



For personal use only

WebBeds Investor Briefing

John Guscic
Managing Director

23 November 2016



For personal use only

B2B WebBeds

Digital provision of hotel rooms to global partners

The B2B market opportunity

Europe



Asia



Middle East/Africa



The Americas



Market size

\$20 Billion

\$18 Billion

\$3 Billion

\$15 Billion

Highly experienced management team

**Over 100 years
B2B experience for the
SunHotels team**

**Over 100 years
B2B experience for the
FIT Ruums team**

**Over 100 years
B2B experience for the
LOH team**

**Over 50 years
B2B experience for the
LOH Americas team**

For personal use only

The B2B journey to date

Confidential - for internal use only

Mix of organic start up and acquisition

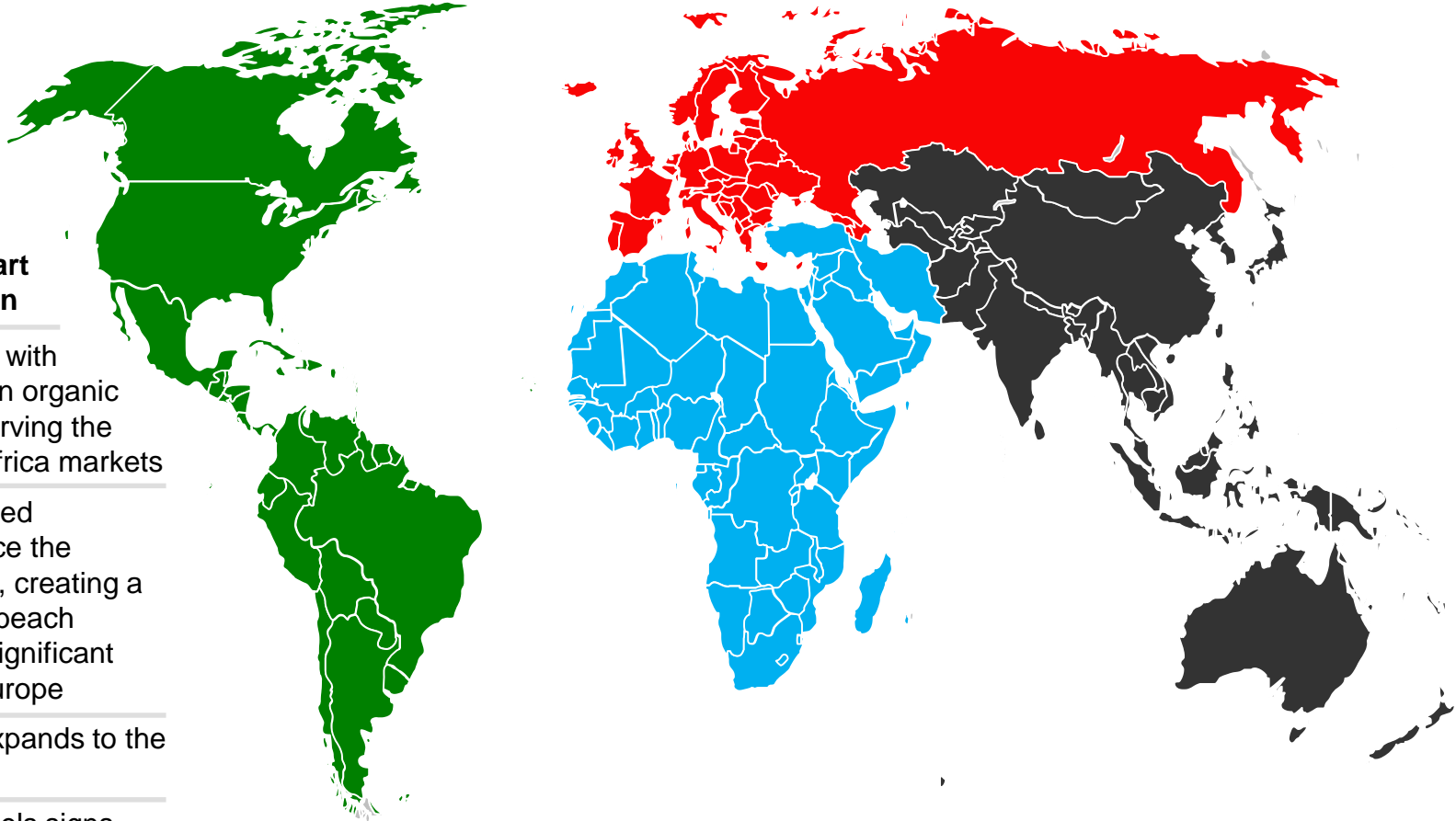
Feb 2013: Started with LOH in Dubai as an organic start up, initially serving the Middle East and Africa markets

Jul 2014: Purchased Sunhotels to service the European markets, creating a unique position in beach destinations with significant room to grow in Europe

Nov 2015: LOH expands to the Americas

Aug 2016: Sunhotels signs agreement with Thomas Cook

Nov 2016: Launched FIT Ruums as an organic start up to serve the Asia markets



WebBeds

Lots of Hotels (LOH)



