



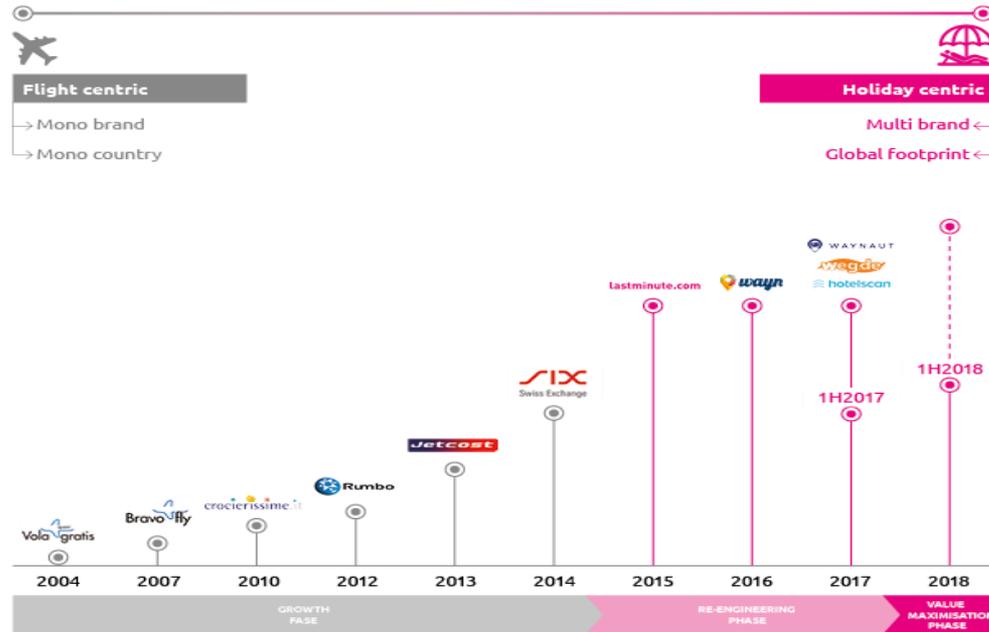
# lastminute.com Group

Milan November 2018

# lastminute.com Group Overview



# A journey of growth and diversification addressed to long-term value maximisation



# We have a global footprint

lm group

lastminute.com

bravofly

rumbo

volagratis

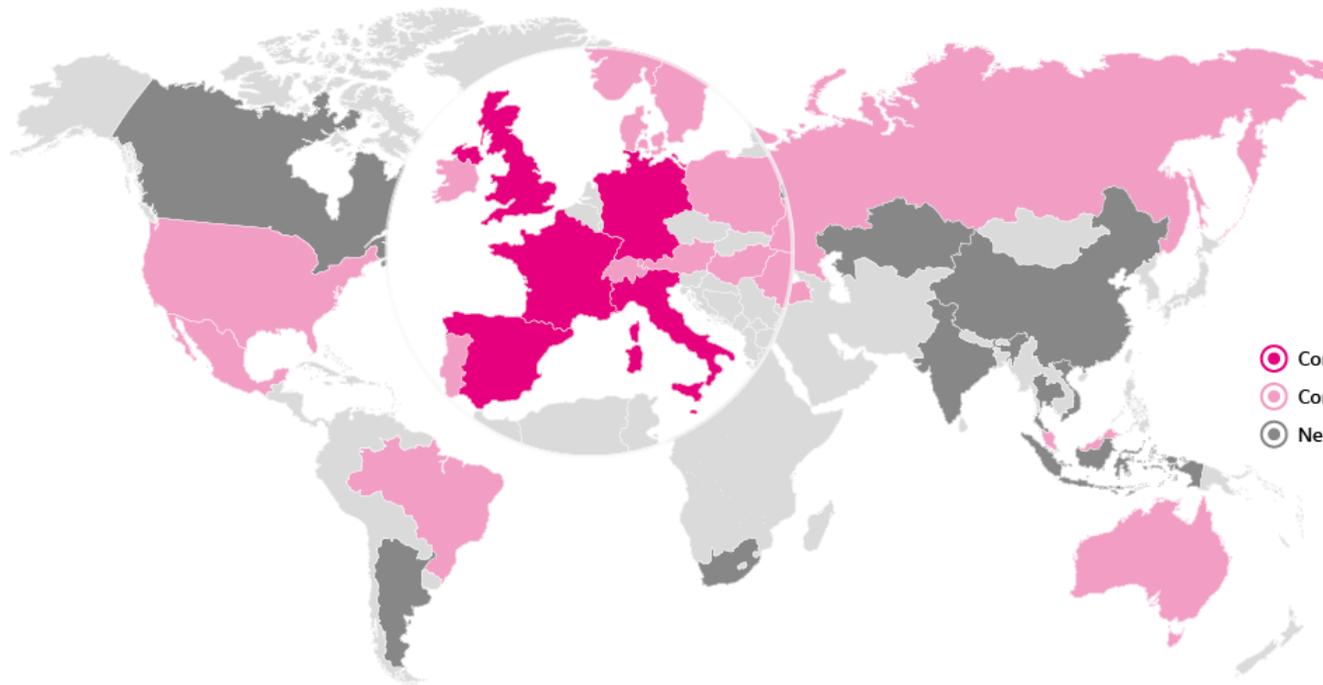
Jetcost

lm travelpeople  
ENGAGING AUDIENCES

weg.de

hotelscan

crocierissime.it



- Core markets
- Consolidated markets
- New markets



around 10 million  
passengers handled  
per year



offering and services  
available in 40 countries  
and 17 languages



1200 people  
across 12 countries

lmn group is organized in two business areas and a listed holding company providing corporate services

lm group

