



10 November 2021

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 2021 Annual General Meeting, being held today at 10:00am AEDT.

Yours faithfully,

A handwritten signature in black ink, appearing to be "David Hall".

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

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



## CEO's Address

**Melbourne, 10 November 2021**

### Welcome

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.

### Financial Results

The financial outcomes from FY21 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 been a period of exceptional challenge since March 2020, nearly two years ago and the incredible lengths that all of our personnel have gone to and the sacrifices they have made to keep the business going and to keep our costs under control has been testament to their commitment, dedication and professionalism. Similarly, the heroic efforts made by the owners and managers of the agencies that make up our retail agency and broker networks in Australia and New Zealand has been extraordinary.

Victory belongs to those who believe in it the most and believe in it the longest and within the Helloworld Branded, Associate, Magellan Travel, My Travel Group and MTA businesses in Australia and amongst the Branded, Associate, My Travel Group and Travel Broker networks in New Zealand the agents in our networks battened down the hatches and through sheer grit and determination have kept the lights on, ready for what is now finally emerging, namely the re-opening of Australia and New Zealand to the world.

From an airline perspective, Qantas has led the charge and already recommenced flights to Los Angeles and London and before the end of this month to Singapore. December will see the resumption of flights to Fiji, new schedules are already announced to commence operating in January to Johannesburg, Phuket and Bangkok and Qantas has announced new services directly to Delhi, putting Qantas direct services to India for the first time in over 20 years.

Much additional capacity is coming back across the Pacific, into Asia, Japan and to Europe and the UK and bookings are coming back very strongly.

The Australian people have heeded the call from State and Federal Governments that vaccination is the pathway out of this pandemic and vaccination rates are rapidly approaching 90% in Victoria and New South Wales while other States are a couple of months off getting there.

SA announced it was re-opening two days ago, Queensland is re-opening on 17<sup>th</sup> December, and we can only hope both WA and New Zealand get there as soon as possible.

The main point is that travel is back, pent up demand is huge and we are already seeing bookings for both domestic and international travel accelerating rapidly across Australia.

Over the last two years our focus has been to reduce costs in the business to ensure that with our known resources we could get through and out the other side of this pandemic. There is no escaping the fact that unfortunately this meant letting a lot of our people go. Helloworld incurred charges over \$12 million in redundancies across the last 18 months. At the same time, many people at Helloworld and the broader travel industry sought opportunities outside of the industry and their skills and professionalism were welcomed across a range of different industries.

This added to the reduction in our employee numbers and costs but despite that and despite collecting significant assistance from governments in Australia and New Zealand to help with our personnel costs the company incurred an EBITDA loss in FY21 of some \$24 million which included over \$9 million of redundancy and restructuring charges.

At the same time, we saw our total transaction values drop to just over a billion dollars, roughly 80% down from FY19 levels and with international borders in Australia and New Zealand shut from the 20<sup>th</sup> March 2020, our international visitors to Australia, New Zealand and Fiji prevented from arriving, large parts of our business were effectively shut down.

Throughout a series of lock downs, including six in Melbourne totalling 267 days (38 weeks) our corporate division and particularly the teams handling our Federal, State and Territory Government business, were kept very active.

### Acknowledgements

I want to thank those involved at Helloworld and our corporate businesses QBT, TravelEdge, Show Travel and APX in New Zealand in facilitating the travel for many vital parts of Government.

In addition, a number of our corporate partners for our QBT, TravelEdge and Show Travel businesses with APX and Atlas in New Zealand were also active in travelling domestically to keep their essential businesses running throughout the pandemic and we thank them for their support and continued business as well as all our corporate partners who had to stop travelling but are now coming back and making plans to see their key stakeholders both domestically and internationally.

As I mentioned earlier, the retail travel agencies in both leisure and corporate travel on both sides of the Tasman have done an exceptional job in making the most of the very limited opportunities made available to them for interstate and intrastate travel. In New Zealand agents leveraged the opening of the Trans-Tasman bubble and the bubble with the Cook Islands and business to these two destinations boomed. There were brief windows towards the end of FY21 when virtually all the states and territory borders were open and people voted with their feet and headed off in droves until lockdowns in NSW and Victoria and the closing of State borders in July shut it all down again. The majority of our networks in Australia and New Zealand remain intact and while there have been a significant number of closures throughout the pandemic, all but a couple of these have been done with franchisees meeting their financial obligations to their customers and we are working with the administrators of two of the retail agencies to try and maximise the return to customers from those businesses.

