



corporate travel  
management

## Half Year Results 2015

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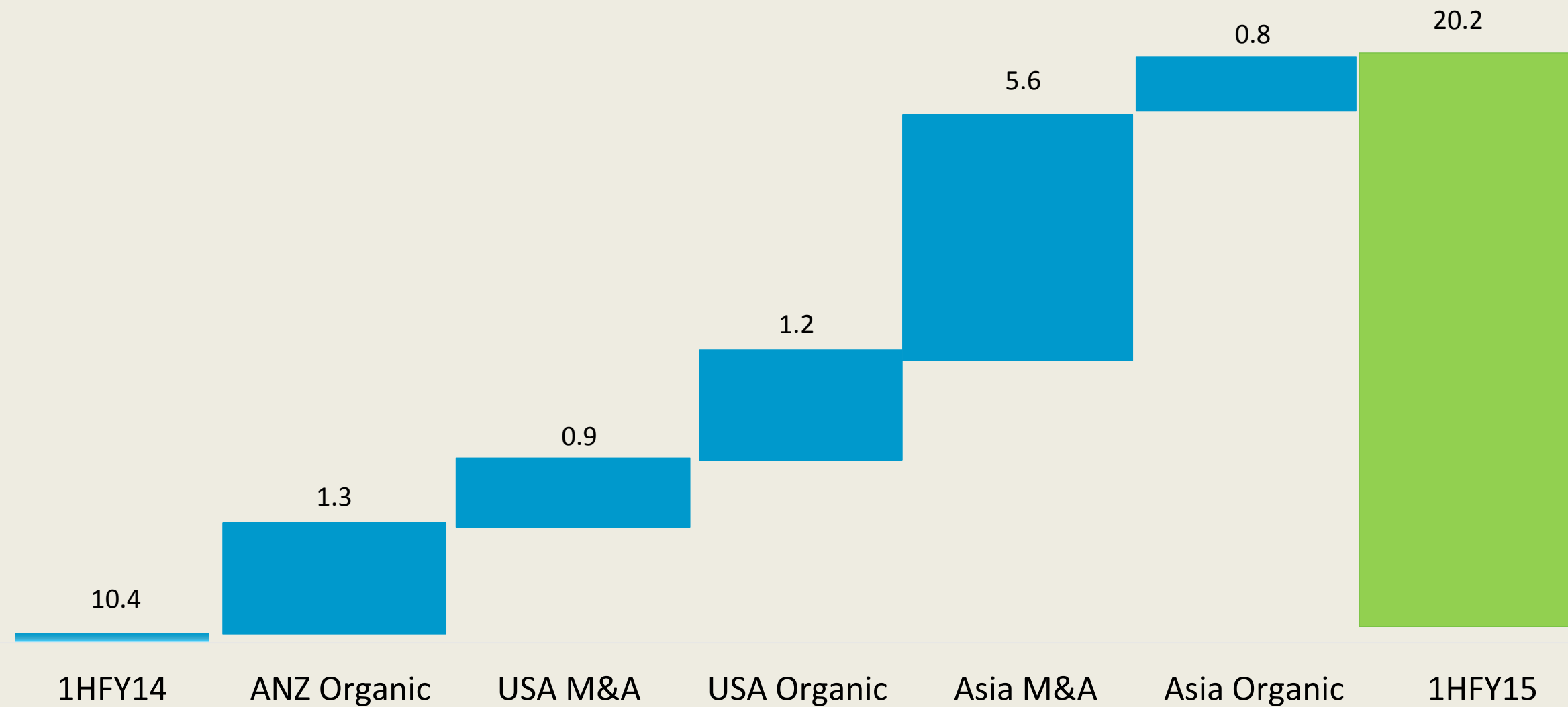
# Group Result Highlights

- ✓ **Underlying EBITDA up 94% to \$20.2m**, excluding \$1.1m one-off acquisition costs
- ✓ Record profit in all CTM regions
- ✓ Top line growth through strong client wins and retention in every CTM region
- ✓ Acquisitions performing to expectations
- ✓ Strong balance sheet with no debt
- ✓ Continued investment in client-facing technology and internal business tools, which strengthens CTM competitive advantage
- ✓ Half year dividend up 33% to 6 cents fully franked payable 10 April 2015
- ✓ Upgrading guidance as a result of 1HFY15 results

