ASX Announcement

21 February 2024

Half Year Results Presentation

Attached is a copy of Corporate Travel Management's Limited Half Year Results Presentation for the half year ended 31 December 2023.

Authorised for release by the Board.

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Corporate Travel Management

Half Year 2024 Results

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1H24 Highlights

1H24 Group financial highlights

- **Record 1H result;** client wins delivering above industry growth, successfully converting revenue to strong profit growth
- Exceeded internal expectations of a 1/3 EBITDA skew to 1H or $87m[4]
- **Capital strategy** - share buy-back program commenced November 2023, maximum 6m shares in 12 months
- **Strong balance sheet -** No debt, cash $131.3m. Cash conversion back to historic long-term trends
- **Interim dividend declared of 17c** per share unfranked. Confidence in outlook and financial strength
- **Five-year strategy to double FY24 profits (CAGR 15%) by FY29 with acquisition additional**

Reported ($AUDm)	1H24	1H23	%
Revenue and other income	363.7	291.9	+25%
Underlying EBITDA[1]	**100.7**	**51.3**	**+96%**
PBTA[1,2]	**79.1**	**30.4**	**+160%**
Underlying NPAT attributable to owners of CTM[3]	**57.9**	**22.1**	**+162%**
Underlying EPS[3], cents basic	39.6c	15.2c	+160%
Interim Dividend, unfranked	17c	6.0c	+183%

[1] Excluding pre-tax non-recurring costs of $4.1m (1H23: $1.1m)

[2] Excluding pre-tax client amortisation, a non-cash item of $7.5m (1H23: $7.3m)

[3] Excluding post-tax non-recurring costs of $3.0m and client relationship amortisation, a non-cash item of $5.5m

[4] Compared to mid-point of previous guidance range of EBITDA $260m

1H24 scorecard – executing to plan

	New Client Wins[1]	Client Retention	Revenue/FTE growth on p.c.p.
1H24	$0.63bn	97%	+17%
FY24 Target	$1.0bn Expect to exceed	97% On-track	Revenue/FTE growth > cost base inflation Exceeding

[1] Based upon client assumptions of annualised FY23 spend at time of winning, includes verbal confirmations
[2] 1H24 revenue divided by FTE staff numbers compared to 1H23

Global recognition

ATIA National Travel Industry Awards 2023

- Most Outstanding Global TMC
- Sustainability Award – Business
- Most Outstanding Business Events Travel Agency

TTG Travel Awards 2023

- Best Corporate Travel Agency, Asia

Business Travel Sustainability Awards Europe 2023

- Achievement in Sustainability - Corporate Booking Platform (Lightning)

1H24 Regional Overview

Group overview

(AUD$m)	1H24	1H23	p.c.p. change
Revenue and other income	363.7	291.9	+25%
Underlying EBITDA	100.7	51.3	+96%
EBITDA / Rev & Oth Inc Margin	27.7%	17.6%	

1H24:

- **Record 1H revenue and EBITDA** due to new client wins, conversion of revenue to strong EBITDA growth
- 2Q24 impacted by negative travel sentiment relating to conflict in the Middle East, USA client travel budgets fully utilised by 1Q24, slower China outbound recovery
- Result included Group overhead of $10.6m (1H23: $9.2m) to support 5-year strategy execution

Outlook:

- Strong activity rebound in January, particularly NA
- Ticket prices double digit decline, positive for customer travel budgets in CY24
- Significant project investments to underpin market share growth and cost control into FY25 and beyond

North America

(AUD$m)	1H24	1H23	p.c.p. change
Revenue and other income	150.7	145.8	+3%
Underlying EBITDA	20.5	16.6	+23%
EBITDA / Rev & Oth Inc Margin	13.6%	11.4%	

