



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 CEO's address and AGM Presentation to be presented at Helloworld Travel Limited's 2022 Annual General Meeting, being held today at 10:00am AEDT.

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**



## **CEO's Address**

**Melbourne, 11 October 2022**

Thank you, Garry.

Thank you for joining us this morning and for your continued support of Helloworld Travel Limited.

In particular, I welcome back our many long-term shareholders and of course welcome our new shareholders.

We are pleased to once again convene this meeting in-person here at our offices in South Melbourne and I extend a warm welcome to those shareholders here today and those who are joining us online.

### **Our travel operations**

Helloworld Travel successfully managed to weather the storm of COVID-19 over the last near on three years.

Australia's borders closed indefinitely on 20 March 2020 with New Zealand, Fiji and much of the world also shutting their borders to all international arrivals and departures.

From the dark days of March 2020, when we were forced to rapidly reduce our costs and our workforce, we are now seeing better days and over the last few months have been able to bring many people back into the business to manage the increased demand for our services and the services of our agency networks.

We are very grateful for the way in which the agents in our networks, our supplier partners and our international wholesale partners have been able to maintain their businesses throughout this period of sustained lockdowns and restrictions and it is exciting to see them emerging from the COVID-19 nightmare.

We are also very appreciative of the way in which our amazing team at Helloworld in Australia, New Zealand and Fiji have been able to manage the many challenges that the pandemic wrought upon us. Since the announcement of border re-openings in Australia and New Zealand late last year, booking numbers have increased steadily to be at approximately 50-80% of pre-COVID-19 levels in terms of new bookings. This has really warmed our spirits and renewed our enthusiasm as the demand for travel is still very present and our supplier partners around the world have been outstanding in facilitating increased availability as demand has grown.

## Travel recovered strongly in Q4

With the re-opening of the New Zealand borders, we have seen bookings for trans-Tasman travel pick up significantly and we expect this coming summer period will be extremely busy in both directions.

In the meantime, Fiji which has been open since December 2021, has seen a steady increase in inbound bookings. It's fantastic to see the Fijian industry coming back to life as international arrivals flock back and the economic benefits of our wonderful industry start to flow to the people who make it so great.

The lifting of the ban on international cruise ships effective 17 April 2022 was welcome news. It had been a long time coming and agents and their clients across Australia were both relieved and thrilled when this ban was finally lifted. Pre-COVID-19, cruise sales made up on average a third or more of most Helloworld network agents' leisure sales and also contributed significantly to their air and land sales, the rebounding cruise market is driving our leisure total transaction value ("TTV") across the board.

## Performance highlights

On 1 April 2022, we announced the completion of the Helloworld Corporate travel management businesses sale in Australia and New Zealand to Corporate Travel Management Limited (ASX: CTD).

Consideration for the sale totalling \$184.8 million (excluding working capital adjustments) and comprising \$100.0 million in cash and \$84.8 million in CTD shares (3,571,429 shares) was received. The net outcome of this was that HLO recorded a significant profit on the sale of these operations which resulted in a net profit after tax of \$90 million for the year.

The financial outcomes of FY22 are clear from the numbers but I believe it's very important to highlight not just our financial performance but to also emphasise the extraordinary work of the very dedicated group of people both within the Helloworld businesses and in our travel agency and broker networks throughout both Australia and New Zealand.

It's an extraordinary achievement for so many of our agents to have survived however, this came with enormous sacrifice and dogged determination from our agency partners in Australia and New Zealand and we recognise that here today.

## Capital and Debt Management

When the pandemic struck, and borders closed in February and March 2020 Helloworld had approximately \$100 million of external bank debt.

During the pandemic we repaid \$30 million of that debt from surplus cash, some of which came from an equity raising of \$50 million in August 2020. In order to minimize the dilutive

impact of this equity issuance, we kept this raising to a minimum, issuing 30 million new shares at \$1.65.

Following on from the sale of our Corporate Travel Management businesses, we repaid the remaining \$70 million of external bank debt.

With the exception of some minor bank guarantees, mainly to our commercial landlords, as at 30 June 2022 Helloworld has no external debt.

An outcome of this has been a reduction in our interest expense and an increase in our interest income with prudent cash management of our surplus cash.

In addition to this, Helloworld's shareholding in CTM is a significant asset.

Helloworld is now in an excellent position in relation to potential future acquisitions and / or possible distributions to shareholders through various mechanisms.

We believe macroeconomic challenges aside, the demand for travel will remain strong in the coming 12-24 months and beyond, particularly as airfares begin to normalise and supply side constraints are addressed.

With the sale of the Corporate Travel Management businesses, a reduction in our external debt to zero and a strong balance sheet, we were pleased to declare a fully franked dividend of 10 cents per share, paid on 23 September, 2022.

Historically, Helloworld maintained growing dividend payments from 2016 to 2019, returning profits to shareholders and while this was not appropriate during COVID-19 we are now confident that our business and our industry has turned the corner and that travel, particularly leisure travel, will continue to recover over the medium term.

### **Network numbers**

Our business stands ready for a continuing rebound in the demand for our services. Already we have locked in significant forward bookings and while interest rate rises will impact demand from certain demographics, we remain confident that leisure travel will remain a non-discretionary component of the household budget.

Helloworld has a strong balance sheet, with no debt, cash reserves and substantial liquid assets. Our network of agencies has proven to be resilient and robust, despite the impact of COVID-19.

The challenging and continuously changing environment that travellers now face has shown the benefit that comes from your local travel agent's knowledge and service. This cannot and will never be matched or replaced by bots and algorithms.

During the course of the year, we continued to develop our Resworld platform and added a substantial number of new agents to the system. We continue to deliver regular enhancements to better support our users and see great potential for the continued rollout of this system in Australia and New Zealand.

We are also constantly working with our supplier partners to renegotiate new deals for the coming year as the Group continues to demonstrate the strong desire of our customers to work with their local travel professional.

### **Travel Academy**

With unemployment at record lows in Australia and New Zealand, attracting new personnel is a challenge for just about every business around the country.

Since December we have successfully recruited over 130 new personnel and in May 2022 Helloworld announced the launch of the Helloworld Academy to attract and train new retail travel agency consultants across Australia.

This initiative is going very well, with 185 new trainees now enrolled across Australia.

Attracting new entrants into our retail agency industry is essential for the on-going recovery and we are confident that we can continue to attract new participants given the attractiveness of a long-term career in travel.

### **Delivering new technology solutions**

Throughout the COVID-19 pandemic we remained very pro-active in developing our in-house business enabling technologies and at the same time invested in new external systems in telephony and finance.

We have made significant enhancements to our wholesale systems being “Mango” and “Ready Rooms”, our Air Tickets booking engine (“Smart Tickets”) and our retail agency mid-office platform, “ResWorld”.

These enhancements are designed to render our business and the businesses of our agents more productive and are already delivering better outcomes across our distribution platforms.

## Freight – an emerging business

In 2018 Helloworld purchased Show Travel from Avis which included the Show Freight business. With the sale of our corporate travel operations to CTM, HLO retained the Show Freight business and in early 2021 purchased the business of ATS Logistics, which also managed event and entertainment related logistics.

Earlier this year the merged business was renamed “Entertainment Logistix” and we have continued to invest in the capabilities of this business. We have a full-time team of over 40 and a great team of sub-contractor partners. We now have over 110 tri-axle Pantech trailers, over 30 other vehicles including prime movers and rigid trucks and vans, and have just moved into our new 7,500m<sup>2</sup> headquarters in western Sydney. With 30 prime movers on order, our freight operation continues to grow and we are looking to further invest in this business in FY23 and beyond.

