range of -€450m to -€500m

FREE & TOTAL CASH FLOW

- Positive Free Cash Flow of €1.3bn leads to
 - a significant reduction of RCF drawing and
 - allowed redemption of KfW & repayment of WSF instruments in connection with capital measures



Net debt improvement by €1.5bn to €3.4bn

FY21 YE to FY22 YE

In €m	FY22 YE IFRS 16	FY21 YE IFRS 16	YoY Δ
Opening net debt as at 1 October	-4,954	-6,421	1,467
FCF after Dividends	1,325	143	1,182
Non cash additions ¹	-257	-451	193
Capital Increase ²	852	1,744	-892
Other	-404	13	-416
Discontinued operations - Nordotel	2	18	-16
Closing Net Debt	-3,436	-4,954	1,518

In €m	FY22 YE IFRS 16	FY21 YE IFRS 16	YoY Δ
Financial liabilities	-5,259	-6,550	1,291
- Lease liabilities under IFRS16	-3,208	-3,229	22
- Bond with warrant	-48	-119	71
- Convertible Bond	-532	-522	-10
- Liabilities to banks	-1,383	-2,612	1,230
- Other liabilities	-88	-67	-22
Cash & Bank Deposits	1,823	1,596	227
Net debt	-3,436	-4,954	1,518
- Net Pension Obligation	-438	-798	360
Memo: Lease liabilities			
- Aircraft	-2,508	-2,367	-141
- Hotels	-268	-357	89
- Ships	-147	-171	24
- Other	-285	-334	50
Memo: Liabilities to banks			
- RCF	-554	-1,834	1,280
- of which Cash ⁵	-554	-1,478	921
- of which KfW ⁵	-	-375	378
- SSD	-426	-425	-1
- Asset Financing	-403	-353	-49

COMMENTS

- SPI³ is classified as equity & dividends will be paid on the basis of the drawn participation⁴.
- **As at 30/09/22:**
 - SPI - €420m fully drawn
 - Cash RCF - €0.6bn of €1.5bn utilised
 - KfW RCF - €0.0bn of €2.1bn utilised



CFO priorities – ongoing capital structure development

Support Profitable Growth



- Support further transformation
- Implement ESG initiatives
- Strong team with talent retention

Cash Flow Focused



- Strict cost discipline
- Focus on WC, capex & cash from operations
- Asset right growth

Strengthen Balance Sheet



- Continue reduction of debt and German government exposure
- Optimise interest expenses
- Return to a gross leverage well below 3x
- Improve credit rating

TUI Ad-hoc 13.12.2022 - Positioning TUI for the future...



Key objectives

- Reduce reliance on government
- Strengthen balance sheet
- Focus on growth & further market recovery

Agreement with WSF

- Repay c. €479m of Silent Participation I & Warrant Bond alongside substantial redemption of KfW RCF
- No WSF conversion into TUI shares until 31/12/2023
- Repayment price of €730m¹ as per signing date of Agreement, including a customary discount of 9.3%
- Repayment/redemption to be funded by capital increase with subscription rights (post capital reduction/share consolidation)
- Further details
 - Repayment price **subject to positive share price development** until capital increase announcement, capped at €2 (max. €957m)
 - **Interest payable** until closing
 - **Closing conditions:** confirmation by European Commission, AGM approval
 - Volume of capital increase limited to repayment / substantial redemption of government funding; subject to market development



... by seeking shareholder approval to return further government funding...

AGM details

- AGM invitation to be published on 5th January 2023
- AGM to be held on 14th February 2023 (virtually)

AGM Resolutions

- Shareholder approval requested for capital reduction/share consolidation (Ratio 10:1) to improve access to capital markets
- Based on expected attendance, 2/3 majority of capital presence required to pass resolution¹
- No impact on economic value for shareholders
- **TUI has existing authorisations in place to issue shares – remain unchanged**
- **Executive Board commits to limit use of existing authorisations (further details please see next page)**

Sanctioned Shareholder²

- Sanctions prohibit the exercise of voting rights at AGM
- Cannot exercise, sell or otherwise transfer subscription rights / shares
- As a result, sanctions preclude participation in any capital increase

Use of two separate capital authorisations

Authorised Capital 2022/I - WSF

- Capital Increase dedicated to full repayment of c. €479m (€420m Silent Participation I & €59m Warrant Bond to WSF)

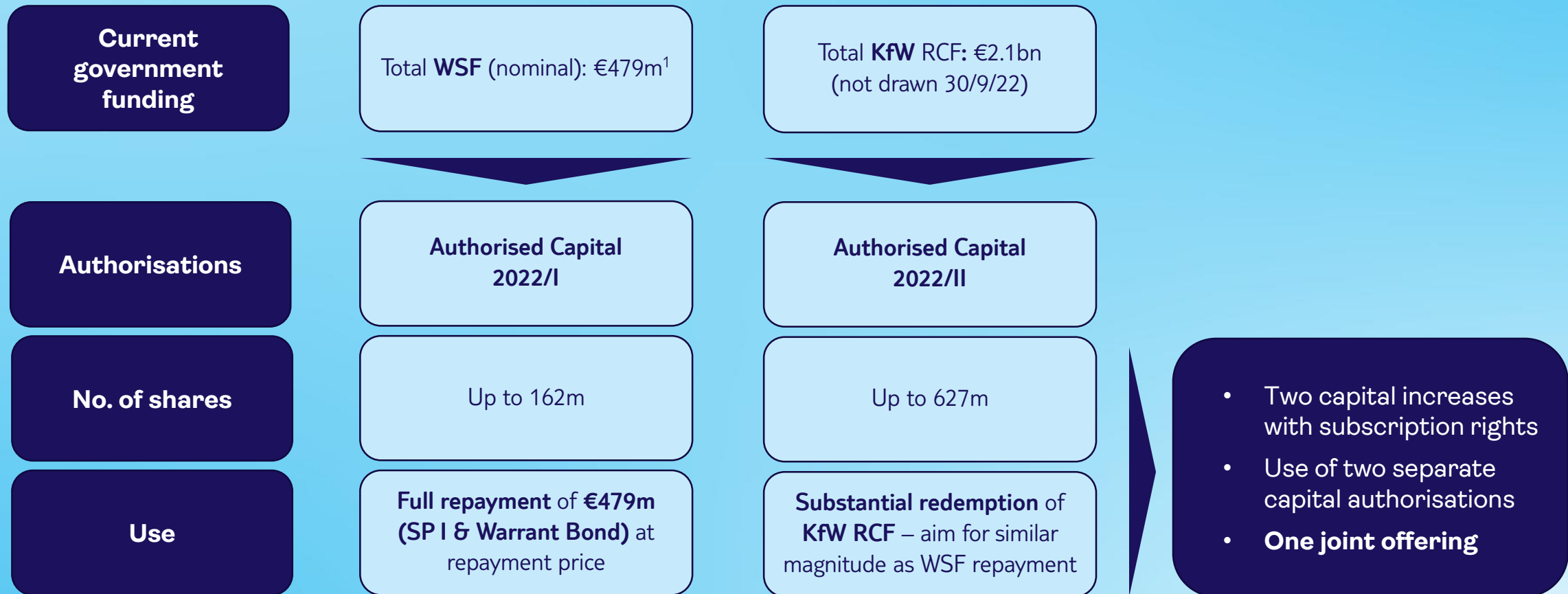
Authorised Capital 2022/II – KfW RCF

- Capital increase mainly dedicated to substantial redemption of the KfW RCF facilities

Joint Offering



... using existing authorisations to execute WSF Agreement: repayment WSF & substantial redemption of KfW RCF...



Executive Board commits to limit use of existing authorisations as detailed above – capital increases to be carried out simultaneously in one joint offering



... to emerge stronger in an attractive, long-term growth sector



Capital increase is expected to

- ✓ **Strengthen balance sheet**
 - Reduce leverage to well below 3x
 - Lower cost of capital
 - Accelerate path to an improved credit rating
 - Continue to simplify capital structure
- ✓ **Allow the business to drive growth** at attractive return levels and grow market share
 - Drive enhanced reach and product offer for customers
 - Restore ability to undertake selective bolt-on investments
- ✓ **Lay the foundation to return to a more normal capital allocation policy**

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TUI exits the pandemic well positioned for FY23 and beyond – Higher flexibility with a lower risk & cost base



TRUSTED BRAND
Valued by customers



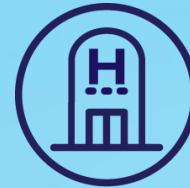
TUI CUSTOMER OFFER
More quality, more flexibility,
more differentiation



BUSINESS MODEL
Covering full tourism value chain



RIGHT SIZED AIRLINE
Own-flight capacity reduced by 17 aircraft
to a fleet of 133 aircraft¹