The two divisions under enormous pressure during Covid were our Wholesale business and our Air Tickets business. Both operations were inundated with hundreds of thousands of cancellations and refunds, and this was exacerbated by having to cancel tens of thousands of new bookings that would come in as borders opened up and then closed again. The teams at both Viva Holidays, Go Holidays and Air Tickets did an extraordinary job working through the many challenges this presented, including a lot of additional work created by airlines switching off automatic refund processes and suppliers generally offering credits rather than refunds to customers.

Businesses in the travel, tourism, hospitality, and entertainment industries around this country have largely been operating on fumes for the last 20 months and while it's been difficult in the distribution and agency sector of the business our supplier partners have done it very hard. Particularly those in more remote destinations and in destinations where previously there was a high reliance on inbound tourism.

As we start to emerge from this, once in a generation crisis, we need to salute the many businesses, small, medium and large who have done it so tough over the last 20 months with openings, closings, density caps, no notice lock downs and other unique outcomes that saw our supplier partners in the airline industry, the cruise industry, the accommodation industry, the touring and transport industry, the hospitality industry and the entertainment and sport industries left reeling.

Despite that and with the help of State and Federal Governments they have kept going and their doors are now opening again as Australia and the rest of the world emerge from this unbelievable situation.

Australians and New Zealanders, who are amongst the greatest explorers and travellers on Earth, have responded throughout this pandemic in kind, supporting regional tourism destinations, supporting areas all over Australia and New Zealand when they have been able to do so and committing to holidaying right across our two great nations in droves across this coming Christmas, New Year and summer period delivering not only the cash boost that so many operators across the country need but most importantly delivering a morale boost right across Australia and New Zealand.

To our shareholders I also want to thank you for your continued support of the business. Last year we raised \$50 million and much of the support for that came from our existing shareholders including Fidelity, Cinzia Burnes and myself. Those who made the investment at that time have been rewarded with an uplift in our share price. As we head back to profitability in the second half of FY22 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.

### Technology Developments

Over the last 18 months while ensuring that we reduce the size of our business to a sustainable level, we did not take our eye off the ball with regard to the essential technology developments necessary to ensure that we can continue to offer our customers the best available technologies in market but at the same time can also ramp up more quickly and more efficiently as borders reopen and demand returns.

In particular our retail mid-office platform, ResWorld, has now been rolled out at over 120 agents in Australia and New Zealand. Most of the rollouts taking place during the pandemic as both Helloworld and our agents kept on eye on the future, and we have an aggressive pipeline of rollouts for 2022 and beyond which will see over 300 agents moving across to our mid-office solution by the end of next year. The system is being rolled out to our agents in New Zealand and the corporate version, which is in beta testing at present, will be rolled out to corporate agents in 2022. This is a very significant development and from mid-way through next year we will be exploring opportunities to offer this system in international markets as well as in Australia and New Zealand.

Very significantly in our wholesale business as well we have moved off the Calypso system and rolled out a new booking platform, Mango, in partnership with Tourplan. We have been working with Tourplan for over 25 years and developed some very sophisticated bespoke technologies both internally and in partnership with Tourplan and this is our most significant technology enhancement yet in this area. It is already delivering much greater efficiencies into the business and delivering significant cost savings while delivering a better outcome for our agents and our supplier partners.

And in our corporate division we have rolled out a number of technology enhancements including a new analytics program, significantly enhanced process automation and enhanced duty of care products to ensure our corporate travellers are fully conversant with the risks of any particular destination in which they are travelling to ensure we have the capabilities to look after them in the event of any issues whilst they are off-shore.

In an uncertain world, we firmly believe that both leisure and corporate travellers are best served by utilising the services of a travel agent or travel management company.

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.

We also need more people, having seen our workforce diminish so significantly since early 2020 and we are actively recruiting for personnel at present. Many companies are facing this challenge, not only in Australia and New Zealand but right around the world and we are looking to meet this challenge with a range of initiatives for our existing employees and for our new employees to ensure that our businesses are attractive places to work in a post COVID world.

