

Grecohotel Mykonos Blu, Greece

# **9M 2013/14-HEADLINE RESULTS TUI ANALYSTS' CONFERENCE CALL**

Hanover, 14 August 2014

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Operating review 9M 2013/14

Friedrich Jousen

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Outlook FY 2013/14

Horst Baier

# Strong 9M 2013/14 performance – EBITA for FY at least at upper end of guidance

## Business development 9M 2013/14

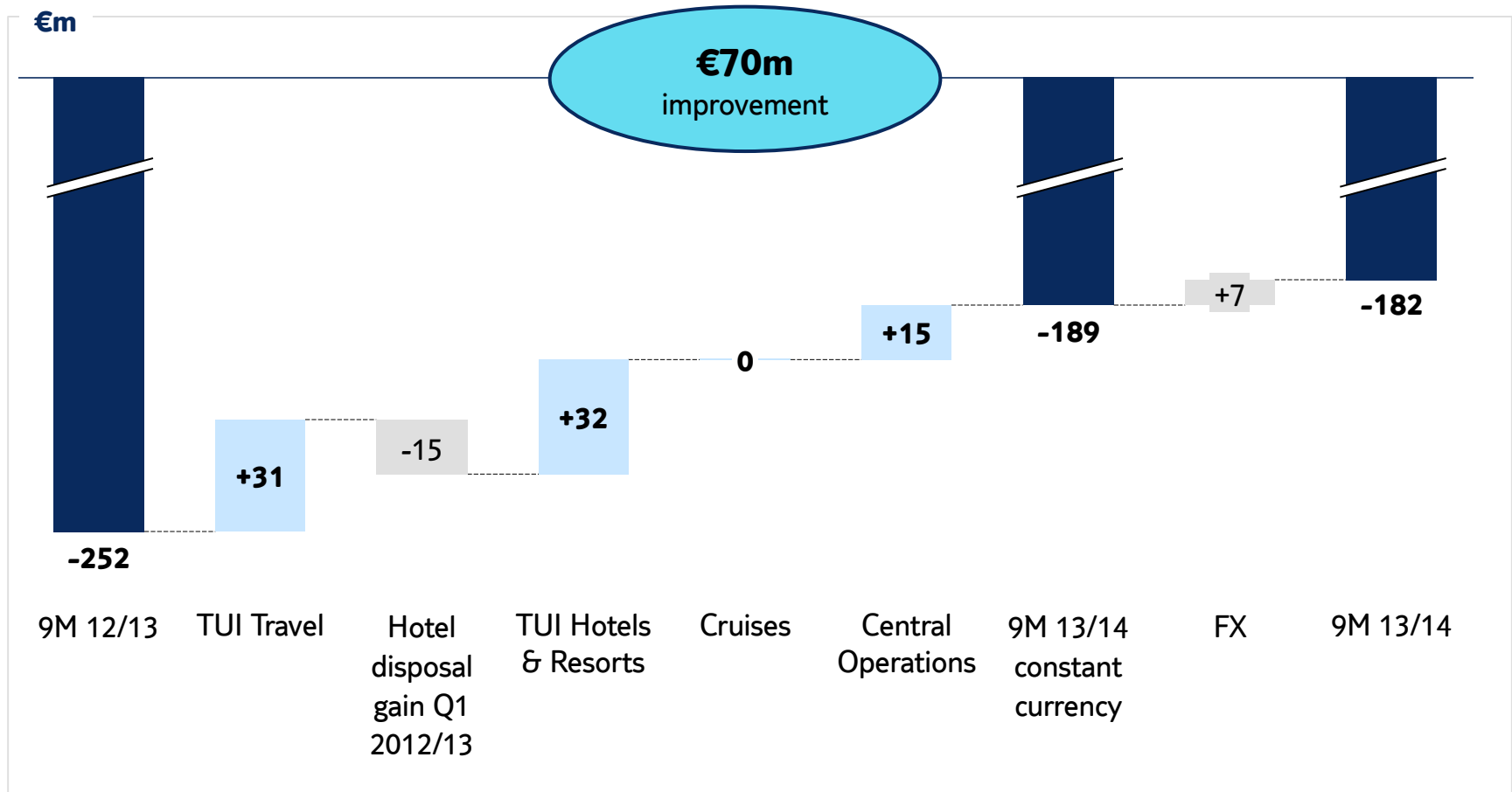
- Turnover in Q3 back to growth
- Underlying EBITA in Q3 almost doubled, leading to an improvement of 89%; driven by strong performance by TUI Travel, Hotels & Resorts and central cost cuts
- Reported EBITA in 9M improved by 37%, up €144m compared to last year
- Cruises sector close to break-even in Q3: Overall TUI Cruises grows strongly and Hapag-Lloyd Kreuzfahrten is well on track to deliver turnaround next year
- Hapag-Lloyd merger at an advanced stage; TUI will discontinue at equity accounting and will disclose participation as held for sale
- TUI AG remains highly committed to possible merger with TUI Travel “Creation of the world’s number one integrated tourism business well on track delivering a strong platform for further growth and significant synergies”

