

FLT: FY22 Annual General Meeting

November 14, 2022

This announcement has been authorised by the board of FLT.





Acknowledgement of Country

We acknowledge the Traditional Owners of our Country throughout Australia and recognise their ongoing connection to lands, waters and communities.

We pay our respects to Aboriginal and Torres Strait Islander Elders past, present and future, and support the continuation of cultural, spiritual and educational practices.

Artist:
Judi Sutton

Today's Agenda

1

Chairman's Address

by Gary Smith

2

MD's Address

by Graham "Skroo" Turner

3

Resolutions

4

General Questions

Chairman's Address

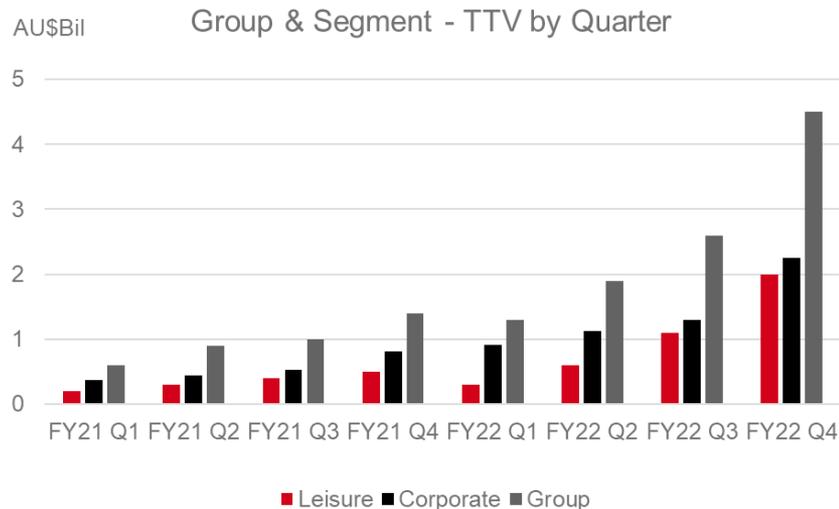
By Gary Smith



FY22: Highlights

Positive Early Steps on Path to Recovery – Targeted Return to Profitability Timeframes Achieved

- ✓ **Bottom-line result better than initially expected & well within upgraded range**
 - \$183.1m underlying EBITDA loss (\$180m-\$190m FY22 target in place)
 - Breakeven 2H result with solid 4Q profit
 - Both corporate & leisure businesses returned to profit within anticipated timeframes
 - Corporate & EMEA businesses profitable (underlying EBITDA) for year; Americas segment profitable during 2H, & ANZ segment profitable over the final 4-months of the year
- ✓ **Strong momentum late in year**
 - Accelerated leisure & corporate sales growth driven by higher airfares & demand uplift after governments reopened borders
 - 4Q TTV alone exceeded FY21 TTV
 - Both global corporate & global leisure, as well as all geographies other than Asia & “Other” segment in underlying positive EBITDA for Q4
- ✓ **Generating cash**
 - Operating cash flow positive since March 22 (post-Omicron) with strong liquidity position



FY22: Highlights

Achieving Strategic Objectives – Ready For Growth

- ✓ **Corporate business out-performing - winning organically & growing market-share**
 - High customer retention rates + new account wins with circa \$2.5b in annual spends secured during FY22
 - Outpacing industry recovery across all key sales metrics – June 2022 gross TTV slightly above PC levels with transaction volumes at 89% of PC
- ✓ **Capturing leisure TTV through a diverse range of brands & channels**
 - Solid market-share growth in Australia & New Zealand – attracting new customers & successfully shifting TTV between traditional & new models
 - Consultant productivity at record levels & various brands/channels delivering record contributions – including flightcentre.com.au
 - South Africa recovering well – 102% of PC TTV generated in July 2022, with traditional shop network delivering 86% of TTV from 46% of PC network (underlining strong productivity gains)
- ✓ **Maintaining cost discipline in both corporate & leisure while preparing for growth**
 - Investing in people, products & technology
 - "Growth cost base" maintained in corporate – impacting short-term profit but foundations in place to service both increased activity from already contracted clients & increased demand for human assistance
- ✓ **Preserving balance sheet strength**
 - Circa \$1.3b in cash & investments at June 30 (including client)

FY22: M&A

Other strategic acquisitions/expansion to complement organic growth

1

FCM Japan

Corporate travel joint venture in the world's fourth largest business travel market.

