

# Corporate Travel Management - Annual General Meeting



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# Overview FY15 Results



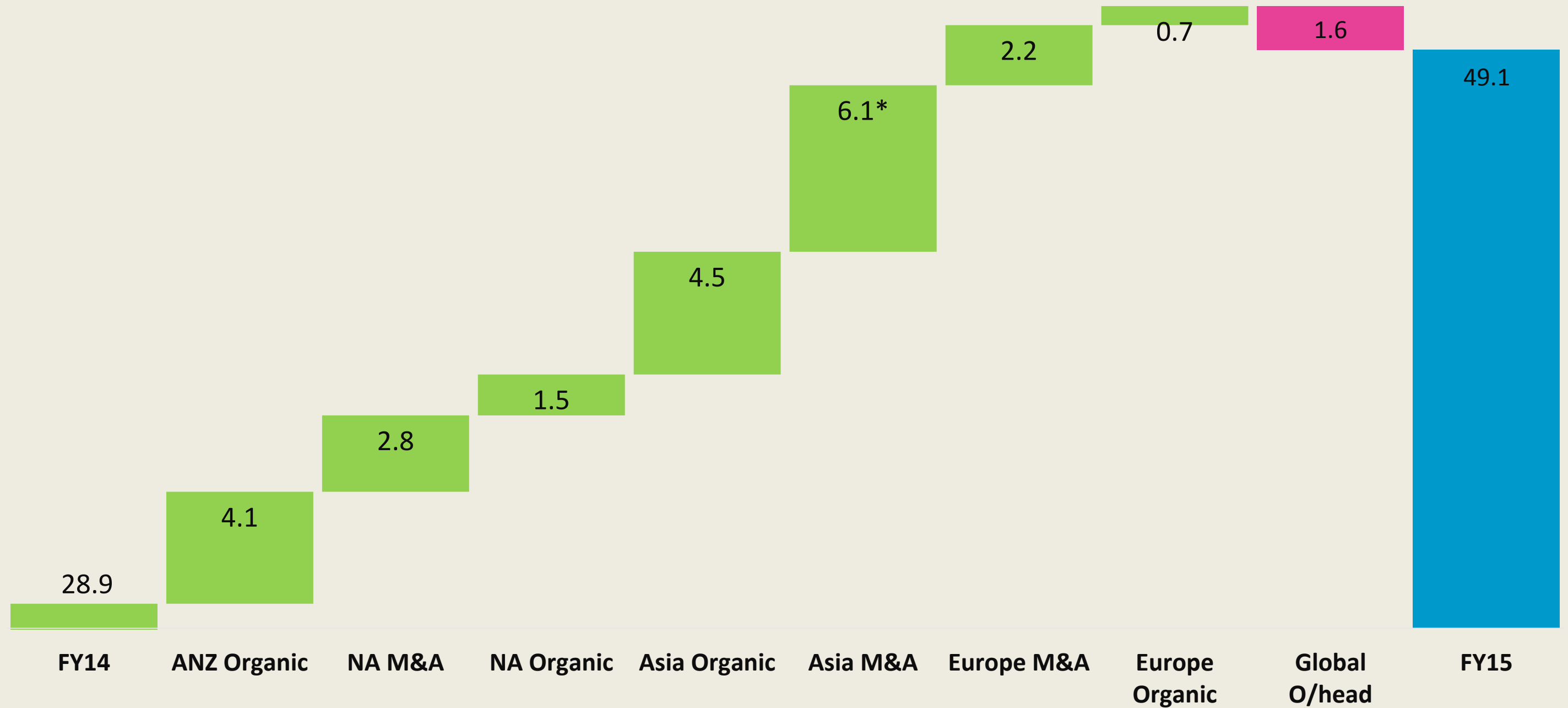
# FY15 Group Result Highlights

- ✓ **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, historically strong operating cash flow conversion.**
- ✓ 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%
<b>Underlying EBITDA*</b>	<b>49.1</b>	<b>↑ 70%</b>
Underlying NPAT*	30.4	↑ 76%
Statutory NPAT	29.1	↑ 75%
<b>Statutory EPS</b> Fully diluted	<b>27.9c</b>	<b>↑ 48%</b>
Full Year Dividend	16c	↑ 33%

