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Chairman and Managing Director's AGM Speeches

Following are speeches that will made by Flight Centre Travel Group Limited's Chairman and Managing Director at this morning's AGM. They include a trading update and FY26 profit guidance. Both speeches have been authorised by Flight Centre's board.

Yours sincerely

David Smith

Company Secretary

CHAIRMAN'S ADDRESS

The 2025 fiscal year presented challenges, but it also highlighted the resilience and strength of our business.

Despite market turbulence, we achieved year-on-year total transaction value (TTV) growth for the 26th time in our 30 years as a listed entity, again opening up the world for those who want to see and reaffirming our brands' and customer propositions' enduring appeal.

While underlying profit before tax of $289.1m fell short of expectations – a disappointing outcome for us and our shareholders – we have taken decisive steps to position the company for renewed growth in FY26 and beyond.

Overall, we remain very confident in our future growth prospects and our ability to create shareholder value given:

- The diversity of our brand portfolio, which includes leading global businesses in both the leisure and corporate sectors
- Our track record of delivering year-on-year TTV growth, which means our businesses' value propositions continue to resonate strongly with customers
- The strategies that are in place to boost productivity and efficiency and thereby fuel stronger net margin and bottom-line growth
- Our strong balance sheet, which gives us flexibility to invest in growth and capital management initiatives; and
- Our people, led by an experienced senior executive team with a laser focus on returning our business to a profit growth trajectory during FY26

We are also seeing positive signs in early FY26 trading, which is something that Skroo will talk about in greater detail shortly.

<u>Highlights</u>

Looking beyond financial results, I would like to highlight some of our notable achievements during the past year.

As illustrated on this slide, we invested circa $450million in capital management initiatives.

Since year-end, we have also:

- Declared and paid a 29 cents per share fully franked FY25 final dividend, taking total payments for the year to 40 cents per share, in line with FY24

- Continued to buy-back issued capital on market. We have now spent circa $110million buying back circa 8.6million shares; and
- Issued a new, longer-dated $450million Convertible Note, which has given us the capacity to buy-back the 2028 notes in their entirety and to reduce the 2027 notes' face value

We view our Convertible Notes as debt instruments and intend to continually, actively manage them and our capital base to reduce the potential dilution in earnings per share.

<u>Strategic investments for the future</u>
We continued to invest in growth sectors and innovation.

For example, we acquired Cruise Club in the UK to expand our MyCruise package holiday business internationally, following the successful growth of this business in Australia.

Cruise Club's results look promising, with October TTV increasing about 70% year-on-year.

Our investment in the luxury leisure sector has also delivered solid returns with Scott Dunn, the business we acquired in January 2023, performing well and starting FY26 promisingly ahead of its peak second half profit periods.

You can see where these relatively new additions fit into our global leisure network on this slide.

While we have not made any additions to our corporate brand stable, we have seen pleasing and promising growth from two specialist businesses that operate under the Corporate Traveller and FCM banners, Stage and Screen and FCM Meetings & Events respectively.

Both segments are large, require specialist expertise and deliver higher margins than transient business travel, in addition to giving us access to larger addressable markets.

Our corporate brand stable is illustrated on this slide.

Group-wide, we have also made significant customer experience enhancements by:

- Developing a new leisure loyalty program, which is set to launch later in the first half
- Upgrading technology for leisure and corporate customers; and
- Leveraging AI for personalization, dynamic pricing and operational efficiency.

While AI presents us with opportunity, it does, of course, also represent a threat as competitive customer offerings emerge. We are very cognisant of this and are working diligently to combat these competitive threats and offerings globally as they arise.

Sustainability & People

Our commitment to sustainability and our people remains unwavering.

The initiatives we are pursuing reflect our belief in contributing positively to the planet and creating a brightness of future for our people.

In recent years, we have prioritised reforestation and, through the Flight Centre Planting for the Planet Program (offered as part of the Captain's Pack), we have now committed to planting more than 2.7million trees globally.

Travel Associates is also supporting a project in Fiji that aims to restore native forests, improve food security and support local livelihoods.

Of course, the most satisfying and important investments we make in any given year are in developing and supporting our people.

As I mentioned, we believe very strongly in providing our people with a brightness of future – a path towards achieving their career and personal goals – which encompasses crucial areas like training, learning and development and personal and financial health wellness.

