

[Press Release]



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

**Tongcheng Travel Posts Continued Growth and
Increased Profitability in 2024 Q3**

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**Core OTA Businesses Thrive Amid Robust Demand
International Business Surges, Driving Long-term Success**

(19 November 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 ended 30 September 2024 (2024 Q3).

2024 Q3 Highlights with Year-on-year ("YoY") Comparison

Quarterly Revenue and Adjusted Net Profit Reach Record Highs

- Revenue increased by 51.3% to RMB4,991.5 million
- Adjusted EBITDA increased by 51.6% to RMB1,318.8 million; adjusted EBITDA margin stood at 26.4%
- Adjusted net profit for the period increased by 46.6% to RMB910.0 million, equivalent to an adjusted net margin of 18.2%
- GMV increased by 2.4% to RMB72.8 billion

Strong User Base with Increased Purchase Frequency

- Annual paying users ("APUs") increased by 3.4% to 232.4 million*
- Accumulated number of travelers served increased by 19.9% to 1,882.5 million*, reflecting a robust growth in user purchase frequency

Core OTA and International Businesses Thrive

- Core OTA business surged by 21.6% to RMB4,012.8 million
 - ▶ Transportation ticketing services revenue grew by 20.6% to RMB2,062.8 million; international air ticketing volume grew over 110%
 - ▶ Accommodation reservation services revenue rose by 22.2% to RMB1,377.5 million; international room nights surged over 130%

The operating profit margin of core OTA business rose to 31.1%

* For the 12 months period ended 30 September 2024

Mr. Ma Heping, Executive Director and Chief Executive Officer of Tongcheng Travel said, "Driven by robust travel demand, we are delighted to report another outstanding set of results for 2024 Q3, with both revenue and net profit reaching record highs. Supported by our efficient user acquisition strategy and strong operational capabilities, we continued to benefit from enhanced economies of scale and increased profitability. Our domestic and international expansion strategies have yielded positive results as the China travel industry continues to experience sustained growth in both domestic and outbound travel. By leveraging our competitive advantages in execution and technology, we are committed to fostering industry development and creating a favorable environment for both industry growth and our corporate advancement."

Strengthened Foothold in China's Mass Travel Market Accumulated Annual Travelers Served Rose by nearly 20%

Tongcheng Travel continued to grow its user base and boost user purchase frequency through an efficiency-driven approach that utilizes a range of online and offline channels, enhanced user engagement initiatives and enriched product and service offerings covering both domestic and outbound travel needs. In 2024 Q3, the number of APUs increased by 3.4% YoY to 232.4 million, while the accumulated number of travelers served in the past 12 months rose by 19.9% YoY to 1,882.5 million, reflecting an increase in user purchase frequency.

Tongcheng Travel has leveraged both online and offline channels to broaden traffic acquisition. With a strong emphasis on operational efficiency, it has established various important scenarios leveraging the Weixin ecosystem, interest-based e-Commerce, offline services, private domain ecosystem as well as ecosystem-based tools to drive user traffic. Its proprietary app also continued to deliver remarkable growth, with DAU reaching an all-time high in the lead-up to the National Holiday. In 2024 Q3, the average MPUs increased by 5.0% YoY to 46.4 million, also achieving a record high. The Group further strengthened its foothold in China's mass market, with the number of registered users residing in non-first tier cities in China accounting for over 87% of the total registered users as of the end of September 2024. For the three months ended 30 September 2024, around 71% of its new paying users on the Weixin platform were from non-first tier cities in China.

Revenues of Transportation Ticketing and Accommodation Businesses Reached Record Highs Operating Margin of Core OTA Business Achieved Outstanding Improvement

The Group experienced outstanding growth across all segments of its Core OTA business, which saw its operating profit margin rising by **【13】** percentage points to 31.1%. In 2024 Q3, revenue from transportation ticketing services increased by 20.6% YoY to RMB2,026.8 million, driven by a rise in ticketing volume and enhancements in value-added products and services. Additionally, train ticketing generated solid revenue growth, primarily due to the Group's ongoing efforts to improve monetization through strategies such as refining the Huixing Intelligent Travel System to provide users with more comprehensive travel solutions.

The accommodation business of Tongcheng Travel also delivered notable results and posted a 22.2% revenue growth to RMB1,377.5 million. With an acute focus on its target markets, it capitalized on growth opportunities by exploring a variety of accommodation scenarios and optimizing cross-selling to better capture users' demand.

Other revenue from the Core OTA business also achieved a 23.7% YoY growth to RMB608.5 million.

Expansion along Industry Chain and Internationalization Set Foundation for Future Development

As part of its strategic expansion along the travel industry chain, the Group's hotel management business witnessed rapid growth across China. As at the end of September 2024, the number of hotels in operation under its management has risen to over 2,100, with nearly 1,200 more in the pipeline. Besides, more than 900 franchised travel agencies have been opened under the Group's network. Amid the ongoing recovery of the travel industry, the Group's tourism business achieved RMB978.7 million in revenue in 2024 Q3, adding a new revenue stream.

In terms of internationalization, the Group's international air ticketing volume experienced an impressive 110% YoY growth, setting a new high, thanks to the strategic expansion of its international offerings and pricing advantages. The international room nights also saw a substantial increase of over 130%. This growth was largely driven by the group's ongoing enrichment of hotel offerings and innovative marketing campaigns targeting younger travelers.

Furthermore, HOPEGOO, the new international online travel booking platform under Tongcheng Travel, has been in full operation, providing 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. Meanwhile, eLong Hotel Technology, the hotel technology platform of Tongcheng Travel, has onboarded brands covering countries such as Japan, Malaysia and Indonesia. These brands will provide diverse and high-quality accommodation experiences for global consumers.

Innovative Technology Boosts Efficiency, Driving High-Quality Development for the Industry

The Group utilizes AI technology to enhance its operational efficiency. Its AI-driven customer service system, which is pivotal in bolstering operational efficiency by easing the manual workload, has made advancements by integrating intelligent features and automation into the system, all designed to elevate the user experience. Moreover, it has increased efforts to refine the algorithm-driven Huixing system to provide users with more feasible and convenient travel options, especially for those with complex itineraries that do not have direct routes.

With regard to the development of the industry, the Group aims to invigorate the travel industry by utilizing its extensive internet experience and advanced technologies to empower industry partners and enhance user experiences. In 2024 Q3, it entered into strategic collaborations with Hainan Airport Group and Jilin Airport Group to help them develop big

data and marketing solutions. Additionally, it has developed a customized air-rail combined transport technology for Nanning Airport to enhance the airport's operational capacity and efficiency.

China's Travel Industry Identified as a Key Driver to Boost Domestic Economy

As it enters the fourth quarter, the outlook for the China travel industry remains optimistic, with consumers continuing to show enthusiasm for travel. This positive sentiment is further supported by the Chinese government's recent introduction of economic support policies, identifying the travel industry as a key driver of growth. The prospects for the outbound travel market are also promising, driven by the resumption of international flights, the easing of visa policies, and growing consumer interest in diverse and unique destinations worldwide.

Going forward, Tongcheng Travel will prioritize enhancing user value while expanding its reach through enriched product and service offerings to elevate user experience and consistently exceed expectations. Additionally, while it will continue to reinforce its market position within the travel industry, it will also focus on expanding its outbound business to strengthen its global presence. It will further develop its hotel management and tourism business and pursue investment opportunities aligned with its strategic objectives to support future growth.

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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>