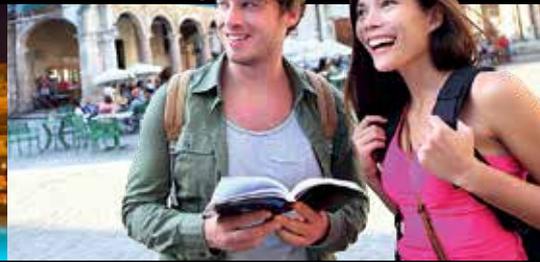


# profitable growth



## **Webjet Limited**

ABN 68 002 013 612

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

### **B2B Hotels**

# B2B

# B2C

### **Travel**

**WebBeds is the world's #2 and fastest growing accommodation supplier to the wholesale travel industry.**

Global coverage – reporting into 3 regions:

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

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

**Online Republic is a market leading specialist in the provision of online cruise, rental car, and motorhome bookings.**

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### Dear Shareholder

**FY19 was another exceptional year for Webjet. The company delivered a record performance across its key metrics, with Total Transaction Value (TTV) for continuing operations up 27% to \$3.8 billion, revenue up 26% to \$366.4 million, EBITDA up 43% to \$124.6 million, NPAT (before acquisition amortisation (AA)) up 46% to \$81.3 million and EPS (before AA) up 31% to 63.3 cents.**



Roger Sharp  
Chairman  
Webjet Limited

#### WebBeds

WebBeds has continued to grow quickly, acquiring and integrating Destinations of the World (DOTW) on top of its strong organic growth during the year. In the six years since WebBeds was launched in 2013 from a small base in Dubai, it has now become Webjet's largest business, accounting for approximately 56% (\$2,154 million) of Group TTV, 50% (\$184.5 million) of Group revenue and 48% (\$67.3 million) of Group EBITDA (before corporate costs).

WebBeds is the clear #2 player in the global B2B market and has demonstrated an ability to grow organically while identifying and successfully integrating acquisitions. We see that trend continuing.

#### B2C businesses – Webjet Online Travel Agent and Online Republic

The Webjet OTA was more subdued in FY19 due to a difficult domestic Australian economy and uncertainty in the lead-up to the Australian Federal election. Despite the subdued environment, flight bookings continued to grow at twice the market rate and a focus on both selling higher margin products to our customers and strong cost control drove TTV and EBITDA margin improvements.

In FY19 the Webjet OTA accounted for approximately 36% (\$1,378 million) of Group TTV, 41% (\$150.5 million) of Group revenue and 43% (\$60.8 million) of Group EBITDA (before corporate costs). Since balance date, we have seen a healthy uplift in flight bookings.

Our Online Republic business reported a flat year during which it was impacted by the March 2019 Christchurch incident, which temporarily reduced demand for travel in New Zealand. Since balance date we have seen demand return in that market. As we look to drive more profitable growth in the Online Republic businesses, we are delighted to welcome Lindsay Cowley as CEO.

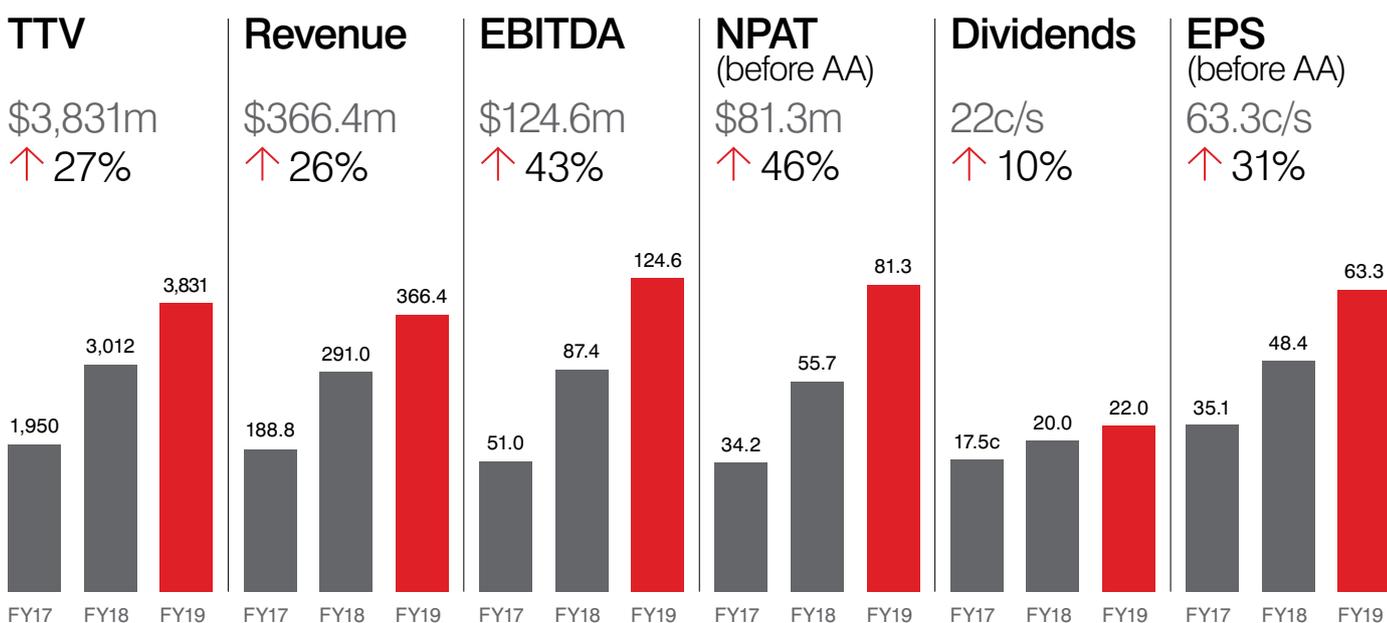
#### Governance

As we continue to grow our businesses, so are we evolving our governance and risk management practices to address the needs of an increasingly complex global company. We are conscious that our different stakeholders expect Webjet to operate in an environmentally responsible and socially sustainable manner, within an appropriate Environmental, Social and Governance framework.

We are proud of the diverse team of people who contribute to making this a great company and continue to strive for diversity, in the broadest sense of the term, across our businesses. At the close of FY19 we employed more than 50 different nationalities and women accounted for 53%, 30% and 33% of our workforce, our senior leadership team and our Board of Directors respectively.

