



同程艺龙

Investor Presentation

May 2020

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# Agenda

**1**

**1Q2020 Review**

**2**

**Business Highlights and Updates**

**3**

**Financial Highlights**



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Section 1

1Q2020 Review

# 1Q2020 Review

## Financial Metrics



Revenue  
**RMB1.0Bn**

**(43.6%)**  
YoY Change



Adjusted EBITDA<sup>(1)</sup>  
**RMB158.9MM**

**15.8%**  
Margin



Adjusted Net Profit<sup>(2)</sup>  
**RMB78.1MM**

**7.8%**  
Margin

## Operational Metrics



MAU  
**RMB148.4MM**

**(25.5%)**  
YoY Change



MPU  
**RMB14.8MM**

**(35.9%)**  
YoY Change



GMV  
**RMB18.2Bn**

**(49.3%)**  
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



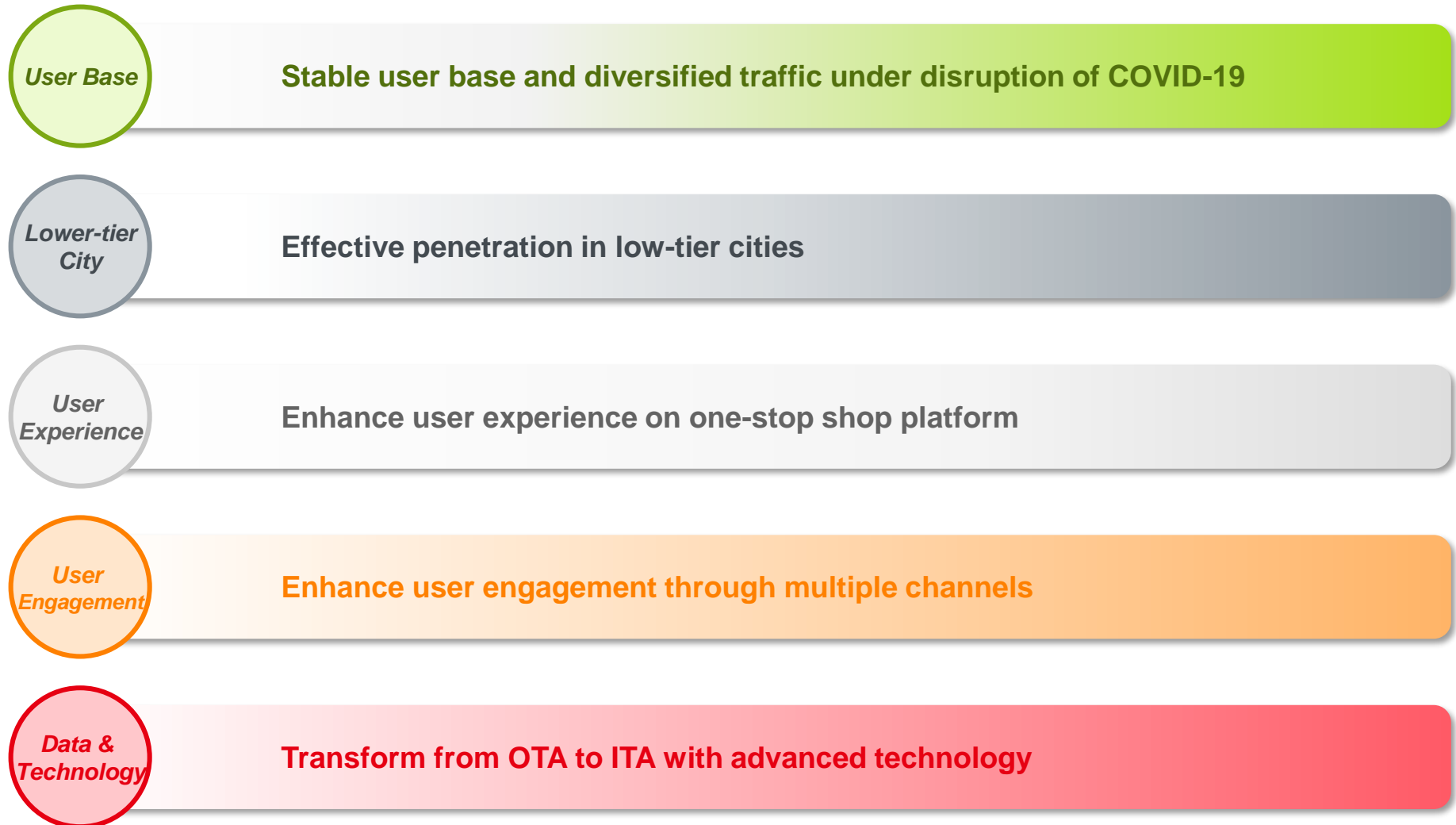
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Section 2

