11 February 2025

**TUI GROUP**

**10th consecutive quarter of Und. EBIT growth – Hotels, Cruises and TUI Musement driving improvement in FY25 Q1**

- **Q1 revenue was ahead across all segments**, up +13% to €4.9bn overall, supported by higher demand at improved prices as well as rates, and underlining the popularity of our product portfolio.

- **In particular our Holiday Experiences businesses, contributed to a tenth consecutive quarter improvement in underlying EBIT** of +€44.9m to €50.9m. On a segmental level:

    - Hotels & Resorts posted a further record[1] performance with underlying EBIT up +65.8%, driven by a higher number of bed nights, improved occupancies and increased rates across our key brands.

    - Cruises also achieved a record[1] underlying EBIT rising +39.6%, benefiting from strong demand and improved rates, coupled with the expansion of the fleet.

    - TUI Musement recorded an underlying EBIT improvement of +78.5%, supported by strong growth in both experiences sold and tour operator guest transfers in the destination.

    - Markets + Airline benefited from continued higher demand especially for our dynamic packages in a competitive environment. As expected, overall underlying EBIT was 31% lower, due to higher investments ahead of the key summer season.

- During the quarter **3.7m customers chose to holiday with us, an increase of +6%,** which included a notable increase in dynamic package guests, up +18% to 0.7m. Average load factor at 85% maintained the level of the previous year.

- Our **net debt position was broadly in line with prior year and expectations,** increasing by €0.1bn to €4.1bn at 31 December 2024 (31 December 2023: €4.0bn).

- We are also pleased to announce that most recently, the significant progress we have made as a business, was recognised by the rating agency Fitch who published a rating for the TUI Group for the **first time**. The **credit rating by Fitch of BB with a stable outlook** is the first in the pre-pandemic territory and marks a further milestone in achieving our financial targets.

- **Markets + Airline[2] bookings are positive based on flat capacity assumptions with ASP higher**. For Winter 2024/25 bookings are up +2% following the sale of 85% of the season with ASP up +4%. The higher ASP is helping to mitigate the higher cost environment. With 32% of the Summer 2025 season sold, bookings are +2% higher with positive momentum in the last four weeks supported by stronger bookings in UK. ASP is up +4% in a higher cost environment.

- **Holiday Experiences Q2 trading[3] remains well on track and we have seen a good start to H2,** with higher rates for our unique and differentiated products, underlining the strong demand across the segment.

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[1] Since the merger of TUI AG and TUI Travel PLC in 2014
[2] Bookings up to 2 February 2025, relate to all customers whether risk or non-risk and includes amendments and voucher re-bookings
[3] FY 2025 trading data (excluding Blue Diamond in Hotels & Resorts) as of 2 February 2025 compared to 2024 trading data

## FY25 Q1 KEY FINANCIALS

| in €m | FY25 Q1 | FY24 Q1 | YoY |
|---|---|---|---|
| Revenue | **4,872.0** | 4,302.5 | 569.5 |
| Underlying EBIT | **50.9** | 6.0 | 44.9 |
| Reported EBIT | **42.8** | 0.2 | 42.5 |
| Earnings before tax | **-37.1** | -103.1 | 66.0 |
| Group result attributable to shareholders | **-85.4** | -122.6 | 37.2 |
| Underlying EPS | **-0.17** | -0.24 | 0.07 |
| Net debt (IFRS 16) | **-4,103.2** | -3,983.3 | -119.9 |

| Underlying EBIT in €m | FY25 Q1 | FY24 Q1 | YoY |
|---|---|---|---|
| Hotels & Resorts | 150.3 | 90.7 | 59.7 |
| Cruises | 48.2 | 34.5 | 13.7 |
| TUI Musement | -2.3 | -10.7 | 8.4 |
| **Holiday Experiences** | **196.2** | **114.5** | **81.7** |
| Northern Region | -88.5 | -50.4 | -38.0 |
| Central Region | 7.4 | 1.3 | 6.1 |
| Western Region | -44.0 | -46.3 | 2.3 |
| **Markets + Airline** | **-125.2** | **-95.4** | **-29.7** |
| All other segments | -20.2 | -13.1 | -7.1 |
| **Total TUI Group** | **50.9** | **6.0** | **44.9** |

## FY 2025 GUIDANCE REAFFIRMED[4]

We remain focused on operational excellence, execution, and transformation, and are committed to delivering profitable growth. Our strategic roadmap, the strong operational improvement to date and the measures taken to strengthen our balance sheet, lay the foundations to deliver our targets. Our guidance is based on delivering further sustainable growth in Holiday Experiences and transforming the Markets + Airline business and is supported by the encouraging performance in Q1. On this basis we are pleased to reaffirm the following guidance for FY25:

