



corporate travel management

*travel**ctm**.com*

Annual General Meeting

30th October 2013

JAMIE PHEROUS, MANAGING DIRECTOR

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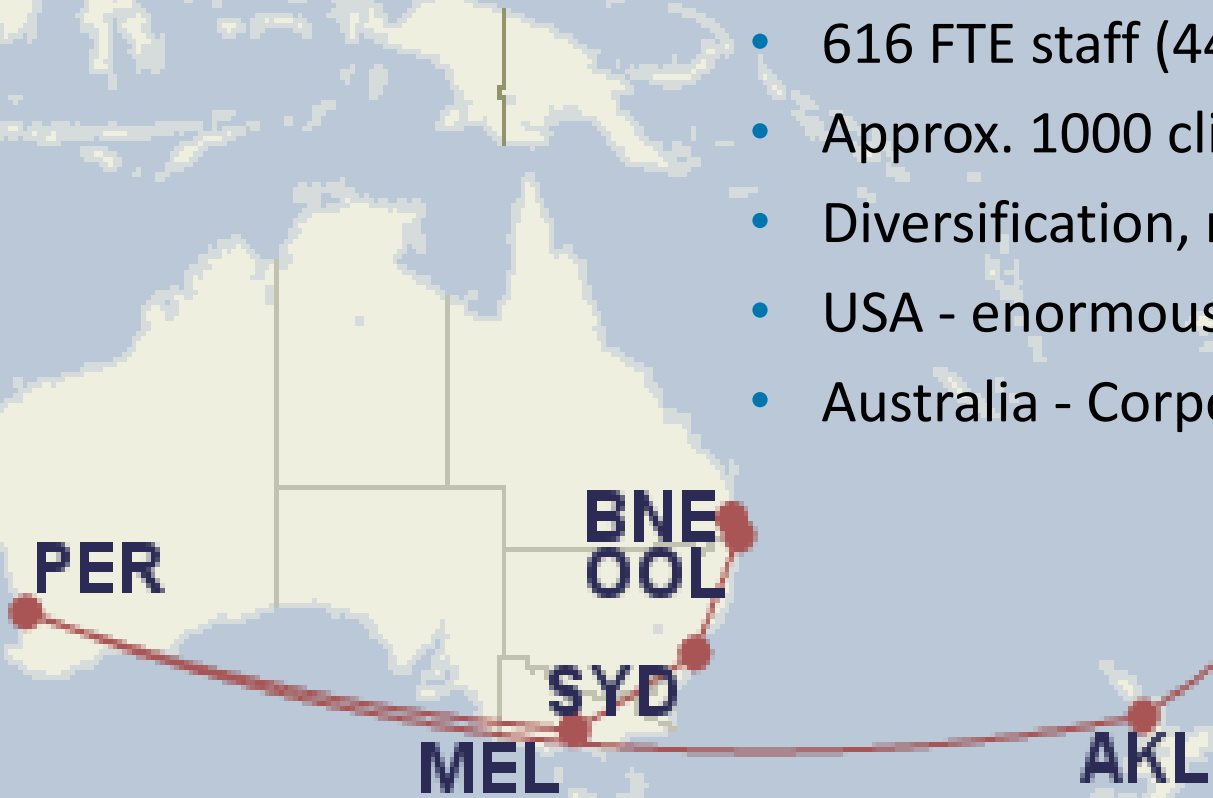
CTM Profile