**REDUCED HOTEL
COMMITMENTS/PREPAYMENTS**



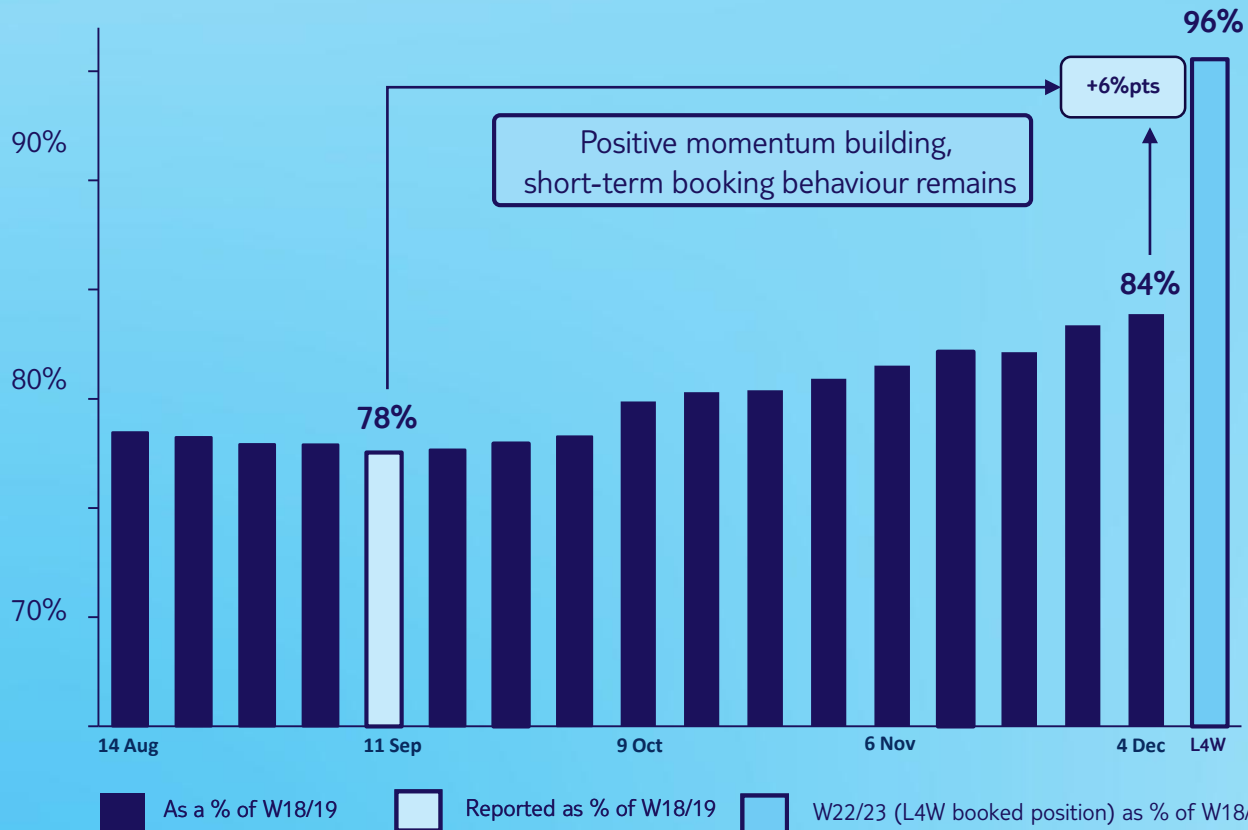
EXECUTION OF GRP
€400m cost savings realised by FY23 to
soften inflationary environment

TUI is well positioned for growth with a trusted brand and resilient business model

Short-term bookings continue into Winter – cumulative booked position improved by +6%pts, now being 84%

W22/23 Cumulative Net bookings as % of W18/19

2.8m bookings, +1.5m added since trading update



Versus 18/19	W22/23	L4W
BOOKINGS¹	-16%	-4%
ASP	+28%	> cumulative
CAPACITY	Close to normalised W18/19 levels	

Versus Winter 21/22

- Cumulative net bookings +34% reflecting an improved trading environment compared to last year
- ASP up +7%, which will help to soften the impact from FX volatility & the current higher inflationary environment



FY23 H1 Trading: Positive momentum continues with all segments clearly ahead of prior year

HOLIDAY EXPERIENCES

Versus 2022

23 H1¹

Trading Environment

HOTELS & RESORTS



Avail. Bed Nights

-2%

Occupancy %

+9%pts

- Avail. Bed Nights slightly lower due to hotel renovations
- Booked occupancy of 57% vs. prior year of 48%
- Both Occupancy and Ave. Daily Rate well ahead of prior year, with RIU continuing to drive strong performance
- Caribbean, Canaries & Cape Verde key destinations in H1

CRUISES



Avail. Passenger Cruise Days

+21%

Occupancy %

+37%pts

- Available passenger cruise days well ahead of prior year, due to easing of Covid related travel restrictions and returning customer confidence
- Occ. for many cruises developing towards peaks last seen in 2019
- 2023 booked ticket rates for all brands above pre-pandemic levels

TUI MUSEMENT



Experiences Sold

+75%

- Experiences growth driven by a more normalised travel environment, enlarged product offering & our diversified distribution (TUI, B2C and B2B).
- Transfers continues to develop in line with capacity assumptions of Markets & Airlines in H1



FY23 Modelling Assumptions per 14 December 2022

	FY23e ¹	FY22
Revenue ²	Expect further strong increase in Revenue	€16,545m
Underlying EBIT ²	Expect Und. EBIT to increase significantly	€409m
Adjustments (incl. PPA) ³	-€60m to -€80m	-€89m
Net interest ⁴	-€410m to -€430m	-€466m
Net investments ⁵	-€450m to -€500m	-€316m
Leases & Asset financing	Broadly stable	-€3,610m
Net debt	Broadly stable	-€3,436m



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Tourism remains a growth sector - fundamentals remain attractive

TRAVEL IS A MEGA TREND



Tourism growth above GDP –
a multi-year growth industry



Favourable demographic
supported by high disposable
income and longevity



Experiences
The new lifestyle & global
trend in travel

CEO priorities

**Grow
market share**

New products

**New
customers**

Strong focus on quality

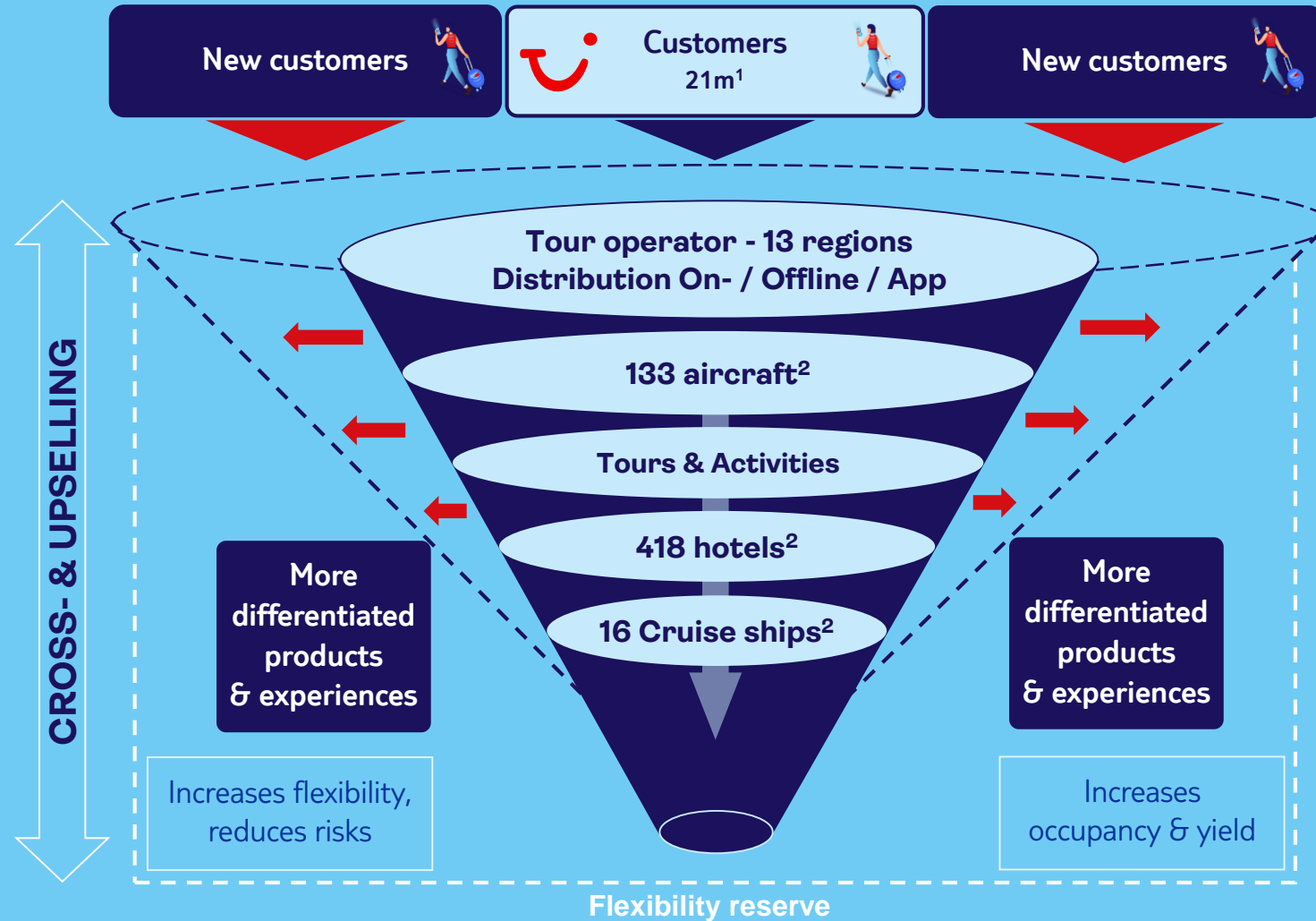
Sustainability as opportunity

Winning team



Grow market share – Broadening the TUI funnel

Attracting existing & new customers with new products...

