

# FLT: Presentation by Chris Galanty, CEO - corporate

Ord Minnett Leisure,  
Tourism & Gaming  
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2022



# Corporate business overview

Positioned for post-pandemic recovery as the world reopens

## Strong Global Presence

Company-owned businesses in 25+ countries. FCM network extends to circa 100 countries globally through equity business & independent licensees

01

## Two key brands

Tailored brands & products for TMS (large market) & SME/start-up customers via FCM & Corporate Traveller brands respectively.

02

## Achieving Strategic Objectives

Growing to win & gaining market-share globally through strong pipeline of account wins & high customer retention rates

03

## Investing to grow

Delivering new platforms in both FCM & Corporate Traveller (Melon) & investing in tech capabilities (TP Connects, Shep)

04

## Organic expansion focus

Account wins & high retention rates driving growth. Some small acquisitions/investments to gain a footprint in key markets (Japan joint venture)

05

## Trading Conditions Improving

Positive signs re-emerging in key regions of the Americas, UK, Europe & Australia after omicron downturn between December & January – strongest signs of return to normalcy since start of pandemic

06

# Corporate FY22 result recap & update

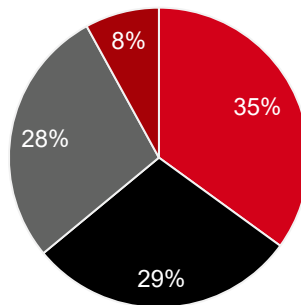
## Solid progress on the path to recovery

- Continued strong sales recovery – \$2b+ in 1H TTV, almost 150% growth on PCP
- Corporate business generated about 60% of group 1H TTV (circa 40% pre-COVID)
- Strong rebound from February – corporate targeting a return to monthly profitability in March/April 2022 (close to breakeven in February 2022)
- Maintaining cost discipline while continuing to invest in key drivers (products, BDMs, solution design & implementation)
- Large customers reinstating travel programs as COVID-19 concerns abate
- Continuing to monitor Russia/Ukraine but no noticeable impact on corporate or leisure sector recovery to date

## Segmented 1H Results

\$m	LEISURE		CORPORATE		OTHER	
	HY22	HY21	HY22	HY21	HY22	HY21
TTV	950	501	2,040	823	273	209
Revenue	112	54	192	89	11	16
<b>Underlying EBITDA</b>	<b>(155)</b>	<b>(120)</b>	<b>(30)</b>	<b>(46)</b>	<b>1</b>	<b>10</b>
Revenue Margin	11.8%	10.8%	9.4%	10.8%	n.a.	n.a.

## Corporate Gross 1H TTV



■ ANZ ■ Americas ■ EMEA ■ Asia

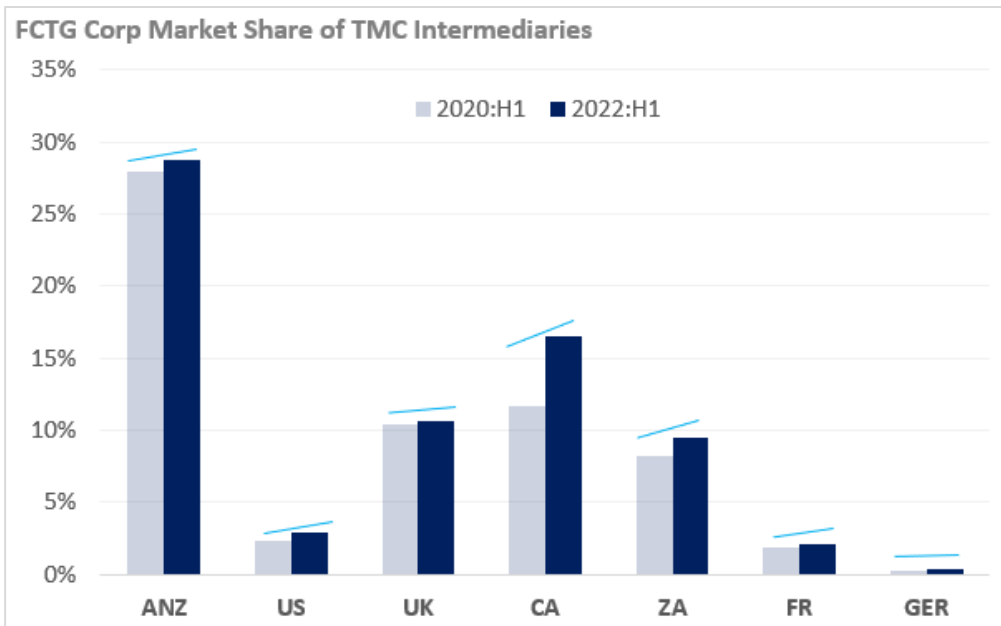
Globally diversified with large footprint across 4 geographic regions

