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Q1 Results Presentation

Fiscal Year 2019 Q1 Results, ending June 30th 2018

August 29th 2018

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- This presentation is to be read as an introduction to the unaudited consolidated financial statements of the Group and contains key information presented in a concise manner on the Group and its financial condition. The information contained in this presentations is extracted from the unaudited consolidated financial statements of the Group and is qualified in its entirety by the additional information contained in the unaudited consolidated financial statements of the Group. This presentation should only be read in conjunction with the unaudited consolidated financial statements of the Group. Copies of the audited consolidated financial statements of the Group are available under http://www.edreamsodigeo.com/category/investors/quarterly-edreams-odigeo/.

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- The financial information included in this presentation includes certain non-GAAP measures, including "Bookings", "Gross Bookings", "EBITDA", "Adjusted EBITDA", "Revenue Margin" and "Variable Costs", which are not accounting measures as defined by IFRS. We have presented these measures because we believe that they are useful indicators of our financial performance and our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate our business. However, these measures should not be used instead of, or considered as alternatives to, the audited consolidated financial statements for the Group based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies.

Q1 Results Highlights

Results Highlights

Solid performance and in line with our guidance

- Bookings (+1%), Revenue Margin (+7%) and Adjusted EBITDA (-3%)

Q1 performance was driven by:

- Solid bookings and revenue margin
  - Positive revenue margin per booking: Flight (+4%) & Non Flight (+11%)
    - Driven by very strong performance of Flight Ancillaries and Dynamic Packages
- Accelerated investment in mobile and the positive results from the change of our revenue model
  - Mobile flight bookings up from 32% in Q1 FY 18 to 37% Q1 FY19

Strong cash position

- Cash at the end of the period amounted to €124.9 Mn (+28% y-on-y)

Revenue diversification initiatives on track and delivering results, visible in KPIs

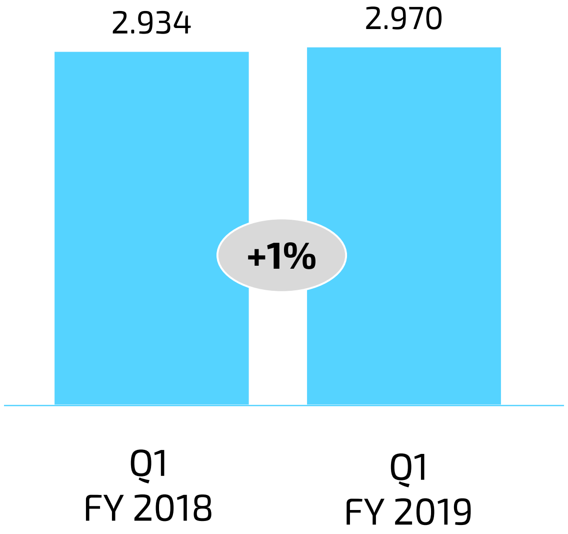
- Product diversification ratio up from 47% in Q1 FY 18 to 60% Q1 FY 19
- Revenue diversification ratio up from 31% in Q1 FY 18 to 38% Q1 FY 19

