



WebBeds B2B Investor Day

22 November 2017 - Melbourne
23 November 2017 - Sydney

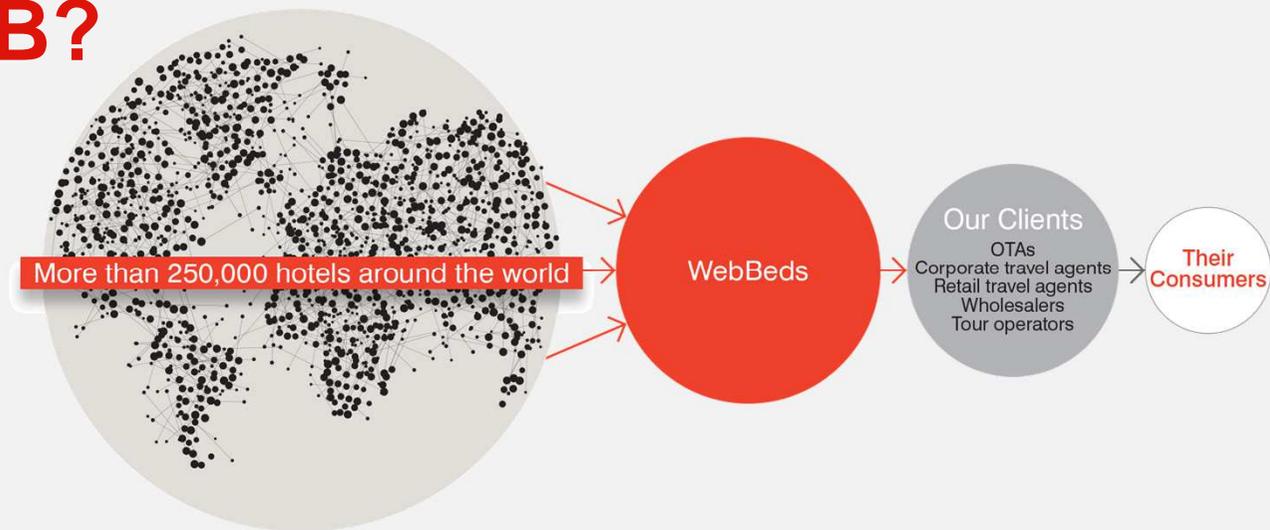




Agenda

1. **What is the B2B market?**
2. **Strategy update**
3. **Business overview**
 1. **WebBeds Europe**
 2. **WebBeds Asia**
 3. **WebBeds Middle East, Africa and Americas (MEAA)**
 4. **WebBeds Global**
4. **FY18 guidance and YTD trading update**

What is B2B?



