

Riding together

1H2015 Results



Agenda

- ☐ Key Messages
- ☐ Strategic Review
- ☐ Business Review
- ☐ Integration Roadmap
- ☐ Economics

Laying the foundations for sustainable value creation



Vision and strategic focus confirmed. Execution roadmap accelerated.



Delivering **robust growth** across the entire offering, featuring double digit organic performance and **strong cash generation**.



Successful integration on track.

Benefits from cost and business synergies by Q1 instead of Q2 2016 as initially planned.



2H 2015 trade-off in volume and **profitability growth**, leading to slight fine-tuning of FY2015 Revenue target.



3 years 2017 **Guidance confirmed.**



Business model turning to a more **customer-centric approach**



Vision

Simplify the life of travellers anytime anywhere



Strategy

We are thinking at **the whole traveller experience** by broadening the spectrum of touch points and covering the trip cycle from inspiration to post travel, in order to strengthen relationship with our customers.



Execution

Execution will be accelerated by the successful integration of lastminute.com on which we have focused the efforts of the Management and all employees in order to anticipate business and cost synergies generation.

Focus on improving the user experience mostly on mobile is a top priority in order to **increase conversion**

Flights as hook product to generate **traffic and volumes**

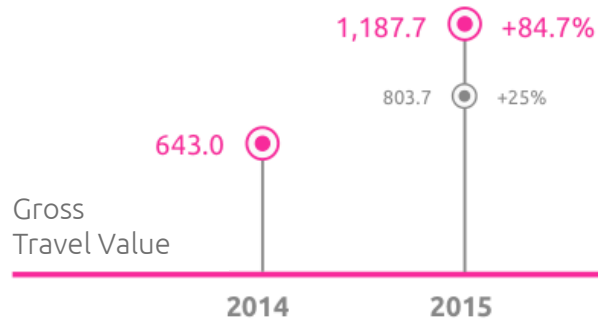
Competitive advantages on Packages are key drivers to **uplift margin per booking**

Ancillary products support attraction and retention rate and lead to **lower cost per acquisition**

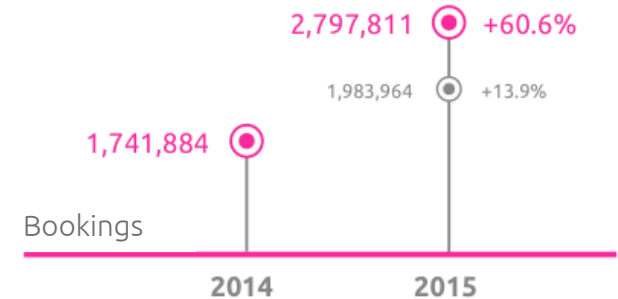
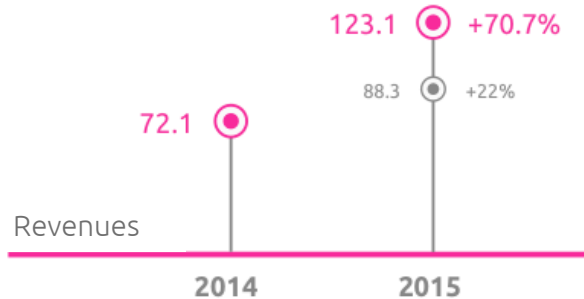


Robust growth backed by resilience of revenue model

In EUR million



In EUR million



The lastminute.com acquisition (4 months consolidation, since 1st March) and BRG performance lead to a solid double digit growth even on organic basis well above peers average and industry CAGR*.

