

WebBeds

Webjet Limited

Transformation Strategy Update.

UBS Sydney Investor Session Presentation
18 March 2021



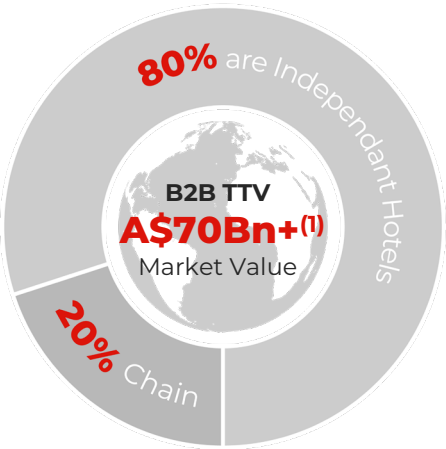
WebBeds

Pre Covid
landscape
as at 1H20.

WebBeds pre Covid-19.

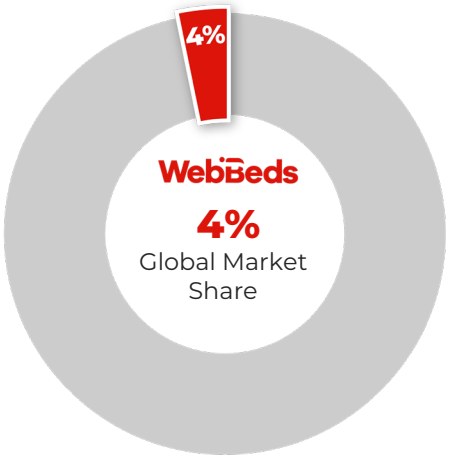
WebBeds - 2nd largest global B2B provider...

Global Accommodation Market.
With a total global value c A\$800Bn+ TTV ⁽¹⁾.



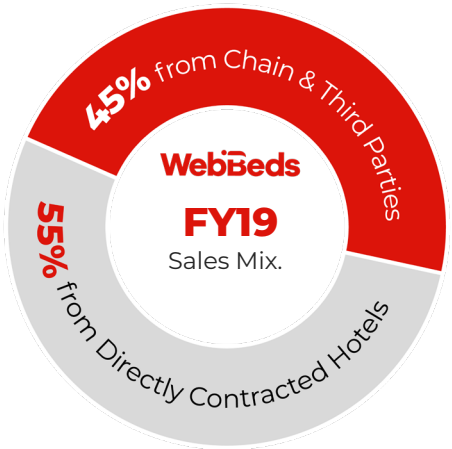
Independent Hotels
are **highly suited** to WebBeds
distribution model.

WebBeds Market Share.
of global accommodation market.



Our market share represents
**a significant growth
opportunity.**

WebBeds FY19 Sales.
Sales mix.



Robust hotel portfolio sourced
through **30,000+** directly
contracted hotels, **55+** leading hotel
chains & **70+** third party providers



Tracking ahead of plan to deliver
“8/4/4” ⁽²⁾

1) Management estimates
2) 8/4/4 profitability target - at scale 8%
revenue/TTV and 4% costs/TTV to deliver 4%
EBITDA/TTV .

WebBeds

Covid-19 has provided opportunity to transform our business.

A post Covid-19 world.

- **Bedbanks remain a critical distribution channel** supporting travel industry recovery.
- Our **strategic objective** is now to be the **#1 global B2B provider**.
- Initiatives are currently underway to be **20% more cost efficient** at scale.
- WebBeds is taking advantage of **new revenue and cost reduction opportunities** offered in a post COVID-19 world
 - Expanding into new **Regions**
 - Serving new **Customers**
 - Taking advantage of **changing travel patterns**
 - **Simplifying and refining** technology and processes across the business
 - Targeting **A\$10BN TTV**

WebBeds

Transformation started April 2020.
Strategic objective to be the #1 global B2B provider.

Transformation strategy underway.

Initiatives underway to deliver 20% greater cost efficiencies at scale.

Key Strategic Initiatives.		Opportunity.
Rethinking How We Do Business	Looking at what we sell & how we sell it. Differentiating through innovation.	<ul style="list-style-type: none">• Revenue• Cost reduction
Streamlining Technology	Delivering the most robust, efficient and flexible offering.	<ul style="list-style-type: none">• Cost reduction
Increased Leverage of Data Analytics	A.I, robotics and data driven decision making.	<ul style="list-style-type: none">• Revenue• Cost reduction
Sharpened Focus on Cost Reduction	Simplifying processes across the business.	<ul style="list-style-type: none">• Cost reduction
Refinement of Risk Management Processes	Tightening risk and credit processes.	<ul style="list-style-type: none">• Cost reduction

Rethinking how we do business.



Webbeds

Looking at
what we sell
& how we sell it.

WebBeds

New regional opportunities.

Revenue opportunities in North America.

North America.

- Large wholesale market but **historically underrepresented** by WebBeds
 - 4% market penetration in Europe, 3% in APAC, and **only 1% in Americas.**
- **Largest destination** within WebBeds network
- Focused on **leveraging new opportunities**
 - Targeting new market segments
 - Increasing share of Top 20 clients
 - Expanding directly contracted inventory in key cities
- **New Senior hire** – December 2020

Core North American Market B2B Segments

B2B Loyalty Loyalty redemption platforms which are typically white labeled for consumer facing brands	B2C Loyalty Consumer facing platforms enabling customers to earn or burn loyalty points for travel	Online Retail Agent & consumer facing platform with many direct contracts & 3rd party connections	Air Major airlines that also sell ancillary travel products
Membership Member based programs that offer discounted travel & other services in a closed user group environment	OTA Online travel agencies that provide packaged & individual travel products directly to consumers	Corporate Major travel management companies & small “disrupters” providing full or limited corporate travel services	Search Consumer facing booking sites that acquire majority of customers from paid search (SEM)

cA\$20 BN TTV addressable market ⁽¹⁾

New regional opportunities.

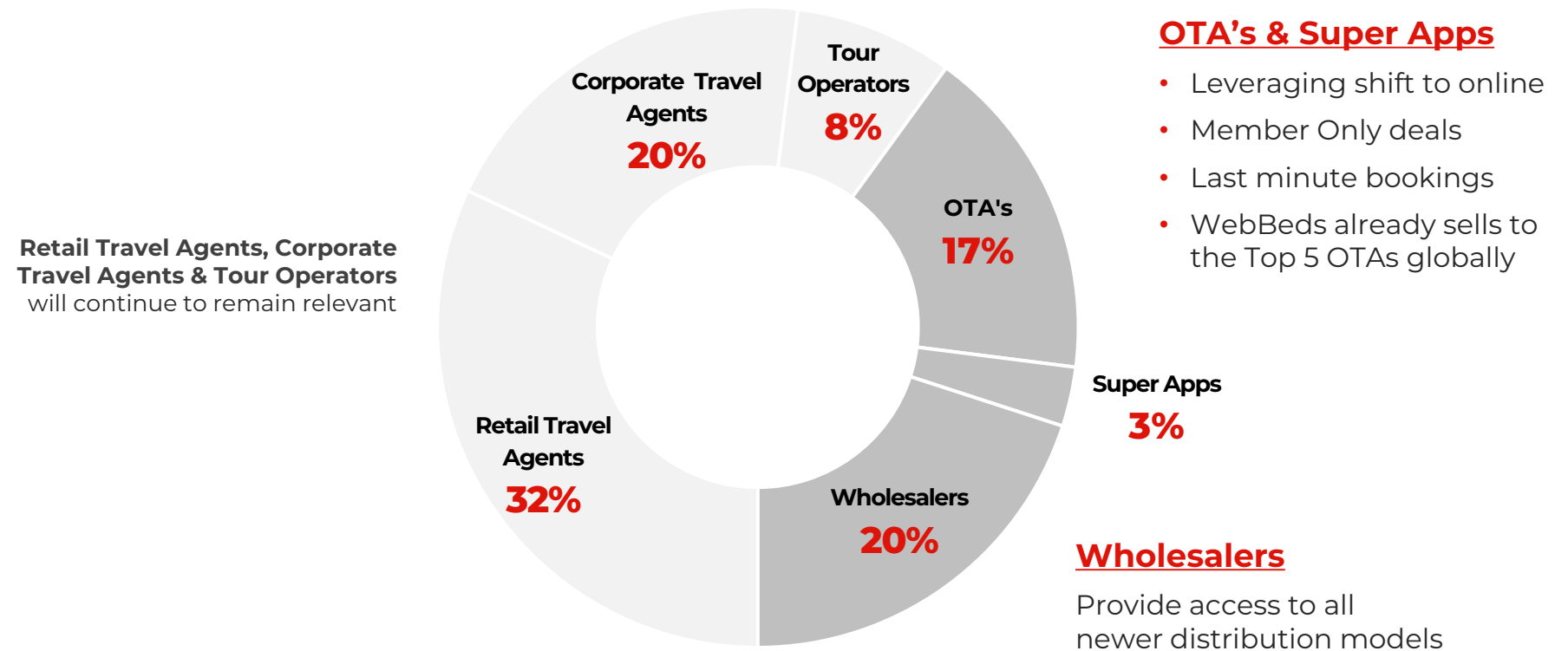
Expanded revenue opportunities.

