Presentation of Q3 and 9M 2023

Continued strong quarterly performance leads to historically record high profits

28 November 2023

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Key financials

Q3 :

- Strong early bookings, well managed seat supply and wide destination selection allowed to reach high quarterly load factor of 96 % in 23Q3 (vs 92% in 22Q3) that contributed to exceptionally high quarterly EBITDA of 2,3m EUR – up by 0,2m EUR YoY and considerable above 2018-2019 quarterly EBITDA (1,3-1,5m EUR)
- Despite increased Turkey competition and wildfires in Greek islands Pax number remains at almost prior year level while income are marginally up (+1 %).
- Fuel derivatives mitigated growth of quarterly fuel prices reversing almost 0,7m EUR potential loss.
- Customer NPS remains above 50 % throughout the quarter, flight on time performance further improves.

9 Months :

- Sales at 7 % above prior year, number of Pax 3 % below prior year level.
- More than 2x sales profit per pax, EBITDA is 7.9m EUR and is 9x above prior year levels of 0.9m EUR.

	Q3 2021	Q3 2022	Q3 2023	9M 2021	9M 2022	9M 2023
Sales, k Eur	46 300	63 660	64 287	75 414	155 307	166 823
Gross profit, kEur	4 026	7 421	7 627	9 190	15 275	23 290
EBITDA *, kEUR	447	2 161	2 322	1 955	910	7 908
Net profit, kEUR	- 24	1 936	1 623	1 096	276	6 367
Gross profit margin (%)	8,7	11,7	11,9	12,2	9,8	14,0
EBITDA margin (%)	1,0	3,4	3,6	2,6	0,6	4,7
Net profit margin (%)	- 0,1	3,0	2,5	1,5	0,2	3,8
Pax (k)	77	88	86	123	216	210
Load factor (%)	92	92	96	92	94	95
Sales profit**/Pax, (Eur)	19	44	46	41	31	68

* EBITDA = profit before tax + amortisation / depreciation + interest expenses - interest income

**Sales profit = gross profit - commission expenses

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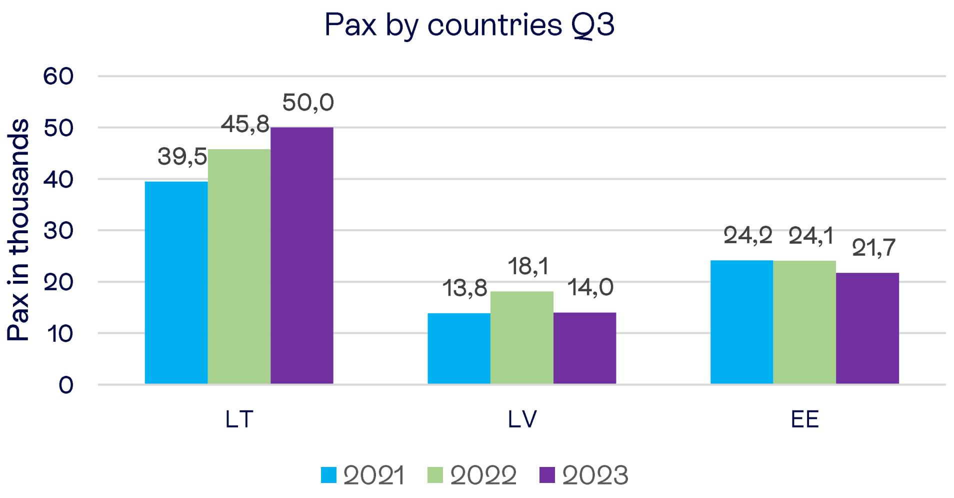
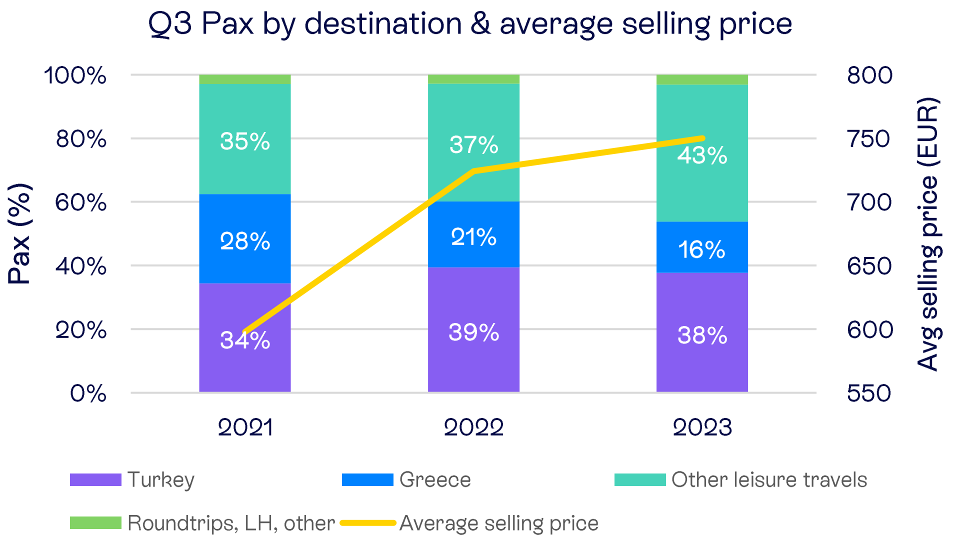
Pax served

