



# corporate travel management

*travel**ctm**.com*

Annual General Meeting

Friday 19<sup>th</sup> October 2012

Jamie Pherous, Managing Director

# Agenda

- Group Performance Highlights
- Brand and Product Innovation
- Acquisition Strategy
- Key Initiatives - Looking Forward



# Group Results

	FY2012	FY2011	Change on PCP (%)
TTV \$m (unaudited)	681.300	502.341	+36%
Revenue \$m	65.277	46.465	+40%
EBITDA \$m (unadjusted)	17.966	12.331	+46%
EBITDA \$m (underlying)^	17.513	12.661*	+38%
NPAT \$m (statutory)	11.798	8.268	+43%
NPAT \$m (underlying)^	11.333	8.560	+32%
Dividend	9 cents	5 cents	+80%
EPS	16.3 cents	13.5 cents	+21%
ROE	40%	32%	+25%

- ✓ EBITDA up 38% on p.c.p
- ✓ EBITDA margins consistent
- ✓ TTV up 36% converted to a 40% increase in revenue
- ✓ Underlying NPAT up 32% (higher amortisation/depn from acquisitions)
- ✓ Full year dividend up 80% to 9 cents fully franked.(6c paid Oct12)

^ underlying excludes one-off acquisition costs & fair value accounting on acquisitions

\* Restated with interest below EBITDA line

# Group Performance – 2HFY12 Highlights

## Financial

- 2HFY12 underlying EBITDA \$10.2m v 1HFY12 \$7.3m
- Skewed to 2H due to supplier payments/new clients

## Growth

- Record new client wins combined with strong retention
- Winning market share from a mix of Global TMC's and boutique operators
- Successful M&A contribution from etm

