

A steep rebound in June encourages optimism around lm group business recovery

Amsterdam / Chiasso, 31 July 2020 – lm holding (or the “**Company**”), a European leader in the online travel and leisure industry, today released its 1H2020 results.

1H2020 results:

- Core business revenues of € 82.6M, down 50.1% versus 2019
- Core business EBITDA of € 4.5M, down 87.2% compared to 2019
- Net loss of (€ 22.7M) against net profit of € 12.2M in 2019
- Cash available of € 133.1M, +20.6% versus 31 December 2019

1H2020 Results in € million

	1H2020	1H2019	Change yoy %
Gross Travel Value*	705.5	1,461	-51.7%
Core Business Revenues*	82.6	165.6	-50.12%
Core Business EBITDA*	4.5	35.1	-87.18%
Net result**	(22.7)	12.2	NA
Cash available**	133.1	110.4	+20.56%
Net financial position**	32.9	65.1	-49.46%

**Data refers to lm group perimeter excluding Venture Initiatives and Cruise business*

***Data refers to the entire lm holding perimeter*

Cash available and Net Financial Position compared with 31.12.2019 figures

After a very good start in January and February 2020 with an over-performance of +19.1% in terms of Revenue and +74.4% at EAT level versus 2019, as already extensively described in the 15 May 1Q2020 release and in the 25 June 2020 Trading Update, as a consequence of the COVID-19 pandemic, the business was put on standstill for nearly three months from March to May.

However, in the last week of May, lm group experienced a steep rebound that culminated by the end of June in a recovery of around 55% of 2019 volumes at booking level, a positive trend that continued until today. Compared to the statistics available, provided by Airport Council International and Eurocontrol Network on passenger traffic and number of flights respectively, that report a minus of 70/80% vs. 2019, it looks like that our rebound is more intense than what the market is experiencing, thus implying that the Group is gaining share against other players.

The OTA flight business has been the driver of such a rebound, primarily thanks to an effective marketing and pricing strategy that enabled the Group to intercept and convert the rising demand of travel solutions around Europe into a growing number of bookings. In the last week

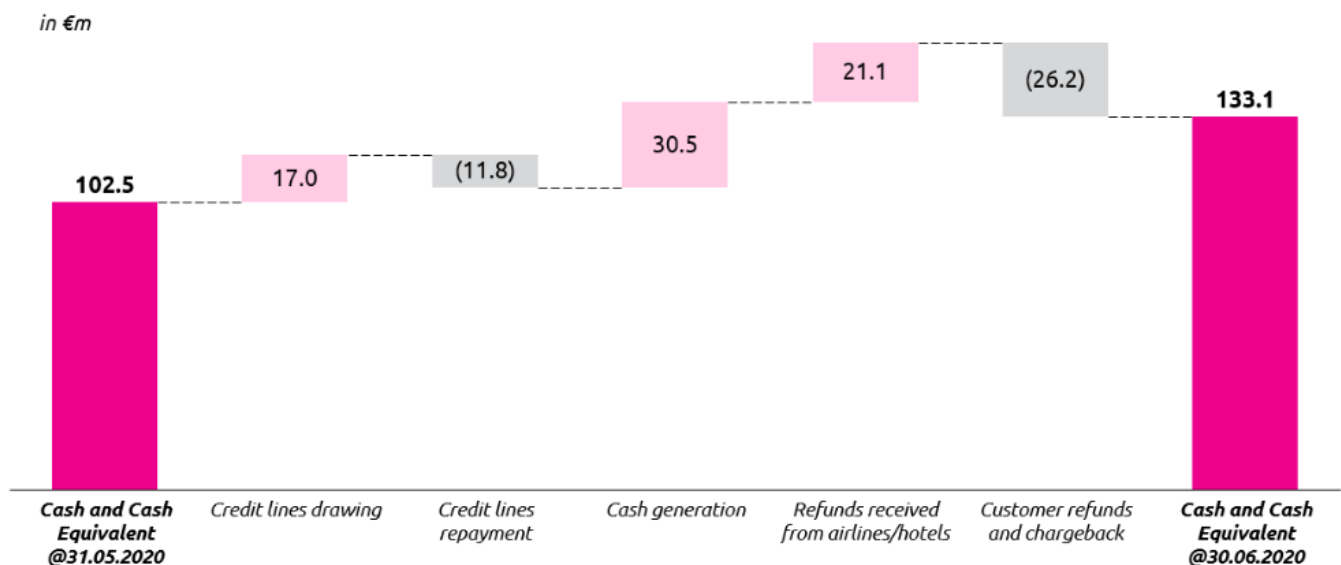
of June, flight bookings were slightly higher than 60% (or -40%) compared to the same week of 2019. The Hotel-Only business, which – in absolute terms – counts for a small portion of the overall size of the Group business, performed very well too, reaching a number of bookings which is pretty aligned with 2019 figures at the end of the reference period. The selling of Dynamic Packages, where lm group acts as a principal, has not been proactively pushed from a marketing perspective, following a conservative strategy addressed to avoid the risk of future relevant impacts due to potential new cancellations.

META and Media have been affected by the slowdown of traffic on the Group properties but, due to their very thin cost structure, they were able to cruise the harsh seas to break-even at Business EBITDA level.

