

**eDreams ODIGEO: First Half Year Financial Results****Good progress made in the first six months with 9% Adjusted EBITDA growth  
On track to meet full year expectations**

**Barcelona, 19 November, 2019** – eDreams ODIGEO ([www.edreamsodigeo.com](http://www.edreamsodigeo.com)), Europe’s largest online travel company and one of the largest European e-commerce businesses, serving 18 million customers, today reported its results for the six months ended September 30th, 2019.

**Financial Highlights**

- As guided, Bookings returned to growth following the completion of our strategic revenue model shift.
- Bookings grew +2% year-on-year in the second quarter, and reached 5.8 million in the first half of fiscal year 2020
- Revenue Margin was up +5% year-on-year to €281.2 million due to an increase in Revenue Margin per booking of +6%
- Adjusted EBITDA rose +9% to €57.2 million. Adjusted Net Income stood at €20.1 million, up +63%
- Cash position improved by +34% to €91.4 million (net of bank overdrafts)
- Net leverage ratio reduced to 2.7x from 3.4x in 2018
- A share buy-back programme will be implemented for an aggregate value of €10 million. The shares repurchased will be used to fund the Long Term Incentive Plan for employees of the Company. The Group's current financial condition allows us to pursue growth opportunities that enhance shareholder value and also to fund the share buy-back

**Operational Highlights**

- Diversification initiatives delivering strong results with revenues increasing 20% year-on-year:
  - Product diversification ratio up to 80% (from 64%)
  - Revenue diversification ratio up to 48% (from 41%)
  - Repeat booking ratio rose to 46%
  - Mobile bookings up to 45% of total flight bookings versus 42% in the first half of fiscal year 2019
- Industry-leading subscription programme ‘Prime’ is proving very successful: subscriber numbers grew by +38% and reached 450,000

**Outlook**

- On track to meet full-year guidance targets: Bookings and Revenue Margin expected to grow between 4% and 7%, and Adjusted EBITDA to grow between 9% and 12% to achieve €130-134 million at the end of the fiscal year

**Dana Dunne, CEO of eDreams ODIGEO said:**

*“We are pleased to report a solid set of results, in line with our guidance. We continue to make progress building on our strengths to deliver compelling value for our customers, our business and our shareholders. Our strategy is reaping rewards as we strengthen an efficient, predictable and*

*diversified business model that generates strong EBITDA and free cash flow, to be reinvested in long-term sustainable growth supported by a strong balance sheet. Also, our unique and revolutionary subscription-based membership programme, 'Prime', is proving very successful and is growing rapidly with now over 450,000 members across our four largest markets."*

## Financial Performance Review

During the first half of the current year we have seen continued progress. Bookings returned to growth in the second quarter, up +2% year-on-year, and reached 5.8 million in the first half of the fiscal, up +0.4% versus the same period last year. This reflected the completion of our shift to a new revenue model, with some markets still within the first 12 months of the change and yet to deliver a full period after the migration. Our focus is to build a high-quality, sustainable business, as demonstrated by the increase in Revenue Margin of +5%, in line with our second quarter Revenue guidance, as we achieved higher revenues on fewer bookings for a total amount of €281.2 million. Adjusted EBITDA was up +9% to €57.2 million in the first half of the fiscal year 2020, in line with guidance. Adjusted Net Income stood at €20.1 million, up 63%. We believe that Adjusted Net Income better reflects the real ongoing operational performance of the business.

Cash position (net of overdrafts) stood at €91.4 million, up +34% versus €68.2 million in the first half of the fiscal year 2019. The solid cash performance was driven by a) net cash from operating activities, which increased by €26.2 million, mainly reflecting lower outflow in working capital, a reduction on income tax paid, increase in adjusted EBITDA and higher non-cash items, b) cash for investments of €14.1 million, broadly in line with the same period last year, and c) cash used in financing, which amounted to €14.6 million, compared to €35.4 million last year.

As a result, Net Leverage ratio was reduced from 3.4x in September 2018 to 2.7x in 2019. In the first half of the fiscal year 2020, Gross Leverage ratio was also reduced from 4.0x in September 2018 to 3.6x in 2019.

