

convenience and choice



webjet limited

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

Travel

B2C

B2B

Hotels

Leading online consumer travel brands

Webjet is the **#1 Online Travel Agent (OTA)** in Australia and New Zealand.

Online Republic – specialising in online car rental, motorhome and cruise travel bookings.

WebBeds #2 in the global B2B market

Providing online fulfilment of hotel room bookings for travel industry clients.

Global coverage across 3 regions:

- WebBeds Europe
- WebBeds AMEA (Americas, Middle East & Africa)
- WebBeds Asia Pacific

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Dear Shareholder

FY18 was another milestone year for Webjet Limited.



Roger Sharp
Chairman
Webjet Limited

With strong growth across all metrics, our B2C division has maintained and extended its position as the leading online travel agent in Australasia. With continuing strong organic growth and the acquisition of JacTravel, our WebBeds division is now the No.2 global B2B hotels business.

Metrics

Webjet continues to serve more customers in more markets than ever before, with four-year compound annual growth (CAGR) in customer bookings of 44% (of which 28% is organic growth).

Total transaction value (TTV) on continuing operations increased by 54% over the prior corresponding period to \$3,012 million, revenues by 54% to \$291.0 million, EBITDA by 71% to \$87.4 million, NPAT (before AA) by 63% to \$55.7 million, NPAT by 30% to \$43.2 million and EPS up 10% to 37.5 cents.

Business-to-consumer

Growth in B2C customer activity remains strong, with four-year CAGR of 21% in travel bookings (of which 15% is organic growth).

Webjet.com.au and webjet.co.nz continued to grow strongly, with domestic and international flight bookings growing at more than three times the market rate. Our sales of ancillary products (packages, car hire, insurance and hotels) grew in aggregate faster than flight bookings, and generated higher margins.

Within Online Republic, both the Motorhomes and Cars divisions performed strongly with bookings growing by 16% and 14% respectively. Cruise bookings were down due to a slower regional Cruise market.

Business-to-business

The Company's strategy to build WebBeds is continuing to bear fruit, with the division delivering FY18 bookings growth of 214% (organic bookings up 79%), and four-year CAGR of 147%.

WebBeds now accounts for approximately 45% (\$1,354 million) of Group TTV, 39% (\$114 million) of Group revenue and 31.5% (\$27.2 million) of Group EBITDA respectively.

The acquisition of JacTravel has transformed WebBeds into a significantly larger and more diversified business, providing the catalyst for its reorganisation into three geographic divisions during the year: Europe, Asia Pacific and AMEA (Americas, Middle East and Africa).

WebBeds' partnership with Thomas Cook has continued to perform strongly and will move to a volume-based revenue arrangement from 1 June 2019.

While WebBeds is the number two player in the global B2B market, its relatively small market share supports your Directors' belief that there continues to be significant potential to grow that share through a combination of organic growth and selective acquisitions.

Capital management and cash flows

Cash management has been an area of much focus during FY18.

The Company has reported a full year cash conversion of 159%, higher than expected due to the timing of creditor payments which were deferred during the implementation of a new ERP system in one of our B2B business units. This implementation is now at an advanced stage and we expect our average cash conversion rates to normalise at between 95% and 110% across FY18 and FY19.

The Company paid down \$24.6 million of bank debt during the year, resulting in a gearing ratio of 1.4 times at year end.

Governance

The transition we noted in last year's annual report from a small cap to an ASX 200 company has continued. Webjet is now an increasingly 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 welcomed Toni Korsanos to the board. Toni has assumed the important role of Chair of the Board's Audit Committee.

Rajiv Ramanathan will retire as a non-executive Director at this year's Annual General Meeting. His work commitments, which are increasingly Northern Hemisphere-focused, have necessitated his resignation. We thank Rajiv for his thoughtful contribution.

From the 2018 Annual General Meeting Webjet will have 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.au