Americas & EMEA businesses likely to overtake ANZ during 2H given account win pipeline

# Corporate FY22 result recap & update

Gaining market-share globally – growing to win

- Organic market-share growth – fed by multi-billion dollar pipeline of new account wins & high retention
- 12 of FCM's largest 20 accounts have been won during the pandemic – accounts with annual spends of circa \$4.5b secured since FY20 1H
- RFP activity maintaining pace - largest global account just won (not included in above data)
- Wins to drive TTV growth globally, but especially in Americas & EMEA – about 70% of new business won during the pandemic is set to trade in these 2 regions
- Benefiting from diverse global client book – now with greater exposure to government accounts after major wins in France, Singapore & United Kingdom (UK government now one of FCM's largest UK clients)



Source: Selected industry data for all intermediaries in those markets  
Note i: Excludes refunds and cancellations with exception of US

# Corporate travel outlook next 18 months

## Evolution of customer needs



### Return to travel – businesses at 60-75% of pre-COVID in FY23

- Pent up demand for face-to-face meetings
- Government restrictions easing – UK & Europe leading the way
- External travel continues
- Internal travel, meetings & events have picked up in past 6 months



### Changing customer needs

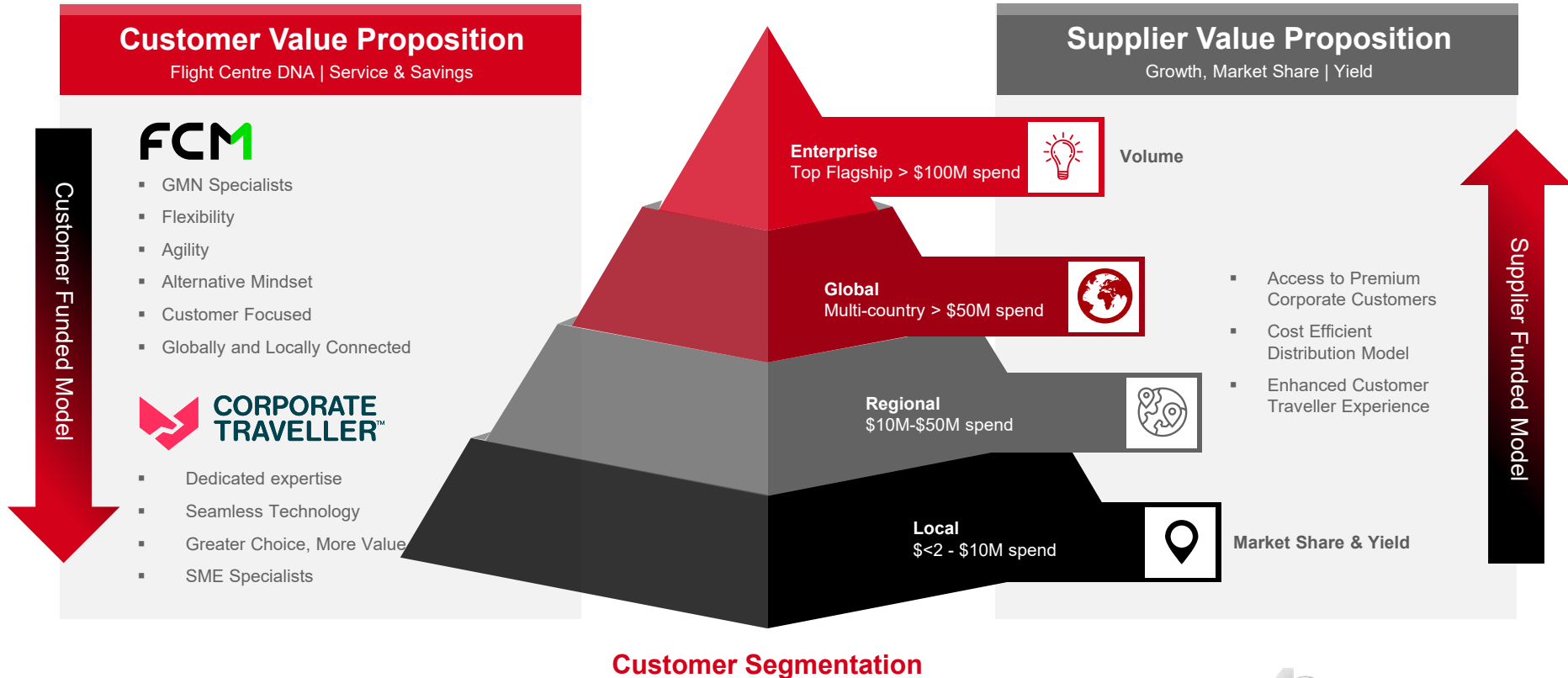
- Less leakage – safety and compliance drive higher adoption of travel programs
- Increased demand for services, shift from supplier direct channels to managed travel
- Strong focus on sustainable travel, companies require support



### Competitive landscape

- Large corporations have less choice & seeking an alternative
- Legacy TMCs struggling to adopt to new needs
- SME customers see limitations in technology-only companies.

