



ASX Announcement

17 December 2020

**Results for announcement to the market
Half Year ended 31 December 2020**

Corporate Travel Management Limited (CTM) is pleased to announce its financial results for the half year ended 31 December 2020. The results are set out in the attached Directors' Report and Interim Financial Report for the half year ended 31 December 2020.

- The Directors' Report and Interim Financial Report for the half year ended 31 December 2020 are available on the company website at www.travelctm.com.
- Directors' Report and Interim Financial Report for the half year ended 31 December 2020

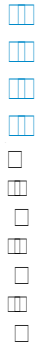
The information contained in this release should be read in conjunction with the Company's

Annual Report for the year ended 31 December 2019.

For further information, please contact the Company Secretary, Ms. [Name], on [Phone Number] or via email at [Email Address].

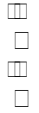
Contact details

Media enquiries: [Phone Number] or media@travelctm.com
Investor enquiries: investor@travelctm.com or www.travelctm.com



Corporate Travel Management Limited

ABN 17 131 207 611



Interim Financial Report - 31 December 2020





The Directors of the Company are pleased to present to you the Financial Report for the period ended 31 December 2020.

Directors

The following are the Directors of the Company as at the end of the reporting period.

- Ewen Crouch AM (Chairman)
- Sophie Mitchell (Independent Non-Executive Director)
- Jon Brett (Independent Non-Executive Director)
- Jamie Pherous (Managing Director)
- Laura Ruffles (Executive Director)

Report Overview

Group overview

The Group's financial performance for the period ended 31 December 2020 is set out in the following table.

Corporate activity

The Group's revenue for the period ended 31 December 2020 was 27,424,500, compared with 29,130,000 for the period ended 31 December 2019.

Revenue

Revenue for the period ended 31 December 2020 was 27,424,500, compared with 29,130,000 for the period ended 31 December 2019.

Operating profit

Operating profit for the period ended 31 December 2020 was 2,099,970,000, compared with 2,924,940,000 for the period ended 31 December 2019.

Group financial performance

The Group's financial performance for the period ended 31 December 2020 is set out in the following table.

The Group's revenue for the period ended 31 December 2020 was 27,424,500, compared with 29,130,000 for the period ended 31 December 2019.

The Group's operating profit for the period ended 31 December 2020 was 2,099,970,000, compared with 2,924,940,000 for the period ended 31 December 2019.

The Group's revenue for the period ended 31 December 2020 was 27,424,500, compared with 29,130,000 for the period ended 31 December 2019.



Underlying EBITDA to Statutory Net Loss After Tax Reconciliation (\$m)



Total Transaction Value ('TTV') (unaudited)

TTV represents the amount at which travel products and services have been transacted across the Group's operations. It is a measure of the volume of business transacted by the Group and is not a measure of revenue. TTV is calculated based on the value of travel products and services sold to customers, net of discounts and other incentives. TTV is reported in Australian dollars and is not audited.

	Consolidated	
	Dec 2020	Dec 2019
	\$'000	\$'000
TTV	403,790	3,310,220
Revenue	74,245	222,290

Regional operations

Due to a significant portion of the Group's operations being conducted in offshore jurisdictions, the value of the Group's offshore earnings fluctuate when reported in Australian dollars.

The Group's regional results for the half ended 31 December 2019 are reported in the financial statements for the period, to remove the impact of foreign exchange movements in assessing the Group's performance.



Consolidated Group

	Dec 2020 \$'000	Dec 2019 \$'000	Change %
Reported AUD			
Revenue	403,790	3,310,220	(87.5)
Expenses	(5,470)	(222,174)	(75)
Operating Profit	15,320	(4,459)	124
Constant Currency			
Revenue	41,500	3,310,220	(97)
Expenses	(5,912)	(222,174)	(73)
Operating Profit	(1,472)	(4,459)	12

Australia and New Zealand

	Dec 2020 \$'000	Dec 2019 \$'000	Change %
Reported AUD			
Revenue	155,201	1,000,511	(87.7)
Expenses	(12,000)	(1,174,500)	(0)
Operating Profit	2,954	24,391	(87.7)
Constant currency			
Revenue	155,477	1,000,511	(87.7)
Expenses	(12,222)	(1,174,500)	(0)
Operating Profit	2,954	24,391	(87.7)

Revenue decreased by 87.5% to \$403.8 million (2019: \$3,310.2 million) due to a significant decline in sales volume. Expenses decreased by 75% to \$5.5 million (2019: \$222.2 million) primarily due to a reduction in variable costs. Operating profit increased by 124% to \$15.3 million (2019: \$(4.5 million)).

