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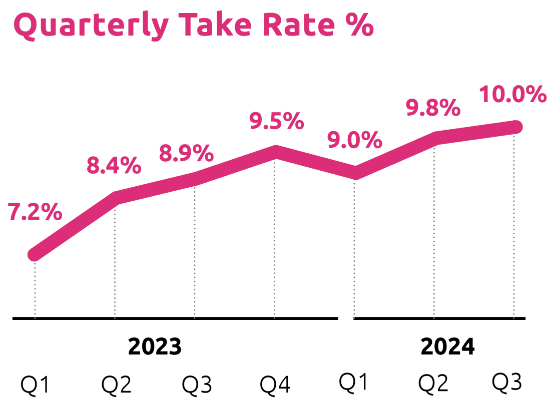
Report for the 3rd quarter and 9 months 2024

6 November 2024

Q3 2024

Key financials

- Revenues of €86.7 million (+6% vs. Q3 2023), driven by DP which grew by 37% year-on-year.
- Take Rate[1] increased by 1.1%, reaching an all-time quarterly high of 10%. This was primarily driven by the increase in DP take rate, during the summer.
- Gross Profit was €34.6 million (+6%). Notwithstanding higher marketing investments for the Summer Campaign, the Gross Profit margin remained steady due to efficiencies in other variable costs.
- Adjusted EBITDA grew +2%, achieving €12.8 million, reflecting increased investment in tech and operational costs to create long-term efficiencies.
- EBIT reached €8.8 million in the quarter, an increase of 49% relative to last year (€5.9 million).
- Net Result more than doubled, reaching €5.7 million in the quarter compared to €2.8 million in Q3 2023.



Dynamic Holiday Packages lead to growth recovery

Dynamic Packages continues to demonstrate exceptional performance as the company's core business. This unique product delivers outstanding value to customers by offering a trillion possible combinations of accommodation and flights, alongside a range of ancillary services (such as insurance, car rentals, and

[1] Take rate is calculated from Revenue deducted by advertising revenue and release of partnerships funds campaigns.

experiences). This is complemented by flexible Fintech solutions for tailored payments, ensuring a fully personalised travel experience.

In Q3 2024 DP achieved €53.6 million in Revenues (+37% vs. Q3 2023), and Gross Profit grew 42% compared to the same period of last year, reaching €21.8 million.

Focus on DP results (Q3)			
€ million	**Q3 2024**	**Q3 2023**	**%**
Gross Travel Value (GTV)	**438**	**360**	***22%***
Revenues	**53.6**	**39.1**	***37%***
Gross Profit	**21.8**	**15.3**	***42%***

As part of lastminute.com's continued efforts to boost Dynamic Packages, direct marketing investment was targeted at Tier-two markets to continue to increase market share in countries such as the Nordics, Benelux and Eastern Europe.

In Q3, the Summer Campaign was at its peak, marking the first step in the company's refreshed brand strategy. The campaign successfully attracted last-minute summer travellers resulting in a 16.3% increase vs 2023 (Jun-Sep) in organic site visits and social-media-driven traffic for lastminute.com DP. The social-first campaign was pushed across five channels - TikTok, Instagram, Facebook, Display and YouTube - from June to September 2024.

As part of the company's efforts to enhance its core product, the in-house DP-machine-learning pricing tool has been strengthened. Phase 1 was rolled out in June and tested throughout Q3, and a fully machine-learning-based solution is expected to be launched by the end of H1 2025. The increased take rate is a result of the successful rollout of the prototype driving DP Revenue growth.

Fixed costs and Adjusted EBITDA

Fixed costs increased by 9% in Q3 from €20.0 million to €21.8 million, primarily driven by a 28% rise in operating costs, while HR costs remained stable. The increase in operating costs reflects strategic investments to enhance our infrastructure and support our recent expansion efforts. This includes essential technology upgrades to enable scalable growth and improve operational efficiency.

The balanced increases resulted in Adjusted EBITDA growing by 2%, underscoring the Group's ability to generate incremental profitability while maintaining controlled fixed expenses.

