

[Press Release]



Tongcheng Travel Holdings Limited
同程旅行控股有限公司
(Stock Code: 0780.HK)

Tongcheng Travel Benefits from Travel Tailwind and Diverse Demand Quarterly Net Margin Edges Up

* * *

Core OTA Businesses Maintain Strong Momentum International Business Revenue Doubled to Bolster Solid Long-term Growth

(20 August 2024 - Hong Kong) – **Tongcheng Travel Holdings Limited** ("Tongcheng Travel" or the "Company", together with its subsidiaries the "Group", stock code: 0780.HK), a leading comprehensive travel platform in China, today announced its unaudited consolidated results for the three months (2Q 2024) and six months ended 30 June 2024 (the "period under review" or "1H 2024").

1H 2024 Highlights with Year-on-year ("YoY") Comparison

Strong Revenue and Profit Growth

- Revenue increased by [48.8]% to RMB[8,111.6] million
- Adjusted EBITDA increased by [12.7]% to RMB[1,733.7.0] million; adjusted EBITDA margin was [21.4]%
- Adjusted net profit for the period increased by [10.9]% to RMB[1,215.2] million; adjusted net margin was [15.0]% for 1H 2024 and 15.5% for 2Q 2024
- GMV increased by [9.7]% to RMB[128.2] billion

Extensive User base in China's Online Travel Agency ("OTA") Industry

- Annual paying users ("APUs") increased by [4.8]% to [228.3] million¹
- Accumulated number of travelers served increased by [29.9]% to [1,856.4] million¹, demonstrating a notable improvement in user purchase frequency
- Over [70.0]% of new paying users on the Weixin platform were from non-first tier cities
- Registered users residing in non-first tier cities in China accounted for over [87.0]% of the total registered users

Core OTA Businesses Reach New Record Highs in 2Q 2024

- Transportation ticketing services revenue increased by [16.6]% to RMB[1,742.7] million
- Accommodation reservation services revenue rose by [12.8]% to RMB[1,190.9] million, setting a new record high
- Revenue from others (excluding Tourism business) rose by [87.3]% to RMB[592.3] million²
- Total air ticketing volume achieved nearly [20]% growth YoY, international air ticketing volume reached new high, posting 160% growth YoY
- Total room nights sold grew by 10% YoY, international room nights sold surged by nearly 140% YoY

1. For the 12 months period ended 30 June 2024.

2. Revenue from others includes revenue from advertising services, hotel management services, ancillary value-

added user services and membership services.

Mr. Ma Heping, Executive Director and Chief Executive Officer of Tongcheng Travel, said, “We continued to achieve solid results in 2Q 2024, with our quarterly revenue reaching a new record high, a testament to our growth potential and resilience. China's tourism industry continued a growth trajectory as consumers seek diverse and unique travel experiences, leading to a sustained strong demand for travel. We are pursuing our business expansion strategy, solidifying our presence in the domestic market while advancing our global strategy to capitalize on the rapidly recovering outbound tourism demand. Additionally, we are implementing cost-saving and productivity enhancement initiatives to enable us to stay competitive in face of market changes so as to support our long-term growth.”

Elevating User Value, Accumulated No. of Travelers Served in 12 months Reached 1.86 Billion

Through extensive user acquisition initiatives and efficient engagement programs, Tongcheng Travel has established an extensive user base in China's OTA Industry. For the 12 months ended 30 June 2024, its APUs increased by [4.8]% YoY to [228.3] million, and the accumulated number of travelers it served in 12 months rose by [29.9]% to [1.86 billion], as a result of its continuous product refinements and interactive marketing campaigns that have effectively attracted a substantial number of younger users to its platform.

The Group continued to actively tap into the potential of both online and offline channels and expanded its footprint in various scenarios within the Weixin ecosystem, with a heightened emphasis on operational efficiency and overall user experience. Additionally, its proprietary APP maintained robust growth. Its daily active user hit a historic high during Labor Day holiday.

The Group also deepened cooperation with handset vendors and fostered collaboration to develop travel services within the operating systems. Furthermore, Tongcheng Travel advanced its offline public transit initiative by extending its services to more metro systems, aiming to enhance accessibility for a broader demographic and expand its user base.

Notable Growth in Core OTA Business of Transportation and Accommodation

The Group achieved impressive growth in its core OTA business. Driven by the increase in ticketing volume and enhancement in its value-added product and service offerings, revenue from transportation ticketing services increased by [16.6]% YoY to RMB[1,742.7] million in 2Q 2024. Meanwhile, the air ticketing business continued to gain market share. The total air ticketing volume obtained nearly [20]% YoY growth and outperformed the industry. The international air ticketing volume also reached a new peak, with an impressive YoY growth exceeding 160%, largely attributable to efficient execution of its international expansion strategy focusing on enriching product offerings and implementing competitive pricing strategy. The train ticketing business also recorded decent revenue growth, thanks to the efforts on optimizing Huixing intelligent travel solution to offer users with more customized and enjoyable experiences, thereby enhancing monetization.

