

## **OTHER RELEVAT INFORMATION**

In accordance with article 227 of the Spanish Law 6/2023, of 17 March, on Securities Markets and Investment Services, and its implementing regulations, eDreams ODIGEO, S.A. (the "**Company**") submits hereunder a press release to inform on the Company's financial results for the period ended on June 30, 2023.

Madrid, 31 August 2023

**eDreams ODIGEO**

Results for the Q1 '24 ended 30<sup>th</sup> June 2023

# eDreams ODIGEO delivers strong performance with surging profitability, revenues and subscribers

Continued success of subscription model as it becomes the largest profit and revenue contributor

On track to meet or exceed 2025 targets

**Barcelona, 31 August 2023.** – eDreams ODIGEO (hereinafter 'eDO' or 'the Company'), the world's leading travel subscription company and one of Europe's largest e-commerce firms, today released its results for Q1 FY24 ended 30 June 2023.

The Company achieved yet another quarter of outperformance, again powered by the strength of its subscription-based model with growth across all key metrics; profits, revenues and subscribers all surged. Prime, the world's first and largest travel subscription platform, remains the primary driver for the Company's growth as it continued to outperform outstandingly, with its membership base growing by 47% to 4.7 million members in Q1 of the fiscal year, and totalling 4.9 million members today<sup>1</sup>.

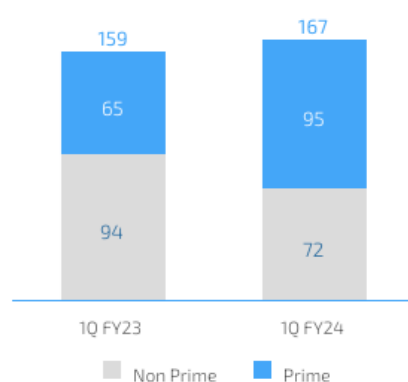
The Company's continued and effective strategic execution brings it ever nearer to achieving its self-imposed targets for 2025: greater than 7.25 million Prime members, around €80 ARPU (Average Revenue Per User) and Cash EBITDA in excess of €180 million.

## RESULTS HIGHLIGHTS

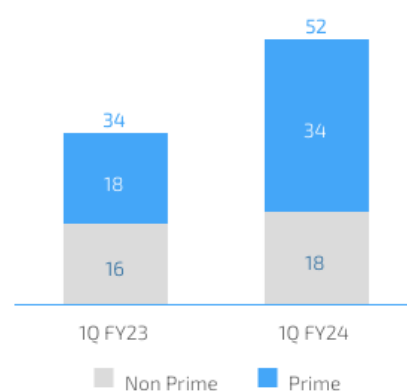
- **Subscription model continues to drive significant improvements in profitability**

- As guided previously, the maturity of Prime members is the most important driver for profitability and this has resulted in substantial improvements in profitability as more Prime members renew their memberships and are in year two or beyond of their subscription.
- Cash EBITDA more than doubled to €29.4 million, against €14.0 million reported in Q1 of fiscal year 2023. Cash EBITDA Margin increased dramatically by 9 percentage points year-on-year.
- Cash Marginal Profit stood at €52.0 million, up 55%, and the margin had a 10 percentage points improvement year-on-year.
- Revenue Margin - excluding Adjusted Revenue Items - and Cash Revenue Margin increased by 8% and 5%, respectively year-on-year, following the successful expansion of the Prime Member Base, despite the context of an industry moving to more normalised seasonality patterns.

