



ASX Announcement

28 October 2021

2021 AGM – Chairman & Managing Director Address and Presentation

Please find attached the following documents to be presented at Corporate Travel Management Limited's 2021 Annual General Meeting being held today:

1. Chairman's address; and
2. AGM Presentation Slides.

Shareholders will be able to view the AGM virtually at <https://web.lumiagm.com/348373165> from 11:00am (AEST) / 12:00pm (AEDT).

Authorised for release by the Board.

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CORPORATE TRAVEL MANAGEMENT LIMITED

2021 ANNUAL GENERAL MEETING

Chairman's Address: Ewen Crouch AM

Before we get to the formal items of business, I would like to provide some brief observations about the Group and the operating environment. As we meet today there are good grounds for rising optimism in the outlook as vaccination levels in our major markets have resulted in definitive timetables enabling broader travel activity. Widespread use of rapid antigen testing and the successful development of anti-viral medications to combat COVID-19 further support pent-up demand for travel now becoming the reality.

FY21 RESULTS

The last financial year again presented difficult trading conditions as the travel industry continued to experience major disruption because of government-mandated travel restrictions, border closures and quarantine requirements.

The financial performance of CTM in FY21 was significantly impacted by the COVID-19 operating environment and the Group reported a statutory Net Loss After Tax of \$(57.8) million. Excluding one-off or non-recurring items, the Group's underlying Net Loss After Tax was \$(32.3) million.

This was a resilient performance in all the circumstances, underpinned by a combination of prudent cost management, technology development and consistency of the revenue stream from essential service industries such as government, healthcare and mining. We were grateful for government assistance received for our operations in Australia, New Zealand, Singapore, Hong Kong and the UK which enabled us to maintain employment of a greater number of staff than would otherwise have been the case.

Our ability to respond to changing client needs during the pandemic has been an important factor in winning and retaining clients. We have continued to invest in our technology solutions, with a focus on risk management, safety and hygiene information, budget optimisation tools, traveller wellbeing and sustainability. Our teams are committed to driving innovation and excellence in customer service.

We are extremely proud to have been acknowledged across our global markets, with awards for excellence in travel management and technology innovation, as well as for our specialist events and leisure services. These included CTM being named the 'Leading Travel Management Company' in both Australia and North America in the World Travel Awards, and our Lightning online booking tool being named 'Best Corporate Booking Platform' at the Business Travel Awards Europe.

Our revenues grew through the year, particularly in the second half as vaccination rates in North America, the UK and Europe allowed travel activity to pick-up in those regions. Following the acquisition of Travel & Transport one year ago, our enhanced scale in North America, the UK and Europe provides us with a strong platform for the future. This was demonstrated in the fourth quarter of FY21, with approximately 80% of our revenues derived from these regions.

Unfortunately, in Australia and New Zealand, lockdowns and border closures which commenced late in the second half of FY21, have impacted recovery in those regions. We expect recent announcements in Australia and New Zealand to open borders because of high vaccination rates will allow for a more predictable domestic environment in the second half of FY22.

We have zero debt and sufficient cash to manage recovery. Our healthy cash position supported our decision to reduce our credit facility earlier this year. In August, we announced that there would be no final dividend for FY21 - given the continued uncertainty around travel, cash conservation remains critical. However, our dividend policy of returning approximately 50% of after-tax profits to shareholders remains unchanged.

Our Managing Director Jamie Pherous will provide an update on our trading performance over the first quarter and our outlook for FY22 during his address. We are not in a position to provide guidance on our financial outcomes. Subject to remaining travel restrictions lifting in accordance with announced timetables and our key travel markets remaining open, we are targeting continued improving profitability over FY22 enabling dividends to resume following the release of FY22 results.

