



## Novaturas Group

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# Presentation addressing Q1 2018 financial results

8 May 2018



# Today's presenting team

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**Linas Aldonis**

CEO

- With the Company for 17 years (CEO since 2010)
- Gained skills and experience ascending through Novaturas structures



**Tomas Staškūnas**

CFO

- With the Company for 8 years
- Has experience as CFO and CEO in companies specialized in consumer goods

# Novaturas Group Q1 2018 highlights

 **37 600**

PAX sold in Q1 2018 **(+51% y/y)**

 **EUR 25.8 m**

Q1 2018 Sales **(+49% y/y)**

 **16.1%**

share in Q1 2018 sales  
from e-commerce

 **EUR 4.8 m**

Q1 2018 Gross profit **(+67% y/y)**

 **EUR 1.3 m**

Q1 2018 EBITDA **(+286% y/y)**

 **5%**

Q1 2018 EBITDA margin

 **0,9 m**

Q1 2018 Net profit **(+595% y/y)**

 **0.12 EUR**

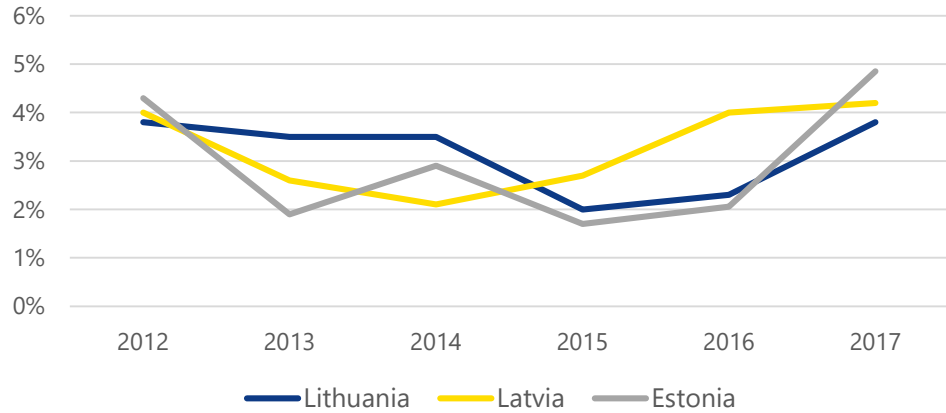
Earnings per share

 **+51%**

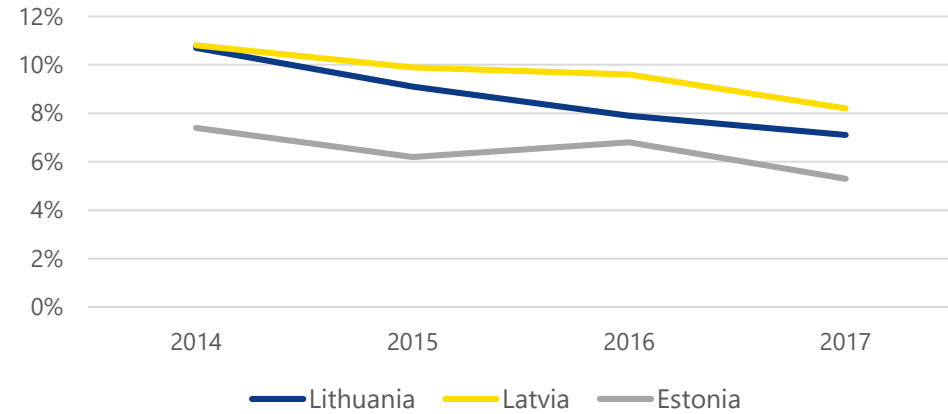
y/y growth in early bookings for 2018  
summer season (as of 31 March 2018)

