

## **HELLOWORLD TO DIVEST CORPORATE AND ENTERTAINMENT TRAVEL BUSINESSES IN AUSTRALIA & NEW ZEALAND**

### **Melbourne, 15 December 2021**

Helloworld Travel Limited (ASX: HLO) today announces that it has entered into a binding agreement to divest its corporate and entertainment travel businesses in Australia and New Zealand to Corporate Travel Management Limited (ASX:CTD) (“CTM”) for an enterprise value of A\$175 million.

HLO will receive transaction consideration of A\$100 million in cash (“Cash Consideration”) and A\$75 million in CTM shares (“Scrip Consideration”)<sup>1</sup> escrowed 12 months from the date of completion.

On a pro forma normalised basis, the corporate and entertainment travel businesses achieved normalised EBITDA of approximately A\$22 million in FY19 representing a transaction multiple of 8x.

The cash consideration received will be used to repay debt, provide additional liquidity, capital management and to support growth opportunities in HLO’s retail and leisure travel businesses as activity rebounds following the COVID-19 disruption. The transaction will increase total liquidity to A\$155 million increasing net cash to A\$85 million.

The Transaction represents strong value creation for HLO shareholders following a period of successful contract wins and extensions in the Corporate Business and HLO expects to recognise a profit on sale.

Helloworld will continue to focus on its leisure and corporate travel networks, its air consolidation business, the wholesale and inbound businesses and its logistics business as Australia, New Zealand and the South Pacific continue to recover and reopen to the world following the impact of COVID-19. This transaction will provide Helloworld with flexibility to capitalise on the travel rebound as pent-up consumer demand and high levels of household savings are met with opening borders.

This recovery is already underway, with Helloworld recording non-Corporate TTV in November of A\$94.8 million, up 50.5% on October 2021 and 191.7% on November 2020.

The transaction is subject to customary conditions, including regulatory and customer approvals. Subject to the timing of these conditions being met, completion is expected to occur during the first quarter of the 2022 calendar year.

HLO Chief Executive Officer and Managing Director, Andrew Burnes said, “While our corporate and entertainment travel businesses are in the early stages of benefiting from the COVID-19 rebound, we believe this transaction is at a compelling valuation to maximise HLO shareholder value and that will allow HLO to focus on operations which pre COVID-19, represented 80% of our TTV. This will allow the business to capitalise on what we expect to be very significant opportunities during the recovery period ahead.”

This announcement has been approved by the Board.

Andrew Burnes. AO  
Chief Executive Officer

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<sup>1</sup> Subject to customary pre-completion adjustments.

### **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.*

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