



28 August 2023

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

Dear Sir/Madam,

Helloworld Travel Limited Investor Presentation for the full year ended 30 June 2023

Further to the Company's announcement to the market today on the financial results for the full year ended 30 June 2023, please find attached the Investor Presentation.

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

Authorised for release by Helloworld Travel Limited's Board of Directors.



helloworld

TRAVEL LIMITED

HELLOWORLD TRAVEL LIMITED
AND CONTROLLED ENTITIES

2023

YEAR ENDED 30 JUNE 2023

ANDREW BURNES, AO – CEO
MICHAEL SMITH – CFO



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This presentation contains forward-looking statements which can be identified by the use of words such as “may”, “should”, “will”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “scheduled” or “continue” or similar expressions. Any forward-looking statements contained in this presentation are subject to significant risks, uncertainties, assumptions, contingencies and other factors (many of which are outside the control of, and unknown to, Helloworld Travel Limited and its directors, employees, agents or associates), which may cause the actual results or performance to be materially different from any future result so performed, expressed or implied by such forward looking statements. There can be no assurance or guarantee that actual outcomes will not differ materially from these statements.

This document includes the presentation of results on a statutory basis as well as non-statutory information. All financial results are presented in AUD (unless otherwise stated) and rounded to millions (unless otherwise stated). Data used for calculating percentage movements has been rounded to thousands.

Key non-statutory financial metrics

Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards and is not subject to audit. 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.

Earnings Before Interest Expense, Taxation, Depreciation and Amortisation (EBITDA) is a financial measure which is not prescribed by Australian Accounting Standards and is not subject to audit.

Underlying EBITDA represents 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 segments and is not subject to audit.

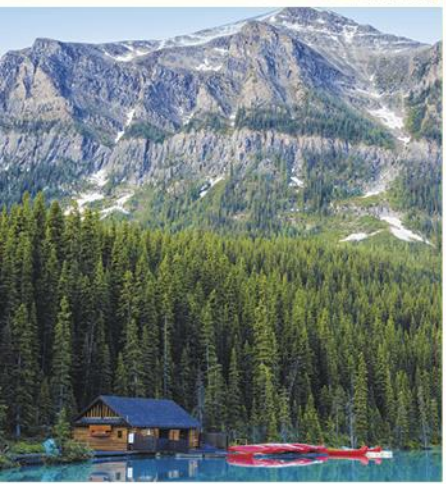
A reconciliation of Underlying EBITDA to profit/(loss) before income tax is provided in Note 2.3: Segment Information of the Consolidated Financial Statements.

Unless otherwise stated, prior year comparatives are based on continuing operations and exclude the corporate travel management division which was divested on 31 March 2022.

Our travel operations

- Retail and corporate travel agency franchise and buying group networks in AU and NZ.
- International and domestic leisure travel wholesaling.
- Inbound tour operating in AU, NZ, and FJ.
- Air ticket consolidation.
- Online B2C travel.
- Luxury tour operating in AU and international.
- Major event freight services, logistics and warehousing Australia wide.

