

## TUI GROUP

### Pre-Close Trading Update

Prior to entering its close period ahead of reporting its full year results for the twelve months ending 30 September 2024 on 11 December, TUI Group announces the following trading update:

#### **TUI set to deliver a strong FY24 in line with expectations**

- Positive booking momentum and a strong close to Summer 2024 leave us well positioned to reaffirm our FY24 guidance<sup>1</sup> to increase Und. EBIT by at least 25% year-on-year
  - Markets + Airline remains well ahead with bookings<sup>2</sup> up +6% and ASP +3% for Summer 2024
  - Holiday Experiences continues to perform strongly, delivering in line with our upgraded expectations
- Promising start to Winter 2024/25 as consumers continue to prioritise spend for leisure experiences
  - Bookings in Markets + Airline<sup>2</sup> up +7% with ASP +5%, ahead across all our source markets, bolstered by stronger demand for dynamically packaged product
  - Holiday Experiences with solid start to H1 FY25, supported by asset-right growth strategy including our fleet expansion in TUI Cruises
- We have a clear strategy to unlock significant value and remain committed to our mid-term ambitions including generating underlying EBIT growth of c. +7%-10% CAGR

#### **Current Trading – Markets + Airline<sup>2</sup>**

We have maintained the positive late booking momentum and improved ASP for **Summer 2024** since our Q3 publication on 14 August. As a result, bookings remain +6% ahead as we continue to grow our customer base with 1.4m additional bookings taken since our August update, to now total 14.7m for the season. ASP continues to be at +3%, which is helping to offset the higher inflationary driven cost base we are witnessing across the business. At 97%, virtually all of the programme has now been sold, which is +1%pt. ahead of Summer 2023. The UK is 97% sold with cumulative bookings up +5%. In Germany, with added capacity particularly to Türkiye, Greece, the Balearics, the Canaries, and Egypt in response to the FTI insolvency, we have seen a +10% increase in bookings. The season is 96% sold, which is in line with the prior season. Across our markets, the short- and medium-haul programme has seen the strongest growth, with Spain, Greece and Türkiye being the most sought-after destinations.

Bookings continue to be promising for **Winter 2024/25**, with stronger demand for our wholesale and dynamic packages, translating into +7% more bookings taken. ASP is higher across all our source markets, up +5% overall, partly driven by the increased sales mix of higher-priced wholesale and dynamic packages, which will support mitigating the higher cost environment. We have taken 1.8m bookings for the season to date. As usual, trading for the season is at a relatively early stage with 33% of the programme sold which is +1%pt. higher than the prior winter season. We have seen stronger demand year-on-year across all our key short- and medium-haul destinations with the Canaries, Egypt and Cape Verde again proving to be most popular. Thailand, Mexico, and the Dominican Republic are set to form a key part of our long-haul offering for the winter season. In UK, which has been on sale for the longest period, bookings are in line with the high levels of the prior winter season. Here, 40% of the programme has been sold. In Germany, Winter 2024/25 has started strongly, with bookings +11% higher, following the sale of 30% of the season.

### Current Trading – Holiday Experiences<sup>3</sup>

Trading remains well on track to deliver in line with our upgraded expectations, as the segment continues to reap the benefits of our asset-right growth strategy and strong demand for our product offering.

In **Hotels & Resorts** our well-diversified portfolio of brands and destinations continues to deliver. The number of available bed nights<sup>4</sup> on offer is +2% higher in Q4, mainly due to fewer hotel renovations. Boosted by strong demand, booked occupancy<sup>5</sup> is up +1%pt, and average daily rates<sup>6</sup> remain well ahead across our brands, up +10% overall for the quarter. In H1 FY25 the number of available bed nights<sup>4</sup> is -2% due to a higher level of hotel renovations. Booked occupancy<sup>5</sup> levels are currently +6%pts higher, with average daily rates<sup>6</sup> +7% both emphasising the popularity of the product available. Key destinations for the half-year are expected to be the Canaries, Egypt, Cape Verde and the Caribbean. The segment is set for further growth in FY25 as we continue our hotel portfolio expansion across our destinations.

During the Q4 summer period, our **Cruises** business is operating 17 ships with a broad range of itineraries focusing on the Mediterranean, Northern Europe and North America with Hapag-Lloyd also offering cruises to Asia and the Arctic. The number of available passenger cruise days<sup>7</sup> is well ahead at +12%, driven in particular by the successful launch of Mein Schiff 7. Despite the additional capacity, booked occupancy levels<sup>8</sup> of 102% have been maintained. Average daily rates<sup>9</sup> at +2% ahead, are in line with the levels we reported at our Q3 publication in August, again underlining the popularity of our cruise product in both the German speaking and UK market. Early booking indications for the winter season bode well. H1 FY25 is based on an expanded programme including the launch of the Mein Schiff Relax towards the end of the period, contributing to the growth of available passenger cruise days<sup>7</sup> up +14% overall. We continue to benefit from strong demand for our range of premium all-inclusive, luxury and expedition cruises. Booked occupancy<sup>8</sup> is at -4%pts as a consequence of late changes to itineraries as a knock-on effect from the unrest in the Middle East. Excluding this effect, booked occupancy is broadly in line with prior year, fuelled by strong market demand and reflecting the additional capacity. Average daily rates<sup>9</sup> are ahead between +2% and +7% across the individual cruise lines, whilst overall in line with the prior season, due to a change in the brand and itinerary mix. Mein Schiffs' fleet of initially seven ships will sail to the Canaries, the Orient, the Caribbean, Central America, Asia, South Africa, and Northern Europe. Hapag-Lloyd will feature itineraries with a fleet of five ships to the Americas, Asia, Africa, the South Pacific, Europe, and Antarctica with the semi-circumnavigation of Antarctica of particular note. Marella's winter programme will focus on the Canaries and Caribbean provided by a fleet of five vessels.

