

TUI Group

FY24 Q3 Financial Highlights, Trading Update & Outlook

Summary

TUI delivered another record-breaking quarterly performance, achieving highest ever Q3 revenues of €5.8bn and a significant improvement in Q3 underlying EBIT across all businesses, increasing €62.4m to €231.9m overall¹. Based on the record 9M underlying EBIT up €275.0m to €49.2m¹, we are pleased to reconfirm our FY24 guidance to increase our underlying EBIT by at least 25%.

- Record Q3 revenue and the eighth consecutive quarter with double digit underlying EBIT growth, as we continue to transform the business and deliver on our promise to grow profitably quarter-after-quarter.
- Q3 Group revenue of €5.8bn outperforming the prior year by +9% (Q2 2023: €5.3bn) supported by higher volumes at improved prices and rates. This once again underlines resilient customer demand and the popularity of our product portfolio.
- All business segments contributed to a significant improvement in underlying EBIT by €62.4m to €231.9m. On a segmental level:
 - Hotels & Resorts again recorded a record¹ performance with underlying EBIT up 16.3%, reflecting higher bed nights, improved occupancies and increased rates across our key brands.
 - Cruises improved underlying EBIT by 42.7%, driven by higher occupancies and rates, highlighting the strength of demand for the product. This was despite the cancellation or rerouting of some TUI Cruises and Marella itineraries in particular at the beginning of the quarter.
 - TUI Musement saw underlying EBIT improve by 48.2%, supported by higher volumes across its product range and benefitting from further growth of its own portfolio of experiences.
 - In Markets & Airlines more than doubled underlying EBIT to €16.5m. Customer demand remained resilient generating higher volumes at improved prices which helped to offset increased input costs across the regions.
- During the quarter 5.8m customers preferred to travel with us, an increase of +4%. Average load factor nudged up 1%pt to 94%.
- Our net debt position improved slightly by €42.1m to €2.1bn at 30 June 2024 (30 June 2023: €2.2bn) mainly driven by a positive free cash flow.
- In July we took the final step to conclude our refinancing with the successful placement of €487m senior unsecured convertible bonds due 2031. The funds have been used to buy back €472m of the existing convertible bond. This constitutes the final step towards the full refinancing of the undrawn KfW credit line reducing it from the current € 550 million to € 214 million per end of July, with the remainder to be handed back in the first half of calendar year 2025. At the same time, we have been able to extend the maturity profile and will be able to further reduce our interest costs significantly.
- Markets & Airlines² bookings taken for Summer 2024 have strengthened since our last update in May, supported by accelerated momentum in recent weeks at robust prices. Following the sale of 88% of the season, bookings are up +6% with ASP also ahead at +3%. Early signs for Winter 2024/25 bookings are promising across our source markets.
- Holiday Experiences trading³ remains well on track to deliver in line with expectations benefitting from stronger demand across the segment.
- Our hedging levels for the coming Summer and Winter seasons remain in line with our normal hedging policy.

¹ Since the merger of TUI AG and TUI Travel PLC in 2014

² Bookings up to 4 August 2024, relate to all customers whether risk or non-risk and includes amendments and voucher re-bookings

³ FY 2024 trading data (excluding Blue Diamond in Hotels & Resorts) as of 4 August 2024 compared to 2023 trading data

Trading update Markets & Airlines⁴ – Booking levels for Summer 2024 have strengthened supported by accelerated momentum in recent weeks and robust prices. Early signs for Winter 2024/25 bookings are promising

Summer 2024 vs. Summer 2023

Variation in %	
Bookings	+ 6
ASP	+ 3

- Bookings taken for Summer 2024⁵ have strengthened supported by accelerated momentum in recent weeks. To date 88% of the programme has been sold, which is just up on 87% in Summer 2023.
- Since our last update in May we have added +4.3m additional bookings, achieving a total of 13.3m bookings for the season to date. As a result, bookings are ahead at +6% and above the number we published in May of +5%.
- ASP continues to be higher at +3% compared to +4% in our May publication, which is helping to cover the higher inflationary driven cost base we have across the business.
- We are seeing stronger demand across all our short and medium haul destinations with Spain, Greece and Turkey again proving to be most popular.
- The UK is 90% sold for the season with bookings up +5%. In Germany, we have responded particularly quickly to the FTI insolvency and have added capacity to the Summer 2024 program in key destinations such as Turkey, Greece the Balearics, the Canaries and Egypt. With 88% of the seasons sold, bookings are significantly ahead at +10%.