All the actions put in place to offset the effect of the crisis brought a significant reduction of the running expenses. The possibility to access furlough mechanisms across Europe was, and still is, oxygen for the Group P&L, while even the attention to cost management at a very granular level gave the Group the possibility to strongly reduce the fixed cost-base up to a total € 30M on a 10 months basis (including the effects of the above-mentioned furlough schemes).

Cancellations collected in the last five months, accounted for € 12.1M of extraordinary costs with full effect recorded in the 1H2020 figures. In the second semester, we'll move on with the handling of the backlog and with the management of new potential cancellations, with expected much lower impact on the P&L compared with the first six months.

From a financial perspective, the rebound experienced in June on booking volumes, when the Group started generating operating cash again, - thanks to both working capital dynamic and higher revenue - and the attentive strategy around capital inflows and outflows management, resulted in a positive cash generation over the second quarter 2020. Cash available stood at € 133.2M and Net Financial Position reached € 32.9M, from € 83.2M and € 18.6M respectively at the end of Q1 (€ 102.5M and € 7.5M at the end of May 2020).



Fabio Cannavale, *lm holding CEO*, stated:

"The situation surrounding the COVID-19 crisis is unprecedented and the effort put to manage a Company which turned to be a *cancellation-driven business* from being a *booking-machine* has been huge. Thanks to the reorganization crafted by lm group CEO Marco Corradino in the last three years, the impact that we registered was mitigated by the resilience and the flexibility of our business model. Being a multi-product Company is a significant value in such a context, where the possibility to quickly shift marketing investments from flight to hotels to Dynamic Packages - according to the daily-changing scenario and the fluidity of the market trends – gave us the opportunity to better meet traveller needs and effectively intercept market demand."

And he continued: "The results presented through this release are above our previous expectations, but the advice is still to maintain an attentive and conservative approach, in order to be ready to react in case of deterioration of the scenario. In that respect, Freesailors remains still fully supportive of any decisions the Board will take for the benefit of the Company and its shareholders."

Marco Corradino, *lm group CEO*, added:

"As remembered many times from the rise of the crisis at the beginning of March, our focus this year will be on managing an extraordinary effort to respond to our customers, who are forced to change their travel plans, and attentively handle our cash profile. All work streams activated in the course of the past months contributed to partially offset the severe impact that, from the economy as a whole and the travel sector, fell down to our Group. Now, with a strong balance sheet and a business that demonstrated its resilience and that it is progressively taking-off again, we are confident that we'll be capable of navigating the waves of the post-COVID-19 world effectively. A lot more has to be done in the next months in order to re-earn the trust of the travellers that suffered from a contingent and negative experience primarily rising from the difficulties of the airlines to manage refunds. It won't be easy; it will take time and an incremental effort. We have a plan addressed to efficiency, innovation and further sophistication of the logic behind our business strategy. We are confident we'll be in the right place to capture further opportunities in the next future."

Given the positive cash position at the end of June, which is higher compared to prior assumptions, the Company's Board of Directors has unlocked the payments referring to both the portion of its entire 2019 remuneration to be paid this year and the 2020 fixed remuneration. The payment of top management bonuses and variable compensation for 2020 is still suspended.

In the course of the meeting approving the 1H2020 Financial Statements, Mr. Marcello Distaso communicated his decision to resign from the role as Company's non-executive Board member, due to personal reasons that make the continuation of the mandate incompatible. The Board of Directors thanked Mr. Distaso for his valuable contribution generously spent during the last two years and decided to not fill the vacant seat.



Given the continued uncertainty on the impact and duration of the COVID-19 pandemic, and given that the principal and ultimate focus is on working on the sustainability of the business model, looking at the long-term, the Company reiterated the decision to not release any guidance for the FY2020. Business and performance updates will be in any case provided regularly and extensively, primarily during quarter earnings releases.

Information about the EGM to be held today at 9:00 am and the proposed capital increase

The recovery of the business, the credit facilities obtained from the banks and the partial repayments received by the airlines have alleviated the pressure on the Group's cash needs and consequently on the adoption of further extraordinary measures. However, it is advisable to proceed with caution. The Board of Directors is still evaluating all potential necessary actions to preserve and increase the value of the Company assets in the long-term. Should the situation change again, among other instruments, the possibility to leverage on the above-mentioned capital increase, with full delegation and trust of the shareholders' meeting, is an option that the Company is willing to have at its disposal.

Investor and media conference call

A conference call for investors and media is scheduled today at 12:30 pm CET. Sergio Signoretti, CFO and Niccolò Bossi, IRO, will present the half year results 2020.

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From Switzerland: +41 22 595 47 28

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Dial-in via web phone:

To join the call via your PC, click here: [HD Web Phone](https://lmgroup.lastminute.com/investor-relations/reports.html)TM. To avoid echo, use earphones or a PC speakerphone/headset. Give the browser permission to access your microphone and click the green button to start the call.

The **Interim Report 2020** and **IR presentation** are available for download at:
<https://lmgroup.lastminute.com/investor-relations/reports.html>
<https://lmgroup.lastminute.com/investor-relations/reports/presentations.html>

Financial calendar

31 July 2020

11 November 2020

Extraordinary General Meeting of Shareholders

3Q2020 Trading Update

About [lm holding](#)

lm holding 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 lives of travellers. Every month, the Group touches 60 million users across all its websites and mobile apps (in 17 languages and 40 countries) that 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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If and when the Company should publish a prospectus in the context of a rights issue, copies of the prospectus may be obtained at no cost from the Company or through the website of the Company.

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