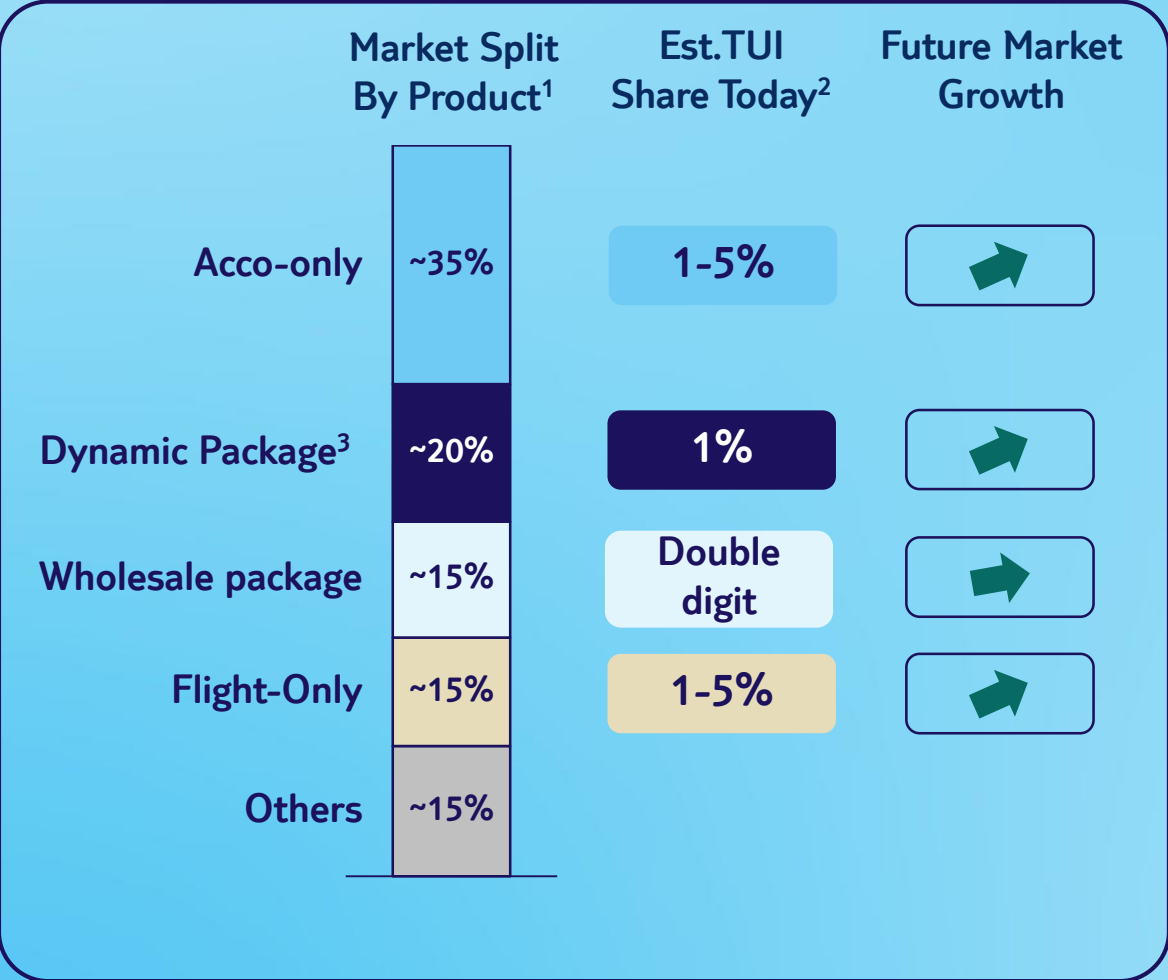


... driving profitable & de-risked growth as we strengthen occupancies & yields in our assets



Grow market share – Growth opportunities in Markets & Airlines

Markets & Airlines



Our opportunities

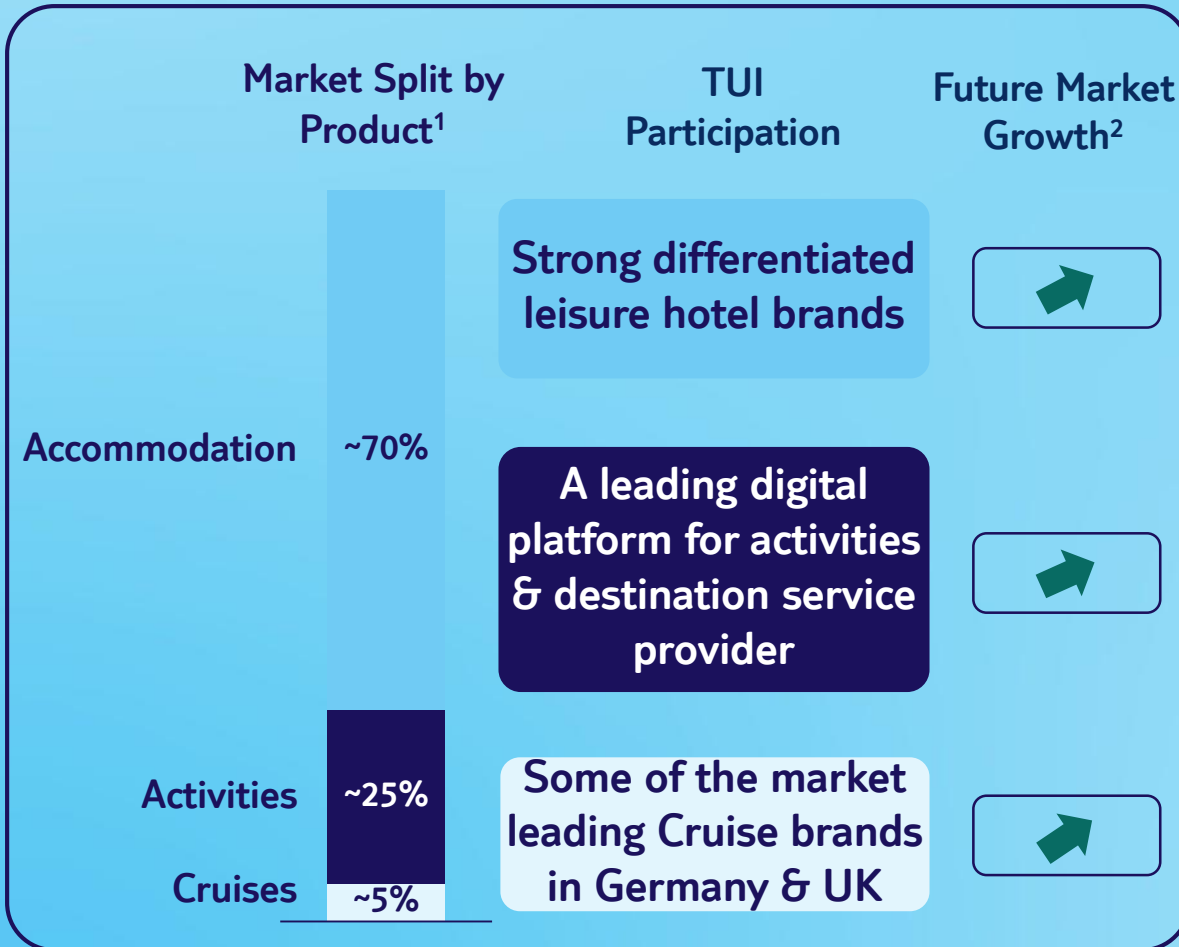
- Grow market share in our traditional Wholesale package market – be more agile & more competitive
- Leverage the TUI brand to grow in additional markets of the Leisure industry
 - Dynamic Packaging
 - Accommodation- & Flight-Only
 - Cars
 - Tours & Experiences
 - Develop new markets & destinations

Target product led growth in existing & untapped customer segments



Grow market share – Growth opportunities in Holiday Experiences

Holiday Experiences



Our opportunities

- Developing our strong hotels & cruise brands
- Grow through new differentiated products
- Develop new destinations
- Enhancing the customer experience
- Increase direct distribution
- Grow in the things to do market with our scalable digital platform

Broadening the funnel by driving asset-right & JV growth to tap existing & new customer segments



New products

TUI's Heartland products & future growth to attract new customers

SUN & BEACH...

Wholesale package



...DYNAMIC PACKAGING...



...WEEKEND TRIPS ...

Accommodation- & Flight-only



... HOTELS & CRUISES...



...EXPERIENCES & TICKETS...



... TOURS



■ TUI Heartland products

■ TUI Future growth



New customers – extending TUI’s appeal in existing & untapped customer segments with new products

TUI Heartland



Smart tanners

Deal-driven, families and couples mostly looking for sun&beach



Home & Away

Safety-driven, looking for familiarity and service. Often young families



Senior Service

Service and advice seeking older couples. Strong affinity to retail stores

TUI Future



Energized Adventurers

Older, confident, more affluent and adventurous. Into culture & exploration



Travelistas

Younger, independent and adventurous. Lower expenditure, higher frequency

- TUI has a **strong market share** in the traditional **Heartland** segments
- The traditional Heartland products form a smaller proportion of the total leisure market

Our ambition

- Attract **existing and new customers** with **new products** to participate in the **larger & higher growth segments** of the leisure market, e.g.
 - Dynamic Packaging
 - Accommodation- & Flight-Only
 - Cars
 - Ancillaries
 - Tours & Experiences