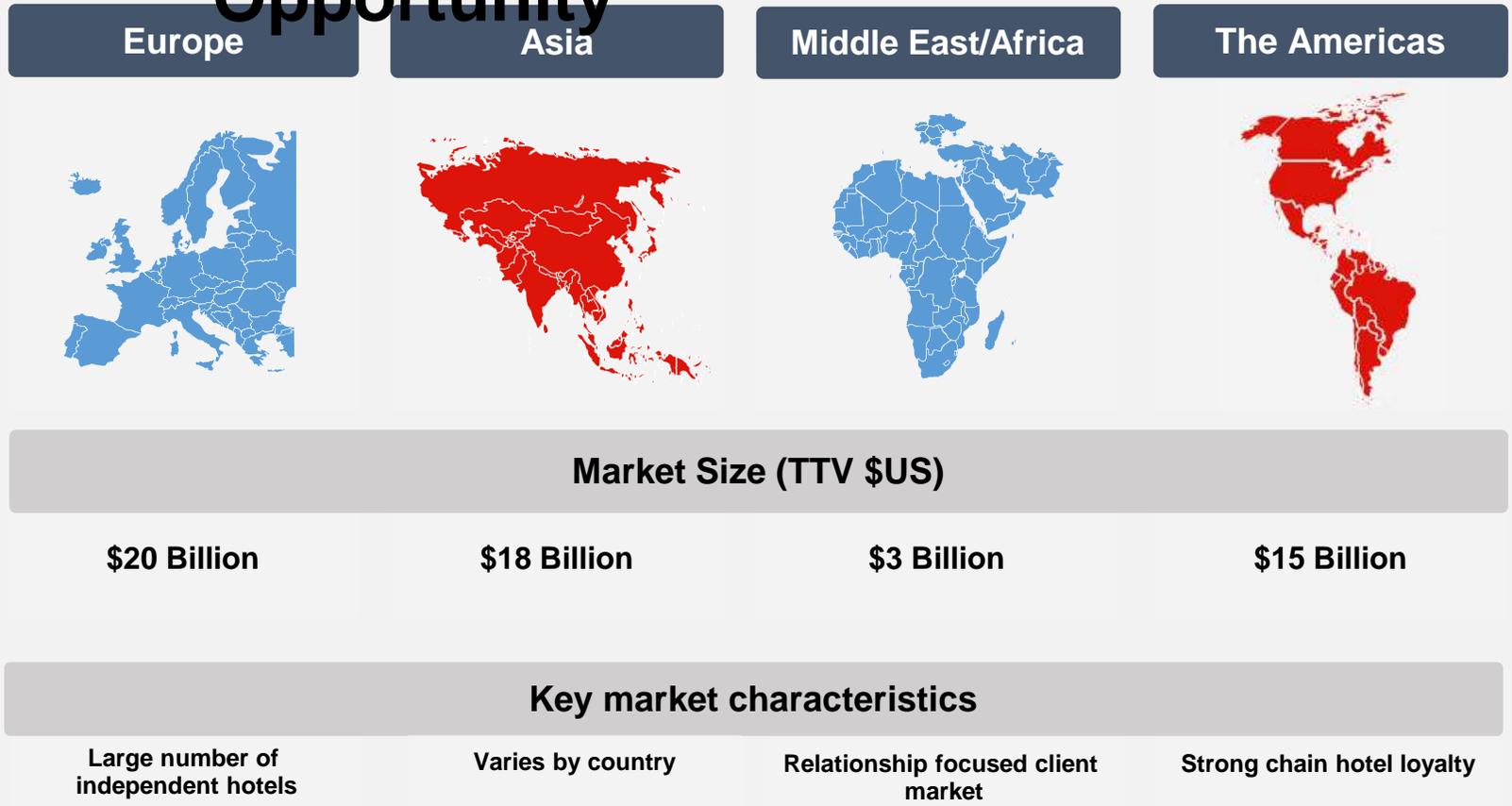
What's important

- Inventory offering
- Pricing
- Easy technology to install and integrate
- Good customer, technical and operational support

>US \$50 Bn TTV Market Opportunity

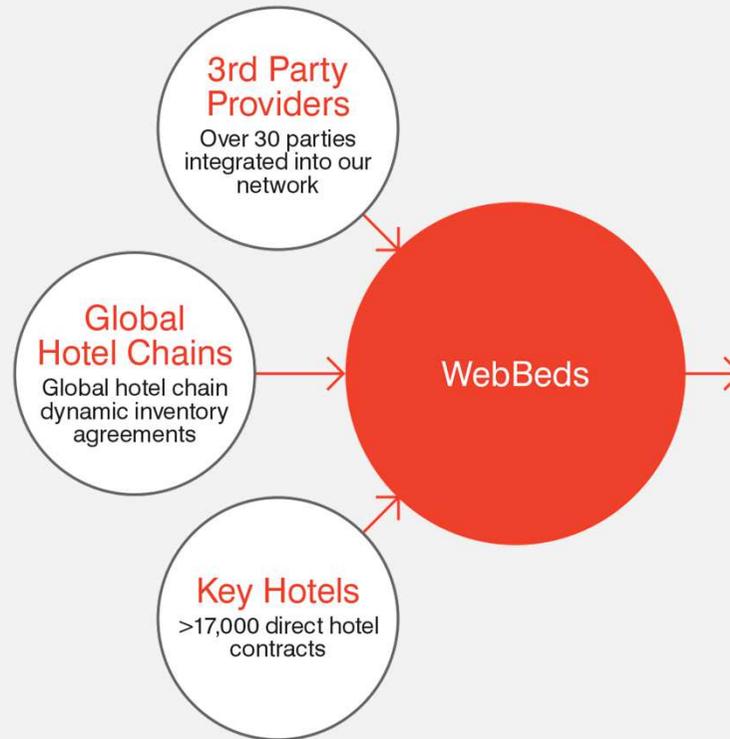
WebBeds

#2 player yet less than 3% of total global market



Multi-supply aggregation strategy

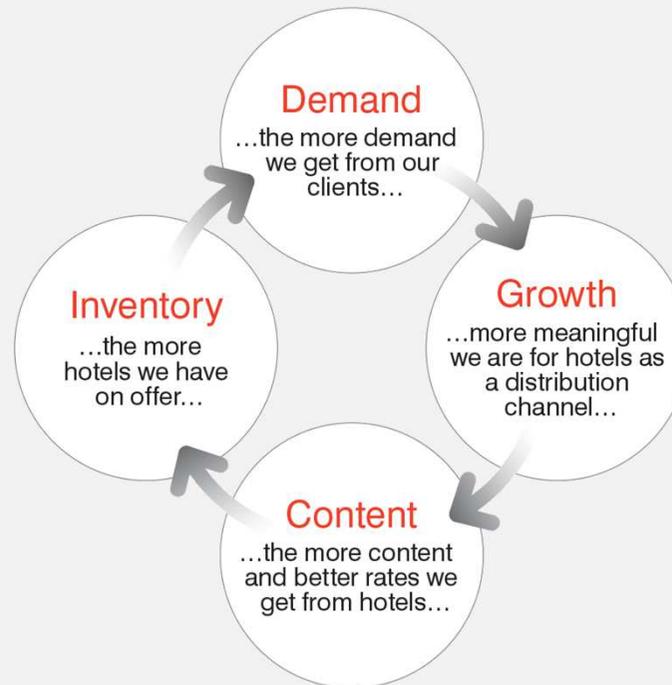
What WebBeds offers
The greatest breadth and depth of inventory at competitive prices



- Full inventory offering
- Low cost operations
- Aggregate all supply offerings and display lowest priced option
 - direct website access or XML connection

The network effect

**What
WebBeds
offers**
The greatest
breadth and
depth of
inventory at
competitive
prices



- Fastest growing B2B player in the world
- Leveraging our deep management expertise across all regions of the world



