

# Building a Global Business

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# Corporate Travel Management.

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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.**



# Who we are.

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**1994...**

2 staff in Brisbane,  
Australia

## Value Proposition

- Highly personalised service
- Compelling technology that adds value
- Return on investment methodology

**...2019**

- Approx. 2,700 staff
- Global business with over 70% revenue derived off – shore
- FY19 TTV \$6.5bn forecast



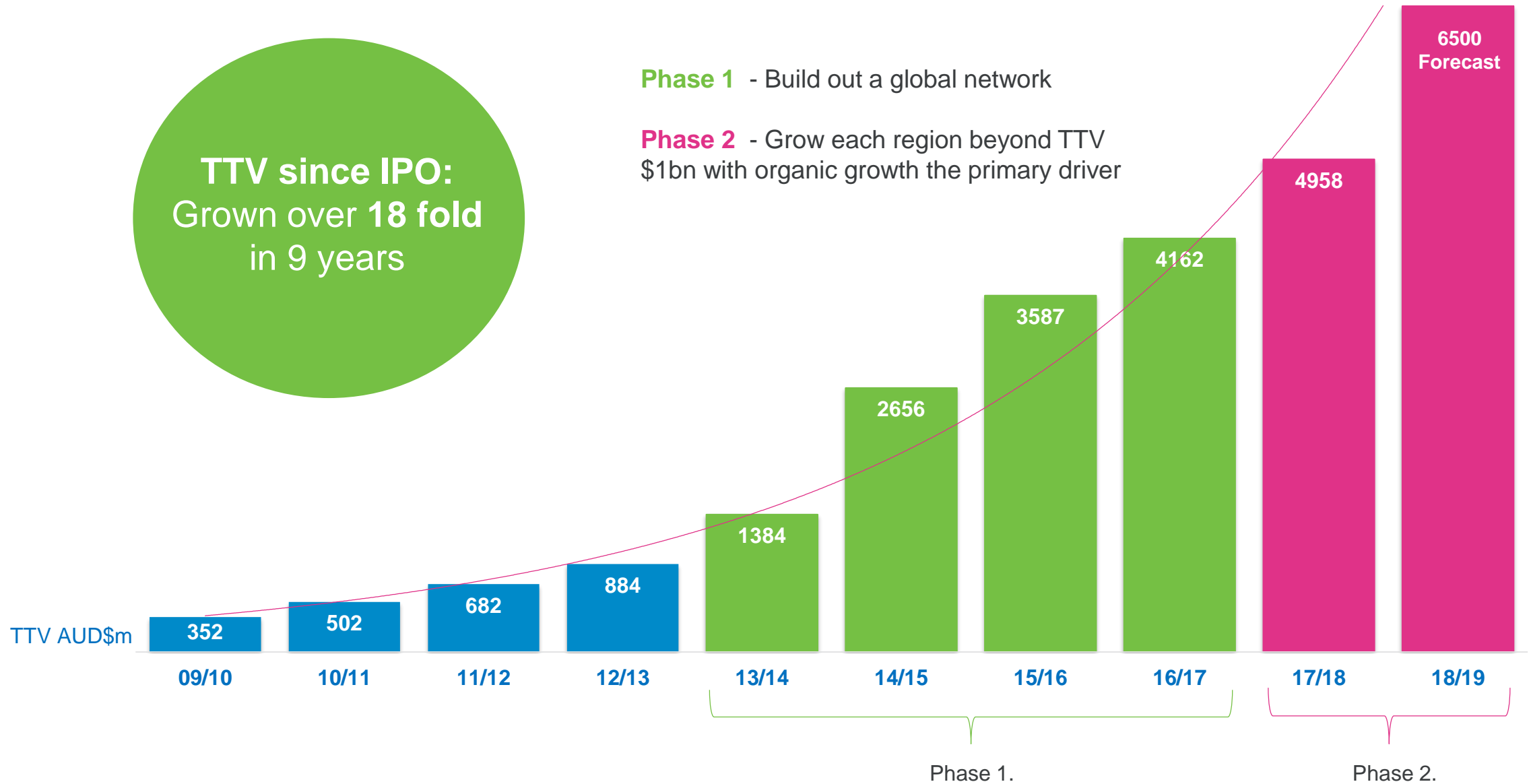
**Growth Profile.**

# 25 Years of consecutive TTV growth.

**TTV since IPO:**  
Grown over 18 fold  
in 9 years

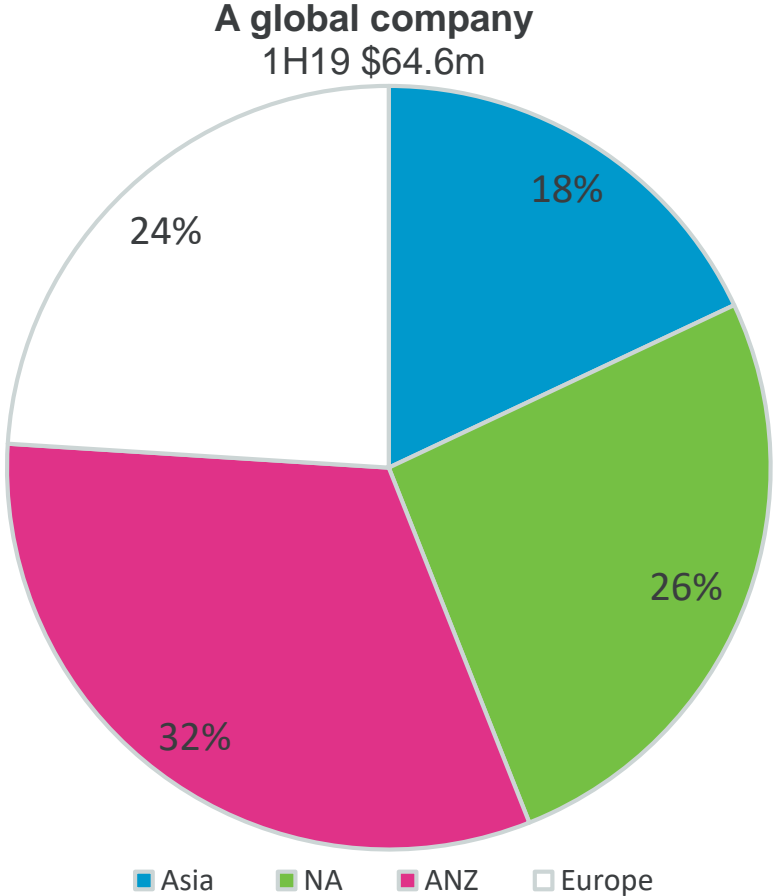
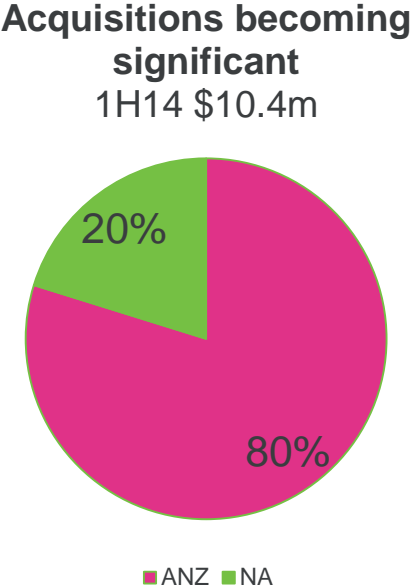
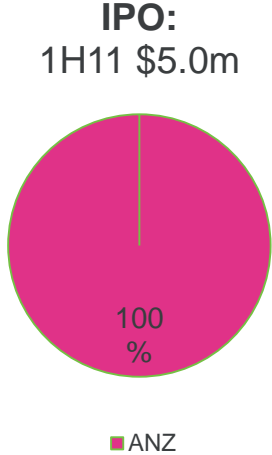
**Phase 1** - Build out a global network

