

Annual General Meeting Flight Centre Travel Group

ASX: FLT | October 20, 2021

Today's Schedule

Chairman's Address - Gary Smith

MD's Address - Graham Turner

Resolutions

General Questions

Chairman's Address

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FY21: Highlights

01

Recovery gaining momentum – particularly in USA & corporate sector

- Sales revenue increased month-on-month – record COVID-period result in June 2021
- Rapid leisure & corporate recovery in USA late in Q4-21
- Corporate transaction numbers (tickets) at c.50% of pre-COVID levels (TTV circa 40%)

02

Trading conditions generally improving during FY21

- Vaccination programs gaining momentum globally
- Travel restrictions being relaxed/removed in key markets
- Experiencing strong & immediate rebounds after restrictions are lifted

03

Investing to win market-share

- Multi-million dollar pandemic-period investments in platforms, products & people to capitalise on market-share opportunities
- Headlined by game-changing new FCM & Corporate Traveller platforms

04

Successfully executing key corporate & leisure strategies

- Corporate business “Growing to Win” – circa 100% client retention in FCM + \$US1.4bn pipeline of new accounts won during FY21
- Increasing leisure market-share &/or profitability in key markets through enhanced multi-channel offerings (new growth model) alongside streamlined shop networks

05

Proactive capital management strategy

- Refinanced bank debt with extended covenant relief
- Issued \$AU400m convertible bond to extend maturity profile

06

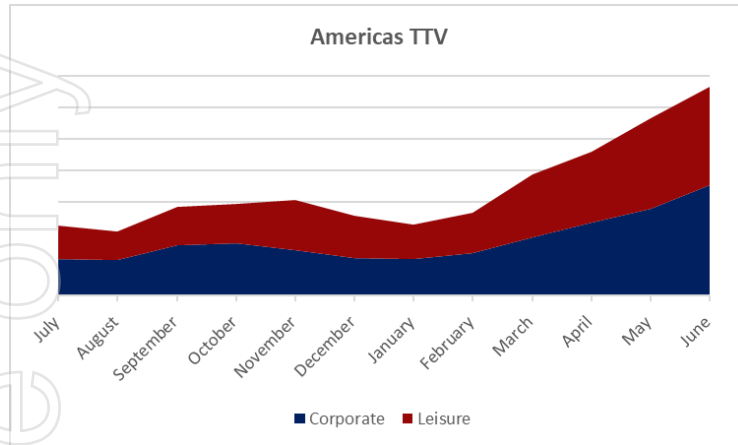
Ready to capitalise on major travel industry lift-off

- Targeting a return to leisure & corporate profitability as conditions improve
- Significant upside for leisure businesses as travel resumes
- Heavy earnings leverage to markets with positive short-term outlooks

FY21: Profit & loss

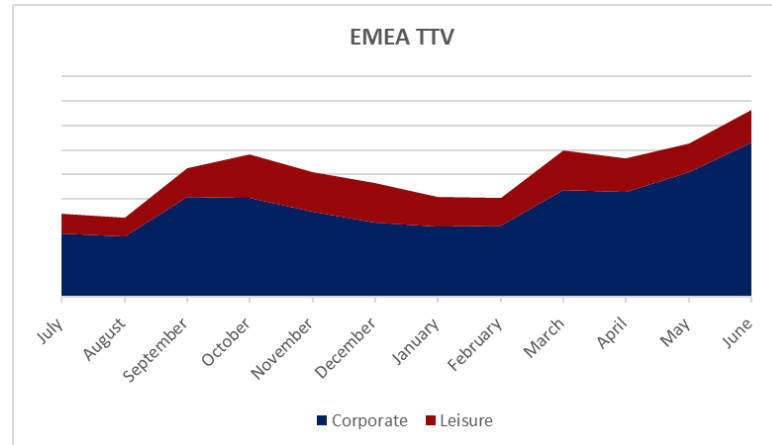
\$m	FY21	FY20	Mvmt
Group TTV	3,945	15,303	(11,358)
Operating revenue	396	1,897	(1,501)
Total revenue	396	1,897	(1,501)
FV gain on change in control	-	(3)	3
Other income	280	197	83
Share of JV/Associates	17	(5)	23
Employee benefits	(810)	(1,491)	681
Marketing expense	(25)	(170)	145
Tour & hotel operations	(2)	(130)	128
D&A	(138)	(231)	93
Finance costs	(37)	(38)	1
Impairment	(36)	(217)	181
Other expenses	(247)	(657)	410
PBT	(602)	(849)	247
Underlying PBT	(507)	(509)	2
EPS (cents)	(217.5)	(552.2)	334.7
Margins			
<i>Revenue margin</i>	<i>10.04%</i>	<i>12.40%</i>	<i>(236 bps)</i>
<i>Underlying cost margin</i>	<i>(32.77%)</i>	<i>(16.11%)</i>	<i>(1,666 bps)</i>
<i>Underlying PBT margin</i>	<i>(12.85%)</i>	<i>(3.33%)</i>	<i>(952 bps)</i>

