



**TUI Annual General Meeting on 14 February 2023**  
Further information on agenda item 6  
January 2023

# Achievements 2022 – TUI has made good progress in deleveraging the Group and concluded an agreement with WSF

2022

## FY22 / Q4 Highlights

### FY22

€16.5bn Revenue  
€409m Und. EBIT  
€1.3bn FCF

### Q4

€1.0bn Und. EBIT

## Net Debt of €3.4bn

Significant improvement by €1.5bn

## Net Leverage<sup>3</sup> improved to 3.2x

Well below headroom covenant of 4.5x

## Gross leverage<sup>1</sup> improved to 4.7x

Pro-forma<sup>2</sup> Gross Leverage already well below 3.0x target ratio

## Reduction of government funding from €4.3bn to €2.6bn<sup>4</sup>

2023

**Agreement with WSF** for repayment of SP I & Warrant Bond

**Seek shareholder approval** at the AGM for share consolidation

**Enable subsequent capital increase** for repayment of WSF and substantial redemption of KfW RCF facilities



# TUI Ad-hoc 13.12.2022 – Positioning TUI for the future...



## Key objectives

- Reduce reliance on government
- Strengthen balance sheet
- Focus on growth & further market recovery

## Agreement with WSF

- Repay c. €479m of Silent Participation I & Warrant Bond alongside substantial redemption of KfW RCF
- No WSF conversion into TUI shares until 31/12/2023
- Repayment price of €730m<sup>1</sup> as per signing date of Agreement, including a customary discount of 9.3%
- Repayment/redemption to be funded by capital increase with subscription rights (post capital reduction/share consolidation)
- Further details
  - Repayment price **subject to positive share price development** until capital increase announcement, capped at €2 (max. €957m)
  - **Interest payable** until closing
  - **Closing conditions:** confirmation by European Commission, AGM approval
  - Volume of capital increase limited to repayment / substantial redemption of government funding; subject to market development

3 <sup>1</sup> Repayment price defined as 15-day VWAP before signing date (1.6816€) less discount of 9.30% multiplied with 479m (SP I + Warrant Bond)



# ... by seeking shareholder approval to return further government funding...

## AGM details

- AGM invitation to be published on 5<sup>th</sup> January 2023
- AGM to be held on 14<sup>th</sup> February 2023 (virtually)

## AGM Resolutions

- Shareholder approval requested for capital reduction/share consolidation (Ratio 10:1) to improve access to capital markets
- Based on expected attendance, 2/3 majority of capital presence required to pass resolution<sup>1</sup>
- No impact on economic value for shareholders
- **TUI has existing authorisations in place to issue shares – remain unchanged**
- **Executive Board commits to limit use of existing authorisations (further details please see next page)**

## Sanctioned Shareholder<sup>2</sup>

- Sanctions prohibit the exercise of voting rights at AGM
- Cannot exercise, sell or otherwise transfer subscription rights / shares
- As a result, sanctions preclude participation in any capital increase

## Use of two separate capital authorisations

### Authorised Capital 2022/I - WSF

- Capital Increase dedicated to full repayment of c. €479m (€420m Silent Participation I & €59m Warrant Bond to WSF)

### Authorised Capital 2022/II – KfW RCF

- Capital increase mainly dedicated to substantial redemption of the KfW RCF facilities

## Joint Offering



# ... using existing authorisations to execute WSF Agreement: repayment WSF & substantial redemption of KfW RCF...



**Executive Board commits to limit use of existing authorisations as detailed above – capital increases to be carried out simultaneously in one joint offering**



# ... to emerge stronger in an attractive, long-term growth sector



## Capital increase is expected to

- ✓ **Strengthen balance sheet**
  - Reduce leverage to well below 3x
  - Lower cost of capital
  - Accelerate path to an improved credit rating
  - Continue to simplify capital structure
- ✓ **Allow the business to drive growth** at attractive return levels and grow market share
  - Drive enhanced reach and product offer for customers
  - Restore ability to undertake selective bolt-on investments
- ✓ **Lay the foundation to return to a more normal capital allocation policy**