



FY23 Q4/12M RESULTS - STRATEGY UPDATE

6 December 2023

TUI is becoming a growing, scalable and global tourism business with ambitious profitability targets



Global Travel & Tourism market set for growth above GDP¹



TUI of tomorrow will unlock significant value by rollout of the global platform thus capturing the customer lifetime value



Strong progress with our sustainability initiatives, on track to deliver 2030 SBTi targets



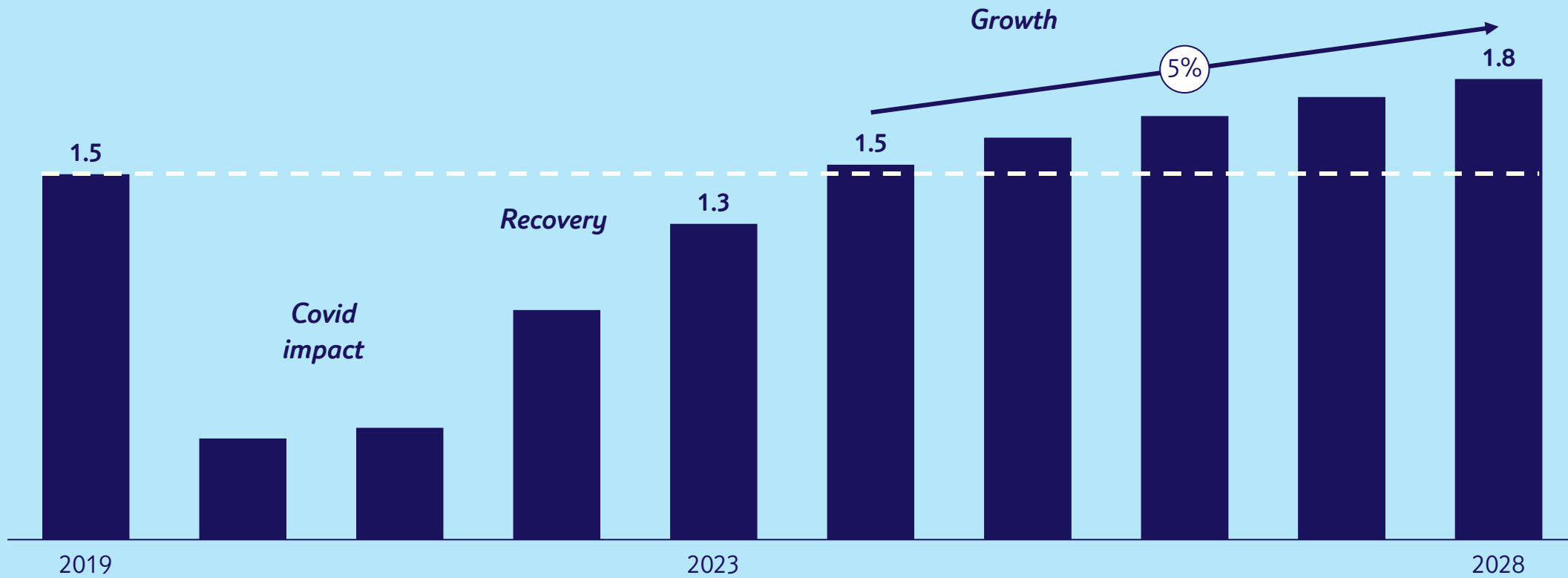
Ambitious Und. EBIT growth targets defined: FY24 at least +25%; mid-term CAGR c. 7-10%

Together we deliver “EXCELLENCE IN LEISURE EXPERIENCES”



Travel & Tourism market set for growth above GDP

GLOBAL INBOUND ARRIVALS (# trips, billions)



TUI well positioned to capture market growth opportunities with consumers continuing to prioritise holidays

Market Growth¹



>5%

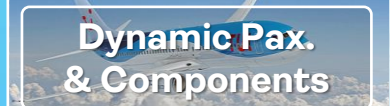


>5%



>5%

PACKAGE & COMPONENTS



>5%



c. 1%

Travel is a Mega Trend



Favourable demographic supported by **high disposable income and longevity**



Experiences – the new lifestyle & global trend in travel

According to a recent external consumer survey:



Consumers expected to continue prioritising holidays abroad ahead of other forms of discretionary spend



Higher share of typical package holiday customers anticipated to go on a package holiday vs. last year



The TUI of tomorrow will unlock significant value



More market share with new products tapping new customer segments

1 More market share, profitable growth & more resilience



Building Blocks

- Dynamic Packaging
- Accomodation-Only
- Flight-Only
- Tours
- Ancillaries
- Car Rentals