# Where we play – A two-sided model



# Strategy on a Page



## Winning Brands

Two globally differentiated winning brands focused on SME and GMN



## Product

The platforms that deliver the customer experience



## Sales & Marketing Machine

Driving forward the acquisition and retention of customers



## Hybrid Service Model

Data Science, Robotics, Pricing & Analytics, Operations



## Content & Supply

Enabling the simple find, book and service on content whilst maintaining a revenue stream



## People, Culture & Sustainability

The most fundamental building block to each brand's success



Corporate Traveller is the TMC that's fanatical about SMEs and delivers Care Uplifted through the power of our people and technology



FCM is The Alternative TMC for Multi-National Corporates. The flexibility of its offering is based around customer requirements



Melon is Corporate Traveller's proprietary technology that is built with the SME customer in mind



**The FCM platform**  
FCM's new platform offers customers the best in market-leading technology, all seamlessly integrated into one place, giving you the ultimate choice to plug-and-play, your way.



Acquisition



Retention



Growth



Automation & Robotics



Data Science



CRM



Consultant Desktop



Booking, Pricing, Aggregation



Ownership








Irreverence



Egalitarianism

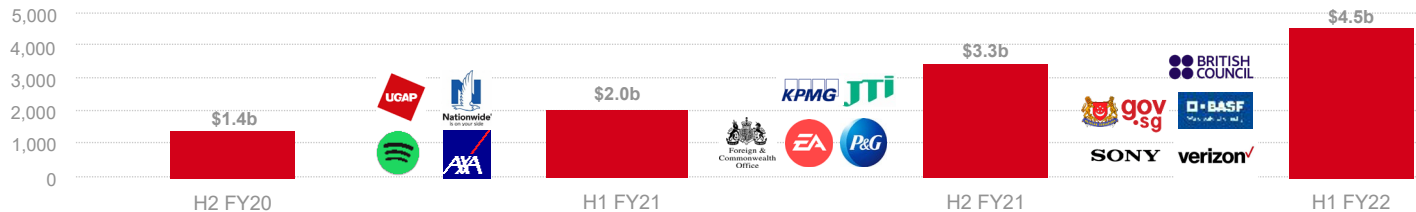


# Grow to Win timeline

	FY2020		FY2021				FY2022	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>FCTG Corporate</b>	New global structure	Grow to win strategy Re-size business	 <b>FCM TRAVEL SOLUTIONS</b> Brand consolidation		<b>FCM</b> Rebrand	 <b>CORPORATE TRAVELLER</b> FCM platform China Melon launch Corporate Traveller Rebrand	<b>FCM</b> platform launch Duty of care and Approval	<b>FCM</b> Japan
<b>Investment</b>		 Customer segment Invest to grow	<b>WhereTo</b>		Hotel aggregation platform	Sustainability		
<b>Productivity Growth</b>		Rapid cost based reduction	Industry best implementation capabilities	Data Science		Global automation capabilities		Data platform rollout

