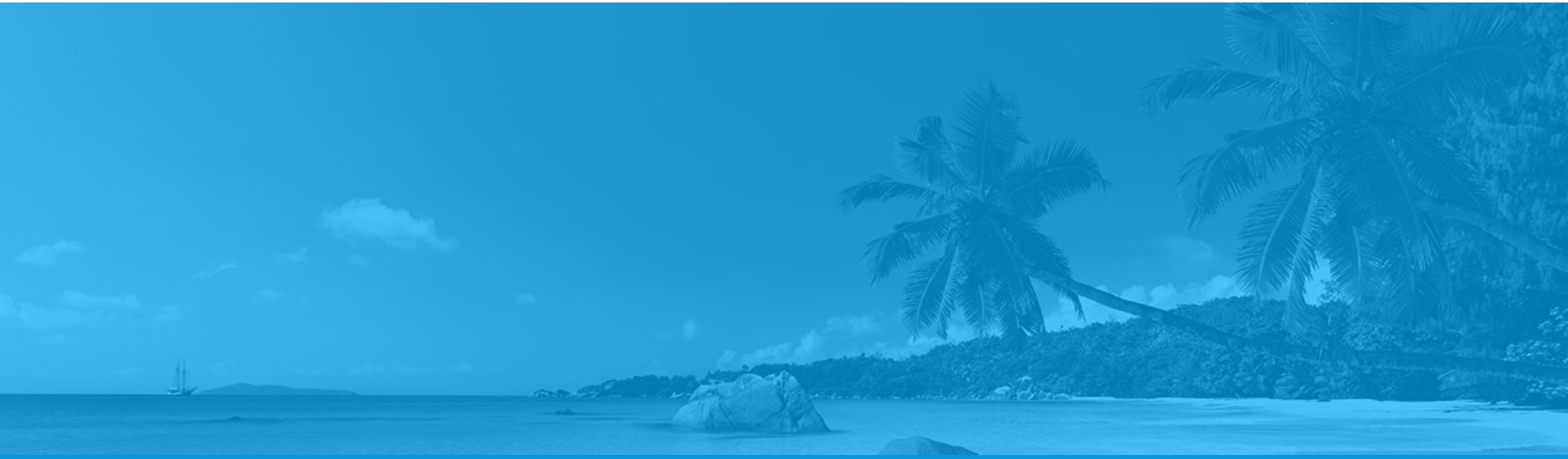
eDreams ODIGEO



Investors Presentation

May 2017

Agenda

We provide true value to customers & suppliers

- **The value we bring to customers**
- The value we bring to suppliers

Our market is attractive and we are well positioned versus competitors

We are uniquely able to deliver

We are building a successful business for long-term sustainable growth

---

Q&A

eDreams ODIGEO appeals to over 17 million customers of all demographics and needs

Our customers are diverse

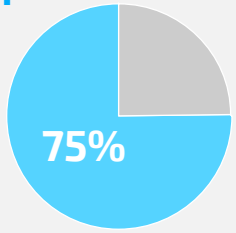
… large range of group sizes

… travelling to all sorts of destinations

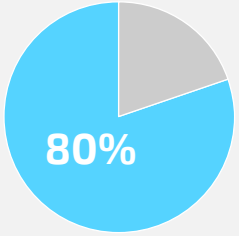
… with a variety of purposes

… and differing price sensitivities

3 out of 4 of our customers travel fewer than 3 times a year



The majority does not care about travelling with a specific airline





SOURCE: Odigeo User Attitudes Survey; 2015 European Commission, Boxever, company data

Customers book with us because we provide strong value and choice, in the most convenient way

We make it easiest to book

<100 seconds
for users to book a direct flight

We give customers the best choice

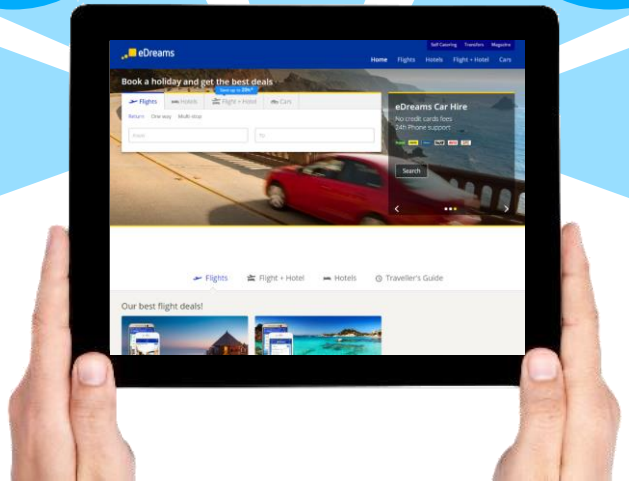
8 vs 3
direct flight options per day with airline

They can customize every element of their trip

>1,000
new product features every year allow our customers to find exactly what they want

We save customers money

€134
cheaper than airlines on average across all common routes



We offer better service

24/7
Customer service across all major markets

Customers can save on each booking by using eDreams ODIGEO

Save money

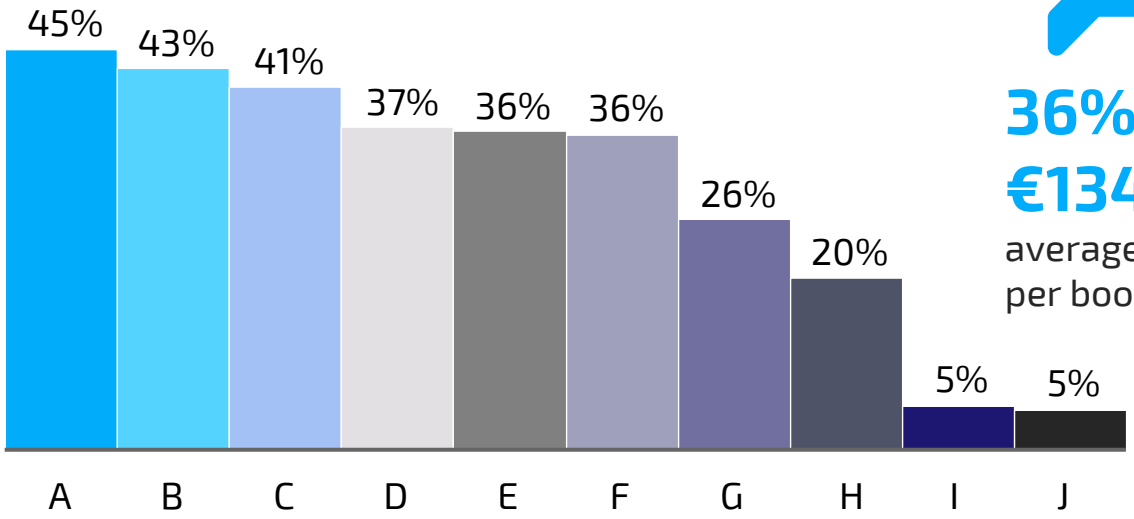
10
major pan-European carriers and LCCs

> 5,000
common routes on **same date, same payment including all fees**

400,000+
comparisons across **80m flights**

Average final price saving per booking, eDreams v airline

% AOV



36% or **€134**
average saving per booking

Data accessed October 2016. Daily comparison of final prices for all routes on 6 random dates in the future for each airline, compared to equivalent local market eDreams Odigeo final price

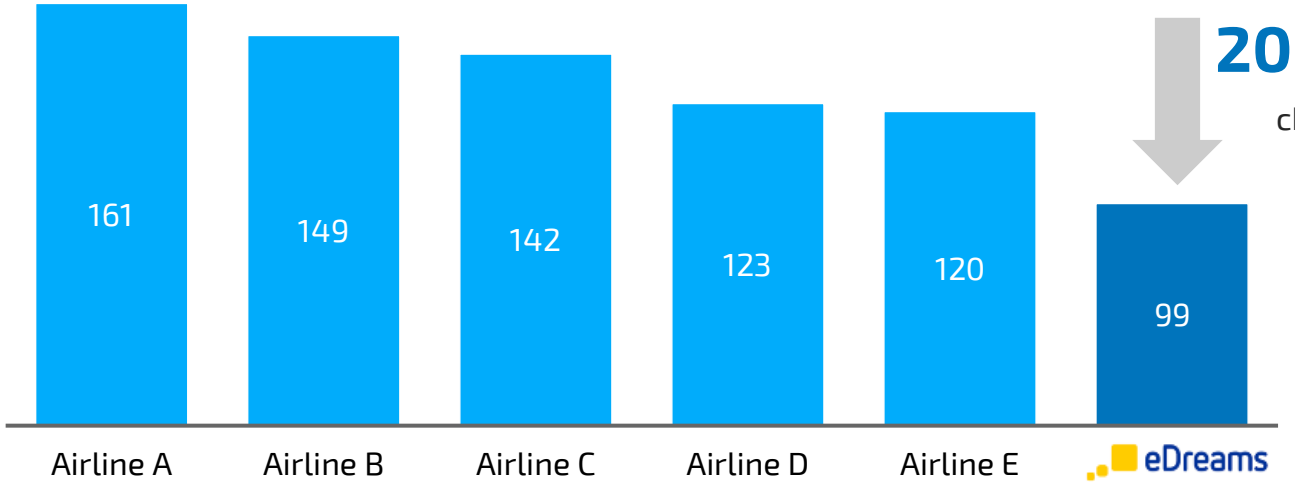
Broad inventory selection means that eDreams can be cheapest: one example

Save money



Example trip:
Barcelona > Brussels (return)
18th-21st November

Price of return flight, 1 pax, EUR



20-40%
cheaper

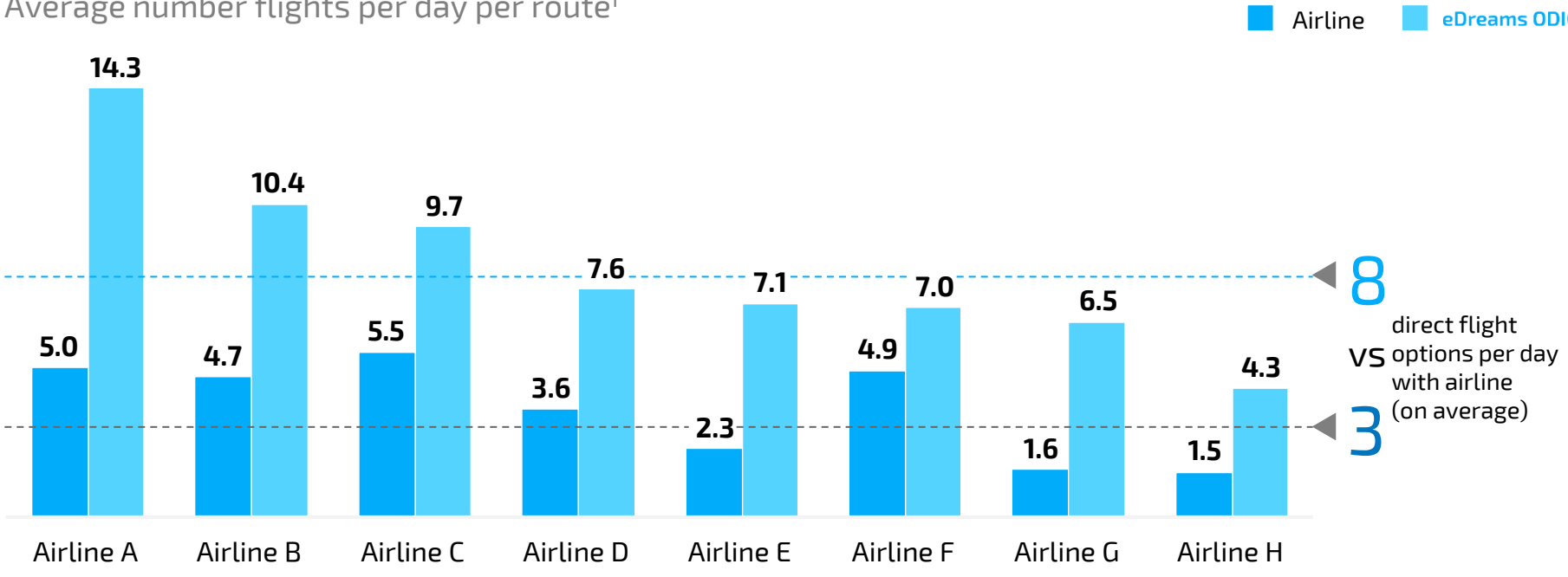


SOURCE: Airline websites, accessed 15th November 2016. Cheapest price for 1 pax, inc cheapest form of payment

For each route, we offer many more direct flight options per day

Best choice

Average number flights per day per route[1]



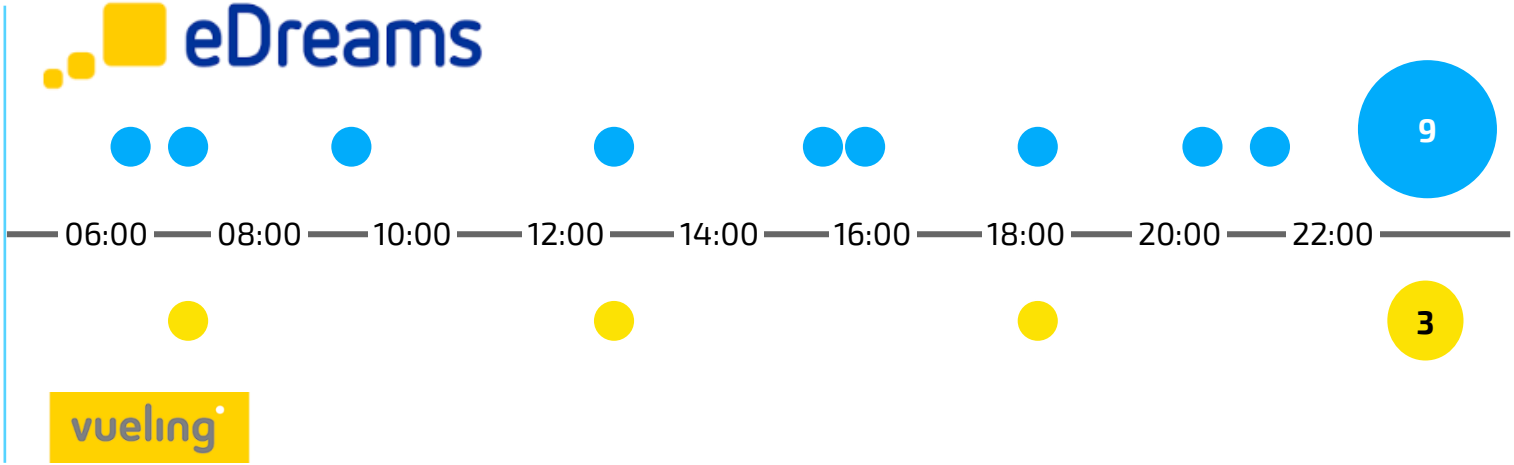
1 Based on assessment of > 3,200 routes operated by airlines. Comparison of eDreams ODIGEO flight options on same routes (by city) as operated by airline