## TTV increased 140% YoY to \$1.077 billion

In the June quarter, on a continuing operations basis, Helloworld recorded TTV of \$448 million up 156% on prior comparative period and 30% of the value recorded in the corresponding period in FY19.

## September quarter

As you will have seen in this morning’s ASX announcement, the business achieved a Total Transaction Value for the September quarter of \$561 million, up 352% on the same period last year on a continuing operations basis.

Revenue for the September quarter finished at \$29.3 million, up 174% on the prior year for continuing operations.

EBITDA was \$5.3 million for the September quarter compared with an EBITDA loss of \$3.3 million in Q1 FY22 for continuing operations. It is pleasing to report that all three months of the quarter delivered positive EBITDA.

## Outlook for FY23

On the back of the first quarter, we are pleased to announce that we expect a continued recovery in FY23 with underlying EBITDA in the range of \$22.0 million to \$26.0 million, subject to no material adverse change in operating conditions impacting our business and the continued recovery from the COVID-19 pandemic.

## Thank you

So, as we head towards the back end of calendar 2022 with great expectation for the year ahead can I thank all of our shareholders for their great support over the last three years and can I also thank the Board of Helloworld Travel.

I want to thank our extraordinary Executive and Senior Management Teams and all of the teams across Helloworld Travel and our many associated businesses who have weathered this incredible period and made many sacrifices to get us through.

A thank you also to the State and Territory Tourism offices which, along with Tourism Australia and our many supplier partners, have made it possible for us to maximise our domestic leisure activity during the last 24 months.

As we head back to profitability in FY23 we hope that shareholders' persistence will be further rewarded as the Company's value increases as borders around the world open up again and Australians and New Zealanders head back offshore in droves having booked those arrangements through our corporate, retail and wholesale businesses.

These investments in our technologies will deliver increased returns to shareholders in the period ahead as they will allow us to ramp up far more quickly than we would have been able to do pre pandemic but importantly will also allow us to be a lot more productive as a business with these enhanced technologies in place.

Thank you, ladies and gentlemen, for your time today and I look forward to addressing you again at our AGM in a years' time with what I very much expect will be a great tale of recovery.

Back to you Garry

**Andrew Burnes AO**





helloworld  
TRAVEL LIMITED

ANNUAL GENERAL MEETING

2022

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## Disclaimer

The information contained in these materials or discussed at the presentation is not intended to be an offer for subscription, invitation or recommendation with respect to shares or securities in any jurisdiction. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of Helloworld Travel Limited, their directors, employees or agents, nor any other person accepts any liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including without limitation, any liability arising from fault or negligence on the part of Helloworld Travel Limited, or its directors, employees or agents.

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. Data used for calculating percentage movements has been rounded to thousands.

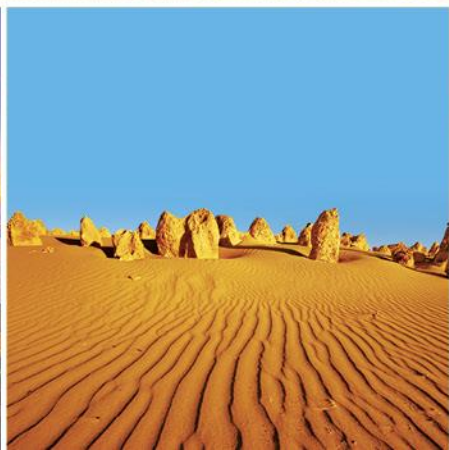
### Key non-statutory financial metrics

**Total Transaction Value (TTV).** 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.

**Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)** is a financial measure which is not prescribed by Australian Accounting Standards but is a measure used by the Board to assess the financial performance of the Group and operating segments. EBITDA has been amended in this year to exclude all AASB16 *Leases* associated expenses.

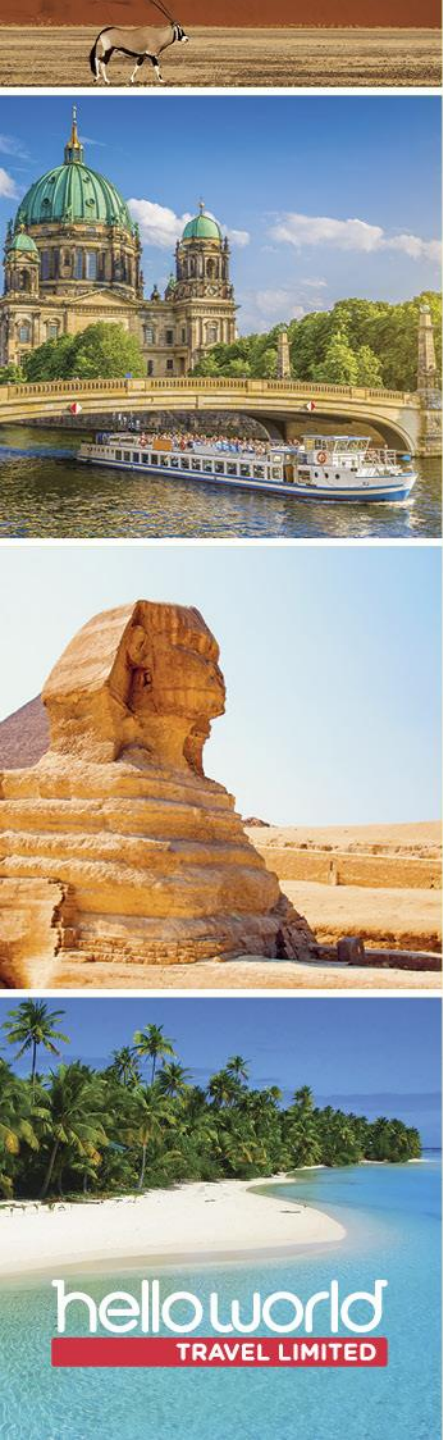
A reconciliation of EBITDA to loss before income tax expense is provided in Note 2.4: Segment information from continuing operations of the Consolidated Financial Statements.

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.