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

## 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

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# CTM – 5 Years Since IPO

# CTM Global Footprint

**EUROPE**  
Market Size USD500b  
CTM Market Share <1%

**USA**  
Market Size USD320b  
CTM Market Share <1%

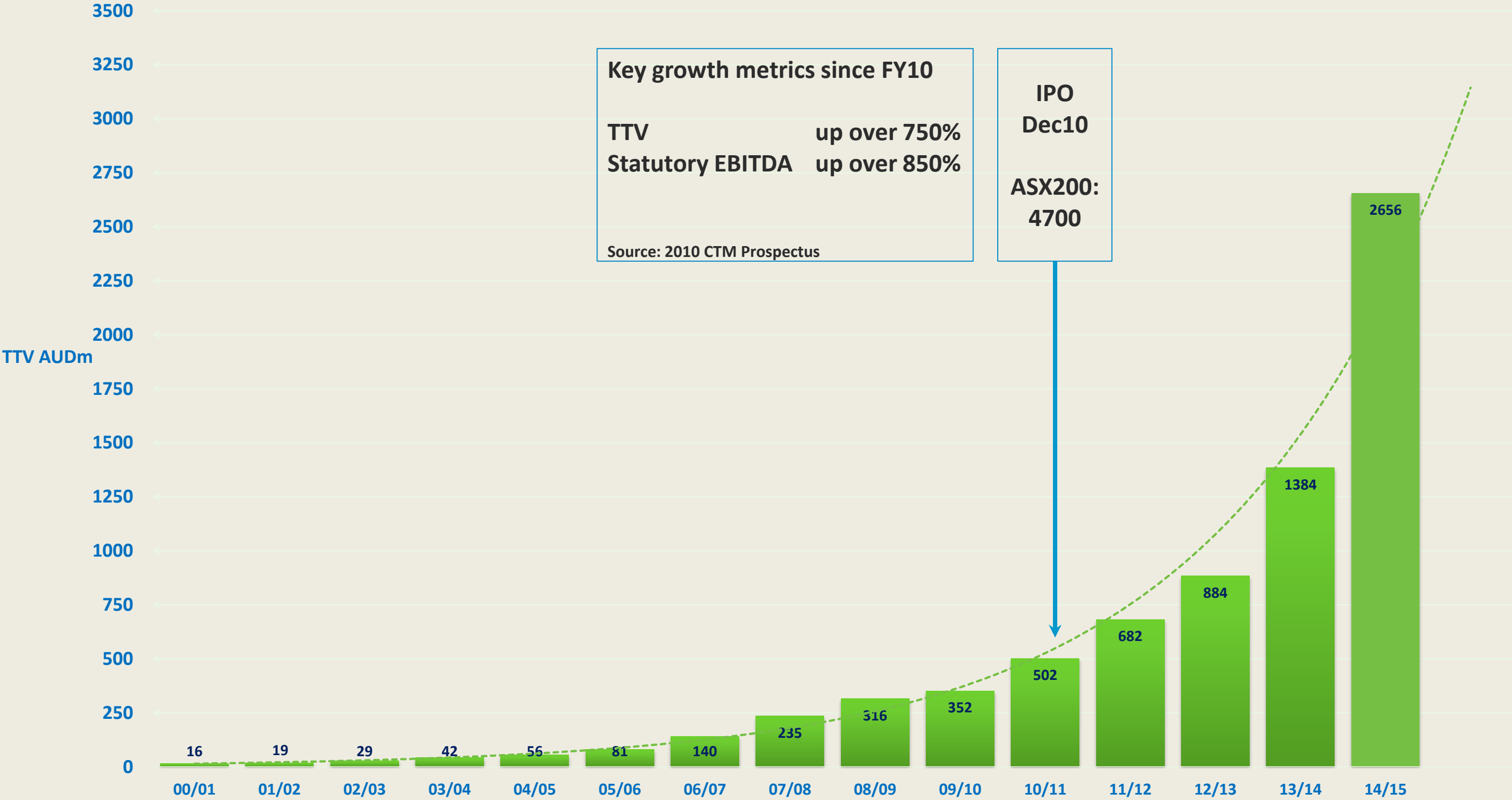
**ASIA**  
Market Size USD650b  
CTM Market Share 1%+

