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Tongcheng Travel Holdings Limited

Stock Code: 0780

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Investor Presentation

August 2024



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# Agenda

**1**

**2Q2024 and 1H2024 Review**

**2**

**Business Highlights and Updates**

**3**

**Financial Highlights**

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Section 1

2Q2024 and 1H2024 Review

# 2Q2024 and 1H2024 Review – Operating Metrics



APU<sup>(1)</sup>  
**228.3MM**

**4.8%**  
YoY Growth



Accumulated Number of  
Travelers Served<sup>(1)</sup>  
**1.9Bn**

**29.9%**  
YoY Growth



2Q2024 GMV  
**RMB 62.3Bn**

**4.4%**  
YoY Growth



1H2024 GMV  
**RMB 128.2Bn**

**9.7%**  
YoY Growth



2Q2024 MPUs  
**42.5MM**

**0.7%**  
YoY Growth



1H2024 MPUs  
**42.6MM**

**1.9%**  
YoY Growth

## Notes

1. Twelve-month period ended June 30, 2024

# 2Q2024 Review– Financial Metrics



Total Revenue  
**RMB 4.2Bn**  
*Record high*

**48.1%**  
YoY Growth



Core OTA Revenue  
**RMB 3.5Bn**

**23.0%**  
YoY Growth



Tourism Revenue  
**RMB 719.4MM**



Core OTA Operating Profit  
**RMB 858.4MM**  
**24.3%**  
Margin



Tourism Operating Profit  
**RMB 0.7MM**  
**Breakeven**



Adjusted EBITDA<sup>(1)</sup>  
**RMB 913.5MM**  
**21.5%**  
Margin



Adjusted Net Profit<sup>(2)</sup>  
**RMB 656.7MM**  
**15.5%**  
Margin

## Notes

1. Calculated as operating profit adding back share-based compensation(gross), amortization of intangible assets, depreciation of property, plant and equipment, and right-of-use assets, foreign exchange loss(net), net losses on investees, and others
2. Calculated as profit for the period adding back share-based compensation(net), amortization of intangible assets from acquisition, foreign exchange loss(net), net losses on investees, and others

# 1H2024 Review– Financial Metrics



Total Revenue  
**RMB 8.1Bn**  
*Record high*

**48.8%**  
YoY Growth



Core OTA Revenue  
**RMB 6.7Bn**

**24.3%**  
YoY Growth



Tourism Revenue  
**RMB 1.4Bn**



Core OTA Operating Profit  
**RMB 1.6Bn**

**23.5%**  
Margin



Tourism Operating Profit  
**RMB 44.6MM**

**3.2%**  
Margin



Adjusted EBITDA<sup>(1)</sup>  
**RMB 1.7Bn**

**21.4%**  
Margin




Adjusted Net Profit<sup>(2)</sup>  
**RMB 1.2Bn**

**15.0%**  
Margin

## Notes

1. Calculated as operating profit adding back share-based compensation(gross), amortization of intangible assets, depreciation of property, plant and equipment, and right-of-use assets, foreign exchange loss(net), net losses on investees, and others
2. Calculated as profit for the period adding back share-based compensation(net), amortization of intangible assets from acquisition, foreign exchange loss(net), net losses on investees, and others



# 2Q2024 Review – Business Highlights



**Room Nights Sold**

**Total** **10%**  
YoY Growth


**International** **Around 140%**  
YoY Growth



**Air Ticketing Volume**

**Total** **Nearly 20%**  
YoY Growth

**International** **Over 160%**  
YoY Growth





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Section 2  
Business Highlights and Updates