€m

	9M 13/14	9M 12/13	%	Q3 13/14	Q3 12/13	%
Turnover	<b>11,384</b>	<b>11,518</b>	<b>-1</b>	4,825	4,679	+3
Underlying EBITA	<b>-182</b>	<b>-252</b>	<b>+28</b>	163	87	+89
Reported EBITA	<b>-248</b>	<b>-392</b>	<b>+37</b>	91	87	+4

# TUI Group

## Underlying EBITA – 9M profit bridge

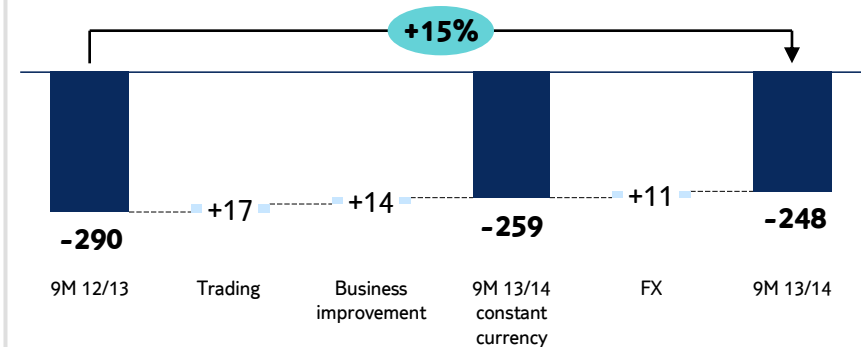


# Strong performance by TUI Travel – Delivering against its growth levers

## Turnover and Earnings (€m)

	9M 13/14	9M 12/13	%	Q3 13/14	Q3 12/13	%
Turnover	<b>10,865.0</b>	<b>11,030.2</b>	<b>-1.5</b>	4,663.1	4,536.3	+2.8
Underl. EBITA	<b>-248.0</b>	<b>-290.4</b>	<b>+14.6</b>	133.6	78.3	+70.6
Rep. EBITA	<b>-329.5</b>	<b>-346.6</b>	<b>+4.9</b>	58.0	72.1	-19.6

## Bridge Underlying EBITA (€m)



## Business development 9M 2013/14



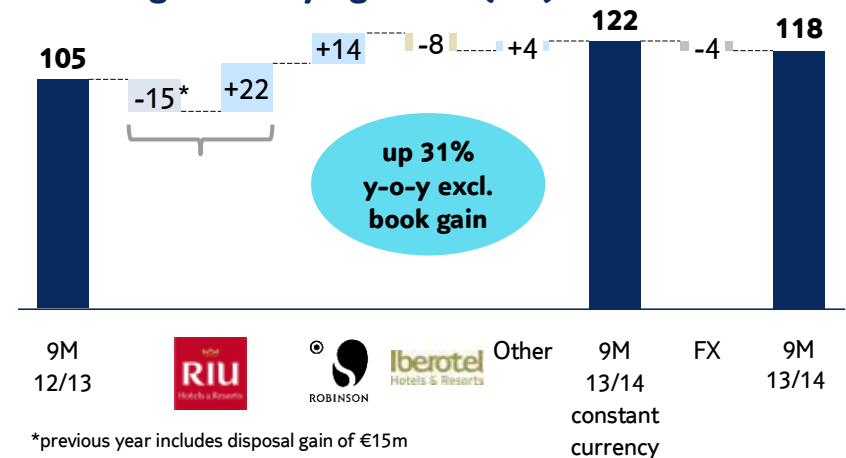
- Mainstream improvement driven by strong performances in the UK and Germany
- Demand for unique holidays and online bookings has continued to grow
- Pleased with current trading for Summer 2014 and Winter 2014/15
- One Mainstream structure, led by Johan Lundgren, is yielding tangible benefits
- Specialist & Activity restructuring complete and delivering a significant improvement in result
- Continued strong growth in Accommodation Wholesaler – Summer 2014 TTV up by 16%