## Mr Garry Hounsell Chairman





## Directors



**Garry Hounsell**

Chairman



**Andrew Burnes AO**

Chief Executive Officer &  
Managing Director



**Cinzia Burnes**

Executive Director  
GGM Wholesale & Inbound



**Andrew Finch**

Non-Executive Director



**Rob Dalton**

Non-Executive Director

## Management in Attendance



**Mike Smith**  
Chief Financial Officer



**Sylvie Moser**  
Group Company Secretary



## Auditors in Attendance



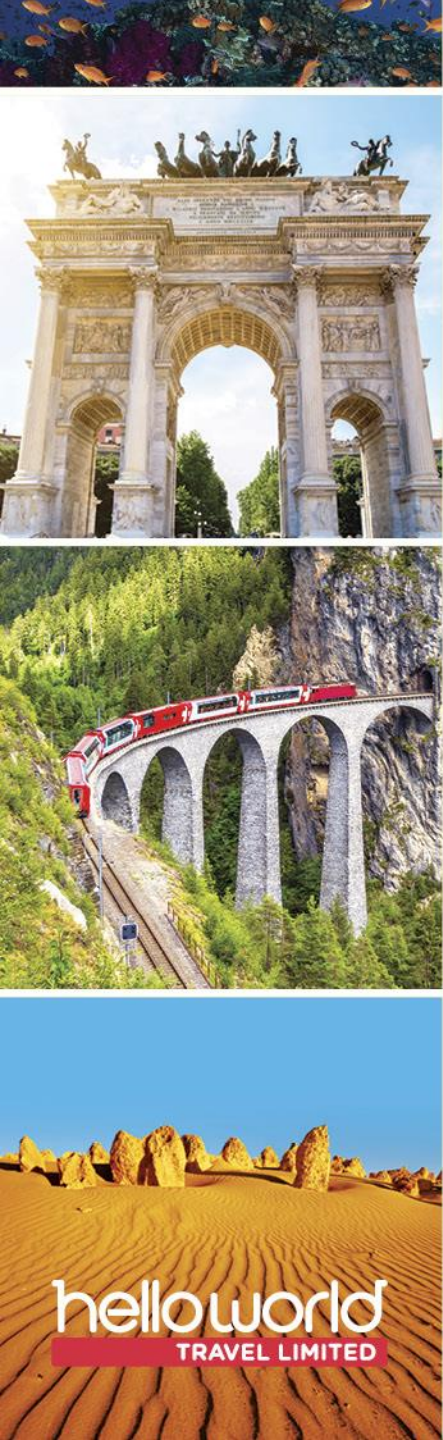
**Brett Croft**  
Partner Assurance

**Amy Burgin**  
Partner Assurance

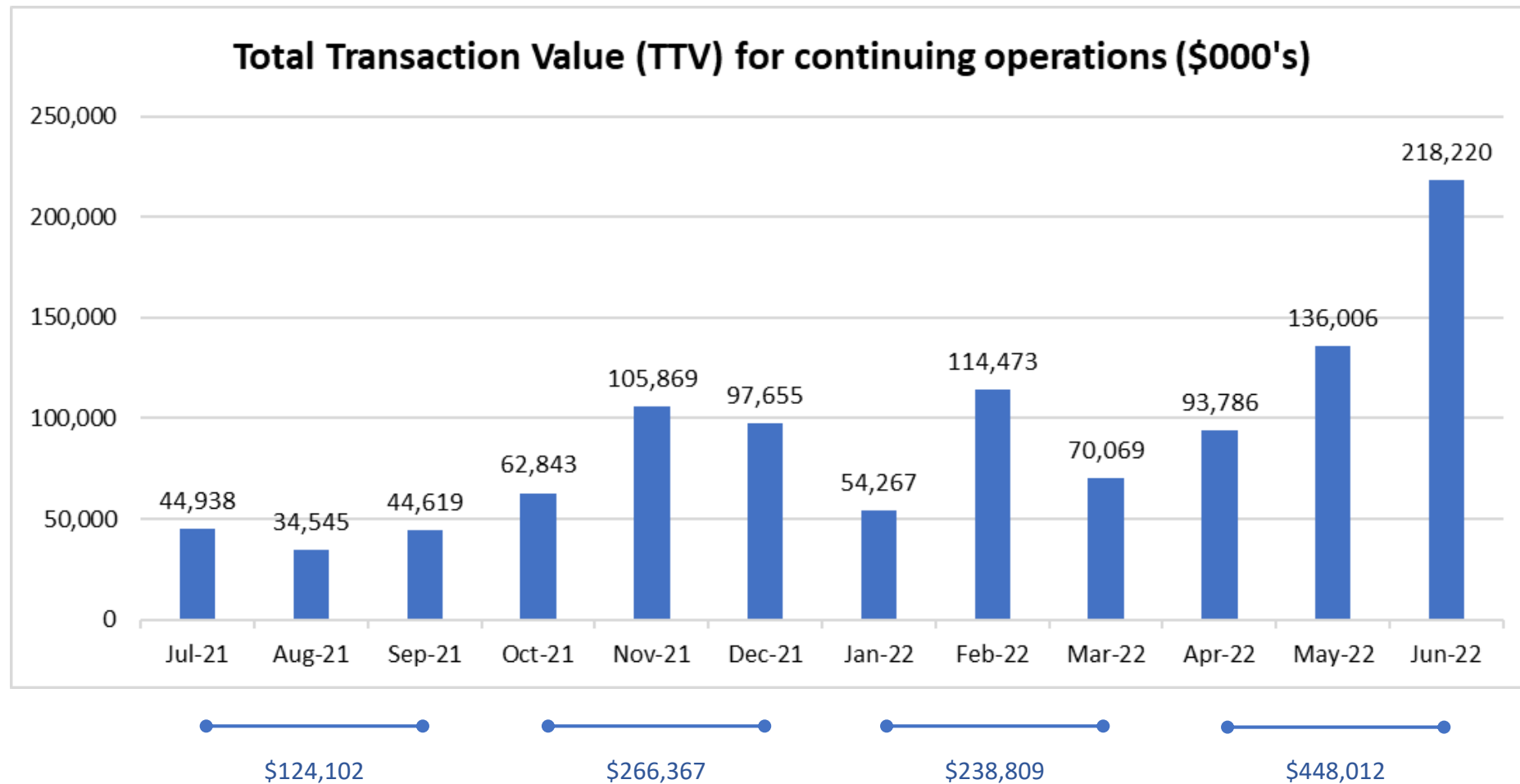




## Chairman's comments



## TTV increased 140% YoY to \$1.077 billion





## Highlights from FY22

- Full year statutory profit after tax of \$90 million.
- Dividend declared of 10 cents per share, fully franked, to be paid 23 September 2022.
- Return to operational profitability in Q4 2022.
- Strong balance sheet with \$89.1 million of unrestricted cash, 3.5 million Corporate Travel Management shares (ASX code: CTD) and no bank debt.
- Divested the corporate travel management business to CTD, effective 31 March 2022, resulting in a post-tax gain on sale of \$117.5 million.
- Group TTV from continuing operations was \$1.077 billion, up 140% on the prior year.
- Full year EBITDA loss from continuing operations of \$10.6 million, compared to a \$24.5 million EBITDA loss in the prior year.