Evolution of Cash Revenue Margin (\*)  
(in million euros)



Evolution of Cash Marginal Profit (\*)  
(in million euros)

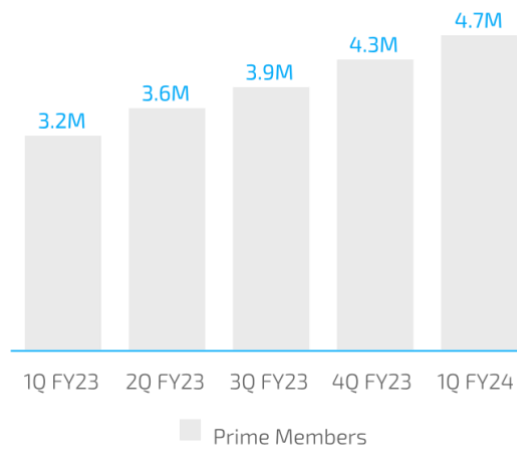


- **Prime continues to outperform**

- The world's first and largest travel subscription platform, Prime, continues to improve the quality of the business and grows strongly. Membership grew by 47%, reaching 4.7 million at the end of Q1 and topping 4.9 million in August<sup>2</sup>.

<sup>1</sup> As of 22nd August 2023

<sup>2</sup> As of 22nd August 2023



- **Future reporting**

- Following the shift in the Company's business from transactional to subscription-based the Company has decided to adapt its financial disclosures to better reflect its operating performance as a subscription company. From here on, performance indicators will be presented within two new segments: Prime and Non-Prime (*more detailed description of future metrics is highlighted in the Financial Overview*).

- **Well on track to meet self-imposed 2025 targets**

- Greater than 7.25 million Prime members
- Prime ARPU (Average Revenue Per User) of €80, approximately
- Cash EBITDA in excess of €180 million.

**Dana Dunne, CEO of eDreams ODIGEO commented:** "We have achieved a stellar start to our fiscal year, results that directly reflect the success of our strategic and innovative approach and the dedication of our talented team. Our investments and decisions are clearly bearing fruit, putting us in an optimal position to expand further. With 2025 only 18 months away, we are now looking beyond our once-seen-as-ambitious 2025 targets, which are now well within reach thanks to the excellent operational and strategic execution of our plans.

In 2017, we introduced our Prime subscription programme, setting us apart from traditional travel companies. While industries like supermarkets (Costco) or video streaming (Netflix) had successfully embraced subscriptions long ago, the travel industry had not ventured into this territory until we took the lead. Today, our results demonstrate our success, with most of our revenues and profits now being derived from this segment. We are now unequivocally a subscription company. As a result, we are introducing a new reporting breakdown, aligned with similar subscription businesses, thus enabling our key stakeholders to better understand our progress.

This performance is deeply rooted in our ever-increasing tech capabilities. As we continue to strengthen our tech powerhouse, notably in the field of AI, we have emerged as a leader not only in the travel sector but also in the broader e-commerce industry, blazing a trail for others to follow. As we chart the path forward, we do so with increased confidence in the boundless opportunities that await us".

#### GENERAL OVERVIEW ON Q1 PERFORMANCE

eDreams ODIGEO made further significant progress in Q1 of the fiscal year 2024. The business delivered continued rapid revenue margin growth, with sharply improved margins resulting in rising profitability following the pivot to a subscription-based model. As guided, the maturity of Prime members is the most important driver for profitability. The continued growth of Prime membership to 4.7 million members by the period end and 4.9 million to date has resulted in strong improvements in profitability as more and more Prime members renew their memberships. In Q1 of the fiscal year 2024, eDreams ODIGEO continued to see significant Cash Marginal Profit and Cash EBITDA Margin improvements as the maturity of Prime members increased.

Despite the industry moving to more normalised seasonality patterns, eDreams ODIGEO continued to deliver solid growth rates in revenues. Revenue Margin - excluding Adjusted Revenue Items - and Cash Revenue Margin in Q1 increased 8% and 5%, respectively, vs. the same period last year, following the successful expansion of the Prime Member Base.

Prime Revenue Margin was up 65%, while Prime Cash Revenue Margin increased by 46%, in line with the growth of Prime Members of 47%. This strong Revenue Margin growth rates were offset by the Non-Prime Revenue Margin, which decreased 23% vs. Q1 of the fiscal year 2023, as the Q1 of the fiscal year 2023 was positively impacted by a catch-up of Omicron Bookings.