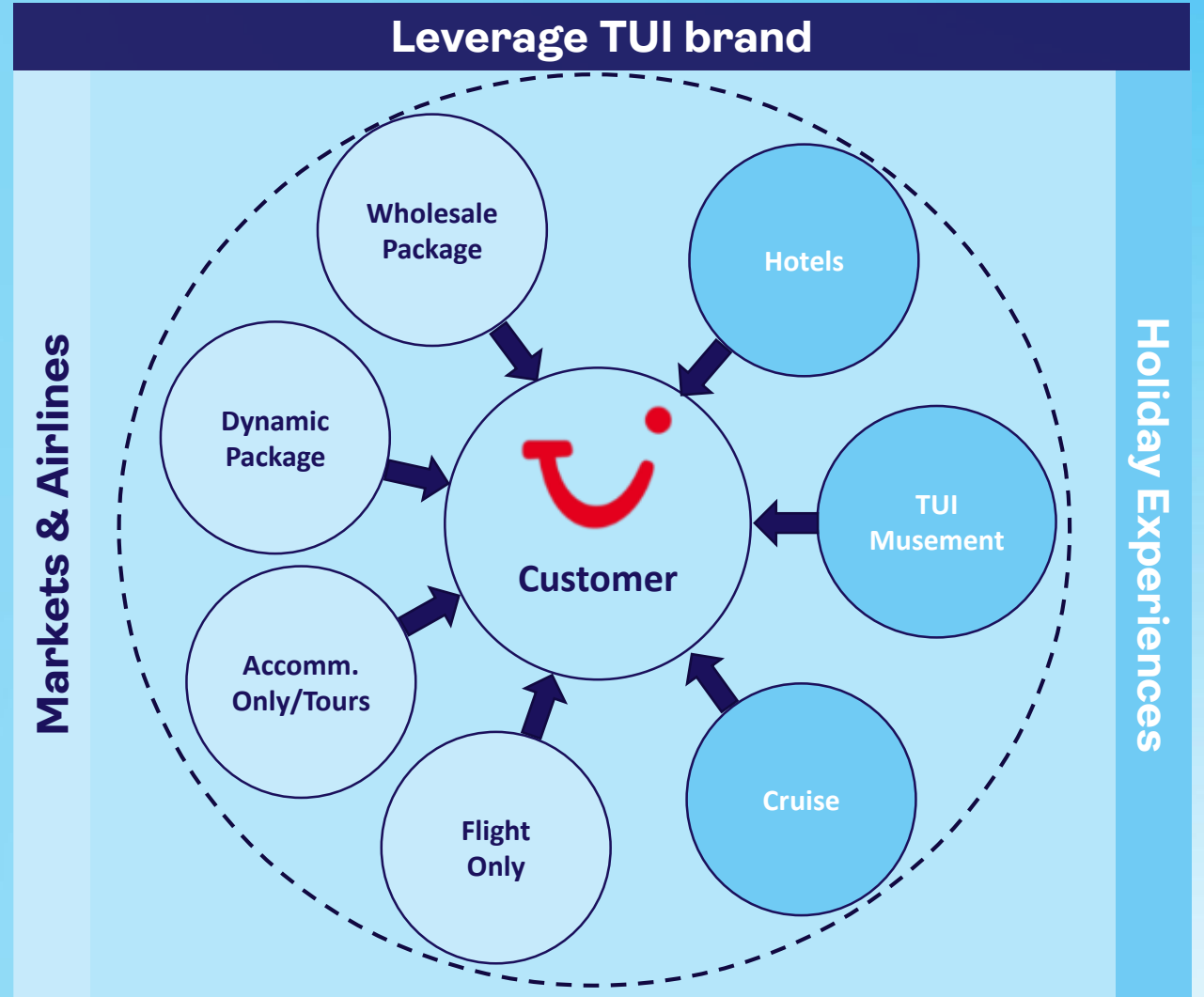
Bring more customers into TUI's central customer ecosystem



App-centric

CRM

One customer account, loyalty programme
(+ further initiatives)



CEO priorities

**Grow
market share**

New products

**New
customers**

Strong focus on quality

Sustainability as opportunity

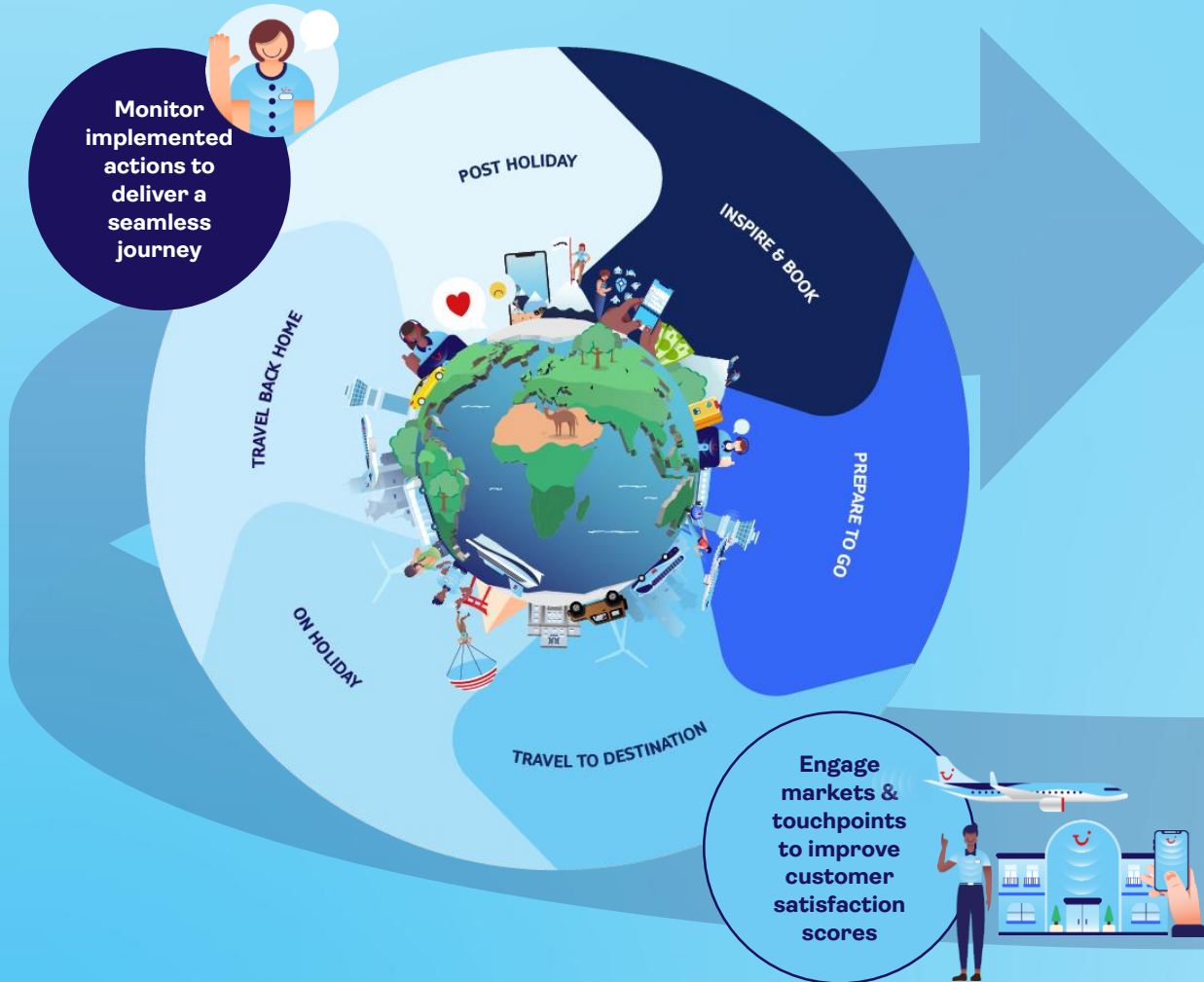
Winning team



Strong focus on quality - Customer happiness is at our core

Our ambition is to improve NPS 46¹ & CSAT 8.4² further

TUI's continuous improvement cycle



Live Happy - Delivering on our customer promise

Measured through NPS



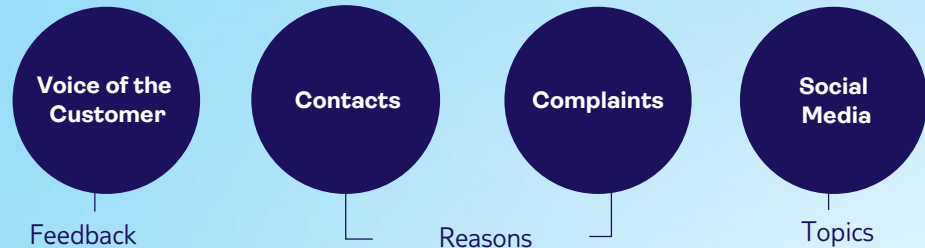
Makers of Happy – our people

Engaged & knowledgeable
Accountable and empowered
Effective Leadership



Process ownership
Effort in our delivery
Continuously improve

With continuous customer satisfaction monitoring



Sustainability as opportunity - Our ambition is to be industry-leading in achieving net-zero & we aim for this well before 2050

People

- Boost positive impacts of our industry
- Empower a generation of sustainability changemakers.
- Ensuring that tourism & local supply chains benefit local people & communities.

Planet

- Commitment to achieve net-zero emissions well before 2050 (EU Green Deal).
- Our ambition: to be faster and remain leader in sustainable tourism.

Progress

- Enabling 20m customers/year to make sustainable holiday choices by 2030
- Co-creating sustainable future for destinations with partners:
Destination Co-Lab: Rhodes.

Empower to drive development



- From 2024: €10m annually to fund TUI Care Foundation destination programmes
- Focus: education, community empowerment, marine conservation & landscape restoration

Reduce our footprint



- TUI joined Science Based Targets initiative
- Committing to emission reductions in line with latest climate science by 2030 for airlines, cruises and hotels.

Accelerate the transformation



- Goal: Establish Rhodes as global centre for sustainable destination model development.

TUI's ambitious sustainable transformation roadmap is the prerequisite for our profitable growth of the future

Winning team: Let's TUI it – let's do it the TUI way!



Talent acquisition & talent attraction

Upskilling programmes & **irresistible** employer **brand**

Diversity, equity, inclusion strategy & wellbeing initiatives

Global **all-inclusive culture**

Leadership

Strong focus on **execution, entrepreneurship & employee engagement**

Employee experience

Continuous **employee listening & unique moments that matter**

CEO Priorities - Summary

- **Grow Market Share:** We will drive profitable growth by doing things better and by building on our strengths.
- **New Products:** By growing our product range – Acco-Only, Flight-Only, Tours, Dynamic Packaging, Cars, Ancillaries – and increasing choice and flexibility, our customers will buy more from us as we expand the central customer ecosystem
- **New Customers:** Our diversified product portfolio is enabling us to target existing & new customers, beyond the segments in which we are already the market leader
- **Strong Focus on Quality:** We do many things very well, but there are always opportunities for improvement, ways we can make the customer even happier
- **Sustainability as Opportunity:** We have the opportunity to lead change, leveraging cutting edge technology and making the right choices to drive our sustainability agenda. It is the right thing to do
- **Winning Team:** Crucial to our success is having winning teams in all areas of our business, colleagues that support each other's weaknesses and enable each other's strengths – *Entrepreneurial Spirit, Clear Leadership & Accountability, Fast Decision Making, Resource Support, Focus on Execution*

“We’re playing to win.”

