

TUI's acquisition of Musement 14 September 2018



Strategic expansion of our Destination Experiences business – Ticking all boxes: Musement acquisition complementary to recent HBG Destination Management acquisition

TUI DX STRATEGY LAYERS

DIGITALISATION

- End-to-end digital process: from supplier to customer
- Part of global CRM platform
- Omni-channel
- Personalisation
- Integrated marketing campaigns



MORE PRODUCTS

- Differentiation of excursion portfolio
- Activities
- Multi-day tours



MORE GUESTS

- TUI package customers
- TUI non-package customers
- 3rd party customers



MORE DESTINATIONS

- More sun & beach destinations
- City destinations
- Asia



































TUI's acquisition of Musement - strategic rationale and details

DESTINATION EXPERIENCES VALUE CHAIN DISTRIBUTION PRODUCTION SOURCING DELIVERY

STRATEGIC RATIONALE

- Musement technology as basis for fully digitalised end-to-end process: from product supplier in the destination to TUI customer
- TUI as early mover: Destination Experiences market still largely an offline market
- Creates Destination Experiences powerhouse: TUI as fully digitalised provider with destination product offerings in more than 49 countries
- Linked to One CRM digitalised group marketing initiative

ACQUISITION DETAILS

- All cash transaction
- Acquisition earnings accretive from year two
- ROIC hurdle rate of 15% achieved in year two
- Mid-term ROIC target of >50%
- Closing expected for October 2018



TUI's One CRM initiative as accelerator for our Destination Experiences business – now in even more destinations and based on a fully digitalised process

CUSTOMER BOOKING

4-6 MONTHS "EXCLUSIVE" MARKETING PERIOD

ARRIVAL IN DESTINATION

First cross-selling

One CRM to drive Destination Experiences cross-selling

Range of Destination Experiences products



- Musement technology allows for digital product sourcing
- Use time between booking and arrival in destination to cross-sell Destination Experiences products
- No competition by other Destination Experiences product providers
- Knowledge of customer allows tailored and individualized marketing
- Targeted marketing with higher ancillary business conversion rate

Service

Transfer

Excursion (land & ship)

Tours

Activities

Cruise handling

