



corporate travel management

*travel**ctm**.com*

Annual General Meeting

30th October 2013

JAMIE PHEROUS, MANAGING DIRECTOR

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CTM Profile

What we do:

Professional corporate travel services provider since 1994.

Core value proposition:

- **Personalised service model**
 - **Best in market technology**
 - **Client benefit measured by ROI**
- 616 FTE staff (448-ANZ, 168-USA)
 - Approx. 1000 clients, including multi-national and large private companies
 - Diversification, no client represents more than 4% of EBITDA
 - USA - enormous market estimated over \$240b+, CTM is growing rapidly operating in 6 cities
 - Australia - Corporate market share estimated circa 9.5%

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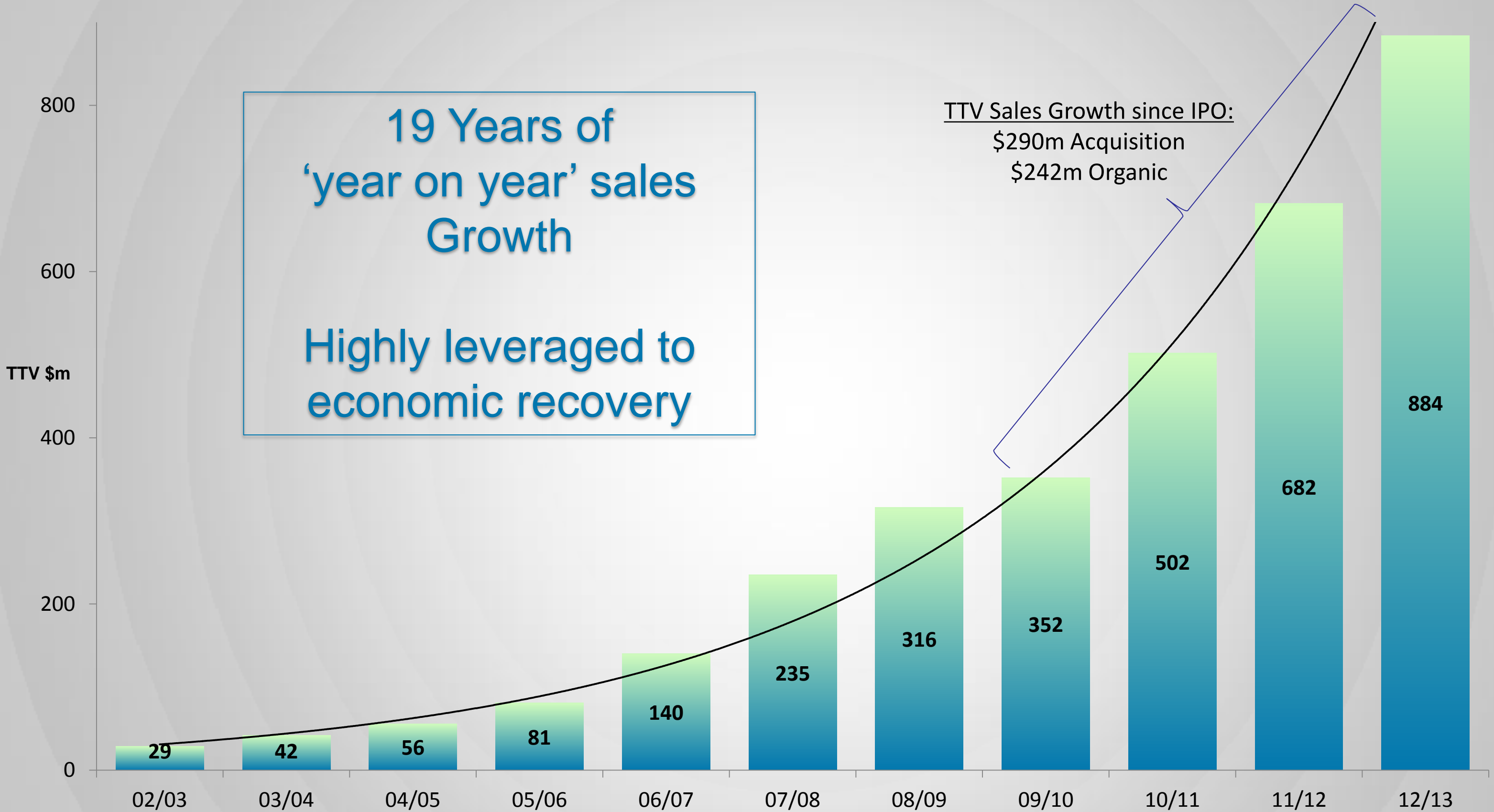
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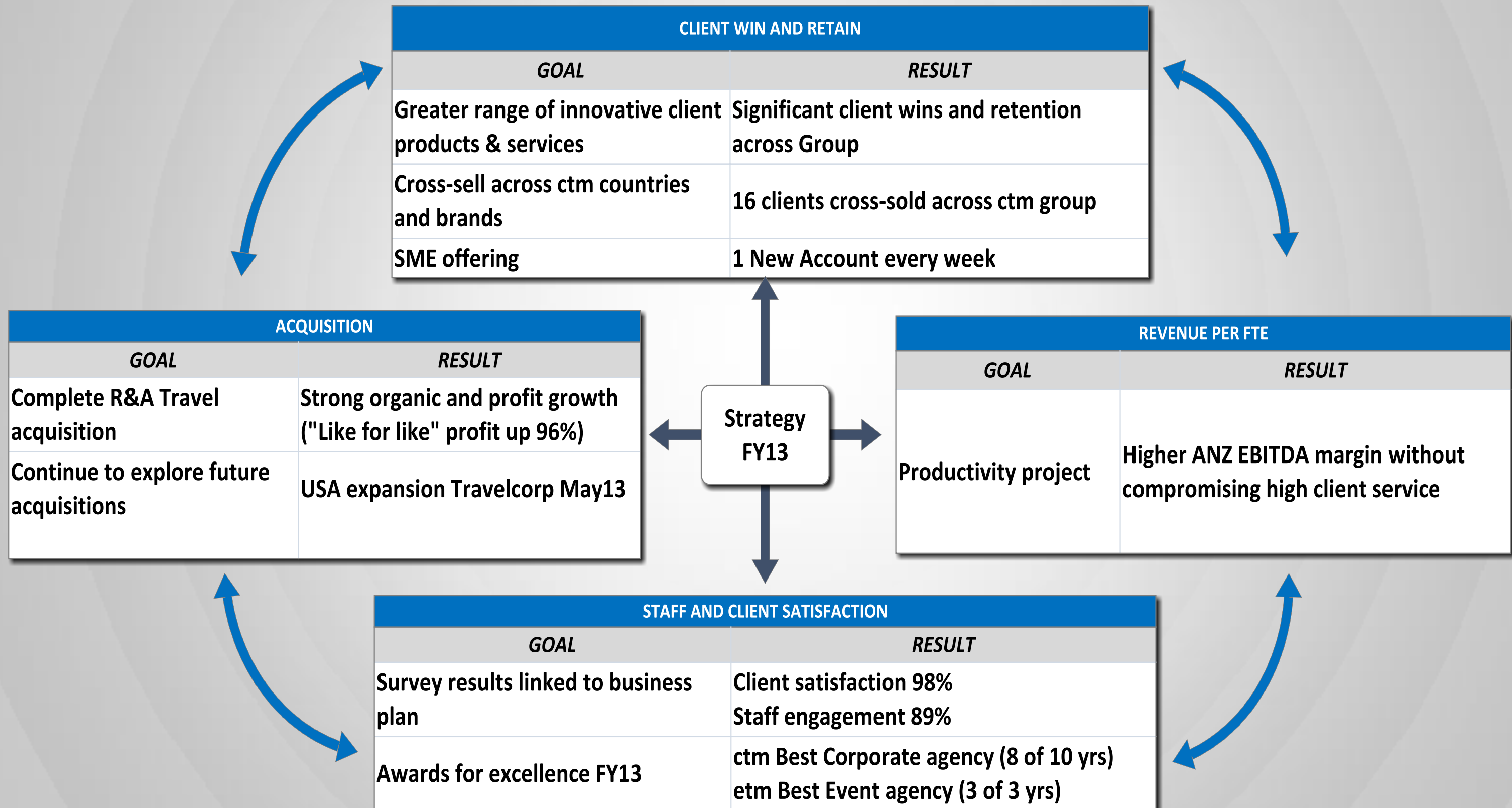
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Execution of FY13 Initiatives