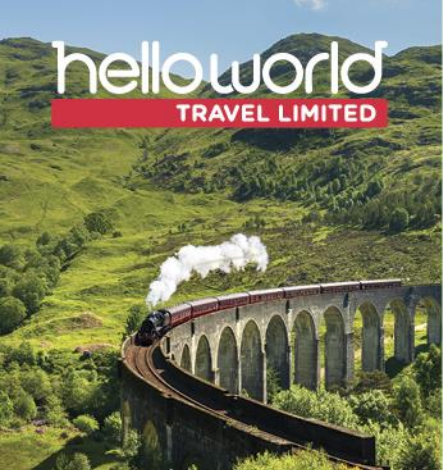




Financial highlights from FY23

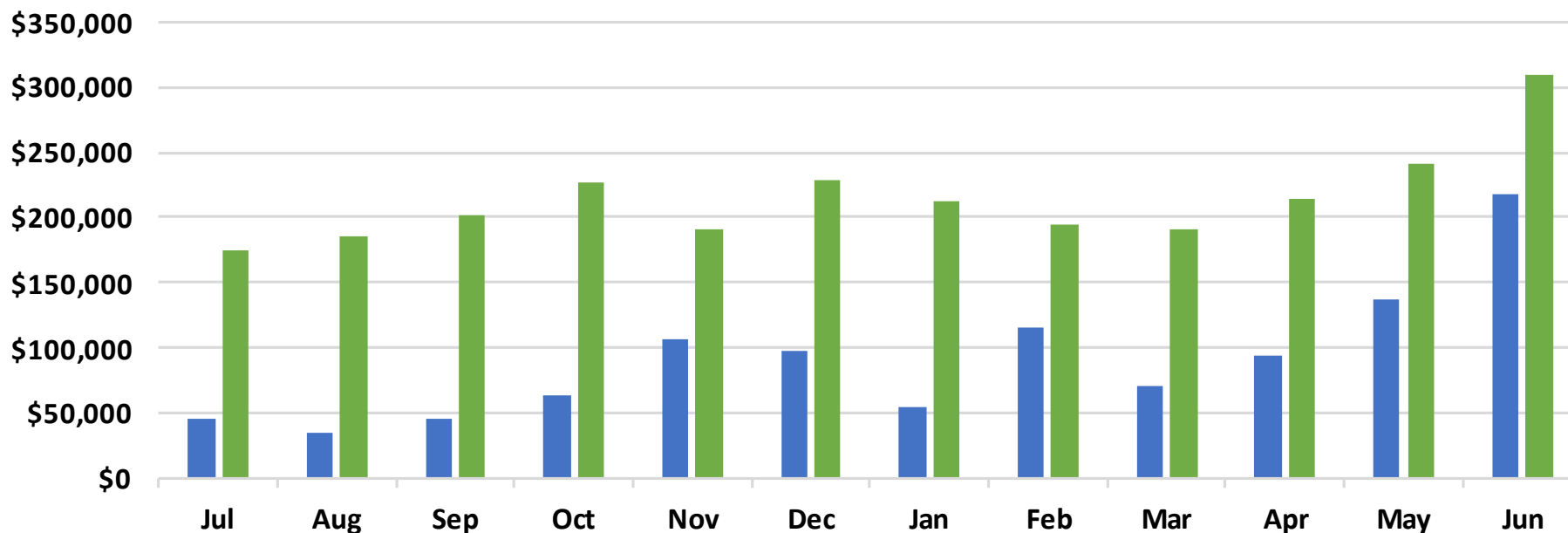
- Underlying EBITDA of \$44.1 million compared to a \$10.6 million underlying EBITDA loss in the prior year.
- Total Transaction Value (TTV) of \$2.57 billion (FY22: \$1.08 billion); an increase of \$1.49 billion or 138.5%.
- Total revenue increased to \$165.9 million (FY22: \$69.3 million); growth of \$96.6 million or 139.5%.
- Profit/(loss) after income tax from continuing operations of \$19.2 million (FY22: \$28.8 million loss).
- Continued investment in our proprietary IT systems - ResWorld, Mango, ReadyRooms and Smart Tickets.
- Earnings per share of 12.4 cents (FY22: 18.1 cents loss).
- Final dividend of 6 cents per share, fully franked (payment date: 22 September 2023).
- Strong liquidity position with significant cash reserves, shares in ASX listed Corporate Travel Management (ASX code: CTD), and no bank debt.





TTV increased 138% YoY to \$2,569 million

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



■ FY22 ■ FY23





Group results

	FY23 \$000's	FY22 \$000's	Change %
Total Transaction Value (TTV)	2,568,866	1,077,289	138.5%
Revenue from contracts with customers	160,884	63,534	153.2%
Revenue margin %	6.3%	5.9%	
Other income	1,837	5,178	-64.5%
Interest income	3,193	558	472.2%
Total revenue and other income	165,914	69,270	139.5%
Employee benefit expenses	(53,044)	(45,683)	16.1%
Selling & marketing expenses	(36,644)	(10,909)	235.9%
Comms & technology expenses	(7,803)	(6,883)	13.4%
Other expenses	(30,621)	(16,353)	87.3%
Share of profit/(loss) of equity accounted investments	1,981	(73)	
Underlying EBITDA profit/(loss)	44,119	(10,631)	
Underlying EBITDA margin %	26.6%	(15.3%)	
EBITDA profit/(loss)	39,783	(10,631)	
EBITDA margin %	24.0%	(15.3%)	
Depreciation and amortisation	(18,023)	(22,747)	-20.8%
Interest expense	(703)	(2,721)	-74.2%
Profit/(loss) before income tax from continuing operations	21,057	(36,099)	
Profit/(loss) after income tax from continuing operations	19,185	(28,785)	
Total profit/(loss) from discontinued operations after tax	(1,822)	118,631	
Profit after tax for the year	17,363	89,846	-80.7%
Basic earnings/(loss) per share (cents) from continuing operations	12.4	(18.1)	

FY23 notes

- TTV more than doubling year-on-year (138% growth).
- Growth in revenue margin to 6.3% on the back of improved commission margin (note: revenue margin does not include interest and other income).
- Increase in interest income with prudent cash management.
- Resumption of national marketing campaigns.
- Reduction in RoU assets and full amortisation of certain intangible assets has driven the reduction in D&A
- Ongoing cost control, whilst continuing to invest for future growth, remains a critical focus for management.



