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# HALF YEAR RESULTS FY14

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**Managing Director**

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# Highlights

- Revenue up 64% to \$52.2m
- Increase in margins: TTV margin up 23% to 10.3%
  - Improved operating terms
  - Evolving business mix
- Reported EBITDA up 45% to \$12.3m; 21.5% above Normalised FY13
- NPAT growth of 60% to \$9.1m, 24% higher than Normalised FY13.
  - Utilisation of Zuji carry forward tax losses, reduced the average tax rate to 20.1%
  - Impact of lower interest rates (c.\$238k impact)
  - Absorbs impact of revised useful life for technology assets (\$565k impact)
- Year of significant core infrastructure investment
  - Webjet platform moved into the cloud
  - Successful migration of Zuji onto Webjet Platform

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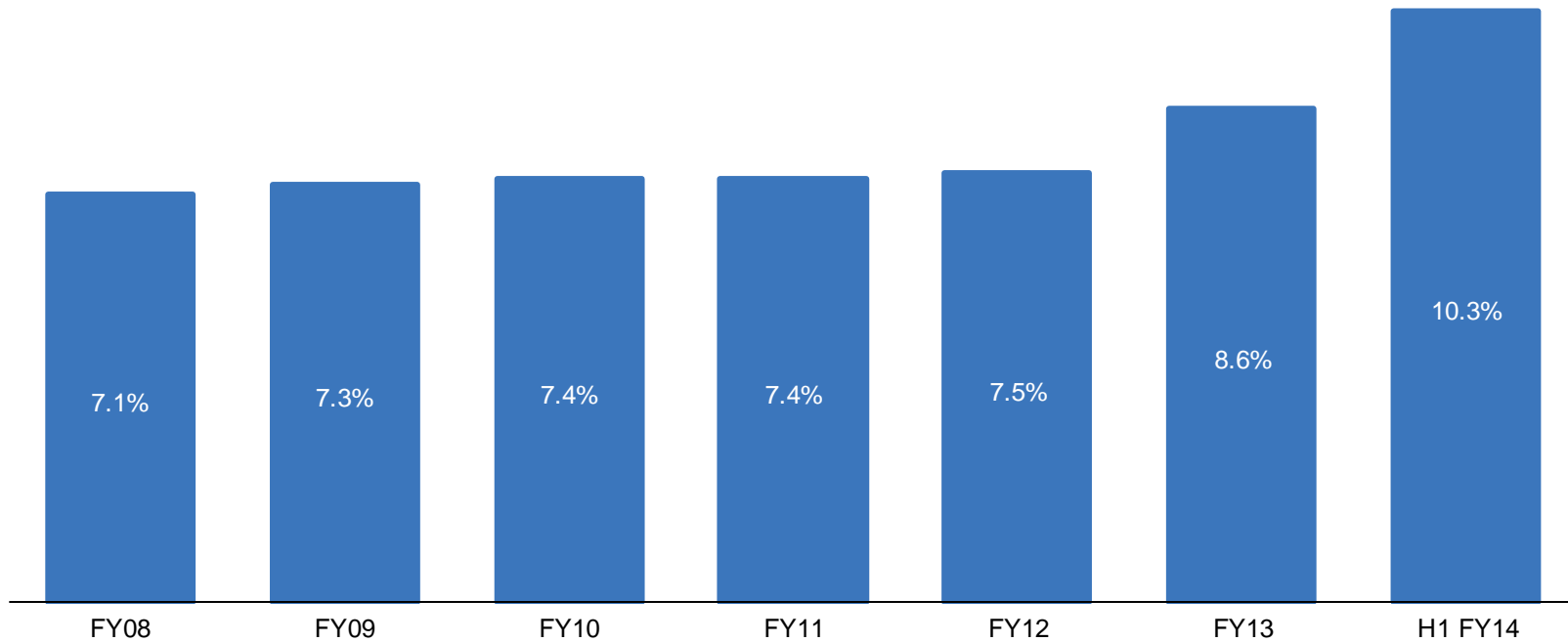
# Result summary

