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TRAVEL LIMITED

2019 Half Year Investor Presentation

Andrew Burnes CEO
Michael Burnett CFO

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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.

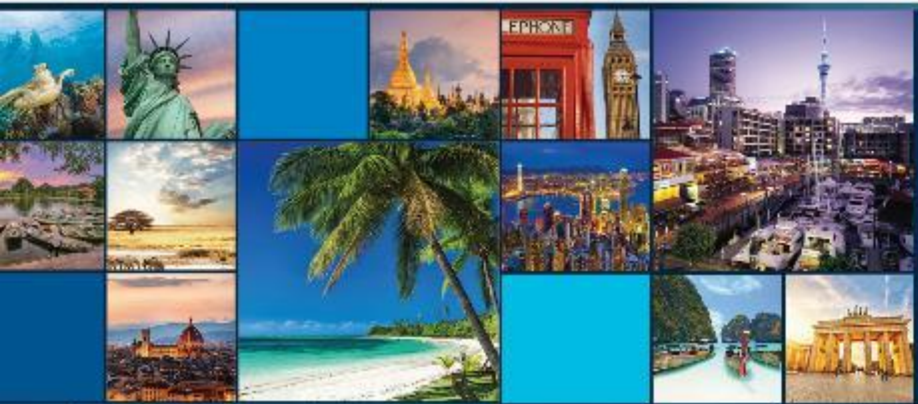
Key non-statutory financial metrics

Total Transaction Value (TTV) - 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.

Earnings before interest expense, tax, depreciation and amortisation (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.

Agenda

1. Overview
2. Financial Performance
3. Strategy & Outlook
4. Appendix



OVERVIEW

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1H19 Key Metrics

+6.1% TTV $3,153m

+14.3% Dividend 8.0 cents

+7.7% Revenue $182.2m

+2.8% Earnings per Share 18.2 cents

+5.6% EBITDA $42.0m

+5.4% NPAT $21.9m

- TTV and revenue up 6.1% and 7.7% respectively driven primarily by Australian Retail, underpinned by our business expansion.
- Focus on driving profitable TTV.
- EBITDA up 5.6% with contributions across all divisions, following improved revenue margin, business expansion activity and ongoing cost control.
- Continued strong growth in NPAT and EPS.
- Continued investment in brand awareness and product to drive growth in our business and networks.
- Investment in technology development and enhancement across all divisions and channels.

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1H19 Operational Highlights

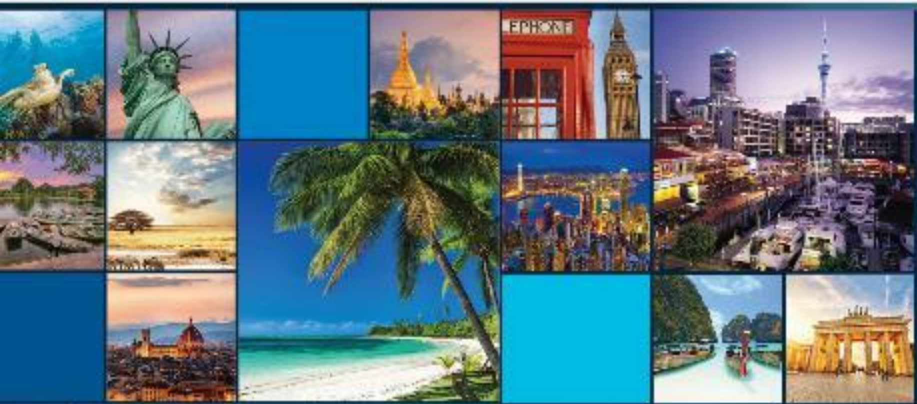
- Over $50m in new accounts won by HLO Corporate businesses in the period.
- QBT appointed sole provider of travel management services for the SA Government.
- Acquisition of Show Group business complementing existing corporate operations.
- Inspire Travel Management continues to gain traction in the market with major account wins.
- Key technology investments include:
  - successful pilot of the new ResWorld retail agency platform (ready for rollout in Q4 of FY19)
  - Air Tickets system two year upgrade project completed
  - deployment of Amadeus ‘Cytric’ platform for QBT underway

SHOW GROUP

inspire
TRAVEL MANAGEMENT

1H19 Operational Highlights

- Improving Helloworld Travel brand recognition in Australia, with prompted brand awareness up to 71% (from 60%) and unprompted at 30% (from 22%). Also growing brand awareness in New Zealand with prompted awareness up to 67% (from 52%) and unprompted awareness consistent at 20%.
- Helloworld TV show launched, showcasing the brand and holiday destinations, and first in market platinum media partnership with News Corporation.
- 2018 travel industry award winners:
  - Australia - Helloworld Business Travel – Best non-branded travel agency group / Air Tickets – Best agency support service / MTA – Best travel broker network / Qantas Holidays & Viva! Holidays – Best Wholesaler Domestic
  - New Zealand - Helloworld – Best Travel Agency brand / GO Holidays – Best Wholesaler / The Travel Brokers – Best Broker brand