Digital provision of hotel rooms to global partners

Ossama Wagdi
Chief Executive Officer



For personal use only

LOH Milestones

For personal use only



Oct 2012
Launch

Feb 2013
1st Booking

Jun 2014
Direct
Contracts
1,200

Jun 2015
Launch of
Cairo Office

Nov 2015
Launch of
LOH
Americas

Jun 2016
Total
Contracts
+250,000

Oct 2016
Staff - 74

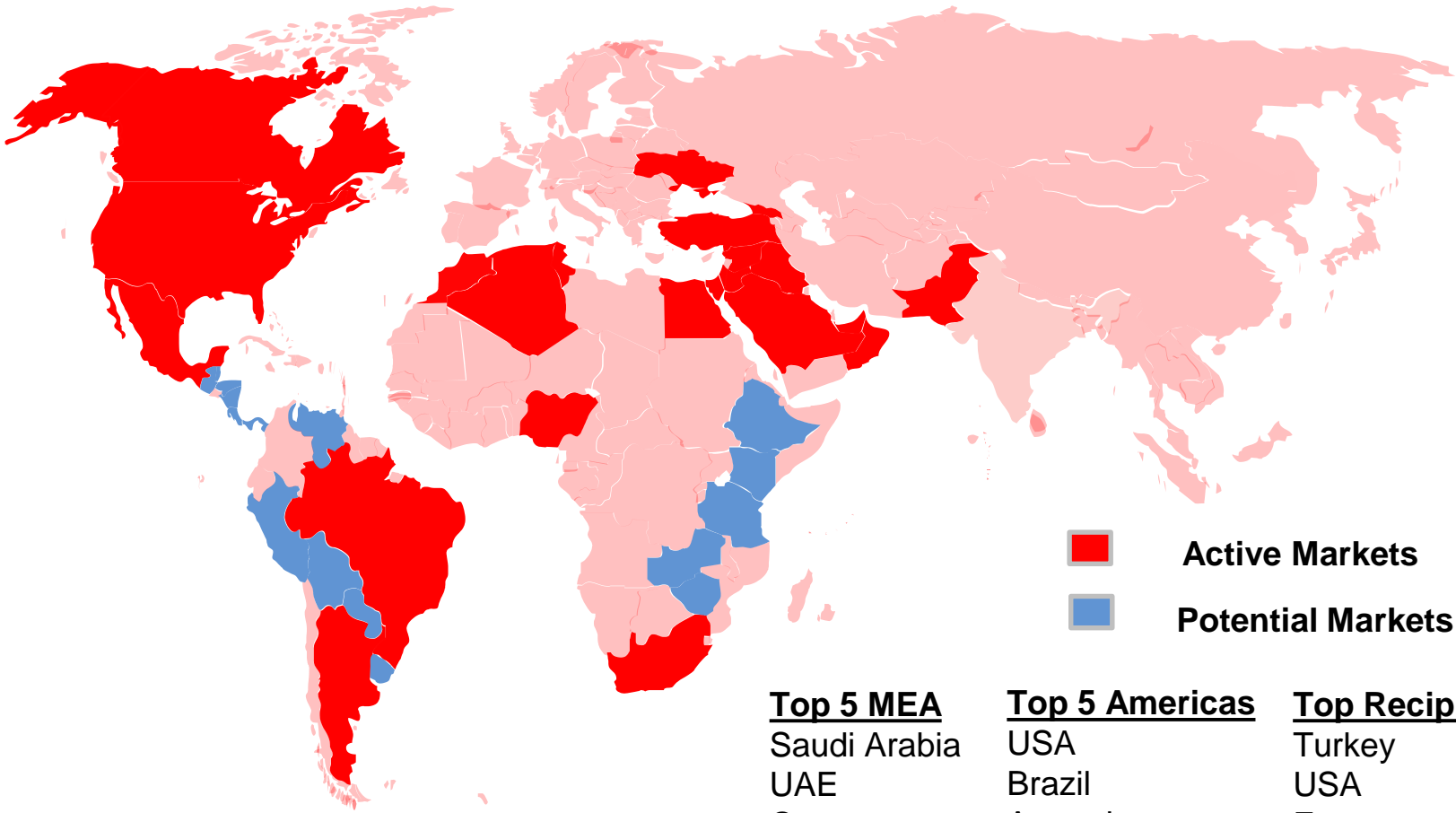
LOH – Today


For personal use only



LOH – Distribution Network

For personal use only



 **Active Markets**
 **Potential Markets**

Top 5 MEA
Saudi Arabia
UAE
Qatar
South Africa
Kuwait

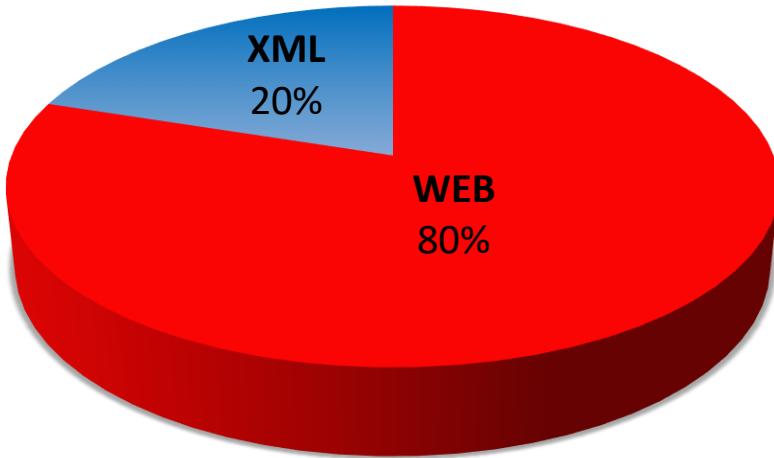
Top 5 Americas
USA
Brazil
Argentina
Mexico
Canada

