

Webjet Limited 2022 Annual General Meeting Transcript

Wednesday, 31 August 2022, 9am AEST

Start of Transcript

Roger Sharp: Good morning ladies and gentlemen. It's now 9 o'clock Melbourne time, and I'd like to extend a warm welcome to you to the Webjet Annual General Meeting for 2022. My name is Roger Sharp, Chair of Webjet Limited and I will be chair of today's meeting.

I would like to start by acknowledging the Traditional Owners and Custodians of the land on which we meet today, the Peoples of the Kulin Nation. I also pay my respects to their Elders past and present.

Our Company Secretary Tony Ristevski confirms that a quorum is present and that no other items of business have been notified, therefore we will work to the agenda published with the Notice of Meeting.

I now formally declare the meeting open.

Today's meeting, as you can see, has been convened as a hybrid meeting and I thank you for taking the time to join us either via the Computershare platform, or indeed in-person here at Webjet, and I have to say, after some years, it's great to see our shareholders turning up. Thank you for being here.

For the members attending in person, can you please turn off your mobile phones, and turn off any photographic equipment and recording devices during the meeting.

I will say a few words shortly concerning how I propose to run the meeting and the procedure for voting and for questions but first, I would like to introduce my fellow directors who are present.

From my left, Deputy Chair, Don Clarke and Audit Committee Chair and Non-Executive Director Denise McComish. Of course, our Managing Director, John Guscic, Senior Independent Director, Brad Holman, and of course Shelley Roberts is joining us from the UK – I can't see if she's on screen anywhere, but I am assured that Shelley is with us.

I would also like to take this opportunity to introduce some of the members of our senior management team who are present today. There are too many to call out individually but I do wish to acknowledge our Chief Financial Officer, Tony Ristevski, who is also our Company Secretary, and our Global Chief Operating Officer, Shelley Beasley.

Finally, I'd like to acknowledge the presence of our audit partner from Deloitte, Stephen Roche, who has now led the audit of the Company's accounts for the fifth successive year, ending with the FY22 audit. We'd like to thank Stephen for his services over the past five years and of course welcome

Chris Biermann, to his right, as our new audit partner for the FY23 audit. Thank you, Stephen, and welcome, Chris.

There are two major components to today's meeting – firstly, an update on the business and secondly, the formal business of the meeting.

I will start by making some introductory remarks about the business, about FY22 and subsequent events in my Chair address. Then I'll hand over to John, who will update you on your Company's performance and outlook.

We will then move to the formal business as set out in the Notice of Meeting. I will start by tabling the Company's 2022 financial year annual report and accounts for comments. Then we will put three resolutions to the meeting, the first of which is to adopt the remuneration report, second of which is to re-elect Shelley Roberts as a director, and the third is to adopt a new Constitution.

The minutes of the previous AGM of members held on 31 August 2021 were approved by the Board and signed in accordance with the provisions of section 251A of the Corporations Act. These minutes are tabled and there are copies available for inspection should any member wish to see them by contacting the Company Secretary.

The Notice of Meeting and Explanatory Statement were made available to shareholders on 29 July 2022 in compliance with the Company's constitution, and I propose to take them as read unless there are any objections.

Now a few words on formalities for questions and voting. For shareholders and proxyholders who are here in person today, you would have been issued a blue attendee card with voting details on the back. I will advise the procedure on how to ask questions and vote as we move through the business of the meeting.

Shareholders and proxyholders attending the meeting online can watch a live webcast and will have the opportunity to ask questions and vote on the items of business being put to today's meeting. For full details on how to log on to vote and ask questions online, refer to the user guide which can be accessed at [Computershare dot com forward slash virtual meeting guide](https://computershare.com.au/virtual-meeting-guide) as advised in the Notice of Meeting. If you are having any issues, you can contact Computershare on 03 9415 4024. That's 03 9415 4024.

Resolutions 1 and 2 before you today are ordinary resolutions to be passed by simple majority. Resolution 3, which relates to the Constitution, is a special resolution which needs to be passed by at least 75% of the votes cast by shareholders entitled to vote on this resolution. The voting restrictions for all resolutions are included in the "Voting Restrictions" section of the Explanatory Notes in the Notice of Meeting.

Voting today will be held by way of a poll on all items of business. I appoint Nigel Bulling from our share registry, Computershare Investor Services as the Returning Officer.

To provide you with enough time to vote, I will shortly open the poll for voting for all resolutions. Voting will remain open until I declare the poll closed at the end of the meeting.

In the event that technical difficulties arise during the course of the Meeting, I will have the discretion to determine whether and how the Meeting should proceed. If required to exercise this discretion, we'll have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting may be affected.

So a few words on questions for those attending in person. If you would like to ask a question, please raise your blue attendee card to ask a question when called upon to do so, and you may speak once you have been acknowledged by the Chair of the Meeting.

For those attending online, there are two methods to participate. One – to ask a question verbally, please follow the instructions below the broadcast window on the virtual meeting platform and the moderator will facilitate your participation in the meeting or two – to ask a question in writing, just press the 'Q&A' icon on your screen, type your question in the text box, then press submit. Written questions can be submitted online at any time during the meeting and will be addressed at the appropriate time.

I ask that you identify the capacity in which you are attending the meeting when asking a question, for example, as a shareholder or as a proxyholder.

Please note that while you can submit written questions online from now on, they will not be addressed until the relevant time in the meeting. Your questions may be moderated, or if we receive multiple questions on one topic, they may actually be aggregated. Due to time constraints we may run out of time. If this happens, we will attempt to answer your questions via email.

To assist us, could you please identify at the start of your question which resolution your question relates to.

For those attending the meeting online, please note that only shareholders and proxyholders will be able to lodge questions or comments via the online platform.

I encourage shareholders who are attending online to submit questions or requests to address the meeting as early as possible. That's a lot more complex than it used to be, isn't it folks?

Alright. How to vote – for shareholders and proxyholders who are attending in-person, you've been issued a blue attendee card with voting details on the back.

For shareholders and proxyholders who are attending online who are eligible to vote, the vote icon will appear on the Computershare meeting platform. Selecting the icon will bring up a list of the resolutions and present you with your voting options. To cast your vote simply select one of the options. There is no need to hit 'submit' or 'enter' as your vote is automatically recorded. You will receive a vote confirmation on your screen. You can however change your vote by making a different selection up until the time voting is declared closed.

Again, if you have any difficulty submitting your question or voting, please contact Computershare dot com dot au forward slash virtual meeting guide or call on 03 9415 4024.

I now declare voting open on all resolutions. I will give you a warning before closing voting at the end of the meeting.

Shareholders should note that your Board strongly recommends you vote FOR all resolutions.

During the formal business of the meeting we will display the proxy votes received on the screen behind me before the poll is conducted.

I'll briefly now recap on the 2022 financial year and then will pass to John for a more detailed commentary on the year and the outlook for the business.

This time last year I reflected on the carnage wreaked on the travel industry by the pandemic. After two and half years of hard work it is really gratifying to see the recovery well underway.