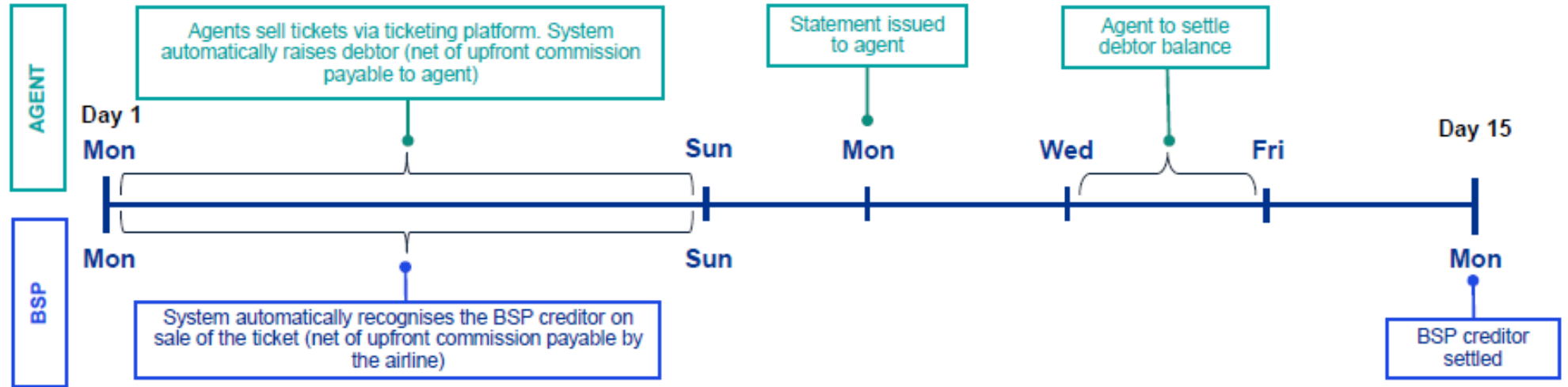
Cash flow

	FY23 \$000's	FY22 \$000's
Continuing operations	26,878	5,523
Discontinued operations	-	3,897
Net operating cash flows	26,878	9,420
Transfers into term deposits	(8,000)	(6,000)
Purchases of intangibles	(1,183)	(3,522)
Purchases of property, plant and equipment	(2,257)	(344)
Payments for investments – ELX, Australiareiser, Tin Alley	(6,197)	-
Proceeds from sale of CTM shares	36,327	-
Proceeds from sale of property, plant and equipment	570	133
Proceeds from sale of Corporate business, net of costs	6,113	98,977
Dividends received	1,972	-
Sub total – continuing operations	27,345	89,244
Discontinued operations	-	(214)
Net investing cash flows	27,345	89,030
Dividends paid	(18,483)	-
Repayment of borrowings	-	(81,000)
Payment of principal elements of leases	(5,257)	(5,562)
Sub total – continuing operations	(23,740)	(86,562)
Discontinued operations	-	(669)
Net financing cash flows	(23,740)	(87,231)
Net increase in cash and cash equivalents	30,483	11,219
Increase in cash deposits	8,000	6,000
Net increase in cash and cash equivalents and cash deposits	38,483	17,219

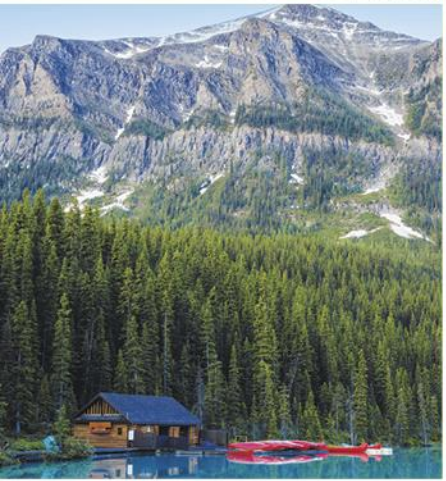
FY23 notes

- Sale of 1.7 million CTD shares.
- 12 cents in fully franked dividends paid to shareholders in FY23.
- Payments for additional 15% stake in Entertainment Logistix and 34% stake in Australiareiser Group funded from cash reserves.
- Zero external bank debt and strong returns on cash holdings with prudent cash management.
- Finalisation of working capital adjustment on sale of Corporate business.
- Strong liquidity position with significant cash reserves and ASX listed CTD shares.

