2019 Half Year Results.

Date: 20/02/2019
Presenter Name: Jamie Pherous, Managing Director

ctm

Disclaimer.

The information in this presentation does not constitute personal investment advice. The presentation is not intended to be comprehensive or provide all information required by investors to make an informed decision on any investment in Corporate Travel Management Limited ACN 131 207 611 (Company). In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor.

Further advice should be obtained from a professional investment adviser before taking any action on any information dealt with in the presentation. Those acting upon any information without advice do so entirely at their own risk.

Whilst this presentation is based on information from sources which are considered reliable, no representation or warranty, express or implied, is made or given by or on behalf of the Company, any of its directors, or any other person about the accuracy, completeness or fairness of the information or opinions contained in this presentation. No responsibility or liability is accepted by any of them for that information or those opinions or for any errors, omissions, misstatements (negligent or otherwise) or for any communication written or otherwise, contained or referred to in this presentation.

Accordingly, neither the Company nor any of its directors, officers, employees, advisers, associated persons or subsidiaries are liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon any statement in this presentation or any document supplied with this presentation, or by any future communications in connection with those documents and all of those losses and damages are expressly disclaimed.

Any opinions expressed reflect the Company's position at the date of this presentation and are subject to change. No assurance is given by the Company that any capital raising referred to in this presentation will proceed.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. This presentation may not be transmitted in the United States or distributed, directly or indirectly, in the United States or to any US persons, and does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, and is not available to persons in the United States or to US persons.

Overview.

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 approximately 2,700 FTE staff and the CTM network provides localised service solutions to clients globally.

CTM has been proudly operating for 25 years.

Group Financial Highlights.

Group results highlights.

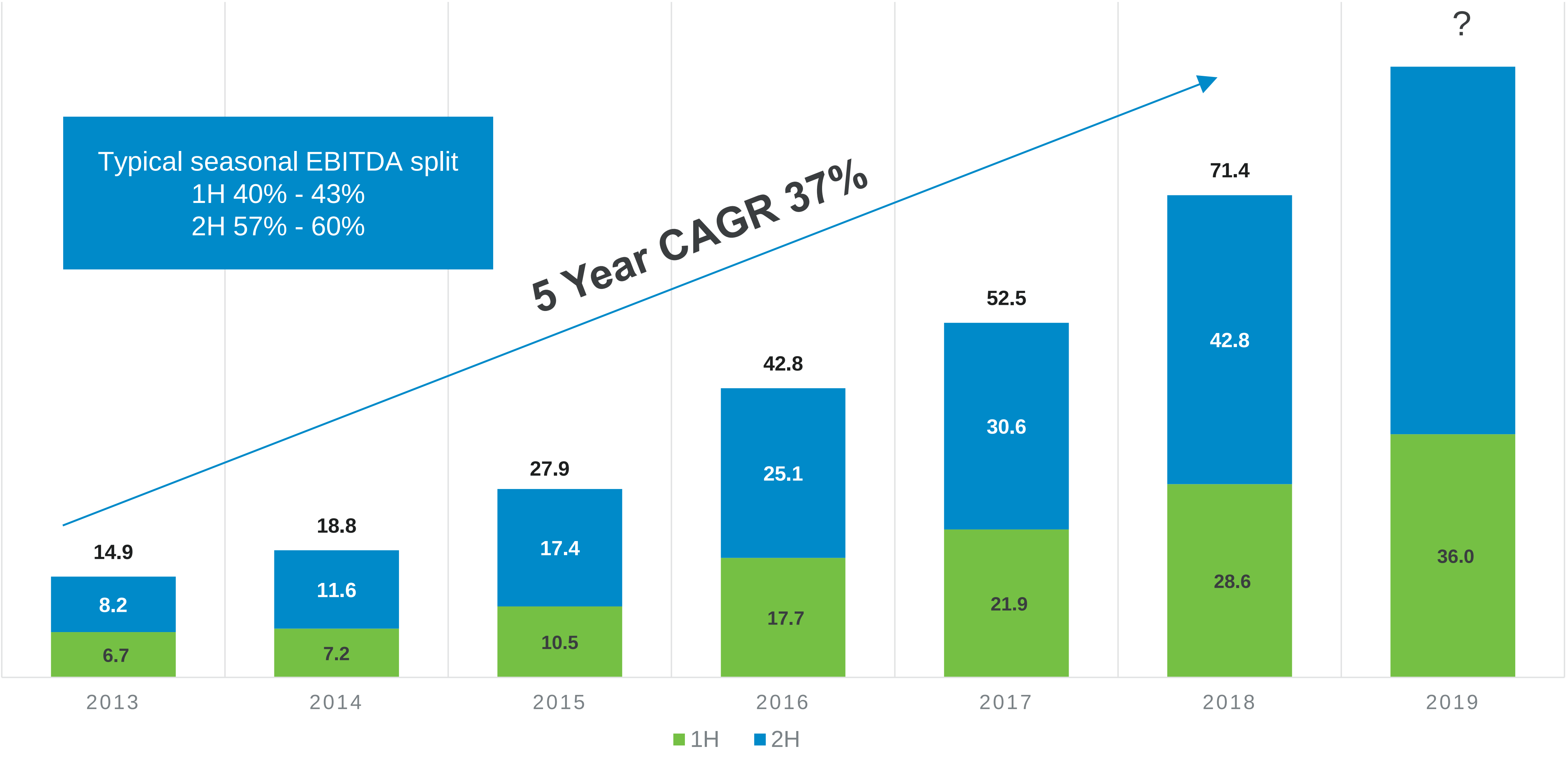
- **Underlying EBITDA up approximately 21% to $64.6m** (includes $1.3m FX upside to forecasted FX assumptions)
- **Strong organic growth** and specifically, **record client wins underpins EBITDA performance**
- **Excellent translation of revenue to EBITDA** due to benefits of CTM's growing scale, technology and automation
- **Operating Cash Flow** is expected to be circa 100% for FY19
- **Half year fully franked dividend** up 20% to 18c
- Currently trading at the **top end of FY19 underlying EBITDA guidance at $150m, or +20% on the p.c.p.** (original guidance range $144m-$150m)

