



webjet limited

WEBJET AGM

21 November 2018

B2C TRAVEL



B2B HOTELS

Webbeds



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Managing Director's Presentation

JOHN GUSCIC
Managing Director

B2C TRAVEL



B2B HOTELS

WebBeds

FY18 Highlights



DIGITAL TRAVEL BUSINESS

spanning both consumer and wholesale markets

Who is Webjet?

B2C Travel

Leading online consumer
travel brands



- **Webjet** - #1 OTA in Australia and New Zealand
- **Online Republic** - online aggregator specialising in online car rental, motorhome and cruise travel bookings

B2B Hotels

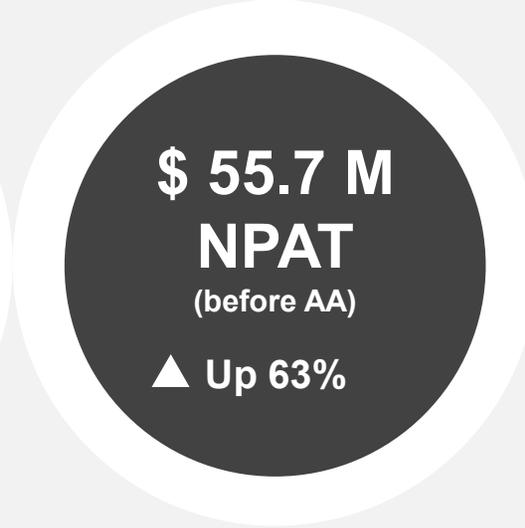
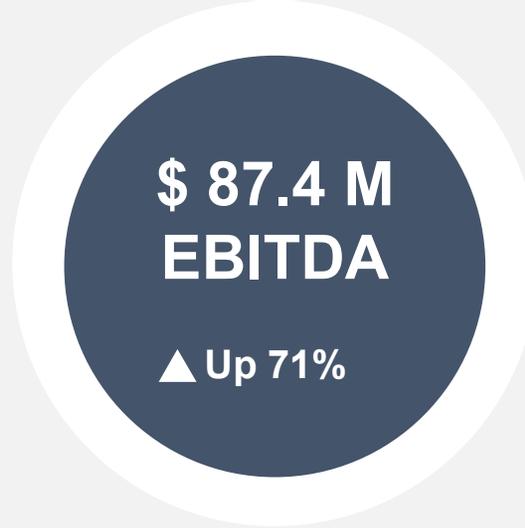
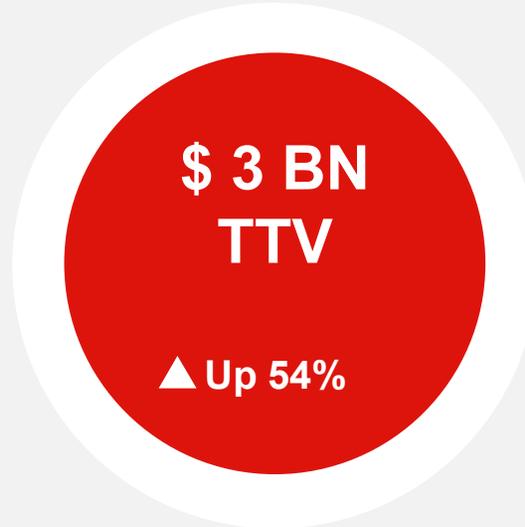
Digital fulfillment of hotel rooms
to global partners

WebBeds

- **WebBeds** - #2 B2B global player and the fastest growing B2B player in the world
- Global Coverage through
 - WebBeds Europe
 - WebBeds AMEA
 - WebBeds Asia-Pacific



FY18 Financial highlights ⁽¹⁾



(1) For the Continuing Operations



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FY18

Key highlights

Record financial performance

- For the continuing operations
 - \$87.4 million EBITDA – up 71%
 - \$55.7 million NPAT (before AA) – up 63%
 - 30.0% EBITDA margin – up 303bps

