



WEBJET AGM

Managing Director Update

22 November 2017





DIGITAL TRAVEL BUSINESS

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

WHO IS WEBJET?

B2C TRAVEL

Leading online consumer travel brands

Webjet

- Market leading OTA in Australia and New Zealand

Online Republic

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



B2B TRAVEL - WebBeds

Online fulfillment of hotel bookings for our travel industry partners

WebBeds Global Coverage:

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





FY17 KEY Highlights

Ongoing growth of Webjet OTA business

- Webjet OTA continues to demonstrate strong growth in both domestic and international flight bookings and Packages
- Online Republic fully integrated

Building global coverage of WebBeds B2B business

- 3 key events during the year has helped develop a global footprint across all key markets
 - Strategic sourcing partnership with Thomas Cook in August 2016 provides significant TTV and revenue growth opportunities from FY20
 - Entry strategy into the fast growing Asian market through the launch of FIT Ruums in November 2016
 - Transformational acquisition of JacTravel in July 2017 makes WebBeds the No. 2 global player and No. 2 player in the important European market

Delivered record financial performance

- Reported NPAT of \$52.4 million (up 146.6%); NPAT from continuing operations of \$33.1 million (up 58.0%)
- Reported EBITDA of \$69.9 million (up 90.7%); EBITDA from continuing operations of \$51.0 million (up 40.3%)



FY17 BUSINESS UNIT HIGHLIGHTS

B2C



Continues to gain share;
bookings growth more than
6 times the market



Delivering robust bookings
growth; providing car hire
for Webjet since January
2017

B2B - WebBeds



Continues to gain market
share in Middle East;
North America gaining
momentum



New markets delivering
growth; Thomas Cook
contracts novating across
to WebBeds system



From start up to \$90
million annualised TTV
run rate in just 8 months



B2C TRAVEL

*Leading Online Consumer
Travel Brands*

FY17 Highlights





Flight Bookings Continue to Outperform

(1) Domestic Passenger numbers growth – 12 months to June 2017. Source: BITRE.
 (2) Short Term Resident Departures – 12 months to June 2017. Source Australian Bureau of Statistics



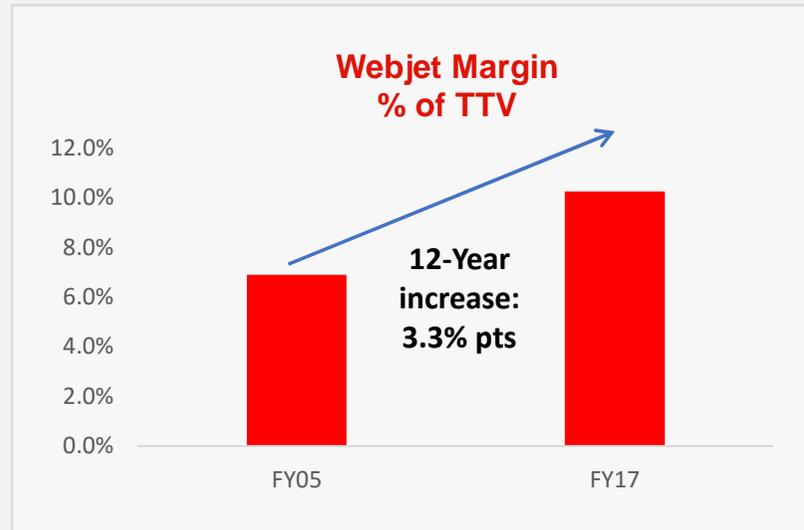
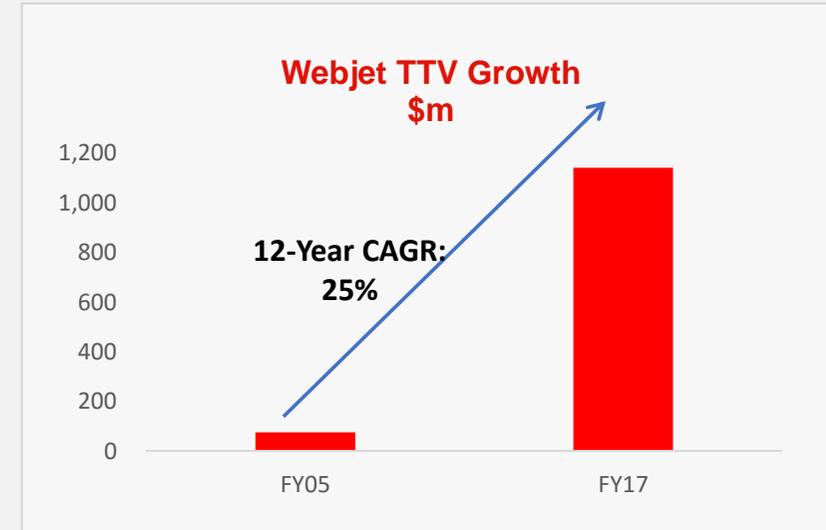
Ongoing product improvements driving increased visitation and conversions