SUSTAINABILITY

This year we released a more detailed Sustainability Report, which can be found in our 2021 Annual Report. The report focuses on the material risks and opportunities that we believe will determine CTM's sustainability over the longer term. We have broadly aligned our reporting framework with the World Economic Forum's four reporting pillars. We chose this approach because of its applicability to our business and the commitments from a number of relevant bodies to the World Economic Forum's process to develop a globally consistent reporting framework.

CTM recognises the importance of good corporate governance practices which assist in ensuring the accountability of the Board and management of CTM to our stakeholders. The Board regularly reviews our governance practices in light of corporate governance developments, applicable legislation and standards, stakeholder expectations, and responsibilities such as monitoring our supply chain and completing Modern Slavery reporting requirements.

CTM continues to offset 100% of the carbon-emissions created by our own employees' travel. We support our clients to achieve their own carbon neutrality goals through the CTM Climate+ program and to make more informed travel choices through our ongoing investment in developing new sustainability features within our proprietary technology tools. Other exciting initiatives delivered in FY21 include being the first Travel Management Company to sign a multi-year sustainable aviation fuel agreement with Delta Airlines, which will reduce lifecycle emissions by 209 metric tons of carbon dioxide - equivalent to the amount of carbon sequestered by 256 acres of U.S. forests.

Locally, each CTM team has taken practical steps to have a positive impact on the environment, which includes initiatives to reduce waste, recycling - including recycling e-waste - and participating in Earth Hour.

CTM's People initiatives focus on diversity, health and safety, and training and development. Our teams are made up of employees who bring a diverse range of skills, experiences, backgrounds, thoughts and beliefs. We continue to have gender diversity at the leadership level, with 68% of our team leaders and managers being female, and 46% of senior leaders being female. During the year we introduced new and enhanced training relating to Diversity and Inclusion, Equal Opportunity, Unconscious Bias, and becoming a Diversity, Equity and Inclusion Ally and Agent for Change. In Australia we completed Indigenous Engagement Plan initiatives which included our continued partnership with NRL

Cowboys House in North Queensland. During these challenging times, the health and safety of our people continued to be paramount, we have supported our employees with a variety of initiatives promoting health and mental wellbeing locally in each region. We launched a new Global Learning Management system to support our people with flexible learning to suit everyone's different learning needs.

We are focused on working and collaborating with our clients and suppliers to reduce our collective environmental footprint. We are committed to developing and supporting initiatives that provide practical and sustainable benefits to businesses today and into the future. While we have made good progress, we recognise that we need to continue to enhance our sustainability reporting and work will continue in FY22 to refine data capture, measurement and goal setting.

REMUNERATION

The continued impact of COVID-19 on CTM's FY21 earnings meant that many of the remuneration related measures we put in place in response to COVID-19 during FY20, remained in place in FY21. These measures included no increases to fixed annual remuneration or to the fees paid to Non-executive Directors, no short-term incentives for key management personnel and, for many of our people, reduced working hours and pay.

We also made some temporary adjustments to our share-based incentive program for the grants of Share Appreciation Rights last year and this year. On 1 July 2020 we made one- and two-year equity incentive grants, the details of which are described in our 2021 Remuneration Report. We acknowledge the performance periods for these grants were shorter than those traditionally offered but they were aimed directly at retaining our leaders and incentivising actions and behaviours that are consistent with the immediate priorities of the Group and which your Board judged will drive future shareholder returns. The outcome has been strong cost control, cash management and client retention, the successful acquisitions of Tramada and Travel & Transport, including delivery of key integration objectives in line with our integration plan, and an excellent retention rate among our senior leaders.

Since March 2020 and continuing throughout FY21, there has been continuing uncertainty for staff in the travel sector. Talent retention and motivation are critical for CTM's business performance and to create wealth for shareholders. Employees in the travel industry with transferable skills who are experiencing uncertain future prospects continue to be targeted by other industries.

The FY22 equity incentive program has also specifically been adjusted to enable grants across two- and three-year performance periods to address these ongoing challenges in the travel industry while seeking to focus our staff on sustainable growth and shareholder alignment by having ‘skin in the game’. Further details can be found in our 2021 Remuneration Report.