## Mr Andrew Burnes, AO CEO & Managing Director



## Our travel operations

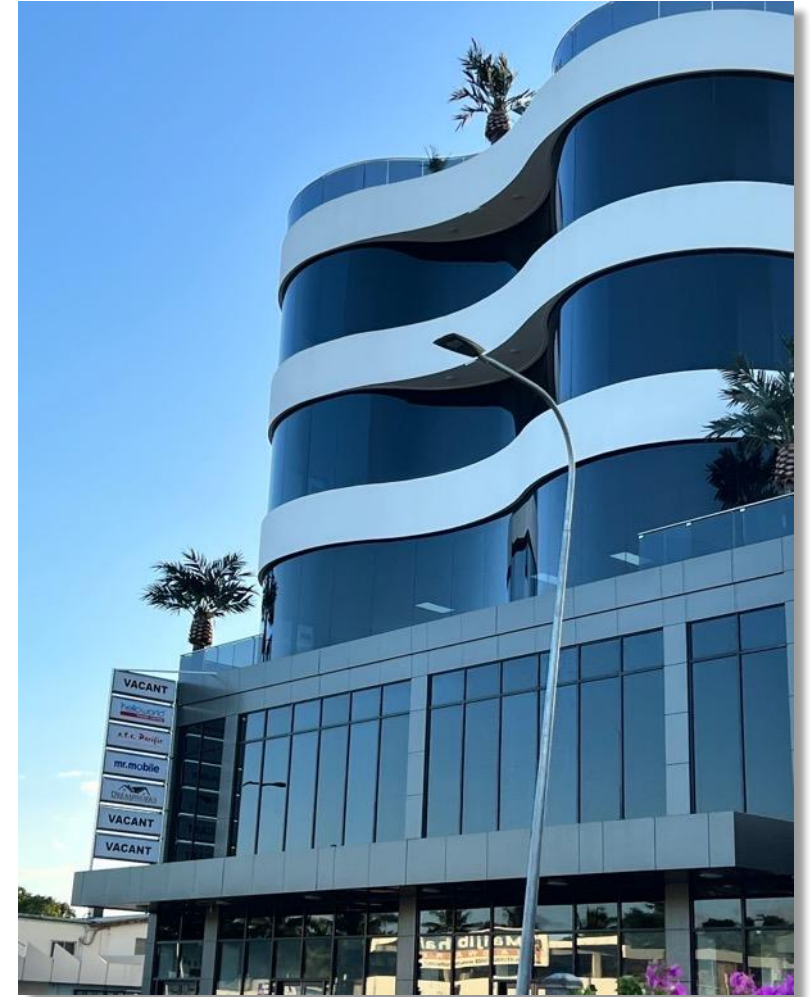
- Retail and business travel agency networks
- Leisure travel wholesaling
- Inbound tour operating
- Air ticket consolidation
- Online B2C
- Tour operating
- Event freight services
- Transport services





## Travel recovered strongly in Q4

- During Q2 of FY22, fully vaccinated Australians commenced travelling overseas again.
- Australia welcomed international tourists in Q3 of FY22 and the Western Australian border restriction was removed.
- New Zealand borders opened to Australians in April 2022 and have subsequently opened to all tourists on 1 August 2022.
- Despite a challenging macro economic environment, leisure travel continues to be an essential part of people's expenditure plans.
- Travel agents are reporting strong demand from the travelling public for the remainder of the year and into 2023.
- Expecting the first half of FY23 to continue to improve particularly as international tourists seek to enjoy the southern hemisphere summer and customers look to travel overseas to reconnect with the world.
- Helloworld, through its inbound subsidiaries, is the largest Inbound Tour Operator in Australia and New Zealand.







## Performance highlights

- At the end of the second quarter, announced the sale of the corporate and entertainment travel management division to CTM (ASX: CTD) for \$175 million comprising \$100 million cash and \$75 million in CTD shares. At completion date, being 31 March 2022, total consideration was valued at \$184.8 million.
- TTV on continuing operations was approximately 20% of pre-COVID levels for the year, moving up to 30% of 2019 levels in Q4.
- Statutory profit after tax of \$90 million.
- EBITDA loss from continuing operations of \$10.6 million (compared to a \$24.5m EBITDA loss in FY21).
- Return to operational profitability in Q4 2022.
- Delivery of the “Mango” and “Ready Rooms” trade booking portals and continued improvements to the technology suite resulting in improved customer outcomes, cost reductions and enhanced capability.



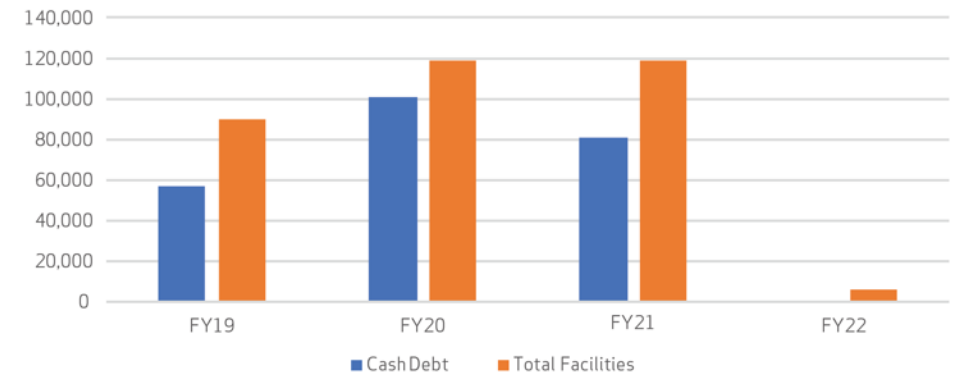
## Capital and Debt management

- When the pandemic struck, Helloworld had ~\$100 million of external bank debt.
- During the pandemic, \$30 million of debt was repaid from surplus cash.
- The remaining \$70 million of debt was repaid from the sale proceeds of the corporate travel management businesses.
- Helloworld has no external borrowings.
- CTM shares are a significant asset.

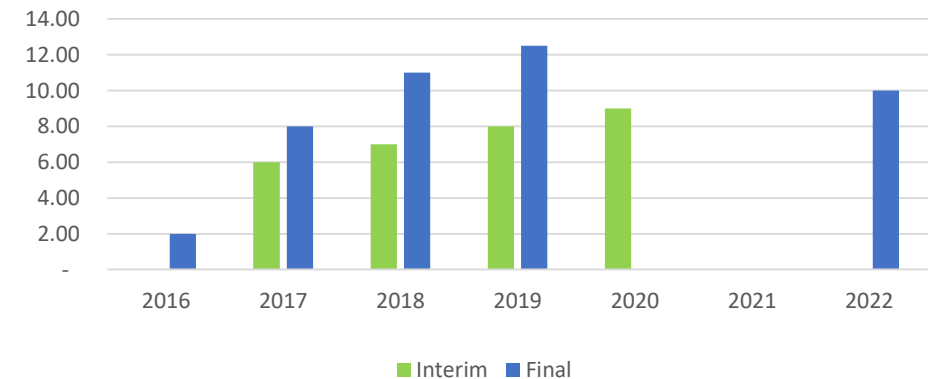
## Dividend history

- Historically, Helloworld maintained growing dividend payments from 2016 to 2019.
- Dividends paused during COVID-19.
- A fully franked dividend of 10 cents per share was declared on 30 August, which was paid on 23 September 2022

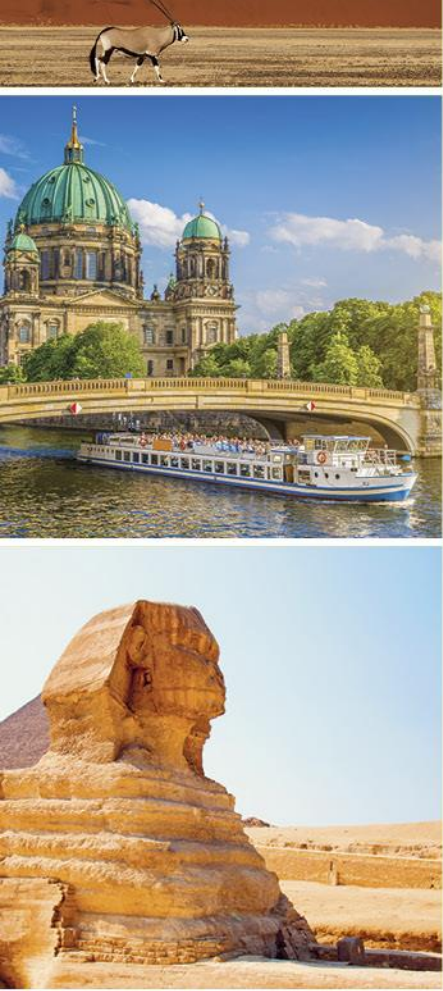
HLO Debt Facilities (\$'000)



Dividend History (cents per share)







# Network members

Helloworld’s agent networks show steadfast resilience and maintain a strong presence for expected travel demand



2,396 31 March 2020 | 2,064 at 30 June 2022 | (-14%)

- The vast majority of retail agencies in Helloworld’s networks have survived the pandemic and have met the challenges of the rapidly increased demand for travel.
- Helloworld is supporting agencies returning to shopfronts and is strategically supporting the opening of new franchise locations in underserved areas.