This is backed by a commitment to promotion from within our ranks wherever possible. During FY25, a very healthy 34% of our vacancies globally were filled by internal candidates, a statistic that we are very proud of.

The next two slides show our global brand footprint. This geographical footprint means that our people also have the opportunity to further their careers with us internationally and a number of people who are in the room today have done just that.

We are also proud of the unique and long-standing benefits programs that are in place and are currently working to reinvigorate the Moneywise (financial planning), Healthwise (health and fitness) and Travelwise (travel) offerings post-pandemic to ensure our people have better access to these valuable services globally.

During FY25, we moved to modernise and globalise our broader people and culture infrastructure by implementing Workday Human Capital Management to gain real-time workforce insights.

On behalf of our Board, I would again like to thank our people for their efforts during what was a reasonably challenging year.

Board structure

I would also like to thank the directors for their contributions.

We have a relatively small Board of six, with a number of non-executive directors – including Rob, John and myself – having long tenure.

We value this stability, particularly during very turbulent times recently, but also recognize the need for renewal and fresh perspectives to ensure the Board continues to evolve to best support our businesses in a rapidly changing global trading environment.

Accordingly, the Board has just started a transition process that will lead to changes in the near-term.

On a personal note, I am conscious that my independence has been questioned by some, given my tenure.

As announced previously, the Board is satisfied that I remain independent but has taken proactive steps to manage any future perceived conflicts – should they arise – by appointing Colette Garnsey as lead independent director.

This appointment provides a formal mechanism for Colette to step-in as chair if a situation arises whereby my independence is questioned. Colette will do that later today when shareholders are asked to vote on my re-election as a director.

Conclusion

In conclusion, I would like to thank you, our valued shareholders, for your continued support. Together, we are building a more resilient, innovative, and profitable future.

Early FY26 trading is encouraging, and we are optimistic in relation to our outlook.

With a strong balance sheet, global brand portfolio, and strategies focused on efficiency and innovation, we are confident in returning to a profit growth trajectory and delivering stronger shareholder returns.

I now invite Skroo to address the meeting.

Managing Director's Address – Graham Turner

Good morning everyone, and thank-you, Gary.

As we look ahead to FY26, I would like to share why we believe this will be a year of renewed growth and opportunity for our company. Re-establishing our credentials as a growth business is a priority, after our disappointing FY25.

Our fundamentals remain strong – arguably stronger than ever – and we expect to return to profit growth this year.

A Diverse Global Business

We've worked hard to transform our business divisions and streamline our support structures to create a more productive company with a lower cost base and stronger foundations.

Today, we operate across four regions – Australia/NZ, the Americas, Asia (including India) and Europe, Middle East and Africa (or EMEA).

Globally, we are also structured in four divisions with large-scale leisure and corporate operations, a global supply procurement and distribution arm and a centralised Global Business Service (or GBS) area. In addition, we have a small stable of emerging or Horizon 3 businesses (Touring, DMCs, air charter and bikes) that sit within the supply division.

Our global footprint and diversified portfolio, which are highlighted on this TTV contribution slide, are key growth drivers and a major advantage – we're not overly reliant on one sector, we can share resources, capitalise on synergies and leverage supplier relationships to deliver better outcomes.

FY25 Group Results & Drivers

Our FY25 results have been widely reported and have been summarised on this slide.

I don't intend to run through them in detail today. Instead, I will provide some colour around the factors that impacted our performance.

Firstly, leisure trading conditions were challenging – Middle East tensions and a downturn in travel to the United States hit our business hard during the all-important fourth quarter. In Australia, we saw a shift to shorter-haul international destinations, with Japan overtaking the US and UK to become our most popular overseas location behind New Zealand.

Secondly, corporate profit was below expectations, largely due to Asia losses flowing from the system changes and customer downtrading that we outlined during the year.

Thirdly, supplier super over-ride income decreased significantly group-wide because of lower TTV growth in core leisure and corporate brands, as we have outlined previously.

Finally, we invested in future growth drivers, including digital enhancements, the cruise sector and TP Connects, that impacted short-term profit but should help drive stronger future returns. Our TP Connects investment is significant and is geared towards ensuring we capitalize on opportunities flowing from airlines' adoption of New Distribution Capability (NDC), which is gradually increasing and now above 50% with some key carriers.

