

FLT: Bell Potter Emerging Leaders Conference Presentation

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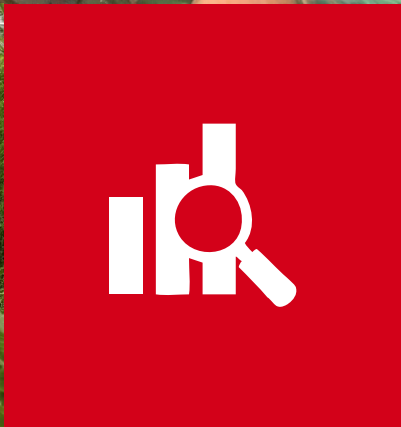
Our company

FLT aims to be one of the largest & most successful, diversified travel companies globally



Ready for take-off ...

- Global network of corporate, leisure & in-destination businesses + separate supply division

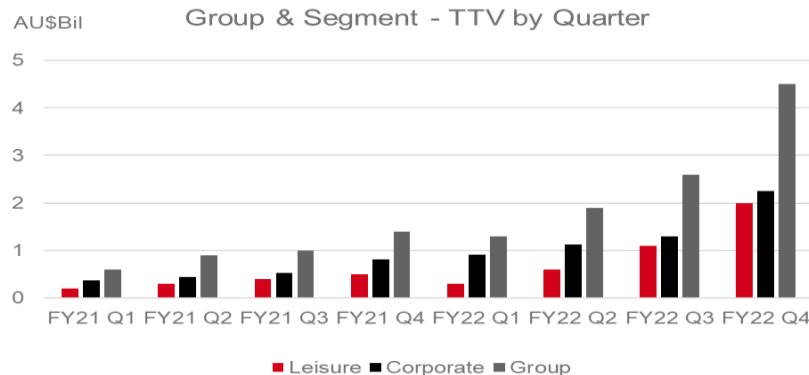


FY22: Result recap

\$10.3b in total transaction value

162% year-on-year TTV growth

- ✓ Accelerated leisure & corporate sales growth driven by higher airfares & demand uplift after governments globally reopened borders
- ✓ Strong 4Q momentum – TTV for 3 months to June 30 2022 exceeded FY21 TTV
- ✓ Full market recovery not expected in FY23, but FLT likely to be tracking close to monthly PC TTV levels by year-end if current trends continue





FY22: Result recap

\$183.1m underlying EBITDA loss

46% year-on-year reduction in losses

- ✓ Result better than initially expected & well within upgraded range (loss of \$180m-\$190m)
- ✓ Modest 2H profit driven by solid 4Q recovery
- ✓ Corporate & leisure return to profitability timeframes achieved
- ✓ Corporate & EMEA businesses profitable for year, Americas profitable during 2H, ANZ profitable four months to June 30

FY22: Result recap

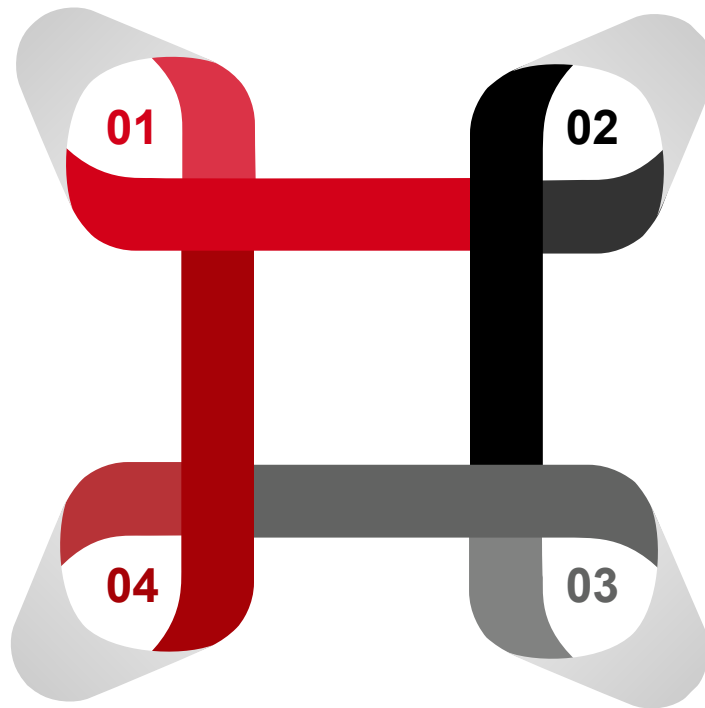
Other key drivers

Cost discipline maintained

48% reduction in underlying costs compared to pre-COVID. Structurally lower cost margins expected in future as conditions normalize

Revenue margin

Year-on-year movement driven predominantly by higher air yields, sales mix changes & timing factors.