Higher GTV / Bookings and Rev / Bookings as a result of:

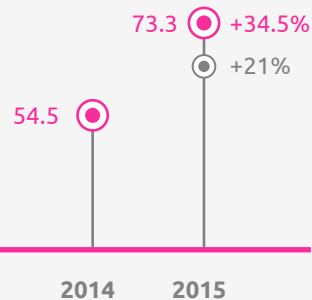
- ✓ Rebalanced source of income with increased weight of packages and GDS flight-segments
- ✓ Increased unitary spend per product due to higher number of vacation days booked
- ✓ Increased number of pax per booking (all businesses)

KPI in EUR	2013	2014	2015
GTV per booking	349.8	369.8	424.5
		+5.7%	+14.8%
Revenue per booking	39.6	41.4	44.0
		+4.5%	+6.3%

Performance steered by diversified tactical approach

OTA Flight

Revenues
in EUR million



UP

Strong brand awareness
Cutting edge technology platform
Best of breed product offering

DOWN

Structural decrease of agency fees

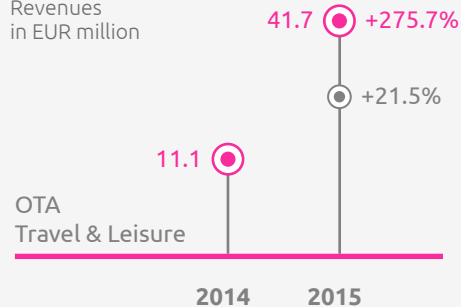
ACTIONS

Focus on volume, driven by «high quality booking» → sustaining topline growth

Development of B2B initiatives → increasing overcommissions

OTA Travel & Leisure

Revenues
in EUR million



UP

Competitive advantages on Dynamic Packages
Wide and comprehensive offering
Successful niche products

DOWN

Hotel stand-alone business suffers from competitors dominant positioning. Growth is less profitable.

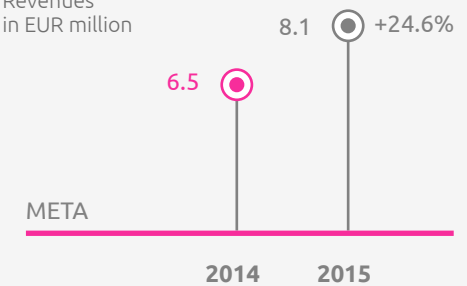
ACTIONS

Focus on Packages → higher profitability

Broadening the offering releasing new ancillary products → retention / conversion rate lifting-up

META

Revenues
in EUR million



UP

Structural growing channel
Very lean cost-base

DOWN

Spending power of major competitors

ACTIONS

Building combined OTA-META model → maximise return by identifying consumer through their purchasing behaviour

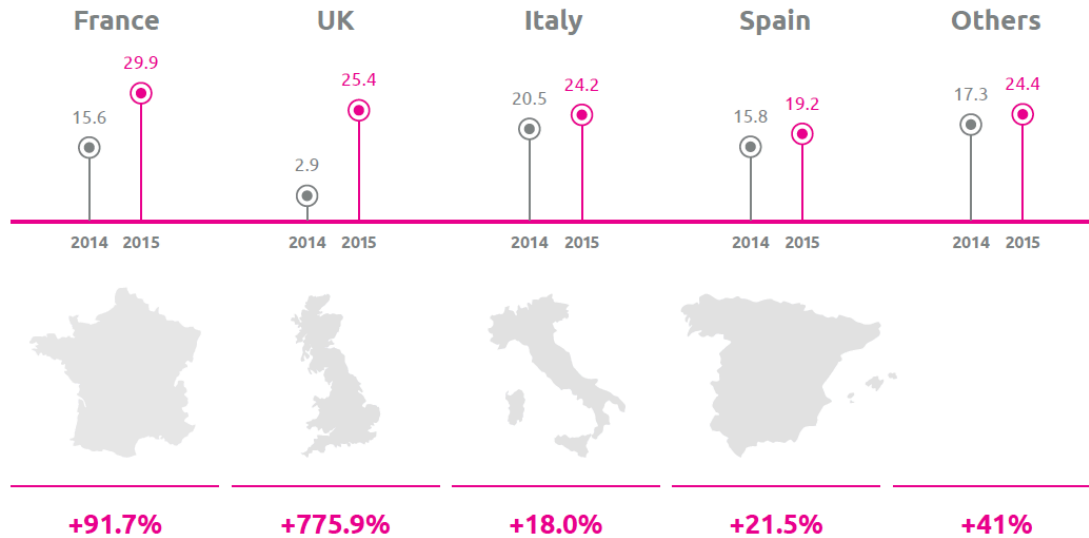
Use META channel as CAPEX light strategy to land into other countries and expand internationally.