Reported ($AUDm)	1HFY19	Change on P.C.P
TTV (unaudited)	2,951.5	+31%
Revenue and other income	212.2	+23%
#Underlying EBITDA	**64.6**	**+21%**
Statutory NPAT attributable to owners of CTD	38.9	+27%
*Underlying NPAT (excluding acquisition amortisation)	42.6	+20%
Statutory EPS, cents basic	**36.0c**	**+25%**
*Underlying EPS, cents basic (excluding acquisition amortisation)	39.4c	+17%
Half Year Dividend, fully franked	18c	+20%

Excluding pre-tax one-off acquisition and non recurring costs of $1.4m (1HFY18: $0.6m)
*Net of non-cash amortisation relating to acquisition accounting $2.8m (1HFY18 $4.5m) and post-tax acquisition costs of $0.9m (1HFY18: $0.4m)

Growth Profile.

Statutory EPS growth - successful M&A with organic growth.



A quality business – out performing in every region.

Best in Class

CTM AU/NZ
AFTA NTIA
Best National Travel Management Company
Winner 2018
12 times winner

ETM AU/NZ
AFTA NTIA
Best Business Events Agency
Winner 2018
6 times winner

Flybuys Travel
AFTA NTIA
Best Online Travel Agency
Winner 2018

CTM Europe
Business Travel Awards (UK)
Best Travel Management Company (more than GBP200m)
Winner 2019

Allure Travel US
World Travel Awards
North America's Best Travel Agency
Winner 2018
4 times winner

Westminster Travel - Asia
TTG Asia Travel Awards
Best Travel Agency Hong Kong
Winner 2018
9 times winner

1st TMC in Australia
to enable access to live content from the Qantas Distribution Platform via CTM's proprietary OBT, Lightning