Europe	APAC	Middle East & Africa
<ul style="list-style-type: none"> • c. A\$26Bn B2B TTV market opportunity ⁽¹⁾. • Will continue to be an important region given the significant number of independent hotels • Expanding footprint in Eastern Europe 	<ul style="list-style-type: none"> • c. A\$24Bn B2B TTV market opportunity ⁽¹⁾. • Pre Covid-19 – On track to be the largest region by booking volume • Will continue to see highest growth potential post Covid-19 <ul style="list-style-type: none"> • Domestic contracting strategy during Covid-19 will allow the region to grow as domestic travel is 10x larger than international travel pre-Covid. • Gaining entry into domestic opportunities that were once impenetrable. 	<ul style="list-style-type: none"> • c. A\$4Bn TTV market opportunity ⁽¹⁾. • Umrah Holidays International to benefit once travel restrictions lifted in Saudi Arabia • Defending our market leader position by increasing our product range

New customer opportunities.

Expanded market opportunity.

Pre Covid-19 Customer Mix.



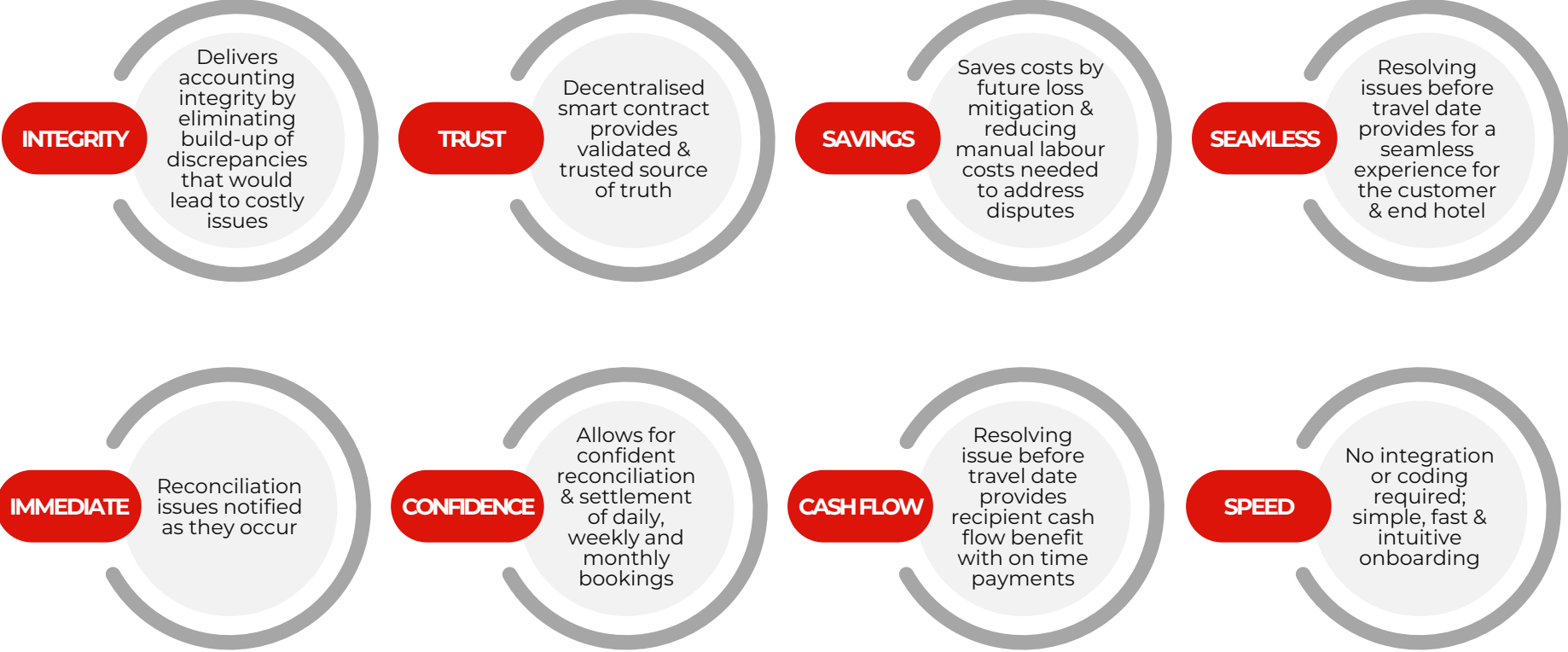
Market opportunity now > \$70BN+ AUD TTV due to B2C channel expansion

**Differentiation
through
innovation.**

WebBeds

Rezchain provides insurance against future problems.

Rezchain Value Proposition.



WebBeds

Rezchain delivered significant value during Covid-19.

Covid-19 transformation & focus.

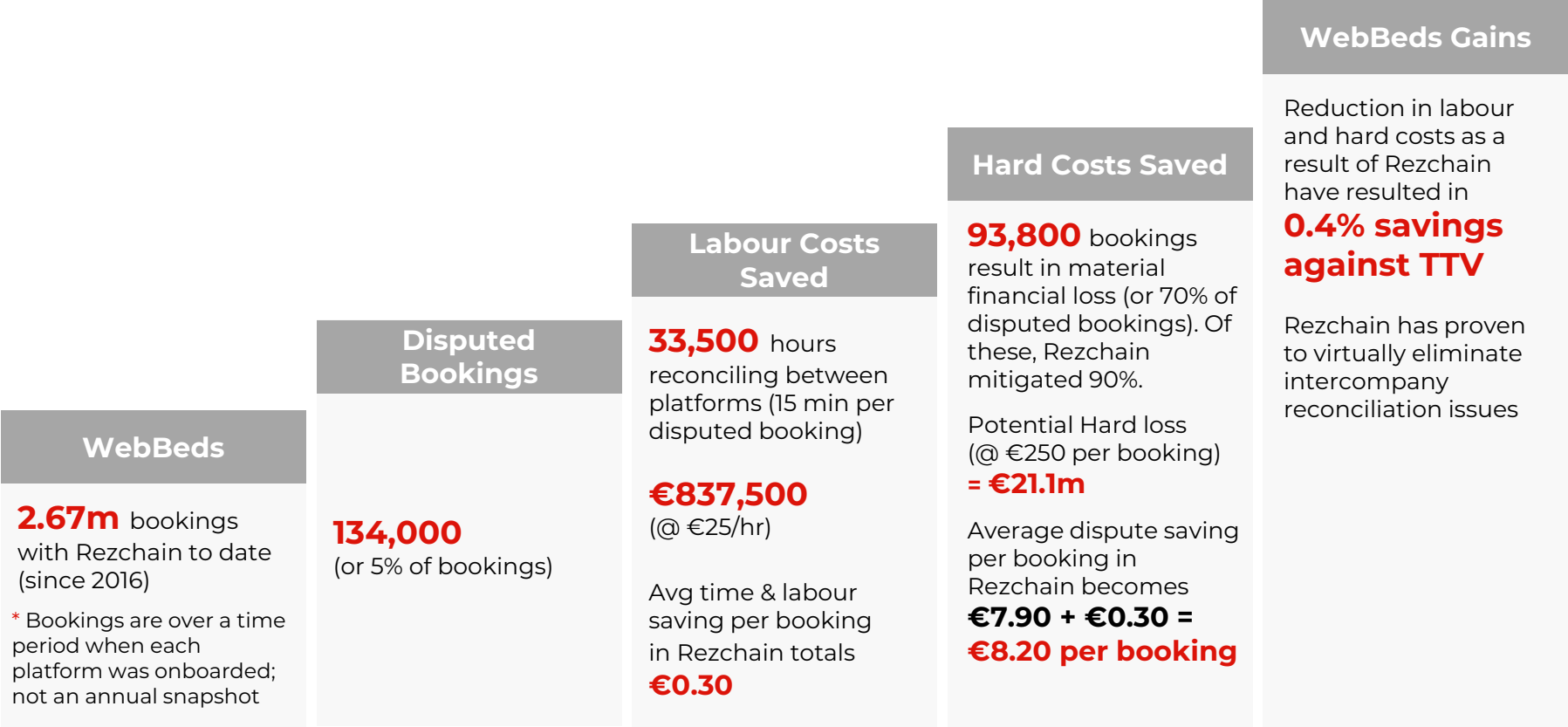


- **Rezchain insured WebBeds against costly errors** in the processing of mass cancellations
- Quickly **alerted WebBeds to any integration issues** as platform enhancements were rolled out
- A greater focus on actioning Rezchain alerts **has seen intercompany reconciliation issues become almost non-existent**
- Enhanced user-driven reporting features released **enabling users to manage their processes more effectively**
- Delivered **real \$\$ savings** - reduced both labour costs and hard financial losses

WebBeds

5 Years of savings on intercompany bookings.

Rezchain = real \$\$ savings.