Illustrative example of the BSP cycle

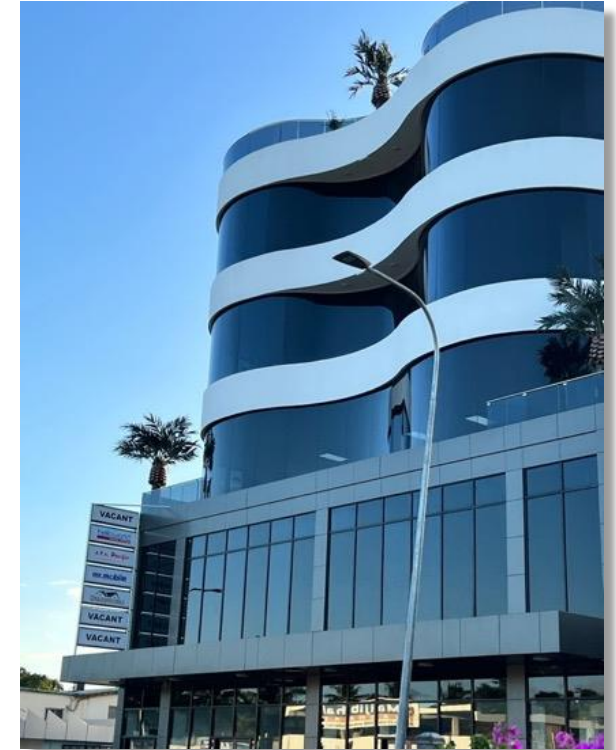


- The timeline above presents the Billing and Settlement Plan (“BSP”) cycle associated with the sale of airline tickets, a major part of Helloworld’s operations.
- Helloworld’s accounting system automatically recognises a receivable due from agents and a payable owing to the airlines when a ticket is sold.
- Agents typically settle ticket sales for the prior Monday to Sunday on a Wednesday. Helloworld is required to settle the BSP airline creditor on the Monday following receipt of those funds.
- The month end net BSP balance varies considerably depending on the day of the week on which it falls.



Strong demand for travel continues

- Strong demand from travellers driven by the removal of border restrictions and increasing supply and capacity.
- Agent network members have reported a very busy year and travellers understand the value of having a trusted advisor for their travel needs.
- To help grow personnel numbers for our agents, Helloworld launched the Helloworld Travel Academy in Australia in May 2022 and at the end of FY23 over 325 trainees had completed the course or are currently enrolled. The academy was launched in New Zealand in March 2023.
- Air Ticket TTV has reached 98% of FY19, despite the year starting with reduced capacity and several airlines yet to return to Australia.
- From a TTV perspective, lower volume offset by higher ticket pricing. Availability is increasing and prices are expected to stabilise in FY24.
- Wholesale business demand to major destinations increased dramatically throughout FY23 with the opening of international borders and the resumption of cruising.
- Sales for our Inbound division and for our wholesale partners around the world have also increased and are now back at over 60% of 2019 levels.



Strong demand for travel continues

- Air capacity continues to recover; currently at approx. 75-85% of pre-COVID levels. Helloworld's premium air sales have recovered faster than total air sales.
- Recovery in inbound passenger numbers has been slower than outbound, with the majority of these arrivals being for VFR rather than leisure.
- While recovery has been strong from UK/Europe, inbound growth in leisure arrivals from North America and Asia (except India) has been slow.
- We expect the recovery will continue throughout the FY24 year ahead and we expect FY25 to return to at least FY19 levels (assuming increased airline capacity).

