

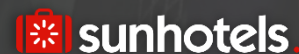
# WEBJET LIMITED



## UBS Australian Emerging Companies Conference: Technology

**John Guscic**  
Managing Director

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# Who is Webjet Limited?

## WHO IS WEBJET?

### DIGITAL TRAVEL BUSINESS ...

spanning both global wholesale markets (through B2B)  
and consumer markets (through B2C)

## B2B TRAVEL

**Online fulfillment of hotel bookings  
for our travel industry partners**

### WebBeds Global Coverage:

- Europe - Sunhotels
- MEA – Lots of Hotels (LOH)
- Americas – LOH
- Asia – FIT Ruums

**5 year EBITDA CAGR of 30%**

**FIT RUUMS**  
Always stronger together



## B2C TRAVEL

**Leading online consumer travel  
brands**

### Webjet

- Leading OTA in Australia and New Zealand

### Online Republic

- Global coverage in Rental Car hire and Motorhomes
- Australasian leader in online Cruise

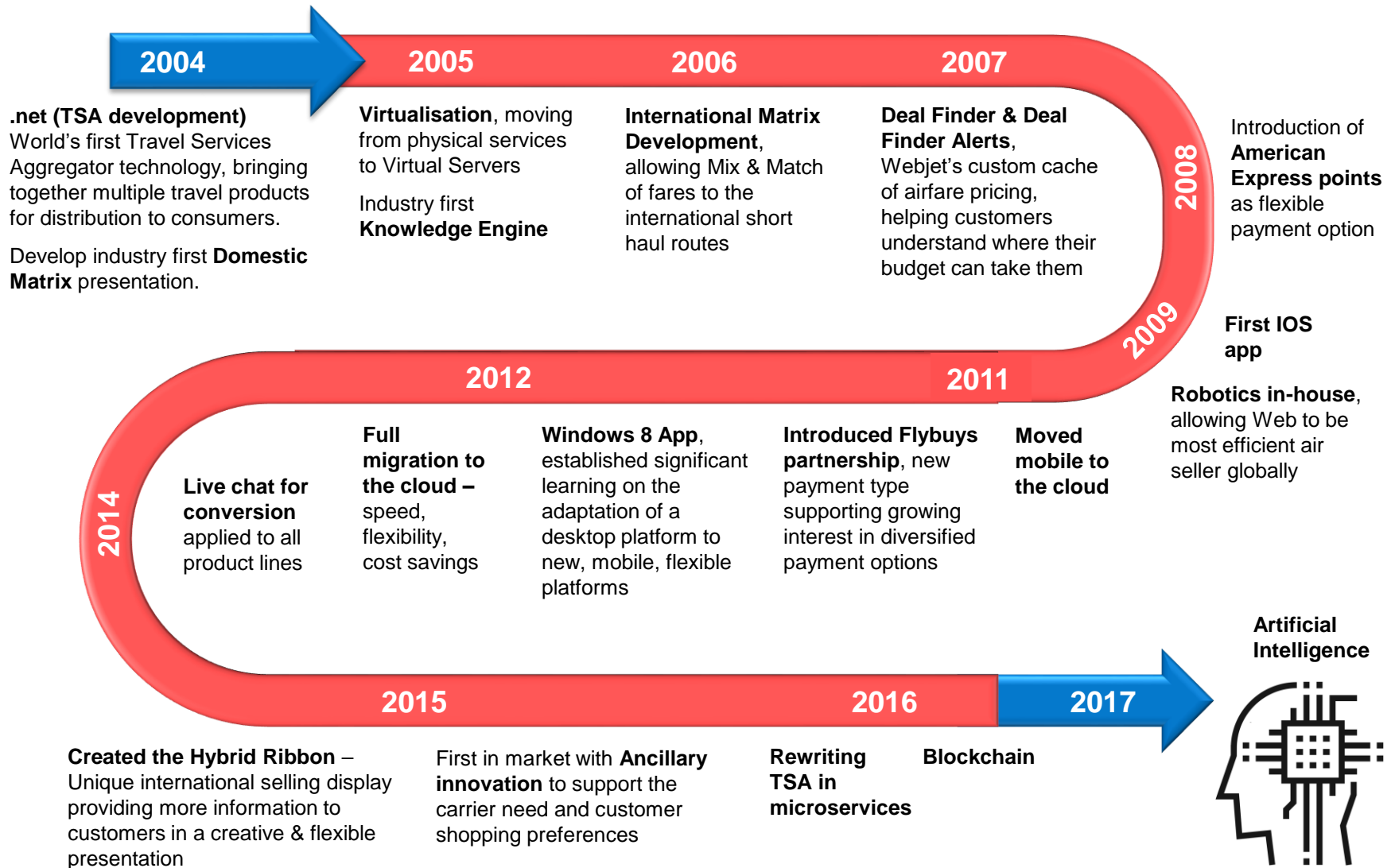
**5 year EBITDA CAGR of 10%+**



**“Innovation distinguishes between  
a leader and a follower.”**

**--- Steve Jobs**

# History of Innovation – Webjet.com.au



# Blockchain

# Innovation in the WebBeds World



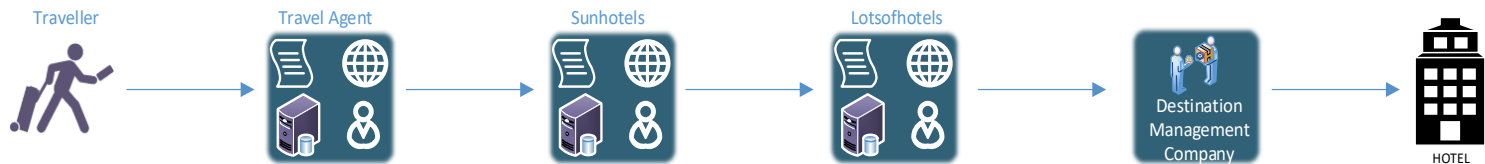
## What is the problem we are trying to solve?

- B2B settlement between hotel suppliers and travel partners is a complex, timely and costly process.
- Multiple IT systems between players pave the way for reconciliation pain and error risk.
- Significant financial exposure exists across the current distribution chain.

# Highly Inefficient Process Ripe for Disruption

## Background

- Multiple intermediaries in the distribution of hotel rooms to consumers
- Each intermediary has a discrete booking/reservations system and set of practices
- No “*single source of the truth*” and limited validation post initial booking
- Data mismatches estimated to occur in about 5% of all bookings



**In many instances, there are up to 5 participants in the sale**

# Industry Issues



**1 in 25**  
Bookings

