



28 August 2014

ASX Release

Corporate Travel Management reports full year FY14 profit;
releases FY2015 profit guidance

FY14 Result Highlights:

TTV ₁ (unaudited)	\$1,384m	Up 57%
Revenue and other income	\$110.5m	Up 42%
Underlying EBITDA ₂	\$28.9m*	Up 47%
Underlying NPAT ₃	\$17.3m#	Up 41%
Statutory NPAT	\$15.8m	Up 40%
Statutory EPS ₄	19.0 cents per share	Up 28%

Final Dividend Payable 7.5 cents (Full Year 12 cents), fully franked

FY15 guidance – Underlying EBITDA range \$38m-\$41m (32-42% growth) on p.c.p.

*Underlying EBITDA excludes one-off acquisition costs (\$1.9m pre-tax,) and includes 100% contribution pre-minority interest from Westminster-CTM Asia, which will be how CTM reports EBITDA moving forward. Underlying EBITDA guidance included a 75.1% contribution from Westminster-CTM Asia, resulting in an underlying EBITDA of \$27.8m for comparative purposes and is at the top end of our latest upgraded guidance of \$27-\$28m.

#Underlying NPAT excludes one-off acquisition costs (\$1.5m post tax) and is net of 24.9% minority interest in Westminster-CTM Asia.

^ Prior year comparatives are based upon voluntary change in accounting policy to pay direct commissions.

₁TTV (Total Transaction Value).

₂EBITDA (Earnings Before Interest Depreciation and Amortisation).

₃NPAT (Net Profit After Tax).

₄EPS (Earnings Per Share).

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Corporate Travel Management (CTM, ASX Code:CTD), today announced its full year profit for FY2014.

In commenting on the full year results, Managing Director, Jamie Pherous said, "Our team successfully executed on all the key business drivers we could control, allowing us to achieve an underlying EBITDA of \$28.9m, which is at the top end of our upgraded guidance and represents 47% growth on FY13. Most pleasing was that all regions experienced record profits, and all acquisitions also experienced organic profit growth. In Australia, in particular, profit growth occurred despite the broad softening in the Australian economy resulting in a combined 12% decline in client activity and lower average ticket prices".

Key highlights for the year:

- Strong "local" client wins and retentions across the entire Group. Additionally, the group has won 32 clients that have been cross-sold through more than one region in the group, and this success continues into FY15.
- CTM is involved in a number of global tenders across the network that would not have been possible without the growing global coverage. CTM now has offices in 37 cities across 15 Countries.
- Continued investment in CTM's SMART client facing technology, strengthening CTM's client facing tools and value proposition. This technology progressively being rolled out to our clients across the globe.
- Productivity gains, without compromising client service or staff engagement, translated into higher EBITDA margins in ANZ and North America.
- Continued high client satisfaction and staff engagement from internal and external surveys.
- Winning the Australian industry's premier National Travel Industry Awards for Best Australian Corporate agency (won 9 of last 11 years). Our Asian business is also a finalist in their region for 2014, with results not yet determined but Westminster has won this award 4 of the last 6 years.
- Acquisition integration success. On a comparison, assuming CTD acquisition ownership for the same period in FY13, 'like for like' FY14 EBITDA growth in Asia of 14% and North America of 46%, demonstrates our ability to integrate newly acquired businesses and grow market share utilising CTM's proven systems and processes.

The CTM Board has declared a final fully franked dividend of 7.5 cents per share to be paid on 10 October 2014 (full year fully franked dividend 12 cents).

Mr Pherous said the focus for FY15 includes:

- Enhancing "local" client service and experience through technology development, to support strong organic growth through new client wins and retention of existing clients.
- Maintaining a core culture that empowers our staff to continuously enhance CTM's high client service standards, staff engagement and productivity initiatives.
- Focus upon continued scalable organic growth in ANZ and Asia
- Continue to build market share in the North American market through a combination of organic growth and strategic acquisitions. North America is the world's largest corporate travel market and CTM has a dedicated integration team to project manage integration of acquisitions.
- Leveraging the CTM network to continue to build market share in the regional and global client segment. This segment is now compelling given CTM's global coverage.
- Continuing to look at further global expansion through acquisitions, particularly in Europe.



FY15 Guidance:

CTM's guidance for FY15 is for underlying EBITDA growth in the range of \$38-\$41m, or approximately 32-42% growth on the prior corresponding period (p.c.p.). This guidance represents a 100% contribution from the pre-minority interest from Asia, which equates to expected underlying EPS growth in the range of 20%-30% on the p.c.p. after adjusting for minority interests.

Any new acquisitions will be in addition to this guidance.

Trading Update: July-August 2014:

FY15 year to date trading is in line with the EBITDA forecast growth range. Client wins are continuing at the same rate experienced in 2014 across all regions. Additionally, the Group has won 3 clients networked across more than one CTM region.

In terms of client activity, we have experienced a steady rise in Asia and stronger activity in North America. In ANZ, we have experienced steady client activity and domestic average ticket prices (ATP), after experiencing a combined decline of 12% for client activity and ticket prices in ANZ in FY14.

CTM will be conducting a Webinar at 9:15am on Thursday 28th August 2014, to discuss the full year results. To participate in the webinar, please follow this link:

<http://www.travelctm.com/Announcements/Announcement/CTM-Half-Year-Results--Teleconference---Webinar-In.aspx>

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 over 1,500 FTE staff globally and operates out of 37 cities in 15 countries across Australia, Asia, North America and New Zealand.

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