

TUI GROUP INVESTOR PRESENTATION
January 2022

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 EBIT / excl. MAX **€1,186m** EBIT[2]

15.5% ROIC / excl. MAX **~21%** ROIC[2]

~71,500 Employees

HOLIDAY EXPERIENCES (~70% EBIT[2])



€452m EBIT

Leading leisure hotel and club brands around the world; investments, operations, ownership



€366m EBIT

Leading German & UK cruise brands



€56m EBIT

Tours, activities and service provider in destination

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



€425m[2] EBIT

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
- 137 aircraft[2]
- Omni-channel own & 3rd party distribution

HOLIDAY EXPERIENCES

- 414 Hotels[1]
- 16 Cruise ships[2]
- "Things to do" in 100+ countries

STRONG CUSTOMER BASE

DIFFERENTIATED CONTENT



- Integrated business model with differentiated product and service offering along the whole value chain
- Strong brand reputation with double diversification across source markets and destinations
- Customer ownership: digitalised product upselling
- Strong yields and occupancies driven by access to broad customer base
- Pioneering ESG initiatives embedded across operations - enhancing the positive impact of tourism

Integrated omni-channel business with diversified customer base and distribution power offering unique & exclusive products

All numbers as of FY19 unless otherwise stated I 1 Includes Group hotels and 3rd party concept hotels as at 30 September 2021 | 2 As of 30 September 2021

RECAP – FY21 HIGHLIGHTS

FY21 has been a year with significant progress in terms of operational recovery…



- **Successful restart of operations – 5.4m guests** departed in **FY21**
- **Q4 Und. EBIT almost break-even, improving ~€570m vs. Q3 - Hotels & Resorts, Central & Western Regions delivering** first **positive EBITs** since start of pandemic
- **Second quarter of positive FCF (bef. financing) of ~€1.4bn –** reflecting disciplined cash management & clear improvement in working capital
- Execution of **Global Realignment Programme** with **realised cost savings to date of €240m –** on track to deliver full target of €400m by 2023
- **Digital Transformation** with significant progress in online bookings & app usage
- **Strong pipeline of 4.1m[1] bookings** across both **Winter 21/22 & Summer 22**
  - **Increased media coverage** of rising incident rates and the emergence of new Omicron variant has weakened this positive momentum particularly for Winter
  - **If sentiment prevails, Winter capacity** will likely be **modified** towards **lower-end** of assumptions of between **~60% to ~80%**
  - **Summer 22 well booked** and **in line with current capacity assumptions** with **ASP strongly up +23%[1]**

1 Booking position as at 28 November 2021

… and major progress in debt reduction with important steps towards returning to a gross leverage ratio of around 3x



- **€2.2bn of refinancing achieved** in less than 12 months after third support package (€1.8bn agreed in Dec 2020)
- **Prolongation of RCF** tranches by a further 24 months **– no major maturities until 2024**
- **Progress on asset right strategy** with decoupling hotel growth from real estate investments – Sale of real-estate portfolio to RIU family
- **Credit rating upgrades** from Moody's and S&P **achieved**
- **Strong liquidity position of €3.5bn**[1] post successful completion of €1.1bn capital increase in early November 2021 – well prepared to weather any change in booking environment

1 Liquidity position, i.e. cash and committed lines as of 6 December 2021

Solid progress made in FY21 ramping up operations, restoring liquidity and strengthening balance sheet

	Q1	Q2	Q3	Q4
Hotel & Resorts (No. hotels open / % portfolio)	116 / 32%			331 / 92%
Cruise (Ships in operation / full fleet)	5 / 15			14 / 16
TUI Musement (Excursions sold)	109k			1,048k
Markets & Airlines (Departed pax)	0.5m			3.8m

	Q1	Q2	Q3	Q4/Q1
Financial Milestones	✓ Agreement of **gov. support package €1.8bn** (incl. €500m capital increase)	✓ **€300m Senior Notes** redemption	✓ **€400m Convertible Bonds** ✓ Agreed **RIU** real estate portfolio disposal - **€541m**[1] proceeds ✓ **€190m Convertible Tap**	✓ RCF credit line extension ✓ **€1.1bn capital increase** ✓ **Credit rating upgrade** by Moody's and S&P

1 Proceeds of €541m excluding earn-out of €130m

Sector-leading load factors & high occupancy rates demonstrate the strength of our business model to restart operations quickly in an uncertain travel environment

Hotels & Resorts



	AVE. BEDNIGHTS[1] (k)		OCCUPANCY %	
	Q4	Oct	Q4	Oct
Turkey	775	754	69	57
Canaries	452	493	76	84
Mexico	438	436	76	76
Balearics	407	351	63	57
Greece	274	287	75	72

- **11m available bednights (331 hotels open) at Q4** vs. 6.6m (283 hotels open) at Q3

Markets & Airlines



	AVE. CAPACITY (k)		LOAD FACTOR %	
	Q4	Oct	Q4	Oct
UK	241	292	71	73
GER	304	294	84	84
NL & BEL	328	274	83	82

- **July-Oct capacity of 50%** (vs. normalised base FY19)
- If current sentiment prevails, **W21/22 capacity** will likely be **modified** towards **lower end** of between ~60% and ~80%[2]

Proven operational track record to adapt flexibly, due to advantage of integration

1 Average monthly bednights available | 2 W21/22 capacity vs. W18/19 season

Digital enhancement driving further online participation and appeal

% ONLINE BOOKINGS FY21 TUI GROUP

72% +9% pts

33% +11% pts

71% In line

60% +9% pts

(FY21 versus FY19)

SIGNIFICANT UPTAKE IN APP USAGE

72% (+26% pts) package departure penetration

(FY21 versus FY19)

TUI MUSEMENT APP



226% increase of excursions, tours & activities **sold via the app** (total no. of excursions sold down 59%)

(FY21 versus FY20)



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[3]



FLEXIBILITY

- Free amendments for bookings[2]
- Introduction of flex options
- Broad range of destinations

HEALTH / SAFETY

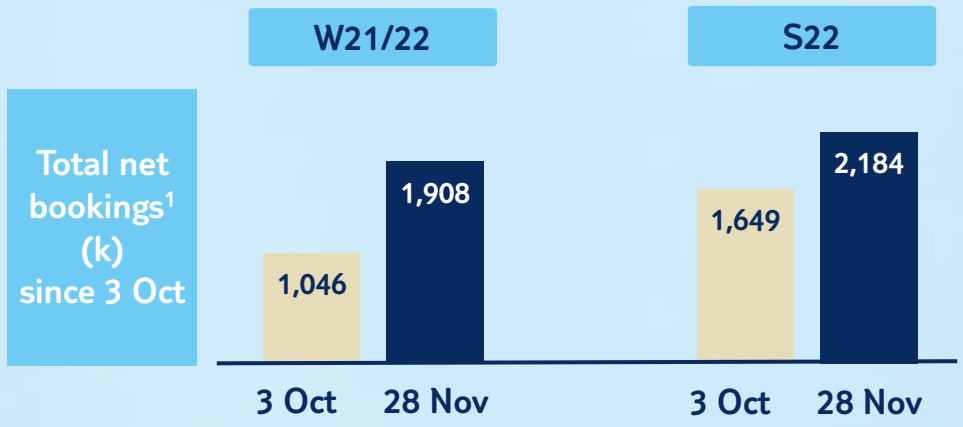
- Hygiene concepts
- Testing facilities
- Insurance cover "COVID protect"

