



helloworld
TRAVEL LIMITED
2019 ANNUAL GENERAL MEETING

2019 Annual General Meeting of
Helloworld Travel Limited

14 November 2019



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This document includes the presentation of results on a statutory basis as well as non-statutory information. All financial results are presented in AUD unless otherwise stated and rounded to millions. Data used for calculating percentage movements has been rounded to thousands.

Key non-statutory financial metrics

Total Transaction Value (TTV) - does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group’s revenue is, therefore, derived from TTV. Total TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

Earnings before interest expense, tax, depreciation and amortisation (EBITDA) - is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.



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Mr Garry Hounsell
Chairman

CHAIRMAN– UPDATE & LOOKING AHEAD



- HLO has again demonstrated strong growth in TTV, Revenue, EBITDA and Net Profit.
- The business continues to benefit from our focus on profitable revenue streams, revenue margins and greater operational efficiencies.
- The business continues to expand both organically and by acquisition.
- The strategic acquisitions of TravelEdge, Show Group and Williment Travel over the last 10 months complement our travel portfolio.
- We have continued our increased investment in our brands, products, technology and people to ensure we are well positioned for sustainable long-term growth.
- Thank you to our network members, supplier and other industry partners, our staff, our shareholders and to the travelling public for their support.

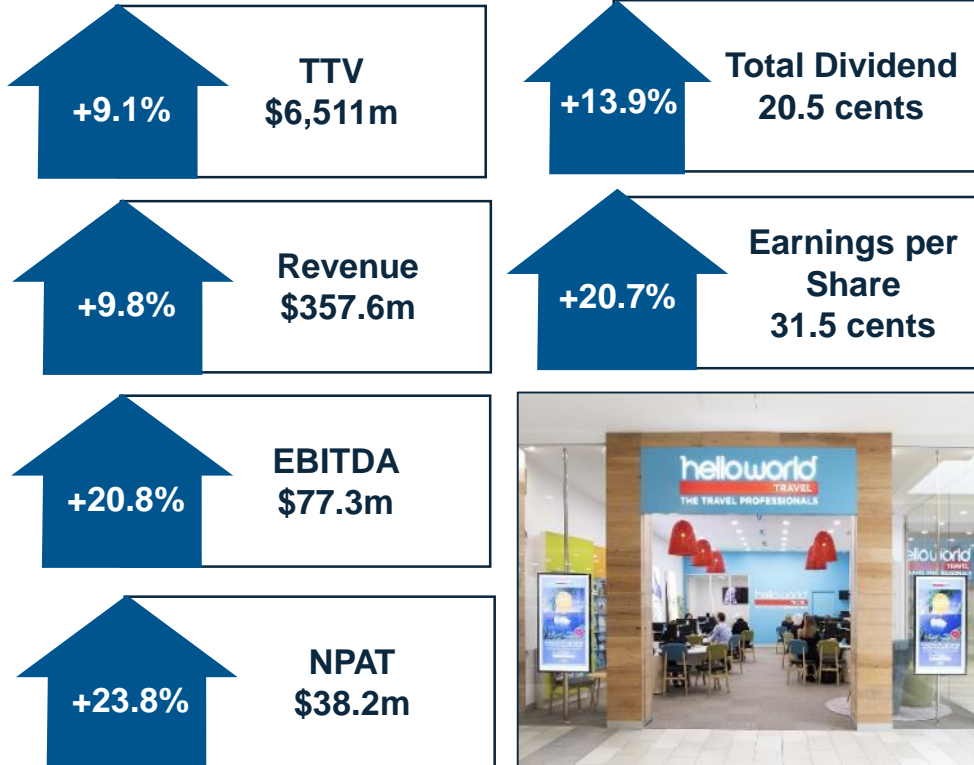




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Mr Andrew Burnes
CEO & Managing Director

FY19 KEY METRICS



- Record TTV both AU and NZ and revenue growth driven by retail network expansion and business acquisitions.
- Focus on driving profitable TTV across all business divisions.
- Significant improvement in EBITDA (+20.8%) and NPAT (+23.8%) from:
 - growing TTV at reasonable margins;
 - greater brand awareness;
 - business expansion activity; and
 - ongoing cost control.
- Continued investment in our brand, technology solutions, products and people to drive growth in our business and networks.
- Rewarding shareholders with higher dividends for the 4th year running.

GROWTH IN MEMBER NETWORKS & NUMBERS



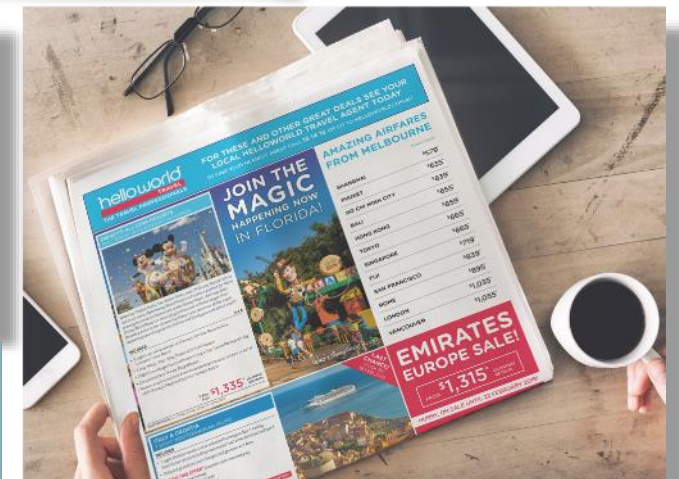
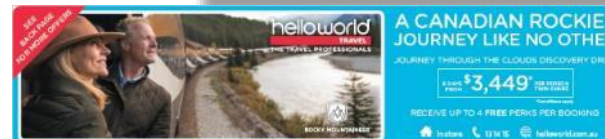
2,447 at 30 June 2019 | 2,223 at 30 June 2018

