

Appendix 4D Preliminary half-year financial report.

Name of entity	ABN reference
Webjet Limited (WEB)	68 002 013 612

1. Reporting periods

	Current period	Previous corresponding period
Financial half-year ended	30 September 2023	30 September 2022

2. Results for announcement to the market

Key Information		% Change		30 September 2023 \$m
Total revenue from ordinary activities	up	39%	to	244.5
Profit from ordinary activities after tax attributable to members	up	1,083%	to	47.3
Net profit for the period attributable to members	up	1,083%	to	47.3

Refer to pages 3 to 5 of the half-year Financial Report for overview of performance.

3. Dividends

Dividend	Payment date	Cents per share	Franked amount per security at 30% tax
Interim – 30 September 2023	n/a	n/a	n/a
Final – 31 March 2023	n/a	n/a	n/a
Interim – 30 September 2022	n/a	n/a	n/a

4. NTA backing

	30 September 2023 Cents	31 March 2023 Cents
Net tangible asset backing per ordinary share	21.4	8.3

Excluding intangible assets.

5. Details of associates

Locktrip LLC
ROOMDEX, Inc

For personal use only

webjet limited

Half-Year Financial Report.

For the six months
ended 30 September 2023

www.webjetlimited.com

Webjet Limited.

ABN 68 002 013 612

Half-Year Financial Report.

For the six months ended 30 September 2023

Contents

Directors' Report	2
Auditor's Independence Declaration	7
Independent Auditor's Review Report	8
Consolidated financial statements	
Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of cashflow	12
Consolidated statement of changes in equity	13
Notes to the consolidated financial statements	
1 Segment information	14
2 Revenue	15
2.1 Disaggregation of revenue	
2.2 Contract assets and contract liabilities	
3 Expenses	16
3.1 Employee benefit expenses	
3.2 Operating expenses	
3.3 Non-operating expenses	
3.4 Impairment expense	
3.5 Finance costs	
4 Taxation	18
4.1 Income tax expense	
4.2 Numerical reconciliation of income tax expense to prima facie tax payable	
5 Cash and cash equivalents	19
5.1 Cash and cash equivalents	
5.2 Operating cashflows reconciliation	
6 Working capital	20
6.1 Trade receivables and other assets	
6.2 Trade payables and other liabilities	
7 Investment in financial assets	21
8 Borrowings	22
8.1 Borrowing and related derivatives	
8.2 Convertible Notes	
8.3 Movement in borrowings	
8.4 Covenant compliance	
9 Issued Capital	23
10 Basis of preparation and changes to the Group's accounting policies	24
11 Key management personnel	25
12 Subsequent events	25
Directors' Declaration	26
Corporate directory	27

For personal use only

Directors' Report.

The Directors of Webjet Limited (**Webjet, the Company, Group**) present the financial report of the Company and its controlled entities for the half-year ended 30 September 2023.

Directors

The Directors of the Company during or since the end of the half-year are:

- Roger Sharp (Chair and Independent Non-Executive Director)
- John Guscic (Managing Director)
- Don Clarke (Deputy Chair and Independent Non-Executive Director)
- Brad Holman (Independent Non-Executive Director)
- Denise McComish (Independent Non-Executive Director)
- Katrina Barry (Independent Non-Executive Director)
- Shelley Roberts (Independent Non-Executive Director) – resigned on 22 November 2023

Principal activities

The principal activity of the Group is the online sale of travel products, including flights and hotel rooms. The Group's business consists of a B2B wholesale division – WebBeds – and two retail B2C businesses – Webjet OTA and GoSee.

B2B – Hotels distribution

WebBeds

WebBeds, the Company's business to business (**B2B**) travel business, is a global marketplace for the travel trade, providing powerful hotel distribution solutions that make selling and buying accommodation and ground travel services easier. WebBeds sources hotel inventory from travel suppliers, connects, aggregates and merchandises that content in their platform, the WebBeds Marketplace, and distributes it to a global network of travel buyers (distribution partners), who sell to the travelling public. WebBeds is one of the few truly global B2B providers, offering extensive global reach for both its hotel supply partners (looking to sell their hotel rooms) and its customer network (looking to access hotel room inventory).

WebBeds offers rooms at more than 430,000 hotels around the world. Our hotel supply partners include over 31,000 directly contracted independent properties, over 62,000 directly contracted chain properties and 77 integrated third-party wholesalers. WebBeds also offers a wide range of ground and transfer services.

WebBeds provides its customers with fast, easy access to global hotel room inventory. WebBeds distributes its products to a global network of more than 44,000 customers across retail, wholesale and emerging channels. Customers include retail and corporate travel agents, OTAs, wholesalers, tour operators and Super-Apps. WebBeds' multi supply aggregation strategy enables it to offer customers the greatest breadth and depth of hotel room inventory at highly competitive prices.

Webjet OTA



webjet.com.au

Based in Melbourne, Australia, Webjet OTA is the #1 online travel agency (**OTA**) in Australia and New Zealand, with more than 50% of the entire OTA flights market in Australia and New Zealand.