FY21: Recovery gaining momentum during Q4



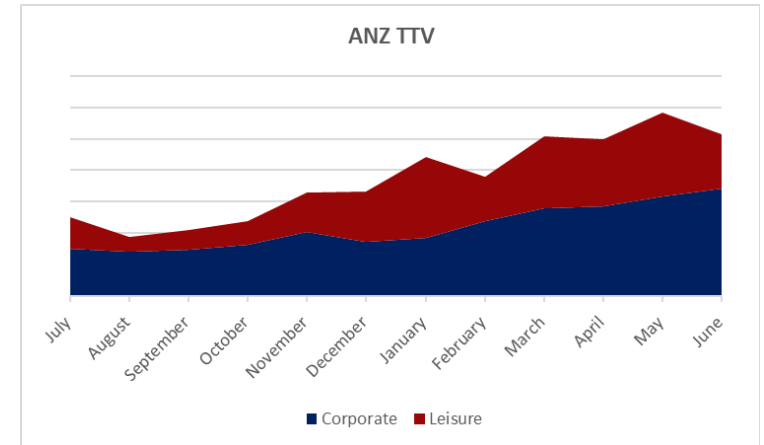
Americas

- Strong TTV rebound late in year.
- June 2021 TTV more than 2.5x the average monthly TTV contribution during 1H-21.
- USA Q4-21 TTV exceeded 1H-21 in both leisure & corporate.
- 22.6% monthly TTV CAGR in US during 2H-21.



EMEA

- Corporate recovery building during Q4-21.
- June 2021 monthly corporate TTV 47% higher than April 2021.
- Strong recovery in Europe – June 2021 TTV more than double April 2021 TTV.



ANZ

- ANZ Leisure Q4-21 TTV was 115% of 1H-21 Leisure TTV & more than triple the Q1-21 contribution.
- ANZ Corporate Q4-21 TTV was 97% of H1-21 TTV & more than double Q1-21 contribution.

Pedal Group: Positive growth cycle



OUR PURPOSE

**"TO ENRICH MIND, BODY, EARTH OR SOUL,
WITH THE FREEDOM OF RIDING"**

Mind - Self Development, Personal Development

Body - Ride to Work, Green Team

Earth - Solar, Recycling & Area Environmental champion

Soul - Earn to Give & Second hand bike donation program

- 1million km's ridden to work
- Green Team (March) 50 sites solar and solar batteries
- All stores recycling soft plastics and rubber
- 20% reduction per store in general waste
- Pedal Upcycle all states - Sep & Mar
- Annual 'Purpose Video'
- \$750k donated to charities through ETG with engagement & program with ownership

OUR VISION

**"TO BE THE WORLD'S MOST
APPROACHABLE BIKE SHOPS"**

Vision Priorities

- Attraction and Recruitment diversity. Inclusive culture
- Our people in our advertising, used in all mediums
- 99 Delivery. Same day delivery and fast warranty / returns

Vision Goals

- Increase recruitment attraction to 50% women
- WMABS imagery progressive deployment (Website, EDM's, Customer comm's & store fronts)
- 15 Vans, 99 Delivery in place nationally and 80% warranty claims instant fulfillment

Highlights

- 99 Bikes (retail network) + ATA (wholesaler)
- \$54m profit before tax for FY21, up from \$18m during FY20
- Group sales increased to \$333m (FY20: \$200m)
- Large focus on e-bikes – popular, big-ticket items
- NZ expansion – 6 shops + 2 more set to open (Auckland, Rotorua)
- High level of employee ownership
- Based on FLT business model

Strong liquidity position - September 21

Liquidity position

As at 30 September 2021	\$m	
Cash and investments	1,211	
Working capital assets (excl. cash and investments)	507	<i>a</i>
Working capital liabilities (excl. client creditors)	(522)	<i>b</i>
Client creditor liability	(405)	<i>c</i>
Total liquidity	791	

Key Points

- Banks have a 1:1 cash to debt liquidity covenant (including client cash), totalling A\$565m, including GBP115m CCFF borrowings which mature in March 2022. No other covenants apply until Dec 2022.
- Retail and corporate debtors and override debtors are shown gross of provision for doubtful debts of \$34m and \$30m respectively.
- Cash and investment includes client cash of \$335m.

a) Working capital assets (excl. cash and investments)

As at 30 September 2021	\$m
Retail and corporate debtors	298
Trade and other receivables	31
Override debtors	66
Accrued revenue	10
Prepayments	26
Other	76
Working capital assets (excl. cash)	507

b) Working capital liabilities (excl. client creditors)

As at 30 September 2021	\$m
Trade creditors	261
Accrued expenses	123
Revenue constraint	13
Employee benefits provision	75
Deferred revenue	39
Other	11
Working capital liabilities (excl. client creditors)	522

c) Represents client funds owed to suppliers included in total available liquidity as at 30 September 2021

All figures presented are unaudited management accounts as at 30 September 2021.

FY21: Investing to win market-share

Prioritising long-term success

- Investing in key growth drivers, while maintaining tight rein on costs
- Initial focus on costs & liquidity before focusing on growth as conditions stabilised

Deploying game changing new corporate technology to enhance an already compelling customer offering

- Headlined by new FCM Platform & Melon products
- New digital platforms designed “with customers for the post-COVID world”

Strengthening the omni-channel leisure network as part of cost-effective new growth model

- Investment in e-commerce, B2B (independent contractor) & call centre models to complement global shop network
- Rapid online market-share growth in Australia in domestic-only trading environment during FY21

Cross Hotels & Resorts: Seven-property master franchise agreement in place in Japan



- First property now open for business: Away Okinawa Kouri Island Resort

FY21: Successfully executing key strategies

Corporate business growing to win

- Strong return on “grow to win” investments – \$US1.4b pipeline in new accounts won (circa 70% to trade in the Americas & EMEA) with 98.5% client retention in FCM
- Increased market-share & foundations in place for further organic growth
- Approximately \$US900m currently in implementation (not yet trading in all countries/solutions design phase)

Leisure transformation

- Structural changes completed – lower cost base
- Positioned for recovery
- Early evidence that strategies are working – Australian market-share growth, US profit & productivity recovery

