



3Q21 Earnings Conference Call

Nov 17, 2021





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 recent, uncertain and changing rapidly, it is difficult to predict the full extent of the impact that the pandemic will have. 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.

Results Underscore Tangible Earnings Power: Adj. EBITDA Ex-One Time Items Nearing Breakeven Despite GBs 44% Below 3Q19 Levels

**Strong Recovery
Mainly Driven by
Domestic Travel**



- Total Gross Bookings and Transactions up 34% and 44% QoQ, respectively
- Strong QoQ recovery in Brazil, Argentina and Chile
- Colombia GB's +27% QoQ and +32% above 3Q19 levels
- ASPs +33% QoQ in Brazil. Slowing down slightly in other key geographies
- International transactions +120% QoQ excluding Argentina and Chile which faced higher restrictions

**Improving
Revenue
Management &
Monitoring
Costs**



- Robust take rate of 12.7% and 13.7% when excluding Extraordinary Cancellations
- Revenue 32% QoQ, more than doubling the 14% increase in cost of revenue
- Operating expenses up 3% QoQ, despite a 36% increase in S&M which followed the increase in GBs.

**Close to
Adjusted
EBITDA
Breakeven**

- Consolidated Adjusted EBITDA loss (excluding Extraordinary Charges) of \$3.6 M, despite GB 44% below 3Q19 levels
- In September, posted positive Adjusted EBITDA (excluding Extraordinary Charges)
- Closed the quarter with \$276.2 M in cash and equivalents

GB in Brazil Reached a Record High since 2Q20; Mexico slowed down in 3Q21, recovering in September and October

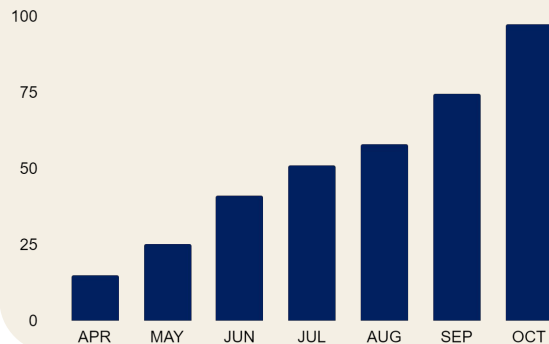


CONSISTENT IMPROVEMENT IN GB SINCE APRIL 2021

Most states released restrictions in July, while several countries began opening borders to Brazilians during Aug & Sep

- GBs up +126% QoQ, and 61% below 3Q19
- ASPs +33% QoQ
- International Transactions +200% QoQ

BR - Gross Bookings \$m

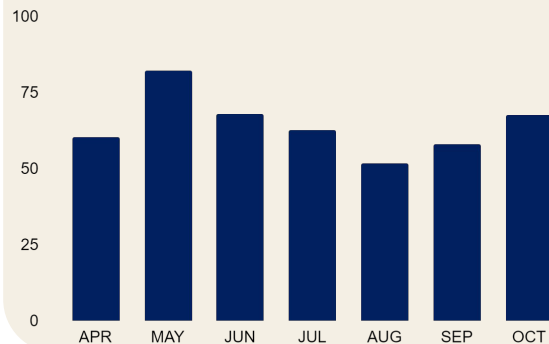


EASE OF RESTRICTIONS & MoM GROWTH SINCE AUGUST

Borders open for flights. Activities in main cities (i.e., Mexico & Quintana Roo partially restricted).

