

AGM Chair's Address.

29 August 2024

Attached for release is the Chair's address to be made at today's Webjet Limited Annual General Meeting.

Authorised for release by the Board of Directors.

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Webjet Limited Annual General Meeting.

Thursday 29 August 2024

Chair's Address – Roger Sharp.

FY24

Webjet Limited continued its strong recovery in FY24, with key metrics showing a significant uplift over the prior year. Our FY24 statutory net profit after tax was \$72.7 million, up from last year's \$14.5 million result. Earnings per share were 18.9 cents, a 15.1 cent increase over FY23.

This uplift was driven by a 21% increase in Bookings to 8.7 million, a 29% increase in Total Transaction Value to \$5.6 billion, and a 29% increase in Revenue to \$472 million. Costs were well contained, enabling the business to scale effectively.

Underlying and Statutory EBITDA increased respectively by 40% to \$188 million and 66% to \$191 million. The Group's revenue margin remained constant at 8.4% while our EBITDA margin improved 290 basis points to 39.9%.

Capital Management

Cash flow from operations was \$184 million, driving a closing cash balance of \$630 million, up \$116 million on FY23. The Company's net cash position as at 31 March 2024 was \$406 million.

The pandemic highlighted the value of cash and the flexibility that low gearing brings. As previously telegraphed, the Company's bias is towards retaining a significant cash balance at hand, both in case of future acquisitions and as a buffer in case of unforeseen turbulence.

Shareholders will be aware that Webjet Limited completed a \$250 million convertible note issue on 8 April 2021. The final maturity date for the Notes is on or about 12 April 2026, with pricing at \$6.35 per ordinary share, implying the issue of 39.37 million ordinary shares.

Earlier this year, the Notes passed a key milestone when no redemption notices were received on their 12 April 2024 put date. There are various forms of capital management tools available to us, and during FY24 the Company launched a strategy to reduce the potentially dilutive effect of Notes conversion as announced to the market in September 2023. That strategy remains on foot. The Board is not inclined to consider paying dividends until we know whether the Notes are redeemed or converted.

Sustainability

The Board recognises the growing interest from some stakeholders in understanding how we manage the key environmental, social and governance drivers of our business. Our Sustainability Report released in May this year outlines some of the initiatives underway in the areas we consider most material to the Company.

We are taking steps to align to the new international and Australian climate reporting standards. This year we completed a climate-related risks and opportunities assessment, while maintaining our carbon neutral operation certification.

Proposed Demerger

As I have mentioned, the Company will convene an Extraordinary General Meeting of shareholders on 17 September 2024 to consider and vote on the proposed demerger of Webjet B2C from Webjet Limited.

If approved, the demerger will form two independent ASX-listed companies with leadership positions in their respective industries and with their own distinct operating profiles, strategies and growth opportunities. These will be:

- The existing listed company, which will be renamed WEB Travel Group and will own WebBeds, the global B2B travel distribution business; and
- The soon to be listed spin-off, to be known as Webjet Group Limited, which will comprise our B2C businesses, namely Webjet OTA, the number one online travel agency in Australia and New Zealand, and GoSee, a global travel e-commerce group that specialises in car and motorhome rentals. Webjet B2C will also own Trip Ninja, a provider of technology that automates the highly manual process of selling complex multi-stop travel itineraries for travel intermediaries.

The Board's decision to pursue a demerger of the Webjet B2C business from Webjet reflects an assessment of the attractive but divergent growth opportunities available to both businesses.

Over time, we have formed a view that operating B2B and B2C as standalone businesses with independent boards, management teams and capital structures will enhance value for our shareholders by enabling both businesses to pursue their own strategic priorities and growth agendas.

Further details of the demerger are contained in the Demerger Booklet released to the ASX on 8 August and dispatched to Shareholders on 16 August 2024. All shareholders and proxyholders will be given an opportunity to ask questions or make comments regarding the Demerger at the EGM in September.

Thanks

To conclude, noting that this may well be our last AGM as a combined business, I would like to express my thanks to both the Webjet team and Board for an exceptional performance in FY24, and to our shareholders, particularly those who stood beside us when times were difficult during the pandemic.