



corporate travel
management

Full Year Results 2015

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Overview FY15 Results

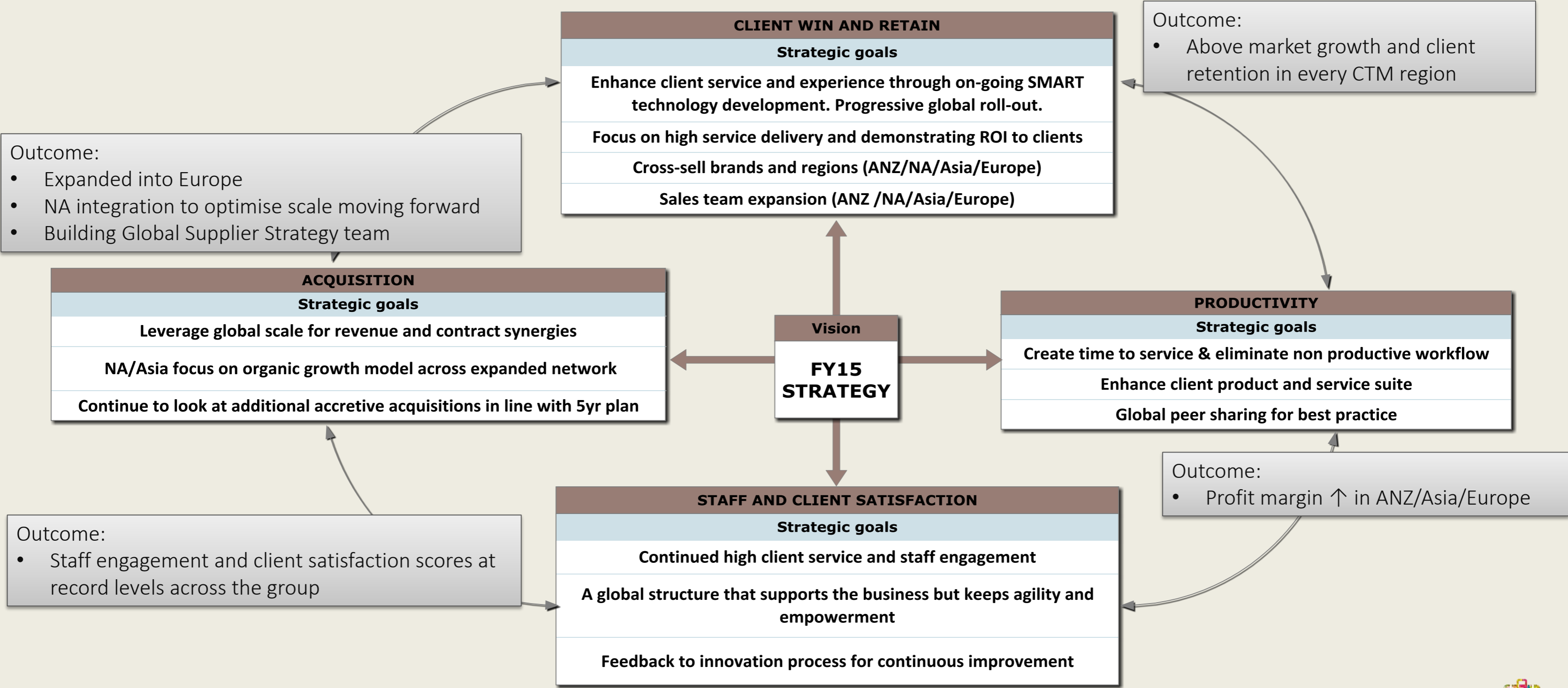
Group Result Highlights

- ✓ **Underlying EBITDA up 70% to \$49.1m**
versus Feb15 revised upgraded guidance, \$48m+
- ✓ **Over half** of profit growth is organic
- ✓ Strong top line growth in every CTM region. **CTM global network and SMART technology** were key contributing factors
- ✓ **Strengthening competitive advantage** through continued investment in client-facing technology
- ✓ **Record profit** in all CTM regions
- ✓ Acquisitions performing to expectation
- ✓ Strong balance sheet with **no debt**
- ✓ Full year dividend up 33% to 16 cents fully franked (10c payable 9 October 2015)

	\$m FY2015	Change on P.C.P
TTV (unaudited)	2,656	↑ 92%
Revenue and other income	197.9	↑ 79%
Underlying EBITDA*	49.1	↑ 70%
Underlying NPAT*	30.4	↑ 76%
Statutory NPAT	29.1	↑ 75%
Statutory EPS Fully diluted	27.9c	↑ 48%
Full Year Dividend	16c	↑ 33%