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EBIT

The net effect of non-recurring items for the quarter was positive. Benefits from lease liabilities accounting and the favourable remeasurement of incentive plans were partially offset by restructuring and consultancy costs. Comparative figures were affected by higher one-off consultancy expenses.

Depreciation and Amortisation (D&A) remained in line with the previous year leading to a 49% increase of EBIT to €8.8 million.

Profit for the period and earnings per share

Net financial results improved from a negative amount of €1.5 million to a negative amount of €0.6 million due to the reduction of gross debt and the first-time returns on Group liquidity, while the tax rate remained stable compared to previous periods.

As a result, the Net Result for the quarter is €5.7 million, an increase of over 100% compared to Q3 2023. Earnings Per Share (EPS) for the quarter is 0.54, vs 0.26 for Q3 2023.

Cash Flow and Net Financial Position

The Net Financial Position decreased by €75.8 million, from €142.9 million at the end of H1 2024 to €67.1 million as of 30 September 2024. This change aligns with typical seasonal trends in the travel industry, as cash outflows peak at the end of Q3 due to supplier payments for summer holiday products.

The main cash flow effects for the quarter are as follows:

- Change in Net Working Capital: A seasonal shift in business operations, resulted in a negative impact of €78.8 million.
- Investing Activities: The substantial increase of the quarter is largely attributed to a higher amount of financial assets, mainly due to deposits to secure entry into newly regulated markets where the Group expanded sales in Dynamic Holiday Packages (DP), as well as the capitalisation of labour costs.

2024 9 MONTHS RESULTS

Key figures compared to 2023

The financial performance of the first 9 months of 2024 is still affected by the weaker results announced in H1 - mainly due to a softer start to the summer for the market and to the impact of Ryanair's restrictions.

- Revenues were €251.3 million (-4% vs. same period of 2023), but improving overall compared to the -9% of H1 2024 vs H1 2023.
- The Take Rate increased by 1.5% reaching 9.6%, while DP increased by 1.3% reaching 12%.
- Gross Profit reached €104.8 million (+3%), further increasing the gap vs. last year (+2% at the end of the first half).
- Adjusted EBITDA reached €35.7 million (-5%), showing an improvement compared to H1 (-8% vs. H1 2023), driven by enhanced margins and strengthened controls over our fixed cost base.
- EBIT increased 35% to €24.4 million compared to the first nine months of the previous year.
- Net result achieved +55% compared to the same period of 2023, reaching €15.7 million

Dynamic Holiday Packages

In the first nine months of the year, the DP product led the growth, counterbalancing softer-than-expected results in the other products: DP Revenues grew 23% reaching €153.4 million, while Gross Profit grew 37% achieving €67 million. DP take rate also increased by 1.5% reaching 12%.

Focus on DP results (9M)			
€ million	**9M 2024**	**9M 2023**	**%**
Gross Travel Value (GTV)	**1,261**	**1,156**	***9%***
Revenues	**153.4**	**124.9**	***23%***
Gross Profit	**67.0**	**51.6**	***30%***

Flights

The Flights market remained fiercely competitive in both SEM/paid and META segments. The Group's strategy continues to focus on profits rather than volumes.

As a Tech leader, the Group has been an early adopter of the New Distribution Capability (NDC), developed by The International Air Transport Association (IATA) to sell and distribute flight content more dynamically (either as a standalone or as part of a package). This will drive further sales as customers can access better-personalised prices. It also means the company can onboard airlines new to NDC, to enhance their flight-only and DP offerings.

Hotels

One point of difference when it comes to Hotel offerings, is the deals made are bespoke to lastminute.com and designed to attract customers, with top offers being 'last minute deals,' which combine exclusive hotel rates and flight options to create unique, last-minute packages. On average, the specialist team negotiates 150 bespoke deals weekly, and 2024 has already become the biggest year for deals in terms of revenue.

Fixed costs and Adjusted EBITDA

Fixed costs increased by 8% from €64.2 million to €69.1 million, driven by an increase in both Tech costs and HR costs. The increase reflects the technology upgrades to enable scalable growth and improve operational efficiency.

