

TUI GROUP INVESTOR PRESENTATION

June 2021

FORWARD-LOOKING STATEMENTS

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.

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])



€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])



€425m[2] 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 €293m 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]
- 15 Cruise ships[3]
- 1m "things to do"
- % 70% of profit pool[4]

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

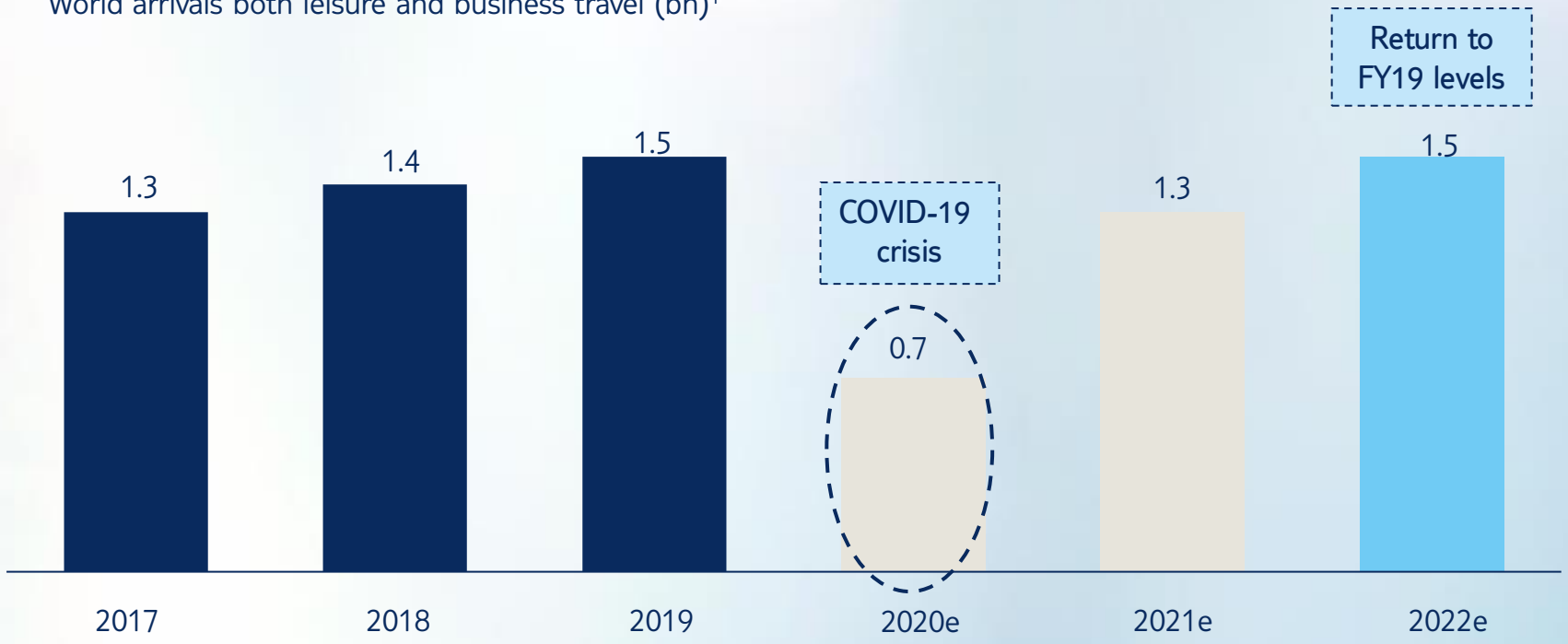
Note: All data as at Sep 2019 besides otherwise stated I 1 Includes Group hotels and 3rd party concept hotels as at Sept 2020 | 2 As at Sept 2020 | 3 As at March 2021 4 Excluding cost impact of 737 MAX in Markets & Airlines segment

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

ACTUAL DEVELOPMENT

FORECAST[2]

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



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

ACTIVE DURING C-19 PANDEMIC

One year into C-19 pandemic: Crisis management is part of our DNA



- Significant self-help actions taken – **Cash fixed costs decreased by >70%**, resulting in monthly cash fixed cost of €250m - €300m
- **Securing €4.8bn[1] liquidity** through three support packages – ~€2bn to cover working capital
- **Efficiency programme on track to deliver ~€400m** savings p.a. by FY23 – no compromise on quality and growth
- **Asset-right strategy** in hotels & cruises in order to accelerate growth
- **Acceleration of digital strategy** – inspiring customers and creating a long-term competitive advantage
- First step towards **refinancing government facilities** with successful issue of €400m convertible bonds in April
- **Market recovery towards summer** with significant working capital inflow expected

Liquidity headroom of ~€1.7bn[2] – strongly positioned for leisure travel recovery

1 With the commitment of banks, German Federal government & shareholders; 2 Pro forma liquidity, i.e. cash and committed lines incl. 3rd financing package and convertible bonds; as of 7 May 2021

TUI has continued to deliver a broad range of holiday products safely and responsibly to more than 2.7m guests since June

HOTELS & RESORTS

- 122 opened[1] hotels across Group portfolio such as Riu and Robinson
- Available destinations: e.g. Canaries, Balearics, Maldives
- 40% overall occupancy rate in FY21 H1

TUI MUSEMENT

- 261k excursions since Summer 20
- Increasing domestic products during pandemic
- 3.74m transfers in destinations like Canaries and Balearics

CRUISES[2]

- ~120 Cruises, e.g. Blue cruises in Baltic Sea & Canaries
- ~85,000 guests
- 1,400 guests extended their stay on board
- ~50,000 PCR tests & 35,000 antigen tests

MARKETS & AIRLINES

- 2.7m guests mainly from Germany, Belgium & UK
- ~24k flights
- Most popular destinations: Greece & Spain
- Online bookings up by +7%-points to 56% in H1

TUI is the first operator to provide holiday experiences on lifting of restrictions

Numbers since restart in summer 20 until end of April 2021 | 1 As at 31 March 2021

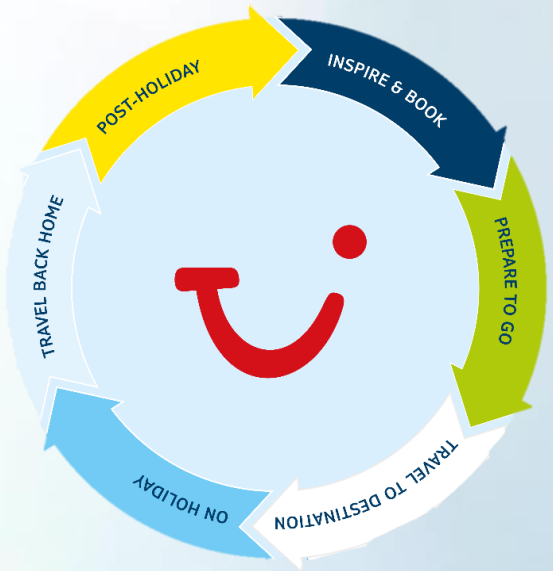
Customers appreciate flexible, safe and unique experiences, adapted to their needs

TRUST

- Strong brand proposition
- Market leading positions
- Control whole value chain
- Holiday protection[1]

SERVICE /QUALITY

- One point of contact
- 24/7 virtual support via TUI app
- In destination representatives[2]



FLEXIBILITY

- Free amendments for bookings
- Introduction of flex options
- Broad range of destinations

HEALTH / SAFETY

- Hygiene concepts
- Testing facilities
- Insurance cover "COVID protect"