First glimpse into Winter 2024/25

- Although still early in the season, we have seen a promising start to Winter 2024/25 across our source markets
- As usual, UK is the most advanced booked of the major markets at 32% sold, with bookings maintaining the high levels of the prior Winter season. We have also seen an encouraging start for all other source markets with bookings well ahead at robust price levels.
- As is our common practice, we will provide a full picture and further detail on Winter 2024/25 with our Pre-Close Trading Update on 24 September 2024.

⁴ Bookings up to 4 August 2024 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings.

⁵ Depending on the source market, Summer season starts in April or May and ends in September, October, or November.

Trading update Holiday Experiences⁶ – Trading remains well on track to deliver in line with expectations

Trading	July - September
Variation in % versus previous year	
Hotels & Resorts	
Available bed nights	+ 1
Occupancy (Var. in %pts)	+ 1
Average daily rate	+ 10
Cruises	
Available passenger cruise days	+ 11
Occupancy (Var. in %pts)	+ 1
Average daily rate	+ 2
TUI Musement	
Experiences sold	+ high single-digit
Transfers	in line with Markets & Airlines

- Hotels & Resorts – Number of available bed nights⁷ for Q4 is up +1%, driven mainly by fewer hotel renovations. Booked occupancy⁸ is +1%pt emphasising the demand for our hotel portfolio. Average daily rates⁹ continue to be well ahead across our key brands, with overall rates for Q4 up +10%. Key destinations for the final quarter are expected to be Turkey, Greece, and the Balearics.
- Cruises – Following the launch of Mein Schiff 7 in June, our three cruise brands will deploy a full fleet of 17 ships during the main summer quarter. Supported by the additional ship, available passenger cruise days¹⁰ on offer in Q4 are expected to rise by +11%. Booked occupancy¹¹ are +1%pt higher returning to normalised levels and up across our businesses, underlining the strong demand in this segment and the popularity of the product on offer. Average daily rates¹² are up +2% for Q4 rising across all brands. For the summer season Cruises offers a broad range of routes. Mein Schiff, with its fleet of seven ships, will sail to the Mediterranean, Northern Europe, Baltic Sea and North America, with the Hapag-Lloyd Cruises programme focusing on Europe, North America, Asia as well as voyages to the Arctic, based on a fleet of five vessels. Marella, will operate five ships with itineraries across the Mediterranean.
- TUI Musement – We are continuing the expansion of our Tours and Activities business, increasing our range of B2C experiences as well as growing our B2B business with partners and anticipate a higher volume of transfers and experiences sales supported by our Markets & Airlines business. We expect to grow bookings for our experiences business which includes excursions, activities, and tickets by a high single digit percentage for Q4. Our transfer business providing support and services to our guests in destination, is expected to develop in line with our Markets & Airlines capacity assumptions.

⁶ FY 2024 trading data (excluding Blue Diamond in Hotels & Resorts) as of 4 August 2024 compared to 2023 trading data

⁷ Number of hotel days open multiplied by beds available in the hotel (Group owned and leased hotels)

⁸ Occupied beds divided by available beds (Group owned and lease hotels)

⁹ Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

¹⁰ Number of operating days multiplied by berths available on the operated ships

¹¹ Achieved passenger cruise days divided by available passenger cruise days

¹² TUI Cruises: Ticket revenue divided by achieved passenger cruise days. Marella Cruises: Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

FY 2024 guidance¹³

Our focus is on operational excellence and execution as well as the continued transformation. Our strategic roadmap, the strong operational recovery and the measures taken to strengthen our balance sheet, lay the foundations for future profitable growth. Our guidance for FY 2024 is based on the strong performance to date, with underlying EBIT up +€296m¹⁴ supported by a significant improvement in Hotels & Resorts and Cruises and by the return to our normal hedging policy in our Markets & Airlines. Against this background, we reconfirm our guidance for FY 2024 as published in our Annual Report 2023:

- We expect revenue to increase by at least +10% year-on-year (FY 2023: €20,666m)
- We expect underlying EBIT to increase by at least +25% year-on-year (FY 2023: €977m)