For the same route as before, eDreams offers twice as many flight options than the next nearest airline

Best choice



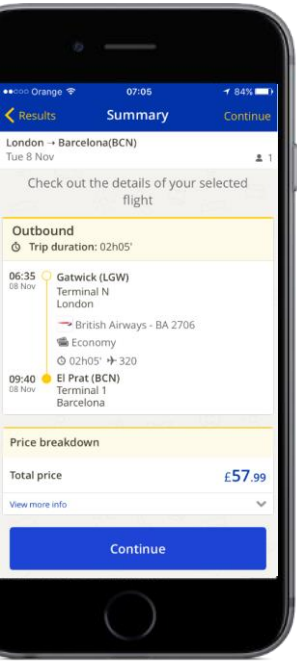
Example direct one-way trip:
Barcelona > Brussels
18th November



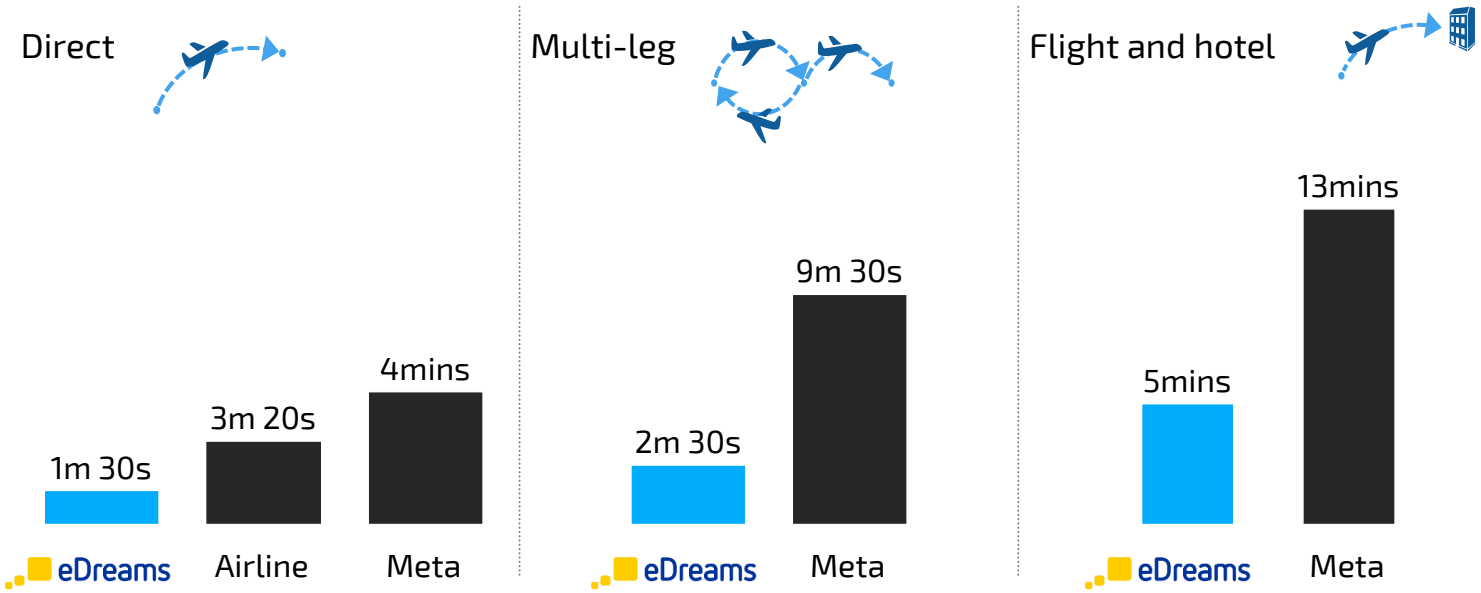


Customers can book their trip much more quickly by using eDreams

Convenience



Time to complete booking, minutes



Additional 20-25s can be saved if card payment details are stored

SOURCE: eDreams, metasearch, and airline mobile apps accessed October 2016. Times taken are from initial opening of app through to booking completion for the same flights and hotels.

You can book a return trip on eDreams 4x faster (vs meta and airlines)

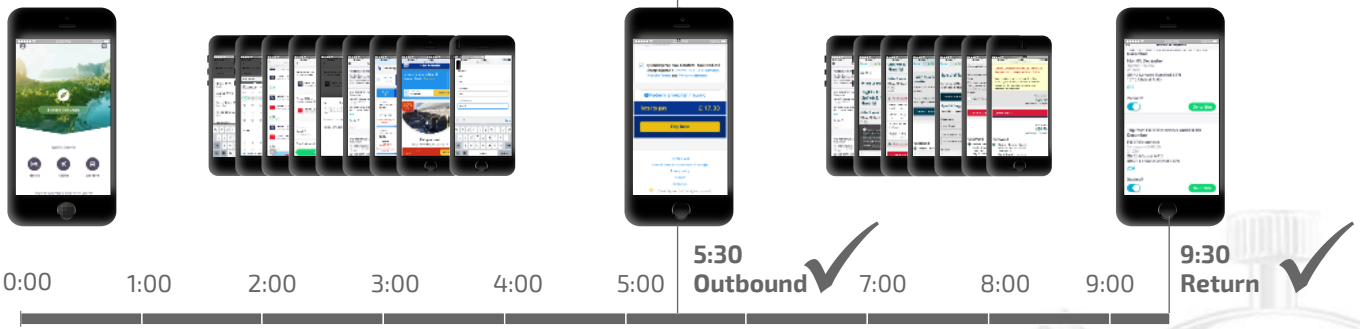
Convenience

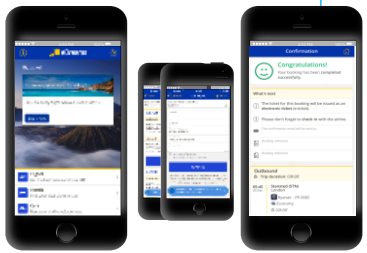


Example trip:
Barcelona > Brussels (return)
18th – 21st November

Metasearch and airlines

*Risk of return leg being **repriced** or **made unavailable** in the time taken to book first leg*





eDreams

4x
faster for the same booking

Each step of a customer's journey allows them to customize their trip to suit their exact needs

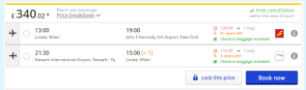
Customization

Inspire and plan | Search | Compare and select | Order and confirm | Pre-travel | Travel | Post-travel

Personalized engagement methods

Personalized results recommendation based on dynamic criteria





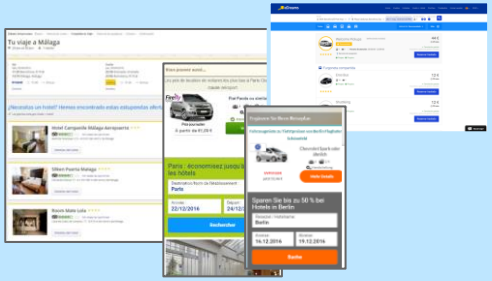
Easy way to lock the price of the trip and book it later



Latest searches synchronized and accessible from the app's home page

Tailorable suite of products and add-ons

Large-scale selection of hotels, bags, cars, transfers and insurance options offered throughout the booking experience to create dynamic packages in funnel and through cross sell in both desktop and mobile



Services to manage trip preferences

Flexible travel dates allow customers to change their mind





Push notifications based on individual behaviour, plus travel alerts and information on destination

Personal area to check trip status and updates.



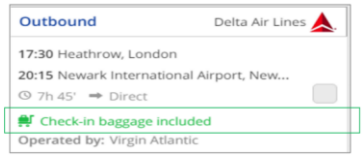
The result that our customers see is a seamless booking experience with a greater range of products and services

Inspire and plan | Search | Compare and select | Order and confirm | Pre-travel | Travel | Post-travel

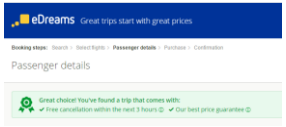
Location heatmaps



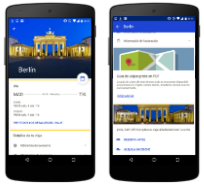
Baggage information



Free cancellation



Destination guides



Scan card



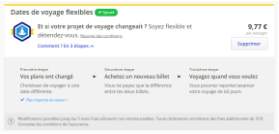
Holidays in calendar



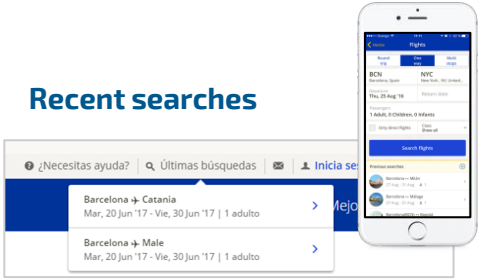
Seat map



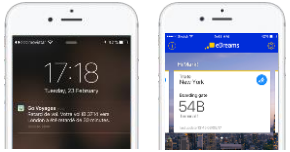
Flexible travel dates



Recent searches



Flight notifications



>1,000 new product features every year

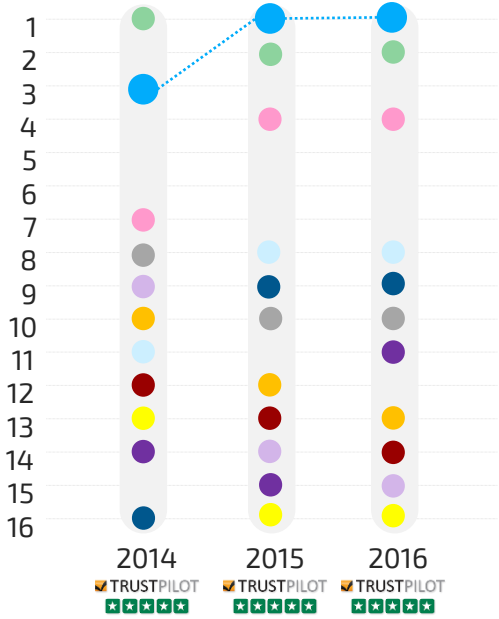
We have market-leading customer service

Best service

Award-winning customer service

Customer service recognized as better than competition

Trustpilot score ranking



24/7 round the clock customer service



Airline 1	06:00 - 20:00[1]
Airline 2	06:00 - 19:00[1]
Airline 3	08:00 - 20:00
Airline 4	09:00 - 18:00[1]
Airline 5	08:00 - 20:00[1]

1 Reduced or no weekend service

SOURCE: Trustpilot, average scores France, Italy, Spain, Germany & UK

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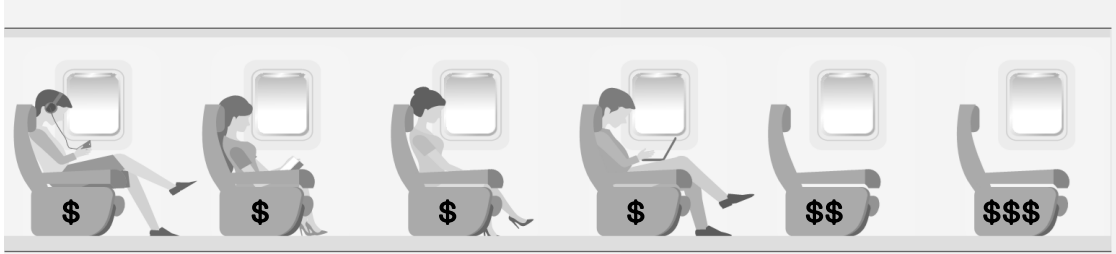
Q&A

The demand an OTA brings to an airline allows them to improve their yield management

Airlines

Airline



Airline has to sell more seats at cheaper prices with lower demand

Extra demand allows an airline to close cheaper fare seat categories earlier, and therefore charge higher rates for the same seats

Airline w/OTA demand



Each incremental 1% of demand is worth an extra

0.8% revenue

to the airline and

increases load factor by 0.4pp

Amadeus analysis on LCC booking data.

SOURCE: Amadeus IT Group, 2016 analysis

OTAs present a 50% cheaper means of indirect customer acquisition for airlines

Airlines

Estimated acquisition cost per booking (indirect traffic), EUR

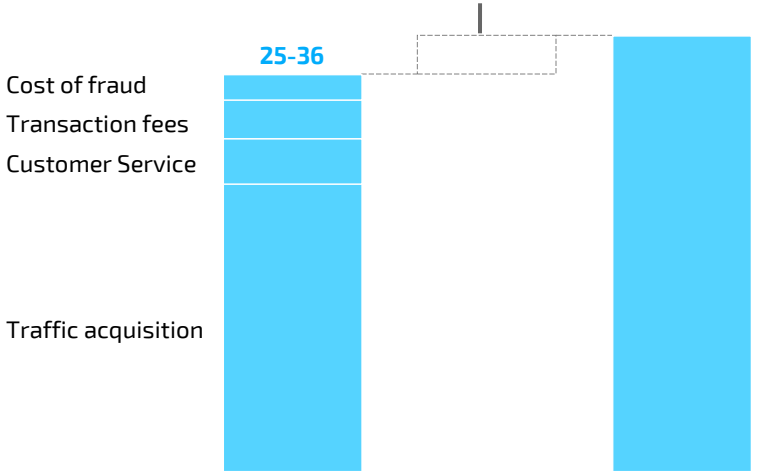
External acquisition (via OTA)[1]

8-20

VS

Internal acquisition[2]

Additional investment also required for technology and infrastructure to support these transactions





1 Spend includes sales commissions to agencies, computerized distribution expenditure, and associated advertising and sales promotions. Based on airline annual reports and industry benchmarks.
2 Traffic acquisition based on Expedia, lastminute.com and Priceline FY15 results. Customer service and transaction fees based on Expedia FY15 results, cost of fraud based on internal estimates.
SOURCE: Airline and OTA annual reports, industry benchmarks

We are helping airlines grow and are an important strategic partner to them

Airlines



— Airlines are benefiting from our growth

— 95% of our partner contracts have performance components

Odigeo has been always a very important partner, our relationship has always been very clear and transparent, and there is no doubt that in the last years, the situation has improved even more.