Half Year Ended 31 December \$m	Reported			Normalised		
	FY14	FY13		FY14	FY13 (1)	
<b>TTV</b>	507	380	33.4%	507	380	33.4%
<b>Revenue</b>	52.2	31.8	63.9%	52.2	31.8	63.9%
Costs	39.9	23.3	70.8%	39.9	21.7	76.1%
<b>EBITDA</b>	12.3	8.5	45.0%	12.3	10.1	21.5%
Depreciation and Amortisation	(1.4)	(0.6)	119.5%	(1.4)	(0.6)	120.9%
Interest	0.4	0.6	(38.0%)	0.4	0.6	(38.0%)
Associates	0.0	(0.1)	(100.0%)	0.0	(0.1)	(100.0%)
<b>EBT</b>	11.3	8.4	34.3%	11.3	10.1	12.4%
Tax Expense	(2.3)	(2.8)	(18.5%)	(2.3)	(2.8)	(18.5%)
<b>NPAT</b>	9.1	5.6	60.3%	9.1	7.3	24.2%
<b>EPS (cents)</b>						
- Basic	11.6	8.0	44.3%	11.6	10.3	12.1%
- Diluted	11.5	7.9	44.7%	11.5	10.2	12.4%
<b>Margins</b>						
Revenue Margin	10.3%	8.4%		10.3%	8.4%	
EBITDA Margin	23.6%	26.7%		23.6%	31.8%	
NPAT	17.4%	17.7%		17.4%	22.9%	
Effective Tax rate	20.1%	33.1%		20.1%	27.7%	

1. Result adjusted for the impact of one-off costs: Start-up costs for Lots of Hotels business of \$1.1m, Zuji acquisition costs of \$0.5m.

