

FLIGHT CENTRE

TRAVEL GROUP™

APPENDIX 4D
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

FLIGHT CENTRE TRAVEL GROUP LIMITED (FLT)

ABN 25 003 377 188

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APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN BRIEF	DECEMBER 2024 \$'000	DECEMBER 2023 RESTATE ³ \$'000	CHANGE \$'000	CHANGE %
Total transaction value (TTV) ¹	11,691,975	11,327,351	364,624	3.2%
Revenue	1,328,008	1,287,322	40,686	3.2%
EBITDA ²	178,158	219,143	(40,985)	(18.7%)
Statutory profit before income tax	88,241	120,236	(31,995)	(26.6%)
Statutory profit after income tax	59,593	86,663	(27,070)	(31.2%)
Statutory profit attributable to company owners	60,471	86,603	(26,132)	(30.2%)
Underlying EBITDA^{2,3}	192,730	191,168	1,562	0.8%
Underlying profit before tax^{2,3}	116,791	109,261	7,530	6.9%
Underlying profit after tax ^{2,3}	78,628	77,647	981	1.3%

¹ TTV is non-IFRS financial information and is not subject to review procedures, and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue and other income from other sources. FLT's revenue is, therefore, derived from TTV.

² EBITDA, Underlying EBITDA, Underlying profit before tax (PBT) and Underlying profit after tax (PAT) are non-IFRS measures and not subject to review procedures. Refer to table on page 3 for reconciliation of statutory to underlying results.

³ Discova Americas was closed in June 2024 and disclosed as underlying in the 30 June 2024 financial statements. The 31 December 2023 comparative has been restated to include Discova Americas trading loss for the period as an underlying adjustment.

DIVIDENDS

	AMOUNT PER SECURITY CENTS	100% FRANKED AMOUNT CENTS
31 DECEMBER 2024		
Interim dividend ⁴	11.0	11.0
30 JUNE 2024		
Interim dividend	10.0	10.0
Final dividend ⁵	18.0	18.0

⁴ On 26 February 2025, FLT declared an interim dividend out of FY25 profits. The record date for determining entitlements to the dividend is 27 March 2025 and payment date is 17 April 2025.

⁵ On 28 August 2024, FLT declared a final dividend out of FY24 profits. The record date for determining entitlement to the dividend was 19 September 2024 and payment date was 17 October 2024.

NET TANGIBLE ASSETS

	DECEMBER 2024 \$	DECEMBER 2023 \$
Net tangible asset backing per ordinary security ⁶	(1.01)	(1.23)

⁶ The current year and prior year net tangible asset backing per ordinary security balances include the value of leased assets as recognised under AASB 16 Leases.

DETAILS OF JOINT VENTURES AND ASSOCIATES

INVESTMENTS IN JOINT VENTURES	DECEMBER 2024	DECEMBER 2023
Pedal Group Pty Ltd	46.8 %	46.8 %
INVESTMENTS IN ASSOCIATES	DECEMBER 2024	DECEMBER 2023
Evolve Travel Limited	50.0 %	50.0 %

- FLT received a dividend from Pedal Group of \$863,000 (2023: \$0) during the period. FLT continues to have joint control.

APPENDIX 4D CONTINUED

UNDERLYING ADJUSTMENTS

Reconciliation of statutory to underlying profit before tax and after tax provided below:

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
	\$'000	RESTATED ⁵ \$'000
EBITDA¹	178,158	219,143
Depreciation and amortisation	(72,831)	(75,926)
Interest income	18,024	17,285
Finance costs	(35,110)	(40,266)
Statutory profit before income tax	88,241	120,236
Buy-back and remeasurement of convertible notes ²	(11,466)	(48,022)
US Wholesale trading loss	—	7,327
Productive Operations initiative ³	13,147	2,088
TTJ trading loss & closure costs ⁴	11,014	—
Other ⁶	1,877	—
Discova Americas trading loss & closure costs	—	3,097
Employee retention plans - Post-COVID Retention Plan (PCRP) & Global Recovery Rights (GRR)	—	8,609
Amortisation of convertible notes	13,978	15,926
Total underlying adjustments	28,550	(10,975)
Underlying profit before tax^{1,2,5}	116,791	109,261
Statutory income tax expense	(28,648)	(33,573)
Underlying adjustments associated tax effect ¹	(9,515)	1,959
Underlying profit after tax^{1,2,5}	78,628	77,647
Underlying EBITDA^{1,2}	192,730	191,168

¹ EBITDA, Underlying EBITDA, Underlying profit before tax (PBT) and Underlying profit after tax (PAT) are non-IFRS measures and not subject to review procedures.

² During the period, convertible notes due November 2028, with a face value of \$200,400,000 were bought back for \$197,581,000. The fair value of the liability component of these notes was re-measured before buy-back using an equivalent market interest rate for a similar bond without a conversion option, which resulted in a gain of \$11,466,000. The gain is recognised in other income in the statement of profit or loss. Refer to note 14 for further details.

³ Productive Operations initiative is a Corporate business transformation project focused on lowering costs and growing income through automation and personal service. Costs incurred relate to transitional activities and the global alignment of processes.

⁴ Closure of Infinity wholesale business division - TTJ in December 2024.

⁵ Discova Americas was closed in June 2024 and disclosed as underlying in the 30 June 2024 financial statements. The 31 December 2023 comparative has been restated to include Discova Americas trading loss for the period as an underlying adjustment.

⁶ Other includes costs incurred on the development of a Human Resources Information System (HRIS) system and minor restructuring costs.

COMPLIANCE STATEMENT

The report is based on accounts which have been reviewed by the auditor of Flight Centre Travel Group Limited. There have been no matters of disagreement and a report of the auditor's review appears in the half-year financial report.

The report should be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by FLT in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Flight Centre Travel Group Limited (FLT) and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

DIRECTORS

The following persons were directors of FLT during the half year and up to the date of this report:

- Graham Turner
- Gary Smith
- John Eales
- Robert Baker
- Colette Garnsey
- Kirsty Rankin

REVIEW OF OPERATIONS AND RESULTS

RESULT OVERVIEW

FLIGHT Centre Travel Group (FLT) has achieved a \$117million underlying profit before tax (UPBT)* for the 2025 fiscal year (FY25) first half (1H).

The result represents 7% year-on-year (YoY) growth and reflects a solid second quarter (2Q) rebound after a challenging 1Q. 2Q UPBT increased about 14% - well above the 2% 1Q growth rate - delivering a strong 1H exit rate into the 2H, FLT's peak trading period.

Statutory PBT was \$88.2million (FY24 1H: \$120.2million), with the YoY movement largely reflecting materially higher FY24 gains on the buy-back and remeasurement of convertible notes (CNs), as outlined in the bridge between statutory and UPBT.

UPBT growth was achieved during a period of investment in initiatives geared towards delivering sustainable profit growth after rapid recovery post-COVID.

For example, FLT has increased its investment in Artificial Intelligence (AI) to deliver new customer products, enhance its people's productivity and create disruptive new offerings.

Through AI and other initiatives implemented as part of Productive Operations (PO), a global workstream focused on delivering significant scale benefits, FLT's corporate business is on track to deliver an initial 15-20% productivity uplift over a two-year period from the end of FY24 to the end of FY26.

In leisure, AI tools that are currently being trialled or implemented will streamline enquiry management, particularly the large volume that originates online, while also introducing a more conversational and AI-enhanced booking experience on flightcentre.com.

In addition to its increased spend on these key areas, FLT's 1H profit was also impacted by:

- Lower income from volume-based supplier payments (super overrides) resulting from lower-than-normal total transaction value (TTV) growth early in the half
- A circa \$4million investment in the rapidly growing global cruise sector, as outlined in the leisure section of this announcement; and
- An \$8million downturn in Asia, as outlined in the corporate commentary

Group-wide, total transaction value (TTV) increased by \$365million to \$11.7billion as FLT delivered YoY 1H TTV growth for the 28th time in 30 years since listing. This included a record \$6billion contribution from the corporate business and a \$5.5billion contribution from the global leisure business.

TTV growth also accelerated during the 2Q – increasing by 7% – after a modest 1Q increase during a period of significant airfare deflation in Australia and Asia.

In Australia, FLT's international air ticket numbers increased circa 12% during the 1H – four times the growth rate immediately before COVID (FY20 1H) – but average fares decreased 9% during the 1Q and 3% during the 2Q to finish the 1H down 6.5% YoY.

UPBT margin improved modestly during the 1H but should now increase more significantly because of normal seasonality and an improving revenue and cost margin profile.

