

TUI Group Investor Presentation

JANUARY 2019

What is TUI Group?

Hotel & Resorts, Cruises and Destination Experiences holiday experiences "product" provider with own distribution and fulfilment

KEY HIGHLIGHTS

- **27m** customers (1)
- **€19.5bn** revenues
- **€1.15bn** EBITA (2)
- **23.0%** ROIC
- **10.9%** (3) earnings growth

HOLIDAY EXPERIENCES

HOTEL	**€426m** EBITA	Leading leisure hotel and club brands around the world; investments, operations, ownership
	€324m EBITA	Leading German & UK cruise brands
	€45m EBITA	Tours, activities and service provider in destination

MARKETS & AIRLINES

	€453m EBITA	Market leaders in packaged distribution, fulfilment, strong market and customer knowledge

1 21m Markets & Airlines plus further 2m from Cruise and from our strategic joint ventures in Canada and Russia totals 23m; in addition 4m from customers direct and via 3rd party channels to our Hotels & Resorts and Cruise brands
2 Underlying; 3 According to company guidance earnings growth is at constant currency

Our business model: Product-focused holiday provider with almost 70% Holiday Experience earnings

Markets & Airlines – ~30% EBITA

Rest | Own & Committed

HOLIDAY EXPERIENCES – ~70% EBITA

Digitalisation, efficiency, diversification — 23m customers[1]

Growth, diversification — 4m customers[2]



~150 TUI Aircraft, 3rd party flying

Own, 3rd party committed & non-committed

Customer, knowledge, service & fulfilment

ROIC FY18: 80%[5]

Integrated distribution

Integrated distribution

Integrated distribution

Owned / managed / JV
ROIC FY18: 14%

380[3] Hotels

Owned / JV
ROIC FY18: 23%

16[4] Ships

Owned / JV
ROIC FY18: 26%

115 Destinations

3rd party distribution

3rd party distribution

3rd party distribution

GROUP PLATFORMS

INTEGRATION BENEFITS

- Own customer end-to-end: personalised offerings
- Yielding our risk capacity: 27m customers to optimise own hotels/ cruises demand
- Unique TUI experiences and fulfillment differentiating TUI from competition, customer satisfaction
- Double diversification across Markets & Airlines and Holiday Experiences mitigates localised external shocks

→ More than 70% of profits from own and committed differentiated risk capacity

1 21m Markets & Airlines customers plus a further 2m for Cruise and from our strategic joint ventures in Canada and Russia totals 23m 2 4m customers direct and via 3rd party channels to our Hotels & Resort and Cruise brands 3 This number includes group hotels and 3rd party concept hotels as at end of FY18 4 As at end of FY18 5 This number relates to Markets & Airlines and All other segments

What does it mean? Integrated model brings strong strategic benefits in the wider market context

INTEGRATION BENEFITS / TUI STRATEGY	WIDER MARKET CONTEXT
1 Own customer end-to-end	Enables us to personalise our customers' holiday experiences, basis for targeted marketing
2 Yielding our own risk capacity: 27m customers to optimise own hotels / cruises demand	Reduces reliance on third party distribution and allows yielding of our products
3 Unique TUI holiday experiences and fulfilment differentiating TUI from competition	Differentiates us from the OTAs, other pure-play distributors and the airlines, drives customer satisfaction and retention
4 Double diversification across Markets & Airlines and Holiday Experiences	Diversified across source markets and destinations - helps to mitigate the impact of cyclicality in individual markets and geopolitical shocks

Market environment: TUI has moved on and developed into an integrated provider of Holiday Experiences

OTAs

"Depth of offering"

- Agent model, trading margin
- No/ limited risk capacity
- Increasingly dynamic packaging

Airlines

"Ancillary packages"

- Airline as core business
- Packages as add-on and to de-risk flight capacity
- Trading margin on hotels
- Increasingly direct hotel sourcing

Tour operators

"Packaged holidays"

- Packaging of hotel & flight, fulfillment
- Trading margin leveraged by
  - Flight risk capacity
  - Hotel commitments[1]

Potential new entrants

- Global tech companies

"Best and unique product, individualised offering"

- Dynamic packaging
- Own hotels, flights and cruises:
  - Yielding of risk capacities
  - Own distribution & fulfillment
  - Double diversification

1 Prepayments and volume guarantees

Superior strategy delivers strong results in a challenging market environment

TURNOVER
€19.5bn
+6.3%[1]

UNDERLYING EBITA
€1,147m
+10.9%[1]

UNDERLYING EPS
€1.17[3]
+10.5%[1]

DIVIDEND PER SHARE
72 cents

ROIC[4]
23.0 %

WACC[4]
6.4%

- Fourth consecutive year of double-digit earnings[1] growth post-merger
- Successful transformation; ~70% of earnings from Holiday Experiences versus 30% at merger
- Holiday Experiences businesses are outperforming
- Delivering attractive shareholder returns - dividend per share of €0.72 proposed
- Strong ROIC performance continues
- Reiterate our guidance of at least 10% CAGR in underlying EBITA for the three years to FY20[1,2] and expect to deliver at least 10% underlying EBITA growth for FY19[1]

1 Based on constant currency growth 2 Three year CAGR from FY17 Base to FY20 3 Pro forma basis, for calculation of underlying EPS please refer to page 39 of the FY18 Annual Report 4 For ROIC and WACC methodology please refer to pages 36-37 of the FY18 Annual Report

What do we offer to our investors – 3 reasons to be invested / to invest

1 STRONG STRATEGIC POSITION



- Global leading tourism group
- Holiday product provider with own distribution
- Own customer end to end: Markets & Airlines, Hotels, Cruises, Destination Experiences
- Individualisation and targeted marketing
- Yielding of own products
- Risk mitigation by double diversification

2 STRONG EARNINGS GROWTH



- Global leisure travel market growing above GDP
- Strong track record driven by merger synergies:
  - Underlying EBITA CAGR of 13%[1] since merger
  - Underlying EPS CAGR of 16% since merger
- Future growth supported by digitalisation benefits and by reinvesting disposal proceeds
- Reiterate at least 10% CAGR in underlying EBITA for the three years to FY20[2]

3 STRONG CASH GENERATION



- 23% group ROIC FY18, significantly above cost of capital
- Strong operating cash conversion, enabling to fund
  - investments
  - high cash returns to shareholders in form of dividends
  - balance sheet stability

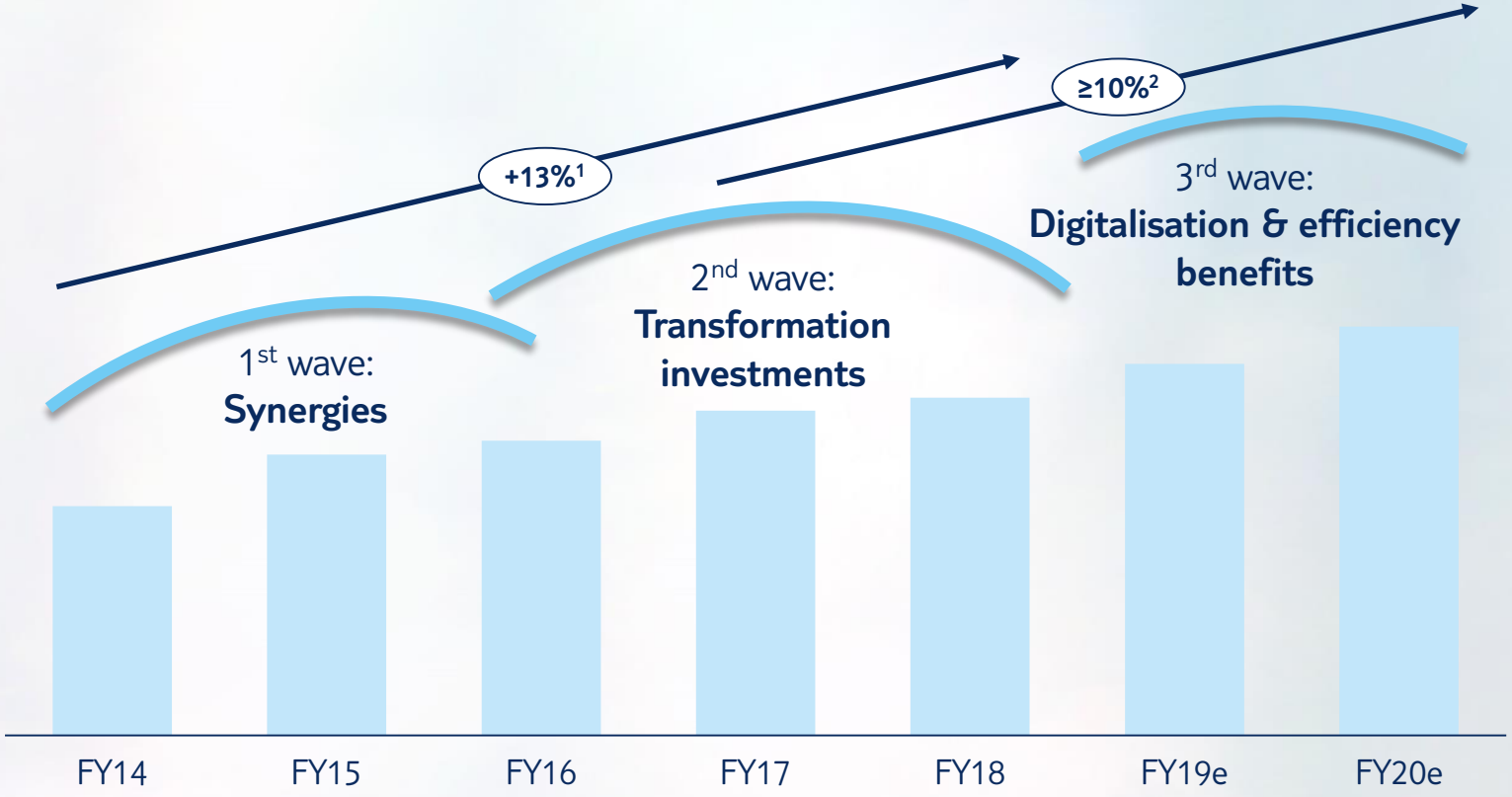
1 Underlying EBITA CAGR of 10% since merger / average CAGR of 13% since merger at constant currency (company earnings guidance is at constant currency) 2 Based on constant currency growth, three year CAGR from FY17 base to FY20