# Favourable macroeconomic conditions in the Baltics...

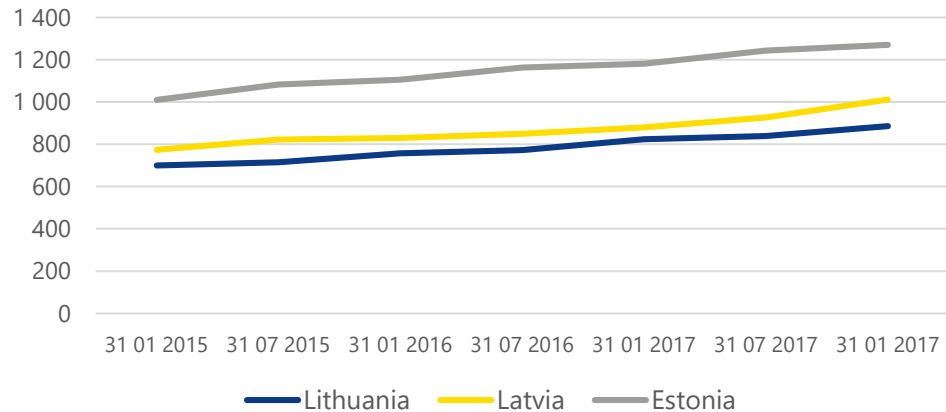
## GDP growth rate (%)



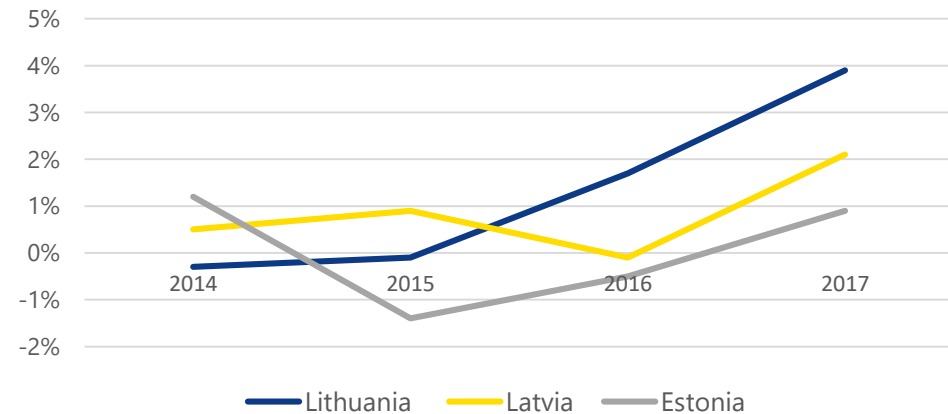
## Unemployment rate (%)



## Average monthly gross salary (EUR)



## Inflation (%)



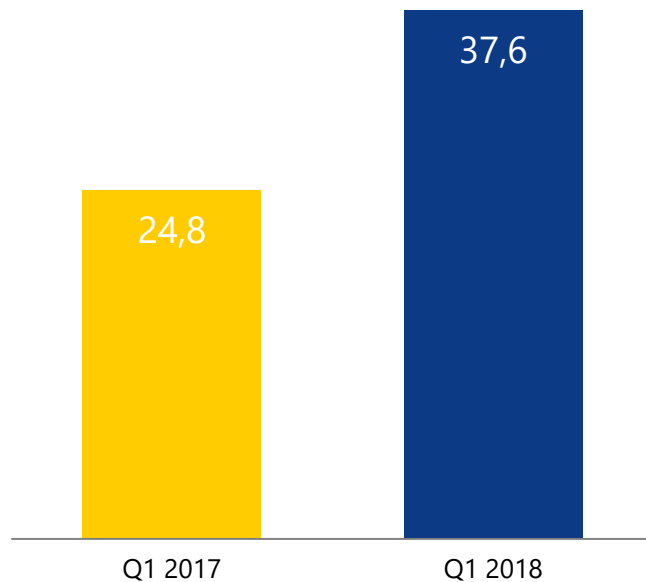
# ...translate into growing demand for Novaturas products...