AirEuropa

Our strong global partnership with Odigeo is best described as a mutually beneficial business relationship, where the **technological innovation set by Odigeo has been one of the key drivers.**

الطيران العماني
OMAN AIR

Our dedication to you as a partner is 100%.

airberlin

Agenda

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- Our relationship with metasearch players
- Scale advantage

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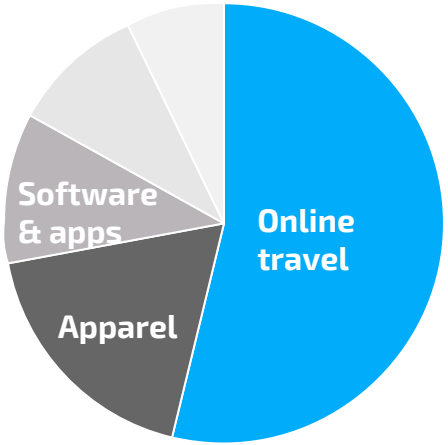
Q&A

Large and growing OTA market is poised for further expansion

Market

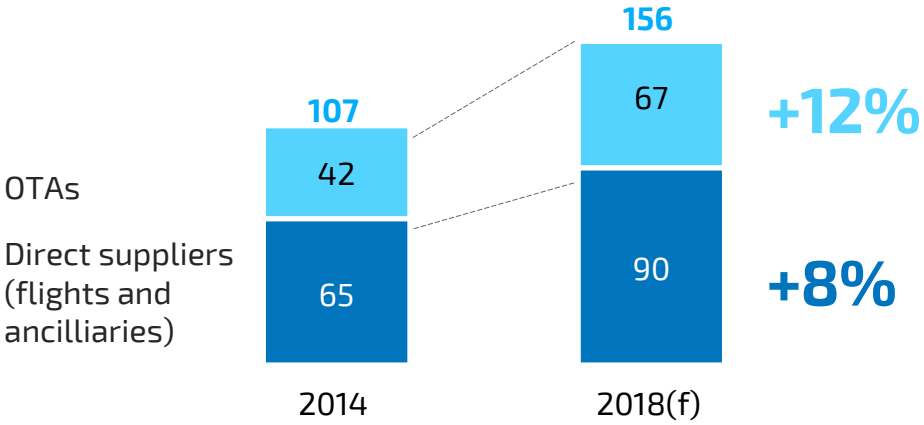
Travel is the biggest eCommerce segment…



3x size of the next largest segment

…and OTAs are the fastest growing segment within the European market

Total European online travel market, EUR bn





SOURCE: Phocuswright, *European Travel Overview Twelfth Edition (December 2016)*

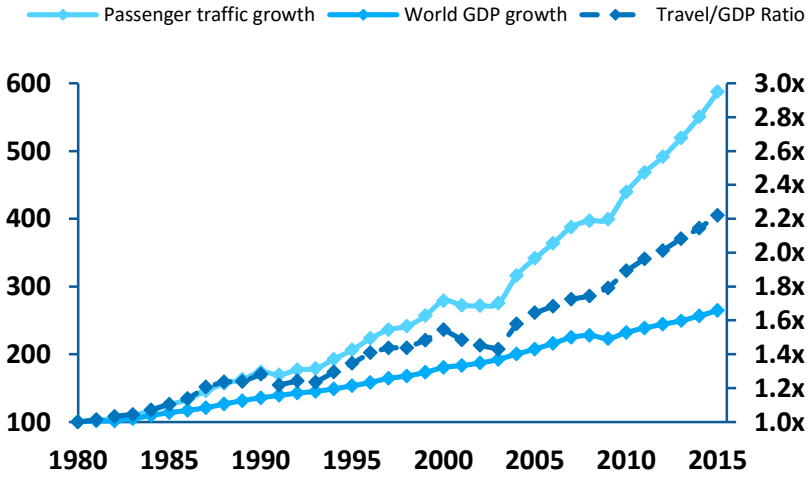
The European market's high online travel growth makes it particularly attractive for OTAs

Market

Improved macro environment creates an attractive environment for OTAs…

Passenger traffic growth vs GDP growth

Percent

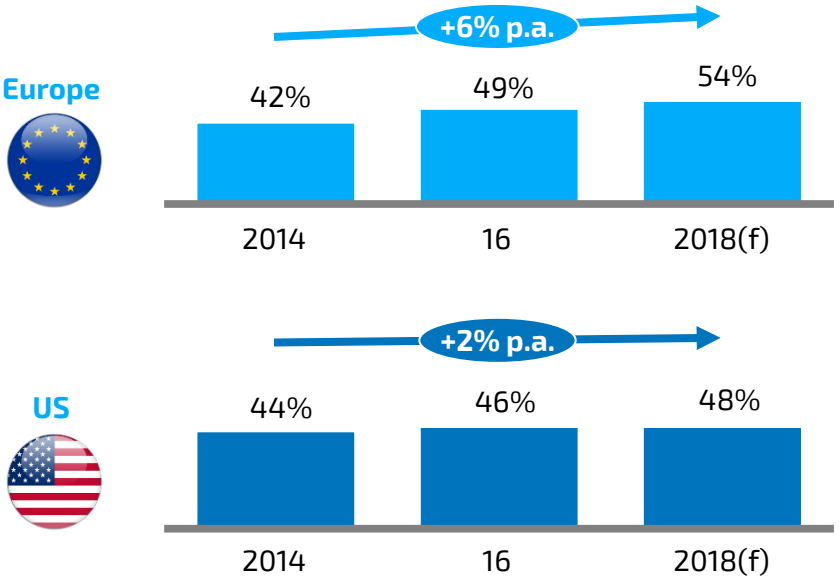


Flight sector has outgrown GDP growth by **1.7x over the past decade** and this multiplier continues to increase

…as well as greater continuous shift from offline to online travel

Online travel penetration

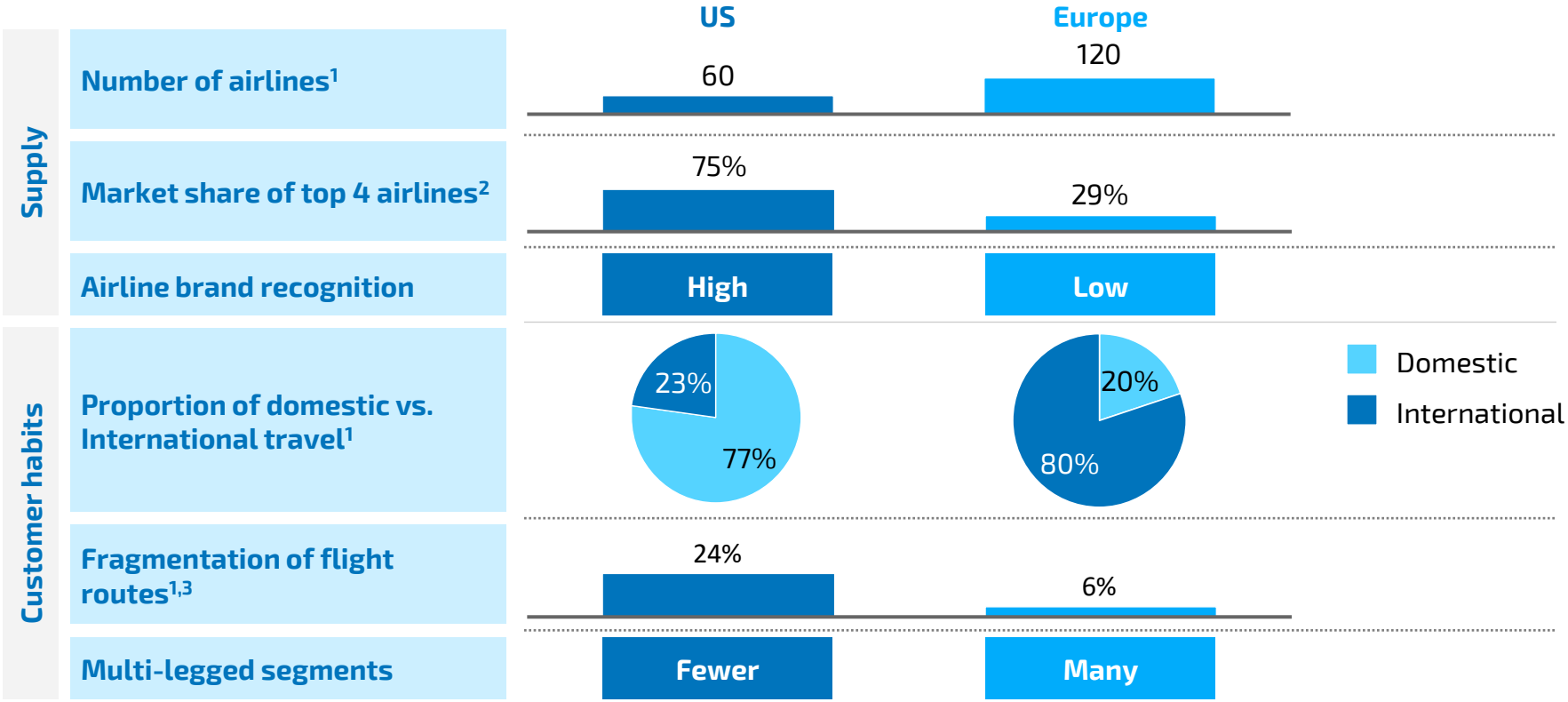
Percent



SOURCE: IATA 2010; Economist Intelligence Unit (EIU); ICAO; Phocuswright European Travel Overview Twelfth Edition

Flight market dynamics in Europe make it especially suited to OTAs

Market

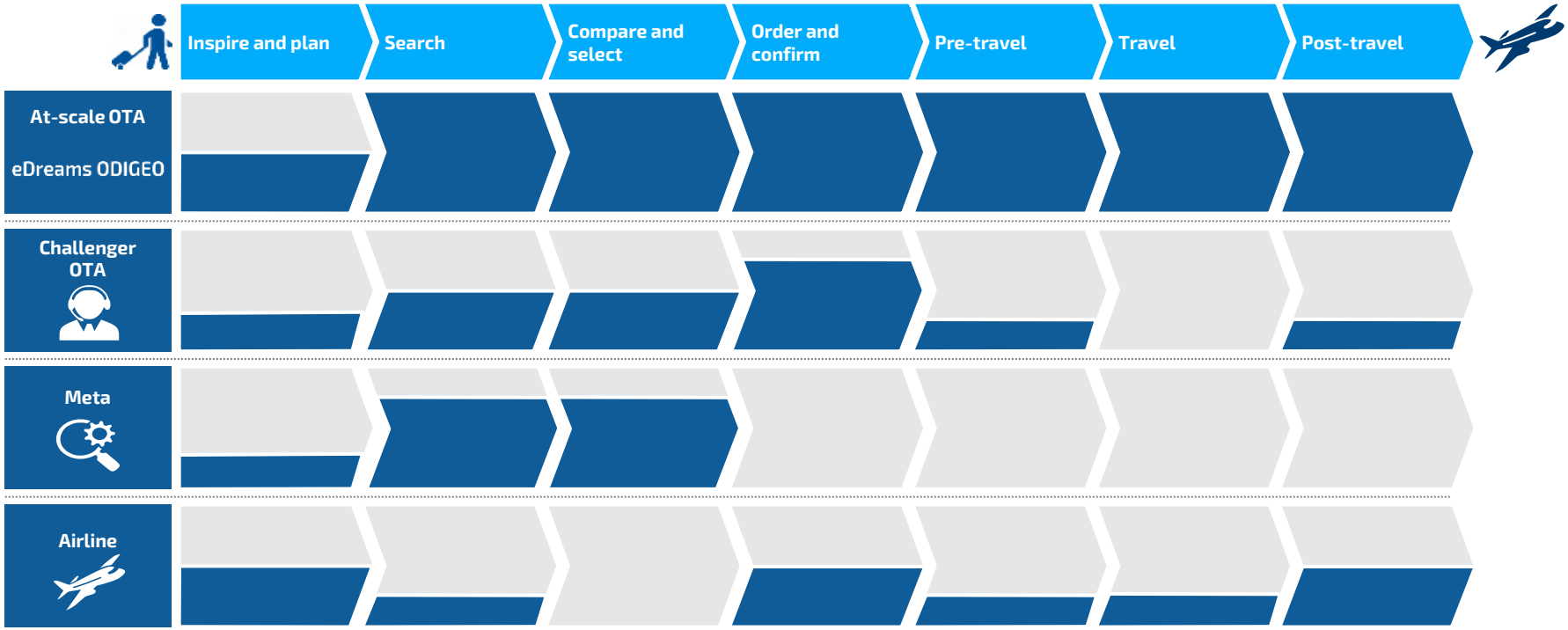


1 Industry research 2 OAG Analyser, based on number of seats for 2015; 3 Top 10 from-to city pairs - % of total passengers

Full offer | Partial offer | No comparability

OTAs are the only players that serve all customers' needs

Market



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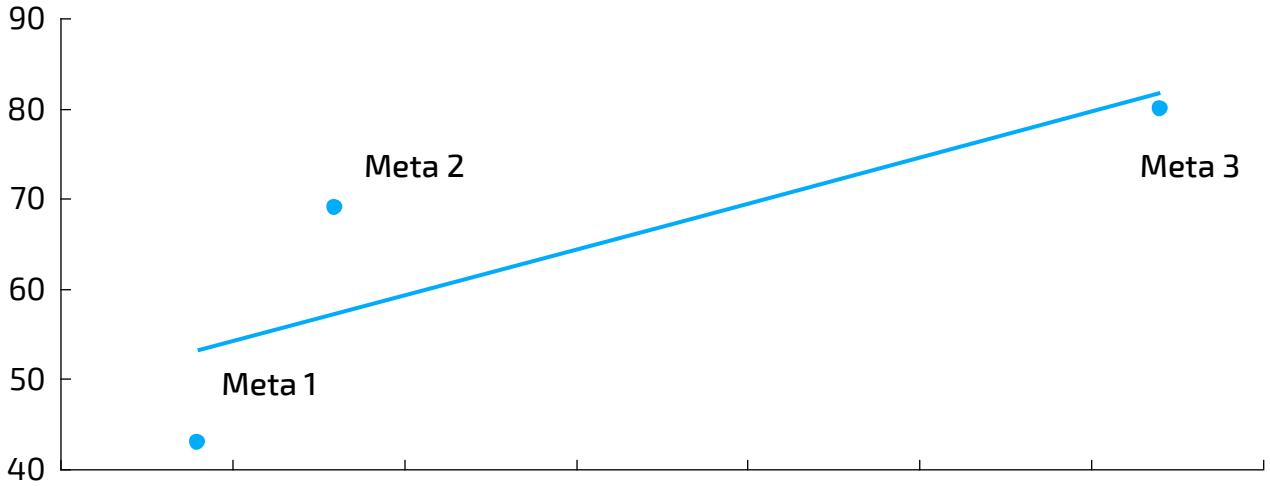
Q&A

Metasearch engines depend on OTAs for content and income…

Metasearch

Share of traffic directed to OTAs (France)
Percent





- Traffic demonstrates meta dependence on OTAs to provide customers content
- Partnerships with OTAs are more profitable for metas than with airlines

… and moving beyond their current model would require significant investment

Metasearch

Inventory ownership	Sourcing	Retail distribution			Post-booking customer support
		Marketing	Displaying content and offer	Pricing	
Barriers to entry					
Relationships and **technical integration** of suppliers (450+ airlines, rental cars, etc.)	Technology and **algorithms to combine offers** from different suppliers (esp. Low Cost Carriers) and **real time availability of prices**	 Metasearch playing field		Technology required for **checkout and payment systems** for customers, and **complex settlement systems with airlines**	**Customer care and call centers**

The customer experience through a metasearch site is also much less convenient

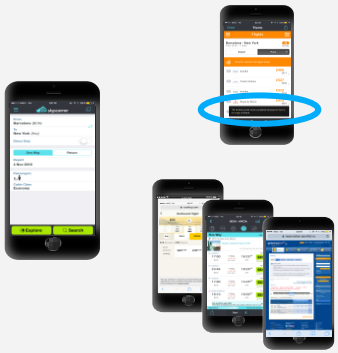
Metasearch

Metas lack the customer data to fully understand how to communicate with them

> *Metas' lack of customer data means "the sector is becoming disadvantaged, because **data is becoming the holy grail**...online travel agencies are much closer to transaction data and better positioned to service suppliers"*
>
> – Interviews with Evercore, American Airlines, United Airlines, '*The State of Metasearch Travel in 2015*', Skift

Our personalized content has driven increases in customer engagement of **7x** and increases in conversion of **4.5x**

The customer booking experience is slower and has fewer service options



Flights can become unavailable or reservations can time out during process

No option to book hotels, car hire, airport transfers, insurance and more

Customer booking journey requires **3 steps vs 11** with eDreams vs a meta and is **75% faster**

SOURCE: *Airline Interviews*, The State of Metasearch Travel in 2015, *Skift*

Even Google has found it hard to build a model as a flight meta

Metasearch

Launch of Google Flights

Sep 2011 — **Oct 2014** — **Mar 2015**

Google

"Google Flight Search, loved by some and ignored by others, hasn't turned into the competition-crushing Web site that its critics predicted it would be ..."