Top Reciprocals
Turkey
USA
Egypt
India

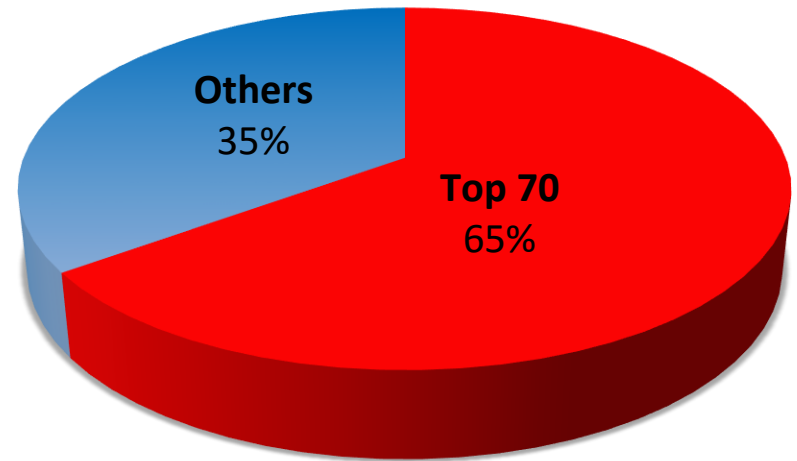
LOH – Production Mix

For personal use only

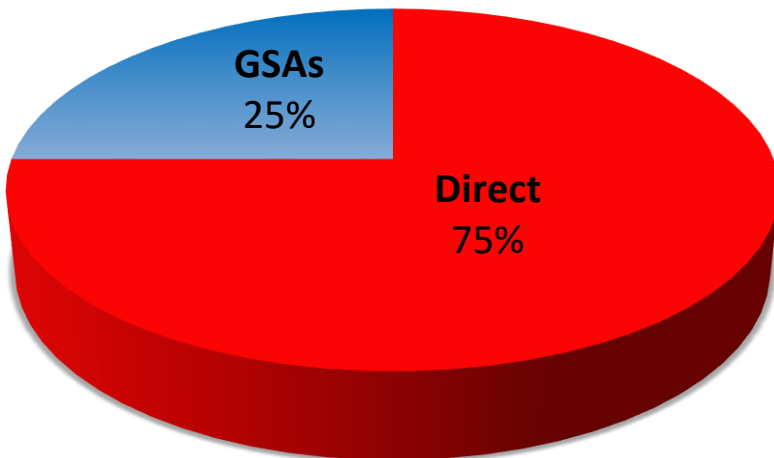
WEB vs XML



Top 70 Clients Share



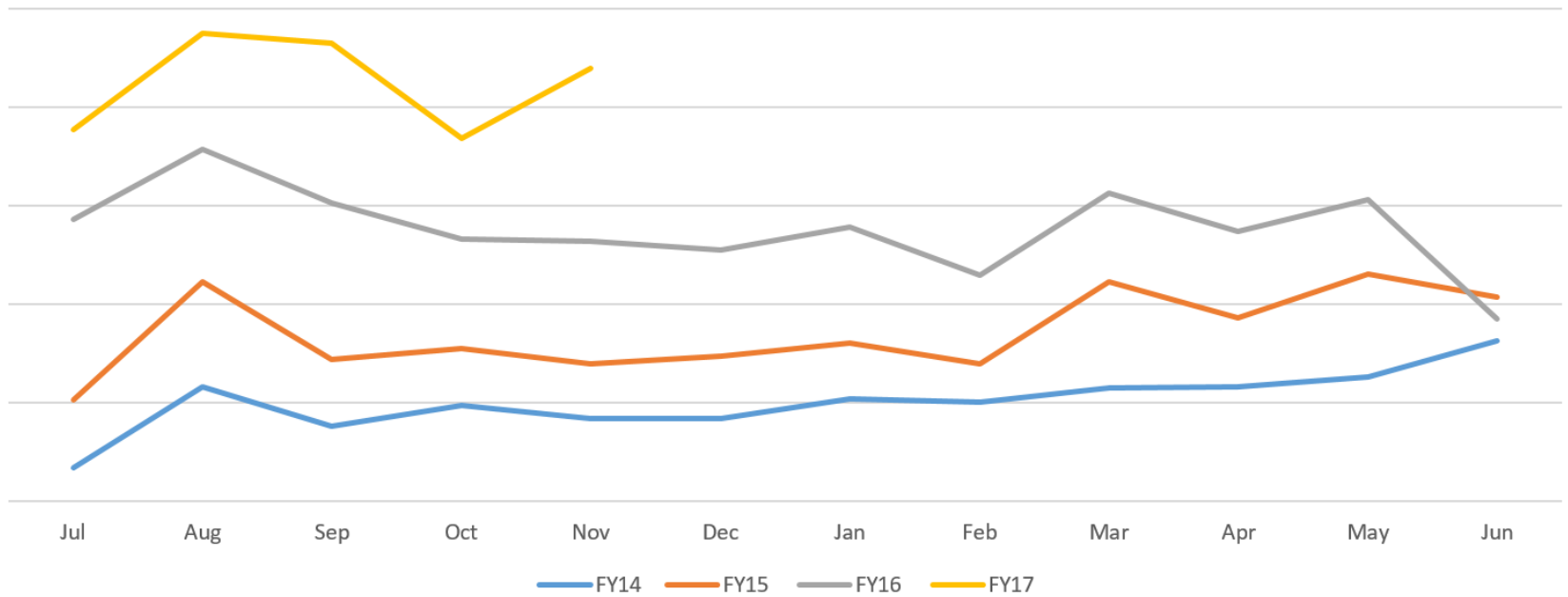
Direct Vs GSAs



LOH – Booking Growth YOY

For personal use only

LOH – Actual Bookings by Year



Strategy for Growth in FY17

For personal use only

Content

- Increase Webbeds Direct Content
- New DI Connections to include 12,500 Hotels
- Grow Domestic & Intraregional Product
- DMC Products in Top Destinations

Technology

- XML Clients Optimization Initiative
- Certify Key Tech-Houses for rapid growth
- Re-launch White Label Product

Commercial

- Increase Reciprocal Deals
- Global Distribution via GDSs
- Top 70 Clients focus on growth

Strategy for Growth in FY17

For personal use only

- **Differentiating in the B2B Space**
- **Enabling Scale**
- **Increasing Purchasing Power**
- **Network Effect**
- **Leading Market Player**



WebBeds Sunhotels



Digital provision of hotel rooms to global partners

Nigel Horne
CEO Sunhotels

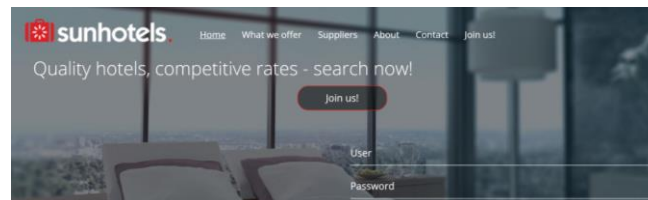


For personal use only

Our Business

Sunhotels Advantages & Opportunities

- **Supply:** Direct contracting focus, highly efficient mid and long tail through DMC and third party provider connectivity
 - **Destinations:** Strong global position in beach, fast growth in cities
 - **Customer base:** Stretches across travel agencies, OTAs and tour operators
 - **Partnerships with tour operators:** Turn to SH to outsource purchasing and fulfillment of operations
 - **Superior service levels to our trade partners**
- **Technology supporting growth**
 - **Modern, responsive website**
 - **Flexible, scalable, proprietary platform:** Enables more product on shelf
 - **Simple, fast XML API**
 - **In-house development:** Outsource low-cost where appropriate
 - **Mallorca, Spain offers strong operational location**



Growth Profile - Markets

For personal use only

Major Source Markets

- › Sweden
- › UK
- › Norway
- › Spain
- › Denmark
- › Germany
- › Finland
- › Italy
- › Turkey

Top Growth Source Markets⁽¹⁾

- › Spain +99%
- › UK +54%
- › Germany +51%
- › Norway +27%
- › Sweden +22%



Major Destinations

- › Spain
- › USA
- › Greece
- › UK
- › Italy
- › Portugal
- › UAE
- › Thailand
- › Caribbean
- › Germany

