

FLIGHT CENTRE TRAVEL GROUP™

STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – August 27, 2025

FLIGHT CENTRE TRAVEL GROUP RELEASES FULL YEAR RESULTS

Highlights & Key Drivers

- Record TTV achieved in a challenging global trading cycle – cautious consumer, geopolitical tension, macro-economic uncertainty, tariff turmoil
- Peak fourth quarter (Q4) trading impacted by escalating Middle East tensions, global downturn in leisure travel to USA & region-specific issues in Asia
- Challenges largely cyclical and likely to be relatively short-term – some early signs of stabilisation
- Strategies in place to address market volatility – aiming to hold underlying costs broadly in line with FY25, while driving further productivity gains
- Strong foundations and positioned for growth in both the leisure and corporate sectors
- New engines of growth – leisure loyalty program launch during FY26 1H

Result Overview

FLIGHT Centre Travel Group (FLT) today released audited FY25 accounts.

As foreshadowed in last month's preliminary trading update, results for the 12 months to June 30, 2025, included:

- Record TTV of \$24.5billion, up 3% year-on-year (YOY) in a challenging global trading cycle
- A \$289.1million UPBT, at the midpoint of the recently revised range; and
- A \$213million statutory PBT – down slightly on FY24

UPBT was tracking ahead of the prior year after the third quarter (Q3) but ultimately finished almost 10% below FY24, with Q4 results significantly affected by:

Headline Results

2025 FISCAL YEAR (FY25)

\$24.5billion in total transaction value (TTV)

\$289.1million underlying profit before tax (UPBT) – in line with revised expectations

\$213million statutory PBT – 3% down on FY24

Adjustments between statutory & UPBT at end of this announcement & as outlined previously

1.2% underlying PBT margin (FY24: 1.3%)

\$0.29 per share fully franked final dividend – \$0.40 per share for the year (in line with FY24 but at a higher pay-out ratio)

Final dividend to be paid on October 17, 2025 to shareholders registered on September 19, 2025

\$450million in capital management initiatives undertaken during FY25

- Underperformance and non-recurring costs in Asia, leading to a circa \$30million year-on-year (YOY) earnings swing in the region (\$9million FY24 UPBT to underlying \$22million FY25 loss); and
- The significant impacts of escalating tensions in the Middle East and the ongoing global downturn in bookings to the United States on leisure results late in the year

This temporary volatility disrupted booking patterns during FLT's peak trading period – some customers either booked closer-to-home overseas holidays or delayed finalising plans – and saw the global leisure business's UPBT dip below its strong FY24 profit. In Australia, bookings to the US decreased by 11% during the 4Q – a sharp turnaround from the 7% increase during the first nine months of the year.

Global corporate profit also decreased YOY, although the business delivered 6% profit growth excluding Asia's FY25 losses and its FY24 profit. Losses related predominantly to trade debtor provisions and region-specific costs associated with local mid-office system changes reported during the FY25 1H, as well as customer downtrading.

As outlined previously, FLT's full year results were also adversely affected by:

- Front-loaded investments in future growth drivers, including airfare aggregator TP Connects, digital enhancements and the global cruise sector; and
- Significantly reduced supplier super over-ride income because of lower TTV growth in core leisure and corporate brands, as outlined below

FY25 Trading Update – Corporate

- \$12.3billion TTV (+2% YOY)
- \$190million UPBT (-10% YOY, but +6%, excluding Asia)
- Corporate Traveller set to become a \$5billion-per-year TTV business and outperforming in large US market
- FCM securing large pipeline of new accounts, expanding addressable markets and set to benefit from industry consolidation
- Tangible productivity gains delivered – 13% improvement over past two years

The corporate business again delivered record TTV but growth in the Corporate Traveller and FCM brands was reasonably modest in a flat global market – pointing to further organic market-share gains – with account wins offsetting widespread client downtrading.

Corporate Traveller outperformed in the US, delivering 12% 2H TTV growth in a contracting market, and should exceed \$5billion in TTV during FY26. The business, which has a high growth, high margin profile, has strong future prospects given the strength of its offerings (people and digital) and its relatively small share in large markets like the US and UK.

Corporate Traveller has again started FY26 strongly in the US, delivering more than 20% TTV growth in July 2025 and establishing a new sales record for the month at a time when the local market contracted about 3% YOY (Source: Airline Reporting Corporation).