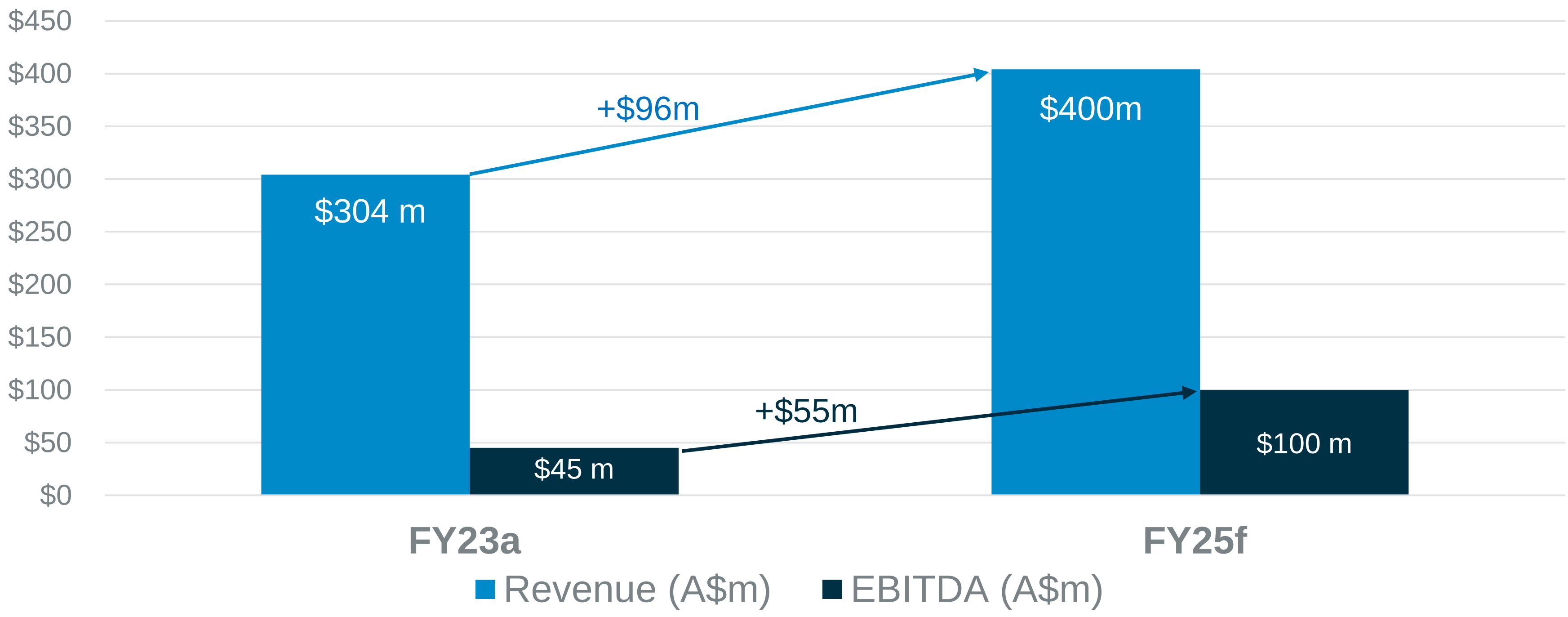
1H24:

- **Revenue growth of 3% conversion to EBITDA growth of 23%**
- NA leads group with new client wins; $0.4bn y.t.d.
- Region most negatively impacted by 2Q macro:
  - travel sentiment relating to conflict in Middle East
  - most client annual travel budgets fully utilised by 1Q24, due to unsustainably high-ticket prices
- CTM 2Q macro impact consistent with December quarter US airline operating profit vs p.c.p.; Delta -10%, United -27.5%, American -52.5% **vs CTM +10%**

Outlook:

- **Strong January; EBITDA +60% on Jan23,** as 2Q macro impact dissipated, new clients transacting
- Ticket price double digit declines vs p.c.p. positive for corporate customer CY24 budgets and activity levels
- Expect above sector growth rates to accelerate into CY24 as we continue to on-board clients
- Over 70% of new clients choosing CTM's Lightning OBT
- Expect 2/3 2H profit skew
- Remain confident of EBITDA>$100m in FY25 (see next slide)

