

The background of the slide is a photograph of a tropical beach. In the foreground, there is a calm, turquoise sea. In the middle ground, a row of white overwater bungalows with dark brown roofs is built on stilts. The sky is a clear, light blue with some wispy clouds. The overall scene is peaceful and scenic.

TUI Group Factbook

February 2018



TUI GROUP REASONS TO INVEST & BUSINESS MODEL



Strong TUI investment case – 3 reasons to be invested / to invest

1

STRONG STRATEGIC POSITION



- Global leading tourism group
- Covering entire customer journey: Sales & Marketing, Hotels, Cruises, Destination Services
- Integration and control of attractive hotel & cruise experiences
 - drives customer satisfaction & retention
 - drives end-to-end customer profitability
 - provides strategic entry barriers

2

STRONG EARNINGS GROWTH



At least +10%

- Global leisure travel market growing above GDP
- Strong track record driven by merger synergies:
 - Underlying EBITA CAGR of 12%¹ since merger
 - Underlying EPS CAGR of 21% since merger driven by lower interest and tax rate
- Future growth supported by digitalisation benefits and by reinvesting disposal proceeds
- EBITA growth target extended until 2020

3

STRONG CASH GENERATION

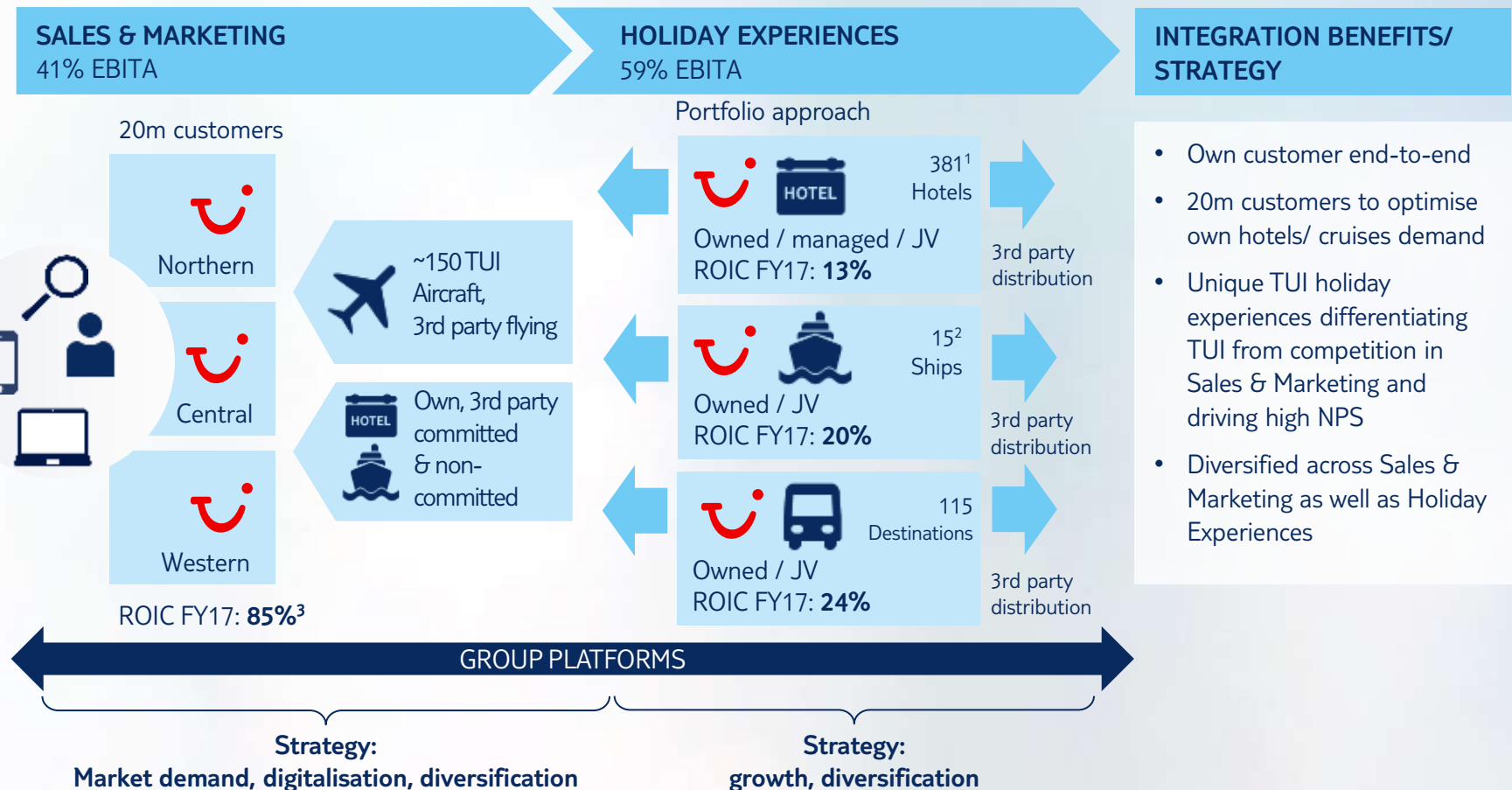


- 23.6% group ROIC FY17, significantly above cost of capital
- Strong operating cash conversion, enabling to fund
 - maintenance investments
 - high cash returns to shareholders in form of dividends
 - balance sheet stability

¹ Underlying EBITA CAGR of 12% since merger / average CAGR of 13% since merger at constant currency



1 3 years after the merger: TUI – one brand, superior strategic positioning, diversified

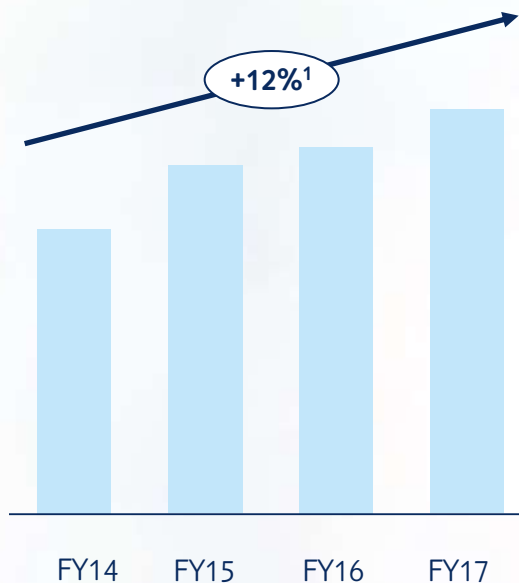


¹ This number includes concept hotels and 3rd party concept hotels as at Q1 FY18 ² As at Q1 FY18 ³ This number relates to Sales & Marketing/ all other excluding Destination Services

