



ASX Announcement

15 February 2023

Results for announcement to the market Half Year ended 31 December 2022

In accordance with ASX Listing Rule 4.2A, the documents which follow are for immediate release to the market:

- Half Year Report for the half year ended 31 December 2022 (Appendix 4D);
- Directors' Report and Interim Financial Report for the half year ended 31 December 2022.

The information contained in this release should be read in conjunction with the Company's most recent Annual Financial Report.

Authorised for release by the Board.

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1. Company details

Name of entity:	Corporate Travel Management Limited (CTM)
ABN:	17 131 207 611
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

	Dec 2022 \$'000	Dec 2021 \$'000	Change \$'000	Change %
Revenue from ordinary activities	290,890	158,109	132,781	84%
Profit/(Loss) before tax	21,936	(12,194)	34,130	
Profit/(Loss) from ordinary activities after tax	15,670	(10,045)	25,715	
Net Profit/(Loss) for the period attributable to members	15,929	(8,636)	24,565	
Total transaction value (TTV) ¹	4,198,977	2,083,089	2,115,888	102%
			Dec 2022 Cents	Dec 2021 Cents
Basic earnings per share			11.0	(6.3)
Diluted earnings per share ²			10.9	(6.3)

¹ TTV, which is unaudited, represents the amount at which travel products and services have been transacted across the consolidated entity's operations whilst acting as agents for airlines and other service providers, along with other revenue streams. TTV does not represent revenue in accordance with Australian Accounting Standards. TTV is stated net of consumption tax.

² Diluted earnings per share (EPS) is calculated based on EPS adjusted for shares from unvested share appreciation rights with a strike price below the prevailing share price at period end where they are not antidilutive.

3. Dividends

Current period

Since 31 December 2022, the Directors determined to pay an unfranked interim ordinary dividend of 6.0 cents per fully paid share, to be paid on 14 April 2023.

Previous period

The final unfranked dividend for the financial year ended 30 June 2022 of 5.0 cents per share was paid on 5 October 2022.

4. Net tangible assets per security

	Dec 2022 Cents	Dec 2021 Cents
Net tangible assets per ordinary security	<u>85</u>	<u>126</u>

Net tangible assets per ordinary security computation excludes right-of-use assets and lease liabilities.

5. Gain of control over entities

Refer to note 5 'Business combinations' in the Interim Financial Report attached for further details of entities for which control has been gained during the period.

6. Compliance statement

The Interim Financial Report is based on accounts which have been reviewed by the auditor of Corporate Travel Management Limited. There have been no matters of disagreement and a report of the auditor's review appears in the Interim Financial Report.

The report should be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by CTM in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*.

Corporate Travel Management Limited

ABN 17 131 207 611

Interim Financial Report - 31 December 2022

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ABN 17 131 207 611

Registered Office:

Level 24, 307 Queen Street

Brisbane Queensland 4000

The Directors present their report, together with the interim consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Group', or 'CTM') consisting of Corporate Travel Management Limited (referred to hereafter as the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of CTM during the financial half-year and up to the date of this Directors' Report, except as otherwise stated.

- Ewen Crouch AM (Chairman, Independent Non-Executive Director).
- Sophie Mitchell (Independent Non-Executive Director).
- Jon Brett (Independent Non-Executive Director).
- Jamie Pherous (Managing Director).
- Laura Ruffles (Executive Director).
- Marissa Peterson (Independent Non-Executive Director, appointed 25 October 2022).

Review of operations

Group overview

The Group continued to engage in its principal activity, being the purchase and delivery of travel services for its clients, the results of which are disclosed in the following interim financial statements.

Consolidated Group financial performance

The net profit after tax attributable to the owners of CTM for the financial period amounted to \$15,929,000 (Dec 2021 loss: \$8,636,000). Underlying EBITDA for the financial period was \$51,263,000 (Dec 2021: \$18,197,000).