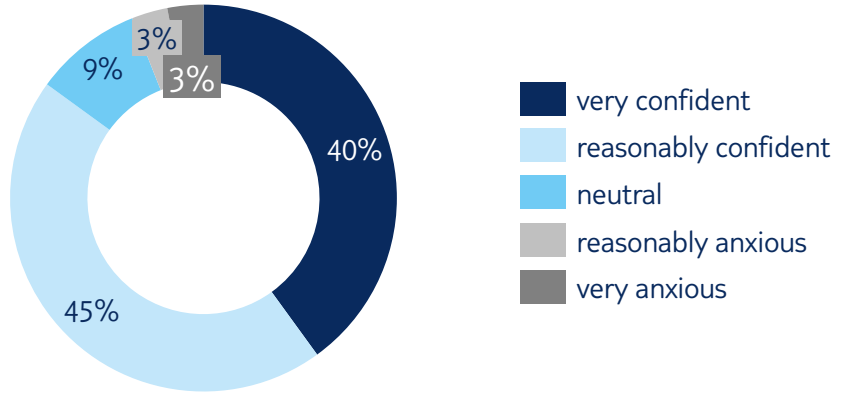
TUI delivers a unique blend of human & digital interaction

1 Via regulated consumer protection schemes in each respective source market; 2 Available in key resorts

TUI holidays positively received by customers

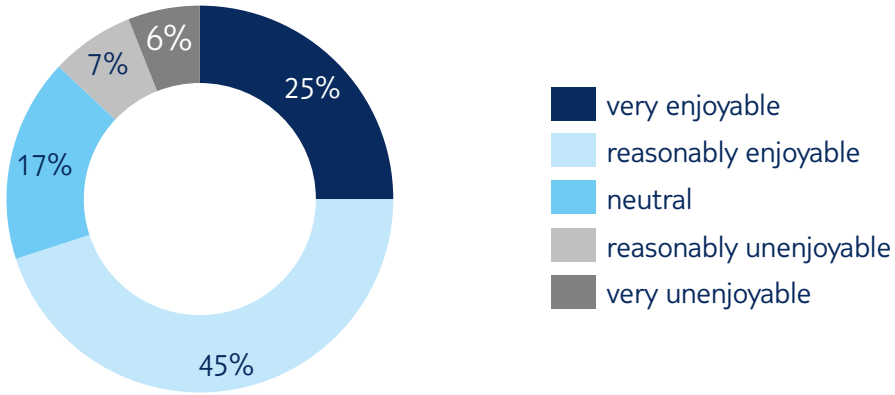
OUR CUSTOMERS FEEL CONFIDENT TO TRAVEL...

How confident do our guests feel traveling in the current situation?[1]



... AND CONTINUE TO ENJOY THEIR HOLIDAYS IN TIMES OF PANDEMIC

How enjoyable do our guests find their holiday so far?[1]



TUI achieves above average CSAT of 8.6[2]

1 TUI Group Restart Survey, since 1st April 2021, n = 435, source market Germany only; 2 Scale 1 - 10, time period: April 2020 until March 2021, n=83,183

READY TO LAUNCH SUMMER 21

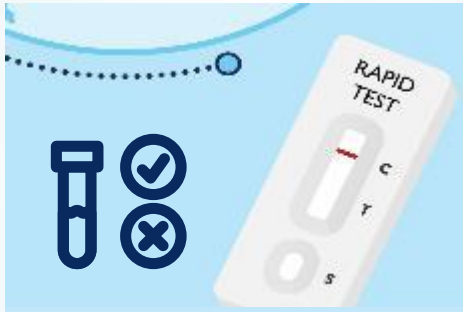
Successful vaccine progress to date, combined with health protocols enables the safe return of Summer holidays

VACCINATIONS



Vaccine programmes progressing solidly across customer markets & destinations

TESTING



Affordable PCR/antigen testing more widely available across markets & destinations

PROTOCOLS



Comprehensive hygiene measures now standard across TUI eco-system

SAFE TRAVEL

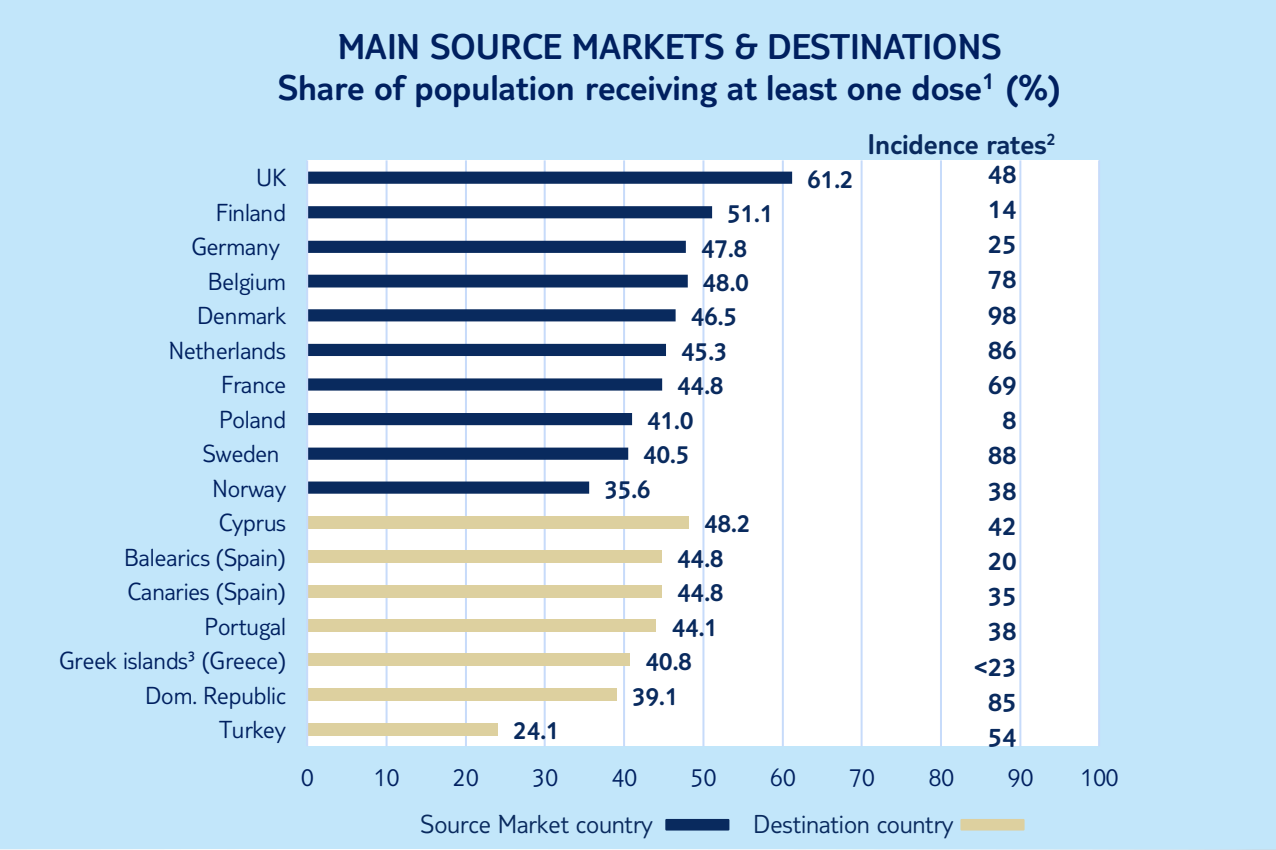


2.7m customer departures since last June - extremely low incidence rate of 0.41[1] recorded