Sebastian Ebel



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Peter Ulwahn, CEO TUI Musement



2022 – CEO TUI Musement and member of TUI Group Executive Committee

2020 – Chief Digital Officer

2015 – TUI Musement Executive Leadership Team

2015 – Regional Director Long Haul, Miami

2014 – Product Director and Board Member Fritidsresor, Sweden (today TUI Nordic)

1994 – Tour Guide, 20+ destinations

➤ **28 years of TUI experience**



Priority: Build unique products and digitalise experiences, tours and transfers. Create a mature **digital** culture that is **consumer-centric**, and ensure that TUI Musement continues to **be at the forefront** of the Tours & Activities market



In a nutshell

TUI Musement is a leading provider of experiences, transfers, and tours across the world

Tours & Activities market is growing & still unconsolidated, representing the next big opportunity in travel

TUI MM is a pioneer in digitalisation in a mostly offline industry

Positioned for growth with a scalable digital platform model and in-destination service



Great things to do in
>120 countries



Experiences Sold*
>10m

Excursions, activities, attraction tickets, and cruise shore excursions



Revenue*
>€1.2bn



Transfers Sold*
>31m

Shared and private transfers from airport/port to hotels



EBIT*
>€56m



Tours Sold*
>300k

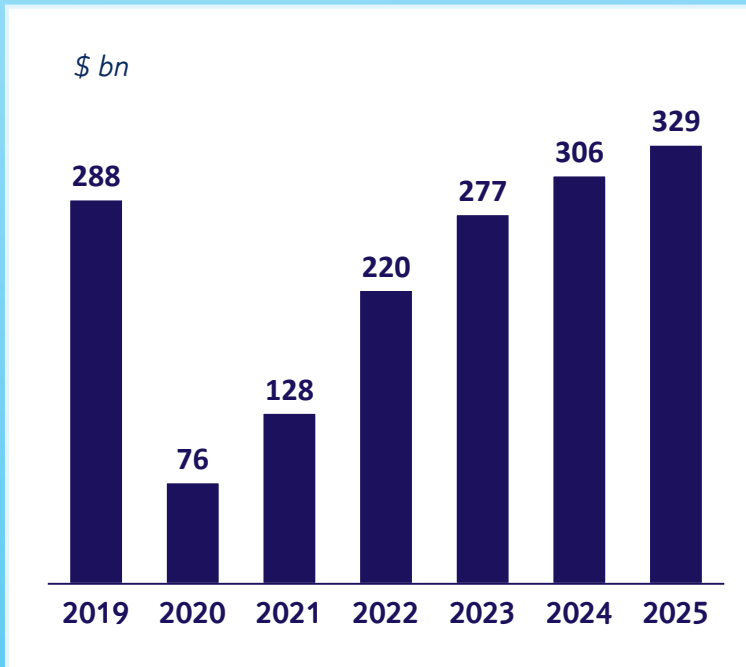
Multi-day tours that include hotels, transport, experiences & guide



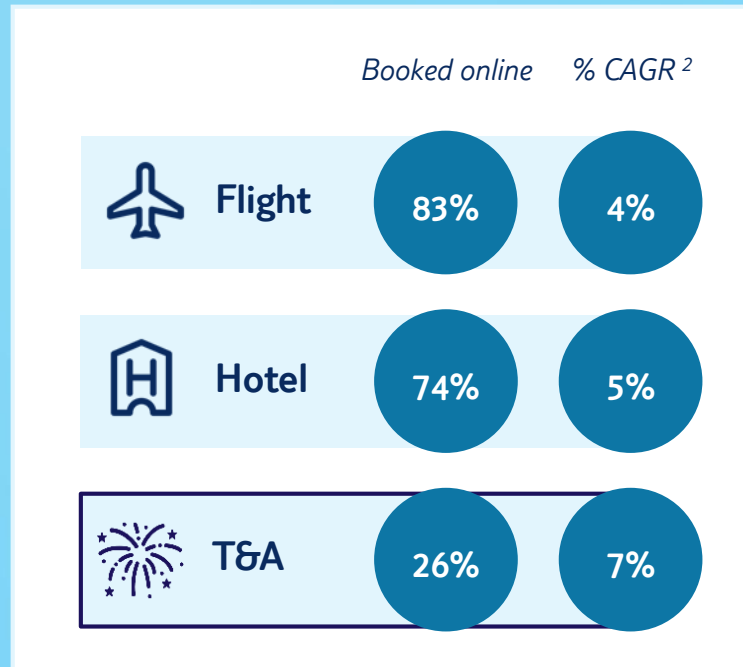
Tours & Activities market

Fastest growing market in travel fueled by digitalisation

Large & growing market¹



Next big opportunity in travel



Experiences - Unique characteristics

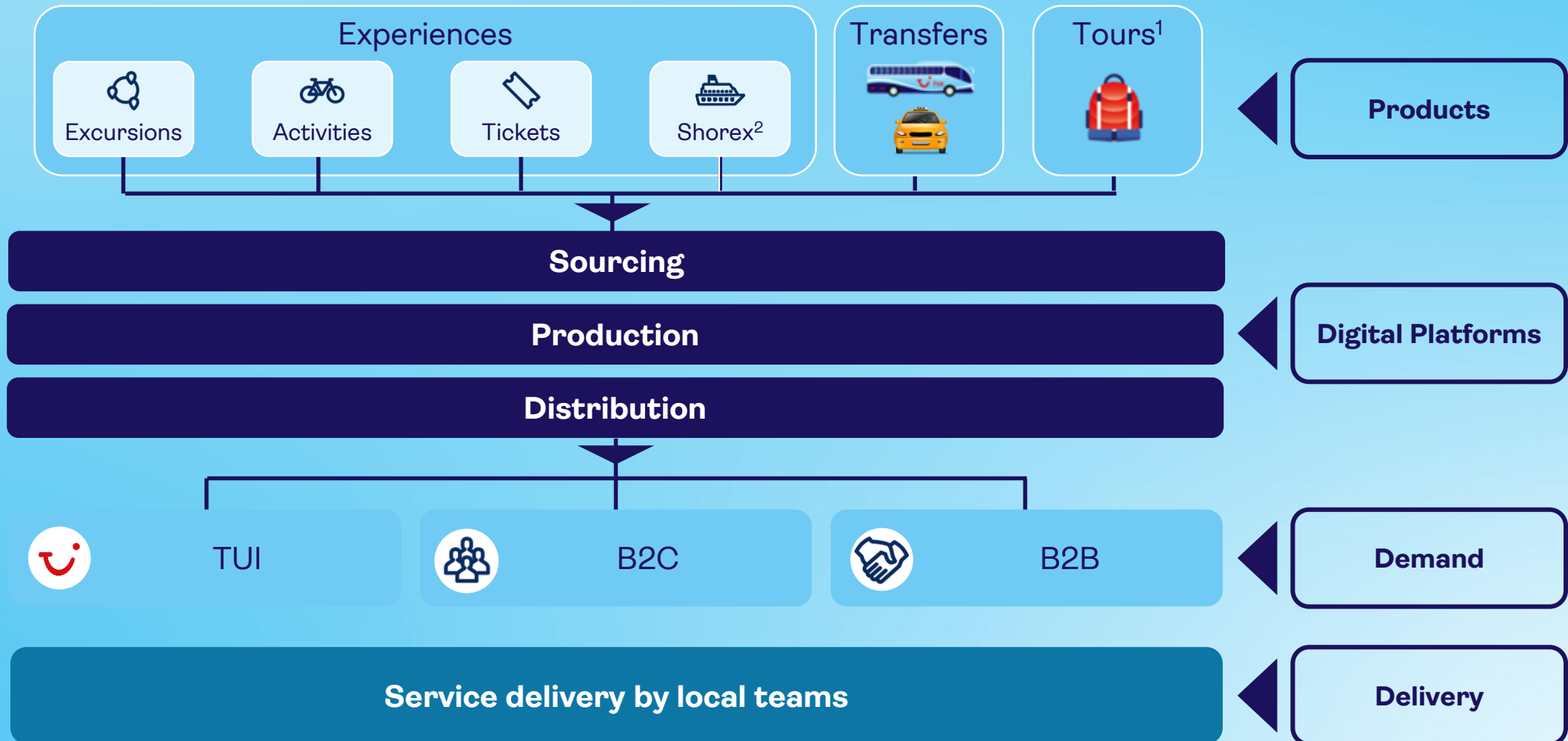
- Fragmented supply**
 Unstandardized sector where intermediation plays a critical role
- On the spot market**
 In-destination presence is still very relevant as 2/3 book on holiday
- Driver of leisure travel**
 Increasing importance of experiences as key factor for travel decision
- Promoting loyalty**
 Enhance customer satisfaction metrics with higher Net Promoter Score

TUI Musement's addressable market remains sizeable and will exceed pre-Covid levels in 2024 powered by the importance of tours & activities as a driver for travel and leisure

