

FLT: Macquarie Conference Presentation

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FLIGHT CENTRE
TRAVEL GROUP™



FY25

Trading overview - recap

FY25 guidance recently amended

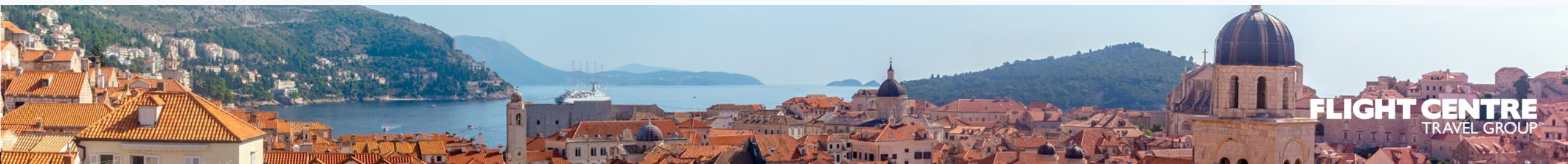
- **Expecting \$300m-\$335m underlying PBT** – mid-point broadly in line with FY24 UPBT (\$320m)
- **Solid overall sales growth** – on track to deliver record TTV but growth predominantly being driven by businesses that currently operate with lower profit margins, particularly in leisure
- **Inconsistent trading conditions globally** – 1H a tale of two quarters, with strong 2Q momentum after challenging 1Q (driven by significant airfare deflation in some countries & low consumer confidence)
- **US policy changes impacting business & consumer confidence globally** – leading to slower growth in leisure and corporate sales in March & April (April also impacted by extended Easter holiday period)

Heightened uncertainty ahead of peak trading periods

- **Current conditions likely to continue for remainder of FY25** – impacting results in heavily weighted May-June period globally
- **Short-term travel pattern changes** – some travellers currently shifting away from US destinations
 - Circa 11% decrease in global visitor arrivals in USA in March 2025 v March 2024
 - Australian arrivals down 7% (Source: US International Trade Administration)
- **Stabilisation expected during FY26**

Up to \$200m on-market share buy-back announced

- Announced on April 28 & commencing from May 12
- Will reduce number of shares on issue, help drive earnings per share (EPS) growth and offset potential dilution associated with convertible notes



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Overall results impacted by cyclical & operational factors

CHALLENGING TRADING CYCLE

- Volatile macro-economic climate affecting consumer & business confidence throughout the year
- Global corporate market reasonably flat over nine months to March 31 (Source: MIDT – global GDS air bookings data)
- Uncertainty leading to lower-than-expected TTV growth in larger brands that typically drive group profit - scale benefits not being achieved
- Revenue margin (particularly super over-rides in leisure & corporate) also affected

UPFRONT INVESTMENT IN FUTURE GROWTH DRIVERS

- Significant investments in strategic initiatives that are expected to unlock a new era of more profitable growth
- Further details included on slide 5

UNDERPERFORMANCE IN SOME AREAS

- StudentUniverse
 - Expected to lose up to \$10m, after initially expecting close to breakeven result
 - Review underway & to be completed by June 30
- Canada leisure
 - Investigating expansion opportunities in the independent agency/agent sector, a category with strong growth potential across North America
 - US Envoyage business now growing strongly off a small base, with TTV up circa 60% over the nine months to March 31
- Asia
 - Turnaround expected in FY26, after challenging FY25
 - Internal system change that led to invoicing delays for some clients now rectified
 - Heavy 2H investment to ensure that technology, infrastructure, resourcing and processes are appropriate for a region of Asia's size and complexity
 - FY25 FCM account wins set to deliver strong FY26 TTV pipeline

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Trading update – business segments



CORPORATE

- On track to deliver another year of record TTV in flat global market
- Businesses generally performing reasonably, outside of Asia
- US Corporate Traveller business delivering accelerated 2H growth, despite uncertainty
- Strong pipeline of account wins - \$1b+ year-to-date in FCM alone with high retention rates



LEISURE

- Profit tracking ahead of prior corresponding year after 3Q & well ahead of pre-COVID levels
- On track to deliver TTV growth but growth being driven by lower margin businesses – including Travel Money and Independents
- Strong growth in attachment (components per booking) & basket-size in Flight Centre brand



OTHER

- Small improvement in segment losses currently expected compared with FY24
- Improvement across revenue-generating businesses offset by increased investment in TP Connects to deliver increased external revenue
- Key projects underway in GBS division

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Strategies in place to improve performance

GLOBAL BUSINESS SERVICES

- Initiatives underway to reduce the circa \$20m-per-month global cost base
- Fusion initiative set to deliver lower costs, better efficiency, scale benefits, enhanced employee experience
 - Early focus areas - new Enterprise Technology Services operating model, new Human Resources Information System (HRIS), Business Process Outsourcing optimisation strategy