Key tools in place versus S20 to facilitate international leisure travel

1 Calculation: Number of cases / Number of guests x 100,000 / Number of days x 7

Vaccination progress & decreasing incidence rates enable the restart of international travel in time for peak Summer period



- Source markets and destinations making great **progress** in terms of **vaccination programs** and **reopening concepts including testing**
- TUI's **destination opening portfolio** sees **low incidence rates,** e.g.:
  - Greek islands[3]: <23
  - Balearics: ~20
  - Portugal: <40
  - Canaries: ~35
- **More than 60% of our planned capacity** for Summer 21 with **low incidence rates**

Clear and positive indicators – Summer 21 will be open for leisure travel

1 Latest figures available up to 13 June 2021 per Our World in Data (https://ourworldindata.org/covid-vaccinations); 2 As per 6 June 2021, Cases/100k past 7 days; 3 Kos, Corfu. Rhodes

Upcoming reopening timeline for key source markets

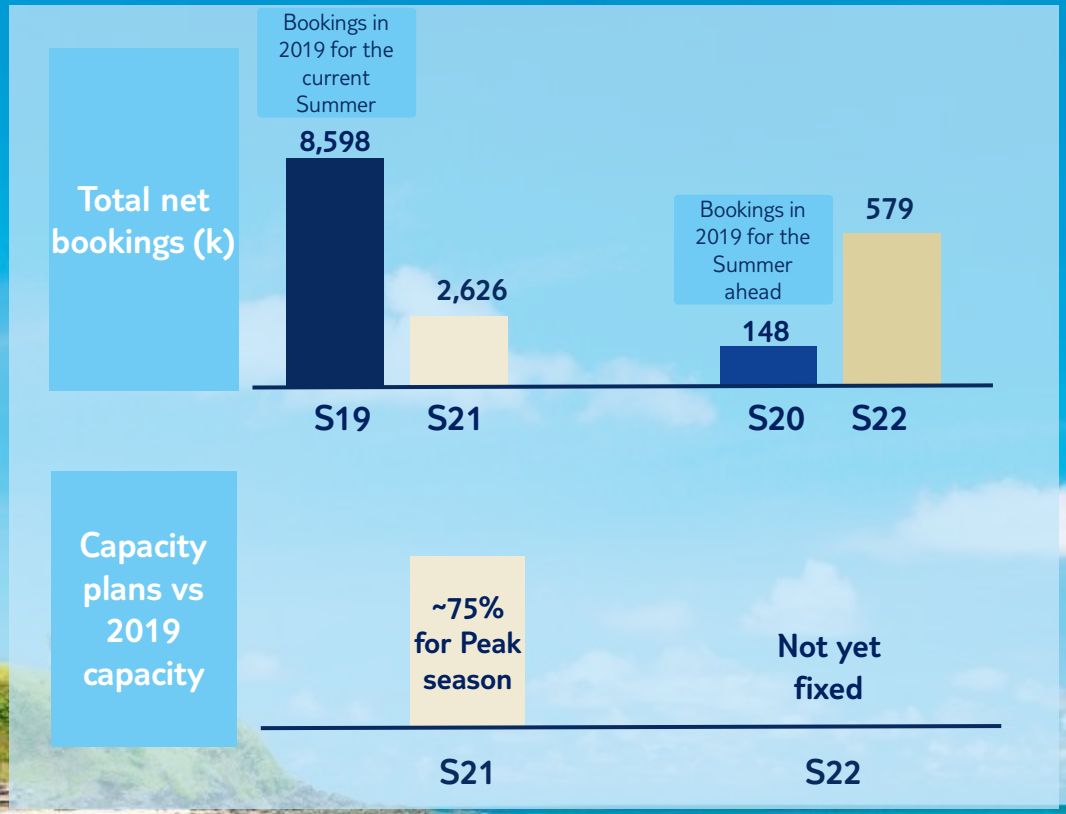
GERMANY	No general travel ban, Summer programme in operation **TUI Cruises - already operating, Mein Schiff fleet of 7 ships and Hapag-Lloyd Cruises fleet of 5 ships to be in operation by summer.**
BELGIUM	Ban on non-essential travel lifted since **19 April**
DENMARK	Non-essential travel within EU permitted since **14 May** TUI flights operating since **21 May**
NETHERLANDS	Ban on non-essential travel ban lifted since **15 May**
UK	International travel permitted since **17 May on traffic light system** **Marella Cruises – UK** itineraries from **June, Mediterranean** from **August**
SWEDEN	Non-essential travel within EU permitted since **7 June**
FRANCE	Reopening of borders from **9 June** with country classification framework in place
NORWAY	Expected to reopen for travel from **early July**

Q3 will see the reopening of Summer 21 and leisure travel

As of 6 June.; Additional markets: Finland - no indication on timeline for reopening. Poland – currently permitted to travel, PCR testing required

Strong pipeline of 2.6m bookings for Summer 2021 – capacity remains at ~75% for peak Summer months

OVERALL BOOKING DEVELOPMENT[1] – PEAK BOOKING PERIOD STILL TO COME



Versus 2019	S21	S22 (UK)
Bookings	(69%)	293%
ASP	+22%	n.m.

- **SUMMER 21:**
  - Total bookings[2] **down 69% against Summer 2019 (undistorted by C-19)**
  - **ASP up 22% vs. S19 driven by higher pricing and mix**
  - **Gross bookings** have **doubled** since beginning of April
  - **Retention** rates between **40% and 60%** for amendments
- **SUMMER 22:**
  - New bookings **since end of March up 109% (UK)**

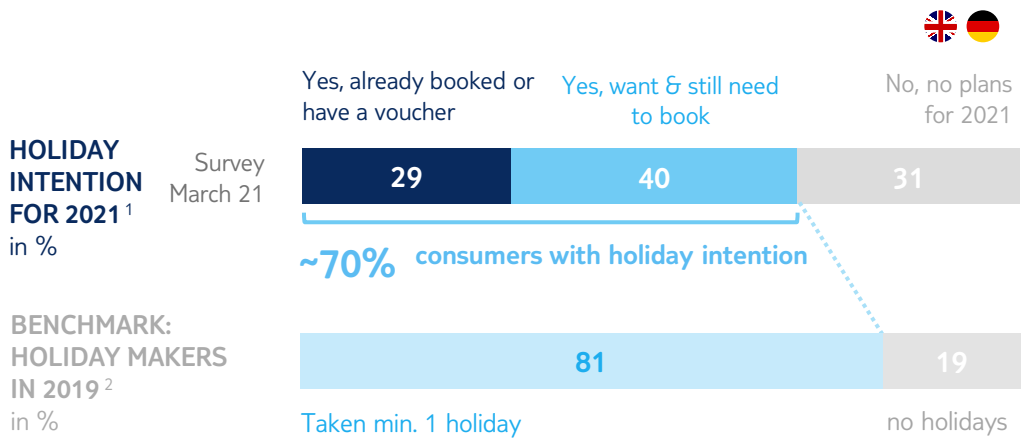
1 Bookings up to 2 May 2021 compared to 2019 programmes (undistorted by C-19) and relate to all customers whether risk or non-risk; 2 Incl. amendments and voucher re-bookings

People immediately want to travel when restrictions are removed

TUI GERMANY		• High pent-up demand for Majorca out of Germany - ~10,000 PAX in the first four days of booking reopening with some flights fully booked over the first weekend
TUI NETHERLANDS		• Trial holiday in collaboration with the Dutch government was set-up to RIU Gran Canaria for 180 guests early May – within one day, over 60,000 people signed up to participate
TUI POLAND / RIU		• Currently we see ~1,000 new bookings per day with popular demand for medium/long-haul destinations such as Dubai, Dom Rep & Mexico • RIU Dubai also benefits from this development and shows increasing occupancy rates
MARELLA CRUISES		• Marella Cruises went on sale on 16 April 2021 – good demand with hundreds of bookings on day of launch • Explorer I & II will operate domestic cruises around the UK from end of June

Quick and strong recovery of leisure travel is expected

CONSUMER SENTIMENT UNDERLINES....