- Decline by 2,2 k Pax : Lithuania up by 4,2 k Pax, Latvia and Estonia down 4,1 k Pax and 2,4 k Pax respectively. Declines in Latvia and Estonia caused by Turkey and Greece (partially due to Rhode fires).
- Lithuania was growing in all major destinations (Turkey 1,1 k Pax, Tunisia 1,9 k Pax, Bulgaria 1,1 k Pax, Montenegro 0,5 k Pax) and only shrunken in Greece (0,6 k Pax).
- In Estonia number of passengers went down due to Greece (2,9 k) and Turkey (1,7 k) Pax partially offset by increase in Tunisia travels (2,2 k) Pax.
- In Latvia volumes decreased mainly due to Turkey (1,7 k), Greece (0,8 k) and Bulgaria (1,5 k) Pax.
- Rhodes destination accounts for more than a half of total reduction of Greece travelers (2,2 k Pax Vs. 4,4 k Pax). Since July when fires started, Novaturas proposed all customers free of charge destination change. About 50 % of customers switched to other destinations – Bulgaria, Crete, Turkey.
- Diversification of destinations is continued further : in 2021 four major destinations (Turkey, Greece, Bulgaria and Montenegro) accounted for 97 % of travels. In 2023 concentration of top 4 reduced to 85 % while in 2021 non-existing Tunisia accounts for 8 %, other European destinations 6 %.





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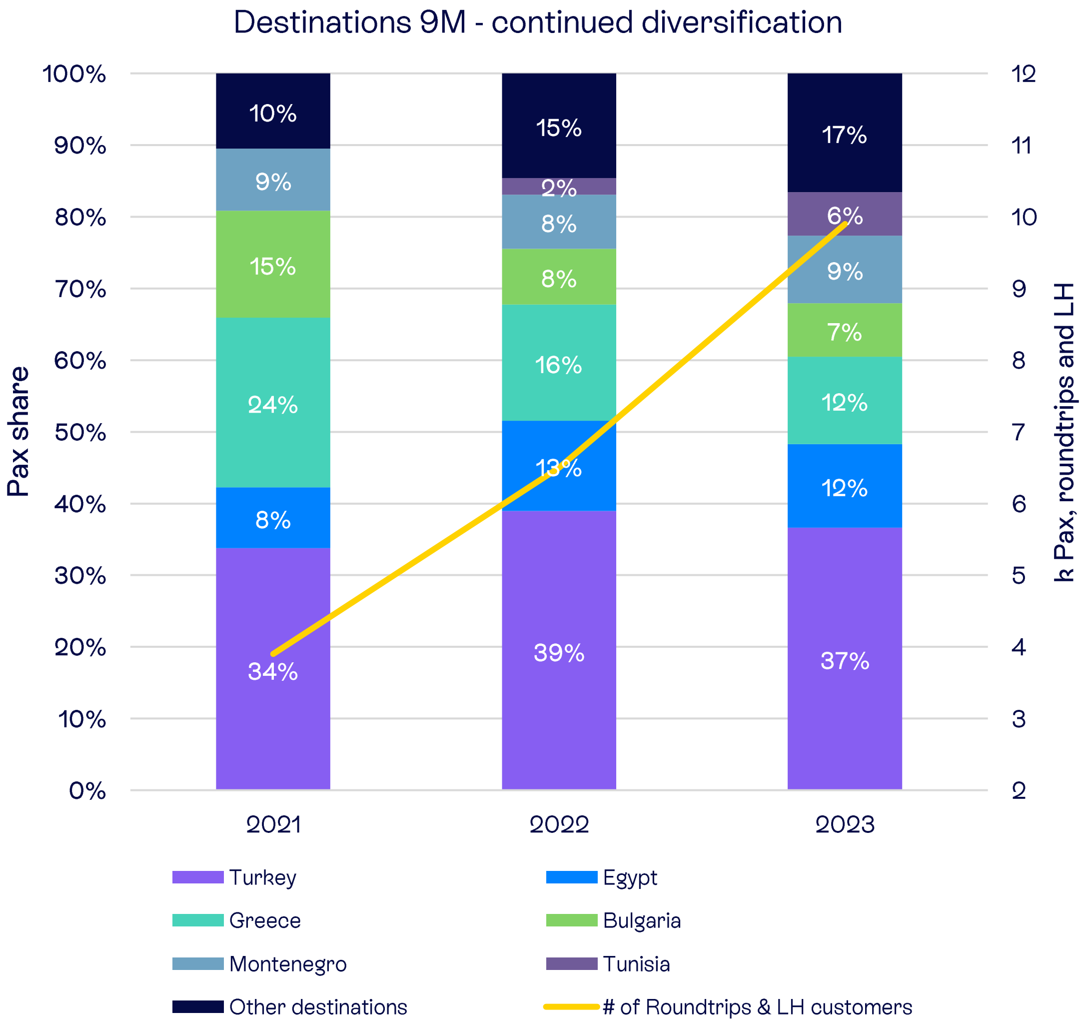
Pax served

- In 2021 6 leisure countries accounted for over 5 k served pax each while in 2023 number of such countries increased to 9 (adding Tunisia, Portugal, Italy to portfolio of major destinations).

