

TUI GROUP INVESTOR PRESENTATION

March 2021

REASONS TO INVEST & BUSINESS OVERVIEW

TUI Group at a glance – normalised levels pre C-19

TUI GROUP

- **21m** Customers[1]
- **€18.9bn** Turnover
- **€893m** EBITA / excl. MAX **€1,186m** EBITA[2]
- **15.5%** ROIC / excl. MAX **~21%** ROIC[2]
- **~71,500** Employees

HOLIDAY EXPERIENCES (~70% EBITA[2])

HOTEL	**€452m** EBITA	Leading leisure hotel and club brands around the world; investments, operations, ownership
	€366m EBITA	Leading German & UK cruise brands
	€56m EBITA	Tours, activities and service provider in destination

MARKETS & AIRLINES (~30% EBITA[2])

	€132m EBITA	Market leaders in packaged distribution, fulfilment, strong market and customer knowledge

* FY19 Results pre IFRS 16 adoption I 1 defined as our Markets & Airlines customers – excludes 7m customers from our joint ventures in Canada and Russia as well as direct and 3rd party distribution customers from our Hotels & Resorts and Cruise brands which would total 28m customers I 2 Excluding cost impact of Boeing 737 MAX grounding in Markets & Airlines segment

TUI's unique and integrated business model continues to be the foundation of our success

INTEGRATED BUSINESS MODEL

MARKETS & AIRLINES

- 21m customers
- ~140 aircraft[2]
- Own & 3rd party Distribution
- % 30% of profit pool[3]

HOLIDAY EXPERIENCES

- 433 Hotels[1]
- 17 Cruise ships[2]
- 1m "things to do"
- % 70% of profit pool[3]

STRONG CUSTOMER BASE

DIFFERENTIATED CONTENT







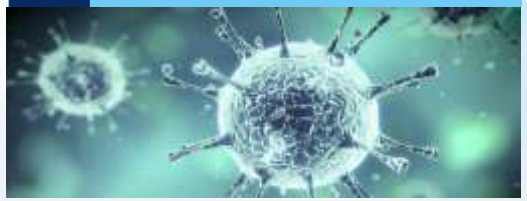
- Integrated business model with differentiated product offering along the whole value chain
- Strong brand reputation across all source markets
- Customer ownership: digitalised product upselling
- Double diversification across Markets & Airlines and Holiday Experiences
- Strong yields and occupancies driven by access to broad customer base

Integrated business model with diversified customer base & distribution power

Note: All data as at Sep 2019 besides otherwise stated I 1 Includes Group hotels and 3rd party concept hotels as at Sept 2020 | 2 As at Sept 2020 | 3 Excluding cost impact of 737 MAX in Markets & Airlines segment

COVID-19 crisis and the impact on TUI

1 EXCEPTIONAL FY20 START



- Exceptional start to S20 trading – January was TUI's best bookings month in history
- Bookings up 14% as at February
- First 5M of FY20 delivered YoY increase in Und. EBIT of €97m
- On track to add ~1.5m customer to our S20 capacity
- Strong market share gains anticipated

On track for strong FY20 result

2 TUI INITIAL IMPACT & LOCKDOWN ACTIONS



- Travel suspension from mid-March, temporary lockdown had been expected
- €3.0bn German state support package agreed
- Cash fixed costs reduced >70%
- Boeing compensation & HLC disposal completed
- Global Realignment: target accelerated to ~€400m p.a. cost base savings

Swift and disciplined liquidity & cost management

3 PARTIAL RESTART



- Integrated model - TUI first to resume operations in June 2020
- Global presence - diversified destination offer
- 2.3m M&A customers[1] and 42K cruise customers[2]
- Q4 avg. load factor 82%[3] & avg. hotel occupancy c.50%[4]
- Pent up demand evident
- Digital acceleration

Integrated business model enabled quick restart

4 BRIDGE RETURN TO GROWTH



- Restrictions limiting operations from Autumn
- Further support package agreed for €1.8bn in December 2020
- Immediate uplift in bookings and recovery of revenue on reopening of destinations
- Strong underlying demand – 2.8m bookings for Summer 21[5]

Resume growth trajectory

TUI is strongly positioned to benefit from market recovery and resume growth trajectory

1 Departed PAX between mid June & end of October | 2 TUI Cruises and Hapag Lloyd Cruises only, UK restrictions in place for Marella. Total cruise customers relates to departures since restart until end of October | 3 Based on adjusted capacity | 4 Based on available beds | 5 These statistics are up to 31 January 2021 compared to 2019 programme (undistorted by C-19) and relate to all customers whether risk or non risk

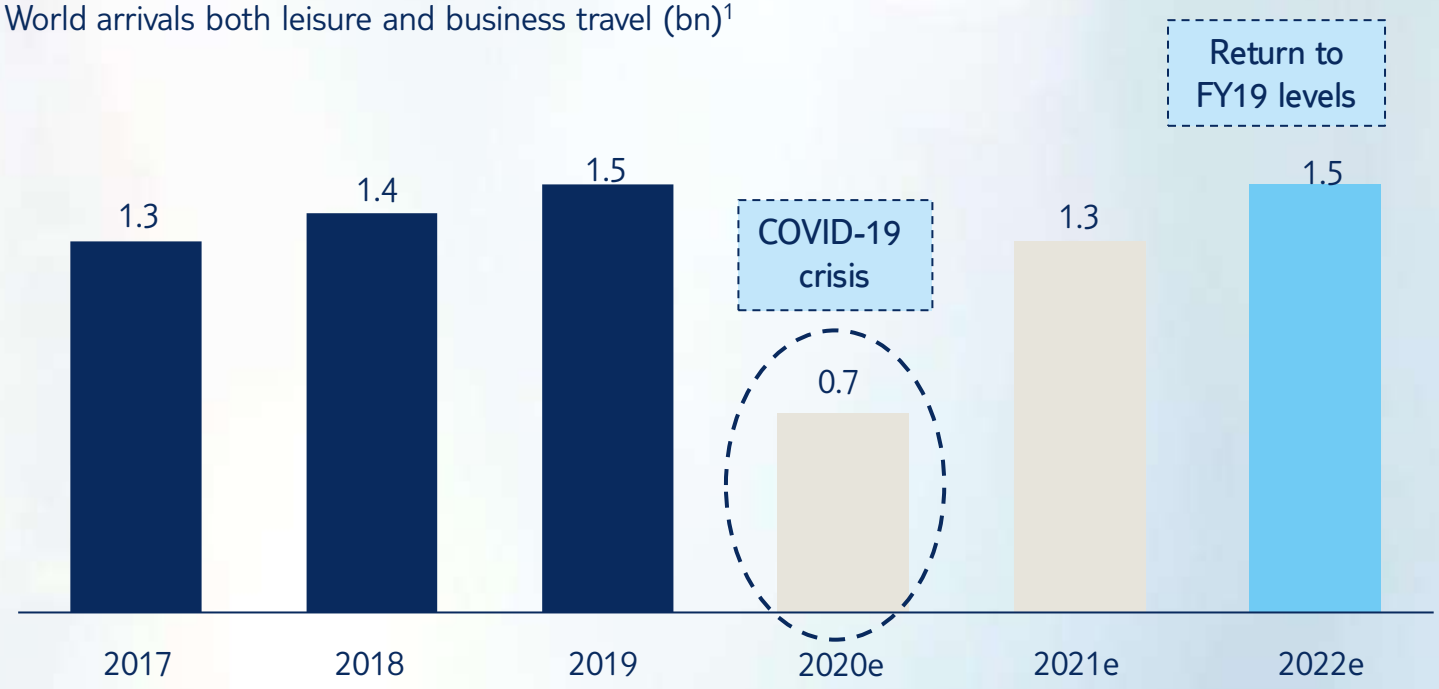
World arrivals expected to show strong increase in 2021 & return to 2019 levels in 2022

ACTUAL DEVELOPMENT

FORECAST[2]

COMMENTS

World arrivals both leisure and business travel (bn)[1]