Final dividend

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

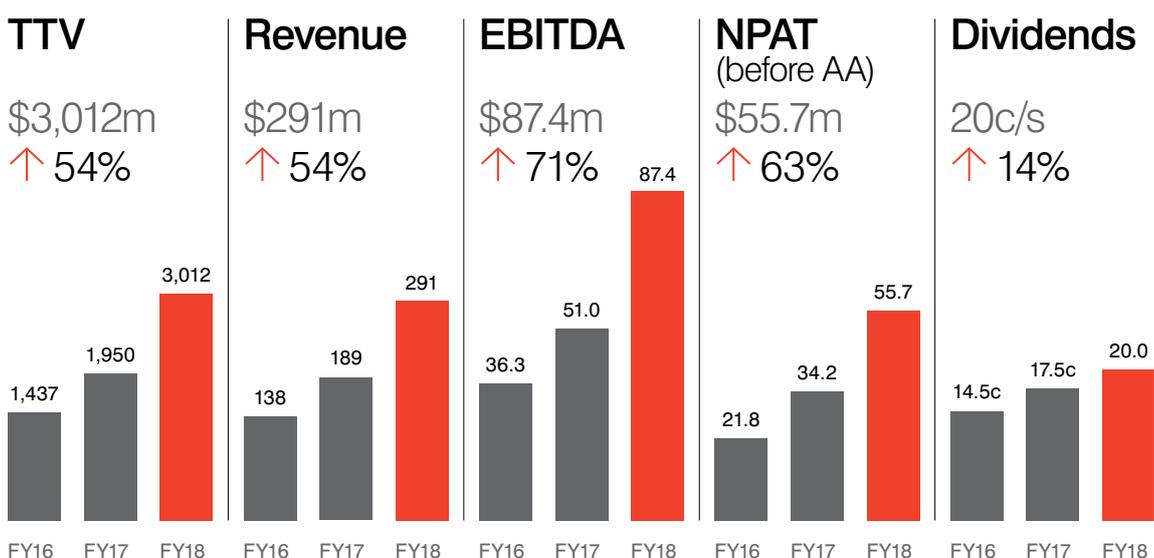
Our thanks to the Webjet team for a very strong performance this year and our shareholders for their continued support. We look forward to the future with confidence.

Yours sincerely,



Roger Sharp
Chairman Webjet Limited

Financial highlights (for continuing operations)



FY18 was another outstanding year for Webjet – transacting more than \$3 billion in TTV and reporting record EBITDA and profit for our underlying business.

The Webjet OTA continues to grow market share as the #1 OTA in the Australian and New Zealand markets and WebBeds is building on its #2 position in the global B2B hotels space following the transformational acquisition of JacTravel in August 2017.



John Guscic
Managing Director
Webjet Limited

Market share growth and scale benefits flowing through in the Webjet OTA

June 2018 marked our 51st consecutive month of record TTV and the strength of the Webjet brand continues to underpin our success in the Australian market. Our ongoing focus on providing the greatest convenience and choice makes it easier for consumers to select the best travel product for their needs. As the #1 OTA, flights bookings continue to grow at more than 3 times the market and the Webjet brand is also playing a key role in ancillary growth – our packages business saw tremendous growth in FY18 and we are seeing more people coming to Webjet to purchase stand-alone travel insurance and car hire. We have been delighted with the growth of our ancillary businesses and they have contributed to the increased TTV margins this year.

Since the successful transition to the Cloud in 2014, we have been committed to ongoing product and technological advancements to better understand consumer behaviour. This enables us to be more responsive and agile in our offering, as well as build better relationships with our airline and other partners. Our consistent #1 ranking in industry wide customer service benchmarking studies is a testament to our ongoing commitment to delivering superior service for our customers.

Our market share continues to grow – we are now more than 5% of the domestic flight market and more than 3% of the international flight market – and our greater scale continues to deliver increased EBITDA margins.

Motorhomes and Cars growing well for Online Republic although Cruise remains a difficult market

Both Motorhomes and Cars grew well in excess of growth rates in their underlying markets – Motorhomes saw strong growth in Europe and North America and Cars benefited from improved pricing strategies during FY18. Online Republic supplies the car hire product for the Webjet OTA and has played a key role in driving that growth. Cruise however continued to underperform in line with a material slowdown in the Australian/New Zealand cruise market, making it difficult for aggregators.

WebBeds is the fastest growing B2B player in the world

The acquisition of JacTravel in August 2017 made WebBeds the #2 global B2B player and we have continued to build on that position with significant bookings, TTV and EBITDA growth across all regions. The integration has gone well and JacTravel has been instrumental in strengthening our competitive market position, increasing our size in all regions and significantly expanding our pool of directly contracted hotel inventory. Direct contracts are a key component of our multi-supply aggregation strategy, helping feed our global distribution network and reducing reliance on third party suppliers. During the year we continued to increase direct contracts in key markets (particularly Asia and the Americas), and we now have direct contracts with more than 21,000 hotels. These higher margin supply sources are now delivering more than 50% of WebBeds sales, up from 30% in FY17.

As the fastest growing B2B player in the world, the network effect continues to deliver enormous benefits, increasing our relevance to both hotel supply sources as well as travel industry clients.

We are now the #2 player in MEA, and the Americas and Asia Pacific performed particularly well during the year.

After a relatively slow start in terms of getting technology access in place, the Americas became profitable during the year. We expanded further into Latin America, now operating in 15 countries and the USA is the single biggest destination for WebBeds.

Asia remains the fastest growing B2B region and we invested further during FY18 to ensure we reach scale as quickly as possible. We are delighted with how the Asian business is going, turning profitable in May 2018.