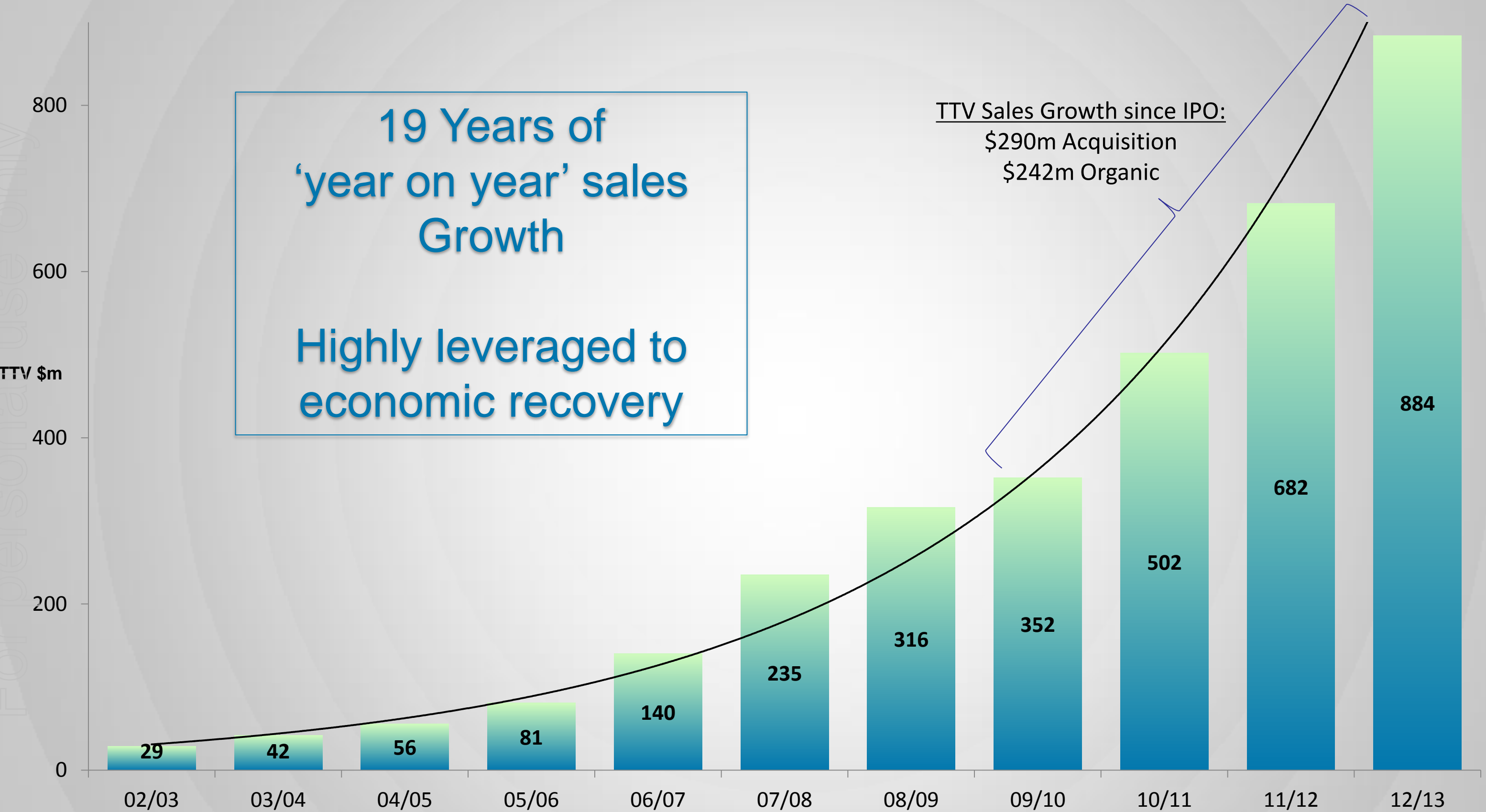
What we do:

Professional corporate travel services provider since 1994.