Booking CAGR continues to increase

- 4-Year Total Booking CAGR - 44%
- 4-year Organic Booking CAGR - 28%

Scale benefits flowing through in the Webjet OTA

- Continuing to gain market share - flight bookings growing at more than 3 times the market
- TTV margins continue to increase – from 7.5% to 10.8% in 6 years

Fastest growing B2B player in the world

- Significantly outperforming market in all regions – more than 15 times market growth
- Successful integration of transformational acquisition of JacTravel
- Increasing size delivering strong EBITDA growth



Divisional highlights

	Webjet OTA		Online Republic		WebBeds	
Bookings ('000)	1,549	+ 10%	501	+ 12%	2,277	+ 214%
TTV	\$1,345 million	+ 14%	\$313 million	+ 7%	\$1,354 million	+ 181%
EBITDA	\$58.7 million	+ 36%	\$13.3 million	- 11%	\$27.2 million	+ 7649%
TTV/ Revenue margin	10.8%	+ 52bps	10.1%	- 18 bps	8.4% ⁽¹⁾	+61 bps
					9.2% (excluding TC)	+93bps
EBITDA margin	40.3%	+ 473 bps	42.1%	- 792bps	23.8%	+ 2,291 bps

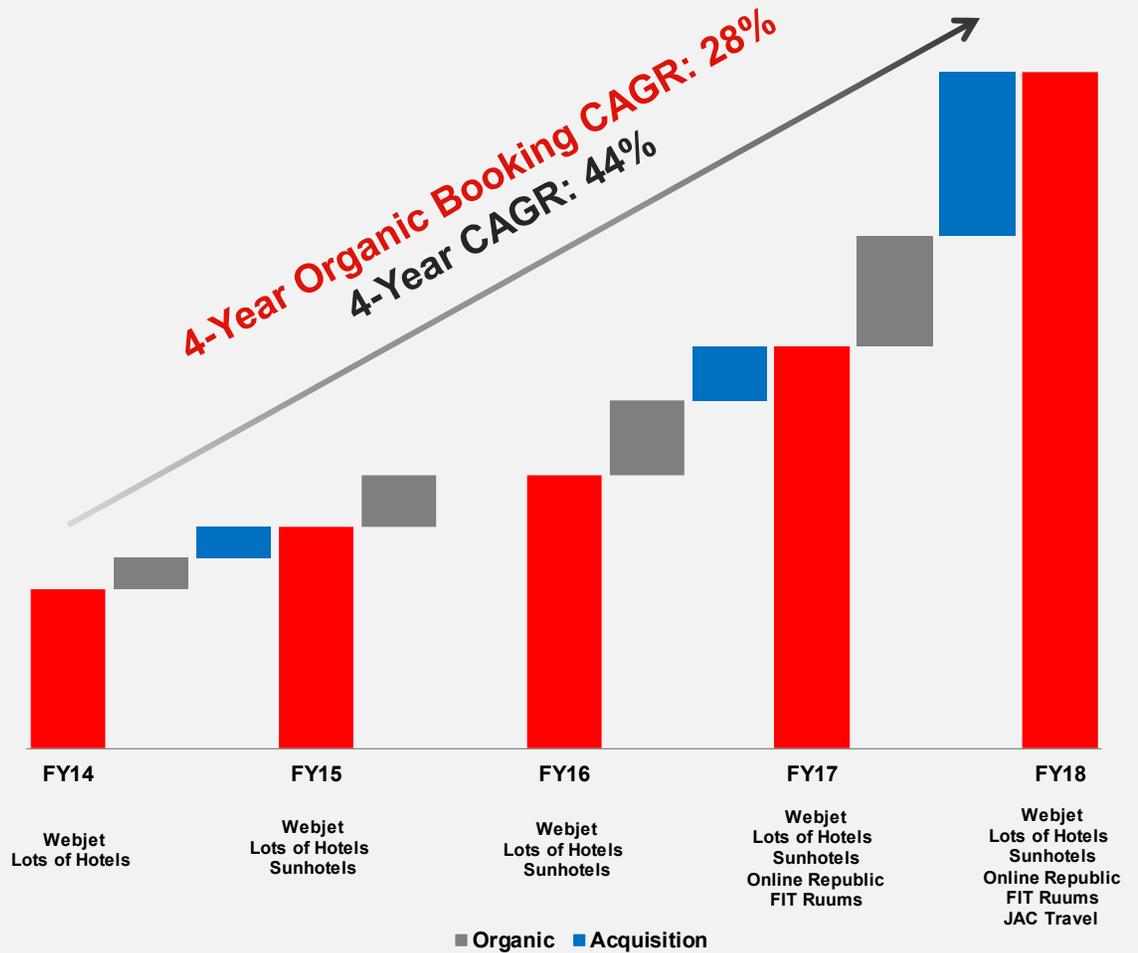
(1) TTV/ Revenue Margin includes Thomas Cook TTV for which no revenue is earned



