FLT: FY22 First Half Result Presentation

February 24, 2022

Agenda: Today's presentation

Graham "Skroo" Turner
Global MD & CEO

Trading Update & Outlook

(Section 1)

Adam Campbell
Global CFO

FY22 1H Results

(Section 2)

Chris Galanty
CEO - Corporate

Strategic Update

(Section 3)

Melanie Waters-Ryan
CEO – Leisure & Supply

Strategic Update

(Section 4)

Trading Update & Outlook

Skroo Turner

CEO

FLT: 40 years of evolution

The Changing Face of the Flight Centre Travel Group

1982	1992	2002	2012	2017	2022
1st Leisure shop opens – Sydney Flight Centre	Leisure shop network spanning ANZ	Leisure & corporate businesses in 6 countries	Leisure & corporate businesses in 10 countries	Leisure & corporate businesses in 20 countries	Leisure & corporate businesses in 26 countries
	100% Leisure TTV	14% Corporate TTV	30% Corporate TTV	33% Corporate TTV	63% Corporate TTV
		Circa 70% of TTV from Australia	Circa 60% of TTV from Australia	Circa 55% of TTV from Australia	Circa 33% of TTV from Australia

Bricks & mortar leisure roots → Increasing business & geographic diversity → Now one of the world's largest corporate travel managers & omni-channel leisure agencies

FLT: 40 years of evolution

Key building blocks

01 **Replicable & successful global business model**

Has helped deliver 24 years of year-on-year TTV growth during FY1Hs in 26 years since listing in 1995

02 **Egalitarian culture of incentivisation & ownership of both business & business results by our leaders**

03 **Close supplier relationships that deliver mutual benefits**

04 **Strong customer focus in leisure & corporate travel**

Delivering great value, innovative products & service

05 **Brand & geographic consistency & diversity globally**

Equity presence in 26 countries, FCM in circa 100 countries via equity & licensees

06 **Experienced & capable leadership team & board**

Average 25+years tenure among 7 members of FLT's global leadership team (Taskforce)

FY22 Trading Update & Outlook:

Positioned for post-pandemic recovery as the world reopens

01 Strong Global Presence

Not reliant on any one country or business sector as world reopens. Large corporate presence in Northern Hemisphere

02 Key Assets Retained & Improved

Significant investments during past two years while some competitors have hibernated – ready to benefit from COVID-period investments as cycle improves.

03 Achieving Strategic Objectives

Corporate business growing to win & gaining market-share. Growing other leisure channels to complement smaller but stronger shop network

04 Leaner & More Efficient

Structurally lower cost base with better systems & tools

05 Strong Liquidity Position

Ready & able to capitalize on opportunities in a consolidating market

06 Trading Conditions Improving

Positive signs re-emerging in key regions of the Americas, UK, Europe & Australia after omicron downturn between December & January – strongest signs of return to normalcy since start of pandemic

FY22 Trading Update & Outlook:

Trading conditions improving globally

Omicron cases decreasing

Travel restrictions easing

Demand quickly rebounding

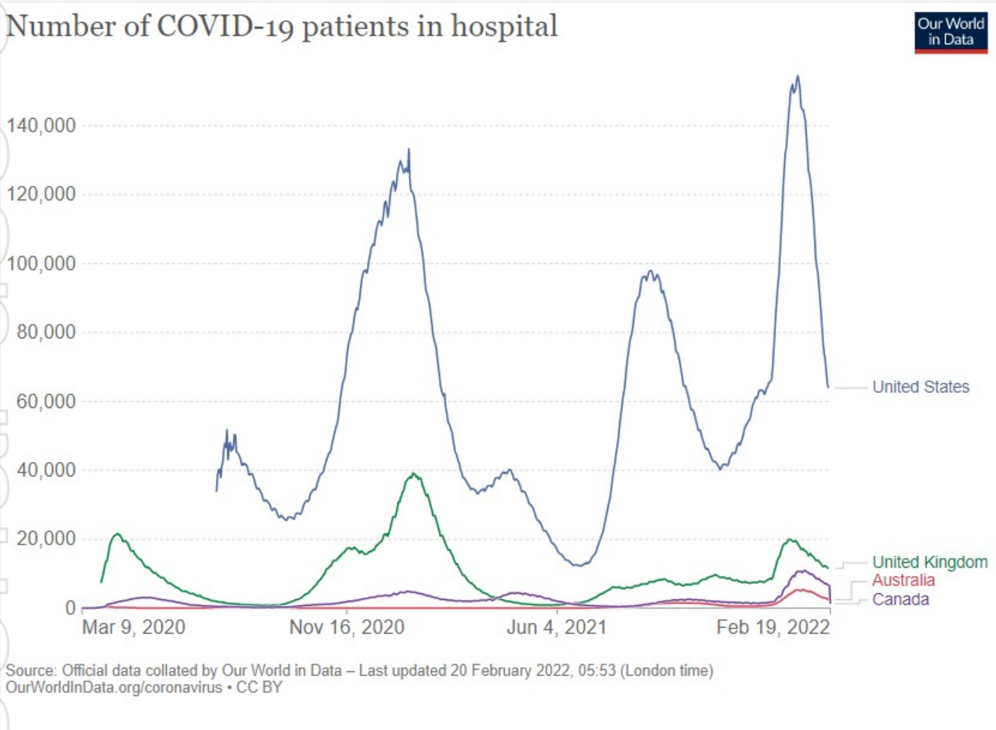
"As the worst effects of the COVID-19 pandemic ebb, most indicators point to travel coming back—with a vengeance—as people look to reconnect, explore new destinations, or revisit reliable favourites. Many just want to get away from the confines of their homes"

– McKinsey (July 2021)

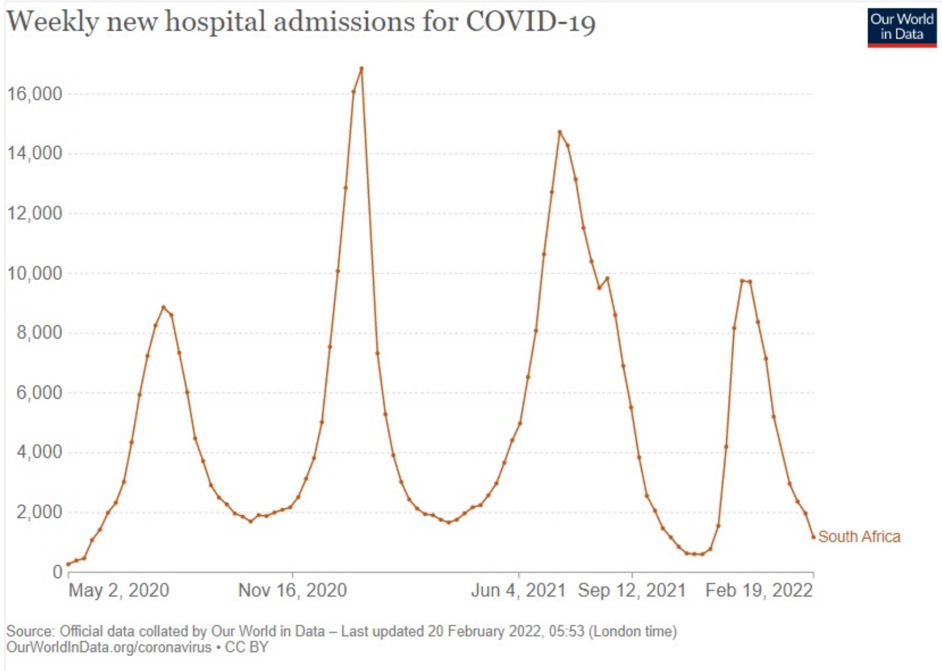
FY22 Trading Update & Outlook:

Trading conditions improving as Omicron concerns abate in key markets

Hospitalisations now decreasing in key US, UK, Canada & Australia markets



Cases falling significantly in South Africa after initial spike in November-December



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FY22 Trading Update & Outlook:

Trading conditions improving materially as restrictions are relaxed or removed

Australia's borders are open for tourism. Here's who can travel, and when - ABC News

KARRYON Together In Travel

Home > Travel Industry News

No PCR needed: Travel to quarantine-free Fiji is now easier and cheaper

HEALTH AND SCIENCE

UK PM Boris Johnson lifts all remaining Covid restrictions in England - CNBC

Countries around the world drop testing for international visitors - NZ Herald

Western Australia to bring down hard border on March 3 - 9 News

CNN travel DESTINATIONS FOOD & DRINK NEWS

UNLOCKING THE WORLD

New Zealand announces plans to reopen to the world

TRAVEL NEWS

Visiting the UK is about to get easier for both vaccinated and unvaccinated travelers - USA Today

FY22 Trading Update & Outlook:

Fewer restrictions but some ongoing complexity – underlining value of expert travel advisors & playing to FLT's strengths

Climate of Change
Significant updates now coming daily – 43 updates in early February (including 35 international)

Some Inconsistency
Restrictions generally easing, but policies vary from country to country &, in some cases, airline to airline

Complexity Playing to FLT's Strengths:
Customers looking for expert advice/reassurance in leisure & corporate sectors

Europe & UK Leading the Way:
Curbs on travel & other activities being removed – uplift in demand being seen in early February trading results