- GBs up MoM since August, with 3Q21 14% above 3Q19 levels (*Best Day reflected starting 4Q20*)
- ASPs -23% QoQ, but +20% YoY
- Intl. travel remained stable QoQ

MX - Gross Bookings \$m



REST OF LATAM

SIGNIFICANT GROWTH IN SEPTEMBER & OCTOBER



CO - Strong pent-up demand drove GB +22% above 3Q19 pre-pandemic levels

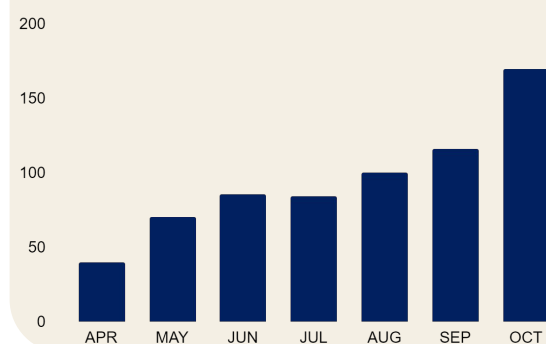


AR - MoM improvement since August. Restrictions eased in September. GB +150% QoQ



CH - GB +96% QoQ. Significant growth in October

REST OF LATAM - Gross Bookings \$m



Initiatives Capturing the Travel Recovery while Koin Continues to Expand within Decolar and in the E-Commerce Space in Brazil

Key Initiatives Leveraging Travel Recovery

Pasaporte Despegar

- **1 M loyalty member milestone**
 - Members in Brazil, Mexico and Argentina
- **Signed Agreement to Launch Co-Branded Credit Card in Mexico** in Partnership with Invex and Mastercard

First Offline Marketing Campaign since 2020

- Launched Regional Marketing Campaign “It’s Time to Travel, Again” across several media.

Koin Increasing Penetration in Decolar and Expanding B2B Business

Deepening Penetration in Decolar

- Boleto Parcelado: Reached record penetration in Decolar with 6.5% in the third week of October
- 5.5% of Decolar’s transactions in October paid through PIX
- Full implementation of risk based pricing in the travel vertical

New Merchants

- Adding new merchants for Boleto Parcelado and Fraud prevention services with +30 and 10 contracts signed, respectively

BOLETO PARCELADO

+30 new contracts
YTD

CNA
Inglês definitivo

POSITIVO

ame

Marca Médica
As melhores marcas, pelo menor preço!

PAYMENTS & FRAUD

10 new contracts
YTD

Magento

Ébba
móveis

FRÁVEGA

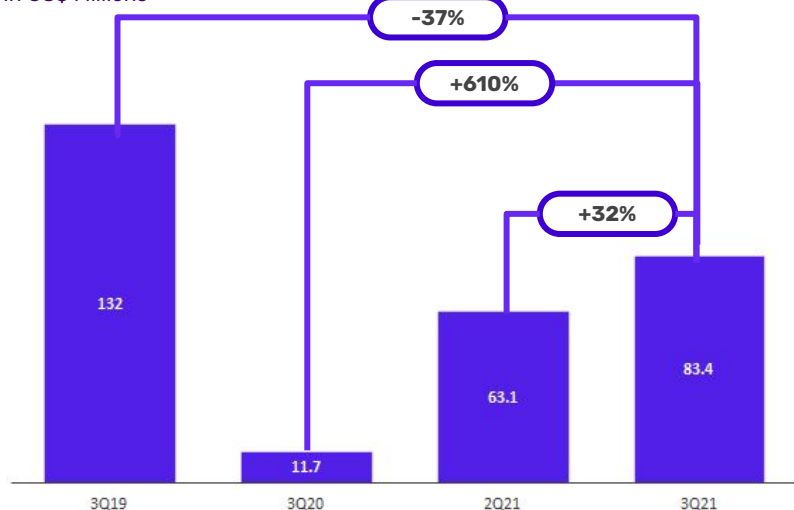
bamboo
payment systems

Revenues, Excluding Extraordinary Cancellations Up 27% QoQ with Take Rate of 13.7%. Reached 68% of 3Q19 Levels

- Revenues, excluding Extraordinary Cancellations in both quarters increased 27% QoQ to \$89.9 M. Extraordinary Cancellations declined 13% sequentially to \$6.5 M reflecting lower travel restrictions across geographies.
- Revenues up 32% to \$83.4 M, driven by 34% increase in Gross Bookings and 6% drop in ASPs, but were 37% below 3Q19 revenues. Take rate was 12.7%, and 13.7% excluding extraordinary cancellations, down QoQ 22 bps & 75 bps, respectively,

