



FY17 Full Year Results

Management Call, 13 December 2017



TUI Group

TUI continues its strong performance track record in FY17

TURNOVER
€18.5bn

+11.7%¹

UNDERLYING EBITA
€1,102m

+12.0%¹

UNDERLYING
EPS €1.14

+33.7%¹

DIVIDEND PER SHARE

65 cents

ROIC³

23.6%

WACC³

6.75%

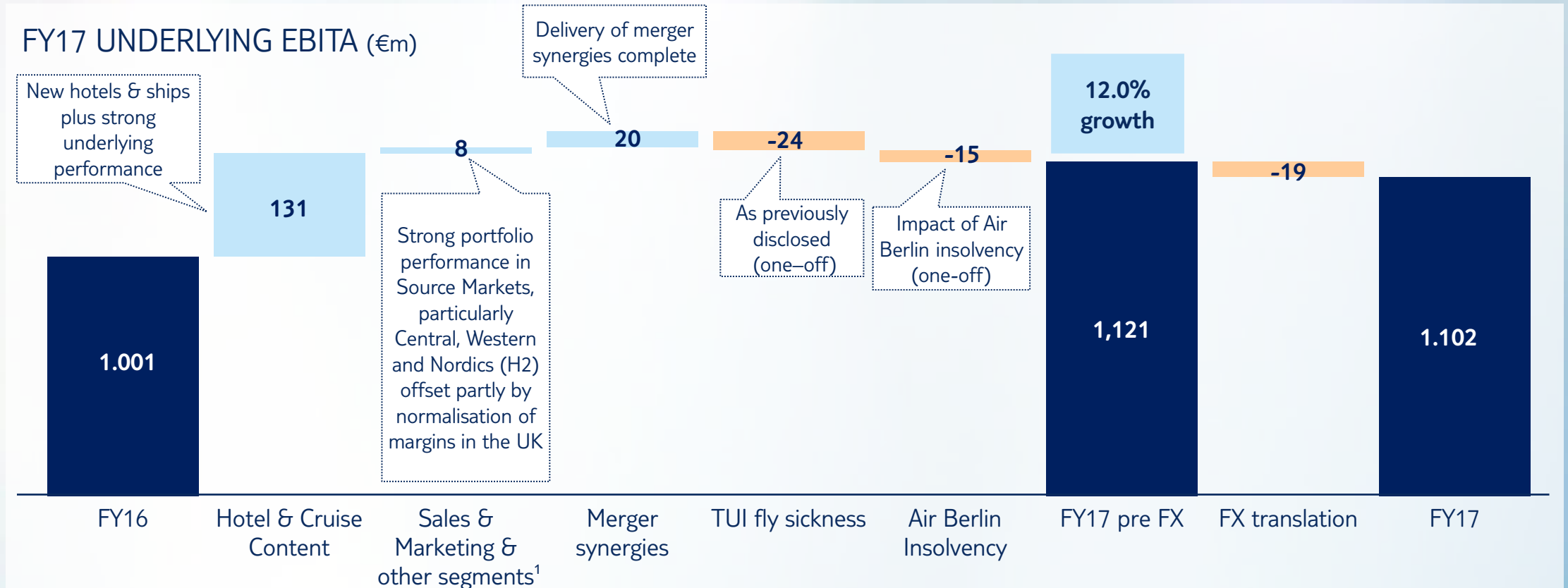
- Third consecutive year of strong top line and earnings growth
- 56%² earnings from hotel & cruise content (up from 30%² at merger)
- Delivering attractive shareholder returns – dividend per share of €0.65 announced
- Strong ROIC performance continues

¹ At constant currency rates; ² Based on FY17 Year End and FY14 Year End reported numbers ³ For both ROIC and WACC methodology please refer to FY17 Annual Report pages 27-29



TUI Group

Strong performance driven by growth in own hotel/cruise content and underlying trading



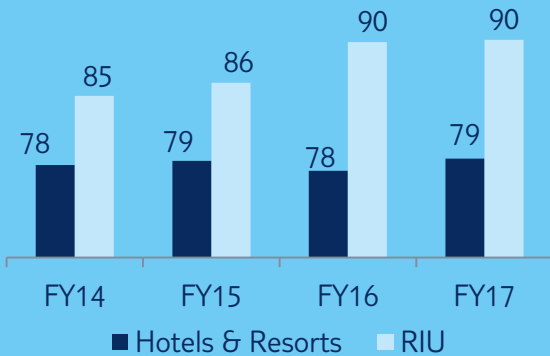
¹Includes €3m notional EBITA benefit from aircraft finance leases



