

# WEBJET LIMITED

## UBS AUSTRALASIA CONFERENCE



**John Guscic**  
Managing Director

17 November 2015



# Who is Webjet Limited?

## DIGITAL TRAVEL BUSINESS ...

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

### B2C TRAVEL

**Leading consumer OTA brands:** Webjet and ZUJI

**Regional coverage:**

- Australia
- New Zealand
- Singapore
- Hong Kong

**10%+ pa target EBITDA CAGR** for next 5 years



### B2B TRAVEL

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

**Global coverage:**

- Middle East (LOH)
- Africa (LOH)
- United States (LOH)
- Europe (Sunhotels)

**30%+ pa target EBITDA CAGR** for next 5 years



# FY15 highlights

## FY15

TTV	<b>A\$ 1,266m</b>
Revenue	<b>A\$ 119.1m</b>
EBITDA	<b>A\$ 27.9m</b>
Underlying EBITDA <sup>(1)</sup>	<b>A\$ 30.9m</b>
PBT	<b>A\$ 23.2m</b>
NPAT	<b>A\$ 17.5m</b>

(1) Underlying FY15 EBITDA excludes \$1.1m SunHotels acquisition costs and \$1.9m impact of FX losses. Underlying FY14 EBITDA excludes \$1.4m gain from sale of controlling interest in Webjet Marketing USA.

**↑ 31%**

TTV

**↑ 21%**

Revenue

**↑ 20%**

EBITDA

**↑ 41%**

Underlying EBITDA<sup>(1)</sup>

**↑ 10%**

PBT

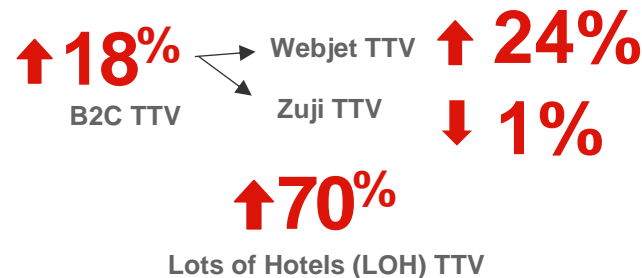
**↓ 8.5%**

NPAT

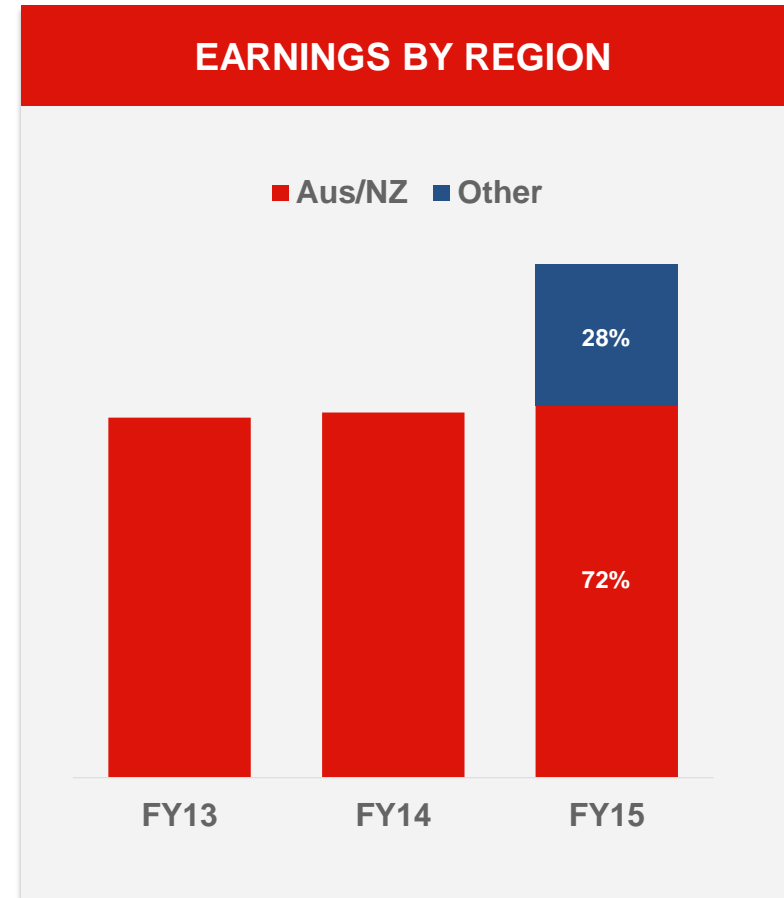
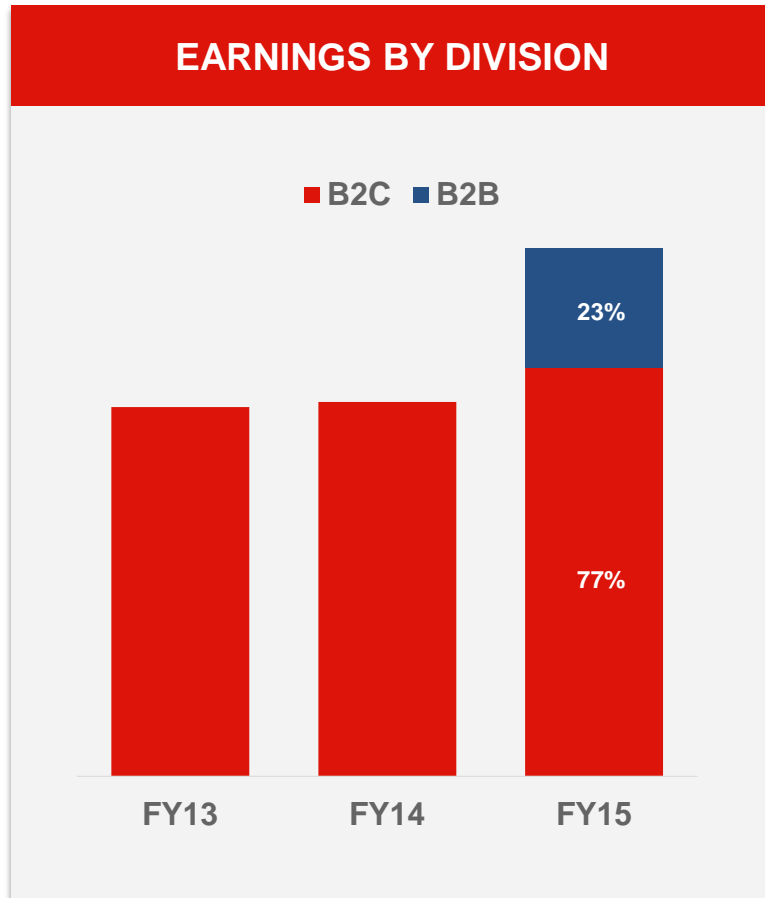
(due to higher effective tax rate)