**Phase 2** - Grow each region beyond TTV  
\$1bn with organic growth the primary driver



# Building a global business.

\* 1H Underlying EBITDA by region, before global overhead costs



FY19 - Now a global company with majority of profits generated from off-shore

# Replicating a high quality model off-shore - Award winning in every region.

**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

## Best in Class

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

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

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

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



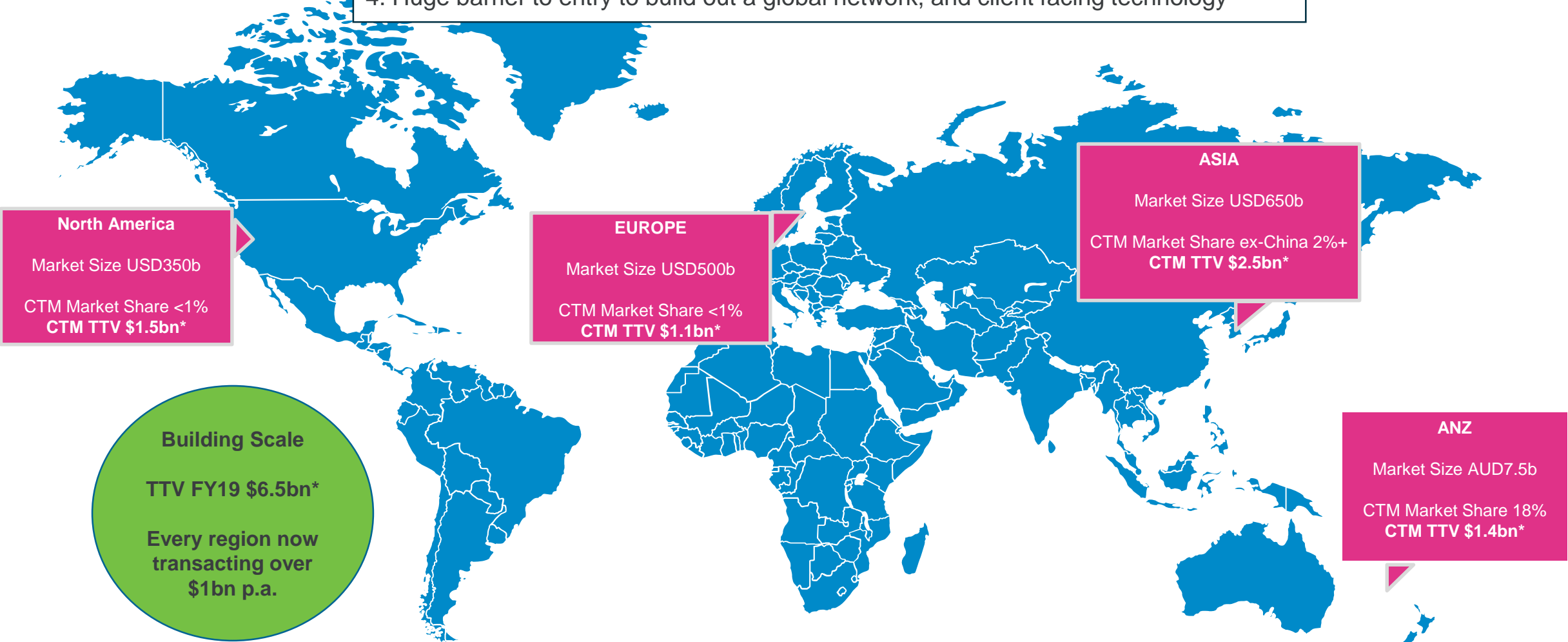




# Growth Strategy FY14 - 21.

# Thematic for long term investment.

- 1. Growing global market estimated at USD1.5 trillion, growing at USD40bn p.a.
- 2. Highly fragmented- largest global player approximately 2+%
- 3. No government regulatory framework to inhibit global growth.
- 4. Huge barrier to entry to build out a global network, and client facing technology