afta NATIONAL TRAVEL INDUSTRY AWARDS WINNER 2018 — CTM AU/NZ

afta NATIONAL TRAVEL INDUSTRY AWARDS WINNER 2018 — ETM AU/NZ

afta NATIONAL TRAVEL INDUSTRY AWARDS WINNER 2018 — Flybuys Travel

BUSINESS TRAVEL AWARDS 2019

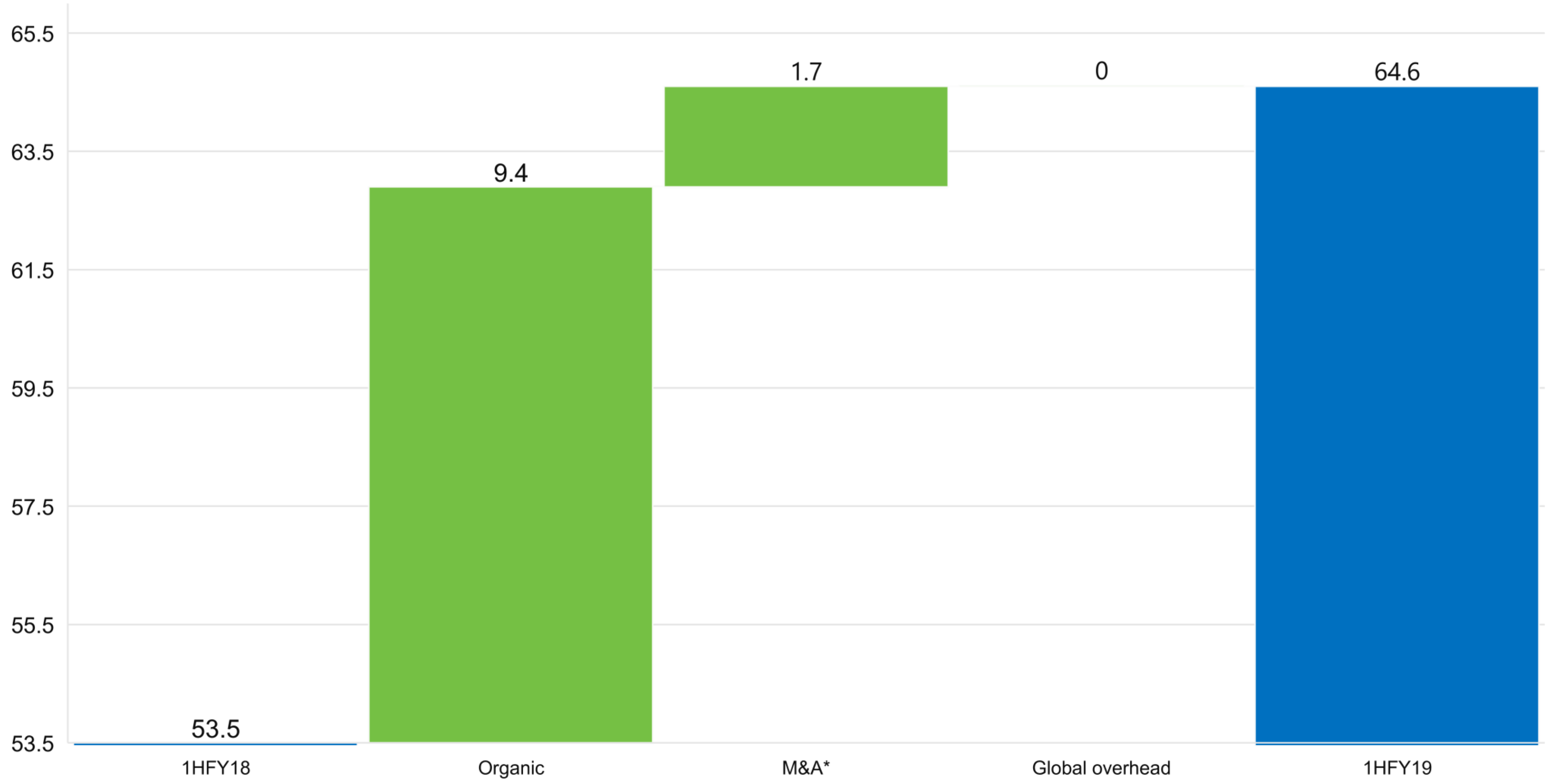
WORLD TRAVEL AWARDS WINNER 2018

TTG TRAVEL AWARDS 2018

Regional Performance.

Underlying 1HFY19 EBITDA Growth Summary (AUD$m).

- Organic growth again the catalyst for performance**, representing approx. +18% on 1HFY19 baseline**
- Previously flagged overheads would grow at a slower rate than revenue as CTM built out a global support structure



*M&A EBITDA values represent EBITDA at time of acquisition announcement (Lotus $1.3m, SCT 0.4m)

1HFY19 Regional overview.

	CTM Consolidated			Australia & New Zealand			North America			Asia			Europe			Group		
	Dec-18	Dec-17		Dec-18	Dec-17		Dec-18	Dec-17		Dec-18	Dec-17		Dec-18	Dec-17		Dec-18	Dec-17	
REPORTED (AUD)	$m	$m		$m	$m		$m	$m		$m	$m		$m	$m		$m	$m	
TTV	**2,951.5**	**2,258.5**	**31%**	649.6	541.2	20%	689.9	592.4	16%	1,070.5	667.9	60%	541.5	457.0	18%	--	--	
Revenue	**210.2**	**171.9**	**22%**	58.3	50.5	15%	70.2	59.4	18%	38.3	26.1	47%	43.3	35.9	21%	0.1	--	
Adj. EBITDA	**64.6**	**53.5**	**21%**	22.3	18.9	18%	17.9	17.3	3%	12.5	9.3	34%	16.8	12.9	30%	(4.9)	(4.9)	0%
EBITDA/revenue margin	**30.7%**	**31.1%**																
CONSTANT CURRENCY*																		
TTV	**2,798.6**	**2,258.5**	**24%**	649.5	541.2	20%	641.8	592.4	8%	997.1	667.9	49%	510.2	457.0	12%	--	--	
Revenue	**200.3**	**171.9**	**17%**	58.3	50.5	15%	65.3	59.4	10%	35.7	26.1	37%	40.9	35.9	14%	0.1	--	
Adj. EBITDA	**61.8**	**53.5**	**16%**	22.5	18.9	19%	16.7	17.3	(3%)	11.6	9.3	25%	15.9	12.9	23%	(4.9)	(4.9)	0%

*Constant currency reflects December 2017 as previously reported. December 2018 represents local currency converted at average foreign currency rates for the half year ended 31 December 2017

ANZ.

	1H19	1H18	% Change
Reported (AUD)		$m	
TTV	649.6	541.2	20%
Revenue	58.3	50.5	15%
Underlying EBITDA	22.3	18.9	18%
EBITDA / Revenue Margin	38.3%	37.4%	
CONSTANT CURRENCY			
TTV	649.5	541.2	20%
Revenue	58.3	50.5	15%
Underlying EBITDA	22.5	18.9	19%

Underlying EBITDA up 18% on the p.c.p.:

- Region continues to outperform market
- Winning market share through record new client wins and retention
- 1H result includes $0.4m EBITDA contribution from SCT acquisition
- Approximately 80% of all client transactions are on-line

2H19 Outlook:

- Experiencing steady client activity
- Momentum from record client wins in 1HFY19 continuing
- ANZ will again be a significant contributor to Group profit

Asia.