- Growing our overall network of high calibre and high achieving leisure and corporate agent members across our networks in Australia and New Zealand with strong performance from all network members. Both leisure and corporate travellers clearly value the professional services provided by our travel agency businesses.
- A unique and diverse value proposition for each agent network.
- Providing members with improved product offerings and creating better business efficiencies through enhanced technology solutions.

FOCUS ON THE BRAND



- Our Retail brand presence continues to grow.
- We are continuing our strong investment in consumer marketing, advertising and sponsorship initiatives.
- Growth in brand awareness – most recent research results are in.
- Platinum Partnership with News Corporation.
- Helloworld TV show Season Two.
- Branded TVC now running. Across our Helloworld TV show and also as extra promotional activity during 'The Real Dirty Dancing' on the Seven Network.



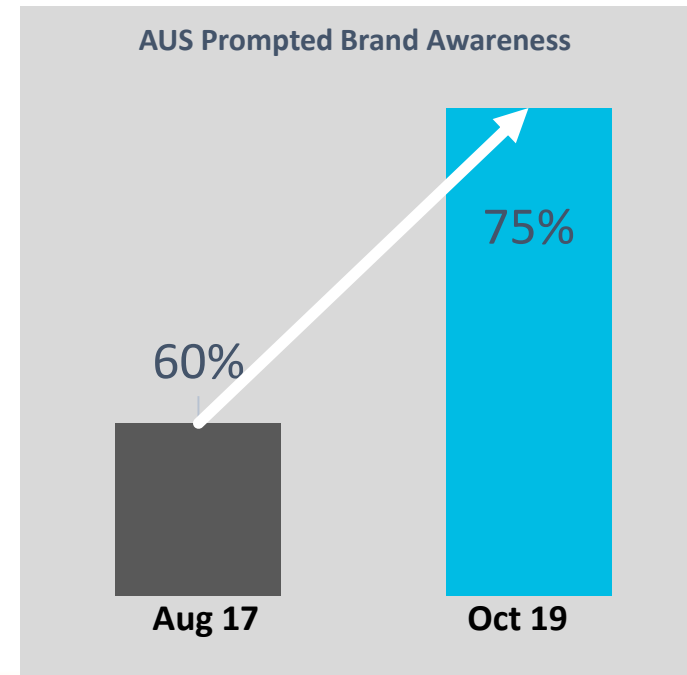
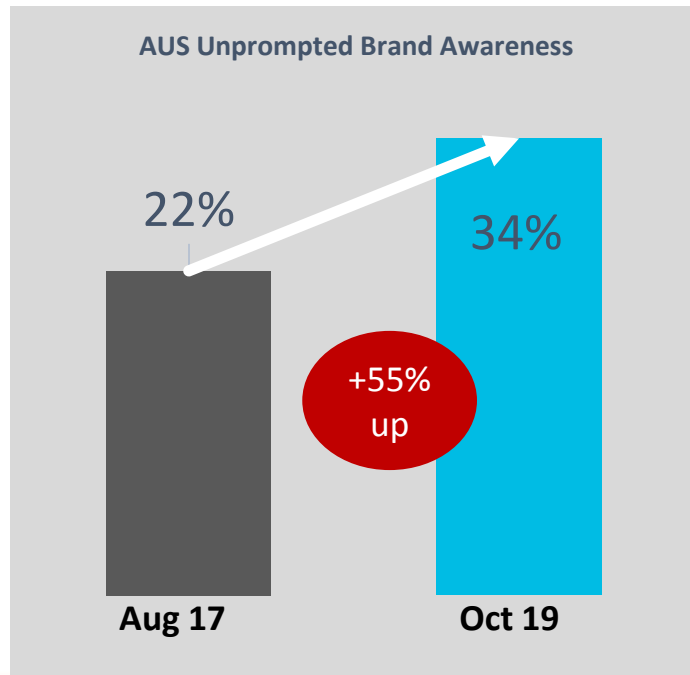
BRAND AWARENESS – LATEST RESULTS



Brand awareness continues to grow in both Australia and New Zealand.

Our latest results from October 2019 continue to show growth in prompted and unprompted awareness in Australia

- Unprompted awareness has increased over the past 3 years from 22% to 34%.
- Prompted brand awareness is also steadily growing and is now 75%, up from 60% in August 2017.