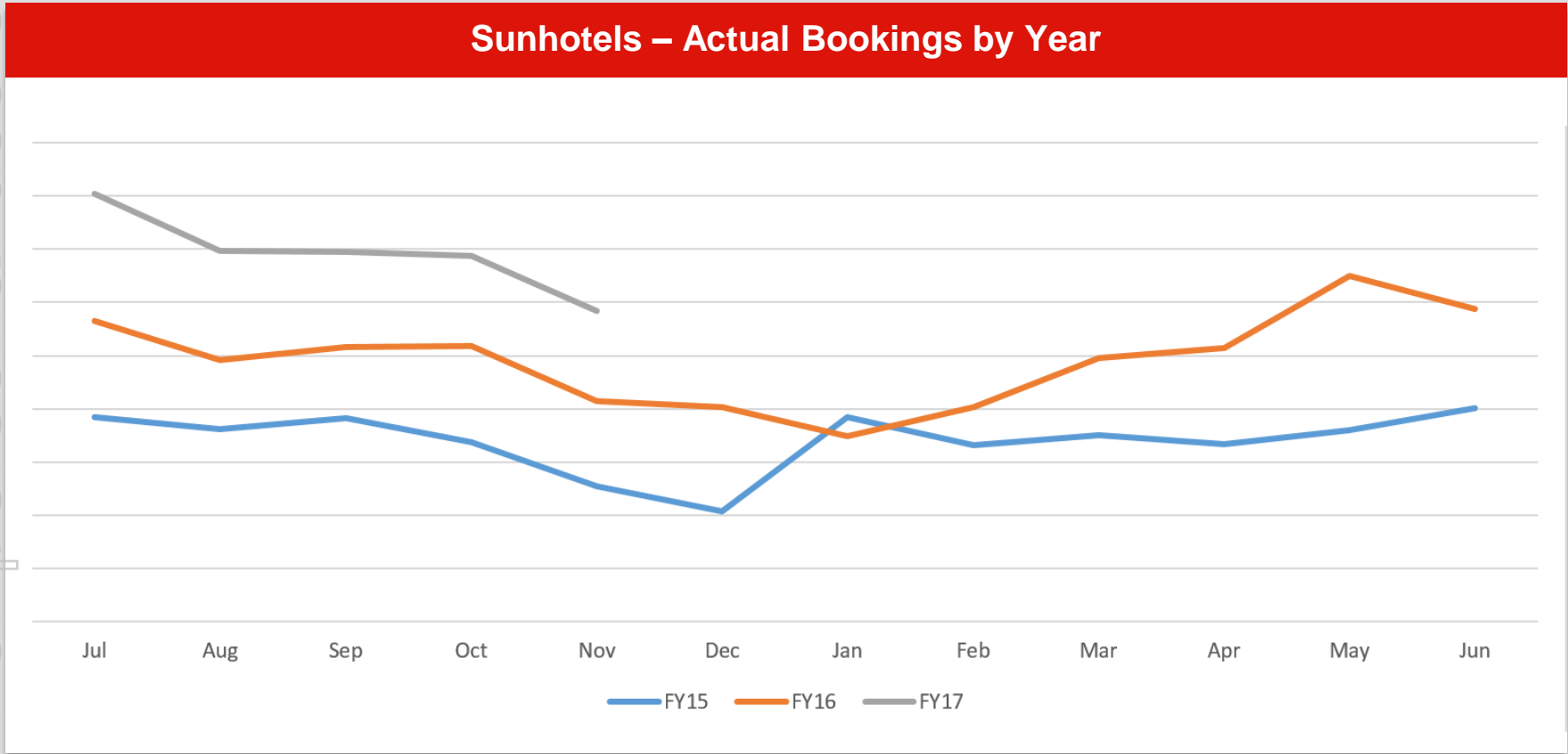
Top Growth Destinations⁽¹⁾

- › USA +61%
- › Spain +52%
- › Greece +51%
- › Italy +50%
- › UAE +31%

¹Figures represent year on year TTV growth for FY17

Growth Profile - Bookings

For personal use only



Growth in FY17 Underway

FY17 YTD TTV Highlights

Mature Markets: Nordics

- Organic share growth through improved inventory offering to existing clients
- Opportunistic new client acquisition

Growth Markets

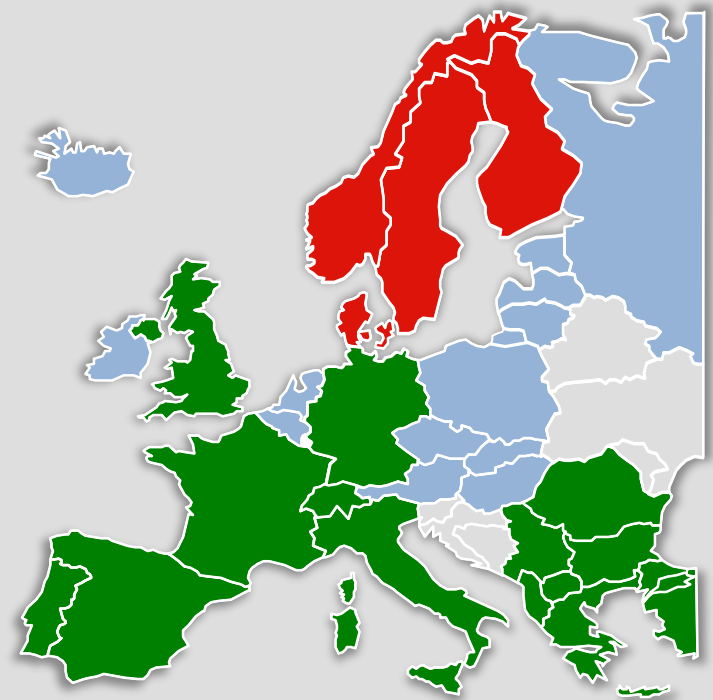
- Strong client acquisition pipeline in UK, Spain, Germany, Italy, France, Southeast Europe & Israel
- Focus on Wholesaler, Tour Operator and OTA clients in all markets
- Development of retail agency client base in UK, France, Switzerland

Inventory

- Expand inventory through all segments and geographies via a balanced strategy of direct, 3rd party and chain connectivity

Technology

- Investment in technology to manage scale, enable sales growth and gain operational efficiency



Thomas Cook Strategic Sourcing Partnership

New Strategic Partnership

- Sunhotels has entered a major strategic partnership to grow the Complementary Hotel business of Thomas Cook Group (TCG)
- Thomas Cook is a leading tour operator with GBP 7.8 billion turnover across 15 key source markets
- Sunhotels will receive ~ 3,000 hotel contracts from Thomas Cook and provide these and our existing inventory to Thomas Cook as preferred distribution partner. Novation is underway. Completion expected June 2017.

Partnership Details

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

Partnership Highlights

Thomas Cook & Sunhotels

Sunhotels Will Provide Thomas Cook:

- **Outsourcing of Contracting**
- **Health and Safety**
- **Booking Fulfillment**
- **Technology to Enable Connectivity**



Thomas Cook

What does this mean for Sunhotels?