lm holding

Group CEO Fabio Cannavale

- Dutch Holding Company\* listed in Switzerland
- Corporate services and functions



Venture Initiatives



- Businesses managed on a stand alone basis independently from lastminute.com
- Group's way of exploring new field of growth and making "Open innovation"

lastminute.com

CEO Marco Corradino

- A number of operating companies consistently managed to exploit the full potential of the business model
- OTA, META and Media businesses generating direct Revenue and costs

lastminute.com

META

Jetcost

hotelscan

Comprehensive travel solutions

OTA

lastminute.com

bravofly

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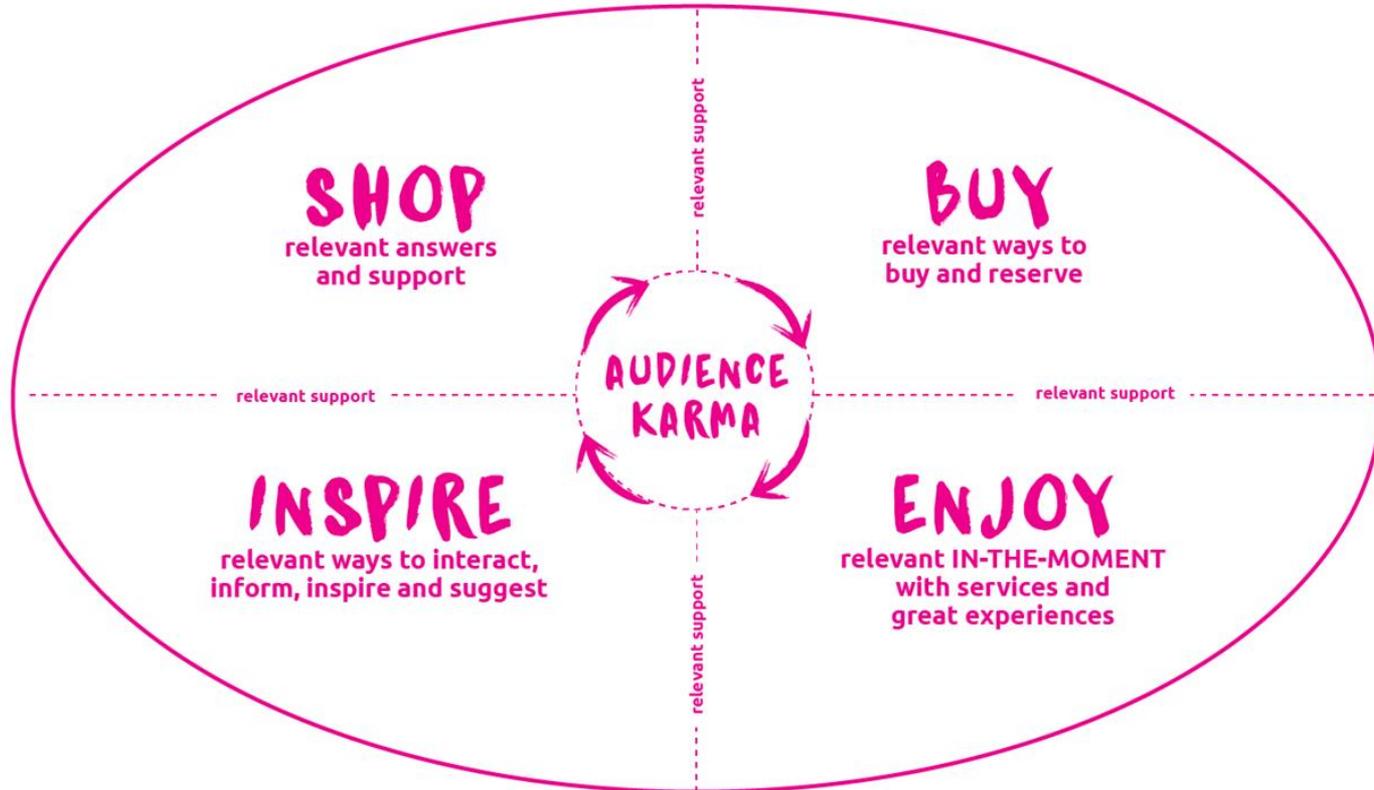
Advertising Technology Platform

