Introduction to TUI’s cruise business
9 MAY 2018
INTRODUCTION
FRITZ JOUSSEN
Cruises – an important pillar of our integrated and product-focussed strategy

**SALES & MARKETING - 41% EBITA**
Digitalisation, diversification

- 20m customers
- ~150 TUI Aircraft, 3rd party flying
- Own, 3rd party committed & non-committed
- Customer service & fulfilment

**HOLIDAY EXPERIENCES - 59% EBITA**
Growth, diversification

- Portfolio approach
- Integrated distribution
- Owned / managed / JV ROIC FY17: 13%
- ROIC FY17: 85%
- Owned / JV ROIC FY17: 20%
- ROIC FY17: 24%
- 381 Hotels
- 16 Ships
- 115 Destinations

**CRUISES ESSENTIAL PART OF INTEGRATED STRATEGY**

- ~25% of Group EBITA
- Unique product offering, differentiates TUI in distribution: “line of defence” vs OTAs
- Market leading position and high brand recognition
- TUI Cruises with 40% of repeat bookings in 2017
- Supports double diversification: Cruises as “flexible” destination

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1 This number includes group hotels and 3rd party concept hotels as at end of H1 FY18
2 As at end of May 2018
3 This number relates to Sales & Marketing/ all other

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TUI GROUP | Capital Markets Day | 9 May 2018
## TUI’s cruise business with distinct brand and tailored product offering

<table>
<thead>
<tr>
<th>BRAND / OWNERSHIP</th>
<th>MARKET SEGMENT</th>
<th>PRODUCT</th>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-balance: JV / 6 ships³</td>
<td>• Inventor of and market leader in German premium cruise segment</td>
<td>• Tailored to German speaking customer demand</td>
<td>• Yield product, distinct market segment</td>
</tr>
<tr>
<td><img src="image" alt="TUCruises" /></td>
<td></td>
<td>• Premium all-inclusive</td>
<td>• Capture market growth</td>
</tr>
<tr>
<td><strong>On balance / 6 ships³</strong></td>
<td>• UK market leader in flycruise</td>
<td>• Tailored to UK customer demand</td>
<td>• Yield product, distinct market segment</td>
</tr>
<tr>
<td><img src="image" alt="Marella Cruises" /></td>
<td>• Mid-premium cruise segment</td>
<td>• Ownership of end to end journey tailored to UK customer</td>
<td>• Product upgrade</td>
</tr>
<tr>
<td><strong>On balance / 4 ships³</strong></td>
<td>• Inventor of cruise shipping</td>
<td>• All-inclusive¹</td>
<td>• Capture market growth</td>
</tr>
<tr>
<td><img src="image" alt="Hapag-Lloyd Cruises" /></td>
<td>• Market leader in German luxury &amp; expedition segment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ from summer 2019 onwards; ² according to Berlitz Cruise Guide; ³ Fleet as of May 2018
Hapag-Lloyd Cruises expedition growth: plan to order new ship

KEY FACTS

- Hapag-Lloyd Cruises plans to take delivery of HANSEATIC new build 3 in spring / early summer 2021
- Participate in strong market growth in the expedition & experience segment
- Strengthening position, improve quality leadership within Germany, Austria and Switzerland & internationalise product
- Ship will be evolution of the first two expedition new builds delivered in 2019
- 230 lower berths
- Similar financing as other expedition ships: 80% funded by debt capital / 20% equity contribution – part of TUI's CAPEX plan

Green light for a 3rd expedition cruise ship; Hapag-Lloyd Cruises will shortly launch the planning / negotiation for a further Hanseatic
Hapag-Lloyd HANSEATIC new build 3: improved customer experience with a modern and efficient expedition fleet

Marina

Extendible glass-floored balconies

Panoramic Cabin

The Hanesioom, a multifunctional lounge with state-of-the-art technology

The Ocean Academy allows you to experience science however you desire

Deck track at the bow

Grand Suite
TUI’s cruise strategy proves to be successful: Strong growing business contributing ~25% of Group EBITA today

<table>
<thead>
<tr>
<th>BRAND / OWNERSHIP</th>
<th>STRONG AND PROFITABLE GROWTH</th>
<th>KEY HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-balance: JV / ROIC: 16%</td>
<td>TUI Cruises²</td>
<td>• TUI’s cruise business benefiting from</td>
</tr>
<tr>
<td></td>
<td>Marella Cruises</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hapag-Lloyd Cruises</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of Group profit</td>
<td></td>
</tr>
<tr>
<td>On balance / ROIC: 14%</td>
<td>FY14</td>
<td>• continued strong market demand</td>
</tr>
<tr>
<td></td>
<td>FY15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FY16</td>
<td>• shortage of cruise ship supply</td>
</tr>
<tr>
<td></td>
<td>FY17</td>
<td>• arrival of new ship capacity ordered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>several years ago “at the right time”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• TUI Cruises with youngest fleet in</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the market (low fuel consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and reduced emission levels)</td>
</tr>
<tr>
<td>On balance / ROIC: 10%</td>
<td></td>
<td>• Participate in market growth through</td>
</tr>
<tr>
<td></td>
<td></td>
<td>additional capacity for TUI Cruises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• &gt;50% dividend conversion rate from</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TUI Cruises JV³</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 20% Cruise segment ROIC²</td>
</tr>
</tbody>
</table>