**EBITDA, Underlying EBITDA, Underlying profit before tax (PBT) and Underlying profit after tax (PAT) are non-IFRS measures and not subject to review procedures. Refer to note 1 segment information for reconciliation of statutory to underlying PBT.*

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DIRECTORS' REPORT CONTINUED

RESULT OVERVIEW (CONTINUED)

Positive trends are already emerging – UPBT margin in Australia was above 2.3% in January – with further improvement expected to be driven by:

- Super override and revenue margin recovery now that airfare deflation has eased in Australia and TTV growth has accelerated; and
- Cost margin benefits from leisure and corporate productivity and efficiency initiatives that are already in place, along with ongoing cost discipline as the business scales

FLT continues to review underperforming businesses, with a small division of the Infinity wholesale business (TTJ) closed after incurring circa \$2.5million in 1H trading losses. This follows the closure of Discova Americas and wholesaler GoGo during FY24.

During 1H, FLT recorded \$165.6million operating cash outflow, compared to a \$10.5million inflow during FY24 1H, with timing of the airline payments cycle (BSP) at the end of the period driving the swing. In line with the normal seasonal cash flow and trading trends, FLT expects to rapidly accumulate cash during its peak 2H booking periods, a pattern that is already emerging. In January 2025, FLT recorded a circa \$245million operating cash inflow for the month, taking year to date inflows back above the inflows recorded during the prior corresponding period.

FLT directors today declared a fully franked 11 cents per share interim dividend, payable on April 17 to shareholders registered on March 27 (FY24 1H:10 cents per share).

Including this dividend, the company has now returned more than \$150million in fully franked dividends to its shareholders since the end of the pandemic in FY23, while also reducing the face value of its outstanding CNs by \$275million (almost 35%). FLT bought back CNs with a \$200million face value during the 1H, leaving notes with a \$525million face value outstanding, in addition to acquiring Cruise Club in the UK and taking 100% ownership of Dubai-based airfare aggregator TP Connects.

Trading and Strategic Update - Corporate

The corporate business delivered a 2% increase on its strong FY24 1H TTV result and a 4% UPBT increase to \$96million during a short-term period of consolidation while the business embedded the PO initiatives to help unlock a new era of more profitable growth.

1H results were also impacted by:

- Downtrading – customers globally typically maintained or reduced travel; and
- The downturn in Asia, which saw the business deliver a \$4million 1H loss after a \$4million FY24 1H UPBT, and was brought about by downtrading, deflation and higher debt provisions as a result of local system changes before PO was initiated

Outside Asia, FLT's businesses in the Americas, Europe, Middle East and Africa (EMEA) and Australia-New Zealand (ANZ) collectively delivered almost 14% UPBT growth and circa 3% TTV growth during the 1H. This accelerated during the 2Q, with 6.4% TTV growth and more than 30% UPBT growth during the three months to 31 December.

1H TTV growth was in line with overall 1H market growth (Source: MIDT) and bolstered by an almost 5% 2Q increase globally.

Based on 1H TTV and consolidated GDS sales data (MIDT), the business has now:

- Recovered to 143% of its FY19 1H size – well ahead of the market's estimated recovery to circa 80% of pre-COVID activity; and
- Increased its global market-share from 4% to 5%

This underlines both the business's successful execution of its Grow to Win strategy, which was underpinned by high customer retention rates and account wins, and the scale of its future opportunity in this sector, given its relatively small market-share outside Australia.

FCM's FY25 contracted account wins have topped \$800million, in addition to Corporate Traveller's large pipeline of uncontracted wins. Corporate Traveller's recent wins helped drive circa 10% 2Q TTV growth and 19% growth in January 2025 for the US SME business.

Proprietary tech platforms have been widely adopted by customers, with Corporate Traveller's Melon platform rapidly gaining traction and now accounting for almost 25% of the brand's Northern Hemisphere transactions, delivering better economics and helping drive productivity growth.

New features have been added to these platforms including better self-service capabilities (changes, cancellations, invoicing and a Help Centre), which has been a key PO focus area, along with digitisation and standardisation of operations and content access and distribution.

Through PO, the business is building a single operating system that drives every activity through the most appropriate channel, lowering costs and growing income, while delighting customers through automation and personal service.

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DIRECTORS' REPORT CONTINUED

RESULT OVERVIEW (CONTINUED)

PO initially focused on FCM but has now been extended to Corporate Traveller, with the Agent Workspace enquiry management system being deployed and expected to deliver significant benefits including better data and analytics, which will allow for better use of AI.

The corporate business, an early investor in AI through the creation of a Centre of Excellence (CoE) and the SAM (non-generative) AI application, is leveraging AI capabilities throughout the PO program and embracing its transformative nature to:

- Develop and introduce new customer products
- Enhance productivity by re-engineering inefficient, non-value adding processes; and
- Deploy disruptive new offerings

Since PO was initiated, the business has serviced higher transaction volumes with a leaner workforce by standardising workflows and systems, which has allowed for greater automation, agility and streamlined support structures.

Year-end full-time employee (FTE) numbers are now expected to be at least 5% lower than the FY24 year-end workforce, largely through natural attrition. The business expects to maintain these numbers during FY26, meaning a 15-20% productivity (TTV per FTE) uplift between FY24 and FY26 if the business delivers \$13.5billion in TTV next fiscal year.

Trading and Strategic Update - Leisure

The leisure business delivered solid 1H TTV growth, building on its strong FY24 result with a workforce that was broadly in line with the PCP – pointing to further productivity gains.

UPBT was, however, flat YoY and impacted by:

- Lower super override revenue, a group-wide issue during the 1Q that has improved as TTV growth has accelerated; and
- Significant upfront investments geared towards fast-tracking cruise sector growth

These investments collectively totalled almost \$4 million and related to the Cruiseabout start-up, the costs of integrating the Cruise Club acquisition and costs associated with Ignite's agreement with Oceania Cruises Ltd (Explorations operated by Norwegian cruises), which has seen FLT charter a luxury cruise ship for a year. While sales are promising and about 1500 cabins have already been sold, FLT will not recognise revenue on these cruises until they depart (2026 and 2027).

1H UPBT significantly exceeded pre-COVID levels, being almost 10 times the \$6million FY20 1H result and almost double the \$30million FY19 1H result – underlining the leisure business's re-emergence as a more profitable, more productive and more efficient operation.

Together, businesses in the luxury, independent and specialist categories contributed circa 50% of 1H leisure TTV, compared to 33% during FY19 and 45% during the FY24 1H.

flightcentre.com was profitable, as were the Jetmax online travel agencies, as FLT cemented its position as the largest seller of airfares online within Australia's intermediary market.

The Flight Centre shop network delivered strong profit growth and operating leverage, with:

- Average basket-size increasing 12% during the 1H, with the average booking under the Bundle + Save campaign totalling almost \$16,500 in January 2025
- Components per booking (attachment) increasing to 2.9 (FY24 1H 2.6) and on track to reach three for the first time this month (February); and
- Captain's Pack attachment reaching 72% globally and almost 80% in Australia

Looking ahead, strategic priorities include:

- Differentiating Flight Centre brand as an omni-travel retailer of choice
- Growing FLT's luxury sector presence via Scott Dunn, Travel Associates and the Luxury Travel Collection business
- Expanding in the independent agent/agency sector (now circa 20% of leisure TTV)
- Doubling cruise and tour sales. FLT recorded almost 25% 1H growth to more than \$500million after delivering \$1billion in TTV from cruise and tour sales last year; and
- Tapping into new growth engines, including FX, differentiated e-commerce offerings and loyalty

Leisure has strategically invested in a series of AI-driven initiatives to capitalize on emerging technical shifts. Its recent deployment of its machine learning model, Super Forecaster, integrates internal and external data sources to enhance forecasting for pricing strategies and determining trends to optimize marketing strategies.

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DIRECTORS' REPORT CONTINUED

RESULT OVERVIEW (CONTINUED)

The business is also rolling out:

- Its Trip Planning AI platform on flightcentre.com to introduce a more conversational and AI-enhanced booking experience across its product range; and
- A CRM with Salesforce, leveraging cutting-edge AI and autonomous agents for a proactive AI-driven sales engagement to boost productivity and enquiry management

OUTLOOK

FLT continues to target an UPBT between \$365million and \$405million for FY25 (FY24: \$320million) and is currently tracking towards the low-mid section of the range, ahead of its seasonally busiest trading months.

This seasonality was evidenced during the two most recent comparable full years, FY19 and FY24, when FLT generated 70% and 66% respectively of its UPBT during the 2Hs.

