Webjet Limited

Webjet OTA

Strategy update

Dave Galt

webjet.com.au

webjet.com.au

Market leader & Australia's #1 OTA.

Unparalleled Convenience & Choice.

Flights

Unique domestic flight matrix and **enhancing our international flight offerings** through integrations

Hotels

Delivered many enhancements, including merchandising, payment & refund, to drive sales

Holiday Packages

Layering our leading Mix'n'Match flight capabilities over vast hotel inventory

Travel Insurance

Now more than ever **travellers are protecting themselves against the unexpected** while travelling

Hire Cars

Self driving is now favoured over ride-share and public transport in many destinations

Activities

Integrated Viator content to **strengthen our 'on trip' experiences** offering

Providing unparalleled convenience & choice ensures we remain

Australia's #1 OTA.

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8.8% average market share across all GDS bookings FY23 YTD*.

Share **up 57%** from 2019.

Growing Webjet OTA.

Our goal is to deliver continued market share growth through 5 key strategic areas.

Revenue Growth

Increase share of wallet and repeat purchase

Customer Experience

Through innovative technology

Product Expansion

Trip Ninja integrations propelling international flight growth

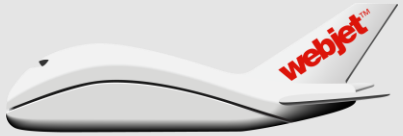
Servicing Automation

Automated self-serve solutions empowering travelers

OPEX Control

Focused marketing spend and budget allocation

* FY23 YTD based on GDS bookings from 1 April 2022 to 20 August 2022. 2019 based on GDS bookings from 1 January 2019 to 31 December 2019. Across all GDS Bookings – Australia Travel Agency Offline & Online, which do not include low-cost carriers.
Market share data does not include bookings made using flight credits.



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Leveraging our strengths across strategic initiatives.

Leveraging our strengths to support strategy.

Webjet OTA continues to leverage our strong brand, scalability and superior technology to increase our market leadership as the #1 OTA in Australia and New Zealand and we see opportunity to expand both our domestic and international market shares.

- **Brand strength as the #1 OTA**
  Continuing to improve our value proposition for our customers and increase organic traffic to our website.
- **Scalability**
  Our highly variable cost base allows us to effectively manage costs through demand fluctuations and increased automation is further reducing costs while also enhancing the customer experience.
- **Superior technology**
  Innovation and technology improvements are making it easier for our customers to book, change and cancel their bookings.

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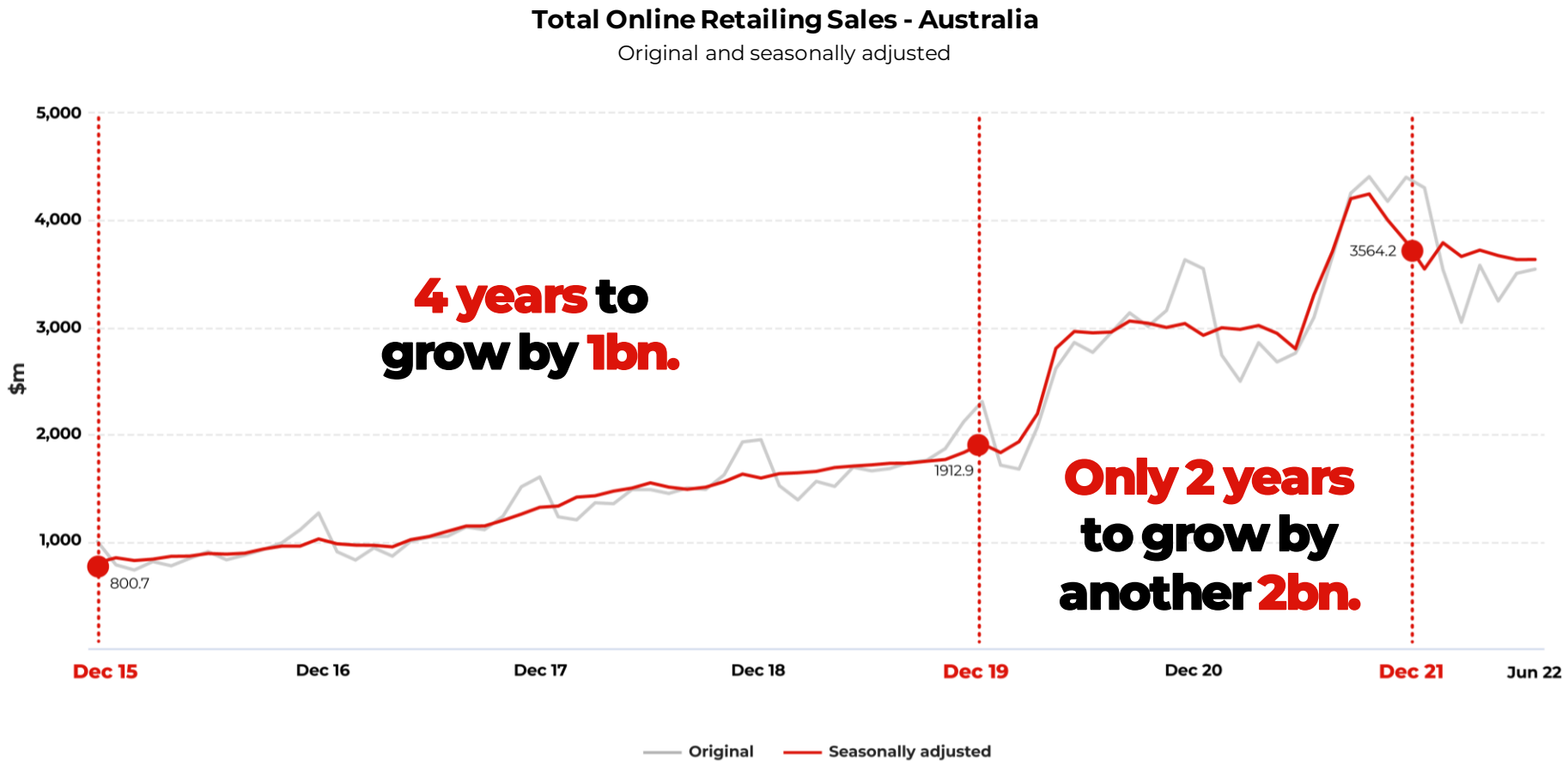
Shift to eCommerce continues despite easing of Covid restrictions.

Online shopping 2 x pre-pandemic levels.