Leverage Jetcost team capabilities to build OTA-focused media products (currently external)

● organic growth

Gaining market share through **well balanced revenue mix**

Revenues by geography in € million

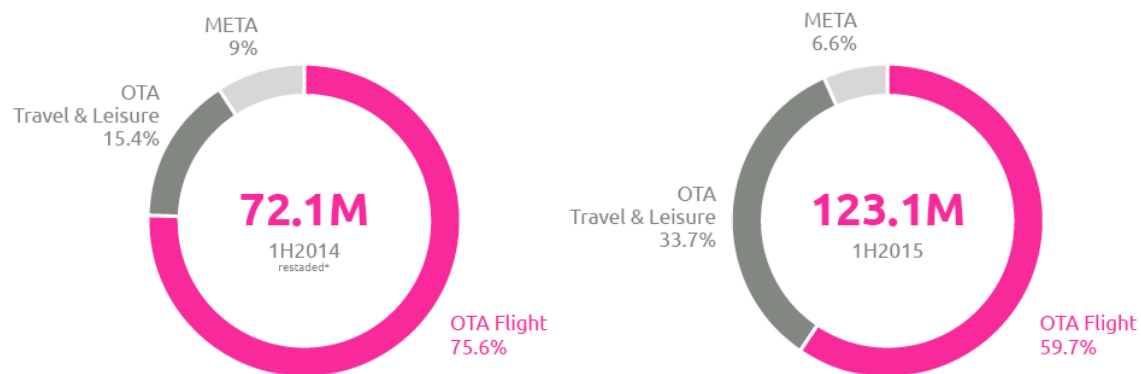


France becomes the first country thanks to staggering +37% organic growth and lastminute.com consolidation.

UK growth mostly explained by the contribution of lastminute.com operations

Italy and Spain performance driven by strong awareness of local brands and higher conversion rates coming from redesigned booking flow

Non-core Countries register high double digit growth rate and continue to push our international expansion

