

FY16

RESULTS UPDATE



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Managing Director

18 August 2016



FY16 highlights

Strong growth in B2C continues; B2B growth initiatives underway

Full Year Ended 30 June 2016	FY16 \$m	FY15 \$m	Inc. / (Dec.) \$m %	
TTV	1,630	1,266	364	28.8%
Revenue	155.3	120.3	35.0	29.1%
Revenue (net of interest)	154.5	119.1	35.4	29.7%
Costs	117.9	91.3	26.7	29.2%
EBITDA	36.6	27.9	8.7	31.4%
D&A	(6.0)	(4.7)	(1.3)	27.9%
EBIT	30.6	23.2	7.4	32.1%
Interest	(0.5)	0.1	(0.6)	(531.6%)
Associates	(0.0)	(0.1)	0.1	n/a
EBT	30.1	23.2	6.9	29.9%
Tax Expense	(7.9)	(5.7)	(2.2)	38.8%
NPAT	22.2	17.5	4.7	27.0%
EPS (cents)				
- Basic	27.4	21.9	5.4	24.6%
- Diluted	26.9	21.9	5.0	22.8%



B2C



27 months of consecutive record TTV



Winning market share



Acquisition finalised; growth opportunities identified

B2B



Gaining market share; LOH North America launched



Broadening source and destination markets

Segment summary

TTV	FY16	FY15	Inc. / (Dec.)	
	\$m	\$m	\$m	%
Webjet	990	831	159	19.1%
Zuji	273	207	66	31.8%
LOH	162	96	66	69.3%
Sunhotels	184	133	51	38.8%
Online Republic	22		22	n/a
Total TTV	1,630	1,266	364	28.8%
Segment TTV				
B2C	1,285	1,038	247	23.8%
B2B	346	228	118	51.6%
Revenue				
B2C	123.5	96.9	26.6	27.5%
B2B	31.0	22.2	8.8	39.5%
EBITDA				
B2C (1)	33.2	24.0	9.3	38.6%
B2B (2)	3.4	3.9	(0.5)	(13.0%)
EBITDA Margin %				
B2C	26.9%	24.7%	2.2%	8.7%
B2B	11.0%	17.6%	(5.8%)	(32.8%)
Margins				
Revenue Margin	9.5%	9.4%	0.1%	
EBITDA Margin	23.7%	23.4%	0.3%	
Marketing % TTV	1.8%	1.7%	0.1%	
NPAT	14.4%	14.7%	(0.3%)	
Effective Tax rate	26.2%	24.5%	1.7%	

Group TTV up 28.8%

↑ 23.8%
B2C TTV

Webjet TTV ↑ 19.1%
Zuji TTV ↑ 31.8%

↑ 51.6%
B2B TTV

LOH TTV ↑ 69.3%
Sunhotels TTV ↑ 38.8%

Group EBITDA up 31.4%

↑ 38.6%
B2C EBITDA

Webjet and Zuji EBITDA increased year-on-year; Online Republic contributed \$0.8 million

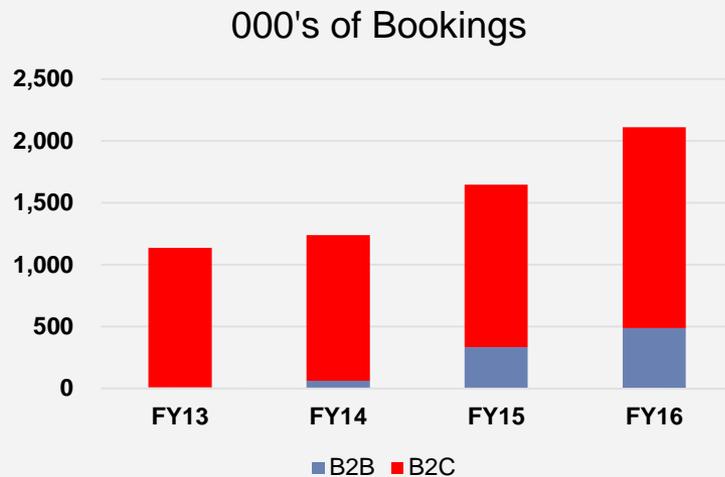
↓ 13.0%
B2B EBITDA

Increased costs of \$5 million inclusive of preparatory work for Thomas Cook venture

(1) FY16 B2C EBITDA includes \$0.2 million Online Republic acquisition costs
 (2) FY15 B2B EBITDA includes \$1.1 million Sunhotels acquisition costs

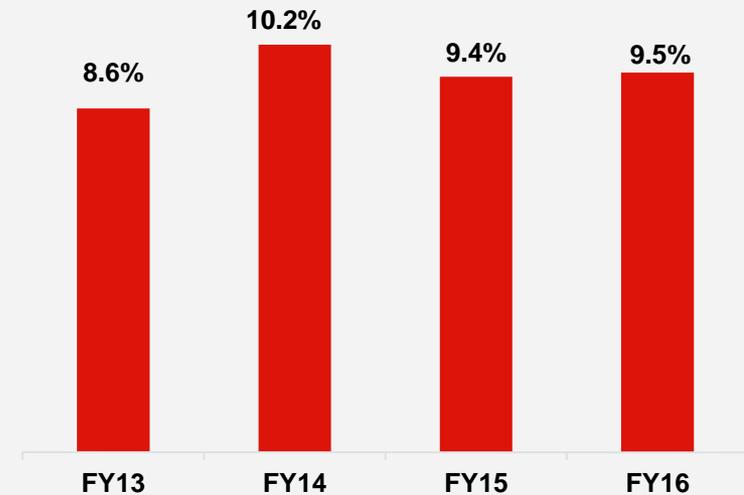
Strong organic bookings growth; TTV margins on target