Source: Australian Bureau of Statistics, Retail Trade, Australia June 2022 (June Release)
https://www.abs.gov.au/statistics/industry/retail-and-wholesale-trade/retail-trade-australia/latest-release#online-retailing

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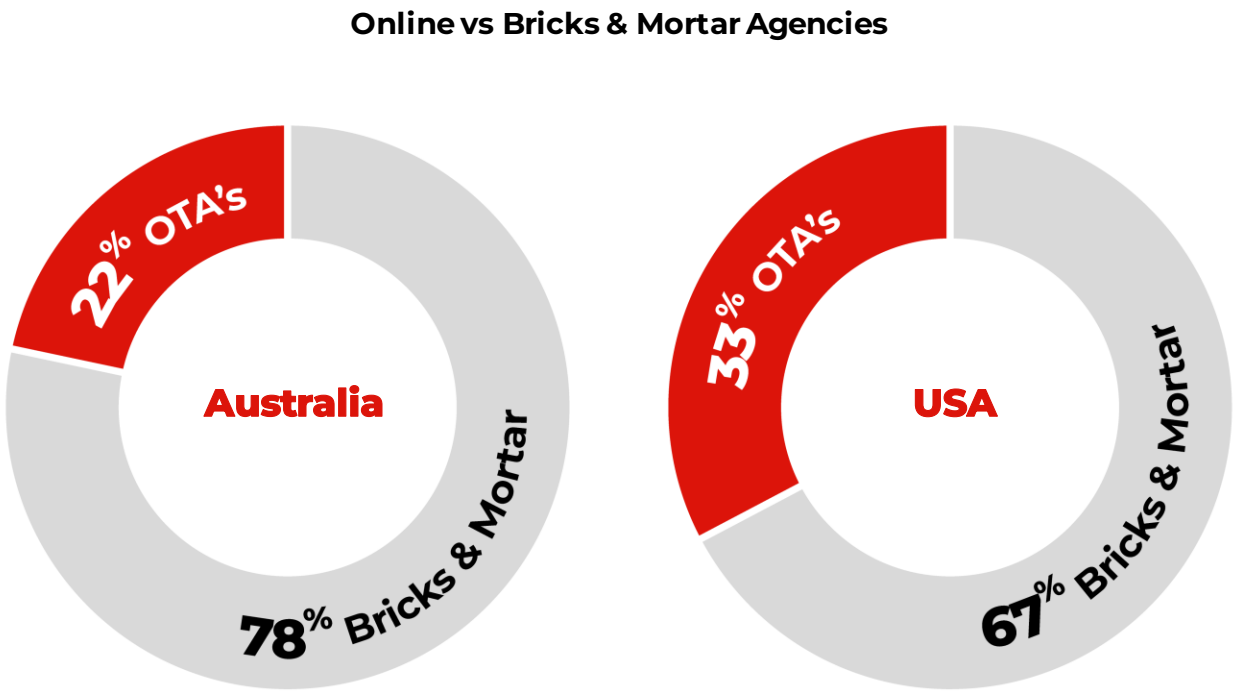
The pandemic accelerated eCommerce in AUS.

Long runway for growth.

Online Travel Agency penetration behind USA.



The penetration of OTA's in the USA and accelerated eCommerce in Australia highlights the growth opportunity for Webjet OTA.

Source: Phocuswright, Travel Agents Association (US). Tourism Research Australia. Credit Suisse

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Leisure travellers want more convenience.

Business travellers want more control over their itineraries.

All travellers crave self-serve.

High Touch Retail quickly shifting to No Touch Retail.

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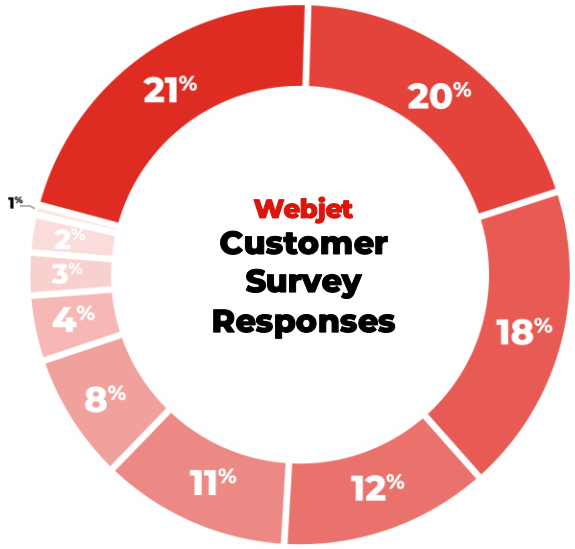
Travellers perceive value in many ways when booking.

Customer Engagement.

Webjet's customers want more than just low prices.

- **21%** Best price available
- **20%** Flexible booking conditions
  (ability to change for free, free cancellation to credit, refundable)
- **18%** Departure times & available dates
- **12%** Airfare inclusions
  (seat selection, checked baggage, meals & entertainment)
- **11%** Trusted airline or accommodation
- **8%** Flexible payment options
- **4%** Loyalty programs
- **3%** Health & hygiene policies
- **2%** 24-hour customer service contact
- **1%** Ability to offset carbon emissions



Webjet customer survey, 2021.
5,000 respondents

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Increase
conversion.

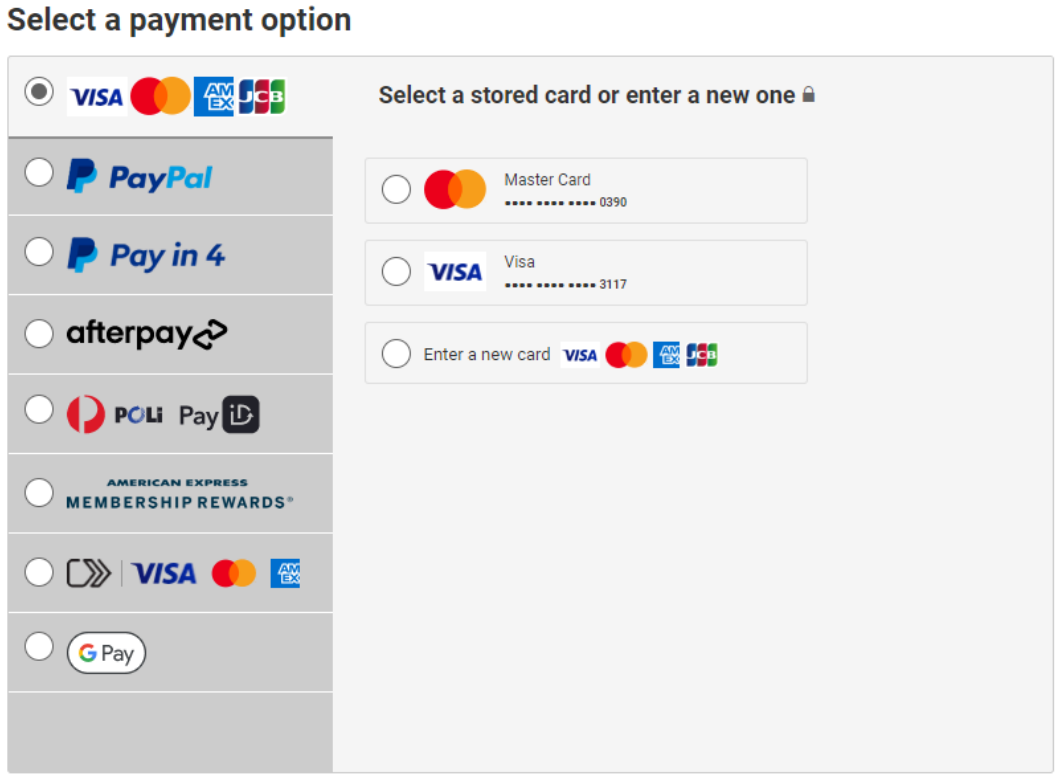
Payment options to suit consumers evolving habits.

