



21st April 2021

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 March Quarter 2021.

Yours faithfully,

A handwritten signature in black ink, appearing to be "D. Hall", written over a light grey circular watermark.

David Hall
Chief Financial Officer
Helloworld Travel Limited
Ph: +61 3 9867 9600



ASX ANNOUNCEMENT

Melbourne, 21st April 2021

HELLOWORLD

TRADING UPDATE - MARCH QUARTER 2021

Helloworld Travel Limited (ASX: HLO) provides the following trading update for the quarter ended 31st March 2021.

RECOVERY ON THE HORIZON – THE TRANS TASMAN BUBBLE FINALLY OPENS

With the rollout of vaccines in Australia, New Zealand and globally accelerating through February and March, there are hopes that a large percentage of the population in Australia, New Zealand, the US, UK, Canada, Europe, Japan and other countries will be vaccinated by the end of 2021.

With borders now open across Australia and the commencement of the trans-Tasman bubble on 19th April, there is hope that other bilateral bubbles may open with the Cook Islands, Fiji, Singapore and some other mid-haul destinations throughout the second half of 2021.

GOVERNMENT PROVIDING SIGNIFICANT INDUSTRY SUPPORT

The Federal Government announced significant industry assistance packages in December 2020 and March 2021. This included a further \$130 million for independently owned travel agency business throughout Australia, bringing the total assistance package so far to \$258 million.

This second funding round is designed to support agents through the June quarter and the Government has indicated that if international borders remain largely closed in the September and December quarters, further assistance may be made available to the sector.

Helloworld thanks and acknowledges the support of the Federal Government for the travel agents, which will help ensure the survival of HLO's 1,893 franchisee and buying group members throughout Australia as well as many other small to medium sized business in the travel agency, wholesale and inbound tour operator sectors.

On top of this support, the Government announced the sale of 880,000 half-price tickets to a range of leisure destinations throughout Australia. These flights can be booked with your local travel agent and early reports from agents and airlines indicate sales are very buoyant with over 200,000 tickets being sold in the first 10 days of the scheme.

RESULTS SUMMARY

Helloworld Travel's key financial results for the quarter ended 31st March 2021, are summarised below.

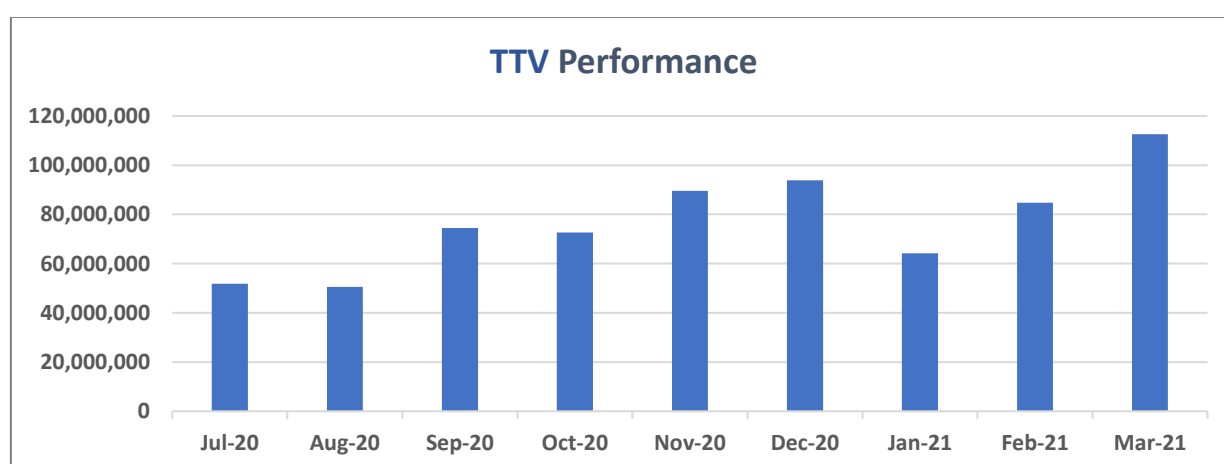
	1Q21 \$m	2Q21 \$m	3Q21 \$m	YTD \$m
Total Transaction Value (TTV)	176.8	256.1	261.5	694.4
Revenue	13.1	16.5	15.0	44.6
Revenue margin	7.4%	6.4%	5.7%	6.4%
Underlying EBITDA	(3.8)	(2.7)	(4.4)	(10.9)

Higher than historical average revenue margin (FY20: 5.6%) achieved in the September and December quarters is the result of the non-travel related Call Centre revenue from the COVID-19 related health services.

- *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.*
- *Underlying EBITDA represents earnings before interest expense, tax, depreciation and amortisation, adjusted to:*
 - *include depreciation on right of use assets and interest expense on lease liabilities arising from the application of the new lease accounting standard; and*
 - *exclude large non-recurring items.*

Quarterly trading results

- HLO's TTV for the March 2021, Quarter \$261.5 million, down 79.6% on the same period last year. TTV improved throughout each month of the quarter after a slow January impacted by lockdowns and further lockdowns in February.
- March month TTV was the highest for the financial year so far, at \$112.5 million.



- Revenues for the period totaled \$15.0 million down 75.8% on the prior comparative period (pcp). Underlying EBITDA loss for the quarter was \$4.4 million, in line with HLO's forecast losses announced earlier in the year. This took the YTD underlying EBITDA loss to \$10.9 million.
- One-off redundancy costs in the quarter were \$1.0 million and other exceptional items totaled \$0.8 million.

Liquidity and Funding

- At the end of March 2021, HLO had a cash balance of \$125.9 million. HLO has total free cash of \$75 million, (\$81 million at December 2020) with the reduction due to the payment of redundancies and related entitlements and the timing of overhead payments.
- At 31 March 2021, HLO had external borrowings of \$81.0 million (31 December 2020: \$81.0 million and 30 June 2020: \$101.0 million) with available head room on its debt facilities of \$30.2 million (31 December 2020: \$30.2 million and 30 June 2020: \$6.5 million).

OUTLOOK

- With all State borders now open across Australia and the commencement of quarantine free trans-Tasman travel on 19th April, we anticipate TTV will continue to improve across the coming months in each of our divisions (retail, corporate, ticketing and wholesale).
- The Company expects to achieve annualised TTV of around \$1 billion for the 2021 financial year and to incur a full year underlying EBITDA loss of circa \$14.0m to \$16.0m for FY21.
- On the basis that borders in Australia remain open, the trans-Tasman bubble remains open and other limited international bubbles opening up in the second half of the year, HLO is looking to achieve an underlying EBITDA loss of between \$1.0m to \$3.0m in the September quarter (Q1 FY22) and a return to positive underlying EBITDA in the December quarter of 2021 (Q2 FY22).

- ENDS -

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 travel networks, corporate travel management services, destination management services (inbound), air ticket consolidation, wholesale travel services, and online operations.

INVESTOR CONTACT:

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