# Business Highlights and Growth Strategy

*User Base*

**Extensive user base with diversified traffic sources**

*Mass Market*

**Solidified position in China's mass market**

*User Engagement*

**Enhanced user engagement and improved user value**

*Data & Technology*

**Continuously refined technological capabilities**

*Business Expansion*

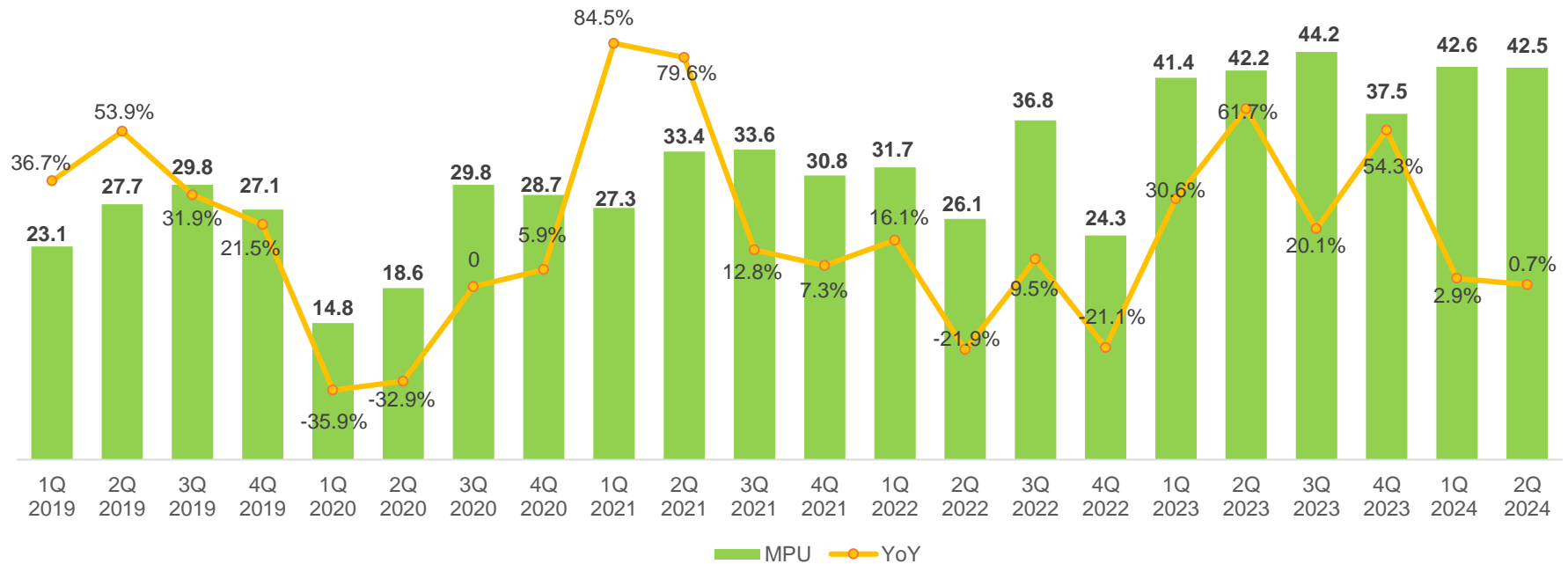
**Pursuing Long-Term Growth as a Comprehensive Travel Platform**