Washington Post (Oct 2014)

Our traffic from Google Flights is limited today and only represents



1.1%

for eDreams
(of total meta traffic)

"While no longer in beta, Google Flights still isn't covering its costs."

Kourosh Gharachorloo, Engineering Director, Google travel team



SOURCE: Press Research, Google Analytics, Company data

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Q&A

The benefits of scale drive long-term, sustainable competitive advantage

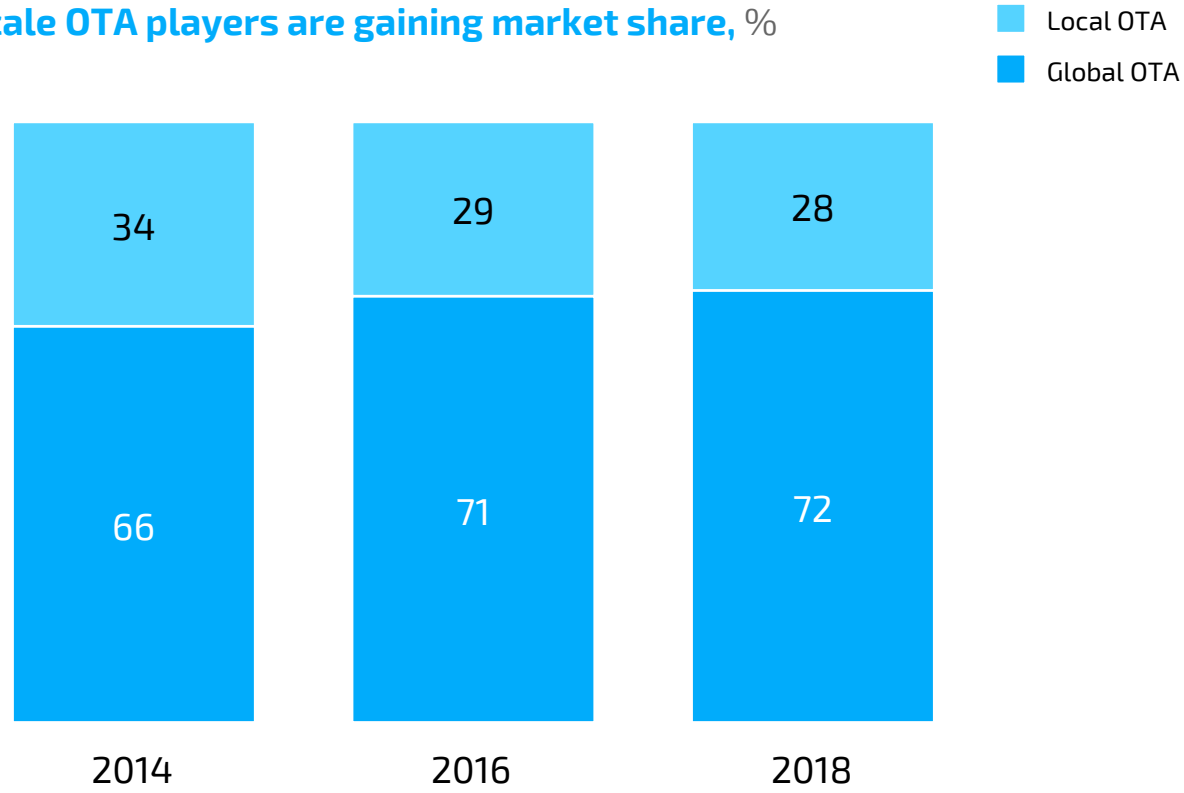
Scale advantage



Our scale enables us to continue growing market share

Scale advantage

Scale OTA players are gaining market share, %



Source: Phocuswright European Travel Overview Twelfth Edition

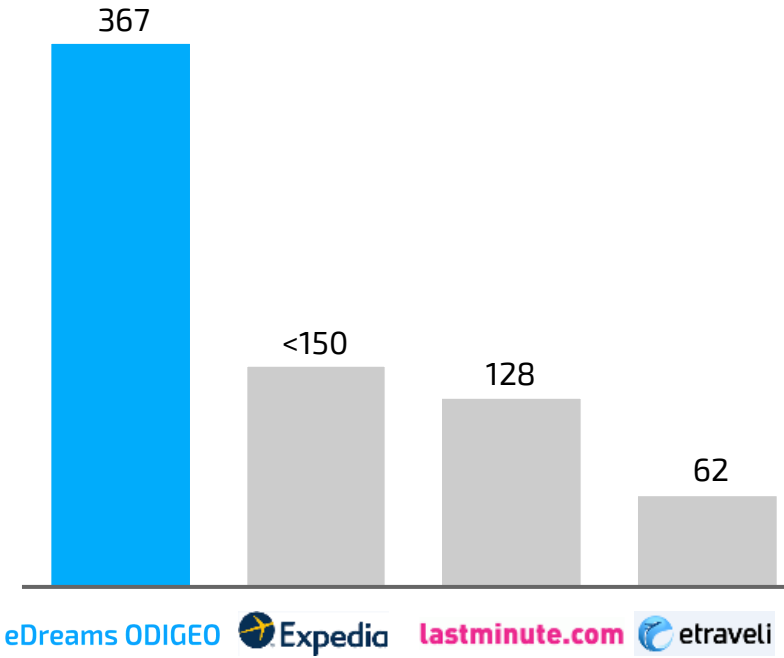


We have a significant scale advantage over our competitors

Scale advantage

European flight revenue

Latest FY (€m)



Long-tail of other OTAs (not-exhaustive)

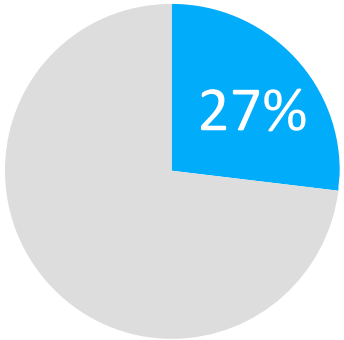
tripsta, RCG.se, Viaggio gratis, Travix, AIRNGO, abreu, FLYGCITY, travel.ch, .travel, Alitravel, tix, sta travel, Kiwi Travel, KILROY, UNISTER, mytrip.com, GEO, flightfinder, FLIGHT TIX.DE, elumbus, Travel Trolley, Travel Group Omega, Azores Getaways, NETFLIGHTS.COM, GATE1 TRAVEL, tripair, EmailFlights.com, Southall Travel, ATRAPALO.COM, LOGITRAVEL.com, GLOBALIA, VIAJES El Corte Inglés, destinia.com, flygstolen.se, BDV.fr, flygpoolen, cheapOair

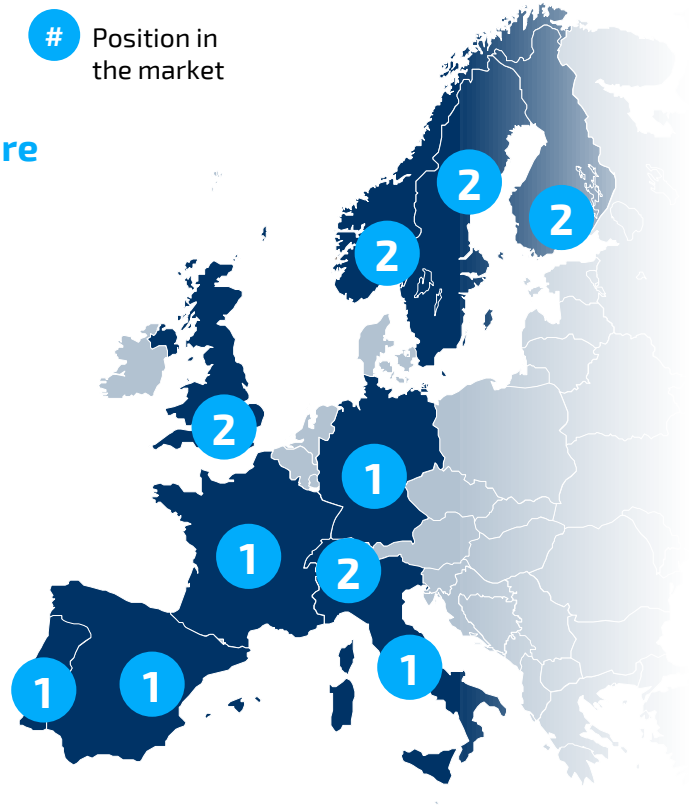
Source: OAG Analyser, based on number of seats for 2015; Industry Research

Leading player in the online leisure flight sector and a category leader in Europe

Scale advantage

European OTA flight market share





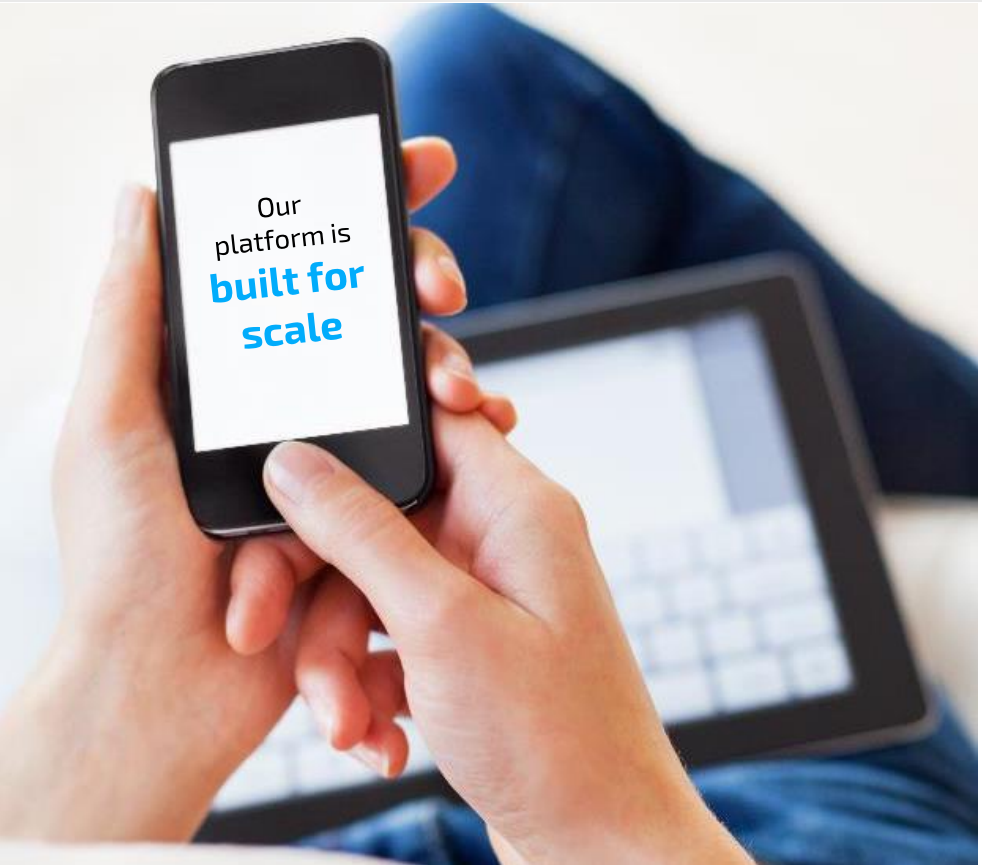


eDreams ODIGEO: the leading flights retailer in Europe

SOURCE: Internal analysis, Amadeus bookings data, PhocusWright

Our technology has significant scale and allows us to offer customers the best experience

Scale advantage



750 million
monthly searches

120,000
peak searches per second

80 million supplier searches per day

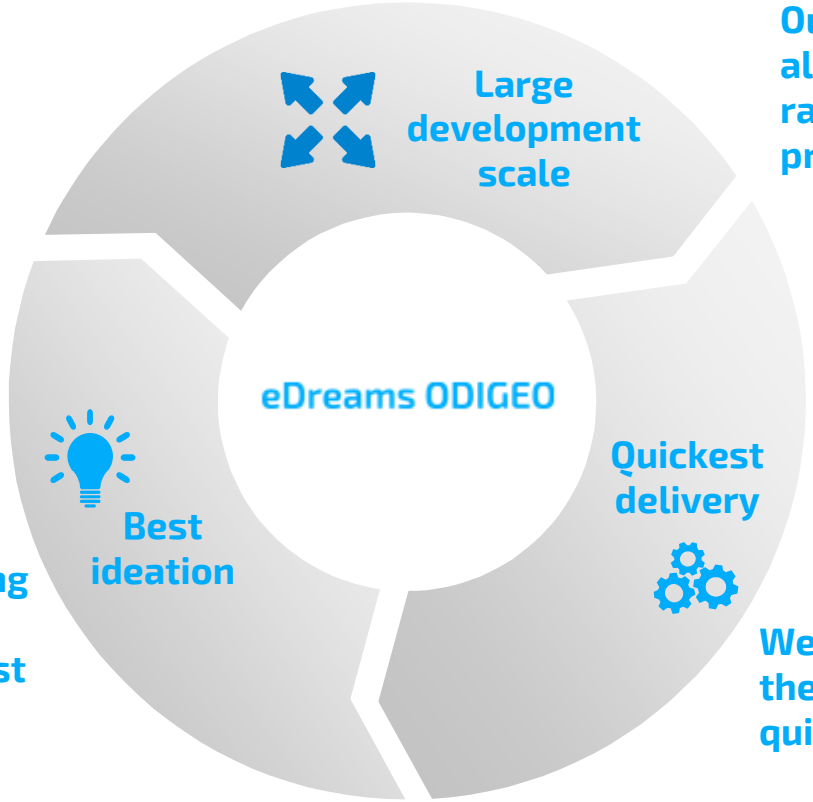
> 450 airlines

7 billion
pricing calculations per hour

The value of this scale is that it gives us a competitive advantage throughout our development process