Reiterate Full year

Results in line with H1 outlook and on track to meet FY 2019 guidance

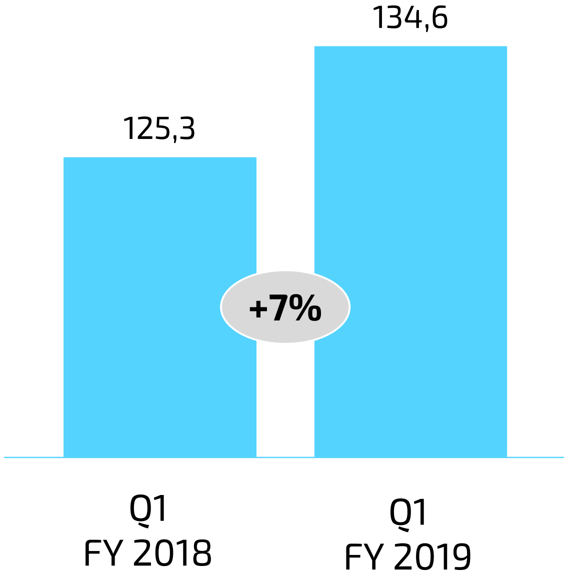
Bookings

In thousands



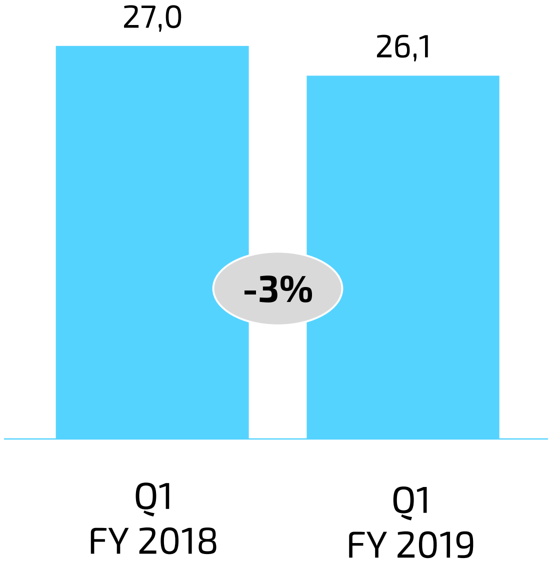
Revenue Margin

In € million



Adjusted EBITDA (*)

In € million



Source: Consolidated financial statements, unaudited

(*) Definitions of Non-GAAP measures on page 21-23

KPIs

- Q1 Results Highlights
- **KPIs**
- Financial Analysis
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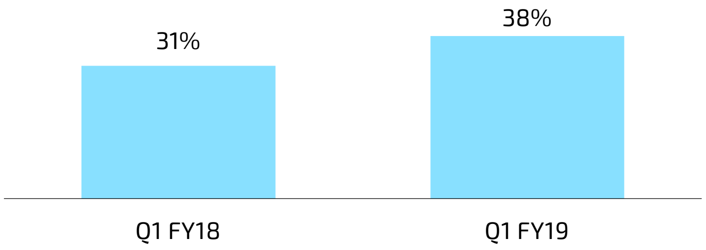
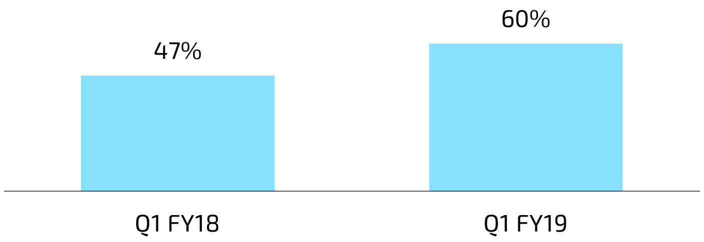
Revenue diversification on track, positive results visible on the KPIs

