

Sixth Edition | 2025

The Travel Diaries

The Annual Update from the BDO Travel M&A Team



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01

Introduction and market overview



Welcome to the 2025 edition of The Travel Diaries

It is a pleasure to work in this sector and meet so many interesting people and companies. Travel connects us all - from spending quality time with those who we consider closest, to talking (and dreaming!) about the next adventure we have planned and booked - we all love travel. As consumers, when we consider our spending plans for the next year and review our consumption choices in previous years, I am yet to meet anyone that regretted taking a holiday.

All consumers value travel highly, that's evidenced from consumer research and the insatiable desire for people to get away. It brings people together from across the globe, much like one of 2026's most eagerly anticipated events - the FIFA 2026 World Cup in North America. With England and Scotland (and hopefully either Wales or Northern Ireland) travelling across the Atlantic - and England as one of the tournament favourites - there's a lot of expectation (once again).

2025 was another impressive year for travel M&A. In this year's Travel Diaries, we share BDO's outlook on the deals market, the growth leagues for both domestic and outbound businesses, as well analysis on the changing make-up of the largest outbound UK travel companies.

We hope you enjoy this year's edition.

Safe travels,



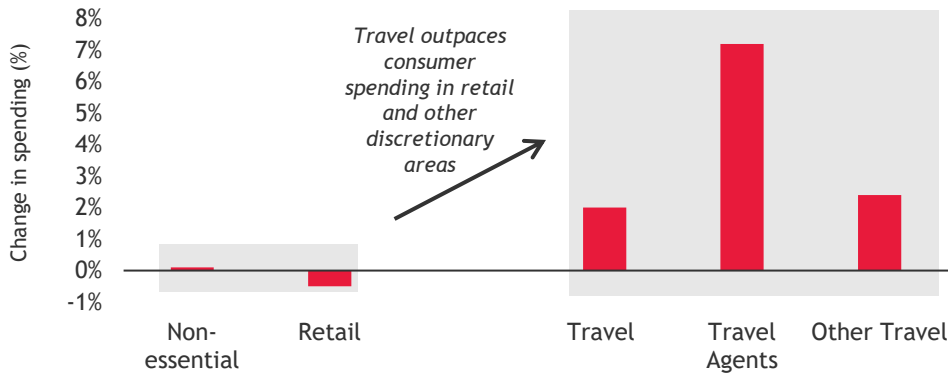
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Four reasons to be positive

Other reasons to be positive include England and Scotland both qualifying for the World Cup for the first time since 1998, which saw the hosts, France, beat Brazil in the final.

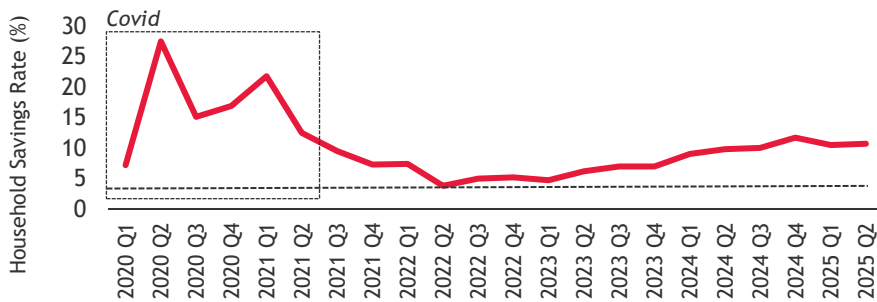
01 Consumers value experiences over 'things'



Source: Barclays Market and Customer Insights. Oct-25 vs Sept-25

Travel spending remains non-discretionary for the UK consumer. Barclaycard data shows that Travel Agent spending increased by 7% between September 25 and October 25.

02 The household savings rate shows the UK consumer has room to spend more

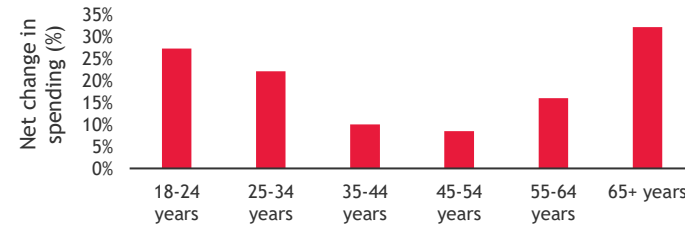


Source: ONS

The UK consumer household savings rate is above the 10-year average, showing the strength of personal finances.