NUMBER OF BOOKINGS



- FY16 bookings **up 28%**
- B2C 3 year CAGR **up 13%**
- B2B 3 year CAGR **up 316%**

REVENUE/TTV MARGIN



- Margin remains in **target 9.0-9.5% range**

Strong balance sheet

\$m	Jun-16	Jun-15	Change
Cash	116.2	76.2	40.0
Other current assets	90.2	41.5	48.7
Non-current assets	171.6	85.1	86.5
Total Assets	378.0	202.8	175.1
Current Liabilities	197.1	87.6	109.5
Non-Current Liabilities	29.2	32.8	(3.5)
Equity	151.7	82.5	69.2

Cash Balance

- \$116.2 million as at 30 June 2016, includes \$22 million of client funds
- \$76.2 million as at 30 June 2015, includes \$18 million of client funds
- \$51.8 million as at 30 June 2014, includes \$19 million of client funds

Current Liabilities includes \$32 million Online Republic short term loan funding, repaid 4 July 2016

Current Ratio (Current Assets / Current Liabilities)

- B2B growth led to \$19 million increase in receivables and \$37 million increase in payables

Significant cash generation

Summary Cash Flow	FY16	FY15
Full Year Ended 30 June 2016	\$m	\$m
Cash flow from Operating Activities	46.6	35.4
Cash flow from Investing Activities	(67.5)	(27.9)
Cash flow from Financing Activities	63.3	17.0
Net Cash Flow	42.4	24.5
Cash Conversion (Operating Activities / EBITDA)	127%	127%

- Net cash from operating activities \$46.6 million up 32%
- Cash conversion remains strong at 127%
- Funds from financing activities includes \$45.6 million proceeds from share issue and \$31.5 million debt funding, which was used to fund the acquisition of Online Republic

Ongoing capital investment

	1H 16	2H 16	FY16	FY15	FY16 vs FY15	
B2B	A\$ 1.6	A\$ 2.0m	A\$ 3.6m	A\$ 2.1m	A\$ 1.5m	Up 71.4%
B2C	A\$ 2.6	A\$ 2.8m	A\$ 5.4m	A\$ 5.4m	A\$ 0.0m	Up 1.8%
TOTAL	A\$ 4.2	A\$ 4.8m	A\$ 9.0m	A\$ 7.5m	A\$ 1.5m	Up 20.7%

CAPEX

- FY16 CAPEX \$9.0 million, up 21% year-on-year
- On-going investment supporting future growth

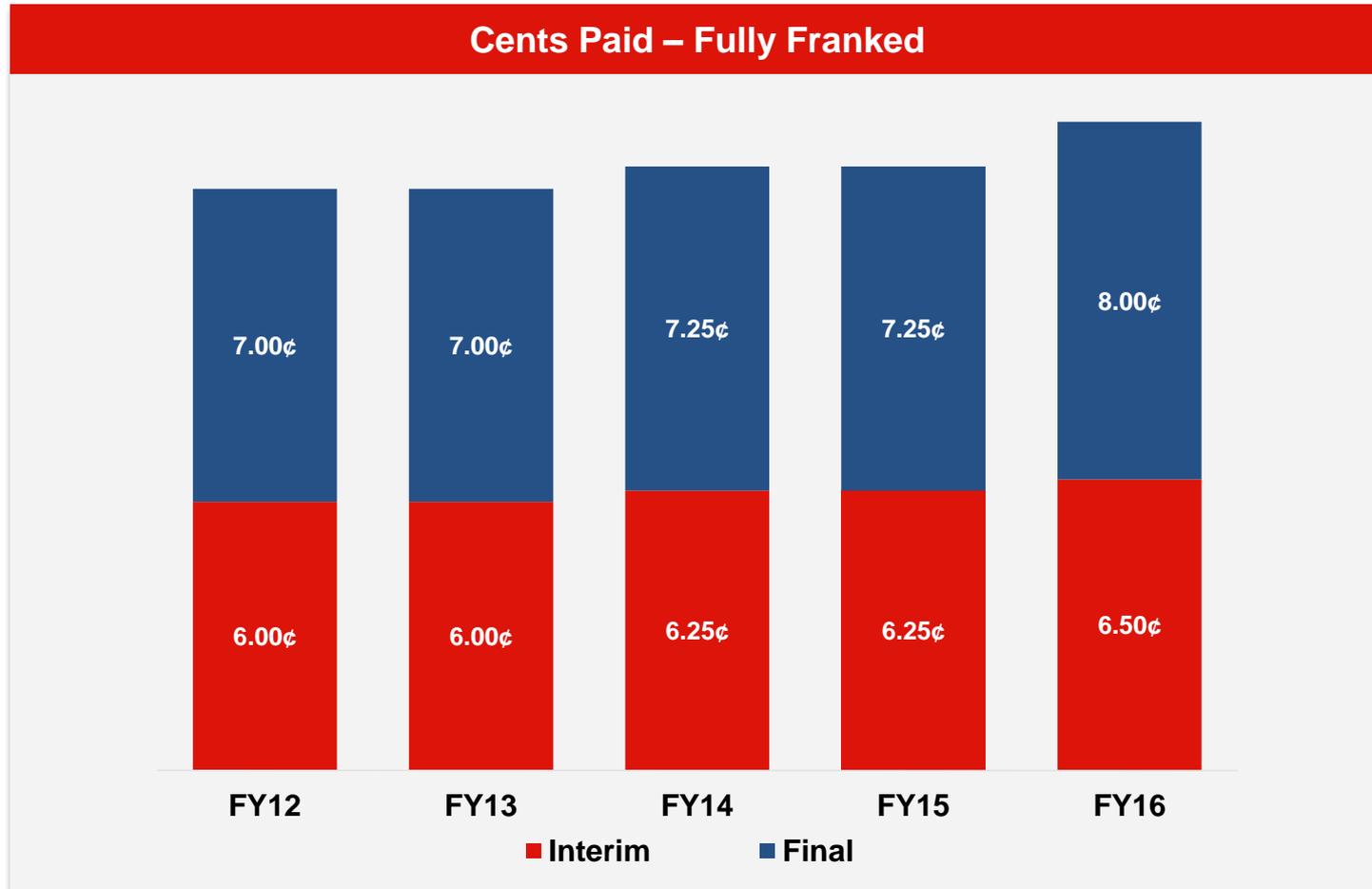
B2B (CAPEX)