Organic Bookings Growth Continues to Increase

Total Booking Growth:

- B2C 4 yr CAGR = 21%
- B2B 4 yr CAGR = 147%
- B2C+B2B = 44%



WebBeds

B2B Hotels

Why are we winning share?



Significant growth potential
#2 player – yet 3+% of total global market

US \$50 Bn+ TTV Market Opportunity...



Europe
\$20 Billion



Asia
\$18 Billion



Americas
\$15 Billion



MEA
\$3 Billion

... and each market has different characteristics



Significant number of independent hotels

Europe



Fastest growing B2B region; consumer preferences vary by country

Asia



Strong hotel chain loyalty

Americas



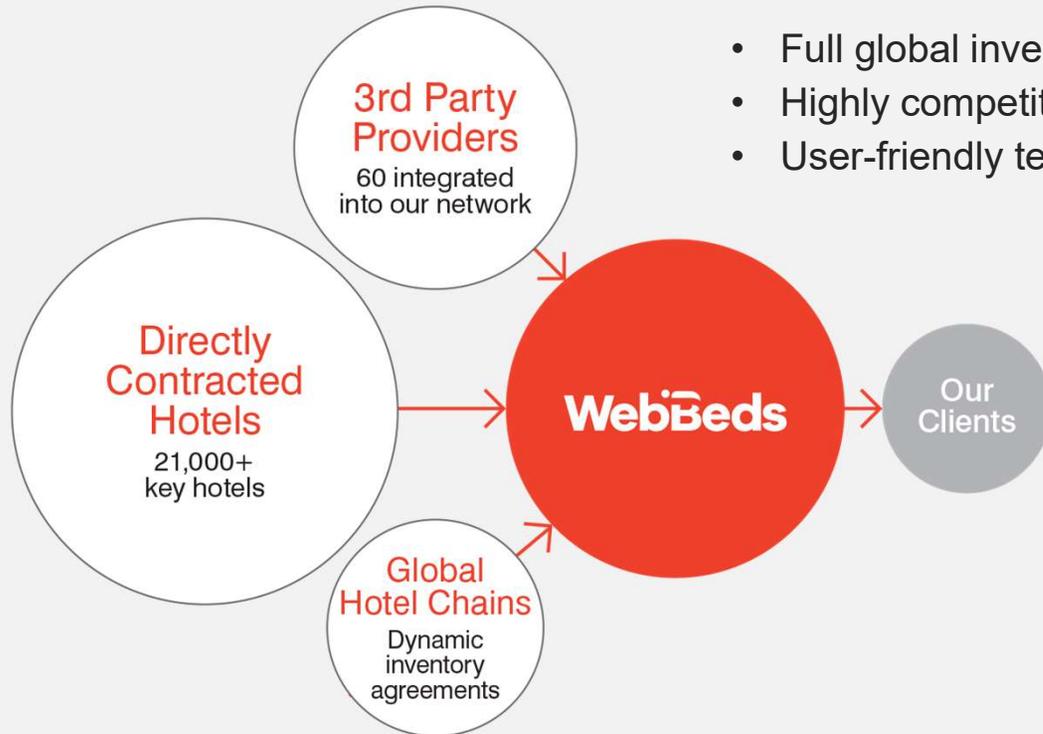
High proportion of offline travel; highly relationship driven client market