- Enhanced understanding of **consumer purchasing behaviours** and successful **migration to Cloud**
- Industry leading merchandising capabilities** for airline partners
- Increased ancillary product sales** for Low Cost Carriers
- Broadening of payment types**
- Transition to agile development culture** is delivering efficiency and rapid innovation to market. Ability to **deploy daily** without impacting the customer experience
- UX team investment** delivering enhanced customer driven design
- Superior chat, messaging and social engagement services** for our customers
- Ongoing **commitment to data driven decision making** and customer experience improvements
- Enhanced the booking change process/flow** to remove friction points
- Additional customer survey touchpoints** to collect real-time feedback



webjet.com.au

History of Delivering Superior Organic Growth





Online Republic Now fully integrated

Business units all growing

MOTORHOMES

- **Motorhomes** generated **bookings growth of 22%**
- Growth in foreign language bookings provided diversification away from domestic Australasian markets into northern hemisphere markets

CAR HIRE

- **Car hire** generated bookings **growth of 31%**
- From January 2017, car hire through Webjet OTA now provided by Online Republic
- Transition has gone smoothly and performance is exceeding expectations
- Broadened car rental supply in multiple markets

CRUISE

- Awarded CLIA NZ cruise agency of the year for 2nd year in a row
- Continued to grow but experienced challenging weather events over March-April 2017 which impacted sales for port departures ex Queensland and NSW
- Bookings growth suppressed as a result, with marginal **growth of 3%**



B2B WebBeds

***DIGITAL PROVISION OF HOTEL ROOMS TO
GLOBAL PARTNERS.***

Strategy Update

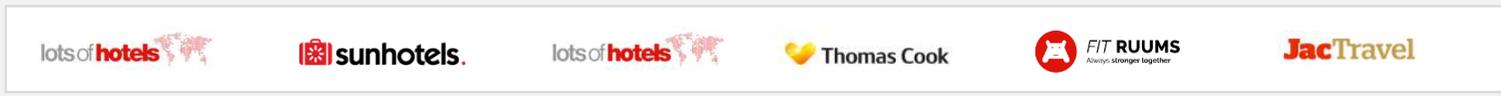
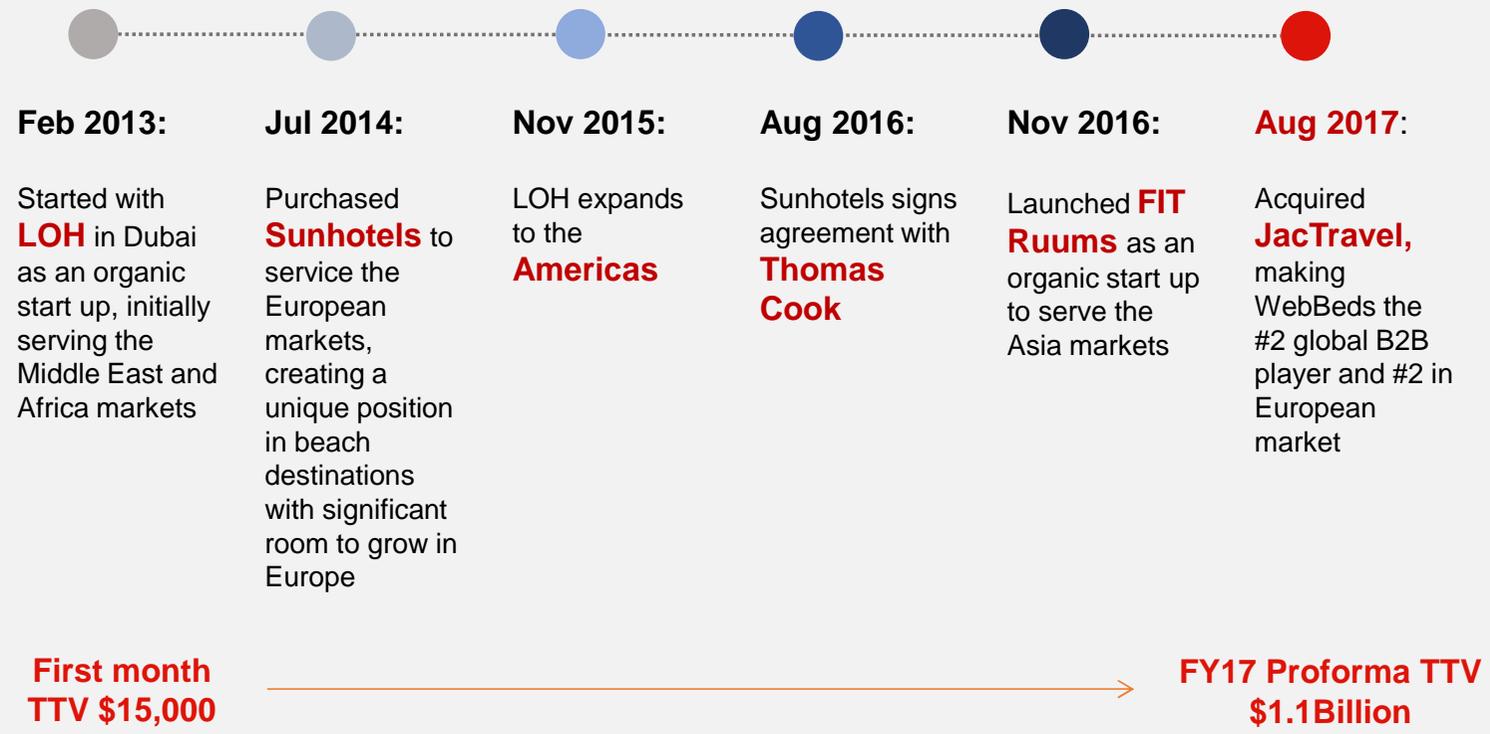