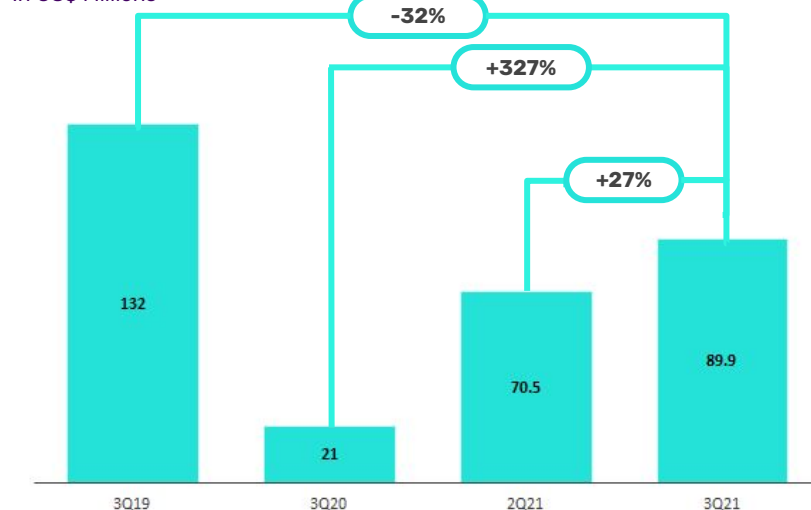
REVENUES
As Reported

In US\$ Millions



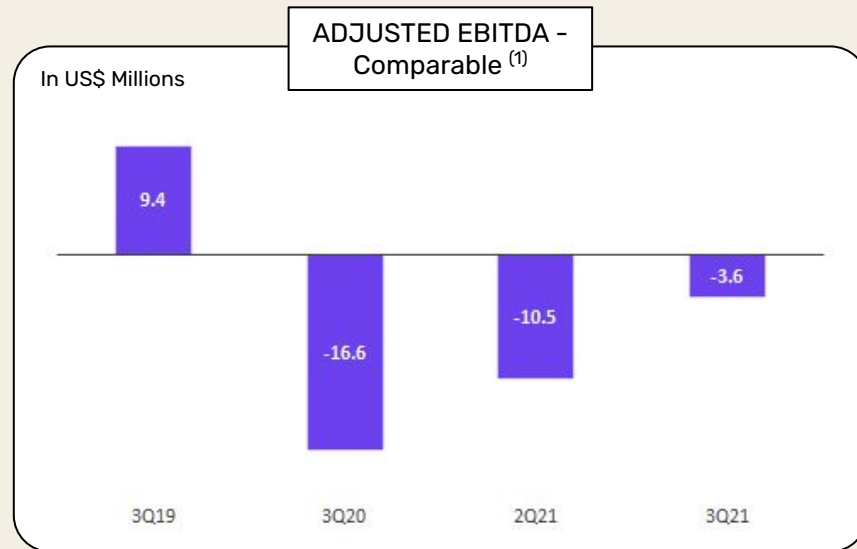
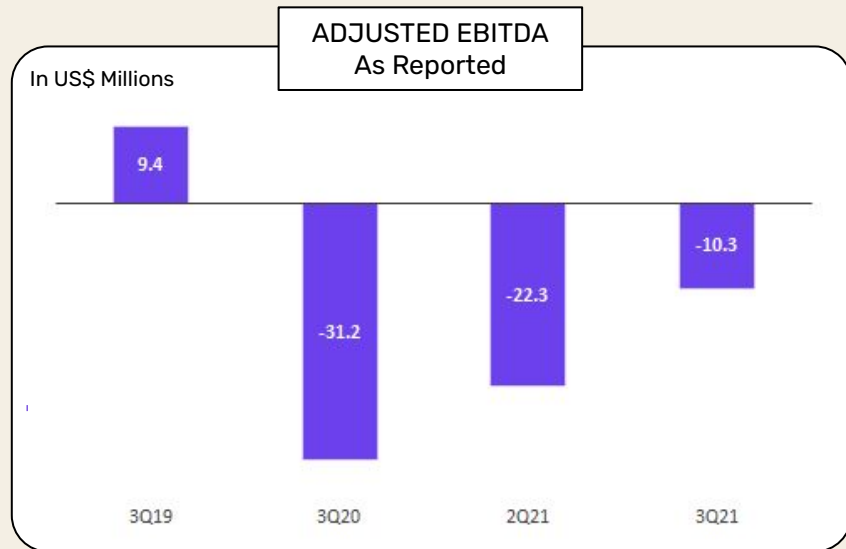
REVENUES
Ex-cancellations