Recently added:

- AfterPay
- PayPal in 4
- Google Pay
- PayID (Poli)

Loyalty: Members of these programs can redeem their loyalty points at Webjet for travel products :

- NAB Rewards (AU)
- AMEX Membership Rewards (AU + NZ)
- ASB True Rewards (NZ)



Strategy Area

Revenue Growth | Customer Experience | Product Expansion | Servicing Automation | OPEX Control

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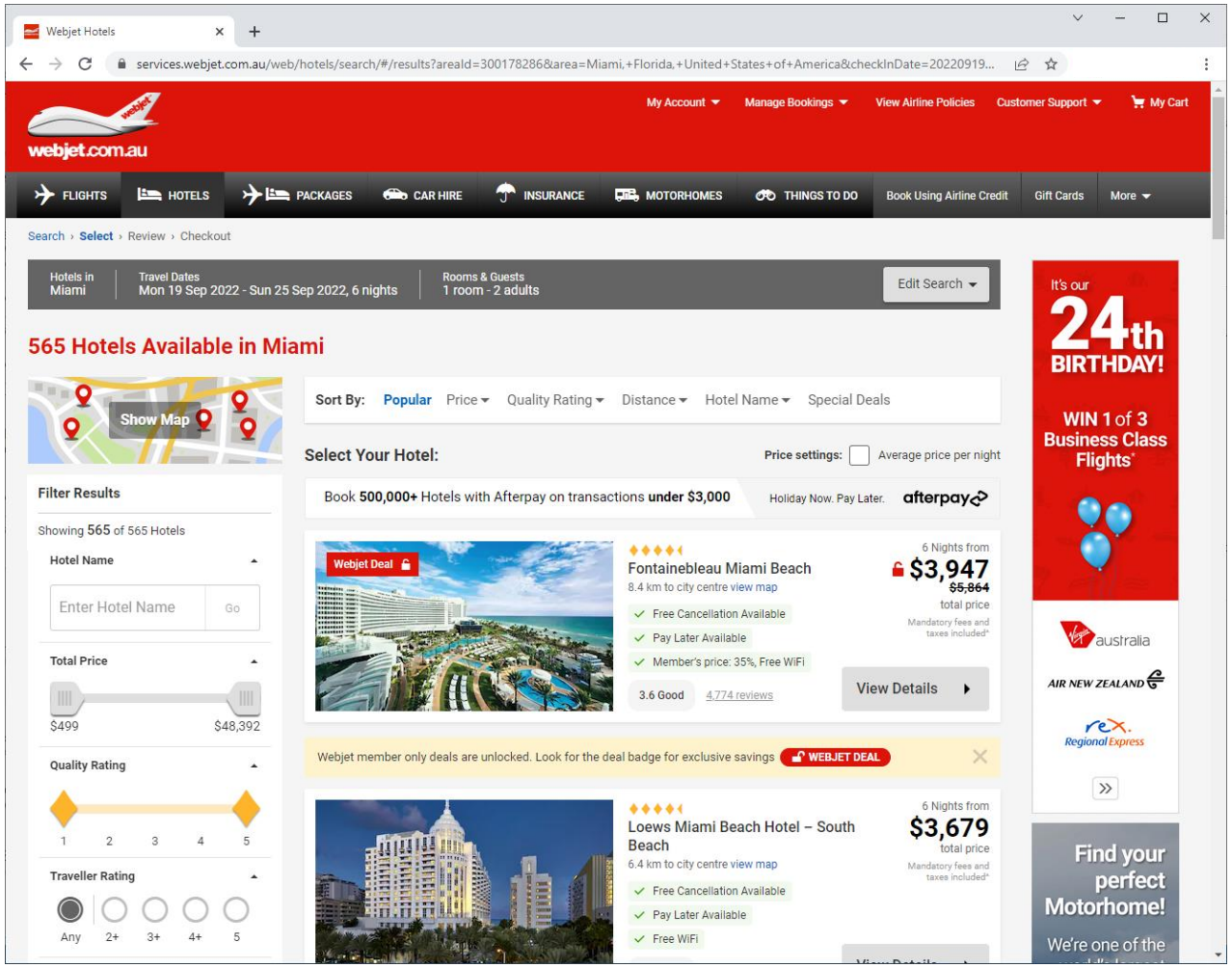
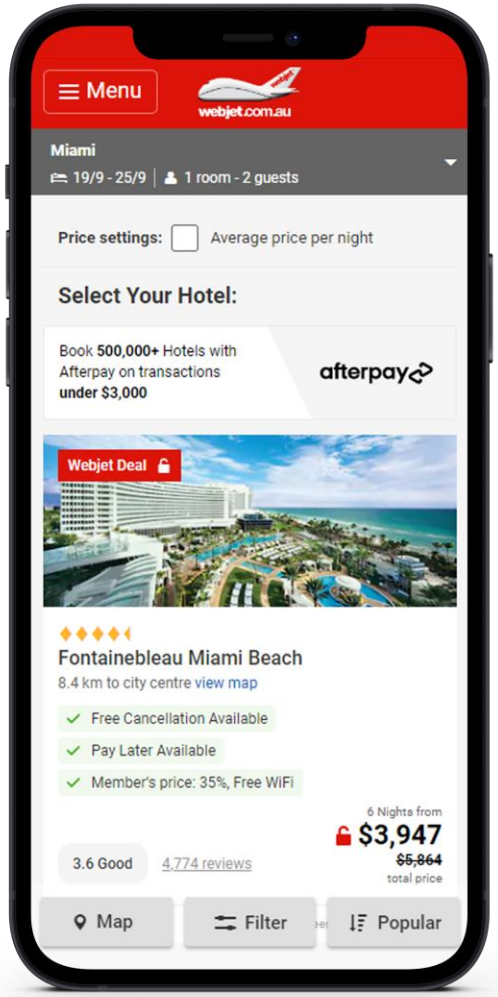
Hotel innovations to suit consumers evolving habits.

Increase conversion.

- Mobile optimised
- Mapping enhancements
- Pay @ Hotel
- Partial deposits
- AfterPay
- Refundability merchandising
- Member Deals





