

More than just flights



Webjet Limited is a digital travel business spanning both consumer markets (through B2C) and global wholesale markets (through B2B).

Consumer Markets

B2C Travel – Webjet and Online Republic

Our B2C travel business operates the leading OTA consumer brand of Webjet as well as various market leading brands in complementary travel products within the Online Republic business.



Global Wholesale Markets

B2B Travel – WebBeds

Our B2B travel business provides a simplified B2B solution for our travel intermediary clients that aims to offer the widest range of hotel inventory at the lowest prices. Operating in Europe, Middle East, Africa (MEA), North America and Asia.



FIT RUUMS
Always stronger together

JacTravel

FY17 was an outstanding year for Webjet – we reported record profit, increased market share for the Webjet OTA, completed the integration of Online Republic, finalised the sale of Zuji and continued to build our global footprint for the WebBeds B2B business.

The Webjet OTA continues to gain share as the #1 online travel agent (OTA) in Australia and New Zealand with flight bookings growing more than 6 times the underlying market during the year. This growth was across both domestic and international flight segments and is largely due to our ongoing efforts to better understand our consumers and offer them the greatest convenience and choice when booking their travel needs. Our decision to move to the Cloud has been fundamental in enabling us to be more responsive and agile in our offering, focus on delivering exceptional customer service, build better relationships with our airline partners and offer a broader range of ancillary products.

FY17 marked our first full year of ownership of Online Republic and we continue to be delighted with both the acquisition and the management team, who are a great fit with the Webjet culture. We saw strong bookings growth for Cars and Motorhomes, although poor regional weather impacted demand for Cruise during 2H17. Since January 2017, Online Republic has provided car hire for the Webjet OTA through its airportrentals.com brand, helping drive both bookings growth and margin improvement.

2017 also saw 3 key milestones in our aim to become a leading global player in the B2B space. Firstly, the strategic sourcing partnership with Thomas Cook announced in August 2016 (which will see Sunhotels take over the majority of Thomas Cook's complementary hotels business from June 2019) offers significant TTV, revenue and EBITDA opportunities from FY20 onwards. In November 2016 we launched FIT Ruums, our entry strategy into the fast growing Asian B2B market, and the business had already achieved an annualised TTV run rate of \$90 million by August 2017. More recently, in August 2017 we announced the transformational acquisition of JacTravel, making WebBeds the #2 player in the global B2B space.

Our WebBeds B2B business had a phenomenal year in FY17. Bookings growth in all markets demonstrates the importance of building a global business able to deliver deep inventory at attractive prices to a wide range of customers. If not for the technical accounting dispute in relation to accounting for the Thomas Cook agreement, we would have reported \$11.9 million EBITDA for the B2B business, an increase of 247.7% over FY16 (even after expensing more than \$3 million associated with the launch of FIT Ruums). The decision to adopt our auditor's treatment for the Thomas Cook agreement meant reported EBITDA for FY17 was \$0.4 million, down 89.7% compared to FY16. After considerable deliberation, we felt this was the right decision for the company. The accounting treatment only impacts the transitional period for the agreement and has no impact on the cash flows or economics of the agreement. We remain firmly of the view that the Thomas Cook agreement will deliver significant long term value, regardless of the accounting treatment adopted.

I am excited about the growth opportunities for the company. To date we have delivered superior organic bookings growth across all our businesses and we are focused on continuing to deliver profitable growth going forward. Our strategy is to grow share in each of our markets and we have set 3 year bookings growth targets for both B2C and WebBeds businesses.

Finally, I would also like to thank all of our staff for their commitment to the company, our many loyal customers who have helped drive our market leadership positions and our shareholders for their ongoing support.



John Guscic
Managing Director Webjet Limited



John Guscic
Managing Director
Webjet Limited

B2C

Established in 1998 as one of the first OTAs in the Australian market

Webjet's focus has always been to offer our customers the greatest convenience and choice by enabling them to compare, combine and book the best domestic and international flight deals, accommodation, holiday packages, travel insurance and car hire worldwide.

Leading the way in online travel tools and technology



Keen to diversify into broader travel market opportunities and leverage considerable in-house management expertise, the company launched its B2B operations in 2013.

In 2013, the company acquired Zuji (a leading OTA in Hong Kong and Singapore, with operations in Australia) in order to expand its B2C offering into the Asian market.

Webjet Exclusives launches

Webjet Exclusives launched, in June 2014, as a breakout brand delivering unique travel offers to customers. The products focused on resort holidays and international packaged tours.

Migration to the cloud

Webjet Android App released

In February 2015 Webjet added to its presence in the fast growing App space with an App for devices with the Android OS.

May 2016, acquired Online Republic

A market leader in the attractive online car hire, motorhome and cruise segments. Online Republic is highly complementary to Webjet's existing portfolio and provides opportunities to leverage core capabilities into new travel and leisure segments.

RouteHappy integration

November 2016, Webjet integrated RouteHappy's rich content to help customers choose the right flight for their travel needs.

Sold the Zuji business in November 2016 to focus on higher margin B2B opportunities in Asia.