- **Differentiating in the B2B Space**
- **Enabling Scale**
- **Increasing Purchasing Power**
- **Network Effect**
- **Leading Market Player**



WebBeds FIT Ruums



Digital provision of hotel rooms to global partners

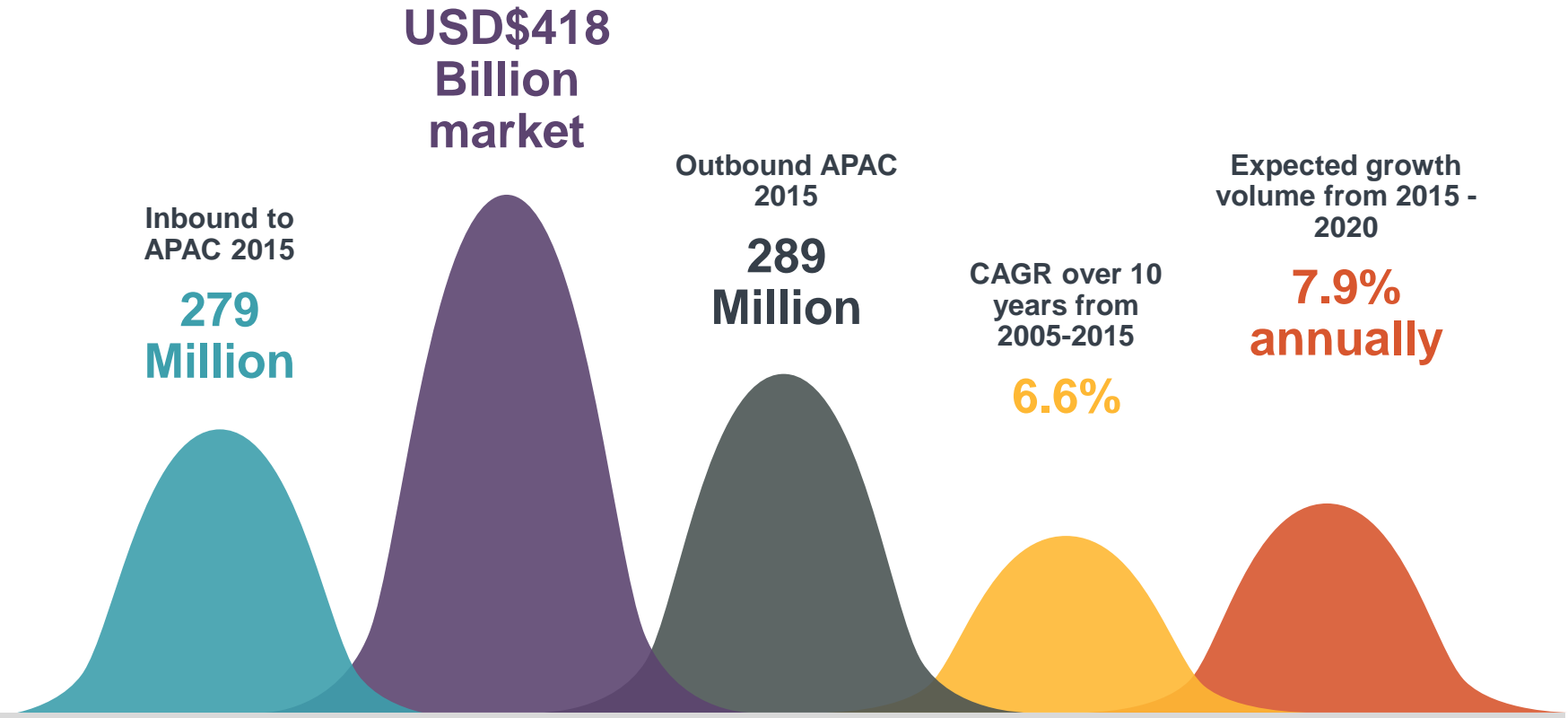
Daryl Lee



For personal use only

ASIA – Size of Opportunity

For personal use only

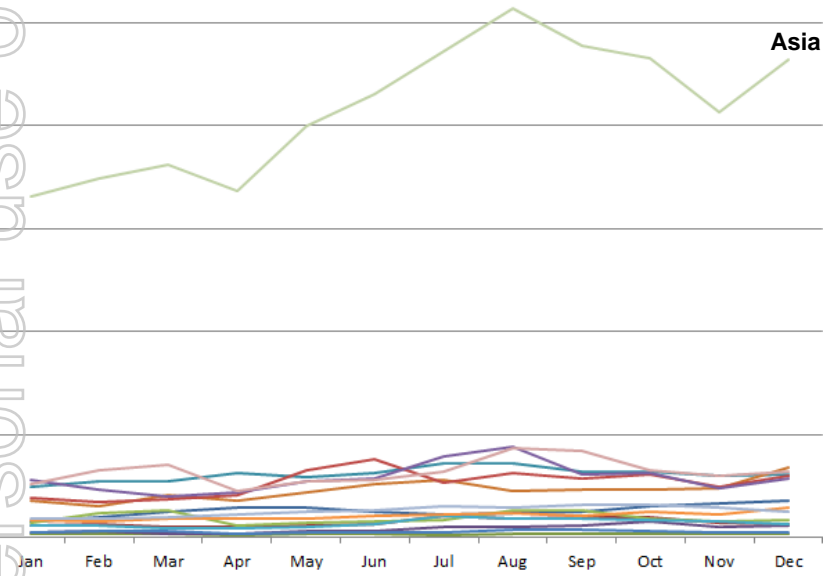


- Inbound and Outbound grew > 3 Times over 20 years
- APAC is now No. 2 Destination and Source Market in the World
- Inbound and Outbound of APAC to exceed Half Billion by 2030