# Accelerating growth in revenue margin

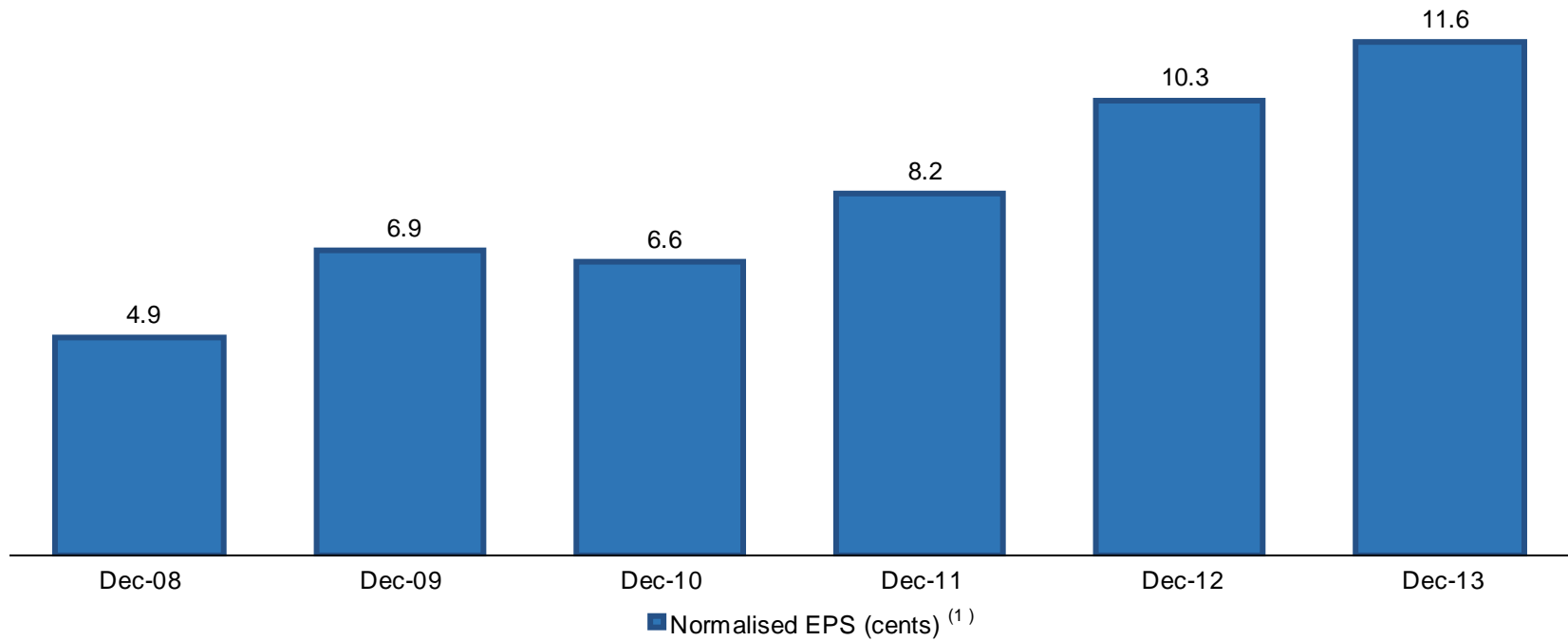
Revenue / TTV margin



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# Continued growth in EPS

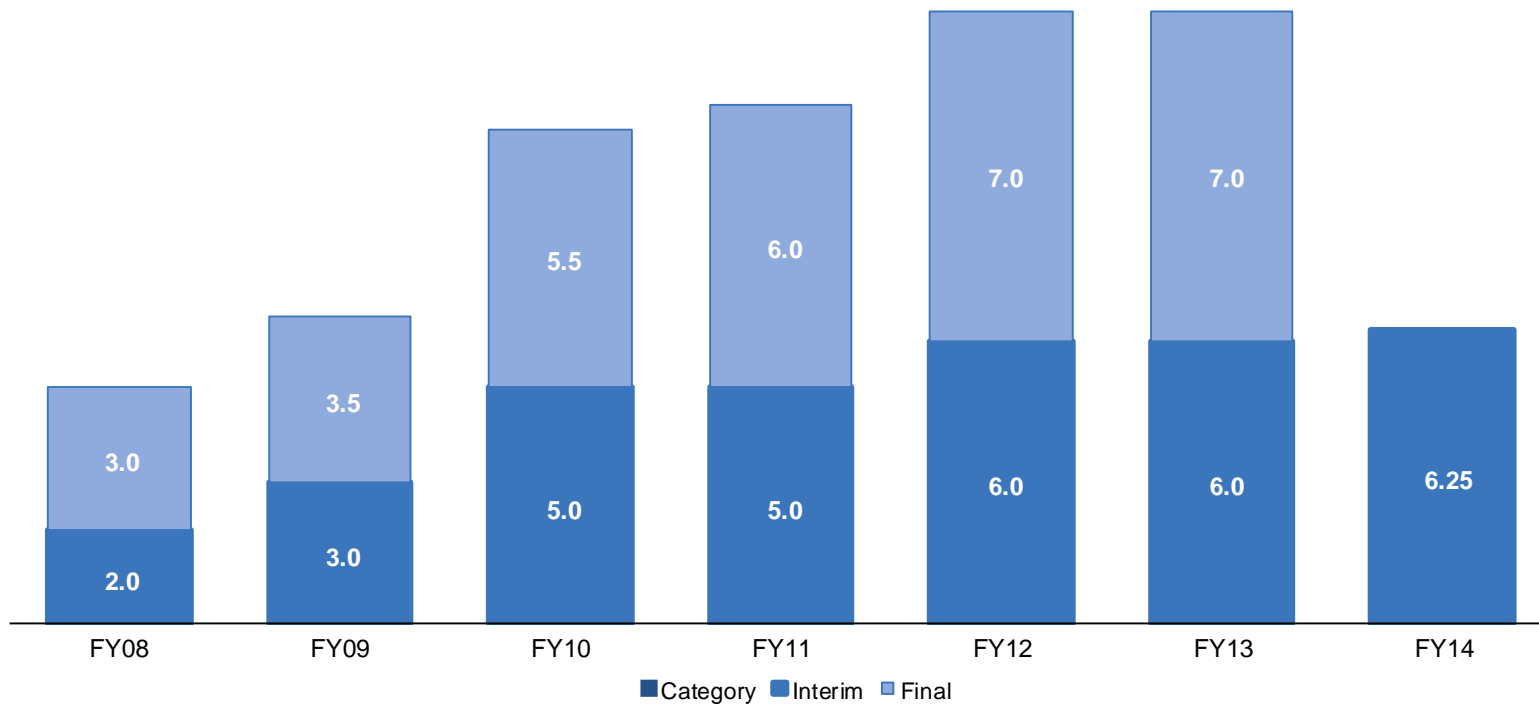
Normalised EPS (cents)



1. Result adjusted for the impact of one-off costs: Start-up costs for Lots of Hotels business of \$1.1m, Zuji acquisition costs of \$0.5m.