\*CTM TTV forecast for FY19

# 3 distinct strategic growth phases FY14-FY21.

## 3 Phase Strategy

**Phase 1**  
Established a global network through acquisition (FY14-17)

- Acquire key local agencies in every region as a base to grow
- Implement CTM client value proposition for strong organic growth
- Leverage global presence to win regional/global client segment, in addition to SME/ national clients
- **Completed FY17, with future M&A focus on market in-fill**

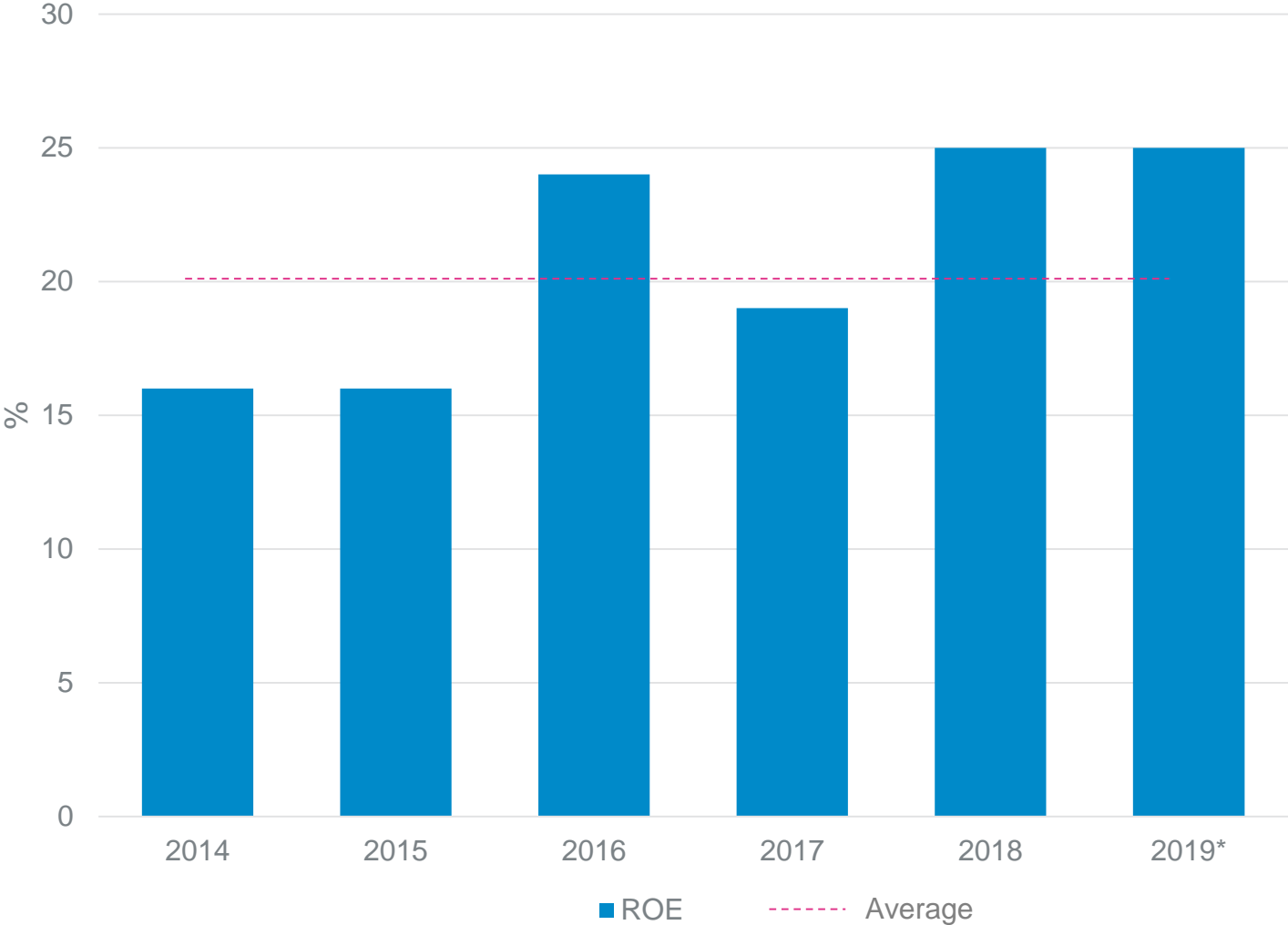
**Phase 2**  
Grow each region beyond TTV\$1bn+ with organic growth the primary driver (FY18-19)

