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Tongcheng-Elong Holdings Limited

Stock Code: 0780



Investor Presentation

August 2020

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Agenda

1

2Q2020 and 1H2020 Review

2

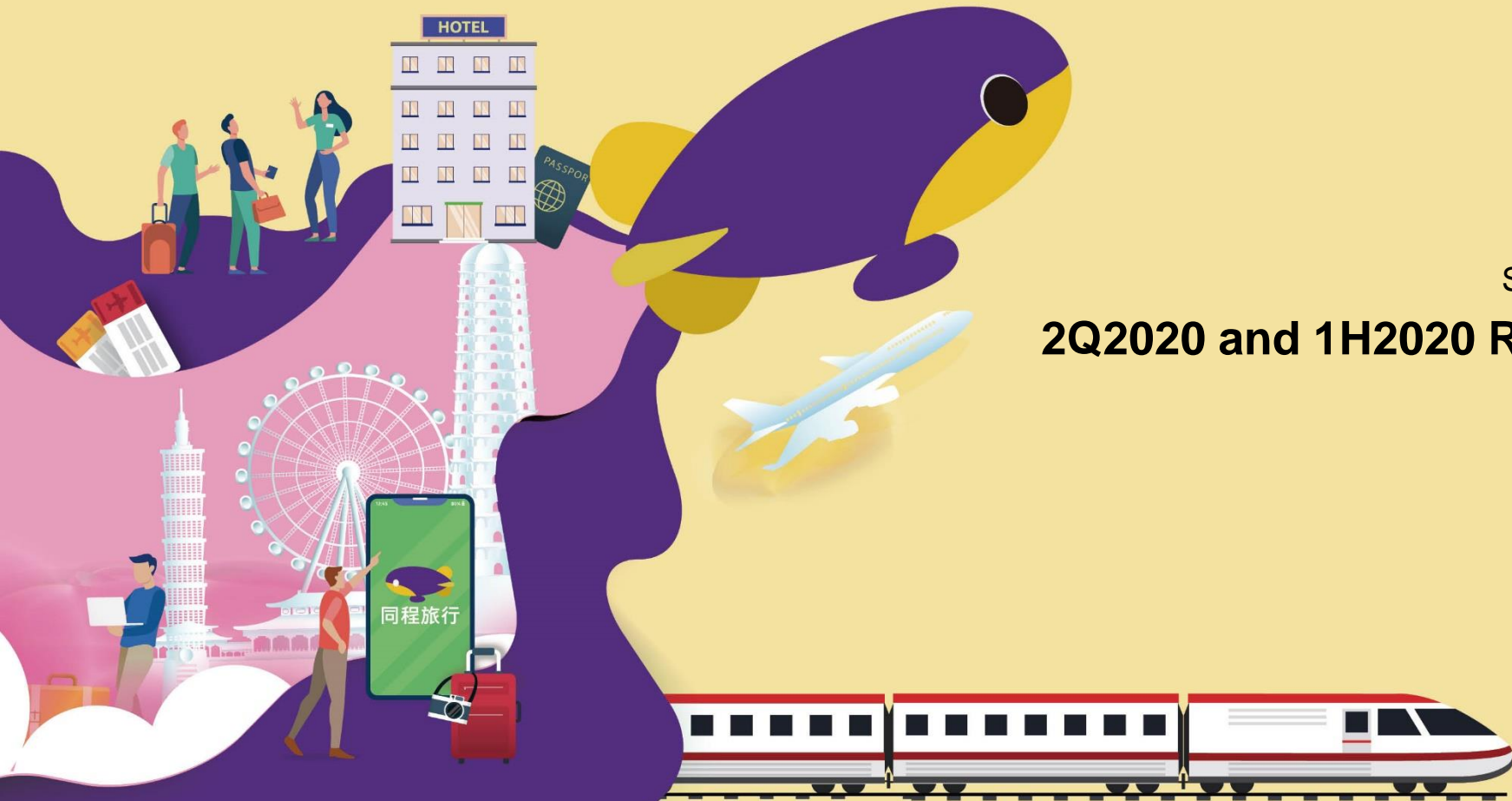
Business Highlights and Updates

3

Financial Highlights



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Section 1
2Q2020 and 1H2020 Review

2Q2020 Review

Financial Metrics



Revenue
RMB1.2Bn
(24.6%)
YoY Change



Adjusted EBITDA⁽¹⁾
RMB267.3MM
22.3%
Margin



Adjusted Net Profit⁽²⁾
RMB196.2MM
16.3%
Margin

Operational Metrics



MAU
RMB175.6MM
(3.3%)
YoY Change



MPU
RMB18.6MM
(32.9%)
YoY Change



GMV
RMB22.4Bn
(45.8%)
YoY Change

Notes

1. Calculated as operating profit adding back share-based compensation, amortization of intangible assets, depreciation of property, plant, and equipment, and right-of-use assets
2. Calculated as profit for the period adding back share-based compensation, amortization of intangible assets from acquisitions

1H2020 Review

Financial Metrics



Revenue
RMB2.2Bn
(34.6%)
YoY Change



Adjusted EBITDA⁽¹⁾
RMB426.3MM
19.3%
Margin



Adjusted Net Profit⁽²⁾
RMB274.2MM
12.4%
Margin

Operational Metrics



MAU
RMB162.0MM
(15.0%)
YoY Change



MPU
RMB16.7MM
(34.3%)
YoY Change



GMV
RMB40.6Bn
(47.4%)
YoY Change

Notes

1. Calculated as operating profit adding back share-based compensation, amortization of intangible assets, depreciation of property, plant, and equipment, and right-of-use assets
2. Calculated as profit for the period adding back share-based compensation, amortization of intangible assets from acquisitions