Webjet OTA's focus has always been to offer the greatest convenience and choice by enabling customers to compare, combine and book the best domestic and international travel flight deals, hotel accommodation, holiday package deals, travel insurance and car hire worldwide. Since its inception in 1998, Webjet OTA has been at the forefront of online innovation, leading the way in online travel tools and technology. Webjet offers unparalleled travel choice, 24/7 customer support, a wide choice in payment options and award-winning customer service.

GoSee



Based in Auckland, New Zealand, GoSee is a market leading specialist in the provision of rental car and motorhome bookings. Prior to November 2021, GoSee operated two separate websites – Motorhomes Republic (the #1 global motorhome rental site) and AirportRentals (the #2 car rental site in Australia and New Zealand). Since November 2021, GoSee customers are also now able to access all cars and motorhome inventory through a single, easy-to-use GoSee website.

Directors' Report.

Financial Results

	Notes	30 September 2023 \$m	30 September 2022 \$m	Change \$m	Change %
Total transaction value ⁽¹⁾		2,898	2,143	755	35%
Revenue⁽²⁾		244.5	175.8	68.7	39%
Revenue margin		8.4%	8.2%	n/a	+23.2bps
Operating expenses		(141.5)	(101.8)	(39.7)	39%
Share of net loss from associates		(0.9)	(1.4)	0.5	(36%)
EBITDA before non-operating expenses and share based payments⁽³⁾		102.1	72.6	29.5	41%
EBITDA margin		41.8%	41.3%	n/a	+45.1bps
Share-based payment expenses		(3.0)	(4.2)	1.2	(29%)
Non-operating expenses	3.3	(0.6)	(5.4)	4.8	(89%)
Depreciation and amortisation ⁽⁴⁾		(13.8)	(32.6)	18.8	(58%)
Acquisition amortisation ⁽⁵⁾		(19.0)	(16.5)	(2.5)	15%
Net finance costs		(12.2)	(9.7)	(2.5)	26%
Profit before tax		53.5	4.2	49.3	1174%
Income tax expense	4.1	(6.2)	(0.2)	(6.0)	3000%
Net profit after tax (NPAT)		47.3	4.0	43.3	1083%
NPAT A (before acquisition amortisation) ⁽⁶⁾		66.3	20.5	45.8	223%

(1) Total transaction value (TTV) is the gross transaction price on a booking. This is used by management as a performance indicator for the segments.

(2) Excludes interest income.

(3) EBITDA = Earnings before interest, tax, depreciation and amortisation. It also excludes share based payments expenses to provide a better understanding of the financial performance and allow more representative comparison between financial periods.

(4) The useful lives of the capitalised development intangible assets - booking platforms were reassessed during the prior period.

(5) Acquisition amortisation represents amortisation on the additional intangible values recognised under AASB 3 following a business combination of \$8.0 million and impairment charge on an associate of \$11.0 million.

(6) NPAT A, represents the NPAT before acquisition amortisation and provides an alternative view of the profitability of the Group.

For personal use only

Directors' Report.

The financial results for the 6 months ending 30 September 2023 reflect the continued rebound in travel as restrictions lift and international travel resumes. All key metrics were materially ahead of the prior period with Bookings up 27% over 1H23 to 4.37 billion, TTV up 35% to \$2.89 billion, Revenue up 39% to \$244.5 million and EBITDA up 41% to \$102.1 million.

WebBeds delivered significant growth over 1H23 and TTV, Revenue and EBITDA were all ahead of pre-pandemic levels. Booking volumes were 50% more than pre-pandemic levels driven by outperformance in APAC, North America, and Europe. EBITDA was 41% higher than 1H23 and 23% higher than pre-pandemic levels reflecting increased share of wallet coming through and EBITDA margins above 52%.

Webjet OTA reported strong growth over 1H23 as international airline capacity returned, although capacity remains below pre-pandemic levels. TTV was back at pre-pandemic levels reflecting higher average booking values driven by international and limited supply. Revenue and EBITDA were all up compared to the prior period driven by significant rebound in international bookings, new revenue sources and continued focus on cost efficiencies. EBITDA was 24% higher than 1H23 and EBITDA margins were back to pre-pandemic levels.

GoSee reported strong improvement on Bookings, Revenue and EBITDA compared to 1H23. TTV was down slightly in line with lower average booking values compared to the prior period. EBITDA was up 83% over 1H23 but below pre-pandemic levels reflecting lower inbound tourism into its largest markets and continued supply chain challenges, particularly in Motorhomes.

Non-operating expenses were the result of expensing costs relating to capital management initiatives (\$0.6 million). Non-operating expenses in the prior period related to ERP implementation costs across the Group (\$5.4 million).

Depreciation and amortisation expenses decreased from the prior period as a result of the previous reassessment of useful lives of the capitalised development intangible assets – booking platforms arising from the ERP implementation, offset by an impairment charge (\$11 million) recognised on an investment in an associate.