- New website and point of sale
- Infrastructure upgrades for increased capacity
- Increased third party connectivity

B2C (CAPEX)

- Improved dynamic packaging capabilities
- International shopping search and selection process
- New features on Android and iOS app
- Enhanced mobile site

Final dividend of 8 cents – up 10.3%



With the ongoing international expansion, it is unlikely that future dividends will be fully franked

B2C TRAVEL

Online travel agency

B2C summary

A\$	FY15	FY16	Change
TTV	\$ 1,038m	\$ 1,285m	\$ 247m
Revenue	\$ 96.9m	\$ 123.5m	\$ 26.6m
Costs	<u>\$ 72.9m</u>	<u>\$ 90.3m</u>	<u>\$ 17.4m</u>
EBITDA	<u>\$ 24.0m</u>	<u>\$ 33.2m</u>	<u>\$ 9.3m</u>

↑ **23.8%**
TTV

↑ **27.5%**
Revenue

↑ **23.8%**
Costs

↑ **38.6%**
EBITDA



B2C TRAVEL



Australia
New Zealand



Australia
Singapore
Hong Kong



New Zealand

B2B WebBeds



Middle East
Africa
North America



Europe

FY16 highlights

Business performance remains strong

- TTV grew 19.1%
- TTV margins remained constant
- EBITDA up year-on-year

Continue to see record TTV each month

- As of 30 June 2016, Webjet has seen 27 months of consecutive record TTV growth

Ongoing acceleration of bookings shifting online

- Bookings growth continues to outperform the market by more than 5 times
- International bookings continue to demonstrate superior growth

Webjet	FY15	FY16
TTV	\$ 831m	\$990m
<i>Growth</i>		19.1%

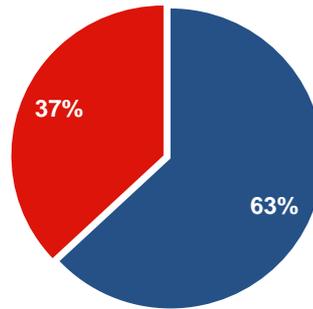
B2C	FY15	FY16
EBITDA¹	\$ 24.0m	\$ 33.2m
<i>Growth</i>		38.6%
EBITDA (excluding Online Republic)	\$ 24.0m	\$ 32.5m
<i>Growth</i>		35.4%

¹Due to shared operating costs within the B2C businesses and commercially sensitive relationships impacting the Asian market, we will no longer provide separate EBITDA breakdowns for the B2C businesses

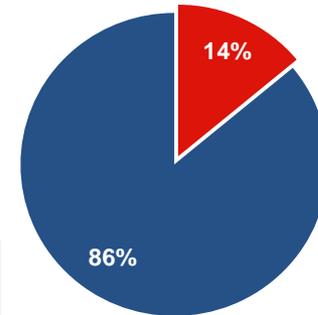
Bookings continue to move online

↑ 15%
Year-on-year
Webjet bookings

% TTV (FY16)



% Bookings (FY16)