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Section 2

Business Highlights and Updates

Our Business and Strategic Highlights

User Base

Greatly improved traffic with diversified traffic sources

*Lower-tier
Cities*

More aggressive penetration in lower-tier cities

*User
Experience*

Enhance user experience on one-stop shop platform

*User
Engagement*

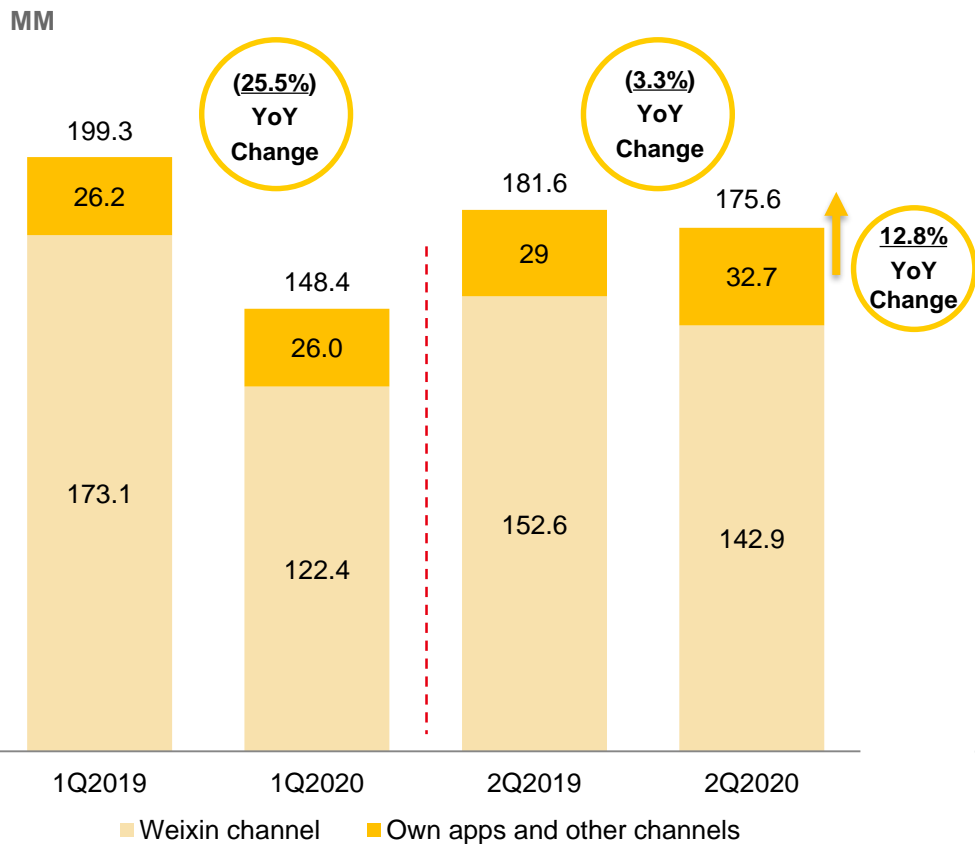
Enhance user engagement through multiple channels

*Data &
Technology*

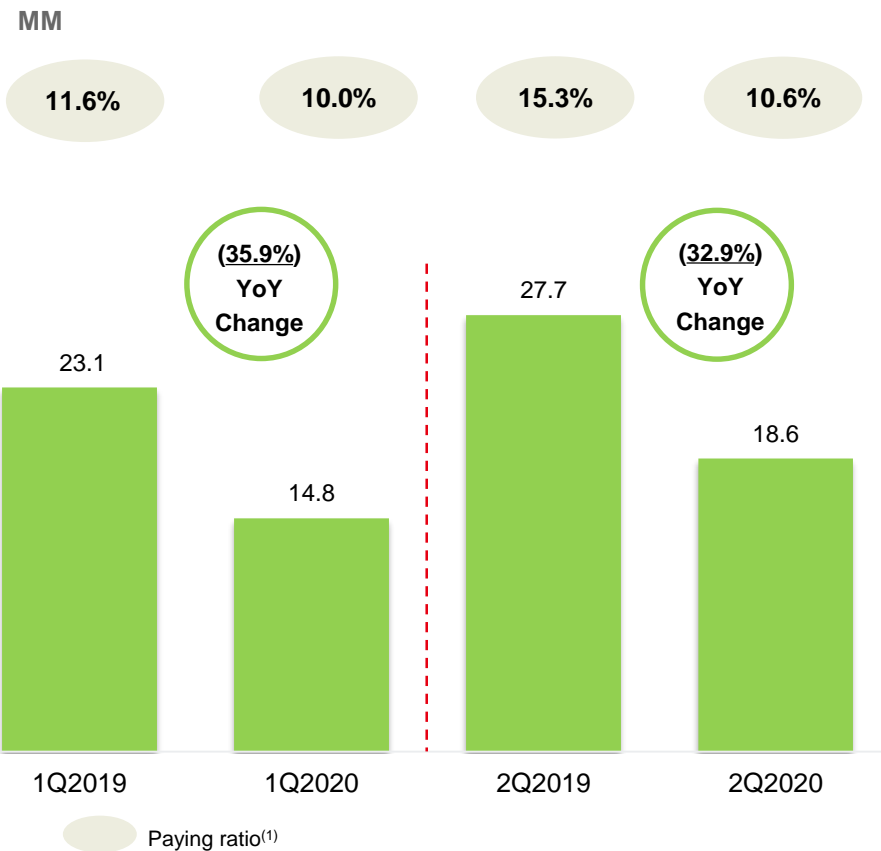
Embrace new technology to transform from OTA to ITA

