

# TUI Group H1 2018 Earnings Press Conference & Webcast

**Fritz Jousen**  
**CEO TUI Group**

9 May 2018  
New Mein Schiff 1, Hamburg



# TUI Group delivers good H1 earnings and reiterates outlook - hotels and cruise businesses remain growth drivers

TURNOVER

€6.8bn

**+7.2%**

UNDERLYING EBITA

-€158.6m

**+26.0%**

REPORTED EBITA

-€192.3m

**+23.7%**

GUIDANCE REITERATED

**AT LEAST 10%  
UNDERLYING EBITA  
GROWTH FOR FY18<sup>1</sup>**

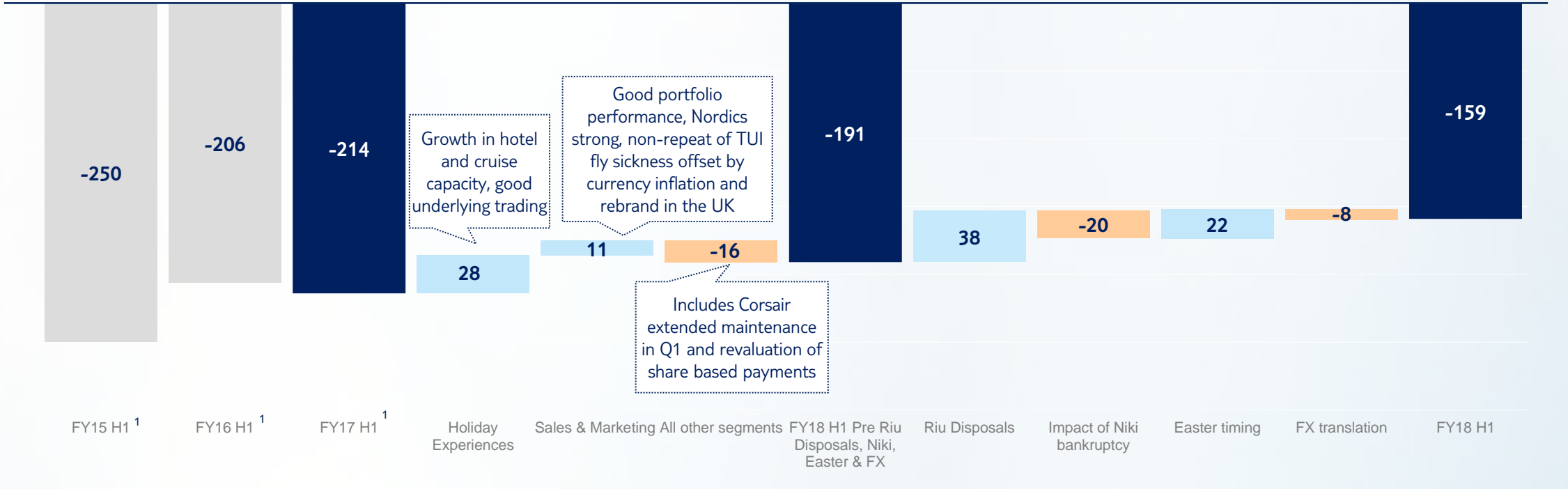
- Good H1 performance
- Strong demand continues for our hotels, cruises and holidays
- Delivering our growth strategy based on investments, market demand and digitalisation
- On track to deliver at least 10% underlying EBITA growth for FY18<sup>1</sup>

<sup>1</sup> At constant currency rates



# Good H1 performance with a further improvement in the seasonal result

## FY18 H1 UNDERLYING EBITA (€m)



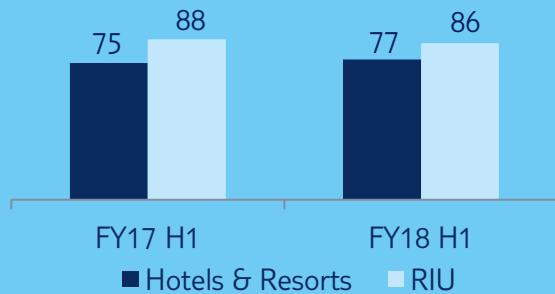
<sup>1</sup> Excludes discontinued operations