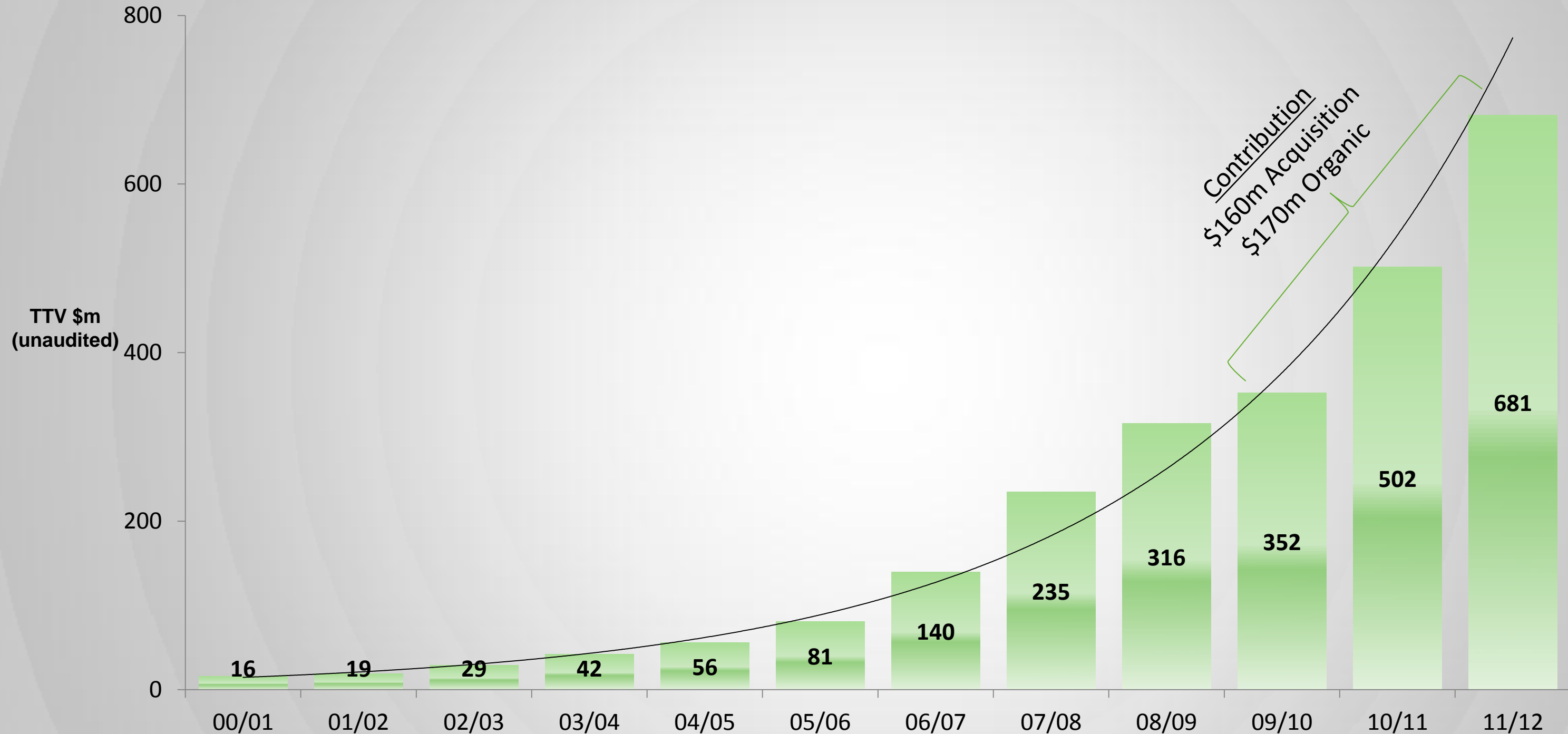
## Profit Contribution

- Profitability sustained despite large investment in client facing technologies and internal productivity initiatives
- Expect returns in FY13

## Economic Activity

- Experienced softening in client activity in 2HFY12
- Activity has since steadied

# 12 Years of Outperforming Sales Growth



- Growth in every year of operation, even throughout the GFC
- Last six years compound growth rate: 40%+ per annum



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# Brand Innovation



- Unique offering tailored for industry nuances

# Product Innovation

## Business Intelligence Reporting

- Best in market diagnostic tools for clients, developed with our clients
- Ability to deliver consolidated reporting and cost reduction strategy consistently across clients in Australia/NZ/USA. Rolling out across the CTM group throughout 1QFY13