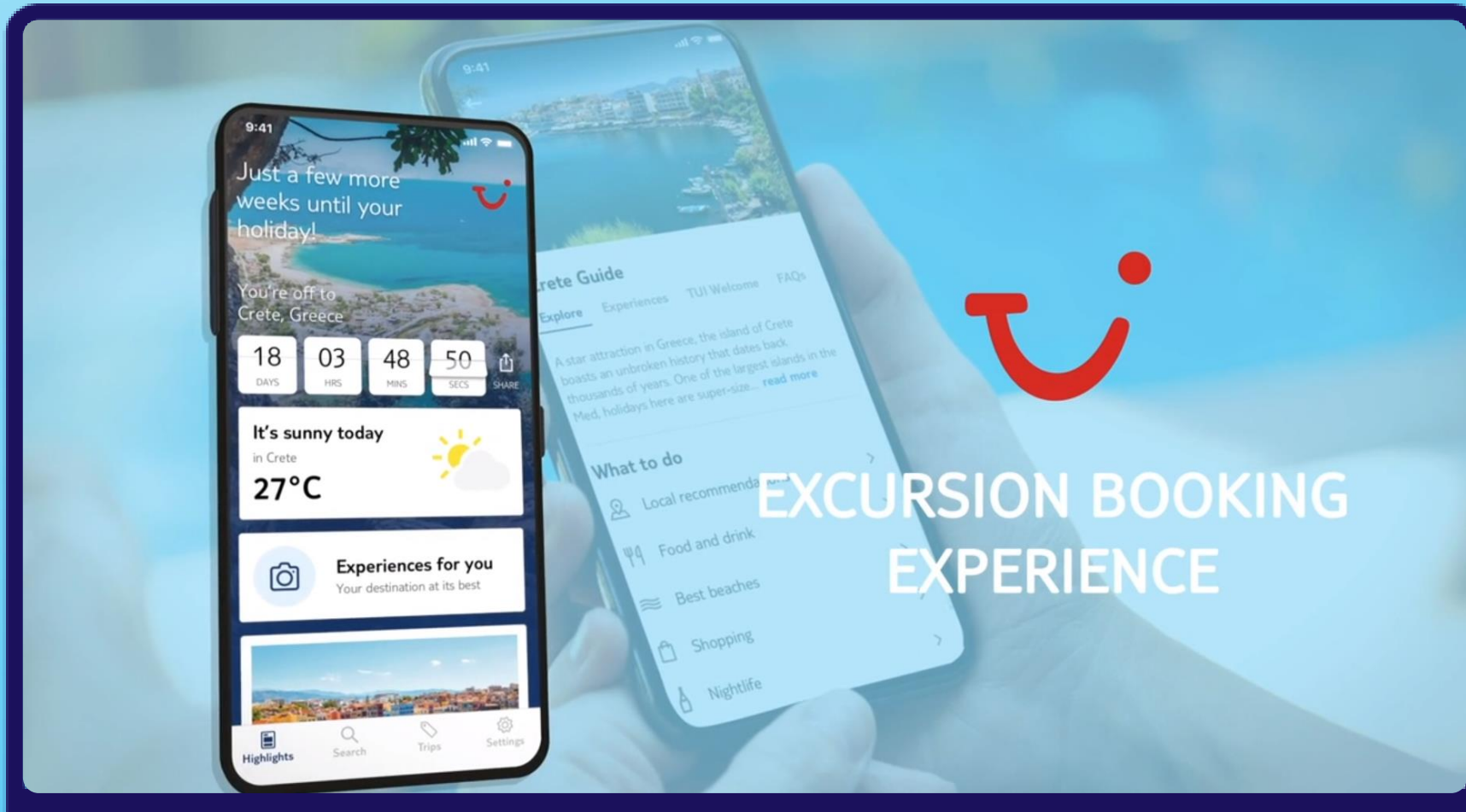


A unique business model

End-2-end model enabled by state-of-the-art digital platforms

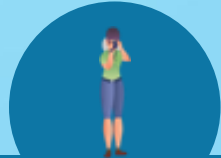


Video: Cross-selling experiences through the TUI App



Competitive landscape – key competitors

Unique positioning in all 3 categories



Experiences

viator

GET YOUR GUIDE

 **TUI MUSEMENT**

E2E¹ production & distribution platform for a wide range of highly curated experiences, complemented by relevant 3P products



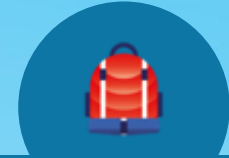
Transfers

 **Suntransfers.com**

 **talixo**

 **TUI MUSEMENT** + 

Transfers platform with global offering of shared transfer services and private transfer up-selling options



Tours

tourradarTM

 **evaneos**

 **TUI MUSEMENT** +  **nezasa**

E2E¹ production & distribution platform offering both curated group tours and real-time fully flexible private tours

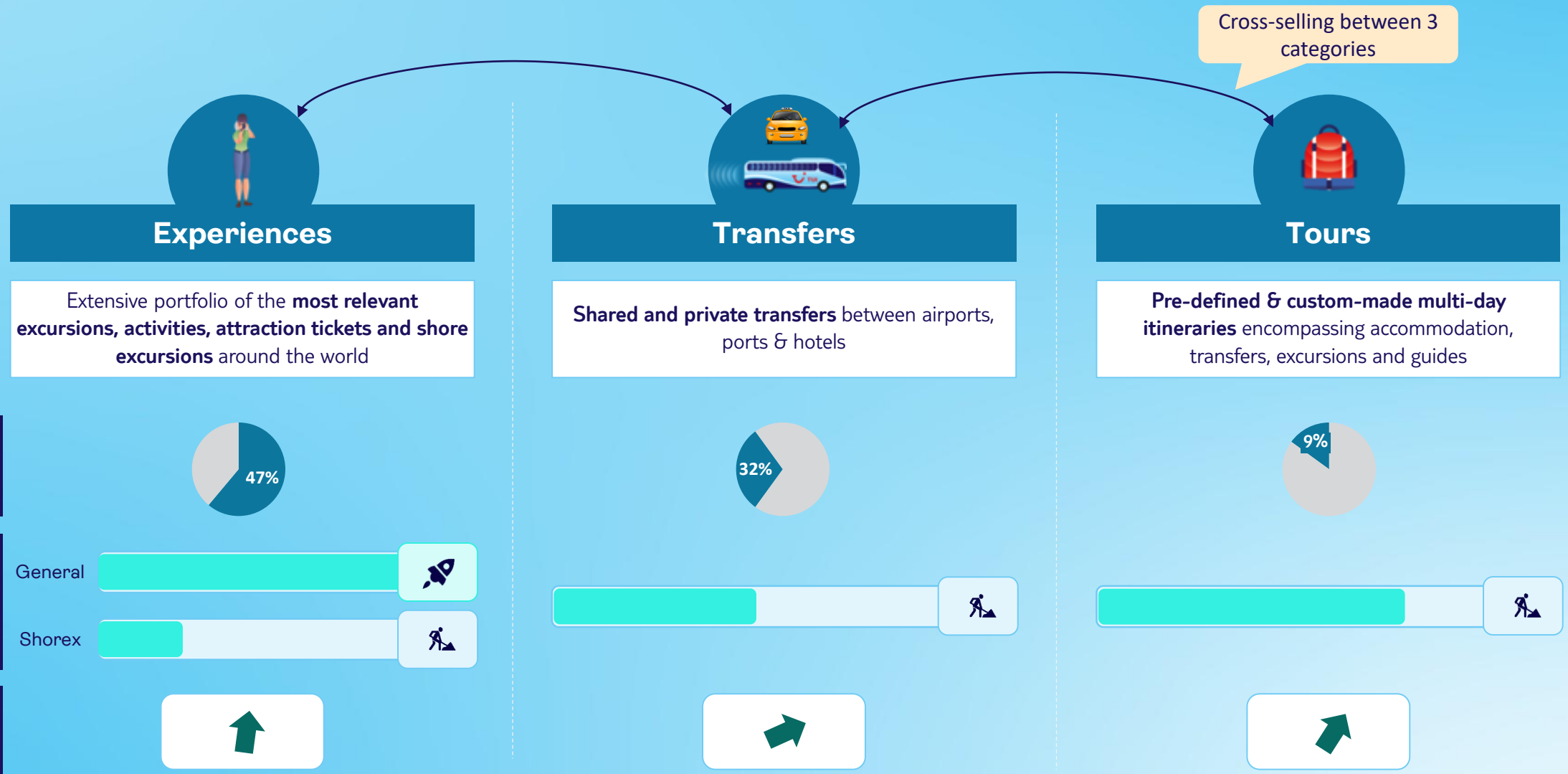
Selected competitors

Differentiated Value Proposition



TUI MM product categories

Driving digitalisation in our 3 complementary product categories



Strong and diversified distribution

Leveraging TUI's scale and acquiring new customers

1

TUI

Cross/Up-sell products to other TUI division customers: Markets, Airlines, Cruise, Hotels...