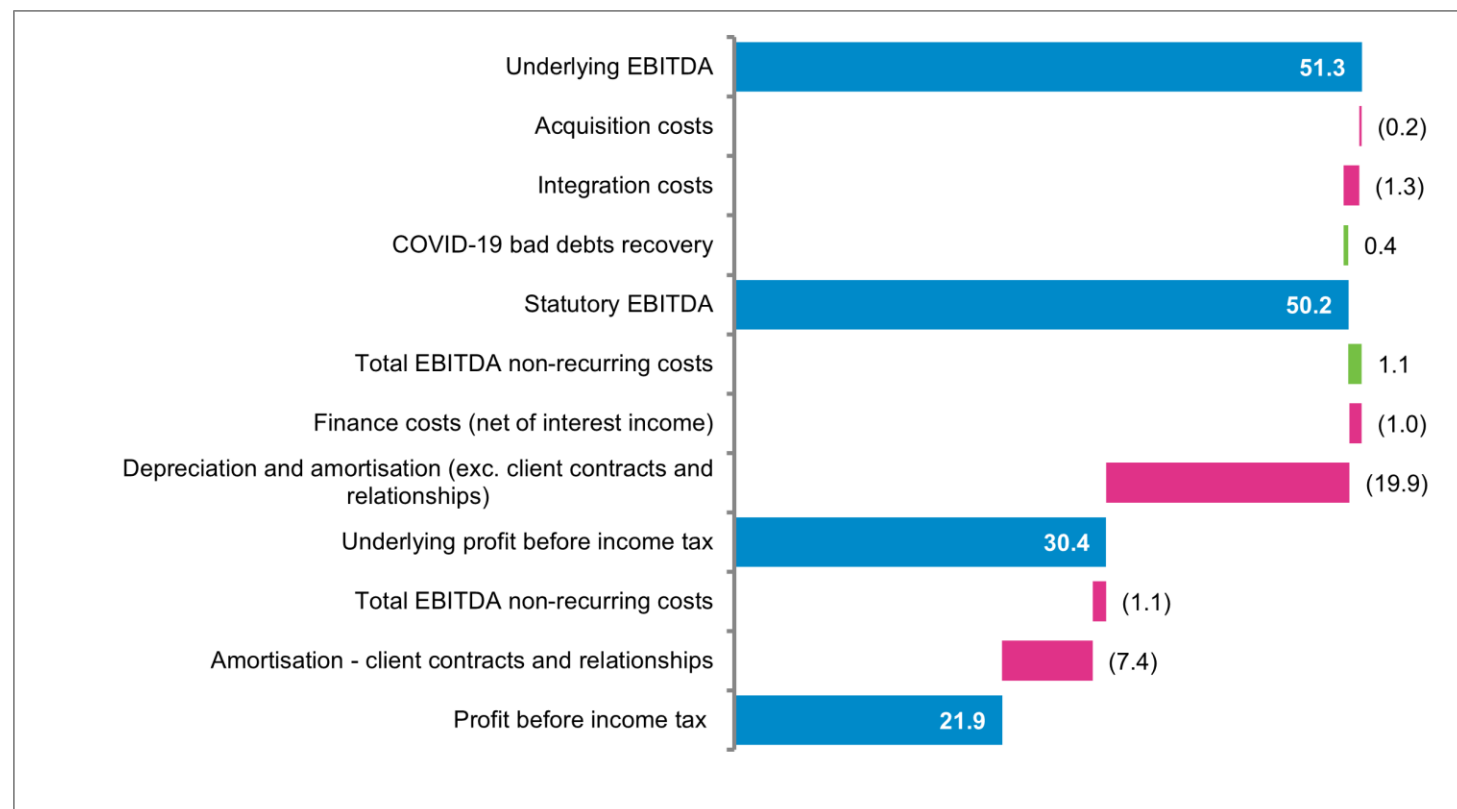
During the period, the Group delivered strong financial results, building on the growth in travel activity seen in Q4 FY22. The removal of travel impediments has enabled the rapid return of corporate travel activity. Supply chain constraints, particularly airline and airport capacity, has impacted customer confidence, travel experience, and therefore demand. Despite this, the business has grown rapidly as a result of transformational acquisitions, customer wins and client retention. Looking forward, we expect these supply chain constraints to ease as airline and airport capacity normalises through FY23.

The Group's balance sheet remains strong with no debt and cash holdings of \$110,280,000 at the half-year ended 31 December 2022. Profit contribution has improved this position, and is expected to continue to do so. Profitability has enabled the Group to invest in people and technology to support the growing activity levels, enable further automation, and ensure service levels are improved and maintained.

During the period, CTM acquired 1000 Mile Travel Group Pty Limited which is an Australian-based supplier of travel management solutions, with a network of independent experts specialising in providing business travel services to small-to-medium sized enterprises. Refer to note 5 'Business combinations' in the Interim Financial Report for further details.

The Group also finalised the outstanding items related to the acquisition of Helloworld Travel Limited's (ASX: HLO) corporate and entertainment travel businesses ('HLO Corporate'). Refer to note 5 'Business combinations' in the Interim Financial Report for further details.

Underlying EBITDA to Statutory Net Profit Before Tax Reconciliation (\$m)



Consolidated Group financial results

	Dec 2022 \$'m	Dec 2021 \$'m	Change %
Reported AUD			
TTV	4,199.0	2,083.1	102%
Revenue	290.9	158.1	84%
Total revenue and other income	291.9	163.0	79%
Underlying EBITDA from continuing operations	51.3	18.2	182%
Underlying EBITDA from continuing operations as a % of revenue and other income	17.6%	11.2%	
Underlying profit/(loss) before tax from continuing operations	30.4	(0.6)	

Group Financial Position

The Group continues to maintain its strong balance sheet, with net current assets of \$70,651,000 (30 June 2022: \$55,612,000) and total equity of \$1,105,715,000 (30 June 2022: \$1,081,385,000). At 31 December 2022, the Group had no interest-bearing debt (30 June 2022: nil), and a cash balance of \$110,280,000 (30 June 2022: \$142,054,000).

