



Corporate Travel Management 2019 AGM





**Managing Director
Jamie Pherous.**



Disclaimer

The information in this presentation contains summary information about the current activities of Corporate Travel Management Limited ACN 131 207 611 (Company) and its subsidiaries. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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 the Company. In preparing this presentation, the Company did not take into account the investment objectives, financial situation and particular needs of any particular investor. This presentation is not a recommendation to acquire the Company's shares.

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.

This presentation contains certain forward-looking statements, which can be identified by the use of terminology such as 'may', 'will', 'should', 'expect', 'intend', 'anticipate', 'estimate', 'continue', 'assume' or 'forecast' or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results and performance to be materially different from any future results or performances implied by such forward-looking statements.

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. To the fullest extent permitted by law, 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.

Any opinions expressed reflect the Company's position at the date of this presentation and are subject to change. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to update any forward-looking statements in this presentation.

Group financial highlights

- **Underlying EBITDA up 20% to \$150.1m** (includes favourable \$4.8m FX to forecasted FX assumptions)
- **Reported Operating Cash Flow 113% (2H19 166%)** due to timing of payment cycle to reporting period
- **Full year dividend** up 11% to 40c (final dividend 22c, 50% franked)
- **Strong conversion of revenue to EBITDA** due to benefits of CTM's technology platform investment playing out
- **Continued strong market share gains in all markets.** TTV ex Lotus up 15% on the p.c.p., reflecting market share growth
- **2H result impacted** by a unique set of macro-economic headwinds affecting client activity across 3 of 4 regions (EUR-no Brexit, Asia-trade war escalation/HKG demonstrations, ANZ-pre-election)
- Full year result **underscores strength of CTM's business model**, in variable market conditions

Reported (\$AUDm)	FY19	Change on P.C.P
TTV (unaudited)	6,457.5	+30%
Revenue and other income	449.5	+21%
#Underlying EBITDA	150.1	+20%
Statutory NPAT attributable to owners of CTM	86.2	+12%
*Underlying NPAT attributable to owners of CTM (excluding acquisition amortisation)	96.9	+13%
Statutory EPS, cents basic	79.6	+10%
*Underlying EPS, cents basic (excluding acquisition amortisation)	89.5	+10%
Full Year Dividend, partially franked	40c	+11%

Excluding pre-tax one-off acquisition and non recurring costs of \$6.3m (FY18: \$0.9m)

*Net of post-tax non-cash amortisation relating to acquisition accounting \$5.6m (FY18 \$8.6m) and acquisition costs of \$5.1m (FY18: \$0.7m)

CTM proudly operating for 25 years

1994

2 Staff BNE
No Clients ...

Value Proposition

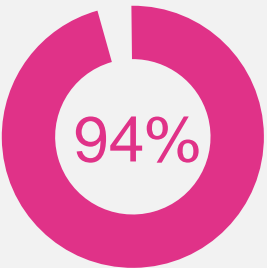
- Highly personalised service
- Compelling technology that adds value
- Return on investment methodology

AWARD WINNING IN EVERY REGION

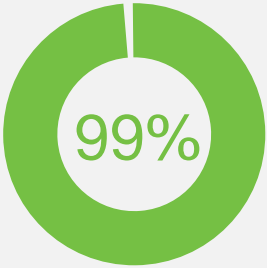


ANZ/EUR 2019 Client Survey
How likely are you to recommend
CTM's technology to a colleague?
90% would recommend

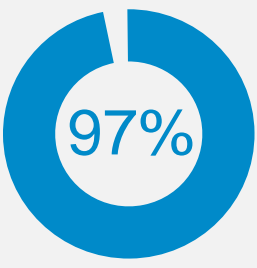
ANZ/EUR 2019 Client Survey
How would you rate CTM's overall
technology offering
**95% extremely
satisfied**



Global Staff Survey
Feel empowered in
your role?



Global Staff Survey
Want to go the extra
mile for their clients?



Global Staff Survey
Understand the connection
between your work and
CTM's strategy?