# Revenue growth and strong underlying EBITA performance by TUI Hotels & Resorts

## Turnover and Earnings (€m)

	9M 13/14	9M 12/13	%	Q3 13/14	Q3 12/13	%
Total Turnover	591.1	555.9	+6.3	203.2	185.2	+9.7
o/w 3rd party	294.9	288.8	+2.1	94.2	70.3	+34.0
Underl. EBITA	117.7	104.9	+12.2	42.8	30.4	+40.8
Underl. EBITA (excl. disposal gain)	117.7	90.2	+30.5	42.8	30.4	+40.8

## Bridge Underlying EBITA (€m)



## Business development 9M 2013/14



- Total turnover up by 6% based on good demand and an increase in average revenue per bed
- Excluding disposal gain of €15m in the prior year, underlying EBITA improved by 31% to €118m
- Riu continued its excellent development with an increase in rev/bed of 3% and improved occupancy, especially in the Canaries
- Robinson delivered improved occupancy rates and a better operating performance based on cost reductions and better cooperation with the German tour operator; ROIC for FY 2013/14 expected to be above 9%
- Iberotel suffered from weaker demand due to the political situation in Egypt, but remained profitable

# TUI Hotels & Resorts

## KPIs for owned and leased hotels Q3 2013/14



	Capacity		Revenue/bed		Occupancy		Underly. EBITA/EAT		ROIC 2013/14e
	y-o-y (%)	('000)	y-o-y (%)	(€)	y-o-y (ppts)	(%)	y-o-y (€m)	(€m)	
	6	4,492	1	45.84	3	83	4	35	>17%*
	3	795	2	82.14	2	71	7	8	>9% (12/13: 6%)
	3	676	-12	37.59	-11	59			
	// 43	417	-1	41.52	-1	79			
	// 53	328	-15	52.86	1	73			
<b>TUI H&amp;R</b>	<b>9</b>	<b>6,751</b>	<b>-1</b>	<b>49.20</b>	<b>1</b>	<b>78</b>	<b>12</b>	<b>43</b>	

\*excluding goodwill



# Riu – New hotel projects

## Delivering on our growth strategy

### Key facts Mauritius

- New resort with 3 hotels
- 1,062 beds , “24 hours all inclusive by Riu” - Service
- Opening expected for February 2015
- Financing: Riu cash flow and bank financing



### Key facts Jamaica

- 5 star Palace Hotel
- 460 beds, comprehensive sport and leisure activities
- Opening in May 2014
- Financing: Riu cash flow



**We continue to grow the highly profitable Riu business in line with our strategy,  
as access to exclusive high quality hotel content is limited**

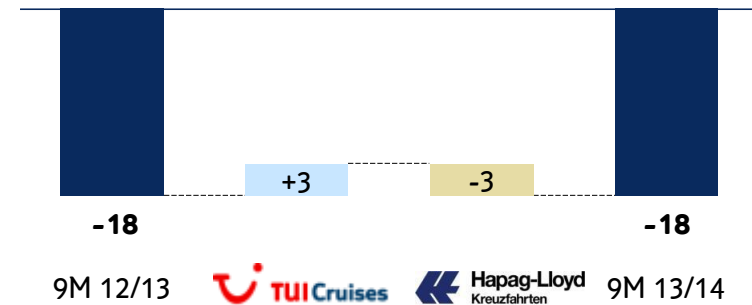
# Cruises well on track to deliver promised turnaround this year

## Turnover and Earnings (€m)

	9M 13/14	9M 12/13	%	Q3 13/14	Q3 12/13	%
Turnover	213.1	188.0	+13.4	63.9	67.4	-5.2
Underl. EBITA	-17.7	-17.7	-	-1.5	-6.7	+77.6
Rep. EBITA	-1.7	-59.2	+97.1	1.7	0.8	+112.5