Delivering widest range of content for customers

- Sourced from GDSs, Online Booking Tools & aggregation partners
- Working closely with GDSs & 17 key airline partners on distribution roadmap

The future: Well placed for industry rebound

Healthy liquidity position

- Has allowed FLT to weather the COVID challenge
- Key assets maintained

Brand & geographic diversity

- Large presence in both the leisure & corporate sectors
- Broad geographic footprint with significant leverage to Americas & EMEA – markets that are open for business

People

- Strong workforce of expert travel advisors retained
- Likely to play a crucial role in more complex travel environment post-COVID

ESG: Building on our credentials

Enhanced focus on an area that is important to our company, our people & our stakeholders



- 1st sustainability report released during FY21& available on fctgl.com
- Followed an internal stocktake of all programs offered globally in this important area
- Internal ESG group formed with senior leadership representation to further embed ESG considerations in the business, set strategies & targets
- Currently recruiting an ESG/sustainability officer



Outlook

Graham Turner

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Experienced global leadership team

Strong management group with a long history in the business



Graham "Skroo" Turner
Global Managing Director
and CEO

- 40 years at Flight Centre
- Co-founder of Flight Centre, with nearly 50 years experience in the travel industry



Melanie Waters-Ryan
Leisure Chief Executive
Officer

- 34 years at Flight Centre
- Held senior management roles during major global travel and tourism shocks during past 20 years
- Group COO for 8 years



Chris Galanty
Corporate Chief
Executive Officer

- 24 years at Flight Centre
- Successfully guided the UK business through GFC and Brexit
- Formerly head of Flight Centre's EMEA business



Adam Campbell
Chief Financial
Officer

- 15 years at Flight Centre in Australian and global roles
- 6 years as CFO
- 25 years+ senior finance experience



Steve Norris
Managing Director EMEA

- 19 years with Flight Centre
- Vast experience in leisure and corporate travel sectors
- Appointed EMEA MD in January 2020



James Kavanagh
Managing Director Australia

- 24 years industry experience, including 17 years at Flight Centre
- Strong background in corporate travel
- International experience



Charlene Leiss
Managing Director The Americas

- 25 years industry experience, including 14 years at Flight Centre and 11 years at Garber Travel (acquired by FLT)
- Strong corporate sales and BDM background
- Has overseen strong corporate growth in the USA and Americas

Strong culture, with many long-standing members of the team who have assisted in navigating previous travel and tourism shocks

FY22: Outlook

Continuing to target a return to monthly profitability in both corporate & leisure

- Timing uncertain & largely in government hands – relies on borders opening & staying open, international travel resuming with fewer restrictions
- Uncertainty means FLT is not currently able to provide FY22 guidance
- Breakeven requires circa 50% of traditional TTV in corporate, circa 40% in leisure (based on current cost bases – will increase if FLT invests further in key growth drivers)
- Longer term target of returning to 2019 TTV levels on monthly basis around June 2024

Trading environment changing positively & rapidly

- Larger scale international border openings than initially expected (already moving beyond carefully selected two-way corridors or bubbles)
- Further important reopening's expected within next few weeks
- International travel resuming in NSW from November 1, two-way Trans-Atlantic travel from November 8

Potential material benefit from recent re-openings

- Large Australian leisure business very heavily weighted towards international travel – more than 80% of pre-COVID TTV
- US a key destination for FLT's leisure and corporate customers globally - largest outbound market for our UK and Canada businesses pre-COVID & 2nd largest outbound market for our Australian business.

FY22: Outlook

Expecting tangible returns on pandemic-period investments as the world reopens

- Now a leaner & more efficient organisation - well placed to benefit as the cycle improves
- Successfully executing key productivity strategies & achieving operational objectives in both corporate & leisure
- Assets protected - continued investment in key growth drivers, including famous brands

Post-COVID complexity plays to FLT's strengths

- Customers will require more assistance from our expert travel advisors as they navigate new requirements, seek to understand restrictions that may still apply
- Within this environment, our people's knowledge & our enhanced systems will prove invaluable at every step of the customer journey
- Already being seen in the corporate sector – customers calling for advice

Business & geographic diversity an ongoing strength

- Has helped shield FLT from some of the challenges others have faced, while also potentially fast-tracking recovery given earnings leverage to countries/regions that are starting to exhibit strong recovery trajectories - about 55% of pre-COVID earnings from Americas & EMEA
- Main beneficiaries from pipeline of FY21 corporate account wins (circa \$US1.4billion) - 70% set to trade in these two regions
- Significant potential upside in heavily restricted markets like Australia & New Zealand that are particularly important to our leisure division