Shareholders are referred to the Company's Corporate Governance Statement and Corporate and Social Responsibility Statement both of which are available on our investor website ([www.webjetlimited.com](http://www.webjetlimited.com)). These set out the structures and procedures in place to underpin our various corporate social responsibility and sustainability initiatives. As social and environmental sustainability issues become of increasing importance to investors, we are constantly reviewing our reporting in this area to meet their needs.

## Financial highlights (for continuing operations)



### Macro Environment

The outlook for travel remains positive, notwithstanding the uncertainties caused by factors we cannot control such as a global trade war, Brexit, climactic events and perceptions of over-tourism. While we see the world as an increasingly more complex environment in which to operate a large travel business, we also continue to see significant areas for profitable growth across both our WebBeds and B2C businesses.

### Capital Management

Webjet continues to maintain a conservative balance sheet. The Company issued 13,346,230 million ordinary shares in a well-supported rights issue and 2,173,704 ordinary shares to the vendors of DOTW to fund its acquisition during the year. We increased borrowings during the year by \$100 million to fund the DOTW acquisition and paid down \$17.4 million of bank debt, resulting in a gearing ratio of net debt to EBITDA of 0.19 times at year end.

We have increased our final dividend to 13.5 cents per share, payable on 10 October 2019, bringing the total dividend for FY19 to 22 cents. Going forward, we expect dividend increases to be lower than EPS growth in order to retain cash for future growth opportunities

On behalf of the Board of Directors I would like to thank our shareholders for their continued support, and to the Webjet team for yet another great result.

Yours sincerely,

**Roger Sharp**  
Chairman Webjet Limited

# FY19 was an outstanding year of profitable global growth for Webjet – transacting \$3.8 billion in TTV and delivering another record profit for our underlying business.



**John Guscic**  
Managing Director  
Webjet Limited

### **WebBeds is now the largest business by both TTV and EBITDA**

Our B2B evolution continues with WebBeds delivering over \$2.1 billion TTV and \$67.3 million EBITDA from a standing start just over six years ago. In addition to strong organic growth in each region, the acquisition of DOTW, a leading B2B travel business based in Dubai, during the year helped consolidate our position as the clear #2 global B2B player. This followed the transformational acquisition of JacTravel the previous year.

Given the increased size and scale of the business, there was greater focus in FY19 on delivering profitable growth. Our FY19 results demonstrate that the investments in building out sales and contracting teams – firstly in MEA and Europe in FY16 and more recently in Asia Pacific in FY17 and FY18 – are now paying off in terms of increased profitability.

We saw higher TTV and EBITDA margins in all regions. Despite difficult market conditions in both Europe and the Middle East, we focused on selling our own directly contracted hotel inventory while maintaining margins. The Americas are now delivering substantial EBITDA driven by strong bookings growth in North America. Asia Pacific remains the world's fastest growing B2B region and our investment in the region over the last 2 years is starting to pay off with a strong turnaround in profitability in 2H19.

In November 2018 we acquired DOTW, resulting in a material increase in WebBeds' scale. It also brought to the business a highly complementary operating footprint in terms of geography, product and customer markets as well as an increased directly contracted hotel inventory, with 5,600 unique and 6,700 overlapping hotels. In addition to expanding our presence in Europe and MEA, the acquisition significantly enhanced our businesses in both Asia Pacific and the Americas. The business was integrated into the regional WebBeds structure just 6 weeks

after acquisition. Revenue synergies are tracking to plan while cost synergies are tracking ahead of plan, resulting in a higher than expected contribution to FY19 results.

Direct contracts are a key component of our global distribution network – we now have directly contracted inventory with approximately 30,000 hotels, accounting for over 55% of sales. We continue to focus on growing directly contracted inventory and are targeting 40,000 directly contracted hotels.

During the year we also launched Umrah Holidays International, the first truly online B2B provider of religious travel services. Owned 51% by WebBeds, Umrah Holidays International is focused on servicing the expected increase in travellers arising from the Kingdom of Saudi Arabia's vision to welcome 30 million religious visitors a year by 2030. We believe it offers potential to deliver meaningful EBITDA by FY22.

### **Webjet OTA delivering improved margins**

Consistent with previous election years, the Australian travel market slowed in the lead up to the Federal election in May 2019. This year we also saw a slower than expected post-election bounce which, combined with slowing economic conditions in general, resulted in a difficult domestic travel market. Nevertheless while we experienced slower growth than in previous years, flight bookings for the Webjet OTA continued to grow at double the rate of the underlying market.

Webjet's brand continues to strengthen and we continue to gain share as the #1 OTA in the market – with 50% of the entire OTA flights market in Australia. We also account for over 5% of all domestic flight bookings and around 4% of all international flight bookings. Our transition to the cloud continues to facilitate ongoing technological and product improvements, allowing us to find new ways to deliver value not only to our customers, but also our airline and other partners. Investing in partnerships helps ensure we are able to

deliver the best content. During the year we recommitted to Travelport, signed as a launch partner with Qantas for its NDC program and introduced a new HSBC interest free holiday offering.

As a result of these initiatives, TTV margins continue to increase and our ongoing focus on managing costs combined with increased scale contributed to EBITDA margins remaining above 40%.

### **New strategy and management appointments for Online Republic**

During the year, we implemented a new strategy concentrating on targeting profitable bookings growth with increased margins and lower acquisition costs. This delivered higher TTV and EBITDA margins in 1H19 however 2H19 was affected by the Christchurch incident in March 2019 that temporarily impacted demand for travel in New Zealand. Motorhomes in particular was severely impacted with a significant fall in bookings. We estimate the event resulted in a more than \$1 million EBITDA impact to the business.

Driven by international markets, Cars performed well with improved yields however Cruise continued to underperform and we appointed a new General Manager in May 2019 to address market challenges and improve performance in that segment.

As we look to evolve Online Republic into a scalable global business, in June 2019 we appointed a new CEO, Lindsay Cowley, who brings relevant global and business transformation experience.

### **Outlook**

**WebBeds** – We continue to see significant opportunities for profitable growth across all regions.

We continue to look for attractive acquisition opportunities to supplement our existing businesses. Following the successful integrations of both JacTravel and DOTW, we have a framework for extracting synergies which can be used for future acquisitions.