PRODUCTIVITY GAINS/FTE REDUCTIONS

- Ongoing focus areas group-wide
- Corporate business on track to achieve its targeted 5% FTE reduction by year-end, as Productive Operations initiative gains traction
- General recruitment freeze in place

CAP-EX REDUCTIONS

- Targeting 15-20% decrease in FY26 spend
- Ongoing investment in key projects
 - Leisure – widest range of content (product) for customers, digital platforms
 - Corporate – customer-facing platforms, Productive Ops
 - Supply/Other – Helio (consultant desktop), land booking systems

MARKETSHARE & MARGIN

- Proactively working with suppliers to identify & capitalise on opportunities flowing from short-term travel pattern changes/temporary shifts away from US destinations
- Market-share growth strategies – cruise & tour sectors, Corporate Traveller rapid growth plan in Northern Hemisphere

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Investment in future growth drivers

CORPORATE



- Productive Operations
 - 15-20% productivity uplift expected between FY24 and FY26 if business achieves its TTV growth targets
 - Focusing on digitisation & standardisation of operations, self-service capabilities, content access & distribution
- Proprietary technology & systems - Melon SME online booking tool growing strongly in Northern Hemisphere & now larger than all other OBTs combined (within Northern Hemisphere business)
- Corporate Traveller Northern Hemisphere rapid growth plan – delivering accelerated TTV growth in USA & stronger UK account win pipeline

ARTIFICIAL INTELLIGENCE



- Continued focus on AI to deliver transformative initiatives
- New customer products
- Improve customer experience and hyper-personalisation
- Productivity enhancements, automating manual tasks
- Disruption

LEISURE



- Upfront investment in rapidly growing global cruise sector
 - Cruiseabout shop network reintroduction & expansion, Cruise Club (UK) integration, upfront investment in 12-month charter agreement with Norwegian Cruise Lines
- Flight Centre Business Travel reintroduced in UK
- Rapid TTV growth in independent agent/agency sector but at low margin as the business gains scale
- Expansion in Travel Money wholesale model

TP CONNECTS



- Airfare aggregation business based in Dubai
- Circa \$25m spend during FY25 to enhance capabilities, decrease reliance on third party systems
- Aim to increase external revenue from airline and travel agency partners

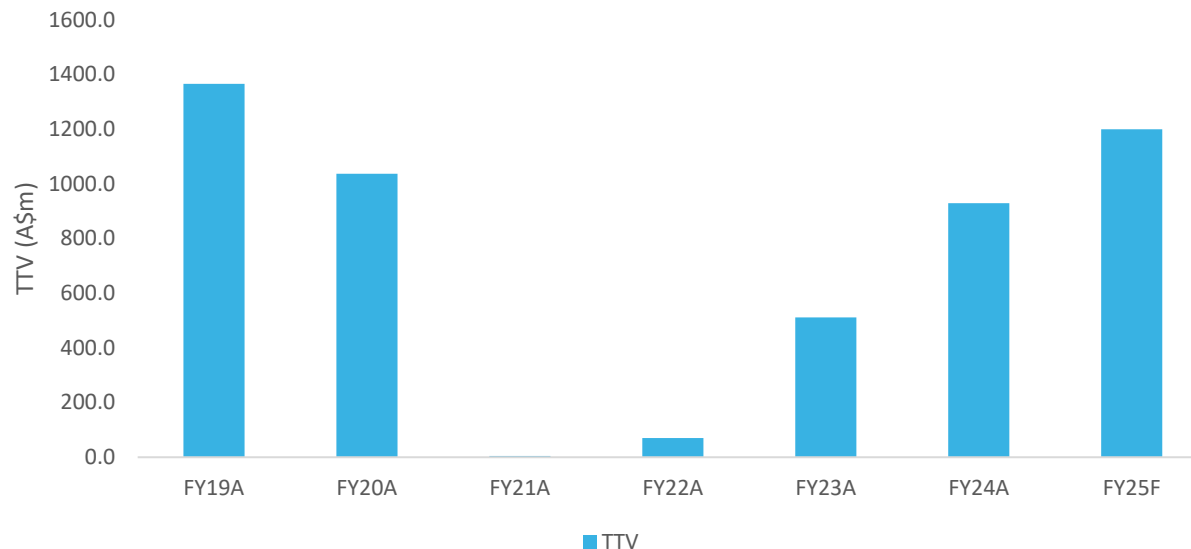
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Travel Money

Cash is King – Milestone Year for FX Business

- Remarkable post-COVID recovery
- Down to 1.8 FTEs during pandemic
- 100th shop set to open next week
- Record profit expected during FY25 off circa \$1.2b in TTV
- New wholesale business set to deliver more than \$300m in TTV in 2nd year

Travel Money TTV - FY19A to FY25F



Pro-active capital management

- Policy in place to allocate 50-60% of NPAT to dividends and/or buy-backs of Convertible Notes/issued capital, subject to business's needs at the time

