

1H24: Transformation strategy is delivering.

22 November 2023

Webjet Limited (Webjet, Group or the Company, ASX:WEB) today announced its financial results for the six months to 30 September 2023.

1H24 underlying EBITDA \$102.1 million; underlying NPAT \$70.7 million
WebBeds Bookings, TTV, Revenue and EBITDA all materially ahead of pre-pandemic levels
FY24 Group EBITDA expected to be \$180 to \$190 million

- **Group delivers underlying 1H24 EBITDA of \$102.1 million, an increase of 41% over 1H23** - Bookings up 27% to 4.37 million; TTV up 35% to \$2.90 billion; Revenue up 39% to \$244.5 million.
- **WebBeds significantly ahead of both 1H23 and pre-pandemic levels for all key metrics** - Booking volumes 50% higher than pre-pandemic levels; 1H24 EBITDA \$89.9 million (up 41% on 1H23; up 23% on pre-pandemic); 1H24 EBITDA margin 52.3%
- **Webjet OTA seeing material increase in international market share** – strong growth over 1H23 on all metrics with TTV back to pre-pandemic levels; 1H24 EBITDA \$26.6 million (up 24% on 1H23); EBITDA margin 43.4%
- **GoSee profitability increasing** – strong improvement over 1H23; 1H24 EBITDA \$1.1 million (up 83% on 1H23); inbound tourism and supply chain challenges continue
- **Significant cash generation** – \$144 million cash generated in the period; \$634 million Total Cash after \$27 million capital management initiatives
- **FY24 EBITDA expected to be between \$180 to \$190 million.**

1H24 saw Webjet Bookings, Total Transaction Value (TTV), Revenue, and earnings before interest tax depreciation and amortisation (EBITDA) all up materially compared to the same period last year.

Webjet Limited Group	1H24	vs 1H23	% Change
Bookings ('000s)	4,365	3,431	↑ 27%
TTV	\$2,898m	\$2,143m	↑ 35%
Revenue	\$244.5m	\$175.8m	↑ 39%
Underlying EBITDA	\$102.1m	\$72.6m	↑ 41%

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

"Bookings, TTV, Revenue and EBITDA for the Group were all materially ahead of the prior period, driven by the outstanding performance of our WebBeds business.

WebBeds Bookings, TTV, Revenue and EBITDA were all significantly ahead of both 1H23 and pre-pandemic levels, reflecting the transformation work we undertook when the pandemic hit to capture growth as travel returned. We've broadened our distribution base, expanded our global presence and introduced new product innovations. As a result, we are now selling more product to more customers in more geographies, all while being more efficient and delivering best-in-class EBITDA margins. We continue to see incredible opportunities for WebBeds and have set the foundations to capture growth by investing ahead of the curve to ensure we are able to effectively scale going forward. We will continue to invest in attractive opportunities and innovation in order to maximise the value of our relationships with both our supply and demand partners.

Webjet OTA saw strong growth in international bookings for the period although capacity constraints continued to subdue overall bookings. Webjet OTA's international flights market share grew 24% compared to 1H23, with Trip Ninja playing a key role providing unique content and real savings for customers. Higher margin revenue opportunities are helping offset the lower commissions now paid on international bookings. Hotel bookings in the period were around 50% higher than pre-pandemic levels. Our continued focus on cost efficiencies resulted in EBITDA margins getting back to pre-pandemic levels. The market continues to be impacted by airline capacity constraints but we see ongoing growth opportunities as capacity returns to 2019 levels.

GoSee saw strong improvement over the prior period but continued to be constrained by inbound tourism and supply chain challenges. We are focusing on acquisition strategies to improve site traffic in light of current capacity and pricing constraints.

The global economy remains uncertain but global demand for travel remains resilient and notwithstanding the current geo-political issues, we expect FY24 EBITDA to significantly exceed pre-pandemic levels. We expect FY24 EBITDA to be between \$180 million and \$190 million - 14% to 20% ahead of CY19 (ie pre-pandemic) levels."

Further information on 1H24 performance is set out in **Webjet's 1H24 Investor Presentation**.

The Company will release FY24 results on 22 May 2024.

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

For further information.

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Glossary and abbreviations.