London Calling
UK bookings surge as restrictions ease – currently capturing 14% of leisure TTV in Australia, 24% in NZ, solid bookings growth from North America

Between November 1 & January 31, FLT's internal Marco Polo COVID information team issued 185 updates (87 Australian domestic + 98 international) to FLT's people in relation to changing government travel policies

UK Ticket Volume – ex USA & Canada

FY22 Trading Update & Outlook:

Trading conditions improving – demand quickly rebounding globally after omicron impact in January

February: Tangible Signs of Recovery

- **Momentum taking off globally** – typically from late January after circa 2-month omicron slowdown – with TTV **tracking towards November 2021 COVID-period record** after first 2 weeks of February
- **50%+ TTV growth** compared to January 2022 **in both leisure & corporate** to date in February
- **Further acceleration expected in months ahead –** assuming omicron cases continue to decrease & restrictions continue to ease
- **Americas & EMEA again leading recovery after more than tripling TTV organically compared to PCP** – both regions targeting Q3 return to profit
- **FLT's overall return-to-profit timelines currently looking more certain in corporate & leisure**

Corporate:

- Strong growth across all regions globally
- SME-focussed Corporate Traveller brand growing at 60%+ globally in February
- Circa 50% TTV growth in FCM globally – large corporations starting to travel again

Leisure:

- On track to top COVID-period gross TTV record (November)
- More rapid Flight Centre brand recovery with return of core product – international travel
- Large potential uplift as tourism replaces VFR (visiting friends & relatives) as the major reason for travel

FY22 Trading Update & Outlook:

Trading conditions improving – February recovery global snapshot

Americas

- Circa 55% increase in corporate TTV MTD across the region
- Few restrictions in place
- Leisure TTV tracking up 23% & 12% in USA & Canada respectively
- Targeting a return to profitability as a region in April

EMEA

- Circa 90% uplift in corporate TTV across the region MTD – customers taking advantage of widespread removal of travel restrictions
- Corporate Traveller UK delivered healthy profit in January & on track for stronger February
- UK leisure business also on track for COVID-period record
- Rapid recovery in South Africa (1st business to be impacted by omicron) – back in profit in January 2022 despite key international airlines grounding flights for most of the month

ANZ

- NZ leisure TTV projected to double in February compared to prior month following border reopening announcements
- Australian leisure TTV in February tracking up 60% on prior month
- Circa 200% daily increases in Western Australia searches for both WA inbound & outbound in first three days after border reopening announcement (Feb 18)
- ANZ corporate TTV tracking 30% above same period in January

Asia

- Heavy restrictions in place in key markets – China, Hong Kong, Singapore, Malaysia
- Circa 25% month-on-month TTV growth
- 2-3-month reopening horizon expected

Note: Commentary based on preliminary sales data for February

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FY22 Trading Update & Outlook

Profit expectations & market guidance

Momentum Picking Up

- Positive pre-omicron trends now being seen again globally after December-January downturn
- Continued growth trajectory in key EMEA & Americas markets, which together delivered 50% of 1H TTV after more than tripling sales during the period

Confidence in the recovery building

- Most countries now starting to live with the virus
- Significant pent-up demand for travel after 2 years of lockdowns & restrictions
- Near-term recovery likely to exceed post-delta rebound in November, when heavy restrictions were still in place, assuming restrictions continue to ease & future variants are milder (as has tended to be the case to date)

Comfortable with pre-omicron return-to-profit timeframes

- Continuing to target return to monthly profitability in corporate & leisure during FY22
- Corporate now targeting March/April, Leisure late in Q4 given heavy reliance on ANZ reopening

FY22 Outlook

- Guidance not provided at this stage, given lack of visibility – timeframe for & extent of recovery, impact of future variants, removal of remaining restrictions, instability in Ukraine
- Unchartered waters – 2 years of unprecedented restrictions, leading to 10m+ annual decrease in short-term resident departures (STRDs) in Australia alone compared to CY19 (Source: Australian Bureau of Statistics)
- Positive historic read-through from SARS – strong STRD growth throughout 2004 after much shorter downturn & with no restrictions or lockdowns preventing travel

FY22 1H Results

Adam Campbell

CFO

FY22 1H: Operational highlights

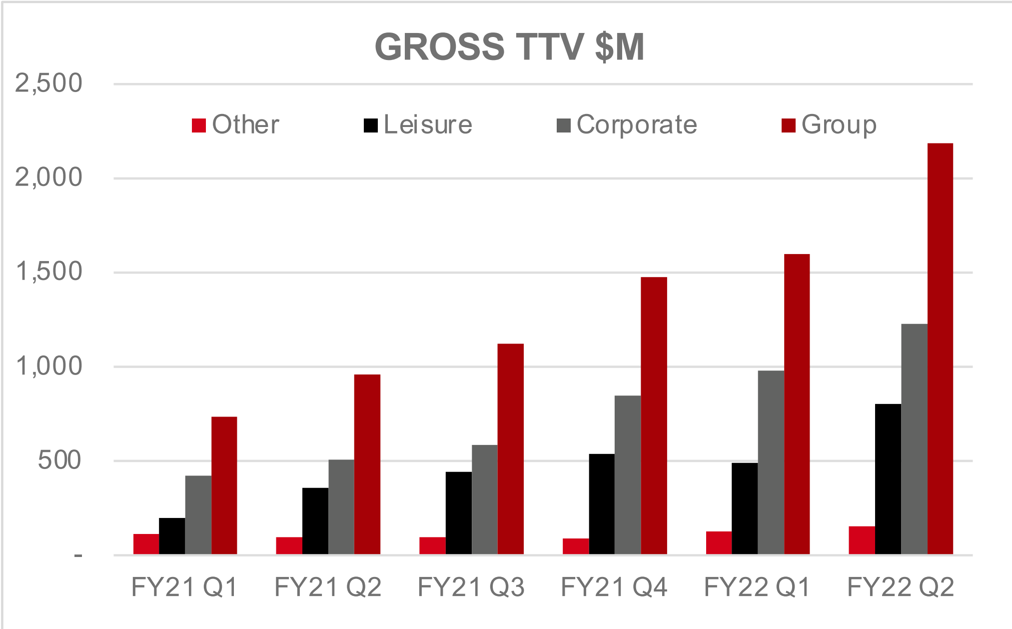
Continued recovery in an improved trading climate

- **Strong sales growth delivered** during 1H despite Q1 delta & Q2 omicron waves & ongoing travel restrictions in key markets (particularly ANZ)
- **Improved operational performance, masked by $65m reduction in retained government subsidies**
- **Structurally lower cost base maintained (circa 60% below pre-COVID level)**, while continuing to invest in people, systems, technology & products to drive future growth
- **Small acquisitions completed** - Shep (browser extension to strengthen corporate tech platform) during 1H, Grasshopper (Asia-based cycle tour business) + investment in Japan corporate JV early in 2H
- Monthly **operating cash outflows down to circa $21m ahead of omicron slowdown** & remaining between $35m & $40m in December 2021 & January 2022 despite virus & seasonality impacts
- **$1b+ liquidity position at December 31 –** ready & **well placed to capitalise on what shapes as strong post omicron rebound** fed by unprecedented pent-up-demand in a market that has consolidated during pandemic

FY22 1H: Sales

$3.3b in TTV

- **113% TTV growth on PCP**
- **Solid sales uplift immediately after August-September delta waves** – $859m COVID-period record TTV (gross) in November
- **Corporate business** generated about 60% of Group 1H TTV & was **at 57% of pre-COVID** levels (on a gross basis & including low margin Australian hotel quarantine work) in both November & December
- **Leisure TTV up circa 90% on PCP & more than doubled between September & November** – at 30% of pre-COVID levels (gross) pre-omicron
- **World now reopening – paving the way for stronger & more rapid rebound,** as being seen this month



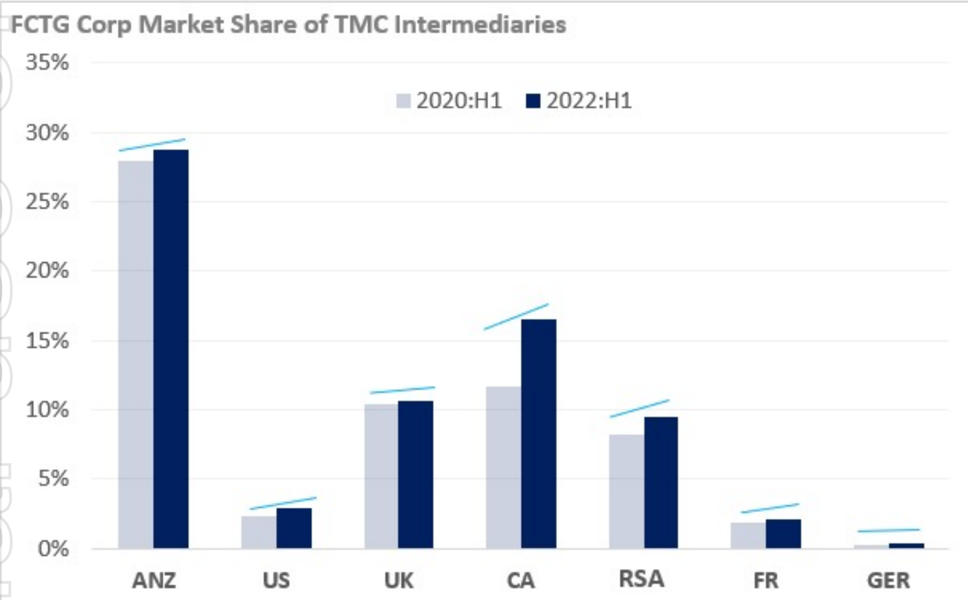
- Quarterly Gross TTV continues to increase consistently
- FY22 Q1 & Q2 gross TTV both exceeded FY21 Q4 – normally a seasonally stronger booking period