Business Highlights and Updates



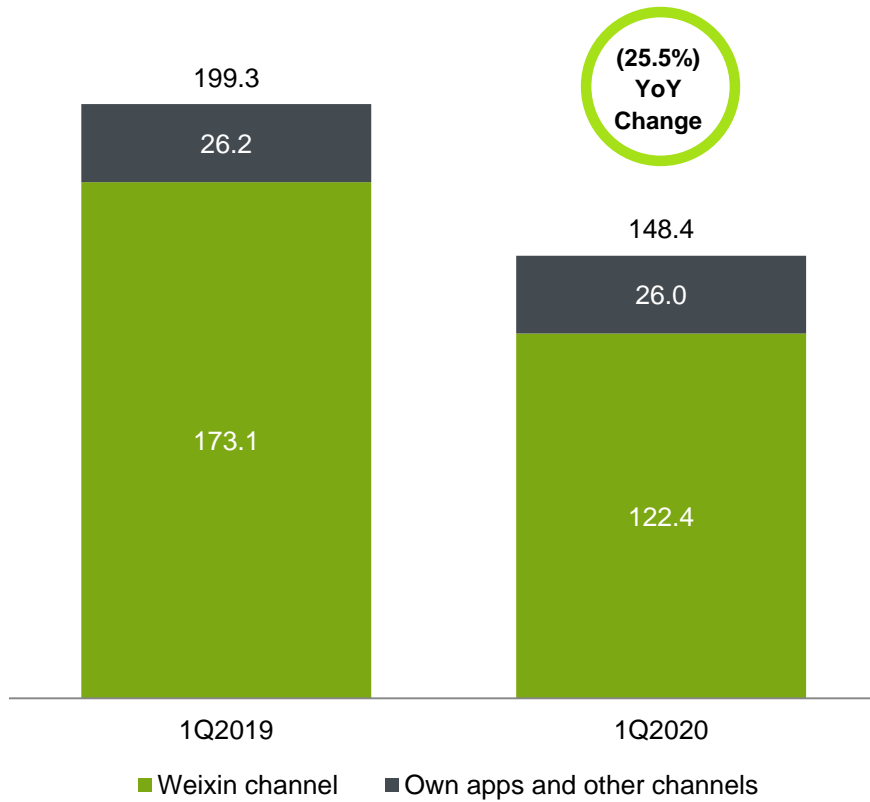
# Our Business and Strategic Highlights



# 1 Stable User Base Despite Disruption of COVID-19

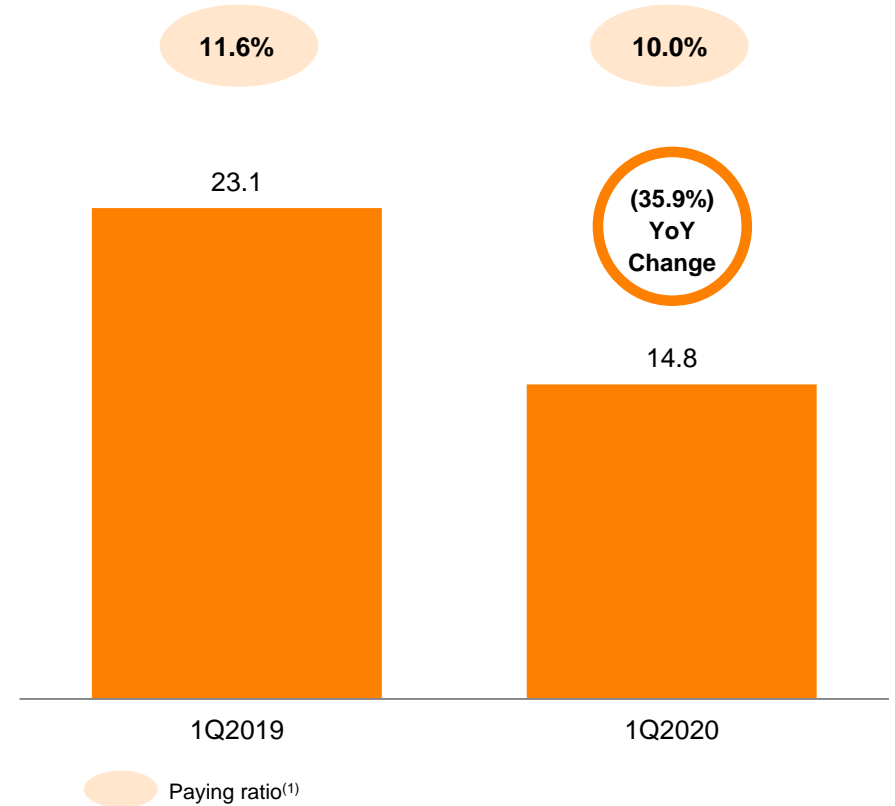
## Average MAU

MM



## Average MPU

MM



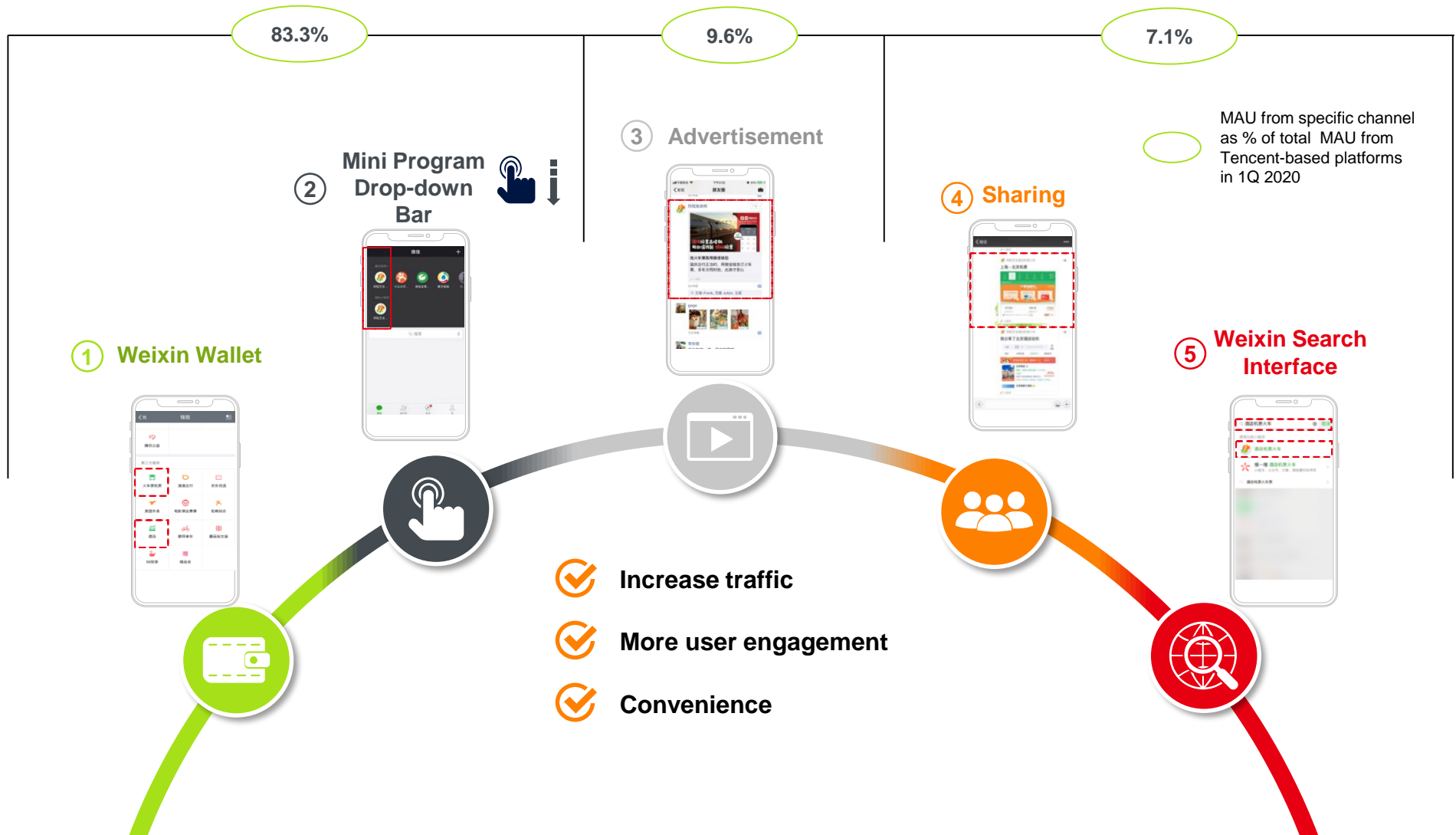
### Notes

1. Calculated as MPUs divided by MAUs.



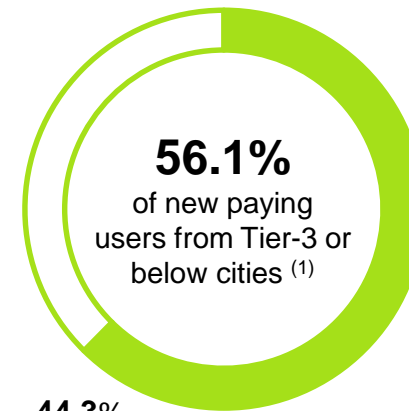
# 1 Diversified Traffic Sources within Weixin Platform

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



## 2 Effective Penetration in Low-tier Cities

### Attractive Demographic Feature of Our Users



**44.3%**  
1Q2019



The total travel spending of residents in non-first-tier cities accounted for **89.7%** of total travel spending in China in 2017



The market is expected to grow at a CAGR of 11.7% from 2017 to 2022, **outpacing** that of 6.3% for first-tier cities



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

#### Notes

1. As of March 31, 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

# Enhance User Engagement through Multiple Channels

## Brand Upgrading



Together, let's go!