	1H19	1H18	% Change
Reported (AUD)		$m	
TTV	1,070.5	667.9	60%
Revenue	38.3	26.1	47%
Underlying EBITDA	12.5	9.3	34%
EBITDA/Revenue Margin	32.6%	35.6%	
CONSTANT CURRENCY			
TTV	997.1	667.9	49%
Revenue	35.7	26.1	37%
Underlying EBITDA	11.6	9.3	25%

Organic Growth reconciliation (AUD):

Underlying EBITDA	12.5m	
Lotus baseline EBITDA	1.3m	(3 months)
CTM Asia ex Lotus, 1HFY19	11.2m	
Less :CTM Asia, 1HFY18	(9.3m)	
Organic EBITDA growth	1.9m	+20%

Underlying EBITDA 34% on the p.c.p.:

- Business performing well across all segments
- CTM technology gaining good traction, resulting in client wins and improved sales pipelines
- Lotus Travel integration going well. Achieving early revenue and cost synergies in 2QFY19 of ownership that will play out in 2H19
- Decline in EBITDA and revenue margin a result of Lotus contribution. As previously flagged, Lotus acquired at lower margins than CTM Asia business

2H19 Outlook:

- Experiencing small decline in ticket price and activity but not expected to have impact on 2H
- One-off duplicated costs of $2.5m associated in moving 3 offices into 1 amalgamated office, enabling accelerated synergies in FY20
- Expect Asia to have a strong 2H19 and be a key contributor to incremental profit growth in FY20 and beyond

North America.

	1H19	1H18	% Change
Reported (AUD)		$m	
TTV	689.9	592.4	16%
Revenue	70.2	59.4	18%
Underlying EBITDA	17.9	17.3	3%
EBITDA/Revenue Margin	25.5%	29.1%	
CONSTANT CURRENCY			
TTV	641.8	592.4	8%
Revenue	65.3	59.4	10%
Underlying EBITDA	16.7	17.3	(3%)

Underlying EBITDA up 3% on the p.c.p.:

- As previously flagged, strong revenue growth off-set by additional $2.0m technology hub development costs expensed in 1H versus the p.c.p. This explains the lower EBITDA margin
- On a ‘like for like’ basis, EBITDA would be up 15%
- Technology suite launched to market, with on-going client rollout and regular enhancements underway, continuing throughout CY19

2H19 Outlook:

- Experiencing continuation of broad based client activity increase
- Expecting **double digit 2H profit growth** as development costs normalise compared to the p.c.p.
- 2H seasonal skew
- Expect technology to create new growth opportunities into FY20 in national and SME client segment

The opportunity - USA and Asia via CTM Technology.

1. CTM has demonstrated a sound track record with proprietary technology:

- **The ANZ and Europe experience is compelling -** an enhanced proprietary technology proposition improves client win and retention rates, improves productivity, and allows staff to focus upon servicing complex and valuable transactions

2. USA opportunity:

- **Enormous untapped market size** – Despite CTM's TTV run rate of AUD$1.5bn, CTM represents under 1% of an addressable market size approaching USD370bn

- **Demand for new tools -** Travellers are demanding easy to book tools that empower travellers on the road. Companies are demanding better data that can drive more sophisticated corporate travel policies and booking process than currently available in consumer tools.

- **On-line penetration is relatively low in this segment –** Legacy booking systems are cumbersome & expensive. Approximately 30% of CTM transactions are on-line in the USA because of this barrier.

3. Asia opportunity:

- **Asian clients are now demanding a corporate on-line solution -** Lightning, CTM's proprietary tool aggregates content and offers a consumerised feel on-line. There is an opportunity to significantly increase on-line penetration and attract new clients demanding a solution.

- **Encouraged by feedback –** client and supplier feedback of our capability and enhanced functionality and features is very positive.

Europe.

	1H19	1H18	% Change
Reported (AUD)		$m	
TTV	541.5	457.0	18%
Revenue	43.3	35.9	21%
Underlying EBITDA	16.8	12.9	30%
EBITDA/Revenue Margin	38.8%	35.9%	
CONSTANT CURRENCY			
TTV	510.2	457.0	12%
Revenue	40.9	35.9	14%
Underlying EBITDA	15.9	12.9	23%

Underlying EBITDA up 30% on the p.c.p.:

- Region continues to outperform market
- Continuation of winning market share despite patchy client activity (Brexit)
- Additional benefit from global clients won ex USA, transacting in Europe

2H19 Outlook:

- Full year group guidance includes prudent forecasting in 2H given Brexit uncertainty

Group Financial Summary.

Comparative statutory profit and loss.

$AUD (m)	1H19	1H18	% Change
TTV	2,951.5	2,258.5	+31%
Revenue and other income	212.2	172.8	+23%
#Underlying EBITDA	**64.6**	**53.5**	**+21%**
Net profit after tax (NPAT):	40.6	32.3	+26%
NPAT - Attributable to owners of CTD	**38.9**	**30.6**	**+27%**
Add back one-off non-recurring / acquisition costs (tax effect)	0.9	0.4	
Add back amortisation of client intangibles	2.8	4.5	
Underlying NPAT - Attributable to owners (excluding acquisition amortisation)	**42.6**	**35.5**	**+20%**

- $2.8m of amortisation relates to client intangibles as part of acquisition accounting, which is a non-cash amount
- Amortisation of client intangibles for full year estimated at $6.8m (FY18-$10.2m) assuming no additional M&A
- 1H19 effective tax rate of 22.6%. Expecting 23-24% over longer term subject to global profit split
- Slight decline in EBITDA margin primarily due to Lotus 3 month contribution in Asia (Lotus acquired at lower profit margin than CTM Asia business), and increased technology hub costs expense in North America

