

FLT: Full Year Results Presentation (FY21)

August 26, 2021



Today's presentation



Adam Campbell

- CFO
- Highlights & Financial Results
- (Section 1)



Chris Galanty

- Corporate - CEO
- Corporate Update
- (Section 2)



Melanie Waters-Ryan

- Leisure - CEO
- Leisure Update
- (Section 3)



Graham Turner

- Global MD / CEO
- Introduction and Outlook
- (Section 4)

FY21: Highlights

01

Recovery gaining momentum – particularly in USA & corporate sector

- Sales revenue increasing month-on-month – record COVID-period result in June 2021
- Rapid leisure & corporate recovery in USA late in Q4-21
- Corporate transaction numbers (tickets) at c.50% of pre-COVID levels (TTV circa 40%)
- China & France tracking at 80-90% of pre-COVID transaction volumes, USA approaching 70% at 31 July 2021

02

Trading conditions generally improving during FY21

- Vaccination programs gaining momentum globally
- Travel restrictions being relaxed/removed in key markets outside ANZ
- Experiencing strong & immediate rebounds after restrictions are lifted

03

Investing to win market-share

- Multi-million dollar pandemic-period investments in platforms, products & people to capitalise on market-share opportunities
- Headlined by game-changing new FCM & Corporate Traveller platforms

04

Successfully executing key corporate & leisure strategies

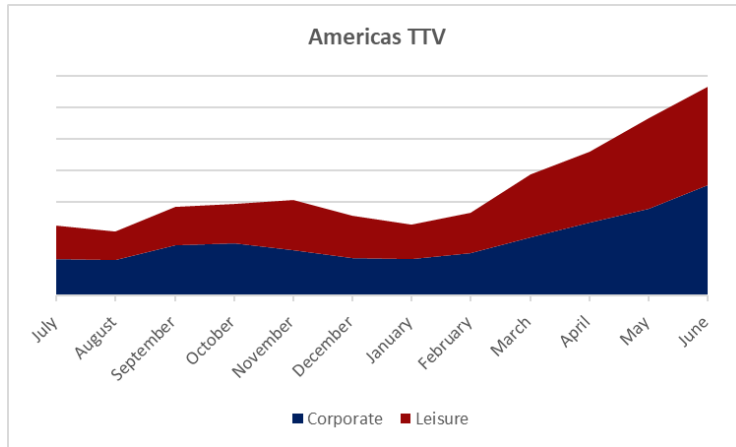
- Corporate business “Growing to Win” – circa 100% client retention in FCM + \$US1.4bn pipeline of new accounts won during FY21
- Increasing leisure market-share &/or profitability in key markets through enhanced multi-channel offerings (new growth model) alongside streamlined shop networks

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Ready to capitalise on major travel industry lift off

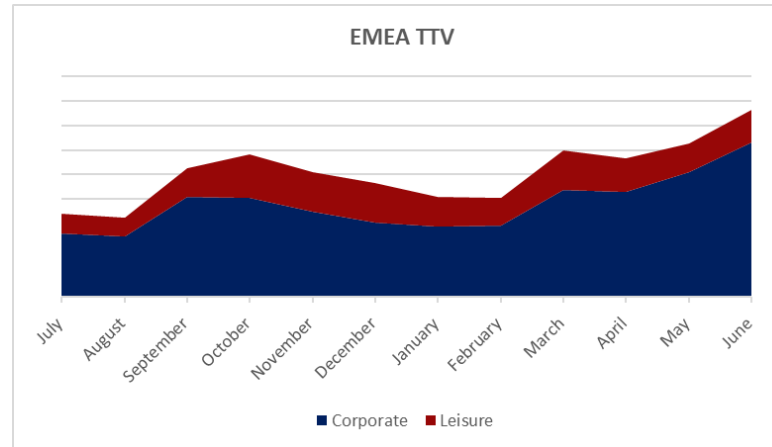
- Targeting a return to leisure & corporate profitability as conditions improve
- Significant upside for leisure businesses as travel resumes
- Heavy earnings leverage to markets with positive short-term outlooks
- Lengthy liquidity runway in place

FY21: Recovery gaining momentum during Q4-21



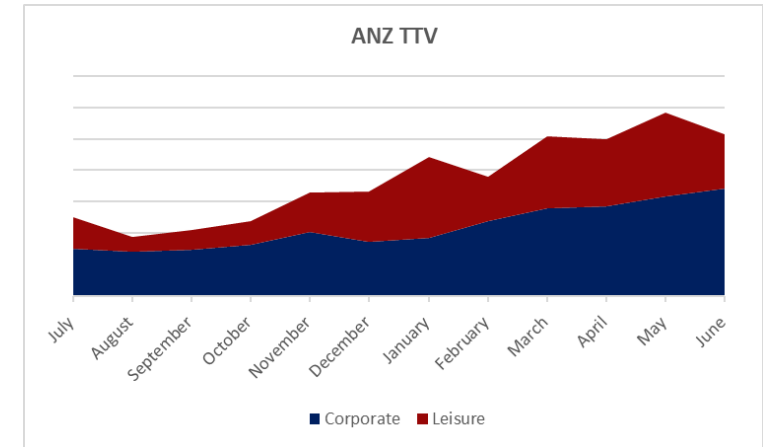
Americas

- Strong TTV rebound late in year.
- June 2021 TTV more than 2.5x the average monthly TTV contribution during 1H-21.
- USA Q4-21 TTV exceeded 1H-21 in both leisure & corporate.
- 22.6% monthly TTV CAGR in US during 2H-21.



EMEA

- Corporate recovery building during Q4-21.
- June 2021 monthly corporate TTV 47% higher than April 2021.
- Strong recovery in Europe – June 2021 TTV more than double April 2021 TTV.



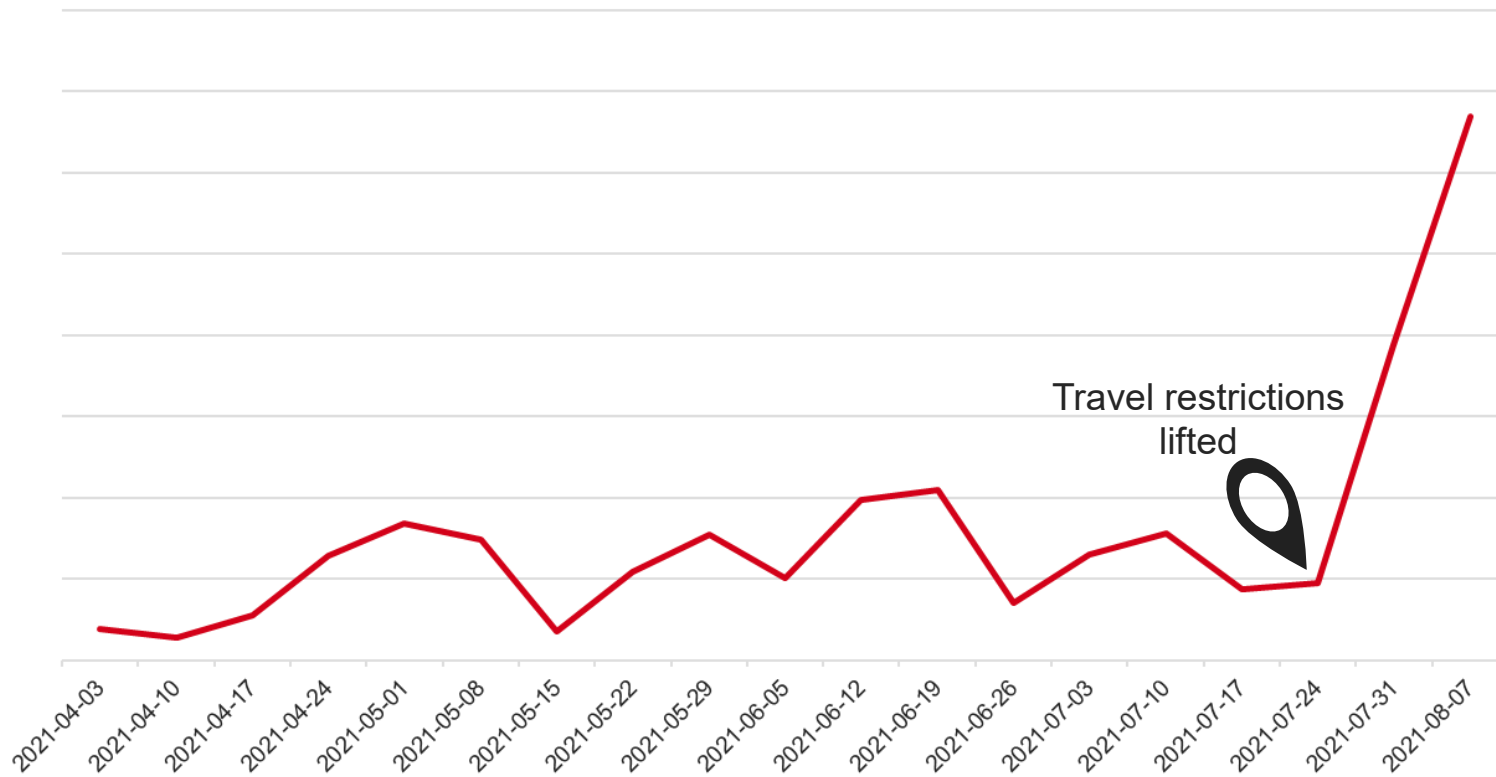
ANZ

- ANZ Leisure Q4-21 TTV was 115% of 1H-21 Leisure TTV & more than triple the Q1-21 contribution.
- ANZ Corporate Q4-21 TTV was 97% of H1-21 TTV & more than double Q1-21 contribution.

FY21: Strong & immediate rebounds

Lift off in Transatlantic bookings since UK reopened to US

Corporate US to UK Air Volumes Since April 2021



FY21: Investing to win market-share

Prioritising long-term success

- Investing in key growth drivers, while maintaining tight rein on costs
- Initial focus on costs & liquidity before focusing on growth as conditions stabilised

Deploying game changing new corporate technology to enhance an already compelling customer offering

- Headlined by new FCM Platform & Melon products
- New digital platforms designed “with customers for the post-COVID world”

Strengthening the omni-channel leisure network as part of cost-effective new growth model

- Investment in e-commerce, B2B (independent contractor) & call centre models to complement global shop network
- Rapid online market-share growth in Australia

FY21: Successfully executing key strategies

Corporate business growing to win

- Strong return on “grow to win” investments – \$US1.4b pipeline in new accounts won (circa 70% to trade in the Americas & EMEA) with 98.5% client retention in FCM
- Increased market-share & foundations in place for further organic growth
- Approximately \$US900m currently in implementation (not yet trading in all countries/solutions design phase)

Leisure transformation

- Structural changes completed – lower cost base
- Positioned for recovery
- Early evidence that strategies are working – Australian market-share growth, US profit & productivity recovery

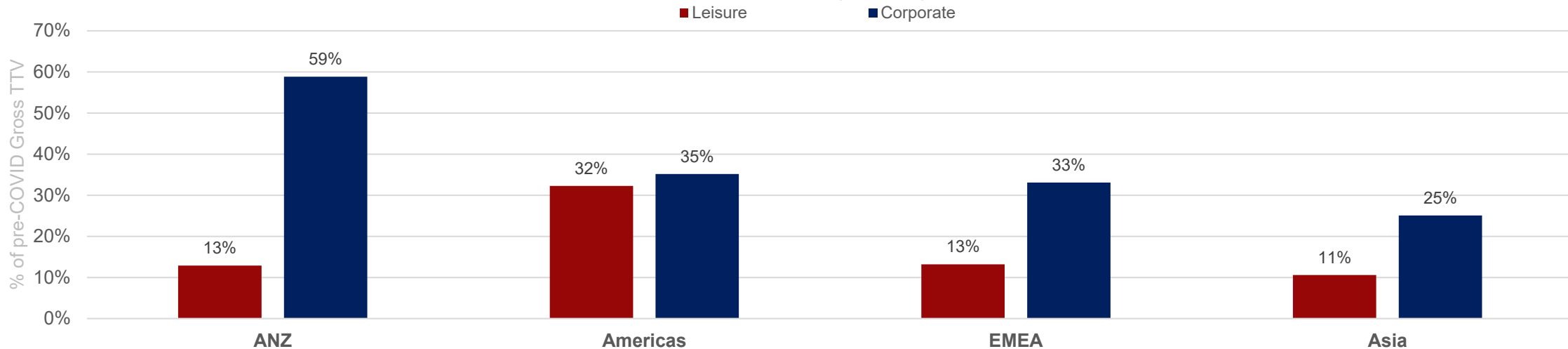
Delivering widest range of content for customers

- Sourced from GDSs, Online Booking Tools & aggregation partners
- Working closely with GDSs & 17 key airline partners on distribution roadmap

July 21: Global gross TTV tracking at 26% of pre-COVID levels

Corporate 41%, Leisure 16% at July 2021 – significant leisure upside potential as international travel resumes

Global TTV Recovery – July 2021



ANZ

- Heavy travel restrictions still in place.
- Widespread domestic border closures in Australia.
- Trans-Tasman bubble suspended.
- NZ-Cook Islands bubble also suspended.
- Government permission required to travel overseas.