## Cross-sector Marketing



Launched campaign  
"Shoot My Travel  
with Huawei P40"

## Explore Live Streaming



Live streaming sale  
of travel products on  
Weixin-based mini-  
program




Live streaming of tourist attractions on short  
video platforms




# 5 ITA Enhances User Experience Further


## Intelligent Travel Assistant (ITA)



**“Huixing” system** provides customers 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




**More convenient and intelligent services via Huawei Ability Gallery**  
Users can directly book hotels and tickets, and easily get access to latest booking information




**Airline Revenue Management System**  
The first and only OTA in China that successfully developed such cost-effective 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





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Section 3

Financial Highlights

# Our Financial Highlights



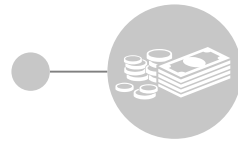
**Resilient Business Model and Industry-leading Profitability**

**1**



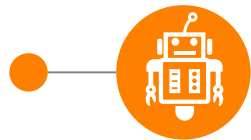
**Fairly Balanced Revenue Structure Under COVID-19**

**2**



**Highly Flexible Cost Structure and Efficient Operations Management**

**3**



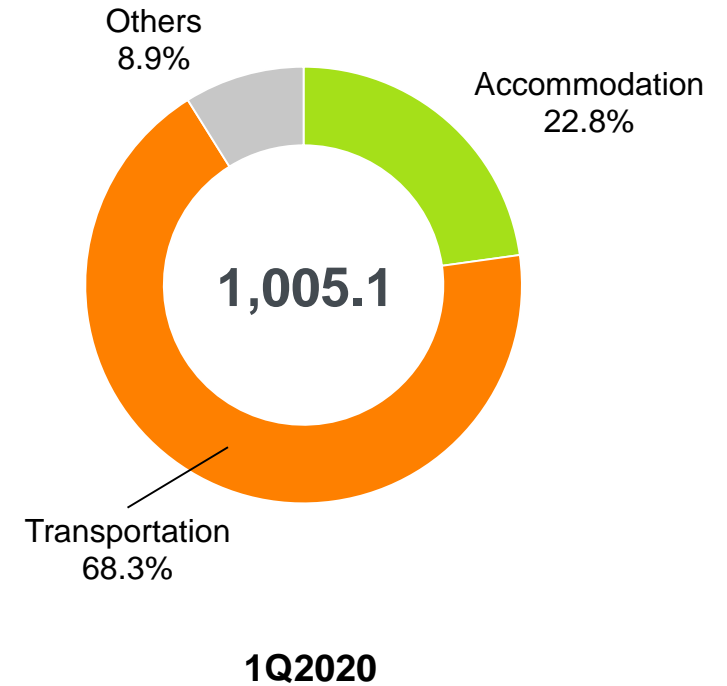
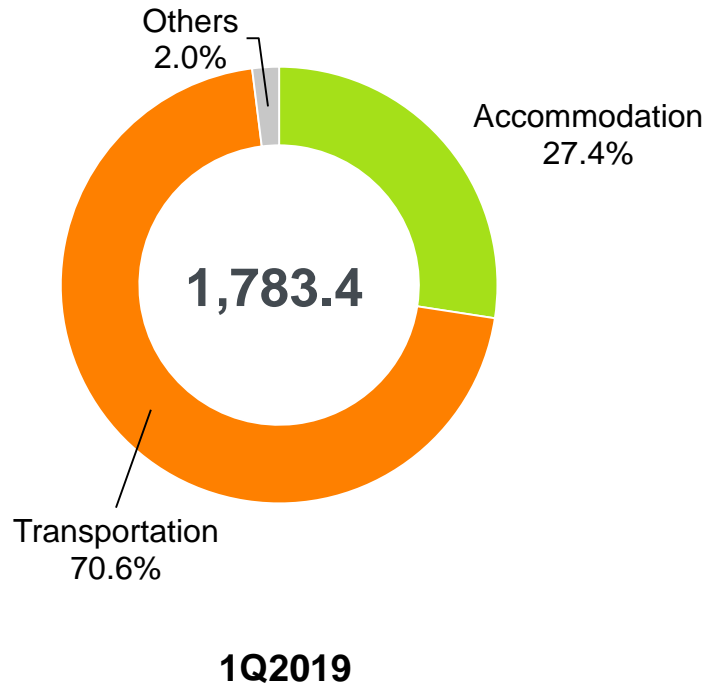
**Remarkable Operating Leverage from Technology and Synergy**

