



22nd August 2018

ASX RELEASE

Corporate Travel Management reports full year FY18 profit,
Releases FY19 Profit Guidance

FY18 Results Highlights:

| | | |
|---|----------------------|--------|
| Total Transaction Value (TTV) (unaudited) | \$4,958.3m | Up 19% |
| Revenue and other income | \$372.2m | Up 14% |
| Underlying EBITDA ^{1*} | \$125.4m | Up 27% |
| Statutory NPAT ² (attributable to owners of CTD) | \$76.7m | Up 41% |
| Underlying NPAT ^{2**} (excluding acquisition amortisation) | \$86.0m | Up 34% |
| Statutory EPS ³ | 72.4 cents per share | Up 35% |
| Underlying EPS ^{3**} (excluding acquisition amortisation) | 81.1 cents per share | Up 29% |
| Full Year Dividend ⁴ | 36 cents per share | Up 20% |

FY18 Guidance Underlying EBITDA range of \$144 - \$150m (approximately 15% - 20% growth on p.c.p.)

* Underlying EBITDA is before one-off net revenue items and acquisition costs.

** Underlying NPAT and Underlying EPS excludes non-cash amortisation relating to acquisition accounting

¹ EBITDA (Earnings Before Interest Depreciation and Amortisation). EBITDA is not an IFRS measurement.

² NPAT (Net Profit After Tax)

³ EPS (Earnings Per Share)

⁴ Final Dividend of 21 cents per share, 50% franked, payable 4th October 2018.

Corporate Travel Management (CTM, ASX Code:CTD), today announced its full year profit for 2018.

In commenting on the full year results, CTM's Managing Director, Jamie Pherous said: "We have delivered another consecutive year of strong results. Each region in our network had a record result, demonstrating that our business model and strategic investment decisions are working well for our clients and investors.

These results support the strategy that we have taken to build a global network and apply the CTM business model around winning and retaining customers, driving internal automation and client innovation and ensuring high staff engagement and client satisfaction.

We have continued to expand through increasing market share. Organic growth contributed approximately \$18.9 million to profit growth, reflecting the efforts of our hard-working team to win and retain clients, including multinational clients who have recognised our international capabilities.

Growing market share has allowed CTM to achieve an underlying EBITDA of \$125.4 million, representing 27% growth on the previous year, reflecting the Company's ability to execute to plan. On a constant currency basis, underlying EBITDA was \$126.4 million up 28%, demonstrating the strength of the underlying business.

Highlights by region:

| | CTM Consolidated | | | Australia & New Zealand | | | North America | | Asia | | Europe | | Group | | | | |
|---------------------------|------------------|---------|----------|-------------------------|--------|-----|---------------|---------|--------|---------|---------|--------|---------|--------|-----|--------|--------|
| | June-18 | June-17 | | Jun-18 | Jun-17 | | Jun-18 | Jun-17 | Jun-18 | Jun-17 | Jun-18 | Jun-17 | Jun-18 | Jun-17 | | | |
| REPORTED AUD | | | | | | | | | | | | | | | | | |
| | \$m | \$m | % Change | \$m | \$m | | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | | | |
| TTV | 4,958.3 | 4,161.9 | 19% | 1,155.9 | 962.3 | 20% | 1,306.1 | 1,309.9 | 0% | 1,483.0 | 1,301.1 | 14% | 1,013.3 | 588.6 | 72% | - | - |
| Revenue | 371.0 | 324.4 | 14% | 108.5 | 91.5 | 19% | 127.0 | 126.7 | 0% | 53.8 | 56.7 | (5%) | 81.7 | 49.2 | 66% | 0.0 | 0.3 |
| Adj. EBITDA | 125.4 | 98.6 | 27% | 44.0 | 36.3 | 21% | 37.9 | 35.9 | 6% | 19.5 | 18.1 | 8% | 34.2 | 18.4 | 86% | (10.2) | (10.1) |
| EBITDA/revenue margin | 33.8% | 30.4% | | 40.6% | 39.7% | | 29.8% | 28.3% | | 36.2% | 31.9% | | 41.9% | 37.4% | | | |
| CONSTANT CURRENCY* | | | | | | | | | | | | | | | | | |
| TTV | 5,009.6 | 4,161.9 | 20% | 1,156.8 | 962.3 | 20% | 1,342.9 | 1,309.9 | 3% | 1,535.1 | 1,301.1 | 18% | 974.8 | 588.6 | 66% | - | - |
| Revenue | 374.6 | 324.4 | 15% | 108.9 | 91.5 | 19% | 130.5 | 126.7 | 3% | 56.0 | 56.7 | (1%) | 79.2 | 49.2 | 61% | 0.0 | 0.3 |
| Adj. EBITDA | 126.4 | 98.6 | 28% | 44.3 | 36.3 | 22% | 38.9 | 35.9 | 8% | 20.2 | 18.1 | 12% | 33.2 | 18.4 | 80% | (10.2) | (10.1) |