- **MINTEL Holiday Review Report (January 2021) findings:**
  - "**Travel operators** should prepare for a **surge in bookings** when the UK government unveils its re-opening roadmap"
  - **32% of UK adults plan to take a holiday** this year but do not know when they will book yet

Leisure travel expected to recover sooner than business travel in a consolidated market

Source: Euromonitor International, Travel 2021 edition I 1 Arrivals refer to non-resident overnight visitors to the country of reference, travelling for business and leisure purposes, excluding same day visitors. If a person visits the same country several times each year, each trip is recorded as a separate arrival. If a person visits several countries during a single trip, their arrival in each country is recorded separately. I 2 Euromonitor baseline forecast, 9 July 2020

Industry fundamentals from TUI's perspective

MARKETS & AIRLINES



- Leisure travel will return to previous levels with packages remaining important
- Later booking profile expected for duration of crisis
- Long-haul will recover quickly once vaccine available
- Own airline is essential in an end-to-end model

HOTELS



- Short-term overcapacities expected
- Strong hotel brands will benefit
- Best-in-class sales capabilities key for growth: Focus on brand, product and digital capability

CRUISES



- Market expected to recover strongly when vaccine available
- Old tonnage will leave the market
- Supply shortage to persist

TUI MUSEMENT



- Market will return to growth with experiences remaining important
- Consolidation and digitalisation will accelerate
- Platform strategy will drive growth

Reasons to invest

1	Holidays remain a high priority
2	Integrated business model with strong customer base and distribution power
3	TUI is strategically well positioned to deliver sustainable growth
4	Fulfilment distinguishes TUI from competition - ability to take risks and shape markets
5	Leading, trusted brand with differentiated products
6	Accelerated digital transformation due to C-19 pandemic

TUI is well positioned to benefit from market recovery post C-19

Fulfilment: Strategic control of the value chain – ability to take risks and shape market

LATEST DEVELOPMENTS

Successful completion of 3rd support package of €1.8bn, including equity raise

3RD SUPPORT PACKAGE	• **WSF – Convertible silent participation I** agreed for **€420m** • **WSF - Non-convertible silent participation II** agreed for **€671m** • **KfW - Secured RCF** for **€200m**
EQUITY RAISE	• **Fully subscribed** equity raise for ~**€500m** • **Unifirm** holding increased from **24.9%** to **30.1%** post subscription offer • **Over-subscribed** rump placement of **8.3m shares** at **€3.85 per share**
SENIOR NOTES REDEMPTION	• Rights issue proceeds facilitates **redemption** of **€300m Senior Notes bond** (due October 2021) • Early redemption enables **RCF maturity to be extended to July 2022** • Redemption completed on 23 February 2021
LIQUIDITY	• As of **3 February 2021**, pro forma cash and available facilities of **€2.1bn, bridging liquidity until S21**

Vaccine approvals and rollout underway across Europe – supporting the lifting of extensive travel restrictions

21-Dec 2020
EU approves BioNTech-Pfizer vaccine

30-Dec 2020
UK approves Oxford - AstraZeneca vaccine

6-Jan 2021
EU approves Moderna vaccine

29-Jan 2021
EU approves Oxford-AstraZeneca vaccine

29-Jan 2021
Johnson & Johnson announces single-shot vaccine

3-Feb 2021
Results to date show single dose of AstraZeneca vaccine prevents two thirds of transmission

"E.U. Starts Effort to Vaccinate 450 Million"
New York times, 9 Jan '21

"UK vaccination rollout a rare pandemic success"
Financial Times (UK), 18 Jan '21

"Spain Plans to Establish 'Vaccination Certificate' to Recover Tourism Sector"
Schengen Visa Info News, 20 Jan '21

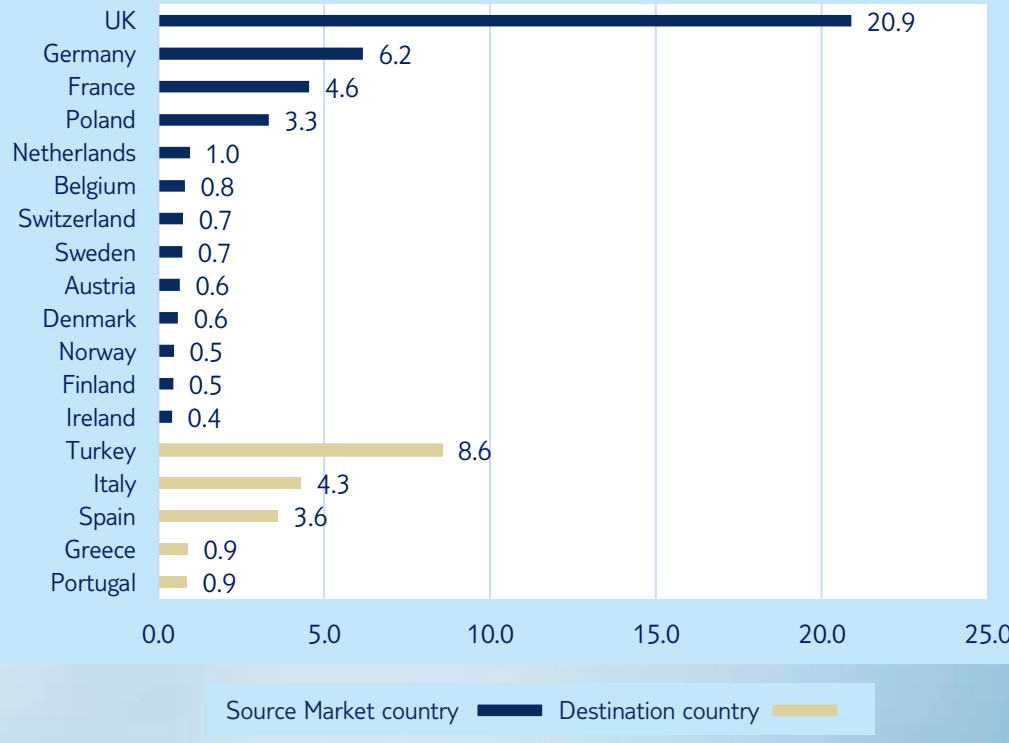
"How 24/7 Covid-19 vaccinations could protect all adults by June"
The Telegraph (UK), 15 Jan '21

"By summer 2021, Member States should have vaccinated a minimum of 70% of the adult population"
European Commission, 19 Jan '21

"By September 2021, everyone will have been invited to receive a vaccine"
German Government 21 Jan '21

Vaccine rollout across key markets combined with new measures versus last year supports strong return of leisure travel