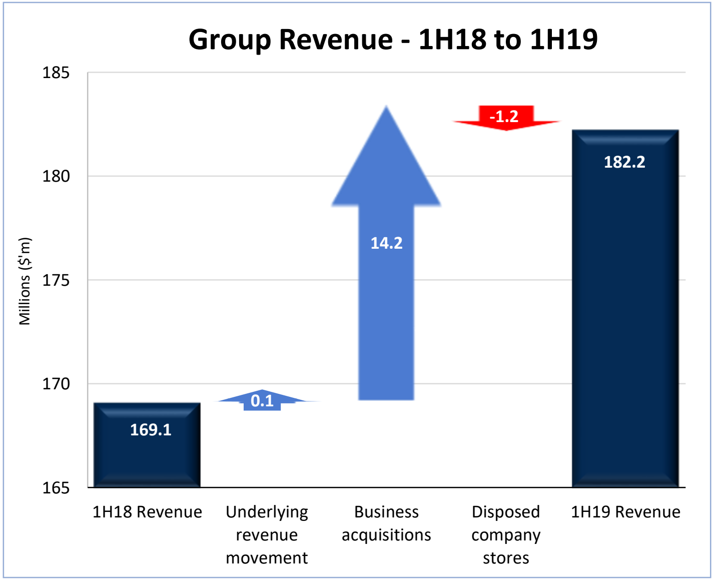
FINANCIAL PERFORMANCE

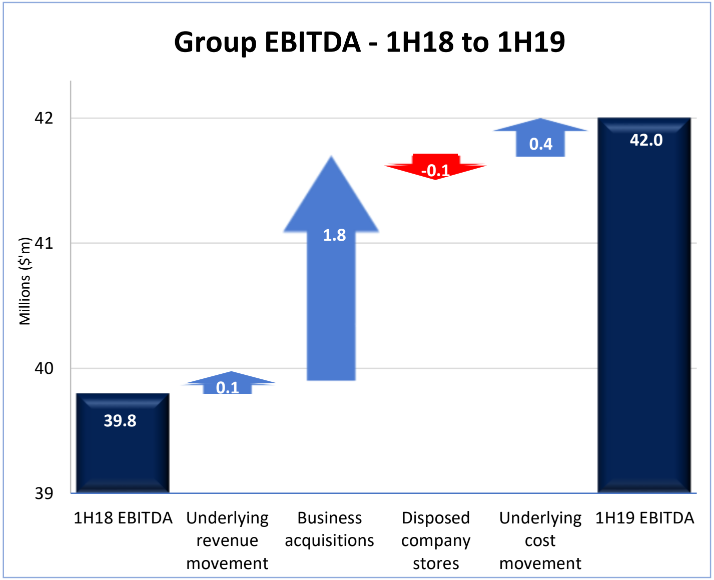
1H19 Half Year Results

	1H19 $m	1H18 $m	Change %
Total Transaction Value (TTV)	3,152.9	2,971.0	6.1%
Revenue	182.2	169.1	7.7%
Gross margin %	5.8%	5.7%	0.1%
Operating expenses	(141.2)	(130.2)	(8.4%)
Equity accounted profits	1.0	0.9	11.4%
EBITDA	42.0	39.8	5.6%
EBITDA % of revenue	23.1%	23.5%	(0.4%)
Profit before tax	31.5	30.3	4.2%
Net profit after tax	21.9	20.8	5.4%
Basic earnings per share (cents)	18.2	17.7	2.8%
Diluted earnings per share (cents)	18.1	17.6	2.8%
Interim dividend (cents per share)	8.0	7.0	14.3%

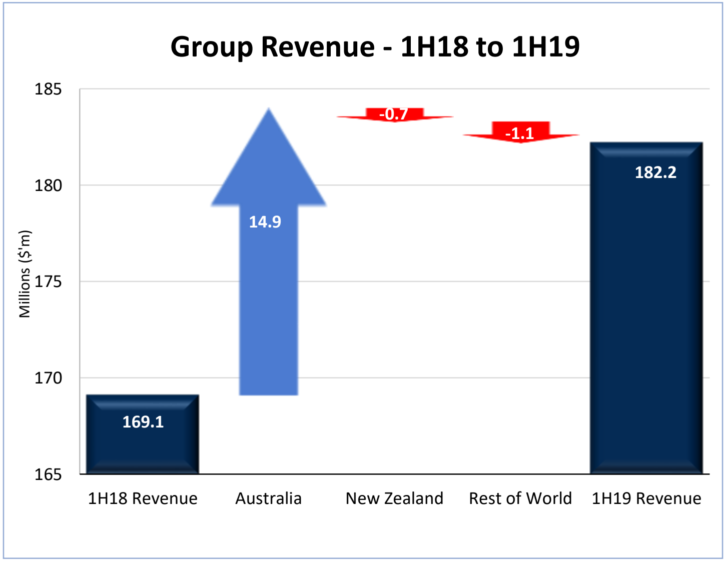
- Strong TTV performance from retail networks in Australia and New Zealand.
- Concentration on profitable TTV across all divisions.
- Reported revenue benefiting from prior year business expansion, including Magellan, Asia Escape Holidays and Flight Systems.
- Improved revenue margins in the retail division with a focus on profitable TTV streams.
- Increase in operating expenses reflects cost base of prior period acquisitions. Otherwise underlying operating costs decreased.
- Continued growth in EBITDA driven by revenue growth in Australia and New Zealand and an ongoing focus on productivity initiatives.