FY22 1H: Market share

Achieving strategic objectives

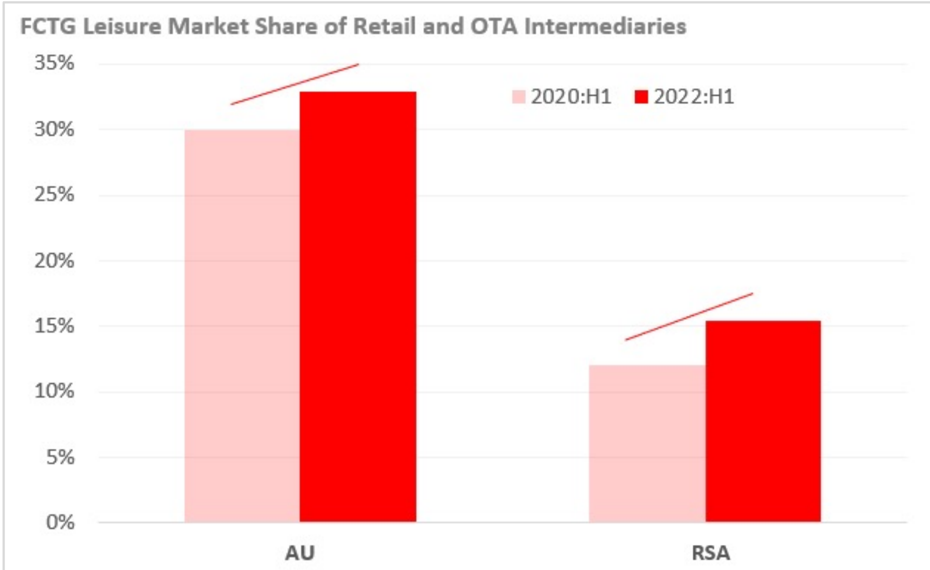
Source: Selected industry data for all intermediaries in those markets
Note i : Excludes refunds and cancellations with exception of US.
Note ii: Includes retail and online leisure sales

Growing to Win in Corporate Sector



- Organic market-share growth during the pandemic – fed by multi-billion dollar pipeline of new account wins & high retention (RFP activity maintaining pace)

Positive Signs Emerging in Leisure



- Leisure share increasing in Australia & South Africa, markets where FLT has multi-channel offerings
- Limited 1H activity in NZ, but now starting to recover

FY22 1H: Operational overview – P&L

$270m underlying 1H loss (PCP: Underlying $242.9m loss)

- $184m underlying EBITDA loss (PCP: $156m)
- Sales revenue growth comfortably exceeded cost growth, but year-on-year operational improvement masked by removal of government subsidies (predominantly JobKeeper in Australia)
- Net government subsidies retained by the company during the half were $14.5m compared to $79.2m in FY21 1H - $64.7m reduction in retained benefits
- Revenue margin – leisure starting to increase as international travel resumes & corporate margin in line with pre-COVID when Australian hotel quarantine work is excluded
- Increasing number of businesses profitable or approaching breakeven

$m	1H FY22	1H FY21 (Restated)	Mvmt
Group TTV	**3,263**	**1,533**	**1,730**
Total revenue	**316**	**159**	**157**
Other income	33	218	(185)
Share of JV/Associates	9	9	-
Underlying EBITDA	**(184)**	**(156)**	**(28)**
Underlying PBT	**(270)**	**(243)**	**(27)**
Statutory PBT	**(276)**	**(313)**	**37**
Revenue Margin	*9.70%*	*10.40%*	*(70 bps)*

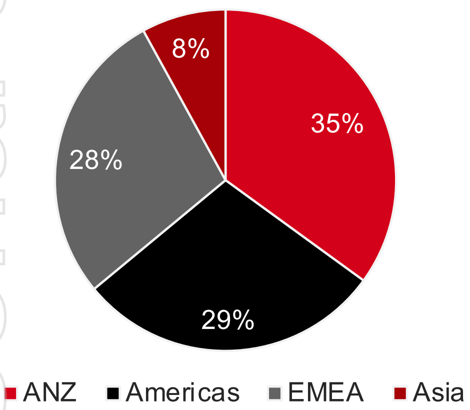
See Appendix 2 for full P&L

FY22 1H: Segment Results

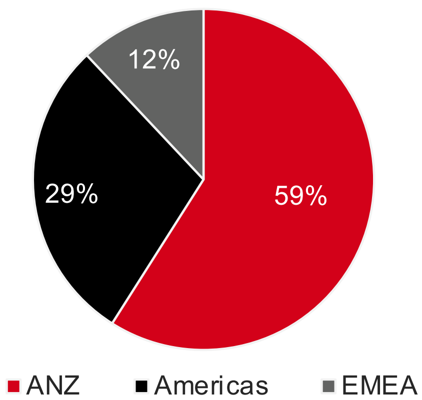
Business Segments

$m	LEISURE		CORPORATE		OTHER	
	HY22	HY21	HY22	HY21	HY22	HY21
TTV	950	501	2,040	823	273	209
Revenue	112	54	192	89	11	16
Underlying EBITDA	**(155)**	**(120)**	**(30)**	**(46)**	**1**	**10**
Revenue Margin	*11.8%*	*10.8%*	*9.4%*	*10.8%*	*n.a.*	*n.a*

Corporate Gross TTV



Leisure Gross TTV



FY22 1H Analysis

- $2b+ in corporate TTV – almost 150% growth on PCP
- Fed by client wins & high retention rates
- Almost $1b in 1H leisure TTV (90% growth on PCP) – poised for more rapid recovery as world reopens
- Revenue margin improving in leisure as international weighting increases & broadly in line with pre-COVID in corporate excluding hotel quarantine

Corporate

Globally diversified with a large footprint across 4 regions

Leisure

Leveraged to ANZ which was again subject to tougher restrictions during 1H but now opening

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FY22 1H: Segment Results

Geographical Segments

$m	ANZ		AMERICAS		EMEA		ASIA		OTHER	
	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21	HY22	HY21
TTV	1,166	749	956	307	719	222	404	239	18	16
Revenue	99	65	106	50	86	32	11	7	13	6
Underlying EBITDA	**(127)**	**(57)**	**(23)**	**(44)**	**(3)**	**(27)**	**(10)**	**(8)**	**(21)**	**(19)**
Revenue Margin	*8.50%*	*8.60%*	*11.10%*	*16.20%*	*12.00%*	*14.50%*	*2.80%*	*2.80%*	*n.a.*	*n.a.*

- Significant reduction in losses in EMEA & Americas, with TTV more than tripling in these markets compared to PCP
- Underlying EBITDA decline in ANZ segment reflects loss of JobKeeper subsidies & continued heavy 1H border restrictions – both domestic & international.
- Asia still subject to heavy restrictions

FY22 1H: Continued cost discipline

Underlying cost base tracking at circa 40% of pre-COVID level

$m	1H FY22 Expenses	1H FY22 One off & underlying costs	1H FY22 Adj Expense	1H FY21 Underlying Expenses[1]	Mvmt %	1H FY20 Underlying Expenses	% of 1H FY20 Underlying Expenses
Employee benefits	(385)	(12)	(373)	(294)	27%	(822)	45%
Amortisation & depreciation	(63)	-	(63)	(76)	(17%)	(113)	56%
Sales & Marketing	(22)	-	(22)	(9)	144%	(113)	19%
Finance costs	(27)	-	(27)	(14)	93%	(21)	129%
Tour operations – cost of sales	(6)	-	(6)	(1)	500%	(98)	6%
Impairment reversal/(charge)	-	-	-	-	-	-	-
Other expenses	(131)	1	(132)	(104)	27%	(294)	45%
Total	**(634)**	**(11)**	**(623)**	**(498)**	**25%**	**(1,461)**	**43%**

1) Restated as required for changes introduced by IFRIC Agenda Decision – Configuration or Customisation Costs in Cloud Computing Arrangements

Longer Term Outlook – Costs

FLT continues to target a return to FY19 TTV levels during FY24. At that point, FLT's cost base should be materially lower than FY19 as a result of structural changes to increase productivity, increase scalability & rapidly grow labour-light leisure models (online, call centre, B2B)

Analysis

- Structurally & permanently lower cost base, but with ongoing people, systems & tech investment to drive future growth
- Increased employee benefits – gradual staff growth & higher incentive payments as sales increased, return to normal wage levels after reductions during PCP
- Convertible note interest included in finance costs
- Comms & tech driving "Other Expense" growth, along with increased payments to Independent Agents
- One-off expenses include strategic investment in employee retention plans