TTV	FY15 \$m	FY14 \$m	Inc. / (Dec.) \$m %	
Webjet	831	671	160	23.9%
Zuji	207	209	(2)	(1.0%)
LOH	96	56	39	69.6%
Sun-Hotels	133		133	n/a
Continuing Operations	1,266	936	330	35.3%
<b>Segment TTV</b>				
B2C (Continuing Operations)	1,038	880	158.4	18.0%
SunHotels	133	0	132.5	n/a
LOH	96	56	39.2	69.6%
<b>EBITDA</b>				
B2C (Continuing Operations) <sup>(1)</sup>	24.0	22.1	1.9	8.4%
SunHotels	1.7		1.7	n/a
LOH	2.3	(0.2)	2.5	n/a

## Group TTV up 35%

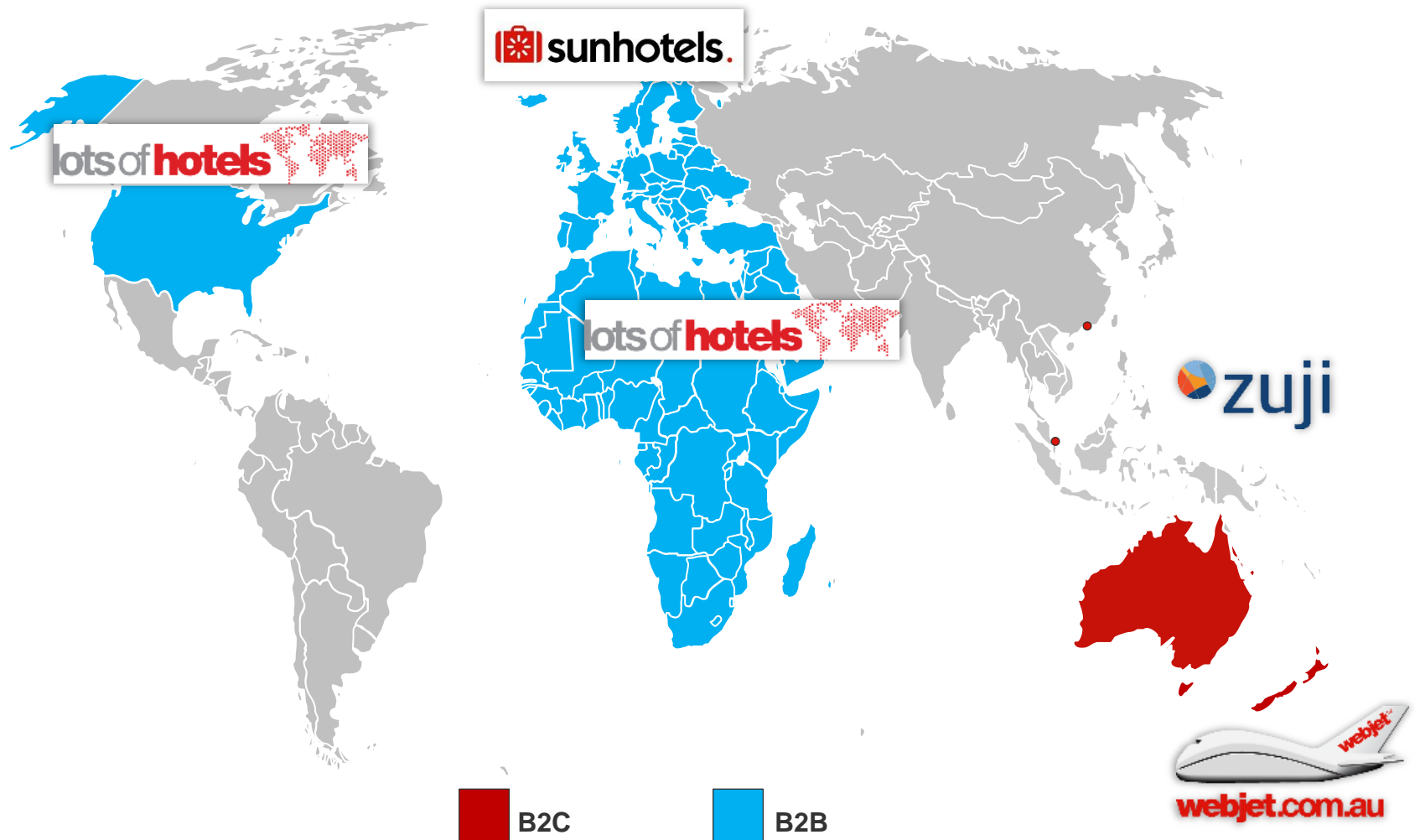