- Smart Tanners
- Home & Aways
- Senior Service
- + Travellistas
- + Energised Adventurers

Growth target

- Leveraging our strong market positions
- Driving efficiencies & margins through scaling platforms
- Grow Wholesale Package by c. 1% CAGR in line with market
- Grow Dynamic Packaging by low double-digit CAGR
- Grow Share of App Sales by mid double-digit CAGR



Dynamic Packaging growing in popularity with our customers

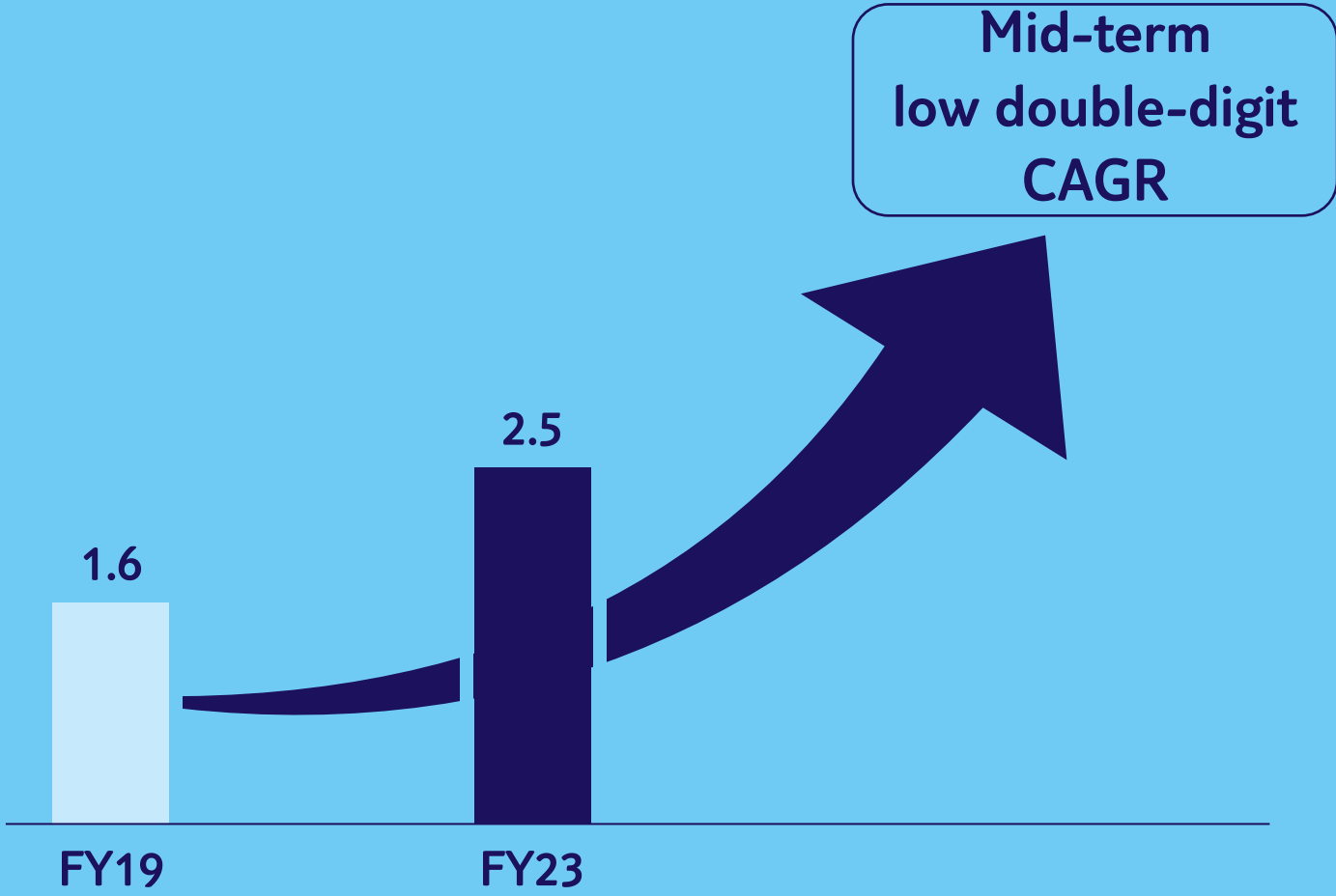
1 More market share, profitable growth & more resilience

What is Dynamic Packaging?