As a result, Adjusted EBITDA decreased by -5% vs 9M 2023, an improvement compared to H1 (-8% vs. H1 2023), driven by the higher marginality of Dynamic Packages and strengthened controls over the cost base.

EBIT

In the first nine months of 2024, the net effect of other non-recurring items was positive, primarily due to reduced non-recurring consulting costs and a favourable release of liabilities related to employee incentive plans, mainly driven by a decrease in share price over the period.

Depreciation and amortisation remained stable, in line with continuous investments in our intangible assets.

Profit for the period and earnings per share

Net financial results benefited from the return on our cash investments, which began just before mid-2024, as well as a reduction of gross debt, leading to a reduction in interest expenses.

Taxes have remained stable, corresponding to the profits generated by the Group's operating entities.

Net result at €15.7 million, +55% compared to the same period of last year, mainly driven by the positive effects from non-recurring items and net financial result. Earnings Per Share (EPS) is 1.47 vs 0.95 for the first nine months of 2023.

Cash flow and Net Financial Position

The Net Financial Position stands at €67.1 million, up €39.3 million compared to year-end 2023. The cash flow effects for the 9 months of 2024 are the following:

- Change in Net Working Capital: the positive effect in 2024 of €37 million is primarily due to seasonal effects following the business cycle of OTA companies. Comparative figures include a €29.5 million SECO reimbursement.

- Income Tax & Interests (paid) / collected: higher cash outflows in 2024 (€7.6 million vs €3.0 million) are attributed to a greater number of entities returning to profitability and advance payments on current income taxes.
- Investing Activities: The significant year-on-year increase is mainly due to an increase in financial assets, resulting from deposits made to secure new regulated markets where the Group has expanded DP sales.
- Financing: in 2024, cash outflows are primarily linked to the net reimbursement of uncommitted credit lines and a portion of Covid-19 government-secured loans for a total of €51.6 million.
- Equity Movements: 2024 figure reflects dividend payments for €6.6 million and cash outflows for acquiring the latest minority interests for €0.8 million. 2023 figures include the reimbursement of the advance payment related to the Freesailors Transaction (€15.3 million).

Balance Sheet

The main variances of the Balance Sheet as of 30 September 2024 compared to the end of 2023 are:

- Total assets increased by €3.2 million (1%). The Group's ongoing investment in technology, reflected in the expansion of fixed assets, is balanced by the utilisation of €3.6 million in Deferred Tax Assets, following the return of the Group's operating entities to full profitability in 2024.
- Net working capital trend follows the seasonality of the business and contributed to a positive operating cash flow of €38.6 million.
- Equity movements include the Net Result for the year of €15.7 million, the acquisition of the Non-Controlling Interests (NCI) for €0.8 million, and the dividend distribution to shareholders for €6.6 million.

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PROFIT AND LOSS

€ million	Q3 2024	Q3 2023	%	9M 2024	9M 2023	%
Gross Travel Value (GTV)	**790**	**815**	***(3%)***	**2,366**	**2,841**	***(17%)***
Revenues*	**86.7**	**81.5**	***6%***	**251.3**	**261.5**	***(4%)***
o/w DP revenues	53.6	39.1	*37%*	153.4	124.9	*23%*
o/w Other businesses	33.1	42.4	*(22%)*	97.9	136.6	*(28%)*
Marketing Spend	(23.8)	(21.5)	*11%*	(60.9)	(69.9)	*(13%)*
Other variable costs	(28.3)	(27.5)	*3%*	(85.5)	(89.9)	*(5%)*
Gross Profit	**34.6**	**32.5**	***6%***	**104.8**	**101.6**	***3%***
% on Revenue	*39.9%*	*39.9%*		*41.7%*	*38.9%*	*2.8pp*
Fixed costs	**(21.8)**	**(20.0)**	***9%***	**(69.1)**	**(64.2)**	***8%***
o/w HR costs	(13.7)	(13.7)	*0%*	(45.6)	(43.6)	*5%*
o/w Operating costs	(8.1)	(6.3)	*28%*	(23.5)	(20.6)	*14%*
Adjusted EBITDA**	**12.8**	**12.5**	***2%***	**35.7**	**37.4**	***(5%)***
% on Revenue	*14.7%*	*15.3%*	*(0.6)pp*	*14.2%*	14.3%	*(0.1)pp*
Other non-recurring items	0.6	(1.9)	*n.a*	1.8	(6.5)	*n.a*
EBITDA	**13.4**	**10.5**	***27%***	**37.5**	**31.0**	***21%***
D&A	(4.5)	(4.6)	*(1%)*	(13.2)	(12.9)	*2%*
EBIT	**8.8**	**5.9**	***49%***	**24.4**	**18.0**	***35%***
Net financial results	(0.6)	(1.5)	*(61%)*	(1.7)	(2.8)	*(40%)*
Taxes	(2.5)	(1.7)	*50%*	(7.0)	(5.1)	*36%*
Net Result	**5.7**	**2.8**	***>100%***	**15.7**	**10.1**	***55%***
EPS	**0.54**	**0.26**	***>100%***	**1.47**	**0.95**	***55%***