MARKET TRENDS

SEASONALITY

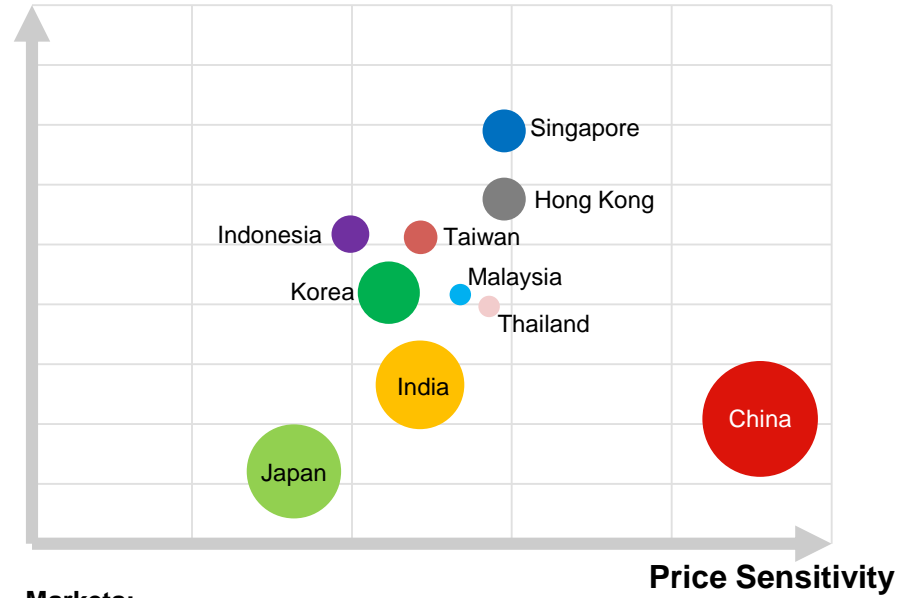
Monthly Outbound Travel Trend for Asia



- Bangkok
- Beijing
- Fukuoka
- Guangzhou
- Hong Kong
- Jakarta
- Nagoya
- New Delhi/Mumbai
- Osaka
- Seoul
- Shanghai
- Singapore
- Taipei
- Tokyo
- Asia

MARKET ATTRIBUTES

Ease of entry



Markets:

- India:** Agents deliberately and exhaustively compare prices before moving to a new supplier.
- Japan:** Requires a Japanese led sales team to penetrate the market
- Singapore & Hong Kong:** Open to new players and fairly price competitive. High International OTA penetration
- Malaysia & Thailand:** Less accessible to new players than Singapore/Hong Kong because agents are spread over a larger area, Long tail makes it more difficult to penetrate quickly.

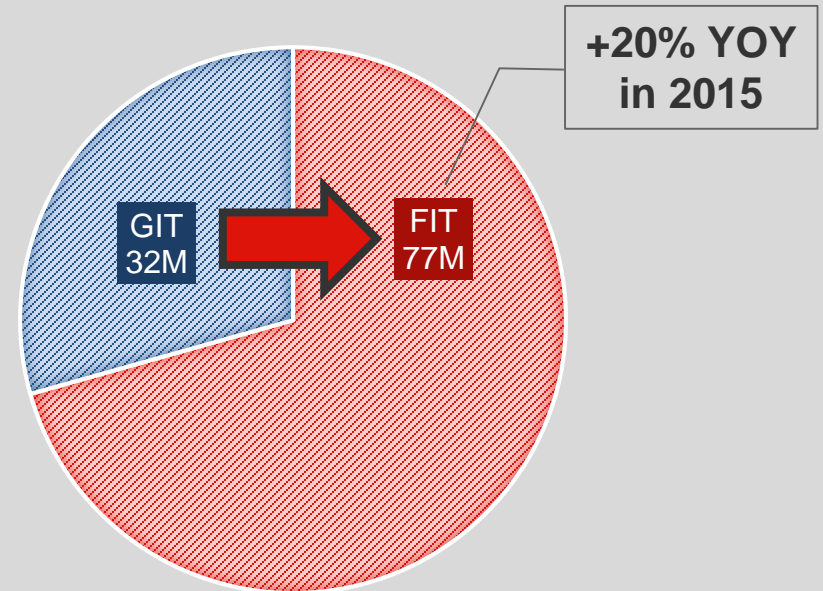
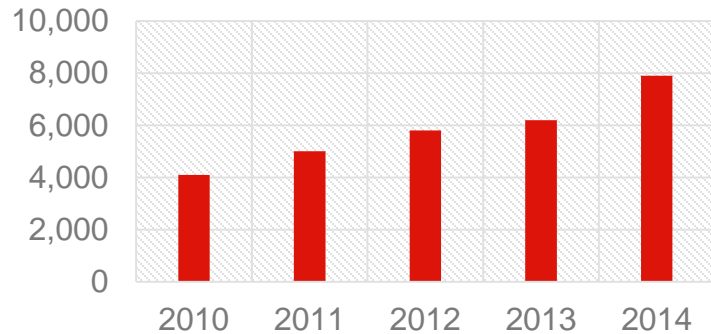
For personal use only

MARKET TRENDS

HUGE SHIFT FROM GROUP TRAVEL TO FIT TRAVEL

China example:

Number of trips by mainland solo travellers (in 10,000)

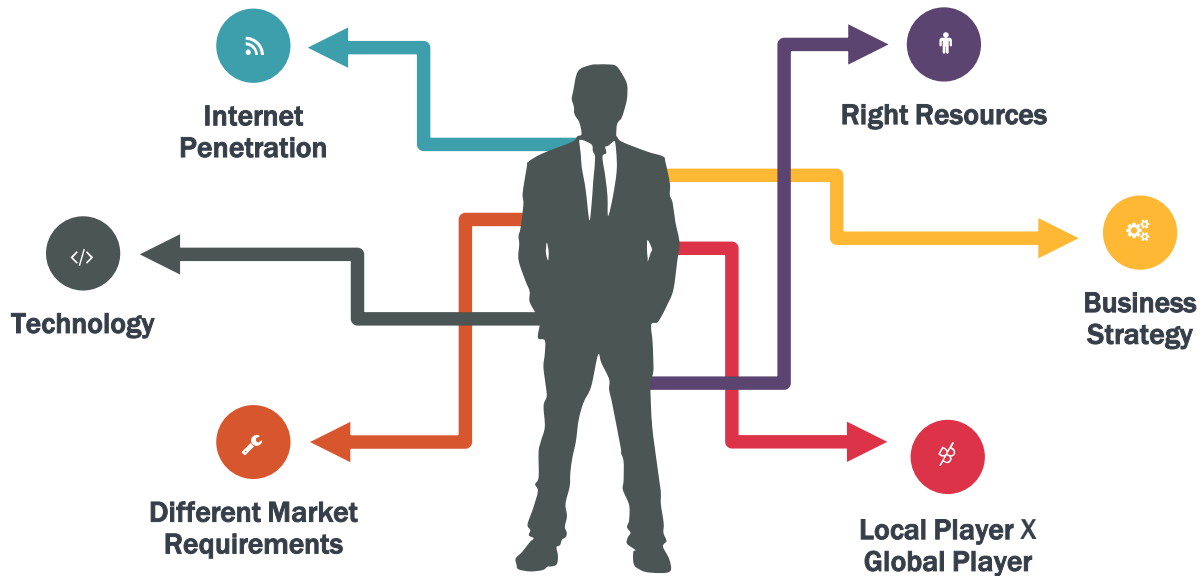


SOURCE: South China Morning Post article on 23 March 2015 by Laura Zhou. "Chinese tourists shun package trips in favour of independent travel".