Americas

- Fewer restrictions in place.
- US travellers now allowed to enter Canada, UK & Europe
- Able to travel to key Mexico & Caribbean markets.
- Canada preparing for reopening & starting to recover rapidly after lagging USA.

EMEA

- Travel reopening from UK & Europe.
- UK travel corridors back in place from early FY22.
- Awaiting Trans-Atlantic reopening.

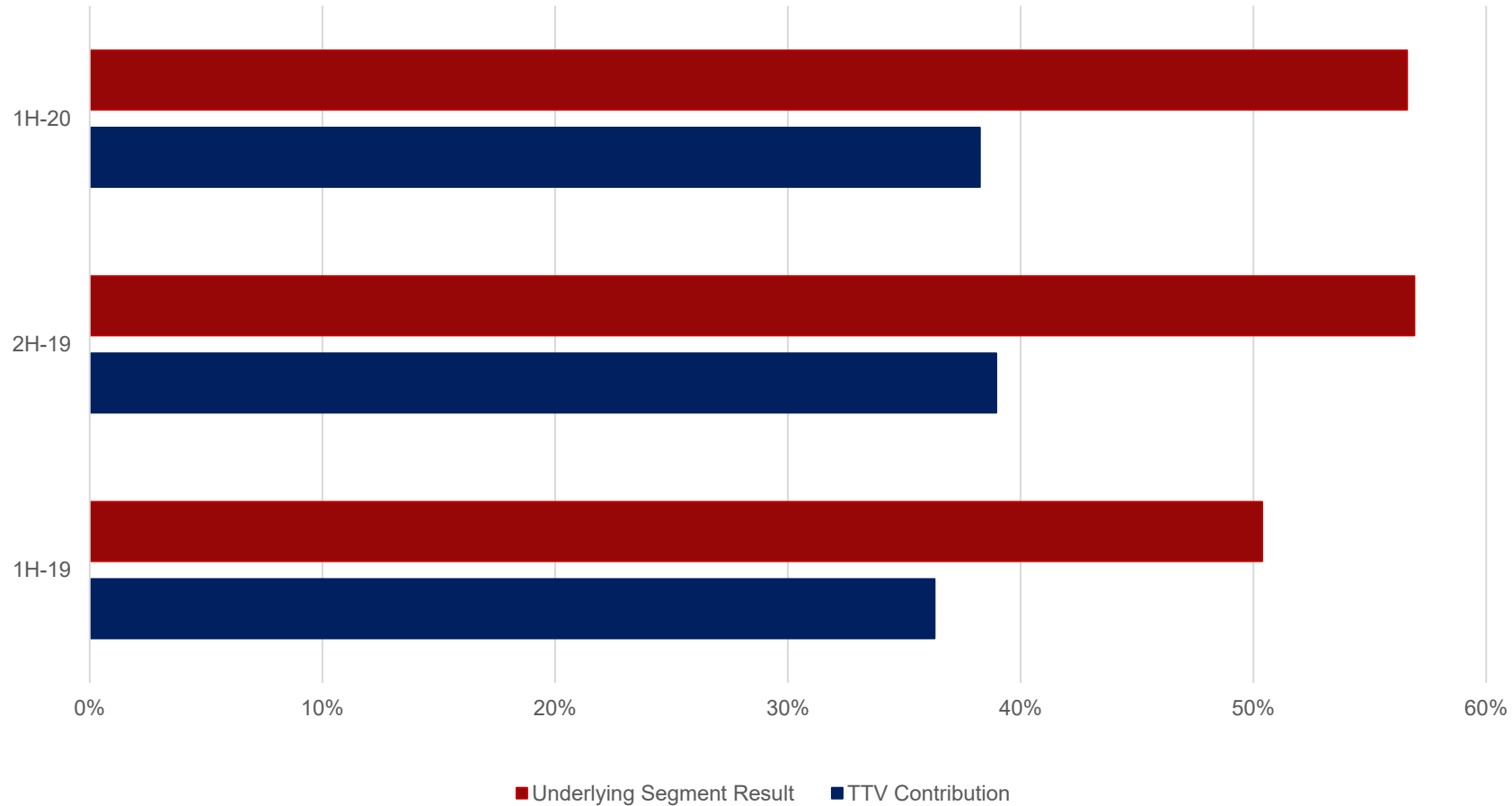
Asia

- Tight restrictions still in place.
- Some countries heavily reliant on outbound travel.
- Singapore bubbles (Germany, Brunei) poised to open in September.
- No outbound travel from China.

FY22: Ready for take-off

Pre-COVID earnings leveraged to Americas & EMEA

EMEA & Americas combined contribution to Group results



Lengthy liquidity runway – June 2021

Liquidity position

As at 30 June 2021	\$m	
Cash and investments	1,356	
Working capital assets (excl. cash and investments)	533	<i>a</i>
Working capital liabilities (excl. client creditors)	(532)	<i>b</i>
Client creditor liability	(416)	<i>c</i>
Total liquidity	941	

Banks have \$562m minimum cash liquidity covenant, including CCFF borrowings of \$212m which mature in March 2022. No other covenants until Dec 2022

Notes:

- All figures presented are 30 June 2021.
- Retail and corporate debtors and override debtors are shown gross of provision for doubtful debts of \$35m and \$31m respectively.
- Cash and investments includes client cash of \$331m, average client cash balance throughout the year was \$389m. Client cash did not fall below \$300m at any time during the financial year.

a) Working capital assets (excl. cash and investments)

As at 30 June 2021	\$m
Retail and corporate debtors	288
Trade and other receivables	26
Override debtors	63
Accrued revenue	18
Prepayments	21
Other	117
Working capital assets (excl. cash)	533

b) Working capital liabilities (excl. client creditors)

As at 30 June 2021	\$m
Trade creditors	276
Accrued expenses	117
Revenue constraint	16
Employee benefits provision	80
Deferred revenue	39
Other	4
Working capital liabilities (excl. client creditors)	532

c) Represents client funds owed to suppliers included in total available liquidity as at 30 June 2021

Cash outflow & one-off cash costs

Net cash outflow (\$m)	June 2021
Hibernation operational costs	(76.5)
Capex	(3.7)
Hibernation cash costs	(80)
Variable costs	(10)
Total cash outflow	(90)
Cash revenue	54
Net operating cash run rate	(36)
Government subsidies	4
Current net operating cash outflow	(32)
One-off cash costs (\$m)	FY21
Cash costs paid FY20	19
Cash costs paid 1H-21	158
Cash costs paid 2H-21	42
Cash costs paid to date	219
Cash costs to be paid (est.) to complete accrued at 30 June 2021	12
Total cash costs estimate	231

Overview

- Cash outflows predominantly in ANZ (lockdowns re-introduced) & within Global sectors (centrally held costs).
- Americas business approaching neutral cash burn position, given strong uplift in trading late in Q4-21.
- One-off cash costs relate to employee benefits, lease costs and other early exit payments incurred to achieve the monthly hibernation cost base.

FY21: Profit & loss

\$m	FY21	FY20	Mvmt
Group TTV	3,945	15,303	(11,358)
Operating revenue	396	1,897	(1,501)
Total revenue	396	1,897	(1,501)
FV gain on change in control	-	(3)	3
Other income	280	197	83
Share of JV/Associates	17	(5)	23
Employee benefits	(810)	(1,491)	681
Marketing expense	(25)	(170)	145
Tour & hotel operations	(2)	(130)	128
D&A	(138)	(231)	93
Finance costs	(37)	(38)	1
Impairment	(36)	(217)	181
Other expenses	(247)	(657)	410
PBT	(602)	(849)	247
Underlying PBT	(507)	(509)	2
EPS (cents)	(217.5)	(552.2)	334.7
Margins			
Revenue margin	10.04%	12.40%	(236 bps)
Underlying cost margin	(32.77%)	(16.11%)	(1,666 bps)
Underlying PBT margin	(12.85%)	(3.33%)	(952 bps)

FY21 Analysis

- Other income includes government support of \$236m, of which \$117m is offset by employee costs for stood down/furloughed employees.
- Cost reduction strategies implemented since March 2020 reflected in overall decreased expenses.
- Underlying loss (before tax) \$507m.
- 2H-21 losses broadly in line with 1H-21 losses, as flagged in May – loss of JobKeeper subsidy masking significant operational recovery.
- \$76m uplift in revenue during 2H-21 (compared to 1H-21).
- Statutory losses include \$94.6m in losses and gains that have been excluded from underlying results. Losses predominantly relate to the company's response to COVID-19, disposal of head office/store assets and employee retention plans. Gains include a \$33m windfall on the sale of FLT's St Kilda Rd building.

FY21: Underlying cost base

Cost base (\$m)	FY21 Expenses	FY21 One-off Expenses	FY21 Underlying Expenses	FY20 Total Underlying Expenses	Mvmt %
Employee benefits	(810)	(194)	(616)	(1,392)	(56%)
Marketing expense	(25)	-	(25)	(170)	(85%)
Tour & hotel operations	(2)	-	(2)	(130)	(98%)
Depreciation & amortisation	(138)	-	(138)	(231)	(40%)
Finance costs	(37)	-	(37)	(38)	(3%)
Impairment	(36)	(36)	-	-	0%
Other expenses	(247)	(15)	(232)	(572)	(59%)
Total expenses	(1,295)	(245)	(1,050)	(2,533)	(59%)

FY21 Analysis

- Cost reduction strategies implemented since March 2020 have resulted in a 59% reduction in underlying costs.
- FY21 one-off expenses include redundancies, JobKeeper payments received on behalf of stood-down employees, employee retention plans, impairment of leased assets and other early termination costs.

FY21: Balance sheet

\$m	June 2021	June 2020 (Restated)	Mvmt
Cash & cash equivalents	1,291	1,867	(576)
Financial assets	65	8	57
Trade & other receivables	279	320	(40)
Contract assets	50	97	(46)
Other current assets	138	146	(9)
Current assets	1,823	2,438	(615)
PPE	90	153	(63)
Intangibles	688	710	(22)
Other non-current assets	664	664	0
Non-current assets	1,442	1,527	(86)
Total assets	3,265	3,966	(701)
Trade payables & other liabilities	951	1,344	(393)
Contract liabilities	55	236	(181)
Borrowings	212	212	0
Provisions	43	65	(22)
Current liabilities	1,261	1,857	(596)
Lease liabilities	268	392	(125)
Contract liabilities	35	41	(6)
Borrowings	356	251	105
Convertible note	347	-	347
Provisions & other liabilities	42	65	(23)
Non-current liabilities	1,048	749	299
Total liabilities	2,309	2,606	(297)
Net assets	956	1,360	(404)
Cash	1,172	1,780	(607)
Restricted Cash	119	88	31
Investments	65	8	57
Total cash & investments	1,356	1,876	(519)
Positive net debt	669	1,325	(656)

FY21 Analysis

- \$1.4b cash and investments at 30 June 2021 (\$119m restricted).
- Trade and other receivables include corporate debtors (\$191m) and retail debtors (\$97m) (both gross of provision), government subsidies (\$8m) and refunds due from suppliers (\$13m).
- Corporate debtor book reflects FLT's customer & geographic diversity.
- Less than \$5m in bad debts written off during FY21 (less than pre-COVID levels).
- Working capital unwind in line with expectations early in pandemic & now stable.
- Movement in contract liabilities reflects the decrease in provision for revenue constraint.
- Lease liability decrease is in line with store closures, most notably in Australia.