**4**

# Fairly Balanced Revenue Structure Under COVID-19

## Revenue

RMB MM

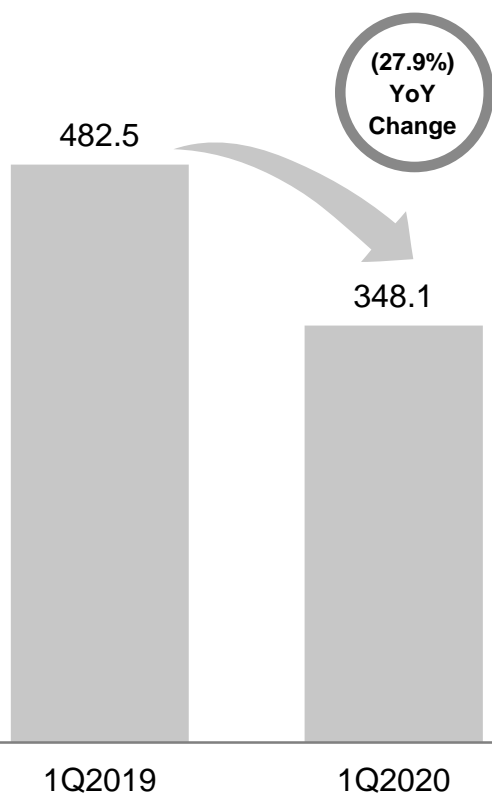




# Highly Flexible Cost Structure and Efficient Operations Management

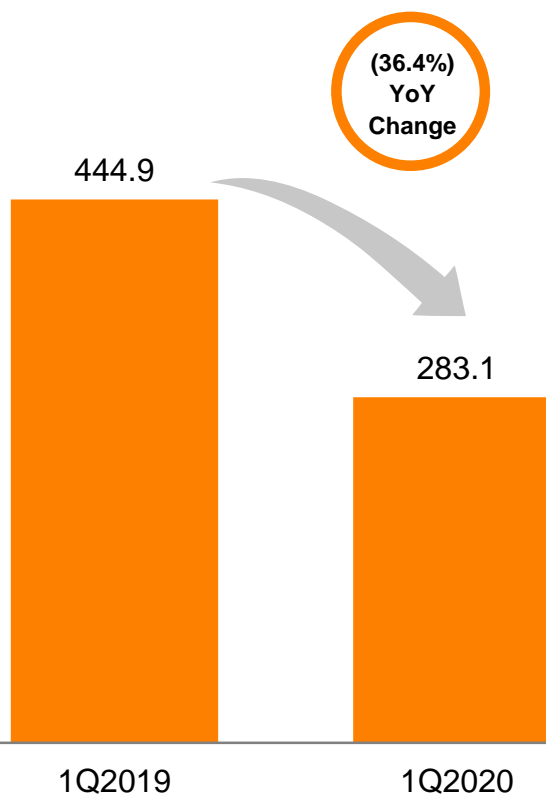
## Cost of Revenue<sup>(1)</sup>

RMB MM



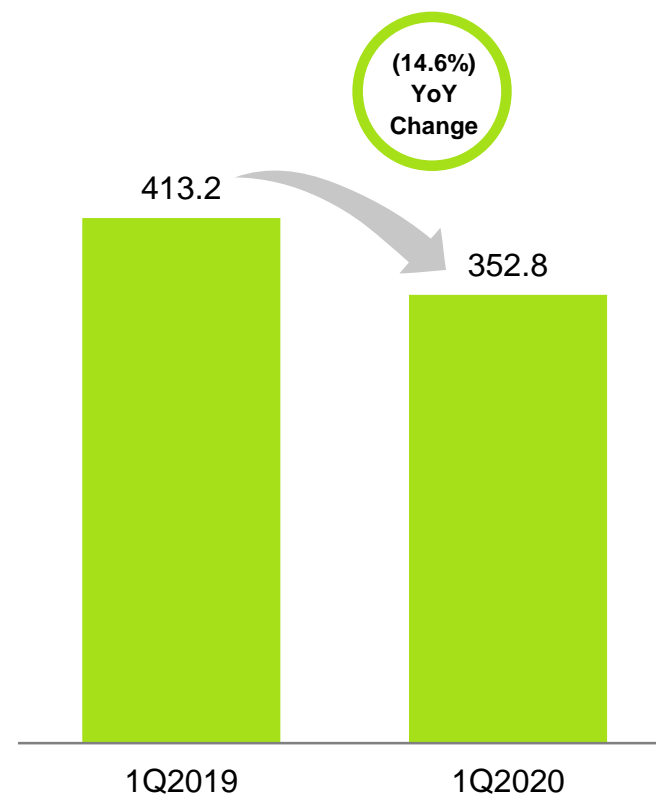
## Selling and Marketing Expenses<sup>(1)</sup>