\* TUI Cruises joint venture (50%) is consolidated at equity

## Bridge Underlying EBITA (€m)

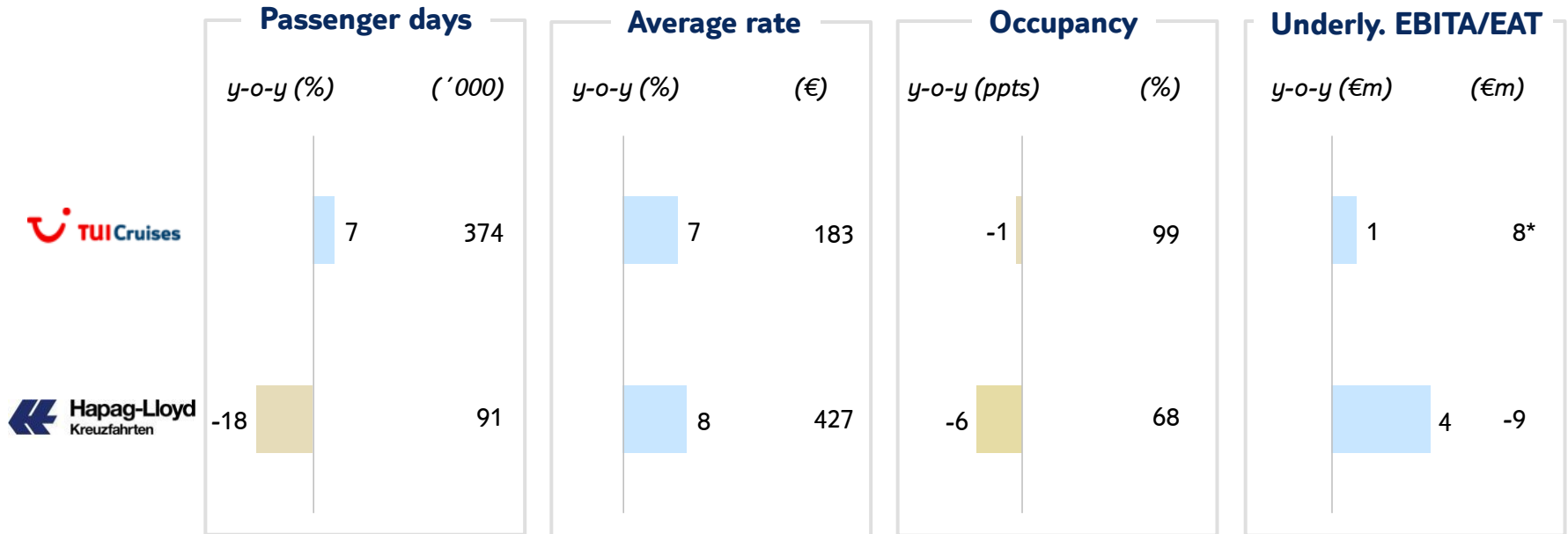


## Business development 9M 2013/14



- Turnover grew by 13% to €213m due to capacity expansion in Hapag-Lloyd's fleet
- Underlying EBITA significantly improved, Q3 close to break-even
  - TUI Cruises continued its pleasing performance with strong KPIs – "Mein Schiff 3", first cruise in June 2014, with strong demand and excellent average rate
  - Hapag-Lloyd Kreuzfahrten with improved development in Q3
- Turnaround for the cruise sector confirmed for FY 2013/14e
- Today's booking status indicates that in FY 2014/15e Hapag-Lloyd Kreuzfahrten is well on track to deliver the turnaround