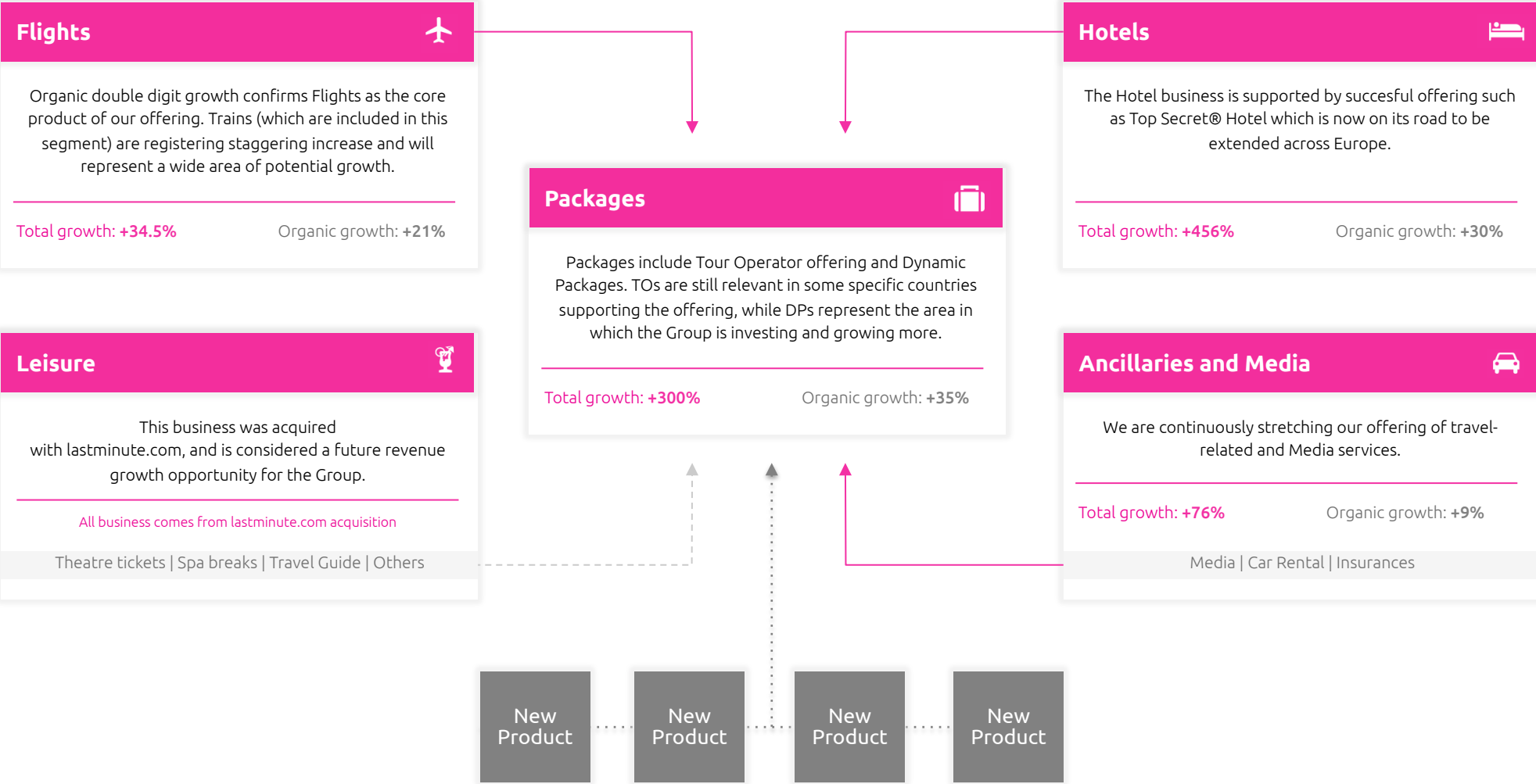


One of the main goals that triggered the acquisition of lastminute.com was the **diversification of the revenue profile**, and latest results are in line with these expectations.

* 1H2014 Data are restated reflecting new reporting, splitting META out of flight and non-flight business. Figures reported in the 2014 Interim Report were 82.9% flight and 17.1% non-flight.

Comprehensive offering delivered...