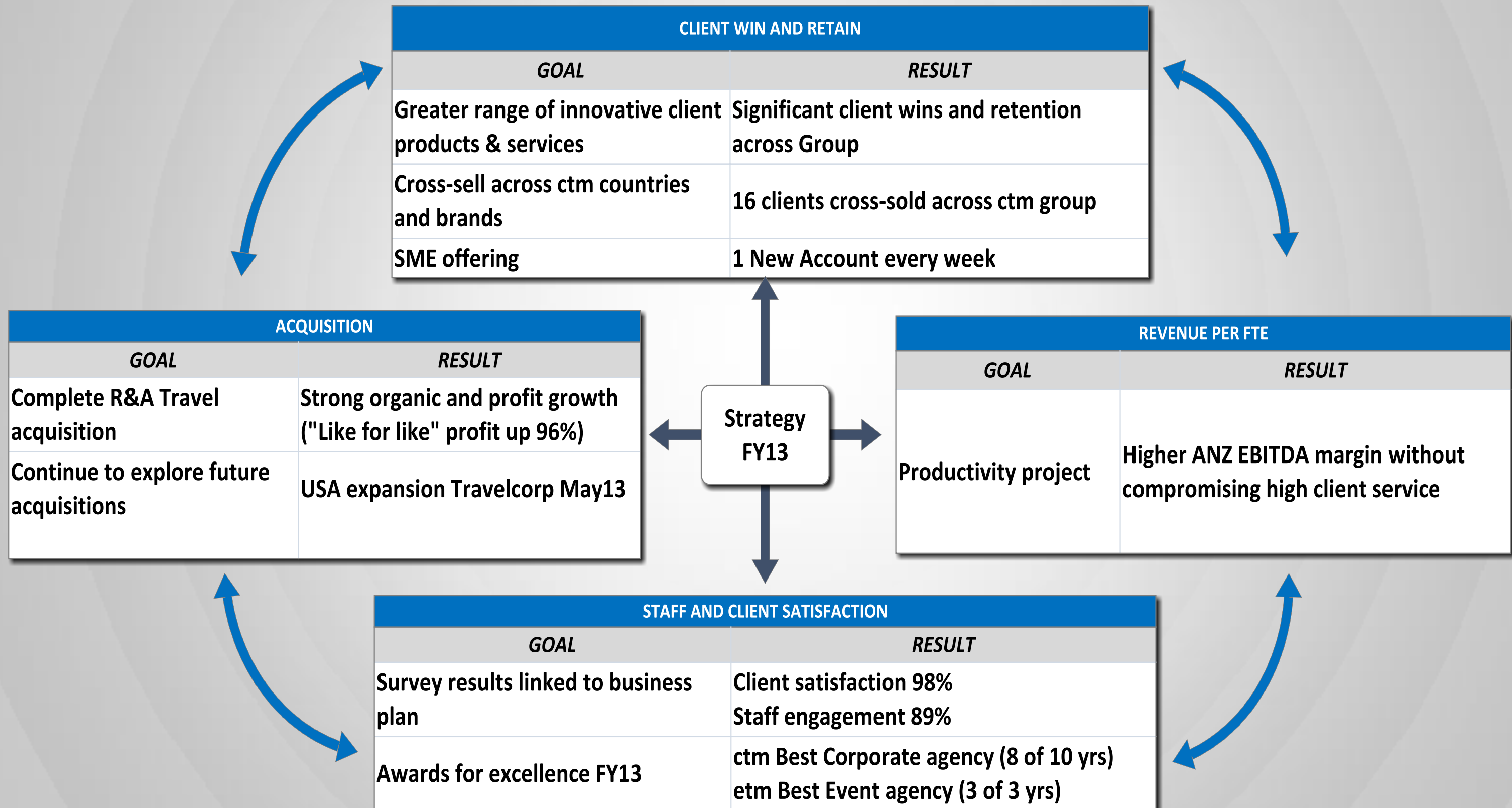
Core value proposition:

- **Personalised service model**
 - **Best in market technology**
 - **Client benefit measured by ROI**
- 616 FTE staff (448-ANZ, 168-USA)
 - Approx. 1000 clients, including multi-national and large private companies
 - Diversification, no client represents more than 4% of EBITDA
 - USA - enormous market estimated over \$240b+, CTM is growing rapidly operating in 6 cities
 - Australia - Corporate market share estimated circa 9.5%





Execution of FY13 Initiatives



Group Result

- ✓ Underlying EBITDA up 20% on p.c.p
- ✓ Organic EBITDA 'like for like' ANZ up 10.3%, USA up 96% on p.c.p.
- ✓ Improved EBITDA margins across the Group due to execution of key drivers. ANZ FY13 28.3% , FY12 26.7%
- ✓ The improved EBITDA margin has not flowed through to NPAT line due to higher interest expense (\$800K) and higher amortization (\$700K) charge increases largely resulting from M&A activity
- ✓ Full year dividend up 16.7% to 10.5 cents fully franked.(6.5c payable Oct13)