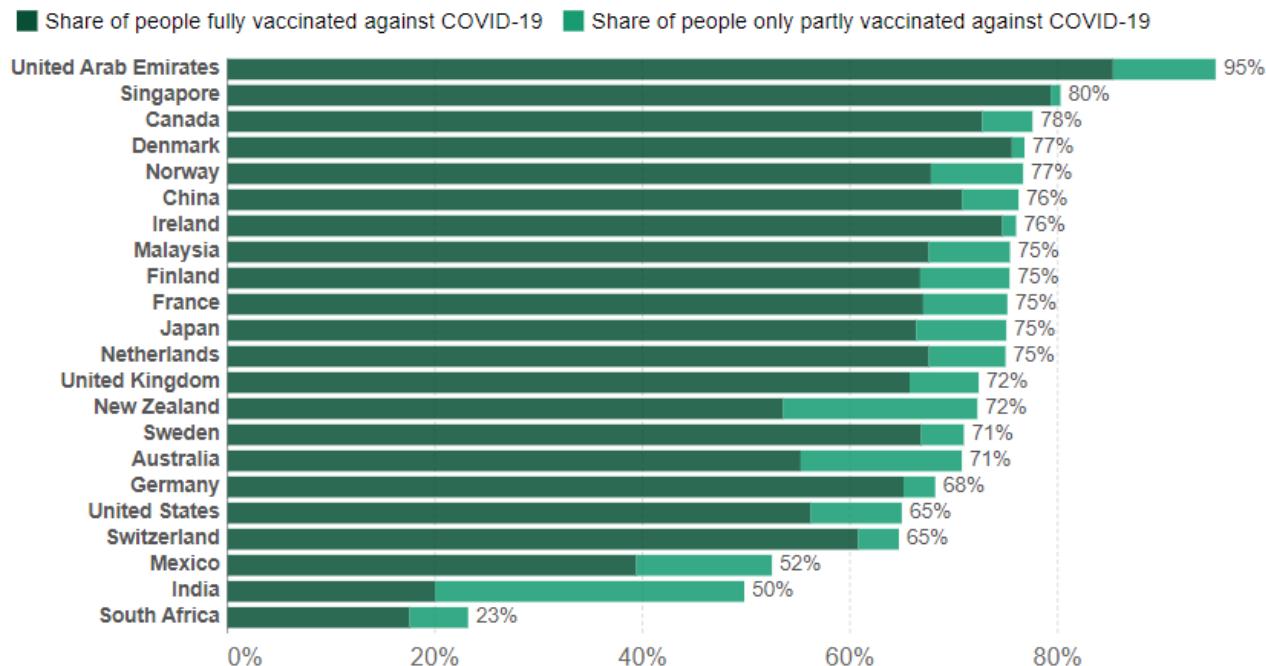
FY22: Travel industry poised for rapid take-off

Trading conditions improving – vaccination programs gaining momentum globally

Share of people vaccinated against COVID-19, Oct 16, 2021

Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.

Our World
in Data



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.
CC BY

FY22: Trading update

Global travel outlook now considerably brighter

- Evidenced by Australia & USA announcements last week
- Singapore also reopening

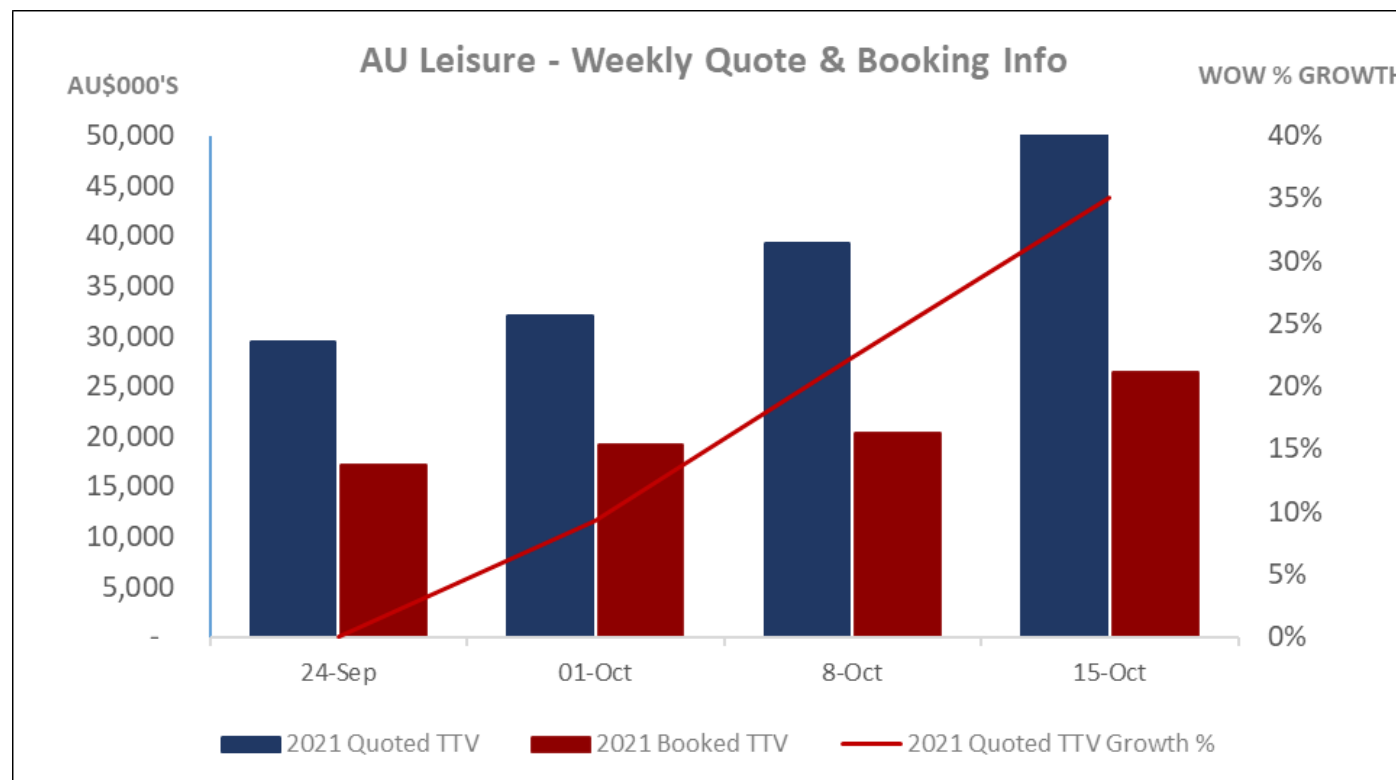
Positive early signs in Australia

- Surge in enquiry + bookings growth
- International leisure bookings have now surpassed domestic bookings in Australia for 1st time since start of the pandemic - almost tripled between July and September
- Booking numbers this month have already surpassed the September total with more than a third of the month still to come.