Note: Chart shows underlying EBITA in €m and % of TUI Group EBITA contribution; 1 Marella Cruises not included; 2 TUI Cruises JV (50%) is consolidated at equity; 3 Calculation: Dividends received by TUI / TUI’s share of EAT
All three TUI cruise brands with strong financial track record

- ~30% capacity growth in 2017 for TUI Cruises and Marella Cruises at stable occupancy and increasing rates
- Hapag-Lloyd Cruises rate increases at constant occupancy
TUI participates in the highly attractive, ring-fenced European cruise market

**GLOBAL OCEAN CRUISE PASSENGERS BY ORIGIN**¹

North America  
#1  
~12m passengers

Europe  
#2  
~7m passengers

Asia  
#3  
~3m passengers

Australia  
#4  
~1m passengers

Other  
~3m passengers

**GLOBAL CRUISE MARKET**

~26 million passengers

**EUROPE AS RING-FENCED MARKET**

- #2 global market after North America
- Highly attractive growth prospects
- Germany is the largest European market, followed by UK
- Trips are the experience versus other markets where the cruise ship is the experience
- Hence, certain cruise ship specifications required to meet customer demand for distinctive „European style“ cruising

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¹ Sources: CLIA, Statistics & markets Europe 2016, CLIA Asia Cruise Trends 2016, Cruise Market Watch
Global cruise market demand remains strong with 6% CAGR projected growth until 2023 (+11m PAX)...

**EUROPEAN MARKETS GROWING FAST BUT STILL UNDERPENETRATED**

Penetration Rate 2016 & 2023

- **UK**: ca. 3.2%¹ in 2023 → 2.7%¹ in 2023
  - 1.9m PAX → +0.3m PAX (2023)
  - CAGR: 2%

- **Germany**: ca. 4.2%¹ in 2023 → 2.5%¹ in 2023
  - 2.0m PAX → +1.4m PAX (2023)
  - CAGR: 8%

- **US**: ca. 4.1%¹ in 2023 → 3.5%¹ in 2023
  - 11.5m PAX → +1.7m PAX (2023)
  - CAGR: 2%

- **China**: ca. 0.6%¹ in 2023 → 0.2%¹ in 2023
  - 2.1m PAX → +6.5m PAX (2023)
  - CAGR: 22%

**MARKET DYNAMICS**

- German and UK cruise market growing fast but still underpenetrated compared to US

- Growth driven by
  - Demographics (av. customer age 52 years)
  - Change in holiday behavior (experience, convenience, safety)
  - Cruise ship innovation and premium all-inclusive product

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¹ Share of population that participates in cruise itineraries; Sources: CLIA, Statistics & markets Europe 2016, Cruise Market Watch, Statista; Assumptions regarding the penetration rate: i) country population constant over period 2017-2023 ii) every PAX goes once per year iii) the growth for 2017-2023 is calculated with same growth rate as the past five years (2011-2016) for all countries except China. China had a CAGR of 66% between 2011-2016. In the penetration calculation above (2017-2023) a CAGR of 22% is used for China.

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... while global cruise ship supply continues to be constrained. Supply expected to grow ~5% CAGR until 2023 (+9m PAX)

**MARKET DYNAMICS**

- Significant order lead time
  - New cruise ship orders in 2018 delivered in 2023/2024 only
- TUI with significant order book
  - Expecting 5 new cruise ship deliveries until 2023
  - Participate in market growth through additional capacity delivery and further enhancement of TUI’s market leading position
- Additional cruise ship orders through TUI Cruises JV likely (no additional CAPEX for TUI shareholders)

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**ONLY FEW SHIP YARDS ABLE TO BUILD LARGER SIZE CRUISE SHIPS**

- **Meyer Werft**
  - Location: Papenburg (GER) and Turku (FI)
- **STX France**
  - Location: St. Nazaire (F)
  - Partly nationalised by French government. 50% owned by Fincantieri
- **Genting**
  - Location: Wismar
  - Under new ownership (Genting)
  - No track record for larger cruise vessels
- **Fincantieri**
  - Location: Sestri Ponete (Genoa), Monfalcone and other locations in Italy (IT)
  - Parent company of VARD shipyard
  - Government owned

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**Global cruise ship capacity (m PAX)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017FC</td>
<td>26</td>
</tr>
<tr>
<td>2023FC</td>
<td>35</td>
</tr>
</tbody>
</table>

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1 Assuming 360 operating days, average duration 8 days, new berths 40,000 p.a. and 10% of the new berths replaces old tonnage
TUI’S CRUISE FLEET INVESTMENT
HORST BAIER
Ring-fenced ship financing: A closer look at our TUI Cruises JV