CY19	12 months ending 31 December 2019 (i.e. pre-pandemic) - unaudited
1H20	6 months ending 30 September 2019 (i.e. pre-pandemic) - unaudited
1H23	6 months ending 30 September 2022
1H24	6 months ending 30 September 2023
FY24	12 months ending 31 March 2024
EBITDA	Earnings before interest, tax, depreciation and amortisation
OTA	Online Travel Agency
TTV	Total Transaction Value

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Additional Information.

Group Performance.

The table below shows results for Webjet's Statutory Result and Underlying Operations for the 1H23 and 1H24 periods. Statutory Result includes certain costs which are non-recurring. Underlying Operations exclude these expenses in order to demonstrate the performance of the underlying business.

All key metrics for 1H24 improved materially compared to 1H23 reflecting the ongoing recovery of global travel. 1H24 TTV was up 35% compared to 1H23, Revenue was up 39% and EBITDA for underlying operations was up 41%.

Webjet Limited Group	Statutory Result		Underlying Operations ⁽¹⁾	
	1H24	1H23	1H24	1H23
Revenue ⁽²⁾	\$244.5m	\$175.8m	\$244.5m	\$175.8m
Operating expenses ⁽³⁾	(\$142.4m)	(\$103.2m)	(\$142.4m)	(\$103.2m)
Non-operating expenses	(\$0.6m)	(\$5.4m)	-	-
Share based payment expenses	(\$3.0m)	(\$4.2m)	-	-
EBITDA	\$98.5m	\$63.0m	\$102.1m	\$72.6m
Depreciation and amortisation	(\$13.8m)	(\$32.6m)	(\$13.8m)	(\$32.6m)
Acquisition amortisation (AA) ⁽⁴⁾	(\$19.0m)	(\$16.5m)	-	-
Net interest costs	(\$12.2m)	(\$9.7m)	(\$5.8m)	(\$3.6m)
Profit Before Tax	\$53.5m	\$4.2m	\$82.5m	\$36.4m
Income tax expense	(\$6.2m)	(\$0.2m)	(\$11.8m)	(\$4.3m)
NPAT	\$47.3m	\$4.0m	\$70.7m	\$32.1m
NPAT (before AA)	\$66.3m	\$20.5m	\$70.7m	\$32.1m
EPS	12.3 cents	1.1 cents	18.4 cents	8.4 cents
EPS (before AA)	17.3 cents	5.4 cents	18.4 cents	8.4 cents
Diluted EPS ⁽⁵⁾	12.2 cents	1.0 cents	18.2 cents	8.3 cents
Effective Tax Rate	11.6%	4.8%	14.3%	11.8%
Effective Tax Rate (before AA)	8.6%	1.0%	14.3%	11.8%

1. Underlying Operations – excludes non-operating expenses, Share Based Payment expenses, Acquisition Amortisation and Convertible Notes interest.
2. Excludes interest income
3. Includes share of net loss from associates
4. Acquisition Amortisation - includes charges relating to amortisation of intangibles acquired through acquisition and impairment charge on an associate
5. Diluted EPS includes the impact of employee share grants and the convertible bond.

Capital Position.

- **Significant cash generation** - \$144 million cash generated in 1H24. Trading profit coupled with positive working capital delivered cash surplus of \$24 million per month.
- **Strengthened balance sheet** - \$634 million Total Cash after \$27 million capital management initiatives.
- **Revolving credit facility extended** from April 2024 to April 2026 and resized from \$50 million to \$100 million.
- **No dividend** for 1H24 has been declared.

Business Unit Performance.

WebBeds.

1H24 Bookings were up 32% compared to 1H23 driven by the reopening of Asia Pacific, organic growth in North America and new client wins. Average Booking values were lower than pre-pandemic reflecting the changing business mix. Revenue was up 50% compared to 1H23 reflecting increased share of wallet coming through. 1H24 Expenses reflect annualised 2H23 headcount increases, as well as the significant increase in booking volumes. Expenses are expected to remain flat for 2H24. 1H24 EBITDA was up 41% over 1H23 reflecting the significant increase in booking volumes and EBITDA margins above 52%.