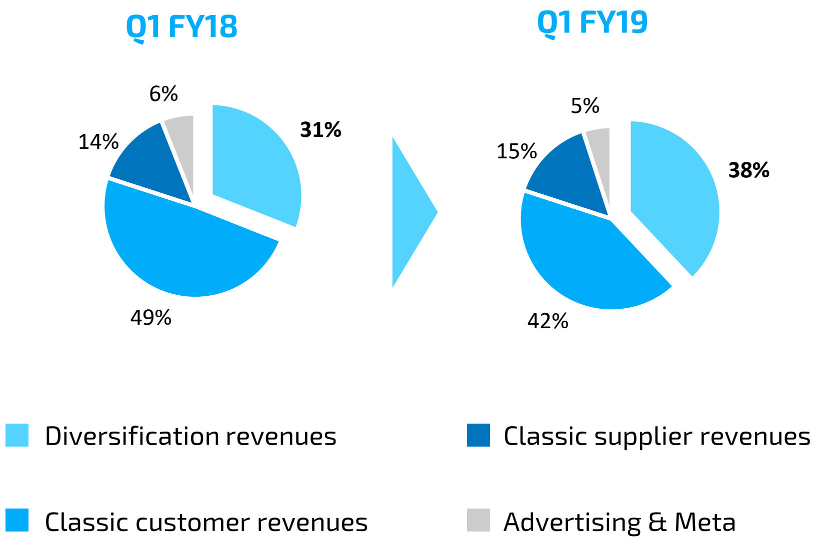
Revenue diversification ratio



Product diversification ratio



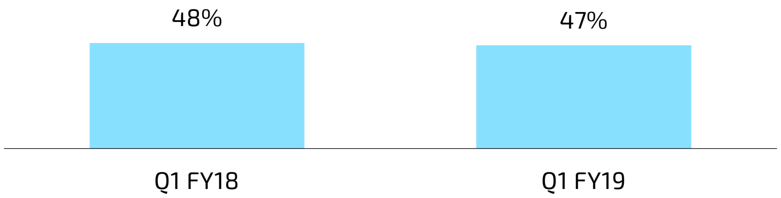
Revenue split evolution



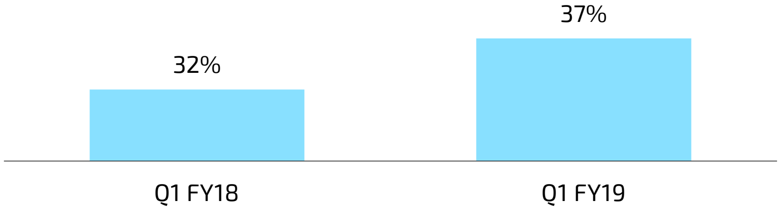
(*) Definitions of Non-GAAP measures on page 21-23

Changes to our revenue model on track, we are successful on executing on our strategy as evidenced on our KPIs

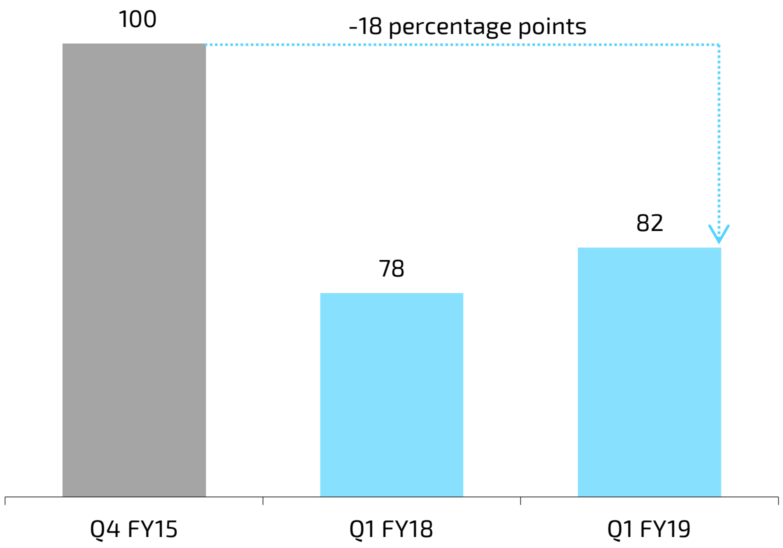
Customer repeat booking rate (Annualised)



Mobile bookings as share of flight bookings



Acquisition cost per booking index



(*) Definitions of Non-GAAP measures on page 21-23

Financial Analysis

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Income statement

(In € million)	Q1 FY 2019	Q1 FY 2018	Var. 19 vs 18
Revenue margin	**134,6**	**125,3**	***7%***
Variable costs	(90,6)	(77,2)	*17%*
Fixed costs	(17,9)	(21,0)	*(15)%*
Adjusted EBITDA	**26,1**	**27,0**	***(3)%***
Non recurring items	(0,4)	(13,8)	*(97)%*
EBITDA	**25,7**	**13,3**	***94%***
D&A incl. impairment & results on assets disposals	(6,0)	(4,9)	*22%*
EBIT	**19,7**	**8,3**	***137%***
Financial loss	(10,7)	(10,2)	*5%*
Income tax	(3,7)	(5,0)	*(26)%*
Net income	**5,3**	**(6,9)**	***n.a.***
Adjusted net income	**5,7**	**6,0**	***(6)%***