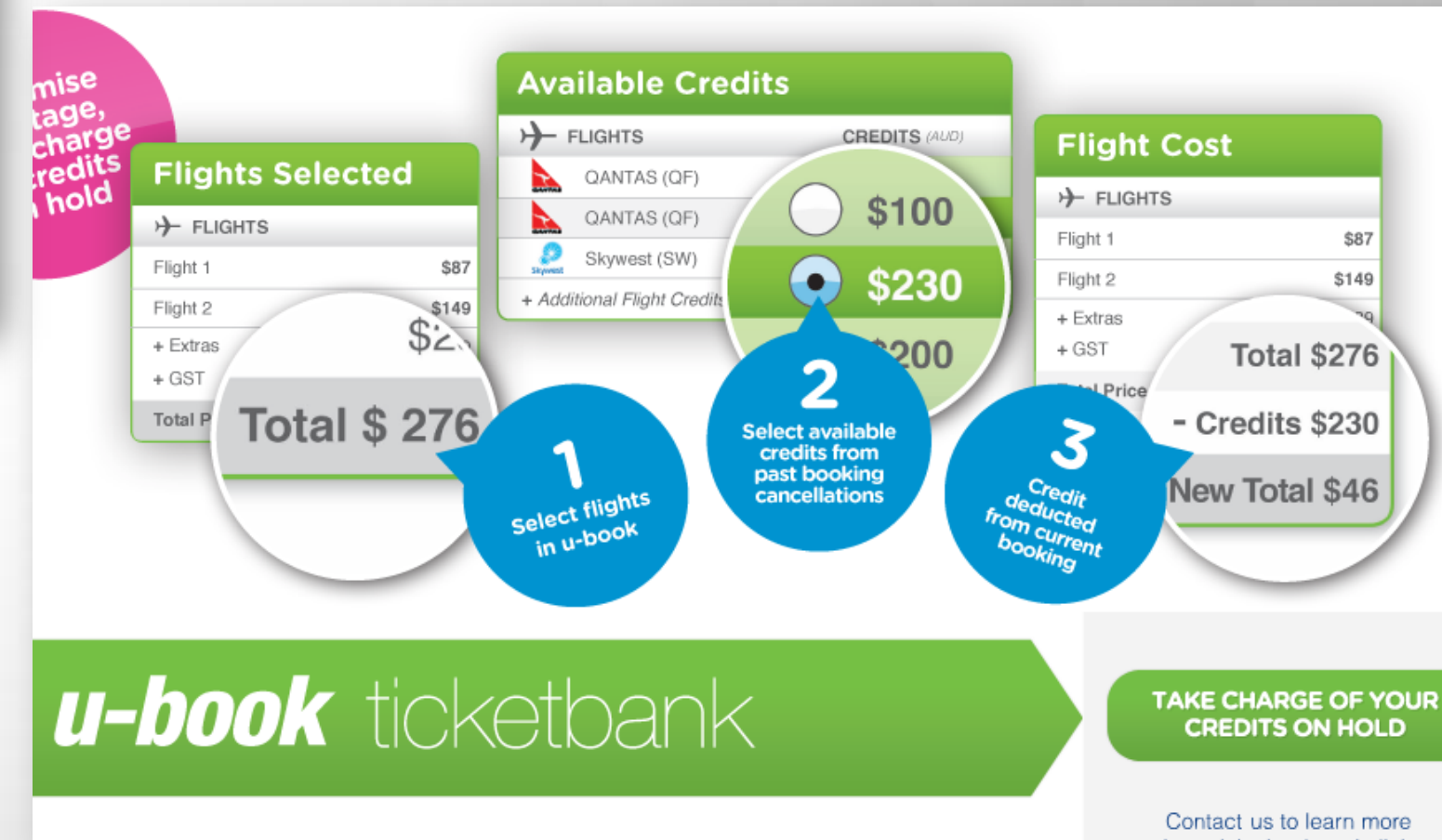


## Wotif booking engine development partnership

- Deliver unique integrated offering to corporate market
- 2QFY13 release



# U-approve and Ticketbank



- Innovation that support client objectives and future organic growth
- Rolling out across Australia through 1HFY13

# CTM Mobile Solutions





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# Acquisition Strategy

## **Why Expand Overseas?**

- Current Client Growth – compelling case to provide consistent solution wherever they operate
- Local Growth - Replicate successful CTM model in new markets
- Greater Access to New Clients – alternative to the global TMCs on a global scale

## **How We Identify Opportunities**

- Often already work with them in advance through avenues like GlobalStar

## **Selection Criteria – Looking for “1 in 100”**

- Demonstrated growth through high service standards
- High Client and Staff Retention
- Similar Service Culture
- Leadership team want to stay on and grow the business



# Acquisition Strategy – Transition

## People Retention



- Their Mgt take part in Business plan for buy-in and empowerment
- Key CTM Exec works in business to support local Mgt Team
- Strong communication framework to all staff
- Underpinned by staff satisfaction survey

## Client Retention



- Minimal change
- Over time introduce enhanced service offerings where applicable

## Branding



- Typically combine the name for a 12 month period
- Brand and marketing take on a CTM look and feel

## Financial



- Financial reporting framework implemented from Day 1
- Build framework around key drivers

# Acquisition Strategy – Execution

## Enhance Key Drivers

### Win Clients

- Apply proven tools and rigour to grow locally
- Cross sell existing CTM clients

### Retain Clients

- Reporting metrics and accountability - demonstrated ROI
- Integrated BI for global reporting

### Revenue per FTE

- Empower local decision making
- Make people more effective

### Scalability

- Financial framework through key reporting metrics
- People development to support growth
- Buying power synergies
- Scalable profit growth

# USA Update

- **100%** - staff and client retention
- **Transition on track** – business plan agreed
- Committed a senior CTM manager to USA
- **Encouraged** by early opportunities:
  - Won more business in 1<sup>st</sup> three months than any previous full year
  - Cross-sell – Australian-based accounts which have significant travel spend originating from the USA
  - Alignment - 9 key management engaged, all hold CTM shares
- Other North American acquisition opportunities being explored using CTM's same acquisition discipline and selection criteria