FY22: Operational overview – P&L

Increasing number of businesses profitable or approaching breakeven

South Africa, France, UAE & EMEA region overall, as well as Corporate Traveller in the US, Liberty & Ignite – encouraging sign from Liberty given 1H is traditionally a seasonally softer (loss-making period)

Record profits from Pedal Group (cycle joint venture) & AVMIN (aircraft charter)

Corporate: Targeting a return to monthly profitability in March/April **at circa 55% traditional pre-COVID TTV**

- **Close to breakeven in November 2021** (pre-omicron), with key Americas & EMEA markets recovering strongly
- Already seeing increased activity, with **large customers now changing policy & starting to travel again**
- **Benefiting from diverse global client book –** now with greater exposure to government accounts after major wins in France, Singapore & United Kingdom (UK government now one of FCM's largest UK clients)

Leisure: Overall profitability expected late in FY22 **at circa 45% of pre-COVID TTV**

- **Heavily reliant on ANZ,** which has been heavily locked down, but now seeing strong month-on-month growth

FY22 1H: Balance sheet

Balance Sheet

$m	Dec-21	Jun-21	Mvmt
Cash & cash equivalents	1,211	1,291	(80)
Financial assets	188	65	123
Trade & other receivables	364	279	85
Contract assets	65	50	15
Other current assets	96	138	(42)
Current assets	**1,924**	**1,823**	**101**
Financial assets	67	-	67
PPE	78	90	(12)
Intangibles	699	688	11
Other non-current assets	717	664	53
Non-current assets	**1,561**	**1,442**	**119**
Total assets	**3,485**	**3,265**	**220**
Trade payables & other liabilities	1,004	951	53
Contract liabilities	47	55	(8)
Borrowings	216	212	4
Provisions	40	43	(3)
Current liabilities	**1,307**	**1,261**	**46**
Lease liabilities	228	268	(40)
Contract liabilities	34	35	(1)
Borrowings	354	356	(2)
Convertible note	673	347	326
Provisions & other liabilities	36	42	(6)
Non-current liabilities	**1,325**	**1,048**	**277**
Total liabilities	**2,632**	**2,309**	**323**
Net assets	**853**	**956**	**(103)**
Cash	1,078	1,172	(94)
Restricted Cash	133	119	14
Investments	255	65	190
Total cash & investments	**1,466**	**1,356**	**110**
Positive net debt	**763**	**669**	**94**

FY22 1H Analysis

- $1.5b cash & investments (current & non-current) at December 31 2021 ($133m restricted).
- $414m in client cash at Dec 31 & further growth in January to circa $450m
- Financial assets include $188m NZ term deposit
- Trade & other receivables primarily includes Corporate debtors ($187m), Ignite ($94m), as well as refunds from suppliers & government subsidies.
- Corporate debtor book reflects FLT's customer & geographic diversity, with less than $3m in bad debts written off during 1H (less than pre-COVID levels).

FY22 1H: Monthly cash outflows

Net cash outflow ($M)	Nov-21	Dec-21
Hibernation operational costs	**(86)**	**(89)**
Capex	(2)	(2)
Hibernation cash costs	**(88)**	**(91)**
Variable costs	(15)	(14)
Total cash outflow	**(103)**	**(105)**
Cash revenue	81	62
Net operating cash run rate	**(22)**	**(43)**
Government Subsidies	2	4
Current net operating cash outflow	**(20)**	**(39)**

Full 1H cash flow statement is included as Appendix 3

FY22 1H Analysis

- Cash outflows decreasing as expected, compared to prior periods
- $20m outflow recorded in November (COVID-period record) with EMEA & the Americas at or near cash flow positive.
- Outflow increased to $39m in December – impacted by omicron & seasonality
- Strong recovery expected in February, given current TTV growth trajectory
- Increased variable costs predominantly reflect increased incentives to sales staff (tied to revenue growth), & a small uplift in marketing spend
- Cap-ex of $3m per month during 1H – circa $35m spend expected over full year. Focus in 2H spend on enhancing leisure omni-channel capabilities

FY22 1H: Strong liquidity position

Liquidity position

As at 31 December 2021	$m	
Cash and investments	1,466	
Working capital assets (excl. cash and investments)	587	*a*
Working capital liabilities (excl. client creditors)	(534)	*b*
Client creditor liability	(460)	*c*
Total liquidity	**1,059**	

Liquidity Covenant

Requires FLT to retain $1 in cash for each $1 in debt, and currently has significant headroom.

For the purposes of applying this covenant:

- Debt consists of FLT's $350m in bank debt, plus the $214m short-term UK loan (CCFF), which FLT will repay in March 2022.
- FLT's convertible notes are not classified as debt and are excluded
- Cash includes Client cash but excludes cash held by certain subsidiaries who are not Guarantors

No other financial covenants until 31 Dec 2022

Notes:

- *Retail and corporate debtors and override debtors are shown gross of provision for doubtful debts of $29m and $31m respectively. Cash and investments includes client cash of $414m.*

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

As at 31 December 2021	$m
Retail and corporate debtors	364
Trade and other receivables	29
Override debtors	79
Accrued revenue	18
Prepayments	27
Other	70
Working capital assets (excl. cash)	**587**

b) Working capital liabilities (excl. client creditors)

As at 31 December 2021	$m
Trade creditors	287
Accrued expenses	114
Revenue constraint	19
Employee benefits provision	71
Deferred revenue	28
Other	15
Working capital liabilities (excl. client creditors)	**534**

c) Represents client funds owed to suppliers included in total available liquidity as at 31 December 2021

FY22 1H: Pedal Group

Delivering further growth

- Joint venture – FLT has 46.5% shareholding
- 3 key business units:
  - 99 Bikes (retail network)
  - Advance Traders (wholesaler); &
  - Pedal Property (15 Shops & Head Office ownership)
- Record sales of $200m+ & 1H PBT of $32m
- 6 new stores in Australia (total 59) & 2 new stores in NZ (total 7)
- Successful offshore expansion - NZ retail & wholesale businesses profitable

FY22 1H: Corporate Social Responsibility

- Signatory to the United Nations Global Compact, which supports the UN's sustainability development goals
- FC Foundation (established 2008) relaunched in Australia during 1H – five $30,000 "Giving Grants" delivered
- Global sustainability officer appointed (Dec 2021)
- Public commitment (Jan 2022) to set targets aligned with the Science Based Target Initiative for net zero planet by 2050
- Reconciliation Action Plan adopted in Australia (Feb 2022)
- New sustainability tools being developed & incorporated into corporate product suite
- Global ESG (environment, social, governance) activity audit currently in action or planned in all regions

- Strong commitment to CSR & sustainability within Asia-based Discova destination management company.
- Working closely with Balinese village (Manggis) to introduce organic farming & tourism.

FY22 Strategic Update

Chris Galanty

Corporate CEO

Corporate travel outlook next 18 months

Evolution of customer needs

Return to travel – businesses at 60-75% of pre-COVID in FY23

- Pent up demand for face-to-face meetings
- Government restrictions easing – UK & Europe leading the way
- External travel continues
- Internal travel, meetings & events have picked up in past 6 months

Changing customer needs

- Less leakage – safety and compliance drive higher adoption of travel programs
- Increased demand for services, shift from supplier direct channels to managed travel
- Strong focus on sustainable travel, companies require support

Competitive landscape

- Large corporations have less choice & seeking an alternative
- Legacy TMCs struggling to adopt to new needs
- SME customers see limitations in technology-only companies.