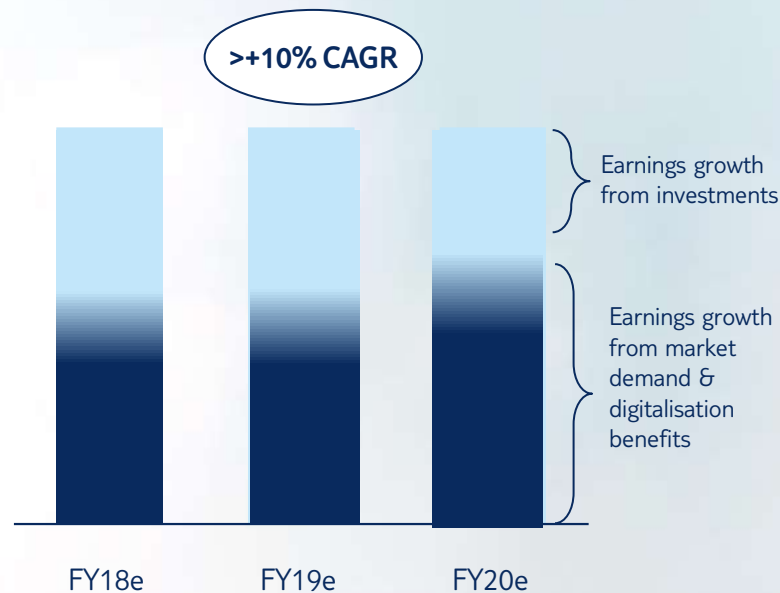


2 Merger synergies delivered, strong earnings growth story continues

STRONG GROWTH TRACK RECORD: MERGER SYNERGIES



FUTURE GROWTH: MARKET DEMAND, DIGITALISATION, INVESTMENTS



MERGER SETS BASIS FOR FUTURE GROWTH

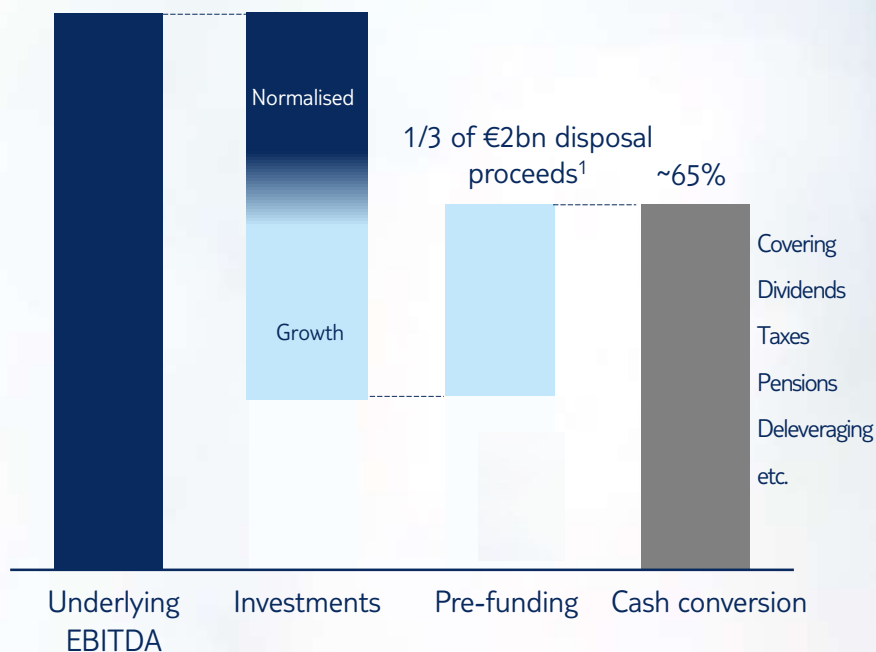
- Target extended to 2020: at least 10% underlying EBITA CAGR
- Mix of earnings growth changes
 - Market demand & digitalisation benefits
 - Growth from investments
- Less seasonality in earnings

¹ Underlying EBITA CAGR of 12% since merger / average CAGR of 13% since merger at constant currency



3 Strong cash generation allowing to invest, pay dividends and strengthen balance sheet

ILLUSTRATIVE CASH FLOW PROFILE FY17 - FY19



¹ Disposal proceeds reinvested from FY16-FY19

CAPITAL ALLOCATION FRAMEWORK

Attractive dividend

- In line with earnings growth
- FY17: €0.65 per share

Growth investments

- Re-investing disposal proceeds
- 15% ROIC hurdle rate
- Opportunistic M&A, if synergistic

