



Novaturas Group

Presentation on financial results for Q2 / H1 2018

7 August 2018



Today's presenting team

Novaturas managers have been with the Company for many years. They have extensive know-how, years of experience in the tourism market and an in-depth knowledge of the Group's offering, which ensures effective implementation of the Group's strategy.



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 (since 2009)
- Has experience as CFO and CEO in companies specialized in consumer goods

Novaturas Group H1 2018 highlights

 **134,463**

PAX sold in H1 2018
(+42% y/y)

 **EUR 80.2 m**

H1 2018 Sales
(+43% y/y)

 **EUR 5.9 m**

H1 2018 EBITDA
(+36% y/y)

 **17.6%**

H1 2018 Gross profit margin
(-0.9 pp y/y)

 **7.3%**

H1 2018 EBITDA margin
(-0.4 pp y/y)

 **16.1%**

share in H1 2018 sales
from e-commerce

 **EUR 3.8 m**

H1 2018 overheads w/o comm
and one-off (+15% y/y)

 **EUR 0.4 m**

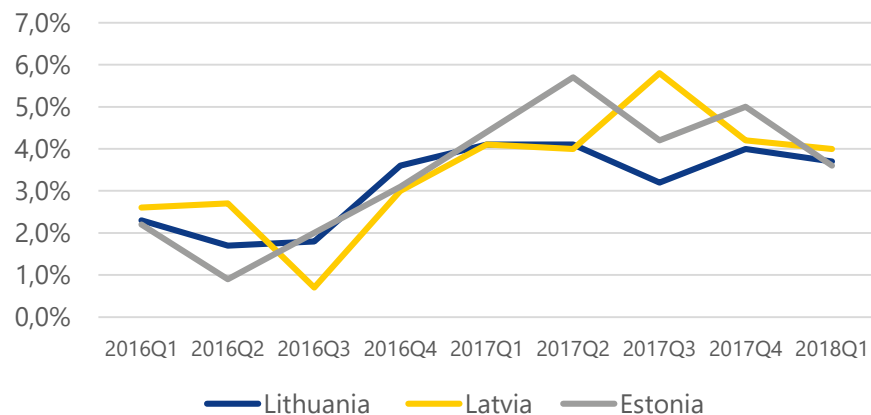
H1 2018 one-off expenses
(incl. IPO)

 **4.4 m**

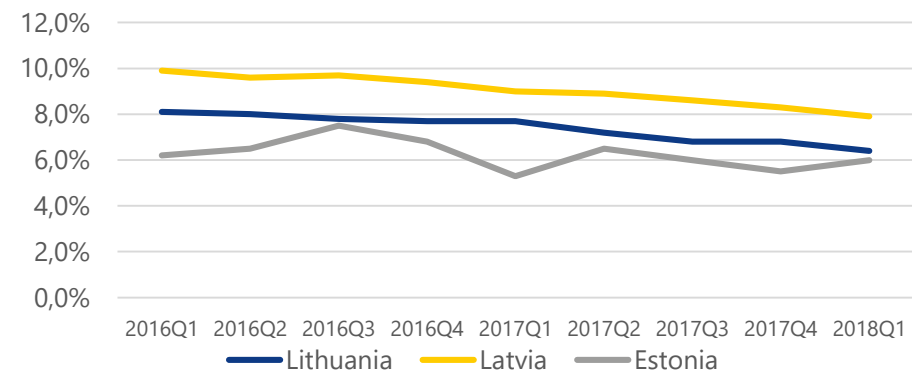
H1 2018 Net profit
(+24% y/y)

Favourable macroeconomic conditions in the Baltics...

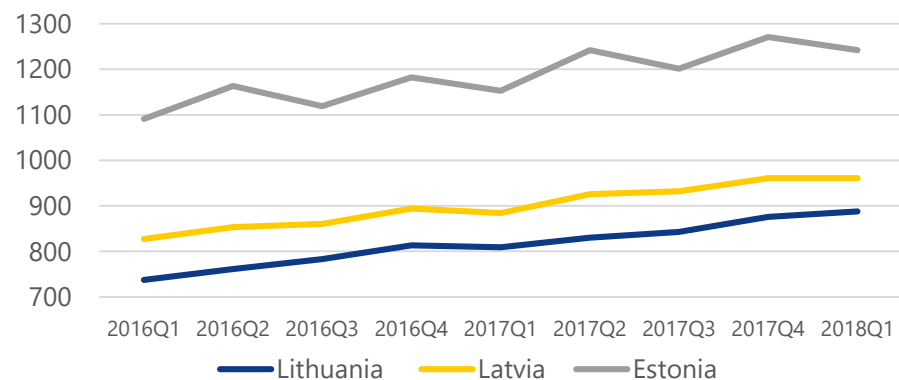
GDP growth rate (%)