Dynamic package pax (in m)

At least one product of the package holiday dynamically sourced:

- 1 Full Dynamic = Flight + Accommodation dynamically sourced
- or
- 2 Dynamic Flight = Flight dynamically sourced
- or
- 3 Dynamic Accommodation = Accommodation dynamically sourced



Our unique and differentiated product portfolio drives margin & customer retention...

HOTELS & RESORTS



360 Hotels¹

Strong Brands:



16% ROIC

(RIUSA II 19% ROIC²)

CRUISES



16 Cruise Ships

Strong Brands:



20% ROIC

TUI MUSEMENT



>45k Experiences

Leading provider of experiences, transfers & tours

31% Uptake Rate

> 5% market growth³

... and we are accelerating further growth via asset-right strategy

HOTELS & RESORTS



CRUISES



TUI MUSEMENT



Building Blocks

- Value investments
- Asset-light growth, through
 - RIU JV
 - Hotel Fund
 - Hotel Platform

- JV growth
- Expand source market distribution / broader marketing position

- Drive customer growth
- Growth through direct channels & cross and upsell
- More own differentiated products

Growth pipeline

➤ Pipeline of 41 hotels¹

➤ 3 planned new ships

➤ Expand experiences sold by low double-digit CAGR



Strong Customer Satisfaction across the entire customer journey

2

Drive margin & retention

	FY24 YTD vs. PY
NPS	46 to 53
CSAT	8.4 to 8.5
Retention Rate ¹	Approx. 40%

- **Strong NPS with CSAT improving across all consumer touchpoints** driven by our continued focus on quality
- **Av. customer age 47 years** for M&A segment & **higher share of customers in middle/high income brackets**
- **High share of couples & families** who continue to prioritise holidays

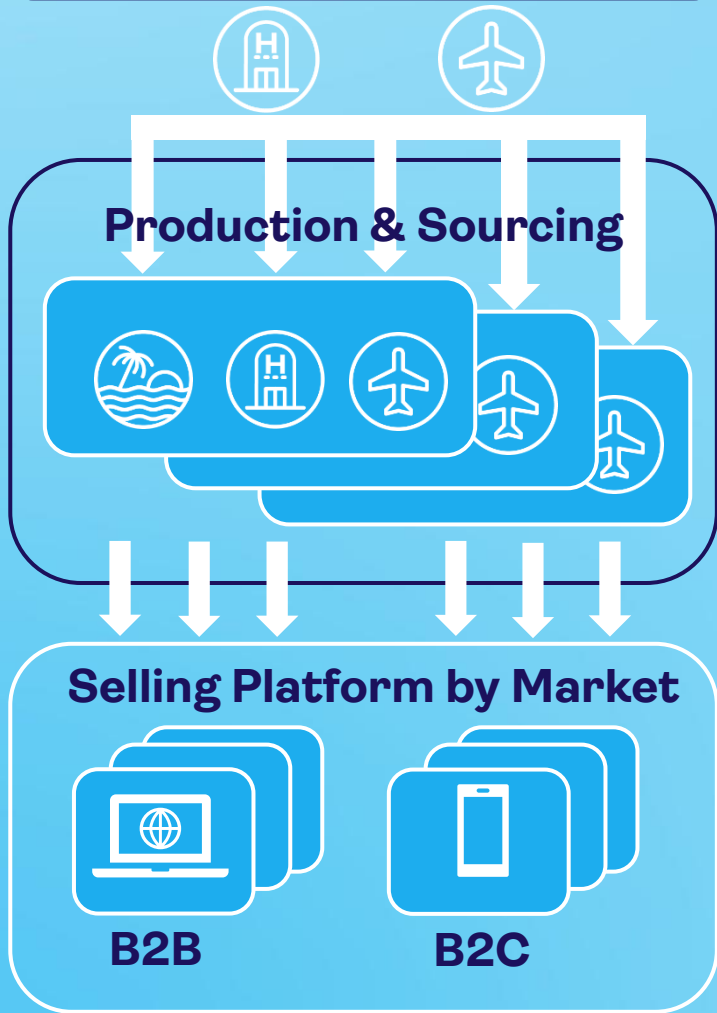
 Brand Experience  Customer Needs  Customer Touchpoints

