



ASX Announcement

19 August 2020

FY20 Results Presentation

Attached is Corporate Travel Management Limited's full year results presentation for the year ended 30 June 2020.

Authorised for release by the Board.

Contact details

Media enquiries: Alasdair Jeffrey – Rowland – Alasdair.Jeffrey@rowland.com.au / +61 404 926 768

Investor enquiries: Allison Dodd – allison.dodd@travelctm.com / +61 7 3210 3354

AUSTRALIA | NEW ZEALAND | NORTH AMERICA | ASIA | EUROPE

Corporate Travel Management Limited ABN: 17 131 207 611

Level 24, 307 Queen Street, Brisbane, QLD 4000 GPO Box 2584, Brisbane, QLD 4001

Telephone: +61 7 3211 2400 Fax: +61 7 3236 1930 Free call: 1800 663 622

info@travelctm.com www.travelctm.com



Corporate Travel Management Full Year 2020 Results

www.travelctm.com



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| FY20 Highlights



Group financial highlights

- **Underlying EBITDA \$65.0m** (\$74.4m applying AASB 16), including \$0.5m underlying EBITDA for 2H20
- **Strong liquidity position:**
 - **Zero debt**
 - **\$92.8m cash** (\$60m net of client cash and client creditors)
 - **\$180m** (GBP100m) undrawn committed finance facility
- **Strong operating cash flow** of \$79.2m
- **No significant further one-off costs expected in FY21** (action already taken FY20)
- **Client retention above 97%** and **winning business** in all regions
- Client activity bottomed late April – recovering ever since
- FY20 Interim Dividend deferred to October has been cancelled, and no full year dividend

Reported (\$AUDm)	FY20	Change on P.C.P
TTV (unaudited)	4,561.8	(29%)
Revenue and other income	349.9	(22%)
Underlying EBITDA¹	65.0	(57%)
Underlying NPAT attributable to owners of CTM²	32.0	(67%)
Statutory NPAT attributable to owners of CTM	(8.2)	(109%)
Statutory EPS, cents basic	(7.5)	(109%)
Underlying EPS, cents basic ² (excluding acquisition amortisation)	29.4	(67%)

¹ Excluding AASB 16 impact of \$9.4m and pre-tax one-off acquisition and non-recurring costs of \$10.6m (FY19: \$6.3m)

² Net of post-tax non-cash amortisation relating to acquisition accounting \$5.2m (FY19 \$5.6m), non-recurring and acquisition costs of \$33.8m (FY19: \$5.1m) and AASB 16 impact of \$1.2m

Better than expected 4Q20 performance

Criteria	Market update 7 May 2020	Year end outcomes
1. Underlying EBITDA 4Q20	Expected loss range \$5-10m per month ^	Averaged \$3m loss per month \$2.2m loss July 2020
2. 4Q20 revenue	\$2-5m per month (5-10% of prior year)	Averaged \$11.5m* per month (27.5% of prior year)
3. Cash and cash burn	Net cash \$30m @ 7May2020 with additional \$5-10m/month cash burn to June	\$60m net cash @ 30 June 2020 \$55m net cash @ 17 August 2020

*Includes global government grants in other income. Grants average \$2.5m/month (JobKeeper a minority), but this is off-set by the cost of retaining additional staff to qualify for off-shore grants

^7 May 2020 market update gave a revenue range of \$2-\$5m, and expenses of \$10-\$12m, providing an underlying EBITDA loss range of \$5-\$10m

| Positioning for Recovery



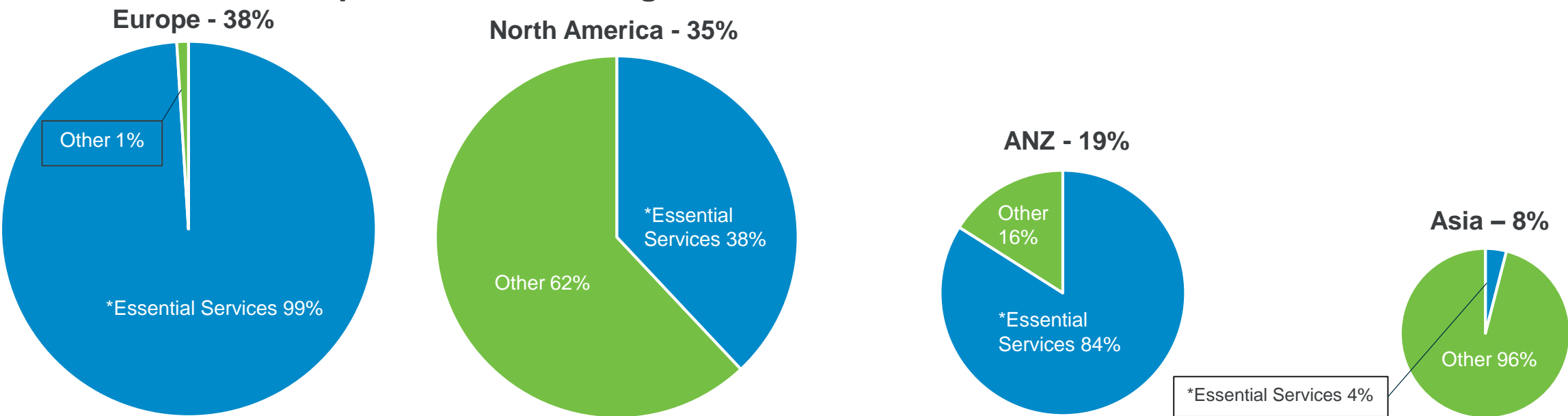
Positioning for recovery

How	Outcomes
Capital light model	<ul style="list-style-type: none"> • Lower fixed cost versus peers • Can swiftly re-size the cost base, as required
Strong balance sheet	<ul style="list-style-type: none"> • Well positioned to take advantage of any M&A/industry consolidation that may occur due to COVID-19 • \$60m net cash (net of client creditors), \$55m at 17 August (minimal erosion post 30 June) • Zero debt, with additional \$180m committed undrawn facility
High exposure to essential travel clients	<ul style="list-style-type: none"> • Provides solid recurring earnings through COVID-19 restrictions • CTM revenues 4Q20 averaged \$11.5m/month* (27.5% of p.c.p.), compared to forecast of 5-10%
Geographical diversity	<ul style="list-style-type: none"> • CTM is leveraged to the largest markets • 4Q20: Northern hemisphere represent 81% of group revenue • USA largest revenue contributor in 2H20
Domestic only model can be highly profitable	<ul style="list-style-type: none"> • Can return to profit on domestic only activity • Pre-COVID, over 60% of transactions were domestic (within country) • Little reliance on international travel versus peers
Proprietary client-facing technology	<ul style="list-style-type: none"> • Ability to swiftly develop in-region for local client nuances and COVID-19 features to capture market share • Little to no transaction costs versus 3rd party software

