

Travelport acquires Hotelzon to spearhead further hotel growth

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Travelport, a leading travel commerce marketplace providing distribution, technology, payment and other solutions for the \$7 trillion global travel and tourism industry, today announced that it has acquired Hotelzon, a leading, B2B hotel distribution technology provider, from former owner, Esa Karppinen, for an undisclosed sum. The investment forms part of Travelport's ongoing strategy to redefine and strengthen its hotel offering to both corporations and travel management companies (TMCs). Specifically, the acquisition also supports Travelport's drive to make booking independent hotels easier for business travellers.

Travelport's focus over the last few years on growing its "Beyond Air" offering, which includes hotels, car rental and payments, has been in response to the growth opportunities it has identified in these sectors as well as feedback from corporations, hotel providers and travel agency customers. In the hotel sector, global hotel booking value is projected to grow 6% per annum from \$480 billion in 2013 to \$600 billion in 2017. The hotel industry, however, remains highly fragmented, with the top ten global hotel chains representing less than 20% of room revenue in every region except North America, Australasia and the Middle East and Africa (source: Euromonitor).

With only 30% to 50% of corporate hotel buying going through TMCs and many bookings still being booked direct by business travellers themselves, the Hotelzon acquisition is designed to provide both corporations and Travelport-connected travel agencies with a best-in-class booking tool with extensive independent hotel content. The Hotelzon solution also works well when a hotel booking is not an 'add on' to an air booking. This is particularly the case for travel within Continental Europe, where many business trips actually take place in the traveller's home country or to bordering countries, and trains and cars are often the preferred method of transport rather than flights.

Hotelzon will continue to operate under its existing brand and be led by incumbent CEO, Jani Kaskinen, who will report into Niklas Andréen who heads up Travelport's Global Hospitality, Car & Advertising business.

The acquisition complements and further strengthens Travelport's current hotel offering to corporations and TMCs by providing the following benefits:

- Expanded hotel content in both Travelport's and Hotelzon's booking platforms: bringing an additional 30,000 hotel properties into Travelport's Travel Commerce Platform, in particular, new European independent and small hotel chain properties that were previously unavailable. Likewise, Travelport's hotel content will be made available to Hotelzon's travel agency and corporate customers.

- New industry-leading technology, including Hotelzon’s corporate self-booking tool. The enhanced functionality will allow Travelport to more effectively serve both the expanding needs of its corporate customers, in a space that is of growing importance to the overall travel sector, as well as its core TMC partners.
- Best-in-class extranet capabilities that allow both travel agents and corporate travel managers to access independent hotel content, including their specially negotiated rates with these independent hotels.
- Heightened hotel and corporate travel expertise and skills gained through Hotelzon’s management as well as its skilled team of hotel technology developers.
- New insights into hotel booking behaviour, including the needs of today’s corporate travel buyer and traveller, particularly around where hotel bookings are made without being attached to an air booking.

Gordon Wilson, President and CEO of Travelport, said: “This acquisition is part of our realizing our strategic plan to redefine travel commerce, with a particular focus on growing in both the hotel and corporate travel space. As part of our Beyond Air vision, Hotelzon is the perfect complement to our existing capabilities with the large, global chain hotels which we are progressively connecting to our system via direct XML capabilities and our aggregation of unmatched retail rates through our Rooms and More offering based on meta search technology. With Hotelzon, we will now be able to offer special corporate negotiated rates and other offerings from independent hotels to corporations and their travellers as well as ensure a broader capability in the hotel distribution space for our TMC partners.”

Jani Kaskinen, Hotelzon’s CEO, added: “We firmly believe that with Travelport as our parent, we will benefit from their keen strategic focus and investment in both the hotel and corporate sectors. This, in turn, will enable us to further enhance our product and service offering as well as extend the range of international hotel content we are able to offer Hotelzon’s clients. It also gives Hotelzon’s independent hotel providers extensive new international reach through Travelport’s unsurpassed global network.”

Esa Karppinen, the Chairman of the Board, Berling Capital Ltd., concluded: “I have been the owner of Hotelzon for the past 28 years and during this time I have seen the business go from strength to strength and establish themselves as a truly international company. In order for them to continue on this trajectory and expand into new territories, it now makes complete sense to pass on the ownership of Hotelzon to a strong company like Travelport who are exceptionally well placed to support their further growth. I wish the Hotelzon team well in the next exciting stage of their journey.”

Travelport’s acquisition of Hotelzon follows other investments it has made as part of its “Beyond Air” strategy including the acquisition of Spruce.com in 2010, which enabled the launch of Travelport Rooms and More, its B2B booking engine focused on leisure travel. Travelport now offers approximately 600,000 individual hotel properties for real time display and integrated bookings. Additionally Travelport is the majority shareholder in the virtual account number (VAN) payments business, eNett, which addresses the needs of travel intermediaries to efficiently and securely settle travel transactions on a B2B basis. Travelport is also one of the leading distributors of car rental to the global travel industry and has a growing online advertising business, enabling travel providers to more effectively promote electronically their products and services to the travel trade.

About Hotelzon (www.hotelzon.com)

Established in 1972, Hotelzon is a leading corporate online hotel booking company for the B2B travel industry offering booking services and hotel distribution technology to corporate business travellers, hotels and travel professionals. Hotelzon's booking software provides efficient tools for simplifying the corporate hotel booking process and its hotel properties are distributed through Travelport's Travel Commerce Platform, giving travellers an extensive range of choices from independent and chain hotels. Headquartered in London, UK, Hotelzon also has offices in Denmark, Ireland, France, Finland, Poland, Sweden and Romania and has over 80 employees. Hotelzon is a wholly owned subsidiary of Travelport.

About Travelport

Travelport is the technology company which makes the experience of buying and managing travel continually better. It operates a travel commerce platform providing distribution, technology, payment and other solutions for the global travel and tourism industry. The company facilitates travel commerce by connecting the world's leading travel providers with online and offline travel buyers in a proprietary business-to-business (B2B) travel platform.

Travelport has a leading position in airline merchandising, hotel content and distribution, car rental, mobile commerce and B2B payment solutions. The company also provides IT services to airlines, such as shopping, ticketing, departure control and other solutions. With net revenue of over \$2.5 billion in 2018, Travelport is headquartered in Langley, U.K., has over 3,700 employees and is represented in approximately 180 countries and territories.

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