MEDIA

lm travelpeople  
ENGAGING AUDIENCES

Comprehensive business model and diversified revenue stream backed by a wide portfolio of brands, scalable technology architecture, plug&play and efficient travel platform

our strategy to become  
**RELEVANT** and **FREE AUDIENCE KARMA**



# How lastminute.com businesses cover the online travel Customer Journey

## Customer Journey Funnel

### CONNECT/INSPIRE

- Travelers look to LMN sites for **inspiration**. lastminute.com has got this covered by providing needs-based **advertising**

### SHOP

- Travelers want the **best deal**: **metasearch** is the **central point** of the shopping phase

### BUY

- For customers to **complete their booking**, it takes **OTA infrastructure** to connect them with **travel providers**. This is lastminute.com's core business

## lastminute.com business segment

### MEDIA

Advertising revenue

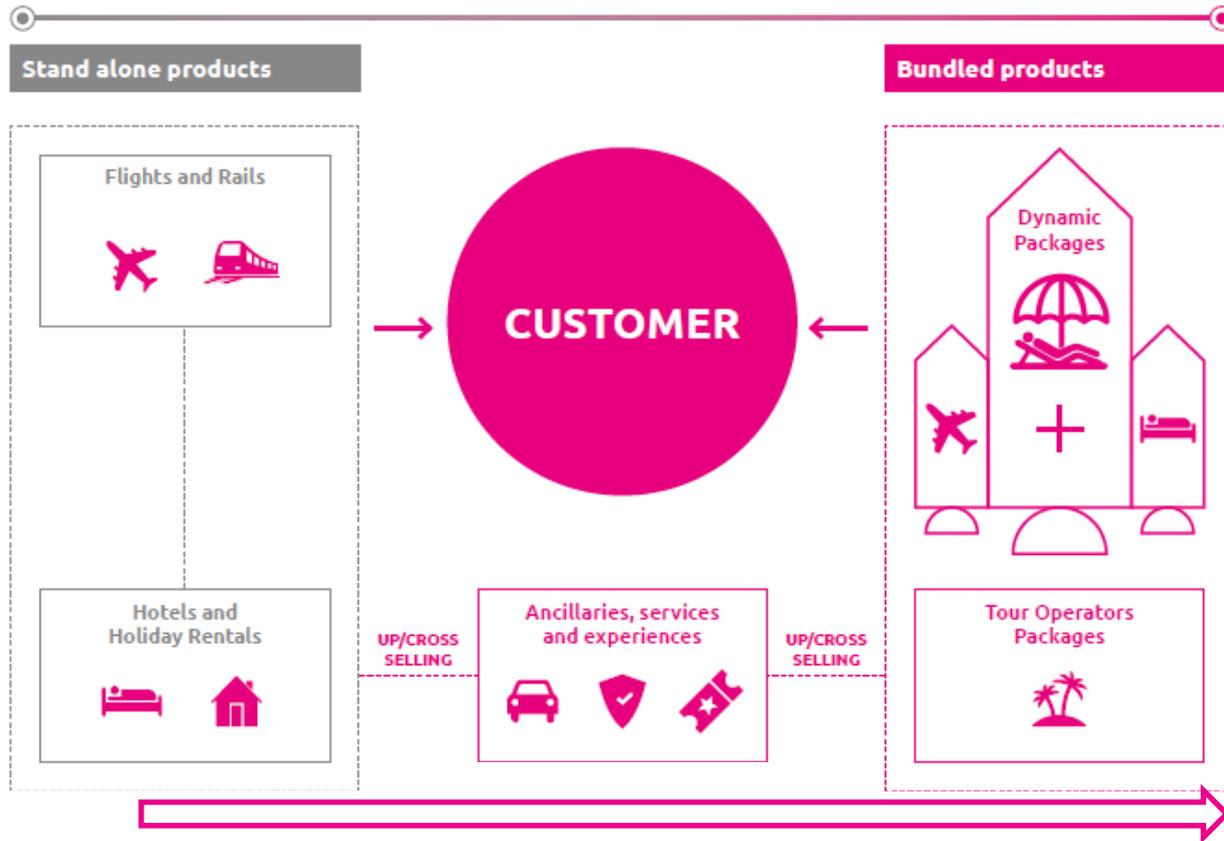