Corporate Result Overview

Despite a challenging trading environment, our corporate division achieved record TTV of $12.3billion and an underlying profit of $190million.

Excluding Asia's FY25 losses and its FY24 profit, the business delivered 6% profit growth

Corporate Traveller is set to join FCM and Flight Centre as $5billion-per-year TTV businesses during FY26. Its recent growth in the large but competitive US market is very encouraging, with FY25 second half TTV increasing by 12% and by 16% over the FY26 first quarter.

New products are also being deployed for Corporate Traveller, including a payment and expense solution and Mel, an AI-powered travel assistant that I will talk about shortly.

FCM is also well placed for growth after:

- Securing contracted accounts with projected annual spends of $1.3billion in FY25
- Developing and deploying new tools and technology; and
- Increasing its addressable markets through new services, including the expanded global meetings and events offering that Gary mentioned

Asia's FY25 losses obscured the tangible benefits flowing from Productive Operations, an ongoing initiative designed to enhance the customer experience and drive efficiencies. For example, TTV per full time employee (FTE) increased by 13% in the two years since Productive Operations was initiated and grew again during the FY26 first quarter.

We have seen significant growth in adoption of our digital products, with Melon, Corporate Traveller's proprietary booking platform in the Northern Hemisphere, recording more than 60% growth in monthly transactions in October 2025 compared to October 2024 and helping to drive the strong growth we are seeing in the Americas.

Leisure Result Overview

Leisure delivered $11.8 billion in TTV during FY25, up 6.7% year-on-year, with a $175million underlying profit before tax.

Underlying profit was 5.3% down year-on-year but about 35% above the period immediately before COVID.

Highlights from FY25 included:

- Productivity Gains – the business achieved 86% of its record FY19 TTV with only 42% of its FY19 workforce
- Scalable Channels – Independent agents and online contributed about $4billion in TTV, albeit at low margin
- Solid Growth in Specialist Brands – examples include Travel Money's 31% TTV growth to $1.2billion and Ignite's 20% growth to $455million; and
- Cruise & Tours – sales increased circa 20% year-on-year. The reintroduced Cruiseabout network in Australia and Cruise Club contributed to this growth but collectively incurred circa $5million in losses while we invested to ready both businesses for meaningful future profit contributions

The fourth quarter challenges we encountered overshadowed the progress made earlier in FY25, when our new-look leisure business was tracking towards a year of profit growth.

I say "new-look" because I think people sometimes forget that leisure has undergone one of the most significant structural resets in our history.

The business has transformed from a large bricks-and-mortar network (1500 outlets pre-COVID, 590 now) into a diversified, capital-light ecosystem with scalable volume growth, access to high-margin categories and a future blueprint incorporating AI and loyalty.

Our new loyalty program, which is set to launch later this month, is an exciting opportunity and will create new engines of growth – rewarding customers, unlocking supplier value, and driving personalisation.

Scaling this new business is a leisure strategic priority this year along with:

- Growing top and bottom-line results in the core Flight Centre brand; and
- Doubling down on high growth, as well as high margin, businesses

Strategic Response: Navigating Volatility and Investing in Key Areas

We are taking decisive action to manage short-term challenges while positioning the business for sustainable, long-term success.

Our strategies focus on four key pillars:

1. Cost Discipline and Capital Efficiency – specifically, targeting to hold underlying costs broadly in line with FY25 and reducing capex by 15–20%, while prioritising high-impact initiatives

2. Portfolio Optimization - closing, repositioning, or divesting non-core or under-performing businesses to sharpen focus on growth areas

3. Margin and Supplier Leverage - strengthening supplier relationships to capture emerging travel trends and optimise margins.

4. Growth Investments - accelerating initiatives in AI, loyalty programs, and high-performing sectors such as cruise, tours, and corporate meetings and events

Additional benefits are expected in the FY26 second half from Global Business Services (GBS) efficiency programs, which aim to reduce costs across support areas with a combined monthly cost base of approximately $20million.

These actions will not only help near-term performance but also create a stronger, more agile business capable of capitalising on future opportunities.

AI has the potential to transform our industry, and we're embracing it.

Through partnerships with Quantium and Anthropic, we are embedding AI into customer service and operations, delivering measurable benefits for our customers and teams.

Corporate's Productive Operations initiative is using AI to route inbound requests more intelligently to consultants. In addition to enhancing CX, this capability has assessed about 6.5million requests with some 64,000 FTE hours saved.