# Cruises KPIs Q3 2013/14

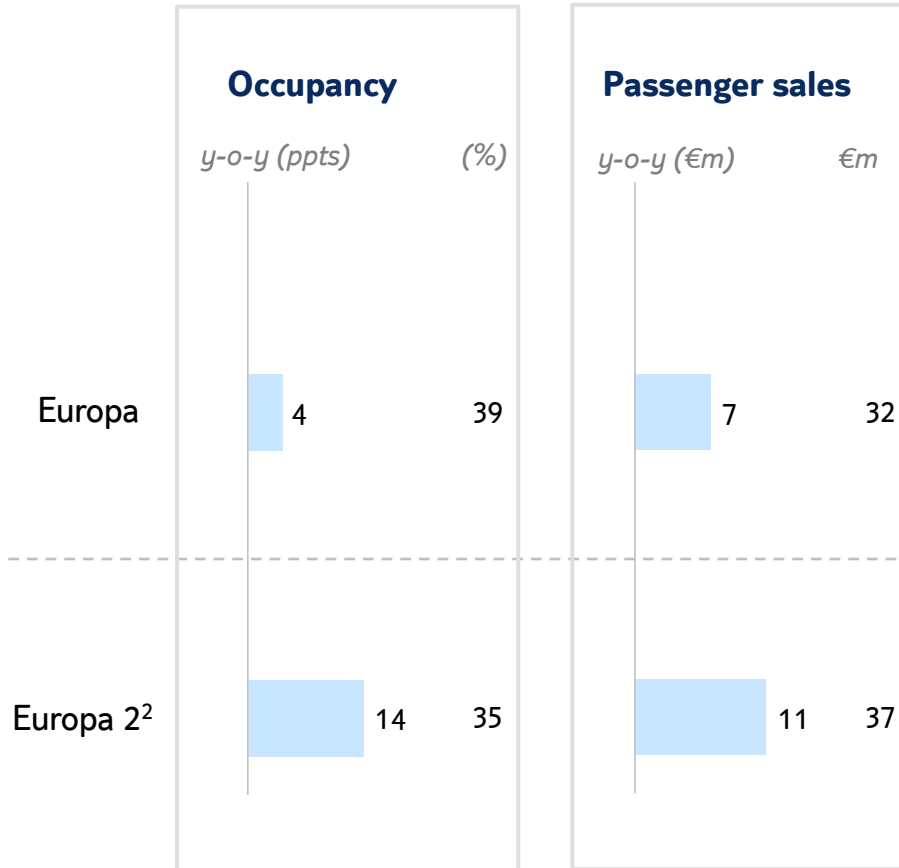


\* At equity result

# Today's booking status indicates that in FY 2014/15e Hapag-Lloyd Kreuzfahrten is well on track to deliver the turnaround



## Current trading FY 2014/15e (y-o-y)<sup>1</sup>



- Fleet expansion with the Europa 2 led to a structural introduction deficit of approx. €-16m in FY 2013/14e
- The promising current trading indicates that in FY 2014/15e Hapag-Lloyd Kreuzfahrten is well on track to deliver the turnaround

<sup>1</sup> As of 04 August 2014

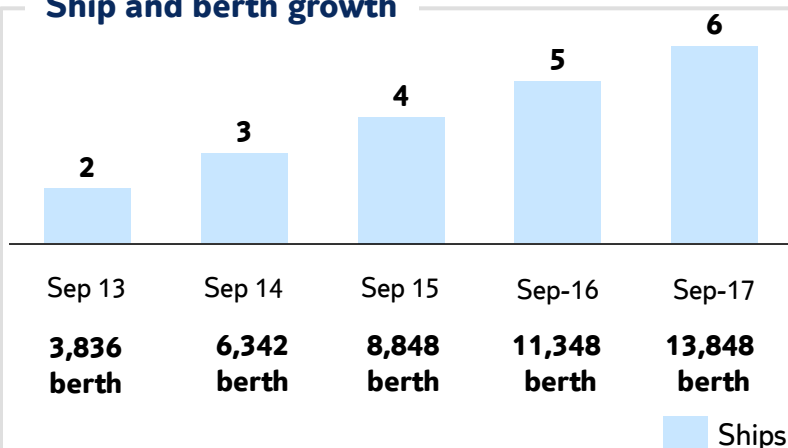
<sup>2</sup> First cruise in May 2013

# TUI Cruises – Mein Schiff 5 and Mein Schiff 6 Delivery on our growth strategy

## Key facts

- Orders for two newbuilds decided and placed
- Strengthening of market position in the German speaking premium volume segment
- Fleet expansion with attractive 3rd party financing, minimal cash requirements and excellent capital returns for TUI AG