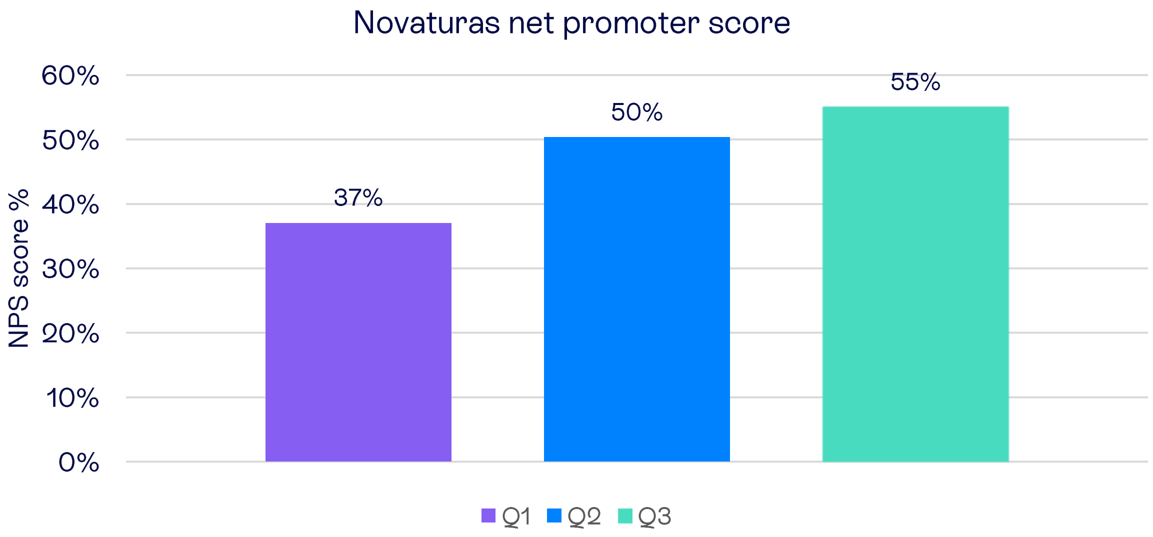
- Less than hundred 2021 long haul pax have increased to almost 4 k Pax in 2023. 3,8 k round trip pax of 2021 (mostly homeland travelers) have converted to 5,8 k European travelers.



Customer perspective

- During the quarter NPS of Novaturas' customers stays well above 50 %. Q3 NPS average in our markets are LT 60 %, LV 61% and EE 38%.

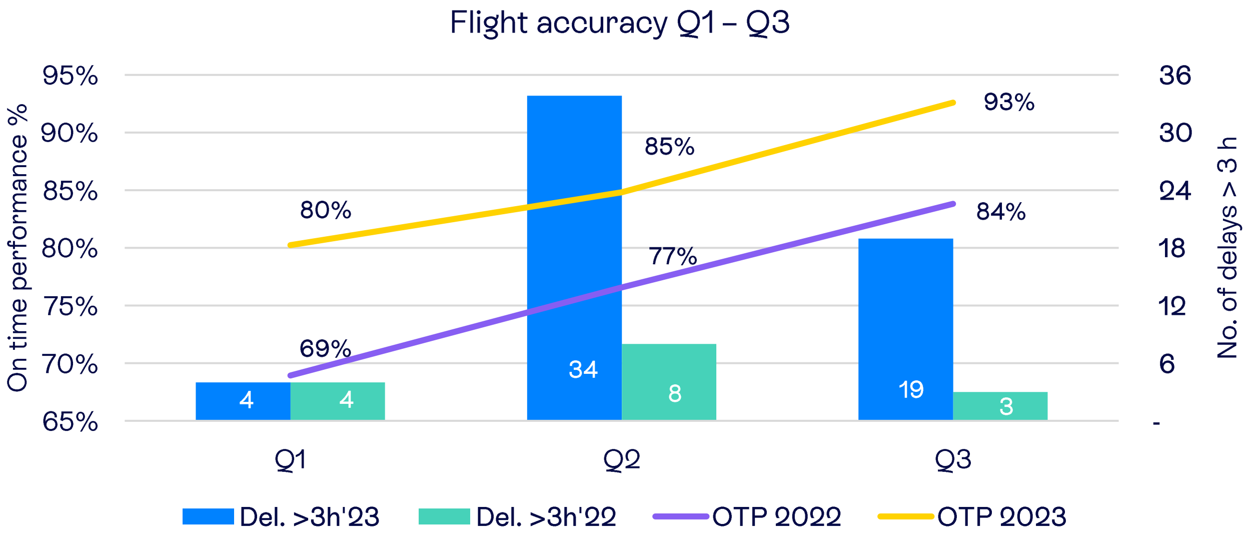
- Customer ratings are all above 50 % for major summer destinations (Turkish, Tunisia, Bulgaria) and are close to 50 % on others.



Customer perspective

- Novaturas on time flight performance has further increased during the quarter with quarterly average of 93%. During the quarter had happened 3 flights with delay over 3h, down from 19 during Q3'2022