Interest expenses increased due to higher costs associated with hedging arrangements.

As the Group was profitable for the half year, the Group is in a tax payable position prior to the utilisation of historical accumulated tax losses.

Additional commentary on performance is included in the ASX release and investor presentation lodged with the ASX on 22 November 2023.

Directors' Report.

Balance Sheet

	Notes	30 September 2023 \$m	31 March 2023 \$m	Change \$m
Cash and cash equivalents	5.1	633.8	513.9	119.9
Trade and other receivables	6.1	257.1	205.0	52.1
Intangible assets		822.4	802.5	19.9
Other assets		104.8	66.8	38.0
Total assets		1,818.1	1,588.2	229.9
Trade and other payables	6.2	591.6	433.7	157.9
Other current liabilities		48.5	67.2	(18.7)
Borrowings	8.1	242.4	235.5	6.9
Other non-current liabilities		30.7	17.6	13.1
Total liabilities		913.2	754.0	159.2
Net assets		904.9	834.2	70.7
Issued capital		1,059.9	1,050.1	9.8
Retained losses and reserves		(155.0)	(215.9)	60.9
Total equity		904.9	834.2	70.7

Cash and cash equivalents increased from March 2023, mainly attributable to cash inflows from operations of \$168.7 million due to the continued resumption in travel and resulting trading profits. This was partially offset by investments made of \$29.2 million and a further \$23.1 million spent on essential and strategic capital expenditure projects and initiatives.

Trade and other receivables increased during the year due to higher trading volumes in WebBeds and continue to be managed in line with the enhanced credit policy.

Intangible assets increased primarily due to the impacts of FX (\$29.2 million), with current period capital expenditure of \$19.2 million offset by amortisation charges of \$28.5 million.

Other assets increased primarily due to the \$33.1 million investment made as part of ongoing capital management initiatives. Refer to Note 7 for further details.

Trade and other payables have increased in line with TTV growth in WebBeds with payment terms consistent with previous periods.

Other current liabilities decreased primarily due to the \$18 million movement in deferred revenues on satisfaction of attached performance obligations.

The movement in borrowings during the period is due to the amortisation expense related to the Convertible Notes, as they approach the put option date on or about 12 April 2024. Refer to Note 8.2 for further details.

The movement in other non-current liabilities during the period is primarily due to the increase of lease liabilities on term extension of Melbourne and London office spaces.

The movement in issued capital is as a result of exercise of rights and options held by KMP and key staff. Refer to Notes 9 and 11 for further details.

For personal use only

Directors' Report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Rounding of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Roger Sharp
Chair

Melbourne, 22 November 2023

For personal use only



Deloitte Touche Tohmatsu
ABN 74 490 121 060
477 Collins Street
Melbourne, VIC, 3000
Australia
Phone: +61 3 9671 7000
www.deloitte.com.au

22 November 2023

The Board of Directors
Webjet Limited
Level 2, 509 St Kilda Road
Melbourne VIC 3004

Dear Board Members

Auditor's independence declaration to Webjet Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Webjet Limited.

As lead audit partner for the review of the financial statements of Webjet Limited for the half-year ended 30 September 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants

Independent Auditor's Review Report to the Members of Webjet Limited

Conclusion

We have reviewed the half-year financial report of Webjet Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 September 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cashflows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 10 to 26.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

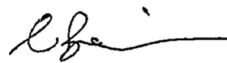
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


DELOITTE TOUCHE TOHMATSU



Chris Biermann
Partner
Chartered Accountants
Melbourne, 22 November 2023

Consolidated statement of profit or loss and other comprehensive income.

For the half-year ended 30 September 2023

	Notes	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Revenue from customers	2.1	244.4	175.7
Other income		0.1	0.1
		244.5	175.8
Employee benefit expenses	3.1	(76.9)	(57.1)
Operating expenses	3.2	(67.6)	(48.9)
Other non-operating expenses	3.3	(0.6)	(5.4)
Impairment expense	3.4	(11.0)	-
Share of net loss of equity accounted investees		(0.9)	(1.4)
Profit before interest, tax, depreciation and amortisation		87.5	63.0
Interest income		7.2	1.6
Finance costs	3.5	(19.4)	(11.3)
Depreciation and amortisation		(21.8)	(49.1)
Profit before income tax		53.5	4.2
Income tax expense	4.1	(6.2)	(0.2)
Net profit after tax		47.3	4.0
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
- Exchange difference on translating foreign operations		7.3	42.4
		7.3	42.4
Items that have been subsequently reclassified to profit or loss			
- Cash flow hedges recycled to profit or loss		-	2.2
		-	2.2
Items that will not be subsequently reclassified to profit or loss			
- Income tax benefit relating to share based payments		10.8	-
		10.8	-
Other comprehensive income for the period, net of income tax		18.1	44.6
Total comprehensive income for the period		65.4	48.6
		Cents per share	Cents per share
Profit per share:			
Basic (cents per share)		12.3	1.1
Diluted (cents per share)		12.2	1.0

Notes to the consolidated half year financial statements are included on pages 14 to 25.