- We expect revenue to increase by 5%-10% yoy (FY 2024: €23,167m)
- We expect underlying EBIT to increase by 7%-10% yoy (FY 2024: €1,296m), driven in particular by expectations for Summer 2025 with a c. €30m phasing effect from Easter holidays shifting to Q3

## MID-TERM AMBITIONS

We have a clear strategy to accelerate profitable growth by maximising the customer lifetime value and leveraging the synergies between both our business divisions. We are focused on creating a business which is more agile, more cost-efficient and achieving a higher speed to market with the aim to create additional shareholder value. We re-affirm our mid-term ambitions as follows:

- Generate underlying EBIT growth of c. 7-10% CAGR
- Target net leverage[5] strongly below 1.0x
- Return to a credit rating territory in line with our pre-pandemic rating BB/Ba (S&P/Moody's)

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[4] Based on constant currency and within the framework of the macroeconomic and geopolitical uncertainties currently known

[5] Net leverage ratio defined as net debt (Financial liabilities plus lease liabilities less cash & cash equivalents less other current financial assets) divided by underlying EBITDA

## TRADING UPDATE MARKETS + AIRLINE[6]

**Bookings are positive on flat capacity assumptions with ASP higher**

| Winter 2024/25 vs. Winter 2023/24 | |
|---|---|
| Bookings | + 2 % |
| ASP | + 4 % |
| Programme sold year-to-date | 85 % |

- Trading is ahead of prior year on flat capacity assumptions, with 4.4m bookings taken to date, 1.1m more against our last published update on 11 December 2024. Overall bookings are at +2%, supported by stronger demand in particular for our dynamic product offering as we look to grow the business without increasing risk capacity. In total 85% of the programme has been sold which is in line with Winter 2023/24.
- ASP is +4% higher. Our higher pricing levels will support mitigating the higher inflationary environment and our expectation that the first half of the financial year will be impacted by a higher seasonality for investment ahead of the summer and the shift of Easter holidays of c. €30m into Q3.
- Short- and medium-haul destinations continue to drive bookings, with popular destinations once again proving to be the Canaries, Egypt and Cape Verde. In long-haul, Thailand has seen the highest increase in demand, with Mexico, Jamaica, and the Dominican Republic once again key winter getaways.
- On an individual market level, bookings in UK are in line with the high levels of Winter 2023/24, following the sale of 83% of the season. In Germany, our other key market, bookings are well ahead at +5% with 85% of the season.

| Summer 2025 vs. Summer 2024 | |
|---|---|
| Bookings | + 2 % |
| ASP | + 4 % |
| Programme sold year-to-date | 32 % |

- We have a pipeline of 5.1m bookings for Summer 2025. Bookings are positive at +2% on flat capacity assumptions, with the last 4 weeks seeing positive booking momentum supported by stronger bookings in UK up +5%. As customary, the majority of the season is yet to be sold, with 32% of the programme sold to date, which is broadly in line with the prior summer season.
- ASP continues to be well ahead at +4% in a higher cost environment, notably rising +1% against our December publication and underlining the demand for our portfolio of products in a competitive environment.
- Demand has been strongest for our traditional summer short- and medium haul destinations of Spain, Greece, and Turkey.
- In UK, which has been on sale for the longest period, bookings are at -2%, with the last four weeks seeing stronger booking momentum up +5%. To date, 41% of the season has been sold. Following a strong early bookings curve, bookings in Germany have normalised to +6%, still well ahead of Summer 2024, after the sale of 30% of the programme.

[6] Bookings up to 2 February 2025 relate to all customers whether risk or non-risk and include amendments and voucher re-bookings.

## TRADING UPDATE HOLIDAY EXPERIENCES[7]

**Q2 trading remains well on track & good start to H2 underlining strong demand**

| Trading | Q2 2025 | H2 2025 |
|---|---|---|
| Variation in % versus previous year | | |
| **Hotels & Resorts** | | |
| Available bed nights | - 5 | - 1 |
| Occupancy (Var. in %pts) | + 7 | + 2 |
| Average daily rate | + 7 | + 11 |
| **Cruises** | | |
| Available passenger cruise days | + 15 | + 23 |
| Occupancy (Var. in %pts) | - 2 | + 1 |
| Average daily rate | - 2 | + 3 |
| **TUI Musement** | | |
| Experiences sold | + high single-digit% | + low-double-digit% |
| Transfers | in line with Markets + Airline | in line with Markets + Airline |