**ANZ**  
Market Size AUD7.5b  
CTM Market Share 12%

● CTM office  
● Partner office

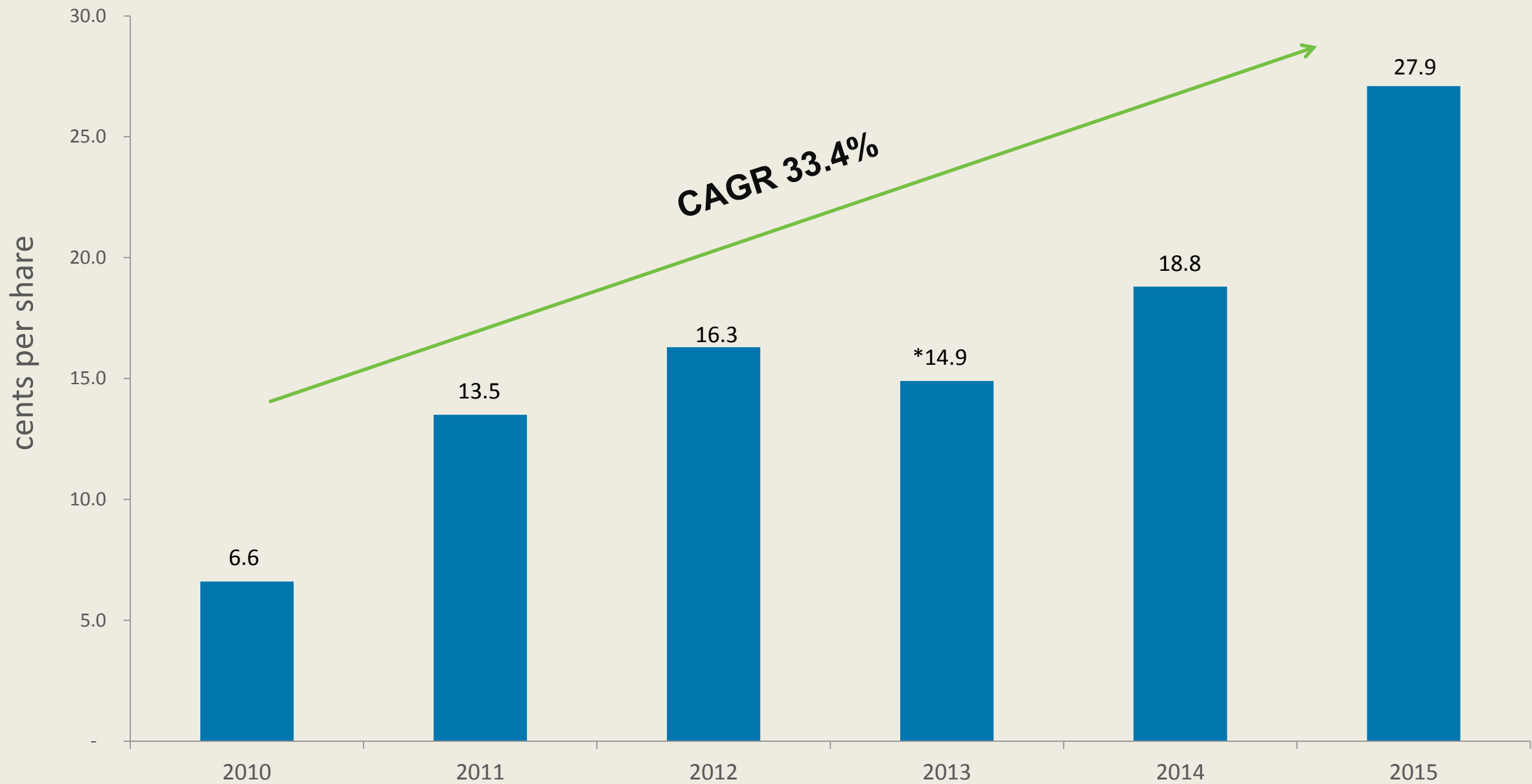
Operating out of 81 cities in 53 countries, employing over 1800 FTE

