19 February 2025

ASX Announcement

Strong 1H25 Performance from ANZ and North America – Strategy on Track – Previews FY26 Targets

Highlights

- **1H25 Underlying EBITDA: $77.4 million**
- **Rest of World (RoW) ex Europe EBITDA up 38% on the p.c.p., with ANZ up 53%, North America up 49% respectively**
- **Underlying NPAT attributable to owners: $38.7 million**
- **Strong balance sheet: No debt, $75.5 million cash at 31 December 2024**
- **Interim dividend: 10.0 cents per share (unfranked)**
- **Capital management strategy ongoing: $52.3 million returned to shareholders in the half through share buy-backs and dividends**
- **Long term target: Doubling FY24 EPS within 5 years, previewing FY26 targets**

Key Statistics

A$ million, unless stated otherwise

	1H25	1H24	Variance
Revenue & other income	342.8	363.7	-6%
EBITDA – underlying[1]	77.4	100.7	-23%
PBT – underlying[1, 2]	52.4	79.1	-34%
NPAT – underlying[3]	38.7	57.9	-33%
NPAT – statutory	29.2	50.4	-42%
Interim dividend (cents per share, unfranked)	10	17	-41%

1 Excluding pre-tax transitioning costs of $7.1m (1H24: $4.1m)

2 Excluding pre-tax client amortisation, a non-cash item of $6.9m (1H24: $7.5m)

3 Excluding post-tax transitioning costs of $5.2m (1H24: $3.0m), client relationship amortisation, a non-cash item of $5.0m (1H24: $5.5m)

Corporate Travel Management (ASX: CTD) today announced its 1H25 results. Despite the p.c.p. decline in group metrics, the Rest of World ex Europe (RoW) posted a 38% rise in underlying EBITDA. This outperformance underscores the success of CTM's strategy to grow market share, increase revenue per transaction, and leverage scale through automation and proprietary technology.

As previously noted, Europe (EU) remained in transition as it wound down one-off war-related projects from FY24 and carried additional staff for record new corporate client wins expected to commence transacting in 2H25. Despite these factors, EU maintained a solid first-half margin of 38.6% and is well positioned for strong growth into the year.

During 1H25, the Group retained 97% of existing clients and recorded new client wins with an estimated annualised Total Transaction Value (TTV) of $600 million at 31 December 2024. As of 14 February 2025, the new client win total has surpassed $880 million.

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The Group's strong balance sheet, with no debt and $75.5 million in cash at 31 December 2024, underpins CTM's capital management strategy, including on-market share buy-backs and an interim dividend of 10.0 cents per share (unfranked).

Jamie Pherous, Managing Director, said, "We are pleased with the strong performance in our Rest of World regions, which best represents our execution to strategy. Our largest regions of North America and Australia and New Zealand are leading the way and Europe is now set up for a strong finish to the year as we on-board new corporate clients. We continue to return capital to shareholders while preserving a debt-free balance sheet. We remain focused on our strategy to double FY24 EPS within five years, supported by disciplined capital management and ongoing investment in proprietary technology solutions."

Regional operational outcomes

Australia and New Zealand (ANZ)

ANZ reported revenue of $96.1 million and underlying EBITDA of $28.5 million, up 18% and 53% on p.c.p., respectively. CTM's ANZ region delivered strong results underpinned by new client wins, and returning customers. The successful rollout and utilisation of Sleep Space further contributed to higher revenue yields, while productivity gains were achieved through automation initiatives and the continued integration of Project Atlas.

Management anticipates sustained momentum in 2H25 as these initiatives mature, further enhancing the region's economics and margin mix. The combination of continued new client wins, ongoing operational improvements, and expanding service offerings positions ANZ to continue contributing significantly to CTM's overall growth and profitability objectives.

North America (NA)

NA reported revenue of $159.9 million and underlying EBITDA of $30.5 million, up 6% and 49% on p.c.p., respectively. CTM's NA operations delivered a strong result underpinned by the rapid uptake of Lightning OBT among new customers. The ongoing focus on automation, further integration of Project Atlas, and an increase in online penetration have been instrumental in improving efficiency and scaling services to meet rising client demand.

Management anticipates continued margin expansion as the region executes its plan to win market share, enhance productivity and broaden its technology-driven offerings. Project Atlas has streamlined finance processes, while continued enhancements in automation will facilitate better cost control and improved customer experiences. By leveraging these initiatives, NA remains positioned for sustained compound profitability and ongoing contribution to CTM's global growth targets.

Asia

Asia reported revenue of $30.1 million and underlying EBITDA of $7.7 million, down 7% and 15% on p.c.p., respectively. This performance was achieved despite a significant decline in ticket prices of approximately 25% driven by increased supplier capacity in the region. New customer wins that commenced trading during the period offset much of the impact of lower average ticket prices, which have now stabilised. Management also sustained EBITDA margins through disciplined staff automation optimisation, reflecting the region's focus on efficient resource allocation.

Asia continues to expand its corporate customer base, particularly in Hong Kong and Singapore, the latter representing a key growth opportunity. Diversifying beyond Hong Kong enables the business to capture further market share and scale benefits. In tandem, management is focused on automation and technology initiatives to maximise the conversion of revenue to profit, with the benefits of these efforts already becoming evident and expected to accelerate in future periods. With stabilising ticket prices, enhanced cost controls, and a robust pipeline of corporate accounts, Asia is well-positioned to strengthen its contribution to the Group's overall performance in 2H25.

Europe (EU)

EU reported revenue of $56.5 million, and underlying EBITDA of $21.8 million.