Strong cash generation allows all boxes to be ticked

Balance sheet stability

- Target leverage ratio further reduced to 3.0x-2.25x

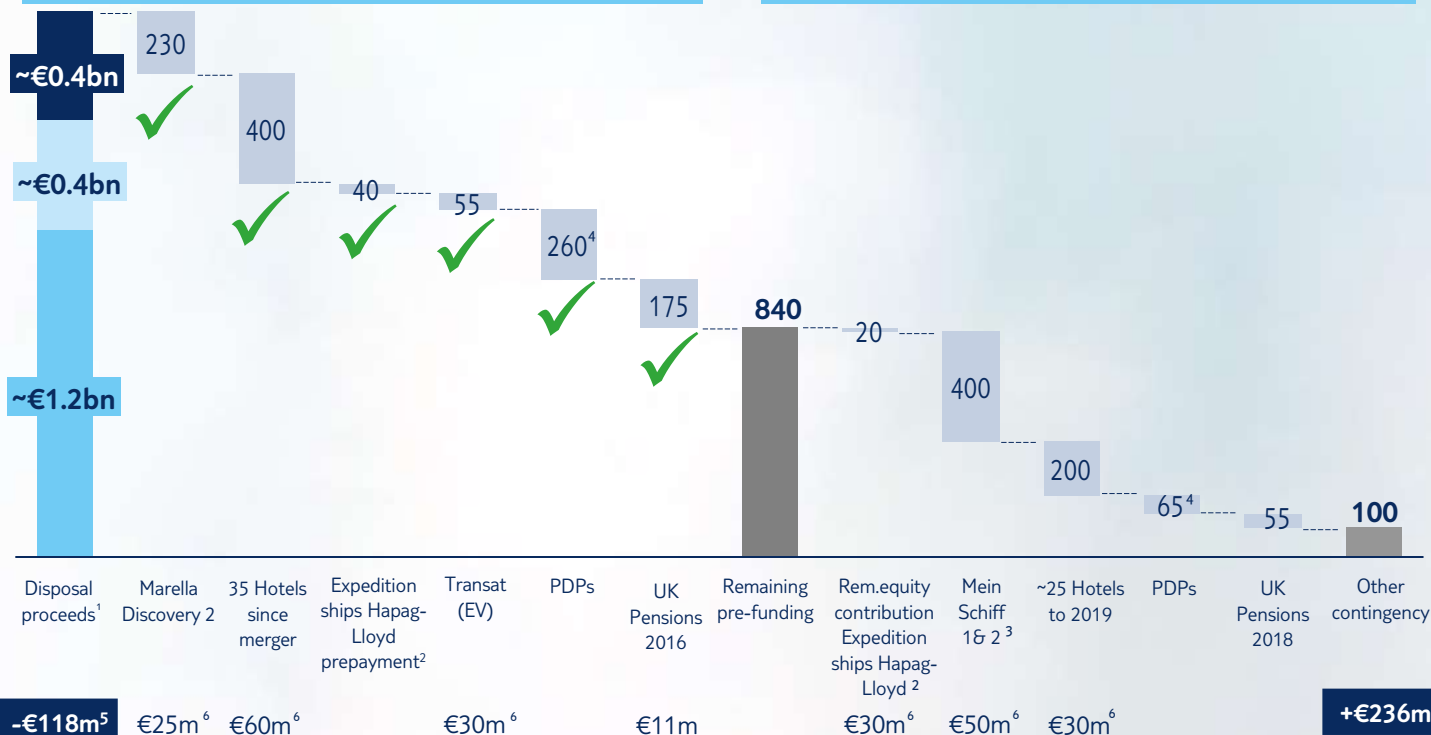
JV growth

- ~ 50% JV cash flow pay-out to TUI
- ~ 50% retained to finance JV growth



3 Update on re-investment programme FY16-FY19 – doubling EBITA under way

GROWTH INVESTMENTS FY16 to FY18 Q1



GROWTH INVESTMENTS FY18 & FY19

REINVESTMENTS

- Reinvestment of disposal proceeds by FY19
 - Own content growth
 - Basis for end-to-end profitability
 - Investments on track
 - Doubling returns
- Capital discipline continues after FY19
 - ROIC as KPI
 - Normalized capex levels
 - Investments if attractive

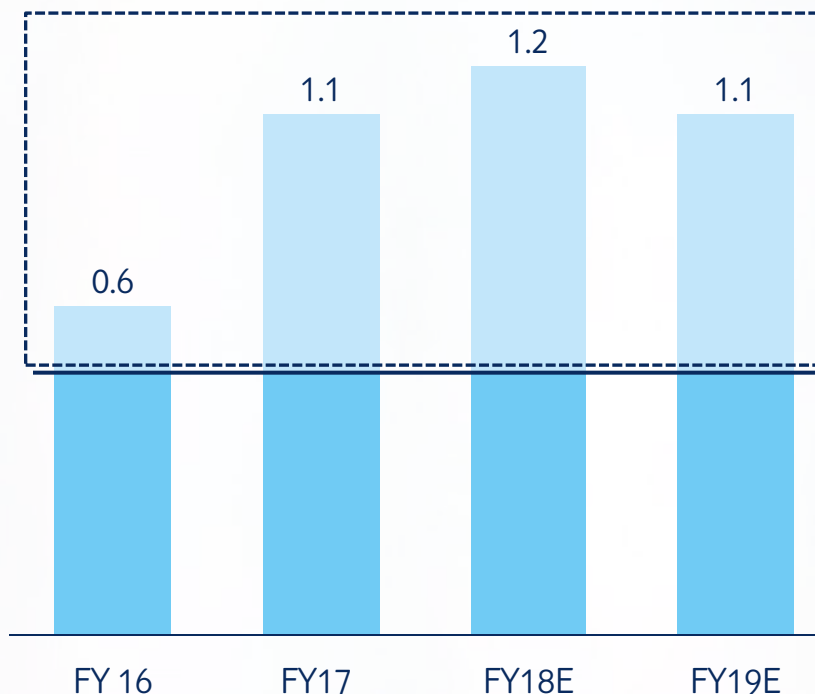
Deconsolidated EBITA

1 Including working capital/cash effect; 2 Equity-contribution, delivery in Spring & Autumn 2019; 3 Assumes MS1+ 2 purchase as cash transaction/final decision on transaction structure/financing not yet taken; 4 €10m quarterly adjustment until 2019 – pro rata approach; 5 Number includes €93m EBITA of HBG & Travelopia as well as EAT of MS1+2 within TUI Cruises of €25m due transferring the ships to UK market, delivery in Summer 2018 & 2019; 6 run-rate; 7 Based on targeted EBITA run-rate



3 Transformational Growth Investments funded by Disposal Proceeds

NORMALISED NET INVESTMENTS (€BN)

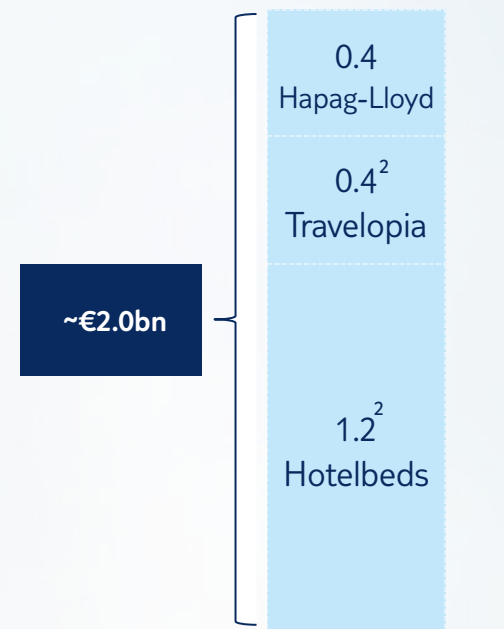


Additional net investments for transformation FY16-19 = €1.9bn¹

Normalised net investments ~3.5% of Revenue

Hotels ~30%
Cruises ~20%
Source Markets ~15%
IT ~10%
Other 25%

DISPOSALS (€BN)



Additional net investments (Transformation) including PDPs
Normalised net investments

¹ Assumed MS1 and MS2 purchase as cash transaction / final decision on transaction structure/financing not yet taken

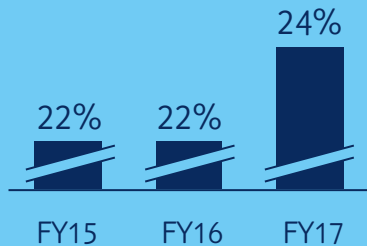
² Net of costs & including WC/cash effect



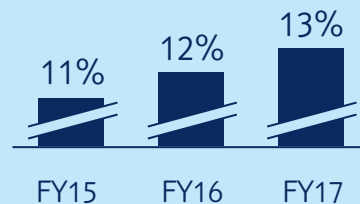
3 Business model strength continues to drive ROIC