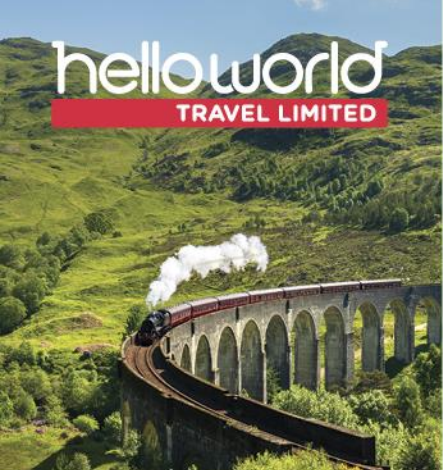
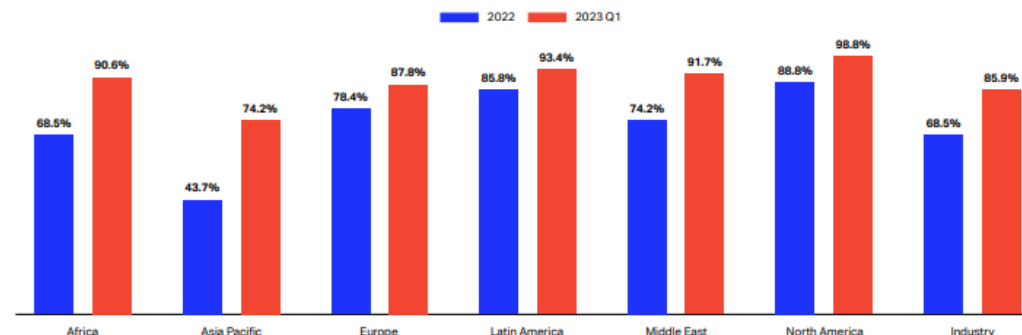
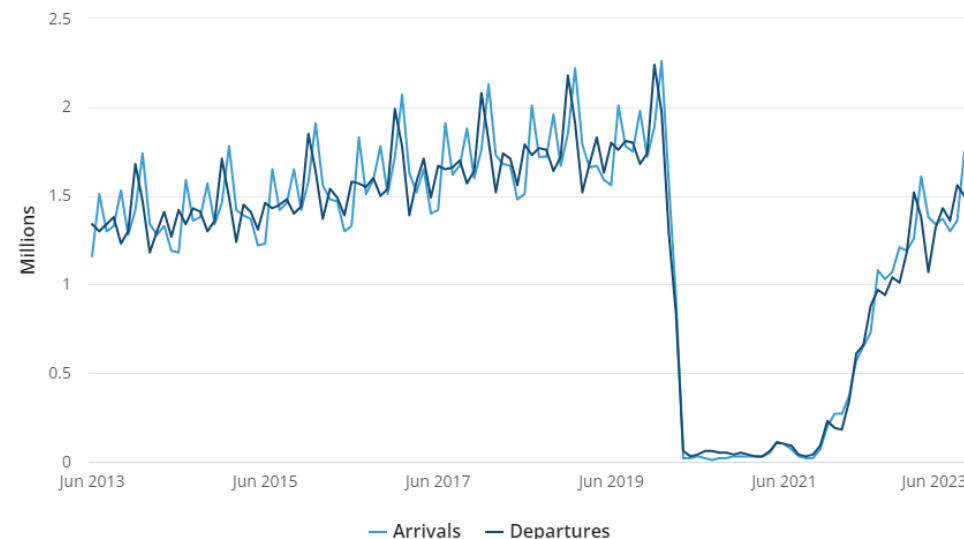


Chart 9: Share of pre-pandemic RPKs by airline region, % of the same period in 2019



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

1.3 Total overseas arrivals and departures - June 2013 to July 2023(a)





Recent acquisitions

Express Travel Group

- 100% stake acquired for \$70 million.
- Retail networks, wholesale operations and ticketing businesses in Australia and New Zealand.
- Ticketing technologies transitioned to Helloworld systems in July 2023.



Australiareiser Group

- 34% stake in an Oslo based B2C travel business.
- Largest specialist travel wholesaler from Scandinavia to Australia, New Zealand and the South Pacific.
- Launch customer for Helloworld's mid-office system, ResWorld, in Europe.



Phil Hoffmann Travel (PHT)

- 40% stake in Adelaide based retail travel agency business.
- Operates in the retail leisure and corporate travel sectors in South Australia from nine locations with over 150 personnel.



Outlook for FY24

- Underlying EBITDA guidance is in the range of \$64-\$72 million for FY24 full year, subject to no materially adverse impacts on our business. This includes contributions from recent acquisitions.
- We expect continued growth in travel volumes during FY24, with FY25 to return to at least FY19 levels.
- Demand for leisure travel expected to continue based on forward travel demands.
- Further reopening of the Asian markets will present ongoing growth opportunities.
- In Q4 FY24 we will be launching our new luxury offering including an expanded Ultimate Journeys range and an exclusive range of premium hotels with tailored special offerings for our key networks.
- Investment in technology, people and infrastructure remains a key area of focus.



Network members - The rise of the Trusted Advisor

Helloworld's agent and broker networks continue to positively respond to the growing travel demand and are a 'trusted advisor' to their clients



2,460 (incl ETG) | 2,064 at 30 June 2022

- Agencies and brokers in Helloworld's networks have reported the demand for their services was extremely strong throughout the entire year and this is continuing into FY24.
- The onboarding of the Express Travel Group networks and members has grown Helloworld's existing networks and is expected to deliver stronger commercial outcomes for the Group and network members alike.
- Magellan Travel has recently released updated branding to deploy to all group member stores, enabling consumers to know they are working with a trusted brand.

Delivering new technology solutions

- Throughout FY23 we continued to invest in our proprietary systems - our retail agency mid-office platform ('ResWorld'), our wholesale and inbound systems ('Mango' and 'Ready Rooms'), and our Air Tickets booking engine ('Smart Tickets').
- Now rolled out to over 600 user consultants, our vision for ResWorld is to become the premier mid-office system for travel agents globally.
- The rollout of ResWorld Europe is expected in the coming year as testing continues with our launch partner, Australiareiser Group.
- Ready Rooms, our global accommodation platform, is now fully deployed having undergone substantial enhancements in the last year, and with releases continuing to improve user experience.
- Smart Tickets has been deployed to Express Travel Group, enabling agents to utilise the best in market flight booking solution.



