Helloworld Limited

FY16

CEO Andrew Burnes

CFO Michael Burnett

Disclaimer

The information included in this presentation may not be reproduced or distributed to any third party or published in whole or part for any purpose. 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 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 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 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.

Agenda

1. Overview
2. Financial Performance
3. Business Overview
4. Growth and Outlook

FY16 Results Overview

Reported		Excluding AOT Feb-Jun 16	
TTV $5,088m	8% on FY15	TTV $4,936m	5% on FY15
Revenue $297.9m	7% on FY15	Revenue $278.3m	0% on FY15
EBITDA $25.3m	5% on FY15	EBITDA $21.3m	12% on FY15

- Organic TTV growth
- Revenue stable but impacted by competitive pressures
- Continued focus on cost control
- Expenses in FY16 impacted by merger costs
- AOT merger approved by shareholders on 1 Feb 2016
- Merger synergies identified and being delivered
- Net Profit After Tax $1.7m compared to loss of $201.1m in FY15
- Final dividend of 2.0 cents per share. First dividend since 2013

Key Highlights

- Merger with AOT successfully completed February 1st, 2016
- Winners of Best Travel Agency Group, Best Non-Branded Agency Group and Best Domestic Wholesaler at 2016 NTIA Awards
- Synergies & cost reductions identified $17.1 million (which have one-off costs of $3.5 million)
- New two year commercial deal with Qantas
- First ever commercial deal with Jetstar
- Key partnerships with Basketball Australia, Volleyball Australia and Carlton Football Club
- Rebrand of Concorde Agency Network & Helloworld Affiliates to “My Travel Group”
- Continued growth of the Travel Management division (TTV growth 24%), QBT appointed provider of travel management for NT Government & PwC
- Refocus promotion and marketing activities with more traditional advertising
- Re-engage with Helloworld family

Financial Performance

helloworld

Full Year Result

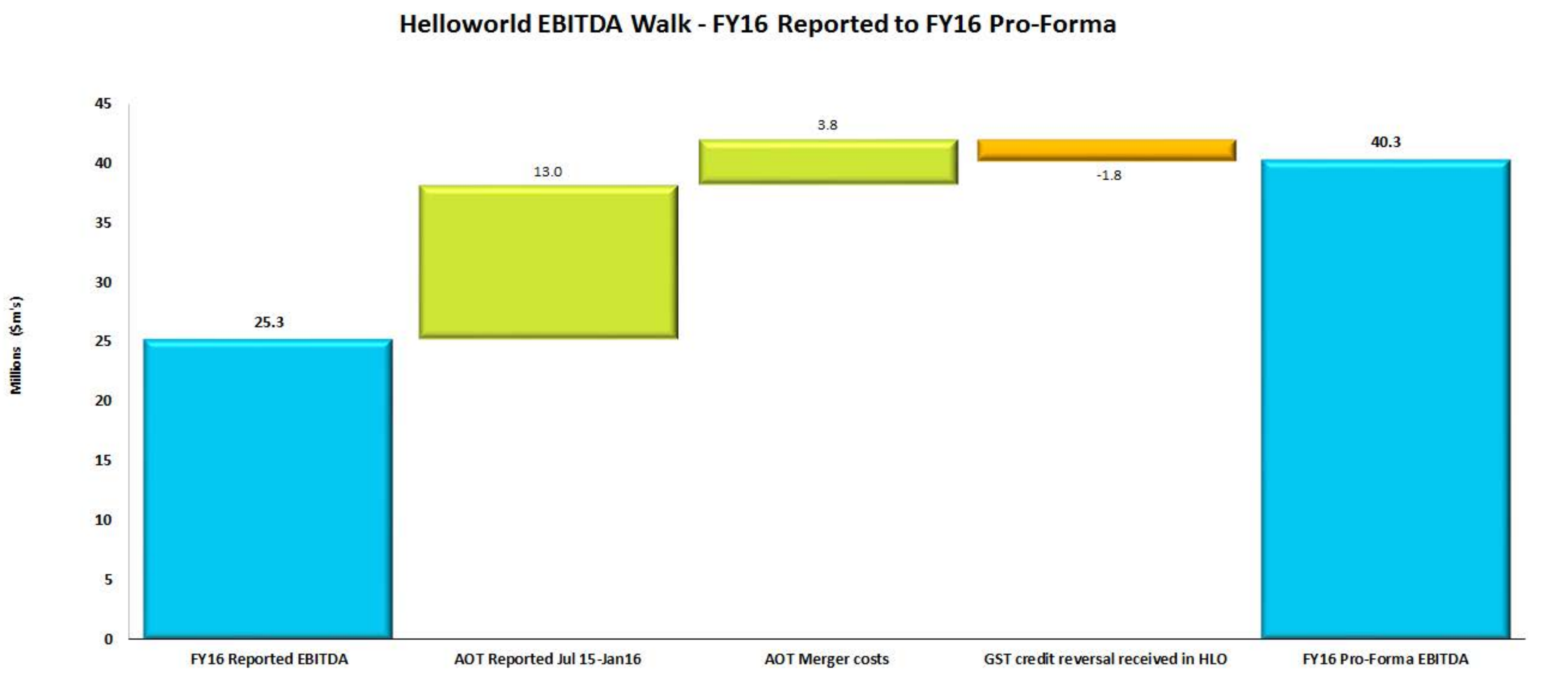
	FY16 $m	FY15 $m	Change %	FY16 Pro-Forma [3] $m
Total Transaction Value (TTV) [1]	5,088.0	4,696.2	8.3%	5,327.5
Revenue	297.9	279.2	6.7%	334.5
Gross Margin	5.9%	5.9%	-	6.3%
EBITDA [2]	25.3	24.1	5.2%	40.3
EBITDA % of Revenue	8.5%	8.6%	(1.2%)	12.0%
Profit/(Loss) before tax	3.5	(198.4)	101.7%	16.6
Net profit after tax	1.7	(201.1)	100.8%	11.5
Dividend (Cents per share)	2.0c	-	-	2.0c
Basic earnings/(Loss) per share	1.9c	(274.0c)	100.7%	12.9c
Diluted earnings/(Loss) per share	1.9c	(274.0c)	100.7%	12.9c

