



Acquisition of Asia Escape Holidays

10 May 2018

Helloworld Travel Limited (HLO) today announced the acquisition of a controlling stake in Asia Escape Holidays. Asia Escape Holidays is a fast growing outbound travel wholesaler based in Perth specialising in 16 destinations throughout Asia, the Indian Ocean and the Pacific.

HLO's rationale for the acquisition

- **Complements our existing wholesale range.** HLO owns and operates a range of travel wholesale brands in Australia, New Zealand and the US including Qantas Holidays, Viva Holidays, Sunlover Holidays, Insider Journeys and Territory Discoveries.
- **Ability to offer greater mid-haul all-inclusive package range.** Increasing demand for all inclusive packages (flight / hotel / transfer / meals) in retail leisure markets is increasing and Asia Escape Holidays has considerable expertise in creating and delivering these packages throughout the region.

Financial details of the acquisition

- Agreement to acquire 60.0% of Keygate Holdings Pty Ltd (the owner of Asia Escape Holidays) for consideration of \$2.88 million with the option to increase to 100% in 4 years;
- Consideration represents an EBITDA multiple of 6x FY18 earnings and will comprise a mixture of cash and HLO shares, with an additional component based on growth in FY19;
- The cash component will be funded from existing short term cash flow;
- There will be no material contribution to FY18 results;
- The acquisition will be earnings accretive in FY19 and beyond;
- Asia Escapes Holidays will continue to be run by Managing Director, Mason Adams - who will retain the remaining 40% ownership in the business and become part of the Helloworld Senior Management Team.

Andrew Burnes, CEO and Managing Director of Helloworld Travel Limited said "Asia Escape Holidays is an excellent strategic fit to Helloworld Travel's existing wholesale businesses and provides the group with a trade focused brand that has the expertise and speed to market to compete in the growing package and impulse buying market for travel throughout the Asia Pacific region."

Mason Adams, Managing Director Asia Escapes Holidays, said "This investment is a significant milestone for Asia Escapes and being a part of the Helloworld Travel Group will provide the business with fantastic opportunities to continue to build our business".

The transaction is expected to be completed by the end of the month.

-ENDS-



About Helloworld Travel Limited

- Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel networks, destination management services (inbound), air ticket consolidation, wholesale travel services, corporate travel management services and online operations.
- HLO has over 2000 staff located in Australia, New Zealand, Fiji, the USA, Asia, India and UK/Europe and over 2300 members of its travel agency networks in Australia and New Zealand.
- Helloworld Travel is the proud naming rights partner of Volleyball Australia and the *Helloworld Travel Volleyroos* men's and women's national teams.

MEDIA CONTACT:

Trudi Sheppard | Director of Communications | trudi.sheppard@helloworld.com.au | 03 9867 9600

INVESTOR CONTACT:

Michael Burnett | Chief Financial Officer | Helloworld Travel Limited | 03 9867 9600