**Breakage – instances where a service is provided but never invoiced**

**1 in 3**  
Bookings

**The ratio of bookings that are amended in some way**

**1 in 10**  
Bookings

**Have some sort of manual intervention**

Data mismatches including price, currency, and status of booking

Mismatches found months after the booking was originally made and usually after the guest has travelled

Companies incur increased accounts receivable and payable costs to try to reconcile differences

Financial loss occurs if the intermediary cannot claim any mismatch amount from their own customer or suppliers



# What has Webjet Built?



- An **elegant solution** designed to allow any 2 parties to verify that the data they hold on a booking is the same.
- This “**handshake**” occurs each time a booking is made or changed in any way - “do we agree?”
- **If a discrepancy is found**, the parties are notified with information on the elements of the booking that cause the “dispute”.
- **Action can be taken immediately to correct** the data that is wrong and to mitigate any potential out-of-pocket losses.
- There is **no integration or coding required** – participants only have to produce a report with the bookings made or amended, and deliver it to an end point – the Blockchain magic happens from there.
- And when the time comes for one party to invoice the other, **there are no surprises, no time wasted investigating disputes, and no out-of-pocket losses.**

# Why Use Blockchain to Solve for This?

**The Blockchain solution offers 2 unrelated parties an attractive platform to verify when their data does match...and when it doesn't**

## Decentralised:

- There is no single owner of the blockchain - processing power can be contributed by any of the participants, leading to a **greater level of trustworthiness**.

## Distributed:

- Copies of the “ledger” are held across multiple processing nodes; if one fails, the others keep working and the ledger lives on. It is **inherently robust**.