# 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



## UK

2015 Best Travel  
Management Company  
Winner 3 of 3 years



North America's  
Leading Travel  
Agency

## USA

Allure Travel by CTM  
2015 North America's  
Leading Travel Agency  
Winner

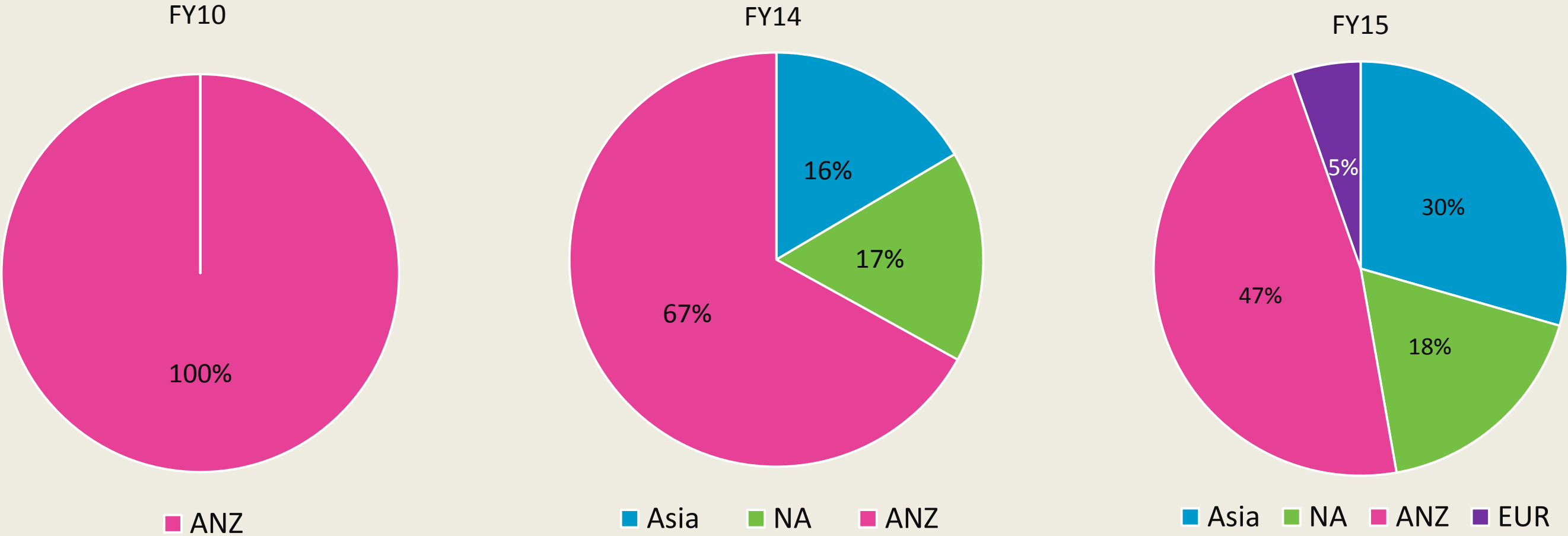
## 2015

Ranked 28th Most  
Innovative Company  
Only travel company to  
make the listing



# 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

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# **Trading Update**

## **Updated FY16 Outlook by Region**



## Trading Update - ANZ

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- ✓ Record start to the year in new client wins and retentions, SMART technology being a key contributing factor.
- ✓ Client activity remains steady.
- ✓ Expect single digit profit growth due to tough economic environment in ANZ. A continuation of market share growth a positive driver to possible upsides.
- ✓ Trading slightly above expectations, due to market share growth.

## Trading Update - ASIA

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- ✓ Good start with new clients wins in 1QFY15, both locally and globally.
- ✓ Expecting a strong year underpinned by top line growth and leveraging the CTM Global network.
- ✓ 1QFY15 client activity experienced a slight decline but quickly recovered in October 2015.
- ✓ Despite this, we are expecting 25% profit growth.
- ✓ Trading to expectations.