TUI delivers a unique blend of human & digital interaction

1 Via regulated consumer protection schemes in each respective source market | 2 Subject to conditions | 3 Available in key resorts

Encouraging pipeline of 4.1m bookings for Winter 21/22 and Summer 22 with 1.4m bookings added between 3 October and 28 November

OVERALL BOOKING DEVELOPMENT



Versus 2018/19	W21/22	S22
Bookings[1]	(38%)	(3%)
ASP	+15%	+23%

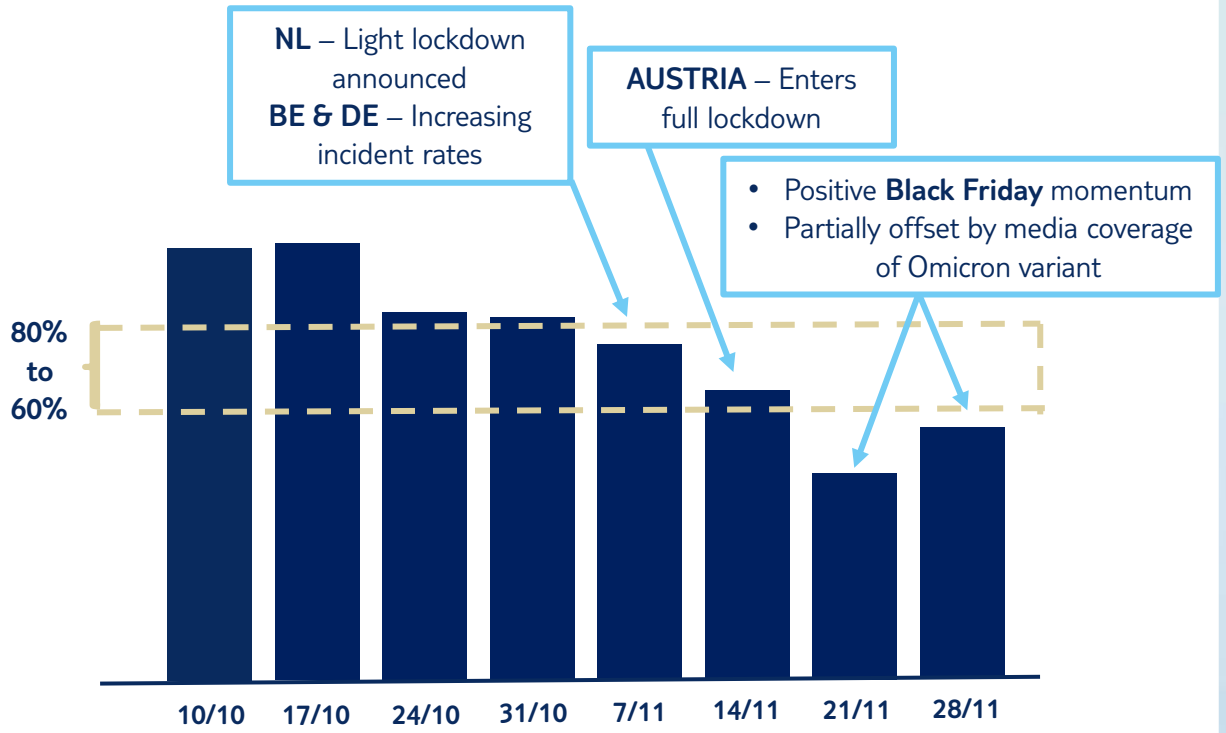
- **Winter 21/22:**
  - **Bookings are 62%** of Winter 18/19 levels and **ASP is up strongly at +15%**
  - **L4W bookings** have **weakened** on increasing media coverage of rising incident rates and emergence of new variant
  - **If sentiment prevails capacity** will likely be **modified** towards the **lower end** of between **~60% and ~80%** (of a normalised programme)
- **Summer 22:**
  - **~535k bookings added** since post-close trading update, **re-affirming intention to travel and demand for TUI holidays**

1 Bookings up to 28 November 2021 compared to 2018/2019 programmes (undistorted by C-19), relate to all customers whether risk or non-risk and includes amendments and voucher re-bookings

8 weeks up to 28 November: Increased C-19 media coverage has weakened positive momentum particularly for Winter 21/22 programme

WINTER 21/22 BOOKING TRENDS L8W

(Net pax bookings by week as % of W18/19)



WINTER 21/22	BOOKINGS[1]	% SOLD	ASP
Q1	(31%)	93%	+11%
Q2	(38%)	27%	+21%
April (Easter)	(11%)	12%	+18%
Total WINTER 21/22	**(38%)**	**43%**	**+15%**

- Winter 21/22 **ASP continues to be strong at +15%** reflecting **higher mix of packages**
- We expect the current short-term booking behaviour to continue
- **Easter** well-booked, (bookings to date at ~90% of Winter 18/19 levels) predominantly booked by the **UK**

1 Bookings up to 28 November 2021 compared to Winter 2018/2019 programme (undistorted by C-19), relate to all customers whether risk or non-risk and includes amendments and voucher re-bookings

Winter 2021: Diversified and integrated model a clear advantage for Holiday Experiences segment

CURRENT TRADING ENVIRONMENT



- **HOTELS & RESORTS**
  - **256 hotels** in operation (~72% of total group owed portfolio) as of end of **October,** reflecting the winter seasonality (vs. 331 hotels /~92% of total group owed portfolio as of end of September)
  - Diversified destinations and markets - expect the **Caribbean and Canaries** to remain key winter destinations for both Markets & Airlines and third party customers



- **TUI CRUISES & HAPAG-LLOYD CRUISES**
  - Currently operating **10 out of 12 ships, resuming original scheduled itineraries around the world,** in the **Canaries** and **Western Med**, in addition to modified itineraries to the **Antarctic, Emirates and Caribbean**
  - Short-term booking environment continues, September & October bookings strong, November softer
  - Incoming H1 2022 slightly behind comparable 2019, H2 2022 and 2023 at pre-C19 levels, all at higher rates
- **MARELLA CRUISES** is operating **3 out of 4 ships** in the **Canaries, Western Med** and **the Caribbean,** with Barbados well-sold in particular. **S22** remains **well-positioned with strong retention levels**



- **TUI MUSEMENT**
  - Excursions, tours and activities to develop in line with operations and capacity operated by Markets & Airlines for Winter 21/22, in line with winter seasonality

FY21 RESULTS

FY21 – Significant steps towards returning to gross leverage ratio of around 3x

FINANCIAL YEAR 21 & BEYOND

MEASURE	TIMING	VOLUME	IMPACT
3rd support package	Jan 21	€1.8bn	• €500m **equity** contribution • €1.1bn **IFRS equity** through WSF Silent Participations • €200m add. RCF credit line
Convertible bonds	Apr & Jun 21	**€590m**	• Start of **refinancing** only one quarter post 3rd support package
RIU real estate disposal	May 21	**€541m**[1]	• Deliver on **asset-right** strategy
Credit facilities (RCF)	Jul 21	€4.5bn[3]	• **Further prolongation** to Jul 24, no major **maturities** until then • **Covenant holiday** for Sep 21 & Mar 22 & further headroom for Sep 22 & Mar 23[2]
Capital increase	Oct 21	**€1.1bn**	• Further **strengthening of balance sheet** • **Reduction** of **interest costs & RCF drawings** • **Rating upgrade** by Moody's (B3) / S&P (B-)

€2.2bn of refinancing achieved in less than 12 months after third support package

