CORPORATE TRAVEL MANAGEMENT

Full year results 2017.

Presented by: Jamie Pherous, Founder & Managing Director
Date: 22nd August 2017

corporate travel management

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Overview.

CTM is an award-winning provider of innovative and cost effective travel management solutions to the corporate market. Its proven business strategy combines personalised service excellence with client facing technology solutions to deliver a return on investment to clients.

Headquartered in Australia, the company employs more than 2,200 FTE staff globally and the CTM network provides localised service solutions to clients in more than 70 countries globally.

Group Result Highlights.

- **Underlying EBITDA up 43% to $98.6m**. On a constant currency[a] basis, underlying EBITDA up 51% to $104.0m, (-$5.4m FX effect).
- **Strong TTV growth** despite negative impact from ticket price decline and non-core business sale in Asia, global FX translation. Estimated combined impact -$565m
- **Strong organic growth underpins EBITDA performance.** Client wins and retentions are at historically high levels
- **CTM SMART technology and global network** were key contributing factors to organic growth/client wins
- **Excellent translation of revenue to EBITDA** due to benefits of CTM's growing scale, technology and integrated automation
- **100% normalised operating cash flow** conversion
- **Full year fully franked dividend** up 25% to 30c, with 2H dividend 18c payable 5 October 2017

[a] Constant currency reflects June 2016 as previously reported. June 2017 represents local currency converted at FY2016 average foreign currency rates

Reported (AUD)	FY2017	Change on P.C.P
TTV (unaudited)	4161.9m	+16%
Revenue and other income	**325.9m**	**+23%**
Underlying EBITDA#	**98.6m**	**+43%**
Statutory NPAT attributable to owners of CTD	54.6m	+29%
*Underlying NPAT (excluding acquisition amortisation)	67.0m	+42%
Statutory EPS, cents basic	53.5c	+24%
*Underlying EPS, cents basic (excluding acquisition amortisation)	65.8c	+36%
Full Year Dividend, fully franked	30 cents	+25%

*Net of non-cash amortisation relating to acquisition accounting $11.1m (FY16 $6.5m)
Net of pre-tax one-off acquisition and non recurring costs of $1.6m (FY16 (1.1m))

Strategy Execution.

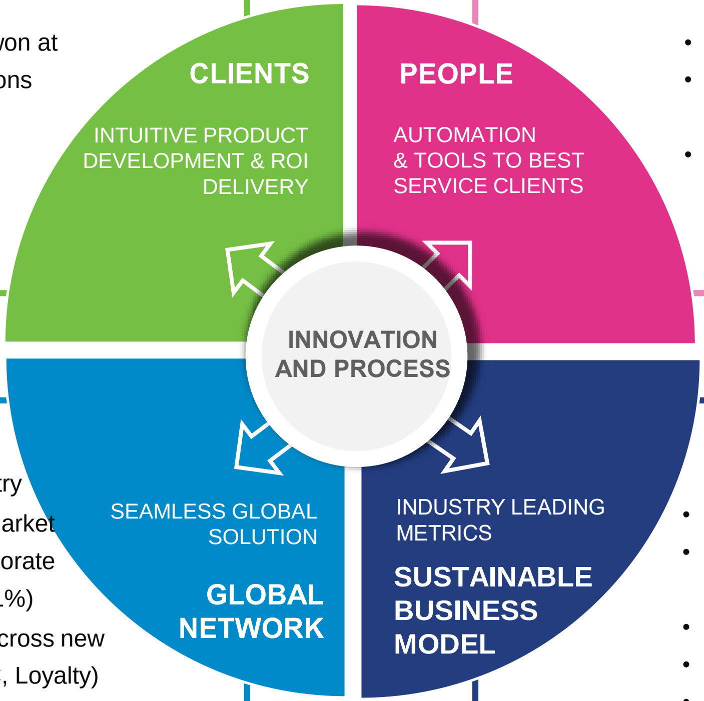
Recap: How and why we grow - Innovation the Key.

OUTCOMES

- FY17 – **record value of new clients** won at record conversion rates across all regions
- **97% + Client retention**

OUTCOMES

- **High staff engagement** across the world
- **Staff empowerment** drives agile decision making
- **Automation** driving productivity gains and quality client service outcomes



GLOBAL OUTCOMES

- **Created global network**, barrier of entry
- **Enormous market share potential**. Market estimated at US1.4trillion. Largest corporate player approximately 1% (CTM under 1%)
- Allowing **additional organic growth** across new segments (Global corporate, B2B, B2C, Loyalty)
- **Leveraging scale and buying power**

BUSINESS OUTCOMES

- **High quality** growth model
- **Long term sustainability** & earnings certainty
- **Disruptor,** not a follower
- Improved EBITDA margins
- High compound EPS growth

