eDreams ODIGEO

Results Presentation **1Q FY24**



31st August 2023

Disclaimer

This presentation is to be read as an introduction to the unaudited condensed consolidated interim 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 presentation is extracted from the unaudited condensed consolidated interim financial statements of the Group and is qualified in its entirety by the additional information contained therein. This presentation should only be read in conjunction with the unaudited condensed consolidated interim financial statements of the Group. Copies of the unaudited condensed consolidated interim 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, in addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from the Group financial statements, alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"), including "Bookings", "Gross Bookings", "EBITDA", "Adjusted EBITDA", "Cash EBITDA", "Revenue Margin", "Cash Revenue Margin", "Cash Marginal Profit", "Prime ARPU" and "Variable Costs", which are not accounting measures as defined by IFRS. These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from the Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by the Group auditors.

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 unaudited condensed consolidated interim financial statements for the Group based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies.

For further details on the definition, explanation on the use of and calculation between APMs and Non-IFRS Measures please see the section 5 on "Alternative performance measures" (of the Group's unaudited condensed consolidated interim financial statements and notes for the quarter ended on 30 June 2023, published on 31 August 2023. The documents are available on the Company's website (https://www.edreamsodigeo.com).

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1. Results Highlights

2. Prime model proven to be a success – Excellent 1Q FY24 results
3. Further improvements on disclosure to better understand the subscription model
4. eDO investment highlights
5. Appendix



1. The strength of our Prime model continues to deliver significant uplifts in profit margins. Cash EBITDA(1) more than doubled in just 1 year

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In 1Q FY24 the strength of the Prime model continues to drive significant improvements in profitability

- Cash EBITDA (1) stood at €29.4 million, more than doubled the €14.0 million reported in 1Q FY23. Cash EBITDA Margin(1) had 9pp improvement in just one year. As guided, the maturity of Prime members (1) is the most important driver for profitability, and this has resulted in substantial improvements in profitability as we have more and more Prime members (1) renewing their memberships.
- Cash Marginal Profit(1) stood at €52.0 million, up 55%, and the margin had a 10pp improvement in just one year as well.
- Prime share of Cash Marginal Profit (1) already reached 65% of the Group total. Shift in the Group's results from transactional to subscription lead for the group to change the reporting breakdown

Prime model proven to be a success

- In 1Q FY24 we reached 4.7 million subscribers, a 47% increase vs same period last year, despite the industry moving to more normalised seasonality patterns. In August (2) Prime members (1) stood at 4.9 million.
- Cash Revenue Margin for Prime (QUARTERLY FIGURE & NEW REPORTING KPI) shows significant improvement (up 46% vs 1Q FY23), in line with growth in Prime members(1), and as a share of the total Revenue Margin (Prime share up from 41% in 1Q FY23 to 57% in 1Q FY24)

Well on track to meeting self-imposed FY25 targets

- **Prime Members (1)** - Our quarterly net adds(3) run rate is ahead of implied run rate needed to achieve FY25 target of 7.25 million Prime members
- **Prime ARPU (1)** - as guided, is trending towards mid €70s and then will converge with our FY25 guidance of €80 per user. In 1Q FY24 Prime ARPU stood at €75.5 per user
- **Cash EBITDA (1)** – Our 1Q FY24 results demonstrated that an increasing share of year 2+ Prime members has a very positive impact on margins (doubled in just one year). Our most recent results demonstrate we continue to be well on track to meet our self-imposed target of over €180 million in FY25

- **Longer term – eDO has strong fundamental growth potential beyond FY25**

(1) Definitions of Non-GAAP measures on page 32-34
(2) 22nd of August
(3) Net Adds: Gross Adds-Churn.

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2. Prime model proven to be a success: Excellent 1Q FY24 results

3. Further improvements on disclosure to better understand the subscription model
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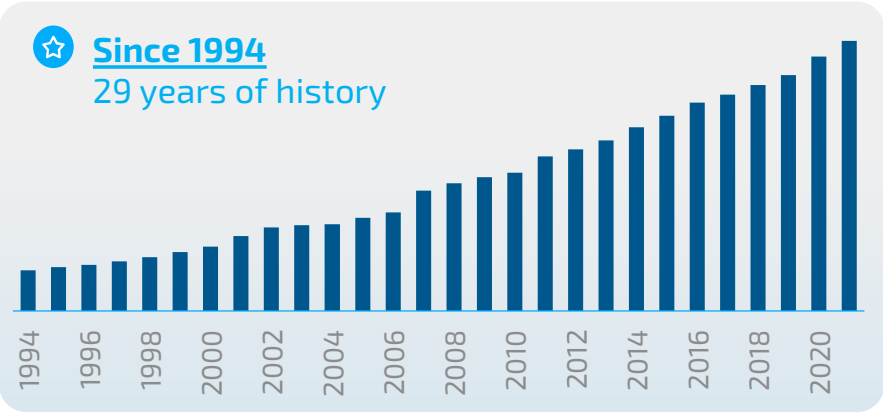
2. Subscription models have proven to be hugely successful in different industries over the years. eDO is no longer a transaction company like the other travel companies

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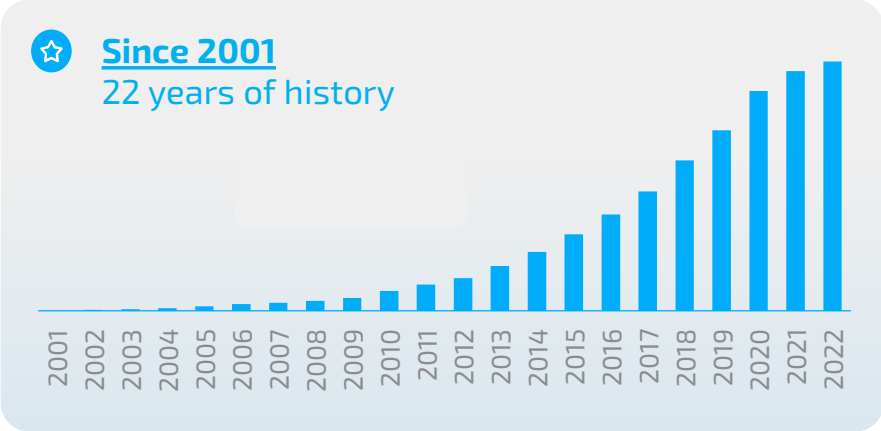
Companies like Costco or Netflix continue showing growth after more than 20 years of history with certainty and predictability of results

We are no longer a transaction company like the other travel companies. Today we stand at over 50% of the company's top line and profit being driven by subscription

Costco Paid Members



Netflix subscribers



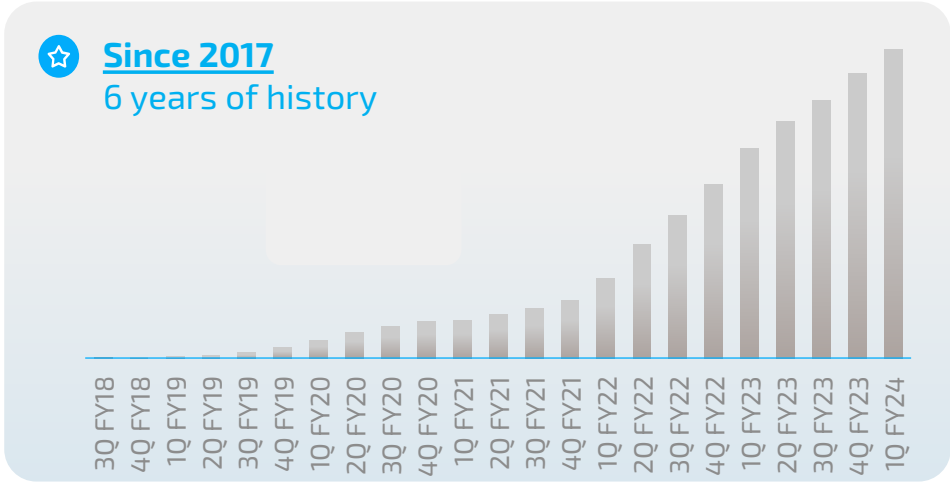
Source: Costco and Netflix corporate websites

In 2017 we launched our Prime subscription programme, no one had done it in Travel, until we did.

Today we have proven it is successful, with eDO having almost 5 million subscribers and adding around 1.7 million subscribers last year.

The company we were back in 2017 is not the company we are today.

eDO Prime members (*)



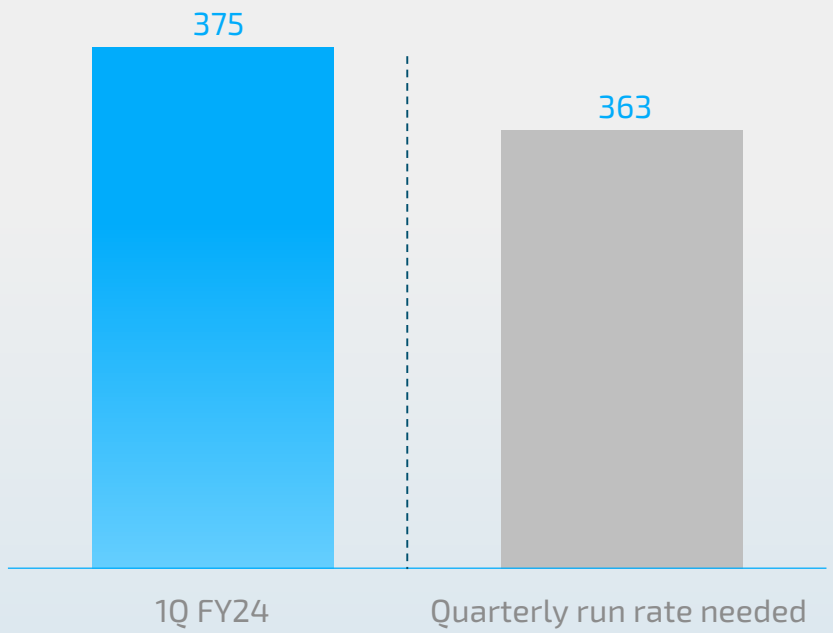
(*) Definitions of Non-GAAP measures on page 32-34

2. Prime members(*): on track with our guidance to reach 7.25 million by FY25. Despite industry moving to more normalised seasonality patterns

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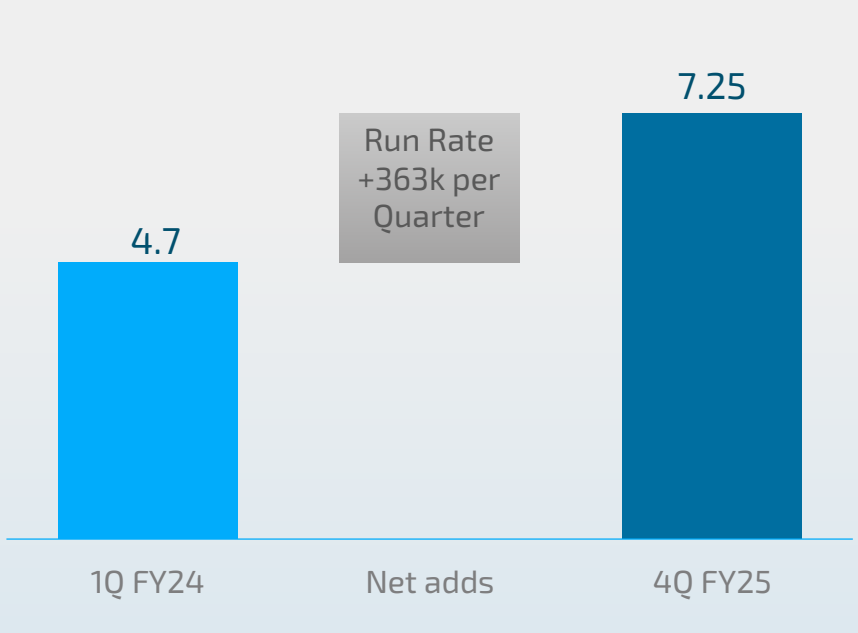
eDO ahead of implied run rate needed to achieve target. Prime net adds(**) are influenced by seasonality intra-year

Quarterly Net Adds(**) Run Rate
(in 000')



Source: Company data.