Consolidated statement of financial position.

As at 30 September 2023

	Notes	As at 30 September 2023 \$m	As at 31 March 2023 \$m
Current assets			
Cash and cash equivalents	5.1	633.8	513.9
Trade receivables and other assets	6.1	257.1	205.0
Investment in financial assets	7	33.1	–
Total current assets		924.0	718.9
Non-current assets			
Intangible assets		822.4	802.5
Property, plant and equipment		26.2	17.8
Deferred tax assets		45.2	36.7
Investment in associate		–	12.0
Other non-current assets		0.3	0.3
Total non-current assets		894.1	869.3
Total assets		1,818.1	1,588.2
Current liabilities			
Trade payables and other liabilities	6.2	591.6	433.7
Borrowings	8.1	242.3	–
Derivative financial instruments	8.1	0.1	–
Other current liabilities		48.5	67.2
Total current liabilities		882.5	500.9
Non-current liabilities			
Borrowings	8.1	–	235.3
Derivative financial instruments	8.1	–	0.2
Deferred tax liabilities		15.7	12.4
Other non-current liabilities		15.0	5.2
Total non-current liabilities		30.7	253.1
Total liabilities		913.2	754.0
Net assets		904.9	834.2
Equity			
Issued capital		1,059.9	1,050.1
Reserves		73.8	39.6
Retained losses		(228.8)	(255.5)
Total equity		904.9	834.2

Notes to the consolidated half year financial statements are included on pages 14 to 25.

Consolidated statement of cashflow.

For the half-year ended 30 September 2023

Notes	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Net profit after tax	47.3	4.0
Add back:		
– Depreciation and amortisation	21.8	49.1
– Impairment	11.0	–
– Share of net loss from associates	0.9	1.4
– Finance cost, net of interest income	12.2	9.7
– Income tax expense	6.2	0.2
Profit before interest, tax, depreciation, amortisation	99.4	64.4
Adjusted for changes in working capital:		
– Increase in trade debtors and other receivables	(53.7)	(105.2)
– Increase in trade payables and other liabilities	127.6	207.6
Non-cash items ⁽¹⁾	3.0	4.2
Cash flow from operating activities before interest and tax paid	176.3	171.0
Net finance cost paid	(5.4)	(3.0)
Income tax expense paid	(2.2)	–
Net cash inflows from operating activities	168.7	168.0
Purchase of property, plant and equipment	(3.9)	(0.3)
Purchase of intangible assets	(19.2)	(13.7)
Investment in financial assets	(27.0)	–
Settlement of deferred consideration	(2.2)	–
Dividends received	0.1	0.1
Net cash outflows from investing activities	(52.2)	(13.9)
Proceeds from issue of share capital, net of share issue costs	1.1	–
Repayments of borrowings	8.3	(86.0)
Payment of lease liabilities	(1.7)	(2.0)
Net cash outflows from financing activities	(0.6)	(88.0)
Net increase in cash and cash equivalents	115.9	66.1
Cash and cash equivalents at the beginning of the period	513.9	433.7
Effects of foreign exchange translation on cash and cash equivalents	4.0	4.1
Cash and cash equivalents at the end of the period	633.8	503.9

(1) Comprises share-based payment expenses of \$3.0 million (30 September 2022: \$4.2 million) per Note 3.1.

Notes to the consolidated half year financial statements are included on pages 14 to 25.

Consolidated statement of changes in equity.

For the half-year ended 30 September 2023

	Issued capital \$m	Share based payments reserve \$m	Convertible notes reserve	Other reserves \$m	Foreign currency translation reserve \$m	Retained losses \$m	Total equity \$m
Balance at 1 April 2023	1,050.1	14.7	25.1	(18.6)	18.4	(255.5)	834.2
Profit for the period	–	–	–	–	–	47.3	47.3
Other comprehensive income for the period, net of income tax ⁽¹⁾	–	10.8	–	–	7.3	–	18.1
Total comprehensive income for the period	–	10.8	–	–	7.3	47.3	65.4
Transactions with owners in their capacity as owners, net of tax							
– Issue of shares under share-based payment	9.8	(7.5)	–	–	–	–	2.3
– Share-based payment expense recognised for the period	–	3.0	–	–	–	–	3.0
– Transfer of business combination reserve to retained losses ⁽²⁾	–	–	–	20.6	–	(20.6)	–
Balance as at 30 September 2023	1,059.9	21.0	25.1	2.0	25.7	(228.8)	904.9
Balance at 1 April 2022	1,037.8	13.7	25.1	(17.8)	(50.4)	(270.0)	738.4
Profit for the period	–	–	–	–	–	4.0	4.0
Amounts in reserves recycled to the income statement	–	–	–	2.2	–	–	2.2
Other comprehensive income for the period, net of income tax	–	–	–	–	42.4	–	42.4
Total comprehensive income for the period	–	–	–	2.2	42.4	4.0	48.6
Transactions with owners in their capacity as owners, net of tax							
– Issue of shares under share-based payment	1.3	(1.3)	–	–	–	–	–
– Share-based payment expense recognised for the period	–	4.2	–	–	–	–	4.2
Balance at 30 September 2022	1,039.1	16.6	25.1	(15.6)	(8.0)	(266.0)	791.2

(1) Income tax benefit of \$10.8 million relates to the share based payments where the estimated future tax deduction exceed the recognised cumulative share based payment expense.