Group Result

- ✓ Underlying EBITDA up 20% on p.c.p
- ✓ Organic EBITDA 'like for like' ANZ up 10.3%, USA up 96% on p.c.p.
- ✓ Improved EBITDA margins across the Group due to execution of key drivers. ANZ FY13 28.3% , FY12 26.7%
- ✓ The improved EBITDA margin has not flowed through to NPAT line due to higher interest expense (\$800K) and higher amortization (\$700K) charge increases largely resulting from M&A activity
- ✓ Full year dividend up 16.7% to 10.5 cents fully franked.(6.5c payable Oct13)

^ Underlying excludes \$1m one-off acquisition costs FY13 and \$500k fair value accounting credit on acquisitions FY12
 # revenue excludes interest income

	FY2013	FY2012	Change on PCP (%)
TTV \$m (unaudited)	883.8	681.3	+29.7%
Revenue \$m#	78.8	65.3	+21%
EBITDA \$m (unadjusted)	20.0	17.9	+12%
EBITDA \$m (underlying)^	21.0	17.5	+20.0%
NPAT \$m (statutory)	12.4	11.8	+5%
NPAT \$m (underlying)^	13.1	11.3	+16%
Dividend	10.5 cents	9 cents	+16.7%
Underlying EPS	17.3 cents	15.6 cents	+11%

Key Financial Indicators ANZ and USA

- Maintenance of ANZ yield, despite economic softening and domestic price war amongst airlines
- Increase ANZ EBITDA margin through productivity gains and leveraging support costs
- USA EBITDA margin improvement through implementation of CTM business systems and disciplines
- US is an enormous market (\$240b+) and CTM is growing rapidly

\$AUD	AUS/NZ		USA	
	2013	2012	2013	2012^
TTV	718.5m	681.3m	165.3m	110.0m
Revenue	68.1m	65.6m	10.7m	6.6m
Yield % of TTV	9.5%	9.6%	6.5%	6.0%
EBITDA*	19.3m	17.5m	1.7m	0.7m #
% of Revenue	28.3%	26.7%	15.6%	10.6%

*Underlying

^ R &A Travel P&L pre-acquisition

includes CTM senior manager in prior year cost base for comparative purposes

USA Case Study R&A Travel – Organic Growth and Margins

FY13 - Execution of M&A Objectives:

- Significant Organic Growth – cross-sell/sales rigour
- Increased profitability - CTM's business systems and disciplines
- Retained key staff and clients
- 2H continued improvement in margin - strong momentum for FY14

FY14- Continued Organic Growth and Margins:

- Combined USA business (inc Travelcorp USA) TTV\$300m+ on run rates
- Focus upon M&A transition discipline
- Expectations of **continued organic growth**:
 - Larger sales team spread across 6 cities
 - Building value proposition and cross-sell strategy
- Expect **continued improvement in EBITDA margins**
 - Scale to deliver stronger buying power, better leverage of support costs and synergies (CY14)
 - Building acumen across broader management team

AUD \$'000	FY12- R&A	FY13- R&A	2HFY13- R&A
TTV (unaudited)	\$110.0m	\$149.0m (+35%)	\$89.0m
EBITDA	0.73m*	\$1.5m (+100%)	\$1.2m
EBITDA Margin on TTV	0.66%	1.01%	1.35%
*Includes CTM Senior Manager in prior year cost base for comparative purposes			

Travelcorp USA

- Acquired Travelcorp May 2013, FY12 TTV USD120m NPBT USD1.9m
- Travelcorp operates in 6 cities in Texas and Louisiana with 80 staff