¹ Two-year retention

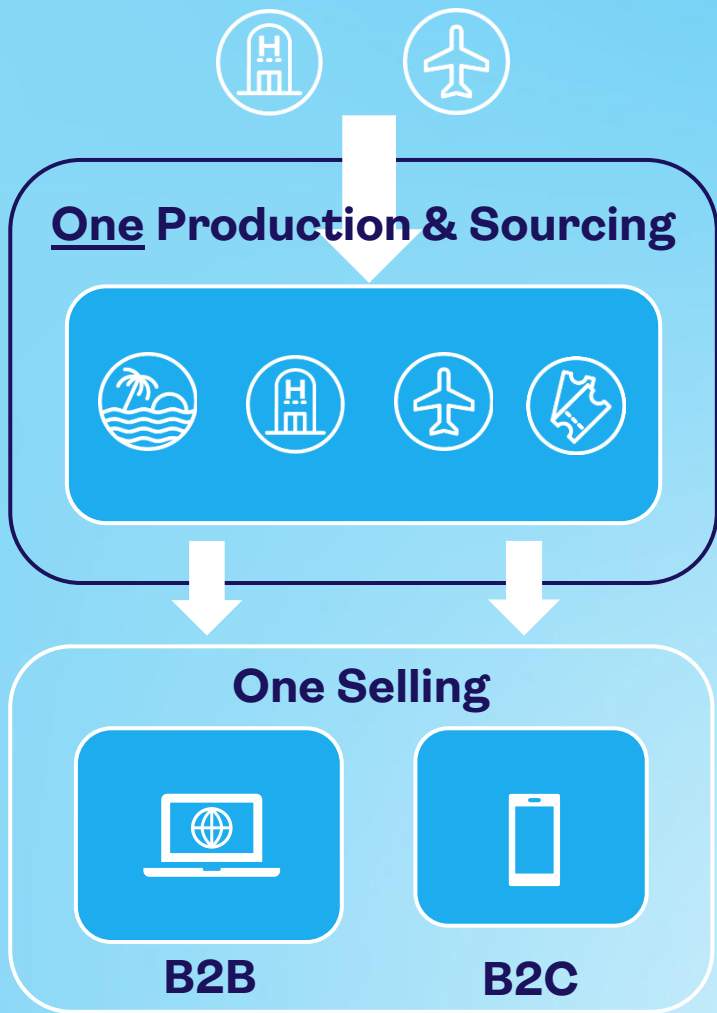


From many market platforms to ONE Global Platform used by all markets

From many market-specific platforms



To one platform used by all markets

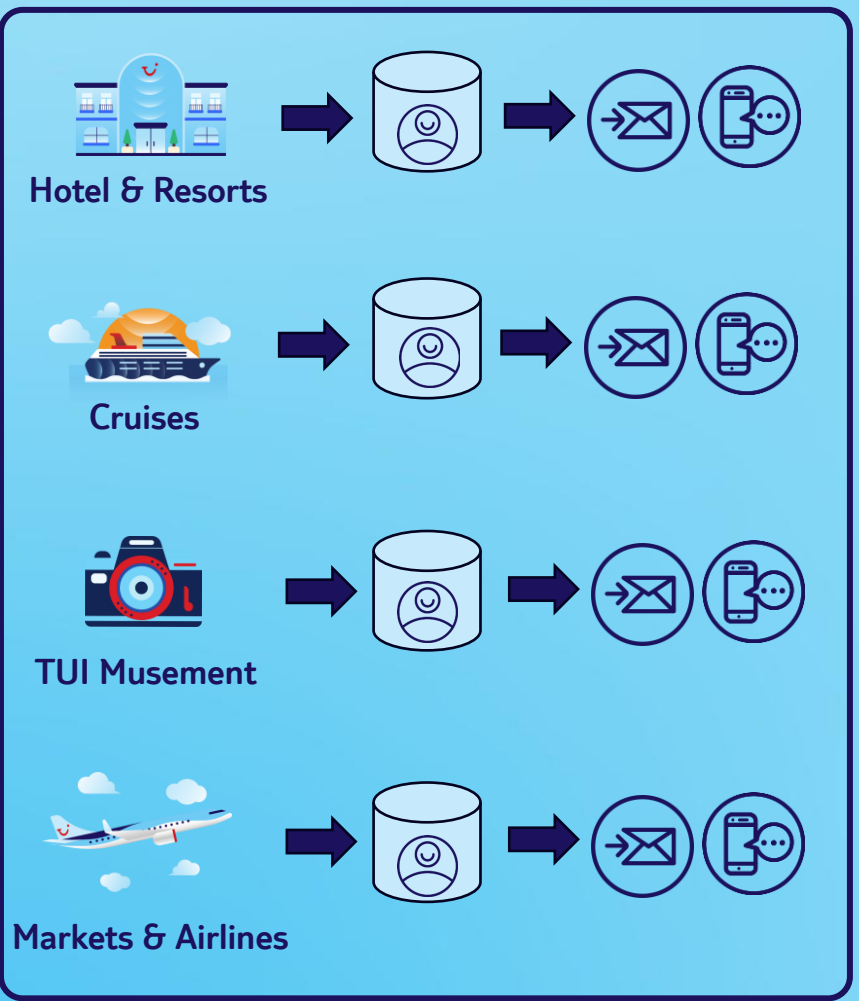


- ### Benefits:
- Direct connection to hotel and flight providers – further improve availability & margin
 - Enables new product combinations, new customers, and dynamic packaging
 - Cross-market inventory optimisation