In addition, regarding Revenue Margin by the timing of recognition, the increase in Gradual Revenue Margin follows the strong growth of the Prime Business as the subscription fees are a substantial part of the Gradual Revenue Margin, and the decrease in Transaction Date Revenue Margin is due to 1Q FY23 being positively impacted by a catch up of Omicron Bookings. Additionally, mobile bookings also improved and accounted for 58% of our total flight bookings, a record in the history of the company.

Overall, Q1 of fiscal year 2023 has seen the improving trends seen in the previous quarters as well as significant improvements in profitability due to an increasing number of Prime members renewing their memberships.

**FINANCIAL OVERVIEW**

Marginal Profit and Cash Marginal Profit stood at €42.6 million and €52.0 million, an increase of 112% and 55% compared to Q1 of fiscal year 2023, respectively. Cash Marginal Profit Margin increased to 31% from 21% in Q1 of fiscal year 2023, a 10 percentage point improvement. Cash EBITDA also showed substantial improvements, which resulted in €29.4 million in the first quarter of fiscal year 2024, up 110% vs. the same period last year.

As the maturity of Prime members increases, margins improve. Cash EBITDA Margin in Q1 of the fiscal year 2024 stood at 18% vs. 9% in the same period of the fiscal year 2023. As guided in Q1 of fiscal year 2023, strong growth in year 1 Prime members delays profitability, as profitability improves from year 2 onwards. In Q1 of the fiscal year 2024, Cash Marginal Profit Margin for Prime increased to 35% from 27% in the Q1 of fiscal year 2023, a 9 percentage point improvement in a year, as the Cash Marginal Profit for Prime weight over total expanded 13pp, from 52% in Q1 of fiscal year 2023 to 65% in the same period of fiscal year 2024. Net Income and Adjusted Net Income were a gain of €4.1 million and €1.1 million in Q1 of fiscal year 2024 (vs. loss of €13.9 million and €11.5 million the previous year), respectively.

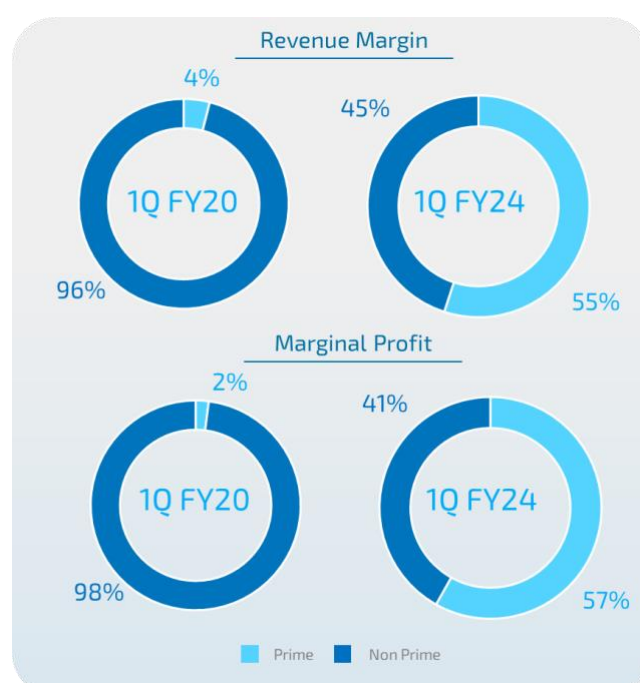
**SUMMARY INCOME STATEMENT**

(in € million)	Var		1Q FY23
	1Q FY24	FY24- FY23	
Revenue Margin <i>excluding Adjusted Revenue Items</i>	157.5	8%	145.7
Cash Revenue Margin	166.9	5%	159.1
Cash Marginal Profit	52	55%	33.5
Cash EBITDA	29.4	110%	14.0
Adjusted EBITDA	20.0	3475%	0.6
Net Income	4.1	n/a	(13.9)
Adjusted Net Income	1.1	n/a	(11.5)

**NEW DISCLOSURE TO BETTER UNDERSTAND THE SUBSCRIPTION MODEL**

In light of the shift in the Company’s business model, from transactional to subscription-based, with a predominant share of profits and revenues now emanating from this segment, eDO decided to adapt its financial disclosures to better reflect its operating performance as a subscription company. The Company considers Prime/Non-Prime segments as a better reflection of the Company’s operating performance. Hence, from the Q1 onwards, the Company will disclose Prime vs. Non-Prime at Revenue Margin, Variable Costs, Marginal Profit and Adjusted EBITDA levels. The Group will also start reporting revenue breakdown by timing of revenue recognition to align with the new reportable segments. Also, to better align the financials with the evolution of the subscription service, the Group has also decided to change the Prime base of revenue recognition from "based on usage" to "based on gradual model".