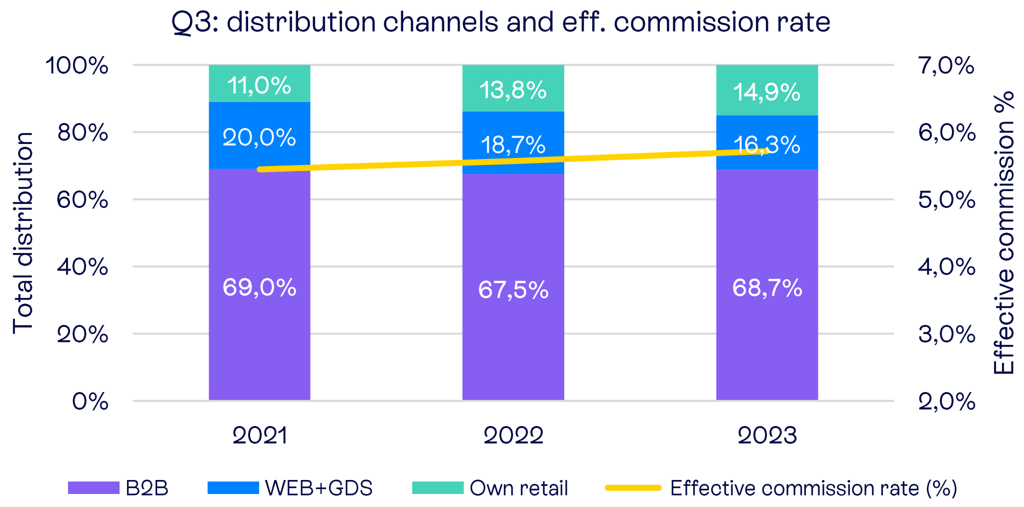
- On 9 months basis number of delayed over 3 h flights have reduced from 57 to 15 while share of on time performed flights (these include minor delays up to ½ h have increased from 78% as for 9 months of 2022, to 87 % for 9 months of current year.

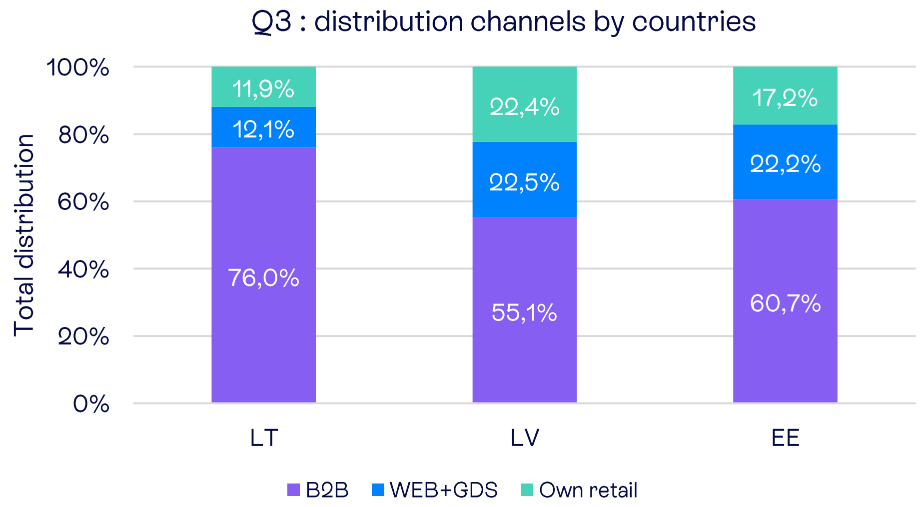


Distribution

- Share of own retail further increases from 13,8% on Q3'22 to 14,9% Q3'23. However Novaturas' web and especially – flight ticket sales during Q3 went down and thereby total own sales share went down by 1,2% to the favor of B2B share.

- In August Novaturas launched new web page. September – November were dedicated for after-launch issue solving. At the moment majority of issues solved and web sales that initially went down, starts to recover.





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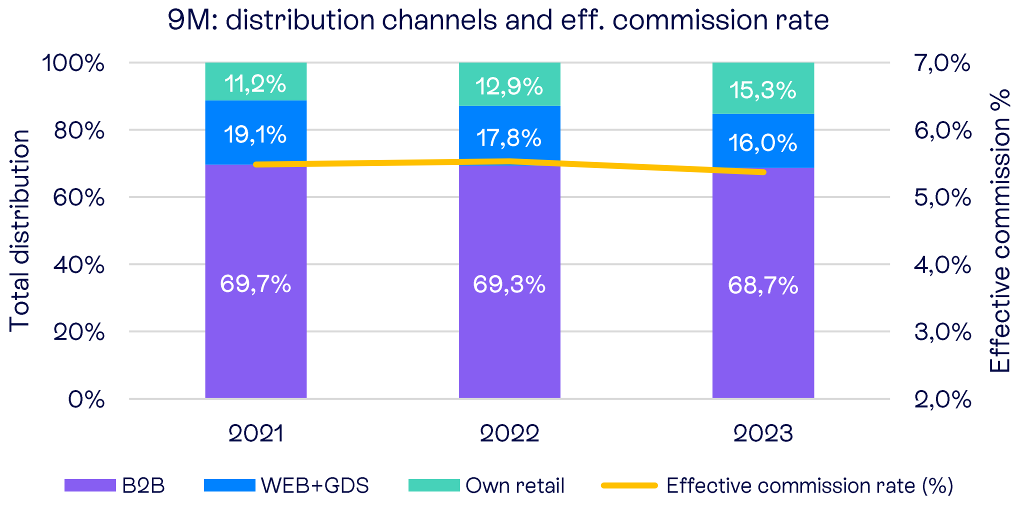
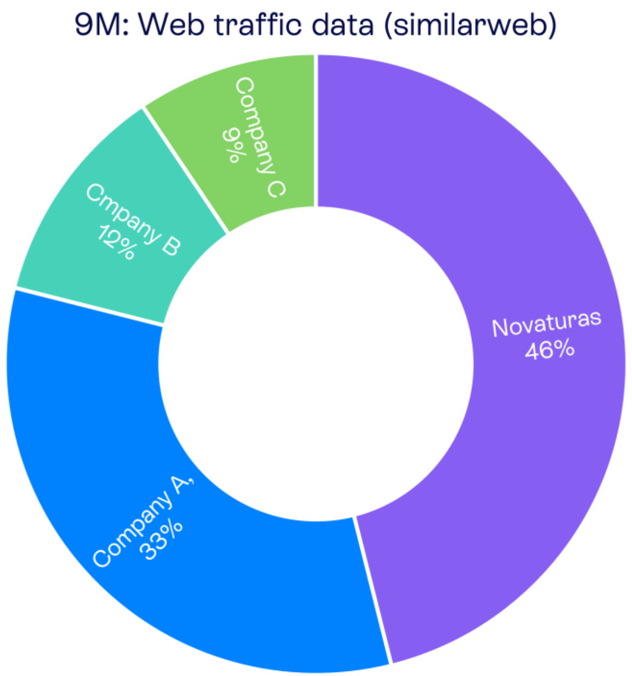
Distribution