In light of our growing scale, by FY22 we believe we can deliver a profitability target of “8/4/4” in the WebBeds business (8% revenue/TTV and 4% costs/TTV to deliver 4% EBITDA/TTV). This equates to a 50% EBITDA margin. We expect costs to grow at a lower rate than revenue, driven by optimisation of IT platforms and the ongoing impact of Rezchain, our industry leading blockchain solution.

**Webjet OTA** – We continue to see growth opportunities for both domestic and international flights as well as from our range of ancillary products. We continue to refine our offering to address market conditions and continue to target bookings growth of more than the underlying market.

**Online Republic** – we are continuing with our current strategy to focus on higher TTV margins and lower acquisition costs.

### **Our People**

Webjet began as a small start-up seeking to disrupt traditional norms in the highly competitive travel industry. Over the last 21 years, the business has grown to become Australia’s leading OTA driven by a culture based on agility, innovation and creativity. This spirit has continued into WebBeds. Beginning as a small start-up, our preparedness to challenge and disrupt the industry norm enabled WebBeds to become the #2 global B2B player in just over six years.

Over time, companies can lose some of the spirit that comes with being the smaller player. As we continue to grow our businesses around the world, we constantly seek to challenge ourselves to look for new opportunities, new innovations and find creative ways to always put our customers first. We do this by empowering our people to affect change – we recognise that those closest to our customers are best placed to understand their needs and we empower them to deliver superior customer outcomes. Innovation and creativity come through our non-hierarchical teams, offices designed to facilitate interactive thinking and a culture of listening to all ideas, regardless of their origin. We strive to be at the forefront of technology innovation and both Rezchain and Rezpaysments evolved through the team’s willingness to think creatively and embrace change.

I would therefore once again like to thank all our employees. Their ongoing commitment to the company and preparedness to be agile, innovative and creative is what helps us continue to deliver.

Finally, these results would not be possible without the support of our customer base that continues to grow in all our businesses around the world and I would like to extend my ongoing appreciation for their loyalty.



**John Guscic**  
Managing Director Webjet Limited

### Operating Review

FY19 Statutory result includes various one-offs. Continuing Operations excludes these items in order to demonstrate the performance of the underlying business.

Webjet Limited	Statutory		Continuing Operations <sup>(1)</sup>	
TTV	\$3,831 million	up 27%	\$3,831 million	up 27%
Revenue <sup>(2)</sup>	\$366.4 million	up 26%	\$366.4 million	up 26%
EBITDA	\$123.1 million	up 43%	\$124.6 million	up 43%
EBITDA Margin	33.6%	up 395 bps	34.0%	up 398 bps
NPAT (before AA) <sup>(3)</sup>	\$79.3 million	up 47%	\$81.3 million	up 46%
NPAT	\$60.3 million	up 45%	\$62.3 million	up 44%
EPS (before AA)	61.8 cents	up 32%	63.3 cents	up 31%
EPS	47.0 cents	up 30%	48.6 cents	up 30%

1. Continuing Operations – FY19 excludes acquisition and integration costs (\$15.2 million), reduction in earnout liability (\$18.5 million) and debt establishment costs of \$0.5 million associated with DOTW acquisition, as well as software write-off of \$4.9 million. FY18 excludes acquisition costs of \$1.1 million and debt establishment costs of \$0.6 million associated with JacTravel acquisition.
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.

#### Continuing Operations delivers record profit

TTV was \$3.8 billion up 27% compared to FY18. EBITDA was up 43% to \$124.6 million, with EBITDA margin increasing to 34.0%, driven by increased profitability from WebBeds as well as scale benefits coming through in the Webjet OTA. NPAT (before AA) for continuing operations was up 46% to \$81.3 million while NPAT was up 44% to \$62.3 million.

#### Balance sheet remains strong with conservative gearing

Net assets increased \$201.4 million during the year. Cash balance of \$211.4 million as at 30 June 2019 included \$29.2 million of client funds. This compared to cash balance of \$190.8 million as at 30 June 2018 (including \$25.9 million of client funds). Borrowings increased by \$83.2 million to \$205.9 million which included \$100 million debt funding for the DOTW acquisition. \$17.4 million debt was repaid during the year. Gearing on a net debt to EBITDA basis remains conservative at 0.19 times.

#### Cash conversion on target

Cash conversion (operating cash flow/EBITDA) remained strong in FY19 and in line with the 95%-110% target. Delayed implementation of a new ERP system in FY18 resulted in FY18 supplier payments being made in 1H19. Adjusting for the one-off \$53 million Trade Payable carried over from FY18, FY19 cash conversion was 98%.

#### Dividend increased

The fully franked final dividend of 13.5 cents, brings the total dividend to 22 cents, an increase of 10% over FY18.

#### WebBeds B2B Hotels Business

WebBeds	Continuing operations	
Bookings	3,444,071	up 51%
TTV	\$2,154 million	up 59%
Revenue <sup>(1)</sup>	\$184.5 million	up 62%
EBITDA	\$67.3 million	up 148%
TTV/revenue margin <sup>(2)</sup>	8.6%	up 15 bps
TTV/revenue margin (excl TC)	9.4%	up 23 bps
EBITDA margin	36.4%	up 1,261 bps
Organic EBITDA <sup>(3)</sup>	\$78.4million	up 30%

1. Revenue is shown net of costs of sale as principal (i.e. on agency basis).
2. TTV/ Revenue Margin includes Thomas Cook TTV for which no revenue was recognised until 1 June 2019.
3. Organic EBITDA assumes full 12 month ownership of both JacTravel and DOTW across both years.

FY19 saw significant improvements across all metrics driven by organic growth as well as the impact of the JacTravel and DOTW acquisitions. TTV and EBITDA margins improved in all regions, driven by increased scale as well as returns coming through from prior year investments in expanding sales and contracting teams. No revenue was recognised on any sales made to Thomas Cook until 1 June 2019. From 1 June 2019, we now earn a margin on all sales to Thomas Cook, although this is significantly lower than for the rest of the WebBeds business.

EBITDA increased 148% to \$67.3 million. Adjusting for acquisitions, organic EBITDA increased 30% assisted by synergies coming through. The EBITDA result is after expensing \$1.4 million in the launch of Umrah Holidays International. EBITDA margins improved as a result of increased scale, cost synergies realised from the DOTW acquisition and a reduction in operating costs from the Rezchain initiative.