It's good to be able to sit here facing you today with high levels of confidence and optimism, a sustainably lower cost to serve, market shares up sharply, with customers who want to travel – and by and large, with one notable exception, all borders open. Our view is that consumers' desire to travel will continue stronger than ever, notwithstanding the many economic obstacles the world faces at present.

When I addressed shareholders this time last year, we reported 9 month TTV of \$453 million, Revenue of \$38.5 million and an Underlying EBITDA loss of \$56.3 million. It was, of course, a 9-month period. In the 12 months to 31 March 2022, Webjet's financial performance really started to turn around with TTV of \$1.638 billion, Revenue of \$138 million and an Underlying EBITDA loss of \$15 million.

I said in the annual report that the full year result, a statutory loss of \$85 million after tax, did not reflect the heavy lifting that our team has done in rebuilding Webjet as a more efficient, streamlined business. When John gives his Managing Director address shortly and updates you on the progress we have made in FY23, and our prognosis, if you like, for FY24, you will definitely see the fruit of our team's labours coming through quite clearly. Our two major businesses have now returned to profitability, Group bookings are almost completely back to pre-pandemic levels on a significantly lower cost base, and cash generation is growing sharply.

Notwithstanding this very positive momentum we also live by the maxim 'once bitten, twice shy'. We are watching the environment very closely. We continue to watch cash, cash flow and debtor risk very closely, and are obviously tuned in to the global forces threatening prosperity - war in the Ukraine, high inflation, energy and food prices skyrocketing, a still-broken supply chain and an on-again, off-again pandemic.

Of course, of particular concern for us has been the partly broken nature of many parts of the travel value chain. From airports to borders, from customer service to flight cancellations, it just is not yet quite back to normal. While the system is mending itself, we are very focused on doing what we can to restore our own customer service to the levels we have always aspired to. I like to think back to our founder David Clarke, whose ethos of convenience, choice and customer service still drive our thinking today.

Notwithstanding the challenges we face, at Webjet we are optimistic about our company and the unique place it holds in the travel sector.

I would like to commend our senior management team, the wider Webjet team and my fellow Board members for staying the course during an incredibly difficult two and a half years. It really has been and is a privilege to work with such a talented and committed group of people.

Finally, of course, on behalf of the Board, I would like to acknowledge our shareholders and to thank you for your support. It has been a difficult couple of years - but we are firmly of the belief that from adversity comes opportunity, and that our best years lie ahead.

With that, I'll pass over to you, John.

John Guscic: Thank you, Roger. And you mentioned the complexity of running a meeting – I'm doing this for the 11th year and it'll be the first one that I'll need glasses, so you'll have to bear with me. My vanity is no longer a precursor to being able to deliver the presentation.

So, as Roger has touched on, I'm going to spend a little bit of time going through what happened in 2022. The numbers weren't great, and they're a reflection of where we were in the travel recovery cycle. And I'll spend a little bit more time on where we think we are today and what we think the opportunity that is ahead of us, which we're very excited about.

So we move to the next slide. Group profitability in the second half of 2022 – we saw a recovery in both WebBeds and the Webjet OTA. WebBeds was driven by an improvement in our underlying performance in North America and Europe. And as we spoke about our driver of the re-establishment of the core components of our business, we said we would do it at a lower cost base and we started to see that occur in the second half of 2022. And we'll talk a little bit about that and how that's tracking with regards to the current financial year of 2023.

The Webjet OTA business is profitable for the full year, notwithstanding the impact of Omicron which seems such a long time ago now, and we started to see a little bit of international bookings come back, having been predominantly a domestic booking marketplace in financial year 22. GoSee – we said that we would rebrand to enable us to get greater efficiencies, improve the customer experience and improve the underlying performance.

So at a high level, cost efficiencies were coming through, the businesses were returning to scale, and most importantly, we generated cash last year of circa \$50 million, which is a cash surplus of \$4 million a month, which, as Roger made specific mention to – 'once bitten, twice shy' – we're going to make sure that cash is at the forefront of all of our decision making criteria going forward.

Next slide. Key metrics are there for you to look at. I am extremely confident that come August 31st, 2023, the numbers will be a material improvement on everything that you see there. We will touch on this in regards to current trading, but TTV is up substantially, revenue will be up substantially, expenses will not be up at the same level that revenue and TTV have been up, and we will be significantly profitable this year with a view to getting back to our pre-pandemic EBITDA levels in the following financial year of FY24, which we think is a major milestone that very few travel companies around the world have got the ability to confidently predict.

Next slide. WebBeds' profitability in the second half – you can see the recovery occur and you can see a little bit of the muted response as a consequence of Omicron through the December-January period of last year. And I'll just make the point yet again that on track we will be 20% more cost efficient. You'll see that come through in this year's numbers.

Going to the next slide. The Webjet OTA business has been profitable for the full year, notwithstanding the significant amount of lockdowns that occurred and international borders being shut for a significant period of the last financial year. The opportunity still exists for us to rapidly improve our OTA business, in particular, we are focused on expanding our market share of international bookings and we'll talk a little bit about that as we go forward into FY23.

The GoSee rebrand was launched in October '21.

So they're all the things we spoke about at the full year results, and that's obviously a very brief summary because it feels almost like it's the dim, distant past, what I've just made reference to. Let's talk about what we're going to do from now on.

So if we move forward two slides – the WebBeds business is targeting growth and it's no different to what we said was going to be a driver of our underlying performance in FY22, which is that as markets reopen, we will be well-positioned to capitalise on the reopening of those markets. WebBeds in particular will be more relevant than ever because hotels need global reach. And as all of you as shareholders will know, the WebBeds business is the fulcrum that enables supply and demand across the entire hotel industry to be satisfied, and we're able to do that very, very efficiently. And we'll talk about what that means for the financials in a few slides' time.

What the great opportunity for us is that the market opportunity in regards to what is the total addressable market has increased. Prior to COVID, we spent most of our sales effort focused on traditional hotel distribution through retail travel agents, corporate travel agents, tour operators and the like. The opportunity that has expanded for us is that the online travel market is the most significant growth opportunity that we have, and it's the largest growth market that still exists in the travel ecosystem and we're well-positioned to take advantage of that through our WebBeds business and we'll share some of the successes that we've had in the current financial year.

The competition has decreased, which has enabled us to substantially outperform the market during the course of the last six months. So as we look at it, we think that the new market opportunities, the operational efficiencies and the differentiation of our offering enable us to derive a substantially better outcome than we would have had pre-COVID.

We move to the next slide. It comes across in three specific areas that we're focused on internally. And I'll just pause here to say that next Monday, we will be doing a Strategy Day in which we will outline in significant detail the competitive positioning of our business, what our opportunities are, and how we're taking advantage of those opportunities, and why we think that in the WebBeds business in particular, the macro events that Roger has described in some detail in his opening remarks will not impact on our accelerating growth profile of our WebBeds business.

I'll contrast that later on to the opportunities in the OTA business, which are a little bit different, where the macro events will impact the recovery thematic for our OTA business in general.

If we look at what we think is going to enable us to become the number one global B2B supplier – it's the ability to address the domestic marketplace, which is the initiative that we've spoken about at the last two AGMs and it's a primary focus of our business; expanding our regional push into North America, and we'll highlight again in a few slides' time the progress that we've made; and the new e-commerce opportunities in relation to the OTA markets that we think is substantial for us to address.