# Dividends

Cents paid – fully franked



- Interim dividend increased to 6.25 cents

# Strong balance sheet

\$m	Dec-13	Jun-13	Change
Cash	45.4	66.8	(21.4)
Other current assets	18.6	22.0	(3.4)
Non-current assets	48.3	45.4	2.9
<b>Total Assets</b>	<b>112.3</b>	<b>134.2</b>	<b>(21.9)</b>
Liabilities	47.6	73.5	(25.9)
<b>Equity</b>	<b>64.7</b>	<b>60.7</b>	<b>4.0</b>

- Zuji integrated and terms of trade aligned
- Debt free
- Cash includes \$9.5m of client funds; [ \$29m at 30 June 2013 ]





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# AIR

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# WEBJET- NO 1 OTA – AIR<sup>(1)</sup>

Australia & New Zealand

# ZUJI - NO 1 OTA – AIR<sup>(2,3)</sup>

Singapore & Hong Kong

(1) Number 1 AIR OTA in AU/NZ as determined by Hitwise.

(2) SG: Aggregated internet metrics 2013

(3) HK: Aggregated internet metrics 2013

# Air

- Delivered profitable growth through improved margins
- Enhanced targeted digital marketing to maximise ROI
- Grown share of visits H1 FY14

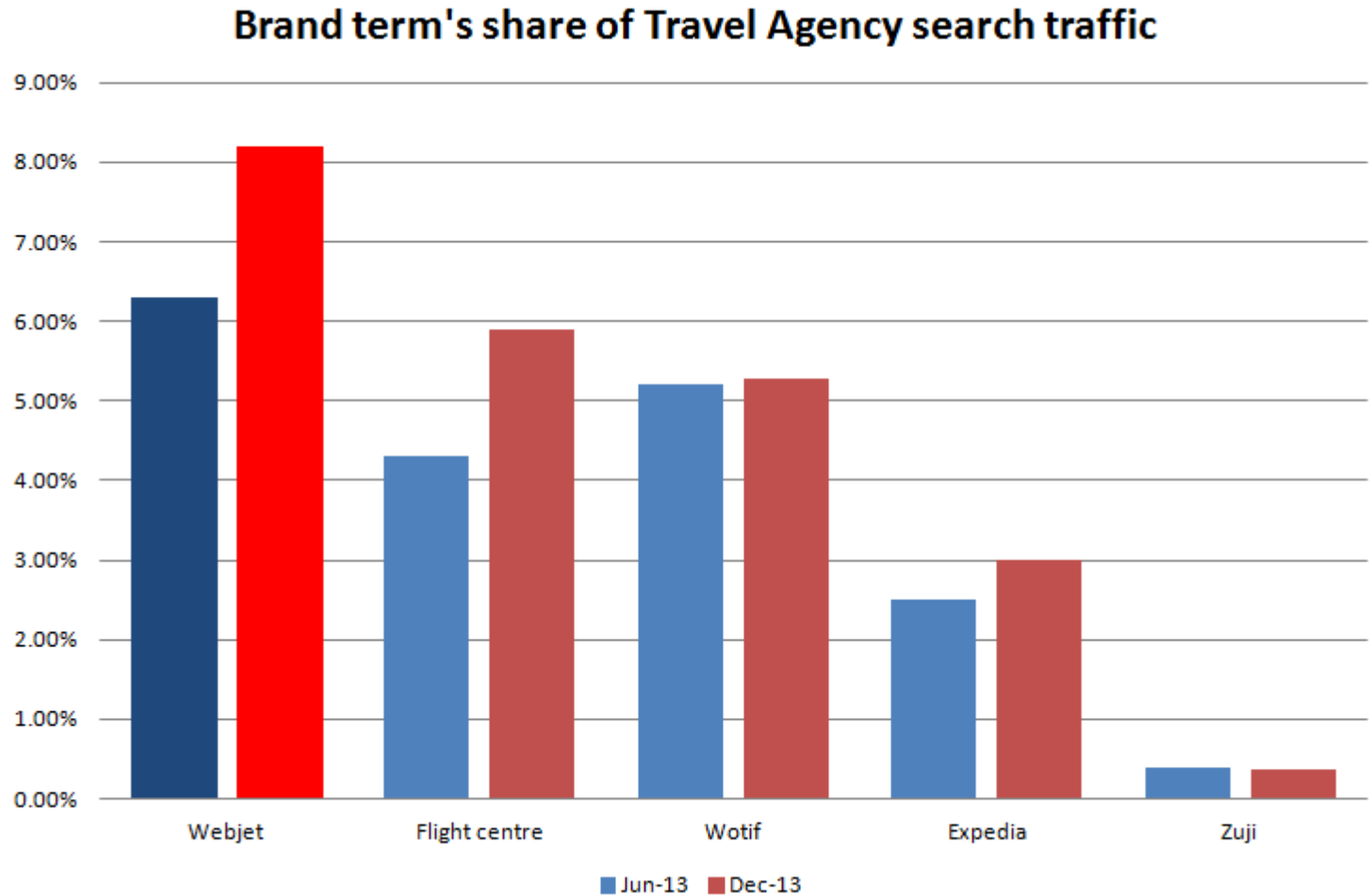
Average half year share		
Webjet	Jan-Jun	Jul-Dec
2012	12.42%	11.90%
2013	12.41%	12.29%
VAR	-0.01%	0.39%