A share buy-back programme will be implemented for an aggregate value of €10 million. The shares repurchased will be used to fund the Long Term Incentive Plan for employees of the Company. The Group's current financial condition allows us to pursue growth opportunities that enhance shareholder value and also to fund the share buy-back.

## Summary Income Statement

<i>(in € million)</i>	2Q FY20	Var FY20 vs FY19	2Q FY19	6M FY20	Var FY19 vs FY18	6M FY19
Revenue margin	139.7	5%	132.9	281.2	5%	267.6
Adjusted EBITDA	29.1	10%	26.5	57.2	9%	52.6
Non recurring items	-1.5	111%	-0.7	-10.2	784%	-1.2
EBITDA	27.6	7%	25.8	47.0	-9%	51.5
EBIT	20.2	1%	20.0	31.9	-20%	39.7
Net income	9.9	n.a	-22.2	11.5	n.a	-16.9
Adjusted net income	11.1	67%	6.7	20.1	63%	12.4

## **Business Review by Product**

Our revenue diversification initiatives are delivering results. Diversification revenues continue to grow, up +20% year-on-year, and are now 69% larger than Classic Customer Revenue. Product Diversification Ratio and Revenue Diversification Ratio have increased to 80% and 48% in the second quarter, up from 64% and 41% in the second quarter last year, rising a remarkable 16 and 6 percentage points in just one year.

Overall, we are delighted by the rapid progress of revenue diversification and product diversification. We are particularly pleased with dynamic packages and ancillaries as revenues increased over +30% year-on-year in both categories. However, some other areas are not showing the performance that we had hoped for and recently we changed our car provider.

Our industry-leading subscription programme 'Prime' has continued its success. The number of subscribers has increased rapidly from 125,000 in the first quarter to 450,000 in the second quarter, and the programme currently operates in four of our largest markets - Spain, Italy, Germany and France. Additionally, mobile bookings continue to grow and account for 45% of our total flight bookings in the second quarter, rising 3 percentage points from the same period last year.

## **Business Review by Geography**

The top 6 markets (France, Spain, Italy, Germany, United Kingdom and the Nordics) reached €214.3 million in revenue margin in the first half of the fiscal year, up +1% year-on-year and reflecting +1% CAGR<sup>1</sup>. This performance was driven by the completion of the change in the revenue model, with some markets still within the first 12 months of the shift.

Revenue diversification drives growth in the rest of markets (referred to as "Rest of the World" markets"), where revenue margin grew strongly by +22% to €84.3 million in the first half, representing also +22% CAGR over the past 5 years.

## **Outlook**

We expect this fiscal year to be a much better year than fiscal year 2019, but it will still not reflect all our underlying potential as we have major markets with less than 12 months with the new revenue model. Our results in the second quarter have been in line with our guidance, and from the third quarter onwards, we expect growth in Bookings, Revenue Margin and Adjusted EBITDA, in line with our full year guidance. There will be quarterly variations, due to the timing of changes we made in the last fiscal year.

As a result, we are on track to achieve our annual targets for the fiscal year 2020:

- Bookings to increase from 4% to 7% vs fiscal year 2019
- Revenue margin to increase from 4% to 7% vs fiscal year 2019
- Adjusted EBITDA in the range of €130 to €134 million

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<sup>1</sup>CAGR presented based on 1H FY15-1H FY20

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## About eDreams ODIGEO

eDreams ODIGEO is one of the world's largest online travel companies and one of the largest e-commerce businesses in Europe. Under its four leading online travel agency brands – eDreams, GO Voyages, Opodo, Travellink, and the metasearch engine Liligo – it serves more than 18 million customers per year across 46 markets. Listed on the Spanish Stock Market, eDreams ODIGEO works with over 660 airlines and has partnerships with 130. The brand offers the best deals in regular flights, low-cost airlines, hotels, cruises, car rental, dynamic packages, holiday packages and travel insurance to make travel easier, more accessible, and better value for consumers across the globe.

## Glossary of definitions

### **Non-reconcilable to GAAP measures**

**Acquisition Cost per Booking Index** refers to the most relevant marketing expenses incurred to acquire new customers (encompassing Paid search, Metasearch and Affiliates), divided by the total number of Bookings. For any given period, the ratio is expressed as an index 100, in which 100 is the value of Acquisition Cost per Booking for the three-month period ended on December 2015. The acquisition cost per booking index provides to the reader a view of the trend of one of the main variable cost (marketing cost) of the business.