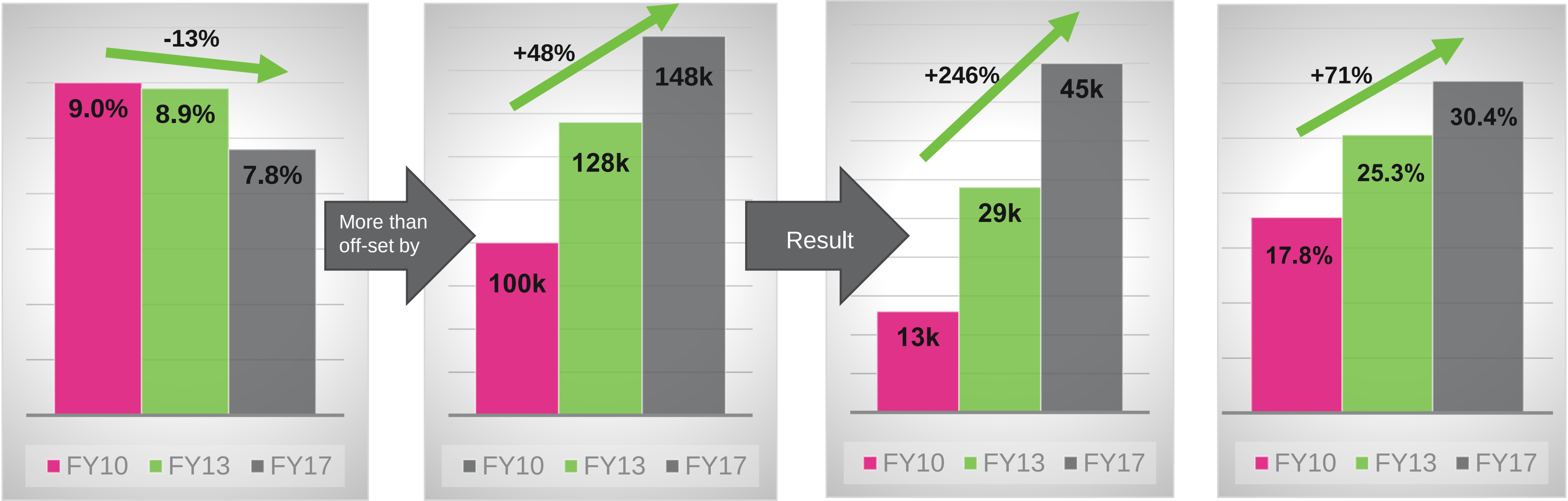
Benefits of scale and technology: IPO to FY17

Revenue/ TTV Yield %

Increasing Revenue per FTE

Increasing EBITDA per FTE

EBITDA/Revenue % Margin



Revenue/ TTV Yield %

- Clients – reduced fees through CTM scale
- Ability to win larger client segment

Increasing Revenue per FTE

- Automation reducing non-client facing process
- Greater productivity and more time to service clients
- Enhancing client value proposition and retention

Increasing EBITDA per FTE

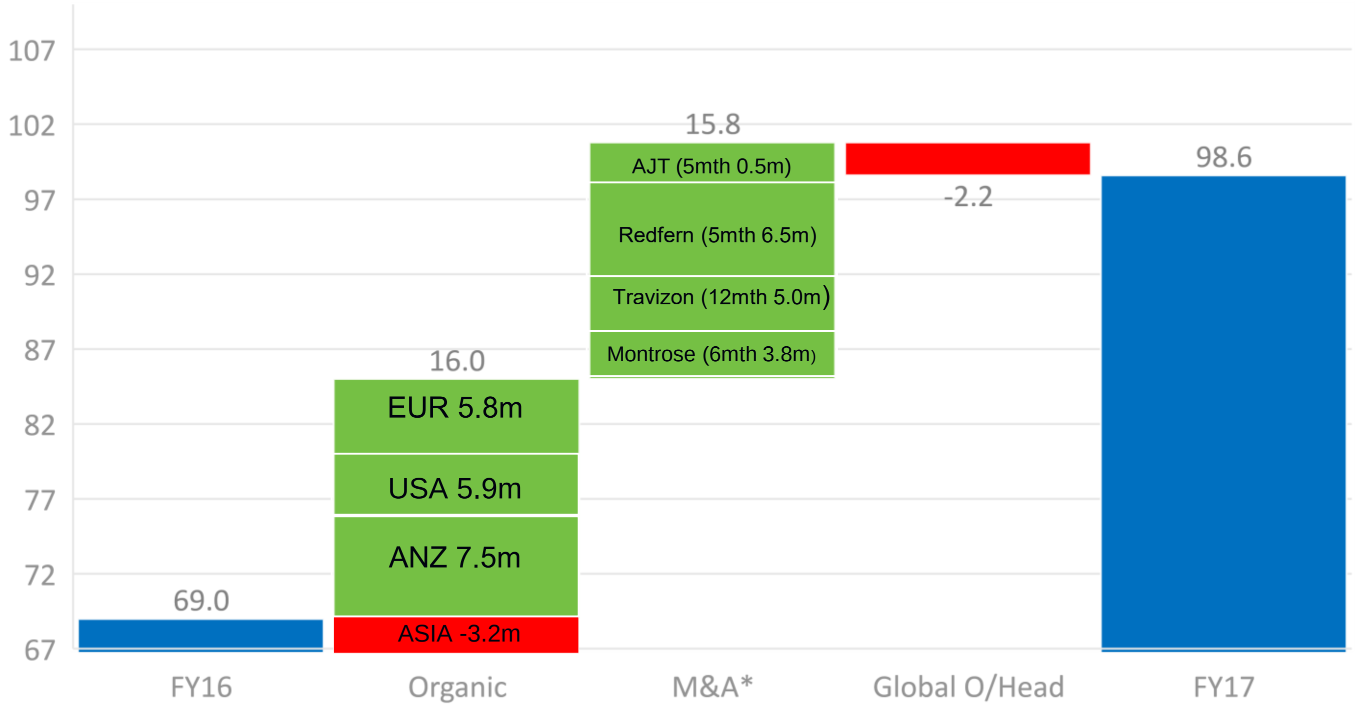
- Benefits of scale
- Support costs growing at slower rate than top line growth

EBITDA/Revenue % Margin

- Best practice outcomes without compromising client satisfaction, staff engagement

Growth profile.