Scale advantage

Our large development scale allows us to produce a huge range of new ideas for products and features



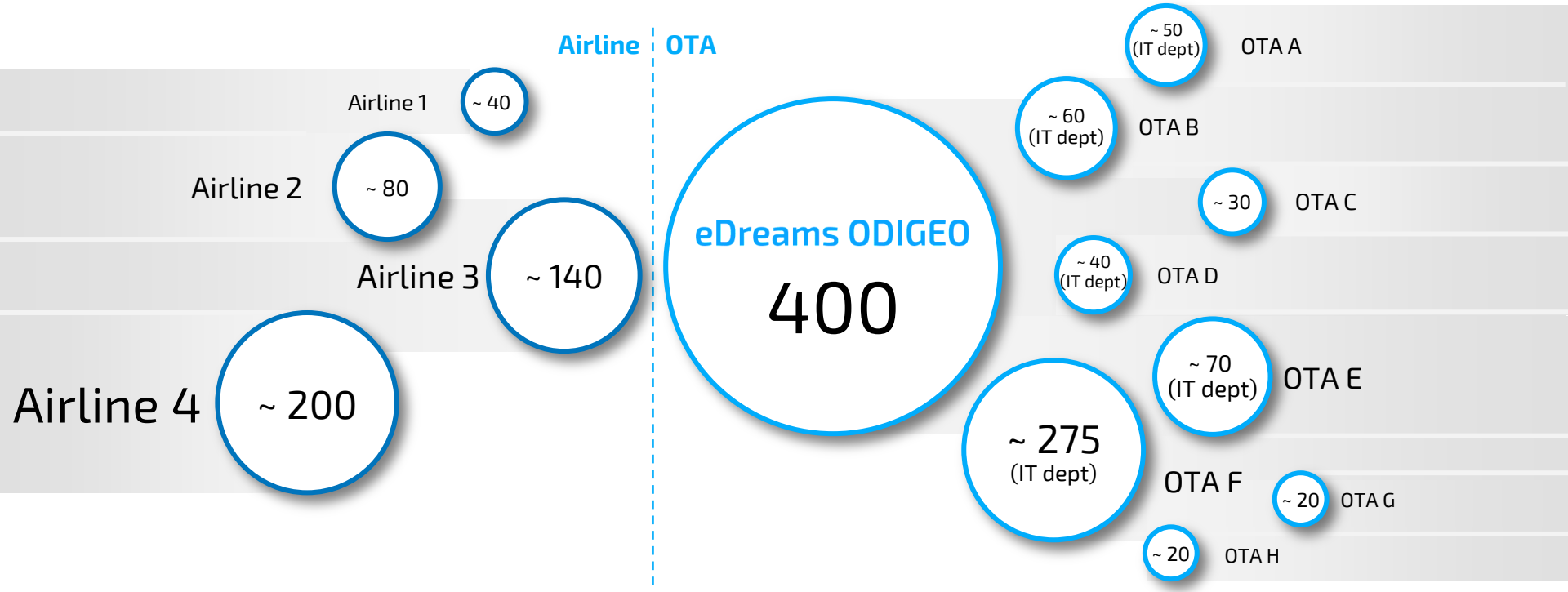
We are continuously testing our new features with customers to reach the best and most effective ideas

We have the agility to bring these ideas to market more quickly than competitors

Our in-house development scale allows us to develop many more ideas than our competitors

Scale advantage

Relative size of in-house development capability
Number of developers



SOURCE: Kable IT database; website scans; where developer or IT FTEs not stated, IT FTEs estimated at ~ 20% of total FTE base.

This ability to release multiple new products a week allows us to continuously test our features with large numbers of customers

Scale advantage

Qualitative survey methods	Kano surveys across geographies
	UX Lab
	Business case constructions
	Guerrilla testing
	Ethnographic observation
Quantitative analytical testing	A/B Testing
	Big Data processing
	Behavioral and purchase analysis
	Eye tracking

We rapidly test and trial product features in our UX Lab on a weekly basis



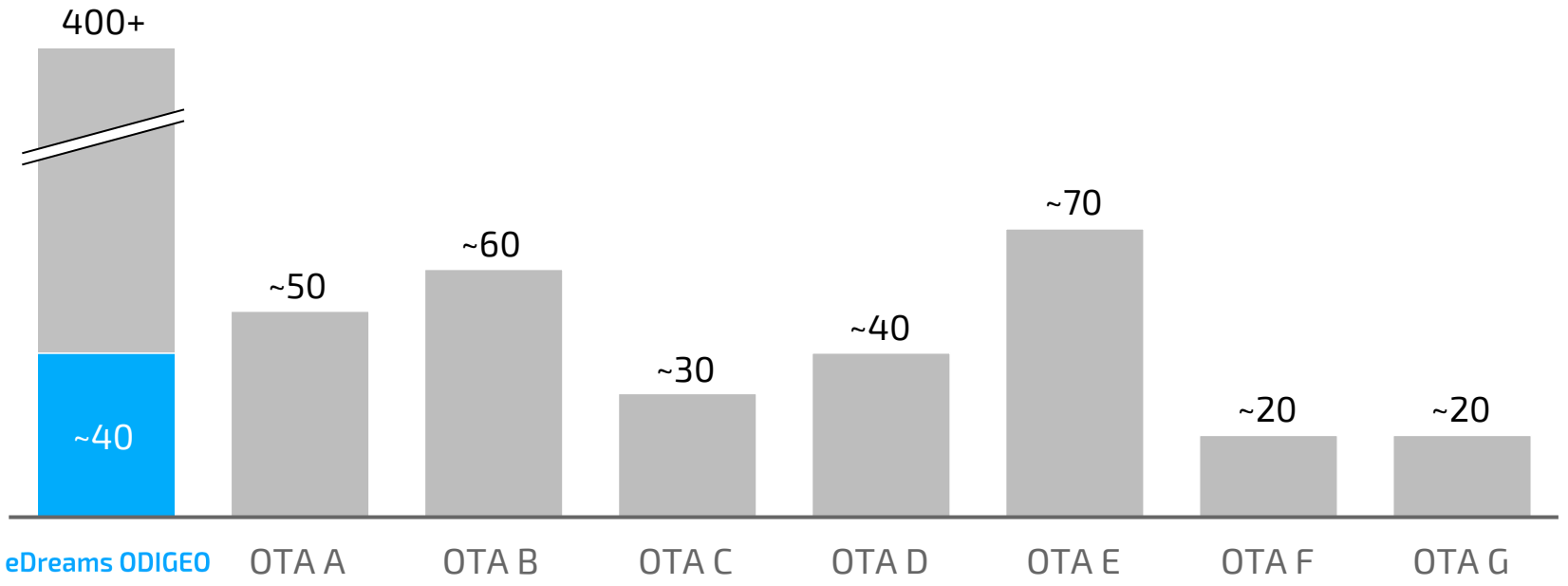
Lab in use **>150 days per year…**
…with **>1,800 users** across many nationalities participating in testing in the past five months

This scale means we are best placed to serve the mobile travel customer

Scale advantage

Mobile developer capability comparison, European OTAs

FTE



Customer are responding to our investment in technology and specifically mobile

Scale advantage

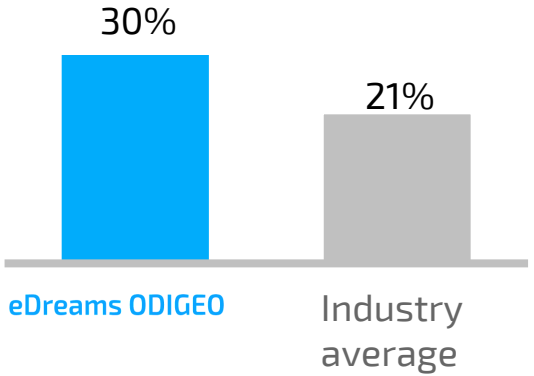
Customers recognize our superior mobile offering …

Average global app ratings, current version

eDreams ODIGEO	★★★★½
OTA 1	★★★½
OTA 2	★★½
OTA 3	★★½
OTA 4	★★½
OTA 5	No app
OTA 6	No app
OTA 7	No app
OTA 8	No app
OTA 9	No app
OTA 10	No app

… and we are positioned to grow our lead

Share of mobile flight bookings, Q3 2017



~3m mobile bookings per year means our return on mobile innovation is significantly larger than our competitors – **we can invest in mobile where others cannot**

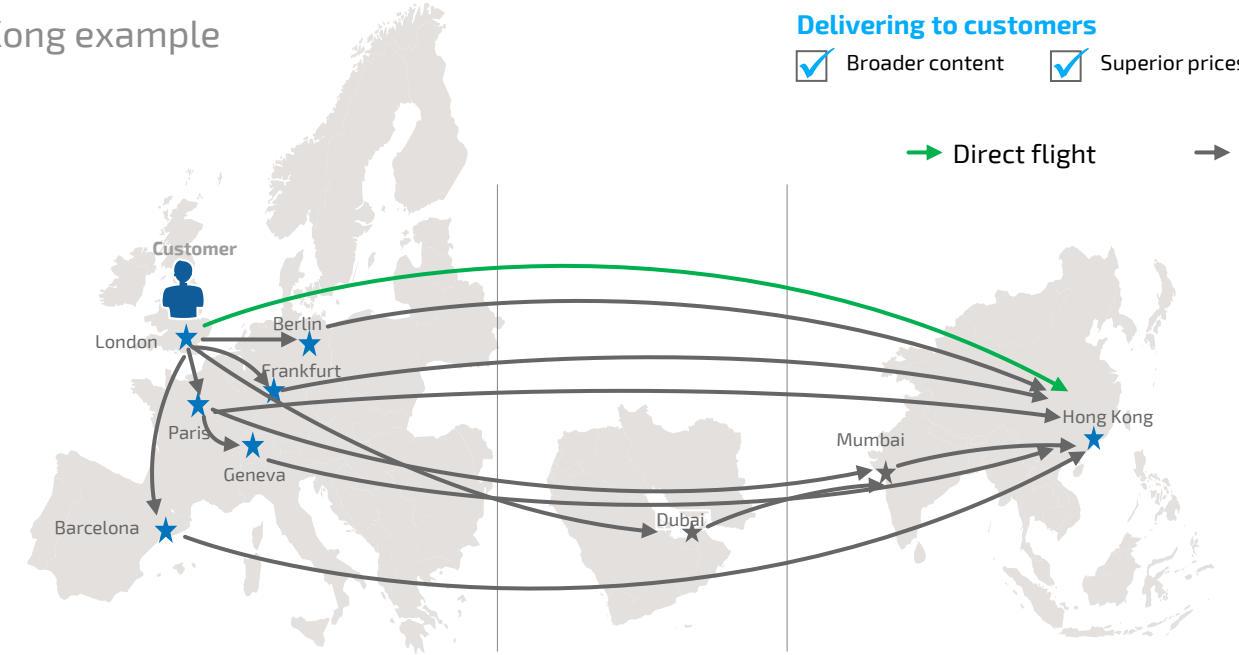
Our scale of inventory – combined with technology – delivers more to customer

Scale advantage

London to Hong Kong example

Delivering to customers

- ☑ Broader content
- ☑ Superior prices
- ☑ Customer service



Our proprietary technology enables people to select from a wider combination of routes, faster

Agenda

We provide true value to customers & suppliers

Our market is attractive and we are well positioned versus competitors

We are uniquely able to deliver

We are building a successful business for long-term sustainable growth

---

Q&A

Our performance over the past two years has been driven by a successful transformation journey focusing on the customer and developing scale

Dana Dunne
Appointed CEO

Phase I (FY15-16)
Stabilize and transform the business

Phase 2 (FY16-17)
Accelerate transformation to build an even stronger customer-centric business

Phase III (FY18-20)
Leverage market leadership with sustainable revenue model

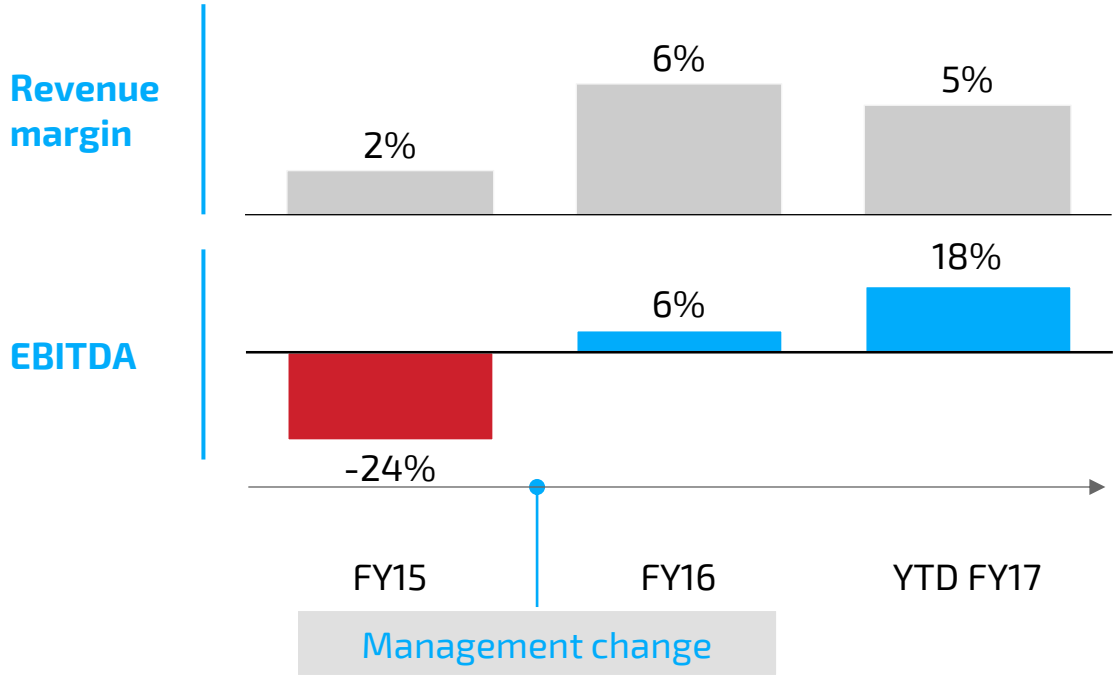


Our transformation put the foundations in place to deliver a strong customer experience, at scale

