

TUI Group Quarterly Statement

1 October 2022 – 30 June 2023



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This Quarterly Statement of TUI Group was prepared for the reporting period from 1 October 2022 to 30 June 2023.

Quarterly Statement Q3 2023

Summary

Q3 back to profitability with an underlying EBIT of €169.4m improving strongly by €196.5m year-on-year. Current booking levels confirm our expectations for a strong Summer and we are on track to deliver on FY 2023 expectations.

- The continued popularity of our unique product offering was underlined by 5.5m customers enjoying a holiday with us in the quarter, an increase of 0.4m or +9% versus the prior year and at 95% of Q3 2019 customer levels on a like for like basis¹. As a result, average load factor for the quarter was 93% (Q3 2022: load factor 92%).
- Group revenue of €5.3bn, was 19% higher across our segments versus the prior year (Q3 2022: €4.4bn), supported by higher volumes and prices. This reflects the strength of demand for our products with Group revenue 11% above pre-pandemic levels driven by improved prices (Q3 2019: €4.7bn).
- Q3 Group underlying EBIT at €169.4m, improved strongly by €196.5m and €122m excluding the impact of €75m flight disruption costs in the prior year (Q3 2022: €-27.0m loss) and is the first profitable Q3 since the pandemic:
 - Hotels & Resorts surpassed the already strong performance in the prior year, reporting a fifth consecutive quarter above 2019, supported by improved operational performances across our key brands.
 - The recovery in Cruises continues with the segment achieving a fifth positive quarter since the start of the pandemic. All of our three Cruise brands contributed to the positive EBIT development boosted by increased volumes as well as higher occupancies.
 - Markets & Airlines delivered a solid improvement, driven in particular by higher prices and strong demand. In addition, the segment profited from the absence of the flight disruption costs which impacted the prior year.
- Following the €1.8bn capital raise in April, we successfully extended our existing syndicated credit lines totaling €2.7bn in May. Both are significant measures to improve our credit metrics, restore our balance sheet strength and are a vote of confidence in TUI. As a result we have seen a first improvement in our credit rating during the quarter, with S&P upgrading in April to B and Moody's upgrading in May to B2 both with a positive outlook.
- The net debt position as of 30 June 2023 was €-2.2bn, an improvement of €1.1bn year-on-year (30 June 2022: €-3.3bn). This is driven by the net proceeds (following final repayment of the WSF obligations) from our capital increase in April 2023 and a positive free cash flow.
- We confirm our expectations for a strong Summer. Bookings total 12.5m² for the season, a 6% increase versus Summer 2022 and an increase of 4.3m guests since our Half-Year Financial Report H1 2023. As a result, bookings are close to pre-pandemic levels at 95%. ASP continues to hold up strongly at +7% against the previous season and +26% against Summer 2019.
- Bookings were impacted in the short-term as a result of the wildfires in Southern Europe and flight cancellations to Rhodes, but have subsequently recovered as operations have resumed, enabling customers to enjoy their holidays once again. As a result, bookings for the last week were +5% against Summer 2022, with ASP up +9% over the same period and ahead of the cumulative position.
- We continue to monitor the situation concerning the wildfires in Southern Europe and remain in close contact with local authorities. As events unfolded in Rhodes, the safety of our guests and colleagues in the affected areas was paramount. Together with our 300 service staff, we were able to provide our guests with 24/7 support and welfare. We operated twelve repatriation flights with additional aircraft deployed to bring our guests home safely, all highlighting the benefit of our customer proposition. However, we also want to support the communities on the island directly affected by the fires. The TUI Care Foundation has launched a fundraising campaign. Every donation received will be doubled by the foundation.
- In total we evacuated 8,000 of our guests, but it is also important to point out that 80% of our guest on the island have been unaffected. Rhodes accounts for ca. 5% of our full Summer 2023 programme. The financial impact of the wildfires in recent weeks covering cancellations & lost margin, customer compensation as well as repatriation flights & welfare costs has added ca. €25m of cost to our full year 2023 results.

¹ Excluding businesses sold and discontinued since 2019

² Bookings up to 6 August 2023 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings

- With 86% of the Summer sold, which is in line with 2022 and 2019 levels and given the latest booking position, we are confident in our Summer 2023 capacity assumption of being close to normalised 2019 Summer levels.
- We reconfirm our expectations to increase underlying EBIT significantly for financial year 2023¹.

¹ Based on constant currency.

Sustainability as opportunity

- Sustainability is a fundamental management principle for the TUI Group and a cornerstone of our strategy for continually enhancing the value of our company. We firmly believe that sustainable development is critical to long-term economic success.
- We have near-term targets set for airline, cruises and hotels, to reduce emissions in line with the latest climate science. These 2030 targets were validated by the Science Based Targets initiative (SBTi) and published in our Q1 Interim Report in February 2023.
- Together with destinations, TUI is shaping the future of sustainable tourism. As a sign of this joint responsibility, the government of Cape Verde, TUI Group and TUI Care Foundation have signed a Memorandum of Understanding "Tourism for Development" to intensify their cooperation on a wide range of sustainability topics. Their joint goal is to strengthen tourism on the islands as a force for good. The agreement introduces key strategic focus areas that the three signatories want to focus on in their joint efforts. The agreement covers a wide range of 18 issues – from renewable energy and environmental protection to local entrepreneurship empowerment, cultural heritage protection and education.
- TUI is driving the sustainability transformation of the tourism sector through its initiatives. An important milestone has been achieved for TUI's excursion business: 1,000 excursions offered on TUI Musement platforms have now been checked against global sustainability standards. TUI is one of the first companies in the industry to start applying global sustainability standards to its experiences portfolio. The certified process for experiences is designed to support local suppliers on their way to sustainable offerings and therefore advance the entire sector.
- In our Cruise operations Mein Schiff has now successfully tested a bio-fuel blend derived from waste cooking oil, on one of its vessels. These fuels reduce sulphur oxide particles and carbon emissions by up to 90% compared to fossil fuels.
- Recently, TUI has successfully extended the maturity of its existing credit lines of €2.7bn by a further two years. The syndicated credit line will now mature in July 2026. The interest conditions of this revolving credit facility (RCF) are linked to the achievement of the Group's emission reduction targets confirmed by SBTi.
- Transparency on TUI's sustainability progress is an integral part of our journey towards a net-zero company. Independent, external evaluation of our actions means accountability towards the public. ISS ESG has upgraded TUI Group's sustainability rating. With the new C+ rating, TUI is listed as a "Prime Investment" in the tourism sector for the first time. The transparency level for TUI's sustainability commitment is rated as "very high".