	\$m 1H2015	Change on P.C.P
TTV (unaudited)	1,115.9	↑ 127%
Revenue and other income	83.8	↑ 93%
<b>Underlying EBITDA*</b>	<b>20.2</b>	<b>↑ 94%</b>
Underlying NPAT*	11.0	↑ 69%
Statutory NPAT	9.9	↑ 76%
<b>Statutory EPS</b>	<b>10.6c</b>	<b>↑ 47%</b>
Half Year Dividend	6.0c	↑ 33%

\* Underlying EBITDA and NPAT is before one-off acquisition costs after tax of \$1.1m

## EBITDA Growth Summary (\$m)



# Award Winning across CTM regions

## ANZ

2014 Best National Travel  
Management Company  
9 of the last 11 years



## ASIA

2014 Best Travel Agency  
Hong Kong Winner  
5 of the last 7 years

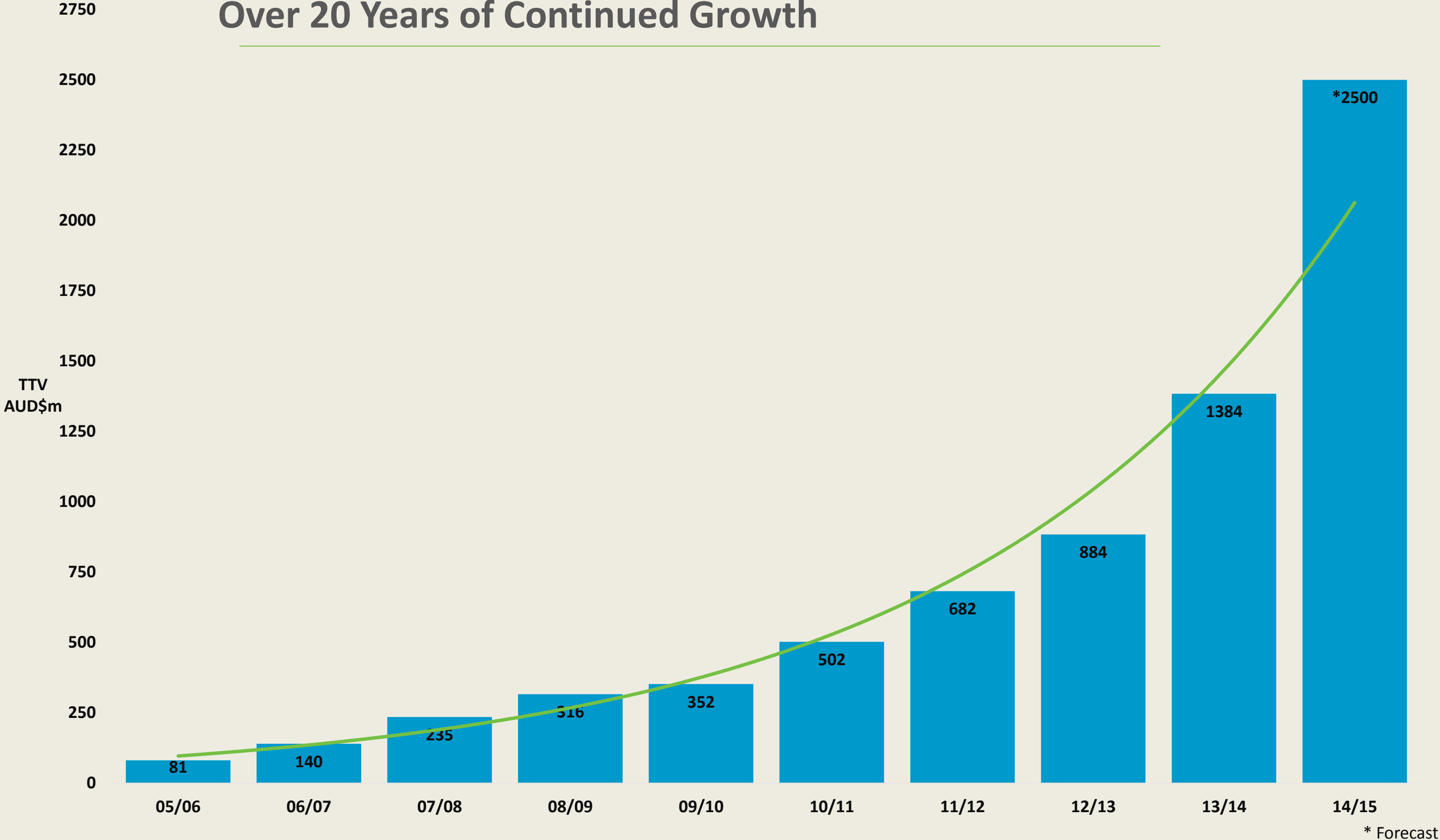


## UK

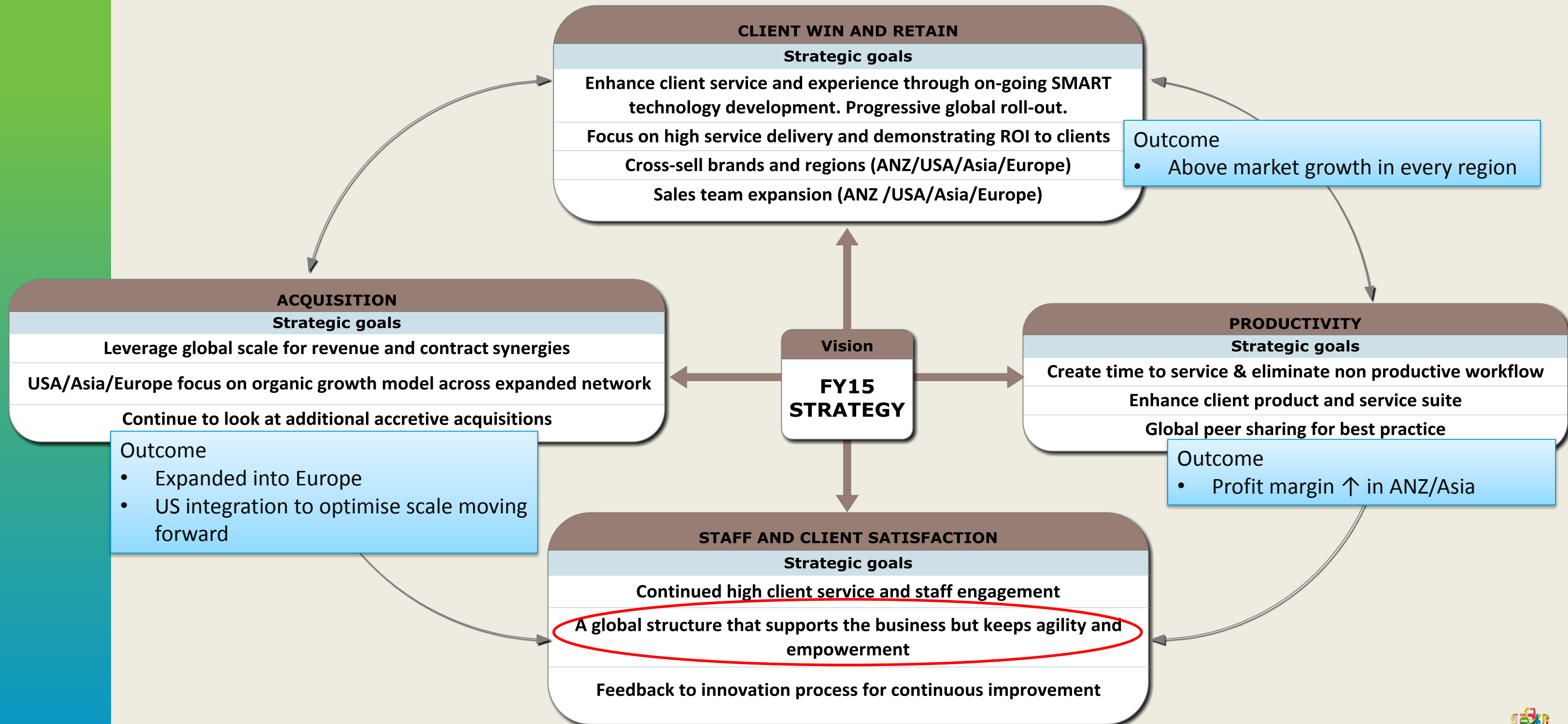
2015 Best Travel  
Management Company  
Winner 2013, 2014 and 2015