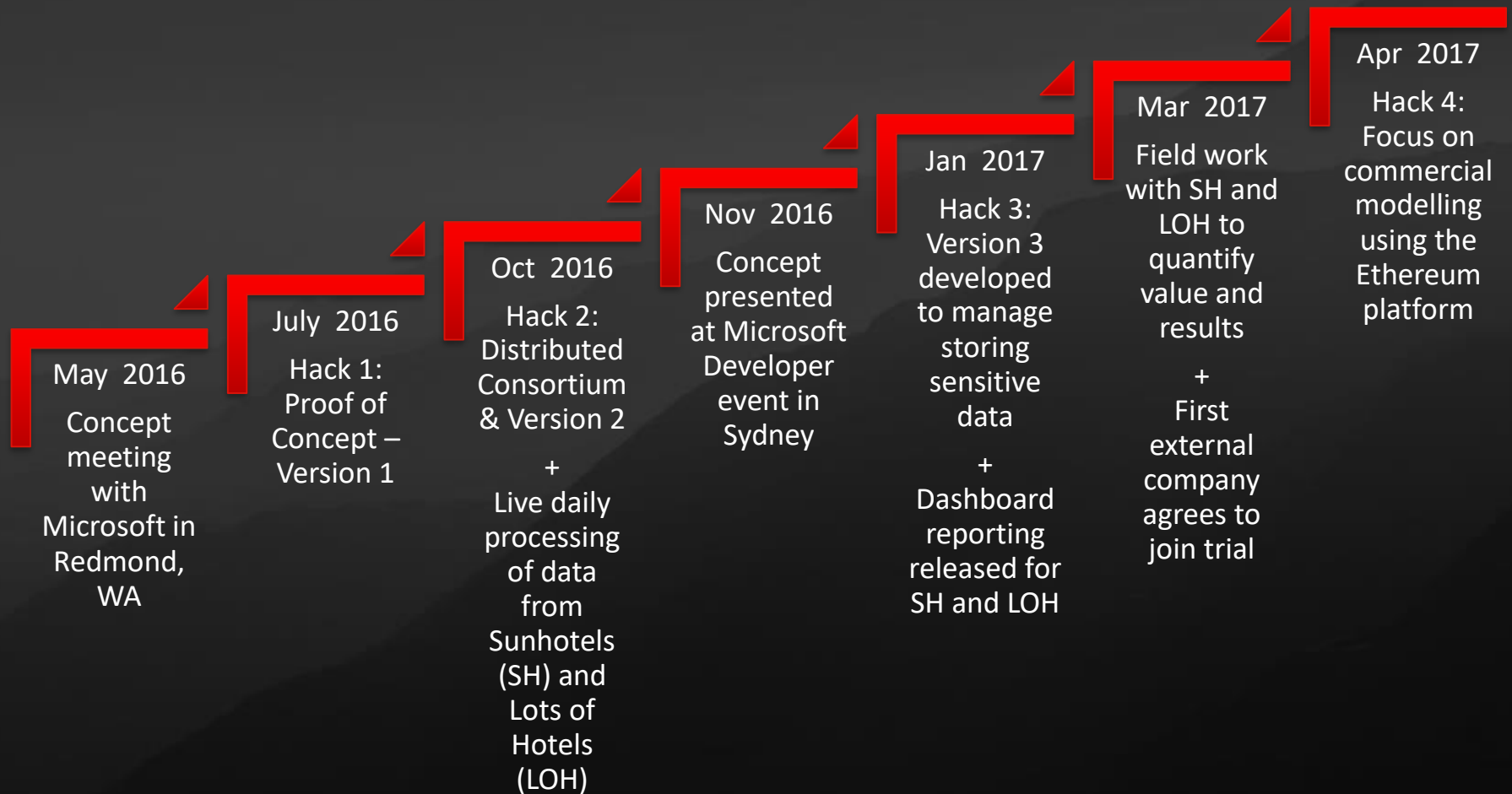
## Indisputable:

- The copies of the ledger held by the multiple decentralised, distributed nodes make it **very difficult to distort the truth**.
- More than 51% of the copies of the blockchain would need to be distorted at the same time. If one blockchain copy is corrupted, the other nodes would ignore the results and the integrity of the blockchain remains intact.