### METASEARCH

Referral fees to lastminute.com or third-party OTAs, and supplier-direct channels

### ONLINE TRAVEL AGENCY (OTA)

Transaction-based agency fees

# Positioned to expand in the main EU countries as the **most advanced digital Tour Operator** of the online holidays space



Strategic path

# Our Brand Architecture

Get Busy Living

lastminute.com



Whatever makes you pink

 volagratis



Chi ha stravoglia di partire, Volagratis.

stravoglia



 rumbo



Saca el rumbero que hay en ti



weg.de



weg sein muss sein



**Payments are Core**

Over 40 mln€ unique users /month

Processed Volumes : 2.3 bn € (as a mid size bank)

The challenge: how to maximize conversion

- ❑ Ensure frictionless checkout experience for customers
- ❑ Smart routing strategies
- ❑ Add new Payment Methods
- ❑ Launch our own payment method in order to increase traffic and loyalty

# Instalment Plans

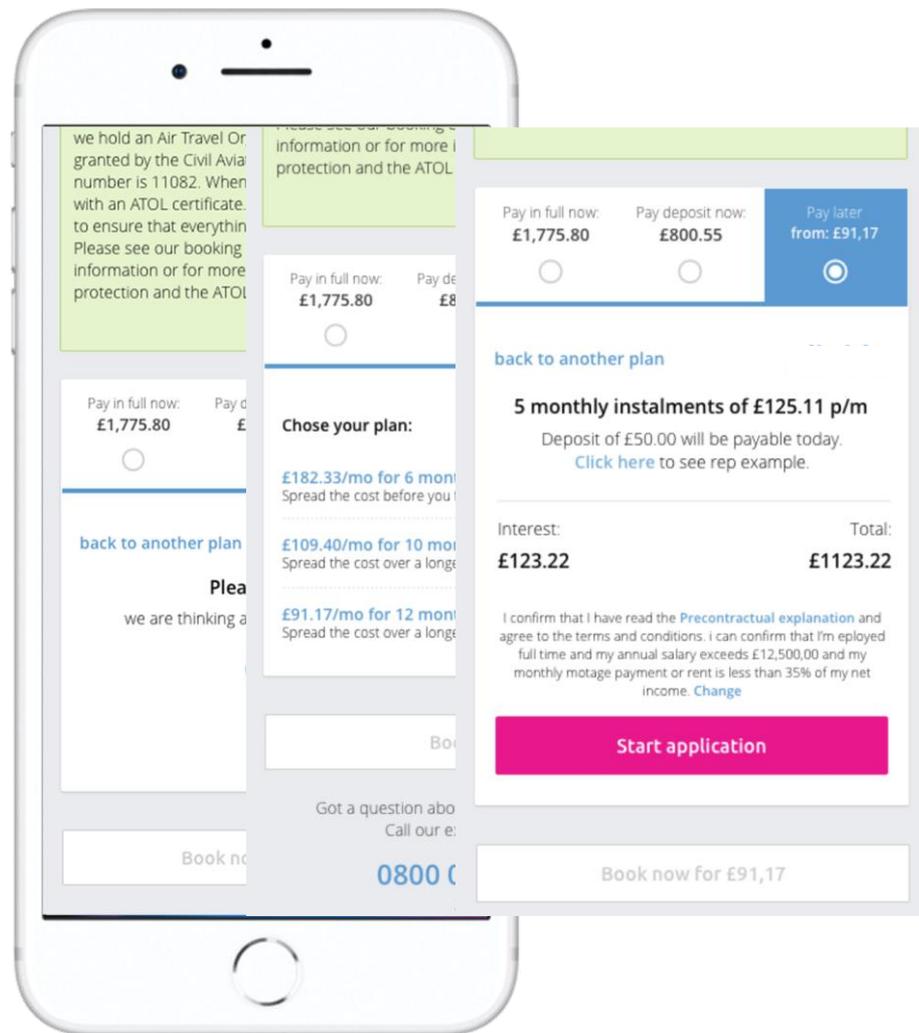
## Targeted for High Value Bookings (Packages)