(2) During the period, business combination reserve (\$20.6 million) was transferred to retained losses following the remaining 29% acquisition of Umrah Holidays shares (31 March 2023: 71%).

Notes to the consolidated half year financial statements are included on pages 14 to 25.

Notes to the consolidated half-year financial statements.

1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

The Managing Director considers that all members of the Group provide the same service, being Travel Bookings. However, there are two distinct classes of customer: consumers and businesses. The reportable segments of the Group are – Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel).

The segment information provided to the Managing Director for the periods ended 30 September 2023 and 30 September 2022 and reportable under AASB 8 Segment Reporting are set out in the tables below.

	30 Sep 2023		30 Sep 2022		30 Sep 2023		30 Sep 2022		30 Sep 2022	
	B2C		B2B		Corporate ⁽¹⁾		Total			
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total transaction value ⁽²⁾	820.3	719.5	2,077.7	1,423.6	–	–	2,898.0	2,143.1		
Revenue ⁽³⁾	72.4	61.4	171.8	114.4	0.3	–	244.5	175.8		
Operating costs	(44.7)	(39.3)	(81.9)	(50.7)	(14.9)	(11.8)	(141.5)	(101.8)		
Share of net loss from associates	–	–	–	–	(0.9)	(1.4)	(0.9)	(1.4)		
Underlying EBITDA⁽⁴⁾	27.7	22.1	89.9	63.7	(15.5)	(13.2)	102.1	72.6		
Share-based payments expense							(3.0)	(4.2)		
Other non-operating expenses							(0.6)	(5.4)		
Statutory EBITDA⁽⁵⁾							98.5	63.0		
Impairment expense							(11.0)	–		
Depreciation, amortisation							(13.8)	(32.6)		
Acquired amortisation ⁽⁶⁾							(8.0)	(16.5)		
Net interest							(12.2)	(9.7)		
Profit before tax							53.5	4.2		
Income tax expense							(6.2)	(0.2)		
Net profit after tax							47.3	4.0		

(1) Includes consolidation of Technology investments.

(2) Total transaction value (TTV) is the gross transaction price on a booking. This is used by management as a performance indicator for the segments.

(3) The Group is considered an agent in providing travel services and only recognises net commission receivable as revenue.

(4) Represents Earnings Before Interest, Tax, Depreciation and Amortisation, Share-based payment expenses and Non-operating expenses.

(5) Statutory EBITDA excludes impairment expense charged against Investment in Associate for the period.

(6) Acquisition amortisation represents amortisation on the additional intangible values recognised under AASB 3 following a business combination.

Notes to the consolidated half-year financial statements.

2 Revenue

2.1 Disaggregation of revenue

Revenue by segment, disaggregated by major revenue stream and timing of revenue recognition is as follows:

6 months ended 30 September 2023	Revenue recognition	B2C ⁽¹⁾ \$m	B2B \$m	Total \$m
Booking commission revenue	Point in time	54.2	157.4	211.6
Supplier rebates	Over time	12.1	0.8	12.9
Other ancillary revenue	Over time	4.5	13.2	17.7
Other ancillary revenue	Point in time	1.8	0.4	2.2
Total revenue from contracts with customers⁽²⁾		72.6	171.8	244.4

(1) Includes revenue of Trip Ninja of \$0.3 million.

(2) Excludes other income.

6 months ended 30 September 2022	Revenue recognition	B2C ⁽¹⁾ \$m	B2B \$m	Total \$m
Booking commission revenue	Point in time	44.1	105.4	149.5
Supplier rebates	Over time	10.1	0.6	10.7
Other ancillary revenue	Over time	5.5	8.4	13.9
Other ancillary revenue	Point in time	1.6	–	1.6
Total revenue from contracts with customers⁽²⁾		61.3	114.4	175.7

(1) Includes revenue of Trip Ninja of \$nil.

(2) Excludes other income.

2.2 Contract assets and contract liabilities

These balances are included in trade and other receivables, and trade and other payables in the statement of financial position.

As at 30 September 2023	B2C \$m	B2B \$m	Total \$m
Contract assets	5.2	10.7	15.9
Contract liabilities	(11.7)	(1.8)	(13.5)

As at 31 March 2023	B2C \$m	B2B \$m	Total \$m
Contract assets	3.3	6.2	9.5
Contract liabilities	(13.7)	(19.8)	(33.5)

Notes to the consolidated half-year financial statements.