### WebBeds Europe

Bookings increased 26% to 1,628,175 and TTV increased 45% to \$1,122 million. Thomas Cook TTV was \$197 million, up 70% over FY18. Europe saw strong growth notwithstanding the ongoing impact of the record hot 2018 summer, uncertainty surrounding Brexit and poor growth in Germany, Europe's largest travel market. EBITDA increased 102% to \$35.7 million driven largely by increased scale from the DOTW and JacTravel acquisitions, as well as the realisation of acquisition synergies.

### WebBeds AMEA

Bookings increased 67% to 952,492 and TTV increased 62% to \$623 million. EBITDA was \$25.8 million, an increase of 123% largely driven by contribution from DOTW as well as substantial EBITDA now coming through from the Americas.

### WebBeds Asia-Pacific

Bookings increased 111% to 863,404 and TTV increased 110% to \$409 million. This was due to DOTW as well as significant growth in the Asian business. EBITDA was \$5.8 million, a 380% increase over FY18, reflecting profitability now coming through from the investments made in FY17 and FY18.

### Webjet

Webjet OTA	Continuing operations	
Bookings	1,565,485	up 1%
TTV	\$1,378 million	up 2%
Revenue <sup>(1)</sup>	\$150.5 million	up 3%
EBITDA	\$60.8 million	up 4%
TTV/revenue margin	10.9%	up 10 bps
EBITDA margin	40.4%	up 5 bps

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

The 2H19 domestic travel market was impacted by the Federal election, a slower than expected post-election rebound and slowing economic conditions. FY19 Bookings were up 1%, TTV was up 2% and Average Booking Value (ABV) up 1%. TTV margins increased to 10.9% reflecting the increased sale of higher margin products across both flights and ancillary products. An ongoing focus on costs, coupled with increased scale, helped increase EBITDA margins to 40.4%.

### Online Republic

Online Republic	Continuing operations	
Bookings	495,826	down 1%
TTV	\$299 million	down 4%
Revenue	\$31.4 million	—
EBITDA	\$12.5 million	down 6%
TTV/revenue margin	10.5%	up 41 bps
EBITDA margin	40.0%	down 217 bps

While the strategy to focus on more profitable bookings improved TTV margins, 2H19 performance was impacted by the Christchurch incident in March 2019. FY19 Bookings fell 1% to 495,826 and TTV fell 4% to \$299 million. EBITDA was down 6% to \$12.5 million. We believe the Christchurch incident reduced FY19 EBITDA by more than \$1 million.

### Corporate

Corporate	Continuing operations	
	FY19	FY18
EBITDA	(\$15.9 million)	(\$11.7 million)

Foreign Exchange (FX) losses contributed \$2.2 million to corporate costs (FY18: \$2.2 million). The revised hedging program instigated in early 1H19 began to mitigate FX volatility in 2H19. FY19 costs also include \$0.5 million for the grant of retention options to the executive team. The balance of the cost increase reflects investment in the group function to support significantly increased global scale, stronger governance and risk management as well as other corporate overheads.

# FY19 saw WebBeds consolidate its position as the #2 global B2B player, technology innovations continued across both the WebBeds and B2C businesses and ongoing enhancements to the Webjet OTA business.

## Continued growth of global WebBeds business

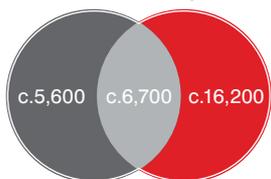
The acquisition of DOTW meaningfully enhanced WebBeds' global scale, while the launch of Umrah Holidays International provides an opportunity to target 30 million religious visitors each year.

### DESTINATIONS OF THE WORLD

Acquisition of Destinations of the World (DOTW) consolidated WebBeds position as the #2 global player

- Acquired in November 2018
- Highly complementary operating footprint across geography, product and customer markets
- Significantly enhanced WebBeds' businesses in Asia Pacific and the Americas
- Increased directly contracted inventory by 5,600 hotels
- Improved depth of inventory across 6,700 overlapping hotels
- Tangible cost and revenue synergy opportunities