Actually embedded ———
To be embedded - - -
Coming soon ·····

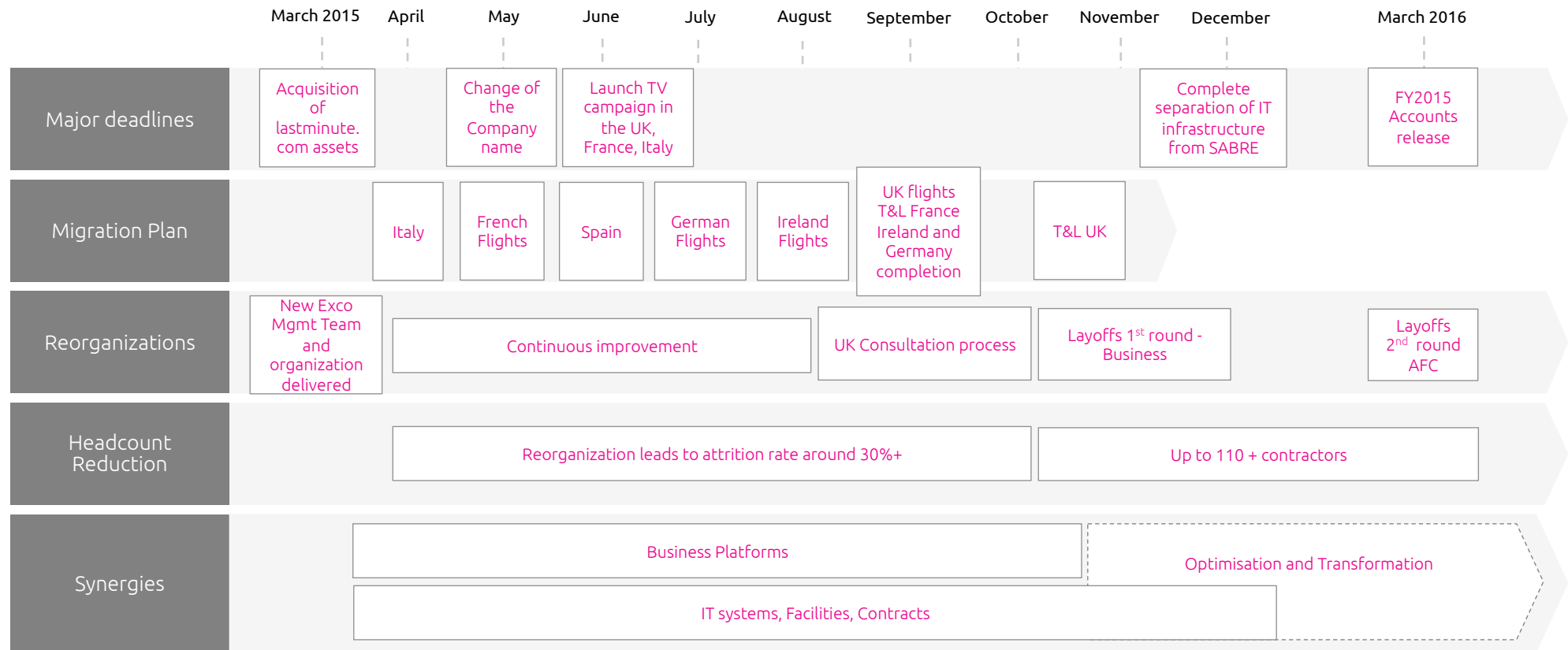


...through lastminute.com successful integration

- Integration is ahead of expectations
- Target is now to conclude all the migrations by the end of October
- Great effort in September when UK Flights, and France, Germany, Ireland Hotels and Packages will be switched to end-state platforms

Market / Category			
Italy			
France			
Spain			
Germany			
Ireland			
UK – From September to October			