Excluding pre-tax one-off acquisition and non recurring costs of $1.4m (1HFY18: $0.6m)

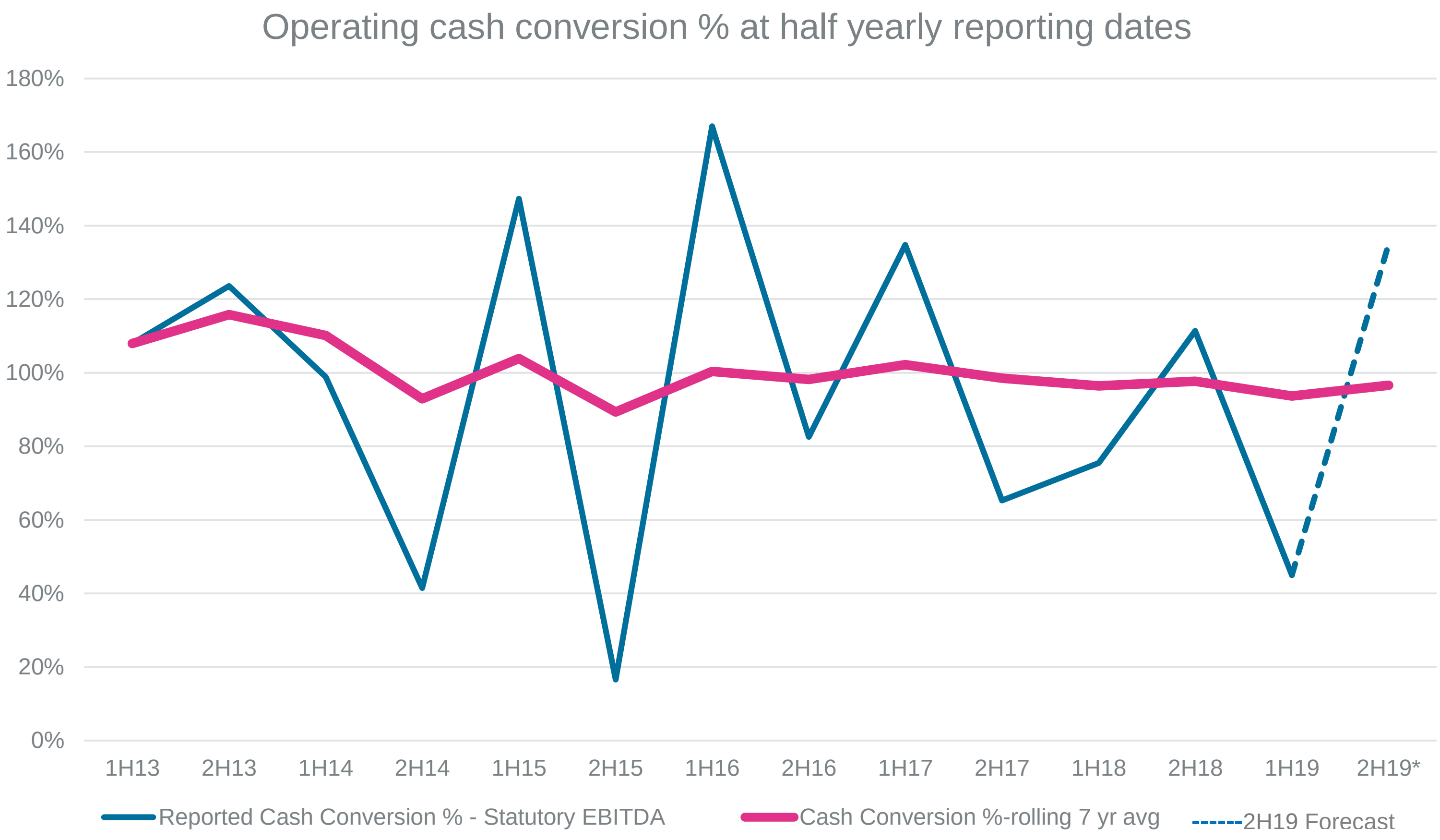
Comparative statutory balance sheet.

$AUD (m)	Dec 2018	June 2018
Cash	74.2	84.3
Receivables and other	267.8	256.4
Total current assets	**342.0**	**340.7**
PP&E	7.8	6.1
Intangibles	502.0	451.6
Other	4.1	6.4
Total assets	**855.9**	**804.8**
Payables	193.8	216.4
Borrowings	12.9	14.7
Acquisition related payables	0.8	22.5
Other current liabilities	23.3	37.8
Total current liabilities	**230.8**	**291.4**
Non current acquisition related payables	2.6	0.0
Borrowings	48.0	29.3
Other non current liabilities	16.1	12.7
Total liabilities	**297.4**	**333.3**
Net assets	**558.4**	**471.5**

- Intangibles have increased primarily due to Lotus acquisition
- Typically receivables and payables are lower at 31 December compared to 30 June due to seasonality. This half is impacted by the combination of Lotus during the period
- Expect larger receivable and payables at 30 June 2019 due to higher activity and timing cycle of fixed supplier payments on 30 June 2019 reporting period
- Borrowings of $60.9m (FY18 $44.0m) are primarily for M&A. Maximum future earn-out obligations are very low at $3.5m
- CTM previously guided to circa $18m of software development costs for FY2019 (1H $8.3m). This continues to be the expectation

