A series of global initiatives

Industry wide
Destination rebound
Property level relief
Preparing the workforce

Anyone can join at no cost

Online and live content from industry experts

Modules in diversity and inclusion, sales and business skills, and leadership training

Connect with like-minded peers and leaders
Rebuilding Travel for the Future

Miami, FL

Alfredo Tejeda
Area Manager – South Florida
Q2 2020 – Miami Bookings YoY

Room Night: -70%

Average Daily Rate: -15%
Visits / Purchases – Stays YoY
Restoring travel
Travelers searching for their future trips

What would they be looking for in their accommodation?

- Health & Safety
- Environmental Hygiene
- Knowledge Empowerment
Advance Planning

- 60% intend to travel next 12 months
- Travel restart predicted to be in 2021
  - Provide availability – all 2021

Flexibility

- Free cancellation
- Waive change fees
- Added value offer
Thank You
Presenter

Ranses Matta
General Sales Manager
American Airlines Vacations
Phone: 682-278-3892
E-mail: ranses.matta@aa.com
Agenda

1. American Airlines Safety on Customers Journey
2. Clean Commitment
3. How can you make any sale fully refundable using Pre-departure protection waiver
4. Why American Airlines Vacations
   - Commercial & operational benefits
   - Pre-departure protection waiver
5. Q&A
6. Appendix
   - Touchless Kiosks
   - HEPA Filter
   - Clean Commitment Video
   - Trip Together
   - Contact Us
Caring for your safety and well-being throughout every touchpoint of your travel journey

For additional information, please visit our dedicated Coronavirus Travel Update page or our Newsroom.

* Subject to availability and taking into consideration any aircraft weight or balance restrictions. Accurate as of July 7, 2020.
## Clean Commitment

<table>
<thead>
<tr>
<th>Trust</th>
<th>Peace of Mind</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Partnership</td>
<td>Enhanced Cleaning and Protocols</td>
<td>Customer Notifications and Flexibility</td>
</tr>
<tr>
<td>Aircraft and Lounge Accreditation</td>
<td>Mask Requirement</td>
<td>Hand Sanitizer</td>
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<td></td>
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<td>Symptom Checklist</td>
</tr>
</tbody>
</table>
Fully Refundable Packages with PDP, now 50% off until August 31

PDP Coverage
- Change fee waived
- Cancel at any time, no questions asked

PDP Regular Pricing
- $69 Domestic 48
- $89 CRB & Mexico
- $130 Long Haul

PDP Offer until August 31
- $35 Domestic 48
- $45 CRB & Mexico
- $65 Long Haul

PDP Commission
- 12%

Peace of mind for you and our mutual customer with Pre-Departure Waiver (PDP)

- PDP waiver allows changes up to and 8th days prior to departure or to cancel the booking entirely at any time prior to your originally scheduled departure time without incurring revision or cancellation fees.
  - PDP Pricing starts as low as $69.00 dollars. Airlines penalties start at $200
  - PDP is commissionable at 12%

- Cancelations with PDP
  - With PDP, cancellation prior to your originally scheduled departure* will result in no cancellation fees for your booking, as well as a refund of your booking minus the cost of PDP. Some restrictions apply
  - The cost of the PDP is non-refundable.

- Changes with PDP
  - Changes allowed 8 days prior to departure without incurring any revision or cancellation fees. Within 7 days, some restrictions may apply
  - PDP does not waive fare differences

For more info visit: https://www.aavacations.com/pre-departure-protection-waiver.asp
Commercial Benefits

**Travel Advisors**

- Competitive commissions
- Added to package value undisclosed to end customer

**Value to customer**

- Lead traveler on reservation earn 1K bonus miles on top of trip mileage*

---

*When booking directly thru American Airlines Vacations at aavacations.com/agent

- Earn 500 AAdvantage miles for every booking 4 nights or more*
- Award flights start as low as 7,500 miles
Operational Benefits

- Free Call Center Assistance
- 24 Hour Hold without deposit
- Final Payment 45 days prior to departure
- Travel Agent Exclusive Benefit
- Interest Free Layaway
- Cancel for any reason, no questions asked
- Pre-departure Protection Waiver
- AAV has not changed deposit policies
- Low 200 dollar per person deposit
- No Commissions Reductions When Using Promo Codes
Q&A
Contact Information

Ranses Matta
General Sales Manager
American Airlines Vacations
Phone: 682-278-3892
E-mail: ransaes.matta@aa.com
Thank You
Touchless Kiosks

1. Prepay bags and get boarding pass on pre-airport channels
2. Scan boarding pass with SSM
3. SSM prints bag tags immediately
4. Go to bag drop or touch screen for more options

GO TOUCHLESS
Available if you already:
- Checked in
- Selected bags on aa.com or in the AA app