BRAND AWARENESS TRACKING

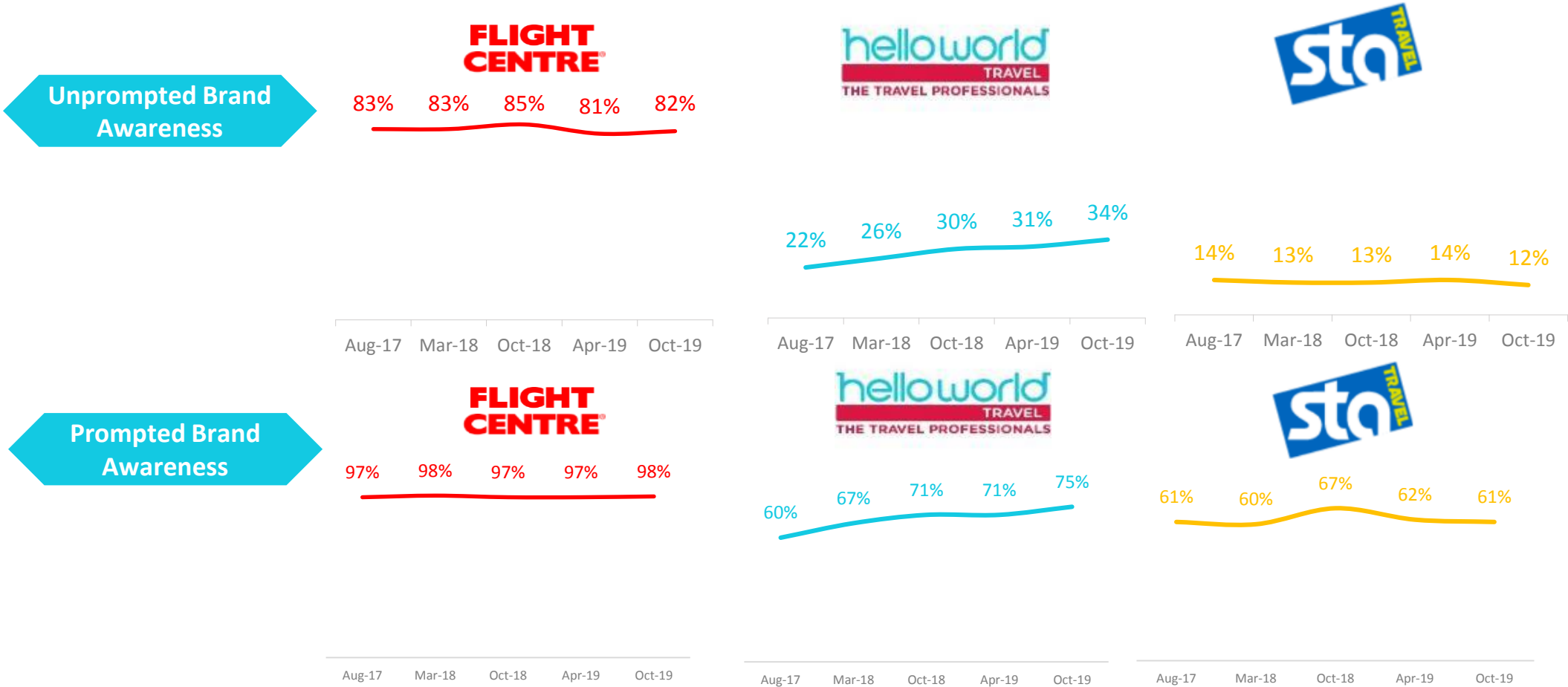


- Awareness of Helloworld Travel has also grown among OTA/Direct users, both in terms of unprompted: 14% to 26%, and prompted: 61% to 72% awareness in Australia – highlighting potential new customer opportunities from those who do not currently use a travel agency to book with.
- Brand awareness increases in Australia driven by significant investment, both by HLO and with our supplier partners in press, digital and TV activities.