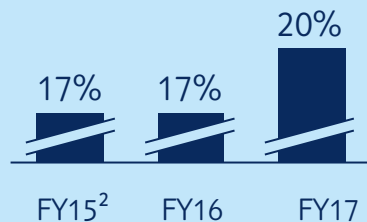
TUI GROUP ¹



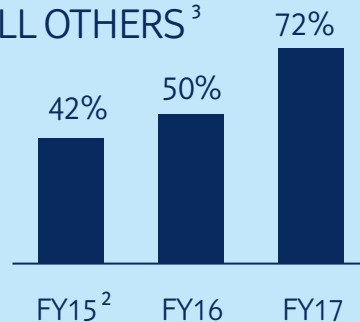
HOTELS



CRUISES



SALES & MARKETING,
ALL OTHERS ³



- Delivering strong ROIC for TUI shareholders
 - Hotels: pre-dominantly low capital intensity, JVs
 - Cruises: partially off balance sheet financing
 - Sales & Marketing: low capital intensity
- Strong earnings performance

¹ Pre IFRS 16

² Based on former segmentation - Marella Cruises within Source Markets

³ Including Destination Services



GROUP FINANCIALS



Income Statement – Key Figures

FY17 and FY16

In €m	FY17	FY16
Turnover	18,535.0	17,153.9
Underlying EBITDA	1,541.7	1,379.6
Underlying EBITA	1,102.1	1,000.5
Adjustments	-75.6	-102.4
EBITA	1,026.5	898.1
Interest result	-119.2	-179.5
Hapag-Lloyd AG	172.4	-100.3
EBT	1,079.7	618.3
Income Taxes	-168.8	-153.4
Group result continuing operations	910.9	464.9
Discontinued operations	-149.5	687.3
Minority Interest	-116.6	-114.8
Group result after minorities	644.8	1,037.4

Variances due to rounding effects – reflects turnover restatement as of FY17 Q3



Earnings per share (continuing operations)

In €m	Reported FY17	Reported FY16	Pro forma FY17	Pro forma* FY16
EBITA	1,027	898	1,102	1,001
Net interest expense	-119	-180	-119	-180
HLAG book value adjustment and equity result	172	-100	-	-
EBT	1,080	618	983	821
<i>Tax rate</i>	<i>16%</i>	<i>25%</i>	<i>20%</i>	<i>25%</i>
Tax Charge	-169	-153	-197	-205
Minority Interest	-117	-111	-117	-111
Net Income	794	354	670	504
Basic number of shares (m)	584	584	587	587
Basic Earnings Per Share (€)	1.36	0.61	1.14	0.86

Underlying effective tax rate calculated based on underlying EBT

Pro forma NOSH based on issued share capital as at 30.9.17

* Pro forma number of shares excludes 6.5m shares relating to employee stock options and Employee Benefit Trust; figures are rounded



Cash Flow & Movement in Net Debt

In €m	FY17	FY16
EBITA reported¹	1,026.5	898.1
Depreciation ¹	464.4	407.0
Working capital	406.2	271.8
Other cash effects	89.9	63.7
At equity income ¹	-252.3	-187.2
Dividends received from JVs and associates	118.2	82.2
Tax paid	-146.1	-186.4
Interest (cash)	-57.1	-71.2
Pension contribution	-141.3	-335.6
Operating Cashflow	1,508.4	942.4
Net capex	-766.9	-533.4
Net investments	-102.5	-52.7
Net pre-delivery payments	-202.5	-48.7
Disposal proceeds	388.0	811.6
Free Cashflow	824.5	1,119.2
Dividends	-456.8	-341.1
Movement in Cash Net of Debt	367.7	778.1

¹Continuing ops basis – non-continuing adjustment in Other cash effects

In €m	FY17	FY16
Opening cash (debt)	350	-214
Movement in cash net of debt	368	778
Employees Benefit Trust	-22	-
Asset Finance	-149	-350
Other	36	136
Closing net cash including Discontinued Ops	583	350
Travelopia	-	-318
Closing net cash as per Balance Sheet	583	32



Balance Sheet

In €m	30 Sep 2017	30 Sep 2016
Non-current assets	9,867.6	9,131.8
Current assets	4,317.9	5,326.1
Assets	14,185.5	14,457.9
Subscribed capital	1,501.6	1,500.7
Reserves including net profit available for distribution	1,438.1	1,174.4
Non-controlling interest	594.0	573.1
Equity	3,533.7	3,248.2
Non-current financial liabilities	1,896.1	2,213.3
Current provisions	382.6	415.4
Provisions	2,278.7	2,628.7
Non-current liabilities	1,761.2	1,503.4
Current financial liabilities	171.9	537.7
Financial liabilities	1,933.1	2,041.1
Other non-current financial liabilities	459.8	272.7
Other current financial liabilities	5,980.2	5,794.9
Other financial liabilities	6,440.0	6,067.6
Debt related to asset held for sale	-	472.3
Liabilities	14,185.5	14,457.9



Financial Ratios FY17 and Targets for FY18

LEVERAGE RATIO FY17

€m	FY17
Gross debt	1,933
to Bonds	296
to Liabilities to banks	381
to Finance lease	1,227
to Other financial liabilities	29
Pension	1,127
Discounted value of operating leases ¹	2,619
Debt	5,680
Reported EBITDAR	2,241
Leverage Ratio	2.5x

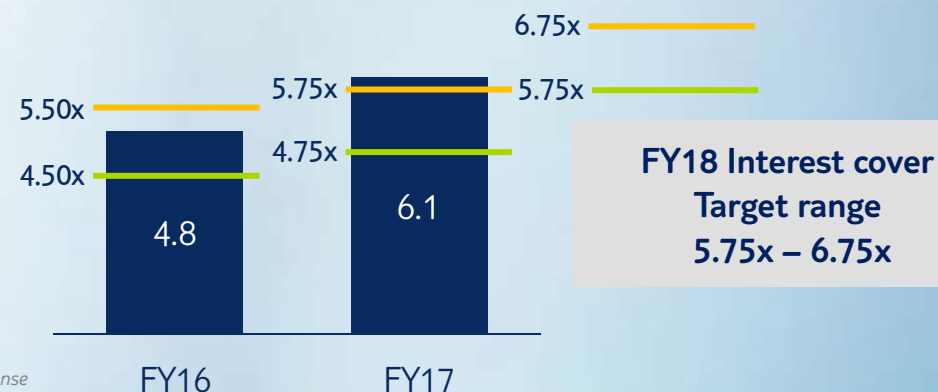
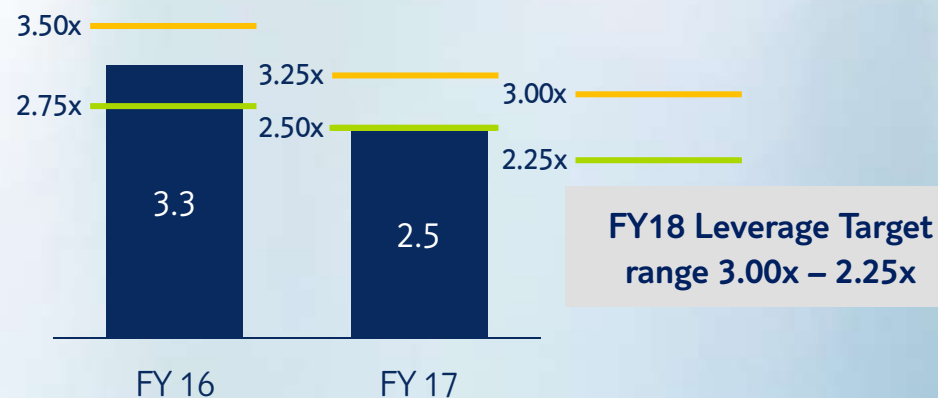
INTEREST COVER RATIO FY17