**+51%**

y/y growth in PAX sold  
in Q1 2018

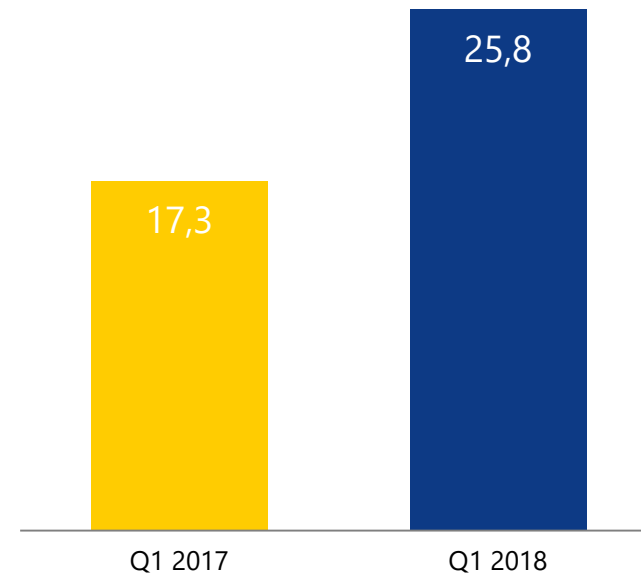
**Number of PAX sold** (ths)



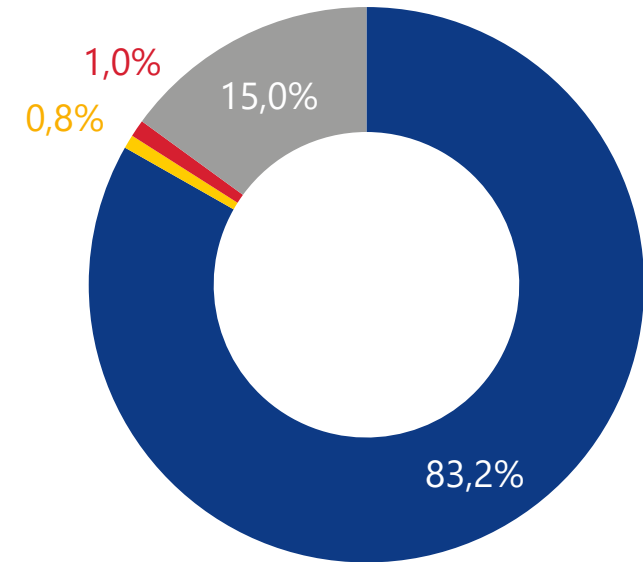
**+49%**

y/y growth in revenue  
in Q1 2018

**Revenue** (EURm)



Novaturas sales by product  
category in Q1 2018

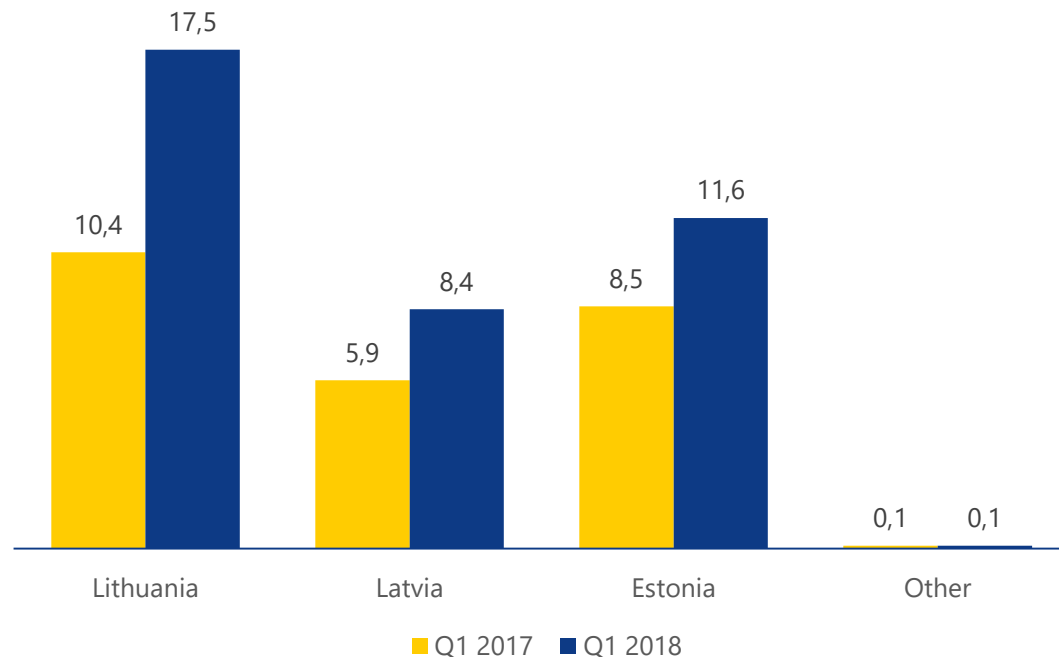


- Flight package tours
- Sightseeing tours by coach
- Sightseeing tours by plane
- Other products

