ASX release 1H22

Demand snapping back
Rapid returns to high booking volumes as borders open
Significant positive cash generation

- **Business turning around as global travel markets start to reopen** – positive working capital delivering $3.5 million/month cash surplus. Cash reserves of $446 million offer significant flexibility and runway.
- **WebBeds profitable since July** - 1H22 costs down 31% compared to pre-Covid and on track to be 20% more cost efficient at scale; Nov-21 TTV at 63% of pre-Covid volumes with many key markets yet to open.
- **Webjet OTA returned to profitability in October 2021** – Profitable in 1Q22 but 2Q22 impacted by extended lockdowns and border closures; Trip Ninja investment targeting international market share growth.
- **Online Republic rebranded as GoSee** – one platform for cars and motorhomes content to deliver greater efficiencies, improved customer service and target global growth opportunities.
- **Seeing rapid returns to high booking volumes as markets reopen** – 3Q22 trading is currently tracking ahead of 2Q22.
- **The deferred FY20 interim dividend of $0.09 to be paid** on 23 December 2021.

24 November 2021: Webjet Limited (**Webjet** or the **Company**, ASX:WEB) today announced financial results for the first half of FY22.

1H22 saw the Company start to turnaround delivering a cash surplus of $3.5 million per month, compared to a $5.5 million average monthly cash burn in FY21. Total Transaction Volume (TTV), Revenue and EBITDA were all up compared to the previous comparable period, reflecting the gradual reopening of global travel markets. Expenses were down materially compared to pre-Covid, reflecting the strategic initiatives underway across the Company to deliver 20% greater cost efficiencies at scale.

WebBeds was profitable for 2Q22, driven by domestic markets in North America and Europe. Webjet OTA was profitable in 1Q22 however 2Q22 was impacted by extended lockdowns and border closures in Australia and New Zealand. Webjet OTA returned to profitability in October 2021 as domestic and international borders start to reopen. Like Webjet OTA, Online Republic was impacted by State border and trans-Tasman bubble closures. In October 2021, Online Republic was rebranded as GoSee and now offers all cars and motorhomes content on the one website. The new one brand platform is expected to improve underlying performance, deliver enhanced customer experience and facilitate targeting global growth opportunities.

Commenting on the result, Webjet's Managing Director John Guscic said:

> "1H22 results largely reflect the turnaround in WebBeds with that business now producing positive cash. Our decision to target new domestic opportunities while international markets were closed and expand WebBeds' presence in the large North American B2B market has returned that business to profitability. Webjet OTA's brand strength propelled an increase in Australian domestic leisure market share which started to recover in 1Q22 and delivered a profitable quarter. The momentum reversed in June as a result of lockdowns and border closures, however has since improved and again returned to profit in October as the national Covid response road map improves consumer confidence around travel opportunities. As international markets start to reopen, our recent acquisition of Trip Ninja is designed to further improve

our ability to offer competitive pricing for international itineraries that will become more complex as customers seek to capitalise on different destination openings. In October we launched the GoSee rebrand of the Online Republic business. Providing all cars and motorhome content on the one website will drive considerable efficiencies by helping centralise costs and scale investments, as well as offer greater choice and functionality for our customers."

GROUP PERFORMANCE

The table below shows results for Webjet's Statutory Result and Underlying Operations [1] for the 1H22 and 1H21 periods.

	Statutory Result		Underlying Operations [1]	
Webjet Group	**1H22** 6 months to Sep-21	**1H21** 6 months to Dec-20	**1H22** 6 months to Sep-21	**1H21** 6 months to Dec-20
TTV	**$663m**	**$267m**	**$663m**	**$267m**
Revenue [2]	**$55.4m**	**$22.6m**	**$55.4m**	**$22.6m**
Operating expenses	**($71.2m)**	**($62.7m)**	**($71.2m)**	**($62.7m)**
Non-operating expenses	($17.4m)	($72.3m)	-	-
Share based payment expenses	($5.0m)	($2.0m)	-	-
EBITDA	**($38.2m)**	**($114.4m)**	**($15.9m)**	**($40.1m)**
Depreciation and amortisation	($11.9m)	($11.8m)	($11.9m)	($11.8m)
Acquisition amorisation (AA) [3]	($9.6m)	($10.2m)	($9.6m)	($10.2m)
Net interest costs	($13.6m)	($8.7m)	($13.6m)	($8.7m)
Income tax benefit	$11.5m	$12.9m	$7.1m	$12.3m
NPAT (before AA)	**($52.2m)**	**($122.0m)**	**($34.2m)**	**($48.4m)**
NPAT	**($61.8m)**	**($132.2m)**	**($43.8m)**	**($58.5m)**
EPS (before AA)	(13.8 cents)	(36.0 cents)	(9.1 cents)	(14.3 cents)
EPS	(16.4 cents)	(39.0 cents)	(11.6 cents)	(17.3 cents)
Effective Tax Rate (excl AA)	18.1%	9.6%	17.3%	20.2%
Effective Tax Rate	15.7%	8.9%	14.0%	17.3%

Statutory Result includes $17.4 million non-operating expenses, of which $14.5 million relate to the write-off of the Online Republic brand, and $5 million share based payment expenses.