Opportunity to target the 85% of non-intercompany bookings

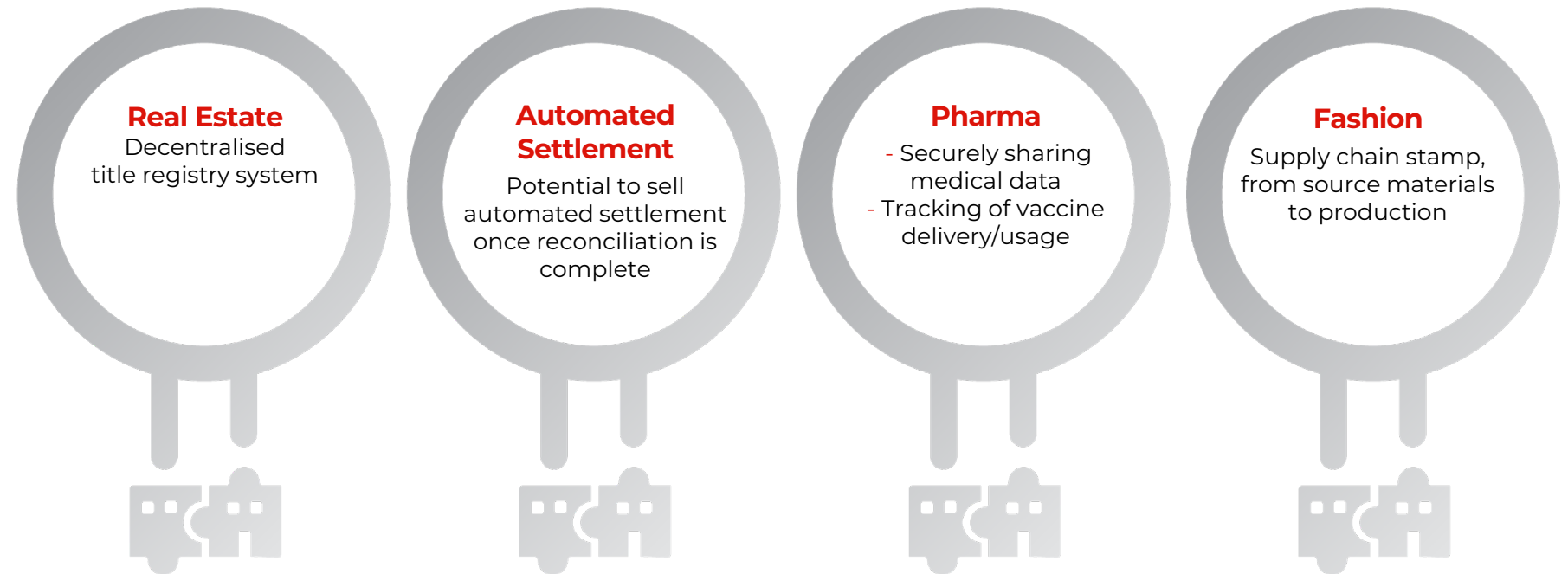
Note: Intercompany bookings account for c.15% of WebBeds bookings

WebBeds

Opportunity exists across industries for partners who wish to mitigate discrepancy.

Opportunities.

Opportunities for Rezchain beyond the hotel distribution space.



Rezchain, at its core, is a trust engine.

Any two partners that need **smart contracts to mitigate discrepancy** of any sort and thus insure against risk of loss are a commercial opportunity.

WebBeds

Investment in an Open Source Blockchain.



HYDRA

LOCKTrip

Investment: LockTrip.

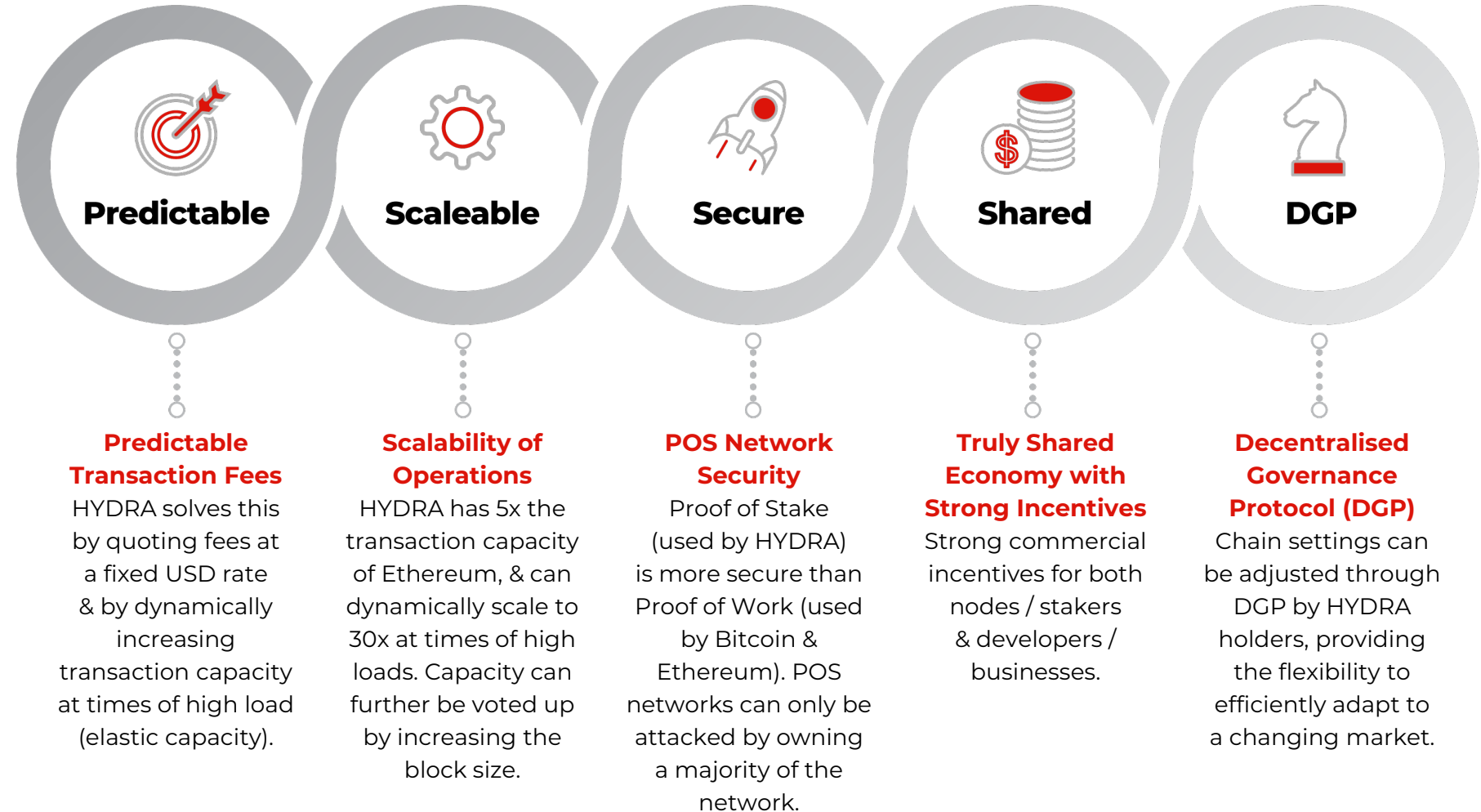
- **Webjet Limited has made an investment of US\$4.1 million** (for new shares representing a 25% stake) in **LockTrip Holdings UK** (LockTrip), with a further option to increase that to 51%.
- LockTrip provides a B2C hotel marketplace, **underpinned by a blockchain economy** powered by a utility token, LOC.
- LockTrip also provides its own decentralised public blockchain, Hydra chain, powered by the **HYDRA** coin.
- LockTrip has developed a blockchain that **enables genuine commercial applications at scale.**
- Webjet Limited's **interest in LockTrip is three-fold:**
 - **Accelerated development** of our blockchain expertise
 - **Integration** of LockTrip into the Webjet OTA for its B2C hotel offering
 - **Potential migration of the Rezchain application** onto the Hydra chain, as Hydra solves many of the issues that prevent the wholesale adoption of blockchain as an underlying platform.