TUI Group – financial highlights

	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %	Var. % at constant currency
€ million							
Revenue	5,286.0	4,433.2	+ 19.2	12,189.4	8,930.8	+ 36.5	+ 37.9
Underlying EBIT¹							
Hotels & Resorts	112.5	104.9	+ 7.3	262.2	189.7	+ 38.2	+ 41.0
Cruises	64.0	3.0	n. a.	79.0	- 102.3	n. a.	n. a.
TUI Musement	13.1	13.3	- 1.6	- 13.1	- 18.1	+ 27.9	+ 53.9
Holiday Experiences	189.7	121.2	+ 56.5	328.1	69.2	+ 373.9	+ 387.8
Northern Region	- 1.1	- 93.1	+ 98.9	- 270.6	- 445.7	+ 39.3	+ 33.8
Central Region	8.8	20.3	- 56.8	- 122.4	- 62.4	- 96.0	- 98.9
Western Region	- 1.0	- 70.2	+ 98.6	- 103.9	- 159.5	+ 34.9	+ 33.5
Markets & Airlines	6.3	- 143.0	n. a.	- 496.9	- 667.7	+ 25.6	+ 21.3
All other segments	- 26.6	- 5.2	- 408.0	- 57.2	- 32.0	- 78.5	- 79.1
TUI Group	169.4	- 27.0	n. a.	- 225.9	- 630.5	+ 64.2	+ 61.2
EBIT¹	175.4	- 42.5	n. a.	- 230.8	- 657.0	+ 64.9	
Underlying EBITDA	366.6	180.8	+ 102.8	382.0	- 7.7	n. a.	
EBITDA²	446.0	171.2	+ 160.4	461.3	- 14.2	n. a.	
Group loss	52.5	- 331.2	n. a.	- 505.5	- 1,039.1	+ 51.3	
Earnings per share ³	€ 0.07	- 1.28	n. a.	- 1.72	- 4.02	+ 57.2	
Net capex and investment	92.3	152.0	- 39.3	310.1	288.7	+ 7.4	
Equity ratio (31 Mar) ⁴	%			4.7	- 1.2	+ 5.9	
Net debt (30 Jun)				- 2,171.9	- 3,314.1	+ 34.5	
Employee (30 Jun)				65,018	60,058	+ 8.3	

Differences may occur due to rounding.

¹ We define the EBIT in underlying EBIT as earnings before interest, income taxes and result of the measurement of the Group's interest hedges. For further details please see page 20.

² EBITDA is defined as earnings before interest, income taxes, goodwill impairment and amortisation and write-ups of other intangible assets, depreciation and write-ups of property, plant and equipment, investments and current assets.

³ Earnings per share for all periods presented were adjusted for the impact of the 10-for-1 reverse stock split in February 2023 as well as the impact of the subscription rights issued in the capital increase in March 2023.

⁴ Equity divided by balance sheet total in %, variance is given in percentage points.

All change figures refer to the same period of the previous year, unless otherwise stated.

The present Quarterly Statement Q3 2023 is based on TUI Group's reporting structure set out in the Consolidated Financial Statements of TUI AG as at 30 September 2022. See TUI Group Annual Report 2022 from page 27. Due to the re-segmentation of Future Markets from All other segments to Hotels & Resorts, TUI Musement and Central Region in the current financial year, previous year's figures have been adjusted.

Trading update – Booking level remain strong for Summer 2023 supported by higher ASP, confirming customers continue to prioritise holidays. We are confident the capacity for the season will be close to normalised levels

Markets & Airlines

Trading Markets & Airlines Summer season¹

Variation in % versus	2022	2022	2019
	Summer 2023	last week	Summer 2023
Bookings ²	+ 6	+ 5	- 5
ASP	+ 7	+ 9	+ 26

Summer 2023²

- We have a strong pipeline of 12.5m bookings for Summer 2023, with 4.3m bookings added since our H1 2023 Report on 10 May 2023. As a result 86% of the programme has already been sold in line with Summer 2022 and Summer 2019 levels.
- Bookings for Summer 2023 are up +6% year-on-year and at 95% of pre-pandemic levels.
- ASP continues to be well up +7% versus Summer 2022 and notably ahead of the +5% we published at H1 2023, highlighting the popularity of our summer holidays and our customers' continued willingness to prioritise spend on travel and experiences. Compared to Summer 2019 ASP remains significantly up at +26% and in line with the ASP increase we published in May.
- Bookings were impacted in the short-term as a result of the wildfires in Southern Europe and flight cancellations to Rhodes, but have subsequently recovered as operations have resumed, enabling customers to enjoy their holidays once again. As a result, bookings for the last week were +5% against Summer 2022 with ASP up +9% over the same period and ahead of the cumulative position.
- The UK remains our most advanced market in terms of booking with 89% of the season sold and bookings at +1% against Summer 2022 and +4% against Summer 2019. In other key markets, bookings for Germany are up +11% against Summer 2022 and -4% against Summer 2019. In the Netherlands the picture is similar, with bookings +5% higher against the prior season and -3% against pre-pandemic levels.
- Given the latest booking position, we are confident in our Summer 2023 capacity assumption of being close to normalised Summer 2019 levels.

Winter 2023/24²

- Bookings for Winter 2023/24 are at a very early stage but the season has started promisingly across our markets. As usual the UK programme is most advanced at 33% sold. Bookings here are up +7% compared to Winter 2022/23. As part of our regular reporting, we expect to update on Winter 2023/24 performance with our Pre-Close Trading Update on 19 September 2023.

¹ Depending on the source market, Summer season starts in April or May and ends in September, October or November.

² Bookings up to 6 August 2023 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings

Holiday Experiences

Trading Holiday Experiences

Variation in % versus	July – September 2023 ¹
	July – September 2022
Hotels & Resorts²	
Available bed nights ³	+ 2
Occupancy % ⁴	+ 1 % points
Average daily rate	+ 5
Cruises	
Available passenger cruise days ⁵	0
Occupancy % ⁶	+ 13 % points
Average daily rate	+ 9
TUI Musement	
Experiences sold	+ 10
Transfers	in-line with Markets & Airlines

Holiday Experiences Q4¹ trading remains well on track to deliver FY 2023 expectations.

- Hotels & Resorts – Number of available bed nights for Q4² is +2% ahead of prior year. Booked occupancy is up year-on-year at +1%pts for Q4. Average daily rates are +5% ahead year-on-year for Q4, driven mainly by Riu. Popular destinations in the key summer quarter are Turkey, the Caribbean, the Balearics, Greece, the Canaries and Cape Verde.
- Cruises – Our three brands have a full fleet of sixteen ships in operation during the summer. Q4 available passenger cruise days are in line with Q4 2022. Booked occupancy rates remain significantly higher against prior year and are up +13%pts for Q4. Average daily rates are +9% ahead of Q4 2022, with rates for many itineraries achieving the peaks last seen in 2019.
- TUI Musement – Our Tours and Activities business continues its expansion investing into growth while returning to 2019 profitability. The segment benefits from our integrated model, with a global product offering in cities as well as sun and beach locations, and growth of third-party sales through the TUI Musement platform. The transfer business, providing support to our guests in their destination, is expected to develop in line with our Markets & Airlines capacity assumptions in 2023. Sales to date for our Experiences business, providing excursions, activities and tickets, are +10% higher for Q4 against the prior year quarter. The significant growth in Experiences is driven by the enlarged product offering especially online and our diversified distribution via TUI, B2C and B2B.