# 1

## Extensive User Base with Diversified Traffic Sources

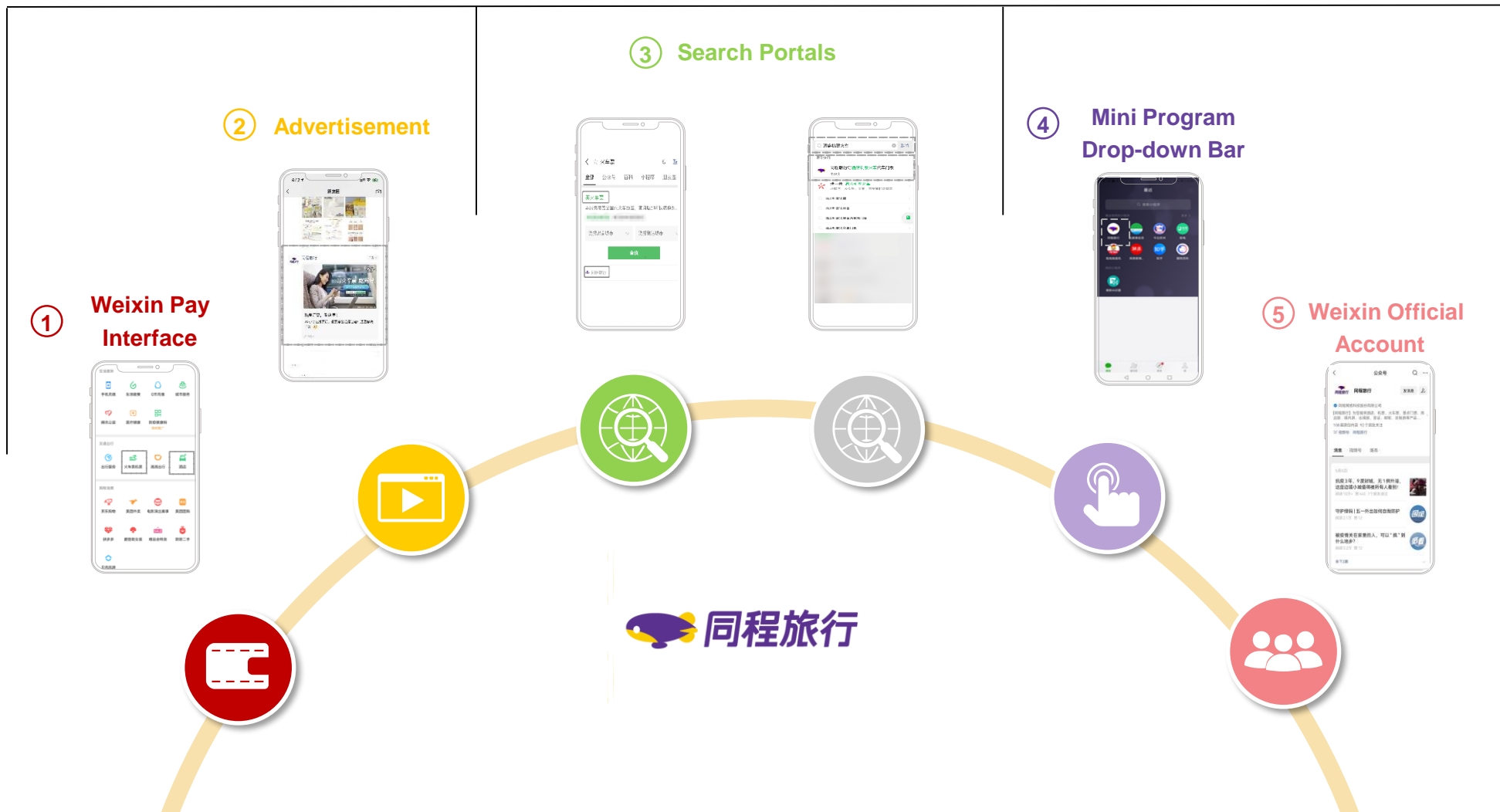
Average MPUs

MM



# 1 Comprehensive Cooperation within Weixin

We Direct Users to Our Mini Program Based Platform from Various Channels on Weixin



1

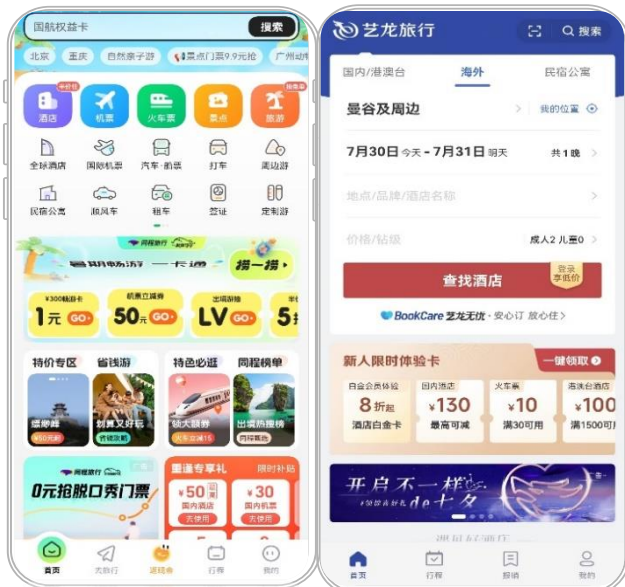
# Expanded User Base through Multiple Channels

Standalone Apps

Cooperation with Handset Vendors

Alipay Mini-program

Offline Traffic Acquisition



Cultivate high-value users



Provide convenient access for users



Broaden user reach



Explore public transport scenario

## Solidified Position in China's Mass Market

### Promising Demographic Feature

**87%**

of registered users  
from non-first-tier  
cities in China <sup>(1)</sup>

**70%**

of new paying  
Weixin users from  
non-first-tier cities  
in China<sup>(2)</sup>



The **great migration to internet** has accelerated online penetration, creating opportunities for OTA like us



The **resilience and vitality** of mass market in China provide us great potential for future growth



Residents in non-first-tier cities have **increasing demands for quality travel products**

#### Notes

1. As of June 30, 2024

2. For the three months ended June 30, 2024

# Enhanced User Engagement and Improved User Value

## Marketing Campaigns



“717” Travel Festival



“Blind Box of Train Tickets” Campaign



Enriched Black-Whale membership with more privileges

## Branding Campaigns




Advertisement on the Tencent Video platform


# 4

# Continuously Refined Technological Capabilities

## Innovative Technology Solutions




**“Huixing” system** provides users with intelligent transportation product combo booking system



**“Technology Solutions”** help airports construct digital infrastructure and thus enhance operational efficiency



**“Hotel SaaS Solutions”** help individual hotels and alternative accommodations in the management of daily operations as well as for the management of inventory, revenue and marketing



