



WEBJET LIMITED
ABN 68 002 013 612

FY18 AGM - Chair Address

FY18 was another milestone year for Webjet Limited. Our mantra of Convenience, Choice and Customer Service have continued to create great results for our customers and for our shareholders.

With strong growth across all metrics in FY18, our B2C division extended its position as the leading online travel agent in Australasia, with four-year CAGR of 21% in travel bookings (of which 15% was organic).

In FY18 our B2B division became the No.2 global B2B hotels business through a combination of strong organic growth and the acquisition of JacTravel. Only a few days ago we announced the acquisition of Destinations of the World for A\$240m plus earn-out.

Clearly, we are building a powerhouse global B2B business, which after the acquisition of DOTW will account for more than 50% of group TTV.

Today Webjet is a much larger business than it has ever been before by any measure: TTV, revenues, profits, customers, locations and of course as measured by employees. Indeed, after the acquisition of DOTW we will have more than 2,000 employees around the world.

In September I spent time with John and our teams in WebBeds' offices in Dubai, London and Palma. These are businesses operating at scale, run by high-quality and highly-engaged people who are on a mission. In May 2019 the Board will visit Dubai again, at which stage we will meet with the enlarged team after integrating DOTW.

FY18 Financial Performance

In his speech John will run through our financial performance in more detail. I will however lead in by making a few comments on FY18 financial performance for continuing operations:

- Webjet continues to serve more customers in more markets than ever before
- Four-year compound headline and organic growth in customer bookings through 30 June 2018 were 44%, and 28%, respectively
- TTV and Revenues were 54% higher than the prior year at \$3bn and \$291m, respectively
- EBITDA¹ rose by 71% to \$87.4m, and NPAT by 30% to \$43.2 million
- EPS before Acquisition Amortisation¹ increased by 38% (10% after) to 37.5 cents, and 20 cps in dividends were declared or paid.
- Webjet delivered a TSR of 12% in FY18, on the back of 77% in FY17 and 148% in FY16

¹ Continuing operations

Destinations of the World

John will also speak about DOTW in more detail. I will say however that having seen WebBeds integrate JacTravel and sell its directly contracted hotels inventory to our customers, I have no doubt in our ability to sell DOTW's directly contracted hotels across our customer base, and vice versa.

This acquisition will deliver significant benefits to our customers, suppliers and shareholders.

I would like at this point to welcome our new colleagues at Destinations of the World to the Webjet family. We are certainly looking forward to the next leg of this journey together.

Capital Management and Cash Flows

Webjet aims to keep a relatively conservative balance sheet so that we are both relatively insulated against unforeseen conditions and have the capacity to pursue new opportunities as they come along. That combines well with the leadership team's relentless focus on cash conversion.

When we announced we were acquiring DOTW on 5 November we indicated that we would fund it through a one-for-nine entitlements issue to raise \$A153m, and a further \$100m in debt.

I'm pleased to say that the institutional component of the raising is in the bank, our new banking facilities have been drawn down and we expect the retail component to be in the bank shortly.

We commented in making the acquisition that we expected net debt to pro forma FY18 EBITDA before synergies to be around .8x which again is relatively conservative.

Governance

Clearly Webjet is now a complex global business, and we are focused on ensuring that the culture, governance and risk management practices are in place to meet the challenge.

During the year we recruited a new Chief Financial Officer, Tony Ristevski, and we welcomed Toni Korsanos to the board. Toni has assumed the important role of Chair of the Board's Audit Committee.

Rajiv Ramanathan retires as a non-executive Director today. Rajiv's work commitments are increasingly Northern Hemisphere-focused and have necessitated his resignation. We thank Rajiv for his thoughtful contribution.

Today Webjet has five Non-Executive Directors, of whom two are women. We are proud that 55% of all global employees and around 30% of our Directors and global management team are women.

The Company implemented a new Corporate Social Responsibility Statement during the year that can be seen on our investor website – www.webjetlimited.com

20th Anniversary

This year Webjet celebrated its 20th anniversary. It's great to have our founder David Clarke in the room today, along with a number of the founding management team and board members.

You should never be in doubt that this company has a high-performance culture, and that is what has propelled it so successfully through the first 20 years of its life.

People

I'd like to acknowledge some very strong performances in FY18 and since then into the new financial year from the Webjet leadership team. John Guscic remains a hard-driving champion for profitable growth, ably assisted by our talented Chief Commercial Officer Shelley Beasley and our Chief Financial Officer Tony Ristevski, who has made a significant impact since joining in May 2018. There are too many people to acknowledge individually.

I mentioned earlier in my address that the broader Webjet group will shortly have more than 2,000 employees around the world. While this presents us with myriad opportunities, it also adds to the complexity of daily life and to many peoples' workloads. Our remuneration policies were set before the Jac and DOTW acquisitions when we were a regional B2C company with a fledgling B2B arm. Today we are a global business, and we need to adjust our approach to remunerating and retaining our senior people accordingly. So, shareholders should expect us to make some refinements during FY19.

Before I hand over to John there is another group of people that we'd like to acknowledge, and that's the broader Webjet team. Whether you write code, are a brand expert or a digital marketer, whether you work in supply or in customer service or at reception, in Australia or New Zealand, in Southeast Asia, in Egypt or the UAE, in the UK, or in Spain or Romania, you are the heartbeat of Webjet, and today we acknowledge your service and thank you.

John will now present on Webjet's strong financial performance in FY18, and the outlook for FY19.