North America

	Dec 2020 \$'000	Dec 2019 \$'000	Change %
Reported AUD			
Revenue	1,152,300	75,512	17
Expenses	(29,303)	(9,772)	15
Operating Profit	(9,077)	14,302	(13)
Constant currency			
Revenue	192,007	75,512	175
Expenses	(31,403)	(9,772)	55
Operating Profit	(9,999)	14,302	(1)

Reported AUD 5 million (2019: 3,000 million) for the period ended 31 December 2020 compared with 1,299 million (2019: 1,299 million) for the period ended 31 December 2019. The increase is primarily due to the impact of the 2020 97,000 million (2019: 9,077,000 million) M... position to further benefit from the travel market's recovery. ...

Asia

	Dec 2020 \$'000	Dec 2019 \$'000	Change %
Reported AUD			
Revenue	10,753	1,299,325	101
Reported AUD	3,225	42,995	91
Constant Currency			
Revenue	10,000	1,299,325	101
Reported AUD	3,995	42,995	91
Constant Currency	3,700	13,230	129

Reported AUD 91 million (2019: 3,225,000 million) for the period ended 31 December 2020 compared with 127 million (2019: 3,225,000 million) for the period ended 31 December 2019. The increase is primarily due to the impact of the 2020 10,753,000 million (2019: 10,753,000 million) M... position to further benefit from the travel market's recovery. ...

Europe

	Dec 2020 \$'000	Dec 2019 \$'000	Change %
Reported AUD			
Revenue	77,707	5,530,500	7
Reported AUD	10,050	47,002	77
Constant Currency			
Revenue	79,042	5,530,500	7
Reported AUD	10,032	47,002	77
Constant Currency	2,207	19,304	112

Reported AUD 7 million (2019: 10,050,000 million) for the period ended 31 December 2020 compared with 12 million (2019: 10,050,000 million) for the period ended 31 December 2019. The increase is primarily due to the impact of the 2020 10,753,000 million (2019: 10,753,000 million) M... position to further benefit from the travel market's recovery. ...

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Group Financial Position

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Group Financial Position as at 31 December 2020. Total assets: 71,525,000. Total liabilities: 30,250,000. Net assets: 41,275,000.

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Group Financial Position as at 31 December 2019. Total assets: 92,430,000. Total liabilities: 30,124,570. Net assets: 62,305,430.

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Auditor's Independence Declaration

As lead auditor for the review of Corporate Travel Management Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Corporate Travel Management Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Michael Crowe'.

Michael Crowe
Partner
PricewaterhouseCoopers

Brisbane
17 February 2021

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	Note	Dec 2020 \$'000	Dec 2019 \$'000
Revenue	2	5,447	222,174
Cost of sales		17,777	11
Operating expenses		74,245	222,290
Operating profit/(loss)		45,75	49,34
Profit/(loss) before income tax (expense)/income from continuing operations		1,94	3,02
Income tax expense		47,450	4,35
Profit/(loss) after income tax (expense)/income for the half-year		10,423	11,2
		37,027	35,070
		354	
Profit/(loss) after income tax (expense)/income for the half-year		37,311	35,070

	Note	Dec 2020 \$'000	Dec 2019 \$'000
Assets			
Current assets			
Trade receivables		124,570	92,430
Trade payables		70,920	44,350
Prepaid expenses		1,492	
Other receivables		12,430	11,570
Other payables		7,511	4,707
		210,945	173,022
		22,010	
		219,220	173,022
Non-current assets			
Property, plant and equipment	11	4,470	
Intangible assets	10	3,424	
Other non-current assets		13,593	12,091
Receivables		4,909	4,002
Debtors	5	742,915	524,450
Other non-current assets		12,014	0,310
		23,533	5,995
Total assets		1,042,709	733,517
Liabilities			
Current liabilities			
Trade payables	7	115,907	100,499
Other current liabilities			
Other payables		10,095	0,720
Other liabilities		21,000	33,020
		147,270	142,997
		431	
		147,701	142,997
Non-current liabilities			
Trade payables	7	9,305	522
Other non-current liabilities			
Other payables		42,307	44,423
Debtors		3,335	12,095
Other non-current liabilities		3,939	5,393
		5,999	2,433
Total liabilities		200,090	205,430
Net assets		842,619	528,087
Equity			
Share capital	9	744,555	375,314
Reserves		31,034	20,174
Retained earnings		10,990	143,345
Other equity		19,090	53,033
		1,040	19,254
Total equity		842,619	528,087