Europe remains our single largest market and we continue to grow significantly faster than the underlying market, with strong growth in important source markets such as the UK, France, Spain and Germany.

Our Thomas Cook partnership continues on track, with the majority of the 3,000 direct contracts we acquired now available on the WebBeds system. These contracts are sold at full margin to non-Thomas Cook clients and were a key contributor to our increased TTV margins during the year.

Regional restructure under a global WebBeds brand

Following the acquisition of JacTravel (which operated in Europe, the Middle East, North America and Asia), we had multiple platforms operating across regions. As one of few truly global B2B players, we felt it was important to be well-positioned to pursue global growth opportunities and minimise inefficiencies from managing multiple platforms across the same supplier and customer base. We therefore made the strategic decision to restructure the WebBeds business along regional lines and from 1 January 2018, we moved to a global WebBeds brand operating in three key regions – Europe, AMEA and Asia Pacific. Our various product platforms (Lots of Hotels, Sunhotels, FIT Ruums and JacTravel) continue to operate under the broader WebBeds

umbrella and customers now have a single WebBeds customer contact who works with them to determine the most appropriate product platform for their needs. During the course of the year, we streamlined our technology platforms in order to better support the regional structure.

Rezchain, our blockchain initiative, continues to drive efficiencies within participating WebBeds businesses, showing a dramatic reduction in account reconciliation issues, reducing overheads and customer friction at check-in. In February 2018 we announced the Phase 1 roll out of Rezchain with 4 significant external partners who will implement Rezchain within their own businesses and provide feedback during FY19.

Outlook

B2C – as the largest OTA in Australasia, with more than 5% of the domestic market and 3% of the international market, we believe we are well positioned for ongoing bookings growth as the B2C market continues to shift online. We are therefore continuing to target bookings growth rates for B2C of more than 3 times the underlying market for FY19 and FY20. 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.

B2B – Over the past 5 years, we have built a global B2B distribution network with staff in 30 countries selling to over 170 destination countries through clients in more than 130 source markets worldwide. As one of the few truly global B2B players, this 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 of us as the global B2B industry continues to consolidate. We therefore remain committed to targetting bookings growth rates for B2B of more than 5 times the underlying market for FY19 and FY20.

We also continue to look for opportunities to expand our directly contracted inventory by leveraging our existing contracting staff in all regions as well as through strategic acquisitions. The successful integration of JacTravel provides a blueprint for future acquisitions.

Finally, I would again like to thank all of our staff for their ongoing commitment to the company, as well our many loyal customers and consumers who help drive our market leadership positions.



John Guscic
Managing Director Webjet Limited

Operating Overview

The FY17 Statutory Result includes gain from the sale of Zuji plus other one-offs. In order to demonstrate the performance of the underlying businesses, Continuing Operations excludes these items.

Webjet Limited	Statutory		Continuing Operations ⁽¹⁾	
TTV	\$3,012 million	up 47%	\$3,012 million	up 54%
Revenue ⁽²⁾	\$291.0 million	up 33%	\$291.0 million	up 54%
EBITDA	\$86.3 million	up 23%	\$87.4 million	up 71%
NPAT (before AA) ⁽³⁾	\$54.0 million	up 1%	\$55.7 million	up 63%
NPAT	\$41.5 million	down 21%	\$43.2 million	up 30%
EPS (before AA)	46.9 cents	down 15%	48.4 cents	up 38%
EPS	36.0 cents	down 33%	37.5 cents	up 10%
EBITDA Margin	29.6%	down 231 bps	30.0%	up 303 bps

1. Continuing operations is based on a like-for-like comparison – FY18 excludes \$1.7 million 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 (AA) includes charges relating to amortisation of intangibles acquired through acquisition

Record profit from Continuing Operations

TTV for Continuing Operations was \$3,012 million, up 54% compared to FY17. EBITDA was up 71% to \$87.4 million and EBITDA margin increased to 30% reflecting increased scale in the Webjet OTA and improved profitability in WebBeds. NPAT (before AA) was up 63% to \$55.7 million and NPAT was up 30% to \$43.2 million.

Strengthened balance sheet

Net assets increased \$226 million during the year. Cash balance of \$190.8 million as at 30 June 2018, included \$25.9 million of client funds. This compared to cash balance of \$178.1 million as at 30 June 2017 (including \$21.2 million of client funds). During the year, \$74 million of existing cash reserves were used to fund the acquisition of JacTravel.

Borrowings increased \$73.2 million to \$122.7 million during the year. The JacTravel acquisition involved \$100 million debt funding and \$24.6 million of debt was repaid during the year.