1 excluding earn-out I 2 Net leverage: 4.5x and interest cover: 2.25x – thereafter net leverage: 3x and interest cover: 2.5x | 3 €1.535bn cash RCF + €2.85bn KfW RCF + €170m non-core secured KfW RCF, less the credit line of a British bank (~€80m cash) which could not be extended beyond summer 2022 for regulatory reasons due to Brexit

Q4 first almost break-even quarter with strong positive FCF for second consecutive quarter since start of pandemic

Q4 REVENUE
€3.4bn[1]

+173%[1] vs. PY

Q4 UND. EBIT
-€0.1bn[1]

Incl. one-off items totalling -€0.1bn

+€0.9bn[1] vs. PY

Q4 FCF BEFORE FINANCING
€1.4bn[1]

+€2.1bn[1] vs. PY

Q4 M&A KPIs
PAX **3.8M**

CAX 47%

LOAD FACTOR 82%

- **Q4 Revenue of €3.4bn – up +173%**
- **Q4 Underlying EBIT almost break-even – -€0.1bn**
  - Almost break-even (excl. one-off impacts of impairments and net hedging effectiveness of ~€60m)
  - **First positive quarterly EBIT** delivered by **Hotels & Resorts**, **Central** and **Western region**, since the start of the pandemic
- **Q4 Free Cash Flow Before Financing of + ~€1.4bn**
  - Positive FCF for the second consecutive quarter
  - Operational cash flow (+€833m) driven by recovered Q4 result and working capital inflow
- **Q4 M&A KPIs**
  - Sector-leading load factors (however Northern Region heavily limited due to travel restrictions, dampening M&A result)

1 At actual rates

Income Statement – First positive quarterly EBITDA delivered in Q4 since start of pandemic

In €m (IFRS 16)	FY21 Q4	FY20 Q4	FY21 12M	FY20 12M
Revenue	3,366	1,233	4,732	7,944
Underlying EBITDA	**160**	**-727**	**-1,145**	**-1,615**
Depreciation & Amortisation	-257	-303	-930	-1,382
Underlying EBIT	**-97**	**-1,030**	**-2,075**	**-2,997**
Adjustments (SDI's and PPA)	131	305	63	70
EBIT	**34**	**-725**	**-2,013**	**-2,927**
Net interest expense	-105	-110	-449	-276
EBT	**-71**	**-836**	**-2,462**	**-3,203**
Income taxes	28	21	-19	64
Group result cont. operations	**-43**	**-814**	**-2,481**	**-3,139**
Minority interest	-15	9	14	-9
Group result after minorities	**-58**	**-806**	**-2,467**	**-3,148**
Basic EPS (€)	**-0.05**	**-1.36**	**-2.58**	**-5.34**
Underlying EPS (€)	**-0.20**	**-1.92**	**-2.28**	**-5.56**

REVENUE

- ~€3.4bn of revenue generated in Q4, +€2.1bn YoY, driven by increased levels of operations. In Q4, Markets & Airlines achieved +2m additional passengers YoY (+103%) and Hotels & Resort with +4m more bednights (+121%)

UNDERLYING EBIT

- Q4 almost break-even excluding one-offs, (impairments and net hedging ineffectiveness totalling ~€60m). First positive quarterly EBITs delivered by Hotels & Resorts, Central and Western Region since start of pandemic

ADJUSTMENTS

- Q4 includes RIU real estate book gain of €197m, partly offset by costs relating to Group Realignment Programme
- **FY22:** We assume adjustments range of between -€90m to -€110m

NET INTEREST

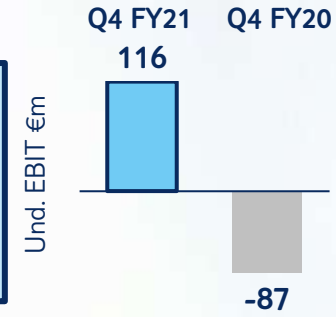
- Q4 net interest broadly stable YoY – slight improvement due to reduced KfW RCF drawings resulting from increased Q4 operations and other financing measures
- FY21 net interest in line with guidance, YoY increase driven by full-year impact of additional debt facilities
- **FY22:** Assume net interest charge of between -€380m to -€425m[1]

1 Net interest excludes Silent Participation which is treated as equity with dividends paid once profit after tax is achieved and includes non-cash interest

Q4 result – positive results achieved in Hotels & Resorts, Central and Western Regions, demonstrating the advantage of our integrated model and diversification