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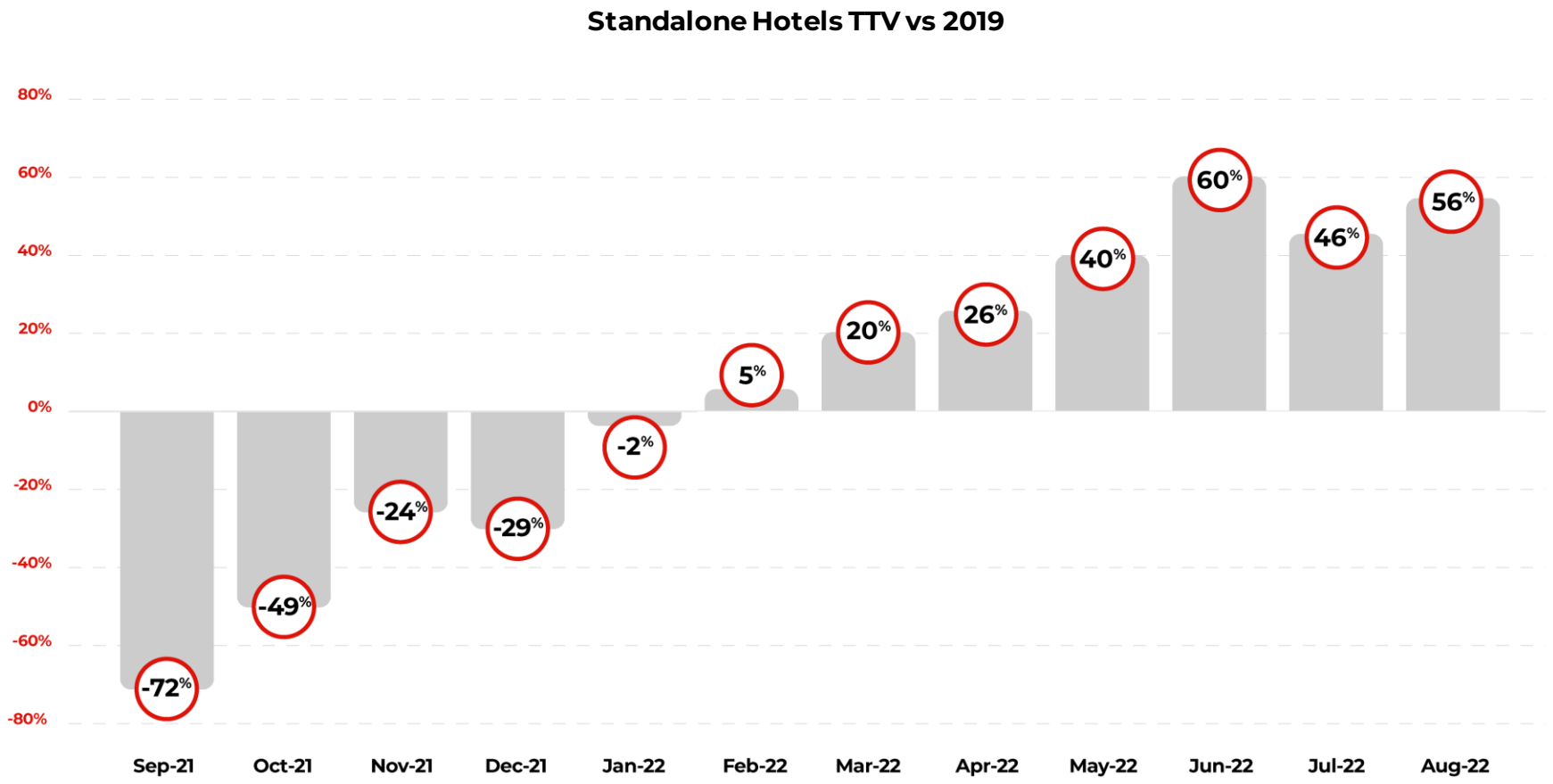
Innovation propelling outperformance.

During pandemic, domestic hotels in drive markets flourished.

Webjet's **hotel merchandising** driving TTV.



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International Flights.

Trip Ninja: Online solutions for complex itineraries

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Bring complex itineraries online.

Grow share.

Scalable solutions for business and leisure travellers.

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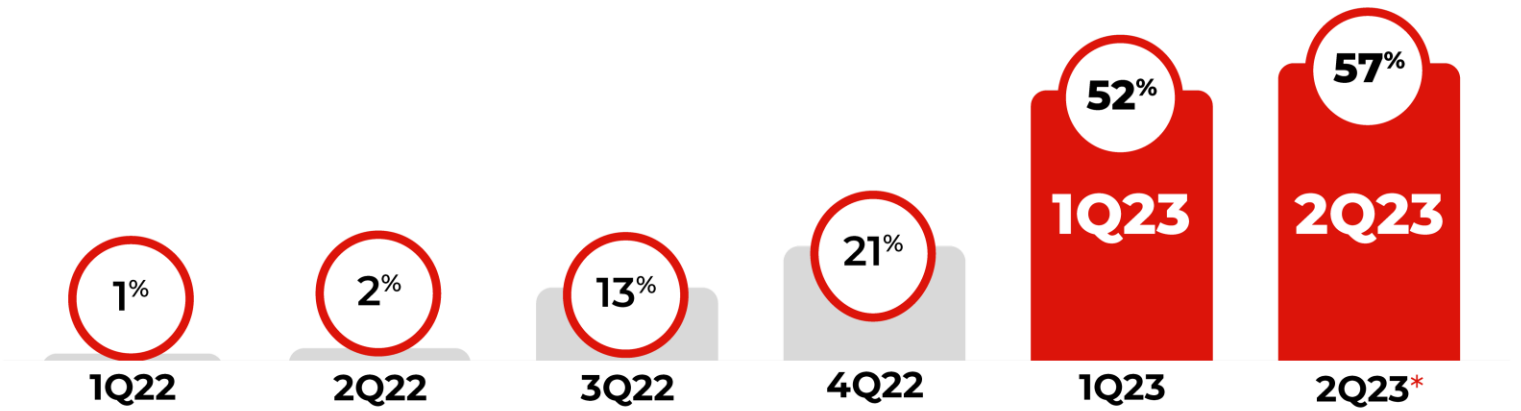
International flight bookings recovery.

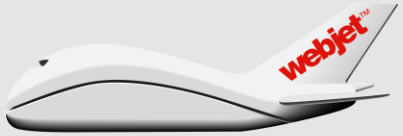
Webjet OTA International Flight Bookings

(% of Pre-Covid[1])



* 2Q23 represents actuals for 1 July 22 to 28 August 2022

1) Shows International Flight Bookings as % of comparable period in 2019 – ie 1Q22 shows April 2021 to June 2021 vs April 2019 to June 2019.
Note: Flight Bookings data does not include bookings made using flight credits.



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Webjet acquired Trip Ninja 24/11/21.

Integration of FareStructure to Webjet in development.

Strategy Area

Trip Ninja Recap.

tripninja

- **Founded:** 2015, launched in 2017 in Canada
- **Employees:** 24
- **FareStructure** is a technology that **automates the combining of fares from carriers that do not have a cooperation or codeshare agreement** in order to give customers the best priced itinerary. Traditionally a fairly manual process, Trip Ninja is able to produce these results in seconds. FareStructure can make a customer as proficient as a seasoned travel agent veteran and it gives Webjet OTA the ability to create complex itineraries using non-aligned carriers in an automated way at scale.
- **FlexTrip** is the **automated re-ordering of a multi-stop itinerary to deliver a better price.** Used in combination, FareStructure and FlexTrip give travellers the ability to find pricing options that could only ever be surfaced manually by a very experienced travel agent. Both Fare Structure and FlexTrip are integrated via API.
- **Multi-stop dynamic packages** combines incredible flight & hotel selections across multiple destinations for one trip at a single opaque price.
- **Virtual Interlining** is dynamically combining one-way fares from airlines who do not have code-share or interline agreements to form one-way or roundtrip journeys (not multi-stop).

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Many travellers visit multiple cities on trips.

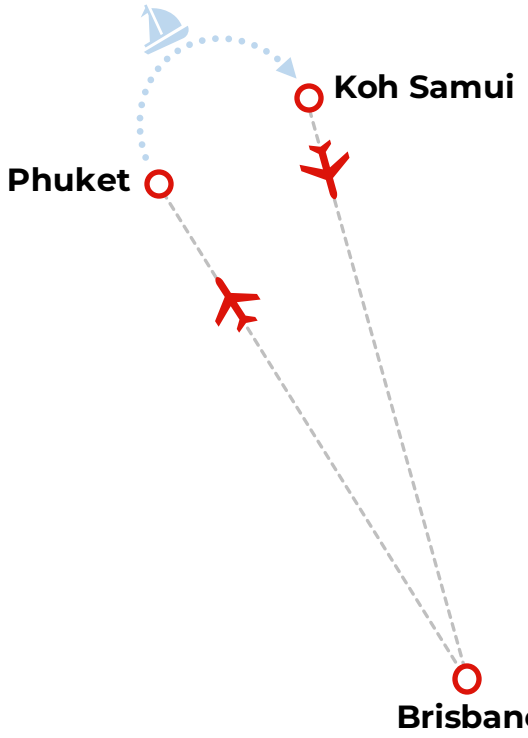
Leisure & business travellers alike.

