

## ASX release 1H23.

**17 November 2022:** Webjet Limited (**Webjet, Group** or the **Company**, ASX:WEB) today announced its financial results for the first half of FY23.

### Webjet Limited returns to pre-pandemic bookings

- **Group Underlying EBITDA \$72.5 million (\$77.5 million on constant currency basis)** – 1H23 Group Bookings back at pre-pandemic levels; TTV at 90% of pre-pandemic levels; cost base 16% lower than pre-pandemic levels
- **WebBeds global performance driving Group result** – 1H23 EBITDA \$63.7 million (87% of pre-pandemic levels) and \$68.6 million on a constant currency basis (94% pre-pandemic levels); EBITDA margin over 55%, ahead of pre-pandemic levels; achieved ‘8/3/5’ profitability target in seasonal peak (July and August)
- **Webjet OTA flights market share up 57% since pandemic began**<sup>1</sup> – 1H23 EBITDA \$21.4 million; domestic market driving profitability; EBITDA margin over 41%
- **GoSee profitable and rebrand going to plan** – 1H23 EBITDA \$0.6 million despite lack of inbound tourism and supply chain issues in its largest markets
- **Significant cash generation** - \$168 million cash from operations; repayment of \$86 million term debt; return to normal covenant testing 6 months ahead of schedule
- **WebBeds on track to exceed pre-pandemic profitability for FY23**

1H23 saw Webjet Bookings, Total Transaction Value (TTV), Revenue and earnings before interest tax depreciation and amortisation (EBITDA) all up significantly compared to the same period last year.

#### Webjet Limited Group

	1H23	1H22	% pre-pandemic levels <sup>(1)</sup>
<b>Bookings</b>	3.4 million	↑ 137%	101%
<b>TTV</b>	\$2,143 million	↑ 223%	90%
<b>Revenue</b>	\$175.7 million	↑ 217%	77%
<b>Underlying EBITDA</b>	\$72.5 million	↑ 557%	69%

(1) Shows 1H23 compared to 1H20 period (comparative unaudited 6 months ending 30 September 2019 – ie pre-Covid)

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

“This result demonstrates a spectacular turnaround of \$88.4 million in underlying EBITDA from the 1H22 loss of \$15.9 million. It underpins the efforts we took as soon as the pandemic hit to ensure each business was optimally positioned to recapture demand once travel returned. Recovery is substantially accelerating

<sup>1</sup> Webjet OTA average market share across GDS bookings FY23 YTD (1 April - 31 October 2022) compared to 2019 (1 January - 31 December 2019)

and WebBeds is leading the charge. All WebBeds regions saw significant organic growth, particularly Europe which benefited from a strong northern hemisphere summer, and North America which is now more than three times larger than it was when the pandemic began. Search activity and conversions through the WebBeds platform continue to increase, and EBITDA margins are now higher than they were pre-pandemic. Despite a number of large markets yet to open, since May WebBeds bookings have exceeded what they were before the pandemic hit and profitability is getting close to pre-pandemic levels.

Webjet OTA significantly increased in profitability during the period. Even with limited international capacity and higher fares, bookings were 79% of what they were pre-pandemic, reflecting Webjet OTA's strength in servicing the domestic travel market. Prior to the pandemic, Webjet was one of the most profitable online travel agents in the world and EBITDA margins are already back over 41%, despite inflationary wage pressures and after absorbing the loss of overrides and commission usually earned on international travel. The new GoSee brand is being rolled out in key markets and the rebrand strategy continues to go to plan."

## CAPITAL POSITION

Strong cash management and business performance during the period:

- **\$168 million cash from operations** - \$504 million cash as at 30 September 2022. Cash surplus averaging \$25 million/month, up from \$3.5 million/month in 1H22.
- **\$86 million of term debt paid down** - Term debt has since been converted to a revolving credit facility (RCF) that remains undrawn. RCF commitment has been extended from November 2023 to April 2024.
- **Return to normal bank covenant testing 6 months early** - Company returned to normal bank covenant testing in November 2022 (was due to be April 2023).
- **No interim FY23 dividend has been declared.**

## OUTLOOK

WebBeds is on track to exceed pre-pandemic profitability in FY23, with 2H23 EBITDA expected to exceed pre-pandemic levels by at least \$10 million. 2H23 profitability for the B2C businesses (Webjet OTA and GoSee) are expected to be consistent with 1H23 results, reflecting the macroeconomic environment.

Commenting on the outlook, John Guscic said:

"It is exciting to see the Company emerge from the pandemic more agile, more efficient and better placed to deliver growth than ever before.