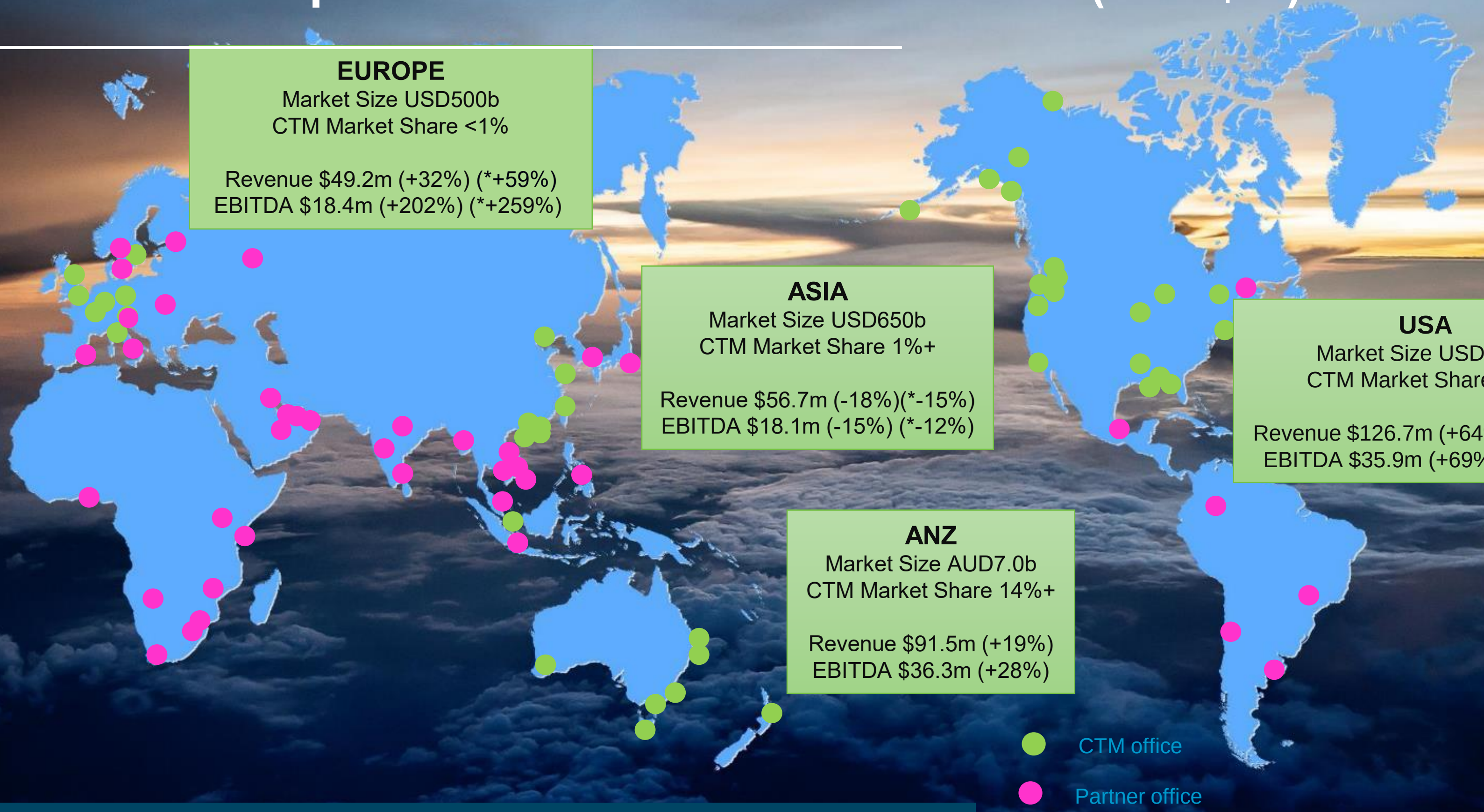
Underlying FY17 EBITDA Growth Summary (AUD$m).



*M&A EBITDA values represent EBITDA at time of acquisition announcement for p.c.p.

- Organic growth the catalyst for performance, **representing +23% organic profit growth on FY16 baseline (+31% growth in constant currency)**
- The performance achieved despite **FX having a negative $5.4m effect** on EBITDA in FY17
- Proven M&A methodology translating into successful integration and contributions
- Global overhead increase a reflection of building a highly competent global team that is sized for future expansion

CTM Global Footprint and Performance Overview (AUD$m)



EUROPE
Market Size USD500b
CTM Market Share <1%

Revenue $49.2m (+32%) (*+59%)
EBITDA $18.4m (+202%) (*+259%)

ASIA
Market Size USD650b
CTM Market Share 1%+

Revenue $56.7m (-18%)(*-15%)
EBITDA $18.1m (-15%) (*-12%)

USA
Market Size USD350b
CTM Market Share <1%

Revenue $126.7m (+64%) (*+70%)
EBITDA $35.9m (+69%) (*+75%)

ANZ
Market Size AUD7.0b
CTM Market Share 14%+

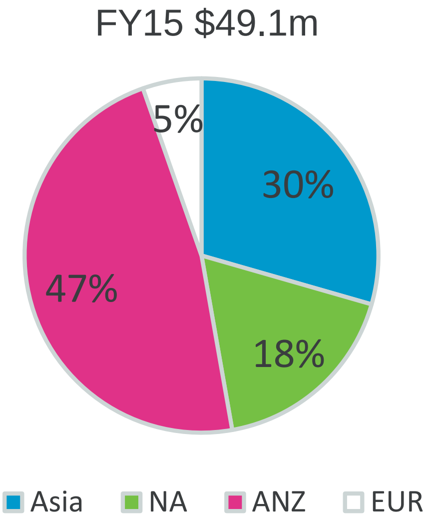
Revenue $91.5m (+19%)
EBITDA $36.3m (+28%)

