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J&A Capital Markets Report

Travel Technology Debt Capital Markets

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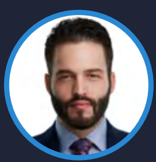

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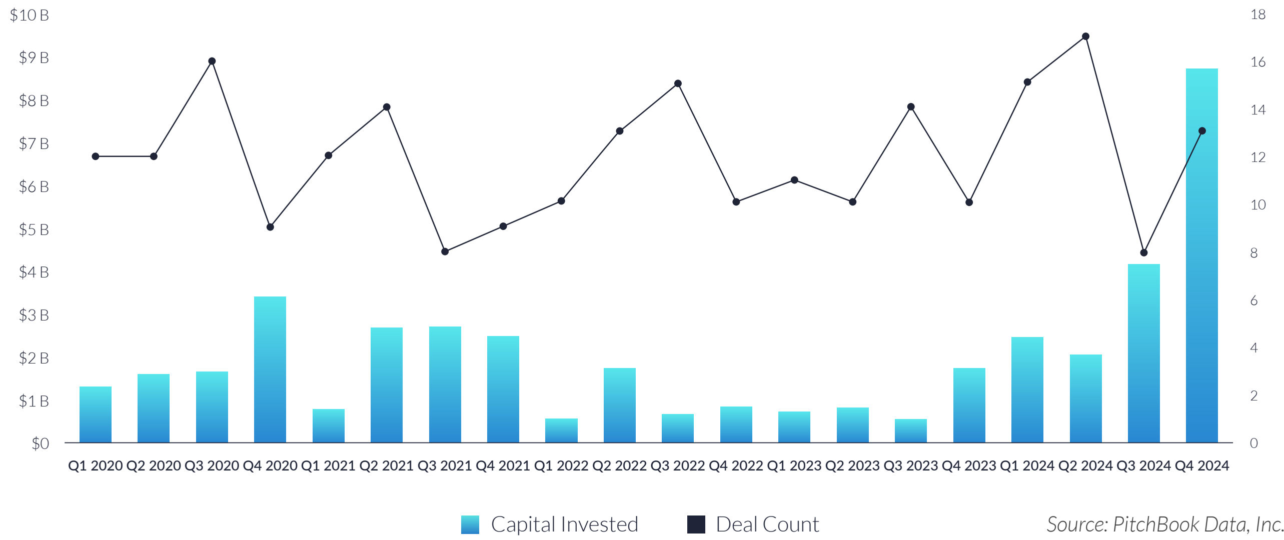
Between Q1 2020 and Q4 2024, over $41 billion was deployed into the travel technology sector through debt financing globally, outside the United States. This sector comprises platforms that enable seamless multimodal transportation, optimize travel logistics, and leverage advanced analytics to improve traveler experiences across diverse markets.

The recovery in global travel, combined with an increasing emphasis on personalization and convenience, has fueled demand for platforms that deliver streamlined, customer-centric travel services. These include technologies such as AI-driven itinerary planning, real-time availability updates, and support for multi-destination bookings. Companies are also focusing on offering curated packages that combine transportation, accommodation, and experiences to meet diverse traveler needs.

Debt financing has been a critical tool for companies in the sector, enabling growth initiatives such as technology upgrades, market expansion, and strategic acquisitions. Many platforms utilized debt to strengthen operations and expand their geographic presence, including entering the US market through targeted acquisitions. This trend highlights the sector's ability to leverage non-dilutive financing to address evolving consumer demands while building operational resilience and scalability in a competitive global landscape.

