



ADDITIONAL SUPPORT PACKAGE

2 DECEMBER 2020



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Opening statement

- ✓ C-19 has been the greatest crisis that the Tourism sector and TUI have ever faced
- ✓ Restart of operations has contributed positive working capital and supports consumer sentiment
- ✓ Stop-start nature of travel restrictions continue to limit operations
- ✓ Pent up demand evident on reopening of destinations
- ✓ Significant positive market reaction on the vaccine announcements demonstrates the belief in recovery and enormous trust in the leisure travel industry
- ✓ Additional support package in the amount of €1.8bn agreed as bridge into normalised market & working capital recovery; incl. fully underwritten ~€500m capital increase

Strongly positioned to benefit from market recovery and resume growth trajectory



Latest developments since Q3 / Pre-Close Trading Update

Late
September to
December
2020

- Significant increase in C-19 infection rate across Europe
- Travel restrictions - de facto "soft lockdown" from November - are more extensive than our previous assumptions
- Volatile situation has led to customer uncertainty and later booking trends
 - Prolonged period of disruption, with limited weeks of restart has surpassed initial stress case scenario assumptions
 - We now expect H1 liquidity to be lower and working capital recovery to be later than initially anticipated

Further support package of €1.8bn strengthens TUI's financial position to balance out the presumed travel restrictions until the beginning of the 2021 summer season



Travel restrictions were lifted in July but re-imposed from the end of August

	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec*	
TRAVEL FROM GERMANY											
Mainland Spain	Red				Green	Red					
Balearics	Red				Green	Red					
Canaries	Red				Green	Green	Red	Yellow			Yellow
Greece	Red				Green	Green	Green	Green	Yellow	Yellow	
Turkey	Red				Red	Yellow	Yellow	Yellow	Red	Red	
Portugal	Red				Green	Green	Green	Green	Red	Red	
Cyprus	Red				Green	Green	Green	Green	Red	Red	
Croatia	Red				Green	Green	Yellow	Yellow	Red	Red	
Bulgaria	Red				Green	Green	Green	Green	Red	Red	
Winter destinations: Northern Africa / CV / Caribbean / Asia	Red										
TRAVEL FROM THE UK											
Mainland Spain	Red				Green	Red					
Balearics	Red				Green	Red					
Canaries	Red				Green	Red					
Greece	Red				Yellow	Green	Yellow	Yellow	Red	Red	
Turkey	Red				Green	Green	Green	Red	Red		
Portugal	Red				Green	Green	Yellow	Yellow	Red	Red	
Cyprus	Red				Green	Yellow	Yellow	Yellow	Red	Red	
Croatia	Red				Green	Red					
Bulgaria	Red				Green	Red					
Winter destinations: Northern Africa / CV / Caribbean / Asia	Red										

	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec*	
TRAVEL FROM THE NL											
Mainland Spain	Red				Green	Green	Red				
Balearics	Red				Green	Red	Red				
Canaries	Red				Green	Green	Red	Yellow			Yellow
Greece	Red				Green	Green	Yellow	Yellow			Yellow
Turkey	Red				Red						
Portugal	Red				Green	Green	Yellow	Yellow			Yellow
Cyprus	Red				Yellow	Yellow	Red	Red			Red
Croatia	Red				Green	Green	Red				
Bulgaria	Red				Green	Green	Red				
Winter destinations: Northern Africa / CV / Caribbean / Asia	Red										
TRAVEL FROM BELGIUM											
Mainland Spain	Red				Green	Green	Red				
Balearics	Red				Green	Red	Red				
Canaries	Red				Green	Green	Yellow	Yellow			Yellow
Greece	Red				Green	Yellow	Yellow	Yellow			Yellow
Turkey	Red				Red						
Portugal	Red				Green	Green	Yellow	Yellow			Yellow
Cyprus	Red				Yellow	Yellow	Red	Red			Red
Croatia	Red				Green	Yellow	Yellow	Yellow			Yellow
Bulgaria	Red				Yellow	Red	Yellow	Yellow			Yellow
Winter destinations: Northern Africa / CV / Caribbean / Asia	Red										

 Travel warnings in source market and/or entry regulations in destination limit freedom of travel massively – therefore package holidays cannot be offered

 Travel warnings for certain regions or quarantine/testing obligations on entry/return limit travel options significantly

 Package holidays in compliance with hygiene regulations can be offered without significant restrictions

* As of 01 Dec 20



New support package in the amount of €1.8bn including shareholder, bank & government participation

1 WSF

- **Net €700m** (gross amount €900m)
 - **€420m** Hybrid I, 25% + 1 share conversion rights @€1
 - **€280m¹** Hybrid II, IFRS equity credit
- Leading framework agreement for entire deal

2 KfW RCF

- Additional **€200m**, secured; largely same terms as existing KfW credit line
- Prolongation of €500m to same maturity as existing KfW credit line