The landscape has changed and there is massive global opportunity for WebBeds. WebBeds is no longer European summer centric – it is now a truly global business, picking up share in all regions, operating a single technology platform, and with the capability to scale rapidly. We believe these qualities overcome the current macroeconomic pressures. 3Q23 Bookings and TTV are currently tracking more than 30% ahead of pre-pandemic levels and FY23 EBITDA is expected to be higher than it was pre-pandemic.

Webjet OTA has been recognized as the "world's leading online travel agent"<sup>2</sup> and has increased its market share by 57% since the pandemic began. Trip Ninja went live on the webjet.com.au site in October and we believe the technology offers enormous potential to increase our share of the international flights market. Demand for travel is strong and restoration of airline capacity will be the driver of pre-pandemic profitability for the Webjet OTA business.

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<sup>2</sup> In September 2022, Webjet OTA was voted *World's Leading Online Travel Agency* by the 2022 World Travel Awards

The GoSee rebrand is progressing well and we are confident it will exceed pre-pandemic profitability in the medium term. Profitability for that business is highly linked to the reopening of international borders to inbound tourism.”

The Company will report FY23 results in May 2023.

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**

1H23 - 6 months ending 30 September 2022

2H23 – 6 months ending 31 March 2023

‘8/3/5’ - 8% Revenue /TTV and 3% Costs/TTV to deliver 5% EBITDA/TTV

B2C – Business to Consumer

EBITDA - Earnings before interest, tax, depreciation and amortisation

FY23 - 12 months ending 31 March 2023

OTA - Online Travel Agency

TTV - Total Transaction Value

Underlying EBITDA – excludes non-operating expenses and share based payment expenses

## Additional Information.

### GROUP PERFORMANCE

The table below shows results for Webjet's Statutory Result and Underlying Operations for the 1H23 and 1H22 periods.

Webjet Limited Group	Statutory Result		Underlying Operations <sup>(1)</sup>	
	1H23	1H22 <sup>(5)</sup>	1H23	1H22 <sup>(5)</sup>
<b>TTV</b>	<b>\$2,142.8m</b>	<b>\$662.8m</b>	<b>\$2,142.8m</b>	<b>\$662.8m</b>
Revenue <sup>(2)</sup>	\$175.7m	\$55.4m	\$175.7m	\$55.4m
Operating expenses <sup>(3)</sup>	(\$103.2m)	(\$71.2m)	(\$103.2m)	(\$71.2m)
Non-operating expenses	(\$5.4m)	(\$17.4m)	-	-
Share based payment expenses	(\$4.2m)	(\$5.0m)	-	-
<b>EBITDA</b>	<b>\$62.9m</b>	<b>(\$38.2m)</b>	<b>\$72.5m</b>	<b>(\$15.9m)</b>
Depreciation and amortisation	(\$32.6m)	(\$11.9m)	(\$32.6m)	(\$11.9m)
Acquisition amortisation (AA) <sup>(4)</sup>	(\$16.5m)	(\$9.6m)	-	-
Net interest costs	(\$9.6m)	(\$13.6m)	(\$3.6m)	(\$7.9m)
Income tax	(\$0.2m)	\$13.3m	(\$4.3m)	\$6.5m
<b>NPAT (before AA)</b>	<b>\$20.5m</b>	<b>(\$50.4m)</b>	<b>n/a</b>	<b>n/a</b>
<b>NPAT</b>	<b>\$4.0m</b>	<b>(\$60.0m)</b>	<b>\$32.0m</b>	<b>(\$29.2m)</b>
EPS (before AA)	5.4 cents	(13.4 cents)	n/a	n/a
EPS	1.1 cents	(15.9 cents)	8.4 cents	(7.7 cents)
Diluted EPS <sup>(6)</sup>	1.0 cents	(15.9 cents)	8.3 cents	(7.7 cents)
Effective Tax Rate (excl AA)	1.0%	20.9%	n/a	n/a
Effective Tax Rate	4.8%	18.2%	11.8%	18.2%

- 1) Underlying Operations – excludes non-operating expenses (refer to slide 21 for detail), Share Based Payment expenses, Acquisition Amortisation and Convertible Notes interest. 1H22 comparative restated to reflect the same
- 2) Excludes other income
- 3) 1H23 includes share of net loss from associates
- 4) Acquisition Amortisation - includes charges relating to amortisation of intangibles acquired through acquisition
- 5) 1H22 has been restated for the deferred tax liability impact related to the equity component of the convertible note. Refer to note 8 in the consolidated half year financial statements for more information
- 6) Diluted EPS includes the impact of employee share grants

## BUSINESS UNIT PERFORMANCE

The comparative unaudited 1H20 periods in the tables below show the six months ending 30 September 2019 (ie pre-Covid).