¹ Q4 covers July to September 2023 with trading data as of 30 July 2023

² 2023 trading data as of 30 July 2023 excluding Blue Diamond

³ Number of hotel days open multiplied by beds available in the hotel (Group owned and leased hotels)

⁴ Occupied beds divided by available beds (Group owned and lease hotels)

⁵ Number of operating days multiplied by berths available on the operated ships

⁶ Achieved passenger cruise days divided by available passenger cruise days

Net debt

The net debt position as of 30 June 2023 was €-2.2bn, an improvement of €1.1bn year-on-year (30 June 2022: €-3.3bn). This is driven by the net proceeds (following repayment of the final WSF obligations) from our capital increase in April 2023 and a positive free cash flow.

Strategic priorities

The TUI Group's strategy outlined in the Annual Report 2022¹ and at our FY2022 results presentation, will be continued in the current financial year.

TUI's strategy aims to deliver growth in both Holiday Experiences and Markets & Airlines, embedded in one central customer ecosystem, underpinned by our sustainability agenda and our people. Our Holiday Experiences business strategy focuses on asset-right growth in differentiated content and expanding the customer base with multi-channel distribution. Having accelerated our strategic transformation of Markets & Airlines during the pandemic, and fully implemented our Global Realignment Programme, our business strategy is now focused on profitable growth. This will be achieved by offering more product choice, growing our customer ecosystem into untapped segments, and increasing customer value and thus market share. This includes increasing the volume and proportion of dynamically sourced packages, as well as significantly increasing our component offer in accommodation only and flight only.

We also aim to further improve our cash position focusing on optimising working capital and cash from operations and maintaining disciplined capital expenditure through asset right growth. In April 2023, we successfully completed a €1.8bn rights issue, facilitating the full repayment of the remaining state aid instruments granted by the German Economic Stabilization Fund (WSF) and enabling a significant reduction in the size of our KfW credits lines as well as a repayment of current drawings under our credit lines in the same magnitude. In May we successfully extended the maturity of our existing credit lines totaling €2.7bn from July 2024 to July 2026. The interest conditions of this revolving credit facility (RCF) are also linked to the achievement of the Group's emission reduction targets confirmed by the Science Based Targets Initiative (SBTi). With the review and confirmation of the ambitious emission reduction targets by the SBTi, TUI is setting new standards in the tourism sector. Both the rights issue and RCF extension are significant measures to improve our credit metrics and restore our balance sheet strength. As a result we have seen a first improvement in our credit rating during the quarter, with S&P upgrading in April to B and Moody's upgrading in May to B2 both with a positive outlook.

FY23 Assumptions² – We reconfirm our expectations to increase underlying EBIT significantly for financial year 2023.

Mid-term ambitions – We are focused on operational excellence and execution. We have a clear strategy to accelerate profitable market growth with new customer segments and more product sales. Our mid-term 2025/26 ambitions are for underlying EBIT to significantly build on €1.2bn³. We have a target to return to a gross leverage ratio⁴ of well below 3.0x and aim to return to a credit rating in line with the pre-pandemic rating of BB / Ba territory.

¹ Details on our strategy see TUI Group Annual Report 2022 from page 23

² Based on constant currency.

³ FY 2019 underlying EBIT of €893m including €293m Boeing Max cost impact

⁴ Defined as gross debt (Financial liabilities incl. lease liabilities and net pension obligation) divided by reported EBITDA

Consolidated earnings

Revenue

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Hotels & Resorts	258.2	259.5	- 0.5	687.4	638.8	+ 7.6
Cruises	164.6	103.3	+ 59.3	421.7	178.8	+ 135.9
TUI Musement	216.1	171.3	+ 26.2	506.1	316.9	+ 59.7
Holiday Experiences	638.9	534.1	+ 19.6	1,615.2	1,134.5	+ 42.4
Northern Region	1,992.7	1,762.8	+ 13.0	4,527.3	3,262.9	+ 38.7
Central Region	1,861.2	1,451.9	+ 28.2	4,237.1	3,062.7	+ 38.3
Western Region	792.2	683.2	+ 15.9	1,804.8	1,465.5	+ 23.2
Markets & Airlines	4,645.9	3,897.9	+ 19.2	10,569.1	7,791.1	+ 35.7
All other segments	1.2	1.2	- 3.2	5.0	5.2	- 2.9
TUI Group	5,286.0	4,433.2	+ 19.2	12,189.4	8,930.8	+ 36.5
TUI Group (at constant currency)	5,333.0	4,433.2	+ 20.3	12,315.3	8,930.8	+ 37.9

Underlying EBIT

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Hotels & Resorts	112.5	104.9	+ 7.3	262.2	189.7	+ 38.2
Cruises	64.0	3.0	n. a.	79.0	- 102.3	n. a.
TUI Musement	13.1	13.3	- 1.6	- 13.1	- 18.1	+ 27.9
Holiday Experiences	189.7	121.2	+ 56.5	328.1	69.2	+ 373.9
Northern Region	- 1.1	- 93.1	+ 98.9	- 270.6	- 445.7	+ 39.3
Central Region	8.8	20.3	- 56.8	- 122.4	- 62.4	- 96.0
Western Region	- 1.0	- 70.2	+ 98.6	- 103.9	- 159.5	+ 34.9
Markets & Airlines	6.3	- 143.0	n. a.	- 496.9	- 667.7	+ 25.6
All other segments	- 26.6	- 5.2	- 408.0	- 57.2	- 32.0	- 78.5
TUI Group	169.4	- 27.0	n. a.	- 225.9	- 630.5	+ 64.2
TUI Group (at constant currency)	170.7	- 27.0	n. a.	- 244.8	- 630.5	+ 61.2

EBIT

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Hotels & Resorts	104.1	104.8	- 0.7	253.4	211.6	+ 19.7
Cruises	64.0	3.0	n. a.	79.0	- 102.3	n. a.
TUI Musement	11.3	10.6	+ 7.3	- 17.1	- 24.7	+ 30.8
Holiday Experiences	179.5	118.4	+ 51.6	315.2	84.6	+ 272.7
Northern Region	87.0	- 97.0	n. a.	- 187.4	- 457.7	+ 59.1
Central Region	8.3	12.1	- 31.4	- 123.2	- 88.0	- 40.0
Western Region	- 1.7	- 71.1	+ 97.7	- 104.4	- 161.8	+ 35.5
Markets & Airlines	93.2	- 156.0	n. a.	- 415.0	- 707.5	+ 41.3
All other segments	- 97.3	- 4.9	n. a.	- 131.1	- 34.1	- 284.6
TUI Group	175.4	- 42.5	n. a.	- 230.8	- 657.0	+ 64.9
TUI Group (at constant currency)	183.1	- 42.5	n. a.	- 243.3	- 657.0	+ 63.0

Segmental performance

Holiday Experiences

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Revenue	638.9	534.1	+ 19.6	1,615.2	1,134.5	+ 42.4
Underlying EBIT	189.7	121.2	+ 56.5	328.1	69.2	+ 373.9
Underlying EBIT at constant currency	194.0	121.2	+ 60.1	337.8	69.2	+ 387.8

