



ASX ANNOUNCEMENT

Melbourne, 27 April 2023

TRADING UPDATE FOR THE MARCH QUARTER 2023

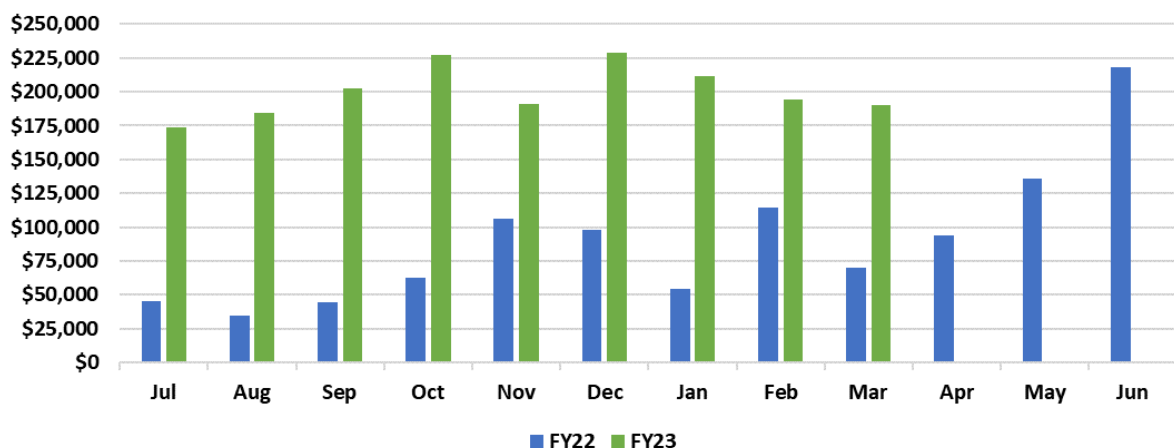
Helloworld increases guidance after strong third quarter

Helloworld Travel Limited (ASX: HLO) provides the following trading update for the March quarter, 2023.

Recent trading results and liquidity position

- On a continuing operations basis underlying EBITDA¹ for the third quarter (unaudited) was \$14.2m (compared with an underlying EBITDA loss of \$4.9m in Q3 FY22) and on a YTD basis unaudited underlying EBITDA was \$29.8m compared to a YTD loss of \$12.3m in FY22.
- Total Transaction Value (TTV²) for the March quarter was \$596.2m, up 150% on the same period last year on a continuing operations basis while YTD TTV was \$1.804 billion compared to \$629.3m YTD in FY22, an increase of 187%.

Total Transaction Value (TTV) for continuing operations (\$'000's)



- Total revenue and other income for the quarter totalled \$46.9m, up 240% on the prior corresponding period for continuing operations and on a YTD basis was \$120.1m, up 186% on YTD FY22. The revenue margin³ for the quarter was 7.7%.
- Helloworld continues to maintain its costs and deliver improving EBITDA to revenue margin outcomes.

- On a geographical basis underlying EBITDA in Australia was \$10.5m for the quarter and \$23.4m YTD, while in New Zealand underlying EBITDA was \$3.1m for the quarter and \$5.3m YTD. HLO's Rest of World (ROW) operations achieved an underlying EBITDA of \$1.1m YTD.

HLO Underlying EBITDA to Revenue margin

- HLO continues to see improvement in our EBITDA to revenue margin. On an underlying basis, the March quarter saw an underlying EBITDA to revenue margin of 30.4%, which took the year to date underlying EBITDA to revenue margin to 24.8%.

Outlook – revised guidance

- Helloworld has no external borrowings and strong liquidity;
- Leisure travel demand continues to hold up strongly despite challenging economic conditions;
- Demand for international and domestic travel continues to improve with a trend towards longer trips and longer lead times to overcome global supply constraints;
- Inbound arrivals to Australia and New Zealand continue to improve from western markets while demand across traditional Asian markets remains slow;
- Cruise capacity has increased significantly with cruise bookings now being taken through to the end of 2024 and early 2025;
- HLO continues to invest in our key own technology platforms - Air Tickets, ResWorld, Mango and Ready Rooms; and
- Based on our YTD results and expectations of trading across the June quarter, HLO is increasing its previous guidance for underlying EBITDA from **\$28m-\$32m** to an underlying EBITDA of **\$38m-\$42m** for FY23; subject to no material adverse change in operating conditions impacting the business and continued recovery in aviation capacity.

This announcement has been approved by the Board.

**Andrew Burnes AO,
Chief Executive Officer,
Managing Director**

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1. Underlying EBITDA represents Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) excluding significant items. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Chief Executive Officer (CEO) and the Board to assess the financial performance of the Group and operating segments.
 2. 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. TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.
 3. Revenue margin has been calculated as total revenues (excluding other income) as a percentage of TTV.

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About Helloworld Travel Limited

- *Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail leisure travel and business travel networks, travel broker networks, destination management services (inbound), air ticket consolidation, tourism transport operations, wholesale travel services, online operations and event-based freight operations, all supported by world class proprietary and non-proprietary distribution systems.*
- *HLO has over 650 staff located in Australia, New Zealand, Fiji and Greece, and over 2,000 members of its travel agency networks in Australia and New Zealand.*
- *Helloworld Travel is a proud sponsor of the School of St Jude in Tanzania.*

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