

Strong Holiday Packages performance boosts profits at record level

Amsterdam / Chiasso, 12 November 2021 – lm holding (the “Company” or the “Group”), the European Travel-Tech company leader in dynamic holiday packages, today releases its trading update for the 3rd quarter.

The Group closed Q3 with a strong upswing in terms of revenues and profitability, compared to the previous year, both. October results and current trading at the start of November confirm the trend seen in the summer season, thus implying a general positive stance for the last quarter of the year.

The recovery is progressing and the market is shifting toward online with accelerated pace. The Group’s strengths that supported Q3 performance are key to ride the future trends effectively and run the business profitably. The cash available, expected to further increase going forward, is a strategic advantage ensuring wide room for investments in technology and to drive innovation-led growth.

3Q2021 Results in € million

	3Q 2021	3Q 2020	Delta 21vs20
GTV	455,982	280,227	62.7%
Revenues	55.0	34.4	59.7%
Adjusted EBITDA	12.6	3.2	288.5%
Adjusted EBITDA Margin	22.9%	9.4%	
Net Results	9.1	(18.2)	NA

Andrea Bertoli, CEO of lm group, commented: *“I’m very pleased with the Q3 results of the Group that demonstrate its resilience and its ability in exploiting our value proposition in the European leisure travel market. The performance was particularly strong considering we’ve been working in an unclear scenario where, due to the Delta variant, travel restrictions have*

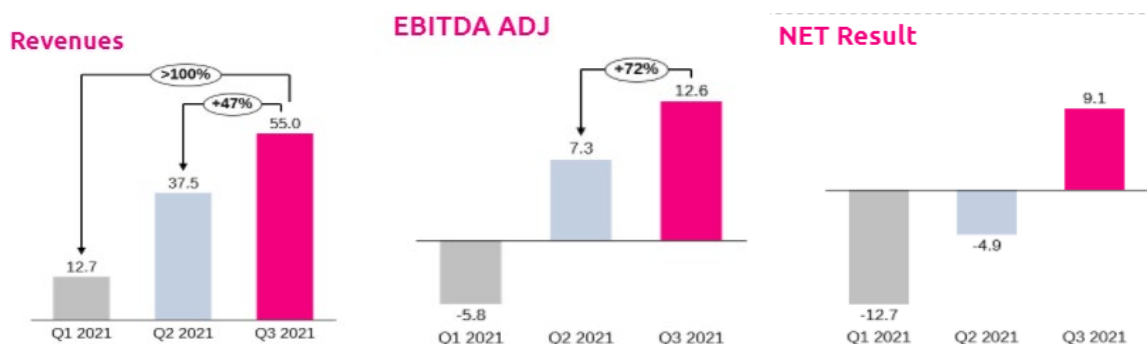
changed many times during the summer, creating uncertainty for travelers and volatility for suppliers.”

Despite the fact the number of flights operated in Europe was still down (-50% compared to 2019) during the whole summer season, the Group was able to properly capture the now rising demand and translate this into profit. This was the result of an even stronger focus on the Dynamic Holiday Packages proposition which is driving the growth through both B2C and B2B channels. Now, holiday business generates 70% of the Group margins. This growth, together with an improved efficiency of the machine and a simplification of the organization, has contributed to overtaking the Net Result reported in Q3 2019 (pre-COVID) when the Group was experiencing a steady growth trend, culminating in its record year to date.”

Q3 2021 marks an inflection point and the positive trend is keeping momentum in the first 40 days of the 4th quarter. Web searches for travel are rising and positive messages around on-demand recovery are coming from the rebound of intra-European and intercontinental routes as a result of what is happening in Europe and the US, where travel restrictions have been lifted. Pandemic lockdowns accelerated digitalisation, with consumers increasingly booking online. Travel is, by far, the industry where such a shift to digital channels has been more evident and structural.

Andrea Bertoli added: *“We expect a return to normality for the leisure travel demand in the course of 2022. It’s now a realistic scenario according to the overall sentiment and projections of many players in the field, sustained by the positive roll-out of the vaccination campaigns and recent news of highly effective COVID treatments. By leveraging the Group’s competitive positioning and fitness to ride the recovery wave, there remains significant potential to further gain share in the most attractive and profitable European holiday packages travel segment and thereby significantly improve our economic and financial results going forward.”*

2021 quarterly performance



€M and % variance vs previous period

Sergio Signoretti, CFO of lm group said: *“Our asset-light business model has demonstrated its resilience during the tough months of the pandemic, and in recent weeks it has shown its attractiveness in the upswing. Despite a still conservative approach to sales caused by a fluid context where travel restrictions differed Country by Country and changed on a weekly basis between June and September, the positive mix of a significantly higher efficiency and the boost of the dynamic holiday packages proposition resulted in a strong increase of Adjusted EBITDA in 3Q2021 to €12.6 million (23% EBITDA margin), compared to €3.2 million in 3Q2020 (9.3%). Net profit is showing an even stronger pattern, landing at €9.1M, a recovery of around €27M vs the 3Q2020 negative result of (€18.2M).*

Despite lower volumes managed, the 3Q21 Net Result was 15% higher than the €7.9M registered in 2019 (the highest result ever recorded until now), due to lower D&A and taxes. All main KPIs showed a sharp improvement from Q1 to Q3 despite a progressive and substantial decrease of the government subsidies received by the Company from January onwards and, overall, compared to 2020 too.”