Webjet partnered with NAB to power their Travel Rewards program

January 2017, NAB Rewards members can earn and burn their NAB Rewards points for any seat, on any flight at Webjet. They can also pay or part pay in points for hotels, holiday packages and other travel products.

Webjet #1 OTA in Australia and New Zealand

2013

2014

2015

2016

2017

Launch of B2B in Dubai

In February 2013, launched start-up of **Lots of Hotels** based in Dubai servicing the Middle East and Africa (MEA) markets. In less than 5 years, Lots of Hotels is now the #3 player in the MEA market.

Expansion into Europe with acquisition of Sunhotels

Focused on building a global B2B business, in July 2014, Webjet expanded into Europe with the acquisition of **Sunhotels**, a Spanish based B2B provider with a key strength in Mediterranean and beach properties and market leadership in the Nordic countries.

The Americas market launch

In November 2015, Lots of Hotels launched into the Americas market, starting with North America, but soon extending into South America.

Strategic partnership with Thomas Cook

In August 2016, Sunhotels announced a strategic sourcing partnership with Thomas Cook, one of the world's leading holiday companies, which will see Sunhotels take responsibility for the majority of Thomas Cook's complementary hotel business volume by mid 2019.

Asian B2B strategy

In November 2016, announced the launch of **FIT Ruums**, the company's entry strategy into the fast growing Asian B2B market.

DIDA partnership in China

In November 2016, FIT Ruums announced an exclusive alliance partnership with DIDA travel, the #1 travel distributor in China.

Blockchain initiative announced

Partnership with Microsoft in developing the world's first Blockchain initiative for the travel industry

WebBeds #2 in the global B2B market

Acquisition of JacTravel

In August 2017, the company announced the acquisition of **JacTravel**, a London based global B2B player with a key strength in tier 1 European city properties. The acquisition made WebBeds the #2 player in the global B2B market.

B2B

B2C



Webjet is the #1 OTA in Australia and New Zealand, leading the way in online travel tools and technology.

A market leader in online flight bookings, in recent years we have increased our presence in broader ancillary products such as holiday packages, car hire and travel insurance.



- **Full range of flight options** with the robust content to assist customers select the right product for them. Our unbiased, easy-to-use domestic flight matrix display shows all airlines, flight times and price options available. With a significant portion of bookings in Australia containing flight sectors on different airlines, we make it easy to book the entire journey in a single transaction. International flight options have integrated content to help customers make more informed decisions. In addition to full service carriers, we were the first OTA to offer flights from low cost carriers (LCC), making it easier for customers to select the best product to meet their individual needs.
- **Superior customer service** – our call centres are available 24/7 to assist with any booking issue to ensure our customers are fully supported. Delivering superior customer service is a core feature of Webjet’s offering and we continually survey customers to ensure our customer service is the benchmark in the travel industry. Our phone based customer service is benchmarked against the airlines and other agency groups and we are proud to be consistently ranked #1 in industry wide studies.
- **30 minute price guarantee** – our booking fee includes a 30-minute price guarantee ensuring the fare selected is available when it comes time to pay, even at times of peak demand.
- **Mobile Apps** – make searching and booking easier across a full range of iOS and Android phones and tablets.
- **Broad payment types** – our wide range of payment options include Credit/Debit Cards, PayPal, Webjet vouchers, BankWest Points, NAB Rewards Points, American Express Membership Rewards Points, MasterPass and Visa Checkout making it easy to pay.
- **Trusted brand** – we have built a brand that our customers trust to provide them with the greatest convenience and choice to enable them to select the right product for them.

Fully migrating to the Cloud in 2015 has allowed us to better understand consumer purchasing behaviours and make ongoing improvements and refinements to our product offering and supply. Various initiatives in FY17 included:

- **Industry leading merchandising capabilities for airline partners** – RouteHappy integration allows our international airlines partners to visually showcase comprehensive product features including aircraft type, seat pitch layout and entertainment, improving the shopping experience and helping customers make more informed decisions.

- **Transition to an agile development culture** is helping deliver efficient and rapid innovation to market.
- **UX team investment** delivering enhanced customer driven design.
- **Superior chat, messaging and social engagement** services for our customers.
- Expanded data and analytics teams reflect **ongoing commitment to data driven decision making** and customer experience improvements.
- **Enhanced booking change process and flow** to remove friction points.
- **Additional customer survey touchpoints** to collect real time feedback of the customer experience.

These initiatives have all helped drive increased visitations and conversions which have contributed to our continued market share gains. Our aim has always been to grow faster than the market and in FY17, Webjet's flight bookings growth was more than 6 times the rate of the overall market.



More than just flights

While flights remain a core part of our offering, Webjet also offers a wide range of ancillary products and services to help customers fulfil all their travel needs. Our more than 2.5 million subscribers receive regular emails highlighting current offers and sales across our entire product range.