Similarly, FCM is well placed for further TTV growth after expanding its:

- Client base - contracted accounts totalling \$1.3billion were secured during FY25
- Product offerings – introducing new tools and readying others for deployment; and
- Addressable markets – delivering a wider range of services to customers, including consulting and an expanded global meetings and events (M&E) offering

FCM also expects to benefit from industry consolidation, given its strong position and profile globally, and is already seeing increased RFP activity and interest early in FY26.

Losses in Asia during FY25 obscured the tangible benefits that have started to flow from the Productive Operations (PO) initiative. For example, TTV per full time employee (FTE) has now increased by 13% (based on average FTE) in the two years since PO was initiated.

Stronger bottom-line results are expected as loss-making operations return to profitability and as the business services higher volumes with a broadly flat underlying cost base.

Trading Update – Leisure

- \$11.8billion in TTV (+6.7% YOY)
- \$175million UPBT (-5.3% YOY, circa 35% above pre-COVID)
- Major TTV growth in Travel Money (+31% to \$1.2billion), Ignite (+20% to \$455million), independent agent/agency sector (+17% to \$2.3billion)
- Scott Dunn & online leisure TTV (excluding StudentUniverse) also growing at 10%+ YOY
- Investments in growth engines – cruise and tour sectors, new loyalty program

Lower margin brands predominantly drove FY25 TTV growth, with Flight Centre brand's TTV increasing modestly and bolstered by average basket-size and components per booking (attachment) growth.

Overall, the leisure business generated 86% of its record FY19 TTV with just 42% of its FY19 FTE workforce, underlying strong productivity gains network-wide and rapid growth in scalable, employee-light offerings such as independent agents and online. Together, these channels delivered circa \$4billion in TTV during FY25, albeit at low margin.

Travel Money and package holiday specialist Ignite also grew strongly, with Travel Money's wholesale foreign exchange offering contributing \$340million in TTV in its second full year.

Cruise and tour sales in Australia increased circa 20%. The reintroduced Cruiseabout network in Australia and the acquired Cruise Club business in the UK made solid TTV contributions but collectively incurred circa \$5million in losses while FLT invested to ready both businesses for meaningful future profit contributions.

FLT has unveiled plans for a leisure loyalty program starting later this calendar year and initially encompassing Flight Centre, Travel Associates and Cruiseabout in Australia.

This program will create a new engine of growth by:

- Rewarding customers across the entire travel journey with the most accessible and diverse redemption options in market
- Unlocking value for suppliers with new levers to grow sales and stronger access to customer data; and
- Creating new partnerships beyond travel and deepening supplier relationships

For FLT, the move is expected to accelerate digital and data-driven personalisation, expand revenue streams, increase basket-size, improve retention and reactivate dormant customers.

Balance Sheet Strength Paving the Way for \$450m in Capital Management Initiatives

- \$200million convertible note buy-back completed during the 1H
- Circa \$60million on-market issued capital buy-back (up to \$200million program)
- \$92million in fully franked dividends returned to shareholders (via FY24 \$0.30 per share final dividend and FY25 \$0.11 per share interim dividend)
- \$100million in bank debt repaid

In addition, FLT's directors today declared a fully franked \$0.29 per share FY25 final dividend, taking payments for the year to \$88million (\$0.40 per share) and representing a 52% return of underlying net profit after tax (FY24: 38%). This higher pay-out ratio underlines FLT's confidence in its balance sheet strength and future prospects and takes the total investment in capital management initiatives since the start of FY24 to almost \$1billion.

Under its capital allocation framework, FLT continues to assess investment opportunities, with further proactive capital management activities expected in FY26.

Strategic Response to Cyclical Challenges

Targeted measures are in place to address short-term volatility, while positioning FLT for accelerated profit growth in an improving cycle. These measures include:

- Cost optimisation – holding underlying costs broadly in line with FY25 through productivity gains and with cost reduction strategies offsetting inflation in some areas
- Capital discipline – a 15%-20% FY26 capital expenditure reduction, with ongoing prioritisation of key initiatives
- Portfolio refinement – closure or repositioning of under-performing assets, including StudentUniverse and The Travel Junction (both closed), US leisure business Liberty (rebranded to Envoyage) and touring business Topdeck (repositioned early FY26)
- Leveraging supplier relationships to capitalise on evolving travel patterns, emerging trends, including new air distribution models (NDC), and to optimise margins; and
- Growth investments in artificial intelligence (AI), loyalty and high performing sectors, including cruise, tours and M&E in corporate (+35% FY25 TTV)

Benefits are also expected during the 2H from the Global Business Services (GBS) area's initiatives to enhance efficiency and lower costs across support areas with a circa \$20million monthly cost base. Current focus areas include finance and technology structures, a new human resources information system and business process outsourcing optimisation.