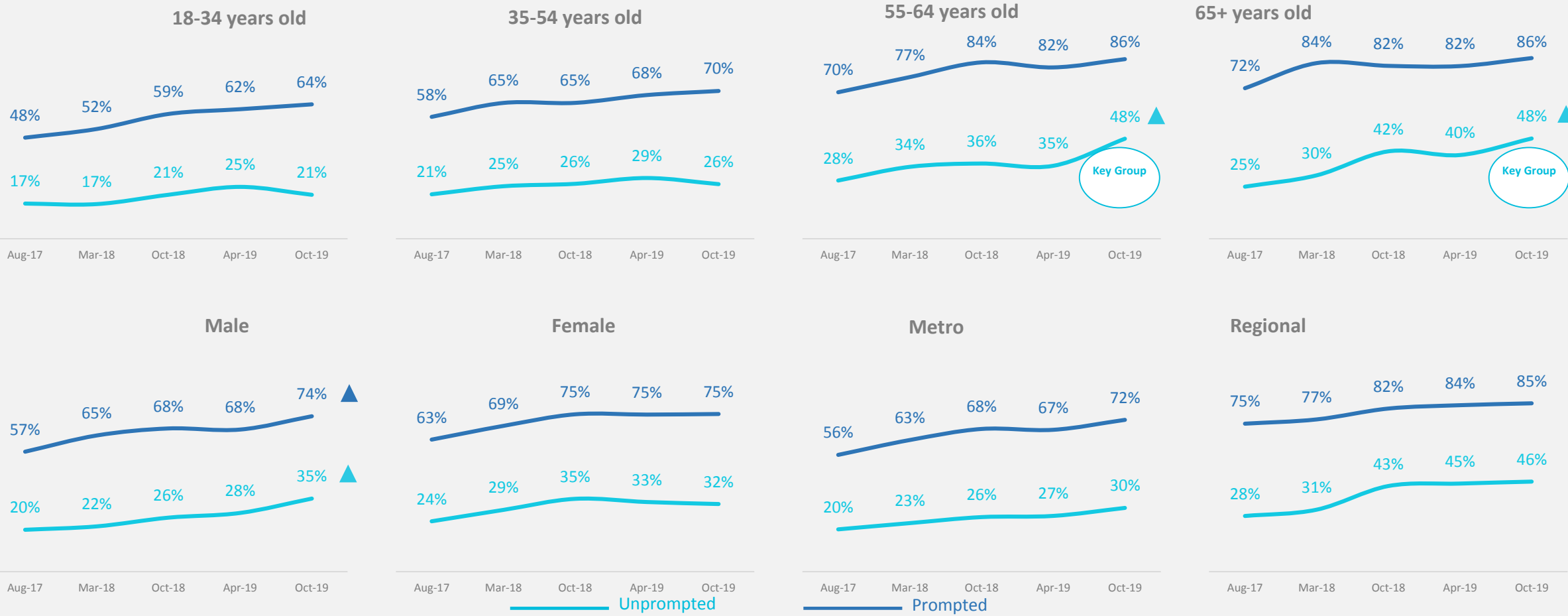
BRAND AWARENESS ACROSS THE MARKET

Awareness of the Helloworld Travel brand remains at the elevated level seen as a result of the strategic brand building, the wider industry looks like this.



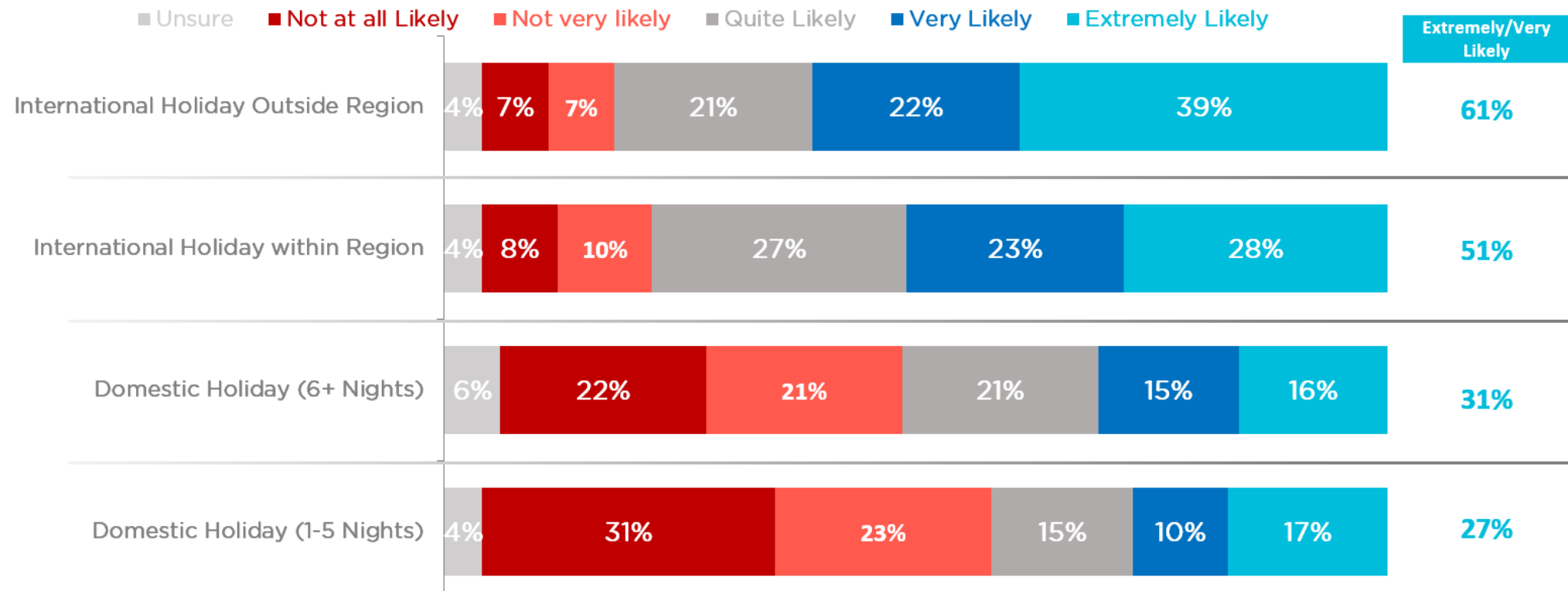
OUR BRAND AWARENESS – DEMOGRAPHICS

Awareness of Helloworld Travel remains stronger among older age groups, and regional residents. Unprompted awareness is particularly up in the core groups of +55 years.