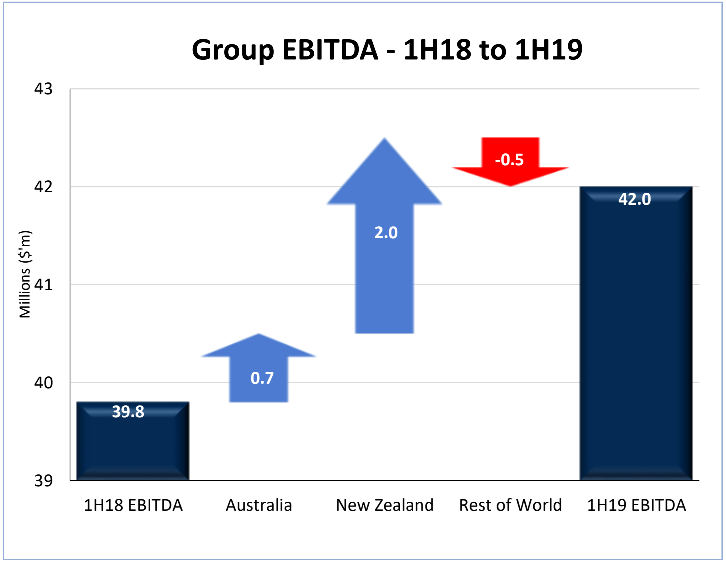
Group Revenue and EBITDA



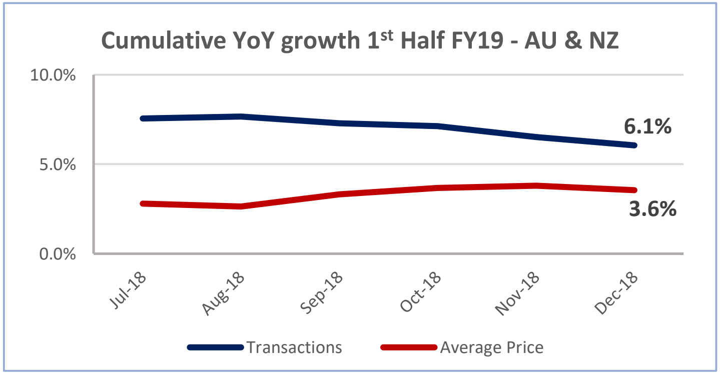


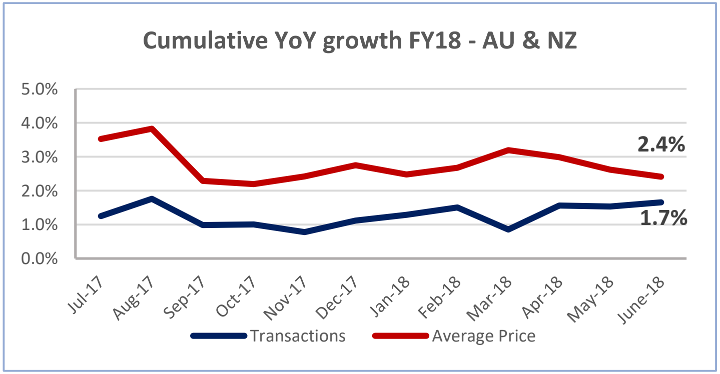
Group Revenue and EBITDA – by segment





Air Ticketing – Domestic transactions and price trends





Current half year

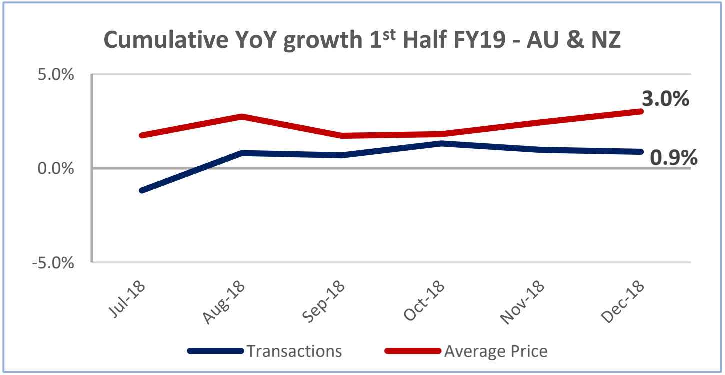
- Continued stable capacity has resulted in consistent growth in average fares across the period.
- Transaction growth driven by both corporate and leisure sectors.