GROWTH & DIGITALISATION INITIATIVES

Future earnings growth driven by reinvestment of disposal proceeds, digitalisation and efficiency benefits

STRONG GROWTH TRACK RECORD: MERGER SYNERGIES

FUTURE GROWTH: INVESTMENTS, DIGITALISATION & EFFICIENCY



HIGHLIGHTS

- 3 earnings waves, heading towards third wave
- Mix of earnings growth changes gradually over time

1 Growth from investments

2 Digitalisation and efficiency benefits

1 Underlying EBITA CAGR of 10% since merger / average CAGR of 13% since merger at constant currency 2 Reiterate our guidance of at least 10% CAGR in underlying EBITA for the three years to FY20; three year CAGR from FY17 Base to FY20

1 Hotels & Resorts investments: 44 new hotels since merger, lower capital intensity

PORTFOLIO DIVERSIFICATION



DERISKED GROWTH

- Predominantly lower capital intensity
- Ownership in 365 days destinations/ where scarcity of assets
- De-risking through JV off-balance sheet financings
- 15% Blended ROIC hurdle
- FY19 new 21 hotels to come

> 60% OF INVESTMENTS WITH LOWER CAPITAL INTENSITY[1]

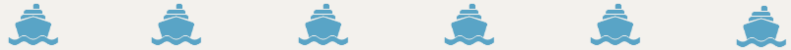
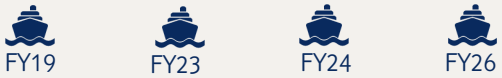
44 NEW HOTELS OPENED SINCE MERGER

ROIC 44 HOTELS FY18: >15% (TARGET)

CAPITAL DISCIPLINE

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

1 TUI's cruise capacity growth financed through disposal proceeds re-investment programme and off-balance sheet (JV)

BRAND / OWNERSHIP	FLEET DEVELOPMENT	OFF-BALANCE SHEET FINANCING AS PREFERRED OPTION
Off-balance sheet: JV TUI Cruises	**Current fleet:**  Exit FY22 **Deliveries:**  FY19, FY23, FY24, FY26	• Funded by JV • No CAPEX requirements for TUI
On balance sheet MARELLA CRUISES	**Current fleet:**  **Deliveries:**  FY19 (SGE[1])	• Part of TUI's growth investment strategy • Funded by reinvesting disposal proceeds
On balance sheet HAPAG LLOYD CRUISES	**Current fleet:**  **Deliveries:**  FY19, FY20, FY21	• Part of TUI's growth investment strategy • Funded by reinvesting disposal proceeds

1 Marella Cruises acquires SkySea Golden Era (SGE) to replace Mein Schiff 2, which will remain within TUI Cruises fleet due to high demand in the German cruise market.
Note both Marella Spirit and Hanseatic left the Group fleet in Autumn 2018

1 Strategic expansion of our Destination Experiences business – Ticking all boxes: Musement acquisition complementary to recent HBG Destination Management acquisition

TUI DX STRATEGY LAYERS

DIGITALISATION

- End-to-end digital process: from supplier to customer
- Part of global CRM platform
- Omni-channel
- Personalisation
- Integrated marketing campaigns

MORE PRODUCTS

- Differentiation of excursion portfolio
- Activities
- Multi-day tours

MORE GUESTS

- TUI package customers
- TUI non-package customers
- 3rd party customers

MORE DESTINATIONS

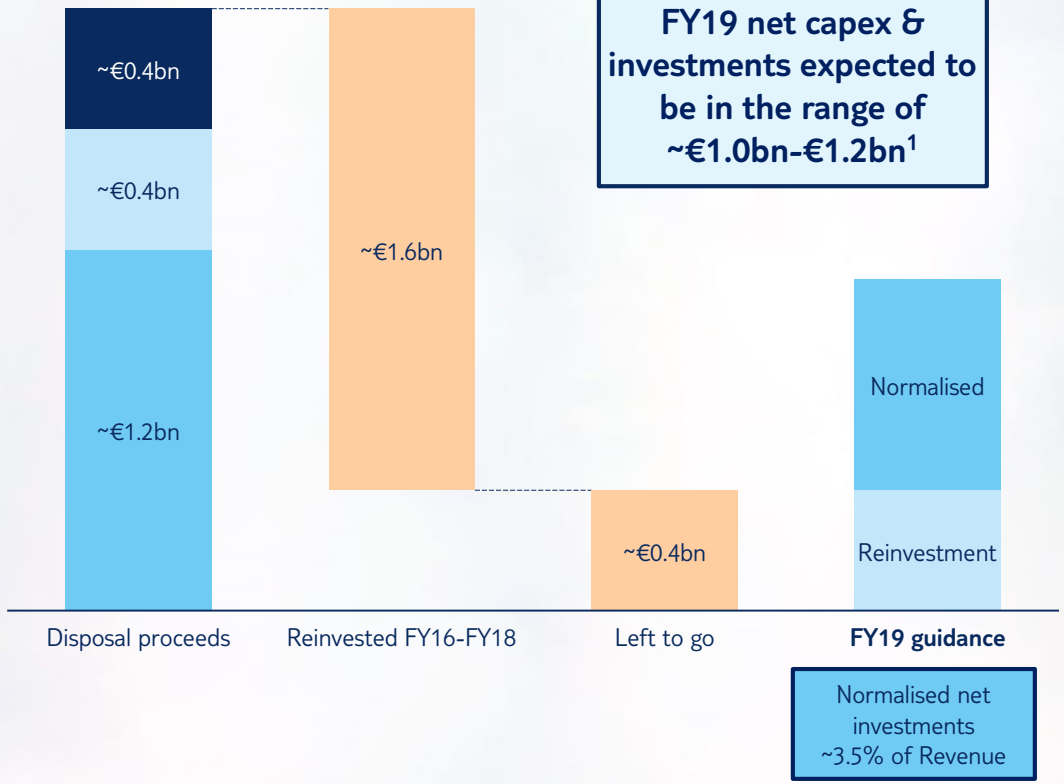
- More sun & beach destinations
- City destinations
- Asia

ACQUISITIONS

musement ✓ + destination services INTERCRUISES SHORESIDE & PORT SERVICES ✓ + destination services INTERCRUISES SHORESIDE & PORT SERVICES ✓ + destination services INTERCRUISES SHORESIDE & PORT SERVICES ✓

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

FY19: LAST YEAR OF DISPOSAL PROCEEDS REINVESTMENT



FY19 net capex & investments expected to be in the range of ~€1.0bn-€1.2bn[1]

CAPITAL ALLOCATION FRAMEWORK

Growth investments

- Reinvesting disposal proceeds
- 15% blended ROIC
- Opportunistic M&A, if synergistic

JV growth

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

Strong cash generation allows all boxes to be ticked

Balance sheet stability

- Target leverage ratio maintained at 3.0x-2.25x

Attractive dividend

- In line with underlying EBITA growth at constant currency
- FY18: Proposed €0.72 per share

1 Including PDPs, excluding aircraft assets financed by debt or finance leases

2 Our vision: Digitalisation and platforming of our business model

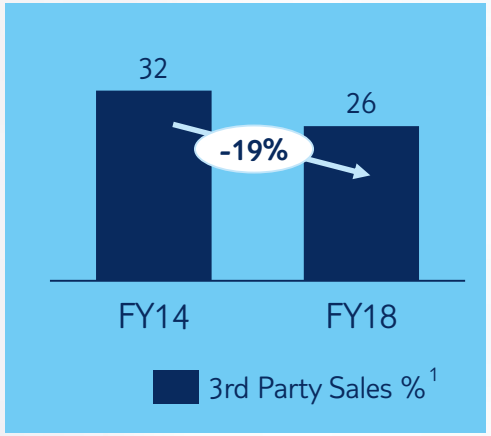
OUR DIGITAL PRIORITIES	MID-LONG TERM BENEFITS
1 From Retail to Online to Mobile	>€100m Cost Saving
2 Mass-individualisation	>€100m Additional Profit
3 Inventory/Purchasing	>€100m Cost Saving / Additional Profit
4 Global market presence	New markets: ~1m customers, ~€1bn revenues

WHAT WILL IT BRING?