^ Underlying excludes \$1m one-off acquisition costs FY13 and \$500k fair value accounting credit on acquisitions FY12
 # revenue excludes interest income

| | FY2013 | FY2012 | Change on PCP (%) |
|---------------------------------|-------------------|----------------|-------------------|
| TTV \$m (unaudited) | 883.8 | 681.3 | +29.7% |
| Revenue \$m# | 78.8 | 65.3 | +21% |
| EBITDA \$m (unadjusted) | 20.0 | 17.9 | +12% |
| EBITDA \$m (underlying)^ | 21.0 | 17.5 | +20.0% |
| NPAT \$m (statutory) | 12.4 | 11.8 | +5% |
| NPAT \$m (underlying)^ | 13.1 | 11.3 | +16% |
| Dividend | 10.5 cents | 9 cents | +16.7% |
| Underlying EPS | 17.3 cents | 15.6 cents | +11% |

Key Financial Indicators ANZ and USA

- Maintenance of ANZ yield, despite economic softening and domestic price war amongst airlines
- Increase ANZ EBITDA margin through productivity gains and leveraging support costs
- USA EBITDA margin improvement through implementation of CTM business systems and disciplines
- US is an enormous market (\$240b+) and CTM is growing rapidly

| \$AUD | AUS/NZ | | USA | |
|----------------|--------------|--------|--------------|--------|
| | 2013 | 2012 | 2013 | 2012^ |
| TTV | 718.5m | 681.3m | 165.3m | 110.0m |
| Revenue | 68.1m | 65.6m | 10.7m | 6.6m |
| Yield % of TTV | 9.5% | 9.6% | 6.5% | 6.0% |
| EBITDA* | 19.3m | 17.5m | 1.7m | 0.7m # |
| % of Revenue | 28.3% | 26.7% | 15.6% | 10.6% |

*Underlying

^ R &A Travel P&L pre-acquisition

includes CTM senior manager in prior year cost base for comparative purposes

USA Case Study R&A Travel – Organic Growth and Margins

FY13 - Execution of M&A Objectives:

- Significant Organic Growth – cross-sell/sales rigour
- Increased profitability - CTM's business systems and disciplines
- Retained key staff and clients
- 2H continued improvement in margin - strong momentum for FY14

FY14- Continued Organic Growth and Margins:

- Combined USA business (inc Travelcorp USA) TTV\$300m+ on run rates
- Focus upon M&A transition discipline
- Expectations of **continued organic growth**:
 - Larger sales team spread across 6 cities
 - Building value proposition and cross-sell strategy
- Expect **continued improvement in EBITDA margins**
 - Scale to deliver stronger buying power, better leverage of support costs and synergies (CY14)
 - Building acumen across broader management team

| AUD \$'000 | FY12- R&A | FY13- R&A | 2HFY13- R&A |
|---|-----------|--------------------|-------------|
| TTV (unaudited) | \$110.0m | \$149.0m (+35%) | \$89.0m |
| EBITDA | 0.73m* | \$1.5m (+100%) | \$1.2m |
| EBITDA Margin on TTV | 0.66% | 1.01% | 1.35% |
| *Includes CTM Senior Manager in prior year cost base for comparative purposes | | | |