.... THE DESIRE TO TRAVEL

- NBTC Holiday Sentiment Monitor
  - ➢ **~70%** of consumers have **an intention to travel in 2021**
  - ➢ This is a very good result compared to a normal year

Surveys indicate strong summer recovery once travel restrictions and limitations are lifted

1) Netherlands Bureau for Tourism and Conventions (NBTC) – Holiday Sentiment Monitor, March 2021; 2) TUI Market Structures Survey 2019/20

FINANCIAL PRIORITIES & H1 RESULTS

Capital structure development & ongoing priorities

MANAGE LIQUIDITY



- Manage working capital flow back of ~ €1.5-2.0bn
- Disciplined CAPEX management
- Focus on asset-right strategy (Divestments, Sale & Manage back)

DRIVING OPERATING EFFECTIVENESS



- Optimise (fixed) capacity
- Deliver cost efficiency – on track to deliver ~50% by end FY21
- Drive digitalisation & enhance quality
- Return to growth

OPTIMISE FINANCING

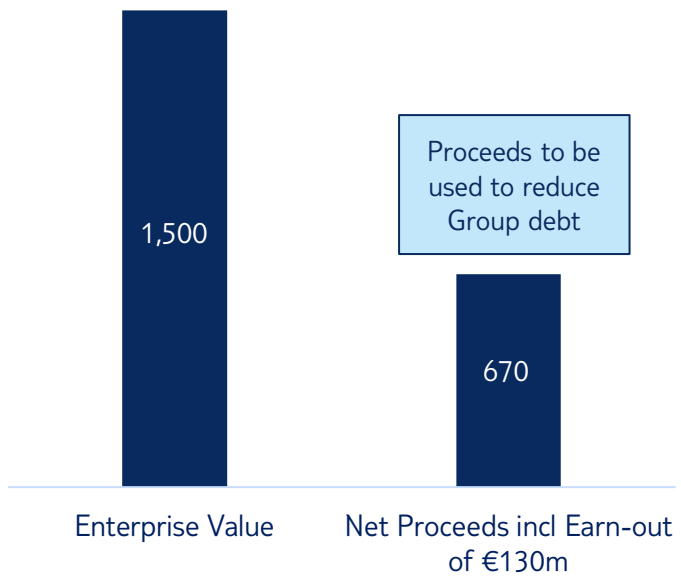


- Extend RCF & KfW beyond 2022
- Reduce debt / minimise drawings
- Improve credit rating

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

Agreement to dispose 49% minority stake in RIU Hotels S.A. (RIU I)

VALUATION AND NET PROCEEDS (€m)



SUMMARY

- Disposal of 49% minority share in RIU Hotels S.A. (RIU I) unconsolidated joint venture with 21 hotels to RIU Group
- Transaction implies an enterprise value/EBITDA multiple of 11.9x (RIU 2019) and expected to complete in late summer 2021[1]
- Earn-out payable upon RIU Hotels S.A. delivering its FY22 and FY23 operating budget
- Management of ~100 RIU hotels and resorts worldwide remains unchanged in RIU II 50/50 joint venture
- Transaction is expected to generate considerable book gain

Further delivery of asset-right strategy – decoupling hotel growth from asset investments

1 Subject to final financing agreements and certain regulatory approvals

Overview new Convertible Bonds

Issuer	TUI AG
Date of issuing	April 2021
Total volume	€400m
Maturity date	April 2028
Bondholder put date	April 2026
Denomination	100,000
Annual coupon	5%, payable semi-annually
Conversion price (initially)	€5.3631
Conversion premium	25%
Listing	Open Market segment (Freiverkehr) Frankfurt Stock Exchange

Current price (10/5/2021):

114.9

Successful utilisation of conditional capital which was recently granted by AGM
6.8% of 10% total authorisation used (~75m underlying shares)

Please find the term sheet as well as the terms & conditions on our website under the following link: https://www.tuigroup.com/en-en/investors/bonds-and-ratings/bonds

H1 Financial Overview

H1 REVENUE
€0.7bn
-89%

H1 CUSTOMERS
684k
-89%

H1 UND. EBIT
-€1.3bn
-€0.5bn vs. PY

CASH & AV. FAC.
€1.7bn[1]

- **H1 Revenue – €0.7bn** generated in the first six months (October 20 - March 21) highlighting the comprehensive travel restrictions during winter season
- **H1 Underlying EBIT loss of -€1.3bn** – better than expected, demonstrating our continued strict cost management in times of the C-19 pandemic
- **H1 Customers of 684k** – 89% reduction in line with revenue
- **Pro Forma Cash and available facilities of €1.7bn** as at 7 May 2021 – in line with communicated assumptions and positively influenced by the successful issue of the €400m convertible in April 2021

1 Pro forma liquidity, i.e. cash and committed lines incl. 3rd financing package and convertible bonds; as of 7 May 2021

Income Statement – H1 EBITDA reflects ongoing cost discipline during period of restrictions

In €m	FY21 Q1 IFRS 16	FY21 Q2 IFRS 16	FY21 H1 IFRS 16	FY20 H1 IFRS 16
Revenue	468	248	716	6,639
Underlying EBITDA	**-480**	**-376**	**-856**	**-266**
Depreciation & Amortisation	-218	-235	-453	-529
Underlying EBIT	**-699**	**-610**	**-1,309**	**-795**
Adjustments (SDI's and PPA)	-22	33	10	49
EBIT	**-721**	**-578**	**-1,299**	**-746**
Net interest expense	-109	-136	-245	-103
EBT	**-830**	**-714**	**-1,544**	**-849**
Income taxes	17	29	46	34
Group result continuing operations	**-813**	**-685**	**-1,498**	**-815**
Minority interest	10	13	23	-46
Group result after minorities	**-803**	**-672**	**-1,475**	**-861**
Basic EPS (€)	**-1.36**	**-0.65**	**-1.83**	**-1.46**

REVENUE

- ~€0.7bn of revenue generated in H1 from end of Summer (October) and Winter operations - reduced vs. prior year as a result of ongoing travel restrictions forcing the cancellation of the majority of Winter programme (departed pax down c. -90% in H1)

UNDERLYING EBIT(DA)

- Strong discipline on costs combined with short term operational opportunities helped to reduce average monthly underlying EBITDA loss to ~€140m and EBIT loss to ~€220m per month

ADJUSTMENTS

- Adjustments of ~€10m driven by c€50m provision release for lower restructuring requirements outweighing costs to date from Global Realignment
- FY21: Assume reduced adjustments of €130m-€150m