€m	FY17
Reported EBITDAR	2,241
Rentals – interest component ²	250
Net interest expense	119
Interest Charges	369
Interest cover Ratio	6.1x

¹ At simplified discounted rate of 1.75% ² Simplified approach - one third of long-term rental expense

- Current corporate credit ratings "BB" from S&P and "Ba2" from Moody's. Upgraded by S&P from "BB-" in February 2017 and upgraded by Moody's from "Ba3" in April 2016

DEVELOPMENT AND OUTLOOK



Key Sources of Funding 31 December 2017

Instrument	Issue	Maturity	Amount €m	Interest % p.a.
Revolving Credit Facility	Sep 14	Jul 22	1,750 ¹	E/L +1.40
Senior Notes	Oct 16	Oct 21	300	2.125
Finance leases	Various	Various	1,186	Various

¹ Including a tranche of €215m for the issue of bank guarantees



ROIC and Value added methodology

In €m	Notes to ARA	FY17	FY16
Equity		3,533.7	3,248.2
<i>Subscribed capital</i>	(24)	1,501.6	1,500.7
<i>Capital reserves</i>	(25)	4,195.0	4,192.2
<i>Revenue reserves</i>	(26)	- 2,756.9	- 3,017.8
<i>Non-controlling interest</i>	(28)	594.0	573.1
Plus interest bearing financial liability items		3,328.1	3,769.1
<i>Pension provisions and similar obligations</i>	(29)	1,127.4	1,450.9
<i>Non-current financial liabilities</i>	(31,38)	1,761.2	1,503.4
<i>Current financial liabilities</i>	(31,38)	171.9	537.7
<i>Derivative financial instruments</i>	(38)	267.6	277.1
Less financial assets		3,024.7	3,137.2
<i>Financial assets available for sale</i>	(17,38)	69.5	316.2
<i>Derivative financial instruments</i>	(38)	295.3	671.4
<i>Cash and cash equivalents</i>	(22,38)	2,516.1	2,072.9
<i>Other financial assets</i>		143.8	76.7
Plus purchase price allocation		317.5	300.5
Invested Capital		4,154.7	4,180.6
Invested Capital Prior Year		4,180.6	3,968.1
Seasonal adjustment ¹		500.0	500.0
Ø Invested capital²		4,667.7	4,574.4
Underlying EBITA		1,102.1	1,000.5
ROIC %		23.61	21.87
Weighted average cost of capital (WACC) %		6.75	7.50
Value added		787.0	657.4

¹ Adjustment to net debt to reflect a seasonal average cash balance

² Average value based on balance at beginning and year-end, including seasonal adjustment



HOTELS & RESORTS



Hotels & Resorts Summary FY17

Key Facts	FY17
Total Turnover (€m)	1,366
o/w Turnover 3 rd party (€m)	679
Underlying EBITDA (€m)	485
Underlying EBITA (€m)	357
o/w Equity result (€m)	91
Number of hotels ¹	380
Number of beds ²	238,775
Capacity ('000) ³	39,163
Revenue/bed (€) ⁴	63
Occupancy (%) ⁵	79

¹ o/w 53 are third party concept hotels (327 Group hotels reflect the Hotel & Resorts segment)

² Based on 327 Group hotels

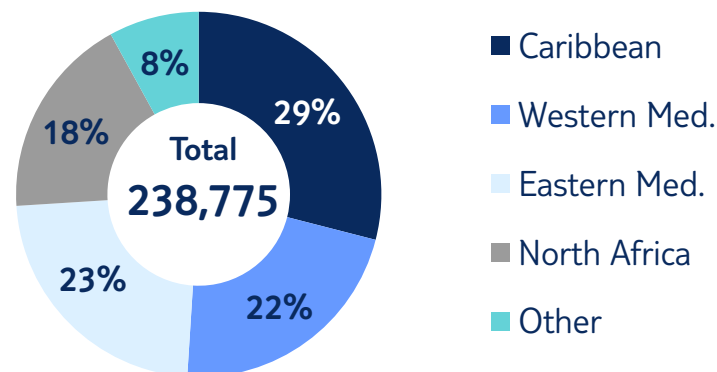
³ Group owned or leased hotel beds multiplied by opening days per annum

⁴ Arrangement revenue divided by occupied beds

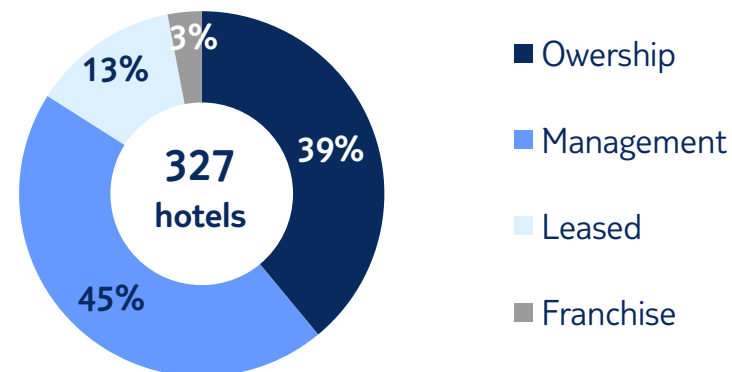
⁵ Occupied beds divided by capacity

⁶ Low capital intensity is defined as Management, Franchise and 50% of owned hotels due to joint venture structures

HOTEL BEDS BY REGION (%)



FINANCING STRUCTURE (%)