Source: Consolidated financial statements, unaudited

Key highlights Q1 FY 2019

In FY 19, main YoY evolutions reflect:

- **Revenue margin** increase by 7%
- **Variable Costs** grew 17% driven by the increase in bookings and Variable Cost per booking increased by 16%, as a result of higher acquisition costs, driven partly by offline TV campaign broadcasted from April to June 2018, as well as new variable costs related to the sale of ancillaries
- **Fixed Costs** decreased by 15% due to lower IT costs, external costs and, to a lesser extent, due to the positive impact of the application of IFRS 16 Lease accounting.
- **Non recurring items** decreased by 97% mainly due to the absence of the provision related to the social plan in France and Italy applied in FY 18.
- **D&A and impairment** increased by 22% due to the increase in amortization and depreciation relating to the acquisition of new assets (mainly hardware and software) and the increase on the depreciation of the office leases.
- **Financial loss** was broadly in line with Q1 FY 18.
- **Income Tax** decrease of 26% is primarily explained by the reduction of the US income tax rate from 35% to 21% which became effective starting FY 19.

Cash flow statement

(In € million)	Q1 FY 2019	Q1 FY 2018
Adjusted EBITDA (*)	**26,1**	**27,0**
Non recurring items	(0,4)	(13,8)
Non cash items	(1,6)	12,5
Change in WC	(53,6)	(62,7)
Income tax paid	(7,8)	(1,8)
Cash flow from operating activities	**(37,2)**	**(38,7)**
Cash flow from investing activities	**(7,7)**	**(7,0)**
Cash flow before financing	**(45,0)**	**(45,7)**
Other debt issuance/ (repayment)	(0,9)	(0,2)
Financial expenses (net)	(0,5)	(0,8)
Cash flow from financing	**(1,4)**	**(1,0)**
Net increase/(decrease) in cash	**(46,4)**	**(46,6)**
Cash (net of overdrafts)	**124,9**	**96,7**

Key highlights Q1 FY 2019

- **Cash flow from operations increased by €1.4 million, due to:**
  - An increase in changes in working capital with an outflow of €53.6 million in Q1 FY 19 compared to an outflow of €62.7 million in Q1 FY 18. The lower outflow of €9.1 million in the current year is mainly due to the impact of Easter holidays which fell this year in March compared to April in 2017, as well as a favorable calendar of payments to providers, partly offset by reduced acceptance by our providers of methods of payment with WC benefits for the company

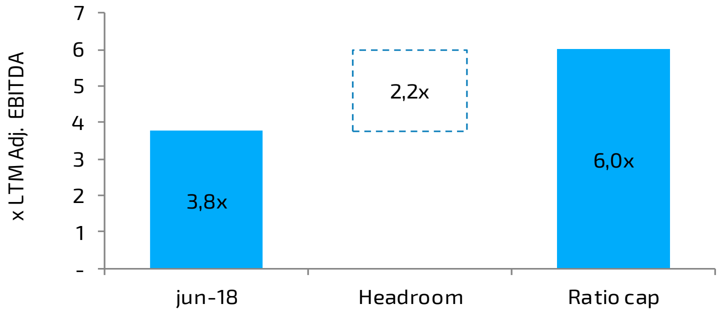
  Offset by:
  - Decrease in Adj. EBITDA by €0.9m
  - Higher payments of income tax during Q1 FY 19 of €6.0 million, of which €3.6 million consist of advances in payments vs timing of previous years
- **Cash outflow from investing activities increased by €0.7 million due to:**
  - Increase in the software capitalized
- **Cash flow used in financing decreased by €0.5 million due to:**
  - Inclusion of payments done regarding office leases for €0.6 million in Q1 FY 19 due to the application of IFRS 16 Leases starting on April 1, 2018.

