

TUI Group: Strong summer ensures significantly positive underlying EBIT for the full year and strong financial Q4 with underlying EBIT of more than 1 billion euros / all segments with positive earnings contribution in Q4 / agreement with WSF to repay Corona aid / refinancing via capital increase, shareholders decide on capital reduction / bookings for Winter 2022/23 stable, continuing trend towards short-term bookings

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- **Full year 2022: Revenue almost quadrupled to 16.55 billion euros (previous year: 4.73 billion euros) and underlying EBIT significantly positive at 409 million euros as announced (previous year: -2.08 billion euros)**
- **Strong summer with a total of 13.7 million guests ensures positive earnings contributions in all segments – Guest numbers in Q4 reach 7.6 million, 93 percent of the level of Q4 2019 on a like-for-like basis**
- **Q4: Revenue more than doubles to 7.61 billion euros (previous year: 3.37 billion euros) – Underlying EBIT 1.04 billion euros, excluding costs of additional flight disruptions, underlying EBIT reaches 1.1 billion euros**
- **Solid operating cash flow in Q4 supports operating cash flow of 1.7 billion euros in full year 2022 – Net debt falls significantly to 3.4 billion euros at year-end – compared with 5.0 billion euros in the previous year**
- **High liquidity: 3.7 billion euros for seasonally typically weaker winter**
- **Holiday Experiences with strong development: underlying EBIT 433 million euros (previous year: 64 million euros), Hotels & Resorts with fifth consecutive positive quarter and above 2019 level as in previous quarter, Cruises and TUI Musement also with strong earnings improvements**

- **Markets & Airlines (tour operator business): at 612 million euros, first positive result since the start of the pandemic, with all regions contributing (previous year: -138 million euros)**
- **Winter 2022/23 bookings stable, continuing trend towards short-term bookings**
- **Agreement with WSF on repayment of Silent Participation I and warrant bond, Group also plans significant reduction in KfW credit lines – refinancing via capital increase, 2023 Annual General Meeting to decide on capital reduction**
- **CEO Sebastian Ebel: "The summer at TUI was strong and, as announced, we achieved significantly positive EBIT for the full year. The strategic focus remains clear: we want to grow profitably – with new products, new customers, more market share. TUI stands for more than the traditional holiday trip: When it comes to travel, experiences, leisure activities, TUI should be the first choice for guests. We are working on this. Strategic initiatives have been launched in the business segments, which we are now implementing consistently and at an accelerated pace, thus expanding our market presence. At the same time, we want to further reduce debt and strengthen the balance sheet. The agreement with WSF shows the goal and the way to achieve it."**

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London/Hanover, 14 December 2022. TUI Group closed financial Q4 well after a strong summer, achieving its own target of a significantly positive operating result for the full year. Operations in a largely normal environment only started for the Group with the last financial quarter due to late lifted Corona restrictions, the impact of the Ukraine war as well as external operational challenges at the start of the summer, especially at airports. 7.6 million guests traveled with TUI in the months from July to September. At 7.61 billion euros, revenue more than doubled year-on-year (3.37 billion euros). Underlying EBIT reached 1.04 billion euros in Q4. Excluding the costs incurred for additional flight disruptions of 58 million euros, underlying EBIT was 1.1 billion euros.

Sebastian Ebel, TUI Group CEO, said: "We had a strong summer, a very good quarter and we achieved the announced target of significantly positive underlying EBIT. Tourism remains a long-term and attractive growth sector. All fundamental data point to this, and the long-term megatrends from which our industry particularly benefits, remain intact. We also expect 2023 to be a solid and good year, but we are very aware of external market factors. With our strong brand, resilient business model, increased flexibility and dedicated teams, we are very well positioned to benefit from market opportunities in the current financial year and beyond. Our strategic focus is on a broader product offering that will enable us to attract new customers – combined with the brand values expected of TUI: consistently high quality, flexibility and customer focus. Our formula for creating the basis for future profitable growth in the Group is in a nutshell: new products, new customers, more market share."

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Mathias Kiep, Chief Financial Officer of TUI Group: "We significantly improved all relevant key figures for the year as a whole compared with the previous year – despite some challenges and a difficult environment. We almost quadrupled our revenue, underlying operating profit is significantly positive again and we generated solid cash flow. This also enabled us to significantly reduce our net debt. However, the market environment remains difficult, which is why we are systematically pursuing our course. We have now agreed the next steps with the WSF and want to rapidly reduce debt further and significantly reduce our dependence on the state."