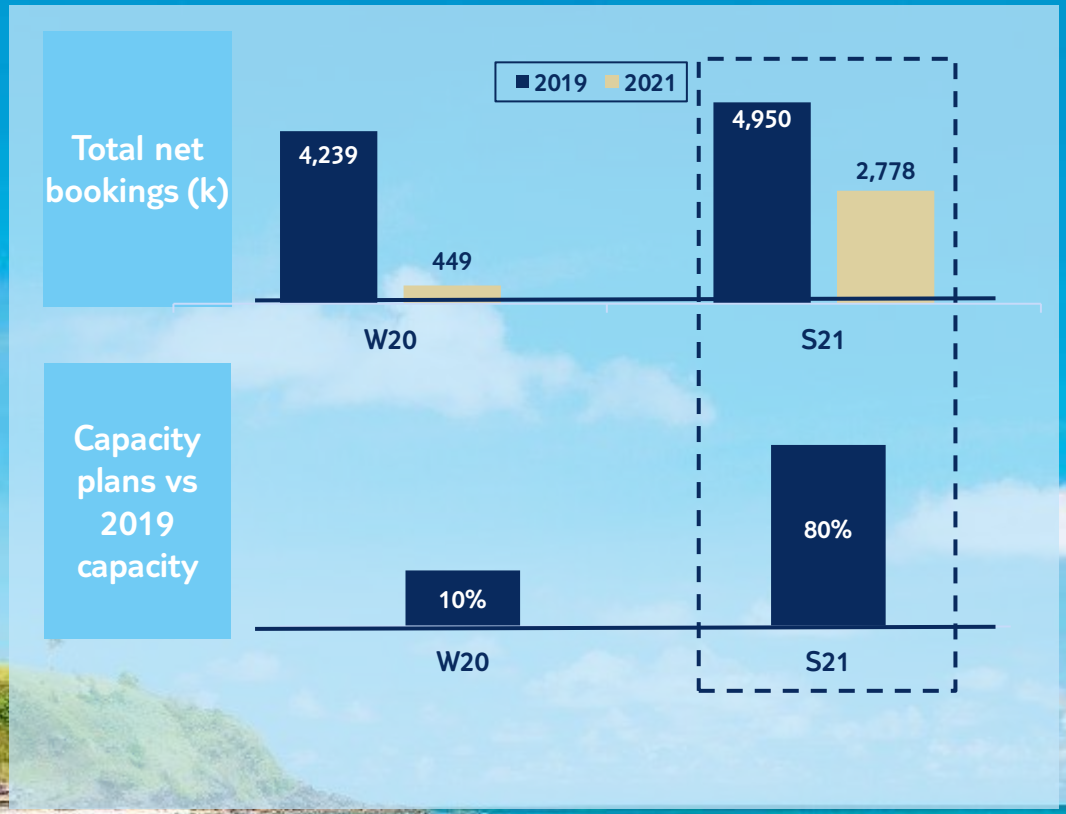
- **UK & EU vaccine rollouts well underway**
  - ✓ **UK – More than 20m people have received their first dose**[1]
  - ✓ **UK** - plans for all over **50s to be offered a vaccination by May**
  - ✓ **EU** - sealed deals for up to **2.3bn doses**[2]
- **Comprehensive preventative** measures and strict **hygiene protocols** incorporated **across TUI ecosystem**
- **Rapid antigen testing** increasingly cheap, effective and available – **key tool alongside vaccines**
  - ➢ Expectation that destinations will likely require **negative testing** on entry **alongside vaccination**
- **Summer months** should help to further reduce infection rates
  - ➢ **UK vaccination** timeline suggests **significant % of UK market** will have been offered a vaccination **in time for Summer**



1 As at 28 February 2021 | 2 EU estimated population of 448m as at 2020 | 3 Figures as at 28 February 2021 per Our World in Data (https://ourworldindata.org/covid-vaccinations) – counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses)

2.8m bookings already taken for Summer 2021 - 80% capacity maintained

OVERALL BOOKING DEVELOPMENT[1]



Versus 2019	W20/21	S21
Bookings	(89%)	(44%)
ASP	+2%	+20%

- **SUMMER 21:**
  - Total bookings (incl. amendments and voucher re-bookings) **down 44% against Summer 2019 (undistorted by C-19)**
  - **ASP up 20% vs. S19 driven by higher pricing and mix**
  - **Mintel Holiday Review Report (Jan 2021)** indicate **32% of UK adults plan to take a holiday** this year but do not know when they will book yet

1 Bookings up to 31 January 2021 compared to 2019 programmes (undistorted by C-19) and relate to all customers whether risk or non-risk

Integrated model provides flexibility

FLYING CAPACITY

- **Own airline** enables swift launch & marketing of new itineraries and guarantees delivery of core programme
- **Variable 3P flying** can easily meet any excess demand
- **More flexible fleet following Boeing agreement provide options to:**
  - Delay expiries if demand exceeds expectations
  - Delay deliveries if demand is below expectations

HOTEL CAPACITY

- **Leveraging Markets & Airline distribution power**
  - Direct customers to own & 3P committed capacity (~50%)
  - Other 50% are 3P non-committed
- **Diversified portfolio across Mediterranean, Caribbean, North Africa & Asia**
- **Successful and reliable C-19 health & safety protocols**

CRUISE CAPACITY

- **TUI Cruises was the only European cruise operator** sailing throughout the Winter
- Benefit from **high level of direct distribution and tour operation integration**[1]
- **Rigorous C-19 hygiene & safety standards across fleet**
- **Reduced global supply supporting pricing**

TUI is THE trusted operator with an agile integrated model

1 Direct distribution TUI Cruises ~40%, HLC ~50%, Marella ~85%

STRATEGIC INITIATIVES

Markets & Airlines: Accelerating realignment programme to drive flexibility & digitalisation

EXISTING MARKETS

Traditional model 21m[1]

- 6m
- 7m
- 5m
- 1m
- 1m

TRANSFORMATION

Driving competitiveness

- Cost improvements
  - Purchasing
  - Airline efficiency
  - Mobile distribution
  - Overheads
- Flexibility
- Speed
- Innovation

355 Group Hotels and 78 third party concept hotels[2]



- Accelerating our transformation, reducing costs and driving innovation through centralisation of processes & technology
- Expanding product range to include accommodation only, seat only and dynamic packaging
- Maintaining our competitive offer & market-leading positions
- Flexing our airline & aircraft order book to meet capacity needs
- Divesting / addressing non-profitable activities

With our integrated model and trusted brands we are strongly positioned to benefit from the market recovery

1 FY19 figures - as per breakdown below, plus a further ~1m in Poland and 0.2m in Switzerland | 2 As at end of FY20

Markets & Airlines - Digital Acceleration & Innovation: "Digital First" Strategy

TUI App - primary touchpoint throughout end-to-end holiday journey



APP FEATURES	Delivery/Updates since March
Browse & Book Breaks	✓
Personalised Planner	✓
Holiday Countdown	✓
Rich Destination Content	✓
24/7 Support via Chat	✓
Live Transfer Information	✓
Airport Information	Soon
Hotel Check-In	Soon
Live Flight Times	Soon

Significant opportunities to drive EAT[1] sales pre-departure, on holiday and at home

1 Excursions, Activities and Tours

Hotels & Cruises: Asset-right strategy, driving returns, benefitting from vertical integration

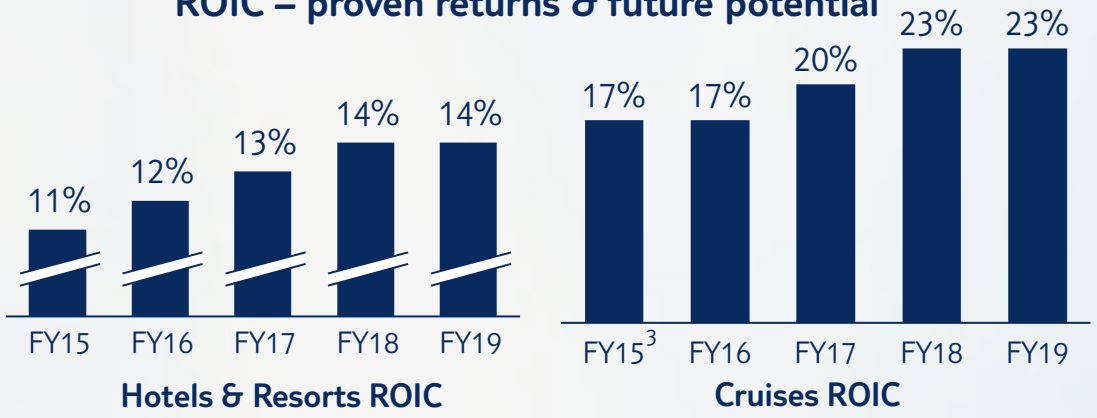


433 Hotels[1]



17 Cruise ships[2]

ROIC – proven returns & future potential



Hotels & Resorts ROIC

Cruises ROIC

RIU HOTELS & RESORTS | TUI BLUE | ROBINSON | TUI CRUISES | HAPAG-LLOYD CRUISES | MARELLA CRUISES

- Sizeable leisure hotel portfolio with premium returns
  - Benefitting from vertical integration & distribution power
  - Portfolio expansion through asset-right strategy
  - TUI BLUE as flagship, asset-light brand