### September Quarter 2021

As you will have seen in our September trading update, trading conditions across the first three months of the financial year were average at best, resulting in a \$3.2 million EBITDA loss on the back of \$266 million in TTV. October saw a 50% uptick in TTV to \$109.4 million but we are expecting significant growth from November onwards.

### Operating Outlook

Throughout the pandemic, every time a travel opportunity has opened up the response from both our leisure and corporate customers has been immediate and we are now seeing the response to the reopening of Australia's international borders is very powerful and as State border shackles come down, we expect a significant growth in that area as well.

Our inbound business was effectively moth-balled in March last year and given the current uncertainty around the reopening of Australia and New Zealand borders to incoming international travel it is still unclear as to when that can recommence. We have, however, been taking bookings for travel from April 2022 onwards over the last 9 months and we are seeing a significant increase in the number of bookings for 2022 and beyond from key markets. We believe that subject to borders opening to Australia and New Zealand for fully vaccinated travellers from our key international markets the inbound numbers to Australia should recover to their pre-COVID levels in calendar 2023 given what we know is an enormous pent-up demand for visitors to come to this part of the world.

Similarly, our Fiji business has been in mothballs since March last year but with Fiji now opening up in a couple of weeks' time bookings are flooding in from not only Australia and New Zealand but also the United States and other parts of the world, our coach fleet has been given a polish and our great team in Fiji at ATS Pacific and TTF are getting ready to say a very warm Bula to visitors once again.

Throughout the pandemic our Show Travel, Show Freight and ATS Logistic businesses have been very busy servicing customers in the film and television industries, and we thank all our clients in those industries for their ongoing support. Forward bookings for now large-scale stadium concerts and other great events in 2022 are very strong and we are looking forward to a full recovery in FY22 for our entertainment and event travel and freight business.



And finally, can I say that we are still awaiting decisions by Government, both State and Federal in relation to the recommencement of cruise for intra Australian, Trans-Tasman, Trans-Pacific, and International cruising. This is a huge business for operators and distributors alike and the industry has worked extremely hard on a global basis to put in place operating protocols to ensure that passengers and crew onboard their ships remain safe and well.

Global cruising has commenced in a number of destinations and been operating very successfully in terms of managing the health and well-being of those on board and we look forward to a resolution to any of the issues that might still be remaining in the near term so that Australians and New Zealanders can get back to cruising the waters of the world and enjoying this much-loved leisure pastime of millions of people.

### Conclusion

So, as we head towards the end of 2021 with great expectation for the year ahead can I thank all of our shareholders for their great support over the last 18 months and can I also thank very much the Board of Helloworld Travel, and most particularly Mike Ferraro who is stepping down after 4 years' service on the board and having done such an extraordinary job as both a director and the chair of our Audit & Risk Committee. Can I also welcome Rob Dalton to the Board. Rob has a wonderful track record in corporate Australia including at EY and more recently at the AIS and Australian Sports Commission.

I also 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 possible for us to maximise our domestic leisure activity during the last 18 months.

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.

**Andrew Burnes AO**



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TRAVEL LIMITED

ANNUAL GENERAL MEETING

2021



## Disclaimer

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

## Key non-statutory financial metrics

**Total Transaction Value (TTV - unaudited):** 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. TTV excludes refunds that have been reported in the Group's management accounts in the 12 month period ended 30 June 2021.

**Underlying Earnings before Interest, Taxation, Depreciation and Amortisation (Underlying EBITDA):** is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.

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 and make good provisions arising from the application of AASB 16 and exclude large non-recurring items (refer note 5, on page 76 of the 2021 Annual Report for further information). Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.

A reconciliation of Underlying EBITDA to profit before income tax expense is provided in note 5, on page 76 of the 2021 Annual Report.

**Information in this presentation is derived from the audited Annual Financial Report. The presentation contains disclosures which are extracted or derived from the Annual Financial Report.**

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## 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