### Key Objective

- Increase Conversion rate

### Delivery plan:

- Launch in UK by Q1 2019 (DP)
- Launch in Italy and France by Q2 2019 (DP)
- Evaluate possibility to extend to other categories in H2 2019



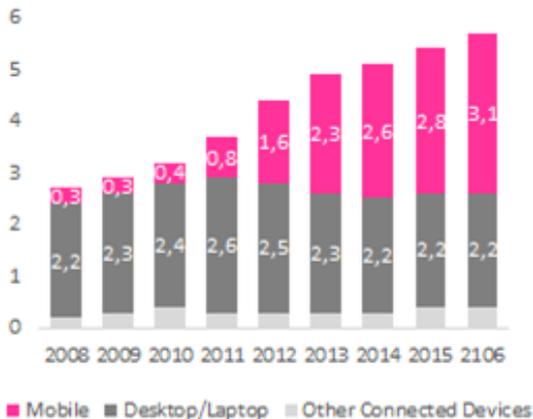
**Focus on Mobile**

Mobile is the key platform for searching and preliminary planning, expected to increase relevance also in the lower funnel

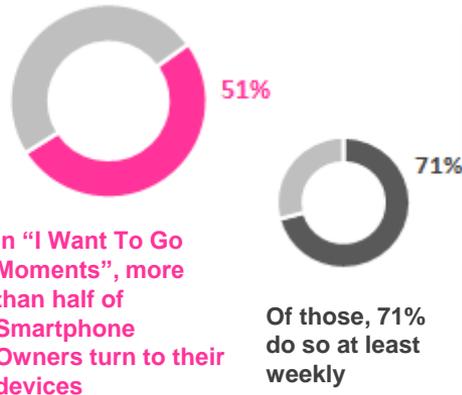
Spending most of time on mobile among digital media, travelers use their smart devices to gain inspiration and compare travel content

**78%** European mobile penetration rate in 2015

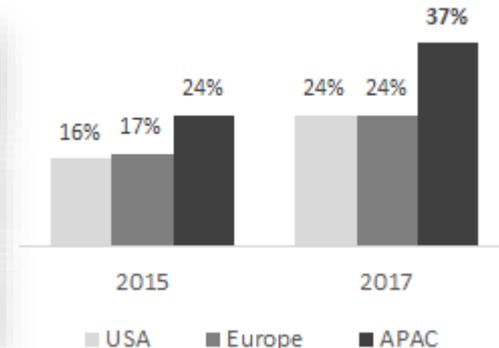
Time spent per adult user with digital media (hours per day - US)



Frequency of Travel-related searches during Micro Moments



Mobile Bookings as a Share of Online Bookings



Sources:

- Global Online Travel Overview Fourth Edition (Phocuswright, Nov. 2016)
- European Online Travel Overview Eleventh Edition (Phocuswright, 2016)
- Internet Trends 2017 – Code Conference (Kleiner Perkins, 2017)
- The Mobile Economy, Report by GSMA, 2015

## focus

### Mobile traffic is already higher than desktop

- ❑ Smartphone share: 2017 40%
- ❑ 2018 YTD 51% - Q4 2018 > 55%

### Mobile bookings are 30% of total bookings

- ❑ Payment mobile share: 2017 25% - 2018 30%
- ❑ Payment delta conversion desktop vs mobile: 10%

**Challenge is to increase the mobile conversion (app enhancements, lm wallet)**

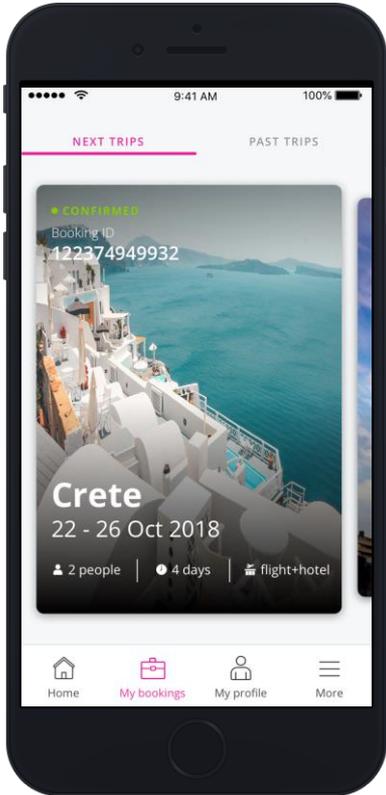
**By Sept '19 mobile will become a must to have in order to pay online in light of Strong Customer Authentication**

