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ASX RELEASE

**Corporate Travel Management reports full year FY15 profit,  
Releases FY2016 profit guidance**

**FY15 Result Highlights:**

Total Transaction Value (TTV) (unaudited)	<b>\$2,656m</b>	<b>Up 92%</b>
Revenue and other income	<b>\$197.9m</b>	<b>Up 79%</b>
Underlying EBITDA <sub>1</sub>	<b>\$49.1m*</b>	<b>Up 70%</b>
Underlying NPAT <sub>2</sub>	<b>\$30.4m*</b>	<b>Up 76%</b>
Statutory NPAT	<b>\$29.1m</b>	<b>Up 75%</b>
Statutory Earnings per Share (EPS) Fully diluted	<b>27.9 cents per share</b>	<b>Up 48%</b>
Final Dividend Payable (full year dividend 16.0c per share)	<b>10.0 cents fully franked</b>	<b>Up 33%</b>
<b>FY16 guidance – Underlying EBITDA range \$61.3m-\$63.8m (25-30% growth).</b>		

\* Underlying EBITDA and NPAT is before one-off acquisition costs after tax of \$1.3m

<sub>1</sub> EBITDA (Earnings Before Interest Depreciation and Amortisation).

<sub>2</sub> NPAT (Net Profit After Tax).

Corporate Travel Management (CTM, ASX Code: CTD), today announced its full year profit for FY2015.

In commenting on the full year results, CTM's Managing Director, Jamie Pherous said, "We have delivered a significant increase in top-line growth despite challenges in the global economy. Each region in our network delivered record profits, demonstrating our business model and strategic investment decisions are working for our clients and investors."

Australia | New Zealand | USA | Asia | Europe

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These results support the strategy we have taken to integration globally, adding value to our business by ensuring we focus on integrating technology and business culture.

We have continued to expand through increasing market share. Organic growth contributed to more than half of our top-line growth, reflecting the efforts of our award-winning team to win and retain clients, including global businesses who have recognised our international capabilities.”

Growing market share and the integration of international acquisitions has allowed CTM to achieve an underlying EBITDA of \$49.1 million, representing 70% growth on the previous year and EPS growth of 48%, reflecting the company’s prudent focus on delivering value during its expansion.

### **Key highlights for the full year and trading conditions:**

#### **ANZ region:**

- Underlying EBITDA \$25.7m through organic growth (up 19.5%), reflecting client confidence in service offering and value proposition
- Internal productivity gains underpin increased EBITDA
- Strong organic growth continues (TTV up 13.7%)
- Significant client wins despite difficult domestic economic conditions
- Mining/resources slow-down continues to weigh on the Australian economy, but CTM remains highly leveraged to economic recovery.

#### **North America:**

- Revenue increased to \$47.6m (up 107.9%), with enhanced client offerings and global reach resulting in 17.3% organic profit growth.
- Yields remain steady, resulting in underlying EBITDA of \$9.5m (up 79.3% on the p.c.p.)
- Focus on long-term benefits of integration across 18 cities has seen short-term foregone profit of \$2m+
- Significant increase in client pipeline, reflecting the value of CTM’s global coverage
- Finalisation of integration expected to deliver approximately 40% profit growth in FY16.

#### **Asia:**

- Underlying EBITDA up 200% on the p.c.p. delivering the largest increase in EBITDA contribution to group performance
- Strong growth in the corporate and wholesale segments, outperforming market competitors
- Focus on leveraging the CTM Global network and increased benefits of



scale reflected in enhanced EBITDA, despite lower yield from increased wholesale contribution to TTV

- Top line growth and increased performance from links to CTM Global network are expected to deliver approximately 25% profit growth in FY16.

#### **Europe:**

- Regional performance for six months since acquisition in line with expectations, delivering underlying EBITDA of \$2.9m
- European operations delivering group-wide benefits, including global client wins as a result of Chambers Travel Group acquisition
- Higher share of international transactions delivering improved yields compared to other regions
- FY16 profit expected to increase 10-15%, due to continuing focus on integration, including roll-out of CTM SMART technology.

#### **CTM Group:**

- Since the acquisition of Chambers Travel Group, CTM has won significant global clients which has only been possible because of the company's global network
- CTM now has operations in 56 cities across 32 countries
- The group remains committed to delivering superior results for clients through a consistent value proposition, including customer-focused solutions, innovation in technology and a constant return on investment
- CTM's technology is being implemented across all regions, adding local region specific variations to ensure the SMART suite exceeds client expectations
- Employees remain central to the group's ongoing success, and surveys of staff engagement continue to outperform benchmarks
- The group's operations have been peer-recognised for industry-leading performance, including Best Events Company (ETM, Australia/New Zealand) and Best Travel Management Company (UK, Asia)
- CTM's investment in technology and continuing innovation saw the company recognised as the most innovative travel company in Australia and one of the most innovative businesses in the country (BRW Most Innovative Companies 2015 – 28<sup>th</sup>)
- A focus on organic growth through superior client satisfaction, acquisitions of culturally-aligned businesses and execution of the business' clearly defined strategy has delivered a 33.4% compound average growth rate (CAGR) in Earnings Per Share (EPS) since ASX listing in December 2010.



The CTM Board has declared a fully franked final dividend of 10.0 cents per share to be paid on 9 October 2015 (full year dividend 16.0c per share).

- Dividend ex date 8 September 2015
- Dividend record date 10 September 2015
- Dividend payment date 9 October 2015

Mr Pherous said the focus for FY16 included:

- Outperforming organic growth in local, regional and global segments through nurturing an industry-leading sales team
- Executing upon M&A opportunities, through the identification of opportunities aligned with CTM culture and strategy
- Developing the SMART platform in partnership with clients to meet regional requirements
- Leveraging technology advantages into new market segments
- Capitalising on global scale and network to deliver optimised supplier performance
- Enhancing staff feedback and performance through improvements and automations of internal processes
- Continuing to invest to attract, retain and develop the industry's brightest talent.

### **FY16 Guidance Upgrade**

CTM expects full year Underlying EBITDA Guidance to be in the range of \$61.3-\$63.8m (25%-30% growth on the p.c.p.).

CTM will be conducting a Webinar at 9am (AEST) on Wednesday 26<sup>th</sup> August 2015, to discuss the full year results. To participate in the webinar, please follow this link: **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 personalised service excellence with client facing technology solutions to deliver a return on investment to clients.

Headquartered in Australia, the company employs over 1,800 FTE staff globally and operates out of 56 cities in 32 countries across the globe.

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