(1) 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. Total TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

(2) EBITDA is earnings before interest expense, tax, depreciation, amortisation and impairment. 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.

(3) Pro-Forma results represents the revised 2016 HLO performance, incorporating the full 12 months trading result of the AOT Group, adjusted for one off items relating to acquisition costs and the GST legal matter.

Pro-Forma EBITDA FY16



Significant one-off items

	FY16 $m	FY15 $m
AOT merger costs	3.8	-
Redundancy costs	1.8	-
Business transformation costs	2.9	1.6
GST matter (recovery)/costs	(1.8)	0.6
TOTAL	6.7	2.2

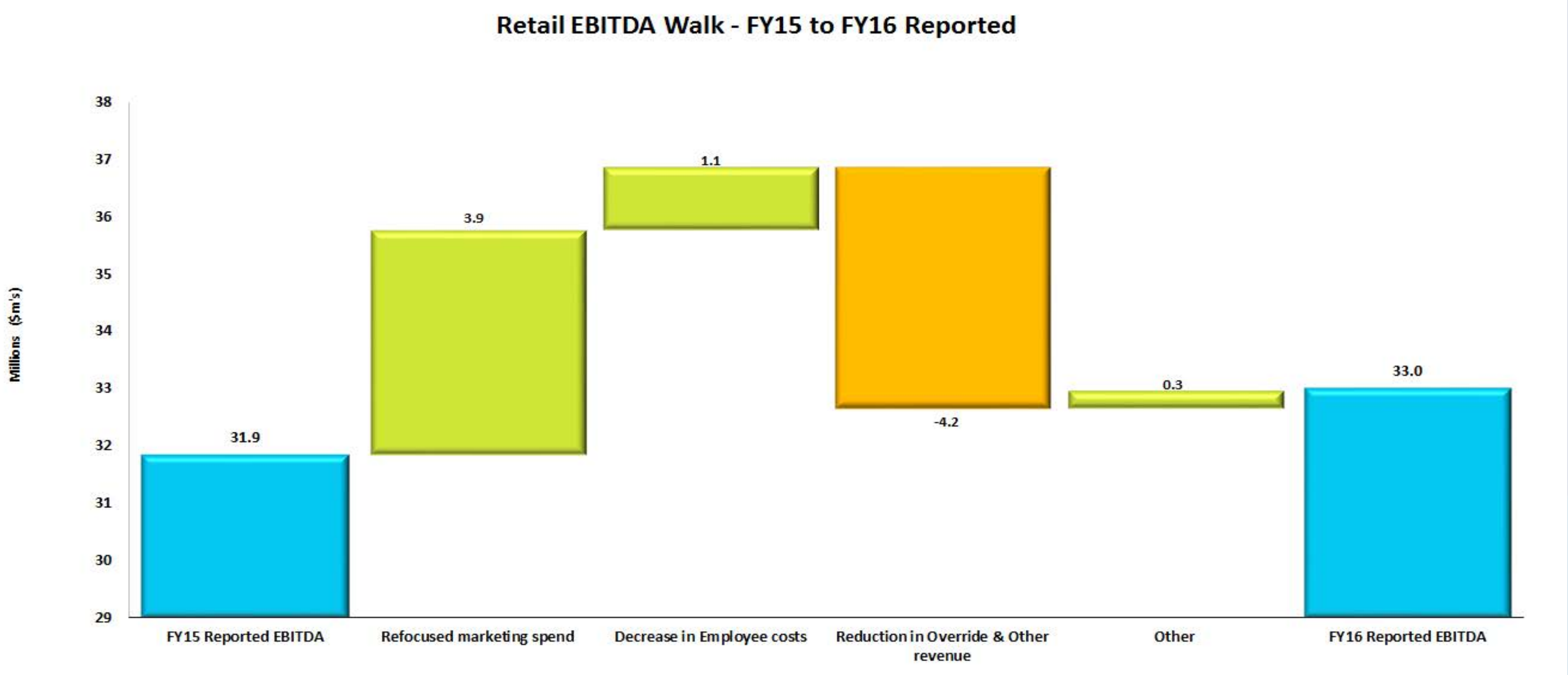
- AOT acquisition costs from merger incurred by HLO
- Business Transformation - Helloworld NZ Rebranding ($1.6m) and Resworld re-alignment ($1.3m)
- GST partial recovery and prior year had legal fees