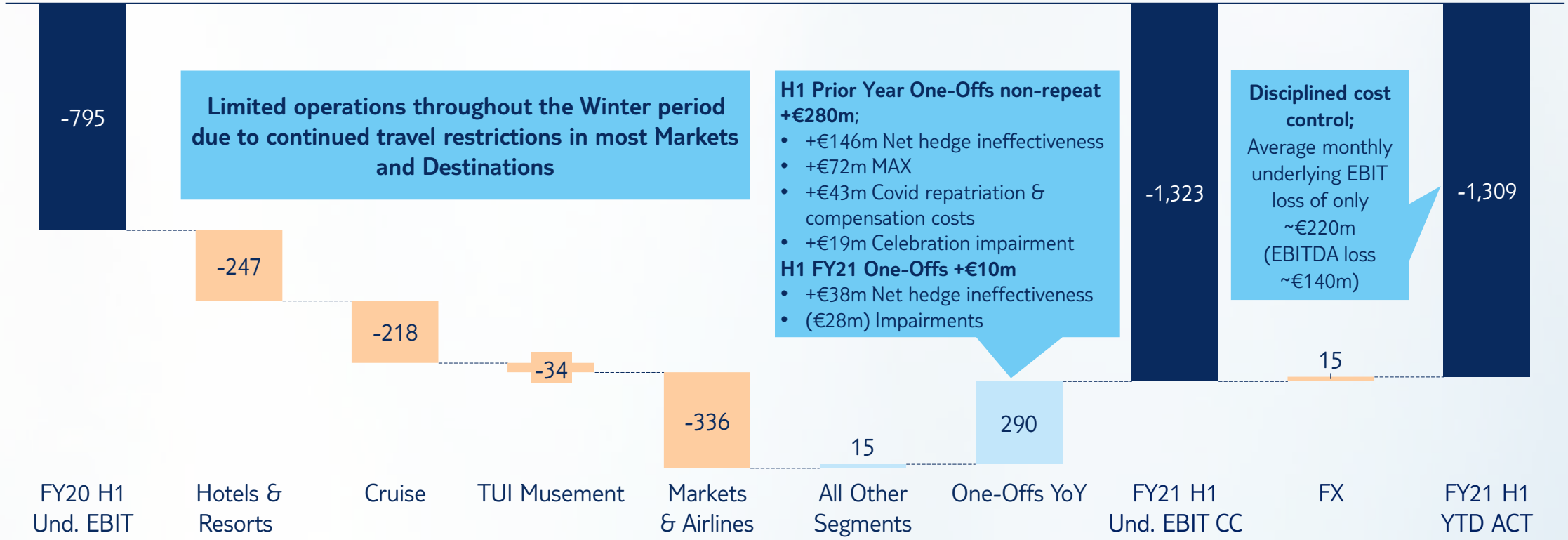
NET INTEREST

- Increase driven predominantly by the greater RCF drawings
- Phasing impact between Q1 and Q2 in the context of bond modification – valuation only, i.e. no cash impact (gain booked in Q1, reversal in Q2)
- FY21: Assume net interest charge of between -€400m to -€450m[1]

FY20 comparative adjusted to reflect adoption of Euro as functional currency in Turkish entities; Prior year SDIs include €91m gain on disposal of German specialist businesses Berge & Meer and Boomerang, EPS based on actual share numbers: basic EPS includes the pro rata amount of new shares from the capital increase: Q1 FY21 = c. 590m and Q2 FY21 = c. 1,031m and H1 FY21 = c. 807m; H1 FY20 = c. 589m, [1]Coupon payment for Silent Participations are classified as hybrid dividend and are excluded from the interest line. The payment of a dividend is at the discretion of TUI AG. Any unpaid dividend has to be paid on termination or conversion of a silent participation at the latest.

H1 result - limited operations and successful cost control

FY21 H1 UNDERLYING EBIT IN €M[1]



1 At constant currency and on IFRS16 basis;

Cash flow Q2 slightly improved vs Q1 – turnaround in Working Capital expected towards Q4

In €m	FY21 Q1 IFRS 16	FY21 Q2 IFRS 16	FY21 H1 IFRS 16	FY20 H1[1] IFRS 16
EBITDA underlying	**-480**	**-376**	**-856**	**-266**
Adjustments	-17	42	25	69
EBITDA reported	**-498**	**-334**	**-832**	**-197**
Working capital	-400	-307	-707	-496
Various other cash items[2]	-57	-265	-322	-105
At equity income	104	53	157	-42
Dividends received (JVs, associates)	5	5	10	7
Operating Cash flow	**-845**	**-848**	**-1.693**	**-833**
Net Investments	47	61	108	-287
Free Cash flow	**-798**	**-787**	**-1.585**	**-1.120**
Dividends	-0	0	0	-319
Free Cash flow after Dividends	**-798**	**-787**	**-1.585**	**-1.439**
Cash flow from financing	825	905	1.730	705
o/w Payments received[3]	*925*	*1.410*	*2.335*	*1.106*
o/w Payments made[4]	*-100*	*-504*	*-605*	*-401*
Total Cash Flow	**27**	**118**	**145**	**-734**

WORKING CAPITAL

- Q2 outflow reflects:
  - Further settlement of outstanding supplier payments, largely relating to agreed deferral schemes
  - Cancellation refunds still outweighing customer deposits
- **FY21:** Expect WC position to recover with operational & booking normalisation

VARIOUS OTHER CASH ITEMS

- Higher Q2 outflow driven by the non-repeat of receivable inflow in Q1 and the non-cash effect of positive P&L impact from derivatives
- Stable cash interest in line with Q1

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 / TOTAL CASH FLOW

- Q2 cash outflow in line with Q1
- Cash inflow from financing driven by capital increase and WSF Silent Participations, outflows include the redemption of senior notes

1 Adjusted for lower depreciation on PPE from the finalisation of PPA | 2 H1 Various Other cash items of -€322m comprise of other cash effects (-€52m), tax paid (-€5m), cash interest (-€214m) as well as pension contribution & payments (-€51m) | 3 From the issue of bonds, commercial paper, equity instruments and drawings from other financial facilities | 4 For redemption of loans, commercial paper and other financial liabilities

Movement in Net Debt

Q1 to H1

In €m	FY21 H1 IFRS 16	FY21 Q1 IFRS 16	QoQ Δ
Opening net debt as at 1 October	**-6,421**	**-6,421**	**-**
FCF after Dividends	-1,585	-798	-787
Asset Finance	-265	-77	-188
Capital Increase	1,489	35	1,454
Other	-32	84	-116
Closing Net Debt	**-6,813**	**-7,177**	**364**

COMMENTS

- SP1[1] and SP2[1] are classified as equity & dividends will be paid on the drawn participations[2].
- As at 31/3/21:
  - SP1 - €420m fully drawn
  - SP2 - €500m of €671m drawn
  - RCF - €3.8bn of €4.6bn utilised
- Post balance sheet date 03/05/21:
  - SP2 – fully drawn
  - RCF - €3.4bn of €4.6bn utilised
  - Issue of convertible bonds for the amount of €400m

In €m		FY21 H1 IFRS 16	FY21 Q1 IFRS 16	QoQ Δ
Financial liabilities		**-8,226**	**-8,442**	**217**
- Lease liabilities		-3,378	-3,275	-103
- Senior Notes		-	-284	284
- Bond with warrant		-117	-116	-2
- Liabilities to banks		-4,714	-4,752	38
- Other liabilities		-16	-16	-
Cash & Bank Deposits		**1,413**	**1,265**	**147**
Net debt		**-6,813**	**-7,177**	**364**
- Net Pension Obligation[3]		-727	-837	110
Memo: Lease liabilities	*- Aircraft*	*-2,384*	*-2,263*	*-121*
	- Hotels	*-451*	*-457*	*6*
	- Ships	*-174*	*-176*	*2*
	- Other	*-368*	*-379*	*11*
Memo: Liabilities to banks	*- RCF*	*-3,830*	*-4,019*	*189*
	- SSD	*-424*	*-424*	*-*
	- Asset Financing	*-461*	*-309*	*-151*

