FLIGHT CENTRE TRAVEL GROUP™

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Chairman and Managing Director's AGM Speeches

Following are speeches that will made by Flight Centre Travel Group Limited's Chairman and Managing Director at this morning's AGM. They include a trading update and FY27 profit guidance. Both speeches have been authorised by Flight Centre's board.

Yours sincerely

David Smith

Company Secretary

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CHAIRMAN'S ADDRESS TO THE AGM

Good morning, and welcome to this year's Annual General Meeting. On behalf of the Board, thank-you for joining us as we reflect on FY26 and look ahead to the year now underway.

FY26 was a year of mixed fortunes for our company.

During the 12 months to June 30 2026, we delivered record total transaction value (TTV) and year-on-year growth across most profit metrics, in a trading environment that became increasingly challenging during the fourth quarter as escalating Middle East hostilities disrupted global travel. Flights to and through key Middle Eastern transit hubs were grounded for an extended period, and cancellations of booked trips rose.

That disruption struck at our busiest trading period, and it cost our leisure business an estimated $60million in profit – a disappointing end to what had, until then, been a very strong year.

At the end of the third quarter, the company was tracking near or above the top of its guidance – an underlying profit before tax or PBT between $315million and $350million.

Group total transaction value (TTV) growth eased from 6.9% over the nine months to March to 4.7% for the full year, reaching a record $25.7billion, with growth in both our leisure and corporate divisions.

Underlying EBITDA rose 3.9% to $466million, while underlying PBT declined 4% to $278million.

Statutory PBT increased modestly to $213million, and statutory net profit after tax rose 38% to $149million – a post-pandemic high.

I want to again acknowledge how magnificently our people responded to the Middle East challenge.

They helped tens of thousands of customers navigate a path through the turbulence, and customer satisfaction – measured in Net Promoter Scores – soared to record highs in several brands, including Flight Centre, during the very quarter when the disruption peaked.

In leisure, we secured and passed on more than $250million of refunds to customers for airfares alone after Middle East tensions escalated, while helping thousands of others rearrange their plans.

In terms of financial results, our corporate division tells a different story, and it is a powerful illustration of the diversity of our business model.

Corporate delivered TTV growth of 2.9% to $12.7billion. Its bottom-line performance was far more impressive – underlying PBT grew 28% to $240million.

Corporate was shielded to a much greater degree from the Middle East disruption, and its profit growth almost entirely offset the decline in leisure. We saw particularly strong results in the United States, where TTV topped $US2billion for the first time. Corporate Traveller also continued to grow strongly, with TTV up 8% – or 13% in constant currency – as that business targets rapid expansion across key Northern Hemisphere hubs.

It would be unfair, however, to judge our leisure business purely on its profit outcome.

At the end of the third quarter, leisure was performing well and had a realistic prospect of delivering a $200million underlying PBT for the year, which would have been a very notable result. Leisure ultimately delivered 7.4% TTV growth to $12.6billion, but underlying PBT fell 21.7% to $139million.

We saw encouraging results in the priority growth areas we have identified for the future – cruise, touring and luxury travel – and Travel Money's wholesale division, a recent start-up, continued its strong trajectory, with TTV almost doubling to circa $700million.

Turning to capital management, an area the Board devotes considerable attention to, we returned $87million, or 47% of underlying NPAT, to shareholders through the 30 cent per share final dividend and the 12 cent per share interim dividend – both fully franked.

Combined FY26 dividends were up 5% year-on-year to 42 cents per share, and earnings per share rose 43% to 71 cents.

Together with the $200million on-market share buy-back completed during the year, total capital returned to shareholders comfortably exceeded the top end of our 50-60% target payout range under our current capital management policy. That underscores the Board's confidence in the business and our commitment to shareholder returns.

We completed our $200million on-market share buy-back in full and, in July 2026, initiated a further buy-back of up to $200million. To date, we have bought back more than 20million shares via these programs.

In addition, we issued a new $450million convertible note to strengthen our balance sheet, retire our 2028 notes and part-fund the Iglu cruise acquisition.

And we continued to reshape our portfolio – divesting non-core assets, including Cross Hotels and Resorts and our minority holding in the Pedal Group cycle joint venture, for around $80million in cash. We also fast-tracked expansion in priority sectors through

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acquisitions such as Iglu in cruise and Fresh in UK meetings and events, and invested in Blockskye to enhance our payments and expense capabilities.

Artificial intelligence is increasingly central to how we serve customers and run our business. Accordingly, we are investing significantly in this area, and Skroo will speak about AI in greater detail in his address later this morning.

We also continue to invest in sustainability and giving back.