FCM's "Sam" product has been upgraded with agentic AI, enabling it to act as a virtual travel assistant that answers questions and completes tasks autonomously.

Corporate Traveller now has a similar product, Mel, which is available to our Northern Hemisphere customers via Melon and to our Southern Hemisphere people via Workspace. Mel leverages decades of expertise and rich data to deliver a smarter, more personalised experience - while keeping human service at the core.

The leisure business is also infusing AI capability into the customer journey, as outlined on this slide. The initiatives that are underway broadly fall into five categories and include trials of co-consulting and next best action programs that are currently being trialled in Australia in conjunction with Anthropic and Quantium respectively.

<u>FY26 1Q trading update, outlook and guidance</u>

FY26 is off to a positive start, with first-quarter results and preliminary October trading data confirming momentum across both corporate and leisure segments.

Corporate is strong, with FCM securing a pipeline of account wins totaling almost $400million, Asia returning to modest profitability and the business globally delivering further productivity gains. First quarter TTV increased almost 7% with a 5% average FTE reduction.

Leisure TTV is also growing at a healthy rate, but the temporary travel pattern shifts that emerged late last year continue to impact year-on-year profit comparisons, which is in line with our expectations. We are, however, starting to see signs of recovery, which is a positive signal ahead of our peak second half trading periods.

Bookings from Australia to the US increased in October 2025 for the first time since the March quarter and Flight Centre's Big Red Sale, which finished yesterday in Australia, delivered promising results ahead of the upcoming Black Friday, Cyber Monday and Travel Tuesday sales.

For the full year, we're targeting underlying profit before tax of $305million–$340 million, a 5.5%–17.6% uplift on FY25.

First half earnings are likely to be broadly in line with last year's $119.7million adjusted underlying profit before tax, as indicated previously, with solid corporate profit growth to be offset by a leisure profit decrease, reflecting the more volatile climate early in FY26 compared to the same period in FY25. Higher net interest costs for the half will also slightly increase Other Segment losses.

Our profit expectations for the half and full years imply a second-half profit skew, which reflects our traditional seasonality – key profit and booking months are typically during the six months to June 30.

This year, we expect various other factors to drive stronger second half results including:

- The likelihood of a more stable trading climate during key trading periods late in the year compared to the volatile conditions encounter during the FY25 fourth quarter
- A more significant Asia turnaround, given FY25 losses were second half weighted

- Tailwinds from cost-out initiatives that are gaining momentum group-wide and from productive operations, which is starting to deliver tangible benefits; and
- Margin improvement if we continue to deliver stronger TTV growth in core brands

While we will again prioritise organic growth and expect to continue with our on-market share buy-back, we will consider investing in M&A if attractive opportunities arise that are aligned with our strategic objectives and that create shareholder value.

Areas of interest could potentially include businesses with:

- Technology that enhances productivity or the customer experience; or
- Capability in specialized and rapidly growing leisure or corporate sectors

As announced previously and consistent with prior years, various items will be excluded from underlying results – including our circa $20million gain on the recent Cross Hotels sale.

These exclusions are outlined here and are expected to decrease during FY26 and again in FY27 as various initiatives transition into a business-as-usual phase. This includes Productive Operations and GBS transformation costs, along with the loyalty program's one-off establishment costs and start-up phase losses.

<u>Conclusion</u>

In just under three weeks - on December 1 – we will celebrate 30 years as a listed company.

In our first year, we generated $1 billion in TTV and $19 million in profit.

To put this in perspective, last year:

- One emerging brand that you don't hear a lot about – Travel Money – delivered comparable results on its own, with $1.2billion in TTV and an $18million profit
- Our corporate business delivered more than 12-times our 1995 TTV and 10-times our profit; and
- Leisure delivered almost 12-times our 1995 TTV and nine-times our profit

Over this same period, we've evolved from a business that was heavily leveraged to a single leisure brand and channel – Flight Centre shops – to the world's third-largest corporate travel management company and a major player across multiple leisure categories. This ability to adapt and grow is reflected in our business and geographic diversity and is among our greatest strengths.

I'm reasonably optimistic about FY26 and the chapters ahead – just as I was 30 years ago

With disciplined cost management, strategic investments, and improving market conditions, we are confident in delivering sustainable growth and stronger returns.

Thank-you.