Strong cash position

Strong cash conversion continues to underpin our earnings growth. FY18 cash conversion (Operating cash flow/EBITDA) was 159% compared to 92% for FY17. This increase was largely due to implementing a new financial ERP system within B2B that resulted in delays in supplier payments during 2H18. As a result, payments were not made until early 1Q of FY19, resulting in a build-up in accounts payable. Adjusting for the delay in accounts payable, cash conversion would have been 97%.

Increased dividend

The fully-franked final dividend of 12 cents, brings the total dividend to 20 cents, an increase of 14% over FY17.

Webjet

Webjet OTA	Continuing operations	
Bookings	1,548,568	up 10%
TTV	\$1,345 million	up 14%
Revenue	\$145.6 million	up 20%
EBITDA	\$58.7 million	up 36%
TTV/revenue margin	10.8%	up 52 bps
EBITDA margin	40.3%	up 473 bps

Overall bookings were up 10%. Average Booking Value (ABV) increased 4% and TTV margins rose to 10.8% 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. Our 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

Online Republic	Continuing operations	
Bookings	501,130	up 12%
TTV	\$313 million	up 7%
Revenue	\$31.5 million	up 5%
EBITDA	\$13.3 million	down 11%
TTV/revenue margin	10.1%	down 18 bps
EBITDA margin	42.1%	down 792 bps

Motorhomes and Car bookings grew 16% and 14% respectively compared to FY17, well ahead of underlying market growth. Cruise bookings fell 6% due to a material slowdown in the regional cruise market. Motorhomes saw strong growth in European and North American markets driven by foreign language platforms and increased US supply. The Netflix tax came into force from 1 July 2017, however improved pricing strategies helped offset the additional cost. Slower growth in the regional cruise market (4.4% in 2017 compared to 21% in 2016) and reduced capacity, due to fewer ships operating in the region, made it a difficult market for aggregators. EBITDA was down 11% to \$13.3 million, impacted by the lower contribution from Cruise, the impact of the Netflix tax and currency depreciation.

WebBeds B2B Hotels Business

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

WebBeds	Continuing operations	
Bookings	2,277,410	up 214%
TTV	\$1,354 million	up 181%
Revenue	\$114.0 million	up 203%
EBITDA	\$27.2 million	up from \$0.4 million
TTV/revenue margin	8.4%	up 61 bps
TTV/revenue margin (excl TC)	9.2%	up 93 bps
EBITDA margin	23.8%	up from 0.9%

FY18 saw strong organic bookings growth with all regions growing significantly faster than their underlying markets. TTV margins continue to improve – excluding Thomas Cook TTV (for which no revenue is earned until 1 June 2019), TTV margin was 9.2%. This is 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.

WebBeds AMEA

Bookings increased 109% to 571,469 and TTV increased 80% to \$385 million. EBITDA for AMEA was \$11.6 million, up 335% over FY17, largely driven by the contribution from JacTravel, as well as improved profitability in the existing WebBeds businesses.

WebBeds Europe

Bookings increased 235% to 1,296,245 and TTV increased 221% to \$775 million. Excluding Thomas Cook TTV, TTV increased 208%. June 2018 TTV was negatively impacted by the World Cup and record hot summer. We continue to see strong growth in a number of key markets including UK, Germany, Spain and France. EBITDA increased from \$0.9 million to \$17.6 million due to the contribution of JacTravel and improved profitability in the existing WebBeds businesses.

Thomas Cook TTV was \$116 million, an increase of 326%. Costs increased during the year reflecting annualisation of FY17 costs associated with supporting the Thomas Cook agreement. All costs associated with supporting the Thomas Cook agreement are now included in WebBeds Europe results. We do not expect any incremental costs going forward.

WebBeds Asia Pacific

Bookings increased 530% to 409,696 and TTV increased 620% to \$195 million, reflecting the significant growth in the existing Asian business as well as the contribution of JacTravel. Asia remains the fastest growing B2B region and our decision to invest further during the year in order to get to scale as quickly as possible is already delivering results. Asia Pacific turned profitable in May 2018. FY18 loss was \$2.1 million, 37% less than FY17. The main investment costs were associated with opening new offices and increasing contracting and sales staff across the region.

Corporate

Corporate	Continuing operations
EBITDA	(\$11.7 million), (\$7.5 million) in FY17

Foreign Exchange (FX) is managed centrally across the business and FY18 costs include FX losses of \$2.2 million reflecting our substantially increased international operations and FX volatility. A revised hedging policy going forward is expected to reduce FX volatility.