Retail Segment

	FY16 $m	FY15 $m	Change %
Total Transaction Value (TTV)	3,550.0	3,429.1	3.5%
Revenue	147.5	151.9	(2.9%)
Gross Margin	4.2%	4.4%	(4.5%)
Operating expenses	(114.5)	(120.0)	4.5%
EBITDA	33.0	31.9	3.2%
Shared Service costs and allocations	(26.8)	(21.2)	(26.2%)
Net profit/(loss) excluding impairment	6.2	10.7	(42.1%)

- Increased agent payments in a competitive market place impacted revenue and margin
- Continued focus on cost control leading to increased EBITDA

Retail - EBITDA FY16

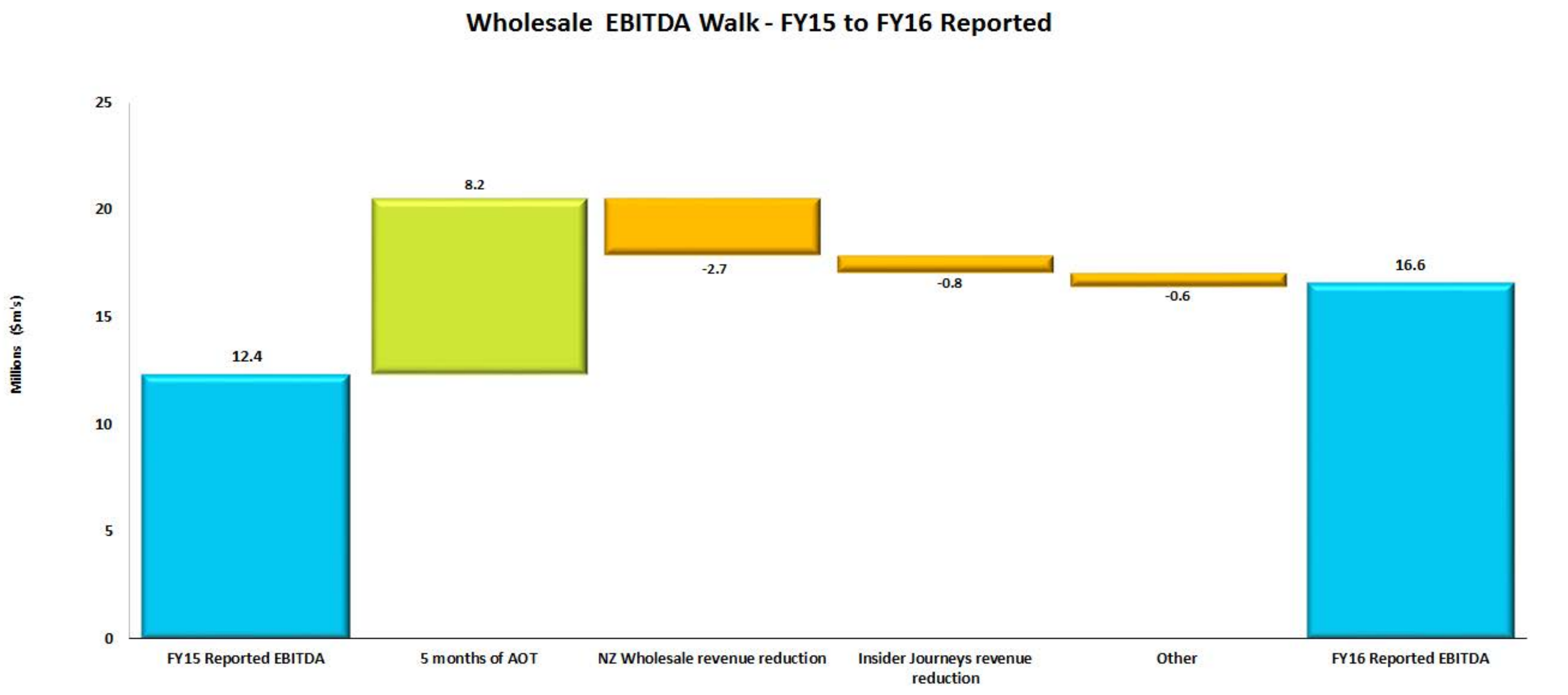


Wholesale Segment

	FY16 $m	FY15 $m	Change %	FY16 Pro-Forma $m
Total Transaction Value (TTV)	801.8	667.1	20.2%	1,041.3
Revenue	96.7	82.3	17.5%	133.2
Gross Margin	12.1%	12.3%	(1.6%)	12.8%
Operating expenses	(80.1)	(69.9)	(14.6%)	(95.5)
EBITDA before Shared Services	16.6	12.4	33.6 %	37.7
Shared Services costs and allocations	(20.7)	(13.6)	(52.3%)	(28.7)
Net profit/(loss) excluding impairment	(4.1)	(1.2)	(246.2%)	9.0

- TTV & Revenue increases driven by inclusion of AOT
- Pricing maintained with decision made not to follow heavy discounting of competitors
- Consolidation of market a benefit but competition to continue
- Focus on margin expansion
- Inbound operator Experience Tours Australia (ETA) achieved considerable growth up 23%