MEA

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
- **At scale, targeting “8/5/3”**
 - At scale, 8% revenue/TTV and 5% costs/TTV to drive 3% EBITDA/TTV
- **Reiterating bookings growth targets**
 - We continue to see significant growth opportunities in both the B2C and B2B markets and reiterate our medium term bookings growth targets for FY19-20
 - **3 year B2B growth target** – Bookings growth of more than 5 times the underlying market growth rate in each market

Our differentiated offering Multi-supply aggregation strategy



- Full global inventory offering
- Highly competitive prices
- User-friendly technology

Why we are winning share

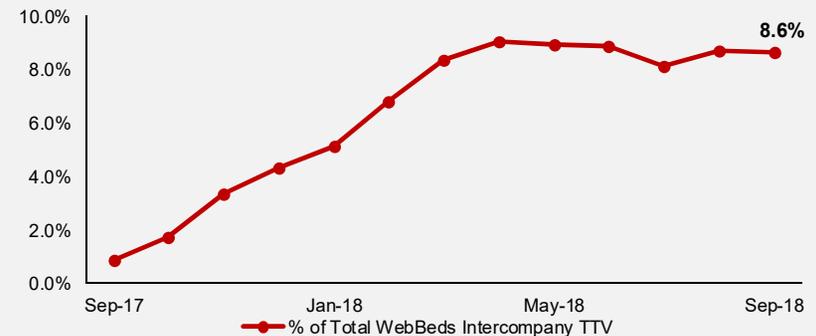
The WebBeds model	
One of very few global players	<ul style="list-style-type: none"> • Provide easy access to global hotel accommodation inventory • Most clients use several B2B providers – as #2 global player, we are a meaningful inclusion • Offer hotels access to the fastest growing global distribution platform
Greatest breadth and depth of inventory offering	<ul style="list-style-type: none"> • Combination of directly contracted and 3rd party inventory allows full global inventory offering • Better able to fulfil accommodation requests at times of peak demand
Highly competitive prices	<ul style="list-style-type: none"> • All supply sources are aggregated and only lowest priced option is displayed • Many hotels have multiple supply sources - clients only see most competitive room rate
Low cost model	<ul style="list-style-type: none"> • Entire offering designed to effectively manage costs • Direct contracting focused on key hotels – 3rd parties provide inventory breadth without increasing contracting costs • Cost-effective customer support centres • RezChain (blockchain solution) helping reduce overhead costs
Market leading technology	<ul style="list-style-type: none"> • User-friendly XML and website connections - vast majority of clients use XML connections • Sub-second response times for XML connections
Experienced management team	<ul style="list-style-type: none"> • Significant industry experience across all key geographic markets • Entrepreneurial and customer-centric culture

Directly contracted inventory driving competitive advantage

Direct contracts are a key component of our global distribution network

- Direct contracts help replace lower margin inventory with higher margin inventory
 - TTV from JacTravel inventory sold to WebBeds clients and WebBeds inventory sold to JacTravel clients as % total WebBeds TTV has grown from 0.9% (pre acquisition) to 8.6% as at September 2018 – significant revenue synergies extracted
- Targeting 35,000 direct contracts by FY21
- We continue to look for opportunities to expand our directly contracted inventory through organic growth and strategic acquisitions
 - Key focus - Asia and LATAM

Increasing Relevance of JacTravel Inventory



Direct contracts delivering higher margin

	FY17	FY18	
WebBeds TTV	\$482 million	\$1,354 million	
Directly contracted hotels	10,000	21,000	2x
TTV from direct contracts as % total TTV	30%	50%	
TTV from higher margin direct contracts	\$145 million	\$677 million	4.5x



Acquisition of Destinations of The World (DOTW)