In US\$ Millions



Best Adjusted EBITDA since 2Q20, Nearing Breakeven Excluding Extraordinary Charges.

- Adjusted EBITDA, excluding Extraordinary Charges, improved to a loss of \$3.6 M in 3Q21, from losses of \$10.5 M in 2Q21 and \$16.6 M in 3Q20. In 3Q19 Despegar posted a comparable Adjusted EBITDA gain \$9.4 M.
- Adjusted EBITDA loss of \$10.3 M in 3Q21, compared to losses of \$22.3 M in 2Q21 and \$31.2 M in 3Q20, and a positive \$9.4 M Adjusted EBITDA in 3Q19.



(1) Comparable: excluding Extraordinary Charges

Higher Use of Cash Due to Net Redemption of Travel Vouchers; Strong Cash Position of \$276M

- Use of cash of \$39.8 M in 3Q21, compared to \$9.8 M in 2Q21 and \$22.1 M in 3Q19
- In 2Q21 use of cash declined to \$9.8 M, from to \$25 M in 1Q21, as Despegar granted vouchers to customers, mainly in Brazil that was impacted by second wave of Covid-19, thus benefiting working capital in 2Q21.
- In 3Q21 as travel in Brazil picked-up, redemption of these vouchers drove higher use of cash offsetting lower levels in 2Q21
- Reduction of Net Payable Position of \$19.5 M
- Operating cash needs of \$30.8 M in 3Q21, from \$0.8 M in 2Q21, and compares to cash generation of \$25.5 M in 3Q19

3Q21 BALANCE SHEET

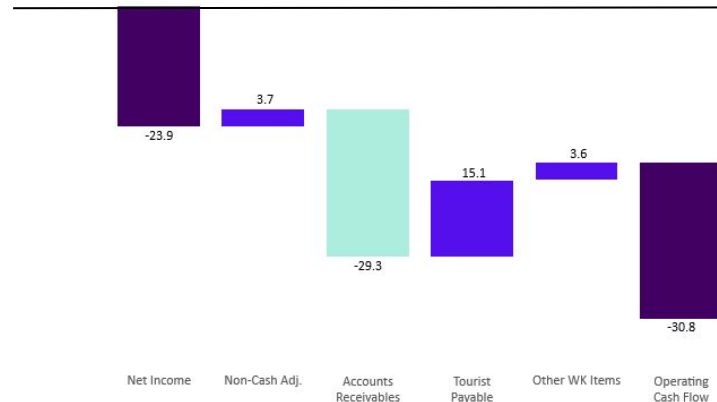
In US\$ Millions

- Cash as of September 30, 2021 = \$276.2 M
- Total net operational short term obligations of \$196.5 M ⁽¹⁾, decreasing 9% on a quarterly basis

(1) Net Payables: Comprised of travel suppliers payable plus related party payables and accounts payable and accrued expenses, minus accounts receivable net of allowances and related party receivables