UK, USA & Fiji emerging as hotspots

- Interest in these destinations has increased by multiples of 6, 11 and 20 respectively during the past month alone (based on web sessions).
- Already this month, bookings to Fiji are in line with October 2019 (pre-COVID) in the Ignite business & more than two-and-half times the September 2021 monthly total in FLT's Australian leisure business

FY22: Increased AU store quotes & bookings

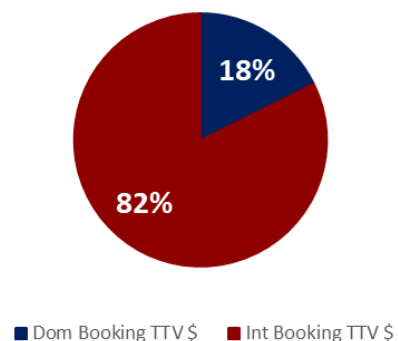


- Recent reopening announcements in Australia have already led to increased quotes & bookings across the Australian leisure store network
- Week on week growth in quoted TTV currently exceeds growth in booked TTV, as expected at this early stage of recovery, and is a positive lead indicator

FY22: Shift in AU store sales mix to International

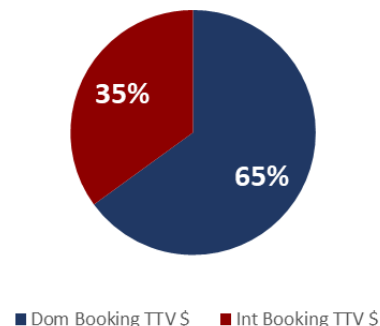
Pre-Covid

Pre- Covid 21 TTV Sales Mix



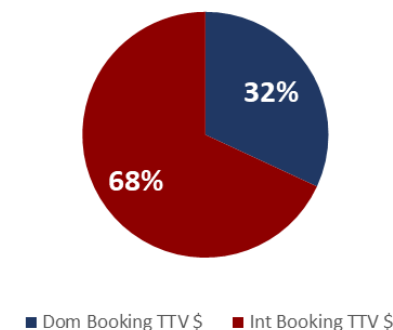
During lockdown

Jul - Aug 21 TTV Sales Mix



Post border announcements

Oct MTD 21 TTV Sales Mix



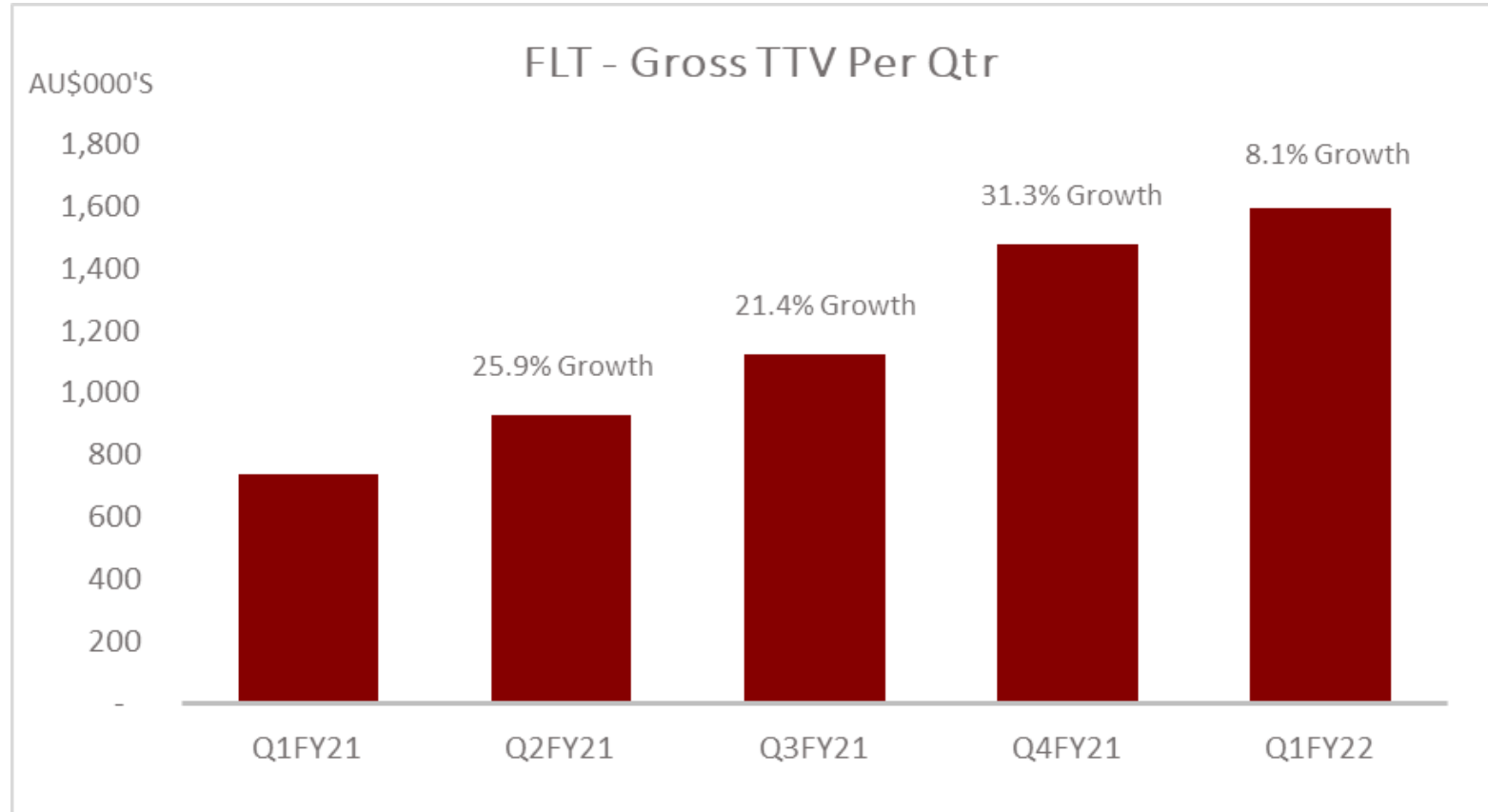
- In Australia, recent reopening announcements have prompted a surge in international enquiry & bookings in our leisure stores, with international TTV booked so far in October exceeding domestic TTV
- International TTV booked in our Australian leisure stores to date in October is 68% of the total TTV booked, compared to 82% pre-COVID