FLIGHT CENTRE TRAVEL GROUP

Where we play – A two-sided model

Customer Value Proposition

Flight Centre DNA | Service & Savings

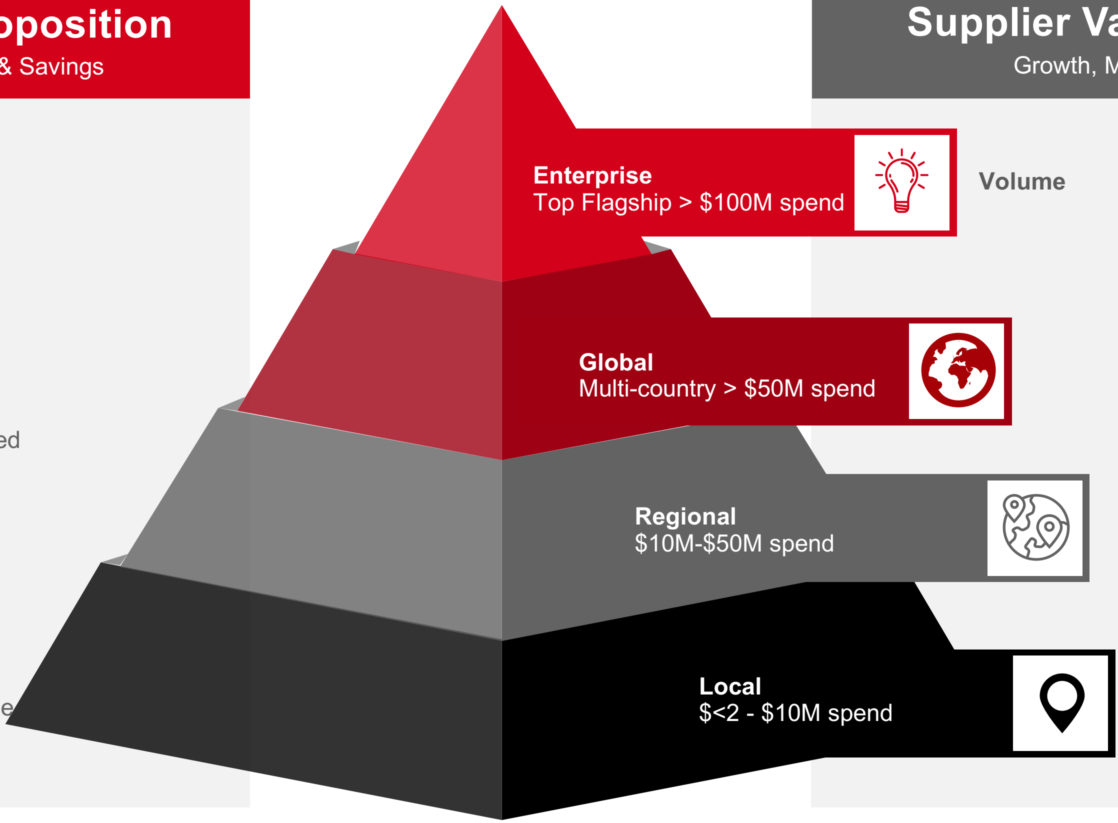
Customer Funded Model

FCM

- GMN Specialists
- Flexibility
- Agility
- Alternative Mindset
- Customer Focused
- Globally and Locally Connected

CORPORATE TRAVELLER™

- Dedicated expertise
- Seamless Technology
- Greater Choice, More Value
- SME Specialists



Customer Segmentation

Supplier Value Proposition

Growth, Market Share | Yield

Supplier Funded Model

Volume

- Access to Premium Corporate Customers
- Cost Efficient Distribution Model
- Enhanced Customer Traveller Experience

Market Share & Yield

Strategy on a Page

Winning Brands
Two globally differentiated winning brands focused on SME and GMN

CORPORATE TRAVELLER
Corporate Traveller is the TMC that's fanatical about SMEs and delivers Care Uplifted through the power of our people and technology

FCM
FCM is The Alternative TMC for Multi-National Corporates.
The flexibility of its offering is based around customer requirements

Product
The platforms that deliver the customer experience

melon
Melon is Corporate Traveller's proprietary technology that is built with the SME customer in mind

The FCM platform
FCM's new platform offers customers the best in market-leading technology, all seamlessly integrated into one place; giving you the ultimate choice to plug-and-play, your way.

Sales & Marketing Machine
Driving forward the acquisition and retention of customers

Acquisition | CORPORATE TRAVELLER | Retention | FCM | Growth

Hybrid Service Model
Data Science, Robotics, Pricing & Analytics, Operations

Automation & Robotics | Data Science | CRM | Consultant Desktop | Booking, Pricing, Aggregation

Content & Supply
Enabling the simple find, book and service on content whilst maintaining a revenue stream

FLIGHT CENTRE TRAVEL GROUP™

People, Culture & Sustainability
The most fundamental building block to each brand's success

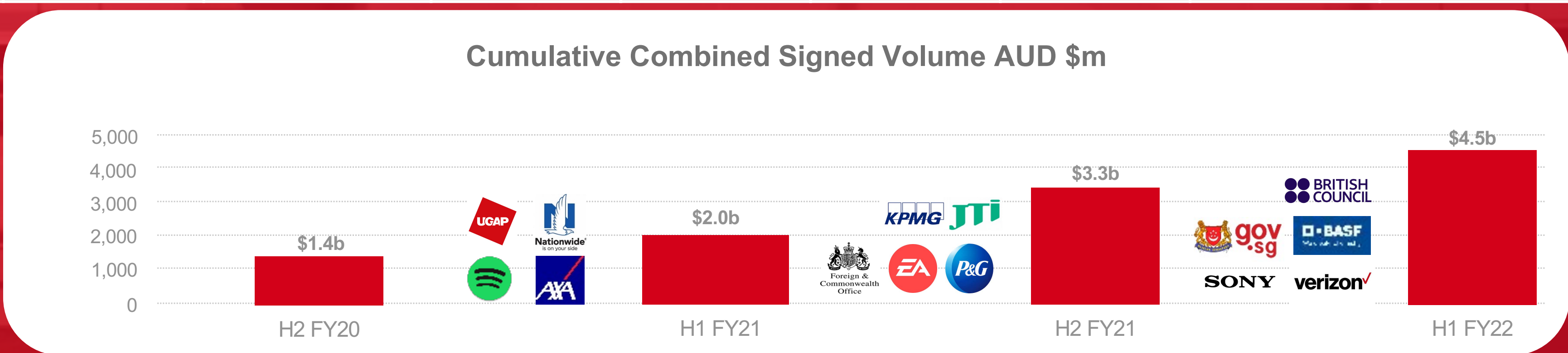
Ownership | Irreverence | Egalitarianism

Grow to Win timeline

	FY2020		FY2021				FY2022	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
FCTG Corporate	New global structure	Grow to win strategy Re-size business	CORPORATE TRAVELLER FCM TRAVEL SOLUTIONS Brand consolidation		FCM Rebrand	melon CORPORATE TRAVELLER FCM platform China Melon launch Corporate Traveller Rebrand	FCM platform launch Duty of care and Approval	FCM Japan
Investment		TP CONNECTS Customer segment Invest to grow	WhereTo		Hotel aggregation platform	Sustainability	NINA & PINTA	Shep
Productivity Growth		Rapid cost based reduction	Industry best implementation capabilities	Data Science		Global automation capabilities		Data platform rollout

Total New wins

$4.5 Bn



FLIGHT CENTRE TRAVEL GROUP | CORPORATE

Projections

Waterfall with business and new wins

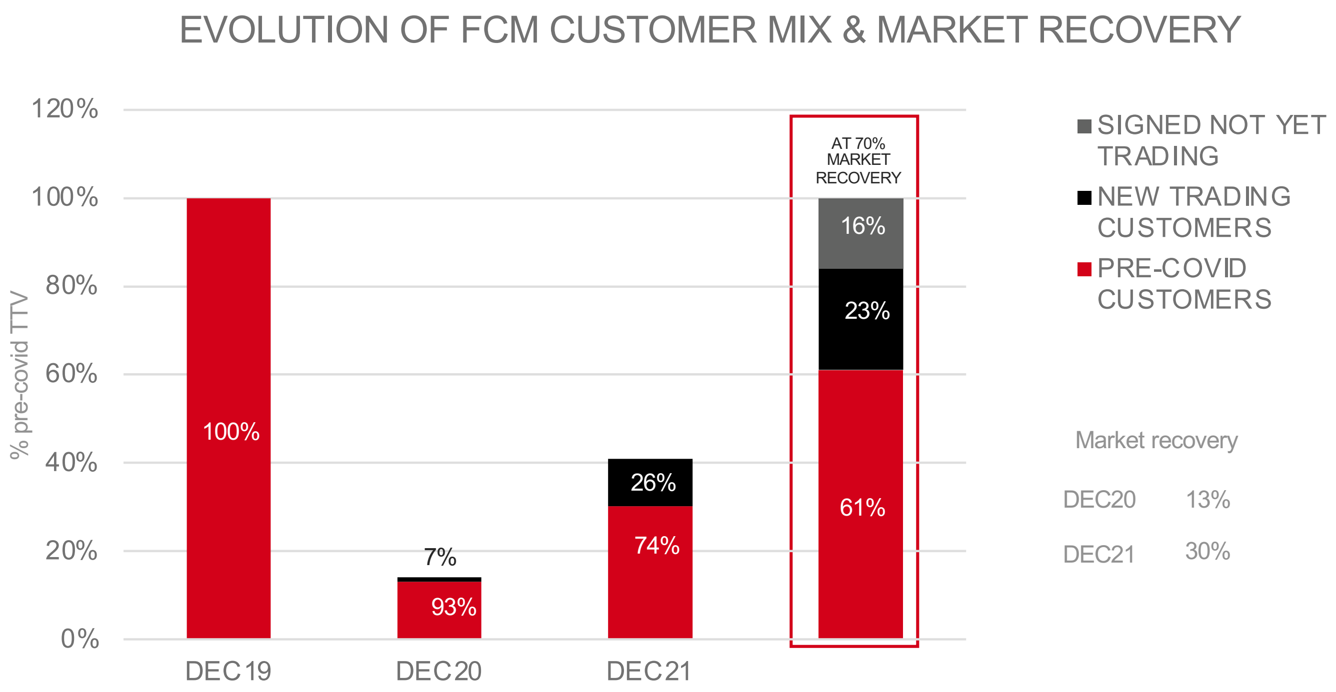
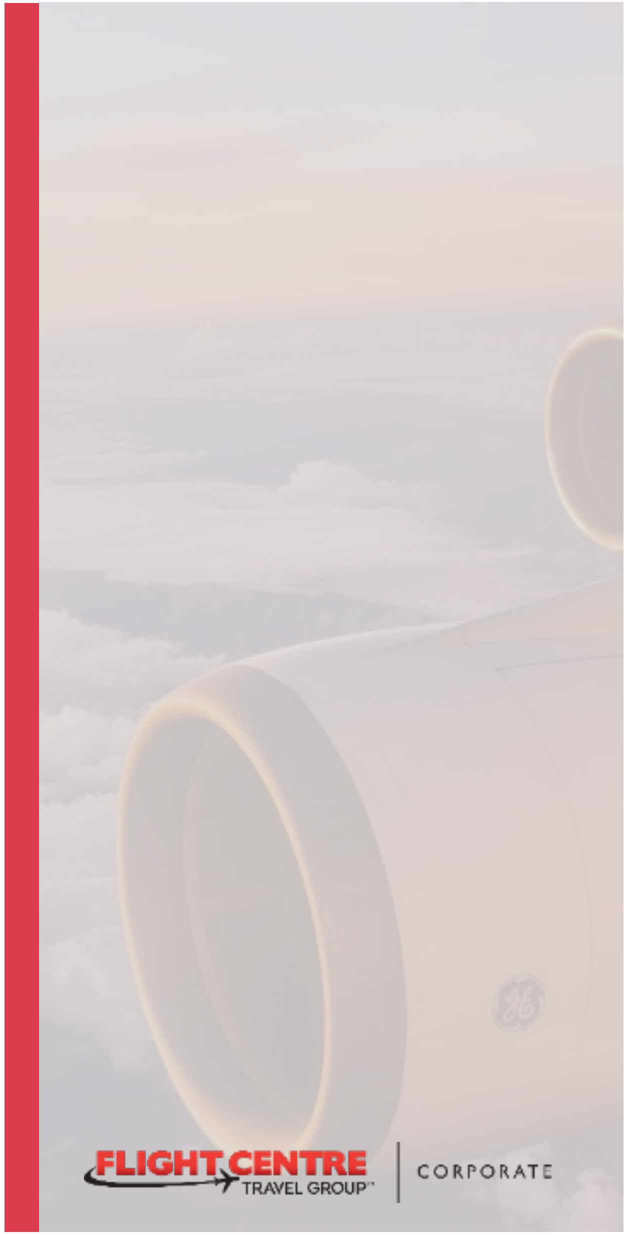