FY21: Cash flow statement

\$m	FY21	FY20 (Restated)	Mvmt
Operating activities			
Operating activities before interest and tax	(922)	37	(959)
Net interest and tax paid	10	(48)	58
Cash inflow from operating activities	(912)	(11)	(902)
Investing activities			
Acquisitions	-	(20)	20
Proceeds from sale of St Kilda building	62	-	62
Purchases of PPE and intangibles	(37)	(94)	57
Net proceeds from sale of financial assets	(57)	107	(164)
Other investing cash flows	-	(25)	25
Cash flow from investing activities	(32)	(32)	0
Financing activities			
Financing activities before dividends	356	856	(500)
Dividends paid	-	(99)	99
Cash flow from financing activities	356	757	(401)
Increase/(decrease) in cash held	(589)	714	(1,303)
FX impact	14	(21)	35
Cash and cash equivalents	1,291	1,866	(575)
\$m	June 2021	June 2020	Mvmt
Cash	1,172	1,780	(607)
Restricted cash	119	88	31
Overdraft	-	(2)	2
Total cash	1,291	1,866	(575)

FY21 Analysis

- Operating cash flows include government subsidies of \$277m.
- Sale and leaseback of Melbourne head office property improved cash flows from investing activities by \$62m.
- \$400m raised from issue of convertible notes, and \$117m raised from Bank of England COVID-19 financing facility.
- \$91m paid in principal repayments on lease liabilities (\$113m in the prior year).

Corporate Update

Chris Galanty

FLIGHTCENTRE
TRAVEL GROUP™

CORPORATE

Corporate: Full year update and highlights



Corporate Recovery

- Trading at 47% of pre-COVID transactions, despite several customers having essential travel only policy



Customer Growth & Retention

- Continued organic growth with new wins of \$1.4Bn USD, very strong pipeline.
- Customer retention >98%



Delivering on Strategic Priorities

- Continue developing market leading brand and technology
- Launch of new positioning for FCM
- Melon platform for Corporate Traveller.

Corporate travel outlook FY22

Industry outlook

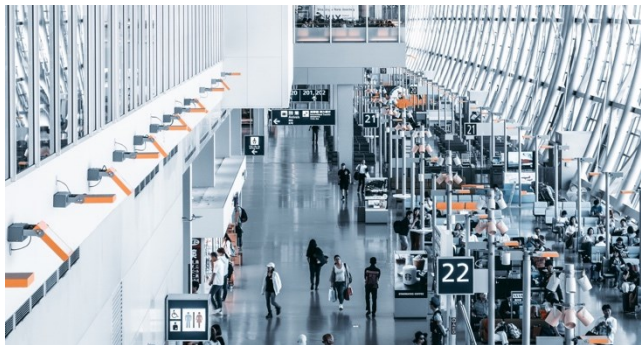


Corporations return to travel – 50-70% in FY22

- Essential travel continues
- C-level and external meetings opening up, steady increase and return to travel.
- Last phase will be meeting & events, plus internal travel

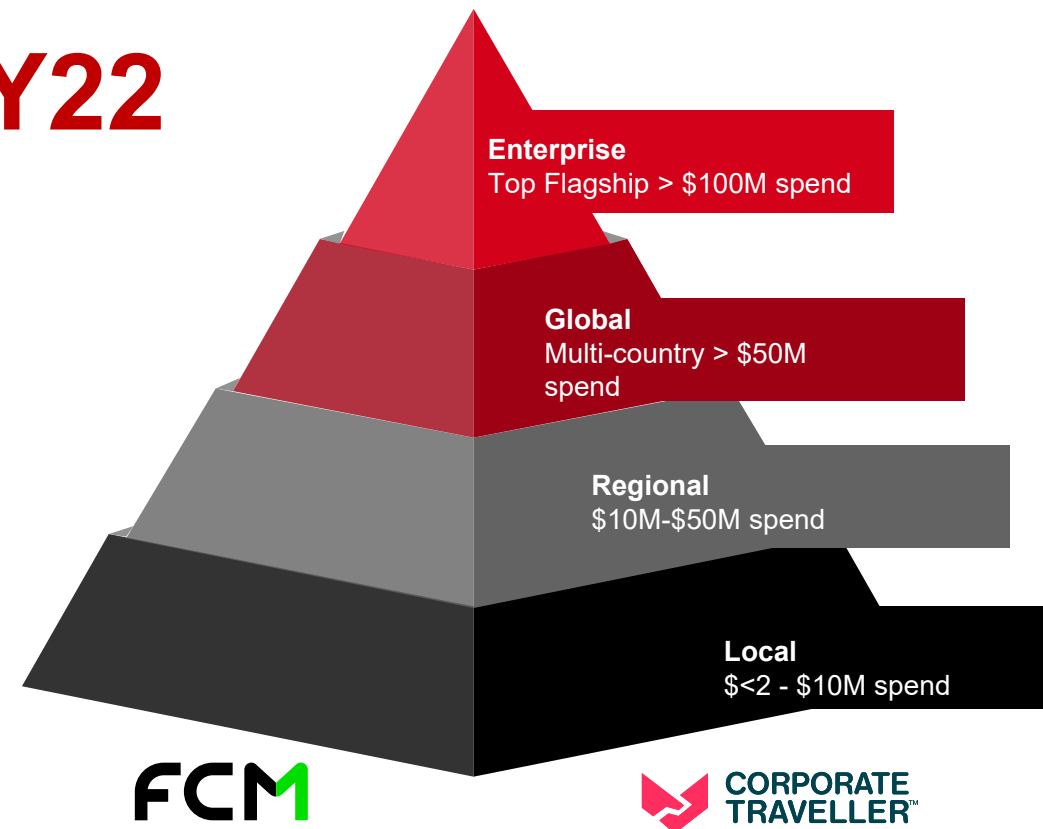
Key factors for corporations return to travel

- When travel is more predictable.
- Changing workforce behaviour create new demand for meeting and travel.



Market evolution

- Increased demand for TMC service, shift from supplier direct channels
- More consistency in travel requirements – “new normal”
- Acceptance of the need to open travel for vaccinated travellers
- Industry bodies starting to get adoption of standards.



Competition

- Disruption in Enterprise segment, only 3 key competitors remain of traditional top 4.
- Traditional competitors struggle to keep up with new customer needs around agility and digital investment.

New entrants

- Mid-market size increasing with new COVID requirements and increased demand for tech first with service.
- Continued VC / funding into the industry, especially for tech first companies.

Delivering on Key Priorities in FY21



Key Priority

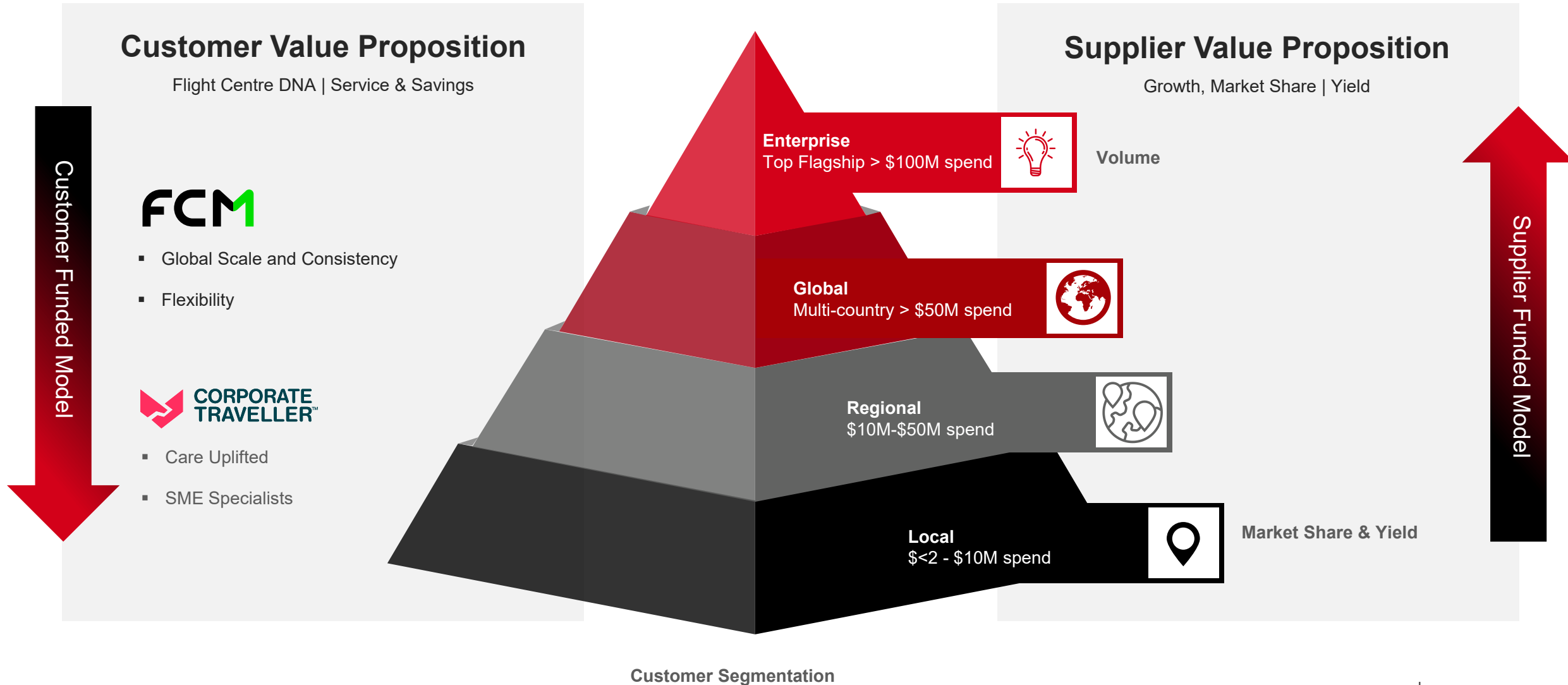
1. Win and retain customers to grow market share
2. Launch Melon in Corporate Traveller and deploy business model shift
3. Continued development of global data and platform capability
4. Continue FCM truly global business plan and investment in new platform
5. Investment in data science capabilities and customer-centric decision making
6. Increase productivity gains through deployment of robotics and AI tech platform.
7. Improve travel content supply and supplier value proposition



Delivery

1. \$1.4bn USD new wins and 98.5% Customer Retention (FCM)
2. Melon launched in US for existing customers, increased customer loyalty, rapid return to travel
3. Robotics, AI and global platform consistency delivered.
4. New brand positioning, new FCM platform launched in China, digitalization of services.
5. Improved lead generation and sales conversion. Several customer pilot programs ongoing.
6. Moved from local to global structure to increase adaptability and synergies. Global automation tool deployed in all FCTG/FCM markets.
7. Investment in sourcing technology and increased adoption of NDC content.

Where we play | A two-sided model



Customer growth and retention

New Wins

\$1.4bn USD in new customer wins



Organic Growth



Retention

Customer retention 98.5%



Strong increase in pipeline

Record number of customers RFPs (over 340% increase)

Strategy on a page



Corporate Brands

Two global differentiated winning brands



Product

The platforms that deliver the customer experience



Sales & Marketing Machine

Driving forward the acquisition and retention of customers



Intelligence Layer

Data Science, Robotics, Pricing & Analytics



Content & Supply

Enabling the simple find, book and service on content whilst maintaining a revenue stream



People & Culture

The most fundamental building block to each brand's success



Corporate Traveller is the TMC that's fanatical about SMEs and delivers Care Uplifted through the power of our people and technology



FCM is The Alternative TMC for Multi-National Corporates. The flexibility of its offering is based around customer requirements



Melon is Corporate Traveller's proprietary technology that is built with the SME customer in mind



The FCM platform
FCM's new platform offers customers the best in market-leading technology, all seamlessly integrated into one place; giving you the ultimate choice to plug-and-play, your way.