While it is impossible to predict FY25's earnings skew, various factors suggest a heavier 2H profit weighting compared to FY24, including:

- Stronger TTV growth as FLT cycles a lower fare environment in FY24, as it is now doing. This will unlock further scale benefits and contribute to super override recovery, given volume tiers are typically dollar-based
- Potential tailwinds from macro-economic conditions, lower interest rates and a more stable geopolitical climate – fuelling demand from more confident consumers
- Early productivity and cost benefits from corporate's PO initiative
- Ongoing leisure mix shifts through increased sales of higher margin products, including tours, cruises and travel insurance; and
- A \$5million to \$10million loss reduction in FLT's Other Segment, which includes head office costs and various revenue generating businesses

Various large businesses and brands with high growth potential are also starting to deliver stronger results in early 2H trading, including:

- The global leisure business, which achieved record post-COVID TTV in January
- The Australian leisure business, which achieved its best ever TTV month
- Corporate Traveller USA; and
- Scott Dunn, which delivered a record profit in January

Given its strong and diverse brand and business portfolio, FLT is well placed to benefit from anticipated market growth, with IATA projecting a 6.7% passenger increase globally during the 2025 calendar year.

International air capacity is also set for further growth in Australia, with the Australian Competition & Consumer Commission (ACCC) last week issuing a draft determination in favour of the proposed Virgin Australia and Qatar Airways tie-up. FLT welcomes the draft decision and believes it will lead to increased competition, deliver new travel options for Australians taking off overseas and ultimately cheaper fares.

As announced previously, FLT does not expect to achieve its initial stretch target of returning to a 2% UPBT margin this year. The company believes the 2% target remains an appropriate short to medium-term objective and will continue to work towards its goals of improving revenue and cost margins, while continuing to grow TTV.

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DIRECTORS' REPORT CONTINUED

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

DIVIDENDS

On 26 February 2025, FLT's directors declared a fully franked 11.0 cents per fully paid ordinary share interim dividend out of FY25 profits. The total amount of the dividend is \$24.4 million and represents 31% of FLT's underlying NPAT. The interim dividend paid for the half year ended 31 December 2023 was 10.0 cents per share.

EXPLORATIONS OPERATED BY NORWEGIAN CRUISES

In January 2025, Ignite Holdings Pty Ltd (Ignite), a wholly owned subsidiary of FLT, entered into an agreement with Oceania Cruises Ltd (Explorations operated by Norwegian cruises), which has seen Ignite charter a luxury ship for one year, departing in September 2026.

Other than disclosed above, there are no material matters since 31 December 2024.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 9.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding-off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.



G.F. Turner
Director
BRISBANE
26 February 2025

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with confidence**

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Auditor's independence declaration to the directors of Flight Centre Travel Group Limited

As lead auditor for the review of the half-year financial report of Flight Centre Travel Group Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Flight Centre Travel Group Limited and the entities it controlled during the financial period.

Ernst & Young

Alison de Groot
Partner
26 February 2025

STATEMENT OF PROFIT OR LOSS

	NOTES	HALF-YEAR ENDED 31 DECEMBER	
		2024 \$'000	2023 \$'000
Revenue	2	1,328,008	1,287,322
Other income	3	36,294	71,150
Share of profit of joint ventures and associates	4	880	93
Employee benefits		(684,002)	(687,503)
Sales and marketing		(92,948)	(84,703)
Tour, hotel & cruise operations - cost of sales		(78,601)	(74,789)
Depreciation and amortisation		(72,831)	(75,926)
Finance costs	5	(35,110)	(40,266)
Other expenses	5	(313,449)	(275,142)
Profit before income tax		88,241	120,236
Income tax expense		(28,648)	(33,573)
Profit after income tax		59,593	86,663
Profit / (loss) attributable to:			
Company owners		60,471	86,603
Non-controlling interests		(878)	60
		59,593	86,663
Earnings per share for profit attributable to the ordinary equity holders of the company:			
		CENTS	CENTS
Basic earnings per share	19	27.4	39.7
Diluted earnings per share	19	27.0	25.2

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

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STATEMENT OF OTHER COMPREHENSIVE INCOME

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
NOTES	\$'000	\$'000
Profit after income tax	59,593	86,663
OTHER COMPREHENSIVE INCOME		
Items that have been reclassified to profit or loss:		
Hedging losses reclassified to profit or loss	1,019	518
Items that may be reclassified to profit or loss:		
Changes in the fair value of cash flow hedges	(1,390)	(259)
Changes in the fair value of financial assets at FVOCI	286	(228)
(Loss) / Gain on net investment hedges	(2,478)	1,043
Net exchange differences on translation of foreign operations	60,260	(17,556)
Income tax on items of other comprehensive income	827	(323)
Total other comprehensive income / (loss)	58,524	(16,805)
Total comprehensive income	118,117	69,858
Attributable to:		
Company owners	118,995	69,858
Non-controlling interests	(878)	—
	118,117	69,858

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS

	NOTES	HALF-YEAR ENDED 31 DECEMBER	
		2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers ¹		1,472,443	1,365,993
Payments to suppliers and employees ¹		(1,610,331)	(1,338,162)
Royalties received		—	250
Interest received		19,643	18,473
Interest paid (non-leases)		(15,425)	(18,468)
Interest paid (leases)		(6,011)	(4,481)
Government subsidies received		—	832
Income taxes paid		(29,921)	(22,806)
Income taxes refunded		4,006	8,870
Net cash (outflow) / inflow from operating activities		(165,596)	10,501
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	6a	(2,335)	—
Payments for property, plant and equipment		(19,246)	(13,709)
Payments for intangibles		(43,508)	(35,413)
Proceeds from financial asset investments		10,293	—
Termination of net investment hedge		(4,078)	—
Net cash outflow from investing activities		(58,874)	(49,122)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	13	126,301	1,598
Repayment of borrowings	13	(101,253)	(251,168)
Buyback of convertible notes	14	(197,581)	(84,153)
Partial termination of fair value hedge	14	(8,833)	—
Payment of principal on lease liabilities		(44,082)	(45,548)
Lease surrender payments		(231)	(129)
Proceeds from issue of shares		3,593	3,702
Payments for purchase of shares on market		(3,252)	(3,545)
Dividends paid to company owners	16	(66,312)	(39,491)
Dividends paid to non-controlling shareholders in subsidiaries		(232)	(287)
Dividends paid to non-controlling interests		(160)	—
Net cash outflow from financing activities		(292,042)	(419,021)
Net decrease in cash held		(516,512)	(457,642)
Cash and cash equivalents at the beginning of the half-year		1,136,865	1,278,936
Effects of exchange rate changes on cash and cash equivalents		31,278	(7,246)
Cash and cash equivalents at end of the half-year	8	651,631	814,048

¹ Including consumption tax.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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BALANCE SHEET

	NOTES	AS AT	
		31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	718,471	1,138,142
Financial asset investments	9	—	10,007
Trade receivables	10	805,512	885,348
Contract assets	11	340,424	300,642
Other assets		122,198	103,701
Other financial assets		17,170	22,068
Current tax receivables		24,465	18,697
Derivative financial instruments		11,516	3,988
Total current assets		2,039,756	2,482,593
Non-current assets			
Financial asset investments	9	9,229	7,729
Property, plant and equipment		68,610	62,599
Intangible assets		1,085,083	1,025,048
Right of use assets		225,310	201,472
Other assets		8,429	26,702
Other financial assets		11,376	1,056
Investments in joint ventures and associates		43,200	43,164
Deferred tax assets		375,965	363,918
Total non-current assets		1,827,202	1,731,688
Total assets		3,866,958	4,214,281
LIABILITIES			
Current liabilities			
Trade and other payables		1,410,059	1,765,626
Contract liabilities	12	98,384	90,994
Financial liabilities	7	2,023	3,683
Lease liabilities		86,997	80,752
Borrowings	13	76,885	11,202
Convertible notes	14	—	280,825
Provisions		58,008	52,793
Current tax liabilities		8,844	5,336
Derivative financial instruments		22,816	6,089
Total current liabilities		1,764,016	2,297,300
Non-current liabilities			
Trade and other payables		—	2,154
Contract liabilities	12	45,864	32,135
Financial liabilities	7	—	5,915
Lease liabilities		187,677	173,813
Borrowings	13	127,454	102,561
Convertible notes	14	464,297	338,999
Provisions		27,463	26,086
Deferred tax liabilities		5,636	5,798
Derivative financial instruments		7,878	26,317
Total non-current liabilities		866,269	713,778
Total liabilities		2,630,285	3,011,078
Net assets		1,236,673	1,203,203
EQUITY			
Contributed equity	17	1,456,298	1,437,888
Treasury shares	17	(21,413)	(27,800)
Reserves	18	147,521	131,969
Retained profits / (accumulated losses)		(345,618)	(339,777)
Equity attributable to the Company owners		1,236,788	1,202,280
Non-controlling interests		(115)	923
Total equity		1,236,673	1,203,203