Wholesale - EBITDA FY16

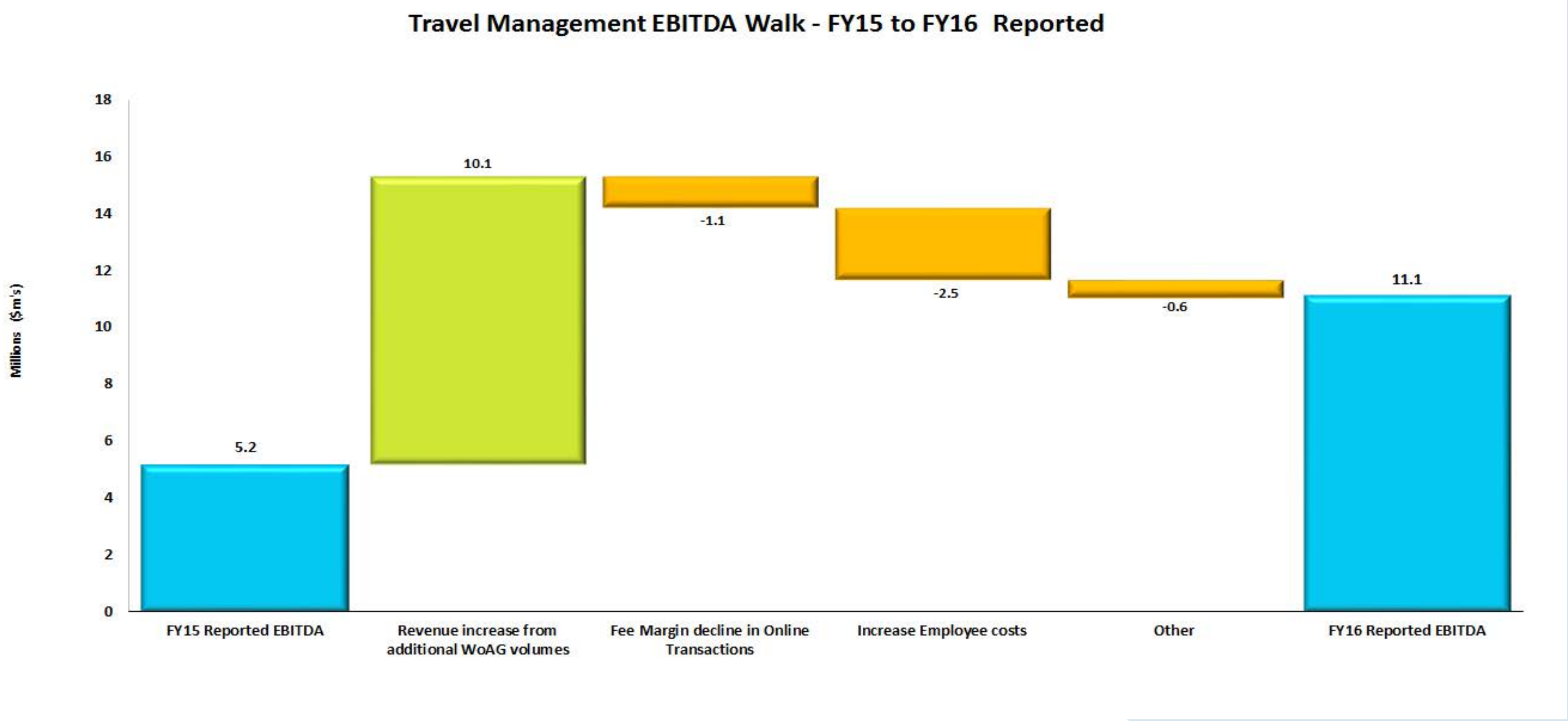


Travel Management Segment

	FY16 $m	FY15 $m	Change %
Total Transaction Value (TTV)	736.2	600.0	22.7%
Revenue	50.4	41.1	22.6%
Gross Margin	6.9%	6.9%	-
Operating expenses	(39.3)	(35.9)	(9.5%)
EBITDA before Shared Services	11.1	5.2	112.9%
Shared Services costs and allocations	(9.7)	(7.8)	(24.0%)
Net profit/(loss) excluding impairment	1.4	(2.6)	151.5%

- Substantial improvement in Revenue & EBITDA driven by QBT now being the sole provider of travel management services to the Whole of Australian Government (WoAG)
- Increase in operating expenses a result of the additional WoAG business, partially offset by productivity improvements
- Significant growth from productivity efficiencies while still maintaining excellent service levels