DESTINATIONS OF THE WORLD



Transaction Summary



Note: USD:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.3878. Numbers are subject to the effects of rounding

(1) Based on EBITDA for the 12 months to 30 June 2018 as set out in DOTW's unaudited management accounts, adjusted by Webjet management based on its due diligence and to exclude non-recurring items

(2) As at 31 August 2018, DOTW had c.12,300 directly contracted hotels, of which c.5,600 are unique and c.6,700 overlap with WebBeds' existing directly contracted hotels (c.23,000 as at 30 September 2018).
Note: Figures are rounded to the nearest 100

- **DOTW is a leading independent B2B player of scale**

- Headquartered in Dubai with offices in MEA, APAC, Europe and the Americas
- US\$529 million (A\$734 million) TTV and US\$16.4 million (A\$22.7 million) EBITDA⁽¹⁾
- c.12,300 directly contracted hotels and significant global hotel chain connectivity

- **Strategic Rationale**

- Increases scale and consolidates WebBeds' position as the clear #2 global B2B provider
- Highly complementary operating footprint in terms of geography, product and end markets
- Increases WebBeds' directly contracted hotels by c.24% to c.28,500 across all geographic destinations⁽²⁾

- **Considerable cost and revenue synergy opportunities**

- Anticipated cost synergies of US\$3 million (A\$4 million) per annum (excluding one-off costs to achieve), commencing in FY19, with full year impact in FY20
- Anticipated revenue synergies of US\$7 million (A\$10 million) per annum (excluding one-off costs to achieve), expected to be achieved in full in FY20

- **Timing**

- Expected to complete on 22 November 2018



DOTW is a Leading Independent B2B Player of Scale

- Pure-play B2B accommodation wholesale platform connecting hoteliers with OTAs, corporate travel agents, retail travel agents, wholesalers and tour operators
- A leading independent B2B player of scale with regional expertise across geographically diversified source and destination markets
- Founded in 1994 and headquartered in Dubai with offices in MEA, APAC, Europe and the Americas
- c.800 employees including c.400 staff located in a shared services centre in Manila that opened in June 2016
- Successful scalable and responsive, cloud-based technology platform
- Three different supply channels for room night purchases: direct contracts, dynamic international hotel chain agreements and 3rd party providers

Note: FX conversion assumes 1 November 2018 USD:AUD of 1.3878. Numbers are subject to the effects of rounding

- (1) As at 31 August 2018, DOTW had c.12,300 directly contracted hotels, of which c.5,600 are unique and c.6,700 overlap with WebBeds' existing directly contracted hotels (c.23,000 as at 30 September 2018). Note: Figures are rounded to the nearest 100
- (2) Based on the 12 months to 30 June 2018 unaudited management accounts for DOTW
- (3) Based on EBITDA for the 12 months to 30 June 2018 as set out in DOTW's unaudited management accounts, adjusted by Webjet management based on its due diligence and to exclude non-recurring items

DOTW at a Glance	
c.5,000 <i>Customers</i>	c.12,300 <i>Directly contracted hotels⁽¹⁾</i>
c.165,000 <i>Aggregated hotels</i>	c.1.75 million <i>Booking creations</i>
A\$734 million <i>TTV in FY18⁽²⁾</i>	A\$23 million <i>EBITDA in FY18⁽³⁾</i>



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Strategic Rationale for Acquisition

1

Increases scale and consolidates WebBeds' position as the clear #2 global B2B provider

- The Acquisition increases WebBeds' FY18 TTV by A\$734 million (US\$529 million)⁽¹⁾ with a combined FY18 TTV of A\$2,088 million (US\$1,505 million) on a pro-forma basis

2

Highly complementary operating footprint in terms of geography, product and customer base

- Diversifies the global footprint creating a more balanced portfolio
- Opportunities to leverage inventory across respective distribution platforms