1 Greatly Improved Traffic With Fast-growing Non-Weixin Channel

Average MAU



Average MPU

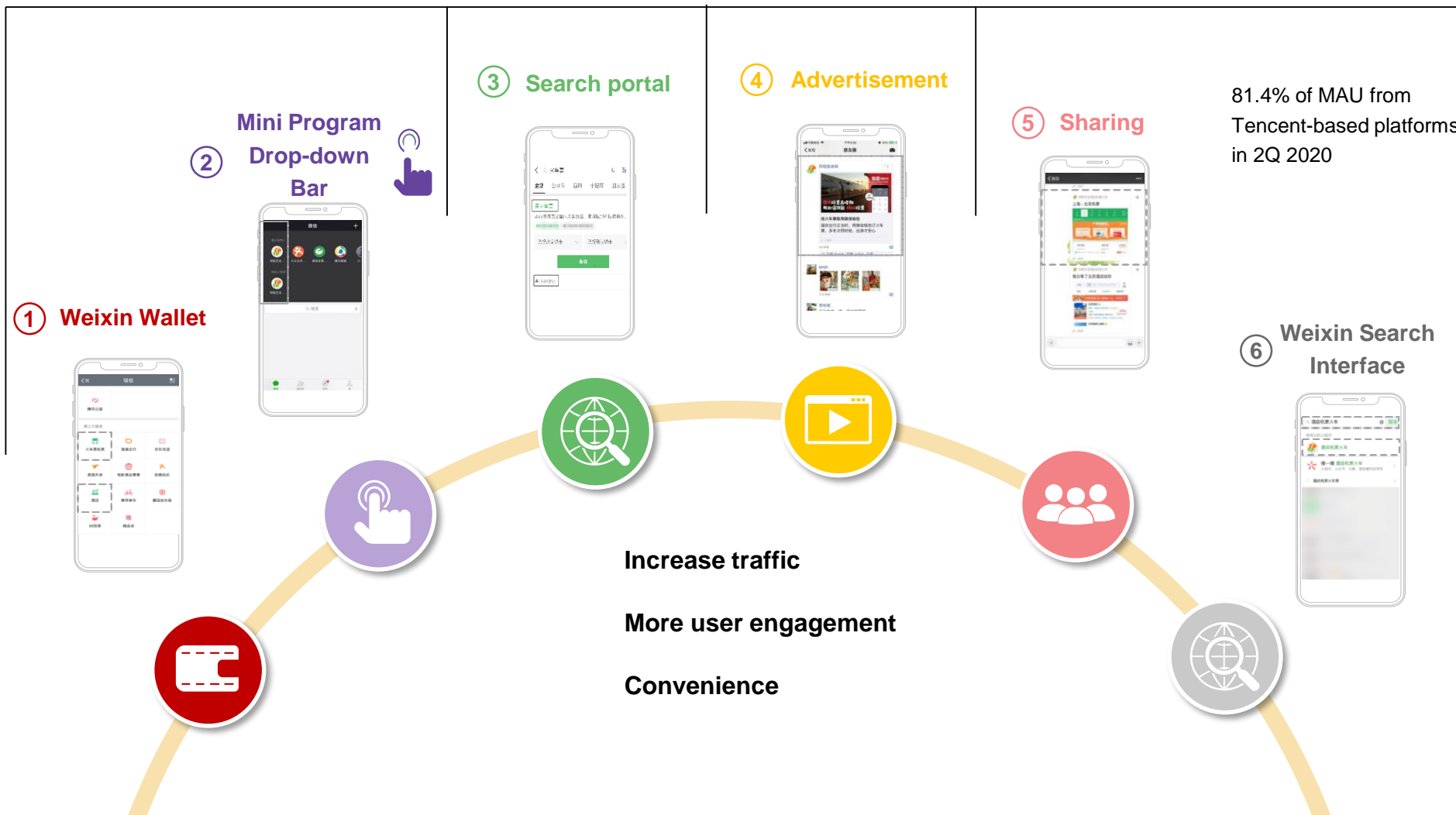


Notes

1. Calculated as MPUs divided by MAUs.

1 Diversified Traffic Sources within Weixin Platform

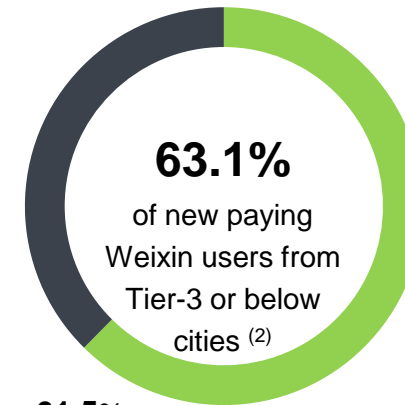
We Direct Users to Our Mini Program Based Platform from Various Channels on Weixin



2

More Aggressive Penetration in Lower-tier Cities

Attractive Demographic Feature of Our Users



61.5%
2Q2019



The **great migration to internet** under COVID-19 has accelerated online penetration, creating opportunities for OTA like us



The **resilience and vitality** of lower-tier cities 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, 2020

2. For the three months ended June 30, 2020

3

Enhance User Experience on One-stop Shop Platform



Capture More Revenue Opportunities



Increase User Engagement and Stickiness



Higher Spending Per User



More Repeat Purchase

4

Enhance User Engagement through Multiple Channels

Brand Upgrading

Comprehensive Cooperation with Handset Vendors

Offline Traffic Acquisition

Cooperation with TSP



Together, let's go!



Travel benefits for vendor users



User acquisition at hotels and bus stations



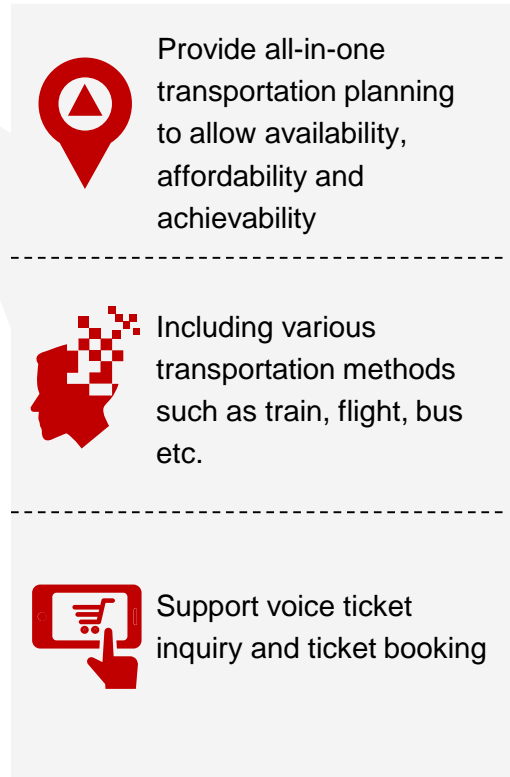
Air routes promotion with airports

Embrace New Technology to Transform from OTA to ITA

Intelligent Travel Assistant (ITA)