1H22 shows results for the 6 months to 30 September 2021 (reflecting the new 31 March year-end) while 1H21 shows results for the 6 months to 31 December 2020. It is therefore not useful to provide a comparative discussion of overall group performance between the two periods.

CAPITAL POSITION

- Positive working capital delivering cash surplus of $3.5 million per month (FY21: $5.5 million per month average cash burn).
- Cash increased to $446 million as at 30 September 2021 (after taking into account debt repayments and foreign exchange gains), up from $431 million (pro forma) as at 31 March 2021.
- Deferred interim FY20 dividend of 9 cents per share (80% franked[4]) is to be paid on 23 December 2021.
- Strong cash position provides significant liquidity and runway, as well as the ability to pursue attractive growth opportunities.

OUTLOOK

Webjet is intent on capitalising on travel recovery. The Company's geographic diversification has become a core strength as different regions recover at different times and the market opportunity has increased in all businesses.

Commenting on the outlook, John Guscic said

> "The half year results have demonstrated the power of Webjet's geographic diversification and ability to sharply focus resources on those markets and customer segments that exhibit the earliest recovery patterns.
>
> In WebBeds, November TTV is already tracking at 63% of pre-Covid sales yet many key markets are still to open, and December is expected to eclipse November's trading. As they do open, not only do we have our existing pre-Covid global footprint in place, but we have expanded our geographic presence in the key North American market, added significant domestic inventory globally, and signed a range of new domestic and OTA customers, resulting in a materially larger opportunity for growth than was targeted pre-Covid.
>
> Webjet OTA is also well positioned for growth, with bookings picking up since October as domestic and international borders start to reopen. We see genuine opportunity to increase market share as consumers continue to shift to buying online and believe the exciting innovations offered by the Trip Ninja technology will play a key role in growing our share of the international flights market. The reopening of Australian domestic borders and the trans-Tasman bubble will drive a return to profitability for GoSee and we believe the one core brand strategy provides real opportunity to transform that business.
>
> At a group level, third quarter trading is currently tracking ahead of the second quarter.
>
> The opportunities are significant with pent up demand evident globally as we see travel snapping back as markets open. Our reduced cost base, enhanced technology and strong customer service ethos, in conjunction with a culture of constant product innovation, places us in a powerful position to capture bookings as the recovery continues. Our strong capital base also ensures we can take advantage of strategic opportunities as they arise in a realigned and changing global industry.
>
> While there remains short term uncertainty with pockets of new outbreaks around the world, we believe ongoing vaccinations, boosters and anti-viral treatments will stabilise the impact of Covid within the next 6-12 months. Based on our current trajectory of outperforming the market in our WebBeds and Webjet OTA businesses, we believe we will be back at pre-Covid booking volumes by the second half of FY23 – October 2022 to March 2023."

Commenting on the dividend, Chair Roger Sharp said:

> "Since Covid first impacted our business, we have built a strong capital base to ensure we are well positioned for the recovery. Although markets are recovering at different rates, our global reach means we have been able to leverage those markets recovering first and Webjet is once again generating positive cash. We are therefore paying the interim FY20 dividend that was deferred in April 2020 and would like to thank all our shareholders for their support."

The Company will be reporting FY22 results in May 2022.

This announcement has been approved for release to the ASX by the Board of Directors.

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BUSINESS UNIT PERFORMANCE [5]

WebBeds

Bookings and TTV increased as markets started to open up. 1H22 average booking value reflected primarily domestic bookings which are typically lower value than international bookings.

1H22 expenses were down 31% compared to the comparable period pre-Covid reflecting the various initiatives underway to significantly reduce costs across the business. WebBeds is on track to be 20% more cost efficient at scale once as volumes return to pre-Covid levels. TTV/Revenue margins continue to improve and are expected to return to pre-Covid levels once travel restrictions ease and more international markets open.

WebBeds was restructured in May 2021 to target global market growth opportunities. WebBeds now has a dedicated CEO for the whole business and is split into 4 commercial regions – Europe, Asia-Pacific, Middle East & Africa (MEA) and the Americas. A new division Umrah Holidays International is focused on capturing religious tourism growth opportunities.