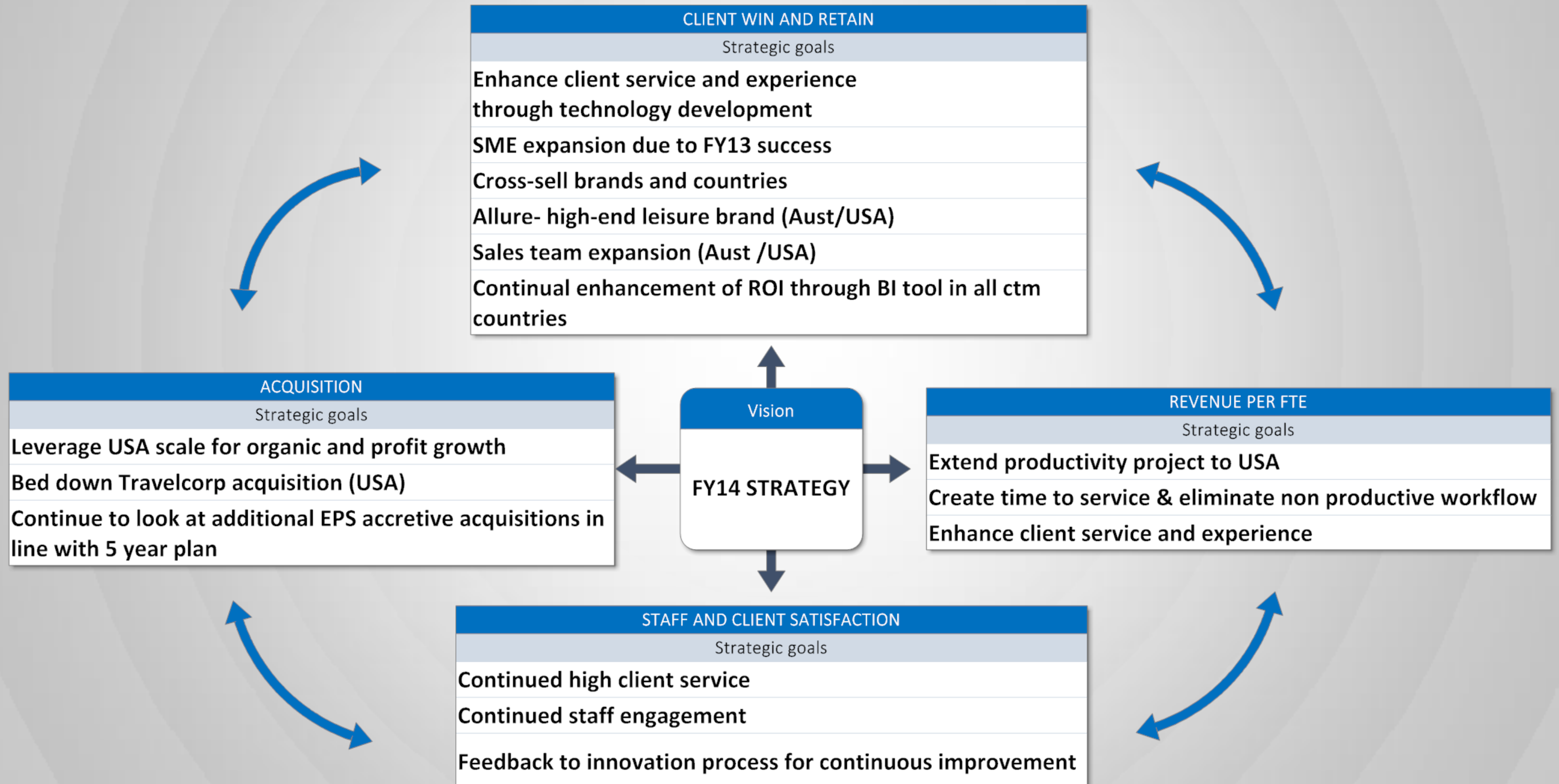
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Strategic rationale:

- ## Focus next 6 months:

- Focus on staff and client retention
- Leverage buying power, and any systems or process that adds value to clients and staff
- Trading to expectations

FY14 Initiatives



FY14 Technology

FY14 presents continued investment in client-facing CTM Technology.

- CTM Business Intelligence - *global rollout.*
- Portal X 'Next Gen' – *the technology centrepiece.*
- Hotel Reviews – *agnostic and exclusive to CTM.*
- Taxi Share – *tapping into the untapped.*
- Risk Alerts – *enhanced duty of care.*
- Traveller Mapping – *interactive and visual.*
- Pre-Trip Approval – *Customised & dynamic.*
- Fare Forecaster – *Reducing booking times.*
- Bed Tracker – *Boosting travel insight & reducing cost.*