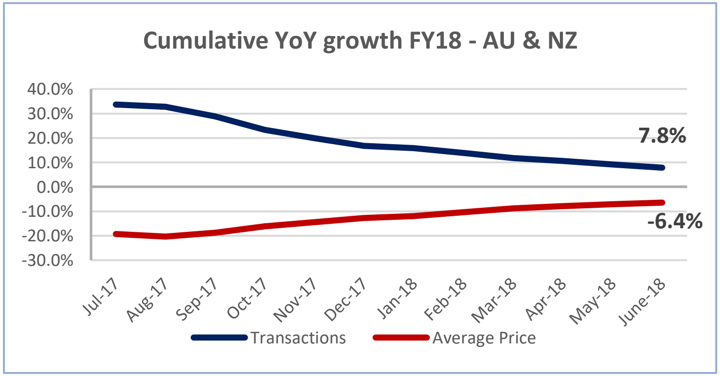
Prior Year

- Higher transactions growth at the start of FY18 following softer conditions in the first half of FY17.

Note: Domestic and International ticketing data adjusted for the impact of International OTAs and network movements (eg Magellan Travel) so comparison is like for like.

Air Ticketing – International transactions and price trends





Current half year

- A focus on price improvement/stability during the early months by all major carriers dampened effect on demand.
- In September and October, there were price reductions in the market, which stabilised towards the end of the period.

Prior year

- Significant international volumes generated in the first half of FY18 due to discounted airfares.

Note: Domestic and International ticketing data adjusted for the impact of International OTAs and network movements (eg Magellan Travel) so comparison is like for like.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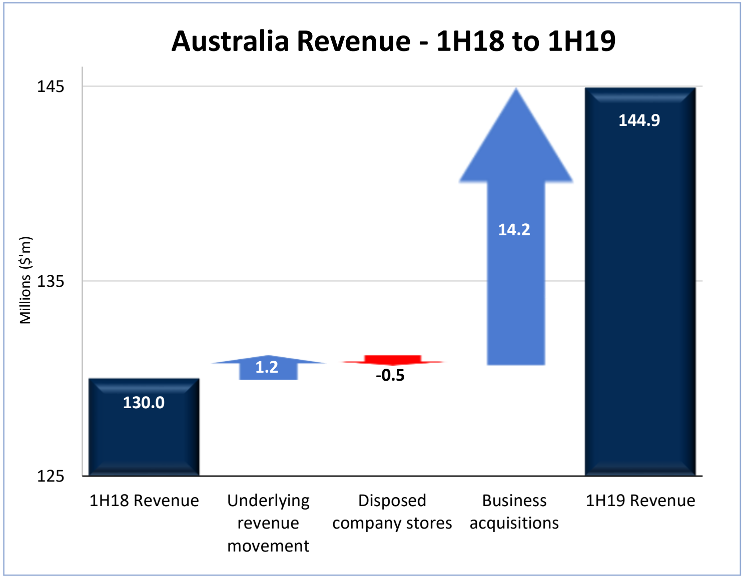
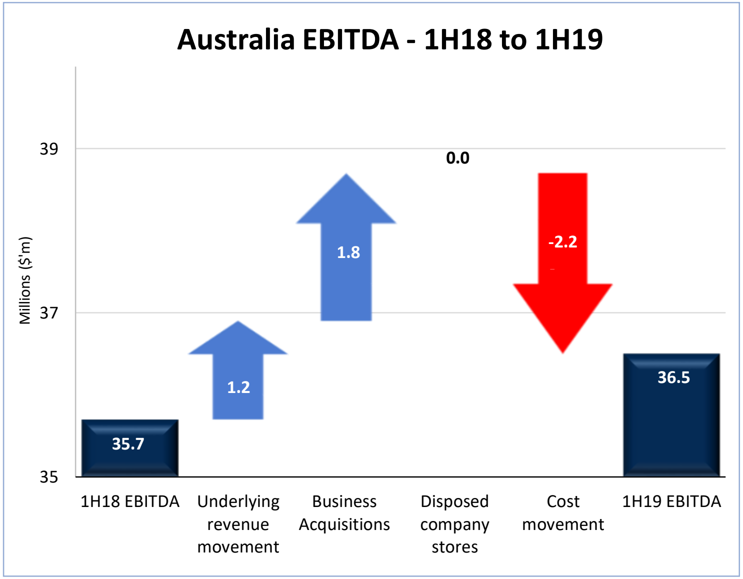
Australia Overview

	1H19 $m	1H18 $m	Change %
Total Transaction Value (TTV)	2,724.8	2,525.2	7.9%
Revenue	144.9	130.0	11.4%
Gross margin %	5.3%	5.1%	0.2%
Operating expenses	(109.4)	(95.2)	(15.0%)
Equity accounted profits	1.0	0.9	11.4%
EBITDA	36.5	35.7	2.0%
EBITDA margin	25.2%	27.5%	(2.3%)

- TTV growth from retail, wholesale and corporate divisions.
- Revenue increase driven by business acquisitions in the prior period and improved contracting outcomes.
- Gross margin improved from a focus on profitable revenue streams.
- Continued focus on underlying cost control.
- EBITDA margin reflects change in revenue mix to businesses with higher selling costs.
- New business initiatives and ongoing investment in systems driving efficiencies.