Implied Prime Member(*) quarterly run rate needed to achieve target
(Million Members)



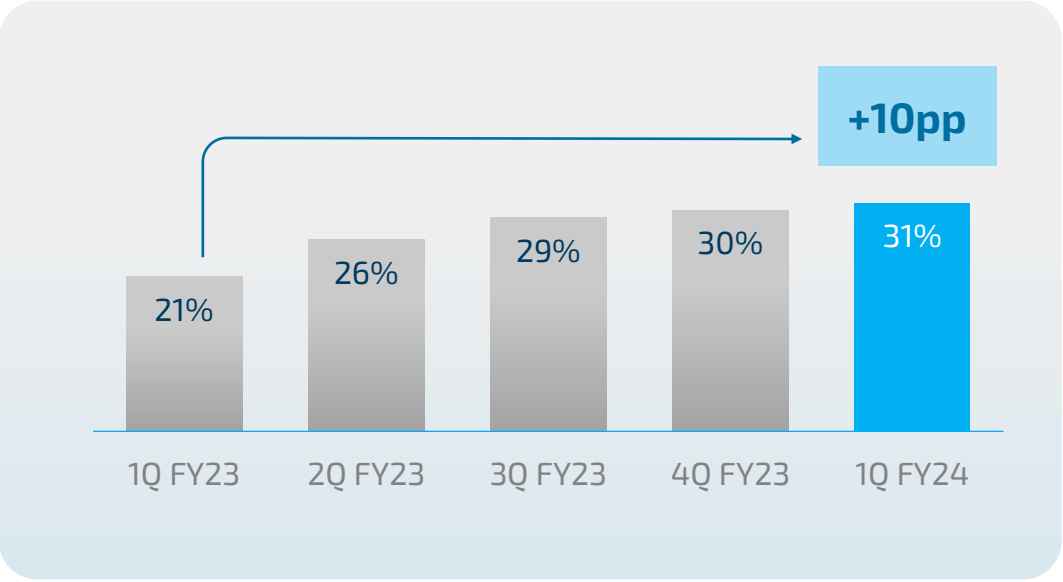
Source: Company data.

(*) Definitions of Non-GAAP measures on page 32-34
(**) Net Adds: Gross Adds-Churn.

2. Increasing maturity of Prime members(*) results in margin uplifts, which puts as eDreams ODIGEO well on track to reach our target of over €180 million Cash EBITDA(*) in FY25

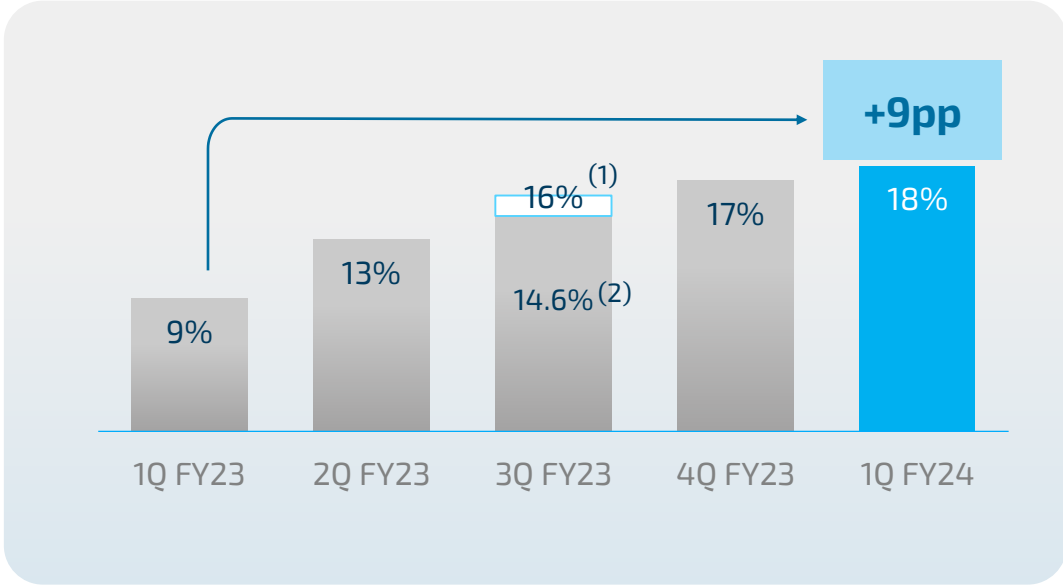
Prime delivers significant uplifts in profit margins as the Prime member(*) base matures

CASH MARGINAL PROFIT MARGIN(*) CONTINUED TO IMPROVE AS MATURITY OF PRIME MEMBERS(*) INCREASES



Source: Company data.

CASH EBITDA MARGIN(*) MORE THAN DOUBLED IN JUST ONE YEAR

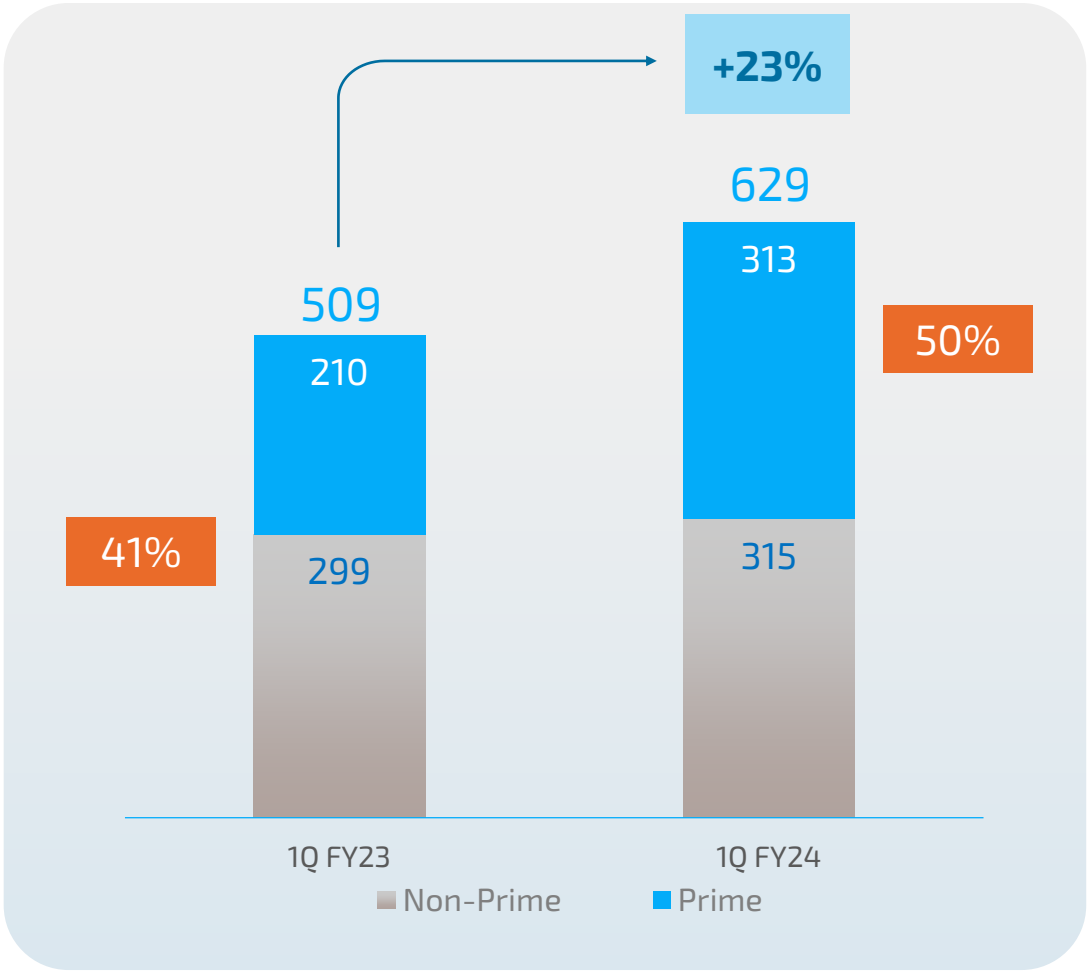


Source: Company data.
(1) 3QFY23 reported (2) Excluding €2.1 million FX positive impact.

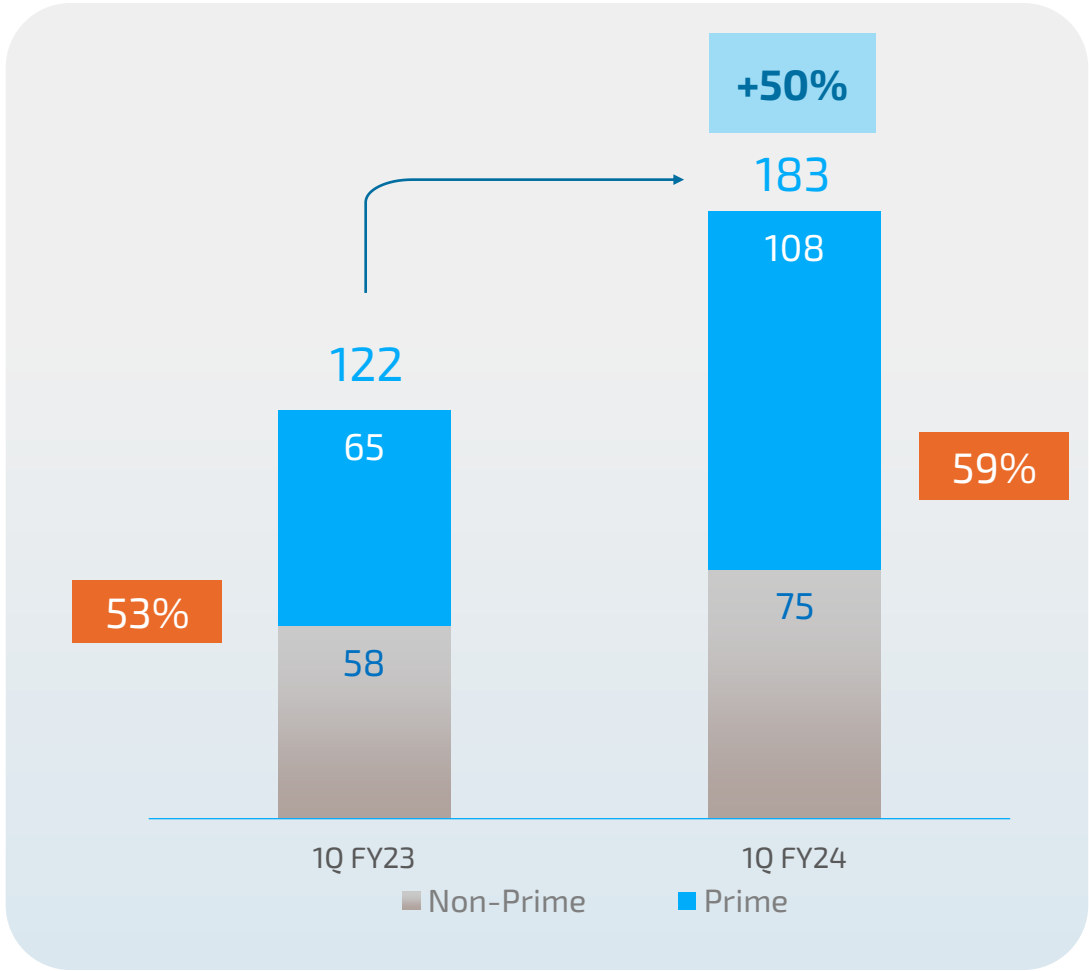
(*) Definitions of Non-GAAP measures on page 32-34

2. Strong growth in Cash Revenue Margin(*) and significant Marginal Profit (*) uplift as maturity of Prime Members (*) increases

Cash Revenue Margin (*) (LTM) (€M)



Cash Marginal Profit (*) (LTM) (€M)



Prime weight of total

(*) Definitions of Non-GAAP measures on page 32-34

2. Strong growth in Cash EBITDA(*) and substantial improvement in margins as the maturity of Prime members(*) increases

P&L with increase in Prime Deferred Revenue

(IN EURO MILLION)	1Q FY24	VAR. FY24 VS FY23	1Q FY23
REVENUE MARGIN (*) (excl. Adjusted Revenue Items) (**)	**157.5**	**8%**	**145.7**
INCR. PRIME DEFERRED REVENUE (*)	9.4	(30)%	13.4
CASH REVENUE MARGIN (*)	**166.9**	**5%**	**159.1**
VARIABLE COSTS (*)	(115.0)	(8)%	(125.6)
CASH MARGINAL PROFIT (*)	**52.0**	**55%**	**33.5**
FIXED COSTS (*)	(22.5)	15%	(19.5)
CASH EBITDA (*)	**29.4**	**110%**	**14.0**
INCR. PRIME DEFERRED REVENUE (*)	(9.4)	30%	(13.4)
ADJUSTED EBITDA (*)	**20.0**	**3,475%**	**0.6**
ADJUSTED ITEMS (*)	5.0	N.A.	(2.4)
EBITDA (*)	**25.0**	**N.A.**	**(1.8)**

(*) Definitions of Non-GAAP measures on page 32-34
(**) Excluding in 1Q FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 2.3 of Condensed Consolidated Interim Financial Statements). This amount is the impact if the Group had historically applied the gradual method to recognise the subscription fee, and is not reflective of current year's Prime Revenue.