### WebBeds

1H23 Bookings were materially ahead of pre-pandemic levels driven by strong Q2 recovery. Since May 2022, monthly TTV has exceeded the comparative period pre-pandemic and on a constant currency basis, 1H23 TTV was back to pre-pandemic levels. Expenses were materially lower than pre-pandemic, reflecting the efficiencies now in place across the business. 1H23 EBITDA was 87% of pre-pandemic levels (94% on a constant currency basis), with several key markets yet to fully reopen. 1H23 EBITDA margins exceeded pre-pandemic levels and WebBeds achieved its '8/3/5' profitability target during the seasonal peak months of July and August.

WebBeds	6 months ending 30-September					Constant Currency
	1H23	1H22	Change	1H20 (Pre-Covid)	Change	1H23
Bookings ('000s)	2,655	1,086	↑ 144%	2,343	↑ 13%	2,655
Average Booking Value	\$536	\$401	↑ 34%	\$649	↓ 17%	\$575
TTV	\$1,423m	\$436m	↑ 227%	\$1,521m	↓ 6%	\$1,528m
Revenue	\$114.4m	\$32.6m	↑ 251%	\$135.8m	↓ 16%	\$122.8m
Expenses	\$50.7m	\$43.0m	↑ 18%	\$62.7m	↓ 19%	\$54.2m
EBITDA	\$63.7m	(\$10.4m)	↑ 711%	\$73.1m	↓ 13%	\$68.6m
Revenue / TTV Margin	8.0%	7.5%	↑ 56bps	8.9%	↓ 90bps	8.0%
EBITDA / TTV Margin	4.5%	nm	nm	4.8%	↓ 33bps	4.5%
EBITDA Margin	55.7%	nm	nm	53.8%	↑ 185bps	55.9%

### Webjet OTA

1H23 Bookings were 79% of pre-pandemic levels with limited international capacity, reflecting the strength of the domestic business. Return to pre-pandemic earnings will be driven by international airline capacity returning to 2019 levels (pre-pandemic, international accounted for 15% Bookings, 40% TTV and 45% Revenue). Marketing costs continue to be lower than pre-pandemic at c.1.5% TTV (1H20: 2%). 1H23 TTV margins primarily reflect higher average booking values driven by limited capacity. 1H23 EBITDA was 64% of pre-pandemic levels, reflecting reduced international capacity and loss of overrides and commission paid on international bookings.

Webjet OTA	6 months ending 30-September				
	1H23	1H22	Change	1H20 (Pre-Covid)	Change
Bookings ('000s)	641	296	↑ 116%	809	↓ 21%
Average Booking Value	\$957	\$620	↑ 54%	\$886	↑ 8%
TTV	\$614m	\$184m	↑ 234%	\$717m	↓ 14%
Revenue	\$51.8m	\$18.2m	↑ 185%	\$76.5m	↓ 32%
Expenses	\$30.4m	\$14.5m	↑ 109%	\$43.1m	↓ 30%
EBITDA	\$21.4m	\$3.6m	↑ 486%	\$33.4m	↓ 36%
Revenue / TTV Margin	8.4%	9.9%	↓ 146bps	10.7%	↓ 224bps
EBITDA / TTV Margin	3.5%	2.0%	↑ 150bps	4.7%	↓ 117bps
EBITDA Margin	41.3%	20.1%	↑ 2,125bps	43.6%	↓ 234bps

## GoSee

Bookings and TTV were up 107% and 144% respectively compared to 1H22. 1H23 Booking volumes were 53% of pre-pandemic levels reflecting the lack of inbound tourism into GoSee's largest markets of Australia and New Zealand. Cars and Motorhomes were also impacted by a lack of supply into key markets. 1H23 Expenses reflect investment in staff to help transform the business, as well as inflationary wage pressures. 1H23 EBITDA improved over 1H22 however profitability is highly linked to reopening of international borders to inbound tourism.

### 6 months ending 30-September

GoSee	1H23	1H22	Change	1H20 (Pre-Covid)	Change
Bookings ('000s)	136	66	↑ 107%	255	↓ 47%
Average Booking Value	\$776	\$659	↑ 18%	\$591	↑ 31%
TTV	\$105m	\$43m	↑ 144%	\$151m	↓ 30%
Revenue	\$9.5m	\$4.6m	↑ 107%	\$15.3m	↓ 38%
Expenses	\$8.9m	\$6.2m	↑ 43%	\$8.9m	↑ 0%
EBITDA	\$0.6m	(\$1.6m)	↑ 137%	\$6.4m	↓ 91%
Revenue / TTV Margin	9.0%	10.6%	↓ 161bps	10.2%	↓ 116bps
EBITDA / TTV Margin	0.6%	nm	nm	4.3%	↓ 369bps
EBITDA Margin	6.3%	nm	nm	41.9%	↓ 3,560bps