- CTM business acumen to grow the business organically in-region
- Regional empowerment
- Built out client facing technology hubs, in-region, to build technology for local nuances
- Achieved TTV\$1bn in every region in FY18, ahead of plan
- **Completed – Strong organic growth and EBITDA margins**

**Phase 3**  
Realise the potential created in Phase 1 and 2 to grow organically at optimum levels (FY20-21)

- Ensure regions are 'right sized' for optimum organic growth
- Focus on in-house client facing technology development and digital initiatives, with focus on maintaining high service proposition and staff engagement
- Build a company that does not require debt to generate high organic growth and generates free cash flow
- **Targeting 15% p.a. organic growth over this period, with any M&A additional**

# Measures of success - #1 Return on Equity (ROE).

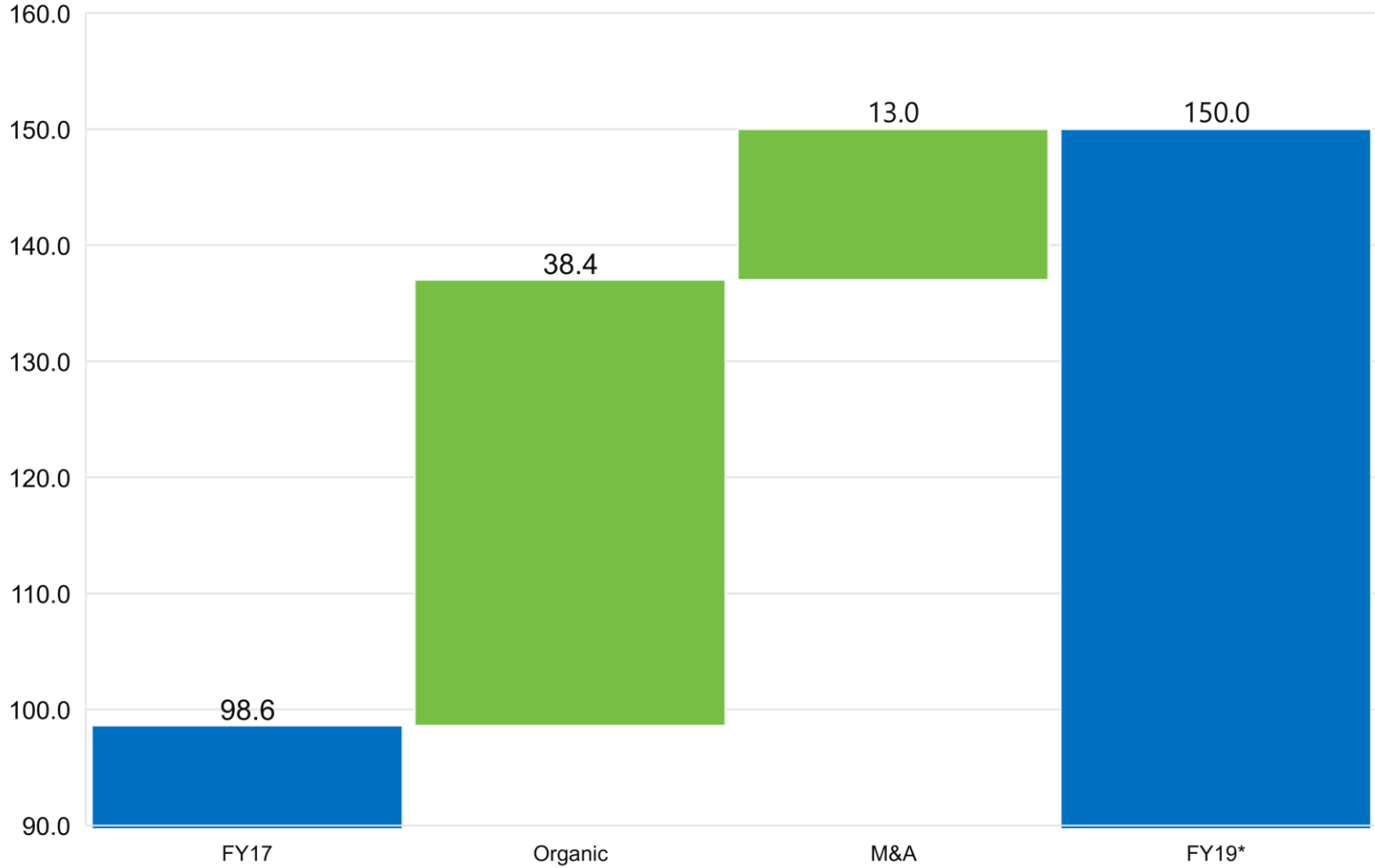


- ROE is our applicable measure given CTM acquires via capital raisings
- Averaging 20% ROE since FY14 (Phase 1)

\*Forecast  
Source: CTM Annual reports

# Measures of success - #2 organic growth

Organic growth post completion of global footprint (Phase 2)