Dividends

The final unfranked dividend for the financial year ended 30 June 2022 of 5.0 cents per share was paid on 5 October 2022. Since 31 December 2022, the Directors determined to pay an unfranked interim ordinary dividend out of retained earnings, of 6.0 cents per fully paid share, to be paid on 14 April 2023.

Regional operations financial results

The regional financial results are summarised in the following section.

North America

	Dec 2022 \$'m	Dec 2021 \$'m	Change %
Reported AUD			
TTV	1,431.7	949.0	51%
Revenue	145.7	90.1	62%
Total revenue and other income	145.8	92.0	58%
Underlying EBITDA from continuing operations	16.6	6.0	177%
Underlying EBITDA from continuing operations as a % of Revenue and Other Income	11.4%	6.5%	
Underlying profit/(loss) before tax from continuing operations	8.3	(3.0)	

Easing of travel restrictions during the half-year ended 31 December 2022 led to a rapid increase in total revenue and other income of 58% to \$145,800,000 in North America. This resulted in underlying EBITDA of \$16,600,000.

The travel activity in the region has been slower than expected. Short-duration corporate travel demand was impacted by airline disruption and negative airport experiences across the summer. This continued through the remainder of the calendar year 2022 with persistently high ticket prices impacting travel budgets. As these temporary issues are resolved by the industry, travel activity in North America is expected to grow rapidly.

Throughout the period, management continued to focus on new customer wins, investing in the sales team to continue to grow market share. Completing client integration activities to achieve acquisition synergies and improve scalability in the region was also a focus. Despite industry impacts following strong growth in 4Q21, staff numbers in the region were maintained to ensure high client servicing standards and in recognition of staff shortages across the industry, which has impacted the cost base of North America during the period.

Europe

	Dec 2022 \$'m	Dec 2021 \$'m	Change %
Reported AUD			
TTV	924.3	806.5	15%
Revenue	45.1	43.2	4%
Total revenue and other income	45.2	43.8	3%
Underlying EBITDA from continuing operations	17.0	20.9	(19%)
Underlying EBITDA from continuing operations as a % of Revenue and Other Income	37.6%	47.7%	
Underlying profit before tax from continuing operations	16.4	19.6	(16%)

Total revenue and other income increased by 3% to \$45,200,000 in Europe, resulting in underlying EBITDA of \$17,000,000 for the half-year ended 31 December 2022. Revenue in the region increased 4% compared to the prior period with performance benefitting from the Group's work with the UK government, supporting its humanitarian projects. The corporate business travel client base also continues to recover as capacity returns and employees return to their offices.

In the UK, strong travel demand early in the half challenged the ability to supply services at reasonable levels leading to travel impediments. This supply and demand imbalance was resolved over the period. Notably, Heathrow airport increased its capacity to 100% (from 80%) in October 2022. As capacity and supply is increased and travel impediments ease into 2H23, Europe's recovery is expected to continue.

Through the period, management in the UK has been challenged by rising employee costs and staff turnover in an economy experiencing high inflation and broad industrial action and very low unemployment. Investment has been made in the region through staff recruitment and automation, to ensure high customer service standards while mitigating delivery costs. This additional investment is supporting a growing business and increasing revenue. Going forward, automation will continue to be a focus as low unemployment and the broad-based travel recovery continues to challenge the staffing in the region.

Australia and New Zealand

	Dec 2022 \$'m	Dec 2021 \$'m	Change %
Reported AUD			
TTV	1,329.8	238.6	457%
Revenue	80.5	19.6	311%
Total revenue and other income	80.7	21.1	283%
Underlying EBITDA from continuing operations	23.5	0.9	2511%
Underlying EBITDA from continuing operations as a % of Revenue and Other Income	29.1%	4.3%	
Underlying profit/(loss) before tax from continuing operations	10.7	(5.1)	

Compared to the prior comparative period, the removal of all travel restrictions and the acquisition of HLO Corporate led to an increase in total revenue and other income by 283% to \$80,700,000 in ANZ, resulting in underlying EBITDA of \$23,500,000.

Strong domestic business travel demand was subdued by domestic capacity constraints, notably in the key Brisbane-Sydney-Melbourne travel triangle. International travel capacity reached 66% of pre-COVID levels by December 2022, supporting ANZ's period-on-period increase in total revenue and other income. The strong demand coupled with capacity constraints resulted in high prices across the travel industry through 1H23. As supply constraints ease through 2023, these prices are expected to revert to long-term averages.

Management in the region were focused on client integration activities throughout the period to achieve HLO Corporate synergies, and completion of the 1000 Mile Travel Group acquisition. Maintaining and improving service levels has remained a priority. Additional staff onboarding and overtime costs were incurred to enable this work, however, these costs are considered temporary.