### KEY JV FINANCIALS 2017
(100% VIEW, €M)

<table>
<thead>
<tr>
<th>Profit &amp; Loss Statement(^1)</th>
<th>Balance Sheet(^1)</th>
<th>Cash Flow(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover: 1,053</td>
<td>Net debt: 1,423</td>
<td>Net operating cash flow: 415</td>
</tr>
<tr>
<td>EBITA: 304</td>
<td>Adjusted net debt/ EBITDAR: 3.5x</td>
<td>Net investments: (95)</td>
</tr>
<tr>
<td>EBITA margin: 29%</td>
<td>Equity ratio: 27%</td>
<td>Debt repayments: (140)</td>
</tr>
<tr>
<td>Net income: 272</td>
<td>ROIC: 16%</td>
<td>Dividends to TUI Cruises shareholders: (180)</td>
</tr>
<tr>
<td>Net income margin: 26%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MUTUAL BENEFICIAL JV

- TUI with strong brand / distribution power
- Royal Caribbean with strong relationships to ship yards
- Ring-fenced and standalone financing by TUI Cruises JV
- Strong JV performance, allowing to finance growth and pay dividends to TUI at the same time
- De-risking TUI investment: 50% of upside, 50% of downside

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\(^1\) P&L = Financial Year; Balance Sheet & Cash Flow = Calendar year
### TUI’s cruise capacity growth financed through disposal proceeds re-investment programme and off-balance sheet (JV)

<table>
<thead>
<tr>
<th>BRAND / OWNERSHIP</th>
<th>FLEET DEVELOPMENT</th>
<th>OFF-BALANCE FINANCING AS PREFERRED OPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-balance: JV</td>
<td></td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="TUI Cruises" /></td>
<td><strong>Current fleet:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="image" /></td>
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<td><img src="image" alt="image" /></td>
<td></td>
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<tr>
<td></td>
<td><strong>Deliveries:</strong> FY19 FY23</td>
<td>• Funded by JV</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• No CAPEX requirements for TUI</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><img src="image" alt="Marella Cruises" /></th>
<th><strong>Current fleet:</strong></th>
<th><img src="image" alt="image" /> Exit FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Hapag Lloyd Cruises" /></td>
<td><strong>Current fleet:</strong></td>
<td><img src="image" alt="image" /> Exit FY18</td>
</tr>
<tr>
<td></td>
<td><strong>Deliveries:</strong> FY19 FY20 FY21 (planned)</td>
<td><img src="image" alt="image" /> Exit FY19</td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="image" /> Exit FY18</td>
<td>• Part of TUI’s growth investment strategy</td>
</tr>
<tr>
<td></td>
<td>FY19 FY20 FY21 (planned)</td>
<td>• Funded by re-investing disposal proceeds</td>
</tr>
</tbody>
</table>

* Marella Cruises acquires SkySea Golden Era (SGE) to replace Mein Schiff 2, which will remain within TUI Cruises fleet due to high demand in the German cruise market.
TUI’s re-investment programme FY16-FY19 – on balance cruise capacity orders reflected

<table>
<thead>
<tr>
<th>GROWTH INVESTMENTS FY16 to FY18 H1</th>
<th>GROWTH INVESTMENTS FY18 &amp; FY19</th>
<th>REINVESTMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€0.4bn</td>
<td>230</td>
<td>• Reinvestment of disposal proceeds by FY19</td>
</tr>
<tr>
<td>~€0.4bn</td>
<td>400</td>
<td>• Own content growth</td>
</tr>
<tr>
<td>~€1.2bn</td>
<td>55</td>
<td>• Basis for end-to-end profitability</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td></td>
<td>• Investments on track</td>
</tr>
<tr>
<td>Marella Discovery 2</td>
<td></td>
<td>• More than doubling returns</td>
</tr>
<tr>
<td>38 Hotels since merger</td>
<td></td>
<td>• Capital discipline continues after FY19</td>
</tr>
<tr>
<td>Expedition ships HL prepayment</td>
<td></td>
<td>• ROIC as KPI</td>
</tr>
<tr>
<td>Transat (EV)</td>
<td></td>
<td>• Normalised capex levels</td>
</tr>
<tr>
<td>PDPs</td>
<td></td>
<td>• Investments if attractive</td>
</tr>
<tr>
<td>UK Pensions 2016</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td>Rem. pre-funding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rem. equity contribution</td>
<td>830</td>
<td></td>
</tr>
<tr>
<td>Expedition ships HL 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mein Schiff 1 &amp; SGE 2</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>~20 hotels until 2019</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Transat (EV)</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>PDPs</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>UK Pensions 2018</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Destination Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of Destination Management for EV of €110m from HBG</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Disposal proceeds: ~€0.4bn
Marella Discovery 2: 230
38 Hotels since merger: 400
Expedition ships HL prepayment: 55
Transat (EV): 270
PDPs: 175
UK Pensions 2016: 830
Rem. pre-funding: 20
Rem. equity contribution: 400
Expedition ships HL 2: 20
Mein Schiff 1 & SGE 2: 200
~20 hotels until 2019: 110

Deconsolidated EBITA:
-€106m^5

EBITA^7:
~€0.4bn
~€0.4bn
~€1.2bn

EBITΑ^7:
~€1.2bn

+€261m

Targeted EBITA^7

1 Including working capital/cash effect; 2 Equity-contribution, delivery in Spring & Autumn 2019; 3 Assumes MS1+ SkySea Golden Era (SGE) purchase as cash transaction; 4 €10m quarterly adjustment until 2019 - pro rata approach; 5 Number includes €93m EBITA of HBG & Travelopia as well as EAT of MS1 within TUI Cruises of €12.5m due transferring the ship to UK market, delivery in Summer 2018; 6 run-rate; 7 Based on targeted EBITA run-rate; 8 Profitability growth expected in line with 3 year ramp-up phase of synergies; closing expected in H2 FY18.
TUI’s cruise business – Strong basis for future growth