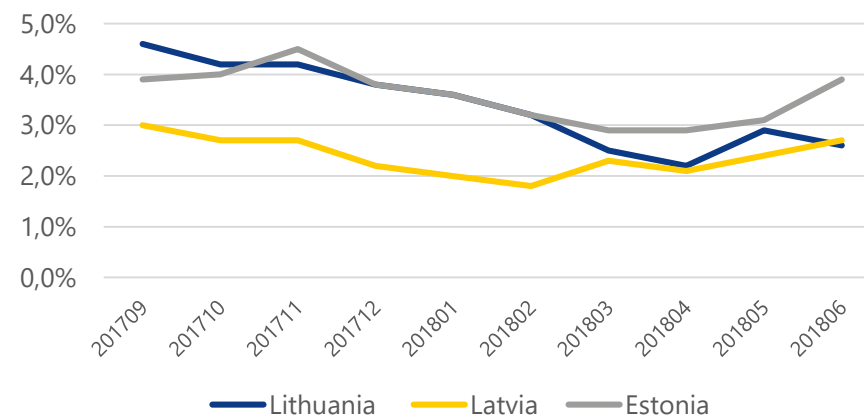
Unemployment rate (%)



Average monthly gross salary (EUR)



Inflation (%)



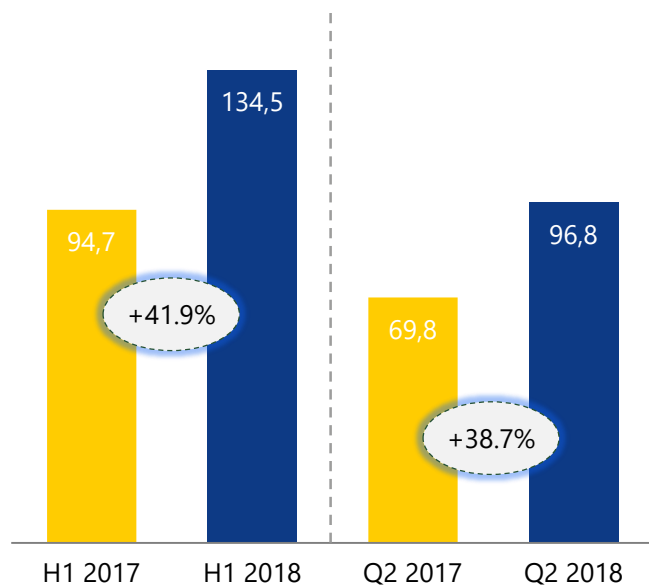
...translate into growing demand for Novaturas products...



+41.9%

y/y growth in PAX sold
in H1 2018

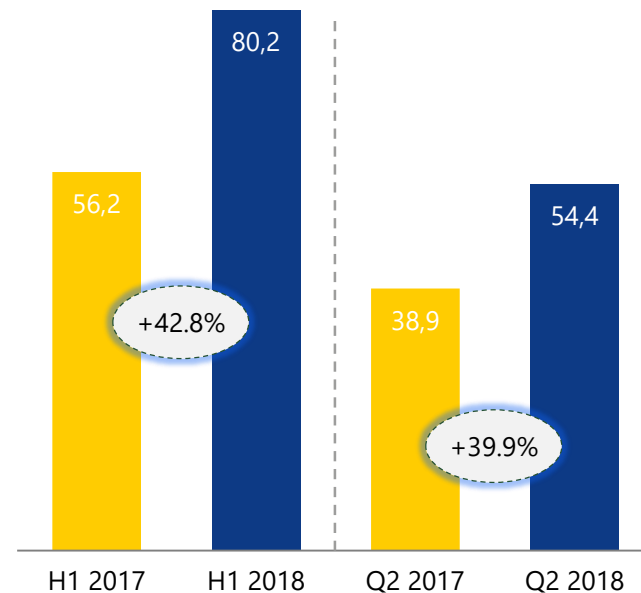
Number of PAX sold (ths)



+42.8%

y/y growth in revenue
in H1 2018

Revenue (EURm)