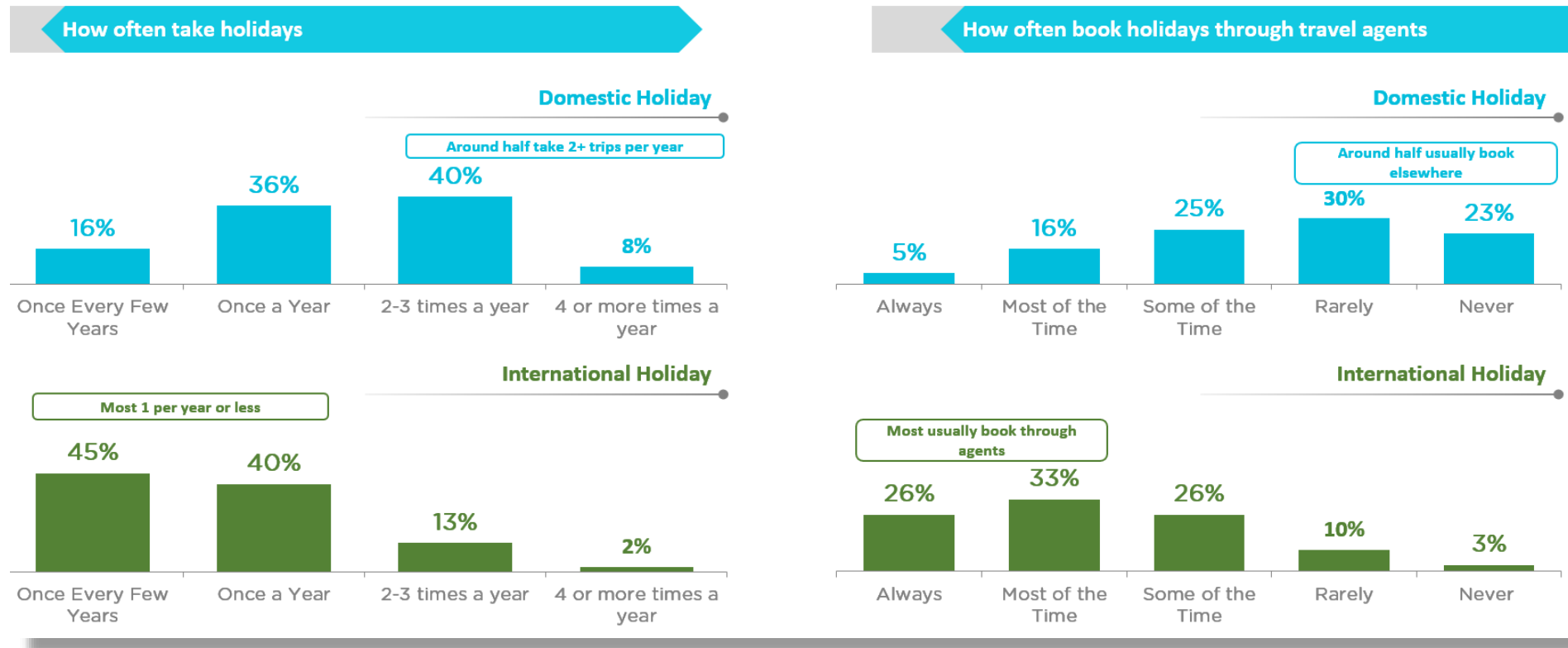
PATTERNS – LIKELIHOOD TO USE AN AGENT

Travellers are most likely to use a travel agent in the future for a long distance international holiday. Future usage is lower for domestic trips. As we know.