Mix'n'Match Airlines.

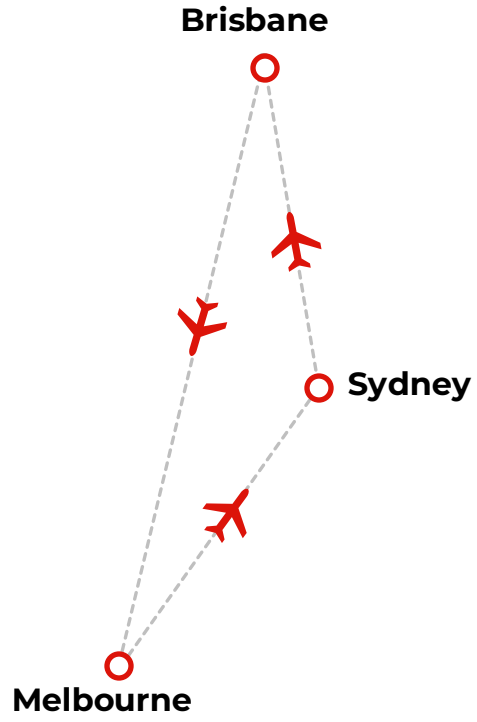
Multi-Stop & Open-Jaw flights explained.

tripninja

Open-Jaw



Multi-Stop



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~10% of international flight searches at Webjet are for Multi-stop trips.

Pricing and Marketing will accelerate shifting multi-stop trips online.

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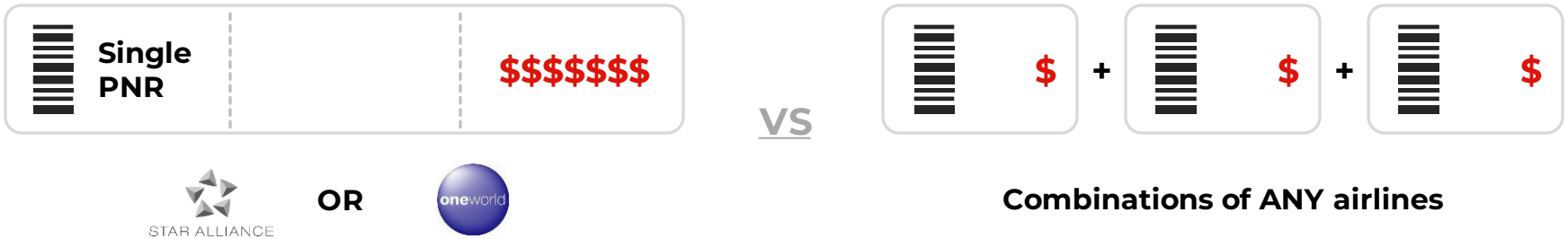
Today's Trip Ninja opportunity.

tripninja

- **Combining flights outside of legacy fare constructs** for multi-stop domestic & international itineraries
- **Many use cases** are fulfilled by the Trip Ninja tech, including combining unaffiliated airlines on multi-stop domestic and international trips
- **Material fare savings** by shopping with the Trip Ninja tech compared to legacy systems
- **Travel Agents** don't have the time/tech to evaluate so many options
- **One Booking** to cover a trip with multiple airlines makes administration & servicing easier



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Trip Ninja technology integration enables pricing flexibility.

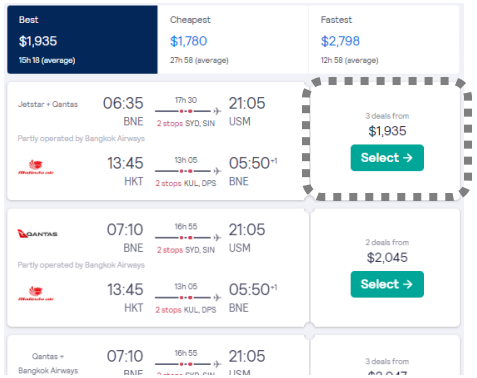
Trip Ninja on Webjet.

tripninja

International Open Jaw - Pricing Comparison Example.

Flight 1: Brisbane->Phuket -> *Car/Bus/Ferry* -> **Flight 2:** Koh Samui->Brisbane (ex BNE 08 Sept 2022)

Skyscanner



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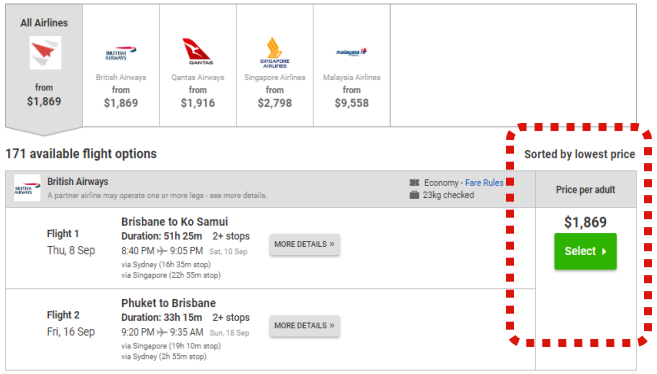
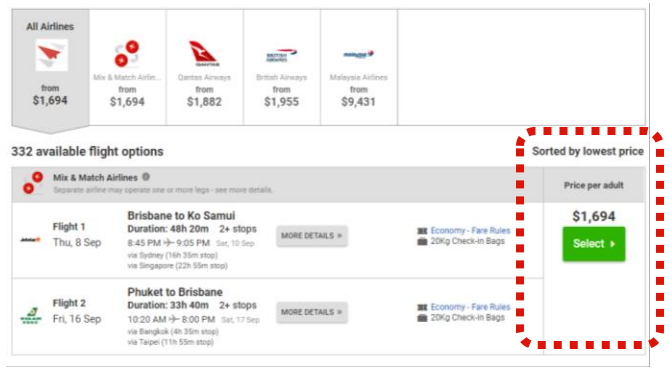


webjet.com.au + tripninja



Skyscanner	**Webjet Production**	**Webjet** with **Trip Ninja**
Cheapest:	Cheapest:	Cheapest:
$1,935	$1,869 ✓	$1,694 ✓✓

Comparison obtained 17/08/22

Strategy Area

Revenue Growth · Customer Experience · Product Expansion · Servicing Automation · OPEX Control