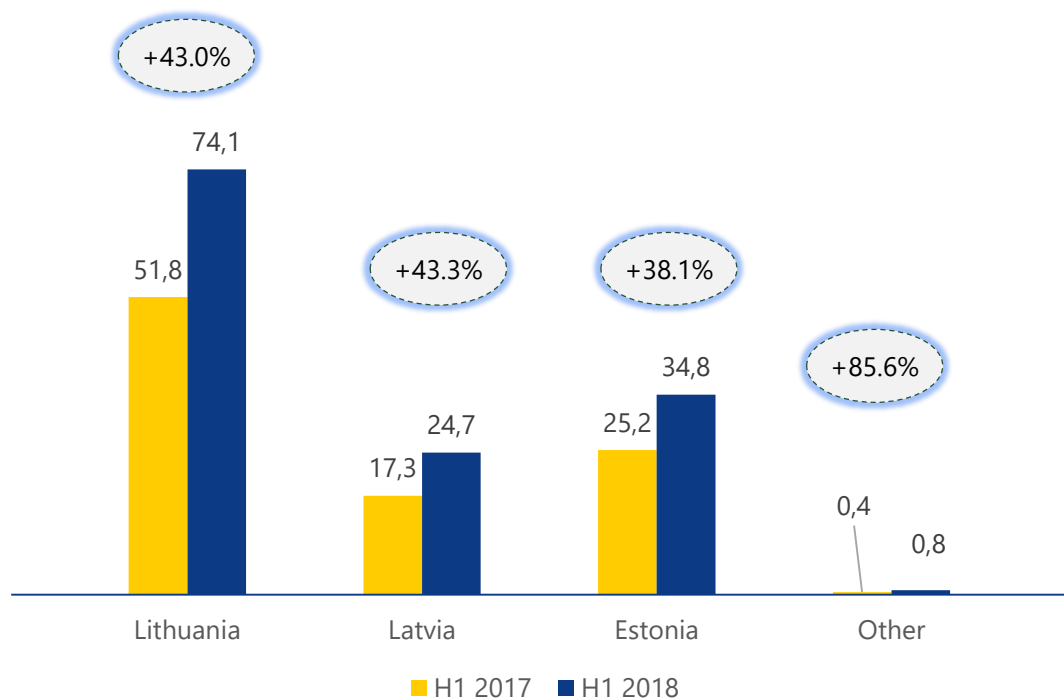
Novaturas turnover in first half of 2018 reached EUR 80.2 m and was 43% higher comparing to the same period in 2017.

Novaturas turnover in second quarter of 2018 reached EUR 54.4 m and was 40% higher comparing to the same period in 2017.

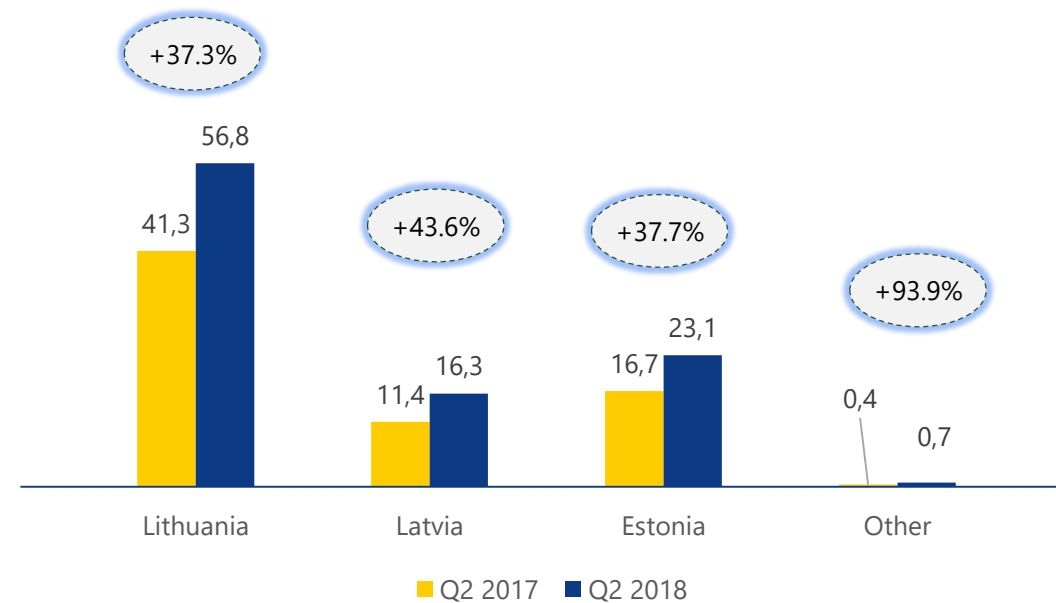
... in all markets where Novaturas operates

In H1 2018, the number of clients served by Novaturas significantly grew in all three core markets: Lithuania (+43.0% y/y), Latvia (+43.3%) and Estonia (+38.1%).

