



3Q24 Earnings Conference Call

Nov 14, 2024

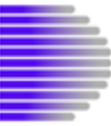




DISCLAIMER

This presentation includes forward-looking statements. We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business and our market. Some of the factors, risks and uncertainties that might materially affect the forward-looking statements contained herein and may make an investment in our securities speculative or risky include, but are not limited to, the following: the ongoing COVID-19 pandemic is disrupting the global economy and the travel industry, and consequently adversely affecting our business, results of operations and cash flows, and it is difficult to predict the full extent of the impact that the pandemic will have on our Company; we are subject to the risks generally associated with doing business in Latin America and risks associated with our business concentration within this region; general declines or disruptions in the travel industry may adversely affect our business and results of operations; our business and results of operations may be adversely affected by macroeconomic conditions; we are exposed to fluctuations in currency exchange rates; if we are unable to maintain or increase consumer traffic to our sites and our conversion rates, our business and results of operations may be harmed; our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements; we operate in a highly competitive and evolving market, and pressure from existing and new companies, as well as consolidation within the industry, may adversely affect our business and results of operations; if we are unable to maintain existing, and establish new, arrangements with travel suppliers, our business may be adversely affected; we rely on the value of our brands, and any failure to maintain or enhance consumer awareness of our brands could adversely affect our business and results of operations; we rely on information technology, including third-party technology, to operate our business and maintain our competitiveness, and any failure to adapt to technological developments or industry trends, including third-party technology, could adversely affect our business; we are subject to payments-related fraud risk; any system interruption, security breaches or lack of sufficient redundancy in our information systems may harm our business; our ability to attract, train and retain executives and other qualified employees, particularly highly-skilled IT professionals, is critical to our business and future growth; our business depends on the availability of credit cards and financing options for consumers; internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain; acquisitions could present risks and disrupt our ongoing business; we may not be able to consummate acquisitions or other strategic opportunities in the future; we are a foreign private issuer under U.S. securities regulations and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer; and the strategic interests of our significant shareholders may, from time to time, differ from and conflict with our interests and the interests of our other shareholders.

We operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. In particular, the COVID-19 pandemic, and governments' extraordinary measures to limit the spread of the virus, are disrupting the global economy and the travel industry, and consequently adversely affecting our business, results of operation and cash flows and, as conditions are uncertain and changing rapidly, it is difficult to predict the full extent of the impact that the pandemic will have or when travel will resume to pre-pandemic levels.. The words "believe," "may," "should," "aim," "estimate," "continue," "anticipate," "intend," "will," "expect" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, capital expenditures, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or to revise any forward-looking statements after the date of this presentation because of new information, future events or other factors, except as required by law. In light of the risks and uncertainties described above, the future events and circumstances discussed in this presentation might not occur or come into existence and forward-looking statements are thus not guarantees of future performance. Considering these limitations, you should not make any investment decision in reliance on forward-looking statements contained in this presentation. This presentation includes industry, market and competitive position data and forecasts that we have derived from independent consultant reports, publicly available information, industry publications, official government information, other third-party sources and our internal data and estimates. Independent consultant reports, industry publications and other published sources generally indicate that the information contained therein was obtained from sources believed to be reliable. The inclusion of market estimations in this presentation is based upon information obtained from third-party sources and our understanding of industry conditions. Although we believe that this information is reliable, the information has not been independently verified by us. Trademarks and service marks appearing in this presentation are the property of their respective holders. This presentation includes preliminary financial information which is subject to year-end audit and adjustment.



Commercial Execution and Ongoing Focus on Operating Leverage Lead to Strongest Adjusted EBITDA in Company History