RMB MM



## Service Development & Administrative Expenses<sup>(1)</sup>

RMB MM



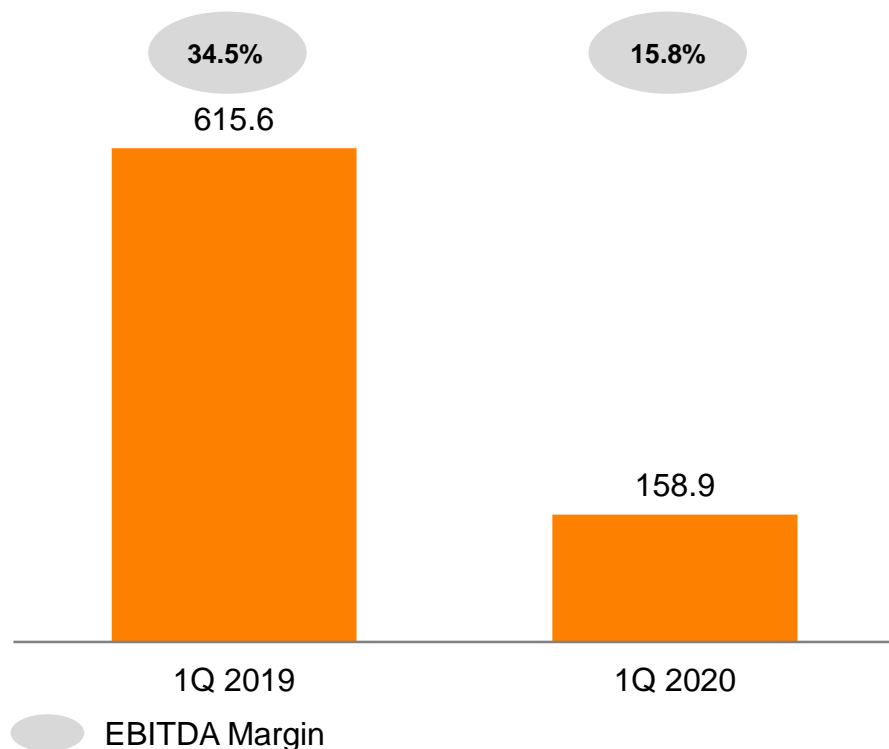
### Notes

1. Excluded the impact of share-based compensation

# Maintain Industry-leading Profitability under COVID-19

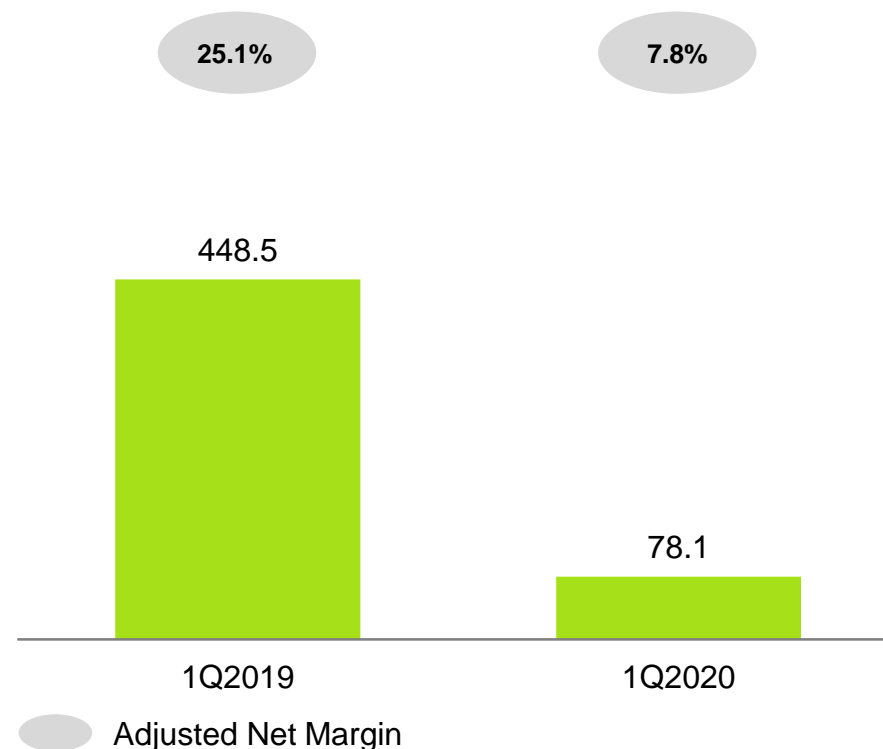
## Adjusted EBITDA<sup>(1)</sup>

RMB MM



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

RMB MM



### Notes

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





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Tongcheng-Elong Holdings Limited