- Too early to say
- However, base infrastructure in place and improving every day
- First pilot projects show good momentum
- Limited capex
- But just imagine, over a period of 5 years, couldn't we build a global reach, couldn't we sell €20/customer more through ancillary services at a 35% margin, couldn't we save €10/customer, i.e. 10% of our sales costs?
- I believe we could – progress update to follow regularly

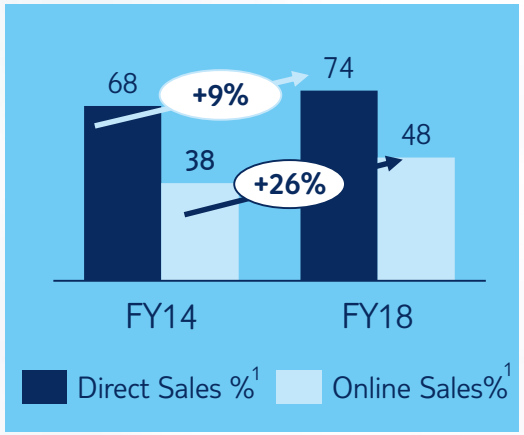
2 1 From Retail to Online to Mobile

RETAIL



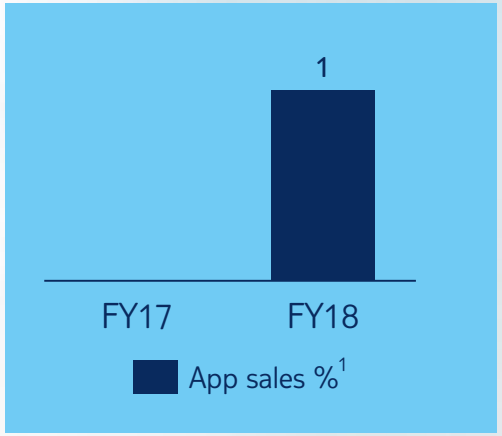
- >10% distribution costs

ONLINE/DIRECT



- ~10% distribution costs

MOBILE



- Lower distribution costs
- Nordic already at ~2.5%[2]

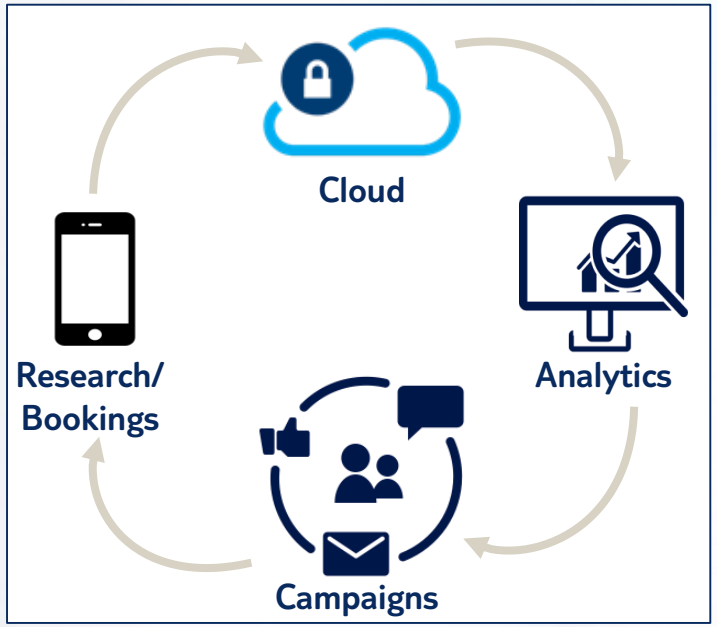
HIGHLIGHTS

- Mobile booking technology developed
- Linked to CRM engine
- 5.5m active TUI app users as addressable base
- ~200k app customers in FY18
- Every 1% app sale yields around 5% distribution cost savings[3] i.e. €10m

1 Percentages of Markets & Airlines sales by booking channel 2 Percentage of Nordic Sales 3 Indicative calculation based on Group sales (€20bn sales x 10% distribution cost = €2bn distribution costs currently. 1% app sales incurs ~5% distribution cost which equates to ~€10m distribution costs. 10% App sales at ~5% distribution costs would therefore deliver ~€100m potential cost savings

2 2 Digital mass-individualisation: Use customer data to create individualised holidays for 21m[1] Markets & Airlines customers

MOBILE AS AN ENABLER FOR INDIVIDUALISATION



- Customer knowledge/ segmentation

DRIVE BOOKINGS & ANCILLARIES

Individualised marketing:
i.e. double-digit conversion from best performing campaigns

HOTEL

Offer fragmentation:
i.e. Select Your Room
Up to 30% uptake

Excursions & activities

Breadth of offer:
Musement with 150k products

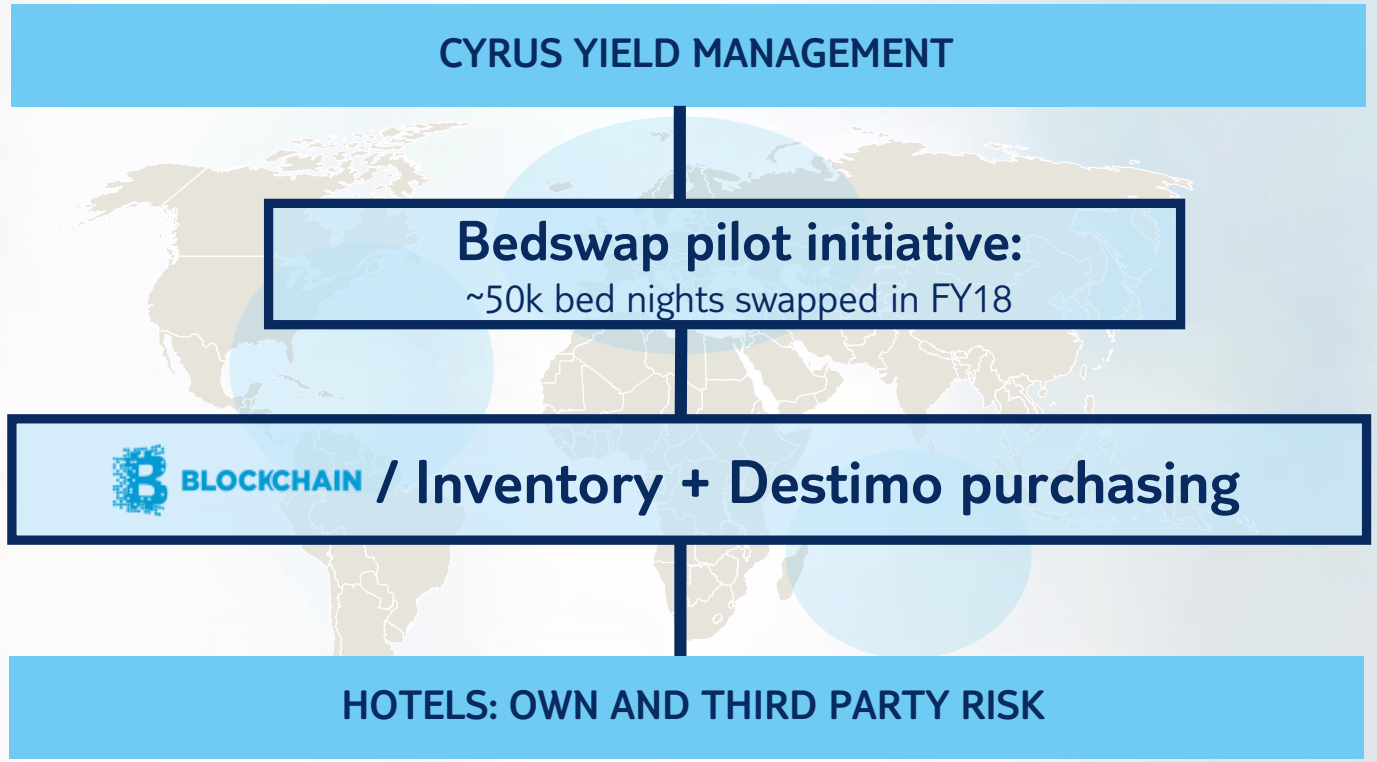
- Upselling: Next best activity, individualised

HIGHLIGHTS

- TUI's competitive advantage - own customer end to end
- Integrated model & digitalisation make it easier to sell and service the customer at multiple touchpoints
- First results promising
  - single customer view brings together 50+ systems
  - ~€20m ancillaries EBITA per year (i.e. 5 years = €100m)

1 Markets & Airlines customers, excludes Cruise and strategic joint ventures in Canada and Russia, which would total 23m

2 3 Inventory/Purchasing digitalisation: Opportunity to commercialise the purchasing of our risk inventory of 100m bed nights and €5bn purchasing volume from 3rd party hoteliers



OUR VISION

- Centralised & automated inventory management – applying same principles we already did with yield management
- Cyrus: Digital system driving yields, supporting marketing of 100m bed nights to our customers
- Destimo: Proprietary German purchasing system in global rollout
- Every 1% higher pricing or 1% lower costs on average are equivalent to ~€50m[1]
- First results promising, benefits expected to ramp up over time