Highlights 1Q FY24

1. Cash Revenue Margin (*) is 5% above 1Q FY23. Cash Marginal Profit (*) and Cash EBITDA (*) grew 55% and 110% respectively between 1Q FY23 and 1Q FY24. As a greater percent of Prime members (*) move from year 1 to year 2, our Cash Marginal Profit (*) and Cash EBITDA (*) improve.
2. Over the past year our subscribers grew by 47% to 4.7 million. In addition, 57% and 65% of our Cash Revenue Margin (*) and Cash Marginal Profit (*) in the quarter, are now from Prime members (*).
3. In 1Q FY24 the Group has decided, to change the Prime base of revenue recognition from "based on usage" to "based on gradual model". Due to the evolution of the Prime product and the information collected on the relevance of customer service for subscribers, the Group has estimated that the pattern of consumption aligned better with recognising revenue of Prime gradually.
4. As guided, the maturity of Prime members (*) is the most important driver for profitability, this has resulted in strong improvements in profitability as we have more and more Prime members (*) renewing their memberships.
5. Cash Marginal Profit Margin (*) increased to 31% in 1Q FY24 from 21% in 1Q FY23, a 10ppt improvement. Cash EBITDA Margin (*) in 1Q FY24, also achieved very substantial improvements and stood at 18% vs. 9% in 1Q FY23.
6. Cash EBITDA (*) stood at €29.4 million in 1Q FY24, up 110% year-on-year.

2. Income Statement

(IN EURO MILLION)	1Q FY24	VAR. FY24 VS FY23	1Q FY23
REVENUE MARGIN (*) (excl. Adjusted Revenue items) (**)	**157.5**	***8%***	**145.7**
VARIABLE COSTS (*)	(115.0)	*(8)%*	(125.6)
FIXED COSTS (*)	(22.5)	*15%*	(19.5)
ADJUSTED EBITDA (*)	**20.0**	***3,475%***	**0.6**
ADJUSTED ITEMS (*)	5.0	*N.A.*	(2.4)
EBITDA (*)	**25.0**	***N.A.***	**(1.8)**
D&A INCL. IMPAIRMENT	(9.3)	*14%*	(8.1)
EBIT	**15.8**	***N.A.***	**(10.0)**
FINANCIAL RESULT	(7.6)	*16%*	(6.6)
INCOME TAX	(4.0)	*N.A.*	2.6
NET INCOME	**4.1**	***N.A.***	**(13.9)**
ADJUSTED NET INCOME (*)	**1.1**	***N.A.***	**(11.5)**

Source: Condensed Consolidated Interim Financial Statements Unaudited
(*) Definitions of Non-GAAP measures on page 32-34
(**) Excluding in 1Q FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 2.3 of Condensed Consolidated Interim Financial Statements). This amount is the impact if the Group had historically applied the gradual method to recognise the subscription fee, and is not reflective of current year's Prime Revenue.

Highlights 1Q FY24

1. **Revenue Margin (*)** excluding adjusted revenue items (**) increased by 8% to €157.5 million, mostly driven by an increase in Prime Revenue Margin (up 65%), following the successful expansion of the Prime Member Base. Prime Revenue Margin growth rates were offset by the Non-Prime Revenue, which decreased 23% vs 1Q FY23, as 1Q FY23 was positively impacted by a catch up of Omicron Bookings.
2. **Variable costs (*)** decreased by 8% mainly due to lower variable costs on Prime Members, driven by a more mature Prime Member Base.
3. **Fixed costs (*)** increased by €3.0 million, mainly driven by higher personnel costs.
4. **Adjusted items (*)** changed by €7.4 million primarily due to the €7.9 million of Prime Revenue registered by the Group as a result of a change in estimation, which have been accounted for against the Prime deferred revenue.
5. **D&A and impairment** increased by €1.2 million mainly due to the amortisation of the newly capitalised items, partially offset by lower amortisation due to higher fully amortised items.
6. **Financial loss** increased by €1.0 million, mainly due to the negative impact of FX.
7. **The income tax** increased by €6.7 million from an income of €2.6 million in 1Q FY23 to an expense of €4.0 million in 1Q FY24 due to (a) higher taxable profits reported by the operating companies in 1Q FY24 compared with 1Q FY23 (€7.0 million higher expenses) and (b) other differences (€0.4 million lower expenses).

2. Cash Flow Statement

(IN EURO MILLION)	1Q FY24	1Q FY23
ADJUSTED EBITDA (*)	**20.0**	**0.6**
ADJUSTED ITEMS (*)	5.0	(2.4)
NON CASH ITEMS	5.1	9.2
CHANGE IN WORKING CAPITAL	(9.3)	28.9
INCOME TAX (PAID) / COLLECTED	(2.6)	0.0
CASH FLOW FROM OPERATING ACTIVITIES	**18.3**	**36.2**
CASH FLOW FROM INVESTING ACTIVITIES	**(10.8)**	**(6.9)**
CASH FLOW BEFORE FINANCING	**7.5**	**29.4**
ISSUE OF SHARES	-	(3.1)
OTHER DEBT ISSUANCE / (REPAYMENT)	(4.4)	(30.4)
FINANCIAL EXPENSES (NET)	(0.8)	(1.3)
CASH FLOW FROM FINANCING	**(5.2)**	**(34.8)**
NET INCREASE / (DECREASE) IN CASH BEFORE BANK OVERDRAFTS	**2.3**	**(5.4)**
BANK OVERDRAFTS USAGE / (REPAYMENT)	(3.9)	7.3
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**(1.6)**	**1.9**

(*) Definitions of Non-GAAP measures on page 32-34
Source: Condensed Consolidated Interim Financial Statements Unaudited

Highlights 1Q FY24

1. Net cash from operating activities decreased by €17.9 million, mainly reflecting:

- Working capital outflow of €9.3 million compared to an inflow of €28.9 million in 1Q FY23. The outflow in 1Q FY24 is mainly driven by the business moving to more normalised seasonality patterns. In 1Q FY23 the higher inflow in working cap was positively impacted by a catch-up effect for Omicron Bookings, which resulted in an increase in volumes between March - June 2022 which was bigger than the increase in volumes between March - June 2023.
- Income tax paid increased by €2.6 million from €47 thousand income tax received in 1Q FY23 to €2.6 million income tax paid in 1Q FY24 due to the advanced payment of part of the Italian tax assessed in connection with the company's appeal to the Supreme Court.
- Adjusted EBITDA (*) increased to €20.0 million from €0.6 million in 1Q FY23.
- Non-cash items: items accrued but not yet paid, decreased by €4.1 million mainly due to a lower variation in the operational provisions recorded.

2. We have used cash for investments of €10.8 million in 1Q FY24, an increase of €3.9 million, mainly due to an increase in software that was capitalised.

3. Cash used in financing amounted to €5.2 million, compared to €34.8 million from financing activities in 1Q FY23. The variation by €29.6 million in financing activities mainly relates to the payment done in June 2023 of the Government sponsored loan for €3.8 million, the reimbursement of the SSRCF by €30.0 million in 1Q FY23 and the payment of the costs associated with the refinancing for €3.4 million in 1Q FY23.

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3. Further improvements on disclosure to better understand the subscription model

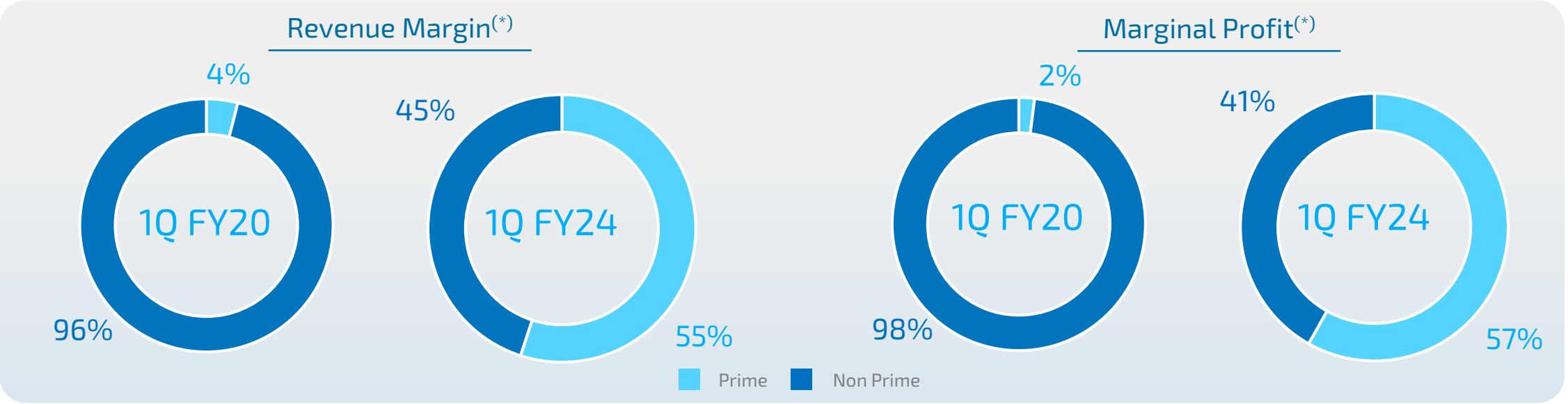
4. eDO investment highlights
5. Appendix



3. Shift in the Group's results from transactional to subscription lead for the group to change the reporting breakdown

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Evolution from Transaction to Subscription Business (Prime Share of Revenue Margin and Marginal Profit)



eDO continues to grow and further improve its disclosure

- Due to the shift in the Group's results majority of it being subscription, the group has decided to change the reporting breakdown.
- (1) The Group considers Prime/Non Prime segments as a better reflection of how the Leadership Team evaluates the operating performance. From 1QFY24 the group will disclose Prime vs Non Prime at Revenue Margin (*), Variable Costs (*), Marginal Profit (*) and Adjusted EBITDA (*) level.
- (2) The Group will also start reporting revenue breakdown by timing of revenue to align with the new reportable segments; and
- (3) In order to align the financials better with the evolution of the subscription service, the Group has also decided to change the Prime base of revenue recognition from "based on usage" to "based on gradual model".

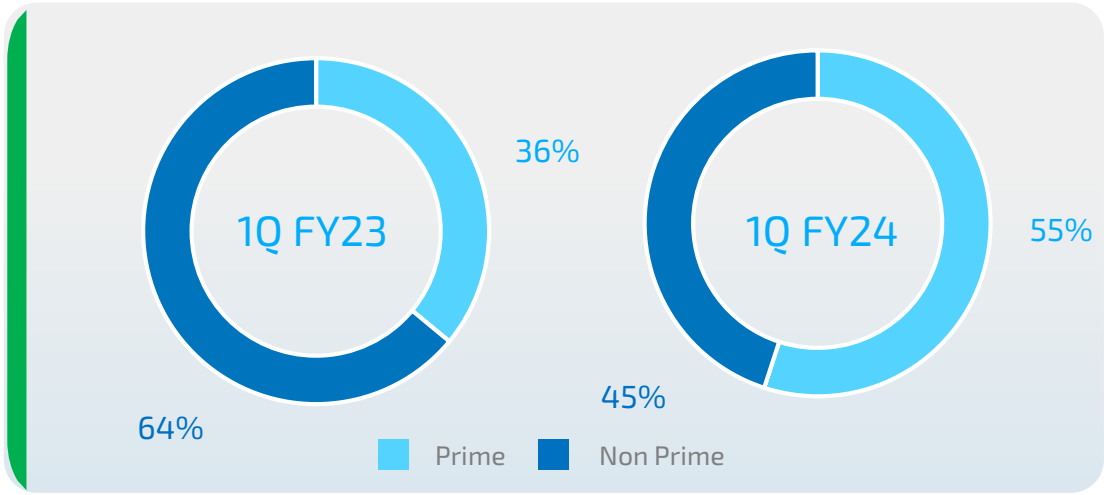
(*) Definitions of Non-GAAP measures on page 32-34

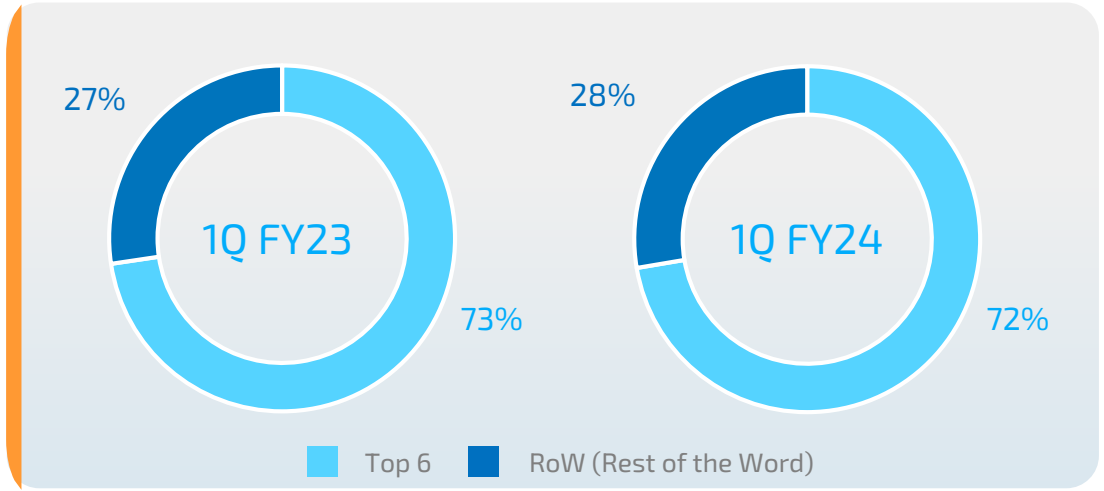
3. Shift in the Group's focus towards a subscription-oriented strategy lead for the group to change the segment reporting

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Revenue Margin(*) as a % of total (Before and after the change)

NEW





NEW

- Due to the shift in the Group's focus towards a subscription-oriented strategy, the Group considers Prime/Non Prime (*) segments as a better reflection of how the Leadership Team evaluates operating performance.
- From 1Q FY24, segment information is presented with Prime and Non Prime as the new segments. Comparative disclosure has been restated to reflect this change in segments.
- **Prime (*)**: Prime means the profit and loss measure generated from Prime users. In the case of Cash Revenue Margin (*) for Prime, it includes elements such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc. consumed by Prime clients.
- **Non-Prime (*):** Non Prime means the profit and loss measure generated from non Prime users

BEFORE THE CHANGE

- The Group identified as segments the different markets in which it operated, since it was the basis on which the information was reported to Management on a monthly basis and strategic decisions were made, such as the launch of new services, pricing strategies or investment in marketing.
- Due to the shift in the Group's focus towards a subscription-oriented strategy, this is no longer the way strategic decisions are made, and we discontinue them as our reporting segments.