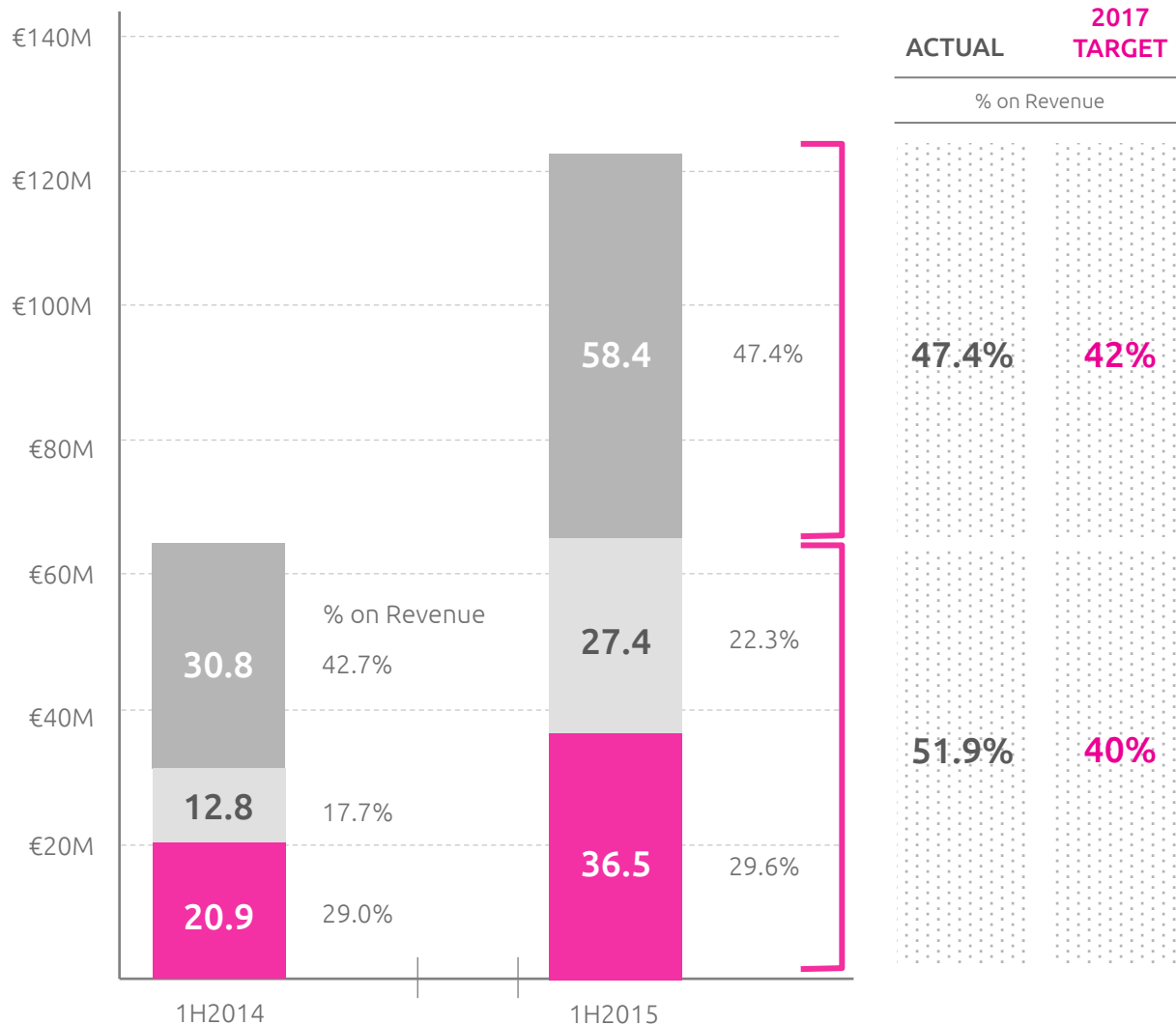
Plan ahead of initial expectations



Economics

- ✓ UK headcount (OPEX + CAPEX) savings are expected to be around € 18M per year from Q1 2016 including contractors
- ✓ Other cost reduction to be definitively assessed by the end of the year
- ✓ Optimisation and Transformation lead to potential synergies delivering further savings

