

FLIGHT CENTRE TRAVEL GROUP™

STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – June 17, 2026

Flight Centre Travel Group updates FY26 profit guidance, unveils additional \$200m issued capital buy-back as Middle East conflict disrupts short-term leisure results

Key Points

- Guidance revised to \$275m-\$295m UPBT – mid-point broadly in line with FY25's \$286m* UPBT (below the \$310m-\$345m* previously targeted)
- Reflects temporary, conflict-driven headwinds, not deterioration in the underlying business, which grew UPBT almost 10% over the first three quarters – accelerating to ~20% in Q3
- Q4 disruption expected to reduce leisure earnings by circa \$50m, compared to previous expectations, with further \$5m impact in touring businesses and \$5m-\$10m FX impact
- Global corporate business less affected and on track to deliver strong FY26 profit growth
- Peace agreement reached this week provides a clearer runway into FY27 and a significant earnings tailwind but unlikely to meaningfully improve FY26 result trajectory given timing
- Up to \$200m issued capital buy-back to be initiated – opportunistic deployment of cash holdings, reflecting strong belief in FLT's recovery and outlook

Overview

FLIGHT Centre Travel Group Limited (FLT) today amended its 2026 fiscal year (FY26) profit guidance.

The change reflects the Middle East war's significant short-term impact on international leisure travel, with FLT now expecting a \$275m-\$295m underlying profit before tax (UPBT) for the year to June 30. FLT was previously targeting a \$310m-\$345m* UPBT (adjusted to reflect Pedal Group sale), with the new midpoint broadly in line with the \$286m* FY25 UPBT.

While the new Middle East peace deal delivers a clearer runway into FY27 and a significant earnings tailwind, its timing means it is unlikely to meaningfully alter the company's FY26 fourth quarter (Q4) result trajectory.

The corporate business's strong profit growth over the year is now likely to be offset by lower-than-expected leisure profit and increased Global HQ division losses. This increase relates predominantly to the previously announced net interest decline and a circa \$5m impact on the UK-based touring businesses linked to Middle East-related cancellations.

Group-wide, the company also expects to incur a \$5m-\$10m adverse profit translation impact from the stronger Australian dollar.

FLT has also today announced an up to \$200m on-market issued capital buy-back, following the successful completion of a similar program in May 2026 which saw 16.2m shares bought back (7.3% of issued capital). The new buy-back is summarised at the end of this announcement and reflects FLT's conviction in its business and growth prospects.

This confidence is underpinned by:

- The travel sector's historic resilience – rapid and steep rebounds typically follow short-term leisure travel downturns; and
- FLT's strong underlying performance for most of FY26 with the company recording almost 10% UPBT growth to \$227m during the year's first three quarters

Q3 profit growth accelerated, increasing almost 20% compared to the FY25 Q3 and culminating in a record profit in Australia in March, despite escalating Middle East hostilities.

During Q4, both FLT's leisure and corporate businesses continue to trade profitably, although leisure earnings are now below prior year levels.

Following the previously reported circa \$10m leisure profit reduction in April 2026, the business's trading results point to a larger year-on-year (YOY) reduction in May. June – traditionally a stronger leisure trading month – may see a more significant YOY decline given heightened tensions early in the month – ahead of the peace agreement – and the Federal Government's ongoing Do Not Travel advisory for key Middle Eastern transit hubs.

The advisory – Australia's highest warning level – is a step above other comparable countries, including the United Kingdom, and impedes recovery because it strips Australians of travel insurance cover for non-war-related issues while merely transiting the Middle East.

Factoring in anticipated growth that will not now be realised, lost Q4 leisure earnings are set to reach \$50m after the business was tracking towards a \$200m UPBT at the end of Q3.