## Ship and berth growth



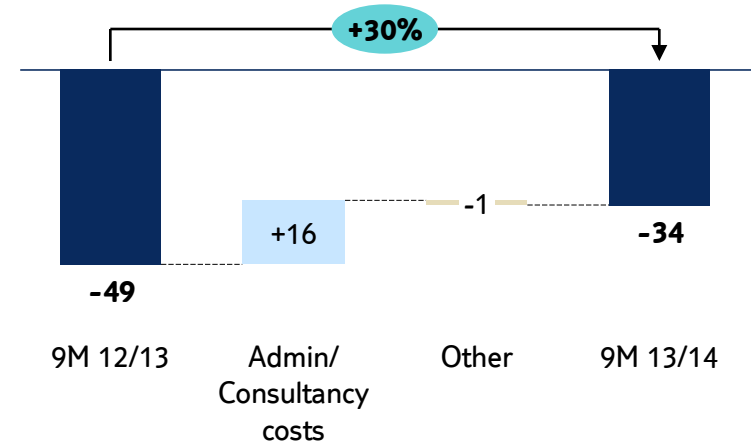
Expansion of our cruise business is key to our differentiation and growth strategy

## Central Operations – outperforming cost savings targets

### Turnover and Earnings (€m)

	9M 13/14	9M 12/13	%	Q3 13/14	Q3 12/13	%
Turnover	11.4	11.4	-	4.1	5.0	-18.0
Underl. EBITA	-34.3	-49.0	+30.0	-11.5	-15.5	+25.8
Rep. EBITA	-34.3	-65.0	+47.2	-11.5	-16.1	+28.6

### Bridge Underlying EBITA (€m)



### Business development 9M 2013/14



- Central Operations comprise corporate centre functions of TUI
- oneTUI programme creates an improvement in underlying EBITA of €15m, mainly due to lower admin / consultancy costs, lower travel expenses
- Outperformance of our cost savings objectives
- We are well on track to deliver on our oneTUI target

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Operating review 9M 2013/14

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# Hapag-Lloyd exit progressing – stake to be disclosed as asset held for sale from now on

## Status on Hapag-Lloyd Container shipping

- Merger process on track – Closing expected in autumn
- US Federal Trade Commission (FTC) has approved business combination
- After closing and capital increase (no contribution by TUI AG) – TUI's stake in Hapag-Lloyd will be 13.9%



- Based on advanced merger process, TUI AG discontinued at equity accounting as of 30 April 2014
- Hapag-Lloyd stake will be disclosed as held for sale
- TUI Management is committed to exiting the remaining stake either via IPO or private placement / trade sale



# Outlook for FY 2013/14 – EBITA at least at the upper end of guidance

## Key figures (in €m)

FY 2012/13

Turnover

18,478

Underlying EBITA

762

Reported EBITA

595

## Outlook\*

FY 2013/14e

2 - 4%

6 - 12%

16 - 23%

Expected to be at least at the upper end of guidance

# Appendix



# Underlying and reported EBITA Q3 und 9M 2013/14



Underlying EBITA (€m)	Q3 13/14	Q3 12/13	%	9M 13/14	9M 12/13	%
TUI Travel	133.6	78.3	+70.6	-248.0	-290.4	+14.6
TUI Hotels & Resorts	42.8	30.4	+40.8	117.7	104.9	+12.2
Cruises	-1.5	-6.7	+77.6	-17.7	-17.7	-
Central Operations	-11.5	-15.5	+25.8	-34.3	-49.0	+30.0
<b>Group</b>	<b>163.4</b>	<b>86.5</b>	<b>+88.9</b>	<b>-182.3</b>	<b>-252.2</b>	<b>+27.7</b>

Reported EBITA (€m)	Q3 13/14	Q3 12/13	%	9M 13/14	9M 12/13	%
TUI Travel	58.0	72.1	-19.6	-329.5	-346.6	+4.9
TUI Hotels & Resorts	42.8	30.4	+40.8	117.1	79.0	+48.2
Cruises	1.7	0.8	+112.5	-1.7	-59.2	+97.1
Central Operations	-11.5	-16.1	+28.6	-34.3	-65.0	+47.2
<b>Group</b>	<b>91.0</b>	<b>87.2</b>	<b>+4.4</b>	<b>-248.4</b>	<b>-391.8</b>	<b>+36.6</b>