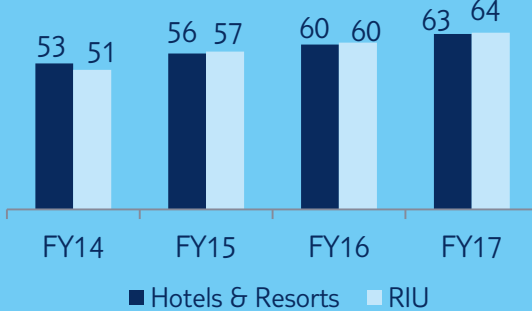
Hotels & Resorts

Strong performance resulting in four consecutive years of increasing ROIC

AVERAGE OCCUPANCY %



AVERAGE REVENUE PER BED €

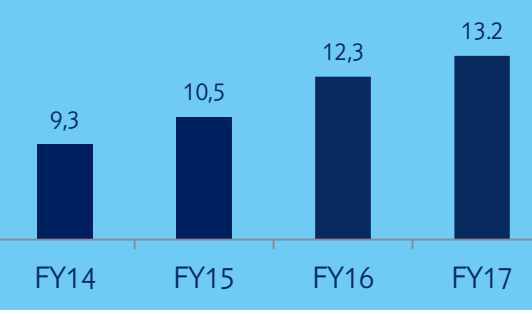


10 core brand openings in FY17

28 since merger

of which more than 60% are low capital intensity¹

SEGMENTAL ROIC %



TURNOVER AND EARNINGS (€m)

	FY17	FY16	%
Turnover	679.0	618.6	9.8
Underlying EBITA	356.5	303.8	17.3
<i>o/w Equity results</i>	91.2	74.1	23.1

UNDERLYING EBITA (€M)



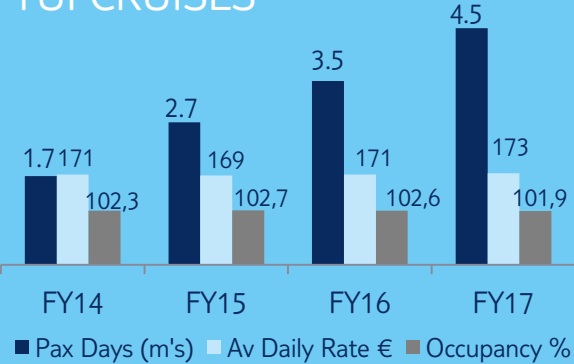
¹ Low capital intensity is defined as Management, Franchise and 50% of owned hotels due to joint venture structures