These grants only vest where demonstrable outperformance by the Company is achieved. The Board is very conscious of shareholder alignment in any vesting determination that might be made in the future. This Company is in the unique position where the Managing Director does not participate in these grants but, as major shareholder, supports the grants thus signalling further alignment with shareholder interests.

Our overarching remuneration strategy remains focused on driving performance and providing competitive total rewards that attract, retain and motivate the high-quality employees required to deliver on CTM’s longer term growth aspirations. Retaining, motivating and having the ability to attract staff is particularly important to combat employee concerns about job security and lower job satisfaction.

Shareholder approval is being sought today for the grant of Share Appreciation Rights to Laura Ruffles as part of her FY22 remuneration arrangements. As she is an executive director, shareholder approval is required under the ASX Listing Rules for the issue of securities to directors. So, we are seeking this approval in the interests of transparency and to preserve flexibility if it is considered in CTM’s best interests to issue shares to satisfy any vesting, rather than source them on-market. Laura Ruffles is the only director who currently participates in CTM’s equity-based incentive program and she participates in the same program as all other senior leaders across the business.

We expect that when business operating conditions normalise, the remuneration structure will return broadly to the pre-COVID-19 structure. Your Board is of the view that this structure is simple and clear and has served CTM’s shareholders and leadership team well for many years.

CLOSING REMARKS

Throughout these difficult conditions, the Group has demonstrated its ability to manage costs, while keeping the business ready to capitalise on opportunities that align with CTM’s strategic direction. CTM’s track record of delivering expert service and proprietary technology is even more relevant in the complex COVID-19 travel environment and our

global expertise in cross border travel and logistics has not only supported our high client retention but also delivered client wins.

I would like to thank and acknowledge all CTM management and team members for their efforts and contributions over the last 12 months. We acknowledge the challenges faced by our staff globally and appreciate the resilience, adaptability and professionalism they have continued to demonstrate throughout the pandemic. The support, understanding and loyalty of our people is a testament to the culture at CTM. To our CTM alumni, we thank you for all you have contributed to the business and look forward to welcoming back many of you as travel activity recovers around the world.

Significant progress has been made during the year in global responses to the pandemic, particularly in the production and roll-out of vaccines, deployment of rapid antigen testing, and development of anti-viral medications. As business opens up and various travel restrictions begin to be relaxed or removed around the globe, we are well-positioned for recovery with a clear focus and strategy for delivering long-term value for our shareholders.

Finally, I would also like to thank you, our shareholders, for your continued loyalty and support. My commitment, alongside that of your whole Board and management, is to ensure we continue growing a great corporate travel business.

I will now ask our Managing Director Jamie Pherous to address the meeting.



Corporate Travel Management

ANNUAL GENERAL MEETING

28 October 2021

CTM North America regional HQ



CTM Board



Ewen Crouch AM
Chairman
Independent Non-Executive
Director



Sophie Mitchell
Independent Non-Executive
Director



Jon Brett
Independent Non-Executive
Director



Jamie Pherous
Executive Director,
Managing Director



Laura Ruffles
Executive Director,
Global COO





Ewen Crouch AM

**Chairman
Independent Non-Executive Director**

Group financial summary.

| (AUD\$m) | FY20 | 1H21 | 3Q21 | 4Q21 | 2H21 | FY21 | YoY Change |
|-------------------------------|-------------------|---------------------|---------|-------|---------|---------|------------|
| TTV | 4,561.8 | 403.8 | 384.1 | 821.5 | 1,205.6 | 1,609.4 | (65%) |
| Revenue and other income | 349.9 | 74.2 | 52.2 | 74.1 | 126.3 | 200.5 | (43%) |
| Underlying EBITDA | 74.4 ¹ | (15.3) ² | (5.5) | 13.6 | 8.1 | (7.2) | (110%) |
| EBITDA / Rev & Oth Inc Margin | 21.3% | (20.6%) | (10.5%) | 18.4% | 6.4% | (3.6%) | |