**These attributes make Blockchain an excellent technology to build a system intended to be used by parties who do not necessarily trust one another.**

# Blockchain – Key Milestones to Date



# A Case Study - Our Learnings to Date

## Labour Costs to Address Disputes

- 40 random disputed bookings selected
- 11 hours of labour could have been saved if the mismatch was known at time of bookings
- Saving **15 minute of labour cost per mismatched booking**

## Costs that Could be Avoided Using Blockchain

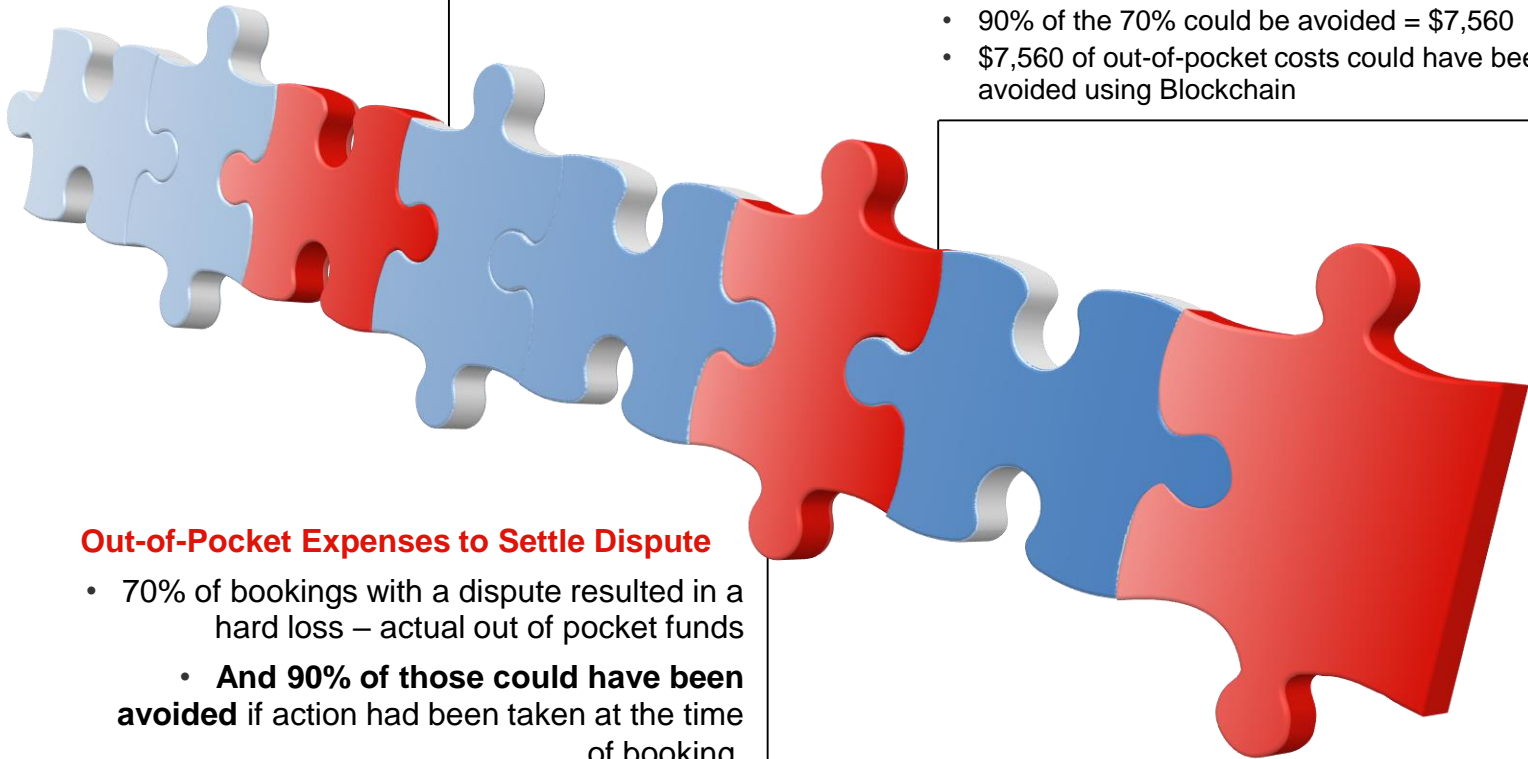
Using a conservative average booking value (ABV) of \$300, this equates to a **potential hard dollar saving of \$7,560 on 40 disputed bookings plus labor cost saving**