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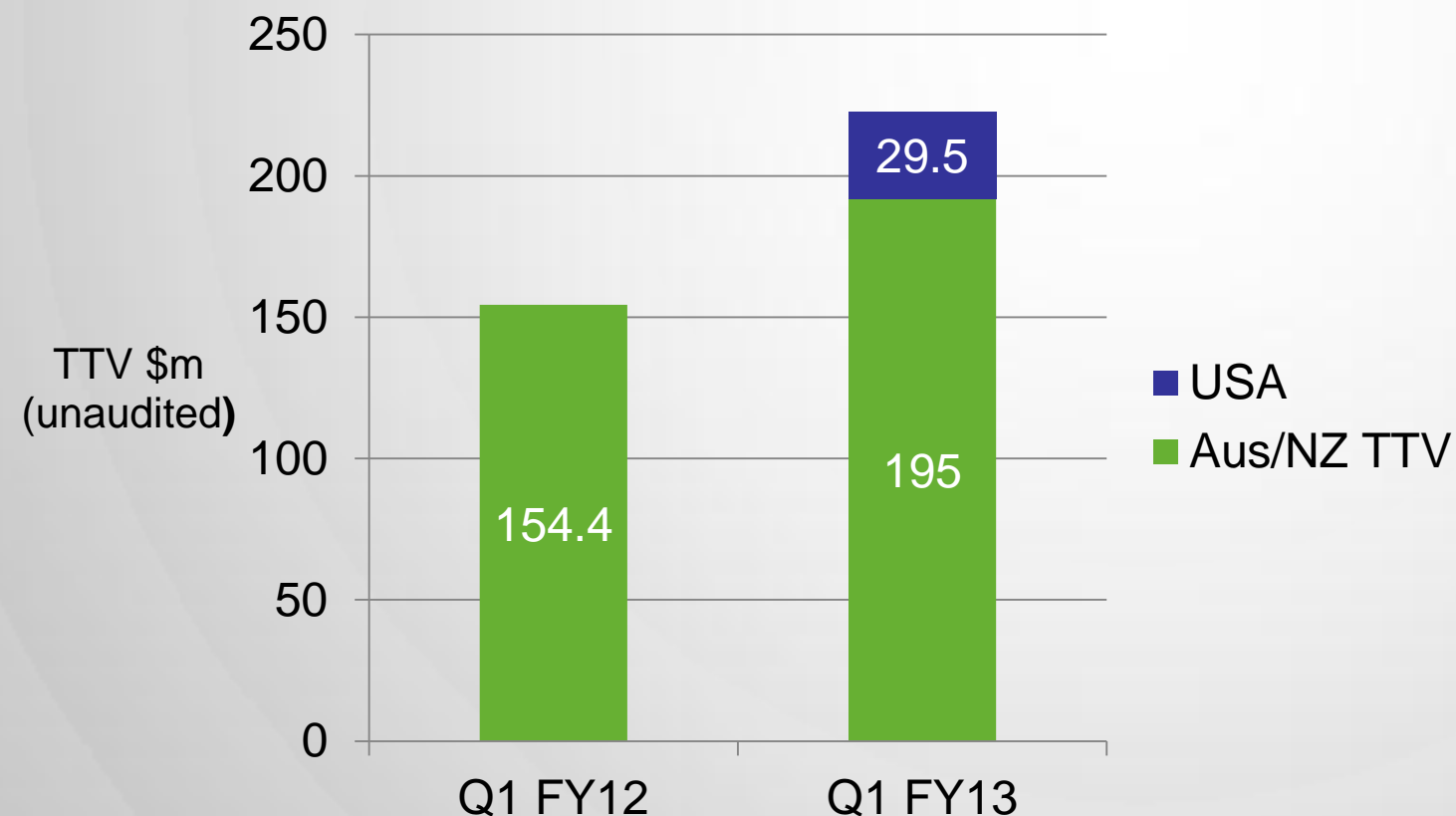