RESWORLD
Powered by **helloworld**
TRAVEL

Mango

 **smart tickets**



ReadyRooms

Segment results - Australia

	FY23 \$m	FY22 \$m	Change %
Total Transaction Value (TTV)	2,147.0	951.1	125.8%
Revenue and other income	117.0	52.9	121.2%
Revenue margin % ⁽¹⁾	5.3%	5.1%	
Underlying EBITDA	32.9	(7.3)	
Underlying EBITDA margin %	28.1%	(13.8%)	

⁽¹⁾ Revenue margin does not include interest income and other income

- TTV growth of 126% driven by the first full year of open borders for Australia.
- Agent and broker networks continued to report strong growth.
- Revenue growth occurred in all business lines.





Segment results - New Zealand

	FY23 \$m	FY22 \$m	Change %
Total Transaction Value (TTV)	391.0	115.3	239.2%
Revenue and other income	21.1	6.0	249.4%
Revenue margin % ⁽¹⁾	5.2%	4.3%	
Underlying EBITDA	7.3	(2.8)	
Underlying EBITDA margin %	34.7%	(46.5%)	

⁽¹⁾ Revenue margin does not include interest income and other income

- TTV increased 239% year on year, despite borders being closed until August 2022.
- Strong underlying EBITDA showing the strength of the underlying NZ business as border restrictions were relaxed.
- Williment Travel, Helloworld's specialist sports and event travel business saw growth as major sporting events returned in FY23.



Segment results - Fiji

	FY23 \$m	FY22 \$m	Change %
Total Transaction Value (TTV)	6.8	1.7	309.5%
Revenue and other income	3.6	1.0	276.9%
Revenue margin % ⁽¹⁾	52.8%	57.8%	
Underlying EBITDA	1.0	0.0	
Underlying EBITDA margin %	26.0%	n/a	

⁽¹⁾ Revenue margin does not include interest income and other income

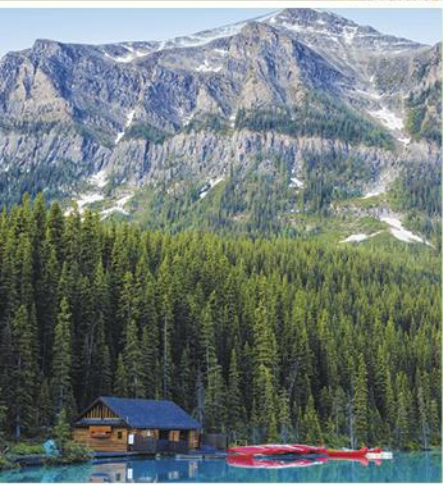
- Since the reopening of the borders into Fiji with the rest of the world, volumes have been steadily increasing.
- Personnel in Fiji continue to provide back-office functions for the Helloworld group.
- TTF and ATS are both well positioned for sustained growth.