#### Directly contracted hotel inventory<sup>1</sup>



- DOTW unique
- WebBeds unique
- Overlap
- Total c.28,500

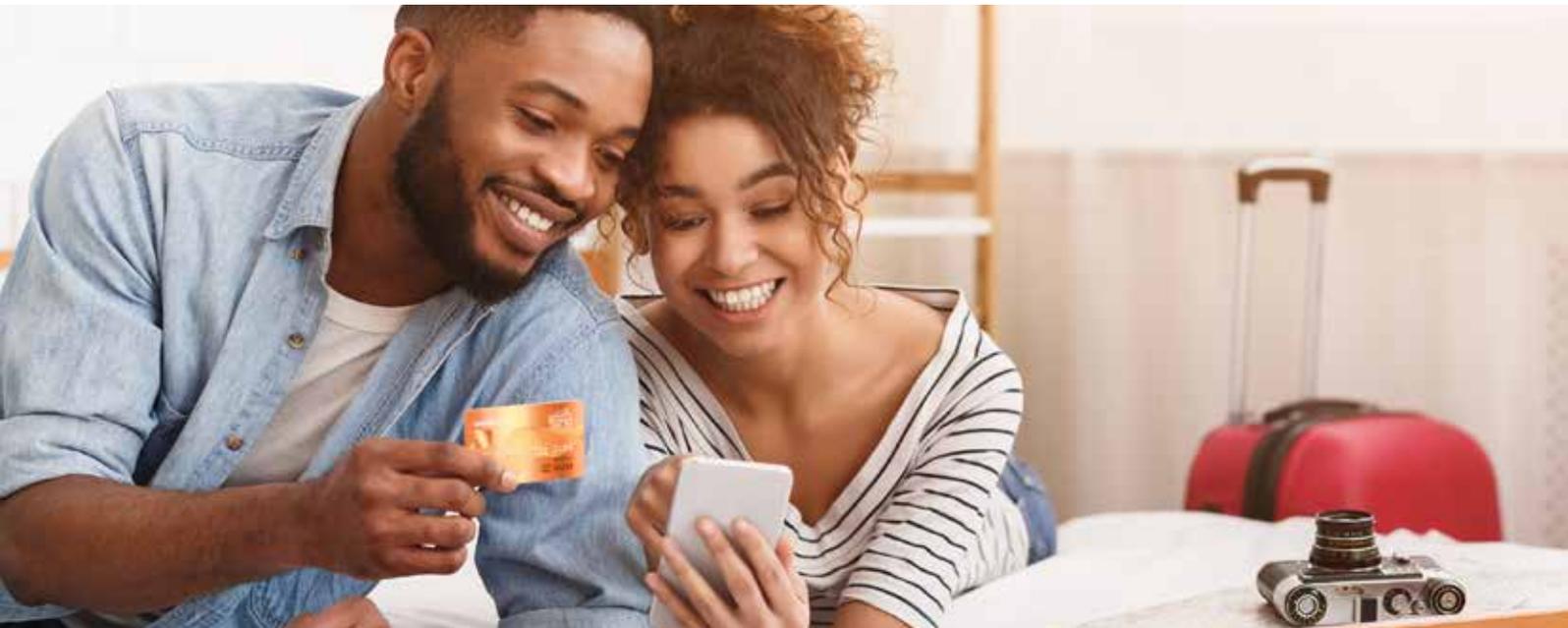


### In February 2019 we launched **Umrah Holidays INTERNATIONAL** the first truly online B2B provider of travel services for religious pilgrims

- The Kingdom of Saudi Arabia has a vision to welcome 30 million religious visitors a year by 2030
- Represents a significant new market opportunity to leverage the WebBeds global distribution network to offer a range of religious travel packages

- We have developed a sophisticated integrated online visa application tool in accordance with Kingdom of Saudi Arabia regulations – the first online B2B business in the world to provide this service.

<sup>1</sup> As at 5 November 2018



## Technology innovations continue

In development since 2016, Version 5 of Rezchain is now implemented across all our WebBeds platforms. During the year we also introduced Rezipayments, a secure, cloud hosted PCI tokenisation service that provides a flexible and cost-effective way for companies accepting credit cards to comply with PCI data security standards.

### Rezchain – the first workable blockchain in the travel industry

- We built Rezchain to address a significant problem across the hotel industry
- Around 5% of all hotel bookings are disputed in some way due to data mismatches which increase costs and cause friction between parties
- Rezchain is a simple blockchain solution that allows any two parties to verify whether booking data matches and enable immediate action to correct erroneous data and mitigate losses
- Version 5 is now implemented across all WebBeds platforms including DOTW
- Rezchain is already driving efficiencies across WebBeds and will play a critical role in moving to our “8/4/4” target by FY22 by helping reduce costs.\*

#### What does it look like in numbers?

##### Hotel booking disputes

**4%** result in situations where services are provided but never invoiced

**33%** are amended in some way after the reservation was first made

**10%** experience some kind of manual intervention that can break the chain and cause a discrepancy

**Webjet built Rezchain to help address this problem**

### Rezipayments – our in-house PCI compliance solution

- Credit cards are widely used in our B2C business, as well as within parts of WebBeds, requiring us to comply with the Payment Card Industry (PCI) Data Security Standard
- Unable to find a suitable “off the shelf” PCI compliance solution, we built Rezipayments, a secure, cloud-hosted PCI tokenisation service that is easy to implement into workflows, providing a cost effective and flexible solution
- Rezipayments allows companies that accept credit cards online to simplify their PCI compliance requirements and reduce compliance costs
- Used in the Webjet OTA since 2016, Rezipayments welcomed its first external clients during FY19.

## Webjet remains the #1 OTA in Australia and New Zealand

We continue to look for ways to improve our Webjet OTA offering – investing in partnerships to ensure the best content, introducing a range of technological improvements and ongoing product enhancements to make customer transactions as user-friendly and frictionless as possible and delivering exceptional customer service.

\* By FY22 we believe we can deliver “8/4/4” in our WebBeds business – 8% revenue/TTV and 4% costs/TTV to drive 4% EBITDA/TTV

# B2B

4%

**Significant growth opportunity**

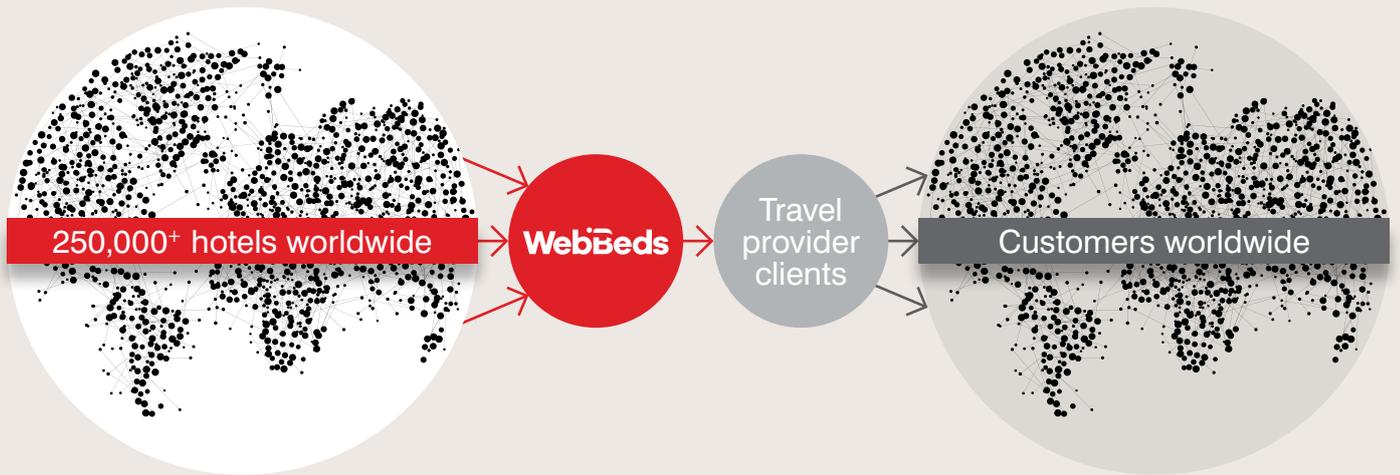
WebBeds is the #2 B2B player globally, yet has less than 4% market share, of a

US\$ **50bn<sup>+</sup>**  
TTV market.