WebBeds In Action



Agenda

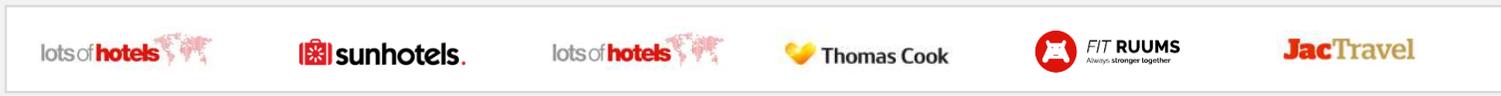
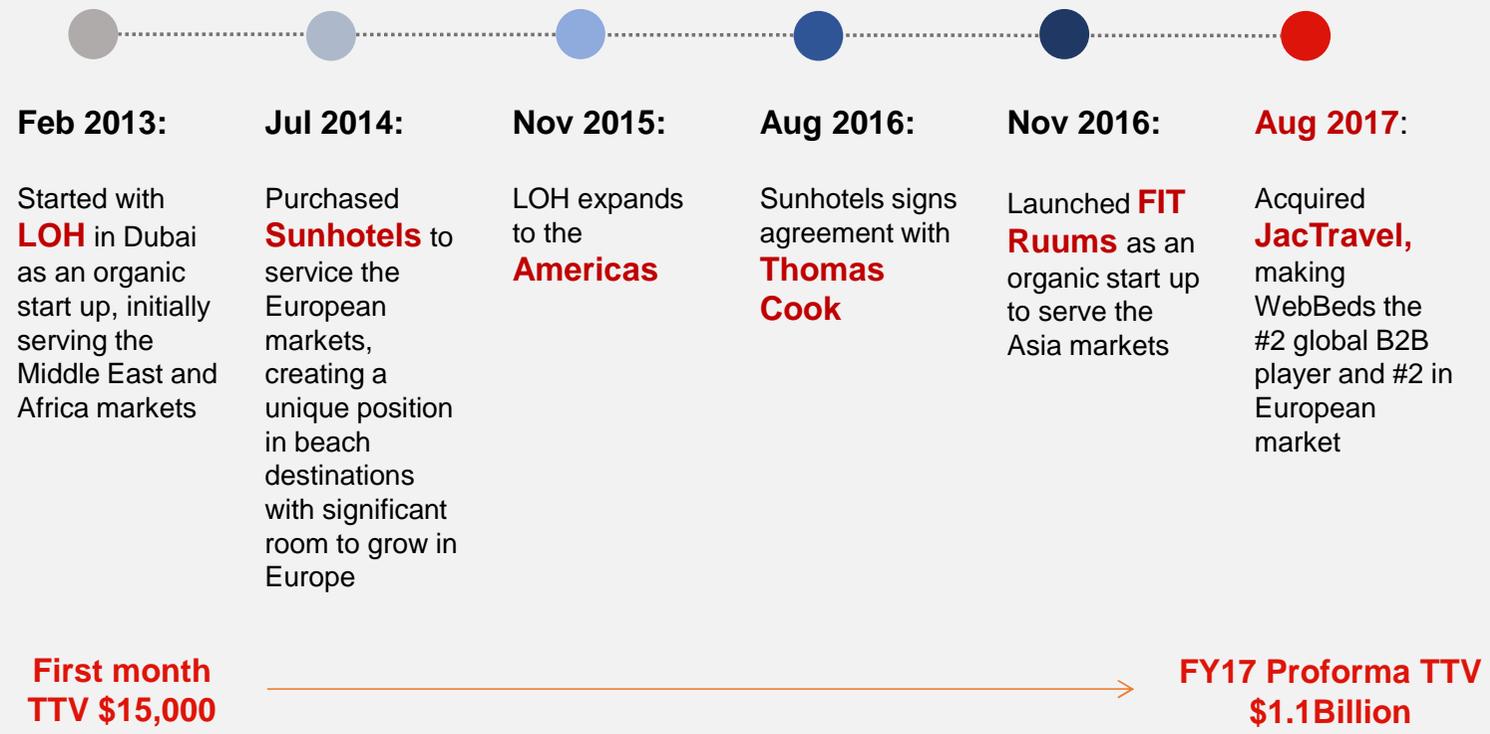
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WebBeds is #2 B2B Player Globally