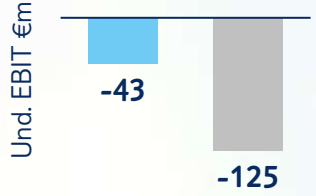
HOLIDAY EXPERIENCES

HOTELS & RESORTS



	Q4	YoY
Bednights:	7.2m	+121%
Occupancy:	66%	+19%pts
Ave. Rate:	€73	+€10

CRUISES



	Q4	YoY
Pax Days (m):	0.8	+491%
Occupancies:	39% to 53%	

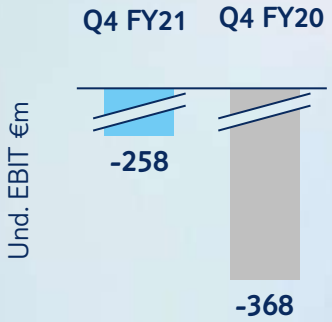
TUI MUSEMENT



	Q4	YoY
# EAT sold:	1.0m	+289%
# Transfers:	5.0m	+118%

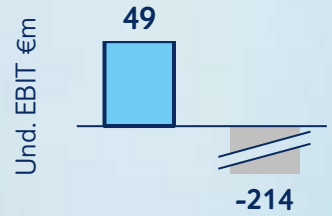
MARKETS & AIRLINES

NORTHERN REGION



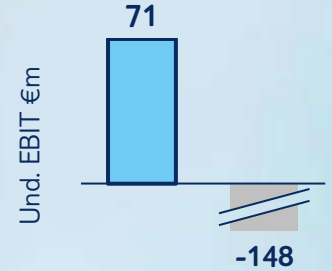
	Q4	YoY
Departed pax:	0.7m	+94%

CENTRAL REGION



	Q4	YoY
Departed Pax:	1.8m	+87%

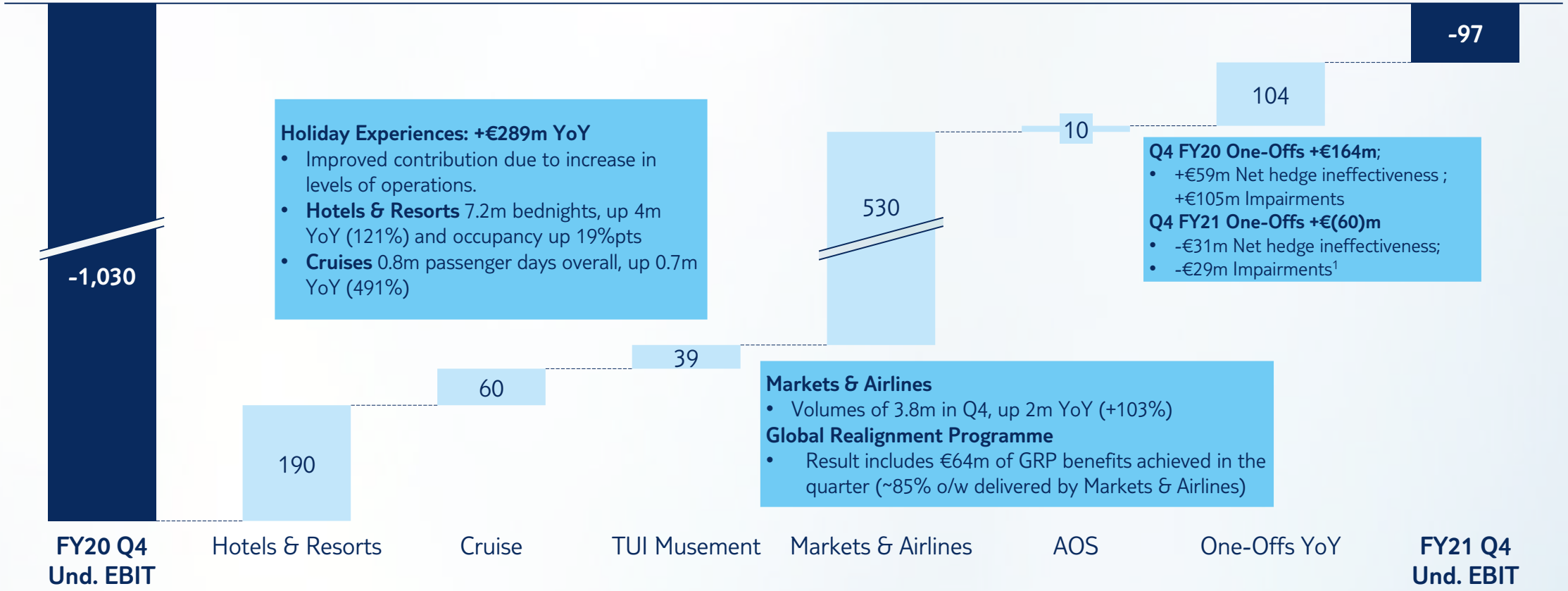
WESTERN REGION



	Q4	YoY
Departed Pax:	1.3m	+136%

Q4 result – almost break-even, demonstrating the swift return of operations when restrictions are removed, even on reduced volumes

FY20 Q4 vs. FY21 Q4 UNDERLYING EBIT IN €M



1 Excluding SDI impairments

Positive Q4 Cash Flow driven by EBITDA, Working Capital inflow & RIU disposal proceeds

In €m (IFRS 16)	FY21 Q4	FY20 Q4	FY21 12M	FY20 12M[1]
Underlying EBITDA	**160**	**-727**	**-1,145**	**-1,615**
Adjustments	163	363	145	260
Reported EBITDA	**322**	**-364**	**-1,000**	**-1,355**
Working capital	737	-243	823	-1,351
Other cash effects	-89	-242	-108	-236
At equity income	6	77	233	193
Dividends received (JV's, associates)	1	0	14	7
Tax paid	-5	-3	-9	56
Interest (cash)	-103	-94	-398	-227
Pension contribution & payments	-38	-40	-110	-113
Operating Cash flow	**833**	**-909**	**-556**	**-3,024**
Net investments	576	214	699	149
Free Cash flow	**1,409**	**-695**	**143**	**-2,874**
Dividends	0	0	0	-319
Free Cash flow after Dividends	**1,409**	**-695**	**143**	**-3,193**
Cash flow from financing	-1,354	-107	177	2,695
o/w inflow from fin. instruments[3]	*164*	*37*	*2,599*	*3,372*
o/w outflow from fin. instruments[4]	*-1,518*	*-145*	*-2,423*	*-677*
Total Cash Flow	**55**	**-803**	**320**	**-498**

ADJUSTMENTS

- Q4 includes RIU real estate book gain of €197m, partly offset by costs relating to Group Realignment Programme and other one-off costs

WORKING CAPITAL

- Q4 inflow mainly driven by increase in supplier payables from Q4 operations
- FY21 increase of +€823m represents first step of refueling working capital after the depletion in FY20 induced by the pandemic

OTHER CASH EFFECTS

- Q4 current year impacted by reversal of €197m RIU disposal book gain – Q4 prior year reversal reflects Hapag-Lloyd Cruises disposal book gain[2]

CASH INTEREST

- YoY increase in cash interest driven by full-year impact of additional indebtedness

NET INVESTMENTS

- Q4 mainly driven by RIU disposal proceeds (~€541m) and further asset divestments (e.g. aircraft related, Nordotel)
- FY21 net investments improved YoY as a result of strict capex management and higher divestments
- **FY22**: Expect overall cash outflow of between ~€120m to ~€280m

OPERATING CASH FLOW / FCF AFTER DIVIDENDS

- Q4 Operating Cash Flow positive also excluding working capital
- ~€1.4bn Q4 FCF after dividends mainly used for reducing KfW RCF drawings

1 Adjusted for lower depreciation on PPE from the finalisation of PPA | 2 FY20 Hapag-Lloyd Cruises book gain of €217m | 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

Strong liquidity position of €3.5bn, reflecting the lower working capital swing due to reduced S21 volumes as anticipated

SUMMARY – LIQUIDITY DEVELOPMENT

	€bn
Cash & avail. fac. 10th August 2021	**~3.1**
Cash inflow Aug/Sep/Oct	+0.3
Cash & avail. fac. 4th October 2021	**~3.4**
Cash outflow Oct/Nov/Dec	-1.0
Proceeds from capital increase	+1.1
Cash & avail. fac. 6th December 2021	**~3.5**



Strong liquidity position leaves us well prepared to weather any change in booking environment

Movement in Net Debt

FY21 9M to FY21 YE

In €m	FY21 9M IFRS 16	FY21 12M IFRS 16	QoQ Δ
Opening net debt as at 1 October	**-6,421**	**-6,421**	**-**
FCF after Dividends	-1,266	143	1,409
Asset Finance	-410	-451	-41
Capital Increase	1,724	1,744	20
Other	25	13	-12
Discontinued operations - Nordotel	0	18	18
Closing Net Debt	**-6,349**	**-4,954**	**1,395**

In €m		FY21 9M IFRS 16	FY21 12M IFRS 16	QoQ Δ
Financial liabilities		**-7,887**	**-6,550**	**1,337**
- Lease liabilities under IFRS16		-3,308	-3,229	78
- Bond with warrant		-129	-119	10
- Convertible Bond		-335	-522	-188
- Liabilities to banks		-4,049	-2,612	1,437
- Other liabilities		-66	-67	-1
Cash & Bank Deposits		**1,538**	**1,596**	**58**
Net debt		**-6,349**	**-4,954**	**1,395**
- Net Pension Obligation		-839	-798	41
Memo: Lease liabilities	*- Aircraft*	*-2,388*	*-2,367*	*21*
	- Hotels	*-421*	*-357*	*64*
	- Ships	*-177*	*-171*	*6*
	- Other	*-321*	*-334*	*-13*
Memo: Liabilities to banks	*- RCF*	*-3,192*	*-1,834*	*1,358*
	- of which Cash[3]	*-1,489*	*-1,478*	*11*
	- of which KfW[3]	*-1,699*	*-375*	*1,324*
	- SSD	*-429*	*-425*	*3*
	- Asset Financing	*-428*	*-353*	*75*