Hotels & Resorts

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Total revenue ¹	456.7	385.2	+ 18.6	1,199.6	909.8	+ 31.9
Revenue	258.2	259.5	- 0.5	687.4	638.8	+ 7.6
Underlying EBIT	112.5	104.9	+ 7.3	262.2	189.7	+ 38.2
Underlying EBIT at constant currency	114.6	104.9	+ 9.3	267.5	189.7	+ 41.0
Available bed nights² ('000)	10,908	10,711	+ 1.8	26,473	26,234	+ 0.9
Riu	3,611	3,514	+ 2.8	10,023	10,004	+ 0.2
Robinson	1,062	1,046	+ 1.5	2,534	2,367	+ 7.0
Blue Diamond	1,525	1,363	+ 11.9	4,489	4,030	+ 11.4
Occupancy³ (% , variance in % points)	79	74	+ 5	79	68	+ 11
Riu	89	88	+ 1	89	77	+ 12
Robinson	66	61	+ 5	67	59	+ 8
Blue Diamond	81	82	- 1	84	78	+ 6
Average daily rate⁴ (€)	80	73	+ 9.3	87	76	+ 15.1
Riu	71	63	+ 12.7	77	66	+ 16.0
Robinson	98	94	+ 3.7	102	101	+ 1.6
Blue Diamond	150	140	+ 7.3	156	134	+ 16.0

Revenue includes fully consolidated companies, all other KPIs incl. companies measured at equity

¹ Total revenue includes intra-Group revenue

² Number of hotel days open multiplied by beds available (Group owned and leased hotels)

³ Occupied beds divided by available beds (Group owned and leased hotels)

⁴ Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)

9M 2023 total revenue in our Hotels & Resorts segment increased to €1,199.6m, up €289.8m year-on-year (9M 2022: €909.8m). 9M underlying EBIT for the segment of €262.2m improved by €72.5m year-on-year (9M 2022: €189.7m).

Q3 2023 total revenue for the segment grew to €456.7m, an increase of 19% year-on-year (Q3 2022: €385.2m) supported by higher bed nights and rates across our portfolio of brands. Q3 underlying EBIT of €112.5m, was €7.7m ahead year-on-year (Q3 2022: €104.9m) and ahead of an already strong prior year quarter and achieving a fifth consecutive quarter above 2019 levels, underlining the continuing strong performance of this segment post pandemic. Results were driven by an improved operational performance for Riu as well as Robinson and were supported by higher occupancies and rates.

In the Q3 period, we offered 10.9m available bed nights (capacity), an increase of 2% on 10.7m in Q3 2022. The overall occupancy rate for the segment increased across all our key brands by a total of 5%pts year-on-year to 79%, Again the Canaries, Balearics, Turkey, Greece and Cape Verde proved to be popular summer destinations for both Markets & Airlines and third-party customers. Our year-round hotel offering across the Caribbean delivered average occupancy rates of 90% at high capacity levels, with Mexico being our most popular destination, achieving 94% average occupancy in the quarter.

Q3 2023 average daily rate in the segment rose by 9% year-on-year to €80 with rates higher in all our key destinations and in particular in the Caribbean. Riu's average daily rate increased by 13% to €71 (Q3 2022: €63) and Blue Diamond's average daily rate rose by 7% to €150 (Q3 2022: €140). Robinson achieved an average daily rate of €98, up 4% versus prior year (Q3 2022: €94).

Future content growth in our Hotels & Resorts segment will be delivered both through our well-known hotel brands in existing and new destinations, as well as introducing new brands to complement our portfolio. This growth will be achieved in accordance with our asset-right strategy. Following the announcement in the previous quarter of our expansion plans for TUI Blue, we are now announcing the creation of a new off-balance sheet joint venture with Riu. This targets realising unique opportunities to invest into growth, whilst limiting the financial impact on TUI's leverage and net investments. In addition, the TUI initiated global Hansainvest hotel fund is successfully executing its first two hotel investments on Zanzibar and on Cape Verde. Here, TUI is providing hotel management and investment advisory services to support our asset-light growth development.

Cruises

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Revenue ¹	164.6	103.3	+ 59.3	421.7	178.8	+ 135.9
Underlying EBIT	64.0	3.0	n. a.	79.0	- 102.3	n. a.
Underlying EBIT at constant currency	64.1	3.0	n. a.	78.6	- 102.3	n. a.
Available passenger cruise days² ('000)						
Mein Schiff	1,438	1,579	- 8.9	4,661	4,019	+ 16.0
Hapag-Lloyd Cruises	147	137	+ 7.6	441	388	+ 13.6
Marella Cruises	717	656	+ 9.3	1,965	1,397	+ 40.6
Occupancy³ (% , variance in % points)						
Mein Schiff	98	70	+ 28	93	59	+ 34
Hapag-Lloyd Cruises	73	57	+ 15	69	50	+ 19
Marella Cruises	95	70	+ 25	94	59	+ 35
Average daily rate (€)						
Mein Schiff ⁴	191	188	+ 1.4	154	166	- 6.8
Hapag-Lloyd Cruises ⁴	706	619	+ 14.1	718	611	+ 17.5
Marella Cruises ⁵ (in £)	178	160	+ 11.3	173	155	+ 11.7

¹ No revenue is carried for Mein Schiff and Hapag-Lloyd Cruises as the joint venture TUI Cruises is consolidated at equity

² Number of operating days multiplied by berths available on the operated ships. This key figure has changed compared to previous periods

³ Achieved passenger cruise days divided by available passenger cruise days

⁴ Ticket revenue divided by achieved passenger cruise days

⁵ Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

The Cruises segment comprises the joint venture TUI Cruises in Germany, which operates cruise ships under the brands Mein Schiff and Hapag-Lloyd Cruises, and Marella Cruises in UK. The segment operated a full fleet of 16 ships in the third quarter in line with Q3 2022 when the segment was able to return to normal operations after COVID-19 restrictions were lifted. During the quarter Mein Schiff Herz transferred from TUI Cruises to Marella and after refurbishment the newly named Marella Voyager returned to service at the beginning of June for the summer season.

9M 2023 Cruises revenue only includes Marella Cruises, as TUI Cruises is accounted for using the equity method. Revenue grew to €421.7m, a significant improvement of €242.9m year-on-year (9M 2022: €178.8m). 9M 2023 underlying EBIT for the segment (including the equity result of TUI Cruises) was €79.0m, up €181.3m year-on-year (9M 2022: €-102.3m loss).

Q3 2023 revenue reflecting Marella Cruises solely, increased to €164.6m, up €61.3m year-on-year (Q3 2022: €103.3m). Q3 2023 underlying EBIT for the segment (including the equity result of TUI Cruises), was €64.0m, an improvement of €61.1m (Q3 2022: €3.0m) with all of our three Cruise brands contributing to the positive EBIT development boosted by increased volumes as well as higher occupancies. The Cruises business continues to recover post pandemic with this now being the fifth consecutive positive quarter for the segment with TUI Cruises achieving Q3 2023 EAT (earnings after tax) of €47m, a significant increase of €34m year-on-year (Q3 2022: €13m).