Growth strategy: new products, new customers, more market share

TUI intends to significantly broaden its product portfolio by making the traditional package tour, which is made up of previously purchased components, much more flexible and individual, and thus more dynamic. Customers will be able to combine hotel allotments and flights available at short notice according to their individual wishes. This will create new and additional offerings, such as city breaks, with which the Group can also attract new customers.

In addition, travel components such as hotel accommodation and flights, or additional services such as rental cars or excursions, will be offered separately and individually throughout the Group in the future. The growth strategies already initiated for the Group's own brands in the Holiday Experiences segment will be continued. TUI intends to further expand its hotel and hotel brand offering and increase its market presence.

In Hotels & Resorts, the asset-right strategy, which was already launched in 2019, will continue to be implemented. New properties will be added to the portfolio worldwide, whereby TUI does not necessarily own the property but develops and designs the hotel experience itself with its own brands and, for example, through management contracts or joint ventures. The portfolio of hotels is also to be expanded via the recently launched TUI Global Hotel Fund.

In the cruises sector, the successful joint venture TUI Cruises is due to deliver three new cruise ships already commissioned before the pandemic.

The strategically important and particularly fast-growing TUI Musement sector will also significantly broaden its range of products and services. For example, the new platform for the individual compilation of round trips was recently launched. The "TUI Tours" offering will initially be piloted to Belgian guests and will also be offered in other markets, including Germany, from 2023. In addition, the segment is also growing with stronger demand from tour operators in the markets.

Debt significantly reduced – Agreement with WSF: way forward for full repayment of Corona aid, Group also to reduce KfW credit lines

Solid operating cash flow in Q4 led to full-year cash flow of 1.7 billion euros in 2022. Net debt was reduced significantly, to 3.4 billion euros at 30 September 2022, compared with 5.0 billion euros a year earlier. At the same time the Group continues to have a strong liquidity position of 3.7 billion euros and therefore sufficient financial resources to cover the typically weaker seasonal winter. In order to further reduce debt and lower the interest burden, TUI has agreed a path with the Economic Stabilization Fund (WSF) to repay the Corona aid in full. By the end of 2023, Silent Participation I for a nominal amount of 420 million euros and the remaining convertible portion of the warrant-linked bond subscribed in full by the WSF for a nominal amount of 59 million euros are to be repaid. In addition, the Group also intends to significantly reduce the KfW credit lines (currently 2.1 billion euros). To finance the repayment, TUI initially plans to reduce its capital stock, to be approved by the Annual General Meeting in February 2023. The reduction is to be achieved through two capital increases in the framework of a rights offering and the volume of shares already authorized.

Results of the segments in Q4: underlying EBIT rises to over 1 billion euros – 7.6 million guests and normalised market environment ensure positive results in all segments of the Group – Hotels & Resorts five consecutive quarters with positive earnings – Hotels & Cruises: higher occupancy and higher average rates per night and bednight

At 7.6 million, guest numbers in Q4 reached 93 percent of Q4 2019 levels on a like-for-like basis. For the full Summer 2022, TUI recorded 13.7 million guests. Revenue more than doubled, from 3.37 billion euros in the year-ago quarter to 7.61 billion euros. If the costs incurred as a result of the delays and disruptions, particularly at the airports, are disregarded, underlying EBIT amounts to 1.1 billion euros. Including these costs of 58 million euros, underlying EBIT in the reporting period is 1.04 billion euros.

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In the core segment **Holiday Experiences** with Hotels & Resorts, Cruises and the TUI Musement activities, underlying EBIT for the sector reached 433 million euros in the reporting period, compared with 64 million euros in the prior-year quarter.

The strong development was driven in particular by **Hotels & Resorts**, which recorded its fifth positive quarterly result in a row. As of 30 September 2022, 344 hotels were in operation, representing around 97 percent of the Group's portfolio of 353 owned hotels. Underlying EBIT increased year-on-year to 291 million euros (previous year: 116 million euros). This is also the second consecutive quarter of earnings above the pre-crisis level in 2019. Capacity utilization improved by 27 percentage points year-on-year to 92 percent. The average rate per bed per night increased by 10 percent to 80 euros.