STRONG FOUNDATIONS IN PLACE

- Generating solid monthly profits, even in a challenging cycle
- Maintaining a strong balance sheet & liquidity position with increasing cash reserves, access to undrawn debt facilities
- \$200m committed receivables facility in place to fund corporate working capital
- Positive medium to long-term outlook in a resilient sector

ASSESSING OPTIONS TO MANAGE OUTSTANDING CONVERTIBLE NOTES

- Face value decreased from initial \$800m to \$525m
- Currently, \$325m in 2027 notes + \$200m in 2028 notes
- Put date in May 2026 for 2028 CNs – can be covered by cash flow & current liquidity if triggered

PURSUING UP TO \$200M ON-MARKET BUY-BACK

- To be conducted in the ordinary course of trading over the next 12 months, in addition to FLT managing its outstanding CNs and maintaining its existing capital management/dividend return policy
- Tangible benefits to shareholders - will reduce number of FLT shares on issue, help drive earnings per share (EPS) growth and offset potential dilution associated with the CNs.
- Buy-backs are subject to the business's anticipated needs at the time and other considerations (Outlined in 3C lodged on April 28, 2025)

In conclusion:

Well placed for the future

A DIVERSIFIED GLOBAL TRAVEL BUSINESS

- Four key divisions in four key regions, large leisure and corporate businesses
- Delivering ongoing TTV growth in challenging trading climate

FOUNDATIONS IN PLACE FOR LEISURE & CORPORATE GROWTH

- Leisure business now more profitable & productive than pre-COVID
- Corporate business now materially larger & set for major productivity uplift

RESILIENT SECTOR

- Consistent growth in outbound travel pre-COVID – short-term resident departures (STRD) from Australia increased in 18 of 20 years between 2000 & 2019 (pre-COVID) @ 6.6% CAGR
- Rapid recovery post SARS (STRD up 28.8% in CY04) and post GFC (STRD up 13% in CY10)

STRONG BALANCE SHEET

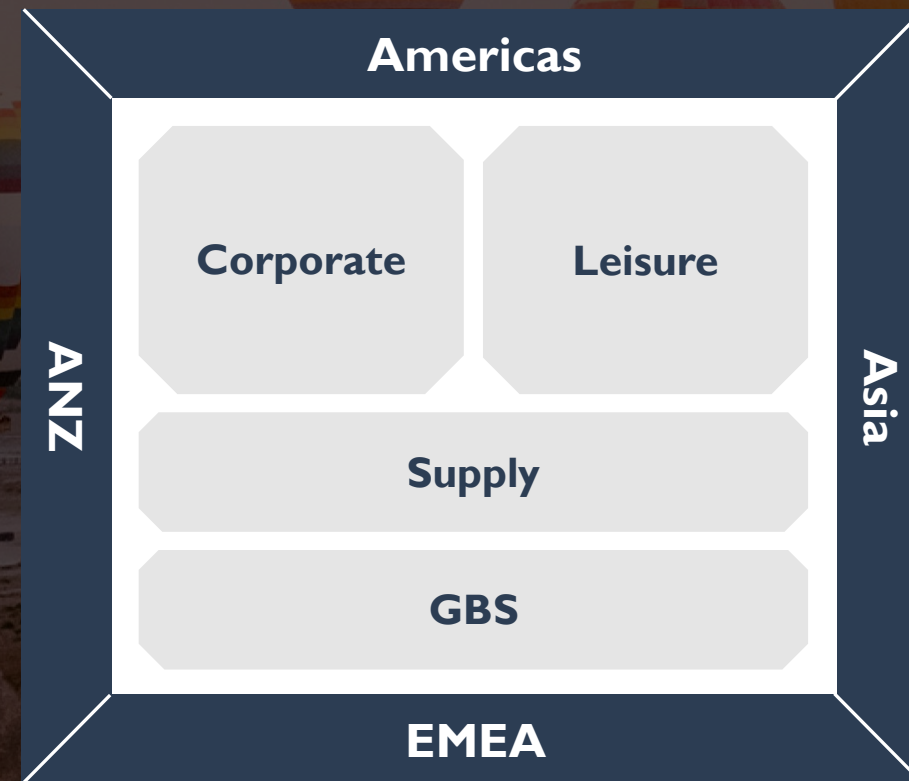
- Healthy liquidity & cash positions -well placed to capitalise on opportunities

EXPERIENCED MANAGEMENT TEAM WITH INTERESTS ALIGNED TO THOSE OF SHAREHOLDERS

- Strong pool of leaders with ownership in the company & incentivised to deliver sustainable, ongoing growth

STRATEGIC FOCUSES ON PRODUCTIVITY, EFFICIENCY & COST REDUCTION

- Aiming to translate ongoing TTV growth to stronger bottom-line results





THANK YOU

QUESTIONS

FLT's board of directors has authorized this announcement

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