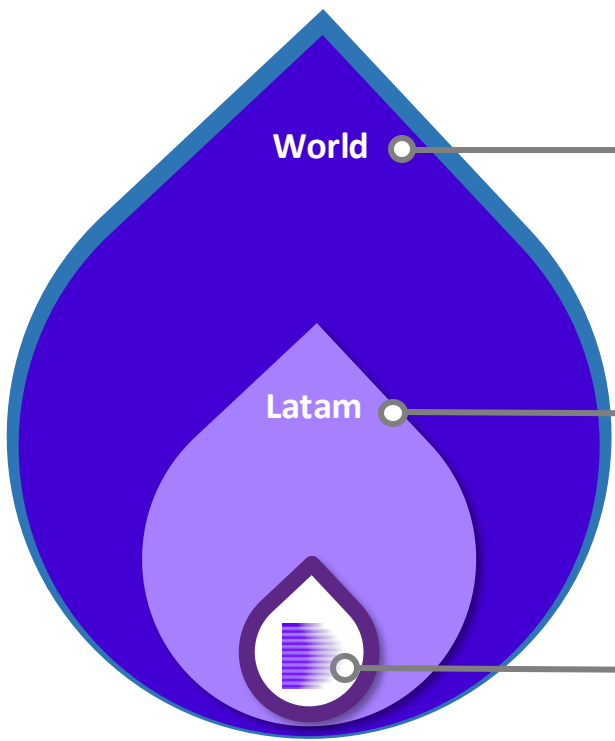
3Q Executive Summary


1. Package sales and demand recovery in Argentina led to record-high 14.6% Take Rate, with revenues reaching \$194 M; +53% YoY on a FX neutral basis
2. Adj. EBITDA increased +94% YoY to \$48 M as a result of our operating leverage and innovative payment solutions, delivering a record 24.8% Adj. EBITDA margin and Adj. Net Income of \$36.1 M (+309% YoY)
3. Robust growth trends in B2B, with new partnerships provide accelerating growth potential
4. SOFIA, as a voice solution, transforming B2C customer interactions, while licensing SOFIA to B2B clients opens up a new revenue stream
5. Operating Cash Flow expands 14 million QoQ, as Total cash reaches \$220 million for the quarter, further strengthening our financial position

Substantial Near and Long-term Market Opportunities Can Sustain Despegar's Strong Growth Trajectory



Significant Market Opportunities




\$2.5T⁽¹⁾ 

Global Market
Greenfield opportunity to grow B2B/B2B2C product in market expanding 8% CAGR until 2029 ¹

\$188B⁽¹⁾ 

Current Potential Market
Highly fragmented; Expected to grow low double digits

>\$1.3B 3Q24 

Strong Growth
B2B grew GB 23% YoY during 3Q

B2B
19%
~80 White Label partners across Banking/ Retail/ Travel space
Connected ~17K travel agencies

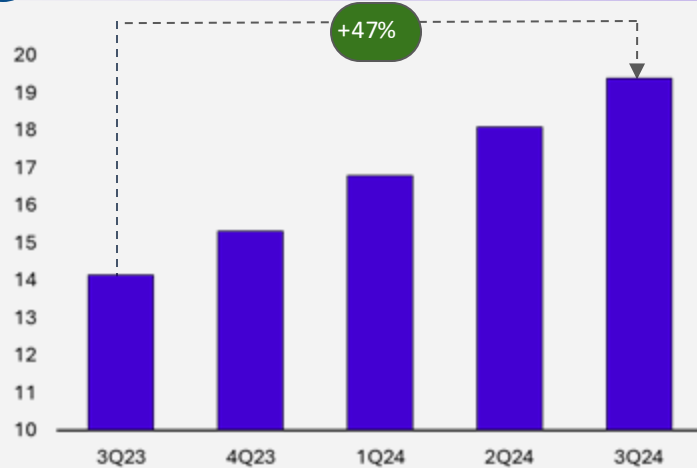
B2C
81%
Generated across LATAM, with majority in Brazil and Mexico

(1) Source: Euromonitor

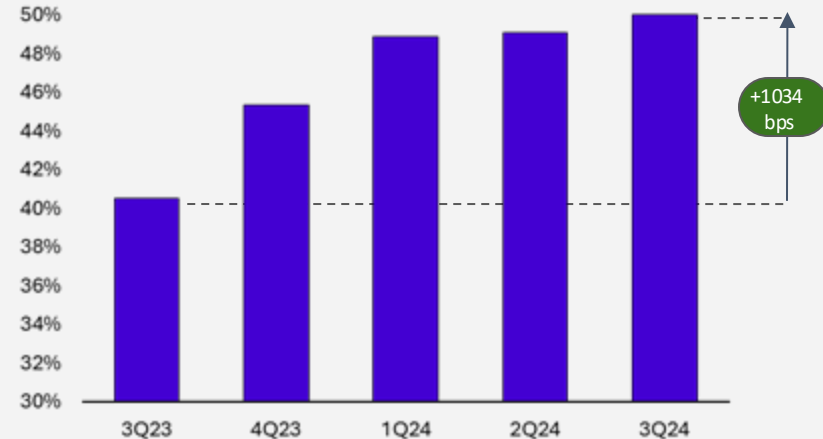


Growing Organic Traffic Strengthens our Market Leading Position in the Region

1 Installed base (# of mobile devices)






2 App-based transactions (% of total)



- **DESP's app** continues to hold leading position among **most popular** travel apps in **LatAm**
- **Installed base** up +47% YoY to **~19 million** mobile devices
- **App-based transactions** reached all-time high of **50.5% (+1034 bps YoY)**