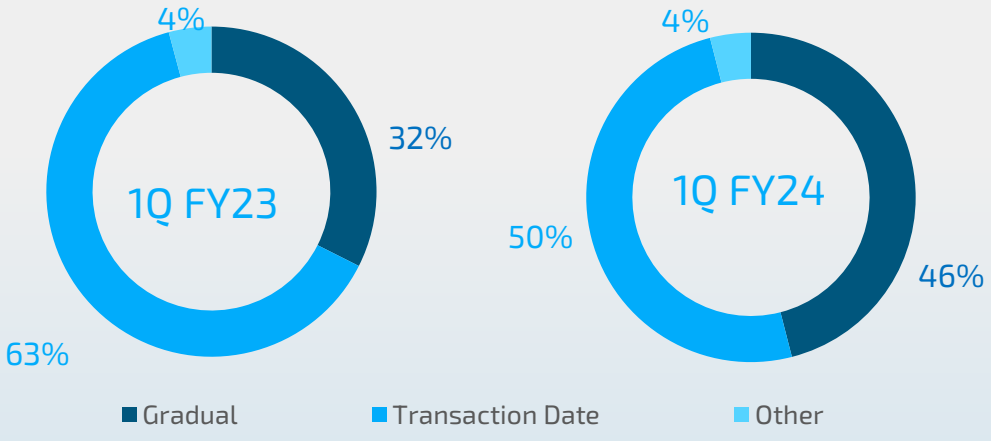
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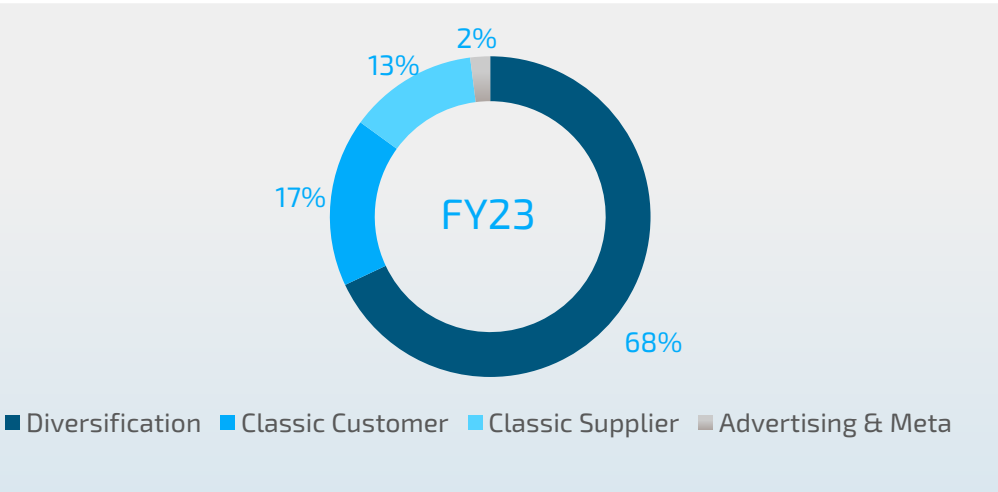
3. Change in the segment reporting makes a new revenue breakdown based on revenue recognition more appropriate

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Revenue Margin(*) as a % of total (Before and after the change)

NEW





NEW

- Following the Group's change in its operating segments, management considered that the previous Revenue disaggregation was no longer relevant and instead a Revenue disclosure based on the uniqueness of the Revenue recognition method alongside the Prime/Non Prime dimension was more appropriate. Revenue has been aggregated based on the similarity of economic factors and the similarity in the timing of revenue recognition and makes it easier to link revenue to operating KPIs:
- **Gradual** - represents revenue which is recognised gradually over the period of the service agreement and mostly relates to recognised subscription fees, the service of Cancellation for any reason and Flexiticket and airline overcommissions.
- **Transaction Date** - represents revenue which is recognised at booking date and mostly relates to service fees, ancillaries, insurance, incentives (other than airline overcommissions) and other fees.
- **Other** - is a residual category and mainly relates to advertising and metasearch revenue, tax refunds and other fees.

BEFORE THE CHANGE

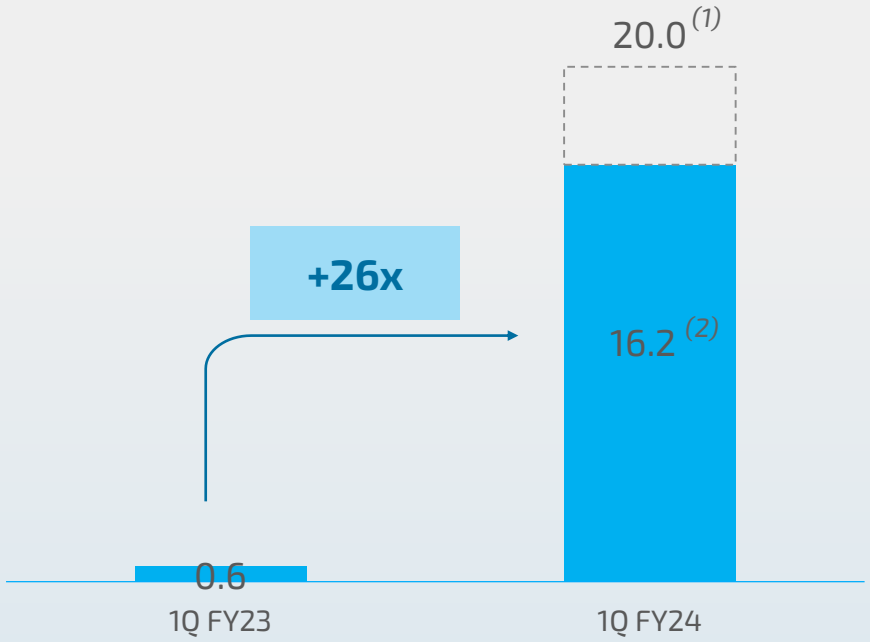
- Up until 4Q FY23, the Group disaggregated revenue from contracts with customers by source of revenue (Diversification revenue, Classic revenue-customer, Classic revenue-supplier, Advertising & Metasearch).
- Following the Group's change in its operating segments and the expected evolution of the product, management considered that the previous Revenue disaggregation was no longer relevant and instead a Revenue disclosure based on the uniqueness of the Revenue recognition method alongside the Prime/Non Prime dimension is more appropriate

(*) Definitions of Non-GAAP measures on page 32-34

3. Change in estimate regarding the recognition of subscription fees aligns with evolution of the Prime product and relevance of service for subscribers

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Material increase in Adjusted EBITDA(*), even using former revenue recognition method for Prime subscription fees (€M)



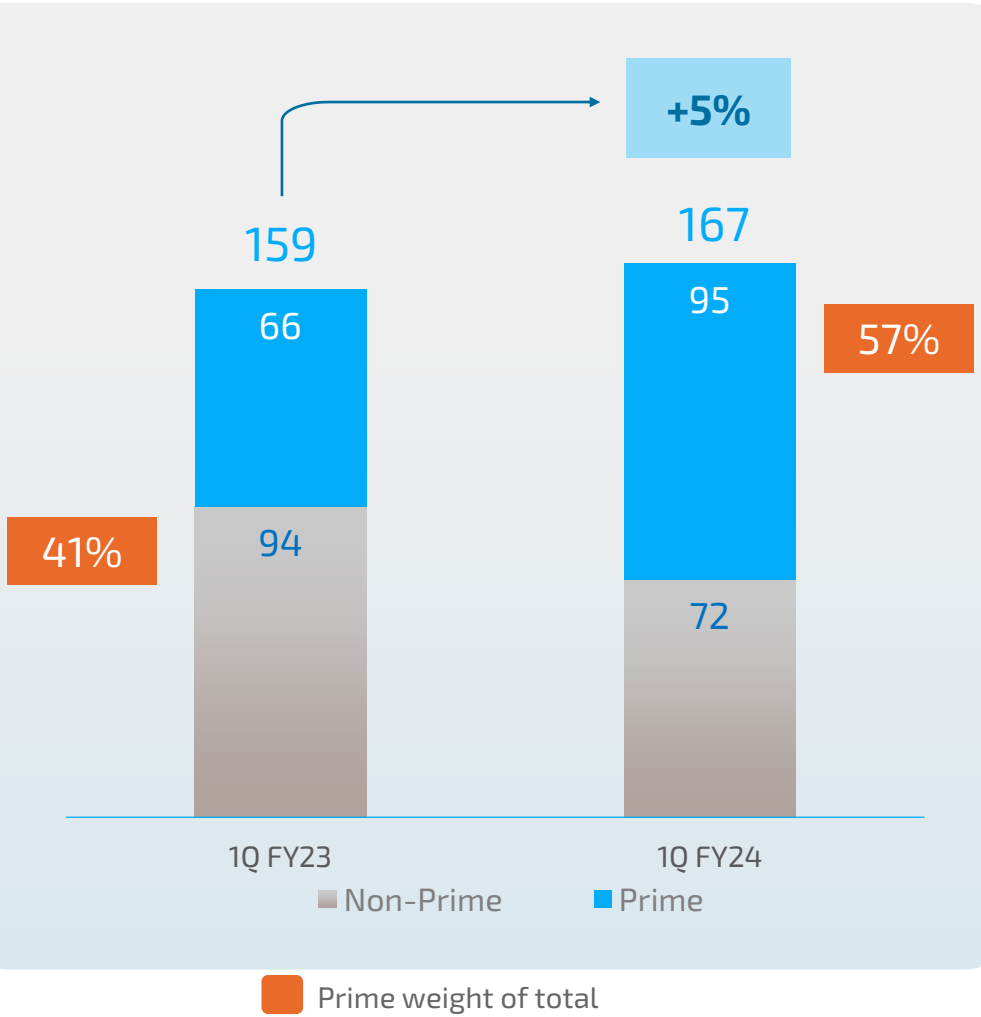
- We did a change in the accounting estimate regarding the recognition of subscription fees, from "revenue recognition based on usage" to "revenue recognition based on gradual model".
- Due to the evolution of the Prime product and the information collected on the relevance of customer service for subscribers, the Group has estimated that the pattern of consumption aligned better with recognising revenue of Prime gradually.
- The change implemented aligns with the standards of other subscription businesses, and helps investors and sell-side analysts to better understand the business as a subscription company.
- The change in revenue recognition does not affect any of the Cash metrics, but does affect the recognition through the P&L of Subscription Fees, Revenue Margin (*) and Adjusted EBITDA (*). **We continue to believe that the best way to understand our subscription business is through Cash metrics, unaffected by this change**

(*) Definitions of Non-GAAP measures on page 32-34
(1) Reported Adjusted EBITDA (2) Adjusted EBITDA applying old accounting estimate for the recognition of subscription fees.