# Over 20 Years of Continued Growth

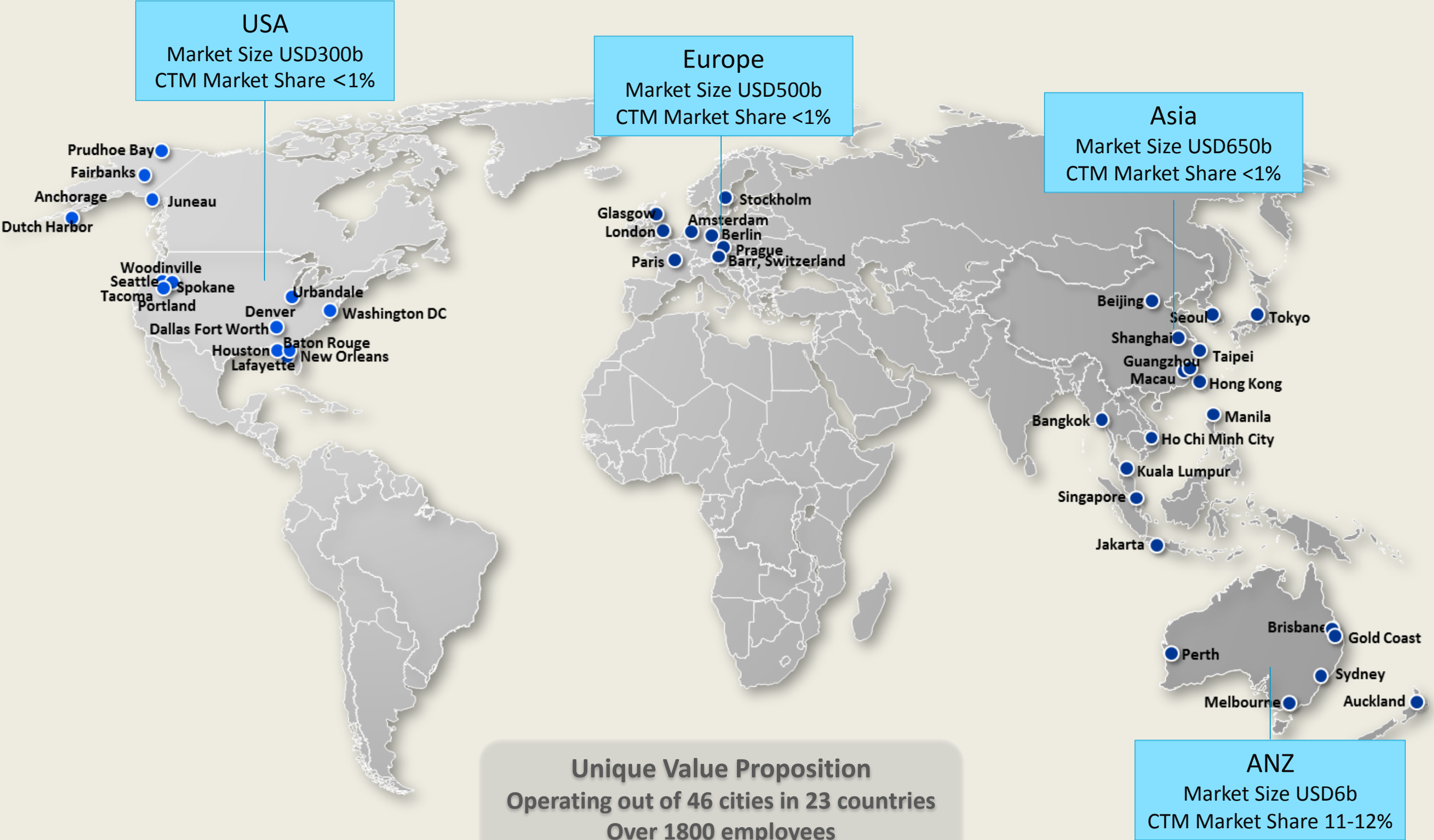