Acquisition



Retention



Growth



CGAP aims to standardise the automation capability for both brands, globally

Intelligent data platform

IDP is the platform which delivers consistent, timely and accurate financial and reservation data to our corporate customers



WhereTo technology underpins melon's booking capability



Lighthouse is FCTG's iteration of Salesforce which powers sales and marketing



The Data Science Platform will drive decision making and customer insights



CORPORATE LAND & AIR



Smart Hotel Strategies



Ownership



Irreverence



Egalitarianism

Proprietary Tech

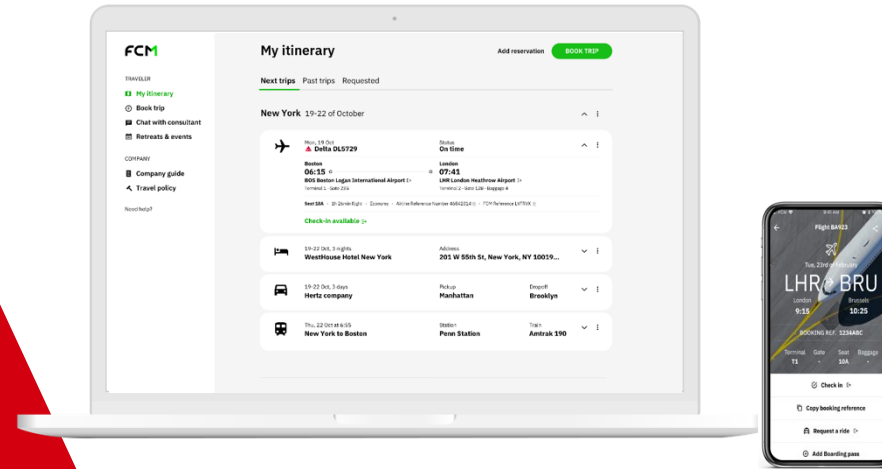
Putting customers first

Hierarchy of needs have changed for customers

- From cost to duty of care
- From offline to digital service
- From 9-5 to 24/7
- From simple to need for advice
- Key focus on sustainability

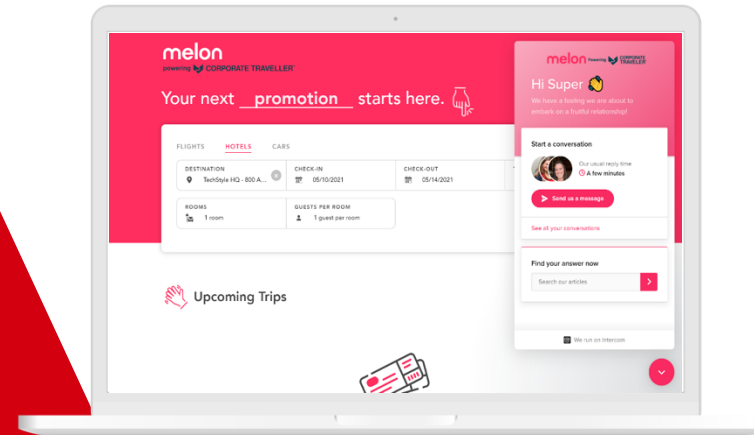
Our proprietary technology allow the agility and adaptability to meet the needs.

- New approval and communication features
- Integration of COVID and safety features
- Sustainability built in for visibility, offsetting and program impact.
- Always on, any channel for support and advice.



FCM

- In beta testing
- Pilot customers in September 2021
- Global availability in January 2022



MELON **CORPORATE TRAVELLER™**

- US launch in September 2021
- UK/CAN/RSA/AU/NZ over next 12 months

FCM Platform China

Global Strength, Local Mindset

A bespoke solution for the China market with the knowledge of a global travel company:

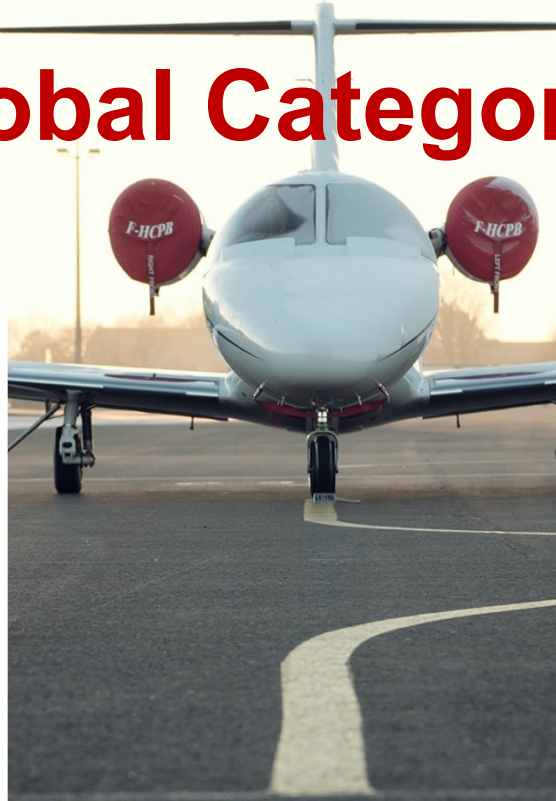
- A straightforward user interface
- Designed for the China market
- FCM controlled roadmap, driven by customer needs
- Guaranteed data security
- Best choice of Content: Travel Sky plug in (Air), Hotel Hub & SOHOTO (Hotel), Shen Zhou (Car), and ability to integrate with more local EMS providers



Why we win – 2 Global Category Leading Brands



The only *alternative* to the traditional 3 TMCs offering global consistency, flexibility, strong culture, the widest choice of content and award winning technology.



The Worlds' largest SME focussed TMC, offering a unique blend of seamless technology, dedicated experts, strong culture and the widest choice of content.

CT offers a personalised experience and is designed solely for the SME market.



flightcentreau



**I like big trips
& I cannot lie**

**DON'T GET SPRUNG,
BOOK FOR 2022/23 NOW!**

TOURS

FROM \$1329*



Leisure - CEO
Melanie Waters-Ryan

**FLIGHT
CENTRE**

Leisure: Full year update and highlights

Structural change complete

- Shop & brand network rationalised - accessibility maintained for customers
- New growth models - developed & deployed

Positioning for recovery

- Investment in leading digital technologies to enhance offering across all channels – shop (FCB & premium), online, B2B & call centre
- Brand rejuvenation and launch

Early evidence strategies are working

- Increased market-share across new multi-channel leisure platform in Australia and South Africa
- Rapid growth in online market-share
- US leisure profits
- Pent up demand demonstrated upon any openings – example NZ Cook Islands

Leisure: Structural transformation of costs

World Class Shop Network

- Rationalisation of shop network (planned as per Transformation program)
- Easy and close access for our customers but reduced density.
- Retention of higher sales and performing locations.
- Reduction of property costs by almost 70%

Expert Consultant Network

- Highly expert and productive retained agents (travel now requires expert support)
- Average tenure (experience) has increased considerably
- Novice recruitment and training focus shifted to talent retention and career development
- Flexibility with multiple working options including At Home and Independent

Streamlined Support Structures

- Globalised marketing services
- Financial functions centralised and in store soon to be eliminated
- Federated technology model to Global Product Management and Engineering
- Globalised E-commerce

Leisure: Positioning for recovery

Investments in core technologies and new models

- Global Online platform SOAR for Flight Centre in all markets in FY22
- Flights enhancements, packages, ancillaries and duty of care travel info (The Help Centre)
- Early deployment of new agent platform and package distribution capability (Helio)
- NDC access via investment in TP Connects

Product Design and Merchandising – Irresistible Deals

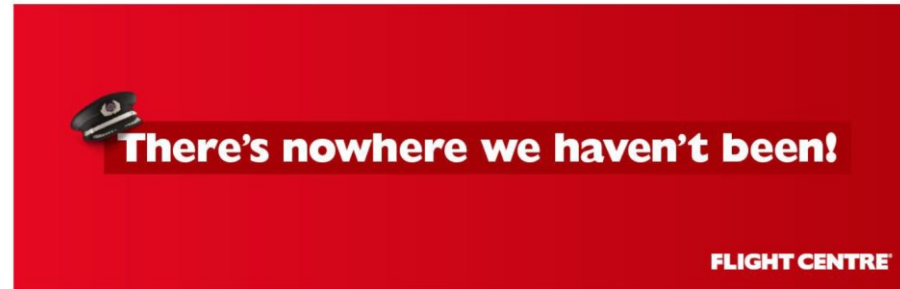
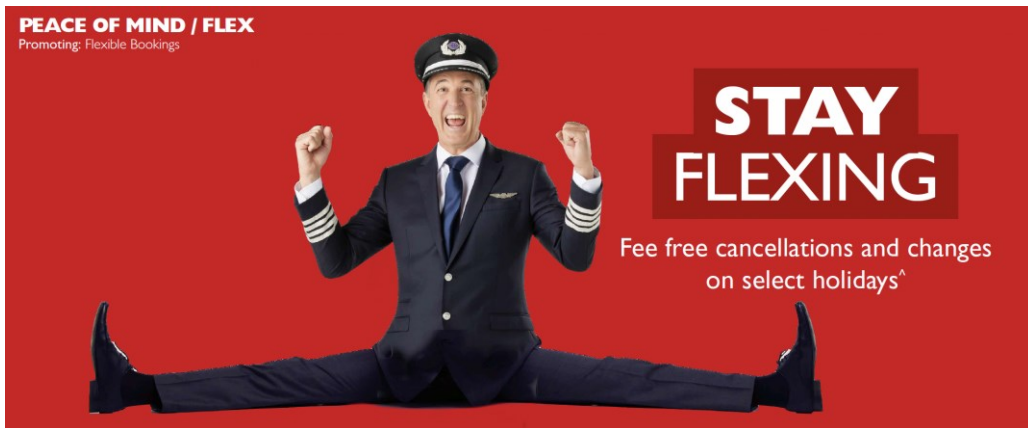
- Globalised network of product procurement and design bringing new and unique itineraries to market – the Design House
- Packaging and publishing of Irresistible Deals from new platform Helio
- Local, unusual and luxury itineraries available within COVID restrictions

Rejuvenation of Flight Centre our Iconic Famous brand

- Modernisation of Flight Centre Brand with new Captain and Co-Captains
- Customer positive response, with increasing brand awareness and consideration
- Expansion of sales models into 4 distinct operating models – shops / online / call centre and IC

Leisure: Flight Centre – Brand Strategy

Brand strategy built to cut through travel noise and position FCB as the choice for travel. By making our brand as exciting as travel itself we dial up fun, experience and joy of travel whilst moving the brand from daggy to savvy.



Leisure: Early evidence supporting transformation

Customer and Demand

- Increase in positive customer metrics over COVID period
- Desire to travel is high, and Flight Centre is the number 1 choice
- Americas / UK enquiry levels surge with changes in border restrictions
- New customer growth and customer re-engagement levels high

Channel and Model Recovery Trends

- Shift across channels in traditional markets (flightcentre.com.au almost 30% of FCB Australia gross TTV)
- Premium (Travel Associates) and premium offers faster to pick up
- Ignite (My Brands) call centre, pivoting to Cruise and Domestic product and profitable from Jan 21
- B2B strong sales pipeline across independents, affiliate agencies and groups

Market Share Growth

- South Africa market share increase
- Australian online and offline growth
- New Zealand, Cooks and Trans-Tasman bubble

Leisure: Ignite – Pivot and Profitable



2023 HAWAIIAN ISLANDS DISCOVERY





12 NIGHT FLY, STAY & CRUISE HOLIDAY WITH \$4000 BONUS VALUE

- Return Flights to Honolulu
- 5 Night Hotel Stay to Explore Honolulu
- 7 Night Hawaiian Islands Cruise
- Onboard Dining & Entertainment
- Onboard Beverage & Wifi Packages
- Shore Excursion Credit & Onboard Gratuities



SHIP **Pride of America**

SAIL DATE Multiple 2023 Dates

DEAL CODE MC-96277

LOW DEPOSIT FROM \$299*pp

from **\$3990*pp**

[VIEW DEAL >](#)

My queensland


★★★★★


SHERATON GRAND MIRAGE PORT DOUGLAS
7 NIGHTS, FLIGHTS & \$2750 BONUS VALUE

- 7 nights in a double upgraded Mirage Studio
- Return economy flights to Cairns
- Return airport & transfers
- Breakfast daily
- Kids stay & eat breakfast free*
- BONUS \$500 Wine & Dine credit
- BONUS Full day Great Barrier Reef cruise
- BONUS Full day Reef catamaran experience
- BONUS Lunch for 2 at Lagoons Bar
- BONUS 2 day private lagoon side cabana
- BONUS Cocktails daily
- BONUS Premium club hire
- BONUS Late checkout of 1:00pm
- BONUS Valet parking & wifi

from **\$1990***pp

[VIEW HOLIDAY](#)

 queensland


SHERATON
GRAND
Mirage Resort Gold Coast

LIMITED TIME LUXURY


\$99 DEPOSIT + TRAVEL THROUGH TO 2022

★★★★★

SHERATON GRAND MIRAGE RESORT, GOLD COAST

3 NIGHTS + \$1450 BONUS VALUE

- 3 Nights in a Mirage Resort Room
- Breakfast Daily
- Kids Stay Free
- Complimentary Wifi
- BONUS Seafood Dinner at Terraces Restaurant
- BONUS Evening Drinks Daily
- BONUS Late Checkout
- BONUS Privileges Dining Card
- BONUS Local Experience Passes
- BONUS \$100 Resort Credit For 2021 Travel*
- PEACE OF MIND GUARANTEE*
- **\$99 DEPOSIT** Secure Your Holiday Today