## Underlying vs. reported EBITA – Adjustments

€m	Q3 13/14	Q3 12/13	9M 13/14	9M 12/13
Underlying EBITA	163.4	86.5	-182.3	-252.2
TUI Travel	-75.6	-6.2	-81.5	-56.2
TUI Hotels & Resorts	-	-	-0.6	-25.9
Cruises	3.2	7.5	16.0	-41.5
Central Operations	-	-0.6	-	-16.0
<b>Total adjustments</b>	<b>-72.4</b>	<b>0.7</b>	<b>-66.1</b>	<b>-139.6</b>
Reported EBITA	91.0	87.2	-248.4	-391.8

# TUI Travel

## Mainstream customer numbers by country



in '000	Q3 13/14	Q3 12/13	%	9M 13/14	9M 12/13	%
Germany	1,660	1,590	+4.4	3,542	3,753	-5.6
UK	1,610	1,604	+0.4	3,046	3,076	-1.0
Nordics	378	389	-2.9	1,019	1,038	-1.8
France (Tour operators)	271	332	-18.4	475	670	-29.1
Other	1,539	1,534	+0.3	3,417	3,460	-1.2
<b>Total Mainstream</b>	<b>5,458</b>	<b>5,449</b>	<b>+0.2</b>	<b>11,499</b>	<b>11,997</b>	<b>-4.2</b>

# TUI Hotels & Resorts

## Operating data Q3 & 9M 2013/14



Hotel	Capacity ('000) <sup>1</sup>			Occupancy (%) <sup>2</sup>			Average revenue per bed (€) <sup>3</sup>		
	Q3 13/14	Q3 12/13	%	Q3 13/14	Q3 12/13	% p.	Q3 13/14	Q3 12/13	%
Riu	4,492	4,245	+5.8	83.1	80.6	+2.5	45.84	45.55	+0.6
Robinson	795	769	+3.3	70.7	68.9	+1.8	82.14	80.80	+1.7
Iberotel	676	655	+3.1	59.3	70.6	-11.3	37.59	42.48	-11.5
Grupotel	417	291	+43.4	79.3	80.1	-0.8	41.52	41.71	-0.5
Greotel	328	214	+52.9	72.7	71.5	+1.2	52.86	61.96	-14.7
Other	45	40	+11.8	-	64.7	n.m.	-	57.47	n.m.
<b>Total</b>	<b>6,751</b>	<b>6,214</b>	<b>+8.6</b>	<b>78.4</b>	<b>77.7</b>	<b>+0.7</b>	<b>49.20</b>	<b>49.53</b>	<b>-0.7</b>

	9M 13/14	9M 12/13	%	9M 13/14	9M 12/13	% p.	9M 13/14	9M 12/13	%
Riu	12,690	12,531	+1.3	82.2	80.6	+1.6	50.74	49.28	+3.0
Robinson	1,995	2,005	-0.5	68.3	66.2	+2.1	87.07	87.17	-0.1
Iberotel	1,777	1,782	-0.3	48.5	65.0	-16.5	40.58	43.45	-6.6
Grupotel	601	483	+24.4	72.5	72.7	-0.2	40.29	39.83	+1.2
Greotel	423	279	+51.7	67.6	63.5	+4.1	50.95	64.64	-21.2
Other	60	96	-37.5	-	57.2	n.m.	-	59.01	n.m.
<b>Total</b>	<b>17,547</b>	<b>17,175</b>	<b>+2.2</b>	<b>76.4</b>	<b>76.6</b>	<b>-0.2</b>	<b>53.41</b>	<b>52.58</b>	<b>+1.6</b>

1. Group owned or leased hotel beds multiplied by number of days open per quarter

2. Occupied beds divided by capacity

3. Arrangement turnover divided by occupied beds



	Q3 13/14	Q3 12/13	%	9M 13/14	9M 12/13	%
Passenger days ('000)	374.4	349.2	+7.2	1,070.8	1,047.8	+2.2
Occupancy (%-points)	99.4	100.0	-0.6	101.0	100.1	+0.9
Average rate (€)*	183	171	+7.0	158	147	+7.5



	Q3 13/14	Q3 12/13	%	9M 13/14	9M 12/13	%
Passenger days ('000)	90.9	110.2	-17.5	315.0	286.4	+10.0
Occupancy (%-points)	67.5	73.0	-5.5	66.8	70.9	-4.1
Average rate (€)*	427	395	+8.1	422	409	+3.2

\* per day and passenger

*14 August 2014*

*9M Headline Results 2013/14*

Mid-September 2014

9M Report 2013/14

10 December 2014

Financial Year 2013/14



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