- **Car hire** – powered by the #2 regional online car hire site, [airportrentals.com](#)
- **Dynamic holiday packages** – allows customers to combine our broad range of flights and hotels to deliver savings
- **Exclusives** – exclusively contracted holiday packages
- **Travel insurance** – backed by industry leader, Allianz
- **Cruise** – over 4000 cruises from 20+ cruise lines and powered by the #1 online cruise agency in Australia and New Zealand, [Cruisesalefinder.com.au](#)
- **Motorhomes** – powered by the #1 globally motorhome rental site, [MotorhomeRepublic.com](#)
- Over 160,000 **hotels** worldwide



B2C

Online Republic is a global digital travel group specialising in online car rental, motorhome and cruise travel bookings.

Working as an online aggregator, with contracted relationships with all of the leading global suppliers in each category, Online Republic connects our customers to the best deals across web, mobile or tablet. Our local based reservations staff are able to offer advice and concierge-level service to match the right product to our customers' needs. Since November 2017, Online Republic now offers flight options to enable customers to easily combine fly/cruise and fly/drive packages.



Online Car Rentals

Established in 2004, AirportRentals.com is **currently the second largest car rental website in Australia and New Zealand**. The brand has contracts with all of the major global suppliers and operates across 138 countries, with websites supported in 8 languages. Since January 2017, Airportrentals.com has provided car hire for the Webjet OTA. In addition to growing share in the Australian and New Zealand markets, in recent years we have been developing markets outside Australasia such as North America, Europe and South Africa.

Since August 2017, AirportRentals now offers a unique "Good to go Guarantee" that ensures customers have access to an alternative vehicle at point of collection should an issue arise with their booking.



Online Motorhomes

Established in 2006, the MotorhomeRepublic brand is now **the world's largest online motorhome rental agent**. Operating in 8 languages, with contracts with all the major global suppliers, MotorhomeRepublic offers consumers the ability to book a camper van from any of over 450 locations across 28 countries. Supported by highly knowledgeable reservations staff, MotorhomeRepublic offers the best rental deals on over 30,000 vehicles.

The business is well positioned to take advantage of growth in the "independent traveller" segment with increased demand expected from North American and European markets both in terms of destinations as well as source markets for outbound travel.



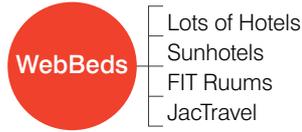
Online Cruises

Established in 2008, CruiseSaleFinder is **the largest online cruise agency in Australia and New Zealand**, offering the best cruise line deals to the Australian and New Zealand markets. CruiseSaleFinder has provided the cruise offering for the Webjet OTA since mid 2014. Cruise bookings are typically more "high touch" than other travel products, particularly for many first time cruise-takers. To assist customers make the best choice for them, our CLIA award-winning consultants are available to provide advice and answer booking queries. This has resulted in very strong customer satisfaction levels and high levels of repeat bookings.

Cruise holidays are currently the highest growing travel segment in Australasia. Since the addition of fly/cruise packages in November 2017, CruiseSaleFinder is now able to expand its offering to the Australasian holidaymaker by allowing them to easily combine their flight and cruise bookings.