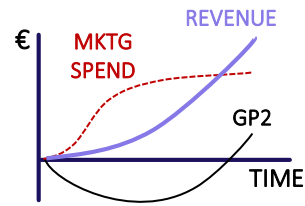
Omnichannel distribution

Access to 21m+ TUI customers

2

B2C

Experiences, transfers and tours for any and all travellers around the world via our digital platforms



Seek long-term value vs short-term profit



Entry point for new customers to the TUI ecosystem

3

B2B

Custom digital platforms and service solutions for leading travel businesses

OTAs

Booking.com

Cruise Lines



Tour Operators

easyJet holidays

Hotels



Maximize our reach within TUI and with key downstream partners, and serve as an entry point for new customers into the TUI Group ecosystem





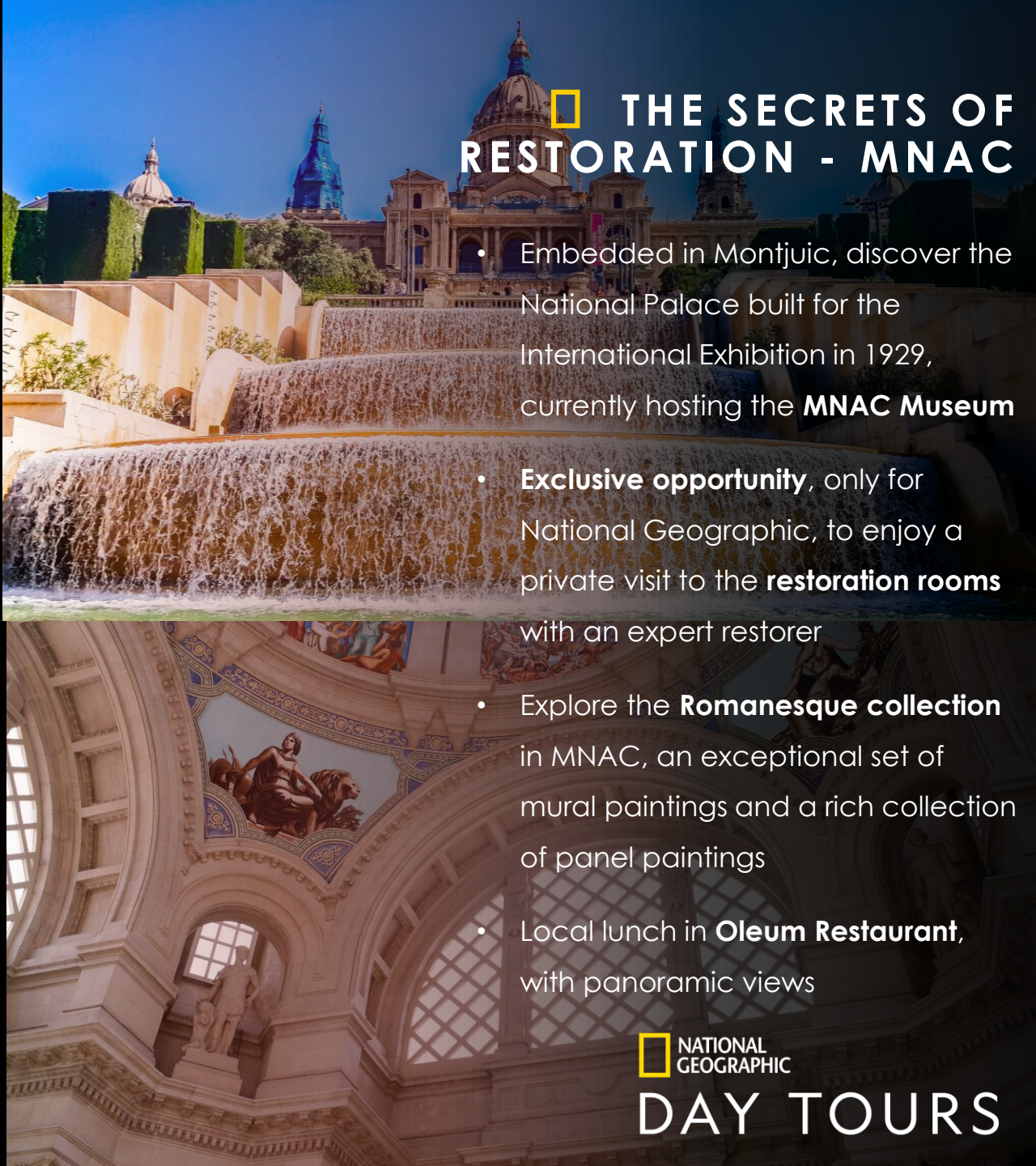
BAMBOO RAFTING & TASTES OF JAMAICA

- Experience an atmospheric bamboo raft ride down the Martha Brae River
- Enjoy a special swim in the rare, glowing waters of the Luminous Lagoon
- Savour a typical Jamaican dinner and love a limbo dancing performance



THE SECRETS OF RESTORATION - MNAC

- Embedded in Montjuic, discover the National Palace built for the International Exhibition in 1929, currently hosting the **MNAC Museum**
- **Exclusive opportunity**, only for National Geographic, to enjoy a private visit to the **restoration rooms** with an expert restorer
- Explore the **Romanesque collection** in MNAC, an exceptional set of mural paintings and a rich collection of panel paintings
- Local lunch in **Oleum Restaurant**, with panoramic views



DAY TOURS

Summary & Highlights

TUI Musement has a unique position in a high growth market, developing at c.7%¹ p.a. within the travel industry

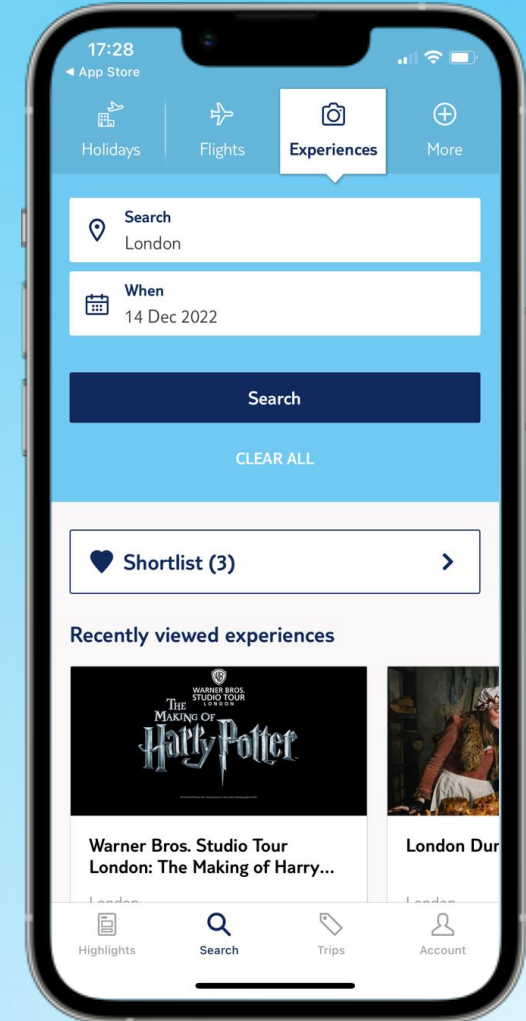
Profitable player positioned for growth combining a digital platform model with in-destination delivery

Differentiated value propositions within 3 distinct product categories: Experiences, Transfers & Tours – maximizing cross-selling between categories

Leveraging TUI Musement's attractive product portfolio to sell to TUI, B2C, and B2B customers

Growth, driven by further digitalisation, will be generated organically & through selected bold-on M&A opportunities

Our ambition is to outperform growth of the T&A market whilst maintaining our profitability



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Clear mid-term strategy to capture future market growth potential



Accelerate profitable growth

With new customer segments & more product sales

Improve profitability and margin

Focus on Cash Flow

Strengthen Balance Sheet

OUR FY23 ASSUMPTIONS

- Revenue¹ expected to further increase strongly
- Und. EBIT¹ expected to increase significantly

OUR 2025/26 MID-TERM AMBITIONS

- Und. EBIT to significantly build on €1.2bn²
- Return to a gross leverage ratio³ of well below 3.0x

CREATING SHAREHOLDER VALUE

APPENDIX

Global Realignment Programme ~€400m p.a. cost reduction target fully implemented

PILLARS

 REDUCE COSTS

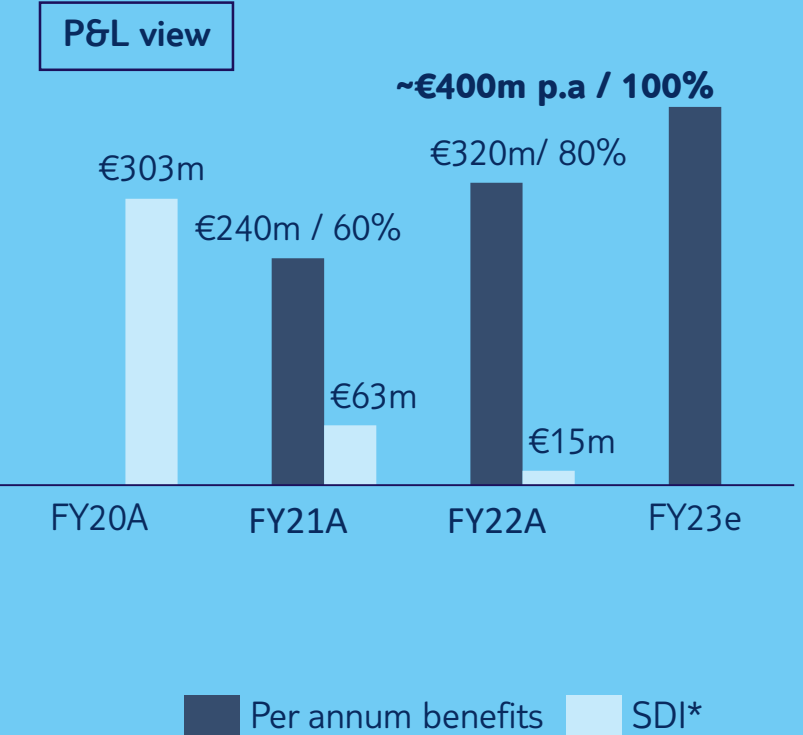
 REDUCE CAPITAL INTENSITY

 DRIVE DIGITALISATION

RECENT PROGRESS

- Programme now **successfully implemented** with 7k FTE roles reduced
- **Majority of savings** sit in **Markets & Airlines** and are driven by **airline rightsizing** and **reduction of our distribution costs** with 121 net retail closures (81 in Central Region and 40 in Northern Region)
- During the pandemic TUI Musement successfully transformed into a **Digital Platform business**. Focus is now moving to growing this platform.