# Ongoing diversification of earnings streams



\* Results based on underlying EBITDA of \$21.6m in FY13, \$21.9m in FY14 and \$30.9m in FY15

# Geographical expansion



# B2C TRAVEL

Online travel agency



## B2C TRAVEL



Australia  
New Zealand



Australia  
Singapore  
Hong Kong



Middle East  
Africa  
North America

## B2B TRAVEL



Europe

# Australia's leading OTA

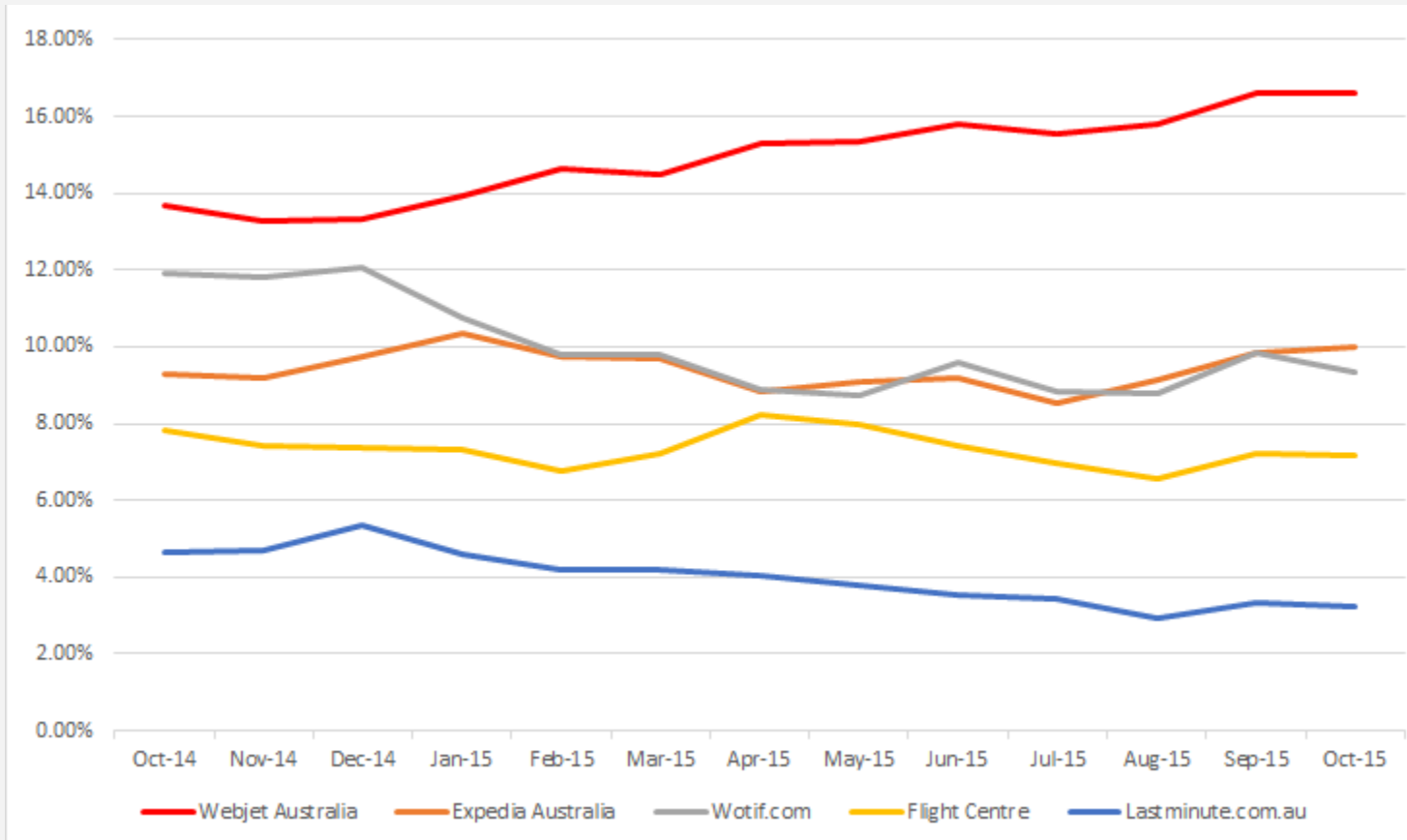
We offer our customers the greatest convenience and choice in booking online travel in Australia and internationally