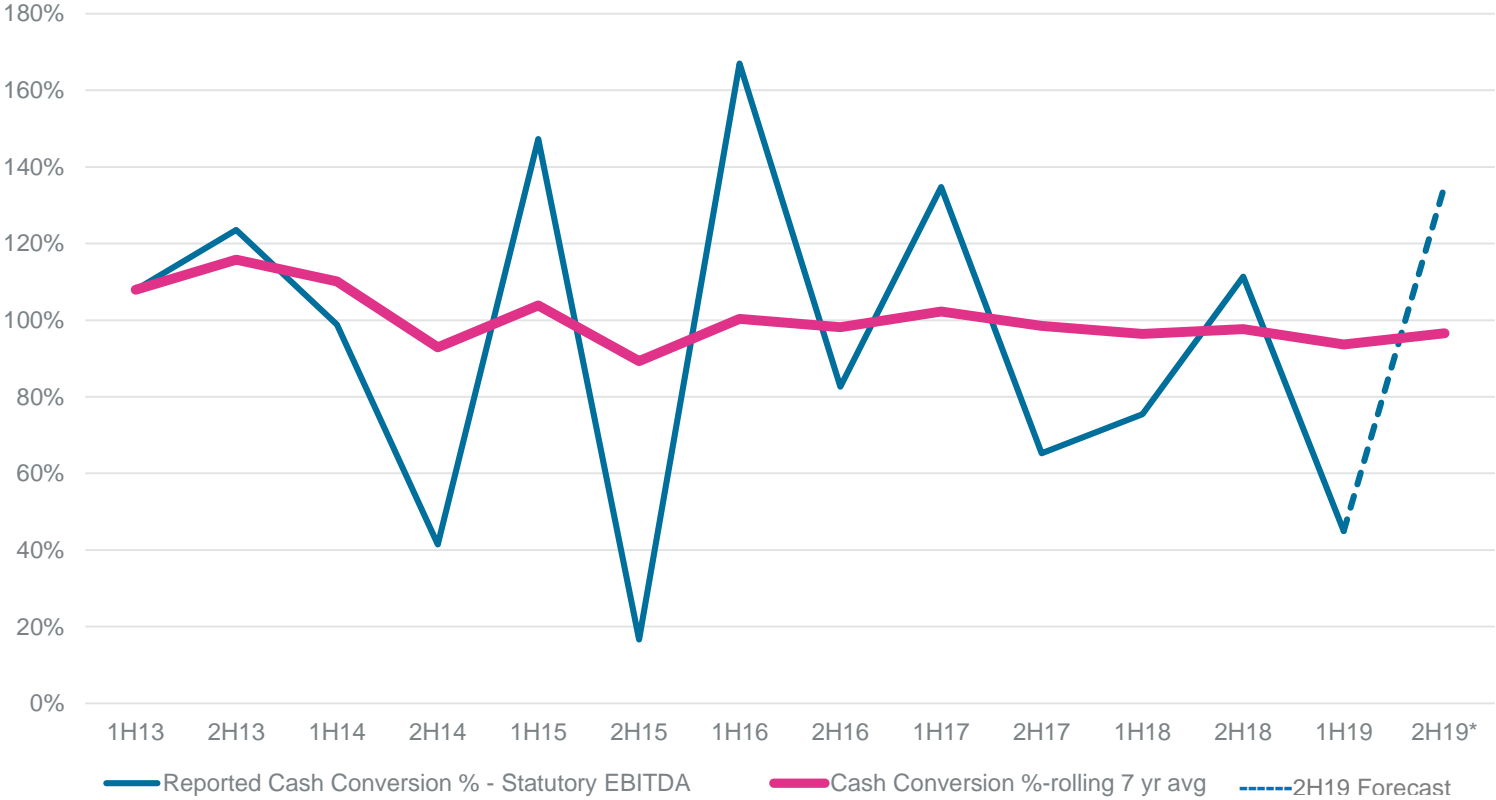


- Organic growth is the **key driver** post completion of regional footprint
- Average 18% organic CAGR in phase 2

\* Forecast

# Measures of Success - #3 Operating cash conversion near 100%

Operating cash conversion % at half yearly reporting dates



- Operating cash conversion **rolling 7 year average near 100%**, through phase 1 and 2 expansion
- Expectation that CTM will achieve approximately **100% operating cash conversion over FY19 and beyond**
- Half year reporting date timing differences occur when the **reporting period date** relative to air and rail fixed payment cycle dates, falls at a different time in the payment cycle **versus the last reporting period**.
- These **timing differences are short term** (typically 1-7 days) and are **industry-wide, and not isolated to CTM**.
- **CTM does not require debt** to generate high organic growth