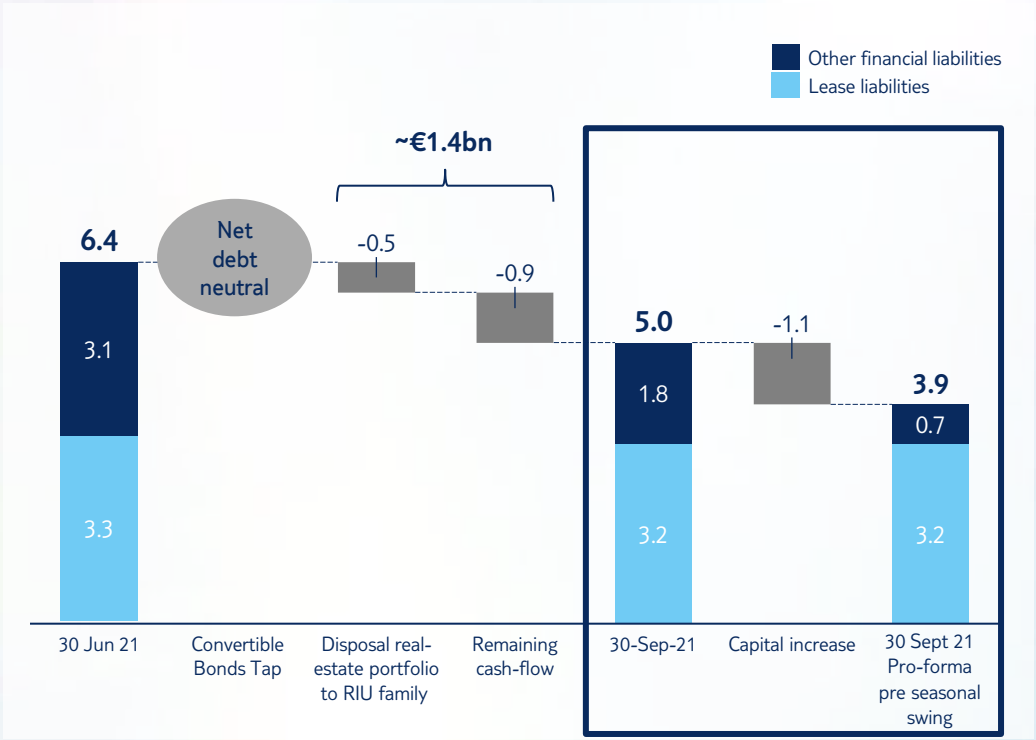
COMMENTS

- SP1[1] and SP2[1] are classified as equity & dividends will be paid on the basis of the drawn participations[2].
- As at 30/9/21:
  - SP1 - €420m fully drawn
  - SP2 - €671m fully drawn
  - Cash RCF - €1.5bn of €1.5bn utilised
  - KfW RCF - €0.4bn of €3.0bn utilised
- Post balance sheet date 6/12/21:
  - Capital Increase of €1.1bn concluded early November
  - Cash RCF - €1.5bn of €1.5bn utilised
  - KfW RCF - €0.3bn of €3.0bn utilised

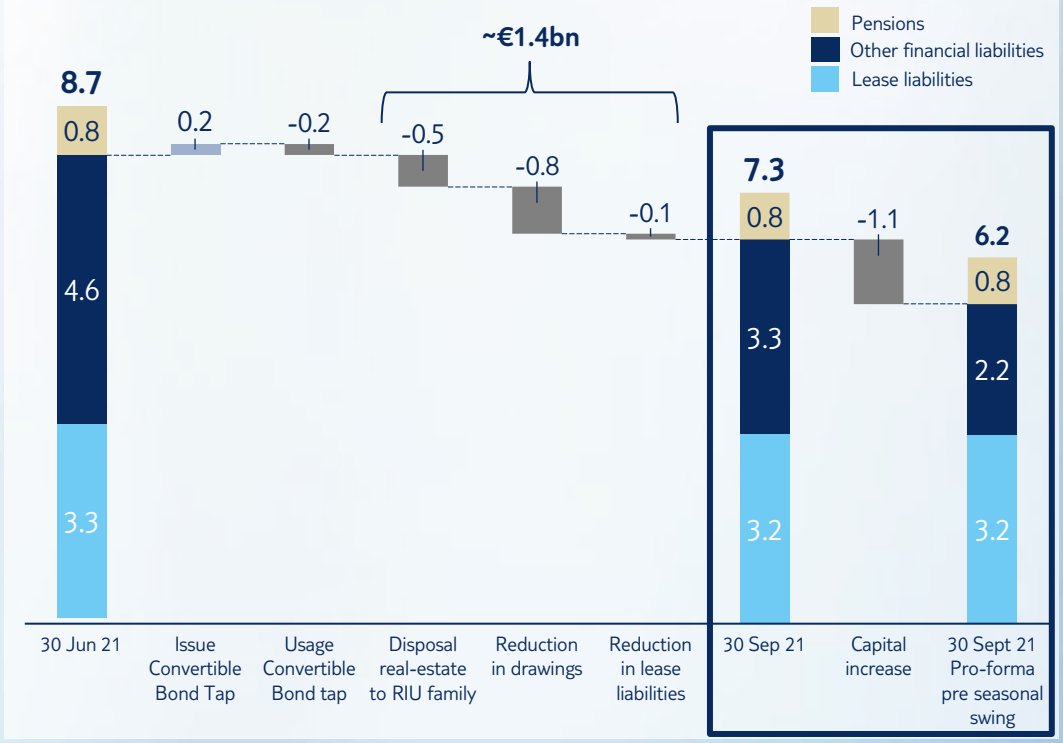
1 WSF Silent Participation – as agreed as part of third support package | 2 Timing of the payment will be at the discretion of TUI AG. Any unpaid dividend has to be paid on termination or conversion of a silent participation at the latest; | 3 RCF detailed split includes accrued issue and interest costs amounting to ~€19m | Gross debt is defined as financial liabilities plus net pension obligation

Capital increase completed in early November improves FY21 Q4 balance sheet by €1.1bn on a pro-forma basis

FY21 Q4 & PRO-FORMA NET DEBT



FY21 Q4 & PRO-FORMA GROSS DEBT



Major progress towards returning to a gross leverage ratio[1] of around 3x

1 Defined as gross debt (Financial liabilities incl. lease liabilities & net pension obligation) divided by underlying EBITDA/R

Capital structure development & ongoing priorities

GENERATE CASH FLOW



- Continue with strict cash discipline
- Manage working capital flow back
- Disciplined CAPEX management
- Focus on asset-right strategy

DRIVE OPERATING EFFECTIVENESS



- Optimise (fixed) capacity
- Deliver cost efficiency programme, further ~25% to be delivered by end FY22
- Drive digitalisation & enhance quality
- Return to growth – expand dynamic packaging

OPTIMISE FINANCING



- Maximise de-lever opportunities, including any capital market options
- Continue debt reduction using both organic cash and any generated proceeds
- Continuous improvement of credit rating

Solid & healthy balance sheet – target return to gross leverage ratio[1] of less than 3.0x

1 Defined as gross debt (Financial liabilities incl. lease liabilities & net pension obligation) divided by underlying EBITDA/R

MID-TERM AMBITIONS & SUMMARY

TUI is managing the C-19 pandemic actively and is well prepared to benefit from a strong rebound in the leisure industry

TRAVEL AS A MEGA TREND



Tourism is a growth industry

"Experience is the new luxury"

Favourable demographic supported by high disposable income and longevity

TOURISM IS A FORCE FOR GOOD



Sustainable transformation is an opportunity

Tourism creates jobs, provides education & improves social & environmental standards

TUI has been a pioneer in sustainable tourism & is committed to lead the transformation in the future

TUI is strategically well positioned to exploit market recovery and growth opportunities

World arrivals are expected to show strong increase in 2022 & return to normalisation in 2023 & 2024



Common expectation that leisure travel will recover more quickly than business travel

Source: Euromonitor International, Travel 2022 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, 27 September 2021

Our priorities to transform TUI into a digital platform company enables the delivery of our mid-term ambitions

POCKETS OF FUTURE GROWTH



Expand tours & activity segment



Drive digitalisation & dynamic packaging



Growth through asset-right financing structures



Execute Global Realignment Programme

LEADING THE WAY TO

OUR MID-TERM AMBITIONS

- **Underlying EBIT to significantly build on FY19[1], driven by both top line growth & GRP[2] benefits**
- **Return to a gross leverage ratio of less than 3.0x**

1 FY19A Underlying EBIT of €893m excluding €293m Boeing MAX cost impact | 2 Global Realignment Programme

ESG INITIATIVES

TUI Group – ESG as a solid foundation for creating value

… 2015 … 2020 AGENDA 2050

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.