Asia

	Dec 2022 \$'m	Dec 2021 \$'m	Change %
Reported AUD			
TTV	513.3	89.0	477%
Revenue	19.5	5.2	275%
Total revenue and other income	19.9	6.0	232%
Underlying EBITDA from continuing operations	3.4	(2.6)	
Underlying EBITDA from continuing operations as a % of Revenue and Other Income	17.1%	(43.3%)	
Underlying profit/(loss) before tax from continuing operations	1.0	(4.6)	

In Asia for the half-year ended 31 December 2022, total revenue and other income increased by 232% to \$19,900,000, resulting in underlying EBITDA of \$3,400,000.

The easing of restrictions in Hong Kong in the latter part of the period has enabled rapid recovery in travel demand in the region, although supply remains very constrained. Recovery in Singapore, the second largest contributor to CTM's Asia business is well underway with restrictions having been removed in 2H22. Further gains in revenue and underlying EBITDA are expected in Asia as airline capacity increases. The region however has been impacted by lockdowns in China, with their decision to move away from the eradication strategy late in the period seen as a positive catalyst for 2H23. The impact on the capacity of the China-based routes being opened is expected to contribute to a normalisation of the supply and demand balance over the remainder of the financial year. Normalisation of the high ticket prices is expected to follow.

Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

Amounts in the consolidated interim financial statements and the Directors' Report have been rounded to the nearest thousand dollars (unless otherwise indicated) in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors



Mr Ewen Crouch AM
Chairman



Mr Jamie Pherous
Managing Director

15 February 2023
Brisbane



Auditor's Independence Declaration

As lead auditor for the review of Corporate Travel Management Limited for the half-year ended 31 December 2022, 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
15 February 2023

Corporate Travel Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	Dec 2022 \$'000	Dec 2021 \$'000
Revenue	2	290,890	158,109
Other income		968	4,940
Total revenue and other income		291,858	163,049
Operating expenses			
Employee benefits		(187,471)	(113,769)
Information technology and telecommunications		(28,710)	(19,127)
Occupancy		(2,656)	(1,902)
Cost of goods sold		(5,215)	(5,006)
Administrative and general		(17,360)	(12,717)
Depreciation and amortisation		(27,227)	(21,546)
Total operating expenses		(268,639)	(174,067)
Operating profit/(loss)		23,219	(11,018)
Finance costs		(1,283)	(1,176)
Profit/(loss) before income tax (expense)/benefit		21,936	(12,194)
Income tax (expense)/benefit		(6,266)	2,149
Profit/(loss) after income tax (expense)/benefit for the half-year		15,670	(10,045)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Corporate Travel Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	Dec 2022 \$'000	Dec 2021 \$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>10,025</u>	<u>19,234</u>
Other comprehensive income for the half-year, net of tax		<u>10,025</u>	<u>19,234</u>
Total comprehensive income for the half-year		<u>25,695</u>	<u>9,189</u>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		(259)	(1,409)
Ordinary Equity Holders of Corporate Travel Management Limited		<u>15,929</u>	<u>(8,636)</u>
		<u>15,670</u>	<u>(10,045)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(98)	(1,030)
Owners of Corporate Travel Management Limited		<u>25,793</u>	<u>10,219</u>
		<u>25,695</u>	<u>9,189</u>
Earnings per share for profit/(loss) attributable to the Ordinary Equity Holders of Corporate Travel Management Limited			
		Cents	Cents
Basic earnings per share		11.0	(6.3)
Diluted earnings per share		10.9	(6.3)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Corporate Travel Management Limited
Consolidated statement of financial position
As at 31 December 2022



	Note	Dec 2022 \$'000	Jun 2022 ¹ \$'000
Assets			
Current assets			
Cash and cash equivalents	4	110,280	142,054
Trade and other receivables	7	357,698	276,324
Inventory		2,089	1,422
Income tax receivable		-	3,890
Other assets		8,833	9,832
		478,900	433,522
Non-current assets classified as held for sale		3,355	3,311
Total current assets		482,255	436,833
Non-current assets			
Investments accounted for using the equity method		668	577
Financial assets at fair value through profit or loss	11	6,644	6,998
Property, plant and equipment		11,160	11,592
Right-of-use assets		39,470	42,422
Intangible assets	6	986,936	975,197
Deferred tax assets		31,882	34,916
Other assets		204	469
Total non-current assets		1,076,964	1,072,171
Total assets		1,559,219	1,509,004
Liabilities			
Current liabilities			
Trade and other payables	8	367,261	343,305
Borrowings	9	-	-
Lease liabilities		10,651	10,751
Income tax payable		1,467	-
Provisions		32,225	27,165
Total current liabilities		411,604	381,221
Non-current liabilities			
Trade and other payables	8	1,697	2,171
Borrowings	9	-	-
Lease liabilities		34,493	37,601
Deferred tax liabilities		2,772	3,206
Provisions		2,938	3,420
Total non-current liabilities		41,900	46,398
Total liabilities		453,504	427,619
Net assets		1,105,715	1,081,385
Equity			
Contributed equity	10	929,400	927,397
Reserves		63,266	49,454
Retained earnings		99,708	91,095
Equity attributable to the Ordinary Equity Holders of Corporate Travel Management Limited		1,092,374	1,067,946
Non-controlling interests - equity		13,341	13,439
Total equity		1,105,715	1,081,385