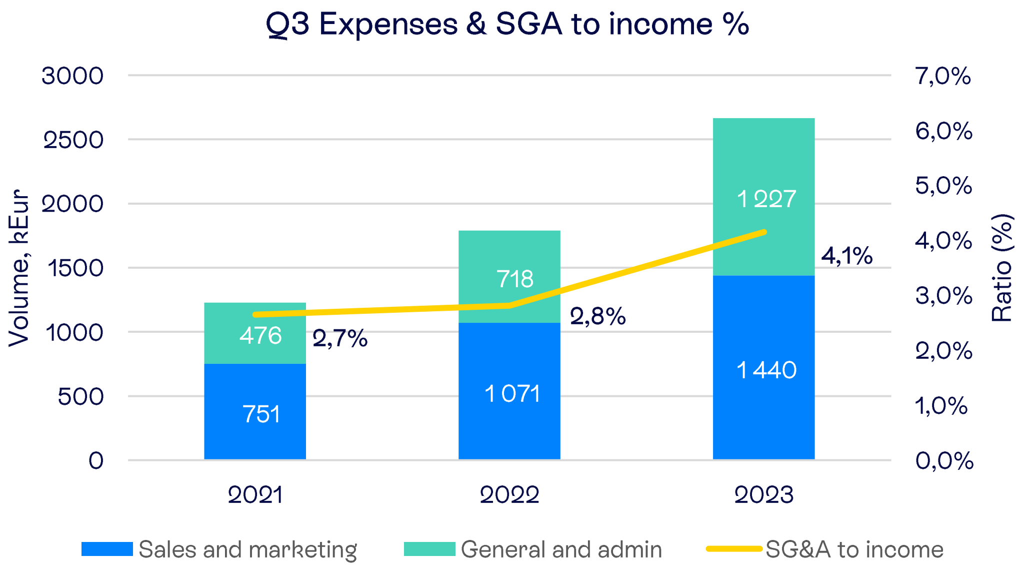


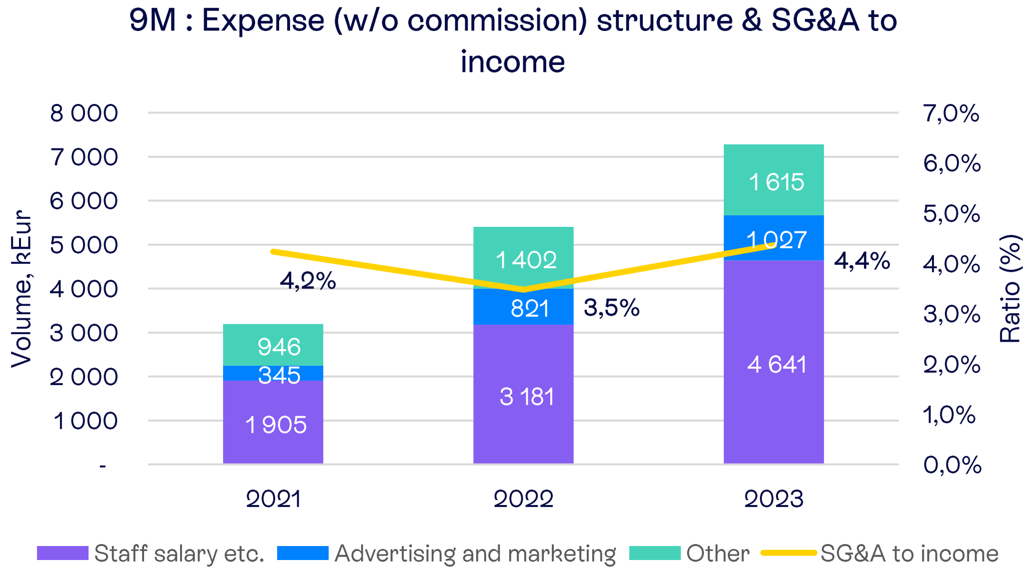


- On 9 months basis share of own channels sales improves by 0,6 p.p. due to own retail performance. Such trend drives reduction of effective commission rate by 0,1 p.p. – from 5,5 % 9M'2022 to 5,4 % on 9M'2023.

- Novaturas remains leader of web traffic share in Baltics. We remain committed for further web enhancements such as automated hotel images and descriptions, descriptions of excursions, meet our guides functionality and others.

