



ASX Announcement

19 October 2023

Corporate Travel Management Market Update

Corporate Travel Management (“CTM”) (ASX:CTD) will today present a market update at the 2023 Morgans Conference. A copy of CTM’s presentation is attached.

Authorised for release by Shelley Sorrenson, Company Secretary

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Corporate Travel Management

Morgans Conference, Thursday 19th October 2023.



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**Market
update: 1Q24**



Morgans Conference October 2023

Market Update - 1Q24

	1Q24 ¹	1Q23 ¹	% change	FY24 consensus impact
Revenue and other income	\$187.9m	\$138.2m	+36.0%	on track
Underlying EBITDA	\$56.6m	\$22.0m	+157.3%	on track
EBITDA / Rev Margin	30.1%	15.9%	+89.2%	on track

1Q24 highlights:

Financial	<ul style="list-style-type: none">• Off to a great start, result of new client win momentum in FY23• Incremental revenue to profit conversion going to plan• 1Q historically a soft quarter for CTM, due to northern hemisphere summer vacation season• 1H profit skew now expected to be stronger than the 1/3 skew originally forecast
Client activity	<ul style="list-style-type: none">• Large clients in NA, ANZ, EU gradually improving. This segment has been a recovery laggard
New Client wins	<ul style="list-style-type: none">• 1Q24 - \$0.35bn including verbal wins. On track.
Automation and AI	<ul style="list-style-type: none">• Projects well underway and expected to have positive productivity impact for many years

¹ CTM Management accounts (unaudited)

A high-angle photograph of a person with curly hair, wearing a white button-down shirt, working on a laptop. Their hands are on the keyboard. To the left of the laptop is a tablet displaying various charts and graphs. Above the laptop is a spiral-bound notebook and a pen. The person is wearing a gold watch and a silver bracelet. The background is a dark, textured surface.

Investment Thesis

CTM – High quality compound ROE model

Globally diversified growth company	<ul style="list-style-type: none">• 30th year of operation - well diversified by geography, industry, client size• Every CTM region expected to surpass \$2 billion in annual TTV in FY24• Client base of ~5700 clients¹, expected to make over 17 million transactions in FY24• ~40% of the client base represented by government and essential travel clients• CTM now the 4th or 5th largest Travel Management company in the world
Successfully taken business model off-shore at scale	<ul style="list-style-type: none">• Australian headquartered company that now generates ~80% of revenues off-shore and develops client facing technology in every region we operate• Award winning: 2023 industry awards; Best Corporate agency in Asia², Best booking tool (Lightning) in Europe³. Recognised by suppliers as a leader in all regions we operate• Off-shore market size and scale: #1 in Asia (ex. China), #2 in UK, #4 in USA , #2 in ANZ
Corporate travel is a superior growth thematic	<ul style="list-style-type: none">• Global corporate travel market estimated to grow at 7.9% p.a. FY23-FY26⁴
Investment grade metrics	<ul style="list-style-type: none">• Growth since IPO in 2010⁵: revenue 26x, EBITDA 47x• Generating strong free operating cash flow, ROIC, paying dividends ~50% NPAT• Strong balance sheet with zero debt, net cash balance• FY24 will be a record EPS year• Targeting mid-teen double digit EPS CAGR growth beyond FY25 (~2x ASX200 average)
Capital Management	<ul style="list-style-type: none">• Actively being discussed at board level (dividend, share buy-back, M&A)

¹ travel spend above \$100k p.a. ² TTG travel awards Asia, ³ Bttb Europe travel awards, ⁴ Global Business Travel Association (GBTA) forecast 15Aug23, ⁵ growth multiples compare FY2010 to FY24 consensus.

Glossary

AI	Artificial Intelligence
CAGR	Compound Annualised Growth Rate
CTM regions	ANZ- Australia and New Zealand, NA - North America, EU- UK and Europe, Asia - Asia
EBITDA	Earnings before Interest, Tax , Depreciation, Amortisation
EPS	Earnings per share
GBTA	Global Business Travel Association
ROE	Return on Equity
ROIC	Return on Invested Capital
TTV	Total transaction value, an unaudited amount
Y.T.D.	Year to Date



Q & A





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