# FY15 Initiatives



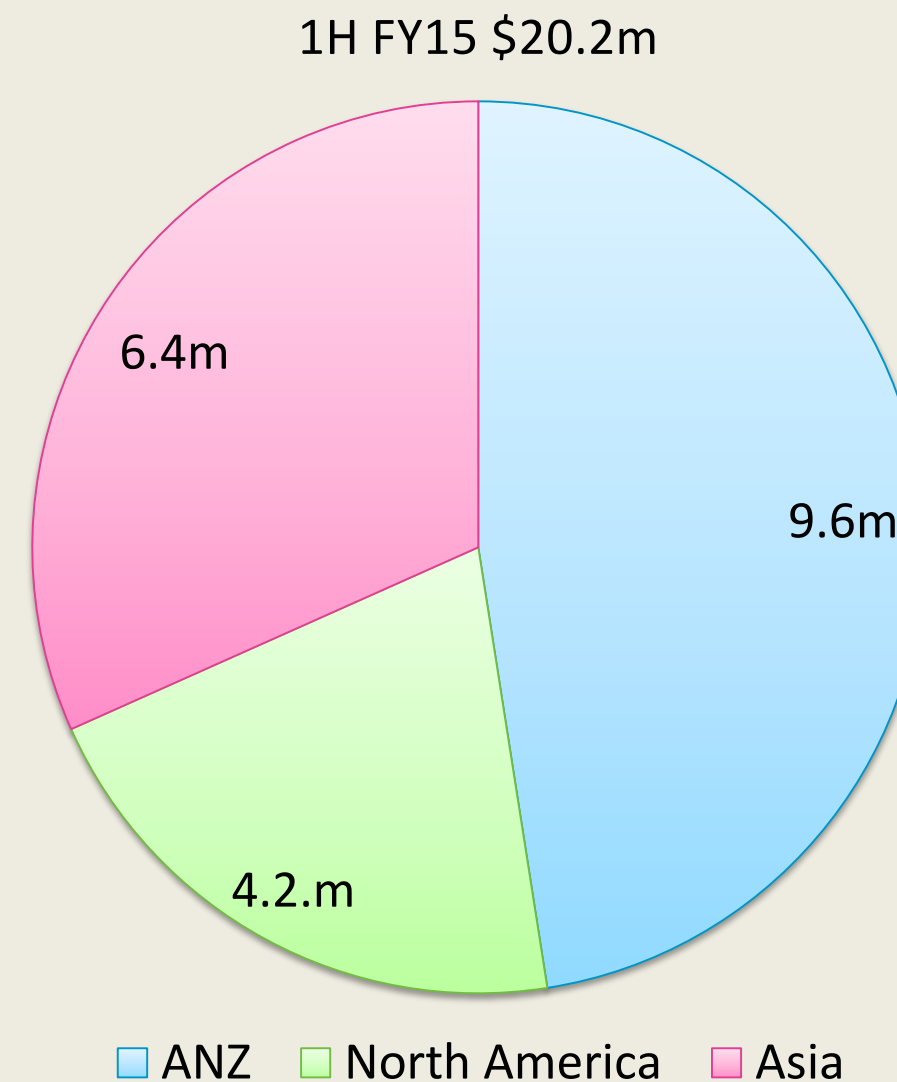
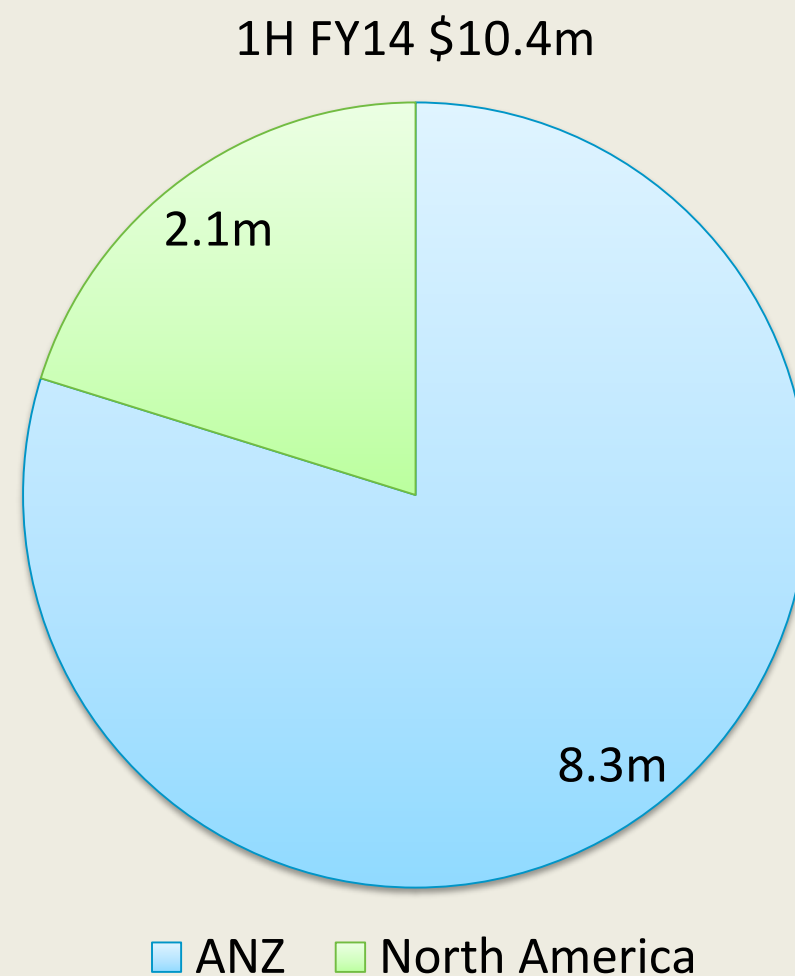