Travel Management - EBITDA FY16

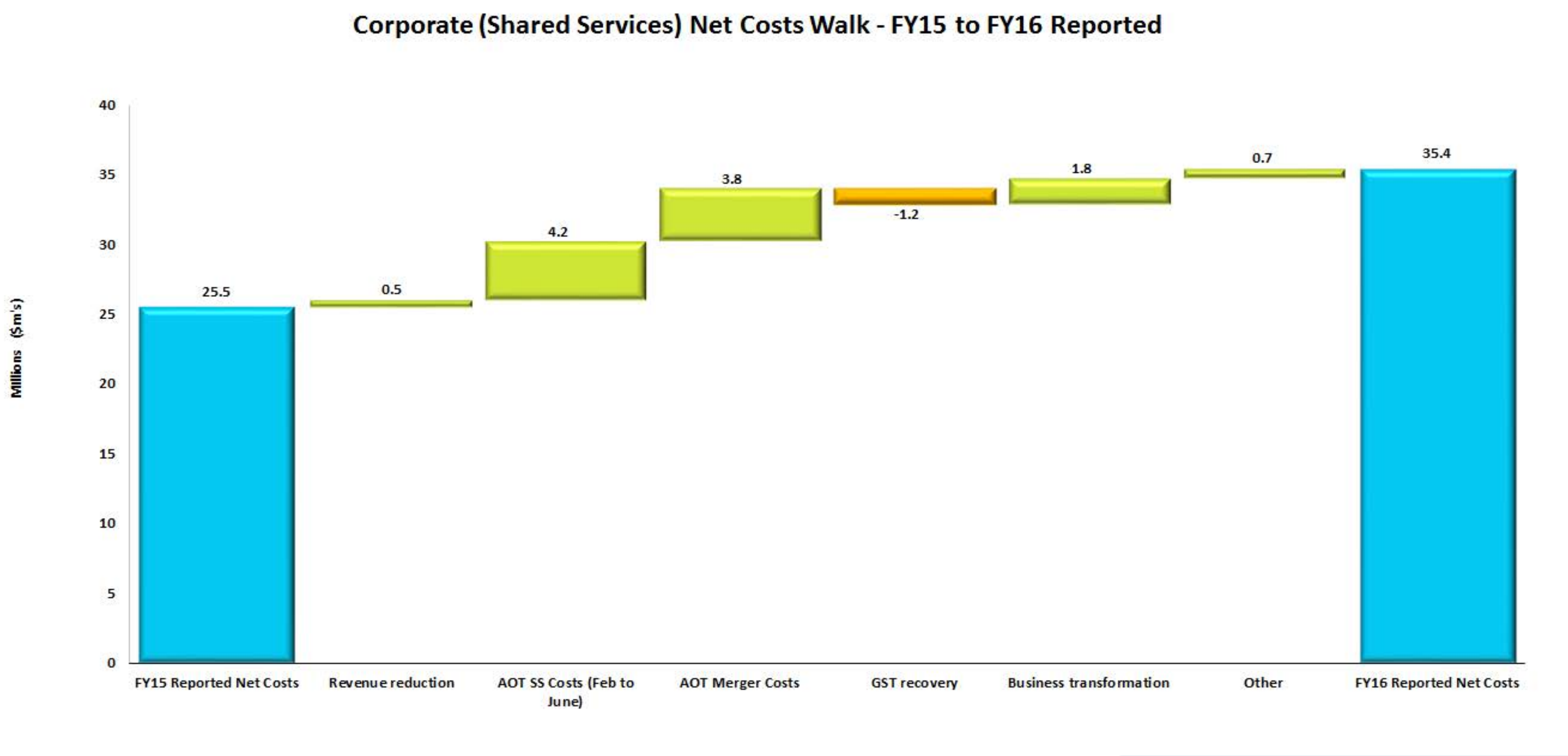


Corporate Segment (Shared Services costs)

	FY16 $m	FY15 $m	Change %	FY16 Pro-Forma $m
Revenue	3.3	3.9	(15.2%)	3.3
Operating expenses	(38.7)	(29.4)	(31.6%)	(44.7)
Shared Services net costs	(35.4)	(25.5)	(38.7%)	(41.4)
Depreciation/amortisation/Interest	(21.8)	(17.2)	(27.4%)	(23.7)
Net Operating Expenses	(57.2)	(42.7)	(34.1%)	(65.1)

- FY16 includes significant one-off costs associated with acquisition of AOT
- FY16 includes 5 months (Feb-Jun 16) of AOT

Corporate (Shared Services) – Net Costs FY16



EBITDA to NPAT reconciliation

	FY16 $m	FY15 $m	FY16 Pro-Forma $m
EBITDA	25.3	24.0	40.3
Depreciation/amortisation	(18.4)	(13.9)	(20.1)
Interest costs	(3.4)	(3.2)	(3.6)
Impairment	-	(205.3)	-
Net profit/(loss) before tax	3.5	(198.4)	16.6
Income tax expense	(1.8)	(2.7)	(5.1)
Net profit/(loss) after tax	1.7	(201.1)	11.5

- Positive NPAT
- Pro-Forma results form strong basis for FY17 expectations

Liquidity and funding

	FY16 $m	FY15 $m
Total Facility available	95.6	96.0
Drawn Debt	(47.5)	(24.9)
Multi-option Facilities (incl. bank guarantees)	(12.0)	(10.3)
Headroom	36.1	60.8
Company cash	26.2	27.4
Client cash	176.4	148.7
Total cash	202.6	176.1

- Strong Balance Sheet and Liquidity position
- Drawn Debt has increased mainly due to consideration paid for AOT merger
- Financing facilities are in place until 2019

Business Overview

Helloworld's strengths

Scale & Diversity

- Pro forma historical FY16 rev for enlarged HLO $334.5m
- Pro forma historical FY16 EBITDA $40.3m
- Investment diversity leveraged to inbound tourism growth with enhanced operations