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



# Initiatives to Fight Coronavirus Outbreak

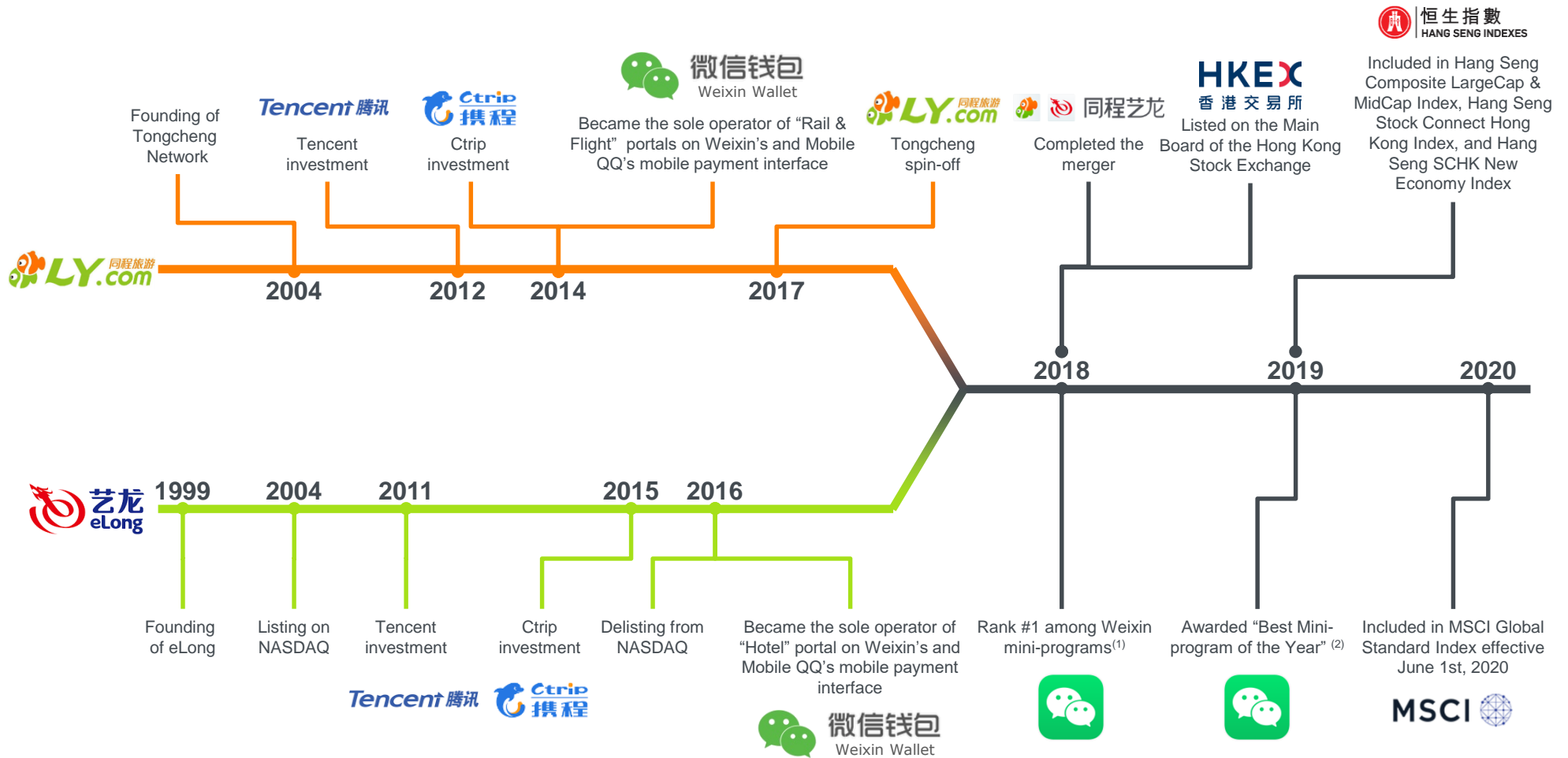
- 
- 
- Jan 24**  **Penalty-free cancellations** of all domestic orders on our platform
  - Jan 25**  Open up **self-service cancellation** function
  - Jan 27**  Set up RMB200 million **emergency fund** for timely refund
  - Jan 30**  Work with an online medical platform to provide **medical consultation** for free
  - Feb 01**  Launch an **inquiry service**, allowing users to check any COVID-19 diagnosed patients in same train / flight
  - Feb 06**  Provide COVID-19 related **insurance free** of charge for users with travel demand
  - Feb 07**  Initiate “**Safe Riding**” service to ensure the safety of drivers and passengers
  - Feb 11**  Establish “**Ark Alliance**” to help promote tourist attractions free of charge via online marketing tools for members within the alliance
  - Feb 13**  Extend **validity period** of membership for all members
  - Feb 19**  Launch “**Safe Room**” to ensure the safety of guests
  - Feb 20**  Initiate “**Return to Work Platform**” to provide customized bus transport services for enterprises
  - Feb 21**  Give **Black Whale membership** for free to medical workers across Mainland China to pay tribute to their contribution and sacrifices
  - Mar 17**  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
  - Apr 17**  Establish **strategic cooperation** with Inner Mongolia government to promote the autonomous region’s tourism industry by building a new pattern of “Internet + Tourism”
  - May 13**  Take part in “**Digitalization Transformation Action**” to bail out micro-small and medium enterprises (MSMEs) as well as empower MSMEs’ transformation