 - Single Selling and App Platform reduces distribution costs
 - Connections to improve breadth and reduce costs

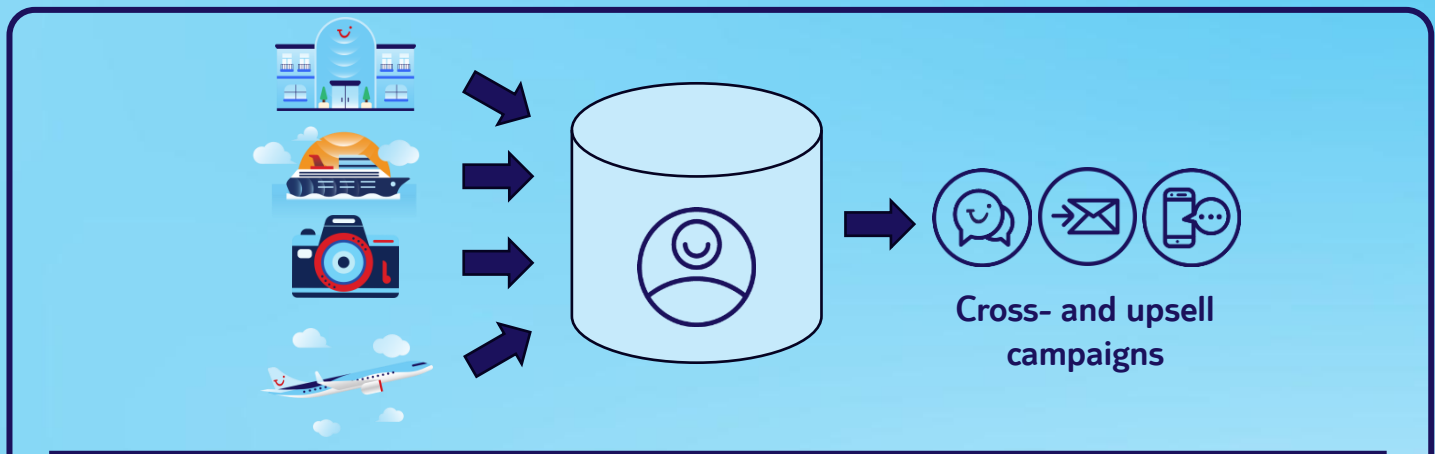


Central Customer Ecosystem to drive group synergies

Historically customer data held separately with no customer data sharing



New Central Customer Database optimises Customer Lifetime Value

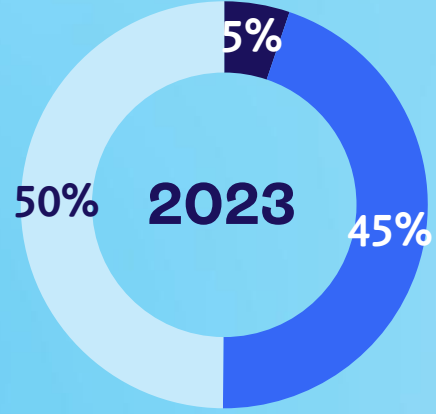
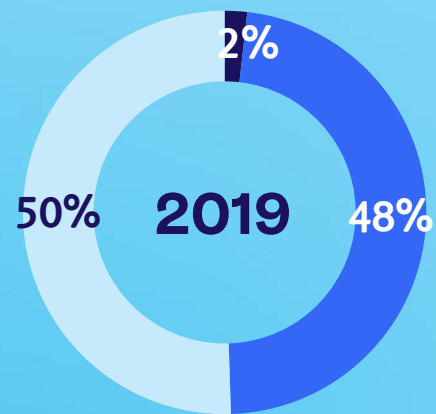
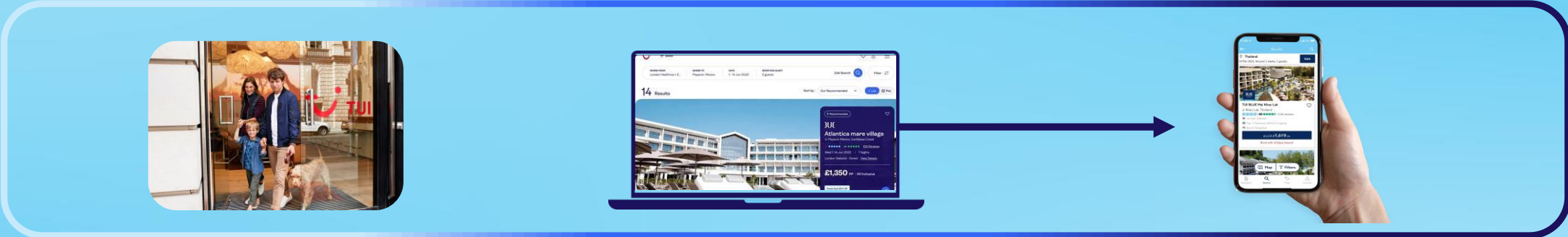