Inbound Travel

- AOT Group a leading provider in Australia, NZ, South Pacific

Enhanced Govt & Corp Services & Wholesale Offerings

- AOT's strong history in supporting Govt and Corporate
- The merged group will service both Air and Land for WoAG
- Wholesale to benefit from improved commercial arrangements and inventory allocation

Larger, More Competitive

- Larger network in Australia, NZ, globally with broader range
- Lower costs of operation
- Broader range of products and services

Additional Expertise & Stability

- Strong management team and new sector expertise
- Approximately 2,000 staff

Material Financial Benefits

- Annualised pre-tax cost savings of $17.1m by the end of FY17

Merger significantly strengthens HLO

Retail Segment Review

- Launched My Travel Group to consolidate the Helloworld Affiliate network and Concorde Agency Networks
- Helloworld Brand launched into New Zealand Market – currently 238 members (52 Branded, 6 Associates, 100 affiliates and 80 Travel Broker members)
- Awarded Best Travel Agency Group (Helloworld Limited) and Best Non Branded Travel Agency Group (Helloworld for Business) at 2016 NTIA awards
- Digital Platform Agreement with Orbitz brought to an end
- Stabilisation of agent network numbers
- ‘Clicks & Mortar’ multi-channel strategy with Helloworld.com.au to be relaunched and the launch of the “Resworld” consultant interface

New technologies – Clicks and Mortar strategy

1
Helloworld.com.au

- Site Relaunch September, 2016
- Consolidating agent partnerships
- Delivering better customer outcomes