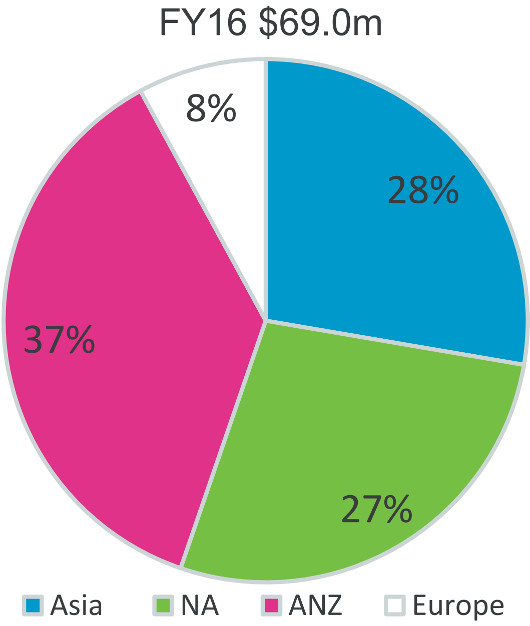
Market size estimated at USD1.4 trillion, growing at USD40bn p.a.
The CTM network provides local service solutions in more than 70 countries globally.

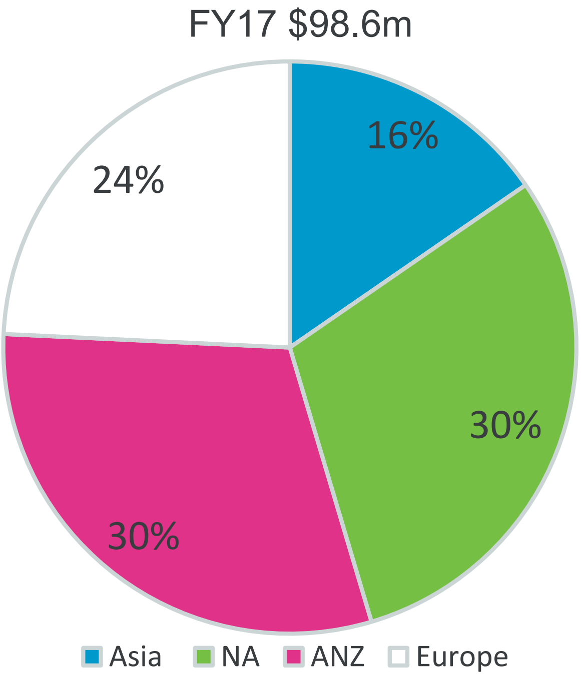
* Represents constant currency comparisons

EBITDA Contribution by Region*.