*Includes global government grants in other income. Grants average \$2.5m/month (JobKeeper a minority), but this is off-set by the cost of retaining additional staff to qualify for off-shore grants

CTM has a high level of exposure to essential travel - 4Q20

Represents relative regional contribution to revenue 4Q20



- Very high exposure to essential travel clients
- High proportion of charter flights, accommodation and car hire due to low level of commercial train and air operations

- Significant exposure to essential service clients
- Broader client base traveling given:
 - Higher frequency of commercial scheduling of air
 - Resilience of the US market. US domestic travel more widely accepted in COVID-19 environment

- High exposure to essential services revenue
- Large proportion of charters and accommodation/car hire given low level of commercial operations and border closures

- Asia’s client mix is more typical of travel industry
- Lower revenues in-line with low travel by broader market clients

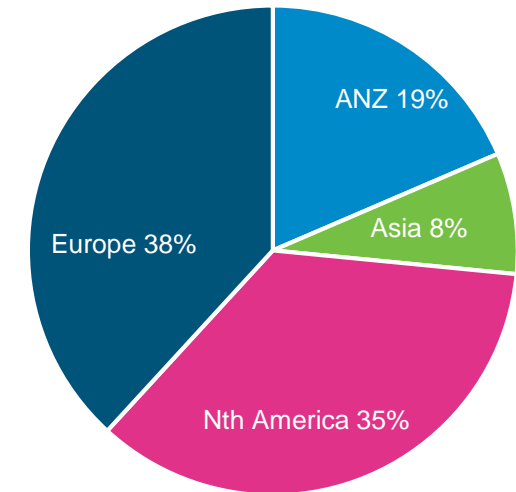
Over 81% of revenues are derived from off-shore markets



Flightradar24.com 2pm Local Time Wed 5th August 2020



4Q20 revenue split*

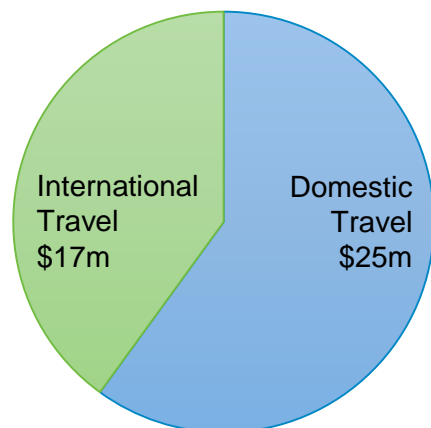


- Lower reliance on one single market due to geographic diversification
- Europe and USA the largest contributors to group revenue
- CTM leveraged to the largest travel markets
- Despite COVID-19, flight activity remains strong in EUR/USA

*Excluding Group Revenue

Ability to operate profitably as a domestic travel business

Pre-COVID-19 Group monthly revenues approx \$42m



Domestic revenues pre-covid-19 of \$8-9m/month generated in each respective region of ANZ/EUR/US, total circa \$25m/month

Domestic travel defined as travel departing and arriving within the same country, e.g. intra-UK

International travel defined as travel arriving at a different country to the departure country and includes intra-regional travel. HKG-SIN, UK-EUR, AUS-NZ is considered international

CTM can operate a high performing domestic-only business until international recovers:

- Approx. 60% of pre-COVID19 group revenues (\$25m/month) relate to domestic travel, generated from ANZ/EUR/USA
- Domestic travel has very high use of CTM client-facing technology and proprietary Lightning booking tool
- CTM can return to profit quickly with marginal activity increase, due to low incremental cost per booking
- Not reliant on international travel to be profitable as per below

Revenues:

- **Apr-Jun20: averaged \$11.5m/month***
- Generated **small international revenues** due to corporate/essential travel portfolio

Costs:

- **July cost base \$13.5m/month*** (significant capacity exists)
- Expecting a **\$16m/month** cost base will **support a full domestic and meaningful international recovery**

*Includes global government grants in other income. Grants average \$2.5m/month, but this is off-set by the cost of retaining additional staff to qualify for off-shore grants