On the second element that's going to enable us to be competitive – because we are firmly of the belief that the low cost provider in this industry will win – is that lowering our costs has been driven by a number of things, including the simplification of our technology platform, a series of automation processes that enable us to grow the business without having to add significant human capital to our organisation and the ability to differentiating our offering through the use of data to provide insights into the processes required to be efficient and also to deliver better insights for our customers so that they can be more effective in utilising our technology to make bookings for their individual business needs. What our differentiation always focuses on is leveraging our technology to optimise hotel revenue and to get the broadest distribution base possible, and we've been able to do that pre-pandemic. And through the use of more significant and sophisticated data tools, we believe that we can increase our level of market share and we'll talk about the success of that in a few slides.

If we go to our FY23 trading, as you can see, it's been a quarter-on-quarter improvement since the first quarter of 22. And if you look at the two most recent quarters, obviously we're two thirds of the way through the second quarter, but you're seeing that we are at a bookings level of 106% of pre-COVID bookings. We would be one of a handful of travel companies globally that have seen that level of recovery for one of their major business divisions. As opposed to some of the others who have achieved that, they have seen a slowing down of their respective performance in July and August as the macro headwinds that Roger described take hold. That has not been our experience, and you're seeing an acceleration of our growth where we went from 83% of bookings in the last quarter of FY22, to 106% of FY19 bookings in the first quarter, and 116% as of yesterday in the second quarter of our financial year.

The things that have contributed to that substantial outperformance have been a very strong Northern Hemisphere summer, in particular in Europe, which is our largest market. North America, which pre-COVID was the smallest of our four regions, is now the second largest of our regions, and we're seeing a substantial growth in that particular area because of the investments we have made, as we described 12 months' ago for our business. And APAC – notwithstanding that China is effectively shut to outbound and inbound travel and is merely a domestic market, Japan has started to reopen, yet there are high levels of restrictions of who can and can't come into that particular country – they are our two largest markets in Asia Pacific and we've got back to pre-pandemic booking levels without those two markets operating for the benefit of our inter-regional travel.

We've outperformed the market where IATA calculates that the air travel market, which is a pretty good proxy for demand, is circa 70% of pre-COVID levels, and we're tracking well north of 100% for the first half of the current financial year. There's been lots of commentary about macro economic indicators suggesting a slowing of the travel market. We are not seeing that. So much so that you can see that our TTV numbers for the first quarter continue to accelerate into the second quarter and our TTV is higher than our pre-pandemic level in the second quarter of 2023.

Now, a question I've been asked by a number of analysts previously is: why is the bookings growth exceeding our underlying TTV? That's a reflection of the strategic driver that we have implemented into the distribution of our inventory by focusing on domestic markets, and domestic bookings are typically shorter in duration and at a lower average booking value. So that's the driver of the delta between our TTV numbers and our booking volumes.

If we push forward two slides and talk about the Webjet OTA market. As I mentioned about the B2B market, we will have a strategy day next Monday focusing also on the opportunities for our two B2C businesses, Webjet.com and GoSee, and we'll talk a little bit about what are the opportunities there and how we are attempting to address those and accelerate our growth rates beyond what we achieved pre-COVID. The opportunities are substantial for the OTA business. The structural shift to online continues, and the ability for us to address that structural shift is enhanced as a consequence of the competitive landscape changing, which has been well documented about the closure of bricks and mortar stores and consumer preferences moving online. All that is as represented in our outperformance of the current market. And whilst the demand for travel remains strong, we will perform well in that environment. We are the number one OTA in Australia and New Zealand. We've got a strong domestic market, especially the leisure market penetration with a focus on investing into the international opportunity that we believe will be substantial for us in the years ahead.

We move through the next slide. Year-to-date, we've seen our domestic bookings up 35% against our share of the entire GDS market and all bookings are up 57%, which suggests that we're outperforming on the international side as the market starts to rebound. We are not at pre-pandemic booking levels for the OTA business and we're a long way off the pre-pandemic TTV numbers for two reasons.

One, the full domestic marketplace has not returned to its pre-pandemic capacity. There's been a large number of redemptions of flight credits that have occurred over the course of the last 12 months that mutes our actual numbers because they're not reflected in any of the numbers that I've just spoken about. And we're seeing the international uplift out of Australia is substantially reduced and as you can imagine, the average booking value for a ticket that we sell for an international passenger is substantially greater than the domestic passenger. So, we see that there are substantial opportunities, and the most significant one that we are going to address over the course of the next couple of years is through the acquisition of Trip Ninja, which is an innovative solution that provides lower pricing, unique content and greater choice for customers than anybody else is able to provide,

and we'll talk about it a little bit more when I go through the innovation and why we're making the investments that we have made in that course.

If you look at our – next slide – if you look at our FY23 trading position, you'll see that we have improved in domestic trans-Tasman and international compared to Q4. And if you look at trans-Tasman and international, they are up substantially quarter-on-quarter and they're also up in the second quarter versus the first quarter. And as you can see quite clearly that the domestic marketplace has contracted as the various carriers have withdrawn inventory from the market and that's reflected in our market share position, sorry, that's reflected in our comparative position to the pre-COVID numbers that I've made reference to earlier.

So what have we done? We've obviously operated – and it's been well documented – in an extremely difficult customer service environment where every airline has a unique set of criteria around how flight credits need to be redeemed, and at the same time, you've had the most unstable airline performance in living memory, if not in the history of the airline industry, as a consequence of some of the supply chain issues that have been well documented. They've had an enormous knock-on effect for our business, so much so that we have, as a consequence of the challenges that we're faced as an organisation, had to increase our customer service staffing levels by 100%, and we have had an extremely challenging time in addressing all of the volume of requests that we've had to deal with. But we're finally getting to a position where, over the course of the next quarter, we will boot back to an equilibrium state in which we will be able to hopefully revert to the exemplary standards of customer service that we have had as a business throughout our 24 years as an OTA organisation.

So, one of the things that would concern some people is, 'Oh my God, they've increased customer service by 100%, what does that mean to the profitability of the business?' And I'll be very explicit that notwithstanding the increase in customer service, our EBITDA margins for the full year are tracking ahead of 35%, which is very close to our historic norms of around about 40% as an EBITDA margin for our OTA business.

So we're in a very, very strong position to continue to provide superior returns, as we have done throughout our history, and we'll continue to provide superior returns to any other OTA that operates on a global scale as we do.

Moving forward to GoSee – two slides further on please. We had a very good business based out of Auckland, New Zealand called Online Republic. It contributed meaningfully to our overall OTA – or our B2C – division results. However, we had a high dependency on paid search and we didn't have the appropriate brand recognition to enable us to get the repeat customers without having to pay Google the opportunity of getting access to customers. So we've made the strategic direction and the strategic decision to rebrand the business, simplify the tech, move to a singular tech platform with the view that with the benefit of time, we can build out a value proposition at the same level of comprehensive offering and the same level of consumer recognition as the Webjet brand, and that's the driver of our GoSee rebrand, which is the old Online Republic business. And what we have is we are halfway through that process in the sense that we've done the tech, we have rebranded, and

now we're starting to build the brand recognition across both our car business and our motorhome business. Now we've been able to do that, and notwithstanding that that is a challenging exercise, we've been able to do that and still maintain the profitability of that business in the current financial year.