“Huixing” Smart System





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Section 3
Financial Highlights

Our Financial Highlights



Resilient Business Model and Industry-leading Profitability

1



Impressive Recovery and More Balanced Revenue Structure

2

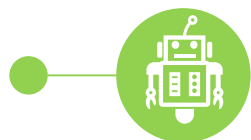


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Flexible Cost Structure and Effective Operations Management

3



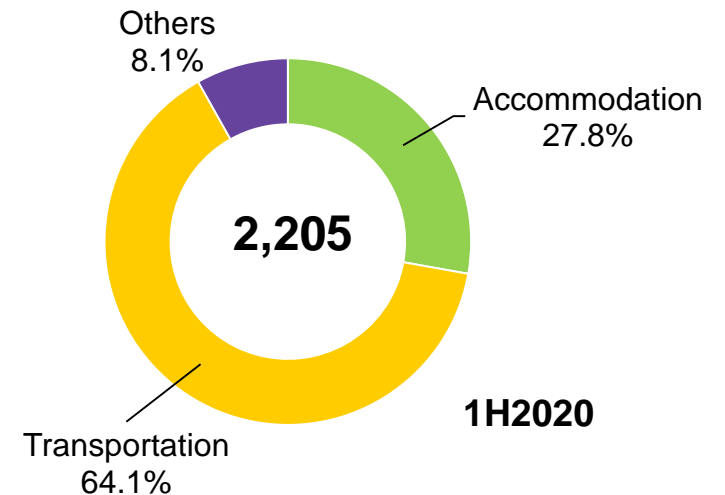
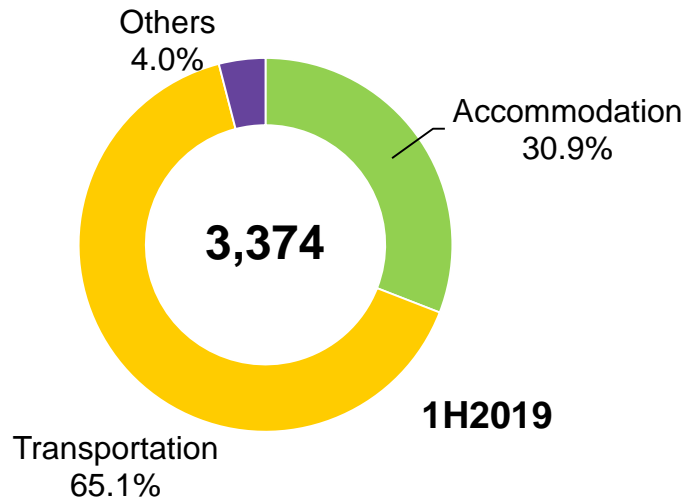
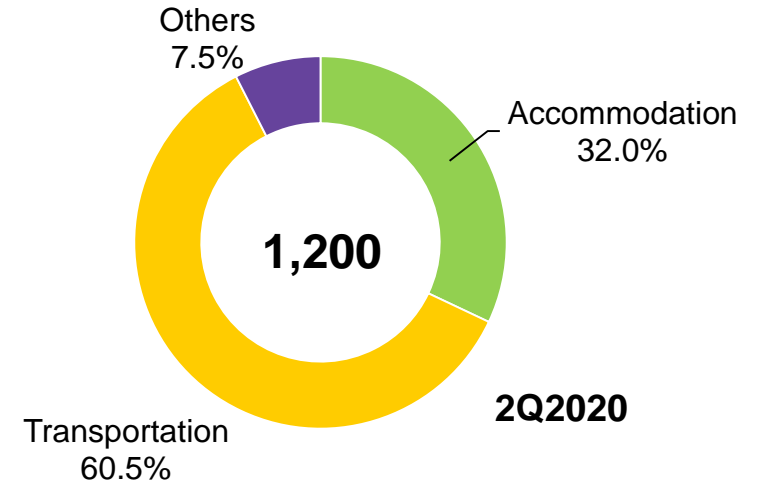
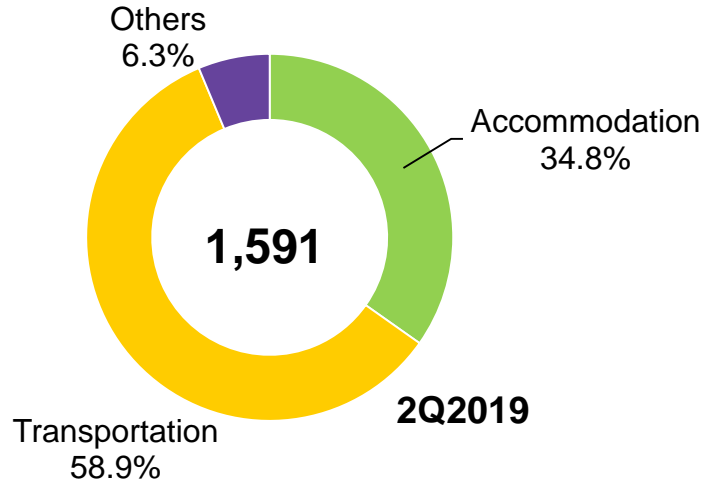
Remarkable Operating Leverage from Technology and Synergy

4

Impressive Recovery and More Balanced Revenue Structure

Revenue

RMB MM



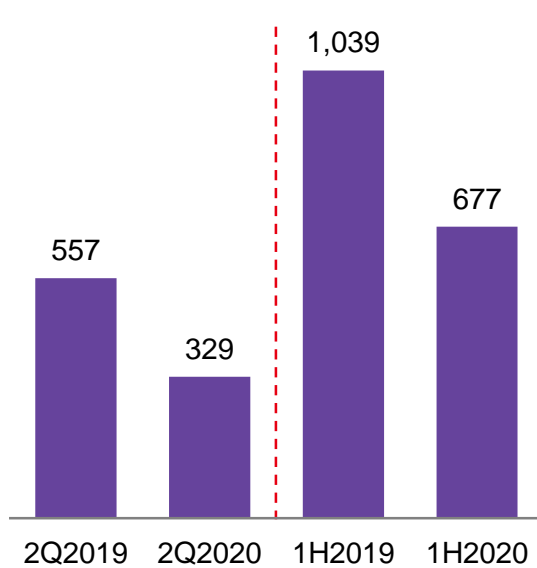
Flexible Cost Structure and Effective Operations Management