1 Indicative calculation based on relevant purchasing volume (€5bn purchasing volume x 1% = €50m); 2% higher pricing or 2% lower costs on average would therefore yield ~€100m savings

2 4 Digital global market presence: Low risk and opportunistic entry into new markets and reduction of yield pressure at the same time

DIGITALISED GROWTH



BRAND FRANCHISING

- Baltics

THIRD PARTY REACH

musement

- Strong third party demand

HIGHLIGHTS

- New Markets[1]:
  - ~100k customers out of 1m target achieved with good momentum
  - Dynamic packaging technology
  - Leverage new markets demand for risk capacity clusters, driving yields and diversification
- Brand franchising introduced

1 New Markets active: Brazil, Portugal, Spain, India, China. Malaysia planned for launch in FY19

FY19 Guidance

FY19 Guidance

	FY19e[1]	FY18
Turnover[2]	Around 3% growth	€19,524m
Underlying EBITA rebased[3]	At least 10% growth	€1,187m[3]
Adjustments	~€125m	€87m
Net capex & investments[4]	~€1.0bn-€1.2bn	€0.8bn
Leverage ratio	3.0x to 2.25x	2.7x
Dividend per share	Growth in line with underlying EBITA rebased[3]	€0.72

1 Based on constant currency growth
2 Excluding cost inflation relating to currency movements
3 Rebased to take into account €40m impact of revaluation of Euro loan balances within Turkish Lira entities in FY18
4 Including PDPs, excluding aircraft assets financed by debt or finance leases

EBITA growth FY19[1] – Headwinds and Growth Levers

MARKET HEADWINDS

- Adverse trading in Q1/Q2 including continued impact from heatwave (Autumn holidays & Nordics Winter bookings)
- Brexit uncertainty and final outcome may lead to weaker consumer confidence and GBP exchange rate
- Market outlook for FY19 remains challenging, particularly due to dynamic packaging
- Theme of capacity shifts from Western to Eastern Mediterranean destinations
- Continued cost headwinds (threat of ATC further strikes, fuel, hotel rates, destination costs)

GROWTH LEVERS

- Strong brand & NPS
- Annual holiday spend is a top priority for customers
- Yielding of own risk capacity optimises hotels/cruise demand
- Double diversification across markets & destinations

HOTEL

- ~21 new hotel openings in FY19
- 15% blended ROIC
- Shift of capacity to Turkey

- 3 new ships to be delivered in FY19
- 15% blended ROIC

Destination Experiences

- Global, fully digitalised platform
- Upselling ancillaries to TUI and third-party customers
- >10% earnings growth in FY19

- Markets & Airlines business harmonisation
- Aircraft re-fleeting; newer fleet supporting cost position; competitors facing increasing cost pressure

- Digitalisation driving ancillary benefits across all businesses - remains a mid-term opportunity

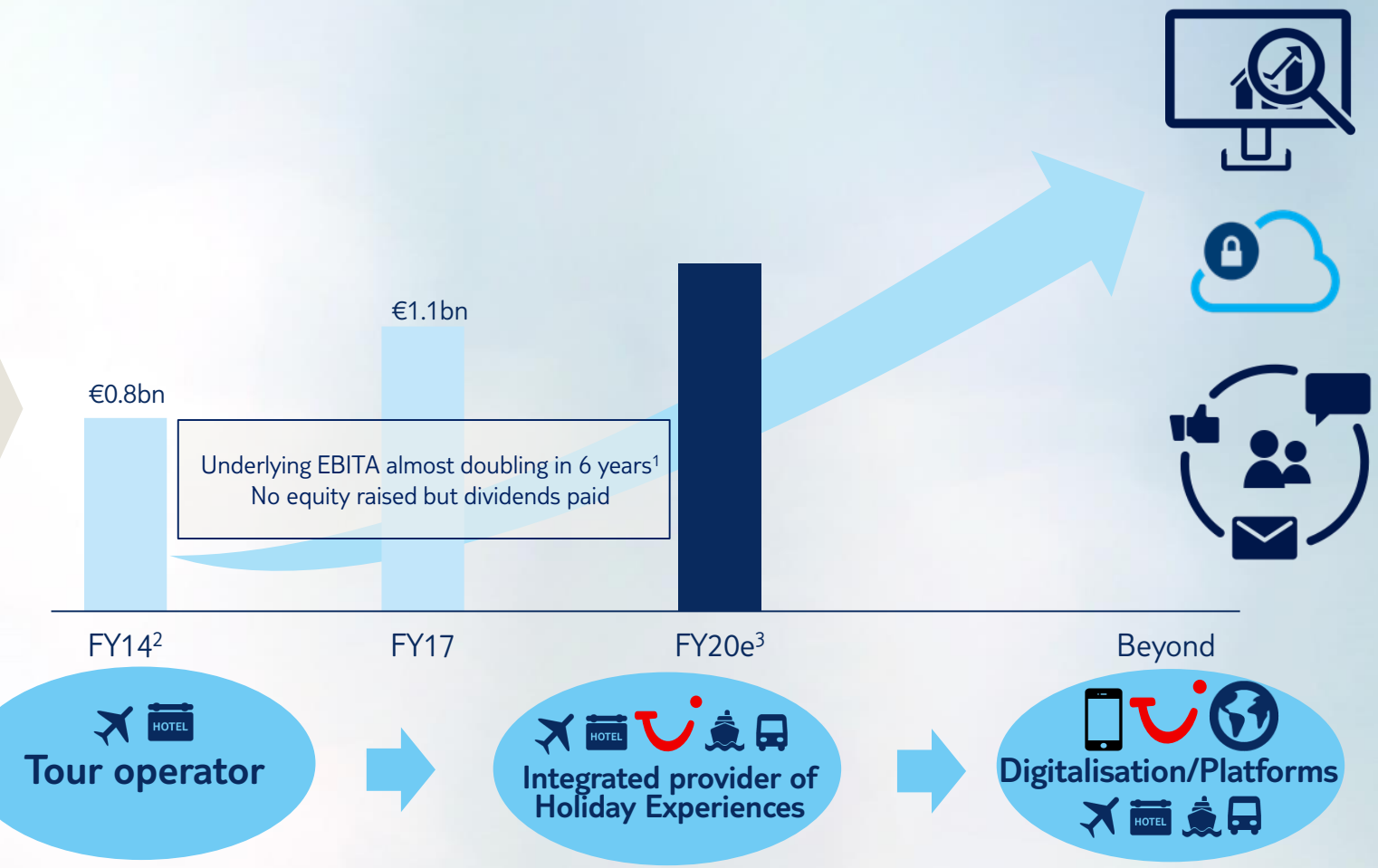
1 Guidance for FY19 is at least 10% underlying EBITA growth at constant currency

Our ambition: Strong strategic positioning, strong earnings growth and strong cash generation with underlying EBITA almost doubling in 6 years[1]

STRONG STRATEGIC POSITION

STRONG EARNINGS GROWTH

STRONG CASH GENERATION



1 Based on constant currency growth 2 Pro Forma EBITA 3 Reiterate our guidance of at least 10% CAGR in underlying EBITA for the three years to FY20; three year CAGR from FY17 Base to FY20

APPENDIX
FY18 FULL YEAR RESULTS

FY18 Turnover by Segment (excludes Intra-Group Turnover and JVs/associates)*

In €m	FY18	FY17	Change	FX	Change ex FX
Hotels & Resorts	**606.8**	**679.0**	**-72.2**	**-52.2**	**-20.0**
- Riu	407.0	493.1	-86.1	-21.8	-64.3
- Robinson	89.3	82.6	6.7	-4.1	10.8
- Blue Diamond	-	-	-	-	-
- Other	110.5	103.3	7.2	-26.3	33.5
Cruises	**901.9**	**815.0**	**86.9**	**-7.2**	**94.1**
- TUI Cruises	-	-	-	-	-
- Marella Cruises	579.4	502.4	77.0	-7.2	84.2
- Hapag-Lloyd Cruises	322.5	312.6	9.9	-	9.9
Destination Experiences	**303.5**	**202.5**	**101.0**	**-5.1**	**106.1**
Holiday Experiences	***1,812.2***	***1,696.5***	***115.7***	***-64.5***	***180.2***
- Northern Region	6,854.9	6,601.5	253.4	-94.2	347.6
- Central Region	6,563.7	6,039.5	524.2	-16.6	540.8
- Western Region	3,577.6	3,502.2	75.4	-	75.4
Markets & Airlines (formerly Sales & Marketing)	***16,966.2***	***16,143.2***	***853.0***	***-110.8***	***963.8***
All other segments	715.5	695.3	20.3	-2.3	22.6
TUI Group continuing operations	**19,523.9**	**18,535.0**	**989.0**	**-177.6**	**1,166.6**