2
ResWorld

- In-house consultant portal
- Driving consultant productivity & outlet yield outcomes
- Promoting preferred supplier partners

3
Agent Micro Sites

- Fully branded agency portals
- Enhance the customer experience
- Come with CMS and CRM systems

A unique and diverse value proposition for members

BRANDED
AUSTRALIA & NEW ZEALAND

BRANDED MODEL

INDEPENDENT
AUSTRALIA & NEW ZEALAND

CORPORATE MODEL

ASSOCIATE MODEL

INDEPENDENT MODEL

JUNE 15: **285**

JUNE 16: **282**

JUNE 15: **1408**

JUNE 16: **1301**

- Branded store numbers have stabilised
- Independent member numbers impacted by departure of United Travel group (53 members) in NZ and termination of Countrylink Rail offices (36 members – TTV of just $0.1m)

Wholesale Segment Review

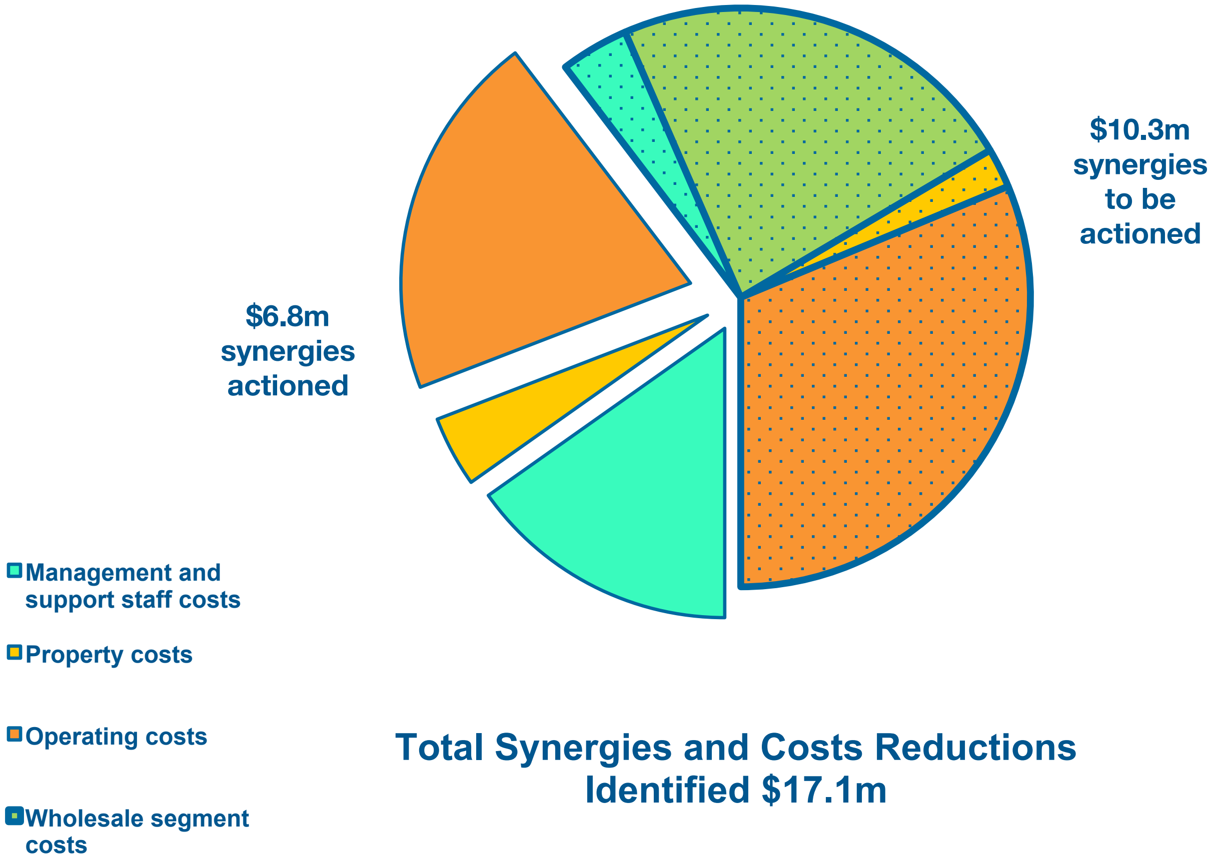
- Feb 16 – AOT and HLO merge. New wholesale brands include Sunlover Holidays, Territory Discoveries, needitnow.com, Best Rates, Need to Escape, Travelmate and NSW Holidays
- Key initiative being identifying synergies between HLO and AOT wholesale brands to deliver improved margins and reduced costs
- Key operations in Australia, NZ, Fiji, USA and south-east Asia
- Sunlover Holidays awarded Best Specialty Wholesaler – Australian Product at the 2016 NTIA awards
- Inbound divisions in Australia, NZ and South Pacific continue to grow with clients in 73 countries and offices across Asia, USA, Continental Europe and the UK

