

FLT: Macquarie Conference Presentation

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FLT: Recovery well underway

Travel restrictions removed/significantly eased in most locations as world learns to live with the virus – key catalyst

Company back in EBITDA profit in March 2022

- \$8m underlying EBITDA for the month – global corporate business profitable & leisure business approaching breakeven

TTV rebounding strongly globally

- March TTV almost triple PCP & at 59% of pre-COVID levels (gross) – gaining share in key leisure & corporate markets
- Corporate business back to 76% of pre-COVID TTV globally (gross)
- Group revenue margin tracking below pre-COVID levels, as expected – higher corporate & domestic weightings, channel mix, heavy VFR component in initial international rebound

Positive cash flow

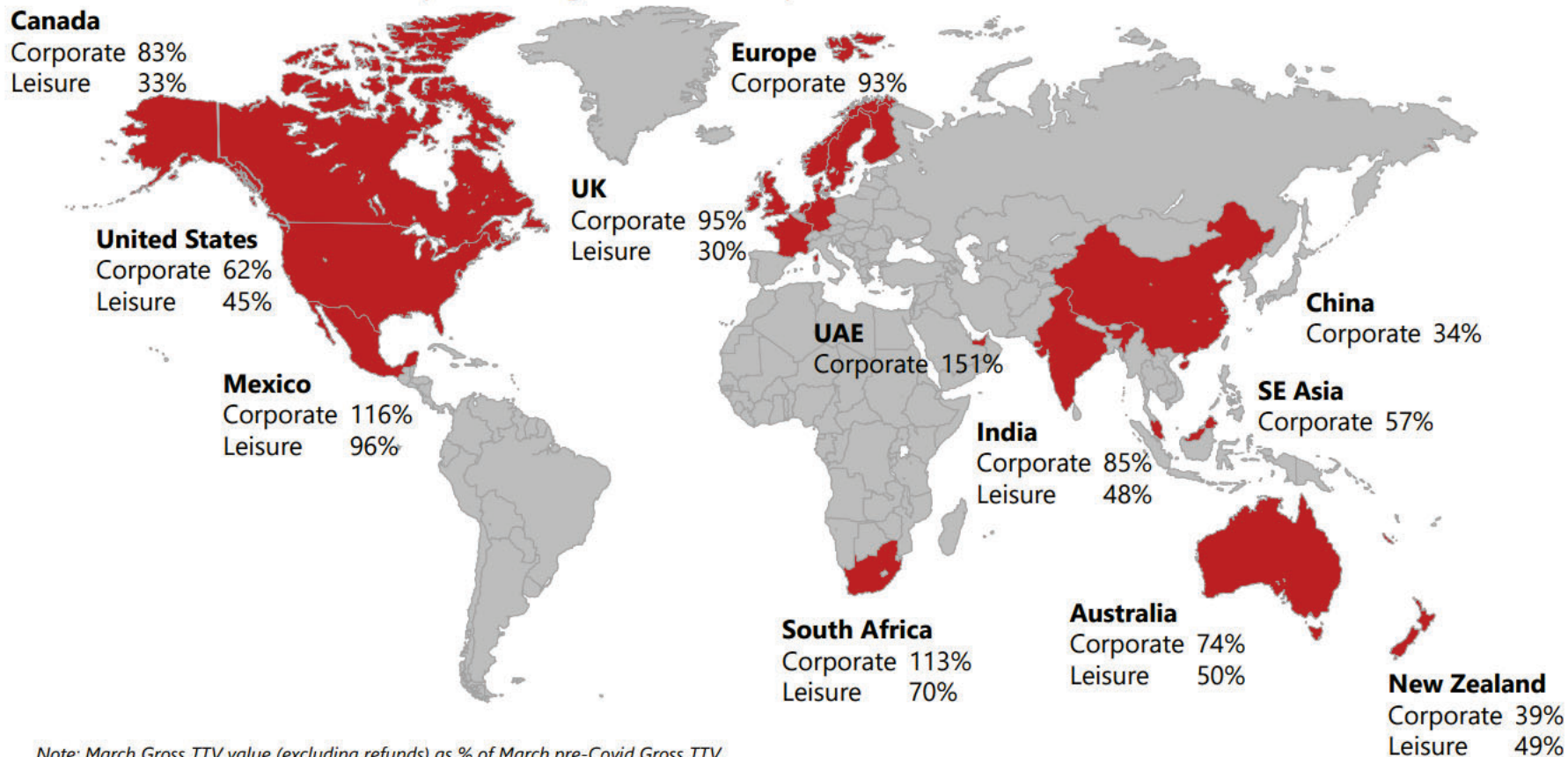
- \$2m operating cash inflow in March 2022 with continued investment in key drivers ahead of larger scale recovery (people & tech)