2019

More than 2600 Staff
TTV approx \$6.5bn

Summary business highlights

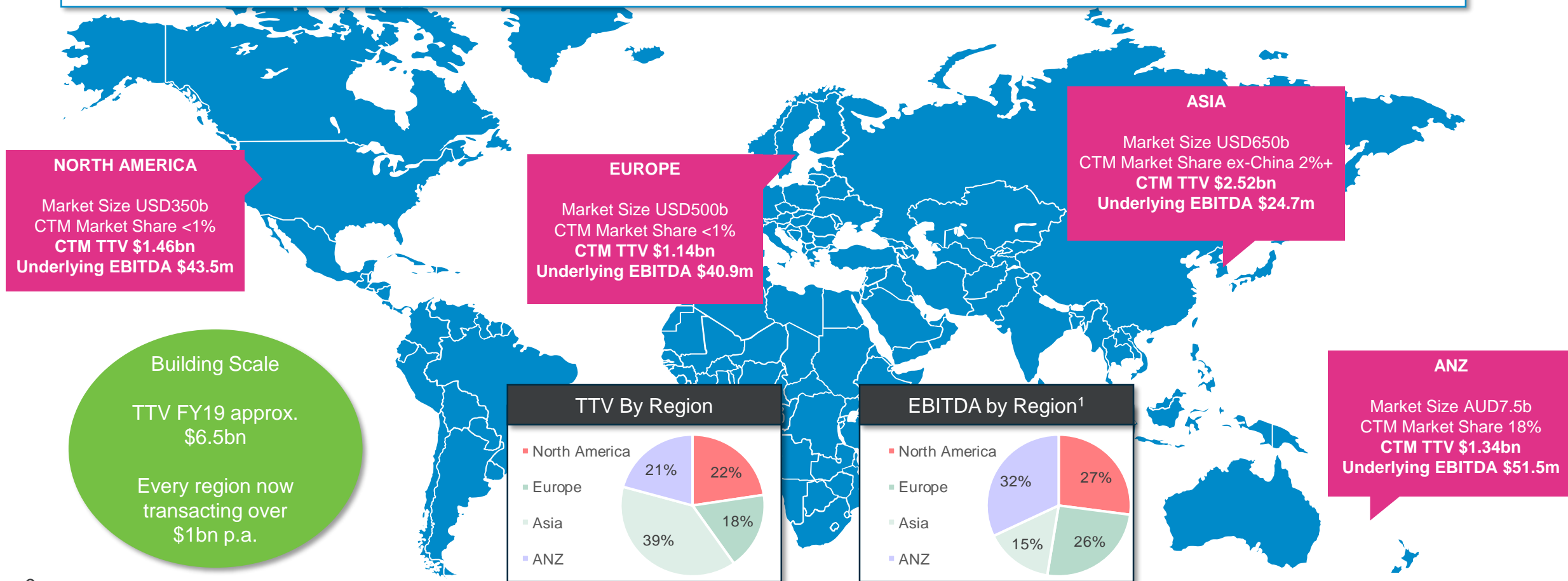
- 1 High quality business with international recognition
- 2 Established global market positions with large market opportunity
- 3 Demonstrated ability to deliver earnings growth
- 4 Tangible near-term strategic initiatives to drive future growth
- 5 Focus on value-add technology
- 6 Strong cash flow generation