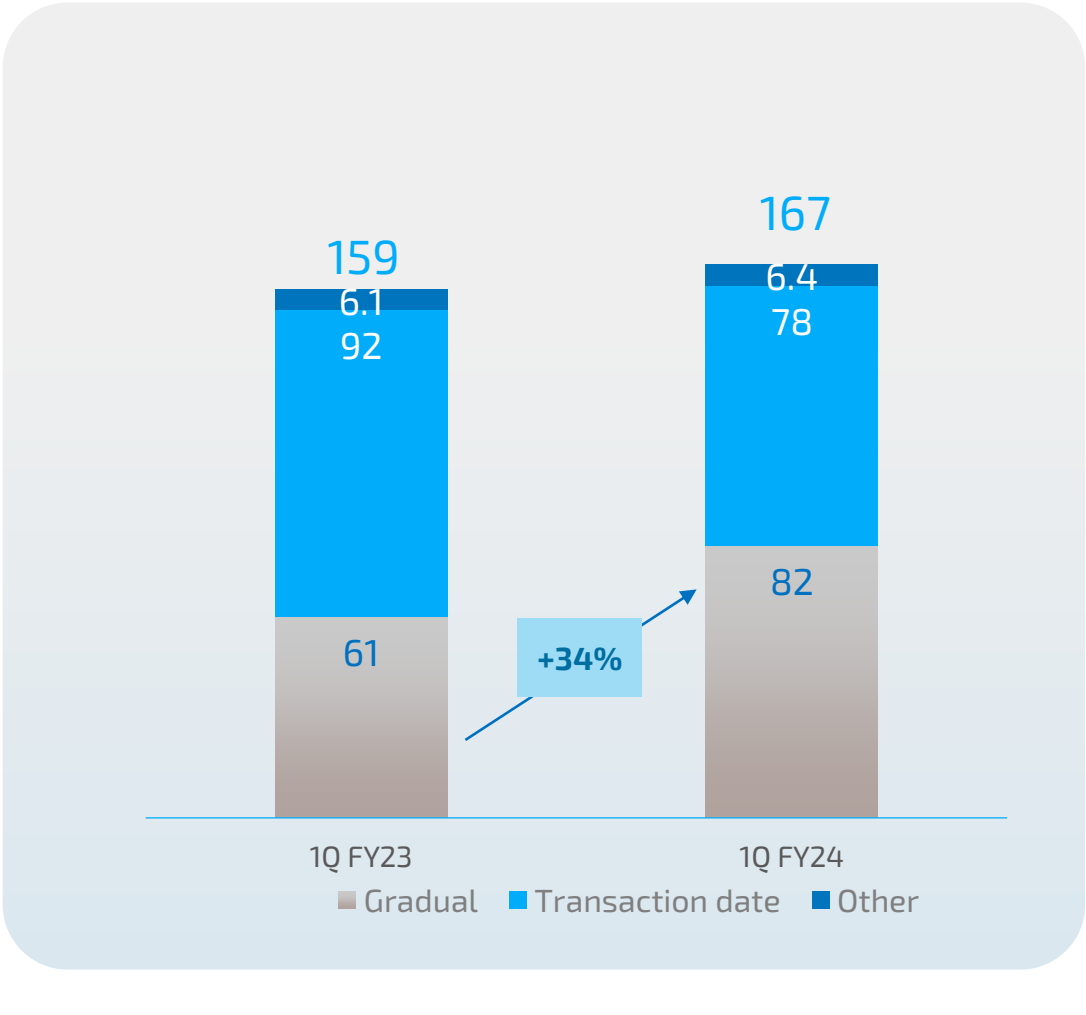
3. Cash Revenue Margin(*) growth driven by the successful expansion of the Prime Member (*) Base and offset by decrease of Non-Prime (*), positively impacted last year by a catch-up of Omicron Bookings

eDreams ODIGEO

Cash Revenue Margin(*) by segment (€M)



Cash Revenue Margin (*) by timing of recognition (€M)

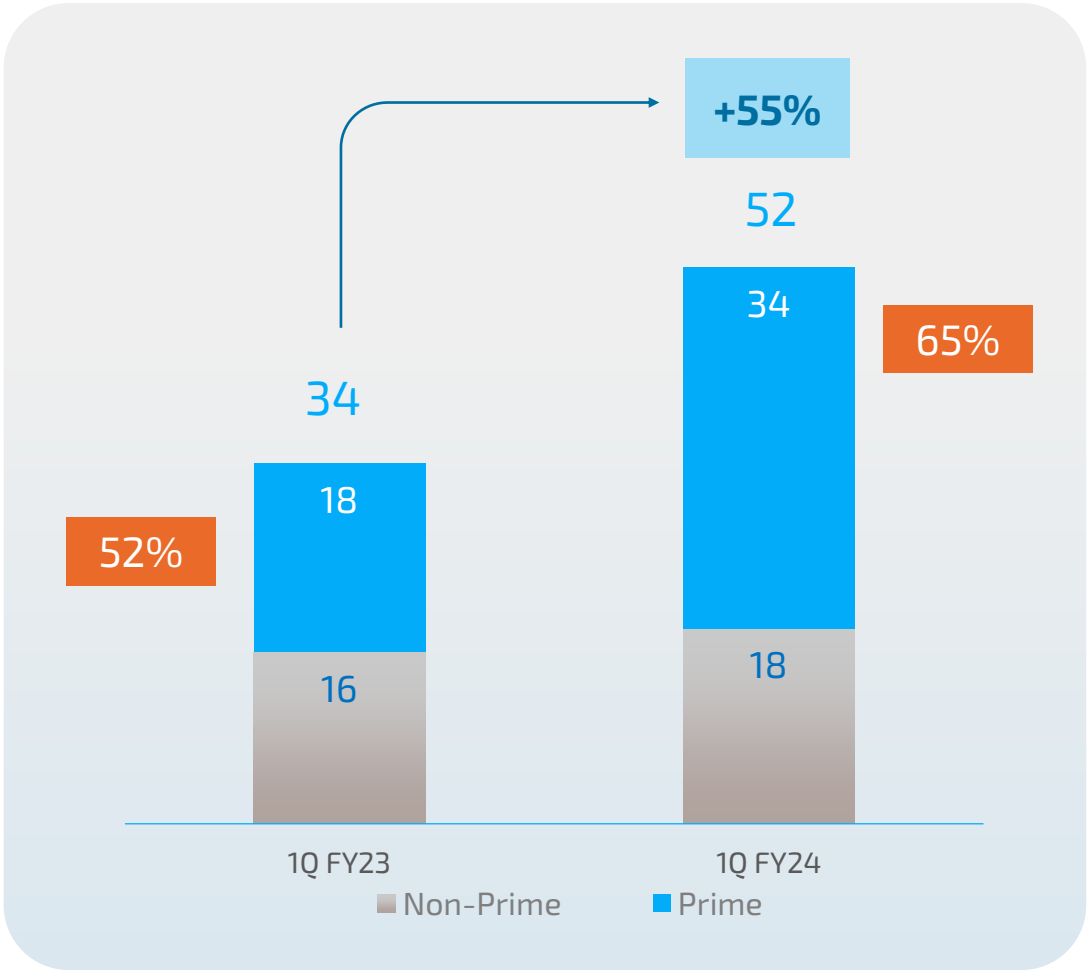


(*) Definitions of Non-GAAP measures on page 32-34

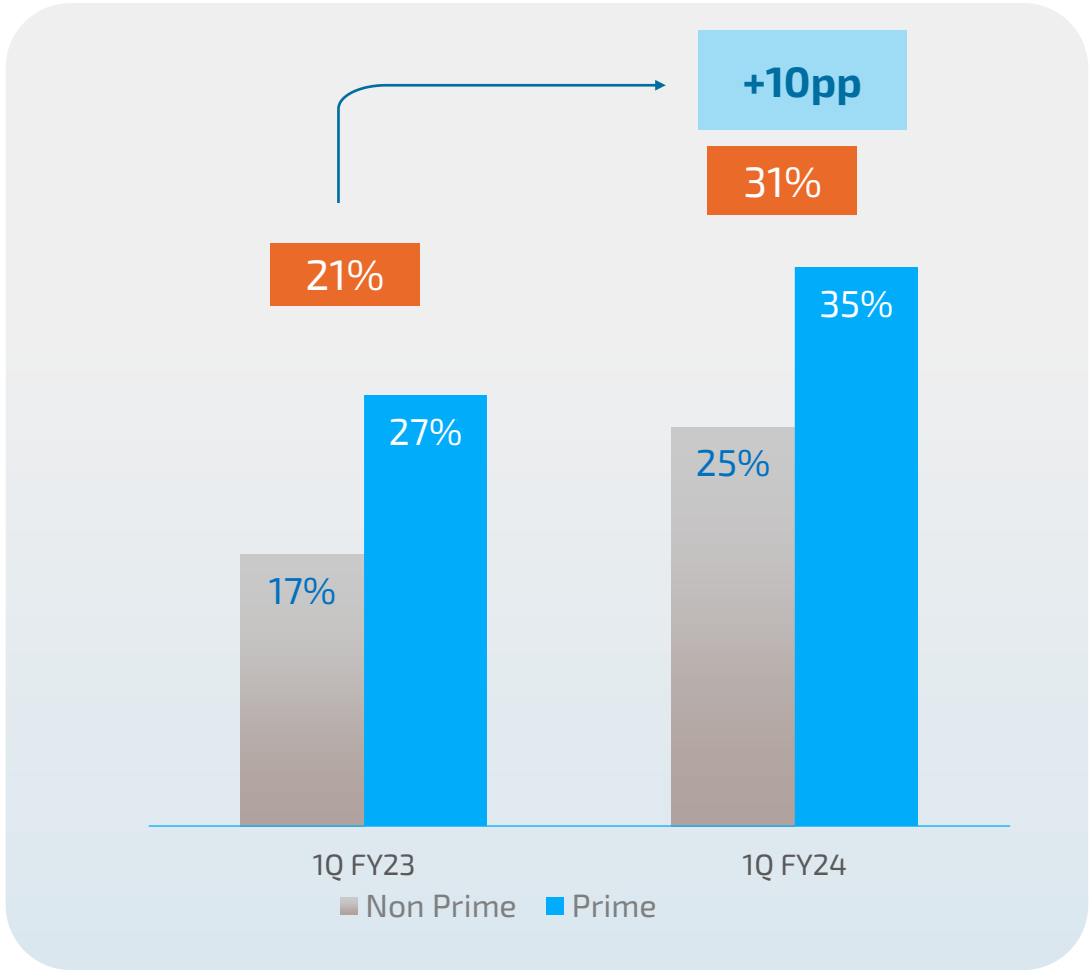
3. Cash Marginal Profit (*) continues to show rapid growth with significant improvements in profitability

eDreams ODIGEO

Cash Marginal Profit (*) (€M)



Cash Marginal Profit Margin (*)