- Consolidating Cruise business with premium returns
  - Leveraging our joint venture structures for growth, as exemplified by the disposal of Hapag-Lloyd to TUI Cruises JV
  - Reduction of capital intensity
  - TUI Cruises as main investment vehicle

With our differentiated product offering, we are strongly positioned to benefit as leisure travel volumes recover

1 Includes group hotels and 3rd party concept hotels as at end of FY20 | 2 As at end of FY20 | 3 Based on former segmentation - Marella Cruises within Markets & Airlines

TUI Musement: Building scale in the "things to do" market & attracting customers to extend TUI's ecosystem

EXISTING CUSTOMER BASE

21m customers - existing markets

3RD PARTY CUSTOMER POTENTIAL

3rd Party customers – global reach

TUI Musement: Open digital platform

CONTROLLED PRODUCTS




3RD PARTY PRODUCTS





>170K controlled, curated and long tail products

- Strong strategic position
- €150bn+ market in FY19 & expected to return to sustained growth post C-19[1]
  - Highly fragmented market (~350k suppliers) operating mostly offline
  - Accelerating "digital first" strategy to enable a seamless omni-channel experience
- Extend ecosystem
  - Use scale to maximise consolidation opportunities
  - Take advantage of favourable competitive conditions to acquire market share
- TUI Ecosystem upselling
  - Leverage on TUI's existing customer base
  - Enhance product depth and differentiation
  - Increase the share of own & controlled products

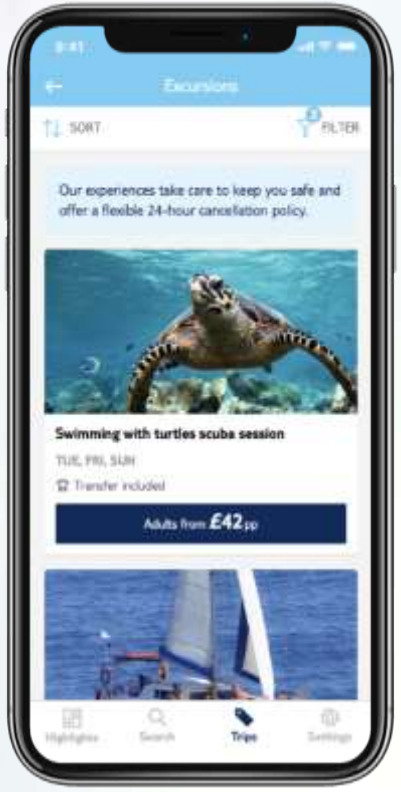
Accelerated platform & "digital first" initiatives to drive customer acquisition and profitable growth

In FY19 TUI Musement generated external revenue of €856m and an Underlying EBIT of €56m | 1 Source: Euromonitor International, Travel 2021 edition.

TUI Musement: Tours & activities segment positioned to drive future growth

> 170k excursions, activities, tickets and transfers available in more than 140 countries

TUI MUSEMENT



- **Pioneer in digitalisation** of currently fragmented, largely offline **Tours & Activities** market

- **Focus of targeted investment spend during C-19**
  - Future-proofed during C-19 hiatus – enhanced integration with TUI App platform, alongside increasingly digital, contactless & user friendly interaction

- **Caters to domestic Tours & Activities demand**
  - Profit potential even when borders are closed
  - Local distribution further enhanced by Booking.com partnership; 13 new destinations in Dec

- **Set to deliver growth post C-19**
  - Poised for significant growth in 2021 and beyond
  - Scalable model aligned with and supplementary to asset light strategy

APP FEATURES	Delivery/Updates since March
Search & Book EAT [1]	✓
Geo-Location *'browse excursions near you'*	✓
Recommended Products	✓
App Exclusive Discounts	✓
Dynamic Merchandising	✓
Bookflow Messaging	✓
Share & Shortlist	Soon
Ratings & Reviews	Soon
Booking Management	Soon

1 Excursions, Activities and Tours

GLOBAL REALIGNMENT PROGRAMME

Global realignment programme drives TUI's strategic initiatives...

REDUCE COSTS



- Accelerate Transformation project
- Merge tasks and organizations across the Group
- Global consolidation of IT structures
- Targeting to permanently reduce our overhead cost base by 30% across the Group
- Impact on potentially 8,000 roles globally

REDUCE CAPITAL INTENSITY



- Asset-right strategy in Hotels & Cruises
- Reduction of investment levels
- Rightsizing of airlines & order book; restructuring
- Divest/address non-profitable activities

DRIVE DIGITALISATION



- Increase accommodation only, seat only and dynamic packaging
- Drive online strategy
- Enhance transformation of DX to a digital business
- Grow TUI ecosystem
- Save costs while enhancing quality

Overall cost reduction target increased from ~€300m to ~€400m p.a. with first benefits expected in FY21

...and is on track to meet ~€400m p.a. cost reduction target

PILLARS

REDUCE COSTS

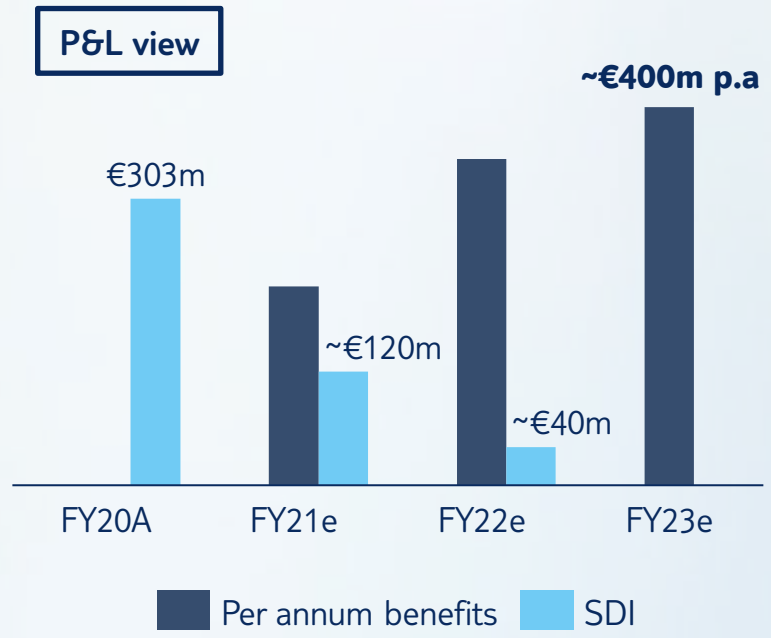
REDUCE CAPITAL INTENSITY

DRIVE DIGITALISATION

RECENT PROGRESS

- **FY20 H1: Announced programme** with **potential impact on 8k roles**
- **~5k reduction in FTEs** to date
- **TUI Musement**: ~2k FTE reduction to date (~25% reduction) as part of transformation to "digital first" model
- **TUI fly Germany**: Restructuring plan ongoing to reduce number of aircraft & bases
- **Retail & core functions**: Over half of planned savings already achieved

PHASING



Cost improvements delivering significant savings across the Group

SUMMARY

TUI strongly positioned to be a key beneficiary beyond the crisis

INTEGRATED BUSINESS MODEL WITH DIVERSIFIED CUSTOMER BASE & DISTRIBUTION POWER

STRONG BRAND PROPOSITION

STRENGTHENED POSITION FROM FURTHER CONSOLIDATION

Markets & Airlines

- 21m customers
- ~140 aircraft[2]
- Own & 3rd party distribution
- % 30% of profit pool[3]

Holiday Experiences

- 433 Hotels[1]
- 17 Cruise ships[2]
- 1m "things to do"
- % 70% of profit pool[3]

TOURISM SECTOR FUNDAMENTALS REMAIN ATTRACTIVE & UNCHANGED

TRANSFORMATION TO LEANER & MORE AGILE STRUCTURE

ACCELERATED DIGITALISATION / GLOBAL REALIGNMENT PROGRAMME

Transformed TUI will benefit from key market position, driving return to profitable growth

Note: All data as at Sep 2019 unless otherwise stated | 1 Includes Group hotels and 3rd party concept hotels as at Sept 2020 | 2 As at Sept 2020 | 3 Excluding cost impact of 737 MAX in Markets & Airlines segment