Our Annual Report contains our first mandatory climate-related financial disclosures under AASB S2, a foundation on which we will build, including full Scope 3 disclosure from FY27.

Beyond formal climate related disclosure, we operate a broad environmental, social and governance program. We continue to give back locally through the FC Foundation, globally through our new FCTG Gives platform, and through the time our people volunteer – all matched by the company. Our partnership with Reforest, through the Flight Centre Brand Planted With Purpose program, has now funded more than three million trees, supporting both natural environments and local communities.

Looking to the year ahead, we are encouraged by what we are seeing.

The disruption we encountered in FY26 was cyclical, not structural, and we are already seeing the leisure sector rebound – July was our strongest ever month for leisure TTV, surpassing the pre-pandemic 2019 peak, and long-haul travel from Australia is showing early signs of recovery.

Corporate trends remain consistent with the fourth quarter, though FY27 corporate results are expected to be second-half weighted, reflecting FY27 first half investment in Corporate Traveller's expansion and the timing of newly won accounts starting to trade. Customer sentiment remains healthy, with the large majority of our corporate customers expecting to increase or maintain travel budgets in the year ahead.

Our FY27 priorities are clear: stabilise leisure momentum following the fourth-quarter disruption, execute on our cost and capital management plans, and continue to grow TTV across every brand. We will keep monitoring world events and respond to short-term challenges as they arise, while continuing to refine our offerings for the long term.

FY26 was, in the end, a year of solid underlying progress overshadowed by a one-off shock. It underlined both the resilience of our people and the strength of a diversified business model in which corporate's continued growth was able to substantially offset a disruption in leisure that was beyond anyone's control.

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On behalf of the Board, I thank our people for their efforts throughout the year, and I thank you, our shareholders, for your continued support. We look forward to updating you on our progress as the new financial year unfolds.

Before I invite Skroo to address the meeting, I would like to make special mention of Rob Baker.

As you will know, Rob has announced his intention to retire from our Board at the conclusion of this meeting. He has served on our Board for the past 13 years and, in that time, has made an enormous contribution to this company.

Rob's sound judgement, deep commercial acumen and steady counsel have been invaluable to the Board through some of the most challenging periods in our history, and his dedication to the interests of shareholders has never wavered.

I want to sincerely thank Rob for his wisdom, his generosity of time, and his unwavering commitment. We wish him all the very best in his retirement.

I'd also like to formally welcome Gareth Turner to the Board.

Gareth brings extensive experience to the role, and we are delighted to have him join us. Following the conclusion of today's meeting, Gareth will succeed Rob as Chair of the Board's Audit and Risk Committee. We look forward to his contribution.

Gareth's appointment is part of a broader focus that the board and executive are undertaking on succession.

At the executive level, the board has been working with external advisors to identify and assist in the further development of our existing cohort of senior leaders. We have a very strong group of senior executives whom we want to retain and assist in further developing their skills, both for their personal development and for the company's benefit. We are well positioned for succession across our senior leadership group.

We also have a long serving and, in my opinion, very capable and diligent Board.

Board renewal is important and a process is underway to identify suitable candidates. We intend to make further changes in the coming years and this will encompass Chair transition.

We have traditionally favoured a small Board, but we have the option of expanding the board size if we believe that doing so is in shareholders' best interests.

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Turning to the formal business of the meeting, the resolutions on today's agenda have widespread support from proxy advisors.

One advisor, ISS, has recommended votes against two resolutions, including adoption of the Remuneration Report.

We recognise that the company may – for the first time ever – incur a first strike against the Remuneration Report today, given that it appears we may fall just short of the 75% shareholder approval that we require.

The Board is disappointed with this outcome and takes it seriously.

In our engagement with shareholders, the concerns raised do not relate to the amount we pay our people or the one-off use of discretion to pay part incentives to some executives during FY26. Concerns relate more to the way our remuneration packages are structured and how they are presented externally.

We have listened, we will take the feedback on board, and we will report back on how we have responded in next year's Remuneration Report. We will continue to engage with shareholders and proxy advisors as part of that process.

I now invite Skroo to address the meeting.

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MANAGING DIRECTOR'S ADDRESS TO THE AGM

Introduction

Thank you, Gary, and thanks for joining us for the first AGM at our global headquarters. Today, I will cover our FY27 outlook and targets, early trading, AI and capital allocation.

In headline terms, we are initially targeting FY27 underlying PBT of $290million to $325million, with a first half below last year and a second half that carries the year.

That outlook rests on foundations I believe are strong, so let me start by outlining why I am confident about where our business is heading.

After a strong post-COVID recovery, we have endured two volatile years. Both times, the volatility hit during the fourth quarter, our peak trading period, magnifying the impact and obscuring the progress we have made building stronger foundations.