 **Hurry, Sale Ends 22 Aug**

from **\$499***pp

[VIEW DEAL](#)

My holiday

TALES OF THE MURRAY RIVER & KANGAROO ISLAND 10 DAYS + \$2000 BONUS VALUE

EXPERIENCE ADELAIDE & THE BAROSSA

- Return flights to Adelaide
- 4 nights in an upgraded Deluxe room at Hilton Adelaide
- Breakfast daily, bottle of wine & late checkout
- Full day tour of the Barossa Valley with wine tastings, lunch & more

DISCOVER KANGAROO ISLAND

- Return Island transfers
- 2 day guided tour of Kangaroo Island with lunch, tastings & more
- 1 night accommodation with breakfast

CRUISE THE MURRAY RIVER

- Return Port transfers
- 4 night cruise onboard PS Murray Princess in an Inside Twin cabin
- Onshore tours, guided nature walks & eco-excursions
- All onboard meals, entertainment & wifi
- Exclusive \$150 onboard credit per guest

from **\$2890***pp

[VIEW HOLIDAY](#)

Leisure: Australia market-share

+8%

Leisure Online Travel Intermediaries

- Our share of the online travel intermediary channel increased to 25%
- This includes our International OTA brands BYOjet and Aunt Betty which are current selling near zero due to travel restrictions

+2%

Leisure Offline Travel Intermediaries

- We maintained our dominance with 40%+ share in this channel
- Cutting costs through strategically reducing our shop footprint by more than half, with 95% of customers in Australia living within 5km of a shop
- Industry consolidation will be a key opportunity as International travel returns – traditionally represents 80% of our shop network turnover

Source: Market share based on MIDT data for all Travel Intermediaries (Travel Agency Offline & Online). This represents the Air segments booked in Australia in the 3 primary GDS and excludes certain Low Cost Carriers and Supplier Direct.

Leisure: USA & RSA momentum

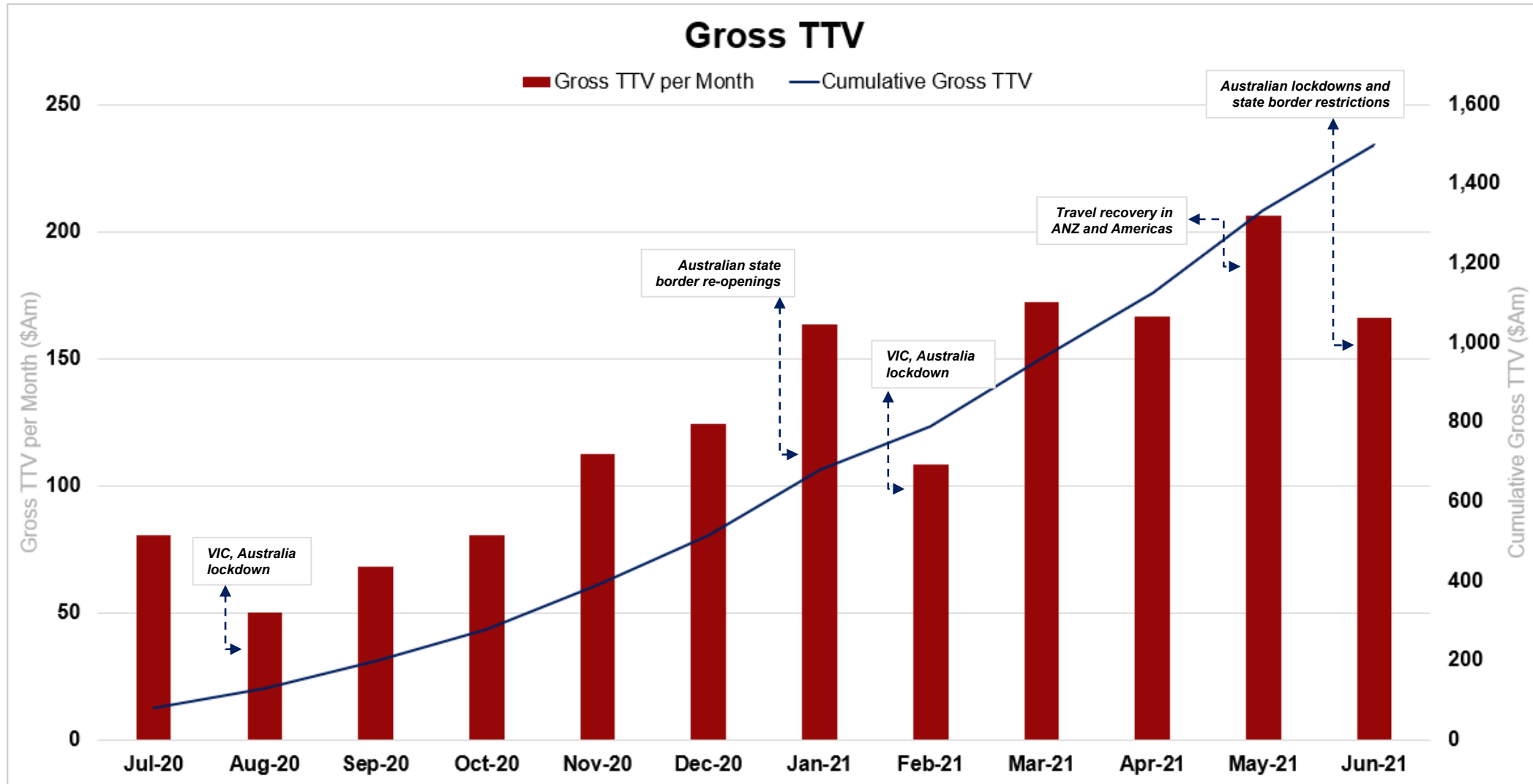
USA

- Strong productivity gains - capturing 45% of pre-COVID TTV at 31 July 2021 with circa 16% of traditional Liberty sales force
- New hybrid Liberty model in place built around four strong “networks” (shops) in New York, New Jersey and Pennsylvania – hub and IC model
- Greater flexibility, more convenient service for customers and lower cost base
- Strong Groups demand
- GOGO independent wholesaler, seeing increase in demand with market consolidation
- StudentUniverse growth

RSA

- As borders/ countries open up, the leisure booking uptake is immediate
- Focus on providing breaking travel news and a source of credible information/ thought leadership by Flight Centre
- Large bookings in store, domestic volumes online
- Basket size increase with international travel uplift and forward booking profile
- Gross margin recovery with mix of sales now incorporating International products
- Market share growth in the offline intermediary travel market of 7%

Leisure: Trading



A global winning portfolio – Related diversity

		<p>B2B Home of the Travel Entrepreneur</p>	
<p>The go-to multi-channel mass travel retailer with irresistible deals and savvy, personal service.</p>	<p>The most distinctive premium/ luxury boutique travel brand in market with superior service and expertise. A luxury travel network.</p>	<p>The leading network and product proposition for member and mobile travel professionals.</p>	<p><i>Complementary yet independent</i> travel brands accelerating to be the # 1 in segment in region/globally.</p>
<p>Flight Centre and Liberty Travel - from <i>Daggy to Savvy</i> with a modernised brand, improved range of designed deals, new models and connected technology.</p>	<p>Travel Associates and / or LDV famous as both a premium customer and premium advisor employer brand, offering true premium and luxury travel product and expertise and part of our Luxury Travel Network</p>	<p>#HOTTE - offering the leading blend of content, technology and business culture for member and mobile agents.</p>	<p>SU #1 Global Student and Youth Brand MY My Brands achieving #1 in category BYO Low price / low cost OTA TM Travel Money</p>
<p>Global Leisure Core Business Platform Brand, Product, Technology & Culture</p>			

Core Business Platform

BRANDS & CUSTOMER

Two key brands and Customer Experience targets



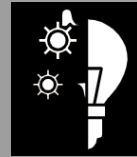
Flight Centre is the go to multi channel retailer with irresistible deals and savvy personal service accessible to our travellers however, wherever, whenever they want.



Travel Associates and our premium travel advisers famous for providing 7 star service and unique products for frequent, discerning and luxury travellers.

PRODUCT AND MARKETING

Product design and curation



Continuous Cycle of Branded Design and taking to market of Irresistible Deals and services



MODELS

4 operating models

Shop Network



Sales Centres



Independent and Affiliates



e-Commerce



INTELLIGENCE LAYER

Data Science, Robotics, Pricing & Analytics



Source Control Engine



Pricing Management System



Contract Yield Management System



Low Fare Search Logic



Optimisation Logic



Configuration and Data Management

CONTENT AND SUPPLY

Multi source content integrated into a multi channel distribution platform – eCommerce and Consultant commerce enabled



GLOBAL LAND & AIR



PEOPLE AND CULTURE

The most fundamental building block to each brand's success

OWNERSHIP



IRREVERENCE



EGALITARIANISM

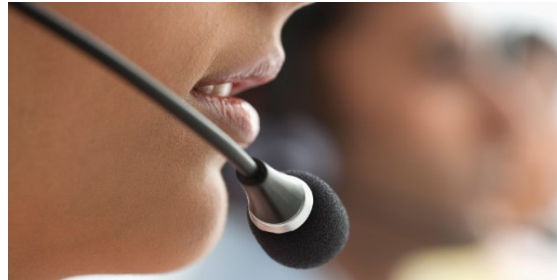


Operating Strategy – 4 Models



Network of World-Class Shops

- Right network – size and spread
- Appealing /attractive brand billboards
- Product showrooms
- Hub
- Classified by customer objective



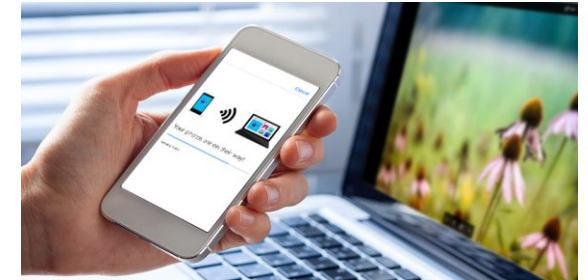
World-Class Sales Centre

- A scalable service, that enables customers 24/7 access to consultants & support worldwide
- Flexible infrastructure to move with country to country and demand during seasonality



Independent Contractor

- Career path and flexibility model for our people
- Market leading Tech platform
- Widest range of content