High quality business with international recognition



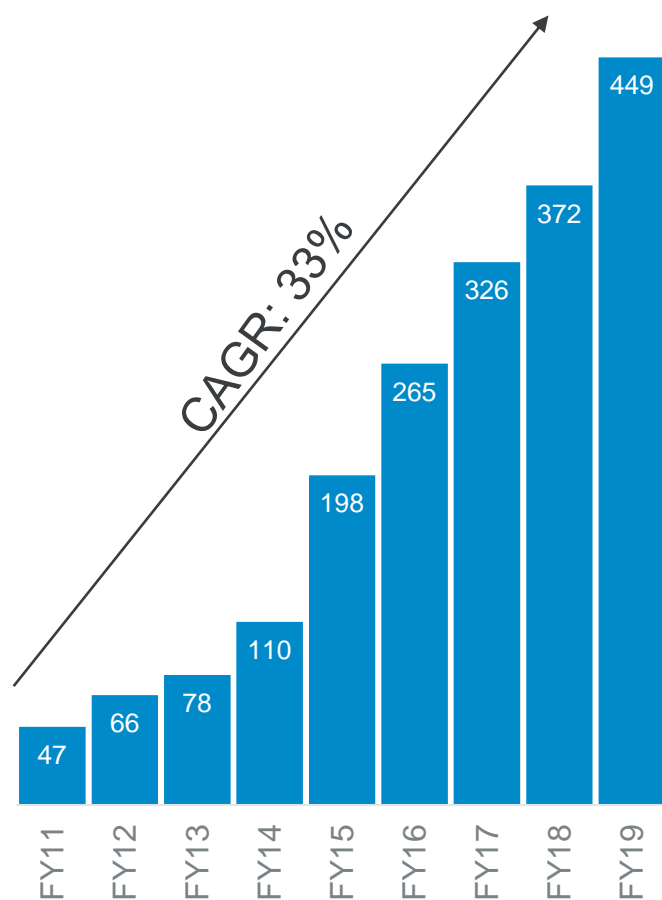
Established global market positions with large market opportunity

1. **Growing global market** estimated at TTV USD1.5 trillion, growing at USD40bn p.a.
2. **Highly fragmented industry** – CTM TTV AUD6.5bn represents under <1% market share
3. **Large barrier to entry** to build a global network, build client facing technology
4. **Compelling value proposition for corporate segment:** personalised service with technology to deliver ROI