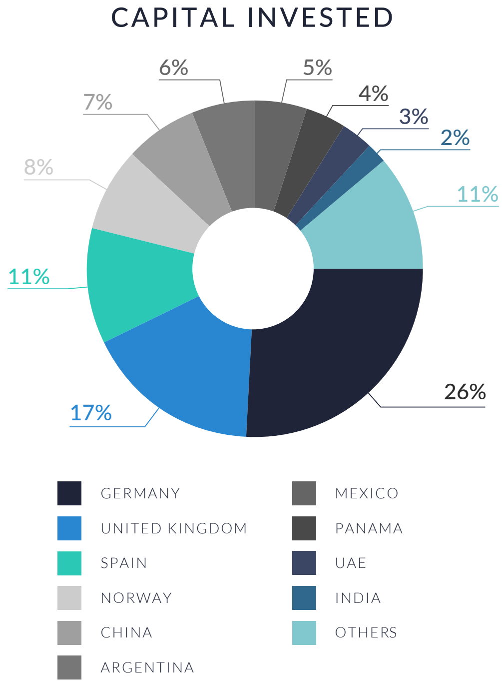
Capital Invested and Deal Count of Travel Technology Debt Capital Market (Q1 2020 – Q4 2024)

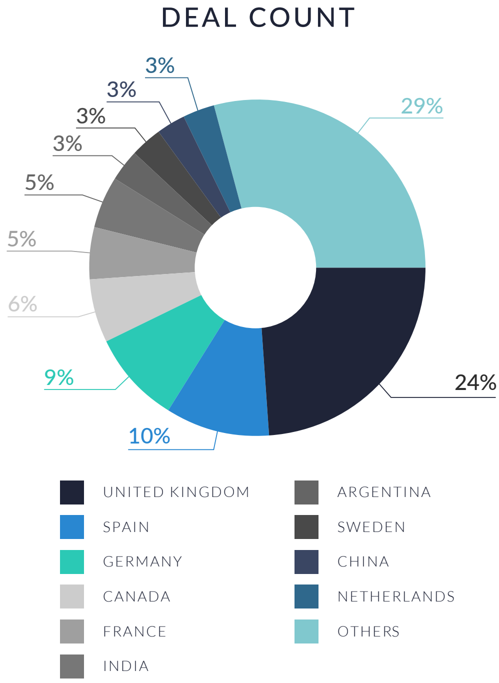


Source: PitchBook Data, Inc.

- Between Q1 2020 and Q4 2024, the travel technology debt capital market outside the United States demonstrated significant growth and strategic focus, with over $41 billion deployed across 238 transactions globally.
- The market reached its peak in Q4 2024 with $8 billion in capital investment. This marked a definitive move toward high-value transactions in mature and scalable travel technology platforms. The substantial growth aligns with the recovery of international travel and a rising global demand for advanced, technology-driven solutions tailored for non-US markets.
- Q2 2024 led with the highest deal count of 17 transactions. This surge highlights an active debt capital market during this period, with a strategic focus on mid-market and early-stage companies operating across regions outside the United States. These businesses are likely innovators addressing localized travel challenges with scalable solutions.
- The market maintained a steady deal count across most quarters, averaging between 10 and 15 transactions. However, capital investments fluctuated, emphasizing deliberate allocation towards larger, high-potential transactions. Q4 2024's significant capital deployment exemplifies this strategy, where lenders focused on supporting companies poised for regional dominance or global expansion.
- Following a lull in 2021 and early 2022, the market demonstrated a strong rebound, reflecting growing confidence among investors in international travel markets. This resurgence highlights the global adaptability and resilience of travel technology companies, as debt financing flowed to those providing innovative solutions in areas such as online booking platforms, payment systems, and travel logistics.

Breakdown of Announced Travel Technology Debt Transactions Conducted by Country Invested In (Q1 2020 – Q4 2024)