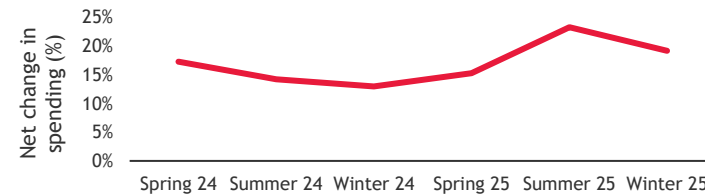
03 BDO's consumer survey shows positive spend intention for travel

"Looking ahead, how do you anticipate your spending to change in the next 6 months?"
(increase significantly, increase, stay the same, decrease, decrease significantly)
Winter 2025 - W/c 17 Nov 25



Those over the age of 65 show the greatest intention to grow their holiday spend in the next 6 months, followed by young adults.

Source: BDO

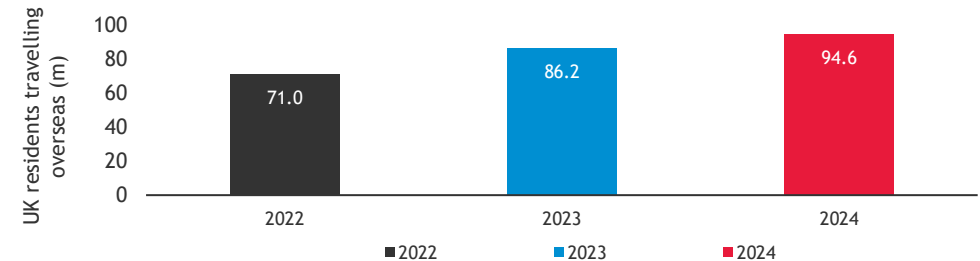


UK consumers are consistently showing they'll be spending more on holidays in the next 6-month period.

Source: BDO

04 The UK consumer is travelling abroad more than ever

In 2024, the number of times UK residents travelled abroad reached 94.6m, surpassing record highs last seen in 2019 (93.1m).



Source: ONS

Trade buyers set the pace

A bit like Brazil in 2002. Brazil, the country with the most world cup titles, won their group and only conceded 4 goals on their way to the title in 2002.

What are the key takeaways from 2025 deal-doing?

The charts to the right show UK travel M&A deal volume from 2009 to 2025.

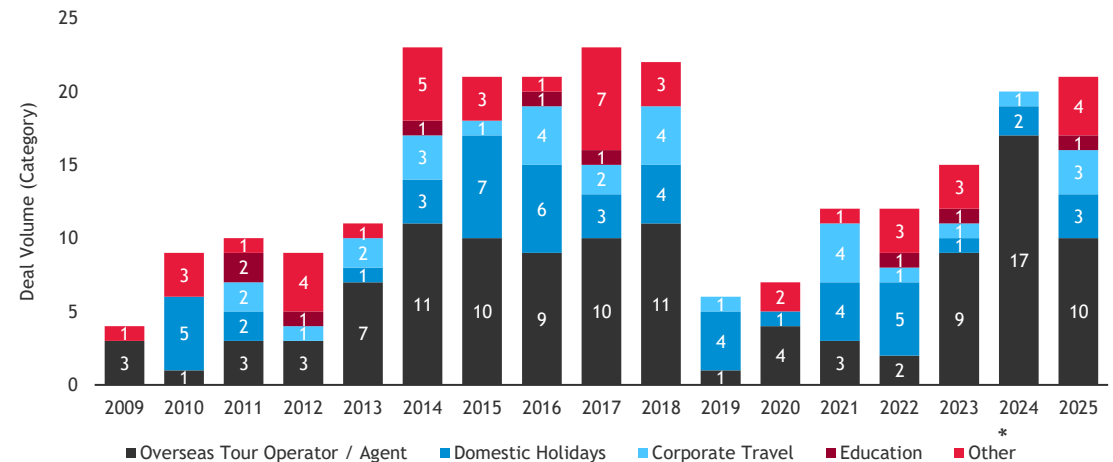
Key takeaways from deal-doing in 2025:

- ▶ Trade buyers have acquired significantly more travel businesses in 2025 than in 2024, with fewer deals involving Private Equity.
- ▶ Private Equity are still engaging with travel mandates, and the bar is higher than ever to get deals completed. Preparation, time, positioning and the right technology solutions are key.
- ▶ Deal volume in 2025 has exceeded the number of deals in 2024.

