

# 同程艺龙

**Tongcheng-Elong Holdings Limited** 

Stock Code: 0780



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# Agenda

3Q2020 Review **Business Highlights and Updates Financial Highlights** 





## 3Q2020 Review

### **Financial Metrics**



#### Revenue

**RMB 1.9Bn** 

(7.2%)

**YoY Change** 





MAU

245.8MM



Record High

5.0%

**YoY Change** 



Adjusted EBITDA(1)

**RMB 499.3MM** 

26.1%

Margin



MPU

29.8MM

Fully recovered



Adjusted Net Profit<sup>(2)</sup>

**RMB 372.5MM** 

19.5%

Margin



**GMV** 

RMB39.7Bn

(16.6%)

**YoY Change** 

- 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



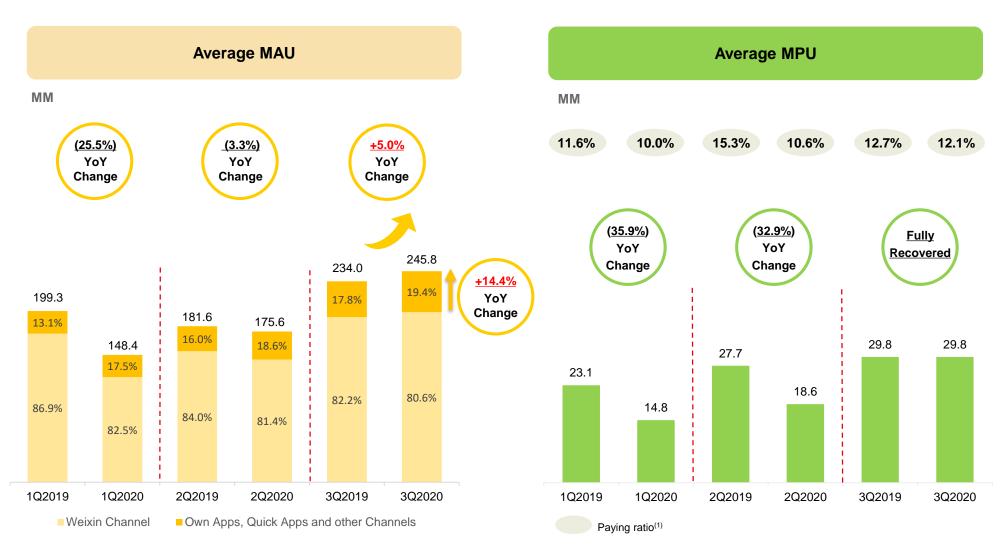


## Our Business and Strategic Highlights



# 1

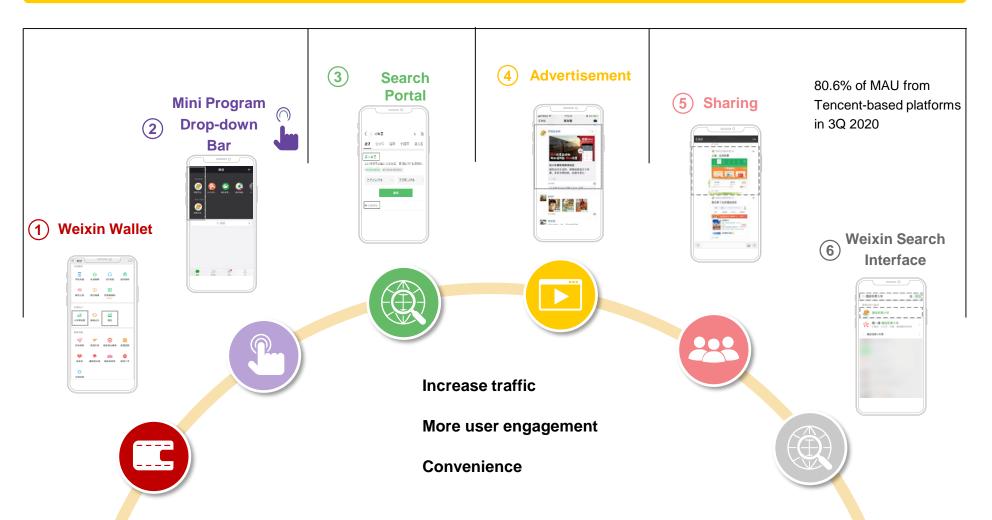
## Continuously Improving Traffic with Diversified Sources



<sup>1.</sup> Calculated as MPUs divided by MAUs.