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total equity \$'000
Consolidated					
Equity at 31 December 2019	3,430,000	27,001	175,433	23,000	5,904,434
Share-based payment expense			32,913	2,157	35,070
Share repurchase		(3,340)		(2,190)	(5,770)
Share-based payment expense		3,340	32,913	2,157	41,750
Share repurchase					
Share-based payment expense	447				447
Share repurchase		297			297
Dividends paid			(23,953)	(2,503)	(26,456)
Equity at 31 December 2020	3,721,155	27,001	1,444,393	23,551	5,216,100

	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total equity \$'000
Consolidated					
Equity at 31 December 2020	3,753,314	20,174	143,345	19,254	5,536,087
Share-based payment expense			(3,375)	(1,000)	(4,375)
Share repurchase		(55,207)		(1,040)	(56,247)
Share-based payment expense		55,207	(3,375)	(2,040)	(49,508)
Share repurchase					
Share-based payment expense					
9	3,924,111				3,924,111
Share repurchase		3,279			3,279
Equity at 31 December 2020	744,555	(31,034)	10,970	1,040	(20,509)

	Note	Dec 2020 \$'000	Dec 2019 \$'000
Cash flows from operating activities			
Revenue from operations		7,059	291,09
Other income		10,94	270,949
Operating expenses		(595)	43
Depreciation		0	205
Amortisation		1,94	1,777
Finance income		141	12,407
Finance expense			
Change in net debt		40,525	125
Cash flows from investing activities			
Acquisition of subsidiaries		124	1,755
Disposal of subsidiaries	5	7,231	10,92
Acquisition of intangible assets	4		700
Disposal of intangible assets	4	27,147	
Change in net debt			
Change in net debt		23,254	13,31
Cash flows from financing activities			
Issue of debt	9	379,30	
Repayment of debt	9	(10,901)	
Change in net debt			104,45
Revenue from operations			122,31
Other income		442	3,2
Operating expenses			917
Dividends paid to company's shareholders	3		23,953
Change in net debt	3		2,503
Change in net debt		34,447	4,13
Change in net debt		40,000	53,09
Change in net debt		92,43	13,791
Change in net debt		933	140
Change in net debt		124,57	330

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Basis of preparation

Interim financial reporting is prepared in accordance with section 134 of the Corporations Act 2001.

The interim financial reporting is prepared in accordance with the accounting policies made by Corporate Travel Management Limited ('CTM' or 'the Group') during the interim reporting period, in accordance with the ASX Listing Rules.

The interim financial reporting is prepared on an accrual basis.

Revenue

Revenue is recognised when the performance obligation is satisfied.

Revenue is recognised when the performance obligation is satisfied.

Revenue is recognised when the performance obligation is satisfied.

Revenue

Revenue is recognised when the performance obligation is satisfied.

Revenue

Revenue is recognised when the performance obligation is satisfied.

Significant changes in the current reporting period

During the reporting period, there were no significant changes in the current reporting period.

Revenue is recognised when the performance obligation is satisfied.

Revenue is recognised when the performance obligation is satisfied.

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(a) Description of segments

The Group is a single segment entity.

O'Connell and Global Chief Operating Officer, Laura Ruffles.

DM is a segment of the Group.

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(b) Segment information provided to the Chief Operating Decision Makers

DM

	Travel services Australia and New Zealand \$'000	Travel and related services North America \$'000	Travel services Asia \$'000	Travel services Europe \$'000	Other ¹ \$'000	Total \$'000
December 2020						
Revenue	11,219	23,711	3,759	9,144		45,542
Cost of sales	53	1,455	52	274		2,374
Other income	2		14	530	32	1,402
Revenue from external parties	12,608	29,363	3,825	10,650	32	56,478
Other income	5,527		335	2,333	1,272	17,717
Total revenue and other income	18,135	29,363	12,160	13,283	1,304	74,245
Underlying EBITDA	2,956	(9,077)	(3,625)	(2,240)	(3,680)	(15,665)
Total segment assets	121,525	515,937	157,520	209,733	38,074	1,042,789
Total segment liabilities	41,996	71,536	45,354	46,014	1,790	206,690