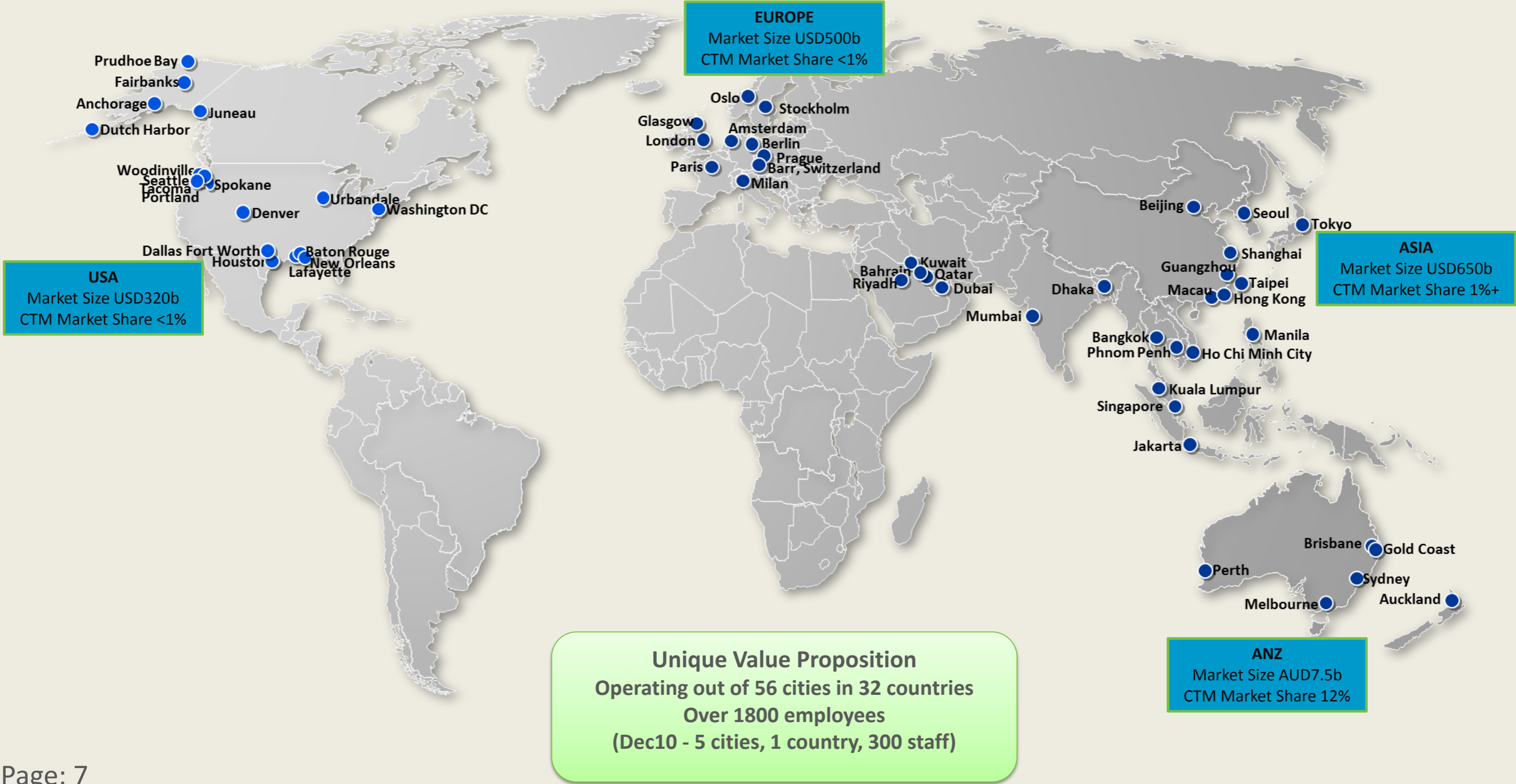
* Underlying EBITDA and NPAT are before one-off acquisition costs after tax of \$1.3m