Operating Costs

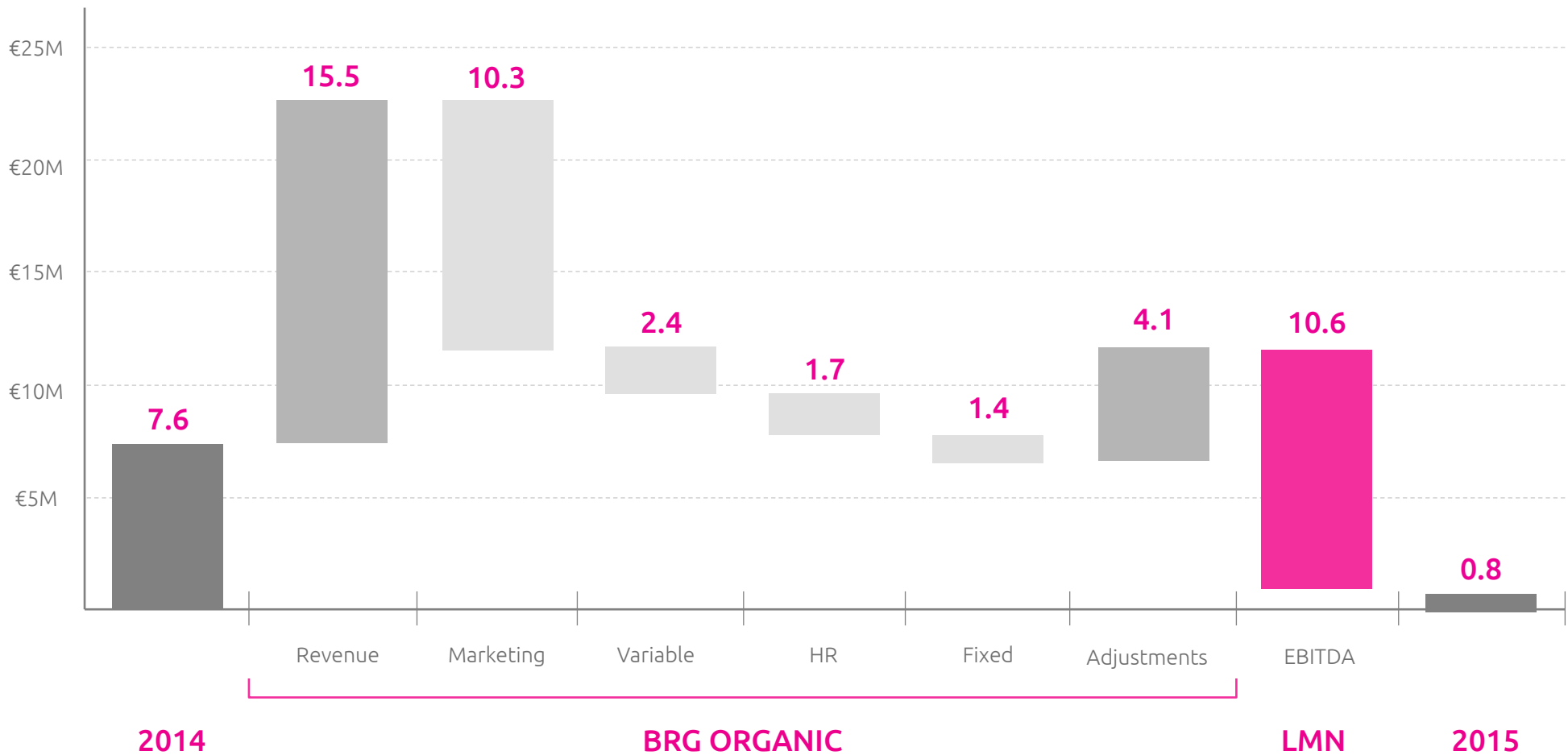


Marketing expenses represent the main cost sustained by the Group. First months 2015 were affected by higher than usual marketing expenses as a result of a precise strategy addressed to relaunch lastminute.com as the core-global brand of the Group. Some impacts of **€ 7.0M** come from the kick-off of the offline TV campaign in Italy, France, the UK (middle of June) having a full year budgeted cost of **€ 15M**.

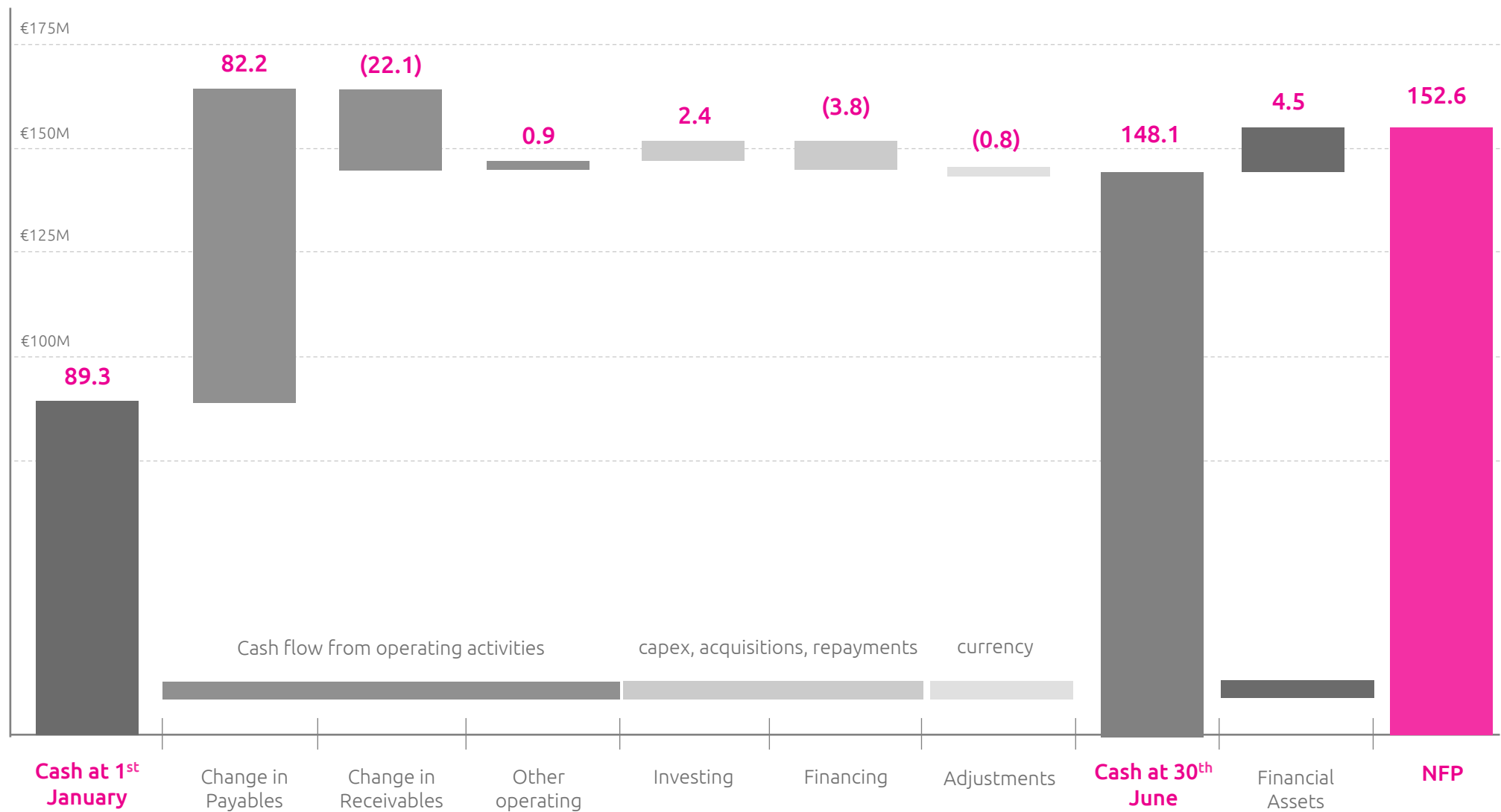
Personnel costs registered +113.8% growth mostly driven by the effect of lastminute.com acquisition. Some relevant decrease is expected by end of Q1 2016 as a result of reorganization plan actually in place.