Summary: Drive transformation and return to profitable growth

FY21: TRANSITION



- Bookings uplift and revenue recovery to correlate with easing of travel restrictions
- Resume growth trajectory from FY19
- Deliver on Global Realignment Programme transforming cost structure
- Digital acceleration prioritised
- Rebuild a robust financial profile

Enhance lean and agile structure

FY22+: PROFITABLE GROWTH



- Trusted, leading brand with differentiated products strongly positioned to benefit from expected market consolidation
- Cost base savings from Global Realignment Programme visible
- Structurally leaner and more agile
- Digital initiatives drive further profitability

Profitable growth - stronger, less capital intensive & more digital

APPENDIX – FY21 Q1 RESULTS

Income Statement – Q1 EBITDA reflects ongoing cost discipline during period of restrictions

In €m	FY21 Q1 IFRS 16	FY20 Q1 IFRS 16 Adjusted[1]
Revenue	468.1	3,850.8
Underlying EBITDA	**-480.4**	**111.5**
Depreciation & Amortisation	-218.2	-258.2
Underlying EBIT	**-698.6**	**-146.7**
Adjustments (SDI's and PPA)	-22.3	68.9
EBIT	**-720.9**	**-77.9**
Net interest expense	-108.8	-52.2
EBT	**-829.7**	**-130.1**
Income taxes	16.6	24.7
Group result continuing operations	**-813.1**	**-105.4**
Minority interest	10.1	-23.2
Group result after minorities	**-802.9**	**-128.5**
Basic EPS (€)	**-1.36**	**-0.22**

REVENUE

- ~€0.5bn of revenue generated in Q1 from winter operations - reduced vs. prior year as a result of ongoing travel restrictions forcing the cancellation of the majority of Winter programme

UNDERLYING EBIT(DA)

- Strong discipline on costs combined with operational opportunities helped to reduce average monthly underlying EBITDA loss to ~€160m and EBIT loss to ~€230m per month

ADJUSTMENTS

- Adjustments of ~€22m relating to Global Realignment Programme (prior year SDIs included the €91m gain on disposal of German specialist businesses Berge & Meer and Boomerang)

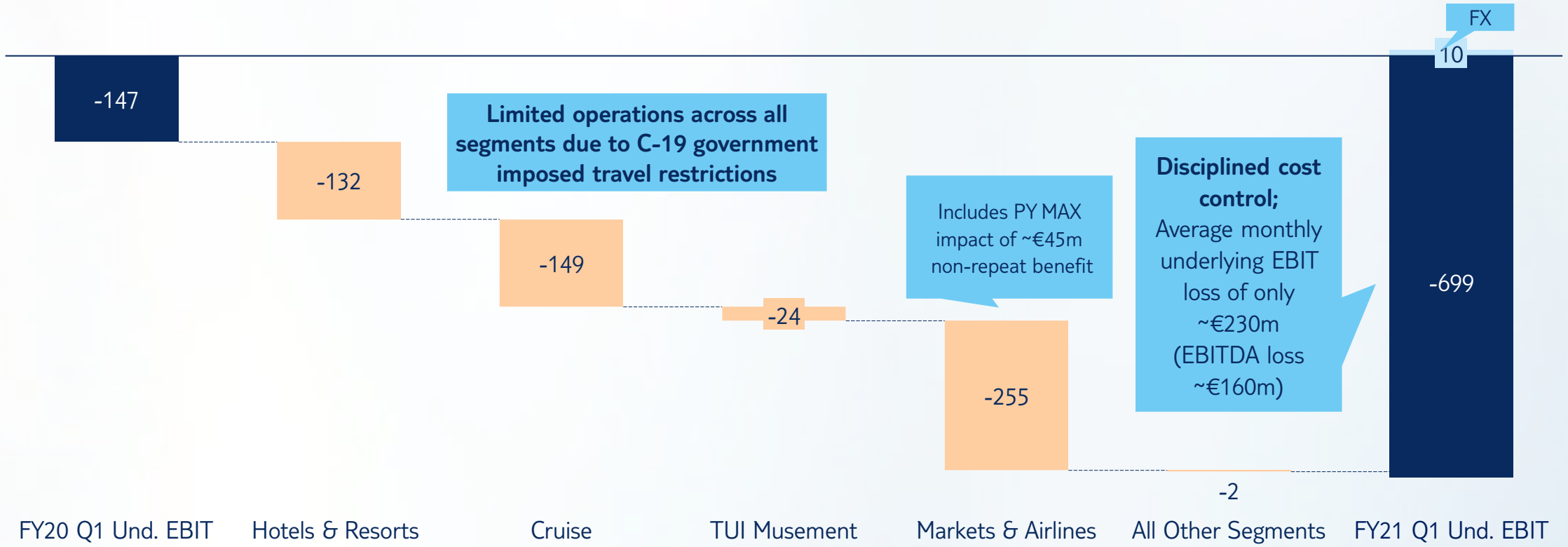
NET INTEREST

- Increase driven predominantly by the greater RCF drawings & higher interest rate on Senior Notes
- **FY21:** Assume net interest charge of between -€400m to -€450m

1 Adjusted for lower depreciation on PPE from the finalisation of PPA

Q1 result - successful cost management & capturing margins where possible

FY21 Q1 UNDERLYING EBIT IN €M[1]



1 At constant currency and on IFRS16 basis

Cash flow – limited working capital outflow & capex spend

In €m	FY21 Q1 IFRS 16	FY20 Q1 IFRS 16 Adjusted[1]
EBITDA underlying	**-480.4**	**111.5**
Adjustments	-17.2	78.3
EBITDA reported	**-497.6**	**189.8**
Working capital	-399.8	-1,398.5
Other cash items[2]	-56.7	-209.1
At equity income	103.9	-38.7
Dividends received from JVs and associates	5.2	5.7
Operating Cash flow	**-845.0**	**-1,450.8**
Net Investments	47.1	-60.7
Free Cash flow	**-797.9**	**-1,511.5**
Dividends	-	-
Free Cash flow after Dividends	**-797.9**	**-1,511.5**
Cash flow from financing	825.0	580.8
o/w Payments received[3]	*925.3*	*780.7*
o/w Payments made[4]	*-100.3*	*-199.9*
Total Cash Flow	**27.1**	**-930.7**

WORKING CAPITAL

- Q1 outflow reflects:
  - Settlement of outstanding supplier payments, largely relating to agreed deferral schemes
  - Customer refunds arising from cancelled holidays
- **FY21:** Expect WC position to recover with operational & booking normalisation

NET INVESTMENTS

- Net inflow from aviation SLB financing and divestments proceeds
- **FY21:** Expect cash inflow of up to €250m for FY21 incl. divestments & PDPs

FCF AFTER DIVIDENDS

- December cash outflow offset by financing initiatives, (excluding initiatives above, monthly cash outflow of €400m at bottom end of range of communicated assumptions)

1 Adjusted for lower depreciation on PPE from the finalisation of PPA | 2 Other cash items comprise other cash effects of +€87m, tax paid (-€9m), cash interest (-€107m) as well as pension contribution & payments (-€28m) | 3 From the issue of bonds, commercial paper and drawings from other financial facilities | 4 For redemption of loans, commercial paper and other financial liabilities

Movement in Net Debt

In €m	YE to Q1 FY21 Q1 IFRS 16	YE to Q1 FY20 YE IFRS 16	YE to Q1 QoQ Δ IFRS 16
Opening Net Debt as at 1 October	**-6,421**	**-3,276**	**-3,145**
FCF after Dividends	-798	-3,193	
Asset Finance	-77	-569	
Bond with warrant	35	-	
Other	84	265	
Disposal group - Hapag-Lloyd Cruises	-	352	
Closing Net Debt per Balance Sheet	**-7,177**	**-6,421**	**-756**