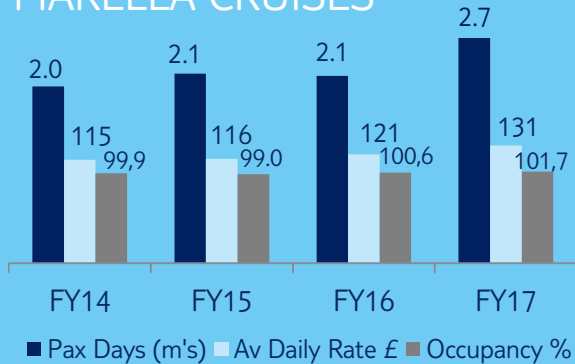
Cruises

Strong market supports capacity growth – increasing ROIC

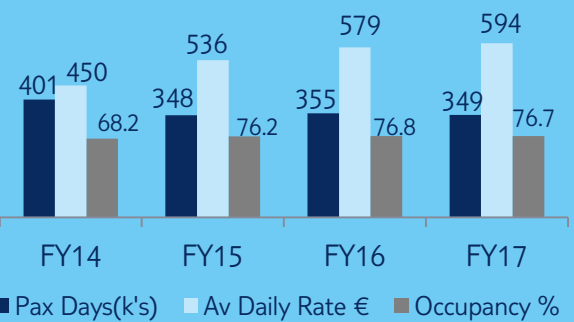
TUI CRUISES



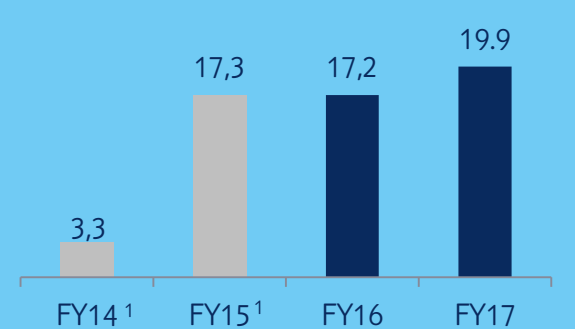
MARELLA CRUISES



HAPAG-LLOYD CRUISES



SEGMENTAL ROIC %



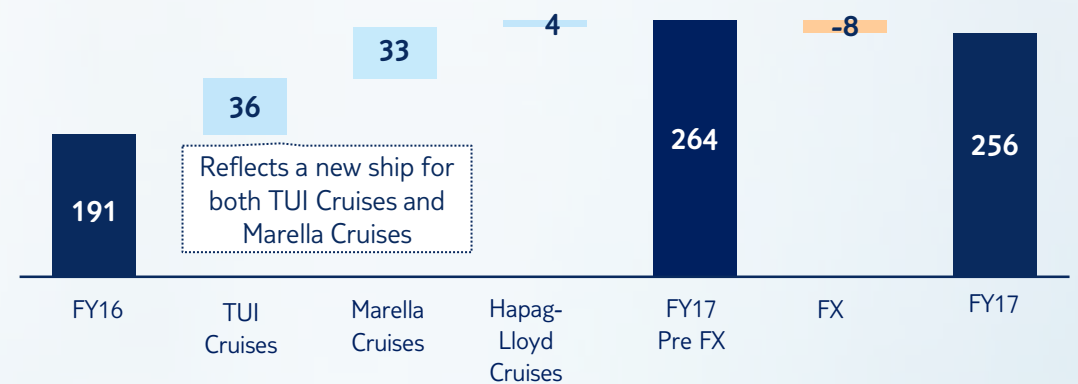
¹ FY14 & FY15 ROIC excludes Marella Cruises

TURNOVER AND EARNINGS (€M)

	FY17	FY16	%
Turnover	815.0	703.1	15.9
<i>Memo: TUI Cruises Turnover</i>	<i>1,052.5</i>	<i>807.3</i>	<i>30.4</i>
Underlying EBITA	255.6	190.9	33.9
<i>o/w EAT TUI Cruises*</i>	<i>135.9</i>	<i>100.1</i>	<i>35.8</i>

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

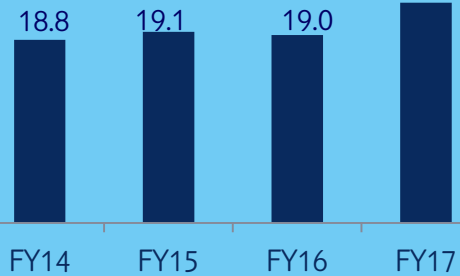
UNDERLYING EBITA (€M)



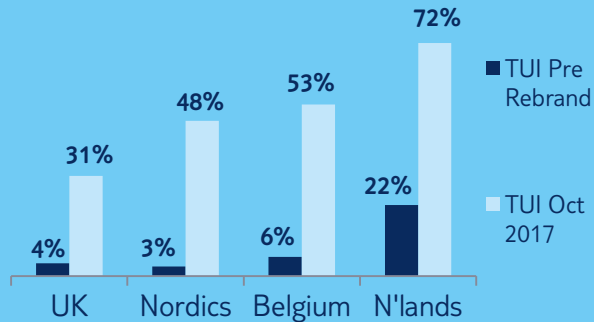
Sales & Marketing

Diversification of source markets delivers strong portfolio performance

CUSTOMERS (m)



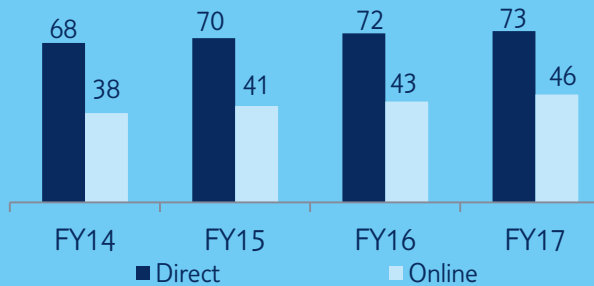
UNAIDED AWARENESS %



SOURCE MARKET NET PROMOTER SCORE² 50 (+1 YOY)

YOY GROWTH ACROSS MOST MARKETS

DIRECT & ONLINE DISTRIBUTION %

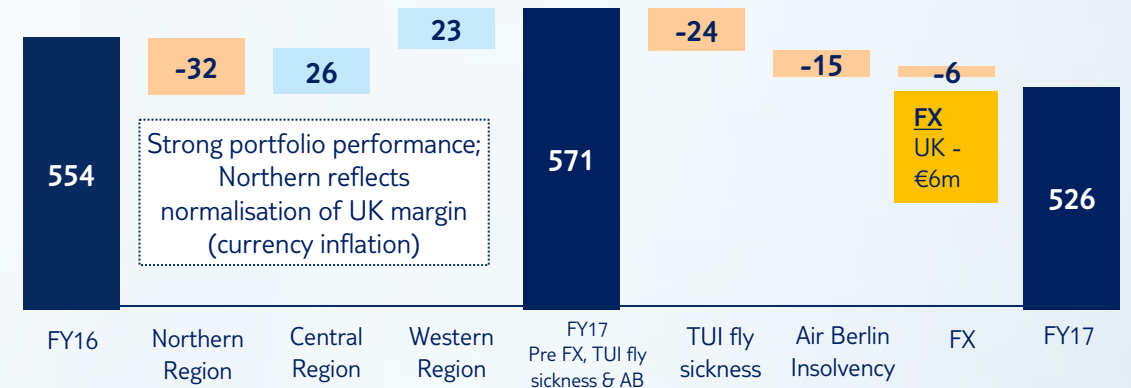


TURNOVER AND EARNINGS (€M)