**> 60% OF INVESTMENTS WITH
LOW CAPITAL INTENSITY⁶**

**OWNERSHIP IN 365 DAYS
DESTINATIONS/SCARCITY OF ASSETS**

**DE-RISKING THROUGH JV OFF-
BALANCE FINANCINGS**

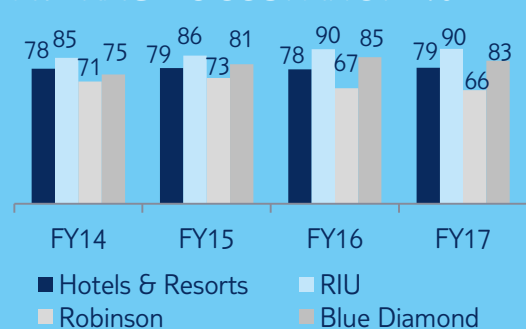


Hotels & Resorts

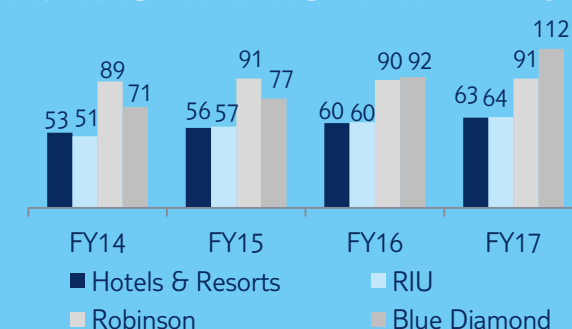
Summary by brand

Key figures FY17	RIU HOTELS & RESORTS	 ROBINSON	 BlueDiamond Resorts	Total
Turnover (€m)	493.1	82.6	-	679.0
Underlying EBITA (€m)	355.9	38.5	20.1	356.5
Capacity ('000) ¹	17,942	3,115	2,859	39,163
Number of hotels ²	94 ²	23	24	327
Number of beds	86,834	14,770	24,648	238,775

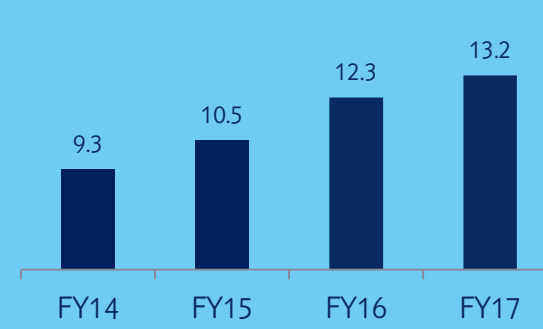
AVERAGE OCCUPANCY³ %



AVERAGE REVENUE PER BED⁴ €



SEGMENTAL ROIC %



¹ Group owned or leased hotel beds multiplied by opening days in the period

² Count as at 30 September 2017 (includes RIU Calypso which operates as a Sensimar hotel)

³ Occupied beds divided by capacity

⁴ Arrangement revenue divided by occupied beds



Hotels & Resorts

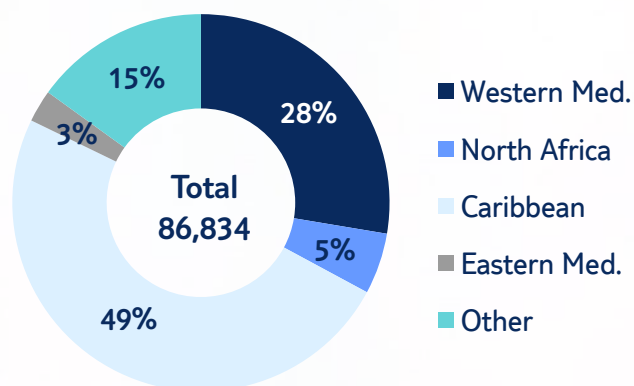
RIU – Key figures FY17



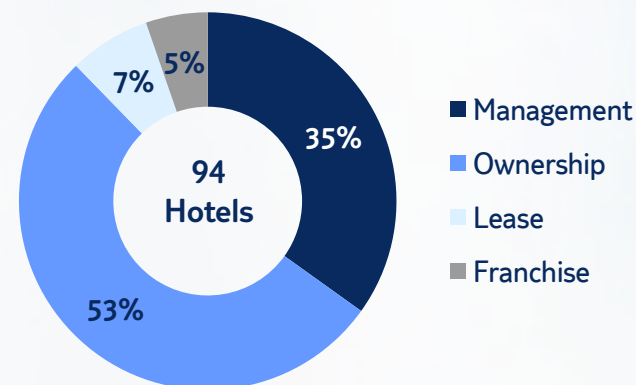
RIU 100% view ¹ In €m	Total	o/w RIUSA II (fully consolidated)	o/w Riu Hotels (consolidated at equity)	Riu in TUI accounts
Turnover	1,190	852	338	852
Underlying EBITA	446	304	142	356
EBITA Margin	37%	36%		
EAT	341	231	110	
o/w EAT to TUI (50%)	167	116	52	167
ROIC (incl. Goodwill)	21%			
ROIC (excl. Goodwill)	27%			

¹Unaudited figures

HOTEL BEDS BY REGION (%)



FINANCING STRUCTURE (%)



Hotels & Resorts

Robinson – Key figures FY17



(€M)

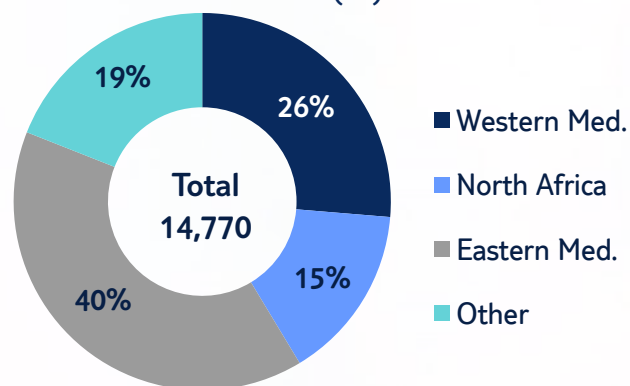
Robinson In TUI accounts ¹	FY17	FY16
Turnover	204	194
Underlying EBITA	39	39
EBITA margin	19%	20%
EAT (100% TUI)	13	15
ROIC	11%	13%

¹Unaudited figures

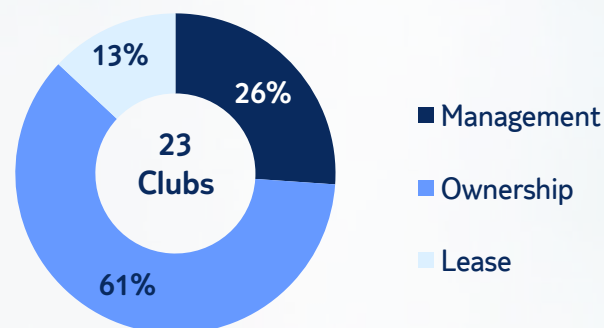


Robinson Club Maldives

HOTEL BEDS BY REGION (%)