Total future
technology
investment
circa \$1m

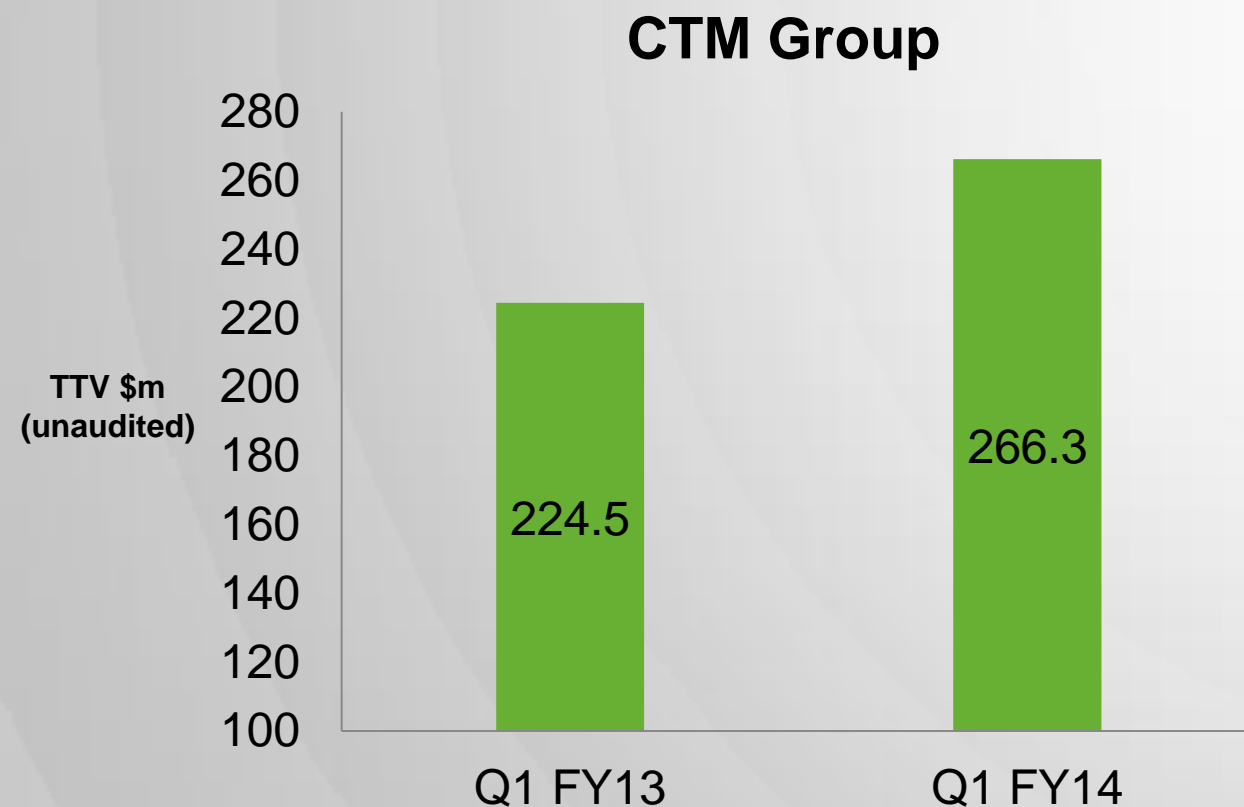


Trading Update and Guidance

FY14 guidance 15% - 20% underlying EBITDA growth on p.c.p. (circa \$24m-\$25m EBITDA)

- Subject to no further erosion in the broader economy
- Currently trading at top end of EBITDA range
- Any future acquisitions will be in addition to the guidance