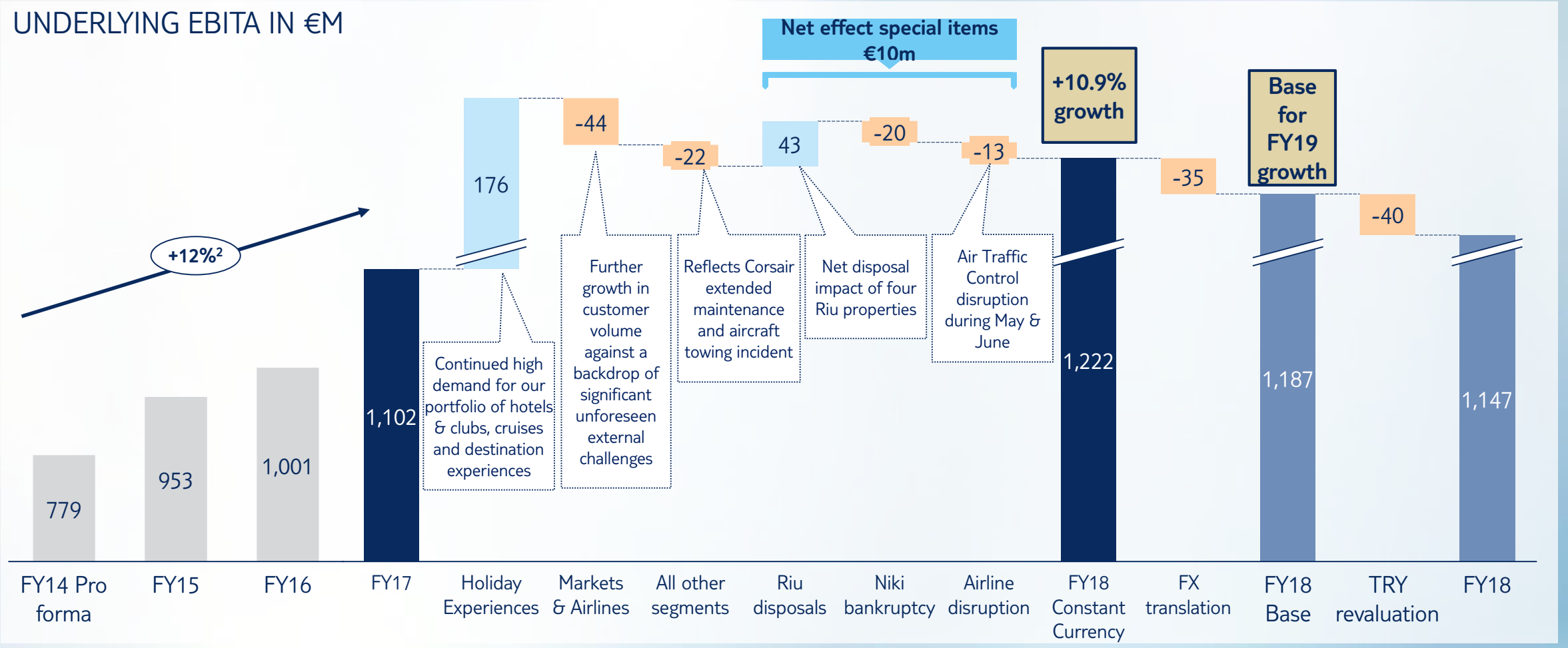
*Table contains unaudited figures and rounding effects; simplified to disclose Destination Experiences (previously Destination Services) from Other Tourism and remaining business segments within Other Tourism into All other segments.

FY18 Underlying EBITA by Segment*

In €m	FY18	FY17	Change	FX	Change ex FX
Hotels & Resorts	**425.7**	**356.5**	**69.2**	**-68.8**	**138.0**
- Riu	390.3	355.9	34.4	-10.8	45.2
- Robinson	41.8	38.5	3.3	-4.8	8.1
- Blue Diamond**	23.9	20.1	3.8	-3.8	7.6
- Other	-30.3	-58.0	27.7	-49.4	77.1
Cruises	**324.0**	**255.6**	**68.4**	**-0.6**	**69.0**
- TUI Cruises**	181.3	135.9	45.4	-	45.4
- Marella Cruises	106.5	86.5	20.0	-0.6	20.6
- Hapag-Lloyd Cruises	36.2	33.2	3.0	-	3.0
Destination Experiences	**44.7**	**35.1**	**9.6**	**-2.2**	**11.8**
Holiday Experiences	***794.4***	***647.2***	***147.2***	***-71.6***	***218.8***
- Northern Region	254.1	345.8	-91.7	3.0	-94.8
- Central Region	89.1	71.5	17.6	-0.3	17.9
- Western Region	109.3	109.2	0.1	-	0.1
Markets & Airlines (formerly Sales & Marketing)	***452.5***	***526.5***	***-74.0***	***2.7***	***-76.7***
All other segments	-99.9	-71.6	-28.3	-5.8	-22.5
TUI Group continuing operations	**1,147.0**	**1,102.1**	**44.9**	**-74.7**	**119.6**

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**Equity result

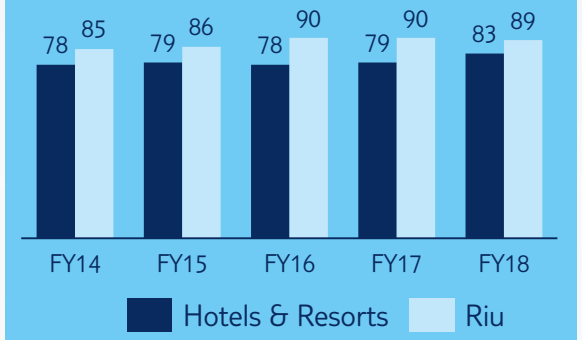
TUI Group: Fourth consecutive year of double-digit earnings growth[1]



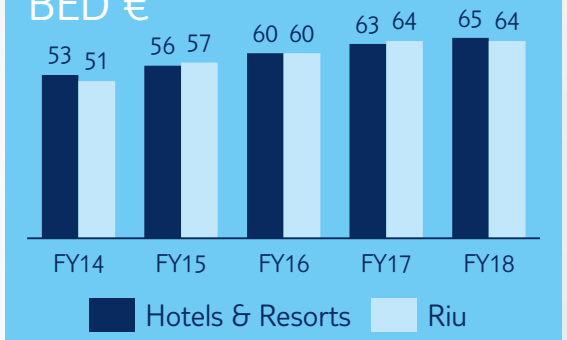
1 Based on constant currency growth 2 Underlying EBITA CAGR of 12% since merger / average CAGR of 13% since merger at constant currency

Holiday Experiences: Hotels & Resorts
Another strong overall performance delivers strong earnings growth

AVERAGE OCCUPANCY %



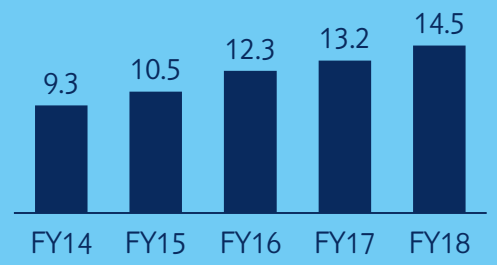
AVERAGE REVENUE PER BED €



44 NEW HOTEL OPENINGS SINCE MERGER

of which ~60% are lower capital intensity

SEGMENTAL ROIC %

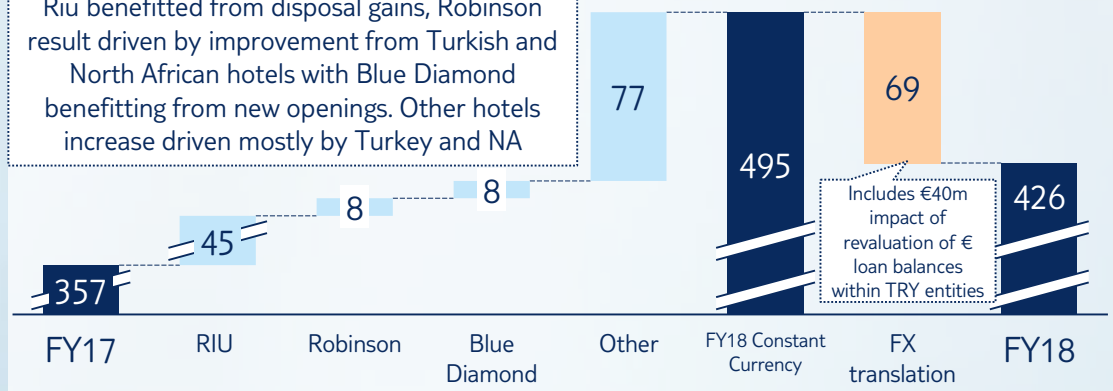


UNDERLYING EBITA (€m)

	FY18	FY17	%
Underlying EBITA	425.7	356.5	19.4
o/w fully consolidated	333.6	265.3	25.7
o/w equity result	92.1	91.2	1.0

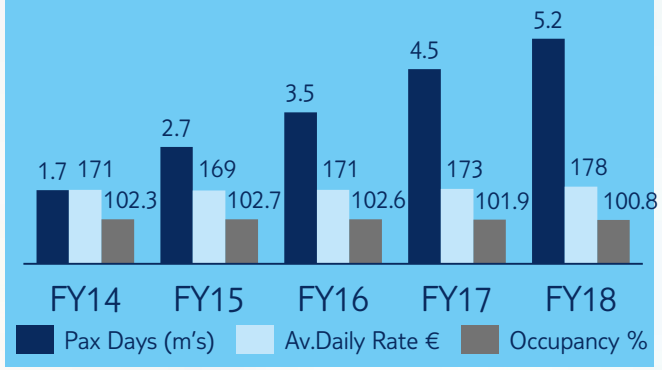
BRIDGE UNDERLYING EBITA (€M)