BRAND / OWNERSHIP

Off-balance: JV

• Leverage distinct product offering
• Keep market share

On balance

• Upgrade and modernise fleet
• Establish all-inclusive offering

On balance

• Grow expedition business
• Internationalisation

GROWTH LEVERS

STRONG AND PROFITABLE GROWTH WILL CONTINUE

Cruises EBITA

% of Group profit

Note: Chart shows underlying EBITA in €m and % of TUI Group EBITA contribution; 1 Marella Cruises not included
TUI CRUISES – LEADER IN GERMAN PREMIUM CRUISE SEGMENT

WYBCKE MEIER
Mein Schiff – „Eine Klasse für mich“
Contemporary premium class ships for German speaking cruise passengers
German Holiday preferences

69 m of Germans travel more than 5 days and spend ca. 1010 € (FUR 2017)

34 % are interested in taking a cruise holiday (BAT Study 2018)

2.19m Germans booked an ocean cruise in 2017 (CLIA Market Report 2017)

Germans prefer German brands – 90% would choose a German Cruise for holiday

Since 2010: more childless couples than single parents / couples with children
Prognosis: in 2025 more than 33 m Germans are over 50 & pensioners
(Total wealth of the new senior citizens makes up billions of Euro)
Increasing interest in cruise holidays since 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Interested in booking a cruise in %</th>
<th>Not interested in booking a cruise in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>19</td>
<td>81</td>
</tr>
<tr>
<td>2015</td>
<td>29</td>
<td>71</td>
</tr>
<tr>
<td>2018</td>
<td>34</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: Prof. Dr. Reinhardt, Stiftung für Zukunftsfragen, BAT
German and international Brands & Positioning
Market separates into 3 segments

- Sporty-casual - club ship
  - 45% market share
  - AIDA Cruises

- High-quality & contemporary
  - 24% market share
  - Mein Schiff

- Classic & expedition ship
  - 7% market share
  - Hapag Lloyd Cruises
  - Phoenix Reisen

Source CLIA Passenger breakdown 2017
Fleet status quo: six newbuilds plus one in 2019

<table>
<thead>
<tr>
<th></th>
<th>Mein Schiff Herz</th>
<th>Mein Schiff 3</th>
<th>Mein Schiff 4</th>
<th>Mein Schiff 5</th>
<th>Mein Schiff 6</th>
<th>New Mein Schiff 1</th>
<th>New Mein Schiff 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berths</td>
<td>1,912</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,894</td>
<td>2,894</td>
</tr>
<tr>
<td>Tonnage</td>
<td>77,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>112,000</td>
<td>112,000</td>
</tr>
</tbody>
</table>

- Former MS2 stays in Fleet under a new name
- Replaced MS 1 in 2018
- Will replace MS 2 in 2019
- 17,000 berths

TUI Group | Capital Markets Day | 09 May 2018
*Mein Schiff* contemporary premium class ships

- Trend-setting
- Timeless pointed
- Well-balanced
- High-quality intelligent
- Cozy straight
- European

Great passenger space ratio of 40
Our customers

Erik & Elke –
The Curious Mein Schiff Explorer

58 % of our guests

Before we traveled with Mein Schiff for the first time, we always associated cruises with either pure luxury or pure mass handling. Finally, the extraordinary PAI concept without extra costs convinced us to choose Mein Schiff – and we were not disappointed. Particularly the great variety of selections, the versatile entertainment program and the individual freedom on board will surely bring us back to Mein Schiff fleet."
Distribution of customers around the year
Differs from season to destination

Share of children during the holiday season up Ø 14 %

Almost no children in Central America or Northern Europe

Destinations: Med in summer UAE/ Canary Islands in winter

Ø Age increases to 60y (54y in the Caribbean)
Crew

Bar & Lounges

Restaurants & Bistros

Routings

Premium All inclusive

Cabins

Entertainment

Sports & SPA

Outer Decks

Innovative event concepts
Room with a view – state of the art cabins

- 82% balcony cabins
- 8% suites

- 17m² + balcony
- 26m² - 77m² + balcony or terrasse
**Crew**

Comfortable crew – passenger ratio (2,5)

- Mein Schiff 3 – 6 ~ 1,030 crew on board
- New Mein Schiff 1 + 2 ~ 1,100 crew on board
  - Thereof ~ 130 in the deck & engine departments
  - ~ 900 for Hotel & Guest services
- High retention rate of 79%
Crew area

Cabins
50% single
50% double

Pool
Deck
Fitness
Mess
Food & Beverage

Top Gastronomy & high class service in more than 25 outlets

- great variety of restaurants, bistros, bars and lounges
- great beverage selection also beyond main mealtimes
- high class service at the table in the main dining restaurant