AIR	Air	<ul style="list-style-type: none"> <li>Full range of Domestic and International flights across all classes</li> <li>Easy- to- use matrix format</li> <li>Booking fee includes our unique 30 minute price guarantee</li> </ul>
	Packages	<ul style="list-style-type: none"> <li><i>Webjet Exclusives</i> – unique travel packages exclusive to Webjet customers</li> <li>Dynamic packages (“create your own”)</li> </ul>
	Hotels	<ul style="list-style-type: none"> <li>Over 150,000 hotels and 1 million hotel rooms on sale each day</li> <li>Book accommodation in conjunction with flights or on a standalone basis</li> </ul>
	Car Hire	<ul style="list-style-type: none"> <li>Range of car hire options available in conjunction with flight bookings or on a standalone basis</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>Travel insurance available in conjunction with flight bookings or on a standalone basis</li> </ul>
	Cruise	<ul style="list-style-type: none"> <li>Online offering with bookings made online or through call centre</li> </ul>



# More people are visiting our site ...

## Hitwise Market Share – OTA Australia



Source: Hitwise Experian. Data shows number of visitors.

# ... and more bookings shifting online

**↑ 17%**

Year-on-year  
Webjet bookings

**↑ 15%**

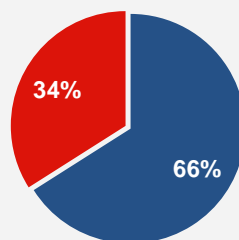
Domestic  
bookings

**↑ 35%**

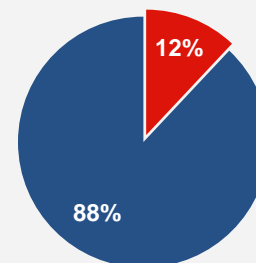
International  
bookings despite  
AUD/USD depreciation of  
18%

## Online shift accelerating bookings & packages

% TTV (FY15)

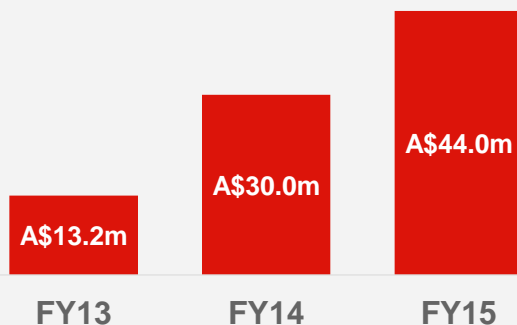


% Bookings (FY15)



■ International  
■ Domestic

## TTV PACKAGES



Shows annualised TTV run rate

# Strong growth continues

## TTV FY16 YTD growing at more than 15%

- **Online shift accelerating:** Bookings growth outperforming market by more than 5 fold.
- **International bookings:** Sustaining growth momentum; continue to increase as % of TTV and Bookings.
- **Higher margin products:** Packages, car hire and travel insurance TTV continues to grow more than bookings growth rate.