Australia Revenue and EBITDA





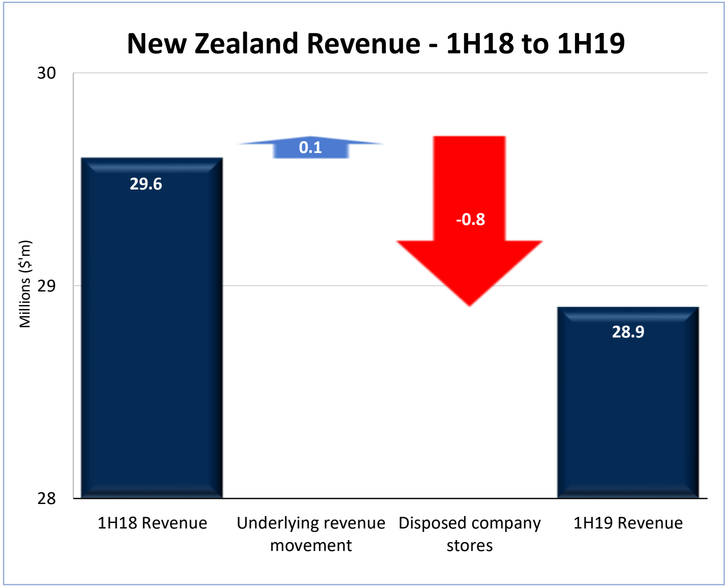
Note: Cost movement due to the mix of selling expenses and increased investment in marketing.

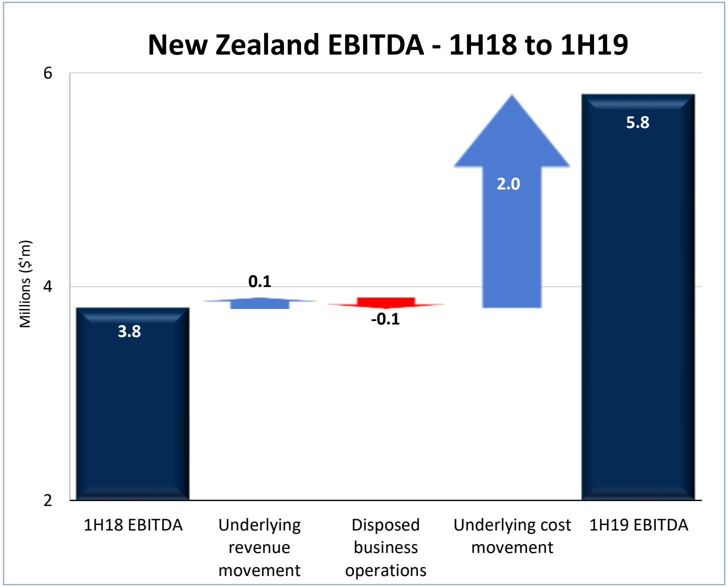
New Zealand Overview

	1H19 $m	1H18 $m	Change %
Total Transaction Value (TTV)	385.1	395.4	(2.6%)
Revenue	28.9	29.6	(2.3%)
Gross margin %	7.5%	7.5%	0.0%
Operating expenses	(23.1)	(25.8)	10.5%
EBITDA	5.8	3.8	53.2%
EBITDA margin	20.2%	12.9%	7.3%

- TTV impacted by concentration on profitable TTV.
- Revenue decrease reflects sold company owned stores, excluding this, retail growth was offset by reduced contribution from wholesale and APX as a result of business rationalisation.
- EBITDA benefited from a strong focus on cost control and efficiency initiatives, led by wholesale and APX.

New Zealand Revenue and EBITDA





Rest of World (ROW) Overview

	1H19 $m	1H18 $m	Change %
Total Transaction Value (TTV)	43.0	50.4	(14.6%)
Revenue	8.5	9.6	(11.8%)
Gross margin %	19.7%	19.0%	0.7%
Operating expenses	(8.8)	(9.4)	6.4%
EBITDA	(0.3)	0.2	(217%)
EBITDA margin	(3.4%)	2.6%	(6.0%)

- Lower TTV from Insider Journeys and wholesale USA.
- Revenue decrease partially offset by revenue margin improvement.
- Operating expenses lower due to Insider Journeys restructure and as part of an ongoing focus on cost control.


EBITDA to NPAT

	1H19 $m	1H18 $m	Change %
EBITDA	42.0	39.8	5.6%
Depreciation & amortisation	(9.5)	(8.9)	(6.6%)
Finance costs	(1.0)	(0.6)	(56.3%)
Net profit before tax	31.5	30.3	4.2%
Income tax expense	(9.6)	(9.5)	(1.6%)
Net profit after tax	21.9	20.8	5.4%

- Increased amortisation related to business acquisitions.
- Interest expense reflects additional debt from funding of business acquisitions.
- Effective tax rate of 30.5% (1H18: 31.2%).



