Webjet Limited

ASX release FY23.

24 May 2023: Webjet Limited (**Webjet, Group** or the **Company**, ASX:WEB) today announced its financial results for FY23.

Organic growth drives record Bookings and TTV

FY23 underlying EBITDA $134.8 million; underlying NPAT $69.9 million

Group Bookings, TTV, Revenue and EBITDA for 2H23 all ahead of pre pandemic levels, driven by WebBeds

- **Webjet delivers underlying FY23 EBITDA of $134.8 million, reflecting $150 million turnaround from FY22** (FY22: underlying loss of $15 million)
- **2H23 Group Bookings, TTV, Revenue and EBITDA all ahead of pre pandemic levels driven by WebBeds**
- **WebBeds ahead of pre pandemic levels on all key metrics for FY23 with momentum accelerating in 2H23 –** FY23 EBITDA $117.1 million was 22% ahead of pre pandemic levels; 2H23 EBITDA was 130% ahead of pre pandemic levels; FY23 EBITDA margin 49.5%
- **Webjet OTA seeing strong rebound in international –** continues to gain market share although high prices and capacity constraints continue to subdue overall bookings. FY23 EBITDA $43.4 million (71% of pre pandemic levels); EBITDA margin 40.3%
- **GoSee profitability increasing –** FY23 EBITDA $1.6 million, up $4.6M over FY22; continues to be impacted by lack of inbound tourism and supply chain issues in its largest markets
- **Strong cash position -** $514 million cash as at 31 March 2023 after repaying $86 million bank debt
- **Significant growth opportunities in all business and strong start to FY24 trading**

FY23 saw Webjet Bookings, Total Transaction Value (**TTV**), Revenue, and earnings before interest tax depreciation and amortisation (**EBITDA**) all up significantly compared to the same period last year. FY23 Group Bookings and TTV were ahead of pre pandemic levels. In the second half of FY23, Group Bookings, TTV, Revenue and EBITDA all exceeded the same period pre pandemic.

	FY23			2H23	
Webjet Limited Group	**FY23**	**Change from FY22**	**% of CY19** (pre pandemic)	**2H23**	**% of 2H19** (pre pandemic)
Bookings	**7.36 million**	Up 115%	16% ahead	**3.92 million**	33% ahead
TTV	**$4.35 billion**	Up 165%	1% ahead	**$2.20 billion**	15% ahead
Revenue	**$364.4 million**	Up 164%	89%	**$188.7 million**	4% ahead
Underlying EBITDA	**$134.8 million**	nm	85%	**$62.3 million**	17% ahead

Commenting on the result, Webjet's Managing Director John Guscic said:

"Webjet has emerged from the pandemic better placed to deliver growth than even before. Even though travel has yet to fully return to what it was, in the second half of FY23 we saw Group Bookings, TTV, Revenue and EBITDA all ahead of where they were when the pandemic hit. This reflects all the efforts we took to make sure we would not only recapture demand when travel returned, but also further accelerate our growth profile.

The key driver of these results has been the outstanding performance of the WebBeds business. Executing against our transformation strategy is paying off - we have retooled that business, streamlined the technology platform, eliminated inefficiencies and found ways to service markets that had not previously been open to us. WebBeds is now selling more product to more customers and is more profitable than it ever has been - and this is just the beginning. In transforming WebBeds, a number of attractive and highly profitable opportunities are now open to us. By continuing to find ways to get closer to our supply partners and better understand client preferences, in the longer term we believe WebBeds can deliver $10 Billion TTV while continuing to deliver best-in-class EBITDA margins.

Both B2C businesses – Webjet OTA and GoSee – continue to be impacted by external factors, specifically airline capacity constraints and subdued demand due to resulting higher prices but are well placed to deliver growth once international capacity returns to 2019 levels. Webjet OTA has maintained the significant market share gains it has seen in the domestic flights market and we are now seeing material uplift in international share as capacity starts to come back. We are particularly excited about the opportunities we see for Webjet OTA in the international flights market. Lower commissions have reduced the number of competitors and we believe Trip Ninja will be a key building block to continuing international growth. Still in the early stages of being rolled out, Trip Ninja technology is already providing our customers a real price advantage for international multi-stop itineraries.

We are confident GoSee will exceed pre-pandemic profitability in the medium term. Until then we are investing in building team capabilities and world class scalable technology to pursue growth once airline capacity is fully restored and motorhome supply levels return to normal.

We have seen a strong start to FY24. For the first seven weeks of trading, WebBeds Bookings and TTV are more than 35% and 40% higher respectively than for the same period last year. Webjet OTA is also delivering a solid performance with Bookings and TTV up more than 10% and 30% on the prior year. GoSee's Bookings and TTV are up more than 15% and 5%.

There is still widespread uncertainty in the global economy but we have never been more excited for our future. Momentum in the WebBeds business is accelerating, Webjet OTA has significant international potential, and GoSee is laying the foundations to pursue growth in the global motorhome and car rental markets."