## Key Growth Factors

- Improved technology platform
- New service offerings
- Effective marketing mix
- Increased mobile traffic
- Improved conversions



## B2C TRAVEL



Australia  
New Zealand



Australia  
Singapore  
Hong Kong

## B2B TRAVEL



Middle East  
Africa  
North America



Europe

# Asia recovery continues

## FY16 YTD TTV growing at more than 20%

### Significant improvements post acquisition

- **Ongoing cost reductions:** \$6 million pa extracted from Yr 1
- **Technology:** New platform launched; new product and mobile Apps launched across all markets
- **Content:** Increased LCC content across Hong Kong and Singapore

### Profitable business demonstrating growth

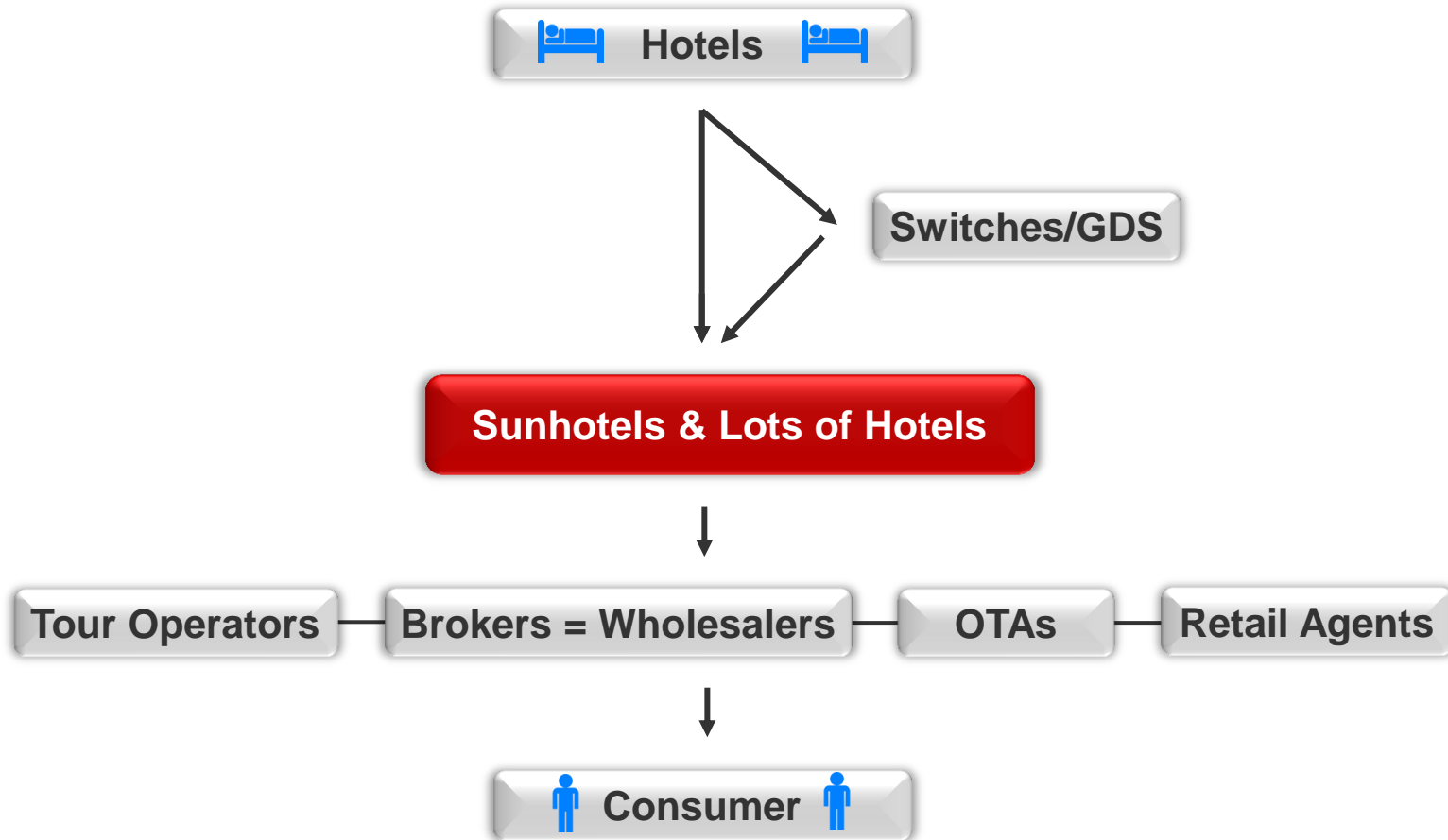
- **TTV growth:** Demand growing in key Asian markets
- **Competitive environment:** Asian market showing signs of improvement following a difficult FY15

# B2B TRAVEL

Digital provision of hotel rooms to global partners

# B2B – What is It?

B2B: Digitally helping suppliers reach the end customer



B2B: Selling the outsourcing of purchasing and fulfillment

# The B2B market opportunity

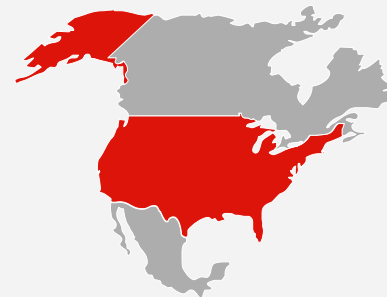
## Middle East and Africa



## Europe



## US



### Market size

**\$3 Billion**

**\$20 Billion**

**\$15 Billion**

### Highly experienced management team

**Over 100 years**  
B2B experience for the  
LOH team

**Over 100 years**  
B2B experience for the  
Sunhotels team

**Over 50 years**  
B2B experience for the  
LOH North America start up team



# Unique multi-supply aggregation strategy

**TRAVEL AGENTS**



**OUR B2B BUSINESSES**  
(LOH, Sunhotels)



**We source hotel rooms from a wide range of supply channels providing travel agents with the greatest breadth of inventory at the best prices**