	30.09.21	30.09.20	Delta 21vs20
Gross Cash	133.9	146.9	-8.8%
Net Cash	47.5	51.3	-7.4%

The performance in 3Q21 has further strengthened the Group’s balance sheet. Net Cash stood at €47.5 million, thanks to cash generation from operations that offset the outflows arising from refunds to customers and €68m vouchers redeemed. The cost reduction program that brought significant savings this year, will extend its effects on 2022, thanks to structural simplification and synergies exploited. Furthermore, the expected return of leisure travel for holidays at scale, up to 2019 levels, will improve cash generation too and will contribute to increasing the amount of resources available for investments in marketing and technology.

Fabio Cannavale, CEO of lm holding said: *“The last 18 months have been the most difficult for the entire travel industry and the Group too. I’m proud of what our people did to secure the business and create the most favourable conditions to restart the business profitably. We always had a cash surplus from the time of the IPO. It was not taken for granted to keep it even during the peak of the crisis. Now that the business is definitively recovering and we will start benefiting from our structural advanced cash-in model, we’ll have further growing resources to invest in innovation.”*

The travel landscape has changed. The Group registered an increase of the average ticket value and the length of stay grew significantly for bookings made this year. Both things combined resulted in higher traction for the Dynamic Holiday Packages business. In the meantime, the competitive scenario has also changed and a portion of the capacity for leisure

travel has not been filled yet. The failure of one of the largest European Tour Operators just prior to the COVID-19 outbreak and the disappearance of other competitors during the crisis period, will now lead to the “redistribution” of a relevant market share, providing upside potential for companies like lastminute.com.

Fabio Cannavale added: “We have a plan to increase in the next few months our pool of highly-talented people, especially in the software development area and, as a result, further strengthen our technological competitive advantage. The accelerated shift to online from the traditional offline field, represents a strong tailwind for the Company capable of attracting more travellers to its flexible, affordable and tailored proposition. The full customer protection provided against involuntary cancellations across thirteen European Countries where our holiday packages are sold - a key distinctive strength looking at the extended geographical reach of the proposition - responds to the needs of travelers that today are, more than ever, attentive to safety and security.”

“We are a 100% digital business, a travel-tech company featuring a unique technology, offering millions of possible combinations of travel solutions in real-time. We operate in the most attractive segment of a gigantic, online-driven, very fragmented market. The peak of the crisis is behind us. There’s no reason why we shouldn’t be optimistic about the future, confident that we are well positioned to grow further and create incremental value for all our stakeholders.”

***Notes about the move from Business EBITDA to Adjusted EBITDA in accordance with the statement already provided within the 1H2021 disclosure**

To better reflect the performance of the core business in the Group numbers and simplify the management reporting structure, the "Business EBITDA" has been abandoned and the "Adjusted EBITDA" modified accordingly*. 2020 Figures have been restated too, in line with such a new reporting framework. In order to make the quarters comparable, 2020 has been further restated to embed the new accounting principles adopted from EOY 2020 on cancellations and vouchers treatment**. All figures presented in this report refer to lm holding (including Cruise business) and show reclassified Revenue that can slightly differ from IFRS Revenue due to the treatment of some extraordinary items.

- Corporate costs are now included in the Adjusted Ebitda.
- Ebitda of the Cruises business is now included in the Adjusted Ebitda. Whether in the future, other ventures should be consolidated (majority stake) they will be treated in the same manner.
- Ordinary Bad Debt, not dependent on Covid-19, will be included as well in the Adjusted EBITDA.
- New bookings made through the use of vouchers issued during Covid-19 pandemic (so-called "rebookings") will be included in revenues and Adjusted EBITDA. Prior to that, they were treated and accounted as "extraordinary items" below Business EBITDA.

All the other effects arising from Covid-19 pandemic (i.e. cancellations or vouchers misredemption) will be consistently treated as extraordinary items, accounted below the Adjusted Ebitda as it was already until today.

****Notes about the restatement of 3Q2020 figures**

With reference to the voucher accounting treatment, the Group has restated comparative figures in order to be consistent with accounting practices adopted at year end 2020 and enhance the computation of the effects of Covid-19 exceptional cancellations on the consolidated financial statements.

About [lm holding](#)

lm holding is the European Travel-Tech company leader in dynamic holiday packages 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 1,000 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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