Mid-term ambitions

We have a clear strategy to accelerate profitable growth by increasing the customer lifetime value, creating a business which is more agile, more cost-efficient and achieving a higher speed to market with the aim to create additional shareholder value. Our mid-term ambitions are as follows:

- Generate underlying EBIT growth of c. +7-10% CAGR
- Target net leverage¹⁵ strongly below 1.0x
- Return to a credit rating territory in line with our pre-pandemic rating BB/Ba (S&P/Moody's)

Sustainability (ESG) as an opportunity¹⁶

Our commitment to sustainable economic, environmental, and social practices is deeply embedded in our corporate philosophy. As a leader in our industry, we aim to pioneer sustainability standards in the marketplace. We view sustainable initiatives not just as expenses but as investments that benefit society, the environment, and economic progress. Our efforts towards reducing relative emissions and meeting our environmental targets are ongoing. Recent achievements include:

- The start of operations for three of our six planned solar power plants in Turkey as part of our focus on green electricity usage across the business. The three photovoltaic systems were recently connected to the grid and have a total capacity of around 15 megawatts.
- All TUI offices in Germany now exclusively use renewable energy. This includes a new photovoltaic system on the roof of our Hanover headquarters contributing to the green power supply of the entire TUI Campus and other local office buildings and travel agencies receiving wind-generated electricity.
- In June Mein Schiff 7 set sail on its maiden voyage. This newest addition to our TUI Cruises fleet operates on low-sulphur marine diesel, featuring catalytic converters for substantial nitrogen oxide reduction and shore power connection. Designed to potentially utilise green methanol, this ship represents a significant step toward CO2-neutral cruising.
- Recognising microplastic pollution as a significant ocean issue, Marella Cruises in the UK has initiated a six-month trial with Cleaner Seas Group on board the Marella Explorer to capture microplastics in the laundry system, monitored by the University of Surrey. A parallel endeavour is already in place on TUI Cruises' Mein Schiff 3.
- In recognition of our progress, TUI was awarded the Green Controlling Award 2023 in May. The award highlights our comprehensive financial controlling process, which supports TUI's robust sustainability strategy and adherence to science-based targets. This approach focuses on monitoring project progression, accurately

¹³ Based on constant currency and within the framework of the macroeconomic and geopolitical uncertainties currently known, including developments in the Middle East

¹⁴ at constant currency/ €275m at actual rates

¹⁵ Net leverage ratio defined as net debt (Financial liabilities plus lease liabilities less cash & cash equivalents less other current financial assets) divided by underlying EBITDA

¹⁶ Further details on our Sustainability Agenda are published in our Annual Report 2023 and also on our website under [Responsibility \(tuigroup.com\)](https://www.tuigroup.com/responsibility)

assessing key metrics, and ensuring sustainability targets and measures are tangible, with early identification of challenges and compliance with set timelines.

Update on strategic developments

We continue to drive forward our TUI Group strategy as outlined in the Annual Report 2023¹⁷. Our aim is to grow a scalable and global tourism business, and we have ambitious profitability targets.

Within this framework we are transforming the business and have recently achieved further milestones. These include the following:

- The growth of our hotel portfolio is driven by a strong pipeline of hotels. As part of this strategy, RIU, which is one of our largest hotel groups in the portfolio, opened its fifth urban hotel in the United States, the RIU Plaza in Chicago in July 2024. The hotel is in a prime location in the city offering 390 rooms. Further RIU Plaza hotels are planned for Toronto and New York.
- During the quarter we opened our first hotel, “The Mora Zanzibar” as we roll out our new upscale brand “The Mora”. The brand is driving the digital transformation within our hotels segment. The Mora App went live in June 2024, with the aim to provide best-in-class digital guest experience. It features a personalised check-in process, enabling digital check-in prior to arrival and also includes upselling services such as room customisation, early and late checkout, as well as other hotel amenities.
- TUI Musement, continues to grow its Tours & Activities business. In July 2024 we announced that we are the preferred partner for lastminute.com. As preferred Tours & Activities partner, TUI will provide lastminute.com and a selection of its brands, including Bravofly, Rumbo, Volagratis, and Weg.de, with a new platform featuring thousands of experiences in city-break and beach destinations in over 100 countries around the world. Operations via lastminute.com are already up and running, whilst the platform for Bravofly, Rumbo, Volagratis and Weg.de will go live during the summer. In addition to online channels, TUI and lastminute.com will explore different initiatives related to direct sales in destination to further grow customer uptake of experiences.