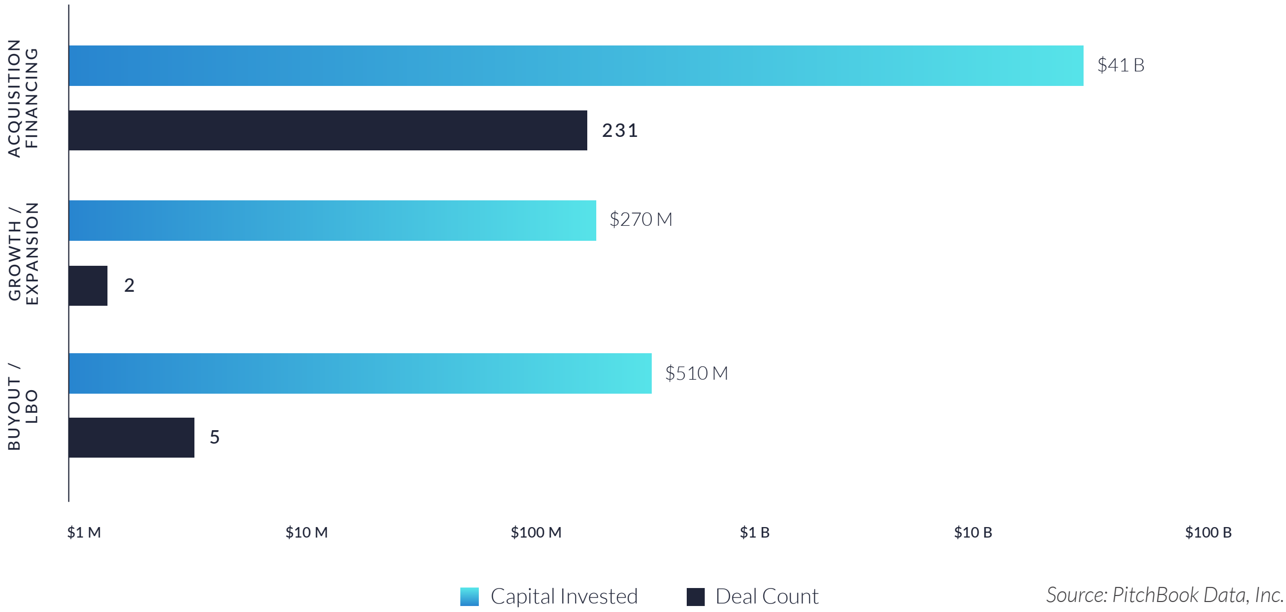


Source: PitchBook Data, Inc.

- Debt financing has been instrumental in fueling the growth of travel technology platforms. Companies across regions, particularly in Germany (26% of capital invested) and the UK (17%), have utilized debt to fund expansions, acquisitions, and technological upgrades. Unlike equity financing, debt offers companies the ability to scale while retaining ownership, which is particularly attractive for firms in high-growth sectors.
- The UK leads deal count with 24%, suggesting a vibrant mid-market segment where debt is used for working capital, operational growth, and smaller strategic initiatives. This indicates that the UK is not only a destination for innovation but also for flexible financing structures.
- Spain captured 11% of the capital invested and 10% of deal activity. This highlights the country's strategic role in the travel technology space, driven by its strong tourism sector. Debt deals in Spain often focus on companies modernizing tourism operations and developing localized travel technology solutions.
- Norway and China are notable for attracting a substantial share of capital—8 and 7%, respectively—despite fewer deals. These markets are investing in cutting-edge travel solutions, likely tied to sustainability in Norway and global connectivity in China.

- Mexico and Argentina, which respectively contributed 5 and 6% of capital invested, are emerging as regional leaders, leveraging debt to expand digital travel platforms, catering to rising local and regional travel demands.
- The "Other" category, capturing 11% of capital invested and 29% of the deal count, emphasizes the geographic diversity of debt deals. This includes a mix of smaller markets making targeted investments in travel technology innovations to compete globally.

Breakdown of Announced Travel Technology Debt Transactions by Deal Type (Q1 2020 – Q3 2024)



Source: PitchBook Data, Inc.

- Acquisition financing accounted for the vast majority of activity, with 231 deals totaling $41 billion. This reflects a strategic focus on leveraging debt to fund mergers and acquisitions, particularly for consolidating market share, scaling platforms, and integrating advanced travel technology solutions. The prominence of acquisition financing underscores its role as the primary driver of growth and transformation in the travel technology sector.
- Growth and expansion financing made up only 2 deals, with $270 million in capital deployed. Despite the low deal count, this type of debt financing highlights its critical role in supporting early-stage or mid-sized travel technology companies seeking to enhance their infrastructure or expand into new markets.
- Buyouts and leveraged buyouts (LBOs) comprised 5 deals, totaling $510 million in capital investment. While fewer in number, buyouts reflect larger average deal sizes, often targeting cash-flow-positive companies with proven profitability. These transactions enable private equity firms to restructure and optimize businesses for long-term returns, supporting mature firms within the sector.