Key Focus Areas Continue to Drive Improving Revenue Mix while Diversifying Revenue Streams

	Focus Areas	Objectives	3Q19	3Q23	3Q24
	Revenue Diversification	Packages (% of GB) ¹	21%	30%	33%
		GB weight MEX + BRA ¹	53%	61%	58%
	Multichannel	B2B ² as % of total GB	6%	15%	19%
		App share of online B2C ³ (% transactions)	26.8%	40.1%	50.5%
	Customer Focus	# of Loyalty Members (M)	0.0	19.9	30
		% of orders redemptions ⁴	0%	10%	12%
		NPS post Trip	68.3%	67.5%	71.1%

(1) as % of Touristic GB

(2) Includes B2B and B2B2C services.

(3) 2019: D; 2022 & 2023: D + BD + VF + VN.

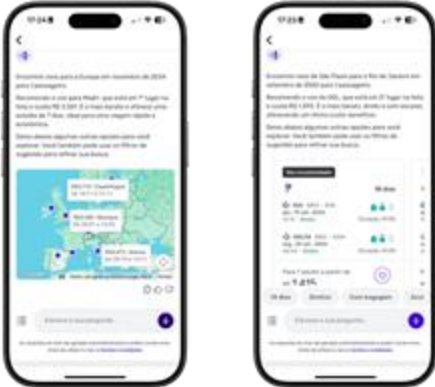
(4) End of period.

Continuous Innovation of Sofia Drives Evolution in Customer Service, Sales features and SaaS Capabilities

Ongoing feature release



- **Unified board**
- **Improved conversational flows**
- **Recommendations**
- **Filters**
- **Personalized after-sales**
- **Referral to human agent**



SOFIA-on-call

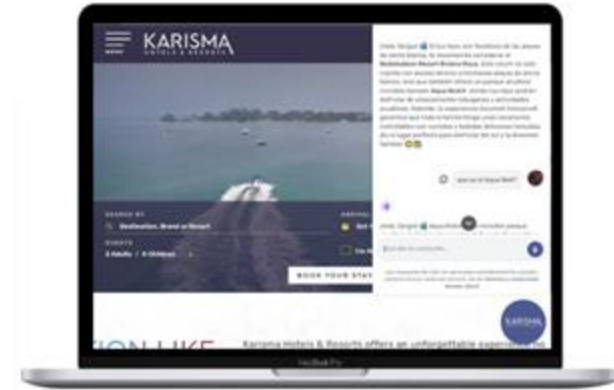


- **SOFIA as a voice solution**, capable of engaging users in a humanized and natural way
- **Distinctive ability to handle various user situations**, both in sales and aftersales, as an intelligent solution

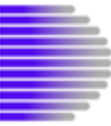
SOFIA SaaS for Hotels



- **SaaS for Hotels** focusing in property content and direct sales
- **Secured Karisma as 1st client** and with a healthy pipeline of new clients