¹ Comparative information has been restated to reflect the prior period adjustments detailed in note 5 'Business combinations'.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Corporate Travel Management Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022



	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2021	744,581	3,484	87,994	15,398	851,457
Loss after income tax benefit for the half-year	-	-	(8,636)	(1,409)	(10,045)
Other comprehensive income for the half-year, net of tax	-	18,855	-	379	19,234
Total comprehensive income/(loss) for the half-year	-	18,855	(8,636)	(1,030)	9,189
Transactions with Ordinary Equity Holders in their capacity as Ordinary Equity Holders:					
Contributions of equity, net of transaction costs	73,161	-	-	-	73,161
Share-based payments	-	6,680	-	-	6,680
Balance at 31 December 2021	817,742	29,019	79,358	14,368	940,487
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	927,397	49,454	91,095	13,439	1,081,385
Profit/(loss) after income tax expense for the half-year	-	-	15,929	(259)	15,670
Other comprehensive income for the half-year, net of tax	-	9,864	-	161	10,025
Total comprehensive income/(loss) for the half-year	-	9,864	15,929	(98)	25,695
Transactions with Ordinary Equity Holders in their capacity as Ordinary Equity Holders:					
Contributions of equity, net of transaction costs (note 10)	2,003	-	-	-	2,003
Share-based payments	-	3,948	-	-	3,948
Dividends paid (note 3)	-	-	(7,316)	-	(7,316)
Balance at 31 December 2022	929,400	63,266	99,708	13,341	1,105,715

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Dec 2022 \$'000	Dec 2021 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of consumption tax)		233,400	255,917
Payments to suppliers and employees (inclusive of consumption tax)		(233,342)	(215,022)
Transaction costs relating to acquisitions		(1,119)	(407)
Interest received		303	18
Finance costs		(1,115)	(1,147)
Income tax received/(paid)		<u>2,317</u>	<u>(1,231)</u>
Net cash from in operating activities		<u>444</u>	<u>38,128</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(2,170)	(957)
Payments for intangibles	6	(14,146)	(9,658)
Payments relating to purchase of controlled entities, net of cash acquired	5	(2,088)	-
Proceeds from sale of property, plant and equipment		13	-
Payments of contingent/deferred consideration relating to acquisitions		-	(700)
Proceeds from sale of subsidiary		<u>-</u>	<u>113</u>
Net cash (used) in investing activities		<u>(18,391)</u>	<u>(11,202)</u>
Cash flows from financing activities			
Proceeds from issue of new shares		-	75,000
Share issue transaction costs		-	(1,154)
Principal elements of lease payments		(6,173)	(4,895)
Release of secured deposits		-	332
Dividends paid to company's shareholders	3	<u>(7,316)</u>	<u>-</u>
Net cash from/(used) in financing activities		<u>(13,489)</u>	<u>69,283</u>
Net increase/(decrease) in cash and cash equivalents		(31,436)	96,209
Cash and cash equivalents at the beginning of the financial half-year		142,054	99,018
Effects of exchange rate changes on cash and cash equivalents		<u>(338)</u>	<u>(1,984)</u>
Cash and cash equivalents at the end of the financial half-year		<u>110,280</u>	<u>193,243</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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Note 1. Basis of preparation

Basis of preparation

This condensed interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). The condensed interim financial report has been prepared on a going concern basis.

This condensed interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Corporate Travel Management Limited ('CTM' or 'the Group') during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the *ASX Listing Rules*.

The accounting policies adopted are consistent with those policies of the previous financial year and corresponding interim period.

Note 2. Segment reporting

(a) Description of segments

The operating segments are based on the reports reviewed by the Chief Operating Decision Makers ('CODMs'), a group of key senior managers who assess performance and determine resource allocation.

The CODMs are the Managing Director, Jamie Pherous (MD), Global Chief Financial Officer, Cale Bennett (CFO), and Global Chief Operating Officer, Laura Ruffles (COO).

The CODMs consider, organise and manage the business from a geographic perspective. The CODMs have identified four operating Travel and related service segments being Australia and New Zealand, North America, Asia, and Europe. There are currently no non-reportable segments.

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

The CODMs assess the performance of the operating segments based on a measure of underlying EBITDA. This measurement basis excludes the effects of the costs of acquisitions, acquisition related adjustments, and other non-recurring items during the period.

The segment information provided to the CODMs for the reportable segments for the half-year ended 31 December 2022 is as follows.