For personal use only

OUR APPROACH

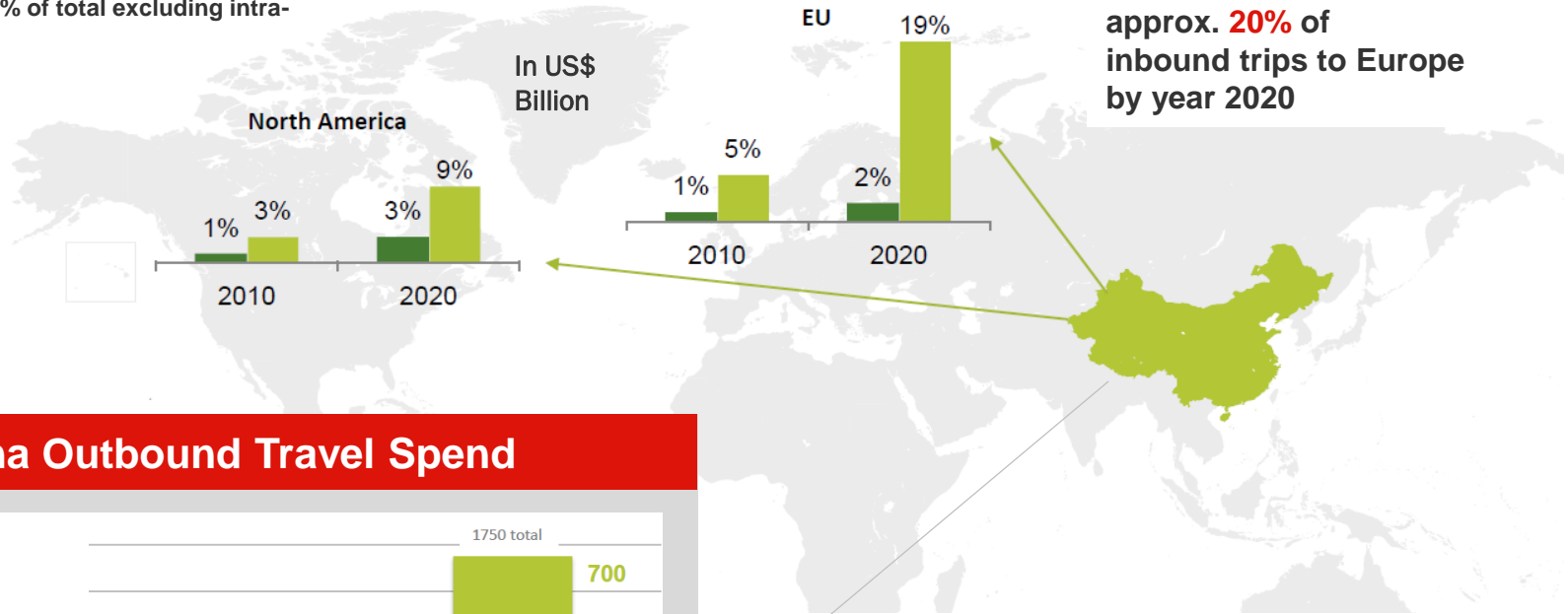
For personal use only



```
POST /1/SOAP/NonStaticXMLAPI.asmx HTTP/1.1 Host: search.fitruums.com Content-Type: text/xml; charset=utf-8 Content-Length: length
SOAPAction: "http://search.fitruums.com/1/GetDestinations" <?xml version="1.0" encoding="utf-8"?> <soap:Envelope
xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
xmlns:soap="http://schemas.xmlsoap.org/soap/envelope/"> <soap:Body> <GetDestinations xmlns="http://search.fitruums.com/1/">
<userName>string</userName> <password>string</password> <language>string</language> <destinationCode>string</destinationCode>
<sortBy>Country or Destination</sortBy> <sortOrder>Ascending or Descending</sortOrder>
<exactDestinationMatch>boolean</exactDestinationMatch> </GetDestinations> </soap:Body> </soap:Envelope>
```

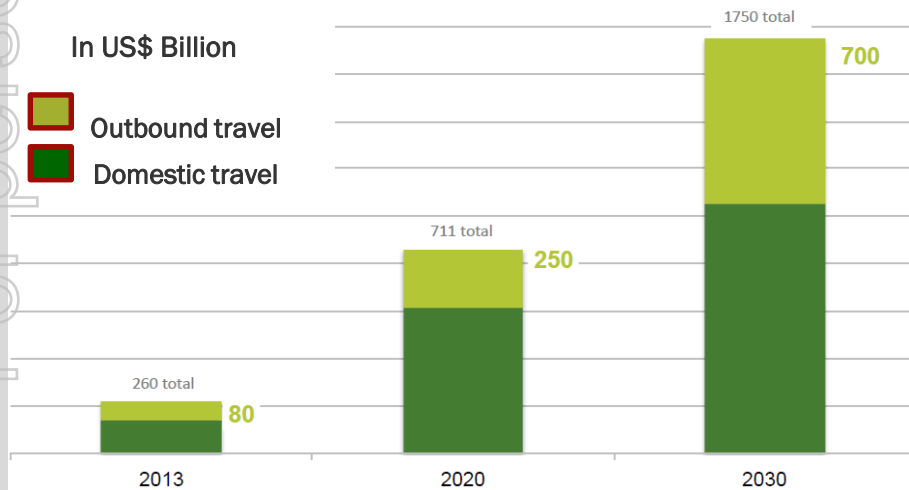
China Landscape

- China arrivals as % of total arrivals
- China arrivals as % of total excluding intra-region trips



China to account for approx. **20%** of inbound trips to Europe by year 2020

China Outbound Travel Spend



China opportunity is significant

For personal use only

OUR APPROACH

EXCLUSIVE ALLIANCE PARTNERSHIP IN CHINA



NO. 1 B2B TRAVEL
DISTRIBUTOR IN CHINA

WHO IS DIDA TRAVEL

- Shenzhen-based
- Established in year 2012; revenues have grown by almost 100 times in less than 5 years
- **First** international hotel resource consolidator to go public in China
- Supply to more than **8,000** travel agencies in China including major OTAs like Ctrip, Qunar, eLong and Alitrip.

WHAT DOES SUCCESS LOOK LIKE?