## Travel Academy – recruitment and talent development

- In May 2022, HLO announced the launch of the Helloworld Travel Academy to attract and train new travel agency consultants across Australia.
- The initiative is going very well with 185 new trainees now enrolled across Australia.
- Attracting new entrants into our retail agency network is essential for the on-going recovery.
- We are confident we can continue to attract new participants given the attractiveness of a long-term career in travel.





## Delivering new technology solutions

- Wholesale delivered the “Mango” platform, our own front-end portal that operates off Tourplan NX. Mango was rolled out across our wholesale operations in October 2021, providing greater functionality, ease of loading and a wider array of product for all retail agents throughout Australia and New Zealand.
- Our Ready Rooms business also welcomed its new purpose-built platform that went live in March 2022, delivering a strong competitor in the online wholesale room booking market.
- ResWorld, Helloworld’s retail mid-office system, continues to become the go-to mid-office system for retail agency networks in Australia and New Zealand. Now rolled out to over 350 consultants in 150 agencies.
- Helloworld’s cruise division has rolled out a uniform version of Odyssey.
- We continue to invest in our SmartTickets technologies including handling NDC requirements (Smart NDC) that many carriers have begun, or will be implementing, in the next couple of years. This capability now enables over 96% of tickets to be processed automatically.





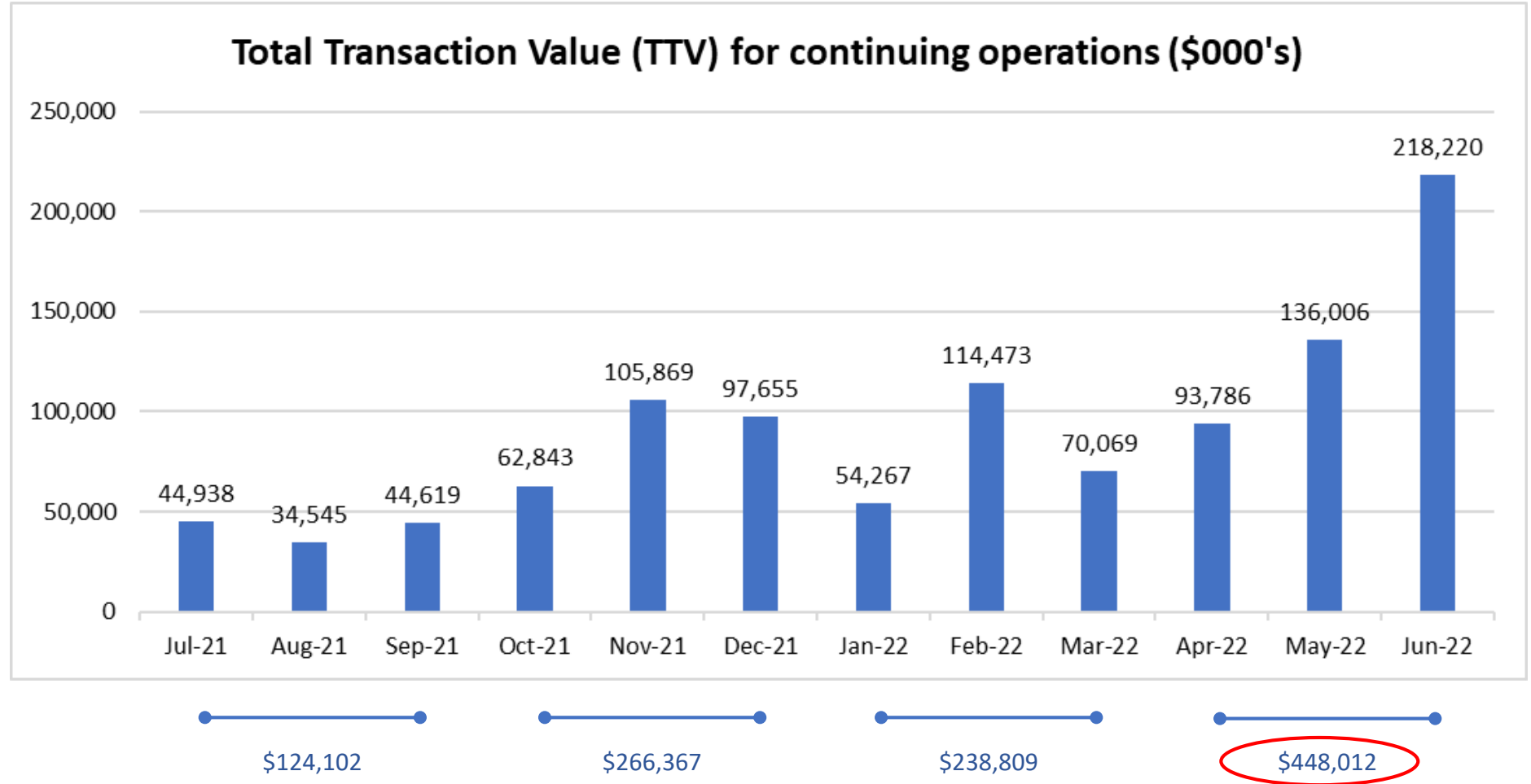
## Freight – an emerging business

- HLO is investing in freight capabilities.
- We have a full-time team of over 40 people and a great team of sub-contractor partners.
- Entertainment Logistics has over 110 tri-axle Pantech trailers and over 30 other vehicles including prime movers, rigid trucks and vans.
- Moved into our new 7,500 square metre facility in western Sydney.
- The freight operation continues to expand with 30 prime movers on order and looking to further invest in this business in FY23 and beyond.