North America remains on track for FY25



Requirements to achieve FY25 profit target:

1. c14% CAGR revenue growth from FY23-FY25 from new client wins - **on track despite 2Q macro impact**
2. Revenue conversion to EBITDA growth >55% consistent with post-integration expectations

- January 2024 activity and profit augurs well for the achievement of FY25 outcomes
- Costs expected to stay relatively flat in 2H24 despite revenue growth due to integration and automation benefits

Europe

(AUD$m)	1H24	1H23	p.c.p. change
Revenue and other income	**98.5**	**45.2**	+118%
Underlying EBITDA	**63.0**	**17.0**	+271%
EBITDA / Rev & Oth Inc Margin	**64.0%**	**37.6%**	

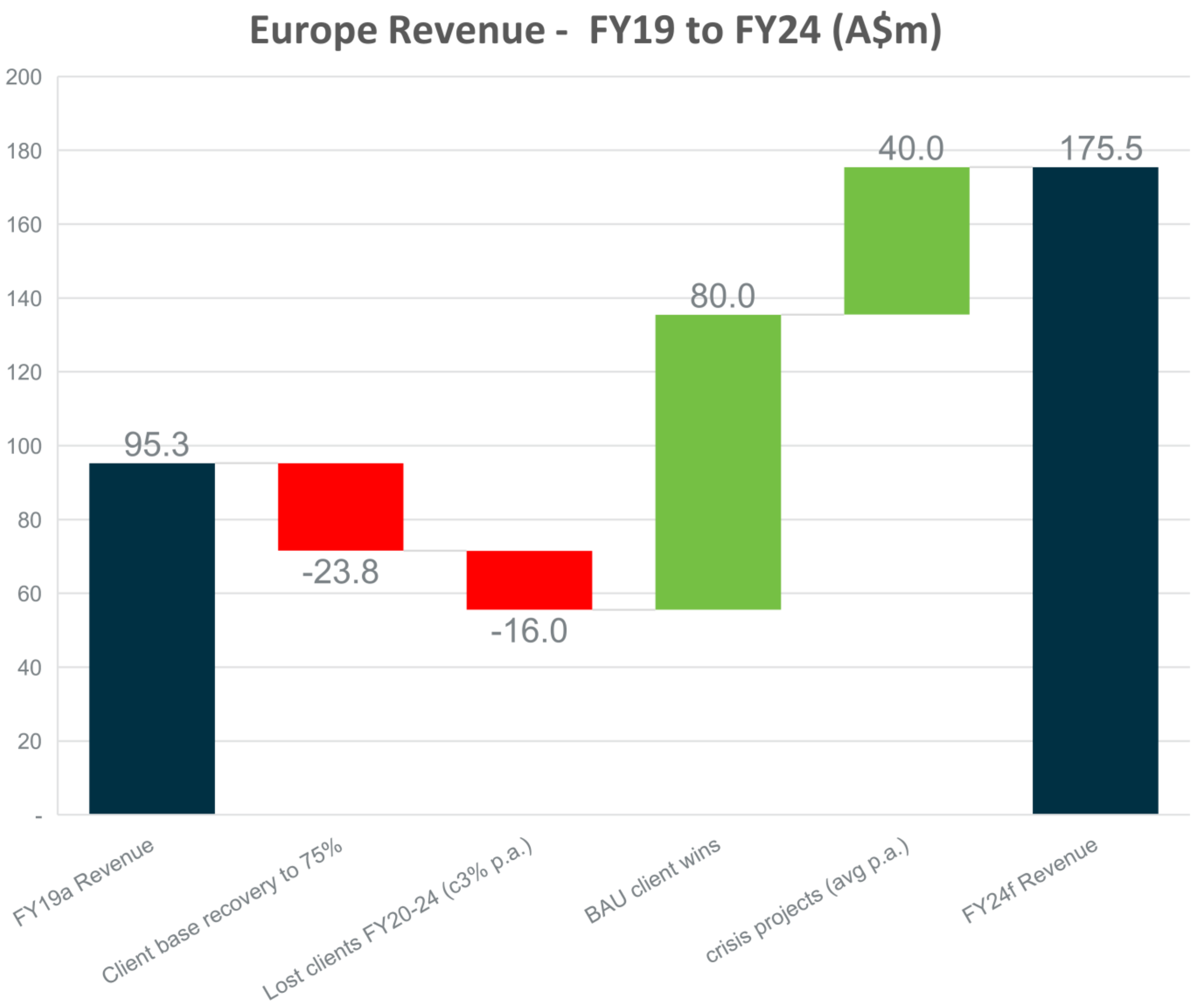
1H24:

- **Record revenue and EBITDA for the region**
- **Revenue conversion to EBITDA growth at high rates c75%**, with new business being 90%+ on-line on CTM proprietary technology, improved supplier contracts with doubling of scale
- UK bridging contract significantly lower in 1H versus initial customer expectations
- More than off-set by significant client wins and a strong 1H from other crisis and humanitarian work not limited to, but includes Israel, Ukraine, Afghanistan, Sudan

Outlook:

- Expect no growth from Bridging Contract in 2H, well below expectations
- Underlying business expected to achieve EBITDA $100m+ (c20% uplift off a very strong FY23)
- Continued investment in larger sales team to support 5-year growth strategy

Europe - Growth since FY19



Key take-aways:

- **Client wins underpinning revenue growth**
- **Most crisis and humanitarian projects form part of a UK Government contract we manage:**
  - 23 projects completed in 3.5 years
  - Good counter-cyclical play
  - Expertise has expanded outside of UK Govt
- **Bridging project is an additional contract award** and now expected to be only a minor component of crisis and humanitarian project revenue

ANZ

(AUD$m)	1H24	1H23	p.c.p. change
Revenue and other income	81.4	80.7	+1%
Underlying EBITDA	18.6	23.5	(21%)
EBITDA / Rev & Oth Inc Margin	22.8%	29.1%	

1H24:

- As previously flagged, 1H24 EBITDA similar to 2H23. Carrying costs to support both new and legacy WoAG systems until new Government framework commenced early Feb 2024
- Sleep Space, a proprietary hotel content engine, was released with the new WoAG framework. Early indications beyond expectations. Progressively rolled out across the business in CY24
- Experienced 2Q sentiment impact, consistent with other regions

Outlook:

- Strong January rebound. January revenue up 11% vs January 2023
- Expect revenue and cost benefits from new Government framework to build over 2H24
- Region had best half of client wins since pre-COVID
- Expect profit skew weighted to 2H
- Confident of EBITDA c$70m in FY25 from improved revenue, fine tuning of costs, new client wins transacting

Asia

(AUD$m)	1H24	1H23	p.c.p. change
Revenue and other income	32.5	19.9	+63%
Underlying EBITDA	9.1	3.4	+168%.
EBITDA / Rev & Oth Inc Margin	28.0%	17.1%	

1H24:

- **Record 1H EBITDA result** despite Greater Bay Area of China (GBA) recovering to only 50%, slower than forecast
- Experienced 2Q international travel sentiment impact, consistent with other regions
- Continue to win new business in the region

Outlook:

- **January rebound**: profit up 196% versus p.c.p.
- GBA airline on-going capacity recovery announcements support stronger 2H
- Continue to win new corporate business at record rates
- Expect a record 2H result

Five-year Strategy

Five-year strategy – double FY24 profit in 5 years (acquisition is additional)