Potential Rezchain migration to Hydra to deliver significant benefits.

Why Hydra is a superior blockchain platform.



HYDRA



Streamlining technology

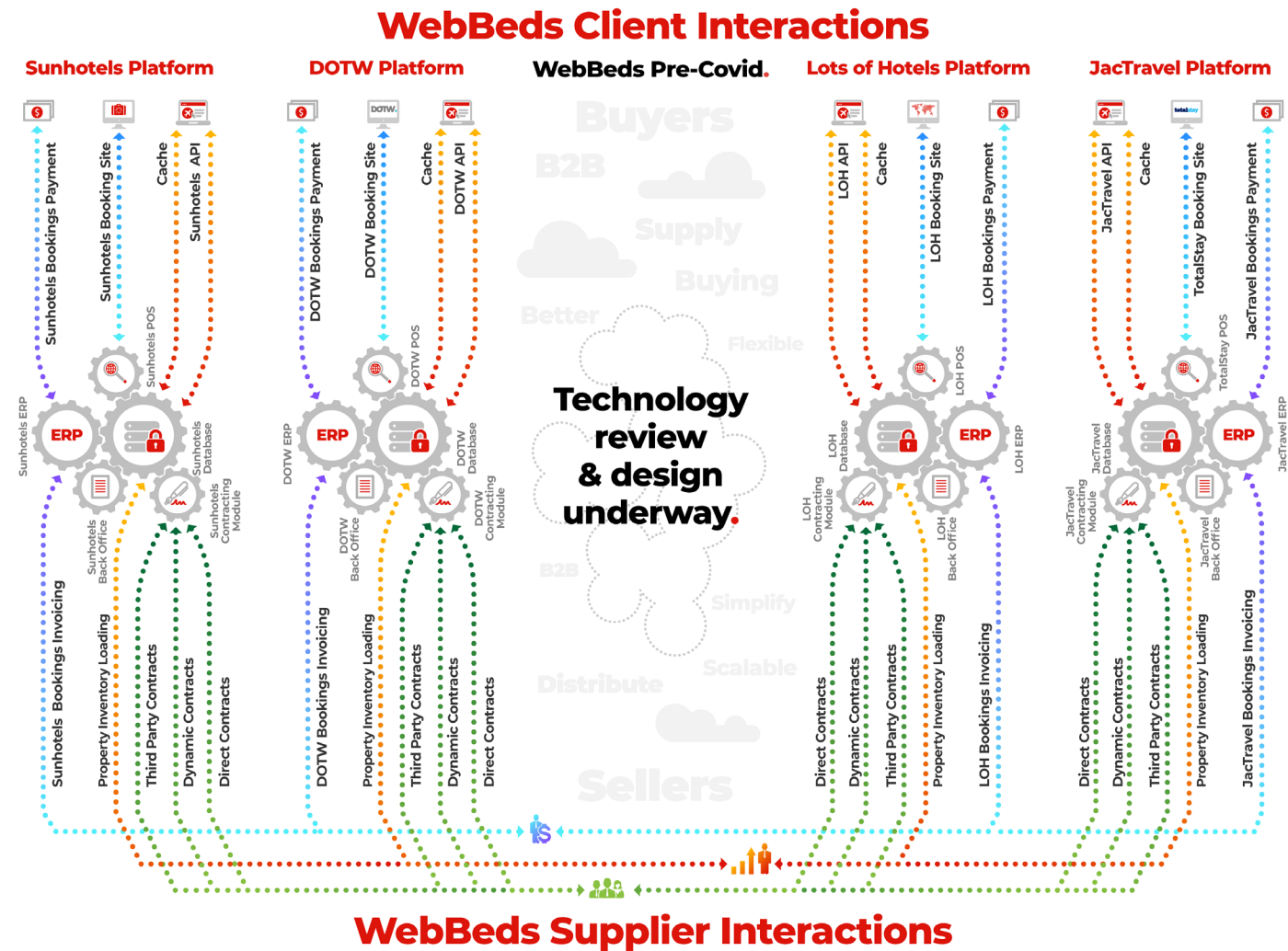
A top-down view of a wooden desk. In the center is an open silver laptop displaying the Webbeds website. To its left is a closed silver laptop. To its right is a black smartphone. Further right is a spiral-bound notebook with a red book titled 'The Road to Character' by David Brooks on top of it. In the background, there's a small terrarium with succulents, a LEGO robot, and several vintage cameras.

Webbeds

WebBeds

Pre Covid-19 our complex technology ecosystem was a reflection of our acquisition strategy.

Pre Covid-19: Complex technology ecosystem.



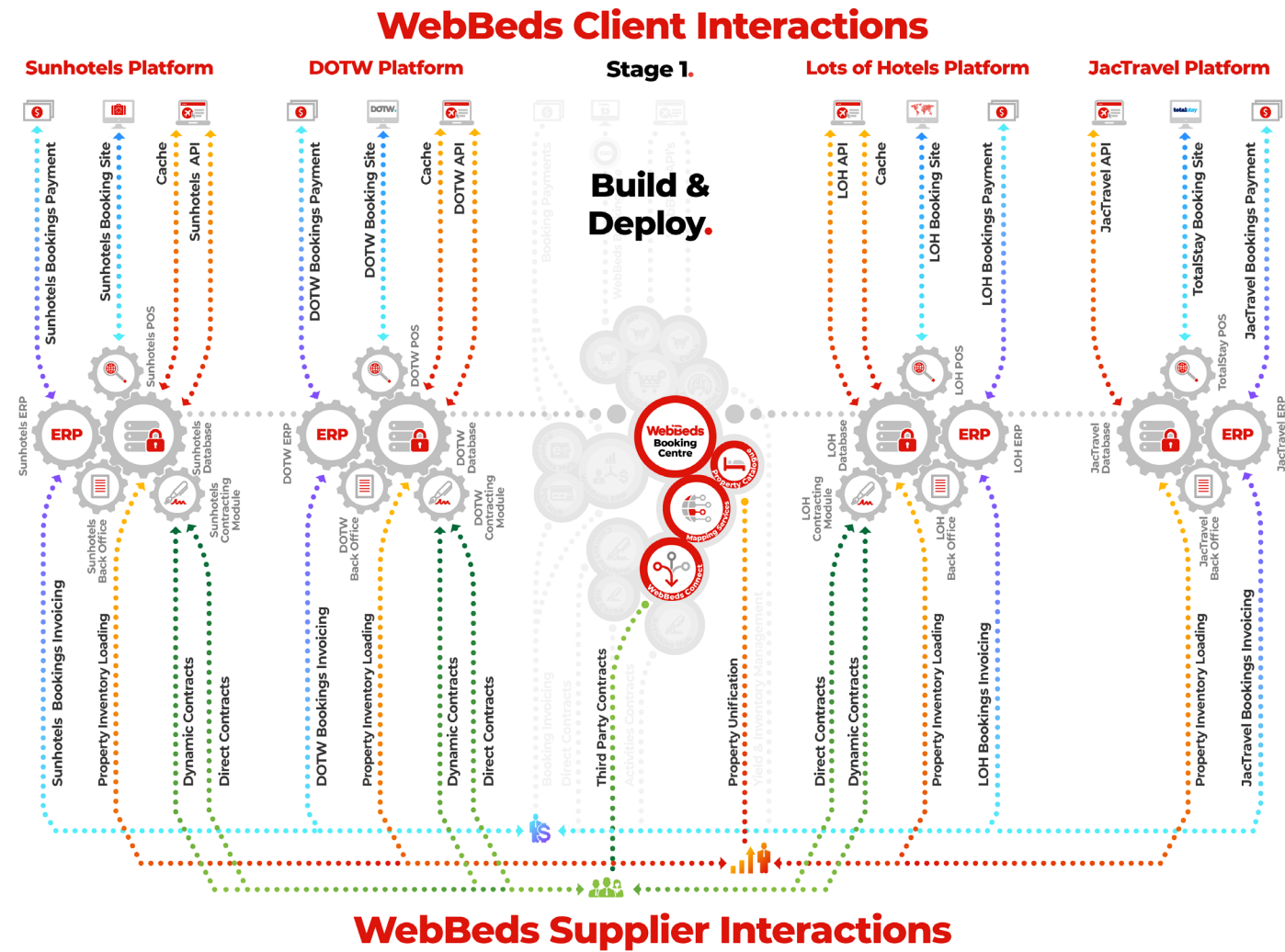
Multiple touch-points, several ways to do the same thing & maintenance overhead running all platforms ensuring WebBeds product is available across the marketplace.

