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ASX RELEASE

Corporate Travel Management reports full year FY16 profit,  
Releases FY17 profit guidance

FY16 Results Highlights:

Total Transaction Value (TTV) Unaudited)	\$3,587m	+35%
Revenue and other income	\$264.8m	+34%
Underlying EBITDA <sup>1</sup>	\$69.0m	+41%
Statutory NPAT <sup>2</sup> attributable to owners of CTD	\$42.1m	+60%
Adjusted NPAT (excluding acquisition amortisation) <sup>3</sup>	\$48.6m	+58%
Statutory Earnings per Share (EPS)	43.2 cents per share	+54%
Return of Equity (ROE)	24%	+47%
Full Year Dividend (fully franked)	24 cents per share	+50%

FY17 Guidance Underlying EBITDA range of \$85-90m (23 - 30% growth)

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

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

<sup>3</sup> Net of non-cash amortisation relating to acquisition accounting \$6.5m.

**AUSTRALIA | NEW ZEALAND | NORTH AMERICA | ASIA | EUROPE**

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Corporate Travel Management (CTM, ASX Code: CTD), today announced its full year profit for FY2016.

In commenting on the full year results, CTM's Managing Director, Jamie Pherous said: "We have delivered another great result despite challenges in the global economy. Each region in our network delivered record profits, demonstrating that our business model and strategic investment decisions are working well for our clients and investors.

These results support the strategy that we have taken to build a global network and apply the CTM business model around winning and retaining customers, driving internal automation and client innovation and ensuring high staff engagement and client satisfaction.

We have continued to expand through increasing market share. Organic growth contributed to approximately 80% of our profit growth, reflecting the efforts of our hard working team to win and retain clients, including multinational clients who have recognised our international capabilities. In fact, we have been winning a regional account every 4 weeks because of the CTM global network we have built.

Growing market share and the integration of international acquisitions has allowed CTM to achieve an underlying EBITDA of \$69.0 million, representing 41% growth on the previous year and EPS growth of 54%, reflecting the Company's prudent focus on delivering value during its expansion.

Most pleasing was the operating cash flow conversion, which was over 120% during the year, reflecting the success of the business model despite significant expansion."

#### **Highlights by region:**

##### **ANZ:**

- Underlying EBITDA \$28.3m up 10% on the p.c.p.
- Strong performance in client wins, despite difficult economic conditions and activity decline in resource client base.
- Significant client adoption of CTM SMART Technology suite, with 80% of all client transactions online.
- EBITDA margin expansion due to seamless end-to-end automation and integration with travel consultants.
- Continuing client wins in CY16, combined with new growth levers in B2B and B2C opportunities, are expected to translate into a strong FY17 for the region.

##### **Asia:**

- Underlying EBITDA \$21.3m up 34% on the p.c.p.
- Strong growth in both the corporate and wholesale segments.
- Benefiting from global footprint through servicing and leading global business wins.
- Management has a strong record in execution.

### **North America:**

- Underlying EBITDA \$21.2m up 123% on the p.c.p.
- An excellent half of execution, via a combination of:
  - New corporate client wins;
  - Integration success combined with leveraging scale; and
  - Strong growth in the Loyalty segment.
- Building a strong management team that understands, and is applying the CTM business model, translating into high growth and seamless delivery.
- The current momentum, combined with a full FY17 contribution from our newest acquisition, Travizon (Boston), is expected to translate into a strong growth year ahead.

### **UK/Europe:**

- Underlying EBITDA \$6.1m up 45% (for comparative purposes, the prior year includes the six month's result prior to date of acquisition).
- Strong client wins. Our newest region is playing an integral role in CTM Group's success in regional and global client wins.
- Brexit uncertainty pre-vote had a significant effect on client activity, with activity declining 20% in last 4 months of FY16.
- Highly motivated management team focussed on growth, technology and scalability.
- Client activity post the Brexit vote has largely recovered. CTM has a low exposure to finance, property and construction industry clients.
- There is a strong focus upon applying the proven CTM business model that has been successful in all other CTM regions. The Brexit may create M&A and market share gain opportunities for CTM.

### **CTM Group:**

- With the global network largely complete, CTM has won significant global clients which has been primarily due to the Company's global network and its award winning SMART technology suite.
- CTM now has operations in 53 countries, employing over 2,200FTE.
- The Group remains committed to delivering superior results for clients through a consistent value proposition, including innovative customer facing technology solutions underpinned by a highly personalised service offering, and delivering a return on investment to our clients.
- CTM's technology is established across all regions, with a large flow of future developments scheduled for FY17.
- 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 Travel Management Company (Australia and Asia) and Best Events Company (ETM, Australia/New Zealand). CTM has also been acknowledged as a 2016 BRW Most Innovative company for its SMART Technology Suite.

- Montrose Travel (CA), acquired 1 January 2016, has had an excellent half through winning new business and leveraging the CTM Group's scale and buying power.
- CTM's most recent acquisition, Travizon Travel in Boston, bolsters the Group's presence and scale in the USA and will make a full year contribution in FY17.

The CTM Board has declared a fully franked final dividend of 15.0 cents per share to be paid on 6 October 2016:

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|-------------------------|-------------------|
| • Dividend ex date      | 8 September 2016. |
| • Dividend record date  | 9 September 2016. |
| • Dividend payment date | 6 October 2016.   |

CTM's Managing Director, Jamie Pherous said the core focus for FY17 is based upon the continuation of our five core initiatives:

### 1. Continued Strong Organic Growth and Acquisitions

- Continually enhancing our value proposition to meet client needs across the CTM global network.
- Continued pursuit of organic growth in local, regional and global segments.
- Continuing to explore M&A opportunities in North America, UK and Europe.

### 2. Client Facing Innovation

- Expanding SMART technology globally by developing new tools with our clients.
- Continue to leverage our technology suite in new market segments, including B2B and B2C.

### 3. Productivity and Internal Innovation

- Internal innovation feedback loops to improve and automate existing client and non-client facing processes.
- Staff empowerment in decision making to drive high staff engagement and client satisfaction outcomes.

### 4. Leveraging our Scale and Geography

- Capitalising on the Group's scale and global network to develop and optimise supplier performance for our clients.
- Continuing to demonstrate that CTM is of high value in the supply chain.

### 5. Our People

- Continuing to attract, retain and develop the industry's brightest talent.
- Empowering our teams to support our client's needs.
- Embracing a culture that represents our values and business drivers.

### FY17 Guidance

CTM expects full year underlying EBITDA to be in the range of \$85-90m, representing 23-30% growth on p.c.p.

CTM will be conducting a Webinar at 9:00am on Friday 26<sup>th</sup> August 2016, 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 more than 2,200 FTE staff globally and services clients in 53 countries

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