* Before global overhead costs

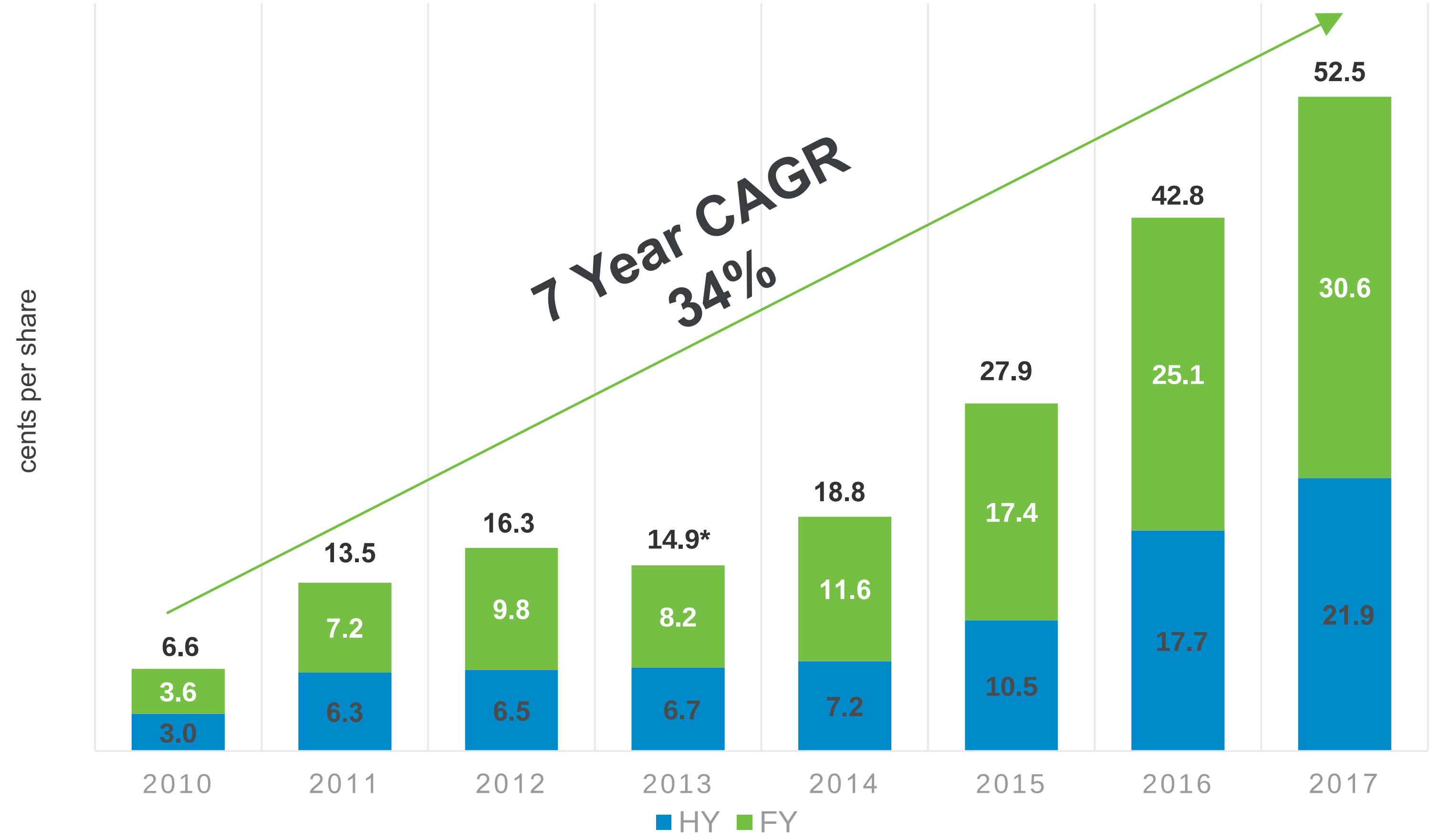






- Building a diversified global business, with 70% of profits derived off-shore in FY17 on a pro-forma basis (as shown)
- Well positioned, exposure to the world's largest economies

Diluted EPS Growth since IPO.



* Restated downwards for voluntary change in accounting policy on recognition of pay direct commissions

Award winning.

CTM ASIA
Best Travel Agency
Hong Kong
Winner 2017

CTM Europe
Best Travel Management
Company (£50m to
£200m annual UK sales)
2017

CTM North America
Loyalty Travel Innovations Travel Agent
Organizations - Overall - Travel Agent
Innovation

CTM North America
Allure Travel By CTM
North America's Leading Travel Agency
Winner 2016

CTM ANZ
Best National Travel
Management Company
Winner 2017
11 Times Winner

CTM ANZ
Andrew Jones Travel
'Top Seller Tasmania'
2016

CTM Group
BRW Innovative
Companies List 2016

ETM ANZ
AFTA
Best Business Events Agency
Winner 5 years

ETM ANZ
Best Mobile Attendee APP
Centium Client Innovation Awards

Regional Performance.

FY17 Regional overview

	CTM Consolidated			Australia & New Zealand			North America			Asia			Europe			Group		
	Jun-17	**Jun-16**	% change	Jun-17	Jun-16		Jun-17	Jun-16		Jun-17	Jun-16		Jun-17	Jun-16		Jun-17	Jun-16	
Reported (AUD)	**$m**	**$m**		$m	$m		$m	$m		$m	$m		$m	$m		$m	$m	
TTV	**4,161.9**	**3,587.1**	16%	962.3	848.6	13%	1,309.9	867.0	51%	1,301.1	1,532.8	(15%)	588.6	338.7	74%	0.0	0.0	
Revenue	**324.4**	**260.9**	24%	91.5	76.9	19%	126.7	77.2	64%	56.7	69.1	(18%)	49.2	37.2	32%	0.3	0.5	
Underlying EBITDA	**98.6**	**69.0**	43%	36.3	28.3	28%	35.9	21.2	69%	18.1	21.3	(15%)	18.4	6.1	202%	(10.1)	(7.9)	28%
EBITDA / Revenue Margin	**30.4%**	**26.4%**																
CONSTANT CURRENCY[a]																		
TTV	**4,370.4**	**3,587.1**	22%	962.3	848.6	13%	1,357.8	867.0	57%	1,349.0	1,532.8	(12%)	701.3	338.7	107%	0.0	0.0	
Revenue	**341.1**	**260.9**	31%	91.5	76.9	19%	131.3	77.2	70%	59.0	69.1	(15%)	59.0	37.2	59%	0.3	0.5	
Underlying EBITDA	**104.0**	**69.0**	51%	36.3	28.3	28%	37.2	21.2	75%	18.7	21.3	(12%)	21.9	6.1	259%	(10.1)	(7.9)	28%

[a] Constant currency reflects June 2016 as previously reported. June 2017 represents local currency converted at FY2016 average foreign currency rates

ANZ

	Jun-17	Jun-16	% Change
Reported (AUD)	$m	$m	
TTV	962.3	848.6	13%
Revenue	91.5	76.9	19%
Underlying EBITDA	36.3	28.3	28%
EBITDA / Revenue Margin	39.7%	36.8%	
CONSTANT CURRENCY			
TTV	962.3	848.6	13%
Revenue	91.5	76.9	19%
Underlying EBITDA	36.3	28.3	28%

Underlying EBITDA up 28% on the p.c.p.:

- Winning market share through record new client wins and retention
- Mature management team executing to plan
- 80% of all client transactions are on-line
- Historically high staff engagement, client satisfaction

FY18 Outlook:

- Experiencing continuation of broad based client activity increase since Q4FY17
- Momentum from record client wins in FY17 continuing
- ANZ will again be a significant contributor to Group profits

North America

	Jun-17	Jun-16	% Change
Reported (AUD)	$m	$m	
TTV	1,309.9	867.0	51%
Revenue	126.7	77.2	64%
Underlying EBITDA	35.9	21.2	69%
EBITDA/Revenue Margin	28.3%	27.5%	
CONSTANT CURRENCY			
TTV	1,357.8	867.0	57%
Revenue	131.3	77.3	70%
Underlying EBITDA	37.2	21.2	75%