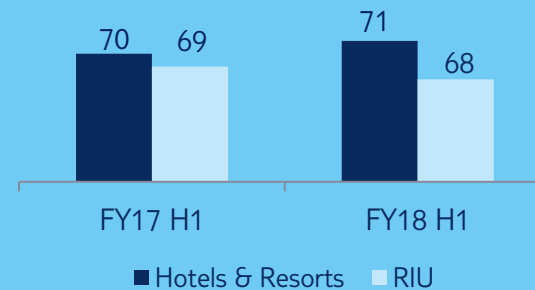
# Holiday Experiences: Hotels & Resorts – H1

Continuing growth strategy across portfolio of destinations

## AVERAGE OCCUPANCY %



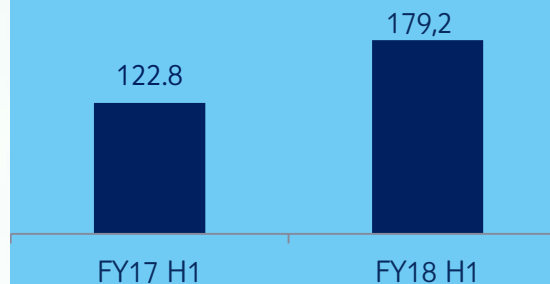
## AVERAGE REVENUE PER BED €



**38 NEW HOTEL OPENINGS SINCE MERGER**

**of which ~60% are low capital intensity**

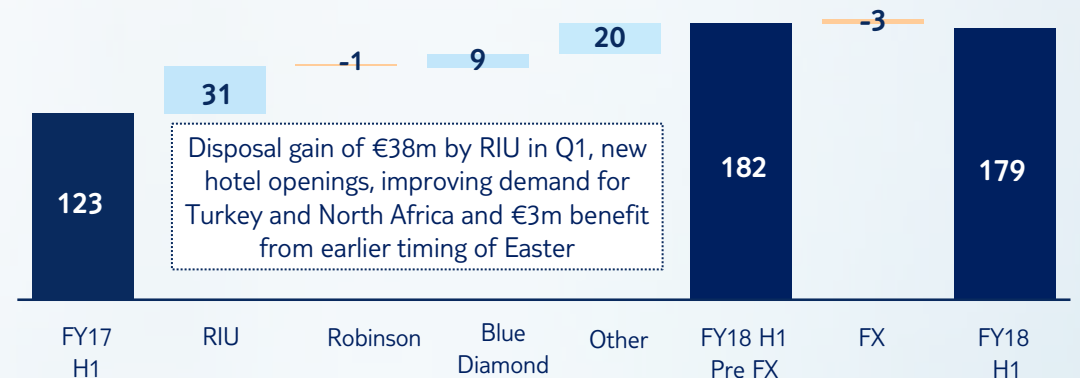
## UNDERLYING EBITA €M



## TURNOVER AND EARNINGS (€m)

	FY18 H1	FY17 H1	%
Turnover	287.9	300.0	-4.0
Underlying EBITA	179.2	122.8	45.9
<i>o/w Equity result</i>	44.5	42.8	4.0

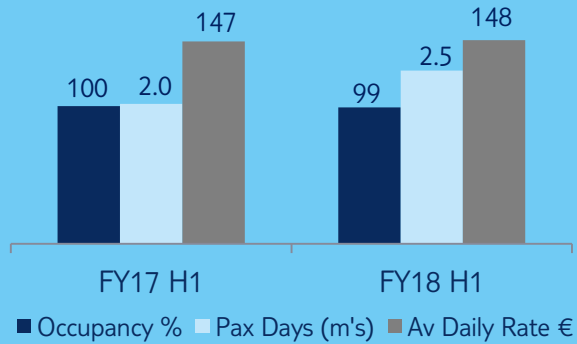
## BRIDGE UNDERLYING EBITA (€M)