FY22: Learning from the USA & South Africa



- Drawing on our experiences so far in other locations that have experienced strong & immediate leisure rebounds
- United States & South Africa
- Bringing back FTEs in Australia to service the likely surge in demand
- COVID support desks being developed to help customers navigate post-COVID travel complexities
- Enhancing capabilities across other sales channels to reduce immediate pressure on shop network

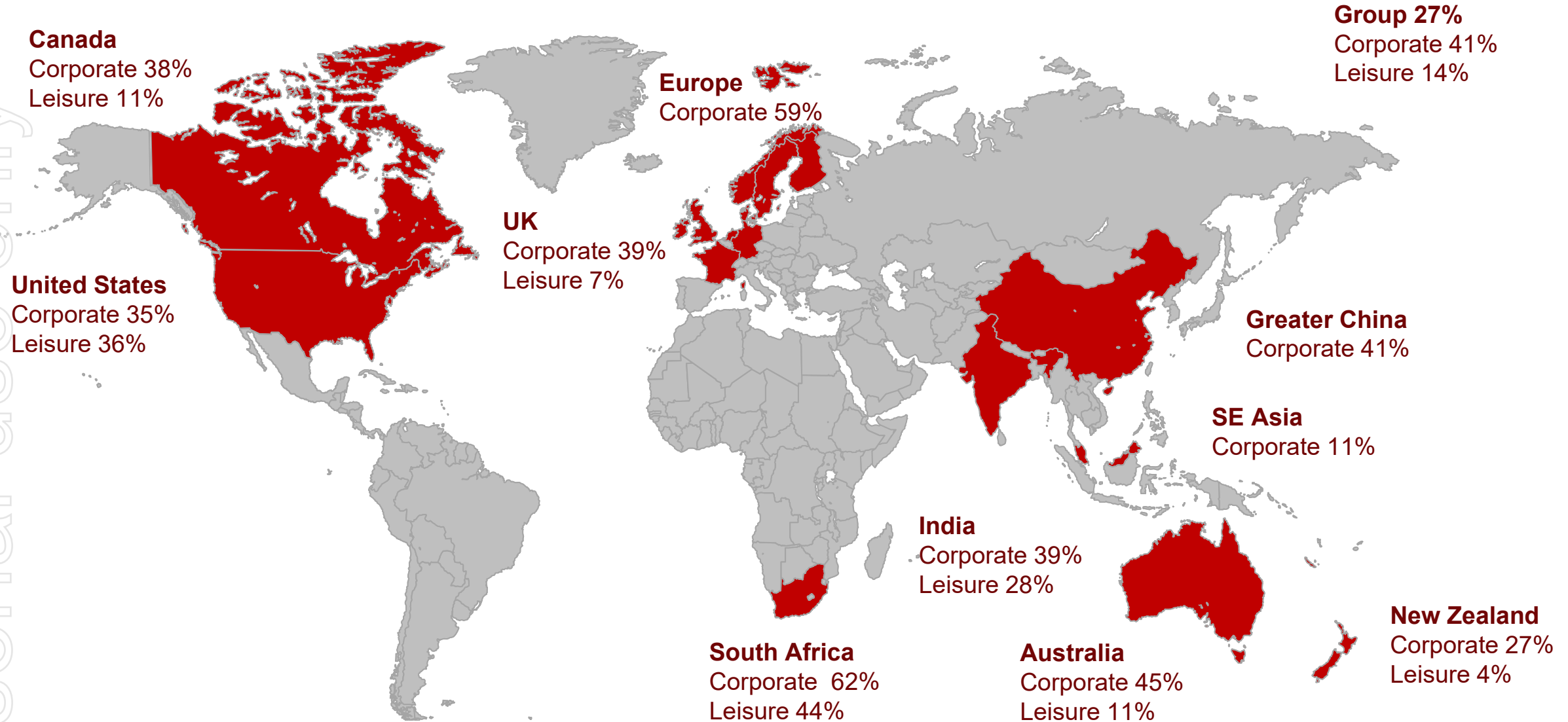
FY22: Continued gross TTV growth during Q1



Note: Gross TTV excludes refunds

Trading Update: Global Activity - September 2021

Sales gradually increasing and tracking at +27% of pre-COVID levels globally



Notes: All figures presented are unaudited management accounts for the month ended 30 September 2021.