WebBeds	1H24	vs 1H23	Change	vs 1H20 (pre-Covid)	Change
Bookings ('000s)	3,518	2,655	↑ 32%	2,343	↑ 50%
Average Booking Value	\$591	\$536	↑ 10%	\$649	↓ 9%
TTV	\$2,078m	\$1,423m	↑ 46%	\$1,521m	↑ 37%
Revenue	\$171.8m	\$114.4m	↑ 50%	\$135.8m	↑ 26%
Expenses	\$81.9m	\$50.7m	↑ 61%	\$62.7m	↑ 31%
EBITDA	\$89.9m	\$63.7m	↑ 41%	\$73.1m	↑ 23%
Revenue / TTV Margin	8.3%	8.0%	↑ 23bps	8.9%	↓ 67bps
EBITDA / TTV Margin	4.3%	4.5%	↓ 15bps	4.8%	↓ 48bps
EBITDA Margin	52.3%	55.7%	↓ 338bps	53.8%	↓ 151bps

Webjet OTA.

1H24 Bookings were up 8% over 1H23 reflecting the strong rebound in international bookings although capacity constraints continue to subdue overall bookings. Bookings data does not include bookings made using flight credits (estimated to be a further 10-15% of Bookings). Higher Average Booking Values reflect international and limited supply. Revenue was up 18% over 1H23 reflecting higher margin revenue opportunities coming through to help offset lower commission on international flights. Trip Ninja helped drive c.\$2 million EBITDA improvement and Hotel bookings were up c.50% compared to pre-pandemic levels. 1H24 Expenses reflect lower marketing costs compared to pre-pandemic (1H24: 1.5% TTV; 1H20: 2% TTV). 1H24 EBITDA was up 24% compared to 1H23 and EBITDA margins were back to pre-pandemic levels.

Webjet OTA	1H24	1H23	Change	vs 1H20 (pre-Covid)	Change
Bookings ('000s)	692	641	↑ 8%	809	↓ 15%
Average Booking Value	\$1,035	\$957	↑ 8%	\$886	↑ 17%
TTV	\$716m	\$614m	↑ 17%	\$717m	↓ 0%
Revenue	\$61.2m	\$51.8m	↑ 18%	\$76.5m	↓ 20%
Expenses	\$34.6m	\$30.4m	↑ 14%	\$43.1m	↓ 20%
EBITDA	\$26.6m	\$21.4m	↑ 24%	\$33.4m	↓ 21%
Revenue / TTV Margin	8.5%	8.4%	↑ 11bps	10.7%	↓ 212bps
EBITDA / TTV Margin	3.7%	3.5%	↑ 21bps	4.7%	↓ 95bps
EBITDA Margin	43.4%	41.3%	↑ 209bps	43.6%	↓ 28bps

GoSee.

1H24 Bookings were up 15% over 1H23 as inbound tourism improved and supply stock increased, particularly for Cars. However international capacity into New Zealand remained constrained and Motorhome supply continued to be very depressed, with high prices impacting conversion. 1H24 Expenses reflect annualised 2H23 headcount increases and inflationary pressures. Expenses are expected to remain flat for 2H24. 1H24 EBITDA was up 83% over 1H23 but remains below pre-pandemic levels. Profitability is highly linked to inbound tourism and airline capacity into Australia and New Zealand remains constrained.

GoSee	1H24	vs 1H23	Change	vs 1H20 (pre-Covid)	Change
Bookings ('000s)	156	136	↑ 15%	255	↓ 39%
Average Booking Value	\$668	\$776	↓ 14%	\$591	↑ 13%
TTV	\$104m	\$105m	↓ 1%	\$151m	↓ 31%
Revenue	\$11.1m	\$9.5m	↑ 17%	\$15.3m	↓ 27%
Expenses	\$10.0m	\$8.9m	↑ 14%	\$8.9m	↑ 13%
EBITDA	\$1.1m	\$0.6m	↑ 83%	\$6.4m	↓ 83%
Revenue / TTV Margin	10.7%	9.0%	↑ 169bps	10.2%	↑ 52bps
EBITDA / TTV Margin	1.0%	0.6%	↑ 44bps	4.3%	↓ 323bps
EBITDA Margin	9.9%	6.3%	↑ 331bps	41.9%	↓ 3,231bps

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