Four commercial trading platforms leveraging a rich content base & wide reaching client distribution to create the initial global marketplace

WebBeds

Identify the WebBeds components to enable seamless global distribution & platform consolidation.

Deploy & begin acceleration.



WebBeds Connect 2.0. Consolidate connectivity, improving speed to market across all WebBeds trading platforms and reducing complexity.

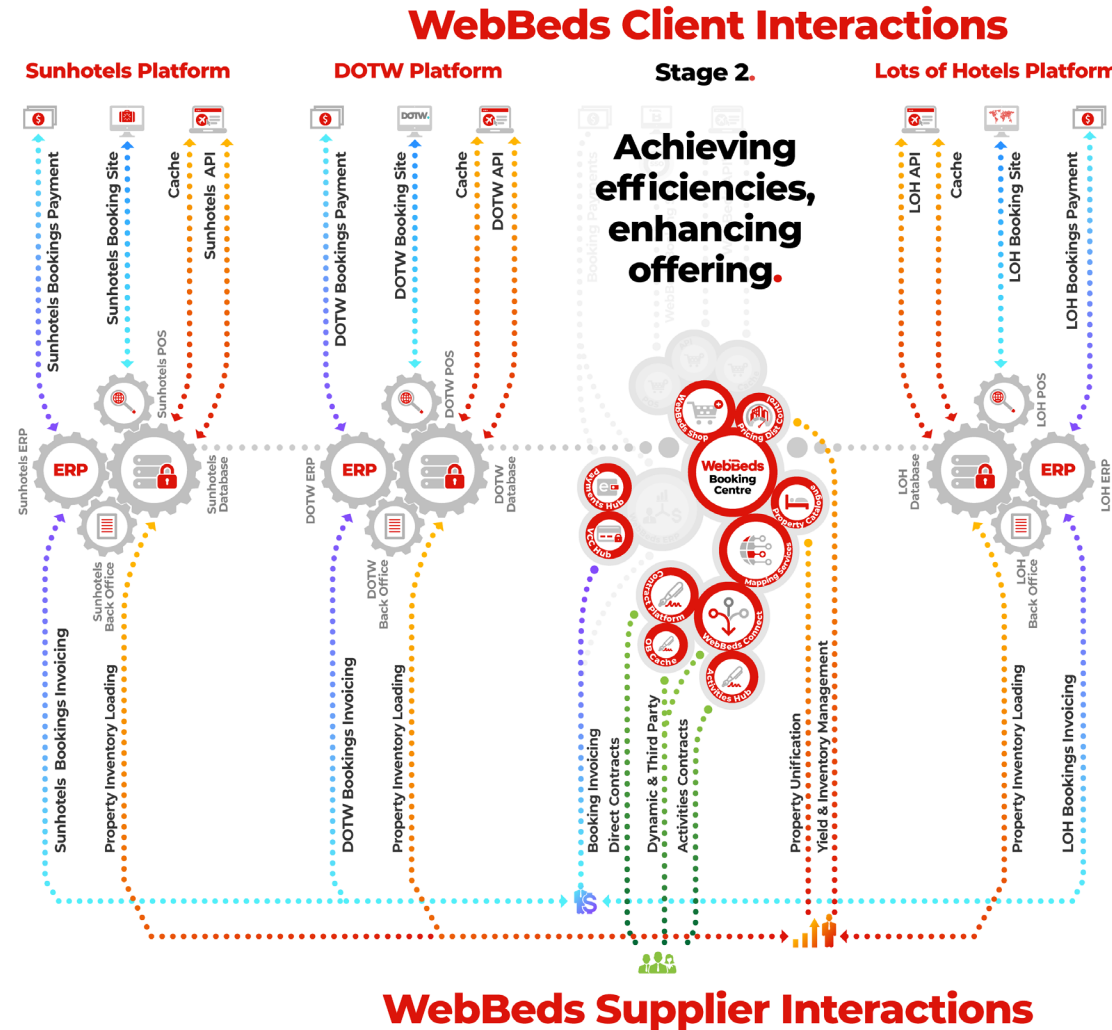
WebBeds Booking Centre. A single point where bookings from any trading platform will be managed by WebBeds, our clients & supply partners. This simplifies operations & provides a single platform for automation & machine learning.

WebBeds Property Catalogue. Unify & align properties across all WebBeds platforms under a WebBeds property ID. Simplify creation & management of basic property details from a central service

WebBeds

Reduce the platform complexity & continue to build additional components.

Now: Where we are today.



WebBeds Contracting.

Unifying contracts into a single platform for all WebBeds distribution platforms. Providing tailored interfaces & APIs to seamlessly fit into the hotel's distribution.

Webbeds Price & Distribution Hub.

Delivers a single revenue management platform. Contracts are delivered to all clients via **WebBeds Shop**, our new core distribution engine.

WebBeds Payment Aggregation Hubs.

Singular point to integrate new VCC Suppliers & support payment methods worldwide with minimal effort

WebBeds Mapping Services.

A unified catalogues of properties, room types, clients, suppliers.

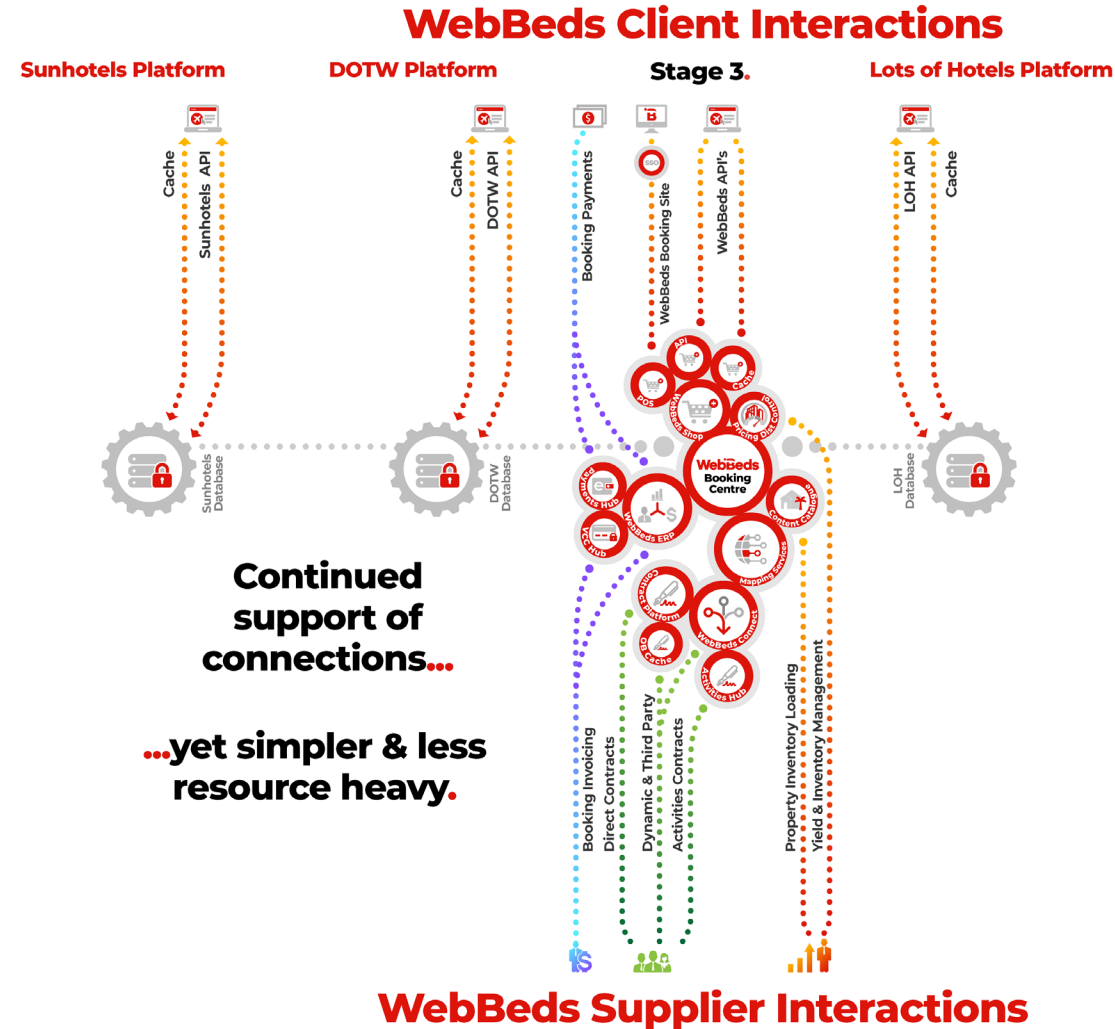
WebBeds Supply Connectivity.