2

Link Travel Group

JV start-up launched in Australia as buying group focused on premium and corporate travel

3

Shep

Browser extension that helps corporate customers enforce travel policies – greater duty of care

4

Grasshopper

Asia-based cycle tour business that has been integrated into FLT's Discova destination management company



FY23: Upside opportunities in recovering market

Considerable pent-up demand yet to flow through

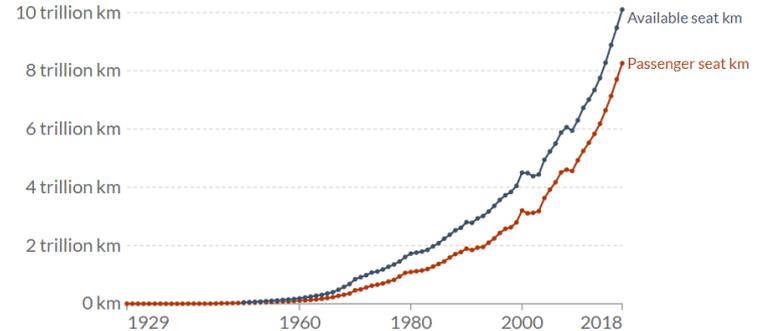
- ✓ **Resilience of global travel market**
 - Consistent year-on-year growth delivered PC – travel is a discretionary product that customers buy annually (a necessity, not a luxury)
- ✓ **Greater need for expert assistance**
 - Current complexity plays to FLT's strengths in both leisure & corporate
- ✓ **Upside potential as normal travel patterns resume**
 - Australian outbound travel tracking at just 35% of PC passenger levels during FY22 2H – peaking at 60% in June
 - Weighted towards lower margin/low attachment VFR travellers. "Holidaymakers" - normally the largest market segment – only now starting to take off in greater numbers

Travel Resilience: Historically, downturns in travel demand have tended to be short-lived & then followed by periods of strong growth

Global airline passenger capacity and traffic

Available kilometers is a measure of passenger carrying capacity: it is the number of seats available multiplied by the number of kilometers flown. Passenger seat kilometers measures the actual number of kilometers flown by paying customers.

Our World
in Data



Source: International Civil Aviation Organization (ICAO) via Airlines for America



Thanks Mel
for 35 years
of wonderful
service

Preserving & enriching a world worth seeing

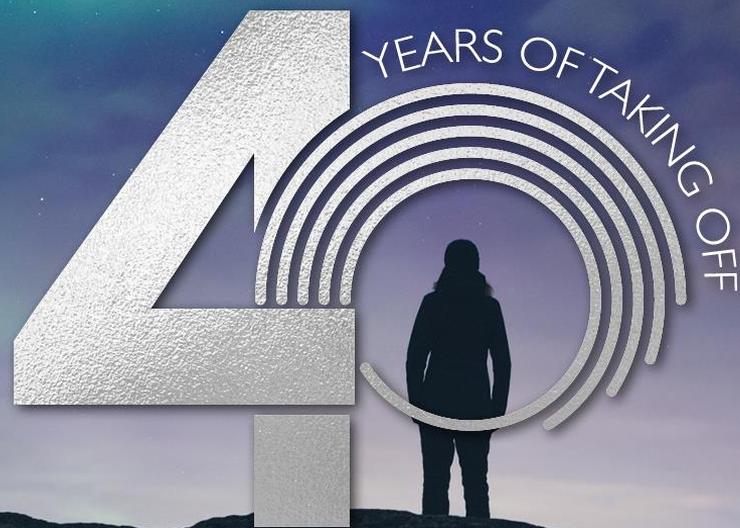
Our purpose is to open up the world for those who want to see. As one of the world's largest travel retailers and corporate travel managers, we recognise our responsibility to preserve the places we love while enriching our people, destinations and communities.