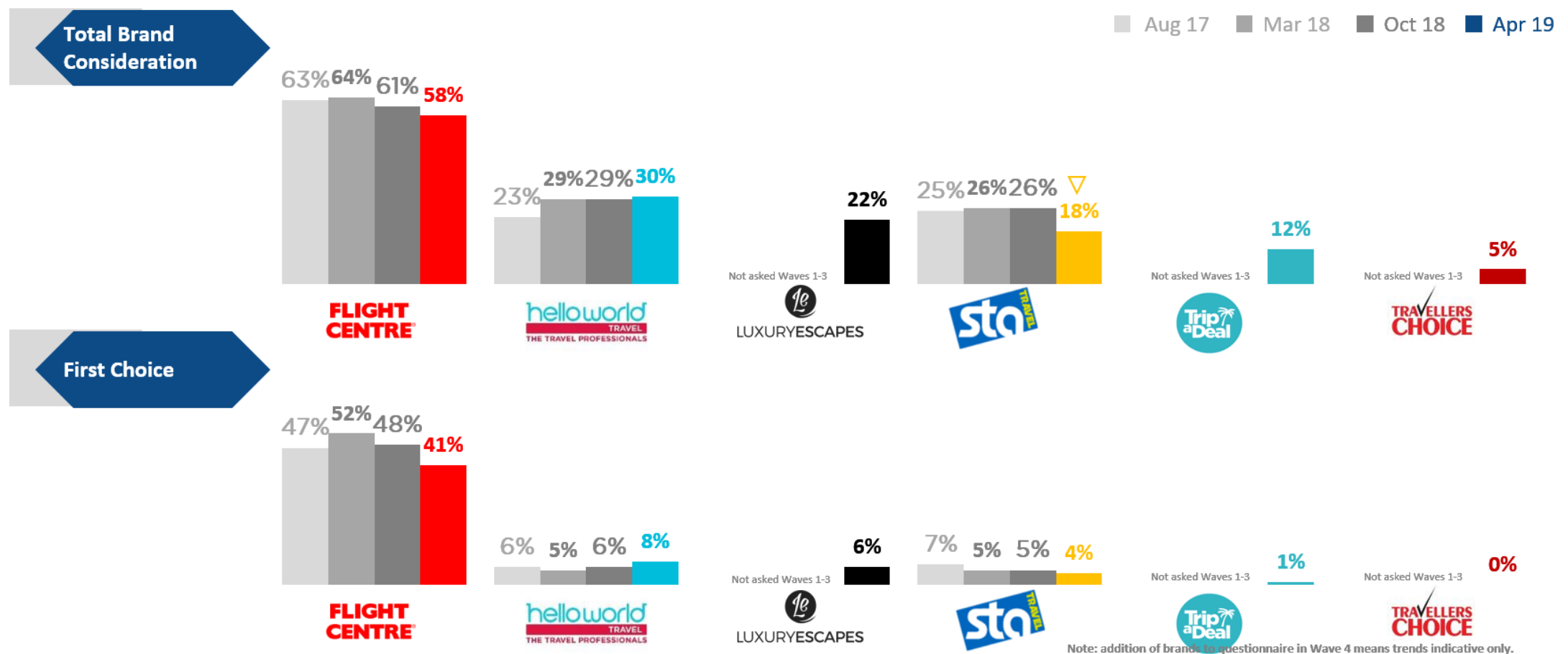
PATTERNS – HOLIDAYS VS BOOKING WITH AGENTS

Unsurprisingly, international holidays are taken less frequently than domestic, but are more likely to be booked through travel agents. The trends of more international holidays per year mirror with respondents who book more with travel agents.



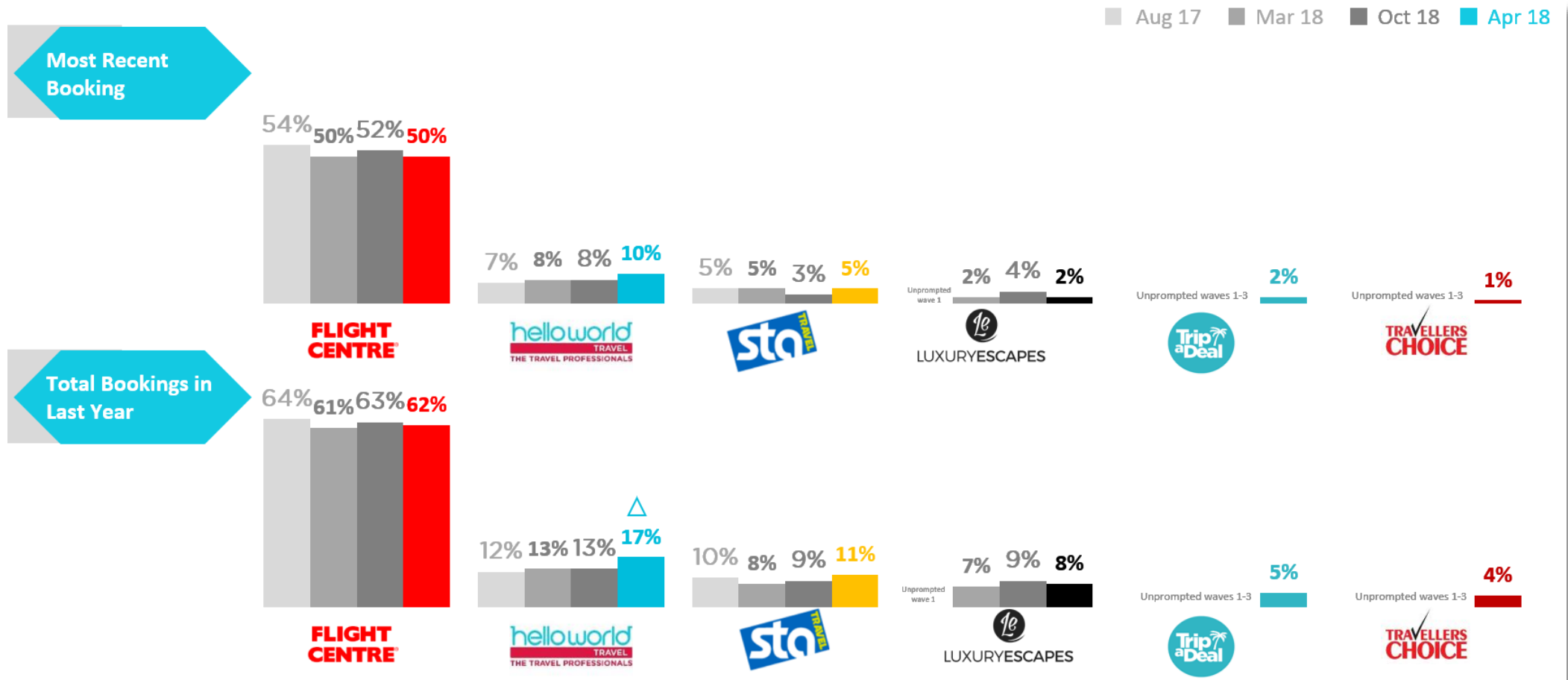
CONSIDERATION

Almost a third of respondents who book through OTAs will consider Helloworld Travel - and this is the only brand to see consideration growth in the market over the past two years.