Technology response to COVID-19 - continue to invest in capex

Budget Optimisation

- [Unused Ticket Credit](#) management tools

Safety & Hygiene integrated with Lightning proprietary OBT

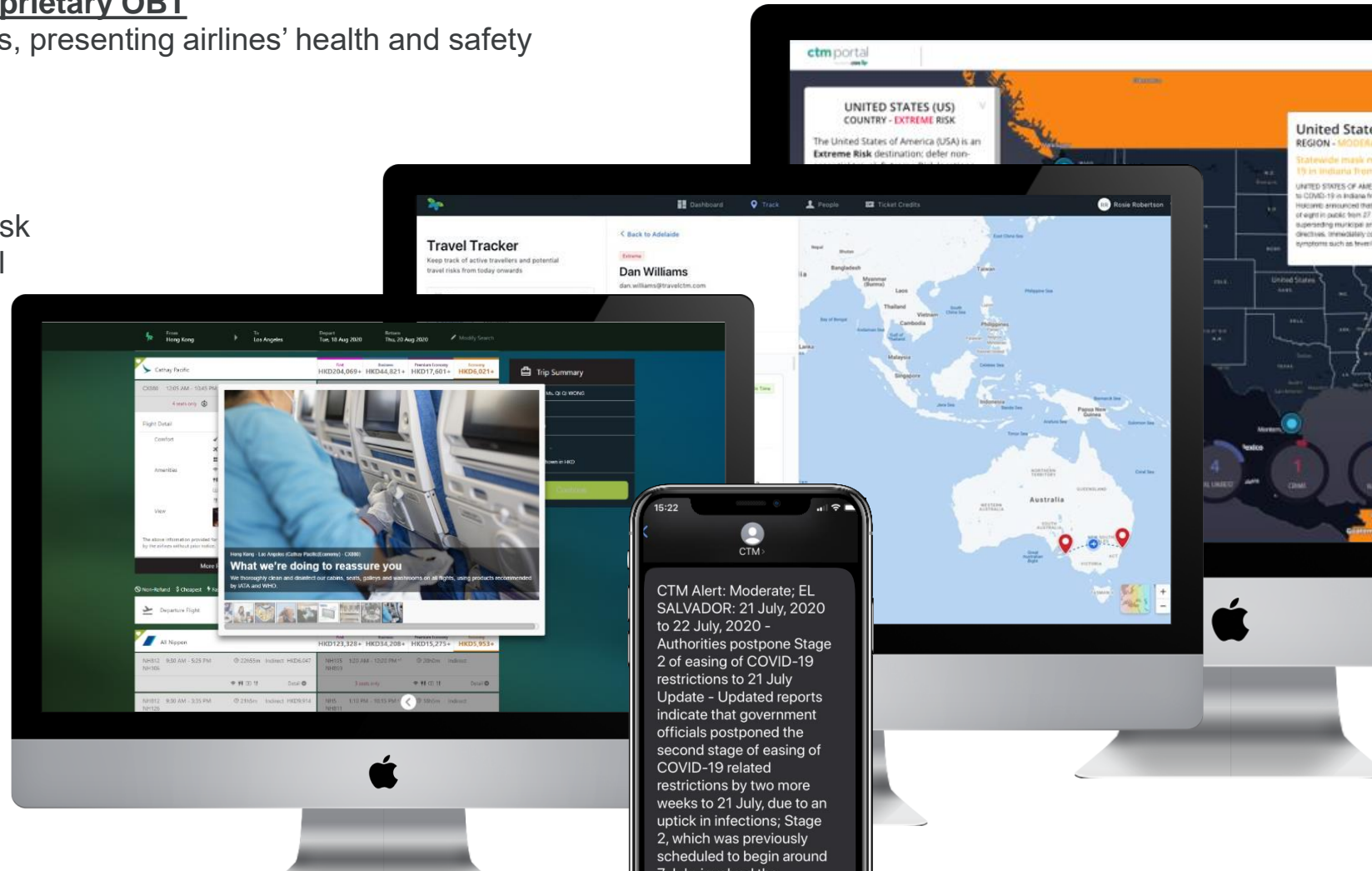
- [Airline Reassurance Data](#) for 100+ global airlines, presenting airlines' health and safety features within the booking process
- [Hotel cleaning and hygiene](#) features

Risk Identification

- [Policy Management](#) set to suit corporate client risk
- [Pre-Trip Approval](#) tool identifies COVID-19 travel restrictions pre-booking (in progress Eur, USA)
- [Risk Alert](#) notifications (in progress Eur)
- [Traveller Tracking](#) tools identify COVID-19 risk levels

Traveller Wellbeing

- [Traveller Wellbeing Reporting Dashboard](#) – identify triggers of traveller stress to optimise travel behaviour

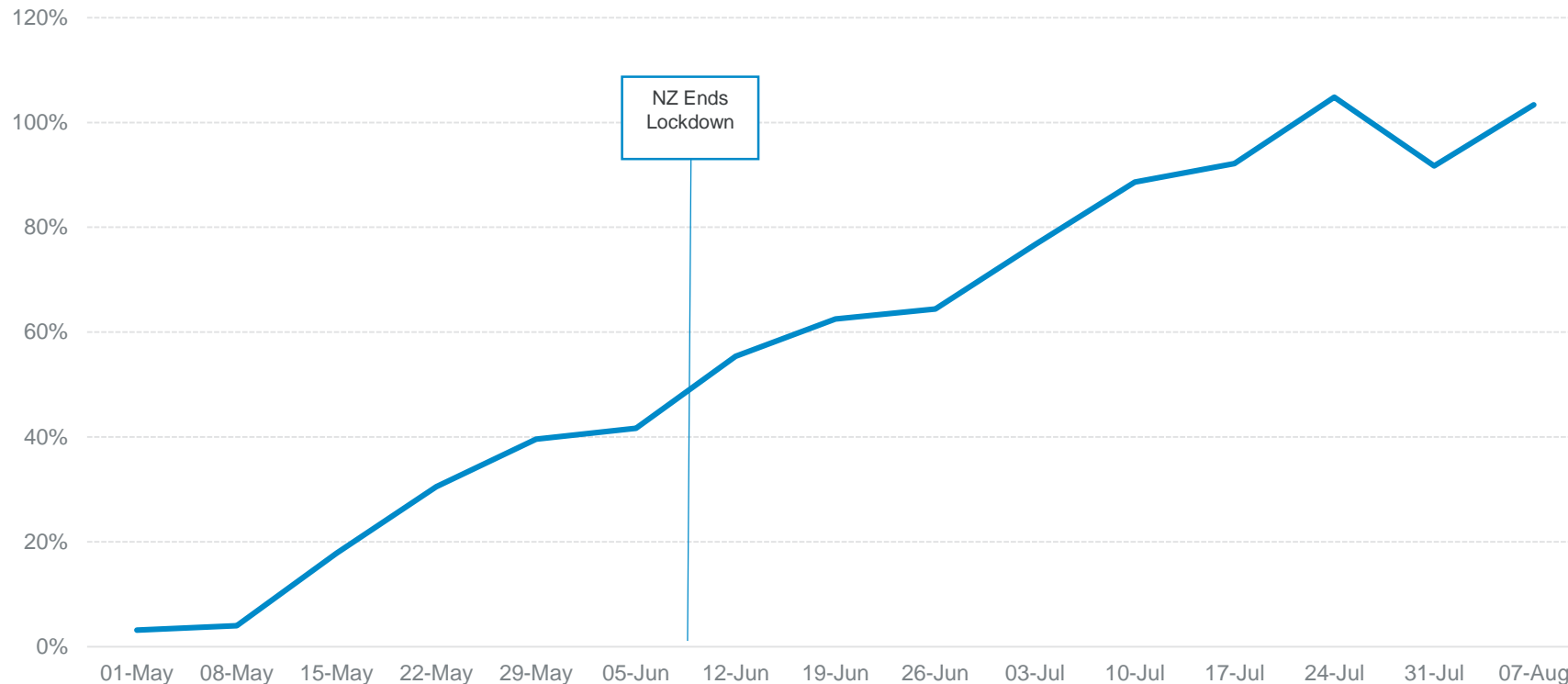


| Activity Update



Case Study - NZ recovery

New Zealand Booking Comparison % 2020 vs 2019



Take-aways:

1. Clear pent-up demand for corporate travel

- Took just 12 weeks for activity to go from 3% to 105%. This is despite no international travel

2. No evidence of structural changes to corporate travel

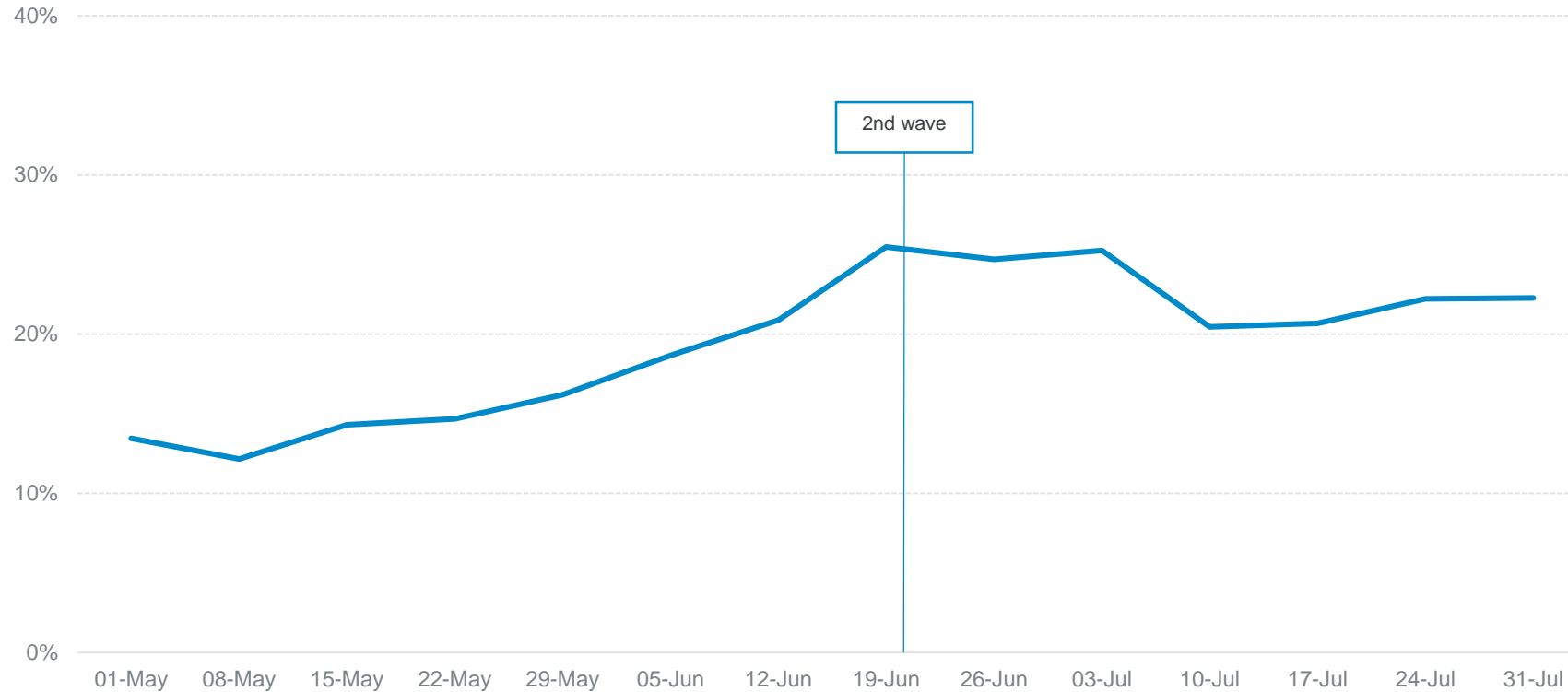
- Historic pandemics have taken 3-4 months for corporate recovery

3. CTM historically outperforms in market share growth, particularly through the recovery phase

- NZ an example of strong organic growth despite market conditions
- CTM historically out-performs in market share growth due to scalability and retention of key service staff
- CTM won 3 key accounts in July 2020 due to poor competitor service (cost base reductions/limited automation meant peers unable to cope with speed of recovery)