FY21

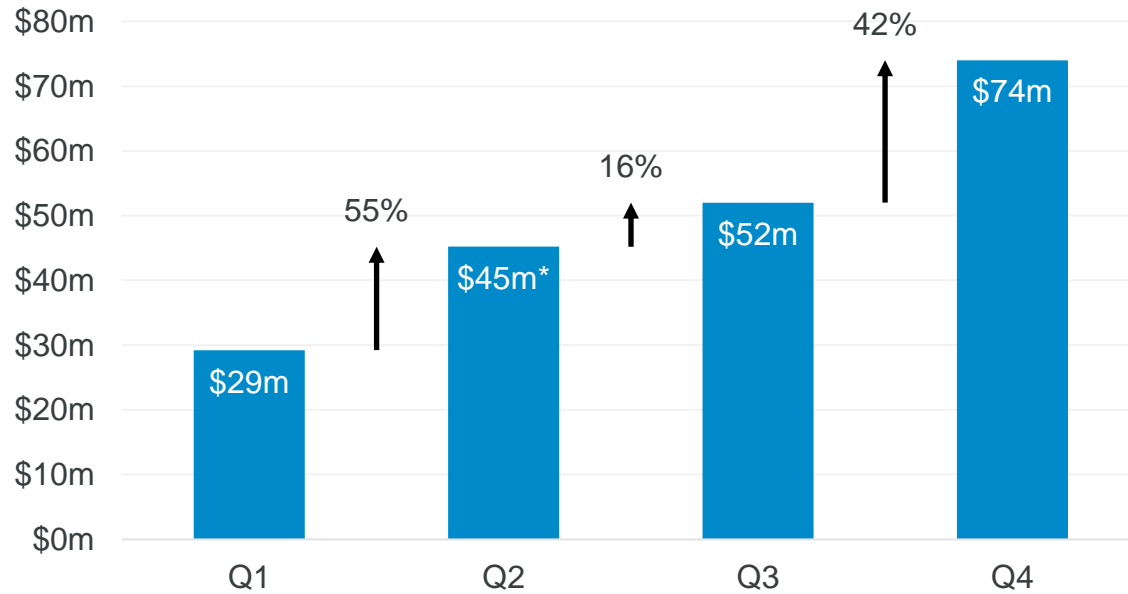
- **4Q21 rapid recovery** led by NA and EU
- **Strong liquidity** - no debt, \$99m cash on hand at 30 June 21
- **Voluntarily reduced unused credit facility**, from £100m to £60m (A\$110.6m) – sufficient cash to comfortably manage recovery
- Global head office costs were \$9.0m in FY21