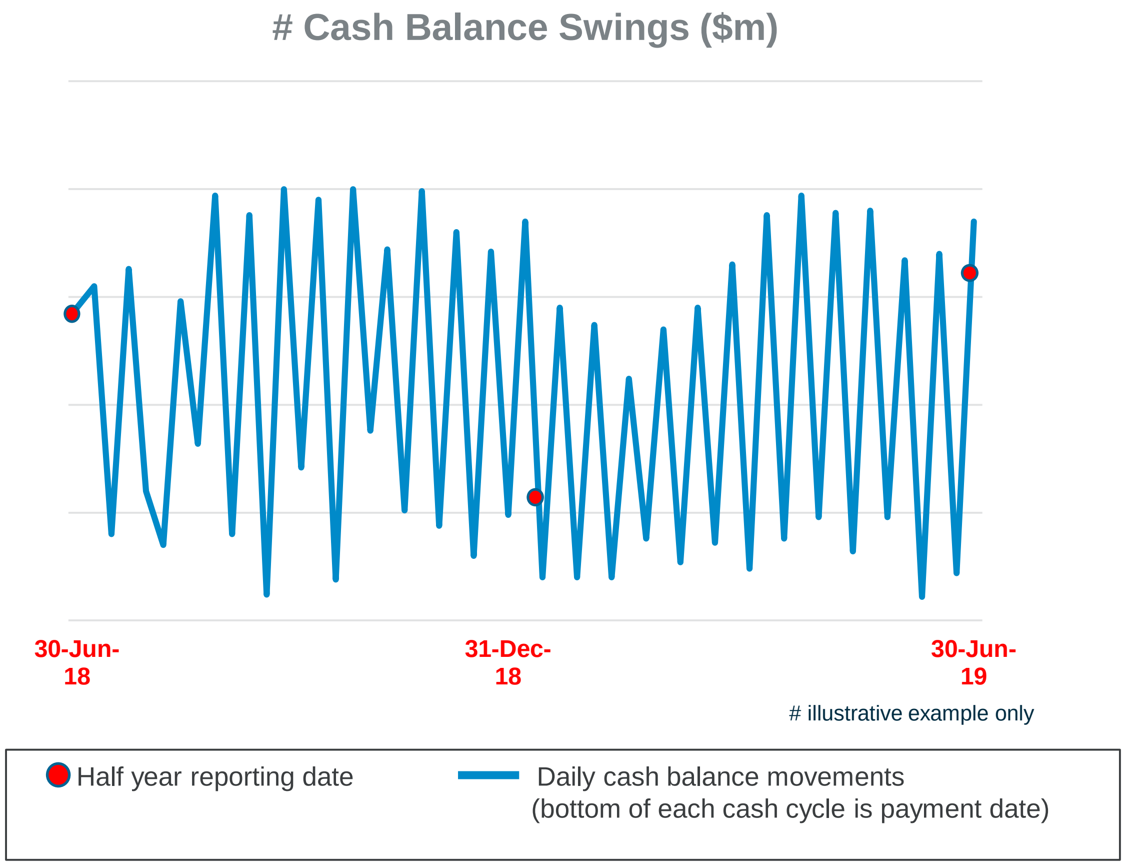
Operating cash conversion - rolling 7 year average.

- Operating cash conversion **rolling 7 year average near 100%**
- Half year swings primarily due to **the fixed timing cycles of supplier payments** (**fixed dates set** by BSP[1] and RSP[2]) **in relation to reporting period dates.** These **timing differences are short term** (typically 1-7 days)
- Timing is industry-wide and is not isolated to CTM
- It is our ongoing expectation that CTM will achieve approximately **100% operating cash conversion over FY19 and beyond**
- As previously flagged, cash conversion at 45% was lower in 1H19, and will **completely reverse in 2H19**, due to **the fixed payment timing cycle** in relation to the 30 June 2019 reporting date



[1]BSP Billing Settlement Plan
[2]RSP Rail Settlement Plan

Why year end (30 June 2019) will show strong cash conversion.



- **The cash cycle timing shift in relation to reporting periods from 30 June 2018 to 31 December 2018 had a negative effect on operating cash**
- **The cash cycle timing shift in relation to reporting periods from 31 December 2018 to 30th June 2019 will have a positive effect on cash flow**

Timing Differences Explained

- As illustrated, the **bottom of the cash cycle represents the fixed payment date** for air and rail, the top of the cash cycle is immediately before payment is due, when cash is at its peak
- Swings in cash cycles from top to bottom of each cycle are frequent, and can be up to $60m difference from the top to bottom of a payment cycle, a significant amount compared to FY19 guidance EBITDA ($150.0m)
- Reporting date timing differences occur when the **reporting period date** relative to air and rail fixed payment dates, falls at a different time in the payment cycle **versus the last reporting period**. This explains the lower operating cash at 31 December 2018
- **We know 30 June 2019 will be a very strong operating cash conversion half because of the positive impact of timing of the payment cycle at 30 June 2019 versus 31 December 2018 (as illustrated)**
- Operating cash flow will be circa 100% in FY19 and beyond (as outlined in 7 year rolling average on slide 20)

Cash flow summary.

