

# lm group publishes half-year results – strong growth in Holiday Packages business

**Amsterdam / Chiasso, 9 August 2018** – lm group (the “Company”), a European leader in the online travel and leisure industry, today released the first half-year 2018 results. Highlights include:

- Group revenues were € 144.2M, up 10.7% vs. € 130.3M accounted in the first half 2017
- Core Business EBITDA\* was € 17.2M, up 39.8% vs € 12.3M in the first half 2017
- Adjusted EBITDA of lm group increased by 8.4% to 10.3M
- Net earnings were € 0.2M compared to € 0.1M in 1HY2017
- Cash was € 87.4M compared to € 79.8M in 1H2017. Net Financial Position was € 54.7M vs € 45.3M at 31 December 2017

lm group also released the guidance for the full-year 2018:

- Group revenues are expected to be above € 280M vs. € 258.8M last year, thus implying a growth of 8% or above year-over-year (“yoy”).
- Core Business EBITDA is expected to reach € 32-34M vs. € 27.5M in 2017, +16-24% yoy

The **OTA business** still generates the bulk of the Group’s revenues. Within the company’s OTA segment, the Holidays business grew 63% year-over-year, as a result of a tremendous organic growth of Dynamic Packages and the great performance of the Tour Operator Packages business mainly driven by the successful relaunch of weg.de, the main owned brand of Comvel GmbH acquired in December last year. The swift integration of weg.de also lead to more diversified revenues and profits from a geographic perspective. Germany, ranked as the largest European market according to Gross Travel Value in the Holidays segment, has substantially gained weight in terms of revenues and overtook Spain.

## Key figures 1HY2018 in € million

	2018	2017	%
<b>Gross Travel Value</b>	1,180	1,005	+17.4%
<b>Revenues</b>			
● lm group	144.2	130.3	+10.7%
● Core business*	141.4	125.5	+12.7%
○ OTA**	114.8	102.0	+12.5%
○ of which Holiday Packages***	48.0	29.4	+63%
○ META (excluding intersegment Revenue)	28.3	23.7	+19.4%
<b>EBITDA</b>			
● Core Business EBITDA	17.2	12.3	+39.8%
● lm group Adjusted EBITDA	10.3	9.5	+8.4%
Net earnings	0.2	0.1	+100%
Net cash	87.4	79.8	+9.5%

\* Core Business isolates the results of the OTA, META and Media business from non-recurring effects and the results of the Venture Initiatives (businesses managed on a stand-alone basis independently from lastminute.com)

\*\* OTA includes Media Revenue

\*\*\* Holiday Packages category includes Dynamic Packages and Tour Operator Packages businesses.

*Fabio Cannavale, CEO of lm group, commented: "We have invested in dynamic packaging technology since the IPO and with a distinctive effort after the acquisition of lastminute.com in 2015, following our belief that "bundled products" gain relevance in the customer perception and purchasing preferences. We are pleased to see how these investments bear fruit and are driving the growth of our OTA business which is more "holiday centric" than ever. The success of our Dynamic Packages comes from a unique proposition capable of bringing value to both customers looking for the perfectly fitting travel solution at great value, and suppliers which can integrate an effective distribution channel and better manage their inventories. Also, with weg.de and Hotelscan, we have again demonstrated our ability to spot, acquire and quickly integrate attractive companies. We will continue to play an active role in the consolidation process of our industry."*

The **Media** business is demonstrating the resilience of its revenue model and, even in the context of tremendously growing mobile traffic, the capability to monetise well and diversify the proposition in the B2B area result in revenue growth. Travelpeople, the company's Media brand, has launched more services in the reporting period, thus attracting more clients and resulting in a very good performance of its co-marketing practices.

The **Meta** business is running well. Jetcost is a unique example of the capability to balance the equation between revenue growth and sustainable profitability. In the context of the still small hotel meta business, Hotelscan, acquired in the second half of 2017, is demonstrating the scalability of the business and how fast the growth could be in such a segment. The Company expects Hotelscan to achieve a triple digit revenue increase on a full year basis and to breakeven at EBITDA level by the end of the year.

lm group reported a strong cash position, which stood at €87.4M at the end of the period, as a result of significant operating cash generation primarily due to seasonal net working capital movements. Net Financial Position was €54.7M impacted by extraordinary investments of about € 30.9M related to the Partial Self Tender Offer and Share Buy Back program

*Marco Corradino, CEO of lastminute.com, said: "Over the last three years we have completely reshaped the way of running our core business. A full reorganisation took place at management level, we've sourced many talented people, we've improved the sophistication of the marketing strategy and the way we manage data. We've also repositioned our brands in order to fit with the mission of being the relevant and most inspiring travel company, committed to enriching the life of travellers. This mission also reflects the shift we're experiencing from a pure "flight and hotel-only centric" transactional business to a diversified "holiday centric" customer oriented platform, capable of efficiently integrating our OTA, Meta and Media businesses. After a long and successful re-engineering phase, we see a lot of potential based on this much more comprehensive business offering. We have witnessed a significant increase of our performance at gross profit level. We are confident to soon reach the same level of efficiency at the bottom line."*

lm group's **Venture Initiatives** are impacting the Group's results primarily caused by Destination Italia that is in a restructuring and investment phase to launch its proposition. The

effect on 1H2018 is (€ 2.6M) at Adjusted EBITDA level. The Company expects this trend to slightly improve in the second half of the year and, in the meantime, is evaluating some strategic actions to speed up the recovery of the performance.

### Completion of Partial Self-Tender-Offer and cancellation of repurchased shares

After the completion of the Partial Self-Tender Offer for 15.83% of the lastminute.com shares at an offer price of CHF 16 net in cash, the process of cancelling the shares repurchased under the offer has been initiated. After a two months creditor opposition notice period, 2,193,395 shares will be definitively cancelled on 24 September 2018. This will reduce the number of shares outstanding to 11,664,219 and change the shareholding structure as follows:

Total number of shares	Before cancellation 13,857,614	After cancellation 11,664,219
Shareholding Agreement	42.2%	50.2%
Treasury shares	19.6%	5.2%
Relevant holdings*	>5%	>5%
Free float	33.2%	39.6%

\* These include, according to the latest disclosure of shareholdings, the stake Ardian Holding Société par Actions Simplifiée

Cannavale commented: "Our shareholder base, after the conclusion of the Partial Self Tender Offer, is well consolidated around the founders and executive managers of the Company as well as minority shareholders committed with an investment horizon that fits with our strategy and vision."

For further details see the 1HY2018 Report, which is available for download at: <http://lmgroup.lastminute.com/investor-relations/reports/reports.aspx>

An IR Conference Call to discuss the details of the release is scheduled today at 10:30am CET.

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**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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