In €m	YE to Q1 FY21 Q1 IFRS 16	YE to Q1 FY20 YE IFRS 16	YE to Q1 QoQΔ IFRS 16
Financial liabilities	**-8,442**	**-7,669**	**-773**
- Lease liabilities under IFRS16	-3,275	-3,400	125
- Senior Notes	-284	-299	15
- Bond with warrant	-116	-	-116
- Liabilities to banks	-4,752	-3,954	-798
- Other liabilities	-15	-16	1
Cash & Bank Deposits	**1,265**	**1,248**	**17**
Net debt	**-7,177**	**-6,421**	**-756**
- Net Pension Obligation	-837	-652	-185

Strict cash flow discipline – significant upside anticipated on easing of restrictions

AS AT FY21 Q1

MONTHLY NET CASH-OUTFLOW
(INCL. NET COSTS[1], WC & NET SPECIAL ITEMS)

FY21 Q1A (travel restrictions)	~€-300m Better than assumed range of €-400m to €-450m, due to financing initiatives in December
FY21 Q2e (assumptions)	• WC depending on vaccine & travel restrictions, with significant upside should restrictions be lifted for Easter (early April) • Net fixed costs in the range of €-250m to €-300m;
FY21 Q3e (assumptions)	• As both operations and bookings begin to normalise, we assume significant positive WC inflow and net costs moving towards cash break-even

SUMMARY – C-19 LIQUIDITY DEVELOPMENT

	€bn
Pro Forma Cash & avail. fac. 30 Nov 2020	**~2.5**
Cash outflow Dec/Jan/up to 3 Feb	-0.4
Pro Forma Cash & avail. fac. 3 February 2021	**~2.1**

1 All costs & cash-outs including interest & others

Priorities & achievements – drive recovery & work towards healthy balance sheet structure

MANAGE LIQUIDITY	DRIVE REVENUE & EARNINGS	OPTIMISE FINANCING
		
• Successful completion of 3rd support package • Disciplined CAPEX management • Other (Divestments, Sale & Manage back)	• Optimise capacity (less fixed capacity) • Execute Global Realignment Programme • Continue cost discipline & improving quality through digitalisation • Drive TUI transformation & return to growth path	• Focus on asset-right strategy • Manage C-19 debt and related interest costs • Monitor capital markets options

Solid & healthy balance sheet – Return to a gross leverage ratio target of less than 3.0x

Modelling assumptions

CAPACITY FOR FUTURE SEASONS[1]

W20/21	**10%** (10% reduction since Y/E)	❄	Nov 20 – Mar 21
S21	**80%** (no change since Y/E)	☀	Apr 21 – Oct 21



OTHER FINANCIAL METRICS (IFRS16 BASIS)

	FY21e	FY20A
Adjustments	~-€180m to -€200m	+€70m
Net interest expense	~-€400m to -€450m	-€276m
Net investments	-€400m to -€500m Capex & Finex +€400m to +€500m Divestments +€100m to +€150m PDPs[2] **INFLOW RANGE:** Up to +€250m	-€667m Capex & Finex +€775m Divestments +€42m PDPs[2] **TOTAL INFLOW**: +€149m
Asset financing[3]	~-€400m to -€500m	-€570m

1 Adjusted capacity planning compared to 2019 programme, current assumptions | 2 Pre-Delivery Payments – stage payments relating to delivery of new aircraft | 3 Gross debt position will see limited impact due to offset from repayment of lease liabilities however net debt position will increase from asset financing above

APPENDIX – FY20 RESULTS

Q4/12M: EBIT loss reflects impact of C-19 restrictions, mitigated by fixed cost reductions

Q4 REVENUE
€1.2bn[1]

-84%[1]

FY REVENUE
€7.9bn[1]

-58%[1]

Q4 UND. EBIT
-€1.1bn[1]

-€2.2bn[1] vs. PY

Incl. one-off items totalling

-€0.2bn

FY UND. EBIT
-€3.0bn[1]

-€3.9bn[1] vs. PY

Incl. one-off items totalling

-€0.8bn

- Pre C-19 crisis we had **an exceptional start to FY20** – on track to deliver a strong FY20 result
- **Q4 Revenue of €1.2bn** - TUI first operator to restart with >2m customers departing since restart
- **FY Revenue -58% YoY** - result of travel suspension & reduced operations during peak Summer season
- **Q4 Underlying EBIT of -€1.1bn** – restart of operations contributes positive WC and supports consumer sentiment, limited by headwinds from ongoing volatility in changing travel restrictions. **Impairments** and **net hedging ineffectiveness** amounted to **€152m**
- **FY Underlying EBIT loss of -€3.0bn** mitigated by **> 70% fixed cost reduction** set against:
  - **Suspended/reduced operations** during Q3 & Q4
  - **Impairments of €515m** triggered by C-19 under IAS 36, with future CF discounted at a higher WACC
  - **Net hedging ineffectiveness of €248m** as a result of reduced operations & latest evaluation of future contracts

Figures based on a pro-forma calculation according to IAS 17 | 1 At constant currency

Income Statement – acute H2 impact from C-19 travel restrictions, limited by immediate fixed cost reductions

In €m	FY20 IFRS 16	FY20 IAS 17[1]	FY19 adjusted[2]
Revenue	7,943.7	7,952.9	18,928.1
Underlying EBITDA	**-1,615.0**	**-2,242.6**	**1,359.5**
Depreciation & Amortisation	-1,382.0	-790.2	-466.0
Underlying EBIT	**-2,997.0**	**-3,032.8**	**893.5**
Adjustments (SDI's and PPA)	69.6	70.1	-124.9
EBIT	**-2,927.4**	**-2,962.7**	**768.6**
Net interest expense	-275.9	-176.5	-77.0
EBT	**-3,203.3**	**-3,139.2**	**691.6**
Income taxes	64.2	61.4	-159.6
Group result continuing operations	**-3,139.1**	**-3,077.8**	**532.1**
Minority interest	-9.4	-9.4	-115.7
Group result after minorities	**-3,148.4**	**-3,087.2**	**416.4**
Basic EPS (€)	**-5.34**	**-5.23**	**0.71**
Underlying EPS (€)	**-4.56**	**-5.45**	**0.89**

REVENUE

€6.7bn generated in 9M period and **€1.2bn generated during restart in Q4**

UNDERLYING EBITDA

- Q4 average monthly cash fixed costs of ~-€260m in line with internal expectations
- Includes impairments triggered by C-19 of €209m and net hedging ineffectiveness of €248m

DEPRECIATION & AMORTISATION

Includes impairments triggered by C-19 of €306m (bringing total impairments in Underlying EBIT to €515m)

ADJUSTMENTS

Consists of restructuring costs mainly relating to Global Realignment Programme and PPA totalling €398m, WACC-driven goodwill & property impairments of €98m, offset by gains on disposal of €476m from Hapag-Lloyd Cruises and €90m from German specialist businesses