1 WSF Silent Participation – as agreed as part of third support package 2 Timing of the payment will be at the discretion of TUI AG. Any unpaid dividend has to be paid on termination or conversion of a silent participation at the latest. 3 Definition of net pension obligations – net of UK pension asset & liabilities plus German obligation (comprising both pension asset and pension liabilities position on balance sheet)

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

AS AT FY21 H1

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

FY21 Q2A (travel restrictions)	~€-300m Better than anticipated given the ongoing travel restrictions and resulting net WC outflow in Q2
FY21 Q3e (assumptions)	• Significant positive WC inflow for summer volumes especially in Q4 • Q3 volumes assumed to be muted given prevailing travel restrictions, thus net fixed costs in the range of €250-300m[2]
FY21 Q4e (assumptions)	• Significantly positive contribution from strong Q4 volumes and normalised level of operations

SUMMARY – C-19 LIQUIDITY DEVELOPMENT

	€bn
Pro Forma Cash & avail. fac. 3rd Feb 2021	**~2.1**
Cash outflow Feb/Mar/Apr to 7th May	-0.8
Proceeds from Convertible Bond	+0.4
Pro Forma Cash & avail. fac. 7th May 2021	**~1.7**

1 All costs & cash-outs including interest & others 2 In case of no or limited operations and pre any ramp up

Executive Summary – Financial highlights and H1 highlights

- First step towards refinancing with placement of €400m convertible bonds; Successful return to capital markets
- Prolongation of maturity profile with first facility due in FY22 through completion of 3rd support package
- Progress with TUI's asset-right strategy: Agreement to dispose 49% minority stake in RIU Hotels S.A.
- TUI Cruises' successful placement of senior bonds demonstrates investor trust in the business model
- Ongoing strict net investment management with €108m inflow in FY21 H1, without compromise on transformation initiatives
- Cash consumption and H1 results are in line with expectations

Return to a solid & healthy balance sheet with gross leverage ratio of less than 3.0x

STRATEGIC PRIORITIES

Looking through the crisis – our priorities is to transform TUI into a digital platform company

TRIPS



- Digital mass individualisation
- Accelerate innovation
- Reduce costs
- Improve differentiation

TUI MUSEMENT



- Grow in activity market
- Consolidate upstream
- Enable differentiation & digitalisation

ASSET RIGHT – GROWTH WITH REDUCED CAPITAL INTENSITY



- Accelerate growth through partnerships
- Unleash third party equity potential

GLOBAL REALIGNMENT PROGRAMME



- Deliver ~€400m cost saving target by FY 23
- Enhancing quality while driving efficiency

Balance sheet repair – Return to gross leverage ratio of <3x

TRIPS – Own development of core booking system – drive differentiation & innovation while reducing costs

- One stop travel shop building on own, best in class tech solutions & focussing on digital mass individualisation
- Worldwide roll-out in the cloud
- Central system:
  - Hotel, Cruise, Flight, Package
  - Price and yield
  - CRM, Web Front end, App
- Short development cycles driving efficiency and enabling to respond to customers needs better than ever
- Live for flights in Belgium and the Netherlands since Feb 2021, further rollout of packages in Belgium and Netherlands will continue the coming months
- Rollout to other markets will start as of end 2021



TRIPS will be the engine room of future TUI

TUI Musement - leader for curation and fulfilment of experiences, tours and activities



Offer*
170,000 experiences

Coverage*
140+ countries

Guests**
>27m TUI guests

Excursions, Activities & Tickets** **>10m**

Turnover**
€1.2bn

Transfers**
>31m

* As of January 2021
**Based on FY2019

TUI Musement – diverse portfolio of "Things to do" in all relevant sun & beach and city destinations, whilst on holiday, during a city break, and at home

HOLIDAYS



CITY BREAKS



AT HOME



>170k EXPERIENCES OFFERED
focus on high-margin, controlled products
(with thousands added every month)

- Excursions & Day Trips
- Attractions & Guided Tours
- Multi-Day Tours
- Cruise Shore Excursions
- Transfers
- Tickets & Events
- Activities

EXPERIENCES FOR EVERYONE
On holiday, on city breaks and at home



Landmarks & Highlights



Active & Adventure



Shows & Concerts



Food & Drink



Museums & Art Galleries



Wellness, Sport & Sports Events

Holiday trip example: Mexico - Xcaret Archeological Park Tour & Activities. At home example: UK: Lake District Tour (with afternoon tea & cruise) City Breaks example: Italy: Domus Aurea - Priority Entrance & Virtual Reality

TUI Musement - Creation of upstream consolidator with scalable digital platform in a highly fragmented and growing market

2018/19 ACQUISITION

musement



Leading online experiences provider with >1m users, 35k products in 1,100 cities

2019/20 INTEGRATION



Combined Inventory of >170K PRODUCTS in >140 COUNTRIES, across >1,500 DESTINATIONS

2021 & FUTURE GROWTH

B2B Strategic Partners	Custom solutions for the world's leading companies
	Booking.com trivago
B2C Open Market Customers	Experiences for all travellers worldwide

STRATEGIC DIFFERENTIATOR:

- **Native reach of ~27m captive customers**
- **Digitalised platform**
- **Already established provider of experiences**

Asset right – accelerate growth, reduce capital intensity

- Re-focus on product, brand, distribution as core elements
- Financing with and by investment partners
- Focus on management and franchise
- Examples and achievements
  - Rightsizing of airlines and deferral of order book
  - Disposal of Hapag-Lloyd Cruises to TUI Cruises JV
  - Existing order book financed through TUI Cruises JV
  - TUI BLUE: already ~100 TUI BLUE Hotels[1] with partners
  - Disposal of minority stake in RIU Hotels S.A. JV to RIU Group[2]





Rightsizing the business while keeping control over products, quality & service

1 thereof 16 hotels owned 2 Transaction expected to close in late summer 2021

Global realignment programme on track to meet ~€400m p.a. cost reduction target

PILLARS

REDUCE COSTS

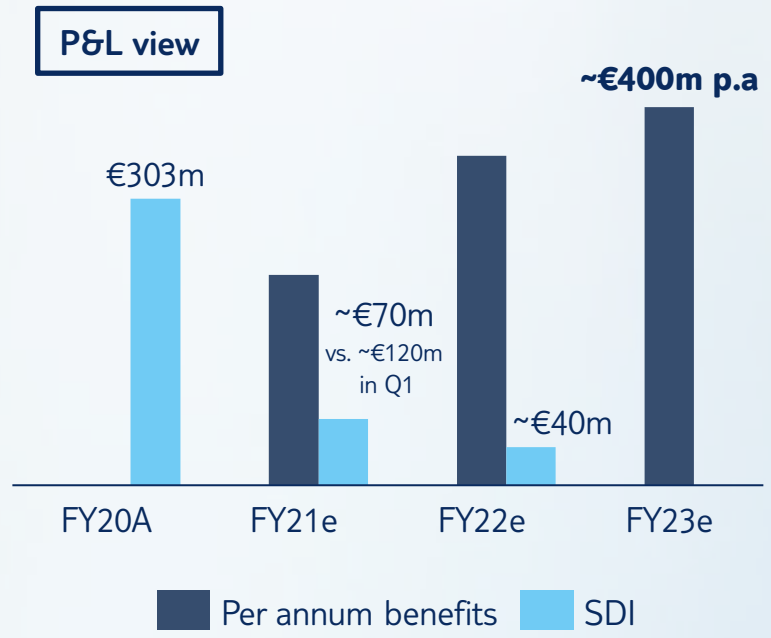
REDUCE CAPITAL INTENSITY

DRIVE DIGITALISATION

RECENT PROGRESS VS Q1

- FY20 H1: Announced programme with potential impact on 8k roles, **~6k reduction in FTEs** to date already agreed
- TUI Musement: more than 2k FTE realised
- **TUI fly Germany:** Negotiations with unions concluded successfully (**fleet reduction from 37 to 22 aircraft with bases from 13 to 5**); lower SDI envelope required
- Retail & core functions: **Further 48 UK shops** to be closed in addition to 166 closures completed
- TRIPS: implementation **on track**

