



11 October 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 September Quarter 2022.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Sylvie Moser".

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



ASX ANNOUNCEMENT

Melbourne, 11 October 2022

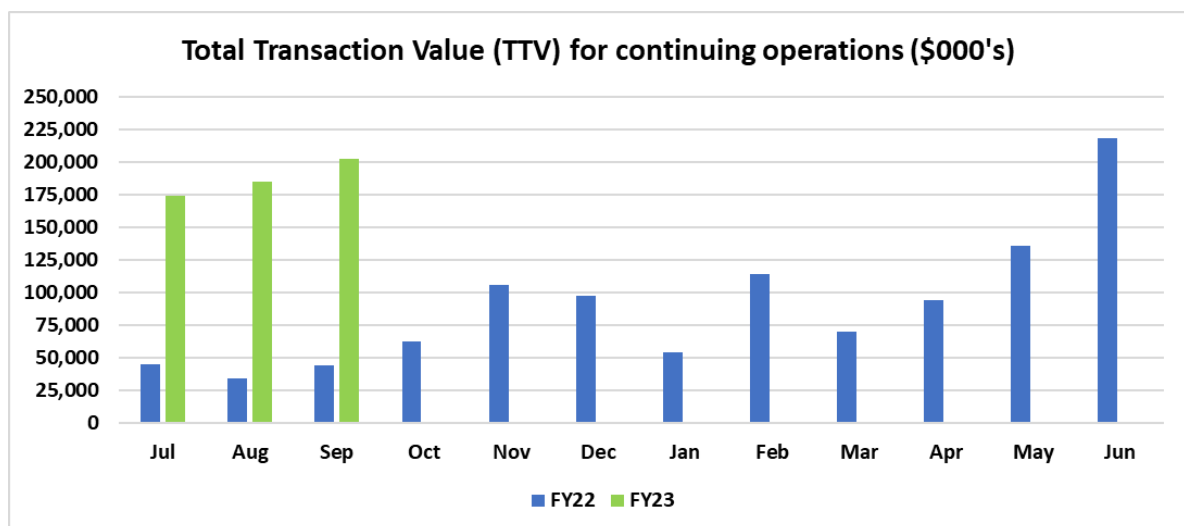
TRADING UPDATE FOR THE SEPTEMBER QUARTER 2022

Helloworld re-affirms guidance with strong first quarter

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

Recent trading results and liquidity position

- EBITDA¹ for the quarter (unaudited) was \$5.3m compared with an EBITDA loss of \$3.3m in Q1 FY22 for continuing operations. It is pleasing to report that all three months of the quarter delivered positive EBITDA.
- Total Transaction Value² (TTV) for the September quarter was \$561.0m, up 352% on the same period last year on a continuing operations basis.



- Revenue³ for the quarter (unaudited) totalled \$29.3m, up 174% on the prior corresponding period for continuing operations. The revenue margin² for the quarter was 5.2%.
- Helloworld continues to maintain tight control of costs, this supporting the operating result and ensuring that we are well positioned to take advantage of the growing demand for travel. HLO has hired in excess of 150 FTE since the start of the year, growing core capability and welcoming a number of former staff back to the Group to support the growth.
- On a geographical basis, EBITDA for the quarter was \$4.6m in Australia, \$0.5m in New Zealand and \$0.2m for Rest of World (ROW).

HLO Wholesale / Inbound

- Wholesale TTV was up 200% on the same quarter in the prior year in Australia. Capacity has continued to return domestically for hotels and tour operators, and international travel has continued to grow. The Australian destination management business is also up 829% on the prior corresponding period as a result of open international borders. Further, we are holding strong forward bookings for the coming summer period.
- In New Zealand, our wholesale business is up 59% on the corresponding quarter of the prior year reflecting a steady return as borders opened in August. The New Zealand destination management business continues to recover with borders now open and the summer season approaching.

HLO Retail

- HLO's retail business in Australia and New Zealand has shown significant growth on the prior year with TTV up 395% for the quarter in Australia and 288% in New Zealand with Australians and New Zealanders taking advantage of the first northern hemisphere summer without border restrictions and increased domestic travel. It is expected that cruise will return strongly as more capacity arrives in Australian waters in the coming months.
- Network numbers continue to hold fast as consumers seek out their travel professional to help craft and manage their travel demands. HLO's new brand campaign across Australia is now running on TV, radio, in the press and outdoor, and is driving new customers in the door of our branded and associate networks.

Entertainment Logistix

- Entertainment Logistix, Helloworld's concert, theatre and event logistics business, has seen significant improvement since the removal of restrictions on large group gatherings.
- Gross revenues have increased 38% on the prior corresponding period. Strong forward bookings and the return of major stadium tours to Australia will see this growth continue.
- Investments in additional specialist equipment, new vehicles and a major logistics hub in Western Sydney are being made to further enhance this businesses capacity to meet demand.

HLO retail networks in Australia and New Zealand

- Helloworld's retail networks have stabilised and we continue to invest in supporting new and existing franchisees to return to shop fronts.
- Our recently launched Helloworld Travel Academy is supporting the network in onboarding new travel professionals.
- As at 30 September 2022, the Helloworld network member status was:

	September 2022	June 2022	September 2021
Australia & New Zealand	2,051	2,064	2,184

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1. EBITDA represents 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.
 2. 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. TTV does not represent revenue in accordance with Australian Accounting Standards. TTV does not represent Group cash inflows as some transactions are settled directly between the customer and the supplier.
 3. Revenue margin has been calculated as revenue (excluding other income) as a percentage of TTV.

Outlook

- International and domestic travel is returning and confidence is improving as travellers book with longer lead times.
- New Zealand borders reopened to tourists from around the world in August, which is expected to generate strong demand for the region generally.
- Cruise operations are increasing as more capacity returns to Australian waters in Q2 for the summer cruise season.
- Helloworld has no external borrowing and strong liquidity.
- The business continues to invest in its own key technologies.
- Despite the economic downturn, travel continues to be regarded as a non-discretionary component of the family budget.
- HLO is re-affirming its guidance to achieve an underlying EBITDA of \$22m-\$26m for the FY23 year, subject to no material adverse change in operating conditions impacting our business and the continued recovery from the COVID-19 pandemic.

Andrew Burnes. AO
Chief Executive Officer

- ENDS -

This announcement has been approved by the Board.

About Helloworld Travel Limited

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

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