Table compares trading volumes in month of December for each year excluding Australia



Next 18 months

Future deliverables

Accelerate customer growth

01

- Continue delivery of core strategy
- Technology rollout
- Invest in innovation & meeting new customer needs

Leverage new market dynamics

02

- Own & control content capabilities
- New airline & hotel retailing opportunities

Accelerate Service Model Productivity

03

- Automation
- Digitalisation
- Cost structure

FY22 Strategic Update

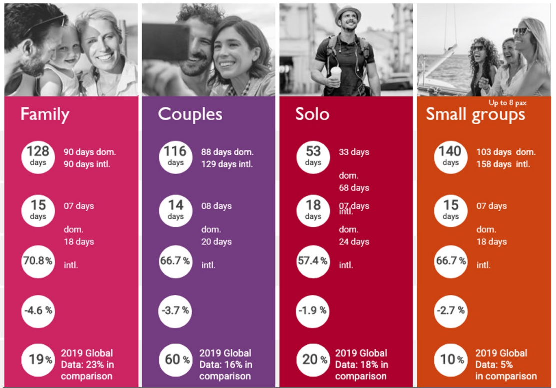
Melanie Waters-Ryan

Leisure CEO

Leisure: Outlook next 18 months.

Pent-up travel demand

- Enquiry & then bookings surge following border opening announcements
- Customers seeking to make up for two years of lost travel time
- Strong V-shaped recovery in '"open"" markets – South Africa
- VFR traffic first wave, followed by holidaymakers
- Full recovery & growth expected in leisure segment



Changing customer needs

- Customers looking for expert support & less DIY, given increased complexity especially for International travel
- Packages & bundles in demand as customers look for ease but want change & cancellation flexibility
- Destination flexibility based on what is open & best conditions

Competitive landscape

- Ongoing hibernation of some competitors
- In Australia, almost 15% of agents estimated to have left the industry (Source: AFTA)
- Some exits providing a competitive uplift for our brands eg Student Universe post STA demise
- Growing agent interest in our B2B offering as backed by solid FCTG

FLIGHT CENTRE TRAVEL GROUP

Leisure: Well placed to capitalise

Successfully executing key strategies ahead of what could be an unprecedented rebound

1. Maintaining cost discipline – **structurally & permanently lower cost base in place**
2. **Strong & highly accessible shop network retained** during the pandemic, particularly in Australia, NZ & South Africa
3. Operating with a **stronger stable of omni-channel offerings & complementary businesses** that are highly scalable
4. **Enhancing online capabilities,** cost effectively capturing a greater share of the overall leisure business (16% of 1H leisure gross TTV was online compared to 9% pre-COVID)
5. **Delivering new products & productivity tools** to benefit our customers & consultants
6. **Driving productivity improvement** through an experienced consultant cohort and optimised network & staffing levels in store
7. **Growing market share** in core markets of AU & RSA
8. **Reinvigorating the famous Flight Centre brand** to coincide with its 40th birthday

Leisure: Diversity

Catering to broad customer mix

Mass Market	Premium	Independent	Emerging & Complementary
FLIGHT CENTRE; LIBERTY TRAVEL	TRAVEL ASSOCIATES; Laurier Du Vallon Travel and Discovery	home OF THE TRAVEL ENTREPRENEUR	StudentUniverse; BYOjet; Myholidaycentre; TRAVEL MONEY Oz We speak your currency
The go-to multi-channel mass travel retailer with irresistible deals and savvy, personal service.	The most distinctive premium/ luxury boutique travel brand in market with superior service and expertise. A luxury travel network.	The leading network and product proposition for member and mobile travel professionals.	*Complementary* yet *independent* travel brands accelerating to be the # 1 in segment in region/globally.
Flight Centre and **Liberty Travel** - from ***Daggy to Savvy*** with a modernised brand, improved range of designed deals, new models and connected technology.	**Travel Associates** and / or **LDV** famous as both a premium customer and premium advisor employer brand, offering true premium and luxury travel product and expertise and part of our Luxury Travel Network	Offering the leading blend of content, technology and business culture for member and mobile agents.	**SU** #1 Global Student and Youth Brand **MY** My Brands achieving #1 in category **BYO** Low price / low cost OTA **TM** Travel Money

Global Leisure Business Platform

Brand, Standard Operating Models, Product and Marketing ,Technology, Data & Intelligence, Content and Culture

Leisure: Core business platforms

Brands & Customer

Two key brands and Customer Experience Targets

FLIGHT CENTRE

Flight Centre is the go to multi channel retailer with irresistible deals and savvy personal service accessible to our travellers however, wherever, whenever they want.

TRAVEL ASSOCIATES

Travel Associates and our premium travel advisers famous for providing 7 star service and unique products for frequent, discerning and luxury travellers.

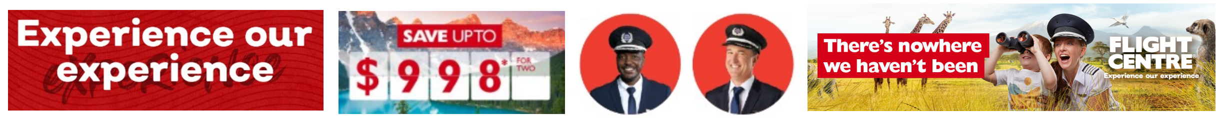
Operating Models

Four operating models tailored to our customers

- Shop Network
- Sales Centre
- Independent & Affiliates
- e-Commerce

Product & Marketing

Continuous cycle of branded design and taking to market of irresistible deals and services



Intelligence Layer

Data Science, Robotics, Pricing & Analytics, Operations

- Source Control Engine
- Pricing Management
- Contract Yield Management
- Low Fare Search Logic
- Optimisation Logic
- Configuration & Data Management

Content & Supply

Multi source content integrated into a multi channel distribution platform – Consultant commerce and e-Commerce enabled

FLIGHT CENTRE TRAVEL GROUP™

People, Culture & Sustainability

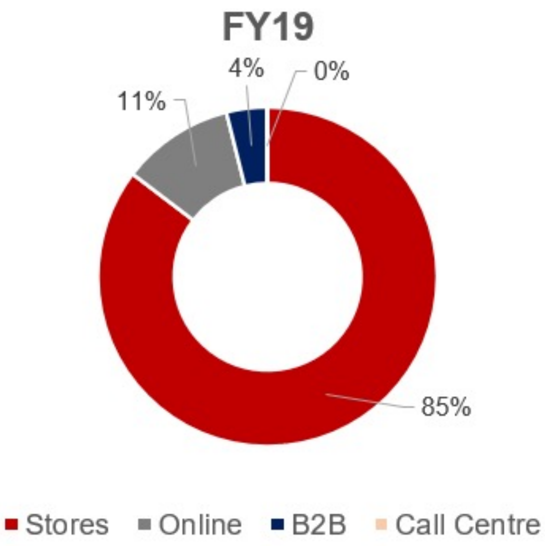
The most fundamental building block to each brand's success