**Direct contracting in key cities**

- 7000+ properties

**Global hotel chain dynamic inventory agreements**

- Deals completed with 12 hotel chains
- 6 currently online

**Third party providers**

- 17 integrated into our network



## B2C TRAVEL



Australia  
New Zealand



Australia  
Singapore  
Hong Kong

## B2B TRAVEL



Middle East  
Africa  
North America



Europe

# Strong EBITDA growth coming through

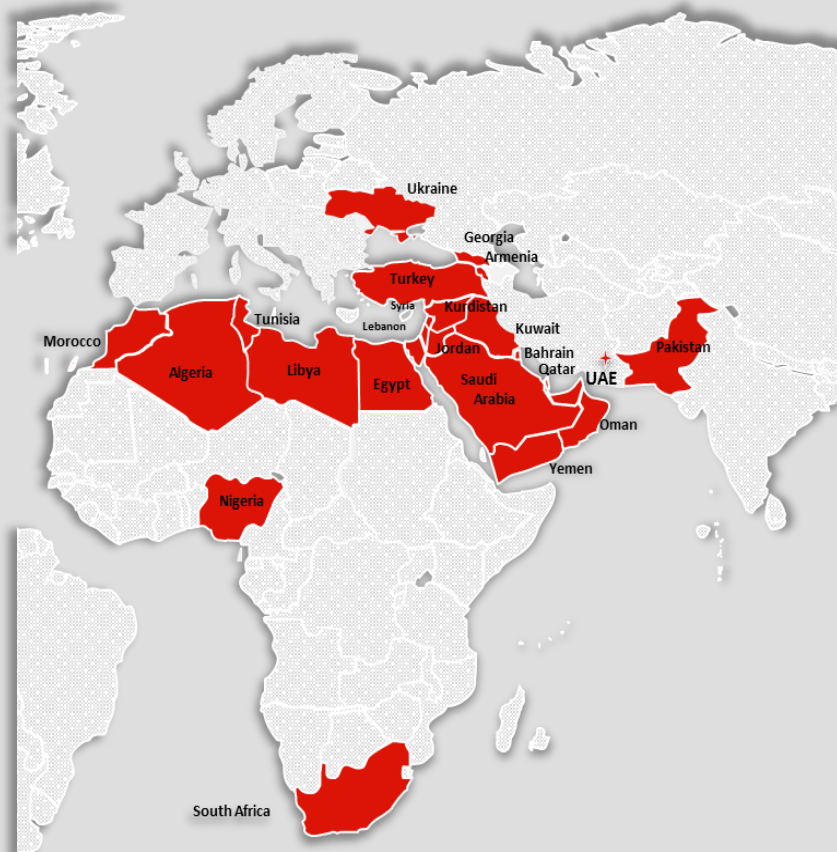
**FY16 YTD TTV growing at more than 100%**

**Gaining share as #3 player in Middle East and Africa market**

- **Expanding customer base:** Becoming more embedded with existing customer base; new customers growing
- **Expanding inventory offering:** Unique cost model allows LOH to offer more inventory at lower prices than competitors

**Well positioned for delivering EBITDA growth in FY16**

- **Growth opportunities:** Considerable opportunities in existing markets
- **Increased salesforce by more than 30%:** Continue to grow salesforce to take advantage of growth opportunities



**■ Operating – 23 markets**

UAE	Libya	Lebanon	Algeria	Kurdistan
KSA	Kuwait	Syria	Morocco	Georgia
Qatar	Bahrain	Egypt	Nigeria	Armenia
Oman	Pakistan	Tunisia	Yemen	Ukraine
SA	Jordan	Turkey		

