



2<sup>nd</sup> May 2022

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 ASX Release: Trading Update for the March Quarter 2022.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Sylvie Moser". The signature is written in a cursive style.

Sylvie Moser  
**Group Company Secretary**  
**Helloworld Travel Limited**  
**Ph: +61 3 9867 9600**



## ASX ANNOUNCEMENT

Melbourne, 2<sup>nd</sup> May 2022

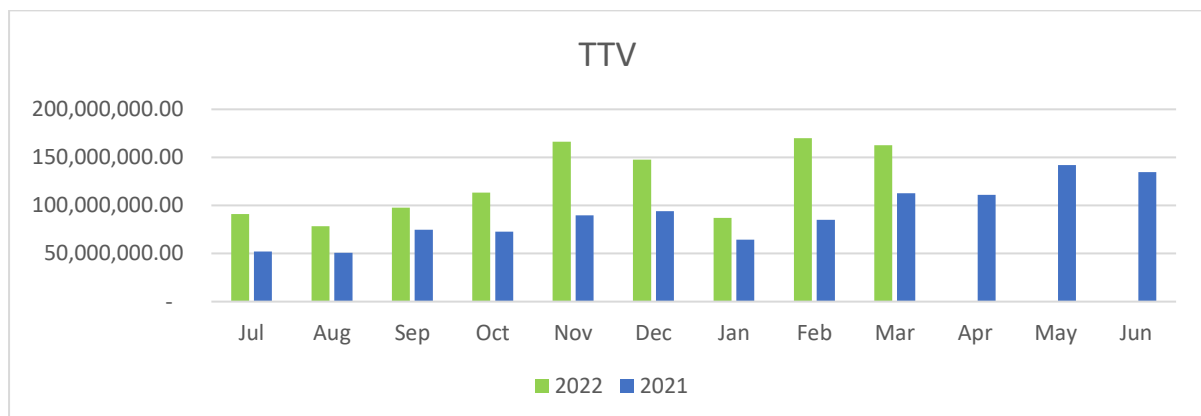
### HELLOWORLD MARCH QUARTER TRADING UPDATE

#### ***Post-Covid Recovery Continues as Borders re-open***

Helloworld Travel Limited (ASX: HLO) provides the following trading update for the March quarter, 2022.

#### **Recent trading results and liquidity position**

- HLO's Total Transaction Value<sup>1</sup> (TTV) for the March quarter (based on unaudited management accounts) was \$419m, up 60% on the same period last year. TTV for January was \$87m, impacted by the Omicron outbreak, however TTV improved, as expected, in February and March.



- Revenue for the period totaled \$22.8m, up 52% on the prior corresponding period (pcp) reflecting a revenue margin<sup>2</sup> of 5.43%.
- EBITDA<sup>3</sup> loss for the quarter was \$1.9m compared with \$4.0m in Q3 FY21. January saw a loss of circa \$1.5m, February and March saw combined losses of less than \$0.5m.
- HLO notes that the March quarter last year benefitted from \$4.8m of wage subsidies in Australia and NZ, which offset gross employee costs of \$16.4m for the period reducing the net cost to \$11.6m. This compared with gross and net salary costs of \$16.7m in the current quarter, a small increase of \$0.3m despite large increases in volumes on the pcp.
- TTV on non-corporate business was up 117% and revenue up 89% on the pcp, showing strong growth on the road out of the pandemic.
- On a geographical basis, in Australia, the EBITDA loss was \$1.1m for the quarter, in New Zealand the EBITDA loss was \$0.7m and our Fiji operations lost \$0.1m.