Liquidity and funding

Liquidity	Dec-18 $m	Jun-18 $m	Dec-17 $m
Company cash	21.0	42.0	37.6
Client cash	109.1	161.5	122.4
Total cash	130.1	203.5	160.0
Drawn debt	(52.0)	(42.1)	(20.5)
Net cash	78.1	161.4	139.5

Funding	Dec-18 $m	Jun-18 $m	Dec-17 $m
Funding facility	70.0	60.0	60.0
Used facility	63.4	52.2	30.5
Unused facility	6.6	7.8	29.5

- Total cash decrease since 30 June, reflects seasonality of client cash held and timing of the business cycle, partially offset by cash generated from operating profits.
- Net cash effected by changes in IATA regulation, reducing the balance of cash held prior to payments to airlines and the number of payments during the period.
- Long term debt facility of $70.0m in place until 2022, with bank guarantees utilising $11.4m of the facility.
- Cash and debt facilities being used to fund acquisitions, technology investments and network expansion.



Cash conversion

	1H19 $m	1H18 $m	Change $m
EBITDA	**42.0**	**39.8**	**2.2**
Non cash and working capital movement	(31.6)	(9.0)	(22.6)
Finance costs paid	(0.9)	(0.7)	(0.2)
Income tax paid	(11.6)	(6.6)	(5.0)
Underlying operating cash flow	**(2.1)**	**23.5**	**(25.6)**
Net outflow from capex	(12.7)	(7.2)	(5.5)
Underlying free cash flow	**(14.8)**	**16.4**	**(31.2)**

Reconciliation of reported operating cash flow

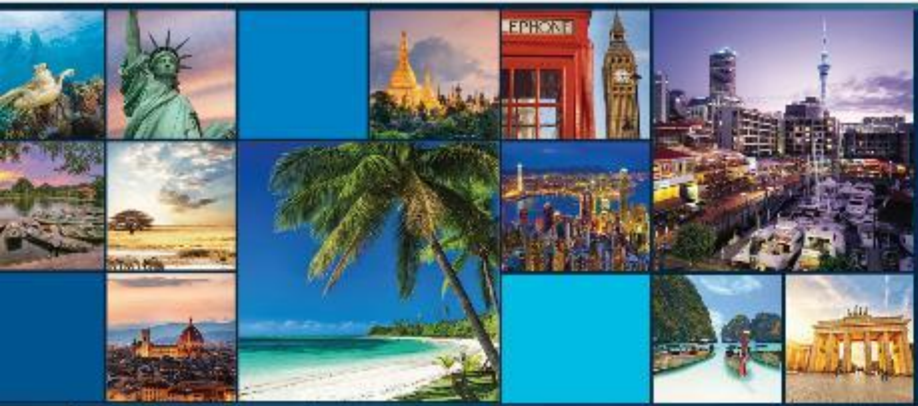
Closing client cash as at 31 December	109.1	122.4	(13.3)
Less opening client cash as at 30 June	(161.5)	(163.3)	1.8
Movement in client cash	**(52.4)**	**(40.9)**	**(11.5)**
Underlying operating cash flow	(2.1)	23.5	(25.6)
Statutory operating cash flow	**(54.5)**	**(17.4)**	**(37.1)**

Working capital movement due to:

- Adoption of IATA regulations for airline ticket payments and timing of weekly payments around period cut offs.
- Higher override commission receivable from airline contracts due to improved contractual commission outcomes and timing of cash receipts.

Capital investment in 1H19 due to:

- Increased investment in technology.
- Finalisation of Helloworld Travel rebrand in Australia and rollout beginning in New Zealand.
- The continued business and network expansion in Australia and New Zealand.

STRATEGY & OUTLOOK

Strategy and Initiatives

	TECHNOLOGY & INNOVATION	PRODUCT & REVENUE MAXIMISATION	BRAND AWARENESS & CUSTOMER ACQUISITION	PROCESS EFFICIENCIES
Retail	ResWorld White label websites & apps	Increasing network uptake of preferred product Increase fare content giving agents competitive advantage Adding low cost carriers	Training and development Footprint consolidation Right people in right place	Integration of Air Tickets business and investment in technology Continued focus on centres of excellence
Wholesale & Inbound	Cruise – New system launching May 2019 Direct supplier links via API's Consolidation of systems and processes	Breadth of product Product expansion Impulse buying packages ReadyRooms relaunch	Branding and marketing (News Corp, TV Show) Impulse buying initiatives Focus on upselling	Improve data to drive outcomes - reporting function consolidation Rationalisation of tasks across the Group
Corporate	Integration to customers' systems Enhanced user interface Mobile booking solutions	Customer service focus Outcomes based account management Further collaboration with other HLO divisions	Leverage all corporate customer bases Launch GO C&I in AU Trans Tasman value proposition	Business integration project Unified brand Continued reinvestment in automation

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Growth in member networks and numbers

BRANDED MODEL	CORPORATE MODEL	ASSOCIATE MODEL	INDEPENDENT MODEL	TRAVEL BROKERS MODEL	MAGELLAN TRAVEL GROUP
helloworld TRAVEL THE TRAVEL PROFESSIONALS	helloworld BUSINESS TRAVEL	a member of helloworld TRAVEL; helloworld | TRAVEL	My TRAVEL GROUP	mobile travel agents; THE TRAVEL BROKERS	Magellan TRAVEL GROUP

2,233 at 31 DECEMBER 2018 | 2,223 at 30 JUNE 2018

- Building a diverse network of high calibre and high performing leisure and corporate members.
- Providing members with improved product offerings and creating store efficiencies through enhanced technology.
- Improving brand recognition.