	From	To
Marketing	• **Highly dependent** on Google • Insufficient focus on **world-class efficiency** • **No segmentation, minimal focus** on customer retention and cross-sell management	• **Large reduction** in Google reliance • Dramatic improvement in **non-paid search** performance, platforms and capabilities • Launched **customer retention and cross-sell** management platform, capabilities and campaigns • **10%** reduction in variable cost per booking at the same time as **9%** rise in bookings
Mobile	• Poorly rated app at **3.1 average rating** • **Limited product features**; not highly competitive • **15% of bookings** from mobile	• One of top rated apps with **4.5 average rating** • Increasingly **unique features** in the industry • **30% of bookings** from mobile
Product development	• **Multiple platforms** cause inefficient development • **Ineffective** development methodology • Developed **multiple times** • **Insufficient platforms** and tools • **Several weeks** to launch	• Most platforms **unified** • **Leading edge** development • **Develop once,** roll out to 44 countries, in 20 languages, 30 currencies, on all devices • Building **world-class ideation,** with 93 features developed this year • **Scale** development focus • **70% reduction** in time to release; some aspects set up to launch in less than 1 day
Customer-centricity	• Lack of **customer focus** • **Costly** service • **Mediocre** rating	• Customer is at the center • **Reduced servicing** costs and error rates • Large improvement in customer perception • Top **TrustPilot score**
Revenue diversification	• High concentration of **flight revenues**, especially on **service fee**	• **8% reduction in revenue margin per booking from pure flight service fees** in last 18 months • Building elements for **further diversification**
Culture and engagement	• **Disengaged employees** • **Not leading** technology and not customer-led product development focus	• Strong leadership and employee **engagement** • **Customer-centric technology-led** culture

This has translated into good growth in topline and EBITDA

Revenue margin and EBITDA growth (% YoY)



17% rise in bookings since December 2014 (LTM DEC 2016 vs LTM DEC 2014)

19% reduction in variable cost per booking from December 2014 to December 2016

More than 40% CAGR growth between 2014-16 in mobile bookings

The market is evolving as customer needs change



Clear and transparent pricing

36% see transparency as a key decision factor

53% abandon booking upon seeing final price

Access to a wide range of products and services with ease

65% want to buy on a single online platform

2.4x increased spend at 'one-stop shop'

SOURCE: Future Foundation, *Future of Retail*, 2013; Mercedes-Benz, *UK Online Grocery Retailing*, 2015; RBC Capital Markets; SaleCycle

We are one of the first to change in response to these needs

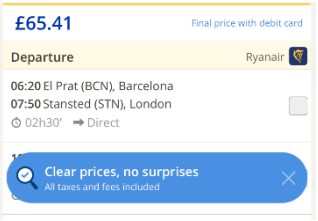


Clear and transparent pricing

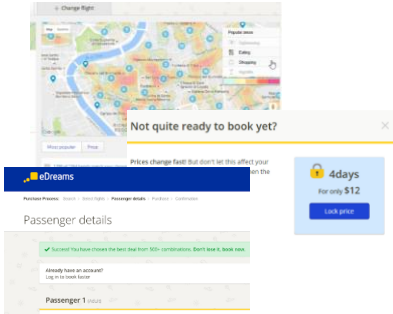
Access to a wide range of products and services with ease

Our response

Evolving our pricing and the communication of that pricing

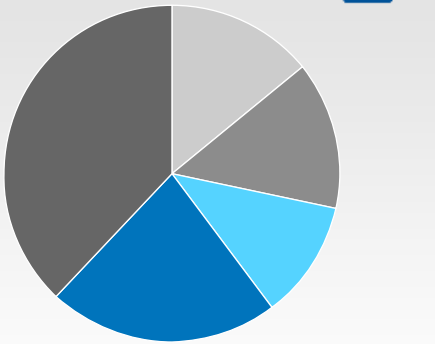


Offering an exciting range of innovative products and services as a 'one-stop shop'



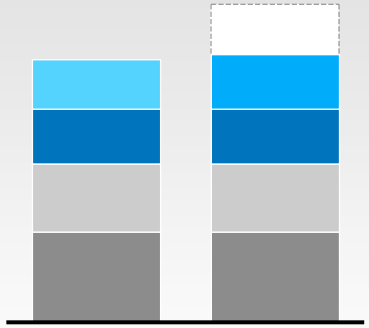
This will include a number of specific releases and new product ventures

We believe we can sell **a number of traditional flight-related ancillaries** at fair prices



26% of European LCC airline revenue currently made up of flight ancillaries

We are also branching out into more **innovative flight-related features**



Revenue growth opportunity through introduction of new product features

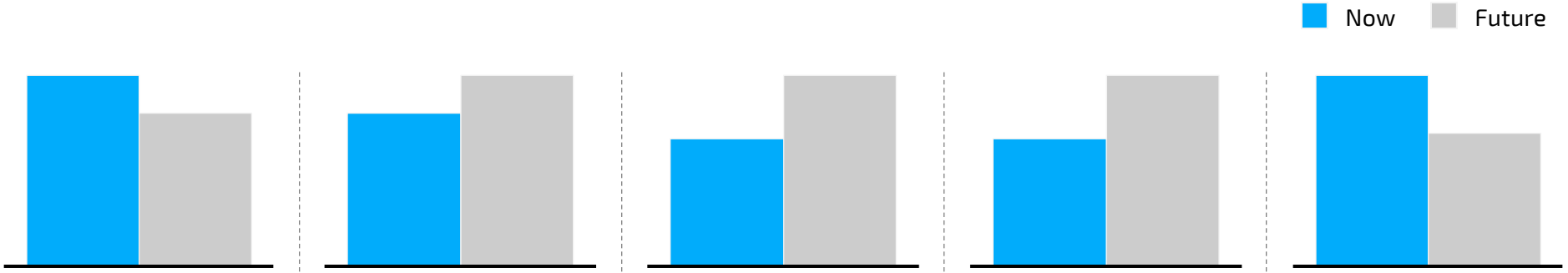
…and will continue to build our **business beyond flights**



+17% revenue margin growth in dynamic packages y-o-y

Consumers spend EUR 9.5bn on airline ancillary products in Europe, increasing every year

We expect a short-term softening of topline performance



Decrease in traffic as some customers are less attracted by higher first displayed flight price

Increase in conversion as increasingly savvy customers appreciate transparency

Uplift in repeat rate as transparency and access to wide range of products increase loyalty – we are already seeing evidence of this in our pilot tests

Increase in attach rate as customers increasingly use us as a "one-stop shop", taking advantage of our breadth and depth of inventory and innovative features

Reduction in marketing spend per booking as more customers come direct to us thanks to increasing loyalty

We believe this shift sets us up for continued market leadership, and a much higher quality business

Strategic shift

More robust, higher-quality and diversified revenue profile

Increased customer satisfaction and loyalty as a 'one-stop shop'

Increase our competitiveness as a European and Global leader

Resulting competitive advantage

Less dependent on one product, with good growth opportunity both across products and tapping into further segment of OTA potential customers

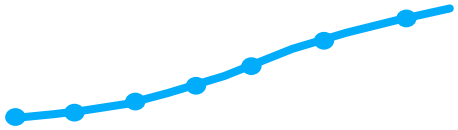
Increased repeat purchases so less dependent on traditional online marketing channels (e.g., Google)

Using our scale and speed to lead the market

Evolving to a revenue model which competitors will struggle to replicate

Our financial strategy is in line with these choices

We will control the transformation pace to continue to grow absolute EBITDA



✓ Long-term target of EUR 125-140m EBITDA by 2020

We expect a period of softer top-line performance to reflect longer-term investment in customer value



✓ More robust revenue profile
✓ Increased satisfaction
✓ Increased competitiveness as leader in Europe

This is part of a broader investment to ensure our business is well-positioned and attractive in the long term…



✓ Prioritizing long-term profitability

…and fits into our wider strategy of derisking our financial profile and increasing value to both debt and equity investors



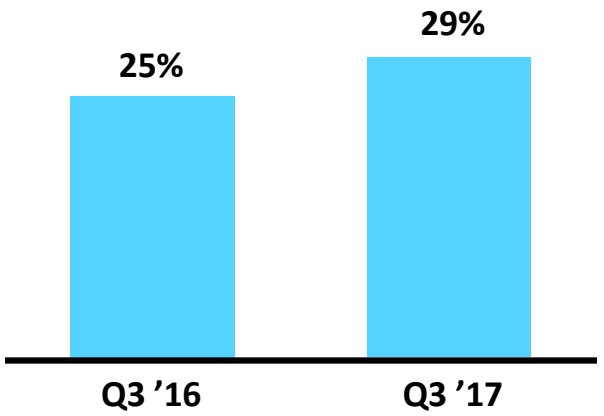
✓ Select restructuring including divestments of Package and Corporate businesses
✓ Debt buy-back/successful refinancing
✓ Continue to reduce leverage



The results of this strategy are being monitored in a series of performance indicators

Revenue diversification ratio

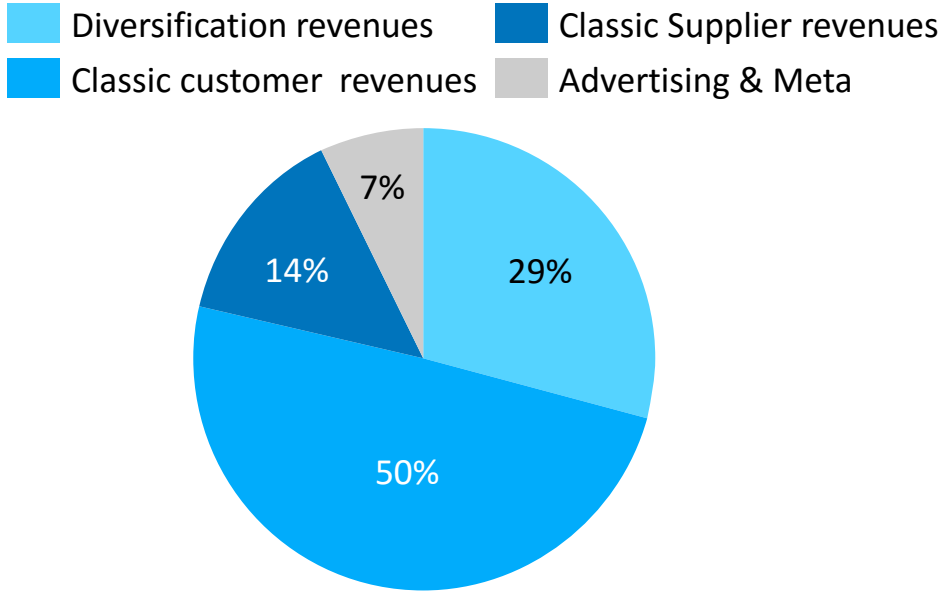
Revenue diversification ratio; Percent



Growing share of revenues coming from our diversification strategy

Revenue diversification ratio

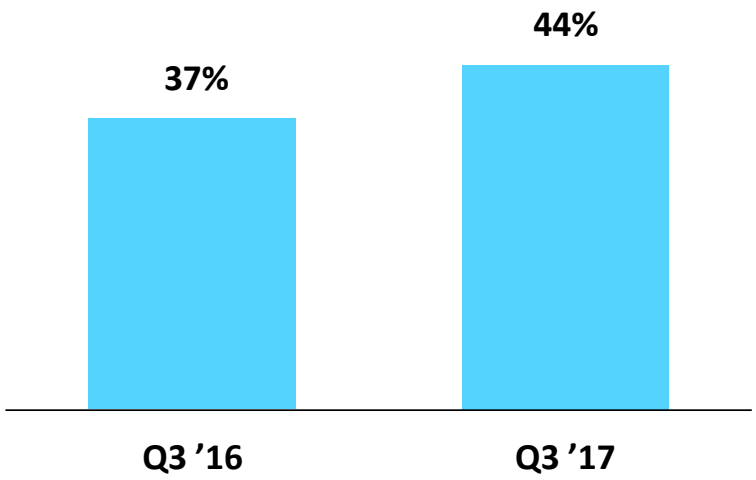
Revenue split; Percent



Increasing ability to add value to a customers booking through higher attachments