(*) Definitions of Non-GAAP measures on page 32-34

eDreams ODIGEO

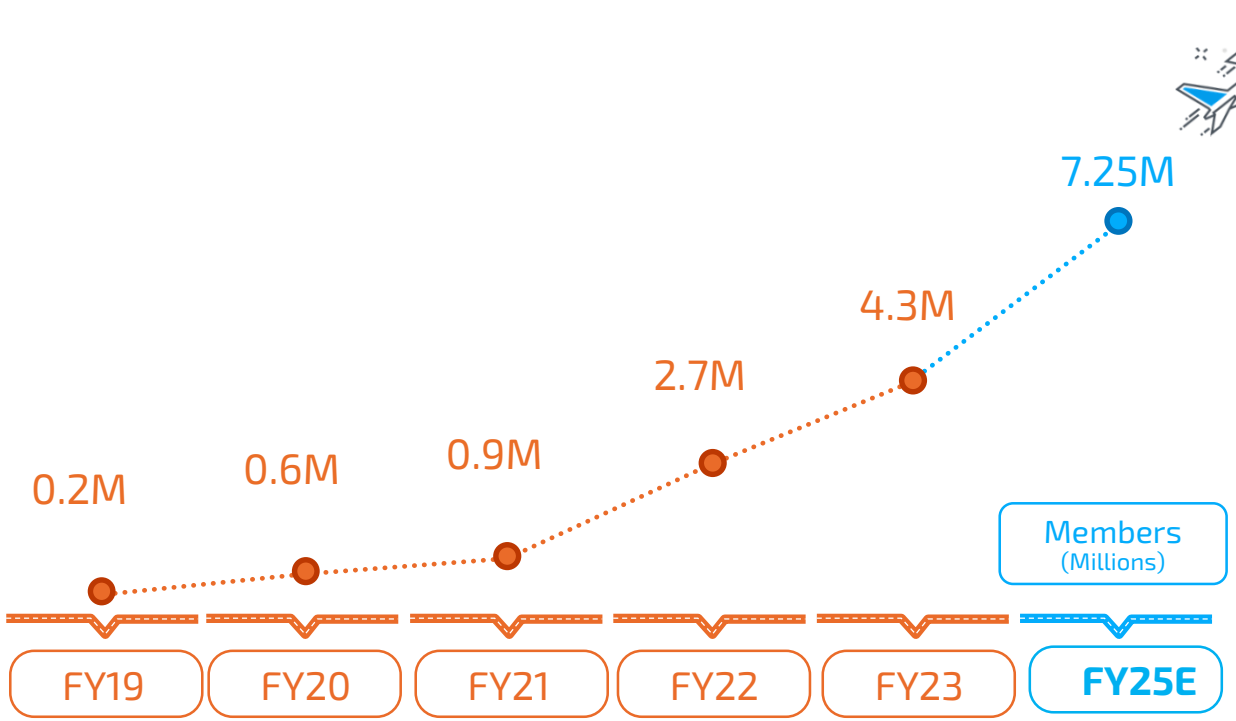
4. eDO investment highlights

5. Appendix



4. eDO is the subscription company in travel through technology and AI

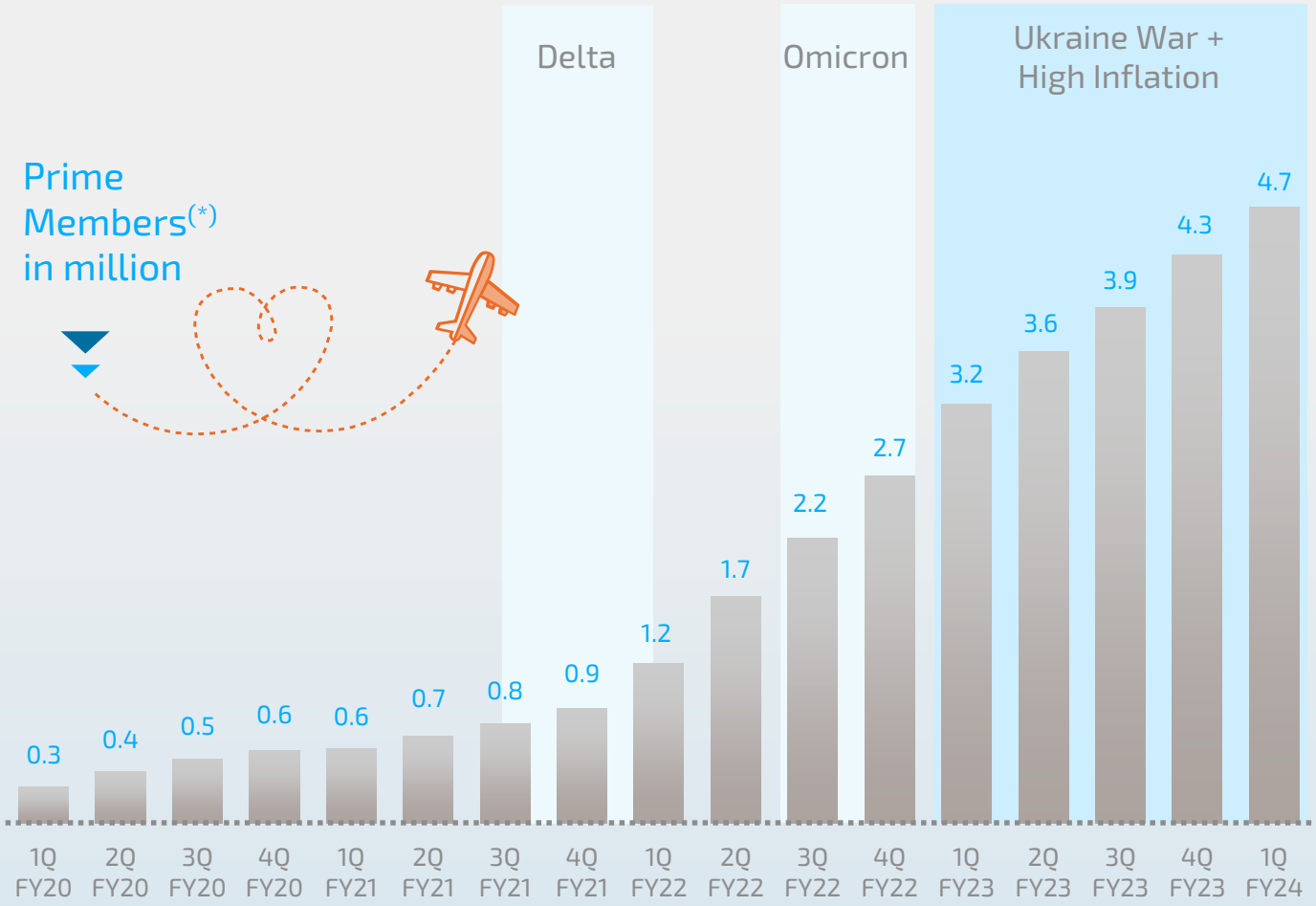
eDO has the fastest paid members growth among subscription companies across all industries





Source: Company Data

4. eDO captures new customers through the Prime programme



Share of new customers within Prime Members(*)

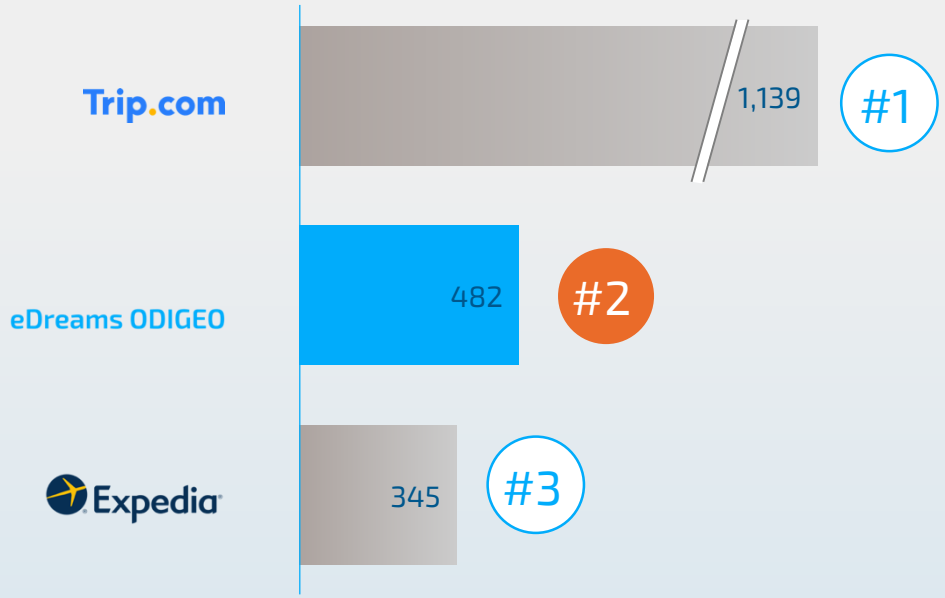
67%

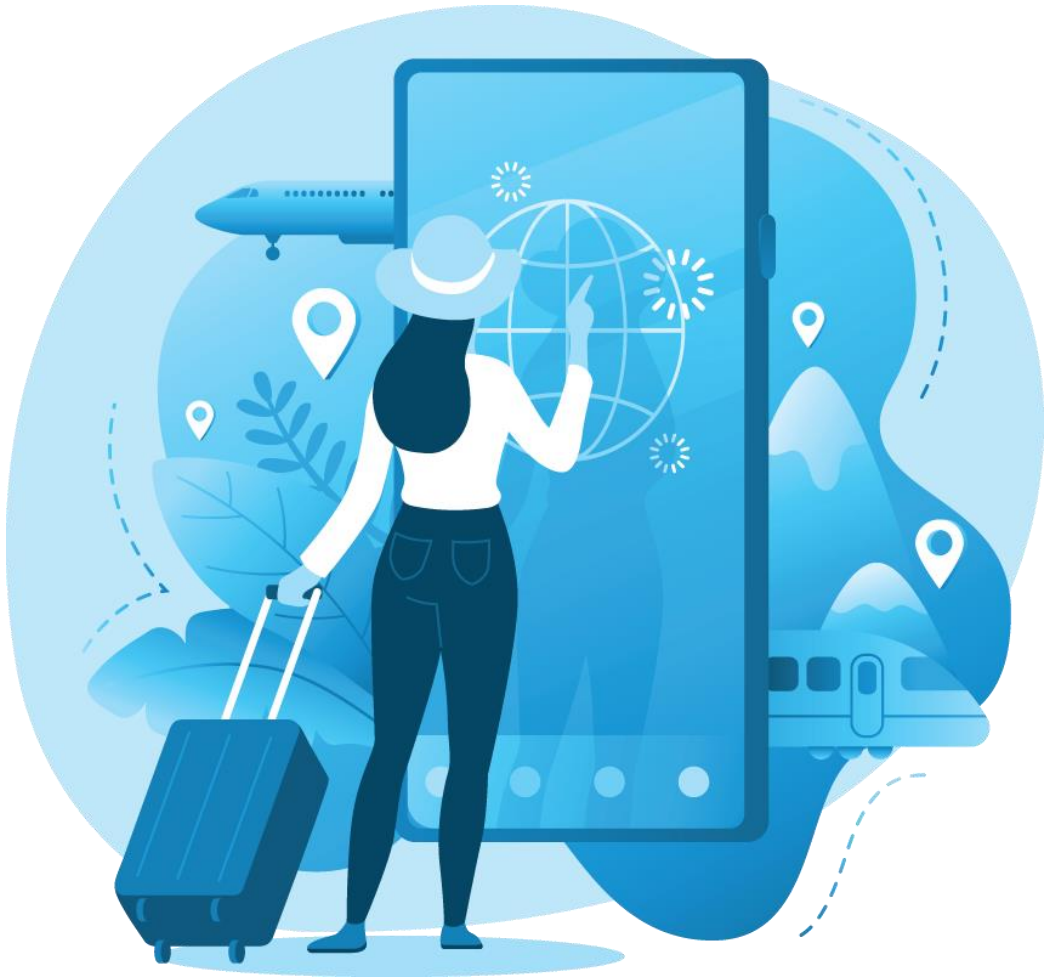
Source: Company data
(*) Definitions of Non-GAAP measures on page 32-34

4. Within travel, eDO is the Global Flight Leader, Ex China

#2 PLAYER IN FLIGHTS GLOBALLY

GLOBAL FLIGHT REVENUE
CY 2022 (€M)





Source: Company data, Cash Revenue Margin (*) for eDO. Financial Releases published by Trip.com and Expedia.
(*) Definitions of Non-GAAP measures on page 32-34

In pole position in an attractive market

SIZEABLE MARKET AND ONE OF THE LARGEST E-COMMERCE VERTICAL

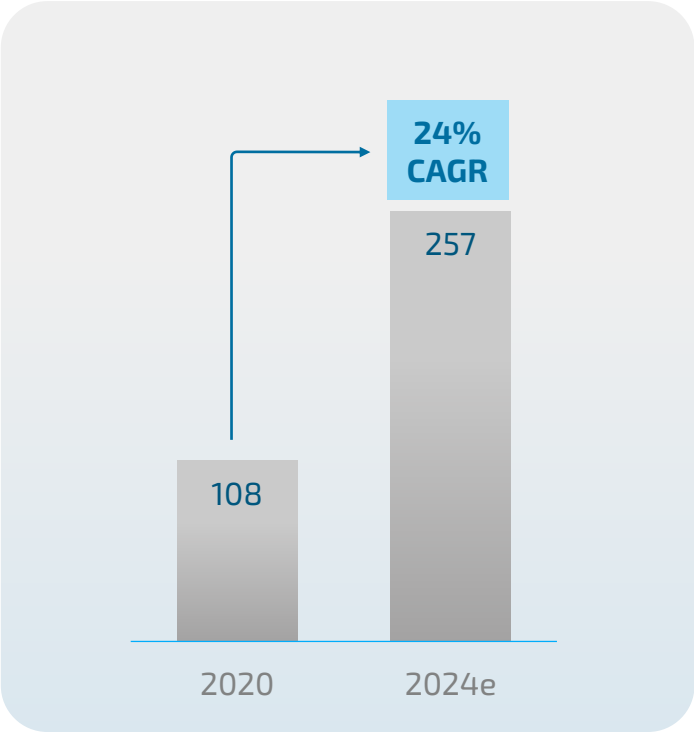
€2.1Tn

Worldwide travel market, 2023e

Source: 2013 to 2022. Statista. Worldwide; IBISWorld; 2013 to 2022

ATTRACTIVE GROWTH PROSPECTS AFTER THE PANDEMIC

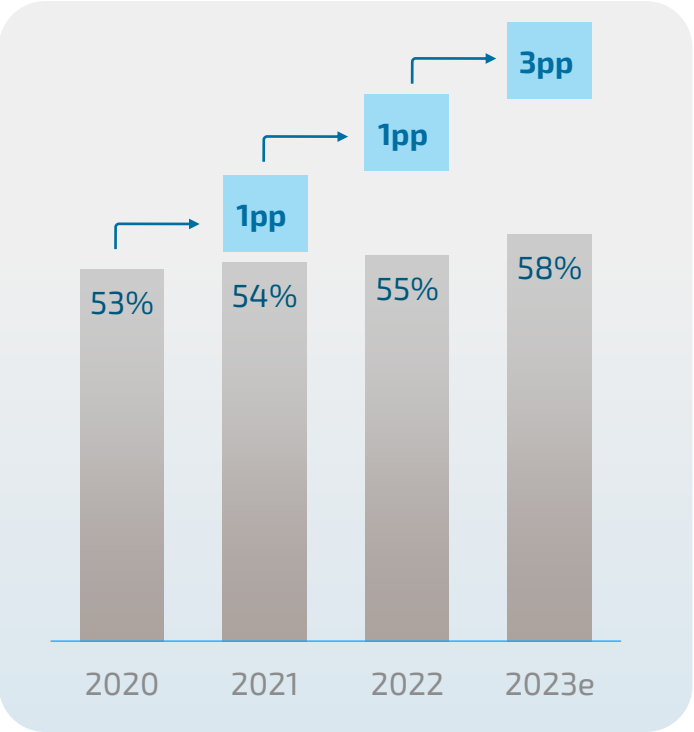
European Travel Market Size
(€Bn)