Source: Consolidated financial statements, unaudited (*) Definitions of Non-GAAP measures on page 21-23

Debt

- **Gross Leverage ratio (*) was down to 3.8x in June 2018 vs 4.2x in June 2017**, which gives us ample headroom vs our covenant ratio.
- Due to strong cash flow generation in last 12 months, **Net leverage ratio (*) was down from 3.3x in June 2017 to 2.7x in June 2018**
- Due to our solid financial and operational performance in FY2018 and our future Outlook, **Moody's upgraded our rating on the 3rd of July** from B2 to B1 at the Corporate Family Rating level, and our 2021 Notes from B3 to B2.
- SS RCF €157 million

Gross Leverage Ratio (*)
(Total Gross Financial Debt / LTM Adjusted EBITDA)



Debt Details

	Principal (€ Million)	Rating	Maturity
Corporate Family Rating		Moodys:B1 S&P: B Outlook: Stable	
2021 Notes	425	Moodys:B2 S&P: B	01/08/21

NOTES: Covenant figures unaudited

(*) Definitions of Non-GAAP measures on page 21-23

Outlook

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Reiterate full year Outlook

Outlook Statement

In FY 19, we will continue to invest and accelerate the strategic shift in our revenue model, including increased price transparency display in some countries. We expect this strategy to adversely affect our performance in the short term, but to improve our strategic position and long-term value, both for customers and shareholders.

Reflecting this strategy, we expect markedly soft revenue margin growth and a reduction in bookings and adjusted EBITDA in the first half of FY 19, with improvement in the second half of the fiscal year.

Also as previously noted in the first half FY 18 results presentation, comparisons between Q2 FY 19 and Q2 FY 18 will be distorted by an adjustment relating to supplier agreements renegotiations completed in Q2 FY 18. The contracts were retroactively applied to the start of FY 18, but the Q1 P&L benefit amounting to €2.0 million of Adjusted EBITDA was booked in Q2 FY 18. Comparisons between the first half of FY 19 and first half of FY 18 will therefore provide a more accurate view of the underlying trends in the business.

Our guidance for the full year includes this factors and remain unchanged

Outlook for FY 2019

Bookings

-4% to flat vs FY 2018

Revenue Margin

In excess of €509 million

Adjusted Ebitda

€118 million

Appendix

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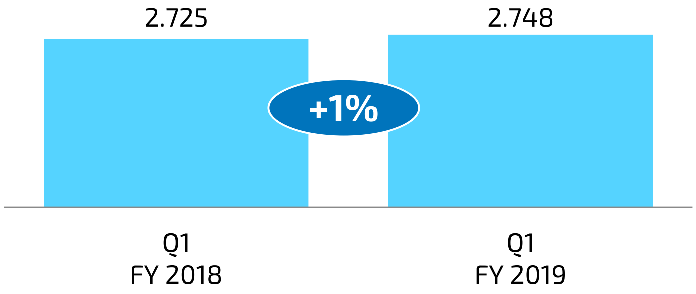
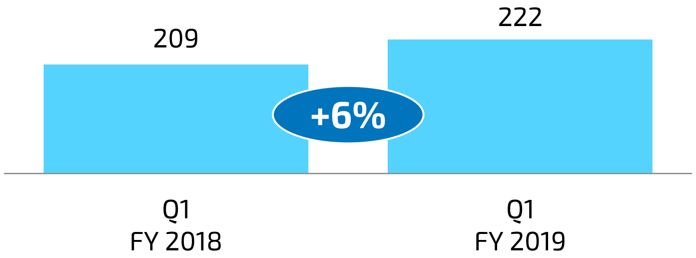
FLIGHT AND NON-FLIGHT BOOKINGS