Cost of Revenue⁽¹⁾

RMB MM

(41.0%)
YoY
Change

(34.9%)
YoY
Change

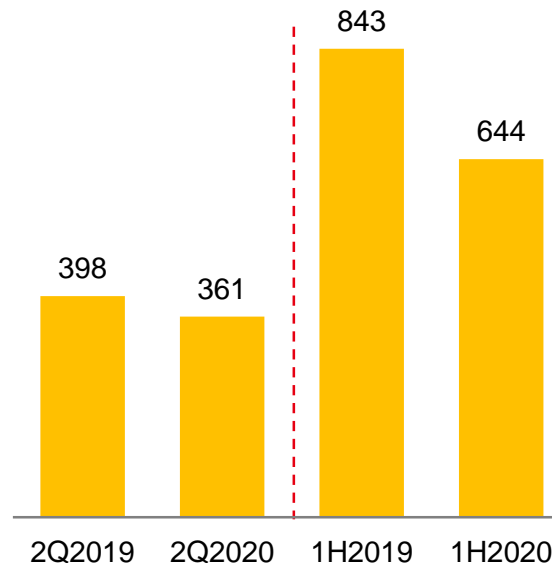


Selling and Marketing Expenses⁽¹⁾

RMB MM

(9.3%)
YoY
Change

(23.6%)
YoY
Change

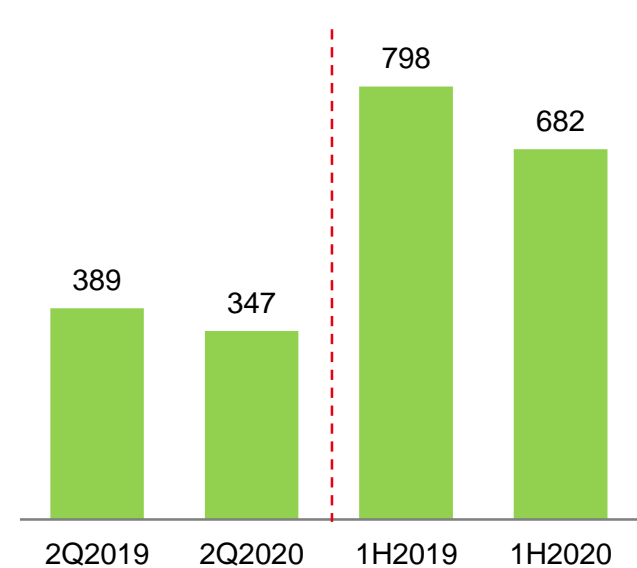


Service Development and Administrative Expenses⁽¹⁾

RMB MM

(10.8%)
YoY
Change

(14.5%)
YoY
Change



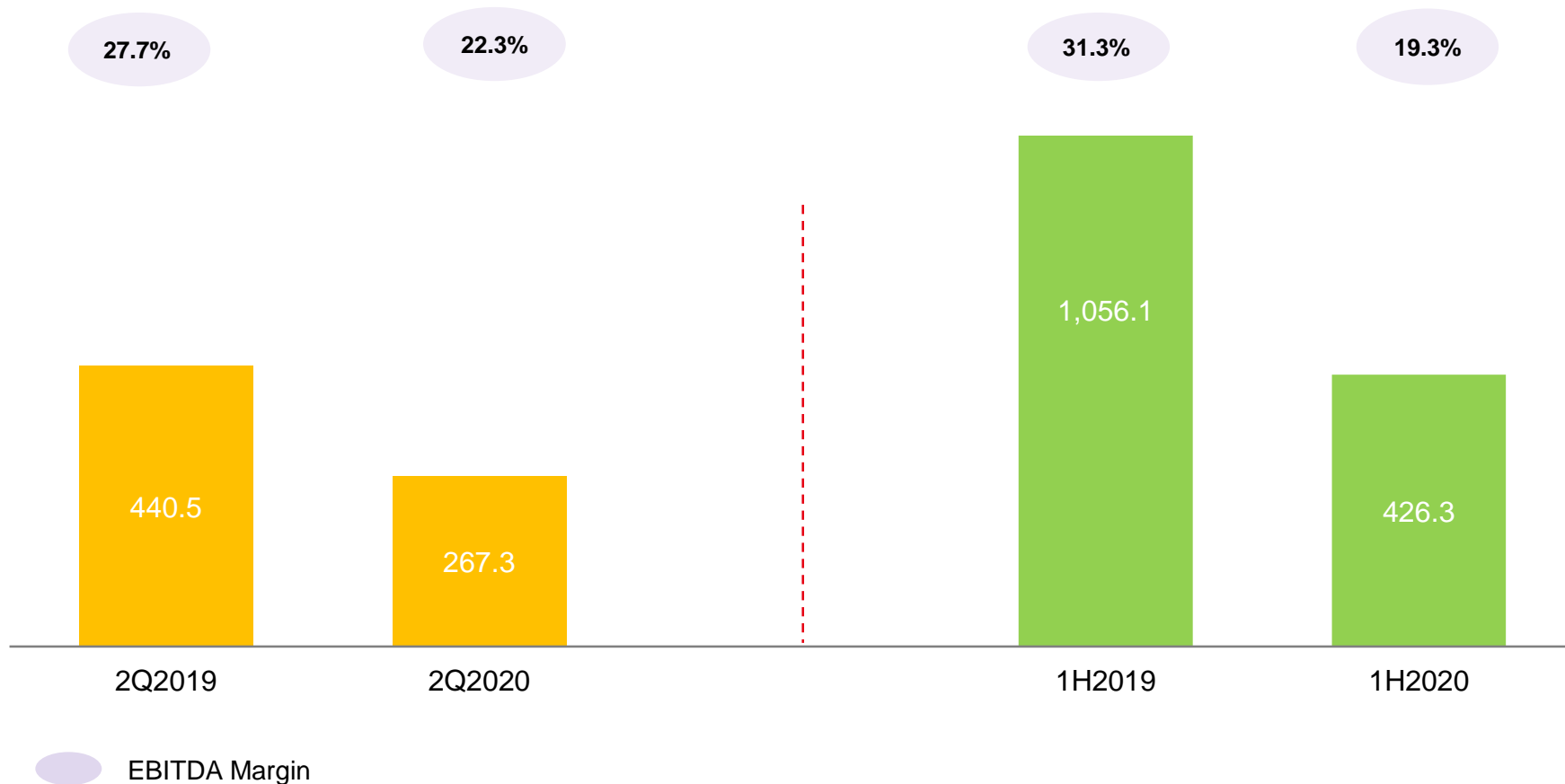
Notes

1. Excluded the impact of share-based compensation

Maintain Industry-leading Profitability under COVID-19

Adjusted EBITDA⁽¹⁾

RMB MM



