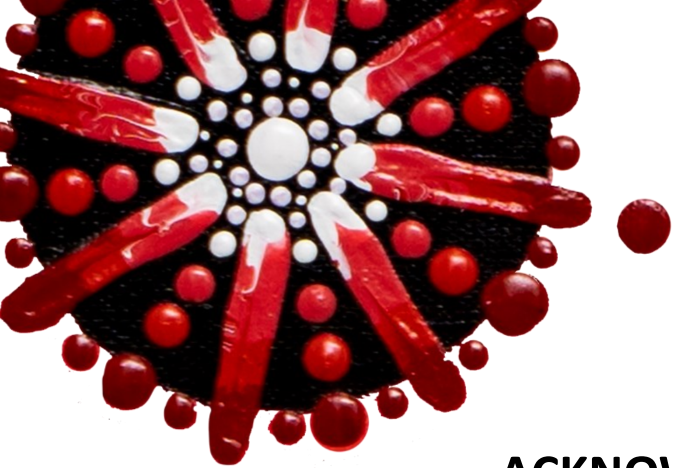
Global Leisure

Strategy Showcase – June 2023

FLIGHT CENTRE TRAVEL GROUP™ | LEISURE



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of country throughout Australia and recognise their ongoing connection to land, sky, waters and communities.

We pay our respects to
Aboriginal and Torres Strait Islander Elders past and present.

We support the continuation of cultural, spiritual and educational practices.

FCTG: Leisure Strategy Update

JUNE 2023

01
INTRO
PURPOSE OF TODAY

02
MARKET TRENDS & CUSTOMER INSIGHTS

03
FCTG GLOBAL LEISURE STRATEGY

04
FAMOUS BRANDS & WINNING MODELS

05
Q&A

James Kavanagh
CEO Leisure

Belinda Rafiee
Leisure Chief Financial Officer

Chris Steiner
Leisure Chief Experience Officer

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FLT: FY23 - a quick recap

Outlook

- FLT targeting $270m-290m underlying EBITDA for FY23 including contribution from recent Scott Dunn acquisition – compares to underlying $183.1m FY22 loss

- Market recovery continues – demand rebounding, trading conditions gradually starting to normalise (although airfare remain well above pre-COVID levels), no obvious signs of slowdown flowing from macro-economic changes

- Global corporate business outpacing industry recovery – delivering record TTV during FY23 despite client activity only tracking at 70-80% of pre-COVID levels

- Leisure sector recovery gaining moment during seasonally busier 2H. Australian leisure TTV tracking broadly in line with pre-COVID levels in May 2023

- Targeting 2% underlying group-wide PBT margin for FY25 – improvement to be driven by combination of revenue margin increases & further cost margin decreases (already sub 10%)

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1. INTRO & PURPOSE

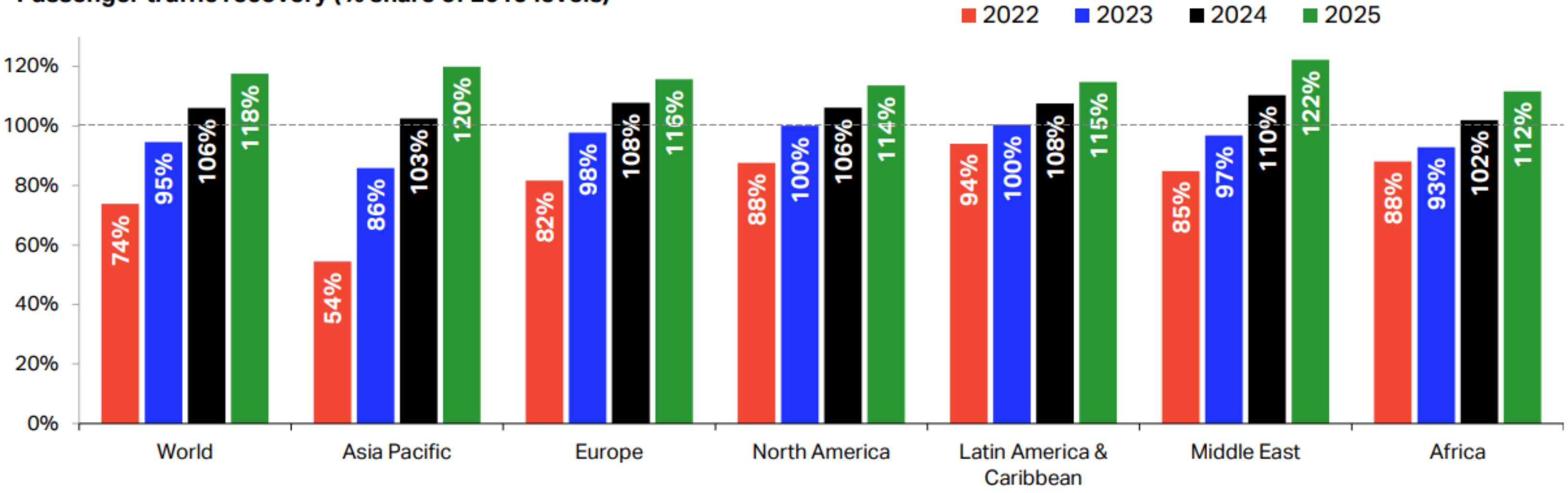
2. MARKET & CUSTOMER TRENDS

Recovery, Capacity & Demand

Air

Forecast upgrades reflecting recent developments
North America and Latin America to recover in 2023, ASPAC in 2024

Passenger traffic recovery (% share of 2019 levels)



Recovery year						
2024	2024	2024	2023	2023	2024	2024

Source: Tourism Economics/IATA Sustainability and Economics Air Passenger Forecasts as of March 2023

Accommodation

Strong growth in Global Accommodation market, to USD1.4bn by 2031

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Cruise

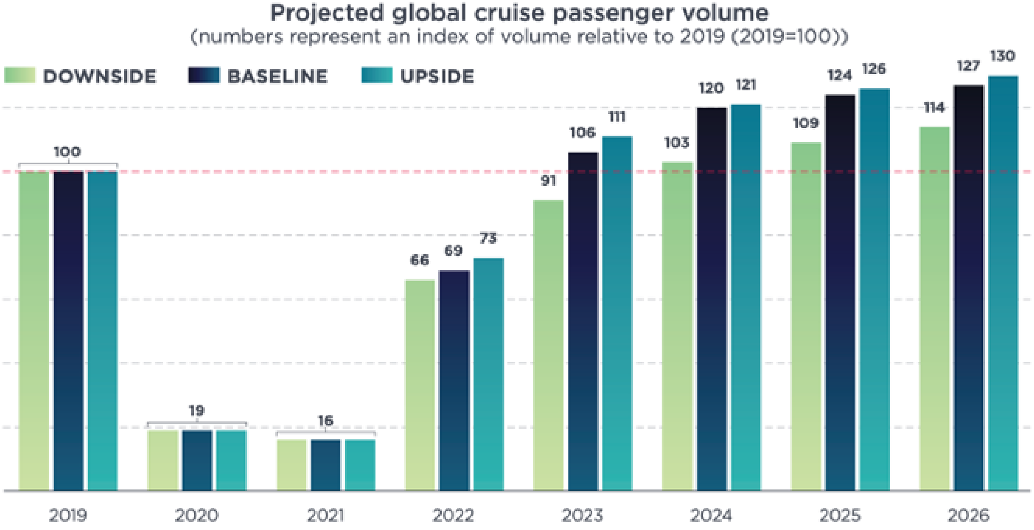
CRUISE UPDATE & FORECAST

Cruise tourism is rebounding faster than international tourism arrivals

Cruise passenger volume is forecast to reach 106% of 2019 levels in 2023—with 31.5 million passengers sailing.

This compares to the UNWTO forecast t(January 2023) that international tourist arrivals in 2023 will be 80% to 95% of 2019 levels.

