STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – July 24, 2024

FLIGHT CENTRE TRAVEL GROUP AMENDS FY24 GUIDANCE RANGE

FLIGHT Centre Travel Group (FLT) today amended its 2024 fiscal year (FY24) profit guidance.

Based on preliminary trading results for the period, the company expects to deliver:

- Total transaction value (TTV) in the order of $23.7billion, in line with the record FY19 result and a circa $1.7billion year-on-year increase despite significant airfare deflation during the year and in the second half (2H) in particular
- An underlying profit before tax (PBT) between $316million and $324million, circa 130% growth on the prior year (underlying $138.8million***** PBT)
- A 1.3%-1.4% underlying profit margin (underlying PBT as a percentage of TTV), a significant improvement on the 0.6% FY23 and 0.94% FY24 1H results; and
- A strong margin runway into FY25, with underlying leisure PBT margin exceeding 2% for the FY24 2H and the corporate business exceeding 2% for the fourth quarter (4Q), as FLT made solid progress towards its group-wide 2% margin target

FLT's amended profit range of $316million to $324million excludes circa $4million in trading losses for the Discova Central Americas (DCA) destination management company, following FLT's decision to close the business (previously flagged as under review) and in line with the company's treatment of its other non-continuing business, wholesaler GoGo.

DCA's losses were not excluded from previous FY24 guidance of $300million to $340million given the business was under review when that guidance was provided. Excluding those $4million in trading losses, previous guidance would have been for a $304million-$344million underlying PBT.

As announced previously, FY24 underlying profit results have been adjusted to exclude the impacts of various non-recurring items, thereby providing a truer reflection of the business's underlying performance and future prospects. These were detailed in FLT's 1H result announcement in February 2024 and in the accompanying table, with the DCA closure the only adjustment that has impacted the previous guidance range issued in February.

The table has also been updated to include impairment (non-cash) and one-off restructuring costs, predominantly related to StudentUniverse, which was subject to an internal review during the FY24 2H and then restructured. As announced previously, StudentUniverse is now part of a specialist online travel agency area with BYOJet and Aunt Betty and is targeting break-even during FY25 (FY24: underlying $9.5million trading loss) through synergies and cost reduction opportunities.

Comments from FLT managing director Graham Turner:

"FLT is a diverse global business with a resilient customer base, spanning the leisure and corporate travel sectors, and a proven track record of delivering year-on-year TTV growth.

"While market conditions were challenging during FY24, we again delivered solid TTV growth as customers prioritised travel over other areas of discretionary spend. Year-on-year growth rates were, however, adversely impacted by the Indian wholesale foreign exchange business's closure (FY23: $360m TTV) and significant airfare price deflation during the 2H.

"Average international airfares decreased by 6% globally during the 2H, compared to the FY23 2H, and by almost 13% in Australia to offset the circa 10% growth we recorded in ticket volumes in Australia during the six months to June 30.

"While this has slowed our TTV growth, we welcome this deflation and believe it is a potential tailwind in the months ahead, given it is likely to stimulate further demand for international travel.

"TTV for FY24 is likely to finish in line with our record FY19 result, which means we will have delivered the same level of sales with about 65% of our FY19 workforce, plus an expanding network of independent travel agents and agencies.

"This underlines the positive returns we have started to see on the investments made during the pandemic to create a more productive and efficient business, while maintaining the assets and customer value propositions that have underpinned our long and consistent sales growth record.

"As a result, we are now making meaningful progress towards our target of delivering a 2% underlying profit margin, with revenue margin trending upwards and cost margin stable.

"We expect further improvement in these key metrics in the near-term, particularly as the corporate business's productive operations initiative – a body of work that we have invested significantly in during FY24 to deliver future productivity and service benefits – gains traction.

"From a sales perspective, the corporate business continues to out-perform, delivering another year of record TTV and finishing FY24 about 35% larger in sales terms than FY19, despite customer activity in the sector globally still being about 20% below pre-COVID levels.

"The global leisure business is also recovering strongly, following a major transformation initiated just prior to the pandemic, and is now more efficient, more productive and more profitable than it was pre-COVID."

FLT will release audited FY24 accounts on Wednesday, August 28.

ENDS: Media & investor enquiries to haydn_long@flightcentre.com, + 61 418 750454

*Underlying FY23 PBT adjusted to reflect FLT's treatment of non-cash amortisation relating to its Convertible Notes (CNs), as outlined in its FY24 1H results. Actual costs relating to CNs continue to be captured as normal business expenses

Underlying Adjustments	**Reported 1H**	**FY24 $m**	**Full Year Guidance Provided at 1H**	**Comments**
Gain on Buy-back and remeasurement of convertible notes (non-cash)	(48)	(48)	No change expected 2H	In line with half-year guidance. Further adjustments to come if FLT buys-back additional notes
Amortisation of convertible notes (non-cash)	16	31	Similar amount expected in 2H	As above
SU Impairment (non-cash), restructuring costs and other head office lease impairment (non-cash)	-	45 - 49	No guidance provided, but announced in May that the SU business was under review and goodwill impairment was likely	SU review completed in 2H. No further costs (restructuring / impairment) expected
US Wholesale (GoGo) trading loss & closure costs	7	17 - 19	Losses and costs of circa $10m expected in 2H	In line with half-year guidance. Business closed during 2H - no further losses or costs expected
Discova Americas trading loss & closure costs	-	12 - 14	No guidance provided, but announced in May that the business was under review	Review of business completed in 2H. Business currently winding down, but no further costs or losses expected in FY25
Productive Operations Initiative (predominantly non-cash – accelerated amortisation of legacy systems)	2	16 - 20	Similar run-rate to 1H expected in 2H as well as a further $10-12m in non-cash system decommissioning costs	In line with half-year guidance. Some further costs expected as initiative continues
Employee retention plans - COVID Related Retention Plans	9	9 - 10	Further $3m expected in 2H	Slightly below half-year guidance. Programs now completed – no further costs expected
Total Underlying Adjustments	(14)	82 - 95		

FLT's Board has authorised this announcement

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