If we go to the next slide. I've spoken about, we will have one platform and we're having a more focused, growth-orientated strategy and the opportunity is substantial here. But the reality is that this is a market that is reliant on, in particular the motorhomes business, which is the higher margin business and the larger TTV business in regards to an individual bookings, that requires inbound tourism into both Australia and New Zealand. And that has been a struggle and continues to be a struggle as of today. So to put that into perspective, for every one visitor coming from overseas into Australia, we're having three Australians leaving and we're only at 45% of our international capacity. So until there's a substantial change in the inbound capability of the markets to open up, it will restrict the ability of this particular business unit to be reverting to the profits that we made in 2019.

If we move to the next slide, this will give you a look and feel of the newly rebranded GoSee business. And everything I've just said, I am optimistic that over the course of the next 2 to 3 years, that that will revert back to type and see us drive superior outcomes to that particular business unit.

Moving forward two slides, I just want to spend a little bit of time – because we have spent some of your money making some acquisitions and/or strategic investments during the course of the last 12 months, and they are important for us as we start thinking about accelerating the growth opportunities that exist in a massively fragmented and dislocated travel marketplace.

So we'll start with Trip Ninja, which I spoke very briefly earlier. It is a piece of tech that nobody else in the world has, and it's a piece of tech that is going to be integrated into the Webjet technology platform in the next 30 to 60 days. It's a piece of tech that will enable us to do everything that we previously found difficult, which is – if it was a complex itinerary that required a level of responsiveness that only an experienced travel consultant could deliver, then we previously were shut out of that market. We now will have the best solution in that marketplace, and we will build on that piece of technology to do some other elements that are complicated in the travel space and be able to deliver that to our customers more efficiently than anybody else. So much so that we see this as a two-pronged strategic initiative. One is within Australia in the OTA market, this technology would be made available exclusively to Webjet and our associated companies, and we will be selling this to traditional retail travel agents outside the Australian marketplace. We are building up a salesforce to do that and we've built out the technology to enable that to be implemented seamlessly into many other businesses.

So we think that will help propel our business not just to recover to 2019 numbers, but to us to substantially improve our share of the international outbound market. And our aspirational target is that pre-COVID, we had circa 3% of all Australians leaving the country booked through Webjet. We think this can help us target getting 10% of all outbound Australians who are leaving the market. So

we have a big opportunity out of this, and we have a large sense of commitment to achieving that opportunity and we think that the Trip Ninja piece of technology will enable that to happen.

The second of our initiatives, or companies that we have invested, is ROOMDEX, where we've taken a 49% stake in a business that is complementary to what we do in the WebBeds B2B business. And what it does is it has the most effective way of enabling hotels to upsell their room, either through early check-in, late checkout or upgrades, and so much so that it has – and this is phenomenal – 100% track record of every hotel that they have implemented into a trial has gone live and become a paying customer of the ROOMDEX business. I know of no other business that can make that claim, and I've been around a long time. So we're highly confident that the synergistic leverage of the WebBeds' access to hoteliers – and we've got direct contracts with circa 30,000 hotels – will enable us to substantially accelerate the opportunity of ROOMDEX to be successful. And I'm sure that over the course of the next 6-12 months, as we build out scale of this particular business, it will be a meaningful contributor to our results.

Okay, let's go to what's going to happen. This is the fun bit. So this slide is no different. One more slide, please, thank you. This slide is virtually the same slide that we spoke about 12 months ago – that WebBeds has got an ambition to be the number one provider in the B2B space, the Webjet OTA is going to be focused on increasing market share and we see GoSee as a transformational opportunity.

So I thought I'd just go back to the very last slide that we spoke about in last year's AGM and I said that we're well positioned as travel recovers and we see a world of opportunity – all of those fabulous aspirational statements that are self-serving to us at that particular point of time. But I said that we would achieve it – and the historic year-on-year EBITDA or pre-COVID EBITDA numbers were our target – I said we would achieve it by doing three things. One is we'd be more cost efficient at scale of circa 20%; I said that in the B2B environment there were untapped markets, North America would be an expansion for us, the B2C channel would be an expansion, and the technology enhancements that we're working on will contribute to our success. And on the B2C side, I spoke about the structural shift to online and the decline in the physical number of stores will give us a B2C opportunity.

So if we go to the final slide, what does it already look like? We're only 12 months down the track and to be fair, we're barely into the recovery thematic of travel on a global basis.

For us, the outcome is all three of our businesses – GoSee, the Webjet OTA business and WebBeds – are profitable for the current financial year. Cash surplus from operations is expected to be more than \$100 million. To put that into perspective, last year, which was a substantial rebound, notwithstanding the statutory loss that we made, we generated \$4 million a month in cash, we've doubled that in the course of the first six months and we expect that to play out for the first six months to where we're going to generate \$100 million of cash. So if you take that on an annualised basis, assuming nothing was to happen in the second six months, it's still a doubling of the cash inflow, which again is a great outcome and provides us with balance sheet strength. And the entire

Group – so everything in our business – at a bookings level is circa 95% of pre-pandemic levels, and I've shared with you the OTA numbers and the B2B numbers. The B2B is the key driver.

What we see on the WebBeds side is we've been ahead of pre-pandemic numbers since May of 2022, July was the highest TTV month in the history of WebBeds, only to be surpassed already this month, and we've got another day to go of bookings. So we did around – our record month was €187 million in August of 2019 – we did €194.7 million in July, and I don't know exactly what we're going to do in August, but it'll be somewhere around about €198 to €200 million is the result. Now, I would never have thought any of these numbers were possible six months ago. We would have been fantasising about them, we'd have been dreaming about them. But to see the market recover to the level it has, has been gratifying primarily because of the significant hard work and the resilience that the employee base within our organisation has shown to enable us to stick together during a very, very difficult period, so much so that the business environment that we now see ourselves is conducive to a substantial outperformance.

The second fantasy element to all of our current recovery thematic is our 1H23 EBITDA margins are going to be greater than 50%, which is again exceptional. And '8/3/5', which is a target that we announced circa 12 months ago – and I won't explain it because I'll lose myself in the logic – but it basically means that we're going to deliver 62.5% EBITDA margins at scale. That's what we said our ambition was, we achieved that in July and August on the back of those record TTV and bookings that we delivered during that month. They are seasonal peaks, so we're not expecting '8/3/5' to fall through the whole year, but it's exceptional that we've been able to deliver that. So the significant scalability as the business expands beyond pre-pandemic levels and the infrastructure changes that we've made with regards to the tech platform, the cost takeout and the efficiency enables us to get those greater than 50% EBITDA margins for that particular business. We will share a lot more colour and movement on how we're achieving all of that at the Strategy Day on Monday.