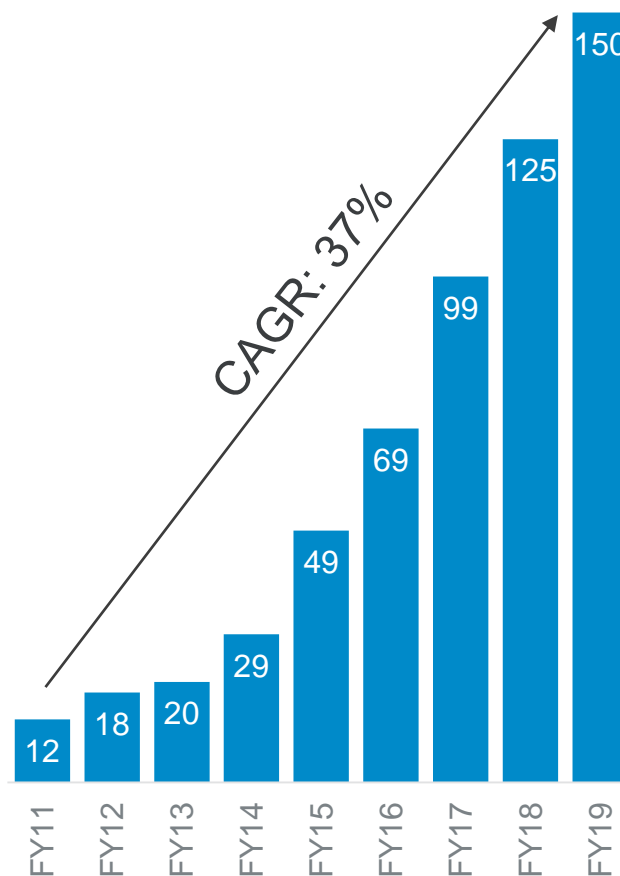


Demonstrated ability to deliver earnings growth and shareholder returns

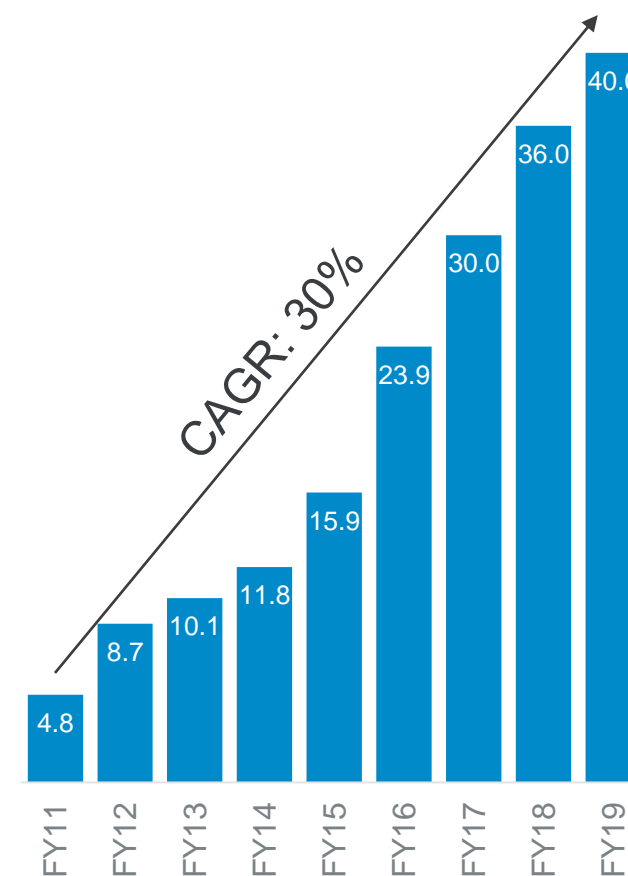
Revenue Growth Since IPO (A\$m)



Underlying EBITDA Since IPO (A\$m)



Dividends Since IPO (A\$ cents)



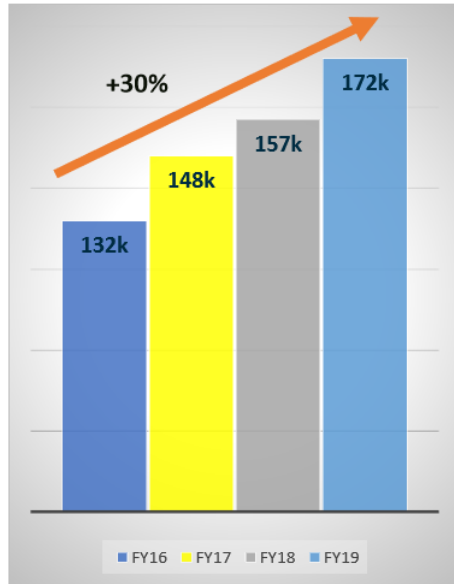
Tangible near-term strategic initiatives to drive future growth

	Phase 1 - FY14-FY17	Phase 2 - FY17-18	Moving to our third phase ➡➡➡➡➡	Phase 3 - FY19-21
Our goals	Established a global network through acquisition	Grow every region beyond TTV\$1bn, with organic growth the driver		Optimise global network and grow a sustainable, long term business
Success measures	<p>Acquire the best agencies in each region as a base</p> <p>Overlay CTM client value proposition and proven CTM business process to establish building blocks for strong organic growth and accountability</p> <p>Leverage global presence to win regional/global client segment, in addition to SME/national clients</p>	<p>Optimise and leverage scale for improved EBITDA margins</p> <p>Regional empowerment to create scalability to support long term growth</p> <p>Build out client facing technology hubs, in-region, with clients to build technology for their specific needs in each region, speed to market, competitive advantage</p>		<p>Ensure regions are 'right sized' for optimum organic growth using M&A as way to fast track</p> <p>Focus on in-house client facing technology development and digital initiatives, with focus on maintaining high service proposition and staff engagement</p> <p>A company that is recognised as "best" in every market, achieves high organic growth, generates free cash flow and does not require debt to generate growth</p> <p>Targeting 15%* p.a. EBITDA growth over this period, with any M&A additional *assumes steady client activity, year on year</p>
Status	Complete <input checked="" type="checkbox"/>	Complete <input checked="" type="checkbox"/>		FY19 <input checked="" type="checkbox"/> In progress ▶▶