travelcorp ctm

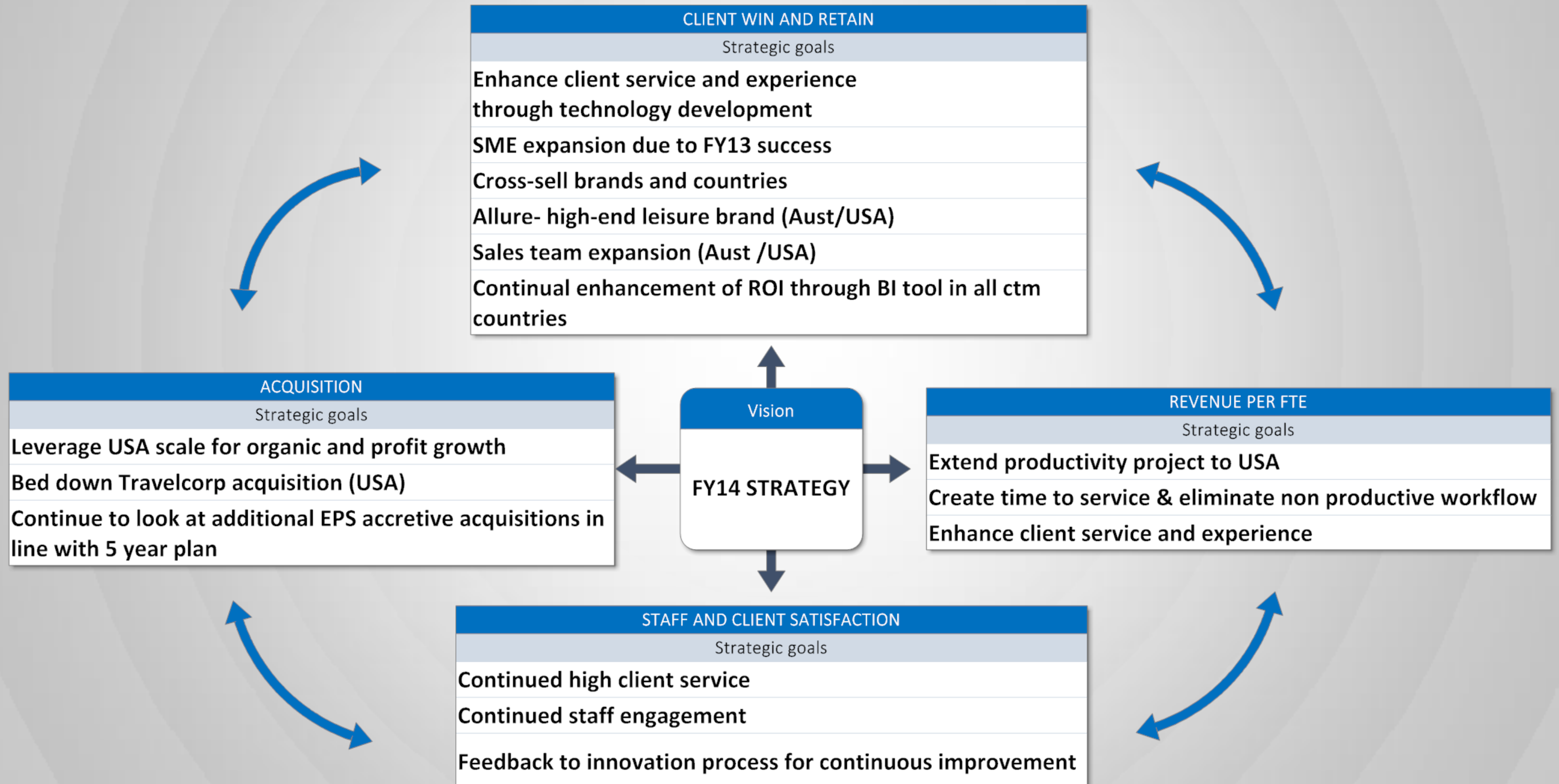
Strategic rationale:

- Strategic Alignment - Travelcorp meets CTM's strict acquisition criteria
- Geographic Strategy - Texas and Louisiana are high growth regions that prefer local service solutions
- Scale – Travelcorp will add to CTM's US buying power, leverage our support service skills and client facing solutions in North America

Focus next 6 months:

- Focus on staff and client retention
- Leverage buying power, and any systems or process that adds value to clients and staff
- Trading to expectations

FY14 Initiatives



FY14 Technology

FY14 presents continued investment in client-facing CTM Technology.