# LOH launching in North America 3Q FY16

## Strategy

### North America Market Entry

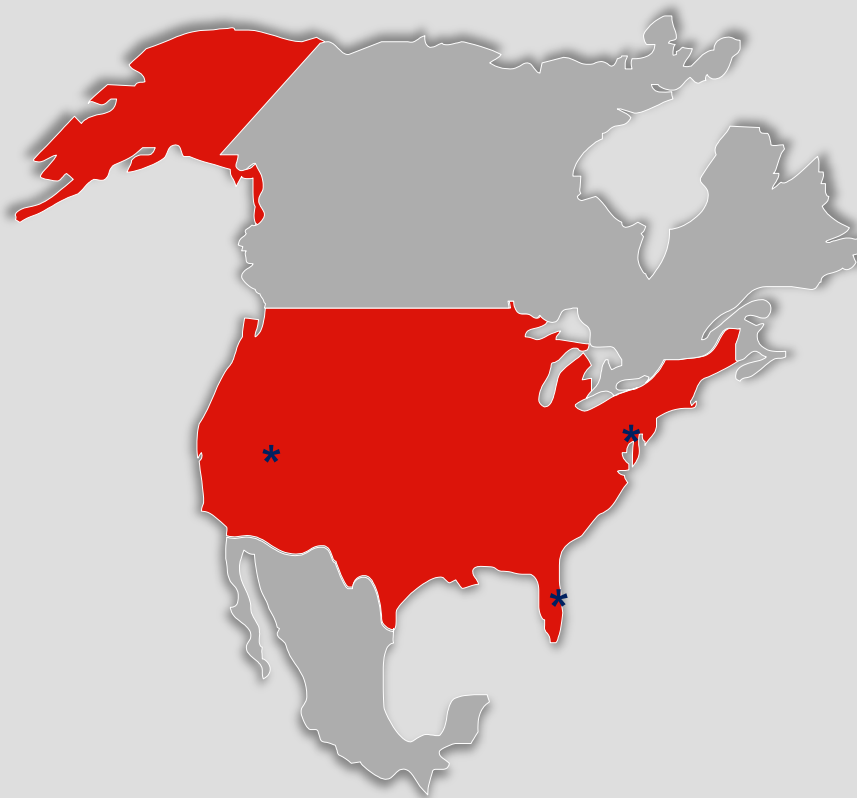
Opportunity to replicate success of LOH in North American market

- **Geographically fragmented market:** Large wholesale market potential
- **Multi-supply aggregation model:** Target wholesalers in key cities with unique supply model offering more inventory at lower prices
- **Direct inventory:** Increase direct sourcing in key US markets
- **Experienced team:** Start-up headed by senior executive with 20+ years B2B experience; 5 new team members already on board

**\$1 million investment underway: launch targeted for Q3 FY16**

### Key Source Markets

New York - Las Vegas - Orlando



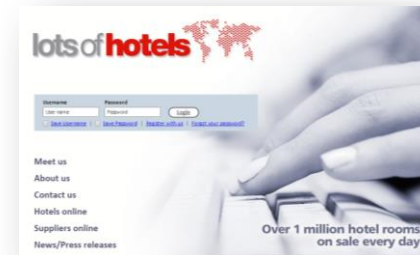
# Poised for growth in FY16

## FY16 Advantages and Opportunities

- **Supply:** Direct contracting focus on UAE, Saudi, Qatar, and Turkey; highly efficient mid and long tail through third party provider connectivity
- **Destinations:** Strong position in Dubai, Istanbul, Paris, London, Munich, Mecca
- **Customer base:** Stretches across travel agencies, OTAs and tour operators
- **Partnerships with tour operators:** Turn to LOH to outsource purchasing and fulfillment of operations
- **Sales growth outside of MEA/NA:** opportunistic approach in Latin America and Asia

## Technology supporting growth

- **New website:** New point of sale developed
- **Scalable platform:** Enables more product on shelf
- **Fully agile methodology**
- **Outsourced low-cost development**
- Developments to improve staff productivity