## B2B is an attractive growth market

**An important part of the global travel market**

- B2B players are intermediaries between hotels looking to fill rooms and travel provider clients looking to find rooms for their customers
- B2B is a highly fragmented global market
- Each region has different characteristics and requirements
- There are very few global players – the majority have specialised, local offerings and relatively small market share
- Ongoing industry consolidation represents significant opportunity for WebBeds to gain share
- Inventory, pricing and technology are key drivers of success



## The Webbeds offering

### ...to our hotels partners

- Access to the fastest growing global distribution platform
- Help hotels manage occupancy rates – B2B bookings are typically longer lead-time with lower cancellation rates than consumer bookings

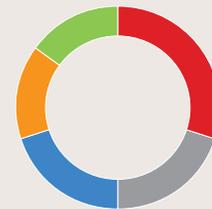
**The majority of our hotel partners are independent – we help diversify sources of demand for their rooms.**

### ...to our clients

- Fast, easy access to a wide range of global inventory
- Highly competitive inventory pricing
- User friendly, market leading technology

**As the #2 global player, we are an important source of hotel inventory for our clients.**

### A balanced client portfolio across all major segments



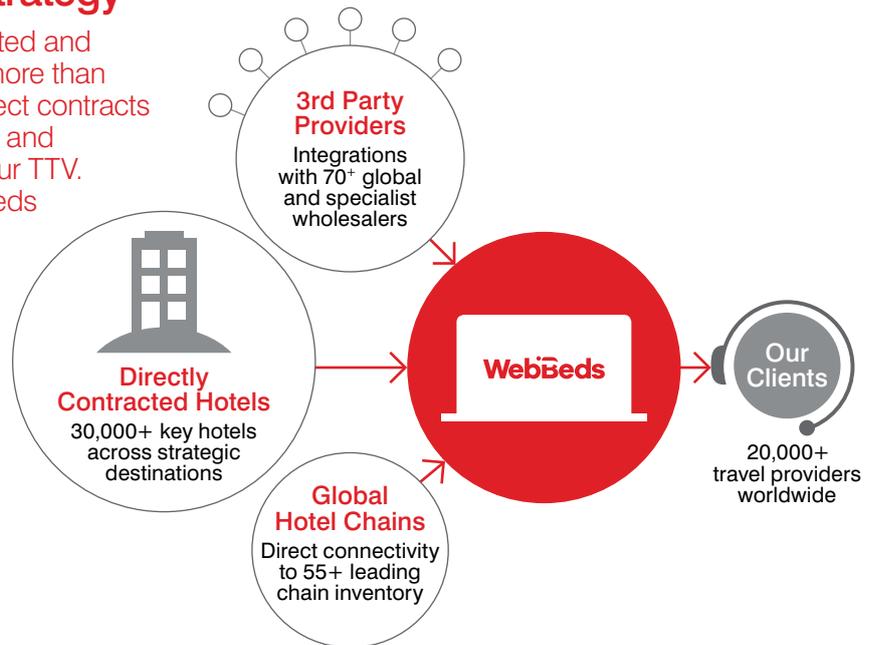
- 30% Retail travel agents
- 20% Corporate travel agents
- 20% Wholesalers
- 15% Tour operators
- 15% OTAs

# B2B

## Why WebBeds is winning share

### Multi-supply aggregation strategy

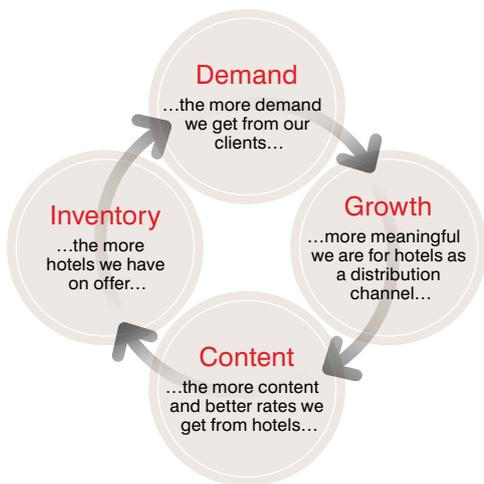
We use a combination of directly contracted and 3rd party inventory to provide rooms at more than 250,000 hotels around the world. Our direct contracts are focused on key strategic destinations and currently account for more than 55% of our TTV. Over 70 third party providers help WebBeds deliver a full global inventory offering while keeping costs low.



- **Greatest breadth and depth of hotel inventory** – by using a combination of directly contracted and 3rd Party inventory, we provide clients a global offering through “one connection”. Our multi-supply aggregation strategy also allows us to draw on multiple sources to fulfil accommodation requests at times of peak demand.
- **Low cost model** – our entire offering was designed to disrupt by providing a global offering at a lower cost. Higher cost direct contracts are focused on key strategic destinations and 3rd Party providers broaden our offering without the need to increase contracting costs. We also have cost effective customer support centres and Rezchain is helping drive efficiencies.
- **Global scale** – many clients use more than one B2B provider to access hotel rooms. As the #2 global player selling to over 200 destination countries through customers in more than 130 source markets worldwide, WebBeds is meaningful to both our clients and hotel partners. As the fastest growing player in the world, we are able to leverage our global scale across both source and destination markets to drive demand for rooms which in turn helps drive improved room allotments.
- **Highly competitive prices** – our multi-supply aggregation strategy means we are able to access room rates from multiple supply sources. We only display the lowest priced option meaning our clients only see the most competitive room rate.
- **Market leading, user-friendly technology** – our clients can access our global inventory through either XML or direct website connections. The vast majority of clients use high-speed XML connections which offer sub-second response processing times.
- **Experienced management team** – our WebBeds leadership team has significant industry experience building leading B2B businesses across key global markets. Our entrepreneurial and customer-centric culture is focused on providing the best outcome for both our hotel partners and our clients.



...selling to over 200 destination countries through our clients in more than 130 source markets worldwide



### The network effect

As the fastest growing B2B player in the world, the network effect continues to be a meaningful driver of our global growth.