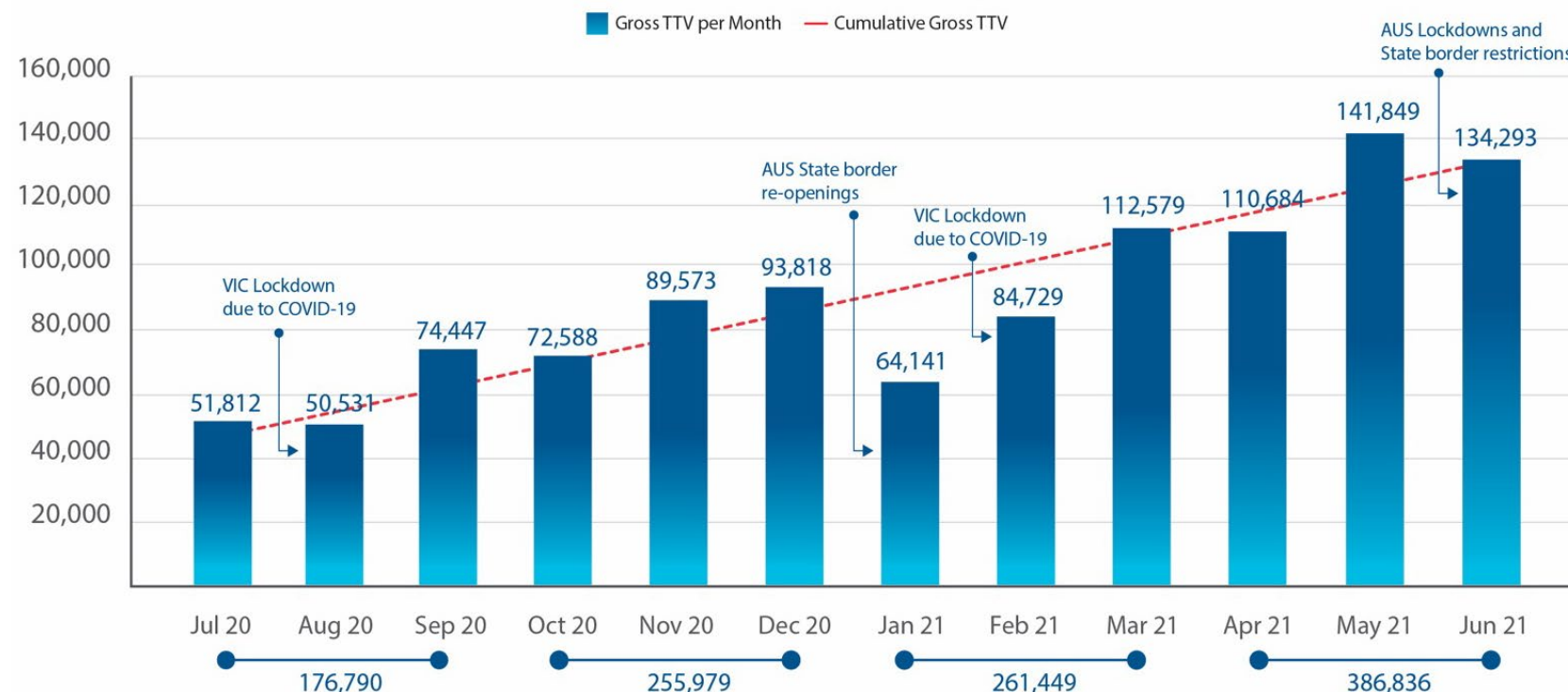


**Rob Dalton**  
Non-Executive Director

# Chairman's opening comments

- Financial year 2021 proved to be an exceptionally challenging year for the business and the industry at large.
- The Global Travel Industry has gone through the greatest upheaval in its history with the onset of COVID-19 in March 2020.
- The world reacted with international border closures to slow down the outbreak and alleviate the pressure on health systems
- HLO's TTV was approximately 15% of pre-COVID levels over much of the year, rising to 25% in Q4. Losses were kept to a minimum over the period.

## Total Transaction Value (TTV)





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**Mr Andrew Burnes**  
**CEO & Managing Director**