Organic Growth reconciliation:	**EBITDA**
FY16 baseline	21.2m
Add: Montrose (1H 6 months)	3.8m
Add: Travizon (12 months)	5.0m
Revised baseline	30.0m
Organic growth, AUD	5.9m
Organic growth, constant currency	**7.2m (+24%)**

Underlying EBITDA up 69% on the p.c.p.:

- A strong year via combination of client wins, integration success, leveraging scale
- 2HFY17 client activity decline as uncertainty on US tax and infrastructure initiatives stalled
- Large one-off client project in 2HFY16 contributed $1.5m EBITDA in the p.c.p.
- Boston servicing a large portion of new US client wins due to expertise in global client management

FY18 Outlook:

- Remain bullish on USA, and expect activity to pick up upon government tax and infrastructure initiative certainty. Activity remains subdued
- Core focus upon optimisation of client value proposition and implementation of client facing technology, internal automation adding value to our people
- Expect seasonal skew to 2H
- Continuing to explore M&A opportunities

Asia

Reported (AUD)	Jun-17	Jun-16	% Change
	$m	$m	
TTV	1,301.1	1,532.8	(15%)
Revenue	56.7	69.1	(18%)
Underlying EBITDA	18.1	21.3	(15%)
EBITDA/Revenue Margin	31.9%	30.8%	
CONSTANT CURRENCY			
TTV	1,349.0	1,532.8	(12%)
Revenue	59.0	69.1	(15%)
Underlying EBITDA	18.7	21.3	(12%)

TTV Reconciliation Highlighting Underlying Growth:

FY16 TTV	1,532.8m
Closing/sale legacy businesses	(142.0m)
Ticket price decline (14%)	(214.6m)
FY16 baseline	1,176.2m
FY17 TTV, constant currency	**1,349.0m (+14.6%)**

Underlying EBITDA down 15% on the p.c.p.:

- Tough year from headwinds outside CTM control (ticket prices, China), reducing supplier payment revenue, previously flagged in 1HFY17
- Closed down and sold off non-core divisions to focus on corporate, B2B, with $0.9m gain on disposal excluded from underlying EBITDA
- Benefiting from global footprint through servicing and leading global business wins. Underlying business performing well

FY18 Outlook:

- Transition year. Move focus to expand technology offering in corporate, underpinned by historical high service
- Expect normal conditions in FY18 (ticket, client activity)
- Management has a strong track record of execution

Europe

Reported (AUD)	Jun-17	Jun-16	% Change
	$m	$m	
TTV	588.6	338.7	74%
Revenue	49.2	37.2	32%
Underlying EBITDA	18.4	6.1	202%
EBITDA/Revenue Margin	37.4%	16.4%	
CONSTANT CURRENCY			
TTV	701.3	338.7	107%
Revenue	59.0	37.2	59%
Underlying EBITDA	21.9	6.1	259%

Organic Growth Reconciliation:	**EBITDA**
FY16 Baseline	6.1m
Add: Redfern (5 months)	6.5m
Revised Baseline	12.6m
Organic growth, AUD	5.8m
Organic Growth, constant currency	**9.3m (+74%)**

Underlying EBITDA up 202% on the p.c.p.:

- An excellent year due to execution by applying CTM business model
- Integral role to CTM group's success in regional and global client wins
- Redfern acquisition - early success in expanding value proposition (organic sales) and automation across rest of EUR business
- Over 62% of all client transactions on-line (FY16: 30%)
- Yield decline offset through leveraging automation and scale benefits and the combination of Redfern, translating into higher EBITDA margin

FY18 Outlook:

- Expect Europe to be a key contributor in FY18, including a full year's contribution from Redfern acquisition (FY17: 5 months profit contribution)
- Expect seasonal skew to 2H
- Continue to explore M&A opportunities

Group Financial Performance.

Comparative Statutory Profit and Loss.

$AUD (m)	2017	2016	% Change
Revenue and other income	**325.9**	**264.8**	**23%**
EBITDA adjusted for one-off non-recurring / acquisition costs (adjusted EBITDA)	**98.6**	**69.0**	**43%**
Net profit after tax (NPAT):	57.8	45.7	26%
NPAT - Attributable to owners of CTD	54.6	42.1	29%
One-off non-recurring / acquisition costs (tax effect)	1.4	(1.3)	
Underlying NPAT - Attributable to owners	55.9	40.8	37%
Amortisation of client intangibles	11.1	6.5	
Underlying NPAT - Attributable to owners (excluding acquisition amortisation)	**67.0**	**47.3**	**42%**

- Increased EBITDA margin resulting from automation, scale and integration execution
- Increased amortisation due to M&A activity. $11.1 of $14.3m, relates to client intangibles as part of acquisition accounting, which is a non-cash amount
- Increased interest expense as a result of M&A funding by short term debt
- Effective tax rate of 25.5%. Expecting circa 25-26% in FY18
- -$5.4m FX impact upon FY17 EBITDA

Group Balance Sheet.

$AUD (m)	June 2017	June 2016
Cash	79.2	81.2
Receivables and other	205.7	173.0
Total current assets	**284.9**	**254.2**
PP&E	5.3	5.4
Intangibles	441.0	308.1
Other	9.0	4.3
Total assets	**740.2**	**572.0**
Payables	188.1	163.5
Acquisition related payables	44.9	39.2
Other current liabilities	40.9	34.6
Total current liabilities	**273.9**	**237.3**
Non current acquisition related payables	20.7	26.7
Other non current liabilities	44.2	34.6
Total liabilities	**338.8**	**298.6**
Net assets	**401.4**	**273.4**

- Receivables and payables increased in line with business growth
- Intangibles increase is largely goodwill on Travizon (Boston) and Redfern Travel (UK) acquisitions
- Approximately $65.6m relates to deferred consideration on M&A. Assumes full earn-outs are achieved

Key Financial Commitments – M&A (AUD).