(*) Revenues refer to 'Managerial revenues' which differ from Revenues normally presented in the consolidated statement of profit or loss, as they do not include previous years' adjustments, non-recurring revenues and other income not business-related. All Revenue figures in this document refer exclusively to 'Managerial Revenues.

(**) Adjusted EBITDA means operating profit/loss before depreciation, amortisation and impairment, adjusted for the effects of certain non-recurring or non-cash items

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BALANCE SHEET

€ million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Fixed assets	244.1	236.4	237.2
Deferred tax assets	16.1	18.4	19.7
Total Fixed assets	**260.2**	**254.8**	**257.0**
Trade and other receivables	113.4	102.0	95.5
Trade and other liabilities	(347.3)	(335.0)	(290.7)
Total Net Working Capital	**(233.9)**	**(233.0)**	**(195.3)**
Other assets and liabilities	(41.8)	(47.2)	(46.2)
Total Capital Employed	**(15.6)**	**(25.5)**	**15.5**
Financial assets	26.7	10.9	10.5
Cash and cash equivalents	68.5	118.4	100.0
Financial liabilities	(21.5)	(44.8)	(73.7)
Lease liabilities	(6.6)	(10.4)	(9.0)
Total Net Financial Position	**67.1**	**74.0**	**27.8**
Share capital and reserves	(53.9)	(56.0)	(55.9)
Treasury shares	17.7	17.7	17.7
Retained (earnings)/losses	(15.3)	(9.6)	(4.5)
Non controlling interests (NCI)	-	(0.6)	(0.6)
Total Equity	**(51.6)**	**(48.6)**	**(43.3)**
Total Capital Invested	**15.6**	**25.5**	**(15.5)**

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CASH FLOW AND NET FINANCIAL POSITION

€ million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Gross Cash Beginning of Period	**100.0**	**118.5**	**118.5**
EBITDA	**37.5**	**31.0**	**31.7**
Change in Net Working Capital	37.0	(2.4)	(42.1)
Change in Other Assets & Liabilities	(0.5)	0.4	0.5
Income Tax & Interests (paid)/collected	(7.6)	(3.0)	(5.0)
Cash Flow from operating activities	**66.4**	**26.0**	**(14.8)**
(Acquisition)/proceeds from sale of financial assets	(16.2)	6.5	6.8
Capex	(19.1)	(17.4)	(23.7)
Cash Flow from investing activities	**(35.3)**	**(11.0)**	**(16.9)**
Financing	(51.6)	(26.4)	2.7
Repayment of lease liabilities	(3.5)	(3.9)	(4.9)
Equity movements	(7.4)	15.3	15.3
Cash Flow from financing activities	**(62.6)**	**(15.0)**	**13.1**
Net increase / (decrease) in Gross Cash	**(31.5)**	**(0.1)**	**(18.5)**
Gross Cash	**68.5**	**118.4**	**100.0**
Financial assets	26.7	10.9	10.5
Financial liabilities	(21.5)	(44.8)	(73.7)
Lease liabilities	(6.6)	(10.4)	(9.0)
Net Financial position (NFP)	**67.1**	**74.0**	**27.8**