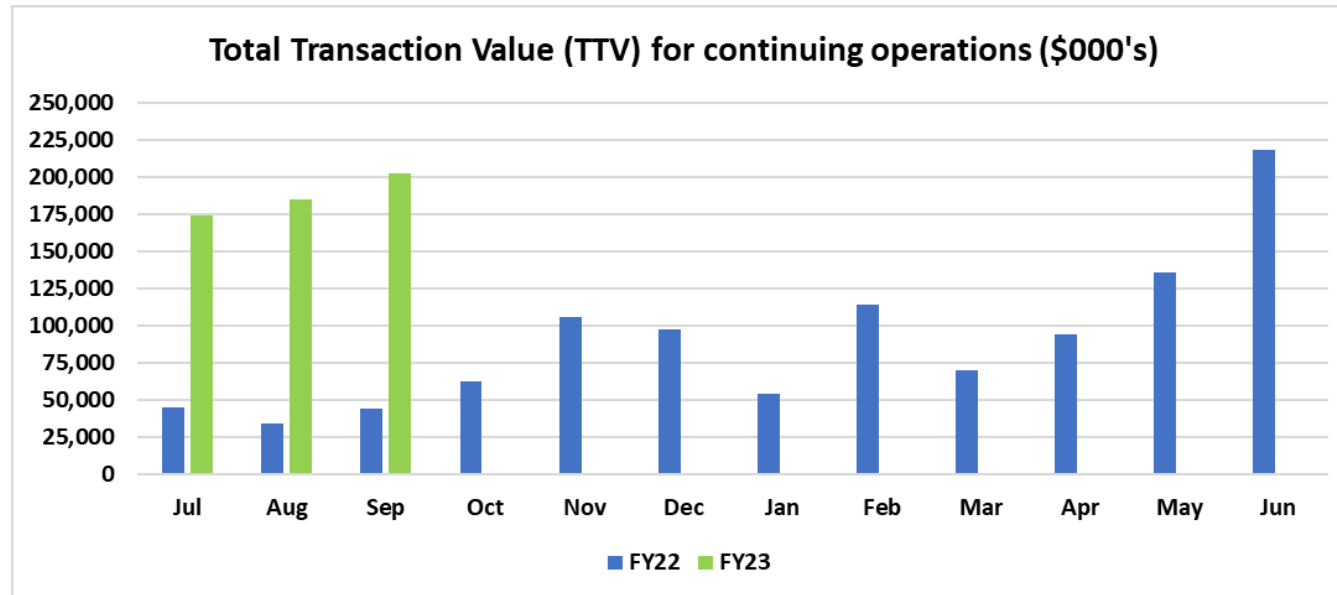


## TTV increased 140% YoY to \$1.077 billion

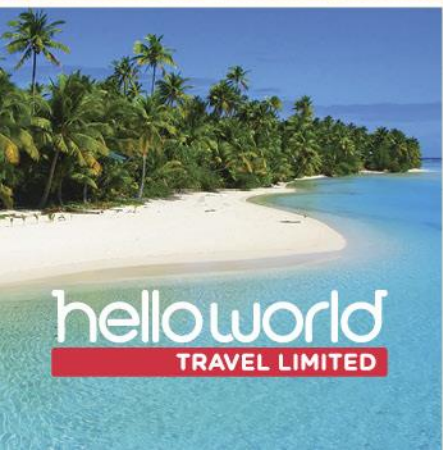
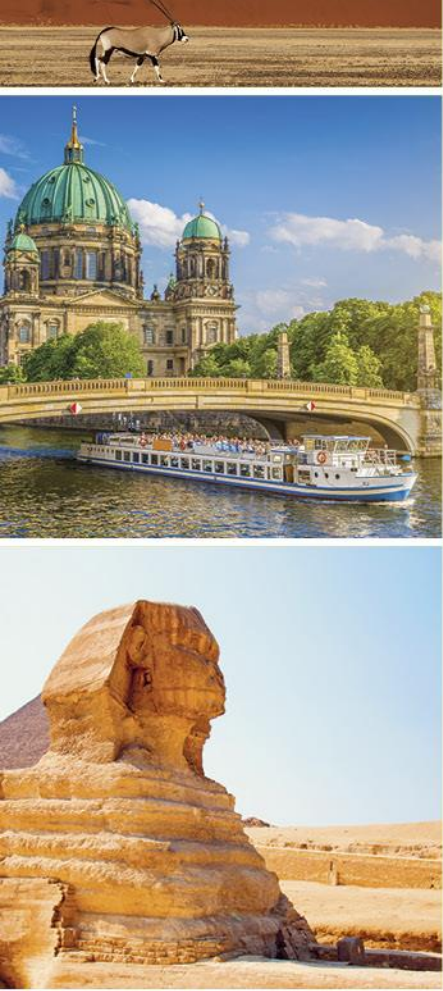


## September Quarter

- TTV for continuing operations in the September 2022 quarter was \$561.0 million, up 352% on the same period last year.
- Revenue for the quarter totalled \$29.3 million, up 174% on the same period last year for continuing operations.
- EBITDA for continuing operations was \$5.3 million for the September quarter compared with a loss of \$3.3 million in Q1 FY22.





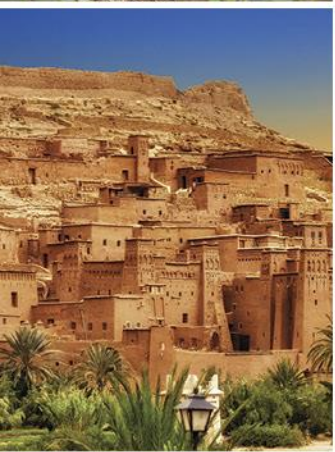


## Outlook for FY23

- 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.







Thank you



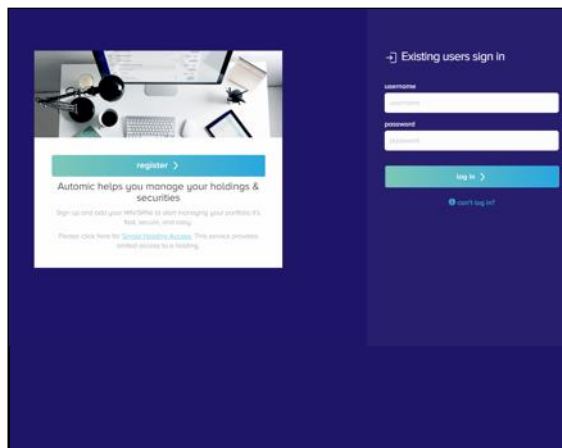


# Formal Business

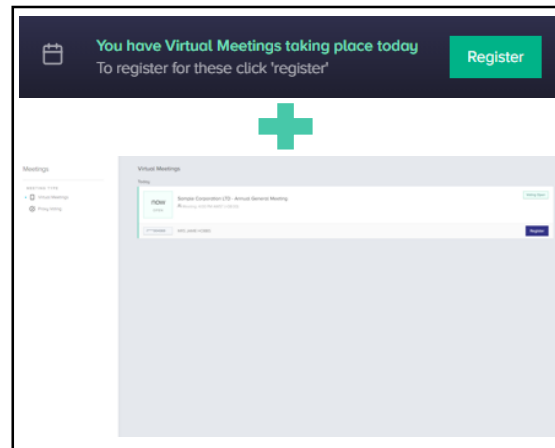
# Registration and Voting

**1. Log in or register at:**

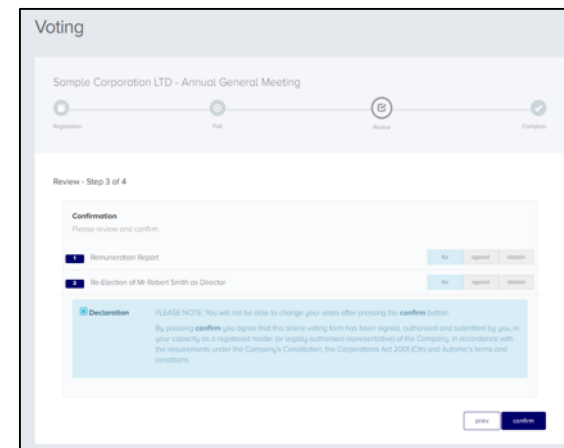
<https://investor.automic.com.au/#/home>