What are the key takeaways from 2025 deal-doing?

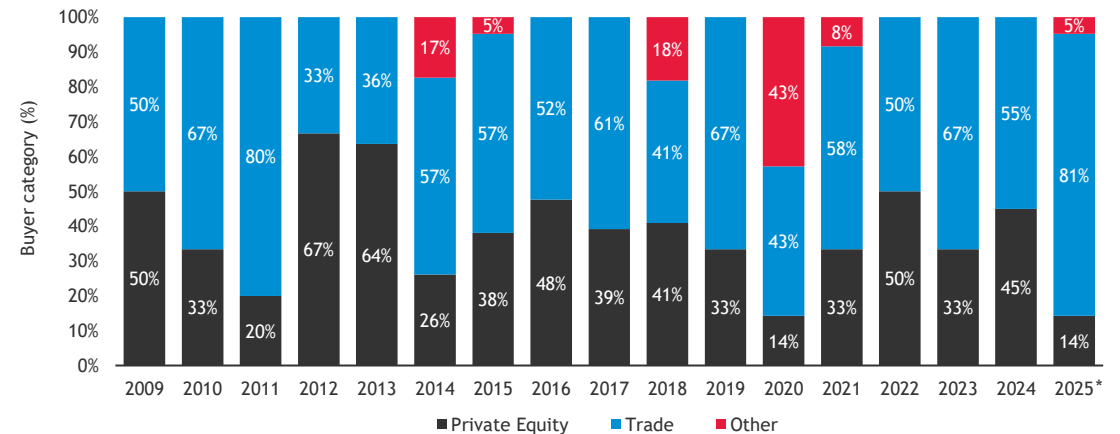


UK travel deal volume by sub-category 2009-2025



Source: Mergermarket

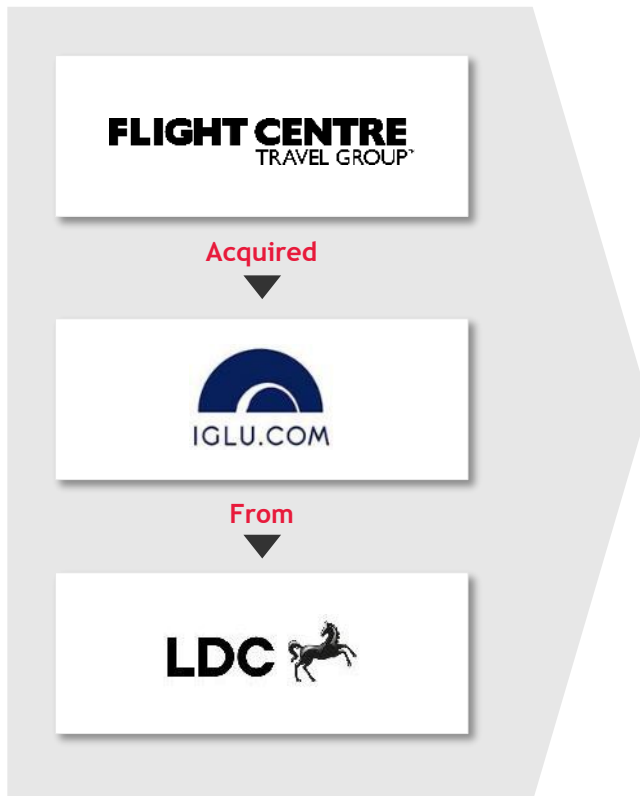
UK travel deal volume by acquirer type 2009-2025



* 2025 is the position as of 16th December 2025

BDO is delighted to have advised Flight Centre on its £122m acquisition of Iglu from LDC

BDO acted as Buy-Side M&A, Financial DD and Tax Advisors to Flight Centre



The acquisition of Iglu significantly strengthens Flight Centre's Leisure division:

- ▶ Iglu operates in the £5bn UK cruise market
- ▶ The transaction doubles Flight Centre's global cruise revenues.
- ▶ Iglu has shown consistent TTV growth of 15-20% per year
- ▶ Iglu is the leading online agent in the UK cruise market.
- ▶ Iglu's best-in-class digital platform will serve as a springboard for future expansion in the US and Australia.