Growth Drivers	What is needed	Outcome
Sustain greater than industry revenue growth rates by winning new clients	• Requires FY25 new sales wins of $1.0bn • Progressively rising each year to $1.6bn by FY29 • **Exceeded these levels in FY23, FY24f**	• Compound average **revenue growth of 10%+ p.a.** over 5 years
Customer retention and growth in client activity offset	• **Assumes post-COVID recovery ended @ 75%[1]** • FY25-29: Client activity grows at 3%+ p.a. in line with industry sector growth expectations • Retain 97% of clients each year • **Delivered 97% retention since IPO 2010**	• client activity off-sets client losses
Benefits from productivity growth and innovation	• Successful delivery of productivity and innovation projects **(see next slide)**	• Annual cost growth at or < 5% • **Revenue per FTE gains**
EBITDA growth > revenue growth	• Every new $ of revenue falls to EBITDA at 50% • **Exceeding target in FY24f**	• **Company average EBITDA/NPAT growth of 15%p.a.** over 5 years
Acquisition - additional contribution to the 5-year plan of CAGR 15% p.a.	• Ongoing infill acquisitions • Opportunities emerging with corporate travel recovery at only 75% and industry highly geared • Large scale industry consolidation likely • **Track record of M&A, synergy extraction**	• Additional growth and shareholder value • Further economies of scale

[1] GBTA Business Travel Industry Outlook Poll, October 30, 2023, Sabre 4Q23 earnings 15 Feb 2024

Key projects supporting doubling profit in five years

Project	Description	Contribution to strategy
Sleep Space	• Proprietary hotel content engine, initially rolled out in ANZ then globally through CY24/FY25	• Increased hotel choice, uptake & user experience for customers • Initial capex c$10m • **Increased ANZ revenue and similarly high returns expected in other regions**
AI and machine learning	• Better serve customers with simple tasks	• **Targeting 50% of all non-revenue transactions** to be managed by AI/ML, creating more client facing time • Accountable via improved year on year revenue/FTE data • Supports win/retention targets
NDC and supplier content	• Ensure that CTM customers have access to all relevant content via CTM technology	• Cost and revenue neutral but will support client win and retention targets over the strategy lifecycle • Proprietary tools a key advantage to content management
Project Atlas	• Globalising support services now that scale footprint is complete (non-client facing)	• One-off $10m cost (largely retrenchment costs) in FY24, additional one-off $5.5m costs in FY25 • **Expect $10m cost savings in FY25 building annually to $20m by FY29 (ROC >50% year 1)**
Identifying future projects	• Investing in client and internal feedback loops to identify projects that enhance value proposition	• Enhance user experience and support productivity measures • Supports sustainable market share growth and retention • **Successfully delivered large scale project execution**

Capital allocation strategy – FY24-29

Maximising shareholder returns through four initiatives

1. Dividend	• Continue 50% NPAT policy but largely unfranked due to profits generated ex AU
2. Challenging the business for projects that can deliver ROC of minimum 25% in year 1	• Major projects in FY24/25 include CTM Sleep Space, AI and Machine learning, NDC, Atlas • More projects to come via customer and internal innovation feedback loops • Focus on improving customer experience, leveraging technology for productivity
3. Acquisitions	• All targets currently highly leveraged to debt as a result of COVID survival and c75% global corporate recovery • Remains a significant opportunity, additional to the CTM five-year strategy • Funding strategy (debt/cash/capital raise) on a case-by-case basis subject to target and market nuances at the time, noting CTM’s strong track record of execution and accretion
4. Share buy-back	• $100m on-market buy-back commenced late Nov 2023, continues to Nov 2024 • Utilise throughout the strategy cycle when there is excess cash beyond usage for items 1-3

Group Financial Summary

Profit and loss – reconciliation to Statutory NPAT

$AUD(m)	1H24	1H23	%Δ
Revenue and other income	**363.7**	**291.9**	25%
Underlying EBITDA[1]	**100.7**	**51.3**	96%
Underlying PBTA[2]	**79.1**	**30.4**	160%
Underlying NPAT[3]	**57.9**	**22.1**	162%
Less: Non-recurring items[4]	(3.0)	(0.8)	
Less: Client relationship amortisation[3]	(5.5)	(5.4)	
Statutory NPAT	50.4	15.7	222%