- CTM Business Intelligence - *global rollout.*
- Portal X 'Next Gen' – *the technology centrepiece.*
- Hotel Reviews – *agnostic and exclusive to CTM.*
- Taxi Share – *tapping into the untapped.*
- Risk Alerts – *enhanced duty of care.*
- Traveller Mapping – *interactive and visual.*
- Pre-Trip Approval – *Customised & dynamic.*
- Fare Forecaster – *Reducing booking times.*
- Bed Tracker – *Boosting travel insight & reducing cost.*

Total future
technology
investment
circa \$1m

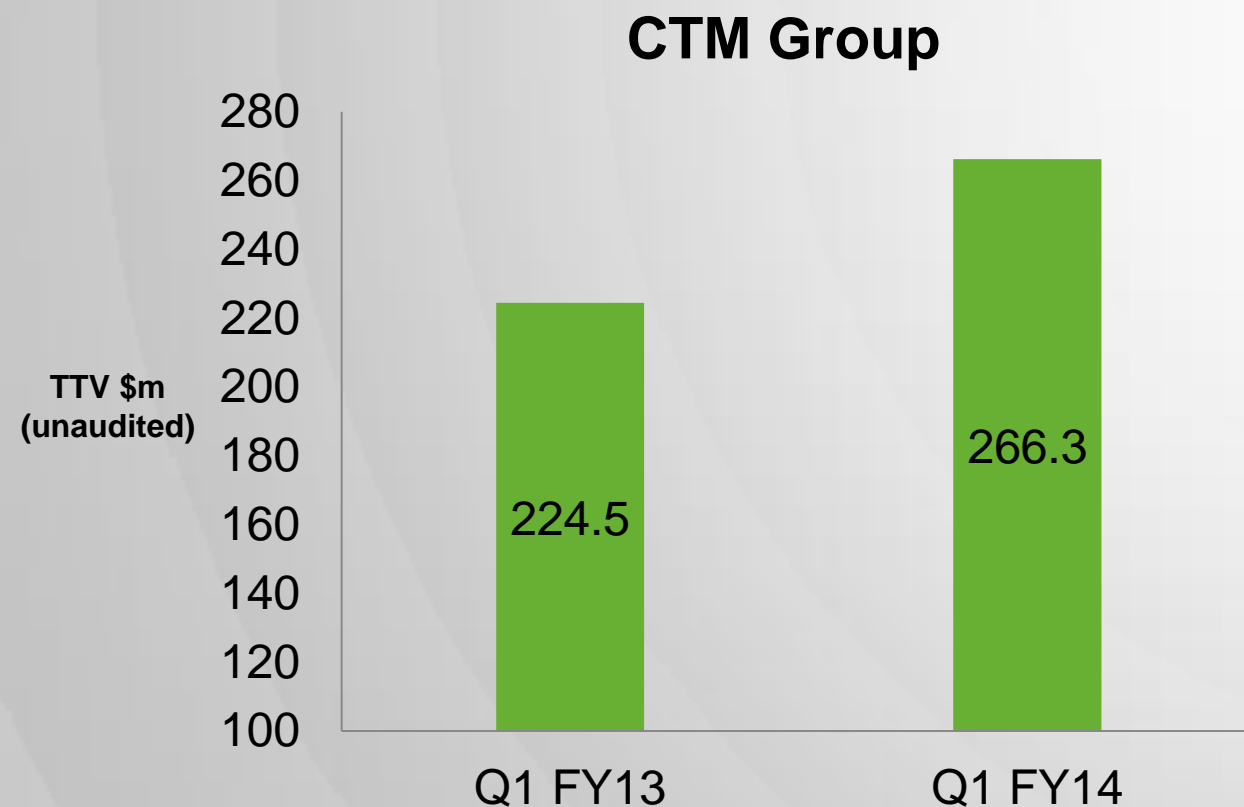


Trading Update and Guidance

FY14 guidance 15% - 20% underlying EBITDA growth on p.c.p. (circa \$24m-\$25m EBITDA)

- Subject to no further erosion in the broader economy
- Currently trading at top end of EBITDA range
- Any future acquisitions will be in addition to the guidance