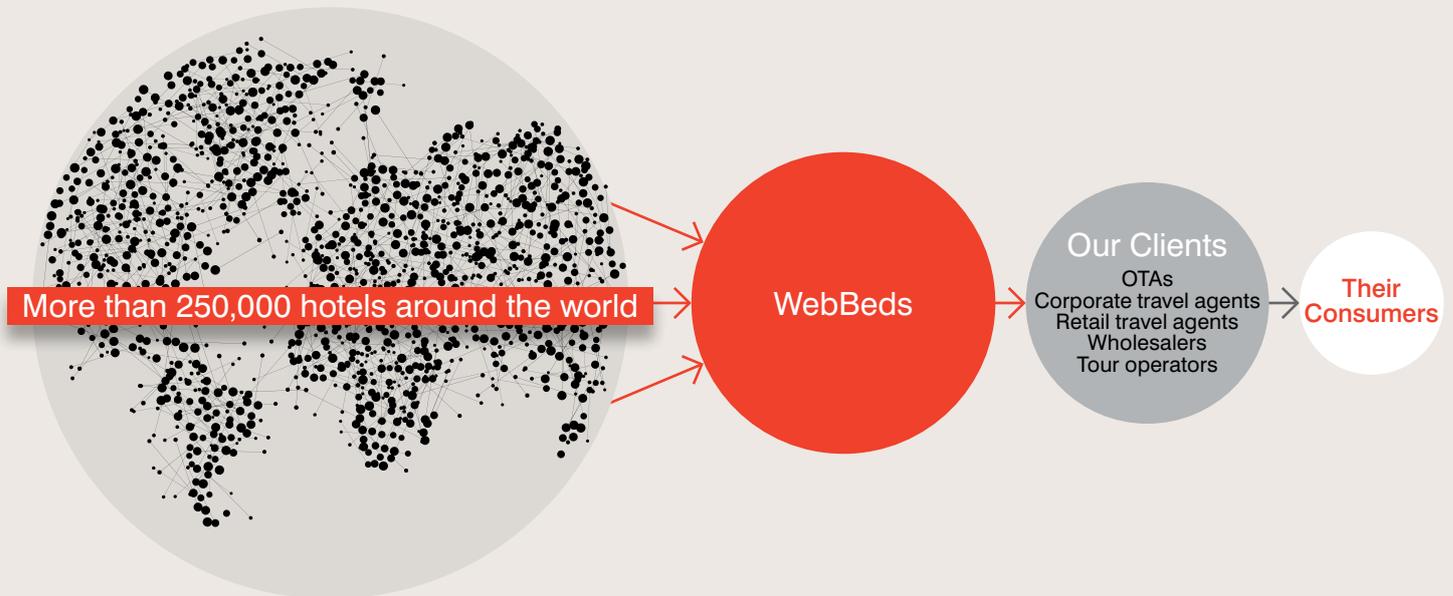


B2B



What is the B2B market?

WebBeds acts as an online intermediary between our travel provider clients seeking to fulfil accommodation requirements for their consumers and the more than 250,000 global hotels seeking to manage their occupancy rates.



Why is B2B important?

Notwithstanding the ongoing global shift to online direct to consumer services that we stand to benefit from in our B2C businesses, we believe there will always be a role for travel intermediaries and the B2B market is an important part of the global travel industry.

WebBeds helps its B2B clients fulfil hotel room requests for their consumers. In a highly fragmented market, going direct to hotels themselves is time consuming, costly and inefficient for our clients and WebBeds makes it easier by providing easy access to a wide range of hotel room inventory.

In addition, B2B players like WebBeds helps hotels better manage their occupancy rates by providing longer horizon bookings and reducing reliance

on shorter term and less predictable bookings direct from consumers. Hotels therefore provide room allocations to B2B players at attractive rates to help smooth lumpiness in occupancy rates. Many hotels (particularly smaller, independent hotels) do not have strong distribution reach and B2B players like WebBeds help provide access to a broader distribution platform.

The B2B market opportunity

We believe the global B2B market size is more than US\$50 billion in terms of TTV, with each region having different market characteristics. Very few players have a global presence and as a result, the global market is highly fragmented with the majority of participants having specialised, local offerings and relatively small market share.

WebBeds is the #2 player in the B2B market, yet our current market share is less than 3% of the total global market

B2B Global Market Size (TTV \$US)



Europe
\$20 Billion



Asia
\$18 Billion



MEA
\$3 Billion



Americas
\$15 Billion

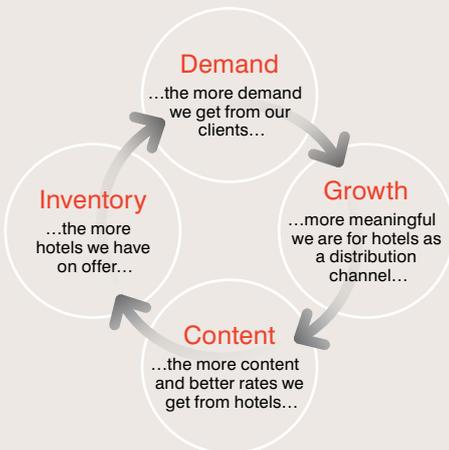
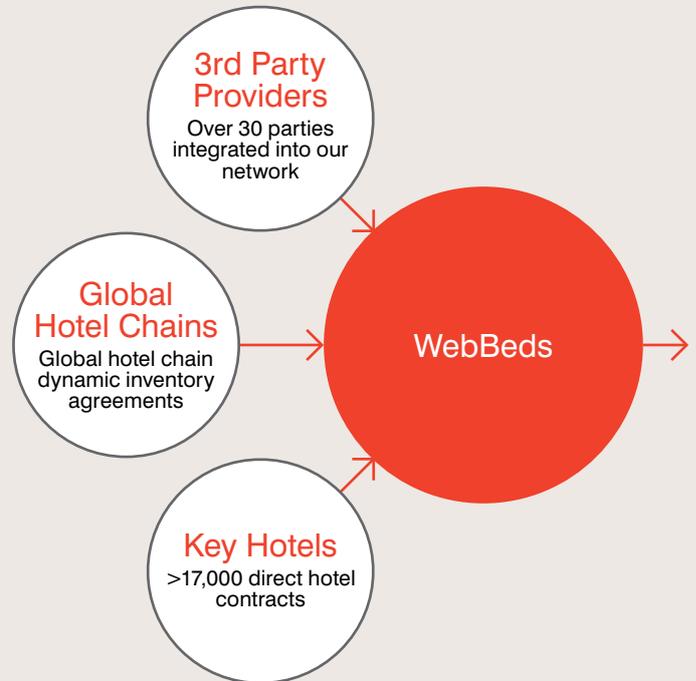
B2B

What does WebBeds offer?

We use a mix of supply channels to offer the greatest breadth and depth of hotel room inventory to our clients at great prices.

We operate a multi-supply aggregation strategy that ensures a full inventory offering while allowing us to effectively manage costs. This strategy involves both directly contracting room allocations with key hotels as well as using a wide range of third party providers. We also have dynamic inventory agreements with most of the major global hotel chains. WebBeds currently offers more than 250,000 hotels, of which over 17,000 are directly contracted.