**Gross Bookings** refers to the total amount paid by our customers for travel products and services booked through or with us (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 booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we act as a “pure” intermediary whereby we serve 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 measures**

**Adjusted EBITDA** means operating profit/loss before depreciation and amortization, impairment and profit/(loss) on disposals of non-current assets, certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provide to the reader a better view about the ongoing EBITDA generated by the Group.

**Adjusted Net Income** means our 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 our ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.

**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.

**EBITDA** means operating profit/loss before depreciation and amortization, 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.

**(Free) Cash Flow** before financing means cash flow from operating activities plus cash flow from investing activities.

**Gross Financial Debt** means total financial liabilities considering financing cost capitalized plus accrued interests 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.

**Gross Leverage Ratio** means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by “Adjusted 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.

**Net Financial 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.

**Net Income** means Consolidated profit/loss for the year.

**Net Leverage Ratio** means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "Adjusted 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, also considering the available cash in the Group.

**Revenue Diversification Ratio** is a ratio representing the amount of Diversification Revenue earned in a twelve-month period as a percentage of our total revenue. Our management believes that the presentation of the Revenue Diversification Ratio measure may be useful to readers to help understand the results of our revenue diversification strategy.

**Revenue Margin** means our IFRS revenue less cost of supplies. Our management uses Revenue Margin to provide a measure of our revenue after reflecting the deduction of amounts we pay to our 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.

#### Other defined terms

**Advertising and Metasearch Revenue** represents revenue from other ancillary sources, such as advertising on our websites and revenue from our metasearch activities. Our management believes that the presentation of the Advertising and Metasearch Revenue measure may be useful to readers to help understand the results of our revenue diversification strategy.

**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.

**Classic Customer Revenue** represents customer revenue other than Diversification Revenues earned through flight service fees, cancellation and modification fees, tax refunds and mobile application revenue. Our management believes that the presentation of the Classic Customer Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

**Classic Supplier Revenue** represents supplier revenue earned through GDS incentives for Bookings mediated by us through GDSs and incentives received from payment service providers. Our management believes that the presentation of the Classic Supplier Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

**Customer Repeat Booking Rate (%)** refers to the ratio, expressed on a percentage basis, of Bookings made in a quarter by customers who made a prior Booking in the 12 months prior to that quarter divided by the total number of Bookings. The ratio is annualized, multiplying by four and by the ratio of the quarter over the average of last 4 quarters, to eliminate seasonality effects.

**Customer Relationship Management (CRM)** represents the set of activities that will encourage our customers to repeat business with us: visit our site again and make another booking. To be successful we need to understand our customers' behaviours and needs: we collect, analyse and use data to make each of those interactions with customers as personalised and relevant as possible.

**Diversification Revenue** represents revenue other than Classic Customer Revenue, Classic Supplier Revenues or Advertising and Metasearch Revenue, earned through vacation products (including car rentals, hotels and Dynamic Packages), flight ancillaries (including reserved seats, additional check-in luggage, travel insurance and additional service options), travel insurance, as well as certain commissions, over-commissions and incentives directly received from airlines. Our management believes that the presentation of the Diversification Revenues measure may be useful to readers to help understand the results of our revenue diversification strategy.

**Fixed Costs** includes IT expenses net of capitalization write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. Our management believes the presentation of Fixed Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs we have the ability to reduce in response to changes affecting the number of transactions processed.

**Fixed Costs per Booking** means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".

**Non-recurring Items** refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations.

**Product Diversification Ratio (%)** is a ratio expressed on a percentage basis and calculated by dividing the number of flight ancillary products and non-flight products linked to Bookings (such as insurance, additional check-in luggage, reserved seats, certain additional service options, Dynamic Packages and car rental) by the total number of Bookings for a given period.

**Top 6 Markets and Top 6 Segments** refers to our operations in France, Spain, Italy, Germany, UK and Nordics.

**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. Our management believes the presentation of Variable Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs. We have the ability to reduce certain costs in response to changes affecting the number of transactions processed.

**Variable Costs per Booking** means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".