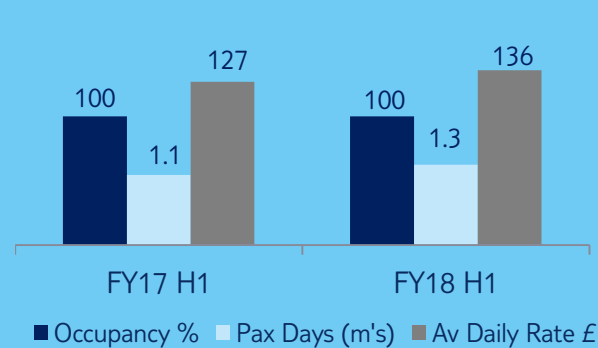
# Holiday Experiences: Cruises – H1

Strong demand and capacity growth continue to drive earnings

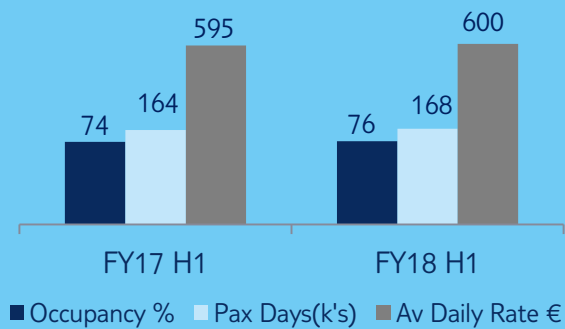
## TUI CRUISES



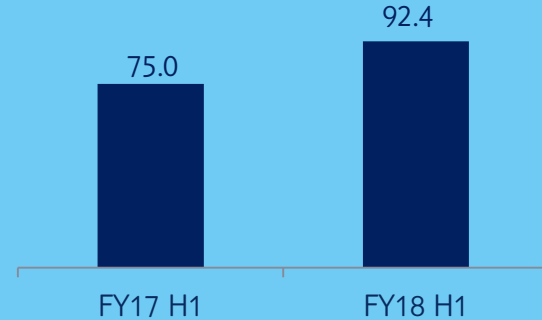
## MARELLA CRUISES



## HAPAG-LLOYD CRUISES



## UNDERLYING EBITA €M

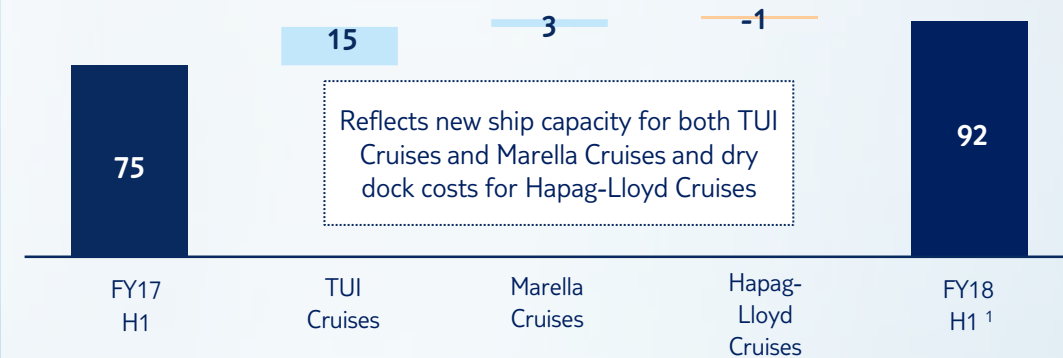


## TURNOVER AND EARNINGS (€M)

	FY18 H1	FY17 H1	%
Turnover	395.6	345.9	14.4
<i>Memo: TUI Cruises Turnover</i>	569.5	458.8	24.1
Underlying EBITA	92.4	75.0	23.2
<i>o/w EAT TUI Cruises*</i>	53.3	38.3	39.2