December 2022	Australia and New Zealand \$'000	North America \$'000	Asia \$'000	Europe \$'000	Other ¹ \$'000	Total \$'000
Transactional revenue	77,520	120,315	18,981	42,169	-	258,985
Volume based incentive revenue	961	16,707	524	1,755	-	19,947
Revenue from sale of inventory	-	6,500	-	-	-	6,500
Licensing revenue	1,418	2,137	-	540	-	4,095
Other revenue	615	65	6	677	-	1,363
Total revenue from external parties	80,514	145,724	19,511	45,141	-	290,890
Other Income	218	68	438	81	163	968
Total revenue and other income	80,732	145,792	19,949	45,222	163	291,858
Underlying EBITDA	23,513	16,595	3,396	16,985	(9,226)	51,263
Total segment assets	424,668	576,846	167,996	357,949	31,760	1,559,219
Total segment liabilities	117,530	61,550	71,390	199,840	3,194	453,504

Note 2. Segment reporting (continued)

December 2021	Australia and New Zealand \$'000	North America \$'000	Asia \$'000	Europe \$'000	Other ¹ \$'000	Total \$'000
Transactional revenue	17,597	72,410	5,029	41,245	-	136,281
Volume based incentive revenue	-	8,297	127	976	-	9,400
Revenue from sale of inventory	-	6,442	-	-	-	6,442
Licensing revenue	1,689	2,766	-	607	-	5,062
Other revenue	354	167	5	398	-	924
Total revenue from external parties	19,640	90,082	5,161	43,226	-	158,109
Other income	1,477	1,910	834	588	131	4,940
Total revenue and other income	21,117	91,992	5,995	43,814	131	163,049
Underlying EBITDA	934	5,998	(2,648)	20,923	(7,010)	18,197
June 2022						
Total segment assets	376,359	576,945	165,658	355,269	34,773	1,509,004
Total segment liabilities	107,437	73,342	57,893	185,316	3,631	427,619

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

(c) Other segment information

The reconciliation of underlying statutory EBITDA to underlying and statutory profit/(loss) before income tax is provided as follows:

	Dec 2022 \$'000	Dec 2021 \$'000
Underlying EBITDA	51,263	18,197
EBITDA non-recurring items		
Acquisition costs	(185)	(2,846)
Integration costs	(1,345)	(5,146)
COVID-19 bad debts recovery	411	320
Total EBITDA non-recurring items	(1,119)	(7,672)
Statutory EBITDA	50,144	10,525
Underlying EBITDA to underlying and statutory profit/(loss) before tax		
Underlying EBITDA	51,263	18,197
Interest revenue	302	18
Finance costs	(500)	(492)
Interest on lease liabilities	(783)	(684)
Depreciation - plant and equipment	(2,770)	(2,574)
Depreciation - right of use assets	(5,770)	(4,623)
Amortisation - intangibles	(11,360)	(10,390)
Impairment - intangibles	-	(15)
Underlying profit/(loss) before income tax (expense)/benefit	30,382	(563)
Pre-tax non-recurring items		
Total EBITDA non-recurring items	(1,119)	(7,672)
Amortisation - client contracts and relationships	(7,327)	(3,959)
Profit/(Loss) before income tax (expense)/benefit	21,936	(12,194)

Note 2. Segment reporting (continued)

(d) Other income

	Dec 2022 \$'000	Dec 2021 \$'000
Government grants	283	2,376
Other ¹	<u>685</u>	<u>2,564</u>
Other income	<u>968</u>	<u>4,940</u>

¹ Other includes foreign exchange gains and other miscellaneous income.

Note 3. Dividends paid and proposed

	Dec 2022 \$'000	Dec 2021 \$'000
Dividends provided for or paid during the half-year ended 31 December	<u>7,316</u>	<u>-</u>

Since 31 December 2022, the Directors determined to pay an unfranked interim ordinary dividend of 6.0 cents per fully paid share, to be paid on 14 April 2023.

Note 4. Cash and cash equivalents

	Dec 2022 \$'000	Jun 2022 \$'000
Cash at bank	79,859	126,531
Client cash	<u>30,421</u>	<u>15,523</u>
Cash and cash equivalents	<u>110,280</u>	<u>142,054</u>

Note 5. Business combinations

1000 Mile Travel Group

CTM acquired 100% of the shares of 1000 Mile Travel Group Pty Limited ("1000 Mile") with effect from 1 July 2022 for consideration of \$6,787,000, with \$4,784,000 paid in cash and the remaining paid via the issuance of 106,336 CTM shares at an issue price of \$18.84. 1000 Mile is an Australian-based supplier of travel management solutions, with a network of independent experts specialising in providing business travel services to small-to-medium sized enterprises.

Trade and other receivables approximate the gross contractual amounts receivable, adjusted for any balances expected to be uncollectible.

The acquired business contributed revenues of \$4,463,000 and a net profit after tax of \$273,000 to the Group for the period 1 July 2022 to 31 December 2022. As the acquisition occurred on 1 July 2022, the Group's consolidated revenue and net profit after tax for the half-year ended 31 December 2022 reflects owning 1000 Mile for the full reporting period.

