

1H25: TTV up 25%, On track to deliver \$1Billion incremental TTV in FY25.

27 November 2024

WEB Travel Group Limited (**WEB Travel Group** or the **Company**, ASX:WEB) today announced its financial results for the 6 months to 30 September 2024.

WebBeds TTV up 25% to \$2.6 billion; on track to deliver \$5 billion TTV in FY25
Underlying Group EBITDA 70 million

- **WebBeds TTV up 25%** compared to 1H24, with significant variations of growth driven by geographic differences and customer mix
- **Resultant TTV margin was consequently impacted by those variations.** Group Revenue up 1% on 1H24; Expenses up 8% reflecting planned investment in headcount and technology; Underlying Group EBITDA down 8%.
- **TTV margin was additionally negatively impacted by** the collapse of FTI, the Paris Olympics and European football championships and underestimated customer incentive payments.
- **It is expected that TTV margins will stabilise at c.6.5%** along with a continued TTV target of \$10 billion in FY30, and c. 50% EBITDA margins to deliver profitable growth.
- **Underlying Group EBITDA \$70.0 million reflects corporate costs (\$7.5 m; 1H24 \$11.0m). Underlying Group NPAT \$52.5 million**
- **Strong capital position.** \$510 million cash; further \$19 million spent on equity linked financial assets with exposure now to 8.4 million WEB shares; undertaking capital management initiatives in 2H25
- In the first 7 weeks of trading for 2H25, TTV is up 23% and TTV margins were at 6.5% in October. Based on current trading, we expect FY25 EBITDA to be between \$117 - \$122 million.

With overwhelming shareholder support, the demerger of Webjet Group Limited (ASX:WJL) from the Company was implemented on 30 September 2024, resulting in the Company operating the WebBeds B2B business and Webjet Group Limited operating the B2C businesses (Webjet OTA, GoSee and investment in Trip Ninja). As the demerger took effect during 1H25, the B2C businesses are included as a discontinued business in the Company's 1H25 results and 1H24 has been restated to reflect pro forma B2B business only.

WEB Travel Group	1H25	vs 1H24	% Change
Bookings	4.30 million	3.49 million	↑ 23%
TTV	\$2.59 billion	\$2.08 billion	↑ 25%
Revenue	\$170.4 million	\$168.8 million	↑ 1%
Underlying EBITDA	\$70.0 million	\$76.0 million	↓ 8%

Commenting on the result, WEB Travel Group's Managing Director John Guscic said:

"Following a record FY24, WebBeds' first two months of trading in 1H25 continued to reflect the previous 6-month trading conditions.

In the period of June and July, TTV margins declined in Europe. The decline coincided with the collapse of FTI Group, the Paris Olympics and European football championships.

We underestimated this decline and the extent of changing market conditions and customer mix, and underlying margins did not recover in August as anticipated.

We also underestimated the incentive payments during August (at the time of the AGM) which were \$7.5 million higher than planned, representing a decline of 0.3% of the TTV margin in 1H25.

Concurrent with our TTV target of \$10 billion in FY30, we are forecasting our targeted customer, geographic and supplier mix to stabilise with a margin of c. 6.5% for the medium term. Our strong economies of scale are demonstrated by 1H25 delivering the same TTV and Bookings as calendar year 2019, but at c.30% lower cost.

To ensure higher visibility of future market trends and competition, and following the completion of the demerger, appropriate changes have been completed in management responsibility and accountabilities to sharply refocus market change visibility.

In the universe of global publicly traded companies, WebBeds remains one of the fastest organically growing travel brands. The business is highly scalable and efficiencies now in place give us confidence we will return to our c. 50% EBITDA margin target in FY26.

For the first 7 weeks of trading for 2H25, TTV is up 23% and TTV margins were at 6.5% in October. Based on current trading, we expect FY25 EBITDA to be between \$117 - \$122 million."

Further information on 1H25 performance is set out in **WEB Travel Group's 1H25 Investor Presentation**.

The Company will release **FY25 results** on **28 May 2025**.

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

Investors.

investor@webtravelgroup.com

Media.

James Strong | +61 448 881 174

james.strong@sodali.com

Glossary & Abbreviations.

1H24	6 months ending 30 September 2023
1H25	6 months ending 30 September 2024
FY24	12 months ending 31 March 2024
FY25	12 months ending 31 March 2025
FY26	12 months ending 31 March 2026
B2B	Business to Business
B2C	Business to Consumer
EBITDA	Earnings before interest, tax, depreciation and amortisation
TTV	Total Transaction Value
TTV margins	Revenue/TTV margin

Additional Information.

Group Performance.

The table below shows results for the Company's Statutory Result and Underlying Operations for 1H24 and 1H25.

