

FLIGHT CENTRE TRAVEL GROUP™

STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – October 30, 2024

Flight Centre Travel Group Moves to Boost Market-Share in Buoyant Cruise Sector

Key Points

- Flight Centre Travel Group has acquired Cruise Club UK
- Acquisition of Manchester-based business will fast-track the company's growth in the cruise sector globally, while also strengthening its United Kingdom leisure presence
- Follows the reintroduction of the Cruiseabout leisure brand and launch of CruiseHQ wholesale offering and reflects FLT's strategic focus on growing cruise and tour sales
- Cruise Club's future growth blueprint will be modelled on the highly successful Ignite Holidays (MyCruises) business in Australia
- Acquisition to be cash funded and not material to FLT

FLIGHT Centre Travel Group (FLT) has strengthened its presence in the global cruise sector.

Just months after it reintroduced specialist cruise brand Cruiseabout and launched the CruiseHQ wholesale business in Australia, FLT has today acquired Cruise Club UK, a privately-owned business based in Manchester.

The acquisition will also fast-track the Ignite business's expansion into the large UK market, with Cruise Club's growth blueprint to be based on the model used by Ignite's highly successful MyCruises business in Australia and its established infrastructure providing a platform for deployment of other Ignite offerings.

Ignite is one of FLT's fastest growing brands, generating more than \$500million* in total transaction value (TTV) during the 2024 fiscal year (FY24) – more than 20% year-on-year growth – from a diverse stable of businesses that deliver exclusive, value-added holiday packages to customers via hybrid off and online offerings (call centres and websites).

Ignite has three divisions:

- MyCruises, which now includes a touring collection
- My Holiday Centre, which includes specialist businesses such as MyFiji.com, MyQueensland.com.au and MyHawaii.com.au; and
- Holiday Exclusives, a business-to-business division that services the likes of Aldi and which recently launched an exclusive holiday range powered by Ignite

FLT will use cash reserves to fund the acquisition. Terms are confidential and not material.

While Cruise Club trades profitably, a modest loss is expected during FY25 as integration costs are incurred and as FLT invests in the business to prepare it for future growth.

Strategic Rationale

FLT leisure CEO James Kavanagh said the Cruise Club UK acquisition was aligned with the company's strategic objectives of:

- increasing margins by growing cruise and tour sales;
- scaling its portfolio of winning brands; and
- becoming a leading player in the large UK leisure market, mirroring FLT's success in the corporate travel sector in the country

"As we look to increase cruise sales and expand Ignite's offering internationally, we are excited by the potential in the UK and the parallels with Australia, where the Ignite model and MyCruises have proven so successful," he said.

"We aim to replicate that success in the UK, which is a top-three source market for cruise passengers globally and estimated to be double the size of the Australian market.

"Given Ignite's procurement, packaging and advertising expertise, which allows the business to secure additional bonuses and create extra value for customers, we're confident we can deliver an innovative and disruptive offering that will quickly prove popular.

"Already, we have seen strong support from suppliers, who are keen to work with us to grow this sector, and from potential customers who responded strongly to a My Cruises-style offer that Cruise Club recently trialled.

"We are also very excited to work with the Cruise Club UK team to build on the strong platform that has been established over some 30 years and to broaden the product offering to include the exclusive packages that MyCruises has become famous for."

About Cruise Club UK

Cruise Club UK was founded by Paul Edge senior, who was the company's major shareholder. He and his son, Paul Edge junior, will continue with the business as it is integrated into Ignite.

Ignite founder Randall Deer will become Cruise Club UK's managing director and will work closely with the Cruise Club team and Ignite's CEO, Ryan Thomas, to expand the business.

Cruise Club employs about 35 people and turned over circa GBP20million during FY24 across its retail cruise division, which uses a call centre model to sell traditional cruise product, and its Business Travel Centre, which services small to medium-sized corporate entities.

Comments from FLT managing director Graham Turner

FLT managing director Graham Turner said the acquisition was a small but important step as the company rebuilt its Northern Hemisphere leisure sector presence.

“We see solid future growth prospects in both the UK and America and we are keen to pursue these opportunities, both organically and, in some instances, through acquisitions like Cruise Club where there is a strong strategic and operational rationale.

“This acquisition gives us the ability to quickly and cost effectively launch our offering, plus immediate access to expertise, systems and infrastructure that we don’t currently have locally.

“It also gives us a more diverse UK leisure offering, targeting:

- the mass affluent sector through the Flight Centre brand network;
- the luxury sector via Scott Dunn, the business we acquired early in 2023; and
- the cruise, touring and packaged land sectors through Cruise Club and, potentially, other acquisitions.”

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*Includes sales of Ignite product via other FLT businesses

Flight Centre Travel Group Limited’s board has authorised this announcement.