Revenue diversification drives growth

Flight - Bookings
In '000



Non Flight - Bookings
In '000



Source: Consolidated financial statements, unaudited

Flight

- The increase in flight bookings is mainly driven by the implementation of our marketing and pricing strategies but is partly offset by the short term impacts of our revenue model switch including changes in price display.
- We continue to shift our revenue model towards increased price transparency in order to improve our business model, and create better customer experience

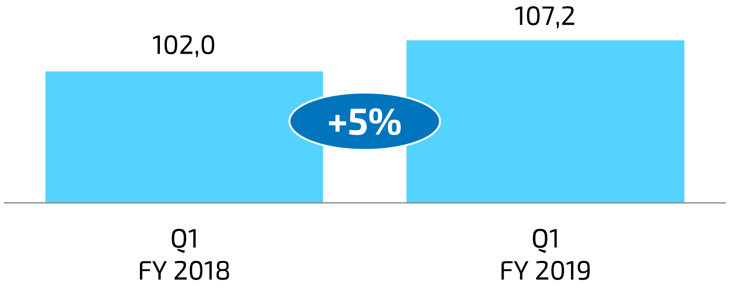
Non-Flight

- Non-flight increase in bookings is as a consequence of our diversification strategy including better attachment of non-flight products.

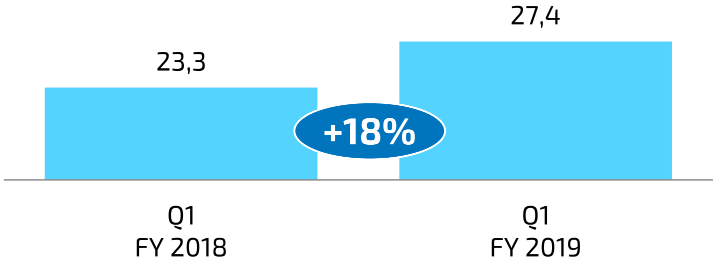
FLIGHT AND NON-FLIGHT REVENUE MARGIN

Revenue diversification drives growth

Flight – Revenue Margin
In € million



Non Flight – Revenue Margin
In € million



Source: Consolidated financial statements, unaudited

Flight

- In Q1 FY 19, revenue margin performance driven by:
  - Bookings, already explained in previous slide.
  - An increase of 4% in revenue margin per booking, resulting from the better attachment to our flight products of our ancillaries, which increased revenues by 113% year-on-year.
  - Improved terms with our suppliers by leveraging our scale and better marketing strategy

  Partly offset by:
  - The effect of changes in our pricing and price display to improve the customer experience.

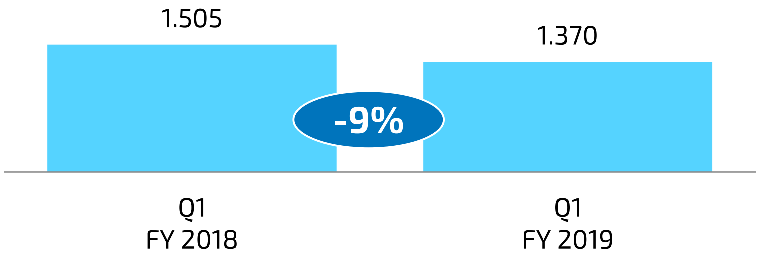
Non-Flight

- In Q1 FY 19, non-flight revenue margin growth driven by the revenue diversification strategy:
  - Bookings, already explained in previous slide.
  - An increase of 11% in revenue margin per booking supported by the successful implementation of our revenue diversification strategy
    - This growth was primarily driven by the increase in revenue margin per booking in our Dynamic Packages and Car Rental businesses.

CORE AND EXPANSION BOOKINGS

Revenue diversification drives growth in the Expansion Markets

Core- Bookings
In '000



Expansion - Bookings
In '000

Source: Consolidated financial statements, unaudited

Core

- In Q1 FY 19, bookings decreased by 9% as a result of our investment in the evolution of the revenue model and our transition to mobile.
- We continue to make investments on our business to improve our business model, and create better customer experience.