Scan your boarding pass to automatically print bag tags for bag drop.
HEPA Filters: Purifying Cabin Air Since the 1990s

- High-efficiency particulate air (commonly known as HEPA) filters have purified the air on American’s entire mainline fleet since the late 1990s.
- HEPA technology is also used in hospitals and medical facilities around the world, helping keep medical environments clear of bacteria and viruses while providing clean air.
- The HEPA filters in use on American’s fleet capture at least 99.97% of airborne microbes by circulating the cabin air once every 2 to 4 minutes.
American Airlines Clean Commitment
Contact us

Your account manager is your primary point of contact for American Airlines Vacations. If you don’t have an account manager, here is some useful information to get in touch with us:

To make a booking

- Directly at American Airlines Vacations [www.aayacations.com/agent]
- VacationAccess (VAX) [www.vaxvacationaccess.com]

Travel agency/agent assistance profile updates, password resets, commissions inquiries and others

- [aa.travelagents@aa.com]

For bookings modifications, cancellations, changes or multi destination assistance

- Toll Free 1-800-538-6228
- [aaytascaavacations@aa.com]
- Hours of operation (CTS): Monday – Friday 7 a.m. – 10:30 p.m. Saturday & Sunday 9 a.m. – 6 p.m.

During Travel Assistance

- 1-800-901-9150 (toll free within US, Canada & Caribbean)
- 1-877-809-2766 (Mexico)
- 1-800-891-3818 (Other)

Customer Relations for post travel matters

- Post-travel issues [aav.customer.relations@aa.com]
- Refund requests [aav.customer.relations@aa.com]

Price match requests

- [aaytascaavacations@aa.com]

Trip Together Social Group Program (5 to 15 rooms)

- [triptogetheraacustomerservice@aa.com]
From Global to Local: The Wholesale View
Hotelbeds
1. Domestic recovery first with decreased focus on primary destinations

2. ADR expected to be below past levels for over 12 months

3. Lead time shift to last-minute – less trust on future

4. Demand increase for cheaper properties (lower star rating) with higher reviews (4.5<)

5. Huge decreased in non-refundable rate demand – flexibility is key.

6. Safety and Cleanliness as top of mind for hotel bookers.
Partnering with

40+ airlines, including:

**loyalty, employee & points plans**

Loyalty or point redemption programs are closed user groups, with a large presence of blue chip global corporations. These channels are fully opaque as information is only available to members and many times in non-monetary formats (i.e. points).

These large and growing networks require know-how and investment to optimise the partnership and distribution to them. We already have both in place.

**airlines**

Airlines offer accommodation via packages and within the booking funnel to create an attractive flight hotel proposition. We generate more sales through airlines than most smaller bedbanks sell in total.

Typically airlines attract customers with low cancellation rates and high shares of international and exclusive customers.

**travel agents**

This channel continues to steadily grow, especially in niche segments such as high-end, long-haul oriented and specialty packages.

Retail agents work through our proprietary and password-protected platform, serving customers with long lead times and higher-than-average budgets.

**Combined reach of**

50,000+

**unique travel agencies**

increasing to 70,000 by 2020

- Covering 140 markets worldwide
- and with 60% of volumes on static rates

**tour operators**

Making it easy to access

3,500+

**operators, large and small, worldwide**

With a wide and international reach, we partner with tour operators in >120 countries across the globe.

Most of our clients create and promote packages with charter operations and ancillary products.

End customers are typically international, book with long lead times and have a low cancellation rate.
International Markets - LATAM

Possible Trends through the end of the year to mid 2021

• Brazilians are currently banned from landing in US territory (and there is no estimated date for this to be normalized);
• Our clients (tour operators) are focused on selling 2021 check-ins.
• Currency devaluation (BRL to USD): USD costs 30% more today, than same period last year.
• Clients are looking for hotels that are having “health and safety” initiatives post covid.
• Clients are looking for flexible rates. Clients are not booking NRF rates anymore, until situation gets normalized; Even the airlines are now allowing guests to change bookings up to 3 times at no cost.
• Argentina as a Source Market we went from 23.13% of NRF bookings before Covid to a current situation in the past 60 days of an average of 4.02% NRF bookings
• Argentina banned commercial flights until September 1st, meaning that regardless if someone wanted to travel abroad, there were no flights to board
• L3W, the past few weeks we’ve seen a positive recovery trend in Argentina, mostly because September is getting closer, so people are starting to plan their next holidays.
• Brazil & Argentina to resume flights into USA by beginning of Sept
Brazilian Market Trends

- Figures below shows that guests are booking with more anticipation, and cheaper properties:

<table>
<thead>
<tr>
<th></th>
<th>Pre Covid</th>
<th>Post Covid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead time</td>
<td>77 days</td>
<td>122 days</td>
</tr>
<tr>
<td>Category</td>
<td>3* hotels: - 4*</td>
<td>3* hotels – 4*</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>2.69 days</td>
<td>2.82 days</td>
</tr>
</tbody>
</table>
Argentine Market Trends

• Longer lead times due to flight bans to USA

<table>
<thead>
<tr>
<th>Lead time</th>
<th>Pre Covid</th>
<th>Post Covid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead time</td>
<td>59 days</td>
<td>221 days</td>
</tr>
<tr>
<td>Category</td>
<td>2* Hotels – 5*</td>
<td>2* hotels – 5*</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>4.37 days</td>
<td>4.30 days</td>
</tr>
</tbody>
</table>

• To Miami specifically the average lead time in the past 60 days is 221 (just a bit less than all destinations average) and the LOS remains similar with 4.30 days.
UK/Europe Market Trends

- 56% of bookings made in the last 2 weeks (period of market increased bookings) have been for arrivals July-Sep 2021.
- For US destinations Booking in the L4W:
  - May 2021 highest book to arrival month with Miami in top 5 destinations.
- UK/Eur Markets are showing signs of recovery mostly centered around European leisure. However, clients are giving feedback for demand and conversion for 2021 for the US, but also specifically for Miami.
- Sept is the second key booking month of the year, following boxing day which is Dec 26 until the end of January. In Sept alone 30% of vacations for the year is booked, travel window will be from Jan – Summer 2021.
- Booking Types: Post COVID 91% Flex and 9% NRF vs Pre COVID 65% Flex and 35% NRF
- UK Tour Operators are requesting all COVID and Heath and Safety Procedures to be in place i.e Safe2Stay Program
# UK/European Market Trends

- April 2021 showing some positive increases

<table>
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<tr>
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<th>Post Covid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead time</td>
<td>65 days</td>
<td>178 days</td>
</tr>
<tr>
<td>Category</td>
<td>3.5* Hotels+</td>
<td>3.5* Hotels+</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>4.72 days</td>
<td>3.97</td>
</tr>
</tbody>
</table>

- Longer lead times due to current travel bans
### Hotelbeds Fueling Recovery

What are we doing to help fuel **YOUR** recovery

<table>
<thead>
<tr>
<th>Feature</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Domestic Focused Portfolio</td>
<td>![Image] (A Domestic Focused Portfolio)</td>
</tr>
<tr>
<td>Increased Flexibility</td>
<td>![Image] (Increased Flexibility)</td>
</tr>
<tr>
<td>Recovery Promotional Campaign</td>
<td>![Image] (Recovery Promotional Campaign)</td>
</tr>
<tr>
<td>Increasing your competitiveness</td>
<td>![Image] (Increasing your competitiveness)</td>
</tr>
<tr>
<td>Increased Safety</td>
<td>![Image] (Increased Safety)</td>
</tr>
<tr>
<td>New Self Service Tools</td>
<td>![Image] (New Self Service Tools)</td>
</tr>
<tr>
<td>Co-op Destination Marketing</td>
<td>![Image] (Co-op Destination Marketing)</td>
</tr>
<tr>
<td>Keeping You Informed</td>
<td>![Image] (Keeping You Informed)</td>
</tr>
</tbody>
</table>
DONT WAIT UNTIL RECOVERY

▪ Focus investment on tools that can make you more efficient;

▪ Create short-term, mid-term, and long-term strategies – What can be our first main focus?

▪ Capture Market share

▪ Focus on giving value and support to your supply chain
Hotelbeds has adapted to the new landscape, we ask you to join us in recovery #WithYouAllTheWay
NORTH AMERICA ROUNDTABLE SESSIONS

Every Wednesday from July 29th until August 26th.

https://promo.hotelbeds.com/roundtable-sessions-northamerica/
TRAVEL FORWARD TOGETHER
Everyone’s Asking The Same Question:

WHAT’S NEXT?
# THE FUTURE STATE OF THE TRAVEL INDUSTRY

<table>
<thead>
<tr>
<th>TRAVELER MINDSET SHIFT</th>
<th>AAA OFFERING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trusted, financially secure brands rise to the forefront as others close doors. Alignment with socially good companies more prevalent.</td>
<td>AAA’s core values and trusted brand is perfectly suited for this shift. Fewer agencies and consortias will drive more travelers to AAA. Legacy core values focused on helping and serving is part of our DNA.</td>
</tr>
<tr>
<td>Value of agents increase in the wake of COVID-19 and demise of big box travel retailers. DIY travelers also learned a harsh lesson.</td>
<td>With financial strength and personal service; AAA stands to gain additional loyalty and member engagement. As suppliers reduce workforces, AAA will gain share of their direct distribution.</td>
</tr>
<tr>
<td>A phased return to global travel – will be North America -centric.</td>
<td>Focus on shorter, flexible products with value offering. With a breadth of products to select from whether club - owned, club-built or supplier portfolios, AAA is equipped to satisfy all travelers.</td>
</tr>
<tr>
<td>Luxury market, FIT and Road Trippers return faster than others.</td>
<td>AAA can build the product and marketing to attract key audiences.</td>
</tr>
<tr>
<td>Travelers will look for best offers and be more discriminating.</td>
<td>3rd party distribution channels will be more valuable to suppliers who have less human and financial resources.</td>
</tr>
<tr>
<td>Return to traditional hotel stays.</td>
<td>Value for AAA hotel &amp; car partners.</td>
</tr>
</tbody>
</table>
48% of Travelers say their #1 consideration to traveling again is **SAFETY**.

AAA Travel - *the undisputed travel resource for reliable information & safety protocols*

Regulations, requirements and safety protocols are now an integral part of the travel planning process. Trusted travel advisors who can navigate through the multitude of changing resources will be key to consumer confidence and an industry rebound.
“Travel marketer’s can throw away their playbooks because it’s no longer about products, but process…the safety process.”

Peter Greenberg, May 27, 2020

“With all the updates and changes by every airline, hotel, cruise line and tour operator, how can we navigate through all of this information? Is it up to a travel advisor to go through that?”

James Shillinglaw, May 27, 2020
COMMUNICATIONS STRATEGY
Program & Priority Interconnectivity

THE TRAVEL CENTER
Think of this as your neighborhood travel hub. It’s a virtual travel experience with access to resources, news, videos, information and travel agents IRL - no bots here.

SMART DEPART
Providing members with a centralized place for changing safety protocols and the latest information:
- Webinar and Live events series: Hear direct from reps at leading theme parks, hotels, airlines, cruise lines and tour operators
- SmartDepart Agent Certification: Certified in understanding and communicating relevant safety information to travelers.

PRODUCT CONNECT
- MVP: Check out our vacations portfolio, browse the latest deals and request a custom quote.
- Road Trips: Connect to a digital platform to build your own. Access things like family activities while you’re on the road
- TripTiks
- Travel Guides/Tips

THE NEXT NETWORK
Part of the fun of travel is preparing for your next adventure. This virtual learning series features:
- Virtual tours and learning experiences
- Destination-based webinars and spotlights
- The Smart Depart safety series

AGENT CONNECT
Chat, make an appointment or schedule a virtual tele-travel visit with an experienced agent.
- Hear why using an agent has been so valuable for our members
- Find an agent: match your needs with the varied skills of our agents

AAA TRIPLE CHECK
Even if we didn’t book it, we want to bless your travel plans. As a member, we’re always looking out for you.

THE WHEEL
Traveo Community: See what AAA member travelers are talking about. Where are others in your traveler-hood going? Join the convo.
THE PILLARS ON WHICH OUR MESSAGING STANDS
STARTS WITH TRUST, A PROMISE & INSPIRATION

118 YEARS OF TRUST
Life has changed a lot over the past 100 years. Through it all, you’ve been able to count on AAA, in your neighborhoods and around the world.

WHEN THE WORLD IS READY, WE’LL BE READY
Much of life has been on pause recently, but the spirit of a traveler cannot be canceled. We’ll always long for new experiences, connecting with others and feeding our curiosities. Where and when we go may change but having AAA Travel by your side will not.

DREAM ON
We still believe in longing for the excitement of travel, and the gathering of a lifetime of memories. We still believe in laughter, shared smiles with strangers from across the globe, and albums full of captured moments. We still believe in dreams.
FLORIDA TRAVEL
By the numbers
AAA Northeast Florida Travel Trends

• Membership visitation: 39% of membership (2.2M members)
• Florida represents 13% of total travel sales for AAA Northeast
• Northeast travelers demand direct flights
• Majority of sales are for Disney and Parks
• Travelers are looking to go off the beaten path
• “Hidden Gems” and “Undiscovered Locations” are key phrases
The Road Ahead
Recover Together
Travel Trends from the Northeast

- 43% of members are likely or somewhat likely to travel in 2020
- 53% will travel within 6 months of lifted restrictions
- 62% are considering domestic or national travel
- Booking windows have dropped from 6 month to 3-6 weeks
- Q3 & Q4 2020 departures still outpace Q1 & Q2 2021
- Travel bookings are growing +10% month over month
Opportunity Awaits in Miami

- Storytelling through articles and video content
- Safety and protocol coverage
- Highlighting experiences
- Social media coverage
- Traveler and Agent Engagement
- Top of mind awareness
Michael Ziegler
Director, Strategic Partnerships
mziegler1@aaanortheast.com
(401) 261-9233

THANK YOU!