Investing for growth

Focusing on key long-term drivers – people, technology & products. Organic growth complemented by strategic M&A

Solid liquidity position

Circa \$1.3b in cash & investments at June 30, with circa \$700m in liquidity + ability to utilize tax losses

Corporate business out-performing

Winning organically & growing market-share

✓ Out-pacing industry recovery

- 158% TTV growth to \$5.6b
- Gross TTV tracking above pre-pandemic levels in June– 6 months ahead of expectations, with transaction volumes at 89%
- Expecting monthly TTV to be tracking circa 120% of pre-pandemic levels by June 2023, with market recovery @ 70%
- Profitable (underlying EBITDA) for FY22 & starting to gain scale benefits

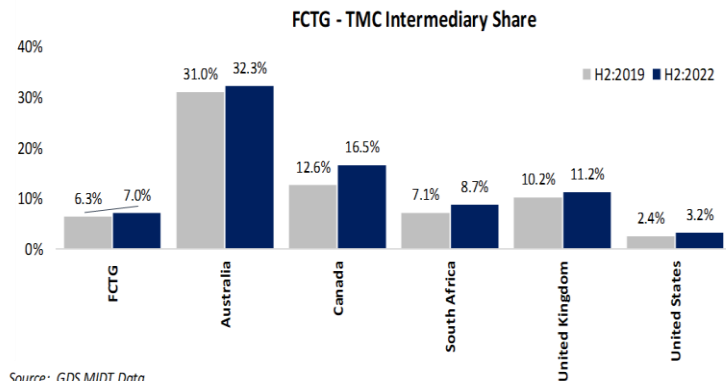
✓ Growing organically

- TTV recovery fed by high customer retention rates & large pipeline of account wins in both large market (FCM) and start-up/SME sectors (Corporate Traveller)
- Accounts with annual spends circa \$2.5b secured during FY22
- Takes total annualised wins during pandemic to circa \$5.8b

✓ Diversity a strength

- Circa 30% of FY22 corporate TTV generated in each of FLT's ANZ, EMEA & Americas segments
- Strong future prospects in Americas, EMEA & Asia given strength of corporate offerings & small but growing market-share in very large markets

Growing to Win in Corporate Sector (2H19 v 2H22)



Source: GDS MIDT Data

Period: H2 (Jan-Jun) 2022 vs 2019

Unit: Air Segments booked in GDS

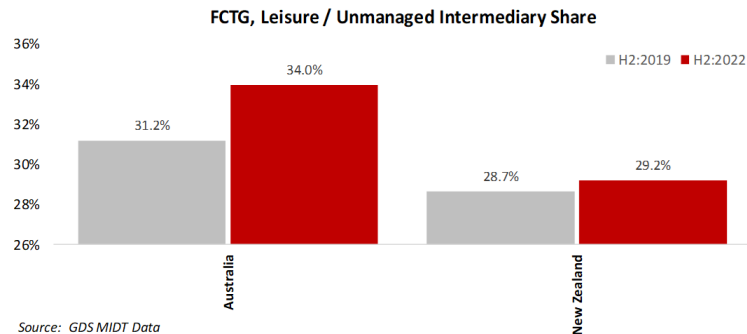
Market Share: Based on all intermediaries categorised as Travel Management Company (TMC)

Leisure recovery gaining momentum

Capturing TTV through a diverse range of channels & brands

- TTV up 197% to \$4.1b during FY22
- Starting to recover more rapidly – 68% of gross PC TTV in June 2022
- Consultant productivity at record levels
- 469 shops now open + additional 43 to re-open in Australia & UK by December 2022 (hibernated shops)
- Market-share increasing in key ANZ sector (circa 70% of FY22 leisure TTV) established shop networks complemented by growth models (See slide 8)
- TTV in South Africa back above pre-COVID levels in July 2022 – traditional shop network delivering 86% of pre-COVID TTV from 46% of traditional network
- Independent agency/agent business now generating 10-15% of leisure TTV globally – on track to top \$1b during FY23
- Building omni-channel capabilities – integrating travel & tech products in an omni ecosystem to provide Flight Centre brand customers with seamless experience in-store, online , via phone or app

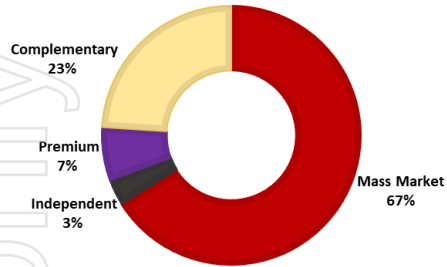
Positive Signs Emerging in Leisure



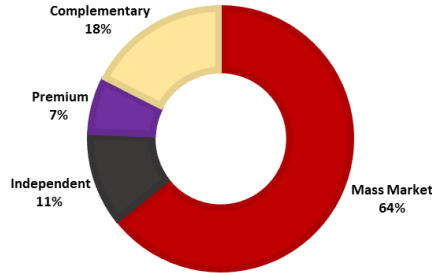
Source: GDS MIDT Data
Period: H2 (Jan-Jun) 2022 vs 2019
Unit: Air Segments booked in GDS
Market Share: Based on all intermediaries categorised as OTA or Agent