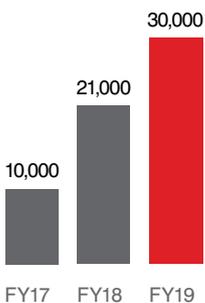
# B2B



## WebBeds global offering

Directly contracted hotels

30,000  
↑ 43%



Directly contracted inventory

As % of sales continues to increase –  
55%+  
in FY19

## WebBeds Europe

WebBeds bookings growth rate	26%
Markets across Europe	30

Europe is one of the most important B2B markets given the significant number of independent hotels and in general, higher TTV margins than other regions. WebBeds continues to gain share as the #2 B2B player in Europe. FY19 saw high TTV growth coming through in large European markets including Germany, UK, France and Russia, while maintaining market leadership in the important Nordic markets.

Sales from higher margin direct contracts continue to increase and now account for more than 70% of sales in a number of key European cities including Amsterdam, Barcelona, Berlin, London, Milan, Paris, Rome and Venice, as well as important global cities such as New York and Dubai.

### Thomas Cook Partnership

All key Thomas Cook platforms and geographies are now connected. On 1 June 2019 we transitioned to a volume-based earning arrangement earning revenue on all sales to Thomas Cook (these sales are at a significantly lower TTV margin than the rest of our WebBeds business). Over 3,000 direct hotel contracts acquired from Thomas Cook are available on the WebBeds platforms. Sales of these contracts to parties other than Thomas Cook are at full margin and were a key contributor to increased margins in FY19.



## WebBeds Asia Pacific

WebBeds bookings growth rate	111%
Markets across Asia Pacific	17

Asia Pacific remains the fastest growing B2B region in the world, offering significant growth potential. WebBeds is now the #2 player in the region operating in 17 countries, having expanded into 6 new markets during the year.

The intra-Asian travel market is a key driver of growth and the DOTW acquisition delivered a number of direct contracts in complex Asian markets of Thailand, Korea and Japan which has increased our relevance to these important markets. During the year we increased scale in key source markets of South Korea, Indonesia, India and Hong Kong.

## WebBeds AMEA

WebBeds bookings growth rate	67%
Markets across MEA	36
Markets across The Americas	19

### Middle East & Africa

WebBeds is now the #1 player in the region, operating across 36 markets. While the underlying market continues to struggle, WebBeds saw ongoing growth from both organic growth as well as contribution from DOTW. EBITDA growth continues to be driven by increased sales through higher margin supply sources.

In February 2019, we launched Umrah Holidays International, the first truly online B2B provider of religious travel services.

### The Americas

Strong bookings growth is coming through increased numbers of large customers, as well as optimising delivery platforms to facilitate higher booking volumes. The USA remains the largest destination for WebBeds customers.

We now operate in 17 markets across Latin America, expanding into 2 new markets during the year.

# B2C



## Webjet is the #1 OTA in Australia and New Zealand offering our customers the greatest convenience and choice in online travel.

### What we offer...

- **Full range of flight options** – our unbiased, easy-to-use matrix display lets customers select the product that suits them best
- **Robust content** – we focus on more than just price, visually showcasing comprehensive product features
- **30 minute price guarantee** – we guarantee the fare displayed will be available when it comes time to pay
- **Mobile apps** – we make it easy to search and book across a full range of mobile devices
- **Wide range of payment types** – we let customers choose the option that suits them best
- **Superior customer service** – we offer 24/7 booking support and are proud of our consistent #1 ranking in industry wide customer service benchmarking studies
- **Trusted brand** – our strong brand loyalty is reflected in high levels of repeat customers as well as growth of ancillary offerings
- **Interest Free Holidays** – we have partnered with HSBC to deliver 12 months interest free terms for flights, hotels and holiday packages
- **All-inclusive tours** – we established the Webjet Exclusives business to help make incredible travel experiences possible at affordable prices for travellers who prefer to have everything arranged for them



### More than just flights

We are the market leader in OTA flight bookings and continue to enhance our range of ancillary products which continue to account for 25% of revenues.

- **Exclusives** – exclusively contracted holiday packages
- **Dynamic holiday packages** – we let customers create their own packages
- **Travel insurance** – backed by Allianz
- **Over 495,000 Hotels** worldwide
- **Car hire** – 2000+ individual rental car companies in over 200 countries
- **Motorhomes** – 240+ individual companies in 37 countries
- **Cruise** – over 40 different cruise lines representing 1600 port of call locations
- **Gift Cards** – Webjet eGift Cards can be purchased online and Gift Cards are available from over 1,000 retailers around Australia

**Flight bookings continue to grow around twice the market. Webjet is now: 50% of the entire OTA flights market in Australia and New Zealand, more than 5% of the domestic Australian flights market and around 4% of the Australian international flights market.**

## **Our continued growth in size and scale is helping us deliver greater value to airlines and other partners.**

We look for ways to continually improve our offering to provide user-friendly, and frictionless transactions. We are committed to continually enhancing our product offering – by investing in partnerships, as well as introducing a range of technological improvements and product enhancements.

### **Investing in Partnerships to ensure the best content**

- Our arrangement with **American Express** and **NAB** allow customers to redeem reward points for travel
- Following a rigorous technological review, we have recommitted to **Travelport** to ensure we are best placed to receive real time content from more than 400 carriers around the world
- We are working with **Qantas** as a launch partner for its NDC program
- Our **RouteHappy** integration allows us to help airlines differentiate their product by visually showcasing comprehensive product features such as aircraft type, seat pitch, layout and entertainment options. This allows our customers to compare offerings and make more informed decisions.
- **Exclusives** – we continue to broaden content and expand our product offering. Key new offerings include Swiss rail groups, Maldives resorts and European river cruising
- We **launched HSBC Interest Free** enabling customers to enjoy their travel now and pay up to 12 months later
- **Black Hawk** have dramatically **increased distribution of digital & physical gift cards** in retailers around Australia

### **Technological improvements**

- **Complex multi-stop flights** are now available on all mobile platforms
- **PayPal added** to mobile apps, simplifying checkout
- **Enhanced user experience for mobile sites** making it easier to search for the flights
- **Speed and stability** continue to improve across the platform
- We continue to **enhance and upgrade security** across all our platforms
- **Online chat sales teams** have helped improve conversions for Webjet Exclusives
- **Integrated messaging** is the primary contact point for customers providing a seamless experience for servicing all devices
- **POLI** now integrated enabling fee free bank transfers, with instant approval
- Further enhancements to **automate our Change My Booking processes**
- **Apple Pay** and **Android Pay** will be added to our apps during FY20

### **Product enhancements**

- Launched **Webjet Member Only Hotel Deals**, delivering incremental savings for Webjet customers
- User Experience enhancements for **Dynamic Packages**
- **Hotels cross-sell** added to mobile website
- **Free seat selection** for major airlines
- **Enhanced LCC flight offerings** adding Cebu Pacific and increasing available ancillaries across LCCs
- **Implemented pricing into flight search calendars** to help identify the cheapest days to fly

### **Delivering exceptional customer service remains a core feature of Webjet's offering**

- We collect **real time feedback** at multiple customer touchpoints to continually monitor and improve our service offering
- Our **NPS and customer effort scores** continue to reflect superior customer service
- We also offer a range of **chat, messaging and social engagement services** throughout the booking process to make the experience as frictionless as possible.