■ International
■ Domestic

Webjet continues to significantly outperform the market

Webjet Growth

↑ 13%

Webjet Domestic Bookings

↑ 30%

Webjet International Bookings

Market Growth ⁽¹⁾

↑ 1.7%

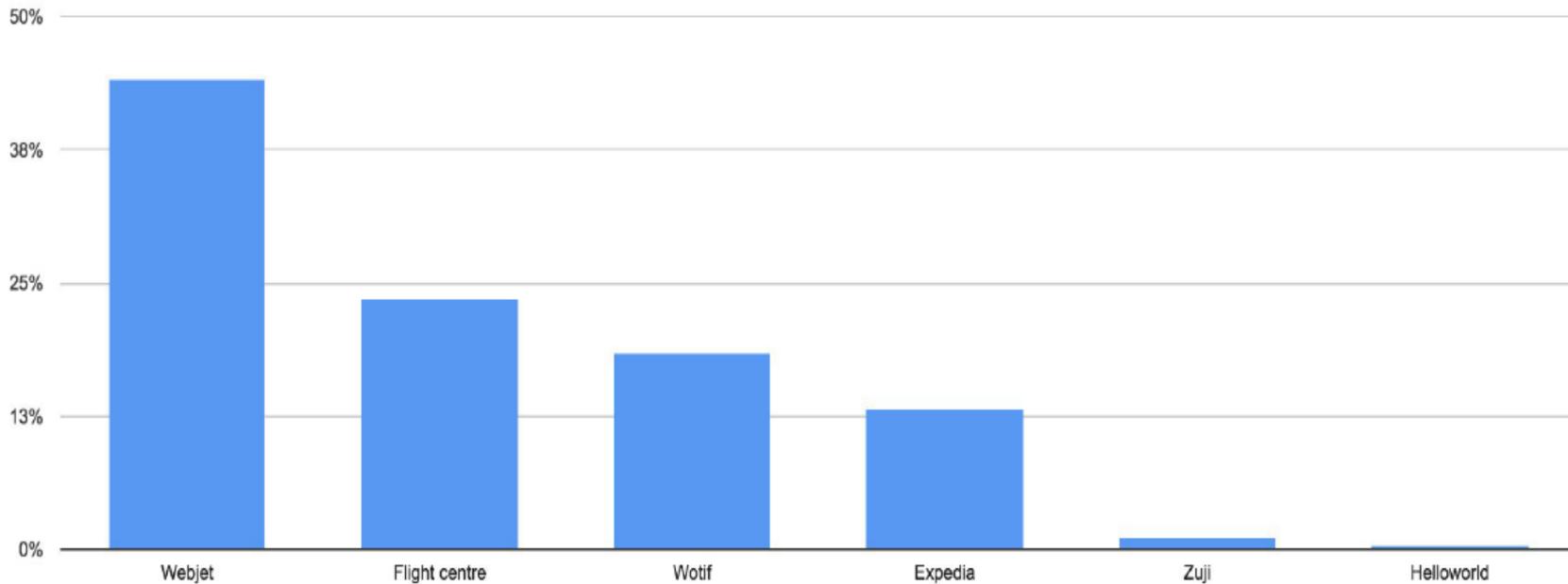
Domestic Bookings

↑ 6.7%

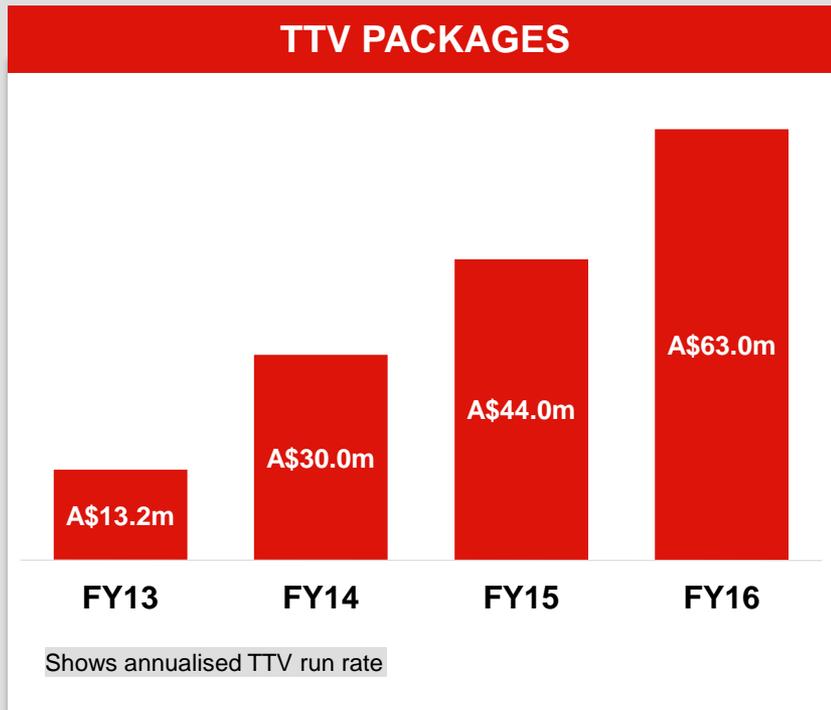
International Bookings

(1) Passenger numbers growth – 12 months to May 2016. Source: BITRE.

Dominant share of OTA brand search in Australia



Higher margin revenue streams also growing



Packages

- Annualised TTV run rate \$63 million, up 43% year-on-year
- Exclusives now profitable

Other

- Travel insurance and car hire accelerating faster than flight bookings growth
- Stand alone hotels remains flat



B2C TRAVEL



Australia
New Zealand



Australia
Singapore
Hong Kong



New Zealand

B2B WebBeds



Middle East
Africa
North America



Europe

Organic growth coming through

Gaining share in key markets

- Number 2 OTA in Hong Kong and Singapore
- Bookings up 46% year-on-year
- TTV up 32%
 - Strong organic growth in both Hong Kong and Singapore
 - Zuji Asia up 41%
- Competitive environment stable
- Business remains profitable

ZUJI	FY15	FY16
TTV	\$ 207m	\$ 273m
<i>Growth</i>		31.8%
ZUJI AU	\$ 70m	\$ 80m
<i>Growth</i>		14.3%
ZUJI Asia	\$ 137m	\$ 193m
<i>Growth</i>		41.2%

B2C	FY15	FY16
EBITDA ¹	\$ 24.0m	\$ 33.2m
<i>Growth</i>		38.6%

¹Due to shared operating costs within the B2C businesses and commercially sensitive relationships impacting the Asian market, we will no longer provide separate EBITDA breakdowns for the B2C businesses