FINANCING STRUCTURE (%)



Hotels & Resorts

Blue Diamond – Key figures FY17



(€M)

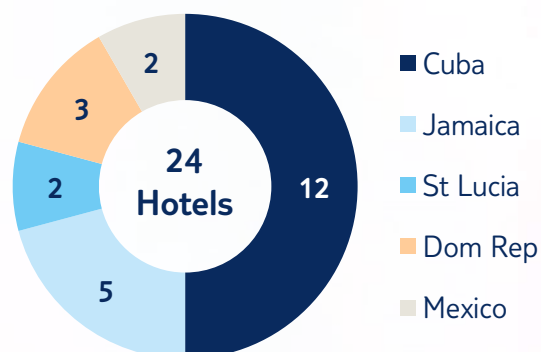
Blue Diamond 100% view ¹	FY17	FY16
Turnover	360	312
EBITA	61	51
EBITA margin	17%	16%
EAT	40	34
o/w EAT to TUI (49%)	20	17

¹Unaudited figures

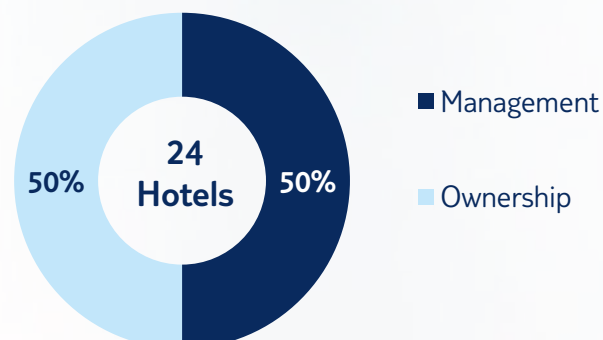


Blue Diamond Royalton Punta Cana, Dominican Republic

NUMBER OF HOTELS BY LOCATION



FINANCING STRUCTURE (%)



CRUISE

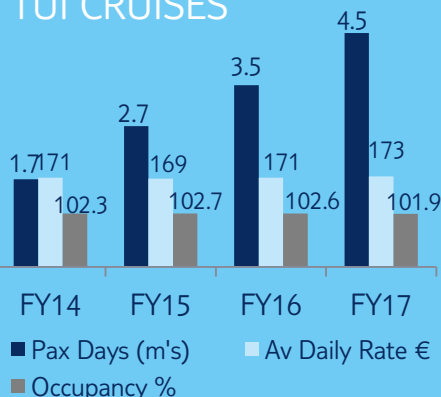


Cruises

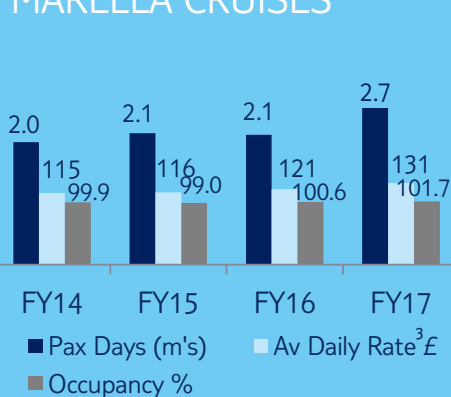
Summary by brand

Key figures FY17		MARELLA CRUISES	
Turnover	-	502.4	312.6
<i>Memo: TUI Cruises Turnover</i>	1,052.5	-	-
Underlying EBITA	135.9 ¹	86.5	33.2
Passengers (k)	467	308	26
Fleet Size (Group Total 16)	6	6	4
Total Berths ²	13,916	9,173	1,254

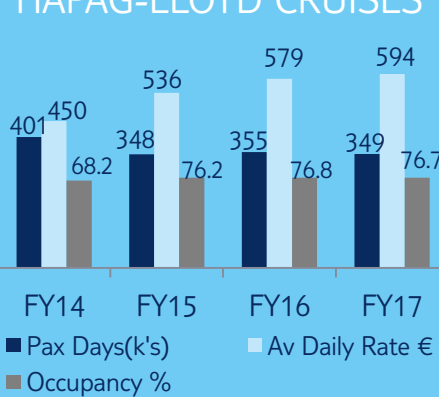
TUI CRUISES



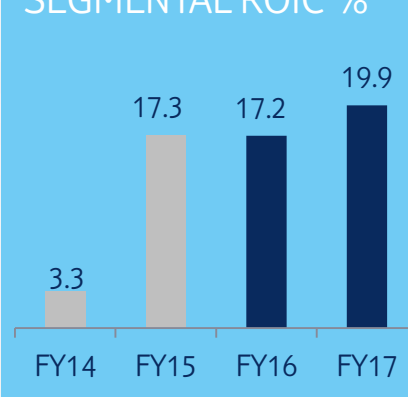
MARELLA CRUISES



HAPAG-LLOYD CRUISES



SEGMENTAL ROIC %⁴



¹ Equity result

² Static count as at 30 September 2017

³ Inclusive of transfers, flights and hotel due to the integrated nature of Marella Cruises (FY17 sterling equivalent £131)

⁴ FY14 & FY15 ROIC excludes Marella Cruises



Cruises

TUI Cruises - Key figures FY17 – 100% View

TUI Cruises 100% ¹	FY17	FY16	%
Turnover	1,053	807	30 %
Underlying EBITA	304	227	34 %
<i>EBITA-Margin</i>	29%	28%	
EAT (100% TUI)	272	200	36 %
o/w TUI EAT (50%)	136	100	36 %
ROIC	16%	14% ²	
ROE	43%	36%	

¹ unaudited figures

² restated

Cruises

TUI Cruises Fleet

Mein Schiff 1 ¹	Mein Schiff 2 ¹	Mein Schiff 3	Mein Schiff 4	Mein Schiff 5	Mein Schiff 6	New Mein Schiff 1	New Mein Schiff 2	Mein Schiff 7
								
1,924 BERTHS	1,912 BERTHS	2,506 BERTHS	2,506 BERTHS	2,534 BERTHS	2,534 BERTHS	2,894 BERTHS	2,894 BERTHS	2,894 BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1996 CONSTRUCTION	1997 CONSTRUCTION	2014 CONSTRUCTION	June 2015 CONSTRUCTION	July 2016 CONSTRUCTION	June 2017 CONSTRUCTION	New build 2018 CONSTRUCTION	New build 2019 CONSTRUCTION	New build 2023 CONSTRUCTION

¹MS1 and MS2 to replace 2 ships in UK fleet following delivery of new MS1 and new MS2
Fleet and pipeline as at February 2018