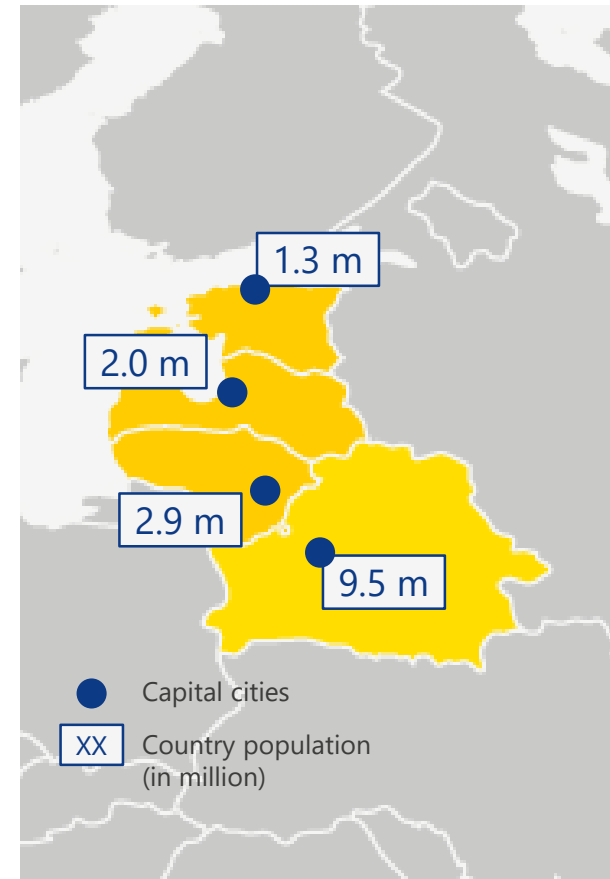
## ... in all core markets where Novaturas operates

In Q1 2018, the number of clients served by Novaturas significantly grew in all three core markets: Lithuania (+68% y/y), Latvia (+42%) and Estonia (+36%)

Number of PAX sold by country (ths)



### Novaturas source markets



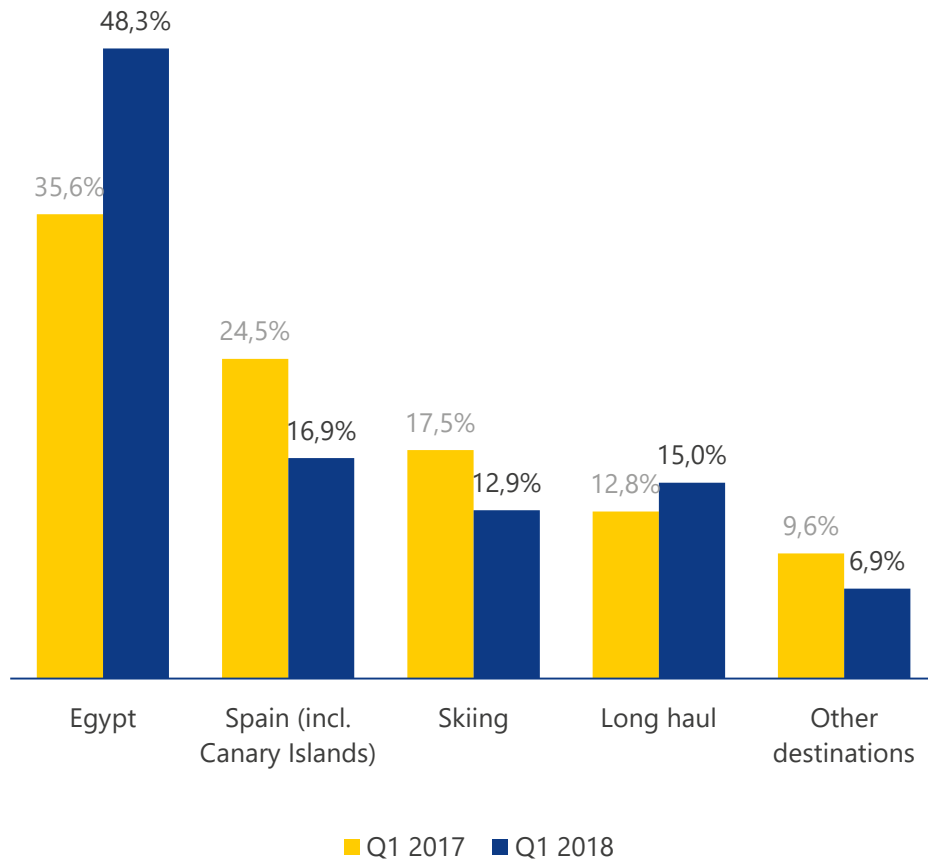
**Lithuania, Latvia and Estonia** are core markets