## Our travel operations

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





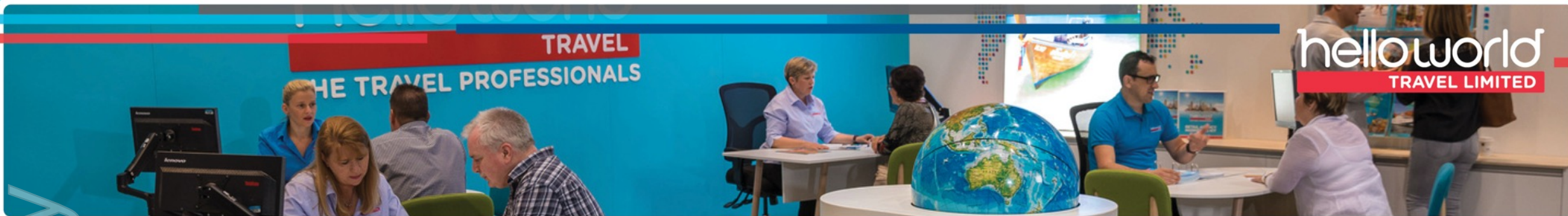
## CEO Opening Comments

- Highlight is not only the financial performance, but the extraordinary effort by the dedicated Helloworld personnel and our travel agency broker networks throughout Australia and New Zealand.
- TTV was approximately 15% of pre-COVID levels over much of the year, rising to 25% in Q4.
- Losses kept to a minimum over the period.
- Continued improvements to Helloworld's technology suite resulting in improved customer outcomes, cost reductions via productivity enhancements and improved operational capabilities.
- Massive refund and travel credit operation completed over the last 18 months in Australia and New Zealand.
- HLO's corporate business has shown strong recovery during periods of open domestic borders, returning to near normal levels, including some businesses exceeding pre-COVID monthly records, we expect this to again increase from November 2021 onwards.

## Travel poised for rapid return in FY22

- With Australia on track to have one of the highest vaccination rates of any country in the world (+90%), Qantas commenced flights between Australia, the United States and United Kingdom on 1 November 2021
- Domestically, the crucial Melbourne to Sydney capacity is ramping up
- Demand for Qantas services to London and Los Angeles has been extremely strong
- Services to Singapore and Nadi commence December with Delhi, Johannesburg, Phuket, Bangkok and Tokyo expected to re-commence in early 2022.
- Vaccination rates over 80%, rapid testing, digital certificates, advanced contact tracing and mutually agreed travel and border protocols will allow most domestic borders to re-open pre-Christmas with international flights ex MEL/SYD/ADL/BNE to re-commence by years end.
- Australians & New Zealanders are already permitted to enter a growing list of countries around the world without quarantine including the UK, the EU, Switzerland, Maldives, the UAE, the US, Canada and Singapore.
- New Zealand will commence re-opening as soon as vaccine rates hit 90%, expected before year end.





## Network members

HLO agent networks showing steadfast resilience and maintain a strong presence for expected travel demand



2,184 at 30 September 2021 | 2,224 at 30 JUNE 2021 | 2,496 at 30 JUNE 2020

- The HLO agent network has shown steadfast resilience throughout 2021
- A number of agents have chosen to close their businesses, to consolidate outlets or to “hibernate” until travel demand returns. This has been achieved in an orderly and professional manner and agents have met their legal and financial obligations.

**HLO and our network agents are very well placed for recovery**

- demand for professional travel services
- expansive leisure and business travel networks
- best of breed technology solutions
- cashed-up consumers