Riu benefitted from disposal gains, Robinson result driven by improvement from Turkish and North African hotels with Blue Diamond benefitting from new openings. Other hotels increase driven mostly by Turkey and NA

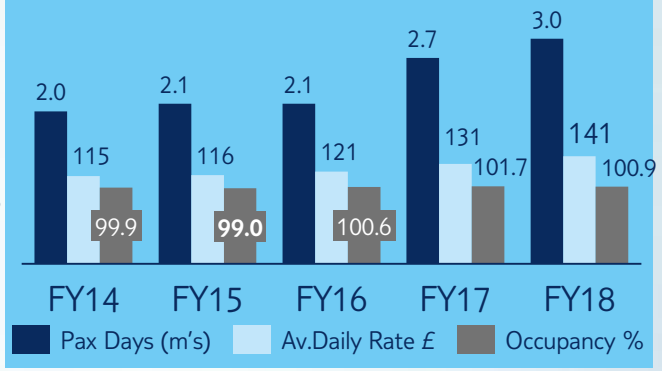


Holiday Experiences: Cruises
Investment paying off: capacity and strong earnings growth delivered

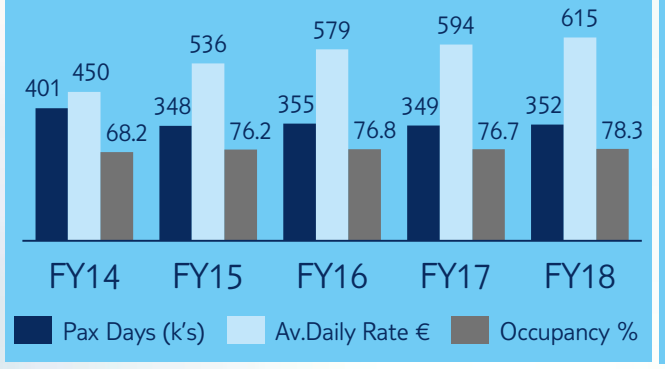
TUI CRUISES



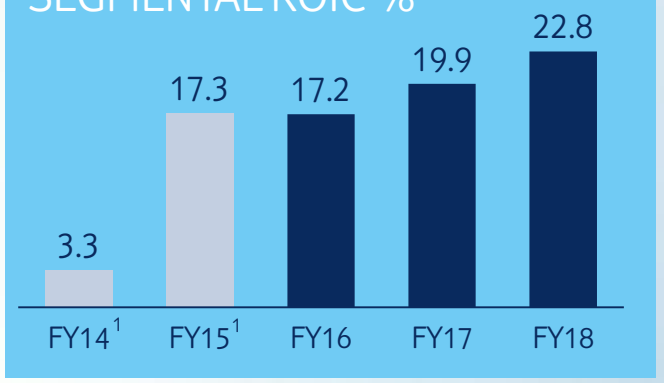
MARELLA CRUISES



HAPAG-LLOYD CRUISES



SEGMENTAL ROIC %

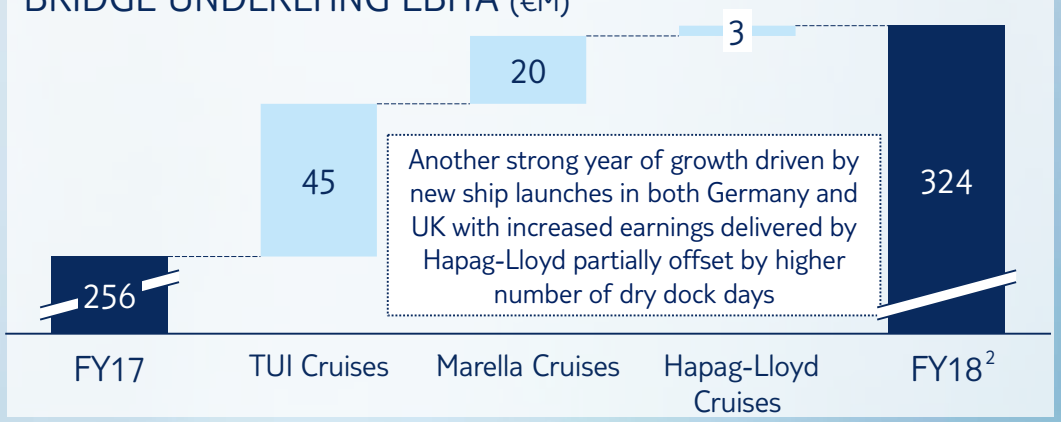


UNDERLYING EBITA (€M)

	FY18	FY17	%
Underlying EBITA	324.0	255.6	26.8
o/w fully consolidated	142.7	119.7	19.2
o/w equity result	181.3	135.9	33.4

* TUI Cruises joint venture (50%) is consolidated at equity

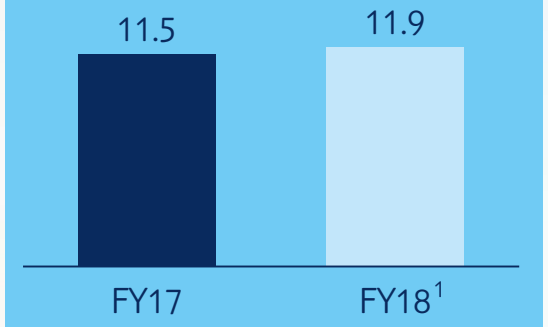
BRIDGE UNDERLYING EBITA (€M)



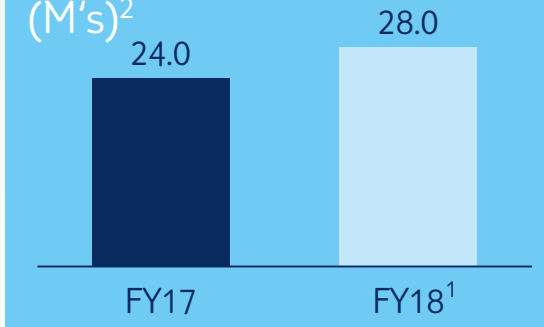
1 Excludes Marella Cruises 2 FX translation impact is less than €1m

Holiday Experiences: Destination Experiences Strengthened by strategic M&A

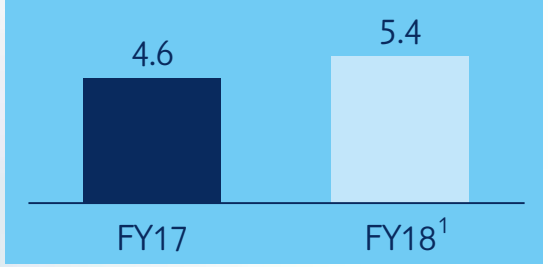
ARRIVAL GUESTS (M's)



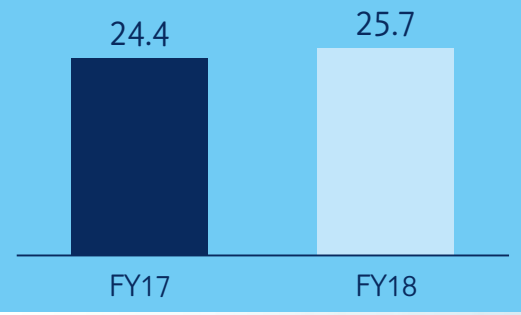
TRANSFERS OPERATED (M's)[2]



EXCURSIONS & ACTIVITES SOLD (M's)[2]



SEGMENTAL ROIC %



TURNOVER AND EARNINGS (€M)

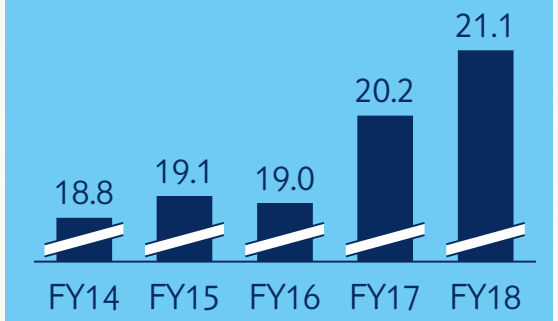
	FY18	FY17	%
Total Turnover	594.1	444.8	33.6
o/w Turnover 3rd Party	303.5	202.5	49.9
Underlying EBITA	44.7	35.1	27.4

- Strong underlying result driven by higher customer volumes in Turkey, Greece and North Africa and efficiencies in Spain, Portugal and Greece
- Excluding the acquisition of Destination Management from Hotelbeds, underlying EBITA at constant currency grew 20% in the year

1 FY18 includes Destination Management customers from acquisition in August 2018 2 Unaudited figures

Markets & Airlines (formerly Sales & Marketing)
Strength in distribution against backdrop of external challenges

CUSTOMERS (M's)[1]