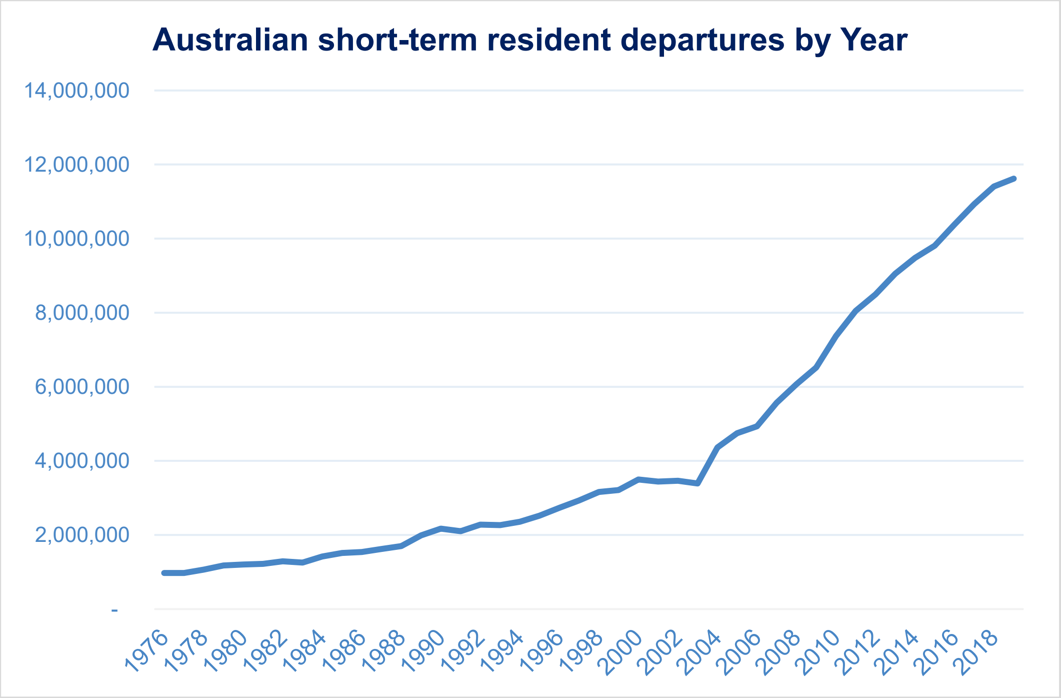
**Forecast based on the baseline forecast from CLIA's Cruise Forecast (December 2022). This chart shows the range of passengers forecast based on a downside to upside analysis. The middle bar provides the baseline percentage of 2019 passenger volume; bars to the left and right provide the downside and upside forecast, respectively). CLIA analysis indicates the baseline forecast is the most likely scenario.*



Source: CLIA Cruise Forecast/Tourism Economics (December 2022)

Outbound travel: A resilient market

Growing 5.5% to 6% CAGR between CY1976 and CY 2019



Source: Australian Bureau of Statistics

Travel is generally considered a necessity, rather than a discretionary product

- Short-term resident departures have increased strongly and consistently throughout the economic cycle (pre-COVID)
- Circa 5.5%-6% compounding average growth (CAGR) between CY1976 and CY2019
- Only 6 year-on-year decreases over 44-year period
- Two year-on-year decreases this century were brought out by September 11 and Ansett collapse (2001) and SARS (2003)
- Downturns have tended to be short-lived and have been followed by sharp uplifts in international travel
- On average, 45% of the Australian population travelled overseas in CY2019 (up from circa 7% in 1976)

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For many, travel is a necessity no matter what the price

Source: Google Trends data, searches for 'travel', Mar 2018 - Mar 2023; ABS Lending indicators, Loan value for travel, Mar 2018 - Mar 2023

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CUSTOMER INSIGHTS

Our Customers

Core Global Leisure brands

- 01 Total customer base - 28m
- 02 Yes to deals – 8.4m
- 03 Repeat customers > 50% across all 3 brands
- 04 Avg age of customers decreasing slightly
- 05 Avg booking value increasing across all 3 brands

	Flight Centre	Travel Associates	Scott Dunn
Database	15m	913k	472k
New customers	49%	30%	35%
Repeat customers	51%	70%	65%
Avg customer age	55	60	51
Avg booking $	$3.3k	$13.8k	$45k

Note:
* Table excludes Complementary brands (Ignite, Liberty, TMOZ, SU & Jetmax)

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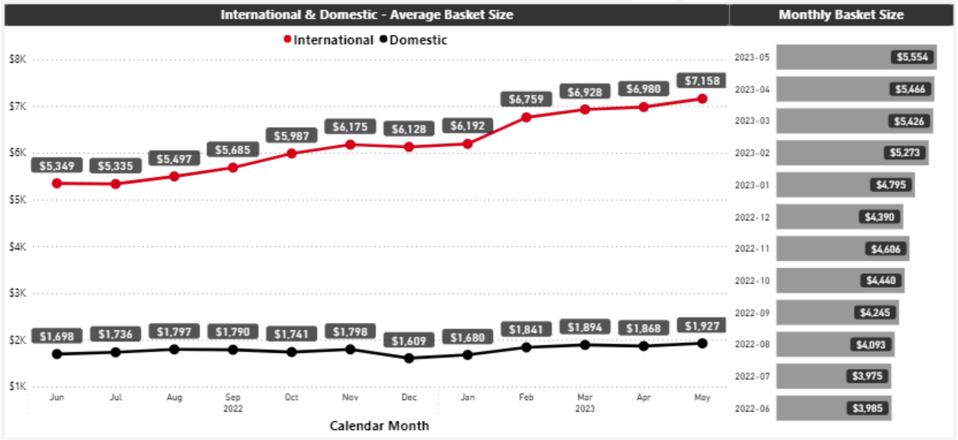
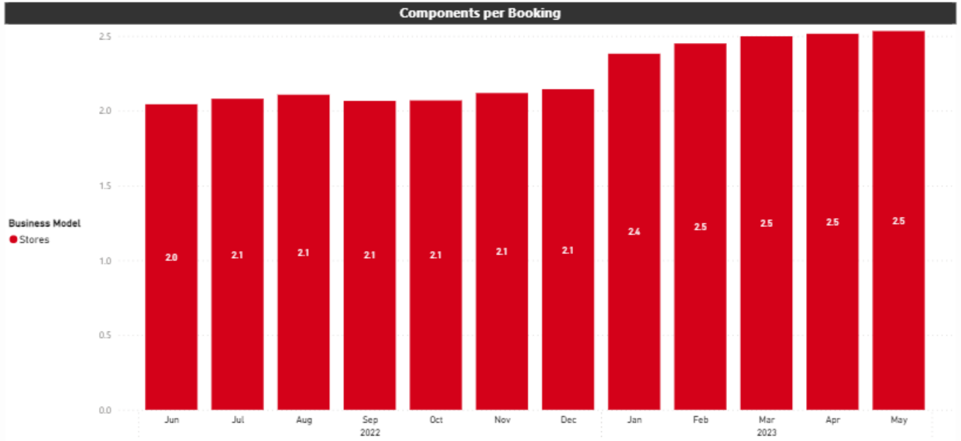
Booking Trends

Flight Centre brand stores

- **01** Steady growth in monthly international basket size
- **02** Domestic basket size remains steady
- **03** Solos and couples coming back more quickly than families
- **04** Average lead time of 122 days to book compared to 162 days in prior year
- **05** International share of bookings increased from 63% in July 22 to 69% in May 23





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Travel Intention

Leisure brand customer survey 2023

Travel is still top of mind and international is bullish.

72% of travellers intend taking more than one trip domestic trip in the next 12 months.
88% of Australia travellers intend to holiday internationally within the next 12 months.

More than one holiday planned

Multiple holidays are still on the agenda, with the preference for a longer stay (1 week+) for both domestic 35% and international 27% travel. The cruise enthusiast is planning multiple holidays globally in both cruising 37% and land 29%.

Spending the same, or more.

83% of international travellers intend to spend the same or more on their next international trip, with 15% intending to spend significantly more.

Travel Motivations

Visiting friends and relatives (29%), Bucket list (21%), and relax and recharge (24%) fuel international travel, with 73% of domestic holidays makers looking to take 2 or more domestic trips in the next 12 months.