September Quarter Trading Update

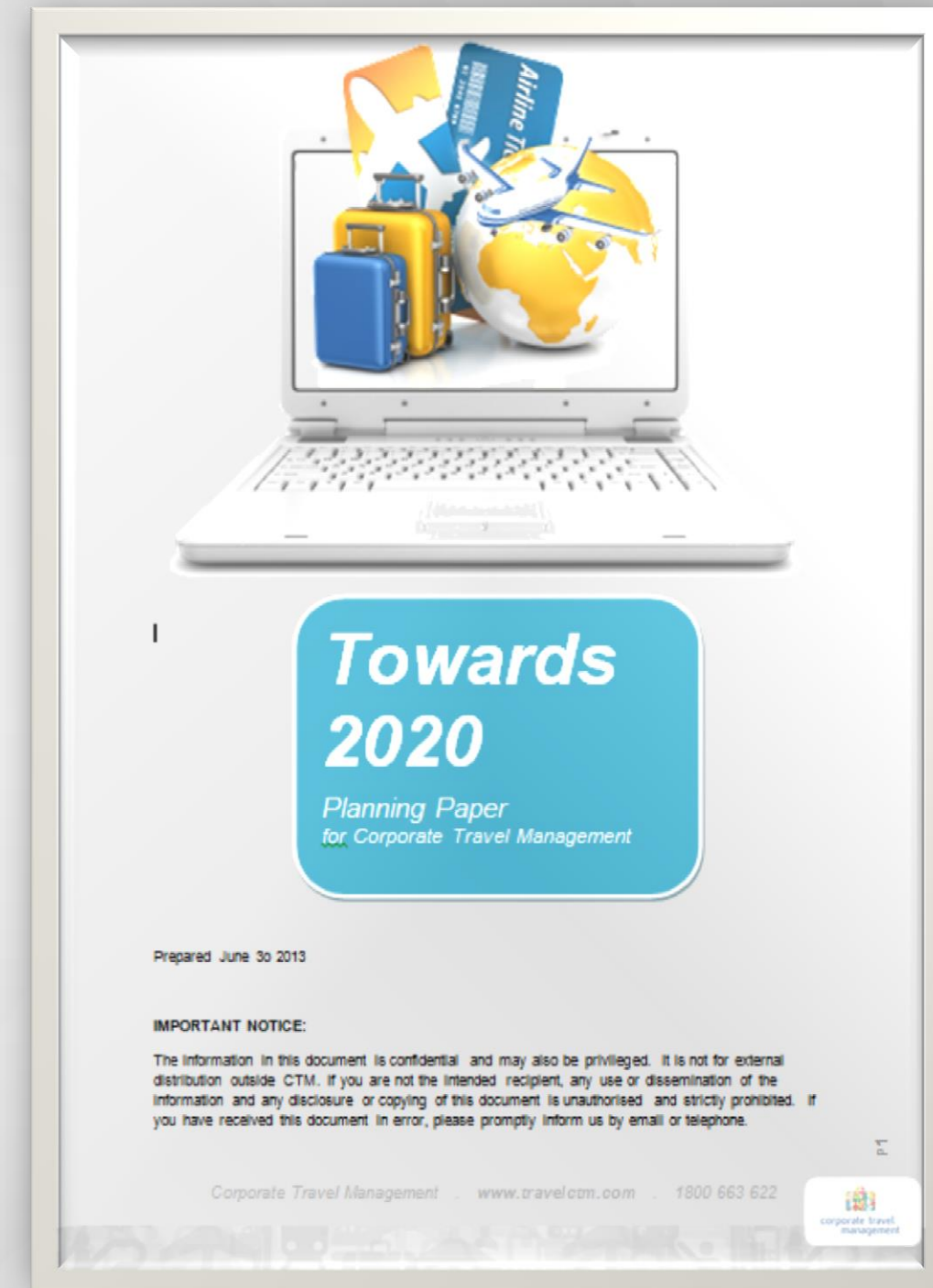


- Group TTV for Q1 of **\$266.3m, up 19%**
- ANZ – Q1 record new client wins. Majority commence trading Q2/Q3
 - Continue to build market share
 - Remain well placed to leverage from economic recovery
 - Underlying ANZ growth impacted by:
 - Year on year fall in average ticket prices
 - Continuation of softer client activity from Q4 FY13 (still to see momentum post election)
- USA - performing well with strong new client wins.
 - Travelcorp transition going to plan.

5 Year Plan

Aspirations:

- 5 year forward planning for ANZ, to ensure it continues to be a “fortress” of continued growth and high profitability that underpins global expansion strategy
- To be in every major region (Asia, Europe, North America, ANZ) with potential for emerging markets where suitable
- To organically grow in all operations and win regional and global clients via a client friendly multi-regional solution
- By working with our clients, continuing to develop new technology, client facing solutions and business models that evolve with their changing needs
- To be renowned as the best TMC in every region we operate by retaining CTM’s highly differentiated service model and high staff engagement, underpinned by technology solutions that add client value
- **To ultimately be a truly global company where substantial profit is derived off-shore**



Questions?



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