



23 March 2020

The Manager  
Markets Announcement Office  
ASX Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

Please find attached the Helloworld Travel Limited Update on Coronavirus Impacts ASX and Media Release.

David Hall  
**Chief Financial Officer**  
**Helloworld Travel Limited**  
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Authorised for release by Helloworld Travel Limited's Board of Directors.

**Melbourne, 23 March, 2020**

## **ASX & MEDIA RELEASE**

# **HELLOWORLD TRAVEL UPDATE ON CORONAVIRUS IMPACTS**

Helloworld Travel Limited (ASX: HLO) has today announced further actions to mitigate the impact of the unprecedented and rapidly evolving COVID-19 landscape.

- Cost reduction actions set to deliver significant savings with immediate effect
- Current liquidity, existing facilities and cost reduction actions will enable HLO to withstand the significant reduction in trading activity while still preserving the capability to ramp up operations when travel demand rebounds.

### **Personnel Reductions**

Given the rapid de-escalation of international and now domestic travel, demand for our services has declined and is very unlikely to show any signs of recovery in the next four to six months. We do not anticipate this changing until the rate of infection is declining in our region and elsewhere and a vaccine is either available or on its way with some degree of certainty.

HLO is committed to managing the adverse impact on its business but to preserve as many jobs as possible, some very difficult decisions have had to be made. These include:

- Actioning 275 redundancies in various countries at an estimated cost to the business of \$1.4 million.
- Today we are initiating the stand down of approximately 1,300 or 65% of the HLO Group workforce across all countries in accordance with the laws in each of the jurisdictions in which we operate. These will commence from 5.00pm Tuesday 24 March for an initial period of ten weeks to 31 May 2020.
- All remaining personnel will with immediate effect, be offered reduced working hours and this will be further assessed depending on work volumes in the weeks and months ahead.

Personnel made redundant or stood down will have access to the enhanced assistance schemes available in Australia or their country of employment.

## **Other measures**

In addition to the cost reduction measures already announced:

- The CEO and Executive Director will, effective immediately, take no salary (previously advised 30% and 25% cut respectively) for the next three and half months to 30 June 2020;
- Direct Reports to the CEO will have a further 15% reduction for the same period making the total reduction 40%;
- We have or are in the process of re-negotiating rents with our major landlords and they have agreed to more favourable terms over the next six to nine months.

At the same time, we have frozen membership and marketing fees for all network members for a six-month period from April 2020 to end September 2020 to assist our 2,500 network members around Australia and New Zealand and are working with them to assist in access to the various national and State Government initiatives announced for SME's over the last two weeks.

## **Cash preservation - demonstrable action to reduce cash outgoings**

- All discretionary expenditure has ceased;
- Marketing and Advertising activity has ceased until further notice;
- Major project expenditure has been materially curtailed or put on hold.

The aggregate of these initiatives will significantly reduce HLO's monthly outlays by approximately 80%.

Further, HLO is working with the Australia Taxation Office to expedite the receipt of outstanding company income tax refunds and recoupment of current year tax instalments.

## **HLO welcomes Government stimulus programs**

HLO will draw on all available government assistance in Australia, New Zealand and elsewhere to support the business and co-ordinate with the relevant agencies in support of our personnel. As stated above, we are also working with our agency members to ensure that they access the various assistance packages available in Australia or their country of employment.

HLO welcomes the recently announced State government concessions with respect to payroll tax and other initiatives.

Finally, we thank our personnel, our partners and our customers for their amazing support at this very difficult time.



**About Helloworld Travel Limited**

*Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel networks, corporate travel management services, destination management services (inbound), air ticket consolidation, wholesale travel services, and online operations.*

*Helloworld Travel is the proud naming rights partner of Volleyball Australia and the Helloworld Travel Volleyroos men's and women's national teams.*

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