	FY17	FY16	%
Turnover	16,143.2	14,997.2	7.6
Underlying EBITA	526.5 ¹	554.3	-5.0 ¹

¹ Includes one-off TUI fly sickness of €24m and Air Berlin insolvency of €15m impact in the year

UNDERLYING EBITA (€M)



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)

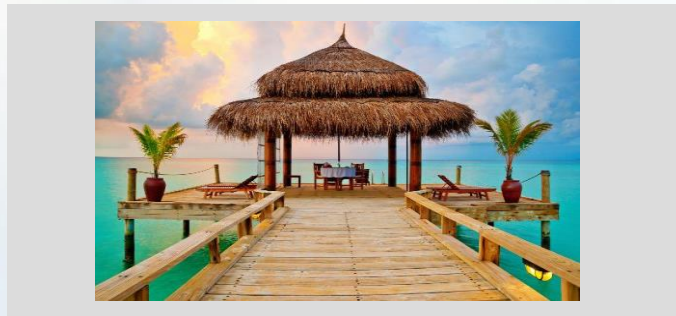


Outlook

Trading for future seasons is progressing well overall

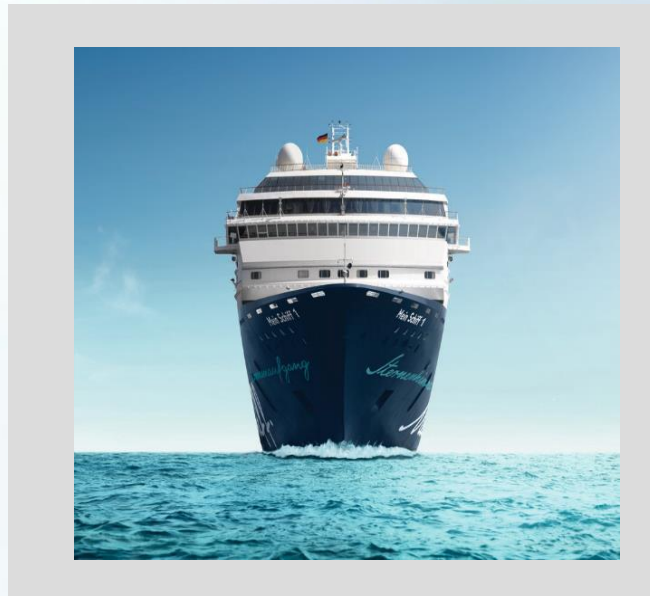
HOTELS & RESORTS

- Continued growth in own hotel brands with seven openings scheduled to date for FY18
- Strong demand for Western Med and Caribbean
- Expect to see some improvement in demand for Turkey & North Africa mainly from our Source Markets



CRUISES

- Strong cruise yields and load factors across all three brands
- Ship launches scheduled for 2018 and 2019



SALES & MARKETING IN SOURCE MARKETS

- Winter 2017/18¹ volumes up +3%
- Summer 2018 performing in line with expectations albeit at very early stage
- Strong performances in Nordics and Germany; UK resilient, rebrand progressing well



¹These statistics are up to 3 December 2017 and shown on a constant currency basis and relate to all customers whether risk or non-risk



FY18 Guidance¹

At least 10% growth in Underlying EBITA

	FY18e	FY17
Turnover ²	Around 3% growth	€18,535m
Underlying EBITA	At least 10% growth	€1,102m
Adjustments	~€80m	€76m
Net interest expense	~€120m	€119m
Underlying effective tax rate	~20%	20%
Net capex & investments incl. PDPs ³	~€1.2bn	€1.1bn
Net (debt)/cash	Slightly negative	€0.6bn
Leverage ratio	3.0x to 2.25x	2.5x
Interest cover	5.75x to 6.75x	6.1x
Dividend per share	Growth in line with underlying EBITA	€0.65

¹ Assuming constant foreign exchange rates are applied to the result in the current and prior period and based on the current Group structure

² Excluding cost inflation relating to currency movements

³ Assuming acquisition of Mein Schiff 1 for Marella Cruises

