



26 February 2014

ASX Release
CTM 1H14 UNDERLYING EBITDA GROWTH +28%.
REITERATES FULL YEAR GUIDANCE OF UNDERLYING EBITDA \$27m-\$28m

1H14 Results Highlights:

Statutory results:

- **First half statutory NPAT \$5.6m – up 11.4% on p.c.p. after voluntary change in accounting policy.**

Underlying results:

After voluntary change in accounting policy and \$1.1m one-off acquisition costs relating to Asia:

- First half EBITDA \$10.4m – up 28% on p.c.p[^]
- First half NPAT \$6.5m – up 30% on p.c.p[^]
- Interim fully franked dividend of 4.5 cents per share (up 13% on p.c.p) – payable 11 April 2014
- **Reiterated FY14 underlying EBITDA guidance at circa \$27.0m-\$28.0m**

* EBITDA and TTV are non IFRS financial measures and are defined in the interim financial report.

[^] Based on restated p.c.p for voluntary change in accounting policy on recognition of pay direct commissions. When backing out change to p.c.p reported numbers for voluntary change in accounting policy, underlying EBITDA and NPAT growth for the group are 13% and 14% respectively.

Corporate Travel Management (CTM, ASX Code:CTD), today reported a 28% growth in underlying EBITDA and re-iterated its full year FY14 EBITDA guidance of \$27.0m-\$28.0m.

Financial Highlights by region:

ANZ:

- **Underlying EBITDA growth up 6% on p.c.p (\$1.1m one off acquisition costs relating to Asia)**
- EBITDA margin improved on p.c.p, despite continued subdued economic conditions.
- Underlying TTV organic growth of 7% offset by the continued decline in average ticket prices and economic activity. Although CTM has experienced declining activity for 12 months, it appears to have steadied in CY14.
- The period saw a strong result in record new client wins, as a result of executing on FY14 growth initiatives, coupled with continued high levels of client retention.

Brisbane | Sydney | Melbourne | Perth | Gold Coast | Auckland | USA

Corporate Travel Management Group Pty Ltd – Brisbane ABN: 52 005 000 895 Licence No.: 854
27A / 52 Charlotte Street, Brisbane QLD 4000 PO Box 12005 George Street, Brisbane QLD 4003
Telephone: +61 7 3211 2400 Facsimile: +61 7 3229 7522 www.travelctm.com



- New client wins in 1H exceeded total client wins in full year FY13, with majority of wins not yet transacted, CTM expects to convert new business wins into transactions in 2H with the full effect in FY15.
- CTM remain highly leveraged to economic recovery but will still carry strong momentum into FY15, despite the state of the economy, due to new wins converting to transactional.

North America:

- EBITDA growth of 75% on a 'like for like' basis, after inclusion of the TravelCorp acquisition into the 1H baseline.
- The result comes from continued organic growth and executing upon initiatives that leverage scale.
- The TravelCorp integration is on track to be completed, as planned, by 30 June 2014.
- CTM expects a stronger 2H due to seasonality and momentum of new wins not yet transacted.
- CTM continues to actively explore further accretive USA acquisitions into FY15, potentially to be funded by CTM cash flow.

Asia:

- Westminster Travel 75.1% equity acquisition completed on 29 January 2014.
- Westminster Travel will make a 5 month contribution to profit in FY14.
- Management accounts and business performance, to date, are in line with our internal expectations.

The CTM Board has declared an interim dividend of 4.5 cents per share (up 13% on p.c.p), payable on 11 April 2014. The Company expects to pay out approximately 50%-60% of full year NPAT in line with the current dividend policy.

CTM's Managing Director, Jamie Pherous said the result was pleasing, particularly given the continued generally tough economic conditions in Australia and New Zealand. Mr Pherous added that he is proud of how the CTM team has continued to execute over this period.

Mr Pherous also said that CTM's key priorities over the next six months include:

- Maintaining organic growth in ANZ and North America (new client wins and retention), to set up strong momentum in FY15.
- Building upon CTM's unique regional value proposition, to target regional clients. With the inclusion of Westminster Travel into the Group, CTM has 1350 staff operating in 26 cities across 15 countries.
- Completing the integration of TravelCorp, to maximize economies of scale in North America.
- Focusing Westminster Travel on organic growth, global contracting opportunities and the leveraging of CTM's client service technology.



- Continuing to explore other acquisition opportunities using CTM's same acquisition discipline and criteria, consistent with our long term strategy.

CTM will be conducting a Webinar/teleconference at 9:30am (AEST), 10:30 (AEDST) on Wednesday 26th February. For details to participate: [CLICK HERE](#)

About CTM

CTM is an award-winning provider of innovative and cost effective travel management solutions to the corporate market. Its proven business strategy combines excellence in client services, advanced technologies and global buying power to deliver client- driven solutions and savings for business travel needs.

The Company employs 1,300 FTE staff and has established a national footprint in Australia and international offices in Asia, New Zealand and North America.

CTM (Australia) is a member of the GlobalStar worldwide network of 70 travel management companies, which allows it to provide a seamless international service for its clients and provides access to leading edge technology. This partnership with GlobalStar also provides a valuable networking tool, enabling the Company to contribute to significant industry developments around the world.

CTM has been acknowledged by the Australian Federation of Travel Agents (AFTA) winning three awards in 2013, including the 'Best Corporate Agency in Australia' eight times in the past ten years and was inducted into AFTA's Hall of Fame in 2010 for continued excellence.

**For media enquiries contact:
Corporate Travel Management**

Allison Dodd: (07) 3210 3354
E: allison_dodd@travelctm.com