# Trading Update-1QFY13

**FY13 guidance 15% - 20% underlying EBITDA growth on p.c.p. (circa \$20m-\$21m EBITDA)**

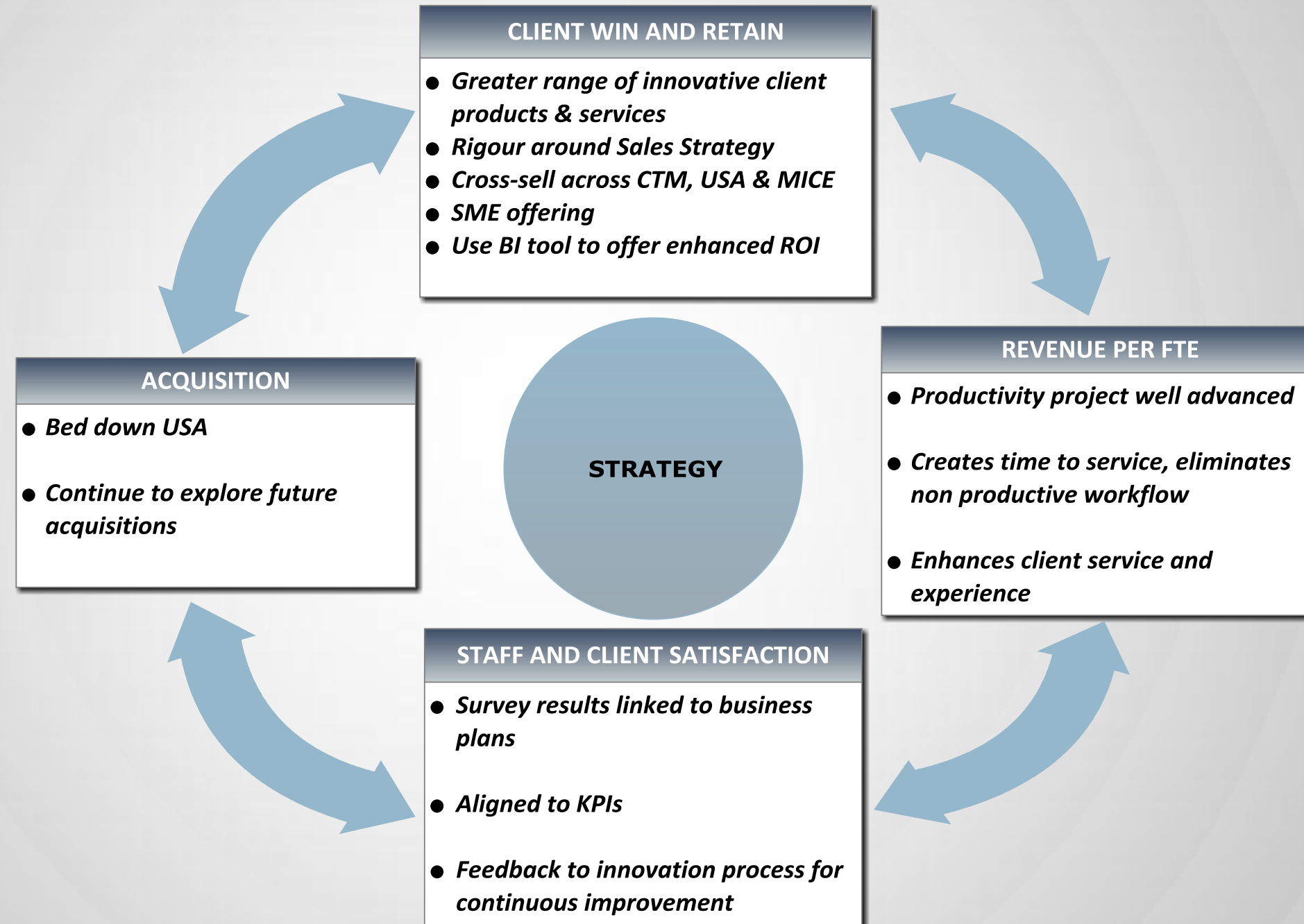
- Subject to no further erosion in the broader economy
- **Q1 FY13 – continue to trade at top end of EBITDA range**

## September Quarter Trading Update – Strong start to FY13



- Group TTV for Q1 of **\$224.5m, up 45.4%**
- Q1 “like for like” organic growth of **15.1%** when adjusted for USA and ETM acquisitions
- Underlying Aust/NZ growth reflective of organic business wins in FY12
- USA performing well
- Client activity remains solid

# Key Initiatives into FY13



# 5 Year Plan

- Regional presence in Aust, NZ, USA, Asia & Europe
- Focus on cross-selling clients
- Leverage best practice innovation process across group
- Aggressive internal organic growth targets whilst retaining CTM's highly differentiated service model
- Rewarding shareholders through strong EPS growth and dividends over next 5 years



Prepared Monday 13 June 2011

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# 5 Year Plan

- Next phase:
  - USA – replicate Australian model through combination of further accretive acquisitions & organic growth
  - Asia – continue to investigate a number of opportunities
  - Capital management program that supports business growth
  - Increasingly targeting global and regional clients
  - Aspire to be the alternative to global TMC's, on a global scale and be the best TMC in every region we operate
  - Continuation of aggressive internal organic growth targets whilst retaining CTM's highly differentiated service model



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Any Questions ?