**Belarus** is new, prospective market

# Egypt remains the most popular winter holiday destination

## Sales of flight package tours by destinations (% share in revenue)



## Novaturas tour destinations

📍 Leisure trips by plane 
 📍 Roundtrips by plane 
 📍 Roundtrips by bus



## Our brands



Novaturas diversified product & destination portfolio allows it to be well-positioned to withstand any changes in demand for various destinations and other consumer preferences.

# We are becoming more online

Novaturas uses various channels to sell its products on different markets, making its distribution more efficient while reaching wider customer base and using market opportunities, following consumer preferences

 **400+**

external travel agencies

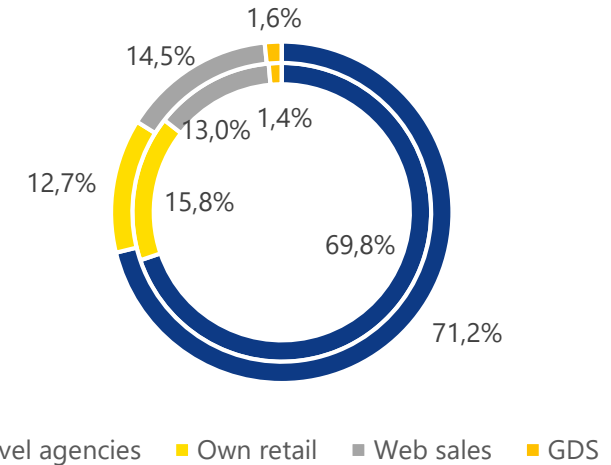
 **16.1%**

share in revenues in Q1 2018  
from e-commerce

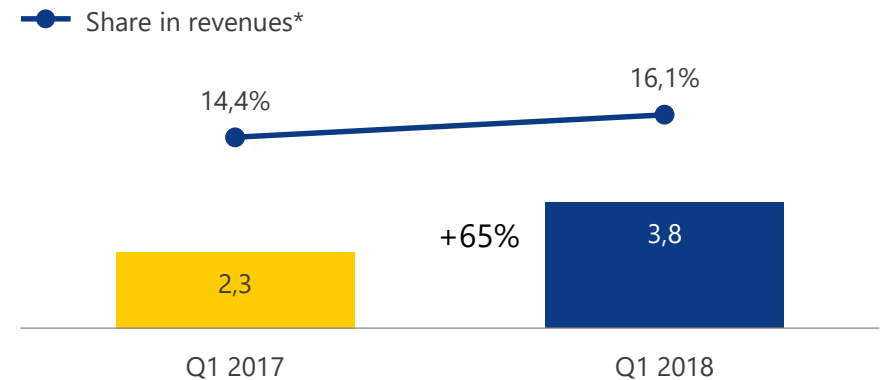
 **1.07 million**

unique visits on Novaturas websites in Q1 2018

## Novaturas sales by distribution channels Q1 2018 (outer circle) vs. Q1 2017 (inner circle)



## E-commerce sales (EUR m)



\* Revenues only including revenues from flight packages, roundtrips by plane and coach, sale of flight tickets and accommodation (without other products)