Cash outflow – September 21

Net cash outflow (\$m)	Sept 2021
Hibernation operational costs	(82)
Capex	(1)
Hibernation cash costs	(83)
Variable costs	(11)
Total cash outflow	(94)
Cash revenue	52
Net operating cash run rate	(42)
Government subsidies	1
Current net operating cash outflow	(41)

All figures presented are unaudited management accounts as at 30 September 2021.

FY22: Q1 results

Results generally in line with expectations

- Cash outflows impacted by decreased revenue during ANZ lockdowns, seasonality (extended Northern Hemisphere summer holidays), removal of government subsidies & significant investment ramp-up ahead of anticipated surge in demand when borders reopen
- Accounting losses for the period slightly higher than operational cash outflows - customer refunds + non-cash D&A

Recovery set to accelerate

- Increased activity likely as borders reopen – leading to stronger revenue generation
- Several countries now profitable/approaching breakeven – South Africa, UAE, Mexico, France
- Singapore poised to follow, given relatively low cost-base + new Vaccinated Travel Lanes with key countries that traditionally represented about 40% of the business's sales
- Corporate Traveller brand globally expected to be close to breakeven in October 2021

FY22: Corporate Q1 results & trading update

Continued corporate sector recovery = Growing to Win

- Corporate businesses globally contributed circa \$AUD1b to Q1 group TTV
- Further foundations for organic market-share growth established – fuelled by strong account wins & high retention
- Accounts with projected annual travel spends in excess of \$US500m secured during FY22 to date
- New products & platforms deployed to fortify an already strong tech offering
- Melon (new Corporate Traveller SME platform) now live in USA & Canada
- FCM Platform now operational in China & in beta testing elsewhere ahead of CY22 release
- Game changing new digital platforms that will deliver meaningful benefits to customers & are likely to further disrupt legacy travel management companies

Why we win – 2 Global Category Leading Brands



The only *alternative* to the traditional 3 TMCs offering global consistency, flexibility, strong culture, the widest choice of content and award winning technology.



**CORPORATE
TRAVELLER™**

The World's largest SME focussed TMC, offering a unique blend of seamless technology, dedicated experts, strong culture and the widest choice of content.

CT offers a personalised experience and is designed solely for the SME market.

Proprietary Tech

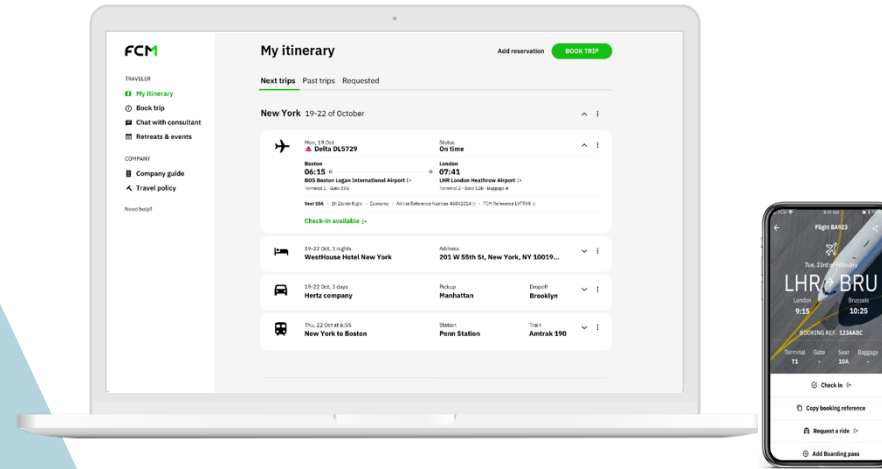
Putting customers first

Hierarchy of needs have changed for customers

- From cost to duty of care
- From offline to digital service
- From 9-5 to 24/7
- From simple to need for advice
- Key focus on sustainability

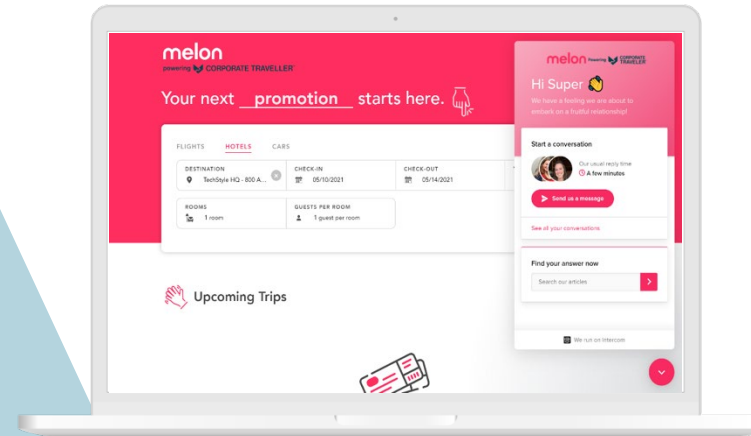
Our proprietary technology allow the agility and adaptability to meet the needs.

- New approval and communication features
- Integration of COVID and safety features
- Sustainability built in for visibility, offsetting and program impact.
- Always on, any channel for support and advice.