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

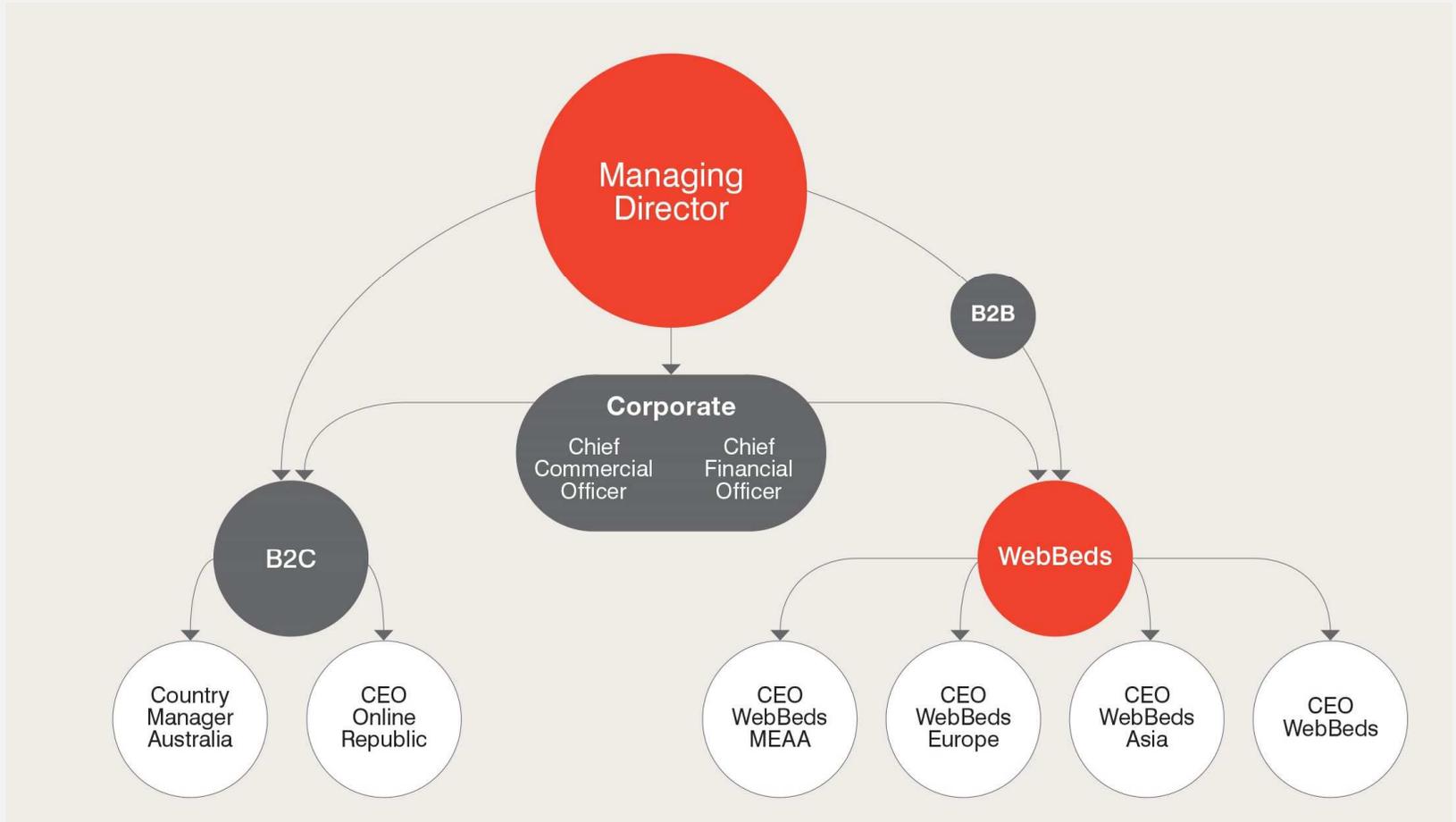
Our Global Network



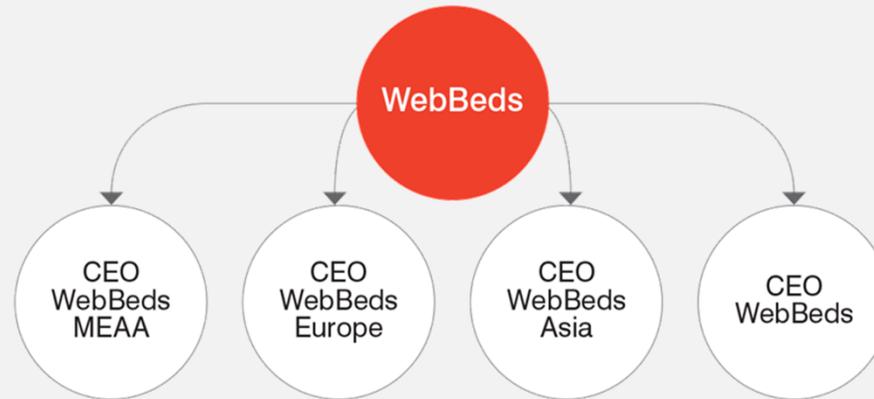
WebBeds Strategy overview

- **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



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WebBeds Europe Market overview

Overall Market Inbound to Europe 2016

616M

International Tourist Arrivals to Europe, accounting for 50% of global inbound tourism

Overall Market Inbound Growth

+2%

+6.4% Northern Europe
0% Western Europe
+3.8% Central/Eastern Europe
+1.3% Southern/ Mediterranean Europe

