

## &gt; eDreams ODIGEO:

## Taking Online Travel to the Next Level

The success of eDreams ODIGEO, one of the world's largest online travel retailers and one of Europe's most profitable public e-commerce companies, comes down to a set of core strengths that propelled the business to a position of global leadership.

With five leading brands typically ranking number one or two in their core markets – Opodo, eDreams, Go Voyages, Travellink, and Liligo – the company has acquired a strong presence in 44 markets, putting it amongst the world's top four online travel agency (OTA) groups.

Since obtaining a listing on the Madrid Stock Exchange in April 2014, eDreams ODIGEO reported its first annual turnover at almost €4.4 billion. The company continues to see strong growth through its strategic approach that makes travel easier, more accessible, and better value for the more than 16 million customers it serves.

The group maintains a total of 67 websites for both desktops and mobile devices, generating over 25 million searches per day of customers seeking to access the widest and most competitive range of travel products online. With proprietary technology that enables the company's complex systems to conduct over seven billion pricing element calculations per hour, eDreams ODIGEO has revolutionised the way consumers search and book travel.

Offering travellers over 155,000 flight routes from 450 scheduled airlines allows for a multitude of bookable combinations which give customers the ultimate in choice and flexibility.

Maintaining a customer-centric approach that places the best interest of travellers centre stage has enabled eDreams ODIGEO to rapidly expand its reach, taking new markets by storm including recent forays into Russia and Japan, and new websites for customers in Australia and the US.

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Although the company's core competency is the flight business, the eDreams ODIGEO Group is investing heavily in non-flight products including cruises, car rentals, travel insurance, and short-stay and long-term accommodation. 2015 has been a year of change for the company, with positive improvements in strategy and a stronger focus on the development of non-flight products and investments in technological innovations that offer customers a more tailored and targeted service.

CEO Dana Dunne, who was appointed to spearhead the company in January 2015, has made significant progress on the set of strategic initiatives he launched in June and which aim to evolve the company's business model in order to drive down prices, bolster margins, and increase growth and customer engagement. The new approach includes six key business priorities:

- Optimising traffic sourcing by reassessing the channel mix, focusing on lower cost channels and customer retention;
- Increasing the focus on the mobile web experience, which attracts a large and growing share of customers;
- Enhancing the end-to-end customer experience, simplifying the user interface, and enhancing value and service delivery to customers;
- Maintaining a lean and nimble business model with enhanced product quality, increasing the company's agility when adapting to the ever-changing environment in which it operates;
- Diversifying revenue by delivering value-added products and services that increase the customers' basket size while enhancing the customer experience; and,

- Fostering culture and talent, building a passionate and empowered organisation that drives long-term success.

eDreams ODIGEO is definitely on track and delivering results with its newly-stated strategy. The company delivered solid first-half 2015 results as the performance optimisation strategy played out, revealing stabilisation in the competitive landscape and an increased market share. For the six months to September 30, the online travel agency group delivered a good performance with a growth of 8% in bookings to 5.4 million and a 6% increase in revenue margin to almost €231 million. Adjusted net income for the half year amounted to €8.4 million – a 62% increase on the same period last year.

Mr Dunne commented on the financial results: “The actions we have taken to stabilise the business are having an impact and we have delivered a good first half performance. Our booking trends are improving at a strong rate. Our growing market shares are particularly encouraging. At the same time, we are making strong progress in the strategy I set out in June. This has been particularly pronounced in the investment we have made in the customer experience, both in the overall customer interface and specifically in mobile. This activity is already translating into strong client satisfaction scores which bode well for the future.”

“Looking forward, the stabilisation of our financial performance allows us to reinvest in order to up market share and revenue growth. Our strategy will continue to drive improvements across our business.”

Key points that demonstrate the ongoing strategic progress include eDreams ODIGEO's mobile channel bookings which continue improving and now represent 24% of the company's total flight bookings. The group has seen a 44% increase in mobile app downloads over a six-month period, reaching a cumulative figure of 5.3 million downloaded and installed apps.



eDreams ODIGEO has a presence in 44 markets worldwide and growing.





Offices: 15 across Europe, the USA and as far as Sydney in Australia.



Over the past few years, the company has invested significantly in its mobile offering, creating a presence in all major markets with both smartphone and tablet optimised app versions. As a tech-first company, eDreams ODIGEO embraces the pronounced trend of customers to demand easy-to-use, accessible services. Being able to book a city-break while on the move is something that makes a real difference. eDreams ODIGEO aims to provide a service that makes this, and more, a reality.

The group's mobile studio ensures customers enjoy an optimised experience on major platforms, transforming apps into veritable travel companions that offer location-specific information and services. The recently-launched app for the Apple iWatch gives customers convenient access to flight details, time zones, exchange rates, and weather forecasts. Incorporating state-of-the-art functionalities and the latest developments into its platform, eDreams ODIGEO not only manages to keep abreast of the travel industry's trends, but drive innovation as well. Its latest-generation apps are loaded with features that memorise customers' preferences and search details.

Also outside the dynamic mobile sphere, offering the customer an unequalled experience is the number one concern for the company. eDreams ODIGEO just completed the rollout of the OneFront Platform across its three biggest OTA brands – Opodo, eDreams, and Go Voyages. This new technology system enables the company

to be more responsive still to customers' needs by offering the best range of travel options and prices – and do so faster and more efficiently. Since its implementation, the OneFront Platform has already shown significant improvement in conversion rates across the group due to enhanced features such as improved website navigation. The OneFront Platform also includes a new visually-appealing design, faster response times, and a far superior user experience.

The continued growth in customer satisfaction registered over the last twelve months is evident through recent award wins – Best Online Travel Partner Global (CFI.co), Best Flight Booking Website (The British Travel Awards), and Best Customer Service Company (German newspaper Die Welt) – and improvements in the company's public survey scores including its Trustpilot rankings. Among other OTAs and airlines, the eDreams brand now ranks number one in Trustpilot globally, with an 8.2 average score, and GoVoyages – the company's leading French OTA brand – comes third overall.

By focusing on revenue diversification with value-added travel products that increase customers' basket size, eDreams ODIGEO has delivered a 54% growth in the metasearch business and a 64% growth in bookings with service options. The group is a global leader in the OTA space when it comes to the sale of ancillary services. eDreams ODIGEO will continue to extend this offer to customers by adding more airline partners.

As one of the world's leading flight retailers, eDreams ODIGEO announced that its flight business has shown significant growth this year. The company reported a 15% year-on-year growth in airline bookings last quarter. This is the first time in seven quarters that eDreams ODIGEO has attained double-digit growth rates. In fact, one in every four flight tickets purchased through OTAs in Europe is bought through the group's Opodo, eDreams, Go Voyages, or Travellink brands.

The flight booking business is undergoing accelerated growth especially in expansion markets which now represent 45% of the company's overall revenue - this includes big markets such as the UK and Germany. Meanwhile, the group's international expansion strategy is also bearing fruit with strong growth rates in most of the 44 markets in which it is present.

eDreams ODIGEO is performing exceptionally well. The group has maintained its guidance for the 2015-16 fiscal year and expects more than 9.7 million bookings, higher margins, and an adjusted EBITDA of €91-94 million.

With over 1,700 employees spread across 15 offices in a dozen countries – including Spain, France, UK, Germany, Italy, Sweden, Finland, Norway, Hungary, Denmark, USA, and Australia – eDreams ODIGEO is well poised for sustainable growth that will propel the company to new heights. ✱