Note 5. Business combinations (continued)

Fair value of acquisition consideration and reconciliation to cash flow

	1000 Mile \$'000
Initial consideration - cash	4,804
Initial consideration - equity issued	2,003
Working capital adjustment	(20)
Total acquisition date fair value consideration	<u>6,787</u>
Cash paid	4,784
less: cash balances acquired	(2,696)
Total outflow of cash - investing activities	<u>2,088</u>

The provisional fair values of the assets and liabilities of the acquired business, as at the date of the acquisition, are as follows:

	1000 Mile \$'000
Current assets	
Cash and cash equivalents	2,696
Trade and other receivables	1,832
Non-current assets	
Deferred tax asset	38
Current liabilities	
Trade and other payables	(3,606)
Income tax payable	(175)
Provisions	(129)
Net identifiable assets acquired	<u>656</u>
Goodwill on acquisition	4,658
Intangible assets - client contracts and relationships	1,228
Intangible assets - brands	877
Deferred tax liability	(632)
Net assets acquired	<u>6,787</u>

Prior period business combinations

HLO Corporate

On 31 March 2022, the Group acquired 100% of Helloworld Travel Limited's (ASX: HLO) corporate and entertainment travel businesses ('HLO Corporate'). In the Group's FY22 Financial Statements, provisional acquisition disclosures were made detailing the fair value of consideration paid, and the net assets acquired for HLO Corporate. In the six months to 31 December 2022, the fair value of consideration and net assets acquired have been updated resulting in the following adjustments:

	Fair value on acquisition 31 March 2022 \$'000	Adjustments *	Updated fair value on acquisition 31 March 2022 \$'000
Fair value acquisition consideration and reconciliation to cash flow			
Initial consideration - cash	100,000	-	100,000
Initial consideration - equity	84,821	-	84,821
Working capital adjustment	4,078	6,074	10,152
Total acquisition date fair value consideration	<u>188,899</u>	<u>6,074</u>	<u>194,973</u>

Note 5. Business combinations (continued)

Cash paid and payable	104,078	6,074	110,152
less: cash balances acquired	(20,034)	-	(20,034)

Total outflow of cash - investing activities	84,044	6,074	90,118
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	Fair value on acquisition 31 March 2022 \$'000	Adjustments *	Updated fair value on acquisition 31 March 2022 \$'000
Net assets acquired			
Cash and cash equivalents	20,034	-	20,034
Trade and other receivables	19,613	(4,738)	14,875
Other assets	1,430	-	1,430
Non-current assets			-
Property and equipment	366	-	366
Right-of-use assets	5,685	-	5,685
Intangible assets	1,959	-	1,959
Deferred tax assets	1,686	-	1,686
Current liabilities			-
Trade and other payables - current	(22,928)	4,236	(18,692)
Lease liabilities - current	(1,237)	-	(1,237)
Provisions - current	(2,711)	-	(2,711)
Non-current liabilities			-
Lease liabilities - non-current	(4,449)	-	(4,449)
Provisions	(80)	-	(80)
Net identifiable assets acquired	19,368	(502)	18,866
Goodwill on acquisition	148,038	6,576	154,614
Intangible assets - client contracts and relationship	30,300	-	30,300
Intangible assets - brands	250	-	250
Deferred tax liability	(9,057)	-	(9,057)
Net assets acquired	188,899	6,074	194,973

* The material change to the business combination relates to the additional working capital adjustment which has also increased the goodwill balance. This change is a result of working capital adjustment calculations in accordance with the process outlined in the Share Purchase Agreement.

Note 6. Intangible assets

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Client contracts and relationships \$'000	Software \$'000	Goodwill \$'000	Other Intangible assets \$'000	Total \$'000
Balance at 1 July 2022 (restated) ¹	62,291	43,474	865,769	3,663	975,197
Additions	-	14,146	-	-	14,146
Additions through business combinations (note 5)	1,228	-	4,658	877	6,763
Amortisation expense	(7,327)	(11,351)	-	(9)	(18,687)
Exchange differences	777	232	8,450	58	9,517
Balance at 31 December 2022	56,969	46,501	878,877	4,589	986,936

¹ Comparative information has been restated to reflect the prior period adjustments detailed in note 5 'Business combinations'.

Note 7. Trade and other receivables

	Dec 2022 \$'000	Jun 2022 ³ \$'000
Current assets		
Trade receivables ¹	39,890	36,352
Client receivables ¹	294,728	224,747
Contract assets	12,701	11,877
Less: Allowance for expected credit losses	(12,176)	(9,781)
	335,143	263,195
Deposits ²	3,983	6,926
Other receivables	18,572	6,203
	22,555	13,129
Total current trade and other receivables	357,698	276,324

¹ Trade and client receivables are non-interest bearing and are generally on terms ranging from 7 to 30 days.