WebBeds is #2 B2B Player Globally

THE MAKING OF WebBeds:

MIX OF ORGANIC START UP AND ACQUISITION



WebBeds global network

- Afghanistan
- Albania
- Algeria
- Andorra
- Angola
- Argentina
- Armenia
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Bolivia
- Bosnia
- Botswana
- Brazil
- Brunei
- Bulgaria
- Cambodia
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Croatia
- Cyprus
- Czech Republic
- Democratic Republic of the Congo
- Denmark
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Estonia
- Ethiopia
- Finland
- France
- Georgia
- Germany
- Ghana
- Greece
- Guatemala
- Haiti
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Israel
- Italy
- Ivory Coast
- Japan
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kuwait
- Latvia
- Lebanon
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macedonia
- Malawi
- Malaysia
- Maldives
- Malta
- Mauritius
- Mexico
- Micronesia
- Moldova
- Monaco
- Mozambique
- Namibia
- Nepal
- Netherlands
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Norway
- Oman
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Qatar
- Romania
- Russia
- Rwanda
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Singapore
- Slovakia
- Slovenia
- South Africa
- South Korea
- Spain
- Sri Lanka
- Swaziland
- Sweden
- Switzerland
- Taiwan
- Tanzania
- Thailand
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- Uruguay
- USA
- Uzbekistan
- Venezuela
- Vietnam
- Yemen Republic
- Zambia
- Zimbabwe