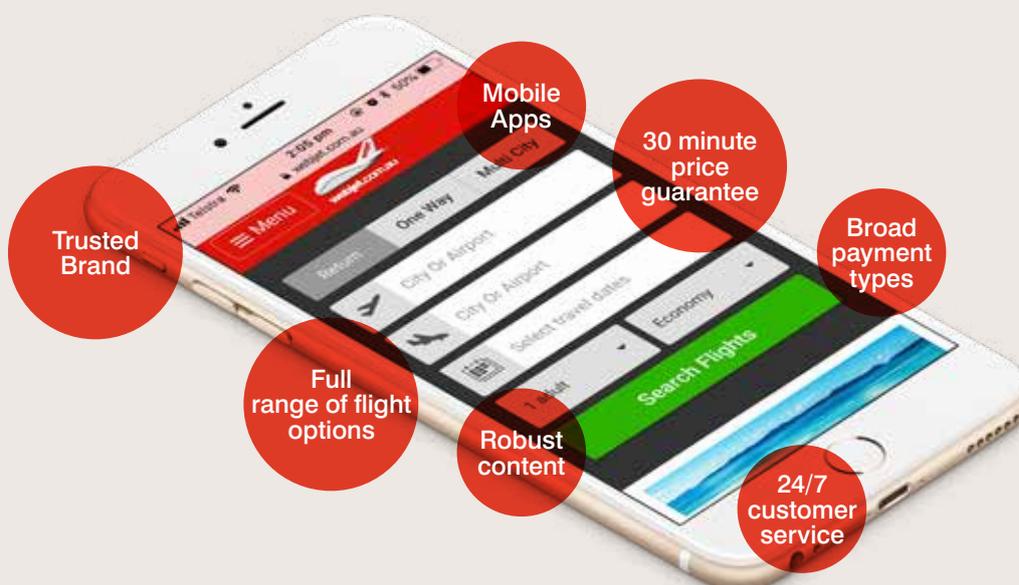
The balance of the cost increase in FY18 reflects investment across the Group function to support increased global scale, stronger governance and other corporate overheads.

B2C



Webjet has been the #1 OTA in Australia and New Zealand since 2010 offering our customers the greatest convenience and choice in online travel.

We continue to gain share in both domestic and international flight bookings, as well as increase our presence in broader ancillary travel products including holiday packages, car hire and insurance.



We are focused on providing user-friendly, frictionless transactions to enable people to select the right travel product for them.

- **Full range of flight options** – our unbiased, easy-to-use matrix format displays all airlines, flight times and prices allowing customers to choose the airline, class and product offering that best suits them.
- **Robust content** – our RouteHappy integration allows international airlines to visually showcase comprehensive product features including aircraft type, seat pitch layout and entertainment options, improving the shopping experience and helping customers make more informed decisions. We also offer a range of superior chat, messaging and social engagement services throughout the booking process to help make the experience as frictionless as possible.
- **Mobile Apps** – we continue to improve our offering including display enhancements integrating Uber pick-ups and simplifying the checkout process.
- **30 minute price guarantee** – our booking fee includes a 30 minute price guarantee ensuring the fare displayed during your search will be available at the time it comes to pay, even during times of peak demand.
- **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, JCB cards, Visa Checkout and Webjet gift cards. We let customers choose the option that best suits them.
- **Superior customer service** – we remain proud of our consistent #1 ranking in industry wide customer service benchmarking studies. We offer 24/7 call centre assistance on any booking issue to fully support our customers. Delivering exceptional customer service is a core feature of Webjet's offering and we collect real time feedback at multiple customer touchpoints in order to continually improve our service offering.
- **Trusted brand** – we have great loyalty through building a brand that customers trust to provide the greatest convenience and choice to enable them to select the right travel product for them.

Flight bookings continue to outperform the market

Webjet OTA flight bookings growth outperforming the market by more than 3 times during FY18

Growth	Webjet	Market
Domestic Bookings	8%	2.5% ¹
International Bookings	14%	4.1% ²

¹ Domestic Passenger Numbers Growth 12 months to June 2018. Source BITRE.

² Seasonally Adjusted Short Term Resident Arrivals 11 months to May 2018. Source Australian Bureau of Statistics.

Fully migrating to the Cloud has allowed us to better understand consumer purchasing behaviours and make ongoing improvements to our product offering. Key initiatives driving increased visitations and conversions during the year included:

- Enhanced filtering on mobile/desktop flight results pages to further **enhance user experience**
- **Optimised passenger profile** management for SME customers
- Delivered **in-App Messaging**, enabling more convenient customer service

- Launched **static & dynamic package propositions** to the New Zealand market
- Launched **physical Gift Cards** in over 2,000 retail outlets nationally
- Launched **in-App price alerts** to notify customers when fare prices change
- **Re-design of mobile site** to improve displays for Domestic & Trans-Tasman flights
- **Optimised airline schedule change communications** to enhance customer experience and minimise disruptions

More than just flights

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



Non-flight revenues are becoming more meaningful

Our ancillary product offerings are an important driver of our growth – ancillary products are higher revenue margin than flights and in aggregate, ancillary revenue is growing faster than flight revenue.

