

# Why Payments are strategic

Fintech Connect at London Excel

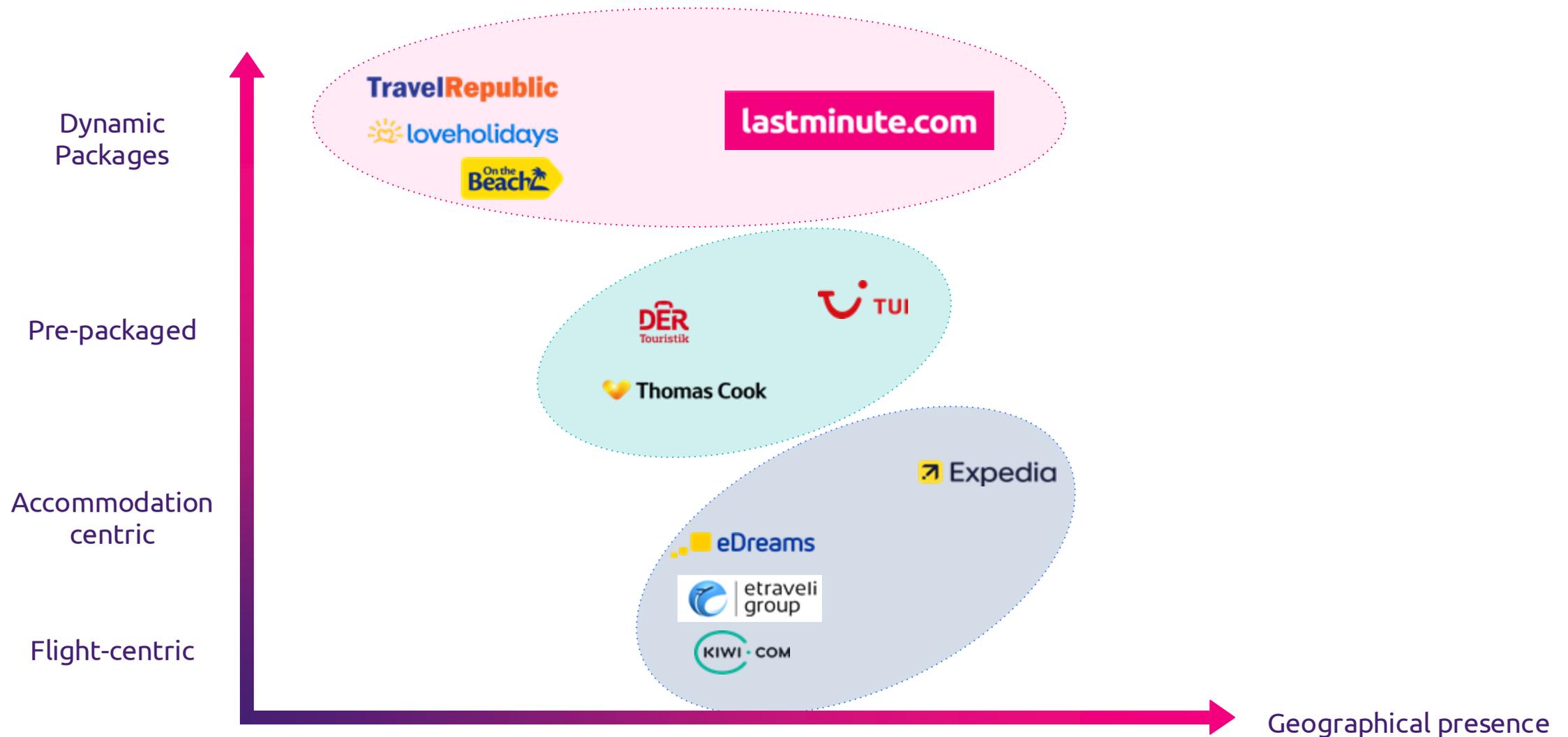
Dec 4th 2024



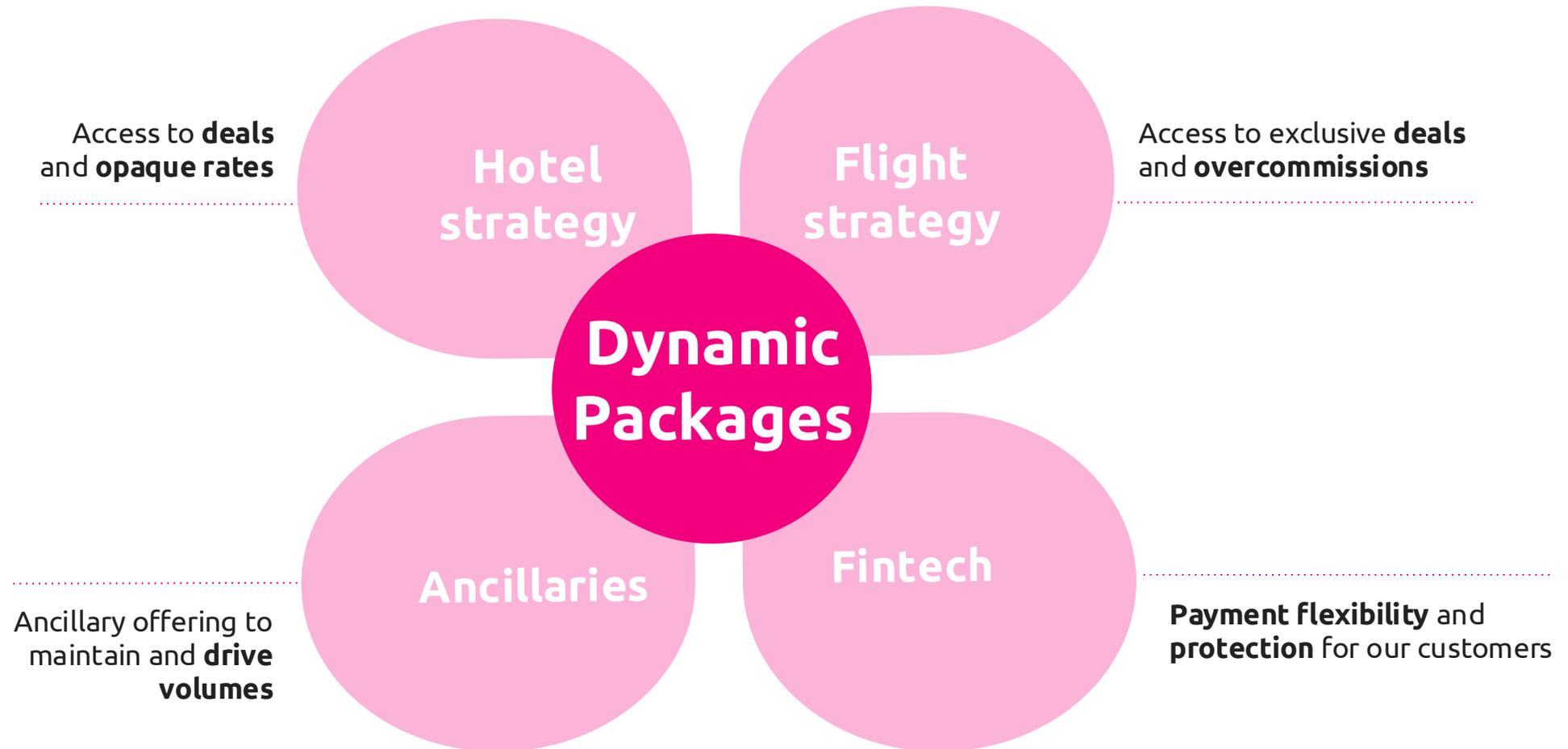
## Key Topics

- Short Intro on lastminute.com
- Why Payments are strategic
- The Key Success Stories
- Key Challenges Ahead

# Uniquely positioned as the only European DP specialist of scale



# DP as a combination of valuable elements to enrich customer experience



# Dynamic Packages offering combines unique travel experiences with advantageous offers and benefits

Dynamic Packages are highly beneficial for our customers...



**Geographical coverage:** unique licence portfolio to sell Dynamic Packages across all Europe (>30 markets)



**Deferred payments solutions:** 35-40% of our Dynamic Packages are sold with deferred payments solutions (with 0% interest rate)



**Price advantage:** We ensure advantageous pricing for packages, being cheaper than combining flight+hotel separately



**Customer protection:** Full protection for the customer as his trip is fully secured in case of changes on the supplier's side



**Flexibility:** DP engine provides almost unlimited flexibility of combinations among flights and hotels for each destination

# Unique proprietary real time platform directly integrating contracted accommodation with bed bank and exclusive flight inventory

## Extensive & unique supply...



**> 400  
airlines**

- 2 GDS (Sabre and Amadeus)
- 1 Aggregators (Travel Fusion)
- 2 Global consolidator (AER, AIRTICKET)