AI Transformation

FLT has established enterprise partnerships with Quantum and Anthropic to embed AI in customer service, productivity and operations, and to complement initiatives that are underway within the company's AI Centre of Excellence.

The corporate PO initiative, which is now starting to deliver meaningful benefits, is using AI to route inbound requests more intelligently to consultants. In addition to enhancing CX, this capability has assessed more than 5million requests with nearly 50,000 FTE hours saved.

FCM's "Sam" product has also been super-powered with agentic AI and relaunched as a virtual travel assistant connected to FCM's platforms. Sam can now answer routine travel questions and perform actions on behalf of the traveller, autonomously.

The leisure business continues to invest in AI and broader digital initiatives and is set to deliver a significant uplift across its brand stable through:

- The upcoming rollout of the Salesforce CRM, DataCloud and Loyalty platforms, equipping consultants with rich customer insights and leveraging AI to automate routine tasks, improve conversion and drive productivity
- New Travel Associates, Cruiseabout and customer loyalty apps; and
- The introduction of AI Co-Captains in store to automate information retrieval and trip proposal generation, freeing up consultants to focus on high-value service

Comments From Managing Director Graham Turner

“After two years of strong recovery post-COVID, FY25 proved to be a more challenging trading period. The challenges we encountered should not, however, prove to be long-term headwinds for our business given they were:

- Generally cyclical and potentially short-term in nature; or
- Within our control and, therefore, able to be addressed internally

“While we expect some ongoing turbulence early in FY26, we are also starting to see signs of stabilisation, which mirrors our experiences after other cyclical downturns. Historically, travel has proven to be a resilient sector with a long record of year-on-year growth.

“To boost earnings in a volatile climate, we have implemented strategies to hold underlying costs at FY25 levels, while pursuing TTV growth opportunities. Looking further ahead, strong capital management, brand and geographic diversity, productivity initiatives and ongoing investment in new growth engines, such as loyalty, cruise and events, position FLT for improved profitability and resilience.”

FY26 Outlook

FLT believes the cyclical challenges that affected FY25 results will continue to impact booking and travel patterns early in FY26. While these challenges are likely to be short-term, FY26 1H UPBT is expected to be reasonably flat given a degree of ongoing volatility early in the Q1 and the comparatively strong FY25 2Q result.

Accelerated profit growth is expected during the 2H as key projects gain momentum and as the trading cycle gradually improves, with the prospect of further interest rate cuts in some countries helping to alleviate cost of living pressures and boosting consumer confidence.

Some early signs of stabilisation are already starting to emerge including:

- Improvement in some key consumer confidence metrics
- Stronger TTV growth across both the leisure and corporate sectors, highlighted by Corporate Traveller's record July TTV; and
- Growth in leisure enquiry and web traffic as the company's brands' value propositions continue to resonate with cautious consumers

Targeted response plans have been implemented to address short-term cyclical challenges, while longer-term focuses on cost discipline and productivity gains have been maintained to deliver sustainable, structural change.

During FY26, profits should also be boosted by:

- Stronger returns on investment in various initiatives, including PO, as outlined above

- Improvement in Asia, now issues that impacted FY25 results are being addressed
- Benefits flowing from the GBS area's initiatives during the 2H; and
- A rebound in super over-ride income if TTV growth accelerates in an improving cycle

FLT is working with its airline partners to boost margins and deliver savings to customers via NDC, which now has a 10-15% adoption rate within FLT globally and is above 50% with some key carriers. In Australia, the company is building on its longstanding Qantas NDC relationship and growing sales under the airline's new Premium Channel.

FLT expects to provide FY26 market guidance at its Annual General Meeting on November 12, 2025. The company will prioritise sustainable YOY profit growth in the near-term, while retaining its longer-term focus on delivering a 2% UPBT margin.

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FY25 Result Webcast: FLT's full year result investor webcast will be held from 10am today and can be accessed via the following URL: <https://webcast.openbriefing.com/flt-fyr-2025/>

Underlying profit adjustments	FY25 \$'000
Net Profit Before Tax (PBT)	212,621
Amortisation of convertible notes	25,121
Gain on buy-back and remeasurement of convertible notes	(11,466)
Student Universe hibernation & trading loss	10,668
TTJ trading loss & closure costs	11,015
GBS Project incl HRIS	8,745
Leisure Loyalty program	15,342
Productive Operations initiative	23,873
Right of use asset impairment reversal	(6,854)
Underlying PBT	289,065

Flight Centre Travel Group Limited's Board has authorised this announcement