Ancillary products accounted for

27%

of Webjet OTA revenue in FY18.

- **Exclusives** – exclusively contracted holiday packages providing memorable travel experiences at affordable prices. Tours include flights, hotels, sightseeing, transfers and often include other experiences such as cruises, rail journeys and more
- **Dynamic holiday packages** – allows customers to combine our broad range of flights and hotels to deliver savings
- **Travel insurance** – backed by industry leader, Allianz
- Over 160,000 **hotels** worldwide
- **Car hire** – 800+ suppliers at more than 30,000 locations powered by airportrentals.com, the #2 online car rental website in Australia and New Zealand
- **Motorhomes** – powered by the #1 global motorhome rental site, MotorhomeRepublic.com
- **Cruise** – over 4000 cruises from 20+ cruise lines powered by the #1 online cruise agency in Australia and New Zealand, Cruisesalefinder.com.au

B2C



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

An online aggregator with contracted relationships with all of the leading global suppliers in each category, Online Republic connects customers to the best deals across desktops, mobiles and tablets. Our local based reservations staff are able to offer advice and concierge-level service to match the right product to our customers' needs. We now offer flight options to enable customers to easily combine their fly/cruise and fly/drive packages.



Online Car Rentals

#2
IN ANZ

Airportrentals.com 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 been providing car hire inventory and a car hire white label website for the Webjet OTA and has been a key driver of growth in that business, through delivering enhanced user experiences on mobile devices and ongoing optimisation of the car hire user interface.

In FY18, bookings grew 14%, significantly outperforming global car hire bookings growth and average revenue per booking increased. Improved pricing strategies for insurance products helped offset the impact of the Netflix tax that came into effect on 1 July 2017.

In addition to growing share in the Australian and New Zealand markets, we have been developing new markets outside Australasia such as North America, Europe, South Africa and Chinese outbound travellers.



Online Motorhomes

#1
GLOBALLY

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.

In FY18 while Australian and NZ source markets had modest bookings growth of 5%, the European and North American markets experienced significant bookings growth up 30% and 21% respectively. Foreign language bookings are driving growth in Europe, while additional US supply sources drove growth in the North American market.

The business remains 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

#1
IN ANZ

Providing the cruise offering for the Webjet OTA since mid 2014, CruiseSaleFinder offers the best cruise line deals to the Australian and New Zealand markets. It has been awarded CLIA NZ Cruise Agency of the Year for the past three years in a row and was nominated as a finalist by the Travel Agency Association of New Zealand (TAANZ) as part of their Annual National Travel Industry Awards for "Best OTA in 2018". Cruise bookings are typically more "high touch" than other travel products and our Cruise Line International Association (CLIA) award winning consultants are available to provide advice and answer booking queries.

Cruise continued to be a difficult market for aggregators during FY18. We saw a material slowdown in regional cruise market growth with 4.4% growth during 2017 compared to 21% during 2016.⁽¹⁾ In addition, there was reduced capacity due to fewer ships operating in the region compared to the previous year.