Mein Schiff – Mein Schiff operated their full fleet of six ships at the end of the quarter against seven ships in the previous year following the transfer of Mein Schiff Herz to Marella Cruises during the quarter. The brand offered itineraries to the Mediterranean, Northern Europe and Asia. At €191, the average daily rate was 1% above prior year (Q3 2022: €188) and virtually in line with pre-pandemic levels (Q3 2019: 190€). Occupancy of the operated fleet in

Q3 2023 of 98% was significantly ahead of prior year (Q3 2022: 70%) and moving close to the peaks seen in FY2019, underlining the strong demand for our German language, premium all-inclusive product.

Hapag-Lloyd Cruises – Our luxury and expeditions cruise brand, offering itineraries to Europe, Asia, the America's as well as voyages to the Arctic during the quarter. As in the previous year, the brand operated all five ships in Q3 2023. Q3 average daily rate was €706, an increase of 14% on prior year (Q3 2022: €619) and well above pre-pandemic levels (Q3 2019: €577). Q3 occupancy of the fleet was 73% (Q3 2022: 57%), highlighting the popularity of these cruises post pandemic.

Marella Cruises – Our UK cruise brand offered itineraries to the Mediterranean, the Caribbean and North America in Q3. With Marella Voyager supplementing the fleet, the brand operated a full fleet of five ships towards the end of the quarter against four ships in the previous year. The business achieved an average daily rate of £178 up 11% year-on-year (Q3 2022: £160) and well above the pre-pandemic level of £144, driven in particular by the expansion of the fleet and itineraries to the Eastern Mediterranean. Occupancy also improved significantly to 95%, versus a prior year Q3 of 70%.

TUI Musement

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Total revenue ¹	332.1	262.9	+ 26.3	732.5	472.2	+ 55.1
Revenue	216.1	171.3	+ 26.2	506.1	316.9	+ 59.7
Underlying EBIT	13.1	13.3	- 1.6	- 13.1	- 18.1	+ 27.9
Underlying EBIT at constant currency	15.3	13.3	+ 14.6	- 8.4	- 18.1	+ 53.9

¹ Total revenue includes intra-Group revenue

In TUI Musement, our Tours and Activities business, 9M 2023 revenue of €506.1m, was up €189.2m year-on-year (9M 2022: €316.9m). 9M underlying EBIT loss of €-13.1m improved against prior year (9M 2022: €-18.1m loss).

Q3 2023 revenue of €216.1m, was €44.8m and therefore 26% higher year-on-year (Q3 2022: €171.3m) highlighting the significant growth in this segment and the advantage of our integrated model as well as growth of third-party sales through the TUI Musement platform. Underlying EBIT of €13.1m was in line with prior year (Q3 2022: €13.3m). The business continues to focus on its B2C offering driving growth of Experiences sales directly to the consumer and through B2B, as well as focusing on profitability by growing the differentiated own product portfolio globally.

During the quarter, TUI Musement benefited from increased guest transfers due to a higher number of tour operator guests, providing 8.2m transfers in the destinations, 1.0m more than in the same quarter last year (Q3 2022: 7.2m). In addition, 2.7m Experiences were sold across our global destinations, up 0.7m and 33% (year-on-year (Q3 2022: 2.0m) as the significant expansion of our business in this segment continued.

Markets & Airlines

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Revenue	4,645.9	3,897.9	+ 19.2	10,569.1	7,791.1	+ 35.7
Underlying EBIT	6.3	- 143.0	n. a.	- 496.9	- 667.7	+ 25.6
Underlying EBIT at constant currency	3.4	- 143.0	n. a.	- 525.3	- 667.7	+ 21.3
Direct distribution mix ¹ (in %, variance in % points)	76	78	- 2	76	78	- 2
Online mix ² (in %, variance in % points)	52	55	- 3	52	55	- 3
Customers ('000)	5,514	5,069	+ 8.8	11,257	9,215	+ 22.2

¹ Share of sales via own channels (retail and online)

² Share of online sales

9M 2023 revenue of €10,569.1m, was up €2,778.0m or 35.7% year-on-year (9M 2022: €7,791.1m). 9M underlying EBIT of €-496.9m, an improvement of €170.9m year-on-year (9M 2022: €-667.7m loss) supported in particular by

results in Q3. The prior year results were impacted by operational flight disruptions encountered during May and June 2022 totaling €75m. This was mainly caused by third party suppliers and airports due to a shortage in ground handling and airports security staff, reliability issues with lease-in partners and supplier maintenance delays.

Q3 2023 revenue of €4,645.9m, increased €748.0m or 19.2% year-on-year (Q3 2022: €3,897.9m). The Q3 underlying EBIT profit of €6.3m was up significantly by €149.3m year-on-year (Q3 2022: €-143.0m loss) whereby the prior year included €75m of costs from flight disruptions. The improvement was driven in particular by higher prices and good demand for our wide and varied product offering. Traditional short- and medium-haul destinations such as the Canaries and Egypt were again popular amongst customers, with long-haul destinations such as Mexico and the Dominican Republic also in good demand.

A total of 5,514k customers departed in Q3 2023, an increase of 445k customers versus Q3 2022.

Northern Region

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Revenue	1,992.7	1,762.8	+ 13.0	4,527.3	3,262.9	+ 38.7
Underlying EBIT	- 1.1	- 93.1	+ 98.9	- 270.6	- 445.7	+ 39.3
Underlying EBIT at constant currency	- 4.1	- 93.1	+ 95.5	- 294.9	- 445.7	+ 33.8
Direct distribution mix ¹ (in %, variance in % points)	94	94	-	93	94	- 1
Online mix ² (in %, variance in % points)	69	71	- 2	68	71	- 3
Customers ('000)	2,219	2,095	+ 5.9	4,373	3,511	+ 24.5

¹ Share of sales via own channels (retail and online)

² Share of online sales

9M 2023 revenue of €4,527.3m, which was up €1,264.4m year-on-year (9M 2022: €3,262.9m). 9M underlying EBIT loss for the region of €-270.6m improved by €175.2m year-on-year (9M 2022: €-445.7m loss).

Northern Region reported Q3 2023 revenue of €1,992.7m, which was up €229.9m year-on-year (Q3 2022: €1,762.8m). Q3 2023 underlying EBIT loss for the region of €-1.1m improved by €92.0m year-on-year (Q3 2022: €-93.1m loss) driven by improved margins and the absence of flight disruptions as in the prior year.

Q3 2023 customer volumes increased by 5.9% to 2,219k versus 2,095k guests in Q3 2022 underlining the popularity of the summer season offering. Online distribution remained strong at 69% and well up on pre-pandemic levels (Q3 2019: 66%), but were down 2%pts against prior year (Q3 2022: 71%), as retail shop sales continued their recovery post pandemic. Direct distribution was at 94% in line with prior year (Q3 2022: 94%) and pre-pandemic levels (Q3 2019: 94%).