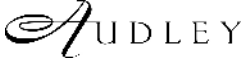



BDO provided invaluable advice and support over the course of a very complex and drawn-out acquisition process. BDO's knowledge and experience in the travel sector was evident and enabled them to add real value and insights to the transaction.

David Smith
General Manager - Mergers & Acquisitions and
Company Secretary | Flight Centre Travel Group

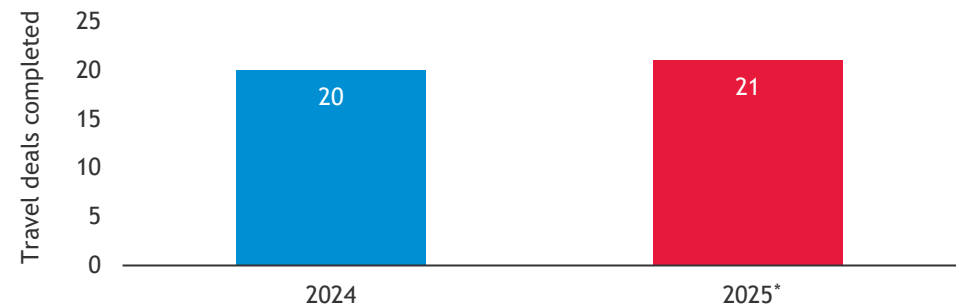
Some predictions...

After reaching the Semi Finals at Italia '90, no football commentators would have predicted both England and France would miss the '94 world cup, the last to be held in the USA. We're confident that our predictions are more likely to happen!

Our predictions from the 2024 Travel Diaries







 IGLU.COM Acquired by Flight Centre	 GREAT RAIL JOURNEYS Acquired by Vitruvian	 AUDLEY Offers received but rejected
 RIVIERA TRAVEL Offers received but rejected		 cruise.co.uk THE REAL CRUISE PEOPLE Acquired by Hays

BDO predicted that 2025 would be another big year for travel deals, with 21 deals completing so far



Source: Mergermarket
 *As at 16th December 2025

Our deal predictions for 2026

 loveholidays	 Travelopia	
 TOUR PARTNER GROUP	 AUDLEY	 Rabbie's

Key themes in 2026 to consider before selling your business

- 01 Investor and acquirer focus will shift away from ESG management and toward AI adoption. Understanding the opportunities and threats this has for your business is important.
- 02 Multiple source markets are a key factor for value enhancement. Knowing who your customers are, the Total Addressable Market ('TAM') and having a clear international strategy are critical.
- 03 Know the key metrics such as repeat rate, lifetime value and customer acquisition costs by channel. This evidences good systems, data driven decision making and more predictable ROI.

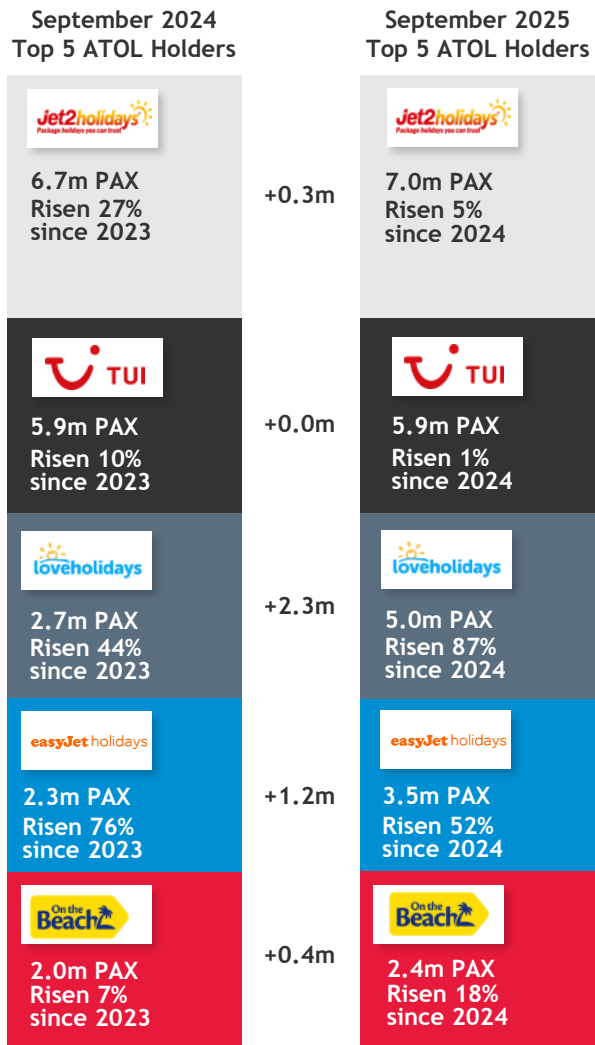
02

Which businesses are growing in Travel?



