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ASX RELEASE

Corporate Travel Management reports 1HFY15 profit,  
Upgrades FY2015 profit guidance

1HFY15 Result Highlights:

Total Transaction Value (TTV) (unaudited)	\$1,115.9m	Up 127%
Revenue and other income	\$83.8m	Up 93%
Underlying EBITDA <sub>2</sub>	\$20.2m*	Up 94%
Underlying NPAT <sub>3</sub>	\$11.0m*	Up 69%
Statutory NPAT	\$9.9m	Up 76%
Statutory Earnings per Share (EPS)	10.6 cents per share	Up 47%
Dividend Payable	6.0 cents fully franked	Up 33%

**FY15 guidance upgraded** – Underlying EBITDA range increased to \$46m-\$48m , previously \$45m

\*Underlying EBITDA and NPAT excludes one-off acquisition costs (\$1.1m pre-tax)

<sub>2</sub>EBITDA (Earnings Before Interest Depreciation and Amortisation).

<sub>3</sub>NPAT (Net Profit After Tax).

Corporate Travel Management (CTM, ASX Code: CTD), today announced its first half-year profit for FY2015.

In commenting on the half year results, CTM's Managing Director, Jamie Pherous said, "We have had a truly excellent half in light of the tough business conditions. Most pleasing was that all regions grew market share through winning and retaining clients, achieved record first-half profits, and the impact of our acquisitions continues to have a positive effect on the business globally. In fact we achieved solid organic growth in every acquired business whilst integrating and harmonising these great businesses into the Group."

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The combination of this execution allowed CTM to achieve an underlying EBITDA of \$20.2m, representing 94% growth on the previous year and EPS growth of 47%, reflecting the success the company is having in growing the business whilst integrating and harmonising acquisitions into the Group. As a result, the Company has upgraded its full-year profit guidance.

**Key highlights for the half and trading conditions:**

**ANZ region:**

- Strong organic growth (TTV up 15%) through a strong value proposition around personalised service, technology and delivering ROI.
- Small increase in domestic ATP at historic long term average.
- Oil and Gas industry represents 15% of ANZ TTV - sector activity has softened, and is factored into ANZ full year profit forecast.
- Client activity remains steady across all other industries.

**North America:**

- EBITDA growth of 100%, but organic profit growth (excluding acquisitions) was up 40%, demonstrating that the group continues to build market share and leverages the strengths that its acquisitions bring to the business.
- CTM now operating under one brand in 18 cities across eight states.
- Continued reinvestment in a structure and cost base to support long term scalable growth, whilst working through integration synergies.
- Expect stronger second half due to momentum and seasonality
- Continue to actively look at further accretive acquisitions into FY16, potential to be funded from cash flow.
- Client activity remains solid with the exception of clients related to the Oil and Gas industry, noting this segment represents under 10% of CTM's TTV in the North America region.

**Asia:**

- Asia experienced solid top-line growth of 8% despite some negative impacts on the leisure segment resulting from the Hong Kong protests during the first half.
- Most pleasingly the scale created by CTM's acquisitions which meant that this top line growth translated into 15% profit growth and higher EBITDA margins.
- Management's focus is to build upon structure and continue to implement client facing tools which will allow Asia to service the growing pipeline of regional and global business led by the rest of the CTM Group, and win market share within their local region.
- Market activity remains steady.



**Europe:**

- CTM acquired Chambers Travel Group on 2 January 2015. Chambers therefore had no contribution to the first-half results.
- There is already a high level of engagement and enthusiasm shown by the Chambers management team.
- New client wins have been above expectations in the first few months, with several attributed to the additional proposition of having further global reach via the CTM network.
- All regions are working together to implement CTM's BI reporting suite and SMART Technology to provide a seamless global solution for clients.
- CTM expects a June 2015 result in line with its forecast.
- Client activity remains steady and Europe continues to win market share.

**CTM Group overview:**

- CTM is involved in a number of multi-regional tenders across the network which would not have been possible without the growing global coverage. CTM now has offices in 46 cities across 23 countries.
- The Group continues its investment in CTM's SMART client-facing technology, strengthening CTM's client facing tools and value proposition. This technology is being progressively rolled out to CTM's clients across the globe.
- Continued high client satisfaction and staff engagement from internal and external surveys.
- CTM was awarded Best Travel Management Company in the UK, Asia and Australia over the period, which supports the talent employed around the world.
- CTM continues its acquisition integration success. All acquisitions are contributing positively to the Group, demonstrating its ability to integrate newly acquired businesses and grow market share utilising CTM's proven systems and processes.

The CTM Board has declared an interim fully franked dividend of 6.0 cents per share, to be paid on 10th April 2015.

Mr Pherous said the focus for the remainder of 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.



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- Maintaining a core culture that empowers staff to continuously enhance CTM's high client-service standards, staff engagement and productivity initiatives.
  - Focus upon continued scalable organic growth in all regions.
  - 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.
  - Building a global structure that supports the long term business and maintains empowerment and agility.

### **FY15 Guidance Upgrade**

CTM has upgraded full year Underlying EBITDA Guidance to be in the range of A\$46m-\$48m, previously at \$45 million.

CTM will be conducting a Webinar at 11:00am (Sydney time) on Wednesday 25th February 2015, to discuss the half year results. To participate in the webinar, please follow this link: [Conference Call/Webinar Details](#)

### **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 1,800 FTE staff globally and operates out of 46 cities in 23 countries across Australia, Asia, North America, Europe and New Zealand.

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