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	FOR THE PERIOD ENDED 31 DECEMBER							
		CONTRIBUTED EQUITY	TREASURY SHARES	RESERVES	RETAINED PROFITS / (ACCUMULATED LOSSES)	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY
	NOTES	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		1,374,592	(14,748)	193,068	(417,824)	1,135,088	1,409	1,136,497
Profit for the half-year		—	—	—	86,603	86,603	60	86,663
Other comprehensive income		—	—	(16,805)	—	(16,805)	—	(16,805)
Total comprehensive income for the half-year		—	—	(16,805)	86,603	69,798	60	69,858
Transactions with owners in their capacity as owners:								
Non-controlling interest reserve	18	—	—	—	—	—	(3)	(3)
Employee share-based payments	17	3,702	—	(11,525)	—	(7,823)	—	(7,823)
Treasury shares	17	26,949	(5,545)	—	—	21,404	—	21,404
Dividends provided for or paid	16	—	—	—	(39,491)	(39,491)	—	(39,491)
Equity component of convertible bond, net of tax	14	—	—	(16,349)	—	(16,349)	—	(16,349)
Balance at 31 December 2023		1,405,243	(20,293)	148,389	(370,712)	1,162,627	1,466	1,164,093
Balance at 1 July 2024		1,437,888	(27,800)	131,969	(339,777)	1,202,280	923	1,203,203
Profit for the half-year		—	—	—	60,471	60,471	(878)	59,593
Other comprehensive income		—	—	58,524	—	58,524	—	58,524
Total comprehensive income for the half-year		—	—	58,524	60,471	118,995	(878)	118,117
Transactions with owners in their capacity as owners:								
Non-controlling interest reserve	18	—	—	—	—	—	—	—
Employee share-based payments	17	3,302	—	(16,810)	—	(13,508)	—	(13,508)
Treasury shares	17	15,108	6,387	—	—	21,495	—	21,495
Dividends provided for or paid	16	—	—	—	(66,312)	(66,312)	(160)	(66,472)
Acquisition reserve	18	—	—	(3,173)	—	(3,173)	—	(3,173)
Equity component of convertible note, net of tax	14	—	—	(22,989)	—	(22,989)	—	(22,989)
Balance at 31 December 2024		1,456,298	(21,413)	147,521	(345,618)	1,236,788	(115)	1,236,673

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT MATTERS

The following significant events and transactions occurred during or after the end of the reporting period:

CAPITAL MANAGEMENT

Partial repurchase of convertible notes

During the period FLT repurchased convertible notes with a total face value of \$200,400,000, which resulted in a gain of \$11,466,000. The notes were repurchased on the open market and are part of the \$400,000,000 1.625% convertible notes due in November 2028. Refer to note 14 for details.

Repayment of debt facility

FLT entered into a new, \$200,000,000 Receivables Financing Facility in October 2024 and had utilised \$125,000,000 of this facility at 31 December 2024. This is a two year facility which is secured against trade receivables of FLT's Corporate business.

With the availability of the Receivables Financing Facility, FLT reduced the size of the Syndicated Facility Agreement to \$200,000,000. During the period, FLT repaid \$100,000,000 drawn under the Syndicated Facility Agreement, meaning that as of 31 December 2024 the amount borrowed under the Syndicated Facility Agreement is \$0 with an undrawn committed amount available of \$200,000,000. The Syndicated Facility Agreement matures in April 2026.

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

DIVIDENDS

On 26 February 2025, FLT's directors declared an interim dividend out of FY25 profits. Refer to note 16 for details.

EXPLORATIONS OPERATED BY NORWEGIAN CRUISES

In January 2025, Ignite Holdings Pty Ltd (Ignite), a wholly owned subsidiary of FLT, entered into an agreement with Oceania Cruises Ltd (Explorations operated by Norwegian cruises), which has seen Ignite charter a luxury ship for one year, departing in September 2026.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION

(A) BASIS OF SEGMENTATION AND MEASUREMENT

FLT has identified its operating segments based on the internal reports that are reviewed and used by the board and executive team (chief operating decision makers - CODM), in assessing performance and in determining resource allocation.

The company's executive team consists of the following members:

- Managing director
- Chief financial officer and chief executive officer - Global Business Services
- Chief executive officer – Leisure
- Chief executive officer – Corporate; and
- Chief executive officer – Supply

Supply is not considered a reportable segment due to it being the procurement function for the Corporate and Leisure segments. The reportable segments are consistent to the prior year - Leisure, Corporate and Other.

LEISURE

The Leisure segment combines the retail store front and online brands for retail customers, luxury travel brands Travel Associates and Scott Dunn, Independent agents and complementary offerings.

CORPORATE

The Corporate segment includes the FCM brand, Corporate Traveller and other Corporate customer brands.

OTHER

Other segment includes Brisbane-based and other head office support businesses, including Supply, that support the global network (including global head office teams), and the share of profits relating to the investment in Pedal Group. Also included is 'In Destination' which incorporates touring, ground-handling and hotels.

The group consolidation adjustments are also included in this segment.

ALTERNATIVE PROFIT MEASURES

In addition to using profit as a measure of the group and its segments' financial performance, FLT uses EBITDA, underlying EBITDA and underlying PBT as this information is presented to and used by the CODMs. These measures are not defined under IFRS and are, therefore, termed "non-IFRS" measures.

Within this note, Earning before net interest, tax, depreciation and amortisation, royalty and intercompany service fee (EBITDA), Underlying earnings before net interest, tax, depreciation and amortisation, royalty and intercompany service fee (Underlying EBITDA), Underlying PBT, royalty and intercompany service fee (Underlying PBT) and Underlying profit/(loss) after tax, royalty and intercompany service fee (Underlying NPAT) are non-IFRS measures.

A reconciliation of these non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS is included in the tables on the following pages.

TOTAL TRANSACTION VALUE (TTV)

TTV is non-IFRS financial information and is not subject to review procedures, and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue from other sources. TTV has been reduced by refunds. FLT's revenue is, therefore, derived from TTV.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

(B) SEGMENT INFORMATION PRESENTED TO THE BOARD OF DIRECTORS AND EXECUTIVE TEAM

The segment information provided to the board and executive team for the reportable segments for the half-years ended 31 December 2024 and 31 December 2023 is shown in the tables on pages 17 to 20.

31 DECEMBER 2024	LEISURE \$'000	CORPORATE \$'000	OTHER \$'000	TOTAL \$'000
Segment information				
TTV¹	5,527,096	5,992,328	172,551	11,691,975
Agency revenue from the provision of travel	590,647	541,168	12,332	1,144,147
Principal revenue from the provision of travel	45,659	14,744	2,691	63,094
Revenue from tour, hotel & cruise operations	12,128	—	94,350	106,478
Revenue from other businesses	5,275	2,515	6,499	14,289
Total revenue from contracts with customers	653,709	558,427	115,872	1,328,008
EBITDA	103,034	99,717	(24,593)	178,158
Depreciation and amortisation	(40,176)	(15,582)	(17,073)	(72,831)
Interest income	501	634	16,889	18,024
Interest expense	(5,242)	(1,947)	(27,921)	(35,110)
Net profit / (loss) before tax, royalty and intercompany service fee	58,117	82,822	(52,698)	88,241
Royalty	—	—	—	—
Intercompany service fee	—	—	—	—
Net profit / (loss) before tax	58,117	82,822	(52,698)	88,241
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA	103,034	99,717	(24,593)	178,158
Productive Operations initiative ²	—	13,147	—	13,147
Gain on Buy-back and remeasurement of convertible notes	—	—	(11,466)	(11,466)
TTJ trading loss & closure costs ³	—	—	11,014	11,014
Other ⁴	906	—	971	1,877
Underlying EBITDA	103,940	112,864	(24,074)	192,730
Amortisation of convertible notes	—	—	13,978	13,978
Underlying PBT	59,023	95,969	(38,201)	116,791

¹ TTV is a non-IFRS measure and not subject to review procedures.

² Productive Operations initiative is a Corporate business transformation project focused on lowering costs and growing income through automation and personal service. Costs incurred relate to transitional activities and the global alignment of processes.

³ Closure of Infinity wholesale business division - TTJ in December 2024.

⁴ Other includes costs incurred on the development of a Human Resources Information System (HRIS) and minor restructuring costs.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

RESTATED ¹ 31 DECEMBER 2023	LEISURE \$'000	CORPORATE \$'000	OTHER \$'000	TOTAL \$'000
Segment information				
TTV²	5,166,555	5,885,940	274,856	11,327,351
Agency revenue from the provision of travel	577,135	528,639	11,347	1,117,121
Principal revenue from the provision of travel	39,783	11,541	3,375	54,699
Revenue from tour, hotel & cruise operations	4,690	—	96,614	101,304
Revenue from other businesses	5,883	1,641	6,674	14,198
Total revenue from contracts with customers	627,491	541,821	118,010	1,287,322
EBITDA	100,131	107,773	11,239	219,143
Depreciation and amortisation	(41,460)	(20,613)	(13,853)	(75,926)
Interest income	50	—	17,235	17,285
Interest expense	(3,580)	(889)	(35,797)	(40,266)
Net profit / (loss) before tax, royalty and intercompany service fee	55,141	86,271	(21,176)	120,236
Royalty	—	—	—	—
Intercompany service fee	—	—	—	—
Net profit / (loss) before tax	55,141	86,271	(21,176)	120,236
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA	100,131	107,773	11,239	219,143
Gain on Buy-back and remeasurement of convertible notes	—	—	(48,022)	(48,022)
Discova Americas trading loss & closure costs ³	—	—	2,023	2,023
Employee retention plans - COVID Related Retention Plans	3,544	4,222	843	8,609
Productive Operations initiative	—	2,088	—	2,088
US Wholesale (GoGo) trading loss & closure costs	—	—	7,327	7,327
Underlying EBITDA	103,675	114,083	(26,590)	191,168
Amortisation of convertible notes	—	—	15,926	15,926
Discova Americas trading loss & closure costs ³	—	—	1,074	1,074
Underlying PBT	58,685	92,581	(42,005)	109,261

¹ Restated due to Management's decision to restructure Infinity (Other) to Independents (Leisure) effective July 2024.