The expansion of our Tours and Activities business **TUI Musement**, continues as we increase our range of B2C experiences, grow our B2B business with partners as well as increase the volume of transfers and experiences sales supported by our Markets + Airline business. Sales to date for our experiences business which includes excursions, activities, and tickets are expected to grow by a mid-single digit percentage for Q4. Our transfer business providing support and services to our guests in destination, is expected to develop in line with our Markets + Airline capacity assumptions. Bookings for the winter season are still at an early stage but initial indications are encouraging.

### Fuel/Foreign Exchange

Our strategy of hedging the majority of our jet fuel and currency requirements for future seasons gives us increased certainty of costs when planning capacity and pricing. Our current hedged positions for the coming winter and summer seasons are in line with our expectations. The table below highlights the percentage of our forecast requirement that is currently hedged for Euros, US Dollars and Jet Fuel for our Markets + Airline, which account for over 90% of our Group currency and fuel exposure.

Hedged Position	S24	W24/25	S25
Euro	97%	91%	57%
US Dollar	97%	93%	73%
Jet Fuel	99%	92%	76%

Position at 15 September 2024

## TUI Group FY24 Guidance & Mid-Term Ambitions

- FY24 Guidance<sup>1</sup> – we continue to trade in line with management expectations and therefore reaffirm our guidance to increase underlying EBIT by at least 25% year-on-year (FY23: €977m)
- Mid-term ambitions – we have a clear strategy to accelerate profitable growth by increasing the customer lifetime value, creating a business which is more agile, more cost-efficient and achieving a higher speed to market with the aim to create additional shareholder value. We remain committed to delivering our mid-term ambitions which are as follows:
  - Generate underlying EBIT growth of c. +7-10% CAGR
  - Target net leverage<sup>10</sup> strongly below 1.0x
  - Return to a credit rating territory in line with our pre-pandemic rating BB/Ba (S&P/Moody's)

TUI Group will release its full year results on Wednesday 11 December 2024 and hold a presentation for investors and analysts on the same day. Further details will follow.

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<sup>1</sup> Based on constant currency and within the framework of the macroeconomic and geopolitical uncertainties currently known, including developments in the Middle East

<sup>2</sup> Bookings up to 15 September 2024 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings

<sup>3</sup> Trading data (excluding Blue Diamond in Hotels) as of 15 September 2024 compared to prior year trading data

<sup>4</sup> Number of hotel days open multiplied by beds available in the hotel (Group owned and leased hotels)

<sup>5</sup> Occupied beds divided by available beds (Group owned and lease hotels)

<sup>6</sup> Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

<sup>7</sup> Number of operating days multiplied by berths available on the operated ships

<sup>8</sup> Achieved passenger cruise days divided by available passenger cruise days

<sup>9</sup> TUI Cruises: Ticket revenue divided by achieved passenger cruise days. Marella Cruises: Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

<sup>10</sup> Net leverage ratio defined as net debt (Financial liabilities plus lease liabilities less cash & cash equivalents less other current financial assets) divided by underlying EBITDA

## Appendix:

### Markets + Airline Trading<sup>2</sup>

#### Summer 2024 vs. Summer 2023

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Variance in %

Bookings	+6
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ASP	+3
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#### Winter 2024/25 vs. Winter 2023/24

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Variance in %

Bookings	+7
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ASP	+5
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## Holiday Experiences Trading<sup>3</sup>

### Q4 FY24

Variance in % versus previous year

<b>Hotels &amp; Resorts</b>	
Available bed nights <sup>4</sup>	+2
Occupancy (Var. in %pts) <sup>5</sup>	+1
Average daily rate <sup>6</sup>	+10
<b>Cruises</b>	
Available passenger cruise days <sup>7</sup>	+12
Occupancy (Var. in %pts) <sup>8</sup>	0
Average daily rate <sup>9</sup>	+2
<b>TUI Musement</b>	
Experiences sold	+ mid-single digit
Transfers	In-line with Markets + Airline

### H1 FY25

Variance in % versus previous year

<b>Hotels &amp; Resorts</b>	
Available bed nights <sup>4</sup>	-2
Occupancy (Var. in %pts) <sup>5</sup>	+6
Average daily rate <sup>6</sup>	+7
<b>Cruises</b>	
Available passenger cruise days <sup>7</sup>	+14
Occupancy (Var. in %pts) <sup>8</sup>	-4
	(Broadly in line - excl. late itinerary-changes due to Middle East unrest)
Average daily rate <sup>9</sup>	0
<b>TUI Musement</b>	
Experiences sold	n.m.
Transfers	In-line with Markets + Airline

### Analyst & Investor Enquiries

Nicola Gehrt, Group Director Investor Relations	Tel: +49 (0) 511 566 1435
Adrian Bell, Senior Investor Relations Manager	Tel: +49 (0) 511 566 2332
Stefan Keese, Senior Investor Relations Manager	Tel: +49 (0) 511 566 1387
James Trimble, Investor Relations Manager	Tel: +44 (0) 1582 315 293
Anika Heske, Investor Relations Manager, Retail Investors & AGM	Tel: +49 (0) 511 566 1425

### Cautionary statement regarding forward-looking statements

This announcement contains various statements relating to TUI Group's and TUI AG's future development. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, they are not guarantees of future performance since our assumptions involve risks and uncertainties that could cause actual results to differ materially from those anticipated. Such factors include market fluctuations, the development of world market prices for commodities and exchange rates or fundamental changes in the economic or political environment. TUI does not intend to and does not undertake any obligation to update any forward-looking statements in order to reflect events or developments after the date of this announcement.