**2. Click "register" in the banner at the bottom of your screen, then select "register" for this meeting**



**3. Record your vote. Once you confirm it is lodged and final**



**To contact support:**

Call 1300 816 159 or open live chat from the Investor Portal





## Discussion on FY22 Financial Statements and Reports

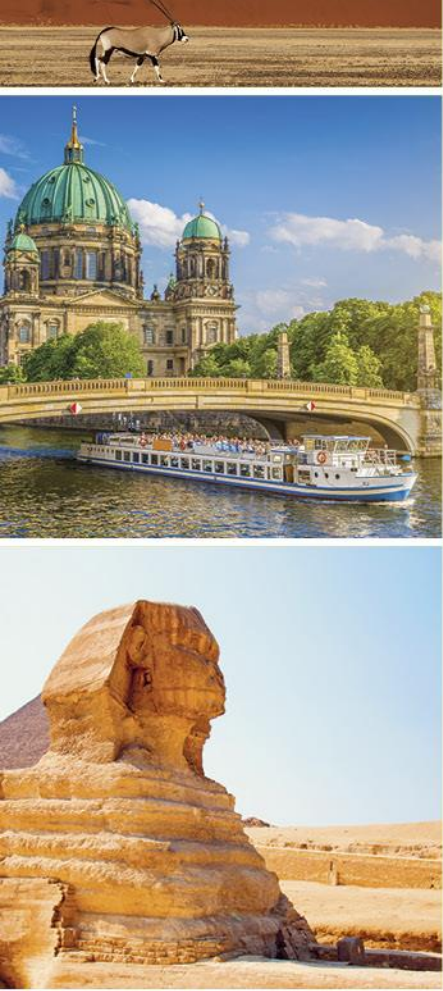


# Adoption of Remuneration Report

## Resolution 1

“That the Remuneration Report, which forms part of the Directors’ Report for the financial year ended 30 June 2022, be adopted.”





# Adoption of Remuneration Report

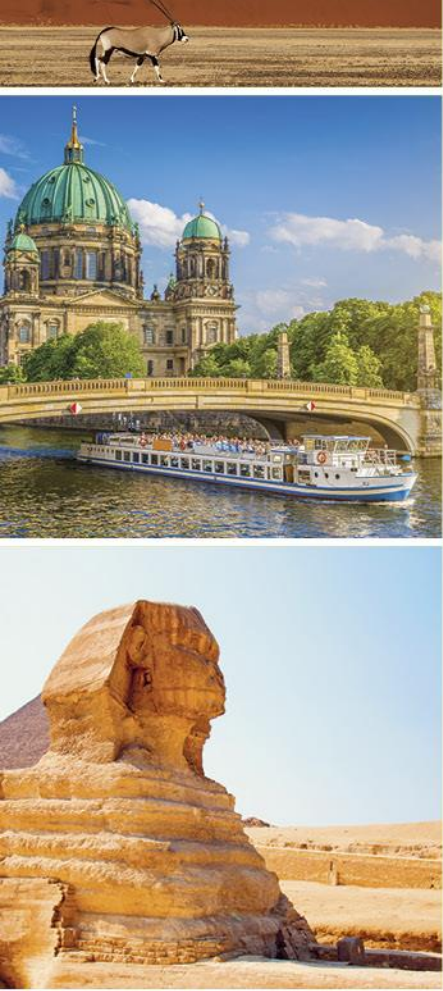
## Questions





## Adoption of Remuneration Report

Proxy Votes	Number	Percentage
For	63,631,128	99.73
Against	90,506	0.14
Open-Usable	83,342	0.13
Abstain	57,394	-
Excluded	41,233,499	-



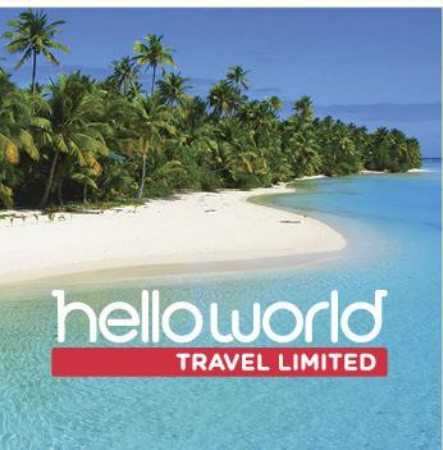
## Election of Director – Robert Dalton

### Resolution 2

"That Robert Dalton, having been appointed as a Director of HLO since the last Annual General Meeting and who retires in accordance with the Company's Constitution and the ASX Listing Rules and, being eligible, is elected as a Director of HLO."



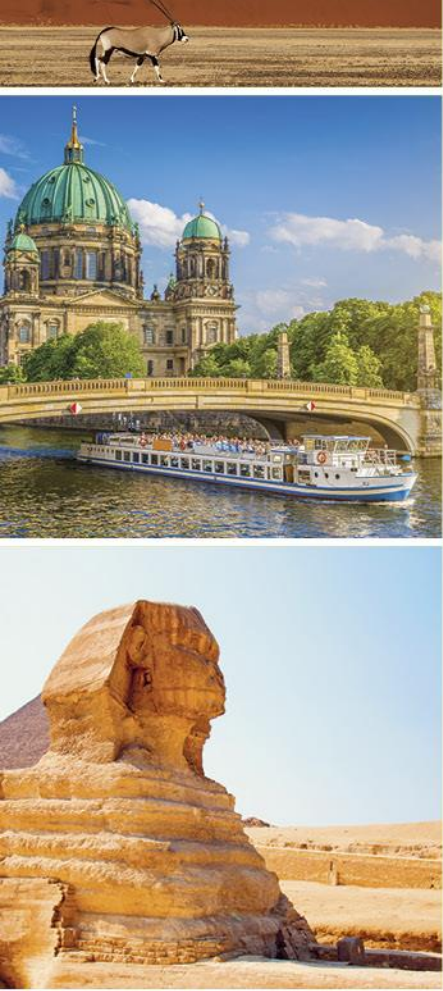




## Election of Director – Robert Dalton

## Questions





# Election of Director – Robert Dalton

Proxy Votes	Number	Percentage
For	104,983,689	99. 90
Against	14,252	0. 01
Open-Usable	85,877	0.08
Abstain	12,051	-
Excluded	-	-





# Re-Election of Directors



## Re-Election of Director – Garry Hounsell

### Resolution 3.1

“That Garry Hounsell, who retires by rotation in accordance with the Company’s Constitution and the ASX Listing Rules and, being eligible, is elected as a director of HLO.”







## Re-Election of Director – Garry Hounsell

### Questions



## Re-Election of Director – Garry Hounsell

Proxy Votes	Number	Percentage
For	90,478,851	86.10
Against	14,523,241	13.82
Open-Usable	85,465	0.08
Abstain	8,312	-
Excluded	-	-

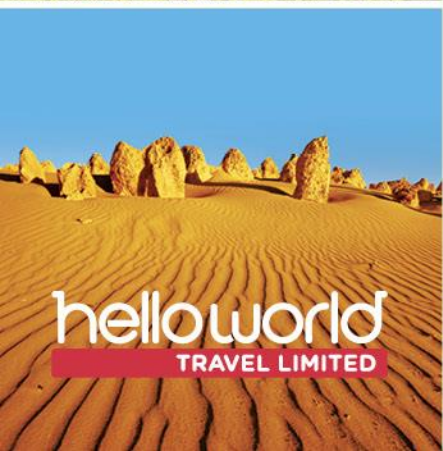




## Re-Election of Director – Cinzia Burnes

### Resolution 3.2

“That Cinzia Burnes, who retires by rotation in accordance with the Company’s Constitution and the ASX Listing Rules and, being eligible, is elected as a director of HLO.”