FY15 Execution of Initiatives

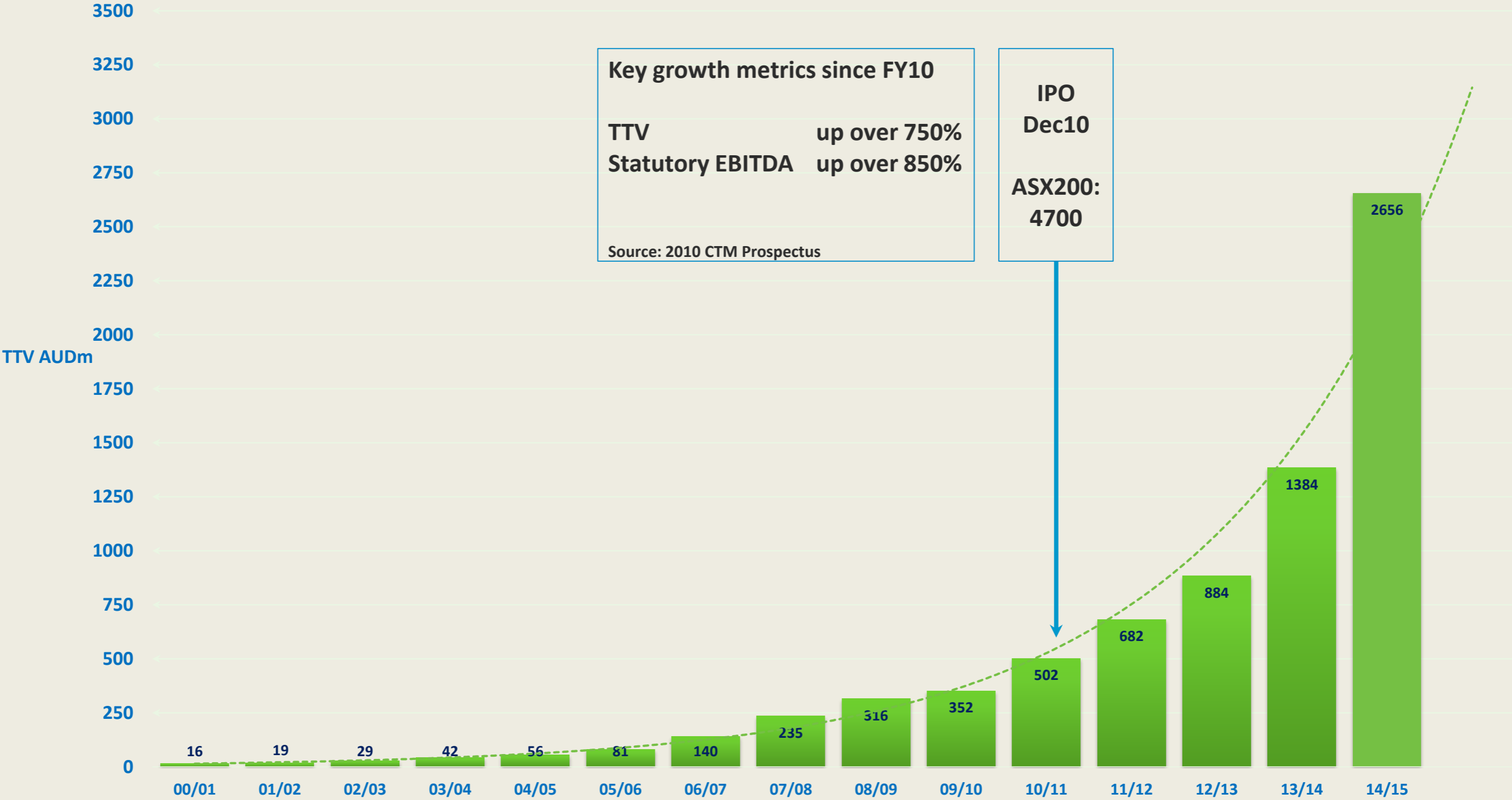


CTM – 5 Years Since IPO

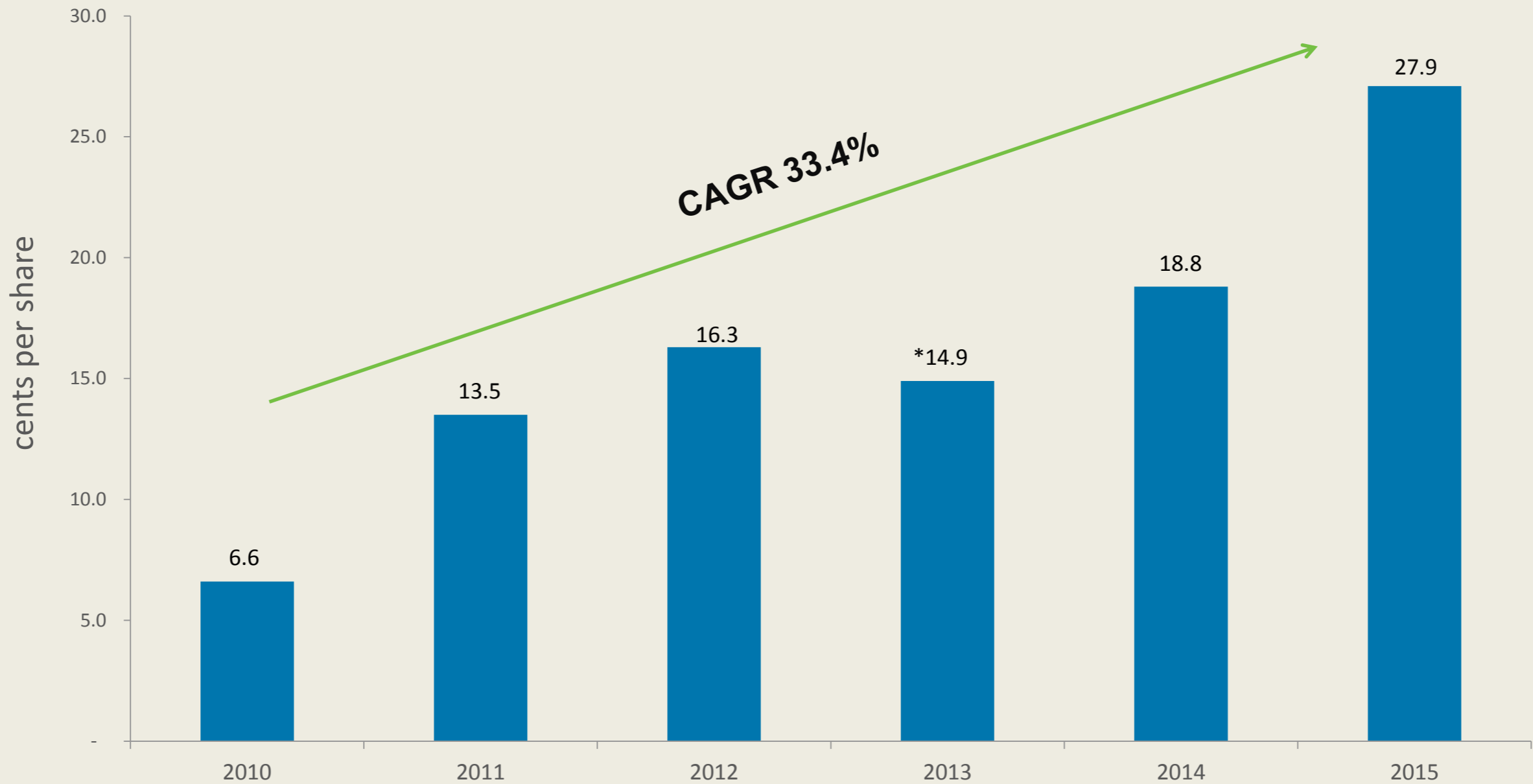
CTM Footprint



Over 20 Years of Continued Growth



EPS Growth Since IPO Dec 10



* Restated downwards for voluntary change in accounting policy on recognition of pay direct commissions