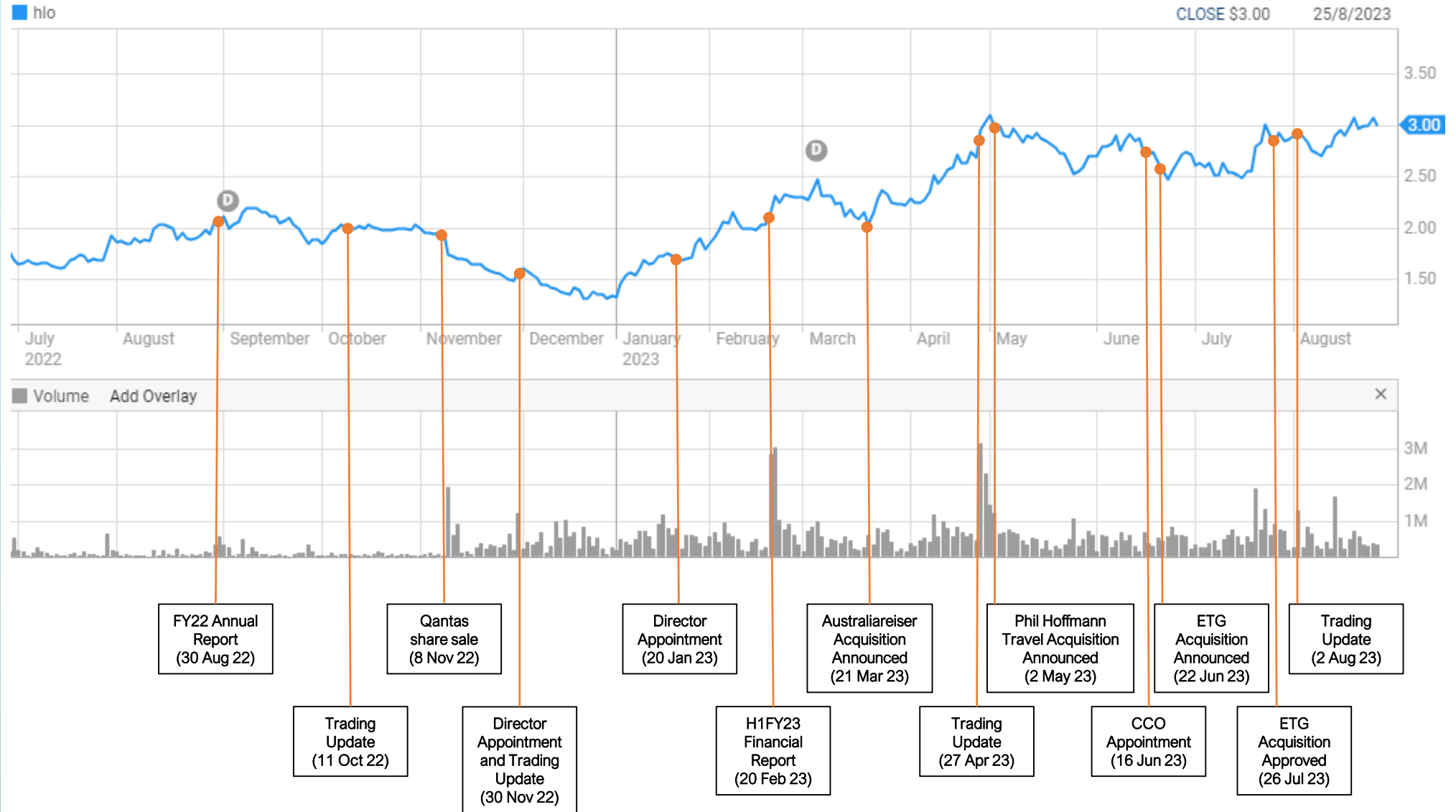
Segment results - Transport, Logistics and Warehousing

	FY23 \$m	FY22 \$m	Change %
Gross revenues	24.0	9.3	159.0%
Underlying EBITDA	2.9	(0.6)	
<i>Underlying EBITDA margin %</i>	12.2%	(6.4%)	

- Entertainment Logistix is Australia's largest provider of specialist transport and logistics services to the entertainment industry.
- Entertainment Logistix fleet has grown to 130 vehicles and trailers.
- Gross revenue increased as a result of the return of major events and acts to Australia.
- Growth is expected to continue as Entertainment Logistix continues to develop and enhance its service offerings.



Share trade activity





Appendix

Company background information

A\$2.71
Share price
at 30 June 2023

155.0 mill.
Shares on issue

A\$420.0 mill.
Market capitalisation
at 30 June 2023

A\$160.9 mill. Cash
A\$0.0 Debt

Board and Management Team

Non-Executive Director and Chairman – Garry Hounsell

Garry was appointed to the Board as Chairman on 4 October 2016 and has extensive Director experience on a wide range of highly successful Boards including Qantas, Treasury Wines, Dulux and Myer.

CEO & Managing Director – Andrew Burnes, AO

Andrew was appointed CEO and Managing Director on 1 February 2016. He founded The Australian Outback Travel Company (which became The AOT Group) in 1987 and merged this business with Helloworld Travel in 2016.

Executive Director & Chief Operating Officer – Cinzia Burnes

Cinzia was appointed on 1 February 2016 and brings extensive sector and management experience to the board, having played a pivotal role in growing The AOT Group for over 25 years and Helloworld Travel since 2016.

Non-Executive Director – Robert Dalton

Robert was appointed to the Board as Independent Non-executive Director and Chair of the Audit & Risk Committee on 9 November 2021. Robert has over 30 years accounting, advisory and leadership experience.

Non-Executive Director – Hon. Martin Pakula

Martin was appointed to the Board as Independent Non-executive Director on 30 November 2022 following his retirement as an MP and Minister in the Victorian Government, where he served as Tourism Minister amongst several other portfolios.

Non-Executive Director – Leanne Coddington

Leanne was appointed to the Board as an Independent Non-executive Director on 1 February 2023 following a long career with Tourism and Events Queensland including 9 years as CEO.

Chief Commercial Officer – Peter Crinis

Peter joined Helloworld in July 2023. Peter has over 25 years' experience in the hotel, hospitality and retail industries across Australia, including as CEO for Crown Sydney & Crown Hotels.