New 'hubs' to access in-demand content & provide partners with innovative ways to connect to the WebBeds global marketplace providing global & domestic accommodation offers & activities.

WebBeds

Opening our new sales channels, API, Retail Website and Cache to the WebBeds Global Marketplace.

Tomorrow: End of CY2021.



WebBeds API.

A flexible, fast & reliable client API offering the WebBeds suite of products (hotels, vacation rentals, transfer & activities)

WebBeds Cache.

Ability for API clients to access an up-to-date WebBeds portfolio for packaging & onward distribution.

WebBeds Retail Booking Website.

Our showroom to empower travel agents with flexible search and browsing options, informative content & shopping basket to efficiently design safe & exciting holidays.

WebBeds Content Catalogue.

Detailed, high quality and up-to-date hotel & room information to give the client correct expectations on what they book.

WebBeds ERP.

Simplifying & automating our billing & payment processes, unifying our distribution platforms in one ERP platform.

A scalable, efficient & dynamic technology ecosystem to support the evolving & diverse demands of the global marketplace.

WebBeds Suppliers

- Booking Invoicing
- Direct Contracts
- Third Party & Dynamic Contracts
- Activities Contracts
- Property Inventory Loading
- Yield & Inventory Management

WebBeds Booking Centre

WebBeds Clients

- Booking Payments
- WebBeds Trade Booking Sites
- WebBeds Cache or API Connections
- WebBeds Specialist Brands

WebBeds Booking Centre is connected to various hubs and services:

- VCC Hub
- payments hub
- WebBeds ERP
- Offers Based Catalogue
- Contract Platform
- Activities Hub
- WebBeds Connect
- WebBeds Mapping Services
- Content Catalogue
- Booking Data, Datalake & Insights
- Pricing Dist Centre
- WebBeds Shop
- Specialist Brands
- API & Cache
- Retail POS

Our Clients



44,000+
travel
companies

Our clients include:
OTA's, Super Apps,
Wholesalers, Retail &
Corporate Travel Agents,
Tour Operators, DMC's,
Group Providers, Airlines.

The background features a sunset cityscape with a hand holding a glowing sphere of data points. A network of white lines and dots is overlaid on the scene. The text "Increased use of Data Analytics." is prominently displayed in the center.

Increased use of Data Analytics.

WebBeds

WebBeds

From
quantitative data
to qualitative
insight.

Data mining of the future.

Leveraging meaningful insights.

As a global wholesaler, **WebBeds has a wealth of raw booking data ready to be mined.**

Different sets of data can be mined to support different partners.

- **Hotels:** Gain a deeper understanding of where their business was coming from look to book ratio, and even how their competitors in the same area are doing.
- **Hotel Chains:** Mining data to determine which of their brands is most suitable for the area/city, especially if they are venturing into a new destination.
- **Travel Agents/OTAs:** Understanding which alternative hotel to recommend based on historical data to increase their conversion rate.



Changing
travel patterns
provide unique
opportunities.

Helping WebBeds target opportunities.

Example: Top destinations post Covid-19 will likely differ from those pre Covid-19

What could be the top APAC destinations post Covid-19

Pre-Covid		During Covid		Post Covid	
Top metros, popular tourist destinations Mix of business, leisure destinations		More Domestic secondary cities More leisure destinations		Even mix of top metros, domestic, secondary cities	
Rank	City	Rank	City	Rank	City
1	Singapore	1	Jeju	1	Singapore
2	Bangkok	2	Seoul	2	Phuket
3	Hong Kong	3	Singapore	3	Pattaya
4	Phuket	4	Hong Kong	4	Bangkok
5	Tokyo	5	Shanghai	5	Hong Kong
6	Bali	6	Pattaya	6	Tokyo
7	Kuala Lumpur	7	Busan	7	Jeju
8	Seoul	8	Hua Hin	8	Hua Hin
9	Pattaya	9	Kuala Lumpur	9	Penang
10	Shanghai	10	Bangkok	10	Koh Samui
11	Osaka	11	Chiang Mai	11	Seoul
12	Langkawi	12	Beijing	12	Bali
13	Manila	13	Phuket	13	Krabi
14	Koh Samui	14	Cameron Highlands	14	Kuala Lumpur
15	Krabi	15	Penang	15	Osaka
16	Penang	16	Jeongseon	16	Kyoto
17	Jakarta	17	Redang	17	Chiang Mai
18	Beijing	18	Guangzhou	18	Danang
19	Taipei	19	Bali	19	Shenzhen
20	Sydney	20	Jakarta	20	Guangzhou

An overhead view of a business meeting. Five people are seated around a large, light-colored wooden table. The participants include a woman with blonde hair in a beige blazer, a man in a white shirt and dark tie, a man in a light blue shirt, a man in a light blue shirt and tie, and a person whose hands are visible typing on a laptop. The table is cluttered with various items: multiple laptops, tablets, smartphones, papers with charts and graphs, a world map, sticky notes, pens, pencils, and coffee cups. A small potted plant sits in the center of the table. The background is a light-colored tiled floor.

Cost reduction opportunities.

WebBeds

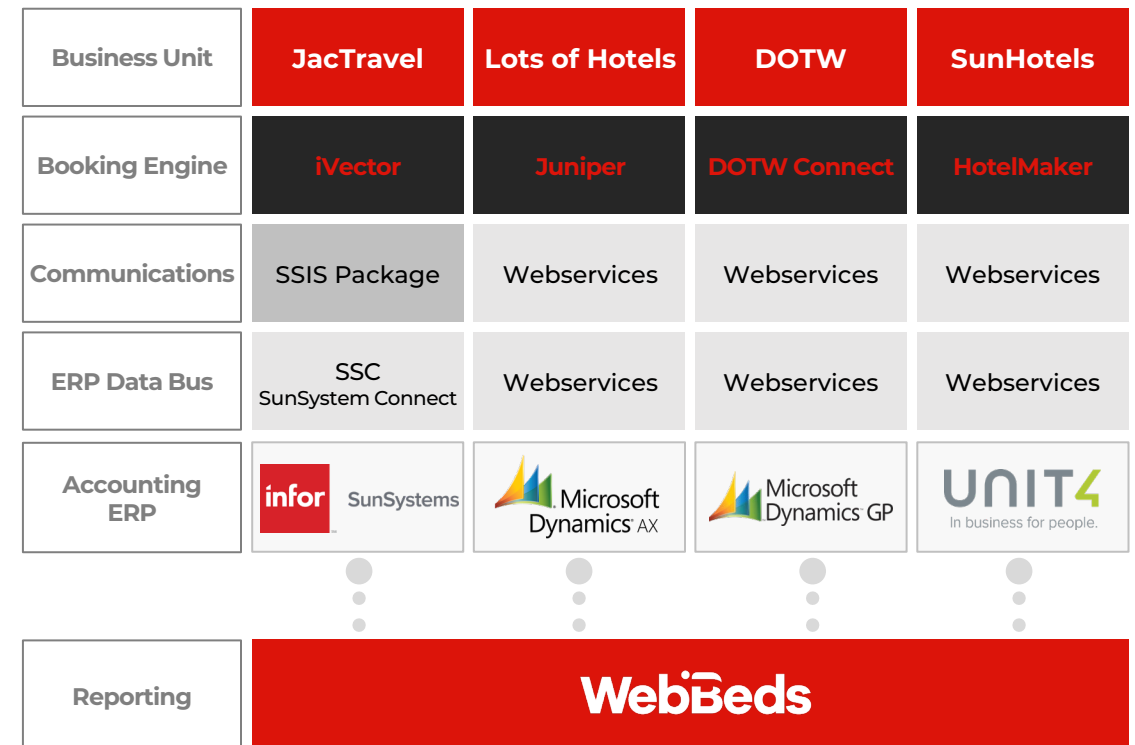
WebBeds

Multiplatform management is complex & resource heavy.