Constant currency reflects June 2017 as previously reported. June 2018 represents local currency converted at average foreign currency rates for the full year ended June 2017

ANZ:

Underlying EBITDA \$44.0 million up 21% on the p.c.p.

- Region continues to outperform market.
- Winning market share through record new client wins and retention, with market share 15%+.
- 80% of all client transactions are on-line.

North America:

Underlying EBITDA \$37.9 million up 6% on the p.c.p. (8% on a constant currency basis)

- Strong 2HFY18 wins, mostly global/regional, but delayed implementations.
- Largest technology investment by CTM region, with SMART suite and Lightning OBT on track for December 2018.
- Management team in place to take the business forward over the longer term.

Asia:

Underlying EBITDA \$19.5 million up 8% on the p.c.p. (12% on a constant currency basis)

- As previously flagged, tale of two halves since ticket prices steadied in January 2018. Supplier revenues recovered in 2H to normal levels.
- Underlying business performing well in 2HFY18, with EBITDA up 20% on the 2H comparative on constant currency basis.
- SMART Technology suite roll-out complete, including Lightning OBT resulting in early client wins and automation gains.

Europe:

Underlying EBITDA \$34.2 million up 86%. (80% on a constant currency basis)

- Another strong year of execution and outperformance with 29% organic growth in constant currency.
- Improved EBITDA margin due to a combination of CTM SMART technology suite and resulting move to on-line.
- 80% of all transactions are on-line.

CTM Group:

CTM has won significant global clients which has been primarily due to the Company's global network and its award winning SMART technology suite.

The CTM network provides localised service solutions in more than 70 countries, employing over 2,350FTE.

The Group remains committed to delivering superior results for clients through a consistent value proposition, including innovative customer facing technology solutions underpinned by a highly personalised service offering, and delivering a return on investment to our clients.

CTM's technology hubs are now well established across all regions, employing 100 FTE staff with a large flow of future developments scheduled for FY19.

Employees remain central to the Group's ongoing success, and surveys of staff engagement continue to outperform benchmarks.

The CTM Board has declared a fully franked final dividend of 36.0 cents per share to be paid on 4th October 2018:

| | |
|-----------------------|---------------------------------|
| Dividend ex date | 6 th September 2018 |
| Dividend record date | 7 th September 2018. |
| Dividend payment date | 4 th October 2018. |

FY19 Guidance

CTM expects full year underlying EBITDA to be in the range of \$144 - 150 million, representing approximately 15%-20% growth on p.c.p.

Assumptions on Guidance:

1. Foreign Currency cross-rates average USD0.76c/HKD6.00/ GBP0.56p during the year.
FX sensitivity upon EBITDA in FY19:
 - For every +/- USD1c movement = approximately +/- AUD\$1.1m FY19 EBITDA
 - For every +/- GBP1p movement = approximately +/- AUD\$0.7m FY19 EBITDA
2. Assume relatively flat client activity globally
3. Includes a 9-month contribution from Lotus Travel in FY19, effective 2 October 2018
4. Excludes any future potential acquisitions

Please refer to the Investor presentation for a detailed analysis of the FY18 results and FY19 outlook.

CTM will be conducting a Webinar at 9:00am on Wednesday 22nd August 2018 AEST, to discuss the full year results. To participate in the Webinar please follow this link: [CLICK HERE](#).

About CTM

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 2,350 FTE staff globally and provides local services solutions to clients in more than 70 countries.