Premium All Inclusive – Restaurants
- Anckelmannsplatz Buffet Restaurant, Atlantik Restaurant, GOSCH, Tag & Nacht Bistro, Bosporus Snack Bar, Ganz schön gesund

Specialty Restaurants
- Surf & Turf Steakhouse, Hanami by Tim Raue, Schmankerl

Premium All Inclusive – Bars
- TUI Bar, Schaubar, Himmel & Meer Lounge, Überschaubar, Unverzichtbar, Abtanz Bar, Casino & Lounge, LUMAS Bar, Hoheluftbar, Ebbe&Flut

Specialty Bars
- Champagner Treff, Diamant Bar, Café Lounge, Café Bar
Sport & SPA
Sports and well-being at sea

- large SPA areas on each ship with different types of saunas. The access is included in PAI.
- great variety of different SPA treatments
- large gym and fitness area
- different lectures about the topics motion, nutrition and relaxation

Including Jogging track on outer deck
Entertainment

Formats for everybody

- large state-of-the-art theater on every ship with around 1000 seats
- small theater on every ship with around 220 seats (e.g. Klanghaus)
- own large-scale productions as well as several small formats (spectacles, vocals, artistry & dance shows)
- additional formats:
Routings – six ships on the seven seas
Destinations and number of passenger per region

Summer:
Northern Europe
Western Europe / Med

Winter:
Med. & Canary Islands
Canary Islands
Caribbean
Central America
UAE
Asia

Positioning cruises

TUI Group | Capital Markets Day | 09 May 2018
Easy access to and on Mein Schiff

Mein Schiff App – state of the art way for booking and experiencing the cruise
Who is interested?

- 34% in total
  - 40% 34-54 years
  - 55% > 55 years
- More income = more interest
- The keener on travelling – the keener on cruises
- All inclusive and relaxing atmosphere are the key needs
- Bigger ships attract younger travelers

What do not-interested ones say?

- Preference for other holiday forms
- Concerns about high (extra) costs
- Lack of mobility / flexibility
- Too many people onboard, missing individuality

→ Environmental issues
→ Overcrowded ports

53% say: “Cruises are only for elderly, rich people”
Splendid views
New vessels setting new standards – being best oft its class worlwide

- Continuing **high level of guest satisfaction** – NPS 68
- Very solid and **efficient business model, proven to be scalable**
- **Strong offering** position, unique concept (Premium all inclusive, German onboard language)
- 24 % market share (2017) and 25 % (2018) in a fast growing, profitable market. Number two behind AIDA
- **Strong booking situation** for 2018 (occupancy 87 %) and 2019 (occ. 21%)
- **minimised ecological impact** of cruises to the lowest possible level
- **optimised energy-efficiency**: 40% less energy
- Youngest fleet
Thank you very much for your attention and now you are welcome to explore our new Number One!
Player in the global cruise market

**TOP CRUISE COMPANIES IN 2016**
(BASED ON REVENUE IN BN US$)

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carnival</td>
<td>16.4</td>
</tr>
<tr>
<td>Royal Caribbean Cruises</td>
<td>8.5</td>
</tr>
<tr>
<td>Norwegian Cruise Line</td>
<td>4.9</td>
</tr>
<tr>
<td>MSC Cruises</td>
<td>2.1</td>
</tr>
<tr>
<td>TUI Cruise Brands (TC, Marella &amp; HLC)</td>
<td>1.6</td>
</tr>
<tr>
<td>Disney Cruises</td>
<td>0.9</td>
</tr>
<tr>
<td>Genting Hong Kong Cruise Brands</td>
<td>0.9</td>
</tr>
<tr>
<td>TUI Cruises</td>
<td>0.9</td>
</tr>
<tr>
<td>Marella Cruises</td>
<td>0.4</td>
</tr>
<tr>
<td>Hapag-Lloyd Cruises</td>
<td>0.3</td>
</tr>
</tbody>
</table>

**Source:** Statista and company data; FX-rate US$/EUR for TUI Cruise brands=1.09

**TOP CRUISE BRANDS BY MARKET SHARE**
(IN %, BASED ON NUMBER OF PAX 2018¹)

<table>
<thead>
<tr>
<th>Brand</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carnival</td>
<td>22.0</td>
</tr>
<tr>
<td>Royal Caribbean Cruises</td>
<td>19.2</td>
</tr>
<tr>
<td>Norwegian Cruise Line</td>
<td>8.7</td>
</tr>
<tr>
<td>MSC Cruises</td>
<td>7.2</td>
</tr>
<tr>
<td>Princess</td>
<td>6.4</td>
</tr>
<tr>
<td>Costa Cruises</td>
<td>6.0</td>
</tr>
<tr>
<td>AIDA</td>
<td>4.6</td>
</tr>
<tr>
<td>Celebrity</td>
<td>3.5</td>
</tr>
<tr>
<td>Holland America</td>
<td>3.2</td>
</tr>
<tr>
<td>TUI Cruise Brands (TC, Marella, HLC)</td>
<td>2.7</td>
</tr>
<tr>
<td>P&amp;O Cruises</td>
<td>2.4</td>
</tr>
<tr>
<td>TUI Cruises</td>
<td>2.0</td>
</tr>
<tr>
<td>Marella Cruises</td>
<td>0.4</td>
</tr>
<tr>
<td>Hapag-Lloyd Cruises</td>
<td>0.3</td>
</tr>
</tbody>
</table>