DEAL SPOTLIGHT:
OMIO

Omio, headquartered in Berlin, Germany, is a leading travel booking platform that integrates multiple transportation options such as trains, buses, flights, and ferries into a unified interface. It enables users to compare and book tickets seamlessly, leveraging technology to simplify the complex logistics of intermodal travel planning.

TRANSACTION TYPE	DEAL DATE
DEBT FACILITY	DECEMBER 2, 2024

TRANSACTION SIZE	LENDER
$120 MILLION	HERCULES CAPITAL INC

By providing real-time pricing and scheduling data, Omio caters to both domestic and international travelers, emphasizing convenience, transparency, and accessibility. Its platform supports diverse customer needs, including cost-conscious travelers, frequent commuters, and global tourists.

STRATEGIC RATIONALE

Omio's $120 million debt facility aligns with its growth ambitions, particularly in potential acquisitions, scaling operations, and advancing its technological infrastructure. By securing financing from Hercules Capital Inc., Omio is poised to solidify its market leadership and enhance its platform's capabilities to handle increasing consumer demand and global expansion. Omio's ability to secure a sizable debt facility highlights the increasing reliance on debt capital to fund growth in travel technology. The deal reflects broader industry trends, where companies leverage debt to maintain agility while expanding their technological capabilities and market reach. As global travel rebounds, platforms like Omio play a pivotal role in simplifying consumer journeys and driving the digital transformation of travel logistics.

KEY INTANGIBLE ASSETS

- Recurring Revenue Model
- Market Presence
- Operational Efficiency

TRANSACTION RATIONALE

- Support for Expansion Initiatives
- Strengthening Provider Relationships
- Improving Technological Infrastructure

DEAL SPOTLIGHT:
TRAVELPERK

TravelPerk

TravelPerk, headquartered in Barcelona, Spain, is a prominent player in the business travel management sector, offering an all-in-one platform for booking, managing, and analyzing corporate travel. Its innovative platform integrates travel expense management, dynamic reporting tools, and flexible booking systems, catering to the needs of companies of all sizes.

TRANSACTION TYPE	DEAL DATE
DEBT FACILITY	JUNE 18, 2024
TRANSACTION SIZE	**ACQUIRER**
$135 MILLION	SOFTBANK VISION FUND 2

The platform's ability to adapt to evolving travel demands makes it a go-to solution for modern businesses. TravelPerk has differentiated itself by offering tools for real-time updates, traveler safety management, and customizable policies, which align with the increasingly complex needs of corporate travel post-pandemic.

STRATEGIC RATIONALE

The debt facility was raised to finance the acquisition of AmTrav, a US-based travel management company, and to support TravelPerk's expansion into the North American market. This acquisition bolsters TravelPerk's position in one of the world's largest corporate travel markets while integrating AmTrav's resources and customer base into its operations.

KEY INTANGIBLE ASSETS

- Market Position
- Scalable Business Model
- Track Record of Growth

TRANSACTION RATIONALE

- Accelerated Market Entry
- Strengthening Competitive Position
- Operational Consolidation

The demand for travel technology solutions has seen consistent growth and remains poised for further expansion as global travel rebounds and digital transformation accelerates. A key driver is the need for platforms that seamlessly integrate multimodal transportation options, provide real-time analytics, and enhance the traveler experience. Debt capital has become a critical tool for companies in this space, enabling strategic acquisitions, regional expansions, and technological advancements.

Investors and lenders should monitor opportunities within the sector, particularly as leading players like TravelPerk and Omio leverage debt to solidify their market positions. The sustained focus on innovation underscores the importance of scalable solutions in addressing the evolving demands of global travel markets.

Source: Mize Tech, CNBC, Allied Market Research, Pitchbook Data.

JAHANI & ASSOCIATES

Jahani and Associates (J&A) is a global investment bank headquartered in New York City. J&A has deep connections in the Middle East, Southeast Asia, Latin America, and North America. The firm provides investment banking advisory, investment banking transaction, and corporate development expertise to clients all over the world.

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