Launch an intelligent platform with in-depth data monitor and analysis capability to enhance customer satisfaction and customer service efficiency

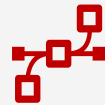
## “Huixing” Smart System



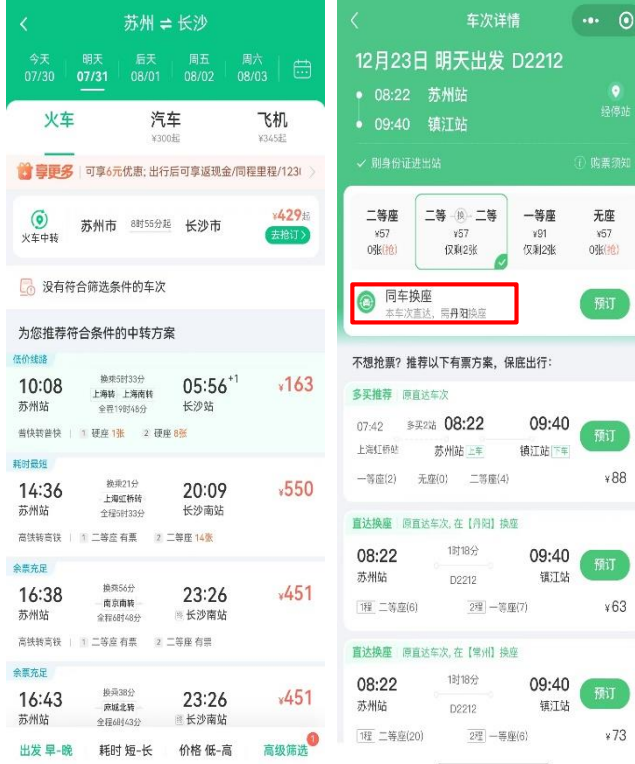
Provide all-in-one transportation planning to allow availability, affordability and achievability



Continuously optimize our algorithm to enhance user experience



Provide a combination of train tickets that connect different legs of the trip when direct train tickets are unavailable. Users can change seats on the same train during their journey



The screenshot displays a search for routes from Suzhou to Changsha. It shows various options including direct flights and train transfers. A specific transfer route is highlighted: Suzhou Station to Shanghai (10:08), transfer to Shanghai to Changsha (05:56), for a total price of 163. Another route is shown for 14:36 departure from Suzhou to Changsha for 550. The interface also shows seat availability for different classes and a '同车换座' (change seats on the same train) option.



## 5 Pursuing Long-Term Growth as a Comprehensive Travel Platform

- Continue to grow core OTA business as the pillar of the company
- Tap into the global market and industrial supply chain to forge the second growth curve

### Domestic OTA Growth



#### Transportation Ticketing and Accommodation Reservation

- Amplify market share and further strengthen competitive advantages
- Optimize products and services to enhance user experience

### Global Expansion



#### Outbound travel

- Gain market share in key regions through aggressive marketing campaign
- Strengthen relationships with suppliers to enhance resource access

### Supply Chain Empowerment



#### Hotel Management

- Capitalize on the rise of hotel chain rate

#### Packaged Tour

- Seize opportunities of the strong leisure travel demand

# 5 Rapidly Expanding Hotel Management Platform

- Elong Hotel Technology platform was launched in 2021
- Concentrated on developing **10 major hotel brands**

Signed Hotels <b>2,900+</b>	Opened Hotels <b>1,900+</b>	City Coverage <b>270+</b>	Members <b>20MN+</b>
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Luxury:



Mid- to High-end:



Mid-end:



Economy:



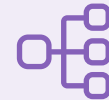
## Empowerment on Hotel Management Business



Market Insight



Brand Promotion



Supply Chain



PMS System and Technology Support



Finance and Insurance

Notes

1. All figures as of June 30<sup>th</sup>, 2024

## 5 Practice Sustainability Philosophy



### Improved ESG practices

- Included in The **Sustainability Yearbook (China)** by S&P Global for the second consecutive year in 2024
- Maintained **“AA” MSCI ESG Rating** for the second consecutive year in 2023
- Optimized ESG policies and increased efforts to enhance disclosure transparency to pursue better ESG practice
- Set up a board-level ESG committee to further improve ESG initiatives and better fulfill corporate social responsibility