Other costs refer to business related services and expenses which are growing significantly in absolute terms due to change in the consolidation perimeter while they remain substantially stable in percentage vs Revenue.

Adjusted EBITDA impacted by LMN consolidation



NFP strongly improved thanks to changes in NWC



2015 targets fine tuned, 3ys Guidance confirmed



APPENDIX

Profit & loss

In EUR M	H1 2014	ADJ	H1 2014 Adjusted	H1 2015	ADJ	H1 2015 Adjusted
Revenues	72.1	-	72.1	123.1	-	123.1
Marketing costs	(30.8)	0.5	(30.3)	(58.4)	-	(58.4)
Personnel costs	(12.8)	1.5	(11.3)	(27.4)	1.3	(26.1)
Other operating costs	(20.9)	2.7	(18.2)	(36.5)	0.7	(35.8)
EBITDA	7.6	-	12.3	0.8	-	2.8
Amortization, depreciation and impairment	(2.8)	-	(2.8)	(4.4)	-	(4.4)
Net financial cost	(0.2)			1.8		
Profit before income Tax	4.6			(1.8)		
Income tax	(1.4)			(2.4)		
Profit for the period	3.2			(4.2)		

Balance sheet and cash flow highlights

In EUR M	31 December 2014	30 June 2015
Fixed assets	134.3	190.7
Working capital	(35.1)	(162.7)
Other long term items	(26.0)	(25.7)
Capital employed	73.2	2.3
Equity	163.2	154.9
Net financial position	90.0	152.6

In EUR M	H1 2014	H1 2015
Net cash from operating activities	20.3	61.0
Interest paid	0.2	-
Net capital expenditure	(3.4)	(6.7)
Free cash flow	17.1	54.3

Net financial position

In EUR M	31 December 2014	30 June 2015
Current financial assets	0.5	3.2
Cash and cash equivalents	89.3	148.1
Short term financial liabilities	-	-
Net financial position within 12 months	89.8	151.3
Non current financial assets	0.1	1.3
Long term financial liabilities	-	-
Net financial position over 12 months	0.1	1.3
Total net financial position	90.0	152.6

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