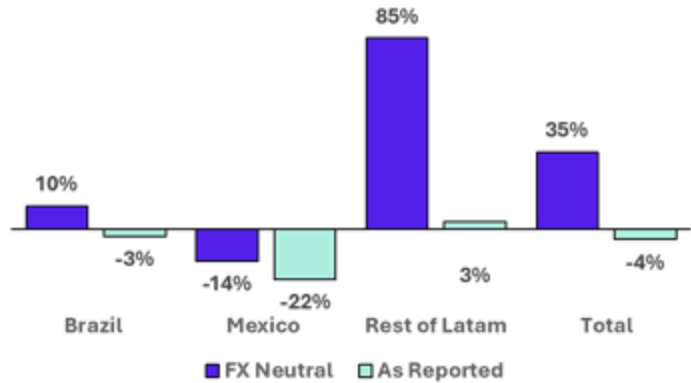


Under development

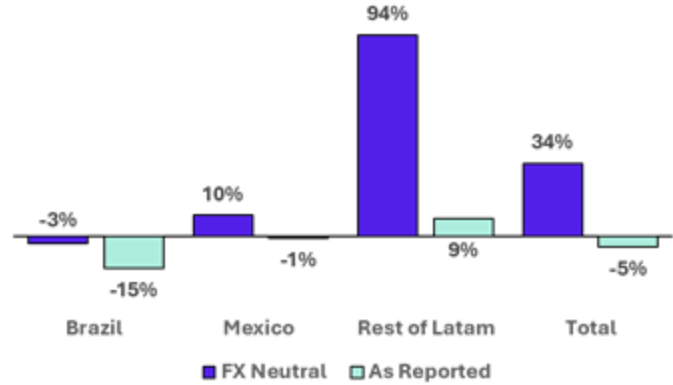


Robust Business Performance Through Commercial Execution Despite Increasing FX Headwinds

1 Gross Bookings (YoY %Growth)



2 Average Selling Price (YoY %Growth)



Brazil

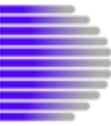
- Gross Bookings grew by 10% YoY on a FX neutral basis, in line with growth in demand for hotel bookings as well as domestic air transactions, on a reported basis, Gross Bookings declined 3% decline

México

- Given strong strategic focus on driving profitability, FX headwinds, and a material reduction in domestic air capacity, Gross Bookings declined 14% on and FX neutral basis

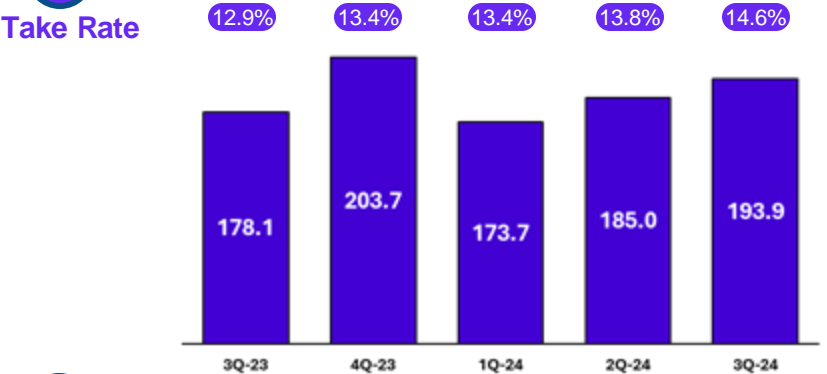
Rest of Latam

- Positive demand trends particularly in Argentina driven by strong commercial execution, market expertise and innovative payment solutions



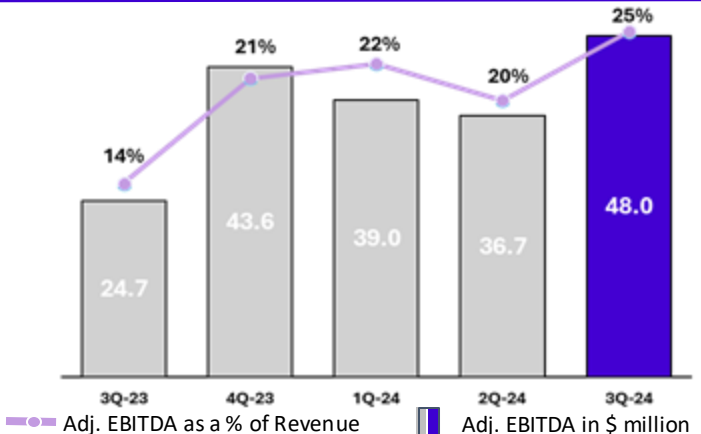
Revenue Growth in Combination with Operating Leverage Drive Strongest Adj. EBITDA since IPO

1 Revenue (\$ M) vs Take Rate (%)

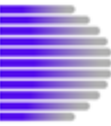


- Revenues up +9% YoY to \$193.9 M, despite higher than expected FX headwinds
- Record Take Rate at 14.6%, reflecting focus on package sales and innovative payment solutions