PHASING



Enhancing quality of our products and services while driving efficiency at the same time

Balance sheet repair

OPERATIONAL	• Strong pent up demand expected • Working capital inflows • Cost reduction programme
FINANCES	• Next loan maturity July 2022 • Deleveraging • Corporate actions / M&A
CAPITAL RESOLUTIONS	• Usual authorised and conditional capital resolutions in place



Return to gross leverage ratio of <3x

SUMMARY

Long-term fundamentals and demand are intact - travel remains a strong megatrend







Tourism growth above GDP supported by favourable demographic development
(aging pop., disposable income, time to travel)

"Experience is the new luxury"

Tourism is a force for good and an integral component for many national economies

Post C-19 TUI will be stronger, leaner, more powerful, more digital & back to growth

APPENDIX

FY21 H1 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)*

In €m	FY21 H1 IFRS 16	FY20 H1 IFRS 16	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**83.9**	**300.2**	**-216.3**	**-7.4**	**-208.8**
- Riu	59.2	228.4	-169.2	-7.0	-162.2
- Robinson	13.4	36.2	-22.9	-0.3	-22.6
- Blue Diamond	-	-	-	-	-
- Other	11.3	35.5	-24.2	-0.2	-24.0
Cruises	**1.5**	**481.6**	**-480.1**	**-0.1**	**-480.0**
- TUI Cruises	-	-	-	-	-
- Marella Cruises	1.5	288.6	-287.1	-0.1	-287.0
- Hapag-Lloyd Cruises	-	193.0	-193.0	-	-193.0
TUI Musement	**18.6**	**300.4**	**-281.8**	**-0.8**	**-281.0**
Holiday Experiences	**104.0**	**1,082.2**	**-978.2**	**-8.4**	**-969.8**
- Northern Region	159.1	2,187.0	-2,027.9	-5.2	-2,022.6
- Central Region	337.4	2,209.9	-1,872.4	-1.9	-1,870.5
- Western Region	102.1	1,075.1	-973.0	-	-973.0
Markets & Airlines	**598.6**	**5,471.9**	**-4,873.3**	**-7.2**	**-4,866.1**
All other segments	13.6	84.5	-70.9	-0.6	-70.3
TUI Group	**716.3**	**6,638.7**	**-5,922.4**	**-16.1**	**-5,906.3**

*Table contains rounding effects | ** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV

FY21 H1 Underlying EBITDA by Segment*

In €m	FY21 H1 IFRS 16	FY20 H1 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**-87.1**	**156.4**	**-243.5**	**3.2**	**-246.8**
- Riu	-26.1	167.0	-193.0	-0.8	-192.3
- Robinson	-10.3	12.0	-22.4	0.5	-22.8
- Blue Diamond	-27.2	-0.2	-27.0	2.3	-29.3
- Other	-23.5	-22.4	-1.1	1.3	-2.4
Cruises	**-122.3**	**101.0**	**-223.3**	**0.8**	**-224.1**
- TUI Cruises	-94.2	42.1	-136.3	-	-136.3
- Marella Cruises	-28.1	26.3	-54.4	0.8	-55.2
- Hapag-Lloyd Cruises	-	32.6	-32.6	-	-32.6
TUI Musement	**-49.5**	**-15.3**	**-34.2**	**0.8**	**-35.0**
Holiday Experiences	**-258.9**	**242.1**	**-501.0**	**4.8**	**-505.8**
- Northern Region	-255.5	-247.8	-7.7	-1.0	-6.7
- Central Region	-209.9	-103.5	-106.4	-2.2	-104.3
- Western Region	-90.7	-99.5	8.8	-5.0	13.8
Markets & Airlines	**-556.1**	**-450.8**	**-105.3**	**-8.1**	**-97.2**
All other segments	-41.1	-57.4	16.3	-	16.3
TUI Group	**-856.1**	**-266.1**	**-590.0**	**-3.3**	**-586.7**

*Table contains rounding effects | **Equity result | *** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV I FY20 comparative adjusted to reflect adoption of Euro as functional currency in Turkish entities

FY21 H1 Underlying EBIT by Segment*

In €m	FY21 H1 IFRS 16	FY20 H1 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**-198.3**	**56.1**	**-254.4**	**6.4**	**-260.7**
- Riu	-73.3	129.6	-202.9	1.2	-204.1
- Robinson	-29.3	-7.1	-22.3	0.8	-23.1
- Blue Diamond	-27.2	-0.2	-27.0	2.3	-29.3
- Other	-68.4	-66.2	-2.2	2.0	-4.2
Cruises	**-153.3**	**26.9**	**-180.3**	**1.9**	**-182.2**
- TUI Cruises	-94.2	42.1	-136.3	-	-136.3
- Marella Cruises	-59.1	-37.4	-21.8	1.9	-23.7
- Hapag-Lloyd Cruises	-	22.2	-22.2	-	-22.2
TUI Musement	**-62.0**	**-28.9**	**-33.1**	**0.9**	**-34.0**
Holiday Experiences	**-413.6**	**54.2**	**-467.7**	**9.2**	**-476.9**
- Northern Region	-418.3	-415.2	-3.1	7.0	-10.1
- Central Region	-272.0	-179.5	-92.5	-	-92.5
- Western Region	-159.8	-189.6	29.8	-1.5	31.4
Markets & Airlines	**-850.1**	**-784.3**	**-65.8**	**5.4**	**-71.2**
All other segments	-45.1	-64.6	19.5	0.1	19.4
TUI Group	**-1,308.8**	**-794.8**	**-514.0**	**14.7**	**-528.7**

*Table contains rounding effects | **Equity result | *** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV I FY20 comparative adjusted to reflect adoption of Euro as functional currency in Turkish entities

FY21 Q2 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)*

In €m	FY21 Q2 IFRS 16	FY20 Q2 IFRS 16	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**27.5**	**133.9**	**-106.5**	**-3.0**	**-103.5**
- Riu	17.3	107.9	-90.6	-2.7	-87.9
- Robinson	6.8	14.1	-7.4	-0.2	-7.1
- Blue Diamond	-	-	-	-	-
- Other	3.4	11.9	-8.5	-0.1	-8.5
Cruises	**1.0**	**243.2**	**-242.2**	**-0.1**	**-242.1**
- TUI Cruises	-	-	-	-	-
- Marella Cruises	1.0	138.3	-137.3	-0.1	-137.2
- Hapag-Lloyd Cruises	-	104.9	-104.9	-	-104.9
TUI Musement	**8.1**	**83.7**	**-75.6**	**-0.5**	**-75.1**
Holiday Experiences	**36.5**	**460.8**	**-424.3**	**-3.6**	**-420.7**
- Northern Region	52.1	966.6	-914.5	-0.4	-914.2
- Central Region	124.2	855.3	-731.1	-1.4	-729.6
- Western Region	28.0	480.2	-452.2	-	-452.2
Markets & Airlines	**204.3**	**2,302.2**	**-2,097.9**	**-1.8**	**-2,096.1**
All other segments	7.3	24.9	-17.6	-0.3	-17.3
TUI Group	**248.1**	**2,787.9**	**-2,539.8**	**-5.7**	**-2,534.1**