BOOKINGS AS SHARE OF MARKET

The Helloworld Travel brand looks to have gained a greater share of the market over the last six months - an excellent result. Other brands have not experienced growth.



NET PROMOTER SCORE (NPS)

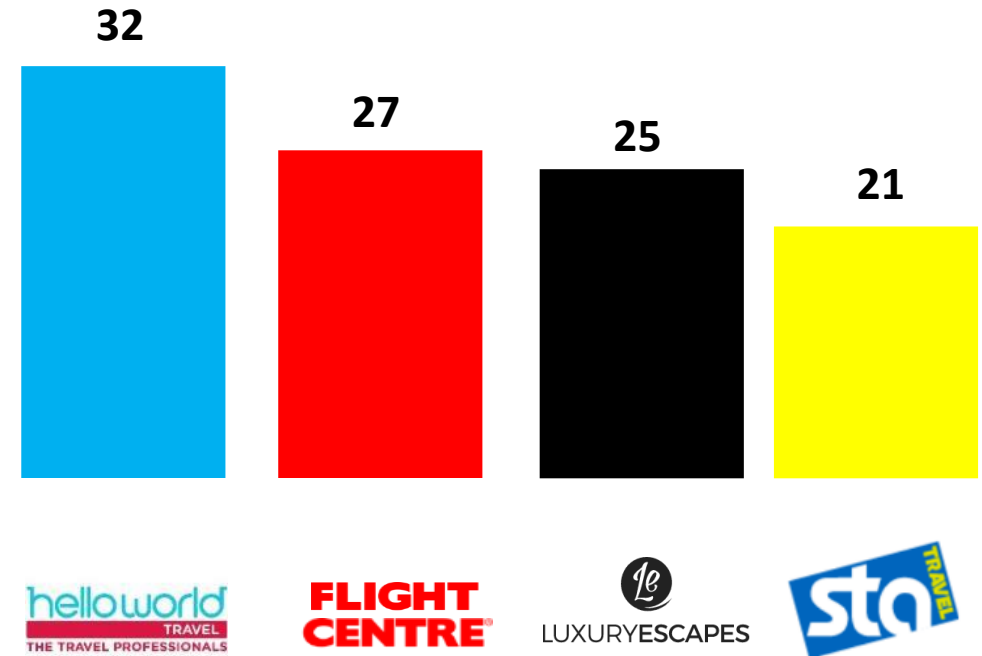
The Net Promoter Score is the index that shows how likely our customers are to recommend us. Our NPS is driven by customer experience, our advertising and communications.

We know our customers are strong brand advocates, they are a strong driver of new customer acquisition.

Our NPS remains at a really good level, ahead of our competition.

This demonstrates loyalty and retention, and is an indication of the great service we are delivering.

Our Net Promoter Score - 32



BUSINESS HIGHLIGHTS



WHOLESALE / INBOUND

- Strong sales results from enhanced ReadyRooms platform rolled out across Australia & New Zealand.
- Expansion of our product offerings across our wholesale range to meet new consumer demands.
- Brand consolidation to focus on one brand per market segment
- Increased remuneration for agents
- Asia Escape Holidays benefiting from the full integration into HLO business.
- The Inbound division (AOT, ATS & ETA) continues to deliver our highest margins across the business with investments in enhanced technology being made to ensure we capture the opportunities around the dynamic nature of the intermediary landscape.
- Tourism Transport Fiji (TTF) delivering strong results from our transport operations in Fiji

VIVA
HOLIDAYS

ReadyRooms

SEVEN OCEANS
CRUISING

ASIA ESCAPE
HOLIDAYS

GO
HOLIDAYS!

sunlover
HOLIDAYS

a.t.s. Pacific

aot
inbound

eta
experience tours australia



CORPORATE

- Significant new accounts won and retained by QBT & APX in FY19
- Show Group proving a valuable addition to our corporate offering, with both travel and freight businesses performing well in the second half of FY19.
- Inspire Travel Management, our indigenous joint venture partnership, appointed provider of travel management services for Australia Post
- Acquisition of TravelEdge in October 2019 adding to our strength in the trans-Tasman corporate market.
- On track to achieve trans-Tasman TTV of \$1.6bn in FY20





TECHNOLOGY INVESTMENTS

- New ResWorld retail mid-office platform for retail networks launched and live.
- Strong uptake of this new system by agents in 1H FY20
- Launch of Helloworld Travel Business Insights dashboard technology.
- Air Tickets system two-year upgrade project completed.
- Relaunch of wholesale agent ReadyRooms platform and new cruise platform for Seven Ocean Cruises
- Enhanced corporate interface and improved mobile booking solutions.
- Deployment of Amadeus 'Cytric' platform for QBT customers.

