



Flight Centre Travel Group 2022 AGM report

ASX code	FLT
Meeting date	14 November 2022
Type of meeting	Physical (no webcast)
Monitor	Kelly Buchanan
Pre AGM-meeting	Yes with Chair Gary Smith, MD Skroo Turner, and Shareholder Relations Head, Haydn Long

Meeting Statistics

Number of holdings represented by ASA	85
Number of shares represented by ASA	138,954
Value of shares represented by ASA	\$2.34m
Total number attending meeting	16 shareholders, 154 guests many of whom were FLT employees
Market capitalisation	\$3.2 billion
ASA open proxies voted	On a poll. ASA voted in favour of all resolutions

Flight Centre’s first in-person AGM since 2019 was held in the company’s usual laidback style with plenty of jovial banter among board members and executives. There was no online option for shareholders as the company is still conserving cash as it recovers from dreadful losses during the pandemic.

All resolutions were passed with over 98% support, including the company’s very unique remuneration structure as well as the re-election of its Chairman who is no longer considered independent.

Your monitor asked the only question from the floor. I asked for more clarity on the further resumption of the company’s Business Ownership Scheme (BOS), which is its equivalent of a Long Term Incentive program. Happily, the company plans to continue the resumption of the program, which nicely aligns the interests of executives with those of shareholders.

The Chairman and CEO’s addresses both focused on the company’s forward momentum, which continued even during the lockdowns. Although nearly all travel and therefore revenue stopped, the company itself battened down the hatches, conserved cash, and continued to push forward by looking to the future once the pandemic reached its ultimate conclusion. The company made several small acquisitions in both the travel and the technology sectors. Perhaps more importantly it ramped up its corporate travel arm, which is now larger (by revenue) than its leisure business. Despite still subdued levels of travel this division had the highest TTV (Total Transaction Value) ever, which was driven by new accounts and good client retention.

Overall, travel has not yet returned to pre-pandemic levels. The first wave of travel recovery was VFR travel (Visiting Friends and Relatives) and the company expects a recovery in leisure travel to follow. It believes its capacity is still too tight and prices are still too high but once those issues are in the past there will be a gradual increase in travel with many customers enquiring about and planning travel in the coming year. The CEO believes travel is now considered as a necessity rather than a discretionary expense.

Although the company didn't give specific guidance it is targeting a \$70-\$90m underlying EBITDA profit for H1 (PCP \$184m loss). It expects a more rapid recovery in H2, which typically provides 60-70% of the profit for the year. Further tailwinds will be added by an uplift in airline capacity, the REX expansion in Australia, the return of Chinese carriers to drive price competition, and FLT's now lower cost base.

Directors were all available to and engaged with shareholders after the close of official proceedings.

Considering the pandemic could have been a death blow for this business, it has emerged stronger, leaner, and with excellent growth prospects for the future.

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