Award Winning across CTM regions

ANZ

2014 Best National Travel
Management Company

9 of the last 12 years

ETM Best Events Company

3 of the last 4 years



ASIA

2014 Best Travel Agency

Hong Kong Winner

6 of the last 8 years



2015

Ranked 28th Most
Innovative Company

Only travel company to
make the listing



UK

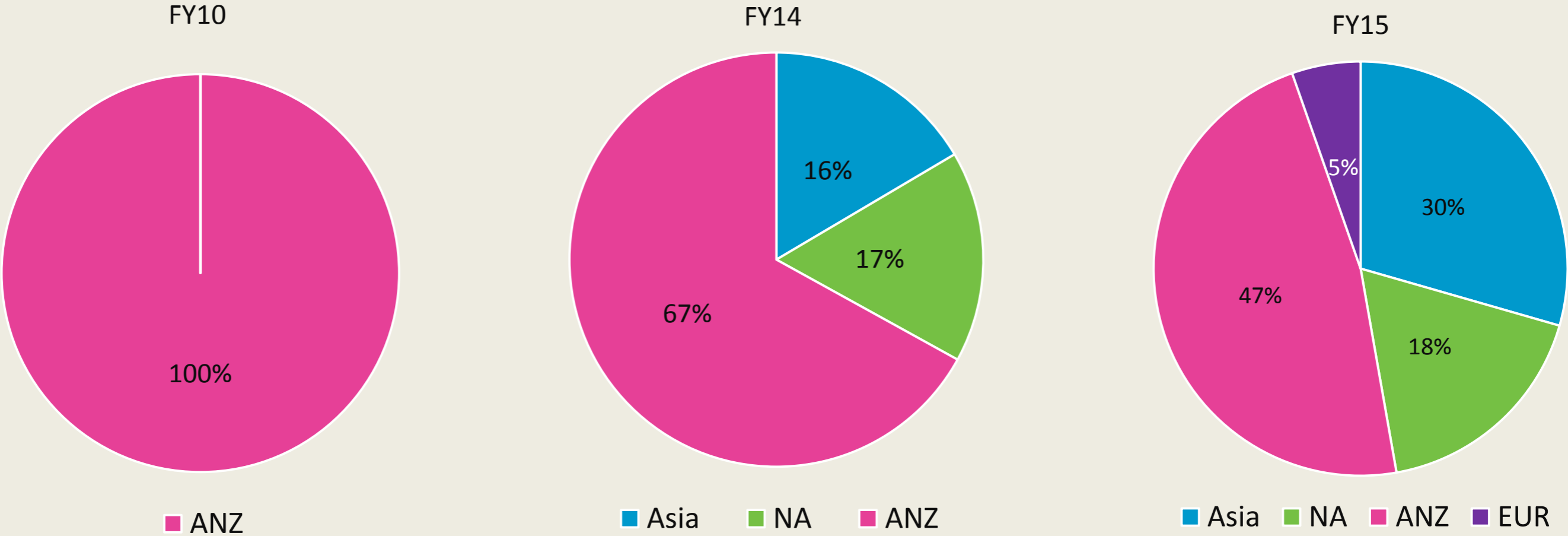
2015 Best Travel
Management Company

Winner 3 of 3 years



Building Geographic Diversity – EBITDA Contribution by region*

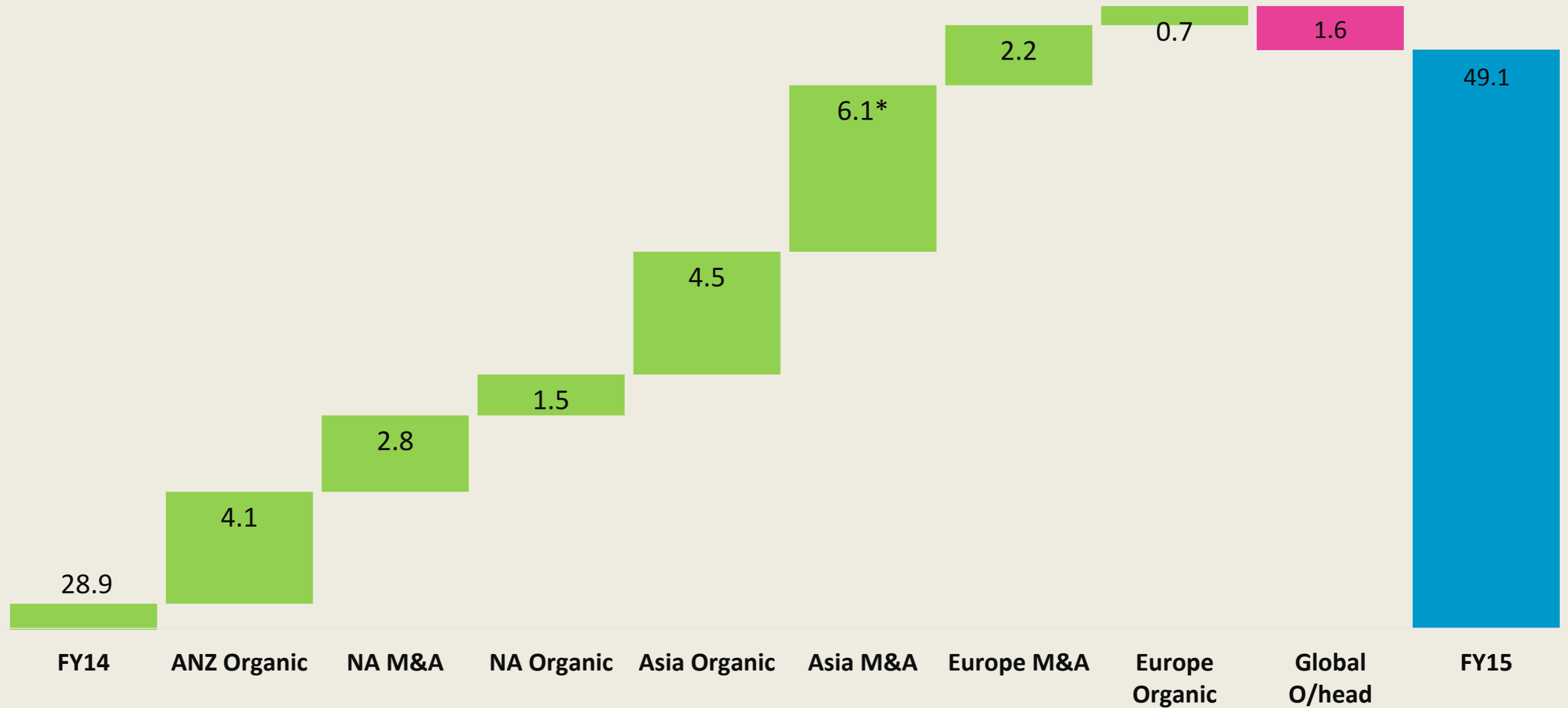
* Before global overhead costs



Majority of profit derived off-shore in FY15 and expect this trend to continue in FY16

FY15 Financial Performance and FY16 Outlook by Region

Underlying EBITDA Growth Summary (\$m)



* The results represents full year for comparative purposes only. CTM acquired the business 31 Jan 14

- FY15 Organic Growth represented **over half** of group growth (\$10.8m of \$20.2m growth)
- Record profits in every CTM region

ANZ

Underlying EBITDA up 19.5% on the p.c.p. (19.5% organic):

- ✓ Strong client wins, despite difficult economic conditions. Significantly outperformed peers
- ✓ Yield decline due to increased client on-line adoption, but it is not compromising EBITDA margins (key measure) due to internal productivity gains
- ✓ Record staff engagement and client satisfaction scores

FY16 Outlook:

- ✓ Expect to outperform market and continue to win market share but expect single digit profit growth due to tough economic environment in ANZ, specifically mining/resources
- ✓ Strong start to the year in new client wins and retention
- ✓ Remain highly leveraged to economic recovery

\$AUD	ANZ		
	FY2015	FY2014	% Change
TTV	813.8m	715.7m	13.7%
Revenue	75.8m	68.7m	10.3%
Yield % of TTV	9.3%	9.6%	
Underlying EBITDA	25.7m	21.5m*	19.5%