Strong liquidity position maintained

- Short-term UK loan (GBP115m) repaid in March 2022 – as planned
- Well placed to capitalise on opportunities that are arising, given strong cash position & improved outlook

Global Gross TTV March 2022

Gross TTV for March is at 59% of pre-COVID global sales – Corporate 76% and Leisure 47%



Improved cash flow – positive position in March

Net operating cash flow (\$M)	Dec-21	Mar-22
Hibernation operational costs	(89)	(97)
Capex	(2)	(2)
Hibernation cash costs	(91)	(99)
Variable costs	(14)	(26)
Total cash outflow	(105)	(125)
Cash revenue	62	123
Net operating cash run rate	(43)	(2)
Government Subsidies	4	4
Current net operating cash flow	(39)	2

Strong financial position

Liquidity

As at 31 March 2022	\$m	
Cash and investments	1,306	
Working capital assets (excl. cash and investments)	761	<i>a</i>
Working capital liabilities (excl. client creditors)	(715)	<i>b</i>
Client creditor liability	(587)	<i>c</i>
Total liquidity	765	

Liquidity Covenant – significant headroom

Requires FLT to retain \$1 in cash for each \$1 in debt.

For the purposes of applying this covenant:

- Debt consists of FLT's \$350m in bank debt (FLT repaid the GBP115m short term UK loan 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 are in place until 31 Dec 2022

Notes: All figures presented are unaudited management accounts as at 31 March 2022. Retail and corporate debtors and override debtors are shown gross of provision for doubtful debts of \$30m and \$30m respectively. Cash and investments includes client cash of \$539m.

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






As at 31 March 2022	\$m
Retail and corporate debtors	513
Trade and other receivables	43
Override debtors	94
Accrued revenue	29
Prepayments	28
Other	54
Working capital assets (excl. cash)	761

b) Working capital liabilities (excl. client creditors)

As at 31 March 2022	\$m
Trade creditors	415
Accrued expenses	153
Revenue constraint	15
Employee benefits provision	72
Deferred revenue	35
Other	25
Working capital liabilities (excl. client creditors)	715

c) Represents client funds owed to suppliers included in total available liquidity as at 31 March 2022

Corporate: Strategic update – growing to win

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

Total New wins to FY22 1H

\$4.5 Bn

Cumulative Combined Signed Volume AUD \$m



Corporate: Trading update

Gaining share, returning to profitability & strong upside potential

- **Profitable in March** on both underlying PBT & underlying EBITDA basis
- **Strong momentum globally** – accelerated growth after December-January downturn (Omicron & seasonality)
- **Large potential upside**, particularly in USA, with many customers just resuming travel programs + large pipeline of wins being implemented & yet-to-trade – currently expecting monthly TTV to surpass record FY19 TTV levels some time during FY23 when market recovery reaches circa 70%
- **Organic growth profile delivering market-share gains** – high customer retention & multi-billion dollar account wins across FCM (large market) & Corporate Traveller (SME/start-ups) – headlined by recent Shell win & with strong future pipeline
- **Business now leveraged towards large Northern Hemisphere markets** (Americas & UK/Europe) where FLT has a smaller but rapidly growing market-share
- **Ongoing investment in key growth drivers** – people, products & brands
- **Game-changing new products being deployed globally:**
 - Melon (SME platform) UK launch this month
 - FCM Platform now deployed globally – proprietary booking feature (FCM Booking) launched this month in USA & Canada with UK to follow next month