3 State Guarantees

- **€400m** guarantees to unlock cash collateral
- Alternative: Increase of Hybrid II as bridge & fall-back
- Fronting by bank consortium

4 Capital increase

- **~€500m** capital increase @€1² with subscription rights (after capital reduction, net price)
- Use of proceeds: €300m repayment of Senior Notes & general corporate purposes
- Underwritten by Unifirm & syndicate of banks³

Total
€1.8bn

 **BARCLAYS**  **BANK OF AMERICA**  **citi**  **Deutsche Bank** 

1) Hybrid II of €480m will be reduced to €280m in light of placement of ~€500m capital increase; 2) Subscription price incl. fees & expenses: €1.07; 3) Capital increase will be secured through a market standard underwriting by a banking syndicate, subject to terms and conditions in line with market practice for similar transactions.



Execution of support package – Timeline & next steps



Successful agreement of support package – TUI continues with swift and proactive liquidity management

HOLISTIC 3RD SUPPORT PACKAGE CONCEPT

- ✓ Commitment of the German government & Unifirm (Mordashov family) reaffirms strong trust in the company's return to profitable growth
- ✓ Attractive conditions for government and shareholders
- ✓ Package secures €300m Senior Notes redemption
- ✓ Extension of maturity profile with no maturities falling until July 2022
- ✓ Strengthening of TUI's equity base by €0.8bn¹
- ✓ Pro Forma liquidity incl. support package per 30 November 2020 amounts to ~€2.5bn post €300m Senior Notes redemption
- ✓ Package improves access to capital markets and further refinancing opportunities

¹ Acc. to IFRS



TUI strongly positioned to be a key beneficiary beyond the crisis

INTEGRATED BUSINESS MODEL WITH DIVERSIFIED CUSTOMER BASE & DISTRIBUTION POWER

STRONG BRAND PROPOSITION

STRENGTHENED POSITION FROM FURTHER CONSOLIDATION

Markets & Airlines

-  21m customers
-  150 aircraft
-  Own & 3rd party distribution
-  30% of profit pool³

Holiday Experiences

-  433 Hotels¹
-  17 Cruise ships²
-  1m "things to do"
-  70% of profit pool³

TOURISM SECTOR FUNDAMENTALS REMAIN ATTRACTIVE & UNCHANGED

TRANSFORMATION TO LEANER & MORE AGILE STRUCTURE

ACCELERATED DIGITALISATION / GLOBAL REALIGNMENT PROGRAMME

Transformed TUI will benefit from key market position, driving return to profitable growth

Note: All data as at Sep 2019 unless otherwise stated | 1 Includes Group hotels and 3rd party concept hotels as at Sept 2020 | 2 As at Sept 2020 | 3 Excluding cost impact of 737 MAX in Markets & Airlines segment



APPENDIX



Overview new support package in the amount of €1.8bn

		CASH IMPACT	
€1.8bn	Net €700m WSF hybrid	<ul style="list-style-type: none"> • €420m silent participation I – no loss participation, no maturity, subordinated, convertible into 25% +1 TUI shares, staggered coupon, capitalisation of coupon at the discretion of TUI, termination rights by TUI once KfW loans, WSF bond and silent participation II are redeemed • €280m¹ silent participation II – substantially similar as I, with no conversion but loss participation, IFRS equity credit 	+€700m
	€200m KfW RCF	<ul style="list-style-type: none"> • Secured; largely same terms as existing KfW credit line 	+€200m
	€400m guarantees	<ul style="list-style-type: none"> • €400m guarantee facility, fronting by a banking consortium, will be supported by a state guarantee • Increase of silent participation II as bridge / fall-back 	+€400m
	~€500m capital increase	<ul style="list-style-type: none"> • ~€500m capital increase at €1² per share (net of costs, post approval of EGM) • Issue underwritten by largest shareholder Unifirm & syndicate of banks (Barclays, BofA Securities, Citi, Deutsche Bank)³ • Use of proceeds: Repay TUI €300m Senior Notes (due in October 21) and therefore no maturities until July 22 • Remainder to be used for general corporate purposes 	+€500m -~€300m (Senior Notes repayment)
	Other	<ul style="list-style-type: none"> • Management of TUI should work towards two persons nominated by WSF becoming members of the SB of TUI • Restrictions; among others, as per existing framework agreement such as TUI's waiver of dividend payments and a restriction on share buy-backs 	-
	€500m KfW extension	<ul style="list-style-type: none"> • Prolongation to same maturity as existing KfW credit line 	Total: €1.5bn

1) Silent participation II of €480m reduced to €280m in light of placement of a ~€500m capital increase; 2); Subscription price incl. fees & expenses: €1.07 3) Capital increase will be secured through a market standard underwriting by a banking syndicate, subject to terms and conditions in line with market practice for similar transactions.



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