$AUD (m)	6mth FY19	6mth FY18
EBITDA	63.2	53.0
Non cash items	1.5	(0.6)
Change in working capital	**(36.5)**	**13.4**
Income tax paid	(13.1)	(13.2)
Interest	(1.0)	(1.2)
Cash flows from operating activities	**14.1**	**25.7**
Capital expenditure	(10.0)	(5.0)
Other investing cash flows	(46.5)	(37.2)
Cash flow from investing activities	**(56.5)**	**(42.2)**
Dividends paid	(25.7)	(21.6)
Proceeds from issue of shares Net	39.2	0.0
Release of secured deposits	2.2	0.0
Net (repayment)/drawing of borrowings	13.3	31.9
Cash flow from financing activities	**29.0**	**10.3**
FX Movements on cash balances	(3.3)	0.6
Increase/(decrease) in cash	(10.1)	(6.8)

- Change in working capital primarily due to timing cycle of fixed supplier payments. Operating cash conversion of $28.2m (45% conversion) for 1H19
- Investing cash flows primarily relate to Lotus Travel
- FY19 Capex expected to be approximately $21m, being $18m technology development, $3m other
- Release of secured deposit relates to a partial release ($2.2m) of Lotus Travel for transactional banking facilities. At balance date, $8.5m of secured deposits are still in place. It is our expectation that this amount will be released by 30 June 2019.
- Future dividends are likely to be partially franked, due to the majority of profits being derived offshore
- 2H19 operating cash expected to be strong due to favourable timing differences as outlined in Slides 20,21

Client Innovation.

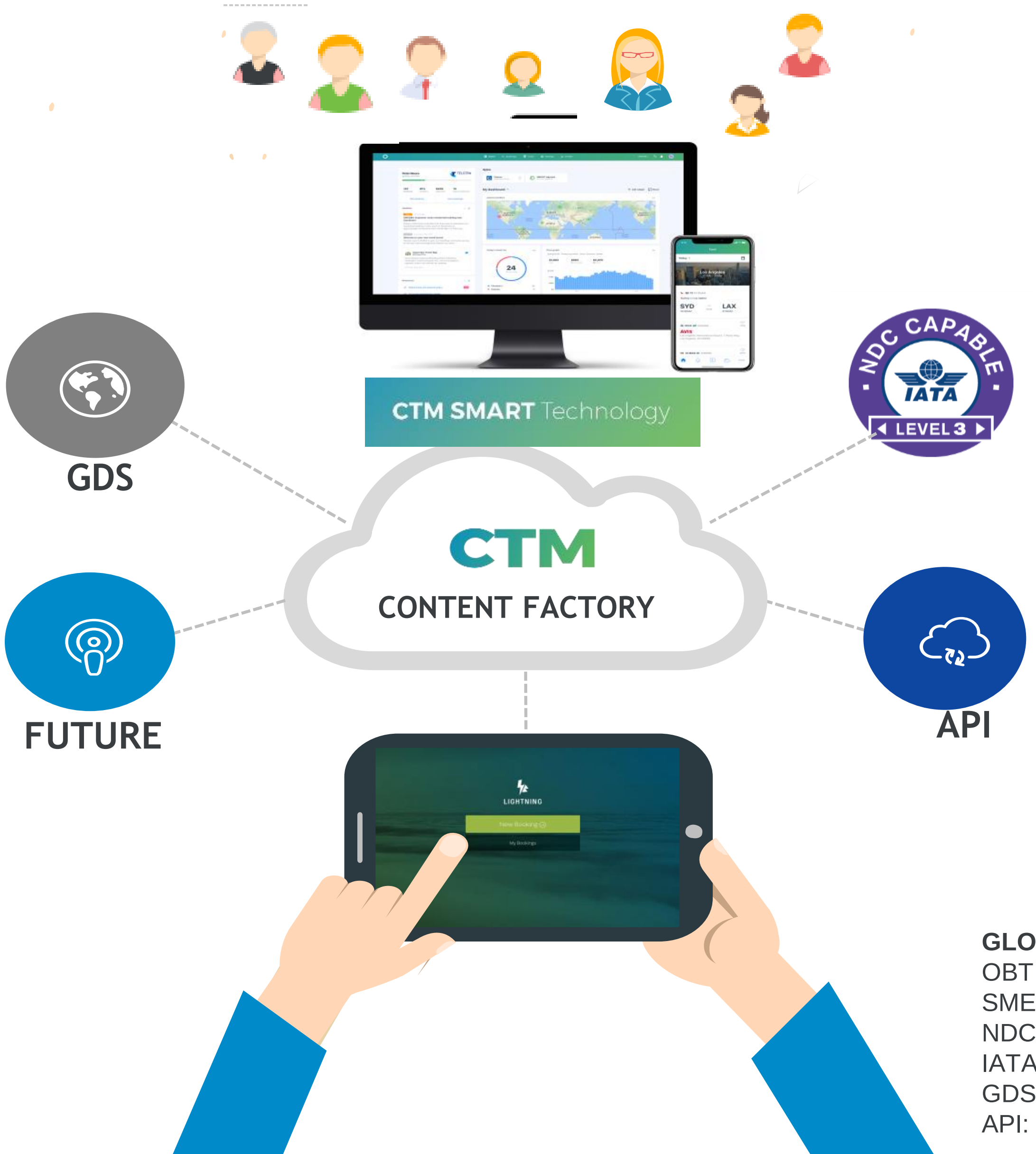
Future proofing technology – controlling our destiny.