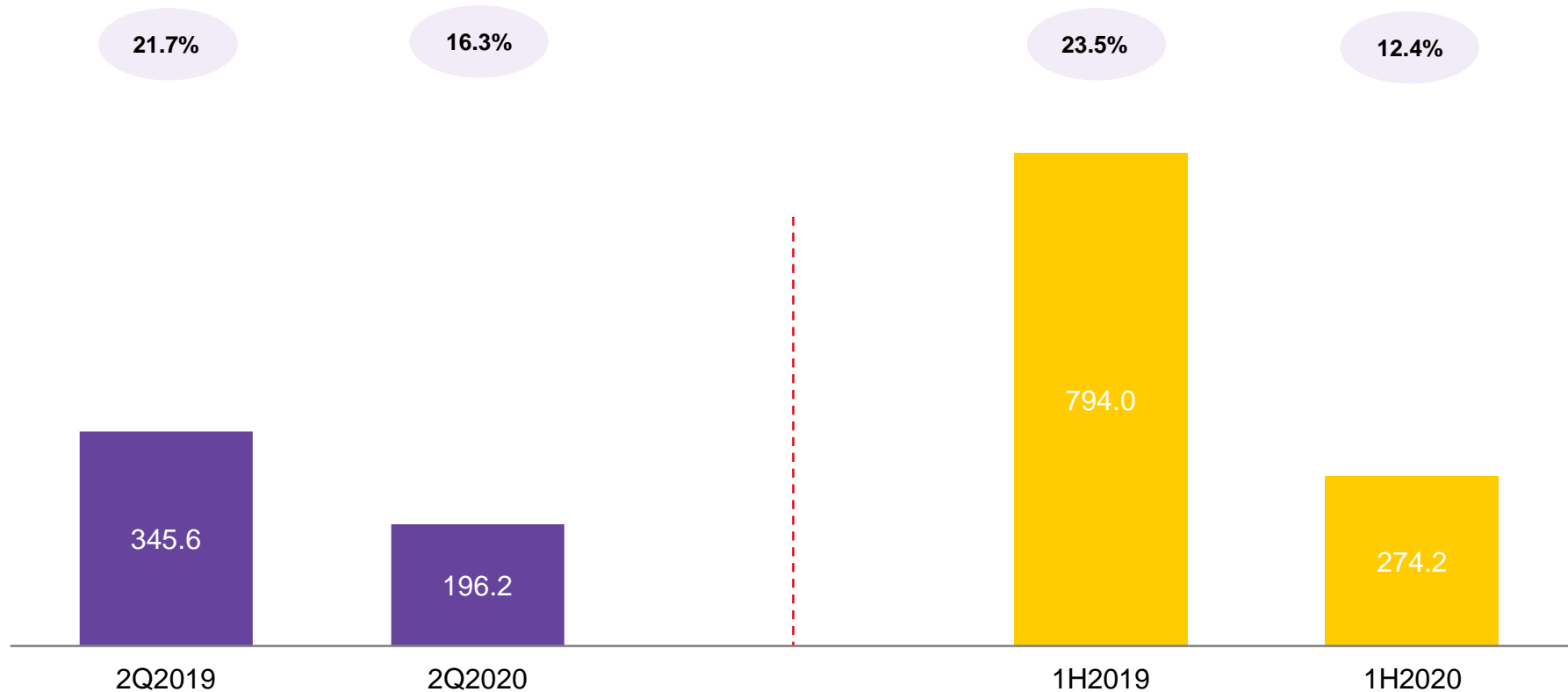
Notes

1. Calculated as operating profit adding back share-based compensation, amortization of intangible assets, depreciation of property, plant, and equipment, and right-of-use assets

Maintain Industry-leading Profitability under COVID-19

Adjusted Net Profit⁽¹⁾

RMB MM



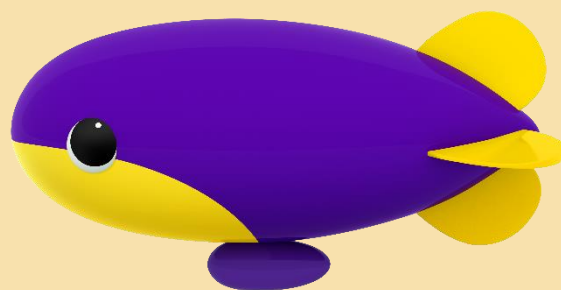
Adjusted Net Margin

Notes

1. Calculated as profit for the period adding back share-based compensation, amortization of intangible assets from acquisitions