3 Expenses

3.1 Included in employee benefit expenses are:

	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Salaries and related on-costs	73.9	52.9
Share-based payments expenses	3.0	4.2
Total	76.9	57.1

3.2 Included in operating expenses are:

	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Marketing expenses	12.8	10.3
Technology expenses	18.8	11.8
Administration expenses	8.4	7.8
Operating expenses	23.0	14.5
Other expenses	4.6	4.5
Total	67.6	48.9

For personal use only

Notes to the consolidated half-year financial statements.

3.3 Non-operating expenses comprise:

	6 months ended 30 September 2023	6 months ended 30 September 2022
	\$m	\$m
One-off IT implementation costs ⁽¹⁾	–	5.4
Other	0.6	–
Total	0.6	5.4

(1) In the prior period, the Group assessed its costs relating to SaaS arrangements, which primarily related to the ongoing ERP implementation, and concluded that all such design, build/configuration and testing costs should be expensed.

These costs are presented within non-operating expenses as the costs reflected initial configuration, design and build costs for the ERP platforms and were not considered part of underlying business performance. In the current period, post implementation, all associated ongoing costs such as licensing, maintenance and sundry fees have been presented as normal operating expenses.

This classification is consistent with Management's disclosure of SaaS implementation costs in the March 2023 Annual Report, outlining the rationale for the classification as part of the year end investor communications.

3.4 Impairment expense

Management has revised its estimates of recoverable amounts, based on the future forecast cashflows from its associate ROOMDEX Inc. and concluded that the Group's investment in its associate was impaired. As such, an impairment charge of \$11 million was recorded during the period, reducing the carrying value to \$nil.

Subsequent to the reporting date, the Group acquired all of the assets of ROOMDEX Inc. for a nominal amount and has integrated it into the B2B segment. Refer to Note 12 for further details.

3.5 Finance costs comprise:

	6 months ended 30 September 2023	6 months ended 30 September 2022
	\$m	\$m
Bank interest	3.3	–
Option premium expenses on hedging instruments	6.4	2.3
Convertible Notes Interest – Coupon ⁽¹⁾	0.9	0.9
Borrowing costs	2.0	2.0
Lease interest	0.4	0.1
Underlying finance costs	13.0	5.3
Convertible Notes Interest – amortisation from discount value to par using effective interest rate method	6.4	6.0
Total finance costs	19.4	11.3

(1) Balance represents coupon interest of 0.75% per annum on A\$250 million Convertible Notes, payable on a semi-annual basis.

Notes to the consolidated half-year financial statements.

4 Taxation

4.1 Income tax expense

	6 months ended 30 September 2023 \$m
Current tax	
– Current year tax expense	9.1
Total current tax expense	9.1
Deferred tax	
– Current year deferred tax expense	(1.1)
– Adjustments for deferred tax of prior periods	(1.8)
Total deferred tax benefit	(2.9)
Income tax expense	6.2

4.2 Numerical reconciliation of income tax expense to prima facie tax payable

	6 months ended 30 September 2023 \$m
Profit from continuing operations before income tax expense	53.5
Tax at the Australian tax rate of 30.0% (2023: 30.0%)	16.1
Effect of income/expenses that are not assessable/deductible in determining taxable profit	3.9
Difference in overseas tax rates	(11.4)
Prior period adjustments	(1.8)
Others	(0.6)
Income tax expense	6.2

For personal use only

Notes to the consolidated half-year financial statements.

5 Cash and cash equivalents

5.1 Included in cash and cash equivalents are:

	As at 30 September 2023 \$m	As at 31 March 2023 \$m
Cash at bank and on hand	594.5	474.6
Restricted cash ⁽¹⁾	39.3	39.3
Cash and cash equivalents	633.8	513.9

(1) Restricted cash relates to cash held within legal entities of the Group for payment to product and service suppliers or cash held for supplier guarantees. Restricted cash includes monies paid to the Group by customers for payment to local International Air Transport Association (IATA) for ticketed travel arrangements.

5.2 Operating cashflows reconciliation

Webjet considers the indirect method the more appropriate way to present cashflows for its business due to WebBeds customers and suppliers who use the Annual Report being more accustomed to the indirect method.

We have set out below cashflows from operating activities using the direct method.

Operating cashflow per the direct method

	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Receipts from customers	2,826.2	2,055.1
Payments to suppliers and employees	(2,649.9)	(1,884.1)
Net finance cost paid	(5.4)	(3.0)
Income tax expense paid	(2.2)	-
Net cash inflows from operating activities	168.7	168.0

Notes to the consolidated half-year financial statements.

6 Working capital

6.1 Trade receivables and other assets

	As at 30 September 2023 \$m	As at 31 March 2023 \$m
Trade receivables	197.5	165.7
Contract assets	15.9	9.5
Credit loss allowance	(1.5)	(1.1)
Trade receivables	211.9	174.1
Prepayments	14.8	18.8
Term deposit	–	–
Other current assets ⁽¹⁾	30.4	12.1
Total trade receivables and other assets	257.1	205.0

(1) Comprises mainly supplier deposits, indirect tax balances and other non-trade receivables.