Outbound Europe 2016

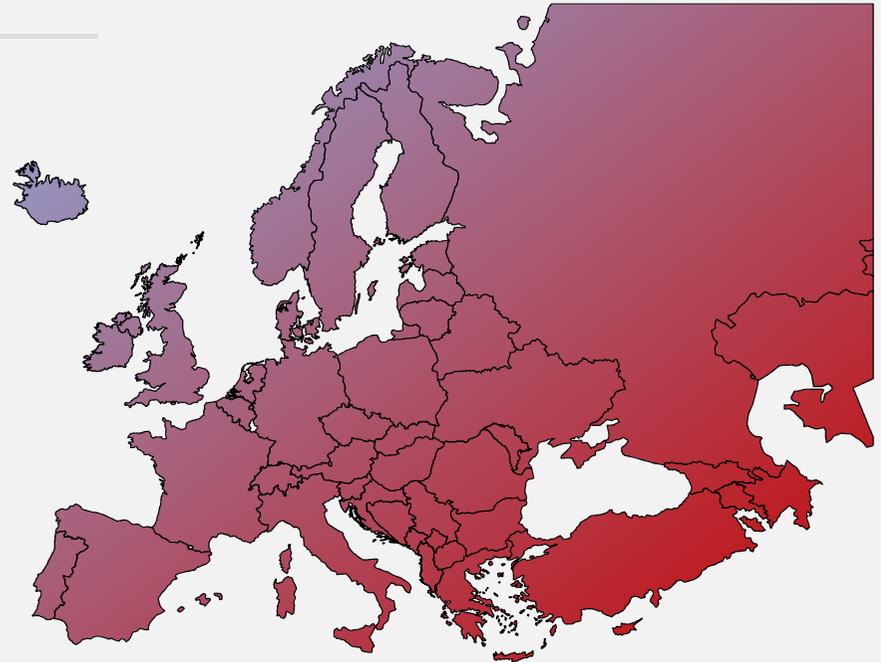
596M

Europe remains the world's number one source region for outbound tourism, growing 2.1% YOY and accounting for 48% of all international arrivals

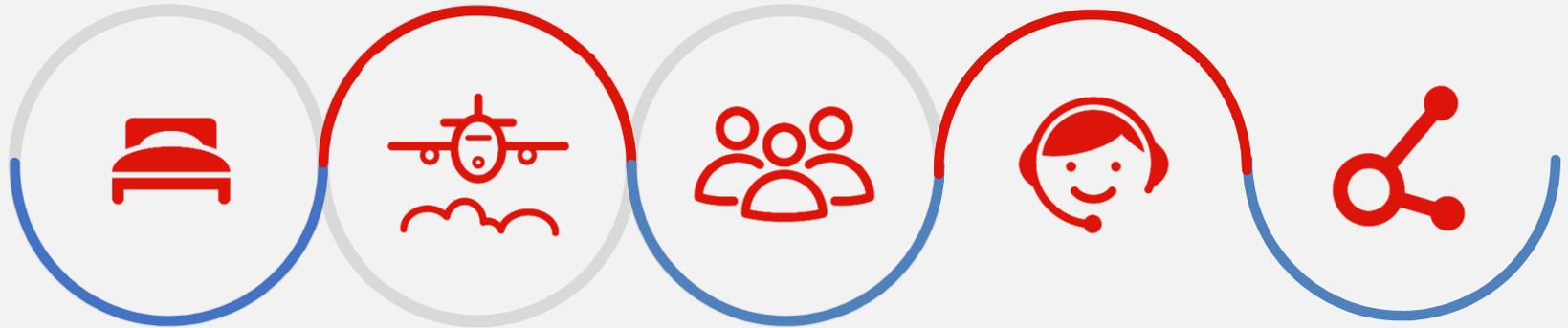
Competitive Environment

#2

WebBeds Europe positioned as 2nd player in the important European market; ample opportunities from market consolidation



WebBeds Europe



Why are we winning share?

Supply

High direct contracting share; efficient mid and long tail through DMC and third party provider connectivity

Destinations

Strong global position in beach, leading position in cities

Customer Base

Stretches across corporate and leisure travel agencies, wholesalers, OTAs and tour operators

Service Level

Superior service levels to our trade partners

Technology Supporting Growth

- Modern, responsive website
- Flexible, scalable, proprietary platform – enabling more product on shelf
- Simple, fast XML API
- In-house development – outsource low-cost where appropriate

WebBeds Europe

Success Stories

1. Based on year on year
TTV growth for FY18



WebBeds Europe

FY 2018 YTD highlights

Sales

- Organic share growth in mature markets through expanded inventory offering to existing clients
- Strong client acquisition pipeline in growth markets: UK, Spain, Germany, Italy, Eastern Europe, Baltics, Ireland & Israel
- Focus on Wholesaler, Tour Operator and OTA clients in all markets
- Further retail growth in Italy, Switzerland, Austria and deeper penetration of French market

Supply

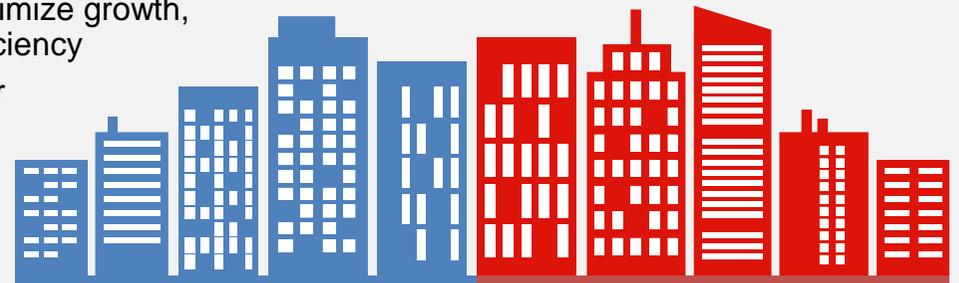
- Accelerate inventory depth and breadth through all segments and geographies via a balanced strategy of direct, 3rd party and chain connectivity
- Enhanced speed to market, and optimised conversion
- Establishment of Health & Safety department to fulfill Thomas Cook and market requirements

Technology

- Investment in technology to optimize growth, conversion and operational efficiency
- Technology as key differentiator