AUD $m	1H18	2H18	1H19	2H19	1H20	Total
Chambers Travel, Europe	12.9m		12.8m			25.7m
Travizon Travel, USA	19.7m					19.7m
Redfern Travel, UK	8.3m				8.3m	16.6m
TOTAL	**40.9m**		**12.8m**		**8.3m**	**62.0m**
Shares	6.5m		6.4m			12.9m
Maximum cash payable	**34.4m**		**6.4m**		**8.3m**	**49.1m**

Chart represents maximum amount payable should full earn-out be achieved. XR AUD1.0= USD0.76, GBP0.60. Balance sheet at XR spot rate and NPV

- Short term debt peaks in 1H18
- Expectation that future earn-outs funded from local region's cash flow and short term local denominated debt
- Maximum additional AUD49.1m cash payable through FY20

Normalised Operating Cash Conversion.

$AUD (m)	June 2017	June 2016
Cash flows from operating activities	69.3	70.2
Add back: tax and interest	22.1	13.4
Total operating cash conversion	**91.4**	**83.6**
Underlying EBITDA	98.6	69.0
Reported operating cash conversion %	93%	121%
Normalised Operating Cash Conversion:		
Add back BSP timing and one off adjustments	7.0	(14.0)
Normalised operating cash conversion	98.4	69.6
Normalised operating cash conversion %	**100%**	**101%**

- Timing of BSP payments have largest impact on operating cash flow. These timing differences are short term (1-7 days)
- It is our ongoing expectation that CTM will achieve 100% operating cash conversion over the long term
- Timing difference in FY18 will have a positive effect on reporting operating cash flow

Cash Flow Summary.

$AUD (m)	FY2017	FY2016
EBITDA	97.0	70.1
Non cash items	0.1	(2.6)
Change in working capital	**(5.8)**	**16.0**
Income tax paid	(20.0)	(12.2)
Interest	(2.0)	(1.1)
Cash flows from operating activities	**69.3**	**70.2**
Capital expenditure	(13.9)	(8.2)
Other investing cash flows	(103.4)	(41.9)
Cash flow from investing activities	**(117.3)**	**(50.1)**
New equity	70.2	0
Dividends paid	(30.5)	(21.0)
Net (repayment)/drawing of borrowings	9.1	39.3
Cash flow from financing activities	**48.8**	**18.3**
FX Movements on cash balances	(2.7)	2.1
Net increase/(decrease) in cash	1.9	40.5

- Investing cash flows primarily relate to Redfern and Travizon acquisitions and Montrose earn-out consideration
- 2017 Capex investment predominantly increase in technology expenditure to capitalise on global technology suite opportunities
- ANZ won several government contracts on terms in FY17. Expect a small effect on operating cash flow conversion in FY18

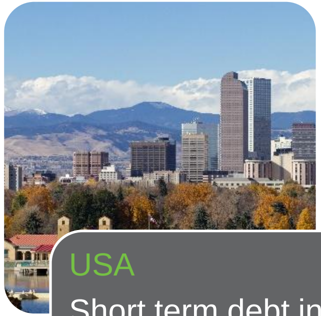
FX is majority accounting translation.

UK/Europe

Short term debt in GBP (to fund M&A)

Known earnouts hedged in GBP

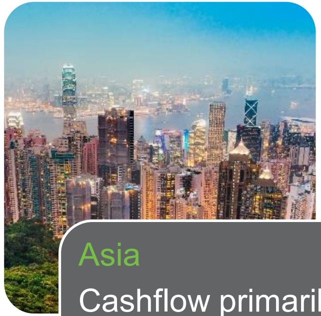
Local cashflow used to pay down local debt and earnouts



USA

Short term debt in USD (to fund M&A)

Local cashflow used to paydown debt and earnouts



Asia

Cashflow primarily used to pay minority shareholder dividend within Asia

ANZ

Local cashflow primarily used to pay dividends to CTD shareholders

Minor shortfalls funded by other regions, based upon timing

Majority of operating cash flow generated in-region, stays within region

Acquisition Update.

Recap: Why acquisition execution is successful?

Disciplined Strategy

- Geography, Scale, Niche
- Global Network is "client demand" led
- Country political risk, market sophistication determines Acquire or Partner

Target Qualification Discipline (-36 to -3 months)

- "1 in 100"
- "Skin in the game" for Senior Management/ Leaders
- People and financial due diligence for cultural match
- EPS accretive

Transition (-3 to 6 months)

- Identify upsides that enhance;
  - People effectiveness to service
  - Client value proposition
  - Scale opportunities
- Communication and buy-in at all levels
- Continually develop tools and resources in-region to transform and support M&A into growth model

Execution (+0 to 36 months)

- Intentionally leverage strengths of acquisition* (client servicing, niche, resources, process)
- Embed client tools, people, innovation and culture, systems
- Take best practice across CTM regions where applicable