CTM's EU operations underwent a transitional phase winding down one-off FY24 war-related project work, resulting in the region carrying approximately 80 staff shifting from project-focused roles to support a record amount of new corporate client wins commencing in 2H25. Revenue growth was further moderated by reduced UK Government travel spend, yet the region maintained a solid first-half margin of 38.6%, demonstrating strong business-as-usual growth from FY23 through FY25.

Looking ahead, management expects EU's performance to strengthen in the last quarter due to 2 key factors:

- the region has won a record amount of corporate business. As these clients progressively on-board in 2H, we will see greater utilisation of the fixed cost base of 80 staff, providing strong leverage to EBITDA; and
- we were appointed sole provider of the UK Government TMC travel services framework from January 2025 (previously a panel of 3 TMC's). At the time of the appointment, it was difficult to assess the incremental impact to the business given the UK government indicated a reduction in travel spend. It is now apparent that this will have a positive impact to the volume and scale of services we will provide into the future.

Cash Management:

Operating cash conversion, which was 25% in 1H due primarily to the timing of supplier payments in December, is expected to finish at historic long-term averages, between 80-90% for the full year. Strong discipline in Capex has led to full year capex spend ~$42m, $6m lower than forecast in August 2024. This reduction has not compromised the high technology output which enables CTM to provide industry leading customer service. CTM expects to continue with the previously announced share buyback during the remainder of FY25, subject to board discretion and market conditions.

Capital Management and Share buy-back program

CTM's on-market share buy-back program announced in October 2023 was re-set in August 2024 to a value of up to $100 million, with completion date extended to 30 June 2025.

During 1H25, CTM bought back 2,725,107 shares for a consideration of $33.1 million at an average price of $12.15 per share. Since the start of the buy-back program, CTM bought back 4,401,917 shares for a consideration of $59.2 million at an average price of $13.45 per share.

Alongside the on-market buy-back, CTM declared an interim dividend of 10.0 cents per share (unfranked).

Outlook 2H25:

Historically stronger 2H weighting is expected to continue, driven by seasonality, new client onboarding in EU, Lightning OBT expansion in NA, continued success of Sleep Space in ANZ, and stabilising ticket prices plus robust client wins in Asia.

New client wins as of 14 February sit at $880 million TTV against a full year target of $1.0bn TTV for which EU and NA regions are the largest contributors. When combined with 97% customer retention, this momentum is expected to set up a solid 2H and will underpin growth in FY26.

The RoW remains on track for ~10% revenue growth on the p.c.p., and EBITDA margin is expected to be ~27.5% for the full year, up 450bps on the p.c.p.. This implies strong EBITDA growth of 35% for the full year with NA expected to be the biggest contributor to 2H results as the momentum in the region continues.

At the AGM we highlighted that the expected revenue reduction was at risk due to UK government reviews of expenditure.

Now that there is greater clarity on UK government expenditure reductions, we estimate that the revenue change vs FY24 will now be approximately -24%. As a result, EBITDA Margin in EU is expected to remain strong at around 43%, but lower than the previously indicated level due to the effect of reduced activity whilst we retain around 80 staff during this transition period.

Corporate costs of ~$23m for FY25 are in line with previous indications. Group capex is expected to be around ~$42m in FY25, below the previous indication of ~$48m.

FY26 Indicative Target Metrics

CTM remains committed to doubling FY24 EPS within five years, driven by initiatives in market share expansion, automation, and disciplined capital management. Consistent with that strategy, market stability ex COVID and the momentum in the business, the Group has outlined FY26 indicative target metrics:

Metric	FY26 Target	Rationale
Revenue Growth	~10%	• Current win run rate in FY25 supports this growth target • Additionally, EU transition year complete; continued new client wins; Sleep Space-driven yield uplift
EBITDA margin	~30% (+~250 bps)	• Strong operating leverage continues • Margin growth driven by scale, on-going automation and productivity improvements; EU Growth trajectory • >50% incremental revenue conversion aligned with 5-year plan
CAPEX	~$40m	• Disciplined focus on ROI (down from $48m in FY24); efficiency-focused technology investments

CTM's execution in 1H25 reflects the foundational work needed to meet FY26 targets. By focusing on proprietary technology, automation, and strategic capital management, CTM will continue to build on market share gains and deliver sustainable profitability.

FY26 indicative target metrics assume no material deterioration in current economic conditions, global health events, or geopolitical tensions.

Results webinar and conference call

A webinar and conference call on Corporate Travel Management (ASX: CTD) half year results will be held at 8.00am AEST on Wednesday 19 February 2025.

Webinar: To pre-register for the webinar, please click on the following link: Webinar Link

Conference call: To join the call, please click on the following link: Conference Link

Glossary:

AI	Artificial intelligence
Atlas	Project to globalize 4 regional IT support departments into 1
BAU	Business As Usual
bps	Basis points (1% = 100bps)
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
FTE	Full time equivalent employee
NPAT	Net Profit after tax
PBT	Profit before tax and client acquisition amortisation
p.c.p.	Previous corresponding period
RoW	Rest of World regions; ANZ, NA, Asia excluding EU
ROI	Return on Investment
Sleep Space	CTM's proprietary Accommodation content and aggregation tool
TMC	Travel Management Company
TTV	Total transaction value, an unaudited amount
UK Govt TMC	Travel framework sole provider to Lot 1, the Travel Management Services framework partition
Underlying	Excludes one-off acquisition, integration costs, other one-off items, transition costs, and client amortisation
Y.T.D.	Year to Date

ENDS

Authorised for release by the Board.

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