**Source:** cruisemarketwatch.com; based on company data, CLIA, FCCA, DVB Bank; ¹ estimated numbers
Passenger numbers of global cruise market

DEVELOPMENT OF OCEAN CRUISE PASSENGER NUMBERS (PAX IN M)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>17.8</td>
<td>19.1</td>
<td>20.5</td>
<td>20.9</td>
<td>21.3</td>
<td>22.3</td>
<td>23.1</td>
<td>24.7</td>
<td>25.8</td>
<td>27.2</td>
</tr>
</tbody>
</table>

OCEAN CRUISE PASSENGERS BY COUNTRY (IN M, 2016)

- USA: 11.5
- China: 2.1
- Germany: 2.0
- UK: 1.9
- Australia: 1.3
- Canada: 0.8
- Italy: 0.8
- France: 0.6
- Brazil: 0.5
- Spain: 0.5

Sources: CLIA
Passenger numbers – Germany

DEVELOPMENT OF OCEAN CRUISE PASSENGER NUMBERS IN GERMANY (PAX IN K)

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,027</td>
</tr>
<tr>
<td>2010</td>
<td>1,219</td>
</tr>
<tr>
<td>2011</td>
<td>1,388</td>
</tr>
<tr>
<td>2012</td>
<td>1,544</td>
</tr>
<tr>
<td>2013</td>
<td>1,687</td>
</tr>
<tr>
<td>2014</td>
<td>1,771</td>
</tr>
<tr>
<td>2015</td>
<td>1,813</td>
</tr>
<tr>
<td>2016</td>
<td>2,018</td>
</tr>
<tr>
<td>2017</td>
<td>2,188</td>
</tr>
</tbody>
</table>

DEVELOPMENT OF PASSENGERS – GERMAN VS INTERNATIONAL CRUISE BRANDS (PAX IN K)

<table>
<thead>
<tr>
<th>Year</th>
<th>German Cruise brands (in thousands)</th>
<th>International Cruise brands (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,117</td>
<td>570</td>
</tr>
<tr>
<td>2014</td>
<td>1,182</td>
<td>589</td>
</tr>
<tr>
<td>2015</td>
<td>1,231</td>
<td>582</td>
</tr>
<tr>
<td>2016</td>
<td>1,463</td>
<td>555</td>
</tr>
<tr>
<td>2017</td>
<td>1,642</td>
<td>547</td>
</tr>
</tbody>
</table>

Source: CLIA

的功能

New TUI - Blue 50%

194.230.250

TUI - Dark Blue

9.42.94

New TUI - Blue

112.203.244

TUI - White

255.255.255

New TUI - Grey

115.115.115

New TUI - Grey 25%

220.220.220

Achromatic
Passenger numbers – UK

DEVELOPMENT OF OCEAN CRUISE PASSENGERS IN UK (PAX IN K)

<table>
<thead>
<tr>
<th>Year</th>
<th>PAX in K</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,622</td>
</tr>
<tr>
<td>2011</td>
<td>1,700</td>
</tr>
<tr>
<td>2012</td>
<td>1,701</td>
</tr>
<tr>
<td>2013</td>
<td>1,726</td>
</tr>
<tr>
<td>2014</td>
<td>1,644</td>
</tr>
<tr>
<td>2015</td>
<td>1,789</td>
</tr>
<tr>
<td>2016</td>
<td>1,950</td>
</tr>
<tr>
<td>2017</td>
<td>1,959</td>
</tr>
</tbody>
</table>

Source: Cruise Lines International Association UK & Ireland
### Top destinations – Germany and UK

#### TOP DESTINATIONS FOR GERMAN CRUISE PASSENGERS IN 2017 (IN %)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Europe</td>
<td>28%</td>
</tr>
<tr>
<td>Mediterranean</td>
<td>26%</td>
</tr>
<tr>
<td>Caribbean/Bahamas/Bermuda</td>
<td>11%</td>
</tr>
<tr>
<td>Canary Islands</td>
<td>9%</td>
</tr>
<tr>
<td>Baltic Sea</td>
<td>7%</td>
</tr>
<tr>
<td>Africa/Middle East</td>
<td>6%</td>
</tr>
<tr>
<td>Asia/China</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
</tbody>
</table>

#### TOP DESTINATIONS FOR UK CRUISE PASSENGERS IN 2016 (IN %)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mediterranean</td>
<td>36%</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>28%</td>
</tr>
<tr>
<td>Caribbean</td>
<td>13%</td>
</tr>
<tr>
<td>Atlantic Islands</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: DRV; CLIA

Source: Cruise Lines International Association UK & Ireland
Limited building capacity for larger cruise vessels due to capacity limitation of ship yards