FCM

- In beta testing
- Pilot customers in September 2021
- Global availability in January 2022



CORPORATE TRAVELLER™

- US launch in September 2021
- UK/CAN/RSA/AU/NZ over next 12 months

FLIGHT CENTRE
TRAVEL GROUP™

CORPORATE

Leisure: Full year update and highlights

Structural change complete

- Shop & brand network rationalised - accessibility maintained for customers
- New growth models - developed & deployed

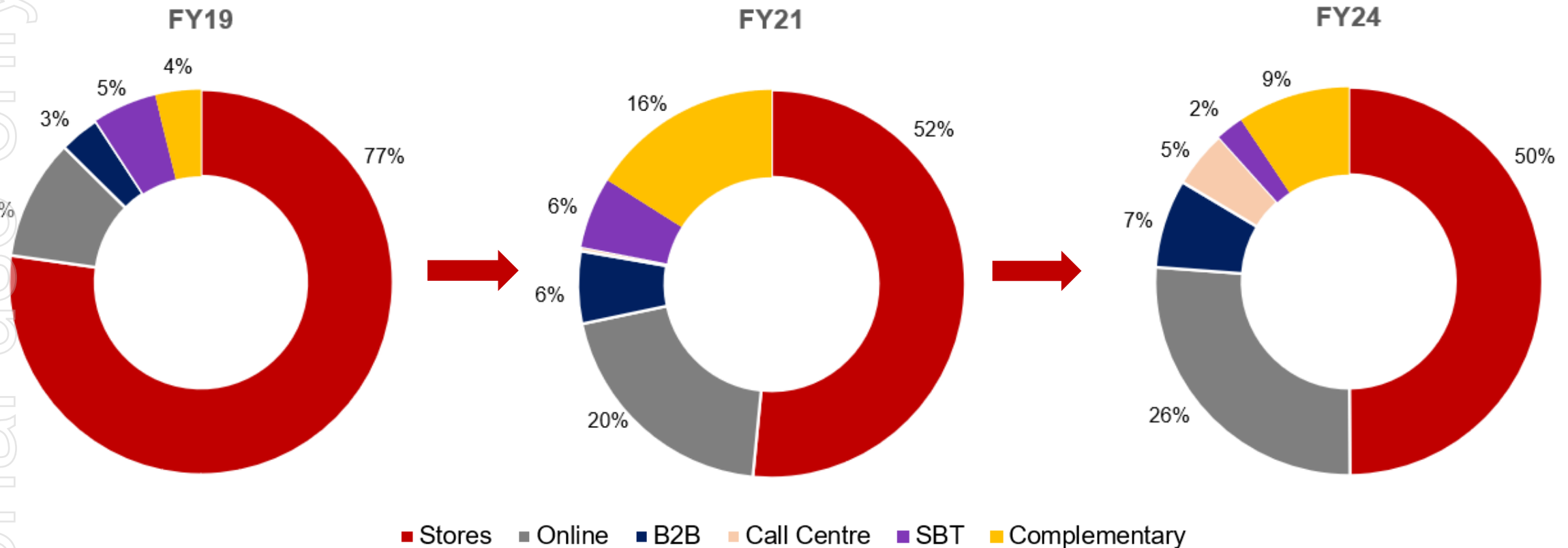
Positioning for recovery

- Investment in leading digital technologies to enhance offering across all channels – shop (FCB & premium), online, B2B & call centre
- Brand rejuvenation and launch

Early evidence strategies are working

- Increased market-share across new multi-channel leisure platform in Australia and South Africa
- Rapid growth in online market-share
- US leisure profits
- Pent up demand demonstrated upon any openings

Global leisure model TTV shift – FY19 to FY24



Note: Complementary includes GOGO and Ignite and excludes Travel Money.

Resolutions

Resolution 1: Re-election of Director - Colette Garnsey

The number of proxies received for the resolution is:

Decision	Count	%
For	85,254,241	98.08
Against	1,299,028	1.49
Open	374,287	0.43
Abstain	529,305	

Resolution 2: Re-election of Director - Robert Baker

The number of proxies received for the resolution is:

Decision	Count	%
For	85,531,703	98.42
Against	998,222	1.15
Open	375,122	0.43
Abstain	551,814	

Resolution 3: Remuneration Report Adoption

The number of proxies received for the resolution is:

Decision	Count	%
For	69,055,431	97.83
Against	1,133,157	1.61
Open	389,902	0.56
Abstain	708,411	

Resolution 4: Approval of the issue of Notes (refresh placement capacity)

The number of proxies received for the resolution is:

Decision	Count	%
For	86,062,059	99.07
Against	402,736	0.46
Open	405,206	0.47
Abstain	586,859	

Resolution 5: Approval of the grant of Global Recovery Rights (refresh placement capacity)

The number of proxies received for the resolution is:

Decision	Count	%
For	86,089,947	99.11
Against	375,932	0.43
Open	396,962	0.46
Abstain	594,024	

Resolution 6: Approval of the grant of PCRП Rights (refresh placement capacity)

The number of proxies received for the resolution is:

Decision	Count	%
For	81,667,478	96.98
Against	2,136,597	2.54
Open	401,250	0.48
Abstain	3,251,535	

Resolution 7: Approval of future issuances under the Flight Centre Employee Share Plan (ESP)

The number of proxies received for the resolution is:

Decision	Count	%
For	86,120,453	99.14
Against	330,395	0.39
Open	407,693	0.47
Abstain	536,166	

Resolution 8: Approval of future issuances under the Flight Centre Long Term Retention Plan (LTRP)

The number of proxies received for the resolution is:

Decision	Count	%
For	79,189,408	91.13
Against	7,307,994	8.42
Open	395,881	0.45
Abstain	532,024	

Resolution 9: Amendments to the Constitution

The number of proxies received for the resolution is:

Decision	Count	%
For	69,183,594	79.69
Against	17,242,757	19.86
Open	391,167	0.45
Abstain	639,343	

End of Presentation

General Questions?