On the Webjet OTA, our share is up 57%. We're ready to launch Trip Ninja in the next month or so. As capacity returns, we know that we will maintain and drive superior outcomes based on all the work that we've done with regards to the brand and with regards to the tech improvements, we are getting on top of all the customer service challenges that this particular business has, and it's been a difficult period for us in dealing with all of that and we are getting to the point where we're almost past – where we are past – the worst of it, we're getting towards the end and notwithstanding the doubling of our customer service employee base, we still will drive EBITDA margins of circa 35% for that particular business. And as it says in the presentation, we won't return to pre-pandemic earnings until international capacity returns to volume similar to 2019, and that's unlikely to happen in the current financial year.

GoSee we've spoke about. Re-brand's going to plan. Return to pre-pandemic earnings will be driven by inbound tourism and I covered that off previously.

So that's what we think will happen in the current financial year. It's a delight after two years of sitting in front of you and explaining what we're doing in a very difficult environment to see the

fruits of all of the decisions we've made, and with the support of the Board to enable us to deliver against that. So it's a great outcome. And I sit here on behalf of the entire employee base delighted that we're making progress. But more substantially than all of that is that next year, we expect to exceed pre-pandemic earnings in FY24. And just as a reminder, for most people who do know this, our financial year is April through to March. So that is substantially ahead of any global IATA expectations of recovery, which is much further down the road than the financial year that we're representing. And it's a reflection not just on market share gains, but it's a reflection on making the business more effective and more efficient so that when markets do recover, we're in the best position to enable us to pick up share and, most importantly, deliver a global, scalable business at EBITDA margins that nobody else that I know of can deliver.

So with that, I would wrap up the overview of the market and what we're doing. Back to you, Roger.

Roger Sharp: Thank you, John.

Well at this point, we'll invite questions from our shareholders and proxyholders. We'll start with those present and then we'll move to those online. Please raise your blue attendee card if you wish to speak to the meeting. Once you've been handed a microphone, please state your name and who you represent prior to asking your question or providing a comment.

Do we have any questions from the room, please?

Bill Ellul: My name is Bill Ellul, shareholder, just a question on profitability. I'm not sure if I understood it correctly, but you mentioned that margins should be 35% to 45%. When you look at your \$1,638 as the total transaction value and the revenue was \$138, that's only 8.4%. I'm not sure if I understand the numbers correctly, but is there a disparity there?

Roger Sharp: Look, I'll hand over to John, but I think the discrepancy is we're talking a forward-looking view, John?

John Guscic: The numbers you're referring to are FY22, so that's the past, those numbers that you've just outlined are correct. The numbers I'm referring to is the expectation for what will happen in the next six months for the business. So it's 35% for the OTA business and greater than 50% for the WebBeds business.

Roger Sharp: Thank you for your question. Any other questions from the room, please?

Right. Thank you. Carolyn Mole, our Head of Investor Relations, has been monitoring questions and comments submitted online. Carolyn, do we have any questions related to either John's or my addresses or the business in general?

Carolyn Mole: Hi, Roger. Is that on? Yes, we've got a number relating to the general business. I'll just go through them. The first is from the Australian Shareholders' Association: 'There are hundreds of recent comments on Facebook from Webjet customers expressing their dissatisfaction with the process in attempting to use travel credits. Much of the frustration stems from being unable to

reach Webjet and receive a satisfactory response. Does the Webjet Risk Committee read the social media commentary about Webjet, and are the directors concerned about reputational damage to the company?’

Roger Sharp: Well, good question, it's the elephant in the room. Yes, we are all acutely aware of the issues around customer service. In fact, your Board frequently interacts with and helps customers who have issues. I think it's important to look at the overall context here. So of course, the Risk Committee and the entire Board are aware. When the pandemic came and the borders closed, and airline partners, for example, shed their own customer service staff, there became a huge backlog of vouchers and cancellations to be processed. And then as we've moved through the pandemic in different phases, we've now got different issues. We've got cancellations of flights – I think Air New Zealand, Qantas and Virgin have cancelled 10% to 15% of forward flights over the next couple of months. So every time we have these cancellations, you have significant customer service spikes. So we had 130,000, 126,000 customer inquiries last month, of which 30,000 were dealt with robotically, 96,000 were dealt with through SMS and email and phone call, that's 11% up on the prior month. As John said, we've doubled our customer service numbers. We're hopeful in the next quarter that we will be over this hump. We have a lot of empathy for our customers. They do, I think in frustration, revert to social media channels to try and get attention. We understand why that occurs. We experience similar difficulties getting through to our airline partners. We would hope that that is resolved in the next couple of months. I see Dave Galt nodding. Shelley, anything you wanted to add to that response?

Shelley Beasley: No Roger, I think you've captured that. The goal of the team is to have pre-COVID service levels in the third quarter, and we are on the trajectory to achieve that, notwithstanding any other natural disasters or major significant changes in the airline landscape today. So, thanks.

Roger Sharp: Thank you. Carolyn, next question, please.

Carolyn Mole: The next question is from Mr Stephen Mayne: 'Did any of the 5 main proxy advisers - ACSI, Ownership Matters, Glass Lewis, ISS and ASA - recommend a vote against any of today's resolutions? Which of the proxy advisers are covering us and has there been a material proxy protest vote against any of today's resolutions? Will you disclose the proxy votes before the debate on today's resolutions so shareholders can ask questions about the reasons if there have been any protest votes?'

Roger Sharp: Well, thank you, Stephen. You will see, before we put the resolution to you, we will post the numbers on the screen. It's running between 97%, 98% in favour so I think it's fair to assume that we have received solid support from all proxy advisers. And I might add, all the major proxy advisers that you've named do cover Webjet. Next question, Carolyn.

Carolyn Mole: The next question is from the Australian Shareholders' Association: 'In a recent report by the Australian Council of Superannuation Investors (ACSI) about ESG reporting by ASX200 companies, Webjet's ESG reporting was rated as being 'basic', the second lowest of the 5 ranked

categories. What is the company planning to do to improve this rating? And what is the timeframe for the release of the TCFD report referenced on page 19 of the 2022 Sustainability Report?’

Roger Sharp: Thank you. Well, let’s break that question into two – I’ll answer the first part of it, and then I’ll pass to Shelley to answer the TCFD question. The ACSI report to which you would refer is, I think, outdated by two years. You recall we changed our balance date to 31 March. I’m pretty confident that that report that rated us as ‘basic’ is two years old. I think when you see the latest report, you will note that we’ve invested a lot of time and effort in contemporary issues such as modern slavery statements, etc. I would also like to point out, however, that we have been preoccupied with surviving and with looking after our customers in very difficult circumstances, and, you know, if you ask shareholders what they want, ESG is important, but survival and looking after customers are more important. As we continue to recover, you will see more investment in ESG, and indeed, when you see the latest ACSI report, you’ll see a significant improvement, one would hope. Carolyn. Oh sorry, actually, now it’s off to Shelley for TCFD.