Leisure: Strategic update

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

1

Cost base structurally & permanently lowered

2

Strong & highly accessible Flight Centre shop network retained in key markets of Australia, NZ & South Africa

3

Shop network complemented by **stronger stable of sales channels & complementary businesses** that are highly scalable – online, B2B & call centres

4

Online growth - capabilities enhanced, & cost effectively capturing a greater share of the overall leisure business

5

Delivering new products & tools to benefit our customers & consultants

6

Driving productivity improvement through an experienced consultant cohort & optimised network & staffing levels in store

7

Growing market share in core markets

8

Reinvigorating the famous Flight Centre brand to coincide with its 40th birthday – omni-channel capabilities being introduced

Leisure: Trading update

Momentum building globally ahead of peak 4Q booking period

Strong recovery continues across all leisure nations

~40% gross TTV growth in March 2022, following ~75% month-on-month growth in February – customers queuing outside popular shops

Productivity well above historic levels – looking to recruit additional consultants to manage volumes as demand continues to return

Shops capturing majority of sales but increasing contributions from B2B, call centre & online businesses

Record TTV from flightcentre.com.au in March 2022 – online holding its share of overall Leisure sales at ~16% in March

Continued rebound in international travel, ~70% of all airline tickets issued by FCB stores in Australia in April, up from 45% in January 2022

VFR (visiting friends & relatives) leading the initial international rebound, as expected



Supply: Strategic update

Large & critically important area now consolidated globally under Melanie Waters-Ryan's leadership

- Encompassing product areas, in-destination businesses, supplier relationships & contracting
- Integrating & further developing **TP Connects platform** – delivering market leading combined search capability across air & land & enhancing all our brands' pricing capabilities & group margin
- **TP Connects delivering air content – GDS, NDC, LCC – to new Melon & FCM Booking tools**
- Global supply division also focused on enhancing:
 - **Core group analytical capabilities** including areas of group revenue management, supply analytics, AI & predictive trends
 - Future growth possibilities – **creating a leading Travel Agency Supply Mart**
- **Ongoing discussions underway with suppliers regarding future margin arrangements**
- **Where air commissions are being reduced in Australia, working with suppliers to offset impacts & generally achieving positive outcomes**

FY22: Guidance & outlook

Momentum Picking Up Globally

- Strong recovery from late January/early February as Omicron concerns abated & as travel restrictions eased
- April TTV likely to be slightly lower than March 2022 (extended holiday periods) ahead of further May-June recovery

Achieving Targeted Return-To-Profit Timeframes

- Global corporate business EBITDA profitable in March 2022
- Leisure business close to breakeven (EBITDA) in March & expected to recover further during 4Q

FY22 Outlook

- Currently expecting continued recovery & overall EBITDA profit during five months to June 30 – significant turnaround after \$184m underlying EBITDA loss during FY22 1H & subdued January (Omicron & seasonality)
- Full year underlying EBITDA loss likely to be between \$195m & \$225m
- Anticipating strong cash generation during recovery

Some Ongoing Industry-wide Growing Pains During Recovery

- Lack of capacity on international routes out of Australia – capacity expected to ramp up significantly during 4Q
- Tight labour markets
- No noticeable impact from Ukraine/Russia, but continuing to monitor developments

CELEBRATING

4

YEARS OF TAKING OFF

END OF PRESENTATION: Questions?

FLIGHT CENTRE
TRAVEL GROUP™

FLT 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
GBP = British Pound
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