

HELLOWORLD TRAVEL LIMITED RESULTS ANNOUNCEMENT

1H FY25 RESULTS ANNOUNCEMENT
HALF YEAR ENDED 31 DECEMBER 2024



Melbourne, 26 February 2025

Helloworld Travel Half Year Results

Helloworld Travel Limited ('ASX: HLO', 'Helloworld', the 'Company' or the 'Group') has today released its interim financial results for the first half year ended 31 December 2024 (1H FY25); including the consolidated interim financial report, Appendix 4D and investor presentation.

1H FY25 Results Overview

- Total Transactional Value (TTV) down 6.9% to \$2.1 billion
- Revenue down 7.6% to \$103.8 million
- Revenue margin at 4.9% (pcp 4.9%)
- Underlying EBITDA down 20.2% to \$27.2 million
- Underlying EBITDA margin at 26.2% (pcp 30.2%)
- Net profit after tax down 32.4% to \$10.8 million
- Earnings per share down 29.7% to 7.1 cents
- Interim dividend of 8.0 cents per share, fully franked (payment date 26 March 2025)
- Continued focus on cash management generating 17% increase in interest income
- Strong liquidity position with significant cash reserves, no bank debt and ASX listed CTM shares

Andrew Burnes AO, CEO, said "our performance across the first half reflects a challenging fiscal environment in Australia with cost of living increases impacting demand for leisure travel and reductions in airfares pushing flight TTV downwards across the period.

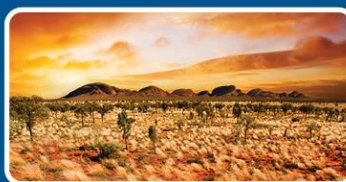
However, we have continued to invest in our business, growing our technology options and expanding our wholesale product range while enhancing our core capabilities around ticketing and air consolidation.

Despite the short-term challenges, we will continue to leverage our industry knowledge and drive long term shareholder value across the period ahead.

We are pleased to be delivering a strong result for the first half and a strong dividend to our shareholders at 8 cents per share fully franked.

Across Helloworld's agency and broker networks there are over 10,000 travel advisors, the biggest group of travel professionals in Australia and New Zealand.

Looking ahead we are seeing strong forward bookings over the remainder of 2025. The business has balance sheet strength, no external bank borrowings and strong liquidity that positions the Company for long term sustainable growth."



Summary of Results

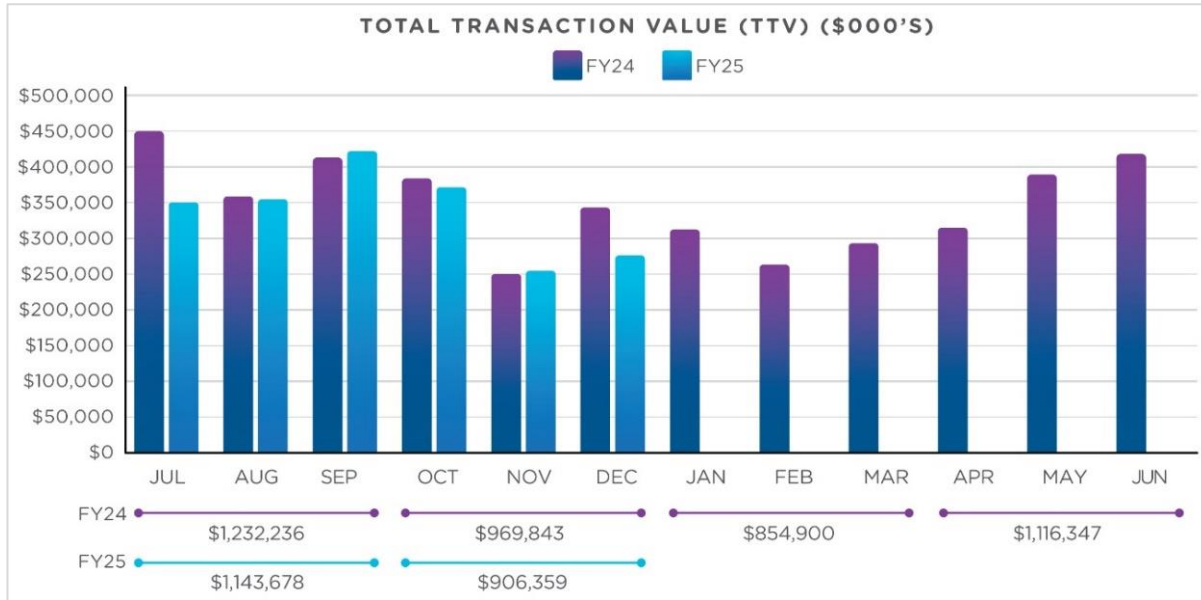
	For the half year ended 31 Dec 2024 (\$000)	For the half year ended 31 Dec 2023 (\$000)	Change (\$000)	Change %
Total Transaction Value (TTV) ⁽¹⁾	2,050,037	2,202,079	(152,042)	(6.9%)
Revenue and other income	103,784	112,260	(8,476)	(7.6%)
Revenue margin ⁽²⁾	4.9%	4.9%		
Expenses	(80,006)	(81,352)	1,346	(1.7%)
Equity accounted profit	2,047	1,802	245	13.6%
Underlying EBITDA ⁽⁴⁾	27,168	34,024	(6,856)	(20.2%)
Underlying EBITDA margin ⁽⁶⁾	26.2%	30.3%		
EBITDA ⁽³⁾	25,825	32,710	(6,885)	(21.0%)
EBITDA margin ⁽⁵⁾	24.9%	29.1%		
Depreciation and amortisation	(8,052)	(8,539)	487	(5.7%)
Interest expense	(588)	(583)	(5)	0.9%
Profit before income tax	17,185	23,588	(6,403)	(27.1%)
Income tax expense	(6,340)	(7,541)	1,201	(15.9%)
Profit after income tax	10,845	16,047	(5,202)	(32.4%)
Profit attributable to the owners of Helloworld Travel Limited	11,495	16,012	(4,517)	(28.2%)