Influence of loyalty programs in purchase decisions...

40% stated somewhat influenced.

FCTG leisure customer research. June 2023. ~3000 respondents

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Destination trends

While Travel continues, destination choices shift

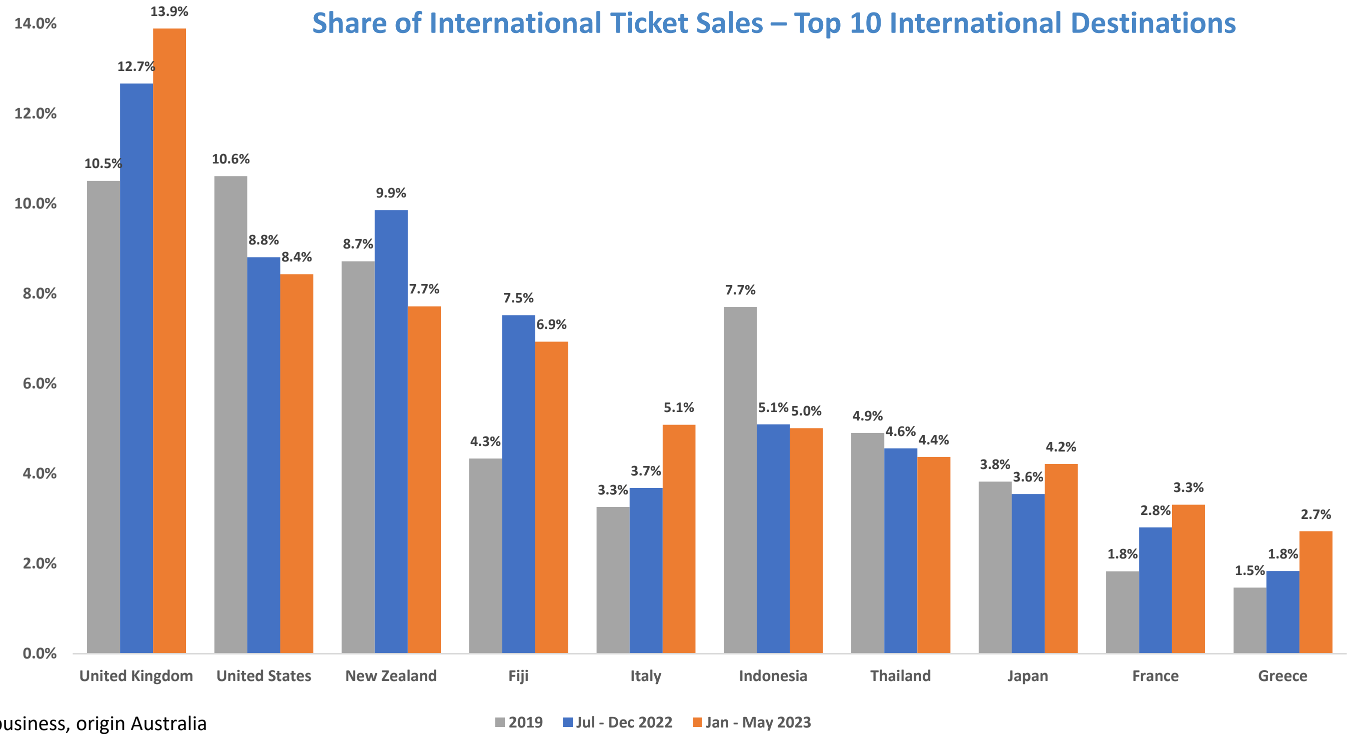
01 UK replaces USA as #1 share of tickets issued

02 Kia Ora NZ: Holds 3rd Place

03 Fiji continues to sizzle, moves from 6th place to 4th

04 Bali slower to recover. Picking up pace

05 Italy, Japan, France & Greece out-perform



Note: International Tickets sold in the Australian Leisure business, origin Australia

3. FCTG Leisure Strategy

Key Message

Returning strong with key assets, customers and scalable winning models

FCTG LEISURE

Has emerged from pandemic with a more productive, more efficient and more diverse business, with famous brands, enhanced capability and winning models

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FCTG Leisure

Quality Portfolio of Leisure Travel Brands

DIVERSE PORTFOLIO| STRONG BRAND EQUITY

Category leader in AU and a leading player in NZ & RSA.

Emerging Luxury & Independent Agent Portfolio.

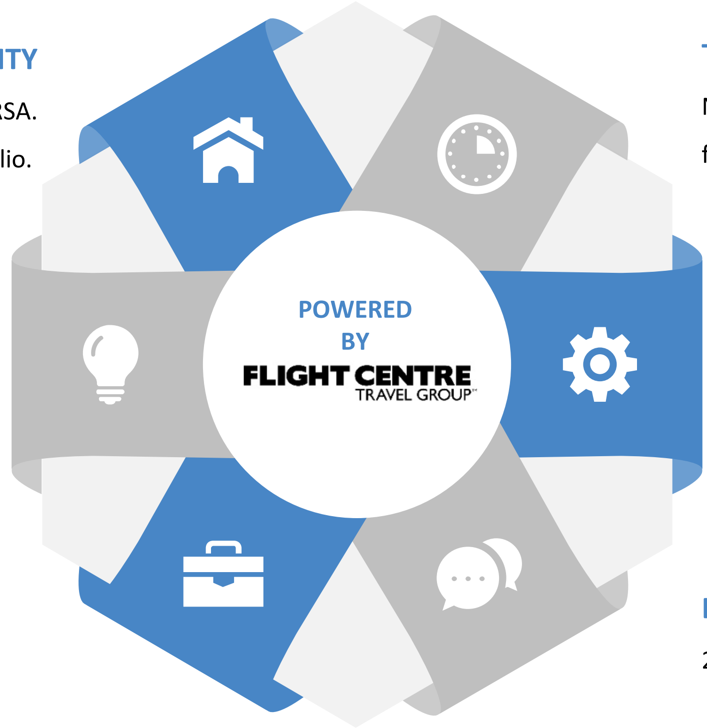
SEASONED/EXPERIENCED MANAGEMENT

Average Experience is 27 Years.

9 Executives combined experience of 242 years.

MULTI CHANNEL ENABLED BRANDS

Ability for customer to book across multiple channels. In Store, App, Online, Call



TRANSFORMED OPERATING MODEL

New operating model with winning models fueling growth.

PRODUCTIVE RETAIL FOOTPRINT

Right Size network, with improved productivity per store

ESTABLISHED CUSTOMER BASE

28m Database

50-70% Repeat Customers

Quality diverse portfolio

Mass Market	Luxury	Complementary (B2C)	Independent (B2B)
Flight Centre	Travel Associates; Scott Dunn	My holidaycentre; StudentUniverse; Jetmax; Liberty Travel; Travel Money Oz – We speak your currency	Flight Centre Travel Group Independent
Global omni-channel travel retailer famous for flights + holidays, making it easy to book amazing travel experiences	The leading network of luxury travel advisors designing 'One of a Kind' experiences for discerning guests	Specialist brands: • Packages 'holiday in a box' • Foreign Exchange • Student Travel accelerating to be #1 in segment	The fastest growing community of independent travel agents and agency groups accessing market leading content, products and commercials

- **Provide customers with: widest range of products, services and value in travel**
- **Provide suppliers with: access to the most valuable and diverse range of customers**

Where we play

Category by market

	Flight Centre MASS MARKET	Travel Associates / Scott Dunn LUXURY	Flight Centre Travel Group Independent INDEPENDENT	My cruises / My holiday CRUISE & TOUR	StudentUniverse STUDENT	Travel Money Oz – We speak your currency FX
AUSTRALIA	✓	✓	✓	✓	✓	✓
NEW ZEALAND	✓	✓	✓	✓		✓
SOUTH AFRICA	✓		✓			
UK	✓	✓			✓	
USA		✓	✓		✓	
CANADA	✓		✓		✓	
SINGAPORE		✓				