Finance

- Create more value through integrated system



WebBeds Europe

What does this mean – 2018 and beyond



Partnerships
Differentiation in B2B via Thomas Cook



Supply
Scale increasing purchasing power



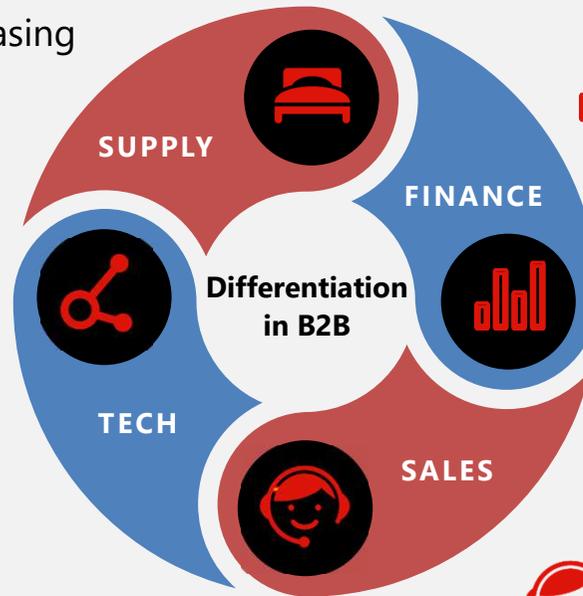
Finance
Greater automation



Technology
Contracting, connectivity & pricing developments to drive growth



Sales
Exploit client acquisition pipeline & further develop retail





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WebBeds Asia Market Overview

High growth –

Forecast to grow at 6% CAGR from 2016 to 2021*

Asia is not a ‘Single Market’ –

Each country has its own peculiarities, habits, trends, currencies...

Numerous Competitors –

Large number of diverse competitors, both locally and globally...

Ever-changing –

New Government policies, altering travel preference, frequent change in preferred destinations (e.g. driven by politics, new public holidays).

Physical retail shops still very relevant –

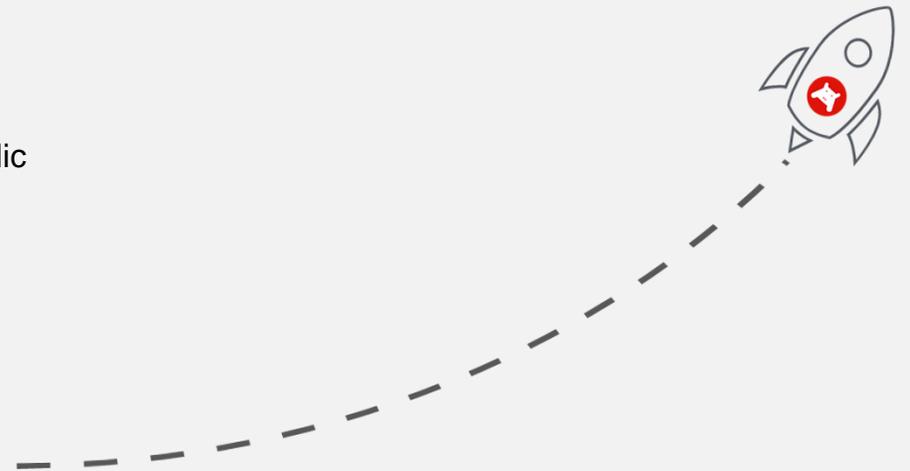
OTA penetration is not thorough and travel companies are still investing in physical shops. E.g. Ctrip OTA is planning to have 6,500 shops in China by end 2017**