² TTV is a non-IFRS measures and not subject to review procedures.

³ Closure of the Discova Americas business in June 2024 has been restated for the period ended 31 December 2023.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

(C) ADDITIONAL INFORMATION PRESENTED BY GEOGRAPHIC AREA

In addition to the pillar segment information provided above, the below table presents geographic revenue disclosures and also profit/(loss) before tax information which has been included to aid user understanding:

31 DECEMBER 2024	AUSTRALIA & NZ \$'000	AMERICAS \$'000	EMEA \$'000	ASIA \$'000	OTHER SEGMENT \$'000	TOTAL \$'000
Segment information						
TTV¹	6,466,994	2,315,362	2,057,272	708,607	143,740	11,691,975
Agency revenue from the provision of travel	633,154	236,493	216,227	49,198	9,075	1,144,147
Principal revenue from the provision of travel	48,173	5,782	2,947	2,191	4,001	63,094
Revenue from tour, hotel & cruise operations	12,128	—	—	—	94,350	106,478
Revenue from other businesses	7,777	726	655	954	4,177	14,289
Total revenue from contracts with customers	701,232	243,001	219,829	52,343	111,603	1,328,008
EBITDA	150,758	31,732	33,616	(4,519)	(33,429)	178,158
Depreciation and amortisation	(33,243)	(7,359)	(10,113)	(2,845)	(19,271)	(72,831)
Interest income	7,871	19,191	28,725	245	(38,008)	18,024
Interest expense	(8,309)	(19,935)	(18,195)	(3,719)	15,048	(35,110)
Net profit / (loss) before tax, royalty and intercompany service fee	117,077	23,629	34,033	(10,838)	(75,660)	88,241
Royalty	4,587	(1,200)	(3,064)	(293)	(30)	—
Intercompany service fee	1,339	(634)	(362)	(366)	23	—
Net profit / (loss) before tax	123,003	21,795	30,607	(11,497)	(75,667)	88,241
Reconciliation of EBITDA to Underlying EBITDA						
EBITDA	150,758	31,732	33,616	(4,519)	(33,429)	178,158
Productive Operations initiative ²	1,460	882	4,131	6,624	50	13,147
Gain on Buy-back and remeasurement of convertible notes	—	—	—	—	(11,466)	(11,466)
TTJ trading loss & closure costs ³	—	—	—	—	11,014	11,014
Other ⁴	—	906	—	—	971	1,877
Underlying EBITDA	152,218	33,520	37,747	2,105	(32,860)	192,730
Amortisation of convertible notes	—	—	—	—	13,978	13,978
Underlying PBT	118,537	25,417	38,164	(4,214)	(61,113)	116,791

¹ TTV is a non-IFRS measure and not subject to review procedures.

² Productive Operations initiative is a Corporate business transformation project focused on lowering costs and growing income through automation and personal service. Costs incurred relate to transitional activities and the global alignment of processes.

³ Closure of Infinity wholesale business division - TTJ in December 2024.

⁴ Other includes costs incurred on the development of a Human Resources Information System (HRIS) and minor restructuring costs.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

RESTATED ¹ 31 DECEMBER 2023	AUSTRALIA & NZ \$'000	AMERICAS \$'000	EMEA \$'000	ASIA \$'000	OTHER SEGMENT \$'000	TOTAL \$'000
Segment information						
TTV²	6,043,876	2,383,501	2,001,516	753,741	144,717	11,327,351
Agency revenue from the provision of travel	610,172	240,592	215,378	49,468	1,511	1,117,121
Principal revenue from the provision of travel	40,222	6,887	2,893	2,195	2,502	54,699
Revenue from tour, hotel & cruise operations	4,690	—	—	—	96,614	101,304
Revenue from other businesses	8,123	1,515	1,207	758	2,595	14,198
Total revenue from contracts with customers	663,207	248,994	219,478	52,421	103,222	1,287,322
EBITDA	142,416	24,670	38,701	7,381	5,975	219,143
Depreciation and amortisation	(40,465)	(11,575)	(14,138)	(3,017)	(6,731)	(75,926)
Interest income	5,238	14,159	20,144	2,198	(24,454)	17,285
Interest expense	(7,072)	(14,652)	(11,107)	(4,391)	(3,044)	(40,266)
Net profit / (loss) before tax, royalty and intercompany service fee	100,117	12,602	33,600	2,171	(28,254)	120,236
Royalty	2,946	47	(3,019)	—	26	—
Intercompany service fee	(1,150)	953	224	—	(27)	—
Net profit / (loss) before tax	101,913	13,602	30,805	2,171	(28,255)	120,236
Reconciliation of EBITDA to Underlying EBITDA						
EBITDA	142,416	24,670	38,701	7,381	5,975	219,143
Gain on Buy-back and remeasurement of convertible notes	—	—	—	—	(48,022)	(48,022)
Discova Americas trading loss & closure costs ³	—	—	—	—	2,023	2,023
Employee retention plans - COVID Related Retention Plans	2,996	1,548	1,943	743	1,379	8,609
Productive Operations initiative	—	—	—	611	1,477	2,088
US Wholesale (GoGo) trading loss & closure costs ⁴	—	7,327	—	—	—	7,327
Underlying EBITDA	145,412	33,545	40,644	8,735	(37,168)	191,168
Amortisation of convertible notes	—	—	—	—	15,926	15,926
Discova Americas trading loss & closure costs ³	—	—	—	—	1,074	1,074
Underlying PBT	103,113	21,477	35,543	3,525	(54,397)	109,261

1 The US Wholesale (GoGo) trading loss & closure costs underlying adjustment has been restated to the Americas geographic area (from Other) to align with the disclosure at 30 June 2024. Further, Management's decision to restructure Infinity (Other) to Independents (Australia & NZ) effective July 2024 has resulted in a restatement to the geographic segment.

2 TTV is a non-IFRS measure and not subject to review procedures.

3 Closure of Discova Americas business in June 2024 has been restated for the period ended 31 December 2023.

4 Closure of US Wholesale (GoGo) business in February 2024 has been restated for the period ended 31 December 2023.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 REVENUE

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
	\$'000	\$'000
Agency revenue from the provision of travel	1,144,147	1,117,121
Principal revenue from the provision of travel	63,094	54,699
Revenue from tour, hotel & cruise operations	106,478	101,304
Revenue from other businesses	14,289	14,198
Total revenue from contracts with customers	1,328,008	1,287,322

Additional disaggregation of revenue by geographic region is presented in note 1 Segment Information.

3 OTHER INCOME

	NOTES	HALF-YEAR ENDED 31 DECEMBER	
		2024	2023
		\$'000	\$'000
OTHER INCOME			
Interest		18,024	17,285
Rent and sub-lease rentals		3,379	3,997
Net foreign exchange gains		216	—
Buy-back and remeasurement of convertible notes	14	11,466	48,022
Mark-to-market gain on financial asset equity investments held at FVTPL		1,500	1,500
Gain on financial liabilities	7	1,660	—
Other		49	346
Total other income		36,294	71,150

4 SHARE OF PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATES

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
	\$'000	\$'000
SHARE OF RESULTS		
Profit from joint ventures	880	93
Loss from associates	—	—
Total comprehensive income	880	93

Joint venture results include share of profit from Pedal Group of \$880,000 (2023: \$93,000). In addition, FLT received a dividend from Pedal Group of \$863,000 (2023: \$0) during the period. As at 31 December 2024, FLT's holding in Pedal Group is 46.8% (2023: 46.8%).