- ✓ Leverage synergies across segments
- ✓ Acquire customer once via single customer account
 - ✓ Central Customer Database
 - ✓ Cross- & Upselling
 - ✓ Loyalty programme
- ✓ Reduced distribution costs
- ✓ Enhance web conversion & CRM

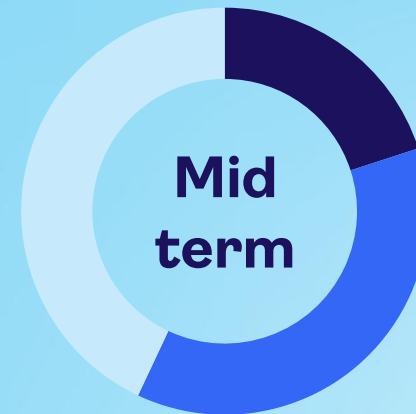


Growth via the App drives unpaid traffic, delivering distribution cost savings in the mid-term

Enhance direct app selling



■ Retail ■ Online ■ App

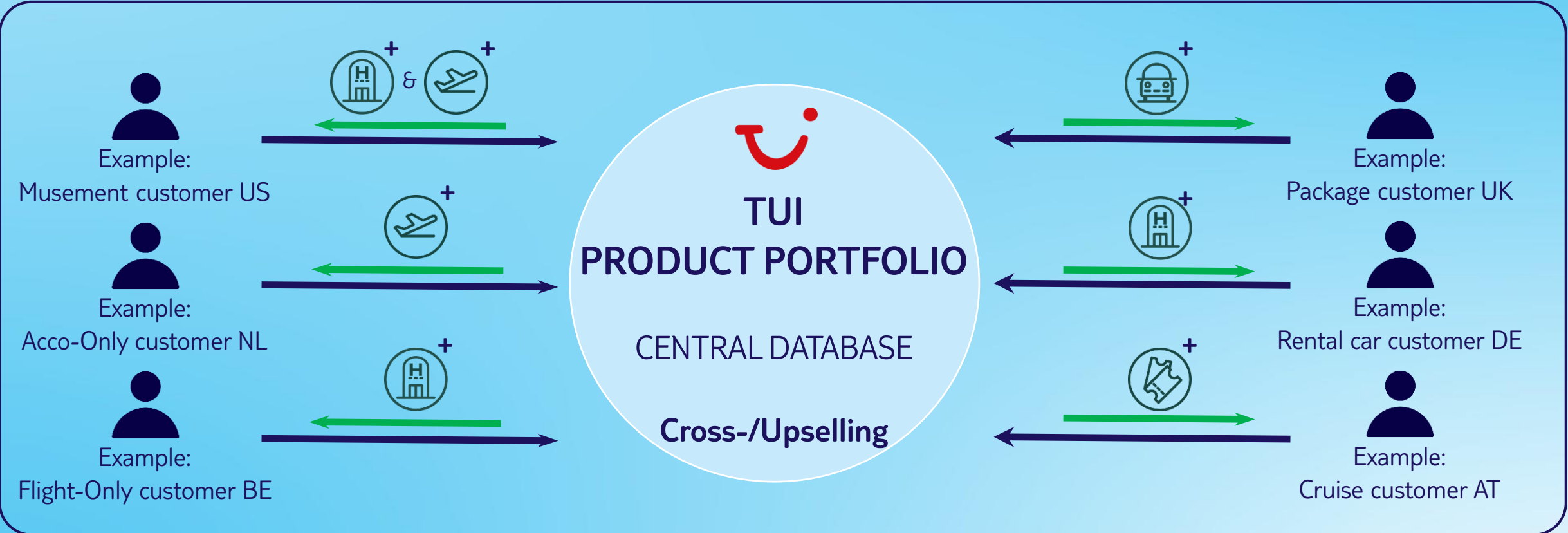


Share of App Sales

Mid-term mid-double digit CAGR

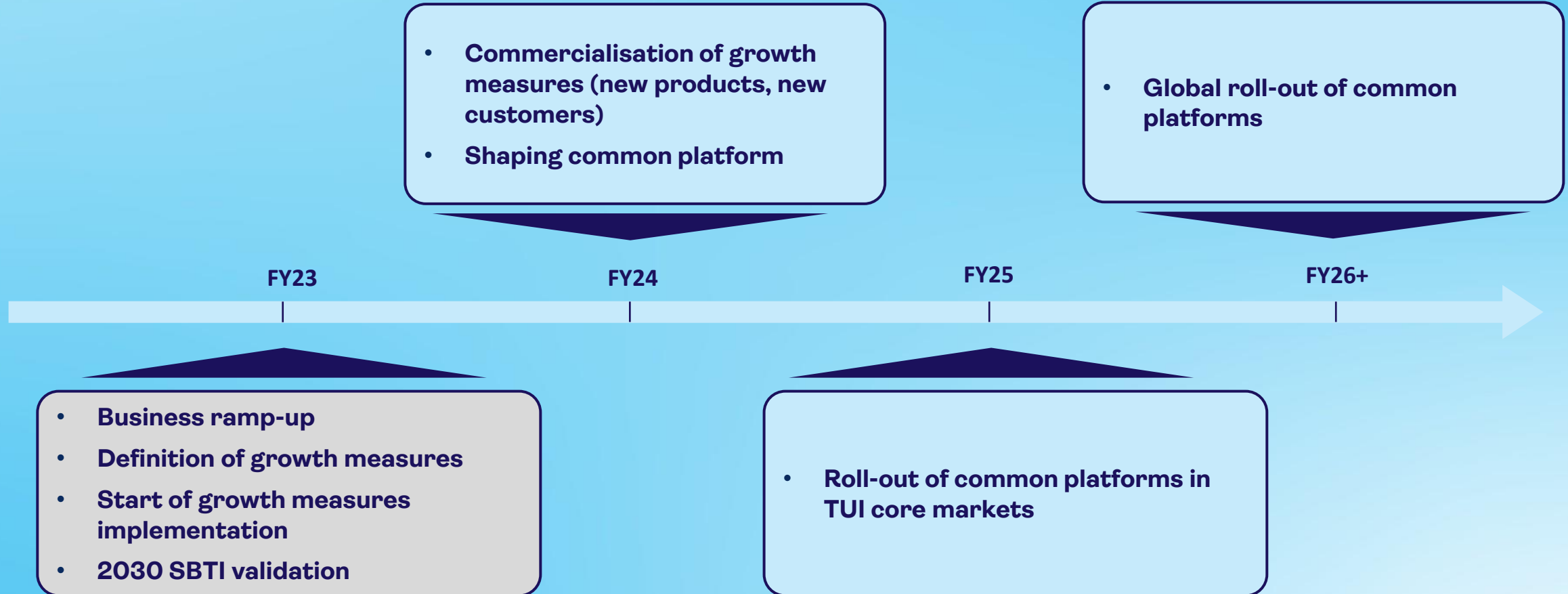


One Central Customer Ecosystem accelerates cross- & upselling to capture the Customer Lifetime Value



Building the TUI of tomorrow – more agile, more cost-efficient with higher speed to market...