Cruises

Marella Cruises fleet

Marella Celebration	Marella Dream	Marella Spirit	Marella Discovery	Marella Discovery 2	Marella Explorer (Currently MS1) ¹	Name TBC (Currently MS2) ¹
						
1,262 BERTHS	1,533 BERTHS	1,254 BERTHS	1,830 BERTHS	1,832 BERTHS	1,924 BERTHS	1,912 BERTHS
Finance Lease exp. 2021 OPERATING MODEL	Finance Lease exp. 2021 OPERATING MODEL	Operating Lease exp. Summer 2018 OPERATING MODEL	Finance Lease exp. 2026 OPERATING MODEL	Wholly owned OPERATING MODEL	TBC OPERATING MODEL	TBC OPERATING MODEL
1984 CONSTRUCTION	1986 CONSTRUCTION	1983 CONSTRUCTION	1995 CONSTRUCTION	1994 CONSTRUCTION	1996 CONSTRUCTION	1997 CONSTRUCTION
					May 2018 LAUNCH	Spring 2019 LAUNCH

¹MS1 and MS2 from TUI Cruises to join UK fleet following delivery of new MS1 and MS2
Fleet and pipeline as at February 2018

Cruises

Hapag-Lloyd Cruises Fleet

Europa	Europa 2	Bremen	Hanseatic	Hanseatic Nature	Hanseatic Inspiration
					
408 ¹ BERTHS	516 ¹ BERTHS	155 BERTHS	175 BERTHS	230 BERTHS	230 BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Bare- boatcharter exp. 2018 OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1999 CONSTRUCTION	2013 CONSTRUCTION	1990 CONSTRUCTION	1993 CONSTRUCTION	New build 2019 CONSTRUCTION	New build 2019 CONSTRUCTION

¹ Additional sofa-bed in most of the suites (usable for persons up to the age of 6, 10, 12 or 15 years)
Fleet and pipeline as at February 2018



DESTINATION SERVICES



Destination Services

Key figures FY17



More than
6,500
colleagues



4.6
million
excursions sold



>12
million guests



>24
million transfers
operated



Handled
7.8m
24/7 contacts



Operating in
115
destinations



Number of
vehicles



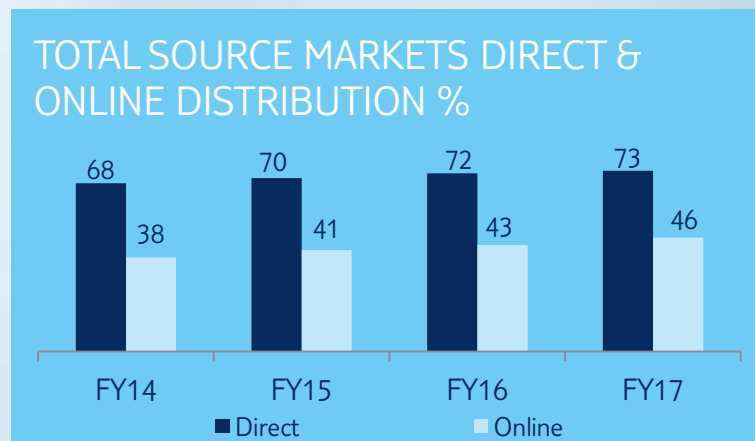
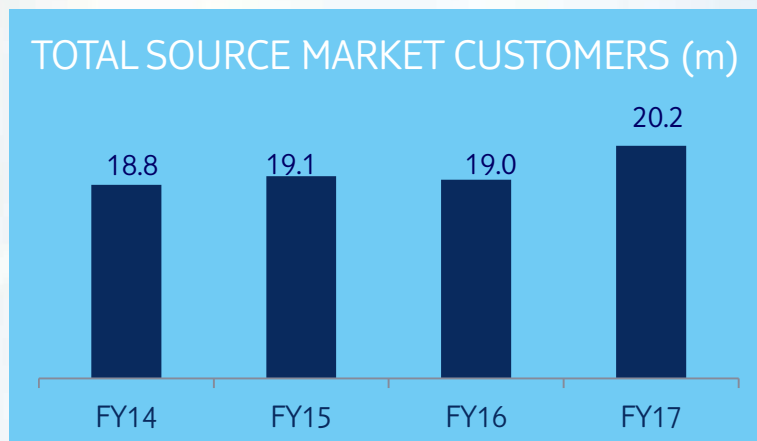
SALES & MARKETING SOURCE MARKETS



Sales & Marketing

Key figures by Source Markets

Key figures FY17	Northern Region	Central Region	Western Region	Total Source Markets
Customers (000) ¹	7,391	7,151	5,642	20,184
External Turnover (€m)	6,602	6,039	3,502	16,143
Underlying EBITA (€m)	346	71 ²	109	526
EBITA margin (%)	5.2%	1.2% ²	3.1%	3.3%
Direct Distribution mix (%)	92	49	71	73
Online Mix (%)	63	19	54	46



Figures shown as a percentage of revenue unless otherwise stated and reflects restatement of Turnover as of FY17 Q3

¹ Excludes strategic ventures in Canada and Russia/CIS

² Includes one-off TUI fly sickness impact of €24m and Air Berlin insolvency of €15m in the year



Aircraft Commitments by Financing Type

	Operating Lease	Finance Lease	Owned	Held for Sale	Total
As at 30 September 2017	126	17	8	1	152
Order book financing	-	-	-	-	-
External Lessor deliveries	-	-	-	-	-
External Lessor Returns	(3)	-	-	-	(3)
Purchase of Leased Aircraft	(2)	-	2	-	-
Other movements	-	-		(1)	(1)
As at 31 December 2017	121	17	10	-	148

Fleet split : UK - TUI Airways (62), Germany - TUI fly (38), Nordic - TUI fly Nordic (5), Netherlands - TUI fly Netherlands (9), Belgium - TUI fly Belgium (27) and France - Corsair (7)



Aircraft order book deliveries – FY17 to FY22

	FY18	FY19	FY20	FY21	FY22
B737-MAX	5	18	15	13	12
B787-9	2	-	2	-	-
Firm order book deliveries 2017-2022	7	18	17	13	12

Financial Years (FY) ending 30 September; figures correct as at 31 December 2017

Note: A further 7 firm orders for the B737-MAX has been agreed for delivery in FY23, totalling 70 B737-MAX firm orders as at 31 December 2017

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

	FY18	FY19	FY20	FY21	FY22
B737-MAX	-	-	-	7	13
B787-9	-	-	-	1	-
Option order book deliveries 2017-2022	-	-	-	8	13

Financial Years (FY) ending 30 September; figures correct as at 31 December 2017