# Measures of success - #4 best practice metrics through technology

Revenue/  
TTV Yield %

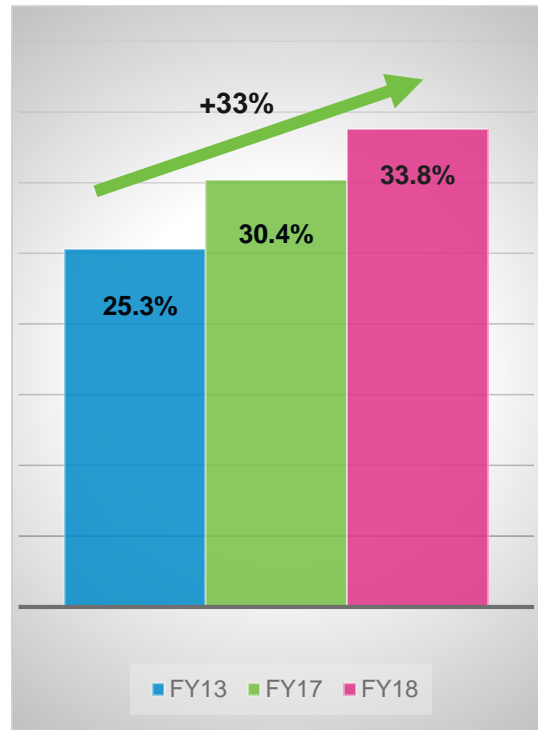
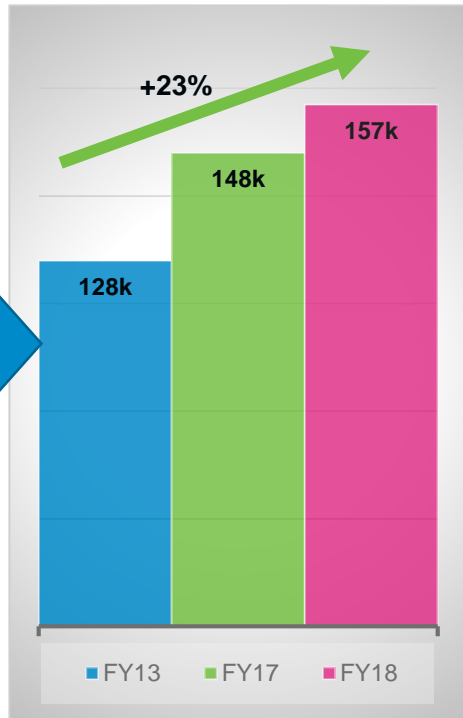
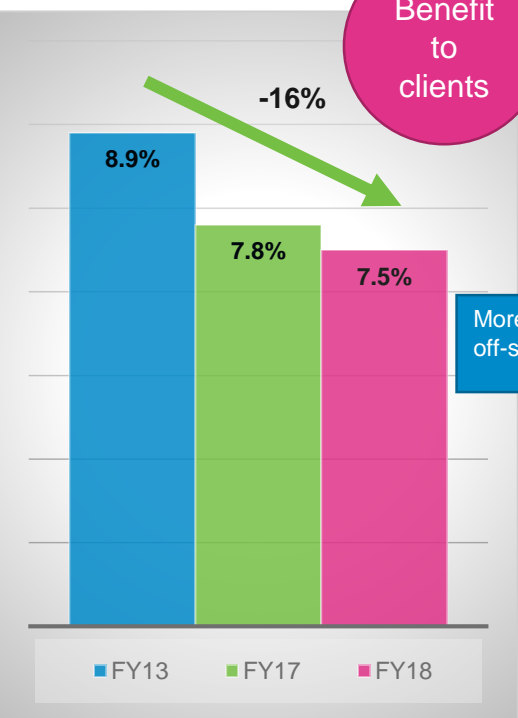
Benefit to clients

More than off-set by

Increasing Revenue  
per FTE

EBITDA/Revenue %  
Margin

- Clients benefit in lower fees:
  - Lower fees booking on-line
  - Revenue/TTV margins similar to peers
- Revenue per FTE and EBITDA benefits:
  - Over 6m transactions p.a. via CTM developed client facing tools versus paying 3<sup>rd</sup> parties
  - Explains the higher EBITDA margins versus peers
  - CTM staff freed up to service complex and demanding high value transactions
  - Staff engagement and client satisfaction at historic highs



# 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 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**

# How we will execute - Key strategic initiatives FY19-21.

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## 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 optimise scale in USA, Europe

## 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

# Summary - a successful business with a long term strategy.

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- Proudly operating for 25 years, achieving year-on-year TTV growth in every year of operation
- Built a global corporate travel business ex Australia that is forecast to achieve TTV\$6.5bn for FY19, representing under 1% of the total global corporate travel market
- Strong track record of strategy and execution
- Controlling our destiny via in-house client facing development, developed in-region, with and for our clients
- FY19, tracking at top end of underlying EBITDA guidance of \$150m (+20% on p.c.p.)
- FY20-21, targeting 15% **organic** growth p.a. Any M&A is additional



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