Growth Drivers

01 GLOBAL EXPANSION OF CORE OFFERING

02 INVESTING IN CUSTOMERS

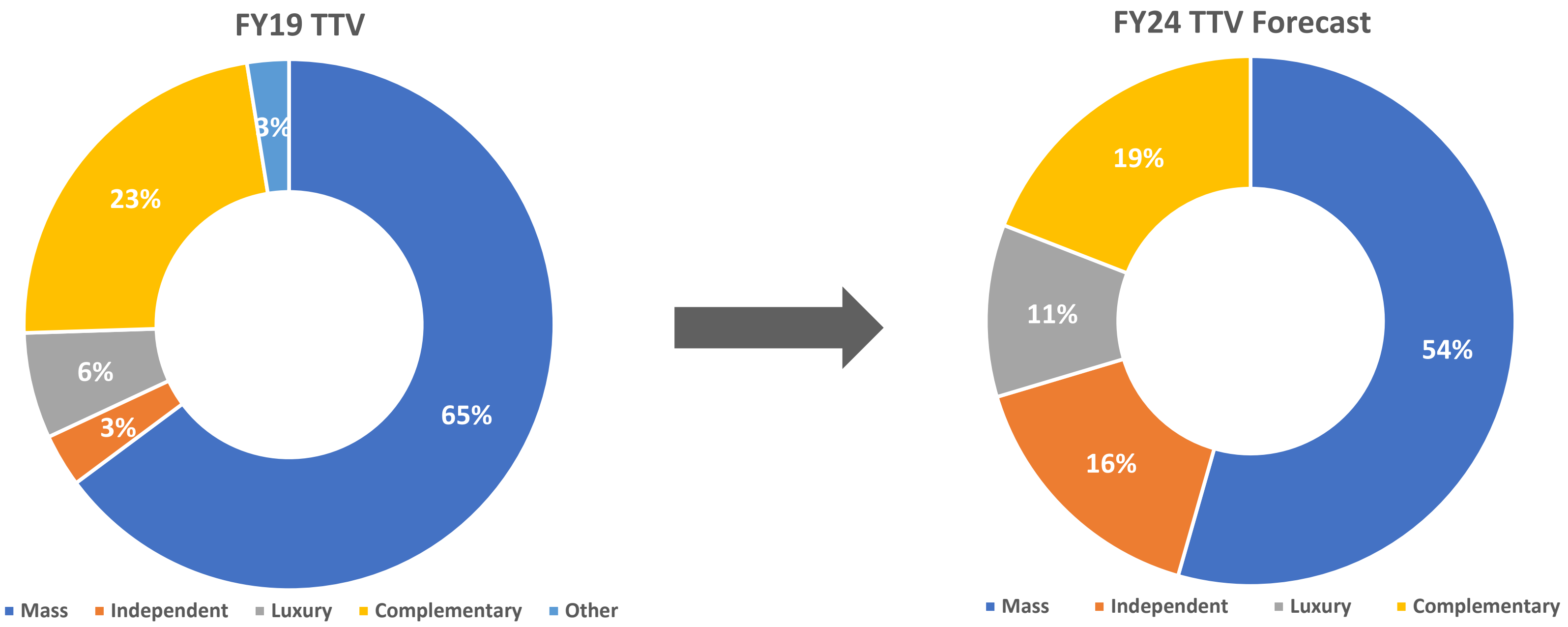
03 LEVERAGING OUR ASSETS

Growth Drivers

01	02	03
GLOBAL EXPANSION OF CORE OFFERING	**INVESTING IN CUSTOMERS**	**LEVERAGING OUR ASSETS**
OBJECTIVE Grow our portfolio of famous brands, winning models, sales channels & people, to reach and service more customers.	**OBJECTIVE** Invest in digital, product & loyalty solutions to deliver amazing travel experiences & create enduring memories.	**OBJECTIVE** Invest in our people & technology to sustain and grow productivity and capital efficiency.
GOALS TTV | PBT | Margin	**GOALS** Customer NPS & Trust Pilot scores	**GOALS** Productivity | People retention | Engagement
Physical expansion: 1. Effective Network Management 2. Staffing to meet demand 3. Independent Agents & Agencies ***M&A, Partnerships:*** 1. Develop Luxury Collection 2. Expand cruise offering 3. Strategic Partnerships	***Digitize the customer experience:*** 1. Omni + Click/Collect/Deliver 2. Independent HOME portal 3. Personalisation, retargeting/cross selling ***Increase & differentiate product ranges:*** 1. Packages, cruise, First & Business, Luxury, Business Travel and Foreign Exchange 2. Ancillary revenue ***Focus on customer loyalty:*** 1. Customer voice & NPS 2. Continued investment in customer loyalty	***Talent management & Business Ownership:*** 1. Globalise talent management & Employee Value Proposition 2. Expand Business Ownership program ***Optimise platforms / sustain productivity:*** 1. Increase travel products via core distribution platforms. 2. De-commission legacy platforms 3. Remove non-selling administration

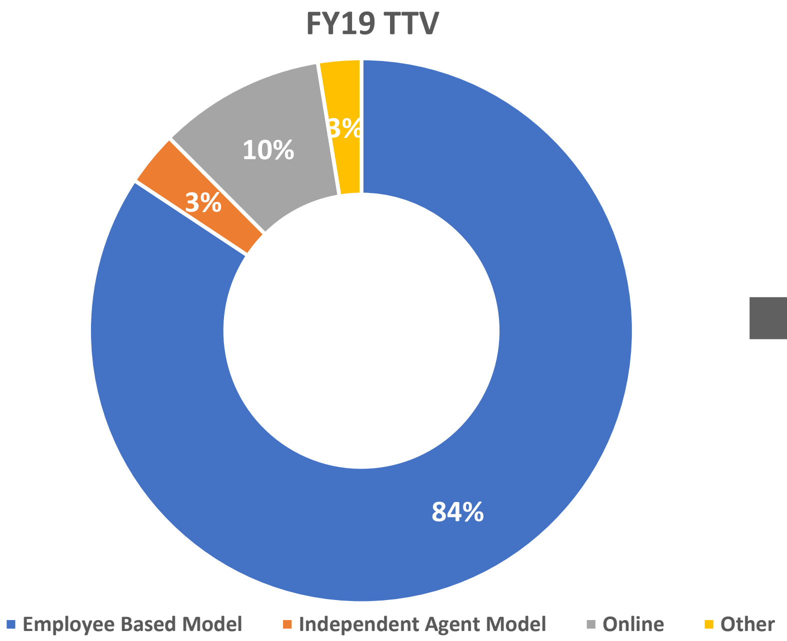
Portfolio Shift

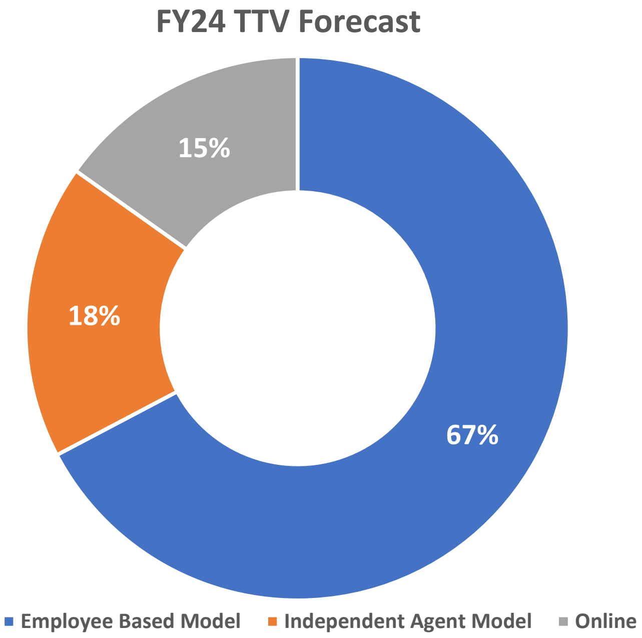
Continued investment in growth models, targeting 27% TTV from the Independent & Luxury pillars, up from 9% in FY19



Model Shift

Low cost, highly scalable models expected to deliver 33% TTV in FY24, compared to 13% of TTV in FY19