# CTM Footprint and Corporate Market Share





## EBITDA Contribution by Region



**Building diversity through offshore expansion – over half of 1HFY15 EBITDA offshore**

Offshore profit contribution expected to be greater over the full year FY15 with Europe contributing in 2HFY15

# ANZ

## Underlying EBITDA up 16% on the p.c.p:

- ✓ Organic growth and winning market share, through strong value proposition around personalised service, technology and delivering ROI
- ✓ Yield decline due to larger client wins but it is not compromising EBITDA margins (key measure)
- ✓ Small increase in domestic ATP at historic long term average
- ✓ Oil and Gas Industry represents 15% of ANZ TTV - Sector activity has softened, and is **factored into ANZ full year profit forecast**

	\$AUD		ANZ	
		1H2015	1H2014	% Change
TTV		406m	353m	15%
Revenue		37.0m	33.1m	12%
Yield % of TTV		9.1%	9.4%	
EBITDA		9.6m	8.3m	16%
% of Revenue		25.9%	25.1%	

# North America

## Underlying EBITDA up 100% on the p.c.p. (40% organic):

- ✓ Continued market share growth
- ✓ CTM now one brand in 18 cities across 8 states, with good momentum into CY15 as economies of scale kick-in
- ✓ Small EBITDA margin decline a result of blending new acquisitions coming into the business. We still expect to increased margin moving forward including in 2H.
- ✓ Continued reinvestment in a structure and cost base to support long term scalable growth, whilst working though integration synergies
- ✓ Expect stronger second half due to momentum, seasonality
- ✓ Oil & Gas represents under 10% of North American TTV
- ✓ Continue to actively look at further accretive acquisitions into FY16, potential to be funded from cash flow

\$AUD

North America

	1H2015	1H2014	% Change
TTV (unaudited)	273m	138m	98%
Revenue	20.9m	10.0m	109%
Yield % of TTV	7.7%	7.2%	
EBITDA	4.2m	2.1m	100%
% of Revenue	20%	21%	

## Asia

- ✓ **Underlying EBITDA up 15% on the p.c.p.:**
  - ✓ Top line growth in new clients primarily across corporate and wholesale segments
  - ✓ Softer than expected leisure performance due to HKG protests effect weighed down overall TTV growth
  - ✓ Strong client and staff retention
  - ✓ Lower yield due to greater wholesale mix
- ✓ Asian footprint across 14 countries, making CTM a strong proposition for clients wanting an Asian regional service solution
- ✓ 2HFY15 focus on continued scalable organic growth, SMART technology and BI Suite rollout with a corporate structure to support growth
- ✓ Working on a number of regional and global tenders

\$AUD	Asia		
	1H2015	1H2014#	% Change
TTV (unaudited)	437m	402m	8%
Revenue	25.9m	24.9m	6%
Yield % of TTV	5.9%	6.2%	
<b>EBITDA</b>	<b>6.4m</b>	<b>5.6m</b>	<b>15%</b>
% of Revenue	24.7%	22.5%	

# comparatives are like for like results based upon 1H2015 exchange rates and are not included in statutory accounts.

# Comparative Statutory Profit and Loss

- ✓ Underlying EBITDA margins improved slightly as a result of improvement of margin in ANZ and Asia, despite tough economic conditions and impact of lower margin wholesale business in Asia
- ✓ Increased amortisation and depreciation due to M&A activity
- ✓ Expect full year effective tax rate for Group to be circa 27%

\$AUD (m)	1H 2015	% change	1H 2014
TTV (unaudited)	1,115.9	127	490.7
<b>Revenue and Other Income</b>	<b>83.8</b>		<b>43.3</b>
Operating Expenses	(64.7)		(34.0)
<b>EBITDA - statutory</b>	<b>19.1</b>	<b>106</b>	<b>9.3</b>
Depreciation	(1.5)		(0.6)
Amortisation	(1.3)		(0.7)
EBIT	16.3	104	8.0
Net interest income/(expense)	(0.9)		0
NPBT	15.4	90	8.0
Tax	(4.3)		(2.4)
NPAT statutory	11.1	98	5.6
<b>NPAT statutory – attributable to owners of CTD</b>	<b>9.9</b>	<b>79</b>	<b>5.6</b>
<b>Reconciliation to underlying NPAT:</b>			
One off acquisition costs (tax effect)	1.1		0.9
<b>NPAT Underlying – attributable to owners of CTD</b>	<b>11.0</b>	<b>69</b>	<b>6.5</b>