	Half year ended 31 Dec 2024 (cents)	Half year ended 31 Dec 2023 (cents)	Change (cents)	Change %
Basic earnings per share	7.1	10.1	(3.0)	(29.7%)
Diluted earnings per share	7.1	10.1	(3.0)	(29.7%)
Interim dividend per share	8.0	5.0	3.0	60.0%

- (1) Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards and is not subject to audit or review. 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 cash inflows as some transactions are settled directly between customer and supplier.
- (2) Revenue margin has been calculated as revenue from contracts with customers as a percentage of TTV. The calculation does not include interest income and other income.
- (3) 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 or review.
- (4) 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 operating segments and is not subject to audit or review. A reconciliation of Underlying EBITDA to profit before income tax expense is provided in Note 3: Segment Information of the Consolidated Interim Financial Statements.
- (5) EBITDA margin has been calculated as EBITDA as a percentage of total revenue.
- (6) Underlying EBITDA margin has been calculated as Underlying EBITDA as a percentage of total revenue excluding significant items.
- (7) Significant items are those gains or losses where their nature, including the expected frequency of the events giving rise to them, and impact is considered material to the financial statements.



TTV



Overview

Helloworld Travel delivered TTV of \$2.1 billion for the half, down \$152 million or 6.9% due to marginally lower customer numbers, changes in destination mix from higher spending long-haul trips to more mid-haul destinations including Japan, Bali, Thailand and Fiji, and lower airfares. The overall revenue margin was maintained at 4.9% compared to the prior corresponding period (pcp).

Ongoing cash management generated a 17% increase in interest income.

The overall cost base (excluding the impact of significant items and Entertainment Logistix) was in line with the prior period. Selling expenses were down on the prior year, offset by growth in employee costs due to annual salary increments and the right sizing of staffing levels for future growth.

Equity accounted profits from Helloworld's investments in MTA, Phil Hoffmann Travel, and the Australiareiser Group grew by 13.6% on the prior corresponding period (pcp).

The Underlying EBITDA for 1HFY25 was \$27.2 million, compared to \$34.0 million pcp (down \$6.8 million).

Lower depreciation and amortisation reflect the impact of fully written down assets.

A profit before tax of \$17.2 million was generated across the first six months of FY25 while profit after tax for the same period was \$10.8 million.

On 26 February 2025, Helloworld declared an interim dividend of 8.0 cents per share, fully franked (payment date 26 March 2025), up from 5.0 cents in prior period (+60% pcp). The higher dividend reflects management's confidence in the future of the business and provides shareholders with a portion of the business's strong liquidity.

HLO is well positioned to deliver long-term shareholder returns through our suite of quality businesses, significant long-term growth opportunities and a strong balance sheet. The balance sheet provides the flexibility and capacity to capitalise on new and emerging opportunities as they arise.



Business Highlights

Retail

- The HLO Loyalty Shares Program was rolled out in the first half and well received by agents. In October 2024 1,738,000 HLO shares were issued to agents in recognition of their continued support and renewal of their franchise or membership agreements.
- "Helloworld", the TV show, aired across the Nine network across November and December with very positive feedback from agent networks.
- The Helloworld Travel Academy continues to grow with over 10,000 participants through its programs since it was launched in 2022.

Wholesale

- Viva Holidays were again awarded the National Tourism Industry Award (NTIA) for the Most Outstanding Wholesaler for the second year running.
- New destinations and new brochures have been added to the extensive wholesale collection across Helloworld branded, Viva Holidays and GO Holidays in NZ. Our new luxury brand, Viva Gold, was launched in December with a dedicated luxury product range to meet the continued demand at the top end of the luxury travel market.
- Positive results with strong demand for travel to mid-haul destinations including Singapore, Hawaii, Bali, Fiji and Thailand, while demand for UK/Europe and North America was similar to the previous year.