Number of PAX sold by country in H1 2018
(ths)



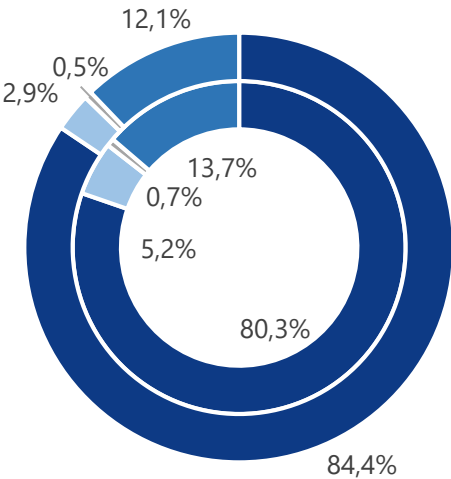
Number of PAX sold by country in Q2 2018
(ths)



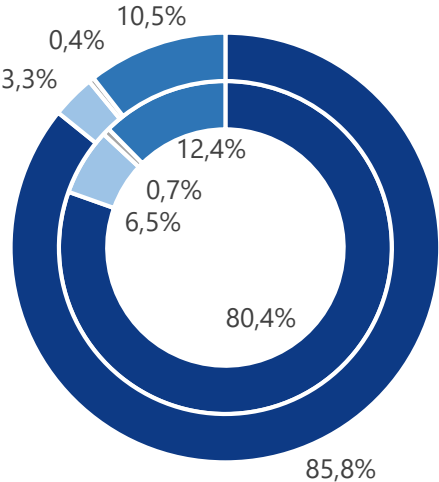
Flight package tours make the largest part of sales and profits

Novaturas sales by product category

H1 2018 (outer circle)
vs H1 2017 (inner circle)



Q2 2018 (outer circle)
vs Q2 2017 (inner circle)

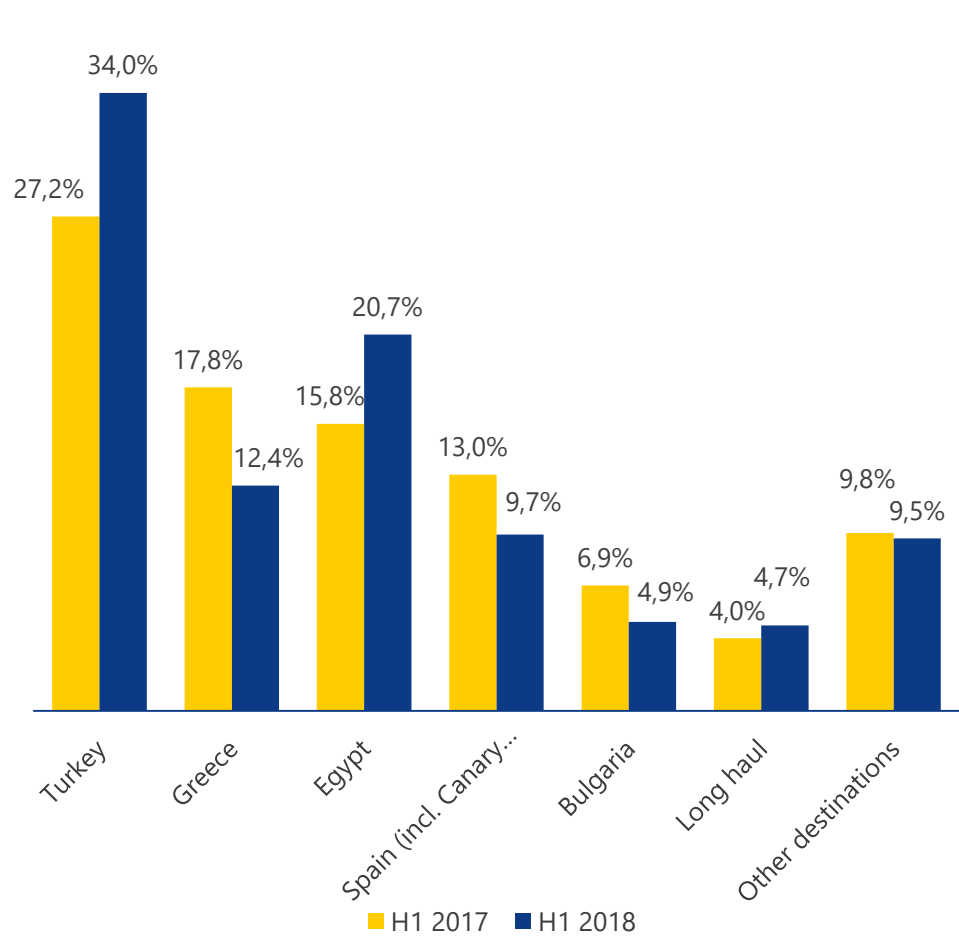


- Flight package tours
- Sightseeing tours by coach
- Sightseeing tours by plane
- Other products

Main product category for Novaturas Group is flight package tours, which is also the fastest growing segment (+49% y/y growth in PAX sold in H1 2018).