Top ATOL Holders by PAX and year-on-year growth (Sept' 2024 vs Sept' 2025)

The Top 5 ATOL Holders (Sept' 2024 vs Sept' 2025)



Top 100 holders:
32.5m
 Passengers
 (2024: 29.2m)

Top 5 ATOL holders
 as a % of the top 100:
73%
 (2024: 67%)

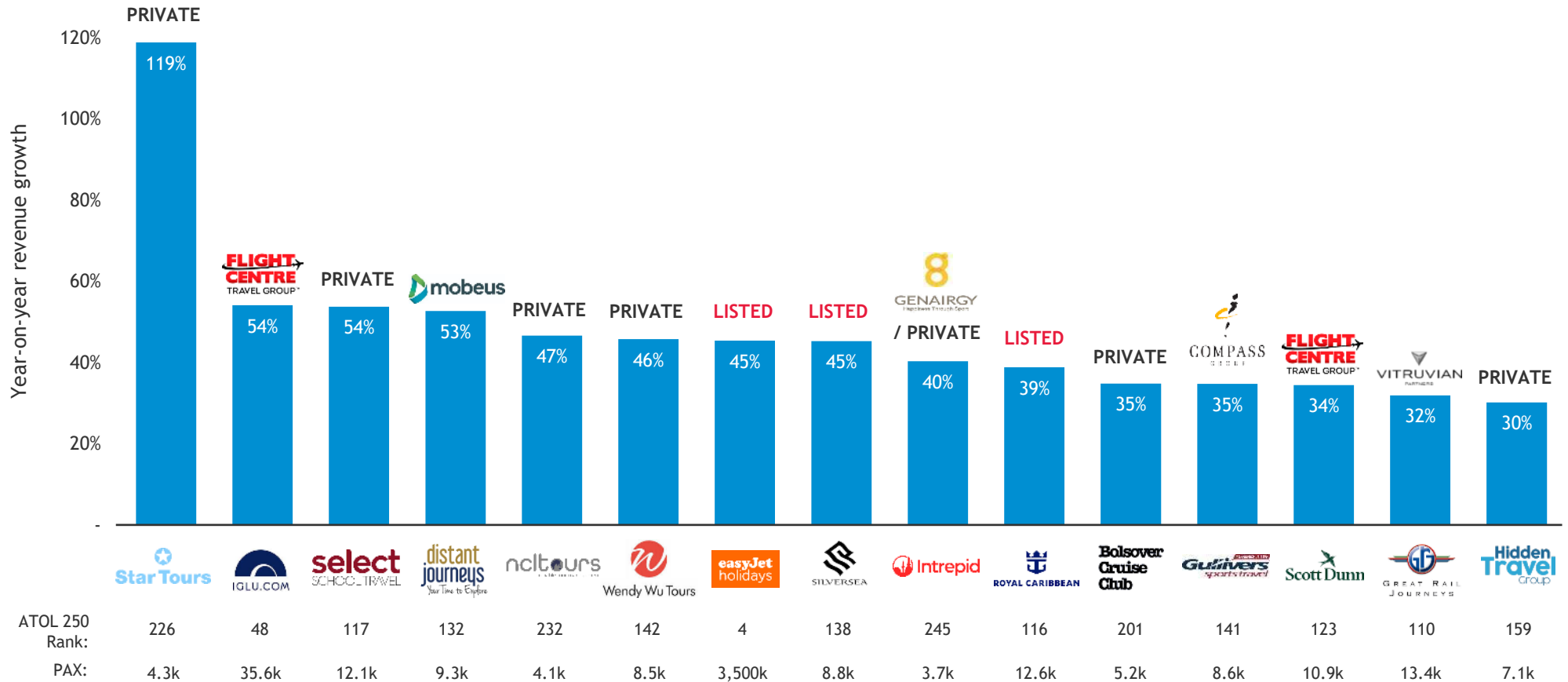
The Top Growing ATOL Holders in the Top 250 (Sept' 2024 vs Sept' 2025)