### Contributions to the industry

- Conducted a training program on digital operation and marketing of **rural tourism** to help stimulate and accelerate the growth of the rural economy
- Rolled out the **“Tongcheng Thousand Villages Program”** to help more villages build sustainable tourism models and promote developments
- Launched a cultural heritage tourism initiative to build an innovative marketplace that revitalizes heritage



### Dedication to community

- Enhanced our "Tongcheng Station" program by collaborating with hotels and our offline stores to deliver public welfare services to diverse social groups across a wider range of scenarios
- Tailor-made a barrier-free user interface for the elderly to facilitate online booking and provide them with a more convenient and joyful experience
- Provided customer service in gesture language to satisfy certain users' needs

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Section 3

Financial Highlights

# Our Financial Highlights



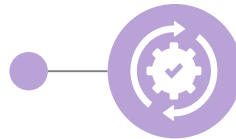
**Outstanding Performance with Solid Growth**

**1**



**Diversified Revenue Streams with Balanced Composition**

**2**



**Increased Operational Efficiency Powered by Strong Execution Capability**

**3**



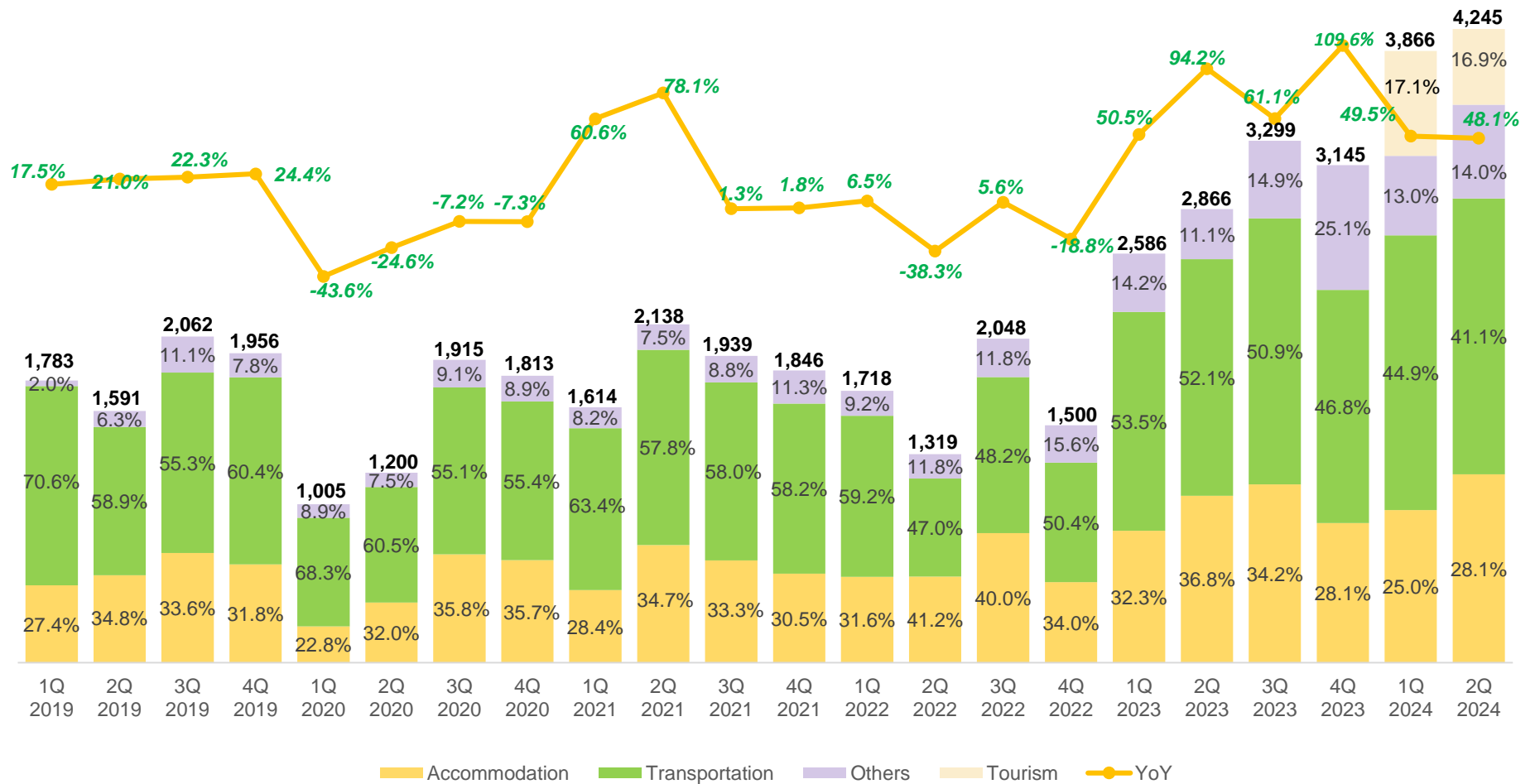
**Sound Profitability with Healthy Financial Position**