Source: Phocuswright, Phocal point

EDO IS POSITIONED IN THE RIGHT SEGMENTS (ONLINE AND LEISURE)

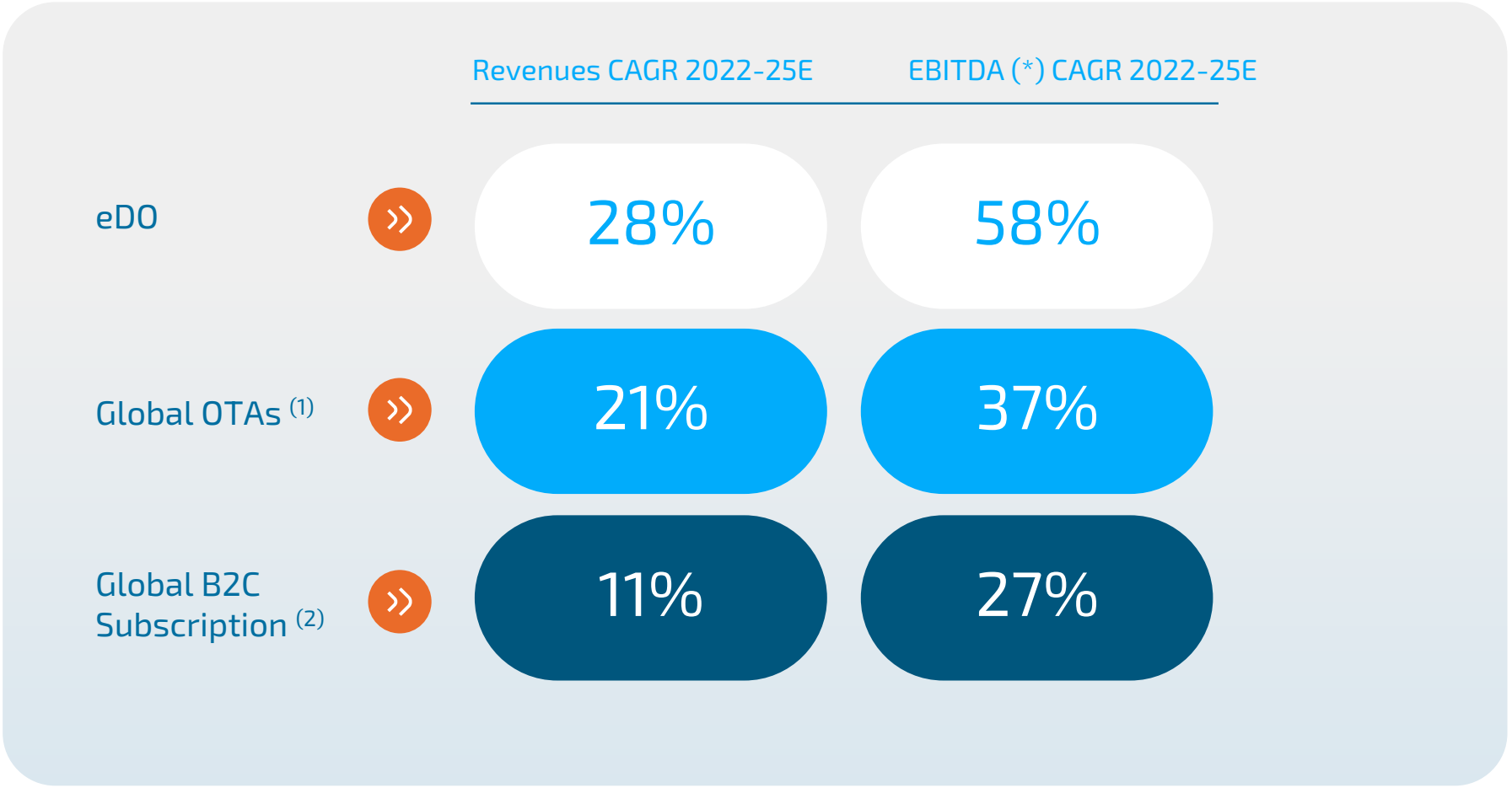
European Leisure Travel Market Online penetration
(% over total Gross Booking (*))



Source: Phocuswright, Phocal point

(*) Definitions of Non-GAAP measures on page 32-34

eDO is unique in terms of profitability and growth



(*) Definitions of Non-GAAP measures on page 32-34
(1) Companies included: Booking Holding, Trip.com, Despegar, Expedia, lastminute.com and On the Beach
(2) Companies included: Amazon, Netflix, Spotify, Bumble, Duolingo, Hello Fresh, Peloton, Dropbox and Wix
Source: Bloomberg consensus estimates for peers and Company data and FY25 targets for eDO (Cash metrics)

4. eDreams ODIGEO, a recognised leader in AI in Europe: Always being a step ahead

We have a proven track record of being a leader in AI in travel since 2014…

2014

Establishing one of the first in-house AI teams in the travel industry - pioneering one of the first truly AI driven fraud prevention systems.

2015

Adopting an AI first strategy, setting up our own in-house research and development team to build out our bespoke AI platform and making AI available to all teams.

2016

Adopting AI driven personalisation at individual customer level at scale (e.g., sort order of results).

2017

At-scale deployment of a proprietary reinforcement learning algorithm in combination with genetic algorithms and multi-objective optimisations to power pricing.

2019

Early adopter of a proprietary Generative AI platform to generate unique itineraries for our customers. Today Generative AI is a integral part of our AI toolbox and is being leveraged in additional use cases.

2020-22

Deployed Natural Language capabilities in Customer Service to drive the best experience for our customers.

Leveraging proprietary AI frameworks to design, measure, and optimise performance marketing campaigns.

2023

Recognised leader among AI-led companies globally

AI deployed across the entire company, including even in HR

Working with Google Cloud to pioneer new developments in generative AI.



… and this is being recognised in the industry

> **"We are thrilled to have eDreams ODIGEO innovate with our generative AI tools. eDreams ODIGEO is a global reference in e-commerce, beyond travel, and knows how to best grow its customers' experience with technology"**
>
> Google Cloud

4. Well positioned, well financed, on track to meet self-set FY25 targets



“eDO large potential: superior returns for shareholders and customers while transforming and revolutionising the industry”

(*) See definition and reconciliation of Non GAAP measures on page 32-34.

4. eDO has from FY25 onwards strong fundamental growth potential



Increase household penetration on those countries in which we are present

Three dimensions where we can capitalise on:



Add new countries



Customer segments

Strong future growth

5. Appendix

1. Results highlights
2. Prime model proven to be a success – Excellent 1Q FY24 results
3. Further improvements on disclosure to better understand the subscription model
4. eDO investment highlights
5. Appendix

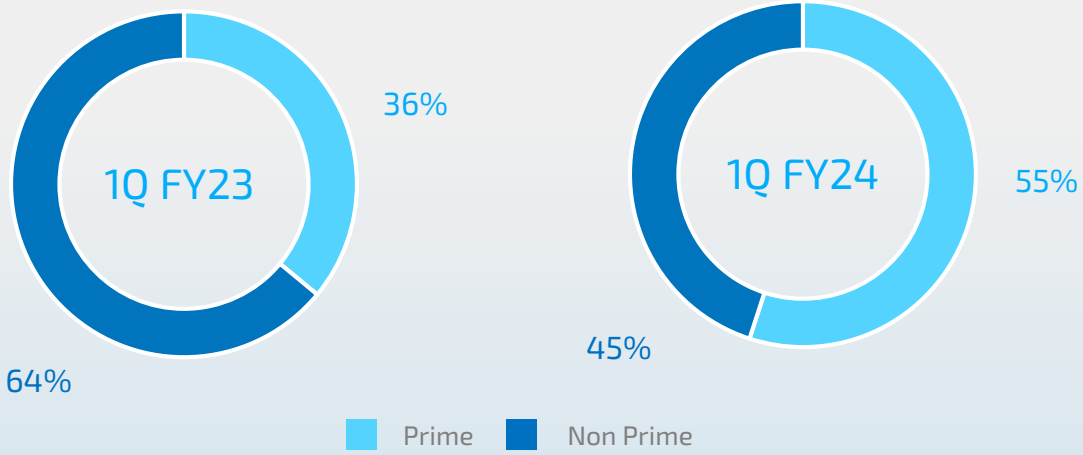


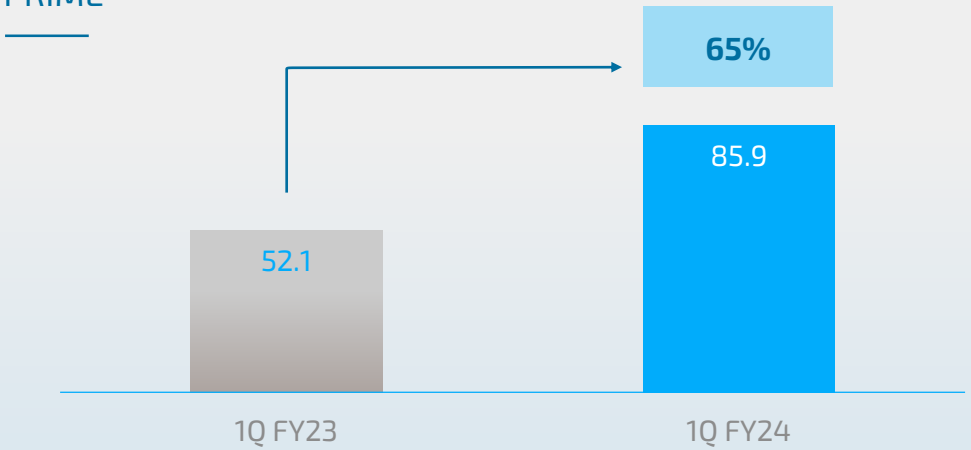
5. Prime Revenue Margin increases both in absolute numbers and as a share of the total Revenue Margin

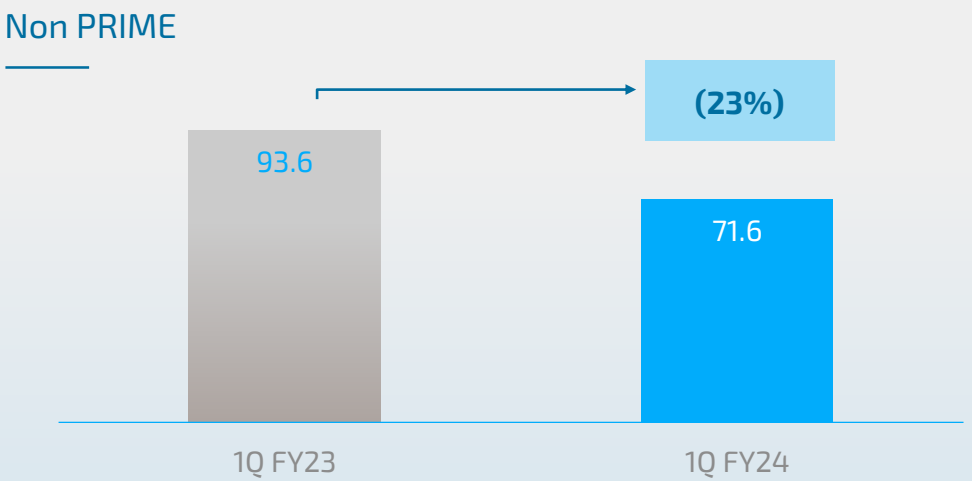
eDreams ODIGEO

Revenue Margin (*) (excl. Adjusted Revenue Items) (**)

(In euros million)	1Q FY24	Var. FY24 vs FY23	1Q FY23
Prime	**85.9**	65%	**52.1**
Non Prime	**71.6**	(23)%	**93.6**
Total	**157.5**	**8%**	**145.7**