I believe the business is well placed for the future, with clear strategies in both corporate and leisure that are being executed.

Outside of the pandemic, we have generally grown TTV year after year, highlighting our diverse global business's continued relevance to customers.

That growth is predominantly organic, and it is driven by three factors.

First, overall market growth. Travel is resilient – the International Air Transport Association projects global air passenger demand will more than double between 2024 and 2050.

Second, rapid expansion in attractive sectors, such as cruise, tours, luxury and foreign exchange in leisure, and meetings and events in corporate.

Third, a larger addressable market, as we expand into new sectors such as payments and expense, wholesale foreign exchange and World360 Rewards partner revenue.

We also benefit from recurring business. About 60% of Flight Centre brand customers this year are repeat, and we expect that to grow as World360 Rewards takes off. The percentages are higher in corporate and luxury.

Our challenge in recent years has been converting TTV growth into bottom-line profit growth.

We are confident we can close that gap, and we are already acting by:

- Optimising our networks, as Gary highlighted
- Maintaining cost discipline – our FY26 cost margin approached record low levels
- Delivering meaningful efficiency and productivity gains; and
- Scaling AI to lift service and build an advantage that is hard to copy

FY27 Guidance and Trading Update

For FY27, we will initially target an underlying PBT between $290million and $325million. This represents 4-17% growth on the $278million FY26 result and, at the midpoint, is broadly in line with current market expectations.

Three factors will largely determine where we land within that range:

- The strength of the leisure business's fourth quarter recovery

- Returns on corporate's investments as the year progresses; and
- Our ability to offset higher net interest expense and weaker touring earnings, which together are expected to reduce Global HQ's first half result by $11million-$13million

We will also monitor market conditions, particularly the Middle East tensions that continue to affect some businesses, and macro-economic volatility that may impact future demand.

Turning to trading, the early FY27 trends we reported in August have generally continued – leisure is performing well, while corporate profit is below its strong FY26 result as we invest for a stronger second half.

Leisure has delivered healthy top and bottom-line growth that has so far more than offset investment in World360 Rewards – costs that were previously taken below the line.

Higher interest rates in Australia are making big-ticket holidays harder to afford for families, but independent retirees and those who are mortgage-free continue to prioritise travel. The UK and USA are among our most popular destinations, ranked second and fourth respectively, with solid growth being seen in value destinations such as Vietnam and Bali.

Cruise sales also continue to grow solidly as we maintain our strategic focus on expanding in this highly attractive sector. Our exclusive 12-month charters are proving popular, with about 85% of year-one itineraries now sold, along with 35% of year-two.

World360 Rewards, another leisure strategic priority, now has about 750,000 Australian members earning points through partners including ANZ, Westpac group, Caltex, THE ICONIC, Bupa and more than 350 retailers.

Early results show the program is working. Members spend about 40% more per booking at Travel Associates and almost 30% more in Flight Centre shops, and they convert from enquiry to booking about four times the rate of non-members.

It is also winning new customers – about two in three members had never booked with us or hadn't in more than three years. More than 160,000 have since booked.

This month, we launch World360 Rewards for Business through Corporate Traveller and Flight Centre Business Travel, letting small and medium firms earn points on spend they already make, redeemable for travel at Flight Centre, Travel Associates and Cruiseabout.

As flagged with our FY26 result in August, we expect first half corporate profit to be lower, reflecting timing factors and up-front investment rather than underlying demand.

The first half comparison is also adversely affected by a non-recurring $5million reversal of bad debt provisions in the Asian corporate business last year. That business is now part of a broader APAC structure that simplifies management and reduces costs.

Globally, corporate TTV increased about 7% in constant currency in the first quarter, led by the USA – the world's largest corporate travel market – where TTV rose about 15% in US dollars. In Australian dollars, global TTV growth was only 1.2%, reflecting currency translation rather than underlying demand.

Further TTV growth is expected as we exit the first half, with FCM onboarding accounts won in the FY26 fourth quarter, including customers with annualised spend above $350million that will start trading this month and next. In addition, we are looking to capitalise on a large

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volume of RFPs now in market globally, and FCM has already secured accounts with estimated annual spends of $400million so far this year, with most set to start trading during the second half.

We continue to invest in our increasingly popular proprietary booking tools – Melon in Corporate Traveller and FCM Booking – to maintain our strong position in an evolving sector.

The strategic focus now is on interoperability, building on our strong foundations and service ethic by bringing together our proprietary technology and AI-powered travel management tools, direct connect content and integrated expense and meeting tools in one platform for a seamless booking flow.

FY27 Results Likely to be Second Half Weighted

As always, our group profit for FY27 will be heavily second half weighted.