Travel Management Segment Review

- Significant growth primarily reflects the appointment of QBT as the sole provider of travel management to the WoAG (142 Fed Govt agencies)
- QBT appointed sole provider of travel management services for the Northern Territory Government (from April 2016) and PwC (from September 2016)
- The segment continued to invest in technology in order to drive efficiencies and automation to improve productivity and service levels for both online and offline customers
- Successful transition of new WoAG customers from implementation to business as usual

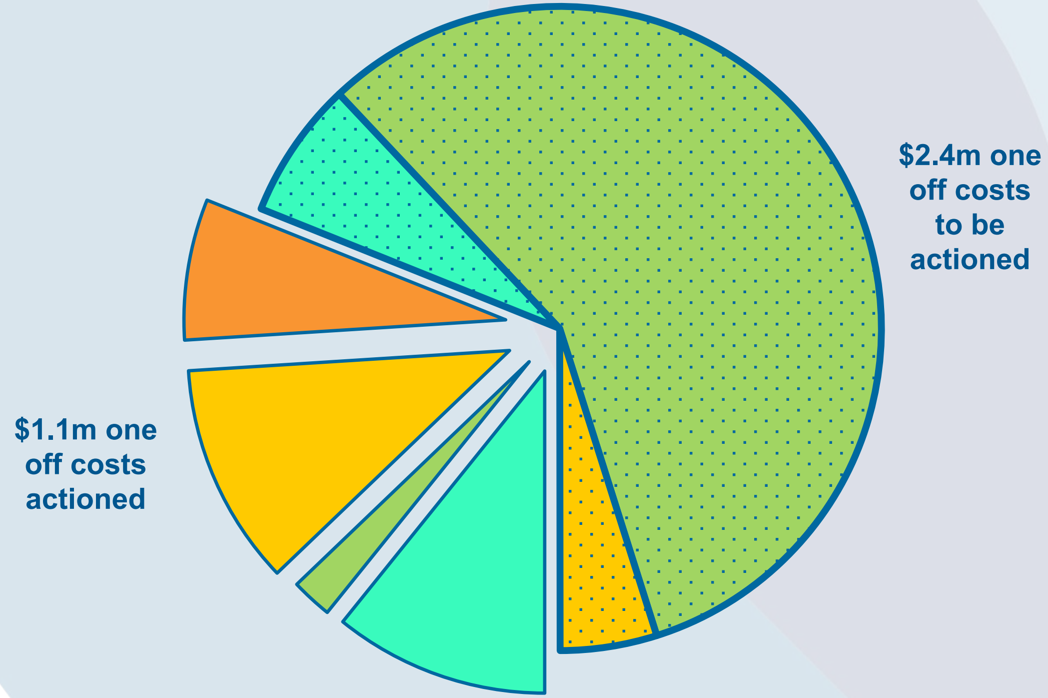
Analysis of Synergies & Cost Reduction

Merger Synergies and Cost Reductions



Total Synergies and Costs Reductions Identified $17.1m

One-off costs associated with implementation of merger synergies and cost reductions



Total One-off Costs $3.5m

Growth and Outlook

Outlook: Business Focus

1 Business Integration

- Focus on improving margins
- Consolidating advantages
- Systems consolidation
- Premises consolidation

2 Agent Focus

- More clearly articulating value proposition
- Agent engagement
- Aligned clicks and mortar strategy

3 Technology

- ResWorld
- helloworld.com.au
- Improved digital solutions across wholesale and corporate divisions
- Inbound systems development

4 Cost Control & Efficiencies

- Remuneration
- Property
- Technology & Communications
- Advertising

5 Brand Awareness

- NZ rollout
- Ongoing build
- Key sponsorships
- Traditional & digital media mix

6 Organic Growth

- Asia
- Inbound
- Travel Management
- Networks

Outlook

- FY17 TTV expected to be between $5.3 billion and $5.4 billion
- FY17 EBITDA expected to be in the range of $46.0 million to $51.0 million
- Merger expected to deliver synergy and cost reductions of $17.1 million per annum with approximately $3.5 million in one-off associated costs. Completed by end FY17
- Merger benefits to drive advantage for Helloworld, Helloworld agents, supplier partners and shareholders
  - Increased scale
  - Expansion of inbound travel
  - Improved wholesale margins
  - Enhanced travel management offering
  - Larger and more competitive offering
  - Better cost management

Thank you