*Table contains rounding effects | ** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV

FY21 Q2 Underlying EBITDA by Segment*

In €m	FY21 Q2 IFRS 16	FY20 Q2 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**-45.6**	**72.6**	**-118.2**	**3.4**	**-121.6**
- Riu	-15.0	82.4	-97.3	0.5	-97.8
- Robinson	-3.6	-0.5	-3.1	0.3	-3.5
- Blue Diamond	-13.7	3.1	-16.8	1.3	-18.1
- Other	-13.4	-12.4	-1.0	1.3	-2.2
Cruises	**-38.6**	**22.0**	**-60.7**	**0.2**	**-60.8**
- TUI Cruises	-24.6	3.5	-28.1	-	-28.1
- Marella Cruises	-14.0	0.2	-14.2	0.2	-14.4
- Hapag-Lloyd Cruises	-	18.3	-18.3	-	-18.3
TUI Musement	**-22.7**	**-12.6**	**-10.1**	**0.1**	**-10.2**
Holiday Experiences	**-106.9**	**82.0**	**-188.9**	**3.7**	**-192.6**
- Northern Region	-107.3	-222.2	114.9	-4.5	119.5
- Central Region	-93.8	-110.2	16.4	-1.2	17.6
- Western Region	-51.3	-82.0	30.7	-2.6	33.3
Markets & Airlines	**-252.4**	**-414.4**	**162.0**	**-8.3**	**170.4**
All other segments	-16.4	-45.2	28.8	-	28.8
TUI Group	**-375.7**	**-377.6**	**1.9**	**-4.6**	**6.6**

*Table contains rounding effects | **Equity result | *** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV I FY20 comparative adjusted to reflect adoption of Euro as functional currency in Turkish entities

FY21 Q2 Underlying EBIT by Segment*

In €m	FY21 Q2 IFRS 16	FY20 Q2 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**-102.6**	**20.8**	**-123.4**	**5.1**	**-128.4**
- Riu	-36.4	61.6	-98.0	1.5	-99.5
- Robinson	-12.5	-10.1	-2.4	0.5	-2.9
- Blue Diamond	-13.7	3.1	-16.8	1.3	-18.1
- Other	-40.0	-33.9	-6.1	1.8	-7.9
Cruises	**-55.0**	**-21.8**	**-33.1**	**0.5**	**-33.6**
- TUI Cruises	-24.6	3.5	-28.1	-	-28.1
- Marella Cruises	-30.4	-41.3	10.9	0.5	10.5
- Hapag-Lloyd Cruises	-	16.0	-16.0	-	-16.0
TUI Musement	**-29.3**	**-20.0**	**-9.3**	**0.2**	**-9.6**
Holiday Experiences	**-186.9**	**-21.1**	**-165.8**	**5.7**	**-171.6**
- Northern Region	-193.6	-309.5	115.9	-0.8	116.7
- Central Region	-126.2	-150.6	24.4	-	24.4
- Western Region	-84.4	-126.4	42.0	-0.8	42.7
Markets & Airlines	**-404.2**	**-586.4**	**182.2**	**-1.6**	**183.8**
All other segments	-19.1	-40.6	21.5	-	21.5
TUI Group	**-610.2**	**-648.1**	**37.9**	**4.2**	**33.7**

*Table contains rounding effects | **Equity result | *** Prior year figures include 100% result of Hapag-Lloyd Cruises which is now consolidated at equity within the TUI Cruises JV I FY20 comparative adjusted to reflect adoption of Euro as functional currency in Turkish entities

Movement in Net Debt

YE to H1

In €m	FY21 H1 IFRS 16	FY20 YE IFRS 16	H1 Δ
Opening net debt as at 1 October	**-6,421**	**-3,276**	**-3,145**
FCF after Dividends	-1,585	-3,193	1,608
Asset Finance	-265	-569	304
Capital Increase	1,489	-	1,489
Other	-32	265	-297
Disposal group - Hapag-Lloyd Cruises	-	352	-352
Closing Net Debt	**-6,813**	**-6,421**	**-392**

COMMENTS

- SP1[1] and SP2[1] are classified as equity & dividends will be paid on the drawn participations[2].
- As at 31/3/21:
  - SP1 - €420m fully drawn
  - SP2 - €500m of €671m drawn
  - RCF - €3.8bn of €4.6bn utilised
- Post balance sheet date 03/05/21:
  - SP2 – fully drawn
  - RCF - €3.4bn of €4.6bn utilised
  - Issue of convertible bonds for the amount of €400m

In €m		FY21 H1 IFRS 16	FY20 YE IFRS 16	H1 Δ
Financial liabilities		**-8,226**	**-7,669**	**-557**
- Lease liabilities		-3,378	-3,400	22
- Senior Notes		-	-299	299
- Bond with warrant		-117	-	117
- Liabilities to banks		-4,714	-3,954	-760
- Other liabilities		-16	-16	-
Cash & Bank Deposits		**1,413**	**1,248**	**165**
Net debt		**-6,813**	**-6,421**	**-392**
- Net Pension Obligation [3]		-727	-652	-75
Memo: Lease liabilities	*- Aircraft*	*-2,384*	*-2,357*	*-27*
	- Hotels	*-451*	*-476*	*25*
	- Ships	*-174*	*-181*	*6*
	- Other	*-368*	*-386*	*18*
Memo: Liabilities to banks	*- RCF*	*-3,830*	*-3,316*	*-514*
	- SSD	*-424*	*-424*	*-1*
	- Asset Financing	*-461*	*-214*	*-246*

1 WSF Silent Participation – as agreed as part of third support package 2 Ttiming of the payment will be at the discretion of TUI AG. Any unpaid dividend has to be paid on termination or conversion of a silent participation at the latest. 3 Definition of net pension obligations – net of UK pension asset & liabilities plus German obligation (comprising both pension asset and pension liabilities position on balance sheet)

Financing facilities and support packages overview (per 7 May 2021)

	Instrument	Support package #	Facility €m	Utilisation	Debt/equity	Maturity date
Bank facilities	RCF (unsecured)	-	1,535	1,487m drawn	Debt	July 2022
		-	215	guarantee line		
		1 & 2	2,850	1,924m drawn		
	RCF (secured)	3	200	undrawn	Debt	July 2022
	Schuldschein	-	425	-	Debt	July 2023/25/28
Bonds	Bond with warrant WSF	2	150	-	Debt/ Equity-Linked	September 2026
	Convertible bonds	-	400	-	Debt / Equity-Linked	April 2028
Silent participations	Silent Participation I & II WSF	3	420	fully drawn	Hybrid with equity credit	-
		3	671	fully drawn	Hybrid with equity credit	
Lease liabilities	Lease liabilities[1]	-	3,378	-	Debt	Various

1 per 31 March 2021

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.



Contact

ANALYST AND INVESTOR ENQUIRIES

Mathias Kiep, Group Director Controlling, Corporate Finance & Investor Relations — Tel: +44 (0)1293 645 925
+49 (0)511 566 1425

Nicola Gehrt, Director, Head of Group Investor Relations — Tel: +49 (0)511 566 1435

Contacts for Analysts and Investors in UK, Ireland and Americas

Hazel Chung, Senior Investor Relations Manager — Tel: +44 (0)1293 645 823

Contacts for Analysts and Investors in Continental Europe, Middle East and Asia

Ina Klose, Senior Investor Relations Manager — Tel: +49 (0)511 566 1318

Vera Weißwange, Junior Investor Relations Manager — Tel: +49 (0)511 566 1425

TUI