Finance Backoffice – Where we are today.

Risks & Challenges.

- **Four x ERPs**
System complexities, multiple gateways
- **Four x booking engines**
Mapping risk
- **Scalability issues**
Volume increases risks
- **Master Data challenges**
Scattered across platforms
- **Complexity inefficiencies**
Multiplatform challenges
- **Finance Reporting**
Manual intervention, Excel consolidation
- **Benefits labour intensive**
Payables & Receivables manual



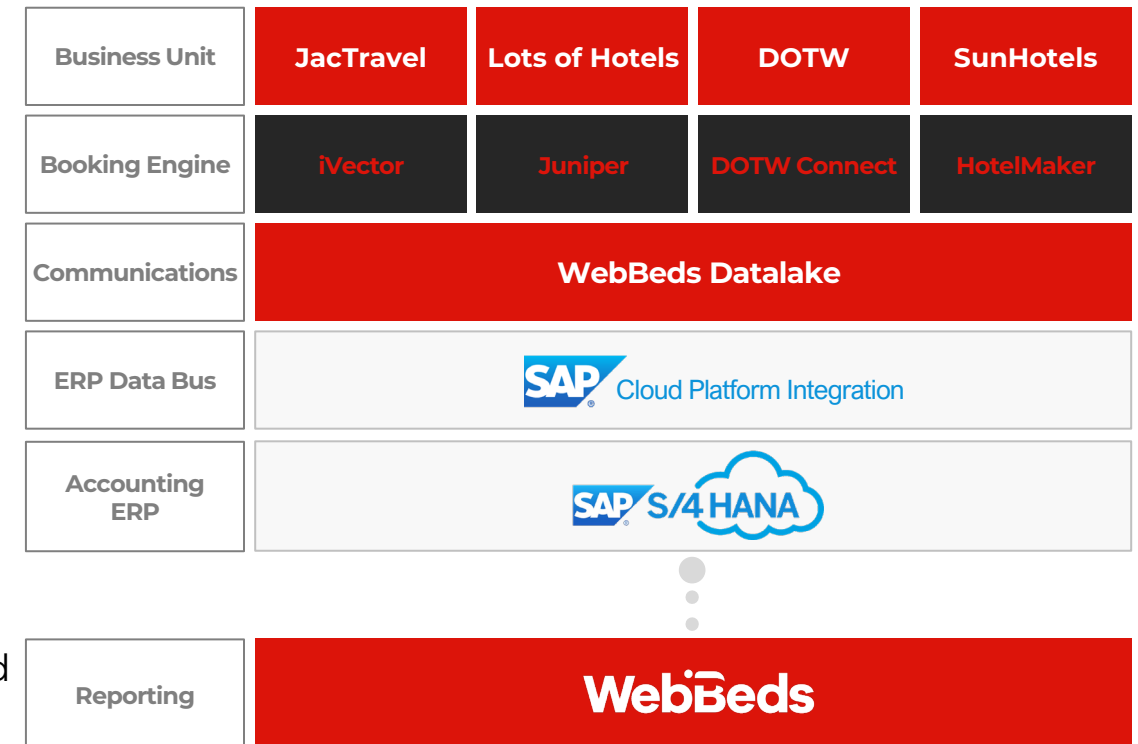
WebBeds

ERP unification
delivers scalability
& drives
efficiencies across
the business.

Finance Backoffice – Where we are going.

On target to deliver.

- ✓ **One ERP**
System integration
- ✓ **One Booking engine**
Darwin program delivery
- ✓ **Enhanced Scalability**
Highly scalable solutions
- ✓ **Better Master Data**
MD Management unified
- ✓ **Multiple Efficiencies**
Centralisation, unification
- ✓ **Improved Reporting**
Cloud enabled, Excel minimised
- ✓ **Improved Benefits**
Exception reductions
& increased automation



WebBeds

**Simplifying
processes across
the business.**

Other initiatives to improve efficiency.

- **Automation projects** are underway to streamline processes, **reduce manpower costs and improve revenue**.
 - Pre-empting the needs of clients and hotels and automating requests.
 - Generates revenue which might otherwise be overlooked.
- **Improved Quality Assurance**
 - Virtual Observer to record, transcribe and analyse all emails and calls to **improve standard of service and reduce disputes**.
- **Reviewing over 40 processes** to **assess potential opportunities**.
 - Working with Robiquity to deep dive into various departments such as Data Entry, Contract loading, Mapping, Contracting, Reporting and Security.



Outlook.

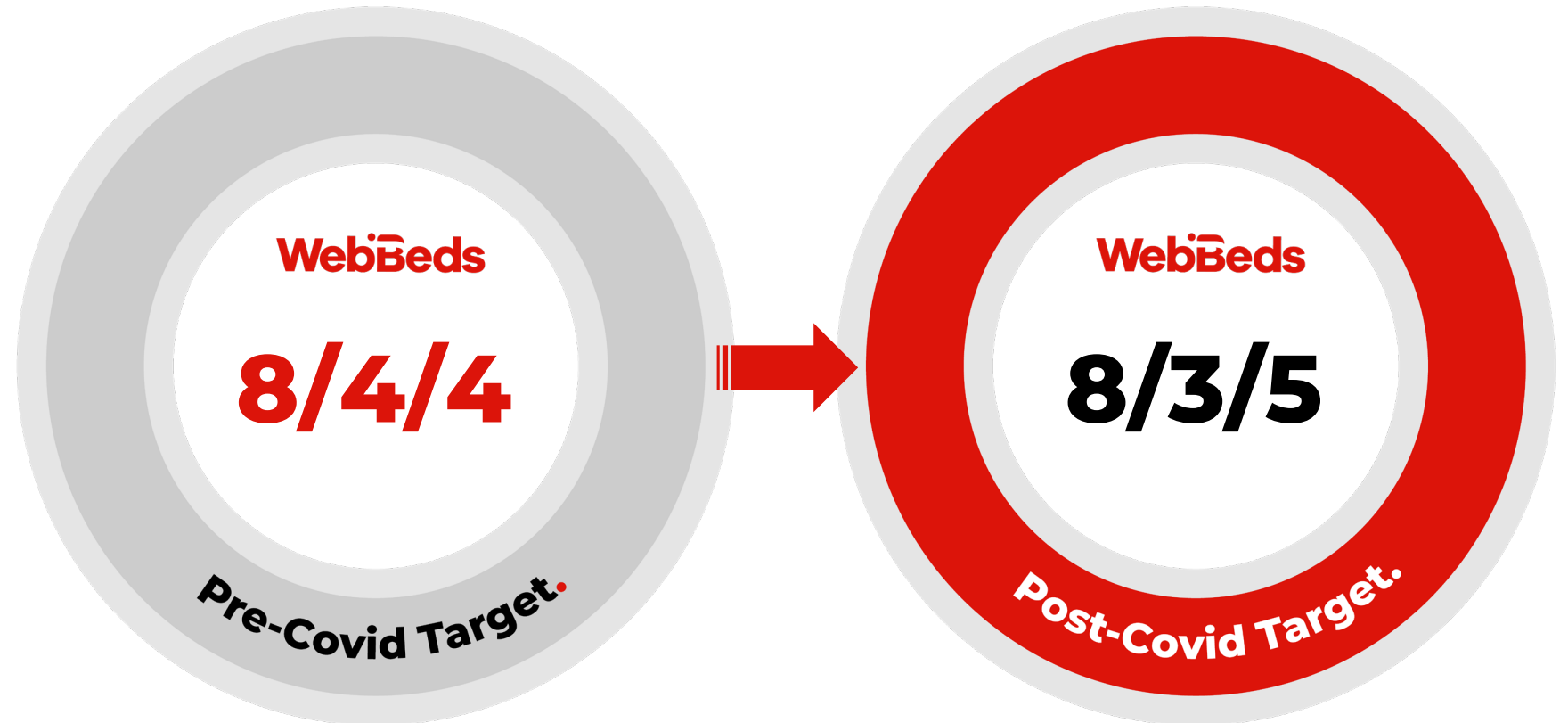
WebBeds

WebBeds

1H21 costs
down 42%
over 1H20.