TRAVEL INDUSTRY AWARD WINNERS

- Our businesses in Australia and New Zealand continue to be recognised for their achievements.
- In addition, many awards were received by our network members in AU & NZ.



BUSINESS EXPANSION



- HLO has made a number of strategic business acquisitions to complement the Group's existing operations and expand future product offerings to an increased network of agents, suppliers and customers.
- On 30 June 2019, HLO disposed of its Insider Journeys business. The business was not considered core to Helloworld Travel's future strategy.
- On 30 September 2019, HLO completed the acquisition of TravelEdge Group – one of Australia's largest privately owned travel management companies.
- These acquisition have added over \$1bn on an annualised basis to our TTV since January, 2018.



Timeline of acquisitions & disposals



EVOLUTION OF THE TRAVEL INDUSTRY & TRENDS



And while our expectations and demands evolve, so to do those of customers. Demand for....

- Experiential Travel
 - Ethical Travel
 - Cause related Travel
 - Environmental Travel
 - “real” experiences
 - Wellbeing Travel
- These ongoing trends have the knock-on effect of keeping the industry invigorated and evolving. This is good news for us.
 - The Travel Industry remains strong – and shows no signs of this trend changing.



EVOLUTION OF THE CUSTOMER RELATIONSHIP & EXPECTATION



Four key factors to succeed in meeting these needs are having the right **people**, the right **partners**, the right **environment** and the right **technology**.

- Having the right **people** to meet the changing needs and drive the change across the business, across all of our businesses.
- Having the right **partners** who provide commercial outcomes to our networks for promoting and selling their product
- Having the right **environment** in terms of brand, location, marketing, reputation and community awareness.
- Having the right **technology** to remain at the forefront of the customer needs and deliver on them.



WHAT THAT MEANS FOR US



- We have the right **PEOPLE**
- We have the right **PARTNERS**
- We have the right **ENVIRONMENT**
- We have the right **TECHNOLOGY**
(and will keep working to make sure we always have it).
- We will continue our evolution.



TRADING UPDATE Q1 FY20 & OUTLOOK



- Q1 has started well and we are performing in line with our expectations.
- TTV was a record \$1.878bn for the quarter – up 10.4% on prior year (+9.2% excluding the impact of business acquisitions and disposals) led by:
 - Growth in our retail network TTV in Australia and NZ together with our Australian wholesale and corporate travel management businesses. This was offset by:
 - New Zealand wholesale businesses TTV fell 14.2% due to the elimination of unprofitable contracts.
 - Australian Inbound TTV declined by 9.7% due to a decline in UK and Asian OTA business
- EBITDA for the quarter was \$24.7m, in line with our expectations and up 7.7% on the previous corresponding period.
- EBITDA to revenue margin of 24.6% was for the quarter compared to 24.4% for the same period last year. Both periods exclude the impact of the new lease accounting standard.
- We reconfirm our full-year EBITDA guidance of \$86.0 to \$90.0m* (This excludes the impact of the new lease accounting standard)

*The guidance is subject to no material and unexpected deterioration in operating conditions or material unforeseen adverse events.



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Formal AGM Business

Adoption of Remuneration Report



Resolution 1

“Approve the Remuneration Report for the year ended 30 June 2019, as set out in the 2019 Annual Report.”

Adoption of Remuneration Report



Questions?

Adoption of Remuneration Report



<u>Proxy Votes</u>	Number	Percentage
For	58,175,913	99.90
Against	30,371	0.05
Open-Usable	30,225	0.05
Abstain	74,892	
Excluded	40,210,150	



Election of Mike Ferraro

Resolution 2.1

“That Mike Ferraro, who retires by rotation in accordance with the Company’s Constitution and the ASX Listing Rules and, being eligible, is elected as a director of HLO.”





Questions?





<u>Proxy Votes</u>	Number	Percentage
For	98,330,338	99.88
Against	66,307	0.07
Open-Usable	49,425	0.05
Abstain	75,481	
Excluded	-	



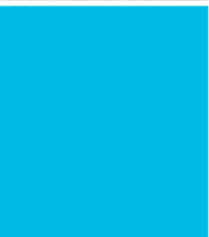


Election of Andrew Finch

Resolution 2.2

“That Andrew Finch, who retires by rotation in accordance with the Company’s Constitution and the ASX Listing Rules and, being eligible, is elected as a director of HLO.”





Questions?



Election of Directors



<u>Proxy Votes</u>	Number	Percentage
For	98,361,825	99.91
Against	34,820	0.04
Open-Usable	49,425	0.05
Abstain	75,481	
Excluded	-	



Adoption of Omnibus Incentive Plan



Resolution 3

“Approve the establishment and operation of the Omnibus Incentive Plan and the issue of performance rights, options and shares under that Plan.”

Adoption of Omnibus Incentive Plan



Questions?

Adoption of Omnibus Incentive Plan



<u>Proxy Votes</u>	Number	Percentage
For	57,675,971	99.58
Against	212,129	0.37
Open-Usable	29,875	0.05
Abstain	93,426	
Excluded	40,510,150	



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Poll Procedure



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Closure of Poll

Results of Poll Announced to ASX



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Thank-you