Cruise

- Cruise continues to perform strongly across the HLO dedicated cruise brands in Australia and New Zealand.
- A strong Kimberley season in 2024 delivered high domestic cruising results, and both Australia and New Zealand continue to see solid growth for luxury, ocean and expedition cruising.
- A strong northern summer across both river cruise and ocean cruise was a benefit of the long tail of post pandemic recovery with increased departures compared to the pcp.
- The summer season saw overall higher yields in the Australian and New Zealand short-haul market.

Inbound

- Inbound traveller numbers continue to recover with 1H FY25 delivering growth.
- Demand for Australia, New Zealand and Fiji remains very high with lowering airfares and favourable currency rates of exchange for Inbound travellers.
- The North American market remains particularly strong and our ATS Pacific brand has won significant new high yield business from this market.
- Strengthening of global agent partnerships with regular visits to market and hosting global key partners in our region.

TOTAL OVERSEAS ARRIVALS (MILLIONS)



Source: Australian Bureau of Statistics, 14 February 2025

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Marketing activity

- HLO continues to undertake major campaigns for our various networks in partnership with international and domestic tourism bodies and our commercial cruise, land and destination partners.
- Ongoing NewsCorp Platinum partnership in place, plus partnerships with all major media in Australia and New Zealand.
- Solid marketing plans for all of calendar year 2025 with strong partner activity locked in.

New business activity - My Way Travel & Events

- HLO launched a new business division in My Way Travel & Events. Led by highly experienced experts in the sporting and live events industries, the business offers a wide range of ticketing packages in Australia, New Zealand and globally.
- Event packages already offered include Hamilton the Musical, the Weeknd, Coldplay, Boxing Day Test, Luke Combs, the Super Bowl, LIV Golf, State of Origin, Wimbledon and more. Upcoming event packages include AFL Grand Final, Victorian Spring Racing Carnival, Book of Mormon, Beetlejuice and more.

Entertainment Logistix

- Entertainment Logistix (ELX) provides freight and logistics management services to a range of customers across various sectors including the Performing Arts, Live Music, Theatre and Stage, Media, Production, Sports and large national Festivals and Corporate Events.
- Helloworld holds an 85% shareholding in ELX, with the remaining 15% being held by a third party.
- Prior to 31 December 2024, Helloworld committed to a plan to offer Entertainment Logistix for sale as it is a non-core business.

Technology

- Helloworld Travel continues to lead the way with innovation and investment in technology solutions across our business divisions and networks.
- Air ticketing systems, Air Tickets and Express Tickets, remain at the forefront of ticketing and consolidation with additional enhancements to the SmartSuite of technologies including SmartNDC and SmartRefunds. Air Tickets was awarded the National Tourism Industry Award (NTIA) for the Innovation in Travel Services for SmartRefunds in 2024.
- Resworld, Helloworld's market leading retail mid-office solution, continues to be deployed to agencies across Australia and New Zealand. A roadmap of new features and enhancements will ensure that Resworld continues to provide ongoing productivity gains to our agent networks.
- HLO's wholesale hotel solution, ReadyRooms, goes from strength to strength as it continues to deliver rapid increase in users and also sales.

Liquidity and funding

- As at 31 December 2024, the Group held cash of \$108.8 million and has no bank debt. The Group also holds shares in ASX listed Corporate Travel Management (ASX: CTD).
- Continued focus on cash management generating 17% increase in interest income.
- Helloworld Travel maintains a strong balance sheet that supports future business expansion and initiatives, while returning surplus cash funds to shareholders.

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Dividend

- The Board has declared that the Company will pay a fully franked interim dividend of 8.0 cents per share. The dividend is to be paid on 26 March 2025 with a record date of 12 March 2025. This is an increase of 3.0 cents on the prior corresponding period.

Outlook

- Management are focused on medium to long term value creation. HLO continues to invest to strengthen our agent and advisor networks; to target earnings-accretive core business acquisitions; leverage AI to improve productivity and efficiency and to benefit from Australian and New Zealand economic growth.
- We are forecasting a full year Underlying EBITDA of between \$56 million and \$62 million.
- Strong forward bookings for calendar 2025.
- Helloworld Travel's diversified business model allows it to remain focused on growing TTV at profitable margins while carefully controlling costs.
- Ongoing investment in people, technology and infrastructure.
- Commitment to technology developments, automation, innovation and AI that will keep us at the forefront of technological advancement.
- Agency succession planning and future owner training on offer.
- Continued significant investment in advertising and marketing activities (eg Helloworld TV show) to maintain strong brand awareness and drive leads to HLO's agent and broker networks in Australia and New Zealand.
- Potential complementary business acquisitions being explored.

This announcement has been approved by the Board.

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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, including event packaging and online operations, all supported by world class proprietary and non-proprietary distribution systems.

Helloworld businesses have over 900 staff located in Australia, New Zealand, Fiji and Greece, and over 2,700 members in 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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