SCA characteristics

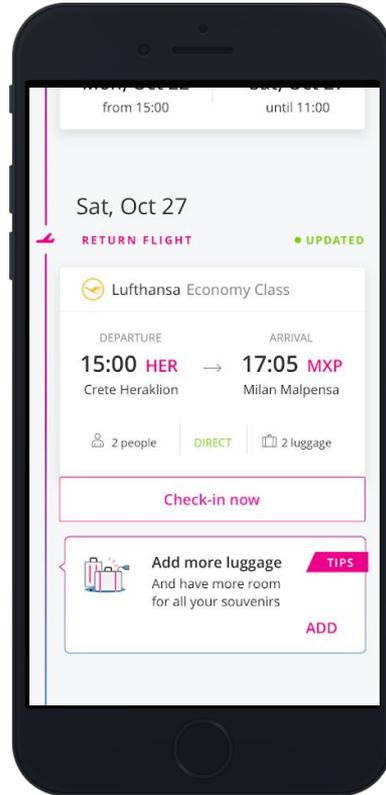
- Something only the user knows (e.g., passcode or PIN);
- Something only the user possesses (e.g., mobile phone or token);
- Something the user is (e.g., fingerprint, facial, iris or eye vein)

**Mobile will be the main media for the customer authentication**

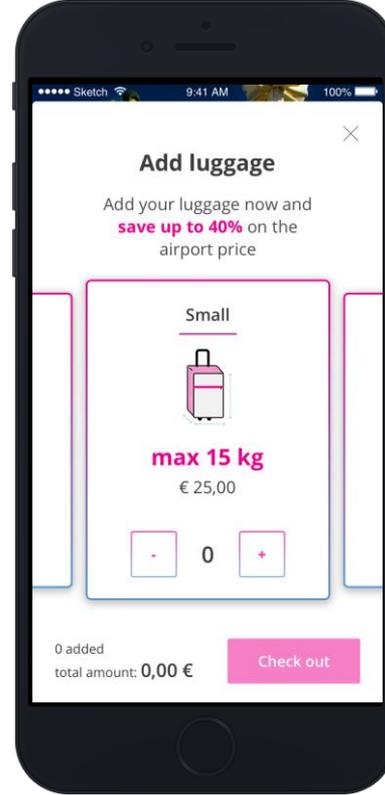
# App - Add luggage flow



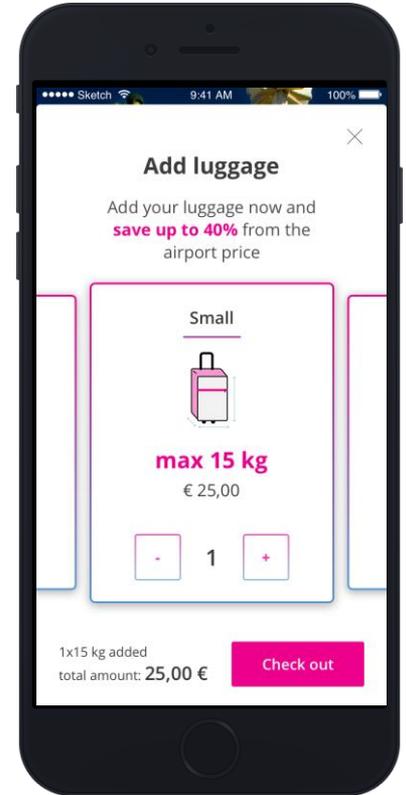
1. Next trip card



2. Next trip timeline\_add luggage banner

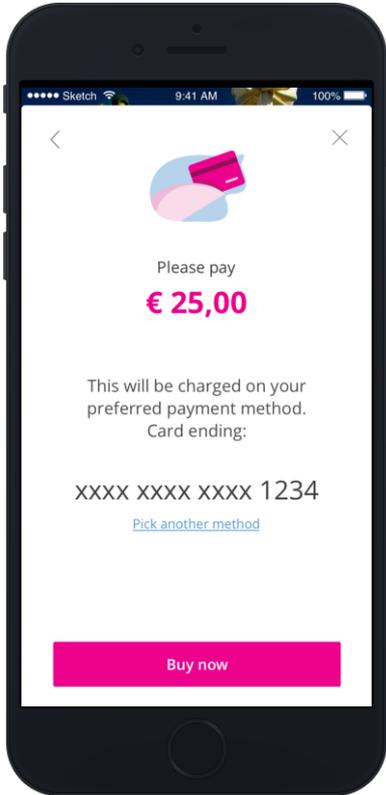


3. Add luggage overlay

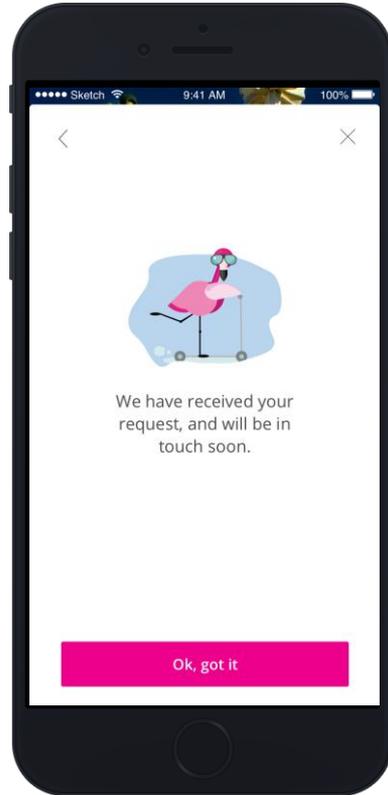


4. Add luggage overlay - luggage added

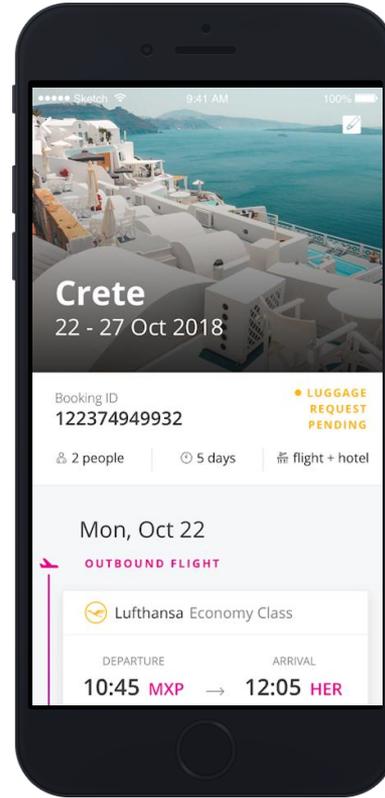