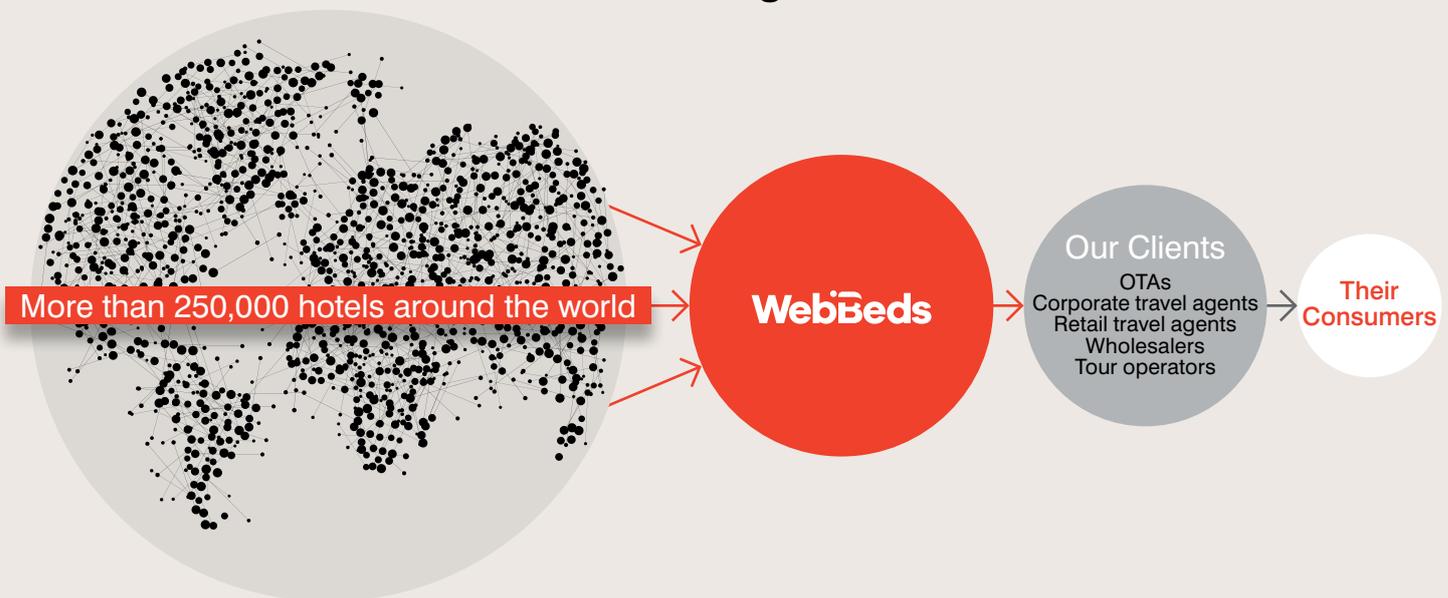
B2B

WebBeds

What is the B2B hotels 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.

Online fulfillment of hotel room bookings



Why is B2B important?

B2B is an important part of the global travel industry

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 make it easier for our B2B clients...

We help our 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 them with easy access to a wide range of hotel room inventory.

...and our hotel supply partners

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 B2B players with room allocations 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 can provide access to a broader distribution platform.

The B2B market – a US\$50+ billion 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.

Significant growth opportunity

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



Americas
\$15 Billion



MEA
\$3 Billion

B2B

The WebBeds model

Our WebBeds model is designed to offer **the greatest convenience and choice** providing a user-friendly solution to the global hotel room supply and distribution challenge. We offer hotel suppliers access to the fastest growing global distribution platform while our clients receive the greatest breadth and depth of hotel rooms at highly competitive prices.

Our Multi-supply Aggregation Strategy

Full global inventory offering

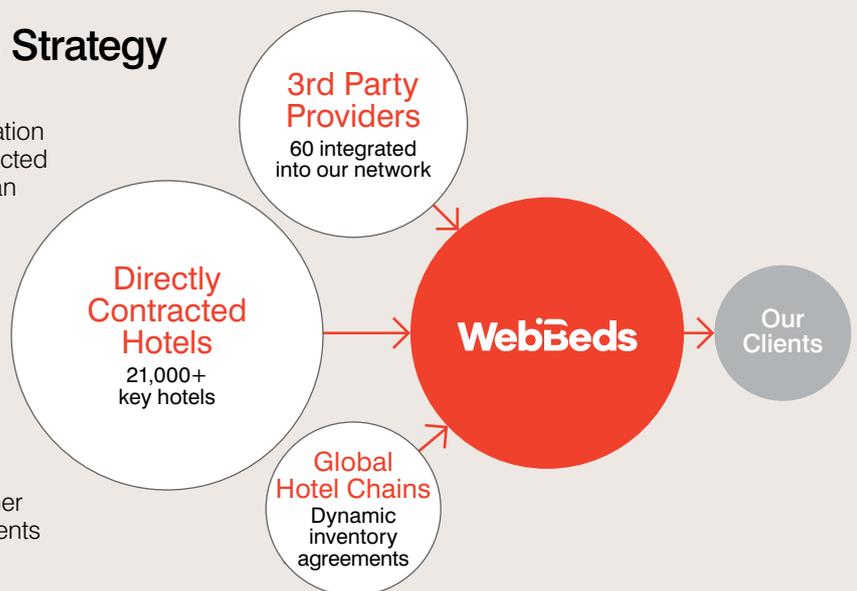
Unlike other B2B players, our multi-supply aggregation strategy uses a combination of both directly contracted and third party inventory to offer rooms at more than 250,000 hotels around the world.

Highly competitive prices

All supply sources are aggregated and only the lowest priced option is displayed to our clients. As many hotels have multiple supply sources, our clients only see the most competitive room rate.

User-friendly technology

With just one connection, our clients are able to access our global inventory offering. Access is either through direct website or XML connections and clients choose the best option for them.



Our competitive advantage

One of very few global players

WebBeds is one of the few B2B players able to provide clients a global inventory offering, as well as provide hotel suppliers access to global distribution reach.

Greatest breadth and depth of inventory offering

Our direct contracting efforts are focused on key hotels in important markets while 3rd party providers help ensure a broad global offering without the need to increase contracting costs. Higher revenue margin direct contract sales now account for more than 50% of WebBeds sales.