Relationship and service still matters –

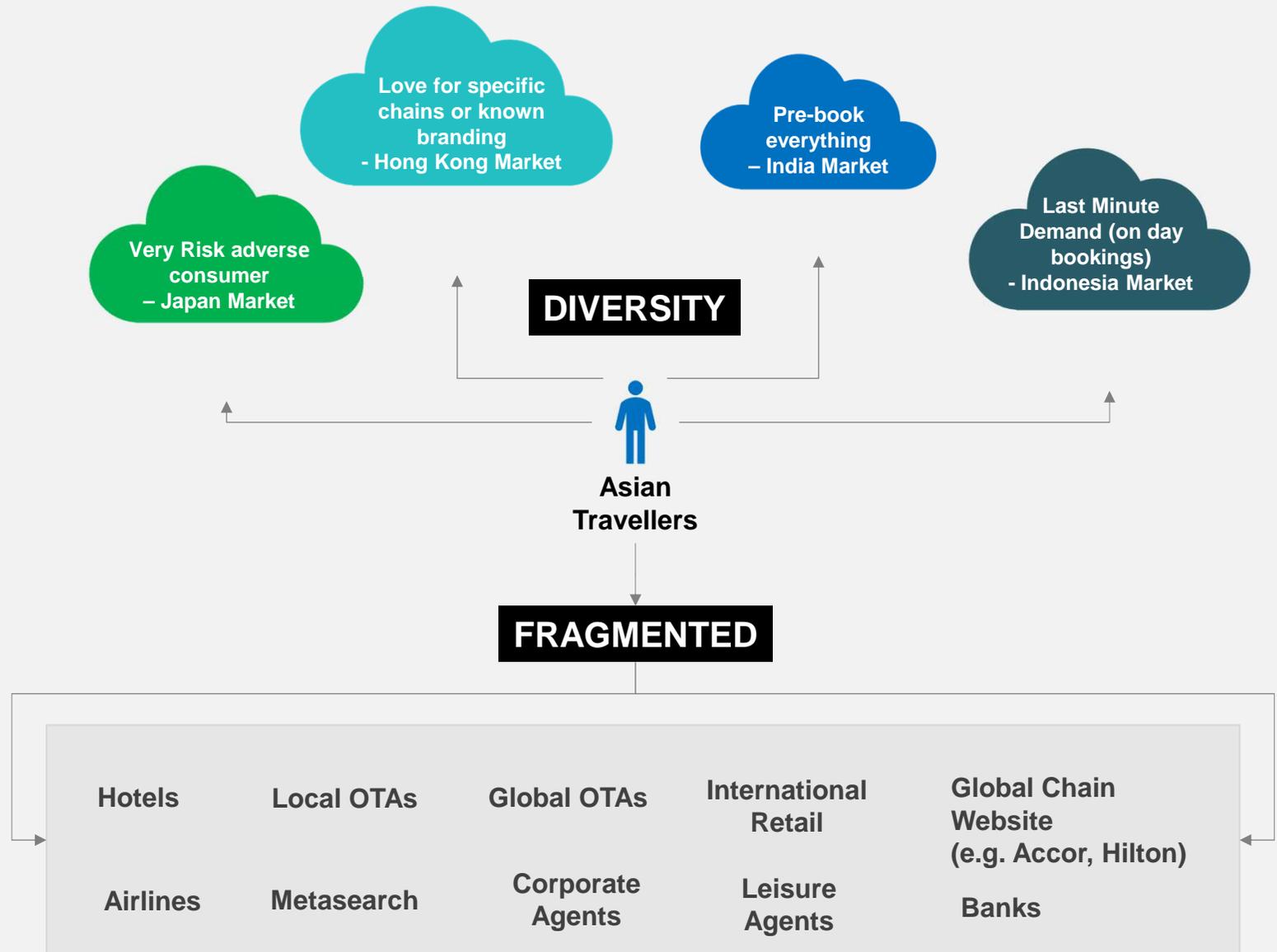
Familiarity, trust & confidence you can deliver as promised

*Source: "Mastercard Future of Outbound Travel Report 2016-2021 Asia Pacific"

** Source: Skift's article "Ctrip makes offline store push in China as its profit margins rise"



WebBeds Asia Market Overview



4 Key customer categories in Asia

Customer Category	Importance					Key Markets
	Relationship	Pricing	Inventory	Customer Service	Technology	
OTAs	Low	High	High	Medium	High	Korea, China,
Corporate / Leisure Agents	High	Medium	Medium	High	Low	Taiwan, Malaysia, Hong Kong, Japan
Tour Operators	High	Medium	Medium	High	Medium	Hong Kong, Indonesia, Japan, China, India
Wholesalers	Medium	High	High	Medium	High	India, China, Hong Kong, Korea



The Asian Team

1

Management has **over 10 years** working together as a team running multi-billion dollar businesses

2

Across **various levels of management** – Global, Regional and Local

3

Leadership in **multi-markets** in Asia Pacific

4

Experience across all spectrums of travel industry

Strong mix of experiences ensure we

- 1) Quickly capture key relationships
- 2) Understand how to best capitalize on market situations and win share
- 3) Bring strong agility in identifying new opportunities and next wave of travel trends

Regional Hotel Chains • International Hotel Chains • Retail and Corporate Travel Agencies • Tour Operators • Airlines • Wholesalers • Cruise • OTAs

THE ASIA STRATEGY

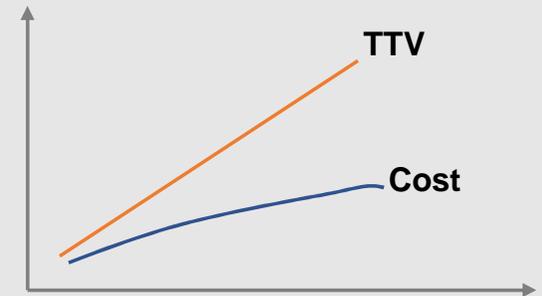
Tools to give our partners an added edge, e.g. Business Intelligence, Multiple Currency, Flexible Trading Terms

Resources, Structure & Capabilities

WebBeds Asia

Securing 'Winning' Results

Highly Scalable



Credentials over last 12 months

- ✓ Appointed as supplier to China Airlines for their Online Dynamic Packaging Program
- ✓ Appointed as GSA of Rail Europe
- ✓ Selected by Switzerland Tourism as its Marketing partner in Asia

WHAT'S HOT IN 2018



Building on success of strategic partnership

Our Strategic Partnership with DidaTravel has yielded success with good cross-selling between the 2 companies. More future collaborative opportunities in the pipeline.



You are offline.

Tapping Offline Clients

Offline agents still form a large proportion [of travel intermediaries] in many key Asian markets. WebBeds Asia is working on various technology projects to better tap into this segment.



Direct Contracts in Asia Pacific

WebBeds Asia currently has 3000 directly contracted hotels across Asia Pacific and we are aggressively building this up.



Dynamic Packaging

We secured our 1st dynamic package partnership with China Airlines. Expecting further collaborations in coming months.