Turkey remains the most popular summer 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

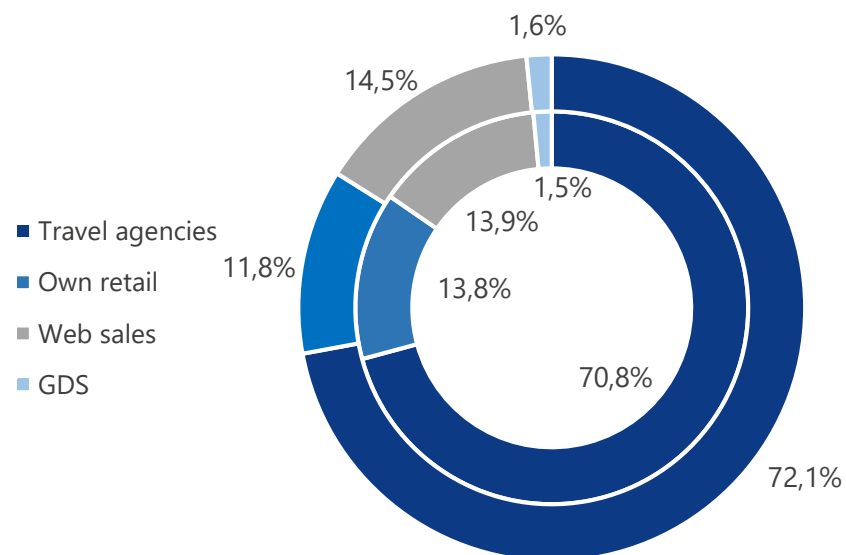
 **16.1%**

share in revenues in H1 2018
from e-commerce (vs. 15.4% in H1 2017)

 **2.1 million**

unique visits on Novaturas websites in H1 2018:
+27% y/y

**Novaturas sales by distribution channels
in H1 2018 (outer circle) vs. H1 2017 (inner circle)**



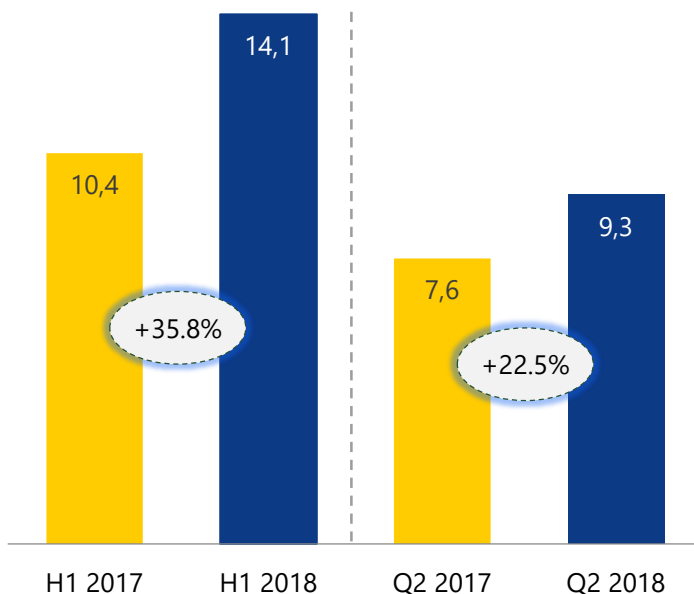
Novaturas constantly improves its results at all levels...



