



Webjet 2021 AGM Report

ASX Code	WEB
Meeting Time/Date	3pm, Tuesday 31 August 2021
Type of Meeting	Virtual
Monitor	Jason Cole assisted by Mike Robey
Pre AGM Meeting?	Yes – with Roger Sharp (Chair), Brad Holman (Chair of Rem Committee) and Carolyn Mole (Investor Relations)

Webjet Well Positioned for Travel Restart

What the Company Does

Webjet is a digital travel business spanning both wholesale and consumer markets, primarily through its WebBeds and Webjet Online Travel Agency divisions.

Developments in the Financial Year

The Webjet financial year was altered to a 31 March end date, so results for this year reflect a 9-month period. Covid-19 travel restrictions remained in place for the entire period and the company's performance was impacted accordingly, with an EBITDA loss of \$56.3m being recorded. No dividend was paid for FY21, whilst payment of the 9c dividend withheld in FY20 will be reviewed at the end of first half FY22.

Summary of Historical ASA Issues with the Company

The ASA did not support the 2020 Remuneration Report due to issues with the Long-Term Incentive (LTI) for the Managing Director (MD).

In summary, the ASA did not support the awarding of 4.5m options to the MD (Exercise Price - \$3.08) which are due to vest in tranches of 1.5m after 1, 2 and 3 years, provided a share price appreciation target of \$3.39, \$3.73 and \$4.10 respectively is met.

The ASA concerns related to the low targets for vesting of the options and the potential quantum on offer for each of the years. Since last year's AGM, the Webjet share price has traded above the all three hurdles in a range of \$3.44 - \$6.33.

For example, if the Webjet share price in 12-months was to remain at its current price of \$5.88, the approximate value of any Year 1 options exercised would be \$4.2m. This despite little improvement in COVID-19 related travel restrictions and the company being very much in a holding pattern over the past 12-months. The ASA asked whether safeguards to prevent windfall outcomes had been considered. The chair of the Rem Committee answered that they had not and that equally there were no loss safeguards applied either.

Debate and Voting at the AGM

Roger Sharp (Chair) opened the meeting by reflecting on the company's financial performance over FY21 and provided some thoughts on the coming year, namely that he expected travel recovery to remain episodic and not uniform. He stated the geographic diversity of the company had become a core strength, as different regions achieve pre-pandemic normality at different rates. He believes that Webjet will emerge leaner, faster and stronger, however the timeframe for that remains uncertain.

Managing Director John Guscic advised shareholders that reducing cash burn became the primary focus of the company and this was achieved through reducing costs and extending term debt. He stated the Webjet will emerge 20% more cost efficient at scale and will have positive operating cash flow in 1st Half FY22.

He further outlined to shareholders the performance of the two main divisions of the company, namely WebBeds and the Webjet Online Travel Agency (OTA). The WebBeds division has been profitable since July. The company identified that domestic markets would be the first to open and had pivoted the business model toward this. Domestic in this instance refers to citizens travelling within their country (E.g. UK, France, Spain) rather than only domestic travel within Australia.

The Webjet OTA experiences booking spikes dependent upon the current state of border restrictions in Australia. This aspect of the business is profitable when state borders are open but retracts in periods of border closure like those currently in place.

The MD considers that Webjet will return to the pre-eminent position of being one of the ASX 200's fastest growing companies when conditions normalise.

Questions from shareholders related to the expected timing of WebBeds becoming the global leader in providing hotel inventory, technological improvements being made by the company, investment in blockchain technology and how the company now manages its debtors after the Thomas Cook experience from a few years earlier.

The formal business of the meeting saw the Chair and newly appointed director Denise McComish re-elected with over 98% of votes in favour. The resolution to refresh the 15% placement capacity from an earlier convertible notes issue was carried with similar support.

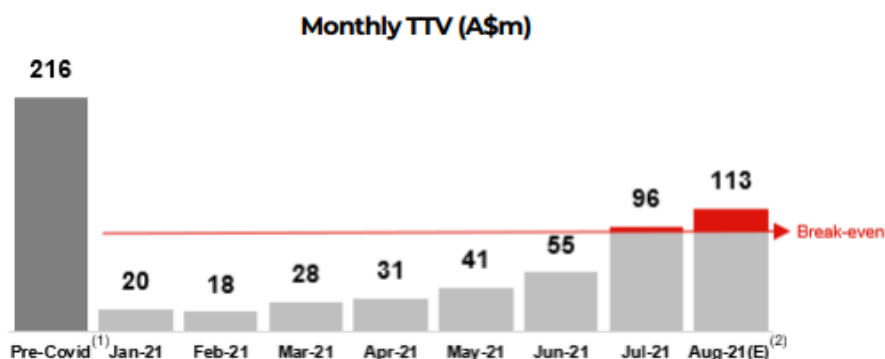
The ASA did not support the remuneration report for the reasons outlined earlier. Webjet avoided a first strike, but did receive a strong protest vote of 17.20% against. The company has resolved to further engage shareholders regarding the remuneration structure in the coming year.

Outlook Statements from the Company

The outlook for FY22 continues to remain uncertain with the recovery of the travel sector being tied to the success of vaccine rollout throughout the world. The UK and USA vaccine rollouts are well advanced and other European markets are starting to open. Webjet believes that as markets open, all their divisions will rebound quickly.

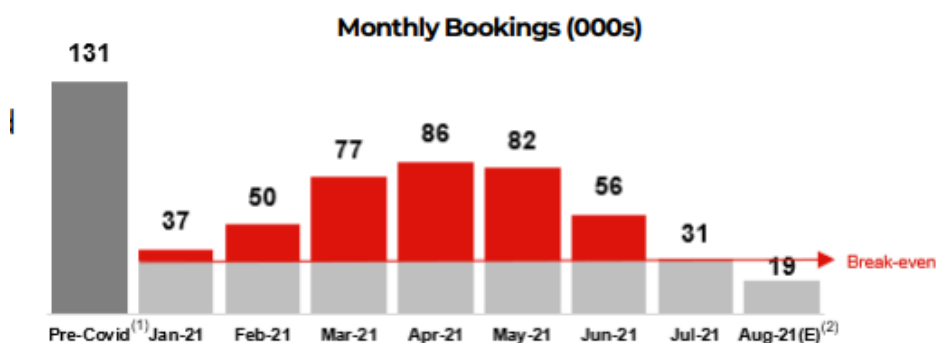
WebBeds

WebBeds has been profitable since July



WebJet OTA

Bookings spike as borders open



Source: Webjet Managing Director Presentation – August 31, 2021

Meeting Statistics

Number of Holdings Represented by ASA	34
Number of Shares represented by ASA	269,526
Value of Shares represented by ASA	\$1.52 m
Number Attending Meeting	Virtual Meeting
Market capitalisation	\$2.08 b
Were proxies voted?	Yes, on a poll

Monitor Shareholding

The individual(s) (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

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