- 1H24 a strong result, particularly the high conversion of revenue to profit growth
- 1H24 Depreciation & Amortisation: $29.2m **($21.6m** excluding client relationship amortization, a non-cash amount)
- FY24 full year D&A expectations 1H23: roughly double ~$58m **(~$43m** excluding client relationship amortisation, non-cash)
- Effective tax rate 25.3%

[1] Excluding pre-tax non-recurring costs of $4.1m (1H23: $1.1m).
[2] Excluding pre-tax non-recurring costs of $4.1m (1H23: $1.1m) and pre-tax client relationship amortisation of $7.5m (1H23: $7.3m)
[3] Excluding post-tax non-recurring costs of $3.0m (1H23: $0.8m) and client relationships amortisation, of $5.5m (1H23: $5.4m)
[4] Post-tax

Comparative statutory balance sheet

$AUD(m)	Dec 23	Jun 23
Cash	131.3	151.0
Receivables	387.6	464.5
Other current assets	16.8	11.6
Total current assets	**535.7**	**627.1**
Right-of-use assets	37.9	34.5
Intangible assets	992.9	1,009.6
Other non-current assets	48.9	51.6
Total assets	**1,615.4**	**1,722.8**
Payables	339.9	443.4
Other current liabilities	49.7	56.9
Total current liabilities	**389.6**	**500.3**
Borrowings	-	-
Other non-current liabilities	37.6	34.9
Total liabilities	**427.2**	**535.2**
Net assets	**1,188.2**	**1,187.6**

- **Strong financial position** is enabling the Group to comfortably manage activity growth
  - **Expect Strong cash generation** as working capital balances are now near full recovery levels
  - **Zero debt**
- Receivables and payables decline driven by seasonally slow Christmas-NYE period vs June 30

Cash flow summary

$AUD(m)	1H24	1H23
EBITDA statutory	96.6	50.1
Non-cash items	3.3	3.7
Change in working capital	**(32.6)**	**(54.9)**
Income tax (paid)/received	(23.4)	2.3
Net interest	0.2	(0.8)
Cash flows from operating activities	**44.1**	**0.4**
Capital expenditure	(21.9)	(16.3)
Acquisition/divestment cash flows	(0.7)	(2.1)
Cash flows from investing activities	**(22.6)**	**(18.4)**
Net (repayment)/drawing of borrowings	-	-
Dividends paid	(32.2)	(7.3)
Proceeds from issue of shares (net of transactional costs)	-	-
On market buy-back	(3.0)	-
Other financing cash flows	(6.2)	(6.2)
Cash flows from financing activities	**(41.4)**	**(13.5)**
FX movements on cash balances	(0.3)	(0.3)
Increase/(decrease) in cash	**(19.6)**	**(31.5)**

- **Operating cash conversion 70%,** noting unfavourable timing of rail fixed payment cycle of $20.9m at reporting period versus the p.c.p. Timing will reverse at FY24
- **Expect historic operational cash conversion** as working capital balances are now near full recovery levels
- FY23 final dividend of $32.2m paid during the period
- On market share buy-back of $3.0m
- Software Capex $18.8m uplift primarily in Sleep Space, AI and machine learning. Capex in 2H expected at similar levels, primarily software