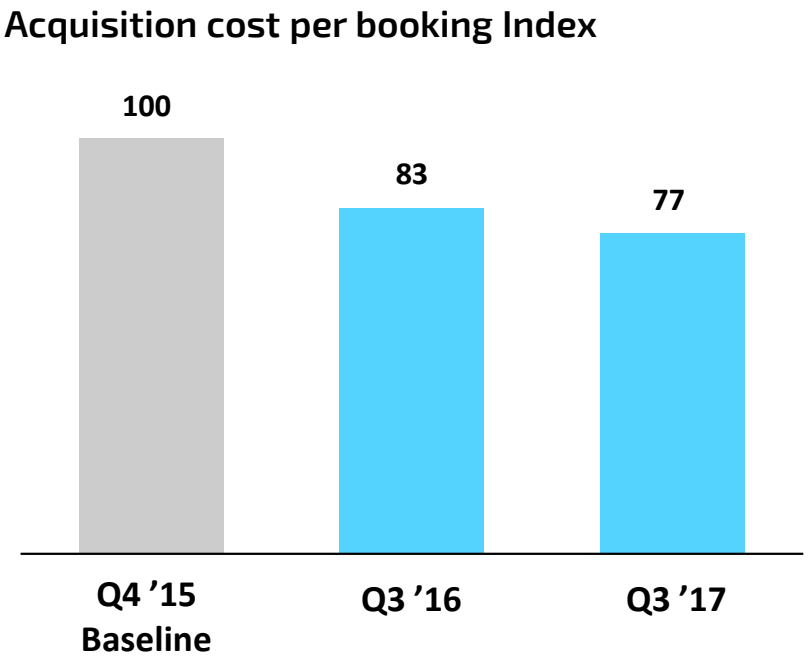
Product diversification ratio

Product diversification ratio; Percent



Decreasing acquisition cost v. index of Q4 FY 15 before start of transformation

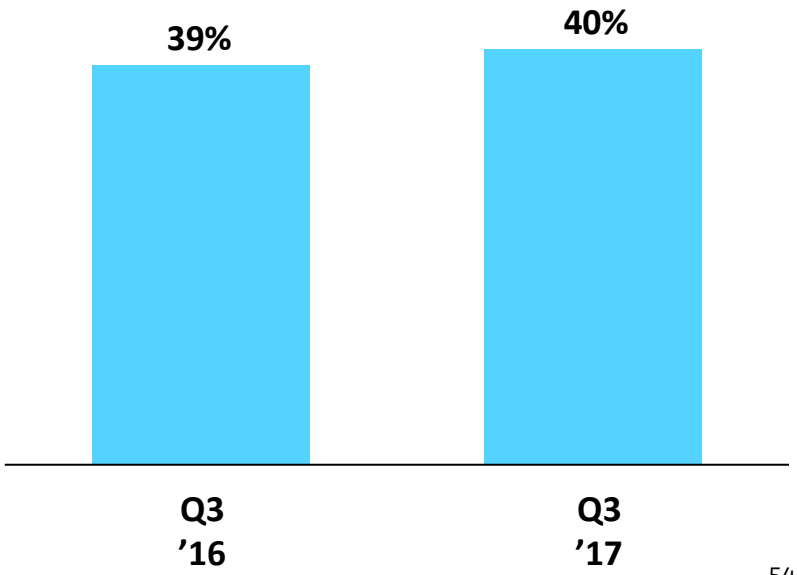
Acquisition cost per booking index



Stable repeat rates with positive YoY

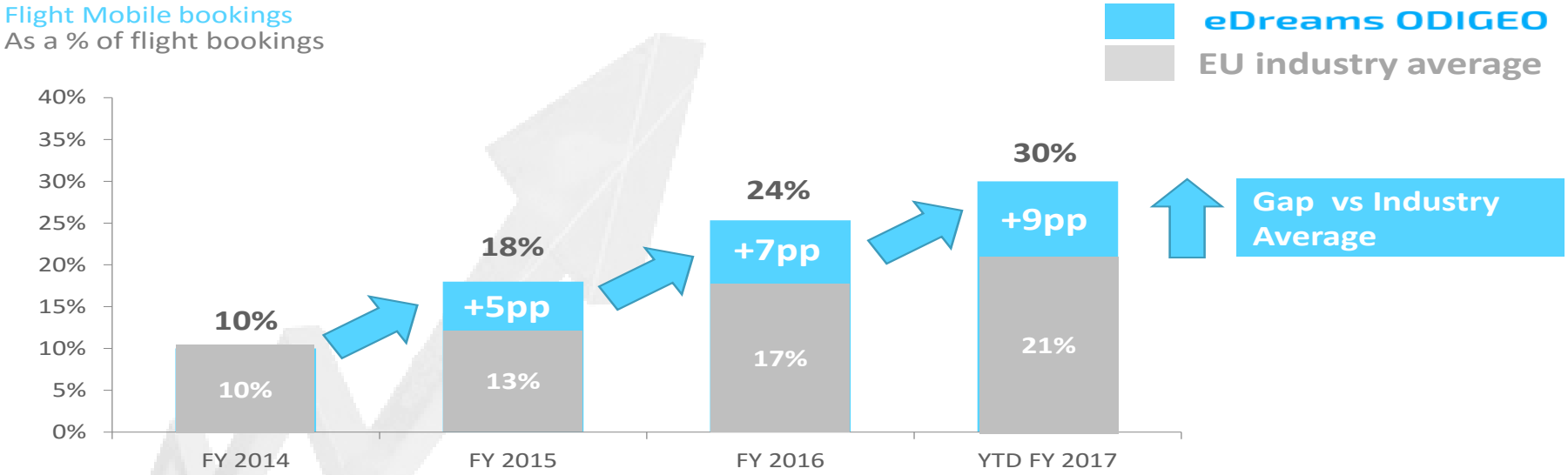
Repeat booking

Customer repeat booking rate; Percent, annualised view



Strong growth in Mobile Bookings

Share of flight Mobile bookings; as a percentage of flight bookings



Share of mobile bookings

- Revenue diversification ratio
- Product diversification ratio
- Acquisition cost per booking index
- Repeat booking
- Share of mobile bookings



All of these factors combined set us up for long-term success

Customers

- Low, transparent prices
- Great range and choice, tailored to individual preferences
- A seamless experience built on world-class technology and customer service

Market-leading Scale

eDreams ODIGEO

Cutting-edge capabilities

- Lower-cost customer acquisition and access
- Provision of a wide range of non-flight products
- Infrastructure surrounding flight fulfilment

Strategic partners



Agenda

We provide true value to customers & suppliers

Our market is attractive and we are well positioned versus competitors

We are uniquely able to deliver

We are building a successful business for long-term sustainable growth

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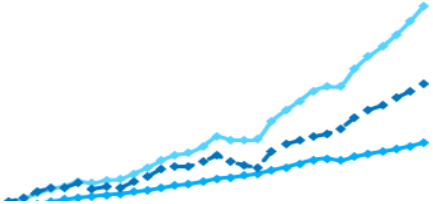
Q&A

In summary…

Customer value



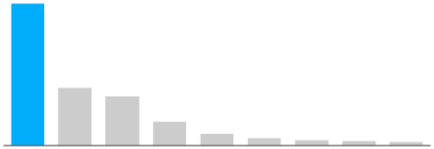
Growing market



Industry structure



Scale



Market leadership



Investment



Results

9 Months Results Highlights

- Financial Analysis
- Outlook FY 2016-17

RESULTS HIGHLIGHTS

Solid results with growth in bookings, revenue margin & adjusted EBITDA

Strategic Initiatives paying off

Strategic Initiatives have boosted our performance and they have also set us the path for longer term growth

Continue to make investments on the business

On track to build scale, become more agile, improve business model, and create better customer experience

Solid cash flow

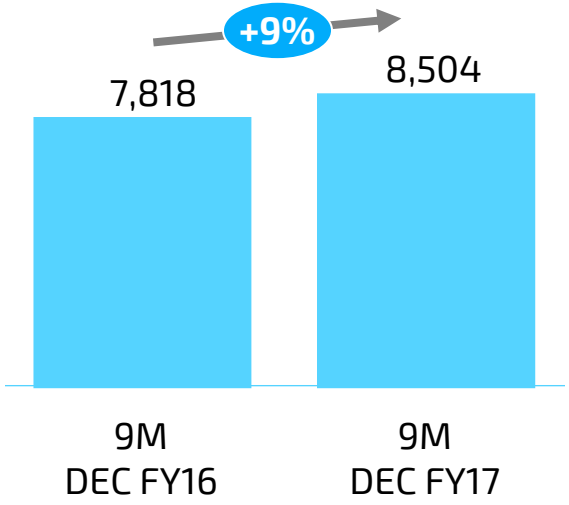
- Cash position stood at €77million, up 18% y-on-y

Raising full year guidance

SOLID RESULTS

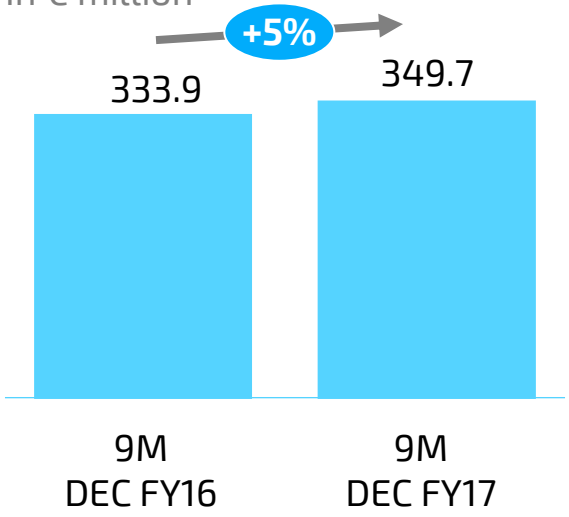
Bookings

In thousands



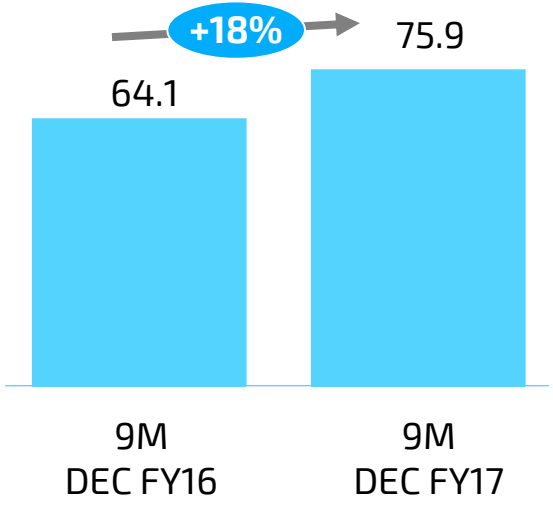
Revenue Margin

In € million



Adjusted EBITDA

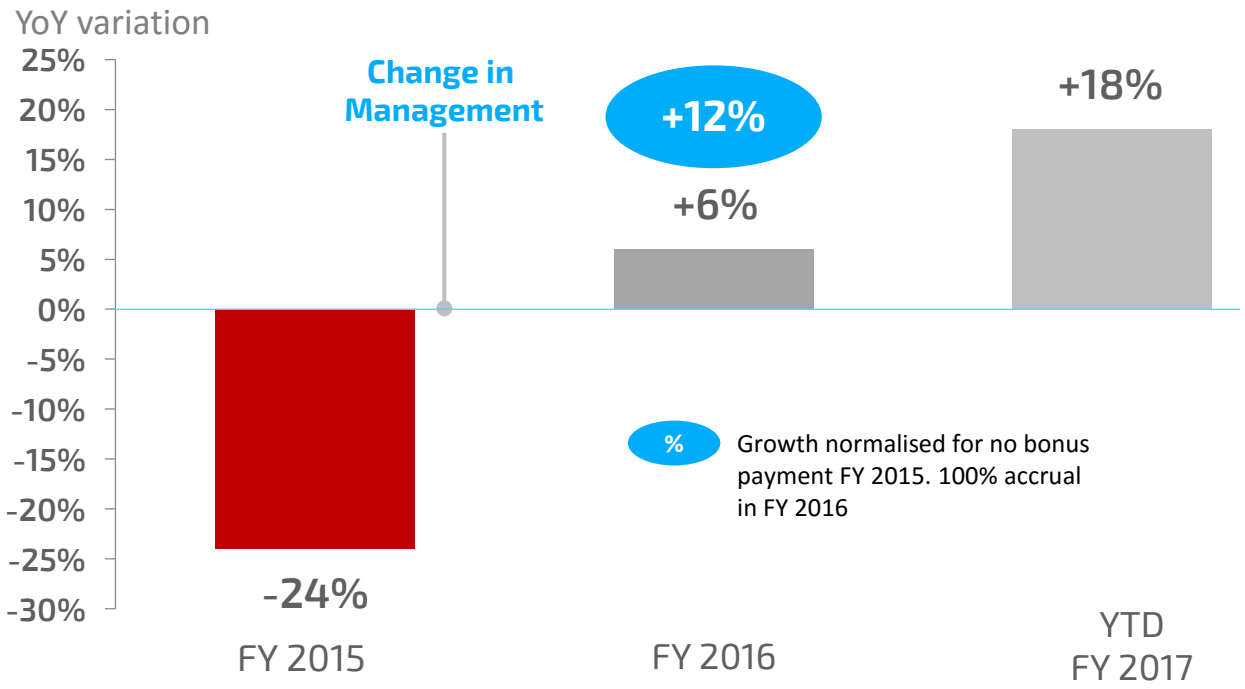
In € million



| Source: Consolidated financial statements, audited

STRATEGY DELIVERING GOOD GROWTH IN ADJUSTED EBITDA

Adjusted EBITDA evolution



9M

+9%
Bookings

+5%
Revenue Margin

-10%
Variable costs per booking

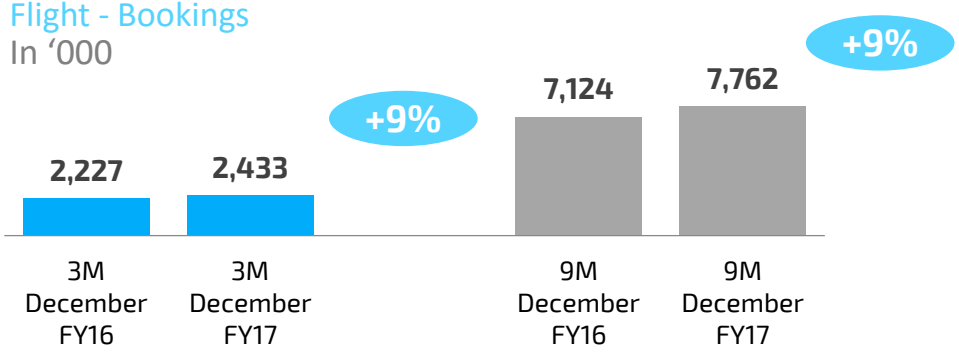
Note normalised for no bonus payment: In the year ended March 2015 we paid zero bonus to staff while in the year ended March 2016 we accrued at 100% (€5.2 million). If we normalise for the different level of bonus payment, which has been provisioned and accrued each quarter, our implied adjusted EBITDA growth is higher.

Source: Consolidated financial statements, unaudited

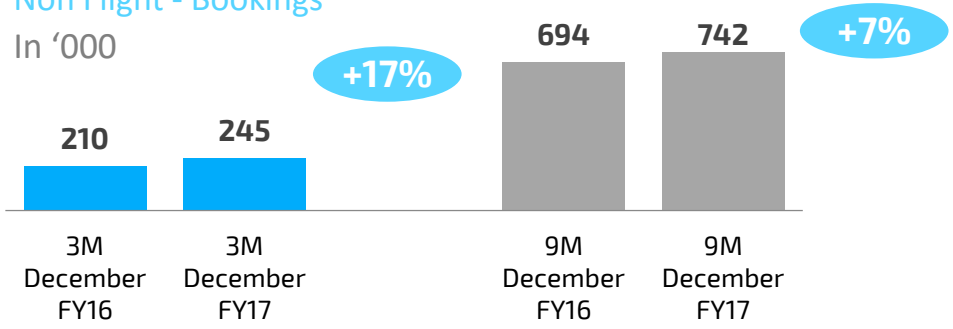
FLIGHT AND NON-FLIGHT BOOKINGS

Solid Growth rates in Flight Business and Non flight Improving

Flight - Bookings
In '000



Non Flight - Bookings
In '000



Source: Consolidated financial statements, unaudited

Flight

- Progress in strategic initiatives have boosted our performance and they have also set us the path for longer term growth
- We continue to make investments on our business to build scale, become more agile, improve business model, and create better customer experience

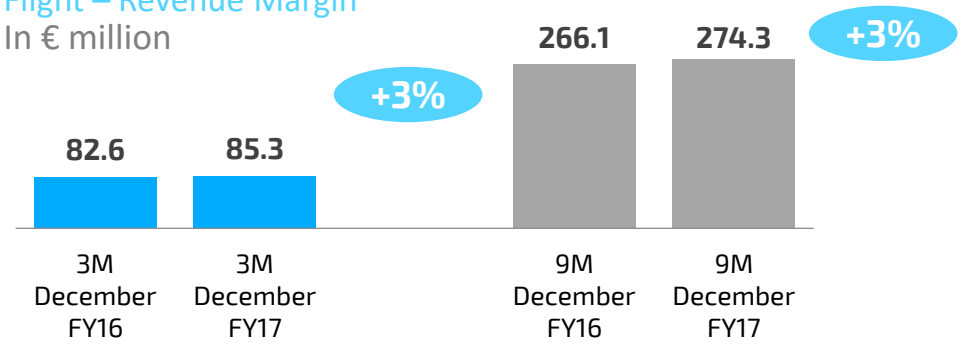
Non-Flight

- Non-flight business bookings trend has improved as a result of our diversification strategy
  - Growth driven by dynamic packages (DP), cars, and hotels
  - Partly offset due to the decline in packaged tours