Key highlights



ZUJI Hong Kong

Ongoing increase of LCC content

- Added Hong Kong Express

Platform improvements

- Dynamic Package Platform Migration has significantly improved conversion
- Hotels Platform Migration – eliminated reliance on 3rd party technology
- Enhanced Payment Options

External recognition

- Voted Hong Kong's most favourite OTA by 2 separate publications: Weekend Weekly and Metro Daily



ZUJI Singapore

New apps launched

- Mobile platforms continue to gain traction, with high customer retention rates

Platform improvements

- Dynamic Package Platform Migration has significantly improved conversion
- Hotels Platform Migration – eliminated reliance on 3rd party technology
- Enhanced Payment Options

Targeted digital marketing

- Providing cost efficient growth



ZUJI Australia

Ongoing enhancements

- New CMS launched
- Complete rebuild of holiday packages platform

New apps launched

- Mobile platforms continue to gain traction, with high customer retention rates

Targeted digital marketing

- Providing cost efficient growth



B2C TRAVEL



Australia
New Zealand



Australia
Singapore
Hong Kong



New Zealand

B2B WebBeds



Middle East
Africa
North America



Europe



Online Republic acquisition completed

Business performance remains strong

- Business progressing as expected
- Integration has gone well

Highlights:

- Successfully executed first TV campaign for Cruise Republic
- Finalist in Kenexa “Best Place to Work”
- Named “Online Cruise agency of the year” by Cruise Lines International Association

FY16 EBITDA contribution of \$0.8 million

Online Republic	FY15	FY16
TTV		\$ 22m
<i>Growth</i>		<i>n/a</i>
EBITDA		\$ 0.8m

B2C	FY15	FY16
EBITDA	\$ 24.0m	\$ 33.2m ⁽¹⁾
<i>Growth</i>		38.6%

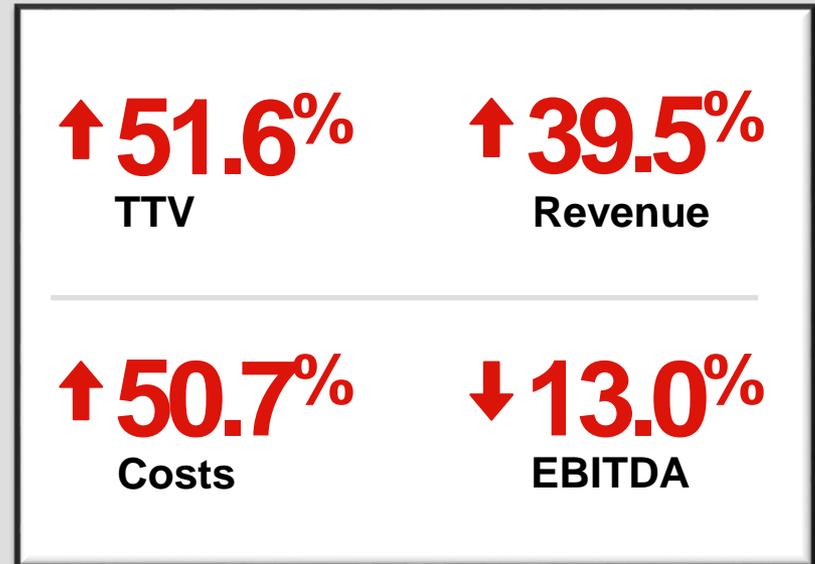
(1) FY16 B2C EBITDA includes \$0.2 million Online Republic acquisition costs

B2B WebBeds

Digital provision of hotel rooms to global partners

B2B summary

A\$	FY15	FY16	Change
TTV	\$ 228m	\$ 346m	\$ 118m
Revenue	\$ 22.2m	\$ 31.0m	\$ 8.8m
Costs	<u>\$ 18.3m</u>	<u>\$ 27.6m</u>	<u>\$ 9.3m</u>
EBITDA	<u>\$ 3.9m</u>	<u>\$ 3.4m</u>	<u>\$ (0.5)m</u>



- In November 2015, the B2B business was restructured to integrate the inventory platforms between LOH and Sunhotels. As a result, we will no longer provide separate EBITDA breakdowns for the B2B businesses.



B2C TRAVEL



Australia
New Zealand



Australia
Singapore
Hong Kong



New Zealand

B2B WebBeds



Middle East
Africa
North America



Europe

Winning market share in a difficult market

Delivering strong growth in a difficult market

- TTV up 69.3% year-on-year
 - Up 46.9% in base currency (USD)

- TTV margin constant

Strong bookings growth

- FY16 bookings up 61% year-on-year
 - 1H16 bookings up 90%
 - 2H16 bookings up 38%

EBITDA growth muted

- EBITDA increased year-on-year
 - 1H16 impacted by cost investment to take advantage of growth opportunities
 - 2H16 impacted by timing of key holidays and suppressed demand in Middle East travel market
- Strong outperformance in a difficult market

LOH	FY15	FY16
TTV	\$ 96m	\$ 162m
<i>Growth</i>		69.3%

B2B	FY15	FY16
EBITDA ¹	\$ 3.9m	\$ 3.4m
<i>Growth</i>		(13.0%)

(1) In November 2015, the B2B business was restructured to integrate the inventory platforms between LOH and Sunhotels. As a result, we will no longer provide separate EBITDA breakdowns for the B2B businesses.