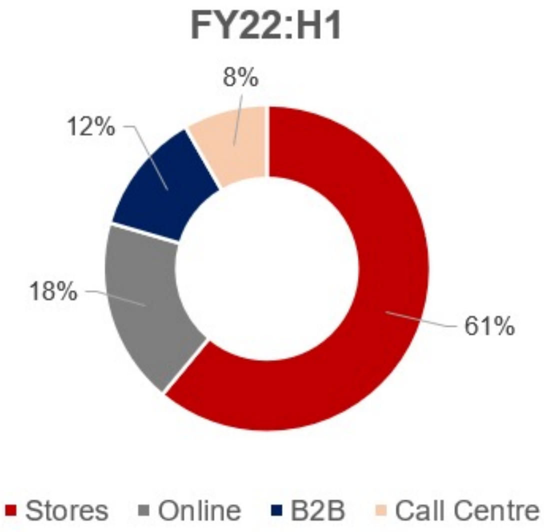
- Ownership
- Irreverence
- Egalitarianism

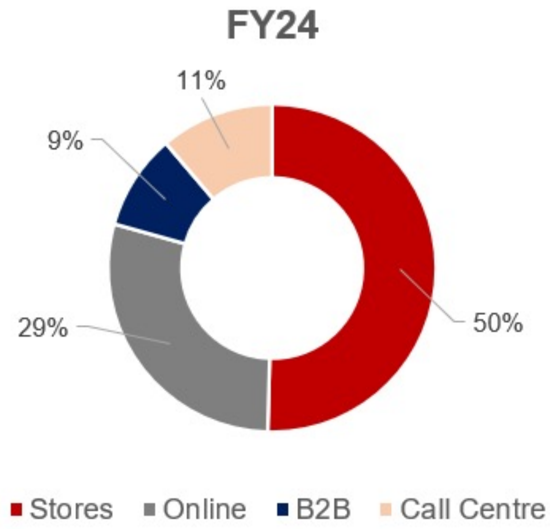
Leisure: Global transformation update

Trading conditions improving materially as restrictions are relaxed or removed

Successfully transitioning from a bricks & mortar to an **omni-channel retail strategy** with online, call centre & B2B capturing an increasing share of Flight Centre core leisure Gross TTV (circa 40% during 1H, compared to circa 15% 3 years ago).







Note: Core leisure Gross TTV excludes GOGO (wholesale), Flight Centre Business Travel and Travel Money FX

Leisure: Flight Centre update – FC 4.0

A modernised brand & operating model positioned to win in a COVID recovery

FLIGHT CENTRE

Brand – a 40-year-old brand in 2022.

Flight Centre in its 40th birthday year is emerging from COVID as one of the highest considered travel brands in our core markets.

Customer awareness and consideration are increasing, and new customer growth is high.

Irresistible Deals

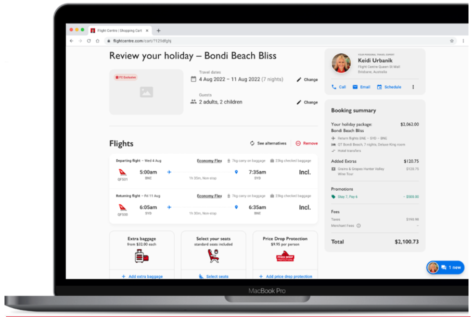
Flight Centre has made the journey from Lowest Airfares Guaranteed to the home of Irresistible Deals.

As borders open, packaged deals and offers are ready to take to market and showing a 4 X conversion.

Savvy Experts

Our experienced experts can help navigate and support customers in what is not either known or easy.

Online shoppers are actively seeking out this expertise and recognising the benefit of channel choice.



Omni channel

From multi-channel to an omni-channel ecosystem of technology.

Allowing customers and experts to collaborate, share and build holidays together.

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Leisure: B2B expansion

home OF THE TRAVEL ENTREPRENEUR

Successfully growing an **independent and affiliated network** of agents and agencies *(the largest in Australia, New Zealand and South Africa)* **offering the widest and best range of travel and technology products,** delivering solid capabilities and financial returns to members in all leisure markets.

Market Leading Tech Platform - HOME

- Excels over our competitors
- Includes GDS, Ticketing, Wholesale, support, OBTs, Mid-Office systems, data, reporting, marketing and education
- HOME - Business in a box

Widest Range of Content

- Content supplied to member and mobile agents, leveraging FCTG's procurement strength, product range, payment solutions and other services
- NDC Capability

Growth Model

- Grow members and share of their sales via BDMs and AMs
- Hosted and / or referral model
- M&A – Programmatic pipeline of acquisition

Culture & Entrepreneurialism

- An extension of our family village tribe culture to members and affiliates who choose to run their own business
- Entrepreneurial FCTG DNA

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Leisure: B2B Staircase to Growth

home OF THE TRAVEL ENTREPRENEUR

Strong progress during the pandemic in building a category leading Independent Proposition

01 Brand
Brand launch and market positioning

02 Sales
Marketing material, BDM expansion and acquisition pipelines

03 Data
Key customer insights, Operational dashboards and KPI target tracking & forecast

04 People & Culture
Small group connection and support

Business development material and training

05 Technology
Home (Eco-system), Helio / Packages, Air Marketplace and Integration & Automation

06 Content
Production options & choice

Leveraging procurement capabilities

Leisure: Progress update – Premium

Travel Associates and **our premium travel advisers are** famous for providing **7 Star service** and **unique products** for frequent, discerning and luxury travellers.

Largest network of premium and luxury travel advisers

- Internal / external aspirational employer brand
- BDM / head hunting acquisition
- @Home with TA flexibility
- M&A – programmatic pipeline of acquisition
- Luxury marketplaces

Unique product for frequent and premium travellers

- Virtuoso partnership
- Secret Sojourns (Products exclusive to Travel Associates)
- DMC direct (Discova) and bespoke designed (insider access)
- Real luxury

Brand & marketing

- Luxury branding and awareness
- Customer acquisition via advisors
- Premium brands collaboration
- Employer branding

Winning boutique model including @ Home with TA

- Boutique business featuring the Associate names above the door
- Additionally, @Home with TA for both individuals and teams
- Winning economics across all metrics

Progress update: Complementary brands

Complementary yet independent travel brands accelerating to be the category leaders

Student Universe

- Deepen global footprint across growing international student markets through scalable platforms
- Establish robust travel marketplace including Packages, Tours & Activities
- Continue to grow partnerships (i.e. Amazon) and University relationships
- Amazon relationship now delivering meaningful contribution to TTV and new customer acquisition
- Margin accretion via new ancillaries
- Strong supplier support

My bali | My newcaledonia | My cruises | My fiji | My samoa | My QLDholiday | My dubai | My thailand | My vanuatu

Ignite / My Brands

- Profitable YTD to Nov 21, strong early momentum in 2H22
- Supplier feedback indicates Ignite market share for Fiji has doubled
- Replicable model with opportunities for Global expansion
- Deal focused, limited flash offers with inclusions
- Highly productive call centre model
- My Cruise projected to reach same TTV levels as previous Cruiseabout business within 1 year
- Strong supplier support

FLIGHT CENTRE TRAVEL GROUP

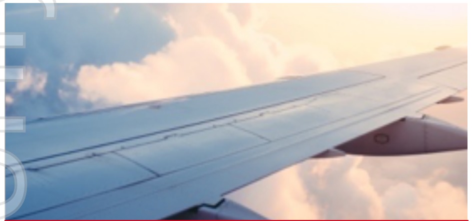
FY22 Strategic Update - Supply

Melanie Waters-Ryan

CEO

Supply: Maintaining close relationships

Working to offset impact of proposed commission changes in Australia



Strong & mutually beneficial relationships

FLT maintains strong relationships with a diverse group of suppliers globally

Long-term deals in place with airlines, hotel chains, cruise & tour companies

Offsetting commission reductions from some carriers in Australia

In Australia, some airlines have flagged changes to agency commission structures, which are just one source of FLT's revenue & overall margin

Ongoing discussions underway with view to offsetting impacts of any commission loss

History of offsetting impacts of commission cuts

Average international air commissions in Australia have gradually decreased from 6.7% at FY10 1H (post GFC) to 3.7% at FY20 1H (pre-COVID)

During same period, leisure revenue margins in Australia have increased from 12.6% to circa 14% (excluding Travel Money) – highlighting FLT's ability in the past to combat commission structure changes

Margin maintenance strategies

Mix shifts – increased attachment, ancillary products, vertical & aggregation revenue

Alternative air margin structures –Increased back-end margins to offset commission decreases, closer ties with airlines that pay for distribution, access to nett fares & private fares

New initiatives – for example, FCGP, Captain's Packages

TP Connects Investment: Proactively Tackling Disruption

Adapting to Changing Air Distribution Models

- Traditional air distribution model has been disrupted with growth in direct buyer-seller connections, proliferation of new commercial models, rise of new entrant technology providers & continued connectivity enhancements.
- FLT has invested in TP Connects to complement its GDS relationships, protect profit, ensure access to the best content & maintain relevance in a changing market

Airline Solutions

- Development of middleware (API) which connects directly to an airline's Passenger Service System (PSS). Delivering flexible solutions in the airlines' NDC scheme of choice & delivered as API/B2B Agency Portal

Agency Solutions

- Aggregates content from GDSs, PSSs, LCC & 3rd party NDC APIs to deliver a broader range of airfares to on & offline travel agencies. Content can be sourced via API or via NDCmarketplace.com