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 OTHER EXPENSES

	NOTES	HALF-YEAR ENDED 31 DECEMBER	
		2024 \$'000	2023 \$'000
FINANCE COSTS			
BOS interest expense		1,321	1,253
Interest and finance charges		6,364	10,485
Coupon on convertible notes	14	7,384	7,959
Amortisation of convertible note at effective interest rate	14	13,978	15,926
Lease interest expense		6,011	4,481
Unwind of make good provision discount		52	162
Total finance costs		35,110	40,266
OTHER EXPENSES			
Other occupancy costs		19,374	20,838
Rent expense		3,014	4,015
Consulting and outsourcing fees		44,994	36,755
Independent agent consulting fees		44,874	43,930
Communication and IT		119,020	114,213
Net foreign exchange losses		—	5,770
Bad debts expense / (reversal)		4,452	(3,410)
Other expenses		77,721	53,031
Total other expenses		313,449	275,142

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 BUSINESS COMBINATIONS

(A) CURRENT YEAR ACQUISITIONS

On 29 October 2024, FLT through its subsidiary Flight Centre Travel Group (European Holdings) Ltd acquired 100% of Travelworld International (Manchester) Limited (Cruise Club UK), a Manchester based cruise business for £2,479,000 (\$4,820,000) subject to a completion adjustment to be finalised post half-year. Net of cash acquired, the cashflow from investing activities was \$2,335,000.

The acquisition will fast track FLT's growth in the cruise sector globally while also strengthening FLT's UK Leisure presence. Given the timing of the acquisition, the purchase price accounting is provisional and will be disclosed in the 30 June 2025 financial statements.

(B) PRIOR YEAR ACQUISITIONS

There were no acquisitions in the prior period.

(C) GOODWILL

No impairment of goodwill for the half-year ended 31 December 2024. Goodwill increased \$45,080,000 due to foreign exchange translation (\$41,180,000) and the acquisition of Cruise Club UK (\$3,900,000).

7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(A) FAIR VALUE HIERARCHY

There have been no changes to the classification of financial instruments within the fair value hierarchy from 30 June 2024. The valuation techniques of financial instruments are described below:

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Forward foreign exchange contracts are measured at fair value, which is based on observable forward foreign exchange rates and the respective currencies' yield curves, as well as the currency basis spreads between the respective currencies.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a cash flow hedge. Changes in fair value for derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

The forward foreign exchange contracts and cross currency interest rate swaps are classified as Level 2 (30 June 2024: Level 2) under the AASB 13 *Fair value measurement* hierarchy, based on the valuation technique described above.

Cross currency interest rate swap (CCIRS) & Interest rate swap (IRS) contracts

CCIRS & IRS are measured at fair value, which is calculated as the present value of the estimated future cash flows. Estimates of future cash flows are based on quoted swap rates, interbank borrowing rates and forward exchange rates.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a fair value hedge or a net investment hedge. Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

The CCIRS & IRS are classified as Level 2 (30 June 2024: Level 2) under the AASB 13 *Fair value measurement* hierarchy, based on the valuation technique described above.

DEBT SECURITIES

Refer to note 9 for valuation techniques of financial asset investments.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(A) FAIR VALUE HIERARCHY (CONTINUED)

FINANCIAL LIABILITIES

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Contingent consideration	2,023	3,683
Total current financial liabilities	2,023	3,683
NON-CURRENT		
Put option financial liability	—	5,915
Total non-current financial liabilities	—	5,915

Contingent consideration is recognised in relation to the acquisitions listed below. FLT has determined that contingent consideration is classified as Level 3 (30 June 2024: Level 3) under the AASB 13 *Fair Value Measurement* hierarchy as the main valuation inputs outlined below are unobservable.

Any changes in the fair value of the contingent consideration are recorded through other income in the statement of profit or loss.

The put option liabilities that exist, outlined for each company below, have been recognised as a financial liability and in the acquisition reserve of the parent entity.

AVMIN PTY LIMITED (AVMIN)

The financial liability related to the put option for AVMIN of \$2,023,000 (30 June 2024: \$3,683,000) has been recorded as part of current contingent consideration. The potential undiscounted amount of this liability has been estimated as the value of future expected cash flows for the settlement of the put option for AVMIN. The expected cash flows are based on a multiple of the average NPAT for the year ended 30 June 2024 and for the year ending 30 June 2025.

TRAVEL TECHNOLOGY FZ LLC (TP CONNECTS)

Concurrent with the acquisition in the year ended 30 June 2022, FLT through its subsidiary Flight Centre Travel Group (UAE Holdings) Limited entered into a call option over the non-controlling shareholders' remaining 30% interest in TP Connects and the non-controlling shareholders entered into a corresponding put option. The call option can be exercised after 1 July 2027 and the put option can only be exercised by TP Connects if the call option is not exercised by FLT.

During the period an agreement was reached to purchase the remaining 30% for USD6,000,000 (\$9,651,000). This amount was recognised against the put option financial liability with the difference recognised in the acquisition reserve.

Reconciliation of financial liabilities for the period is set out below:

	FINANCIAL LIABILITIES \$'000
Opening balance at 1 July 2024	9,598
Avmin Pty Limited (Avmin)	(1,660)
Travel Technology FZ LLC (TP Connects)	(6,478)
Net foreign exchange movements	563
Closing balance at 31 December 2024	2,023

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(B) FAIR VALUES OF OTHER FINANCIAL INSTRUMENTS

The group also has a number of financial instruments which are not measured at fair value in the balance sheet.

The carrying amount of the group's non-current receivables, and current and non-current borrowings and convertible notes, approximates their fair values, as commercial rates of interest are earned and paid respectively and the impact of discounting is not significant.

The carrying amount of cash, current receivables and current payables are assumed to approximate their fair value due to their short-term nature.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8 CASH AND CASH EQUIVALENTS

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Cash at bank and on hand	526,126	718,287
Restricted cash ¹	192,345	419,855
Total cash and cash equivalents	718,471	1,138,142

¹ Restricted cash relates to cash held within legal entities of the Group for payment to product and service suppliers or cash held for supplier guarantees and debtor financing where contractually required. Restricted cash includes monies paid to the Group by end consumers for payment to local International Air Transport Association (IATA) for ticketed travel arrangements, and refund monies received from IATA awaiting payment to end consumers.

RECONCILIATION TO STATEMENT OF CASH FLOWS

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Cash and cash equivalents	718,471	1,138,142
Bank overdraft	(66,840)	(1,277)
Balance per Statement of Cash Flows	651,631	1,136,865

9 FINANCIAL ASSET INVESTMENTS

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Debt securities - Fair value through other comprehensive income (FVOCI)	—	10,007
Total current financial asset investments	—	10,007
NON-CURRENT		
Equity investments - Fair value through profit or loss (FVTPL)	9,229	7,729
Total non-current financial asset investments	9,229	7,729

Debt securities measured at FVOCI have contractual cash flow characteristics that are solely payment of principal and interest and are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Debt securities and repurchase receivables are measured at amortised cost only if both the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

Debt securities at FVOCI (corporate bonds) are measured at fair value, which is determined by reference to price quotations in a market for identical assets. FLT has determined that they are classified as Level 2 (30 June 2024: Level 2) under the AASB 13 *Fair Value Measurement* hierarchy, based on the valuation technique as described above.

Equity investments at FVTPL are measured at fair value, which is determined by an independent qualified valuer in accordance with Australian Accounting Standards (AASB's) and International Private Equity and Venture Capital Valuation Guidelines as adopted by Australian Private Equity and Venture Capital Association Limited. FLT has determined that they are classified as Level 3 (30 June 2024: Level 3) under the AASB 13 *Fair Value Measurement* hierarchy, based on the valuation technique as described above.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 TRADE RECEIVABLES

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Trade receivables	830,583	907,956
Less: Provision for impairment of receivables	(25,071)	(22,608)
Total trade receivables	805,512	885,348

FINANCE RECEIVABLES

The carrying amount of trade receivables includes receivables which are subject to a financing arrangement. These trade receivables have not been derecognised from the balance sheet because the Group retains substantially all the risks and rewards. The amount received has been recognised as a secured non-current bank loan. The arrangement with the bank is such that the customers remit cash directly to the Group and the Group transfers the collected amounts to a collections account. Trade receivables continue to be measured at amortised cost.

The following information shows the carrying amount of trade receivables at the reporting date that have been pledged as security and not derecognised, as well as the secured borrowings.

	NOTES	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Trade receivables pledged as security		132,568	—
Associated secured borrowing	13	125,000	—

11 CONTRACT ASSETS

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Volume incentive receivables	251,018	239,006
Accrued revenue	102,182	75,555
Loss allowance	(12,776)	(13,919)
Total contract assets	340,424	300,642

12 CONTRACT LIABILITIES

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Deferred revenue	97,358	89,218
Revenue constraint	1,026	1,776
Total current contract liabilities	98,384	90,994
NON-CURRENT		
Deferred revenue	45,864	32,135
Total non-current contract liabilities	45,864	32,135

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13 BORROWINGS

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Bank loans (including bank overdraft)	76,275	10,592
Net unsecured notes principal	610	610
Total current borrowings	76,885	11,202
NON-CURRENT		
Bank loans ¹	127,454	102,561
Total non-current borrowings	127,454	102,561

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 DECEMBER 2024 \$'000
BORROWINGS	
Opening balance at 1 July 2024	113,763
Cashflow - Proceeds from borrowings ²	126,301
Cashflow - Repayment of borrowings ³	(101,253)
Proceeds from bank overdrafts	65,671
Repayment of bank overdrafts	(290)
Foreign exchange movement	147
Closing balance at 31 December 2024	204,339

¹ Bank loans include \$125,000,000 secured against trade receivables. Refer Note 10 Trade receivables.