% of Revenue	33.9%	31.3%	
* Restated to show net of global overhead costs			

Asia

Underlying EBITDA up 200% on the p.c.p. (39.4% organic):

- ✓ Strong growth in the corporate and wholesale segments. Outperforming the market on all fronts
- ✓ World99 performing well
- ✓ Leveraging CTM technology suite, global footprint to diversify client base and win business
- ✓ Lower yield due to greater wholesale mix in FY15

FY16 Outlook:

- ✓ Expecting a strong year underpinned by top line growth and leveraging the CTM Global network
- ✓ Expecting approximately 25% profit growth

\$AUD	Asia		
	FY2015	FY2014 [^]	% Change
TTV (unaudited)	1082.0m	825.6m	31.0%
Revenue	57.3m	48.7m	17.6%
Yield % of TTV	5.3%	5.9%	
Underlying EBITDA	15.9m	11.4m*	39.4%
% of Revenue	27.8%	23.4%	
* Restated to show net of global overhead costs			
[^] FY14 results represent full year for comparative purpose only. CTM acquired the business 31Jan14			

North America

Underlying EBITDA up 79.3% on the p.c.p. (17.3% organic):

- ✓ Primary focus upon integration, and building a long term organisational structure to enable scalable platform for future growth. Forgone \$2m+ of profit in short term
- ✓ CTM integration nearly complete. NA now one brand in 18 cities, with good momentum into FY16
- ✓ Continue to actively look at further accretive acquisitions, potential to be funded from cash flow

FY16 Outlook:

- ✓ Expectations of approximately 40% profit growth in FY16, as synergies from integration materialise
- ✓ Expect seasonal skew to 2H
- ✓ Client new sales pipelines significantly building, reflecting CTM's global coverage

\$AUD

North America

	FY2015	FY2014	% Change
TTV (unaudited)	612.9m	306.4m	100%
Revenue	47.6m	22.9m	107.9%
Yield % of TTV	7.8%	7.5%	
Underlying EBITDA	9.5m	5.3m*	79.3%
% of Revenue	20.0%	23.1%	