3Q21 OPERATING CASH FLOW BRIDGE

In US\$ Millions



3Q21 Key Takeaways

- **Strong Sequential Recovery: Better performance across geographies except Mexico brought Gross Bookings to 44% below 3Q19 levels**
 - Brazil - GBs up +126% QoQ, and 60% below 3Q19
 - Mexico - GBs up MoM since August, with 3Q21 14% above 3Q19 levels (Best Day reflected starting 4Q20)
 - Colombia - GBs +32% above 3Q19 pre-pandemic levels, up from +2% in 2Q21 vs 2Q19.
- **Positive Sequential EBITDA Trajectory: Nearing Breakeven excluding Extraordinary Charges despite GB 44% lower than in 3Q19**
 - Adjusted EBITDA breakeven excluding cancellations in September 2021
- **Deepening Customer Engagement**
 - First Offline Marketing Campaign since 2Q20
 - Loyalty achieved 1 M members
- **ESG Initiatives:** Launched materiality survey

Looking Ahead

- **4Q21 Gross Bookings**
 - Significant recovery in September continued into October reaching 72% of 2019 levels
 - Second half of November & December to benefit from key industry marketing events, such as “Buen Fin” in Mexico and Black Friday in Brazil
- **Marketing: Increased Focus on Affordability**
 - Minimum of four unbeatable deals per country on a weekly basis
 - Carefully managing price/financing perception
- **Best Day: Integration materially completed, pending completion of “in destination activities segment” expected to be finalized by 1Q21**
- **Advancing on Koin’s Expansion Strategy**
 - Strengthening B2B business adding new logos
 - Taking initial steps to expand to Mexico by early next year
- **Expansion of New Vacation Rental Inventory Partners**

Q&A

**2021 Earnings
Conference Call**

Appendix



Trends in Key Financial & Operating Metrics

(in thousands U.S. dollars, unless otherwise stated)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
FINANCIAL RESULTS							
Revenue	\$76,082	(\$9,734)	\$11,740	\$53,246	\$51,850	\$63,069	\$83,368
<i>Revenue Recognition Adjustment</i>							
Cost of revenue	33,495	13,801	12,390	25,832	29,610	35,838	40,698
Gross profit	42,587	(23,535)	(650)	27,414	22,240	27,231	42,670
Operating expenses							
Selling and marketing	31,985	6,848	5,299	13,160	15,382	19,188	26,138
General and administrative	18,023	24,391	22,818	29,490	20,630	25,287	19,416
Technology and product development	17,154	18,415	14,322	17,152	17,460	18,344	19,432
Impairment of long-lived assets	-	1,324	-	593	5,106	-	-
Total operating expenses	67,162	50,978	42,439	60,395	58,578	62,819	64,986
Equity Income / (Loss)				(2,059)	376	(348)	(29)
Operating income	(24,575)	(74,513)	(43,089)	(35,040)	(35,962)	(35,936)	(22,345)
Net financial income (expense)	10,061	9,428	(4,484)	(2,095)	(1,309)	(1,835)	(3,254)
Net income before income taxes	(14,514)	(65,085)	(47,573)	(37,135)	(37,271)	(37,771)	(25,599)
Adj. Net Income tax expense	709	(8,011)	(5,838)	(8,298)	292	(6,413)	(1,654)
Income tax expense	709	(8,011)	(5,838)	(8,298)	292	(6,413)	(1,654)
<i>Adjustment</i>							
Net income /(loss)	(15,223)	(57,074)	(41,735)	(28,837)	(37,563)	(31,358)	(23,945)
Net (income) / loss attributable to non controlling interest			\$69	\$213	\$180	\$258	\$273
Net income (loss) attributable to Despegar.com, Corp			(41,666)	(28,624)	(37,383)	(31,100)	(23,672)
Adjusted EBITDA	(\$13,862)	(\$57,444)	(\$31,246)	(\$19,261)	(\$20,024)	(\$22,256)	(\$10,345)

Trends in Key Financial & Operating Metrics

(in thousands U.S. dollars and thousand transactions, unless otherwise stated)