Shelley Beasley: Thanks, Roger. I think I’d also add that, in regards to the ACSI rating, as Roger pointed out, that was two years ago. We’ve had verbal advice from ACSI that our FY21 report would come in at ‘moderate’. We’ve subsequently published an FY22 report, and we are expecting an improvement even on the ‘moderate’ rating that we’ve been verbally advised from our FY21 report. So definitely expecting improvements there. In regards to the TCFD reporting that we will be moving forward with, our first cab off the rank is to finish our carbon audit and that is being completed now and will be completed in this quarter. Following the carbon audit, which will set the goals for us to get to carbon neutral, we will undertake TCFD reporting in the coming years off the back of that.

Roger Sharp: Thank you.

Carolyn Mole: The next question is from Mr Stephen Mayne: ‘Given we have a market capitalisation of \$1.93 billion, why not just fully repay the full \$4.226 million in JobKeeper payments that we received across the past 3 financial years so that we can proudly declare we did not draw on the widely rorted \$90 billion scheme? The likes of CIMIC, Iluka Resources, Credit Corp, Santos, Centuria, Wesfarmers and REA Group repaid all their JobKeeper whilst partial repayments were made by the likes of Mosaic Brands, Premier Investments, Cochlear, Qube Holdings, Peter Warren Automotive, Seek, Domain Holdings, Healius and Lynas Rare Earths. Why didn’t we repay even \$1 and will the board now consider repaying some or all of our JobKeeper claims?’

Roger Sharp: Stephen, no, we won’t. None of those companies were in the travel sector; none of them faced the extent of the issues we faced. You talked about a widely rorted JobKeeper scheme. This is not a company that took JobKeeper money and then paid a dividend to its shareholders. This is a company that had to raise significant amounts of money under emergency conditions during a pandemic pre-vaccine, and there is no concept of repaying the capital. That’s what we paid taxes for, for the last 15, 20 years. Next question please.

Carolyn Mole: It's another question from Mr Stephen Mayne: 'Last year's online AGM started at 3pm and this year we have gone for a hybrid at 9am. In 2020 it was a 5pm online AGM and in the years before that it was generally an 11am start for the physical meeting. Will you commit to ongoing hybrid meetings with full online participation, including questions, and what is the thinking behind all these unusual start times over the past 3 years when the vast majority of companies start their AGMs between 9.30am and 11.30am? Are you having a board meeting after their AGM or did that occur yesterday?'

Roger Sharp: We had a Board meeting last night. Look, I think the simple reality is, for those who haven't noticed, we've been in a pandemic for two and a half years and we haven't been able to meet in person for quite some time. You may not know that a number of us were stuck behind borders – I was stuck in New Zealand for a year, John was stuck in North Africa. We have managed our AGMs around our availability. And if you wanted to see us in our PJs at two in the morning in a hybrid meeting, maybe we could have obliged. But I think we would all like to get consistency in meeting times. We've just been doing what we had to during a pandemic. Next question, please.

Carolyn Mole: It's another question from Mr Stephen Mayne: 'Given the interesting discussions across a range of topics today, could the Chair undertake to make an archived copy of the full webcast plus a full transcript of proceedings available on the company's website? At the moment, only the CEO's address is available as a webcast archive from last year's AGM. Will you commit to publishing a transcript from today, plus a back catalogue of AGM transcripts so investors can access a full history of debate at the most important governance meeting of the year. The likes of Nine, AGL, ASX, ANZ, CIMIC, Domino's, G8 Education and Lend Lease all produced their first AGM transcripts in 2021. Will you follow suit today?'

Roger Sharp: I'm not sure if we have the technical capability. If we do, we'll consider it. Thank you. Next question, Carolyn.

Carolyn Mole: Three more questions. One more –

Roger Sharp: From Stephen?

Carolyn Mole: From Stephen, yes, one more question.

Roger Sharp: We're going for a world record here.

Carolyn Mole: 'When disclosing the outcome of voting on all resolutions today, could you please advise the ASX how many shareholders voted for and against each item, similar to what happens with a scheme of arrangement? This will provide a better gauge of retail shareholder sentiment on all resolutions and was a disclosure initiative adopted by the likes of Metcash, Altium and Dexus after their 2021 AGMs.'

Roger Sharp: Yes. Next question, please.

Carolyn Mole: This is a question from Patrick Irwin of Bearless Pty Ltd: 'Is there any specific plan to re-introduce dividends?'

Roger Sharp: Thank you, Patrick. Not something we're focused on. We need to reach a net profit after tax. You've heard us talk about EBITDA and EBITDA margins. We need to produce a significant net profit after tax. The subject of dividends is something we will consider when we think we're in a sustainable recovery, which clearly we think we're trending towards, but I'm not in a position to make a commitment today.

Carolyn Mole: A question from Mr Stephen Mayne: 'Is it time that we moved to having an independent chairman as opposed to a non-independent chairman and a lead independent director. Could chair Roger Sharp also please explain why he is not independent?'

Roger Sharp: Well, I'm independent. I don't have any other business interests involving Webjet – don't supply to them and have been regarded as independent by proxy advisors for the last, forever. So I don't really understand that question. Any other parts to that question?

Carolyn Mole: No, that's how I read it.

Roger Sharp: Okay, thank you. Next?

Carolyn Mole: I think this is the last question here – from Mr Stephen Mayne – at the moment: 'When disclosing the outcome of voting on all resolutions' no I think I've already read that, I apologise.

Roger Sharp: Okay. Any other questions?

Alright. Well, I think we can now move to the formal business of the meeting. There will be an opportunity to ask questions or make comments on all items of business. I will take questions and comments first from those attending in person, and then online.

The first item of ordinary business on the agenda is:

'To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company for the financial year ended 31 March 2022.'

This is not a voting item, but we would be pleased to receive questions and comments. Our auditor, Stephen Roche, is available to answer questions on the conduct of the audit, the auditor's report, the Company's accounting policy or the independence of the auditor. Again, please raise any matters that you believe require attention. No written questions for the Auditor were received in advance of the AGM.

So I'll now invite shareholders and proxyholders who are attending in-person to raise their blue card and identify themselves if they wish to speak to the meeting.

Carolyn, are there any online questions or comments relating to the financial report and accounts?

Carolyn Mole: Yes, Roger, there are two questions. From Mr Stephen Mayne: 'Looking back at the \$346 million capital raising in April 2020, do you agree that the huge discount was a mistake? The stock last traded at \$3.76 before it was suspended and when it resumed trading it finished the week at \$2.73, a massive 60% premium to the \$1.70 placement and entitlement offer price. Given that more than 11,000 retail shareholders didn't participate, do you agree that the structure and pricing particularly disadvantaged those retail shareholders who were unwilling or unable to participate? Will you consider launching a discounted retail-only SPP to compensate your retail shareholders for this massive dilution?'

Roger Sharp: Well, I think to answer the latter question first, if we're managing our business to EPS, then we've got to ask why would we do an equity issue right now? But I will go back to the original question about the \$346 million. Nobody at the time understood how this pandemic would end. There were no vaccines. John and I and Tony were literally schlepping the streets for this company, trying to raise money for week after week. We put the stock in suspension because it was in freefall. The Australian wrote a headline at the time: 'Webjet cannot raise money at any price'. I recall working all night, we were in Sydney working all night for a couple of weeks. The Ruby Princess was disgorging passengers who were landing at our, coming into our hotel with COVID. There was absolute pandemonium in financial markets. I make no apologies for what we did raising that capital. It was necessary to ensure the survival of this company. You can't get it 100% right in an emergency situation, which that was. So, could it have been better? Possibly. Was it the right thing for the company? Absolutely. Next question, please.