## Re-Election of Director – Cinzia Burnes

### Questions

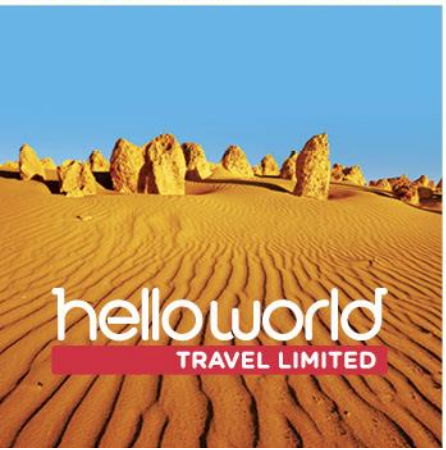






# Re-Election of Director – Cinzia Burnes

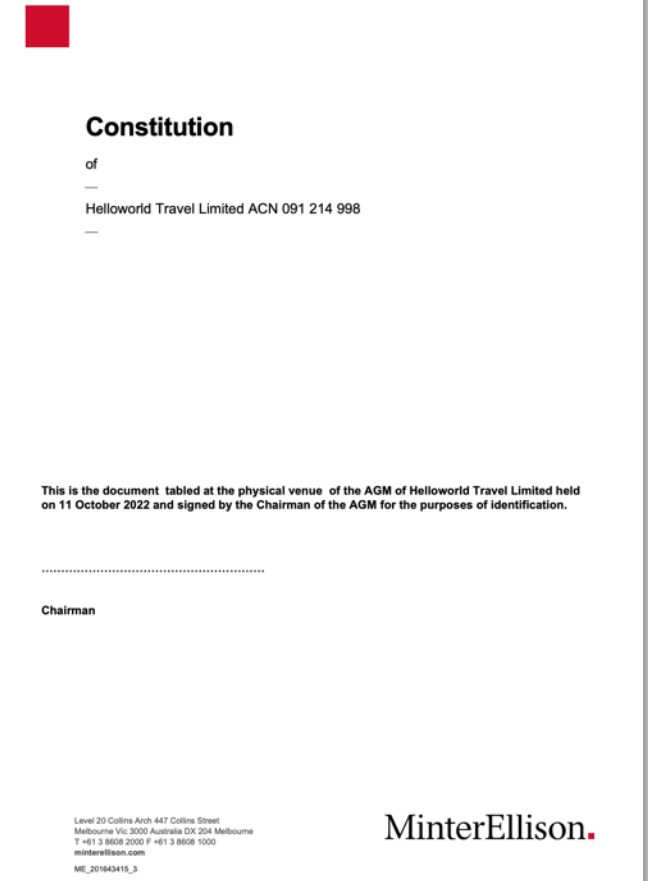
Proxy Votes	Number	Percentage
For	100,290,866	95.43
Against	4,715,895	4.49
Open-Usable	83,796	0.08
Abstain	5,312	-
Excluded	-	-



# Special Resolution Adopt New Constitution and Repeal Existing Constitution

## Resolution 4

“That the document titled Constitution of Helloworld Travel Limited tabled, at the physical venue of Meeting and signed by the Chairman of the Meeting for the purposes of identification, is adopted as the New Constitution of the Company in substitution for and to the exclusion of its current Constitution, which current Constitution is repealed.”





# Special Resolution Adopt New Constitution and Repeal Existing Constitution

## Questions



### Constitution

of

Helloworld Travel Limited ACN 091 214 998

This is the document tabled at the physical venue of the AGM of Helloworld Travel Limited held on 11 October 2022 and signed by the Chairman of the AGM for the purposes of identification.

Chairman

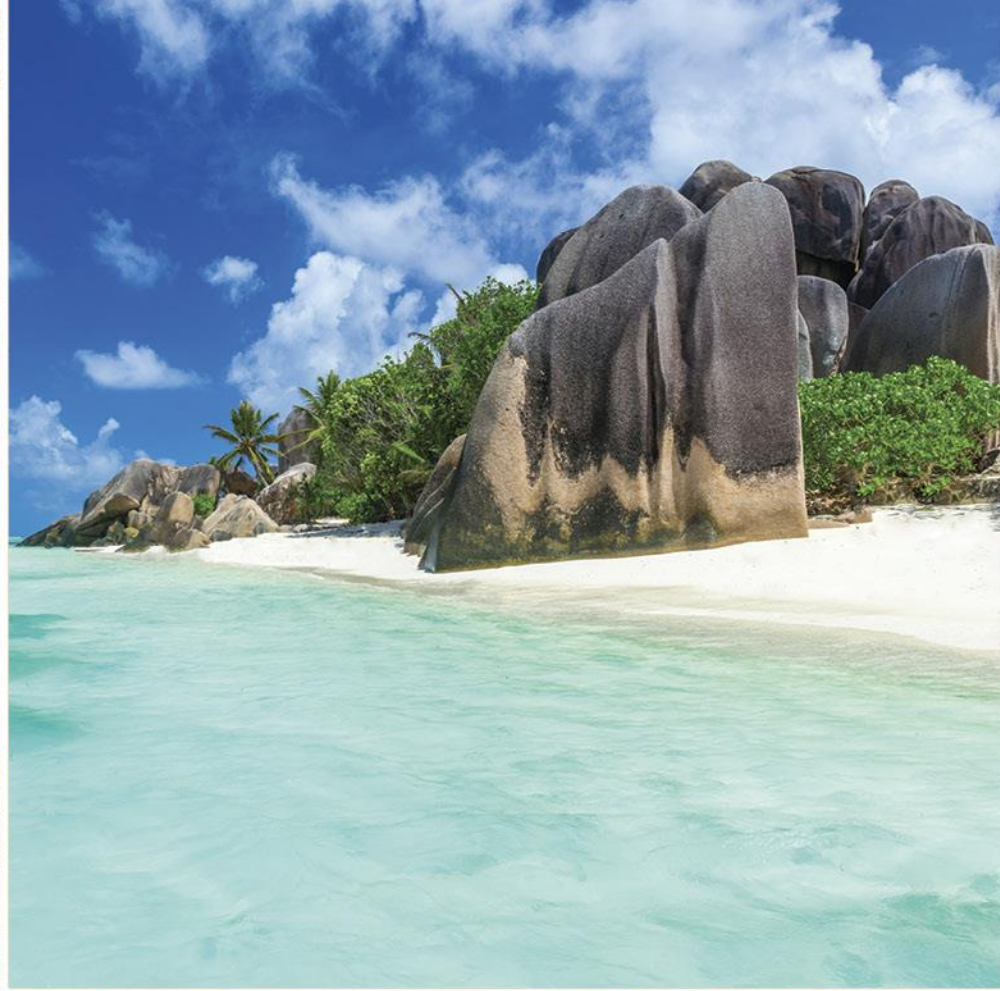
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minterellison.com  
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## Special Resolution Adopt New Constitution and Repeal Existing Constitution

Proxy Votes	Number	Percentage
For	99,981,351	95.16
Against	5,010,047	4.77
Open-Usable	75,837	0.07
Abstain	28,634	-
Excluded	-	-



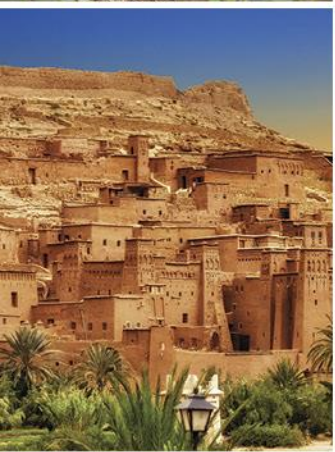


# Poll Procedure



## Closure of Poll Results of Poll Announced to ASX





Thank you