- FIT Ruums gains strong foothold in the Chinese market
- Joint research and development in travel technology for Asian travel agents
- Collectively, FIT Ruums & Dida are the **go-to** distributors for travel agents and hotel suppliers in APAC.

LONG TERM AMBITION

For personal use only



SINGAPORE



HONG KONG



TAIWAN



SOUTH KOREA



INDONESIA



JAPAN*



INDIA*



THAILAND*

*Coming in 2017.

1

360 Degree Partnerships

2

Top Aggregator

3

Top Distributor

“We are the market leader for travel industry.”



For personal use only

B2B WebBeds

Digital provision of hotel rooms to global partners

Investment is delivering

Fastest growing B2B business globally in TTV, Bookings, Market Share

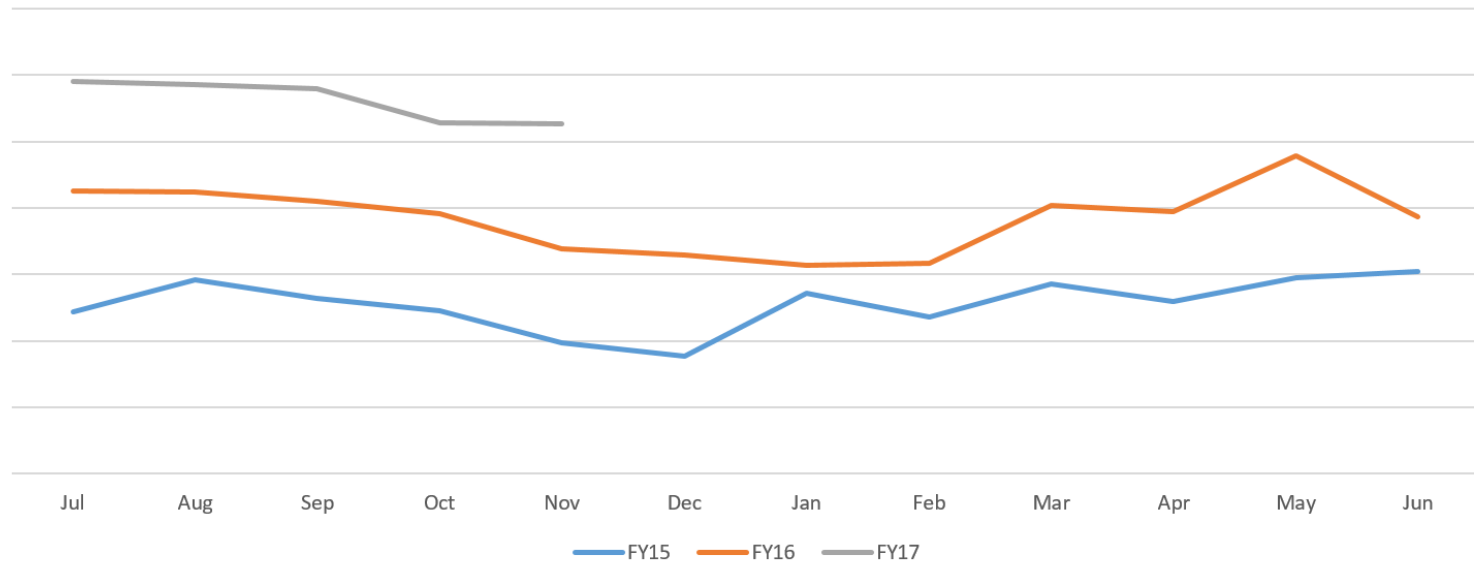
FY15 expansion investment is delivering expected outcomes today:

- **Improved Content:** Delivering improved content through the expansion of contracting globally - both directly and through third parties
- **Increased Sales Force:** delivering in all markets
- **Expanded Markets:** Entered into new markets including US, Israel, Romania, Brazil, Argentina, Canada and others
- **Investment in Technology:**
 - Allowing for scale and operational efficiencies
 - Driving improved conversion

Investment is delivering – bookings growth

For personal use only

WebBeds – Actual Bookings by Year



Investment is delivering – EBITDA growth

For personal use only

B2B Division

\$346M

FY16 TTV

\$3.4M

FY16 EBITDA

> \$450M

FY17
FORECAST
TTV

> \$11M

FY17
FORECAST
EBITDA

- YTD Bookings growth in excess of 40% on pcp
- Average booking value has declined by more than 10%
- Revenue to TTV margins have improved
- FY17 EBITDA expected to be more than 200% on pcp

For personal use only

FY17 GUIDANCE

FY17 YTD Key Highlights

For personal use only

Blockchain Proof of Concept Solution Built (8 Nov)

- First of its kind in the travel industry
- In partnership with Microsoft
- Offers significant potential cost savings in our B2B business; additional revenue generating opportunities



Sale of Zuji (9 Nov)

- Sale price \$56 million; representing \$26 million profit over purchase price
- Allows us to focus on higher growth B2B opportunities in Asia



Launch of FIT Ruums (23 Nov)

- Our Asian B2B entry strategy



FY17 YTD Trading Performance

For personal use only

Webjet Limited continues to experience strong bookings growth across all business units

B2C

- **Webjet** bookings growth continues to outperform the market by more than 4 times; strong growth coming through in both domestic and international bookings
- **Online Republic** – currently tracking ahead of expectations

B2B

- Bookings growth for both **Lots of Hotels** and **Sunhotels** businesses are outperforming their respective markets by more than 10 times
- B2B on track to exceed \$11 million EBITDA for FY17
- B2B TTV on track to exceed \$700 million by FY18

FY17 Guidance

For personal use only

FY17 guidance of \$78 million EBITDA

FY17

- \$60 million EBITDA for the continuing businesses – Webjet, Online Republic, Lots of Hotels and Sunhotels (including the Thomas Cook alliance)
- \$26 million gain on sale of Zuji
- Less deductions of \$8 million comprising:
 - One-off \$5 million cost associated with an accounting policy change due to a shift in supplier contracting arrangement for Webjet Exclusives; required to comply with IFRS 15 coming into effect in FY18
 - One-off \$3 million investment associated with launch of FIT Ruums

1H17

For continuing businesses:

- 1H17 EBITDA expected to be **up more than 60% on pcp**
- 1H17 NPAT expected to be **up more than 75% on pcp**

5 YR CAGR

We reiterate our 5 year CAGR EBITDA targets:

- B2C to deliver **10+%** CAGR EBITDA growth
- B2B to deliver **30+%** CAGR EBITDA growth



webjet limited

For personal use only

THANK YOU

November 2016