In-destination businesses

Destination Management Companies (DMC)

Discova DMC operating across 14 countries in Asia & the Americas

Asia business emerging from hibernation & well placed for post-COVID growth – significant new business won (circa $US30m or 30% of projected pre-COVID TTV)

Recent Grasshopper Adventures acquisition to bolster Discova's active travel segment – sustainably focused operators of bike tours, small river cruising, kayaking & hiking/trekking

Hotels

Now operating a suite of five brands – Cross, Cross Vibe, Away, Lumen & Cross Collection

Signed/opened additional 920 keys in Thailand, Vietnam & Japan

Away Okinawa – 1st property in Japan as part of 7 hotel agreement – open & trending ahead of projections

Touring Businesses

Back-Roads & Top Deck re-emerging after hibernation

1st Top Deck trip completed since COVID lockdowns

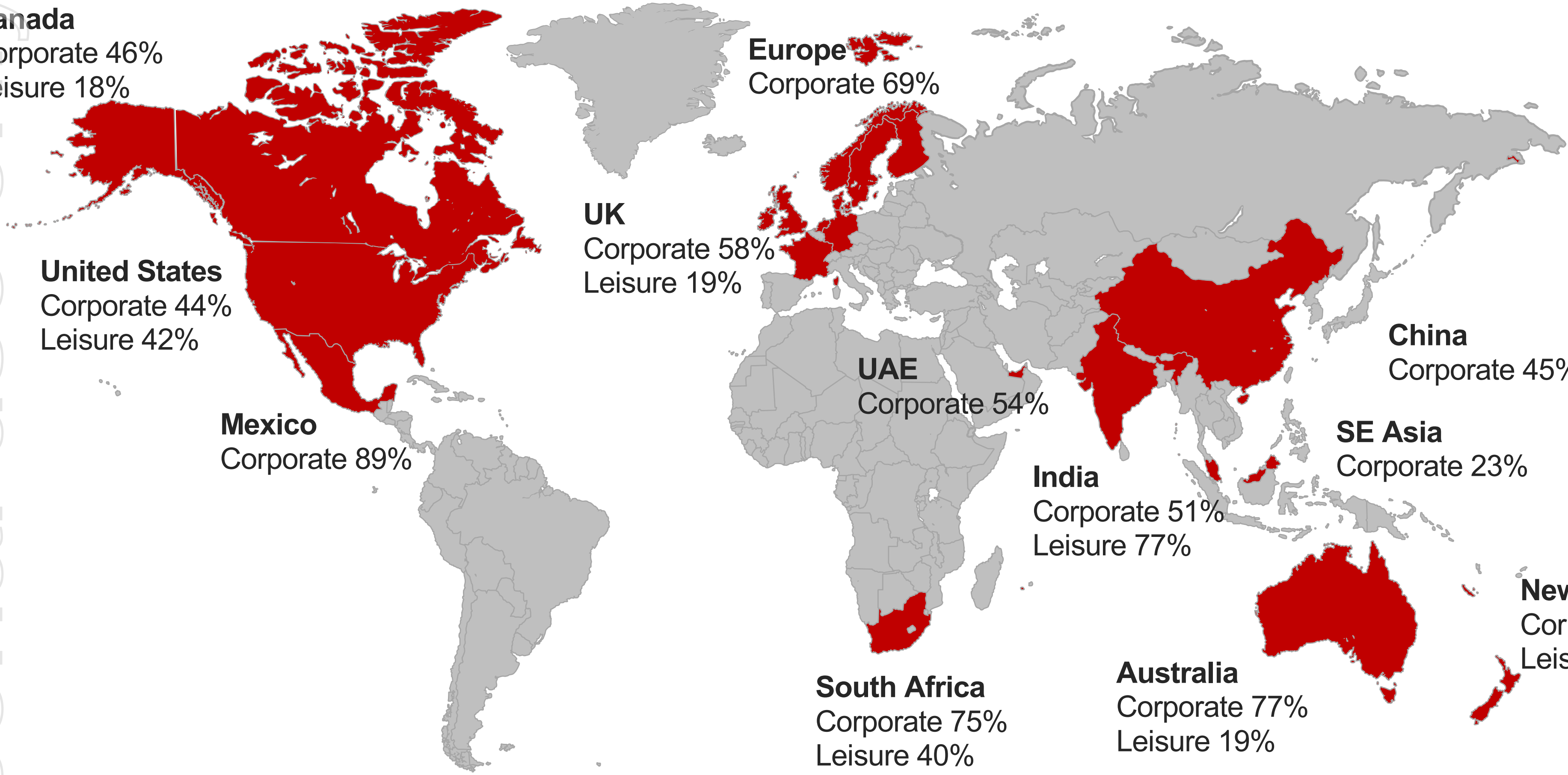
Activity set to ramp up from July 2022 (European summer)


CELEBRATING 40 YEARS OF TAKING OFF
END OF PRESENTATION: Questions?
FLIGHT CENTRE TRAVEL GROUP™

Appendices

Appendix 1: Global TTV recovery – December 31

Gross TTV for December at 35% of pre-COVID global sales – Corporate 58% & Leisure 22%



Note: December Gross TTV value (excluding refunds) as % of December pre-Covid Gross TTV

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Appendix 2: 1H Profit & Loss

$m	1H FY22	1H FY21 (Restated)	Mvmt
Group TTV	**3,263**	**1,533**	**1,730**
Operating revenue	316	159	157
Total revenue	**316**	**159**	**157**
Other income	33	218	(185)
Share of JV/Associates	9	9	-
Employee benefits	(385)	(459)	74
Amortisation and depreciation	(63)	(77)	14
Sales and marketing	(22)	(9)	(13)
Finance costs	(27)	(14)	(13)
Tour operations – cost of sales	(6)	(1)	(5)
Impairment reversal/(charge)	-	(23)	23
Other expenses	(131)	(116)	(15)
PBT	**(276)**	**(313)**	**37**
Underlying PBT	**(270)**	**(243)**	**(27)**
Underlying EBITDA	**(184)**	**(156)**	**(28)**
EPS (cents)	(97.4)	(115.6)	18.2
Margins			
Revenue Margin	*9.70%*	*10.40%*	*(70 bps)*
Underlying Cost Margin	*(19.09%)*	*(38.88%)*	*1,979 bps*
Underlying PBT Margin	*(8.28%)*	*(15.84%)*	*756 bps*

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Appendix 3: 1H Cash flow statement

$m	1H FY22	1H FY21 (Restated)	Mvmt
Operating activities			
Operating activities before interest and tax	(249)	(669)	420
Net interest and tax paid	24	7	17
Cash inflow from operating activities	**(225)**	**(662)**	**437**
Investing activities			
Acquisitions	1	-	1
Proceeds from sale of St Kilda building	-	62	(62)
Purchases of PPE and intangibles	(18)	(19)	1
Purchases of financial assets	(196)	(2)	(194)
Other investing cash flows	-	-	-
Cash flow from investing activities	**(213)**	**41**	**(254)**
Financing activities			
Net proceeds from issue of convertible note	392	392	-
Other financing activities	(44)	34	(78)
Cash flow from financing activities	**348**	**426**	**(78)**
Increase/(decrease) in cash held	**(90)**	**(195)**	**105**
FX impact	10	(1)	11
Cash and cash equivalents	**1,211**	**1,670**	**(459)**

Appendix 4: Five-year result summary

$m	1H FY22	1H FY21 (restated)	1H FY20	1H FY19	1H FY18
TTV	**$3,263m**	**$1,533m**	**$12,399m**	**$11,155m**	**$10,154m**
Revenue margin	9.7%	10.4%	12.5%	13.0%	13.4%
PBT	($276)m	($313)m	$38.8m	$127.4m	$139.4m
PBT (Underlying)	($270)m	($243)m	$102.7m	$140.4m	$139.4m
NPAT	**($194)m**	**($231)m**	**$22.1m**	**$85.0m**	**$102.2m**
EPS	(97.4)c	(115.6)c	18.7c	84.1c	101.3c
DPS	(97.4)c	(115.6)c	18.6c	60.0c	60.0c
ROE	(22.8)%	(20.0)%	1.6%	5.6%	7.2%
Capex	$17.9m	$59.5m	$59.5m	$50.7m	$42.8m
Selling staff	6,384	5,254	14,682	14,691	14,755
Unrestricted cash	$1,078.0m	$1,172.1m	-	-	-
Restricted cash	$133.0m	$118.7m	-	-	-
General cash	-	-	$186.8m	$283.6m	$361.5m
Client Cash	-	-	$651.0m	$622.6m	$649.4m
Cash and cash equivalents	$1,211.0m	$1,669.7m	$837.7m	$906.2m	$1,010.9m
Financial Asset Investments	$255.2m	$65.1m	$100.3m	$186.1m	$202.6m
Cash and investments	$1,466.1m	$1,734.8m	$938.1m	$1,092.3m	$1,213.5m

Appendix 5: 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
FC = Flight Centre brand
FLT = Flight Centre Travel Group
FX = foreign exchange
FY22 = 2022 fiscal year
1H = first half
GDS = Global Distribution System
GFC = Global Financial Crisis
HOTTE = home of the travel entrepreneur
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
PCP = prior corresponding period
PPE = property, plant & equipment
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