- Hotels & Resorts – Demand across our broad and differentiated hotel leisure brands remains strong, driving higher occupancies and rates. As we continue to renovate and modernise our portfolio, we anticipate some routine hotel closures especially during the quieter Q2 period. As a result, the number of available bed nights[8] for Q2 is -5% and -1% in H2. Booked occupancy[9] is higher at +7%pts in Q2 and +2%pts in H2. Average daily rates[10] continue to be well ahead across our key brands, with overall rates for Q2 at +7% and at +11% in H2. We expect the Canaries, Mainland Spain, Egypt, Cape Verde and the Caribbean to be the most popular destinations during Q2, with Spain, Greece and Turkey proving key destinations during the summer half-year.
- Cruises – Following the successful launch of Mein Schiff 7 in June 2024, our three cruise brands have a full fleet of 17 ships in operation during Q2 with a new-build, the Mein Schiff Relax, complementing the fleet towards the end of the period. The new ships support the number of available passenger cruise days[11] we can offer, rising +15% in Q2 and +23% in H2. The effect of late changes to itineraries as a consequence of the political tensions around the Suez Canal is impacting booked occupancy[12] especially in Q2 at -2%pts. Excluding this impact, booked occupancy is broadly in line. H2 booked occupancy is trading +1%pt higher. Demand remains strong across our differentiated Cruise product offering. However, the change in brand and route mix means average daily rates[13] are -2% in Q2. H2 average daily rates are +3%. For the summer season Cruises offers a broad range of routes. Mein Schiff, with its fleet of eight ships, will sail to the Mediterranean, Northern Europe, Baltic Sea, Caribbean and Asia, with the Hapag-Lloyd Cruises programme focusing on Europe, The Americas, Asia as well as voyages to the Arctic, based on a fleet of five vessels. Marella will operate five ships with itineraries across the Mediterranean.
- TUI Musement - We are continuing the expansion of our Tours & Activities business, enlarging the range of experiences available to B2C customers, as well as B2B clients. As a result, we expect to increase bookings for our experiences, covering excursions, activities, and attraction tickets, by a high single digit percentage for Q2 and low double digit percentage for H2. Furthermore, we anticipate a higher volume of transfers and experiences with customers from our Markets + Airline business. Our transfers business is expected to develop in line with our Markets + Airline capacity assumptions for both Q2 and H2.

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[7] FY 2025 trading data (excluding Blue Diamond in Hotels & Resorts) as of 2 February 2025 compared to 2024 trading data
[8] Number of hotel days open multiplied by beds available in the hotel (Group owned and leased hotels)
[9] Occupied beds divided by available beds (Group owned and lease hotels)
[10] Board and lodging revenue divided by occupied bed nights (Group owned and leased hotels)
[11] Number of operating days multiplied by berths available on the operated ships
[12] Achieved passenger cruise days divided by available passenger cruise days
[13] TUI Cruises: Ticket revenue divided by achieved passenger cruise days. Marella Cruises: Revenue (stay on ship inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises) divided by achieved passenger cruise days

## UPDATE ON STRATEGIC DEVELOPMENTS

We continue to drive forward our TUI Group strategy as outlined in the Annual Report 2024[14]. We are committed to delivering profitable growth through sustainable growth in Holiday Experiences and the transformation of the Markets + Airline business. The foundations to achieve this have already been laid and delivery is underway. During the quarter we achieved further significant milestones. These included the following:

- Growth in Hotels & Resorts is being delivered by expanding our portfolio of twelve differentiated hotel brands in new and existing destinations. This growth is being achieved in accordance with our asset-right and scalable approach. During the quarter we also continued to strengthen our presence in Asia. The Robinson brand celebrated its debut in Vietnam with the club providing 318 rooms and villas, whilst TUI Blue opened TUI Blue Berawa in Bali, which is the brands first hotel in Indonesia, featuring 119 rooms and 14 villas. As a result, we now have 19 hotels in Asia across seven countries.
- Digitalisation and dynamic production enable us to offer choice, flexibility, personalisation and seamless customer experience, as well as scalability and efficiency. A key example of our growth of dynamically packaged products is our co-operation with Ryanair. In December, TUI UK and Ireland went live connecting Ryanair flights to their websites and also for their retail and third-party agents. This now allows our customers in both countries, to book a holiday with us together a Ryanair flight from a large range of connections. The new partnership is supporting the strong development of our dynamic offering, with sales in UK and Ireland in the last four weeks up +25% against the previous year.
- We also continue to enhance our app as a key building block in the transformation of our Markets + Airline segment. Our focus is on delivering the best purchase experience for customers, targeting further growth in the proportion of digital sales made in-app. App sales in the UK are most advanced making up 17.6% of all sales in Q1 an increase of 45% against the previous year. The increase in traffic has benefited from all customer touchpoints promoting the app. Strong conversion growth has been supported by a range of improvements to the app bookflow which have included features enabling customers to find their "made to measure" holiday more quickly.