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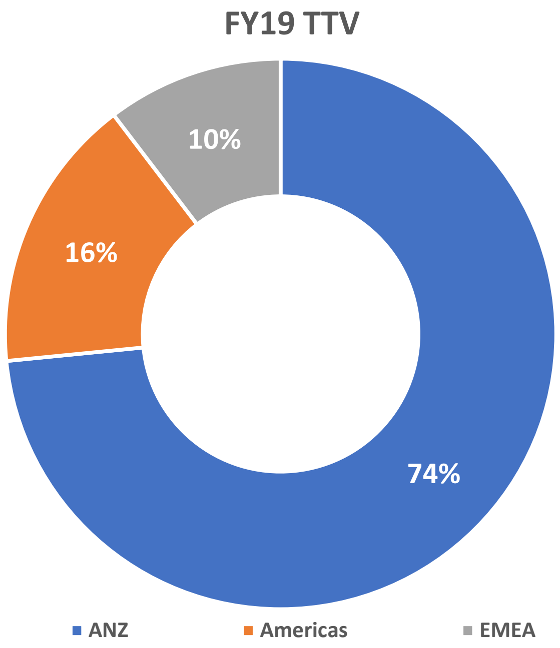
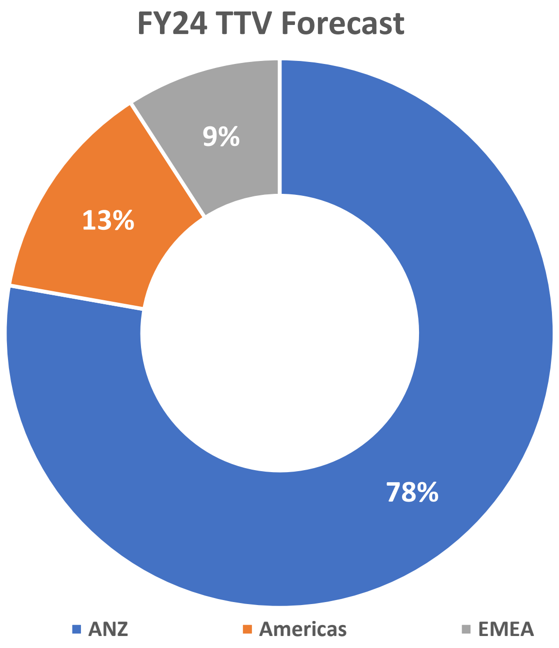
Geography Shift

Leisure will shift further towards ANZ, with Australia expected to generate 78% of TTV in FY24, up from 74% in FY19. Focus on profitable recovery in the Northern Hemisphere through different models than pre Covid





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Our Leisure From/To

If Leisure achieves $10bn TTV in FY23 (1H: $4.4b) , the business will have delivered ~80% of FY19 TTV, with ~36% of consultants & stores.

	FY19	FY23
TTV	~$13bn	~$10bn
Consultants (FTE)	~9,800	~3,500
Independent Agents	975	~1,400
Online TTV	$1.3bn	~$1.6bn
Stores	~1,500	543
Store productivity (Avg TTV per store)	~$7m	~$13m

Transformed operating model

Scalable, efficient, operating model delivering higher productivity per consultant (circa 90% increase across the network)

- Old world 1,500 shops ~$7m TTV / Shop / Year
- New world 543 shops ~$13m TTV / Shop / Year
- Independent Network now 15% of TTV, equivalent of ~210 FCB shops and ~1,400 consultants in old world
- Online sales from $1.3bn in FY19 to an expected ~$1.6bn in FY23. Growth is equivalent to ~ 40 FCB shops / ~ 270 consultants in old world
- Overall leisure market-share maintained during pandemic
- Delivering a reduction in cost margin

Group 2% PBT Target Margin

Leisure's diverse portfolio of businesses at different stages of maturity will contribute to the Group driving a target 2% PBT margin for FY25

Leisure brands targeting over 2% net margin

- Flight Centre brand – stores & specialists
- Travel Associates
- Scott Dunn
- Ignite
- Liberty wholly owned
- Travel Academy

Leisure brands at 2% or below:

- Independents
- Flight Centre online
- Travel Money
- Jetmax
- Student Universe

Driving alternative revenue: Ancillaries

Continuing to explore opportunities for alternate revenue sources across all our Leisure businesses

- Proactive strategies in place to grow revenue
- Focus on increased components per booking & ancillary product sales across all brands
- Captain's Pack attachment in store for AU Flight Centre brand at almost 70% and growing month on month contributing almost 1% to revenue margin, with almost 1 in 3 bookings also attaching insurance. Captain's Pack now available online
- Continuing to invest in capability to offer more ancillaries online in Flight Centre brand
- Jetmax now generating over 1.5% margin from fees & ancillaries
- Concierge Fee in Travel Associates generating additional ~1% revenue margin
- Travel Expert Fee introduced in New Zealand earlier in FY23 is now a meaningful contributor to revenue margin each month
- Student Universe add-ons earned per ticket has increased 22% in the last 12 months, to ~ USD$6.5
- Traditional margin structures being maintained in non-air sectors (land, tours & cruise)
- Air margins expected to increase from current levels as competition & capacity normalise

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4. Famous Brands & Winning Models

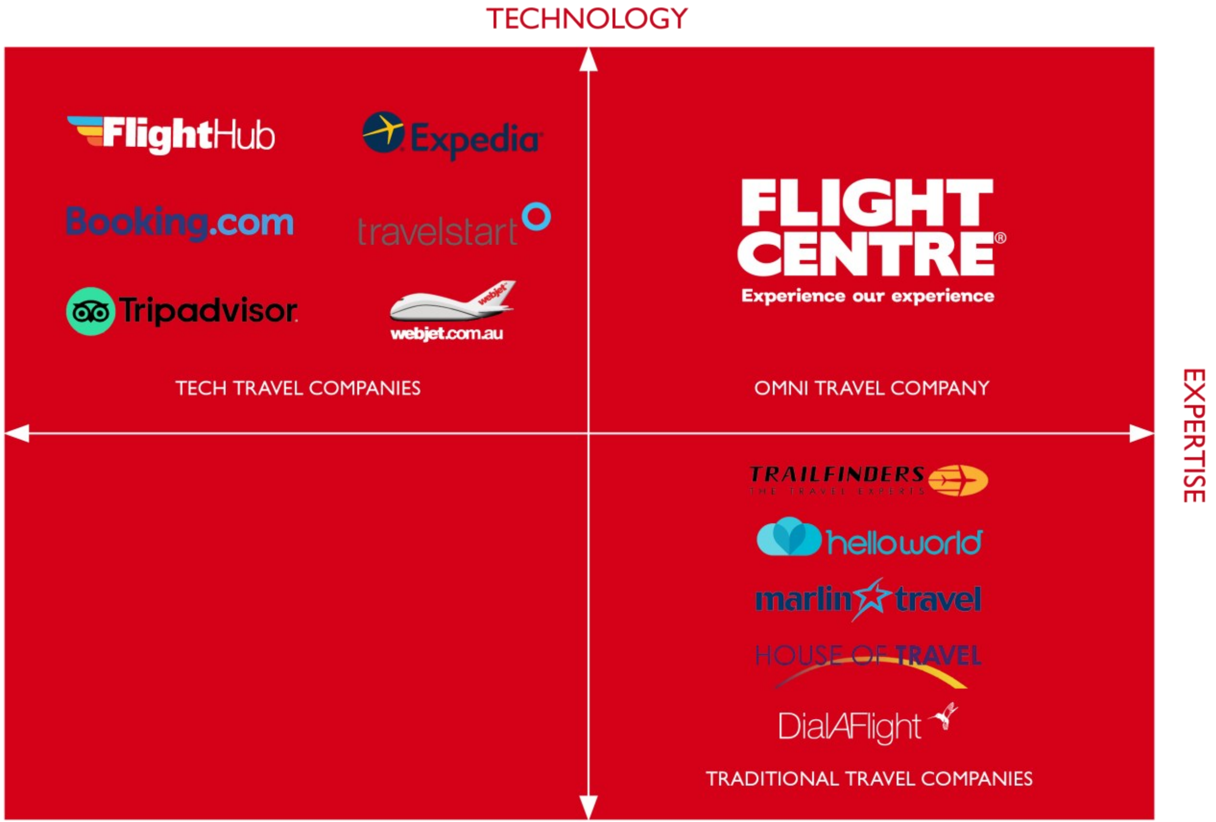
FLIGHT CENTRE®

Experience our experience

Global omni-channel travel retailer famous for flights + holidays, making it easy to book amazing travel experiences

Trustpilot

Positioning Flight Centre in a league of its own



CVPS

YOUR book your way CENTRE

YOUR deals for everyone CENTRE

YOUR very own travel expert CENTRE

YOUR always here for you CENTRE

Core Products

Flights +

Wherever, whenever you want to fly – we have the experience and connections to book the best flights.