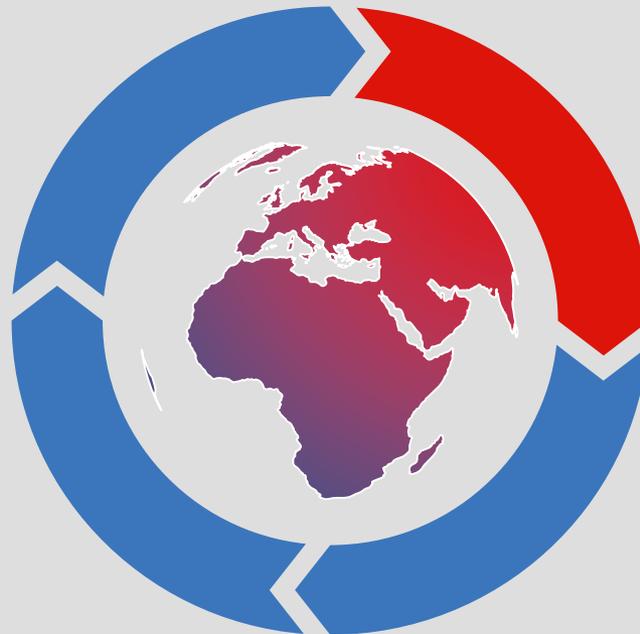
Growth profile

Major Source Markets

- › Saudi Arabia
- › United Arab Emirates
- › Qatar
- › South Africa
- › Kuwait

Top Growth Source Markets⁽¹⁾

- › Algeria +227%
- › South Africa +211%
- › Qatar +123%
- › Bahrain +63%
- › Jordan +63%



Major Destinations

- › United Arab Emirates
- › Saudi Arabia
- › United Kingdom
- › USA
- › France

Top Growth Destinations⁽¹⁾

- › Spain +86%
- › Egypt +81%
- › Malaysia +67%
- › United Kingdom +65%
- › Saudi Arabia +54%

¹Figures represent year on year TTV growth for FY16

LOH North America launched

North America Market Entry

Opportunity to replicate success of LOH in North American market

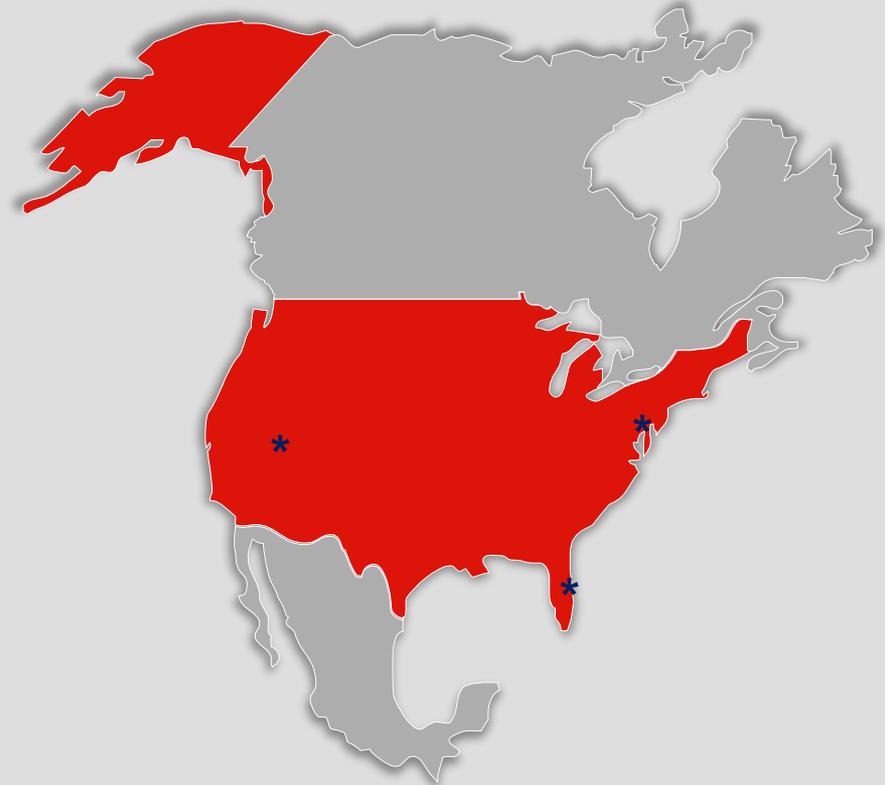
- **Geographically fragmented market:** Large wholesale market potential
- **Multi-supply aggregation model:** Target wholesalers in key cities with unique supply model offering more inventory at lower prices
- **Direct inventory:** Increase direct sourcing in key US markets
- **Experienced team on board**

TTV starting to come through

- First clients signed in December 2015; technology integration now in place
- TTV now coming through

Key Source Markets

New York - Las Vegas - Orlando





B2C TRAVEL



Australia
New Zealand



Australia
Singapore
Hong Kong



New Zealand

B2B WebBeds



Middle East
Africa
North America



Europe

FY17 investment delivering growth

Strong TTV and revenue growth coming through

- TTV up 38.8% year-on-year
 - Up 31.0% in base currency (EUR)
- TTV margins constant

Strong bookings momentum

- FY16 bookings up 39% year on year
 - 1H16 bookings up 36%
 - 2H16 bookings up 43%

Further cost increases in 2H16 to accelerate growth opportunities

- EBITDA down year-on-year
 - 1H16 impacted by cost investment to take advantage of growth opportunities
 - 2H16 impacted by decision to accelerate infrastructure rollout in preparation for launch of new venture with Thomas Cook

Sunhotels	FY15	FY16
TTV	\$ 133m	\$ 184m
Growth		38.8%

B2B	FY15	FY16
EBITDA¹	\$ 3.9m	\$ 3.4m
Growth		(13.0%)