Global Leisure TTV: Model Shift

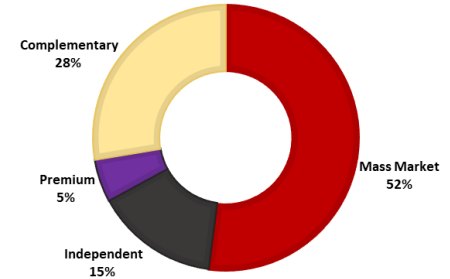
FY19



FY22



FY25 FORECAST



Online Leisure Growth

- Collectively, FLT's leisure online businesses generated circa \$750m in gross TTV during FY22 -captured above within FCB & Complementary (BYO, Student Universe, MyHolidays)

- In Australia, flightcentre.com.au delivered record gross TTV & generated circa 20% of FCB's FY22 turnover

Supply

Formally established as FLT's 3rd pillar during FY22

01

Leisure & corporate supply mart

Delivering & overseeing product & supply-related services including supplier partnerships, content management & connectivity, pricing & revenue management, fulfilment & supply support, consultant support, strategic brand partnering

02

In-destination & Air businesses

Topdeck & Backroads touring businesses, Discova destination management businesses, Cross Hotels & Resorts – hotel mgmt, AVMIN charter air concierge services, TP Connects differentiated air distribution solutions

03

External distribution

The Travel Junction, GoGo – leveraging FLT's products & tech systems to service external customers



FY23: Upside opportunities

Considerable pent-up demand to flow through in market that is recovering but not expected to fully rebound in FY23

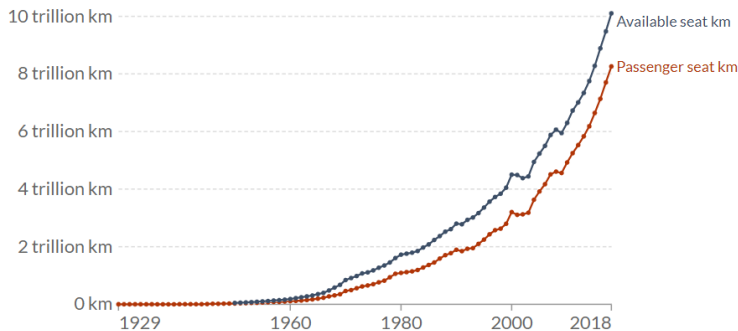
- ✓ **Resilience of global travel market**
 - Consistent year-on-year growth delivered PC – travel is a discretionary product that customers buy annually (a necessity, not a luxury)
- ✓ **Greater need for expert human assistance**
 - Current complexity plays to FLT's strengths in both leisure & corporate – “renaissance of the travel advisor”
- ✓ **Upside potential as normal travel patterns resume**
 - Australian outbound travel tracking at just 35% of PC passenger levels during FY22 2H – peaking at 60% in June
 - Currently weighted towards lower margin/low attachment VFR travellers – accounted for almost half Australian outbound travel during FY22 (Source: Australian Bureau of Statistics)

Travel Resilience: Historically, downturns in travel demand have tended to be short-lived & then followed by periods of strong growth

Global airline passenger capacity and traffic

Available kilometers is a measure of passenger carrying capacity: it is the number of seats available multiplied by the number of kilometers flown. Passenger seat kilometers measures the actual number of kilometers flown by paying customers.

Our World
in Data



Source: International Civil Aviation Organization (ICAO) via Airlines for America

FY23: Outlook

Too early to provide FY23 guidance, given industry is in early recovery phase & experiencing some ongoing volatility – significant parts of Asia yet to reopen

Conditions currently set to normalise as year progresses, ahead of stronger industry recovery globally late in FY24 (*Source: IATA Air Passenger Recovery Numbers*)

FY23 profit & TTV likely to be heavily 2H weighted – reflecting traditional seasonality & timeframe for anticipated return to normal operating conditions

Solid start to the year – similar leisure & corporate recovery trajectories in July & August 2022 (seasonally softer months)

Ongoing strategic focuses on TTV & market-share growth, revenue & maintaining a lower cost regime – aiming to convert 40-50% of incremental revenue to EBITDA during recovery

Supply constraints & changing macro-economic conditions not currently impacting demand or expectations around FLT's recovery timeline, given company's diversity, market-share growth & travel's historical resilience – particularly leisure

Attracting talent

Successfully navigating tight labour markets

Novice Recruitment Programs Reinitiated at Scale

- FLT has a long history of recruiting, training and developing industry newcomers
- Novice recruitment programs reactivated in July 2021 to help expand workforce & service increasing demand

Industry regaining its appeal



Now attracting circa 4500 applicants per month in Australia alone – looking to fill 1500 new roles globally during FY23



Newcomers quickly finding feet

Novice sales averages currently above network-wide averages PC – aided by new Helio booking system

al use only

CELEBRATING

4

YEARS OF TAKING OFF

END OF PRESENTATION: Questions?

FLIGHT CENTRE
TRAVEL GROUP™

Appendix 1: 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

FCB = Flight Centre brand

FLT = Flight Centre Travel Group

FX = foreign exchange

FY22 = 2022 fiscal year

1H = first half

1Q = first quarter

GDS = Global Distribution System

GFC = Global Financial Crisis

IATA = International Air Transport Association

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

PC = Pre-COVID

PCP = prior corresponding period

PPE = property, plant & equipment

RFP = Request for proposal

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