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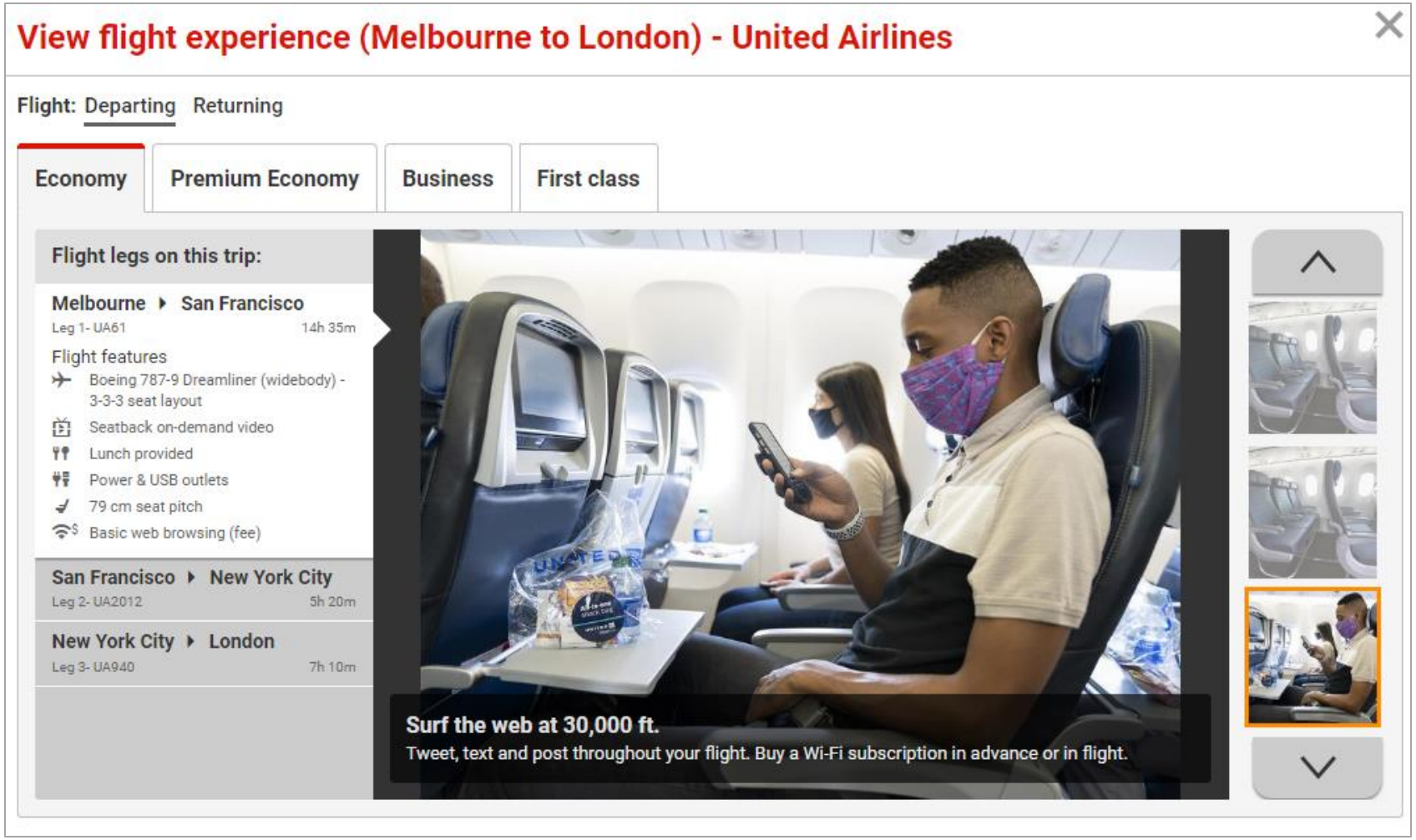
Drives yield on cabin upsell.

Ability for airlines to showcase their cabin investments.

Routehappy merchandising content for airlines.



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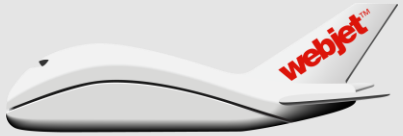

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Remains the best in class display for **comparing and selecting** flights.

Webjet's Unique Matrix Flight Display.

- **Airlines** frequently changing route networks to optimise yield, Webjet uniquely positioned to inform travellers of their options and find the schedule/price to suit their needs
- **Mix'n'Match:** In Aug-22 40% of domestic bookings leveraged this capability
  - E.g. Qantas SYD->MEL, Virgin Australia MEL->SYD
- **Matrix enhancements:**
  - Speed improved on average 2 seconds for each search
  - Speed of page interactions also improved dramatically
  - Filters dramatically enhanced
  - UI optimised to give further choice while hiding irrelevant content
- **International matrix enhanced** to handle one-way fares for emerging markets post-Covid (e.g. Fiji/India) where combining one-way fares can deliver superior value compared to return fares

Strategy Area

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Well placed to capture the shift to NDC.

NDC innovation.

- Airlines continue to invest in their New Distribution Capabilities (NDC)
- Airlines excited by personalisation and increasing ancillary revenue
- Webjet has built an Air-Hub to aggregate air content from multiple sources
- Integration of NDC to Air-Hub well advanced
- Webjet already directly connected to several LCC's using API's
- Webjet selling material volume of ancillaries for these API carriers

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Marketing.

Engaging Travelers

Holiday now, pay later
afterpay
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The right media channel for the right audience segment.

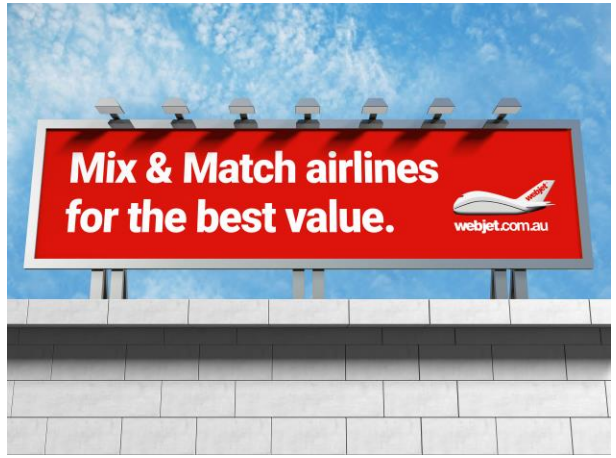
The right creative execution for the right audience segment.

Strategy Area

Revenue Growth | Customer Experience | Product Expansion | Servicing Automation | OPEX Control

Marketing strategy.

- **Retain marketing spend at 1.5% of TTV**, previously 2% of TTV
- Actively **reduced paid search advertising**
- **Increased use of social media & online video platforms** to reach target audiences
- Develop campaigns to reach **youth audiences**
- **Broadcast TV to reach regional audiences** across Australia
- **Focussed on large format billboards;**
  - Book the Holiday you Deserve
  - Mix'n'Match Airlines for the Best Value
  - Travel Now, Pay Later (AfterPay & PayPal in 4)
- **Leveraging Webjet's 2.3M** email members through engaging and timely content



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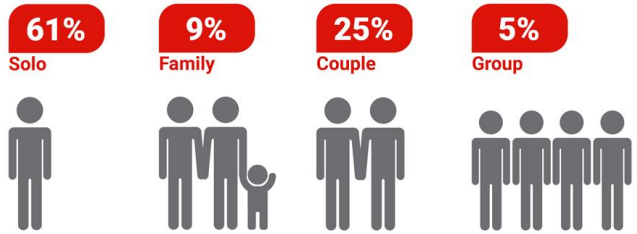
Data drives our decisions.

Segmentation drives performance.