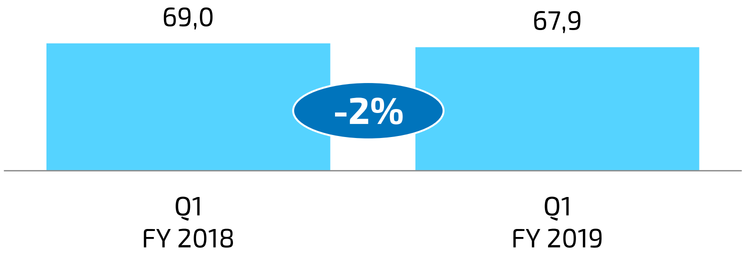
Expansion

- In Q1 FY 19, positive growth of 12% is principally due to the successful implementation of our strategic initiatives in our expansion markets, as well as to investments made in our business and revenue diversification.

CORE AND EXPANSION REVENUE MARGIN

Revenue diversification drives growth in the Expansion Markets

Core – Revenue Margin
In € million



Expansion – Revenue Margin
In € million

Core

- In Q1 FY 19, revenue margin performance driven by:
  - Bookings, already explained in previous slide.

  Partly offset by:
  - An increase in Revenue Margin per Booking of 8%, driven by the execution of our Diversification strategy

Expansion

- In Q1 FY 19, positive growth continues due to revenue diversification strategy, revenue margin performance driven by:
  - Bookings
  - An increase in Revenue Margin per Booking of 6% driven by the increase of flight related ancillaries
  - Other Diversification Revenue per Booking in line with our diversification strategy in our expansion markets.

Source: Consolidated financial statements, unaudited eDreams ODIGEO

Glossary of Definitions

Non-reconcilable to GAAP measures

- **"Acquisition Cost per Booking Index"** refers to the most relevant marketing expenses incurred to acquire new customers (encompassing Paid search, Metasearch and Affiliates), divided by the total number of Bookings. For any given period, the ratio is expressed as an index 100, in which 100 is the value of Acquisition Cost per Booking for the 3 months ended on December 2015. The acquisition cost per booking index provides to the reader a view of the trend of one of the main variable cost (marketing cost) of the business.
- **"Gross Bookings"** refers to the total amount paid by our customers for travel products and services booked through or with us (including the part that is passed on to, or transacted by, the travel supplier), including taxes, service fees and other charges and excluding VAT. Gross Bookings include the gross value of transactions booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we act as a ''pure'' intermediary whereby we serve as a click-through and pass the reservations made by the customer to the relevant travel supplier. Gross Bookings provide to the reader a view about the economic value of the services that the Group mediates.

Reconcilable to GAAP measure

- **"Adjusted EBITDA"** means operating profit/loss before depreciation and amortization, impairment and profit/(loss) on disposals of non-current assets, certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.
- **"Adjusted Net Income"** means our IFRS net income less certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.
- **"Revenue Diversification Ratio"** is a ratio representing the amount of Diversification Revenue earned in a twelve-month period as a percentage of our total revenue. Our management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the results of our revenue diversification strategy.
- **"EBIT"** means operating profit/loss. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.
- **"EBITDA"** means operating profit/loss before depreciation and amortization, impairment and profit/loss on disposals of non-current assets. This measure, although it is not specifically defined in IFRS, is generally used in the financial markets and is intended to facilitate analysis and comparability.
- **"(Free) Cash Flow before financing"** means cash flow from operating activities plus cash flow from investing activities.
- **"Gross Financial Debt"** means total financial liabilities considering financing cost capitalized plus accrued interests and overdraft. It includes both non-current and current financial liabilities. This measure offers to the reader a global view of the Financial Debt without considering the payment terms.
- **"Gross Leverage Ratio"** means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by "Adjusted EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt.
- **"Net Financial Debt"** means "Gross Financial Debt" less "cash and cash equivalents". This measure offers to the reader a global view of the Financial Debt without considering the payment terms and reduced by the effects of the available cash and cash equivalents to face these future payments.
- **"Net Leverage Ratio"** means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "Adjusted EBITDA". This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt, also considering the available cash in the Group.
- **"Net Income"** means Consolidated profit/loss for the year.
- **"Revenue Margin"** means our IFRS revenue less cost of supplies. Our management uses Revenue Margin to provide a measure of our revenue after reflecting the deduction of amounts we pay to our suppliers in connection with the revenue recognition criteria used for products sold under the principal model (gross value basis). Accordingly, Revenue Margin provides a comparable revenue measure for products, whether sold under the agency or principal model.