+32.2%

y/y growth in gross profit
in H1 2018

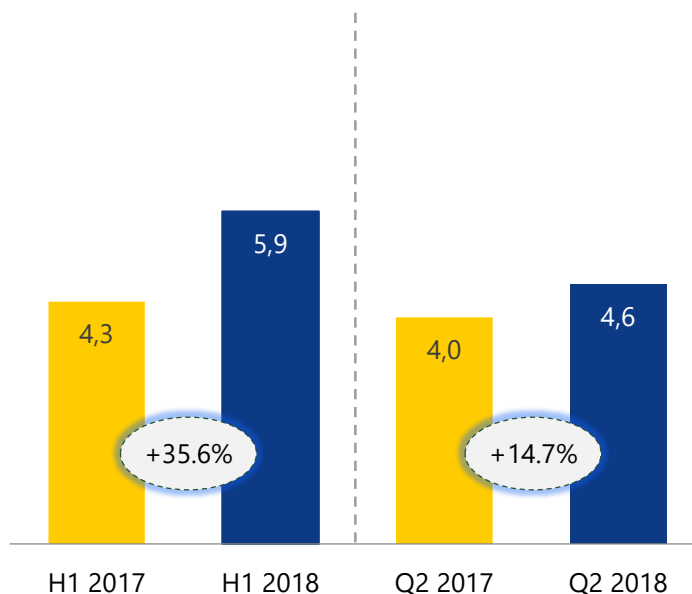
Gross profit



+33.1%

y/y growth in EBITDA
in H1 2018

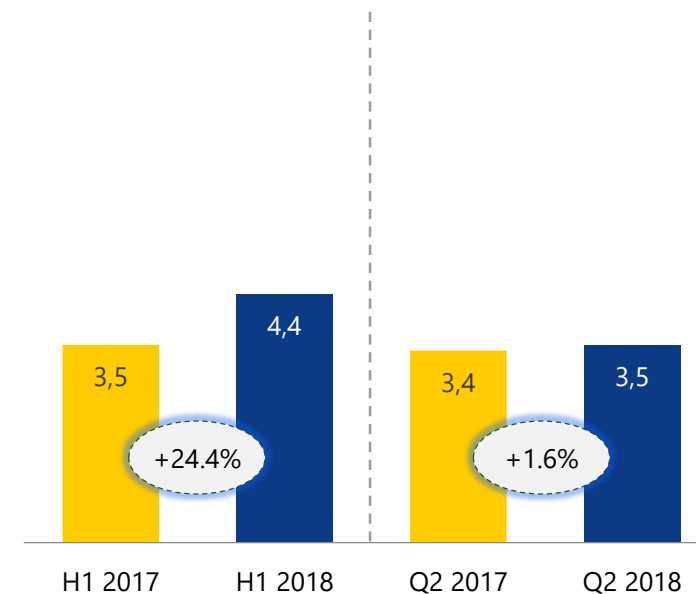
EBITDA



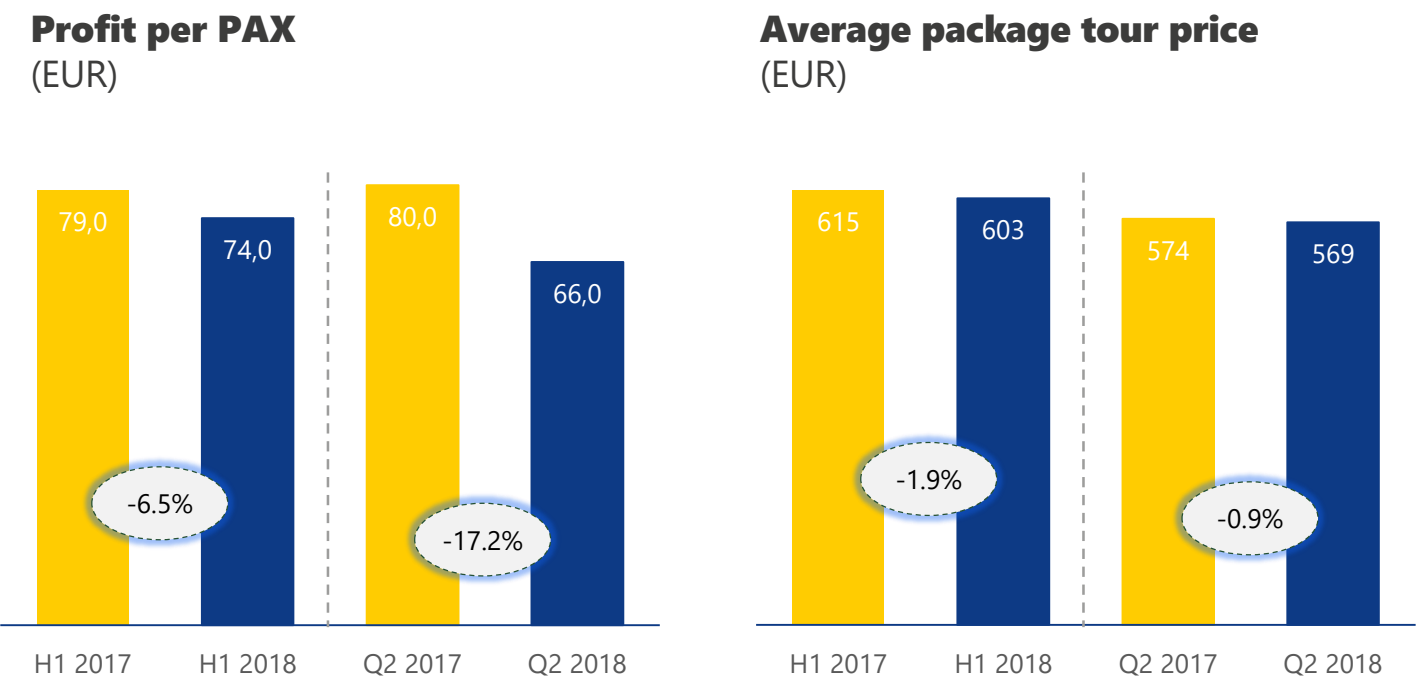
+23.7%

y/y growth in net profit
in H1 2018

Net profit



...keeping strong efficiency and productivity ratios



The Group's strategy



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

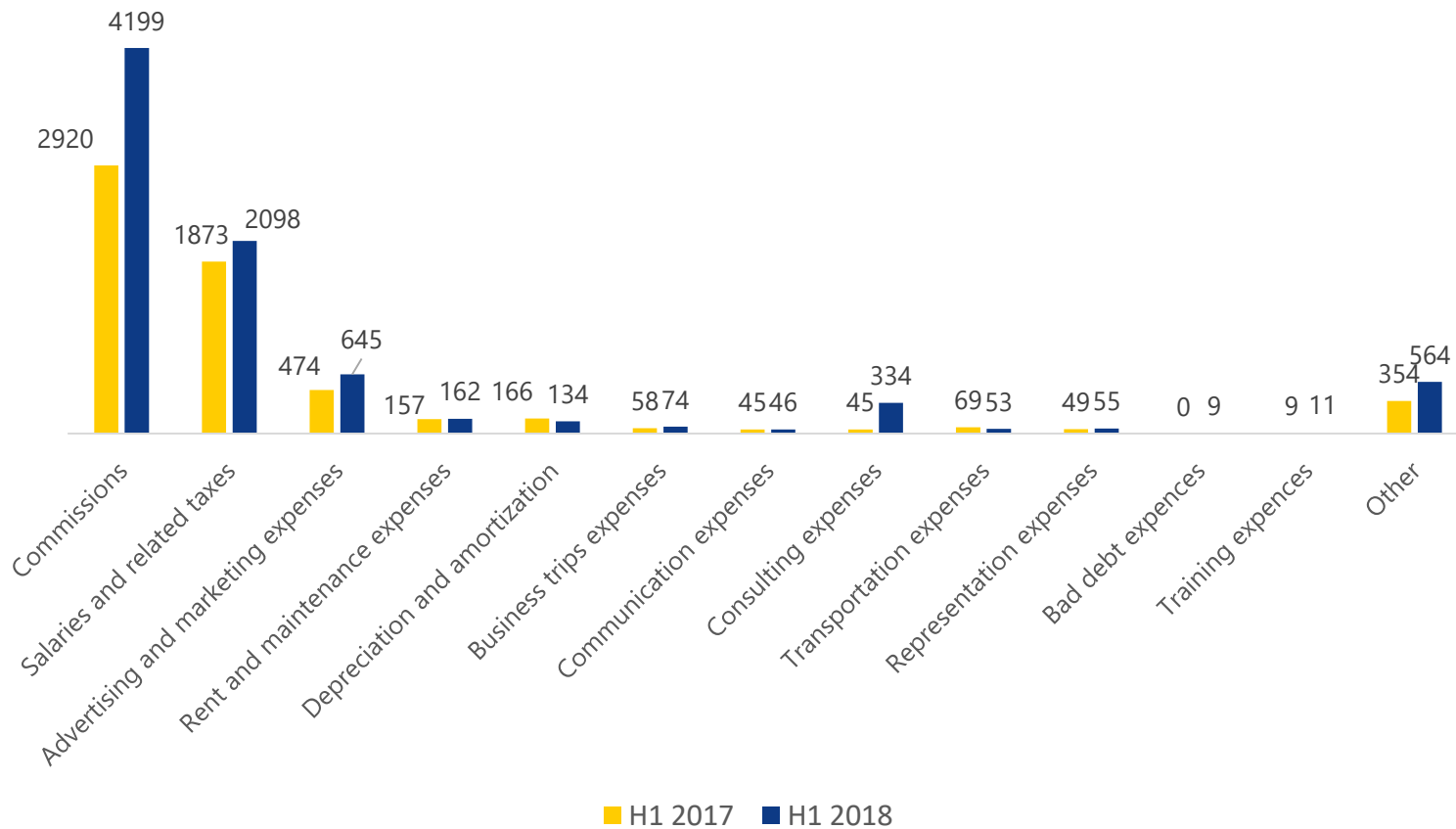
Consolidated statements of comprehensive income

EUR 000s	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Sales	54,394	38,886	+39.9%	80,239	56,194	+42.8%
Cost of sales	(45,082)	(31,282)	+44.1%	(66,126)	(45,802)	+44.4%
Gross profit	9,312	7,604	+22.5%	14,113	10,392	+35.8%
Operating (expenses)	(4,800)	(3,681)	+30.4%	(8,384)	(6,219)	+34.8%
Other operating income	14	-	N/A	14	-	N/A
Other operating (expenses)	-	(3)	-100.0%	(2)	(5)	-60.0%
Profit from operations	4,526	3,920	+15.5%	5,741	4,168	+37.7%
Finance income	72	230	-68.7%	316	352	-10.2%
Finance (expenses)	(251)	(478)	-47.5%	(640)	(634)	+0.9%
Profit before tax	4,347	3,672	+18.4%	5,417	3,886	+39.4%
Income tax (expense)	(890)	(270)	+229.6%	(1,015)	(348)	+191.7%
Net profit	3,457	3,402	+1.6%	4,402	3,538	+24.4%
Other comprehensive income, to be reclassified to profit or loss in subsequent periods						
Result of changes in cash flow hedge reserve	548	(935)		674	(935)	
Impact of income tax	(82)	140		(101)	140	
Total comprehensive income for the year	3,923	2,607		4,975	2,743	
Earnings per share	0.44	0.44	+0.00	0.56	0.45	+0.11