In FY24, the most recent full year without a significantly disrupted fourth quarter, underlying profit before tax split 34%-66% between the first and second halves. In FY27, we expect a steeper skew, with the first half closer to 31% of the full-year result.

The main driver of this swing is likely to be leisure, which has a very strong fourth quarter growth opportunity given the war-related challenges late in FY26. During FY26, leisure delivered a $2.4million underlying PBT during a highly disrupted fourth quarter, compared to $63million in stable conditions during the corresponding period in FY24.

Four additional factors weigh on the first half, representing a combined drag of circa $30million, but should ease in the second, further fuelling the skew:

- First, moving Productive Operations and World360 Rewards costs above the line creates a $16million shift. Productive Operations costs stay about $6million a half, but World360 Rewards costs fall from $10million during the first half to $6million
- Second, up to $5million upfront investment in corporate SME growth in the Northern Hemisphere, which should pay back as new clients start trading
- Third, the $5million reversal in Asia that I just outlined. There were no reversals in the second half of FY26, creating a more like-for-like comparison
- Fourth, a significant earnings swing in global touring. Ongoing Middle East tensions have hit the first half, taking touring from a $3.5million profit last year to an expected $1.5million loss. We expect the second half to more than offset that, with a return to profit against a loss last year

On top of those, group-wide net interest expense is expected to be $6million-$8million higher in the first half, a run-rate that is set to continue in the second half.

AI

Let me now turn to AI, which is central to how we convert growth into profit.

In corporate, our AI-based email triaging – an early initiative - now saves our people thousands of hours a year collectively.

Our AI-powered quoting tool, Workspace Quote, has cut the average time to send a customer a trip proposal from 17 minutes to 6, and its latest iteration, for some 290 FCM and Corporate Traveller customers, is reducing that to 3.5minutes.

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Touchless transactions in FCM have more than doubled under Productive Operations, from under 30% to 60% across mature businesses and in single-operating-model markets, improving service and unit economics through AI and broader capability enhancements.

We are also moving from efficiency to new customer experiences through our digital assistants for travellers and travel arrangers, Sam in FCM and Mel in Corporate Traveller.

In the first four months of FY27, Sam alone had some 134,000 conversations, saving customers an estimated 9000 hours. Fully AI-powered booking via Sam is now being tested with various FCM customers.

In leisure, we are embedding AI throughout the customer journey, as illustrated on this slide.

Our proprietary AI solution, Co-Consult, lets consultants set objectives while 13 pre-trained AI agents find the most appropriate travel product. During the past three months, AI agents have handled almost 20.000 requests and trip construction for new consultants now takes less than 20 minutes, down from more than 60.

Our AI Trip Support Agent (AIBQ), deployed in August, has handled more than 10,000 customer queries with an 80% successful resolution rate. It is an alternative to call centres, with a cost to serve of 11 cents per customer versus about $40 per traditional support call.

AI will disrupt parts of travel, and its agents will increasingly search for and recommend trips. We believe that favours businesses with scale, supplier relationships, proprietary tech, payments and data, and people customers trust when plans change or are disrupted.

Complex, high-stakes travel is where human expertise matters most, and AI makes our people better at it. And as merchant of record, we are accountable for the booking, the payment and the outcome - areas that are harder for AI agents to replicate.

Capital Allocation

Our approach to capital allocation is simple and disciplined – we invest where we believe it creates the most value for shareholders.

The buy-backs Gary outlined helped drive 43% earnings per share growth in FY26, but we retain flexibility to change course if other options, such as reducing net interest expense, managing our Convertible Notes or pursuing M&A, would create greater shareholder value. For example, using some of our healthy cash balance to reduce debt could cut the net interest expense I just flagged, which we will weigh against near-term buy-back returns.

We will continue to manage our Convertible Notes to avoid dilution and will consider strategic M&A where returns compare well with other uses of capital, including buy-backs.

Conclusion

Let me close with four key messages.

First, our foundations are solid. TTV growth is consistent and largely organic, and we have clear initiatives to convert it into stronger profit.

Second, FY27 is a year of contrasting halves, with first-half underlying PBT below last year's $125million, reflecting timing factors and up-front investment.in the corporate business, and

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the second half showing the business's real earnings power – particularly if conditions stabilise or improve.

Third, we have momentum where it matters. Leisure has rebounded, our corporate business is winning accounts and growing strongly in key markets, particularly the USA, and we are building an all-in-one solution that goes beyond traditional travel management.

Fourth, we are using AI to serve customers better and run the business more efficiently, from a position of strength.

Thank you for your continued support. We look forward to updating you on our progress.

I now invite Gary to again address the meeting.

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