**25k  
directly  
contracted  
hotels**

- 70 Connectivity partners
- GHE (Global Hotels Extranet)



**2.1  
million  
properties**

- Via 15 integrated bed banks



**Broad  
ancillaries**

- Transfers, car rental, parking, insurance, airlines ancillaries (luggage, web-checking, priority)

## ... proprietary packaging & pricing tech with AI-driven data platform...



**Real-time search & fare comparison**

**Unique hotel & flights package rates**

**Proprietary packaging algorithm**

**Pricing**

**Payment services**

## ...deployed across diversified distribution channels



**B2C multi brands and multi languages**

- 6 brands
- 30+ countries
- 22+ languages



**B2B partnerships and businesses**

- 30+ countries
- 11 White Labels
- 600+ affiliation and comarketing partners (including non directs)
- 2 META brands (JetCost; HotelScan)
- 1 MEDIA brand (Forward)

# Why payments are strategic?

lm

## magnitude of payments (2023 data)

**3.2**  
b€

Processed volumes: we have the volumes of a small / medium bank

**17.2**  
m€

Payments related revenues

**24.0**  
m€

Payments related costs

## Enhancing payment customer experience is KEY

HOW?

Frictionless payments  
*(i.e. Apple Pay, Google Pay)*

New payment methods  
*(pay by installment, instant payments)*

WHY?

**Each percentage point** in fraud and payment conversion rate equals **€ 1m EBITDA**

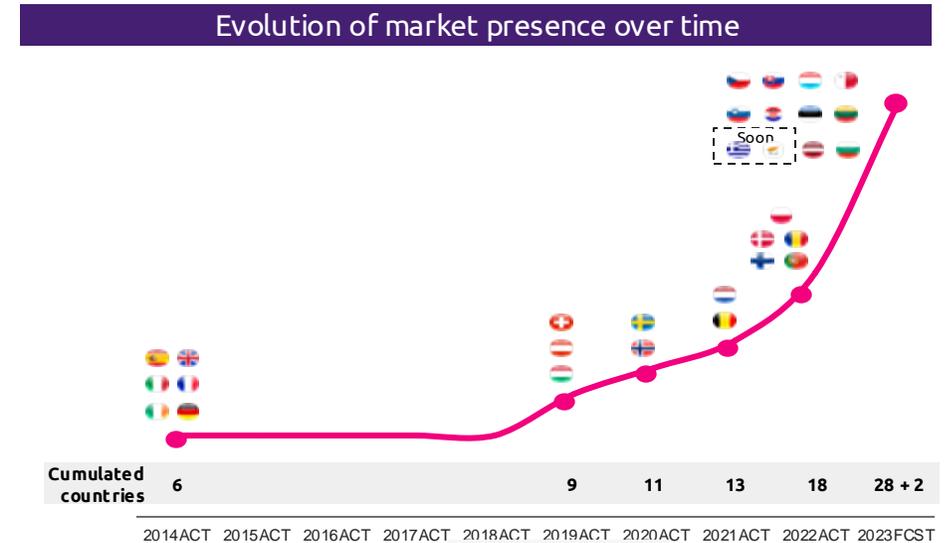
## Key Success Stories : BNPL

- BNPL are essential for Holidays, given the high ABV (over 2k€ for a Sun&Beach destination)
  - High adoption of our own solution
    - Increased conversion with limited risk
    - Pre Departure repayments needed
- Key Result: 35%-40% adoption, +10% conversion
- Key challenges: Post departure repayments. Embedded finance model opportunities



# Key Success Stories : Alternative Payment Methods

- Relevance of APMs , which are essential to
  - Support geographical expansion
  - Provide frictionless payments experience
  - Reduce costs base
- Key Success Stories
  - Wallets (significant conversion increase after SCA)
  - Open banking
    - Processing Cost is 10% vs cards
    - Need to incentivize customers in order to boost adoption
- Key challenges: Continuous scouting, time to market, customer incentives



## Key Success Stories : B2B cards for supply payments

- B2B virtual cards are key in order to improve profitability and protect cash flows
  - Protect from cancellations thanks to chargebacks
  - May generate new revenue streams
  - Daily arbitrage between credit vs prepaid in order to improve cash and profitability
- Key Results
  - Approx 50% of GTV paid through cards
  - mln€ Revenues generated from Revenue Sharing agreements
- Key challenges: increase acceptance on the airlines and hotels side

**Thank you**