Central Region

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Revenue	1,861.2	1,451.9	+ 28.2	4,237.1	3,062.7	+ 38.3
Underlying EBIT	8.8	20.3	- 56.8	- 122.4	- 62.4	- 96.0
Underlying EBIT at constant currency	8.7	20.3	- 57.3	- 124.2	- 62.4	- 98.9
Direct distribution mix ¹ (in %, variance in % points)	56	58	- 2	55	57	- 2
Online mix ² (in %, variance in % points)	30	31	- 1	30	31	- 1
Customers ('000)	2,009	1,716	+ 17.1	4,071	3,191	+ 27.6

¹ Share of sales via own channels (retail and online)

² Share of online sales

9M 2023 revenue of €4,237.1m, was up €1,174.3m year-on-year (9M 2022: €3,062.7m), with an underlying EBIT loss for the region of €-122.4m, up €59.9m against last year (9M 2022: €-62.4m loss).

Q3 2023 revenue of €1,861.2m, improved €409.3m 28.2 %year-on-year (Q3 2022: €1,451.9m) whilst the underlying EBIT result for the region of €8.8m, was €11.5m lower year-on-year (Q3 2022: €20.3m). The improvement in operational performance especially in Germany was generated by higher volumes and prices. This was offset year-on-year by negative valuation effects from ineffective hedge positions.

Customer volumes increased by 17.1% to 2,009k versus prior year (previous year 1,716k) reflecting in particular the significant recovery in customer bookings in the region. Online distribution for Central Region reached 30%, and thus virtually in line with the 31%pts in the prior year. Against pre-pandemic levels, online distribution was up by 6%pts (Q3 2019: 24%), emphasising the strong development of our online offering in this region in line with consumer demand. Direct distribution reduced 2%pts to 56% against Q3 2022 of 58% but ahead versus pre-pandemic levels (Q3 2019: 53%).

Western Region

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Revenue	792.2	683.2	+ 15.9	1,804.8	1,465.5	+ 23.2
Underlying EBIT	- 1.0	- 70.2	+ 98.6	- 103.9	- 159.5	+ 34.9
Underlying EBIT at constant currency	- 0.7	- 70.2	+ 99.0	- 106.1	- 159.5	+ 33.5
Direct distribution mix ¹ (in %, variance in % points)	76	80	- 4	77	81	- 4
Online mix ² (in %, variance in % points)	55	60	- 5	58	62	- 4
Customers ('000)	1,285	1,259	+ 2.1	2,813	2,513	+ 11.9

¹ Share of sales via own channels (retail and online)

² Share of online sales

In Western Region 9M 2023 revenue of €1,804.8m, rose €339.3m year-on-year (9M 2022: €1,465.5m). 9M underlying EBIT loss of €-103.9m, decreased by €55.7m year-on-year (9M 2022: €-159.5m loss).

Q3 2023 revenue of €792.2m, was up €108.9m year-on-year (Q2 2022: €683.2m). Q3 underlying EBIT loss of €-1.0m, improved by €69.2m year-on-year (Q3 2022: €-70.2m loss). This was driven in particular by an improved operational performance in both Belgium and the Netherlands supported by the absence of the flight delays and cancellations due to disruptions in particular at Schiphol Airport encountered in the prior year.

Customer volumes increased by 2.1% to 1,285k guests year-on-year (Q3 2022: 1,259k). Online distribution for region stood at 55%, 5%pts below prior year but virtually in line with pre-pandemic levels (Q3 2019: 56 %). Direct distribution was down 4%pts to 76% versus last year (Q3 2022: 80%) but in line with pre-pandemic levels (Q3 2019: 76%).

All other segments

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Revenue	1.2	1.2	- 3.2	5.0	5.2	- 2.9
Underlying EBIT	- 26.6	- 5.2	- 408.0	- 57.2	- 32.0	- 78.5
Underlying EBIT at constant currency)	- 26.7	- 5.2	- 410.6	- 57.4	- 32.0	- 79.1

9M 2023 underlying EBIT loss of €-57.2m, increased €25.1m year-on-year (9M 2022: €-32.0m loss) and Q3 2023 underlying EBIT loss of €-26.6m, increased by €21.4m year-on-year (Q3 2022: €-5.2m loss).

Cash Flow / Net debt / Net capex and investments

In the first nine months of financial year 2023, TUI Group's business volume was significantly higher than in 9M 2022 which was still impacted by measures to contain the spread of COVID-19. TUI Group's results generally also reflect the significant seasonal swing in tourism between the winter and summer travel months.

TUI Group's operating cash inflow in 9M 2023 of €1,079.6m decreased by €891.0m compared to previous year, which was characterised by normalising business volumes and thus the one-time rebound of customer prepayments to a normal level following the gradual lifting of the COVID-19 travel restrictions in 2022.

Net debt position as at 30 June 2023 of €-2.2bn was down €1.1bn compared to previous year level (30 June 2022: €-3.3bn). This improvement is driven by net proceeds (following repayment of the final WSF obligations) from our capital increase in April 2023 and a positive free cash flow.

Net debt

€ million	30 Jun 2023	30 Jun 2022	Var. %
Financial debt	1,470.0	1,781.5	- 17.5
Lease liabilities	2,919.5	3,231.3	- 9.6
Cash and cash equivalents	2,169.1	1,583.4	+ 37.0
Short-term interest-bearing investments	48.5	115.5	- 58.0
Net debt	-2,171.9	-3,314.1	+ 34.5

Net capex and investments

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Cash gross capex						
Hotels & Resorts	44.0	67.7	- 35.0	177.4	123.7	+ 43.4
Cruises	24.8	8.0	+ 210.0	68.6	36.3	+ 89.0
TUI Musement	6.7	6.9	- 2.9	19.7	17.9	+ 10.1
Holiday Experiences	75.5	82.6	- 8.6	265.6	177.9	+ 49.3
Northern Region	6.7	6.1	+ 9.8	17.9	18.9	- 5.3
Central Region	4.2	4.0	+ 5.0	10.4	9.1	+ 14.3
Western Region	5.5	1.0	+ 450.0	17.1	4.4	+ 288.6
Markets & Airlines*	23.1	70.5	- 67.2	72.6	94.5	- 23.2
All other segments	37.9	27.3	+ 38.8	103.3	77.3	+ 33.6
TUI Group	136.6	180.4	- 24.3	441.5	349.7	+ 26.3
Net pre delivery payments on aircraft	- 11.4	- 17.3	+ 34.1	23.6	- 61.9	n. a.
Financial investments	0.1	0.3	- 66.7	0.4	0.3	+ 33.3
Divestments	- 33.0	- 11.4	- 189.5	- 155.5	0.6	n. a.
Net capex and investments	92.3	152.0	- 39.3	310.1	288.7	+ 7.4

* Including €6.7m for Q3 2023 (Q3 2022: €59.4m) and €27.2m for 9M 2023 (9M 2022: €62.1m) cash gross capex of the aircraft leasing companies, which are allocated to Markets & Airlines as a whole, but not to the individual segments Northern Region, Central Region and Western Region.