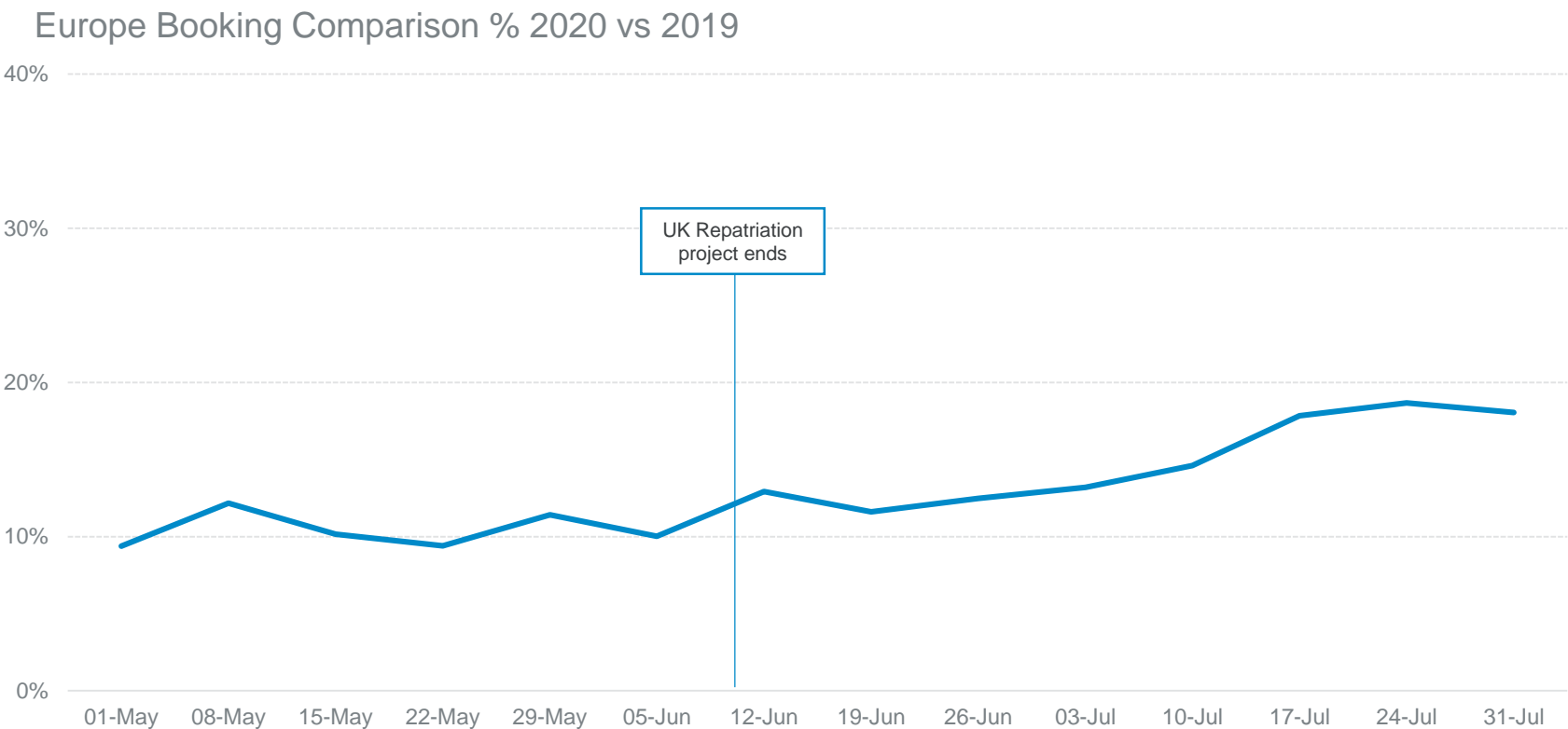
North America outlook

North America Booking Comparison % 2020 vs 2019



- **Resilience of the US market.** Despite deteriorating US COVID-19 statistics, **steady client activity growth continues** since bottom in early May
- July and August are quietest months of year for corporate travel, normal decline 20-25% versus June
- **Encouraging signs:**
 - Higher month-on-month revenues June to July despite seasonality (July the best monthly US performance since COVID-19)
 - USA relaxed restrictions on international travel 6 August 20 with increased flight capacity added

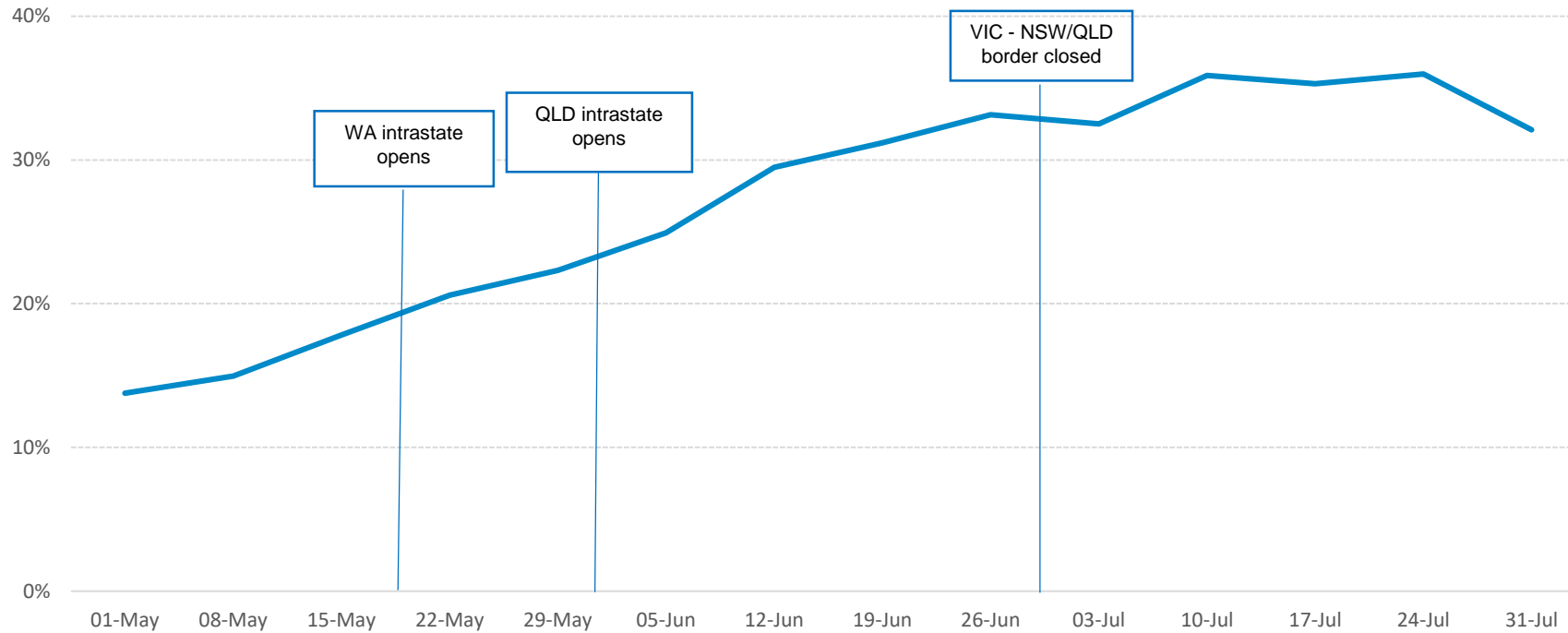
Europe outlook



- Post July, **experiencing increasing activity** with the opening of international travel between continental Europe/UK
- Expect recovering domestic market with government back in office after summer vacation. **Government is a material contributor to domestic travel**
- Well positioned for domestic profitability on marginal activity increase - **broke even in July on current activity**