3

Increases the breadth and depth of WebBeds' inventory offering

- Increases WebBeds' directly contracted hotel inventory from c.23,000 to c.28,500⁽²⁾, a 24% increase
- Deepens WebBeds' offering across c.6,700 overlapping hotels increasing room night allotments and availability
- Significantly enhances WebBeds' existing APAC and Americas businesses and further expands its presence in Europe and MEA

4

Expected cost and revenue synergies

- Anticipated cost synergy benefits of US\$3 million (A\$4 million) per annum, commencing in FY19 (excluding one-off costs to achieve), primarily through a combination of focused headcount reductions, office rationalisation and reduced travel expenses, with full year impact in FY20
- Increase in direct contracts expected to drive TTV synergies through additional intercompany volumes
- Anticipated revenue synergies of US\$7 million (A\$10 million) per annum (excluding one-off costs to achieve), expected to be achieved in full in FY20

Note: USD:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.3878

(1) Based on the 12 months to 30 June 2018 unaudited management accounts for DOTW

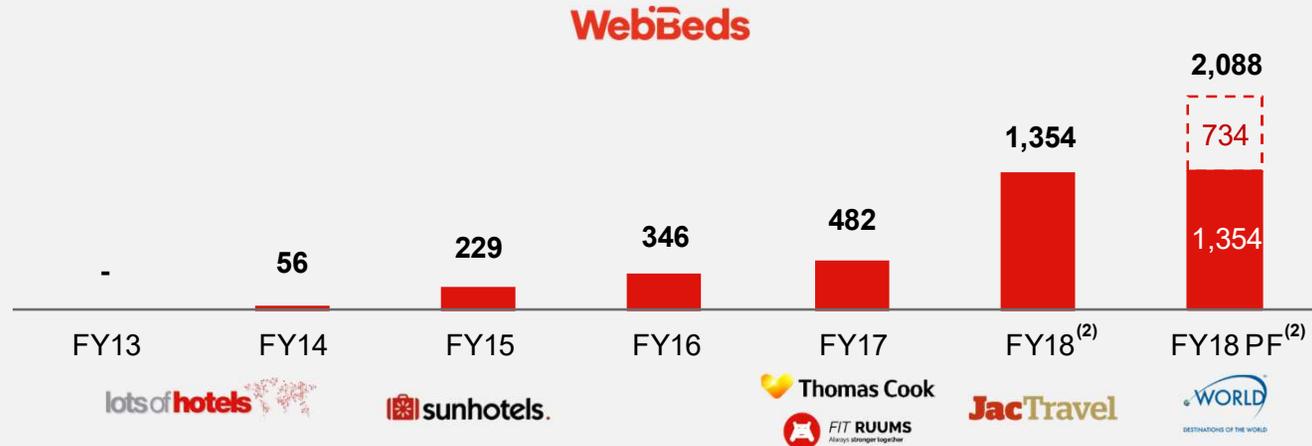
(2) As at 31 August 2018, DOTW had c.12,300 directly contracted hotels, of which c.5,600 are unique and c.6,700 overlap with WebBeds' existing directly contracted hotels (c.23,000 as at 30 September 2018).
Note: Figures are rounded to the nearest 100



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Significantly Enhances WebBeds' Scale

Continues WebBeds' Evolution – TTV (A\$m)⁽¹⁾



Initiatives

- Started with LOH in Dubai as an organic start up, initially serving the Middle East and Africa markets
- Acquired Sunhotels to service European Markets
- LOH expands into the Americas
- Sunhotels signs agreement with Thomas Cook
- Launched FIT Ruums to service Asian market
- Acquired JacTravel to provide deeper global coverage, particularly in Europe
- WebBeds expands into Pacific
- Acquires DOTW, significantly enhances APAC and Americas businesses and further expands presence in Europe and MEA

TTV grows to over \$2 Billion

Note: USD:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.3878. Numbers are subject to the effects of rounding

(1) Based on the 12 months to 30 June 2018 unaudited management accounts for DOTW