**CRUISE ORDER BOOK**

<table>
<thead>
<tr>
<th>Delivery</th>
<th>New builds &gt;1,500 berth</th>
<th>Other New builds</th>
<th>Total berths</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8</td>
<td>8</td>
<td>34,084</td>
</tr>
<tr>
<td>2019</td>
<td>9</td>
<td>15</td>
<td>42,228</td>
</tr>
<tr>
<td>2020</td>
<td>9</td>
<td>7</td>
<td>40,972</td>
</tr>
<tr>
<td>2021</td>
<td>9</td>
<td>6</td>
<td>37,852</td>
</tr>
<tr>
<td>2022</td>
<td>10</td>
<td>4</td>
<td>41,918</td>
</tr>
</tbody>
</table>

- Approx. 9 larger cruise vessels can be delivered p.a.
- Annual production capacity is ~ 40,000 berth (total)

**CRUISE ORDER BOOK BY COMPANY BY BERTHS (2018-2022)**

- Carnival: 39%
- RCCL: 18%
- Virgin Cruises: 14%
- Star Cruises: 6%
- Viking Cruises: 5%
- Saga Cruises: 4%
- TUI Cruises: 3%
- Others: 3%
- NCL: 2%
- Disney Cruises: 1%

Source: cruiseindustrynews.com
Sustainability initiatives of our cruise brands – whole fleet covered by ISO 14001 certification

- New ships are one of the most energy efficient ships of their class using smart energy management systems, efficient air conditioning, innovative lightening controls and engine waste heat to save fuel
- Scrubber technology lowers up to 99% of sulphur emissions – TUI Cruises reduced sulphur intensity by 21.3% in 2017 y-o-y
- Environmentally-friendly wastewater treatment and wastewater disposal (AWP system)
- Underwater silicon coating to reduce water resistance
- Project with Futouris & United Against Waste e.V. resulted in 17% reduction of food waste onboard MS4, initiatives are rolled out across whole fleet
- 5€ donation per booked trip in the category „Green & Fair“ to local environmental protection projects e.g. supporting coral reef protection

- Environmentally-friendly waste management and biological sewage treatment plant
- SCR catalyst (scrubber technology) and cold ironing on Europa 2 and new builds
- More than 2/3rd of fuel consumption covered by marine gas oil (low emission diesel); stabilisers and bow thruster operating with ecological oil
- Own desalination plant / water production
- Underwater coating without TBT (Tributyltin)
- MS Bremen as first passenger ship worldwide receiving the Polar Ship Certificate (regulations concerning construction, equipment and crew training), rest of the fleet certified in 2018
- Zodiac with Torqueedo electric motors reducing air and noise emissions in remote locations

- Single engine running procedure to run the engines at their most efficient speed
- Installing new equipment on-board to reduce energy demand e.g. laundry
- Marella Dream retrofitted with digital engine lubricating oil control units, reducing oil consumption by 20%
- Revised sustainability strategy developed for implementation in 2018, focus on emissions, water and waste reduction initiatives, biodiversity, community programs
- Underwater silicon coating to reduce water resistance
- Fleet-wide programme since 2014 to upgrade HVAC system components and reduce the energy consumed by air conditioning
- Passenger guide with sustainability advice including energy and water saving tips, reducing need for single-use plastics and opportunities to support destination communities

2017 ENVIRONMENTAL IMPROVEMENT

1.5%* CARBON EFFICIENCY IMPROVEMENT

REDUCTION IN CO₂ EMISSIONS PER PASSENGER NIGHT BY 5.5%*

*compared to 2015 baseline
TUI Cruises

MARKET SHARE

• 24% market share in 2017 in German cruise market (by revenue)

• Second largest share in German cruise market, second to Aida (different product offering)

• Inventor of & market leader in German premium cruise segment

CUSTOMER PROFILE

Age group of TUI Cruises passengers (% of FY 2017 Pax¹)

Average passenger age: 55.4

KEY FIGURES FY17A

(100% View)

Turnover: €1,053m
Underlying EBITA: €304m
EBITA margin: 29%
Total Pax: 467K
Fleet Size: (May 2018) 6
Total Berths: (May 2018) 14,886
Passenger Days: 4.5M
Average Daily Rate: €173
Occupancy: 101.9%
Direct Distribution²: ~39%
NPS: 68

¹ Based on passengers over age of 18
² Controlled channels: Own tour operator, direct online and own agencies including franchise

49 TUI GROUP | Capital Markets Day | 9 May 2018
CURRENT FLEET & NEW ADDITION

Current Fleet (6 ships as at May 2018)
• New Mein Schiff 1 – 2,894 berths
• Mein Schiff Herz – 1,912 berths
• Mein Schiff 3 – 2,506 berths
• Mein Schiff 4 – 2,506 berths
• Mein Schiff 5 – 2,534 berths
• Mein Schiff 6 – 2,534 berths

Additional ship deliveries
• Mein Schiff 2 – 2,894 berths (2019)
• Mein Schiff 7 – 2,894 berths (2023)

PRODUCT OFFER
• Contemporary cruise liners
• Premium all-inclusive (inclusive of restaurant, sports, sauna and entertainment)
• Greater space per passenger ratio (40)
• German speaking
• Well-being and relaxation focussed
• International itineraries

DEARIVATIONS/ITINERARIES

- Mediterranean (32%)
- UAE (9%)
- Northern Europe (13%)
- Asia (17%)
- Canary Islands (4%)
- Caribbean (3%)
- Other (22%)