Cash gross capex in 9M 2023 was €91.8m higher year-on-year. This increase was due, amongst others, to higher investments in Hotels & Resorts, the IT and the airline sector and at Marella for the refurbishment of Mein Schiff Herz prior to its commissioning for the UK market. Net capex and investments of €310.1m increased by €21.4m year-on-year. The divestments include an inflow of €71m from the sale of the stakes in RIU Hotels S.A. in financial year 2021 as well as an inflow from the sale of the non-consolidated share in Peakwork AG.

Consolidated income statement

Unaudited condensed consolidated Income Statement of TUI AG for the period from 1 Oct 2022 to 30 June 2023

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Revenue	5,286.0	4,433.2	+19.2	12,189.4	8,930.8	+36.5
Cost of sales	5,018.4	4,313.4	+16.3	11,908.2	9,047.8	+31.6
Gross profit / loss	267.5	119.8	+123.3	281.2	- 117.0	n. a.
Administrative expenses	253.1	189.6	+33.5	746.5	566.6	+31.8
Other income	3.2	3.3	- 3.0	14.9	34.1	- 56.3
Other expenses	32.3	2.2	n. a.	37.0	3.7	+900.0
Impairment (+) / Reversal of impairment (-) of financial assets	5.8	- 3.3	n. a.	9.3	- 7.8	n. a.
Financial income	22.2	4.6	+382.6	60.5	30.5	+98.4
Financial expense	142.9	127.2	+12.3	427.8	408.5	+4.7
Share of result of investments accounted for using the equity method	185.0	26.4	+600.8	259.0	- 9.2	n. a.
Earnings before income taxes	47.0	- 161.6	n. a.	- 601.8	- 1,032.6	+41.7
Income taxes (expense (+), income (-))	- 5.5	169.6	n. a.	- 96.3	6.5	n. a.
Group profit / loss	52.5	- 331.2	n. a.	- 505.5	- 1,039.1	+51.4
Group profit / loss attributable to shareholders of TUI AG	22.6	- 356.7	n. a.	- 597.8	- 1,076.7	+44.5
Group profit / loss attributable to non-controlling interest	29.8	25.5	+16.9	92.3	37.5	+146.1

Cash flow statement

Unaudited consolidated Cash Flow Statement of TUI AG for the period from 1 Oct 2022 to 30 June 2023

€ million	9M 2023	9M 2022
Group loss	- 505.6	- 1,039.1
Depreciation, amortisation and impairment (+) / write-backs (-)	692.1	642.8
Other non-cash expenses (+) / income (-)	- 256.9	30.9
Interest expenses	419.7	394.9
Dividends from joint ventures and associates	14.3	0.2
Profit (-) / loss (+) from disposals of non-current assets	22.7	- 28.7
Increase (-) / decrease (+) in inventories	- 16.8	- 18.8
Increase (-) / decrease (+) in receivables and other assets	- 802.7	- 1,421.4
Increase (+) / decrease (-) in provisions	- 308.3	- 90.1
Increase (+) / decrease (-) in liabilities (excl. financial liabilities)	1,821.1	3,499.9
Cash inflow / cash outflow from operating activities	1,079.6	1,970.6
Payments received from disposals of property, plant and equipment and intangible assets	95.8	112.6
Payments received/made from disposals of consolidated companies (less disposals of cash and cash equivalents due to divestments)	- 0.7	- 2.2
Payments received/made from disposals of other non-current assets	99.1	- 20.1
Payments made for investments in property, plant and equipment and intangible assets	- 502.1	- 376.5
Payments made for investments in other non-current assets	- 2.1	- 0.3
Cash inflow / cash outflow from investing activities	- 310.0	- 286.5
Payments received from capital increase by issuing new shares	1,764.1	1,522.9
Payments made for repayment of the silent participation	-	- 671.0
Payments made for the repurchase of equity instruments	- 682.4	-
Dividends		
Coupon on silent participation	- 16.8	- 51.0
Subsidiaries to non-controlling interest	- 25.6	-
Payments received from the raising of financial liabilities	179.2	47.2
Payments made for redemption of loans and financial liabilities	- 742.7	- 1,774.4
Payments made for principal of lease liabilities	- 475.2	- 437.5
Interest paid	- 341.2	- 298.7
Cash inflow / cash outflow from financing activities	- 340.6	- 1,662.4
Net change in cash and cash equivalents	428.9	21.7
Development of cash and cash equivalents		
Cash and cash equivalents at beginning of period	1,736.9	1,586.1
Change in cash and cash equivalents due to exchange rate fluctuations	3.3	- 24.4
Net change in cash and cash equivalents	428.9	21.7
Cash and cash equivalents at end of period	2,169.1	1,583.4

Financial position

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 30 Jun 2023

€ million	30 Jun 2023	30 Sep 2022
Assets		
Goodwill	2,957.8	2,970.6
Other intangible assets	489.6	507.6
Property, plant and equipment	3,476.7	3,400.9
Right-of-use assets	2,770.6	2,971.5
Investments in joint ventures and associates	991.7	785.4
Trade and other receivables	114.4	131.6
Derivative financial instruments	4.6	26.6
Other financial assets	11.1	10.6
Touristic payments on account	143.7	138.0
Other non-financial assets	101.9	169.7
Income tax assets	17.2	17.2
Deferred tax assets	418.4	222.0
Non-current assets	11,497.7	11,351.7
Inventories	73.9	56.1
Trade and other receivables	1,258.0	1,011.8
Derivative financial instruments	27.8	232.5
Other financial assets	48.5	85.8
Touristic payments on account	1,494.5	619.6
Other non-financial assets	120.5	135.4
Income tax assets	32.1	23.1
Cash and cash equivalents	2,169.1	1,736.9
Assets held for sale	39.7	2.7
Current assets	5,264.0	3,903.8
Total assets	16,761.7	15,255.5

Unaudited condensed consolidated Statement of Financial Position of TUI AG as at 30 Jun 2023

€ million	30 Jun 2023	30 Sep 2022
Equity and liabilities		
Subscribed capital	507.4	1,785.2
Capital reserves	9,093.2	6,085.9
Revenue reserves	- 9,671.7	- 8,432.7
Silent participation	-	420.0
Equity before non-controlling interest	- 71.0	- 141.6
Non-controlling interest	854.7	787.3
Equity	783.7	645.7
Pension provisions and similar obligations	601.7	568.2
Other provisions	741.8	755.0
Non-current provisions	1,343.5	1,323.2
Financial liabilities	1,197.1	1,731.4
Lease liabilities	2,221.5	2,508.7
Derivative financial instruments	5.4	3.2
Other financial liabilities	2.6	2.8
Other non-financial liabilities	243.2	165.2
Income tax liabilities	11.1	11.1
Deferred tax liabilities	63.5	121.2
Non-current liabilities	3,744.3	4,543.8
Non-current provisions and liabilities	5,087.8	5,867.0
Pension provisions and similar obligations	30.8	33.1
Other provisions	375.9	541.0
Current provisions	406.7	574.2
Financial liabilities	272.9	319.9
Lease liabilities	698.0	698.8
Trade payables	2,628.3	3,316.5
Derivative financial instruments	225.7	57.5
Other financial liabilities	133.5	174.6
Touristic advance payments received	5,974.6	2,998.9
Other non-financial liabilities	495.1	519.9
Income tax liabilities	55.3	82.3
Current liabilities	10,483.5	8,168.6
Current provisions and liabilities	10,890.2	8,742.7
Total equity, liabilities and provisions	16,761.7	15,255.5

Alternative performance measures

The Group's main financial KPI is underlying EBIT. We define the EBIT in underlying EBIT as earnings before interest, income taxes and expenses for the measurement of the Group's interest hedges. EBIT by definition includes goodwill impairments.

