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STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – July 25, 2022

FLIGHT CENTRE TRAVEL GROUP UPGRADES FY22 MARKET GUIDANCE

FLIGHT Centre Travel Group (FLT) today amended its 2022 fiscal year (FY22) market guidance following a solid rebound in travel demand globally late in the year.

Based on preliminary FY22 trading results, FLT now expects to record an underlying EBITDA* loss between $180million and $190million for the 12 months to June 30, 2022.

The mid-point in this new range – an underlying $185million EBITDA loss – represents:

- An 11.9% improvement on the mid-point in the company's initial FY22 market guidance of an underlying loss between $195million and $225million; and
- A material improvement on FLT's $337.9million FY21 underlying EBITDA loss

The company now expects to breakeven (underlying EBITDA basis) for the six months to June 30, 2022, a major turnaround after significant losses through to February 2022.

Demand accelerated after concerns about the Omicron strain abated and as governments globally relaxed or removed the restrictions that had grounded most non-essential travel since the start of the pandemic.

With this acceleration, total transaction value (TTV) for FY22 topped $10billion – more than two-and-a-half times the $3.95billion FY21 result – and, on a monthly basis, was tracking near or above pre-COVID levels in a number of businesses by year-end. TTV recovery has, to date, been fuelled by both an uplift in demand and higher than normal ticket prices linked to a lack of airline capacity, particularly on international routes.

"After an incredibly challenging period, we were pleased to achieve our goal of returning to monthly underlying EBITDA profitability in both the corporate and leisure sectors late in the year," FLT managing director Graham Turner said.

"The scale of our recovery exceeded our initial expectations and meant that we should now exceed our preliminary FY22 result target, with early trading results pointing to a breakeven second half result and a healthy fourth quarter profit (underlying EBITDA).

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"There will inevitably be ongoing challenges for the industry over the next six to twelve months as new strains of the virus emerge, airline capacity returns and as we rebuild staff numbers to required levels, but we feel that we are well placed to overcome these concerns given our corporate business's continued rise and our leisure business's ongoing strength.

"In the corporate sector, we are gaining market-share globally through high customer retention rates and a multi-billion-dollar pipeline of new accounts won across our Corporate Traveller and FCM brands during the pandemic.

"Wins range from start-ups and small to medium-sized businesses in Corporate Traveller to enterprise-level global accounts like Shell and other high-profile companies are moving to FCM from competitors.

"In the leisure sector, our success is built on having strong brands and sales channels that are resonating with customers in what is now a more complex travel environment.

"We are seeing positive returns on our investment in new growth models, with offerings like our independent agent channel growing rapidly, and signs of a solid recovery in complementary brands like Travel Money, our foreign exchange business which is again open and profitable.

"In Flight Centre brand, our leisure customer offering will soon be bolstered by the addition of omni-channel capabilities, which will allow customers to move seamlessly between sales channels for the first time. Omni channel capability will allow us to reach more customers and present exciting new deals, flights and holidays that are bookable instantly."

FLT will release audited FY22 accounts on Thursday, August 25.

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*EBITDA = earnings before interest, tax, depreciation and amortisation

FLT's board of directors has authorised this announcement