Calculated as per the below:

- 70% of 40 bkg's will result in hard loss = 28 bkg's
- Hard loss = \$300 (ABV) \* 28 bkg's = \$8,400
- 90% of the 70% could be avoided = \$7,560
- \$7,560 of out-of-pocket costs could have been avoided using Blockchain

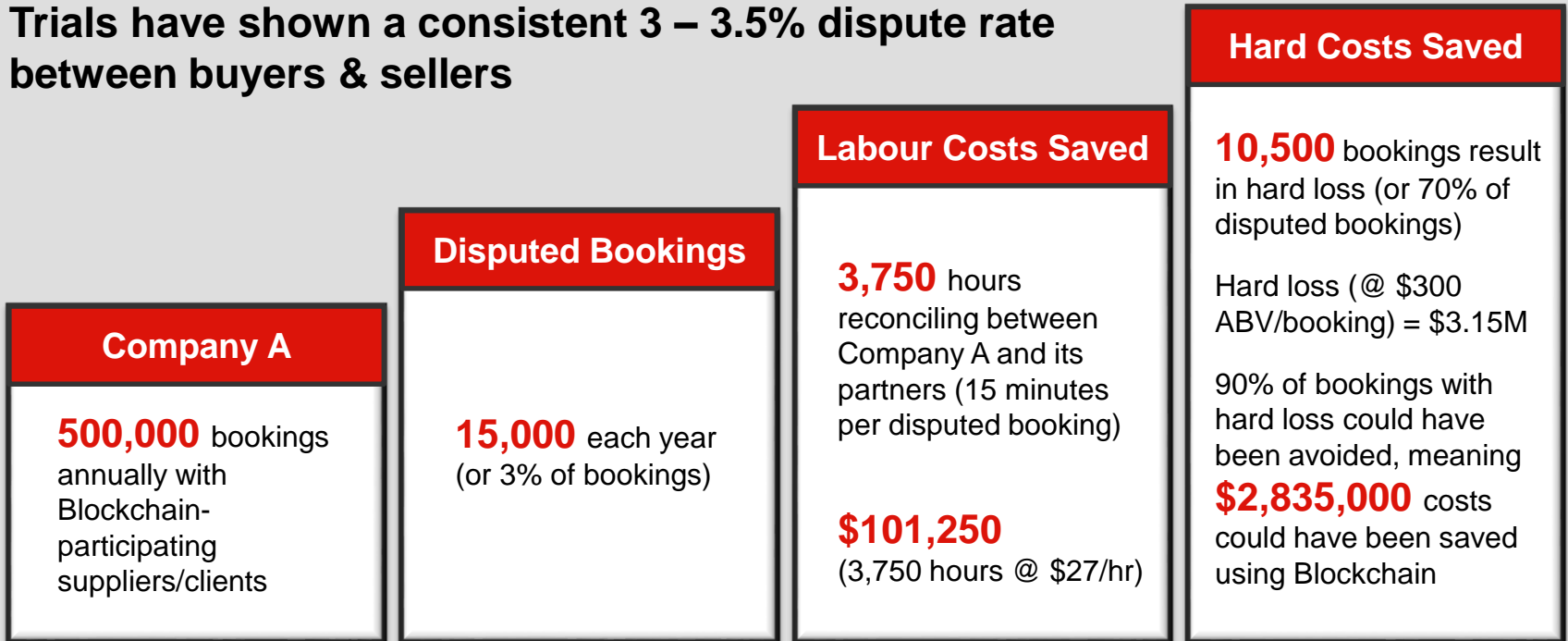
## Out-of-Pocket Expenses to Settle Dispute

- 70% of bookings with a dispute resulted in a hard loss – actual out of pocket funds
  - **And 90% of those could have been avoided** if action had been taken at the time of booking.