Think Travel. Think TUI.

ESG ACHIEVEMENTS

CARBON EFFICIENCY IMPROVEMENTS*

-13.6% Cruises

-5.2% Hotels

-3.6% Airlines

GROWTH IN SUSTAINABLE HOLIDAYS*

43m Greener & fairer holidays delivered

1,688 Sustainability certified hotels

257m Single-use plastic items removed

83% TUI Hotels & Resorts sustainability certified

5m Excursions with a focus on sustainability

€39m Invested to enhance positive impacts

GOVERNANCE

Integrity Passport
Supplier Code of Conduct
Global Employment Statement
Group-wide crisis management

SOCIAL

Upskilling: Learning Lounge & Online Academies

29% women in managerial positions

We will innovate for a more sustainable future for the tourism industry and partner with others to accelerate progress

We will boost the positive impacts of our industry and empower a generation of sustainability change makers

We will achieve climate-neutrality within our own operations and become a circular business

More information at www.tui-sustainability.com

TUI Cruises

Reduction of Food Waste: As part of a pilot project, TUI Cruises carried out a waste analysis on board Mein Schiff 4 and subsequently tested measures to reduce food waste. The measures saved 17% of food waste. Proven measures were subsequently rolled out across the entire fleet.



ROBINSON Club Apulia

Solar Power Plant: The ROBINSON Club Apulia installed 3,280 solar modules on a total area of 5,500 square metres. This makes the system one of the largest in Europe and generates 1,438 megawatt hours of electricity per year. Around 70% of the electricity generated is used for the hotel's needs and the rest is fed into the local power grid.

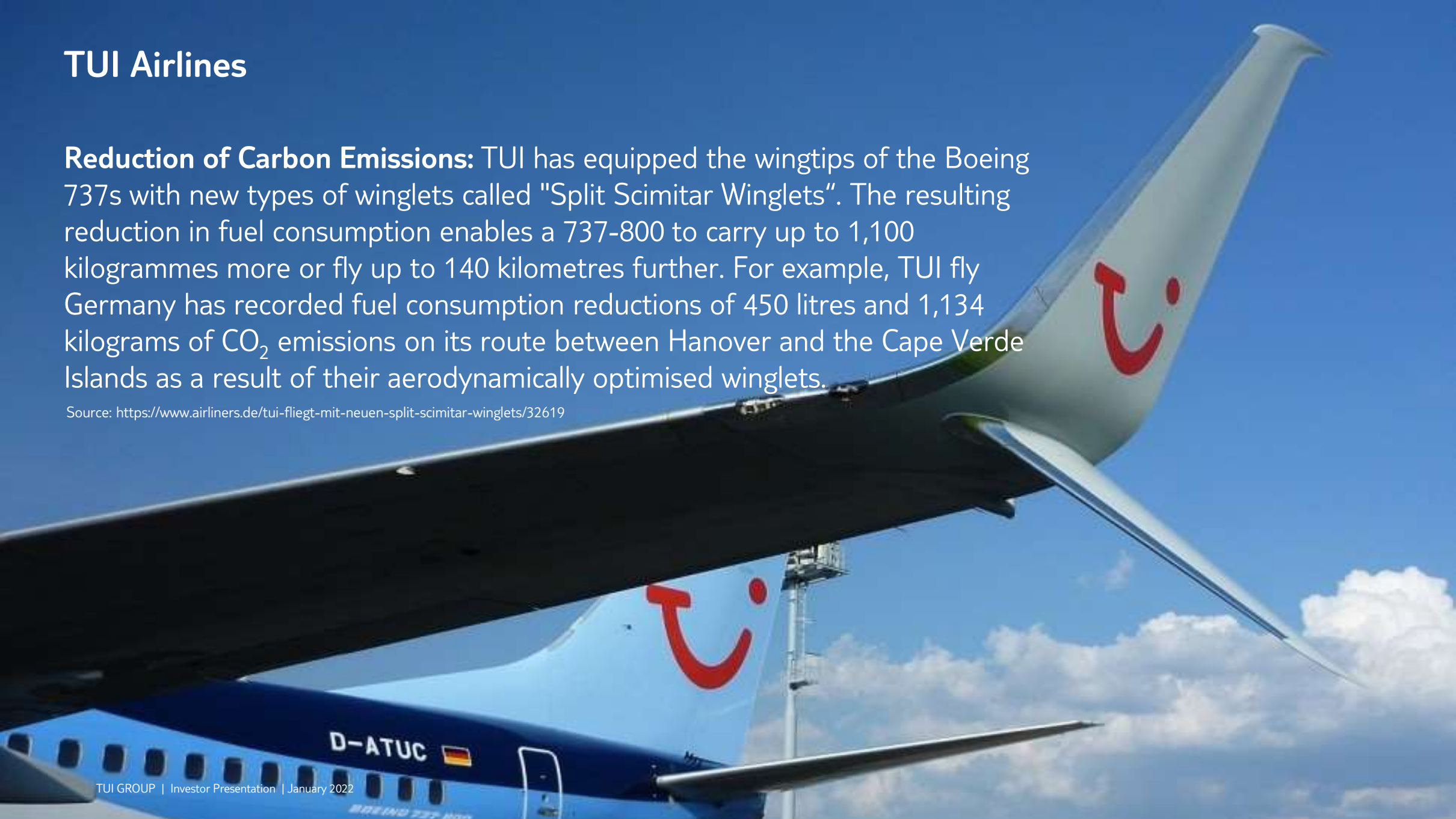
See https://www.tuigroup.com/en-en/media/press-releases/2018/2018-06-21-robinson-hotel-solar-panel-system



TUI Airlines

Reduction of Carbon Emissions: TUI has equipped the wingtips of the Boeing 737s with new types of winglets called "Split Scimitar Winglets“. The resulting reduction in fuel consumption enables a 737-800 to carry up to 1,100 kilogrammes more or fly up to 140 kilometres further. For example, TUI fly Germany has recorded fuel consumption reductions of 450 litres and 1,134 kilograms of CO_2 emissions on its route between Hanover and the Cape Verde Islands as a result of their aerodynamically optimised winglets.