(% of 2017 Pax)
Marella Cruises

MARKET SHARE

- No 3 market position in the UK by pax
- Market leader in flycruise sector

CUSTOMER PROFILE

- Age group of Marella passengers (% of W16/17 Pax)
- Average age of all passengers for W16/17: 55.7

KEY FIGURES FY17A
(fully consolidated subsidiary)

- Turnover: €502.4m
- Underlying EBITA: €86.5m
- EBITA margin: 17.2%
- Total Pax: 308K
- Fleet Size: (May 2018) 6
- Total Berths: (May 2018) 9,635
- Passenger Days: 2.7M
- Average Daily Rate: £131
- Occupancy: 101.7%
- Direct Distribution²: 85%
- NPS: 54

1 Based on lead passenger age  2 Controlled channels: Own tour operator, direct online and own agencies including franchise
Marella Cruises

CURRENT FLEET & NEW ADDITION

Current Fleet (6 ships as at May 2018)
- Marella Spirit – 1,254 berths (exits 2018)
- Marella Dream – 1,533 berths
- Marella Celebration – 1,262 berths
- Marella Discovery – 1,830 berths
- Marella Discovery 2 – 1,832 berths
- Marella Explorer – 1,924 berths

Additional ship to be launched in S19
- Marella Explorer 2 (previously Skysea Golden Era) – 1,814 berths

PRODUCT OFFER

- Fully all-inclusive fleet from Summer 2019
- All-inclusive (inclusive of flights, transfers & tips)
- Ownership of end to end journey
- Cruise & Stay options
- ~95% flying with TUI Airways
- English speaking
- International itineraries
- Marella Explorer 2 - adult only ship

DESTINATIONS

(% of 2017 Pax)
- Western Med: 5%
- Eastern Med: 6%
- Caribbean: 12%
- Northern Europe: 15%
- Transtlantic: 40%
- Mediterranean: 21%
- Middle East: 12%
- Canary Islands: 1%

TUI GROUP | Capital Markets Day | 9 May 2018
Hapag-Lloyd Cruises

MARKET & HERITAGE

• Market leader for 5* Expedition and Luxury cruising segment in Germany, Austria & Switzerland

• German speaking

• Inventor of cruising - Augusta Victoria, the largest ship of its kind in Germany at the time, launched in 1891

CUSTOMER PROFILE

Age group of HPLC passengers (% of FY17 Pax¹)

- 16%
- 18-34
- 35-55
- over 55

Average passenger age: 64

KEY FIGURES FY17A
(fully consolidated subsidiary)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>€312.6m</td>
</tr>
<tr>
<td>Underlying EBITA</td>
<td>€33.2m</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>10.6%</td>
</tr>
<tr>
<td>Total Pax</td>
<td>26K</td>
</tr>
<tr>
<td>Fleet Size: (May 2018)</td>
<td>4</td>
</tr>
<tr>
<td>Total Berths: (May 2018)</td>
<td>1,254</td>
</tr>
<tr>
<td>Passenger Days</td>
<td>349K</td>
</tr>
<tr>
<td>Average Daily Rate</td>
<td>€594</td>
</tr>
<tr>
<td>Occupancy</td>
<td>76.7%</td>
</tr>
<tr>
<td>Direct Distribution²</td>
<td>50%</td>
</tr>
<tr>
<td>NPS</td>
<td>82</td>
</tr>
</tbody>
</table>

¹ Based on all passengers ² Controlled channels: Direct and own agencies including franchise

CUSTOMER PROFILE

MARKET & HERITAGE

• Market leader for 5* Expedition and Luxury cruising segment in Germany, Austria & Switzerland

• German speaking

• Inventor of cruising - Augusta Victoria, the largest ship of its kind in Germany at the time, launched in 1891
Hapag-Lloyd Cruises

CURRENT FLEET & NEW ADDITIONS

Current Fleet (4 ships as at May 2018)

Luxury Segment
- Europa – 408 berths
- Europa 2 – 516 berths

Expedition Segment
- Bremen – 155 berths
- Hanseatic – 175 berths (exits 2018)

3 additional ships to be delivered in 2019 & 2021

Expedition Segment
- Hanseatic Nature – 230 berths, new build delivery April 2019
- Hanseatic Inspiration – 230 berths, new build delivery October 2019
- Hanseatic new build 3 – 230 berths, delivery 2021

PRODUCT OFFER

Luxury Segment
- Holds the highest distinction as the only 5 stars plus luxury cruise ships in the world
- Europa and Europa 2 awarded “The Worlds best cruise ships” by the Berlitz Cruise Guide 2018

Expedition Segment
- Bremen and Hanseatic hold the highest ice class certification
- Hanseatic ranked as the worlds only 5 stars expedition ship
- Innovative and evocative itineraries with expert guides
- Nature and Inspiration will have the highest ice class certification for passenger ships

DESTINATIONS/ITINERARIES

FY17 Destination by pax

- Northern Europe
- Western Med & Western Europe
- Eastern Med
- Africa & Indian Ocean
- Asia & Russia
- Australia/NZ/South Pacific
- Caribbean, Central & South America
- North America
- Artic & Antarctic
- Rest of the World
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