# Multi-Dimensional Cooperation within Weixin

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



## Solidified Position in Lower-tier Cities

### **Attractive Demographic Feature of Our Users**

86.1%
of registered users
from non-first-tier
cities in China (1)

67.2%
of new paying
Weixin users from
Tier-3 or below
cities (2)

**63.3**% 3Q2019



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



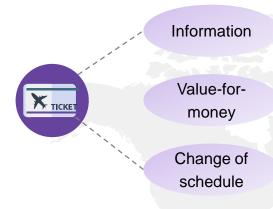
The **resilience and vitality** of lower-tier cities in China provide us great potential for future change



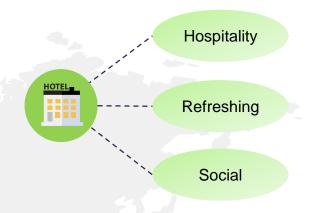
Residents in non-first-tier cities have increasing demands for quality travel products

- 1. As of September 30, 2020
- 2. For the three months ended September 30, 2020

## Enhance User Experience on One-stop Shop Platform







### **Pre-departure**

### **Huixing System and Express ticketing**

Provide users with intelligent travel solutions and automatic service

#### **Ticket Delivery**

Deliver physical tickets with special features, such as Berth selection, seat selection and group tickets

#### 7\*24 Service

Provide users with 7\*24 ticket booking service

#### **Travel Solution**

Cross sell accommodation, transportation and attraction products

### On the Road

#### Meals

Order ahead and have meals delivered on board directly to seats / meal vouchers in airports

#### Lounge

Access to lounge at airports and train stations

#### **Pickup**

Airport / train station pickup service

#### **Change of Plan for Connecting Trips**

Change or cancel tickets for free

### **Arrival**

### Accommodation

A large and diversified offerings catering to users' budgets and preferences

#### **Attraction Ticketing Booking**

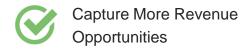
Book value-for-money ticket package online

#### **Car Hire**

Online taxi / car booking

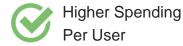
#### Social

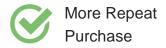
Share review and personal travel experience online





Increase User Engagement and Stickiness







# Strengthen User Engagement through Multiple Channels

**Offline Traffic Acquisition** 

Marketing Campaign with Tencent Online Game Platform

Cooperation with Handset Vendors

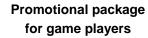
Cooperation with TSP



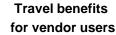














Mini-program development for Xi'an airport

## Embrace New Technology to Transform from OTA to ITA

### **Intelligent Travel Assistant (ITA)**



"Huixing" system provides users with intelligent transportation product combo booking system



"Buddha" system in air ticket booking serves different customers for their various demands



"Intelligent Hotel" system allows users to enjoy the benefits of advanced technologies throughout the process of reservation, check-in, accommodation and departure



"Property Management System" help individual hotels efficiently organize, schedule and manage their daily operations



Airline Revenue Management System
The first and only OTA in China that
successfully developed such costeffective software for small airlines

### "Huixing" Smart System



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



Including various transportation methods such as train, flight, bus etc.



Support voice ticket inquiry and ticket booking







# Our Financial Highlights



**Highly-efficient Operations and Prominent Profitability** 



**Accelerated Recovery** With Enhanced Cross-sell Capability





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Flexible Cost Structure and Streamlined Operations



Remarkable Operating Leverage from Technology and Synergy

## Accelerated Recovery with Enhanced Cross-sell Capability

### Revenue

RMB MM (43.6%)(7.2)% (24.6%)YoY YoY YoY Change Change Change 2,062 1,915 1,783 1,591 1,200 55.3% 55.1% 70.6% 1,005 58.9% 60.5% 68.3% 33.6% 35.8% 34.8% 27.4% 32.0% 22.8% 2019Q1 2019Q2 2020Q2 2020Q3 2020Q1 2019Q3 Accommodation ■ Transportation ■ Others