One-off items carried here include adjustments for income and expense items that reflect amounts and frequencies of occurrence rendering an evaluation of the operating profitability of the segments and the Group more difficult or causing distortions. These items include gains on disposal of financial investments, significant gains and losses from the sale of assets as well as significant restructuring and integration expenses. Any effects from purchase price allocations, ancillary acquisition costs and conditional purchase price payments are adjusted. Also, any goodwill impairments are adjusted in the reconciliation to underlying EBIT.

Reconciliation to underlying EBIT

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
Earnings before income taxes	47.0	- 161.6	n. a.	- 601.8	- 1,032.6	+41.7
plus: Net interest expenses (excluding expense / income from measurement of interest hedges)	120.7	130.6	- 7.6	353.8	384.4	- 8.0
plus: (Income) expense from measurement of interest hedges	7.7	- 11.5	n. a.	17.2	- 8.8	n. a.
EBIT	175.4	- 42.5	n. a.	- 230.8	- 657.0	+64.9
Adjustments:						
less / plus: Separately disclosed items	- 11.7	8.3		- 13.4	5.0	
plus: Expense from purchase price allocation	5.7	7.2		18.4	21.5	
Underlying EBIT	169.4	- 27.0	n. a.	- 225.9	- 630.5	+64.2

The TUI Group's operating loss adjusted for special items decreased by €404.6m to €-225.9m in the first nine months 2023.

The adjusted net income totaling €13.4m in the first nine months 2023 includes in particular a positive gain on disposal from the sale of the tour operator business by Sunwing Travel Group Inc., Ontario, which is accounted for using the equity method, in Northern Region as well as subsequent expenses from a company disposal in previous years in Hotels & Resorts. These were offset by adjusted restructuring expenses in various segments, including in particular an impairment loss on self-generated software in All other segments.

The adjusted net expenses totaling €5.0m in the first nine months 2022 include restructuring expenses in the Northern Region, Central Region and TUI Musement as well as income from the sale of the shares in Nordotel S.A., fully consolidated in Hotels & Resorts, to Grupotel S.A., a joint venture of TUI Group. In addition, an adjustment was made for expenses from the revaluation of a purchase price receivable.

Expenses for purchase price allocations of €18.4m (previous year: €21.5m) relate in particular to the amortisation of intangible assets from acquisitions made in previous years.

Key figures of income statement

€ million	Q3 2023	Q3 2022	Var. %	9M 2023	9M 2022	Var. %
EBITDAR	453.1	175.8	+ 157.8	481.7	1.7	n. a.
Operating rental expenses	- 7.1	- 4.5	- 56.5	- 20.5	- 16.0	- 28.1
EBITDA	446.0	171.2	+ 160.4	461.3	- 14.2	n. a.
Depreciation/amortisation less reversals of depreciation*	- 270.6	- 213.8	- 26.6	- 692.1	- 642.8	- 7.7
EBIT	175.4	- 42.5	n. a.	- 230.8	- 657.0	+ 64.9
Income/Expense from the measurement of interest hedges	7.7	- 11.5	n. a.	17.2	- 8.8	n. a.
Net interest expense (excluding expense/income from measurement of interest hedges)	120.7	130.6	- 7.6	353.8	384.4	- 8.0
EBT	47.0	- 161.6	n. a.	- 601.8	- 1,032.6	+ 41.7

* on property, plant and equipment, intangible assets, right of use assets and other assets

Other segment indicators

Underlying EBITDA

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Hotels & Resorts	158.1	147.9	+ 6.9	403.4	322.8	+ 25.0
Cruises	82.8	20.7	+ 299.8	133.8	- 49.8	n. a.
TUI Musement	19.8	19.6	+ 0.9	5.9	0.1	n. a.
Holiday Experiences	260.8	188.2	+ 38.6	543.1	273.1	+ 98.9
Northern Region	69.4	- 10.9	n. a.	- 47.4	- 212.9	+ 77.7
Central Region	32.7	46.0	- 28.9	- 48.6	20.0	n. a.
Western Region	32.9	- 34.8	n. a.	1.0	- 55.2	n. a.
Markets & Airlines	134.8	0.3	n. a.	- 94.8	- 248.1	+ 61.8
All other segments	- 28.9	- 7.8	- 272.9	- 66.3	- 32.7	- 102.9
TUI Group	366.6	180.8	+ 102.8	382.0	- 7.7	n. a.

EBITDA

€ million	Q3 2023	Q3 2022 adjusted	Var. %	9M 2023	9M 2022 adjusted	Var. %
Hotels & Resorts	149.7	147.8	+ 1.3	394.6	344.7	+ 14.5
Cruises	82.8	20.7	+ 299.8	133.8	- 49.8	n. a.
TUI Musement	19.8	18.7	+ 6.3	7.3	- 1.1	n. a.
Holiday Experiences	252.4	187.2	+ 34.8	535.6	293.8	+ 82.3
Northern Region	160.3	- 11.4	n. a.	44.3	- 214.8	n. a.
Central Region	32.4	37.8	- 14.4	- 49.1	- 3.8	n. a.
Western Region	32.9	- 34.9	n. a.	2.6	- 54.9	n. a.
Markets & Airlines	225.3	- 8.5	n. a.	- 2.1	- 273.5	+ 99.2
All other segments	- 31.7	- 7.5	- 324.5	- 72.3	- 34.5	- 109.3
TUI Group	446.0	171.2	+ 160.4	461.3	- 14.2	n. a.

Employees

	30 Jun 2023	30 Jun 2022 adjusted	Var. %
Hotels & Resorts	28,587	27,212	+ 5.1
Cruises*	76	64	+ 18.8
TUI Musement	10,445	8,420	+ 24.0
Holiday Experiences	39,108	35,696	+ 9.6
Northern Region	11,002	10,191	+ 8.0
Central Region	7,094	7,063	+ 0.4
Western Region	5,566	5,110	+ 8.9
Markets & Airlines	23,662	22,364	+ 5.8
All other segments	2,248	1,998	+ 12.5
Total	65,018	60,058	+ 8.3

* Excludes TUI Cruises (JV) employees. Cruises employees are primarily hired by external crew management agencies.

Cautionary statement regarding forward-looking statements

The present Quarterly Statement 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 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 Statement.

Financial calendar

	Date
Quarterly Statement Q3 2023	9 August 2023
Trading Update	19 September 2023
Annual Report 2023	6 December 2023

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