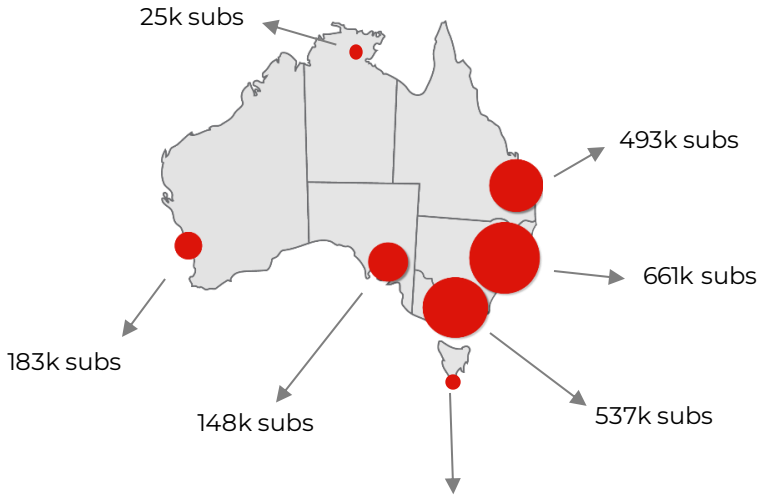
Analytical data for segmentation and optimisation.

345k
Followers

Traveller Types



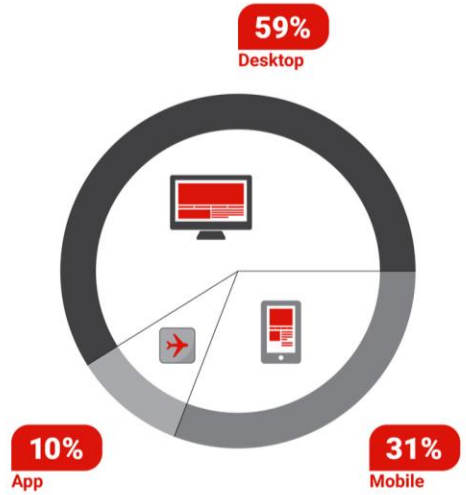
Database Breakdown



2.3M
eDm Database

*Other: 115k+ subs

Platform



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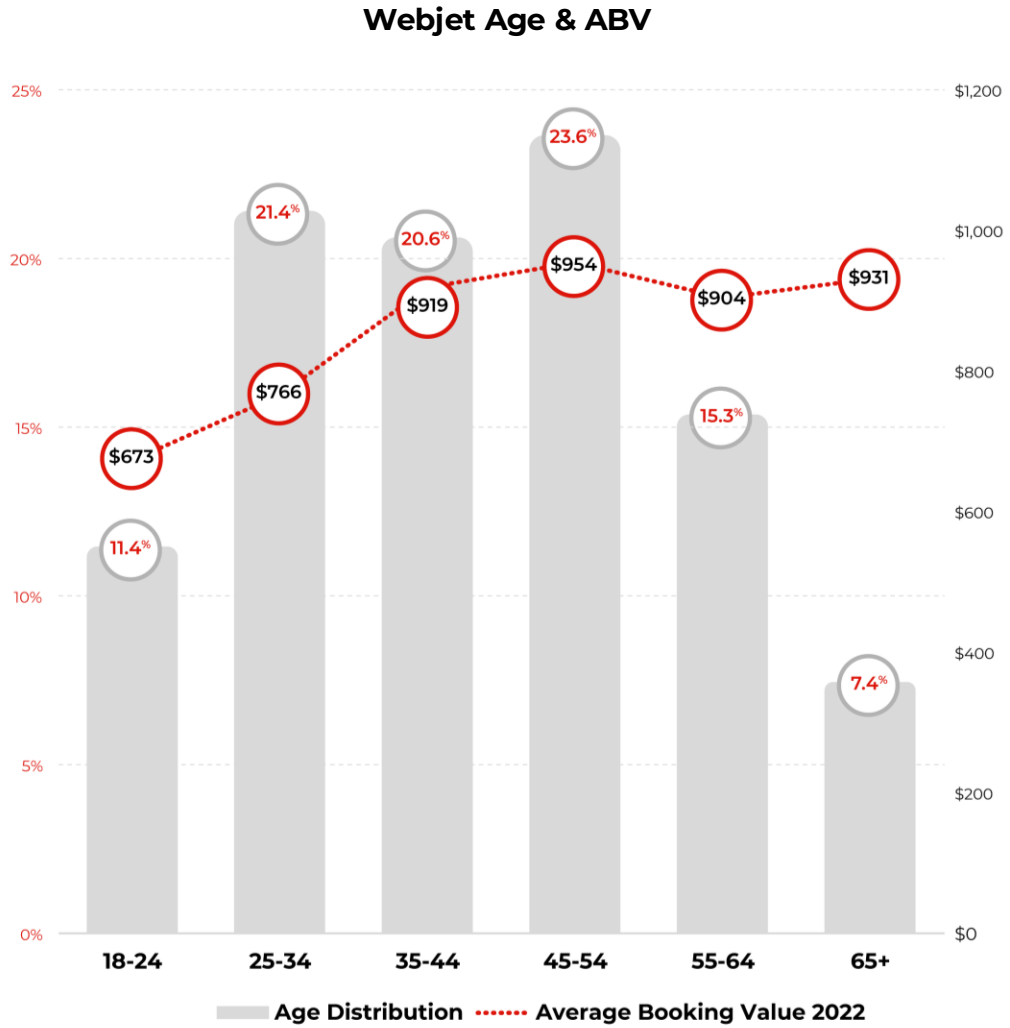
Gen Z and Millennials are the fastest growing customer groups vs pre-Covid.

Webjet demographics.

Under 34's
are our **fastest growing customer** segments

Over 45's
have a **higher average booking value**



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Servicing.

Empowering Travellers

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Automation key to sustained scalable growth post-Covid.

Redeeming credits & changing flights.

Cycling through complex 12 months redeeming credits.

- Each airline has its own credit rules which require **manual review**
- Customers often frustrated by **limited availability & higher prices**
- **Long tail of credits** to be redeemed with international airlines
- **Pre-Covid, all changes required manual handling** and to-and-fro comms with customer
- **Automation key to scaling** as aviation stabilises in the period ahead, domestic focus now
- **Online flight change request** automation delivered in phases:

Phase 1	Phase 2	Phase 3
Domestic one-way	Domestic return	Non-domestic
Status: **Live**	Status: **In progress**	Status: **Future**