Glossary of Definitions

Other Defined Terms

- **"Bookings"** refers to the number of transactions under the agency model and the principal model as well as transactions made under white label arrangements. One Booking can encompass one or more products and one or more passengers.
- **Product Diversification Ratio (%)** is a ratio expressed on a percentage basis and calculated by dividing the number of flight ancillary products and non-flight products linked to a Booking (such as insurance, additional check-in luggage, reserved seats, certain additional service options, Dynamic Packages and car rental) by the total number of Bookings for a given period.
- **Customer Repeat Booking Rate (%)** refers to the ratio, expressed on a percentage basis, of Bookings made in a quarter by customers who made a prior Booking in the 12 months prior to that quarter divided by the total number of Bookings. The ratio is annualized, multiplying by four and by the ratio of the quarter over the average of last 4 quarters, to eliminate seasonality effects
- **''Core Markets'' and ''Core Segment''** refers to our operations in France, Spain and Italy.
- **''Expansion Markets''** and ''Expansion segment'' refers to our operations in Germany, the United Kingdom and the other countries in which we operate, including, among others, the Nordics and countries outside Europe.
- **''Flight Business''** refers to our operations relating to the supply of flight mediation services.
- **''Fixed Costs**'' includes IT expenses net of capitalization write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. Our management believes the presentation of Fixed Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs we have the ability to reduce in response to changes affecting the number of transactions processed.
- **"Fixed Costs per Booking"** means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".
- **''Non-flight Business**'' refers to our operations relating to the supply of non-flight mediation services, as well as other non-travel activities such as advertising on our websites, incentives we receive from payment processors, charges on toll calls and Liligo's metasearch activity.
- **"Non-recurring Items**" refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations.
- **''Variable Costs''** includes all expenses which depend on the number of transactions processed. These include acquisition costs, merchant costs and other costs of a variable nature, as well as personnel costs related to call centers as well as corporate sales personnel. Our management believes the presentation of Variable Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs. We have the ability to reduce certain costs in response to changes affecting the number of transactions processed.
- **"Customer Relationship Management (CRM)"** represents the set of activities that will encourage our customers to repeat business with us: visit our site again and make another booking. To be successful we need to understand our customers' behaviours and needs: we collect, analyse and use data to make each of those interactions with customers as personalised and relevant as possible.

Glossary of Definitions

Other defined terms

- **Classic Customer Revenue** represents customer revenue other than Diversification Revenues earned through flight service fees, cancellation and modification fees, tax refunds and mobile application revenue. Our management believes that the presentation of the Classic Customer Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
- **Classic Supplier Revenue** represents supplier revenue earned through GDS incentives for Bookings mediated by us through GDSs and incentives received from payment service providers. Our management believes that the presentation of the Classic Supplier Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
- **Diversification Revenue** represents revenue other than Classic Customer Revenue, Classic Supplier Revenues or Advertising and Metasearch Revenue, earned through vacation products (including car rentals, hotels and Dynamic Packages), flight ancillaries (including reserved seats, additional check-in luggage, travel insurance and additional service options), travel insurance, as well as certain commissions, over-commissions and incentives directly received from airlines. Our management believes that the presentation of the Diversification Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.
- **Advertising and Metasearch Revenue** represents revenue from other ancillary sources, such as advertising on our websites and revenue from our metasearch activities. Our management believes that the presentation of the Advertising and Metasearch Revenue measure may be useful to readers to help understand the results of our revenue diversification strategy.