Further information on FY23 performance is set out in **Webjet's FY23 Investor Presentation.**

The Company will provide a further trading update at its **AGM** scheduled to be held on **31 August 2023**.

This announcement has been approved for release to the ASX by the Board of Directors.

For further information.

Investors.

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Media.

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Glossary and abbreviations.

2H19	October 2019 to December 2019 plus January 2019 to March 2019
1H23	6 months ending 30 September 2022
2H23	6 months ending 31 March 2023
B2C	Business to Consumer
CY19	Refers to the 12 months ending 31 December 2019 (i.e., pre-Covid) restated to align to 31 March year end i.e. 1H19 being April 2019 to September 2019 and 2H19 being October 2019 to December 2019 plus January 2019 to March 2019
EBITDA	Earnings before interest, tax, depreciation and amortisation
ERP	Enterprise Resource Planning system
FY23	12 months ending 31 March 2023
OTA	Online Travel Agency
TTV	Total Transaction Value
Underlying EBITDA	Excludes non-operating expenses and share based payment expenses

Additional Information.

Group Performance.

The table below shows results for Webjet's Statutory Result and Underlying Operations for the FY23 and FY22 periods.

	Statutory Result		**Underlying Operations** [1]	
Webjet Limited Group	**FY23**	**FY22**	**FY23**	**FY22**
TTV	**$4,345.5m**	**$1,638.0m**	**$4,345.5m**	**$1,638.0m**
Revenue [2]	**$364.4m**	**$138.0m**	**$364.4m**	**$138.0m**
Operating expenses [3]	**($229.6m)**	**($153.0m)**	**($229.6m)**	**($153.0m)**
Non-operating expenses	($12.2m)	($18.2m)	-	-
Share based payment expenses	($7.6m)	($9.6m)	-	-
EBITDA	**$115.0m**	**($42.8m)**	**$134.8m**	**($15.0m)**
Depreciation and amortisation	($44.5m)	($25.4m)	($44.5m)	($25.4m)
Acquisition amortisation (AA) [4]	($30.0m)	($18.0m)	-	-
Net interest costs	($21.7m)	($18.7m)	($9.5m)	($7.1m)
PBT	**$18.8m**	**($104.9m)**	**$80.8m**	**($47.5m)**
Income tax (expense) / benefit [5]	($4.3m)	$23.3m	($10.9m)	$12.5m
NPAT	**$14.5m**	**($81.6m)**	**$69.9m**	**($35.0m)**
NPAT (before AA)	**$44.5m**	**($63.6m)**	**$69.9m**	**($35.0m)**
EPS (before AA)	11.7 cents	(16.8 cents)	18.3 cents	(9.2 cents)
EPS	3.8 cents	(21.5 cents)	18.3 cents	(9.2 cents)
Diluted EPS [6]	3.8 cents	(21.5 cents)	17.2 cents	(9.2 cents)
Effective Tax Rate (excl AA)	8.8%	26.8%	13.5%	26.3%
Effective Tax Rate	22.9%	22.2%	13.5%	26.3%

1. Underlying Operations – excludes non-operating expenses, Share Based Payment expenses, Acquisition Amortisation and Convertible Notes interest.
2. Excludes interest income
3. Includes share of net loss from associates
4. Acquisition Amortisation - includes charges relating to amortisation of intangibles acquired through acquisition and impairment charge on an associate
5. FY22 has been restated for the deferred tax liability impact related to the equity component of the convertible note. Refer to note 4.8 in the financial statements for more information.
6. Diluted EPS includes the impact of employee share grants and the convertible bond

All key metrics for FY23 improved significantly compared to FY22 reflecting the recovery of the global travel industry from COVID-19. FY23 TTV was up 165% compared to FY22 and Revenue was up 164% contributing to EBITDA for underlying operations of $134.8 million. Statutory FY23 Expenses includes $12.2 million non-operating expenses relating to ERP implementation costs and $7.6 million relating to share based payments.

Capital Position.

- **$176.3 million cash from operations -** $514 million cash as at 31 March 2023. Cash surplus averaging $12 million/month, up from $4 million/month in FY22.
- **$86 million of term debt paid down** - Term debt was converted during the year to a revolving credit facility (**RCF**) that remains undrawn. RCF commitment has been extended to April 2024.
- **Return to normal bank covenant testing 6 months early** - Company returned to normal bank covenant testing with no minimal liquidity requirements in November 2022 (was due to be April 2023).
- **No dividend for FY23 has been declared.**

Business Unit Performance.

For comparative purposes CY19 refers to the 12 months ending 31 December 2019 (ie pre-Covid) restated to align to 31 March year end.

WebBeds.