Total New wins  
**\$4.5 Bn**

Cumulative Combined Signed Volume AUD \$m





# Projections

## Waterfall with business and new wins

### EVOLUTION OF FCM CUSTOMER MIX & MARKET RECOVERY

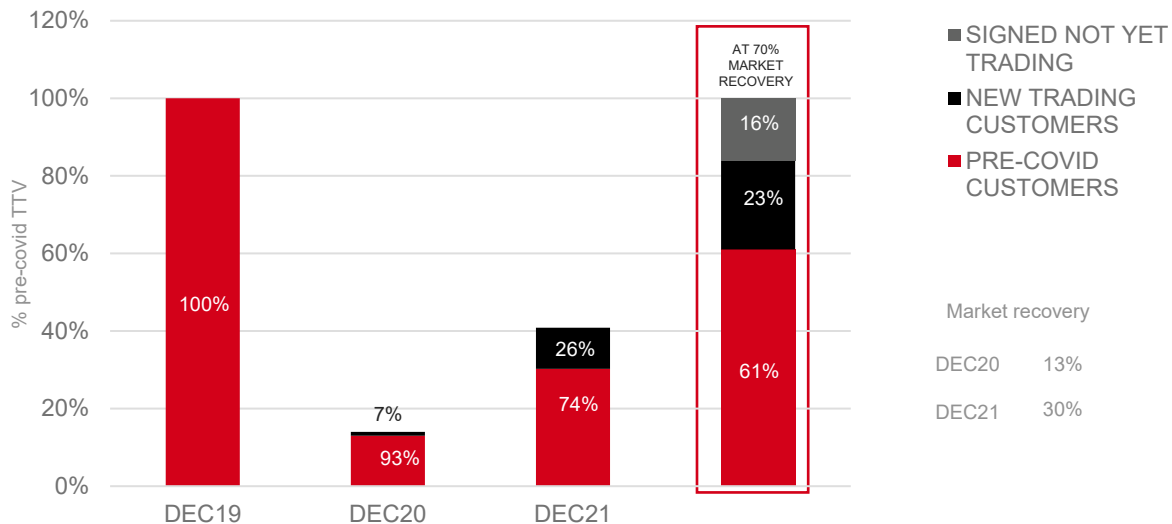


Table compares trading volumes in month of December for each year excluding Australia

# Next 18 months

## Future deliverables

### Accelerate customer growth

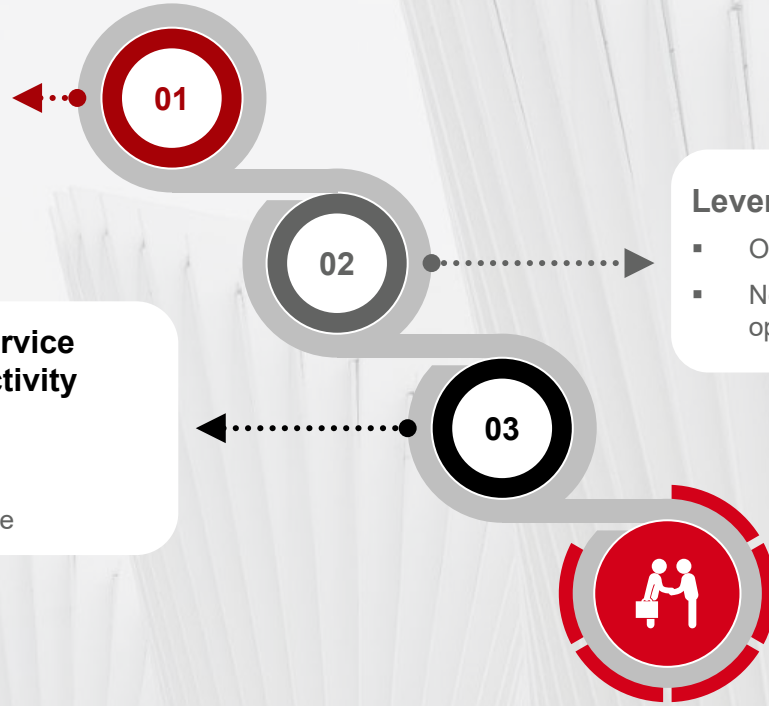
- Continue delivery of core strategy
- Technology rollout
- Invest in innovation & meeting new customer needs

### Accelerate Service Model Productivity

- Automation
- Digitalisation
- Cost structure

### Leverage new market dynamics

- Own & control content capabilities
- New airline & hotel retailing opportunities



# TP Connects Investment: Proactively Tackling Disruption



## Adapting to Changing Air Distribution Models

- Traditional air distribution model has been disrupted with growth in direct buyer-seller connections, proliferation of new commercial models, rise of new entrant technology providers & continued connectivity enhancements.
- FLT has just increased its investment in TP Connects to complement its GDS relationships, protect profit, ensure access to the best content & maintain relevance in a changing market

## Airline Solutions

- Development of middleware (API) which connects directly to an airline's Passenger Service System (PSS). Delivering flexible solutions in the airlines' NDC scheme of choice & delivered as API/B2B Agency Portal

## Agency Solutions

- Aggregates content from GDSs, PSSs, LCC & 3<sup>rd</sup> party NDC APIs to deliver a broader range of airfares to on & offline travel agencies. Content can be sourced via API or via NDCmarketplace.com

**End of Presentation**

Questions?



# Glossary

BDM = business development manager

EMEA = Europe, Middle East & Africa

FY22 = the 2022 fiscal year

1H = first half

GDS = global distribution system

GMN = global multi-national

LCC = low cost carriers

NDC = new distribution capability

PCP = prior corresponding period

RFP = request for proposal

SME = small to medium sized enterprises

TMC = travel management company

TTV = total transaction value