Outlook and Trading update

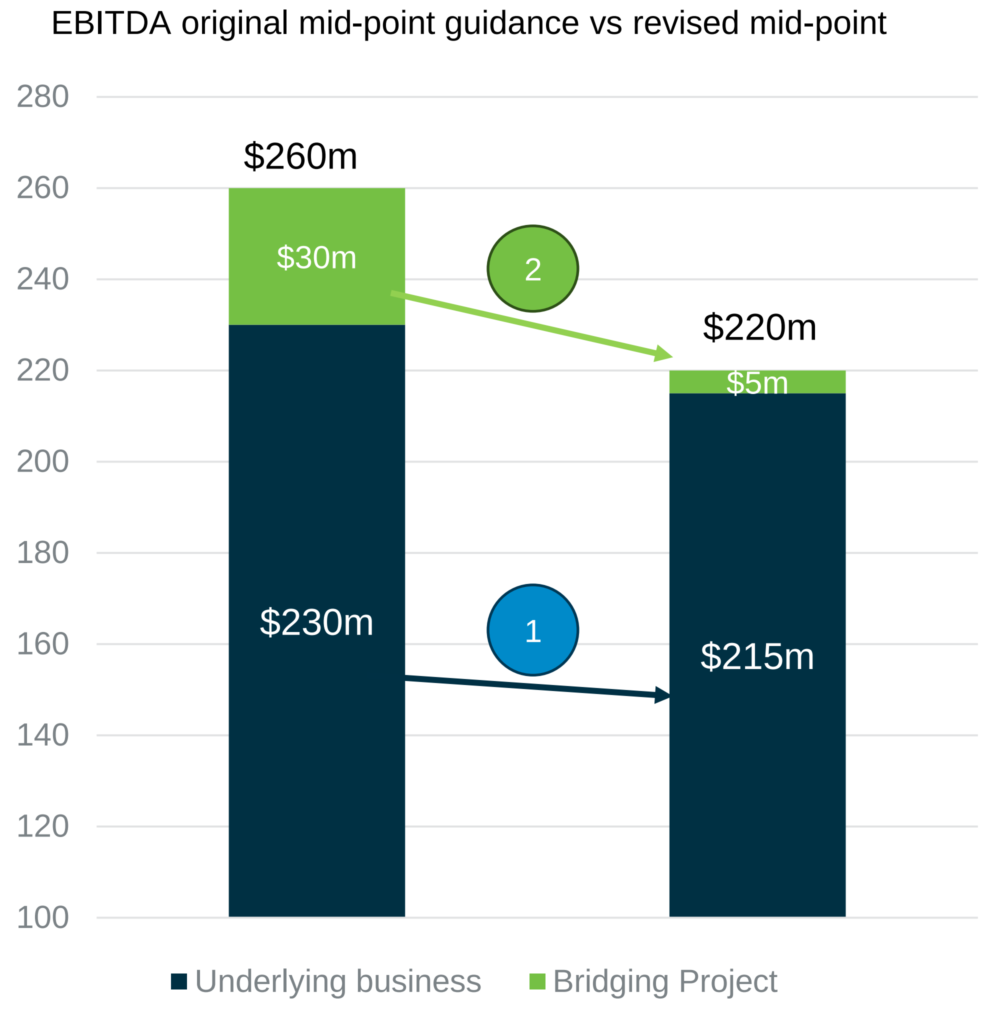
FY24 Guidance – how it was built and what has changed

1 Underlying business is performing well despite 2Q macro:

- 2Q macro events had an estimated $15m impact to EBITDA
- Strong January rebound suggests 2Q macro impact has dissipated and unlikely to have a 2H24 impact

2 Bridging project underperforming, outside our control

- UK immigration challenges and timing delays- project is trading significantly below customer's initial expectations.
- CTM taking a conservative guidance approach – **assumes no growth from current levels, $25m estimated impact to EBITDA**
- Any future activity **is upside to guidance**



As a result, guidance revised to underlying; revenue $730-760m, EBITDA $210-$230m, PBTA $167-187m, NPAT $125-$140m

Summary and activity update - underling business performing well

1. **2Q24 macro impacts appear to have dissipated and are unlikely to impact the 2H**
   Experienced strong January rebounds across the globe versus January 2023:
   - North America underlying EBITDA up +60%
   - ANZ revenue up +11%
   - Asia underlying EBITDA up +196%

2. **The underlying business is executing to plan**. Growth at the mid-point of underlying EBITDA guidance of $220m represents a 31.7% increase on FY23 despite the global corporate market remaining relatively steady at a 75% recovery post-COVID.