Self Service / e-Commerce

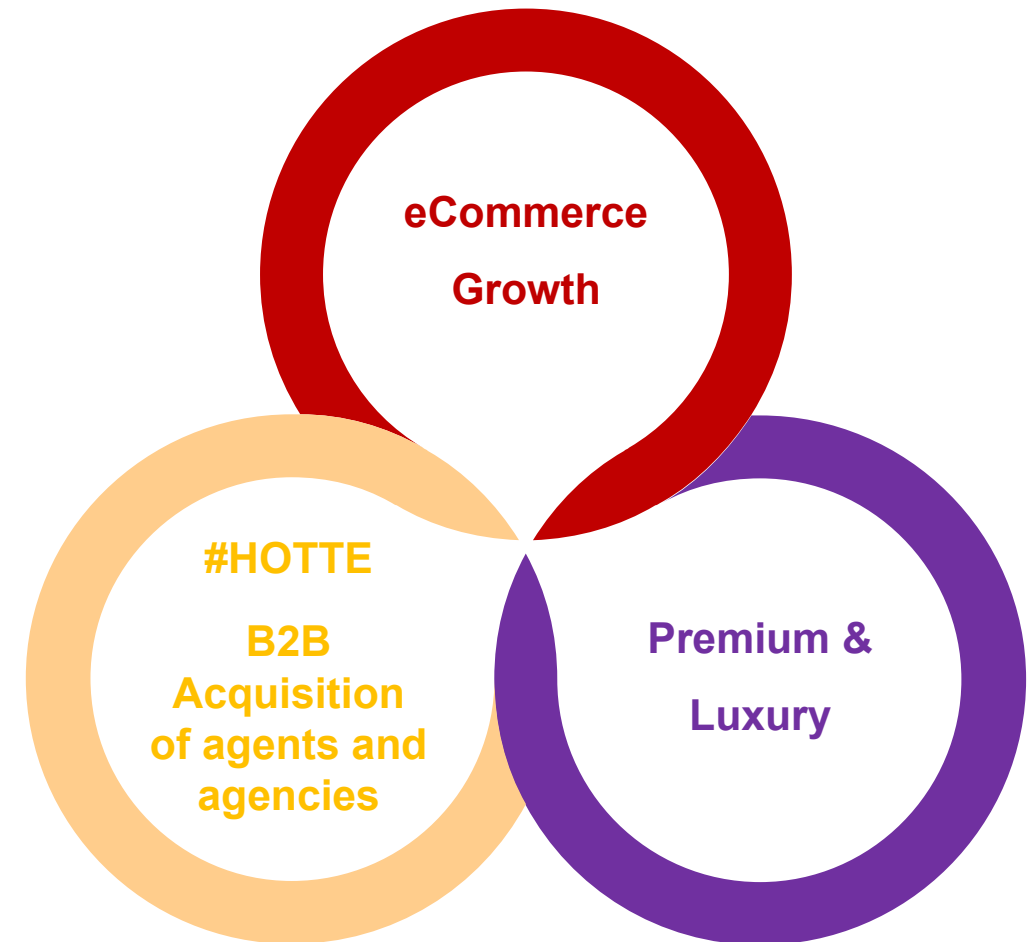
- Improved travel content available
- Best in class online & app
- Air plus Ancillaries
- Online Packages
- My Account
- Connected channels for customer

New growth models

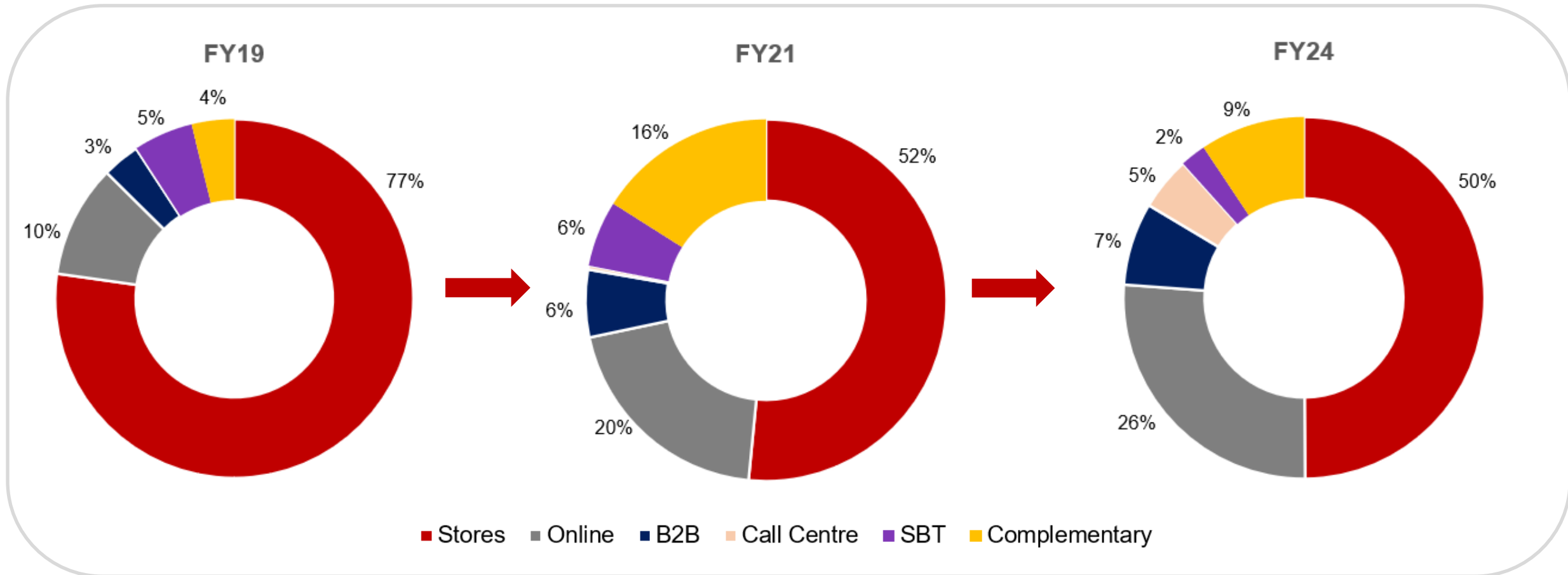
A key change to our leisure business will be the transformation of our **growth model**.

Previously based on advertising, growing shop and consultant numbers, but the ROI of this model has steadily declined.

The **new growth model** will align to changing customer travel shopping needs, our B2B sales capability and better economic business models complementing a core **strong agency model**.



Global leisure model TTV shift – FY19 to FY24



Note: Complementary includes GOGO and Ignite and excludes Travel Money.

Digitising P-P Travel Retailing



Digital access to your agent and your travel options pre and during trip

- **Trips** platform creating a digital interface for a customer and consultant to build travel itineraries and ongoing communications forum pre and during journey
- Collaborative platform to also share your travel itinerary with other travellers , friends and family

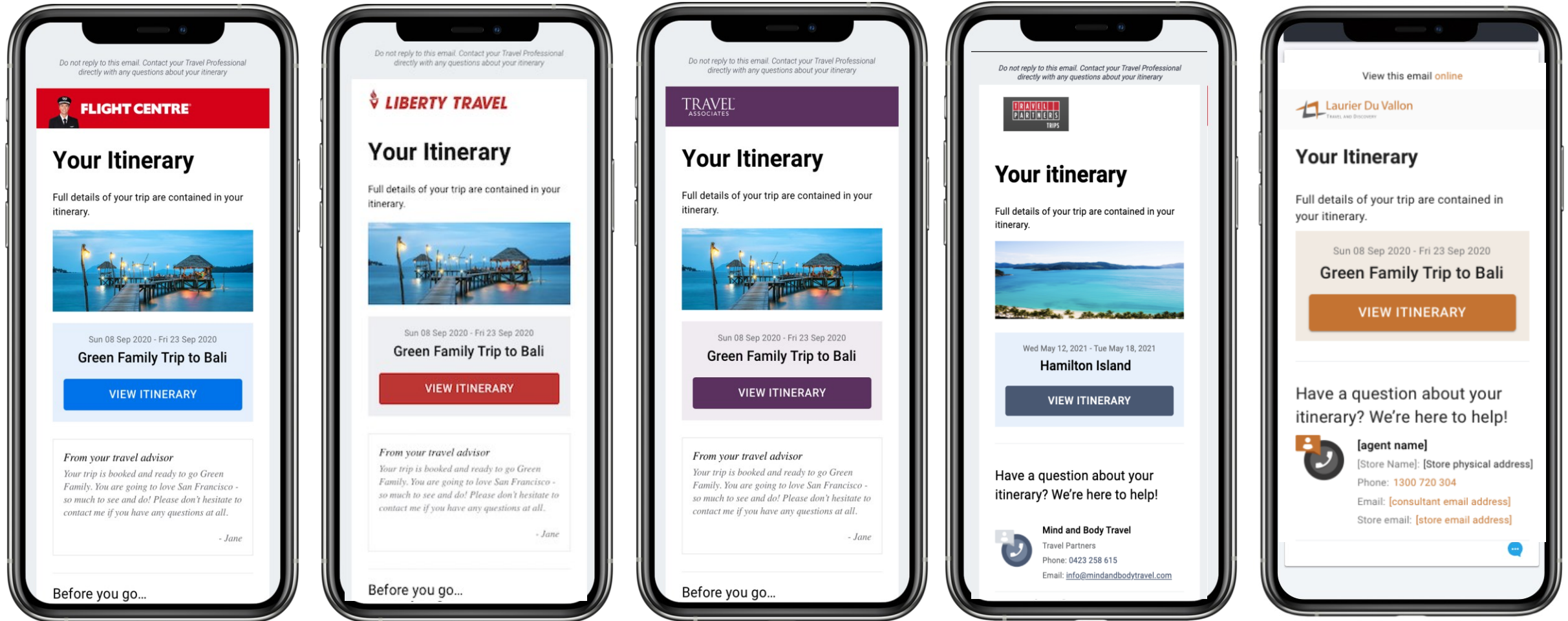
Digitising Independent agents travel ecosystem

- The **HOTTE portal 'HOME'** bringing together all products required by independent agents to access travel, manage their business and build customer stickiness

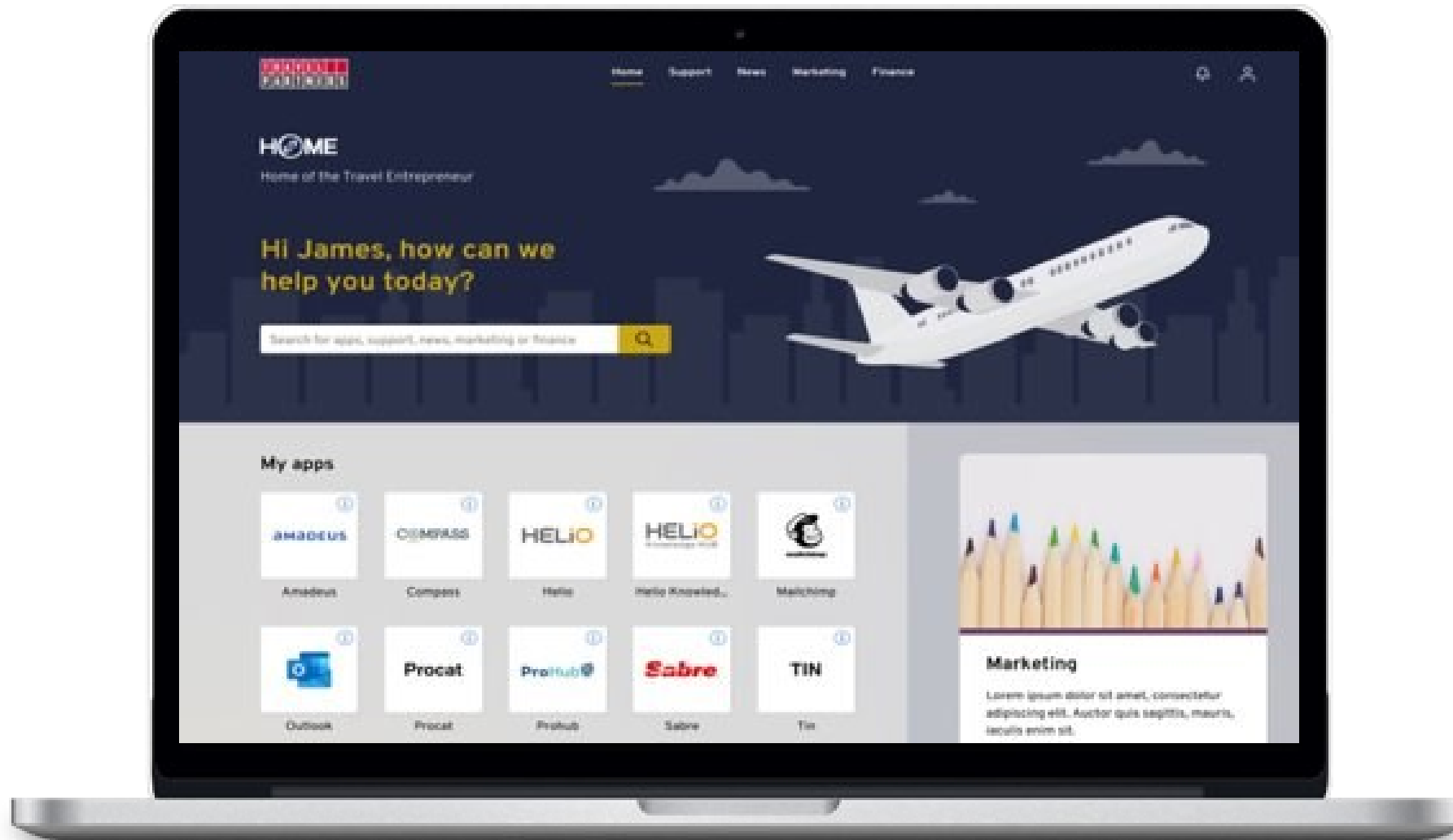
Automating and reducing agent workflows to drive productivity

- Removing mid office work from sales people
- Integration of systems to eliminate steps
- Globally connecting our agents as one travel brain to deliver highest expertise and support to our customers
- Commencing an AI agent support model

Trips – Global rollouts by brand



HOTTE portal



Partnership Overview

Amazon and StudentUniverse have joined forces with the goal of leveraging the "Off to College" (OTC) experience.