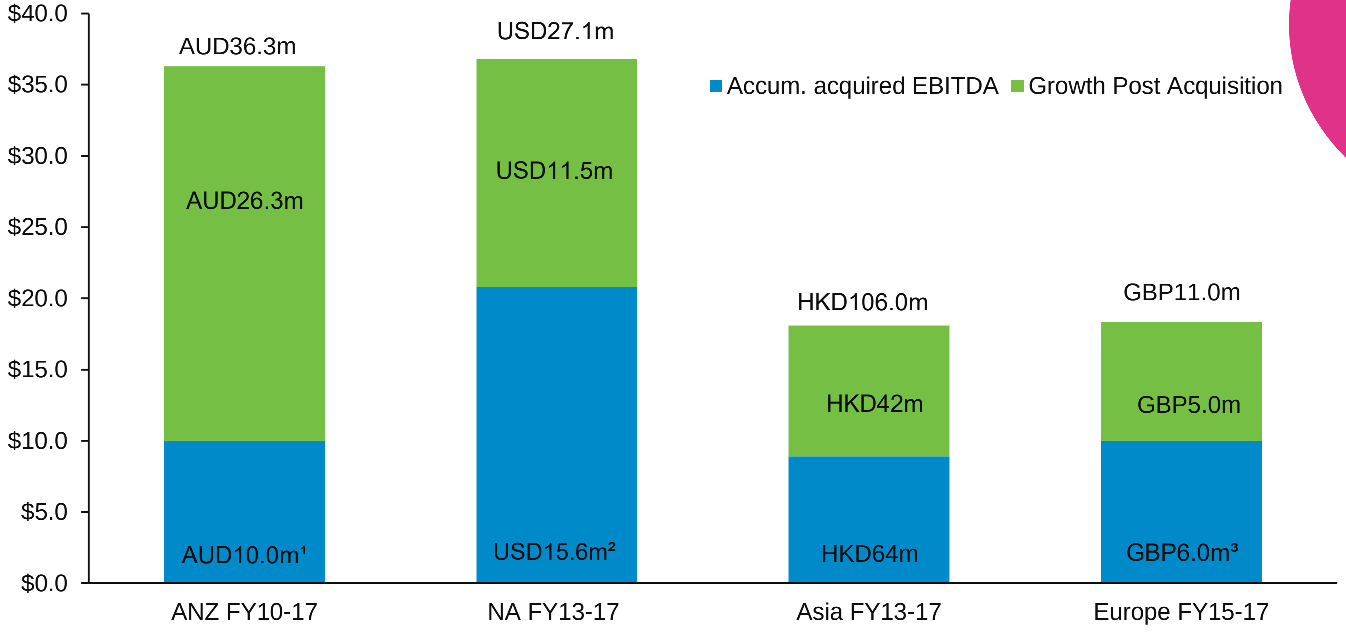
* In order to ensure best utilisation of acquired skills and strengths, a portion of total new business won by CTM in a region is serviced out of newly acquired offices as part of CTM integration strategy

EBITDA Growth Ex-Acquisition

Proven Selection and Integration execution

Organic growth post-acquisition

Consistent business model



[1] ANZ FY11 c/fwd	**9.5m**
Add: AJT (5 months)	0.5m
Total Baseline incl. acquisitions	**10.0m**

[2] NA – FY16 c/fwd	**USD8.95m**
Add: Montrose (6 mths)	USD2.85m
Add: Travizon Travel	USD3.80m
Total Baseline inc. acquisitions	**USD15.6m**

[3] EUR – FY16 c/fwd	**GBP2.1m**
Add: Redfern Travel (5 mths)	GBP3.9m
Total Baseline incl. acquisitions	**GBP6.0m**


CTM SMART
Technology.

Our technology approach- best practice, delivering results.

User Experience Focusing on delivering technology that is easy to use and adopt

Development World Class development team experienced in the travel industry

Product Owners Assessing and driving idea generation into technology

Quality Assurance Ensuring our technology meets the high standard we set

Results Over 85,000 CTM alerts sent, 260,000 Ride Share opportunities identified

Agile & Continuous Delivery Scalability, speed from idea generation to deployment. Result: **100+** releases across all CTM technology over the past 12 months

"CTM offers us not only the flexibility and professionalism in account management, but also the reporting capabilities, online functionality and geographic coverage required to best meet the travel needs of our group across all of our locations."
- Wesfarmers

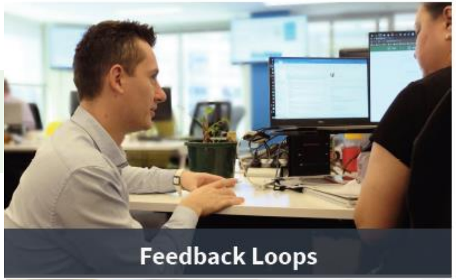
"CTM Mobile has changed my booking experience in an extremely positive way. The speed and functionality of CTM Mobile is the same as our own OBT, making the switch perfectly seamless... I love the look and feel of CTM Mobile and would highly recommend it to all travellers and travel arrangers."
- Hastings Deering

Technology hubs now located in all global regions

Region	Tech hub location
ANZ	Sydney, Australia
EMEA	Hale, United Kingdom
NA	Los Angeles, California
ASIA	Hong Kong


Experienced Developers


Agile Processes


Feedback Loops


Leading Edge Technology


Innovation & Disruption


Customer Focused UX

Goal : Accelerate speed to market and tailor client development, in-region

FY18 Guidance.

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FY18 underlying EBITDA range of AUD$120-125m (22.0%-27.5% growth on the p.c.p.)

Guidance Assumptions:

1. Foreign Currency cross-rates average USD76c/GBP60p during the year. Assumes HKD and USD pegged.

FX sensitivity upon EBITDA :

- for every +/- USD1c movement = approximately +/- AUD$1.0m EBITDA annually
- for every +/- GBP1p movement= approximately +/- AUD$0.6m EBITDA annually

2. Assume flat client activity globally

3. Excludes any future potential acquisitions

Questions?

Thank you.

corporate travel management