Average half year share		
Expedia	Jan-Jun	Jul-Dec
2012	10.83%	9.48%
2013	8.82%	9.15%
VAR	-2.01%	-0.33%

Source is Htiwise.com.au

# Webjet leads brand awareness amongst OTA's

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Source: Hitwise upstream search terms .

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# NON - AIR

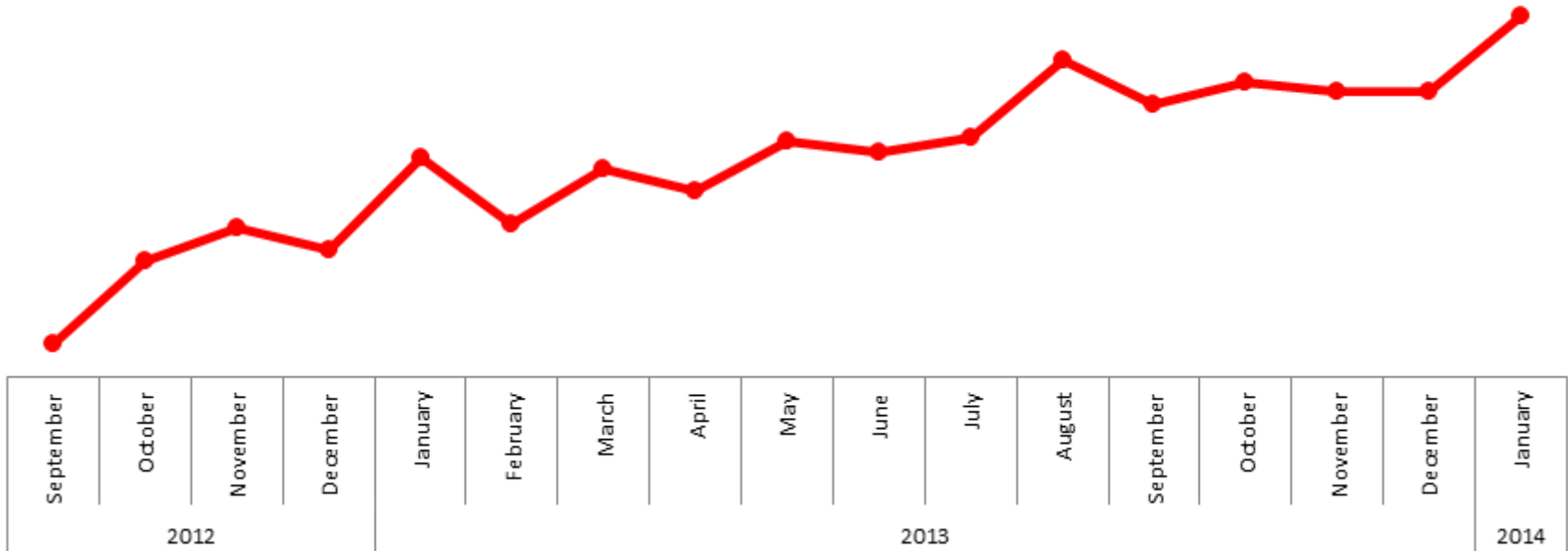
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# Organic Packages Growth