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WebBeds MEA Market Overview



Market Trends

- Political instability threatens to undermine economic recovery
- Recent rise of oil prices & minor improvement in Banking and Real Estate sectors
- Introduction of 5% VAT in the GCC as of Jan18
- Recent changes & transformation in Saudi Arabia (biggest market/economy in MEA)

Competitive Environment

- WebBeds is the #3 player in market
- Local OTAs/B2C players growing share
- Overall market conditions causing some small aggregators to close
- Strongest demand towards UAE, Turkey and Saudi (+60%) followed by UK, France, USA, Malaysia and Thailand

WebBeds MEA Business Overview



Customer Types

- Wholesale & Retail travel agents (majority)
- Aggregators/Consolidators (growing trend)
- OTAs/B2B2C (growing trend)
- Loyalty programs fulfilment companies in South Africa
- Airlines and GDSs

➤ Clients mostly looking for:

- Availability at lower prices
- Fast and reliable customer service
- Reliable technology

Why are we winning share?

- Credibility, relationships and local knowledge/presence
- Competitive product (Direct Contracts and Third Party Supply)
- Content Diversity & Reciprocal deals
- Competitive pricing
- Reliable customer service
- Stable and effective technology

WebBeds Americas Market Overview



Market Trends

- North America - healthy travel economy & positive consumer confidence level
- LATAM - challenged Brazilian economy and political unrest
- Dominating and growing API/XML channel versus HTML
- Fragmented market

Competitive Environment

- Dominated by 2 global players
- Heavily hotel chain oriented consumer behaviour
- Multi-supplier platforms powered by key tech companies
- Strong retail led demand by key consortia in North America

WebBeds Americas Business Overview



Customer Types

- Loyalty program fulfillment companies
- Tour Operators/Consolidators under reciprocal partnership
- OTAs
- Retail Travel Agent model - especially in LATAM

➤ **Clients mostly looking for:**

- Consolidated content in one platform
- Availability at competitive price
- Reliable customer service
- Good technology

Why are we winning share?

- Strong relationships & local expertise
- Empowering clients with many suppliers under one commercial agreement
- Dynamic, competitive pricing
- Reciprocal deals
- 24/7 multi-lingual customer service
- Stable and effective technology



WebBeds MEA and Americas

FY 2018 YTD Highlights

- Continue FY17 focus on deepening distribution capabilities in identified key markets
- Consolidation of talent for effective/efficient Distribution and Sourcing activities
- Domestic and intra-regional content a top priority in both MEA and the Americas
- Continued focus on tech optimization with key clients and suppliers connections to deliver higher conversion
- Offline services, VIP handling and close engagement with key clients



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WebBeds Global Overview

New Strategic role

- Identify and drive revenue synergies across the regions to accelerate growth
- Share knowledge, expertise, resources across the regions to drive efficiencies

4 Key Areas of Focus

- **Commercial – building buying, distribution and brand power**
 - Breadth and depth of inventory
 - Breadth and depth of distribution
 - Strength of marketing / branding proposition
- **IT – consolidation and focus on technology platforms**
 - Consolidation to drive efficiency
 - Create a best in class trading platform for our suppliers and customers
- **Finance – common system and improve efficiency**
 - Implement common ERP system (Unit 4)
 - Achieve an efficient balance between centralised and regional finance processing functions
- **Operations – offer service excellence**
 - Provide local market support with central efficiency

WebBeds Commercial Focus

- **Buying Power**
 - Short Term: Shared inventory across WebBeds platforms
 - Consolidated 3rd party relationships; improved commercial terms
 - Single Competitive Contracts – One WebBeds voice, One deal
 - Dynamic Inventory – global chains & supply technology
- **Distribution Power**
 - Global macro deals – One WebBeds deal, with global distribution
 - Leverage higher sales from key supply partners (strategic reciprocals)
 - Improving utilisation rates to drive better deals
- **Brand Power**
 - Create/Launch WebBeds B2B without diminishing value in legacy brands
 - Visibility – exhibitions, press, PR
 - Single entity = Single contracting point = efficiency

WebBeds

IT Focus

Platform consolidation to drive revenue opportunities and efficiencies

- Perform an independent review of the WebBeds platform to determine the future solutions to deliver the Group's objectives
 - Balance IT spend on tactical and strategic initiatives at a Group level
- Streamline distribution of the Group's product and content across WebBeds in line with the new organisation operating structures
- Consolidate into a unified IT services environment to leverage global scale and synergies

Create a best-in-class trading platform for suppliers and customers

WebBeds Finance Focus

Common system

- Design, implement and maintain common reporting and planning formats, structures and processes
- Define and implement the appropriate balance between central and decentralised functions - taking advantage of “shared service” opportunities where appropriate

Improve efficiency

- Leverage WebBeds shared systems and centralised functions in order to maximise efficiency and service delivery

WebBeds Operations Focus

Focus on customer service excellence

- Leverage existing contact centres to better serve WebBeds' combined customer base (access to skills, time zones, cost effectiveness)
- Establish customer service standards across all WebBeds brands to ensure a consistent customer experience globally
- Automate and simplify customer support procedures in order to drive greater customer satisfaction
- Develop "follow the sun" customer support to ensure a seamless customer experience

Contract Support and Content

- Leverage global contract loading and content centres across brands to increase speed to market and accuracy
- Optimise content loading, translations and Health and Safety certification support to reduce the amount of overlapping efforts



FY18 EBITDA 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.