Chief Financial Officer – Michael Smith

Michael was appointed CFO in May 2022. Michael was previously the CFO and CEO of Amplifon Australia. Prior to this Mike was the CFO at Adacel Technologies and a senior manager at PwC.

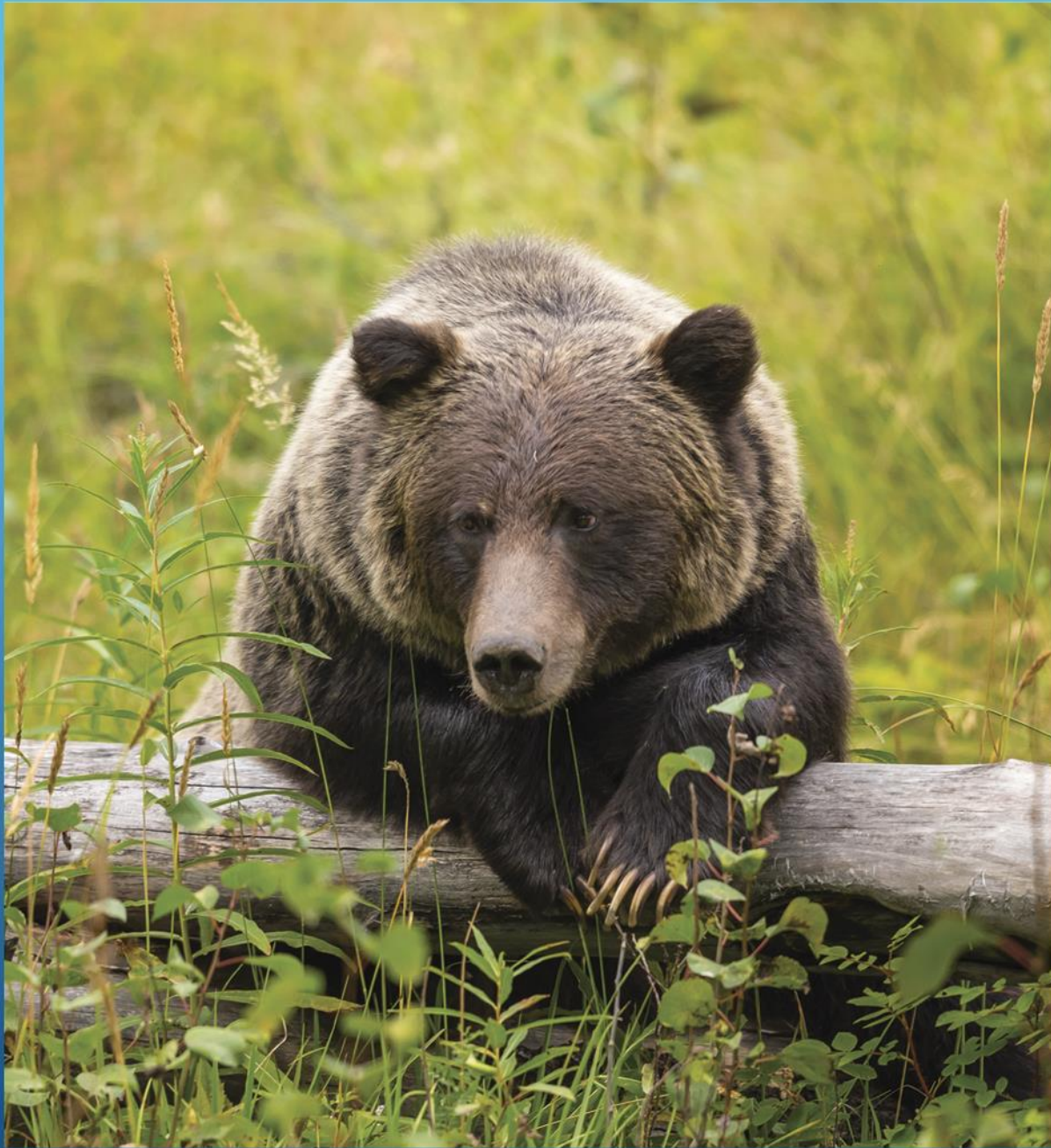
Group Company Secretary – Sylvie Moser

Sylvie joined Helloworld Travel in January 2021 as Company Secretary and was appointed Group Company Secretary in April 2022. Sylvie has several years' experience in CFO and company secretarial roles.



Substantial Shareholders at 30 June 2023

Burnes Group & Associates	40,991,832	26.4%
Spyros and Irene Alysandratos	20,630,306	13.3%
FIL Limited	14,475,534	9.3%
Total Top 10 (as at 30 Jun 2023)	95,642,539	61.7%
Total Top 10 (as at 30 Jun 2022)	108,222,150	69.8%



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