(2) Webjet FY18 as reported, includes 10 months of JacTravel

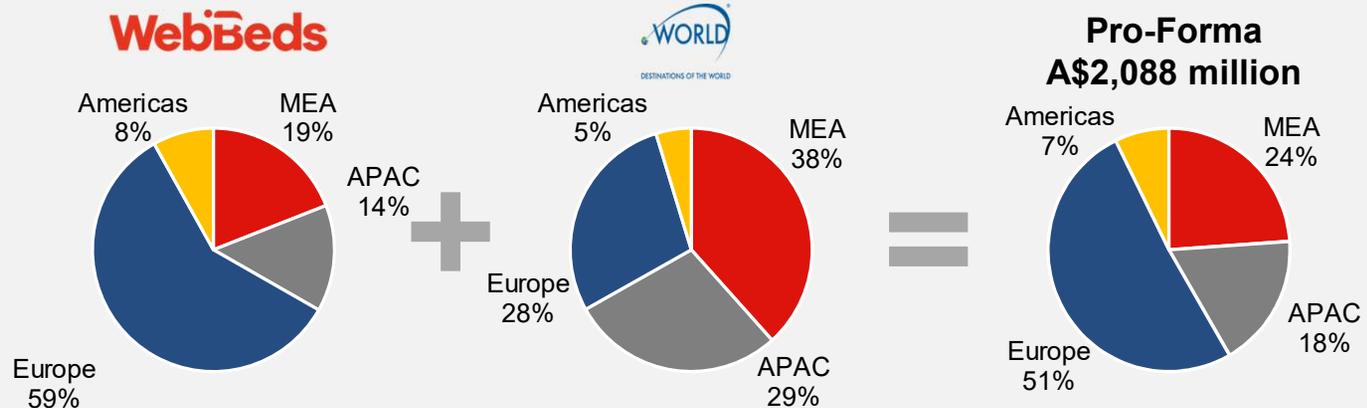


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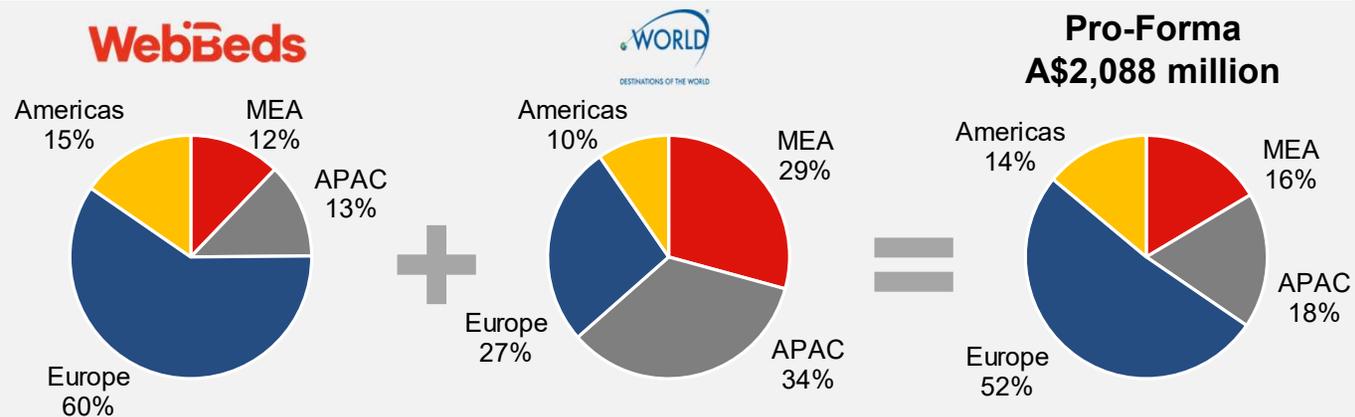
Diversification of Global Footprint Strengthens WebBeds' market position in all key geographies

Note: USD:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.3878; EUR:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.5844. Numbers are subject to the effects of rounding