Expenses



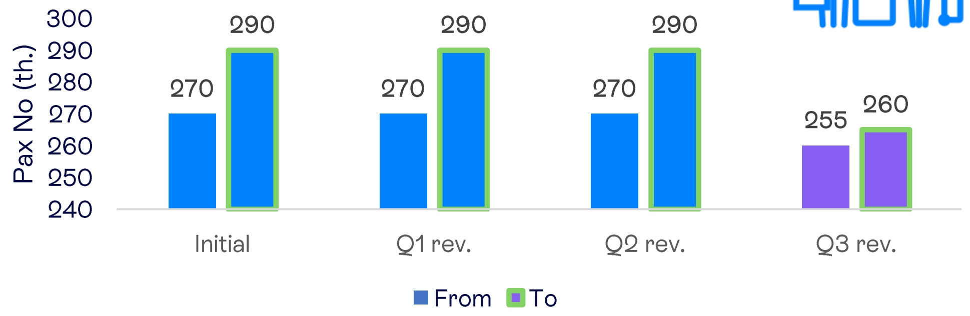


- Quarterly costs are up from 1,8 mEur (Q3 2022) to 2,7 mEur (Q3 2023).
- Such growth drives expense ratio increase from 2,8 % to 4,1 % which is in line with both Q2 value and pre – pandemic periods.
- Quarterly accruals booked on Q3 accounts (prior year booked on Q4) amounts to 365 kEur and drives up expense ratio by 0,6%.

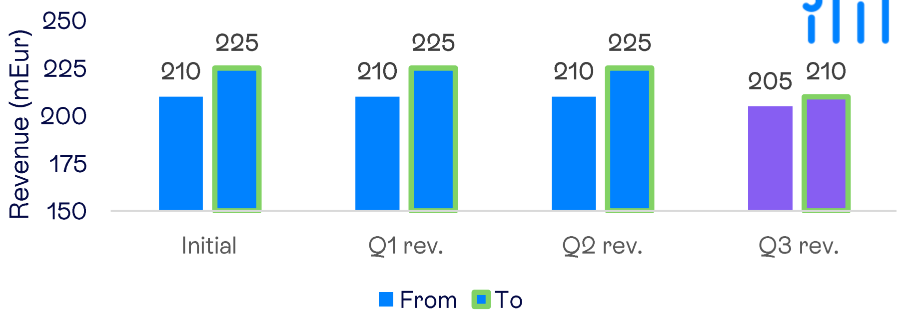
- 64 % of Group expenses comprise from staff salaries and on YoY basis grows by 1,5 mEur (46 %). Out of total growth 0,5mEur (17pp) are bonus accruals and stock option costs that were not present in accounts of 9M'2022, FTE increase at c20 % (mainly IT related and other resources needed for strategy implementation) brings additional 0,6 mEur, reminder of growth (0,3 mEur / 9pp) relates to salary inflation.
- Advertising and marketing as well as other expenses each grows by 0,2 mEur and relates to more intense marketing activities and use of external professional service providers.