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

## BRIDGE UNDERLYING EBITA (€M)



<sup>1</sup> FX translation impact is less than €1m





# Holiday Experiences: Destination Experiences (formerly Destination Services) – H1

## Global tours & activities leader well-positioned for strong future growth

### TURNOVER AND EARNINGS (€M)

	FY18 H1	FY17 H1	%
Turnover	59.8	54.6	9.5
Underlying EBITA	-9.3	0.3	

- Acquisition of Destination Management business from Hotelbeds Group, expected to complete in H2 FY18
- Result reflects operating model change versus FY17 leading to phasing of earnings into H2
- Good operational performance
- Arrival guests grew by 5%
- Expect to deliver ~15% growth in underlying EBITA pre-acquisition of Destination Management business for FY18<sup>1</sup>

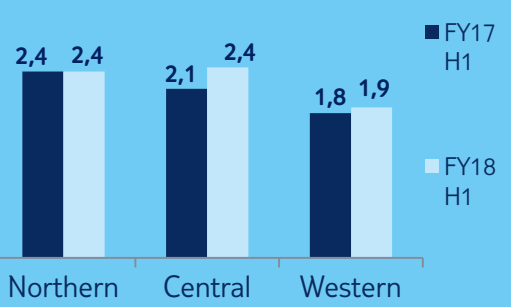
<sup>1</sup> At constant currency rates



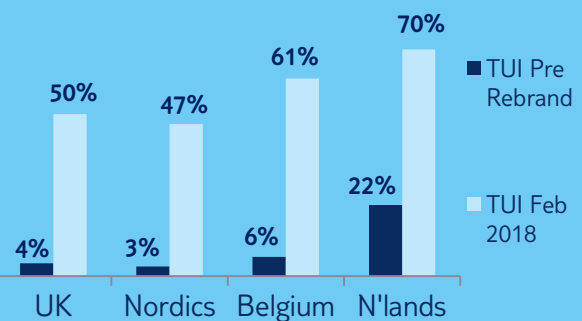
# Sales & Marketing – H1

Portfolio of source markets continues to deliver good overall result

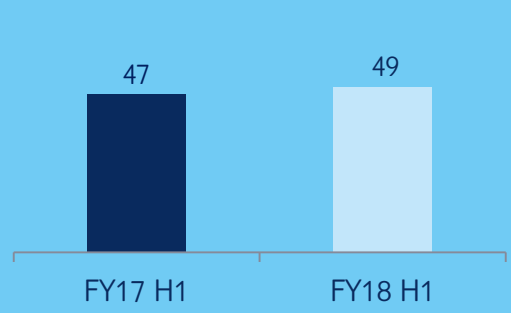
## CUSTOMERS (M's)