The world is changing, and our industry must change with it. This means addressing the impacts of travel head-on while delivering unique travel experiences for generations to come. We will leverage our platforms, people and partnerships to facilitate informed choices, helping customers reduce their impact and ensuring our actions benefit our people, destinations and communities. We will set ambitious targets and work with our suppliers and industry to influence low carbon travel.

We are confident we can do this because our people always find a way.

MD's Address

By Graham Turner



FY23: Continued momentum company-wide



Demand increasing

Corporate business again out-performing – TTV & transaction volumes back at record levels



Revenue margin steady year-on-year

Expected to increase as market conditions improve & as initiatives gain traction



Cost margin improving

Tracking at 10% year-to-date – in line with pre-COVID transformation target



FY23: Trading update

Strong year-on-year growth during 4 months to October 31, 2022

246% TTV
growth to
\$6.8b

248%
revenue
growth to
\$667m

\$61m
underlying
EBITDA
profit (PCP:
\$137m loss)

Breakeven
underlying
PBT (PCP:
\$194m
loss)

FY23: Corporate Update

Strong start to the year – continued out-performance

- ✓ **\$58m underlying EBITDA profit for first four months**
 - Compares to a \$28m underlying loss during the PCP
 - Includes a soft July result – peak Northern Hemisphere summer holiday season

- ✓ **Out-pacing industry sales recovery across all key metrics**
 - Record Q1 TTV contribution of \$2.6b (up 184% year-on-year) - increasing to more than \$3.5b at end of October
 - September & October 2022 now the two strongest TTV months ever – almost \$1b in both months
 - Transaction volumes now back to pre-COVID levels, with revenue circa 95%

- ✓ **Growing to win**
 - Accounts with projected annual spends of \$665m secured during FY23 Q1, taking annualised wins during pandemic to circa \$6.5b
 - Enterprise-level accounts for FCM + SME wins for Corporate Traveller
 - More than half Corporate Traveller wins were previously unmanaged – reflects a move toward managed travel post-COVID lockdowns

- ✓ **Gaining scale benefits & benefiting from pandemic period investments**
 - Already compelling customer offering enhanced through new FCM & Corporate Traveller platforms & products
 - Rebrandng - FCM & Corporate Traveller
 - Forward investment in people to win & onboard accounts + maintain service to existing clients in more complex environment

FY23: Leisure Update

Continued recovery during 4 months to October 31, 2022

01

\$3b in TTV

608% increase on \$417m result during the PCP

02

\$23m underlying EBITDA

Significant turnaround on \$102m underlying EBITDA loss during PCP

03

Life begins at 40 for FCB

Flight Centre brand now 40 and continues to resonate with customers – high market-share maintained



Our Omni approach

Travel and tech products living in an Omni ecosystem. Providing customers with a seamless travel experience.

Our Customer Needs



Connected Platforms



INSTORE



ONLINE



PHONE



APP

Leisure: Brand portfolio

Mass Generalist

Premium

Complementary

Independent

B2C B2B

**FLIGHT
CENTRE**

Modern omni-channel
retailer famous for
flights + holidays + deals

**TRAVEL
ASSOCIATES**

The leading network of
luxury travel advisors
designing
'One of a Kind' experiences for
discerning/luxury customers

 holidaycentre

 StudentUniverse

 **TRAVEL MONEY Oz**
We speak your currency

Specialist product brands:

- ready-made holidays
- foreign exchange
- student / youth travel online and more...

accelerating to be #1 in their
segment

**FLIGHT
CENTRE**
TRAVEL GROUP™

INDEPENDENT

The fastest growing community
of independent travel agents and
member groups, with access to
market leading content, products
and commercials

*Provide customers with: widest range of product; services & value in travel,
Provide suppliers with: access to the most valuable & diverse range of customers*

FY23: Outlook & Guidance

Prospect of stronger profit growth in months ahead, given ongoing solid demand & margin improvement trajectory