Holidays +

Our holiday experts know the best places, packages, and experiences because they've been there.

Cruising +

The only place where an expert can help you choose and book a cruise from hundreds of amazing options here and around the world.

Tours +

Nowhere else can give you so much expert advice on any kind of tour – anywhere in the world.

Stays+

We have connections with an incredible range of accomodation options all around the planet and it's backed by our expert advice.

Brand Sweeteners

The choice is yours:

- 500+ airlines delivering you the best deals
- 1000+ Flight Centre Holiday deals
- 900,000+ accom options for the very best stays
- 500+ cruise ships bringing you oceans of deals
- 750+ tour operators finding you the best tours

PLUS

410 stores globally – Flight Centre App – 38475 year's experience – Book Now & Pay Later – 24/7 Help Centre – 24/7 Booking Support – TrustPilot – MyAccount Exclusive deals straight to your inbox – Expert tips/tricks & content – Specialist teams & experience

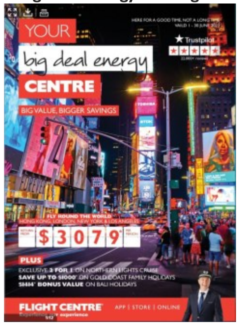
No Brainer Products

Ancillary / Add-ons:

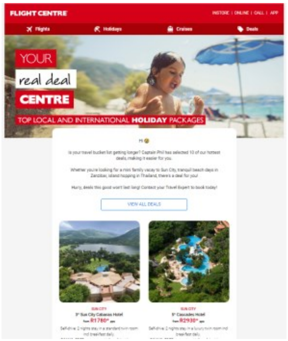
- Experiences
- Car hire
- Captain's Pack
- Travel Insurance
- Travel Money & Currency Pass
- Gift Cards

Promotion in Market

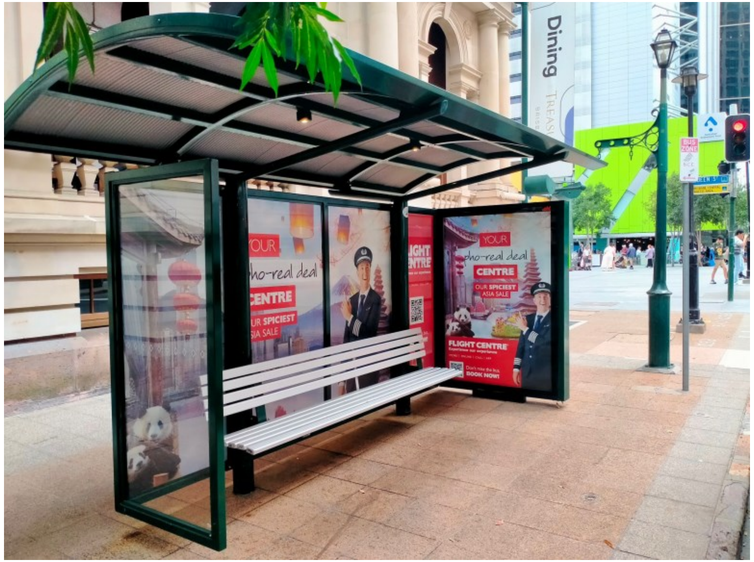
Big Deal Energy Catalogue



Product eDM

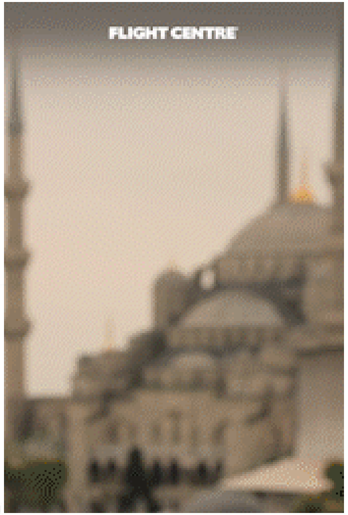


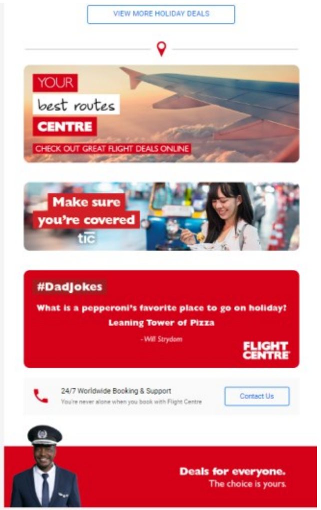
Media executions



Gift Card push for Mothers day

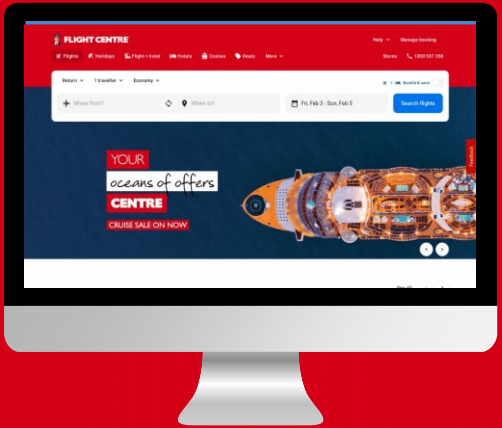
Deals, product and pricing on our websites





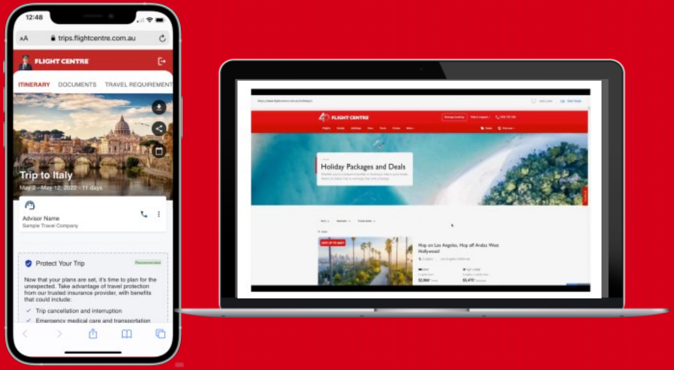
Increasing Digital Reach across a Seamless Customer Experience (CX)

Single Globalised Website



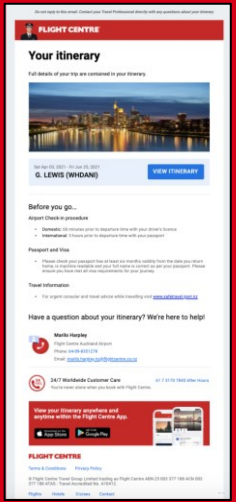
Enhanced user experience (UX) consistent across all markets with rich and engaging content (e.g. Window Seats) and features to drive growth and brand engagement.

Omni-Product (Online / Offline)



Availability of FC Holiday product across channels bringing online and offline operating models together for a consistent and digital customer experience (CX).