FY18PF TTV by Source Market



FY18PF TTV by Destination Market





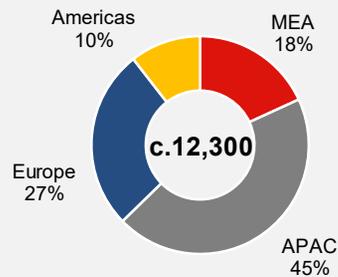
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Significant Addition of Directly Contracted Inventory

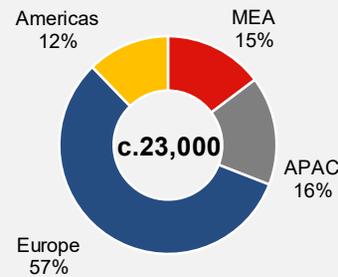
Note: Figures are rounded to the nearest 100
 (1) As at 31 August 2018
 (2) As at 30 September 2018

Additional Directly Contracted Inventory a Key Competitive Driver, Providing Significant Benefits Across Allotment, Availability and Rates

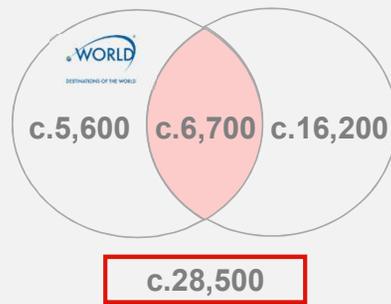
DOTW⁽¹⁾



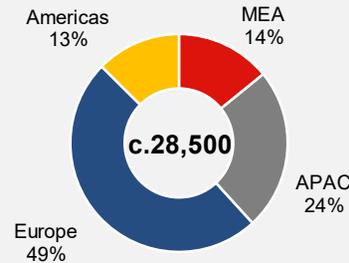
WebBeds⁽²⁾



Overlap



Pro-Forma



- Direct contracts are a key competitive driver in B2B wholesale distribution offering higher yields and reduced reliance on third party providers
- DOTW provides c.5,600 incremental directly contracted inventory to WebBeds split:
 - APAC: 56%
 - Europe: 18%
 - Americas: 14%
 - MEA: 12%
- Depth of inventory is also a key competitive driver. WebBeds' and DOTW have c.6,700 overlapping directly contracted hotels increasing allotment and availability across more competitive rates
- Achieves scale in Europe and MEA markets
- Meaningfully enhances relevance in APAC and Americas region



FY19 Guidance



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FY19 Trading Update

Webjet	<ul style="list-style-type: none">On track to deliver at least A\$110 million underlying EBITDA for the existing Webjet businesses for FY19
DOTW	<ul style="list-style-type: none">Assuming the acquisition of DOTW closes on 22 November 2018, Webjet expects DOTW to contribute incremental EBITDA of at least A\$10 million in FY19 reflecting timing of the Northern Hemisphere summer holiday period and weighting of bookings to 1H FY19Webjet expects pro-forma full year FY19 EBITDA for the DOTW business to be at least A\$23 million⁽¹⁾
Pro-Forma	<ul style="list-style-type: none">Total expected FY19 EBITDA for the existing Webjet business and the 7 month contribution from DOTW is at least A\$120 million, pre-synergiesExpected pro-forma full year FY19 EBITDA⁽¹⁾ of at least A\$133 million, pre-synergies, assuming 12 months ownership of DOTW
Synergies	<ul style="list-style-type: none">Anticipated cost synergies of US\$3 million (A\$4 million) per annum (excluding one-off costs to achieve), commencing in FY19, with full year impact in FY20Anticipated revenue synergies of US\$7 million (A\$10 million) per annum (excluding one-off costs to achieve), expected to be achieved in full in FY20

“We continue to see growth in Webjet and WebBeds business units. In particular, we are seeing both TTV and booking growth in Webjet and all regions of our WebBeds division – Europe, AMEA, and Asia Pacific. In line with our expectations, Online Republic Bookings and TTV are flat.”

Note: USD:AUD FX conversion assumes a spot rate at 1 November 2018 of 1.3878. Numbers are subject to the effects of rounding

(1) For the 12 months ending 30 June 2019



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Questions?

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