Cost efficiencies delivery on track.

Initiatives are on track to deliver at least 20% greater cost efficiencies at scale.



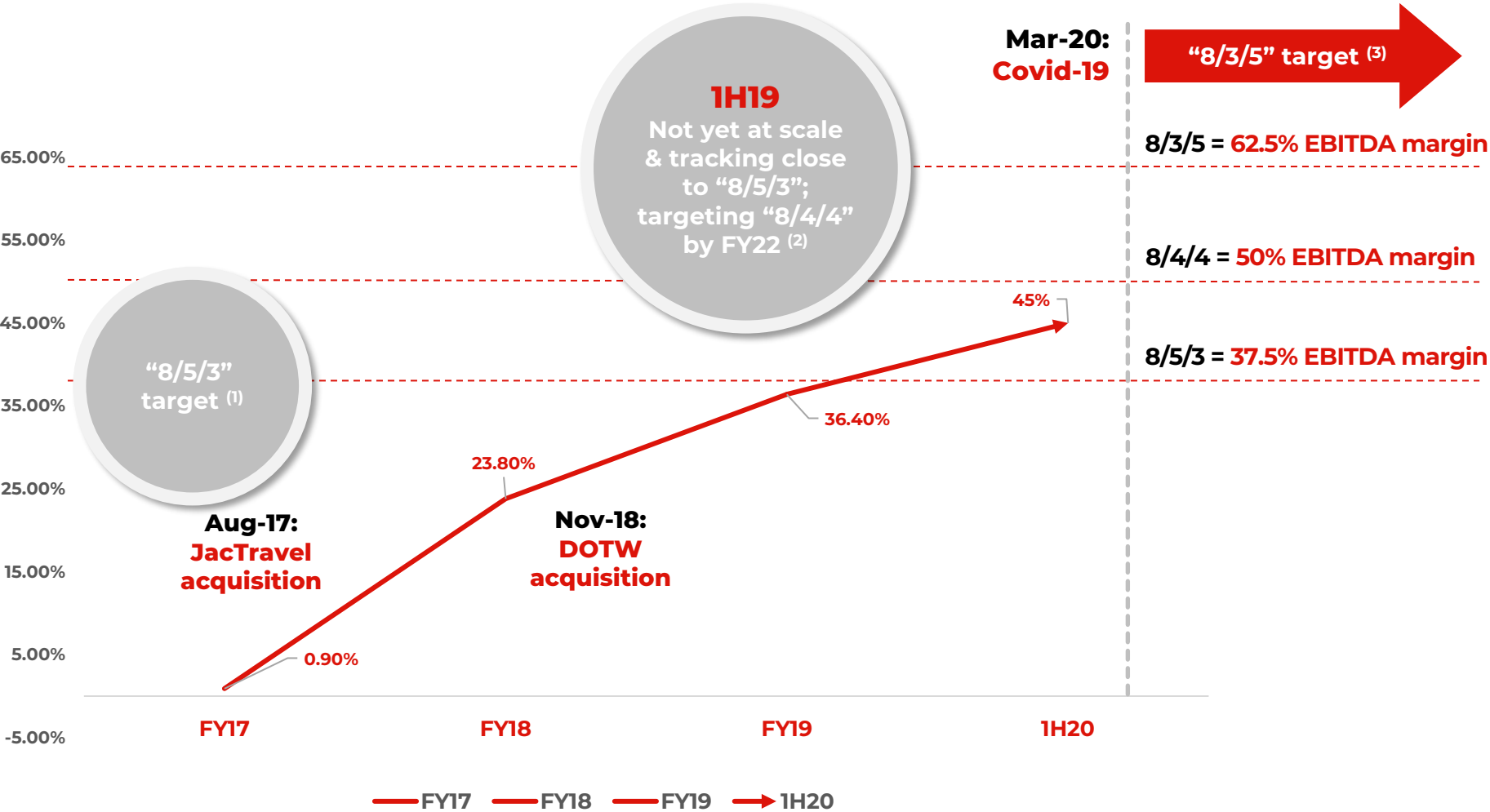
Note:

8/4/4 = at scale 8% revenue/TTV and 4% costs/TTV to drive 4% EBITDA/TTV

8/3/5 = at scale 8% revenue/TTV and 3% costs/TTV to drive 5% EBITDA/TTV

A track record
of improving
EBITDA margins
over time.

Profitability target keeps improving.

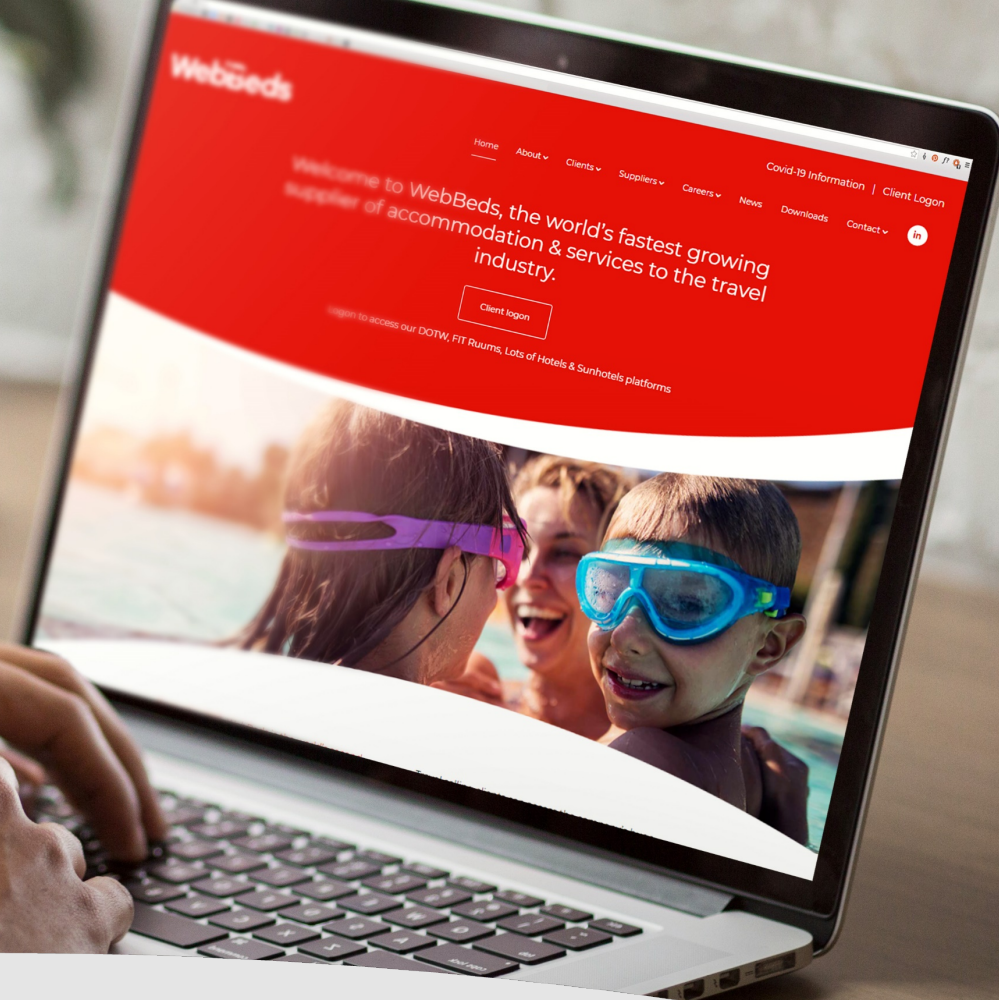


1) 8/5/3 = at scale 8% revenue/TTV and 5% costs/TTV to drive 3% EBITDA/TTV
2) 8/4/4 = at scale 8% revenue/TTV and 4% costs/TTV to drive 4% EBITDA/TTV
3) 8/3/5 = at scale 8% revenue/TTV and 3% costs/TTV to drive 5% EBITDA/TTV

Powered for travel recovery.



Thank you.



WebBeds