This Q4 leisure shortfall reflects two temporary shifts in travel and booking patterns:

- Travellers with forward bookings to the UK and Europe – FLT's largest and highest value international leisure destinations – routed via the Middle East typically amended or cancelled plans. Customers who rerouted via Asia or the Americas to bypass the region typically switched to lower margin carriers; and
- A slowdown in longer-haul bookings as ongoing volatility, capacity constraints and higher fuel prices drove airfare price spikes. Enquiry has remained healthy – up 18% month-to-date in Flight Centre brand in Australia – but customers have been deferring bookings, which is a typical response in uncertain times

“The change in our short-term expectations reflects a temporary, conflict-driven headwind layered over what was shaping as a very solid year,” FLT managing director Graham Turner said. “It has been driven by an external shock – the Middle East conflict disrupting peak leisure travel – not by a deterioration in our underlying business.

“Group-wide, the company delivered almost 10% UPBT growth across the first three quarters of FY26, accelerating to ~20% growth during Q3. Even after absorbing Q4 disruption, the group still expects an underlying profit broadly in line with FY25.

“Looking ahead, we have strong foundations and growth prospects in both the leisure and corporate sectors. This is reflected in the Board’s decision to launch a new up-to-\$200m buy-back – which clearly signals that we see our shares as undervalued at current levels.

“In leisure, our strategy continues as we work to strengthen Flight Centre brand, expand in growth sectors, including cruise, tour and luxury, and embed the new World360 Rewards program, which now has more than 420,000 members. The \$200m profit milestone the business was on track to achieve during FY26 remains a viable, near-term target given that travel downturns are historically short and followed by rapid rebounds.

“While our corporate business has also been affected, albeit to a lesser degree, it has delivered strong profit growth. Its bright outlook is supported by growing operating leverage, new offerings that are expanding our addressable markets, a stronger US presence via the new Blocksky partnership, which will help us compete for some of the world’s largest accounts, and a healthy contract win pipeline, which is accelerating late in FY26.”

Cost discipline and AI-driven productivity

FLT continues to focus on short-term savings initiatives, including reducing discretionary spend, freezing support role recruitment and prioritising investment and capital expenditure. This cost discipline is balanced against ongoing investment in key growth drivers – including network enhancements, marketing and new customer offerings – to ensure the business is well placed to capitalise during the recovery phase.

The company continues to deploy artificial intelligence (AI) and automation group-wide to lift productivity, reduce cost and open new sources of revenue, while also deepening its competitive moat. Enhancing the customer experience (CX) through AI is a priority, as evidenced by recent developments including:

- Broad rollout of the corporate business’s AI-powered assistants – Sam (FCM) and Mel (Corporate Traveller) – from this week; and

- Leisure's launch of Google Agent Search, an AI-powered search experience, and the upcoming introduction of an AI Travel Assistant, which will give customers easy access to frequently requested pre-trip information and proactive notifications

On-market share buy-back

The buy-back is subject to prevailing share price and market conditions, will be executed at FLT's discretion and will otherwise be undertaken in accordance with the terms specified in the Appendix 3C released today (June 17, 2026).

The buy-back will be conducted in the ordinary course of trading over the next 12 months, in addition to FLT managing its outstanding Convertible Notes (CNs) and maintaining its existing capital management policy.

The final amount of the buy-back and the exact timing of any trades made from time to time will depend on a number of factors including market conditions, FLT's prevailing share price, its future capital requirements and consideration of any unforeseen developments or circumstances that may arise in the course of the buy-back.

Accordingly, there is no assurance that FLT will buy-back any or all of the \$200m worth of shares contemplated. FLT reserves the right to suspend or terminate the buy-back at any time (having regard to the previously mentioned factors and shareholders' best interests).

The buy-back will reduce the number of FLT shares on issue, help drive earnings per share (EPS) growth and offset potential dilution associated with the CNs.

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*FY26 guidance has been adjusted to exclude an anticipated circa \$5m profit contribution from the Pedal Group cycle joint venture, following its sale in May 2026, consistent with FLT's historic treatment on non-continuing businesses' results. FY25 UPBT for comparison purposes is adjusted to \$286m (previously \$289m) to reflect Pedal Group's FY25 profit contribution.

FLT's Board has authorised this announcement for release