² This includes the Receivables Financing and operation of the Business Ownership Scheme (BOS) during the period.

³ Repayment of borrowings includes \$100,000,000 repayment of the SFA during the period.

The Group classifies interest paid within cash flows from operating activities.

FLT have a \$200,000,000 secured syndicated debt facility (SFA) undrawn. This facility matures in April 2026.

In October 2024, a \$200,000,000 Receivables Financing Facility was made available to the Group. With the introduction of the Receivables Financing Facility, the SFA Facility limit was reduced to \$200,000,000. The Receivables Financing facility is set to expire in October 2026.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 CONVERTIBLE NOTES

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
CURRENT		
Convertible notes due November 2027 ¹	—	280,825
Total current convertible notes	—	280,825
NON-CURRENT		
Convertible notes due November 2027 ¹	286,589	—
Convertible notes due November 2028 ¹	177,708	338,999
Total non-current convertible notes	464,297	338,999

¹ The convertible notes due November 2027 were classified as current in comparative period as note holders had an option to redeem the remaining \$325,000,000 face value of the bond in November 2024. The put date passed and the Notes can now be redeemed in November 2027. The convertible notes due November 2028 are classified as non-current as note holders have an option to redeem the bonds in May 2026.

Finance costs for the period of \$21,362,000 (2023: \$23,885,000) are comprised of \$13,978,000 (2023: \$15,926,000) amortisation and a \$7,384,000 (2023: \$7,959,000) coupon paid or payable at the end of the period.

PARTIAL REPURCHASE OF CONVERTIBLE NOTES DUE NOVEMBER 2028

During the period August to September 2024, convertible notes due November 2028, with a face value of \$60,400,000 were bought back for \$60,521,000. The fair value of the liability component of these notes was re-measured before buy-back using an equivalent market interest rate for a similar bond without a conversion option, which resulted in a gain of \$2,819,000. The gain is recognised in other income in the statement of profit or loss.

The \$60,521,000 consideration was allocated between liabilities and equity. The liability component was \$49,363,000 and the equity component was \$11,158,000 (net of tax, the equity component impact was \$7,811,000).

During November 2024, convertible notes due November 2028, with a face value of \$140,000,000 were bought back for \$137,060,000. The fair value of the liability component of these notes was re-measured before buy-back using an equivalent market interest rate for a similar bond without a conversion option, which resulted in a gain of \$8,647,000. The gain is recognised in other income in the statement of profit or loss.

The \$137,060,000 consideration was allocated between liabilities and equity. The liability component was \$115,377,000 and the equity component was \$21,683,000 (net of tax, the equity component impact was \$15,178,000).

Hedge accounting has been discontinued in relation to the repurchased convertible notes, which were designated as the hedged item in a fair value hedge. The cumulative adjustment to the carrying amount of the hedged item is included within the gain on buy-back.

The interest rate swap designated as the hedging instrument has been partially terminated (notional value \$200,400,000) to maintain an effective hedging relationship. The termination payment \$8,833,000 is included within Partial Termination of FV Hedges in the statement of cash flows.

CONVERSION PRICE ADJUSTMENT OF CONVERTIBLE NOTES

As a result of the the fully franked dividend of \$0.30, the conversion price of the convertible notes due November 2027 has been adjusted from \$19.77 to \$19.39, and the conversion price of the convertible notes due November 2028 has been adjusted from \$26.93 to \$26.42 effective September 2024.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	NOTES	HALF-YEAR ENDED 31 DECEMBER	
		2024 \$'000	2023 \$'000
CONVERTIBLE NOTES			
Opening balance at 1 July		619,824	688,940
Amortisation of borrowings at effective interest rate	5	13,978	15,926
Cashflow - buy-back of convertible notes ²		(197,581)	(84,153)
Gain on buy-back of convertible notes ²	3	(11,466)	(10,982)
Gross equity component of convertible notes bought back ²		32,841	23,356
Gain on remeasurement of notes ²	3	—	(37,040)
Changes in fair value hedge during the period		6,701	7,318
Closing balance at 31 December		464,297	603,365

² These transactions relate to convertible notes due November 2027 and convertible notes due November 2028.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 RATIOS

NET CASH / (DEBT)

	NOTES	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Cash at bank and on hand (excluding restricted cash)	8	526,126	718,287
Financial investments - current	9	—	10,007
Financial investments - non-current	9	9,229	7,729
		535,355	736,023
Less:			
Borrowings - current	13	76,885	11,202
Borrowings - non-current	13	127,454	102,561
		204,339	113,763
Net cash / (debt)¹		331,016	622,260

¹ Net cash / (debt) = (Cash + financial investments) – (current and non-current borrowings). The calculation excludes restricted cash (refer note 8) and convertible notes (refer note 14). The calculation also excludes the impact of AASB 16 Leases in respect of the current and non-current lease liabilities.

FLT continues to be in a net cash position (30 June 2024: net cash position). FLT bought back \$197,581,000 of convertible notes and paid \$66,704,000 in dividends (to company owners and non-controlling shareholders in subsidiaries) during the period, reducing the net cash balance.

GEARING RATIO

	NOTES	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Total borrowings	13	204,339	113,763
Total equity		1,236,673	1,203,203
Gearing ratio²		16.5 %	9.5 %

² Gearing ratio = Total borrowings / Total equity. The calculation excludes the convertible note and lease liabilities from total borrowings.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

16 DIVIDENDS

OVERVIEW

When determining dividend returns to shareholders, FLT's board considers a number of factors, including the company's anticipated cash requirements to fund its growth and operational plans and current and future economic conditions.

An interim dividend has been declared taking into account traditional seasonal cashflows, anticipated cash outflows and one-off profit items. The interim dividend represents a \$24,414,022 (2023: \$21,953,000) return to shareholders, 41% (2023: 25%) of FLT's statutory NPAT. The dividend represents 31% (2023: 30%) of FLT's underlying NPAT¹.

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
ORDINARY SHARES	\$'000	\$'000
Final ordinary dividend for the year ended 30 June 2024 of 30.0 cents (2023: 18.0 cents) per fully paid share	66,312	39,491

The interim dividend is per fully paid ordinary share fully franked based on tax paid at 30%. The aggregate amount of the proposed dividends expected to be paid on 17 April 2025 out of FY25 profits, but not recognised as a liability at the end of the period are as follows:

	HALF-YEAR ENDED 31 DECEMBER	
	2024	2023
	AMOUNT PER SECURITY CENTS	AMOUNT PER SECURITY CENTS
Interim dividend	11.0	10.0
	\$'000	\$'000
Interim dividend	24,414	21,953

¹ Underlying NPAT is a non-IFRS measure and not subject to review procedures.

Refer to note 1 for breakdown of underlying PBT. Underlying NPAT also excludes the related tax impact of underlying items.

17 CONTRIBUTED EQUITY AND TREASURY SHARES

OVERVIEW

Historically, movements in contributed equity have related to shares issued under the Employee Share Plan (ESP) and Long Term Retention Plan (LTRP), which reinforced the importance that FLT places on ownership to drive business improvement and overall results. Where shares in FLT have been issued and subsequently held prior to settling the vested entitlement, the shares are carried as treasury shares and deducted from equity, subject to local tax jurisdiction requirements.

RECONCILIATION OF ORDINARY SHARE CAPITAL

The following reconciliation summarises the movements in authorised and issued capital during the period.

Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of shares is publicly available via the ASX.

DETAILS	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUE PRICE	\$'000
Opening balance at 1 July 2023	218,075,659		1,374,592
ESP	184,982	\$20.01	3,702
Treasury shares	1,264,437	\$21.31	26,949
Closing balance at 31 December 2023	219,525,078		1,405,243
Opening balance at 1 July 2024	221,031,332		1,437,888
ESP	160,912	\$20.52	3,302
Treasury shares	753,405	\$20.05	15,108
Closing balance at 31 December 2024	221,945,649		1,456,298

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

RECONCILIATION OF TREASURY SHARES

The following reconciliation summarises the movements in treasury shares held in a share trust for future allocation to employee share plans. Items of a similar nature have been grouped and the price shown is the weighted average.