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
FINANCIAL RESULTS							
KEY METRICS							
Operational							
Gross bookings	\$790,416	\$48,913	\$165,315	\$401,304	\$369,219	\$488,873	\$657,263
- YoY growth	(32%)	(96%)	(86%)	(69%)	(53%)	899%	298%
Number of transactions	2,031	207	596	1,258	1,228	1,331	1,910
- YoY growth	(23%)	(92%)	(78%)	(56%)	(40%)	543%	221%
Air	1,211	153	392	679	655	639	999
- YoY growth	(20%)	(90%)	(75%)	(59%)	(46%)	318%	155%
Packages, Hotels & Other Travel Products	820	54	203	579	573	692	911
- YoY growth	(28%)	(95%)	(82%)	(52%)	(30%)	1181%	348%
Revenue per transaction	\$37.5	(\$47.0)	\$19.7	\$42.3	\$42.2	\$47.4	\$43.6
- YoY growth	(25%)	(201%)	(59%)	(17%)	13%	(201%)	121%
Air	\$30.5	\$3.2	\$15.9	\$28.1	\$25.5	\$32.5	\$32.0
- YoY growth	(7%)	(90%)	(51%)	(13%)	(16%)	914%	102%
Packages, Hotels & Other Travel Products	\$47.7	(\$189.3)	\$27.2	\$59.1	\$61.4	\$60.2	\$55.6
- YoY growth	(35%)	(381%)	(62%)	(23%)	29%	(132%)	105%
ASPs	\$389	\$236	\$278	\$319	\$301	\$367	\$344
- YoY growth	(11%)	(48%)	(36%)	(29%)	(23%)	55%	24%

Unaudited Consolidated Balance Sheets

(in thousands U.S. dollars)

	As of September 30, 2021	As of June 30, 2021
ASSETS		
Current assets		
Cash and cash equivalents	263,204	303,813
Restricted cash and cash equivalents	12,988	12,168
Short Term Investments	-	-
Accounts receivable, net of allowances	91,516	71,363
Related party receivable	11,929	7,482
Other current assets and prepaid expenses	46,207	48,937
Total current assets	425,844	443,763
Non-current assets		
Other Assets	81,287	83,899
Restricted cash and cash equivalents	-	-
Right of use	28,606	30,551
Property and equipment net	14,335	19,426
Intangible assets, net	89,403	90,196
Goodwill	122,560	118,884
Total non-current assets	336,191	342,956
TOTAL ASSETS	762,035	786,719

	As of September 30, 2021	As of June 30, 2021
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	39,366	37,077
Travel suppliers payable	230,857	228,118
Related party payable	29,762	29,719
Loans and other financial liabilities	4,286	3,480
Deferred Revenue	12,252	11,370
Other liabilities	71,905	71,722
Contingent liabilities	7,869	8,596
Lease liabilities	6,848	5,744
Total current liabilities	403,145	395,826
Non-current liabilities		
Other liabilities	38,885	40,132
Contingent liabilities	23,870	24,943
Long term debt	12,241	13,324
Lease liabilities	22,455	25,822
Related party liability	125,000	125,000
Total non-current liabilities	222,451	229,221
TOTAL LIABILITIES	625,596	625,047
Series A non-convertible preferred shares	102,808	96,319
Series B convertible preferred shares	46,700	46,700
Redeemable non-controlling interest	2,525	2,559
Mezzanine Equity	152,033	145,578
SHAREHOLDERS' EQUITY (DEFICIT)		
Common stock	276,557	276,032
Additional paid-in capital	358,848	363,662
Other reserves	(728)	(728)
Accumulated other comprehensive income	(19,669)	(15,940)
Accumulated losses	(562,335)	(538,665)
Treasury Stock	(68,267)	(68,267)
Total Shareholders' Equity Attributable / (Deficit) to Despegar.com Corp	(15,594)	16,094
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	762,035	786,719



THANK YOU!

CONTACT

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