# Novaturas constantly improves its results at all levels...



 **+67%**

y/y growth in gross profit  
in Q1 2018

## Gross profit

16,7% 18,6%



Q1 2017      Q1 2018  
 Gross profit (EURm)  Gross profit margin



 **+286%**

y/y growth in EBITDA  
in Q1 2018

## EBITDA

1,9% 5,0%



Q1 2017      Q1 2018  
 EBITDA (EURm)  EBITDA margin



 **+595%**

y/y growth in net profit  
in Q1 2018

## Net profit

0,8% 3,7%



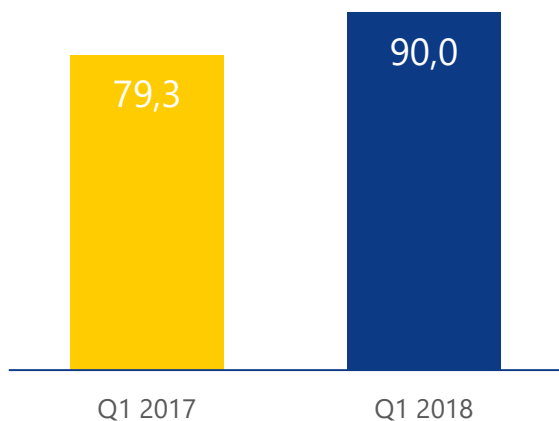
Q1 2017      Q1 2018  
 Net profit (EURm)  Net profitability

## ...keeping strong efficiency and productivity ratios

 **+13.4%**

y/y growth in profit per PAX  
in Q1 2018

**Profit per PAX**  
(EUR)

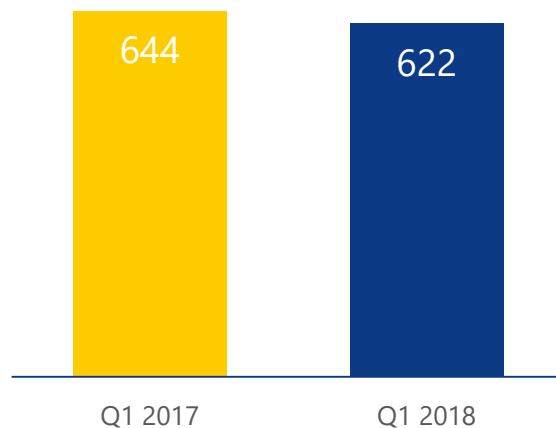


In Q1 2018, Novaturas recorded a significant growth in profit per PAX despite slightly lower average price of package tours.

 **-4.0%**

y/y change in average price  
of package tours in Q1 2018

**Average package tour price**  
(EUR)



The decrease in average price of package tours was mainly due to the increased share of Egypt destination in total sales (Egypt is one of the cheapest destinations in winter portfolio).

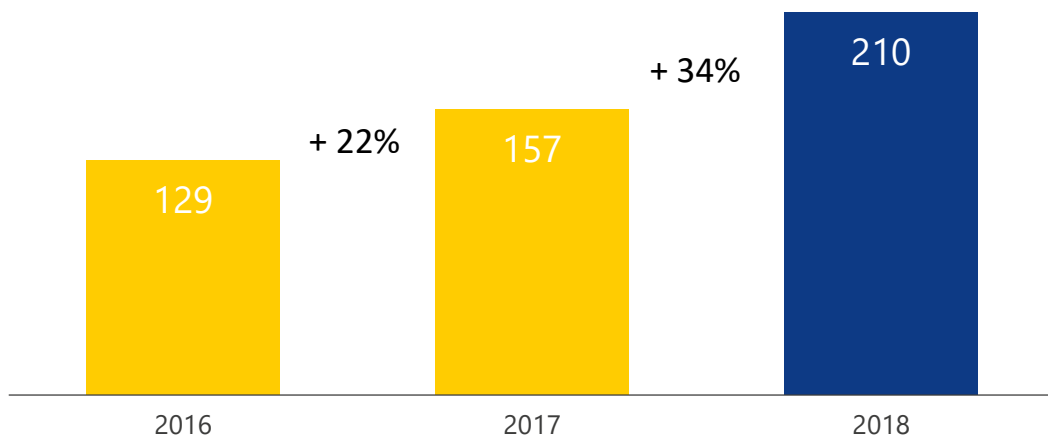
 **98.3%**

Load factor in Q1 2018  
(vs. 97.4% in Q1 2017)

Novaturas has very high load factor, showing effectiveness of Company sales and very good fit of programme size to real demand.