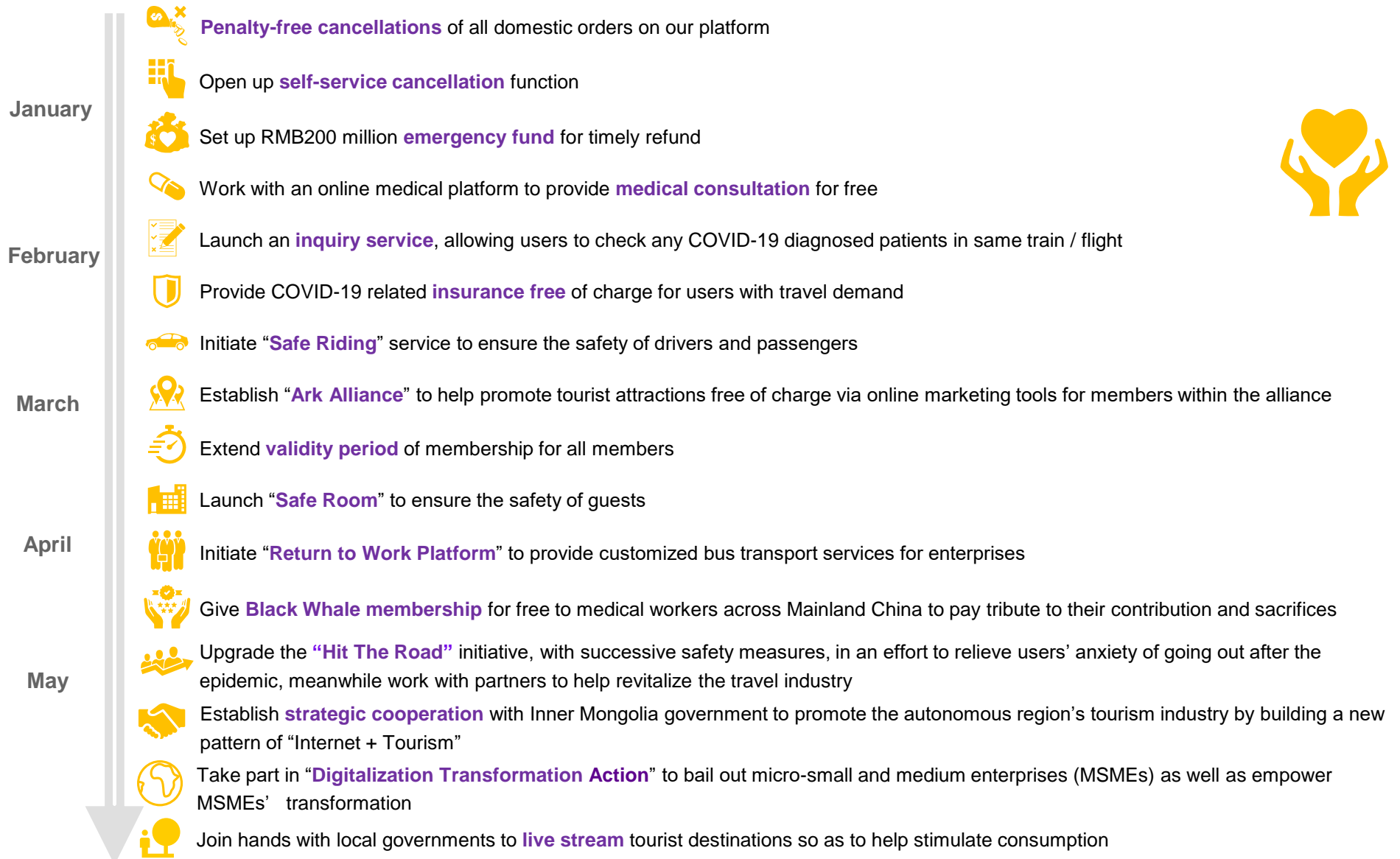


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Our Mission is to Make Travel
Easier and More Joyful