## B2C TRAVEL



Australia  
New Zealand



Australia  
Singapore  
Hong Kong

## B2B TRAVEL



Middle East  
Africa  
North America



Europe

# Poised for growth in FY16

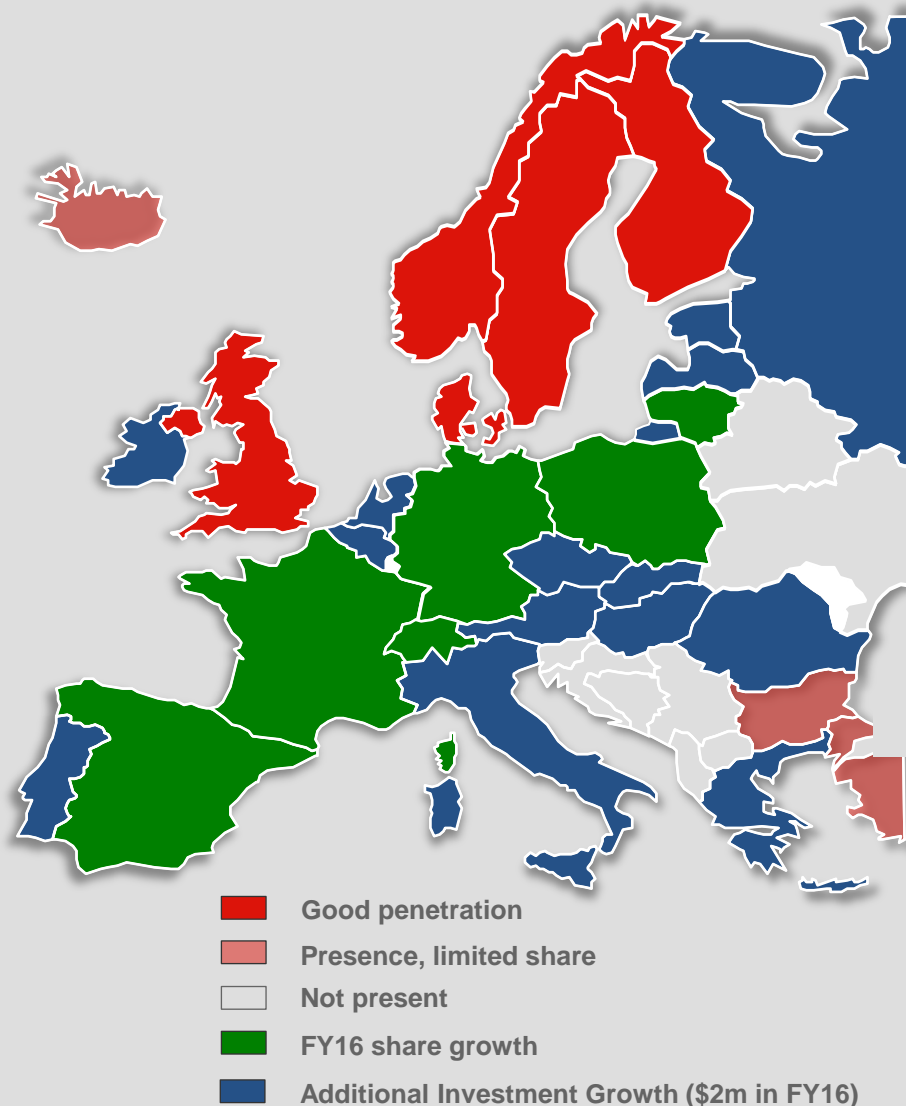
## FY16 YTD TTV growing at more than 20%

### Attractive growth opportunities in European market

- **Increased salesforce:** Grown by 20% since acquisition; all key senior hires now in place
- **Market expansion:**
  - Deeper penetration of already penetrated markets: UK, Spain, Germany
  - Further penetrate markets with existing clients: Italy, Israel, Turkey, Greece, Russia, Romania, Portugal, Poland
  - Increase retail customer base in France, Switzerland, Netherlands, Belgium
  - Primary focus on leisure market; looking into business market for UK, Nordics, France
- **Inventory :** Opportunities to cross-sell unified inventory pool across all B2B brands

### \$2 million investment underway

- **Directly contracted inventory:** Increase in up to 12 key European markets
- **Expand offering:** Experienced salesforce to offer broader inventory range in both existing and key new markets





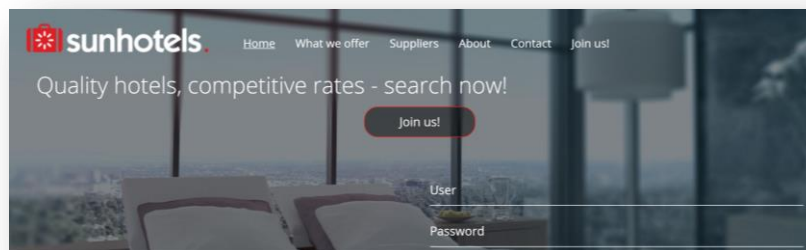
# Poised for growth in FY16

## FY16 Advantages and Opportunities

- **Supply:** Heavy direct contracting focus, highly efficient mid and long tail through DMC and third party provider connectivity
- **Destinations:** Strong position in Mediterranean beach, fast growth in cities
- **Customer base:** Stretches across travel agencies, OTAs and tour operators
- **Partnerships with tour operators:** Turn to SH to outsource purchasing and fulfillment of operations
- **Sales growth outside of Europe:** opportunistic approach in Latin America and Asia

### Technology supporting growth

- **New website:** New point of sale developed
- **Scalable platform:** Enables more product on shelf
- **Fully agile methodology**
- **In-house development:** Outsource low-cost where appropriate
- Developments to improve staff productivity





# FY16 GUIDANCE

# FY16 Guidance

## Outlook for FY16

### EBITDA

- Expected FY16 EBITDA of \$33.5 million, up 20% on FY15 after expensing \$3 million investment in B2B

### B2C

- Webjet TTV growing at more than 15%
- ZUJI TTV growing at more than 20%

### B2B

- LOH TTV growing at more than 100%
- SunHotels TTV growing at more than 20%
- We continue to look for attractive acquisition opportunities



webjet limited

# THANK YOU

November 2015