* Restated to show net of global overhead costs

NA - Organic EBITDA and TTV Growth, after combining 5 businesses

- ✓ CTM opened in NA in FY13 through acquisition. Since then, have acquired four other companies, with three being in FY15
- ✓ Key FY15 focus upon integration and building scalable organisational structure for future growth
- ✓ Chart demonstrates the organic growth delivered despite significant integration and organisational structure building
- ✓ Forgone \$2m+ profit in FY15 by taking LT view to build infrastructure in NA
- ✓ Expectations of approximately 40% profit growth in FY16, as synergies from integration materialise

Acquisition business and acquisition date	EBITDA Contribution at acquisition date (\$m)	TTV at acquisition date (\$m)
R&A Travel FY13	1.0	110
TravelCorp FY14	1.9	120
USTRavel FY15 (July 14)	1.0	185
AVIA International FY15 (Sept 14)	0.5* (0.75m full year)	30* (50m full year)
Diplomat Travel FY15 (Jan 15)	0.85* (1.7m full year)	20* (45m full year)
Total Acquired USD	USD5.25m	USD465m
Total Acquired AUD (FY15 Avg XR 0.84)	AUD6.25m	AUD554m
Actual NA FY15 results	AUD9.5m	AUD613m
Organic Growth after combination	52%	11%

* Acquired during FY15. EBITDA and TTV pro-rated for when CTM took ownership.

UK/Europe

- ✓ Acquired 2 January 2015
- ✓ Performance for six months in line with expectation from date of acquisition (2 Jan 2015) to 30 June 2015
- ✓ Strong market share growth during the six months from date of acquisition attributed to leveraging CTM network
- ✓ Strong staff engagement and management capability
- ✓ Higher yield compared to other CTM regions due to high international share

FY16 Outlook:

- ✓ Focus upon productivity and building sustainable organisational structure for long term growth
- ✓ CTM SMART technology roll-out and leveraging CTM network
- ✓ Profit expectations 10-15% on annualised FY15 profit (\$5.8m), given early stages of acquisition. Expect seasonal skew to 2H

	\$AUD		Europe	
		FY2015*	FY2014^	% Change
TTV (unaudited)		147.3m	129.0m	14.2%
Revenue		17.2m	15.2m	13.2%
Yield % of TTV		11.7%	11.8%	
Underlying EBITDA		2.9m	2.2m	31.8%
% of Revenue		16.9%	14.5%	

*Represents six month's result from date of acquisition - 2 January 2015.

^ FY14 results represents full year for comparative purposes only. CTM acquired the business 2 Jan15

Group Financial Performance

Comparative Statutory Profit and Loss

- ✓ Strong organic growth across the group
- ✓ Increased amortisation and depreciation due to impact of M&A activity
- ✓ Amortisation relates to client intangibles as part of acquisition accounting. This is a non cash amount
- ✓ Without the combination of Europe acquisition, EBITDA margin increased (FY15-24.8% FY14-24.5%)
- ✓ Effective tax rate of 26% (FY14:27.8%). Reduction largely due to increased profits in lower tax rate jurisdictions
- ✓ Currency impact of approximately \$1.5m in EBITDA
- ✓ Includes global overhead costs of \$4.8m

\$AUD (m)	FY 2015	% change	FY 2014
TTV (unaudited)	2,656	91.9%	1,384
Revenue and Other Income	197.9	79.1%	110.5
Operating Expenses	(150.2)	80.1%	(83.4)
EBITDA - statutory	47.7	76.0%	27.1
Depreciation	(1.9)		(1.5)
Amortisation	(5.6)		(2.1)
EBIT	40.2	71.1%	23.5
Net interest income/(expense)	(0.9)		(0.5)
NPBT	39.3		23.0
Tax	(10.2)		(6.4)
NPAT statutory	29.1	75.3%	16.6
Reconciliation to underlying NPAT:			
One off acquisition costs (tax effect)	1.3		1.5
NPAT Underlying	30.4	75.7%	17.3

Group Balance Sheet (\$m)

- ✓ No debt
- ✓ Receivables and payables increased in line with business growth
- ✓ Intangibles are largely goodwill and acquisitions - increase year on year reflects the 4 acquisitions during the year (USTRavel, Avia, Diplomat and Chambers)
- ✓ Liabilities includes AUD\$47.7m of deferred consideration on TravelCorp, USTRavel, Avia, Chamber and Diplomat acquisitions
- ✓ Assumes acquisition full earn-outs are achieved

\$AUD (m)	June 15 \$m	June 14 \$m
Cash	40.7	32.0
Receivables and other	158.0	103.9
Total current assets	198.7	135.9
PP&E	3.7	3.4
Intangibles	238.0	109.1
Other	-	-
Total assets	440.4	248.4
Payables	148.4	94.1
Other current liabilities	17.0	11.6
Total current liabilities	165.4	105.7
Non current liabilities	39.1	9.8
Total liabilities	204.5	115.5
Net assets	235.9	132.9