NET INTEREST

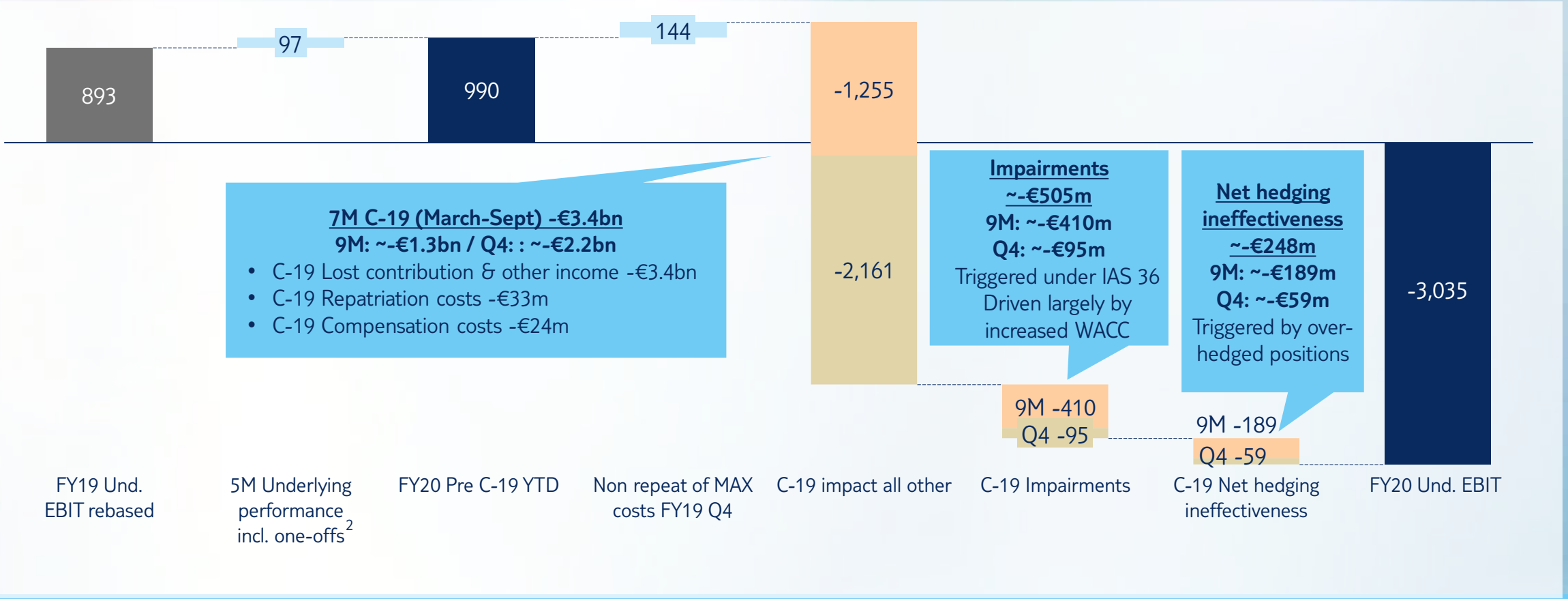
Increase predominantly reflects utilisation of RCF & new KfW facilities

FY21: Assume net interest charge of between -€400m to -€450m

1 FY20 financials based on a pro-forma calculation according to IAS 17 | 2 FY19 figures adjusted as a result of revised classification of certain expense items to cost of sales and revisions to PPAs, please refer to FY20 Annual Report page 155 for further details

Strong start to first 5M, with FY loss triggered by unprecedented C-19 travel suspension, limited by immediate fixed cost reductions

FY20 UNDERLYING EBIT IN €M[1]



1 FY20 financials based on a pro-forma calculation according to IAS 17 at constant currency | 2 Includes 5M Pre C-19 (Oct-Feb) contribution, one-offs such as MAX and benefit of non-repeats over prior year

Cash flow – mitigated by immediate cash cost reductions and strict working capital discipline

In €m	FY20 IFRS 16	FY20 IAS 17[1]	FY19 adjusted[2]
EBITDA underlying	**-1,615.0**	**-2,242.6**	**1,359.5**
Adjustments	260.0	242.1	-82.1
EBITDA reported	**-1,355.0**	**-2,000.5**	**1,277.4**
Working capital	-1,351.0	-1,260.5	-25.6
Other cash items[3]	-517.9	-400.7	-202.4
At equity income	193.3	193.3	-297.5
Dividends received from JVs and associates	7.1	7.1	244.6
Operating Cash flow	**-3,023.5**	**-3,461.3**	**996.6**
Net Investments	149.3	149.3	-1,118.4
Free Cash flow	**-2,874.2**	**-3,312.0**	**-121.9**
Dividends	-318.6	-318.6	-475.4
Free Cash flow after Dividends	**-3,192.8**	**-3,630.7**	**-597.3**
Cash flow from financing	2,695.2	3,133.1	-193.4
o/w Payments received from the issue of bonds, commercial paper and drawings from other financial facilities	*3,389.0*	*3,389.0*	*39.0*
o/w Payments made for redemption of loans, commercial paper and other financial liabilities	*-693.8*	*-255.9*	*-232.4*
Total Cash Flow	**-497.6**	**-497.6**	**-790.6**

REPORTED EBITDA

Loss driven predominantly by C-19 business standstill, related impairments and net hedging ineffectiveness

WORKING CAPITAL

Result of refund obligations due to stop/start operations and settlement of trade payables

- Net €0.8bn decrease in customer deposits to €2.1bn[4] at Sep FY20
- Some recovery of prepayments during restart but €0.3bn rollover into S21
- **FY21:** Expect WC position to recover with operational & booking normalisation

NET INVESTMENTS

Significant reduction in H2 to conserve cash

- Reduced from original guidance range of ~€750m-€900m to €497m[5]
- **FY21:** Expect cash inflow of up to €250m for FY21 incl. divestments & PDPs

DIVIDENDS

€319m paid in February 2020, prior to C-19 crisis

FINANCING CASH FLOW

Reflects full utilisation of original RCF and KfW tranche #1

ASSET FINANCING

FY21: Assume increase of between €400m and €500m

1 FY20 financials based on a pro-forma calculation according to IAS 17 | 2 FY19 figures adjusted as a result of revised classification of certain expense items as cost of sales and revisions to PPAs | 3 Other cash items of -€401m (on IAS 17 basis) comprise other cash effects (-€217m including reversal of HLC book gain), tax paid (€56m), cash interest (-€127m) as well as pension contribution & payments (-€113m) | 4 Touristic advance payments received (customer deposits) of €1,770m plus Other Financial Liabilities (deposits relating to cancelled holidays) of €351m | 5 Excluding Hapag-Lloyd €646m divestment but including Pre Delivery Payments (PDPs)

Movement in Net Debt

In €m	FY20 IFRS 16	YoY FY20 IAS 17[1]	YoY FY19
Opening net debt as at 1 October	**-910**	**-910**	**124**
FCF after Dividends	-3,193	-3,631	-597
Asset Finance	-569	-377	-337
Other	265	16	-100
Disposal group - Hapag-Lloyd Cruises	352	345	-
Σ before lease liabilities first time adoption IFRS 16	**-4,055**	**-4,557**	**-910**
Lease liabilities first time adoption IFRS 16	-2,366	-	-
Closing Net Debt IFRS16 per Balance Sheet	**-6,421**		-
Net Debt Swing pro-forma IAS 17		-3,647	-1,034

FY20 C-19 Net Debt & Financing

Net debt increase FY20 (€bn)		Financing utilised (€bn)	
Rep EBITDA	-2.0	RCF	1.5
WC outflow	-1.3	KfW #1	1.8
Dividend & Other[2] CF, ND items	-0.3	Asset finance (HLC sale)	-0.2
		Cash consumption	0.5
TOTAL	**-3.6**	**TOTAL**	**3.6**

1 Based on a pro-forma calculation according to IAS 17 | 2 Other cash flow (see slide 11) as well as net debt influencing items | Net financial position breakdown can be found within Appendix slide 39

Net Financial Position, Pensions and Operating Leases

	12M YoY			Q3 to Q4		
In €m	**30-Sep-20**	**30-Sep-19**	**YoY Δ**	**30-Sep-20**	**30-Jun-20**	**QoQ Δ**
Financial liabilities	**-7,669**	**2,682**	**-4,987**	**-7,669**	**-7,864**	**195**
- Finance leases	-	-1,495	1,495	-	-	-
- Lease liabilities under IFRS16[1]	-3,400	-	-3,400	-3,400	-3,645	245
- Senior Notes	-299	-298	-1	-299	-299	-
- Liabilities to banks	-3,954	-870	-3,084	-3,954	-3,903	-51
- Other liabilities	-16	-20	4	-16	-17	1
Cash & Bank Deposits	**1,248**	**1,772**	**-524**	**1,248**	**1,998**	**-750**
Net debt	**-6,421**	**-910**	**-5,511**	**-6,421**	**-5,866**	**-555**
- Net Pension Obligation	-652	-758	106	-652	-635	17
- Discounted value of operating leases[2]	-	-2,580	2,580	-	-	-