Rank	ATOL Holder	2024 PAX	2025 PAX	YOY Growth	ATOL 250 Rank
01	LUXURYSCAPES	1.2k	33.6k	2,559%	51
02	Cultural Tours Limited	0.9k	6.5k	610%	168
03	Trip.com	16.2k	100.8k	522%	20
04	PCM Travels	1.5k	8.2k	465%	149
05	NUCOI	1.0k	4.8k	384%	212
06	ST JOHNS TRAVEL	1.1k	4.7k	325%	217
07	Thomas Cook	50.6k	165.1k	226%	17
08	WE-SKI	19.3k	61.6k	219%	31
09	G Adventures	4.7k	11.8k	151%	118
10	PANAMA TRAVEL	2.2k	4.8k	116%	214

Source: CAA ATOL Report (2024 data accessed 4th October 2024, 2025 data accessed 17th November 2025)

BDO outbound travel growth league

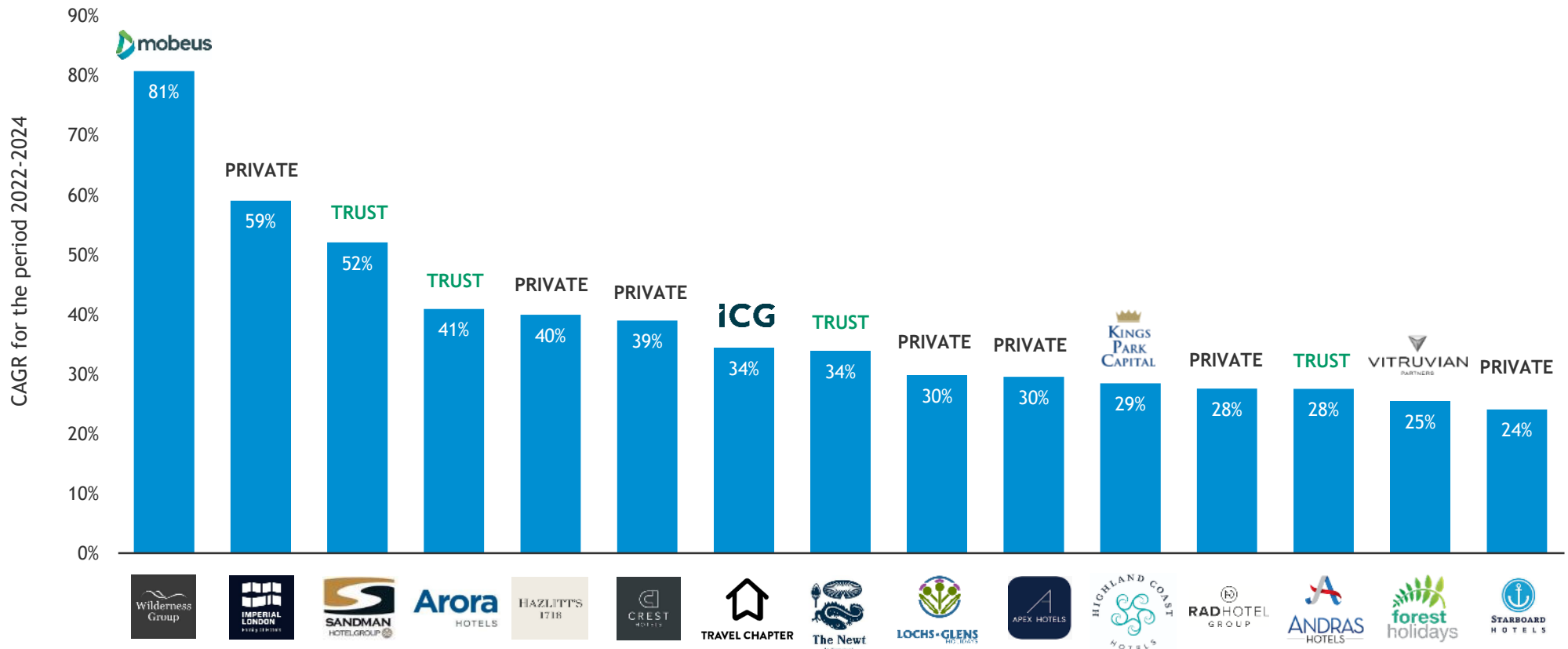
Congratulations to Star Tours, Iglu.com and Select School Travel, who make up the top three of our 2025 Outbound Growth League



The Outbound Growth League lists the 15 highest growing travel companies out of the top 250 ATOL license holders, ranked in order of revenue growth from the previous year.