# Share price – 12 month period

## Helloworld Travel Limited



## Flight Centre



## WEBJET



## Corporate Travel Management





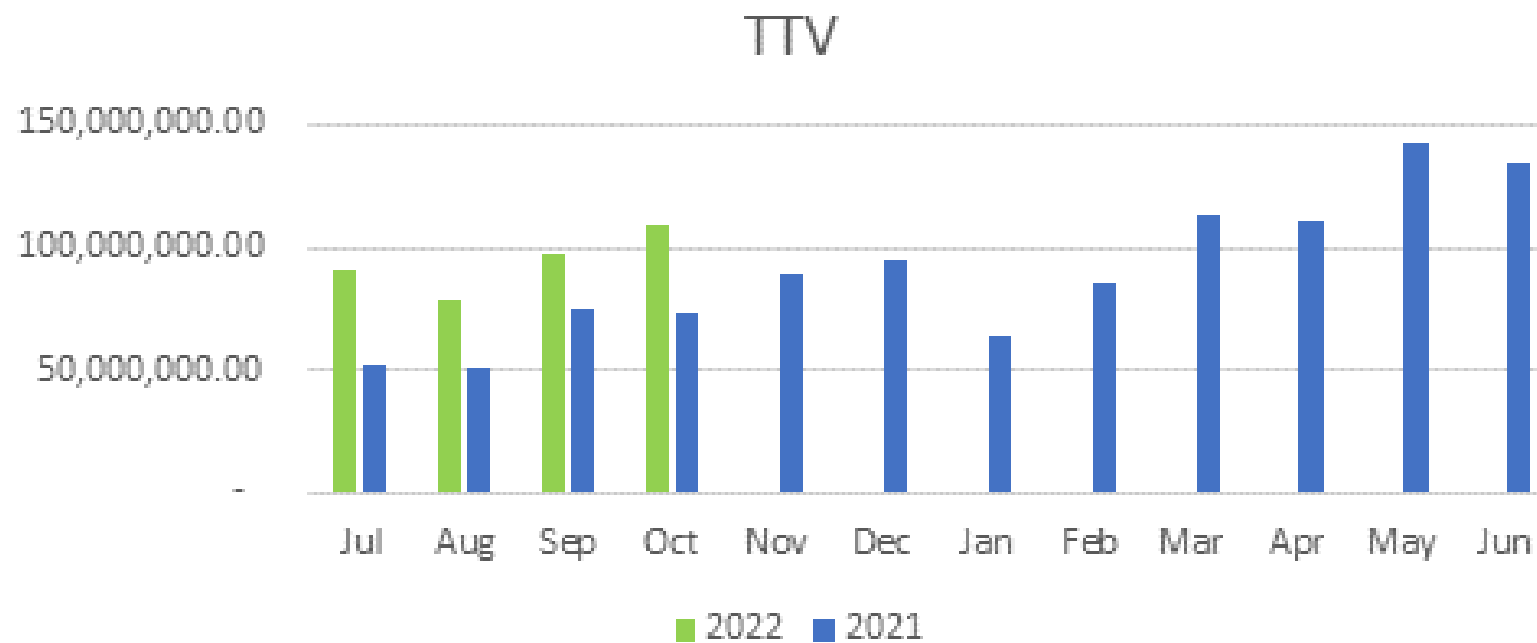
## Best of breed technology solutions

- HLO has reduced its operational capacities in line with COVID-19 impacts we have continued throughout FY21 to invest in further development of our core technologies.
- ResWorld, HLO's retail mid-office system, continues to become the go to mid-office system for retail agency networks in Australia and New Zealand. It is now rolled out to 120 agents in Australia and New Zealand. Aggressive pipeline of rollouts for 2022 and beyond with over 300 agents moving across to our mid office solution by the end of 2022. Currently being rolled out in New Zealand and to corporate agents in 2022.
- Our wholesale businesses transitioned a new digital platform, "Mango", our own front-end portal operating off Tourplan NX and was rolled out across our wholesale operations in October 2021, providing greater booking functionality, content management and a broader array of product for all retail agency partners throughout Australia and New Zealand.
- In HLO's corporate division, we continue to work with our GDS and portal partners and have rolled out a new analytics portal in March 2021 and new capabilities to take advantage of the latest NDC developments
- The Cruise Division rolled out a uniform version of Odysseus across our CruiseCo and Seven Ocean's brands
- We continue to invest in our SmartTickets technologies including handling NDC requirements (Smart NDC) that many carriers have begun implementing
- Our ReadyRooms platform will re-launch in November 2021 based upon the Athena system developed by our dedicated team in Athens and we will re-launch the Skiddoo site with an updated platform in November 2021.



# September Quarter 2021 update

- TTV for the September quarter (based on unaudited management accounts) was \$266.5m, up 50.7% on the same period last year.
- Revenue for the period totaled \$20.3m up 62.7% on Q1 FY20, reflecting a revenue margin of 7.6%.
- EBITDA loss for the September quarter FY22 was \$3.6m compared with \$6.3m in FY21. July and August 2021 saw losses of circa \$1.5m per month but in September losses were reduced to \$0.6m.
- TTV for the month of October 2021 was circa \$109m, up 50% on October 2020.





# Show Freight



FOCUSED ON PERFORMANCE

AUSTRALIAN *Touring Services*  
**[ATS LOGISTICS]**

# Conclusion

With Australia on track to have one of the highest vaccine rates of any country in the world, we approach the end of 2021 with great expectation for the year ahead

We continue to navigate the State border and quarantine challenges, and run the business as efficiently as possible through a disciplined approach to cost management while maintaining service levels to our corporate, wholesale and retail agency customers

As international borders re-open and cruising both in Australia and New Zealand waters and further, with global operating protocols in place, we expect to see positive trading conditions evolve through 2022 and beyond.