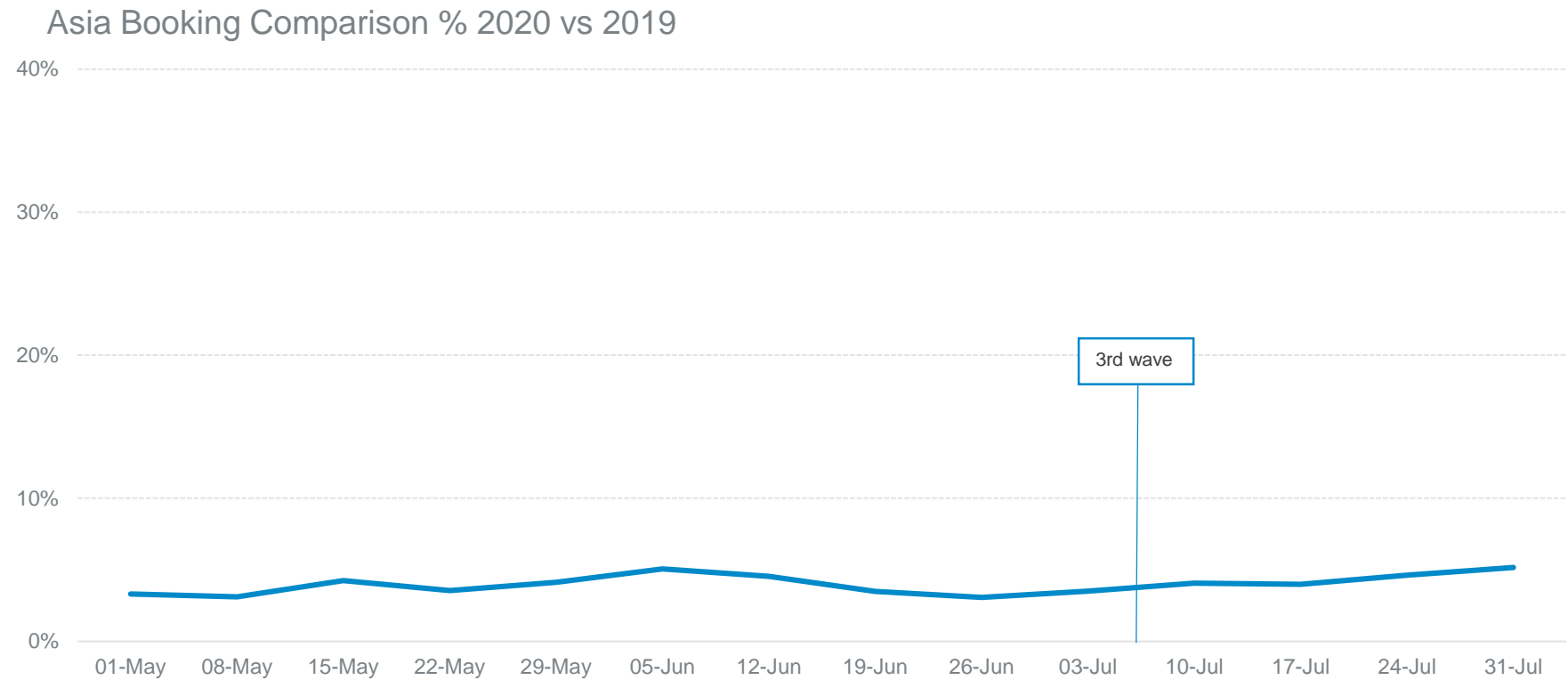
ANZ outlook

ANZ Booking Comparison % 2020 vs 2019



- Travel activity has doubled even through the second wave, due to **pent up demand/essential travel clients**
- Activity steady **despite half the economy being shut down**, due to strong recoveries in QLD, WA
- **Minimal downside. Top 3 segments** of Syd-Mel, Bne-Syd, Bne-Mel have not appeared in top 20 since mid-July and are negligible to total current transaction volumes
- **Broke even in July on current activity**

Asia outlook



- Region scaled back to minimal costs, given international travel reliance. **Asia represents only 8% of 4Q20 revenue**
- Since late July, **experiencing a recovery in corporate and wholesale business** consistent with increased airline schedules and the recommencement of transit travel from China via Hong Kong. Greater China travel bubble a catalyst.
- **Positive signs on further international travel.** Singapore/Malaysia and Singapore/Japan travel bubbles announced for August/September respectively

| Regional Performance



FY20 regional overview

	CTM Consolidated			Australia & New Zealand			North America			Asia			Europe			Global o/head		
	FY20	FY19		FY20	FY19		FY20	FY19		FY20	FY19		FY20	FY19		FY20	FY19	
AUD	\$m	\$m		\$m	\$m		\$m	\$m		\$m	\$m		\$m	\$m		\$m	\$m	
TTV	4,561.8	6,457.5	(29%)	958.8	1,335.5	(28%)	1,146.3	1,459.1	(21%)	1,523.5	2,519.0	(40%)	933.2	1,143.9	(18%)	-	-	
Revenue	316.4	446.7	(29%)	78.0	121.7	(36%)	113.6	149.3	(24%)	50.0	80.4	(38%)	74.8	95.3	(22%)	-	-	
Underlying EBITDA	65.0	150.1	(57%)	29.4	51.5	(43%)	12.8	43.5	(71%)	4.0	24.7	(84%)	25.5	40.9	(38%)	(6.7)	(10.5)	(36%)
EBITDA/Revenue Margin	20.5%	33.6%		37.7%	42.3%		11.3%	29.1%		8.1%	30.7%		34.1%	42.9%				

CONSTANT CURRENCY*

TTV	4,409.0	6,457.5	(32%)	958.2	1,335.5	(28%)	1,091.5	1,459.1	(25%)	1,456.1	2,519.0	(42%)	903.2	1,143.9	(21%)	-	-	
Revenue	305.6	446.7	(32%)	78.0	121.7	(36%)	107.5	149.3	(28%)	47.7	80.4	(41%)	72.4	95.3	(24%)	-	-	
Underlying EBITDA	64.3	150.1	(57%)	29.4	51.5	(43%)	12.6	43.5	(71%)	4.2	24.7	(83%)	24.8	40.9	(39%)	(6.7)	(10.5)	(36%)

*Constant currency reflects June 2019 as previously reported. June 2020 represents local currency converted at FY2019 average monthly foreign currency rates for the full year ended 30 June 2020