Our multi-supply aggregation strategy helps keep our cost base low. In fulfilling client accommodation requests, we aggregate all supply sources in order to display the lowest priced option for our clients. Having multiple sources means that at times of high demand, we are able to draw on a range of suppliers to help fulfil client requests.



The network effect

WebBeds is currently the fastest growing B2B player in the world. Since launching Lots of Hotels in February 2013 with one office in Dubai with 6 source markets, we have grown to selling to over 170 destination countries through clients in more than 130 source markets worldwide.

As we continue to grow and build our global client base, the more relevant we become to hotels as a means of distribution. As a result, we are able to get deeper room allocations at better prices with our directly contracted hotels, as well as attract new hotels to our platform. In addition, as the fastest growing B2B business in the world, we are becoming increasingly meaningful to our third party providers as a

distribution platform for their own room allocations. Our ability to increase room content and access better rates from our hotel suppliers in turn helps feed greater demand for our product from our clients, helping grow our global client base.

Deep management expertise

Our B2B management team has significant industry expertise with all of our senior team having worked at senior levels in the B2B market across all parts of the world. In an industry where long term relationships with industry players are important, we are able to draw on their networks and expertise to help drive growth both by increasing direct contracting, as well as expanding our client base in key markets.

B2B



WebBeds brands



Middle East/Africa/Americas

Based in Dubai, Lots of Hotels is currently the #3 player in the Middle East and Africa (MEA) market. Operating in 47 markets, our multi-supply aggregation strategy allows us to offer unique coverage across the region.

Economic conditions in the Middle East improved during FY17 and Lots of Hotels experienced strong demand turnaround and continued to grow market share. Bookings increased 70.4% compared to overall market growth in the Middle East of around 5%. The FY16 investment in sales force and direct contracting teams resulted in meaningful revenue and EBITDA growth.

Lots of Hotels North America was launched in November 2015, targeting wholesalers in the key cities of New York, Las Vegas and Orlando, shortly after expanding into South America. After a slow start due to longer-than-anticipated connection time for customers, North American markets started to gain traction in FY17 across both TTV and Bookings.

Europe

Sunhotels is an established European B2B operator and market leader in the Nordic countries. Sunhotels has a strong global position in beach properties and has significant growth opportunities in city destinations and new European markets. Following the FY16 investment in building out the sales force and direct contracting teams, Sunhotels gained strong momentum in several important markets during FY17 including the UK, France, Switzerland, Germany and Italy.

In August 2016, Sunhotels announced a strategic sourcing partnership with Thomas Cook, one of Europe's leading tour operators. The agreement will see Sunhotels take responsibility for contracting the majority of the volume of Thomas Cook's complementary hotel business (the part of the business that does not use Thomas Cook branded hotels). As part of that agreement, Sunhotels acquired over 3,000 direct hotel contracts from Thomas Cook that are in the process of being novated across. The transition period during which Thomas Cook restructures its back end processes and integrates its systems with Sunhotels will end in May 2019 and from 1 June 2019, the relationship will switch to a volume based earning arrangement offering significant revenue and EBITDA potential.



Asia

FIT Ruums focuses on B2B travel distribution for worldwide hotel accommodation and transfers in Asia. Since launching in November 2016, FIT Ruums offices are now open in Singapore, Hong Kong, South Korea, Indonesia, Taiwan, Malaysia, India, Thailand, Japan and China. In November 2016, FIT Ruums announced an exclusive alliance partnership with DIDA Travel, China's largest wholesaler, providing it with a strong foothold into the Chinese market.

Contracting for Asian destinations started in May 2017 and over 200 direct contracts are now available in key Asian cities including Singapore, Hong Kong, Bangkok, Phuket, Seoul, Taipei and Jakarta.



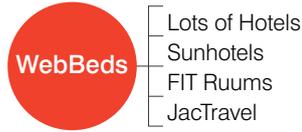
Europe/Americas/Asia

Acquired in August 2017, JacTravel is one of the leading suppliers of hotel accommodation for the global travel industry and a provider of specialist inbound group travel services to the UK, Ireland and Europe. Headquartered in London, JacTravel has offices throughout the UK, Europe, Asia, the Middle-East and North America.

JacTravel brings a highly complementary operating footprint to WebBeds in terms of geography, product and wholesale/retail mix. JacTravel has a key strength in Tier 1 European city hotel inventory, while also strengthening WebBeds existing position across Asia, the Americas and the Middle East.

The acquisition increased the depth and breadth of WebBed's inventory offering by growing WebBeds directly contracted inventory footprint to 17,000, Jactravel provided WebBeds with 7,000 incremental directly contracted hotel inventory, as well as improved inventory allocation in 3,000 overlapping hotels.

B2B



WebBeds is now the #2 B2B player globally...