The **Cruises sector**, comprising TUI Cruises, Hapag-Lloyd Cruises and Marella Cruises, sailed its full fleet of 16 ships in Q4 and reported a strong increase in underlying EBIT to 103 million euros – following a loss in the previous year (-43 million euros). The significant year-on-year improvement is supported by the fact that all ships in the fleet were in service. TUI Cruises also achieved its second positive quarter in terms of earnings after taxes (66 million euros). At 2.4 million, the number of available passenger days was 30 percent up on the previous year. Load factors also improved, ranging from 80 to 93 percent across all cruise brands, compared to 39 to 53 percent in the same period last year. Rates also increased significantly year-on-year.

TUI Musement's Tours & Activities segment benefited in particular from the recovery of the Markets & Airlines segment in the period under review, recording a significantly higher number of travelers using TUI Musement's services and products in summer. In Q4, underlying EBIT was positive at 39 million euros – compared with a loss of 9 million euros a year earlier. The increase reflects the benefits of our integrated model and the growth of third-party distribution via the TUI Musement platform. TUI Musement carried out 11 million transfers to guests in destinations compared to 5 million in the prior-year quarter. In addition, 3.2 million experiences were sold in the quarter under review, more than three times as many as in the prior-year quarter (1.0 million).

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The **Markets & Airlines** segment with TUI tour operators in the Northern regions with the markets UK, Ireland and Nordics (Sweden, Norway, Finland, Denmark), Central (Germany, Austria, Switzerland, Poland) and Western (Netherlands, Belgium and France) recorded a strong business performance across all markets. For the first time since the pandemic, all regions contributed to a positive underlying EBIT. Markets & Airlines achieved an improvement in underlying EBIT to 612 million euros in Q4 compared with the prior year (-138 million euros). The result also includes costs of 58 million euros incurred due to the impact of externally driven flight disruptions, particularly in the Northern region, and savings achieved through the global realignment program in all markets.

Outlook: Travel winter 2022/23 stable, programme planned at pre-crisis level – average fares significantly above 2019 and previous year

The business environment remains challenging in the current winter 2022/23, mainly due to external factors. In particular, the impact of the war in Ukraine and the ongoing impact of the Corona pandemic are factored into the outlook, along with inflation, high energy prices and exchange rate fluctuations. TUI's tour operators (Markets & Airlines) are planning a programme for the current Winter 2022/23 that is roughly in line with pre-crisis levels. However, the Group reserves the right to flexibly adjust capacity to customer demand.

Currently, 2.7 million bookings have been received for the 2022/23 winter season and 52 percent of the programme has been sold. As a result, cumulative bookings are at 134 percent of the previous 2021/22 Winter season and 84 percent of the 2018/19

Winter season, with 1.4 million bookings added since the September booking update. The U.K. remains the most advanced with +5 percent booking levels and average prices of +23 percent compared to winter 2018/19. The trend towards a higher share of short-term bookings, already prevalent in summer, continues in winter, with overall volumes in the last four weeks at -4 percent, almost the same as in winter 2018/19. Average prices are +28 percent higher than winter 2018/19 and 7 percent higher than winter 2021/22, which will help cushion the impact of exchange rate volatility and currently higher inflation.

Outlook for fiscal 2023

For the current fiscal year 2023, the Group expects a strong increase in revenue and a significant increase in underlying EBIT.

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About TUI Group

TUI Group is a leading global tourism group and operates worldwide. The Group is headquartered in Germany. TUI shares are listed on the FTSE 250, an index of the London Stock Exchange, on the regulated market of the Hanover Stock Exchange and on the Open Market segment of the Frankfurt Stock Exchange. The TUI Group offers integrated services from a single source for its 27 million customers, 21 million of them in the European national companies.

The entire tourism value chain is covered under one roof. This includes over 400 hotels and resorts with premium brands such as RIU, TUI Blue and Robinson and 16 cruise ships, from the MS Europa and the MS Europa 2 in the luxury class and expedition ships to the Mein Schiff fleet of TUI Cruises and cruise ships at Marella Cruises in Great Britain. The Group also includes leading tour operator brands and online marketing platforms across Europe, five airlines with more than 100 modern medium and long-haul aircraft and over 1,000 travel agencies. In addition to expanding its core business with hotels, cruises via successful joint ventures and activities in holiday destinations, TUI is increasingly focusing on the expansion of digital platforms. The Group is transforming itself into a digital company.

Global responsibility for sustainable economic, ecological and social action is at the core of our corporate culture. The TUI Care Foundation, initiated by TUI, focuses on the positive effects of tourism, on education and training and on strengthening environmental and social standards with projects in 25 countries. It thus supports holiday destinations in their development.

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