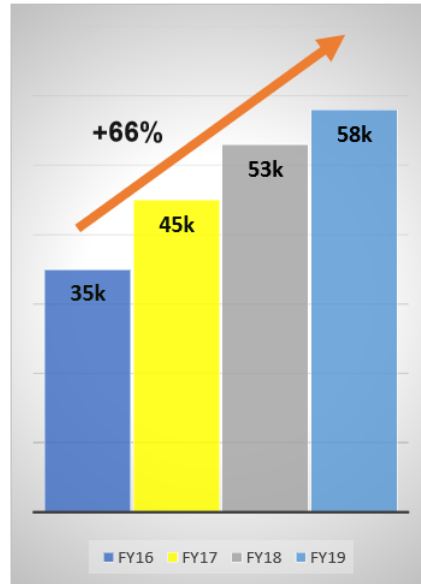
Client facing technology driving competitive advantage

Technology Strategy

Increasing Revenue per FTE (productivity)



Increasing EBITDA per FTE

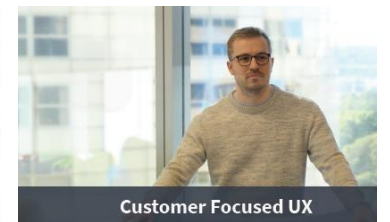
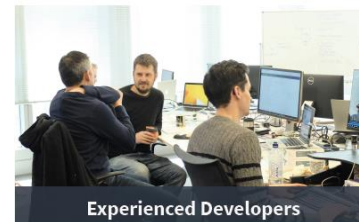


Outcomes of technology investment:

1. Strong market share gains
2. Strong productivity and EBITDA gains
3. Barrier of entry

Technology Hubs Located in all Regions, with Significant Future Opportunities

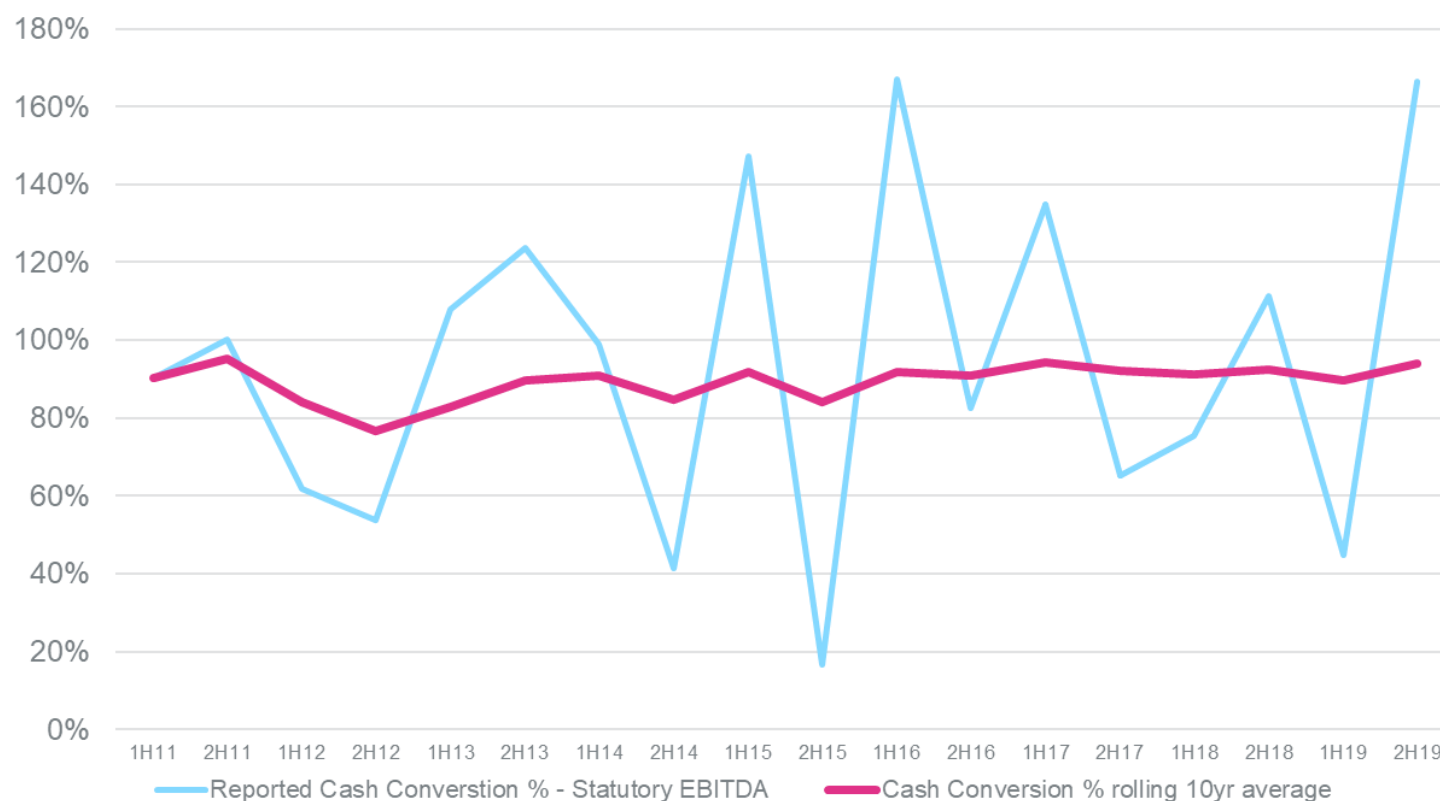
Region	Tech hub location	Client % online
ANZ	Sydney, Australia	80%
EUROPE	Hale, United Kingdom	80%
USA	Los Angeles, USA	32%
ASIA	Hong Kong	3%