Carolyn Mole: Thank you, Roger. Question from Mr Stephen Mayne: 'The 3 underwriters of the \$346 million capital raising in 2020 - Goldman Sachs, Credit Suisse and Ord Minnett - were collectively paid a 3% fee of around \$10 million. Did we pay the bonus 0.5% fee disclosed in the under-writing agreements and have any of these firms offered corporate hospitality benefits to the company's directors or executives since this deal was struck?'

Roger Sharp: Alright, two parts to that question. Tony, did we pay a 0.5% bonus?

Tony Ristevski: No.

Roger Sharp: We didn't? Okay. And then post-deal entertainment. Well, Ord Minnett – haven't seen a soul from Ord Minnett since the deal. Credit Suisse – never had as much as a cup of coffee with them. Adrian Lee from Goldman is here. Adrian, under other circumstances, I would have said, you owe us a meal, but I'm glad you've never bought us a meal. So I think it's fair to say that we have not had hospitality lavished upon us. Any other questions?

Carolyn Mole: Not at this stage on this point.

Roger Sharp: But Adrian, I do think you owe us a meal, to be honest.

John Guscic: A cheap one.

Roger Sharp: Yes, a burger would be fine. Any other questions?

Carolyn Mole: Not on this item.

Roger Sharp: Right. Okay. Where were we? I think we're onto Resolution 1, adoption of the remuneration report – to consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Annual Report for the financial year ended 31 March 2022 be adopted.’

This is, as you know, an advisory resolution. It doesn't bind the Directors or the Company, but is a significant resolution.

Please note that Key Management Personnel of the Company (including directors) and their closely related parties are excluded from voting in any capacity on this resolution as per the Notice of Meeting.

However, as Chair of the meeting, I will be voting undirected proxy votes where I have been appointed as proxy in favour of the resolution.

I now draw your attention to the proxy votes received in the table on the screen, and as indicated earlier, solid support for the remuneration report. If you are an online attendee and have questions or comments, please submit them via the platform now. I'll now invite people – shareholders and proxyholders who are present, who wish to ask questions to do so by raising, of course, your blue attendee card. Any questions please folks?

Thank you. Carolyn, are there any questions online?

Carolyn Mole: There is one question from Mr Stephen Mayne: ‘There was a 17% vote against the remuneration report last year. Which of the proxy advisers recommended against last year and what changes have we made to remuneration policies in order to try and win a stronger mandate this year?’

Roger Sharp: Well, I think that's between proxy advisers and their clients, but Brad, Chair of the Rem Committee, would you like to comment?

Brad Holman: I wanted to give you a break, Roger. Thank you, Stephen, for the question. You're right – last year we had 83% voting in favour. The proxies that voted against were Ownership Matters and ISS. And as the Chair has indicated this year, we have overwhelming support from the proxies. As to the second part of your question, I would say that we've improved communication with both the proxies and our investor community as to the decisions we made and the reasons why we had to make those. And again, as the Chair has indicated, a key goal for this business was to retain the executive leadership team, which we successfully achieved through our remuneration policies and decisions. Thank you.

Roger Sharp: Any other questions online, Carolyn?

Carolyn Mole: Not in relation to the remuneration report.

Roger Sharp: Thank you. Well, with no further questions, I put the motion to a vote as an ordinary resolution. You're invited to lodge your vote for Resolution 1 by marking the voting paper if you're here in person, or using the voting icon if you're online. You can, of course, change your vote until I declare the meeting closed.

I'll move to Resolution 2, which is the re-election of Shelley Roberts, who, as you're aware, is in the UK, in London. It's an ordinary resolution, and clause 58.1 of the constitution requires that, at each AGM, one-third or the number nearest to but not exceeding a third of the Directors must retire from office. The MD is exempt under the Company's constitution from the requirement to retire by rotation.

Shelley Roberts retires at this AGM and, being eligible for re-election, will be seeking re-election as a Director today.

Shelley's background is set out in the Notice of Meeting. Now, we have a pre-recorded message from Shelley in support of her re-election, just in case technical Gremlins get us. So could I ask for the video to be played please.

Shelley Roberts (pre-recorded video message): Thank you, Roger. And hello to everybody. With the support of our shareholders, I seek to be re-elected as a Director of Webjet. I was privileged to be appointed to the Board in April 2016, and I also currently serve as a member of the Audit Committee. In support of my nomination to continue to serve the Webjet Board, I'll briefly comment on the skills and experience that I think I bring to this role. I have over 20 years' extensive strategic, commercial and operational experience in the travel sector. I'm currently the Group Chief Commercial Officer of the London Stock Exchange listed Compass Group, which is based in London. We're a global leader in food and support services, and I previously served as the Australian Managing Director from 2017 to 2022.

My experience leading the Group's global clients, strategy, M&A, health and safety, sustainability, digital and procurement functions bring relevant transferable skills to Webjet. The previous senior executive roles that I've held include: the Executive Director role of Aviation Services at Sydney Airport and the Managing Director of Tiger Airways Australia. I've also held leadership positions in organisations including Macquarie Airports, Macquarie Bank Limited and EasyJet Airline Company, and I'm also an active member of Chief Executive Women.

So this combination enables me to bring significant finance, accounting and global operational experience, particularly in the travel sector, to the Webjet Board. It has been an honour to serve the Webjet Board, its shareholders and staff, and be part of the Webjet journey. I seek your support in my re-election.

Roger Sharp: Thank you, Shelley. Would shareholders please note that details of the proxy votes are now shown on the screen with, obviously, very solid support for Shelley.

If you're an online attendee and have questions, please submit them via the platform. But I'll start with asking shareholders and proxyholders who are here and present in person to ask their questions. If you have any, please raise your blue card. No questions? Any online?

Carolyn Mole: Yes Roger, we have four questions. The first is from the Australian Shareholders' Association: 'Earlier this year you were appointed as Group Chief Commercial Officer of LSE listed Compass Group, having formerly been Managing Director of Compass Group Australia. Can you please outline how you plan to successfully manage this role, whilst also ensuring that your roles as a Webjet director and member of two committees receives sufficient attention?'

Roger Sharp: Can we patch directly through to Shelley?

Shelley Roberts: Hello, calling Melbourne. I was going to shortcut earlier and say I'm just too young to retire, Roger. Thank you for the question, Roger and Carolyn. So I have previously balanced my Webjet NED responsibilities with executive roles at Sydney Airport, and as I explained in the video, at Compass Group Australia, and for the last eight months since I've been in the role as well.

Since being appointed to the Compass Group Executive Committee, I have also reduced some of my external responsibilities. So I've stepped off the AMMA Board, which I was previously on until this year. So now, I'm only on the Webjet and Compass Group Board. And just to clarify, I'm on the Audit Committee, so that's one committee on the Webjet Board rather than two.