Our global network

- Afghanistan
- Albania
- Algeria
- Andorra
- Angola
- Argentina
- Armenia
- Australia
- Austria
- Azerbaijan
- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Bolivia
- Bosnia
- Botswana
- Brazil
- Brunei
- Bulgaria
- Cambodia
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Croatia
- Cyprus
- Czech Republic
- Democratic Republic of the Congo
- Denmark
- Dominican Republic
- Ecuador
- Egypt
- El Salvador
- Estonia
- Ethiopia
- Finland
- France
- Georgia
- Germany
- Ghana
- Greece
- Guatemala
- Haiti
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Israel
- Italy
- Ivory Coast
- Japan
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kuwait
- Latvia
- Lebanon
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macedonia
- Malawi
- Malaysia
- Maldives
- Malta
- Mauritius
- Mexico
- Micronesia
- Moldova
- Monaco
- Mozambique
- Namibia
- Nepal
- Netherlands
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Norway
- Oman
- Pakistan
- Panama
- Paraguay
- Peru
- Philippines
- Poland
- Portugal
- Qatar
- Romania
- Russia
- Rwanda
- Saudi Arabia
- Senegal
- Serbia
- Seychelles
- Singapore
- Slovakia
- Slovenia
- South Africa
- South Korea
- Spain
- Sri Lanka
- Swaziland
- Sweden
- Switzerland
- Taiwan
- Tanzania
- Thailand
- Trinidad and Tobago
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- Ukraine
- United Arab Emirates
- United Kingdom
- Uruguay
- USA
- Uzbekistan
- Venezuela
- Vietnam
- Yemen Republic
- Zambia
- Zimbabwe

...selling to over 170 destination countries
through our clients in more than 130 source
markets worldwide



FY17 Financial Highlights

Adopting our auditor's accounting treatment for the Thomas Cook agreement, the table below shows Statutory Results and results for the Continuing Operations (excluding proceeds from sale of Zuji and other one-offs).

The revenue adjustment as a result of adopting this accounting treatment has a direct flow-through impact on the statutory reported revenue and EBITDA result for the WebBeds B2B business. In order to demonstrate the underlying performance of the WebBeds business, the table below also shows Underlying Performance which recognises the Thomas Cook management fee as revenue.

	Statutory Result			Continuing Operations			Underlying Performance (including Thomas Cook)		
	FY17 \$m	FY16 \$m	Change %	FY17 \$m	FY16 \$m	Change %	FY17 \$m	FY16 \$m	Change %
Year ended 30 June									
TTV	2,043	1,630	25.3%	1,950	1,437	35.7%	1,950	1,437	35.7%
Revenue	218.7	154.5	41.5%	188.8	137.6	37.2%	199.8	137.6	45.2%
EBITDA	69.9	36.6	90.7%	51.0	36.3	40.3%	62.5	36.3	72.0%
NPAT	52.4	21.3	146.6%	33.1	21.0	58.0%	40.9	21.0	95.2%
EPS (cents)									
Diluted	52.9	25.8	105.1%	33.4	25.8	29.6%	41.5	25.8	61.0%
Margins (%)									
Revenue Margin	10.7%	9.5%		9.7%	9.6%		10.2%	9.6%	
EBITDA Margin	32.0%	23.7%		27.0%	26.4%		31.3%	26.4%	

1. Continuing operations exclude Zuji, proceeds from sale of Zuji and one-off adjustments including change in accounting treatment for Webjet Exclusives now acting as principal, termination of car hire contract, performance rights and related incentives.
2. For comparative purposes, FY17 revenue excludes \$16.2 million revenue attributed to Webjet Exclusives now acting as principal.

Record Profit

The company reported record profit in FY17 with reported NPAT of \$52.4 million, up 146.6% compared to FY16 and NPAT for continuing operations of \$33.1 million, up 58.0%.

Strong cash position

The company reported net increase in cash during the year of \$61.9 million, compared to an increase of \$40 million in FY16. As at 30 June 2017, our cash and equivalents were at \$178.1 million.

Having completed the JacTravel acquisition in which we used around \$45 million of cash, we continue to have a strong balance sheet with significant cash reserves to pursue attractive growth opportunities.

Strengthened balance sheet

Cash balance of \$178.1 million as at 30 June 2017 included \$21.2 million of client funds. This compared to a cash balance of \$116.2 million as at 30 June 2016 (including \$21.6 million of client funds).

Equity of \$216.3 million as at 30 June 2017 included \$31 million new equity raised in relation to the acquisition of Online Republic. Equity as at 30 June 2016 was \$151.7 million.

Increased dividend

The total dividend of 17.5 cents per share comprised an interim dividend of 7.5 cents (up from 6.5 cents in the previous corresponding period (pcp)) and a final dividend of 10.0 cents (up from 8.0 cents pcp).

B2C Online Consumer Travel Brands

Continuing operations for the B2C business reported significant growth driven by market share gains by Webjet OTA and the first full year contribution of Online Republic.

FY17	Continuing Operations
Bookings	1.85 million, up 43.6%
TTV	\$1.5 billion, up 34.5%
Revenue	\$151.2 million, up 41.8% ⁽¹⁾
EBITDA	\$58.1 million, up 50.3%

1. For comparative purposes, FY17 revenue excludes \$16.2 million revenue attributed to Webjet Exclusives now acting as principal.