Initiatives to Fight Coronavirus Outbreak



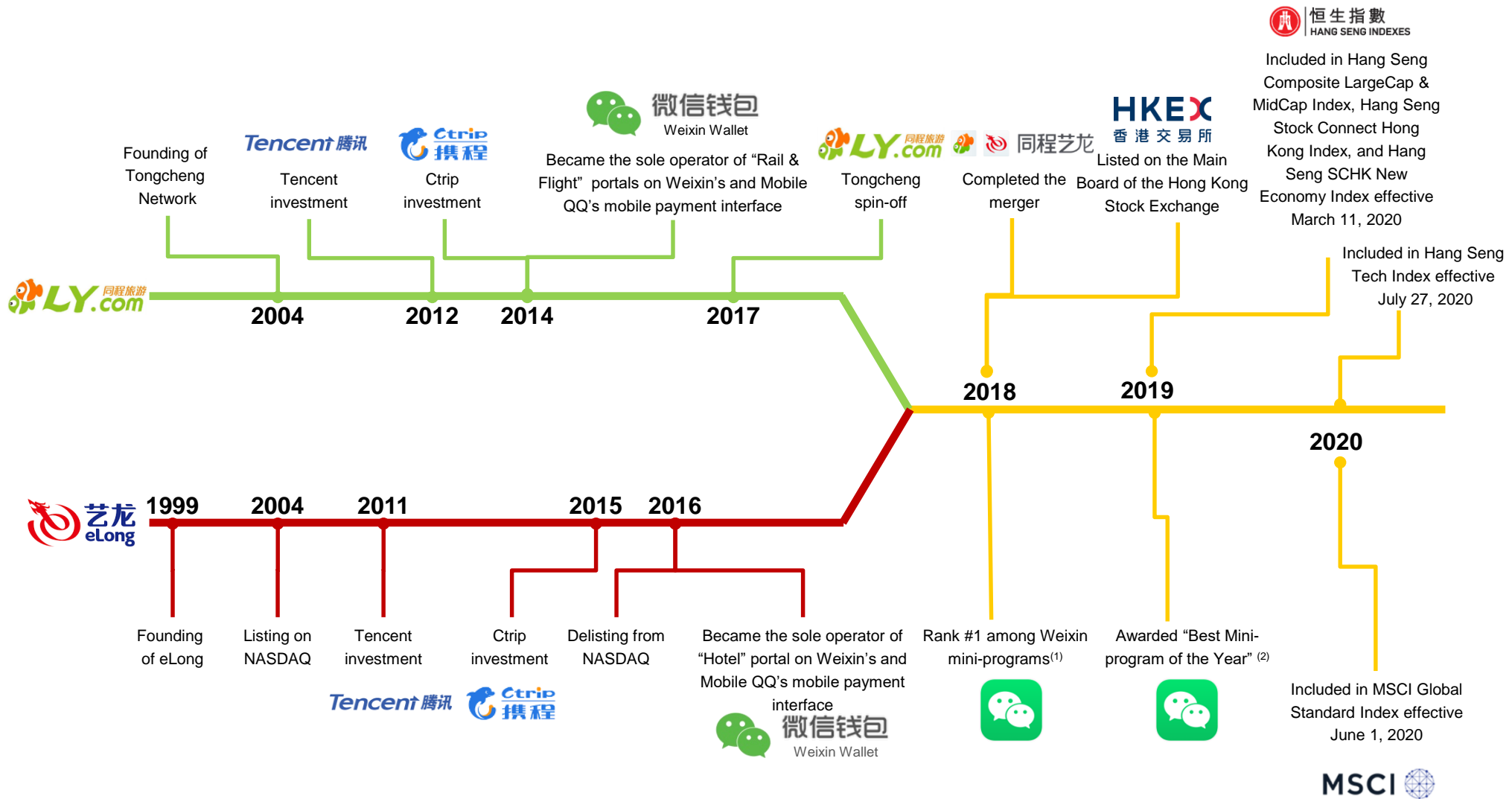


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Appendix

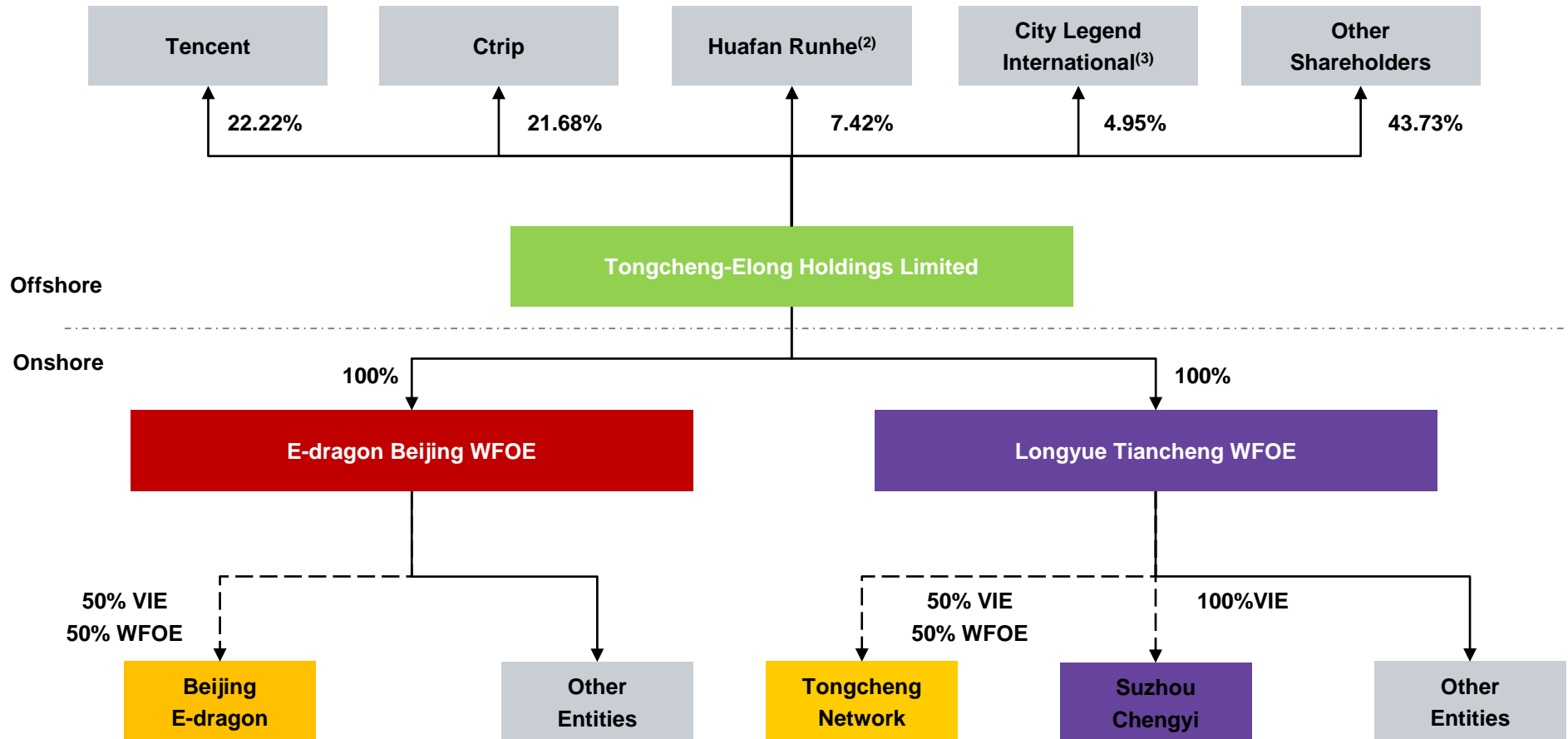
Corporate Milestones



Notes

- 1. According to the Aladdin Index
- 2. At the Aladdin Annual Conference

Corporate Structure⁽¹⁾



Notes

1. This is a simplified structure and for illustrative purpose only. The diagram illustrates the corporate structure as of June 30, 2020 based on information from Hong Kong Share Registrar
2. Huafan Runhe is 20% owned by each of the Tongcheng Network Founders
3. City Legend International Limited is wholly-owned by Overseas Chinese Town (Asia) Holdings Limited

Online Travel Market in China is Rapidly Evolving



Source: iResearch

Notes

1. In terms of user base, according to iResearch