Forward looking statement

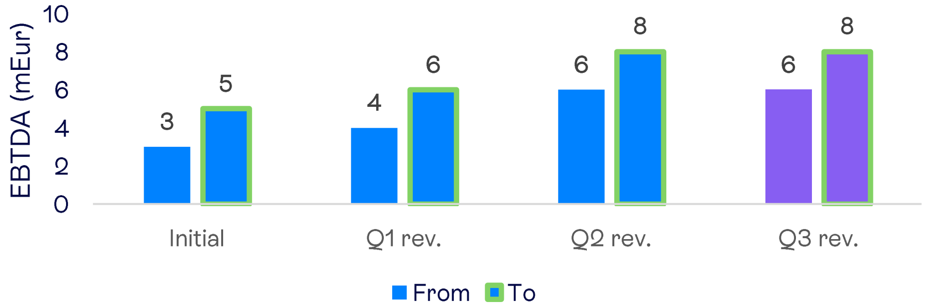
Annual volume 2023



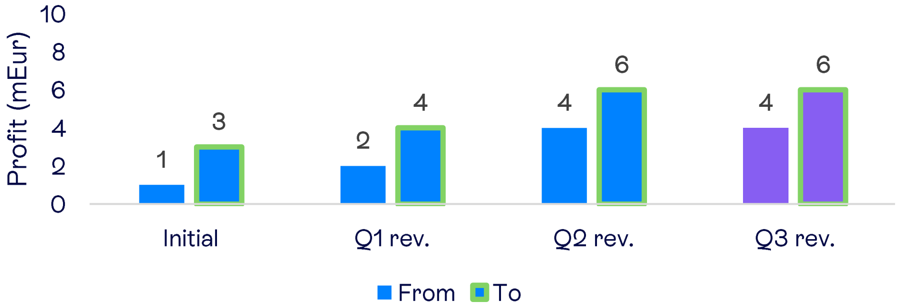
Annual revenue 2023



Annual EBITDA 2023



Net profit 2023




Q&A

Appendices

Main ratios

	9 months			Δ		Third quorter			Δ	
Financial ratios (Eur'000)	**2023**	**2022**	**2021**	**23/22**	**22/21**	**2023**	**2022**	**2021**	**23/22**	**22/21**
Sales	166 823	155 307	75 414	+7,4	+105,9	64 287	63 660	46 300	+1,0	+37,5
Gross profit	23 290	15 275	9 190	+52,5	+66,2	7 627	7 421	4 026	+2,8	+84,3
Operating profit	7 162	1 317	1 856	+443,8	-29,0	1 378	2 092	149	-34,1	+1 304,0
EBITDA*	7 908	910	1 955	+769,0	-53,5	2 322	2 161	447	+7,5	+383,4
Profit before taxes	6 935	290	1 111	+2 291,3	-73,9	1 920	1 950	81	-1,5	+2 307,4
Net profit for the period	6 367	276	1 096	+2 207,0	-74,8	1 623	1 936	(13)		
Relative indicators										
Number of ordinary registered shares	7 807 000	7 807 000	7 807 000	-	-	7 807 000	7 807 000	7 807 000	-	-
Earnings per share (EUR)	0,82	0,04	0,14	+0,78	-0,11	0,21	0,25	(0,00)	-0,04	+0,25
Gross profit margin (%)	13,96	9,84	12,19	+4,1 pp	-2,4 pp	11,86	11,66	8,70	+0,2 pp	+3,0 pp
Operating margin (%)	4,29	0,85	2,46	+3,4 pp	-1,6 pp	2,14	3,29	0,32	-1,1 pp	+3,0 pp
EBITDA margin (%)	4,74	0,59	2,59	+4,2 pp	-2,0 pp	3,61	3,39	0,97	+0,2 pp	+2,4 pp
Profit before taxes margin (%)	4,16	0,19	1,47	+4,0 pp	-1,3 pp	2,99	3,06	0,17	-0,1 pp	+2,9 pp
Net profit margin for the period (%)	3,82	0,18	1,45	+3,6 pp	-1,3 pp	2,53	3,04	(0,03)	-0,5 pp	+3,1 pp
Return on assets (ROA) (%)	11,54	0,50	2,05	+11,0 pp	-1,6 pp	2,94	3,51	(0,02)	-0,6 pp	+3,5 pp
Return on equity (ROE) (%)	31,07	1,80	7,18	+29,3 pp	-5,4 pp	7,92	12,60	(0,09)	-4,7 pp	+12,7 pp
Debt / equity ratio (%)	35,26	88,36	114,07	-53,1 pp	-25,7 pp	35,26	88,36	114,07	-53,1 pp	-25,7 pp
Equity ratio (%)	37,16	27,82	28,58	+9,3 pp	-0,8 pp	37,16	27,82	28,58	+9,3 pp	-0,8 pp
Actual profit tax rate (%)	8,18	4,83	1,35	+3,4 pp	+3,5 pp	15,45	0,72	116,05	+14,7 pp	-115,3 pp
Total liquidity ratio	80,49	82,68	97,91	-2,19	-15,23	80,49	82,68	97,91	-2,19	-15,23

* EBITDA recalculated to include all non interest related financial items (i.e. forex, derivative results etc.)

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Consolidated statements of comprehensive income

	9 Months			Third quarter		
Eur'000	2023	2022	2021	2023	2022	2021
Sales	166 823	155 307	75 414	64 287	63 660	46 300
Cost of sales	(143 534)	(140 032)	(66 224)	(56 661)	(56 239)	(42 274)
Gross profit	**23 290**	**15 275**	**9 190**	**7 627**	**7 421**	**4 026**
Sales and marketing expenses	(13 115)	(11 716)	(5 887)	(5 115)	(4 616)	(3 271)
General and admin expenses	(3 124)	(2 279)	(1 446)	(1 227)	(718)	(476)
Other operating income	111	39	-	93	6	(130)
Other operating expenses	(0)	(2)	(1)	(0)	(1)	-
Profit from operations	**7 162**	**1 317**	**1 856**	**1 378**	**2 092**	**149**
Finance income	1 050	273	89	921	215	(191)
Finance (expenses)	(1 277)	(1 300)	(834)	(379)	(357)	123
Profit before tax	**6 935**	**290**	**1 111**	**1 920**	**1 950**	**81**
Income tax	(568)	(14)	(15)	(297)	(14)	(105)
Net profit	**6 367**	**276**	**1 096**	**1 623**	**1 936**	**(24)**
Other comprehensive income						
Change in cash flow hedge	-	3	482	-	-	13
Impact of income tax	-	-	(72)	-	-	(2)
Total comprehensive income for the year	**6 367**	**279**	**1 506**	**1 623**	**1 936**	**(13)**

Consolidated balance sheet

Eur'000	As at 30 September 2023	2022	2021
ASSETS			
Non-current assets			
Goodwill	30 327	30 327	30 327
Intangible assets	845	361	98
Property, plant and equipment	129	92	78
Right-of-use assets	278	346	219
Long term receivables	244	129	48
Deferred income tax asset	456	854	868
Total non-current assets	**32 278**	**32 109**	**31 638**
Current assets			
Inventories			2
Prepayments and deferred expenses	7 367	6 531	3 455
Trade accounts receivable	703	267	269
Prepaid income tax	6	-	70
Other receivables	1 019	922	195
Other current financial assets	2 473	2 600	-
Restricted cash	200	200	2 200
Cash and cash equivalents	11 108	12 595	15 597
Total current assets	**22 877**	**23 115**	**21 788**
Total assets	**55 155**	**55 224**	**53 426**