¹ Includes AASB 16 Leases

² Adjusted by \$0.4m for entities divested in 2H21

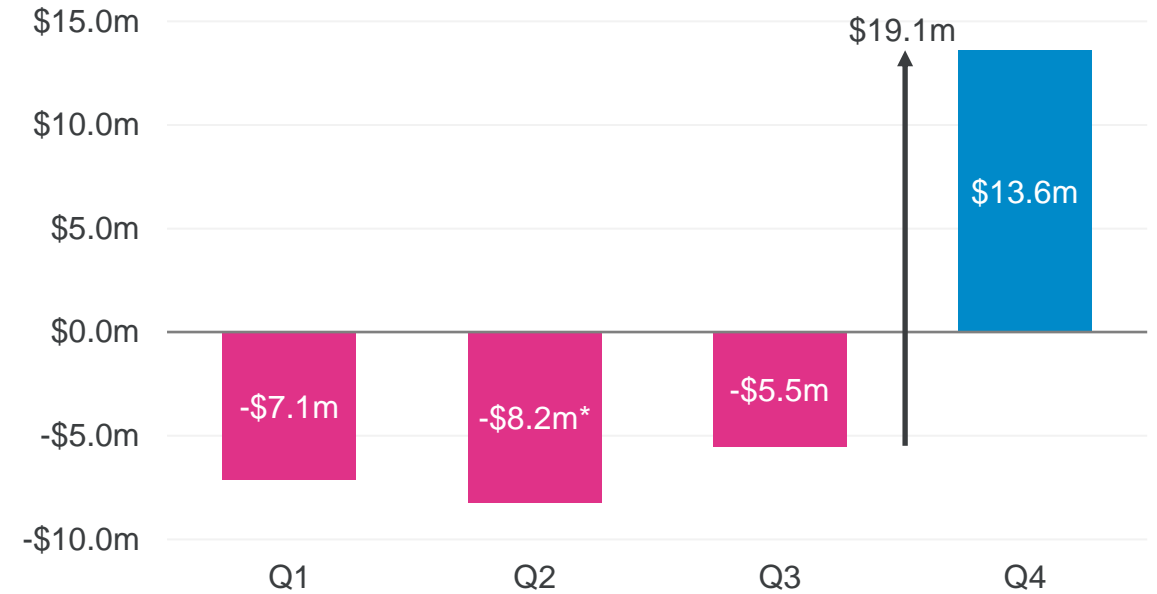
Rapid return to underlying profitability in 4Q21

FY21 Revenue and other income
(A\$m)



- 4Q21 annualised revenue recovered to over 41% of proforma CY2019 (3Q21: 29%)
- Majority exposure to regions with most recovery momentum NA and EU

FY21 Underlying EBITDA
(A\$m)



- EBITDA recovered strongly in 4Q21, driven by NA & EU
- NA strong in 4Q21; activity, synergies and model delivering

* Acquired Travel and Transport 30 Oct 2020 and inherited A\$6m loss per quarter through its combination

Our sustainability pillars





Jamie Pherous

Managing Director



FY22 Trading update

CTM trading highlights- 1H22 on track.

1. Continuing underlying positive EBITDA into FY22, following on from 4Q21 profitability

- 1Q22 delivered in line with internal forecast, 1H22 on track
- North America (NA), Europe (EU), ANZ continued profitability through 1Q22
- Profitability allows CTM to reinvest in both the technology and the people we will need to service our clients through the recovery

2. Environment remains conducive to CTM market share gains

- CTM's value proposition of expert service, innovative technology, ROI is more relevant in a complex recovery environment
- Market share gains continuing via enhanced global reputation in this environment
- Business won expected to deliver above market growth through the recovery phase and beyond

3. CTM's largest regions are recovering the fastest, with strongest momentum

- Sep 21, 83% of group revenue generated from our largest two regions of NA/EU (vs 72% of group revenue on proforma CY19)