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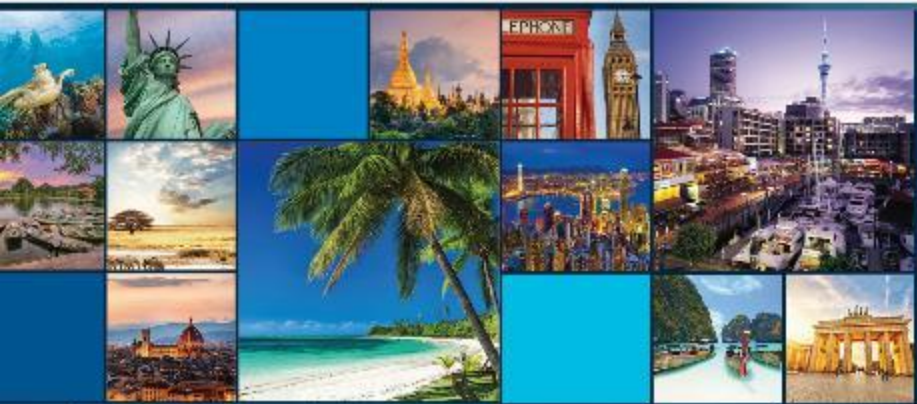
Conclusion – Outlook

- Business continues to deliver growth in macro indices.
- Ongoing investment in technology, platforms and brands with continued focus on growing our business and efficiency gains.
- FY19 EBITDA guidance reaffirmed, expected to be in the range of $76.0 million to $80.0 million. 2H19 to benefit from:
  - Further realisation of strong contract performance as travellers depart
  - Network expansion and revenue uplift from first half and ongoing marketing
  - New revenue streams coming on line
  - Impact of prior year acquisitions
  - Continued cost efficiencies

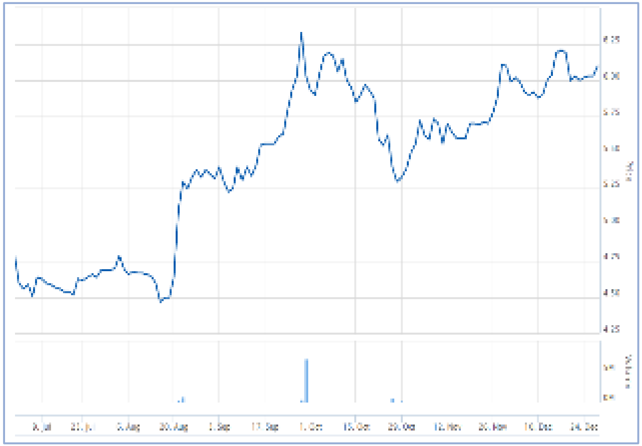
  The guidance is subject to no material and unexpected worsening in operating conditions or material unforeseen adverse events.
- Helloworld Travel is well positioned for sustainable long term growth, with benefits to our customers, agents, suppliers and shareholders.

APPENDIX

Company background information

A$6.10 Share Price at 31 Dec 2018	124.5 M Shares Issued	A$759.5 M Market Cap at 31 Dec 2018	A$130.1M Cash A$63.4M Debt



Board & Management Team

Non-Executive Director and Chairman - Garry Hounsell
Mr Hounsell was appointed to the Board as Chairman on 4 October 2016. In addition to his extensive experience on a wide range of highly successful boards, Mr Hounsell was formerly Senior Partner of Ernst & Young.

CEO & Managing Director - Andrew James Burnes
Mr Burnes was appointed CEO and Managing Director on 1 February 2016. He founded The Australian Outback Travel Company (The AOT Group) in 1987 and merged this business with Helloworld Travel in 2016.

Non-Executive Director - Michael Peter Ferraro
Mr Ferraro is currently the CEO and Managing Director of Alumina Limited, having been appointed on 1 June 2017. He was previously a Non Executive Director of Alumina.

Non-Executive Director - Andrew John Finch
Mr Finch is General Counsel and Group Executive, Office of CEO at Qantas.

Executive Director & Group General Manager – Wholesale & Inbound - Cinzia Burnes
Mrs Burnes was appointed on 1 February 2016 and brings extensive sector and management experience to the board, having played a pivotal role in growing The AOT Group for over 26 years.

CFO / Company Secretary - Michael Robert James Burnett
Mr Burnett joined Helloworld Travel in April 2016 from the Transurban Group where he had been the CFO in North America.