Together we will reach incoming freshmen, returning students, and existing Prime Student and StudentUniverse members this fall across all relevant channels to bring more value together, and serve our mission of being an ally to college students.

The screenshot shows the Amazon Prime Student x StudentUniverse promotional page. At the top, the Amazon Prime logo is on the left, and the StudentUniverse logo is on the right. Below the logos, a large blue banner features the text "Up to 10% off travel with StudentUniverse" in white, with "Save on already discounted flights, hotels and more." and "Limited-time offer." below it. Underneath the banner, a paragraph states: "Prime Student members save more on travel with up to 10% off already discounted flights, 10% back on hotels as an Amazon Gift Card post trip, and free premium customer support with every booking." Below this, a smaller line of text reads: "Not a Prime Student member? Start your 6-month trial*, then enjoy Prime Student for \$4.49/mo. (Half the price of Prime)." At the bottom, there are three numbered steps: 1. Sign in or Sign up with Prime Student (with a checkmark icon), 2. Activate StudentUniverse (with a smartphone icon), and 3. Unlock exclusive travel discounts (with an icon of a person with a suitcase and a plane). Below these steps is a yellow button that says "Activate your StudentUniverse Offer".

amazon prime

prime student x StudentUniverse

Up to 10% off travel with StudentUniverse

Save on already discounted flights, hotels and more.

Limited-time offer.

Prime Student members save more on travel with up to 10% off already discounted flights, 10% back on hotels as an Amazon Gift Card post trip, and free premium customer support with every booking.

Not a Prime Student member? Start your 6-month trial*, then enjoy Prime Student for \$4.49/mo. (Half the price of Prime).

1. Sign in or Sign up with Prime Student
2. Activate StudentUniverse
3. Unlock exclusive travel discounts

Activate your StudentUniverse Offer

Jetmax and Google Flights


Aunt Betty is now live on Google Flights UK, AU and NZ

Round trip · 1 · Economy




Sydney ↔ London



Share


Total price from
A\$1,697

 This airline may be offering additional flexibility for bookings. [More details](#)

Selected flights Track prices




	Tue, Mar 8 · 9:45 PM – 12:25 PM^{*1} Qatar Airways · British Airways	25 hr 40 min SYD–LHR	1 stop  3 hr 10 min DOH	▼
	Tue, Mar 15 · 8:00 AM – 6:45 PM^{*1} Qatar Airways · British Airways	23 hr 45 min LHR–SYD	1 stop 2 hr 55 min DOH	▼

 1 free carry-on  1st checked bag free

 Bag fee info isn't available when booking with eDreams, Gotogate, Qatar Airways or Expedia

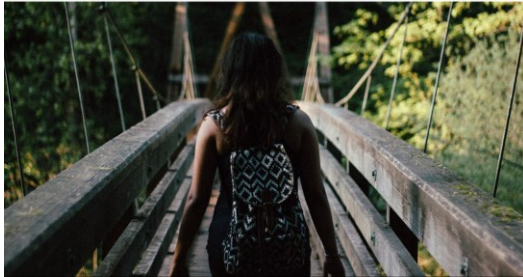
Baggage conditions apply to your entire trip. Bag fees may be higher at the airport. [British Airways bag policy](#), [Qatar Airways bag policy](#)

Booking options

	Book with Aunt Betty Marketed as BA 6396, BA 7003, BA 7006, BA 6394	A\$1,697	Select
	Book with BYOjet Marketed as BA 6396, BA 7003, BA 7006, BA 6394	A\$1,697	Select
	Book with British Airways Marketed as BA 6396, BA 7003, BA 7006, BA 6394	A\$1,713	Select
▼	6 more booking options		

Total price includes taxes + fees for 1 adult. [Additional bag fees](#) and other fees may apply.

FY21: Other businesses



In-Destination

- Discova destination management company (DMC) in hibernation in Asia but performing strongly in Americas (winning new accounts & delivering record profits)
- Hotels – new master franchising agreement in Japan. 7 hotels to open over 4 years
- Topdeck and Back-Roads touring businesses both in hibernation, but forward bookings starting to flow through



Pedal Group

- Continuing to trade strongly (see Slide 47)



Avmin

- Aircraft charter business delivering strong results
- External turnover of \$19.8m during FY21 (FY20: \$15.6m)
- Working with NRL, AFL, World Surf League, cricket, + corporate, government clients & VIPs
- Humanitarian support flights
- University Foreign Student Project – won RFP for charter services
- Private VIP quarantine services



The Travel Junction

- Externally-focused bedbank start-up already breaking even
- Expanding Australian customer base
- Broader product range through Helio deployment to come

FY21: Pedal Group



OUR PURPOSE

**"TO ENRICH MIND, BODY, EARTH OR SOUL,
WITH THE FREEDOM OF RIDING"**

Mind - Self Development, Personal Development

Body - Ride to Work, Green Team

Earth - Solar, Recycling & Area Environmental champion

Soul - Earn to Give & Second hand bike donation program

- 1million km's ridden to work
- Green Team (March) 50 sites solar and solar batteries
- All stores recycling soft plastics and rubber
- 20% reduction per store in general waste
- Pedal Upcycle all states - Sep & Mar
- Annual 'Purpose Video'
- \$750k donated to charities through ETG with engagement & program with ownership

OUR VISION

**"TO BE THE WORLD'S MOST
APPROACHABLE BIKE SHOPS"**

Vision Priorities

- Attraction and Recruitment diversity. Inclusive culture
- Our people in our advertising, used in all mediums
- 99 Delivery. Same day delivery and fast warranty / returns

Vision Goals

- Increase recruitment attraction to 50% women
- WMABS imagery progressive deployment (Website, EDM's, Customer comm's & store fronts)
- 15 Vans, 99 Delivery in place nationally and 80% warranty claims instant fulfillment

Highlights

- 99 Bikes (retail network) + ATA (wholesaler)
- \$54m profit before tax for FY21, up from \$18m during FY20
- Group sales increased to \$333m (FY20: \$200m)
- Large focus on e-bikes – popular, big-ticket items
- NZ expansion – 6 shops + 2 more set to open (Auckland, Rotorua)
- High level of employee ownership



CEO / MD
Graham Turner

FY22: Outlook

Market Guidance

- Targeting a return to monthly profitability in both corporate & leisure during FY22
- Requires circa 50% of historic TTV in corporate, circa 40% in leisure
- As flagged previously, timing remains heavily reliant on government policies – Australian domestic borders reopening & staying open + some international travel such as Trans Atlantic
- Timing also dependent on level of investments – FLT may increase short-term expenditure in leisure and/or corporate as year progresses to capitalise on opportunities & create longer-term value
- Not in a position to provide FY22 guidance given uncertainty (border re-opening timeframes, removal of other travel restrictions, vaccination rates & continued efficacy)

FY22: Well placed for recovery

Expecting strong returns on pandemic-period investments in more favourable trading conditions

- Now a leaner & more efficient business with stable cost base
- Delivering consistent revenue growth, particularly during 2H-21, despite heavy government restrictions
- Achieving leisure & corporate strategic objectives, while investing in key growth drivers to win market-share during period of market consolidation – leisure online & IC models, corporate sales & innovative tech
- Business & geographic diversity – earnings leveraged to recovering Northern Hemisphere economies + large potential recovery upside in Southern Hemisphere
- Strong pipeline of corporate account wins to drive further recovery in Americas & EMEA
- Several businesses now back in profit/approaching break-even (month-to-month) in more favourable trading conditions

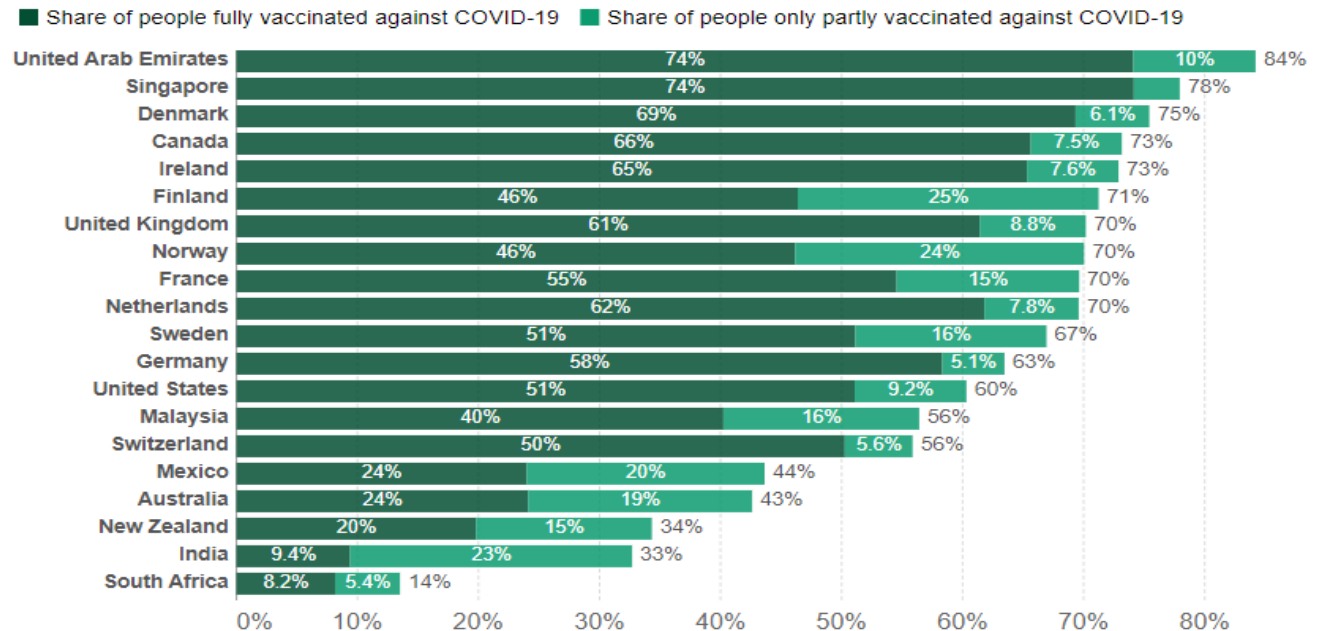
FY22: Travel industry poised for rapid take-off

Trading conditions improving – vaccination programs gaining momentum globally

Reaching advanced levels in key FLT markets, including UK, USA, Canada & France

Share of people vaccinated against COVID-19, Aug 22, 2021

Our World in Data



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.
CC BY

FY22: Travel industry poised for rapid take-off

Trading conditions improving – restrictions being relaxed/removed

- Various routes now open or opening outside Australia & New Zealand
- USA-UK/Europe/Canada (all currently one-way “bubbles”), intra-Europe, Canada-UK (Sept 7), Germany/Brunei-Singapore (Sept 8)
- Trans-Atlantic travel resuming - vaccinated US travellers able to travel to UK & to various locations on the continent
- Awaiting reciprocal rights for UK travellers to enter USA
- Re-opening set to deliver material benefit: - US-UK route alone represents about 6% of historical USA TTV & circa 25% of FLT’s UK air TTV
- Trans-Atlantic travel represents circa 25% of US TTV (37% of revenue)
- Heavy premium travel weighting

FY22: Travel industry poised for rapid take-off

Trading conditions improving – working hand in glove with suppliers

- Maintaining strong relationships with global stable of air, hotel, car, tour & cruise partners
- Relationships with key airline partners have helped many Australians stranded overseas return home – circa 17,000 repatriated to Australia through FLT, Qatar Airways & others
- New long-term “global” deals with Singapore Airlines, Qatar & Etihad are in completion stages
- 75+ recovery airline deals agreed within region – most with improved terms
- Long-term recovery agreements with The Travel Corporation, Globus Family of Brands & Intrepid
- Multi-year deals in place with key touring and cruise partners aligning to our key customer segments
- Mainstream GDS agreements restructured to reflect current trading climate
- Continuing to work closely with Qantas on showcasing a full range of content options & driving future revenue opportunities
- Domestic deals with Virgin & Regional Express (new agreement signed this month), Jetstar and Qantas pending

FY22: Travel industry poised for rapid take-off

Trading conditions improving – positive lead indicators



The consumer ...