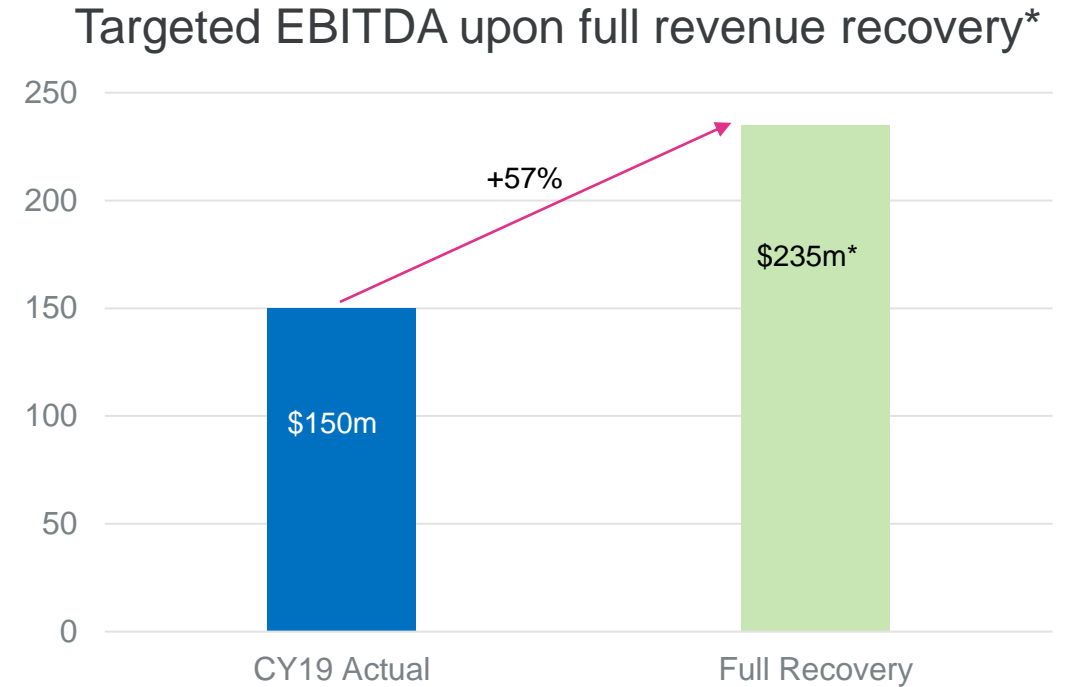
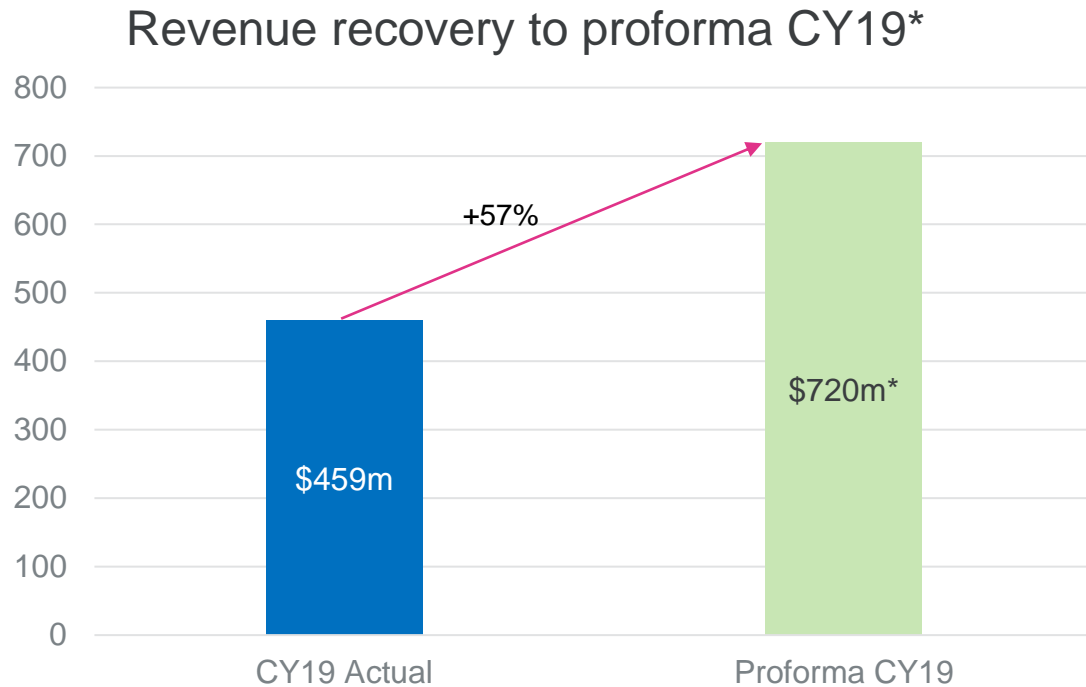
4. Balance sheet strength

- Zero debt, significant cash holdings

5. CTM is a much larger business post-COVID

- Because of transformational acquisition of Travel & Transport in Oct 2020, pro-forma revenue and underlying EBITDA +57% versus FY19 on full recovery
- Estimated to be 4th largest global travel manager in the world
- Continue to assess acquisition opportunities that fit strategy

A significantly larger business post-COVID- recovery on track.