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Appendix

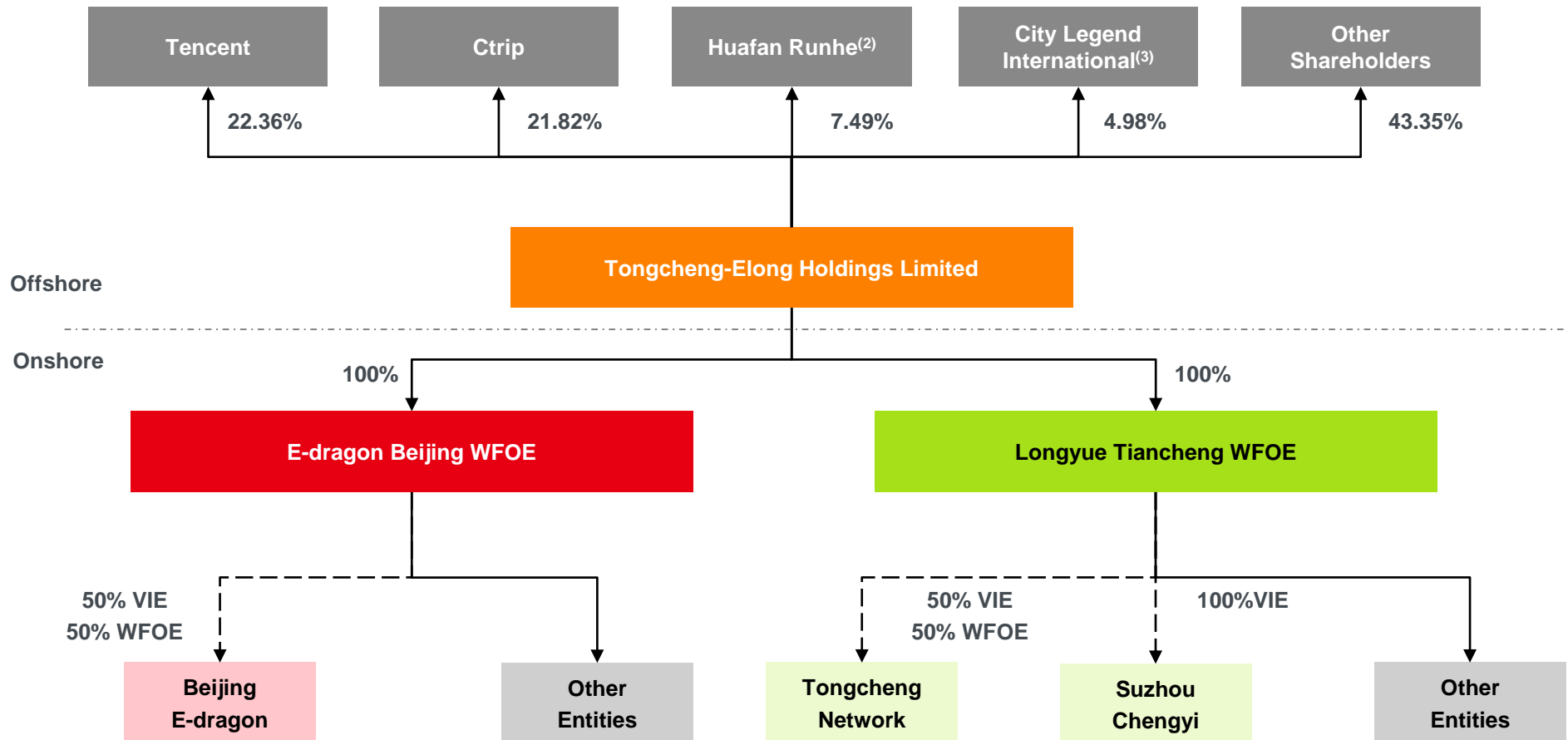
# Corporate Milestones



**Notes**

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

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



**Notes**

1. This is a simplified structure and for illustrative purpose only. The diagram illustrates the corporate structure as of March 31, 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