	6 months ending 30-September				
WebBeds	**1H22**	**1H21**	**Change**	**1H20 (Pre-Covid)**	**Change**
Bookings ('000s)	**1,086**	247	↑ 340%	2,343	↓ 54%
Average Booking Value	**$401**	$292	↑ 37%	$649	↓ 38%
TTV	**$436m**	$72m	↑ 504%	$1,521m	↓ 71%
Revenue	**$32.6m**	($2.8m)	↑ nm	$135.8m	↓ 76%
Expenses	**$43.0m**	$57.3m	↓ 25%	$62.7m	↓ 31%
EBITDA	**($10.4m)**	($60.1m)	↑ 83%	$73.1m	↓ 114%
TTV / Revenue Margin	**7.5%**	n/a	↑ nm	8.9%	↓ 146bps
EBITDA Margin	**n/a**	n/a	↑ nm	53.8%	↓ nm

Webjet OTA

Increases in 1H22 bookings, TTV and EBITDA compared to 1H21 were driven by domestic travel in 1Q22. Profitability for the Webjet OTA business is highly correlated to domestic border openings and 1Q22 saw bookings increase as domestic borders opened, however 2Q22 was impacted by the extended lockdowns in NSW and Victoria, and closure of State borders and the trans-Tasman bubble. Expenses were down 66% compared to the comparable period pre-Covid due to the ability to leverage the highly scalable cost base that allows key volume-based costs to be scaled up and down in line with demand. 1H22 expenses increased over 1H21 as costs tied to TTV (ie transaction costs) increased as a result of growth in TTV during the period. Compared to the comparable period pre-Covid, 1H22 TTV/revenue margins reflect the closure of the Exclusives business and the loss of overrides and commission earned on international bookings.

	6 months ending 30-September				
Webjet OTA	**1H22**	**1H21**	**Change**	**1H20 (Pre-Covid)**	**Change**
Bookings ('000s)	**296**	77	↑ 284%	809	↓ 63%
Average Booking Value	**$620**	$571	↑ 9%	$886	↓ 30%
TTV	**$184m**	$44m	↑ 317%	$717m	↓ 74%
Revenue	**$18.2m**	($2.6m)	↑ 802%	$76.5m	↓ 76%
Expenses	**$14.5m**	$9.3m	↑ 56%	$43.1m	↓ 66%
EBITDA	**$3.6m**	($11.9m)	↑ 131%	$33.4m	↓ 89%
TTV / Revenue Margin	**9.9%**	n/a	↑ nm	10.7%	↓ 78bps
EBITDA Margin	**20.1%**	n/a	↑ nm	43.6%	↓ nm

GoSee (formerly Online Republic)

1H22 Bookings and TTV improved compared to 1H21 as Australian and New Zealand borders opened up in 1Q22, however closure of State borders and the trans-Tasman bubble impacted 2Q22. Motorhomes continued to be impacted by lack of international tourism into New Zealand (its largest market) and a global shortage of hire cars impacted cars inventory in key markets. Expenses were down 30% compared to the comparable period pre-Covid reflecting the various cost reduction initiative in place. TTV/Revenue margins are expected to normalise around 9-10% as refunds start to wind back.

In October 2021, Online Republic was rebranded as GoSee.

	6 months ending 30-September				
GoSee	**1H22**	**1H21**	**Change**	**1H20 (Pre-Covid)**	**Change**
Bookings ('000s)	**66**	21	↑ 215%	255	↓ 74%
Average Booking Value	**$659**	n/a	↑ nm	$591	↑ 11%
TTV	**$43m**	($22m)	↑ 294%	$151m	↓ 71%
Revenue	**$4.6m**	($0.5m)	↑ nm	$15.3m	↓ 70%
Expenses	**$6.2m**	$6.2m	↑ 1%	$8.9m	↓ 30%
EBITDA	**($1.6m)**	($6.6m)	↑ 75%	$6.4m	↓ 125%
TTV / Revenue Margin	**10.6%**	n/a	↑ nm	10.2%	↑ nm
EBITDA Margin	**n/a**	n/a	↑ nm	41.9%	↓ nm

(1) Underlying Operations – excludes non-operating expenses and Share Based Payment (SBP) expenses. 1H21 comparative restated to exclude SBP expenses
(2) Excludes interest income
(3) Acquisition Amortisation – includes charges relating to amortisation of intangibles acquired through acquisition
(4) Dividend previously announced as 100% franked on 19 February 2020. Based on record date of 26 March 2020
(5) The comparative unaudited 1H20 period shows the six months ending 30 September 2019 (ie pre-Covid) and 1H21 shows the six months ending 30 September 2020