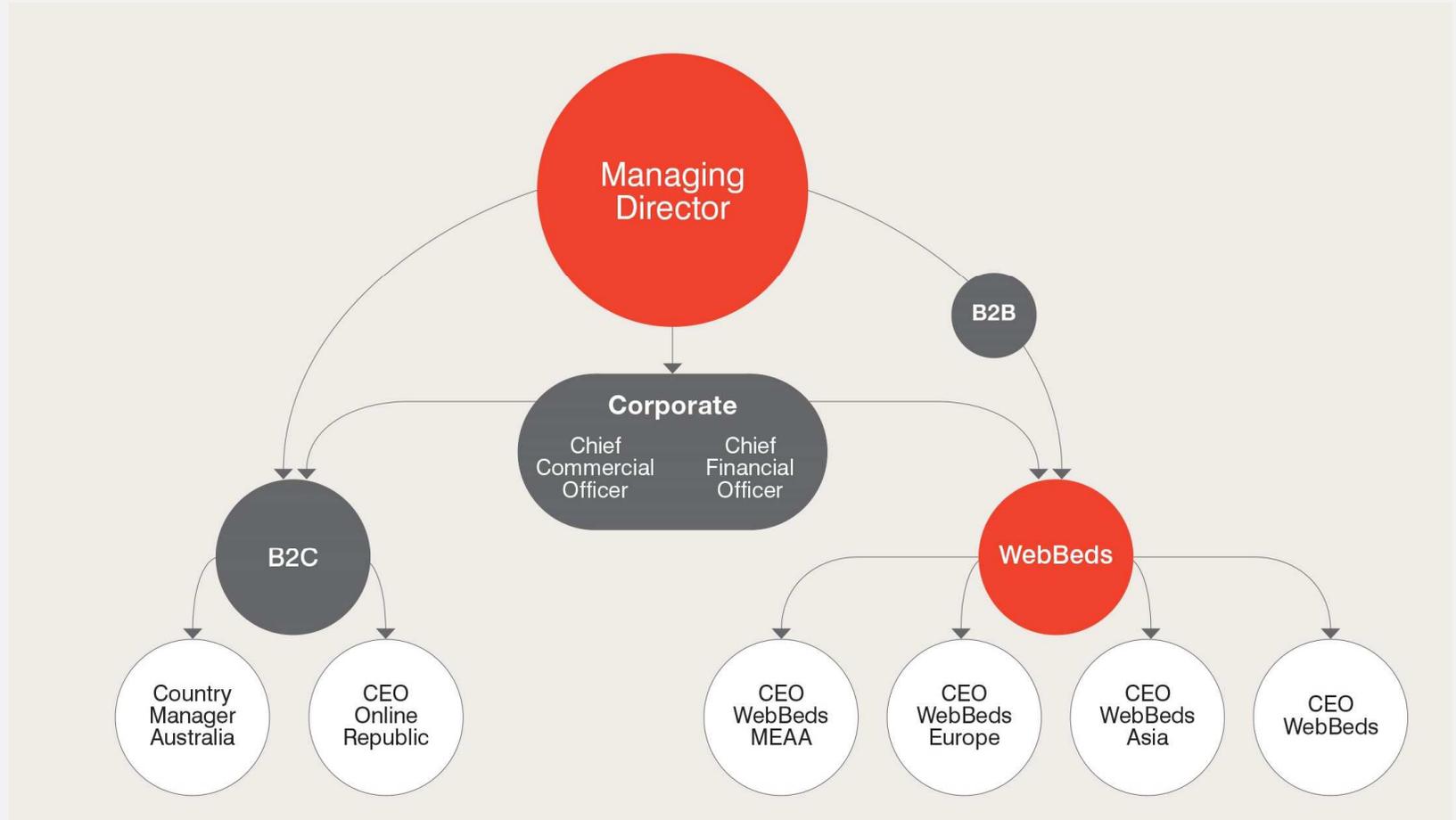
Our Global Network



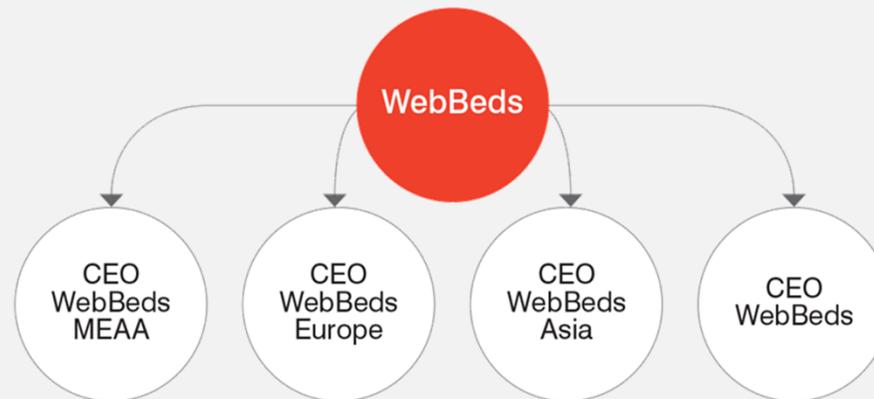
WebBeds Strategy overview

- **Market overview**
 - Global market >US\$50 billion TTV
 - Highly fragmented market with few global players
 - Industry consolidation represents significant opportunity to gain share
- **Build on our #2 global B2B position**
 - Currently the fastest growing B2B player in the world
 - Aim to gain market share in each region
 - Continue to outperform underlying market growth rates
 - Focus on profitable growth
 - Augment organic growth with strategic acquisitions
- **The JacTravel acquisition provides opportunity to reduce costs globally**
 - Shared services where appropriate
- **EBITDA margins to increase from FY19 onwards**