Too early to provide full year guidance at this relatively early stage & with some ongoing uncertainty around industry recovery trajectory

Targeting \$70m-\$90m underlying EBITDA profit for 1H (PCP: \$184m underlying EBITDA loss)

Further recovery expected as year progresses, with more rapid improvement during the second half – typically 60-70% of profit generated during this period

Recovery to be driven by traditional seasonality, further top-line growth, greater supply chain stability & further operational enhancements – leading to better margins

Revenue margin likely to increase from current levels but set to remain below pre-COVID highs because of ongoing & planned business mix changes, cyclical factors & lower supplier margins in some countries & sectors (air)

Impact of lower revenue margins to be offset by cost margin improvements – cost base now fundamentally & structurally lower than pre-COVID

Targeting 2% PBT margin by 2025

FY23: Outlook & Guidance

No noticeable impact to date from changing macro conditions, but ongoing supply chain challenges

Lack of airline capacity & competition still hampering recovery in Australia but outlook slowly improving – expected to be back to 70% of pre-COVID levels by end of 1H

Absence of Chinese carriers being felt – contributing to higher airfare prices – but some carriers looking to increase capacity

Further recovery in capacity expected as year progresses, with more rapid improvement during second half

REX expanding domestically & delivering cheaper fares to travellers

Monitoring macro-economic changes but no noticeable impact on demand as yet

Google search data for international travel from Australia also strong & tracking above pre-COVID levels - underlining ongoing positive sentiment towards travel

FLT: Well placed to benefit



01

Emerging from the pandemic with solid balance sheet & with key assets intact/strengthened

02

Resilient sector – selling a discretionary product that customers consistently re-invest in

03

Investing heavily in people to service current & anticipated future demand & technology to improve productivity & customer experience

04

Aspiring to be one of the world's largest & most successful diversified travel companies



Today's Resolutions



Resolution 1: Appointment of director – Kirsty Rankin

The number of proxies received for the resolution is:

Decision	Count	%
For	88,635,753	99.44
Against	200,204	0.23
Open	293,062	0.33
Abstain	200,054	

Resolution 2: Re-election of director – Gary Smith

The number of proxies received for the resolution is:

Decision	Count	%
For	88,127,018	98.89
Against	664,248	0.75
Open	322,789	0.36
Abstain	215,018	

Resolution 3: Remuneration Report adoption

The number of proxies received for the resolution is:

Decision	Count	%
For	72,485,612	97.8
Against	1,304,934	1.76
Open	328,495	0.44
Abstain	363,907	

CELEBRATING

4

YEARS OF TAKING OFF

QUESTIONS?

FLIGHT CENTRE
TRAVEL GROUP™

Appendix 1: Presentation glossary

ANZ = Australia & New Zealand
AM = account managers
AUD = Australian dollars
BAU = business as usual
BDM = business development managers
B2B = business to business
CCFF = COVID corporate financing facility (short-term UK loan)
DPS = dividends per share
EBITDA = earnings before interest, tax, depreciation & amortisation
EMEA = Europe, Middle East & Africa
EPS = earnings per share
FCB = Flight Centre brand
FLT = Flight Centre Travel Group
FX = foreign exchange
FY22 = 2022 fiscal year
1H = first half
1Q = first quarter
GDS = Global Distribution System
GFC = Global Financial Crisis
IATA = International Air Transport Association
KPIs = key performance indicators

LDV = Laurier Du Vallon (leisure brand)
LCC = low-cost carrier
M&A = mergers & acquisitions
MTD = month-to-date
NDC = new distribution capability
NEDs = non-executive directors
NPAT = Net profit after tax
OBT = online booking tool
OTA = online travel agency
PBT = profit before tax
PC = Pre-COVID
PCP = prior corresponding period
PPE = property, plant & equipment
RFP = Request for proposal
ROE = return on equity
SME = small to medium enterprises
SU = StudentUniverse
TA = Travel Associates brand
TMC = travel management company
TTV = total transaction value
UAE = United Arab Emirates
VFR = visiting friends & relatives