DETAILS	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE	\$'000
Opening balance at 1 July 2023	(796,479)		(14,748)
Purchase of shares by share trust	(1,264,437)	\$21.31	(26,949)
Allocation of shares to ESP matched shares	37,463	\$21.46	804
Allocation of shares to LTRP	368,972	\$20.38	7,519
Allocation of shares to Post-COVID Retention Plan (PCRP)	443,584	\$20.25	8,982
Allocation of shares to GRR	158,971	\$19.99	3,178
Gain in equity on allocation of shares	—	—	921
Closing balance at 31 December 2023	(1,051,926)		(20,293)
Opening balance at 1 July 2024	(1,288,247)		(27,800)
Purchase of shares by share trust	(753,405)	\$20.05	(15,108)
Allocation of shares to ESP matched shares	46,788	\$20.28	938
Allocation of shares to LTRP	357,675	\$19.86	7,104
Allocation of shares to Post-COVID Retention Plan (PCRP)	423,064	\$19.71	8,339
Allocation of shares to GRR	209,334	\$19.74	4,131
Gain in equity on allocation of shares	—	—	983
Closing balance at 31 December 2024	(1,004,791)		(21,413)

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 RESERVES

	31 DECEMBER 2024 \$'000	30 JUNE 2024 \$'000
Reserves		
Cash flow hedge reserve	(970)	(710)
Financial assets at FVOCI reserve	—	(286)
Share-based payments reserve	32,270	49,080
Acquisition reserve	(47,775)	(44,602)
Foreign currency translation reserve	112,423	53,925
Equity component of convertible note	51,997	74,986
Other reserves	(424)	(424)
Total reserves	147,521	131,969

19 EARNINGS PER SHARE

OVERVIEW

Statutory earnings per share (EPS) was 27.4 cents (2023: 39.7 cents), a decline of 31.0% on the prior comparative period. At an underlying level^{1,2}, EPS increased 1.4% to 36.1 cents (2023: 35.6 cents).

	HALF-YEAR ENDED 31 DECEMBER	
	2024 CENTS	2023 CENTS
Basic earnings per share		
Profit attributable to the company's ordinary equity holders	27.4	39.7
Diluted earnings per share		
Profit attributable to the company's ordinary equity holders	27.0	25.2
Reconciliation of earnings used in calculating EPS		
	\$'000	\$'000
Profit attributable to the company's ordinary equity holders used in calculating basic earnings per share	60,471	86,603
Profit attributable to the company's ordinary equity holders used in calculating diluted earnings per share ³	60,471	64,585
Weighted average number of shares used as the denominator		
	NUMBER	NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share ⁴	220,357,042	217,963,903
Adjustments for calculation of diluted earnings per share:		
Share rights and convertible note options ⁵	3,267,658	38,452,681
Weighted average number of ordinary shares used in calculating diluted earnings per share	223,624,700	256,416,584

1 Underlying EPS is non-IFRS measures and not subject to review procedures. Refer to note 1 for breakdown of underlying PBT used in the calculation of underlying EPS. Underlying NPAT includes the tax impact of underlying adjustments of (\$9,515,000) (31 December 2023: \$1,959,000).

2 Discova Americas was closed in June 2024 and disclosed as underlying in the 30 June 2024 financial statements. The 31 December 2023 comparative has been updated to include Discova Americas trading loss for the period as an underlying adjustment.

3 Diluted EPS is lower than basic EPS primarily due to the other income and finance costs recognised in relation to the convertible notes in the prior year. Refer to note 14.

4 The basic EPS denominator is the aggregate of the weighted average number of ordinary shares.

5 The convertible notes are not dilutive at 31 December 2024 and therefore have not been included in the adjustment.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 CONTINGENT ASSETS AND LIABILITIES

GENERAL CONTINGENCIES

FLT is a global business and from time to time in the ordinary course of business it receives enquiries from various regulators and government bodies. FLT cooperates fully with all enquiries and these enquiries do not require disclosure in their initial state, however should the company become aware that an enquiry is developing further or if any regulatory or government action is taken against the group, appropriate disclosure is made in accordance with the relevant accounting standards.

As a global business, from time to time FLT is also subject to various claims and litigation from third parties during the ordinary course of its business. The directors of FLT have given consideration to such matters which are or may be subject to claims or litigation at period end and, unless specific provisions have been made, are of the opinion that no material contingent liability for such claims of litigation exists.

The group had no other material contingent assets or liabilities.

21 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

DIVIDENDS

On 26 February 2025, FLT's directors declared an interim dividend out of FY25 profits. Refer to note 16 for details.

EXPLORATIONS OPERATED BY NORWEGIAN CRUISES

In January 2025, Ignite Holdings Pty Ltd (Ignite), a wholly owned subsidiary of FLT, entered into an agreement with Oceania Cruises Ltd (Explorations operated by Norwegian cruises), which has seen Ignite charter a luxury ship for one year, departing in September 2026.

Other than disclosed above, there are no significant events since 31 December 2024 which have come to our attention.

22 SEASONALITY

Due to the seasonal nature of a number of key segments, higher revenues, operating profits and operating cash flows are expected in the second half of the year compared with the first half of the year. This reflects:

- higher leisure sales in the lead up to the northern hemisphere summer holiday period
- lower sales in the corporate travel agency businesses over the Christmas holiday period

This is partially offset by the seasonality of the touring businesses which earn the majority of their profits in the northern hemisphere summer holiday period, which falls in the first half of the year.

This information is provided to allow for a proper appreciation of the results, however management have concluded that this does not constitute "highly seasonal" as considered by AASB 134 *Interim Financial Reporting*.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

This general purpose financial report for the interim half-year reporting period ended 31 December 2024 has been prepared on a going concern basis in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Flight Centre Travel Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and *ASX Listing Rules*.

The accounting policies adopted are consistent with those applied at 30 June 2024 unless otherwise stated.

RECLASSIFICATION

Certain prior period amounts have been reclassified to conform to the current period's presentation.

(B) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New or amended standards and interpretations that became applicable to FLT for the first time for the 31 December 2024 interim half-year report did not result in a material financial impact to the group's accounting policies or require any retrospective adjustments.

AASB 2023-2 AMENDMENTS TO AASB 112 - INTERNATIONAL TAX REFORM PILLAR TWO MODEL RULES

The AASB has endorsed the adoption of the AASB 112 *Income Taxes* amendments relating to the global minimum top up tax (Pillar Two Global anti Base Erosion Rules) previously released by the IASB and has issued *AASB 2023-2 Amendments to AASB 112 - International Tax Reform Pillar Two Model Rules*.

For the period ended 30 June 2024, we have applied the IASB amendment to IAS 12, *Income Taxes*, which provides mandatory temporary exception from recognising or disclosing deferred taxes related to Pillar Two.

Pillar Two legislation has been implemented in Australia following the registration of the *Taxation (Multinational Global and Domestic Minimum Tax) Rules 2024* on 23 December 2024. The package of Pillar 2 legislation implements in Australia:

- A Domestic Minimum Tax (DMT) with retrospective application to fiscal years starting on or after 1 January 2024
- A global minimum tax by imposing top-up tax through an Income Inclusion Rule (IIR) with retrospective application to fiscal years starting on or after 1 January 2024
- An Undertaxed Profits Rule (UTPR), applying to fiscal years starting on or after 1 January 2025

Pillar Two legislation has also been enacted or substantively enacted in certain other jurisdictions in which the Group operates.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. This assessment indicated an immaterial potential exposure to Pillar Two top-up tax as at 31 December 2024, and as a result the Group has not recognised a Pillar Two current tax expense for this reporting period.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

AASB 2020-1 AMENDMENTS TO AASs - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND AASB 2022-6 AMENDMENTS TO AASs - NON-CURRENT LIABILITIES WITH COVENANTS

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer settlement must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, however the AASB has now issued *AASB 2022-6 Amendments to AASs - Non-Current Liabilities with Covenants* which has changed the effective date of AASB 2020-1 to annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

This means that it will be applied in the reporting period ending 30 June 2025. FLT does not intend to adopt the standard before its operative date.

The amendments in AASB 2022-6 clarify:

- that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current
- specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date

The amendments in AASB 2022-6 also add presentation and disclosure requirements for non-current liabilities subject to compliance with future covenants within the next 12 months.

Other than disclosed at 30 June 2024, there are no other standards that have been issued but are not yet effective and that are expected to have a material financial impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Flight Centre Travel Group Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of Flight Centre Travel Group Limited for the half-year ended 31 December 2024 are in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

On behalf of the board



G.F. Turner
Director
BRISBANE
26 February 2025

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Independent auditor's review report to the members of Flight Centre Travel Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Flight Centre Travel Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 31 December 2024, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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with confidence**

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Alison de Groot' in a cursive style.

Alison de Groot
Partner
Brisbane

26 February 2025

A handwritten signature in black ink that reads 'Amy Cinquini' in a cursive style.

Amy Cinquini
Partner
Brisbane

26 February 2025

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