September Quarter Trading Update

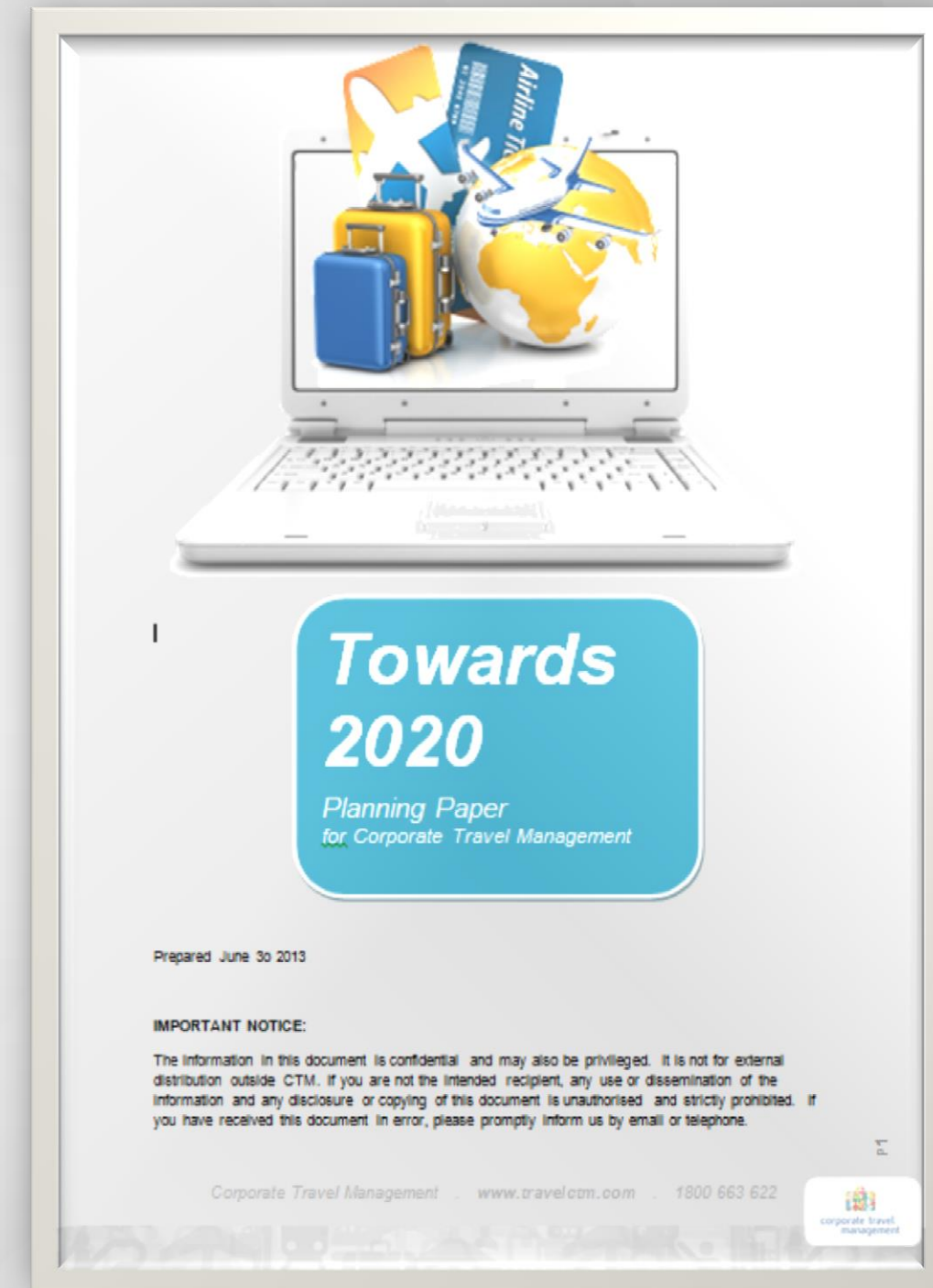


- Group TTV for Q1 of **\$266.3m, up 19%**
- ANZ – Q1 record new client wins. Majority commence trading Q2/Q3
 - Continue to build market share
 - Remain well placed to leverage from economic recovery
 - Underlying ANZ growth impacted by:
 - Year on year fall in average ticket prices
 - Continuation of softer client activity from Q4 FY13 (still to see momentum post election)
- USA - performing well with strong new client wins.
 - Travelcorp transition going to plan.

5 Year Plan

Aspirations:

- 5 year forward planning for ANZ, to ensure it continues to be a “fortress” of continued growth and high profitability that underpins global expansion strategy
- To be in every major region (Asia, Europe, North America, ANZ) with potential for emerging markets where suitable
- To organically grow in all operations and win regional and global clients via a client friendly multi-regional solution
- By working with our clients, continuing to develop new technology, client facing solutions and business models that evolve with their changing needs
- To be renowned as the best TMC in every region we operate by retaining CTM’s highly differentiated service model and high staff engagement, underpinned by technology solutions that add client value
- **To ultimately be a truly global company where substantial profit is derived off-shore**



Questions?



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