	Travel services Australia and New Zealand \$'000	Travel services North America \$'000	Travel services Asia \$'000	Travel services Europe \$'000	Other ¹ \$'000	Total \$'000
December 2019						
Revenue	51,011	10,972	2,072	42,917		107,072
Cost of sales	10,540	51	14,211	4,144		30,046
Other income	17	22	5	599		1,123
Revenue from external parties	17,745	9,772	42,995	47,002		117,514
Other income	59	42			15	116
Revenue from external parties	1,041	9,141	42,995	47,002	15	100,294
Other income	2,002	15,111	14,212	19,902	92	51,329
June 2020						
Revenue	110,173	21,071	152,900	1,540	33,797	709,581
Cost of sales	41,555	44,442	1,037	3,330	1,000	205,430

¹The Other segment represents the cost of the Group's support service, created to support the operating segments.

31 December 2020



31 December 2020

Consolidated	
Dec 2020	Dec 2019
\$'000	\$'000
	23,953
	2,503
	2,445

31 December 2020

31 December 2020

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Tramada Holdings Pty Ltd

29 December 2020

Travel and Transport, Inc

30 December 2020

Fair value of acquisition consideration and reconciliation to cash flow

	Tramada	T&T
	\$'000	\$'000
	990	27,900
	33	13,514
	9,353	292,494
	9,353	292,494
	95	25,005
	9,258	267,489

9,258

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	Tramada \$'000	T&T \$'000
	95	25 05
		13 12
	414	4 37
		1 177
		3 74
		4 795
	279	5 753
	9	10 509
	54	35 545
		2 591
	32	1 32
		12 00
		97
		723
	233	53
	14	30 727
	7 599	224 9 0
	1 027	33 1 9
	451	3 1 1
	33	200
	9 353	292 494

Prior period business combinations

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Consolidated	Goodwill \$'000	Client contracts and relationships \$'000	Software \$'000	Other Intangible assets \$'000	Total \$'000
31 Dec 2020	47,211	15,122	30,005	20	524,450
add			7,200	23	7,231
add	232,559	34,210	10,500	4,311	241,580
deduct			(2,095)		(2,095)
deduct	(49,403)	(4,202)	(2,521)	(309)	(55,435)
			92		92
		1,940	(94)	(302)	1,544
31 Dec 2020	112,367	43,128	34,457	3,903	742,915

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	Consolidated	
	Dec 2020 \$'000	Jun 2020 \$'000
1	11,303	14,002
1	53,495	30,314
	3,370	7,702
	511	1,071
	1,557	54,077
D	7,159	7,007
	2,110	1,901
	9,269	9,908
	70,920	45,335

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M

	Number of shares	\$'000
1 2020	109,000,950	375,314
rd	27,055,23	374,723
rd	3,743	5,107
rd		10,901
D rd		312
31 Dec 2020	<u>13,425,51</u>	<u>744,555</u>

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following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 Dec 2020

Consolidated - Dec 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
M			3,424	3,424
			3,424	3,424

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Name of company	Principal activity	Ownership interest		Investment in Associates	
		Dec 2020 %	Jun 2020 %	Dec 2020 \$'000	Jun 2020 \$'000
2120		37.7		2,599	
M R		40.00		1,779	
				<u>4,378</u>	

CTM Group's financial statements for the year ended 30 June 2021 are audited by the independent member of the audit firm.



31 December 2020

12 Months ended 31 December 2020

The financial statements for the year ended 30 June 2021 and 31 December 2021 are audited by the independent member of the audit firm.

The financial statements for the year ended 31 December 2020 are audited by the independent member of the audit firm.

13 Related party transactions

Transactions with other related parties

Directors of the Group hold other directorships as detailed in the Directors' Report of the Group's Annual Report for the year ended 30 June 2020 or as detailed on CTM's website (www.travelctm.com). Where any of these related entities are clients of the Group, the arrangements are on arm's length terms.



Independent auditor's review report to the members of Corporate Travel Management Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Corporate Travel Management Limited (the Company) and the entities it controlled from time to time during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Corporate Travel Management Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibility for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers.

PricewaterhouseCoopers

Michael Crowe

Michael Crowe
Partner

Brisbane
17 February 2021