What is CTM SMART technology?

- CTM developed, integrated end-to-end solution for clients, including:
- **SMART** portal, diagnostic widgets, BI analytic reporting.
- **Lightning OBT**, user-centric, **now operating in all 4 regions**
- CTM mobile apps, SME OBT’s
- SMART is OBT agnostic so it can be used by any customer

1. Enhanced productivity & Service:

- End-to-end seamless solution, easy to use, locally and globally
- Allows CTM staff to excel on the high value, complex travel demands critical to retaining clients



2. Competitive Advantage - in-house Development, in-region

- Speed to market frequent releases p.a., across 4 regions
- Our Tech hubs situated in each CTM region, developing with and for our clients, to capture local nuances
- Agile methodology, global framework and discipline
- **Over 6m bookings p.a**. via CTM OBT’s globally

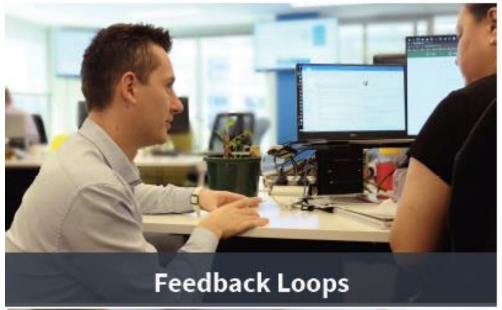
3. CTM Content Factory

- In-house content aggregator – not reliant on third party intermediaries
- Enables clients to have easy access to content in one place, irrespective of source (GDS, API, NDC)

GLOSSARY OF TERMS
OBT: Online Booking Tool
SME: Small and Medium Enterprises
NDC: New Distribution Capability
IATA: International Air Transport Association
GDS: Global Distribution System
API: Application Programming Interface

Technology hubs located in all global regions.

Region	Tech hub location
ANZ	Sydney, Australia
EUROPE	Hale, United Kingdom
USA	Los Angeles, USA
ASIA	Hong Kong



Goal : To accelerate speed to market and tailor client development, in-region

Acquisition.

Acquisition update.

Lotus Travel (Greater China) - recap

- Acquisition completed 2 October 2018, and will contribute 9 months to group EBITDA
- As previously flagged, Lotus is expected to contribute approximately AUD4.0m for FY19

Highlights:

- Executed combined organisational structure, reporting lines and business plan
- Combining 3 Hong Kong offices into one amalgamated office in Q4FY19, accelerating integration and cooperation opportunities
- Lotus has an excellent reputation and highly motivated staff - opportunity to bring CTM automation and rigour to leverage greater staff effectiveness and enhanced client solutions
- **The integration and upsides, are proving to be successful**

CTM continues to investigate further acquisition opportunities

FY19 Strategy and Guidance.

Key strategic initiatives FY19-21.

Continued Organic Growth & Acquisition

1. Enhance our value proposition to client needs, across CTM global network
2. Outperform in local, regional and global segments
3. Leverage clients across all lines of business (CTM, ETM, B2B, B2C)
4. Execute upon M&A opportunities that add scale, niche, geography

Client Facing Innovation

1. Continuous development of SMART technology suite globally & develop new tools with our clients
2. Through regional technology hubs, build tools that address local or regional market nuances

Productivity & Internal Innovation

1. Internal innovation feedback loops to improve and automate existing client and non-client facing process
2. Staff empowerment in decisions to drive high staff engagement and client satisfaction outcomes

Leverage Our Scale & Geography

1. Demonstrating CTM is of high value in the supply chain
2. Optimise supplier performance and resulting client outcomes

Our People

1. Empower our teams to support our client needs
2. Continued investment to attract, retain and develop the brightest talent
3. Embracing culture that represents our values and business drivers

FY19 Guidance update.

CTM is tracking at the top end of FY19 Guidance (underlying EBITDA AUD$150m, +20%)

FY19 underlying EBITDA range of AUD$144-150m (approximately +15%-20% growth on the p.c.p.) was provided with the release of the FY18 results in August 2018

Guidance Assumptions:

1. Foreign Currency cross-rates average USD0.76c/HKD6.00/GBP0.56p during the remainder of the year
2. Client activity remains favourable
3. Excludes any future potential acquisitions

Appendix A - AASB15 - Impact on revenue recognition disclosure

AASB15 Revenue from contracts with customers – Impact.

- CTM has adopted AASB15 from 1 July 2018.
- **There is no financial impact** on revenue recognition policy for the Group profit and loss versus the p.c.p..
- Revenue previously disclosed has been disaggregated as follows;
  - **Transactional revenues** being revenues generated from the provision of travel services to **clients *(fixed revenue)***
  - **Volume based incentive revenues** being revenues derived from contracts with **suppliers *(variable revenue)***
  - **Transactional revenue accounts for circa 80%** of total revenues in the six months ended 31 December 2018
  - Variable revenues have been relatively stable and predictable over the last decade

ctm

travel**ctm**.com