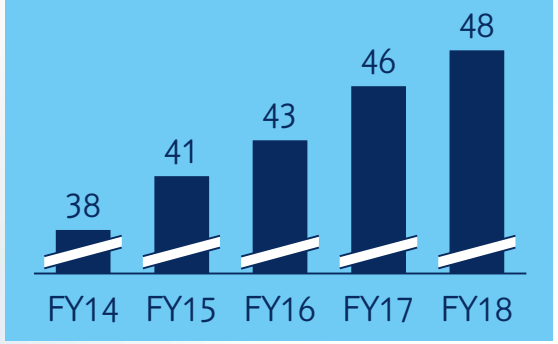


MARKETS

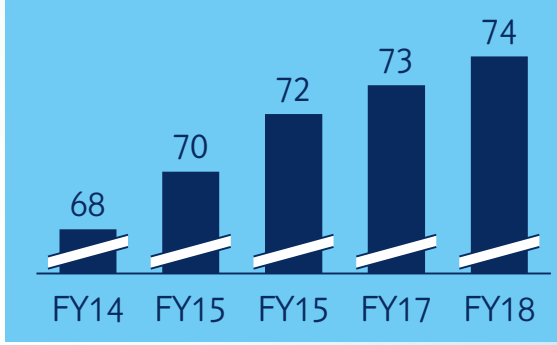
NET PROMOTER SCORE[2] REMAIN HIGH AT 50

SCORE MAINTAINED ACROSS MARKETS

ONLINE DISTRIBUTION %



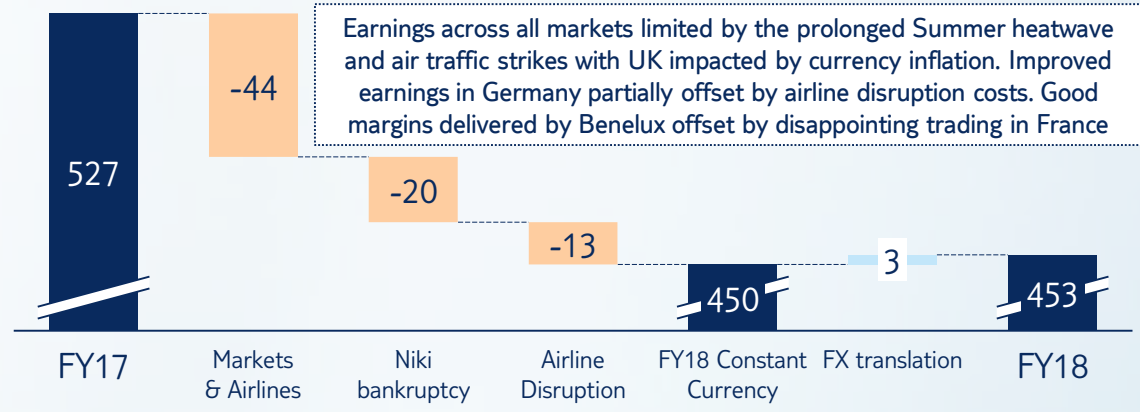
DIRECT DISTRIBUTION %



TURNOVER AND EARNINGS (€M)

	FY18	FY17	%
Turnover	16,996.2	16,143.2	5.3
Underlying EBITA	452.5	526.5	-14.1

BRIDGE UNDERLYING EBITA (€M)



Earnings across all markets limited by the prolonged Summer heatwave and air traffic strikes with UK impacted by currency inflation. Improved earnings in Germany partially offset by airline disruption costs. Good margins delivered by Benelux offset by disappointing trading in France

1 Markets & Airlines customers, excludes Cruise and strategic joint ventures in Canada and Russia, which would total 23m 2 NPS is measured in customer satisfaction questionnaires completed post-holiday. It is based on the question "On a scale of 0 to 10 where 10 is extremely likely and 0 is not at all likely, how likely is it that you would recommend TUI to a friend, colleague or relative?" and is calculated by taking the percentage of promoters (9s and 10s) less the percentage of detractors (0s through 6s)

Income Statement
Strong underlying business performance

In €m	FY18	FY17	YoY	YoY at Constant Currency
Turnover	19,523.9	18,535.0	+5.3%	+6.3%
Underlying EBITA	**1,147.0**	**1,102.1**	**+4.1%**	**+10.9%**
Adjustments (SDI's and PPA)	-86.8	-75.6		
EBITA	**1,060.2**	**1,026.5**	**+3.3%**	**+10.4%**
Net interest expense	-88.7	-119.2		
Hapag-Lloyd AG	0.0	172.4		
EBT	**971.5**	**1,079.7**	**-10.0%**	**-3.7%**
Income taxes	-191.3	-168.8		
Group result continuing operations	**780.2**	**910.9**		
Discontinued operations	38.7	-149.5		
Minority interest	-86.4	-116.6		
Group result after minorities	**732.5**	**644.8**		
Basic EPS (€)	1.25	1.10		
Basic EPS (€, continuing)	1.18	1.36		
Pro forma underlying EPS (€, continuing)	**1.17**	**1.14**	**+2.6%**	**+10.5%**

ADJUSTMENTS
Includes PPA €32m and planned restructuring costs in Markets & Airlines

INTEREST
Improvement of €31m vs. €120m guidance due to release of provision attributable to prior period, adjusted in pro forma underlying EPS

EBT
Prior year included €172m gain on disposal of Hapag-Lloyd AG shares

TAX
Prior year benefitted from the tax free disposal of Hapag-Lloyd AG shares, underlying ETR remains at 20%

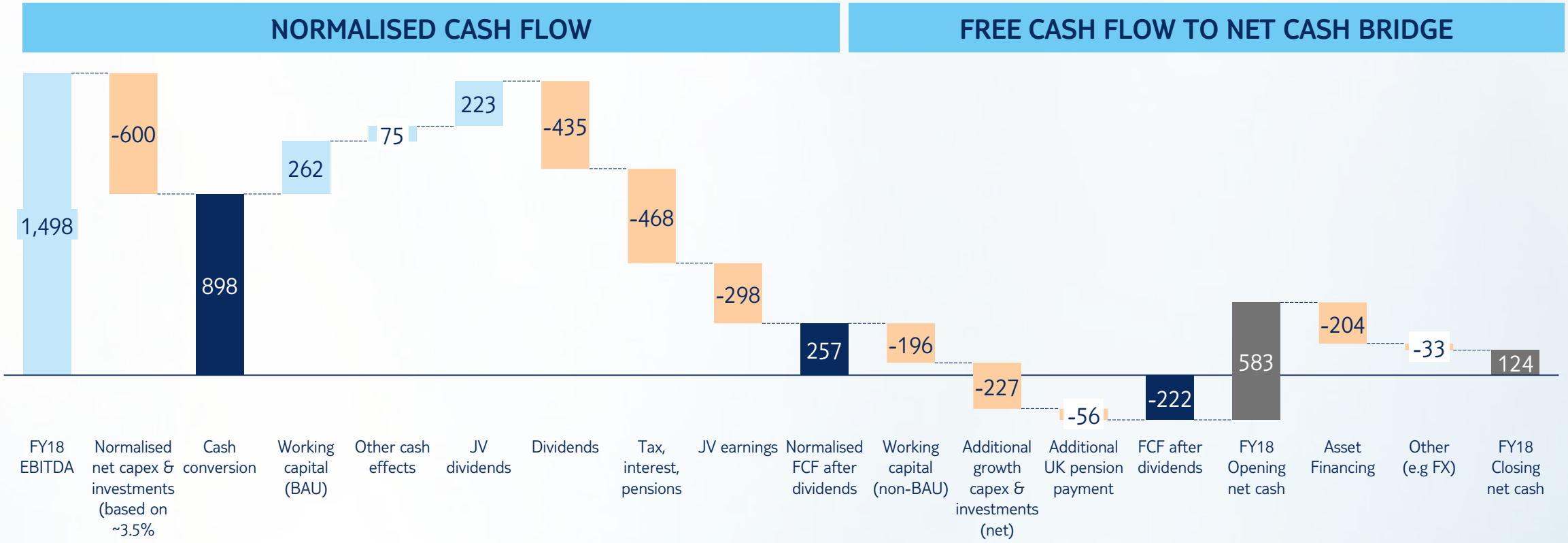
DISCONTINUED OPERATIONS
Expiry of volume provision relating to Hotelbeds transaction

MINORITY INTEREST
Affected by one off tax items, adjusted in pro forma underlying EPS

UNDERLYING EPS
Increase driven by stronger earnings, improved financing and continued low underlying ETR

FY18 cash flow still characterised by growth investments

FY18 CASH FLOW ANALYSIS IN €M



Unaudited figures – please refer to Appendix for detailed cash flow and movement in net cash reconciliation

Cash Flow & Movement in Net Cash

In €m	FY18	FY17
EBITDA reported[1]	**1,498.5**	**1,490.9**
Working capital	66.4	406.2
Other cash effects	74.6	89.9
At equity income	-297.7	-252.3
Dividends received from JVs and associates	222.7	118.2
Tax paid	-236.0	-146.1
Interest (cash)	-80.8	-57.1
Pension contribution	-207.5	-141.3
Operating Cash flow	**1,040.2**	**1,508.4**
Net capex & investments incl PDPs[2]	-827.0	-1,071.9
Disposal proceeds	-	388.0
Free Cash flow	**213.2**	**824.5**
Dividends	-435.3	-456.8
Free Cash flow after Dividends	**-222.1**	**367.7**