3. **Metrics for success are being met or exceeded.** New client wins year to date have now surpassed $0.7bn. We expect 2H24 conversion of incremental revenue to profit to remain above the 50% target range, particularly in North America and ANZ regions, as they both benefit from synergies as revenue builds.

4. **Five-year plan to double FY24 profits by FY29 (CAGR 15%).** Key metrics required to execute this plan are already being met or exceeded.

5. **Acquisitions are additional to the five-year plan**. CTM remains well positioned for likely industry consolidation and has a strong track record of acquisition execution and synergy extraction.

Appendices

Appendix 1: Recap - path to FY24 $265m EBITDA- how it was built in FY21-22

	FY19	T&T[2] FY19 @100% market revenue recovery	HLO[2] FY19 @100% market revenue recovery	Subtotal Pro-forma FY19 @ 100% market revenue recovery	Synergies @100% market revenue recovery (T&T, HLO)[2]	Subtotal with synergies	Additional, growth related	FY24 assuming 100% market revenue recovery
EBITDA	**150**	41	22	**213**	33 (25+8)	**246**	19	**265**

Required 100% corporate market recovery to materialise

Original forecast assumed 100% corporate market recovery in FY24 equating to $810m pro-forma FY19 revenue	• Key assumption was corporate market would be fully recovered by FY24 • **Global corporate market has only recovered to 75%[1]** • Unrealistic to obtain full potential synergies from acquisitions until we are at 100% revenue recovery
CTM is well ahead of market through strategy execution	• If CTM was operating at market (75% recovery), FY24 revenue would be $607.5m[3], EBITDA $143.5m[3] • CTM FY24 forecast revenue and EBITDA tracking materially ahead due to execution: winning market share, successfully converting revenue to profit growth ahead of 50% target

[1] GBTA Business Travel Industry Outlook Poll, October 30, 2023, Sabre 4Q23 earnings 15 Feb 2024
[2] T&T - Travel and Transport Acquisition Nov20, HLO - Helloworld Corporate acquisition Mar22
[3] Reducing target revenue by 25%, revenue conversion to EBITDA growth at 60%

Appendix 2 :CTM – High quality compound ROE model

Globally diversified growth company	• 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 clients[1], 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	• Australian headquartered company that now generates ~80% of revenues off-shore and develops client facing technology in every region we operate • Multi award winning in all regions of operation • 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	• Global corporate travel market estimated to grow above 3%p.a. FY25-FY29[2]
Investment grade metrics	• Growth since IPO in 2010[3]: revenue 24x, EBITDA 41x • Generating strong free operating cash flow, ROIC, paying dividends ~50% NPAT • Strong balance sheet with zero debt, net cash balance • FY29 strategy to double FY24 profits implies 15% CAGR growth (~2x ASX200 average), with acquisition additional
Capital Management	• Maximising shareholder returns through four initiatives; Dividends, projects with ROC>25%, future acquisitions, share buy-backs

[1] Travel spend above $100k p.a., [2] Global Business Travel Association (GBTA) forecast 15Aug23, Sabre 4Q23 earnings 15 feb2024, [3] growth multiples compare FY2010 to FY24 revised mid-point guidance

Glossary

BAU	Business as Usual
CTM regions	ANZ- Australia and New Zealand, NA - North America, EU- UK and Europe, Asia - Asia
EBITDA	Earning before Interest, Tax , Depreciation, Amortisation
EPS	Earnings per share
FTE	Full time equivalent employee
NDC	New Distribution Capability
NPAT	Net Profit after tax
OBT	On-line booking tool
PBT	Profit before tax
PBTA	Profit before tax and Client amortisation, a non-cash amount
p.c.p.	Previous corresponding period
ROC	Return on Capital
TTV	Total transaction value, an unaudited amount
Underlying	Excludes one-off acquisition, integration costs, other non-recurring items, and client amortisation, a non-cash amount
WoAG	Whole of Australia Government
Y.T.D.	Year to Date

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