



23 October 2023

The Manager
ASX Market Announcements 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 2023.

Yours faithfully,

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



ASX ANNOUNCEMENT

Melbourne, 23 October 2023

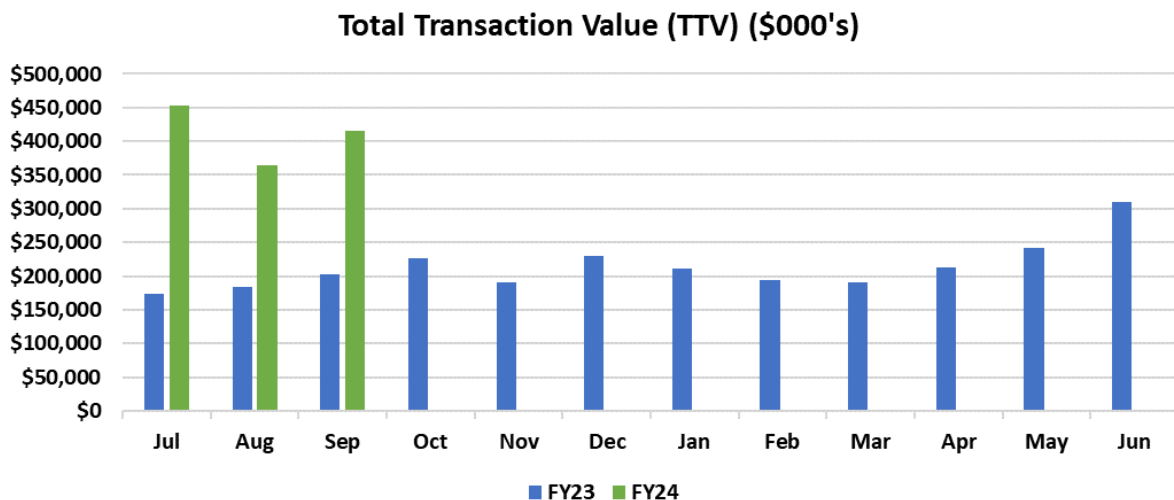
TRADING UPDATE FOR THE SEPTEMBER QUARTER, 2023

Helloworld re-affirms guidance with strong first quarter

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

Recent trading results

- Underlying EBITDA¹ for the quarter (unaudited) was \$16.8m compared with \$5.5m in Q1 FY23.
- Total Transaction Value (TTV)² for the September quarter (unaudited) was \$1.232b, up 120% on the prior corresponding period ("pcp").



- Total revenue for the quarter (unaudited) was \$53.6m, up 67% on the pcp while the revenue margin³ for the quarter was 4.2% and the EBITDA to revenue margin was 31.3%.
- The decline in the revenue margin comes about as a result of the combining of Helloworld's revenue margin for the period with lower Express Travel Group (ETG) revenue margins for the period.

Highlights

- Helloworld continues to experience high demand for leisure travel in Australia and New Zealand.
- On a geographical basis, Helloworld's Australian, New Zealand and Fijian operations were all profitable in Q1.
- FTE numbers now exceed 750 as the business continues to expand its core capabilities.
- Network numbers have stabilized over the last 12 months, and we continue to invest in supporting our networks with marketing, commercial outcomes, training and on-going development.
- As at 30 September 2023, the Helloworld and ETG network comprised over 2,400 members across Australia and New Zealand.
- The Helloworld Travel Academy now has over 360 trainees in Australia and New Zealand and continues to support the networks in onboarding new travel professionals.
- Successful integration of ETG including implementation of Helloworld technologies across the business.
- Productivity continuing to improve with a 31.3% EBITDA to revenue margin for the quarter.

HLO Wholesale / Inbound

- Helloworld's Wholesale / Inbound division TTV was up on the pcp in Australia and New Zealand. While demand for domestic leisure travel has come down from the 2022 peak, demand for international travel and in particular cruise travel has been growing rapidly.

HLO Retail

- Helloworld's retail businesses in Australia and New Zealand have shown significant TTV growth on the pcp with Australians and New Zealanders taking advantage of the second northern hemisphere summer without border restrictions and increased leisure travel.
- Consumers continue to seek out their travel professional to help craft and manage their travel demands and the ETG acquisition has added significantly to the businesses overall retail footprint across Australia and New Zealand.

Entertainment Logistix

- Entertainment Logistix (ELX), Helloworld's concert, theatre and event logistics and transport business, has seen significant demand over the last 12 months.
- Sales declined in Q1 due to a quieter concert agenda, however, forward sales for the remainder of the year are up and we expect the operation to exceed FY23 sales by 25-30%.
- Following fleet acquisitions, ELX has over 130 trucks and trailers and the new logistics hub in Western Sydney is working well.

Outlook

- International and domestic travel has returned and confidence is improving as travellers book more complex international travel with longer lead times and higher average per person spend.
- Cruise operations have increased dramatically with more capacity both globally and in Australian and New Zealand waters.
- Zero external borrowings and strong liquidity. All recent acquisitions have been funded from internal resources.
- The business continues to invest in its own key technologies and the ResWorld platform is now in use with over 680 retail consultants in Australia and New Zealand.
- HLO reaffirms its guidance to achieve an underlying EBITDA of \$64-\$72m for the FY24 year, subject to no material adverse change in operating conditions.

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1. Underlying EBITDA represents Earnings before Interest Expense, Tax, 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 Board to assess the financial performance of the Group.
 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's cash inflows as some transactions are settled directly between the customer and the supplier.
 3. Revenue margin has been calculated as revenue (excluding interest income and other income) as a percentage of TTV.

This announcement has been approved by the Board.

Andrew Burnes. AO
Chief Executive Officer

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 750 personnel located in Australia, New Zealand, Fiji and Greece, and 2,460 members of its travel agency and broker networks in Australia and New Zealand.*
- *Helloworld Travel is a proud sponsor of the School of St Jude in Tanzania.*



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