Confident:

Consumer confidence globally has recovered rapidly (Source: OECD (2021), Consumer confidence index (CCI))

Cashed-up:

\$US5.4trillion in excess savings have been banked during the pandemic globally (circa 6% of global GDP) (Source: Moody's Analytics)

Keen to travel:

57% of travellers plan to take-off within 2 months of COVID-19 being brought under control (Source IATA)

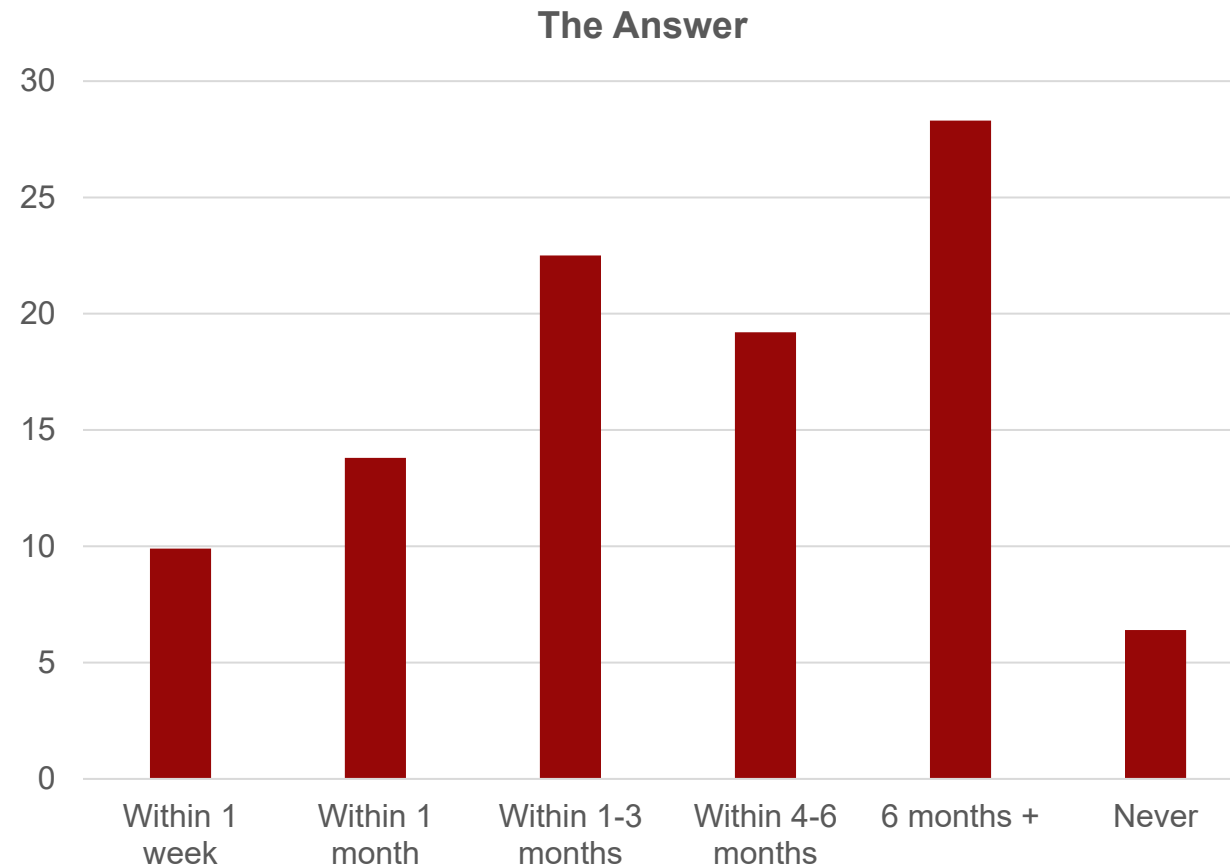
FY22: Pent-up leisure demand

The Question: Once the pandemic is contained and international borders are open, how long would you likely take before travelling abroad?

Key Findings

- Almost ¼ plan to take-off within 1 month
- About ½ plan to travel within 3 months
- Almost 2/3 say they will travel within 6 months

Survey of 1000 people conducted on flightcentre.com.au in mid-August 2021



FY22: Travel industry poised for rapid take-off

Trading conditions improving – extra help required in a more complex travel world

Passports & Paperwork



Some of the paperwork required for Graham Turner's recent UK trip

Travel will be more complex in the post COVID world

Added complexity plays to FLT's strengths – reinforces value of leisure agents & corporate travel managers

Differing government policies & requirements in place

Additional paperwork required – more than just the humble passport

Vaccination passports, PCR tests, government approvals

Appendices



Appendix 1: Segment results (business)

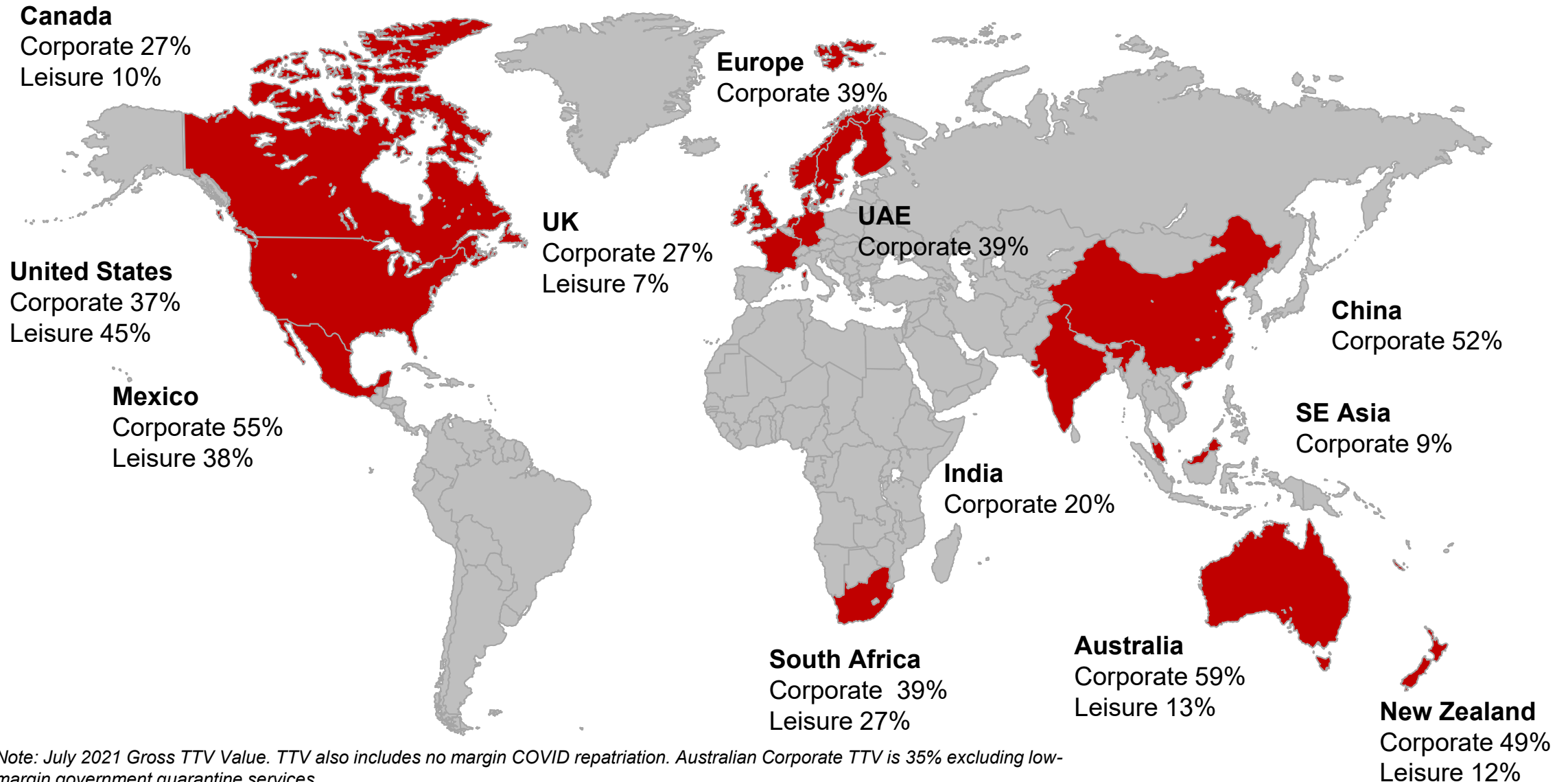
\$m	LEISURE		CORPORATE		OTHER	
	FY21	FY20	FY21	FY20	FY21	FY20
TTV	1,391	7,422	2,169	6,911	385	970
Revenue	156	1,126	217	727	23	45
PBT	(462)	(762)	(141)	(14)	1	(73)
PBT (underlying)	(366)	(528)	(122)	72	(19)	(53)
Margins						
Revenue margin	11%	15%	10%	11%	6%	5%
PBT margin	(33%)	(10%)	(7%)	0%	0%	(8%)

Appendix 2: Segment results (geographic)

\$m	ANZ		AMERICAS		EMEA		ASIA		OTHER	
	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20
TTV	2,067	7,344	803	3,646	568	2,455	473	1,667	34	191
Revenue	177	870	111	446	79	332	15	67	14	182
PBT	(250)	(421)	(152)	(102)	(71)	(69)	(24)	(17)	(105)	(240)
PBT (underlying)	(208)	(322)	(108)	(77)	(73)	(13)	(22)	(12)	(96)	(85)
Margins										
Revenue margin	9%	12%	14%	12%	14%	14%	3%	4%	41%	95%
Cost margin	(21%)	(18%)	(33%)	(15%)	(26%)	(16%)	(8%)	(5%)	(350%)	(221%)
PBT margin	(12%)	(6%)	(19%)	(3%)	(13%)	(3%)	(5%)	(1%)	(309%)	(126%)

Appendix 3: Global TTV (Gross - July 21)

Tracking at 26% of pre-COVID global gross TTV – Corporate 41% and Leisure 16%



Appendix 4: Results summary

5-YEAR SUMMARY					
	FY21	FY20	FY19	FY18	FY17
TTV	\$3,945m	\$15,303m	\$23,728m	\$21,818m	\$20,109m
<i>Income margin</i>	10.3%	12.4%	12.9%	13.4%	13.8%
PBT	\$(601.7)m	\$(848.6)m	\$343.5m	\$364.3m	\$325.4m
PBT (underlying)	\$(507.1)m	\$(509.2)m	\$343.1m	\$384.7m	\$329.5m
NPAT	\$(433.5)m	\$(662.2)m	\$264.2m	\$264.8m	\$230.8m
EPS	(217.5)c	(552.2)c	224.2c	261.6c	228.5c
DPS	-	-	158.0c	167.0c	139.0c
ROE	(45.3)%	(48.7)%	18.1%	17.0%	16.2%
Capex	\$37.4m	\$94.2m	\$101.0m	\$87.3m	\$104.1m
Selling staff	5,464	7,131	14,346	14,622	15,118
Cash at bank and on hand ¹	\$1,172.1m	\$1,779.6m	\$717.8m	-	-
Restricted cash ¹	\$118.7m	\$87.8m	\$454.4m	-	-
General cash	-	-	\$336.5m	\$444.5m	\$425.9m
Client cash	-	-	\$835.7m	\$828.5m	\$855.8m
Cash and cash equivalents	\$1,290.8m	\$1,867.3m	\$1,172.3m	\$1,273.0m	\$1,281.6m
Financial Asset Investments	\$65.1m	\$8.1m	\$115.4m	\$204.1m	\$200.0m
Cash and investments	\$1,355.9m	\$1,875.4m	\$1,287.7m	\$1,477.1m	\$1,481.6m

¹ Change in presentation during the year ended 30 June 2020 to reflect funds held by the Group that are restricted for use.