# How Does That Translate in the Real World?

**Trials have shown a consistent 3 – 3.5% dispute rate between buyers & sellers**



**If the savings benefit is split 50/50 between Company A and its partners, Company A would **save approximately \$1.5m annually** using Blockchain**

# Artificial Intelligence

**“If you don’t have an AI strategy  
you are going to die in the world  
that’s coming.”**

**--- eBay President and CEO  
Devin Wenig**

# Artificial Intelligence – Why?

**Leisure travel is about fantasy.**

It is about the realisation of dreams and aspirations. It may be escape. It may be adventure. It may be a quest. It may be about a reinforcement of a person's sense of tribal or society position. Or it may be simply about recharging the batteries.

**How can we create the ultimate leisure travel experience online?**



# Artificial Intelligence – Why?

Currently - the perfect leisure travel experience does not exist, online or offline.

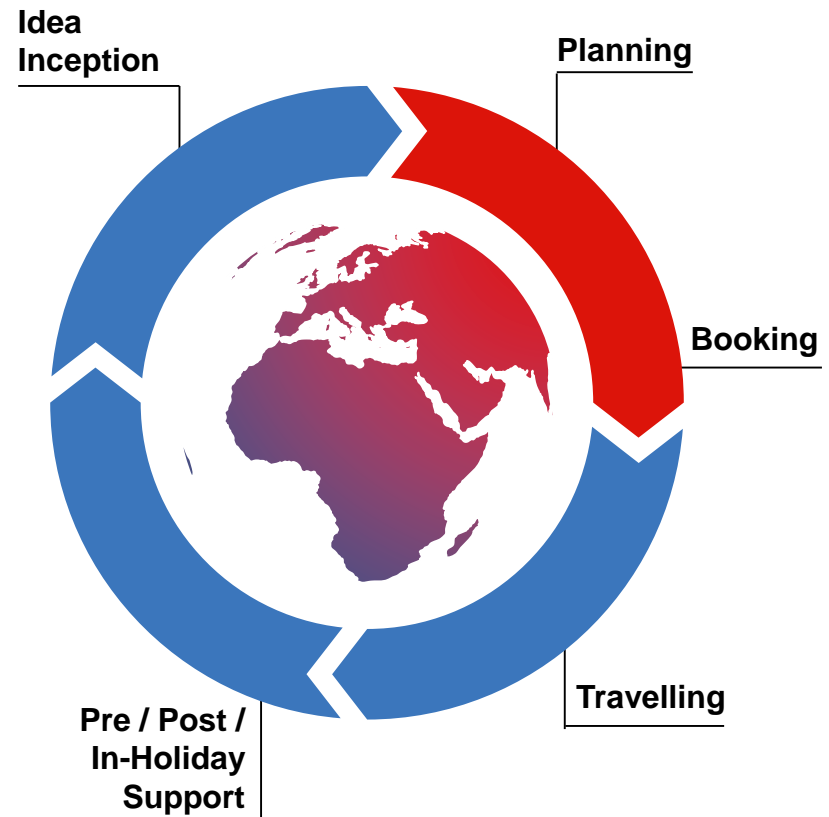
Offline travel agents are limited by whatever tools, processes, and content are made available to them - as well as their own experiences, knowledge and commercial drivers. This information, content and tools vary greatly by agent.

Online travel sites today focus mainly on the mechanics of travel and less about the overall experience. While efficient, comprehensive and convenient, online sites assume the traveller has inherent knowledge what is needed to create the perfect itinerary.

**A solution is  
needed to assist  
the traveller in  
truly realizing  
their holiday  
dream...from  
beginning to  
end...**

# Artificial Intelligence – The Future

- By using artificial intelligence and machine learning to build on the transactional online travel experience today, we have the opportunity to transform the existing leisure travel shopping experience to something exceptional.
- Artificial Intelligence will bring together a fast and more comprehensive solution for leisure travellers.
- It will allow us to bring a new range of possibilities tailored to the travellers specific preferences.
- It will provide both the transactional and the inspirational – guiding the traveller from idea inception, to booking, to experiences throughout the journey, until they are home and ready to travel again.
- It will create the ethereal confluence of fantasy and desire in conjunction with convenience and choice, wrapped in a compelling user interface.



**And that is our next challenge!**



# THANK YOU

April 2017