(1) In November 2015, the B2B business was restructured to integrate the inventory platforms between LOH and Sunhotels. As a result, we will no longer provide separate EBITDA breakdowns for the B2B businesses

Growth profile

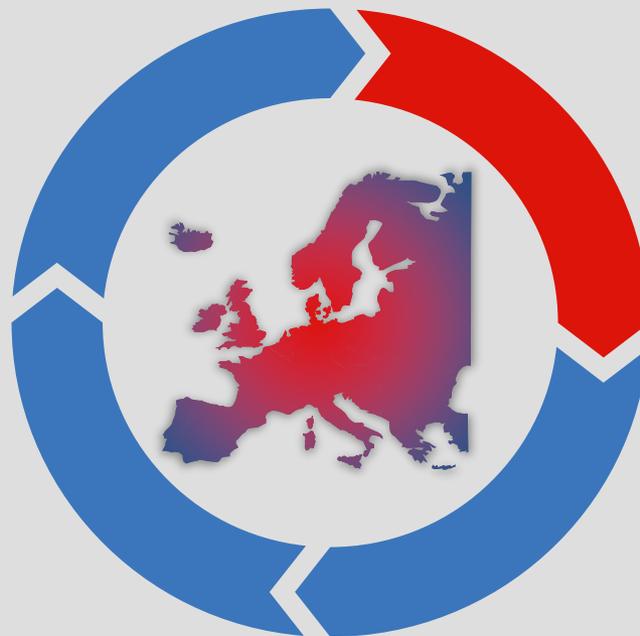
Extended market leading position in Nordics; market expansion coming through in key markets

Major Source Markets

- › **Sweden**
- › **England**
- › **Norway**
- › **Spain**
- › **Finland**

Top Growth Source Markets⁽¹⁾

- › **Spain +226%**
- › **Lithuania +142%**
- › **Italy +140%**
- › **Germany +71%**
- › **England +66%**



Major Destinations

- › **Spain**
- › **USA**
- › **Greece**
- › **Thailand**
- › **Portugal**

Top Growth Destinations⁽¹⁾

- › **UAE +196%**
- › **Italy +69%**
- › **Spain +63%**
- › **USA +60%**
- › **Thailand +53%**

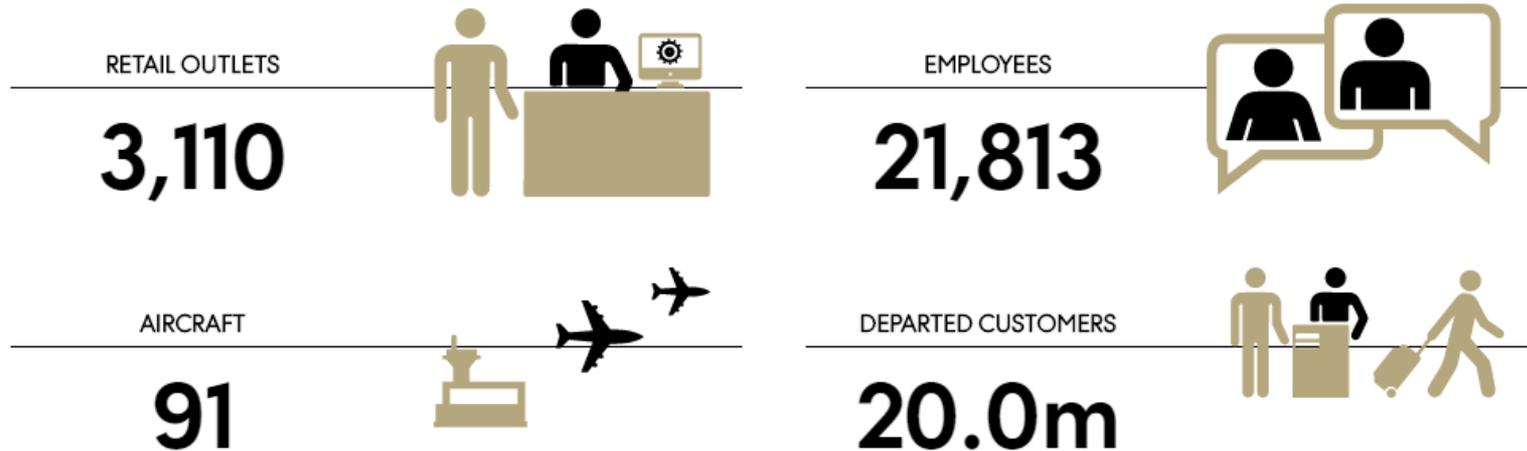
¹Figures represent year on year TTV growth for FY16

B2B WebBeds

Major European Growth Opportunity

Who is Thomas Cook?