## FOREIGN EXCHANGE/FUEL

We have a strategy of hedging the majority of our jet fuel and currency requirements for future seasons. Our hedging policy gives us certainty of costs when planning capacity and pricing. The following table shows the percentage of our forecast requirement that is currently hedged for Euros, US Dollars and jet fuel for our Markets + Airline.

| % | Winter 2024/25 | Summer 2025 | Winter 2025/26 |
|---|---|---|---|
| Euro | 97 | 78 | 45 |
| US Dollar | 96 | 87 | 58 |
| Jet Fuel | 97 | 89 | 65 |

As at 2 February 2025

## SUSTAINABILITY (ESG) AS AN OPPORTUNITY[15]

As an industry leading Group, we want to set the standard for sustainability in the market. We believe that sustainable transformation should not be viewed solely as a cost factor, but that sustainability pays off – for society, for the environment, and for economic development. Our strategy is therefore underpinned by clear science-based goals and targets on sustainability. TUI's Sustainability Agenda consists of three building blocks – People, Planet and Progress. Our efforts towards reducing relative emissions and meeting our environmental targets are ongoing. Recent achievements include:

- TUI was recently awarded an "A" rating, thereby securing a prestigious spot in the CDP's[16] highest ranking category for 2024. The rating recognises TUI as a leader in corporate climate change action. This is the third time TUI has achieved this distinction, and the first since the pandemic. The CDP (Carbon Disclosure Project) A-List acknowledges corporates that demonstrate using data to drive Earth-positive decisions. In 2024, over 24,800 organisations disclosed data

[14] Details on our strategy see TUI Group Annual Report 2024 from page 24
[15] Further details on our Sustainability Agenda are published in our Annual Report 2024 and also on our website under Responsibility (tuigroup.com)
[16] CDP (Carbon Disclosure Project) is a global non-profit organisation that runs the world's leading environmental disclosure system

through CDP, making TUI's achievement all the more significant. We performed exceptionally well across various climate-related criteria, securing top marks in key areas such as emissions reduction initiatives. In addition, the company earned an A rating in several other categories, including governance, risk disclosure and public policy engagement, demonstrating a strong commitment to transparency and accountability. It underlines our commitment to sustainable transformation and the progress we are making towards achieving our sustainability targets.

- The optimising of our IT operations across the Group to reduce our carbon footprint. Last year we set up a new laptop service model to enhance circularity and cut costs. To date around 6,000 more efficient and sustainably manufactured models were introduced with the potential to save around 1,700 tons of $CO_2$ over the next five years. In addition, over 80% of IT-related shipments are now consolidated, thereby streamlining transportation, reducing trips, fuel consumption, and lifecycle emissions.
- We are proud of the fact that we operate one of Europe's most carbon-efficient airlines and we aim to continuously improve our environmental performance by investing in new and more fuel-efficient aircraft. Recently, TUI Airline participated in SkyTeam's "The Aviation Challenge", a competition, aimed at driving the industry towards a more sustainable future by promoting innovation, collaboration, and the sharing of ideas. As part of this challenge, a return flight from Amsterdam to Rhodes was used to trial over 50 initiatives aimed at further reducing the airlines environmental footprint. These included the use of reusable cups, sustainable aviation fuels and electrical ground handling equipment. Our achievements and commitment to sustainability were recently recognised at the SkyTeam's Aviation Challenge Award Ceremony with a number of awards including "Best Climate Literacy" for enhancing climate literacy through comprehensive sustainability training and engagement initiatives, such as airline sustainability awareness training and a further award, "Best Partnership", for our groundbreaking collaboration with Cranfield University and Regional & City Airports on the Zero Carbon Turn Project, to demonstrate the application of hydrogen power in ground operations.
- TUI Airline is also supporting a number of research projects, including with the German Aerospace Centre (DLR) focused on avoiding aircraft contrails which can have a significant impact on the environment. In this context, TUI Airline recently secured a grant from the European Commission to fund costs for 400 contrail avoidance flights in 2025 and 2026.

## FY25 Q1 RESULTS WEBCAST FOR INVESTORS & ANALYSTS

Our Quarterly Statement for the first quarter of FY25 and the accompanying results presentation can be found on our corporate website: https://www.tuigroup.com/en-en/investors/reports-and-presentations. A conference call and audio webcast will take place today at 08:00 GMT / 09:00 CET. Further details are provided on our website.

## FINANCIAL CALENDAR FY25

We are pleased to inform you that on 24 and 25 March 2025 TUI Group's Capital Markets Day will take place in Madrid and that TUI Group will publish its Q2/H1 FY25 Report on 14 May 2025.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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