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## Webjet Australia - Package Sales

\$21m Run Rate



# Lots Of Hotels

- Lots of Hotels
  - Online B2B hotels business
  - Now in 18 markets across Middle East, North Africa, Southern Europe
  - Plan to launch into 30 markets by December 2014
  - Proven and experienced management team
  - Currently on a \$65m+ annualised TTV run rate
  - Margin continues to improve
  - Scale is the objective for 2014

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# TECHNOLOGY

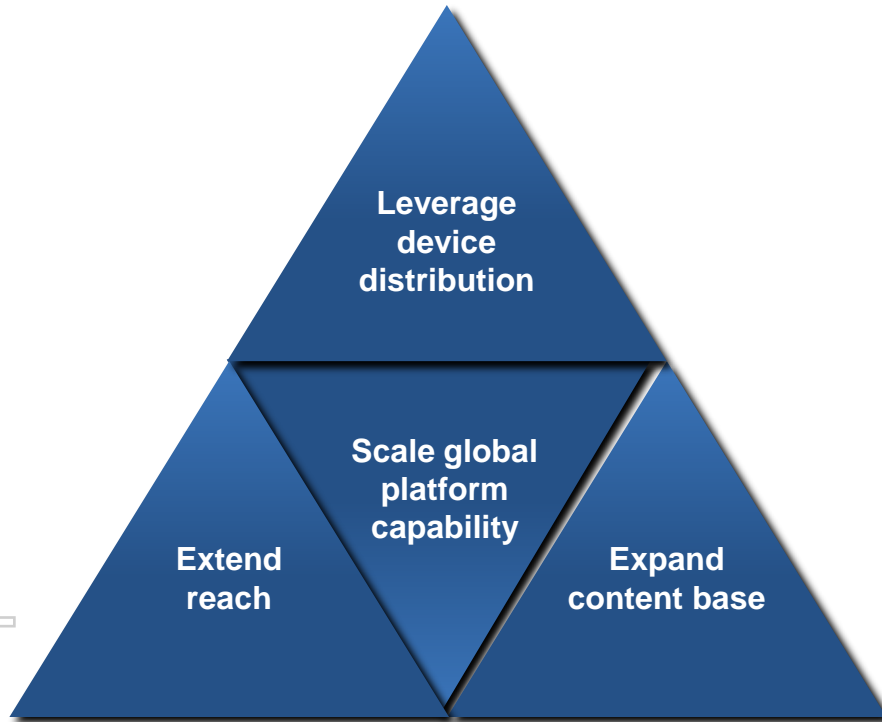
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INVESTING IN THE FUTURE OF TRAVEL



# Growing from firm foundations

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- Completed transition of ZUJI online presence to Webjet Cloud Services platform in all markets
- Increased payment options for customers through new payment platform
- Devised tools to provide more air content options across our flight markets
- Continued focus on our mobile strategies and solutions