## **HLO Wholesale**

- Wholesale TTV is tracking 154.3% compared to prior year in Australia on a YTD basis despite the lockdowns in Q1, the Omicron outbreak and floods in New South Wales and South-East Queensland. The opening of international borders, stable domestic border arrangements and the return of inbound tourism are expected to contribute to continued growth in the coming period.
- In New Zealand, our wholesale businesses are up 153% on a YTD basis on pcp. Wholesale revenue in Q3 was up 86% on the same period last year, this is despite the extended border closures and lockdowns over the course of the financial year. It is expected that the opening of NZ borders being brought forward for tourist travel this will drive growth in TTV and revenue.

## **HLO Retail**

- HLO's retail business in Australia has shown significant improvement on the prior year with TTV growth of 145% for the March quarter and 164% improvement YTD. Forward bookings have also increased in retail, with the return of cruise now set for April and stabilized borders.
- In New Zealand retail was up 61.6% on the previous year and it is expected that forward bookings and inbound and outbound tourist travel will see TTV continue to improve in the coming six months.

## **HLO Corporate businesses**

- HLO's corporate businesses comprised QBT, TravelEdge and Show Travel in Australia with APX and Atlas in New Zealand.
- Quarter three TTV in travel management was 119% of the pcp.
- The corporate travel management business sale to Corporate Travel Management (ASX:CTD) was completed on 31 March 2022.

## **HLO Retail networks in Australia and New Zealand**

- HLO's retail networks in Australia and New Zealand have continued to show steadfast resilience throughout the pandemic with the store-based businesses in Australia declining by 20% and home-based businesses increasing by 25% while total NZ network members have reduced by approximately 30%.
- The multiple tranches of the Consumer Travel Support Program together with State Government assistance has assisted agents across Australia while in New Zealand agents have benefited from the million Consumer Travel Reimbursement Scheme.
- Over the last six months, some multi-agency owners have consolidated some of their outlets while other agencies have scaled down their businesses or moved to home-based agencies or broker networks.

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1. TTV does not represent revenue in accordance with Australian Accounting Standards and is not subject to auditor review. TTV represents the price at which travel products and services have been sold across the Group, as agent for various airlines and other service providers, plus revenue from other sources. The Group's revenue is, therefore, derived from TTV. TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

2. Revenue margin has been calculated as Revenue as a percentage of TTV.

3. EBITDA has been amended in this financial year to exclude all AASB16 Leases associated expenses.

HLO's network member status as at end March 2022 was:

<b>Australia</b>	<b>March 2020</b>	<b>December 2021</b>	<b>March 2022</b>
Total Australia	<b>1,895</b> 1,323 agencies +572 home-based businesses	<b>1,827</b> 1,088 agencies +739 home-based businesses	<b>1,753</b> 1,039 agencies +714 home-based businesses
Total New Zealand	<b>501</b> 210 agencies +291 home-based businesses	<b>341</b> 107 agencies +234 home-based businesses	<b>317</b> 104 agencies +213 home-based businesses
<b>Total</b>	<b>2,396</b>	<b>2,168</b>	<b>2,070</b>

### Outlook

- Q3 FY22 up 60% in TTV and 52% in revenue
- EBITDA loss for the quarter improved by 53% compared with Q3 2021 despite \$4.8m reduction in Government wage subsidies.
- Cruise operations recommenced in Australia in April 2022 and together with inbound tourist travel to Australia and Fiji now permitted and NZ easing restrictions over coming months.
- International travel has resumed, and confidence is returning as travelers book with longer lead times and higher average spend.
- Completion of the sale of the corporate division has strengthened the balance sheet and allowed focus toward the growing leisure market.
- HLO has zero bank debt and sufficient liquidity to maintain operations indefinitely on current liquidity levels, cash burn rates and anticipated trading levels.
- Based on retail, wholesale and inbound booking intakes across the first three months of 2022 we expect a rapid improvement in revenues across the coming months.

This announcement has been approved by the Board.

Andrew Burnes. AO  
Chief Executive Officer

- ENDS -

### ***About Helloworld Travel Limited***

*Helloworld Travel Limited (ASX: HLO) is a leading Australian and 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.*

### **INVESTOR CONTACT:**

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