Webjet

Webjet bookings were up 11.4% to 1.40 million and TTV was up 15.3% to \$1.14 billion. We continue to gain market share in both domestic and international flight markets, with flights bookings up 12.7%, more than 6 times the underlying market growth. Packages bookings were up 38.2%, while hotels bookings fell 21.1%, in line with our strategic decision to focus on flights and Packages and no longer actively promote stand alone B2C hotel offerings.

Webjet EBITDA was up 14.3% to \$43.1 million. Enhanced product offerings in Packages, Exclusives and Ancillary product ranges are all playing a role in driving growth. A focus on user experience, superior customer service, merchandising content for carriers and broadened payment options are driving increased visitation and conversion. As a result, Revenue/TTV margins increased notwithstanding the loss of \$5 million in credit card surcharge revenue during the year.

Online Republic

Online Republic is now fully integrated and meeting acquisition projections after the first full year of ownership. Bookings were up 28% to 446,000 and based on pre-acquisition numbers, TTV including inter-company sales was up 22% to \$290 million (\$267 million after elimination of these sales) with strong performance from both Cars and Motorhomes. We also successfully completed the transition of the Webjet OTA car hire business to the Online Republic platform and performance is exceeding expectations. Cruise bookings had marginal growth of 3% due to challenging weather events in 2H17 which impacted sales.

Zuji

In November 2016, we sold the Zuji business to Uriel Holdings Limited, a Hong Kong based travel technology company for \$56.0 million, which represented a \$28.0 million gain on sale.

WebBeds B2B Business

As a result of adopting our auditor's accounting treatment, the fixed management fee received by Sunhotels from Thomas Cook during the transition period will not be recorded as revenue. In addition, all costs incurred by Sunhotels in preparation for taking over the majority of Thomas Cook's complementary hotel business volume will be expensed during the year. This adjustment has a direct flow-through impact on the statutory reported revenue and EBITDA result for the WebBeds B2B business.

Continuing operations for WebBeds B2B business reflect the impact of this accounting treatment while Underlying Performance recognises the Thomas Cook management fee as revenue:

FY17	Continuing Operations	Underlying Performance
Bookings	726,000, up 49.4%	726,000, up 49.4%
TTV	\$482 million, up 39.5%	\$482 million, up 39.5%
Revenue	\$37.6 million, up 21.3%	\$48.7 million, up 56.9% ⁽¹⁾
EBITDA	\$0.4 million, down 89.7% ⁽²⁾	\$11.9 million, up 247.7% ⁽²⁾

1. Adjusting the Continuing Operations to reflect the Thomas Cook management fee.
2. After expensing \$3.8 million costs associated with the launch of FIT Ruums.

Lots of Hotels

Lots of Hotels (LOH) benefited from the turnaround in economic conditions in the Middle East. Bookings were up 70.4% to 283,000, compared to market growth estimates of around 5%. Bookings in 2H17 grew 99%. TTV grew 34.3% to \$217 million, reflecting overall lower average booking values (ABV) in the North American market and a fall in ABV in the Middle East. After a slow start due to longer than anticipated connection times for customers, LOH in North America is now gaining traction and we expect it to make an EBITDA contribution in FY18.

Sunhotels

The Sunhotels business also reported strong growth. Bookings were up 22.5% compared to estimated market growth of around 3%. TTV grew 33.5% to \$245 million. The business gained strong momentum in several important markets including retail markets in the UK, France and Switzerland, while Germany and Italy are now in the top 6 source markets.

The Thomas Cook partnership was announced in August 2016 and is proceeding on track with 800 of the more than 3,000 acquired direct contracts available through the Sunhotels platform as at 30 June 2017. During the transition phase while Thomas Cook restructures its back end processes and integrates its systems with Sunhotels, we will recognise no management fee revenue. During the year, we hired 60 people to work on the Thomas Cook integration, adding to the 10 people we hired in FY16 to manage the transition. As a result, we acquired additional premises in Spain.

From June 2019, Sunhotels will receive a percentage of TTV sold which offers significant revenue and EBITDA potential from FY20 onwards.

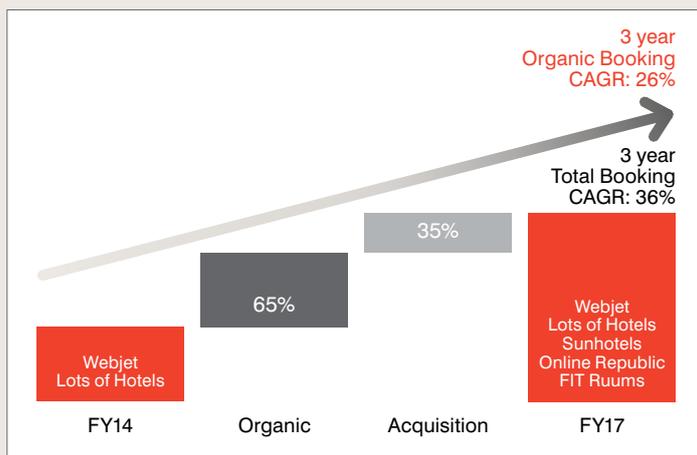
Fit Ruums

During the year, we invested \$3.8 million in the launch of FIT Ruums, our entry strategy into the fast growing Asian B2B market. Key costs included hiring 48 staff and opening 10 representative offices in the region. By leveraging the WebBeds global inventory offering, Fit Ruums already had an annualised TTV run rate of over \$90 million by August 2017.