**“COWARDS DIE MANY TIMES BEFORE THEIR DEATHS  
THE VALIANT NEVER TASTE OF DEATH BUT ONCE”**

- Shakespeare, Julius Caesar Act II



**BOOKING FEES**



**AIRLINES**



**METASEARCH**



**GOOGLE FLIGHTS**



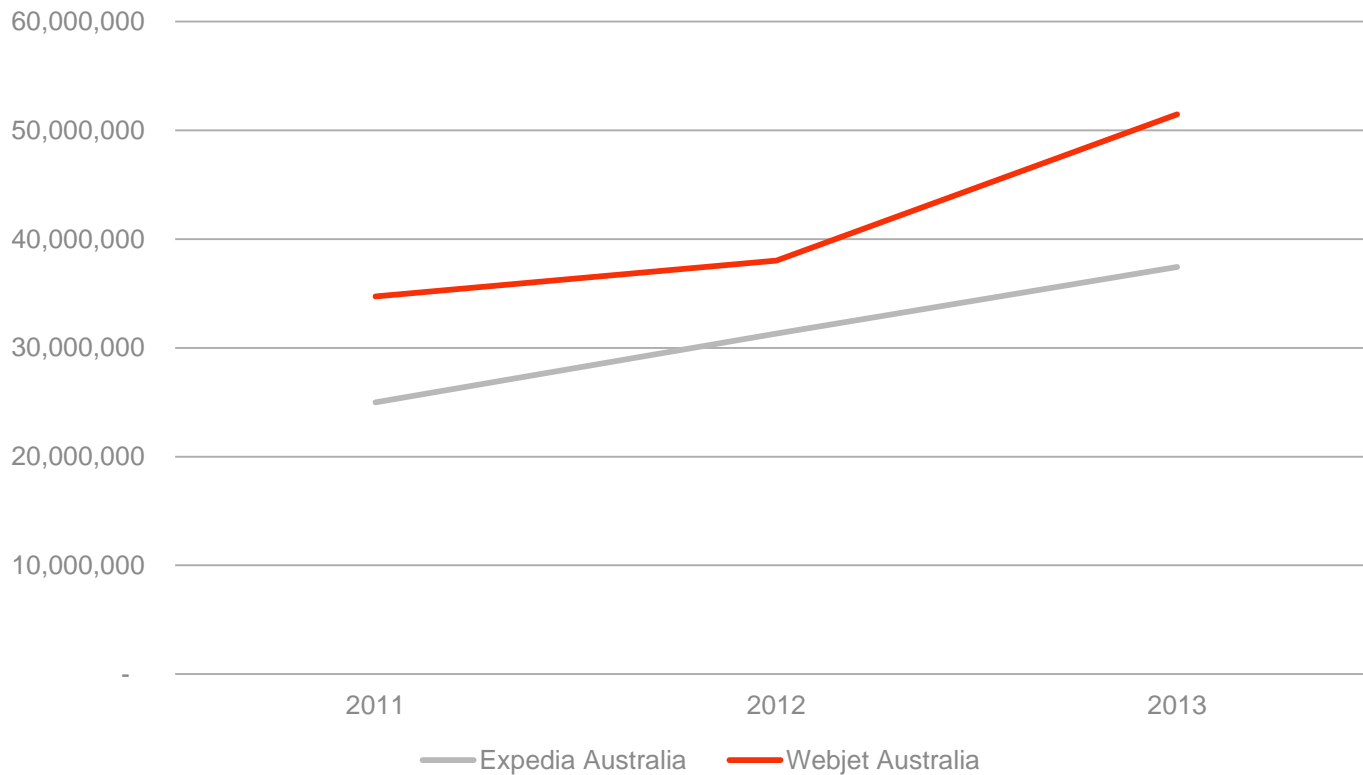
**AMERICAN OTA COMPETITORS**

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# The myth of modern man – Part 1

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## Webjet vs. Expedia Total Visitation YOY



# The myth of modern man – Part 2

- Booking.com DOES NOT sell air
- Since 2011 Webjet has grown hotels:
  - From \$2m annually to
  - \$57m in first half of 2014
- A run rate of \$120 million a year, a 60 fold increase over just three years

Webjet sells hotels via:

- B2C through Webjet & ZUJI sites
  - Stand alone
  - Inflight path
  - Packages
- B2B through Lots Of Hotels

# Webjet Exclusives

New product offering

Exceptional short term fixed price travel deal

Seasoned travel executive Paul Ryan

- Ex Flight Centre, Scoopon

Launching in Q4 2014

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