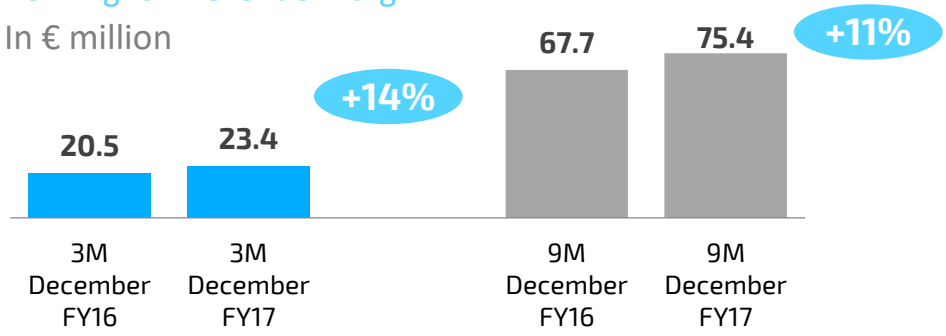
FLIGHT AND NON-FLIGHT REVENUE MARGIN

Revenue diversification strategy driving growth in non-flight products

Flight – Revenue Margin
In € million



Non Flight – Revenue Margin
In € million



Source: Consolidated financial statements, unaudited

Flight

- Revenue margin performance driven by:
  - Bookings, already explained in previous slide.
  - A reduction in revenue margin per booking:
    - Due to channel mix realignment and price reorientation, which also produced reduction in cost per booking and increase in profitability per booking
    - And foreign exchange impact, in particular the depreciation of the pound vs the euro
  - And the positive impact from our revenue diversification strategy, which includes flight related ancillaries, which delivered solid results

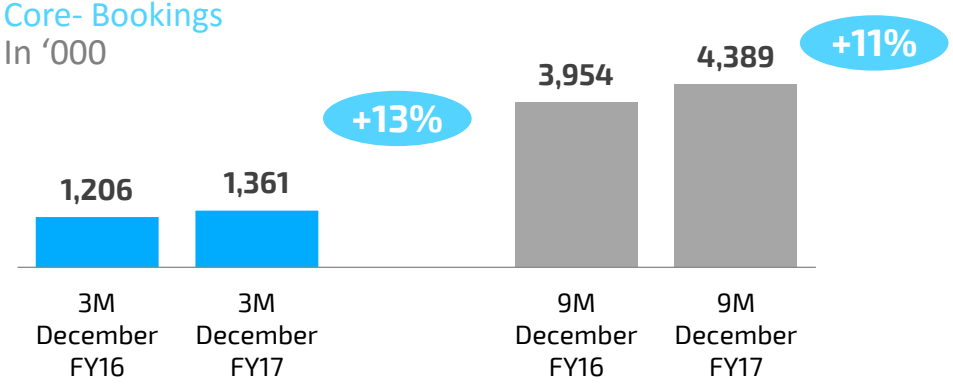
Non-Flight

- Non-flight revenue margin growth driven by the revenue diversification strategy:
  - Growth in DP, cars and hotels
  - Growth of our metasearch business
  - Partly offset due to the decline in packaged tours

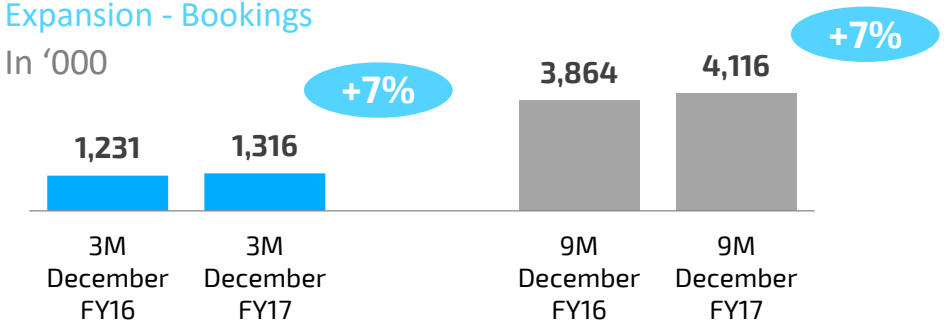
CORE AND EXPANSION BOOKINGS

Solid performance in our Core markets and Expansion Markets

Core- Bookings
In '000



Expansion - Bookings
In '000



Core

- Strategic initiatives on track and delivering results, bookings performance driven by:
  - Our diversification strategy
  - And investments made on our business to build scale, become more agile, improve business model, and create better customer experience

Expansion

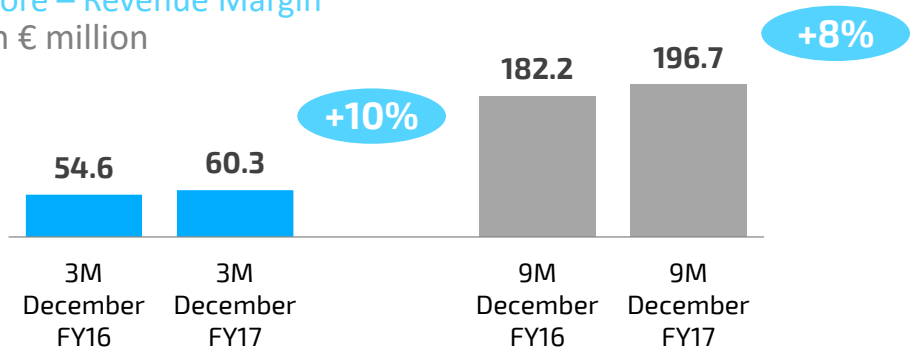
- Strategic initiatives paying off, growth in bookings performance driven by investments made on our business and revenue diversification

Source: Consolidated financial statements, unaudited

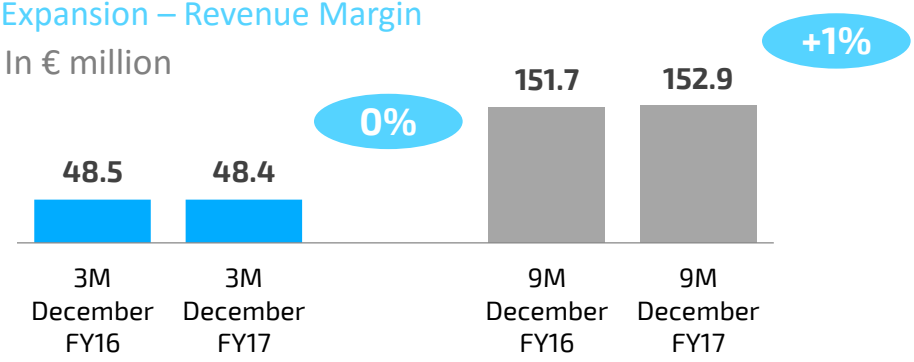
CORE AND EXPANSION REVENUE MARGIN

Positive growth in all our Core markets

Core – Revenue Margin
In € million



Expansion – Revenue Margin
In € million



Source: Consolidated financial statements, unaudited

Core

- Solid performance in the Core markets revenue margin in the first nine months of of FY 2017, growth driven by:
  - Bookings, already explained in previous slide
  - And reductions in revenue margin per booking as previously explained

Expansion

- Revenue margin performance driven by:
  - Bookings
  - Foreign exchange impact
  - Reductions in revenue margin per booking, all of which have been explained in previous slides

Financial Analysis

- 9 Months Results Highlights
- Outlook FY 2016-17

INCOME STATEMENT

(In € million)	3M Dec FY16	3M Dec FY17	Var.	9M Dec FY16	9M Dec FY17	Var.
Revenue margin	**103.1**	**108.7**	***5%***	**333.9**	**349.7**	***5%***
Variable costs	(65.4)	(64.9)	*(1)%*	(218.7)	(214.6)	*(2)%*
Fixed costs	(18.0)	(22.0)	*22%*	(51.1)	(59.3)	*16%*
Adjusted EBITDA	**19.7**	**21.7**	***10%***	**64.1**	**75.9**	***18%***
Non recurring items	(1.6)	(2.7)	*65%*	(7.1)	(6.9)	*(3)%*
EBITDA	**18.1**	**19.0**	***5%***	**57.0**	**69.0**	***21%***
D&A incl. impairment & results on assets disposals	(4.5)	(4.4)	*(2)%*	(14.1)	(14.5)	*3%*
EBIT	**13.5**	**14.6**	***8%***	**42.9**	**54.4**	***27%***
Financial loss	(11.6)	(30.6)	*163%*	(34.7)	(51.3)	*48%*
Income tax	(0.3)	1.0	*n.a.*	(1.7)	(6.2)	*257%*
Net income	**1.6**	**(14.9)**	***n.a.***	**6.5**	**(3.0)**	***n.a.***
Adjusted net income	**2.5**	**3.0**	***19%***	**10.9**	**19.4**	***78%***

Key highlights

Over the third quarter, main YoY evolutions reflect:

- **Revenue margin** increase by 5%
- **Variable Costs** decrease by 1% despite the increase of bookings. On a per booking basis, variable costs decrease by 10% year-on-year as a result of our strategic initiatives
- **Higher Fixed Costs** mainly due to
  - Higher personnel expenses
  - Higher external fees
  - Offset by lower IT costs
- **Non recurring items** mainly due to LTI expenses and contract terminations
- **Financial loss** increase mainly due to the refinancing (impact of €18.2m on the financial result) encompassing:
  - Write-off of previous financing costs
  - Call premium expenses for repayment of the previous bonds

Source: Consolidated financial statements, unaudited

CASH FLOW STATEMENT

(In € million)	3M Dec FY16	3M Dec FY17	9M Dec FY16	9M Dec FY17
Adjusted EBITDA	**19.7**	**21.7**	**64.1**	**75.9**
Non recurring items	(1.6)	(2.7)	(7.1)	(6.9)
Non cash items	1.6	0.3	(0.5)	(0.5)
Change in WC	(45.2)	(14.5)	(56.5)	(20.8)
Income tax paid	(2.3)	(3.0)	(4.7)	(6.0)
Cash flow from operating activities	**(27.8)**	**1.8**	**(4.7)**	**41.7**
Cash flow from investing activities	**(6.5)**	**(1.6)**	**(23.4)**	**(14.1)**
Cash flow before financing	**(34.3)**	**0.2**	**(28.1)**	**27.6**
Treasury shares	-	(1.0)	-	(1.0)
Consent fee on change in covenant	-	-	(0.3)	-
Repurchase of 2018 Notes	-	-	-	(29.1)
Other debt issuance/ (repayment)	(0.1)	(1.5)	(0.2)	(1.8)
Bond call premium and other refinancing flows	-	(20.5)	-	(21.7)
Financial expenses (net)	(7.3)	(10.6)	(27.6)	(28.8)
Cash flow from financing	**(7.4)**	**(33.6)**	**(28.2)**	**(82.3)**
Net increase/(decrease) in cash	**(41.7)**	**(33.4)**	**(56.3)**	**(54.7)**
Cash (net of overdrafts)	**65.4**	**76.9**	**65.4**	**76.9**

Source: Consolidated financial statements, unaudited

Key highlights

Over the third quarter, main YoY evolutions reflect:

- **Cash flow from operations increased by €29.6 million:**
  - Increased adj. EBITDA by €2.0m
  - Lower change in working capital by €30.7m as a result of working capital improvement initiatives

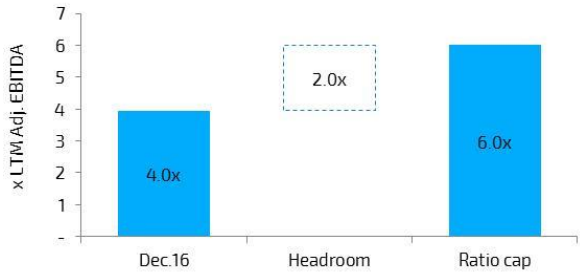
  Offset by:
  - Higher non-recurring items, lower non operating/non cash items and higher tax paid
- **Cash outflow from investing activities decreased by €5.0 million:**
  - Lower development costs of our platform vs. last year
  - Last year was negatively impacted by the capex related to the new mid-back office and other licenses.
  - Positive impact of the sale of the corporate travel business
- **Cash flow used in financing increased by €26.2 million:**
  - Higher cash flow from financing mainly due to:
    - Bond call premium and other refinancing flows, which amounted €20.5 million
    - And higher financial expenses (€3.3 million)

SUCCESFUL DEBT REFINANCING

Refinancing highlights

- Gross Leverage ratio down from 5.0x in December 2015 to 4.0x in December 2016.
  - Net leverage ratio down from 4.3x in December 2015 to 3.3x in December 2016
- Refinancing closed in October 2016
- Full repayment of 2018 Notes and 2019 Notes, issuance of 2021 Notes
- Increase in SS RCF to €147 million
- Single maintenance covenant switched to 6.0x Gross Leverage Ratio
- Terms improved to allow for efficient repurchases of up to 10% of principal per year

Gross Leverage Ratio (Total Gross Financial Debt[1] / LTM Adjusted EBITDA)



Debt Details

(million euros)	Principal	Rating	Maturity
Corporate Family Rating		Moodys:B2 S&P: B Outlook: Stable	
2021 Notes	435	Moodys:B3 S&P: B	01/08/21

NOTES: Covenants figures presented above are unaudited and at eDreams ODIGEO level
1 IFRS gross financial debt is calculated after deducting the financing fees capitalized

Outlook FY 2016-17

- 9 Months Results Highlights
- Financial Analysis

RAISING OUTLOOK 2016-17

Revised Targets for 2016-17

	Initial Guidance (June 2016)	Revised Guidance (February 2017)
Bookings (million)	In excess of 10.7 Mn	11.2-11.5Mn 5-8% growth y-on-y
Revenue Margin (million euros)	In Excess of €463 Mn	€465-475 Mn 0-2% growth y-on-y
Adjusted EBITDA (million euros)	€103-107 Mn 8-12% growth y-on-y	€105-107 Mn 10-12% growth y-on-y

Outlook statement

- Our focus for the remainder of the year is to continue investing to reinforce our long term sustainability and in the best interest of the customer
  - Adapting our revenue model to respond to changing customer needs
  - And developing off-line advertising, which we do not expect to generate revenue straight away
- This outlook guidance includes:
  - The recently sold corporate travel business in the Nordics and Germany and package tours business in France
  - And the acquisition of budgetplaces.com

eDreams ODIGEO