# B2C



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

## Airportrentals.com



### Online Car Rentals

AirportRentals.com  
AirportRentals.com.au

Airport Rentals is the #2 online car rental site in Australia and New Zealand providing car hire inventory and a car hire white label website for Webjet OTA. It has contracts with all major global suppliers and operates in more than 200 countries, with websites supported in eight languages.

A leading player in Australia and New Zealand, the business continues to focus on developing profitable new outbound travel markets in North

America, Europe, South Africa and China, as well as extending the range of services in response to customer demand for a broader offering. With new iOS and Android apps launched during the year providing enhanced customer engagement opportunities, a renewed focus on repeat purchase is expected to further reduce cost of acquisition in FY20.



## Motorhome Republic



### Online Motorhomes

MotorhomeRepublic.com  
MotorhomeRepublic.com.au

Motorhomes Republic is the #1 global online motorhome rental site offering consumers the ability to book a camper van from any of over 600 locations across 37 countries. Operating in nine languages with contracts with all major global suppliers, the business is focused on targeting growth in the "independent traveller" segment.

Increased demand continues to come from American and European markets both in terms of destinations, as well

as source markets for outbound travel. More foreign language sites were released in FY19, helping drive outperformance from those markets. Peer2peer inventory was integrated during the year.

During the year, Motorhome Republic extended its global proposition with the addition of a further ten countries and 50 additional locations. To support this expansion, a new specialist multi-lingual call centre was established in Romania, providing additional capacity across time zones.

## Cruise Sale Finder



### Online Cruises

CruiseSalefinder.com  
CruiseSaleFinder.com.au

CruiseSalesFinder is a leading online cruise booking site, it offers the best cruise line deals to the Australian and New Zealand markets on over 40 different cruise lines representing 1600 port of call locations. It has been providing the cruise offering for the Webjet OTA since 2014. CruiseSalesFinder was again a finalist in the CLIA Cruise Agency of the Year awards for both Australia and New Zealand in 2018 – and a previous winner of the NZ category in 2015, 2016 and 2017.

Cruise was again a difficult market for aggregators in FY19. Constrained capacity in the Australian home port cruise market continued to have a material impact on bookings with total Australian capacity falling further from the already reduced levels from 2018.





# 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.

2004. **Leading the way in online travel tools and technology.**

2004. **World's first Travel Services Aggregation technology**, bringing together multiple travel products for distribution to consumers.

2004. **Develop industry first Domestic Matrix presentation.**

2005. Visualisation, moving physical services to Virtual Servers.

2005. **Industry first Knowledge Engine.**

2006. **International Matrix Development**, allowing mix and match of fares to international short haul routes.

2007. Deal Finder & Deal Finder Alerts.

2008. Introduction of American Express points as flexible payment option.

2009. **First IOS app.**

2011. **Migration to the cloud began.**

2011. Webjet founder, David Clarke, retires as Managing Director.

2013. 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.

2004-2006

2007-2009

2010-2012

2013

## Launch of B2B in Dubai

Feb 2013, launched start-up of **Lots of Hotels** based in Dubai servicing the Middle East and Africa (MEA) markets.

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

# B2B

**Webjet OTA launches the sale of cruises** through a partnership with Online Republic, offering over 4,000 cruises.

**Webjet Exclusives launched**  
 Focussed on resort holidays and international packaged tours.

**Migration to the cloud completed.**

**Air Asia and Webjet partnered** to offer low cost flights through Asia to Webjet's customers, connecting through a direct API integration.

**Acquired Online Republic**

Acquired in May 2016, Online Republic is a market leader in the attractive online car hire, motorhome and cruise segments.

**RouteHappy integration**

RouteHappy's rich content was integrated in Nov 2016 to allow airlines to showcase their offerings and help customers choose the right product for their travel needs.

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

**Webjet partners with NAB to power their Travel Rewards program**

From Jan 2017, NAB Rewards members can earn and burn NAB reward 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.

**POLI**

Added as a payment option to the Webjet OTA site, enabling customers to pay for travel directly from their bank accounts.

**Launch of RezPayments**

Webjet welcomed the first external customers for its PCI compliance solution offering.

**HSBC Interest Free** integrated for Webjet OTA offering customers a buy now, pay later proposition.

**Webjet #1 OTA in Australia and New Zealand**

2014

2015

2016

2017

2018

2019

**Expansion into Europe with acquisition of Sunhotels**

Focused on building a global B2B business, Webjet expanded into Europe in Jul 2014 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**

Nov 2015, Lots of Hotels launched into the Americas market, starting with North America, but soon extending into Canada and Latin America.

**Strategic partnership with Thomas Cook**

Aug 2016, Sunhotels announced a strategic sourcing partnership with Thomas Cook, to take responsibility for the majority of Thomas Cook's complementary hotel business volume by mid 2019.

**Asian market entry**

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

**DIDA partnership in China**

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

**RezChain initiative announced**

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

**WebBeds #2 in the global B2B market**

**Acquisition of JacTravel**

Aug 2017, the company acquired **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.

**Acquisition of DOTW**

Nov 2018, acquired Destinations of the World, a leading B2B business headquartered in Dubai. This meaningfully increased WebBeds' scale and consolidated its position as the clear #2 global player.

**Launch of Umrah Holidays International**

In Feb 2019, we launched the first truly online B2B provider of religious travel services with an integrated online visa application tool.

**RezChain implemented across all WebBeds platforms**

Version 5 is helping reduce costs and drive efficiencies across the business.



Online Consumer Travel Brands



WebBeds Brands



[www.webjetlimited.com](http://www.webjetlimited.com)