# Very good prospects for the remainder of 2018

## Size of summer programme at 31 March (by PAX, in thousand)



**+51%**

y/y growth in early bookings for 2018 summer season  
(as of 31 March 2018)

### Novaturas decided to **significantly increase its summer programme for 2018**

- Novaturas order book for 2018 summer season is dynamically growing thus confirming increasing demand for travel products in source markets
- Early bookings for 2018 summer season at end of March were 51% higher compared to the same period last year

The organized charter flights market is characterized by seasonality. Sales of Novaturas Group, as well as sales of most of the tour operators organizing charter flights, are characterized by an increase in demand for the Group products and services during the summer season, i.e. in the second and third quarters of the year, and lower demand in the other periods. Consequently, the financial results for the second and third quarters of the year has a significant impact on the final results of the entire year.

# The Group's strategy

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Retain leading position in the Baltics and benefit from the travel market growth



Deliver further geographic expansion – Belarus



Secure further growth in operational scale combined with high profitability ratios and cash generation



Continue expansion of offering in order to retain existing clients and attract new ones, translating this into sales growth



Maintain well-balanced distribution channels, with growing importance of e-commerce



Provide regular dividend payments

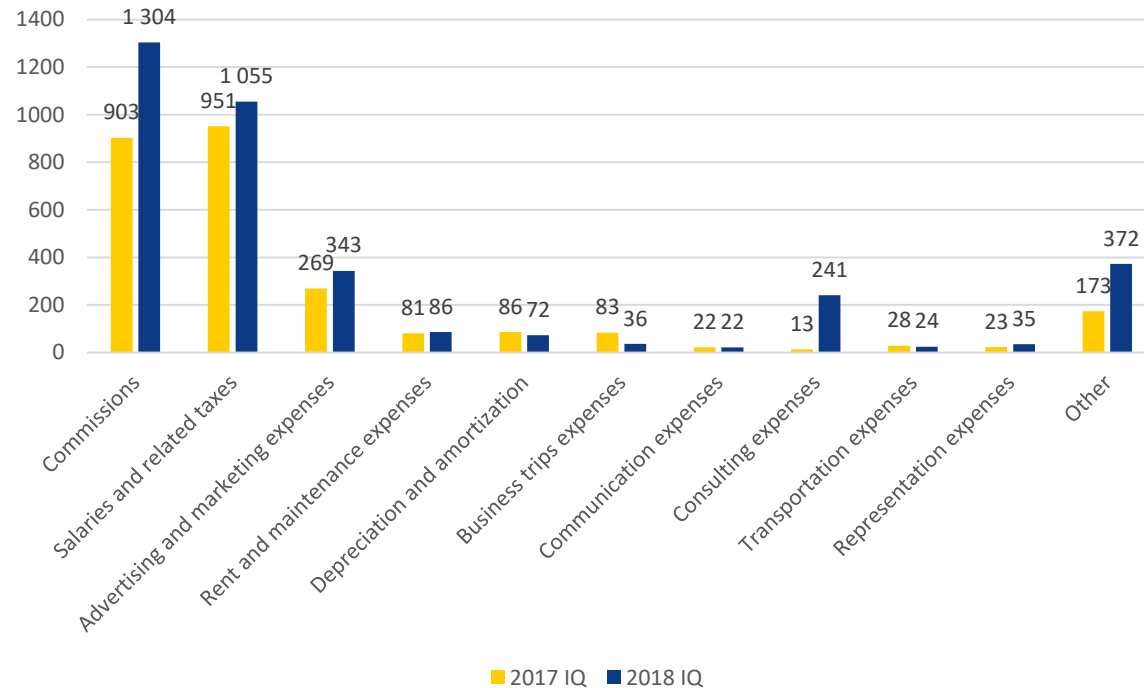
# Appendices

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# Consolidated P&L

EUR ths	Q1 2018	Q1 2017	Change
Sales	25 845	17 308	49%
Cost of sales	(21 044)	(14 424)	45%
<b>Gross profit</b>	<b>4 801</b>	<b>2 884</b>	67%
<i>Gross profit margin</i>	19%	17%	
Operating (expenses)	(3 584)	(2 634)	36%
<b>Profit from operations</b>	<b>1 215</b>	<b>248</b>	391%
Amortization and depreciation	72	86	
<b>EBITDA</b>	<b>1 287</b>	<b>334</b>	286%
<i>EBITDA margin</i>	5%	2%	
Finance income	244	122	
Finance (expenses)	(389)	(156)	
<b>Profit before tax</b>	<b>1 070</b>	<b>214</b>	400%
Income tax (expense)	(125)	(78)	
<b>Net profit</b>	<b>945</b>	<b>136</b>	596%
<i>Net profitability</i>	3,71%	0,80%	
<b>Other comprehensive income, to be reclassified to profit or loss in subsequent periods</b>			
Result of changes in cash flow hedge reserve	126	-	
Impact of income tax	(19)	-	
<b>Total comprehensive income for the year</b>	<b>1 052</b>	<b>136</b>	674%
Earnings per share	0.12	0.02	

