

## **TUI and Boeing reach a comprehensive agreement to resolve 737 MAX grounding impacts**

- **Large part of the financial impact incurred will be compensated over the next two years**
- **New agreement on the delivery schedule allows more flexible fleet planning in times of the pandemic**
- **New deliveries are postponed by an average of two years**
- **Reduced investments in aircraft and reduced financing requirements for TUI for the coming years**
- **Agreement strengthens liquidity of TUI Group**

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**Hanover, 3 June 2020.** TUI and Boeing have agreed on a comprehensive package of measures to offset the consequences of the grounding of the 737 MAX. While the details of the agreement are confidential, it provides compensation which covers a significant portion of the financial impact, as well as credits for future aircraft orders. The compensation will be realised over the next two years. In addition, both parties have agreed to a revised delivery schedule for the 61 737 MAX aircraft on order, meaning that TUI will get fewer 737 MAX deliveries from Boeing than previously planned in the next several years. The associated payment schedules have been adapted accordingly. As a result of this less than half of the originally planned 737 MAX aircraft will be delivered to TUI in the next two years. On average, compared with the original scheduling, the 737 MAX deliveries will be delayed by approximately two years. This will significantly reduce TUI's capital and financing requirements for aircraft in the coming years and supports TUI's plan to reduce the size of fleet of its five European airlines in the wake of the Corona crisis. It was agreed not to disclose the financial details of the agreement.

Fritz Jousen, CEO of TUI Group, commented on the agreement with Boeing: "We have reached a fair agreement that strengthens our long-standing relationship with Boeing. The agreement provides TUI with compensation for a large part of costs that were incurred due to the grounding of the 737 MAX. The new delivery schedule gives us considerable flexibility because we will have fewer new aircraft delivered in the next years. This enables TUI to rapidly adapt its fleet growth to the currently challenging market environment. And

it supports our plan to downsize the aircraft fleet and reduce the capital requirements for aircraft investments in the Group."

In March 2019, a worldwide flight ban was imposed on the 737 MAX, which also had an impact on the operations and fleet renewal plans of TUI Airlines. At the time of decommissioning, TUI's airlines had 15 737 MAX aircraft in their fleets, with eight more scheduled for delivery in 2019. With its five airlines in Germany, the UK, Belgium, the Netherlands and Sweden TUI is one of Boeing's largest European customers for the 737 family.

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#### **About TUI Group**

TUI Group is the world's leading integrated tourism group operating in more than 100 destinations worldwide. The company is headquartered in Germany. The TUI Group's share is listed in the FTSE 250 index, the leading index of the London Stock Exchange, and in the German open market.

In financial year 2019, TUI Group recorded turnover of around €19bn and an operating result of €893m. The Group employs more than 70,000 people worldwide. TUI offers its 28 million customers, including 21 million customers in European national companies, integrated services from a single source. It covers the entire tourism value chain under one roof. This comprises more than 400 hotels and resorts with premium brands such as RIU, TUI Blue and Robinson as well as 18 cruise ships ranging from the MS Europa and MS Europa 2 luxury class vessels and expedition ships to the Mein Schiff fleet of TUI Cruises and the vessels of Marella Cruises in the UK. The Group also includes leading European tour operator brands, five airlines with 150 modern medium- and long-haul aircraft and 1,600 travel agencies. Apart from the expansion of its core business with hotels, cruises and destination activities, TUI is increasingly investing in digital platforms. The Group is transforming as a digital company.

Global responsibility for sustainable economic, ecological and social activity is a key feature of our corporate culture. TUI Care Foundation, initiated by TUI, promotes the positive effects of tourism, education and training as well as environmental and social standards with projects in 25 countries. It thus contributes to the development of the holiday destinations. TUI Care Foundation, operating around the world, initiates projects creating new opportunities for the next generation.

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