The accommodation business also delivered solid results in business volume and revenue. Revenue from the accommodation business increased by [12.8]% YoY to RMB[1,190.9] million in 2Q 2024. The Group explored various scenarios for hotel stays, ranging from entertainment events and exhibitions to the emerging popularity of the niche tourist destinations amid the rising demand. It continued to optimize its cross-selling strategy, placing greater emphasis on enhancing efficiency. The total room nights sold experienced a solid growth of 10% YoY in 2Q 2024. The international room nights sold saw an even more remarkable increase of 140% YoY in 2Q 2024, driven by the Group's intensified efforts to expand hotel offerings and optimize product structures.

Robust Development of Industry Chain and International Business Set Solid Foundation for Future Growth

The Group's other business demonstrated remarkable growth momentum. Revenue from other business recorded RMB[592.3] million, marking an [87.3]% YoY growth in 2Q 2024. The advertisement and Black Whale membership business achieved robust growth. Besides, the hotel management business, an essential part of Tongcheng Travel's strategic expansion along the travel industry, thrives on an asset-light model, marked by a swiftly broadening geographical reach throughout China. As at the end of June 2024, the number of hotel stores in operation has further increased to around 1,900, with more than 1,000 stores in the pipeline.

Tongcheng Travel launched the international travel booking platform 'HopeGoo' in the first half of 2024, offering international travelers one-stop travel services. HopeGoo provided reservation services in six key areas including flights, hotels, train tickets, tickets, ferry tickets, and local activities, and supporting payments in 16 currencies and multiple operating languages. In 2Q 2024, the daily ticket volume of international flights reached unprecedented high.

Driving Sustainable Industry Growth and Continuously Elevating ESG Performance

Tongcheng Travel strived to empower industry partners with its profound internet expertise and advanced technologies, aiming to promote sustainable growth in the travel industry. During the period under review, the Group embarked on a strategic collaboration with Capital Airports Holdings, a partnership aimed at enhancing big data applications and product development, as well as enriching overall travel experiences. Moreover, the Group forged a strategic partnership with a renowned tourist destination in Shandong Province. This partnership is focused on advancing its digital transformation journey and accelerating product development.

Tongcheng Travel has been diligently elevating its ESG performance to align with high international standards and its efforts have been recognized. For the second consecutive year, the Group was recognized in S&P Global's Sustainability Yearbook (China), affirming its leadership in sustainable practices. The Group will remain devoted to improving our ESG practices, thereby creating greater value for its stakeholders.

China's domestic travel market has sustained its growth momentum since last year. As it enters the third quarter, there has been a notable increase in travel demand as the summer holidays commence. This increase is characterized by a diversification of demands across various travel scenarios, thereby bringing immense business opportunities for Tongcheng Travel. Looking ahead, Tongcheng Travel will continue to refine its products and services to improve user experiences while embarking on initiatives to optimize its organizational structure to promote internal resource integration, better respond to external changes, and seize strategic opportunities for expansion, both domestically and internationally. It is committed to building an efficient and resilient travel ecosystem, supporting the long-term healthy development of the industry.

-End-

About Tongcheng Travel Holdings Limited (HKSE Stock Code: 0780.HK)

Tongcheng Travel is a one-stop shop for users' travel needs. With the mission "make travel easier and more joyful", Tongcheng Travel offers a comprehensive and innovative selection of products and services covering nearly all aspects of travel, including transportation ticketing, accommodation reservation, tourist attraction ticketing, and products including package tour, self-guided tour and cruise, including a wide array of transportation and leisure travel scenarios primarily through its online platforms, which comprise its Tencent-based platforms, its proprietary mobile apps, quick apps and other channels.

As a technology-driven company, Tongcheng Travel leverages big data and AI capabilities to better understand the preferences and behaviors of users, thereby offering users customized products and services. Tongcheng Travel has a strategic focus on lower-tier cities in China and seized opportunities there supported by its diversified traffic sources, product innovation capability and flexible operation strategies. Through the in-depth understanding of user experience and advanced technological capabilities, Tongcheng Travel has been revolutionizing what consumers expect from the online travel industry, making the entire travel process more convenient, personalized and enjoyable than ever. Tongcheng Travel aims to develop and apply its advanced technology to transform from an online travel agency to intelligent travel assistant.

For more information, please visit the Group's website at <https://www.tongchengir.com>