**4**

# Outstanding Performance with Solid Growth

## Revenue

RMB MM

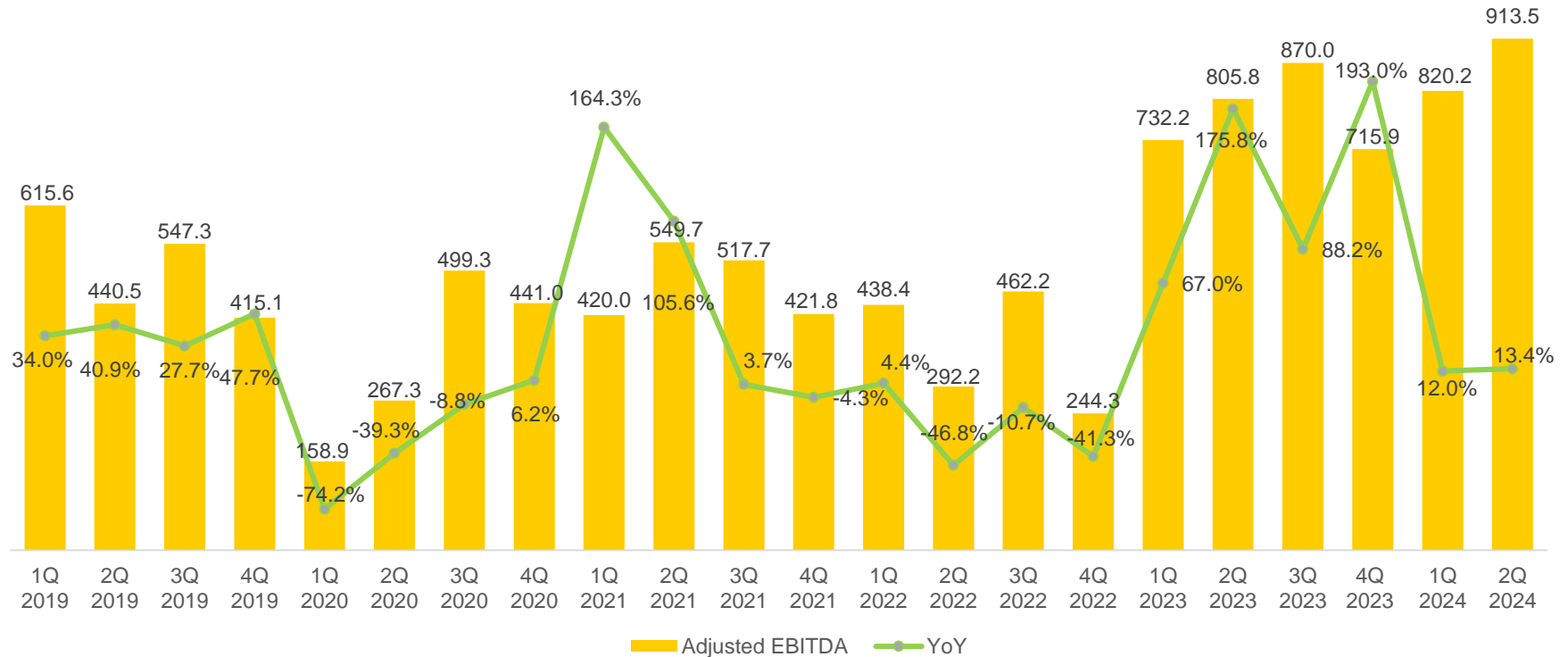


# Sound Profitability with Healthy Financial Position

## Adjusted EBITDA<sup>(1)</sup>

RMB MM

34.5% 27.7% 26.5% 21.2% 15.8% 22.3% 26.1% 24.3% 26.0% 25.5% 26.7% 22.8% 25.5% 22.2% 22.6% 16.3% 28.3% 28.1% 26.4% 22.8% 21.2% 21.5% <sup>(2)</sup>