# Flexible Cost Structure and Streamlined Operations

### Cost of Revenue (1)

**RMB MM** 

### **Service Development and Administrative Expenses** (1)

RMB MM

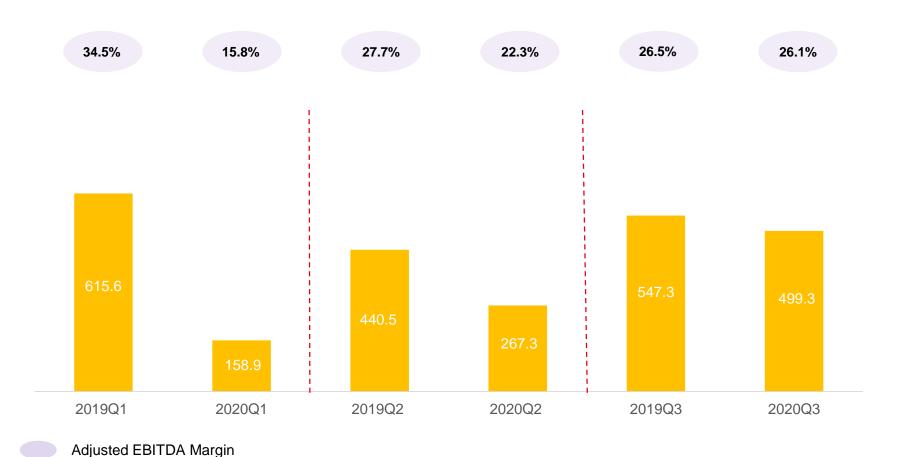


<sup>1.</sup> Excluded the impact of share-based compensation

# Margin Fully Recovered and Maintain Leading Profitability in Q3

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

RMB MM



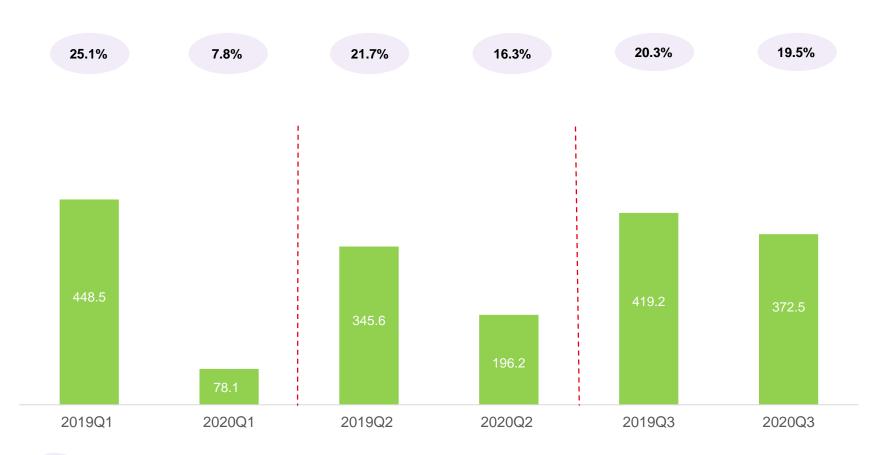
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<sup>1.</sup> Calculated as operating profit adding back share-based compensation, amortization of intangible assets, depreciation of property, plant, and equipment, and right-of-use assets

# Margin Fully Recovered and Maintain Leading Profitability in Q3

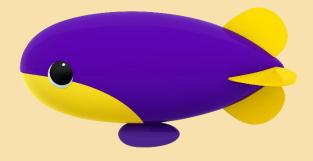
### Adjusted Net Profit<sup>(1)</sup>

**RMB MM** 



Adjusted Net Margin

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



Our Mission is to Make Travel Easier and More Joyful

## Initiatives to Fight Coronavirus Outbreak



Penalty-free cancellations of all domestic orders on our platform



Open up self-service cancellation function



**February** 

Set up RMB200 million emergency fund for timely refund





Work with an online medical platform to provide medical consultation for free



Launch an inquiry service, allowing users to check any COVID-19 diagnosed patients in same train / flight



Provide COVID-19 related insurance free of charge for users with travel demand



Initiate "Safe Riding" service to ensure the safety of drivers and passengers

March



Establish "Ark Alliance" to help promote tourist attractions free of charge via online marketing tools for members within the alliance



Extend validity period of membership for all members



Launch "Safe Room" to ensure the safety of guests

April

May



Initiate "Return to Work Platform" to provide customized bus transport services for enterprises



Give Black Whale membership for free to medical workers across Mainland China to pay tribute to their contribution and sacrifices



Upgrade the "Hit The Road" initiative, with successive safety measures, in an effort to relieve users' anxiety of going out after the epidemic, meanwhile work with partners to help revitalize the travel industry



Establish strategic cooperation with Inner Mongolia government to promote the autonomous region's tourism industry by building a new pattern of "Internet + Tourism"



Take part in "Digitalization Transformation Action" to bail out micro-small and medium enterprises (MSMEs) as well as empower MSMEs' transformation