We thank Mike Ferraro for his four plus years of service in extraordinary times and welcome Rob Dalton to the Board.

Thank you shareholders for your great support during a very challenging period.





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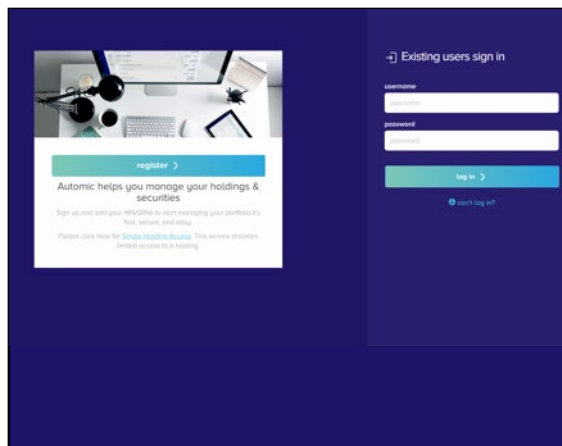
FORMAL AGM BUSINESS

2021

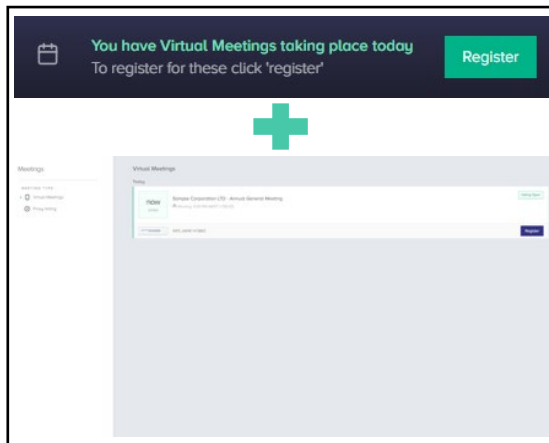
# Registration and Voting

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

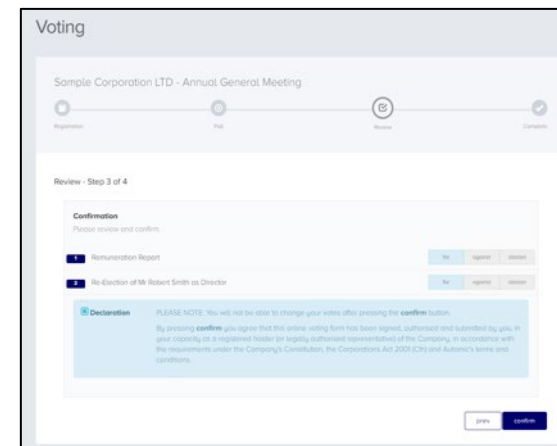
<https://investor.automic.com.au/#/home>



**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

 **AUTOMIC GROUP**

## Discussion on FY21 Financial Statements and Reports

# Adoption of Remuneration Report

## Resolution 1

“Approve the Remuneration Report for the year ended 30 June 2021, as set out in the 2021 Annual Report”



# Questions







## Adoption of Remuneration Report

Proxy Votes	Number	Percentage
For	58,645,573	99.57
Against	113,685	0.19
Open-Usable	137,637	0.24
Abstain	27,004	-
Excluded	41,815,557	-

# Election of Directors

## Election of Mike Ferraro

### Resolution 2.1

Withdrawn due to the resignation of Mike Ferraro as announced on 26 October 2021





# Election of Directors

## Election of Andrew Finch

### Resolution 2.2

“That Andrew Finch, 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.”



# Election of Directors

## Election of Andrew Finch

# Questions





## Election of Directors

Proxy Votes	Number	Percentage
For	84,306,510	83.71
Against	16,266,679	16.15
Open-Usable	136,873	0.14
Abstain	29,394	-
Excluded	-	-



# Appointment of Auditor

## Resolution 3

“Member approval for the ongoing appointment of EY as auditor under section 327B(1) of the Corporations Act”







# Questions



## Appointment of Auditor

Proxy Votes	Number	Percentage
For	100,547,385	99.84
Against	13,500	0.01
Open-Usable	144,887	0.15
Abstain	33,684	-
Excluded	-	-

## Poll Procedure

## Closure of Poll

Results of Poll Announced to ASX





THANK YOU FOR YOUR CONTINUED SUPPORT