OPERATING CASH FLOW

- Reduction due to timing of and higher hotel prepayments in the period and deconsolidation of Travelopia versus FY17

CAPEX PHASING INTO FUTURE PERIODS

- Some phasing into future periods due to delayed hotel project spend

In €m	30 Sep 2018	30 Sep 2017
Opening net cash as at 1 October including Discontinued Ops	**583**	**350**
Movement in cash net of debt	-222	368
Asset Finance	-204	-149
Other	-33	14
Closing net cash as per Balance Sheet	**124**	**583**

1 Continuing ops basis, non-continuing adjustment in Other cash effects 2 Net capex of €746.2m, net investments of €63.1m and net PDPs of €17.7m

Net Financial Position, Pensions and Operating Leases

In €m	30 Sept 2018	30 Sep 2017
Financial liabilities	**-2,443**	**-1,933**
- Finance leases	-1,343	-1,227
- Senior Notes	-297	-296
- Liabilities to banks	-780	-381
- Other liabilities	-23	-29
Cash & Bank Deposits	**2,567**	**2,516**
Net cash	**124**	**583**
- Net Pension Obligation	-995	-1,127
- Discounted value of operating leases[1]	-2,654	-2,619

FINANCIAL LIABILITIES

- Higher versus prior year as a result of aircraft financing; Schuldschein issuance and additional finance leases

1 At simplified discounted rate of 1.7% with both years on continuing ops basis

Leverage ratio – FY18 reflects Schuldschein, target range maintained

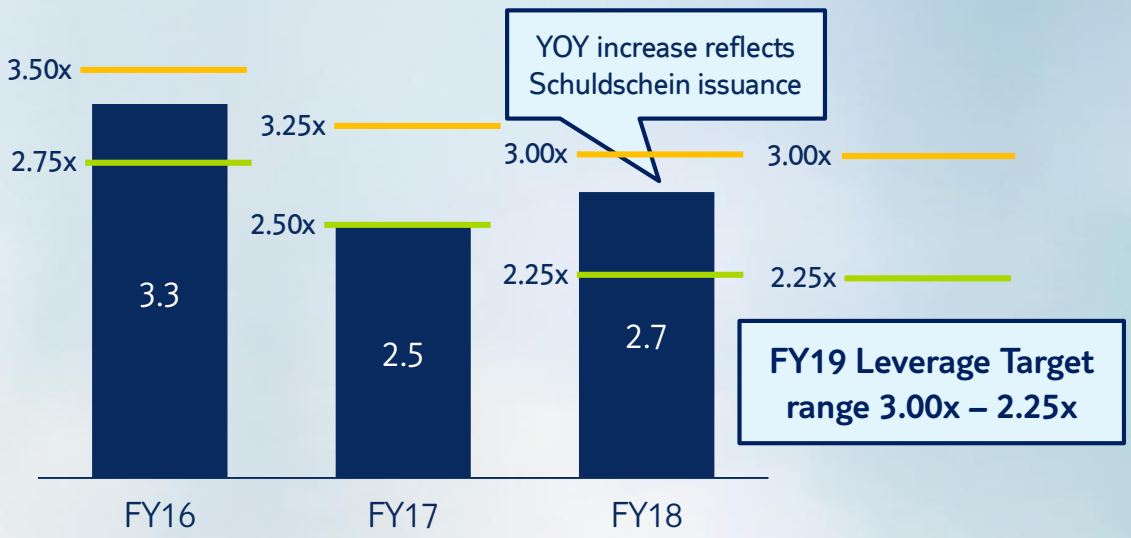
LEVERAGE RATIO FY18

€m	FY18	Guidance
Gross debt	2,443	↗
to Bonds	*297*	
to Liabilities to banks	*780*	
to Finance leases	*1,343*	↗
to Other financial liabilities	*23*	
Pensions	870	↘
Discounted value of operating leases[1]	2,654	↘
Debt	5,967	
Reported EBITDAR	2,220	
Leverage Ratio	**2.7x**	

SPLIT
80% Aircraft
20% Cruises & Other

- Current aircraft order book confirmed deliveries for fleet rollover consists of 70 aircraft until FY23[2]
- Case by case decision regarding future financing, current assumption is a mix of owned, operating and finance leases

DEVELOPMENT AND OUTLOOK

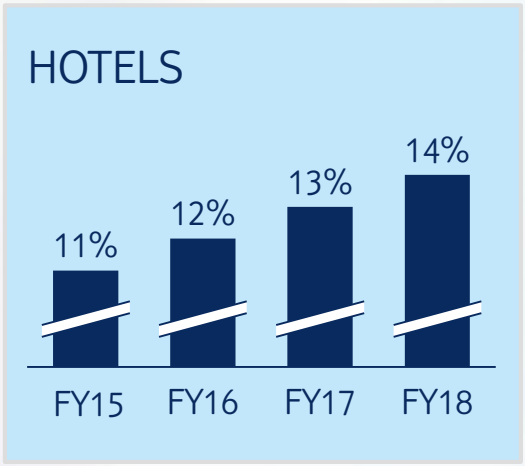


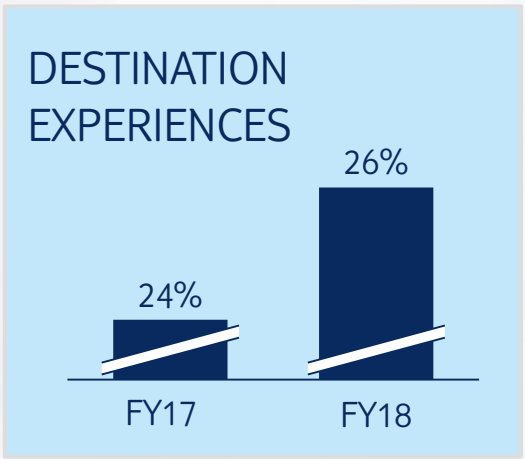
Credit Rating improvement

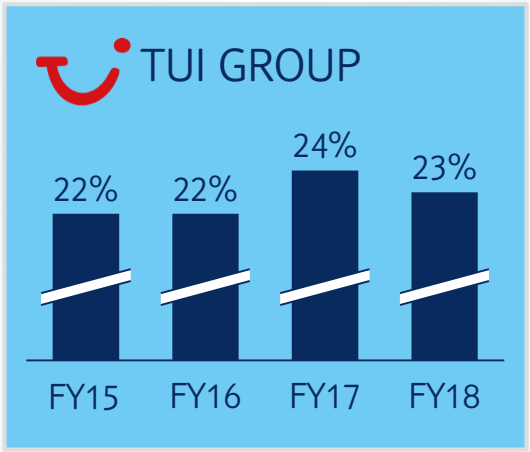
Rating agency	FY16	FY17	FY18
S&P	BB-/positive	BB/stable	BB/stable
Moody's	Ba2/stable	Ba2/stable	Ba2/positive

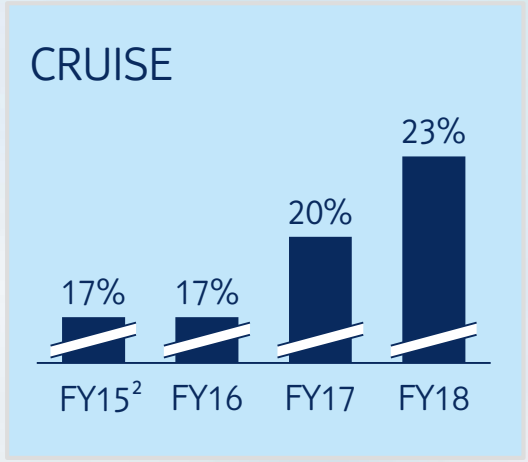
1 At simplified discounted rate of 1.75% 2 In addition to the firm aircraft order book deliveries of 70 aircraft, TUI has 33 aircraft options until FY23

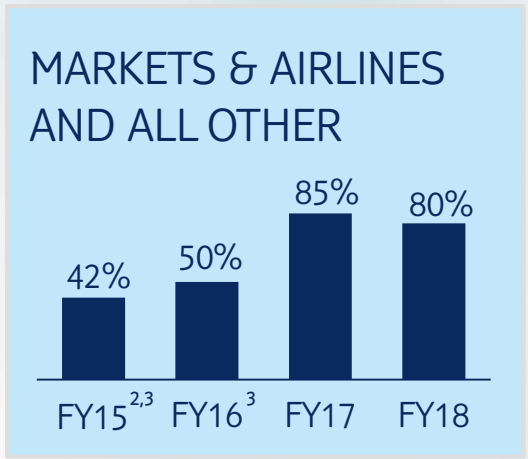
Business model strength continues to drive ROIC[1]











- Delivering strong ROIC for TUI shareholders
  - Hotels: predominantly lower capital intensity, JVs
  - Cruises: partially off balance sheet financing
  - Markets & Airlines: low capital intensity
- Strong earnings performance
- FY18 reflects reinvestment of disposal proceeds

1 Pre IFRS 16 2 Based on former segmentation - Marella Cruises within Markets & Airlines 3 Based on former segmentation - Destination Experiences within Markets & Airlines



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