Join hands with local governments to live stream tourist destinations so as to help stimulate consumption

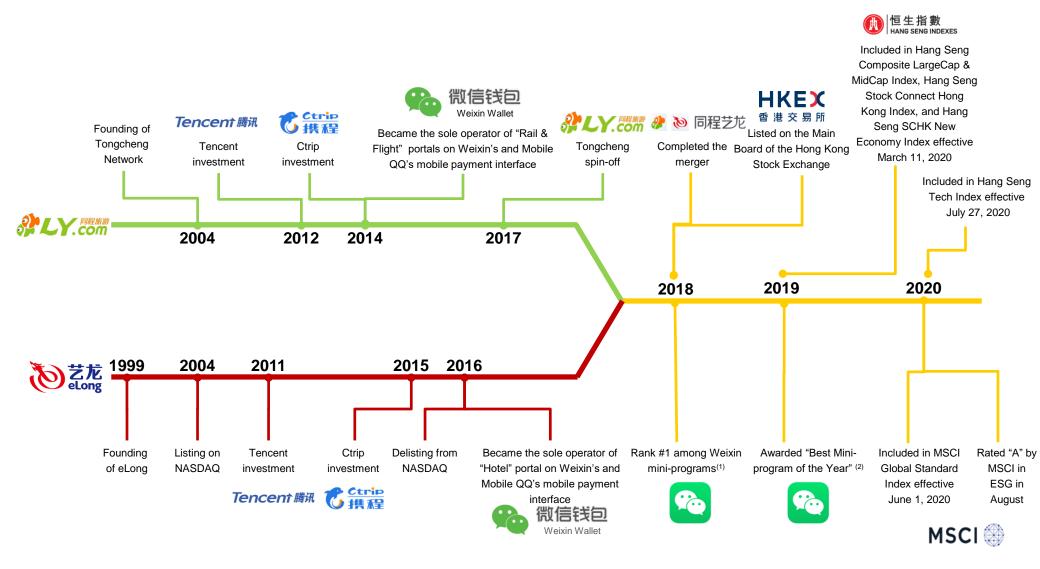


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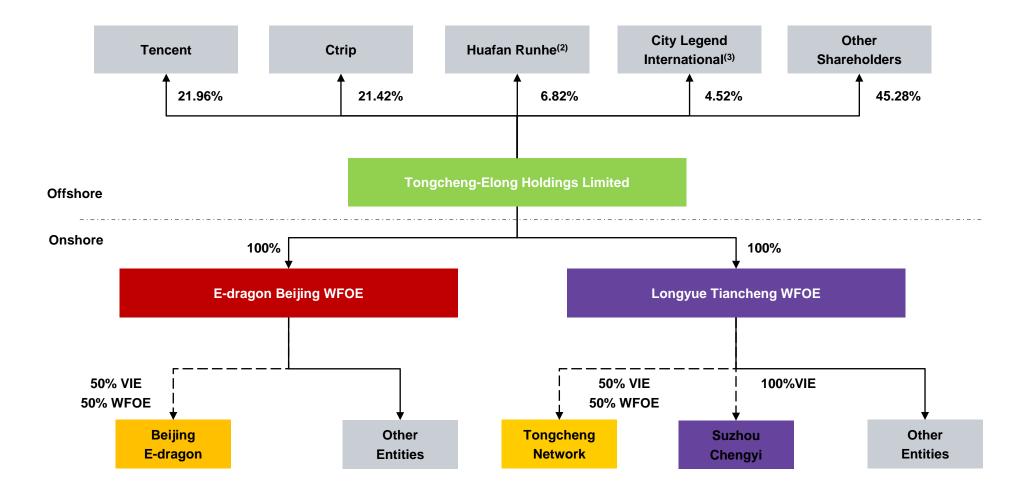
## **Corporate Milestones**



<sup>1.</sup> According to the Aladdin Index

<sup>2.</sup> At the Aladdin Annual Conference

# Updated Corporate Structure<sup>(1)</sup>



- 1. This is a simplified structure and for illustrative purpose only. The diagram illustrates the corporate structure as of October 23, 2020 base 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

### Entered into "Super App" Era

- Super apps with multi-functions attract majority of user traffic
- Weixin and Mobile QQ are the two largest Super Apps in China (1)
- Super Apps provide access to OTA's comprehensive service offerings without having to download additional apps









Source: iResearch Notes

1. In terms of user base, according to iResearch