Machine Learning Cross Sell

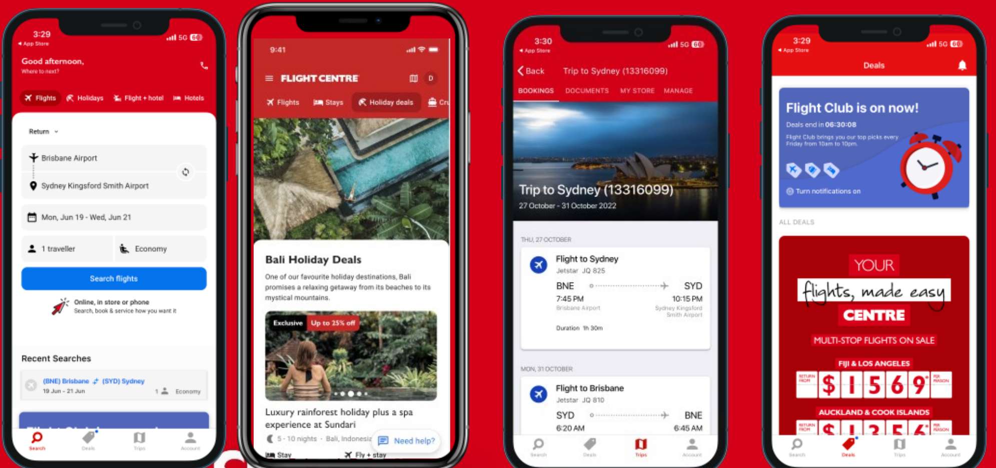


AI driven product placement using customer behavioral patterns and data points to drive cross sell opportunities.

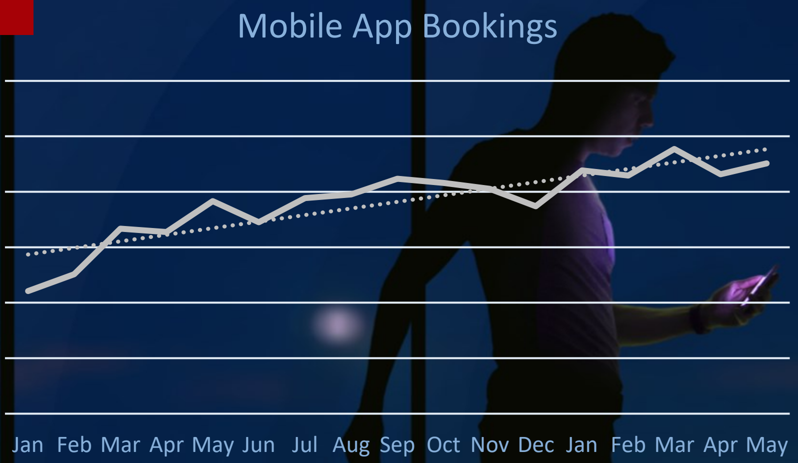
Mobility in Focus

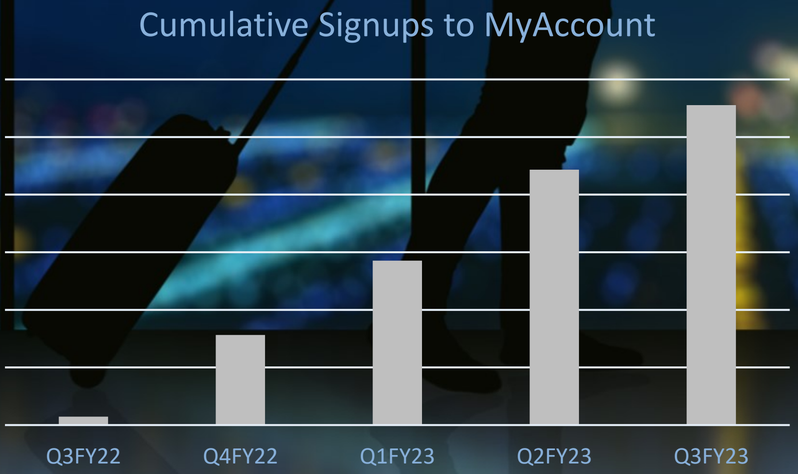
Key Achievements

- Highest converting online channel over the past 6 months
- Consistent 4.5 plus app store ratings
- Omni Bookings available in App
- MyAccount Integration



Experience our experience





Big Moves

Digitised Experience App, Website & Shop

Digital quote, Manage Booking, FC Holidays, Digital screens, Omni

Grow Holiday, Tour, Cruise & Ancillary Components

4+ component sales & incentive strategy

Grow Specialist Offering

First & Business, Complex Air, Groups, Business Travel

Modern globally consistent sales process

Automation, Speed, Ease.

Product to Market designed from customer Insights

Voice of Customer, CRM = Retain, Grow, Reinvest


THE
LUXURY
TRAVEL
COLLECTION
The leading network of
luxury travel advisors designing
'One of a Kind' experiences for
discerning guests

Luxury Performance

THE LUXURY TRAVEL COLLECTION

LUXURY TRAVEL EVENT
A STRONG MARKET STATEMENT

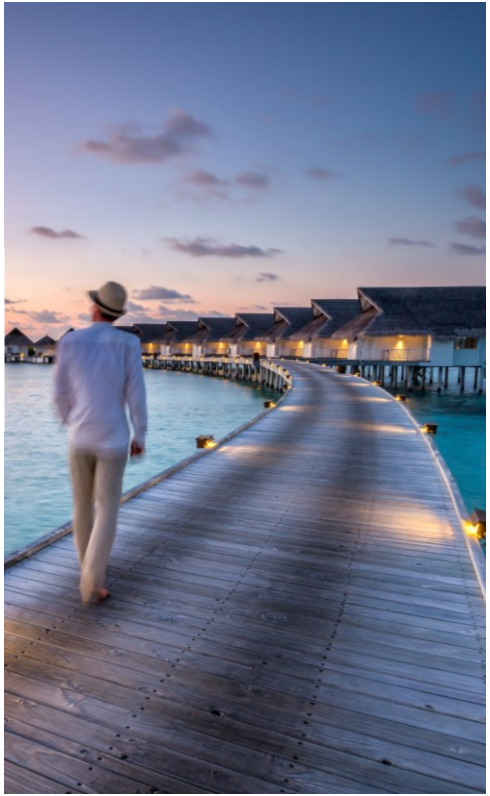
LUXPERIENCE ACQUISITION
LUXURY B2B EVENT

SCOTT DUNN ACQUISITION
UK, USA, SINGAPORE FOOTPRINT

LUXURY TRAVEL COLLECTION
ENTERS THE MARKET

TRAVEL ASSOCIATES DELIVERING STRONG NET MARGIN

STRONG POST COVID RECOVERY
& PROFITABILITY



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Luxury Travel Collection

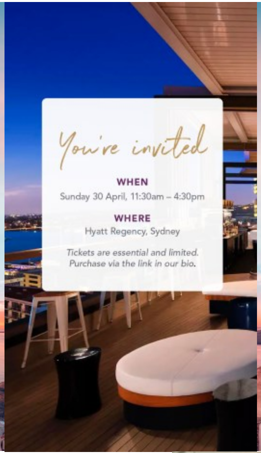
FAMOUS LUXURY BRANDS	FAMOUS LUXURY ACQUISITIONS	FAMOUS EVENTS & PARTNERSHIPS	LUXURY INDEPENDENT COLLECTION	LUXURY PRODUCT COLLECTION
Travel Associates AU, NZ	Experienced Talent & Boutique Businesses	Winning new High Net Worth Client Database	Targeting the Luxury Independent Agent	Curated Product, Luxury Client Systems & Technology Suite
Scott Dunn USA, UK, SING	Global Acquisition Opportunities US & UK	Famous Brand Collaborations	The Luxury Collection Offering	


TRAVEL ASSOCIATES
Australia | New Zealand

LUXURY PRODUCT

Our Luxury Travel Guides are designed to inspire potential clients to connect with the brand and sign up to the database (gated content) for more inspiring travel ideas. They showcase our expertise in a destination and the possibilities that exist for a curated holiday, rather than sell a package or an itinerary.