Main ratios

Financial ratios	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Revenue	54,394	38,886	+39.9%	80,239	56,194	+42.8%
Gross profit	9,312	7,508	+22.5%	14,113	10,392	+35.8%
EBITDA	4,588	4,144	+14.7%	5,875	4,478	+35.6%
Operating profit (EBIT)	4,526	3,920	+15.5%	5,741	4,168	+37.7%
Profit before taxes	4,347	3,672	+18.4%	5,417	3,886	+39.4%
Net profit	3,457	3,402	+1.6%	4,402	3,538	+24.4%
Relative indicators	Q2 2018	Q2 2017	Change	6M 2018	6M 2017	Change
Number of shares	7,807,000	7,807,000	-	7,807,000	7,807,000	-
Profit per share (Eur)	0.44	0.44	-	0.56	0.45	+0.11
Gross profit margin (%)	17.1%	19.6%	-2.5%	17.6%	18.5%	-0.9%
EBITDA margin (%)	8.4%	10.3%	-1.9%	7.3%	7.7%	-0.4%
Operating profit (EBIT) margin (%)	8.3%	10.1%	-1.8%	7.2%	7.4%	-0.2%
Profit before taxes margin (%)	8.0%	9.4%	-1.4%	6.8%	6.9%	-0.1%
Net profit margin (%)	6.4%	8.7%	-2.3%	5.5%	6.3%	-0.8%
Return on assets (ROA) (%)	5.9%	6.0%	-0.1%	7.5%	6.2%	+1.3%
Debt to equity ratio (%)	48.4%	103.2%	-54.9%	48.4%	103.2%	-54.9%
Equity ratio (%)	33.6%	23.9%	+9.7%	33.6%	23.9%	+9.7%
Effective tax rate (%)	20.5%	7.4%	+13.1%	18.7%	9.0%	+9.8%
Current ratio	0.98	0.81	+0.17	0.98	0.81	+0.17

Operating expenses



Total y/y growth in operating expenses: +34.8%

One-off expenses: EUR 391th, including:

- IPO costs – EUR 286th
- Legal expenses – EUR 105th

43.8% – y/y growth in commissions that depend on sales revenue

Consolidated balance sheet

EUR ths	30 Jun 2018	31 Dec 2017	30 Jun 2017
ASSETS			
Non-current assets			
Goodwill	30,327	30,327	30,327
Other intangible assets	483	448	398
Property, plant and equipment	300	297	332
Long term receivables	62	56	60
Deferred income tax asset	6	6	5
Total non-current assets	31,178	31,134	31,122
Current assets			
Inventories	1	1	2
Prepayments and deferred expenses	9,831	5,940	11,874
Trade accounts receivable	757	522	1,193

EUR ths	30 Jun 2018	31 Dec 2017	30 Jun 2017
EQUITY AND LIABILITIES			
Equity			
Share capital	234	226	226
Cash flow hedge reserve	1,057	484	-795
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	18,179	13,785	13,957
Equity attributable to equity holders of the parent	19,644	14,669	13,562
Liabilities			
Non-current borrowings	8,000	-	9,263
Deferred income tax liabilities	3,040	2,606	2,180
Total non-current liabilities	11,040	2,606	11,443
Current liabilities			
Current portion of non-current borrowings	1,500	14,000	4,737
Trade payables	3,387	3,882	8,140
Total current liabilities	27,741	33,178	31,739
Total equity and liabilities	58,425	50,453	56,744

Consolidated cash flow statement

EUR ths	6M 2018	6M 2017
Net profit	4,402	3,538
Net cash flows from operating activities	2,406	8,919
Net cash flows (to) investing activities	(171)	(133)
Dividends (paid)	-	(5,000)
Net cash flows (to) financing activities	(4,768)	(5,280)
Net increase (decrease) in cash flows	(2,533)	3,506
Cash and cash equivalents at the beginning of the year	9,984	6,646
Cash and cash equivalents at the end of June	7,451	10,152

Company information

Novaturas group PLC

Registered address:

Mickevičiaus str. 27, LT-44245 Kaunas, Lithuania

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:

Tomas Staškūnas

Finance Director

Mickevicius str. 27, LT-44245 Kaunas, Lithuania

tel. +370 37 321264, mob. +370 687 10426

fax. +370 37 321130

e-mail: tomas.staskunas@novaturas.lt