North America

	FY20	FY19	% Change	
Reported (AUD)	\$m	\$m		
TTV	1,146.3	1,459.1	(21%)	<ul style="list-style-type: none"> CTM's largest contributor to revenue in 2H20, reinforcing the success of continuing client wins
Revenue	113.6	149.3	(24%)	<ul style="list-style-type: none"> The only region with no government support
Underlying EBITDA	12.8	43.5	(71%)	<ul style="list-style-type: none"> Heavily weighted to domestic travel
EBITDA/Revenue Margin	11.3%	29.1%		<ul style="list-style-type: none"> New leadership executing to plan: <ul style="list-style-type: none"> Successful cost out project - now complete (cost base currently USD3m/month)
CONSTANT CURRENCY				
TTV	1,091.5	1,459.1	(25%)	<ul style="list-style-type: none"> Continue to implement and move clients onto CTM Lightning booking tool
Revenue	107.5	149.3	(28%)	<ul style="list-style-type: none"> Business won in late 1H20 has been implemented
Underlying EBITDA	12.6	43.5	(71%)	<ul style="list-style-type: none"> Continued to win business as previously flagged that will enhance recovery post-COVID-19 97%+ client retention

Europe

	FY20	FY19	% Change
Reported (AUD)	\$m	\$m	
TTV	933.2	1,143.9	(18%)
Revenue	74.8	95.3	(22%)
Underlying EBITDA	25.5	40.9	(38%)
EBITDA/Revenue Margin	34.1%	42.9%	
CONSTANT CURRENCY			
TTV	903.2	1,143.9	(21%)
Revenue	72.4	95.3	(24%)
Underlying EBITDA	24.8	40.9	(39%)

- Region continues to materially outperform market, due to essential travel clients and winning business
- Heavily weighted to domestic travel
- Respected operator with essential travel providers resulting in a number of large travel projects and client wins
- Highly leveraged to government return to work post vacation season (August) given volumes and high use of CTM technology for on-line bookings
- 97%+ client retention

	FY20	FY19	% Change
Reported (AUD)	\$m	\$m	
TTV	958.8	1,335.5	(28%)
Revenue	78.0	121.7	(36%)
Underlying EBITDA	29.4	51.5	(43%)
EBITDA / Revenue Margin	37.7%	42.3%	
CONSTANT CURRENCY			
TTV	958.2	1,335.5	(28%)
Revenue	78.0	121.7	(36%)
Underlying EBITDA	29.4	51.5	(43%)

- Region continues to win market share and outperform market
- ANZ region just the 3rd largest contributor to 4Q20 revenue
- Heavily weighted to domestic travel and highly leveraged to domestic recovery, due to high on-line usage CTM proprietary booking tools
- 97%+ client retention

Asia

	FY20	FY19	% Change	
Reported (AUD)	\$m	\$m		
TTV	1,523.5	2,519.0	(40%)	<ul style="list-style-type: none"> Unlike other CTM regions, Asia is predominantly reliant on international travel, with lower volume of essential travel clients
Revenue	50.0	80.4	(38%)	<ul style="list-style-type: none"> Transactions running at 2-5% of prior year volumes
Underlying EBITDA	4.0	24.7	(84%)	<ul style="list-style-type: none"> Reduced cost base as low as possible without compromising recovery opportunities and culture
EBITDA/Revenue Margin	8.1%	30.7%		<ul style="list-style-type: none"> Using idle capacity to move clients to CTM technology and leverage China domestic recovery through accommodation
CONSTANT CURRENCY				
TTV	1,456.1	2,519.0	(42%)	<ul style="list-style-type: none"> Well positioned for any recovery with 97%+ client retention
Revenue	47.7	80.4	(41%)	<ul style="list-style-type: none"> Won key global client with technology and Lightning OBT being the main reason
Underlying EBITDA	4.2	24.7	(83%)	

| Group Financial Summary



Key financial highlights

Financial results better than expected in 4Q20 as COVID-19 took hold with a rationalised cost base

- Apr-June underlying EBITDA loss averaged only \$3m/month (expected \$5-10m/month) due to rapid cost downsize and higher than expected revenues relating to essential client base
- Established operating model to manage through low activity period
- 2H20 included \$7.7m of global government grants in other income. Grants average \$2.5m/month (JobKeeper a minority), but this is off-set by the cost of retaining additional staff to qualify for off-shore grants

Strong cash position with no debt:

- **Strong operating cash flow** of \$79.2m for the full year
- **Net cash balance at 17 August 20 of \$55.0m versus year end balance of \$60.0m**
- **Zero debt.** 2H20 began with \$21.6m debt and cash outflow for CTP acquisition of \$23.1m in January 20
- **Undrawn committed finance facility of \$180m** (GBP100m)
- All expected material one-off costs associated with COVID-19 have been taken in 2H20
- Bank guarantees reduced from \$91.8m to \$54.3m in line with activity

Profit and loss

\$AUD(m)	FY20	FY19	PCP % Change
TTV	4,561.8	6,457.5	(29%)
Revenue and other income	349.9	449.5	(22%)
Underlying EBITDA¹	65.0	150.1	(57%)
Net profit/(loss) after tax (NPAT):	(10.6)	89.5	(112%)
NPAT - Attributable to owners of CTM	(8.2)	86.2	(109%)
Non-recurring costs (tax effected)	33.8	5.1	
Amortisation of client intangibles (tax effected)	5.2	5.6	
AASB 16 Leases	1.2	-	
Underlying NPAT - Attributable to owners (ex. acquisition amortisation)	32.0	96.9	(67%)

- COVID-19 impacted from late Feb 20
- Includes \$7.7m of global government grants in other income. Grants average \$2.5m/month (JobKeeper a minority), but this is off-set by the cost of retaining additional staff to qualify for off-shore grants
- FY20 Depreciation & Amortisation: \$42.5m
 - Depreciation: \$13.1m
 - Client Intangibles: \$10.2m
 - Software & Other Amortisation: \$19.2m
- FY21 Depreciation & Amortisation: \$30.5m
 - Depreciation: \$13m
 - Client Intangibles: \$5m
 - Software amortisation: \$12.5m
- Non-recurring costs detailed in next slide

¹Excluding pre-tax one-off acquisition and non recurring costs of \$10.6m (FY19: \$6.3m) and impact of AASB 16 Leases (\$9.4m)