Shareholders

Mr A J Burnes & Mrs C Burnes	39,030,000	31.3%
Mr & Mrs Spyros Alysandratos	21,740,016	17.5%
Qantas	19,223,454	15.4%
Total Top 10 (as at 31 Dec 2018)	**99,903,768**	**80.2%**
Total Top 10 (as at 30 Jun 2018)	**103,898,553**	**83.4%**

OUR BUSINESS

- Retail networks & ticketing
- Wholesale
- Inbound
- Corporate

Revenue recognition summary

	RETAIL	WHOLESALE	INBOUND	CORPORATE
TRANSACTION & SERVICE FEES	Air Tickets • On ticketing	On departure	N/A	On ticketing
AT SOURCE COMMISSIONS	Air Tickets • On ticketing	On departure	On departure	On ticketing
OVERRIDES	On departure	On departure	On departure	On departure

Revenue reconciliation

Under AASB15, wholesale businesses have moved from ticketed to departed revenue recognition. Below tables provide a reconciliation of the movement between the FY18 reported to the restated revenue and EBITDA.

REVENUE ($m's)	1H18	2H18	FY18
FY18 Revenue Reported	**164.9**	**162.0**	**326.9**
Wholesale Australia	2.4	(3.1)	(0.7)
Wholesale New Zealand	1.9	(1.9)	-
Wholesale USA	(0.1)	(0.1)	(0.2)
TOTAL AASB Adjustment	**4.2**	**(5.1)**	**(0.9)**
FY18 Revenue Restated	**169.1**	**156.9**	**326.0**

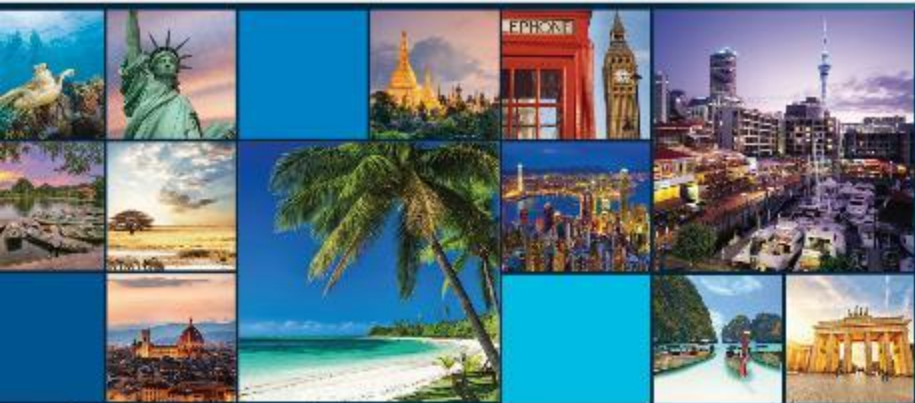
EBITDA ($m's)	1H18	2H18	FY18
FY18 EBITDA Reported	**35.5**	**29.7**	**65.2**
Wholesale Australia	2.4	(3.1)	(0.7)
Wholesale New Zealand	1.9	(1.9)	-
Wholesale USA	(0.1)	(0.1)	(0.2)
TOTAL AASB Adjustment	**4.2**	**(5.1)**	**(0.9)**
FY18 EBITDA Restated	**39.7**	**24.6**	**64.3**

Yearly trend analysis

The table below provides relevant Group performance information for key financial measures over the last five financial years:

	2014	2015	2016	2017	2018 (1)
	$m's	$m's	$m's	$m's	$m's
Revenue	291.7	279.2	300.5	326.8	326.0
EBITDA (excluding impairment FY15/FY14)	40.6	24.1	25.3	55.2	64.3
Net profit / (loss) after income tax expense	(63.2)	(201.1)	1.7	21.6	31.0
EBITDA margin (%)	13.9%	8.6%	8.4%	16.9%	19.7%
Basic earnings per share (cents)	(86.3)	(274.0)	1.9	18.8	26.3
Total dividends declared per share (cents)	-	-	2.0	14.0	18.0

(1) Restated based on change of revenue recognition under AASB15 of wholesale businesses from ticket issue to date departed.



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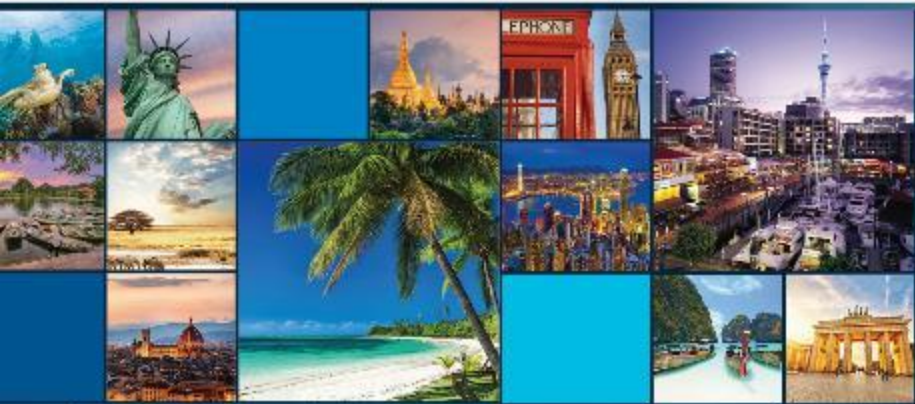

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