1 Including existing finance leases under IAS 17 (~€1,514m) | 2 At simplified discount rate of 0.9% at 30.09.2019

FY20 Full Year Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)*

In €m	FY20 IFRS 16	FY20 IAS 17[1]	FY19 adjusted	Change vs IAS 17	IAS 17 FX	Change vs IAS 17 ex FX
Hotels & Resorts	**402.4**	**402.4**	**660.0**	**-257.6**	**0.1**	**-257.7**
- Riu	272.9	272.9	415.1	-142.2	-2.1	-140.1
- Robinson	57.2	57.2	103.1	-45.9	1.4	-47.3
- Blue Diamond	-	-	-	-	-	-
- Other	72.3	72.3	141.8	-69.5	0.8	-70.3
Cruises	**472.6**	**472.6**	**965.8**	**-493.2**	**8.2**	**-501.4**
- TUI Cruises	-	-	-	-	-	-
- Marella Cruises	287.9	287.9	660.6	-372.7	8.2	-380.9
- Hapag-Lloyd Cruises	184.7	184.7	305.2	-120.5	0.0	-120.5
Destination Experiences	**306.3**	**306.3**	**856.2**	**-549.8**	**2.3**	**-552.2**
Holiday Experiences	**1,181.3**	**1,181.3**	**2,482.0**	**-1,300.7**	**10.6**	**-1,311.3**
- Northern Region	2,462.0	2,466.6	6,355.2	-3,888.6	29.5	-3,918.1
- Central Region	2,859.6	2,861.5	6,416.9	-3,555.4	4.1	-3,559.5
- Western Region	1,345.9	1,348.5	3,237.2	-1,888.7	0.8	-1,889.5
Markets & Airlines	**6,667.5**	**6,676.6**	**16,009.3**	**-9,332.7**	**34.4**	**-9,367.1**
All other segments	94.9	94.9	436.7	-341.8	-0.2	-341.6
TUI Group	**7,943.7**	**7,952.9**	**18,928.1**	**-10,975.2**	**44.8**	**-11,020.0**

* Table contains rounding effects | 1 FY20 financials based on a pro-forma calculation according to IAS 17

FY20 Full Year Underlying EBITDA by Segment*

In €m	FY20 IFRS 16	FY20 IAS 17[1]	FY19 adjusted	Change vs IAS 17	IAS 17 FX	Change vs IAS 17 ex FX
Hotels & Resorts	**-58.0**	**-195.1**	**563.3**	**-758.3**	**-25.8**	**-732.5**
- Riu	118.9	114.1	384.9	-270.8	1.7	-272.4
- Robinson	-21.1	-32.5	80.9	-113.4	1.7	-115.1
- Blue Diamond**	-35.4	-35.4	9.9	-45.3	0.5	-45.8
- Other	-120.3	-241.3	87.5	-328.8	-29.7	-299.2
Cruises	**-82.3**	**-82.9**	**457.6**	**-540.4**	**2.6**	**-543.1**
- TUI Cruises**	-74.2	-74.2	202.6	-276.8	0.0	-276.8
- Marella Cruises	-24.7	-24.8	193.3	-218.1	2.6	-220.7
- Hapag-Lloyd Cruises	16.6	16.1	61.7	-45.6	0.0	-45.6
Destination Experiences	**-87.4**	**-93.9**	**71.2**	**-165.1**	**2.0**	**-167.1**
Holiday Experiences	**-227.7**	**-371.8**	**1,092.1**	**-1,463.9**	**-21.2**	**-1,442.7**
- Northern Region	-593.6	-828.4	163.8	-992.3	9.1	-1,001.4
- Central Region	-435.9	-546.9	146.7	-693.7	1.2	-694.8
- Western Region	-237.2	-369.2	18.1	-387.3	5.0	-392.3
Markets & Airlines	**-1,266.8**	**-1,744.5**	**328.7**	**-2,073.2**	**15.3**	**-2,088.5**
All other segments	-120.6	-126.3	-61.3	-64.9	0.3	-65.2
TUI Group	**-1,615.0**	**-2,242.6**	**1,359.5**	**-3,602.1**	**-5.7**	**-3,596.4**

*Table contains rounding effects | **Equity result | 1 FY20 financials based on a pro-forma calculation according to IAS 17

FY20 Full Year Underlying EBIT by Segment*

In €m	FY20 IFRS 16	FY20 IAS 17[1]	FY19 adjusted	Change vs IAS 17	IAS 17 FX	Change vs IAS 17 ex FX
Hotels & Resorts	**-395.2**	**-399.6**	**451.8**	**-851.4**	**-19.9**	**-831.5**
- Riu	50.1	49.7	326.2	-276.5	3.0	-279.5
- Robinson	-99.1	-102.7	54.7	-157.4	3.7	-161.1
- Blue Diamond**	-35.4	-35.4	9.9	-45.3	0.5	-45.8
- Other	-310.9	-311.2	60.9	-372.1	-27.2	-345.0
Cruises	**-322.3**	**-322.8**	**366.0**	**-688.8**	**4.2**	**-693.0**
- TUI Cruises**	-74.2	-74.2	202.6	-276.8	0.0	-276.8
- Marella Cruises	-254.2	-254.2	120.5	-374.7	4.2	-378.9
- Hapag-Lloyd Cruises	6.1	5.7	43.0	-37.3	0.0	-37.3
Destination Experiences	**-114.0**	**-114.6**	**55.7**	**-170.3**	**2.0**	**-172.3**
Holiday Experiences	**-831.5**	**-837.0**	**873.5**	**-1,710.5**	**-13.7**	**-1,696.8**
- Northern Region	-960.9	-975.1	58.5	-1,033.6	9.3	-1,042.9
- Central Region	-612.5	-619.8	101.9	-721.7	1.0	-722.7
- Western Region	-433.7	-440.8	-28.6	-412.2	4.9	-417.1
Markets & Airlines	**-2,007.1**	**-2,035.7**	**131.8**	**-2,167.5**	**15.1**	**-2,182.6**
All other segments	-158.4	-160.2	-111.8	-48.4	0.6	-49.0
TUI Group	**-2,997.0**	**-3,032.8**	**893.5**	**-3,926.3**	**2.0**	**-3,928.3**

*Table contains rounding effects | **Equity result | 1 FY20 financials based on a pro-forma calculation according to IAS 17

APPENDIX – SUSTAINABILITY

Sustainability is at the heart of TUI - focus on further driving our sustainable business transformation

TUI GROUP SUSTAINABILITY STRATEGY

We are mindful of the importance of travel and tourism for many countries in the world and people living there. We partner with these countries and help shape their future – in a committed and sustainable manner.

- After having proven a strong performance in FY19, the final year of TUI's current strategy Better Holidays, Better World 2020 was negatively affected by the COVID-19 crisis.
- The next strategy is being developed in **active dialogue** with various **external and internal** stakeholders – inclusion of all business units, group functions and committees
- Focus on **the long-term challenges** facing the global tourism sector and TUI's part of driving the **sustainable transformation** in our industry – reflecting EU Green Deal decisions and based on the UN Sustainable Development Goals
- Objective: Consolidation of our position as the **sustainability leader** in our industry

TUI CREDENTIALS (FY 20)

- TUI Group is represented in the sustainability indices **FTSE4Good, Ethibel Sustainability Index (ESI) Excellence Europe.**
- TUI participated again in the **CDP Climate Change** assessment and has been awarded a place on the prestigious CDP Climate Change A List for 2019, recognising us as corporate leaders on climate action.
- TUI signed the **International Tourism Plastic Pledge** to reduce plastic pollution and successfully **removed 250 million pieces of single-use plastics** by spring 2020.

TUI CARE FOUNDATION COVID-19 RELIEF PROGRAMME

- TUI Care Foundation set up a **Corona Relief Fund to empower 100 charitable organisations in holiday destinations** to offer emergency support to local communities.
- Together with the NGO enpact, TUI Care Foundation initiated an **emergency aid programme for tourism businesses in developing and emerging countries** - a total of 150 teams of young businesses will be supported with expert workshops, mentoring and financial support.



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