## Group Balance Sheet (\$m)

- ✓ No debt
- ✓ Increase in cash reflects the equity raising of \$44.5m in December 2014 to fund the acquisitions of Chambers and Diplomat, 2 January 2015
- ✓ Reduction in receivables is due to December being a lower trading month than June and increased efforts to collect cash
- ✓ Intangibles are largely goodwill and acquisitions - increase year on year reflects the Avia and USTravel acquisitions
- ✓ Liabilities includes AUD\$11.7m of deferred consideration on TravelCorp, Avia and USTravel acquisitions

\$AUD (m)	Dec 14 \$m	June 14 \$m
Cash	81.7	32.0
Receivables and other	97.0	103.3
Total current assets	178.7	135.3
PP&E	3.6	3.4
Intangibles	142.4	109.1
Other	0.1	-
<b>Total assets</b>	<b>324.8</b>	<b>247.8</b>
Payables	105.4	94.1
Other current liabilities	10.7	10.9
Total current liabilities	116.1	105.0
Non current liabilities	9.3	9.8
<b>Total liabilities</b>	<b>125.0</b>	<b>114.8</b>
<b>Net assets</b>	<b>199.8</b>	<b>133.0</b>



## Key Financial Commitments – M&A

AUD \$m	1H16	2H16	1H17	2H17	1H18	2H18	1H19	Total
Travelcorp <sup>1</sup>	4.1							
USTRavel <sup>1</sup>	3.4							
Avia <sup>1</sup>	6.1							
Diplomat <sup>1</sup>		2.4						
Chambers <sup>1</sup>			9.8		9.8		9.8	
<b>TOTAL</b>	<b>11.7</b>	<b>2.4</b>	<b>9.8</b>		<b>9.8</b>		<b>9.8</b>	<b>43.5</b>
Cash component	9.7	2.4	4.9		4.9		4.9	26.8
Stock	2.0	-	4.9		4.9		4.9	16.7

- Expectation that earn-outs funded from cash flow

<sup>1</sup> Full earn-out assumed but estimate only. Represents maximum amount payable should full earn-out be achieved.

Exchange rate assumptions: AUD/USD 0.80, AUD/GBP 0.52

## Cash Flow Summary (\$m)

- ✓ The Group is debt free at 31 December 2014
- ✓ Working capital has improved due to timing of receivables collection, principally in Asia
- ✓ Increased tax due to business size and annual tax payment in Asia paid in this half
- ✓ \$44.5m capital raising in December 2014 to fund Chambers and Diplomat acquisitions
- ✓ 2015 Capex investment expected to be circa \$3m

\$ AUD (m)	6 mths FY15 \$m	6 mths FY14 \$m
EBITDA	19.1	9.3
Change in working capital	9.2	0.1
Income tax paid	(5.5)	(1.6)
Interest	(0.3)	(0.3)
<b>Cash flows from operating activities</b>	<b>22.5</b>	<b>7.5</b>
Capital expenditure	(1.6)	(0.9)
Other investing cash flows	(9.4)	(2.3)
<b>Cash flow from investing activities</b>	<b>(11.0)</b>	<b>(3.2)</b>
New equity	44.2	-
Dividends paid	(6.8)	(5.1)
Net (repayment)/drawing of borrowings	-	(3.0)
<b>Cash flow from financing activities</b>	<b>37.4</b>	<b>(8.1)</b>
<b>FX Movements on cash balances</b>	<b>0.8</b>	<b>-</b>
<b>Net increase/(decrease) in cash</b>	<b>49.7</b>	<b>(3.8)</b>

## North America Acquisition Update

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- North American integration of brand and reporting complete
- Integration of mid-office and back-office on track for completion by 30 June 2015
- Key Focus on staff and client retention, supplier synergies, new business opportunities
- New acquisitions performing to expectations with excellent client and staff retention
- Further integration work to be completed in CY15 across North America
- Continue to investigate further acquisition opportunities