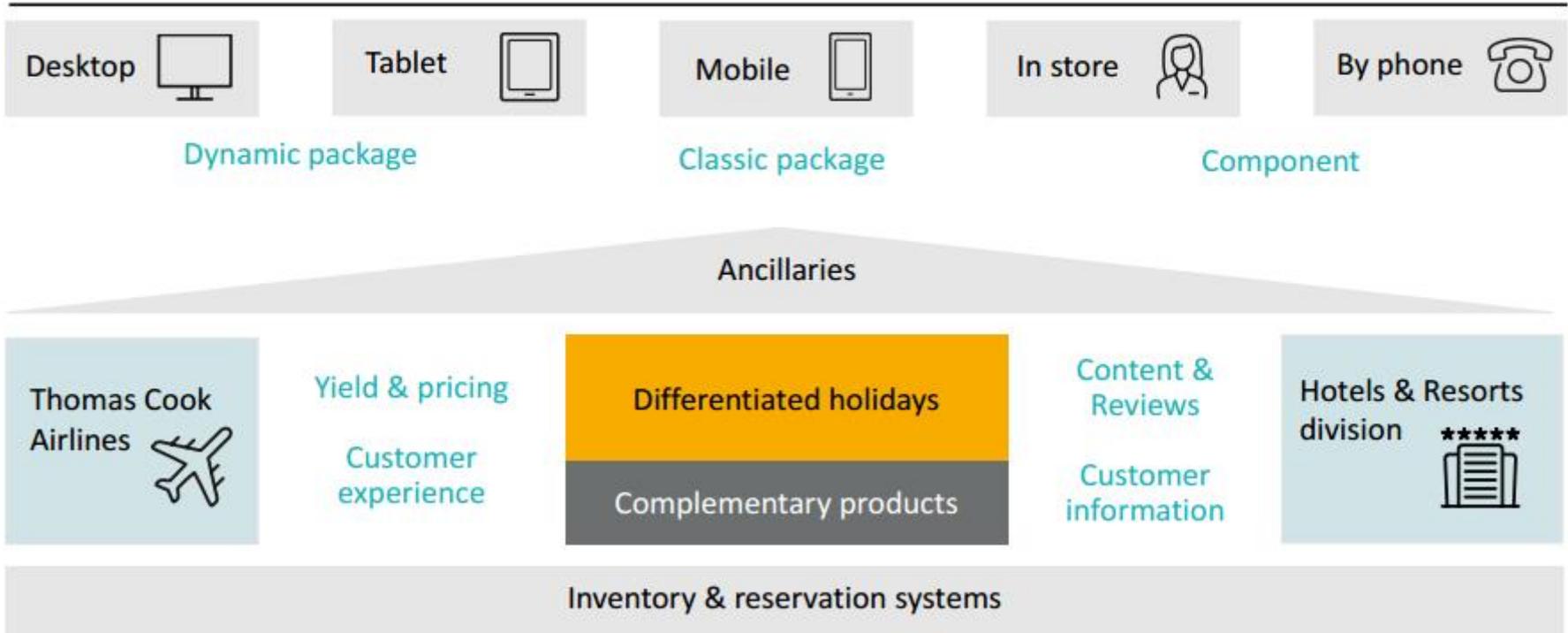
Thomas Cook is the oldest and best loved name in travel with sales of £7.8 billion and 20 million customers each year.



Complementary Products: At the heart of the strategy



Our business model



“We currently make around £2 billion of revenue from complementary products. A 1% uplift in EBIT margin through cost efficiencies should deliver an uplift of around £20-£25 million in EBIT benefits by 2018.” - Thomas Cook chief executive Peter Fankhauser*

* Revenue in this context refers to TTV

Thomas Cook Strategic Sourcing Partnership

New Strategic Partnership

- Sunhotels has entered a major strategic partnership to grow the Complementary Hotel business of Thomas Cook Group
- Thomas Cook is a leading tour operator with GBP 7.8 billion turnover across 15 key source markets
- Sunhotels will receive ~ 3,000 hotel contracts from Thomas Cook and provide these and our existing inventory to Thomas Cook as preferred distribution partner

Partnership Details

- Upfront payment to Thomas Cook of GBP 21 million
- Long term contract
- During the initial two year transitional period, Webjet will be paid a management fee
- Full implementation complete by 1 January 2019
- From 2019, contract becomes a volume based service fee arrangement
- Delivering a lean and efficient process for the contracting and support of hotel inventory to Thomas Cook

FY17 B2B EBITDA target unchanged

Outlook for B2B

B2B

- Our planned B2B investment growth strategy is underway and delivering tangible results
- FY16 investment of \$5 million (\$3 million planned; \$2 million incremental in 2H16)
 - Delivered strong TTV and revenue growth in both Sunhotels and LOH; LOH North America launched and delivering TTV; allowed for preparation work associated with the distribution agreement with Thomas Cook

B2B TTV

- **B2B TTV to exceed \$700 million by FY18**
 - From a zero base in February 2013, we are already achieving an annualised TTV run rate of \$350 million
 - We expect FY18 TTV to be more than \$500 million over FY15 - FY15 TTV \$228 million; Target FY18 TTV \$728 million

B2B EBITDA

- **FY17 B2B EBITDA target over \$11 million**
 - FY16 B2B EBITDA less than expected due to investment in preparation for Thomas Cook opportunity
 - We continue to target FY17 B2B EBITDA of more than \$11 million

FY17 GUIDANCE

Growth continues

5 year CAGR tracking ahead of plan

B2C

- Webjet bookings currently growing at **more than 8%**
- ZUJI Asia bookings currently growing at **more than 20%**
- Online Republic bookings currently growing at **more than 15%**
- We continue to track ahead of our 5 year CAGR EBITDA target of 10%+ for our B2C business

B2B

- LOH bookings currently growing at **more than 30%**
- Sunhotels bookings currently growing at **more than 40%**
- We continue to track ahead of our 5 year CAGR EBITDA target of 30% for our B2B business

EBITDA

- July has started strongly with record monthly TTV and EBITDA
- We will provide guidance at our AGM on **23 November 2016**



webjet limited

THANK YOU

August 2016