## Trading Update - USA

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- ✓ Primary focus upon integration, and building a long term organisational structure to enable scalable platform for future growth.
- ✓ Major integration completed and resulting staff redundancy costs in 1QFY16 profit.
- ✓ Experienced a decline in client activity across Oil and Gas sectors late in FY15 that has since steadied. This has led to a 4% decline in client activity.
- ✓ Client new sales pipelines significantly building, reflecting CTM's value proposition, and have been a benefactor of global client wins.
- ✓ Continuing to build upon our supplier strategy and leveraging our scale with much success.
- ✓ Despite activity declines, expectations of approximately 40% profit growth in FY16, as synergies from integration materialise. Expect strong skew to 2H due to seasonal factors, 1QFY16 redundancy.
- ✓ Trading slightly behind expectations, primarily due to Oil & Gas client activity declines.

## Trading Update – UK/Europe

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- ✓ Record start to the year in new client wins, with the CTM global network and SMART technology key contributing factors.
- ✓ Focus upon productivity and building sustainable organisational structure for long term growth.
- ✓ London client activity slightly up.
- ✓ Conservative profit expectations 10-15% on annualised FY15 profit of \$5.8m, given early stages of acquisition. Expect seasonal skew to 2H.
- ✓ Trading slightly above expectations but still early days (acquisition under 12 months).



## Profit Guidance Update – Group overview

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- ✓ Trading at top end of underlying EBITDA guidance of \$61.3m- \$63.8m, or circa +30% growth on the p.c.p., primarily due to building market share through new client wins across the group.
- ✓ Any future acquisitions will be in addition to this guidance.
- ✓ Remain highly leveraged to economic recovery.
- ✓ Resulting EBITDA seasonal profit skew primarily due to USA and Europe being a larger part of group profits.

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# 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+**





# Summary

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## **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 FY15 profit growth was organic, despite 4 accretive acquisitions during year.
- Top line growth attributable to CTM global network and technology innovation.
- No debt, strong cash flow and expect 100% operating conversion in FY16.
- CTM network in 81 cities across 53 countries.

## **Well positioned to continue long term EPS growth trend in FY16 and beyond:**

- **Trading at the top end of guidance** (underlying guidance EBITDA \$61.3m-\$63.8m).
- Expect future M&A opportunities, which are all in addition to this guidance.
- 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.

Thank you

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# Resolution 1:

Directors Remuneration Report

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	177	44	16	68
Votes able to be cast	29,124,318 98.56%	146,403 .50%	2,405,556 -	279,363 .95%

# Resolution 2:

Re-election of Mr Greg Moynihan

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	220	8	8	72
Votes able to be cast	54,416,030 95.7%	35,274 .06%	8,298 -	2,408,169 4.24%



# Resolution 3:

Re-election of Mr Stephen Lonie

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	222	6	8	72
Votes able to be cast	54,418,490 95.71%	32,814 .06%	8,298 -	2,408,169 4.24%

# Resolution 4:

Ratification and approval of previous issue of shares to Chambers Travel vendors

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	207	16	10	73
Votes able to be cast	53,488,103 95.64%	26,636 .05%	9,136 -	2,411,715 4.31%

# Resolution 5:

Ratification and approval of previous issue of shares to Diplomat Travel vendors

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	208	18	9	74
Votes able to be cast	54,418,719 95.71%	28,348 .05%	8,739 -	2,411,965 4.24%

# Resolution 6:

Ratification and approval of previous issue of shares to TravelCorp LLC vendors

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	207	18	10	74
Votes able to be cast	54,415,533 95.71%	28,248 .05%	12,025 -	2,411,965 4.24%

# Resolution 7:

Approval of employee incentive scheme

Proxies Received	For	Against	Abstain	Discretion
# of Votes cast	187	29	18	71
Votes able to be cast	30,128,039 88.36%	1,562,255 4.58%	17,712 -	2,405,206 7.05%



Thank you

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