BDO domestic travel growth league

Congratulations to Wilderness Group, Imperial London Hotels Group and Sandman Hotel Group, who make up the top three of our Domestic Growth League



The Domestic Travel Growth League lists the UK's fastest growing travel companies by revenue, which cater for domestic and inbound customers. The chart shows the top 15 based on their reported revenue compound annual growth rate (CAGR) between 2022 to 2024. The list excludes internationally focussed entities and companies with revenue less than £5 million.

03 Our expertise

Our M&A travel credentials

<p>Buy-side</p>  <p>Acquisition by Cruise.Co</p>	<p>Sell-side</p>  <p>Sale to Bridgepoint Development Capital</p>	<p>Buy-side</p>  <p>Acquisition by dnata</p>	<p>Buy-side</p>  <p>Acquisition by Growth Capital Partners</p>	<p>Buy-side</p>  <p>Acquisition by Inflexion Private Equity</p>	<p>Buy-side</p>  <p>Acquisition by dnata</p>	<p>Sell-side</p>  <p>Sale to TUI Travel</p>	<p>Sell-side</p>  <p>Sale to eDreams</p>	<p>Buy-side</p>  <p>Acquisition by Al Tayyar travel group</p>
<p>Buy-side</p>  <p>Acquisition by Clarity Travel Management</p>	<p>Buy-side</p>  <p>Acquisition by dnata</p>	<p>Sell-side</p>  <p>Sale to Holiday Extras for Thomas Cook</p>	<p>Sell-side</p>  <p>Sale to Travel Leaders</p>	<p>Buy-side</p>  <p>Acquisition by JacTravel</p>	<p>Buy-side</p>  <p>Acquisition by Vitruvian Partners</p>	<p>Buy-side</p>  <p>Acquisition by dnata</p>	<p>Sell-side</p>  <p>Sale to Risk Capital Partners</p>	<p>Buy-side</p>  <p>Sale to Portman Travel Group</p>
<p>Sell-side</p>  <p>Sale to On The Beach plc</p>	<p>Buy-side</p>  <p>Acquisition by Inflexion Private Equity</p>	<p>Sell-side</p>  <p>Sale to Equistone Partners</p>	<p>Buy-side</p>  <p>Acquisition by ECI Partners</p>	<p>Sell-side</p>  <p>Significant minority investment by Rockpool</p>	<p>Sell-side</p>  <p>Sale to Hotelbeds</p>	<p>Sell-side</p>  <p>Sale to Hotelplan</p>	<p>Sell-side</p>  <p>Sale to Alcuin Capital Partners</p>	<p>Investor advice</p>  <p>Investor advice to LDC on its exit</p>
<p>Sell-side</p>  <p>Sale of Cruising Excursion to Hornblower Group</p>	<p>Sell-side</p>  <p>Sale to Green Tomato Cars</p>	<p>Buy-side</p>  <p>Acquisition by Piper</p>	<p>Sell-side</p>  <p>Sale to ctm</p>	<p>Sell-side</p>  <p>Sale to CMAC Group</p>	<p>Buy-side</p>  <p>Acquisition by Portman Travel Group</p>	<p>Sell-side</p>  <p>Sale of PrivateFly to Directional Aviation</p>	<p>Sell-side</p>  <p>Sale to Skyscanner</p>	<p>Buy-side</p>  <p>Acquisition by Portman Travel Group from Capita PLC</p>
<p>Sell-side</p>  <p>Sale to Away Resorts/Ldc</p>	<p>Buy-side</p>  <p>Acquisition by Der Touristik</p>	<p>Sell-side</p>  <p>Sale to Risk Capital Partners</p>	<p>Sell-side</p>  <p>Sale to Piper PE</p>	<p>Sell-side</p>  <p>Investment by Soho Square</p>	<p>Buy-side</p>  <p>Acquisition by Flight Centre Travel Group</p>			

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