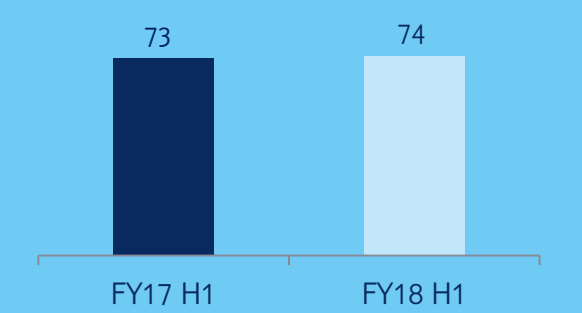
## UNAIDED AWARENESS %



## ONLINE DISTRIBUTION %



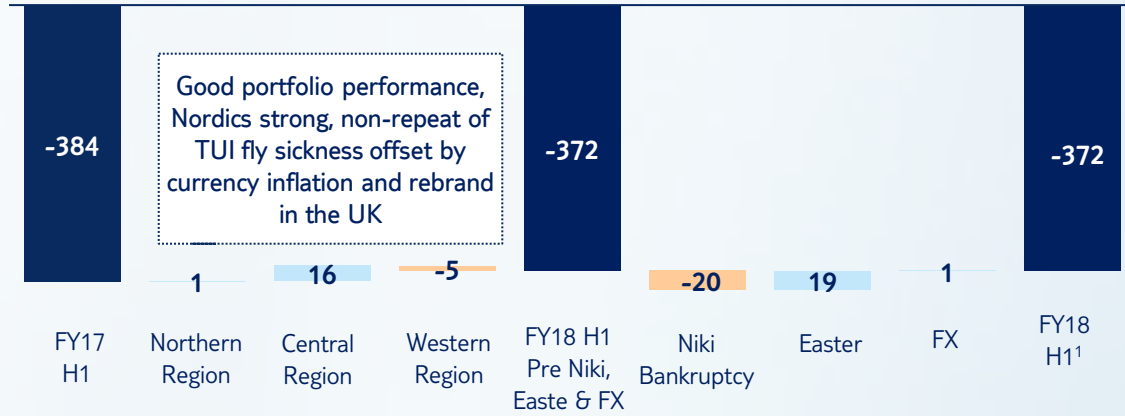
## DIRECT DISTRIBUTION %



## TURNOVER AND EARNINGS (€M)

	FY18 H1	FY17 H1	%
Turnover	5,762.3	5,346.3	7.8
Underlying EBITA	-371.9	-383.9	3.1

## BRIDGE UNDERLYING EBITA (€M)



# Current trading progressing well

## HOLIDAY EXPERIENCES

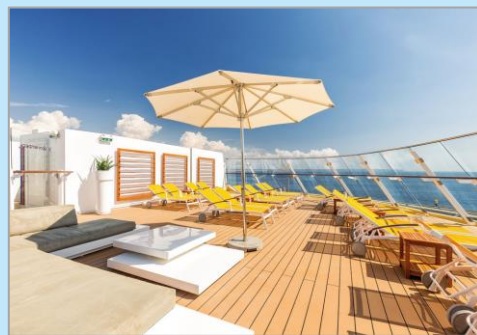
### HOTELS & RESORTS

- Spain remains strong with demand rebalancing to Turkey and North Africa
- Strong demand for Greece
- Five openings scheduled for Summer 2018



### CRUISES

- Demand remains strong with higher yields in all three brands
- New ship launches scheduled for TUI Cruises, Marella Cruises and Hapag-Lloyd Cruises
- From S19, entire Marella fleet will be fully All-Inclusive



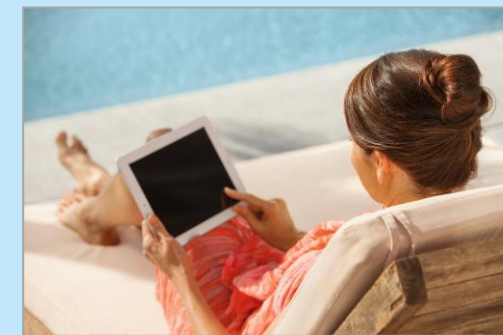
### DESTINATION EXPERIENCES

- Volumes develop in line with Sales & Marketing
- Acquisition of the destination management business from Hotelbeds Group is expected to complete in H2 FY18



## SALES & MARKETING

- S18<sup>1</sup> revenue +7%, bookings +5%
- Strong growth in bookings for Turkey, North Africa, Greece, Bulgaria, Croatia and Cyprus
- W17/18 closed out well with growth driven by North Africa, Cape Verde, Thailand and Turkey



<sup>1</sup>These statistics are up to 29 April 2018 and shown on a constant currency basis and relate to all customers whether risk or non-risk





# FY18 Guidance

## At least 10%<sup>1</sup> growth in underlying EBITA

	FY18e	FY17
Turnover <sup>2</sup>	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	~€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

<sup>1</sup> Assuming constant foreign exchange rates are applied to the result in the current and prior period and based on the current Group structure and pre-acquisition of Destination Management business from Hotelbeds Group

<sup>2</sup> Excluding cost inflation relating to currency movements



# Q&A



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