WebBeds Management restructure



WebBeds Management restructure rationale



- **Structured around regions rather than brands**
 - Being as close to our customers as possible will help deliver the most appropriate product offerings and solutions for their individual needs
 - The various brands will continue to operate under the broader WebBeds umbrella to leverage existing strong brand loyalty
 - Regional focus will facilitate cross leveraging of inventory offerings between brands
 - Eliminate duplicate costs
 - Centralise key functions (IT, Finance, Operations, Global Commercial)
- **Reporting by geographic region**
 - Consistent with previous reporting periods, due to our shared services structure overall TTV, revenue, costs and EBITDA will be provided on a consolidated basis for the WebBeds division
 - Going forward, TTV and bookings will now also be reported by geographic region rather than by brand

WebBeds Strategy Update

Europe Market size: US \$20 billion

- Important B2B market with large number of independent hotels; TTV margins in general higher than other regions
- Focus on consolidating our #2 position
- Leverage complementary Sunhotels and JacTravel inventory offerings under WebBeds Europe
- Centralise contracting and sales teams to minimise competition between brands
- **JacTravel integration**
 - Integration on track
 - A significant number of JacTravel contracts now available for sale through Lots of Hotels, Sunhotels and Fit Ruums
- **Thomas Cook agreement**
 - Novation of contracts continuing on track. Expect 2700 of the more than 3000 total contracts to be novated across to Sunhotels platform by July 2018
 - TTV starting to flow through; revenue share arrangement will begin 1 June 2019
 - Annualisation of FY17 costs to support Thomas Cook agreement included in FY18; costs expected to remain flat from FY19 onwards

WebBeds Strategy Update

Asia

Market size: US \$18 billion

- Fastest growing B2B region in the world
- Focus for next 3 years is to gain market share and become leading player in region
- Increase direct contracts in key Asian cities to complement existing FIT Ruums and JacTravel inventory offerings
- Continue to invest in building out contracting and sales teams
- TTV margins in general lower than Europe; EBITDA margins lower than other regions as we build scale
- Expect Asia business to breakeven in FY19; FY18 loss expected be similar to FY17

Middle East & Africa (MEA)

Market size: US \$3 billion

- Smaller overall market opportunity; TTV margins in general lower than Europe
- Continue to build share as we narrow gap with #2 player; unique regional offering across MEA
- Leverage complementary LOH and JacTravel inventory offerings

The Americas

Market size: US \$15 billion

- Strong focus on global hotel chains rather than independent hotels
- TTV margins in general lower than Europe
- Continue focus on expanding direct contract offerings
- Target additional API customers



FY18 trading update and guidance





FY18 YTD UPDATE

FY18 – FY20 bookings growth target

- As bookings are a key driver of growth, our aim is to continue to gain market share and grow more than the underlying market in each of our businesses:
 - **3 year B2C growth target** – Bookings growth of more than 3 times the underlying market growth rate.
 - **3 year B2B growth target** – Bookings growth of more than 5 times the underlying market growth rate in each market
- Both B2C and WebBeds B2B are currently exceeding our target growth rates



FY18 GUIDANCE

FY18 EBITDA Guidance

- On track to deliver \$3 billion TTV
- FY18 EBITDA guidance of \$80 million
 - This reflects the inclusion of the below items:
 - One-off JacTravel acquisition costs of \$1.2 million
 - Impact of \$1.7 million Netflix tax (GST on inbound intangible supplies made by overseas supplier to Australian Consumers) in relation to Online Republic
 - Additional \$2.7 million costs associated with Thomas Cook
 - FY18 FIT Ruums losses in line with FY17

Additional information

- Pro forma JacTravel EBITDA contribution for July and August 2017 of \$9 million – if we had owned the business from 1 July 2017, FY18 pro forma EBITDA guidance would be \$89 million
- JacTravel acquisition in September 2017, together with impact of standard 1H seasonality for B2B business will result in a negative 1H18 cash flow. As in FY17, this will reverse in 2H and 2H18 cash flow will be positive.