Key Financial Commitments – M&A

AUD \$m	1H16	2H16	1H17	2H17	1H18	2H18	1H19	Total
Travelcorp ¹	4.2							
USTRavel ¹	4.3							
Avia ¹	6.1							
Diplomat ¹		3.2						
Chambers ¹			7.8		10.8		11.3	
TOTAL	14.6	3.2	7.8		10.8		11.3	47.7
Cash component	10.7	3.2	3.9		5.4		5.65	28.85
Stock	3.9	-	3.9		5.4		5.65	18.85

- Expectation that earn-outs funded from cash flow

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

Cash Flow Summary (\$m)

- ✓ The Group is debt free at 30 June 2015
- ✓ Working capital change is due to a number of factors:
 - ✓ \$6m due from new global supplier deal received post 30 June
 - ✓ Increased overrides that are largely received post 30 June
 - ✓ Change in BSP cycle from 14 days to 7 days in Asia.
 - ✓ Large growth in the wholesale business in Asia
 - ✓ 5 airline payments in June. There will be 4 in the December15 and June16.
- ✓ Increased tax due to business size. Effective tax rate has fallen
- ✓ 2016 Capex investment expected to be circa \$3.5m predominantly increase in technology expenditure
- ✓ Chambers and Diplomat acquisitions funded through capital raising in December 2014

\$ AUD (m)	FY15 \$m	FY14 \$m
EBITDA	47.7	27.1
Change in working capital	(14.8)	(10.3)
Income tax paid	(8.3)	(4.8)
Interest	(0.2)	(0.2)
Cash flows from operating activities	24.4	11.8
Capital expenditure	(3.0)	(2.1)
Other investing cash flows	(49.2)	(27.5)
Cash flow from investing activities	(52.2)	(29.6)
New equity	44.0	51.0
Dividends paid	(13.5)	(9.1)
Net (repayment)/drawing of borrowings	-	(3.8)
Cash flow from financing activities	30.5	38.1
FX Movements on cash balances	5.9	(1.7)
Net increase/(decrease) in cash	8.6	18.6

Looking forward

FY16 Key Strategic Initiatives

Continued Organic Growth and Acquisition

- Enhance our value proposition and leverage competitive advantage across CTM network
- Outperform in local, regional and global segments, through a motivated sales team
- Execute upon M&A opportunities, remain disciplined to strategic fit, culture and EPS accretion
- Expand CTM partner network to service our accounts in secondary markets

Client Facing Innovation

- Implementation of SMART technology globally and develop new tools that are industry firsts
- Develop upon the SMART platform with our clients, to meet local client regional needs
- Leveraging our technological competitive advantage into new market segments and create diversity of revenue streams (e.g. B2B, B2C)

Leveraging Our Scale and Geography

- A structured supplier strategy (locally, globally) to optimise performance
- Demonstrating to suppliers that partnering with CTM is highly valued
- Sharing of best practice through formal sharing/best practice process across all regions

Productivity and Internal Automation

- Internal innovation feedback loops to improve and automate existing process
- Expect strong client satisfaction and staff engagement as an outcome

Our People

- Empowerment of our teams to support our client needs
- Continued investment to attract, retain and develop the brightest talent
- Embracing culture that represents our values and business drivers

CTM SMART Technology – significant client uptake

Number of clients using SMART:
462

Number of SMART Travel Applications
13

Number of SMART Portal users
40,000+



FY16 Guidance

- FY16 growth in underlying EBITDA to be in the range of 25%-30% (circa \$61.3m-\$63.8m)
- Any future acquisitions would be in addition to this guidance

Assumptions:

- No further economic shocks
- Continuation of acquisition, and subsequent integration success
- Client activity remains steady across the group

Summary

- **Excellent execution in FY15 resulting in above-guidance performance:**
 - EPS growth of 48% for FY15, over 33% CAGR since listing in 2010
 - Over half of the profit growth is organic, despite 4 accretive acquisitions during year
 - Top line growth attributable to CTM global network and technology innovation
 - No debt, strong cash flow
 - CTM network in 56 cities across 32 countries
- **Well positioned to continue long term EPS growth trend in FY16 and beyond:**
 - Top line growth focussed company, in an enormous global market
 - New revenue streams that did not exist without global network, diversified by geography
 - EBITDA margin expansion from benefits of scale
 - Expect future M&A opportunities

Thank you

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