Strong cash flow generation

- Strong historical cash flow generation, averaging near 100% since IPO
- Operating cash conversion in FY19 was ~113%
- Ongoing expectation that CTM will continue to **achieve near 100%** operating cash conversion, and **fluctuations at reporting period will continue**, correlated to timing differences between fixed payment cycles and reporting periods (industry-wide)
- Dividend grown in every year since listing, from 5/c share to 40c/share

Operating Cash Conversion % at half yearly reporting dates*



* The operating cash conversion is net operating cash flows excluding interest, finance costs and income tax paid, divided by EBITDA



FY20 Guidance

FY20 Guidance update

FY20 underlying EBITDA guidance range \$165.0m - \$175.0m* excluding the impact of AASB16

Guidance Assumptions:

1. FX cross-rates average USD0.71/HKD5.57/GBP0.54 during FY20. Movement impacts: USD0.01= +/- \$1.5m, every GBP0.01= +/- \$0.75m. Assumes HKD pegged to USD
2. Excludes any future potential acquisitions
3. CTM will continually re-assess macro events outside our control, being impact from Brexit (Europe), US/China trade war and Hong Kong demonstrations (Asia):
 - lower end of guidance assumed continuing impact throughout first half of these macro events and then a gradual recovery in the second half
 - improvement in any or all of the macro events expected to provide investment certainty and higher client activity
 - CTM remains highly leveraged to client activity recovery
4. The impact of the AASB16 leasing standard will be shown separately to allow a comparative to prior year

CTM confirms full year guidance range

*The underlying EBITDA guidance range is \$175.0m-\$185.0m following application of AASB 16 *Leases*

Summary

A track record of strong performance and execution	<ul style="list-style-type: none">• CTM has been successfully operating for 25 years• Since listing in 2010, CTM has delivered revenue, EBITDA and dividend growth in every year, in all economic conditions
Huge untapped growth opportunity	<ul style="list-style-type: none">• Corporate travel is a huge and fragmented sector estimated at USD1.5trillion• CTM is over \$6.5bn in TTV yet represents under 1% of the global market
CTM's value proposition is compelling to the corporate market	<ul style="list-style-type: none">• To be successful in corporate, you must be able to combine highly personalised service with technology and deliver return on investment• CTM has been able to demonstrate this in every region it operates
Unique technology competitive advantage	<ul style="list-style-type: none">• Building our own client facing technology, in house, in region, in conjunction with our clients• Large investment that has delivered strong returns and margins in ANZ and EUR, with further opportunity in USA and Asia
CTM aspires to be a company that is recognised as the best in every market that it operates	<ul style="list-style-type: none">• A company that achieves high compound organic growth, generating free cash flow and does not require debt to generate growth



ctm

travel**ctm**.com