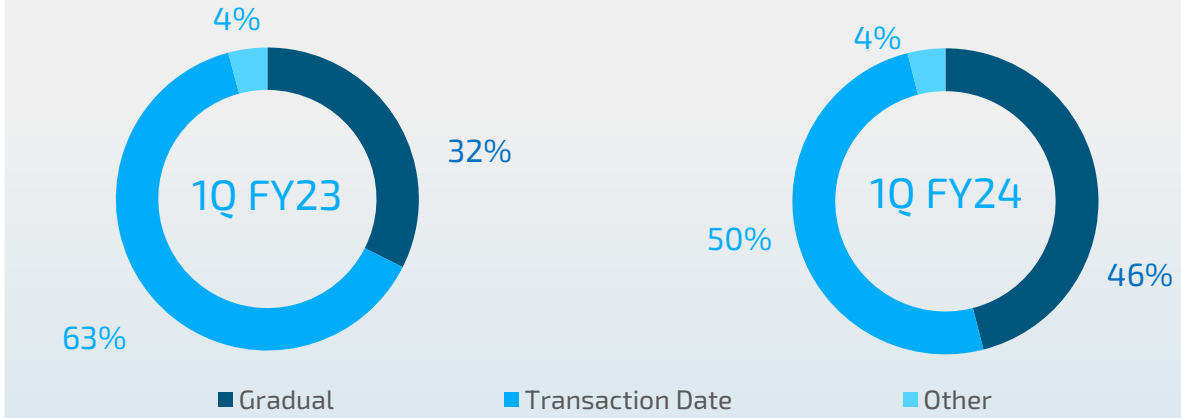


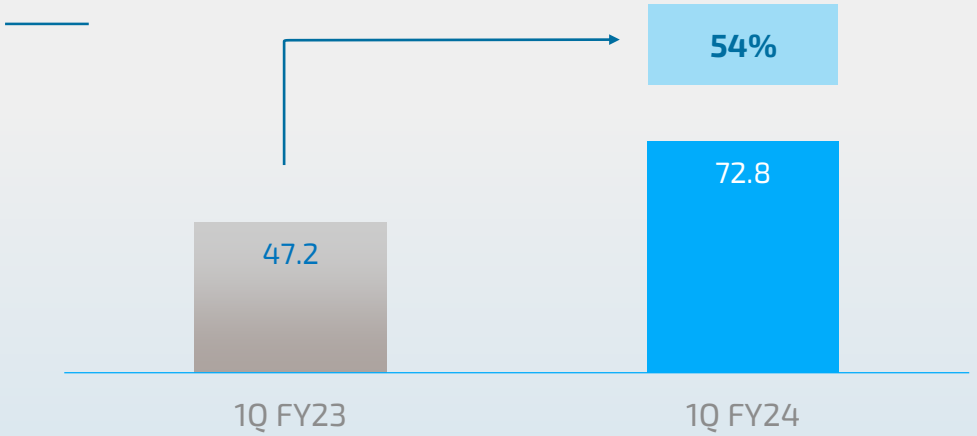
(*) Definitions of Non-GAAP measures on page 32-34
(**) Excluding in 1Q FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 2.3 of Condensed Consolidated Interim Financial Statements). This amount is the impact if the Group had historically applied the gradual method to recognise the subscription fee, and is not reflective of current year's Prime Revenue.

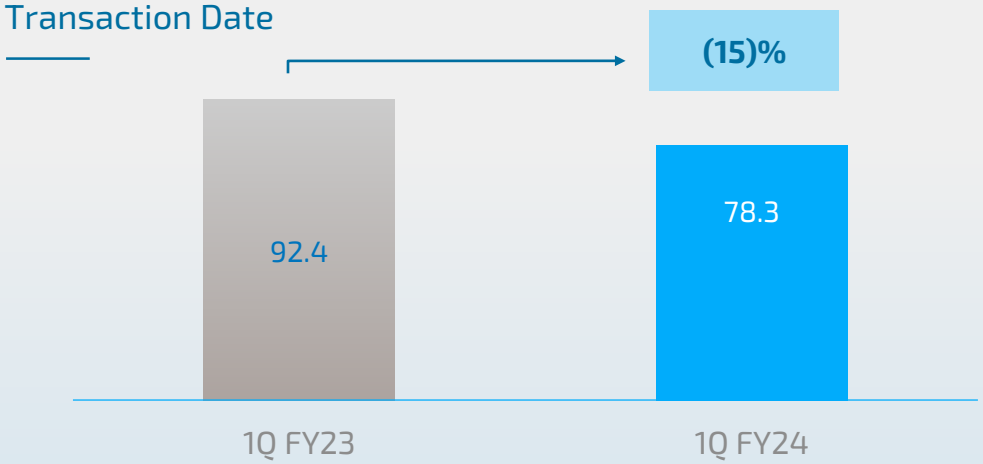
5. Gradual revenue increases as a result of the success of the subscription programme

Revenue Margin (*) (excl. Adjusted Revenue Items) (**)

(In euros million)	1Q FY24	Var. FY24 vs FY23	1Q FY23
Gradual	**72.8**	54%	**47.2**
Transaction date	**78.3**	(15)%	**92.4**
Other	**6.4**	6%	**6.1**
Total	**157.5**	**8%**	**145.7**







(*) Definitions of Non-GAAP measures on page 32-34
(**) Excluding in 1Q FY24, €7.9 million of Prime Revenue as a result of a change in estimation (see note 2.3 of Condensed Consolidated Interim Financial Statements). This amount is the impact if the Group had historically applied the gradual method to recognise the subscription fee, and is not reflective of current year's Prime Revenue.

Glossary of Definitions

Non-reconcilable to GAAP measures

1. Gross Bookings refers to the total amount paid by customers for travel products and services booked through or with the Group (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. It also includes transactions made under white label arrangements and transactions where the Group acts as a "pure" intermediary, whereby the Group serves 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

2. Adjusted EBITDA means operating profit / loss before depreciation and amortisation, impairment and profit / loss on disposals of non-current assets, as well as adjusted items corresponding to certain share-based compensation, restructuring expenses and other income and expense items which are considered by Management to not be reflective of the Group's ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.
3. Adjusted EBITDA Margin means Adjusted EBITDA divided by Revenue Margin.
4. Adjusted EBITDA per Booking (Non Prime) means Adjusted EBITDA of the Non Prime segment divided by the number of Non Prime Bookings. See definitions of "Adjusted EBITDA" and "Non Prime Bookings".
5. Adjusted Items refers to share-based compensation, restructuring expenses and other income and expense items which are considered by Management to not be reflective of the Group's ongoing operations. It corresponds to the sum of adjusted personnel expenses and adjusted operating (expenses) / income and Adjusted Revenue items.
    - **Adjusted personnel expenses** refers to adjusted items that are included inside personnel expenses
    - **Adjusted operating (expenses) / income** refers to adjusted items that are included inside other operating expenses.
    - **Adjusted Revenue** items refers to adjusted items that are included inside revenue.
6. Adjusted Net Income means the 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 the Group's ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.
7. Capital Expenditure ("CAPEX") represents the cash outflows incurred during the period to acquire non-current assets such as property, plant and equipment, certain intangible assets and capitalisation of certain development IT costs, excluding the impact of any business combination. It provides a measure of the cash impact of the investments in non-current assets linked to the ongoing operations of the Group.
8. Cash EBITDA means "Adjusted EBITDA", plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash EBITDA provides to the reader a view of the sum of the ongoing EBITDA and the full Prime fees generated in the period. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations. Additionally, under the SSRCF, the Group is subject to the Adjusted Gross Leverage Financial Covenant, that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections. Cash EBITDA for Prime refers to the Cash EBITDA of the Prime segment.
9. Cash EBITDA Margin means Cash EBITDA divided by Cash Revenue Margin. Cash EBITDA Margin is shown both for Prime / Non Prime segments.
10. Cash Marginal Profit means "Marginal Profit" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash Marginal Profit provides a measure of the sum of the Marginal Profit and the full Prime fees generated in the period. Cash Marginal Profit for Prime refers to the Cash Marginal Profit of the Prime segment.
11. Cash Marginal Profit Margin means Cash Marginal Profit divided by Cash Revenue Margin. See definitions of "Cash Marginal Profit" and "Cash Revenue Margin". Cash Marginal Profit Margin is shown both for Prime / Non Prime segments.

Glossary of Definitions

12. Cash Revenue Margin means "Revenue Margin" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on a gradual method. Cash Revenue Margin provides a measure of the sum of the Revenue Margin and the full Prime fees generated in the period. Cash Revenue Margin for Prime refers to the Cash Revenue Margin of the Prime segment.
13. 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.
14. EBITDA means operating profit / loss before depreciation and amortisation, 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.
15. Fixed Costs includes IT expenses net of capitalisation write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. The Group's Management believes the presentation of Fixed Costs may be useful to readers to help understand its cost structure and the magnitude of certain costs that it has the ability to reduce in response to changes affecting the number of transactions processed.
16. (Free) Cash Flow before financing means cash flows from operating activities plus cash flows from investing activities. The Group believes that this measure is useful as it provides a measure of the underlying cash generated by the Group before considering the impact of debt instruments.
17. Gross Financial Debt or Gross Debt means total financial liabilities including financing cost capitalised (regardless of whether these costs are classified as liabilities or assets) plus accrued interests pending to be paid 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.
18. Gross Leverage Ratio means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by “Cash 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. Management considers that Gross Leverage Ratio calculated based on Cash EBITDA provides a more accurate view of the capacity to generate resources to repay its debt. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations. Additionally, under the SSRCF the Group is subject to the Adjusted Gross Leverage Financial Covenant, that is a Financial Covenant based on Gross Financial Debt divided by Cash EBITDA, further adjusted by certain corrections.
19. Liquidity position means the total amount of cash and cash equivalents, and remaining cash available under the SSRCF. This measure provides to the reader a view of the cash that is available to the Group.
20. Marginal Profit means “Revenue Margin” less “Variable Costs”. It is the measure of profit that Management uses to analyse the results by segments. Marginal profit excludes Adjusted Revenue items for APM purposes.
21. Marginal Profit per Booking (Non Prime) means Marginal Profit of the Non Prime segment divided by the number of Non Prime Bookings. See definitions of "Marginal Profit" and "Non Prime Bookings".
22. Net Financial Debt or Net 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.
23. Net Leverage Ratio means the total amount of outstanding Net Financial Debt on a consolidated basis divided by “Cash EBITDA”. This measure offers to the reader a view about the capacity of the Group to generate enough resources to repay the Net Financial Debt, also considering the available cash in the Group. Management considers that Net Leverage Ratio calculated based on Cash EBITDA provides a more accurate view of the capacity to generate resources to repay its debt. The Group's main sources of financing (the 2027 Notes and the SSRCF) consider Cash EBITDA as the main measure of results and the source to meet the Group's financial obligations.

24. Prime ARPU means the Cash Revenue Margin generated from Prime users on a last twelve months basis. It is calculated considering all the Cash Revenue Margin elements linked to the bookings done by Prime members (such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc.) divided by the average number of Prime members during the same period. Management considers this is a relevant measure to follow the Prime performance. As Prime is a yearly programme, this measure is calculated on a last twelve months basis.
25. Revenue Margin means the IFRS revenue less cost of supplies. The Group's Management uses Revenue Margin to provide a measure of its revenue after reflecting the deduction of amounts payable to 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. The Group acted under the principal model in regards to the supply of hotel accommodation until September 2022. As of that date, the Group only offers hotel intermediation services, therefore no cost of supply is registered and Revenue and Revenue Margin are of equal amounts. Prime Revenue Margin refers to the Revenue Margin of the Prime segment. Revenue disaggregation has been updated by the Group to better align with the new reportable segments and how the Leadership Team evaluates the operating performance. Revenue Margin is split into the following categories:
    - **Gradual** - represents revenue which is recognised gradually over the period of the service agreement and mostly relates to recognised subscription fees, the service of Cancellation for any reason and Flexiticket and airlines overcommissions.
    - **Transaction Date** - represents revenue which is recognised at booking date and mostly relates to service fees, ancillaries, insurance, incentives (other than airlines overcommissions) and other fees.
    - **Other**- is a residual category and mainly relates to advertising and metasearch revenue, tax refunds and other fees. Advertising and Metasearch Revenue represents revenue margin from other ancillary sources, such as advertising on the Group's websites and revenue from metasearch activities.
26. Revenue Margin per Booking (Non Prime) means Revenue Margin of the Non Prime segment divided by the number of Non Prime Bookings. See definitions of "Revenue Margin" and "Non Prime Bookings".
27. 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. The Group's Management believes the presentation of Variable Costs may be useful to readers to help understand its cost structure and the magnitude of certain costs. The Group has the ability to reduce certain costs in response to changes affecting the number of transactions processed.

Other definitions

28. 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. The Group acted under the principal model in regards to the supply of hotel accommodation until September 2022. As of that date, the Group only offers hotel intermediation services.
29. Non Prime Bookings as the Group is aiming towards a subscription-oriented strategy and focusing on achieving its Prime member targets, Non Prime Bookings references solely to the bookings done by Non Prime members.
30. Mobile bookings (as share of flight bookings) means the number of flight Bookings done on a mobile device over the total number of flight Bookings, on a last twelve months basis.
31. Prime members means the total number of customers that have a Prime subscription in a given period.
32. Prime / Non Prime. The Group presents certain profit and loss measures split by Prime and Non Prime. In this context, Prime means the profit and loss measure generated from Prime users. Non Prime means the profit and loss measure generated from non Prime users. For instance, in the case of Prime Cash Revenue Margin, it includes elements such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc. consumed by Prime clients. As Prime is a yearly programme, Prime / Non Prime profit and loss measures are presented on a last twelve months basis. As of the beginning of the year, Prime / Non Prime are the new reportable segments
33. Top 6 Markets refers to the Group's operations in France, Spain, Italy, Germany, United Kingdom and Nordics. Formerly, the Group's Top 6 Markets were used to represent its Top 6 Segments. However, as of the beginning of the year, Prime / Non Prime are the new reportable segments since it was considered it better reflected the reality of the Leadership Team's analysis and decision making process.