Adjusted EBITDA Margin

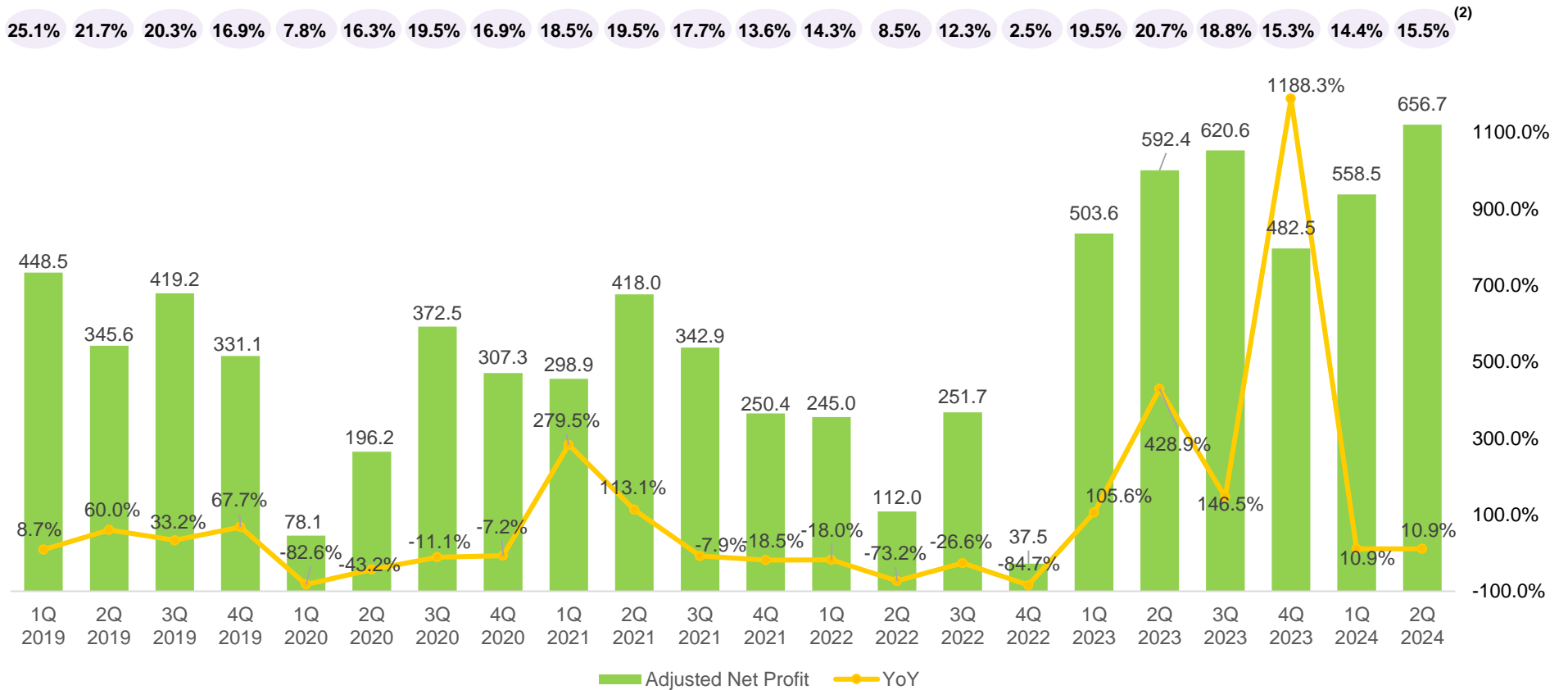
**Notes**

1. Calculated as operating profit adding back share-based compensation(gross), amortization of intangible assets, depreciation of property, plant and equipment, and right-of-use assets, foreign exchange loss(net), net losses on investees, and others
2. The decrease in the margin was mainly because of the consolidation of our tourism business

# Sound Profitability with Healthy Financial Position

## Adjusted Net Profit<sup>(1)</sup>

RMB MM

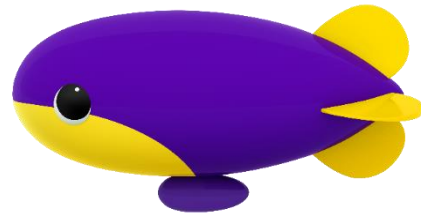


Adjusted Net Margin

### Notes

1. Calculated as profit for the period adding back share-based compensation(net), amortization of intangible assets from acquisition, foreign exchange loss(net), net losses on investees, and others
2. The decrease in the margin was mainly because of the consolidation of our tourism business





