



HD (SWWEB) Ferret's Stock Watch : WEBJET LIMITED (RESEND)

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ONLINE TRAVEL AGENT HITS A LITTLE TURBULENCE

Sydney - Monday - June 2: (RWE Aust Business News) - Shares of WEBJET (SWWEB) were quite volatile last week but failed to pull an ASX query after they moved up 34c in two days but ended the five trading days 22c in front.

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The **company** was queried two weeks ago after the shares fell from a high of \$2.78 on May 1 to a low of \$2.30 on May 15.

In response, CFO Michael Sheehy said, "There is apparently ill-informed and inaccurate financial market commentary which is suggesting that Webjet's Australian market share is under material threat from unnamed overseas online travel agents.

Most locals should be well aware of Webjet due to its heavy promotion on TV networks.

"There is no factual foundation that we are aware of that can support this conclusion, Sheehy declared.

"The latest Hitwise data shows that we have increased our **lead** in visitation in the online travel agency category from 12.94pc in March to 13.21pc in April.

"Although there is some evidence in the published Australian Airline traffic data that the Australian Travel Market is subdued and without year-on year domestic leisure growth, Webjet reconfirms its market guidance released on November 13, 2013 of EBITDA of \$21.5m."

The shares hit a 52-week low of \$2.22 on Monday May 26.

As an aside, Webjet disclosed the appointment of Brad Holman as a non-executive director with immediate effect.

The appointment is made under Director's authority and Brad will stand at this year's Annual General Meeting for formal election by shareholders.

Commenting Webjet chairman David Clarke said: "We are delighted to have secured the services of Brad Holman who has had a very extensive international career in the travel industry including strategic negotiations with international airlines, global distribution agreements, and a wide range of strategic development and marketing initiatives.

Brad is a commerce graduate from the University of Western Australia.

As a non-executive director Brad will additionally join our Audit Committee." Clarken revealed.

SHARE PRICE MOVEMENTS

Shares of Webjet fell 16c to \$2.47 on Friday. Rolling high for the year is \$4.82 and low \$2.22. Dividend is 13.25c to yield 5.86 per cent. Earnings per share is 12.34c and price earnings ratio is 20.02. The **company** has 79.3 **million** shares on issue with a market cap of \$196.1 **million**.

During the half-year ended 31 December 2013 the **company**'s total transaction values increased by \$127m from \$380m to \$507m when compared to the previous half-year, representing a 33% increase.

The **acquisition** and integration of Zuji, the leading online travel agency in **Hong Kong** and Singapore and Dubai based Lots of Hotels led to an \$18.2m increase in revenue for the half, with revenue increasing to \$50.0m, 57% growth.

With the expanded **operations** costs excluding depreciation and amortisation increased \$16.5m to \$39.9m.

Depreciation and amortisation for the six month period increased by \$0.75m to \$1.37m.

The increase over the same period last year included \$0.57m of additional charge associated with the change to the useful life of technology related intangible assets from 25 years to 5-15 years.

On 31 December 2013 the **Company** sold its controlling interest in Webjet Marketing North America LLC, retaining a 15% investment.

Including the proceeds from the **sale**, Webjet's USA **operations** contributed \$0.7m profit before tax to the half-year result.

The **sale** consideration is deferred. The start-up Lots of Hotels loss for the half-year was \$0.5m. Profit before tax for the half-year increased by \$2.9m to \$11.3m, a 34% increase.

The half produced \$9.1m net profit after tax, a \$3.4m increase over the \$5.6m prior half-year comparative, and \$1.8m higher than the \$7.3m FY13 first half normalised earnings.

A final dividend of 7 cents per share fully franked totalling \$5.6m was paid on 17 October 2013.

An interim dividend of 6.25 cents per share (2013: 6 cents) fully franked totalling \$4.76m has been declared and is payable 11 April 2014.

The Zuji migration to the Webjet platform was completed on 9 December 2013.

The integration and alignment of Zuji led to a substantial reduction in creditors and provisions during the six month period to 31 December 2013.

The cash flow from **operations** was an \$11.2m outflow. Excluding the capital raised net of transaction costs to fund the Zuji **acquisition**, cash and equivalents at 31 December 2013 of \$45.4m increased by \$15.3m over the comparative balance for the prior half-year period.

BACKGROUND

Webjet Limited (ASXWEB) is an online travel agency operating in Australia and New Zealand.

The **company** joined the ASX back in 1997.

Ferret has watched the **company** for many years, performing much to expectations although the shares have been pretty flighty in recent months.

WEB provides tools and technology for customers to compare, combine and book domestic and international travel flights deal, hotel accommodation, holiday package deals, travel insurance and car hire worldwide.

It also operates websites in New Zealand, USA, **Hong Kong**, Singapore, Canada, UK and Mexico. FLIGHTS BOOKING: WEB is partner of many Australian such as Qantas, Jetstar, Rex, Skywest, Tiger Airways, Virgin Australia and other international airlines.

WEB provides online and mobile applications of air travel booking service to customer both domestics and international with choices from low-cost to premium flights.

The **company** is an IATA accredited agent and has allies with many other businesses to support its own **operations** and to expand the coverage of services.

It tells customer to Compare and book domestic flights on Virgin Australia, Qantas, Tiger Air, Jetstar, Rex and more.

WEB suggests clients will find great rates on airfares, travel insurance, car hire and cheap accommodation deals and holiday packages.

Webjet helps uncover the best date to travel at the cheapest prices on international airfares from leading airlines including Air New Zealand, Cathay Pacific, Singapore Airlines, Thai Airways, Malaysia Airlines, Emirates, British Airways and United Airlines.

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