Receivables ageing, contract assets and credit risk allowance

As at 30 September 2023	B2C \$m	B2B \$m	Total \$m
Current	3.1	145.8	148.9
30 to 90 days	2.1	37.5	39.6
90 to 180 days	–	9.0	9.0
Over 180 days	–	–	–
	5.2	192.3	197.5
Contract assets	5.2	10.7	15.9
Gross trade and other receivables	10.4	203.0	213.4
Allowance based on expected credit losses			(0.7)
Adjustment for expected changes in credit risk			(0.8)
Total trade and other receivables			211.9

As at 31 March 2023	B2C \$m	B2B \$m	Total \$m
Current	5.6	136.3	141.9
30 to 90 days	1.0	18.6	19.6
90 to 180 days	0.3	3.9	4.2
Over 180 days	–	–	–
	6.9	158.8	165.7
Contract assets	3.3	6.2	9.5
Gross trade and other receivables	10.2	165.0	175.2
Allowance based on expected credit losses			(0.5)
Adjustment for expected changes in credit risk			(0.6)
Total trade and other receivables			174.1

For personal use only

Notes to the consolidated half-year financial statements.

6.1 Trade receivables and other assets (continued)

The movement in the credit loss allowance was as follows:

	6 months ended 30 September 2023 \$m	6 months ended 30 September 2022 \$m
Opening credit loss allowance	1.1	2.1
Increase in credit allowance recognised in profit or loss	0.4	0.2
Impact of FX translation	–	0.1
Closing credit loss allowance	1.5	2.4

6.2 Trade payables and other liabilities

	30 September 2023			31 March 2023		
	B2C \$m	B2B \$m	Total \$m	B2C \$m	B2B \$m	Total \$m
Trade payables	51.4	495.6	547.0	45.6	320.7	366.3
Accrued expenses and other liabilities	14.5	30.1	44.6	25.4	42.0	67.4
Total trade payables and other liabilities	65.9	525.7	591.6	71.0	362.7	433.7

7 Investment in financial assets

	As at 30 September 2023 \$m	As at 31 March 2023 \$m
Equity derivatives ⁽¹⁾	33.1	–
Investment in financial assets	33.1	–

(1) As announced to the ASX on 4 September 2023, the Group has entered Capital Management Initiatives with the intention to obtain economic exposure to the price and dividends of its ordinary shares, up to a maximum of \$150 million. The investment provides a partial hedge in relation to the economic cost of any future liability management of the Notes, as described in Note 8.2. The related exposure at 30 September 2023 was equivalent to 4.9 million shares.

Notes to the consolidated half-year financial statements.

8 Borrowings

8.1 Borrowing and related derivatives for the Group are as follows:

	Terms	Maturity	30 September 2023		31 March 2023	
			Current \$m	Non-current \$m	Current \$m	Non-current \$m
Unsecured Convertible Notes ⁽¹⁾	Interest Only	April 2026	243.0	–	–	236.6
Capitalised debt costs	n/a	n/a	(0.7)	–	–	(1.3)
Convertible bond			242.3	–	–	235.3
Borrowings			242.3	–	–	235.3
Related derivatives						
Interest rate swaps			0.1	–	–	0.2
Related derivative financial instruments			0.1	–	–	0.2
Total borrowings			242.4	–	–	235.5

(1) Refer to Note 8.2 below.

8.2 Convertible Notes

2021 Convertible Notes

The Group launched the issue of \$250 million AUD Convertible Notes due 2026 (the “New Notes”) on 31 March 2021. These were successfully priced on 1 April 2021 and issued on 8 April 2021. The notes have a coupon of 0.75% per annum, payable on a semi-annual basis, mature on 12 April 2026, are unsubordinated and unsecured, and are listed on the Singapore Exchange. The New Notes have an investor put option with exercise date on or about 12 April 2024, which represent a current obligation for the Group, and are therefore classified as such. Should the investors not exercise their option by 12 March 2024 the Notes will be reclassified to Non-Current. At 31 March 2023, the New Notes were classified as Non-Current.

	30 September 2023 \$m
Proceeds from issue of Convertible Notes	250.0
Transaction costs	(4.6)
Net proceeds from issue of Convertible Notes	245.4
Equity component	(36.8)
Tax effect of equity component	11.0
Transaction costs relating to equity component	0.7
Amount classified under equity – net of tax	(25.1)
Liability component at date of issue (net of transaction costs)	209.3
Convertible Notes Interest – amortisation from discount value to par using effective interest rate method	37.6
Interest paid (coupon payments)	(4.6)
Carrying amount of liability component at 30 September 2023	242.3

The interest expense for the period is calculated by applying an effective interest rate of 6.2 per cent to the liability component for the period. The liability component is measured at amortised cost over the term of the Convertible Notes. The difference between the carrying amount of the liability component at the date of issue and the amount reported at 30 September 2023 and 31 March 2023 represents the effective interest rate less interest paid to that date.

Notes to the consolidated half-year financial statements.