And then being resident in the UK as I mentioned, I think there are some very transferable skills and relevant background and perspectives that I can bring from the global executive role into the global non-executive role, to the benefit of Webjet. So I am confident that I can continue to balance these responsibilities as I have done so far on the Board. Thank you.

Roger Sharp: Thank you. Carolyn, we have some more questions, I understand?

Carolyn Mole: We do. A question from Mr Stephen Mayne: 'It is unusual to only have 1 director up for election at an AGM. In 2019, Treasury Wine Estates voluntarily moved to annual elections for directors in line with best practice that occurs in both the US and the UK. Dual listed companies like News Corp and Rio Tinto all do this due to the laws in the US and UK and BHP has pledged to continue doing it even after its UK DLC ended last year. Can the chair and Shelley Roberts comment on whether our company should or will follow this TWE lead and move to annual elections of directors at the 2023 AGM?'

Roger Sharp: We're not dual listed, we're not BHP. We are a \$2 billion market cap online travel business that is recovering from a pandemic. Personally, I think continuity is the most important thing we can offer shareholders at this stage, and I don't propose to ask Shelley to respond to that. If you could move to the next question, please.

Carolyn Mole: Next question from Stephen Mayne: 'Could both the chair and Shelley Roberts comment on her ability to fulfill her duties as a director of our Melbourne-based company when she has a full time executive role with Compass Group in London. Is Shelley regularly the only director participating in board and committee meetings remotely and how does she participate in off-site strategic planning retreats?'

Roger Sharp: Well, I think I can answer that again. At any one time – this is now very much a virtual business, like many tech companies – I'm in an offsite remote location, John is, Shelley is. We've come together very, very effectively in an online format for a few years now. Shelley is a huge contributor to this business. She is hugely diligent, knowledgeable, adds a lot of value to our Board and is available at all sorts of hours Australian time. I have absolutely no reservations about her ability to contribute, and I would just comment, again, that we are running a global business often remotely. Next question.

Carolyn Mole: It's the last question on this item, Roger, from Stephen Mayne: 'The Webjet website describes most non-executive directors as "independent". Why doesn't it say the same with the chair. And if the chair is independent, why do we have a lead independent director? Could Shelley Roberts comment on the independence of the chair and why we need a lead independent director?'

Roger Sharp: I will defer to Shelley Roberts.

Shelley Roberts: Thank you, Roger. In my view, in the view of the Board, and I'm sure I speak on behalf of the other Board members, our Chair, Roger Sharp is entirely independent, and Brad Holman continues to add significant value in the role as the Lead Independent Director, notwithstanding.

Roger Sharp: Thank you.

Carolyn Mole: They're the last questions on that item.

Roger Sharp: Right. Okay. I now invite shareholders and proxyholders who are attending in person to vote. I think you're all familiar with the instructions for voting online.

A reminder that voting is open on all resolutions and will remain open until I declare the meeting closed.

We'll now move to Resolution 3, replacement of the constitution. It's the final resolution for today, which is to consider and, if thought fit, pass the following resolution as a special resolution:

'That the Company repeal its existing constitution and adopt a new constitution in its place in the form tabled at the Annual General Meeting and signed by the Chair of the Meeting for identification purposes, with effect from the close of the Annual General Meeting.'

And for the avoidance of doubt, here it is – in my hand.

I would say that we recently completed a review of our corporate governance practices. Our constitution was at least a decade old, it's simply out of date, and that really became obvious when in February, March 2020 we declared an interim dividend and were struck by the COVID border closures and general meltdown only a couple of months later, and found that under our existing constitution, we were unable to withdraw payment of the dividend. So it became very clear to us that we needed to revise the constitution.

The current constitution was actually adopted in 2009, so I'm correct, it's well over a decade, and there have been a number of developments in the law and ASX Listing Rules since then. The Board considers that the Company should adopt a constitution that reflects current market practice and considers it most appropriate to adopt a new constitution rather than a piecemeal approach to updating the existing one.

Many of the changes are administrative or relatively minor in nature, and obviously, the key differences are set out in the Notice of Meeting.

Copies of both the existing constitution and the new constitution are available on our website, and as I mentioned, I have been holding a physical copy of the new constitution.

You will see on the slide behind me that we have significant support for the new constitution.

So I'll now move to questions. Are there shareholders or proxyholders in the room who would like to ask? If so, please hold your blue shareholder card up.

Is there a question from Stephen Mayne?

Carolyn Mole: There is one question, Roger.

Roger Sharp: I'm surprised.

Carolyn Mole: 'Congratulations on moving to a constitution with no minimum or maximum number of directors. This is the new best practice as it allows shareholders to decide how many directors should serve on the board. Can you cite any or many other ASX listed companies who also have constitutions with no constraints on director numbers? Whose idea was it to make this change when you already had significant flexibility with a range between 3 and 15?'

Roger Sharp: Well, I think, as I mentioned, when we looked at adopting a new constitution, we went out to our legal and governance advisers and asked what is best practice. I believe, under the Corps Act, a minimum of three directors is required, but there's actually no upper threshold prescribed either by ASX Listing Rules or the Corps Act. We simply listened to our advisers on what was best practice and obviously it enables shareholders to dictate what number we have. What was the – there are so many questions here – what was the other component of that question, please, Carolyn? Now look, I don't know of any other companies, but I'm sure there are one or two out there and we're happy to follow up Stephen after the meeting. Any other questions, Carolyn?

Carolyn Mole: Not on this item, no.

Roger Sharp: Right, okay, thank you. In that case, if there are no further questions or comments, let's put this to the meeting as a special resolution.

Alright, ladies and gentlemen, that actually concludes our discussions on the items of business.

Presumably, if you have filled in your blue voting card with the instructions that I provided earlier, or fill in your votes on the online Computershare voting system, we will now pause for a couple of minutes just to make sure you have enough time to complete the voting process. So we'll start, 2 minutes starting now, thank you.

Have all – one more question? Okay, fire away.

Carolyn Mole: I have one more question from Stephen Mayne that's come in: 'Who holds a strategy briefing day the week after the AGM. Wouldn't it have been better to hold the investor day first so the retail investors not invited to the analyst and fund manager session can ask AGM questions about the large amount of material disclosed to the big end of town players.'

Roger Sharp: I'll pass that to you, John.

John Guscic: We're holding the Strategy Day, and there will be full documentation made available to everybody at exactly the same time. Nobody else will get preference. If any retail investors would like to attend, they can come to the UBS office and attend the meeting and ask whatever questions they would like. No different to anybody else.

Roger Sharp: Thank you, John. Any final questions?

Carolyn Mole: No.

Roger Sharp: Right, okay. Have all voting papers been collected?

That's affirmative. I now declare the poll closed and formally charge Nigel Bulling of Computershare as returning officer to count the votes.

Ladies and gentlemen, that concludes our proceedings today. My fellow Directors and I would like to thank Webjet's shareholders for their continuing support. Once the votes have been counted, the results of the poll will be released to the ASX later today and will also be available on our website, Webjet Limited dot com.

I thank shareholders, proxyholders, visitors and those asking questions for their attendance and declare the meeting closed.

Thank you.

End of Transcript