Eur'000	As at 30 September 2 023	2 022	2 021
EQUITY AND LIABILITIES			
Share capital	234	234	234
Cash flow hedge reserve	0	-	(11)
Own shares acquired	(249)	-	-
Own shares acquisition reserve	1 250	1 250	-
Legal reserve	29	29	29
Foreign currency translation reserve	145	145	145
Retained earnings	19 088	13 708	14 870
Equity attributable to parent	**20 497**	**15 366**	**15 267**
Non-controlling interests	-		-
Total equity	**20 497**	**15 366**	**15 267**
Non-current liabilities			
Non-current borrowings	6 102	11 694	15 824
Deferred tax liability	-	-	-
Non-current lease liabilities	133	207	83
Other non current liabilities	-	-	-
Total non-current liabilities	**6 235**	**11 901**	**15 907**
Current part of non - current borrowings	843	1 506	1 360
Trade payables	6 032	7 720	6 634
Advances received	18 852	17 373	13 075
Income tax payable	152	9	-
Other current liabilities and accrued ex	2 395	1 178	1 024
Current lease liabilities	149	171	148
Other current financial liabilities	-	-	11
Total current liabilities	**28 423**	**27 957**	**22 252**
Total equity and liabilities	**55 155**	**55 224**	**53 426**

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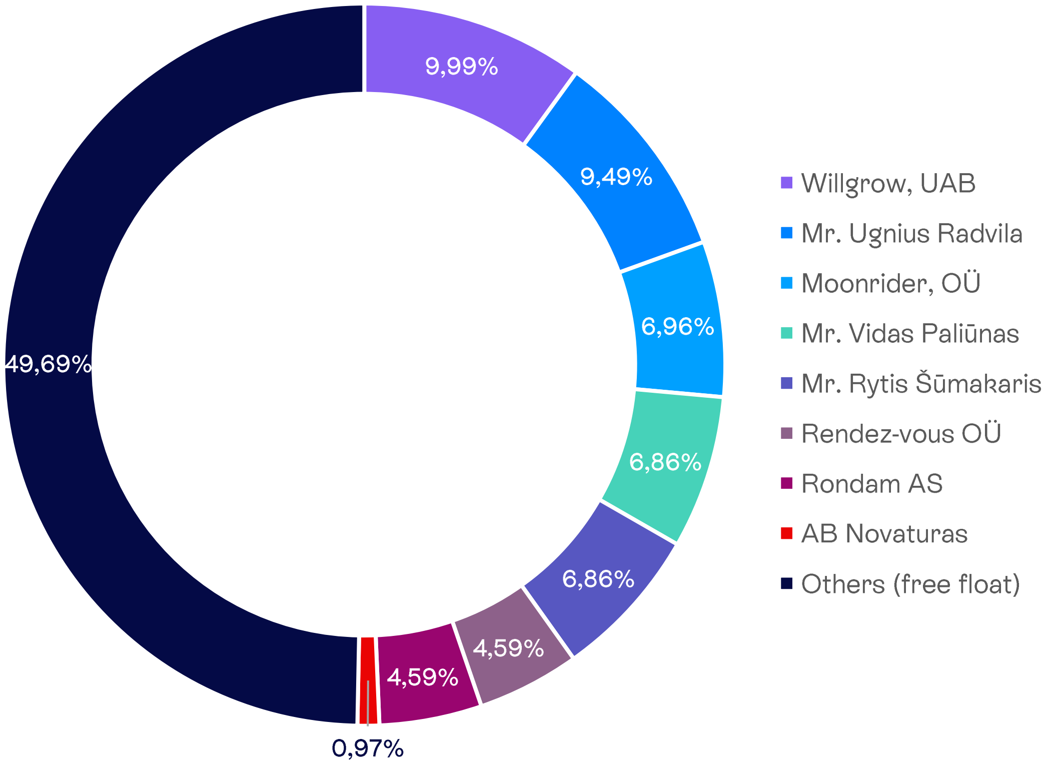
Consolidated cash flow statement

Eur'000	9 months 2023	9 months 2022	9 months 2021	Third quarter 2023	Third quarter 2022	Third quarter 2021
Net profit	6 367	276	1 096	1 623	1 936	(24)
Adjustments for non-cash items	1 622	601	1 363	751	187	369
Changes in working capital	6 402	12 065	10 534	8 189	5 547	3 102
Net cash flows from operating activities	14 392	12 942	12 993	10 564	7 670	3 447
Net cash flows from investing activities	(2 910)	(2 893)	(63)	(2 609)	(2 700)	(20)
Loans received	4 000	2 593	12 038	-	-	1 090
Loans repaid	(5 894)	(5 198)	(11 707)	(5 239)	(1 832)	(6 310)
Interest paid	(715)	(569)	(829)	(193)	(192)	(347)
Lease paid	(85)	-	-	(85)	-	-
Shares buyback	(249)	-	-	(249)	-	-
Dividends paid	-	-	-	-	-	-
Net cash flows from financing activities	(2 943)	(3 174)	(498)	(5 766)	(2 024)	(5 567)
Net change in cash flows	8 538	6 875	12 432	2 188	2 946	(2 140)
Cash & equivalents at beginning of period	2 770	5 919	5 365	9 120	9 848	19 937
Cash & equivalents at close of period	11 308	12 794	17 797	11 308	12 794	17 797

Shareholder structure



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Company information

Name	Position	Voting rights owned (%)
Mr. Gediminas Almantas	Independent member, chairs the board	-
Mr. Tomas Korganas	Member of the board	-
Mr. Ugnius Radvila	Member of the board	9,49%
Mr. Vitalij Rakovski	CEO	-
Mrs. Ieva Galvydienė	CCO	-
Mrs. Rasa Barysienė	CSO	-
Mr. Vygantas Reifonas	CFO	-

Novaturas group PLC

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www.novaturasgroup.com
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Company established: 1999 12 16

Stock Listing:
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Nasdaq Vilnius Stock Exchange

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