8.3 Movement in borrowings

	Opening Balance 31 March 2023 \$m	Non Cash (Fair value, FX and amortisation) 2023 \$m	Closing Balance 30 September 2023 \$m
Unsecured Convertible Notes	236.6	6.4	243.0
Capitalised debt costs	(1.3)	0.6	(0.7)
Total borrowings	235.3	7.0	242.3
Related derivatives:			
Interest rate swaps	0.2	(0.1)	0.1
Total borrowings and related derivatives	235.5	6.9	242.4

8.4 Covenant compliance

The Group banking facilities are subject to market standard covenants of net leverage ratio and interest cover ratios.

Webjet Limited has complied with the financial covenants of its borrowing facilities during the current and comparative reporting periods.

9 Issued Capital

During the half-year, the company issued 740,000 ordinary shares for \$2.3 million on exercise of share options previously issued under its long term incentive plan. As a result, \$1 million was transferred from the equity-settled employee benefits reserve to issued capital. The company also issued 2,520,670 ordinary shares on exercise of performance rights. There were no other movements in the ordinary share capital of the company during the current half-year.

Notes to the consolidated half-year financial statements.

10 Basis of preparation and changes to the Group's accounting policies

This general purpose consolidated interim financial report for the half-year ended 30 September 2023 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The historical cost basis has been used, except for financial instruments that are measured at fair values. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. All amounts are presented in Australian dollars, unless otherwise noted.

The consolidated interim financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report and any public announcements made by Webjet Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The key judgements and estimates have been consistently applied to all periods presented unless otherwise stated.

These consolidated financial statements are prepared on a going concern basis. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2023 annual financial report for the financial year ended 31 March 2023. The accounting policies are consistent with Australian Accounting Standards and with IFRS Standards.

Rounding of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the half-year financial report are rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Adoption of new accounting standards

The following minor amendments to standards became effective and applicable to the Group from 1 April 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards: Disclosure of Accounting Policies and Definition of Accounting Estimates;
- AASB 2021-5 Amendments to Australian Accounting Standards: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- AASB 2021-7 Amendments to Australian Accounting Standards: Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections; and
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.

The application of the above standards and amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated interim financial report.

Notes to the consolidated half-year financial statements.

11 Key management personnel

Remuneration arrangements of Key Management Personnel (KMP) are disclosed in the annual financial report. During the current period, the Board granted Rights to the executive team (including the KMP and Key staff) vesting upon certain conditions being met. The Managing Director was not eligible to receive these Rights.

The performance Rights (i.e. zero exercise priced options) are subject to certain market, non-market and service conditions. Expected volatility has been formulated with reference to market observations for the Group and the comparator companies. Market-based conditions such as share price and TSR hurdles are incorporated within the valuation of the option or right. Non-market conditions such as tenure and EBITDA performance are not incorporated in the fair valuation of the instruments. Instead they are taken into account in assessing the probability of vesting and therefore the amount of share-based payment expense for the year. No new Rights were issued during the period.

During the half-year period, previously granted rights of 341,670 were converted to ordinary shares by KMP.

12 Subsequent events

Subsequent to the reporting date:

- the Company has extended the maturity of the Revolving Credit Facility held until 8 April 2026, and increased the facility limit to \$100 million;
- the Company has issued 1,763,929 share rights over ordinary shares under its long term incentives plan; and
- a subsidiary of the Company has acquired substantially all of ROOMDEX Inc.'s tangible and intangible business assets for a consideration of US\$0.25 million and assumed certain liabilities.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the half-year period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

For personal use only

Directors' Declaration.

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity for the half year to 30 September 2023.

Signed in accordance with a resolution of the directors made pursuant to section 303 (5) of the *Corporations Act 2001*.

On behalf of the Directors



Roger Sharp
Chair

22 November 2023

For personal use only

Corporate directory.

Directors

- **Roger Sharp**, Chair and Independent Non-Executive Director
- **John Guscic**
Managing Director
- **Don Clarke**
Deputy Chair and Independent Non-Executive Director
- **Brad Holman**
Independent Non-Executive Director
- **Denise McComish**
Independent Non-Executive Director
- **Katrina Barry**
Independent Non-Executive Director
- **Shelley Roberts**
Independent Non-Executive Director*

Company Secretaries

- **Tony Ristevski**
- **Ella Zhao**
- **Meaghan Simpson**
(Appointed on 10 May 2023)

Registered office

Level 2, 509 St Kilda Road
Melbourne VIC 3004
Australia
Phone: +61 3 9828 9500
Email: webjet@webjet.com.au
Website: www.webjetlimited.com

Share registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001 Australia
Telephone within Australia: 1300 556 161
International Callers: +61 3 9415 4000

Auditor

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC 3000
Australia

* Shelley Roberts resigned on 22 November 2023.

For personal use only



 **webjet limited.**

Level 2, 509 St Kilda Road
Melbourne VIC 3004, Australia
ABN 68 002 013 612
www.webjetlimited.com