Non-recurring items: COVID-19 impacts and actions

\$AUD(m)	FY20
1H20:	(3.7)
Significant COVID-19 impacts:	
Bad and doubtful debts	(13.0)
Redundancy costs	(15.1)
Amortisation – intangibles	(9.1)
Impairment – Software WIP	(1.4)
Borrowing cost acceleration	(3.5)
Impairment – Goodwill (CTP)	(20.2)
Contingent consideration adjustment (CTP)	21.1
Total non-recurring costs pre-tax	(44.9)
Total non-recurring costs post-tax	(33.8)

- Bad debts primarily market impacts and supplier failure e.g Virgin totalling \$13.0m, being
 - Credit losses - \$4.6m
 - Volume based revenue impact - \$8.4m
 - Debtor collection strong - focus drove cash balance
- Moved swiftly to review cost base and implement cost savings:
 - Global restructuring (~1,000 redundancies)
 - Re-evaluated future benefit of intangible assets in light of client demands
 - Renegotiated financing facility achieving covenant waiver
- CTP acquisition – non-cash impacts
 - Earn-out liability (unpaid) written-off
 - CGU impairment adjusting value of business

Comparative statutory balance sheet

\$AUD(m)	Jun 20	Dec 19	Jun 19
Cash	92.8	86.3	138.8
Receivables and other	81.0	278.5	339.4
Total current assets	173.8	364.8	478.2
PP&E	12.1	13.2	13.3
Intangibles	524.5	514.1	506.7
Other	53.1	54.9	5.7
Total assets	763.5	947.0	1,003.9
Payables	100.5	213.3	316.8
Borrowings	-	-	19.2
Other current liabilities	42.5	36.1	31.9
Total current liabilities	143.0	249.4	367.9
Borrowings	-	21.6	20.1
Other non current liabilities	62.4	68.1	23.4
Total liabilities	205.4	339.1	411.4
Net assets	558.1	607.9	592.5

- **Cash has increased** by \$6.5m from 1H20 to **\$92.8m**
- Approximately \$60m of this balance is net cash (net of \$2.4m client cash and \$30m client creditors). The client creditors is included in the current liabilities balance
- Net cash is steady @ 17 August at \$55.0m
- Reduced receivables and payables in line with reduced client activity through COVID-19
- Increase in intangibles driven primarily by CTP acquisition
- **Zero debt.** 2H20 repaid \$21.6m debt and cash paid for CTP acquisition of \$23.1m
- New leasing standard
 - Right of use asset \$46.8m
 - Lease liabilities \$53.1m

Cash flow summary

\$AUD(m)	FY20	FY19
EBITDA statutory	63.8	143.8
Non-cash items	(24.1)	2.9
Change in working capital	64.8	15.6
Income tax paid	(21.2)	(26.5)
Net interest	(4.1)	(2.3)
Cash flows from operating activities	79.2	133.5
Capital expenditure	(22.2)	(26.9)
Other investing cash flows	(23.5)	(45.1)
Cash flow from investing activities	(45.7)	(72.0)
Net (repayment)/drawing of borrowings	(54.1)	(8.4)
Dividends paid	(26.5)	(45.3)
Proceeds from issue of shares net of transactional costs	-	39.2
Release of secured deposits	6.0	5.0
Cash flow from financing activities	(74.6)	(9.5)
FX Movements on cash balances	(4.9)	2.5
Increase/(decrease) in cash	(46.0)	54.5

- Strong operating cash flow of \$79.2m
- Investing cash flows primarily relate to CTP acquisition in 2H20
- FY20 capex broadly in line with guidance
- Will continue to invest in capex \$12-\$15m in FY21 to maintain technology advantage
- All debt repaid during FY20
- No interim or final dividend for FY20

| FY21 and Strategy



FY21

Guidance

Given government decisions on border restrictions are unknown, CTM is not in a position to offer FY21 guidance

Activity recap 4Q20

- Activity materially bounced off late April lows
- 4Q20 underlying EBITDA loss was \$9m (averaged \$3m/month), with no further significant one-off costs expected
- Solid recurring earnings from a significant essential travel client base irrespective of border closures (\$11.5m* per month or 27.5% of the p.c.p)
- Can operate a highly profitable domestic business until international recommences in a material way

Post year end

- **Strong liquidity position continues.** Net cash (net of client creditors) remains steady @ 17 Aug 20 at \$55m
- **Zero debt**, \$180m committed undrawn facility
- **July activity continued higher month on month** versus June suggesting a broad-based recovery in corporate activity is underway in the northern hemisphere, with corporates back at work late August
- **July**, typically our slowest month (northern hemisphere vacation), **recorded a lower underlying EBITDA loss of \$2.2m**
- **EUR/ANZ broke even in July**

Acquisition opportunities

- An extended period of no international travel creates a generational opportunity for industry consolidation
- CTM is well positioned to take advantage of any opportunity with its strong balance sheet

*Includes global government grants in other income. Grants average \$2.5m/month (JobKeeper a minority), but this is off-set by the cost of retaining additional staff to qualify for off-shore grants

CTM's focus remains on long-term strategy and execution

A track record of strong performance and execution	<ul style="list-style-type: none"> • CTM has been successfully operating for 26 years • Since inception in 1994 CTM has delivered TTV, EBITDA and dividend growth in 24 of 26 years, in all economic conditions
Huge potential growth opportunity	<ul style="list-style-type: none"> • Corporate travel is a huge and fragmented sector estimated at USD1.5 trillion pre-COVID-19. Historical consolidation trend to accelerate due to COVID-19 • CTM transacted over \$6.5bn in TTV in CY19 representing 1% of the global market
CTM's value proposition is compelling to the corporate market	<ul style="list-style-type: none"> • To be successful in corporate, you must be able to combine highly personalised service with technology and deliver return on investment • CTM has been able to demonstrate this in every region it operates, amplified in a COVID-19 environment where travel logistics were complex
Unique technology competitive advantage	<ul style="list-style-type: none"> • Building our own client facing technology, in house, in region, in collaboration with our clients. This is more relevant for COVID-19 • Large investment that has delivered strong returns and margins in ANZ and EUR, with further opportunity in USA and Asia
CTM aspires to be a company that is recognised as the best in every market that it operates	<ul style="list-style-type: none"> • A company that achieves high compound organic growth, generating free cash flow and does not require debt to generate growth



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