FY23 Bookings, TTV, Revenue and EBITDA were all ahead of pre-pandemic levels (CY19), reflecting the result of the various transformation initiatives put in place when the pandemic hit. FY23 TTV reflected lower average booking values due to a changing business mix. Expenses continue to be lower than pre-pandemic reflecting the continued focus on driving efficiencies. FY23 EBITDA was up 22% compared to pre-pandemic levels, with 2H23 EBITDA up 130% compared to the same period pre-pandemic, reflecting market share growth and scalability coming through. FY23 EBITDA margin at 49.5% was materially higher than pre-pandemic levels.

WebBeds	1H23	2H23	FY23	CY19	Change	FY22
Bookings ('000s)	2,655	3,150	**5,805**	4,274	⬆ **36%**	2,551
Average Booking Value	$536	$443	**$485**	$605	⬇ **20%**	$432
TTV	$1,423m	$1,395m	**$2,818m**	$2,588m	⬆ **9%**	$1,101m
Revenue	$114.4m	$122.3m	**$236.7m**	$226.9m	⬆ **4%**	$85.6m
Expenses	$50.7m	$68.9m	**$119.6m**	$130.6m	⬇ **8%**	$90.2m
EBITDA	$63.7m	$53.4m	**$117.1m**	$96.3m	⬆ **22%**	($4.6m)
Revenue / TTV Margin	8.0%	8.8%	**8.4%**	8.8%	⬇ **37bps**	7.8%
EBITDA / TTV Margin	4.5%	3.8%	**4.2%**	3.7%	⬆ **43bps**	nm
EBITDA Margin	55.7%	43.7%	**49.5%**	42.4%	⬆ **704bps**	nm

Webjet OTA.

FY23 Bookings were 81% of pre-pandemic levels. International bookings are rebounding strongly as capacity starts to return although high ticket prices and capacity constraints continue to subdue overall bookings. Marketing costs continue to be lower than they were pre-pandemic at 1.5% TTV (CY19: 2%) and the scalable cost base helped keep expenses lower than pre-pandemic levels. FY23 Revenue/TTV margins primarily reflect the higher average booking values driven by limited capacity. FY23 EBITDA was 71% of pre-pandemic levels reflecting reduced international capacity and loss of overrides and commissions paid on international bookings. FY23 EBITDA margins were over 40% despite inflationary wage pressures and expanded Operations team.

Webjet OTA	1H23	2H23	FY23	CY19	Change	FY22
Bookings ('000s)	641	632	**1,273**	1,575	⬇ **19%**	662
Average Booking Value	$957	$1,094	**$1,025**	$890	⬆ **15%**	$647
TTV	$614m	$691m	**$1,305m**	$1,402m	⬇ **7%**	$428m
Revenue	$51.8m	$56.0m	**$107.8m**	$151.1m	⬇ **29%**	$41.9m
Expenses	$30.4m	$34.0m	**$64.4m**	$89.7m	⬇ **28%**	$32.5m
EBITDA	$21.4m	$22.0m	**$43.4m**	$61.5m	⬇ **29%**	$9.4m
Revenue / TTV Margin	8.4%	8.1%	**8.3%**	10.8%	⬇ **252bps**	9.8%
EBITDA / TTV Margin	3.5%	3.2%	**3.3%**	4.4%	⬇ **106bps**	2.2%
EBITDA Margin	41.3%	39.3%	**40.3%**	40.7%	⬇ **41bps**	22.5%

GoSee.

FY23 Bookings, TTV and Revenue were all up significantly compared to FY22 but remain below pre-pandemic levels. FY23 Bookings were 55% of pre-pandemic levels reflecting the lack of inbound tourism into GoSee's largest markets of Australia and New Zealand, as well as lack of supply (particularly Motorhomes) into major markets. FY23 Expenses reflect the investment in staff to transform the business. EBITDA continues to improve with FY23 EBITDA $4.6 million higher than FY22. Profitability is highly linked to the return of inbound tourism and international capacity remains constrained.

GoSee	1H23	2H23	FY23	CY19	Change	FY22
Bookings ('000s)	136	142	**278**	508	↓ 45%	208
Average Booking Value	$776	$824	**$800**	$608	↑ 32%	$522
TTV	$105m	$117m	**$222m**	$309m	↓ 28%	$108m
Revenue	$9.5m	$10.0m	**$19.5m**	$30.8m	↓ 37%	$10.5m
Expenses	$8.9m	$9.0m	**$17.9m**	$18.2m	↓ 1%	$13.6m
EBITDA	$0.6m	$1.0m	**$1.6m**	$12.7m	↓ 87%	($3.0m)
Revenue / TTV Margin	9.0%	8.5%	**8.8%**	10.0%	↓ 121bps	9.7%
EBITDA / TTV Margin	0.6%	0.9%	**0.7%**	4.1%	↓ 338bps	nm
EBITDA Margin	6.3%	10.0%	**8.2%**	41.1%	↓ 3,287bps	nm