

lm group: Holiday business drives growth towards a 2018 record year. Guidance FY2019 at €52-54M Core Business EBITDA

Amsterdam / Chiasso, 19 March 2019 – lm group, a European leader in the online travel and leisure industry, today released its full year 2018 financial statements. The results are even slightly above the preliminary announcement released on 12 February 2019:

- Core business revenues of € 286.9M (€285.6M in the preliminary), up 14.2% vs 2017
- Core business EBITDA of € 44.0M, up 60% compared to 2017
- Net earnings of € 8.4M (€8.2M in the preliminary) against net loss of (€ 7.8M) in 2017
- Cash from operation of €41.8M, only partially offset by €12.9M of CAPEX

Guidance for FY2019

- Core business Revenue above €300M
- Core business EBITDA in a range of €52-54M, +18/23% vs 2018
- Adjusted EBITDA in a range of €44-46M, +34/40% vs 2018

Three years after the acquisition of lastminute.com in 2015, lm group can deliver great results for 2018. The company made significant steps on its way from a product-centric flight-driven model to a customer-centric holiday-driven value proposition. 4,519,375 reservations were managed throughout the year and 8,500,000 passengers were moved (an equivalent of 23,300 per day) in 2018.

Full-year results 2018 in € million

	2018	2017	Change yoy %
Gross Travel Value	2,395	2,043	+17.3%
Core Business Revenues*	286.9	251.3	+14.2%
Core Business EBITDA*	44.0	27.5	+60%
Net earnings**	8.4	-7.8	+€16.2M
Cash available**	72.9	52.1	+39.9%
Net financial position**	31.9	45.3	-29.6%

* Core Business isolates the results of the OTA, META and Media businesses from non-recurring effects and the results of the Venture Initiatives (businesses managed on a stand-alone basis independently from lastminute.com), in order to reflect the real performance of such a Core Business lines

**Net earnings, cash and net financial position refer to Group results including the effect of Venture Initiative and non-recurring events

The **OTA business** continues to be the driving force of the company, with €214.7M contributing 75% of core business revenues. For the first time in history, the travel & leisure products - a category including all non-flight products - have overtaken the flight only products (accounting for 39% and 36% respectively of core business revenue). Dynamic packages grew by 41% in 2018, generating revenues of € 60.1M (they were €5.7M before the acquisition of lastminute.com in 2015).

The tour operator packages business also performed well thanks to the quick and effective integration of

weg.de, which allows the Group to gain significant share in Germany, the largest European Country (according to GTV).

The flights business gained momentum in the last quarter of the year, returning to a positive trend of growth.

2018 was another positive year in the **META** business. Jetcost's unique model has enabled market-leading growth rates at significantly higher margins than most competitors. META Net revenues increased by 9.8% to €49.4M in 2018 (€57.3M gross of Intercompanies). The acquisition of Hotelscan in 2017 added additional functionality and a very attractive product to the Group's portfolio. Thanks to the quick and successful roll-out, Hotelscan revenues grew triple digit up to around €5M.

The **Media** business prepared the ground for a reorganization around the three main areas: travelpeople, the trading desk and Playbook, the new consultancy business line that will be soon activated to offer marketing and monetisation solutions for display, programmatic, data automation, social and video. With the acquisition of Madfish, closed in the first months of 2019, the set-up is now complete to unlock the full potential of such a model.

A relatively modest Gross Travel Value growth of Europe's travel market of 2% in 2018 goes along with a faster online bookings trend which reported 7% year on year increase, moving up the online penetration rate from 47% to 49%. UK, Germany, France, Spain and Italy are the five largest European markets in terms of travel expenses and still the focus of the Group offering. Together they count for €216bn Gross Travel Value, of which €108bn is online. Excluding UK, where the online penetration rate is well above the 60%, Germany, France, Spain and Italy all have online penetration rates of approx. 40-45%, implying significant headroom for digital expansion.

The group generated €41.8M cash from ongoing operation (EBITDA IFRS + Net Working Capital changes), only partially offset by €12.9M of CAPEX. The result is a key element in understanding the potential of a business model like the one of lm group when you experience a growth trend in volume. The negative working capital contributes as accelerator on top of EBITDA generation.

The significant investment made to repurchase 2.2 million of shares in the context of the PSTO was sustained by credit lines negotiated on purpose, thus implying that, at cash level, the Group was able to close 2018 with an increase of 20.8M versus 1st January 2018 notwithstanding such a €30M one-off cash out.

Fabio Cannavale, lm group CEO, commented: "2018 has been a year of record for the Group and its core business. It was the year in which the phase of value maximisation definitively started after a period of strong reorganization and changes. We have implemented a shift from a pure transactional-oriented flight-centric proposition to a diversified OTA-META-Media holiday-driven business model, and it generated a robust set of results in which our vision translated into numbers very clearly."

Marco Corradino, CEO of lastminute.com, said "To optimise our offerings by providing the right product at the right time, all decisions are taken according to granular data analysis and the implementation of tools and logic based on machine learning and artificial intelligence. Dynamic Packages, that grew by 41% in 2018, is the field where such an approach worked the best so far. The overall conversion rate of our sites have grown in a significant way, consistently year on year." And he continued: "In 2018 alone, we released several new products that helped our customers enhance their travel experiences."

For further details see the FY2018 Report, which is available for download at: <https://lmgrouplastminute.com/investor-relations/reports/reports.aspx>

The full-year 2018 results will be presented at the investor and media conference today at 10:30 am CET in Zurich.

Interested parties who cannot attend the conference on site have the possibility to dial in by phone or web phone:

Dial-in numbers for phone:

From Switzerland: +41 22 595 47 28 From UK: +44 1 212 818 004 From United States: +1 718 70 58 796
From Italy: +39 02 802 09 11

Dial-in via web phone:

To join the call via your PC, click here: [HD Web Phone™](#). To avoid echo, use earphones or a PC speaker-phone/headset. Give the browser permission to access your microphone and click the green button to start the call.

About [lm group](#)

lm group is among the worldwide leaders in the online travel industry and operates a portfolio of well-known brands such as [lastminute.com](#), [Volagratis](#), [Rumbo](#), [weg.de](#), [Bravofly](#), [Jetcost](#) and [Hotelscan](#). The Group's mission is to be the most relevant and inspiring travel company, committed to enriching the life of travellers. Every month, the Group touches 45 million users across all its websites and mobile apps (in 17 languages and 40 countries) who search for and book their travel and leisure experiences with us. More than 1,200 people enjoy working with us and contribute to providing our audience with a comprehensive and inspiring offering of travel related products and services. [lastminute.com](#) N.V. is a publicly traded company listed under the ticker symbol LMN on SIX Swiss Exchange.

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