Source: https://www.airliners.de/tui-fliegt-mit-neuen-split-scimitar-winglets/32619



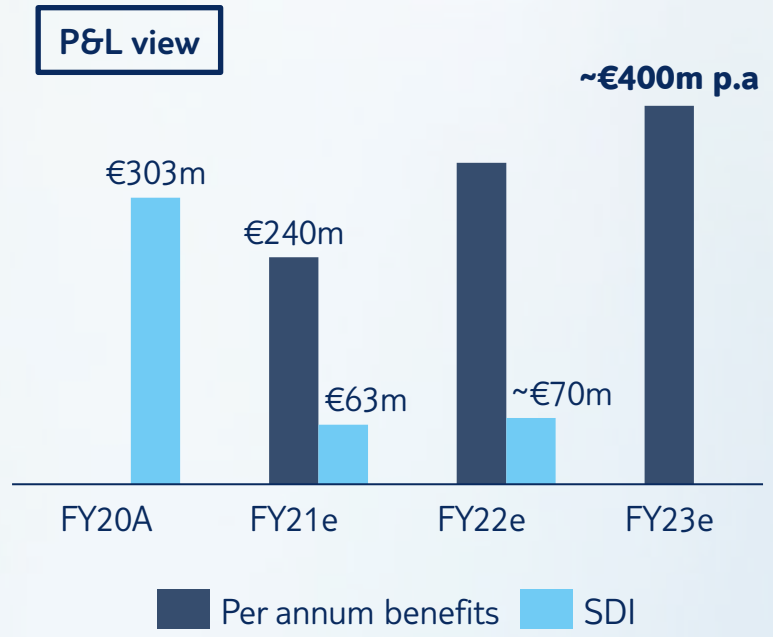
TUI Musement

TUI Collection: Through TUI Musement, our customers can discover new places and contribute to the local economy. TUI Collection excursions promote unique, authentic and responsible activities. Each TUI Collection excursion must meet specific criteria for sustainability, demonstrating that it benefits local people and minimises environmental impact. Since 2015, customers have experienced 5 million TUI Collection excursions.



APPENDIX

Global Realignment Programme on track to meet ~€400m p.a. cost reduction target

PILLARS	RECENT PROGRESS	PHASING
REDUCE COSTS	• FY20 H1: Announced programme with potential impact on 8k roles, **~7k reduction in FTEs** to date already agreed • TUI Musement: significant progress made to transform into a Digital Platform with **~3k FTE realised** and **+ 70% of benefits delivered** • A major part of the cost reduction measures have been implemented to date with **majority of benefits** sitting in **Markets & Airlines**	
REDUCE CAPITAL INTENSITY		
DRIVE DIGITALISATION	• TUIfly Germany has **significantly reduced** its 39 aircraft (June 2020) fleet **by ~40%** • Retail: **94 shops closed** in FY21 (49 Central Region, 40 Northern Region & 5 Western Region)	

60% of €400m p.a. targeted sustainable cost reduction has been delivered by end of FY21

Movement in Net Debt

FY20 to FY21

In €m	FY20 12M IFRS 16	FY21 12M IFRS 16	YoY Δ
Opening net debt as at 1 October	**-3,276**	**-6,421**	**-3,145**
FCF after Dividends	-3,193	143	3,336
Asset Finance	-569	-451	118
Capital Increase	-	1,744	1,744
Other	265	13	-253
Disposal group - Hapag-Lloyd Cruises & Nordotel	352	18	-334
Closing Net Debt	**-6,421**	**-4,954**	**1,467**

In €m		FY20 12M IFRS 16	FY21 12M IFRS 16	YoY Δ
Financial liabilities		**-7,669**	**-6,550**	**1,119**
- Lease liabilities under IFRS16		-3,400	-3,229	171
- Senior Notes		-299	-	299
- Bond with warrant		-	-119	-119
- Convertible Bond		-	-522	-522
- Liabilities to banks		-3,954	-2,612	1,341
- Other liabilities		-16	-67	-50
Cash & Bank Deposits		**1,248**	**1,596**	**348**
Net debt		**-6,421**	**-4,954**	**1,467**
- Net Pension Obligation		-652	-798	-146
Memo: Lease liabilities	*- Aircraft*	*-2,357*	*-2,367*	*-10*
	- Hotels	*-476*	*-357*	*119*
	- Ships	*-181*	*-171*	*9*
	- Other	*-386*	*-334*	*52*
Memo: Liabilities to banks	*- RCF*	*-3,316*	*-1,834*	*1,482*
	- of which Cash[3]	*-1,516*	*-1,478*	*38*
	- of which KfW[3]	*-1,800*	*-375*	*1,425*
	- SSD	*-424*	*-425*	*-2*
	- Asset Financing	*-214*	*-353*	*-139*

COMMENTS

- SP1[1] and SP2[1] are classified as equity & dividends will be paid on the basis of the drawn participations[2].
- As at 30/9/21:
  - SP1 - €420m fully drawn
  - SP2 - €671m fully drawn
  - Cash RCF - €1.5bn of €1.5bn utilised
  - KfW RCF - €0.4bn of €3.0bn utilised
- Post balance sheet date 6/12/21:
  - Capital Increase of €1.1bn concluded early November
  - Cash RCF - €1.5bn of €1.5bn utilised
  - KfW RCF - €0.3bn of €3.0bn utilised

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 RCF detailed split includes accrued issue and interest costs amounting to ~€19m | Gross debt is defined as financial liabilities plus net pension obligation

Financing facilities and support packages overview (per 6 December 2021)

	Instrument	Support package #	Facility €m	Utilisation €m	Debt/equity	Maturity date
Bank facilities	RCF (unsecured)	-	1,535	1,489m drawn	Debt	July 2024
		-	215	guarantee line	-	
		1 & 2	2,850	274m drawn	Debt	
	RCF (secured)	3	170[1]	undrawn	Debt	July 2024
	Schuldschein	-	425	-	Debt	July 2023/25/28
Bonds	Bond with warrant WSF	2	150	-	Debt/ Equity-Linked	Bond-Sept 2026 Warrant-Sept 2030
	Convertible bonds (incl. tap issue)	-	590	-	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	-	3,229[2]	-	Debt	Various

1 Reduced by €30m from €200m to €170m on 30 September 2021 | 2 As of 30 September 2021

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

In €m	FY21 IFRS 16	FY20 IFRS 16	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**440.5**	**402.4**	**38.1**	**-5.8**	**43.9**
- Riu	286.3	272.9	13.4	-5.1	18.5
- Robinson	67.4	57.2	10.2	-0.6	10.8
- Blue Diamond	-	-	-	-	-
- Other	86.9	72.3	14.6	-0.1	14.7
Cruises	**27.0**	**472.6**	**-445.7**	**1.3**	**-446.9**
- TUI Cruises	-	-	-	-	-
- Marella Cruises	27.0	287.9	-260.9	1.3	-262.2
- Hapag-Lloyd Cruises**	-	184.7	-184.7	-	-184.7
TUI Musement	**116.7**	**306.3**	**-189.7**	**-0.6**	**-189.1**
Holiday Experiences	**584.1**	**1,181.3**	**-597.2**	**-5.1**	**-592.1**
- Northern Region	807.7	2,462.0	-1,654.3	24.4	-1,678.7
- Central Region	2,322.9	2,859.6	-536.7	-11.9	-524.8
- Western Region	976.1	1,345.9	-369.7	-	-369.7
Markets & Airlines	**4,106.7**	**6,667.5**	**-2,560.7**	**12.5**	**-2,573.2**
All other segments	40.8	94.9	-54.1	-0.4	-53.8
TUI Group	**4,731.6**	**7,943.7**	**-3,212.1**	**7.0**	**-3,219.1**

*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 Underlying EBITDA by Segment*