# App - Add luggage flow



5. Payment step



6. Feedback



7. Timeline - pending status

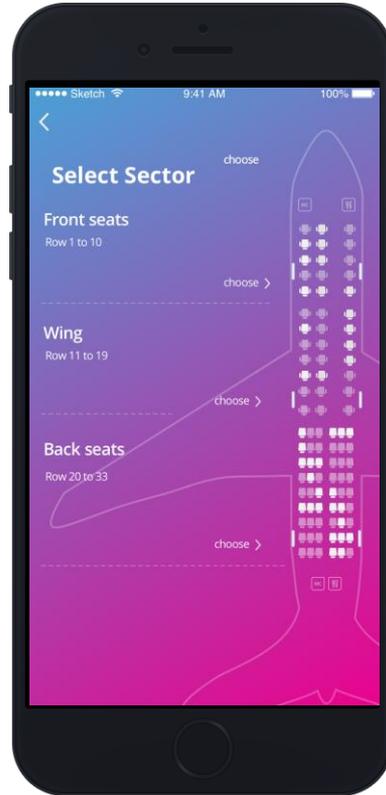


8. Push notification - Additional luggage confirmation

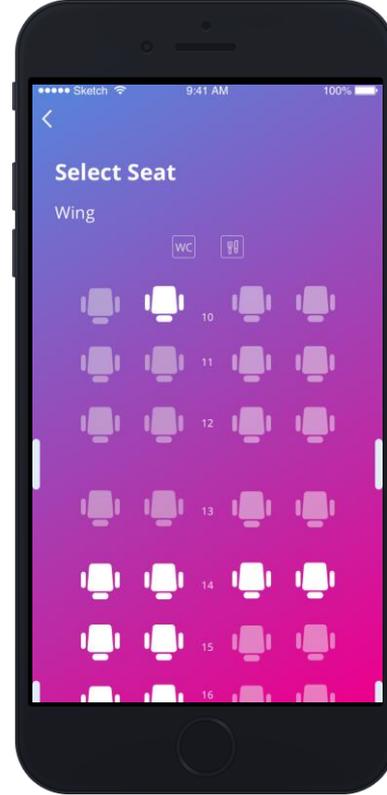
# App - Seat selection flow



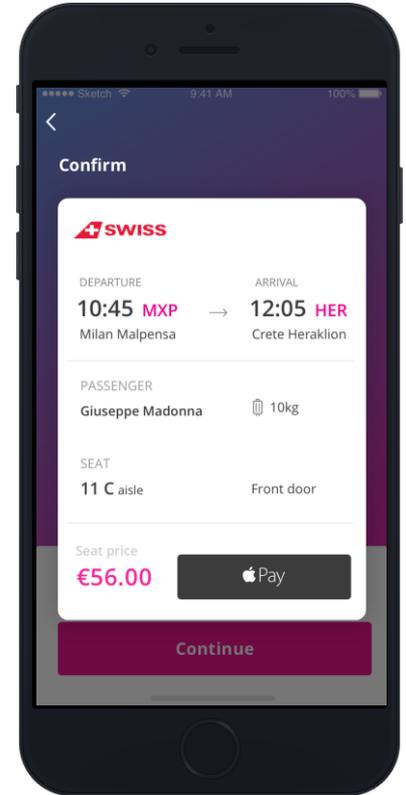
1. Push notification - Check - in open



2. Sector selection

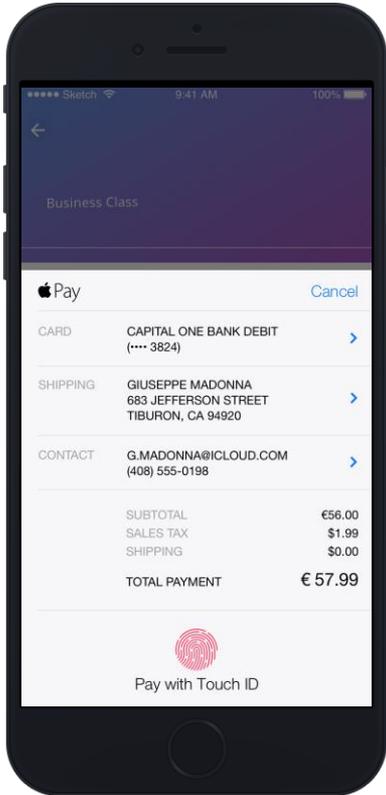


3. Seat selection

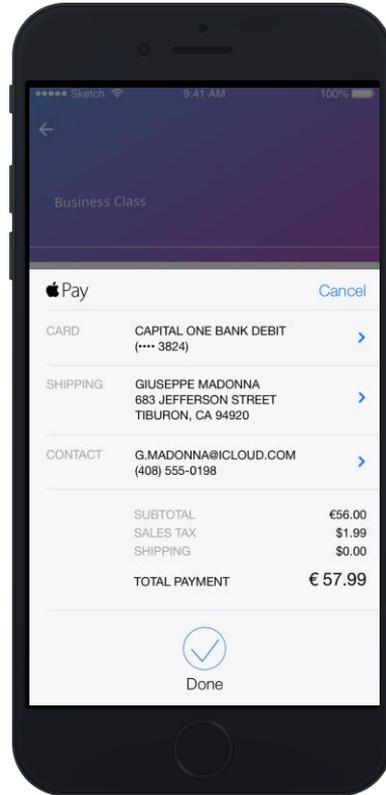


4. Recap

# App - Seat selection flow



5. Payment



6. Payment - done



7. Boarding pass

# The Partnership with Amex

# The Partnership with Amex

## Issuing B2B

- ❑ Virtual cards used to purchase flights and hotels on behalf of our clients
- ❑ One card for one reservation: easy to reconcile
- ❑ Merchant Category Code lock to avoid possible frauds
- ❑ Underlying Credit line to improve net financial position
- ❑ Card activation for hotel at the check-in date to avoid misuse and have a better NFP
- ❑ Revenue share according to increasing thresholds
- ❑ More than 300mln€ /year in terms of processed volumes

# The Partnership with Amex

## Acquiring

- ❑ Necessary in order to allow Amex cardholders acceptance
- ❑ Approx 150mln€/year

## Comarketing B2B2C

- ❑ Exclusive advantages for Amex cardholders on Im properties
- ❑ Exclusive benefits for Amex cardholders within Amex loyalty programs

# Backups