¹⁷ Details on our strategy see TUI Group Annual Report 2023 from page 24

Investor and Analyst Briefing and Webcast

A conference call and audio webcast for investors and analysts will take place today at 9:00am BST / 10:00am CEST.

Conference Call Registration:

[FY24 Q3/9M Results Call](#)

Please dial in 15 minutes in advance to avoid queuing times.

The Quarterly Statement, the presentation slides and the video webcast for FY24 Q3/9M (published on 14 August 2024) are available at the following link: www.tuigroup.com/en-en/investors

Financial calendar

Trading Update Q4 2024

24 September 2024

Annual Report 2024

11 December 2024

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Appendix

TUI Group - financial highlights

	Q3 2024	Q3 2023 adjusted	Var. %	9M 2024	9M 2023 adjusted	Var. %	Var. % at constant currency
€ million							
Revenue	5,787.0	5,286.0	+ 9.5	13,739.5	12,189.4	+ 12.7	+ 11.9
Underlying EBIT¹							
Hotels & Resorts	130.9	112.5	+ 16.3	339.0	262.2	+ 29.3	+ 33.4
Cruises	91.4	64.0	+ 42.7	195.9	79.0	+ 148.0	+ 146.3
TUI Musement	19.5	13.1	+ 48.2	- 7.7	- 13.1	+ 41.3	+ 70.2
Holiday Experiences	241.8	189.7	+ 27.4	527.2	328.1	+ 60.7	+ 64.7
Northern Region	14.2	- 1.1	n. a.	- 201.1	- 270.6	+ 25.7	+ 28.3
Central Region	21.0	8.8	+ 139.7	- 66.8	- 122.4	+ 45.4	+ 45.8
Western Region	- 18.8	- 0.6	n. a.	- 137.1	- 102.7	- 33.5	- 32.9
Markets & Airlines	16.5	6.7	+ 144.7	- 405.0	- 495.7	+ 18.3	+ 19.9
All other segments	- 26.4	- 27.0	+ 2.3	- 73.0	- 58.3	- 25.2	- 25.0
Underlying EBIT¹ TUI Group	231.9	169.4	+ 36.8	49.2	- 225.9	n. a.	n. a.
TUI Group (at constant currency)	233.8	169.4	+ 38.0	70.5	- 225.9	n. a.	
EBIT¹	226.1	175.4	+ 28.9	31.3	- 230.8	n. a.	
Underlying EBITDA	446.8	366.6	+ 21.9	670.9	382.0	+ 75.7	
EBITDA²	448.3	446.0	+ 0.5	671.0	461.3	+ 45.5	
Group loss	103.6	52.5	+ 97.5	- 226.9	- 505.5	+ 55.1	
Earnings per share	€ 0.10	0.07	+ 42.9	- 0.72	- 1.72	+ 58.1	
Net capex and investment	90.8	92.3	- 1.6	410.9	310.1	+ 32.5	
Equity ratio (30 Jun) ³	%			6.9	4.7	+ 2.2	
Net debt (30 Jun)				2,129.8	2,171.9	- 1.9	
Employee (30 Jun)				67,050	65,018	+ 3.1	

Due to rounding, some of the figures may not add up precisely to the stated totals, and percentages may not precisely reflect the absolute figures. All change figures refer to the previous year, unless otherwise stated.

¹ We define the EBIT in underlying EBIT as earnings before interest, income taxes and result of the measurement of the Group's interest hedges. For further details please see page 21.

² EBITDA is defined as earnings before interest, income taxes and result of the measurement of the Group's interest hedges, goodwill impairment and amortisation and write-ups of other intangible assets, depreciation and write-ups of property, plant and equipment, investments and current assets.

³ Equity divided by balance sheet total in %, variance is given in percentage points.

The present Quarterly Statement 2024 is based on TUI Group's reporting structure set out in the Consolidated Financial Statements of TUI AG as at 30 September 2023.

Due to the re-segmentation of an IT company from Western Region to All other segments in the current year the previous periods have been adjusted.