2 Adj. EBITDA Evolution (% vs \$M)

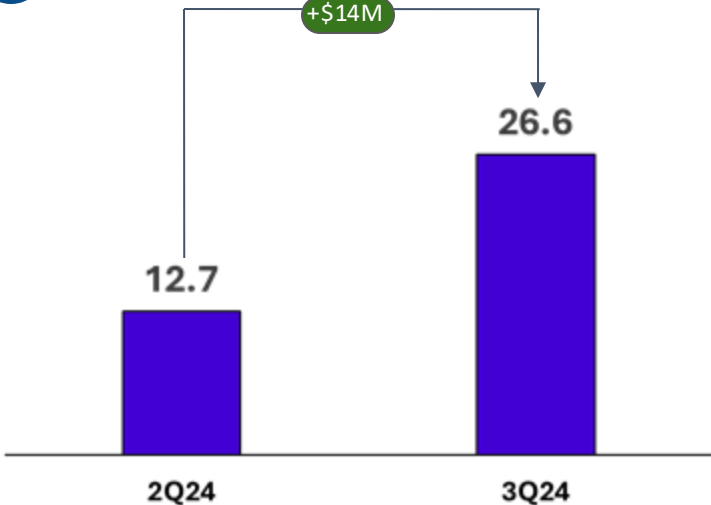


- Record Adj. EBITDA of \$48 M, +94% YoY, through commercial execution, continuing operating leverage and innovative payment solutions
- Adj. EBITDA Margin +1,089 bps YoY to 25%, another record for our company

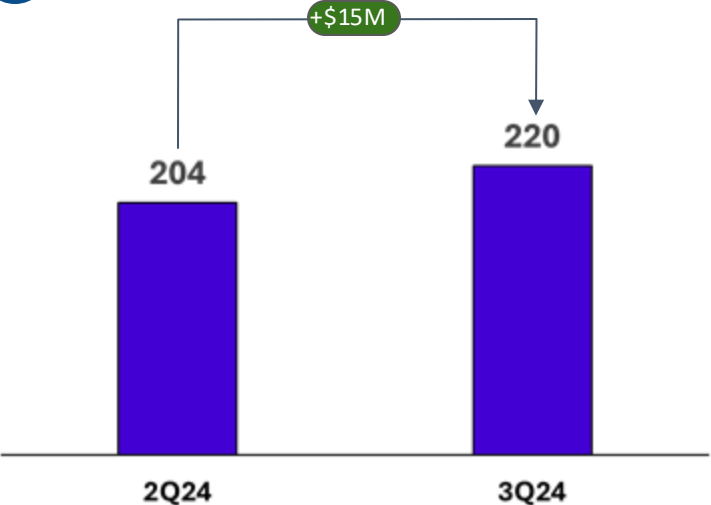


Despegar Maintains Solid Cash Position of \$220 million Despite Dividend Payments to Preferred A Shareholders and Factoring Expenses

1 Operating Cash Flow



2 Cash & Cash Equivalents



- Operating cash flow positive \$26.6M, +14M QoQ enabled us to further strengthen our solid financial position
- Cash and Cash Equivalents increased \$15 M QoQ, mostly due to improved profitability and working capital benefits despite cash advances to core travel partners



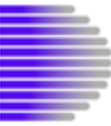
Full Year 2024 Financial Guidance

Revenues

Maintained at **\$760 million** at least
implying **+8% YoY** growth
despite incremental FX
impacts

Adj. EBITDA

Raising to at least **\$170 million**, implying at least
+47% YoY growth



3Q24 Summary: Robust Results and Operating Leverage Lead to Record Profitability for Despegar



Strong Commercial Execution

- Mainly due to our profit focus in key markets coupled with demand recovery in Argentina



Record Take Rate Drives Revenue Growth

- Record Take rate of 14.6%
- Revenue up 9% YoY to \$194 M



\$48 million Adjusted EBITDA

- Record Adj. EBITDA margin of 24.8%
 - Driven by operating leverage and growing package sales



Cash \$220 M

- Increased cash position QoQ despite a \$7 M payment to preferred A shareholders



Leading through innovation

- Continuous improvements drive customer engagement with SOFIA as we prepare for B2B opportunities



Kept FY24 Revenue and updated EBITDA Guidance

- Revenue at least \$760 M (+8%)
- Adj. EBITDA now at least \$170 M (+47%), up from \$160 M (+39%)

Q&A

3Q24 Earnings
Conference Call



THANK YOU!

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