**Evolution from Transaction to Subscription Business**



## [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 20 million customers per year across 44 markets. Listed on the Spanish Stock Market, eDreams ODIGEO works with nearly 700 airlines. The business conceptualised Prime, the first subscription product in the travel sector which has topped 4.9 million members since launching in 2017. The brand offers the best quality products in regular flights, low-cost airlines, hotels, dynamic packages, cruises, car rental and travel insurance to make travel easier, more accessible, and better value for consumers across the globe.

## **(\*) GLOSSARY OF TERMS**

Reconcilable to GAAP measures

**Adjusted EBITDA** means operating profit / loss before depreciation and amortisation, impairment and profit / loss on disposals of non-current assets, as well as adjusted items corresponding to certain share-based compensation, restructuring expenses and other income and expense items which are considered by Management to not be reflective of the Group's ongoing operations. Adjusted EBITDA provides to the reader a better view about the ongoing EBITDA generated by the Group.

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

**Adjusted Revenue items** refers to adjusted items that are included inside revenue, considered as exceptional by the management and not reflective of the Group's ongoing operations.

**Cash EBITDA** means "Adjusted EBITDA", plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. Cash EBITDA provides to the reader a view of the sum of the ongoing EBITDA and the full Prime fees generated in the period.

**Cash EBITDA Margin** means Cash EBITDA divided by Cash Revenue Margin.

**Cash Marginal Profit** means "Marginal Profit" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. Cash Marginal Profit provides a measure of the sum of the Marginal Profit and the full Prime fees generated in the period.

**Cash Marginal Profit Margin** means Cash Marginal Profit divided by Cash Revenue Margin.

**Cash Revenue Margin** means "Revenue Margin" plus the variation of the Prime deferred revenue corresponding to the Prime fees that have been collected and that are pending to be accrued. The Prime fees pending to be accrued are non-refundable and will be booked as revenue based on usage, which refers to each instance the customer uses Prime to make a Booking with a discount, or when the Prime contracted period expires. Cash Revenue Margin provides a measure of the sum of the Revenue Margin and the full Prime fees generated in the period.

**Cash Revenue Margin per Booking** means Cash Revenue Margin divided by the number of Bookings. **Marginal Profit** means "Revenue Margin" less "Variable Costs". It is the measure of profit that Management uses to analyse the results by segments.

**Prime ARPU** means the Cash Revenue Margin generated from Prime users on a last twelve months basis. It is calculated considering all the Cash Revenue Margin elements linked to the bookings done by Prime members (such as but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc.) divided by the average number of Prime members during the same period. Management considers this is a relevant measure to follow the Prime performance. As Prime is a yearly programme, this measure is calculated on a last twelve months basis.

**Revenue Margin** means the IFRS revenue less the cost of supplies. The Group's Management uses Revenue Margin to provide a measure of its revenue after reflecting the deduction of amounts payable to 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.

**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. The Group's Management believes the presentation of Variable Costs may be useful to readers to help understand its cost structure and the magnitude of certain costs. The Group has the ability to reduce certain costs in response to changes affecting the number of transactions processed.

### Other Defined Terms

**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.

**Prime members** means the total number of customers that have a Prime subscription in a given period.

**Prime / Non-Prime:** Prime means the profit and loss measure generated from Prime users. In the case of Cash Revenue Margin (\*) for Prime, it includes elements such as, but not limited to, the Prime fees collected, GDS incentives, commissions, ancillary services, etc. Non-Prime means the profit and loss measure generated from non-Prime users.