² Deposits balance represents advanced deposits to suppliers and deposits made on behalf of clients for travel which will occur at a future date.

³ Comparative information has been restated to reflect the prior year period adjustments detailed in note 5 'Business combinations'.

Note 8. Trade and other payables

	Dec 2022 \$'000	Jun 2022 ² \$'000
Current liabilities		
Trade payables ¹	19,422	32,816
Client payables ¹	274,920	244,909
Other payables and accruals	66,845	58,806
Acquisition payable	<u>6,074</u>	<u>6,774</u>
Total current trade and other payables	<u>367,261</u>	<u>343,305</u>
Non-current liabilities		
Other payables and accruals	<u>1,697</u>	<u>2,171</u>
Total trade and other payables	<u>368,958</u>	<u>345,476</u>

¹ Trade payables and client payables are non-interest bearing and are normally settled on terms ranging from 7 to 30 days.

² Comparative information has been restated to reflect the prior year period adjustments detailed in note 5 'Business combinations'.

Note 9. Borrowings

	Dec 2022 \$'000	Jun 2022 \$'000
Bank loans	-	-
Total current borrowings	<u>-</u>	<u>-</u>
Bank loans	-	-
Total non-current borrowings	<u>-</u>	<u>-</u>
Total borrowings	<u>-</u>	<u>-</u>

The Group has an unsecured syndicated bank loan facility with a total available limit of \$100,000,000 and an availability period until 1 July 2025.

Capitalised establishment costs relating to the debt facility recognised as other assets are amortised over the life of the facility. As at 31 December 2022, the establishment costs recognised as current and non-current assets are \$236,000 and \$337,000 respectively.

The Group has remained in compliance with requirements under its bank facilities throughout the period.

Liquidity

The table below shows the outstanding balance of liquidity facilities utilised and available to the Group at 31 December 2022:

	Dec 2022 \$'000	Jun 2022 \$'000
Bank loans		
Used	-	-
Unused	<u>100,000</u>	<u>100,000</u>
Total bank loans available	<u>100,000</u>	<u>100,000</u>
Overdraft facilities		
Used	-	-
Unused	<u>9,191</u>	<u>9,065</u>
Total overdraft facilities available	<u>9,191</u>	<u>9,065</u>

Note 9. Borrowings (continued)

Bank Guarantees/letters of credit

The Group provides bank guarantees and letters of credit primarily for the benefit of certain suppliers, in accordance with state travel agency licensing and International Air Travel Association (IATA) regulations. The table below shows the outstanding balance of guarantees issued by the Group at 31 December 2022:

	Dec 2022 \$'000	Jun 2022 \$'000
Bank guarantees	16,975	17,746

Credit cards

The Group's credit card facilities are primarily used for client bookings via virtual credit cards, which facilitates automation and reporting. The table below shows the outstanding balance of credit cards utilised and available to the Group at 31 December 2022:

	Dec 2022 \$'000	Jun 2022 \$'000
Used	41,874	45,851
Unused	<u>124,387</u>	<u>66,529</u>
Total credit card limit	<u>166,261</u>	<u>112,380</u>

Note 10. Contributed equity

Ordinary shares entitle the holders to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

Movements in ordinary share capital

	Date	Number of shares	Issue Price	\$'000
Balance	1 July 2022	145,190,637		927,397
Capital raising for acquisition	1 July 2022	106,336	\$18.84	2,003
Share appreciation rights vested	24 Aug 2022	<u>1,028,773</u>		<u>-</u>
Balance	31 December 2022	<u>146,325,746</u>		<u>929,400</u>

Note 11. Fair value measurement

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2022 on a recurring basis. The level 3 balances relate to a minority interests in unlisted equity investments held in the North America region. The change in fair value relates to the revaluation of CTM's proportional share of the net assets of the investments.

Note 11. Fair value measurement (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 31 December 2022				
Financial assets at fair value through profit or loss				
Minority interest investments	-	-	6,644	6,644
At 30 June 2022				
Financial assets at fair value through profit or loss				
Minority interest investments	-	-	6,998	6,998

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets and liabilities held by the Group is the closing bid or ask price as appropriate. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 13. Related party transactions

Transactions with other related parties

Directors of the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are clients of the Group, the arrangements are on normal commercial terms and conditions and at market rates.

Directors and executives can acquire travel and event management services on normal terms and conditions and at market rates. There are no amounts outstanding in relation to these transactions at 31 December 2022.

Transactions with key management personnel

During the half-year ended 31 December 2022, deferred acquisition consideration of \$700,000 was paid to Greg McCarthy (CEO of Australia and New Zealand) in relation to the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel Corporation.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the CTM will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Mr Ewen Crouch AM
Chairman



Mr Jamie Pherous
Managing Director

15 February 2023
Brisbane



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 during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 2022 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities 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.



Auditor's responsibilities 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 2022 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.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in cursive script that reads "Michael Crowe".

Michael Crowe
Partner

Brisbane
15 February 2023