PHASING



80% benefit delivered by FY22



Movement in Net Debt

FY22 9M to FY22 YE

In €m	FY22 YE IFRS 16	FY22 9M IFRS 16	QoQ Δ
Opening net debt as at 1 October	-4,954	-4,954	0
FCF after Dividends	1,325	1,332	-7
Non cash additions ¹	-257	-253	-5
Capital Increase ²	852	852	0
Other	-404	-294	-110
Discontinued operations - Nordotel	2	2	-
Closing Net Debt	-3,436	-3,314	-122

In €m	FY22 YE IFRS 16	FY22 9M IFRS 16	QoQ Δ
Financial liabilities	-5,259	-5,013	-246
- Lease liabilities under IFRS16	-3,208	-3,231	24
- Bond with warrant	-48	-52	4
- Convertible Bond	-532	-522	-10
- Liabilities to banks	-1,383	-1,116	-266
- Other liabilities	-88	-91	3
Cash & Bank Deposits	1,823	1,699	124
Net debt	-3,436	-3,314	-122
- Net Pension Obligation	-438	-387	-51
Memo: Lease liabilities			
- Aircraft	-2,508	-2,468	-40
- Hotels	-268	-319	51
- Ships	-147	-155	8
- Other	-285	-289	5
Memo: Liabilities to banks			
- RCF	-554	-333	-221
- of which Cash ⁵	-554	-332	-222
- of which KfW ⁶	-	-	-
- SSD	-426	-429	3
- Asset Financing	-403	-355	-48

COMMENTS

- SPI³ is classified as equity & dividends will be paid on the basis of the drawn participation⁴.
- **As at 30/09/22:**
 - SPI - €420m fully drawn
 - Cash RCF - €0.6bn of €1.5bn utilised
 - KfW RCF - €0.0bn of €2.1bn utilised



Financing facilities and support packages overview per 30 Sep 2022

	Instrument	Support package #	Facility €m	Utilisation €m	Debt/equity	Maturity date
Bank facilities	RCF (unsecured)	-	1,454 ¹	562m drawn	Debt	July 2024
		-	190 ¹	guarantee line	-	
		1 & 2	2,100	Fully undrawn	Debt	
	Schuldschein	-	425	-	Debt	July 2023/25/28
Bonds	Bond with warrant WSF	2	59	-	Equity-Linked	Warrant-Sept 2030
	Convertible bonds (incl. tap issue)	-	590	-	Debt / Equity-Linked	April 2028
Silent participations	Silent Participation I WSF	3	420	-	Hybrid with equity credit	-
Lease liabilities	Lease liabilities	-	3,208 ²	-	Debt	Various



FY22 Q4 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)¹

In €m	FY22 Q4 IFRS 16	FY21 Q4 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	167,3	282,5	-115,2	13,3	-128,5
- Riu	73,0	178,0	-105,0	14,0	-119,0
- Robinson	35,7	38,8	-3,1	-1,1	-2,0
- Blue Diamond ²	-	-	-	-	-
- Other	58,7	65,7	-7,0	0,4	-7,5
Cruises	152,7	24,3	128,4	-0,0	128,4
- TUI Cruises ²	-	-	-	-	-
- Marella Cruises	152,7	24,3	128,4	-0,0	128,4
TUI Musement	229,8	79,1	150,7	6,8	143,9
Holiday Experiences	549,8	385,9	163,9	20,1	143,8
- Northern Region	3.057,3	592,5	2.464,8	2,0	2.462,8
- Central Region	2.719,7	1.615,2	1.104,5	-3,3	1.107,8
- Western Region	1.247,1	753,6	493,6	-	493,6
Markets & Airlines	7.024,1	2.961,3	4.062,9	-1,3	4.064,2
All other segments	40,2	18,4	21,7	0,4	21,3
TUI Group	7.614,1	3.365,7	4.248,5	19,2	4.229,3



FY22 Q4 Underlying EBITDA by Segment¹

In €m	FY22 Q4 IFRS 16	FY21 Q4 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	328,4	169,0	159,4	7,6	151,8
- Riu	142,8	64,1	78,6	6,0	72,7
- Robinson	60,8	42,6	18,2	-0,1	18,3
- Blue Diamond	11,5	1,2	10,3	1,6	8,6
- Other	113,4	61,1	52,3	0,1	52,2
Cruises	105,2	-26,7	131,8	-0,0	131,9
- TUI Cruises ²	66,3	-5,2	71,5	-	71,5
- Marella Cruises	38,9	-21,5	60,4	-0,0	60,4
TUI Musement	46,3	-1,6	47,9	1,2	46,8
Holiday Experiences	479,9	140,7	339,2	8,7	330,5
- Northern Region	426,1	-157,9	584,0	11,2	572,8
- Central Region	162,2	85,2	77,1	4,1	73,0
- Western Region	164,9	106,1	58,8	5,1	53,7
Markets & Airlines	753,3	33,4	719,9	20,3	699,6
All other segments	-0,9	-14,4	13,5	0,3	13,2
TUI Group	1.232,3	159,7	1.072,6	29,4	1.043,3



FY22 Q4 Underlying EBIT by Segment¹

In €m	FY22 Q4 IFRS 16	FY21 Q4 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	290,9	115,9	175,0	8,2	166,8
- Riu	120,5	39,2	81,3	4,6	76,6
- Robinson	57,5	36,0	21,5	1,6	19,9
- Blue Diamond	11,5	1,2	10,3	1,6	8,6
- Other	101,5	39,6	61,9	0,3	61,6
Cruises	103,1	-42,9	145,9	-0,3	146,2
- TUI Cruises ²	66,3	-5,2	71,5	-	71,5
- Marella Cruises	36,8	-37,7	74,5	-0,3	74,8
TUI Musement	38,9	-8,6	47,5	1,1	46,3
Holiday Experiences	432,9	64,5	368,4	9,0	359,4
- Northern Region	344,2	-257,7	601,8	3,9	597,9
- Central Region	139,6	48,8	90,9	2,4	88,4
- Western Region	128,0	70,8	57,2	1,7	55,6
Markets & Airlines	611,8	-138,1	749,9	8,0	741,9
All other segments	-5,4	-23,2	17,8	0,3	17,6
TUI Group	1.039,2	-96,9	1.136,1	17,3	1.118,9



FY22 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)¹

In €m	FY22 IFRS 16	FY21 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	806,2	440,5	365,7	30,1	335,5
- Riu	587,0	286,3	300,7	28,4	272,3
- Robinson	111,8	67,4	44,5	1,0	43,5
- Blue Diamond ²	-	-	-	-	-
- Other	107,4	86,9	20,5	0,8	20,5
Cruises	331,5	27,0	304,5	5,1	299,4
- TUI Cruises ²	-	-	-	-	-
- Marella Cruises	331,5	27,0	304,5	5,1	299,4
TUI Musement	517,2	116,7	400,6	14,1	386,5
Holiday Experiences	1.654,9	584,1	1.070,8	49,3	1.021,5
- Northern Region	6.320,2	807,7	5.512,6	84,3	5.428,3
- Central Region	5.773,5	2.322,9	3.450,6	-3,8	3.454,4
- Western Region	2.712,6	976,1	1.736,4	-0,0	1.736,4
Markets & Airlines	14.806,3	4.106,7	10.699,6	80,4	10.619,2
All other segments	83,8	40,8	43,0	1,2	41,8
TUI Group	16.544,9	4.731,6	11.813,4	131,0	11.682,4



FY22 Underlying EBITDA by Segment¹

In €m	FY22 IFRS 16	FY21 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	651,3	63,1	588,1	17,3	570,8
- Riu	395,2	52,4	342,8	11,9	330,9
- Robinson	84,5	29,0	55,4	0,3	55,2
- Blue Diamond	49,8	-32,6	82,4	4,9	77,5
- Other	121,8	14,2	107,6	0,3	107,3
Cruises	55,4	-214,1	269,5	-1,8	271,2
- TUI Cruises ²	41,4	-146,7	188,1	-	188,1
- Marella Cruises	13,9	-67,4	81,3	-1,8	83,1
TUI Musement	48,6	-79,9	128,5	1,7	126,8
Holiday Experiences	755,2	-230,9	986,1	17,2	968,9
- Northern Region	213,2	-618,1	831,4	9,1	822,3
- Central Region	192,0	-202,1	394,1	7,8	386,4
- Western Region	109,7	-38,1	147,9	12,6	135,3
Markets & Airlines	515,0	-858,4	1.373,4	29,4	1.344,0
All other segments	-45,6	-55,9	10,4	-0,9	11,2
TUI Group	1.224,6	-1.145,2	2.369,8	45,7	2.324,1



FY22 Underlying EBIT by Segment¹

In €m	FY22 IFRS 16	FY21 IFRS 16	Change incl FX	FX	Change ex FX
Hotels & Resorts	480,6	-152,7	633,3	16,2	617,1
- Riu	304,1	-42,5	346,6	9,3	337,3
- Robinson	54,0	-6,2	60,1	1,8	58,4
- Blue Diamond	49,8	-32,6	82,4	4,9	77,5
- Other	72,8	-71,4	144,2	0,3	144,0
Cruises	0,8	-277,5	278,3	-4,1	282,4
- TUI Cruises ²	41,4	-146,7	188,1	-	188,1
- Marella Cruises	-40,7	-130,8	90,1	-4,1	94,3
TUI Musement	23,2	-105,3	128,5	1,5	126,9
Holiday Experiences	504,6	-535,4	1.040,0	13,6	1.026,5
- Northern Region	-101,6	-965,8	864,2	-10,8	875,0
- Central Region	87,8	-328,6	416,4	3,8	412,6
- Western Region	-31,5	-176,6	145,0	4,2	140,8
Markets & Airlines	-45,3	-1.470,9	1.425,6	-2,8	1.428,5
All other segments	-50,5	-69,1	18,6	-0,9	19,5
TUI Group	408,8	-2.075,5	2.484,2	9,8	2.474,4





ANALYST AND INVESTOR ENQUIRIES

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