WEB Travel Group	See Note	Statutory Results		Underlying Operations	
Continuing Operations	10	1H25	1H24	1H25	1H24
Revenue	1	\$170.4m	\$175.1m	\$170.4m	\$168.8m
Expenses		(\$92.9m)	(\$81.8m)	(\$92.9m)	(\$81.8m)
Corporate overheads	2	(\$7.5m)	(\$8.2m)	(\$7.5m)	(\$11.0m)
Non-recurring items	3	-	(\$0.6m)	-	-
Share Based Payment Expense		(\$3.5m)	(\$0.7m)	-	-
Non-operating expenses	4	(\$1.2m)	(\$3.5m)	-	-
EBITDA		\$65.3m	\$80.3m	\$70.0m	\$76.0m
Depreciation & Amortisation exc AA	5	(\$9.8m)	(\$12.1m)	(\$9.8m)	(\$8.4m)
Acquired Amortisation (AA)	5	(\$7.6m)	(\$19.0m)	-	-
EBIT		\$47.9m	\$49.2m	\$60.2m	\$67.6m
Net Interest & Finance Costs		\$0.6m	(\$5.1m)	\$0.6m	(\$5.1m)
Convertible Note Interest		(\$6.0m)	(\$6.4m)	-	-
EBT		\$42.5m	\$37.7m	\$60.8m	\$62.5m
Tax Expense		(\$5.0m)	(\$2.3m)	(\$8.3m)	(\$6.5m)
NPAT from continuing operations		\$37.5m	\$35.4m	\$52.5m	\$56.0m
EPS		9.6 cents	9.2 cents	13.5 cents	14.6 cents
Diluted EPS	6	8.8 cents	9.2 cents	12.2 cents	14.4 cents
Effective Tax Rate	7	11.8%	6.1%	13.6%	10.4%
Discontinued Operations	10	1H25	1H24	1H25	1H24
NPAT from discontinued operations	8	\$6.6m	\$6.6m	-	-
Net gain on demerger	9	\$184.0m	-	-	-
NPAT from discontinued operations		\$190.6m	\$6.6m	-	-
NPAT from continuing and discontinued operations		\$228.1m	\$42.0m	\$52.5m	\$53.6m

Note

- Revenue in 1H24 Statutory Result includes \$6.4m revenue applicable to WEB Travel Group as an independent entity. AASB9 impact on revenue was \$2.5m increase in 1H25 and \$3m reduction in 1H24
- Represents corporate costs for the corporate function of Web Travel Group (refer to corporate reconciliation on slide 28)
- Non-recurring items represent amounts in 1H24 not applicable to WEB Travel Group as an independent entity
- Non-operating Expenses are excluded from Underlying Result to provide a better understanding of financial performance (refer slide 15 for details)
- Depreciation and Amortisation in 1H24 Underlying Results does not include \$3.7m amortisation expense applicable to Webjet Group. Acquisition Amortisation - includes charges relating to amortisation of intangibles acquired through acquisition and impairment charge on ROOMDEX
- Diluted EPS includes the impact of employee share grants and the convertible bond
- Underlying effective tax rate forecast to be c. 16% for FY25 and near-term
- NPAT from Webjet Group Limited
- Net gain on demerger, as a result of demerger accounting. Refer to Note 6.1.5 in the financial statements for six months period ended 30 September 2024
- Continuing operations refers to Web Travel Group Limited and Discontinued operations refers to Webjet Group Limited

Capital Position.

- Cash flow from operations was \$78 million during the period.
- As at 30 September 2024 the Company had a closing cash balance was \$510 million, post allocation of \$143 million to B2C as part of the demerger.
- During the year \$19 million was invested in equity linked financial assets and a further \$25 million invested in essential and strategic capital expenditure projects and initiatives.
- No interim dividend was declared for 1H25.
- The Company intends to conduct an on-market share buy-back up to a maximum value of \$150 million, which is expected to commence in December 2024.

Business Unit Performance.

WebBeds	1H25	1H24 ⁽¹⁾	Change
Bookings ('000s)	4,299	3,485	↑ 23%
Average Booking Value	\$602	\$596	↑ 1%
TTV	\$2,590m	\$2,078m	↑ 25%
Revenue	\$170.4m	\$168.8m	↑ 1%
Expenses	\$92.9m	\$81.8m	↑ 14%
EBITDA	\$77.5m	\$87.0m	↓ 11%
Revenue / TTV Margin	6.6%	8.1%	↓ 150bps
EBITDA Margin	45.5%	51.5%	↓ 600bps

1. 1H24 restated for AASB9 application resulting in reduction of revenue and EBITDA by \$3m

1H25 Bookings and TTV were up 23% and 25% respectively driven by strong growth in all regions. Revenue was up 1%, with the increase in TTV; however, lower TTV margins were driven by a combination of factors including customer financial incentive agreements (overrides), management's response to European summer trading, and incremental customer revenue delivering lower margins because of geographic, customer and supply mix. 1H25 Expenses reflect expected investment in headcount and technology. 1H25 EBITDA was down 11% reflecting the lower TTV margins and increased expenses.