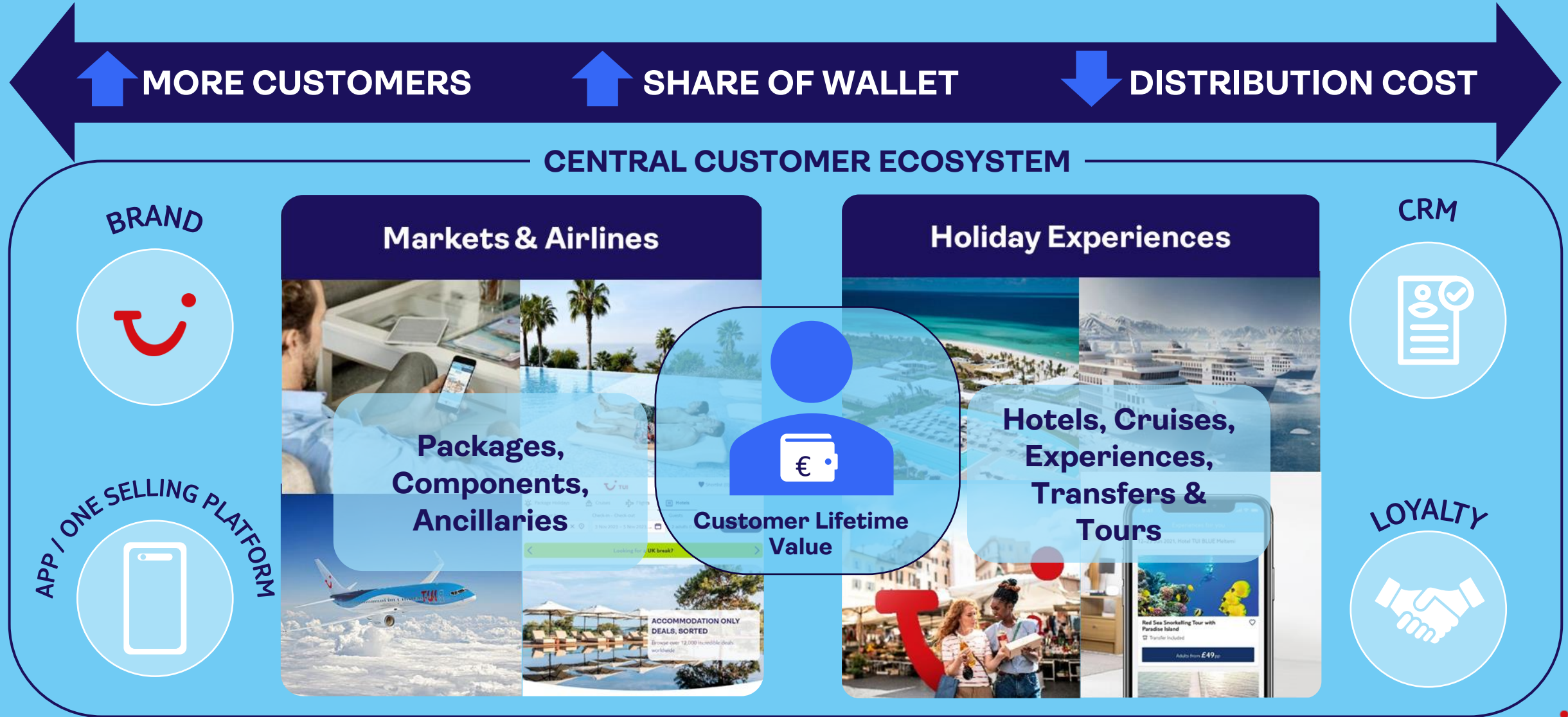
Our Transformation Roadmap



... to capture the Customer Lifetime Value

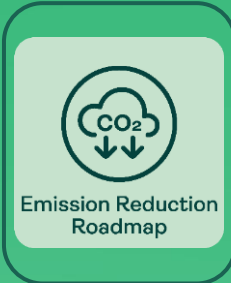


TUI integrated business model will unlock significant value





Q4 Sustainability update



Emission Reduction Roadmap

2030 targets approved by SBTi

- 24% reduction airline¹
- 27.5% reduction cruise²
- 46.2% reduction TUI Hotels & Resorts²



- **Markets & Airlines: Additional SAF MOU signed with INERATEC and first voluntary SAF uptake** during Summer 23
- **Hotels & Resorts: First Zero CO₂ hotel TUI Blue Montafon delivered** – plan to reduce emission from own hotels to Zero by 2030
- **Cruises:**
 - **First use of bio-fuel blend on Mein Schiff 4 & Hanseatic Inspiration** – blended biofuel from waste sources that reduces CO₂ by up to 90% compared to fossil fuels
 - Five TUI Cruises vessels received **green shore power** during the summer season
- **TUI Musement:** More than 1,600 Experiences now meet strict sustainability criteria of the Global Sustainability Tourism Council
- **TUI Care foundation:** 2.5m trees planted in TUI Forests across the world – 5m trees planted by 2025

¹ CO₂e per revenue passenger kilometre | ² Absolute CO₂e



ANALYST AND INVESTOR ENQUIRIES

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FINANCIAL CALENDAR

13 February 2024	FY24 Q1 Results
13 February 2024	Annual General Meeting 2024
15 May 2024	FY24 Half-Year Results
14 August 2024	FY24 Q3 Results
11 December 2024	FY24 Annual Report