Full revenue recovery expectations on EBITDA

- A much larger business because of the Travel & Transport transformational acquisition executed in October 2020
- **CTM expects to return to FY19 EBITDA/revenue margins** due to a combination of synergy realisation, global cost-out and automation

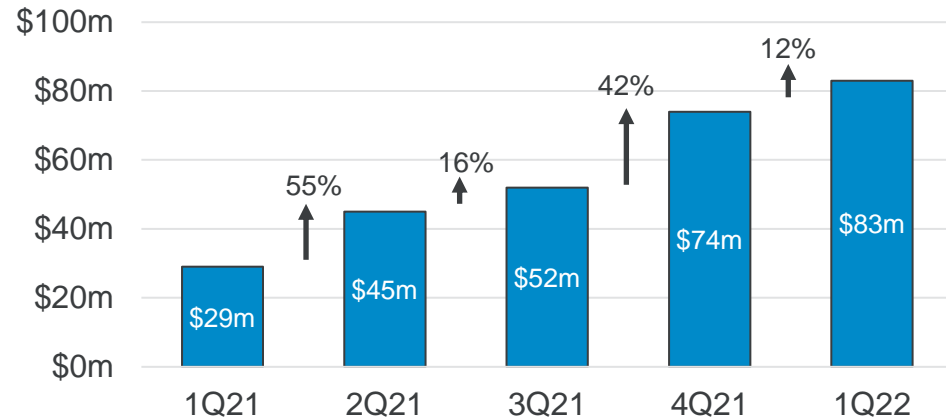
Recovery on track

- **EU region reinforces CTM's strategic global recovery model is working.** 1Q22 delivered all-time record profit contribution on an 80% revenue recovery
- **Organic growth since CY19 not included in the above chart.** When regions opened for at least 4 months, activity already trading above pre-Covid in China, NZ, domestic QLD/WA

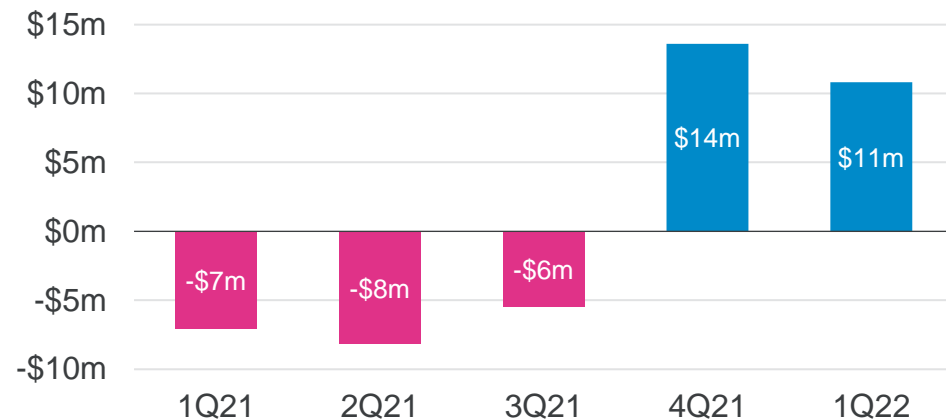
* CTM acquired Travel & Transport 30 Oct 2020. Revenue & EBITDA are proforma combination including synergies using FX AUD1.00=USD0.75, HKD6.00, GBP0.55. Does not include organic growth since 2019

Trading update: Continuing profitability into FY22

Revenue & Other Income (\$Am)



Underlying EBITDA (\$Am)



1Q22 in line with internal forecast with TTV\$1.1bn (up 30% on 4Q21)

- 1Q is seasonally the weakest quarter for CTM due to the very high revenue weighting to NA and EU summer vacation period (Jul - early Sep)