Low cost model

Our entire WebBeds offering is designed to effectively manage costs. In addition to our multi-supply aggregation model, we have cost effective customer support centres and Rezchain (our industry leading blockchain solution) is helping reduce overhead costs.

Highly efficient technology speed

Technology underpins our ability to efficiently deliver inventory pricing to our customers and our market-leading technology offers sub-second response times for XML connections.

Entrepreneurial, experienced management team

Our management team has significant industry experience having built leading B2B businesses in each of WebBeds geographic markets. Our entrepreneurial, customer-centric culture focuses on providing the best outcome for both our hotel partners and our clients.

The Network effect

As the fastest growing B2B player in the world, the network effect continues to accelerate. The more we grow our global client base, the more relevant we become to hotels as a means of distribution. As a result, we are able to negotiate deeper room allotments at better prices, further enhancing our client offering.



B2B

WebBeds is
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



B2B

WebBeds global offering

Regional restructure

Since January 2018, WebBeds has been structured around regions rather than brands in order to bring a greater customer-centric focus and ensure we are best placed to tap into global growth opportunities.

Operating in 3 key regions – Europe, Asia Pacific and the Americas, Middle East and Africa (AMEA) – our geographic structure ensures we stay as close to our partners as possible, delivering the most appropriate product offering and solution for their individual geographic needs.

Our various product platforms – Lots of Hotels, Sunhotels, FIT Ruums and JacTravel – continue to operate across the regions. The regional focus facilitates the offering of multiple products and platforms through a single customer contact and enables us to cross-leverage inventory offerings between brands. The new structure also eliminates duplicate costs (including contracting and sales) as well as centralises key functions including Finance and IT.

Regions	Product platforms
WebBeds Europe	lots of hotels
WebBeds AMEA	sunhotels
WebBeds Asia Pacific	FIT RUUMS <i>Always stronger together</i>
	JacTravel



WebBeds Europe

Bookings growth rates	
WebBeds	European Market
235%	3%*

Europe remains one of the most important B2B markets given the significant number of independent hotels and in general, higher TTV margins than other regions. During FY18, we focused on increasing direct contracts, deepening hotel room allocations and expanding our customer base in both new and existing markets.

We currently operate in over 30 markets across Europe and during the year we saw significant growth in larger source markets of the UK, Germany, Spain and France, continuing diversification away from the Nordics market, while still retaining market leadership. Our bookings growth of 235% and organic bookings growth rate of 65% compared to an average European market growth rate of around 3%.

Thomas Cook partnership

We remain on track to take over responsibility for contracting the majority of volume for Thomas Cook's complementary hotel business, with the majority of the 3,000 contracts we acquired now available for sale on the WebBeds platform. These contracts are sold to non-Thomas Cook parties at full margin and accounted for 18% of 2H18 European direct contract sales and were a key contributor to increased TTV margins during the year. The transition phase (during which we recognise no revenue from sales made to Thomas Cook) is due to end in May 2019 and from 1 June 2019, we will switch to a volume based earning arrangement which offers significant revenue and EBITDA potential.

* Management estimate.



WebBeds AMEA

Bookings growth rates

WebBeds	Americas Market	MEA Market
109%	3%*	—

Middle East and Africa

WebBeds again saw strong growth in a flat market, with organic bookings up 19%. WebBeds continues to gain share and we are now the #2 player in the region.

Operating in 25 markets, our multi-supply aggregation model allows us to offer a unique coverage across the Middle East & Africa. Our FY16 investment in increasing contracting and sales staff is now delivering with a higher proportion of sales coming through higher margin direct contracts and international hotel chains.

The Americas

We continued to see strong traction with organic bookings up 145% compared to underlying market growth of around 3%.

Since launching in FY16, the Americas are now profitable with higher margin supply sources and increased size driving EBITDA contribution. The USA is now the largest destination for WebBeds customers and, during the year, we expanded further into Latin America and now operate in 15 countries.



WebBeds Asia Pacific

Bookings growth rates

WebBeds	Asian Market
530%	8%*

As the fastest growing B2B region in the world, Asia remains a key focus. Bookings were up 530% and organic bookings were up 318% compared to market growth of around 8%. In order to reach scale as quickly as possible, in FY18 we invested in expanding our sales and contracting teams, as well as opening new offices across the region. Asia Pacific turned profitable in May 2018.

We now operate in 11 markets across the region, opening new offices during the year in Japan, China and Australia. China is our single biggest market in the region, leveraging our strategic partnership with DIDA Travel.

We continue to see strong growth in direct contracts across Asia Pacific with over 1,500 now available on our platform, up from 200 in FY17.

* Management estimate.



webjet limited



Online Consumer Travel Brands



WebBeds Brands

WebBeds

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