Our strategy is to grow profitable market share in each of the markets in which we operate

Average Booking Values (ABV) in both B2C and B2B markets are driven by market conditions over which we have little control and therefore TTV growth targets are a limited metric to exclusively measure performance.

We therefore believe bookings growth is a meaningful metric to measure our performance and is driven by providing outstanding service, offering superior technology, highly effective sales and marketing teams and having competitively priced inventory – all of which are key focuses for our businesses.



Over the past 3 years, the company has reported total bookings CAGR of 36% and organic bookings CAGR of 26%, highlighting our ability to deliver strong organic growth.

Going forward into FY18, we are targeting 3 year bookings growth targets that reflect our strategy to grow share.

These are:

- 3 year B2C bookings growth target – more than 3 times the underlying market growth rate
- 3 year B2B bookings growth target – more than 5 times the underlying market growth rate

B2C growth strategy

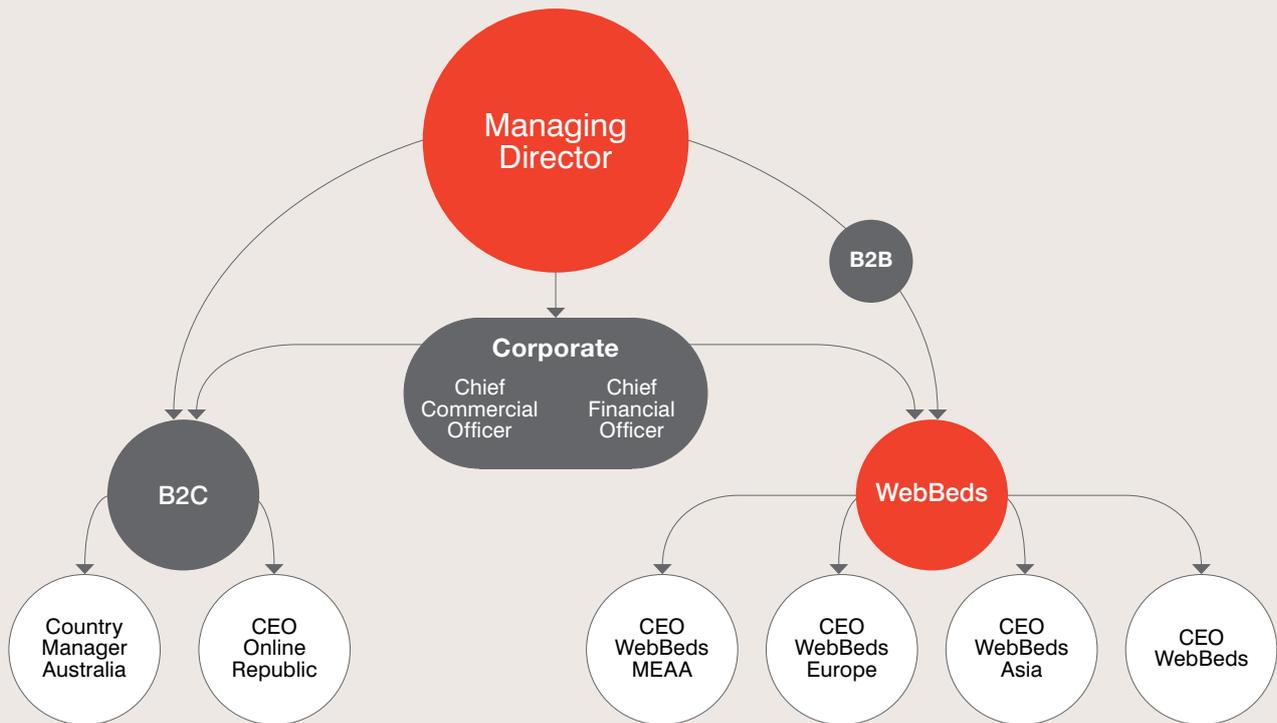
We believe we are well positioned for ongoing bookings growth as the B2C market continues to shift online and we continue to focus on improving visitations and conversions.

We see considerable growth opportunities in our Webjet OTA business from both domestic and international flight bookings, as well as packages. In addition, we continue to look for opportunities to expand the Online Republic brands into other regional and international markets.

B2B growth strategy

Our aim is to be a leading global B2B player. We see considerable opportunities to grow market share in all regions and expect the WebBeds business to benefit from the network effect from increasing our global inventory offerings. Together with our low cost multi-supply aggregation strategy model, we believe we can continue to offer the greatest breadth and depth of inventory at competitive prices to our B2B clients.

Corporate Structure



OTA Brands



WebBeds Brands



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- FIT Ruums
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