Key 1Q22 impacts:

NA

- Employed 200 staff in July to service expected further rapid recovery following 4Q21
- Rising Delta infection rates temporarily slowed this momentum through Aug-Sep, impacting EBITDA temporarily for 2 months
- Momentum returned late September – October on track for largest profit since COVID as we soak up excess workforce capacity employed in July

EU

- Region the out-performer due to momentum from client wins, rapid re-opening
- 1Q22, all-time EU record profit contribution on 80% recovery in pro-forma revenue

ANZ

- AU and NZ domestic has been largely closed throughout 1Q22
- Chose to retain skilled workforce to service the imminent border opening rebound, impacting EBITDA contribution in 1Q22
- Region still remained marginally profitable due to 100% recovery in intra-QLD, WA travel

ASIA

- Continued marginal losses as expected

FY22: Trading update by region, post 1Q22

| Region | Current status @ 25 Oct 2021 | Looking forward- trading highlights @ 25 Oct 2021 |
|--------|---|---|
| EU | <p>Domestic and international opened w/o quarantine or restrictions</p> <p>Trans-Atlantic 8 Nov</p> | <ul style="list-style-type: none"> • Region demonstrates CTM can return to record profitability on reduced revenues • Expect further recovery with trans-Atlantic opened from 8 November • Forward conference and events bookings at all-time highs |
| NA | <p>Domestic opened- no restrictions</p> <p>International opening 8 Nov w/o quarantine to all key CTM routes including trans-Atlantic</p> | <ul style="list-style-type: none"> • Momentum returned significantly late Sept as domestic restrictions ended, with significant capacity in workforce • October – on track to deliver largest NA profit since COVID • Transatlantic: already issuing over 3000 tickets per week ex USA, a strong sign • Thanksgiving/Christmas seasonality. Expect accelerating recovery in 2H22 as most companies return to offices, all major routes opened with no travel restrictions, continued client win momentum |
| ANZ | <p>Domestic (vaccinated only): SYD/MEL/SYD opened w/o quarantine East coast triangle (inclg. BNE) opens 17 Dec w/o quarantine</p> <p>International (vaccinated only): Syd/Mel to US/UK/SIN opening 1 Nov w/o quarantine</p> | <ul style="list-style-type: none"> • Expect vax rates and border openings to lead to rapid rebound in 2H22, noting domestic activity recovered to 85% in a six week period when all ANZ borders were opened in April 21 • BNE/SYD/MEL triangle 30% of ANZ regional revenue, majority on-line. Currently dormant SYD/MEL to USA /UK/SIN >10% of regional revenue. Currently dormant • Additionally, won a number of large, specialty/logistic projects commencing Dec/Jan |
| Asia | Travel restrictions remain largely in place | <ul style="list-style-type: none"> • China activity at 185% of pre-Covid, rapid recovery signs in Singapore market, but not expecting regional profitability until Greater China opens up to Asia |

FY22 trading update continued

1H22 on track:

- **1Q22 delivered in line with internal forecasts.** Continued positive underlying EBITDA.
- **2Q22 expect** momentum to build as NA and UK/Europe fully open to both domestic and international (Thanksgiving/Christmas will impact)

2H22 expect significant momentum and profit recovery:

- Full 6 month run rate from NA/EU where it is expected NA/EU will be **fully opened** for domestic and international travel vs 1H22
- AU -vaccinations to provide a more predictable and sustainably strong AU domestic and international environment vs 1H22
- As a result, expect a stronger than normal seasonal profit skew (historically 33/67%)

Acquisition opportunities

- We are continuing to assess a number of opportunities that support global strategy

Cash flow and Dividends

- Expect strong operating cash conversion @ 31 Dec 21, no debt
- Profitability and cash flow allows CTM to reinvest in both the technology and the people we will need to service our clients through the recovery
- Targeting return to dividend payments in CY22



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