In €m	FY21 IFRS 16	FY20 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**63.1**	**-58.0**	**121.1**	**6.4**	**114.7**
- Riu	52.4	118.9	-66.4	1.4	-67.8
- Robinson	29.0	-21.1	50.2	0.7	49.5
- Blue Diamond**	-32.6	-35.4	2.8	2.9	-0.1
- Other	14.2	-120.3	134.6	1.4	133.2
Cruises	**-214.1**	**-82.3**	**-131.8**	**-0.8**	**-131.0**
- TUI Cruises**	-146.7	-74.2	-72.5	-	-72.5
- Marella Cruises	-67.4	-24.7	-42.7	-0.8	-41.9
- Hapag-Lloyd Cruises***	-	16.6	-16.6	-	-16.6
TUI Musement	**-79.9**	**-87.4**	**7.5**	**1.0**	**6.5**
Holiday Experiences	**-230.9**	**-227.7**	**-3.2**	**6.6**	**-9.8**
- Northern Region	-618.1	-593.6	-24.5	-27.1	2.6
- Central Region	-202.1	-435.9	233.8	-4.4	238.2
- Western Region	-38.1	-237.2	199.1	-8.0	207.1
Markets & Airlines	**-858.4**	**-1,266.7**	**408.4**	**-39.6**	**447.9**
All other segments	-55.9	-120.6	64.7	-0.8	65.5
TUI Group	**-1,145.2**	**-1,615.0**	**469.8**	**-33.8**	**503.6**

*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 Underlying EBIT by Segment*

In €m	FY21 IFRS 16	FY20 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**-152.7**	**-395.2**	**242.6**	**10.0**	**232.5**
- Riu	-42.5	50.1	-92.6	3.7	-96.3
- Robinson	-6.2	-99.1	92.9	1.2	91.7
- Blue Diamond**	-32.6	-35.4	2.8	2.9	-0.1
- Other	-71.4	-310.9	239.5	2.2	237.2
Cruises	**-277.5**	**-322.3**	**44.8**	**-1.1**	**45.9**
- TUI Cruises**	-146.7	-74.2	-72.5	-	-72.5
- Marella Cruises	-130.8	-254.2	123.4	-1.1	124.5
- Hapag-Lloyd Cruises***	-	6.1	-6.1	-	-6.1
TUI Musement	**-105.3**	**-114.0**	**8.7**	**1.2**	**7.5**
Holiday Experiences	**-535.4**	**-831.5**	**296.1**	**10.2**	**285.9**
- Northern Region	-965.8	-960.9	-4.9	-18.3	13.5
- Central Region	-328.6	-612.5	283.9	-0.9	284.8
- Western Region	-176.6	-433.7	257.2	-2.5	259.6
Markets & Airlines	**-1,470.9**	**-2,007.1**	**536.2**	**-21.7**	**558.0**
All other segments	-69.1	-158.4	89.3	-0.7	90.0
TUI Group	**-2,075.5**	**-2,997.0**	**921.6**	**-12.3**	**933.9**

*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 Q4 Revenue by Segment (excludes Intra-Group Revenue and JVs/associates)*

In €m	FY21 Q4 IFRS 16	FY20 Q4 IFRS 16	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**282.5**	**97.7**	**184.8**	**2.0**	**182.8**
- Riu	178.0	41.6	136.4	2.1	134.3
- Robinson	38.8	20.5	18.3	-0.1	18.4
- Blue Diamond	-	-	-	-	-
- Other	65.7	35.6	30.1	-	30.1
Cruises	**24.3**	**-11.0**	**35.3**	**1.3**	**33.9**
- TUI Cruises	-	-	-	-	-
- Marella Cruises	24.3	-11.0	35.3	1.3	33.9
- Hapag-Lloyd Cruises**	-	-	-	-	-
TUI Musement	**79.1**	**12.1**	**67.0**	**0.4**	**66.6**
Holiday Experiences	**385.9**	**98.9**	**287.1**	**3.8**	**283.3**
- Northern Region	592.5	259.7	332.8	28.0	304.8
- Central Region	1,615.2	615.6	999.5	-8.6	1,008.2
- Western Region	753.6	250.4	503.2	-	503.2
Markets & Airlines	**2,961.3**	**1,125.7**	**1,835.5**	**19.4**	**1,816.1**
All other segments	18.4	8.7	9.8	0.2	9.5
TUI Group	**3,365.7**	**1,233.3**	**2,132.4**	**23.4**	**2,109.0**

*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 Q4 Underlying EBITDA by Segment*

In €m	FY21 Q4 IFRS 16	FY20 Q4 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**169.0**	**-51.9**	**220.9**	**0.9**	**220.0**
- Riu	64.1	-4.4	68.5	1.3	67.3
- Robinson	42.6	-14.8	57.5	-0.2	57.7
- Blue Diamond**	1.2	-19.1	20.3	-0.1	20.4
- Other	61.1	-13.5	74.5	-0.1	74.6
Cruises	**-26.7**	**-88.4**	**61.7**	**-1.2**	**62.9**
- TUI Cruises**	-5.2	-66.4	61.3	-	61.3
- Marella Cruises	-21.5	-23.7	2.2	-1.2	3.4
- Hapag-Lloyd Cruises***	-	1.7	-1.7	-	-1.7
TUI Musement	**-1.6**	**-40.9**	**39.3**	**-**	**39.3**
Holiday Experiences	**140.7**	**-181.2**	**321.9**	**-0.3**	**322.2**
- Northern Region	-157.9	-272.3	114.4	-12.2	126.6
- Central Region	85.2	-163.8	249.0	-0.7	249.8
- Western Region	106.1	-98.5	204.6	-0.3	204.9
Markets & Airlines	**33.4**	**-534.7**	**568.1**	**-13.2**	**581.2**
All other segments	-14.4	-10.7	-3.7	-0.7	-3.0
TUI Group	**159.7**	**-726.6**	**886.2**	**-14.2**	**900.4**

*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 Q4 Underlying EBIT by Segment*

In €m	FY21 Q4 IFRS 16	FY20 Q4 IFRS 16 adjusted	Change incl FX	IFRS 16 FX	Change ex FX
Hotels & Resorts	**115.9**	**-87.2**	**203.1**	**0.7**	**202.4**
- Riu	39.2	-16.8	55.9	1.1	54.8
- Robinson	36.0	-64.3	100.3	-0.3	100.6
- Blue Diamond**	1.2	-19.1	20.3	-0.1	20.4
- Other	39.6	13.0	26.5	-0.1	26.6
Cruises	**-42.9**	**-124.9**	**82.1**	**-2.1**	**84.1**
- TUI Cruises**	-5.2	-66.4	61.3	-	61.3
- Marella Cruises	-37.7	-60.2	22.5	-2.1	24.6
- Hapag-Lloyd Cruises***	-	1.7	-1.7	-	-1.7
TUI Musement	**-8.6**	**-47.4**	**38.9**	**-**	**38.9**
Holiday Experiences	**64.5**	**-259.6**	**324.1**	**-1.4**	**325.4**
- Northern Region	-257.7	-368.5	110.8	-14.2	125.1
- Central Region	48.8	-213.8	262.6	-0.6	263.2
- Western Region	70.8	-147.8	218.6	-0.1	218.7
Markets & Airlines	**-138.1**	**-730.1**	**592.0**	**-14.9**	**606.9**
All other segments	-23.2	-40.4	17.2	-0.8	18.0
TUI Group	**-96.9**	**-1,030.0**	**933.2**	**-17.1**	**950.3**

*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



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TUI