## Europe Acquisition Update

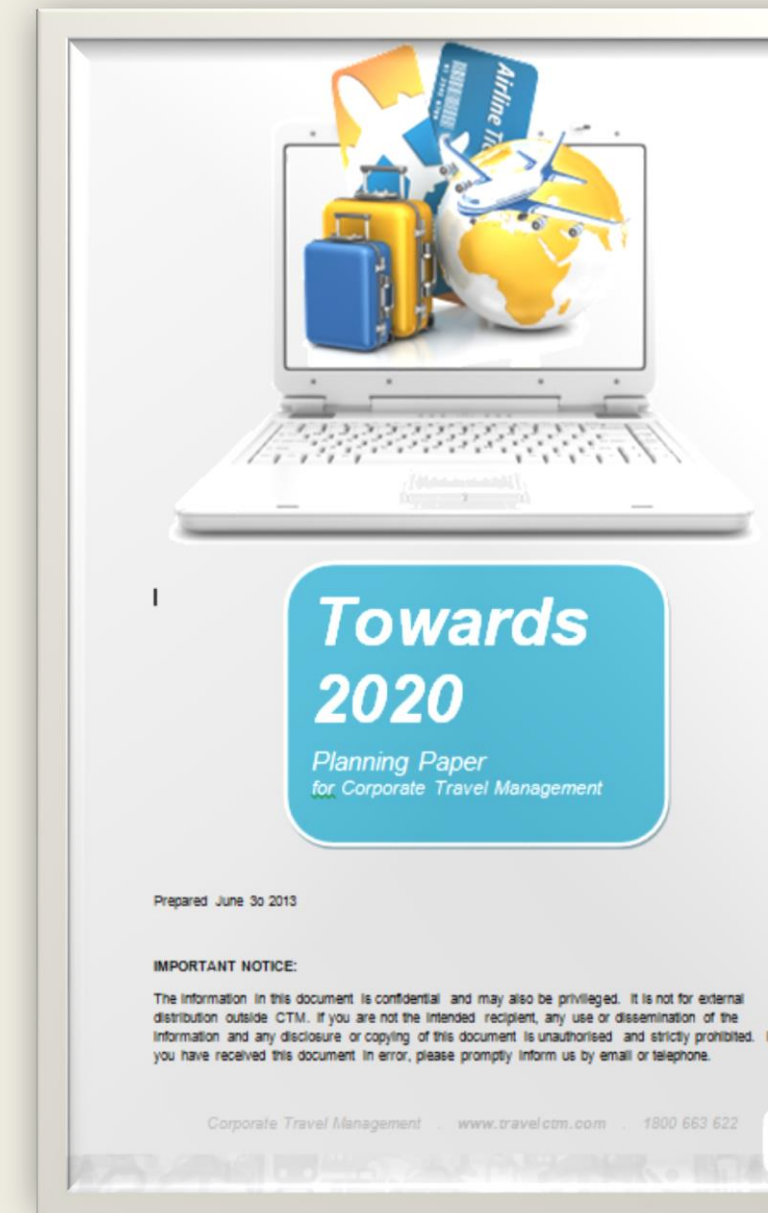
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- Successfully completed the acquisition of Chambers Travel Management 2 January 2015 (no 1H FY15 contribution).
- Excellent interaction with management team
- Chambers won best Travel Management Company UK award for 2015, making it 3 years in a row - reinforces M&A discipline in selection
- Key projects include
  - BI and SMART technology implementation
  - Already working on numerous client opportunities together
  - Working through cost and revenue synergies
  - Leveraging our geographic coverage where applicable
- Profit update - too early to call but performing to expectations . Winning new business.

# Strategy

## Aspirations:

- ✓ To be in every major region with potential for emerging markets where suitable - CTM now in 23 countries and 46 cities
- ✓ Win market share via local client growth in all business segments and regions
- ✓ 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 travel company in every region in which CTM operates by retaining CTM's highly differentiated service model, high staff engagement and empowerment, underpinned by technology solutions that deliver return on investment to our clients
- ✓ Target the regional and global client segment via our client friendly multi-regional solution



# Trading Update and Guidance

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## Upgraded Guidance:

- FY15 underlying EBITDA Guidance upgraded to be in the range of \$46m-\$48m.  
Previous guidance December 2014 above \$45m

## Assumptions:

- Acquisitions continue to perform to expectations
- No further economic shocks, continuation of acquisition integration success
- Expected decline in activity from Oil & Gas clients in ANZ and USA built into guidance