# Operating expenses



Total y/y growth in operating expenses:  
+36% (+23% without one time expenses)

One-off expenses: EUR 339th,  
including:

- IPO costs - EUR 286th
- Legal expenses related to Estonian fraud cases – EUR 53th

44% - y/y growth in commissions that depend on sales revenue

12% - y/y growth in operating costs after eliminating one-off spendings and without commission expenses

# Consolidated balance sheet

EUR ths	Q1 2018	2017	Q1 2017
<b>Assets</b>	<b>55 346</b>	<b>50 453</b>	<b>48 963</b>
<b>Non-current assets</b>	<b>31 173</b>	<b>31 134</b>	<b>31 160</b>
Intangible assets	30 811	30 775	30 761
Other intangible assets	362	448	399
<b>Current assets</b>	<b>24 173</b>	<b>19 319</b>	<b>17 803</b>
Prepayments and deferred expenses	14 019	5 940	7 634
Trade accounts receivable	1 226	522	570
Other receivables	2 076	2 202	1 831
Other current financial assets	797	670	518
Cash and cash equivalents*	6 055	9 984	7 249
*Restricted cash	2100	2000	-

EUR ths	Q1 2018	2017	Q1 2017
<b>Total equity and liabilities</b>	<b>55 346</b>	<b>50 453</b>	<b>48 963</b>
<b>Equity</b>	<b>15 722</b>	<b>14 669</b>	<b>15 988</b>
Retained earnings	14 722	13 785	15 555
<b>Non-current liabilities</b>	<b>10 715</b>	<b>2 606</b>	<b>11 374</b>
Non-current borrowings	8 000	0	9 263
Deferred income tax liabilities	2 715	2 606	2 111
<b>Current liabilities</b>	<b>28 899</b>	<b>33 178</b>	<b>21 601</b>
Current portion of non-current borrowings	2 000	14 000	4 737
Overdraft	2 616	-	-
Trade payables	2 408	3 882	1 853
Advances received	19 564	12 102	13 945
Other current liabilities and accrued expenses	2 321	3 194	1 066



# Consolidated cash flow statement

EUR ths	Q1 2018	Q1 2017
Net profit	945	136
<b>Net cash flows from operating activities</b>	<b>(2 306)</b>	<b>809</b>
<b>Net cash flows (to) investing activities</b>	<b>(107)</b>	<b>(90)</b>
Dividends (paid)	-	-
<b>Net cash flows (to) financing activities</b>	<b>(1 516)</b>	<b>(116)</b>
<b>Net increase (decrease) in cash flows</b>	<b>(3 929)</b>	<b>603</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9 984</b>	<b>6 646</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>6 055</b>	<b>7 249</b>

# Company information

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## Novaturas group PLC

### Registered address:

Mickevičiaus str. 27, LT-44245 Kaunas, Lithuania

[www.novaturasgroup.com](http://www.novaturasgroup.com)

Registered under number 135567698 in Lithuania

Company established: 1999 12 16

### Stock Listing:

Warsaw Stock Exchange

NASDAQ OMX Vilnius Stock Exchange

### Contact information:

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