Record financial performance for continuing operations
$3 Billion TTV; $87.4 million EBITDA; $55.7 million NPAT (before AA)

Webjet Limited today announced results for the year ended 30 June 2018 – transacting more than $3 billion in TTV and reporting record EBITDA and profit for the underlying business. The Webjet OTA continues to grow market share and WebBeds remains the fastest growing B2B business in the world following the transformational acquisition of JacTravel in August 2017, cementing its #2 position in the global B2B hotels space.

Key financial highlights include:

- $3 billion TTV – up 54%
- $291 million Revenue – up 54%
- $87.4 million EBITDA – up 71%
- 30.0% EBITDA margin – up 303 bps
- $55.7million NPAT (before AA) – up 63%
- $43.2 million NPAT – up 30%
- EPS 37.5 cents – up 10%
- Full year fully franked dividend of 20.0 cents – up 14%

The table below shows results for the Continuing Operations as well as Statutory Results (which include a significant one-off gain from the sale of Zuji in FY17):

FY18 vs FY17	Statutory Result		Continuing Operations (1)	
	(includes proceeds of sale of Zuji and one-offs)		(excludes proceeds of sale of Zuji and one-offs)	
TTV	$3,012m	⬆ 47%	$3,012m	⬆ 54%
Total Revenue	$761.6m	⬆ 224%	$761.6m	⬆ 272%
Revenue (2)	$291.0m	⬆ 33%	$291.0m	⬆ 54%
EBITDA	$86.3m	⬆ 23%	$87.4m	⬆ 71%
EBITDA Margin	29.6%	⬇ 231bps	30.0%	⬆ 303bps
NPAT (before AA) (3)	$54.0m	⬆ 1%	$55.7m	⬆ 63%
NPAT	$41.5m	⬇ 21%	$43.2m	⬆ 30%
EPS (before AA)	46.9 cents	⬇ 15%	48.4 cents	⬆ 38%
EPS	36.0 cents	⬇ 33%	37.5 cents	⬆ 10%

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

> "FY18 was another outstanding year for the company. The Webjet OTA continues to grow share as the #1 OTA and scale benefits are flowing through with significant increases in both TTV and EBITDA margins. Our strong brand is also playing a key role in driving ancillary growth, particularly in packages, car hire and insurance, which helped contribute to the increased TTV margins this year.

(1) **Continuing operations -** is based on a like for like comparison. FY18 excludes $1.7M costs associated with acquisition of JacTravel. FY17 excludes Zuji, proceeds from sale of Zuji and one-off adjustments including change in accounting treatment for Exclusives acting as principal, termination of car hire contract, performance rights and related incentives

(2) **Revenue** is shown net of costs of sale as principal (i.e. on agency basis)

(3) **Acquisition amortisation** includes charges relating to amortisation of intangibles acquired through acquisition

WebBeds remains the fastest growing B2B hotels business globally, significantly outperforming the market in all regions, with overall bookings growth of 214% and organic bookings growth of 79%. The acquisition of JacTravel has been instrumental in strengthening our competitive position, increasing our size in all regions and significantly expanding our pool of directly contracted hotel inventory. During the year we continued to increase direct contracts in key markets and we now have direct contracts with more than 21,000 hotels. These higher margin sources are now delivering more than 50% of WebBeds sales, helping increase underlying TTV margins to over 9%."

WEBJET OTA

Market share growth and scale benefits are flowing through:

Webjet		
Bookings ('000s)	1,549	↑ 10%
TTV	1,345 million	↑ 14%
Revenue [4]	145.6 million	↑ 20%
EBITDA	58.7 million	↑ 36%
TTV / Revenue Margin	10.8%	↑ 52bps
EBITDA Margin	40.3%	↑ 473bps

Flight bookings continue to grow at more than 3 times the underlying market and TTV margins increased reflecting the impact of higher margin ancillary products. Ancillary products (packages, car hire, insurance and hotels) are all higher margin than flights and in aggregate, are growing faster than flights. The focus on cost-efficient marketing strategies kept marketing costs constant at 2% of TTV and together with effective management of other costs, EBITDA margin increased to 40.3%.

ONLINE REPUBLIC

Motorhomes and Car bookings both grew well ahead of underlying market growth, while Cruise bookings fell due to a material slowdown in the regional cruise market:

Online Republic		
Bookings ('000s)	501	↑ 12%
TTV	313 million	↑ 7%
Revenue [4]	31.5 million	↑ 5%
EBITDA	13.3 million	↓ 11%
TTV / Revenue Margin	10.1%	↓ 18bps
EBITDA Margin	42.1%	↓ 792bps

Motorhomes saw strong growth in European and North American markets driven by foreign language platforms and increased US supply and improved pricing strategies in Cars helped offset the Netflix tax that came into effect from 1 July 2017. Slower regional cruise market growth and reduced capacity made it a difficult market for aggregators. EBITDA was down 11% to $13.3 million, impacted by the lower contribution from Cruise, Netflix tax impact and currency depreciation.

(4) **Revenue** is shown net of costs of sale as principal (i.e. on agency basis)

WebBeds B2B HOTELS

The acquisition of JacTravel in August 2017 contributed to the significant growth of the WebBeds businesses during FY18:

WebBeds		
Bookings ('000s)	2,277	⬆ 214%
TTV	1,354 million	⬆ 181%
Revenue [5]	114.0 million	⬆ 203%
EBITDA	27.2 million	⬆ 7649%
TTV / Revenue Margin	8.4%	⬆ 61bps
TTV / Revenue Margin (excl TC)	9.2%	⬆ 93bps
EBITDA Margin	23.8%	⬆ 2,291bps

FY18 saw strong organic bookings growth with all regions growing significantly faster than their underlying markets. The company had strong growth in Europe, are now the #2 player in MEA, and the Americas and Asia both grew significantly during the year. TTV margins continue to improve largely due to increased size in all regions, as well as more sales from higher margin direct contracts. The FY18 EBITDA result reflects the 10-month contribution from JacTravel, as well as improved profitability in the existing WebBeds businesses.

OUTLOOK

Commenting on outlook for FY19 and beyond, Mr Guscic said:

> "As the largest OTA in Australia, with more than 5% of the domestic market and 3% of the international market, we believe we are well positioned and have substantial headroom for ongoing bookings growth as the B2C market continues to shift online. We also see significant growth opportunities in Packages and will continue to improve our ancillary offerings to meet growing customer demand for a wider choice of travel products.
>
> We believe that our position as one of the few truly global B2B players provides us with an unparalleled opportunity to grow the business significantly faster than underlying market growth rates. We have grown in size but are not yet at scale in all markets and as such, see considerable growth opportunities ahead as the global B2B industry continues to consolidate.
>
> We are therefore reiterating our bookings growth targets for FY19-FY20 for both our B2C and B2B businesses – continuing to target bookings growth rates of more than 3 times the underlying market for B2C and more than 5 times the underlying market for B2B.
>
> We also continue to look for opportunities to expand our directly contracted inventory by leveraging existing contracting staff in all regions, as well as through strategic acquisitions."

DIVIDEND

In commenting on the final dividend, Webjet Ltd's Chairman Roger Sharp said:

> "We have increased our final dividend to 12 cps, payable on 11 October 2018. The interim and final dividends will total 20 cps in FY18, reflecting the strong improvement in core earnings in FY18 and the earnings outlook for FY19."

John Guscic
Managing Director

For further information, please contact John Guscic on +61 3 9828 9748

(5) **Revenue** is shown net of costs of sale as principal (i.e. on agency basis)