LUXURY EVENTS



Scott Dunn Trading Update

Scott Dunn

- Fast track entry into UK, US, SG Luxury Market
- Positions FLT to target a range of customer needs - from mass market to curated packages
- High revenue and PBT margin business
- Integration progressing in line with expectations, with expected benefits realised
- Accelerating Scott Dunn's growth in the US market, opening New York FY24
- FY23 contribution tracking in line with expectations
- Luxury market continues to be resilient in the face of cost of living pressures, particularly the higher end of the luxury market targeted by Scott Dunn Private
- Product mix shifting to long haul tailormade from single centre
- Continuing to be awarded for excellence


FLIGHT CENTRE TRAVEL GROUP™
INDEPENDENT
The fastest growing community of independent travel agents and agency groups accessing market leading content, products and commercials

Independent Achievements

Highly scalable business model with strong future growth prospects

Agent & Agency numbers increasing strongly – 975 in June 2019 to 1,434 in May 2023

- TTV growth of 243% YTD 23 compared to same period prior year, comprising ~15% of Leisure TTV
- Strong plan to drive growth in large North American market with key leadership roles appointed
- Positive PBT margin trends compared to pre Covid
- Link Travel Group celebrates first anniversary, continued growth of members within the invitation only group founded by Flight Centre, Goldman & Spencer

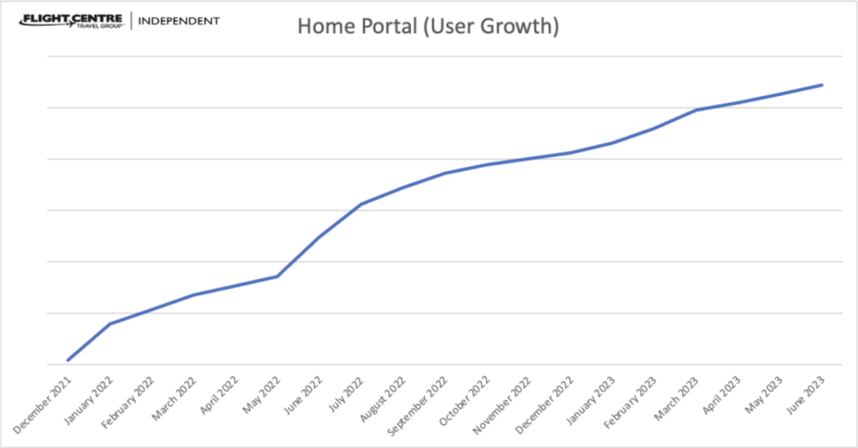
FLIGHT CENTRE TRAVEL GROUP | INDEPENDENT

INDEPENDENT FOCUS

1. RAPID TTV GROWTH WITH NEW MEMBERS
2. NEW GLOBAL BRAND
3. ONE STOP PRODUCT MARKET-PLACE
4. 'HOME' PORTAL ECOSYSTEM
5. CUSTOMER EXPERIENCE
6. SCALABLE & GLOBALISED

Home Portal – Driving retention & acquisition among independent agents

- ✓ Bringing all tools and systems under an integrated user-friendly collection of technology products and platforms
- ✓ Empowering our network of independent travel agents & agencies to drive business performance.



FLIGHT CENTRE TRAVEL GROUP | LEISURE

COMPLEMENTARY BRANDS

Complementary Brands

ignite travel group

- **Grow & expand core**
  - Cruise
  - Touring
  - Luxury
  - Partnerships
  - Digital Sales
- **Productivity:**
  - Process improve
  - Tech upgrades
  - Yielding

My holidaycentre

My cruises

TRAVEL MONEY GROUP

- **Grow retail**
- **e-Commerce**
  - Click and Collect
  - Click and Deliver
- **Captain's Pack**
- **Wholesale**
- **Technology**
- **Global Expansion**

Jetmax — A DIVISION OF FLIGHT CENTRE TRAVEL GROUP

- **Supply**
  - Grow range
  - Extend network
- **Ancillaries**
  - Increase adoption
  - Grow range
- **Pricing**
  - Grow range
  - Increase adoption
- **Scale**
  - Global network

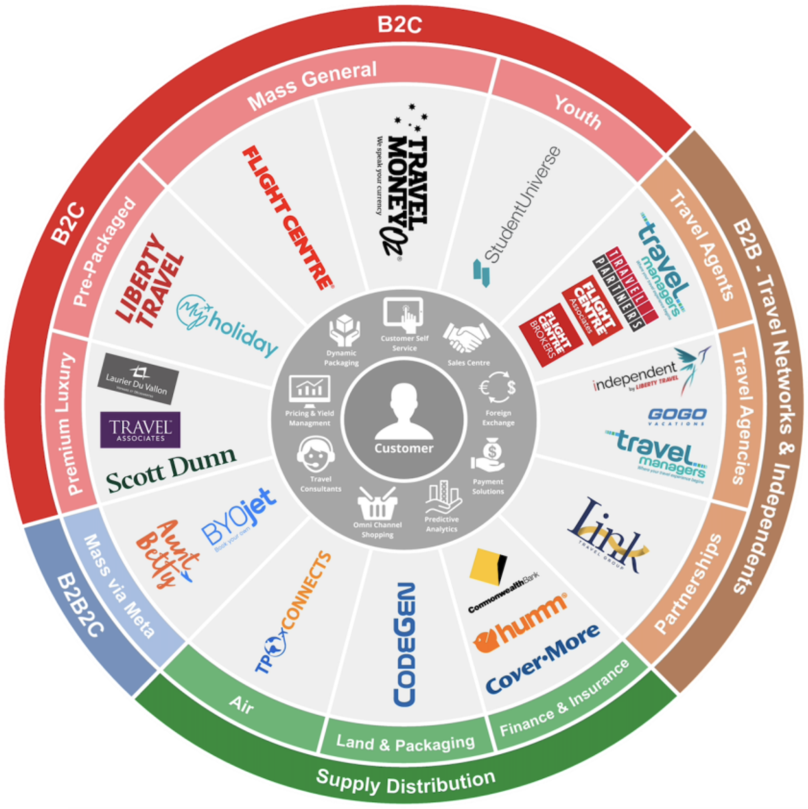
StudentUniverse

- **Flight Flywheel:**
  - Grow Core Flights
  - Addons +
  - International
- **Margin Optimization**
- **Customer Acquisition** Reach + Efficiency
- **Partnerships**
  - International
- **Travel Services**

LIBERTY TRAVEL

- **Maintain & grow core**
- **Focus on Groups**
- **Accelerate Independent Offering**

The Global Leisure Ecosystem: Strategic Investment in Technology to Drive Commercial Opportunities amongst our Portfolio of Brands



The Global Leisure Digital Ecosystem: Representing a fundamental shift, increasing connectivity between our brands.

Targeted Revenue Opportunities: Globally deployed single view of the customer, providing key insights to drive targeted revenue opportunities.

Driving Cost Efficiencies: Promoting greater reusability driving cost efficiencies whilst supporting scale with TTV growth

Retargeting & Channeling Opportunities: Channeling volume for higher returns and opportunities.

FLIGHT CENTRE TRAVEL GROUP | LEISURE

Globalised Tech Capability

- Global Technology Function and Engineering
- Global CRM & Global Single Customer View
- Global Flight Centre Website
- Global Flight Centre App
- Global Flight Centre Holidays product range
- Global My Account (ZA deployment soon!)
- Global Bookable Car Hire

FY22/23 - AWARDED FOR EXCELLENCE

DIVISION	AWARD	BODY
Flight Centre	Best National Travel Agency Group - Australia	AFTA-NTIA
Flight Centre	Platinum Trusted Service Award	Feefo
Flight Centre	Employer of choice | HR team of the year | Leader of the year	HR Awards
MyCruise	Large Cruise Centre of the year	CLIA
MyCruise	Marketing Campaign of the year	AFTA-NTIA
MyCruise	Online Agency of the Year	AFTA-NTIA
Scott Dunn	Traveller Readers' Choice Awards & Top Travel Specialists	Conde Nast
Scott Dunn	Best of the best - Scott Dunn Private & Travel Masters Award	Robb Report
Scott Dunn	Best family travel brand - Bronze	Junior Awards
Scott Dunn	Luxury Awards Asia Pacific	Travel + Leisure
Scott Dunn	Best Bespoke Travel Concierge	Tatler Asia
Liberty Travel	Best Customer Service	Newsweek

5. Q&A


END