**Our Mission is to Make Travel**  
**Easier and More Joyful**

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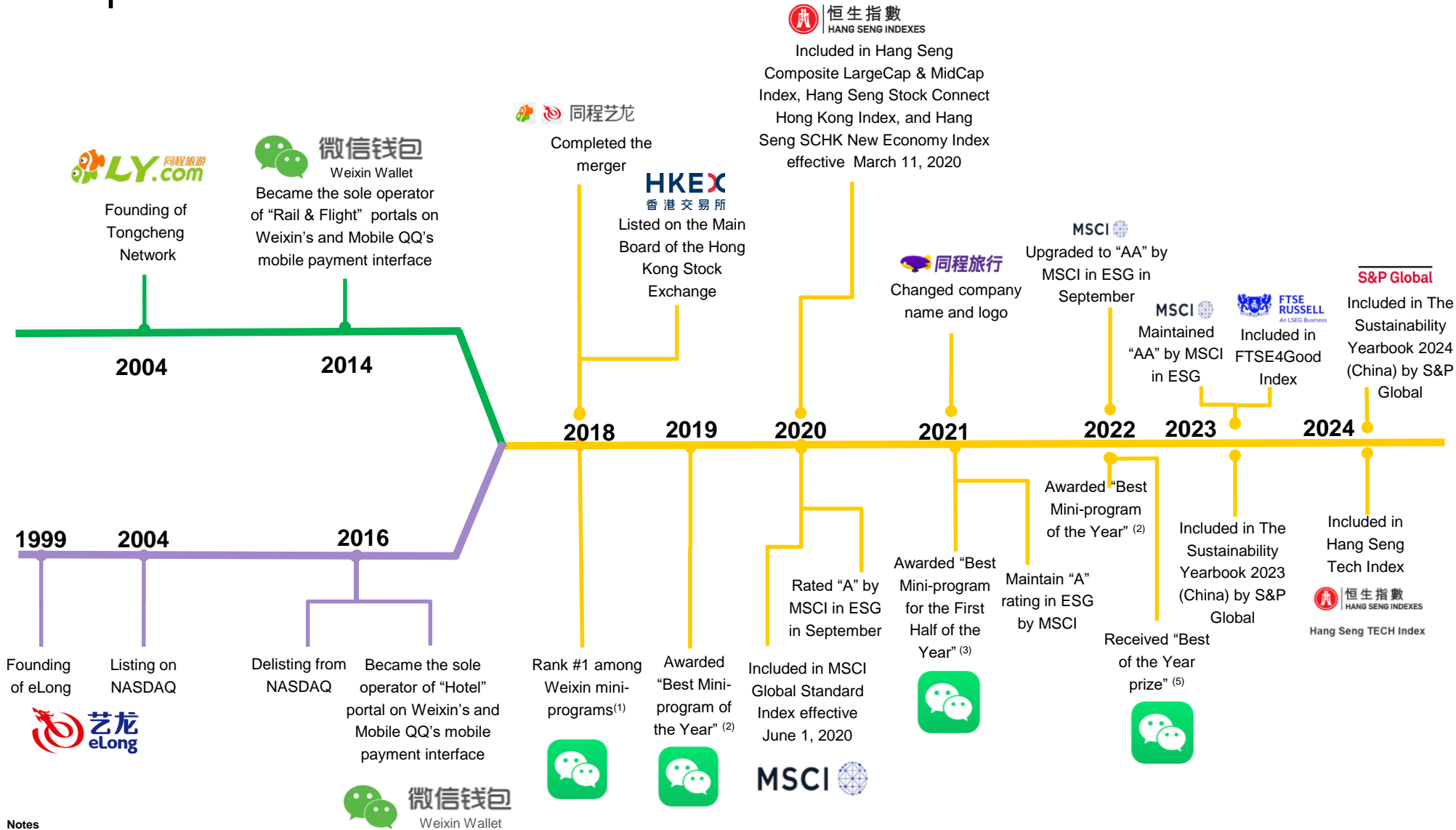
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Appendix

# Corporate Milestones



**Notes**

1. According to the Aladdin Index
2. At the Aladdin Annual Conference
3. At the Aladdin Semi-Annual Conference
4. In 2021 Tencent IN Innovative Marketing Award
5. In 2022 Tencent IN Innovative Marketing Award