

[Press Release]



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

## **Tongcheng Travel Posts Strong Earnings Growth in 1H2023 On Sustained Nationwide Travel Boom**

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### **Adjusted Net Profit Rises by 207% to RMB1,096 Million Average MPUs and APUs Reach All-time Highs**

(22 August 2023 - Hong Kong) – **Tongcheng Travel Holdings Limited** ("Tongcheng Travel" or the "Company", together with its subsidiaries the "Group", stock code: 0780.HK), an innovator and leader in China's online travel industry, today announced its unaudited consolidated results for the six months ended 30 June 2023 (the "period under review" or "1H2023").

#### **1H2023 Highlights with Year-on-year Change**

##### **Robust Revenue and Earnings Grew to New Heights**

- Revenue increased by 79.6% to RMB 5,452.4 million
- Adjusted EBITDA rose by 110.5% to RMB 1,538.0 million; adjusted EBITDA margin increased by 4.1 percentage points to 28.2%
- Adjusted net profit surged by 207.0% to RMB 1,096.0 million; adjusted net margin widened by 8.3 percentage points to 20.1%

##### **Diversified Online and Offline User Acquisition Channels**

- Average MAUs increased by 27.7% to 282.5 million
- Average MPUs rose by 44.6% to 41.8 million
- About 87% of registered users resided in non-first-tier cities in China

##### **Cores Businesses Achieved Record High Revenues**

- Transportation ticketing services rose by 75.8% to RMB 2,877.3 million. Domestic air ticket volume in Q2 2023 grew by 40% compared with the pre-pandemic level in Q2 2019
- Accommodation business grew by 73.9% to RMB 1,889.7 million. Domestic room nights sold grew by over 130% compared with the pre-pandemic level in Q2 2019
- Revenue from others\* increased by 118.8% to RMB 685.5 million

\* Others mainly include revenues from advertising services, hotel management services, corporate travel services, membership services and attraction ticketing services.

Note: MAU: monthly active users; MPU: monthly paying users; APU: annual paying users

**Mr. Ma Heping, Executive Director and Chief Executive Officer of Tongcheng Travel**, said, "2023 marks a new chapter for China's travel industry. We are thrilled to see continued strength and

accelerated quarter-on-quarter sequential growth in domestic demand alongside soaring travel enthusiasm. Remarkable increases were seen in our traffic with both MPUs and APUs reaching record levels, primarily attributable to our diversified online channels and effective user engagement. As non-tier-one cities have become increasingly popular travel destinations, our established leadership and deep penetration in these markets enable us to further harness rising opportunities through full-service offerings geared towards exceptional customer experience, thereby driving our long-term sustainable growth.”

### **Diversified Traffic Channels, Increased User Engagement**

Tongcheng Travel further diversified traffic sources by exploring online and offline channels, especially in underpenetrated lower tier cities. Consistent efforts were made to better engage and serve users through the Tencent Ecosystem. During the period under review, it optimized Weixin Search functions and co-launched a WeChat Pay campaign in Hong Kong to interact with users in the region. It continued collaborating with Tencent games while incorporating e-sports and sponsoring popular music festivals with Tencent Music to boost exposure among younger audiences. These initiatives effectively drove user acquisition and engagement.

### **Transportation Ticketing and Accommodation Reservation Business Reached New Highs**

Driven by volume growth, transportation ticketing revenues, which accounted for 52.8% of the total revenue, achieved record high results of RMB 2,877.3 million on a 75.8% increase during the period under review. Through consistent effort to build a more diverse user base to further penetrate the market, domestic air ticket volume in Q2 2023 increased by 40% compared to the same period in 2019. The accommodation business, which contributed 34.7% of the total revenue, continued to set new revenue and volume highs. Revenue from this business grew by 73.9% to RMB 1,889.7 million. The number of room nights sold in Q2 2023 increased by more than 130% compared to Q2 2019.

### **New Hotel Management Business to Diversify Revenue Streams**

The Group took steps to diversify its business to bring in new growth impetus. It has further developed the hotel management business by expanding the hotel brand portfolio to include low- to high star-rated hotels. It has also tapped into the leisure travel market through acquisitions of travel agencies. Elong Hotel Technology Group set up by the Group had signed contracts with nearly 2,000 hotels and had 15 million members. In the first half of 2023, revenues from others, including advertising services, hotel management services, corporate travel services, membership services and attraction ticketing services, recorded a 118.8% growth to RMB 690 million.

### **Leveraged Technology Edge to Enable Smart Digitization of Travel Industry**

Tongcheng Travel is committed to applying its technology edge to contribute to a highly efficient travel ecosystem. It uses AI-powered robots to provide more efficient customer service and worked closely with business partners to proactively explore the application of Artificial Intelligence Generated Content (AIGC) in its business operations. Moreover, it utilizes its technology edge and innovation capabilities to assist upstream suppliers to expedite smart digitalization of the China’s travel industry.

On top of that, it established cooperation with Chengdu Shuangliu International Airport to help the airport develop a transit system to attract transit passengers and established a strategic partnership with Henan Province Airport Group to help it develop combined transport solutions, integrated membership programs, and digitalization platforms. Furthermore, through its comprehensive hotel PMS brand matrix, the Company provided SaaS solutions to more individual and chain hotels as well as alternative accommodation to optimize their operational efficiencies.

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## **ESG Efforts for Sustainable Development Won Recognition**

Tongcheng Travel's dedication to corporate sustainability has earned its inclusion for the first time in The Sustainability Yearbook (China) by S&P Global. In light of the full recovery of the travel industry, it initiated a training program on digital operation and marketing of rural tourism for tourism professionals from Sichuan province, to help stimulate and accelerate the growth of the rural economy. Moreover, it collaborated with over 200 hotels across China to offer college entrance examinees and their parents free stationery, water, and comfortable rest areas.

Mr. Ma added, "Going forward, we will continue to leverage our competitive advantages in terms of diversified traffic sources, solid market position, flexible operation strategy, and advanced technological capabilities. We will further enhance our products and services to provide more satisfying experience to our users. We will also seize market opportunities and look into international business potential. At the same time, we will explore investment opportunities that align with our strategies to support future business growth to generate long-term sustainable value for our stakeholders and communities."

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

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>