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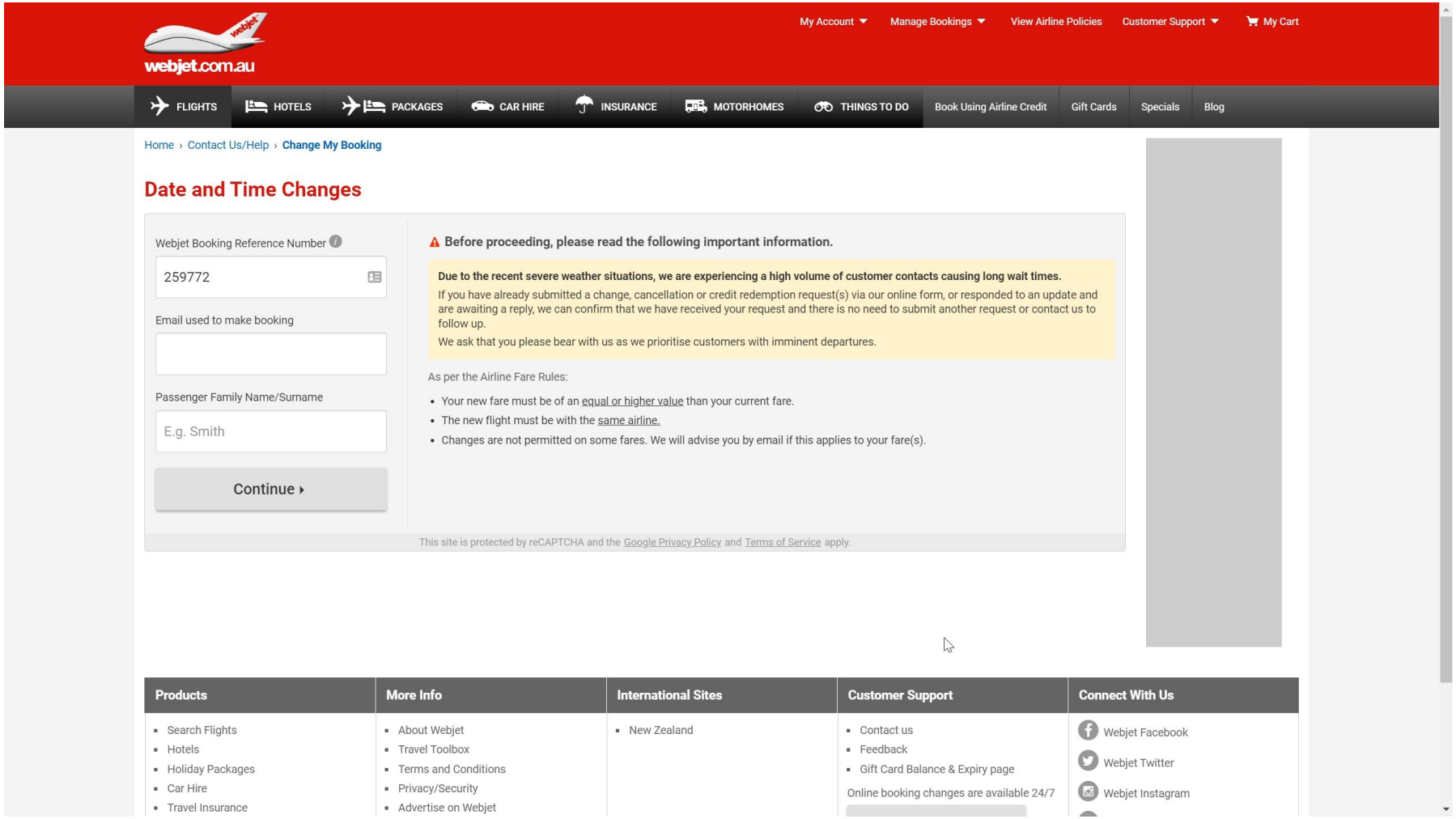
Empowering Travellers - Ticket change automation.

Real time control of flight changes.

Key to servicing business travellers.



Strategy Area

Revenue Growth · Customer Experience · Product Expansion · Servicing Automation · OPEX Control

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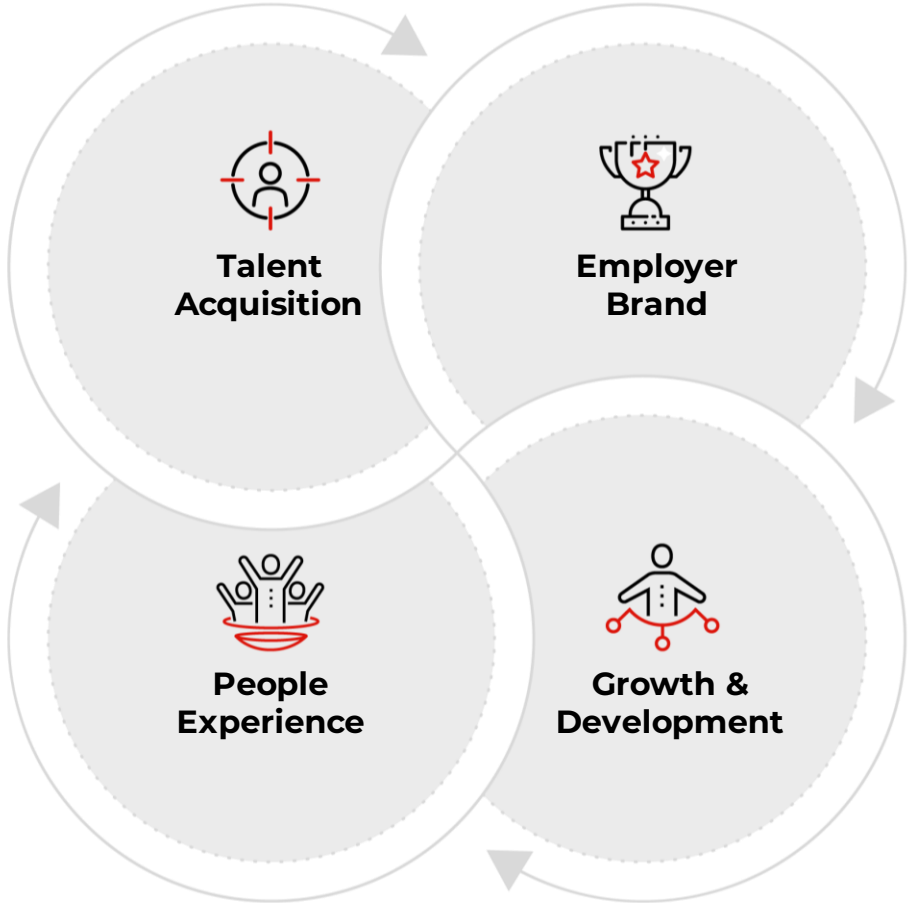
Great Place To Work® Certified MAY 2022-MAY 2023 AUS ™

80+ Webjet staff engagement score.

Talent Acquisition
- Position Descriptions
- Sourcing / Selection
- Offer & Contract
- Recruitment Toolkit



Employer Brand
- Employer of Choice Awards
- Values Activation
- Talent Events
- Careers Page
- Videos
- D&I

People Experience
- HR Tech
- Engagement Surveys
- Onboarding
- Employee Benefits
- Training & Compliance

Growth & Development
- Career Development Opportunities
- Learning Culture
- Reward & Recognition

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Australia's #1 OTA.

Leveraging our strengths across strategic initiatives.

Aspiration: 1 in 10 Travelers are Webjet Customers.

- Australia & New Zealand **travel market shift to online is accelerating**
- **Mature domestic proposition**, 'mix'n'match' incredibly valuable in this environment of frequently changing flight schedules and route networks
- International airline commission reductions impact the ability of price-led OTA's to discount. Webjet using **innovative technology to create compelling price-points**
- Webjet will continue to integrate **new payment types as consumer habits evolve**
- Enormous data capability allows us to reach the **right audience** with the **right message** at the **right time**
- **Retain key talent** and structure our teams to support the innovation required to meet international flight growth trajectory
- Webjet's **superior technology and brand strength position it to continue to take market share** as international airline capacity returns to our market

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Q&A.
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