



## **ASX Announcement**

3 May 2022

### **Corporate Travel Management Market Update**

Corporate Travel Management (“CTM”) (ASX:CTD) will today present a market update at the Macquarie Australia investor conference in Sydney. A copy of CTM’s presentation is attached.

Authorised for release by Shelley Sorrenson, Company Secretary

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# Presentation to Macquarie Conference

**Date:** 3 May 2022

**Presenters:**

Jamie Pherous, Managing Director  
Cale Bennett, Global CFO

[www.travelctm.com](http://www.travelctm.com)



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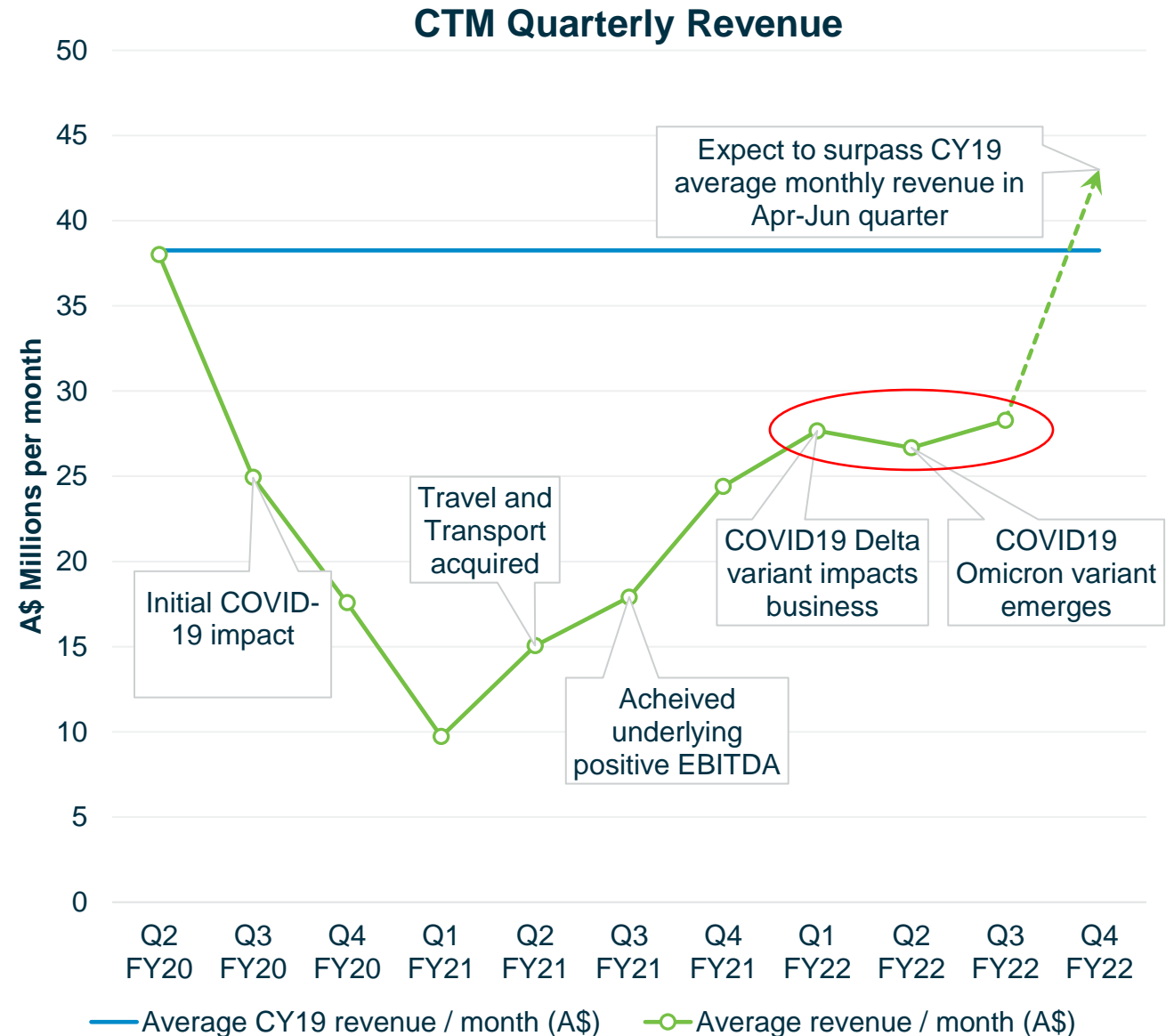
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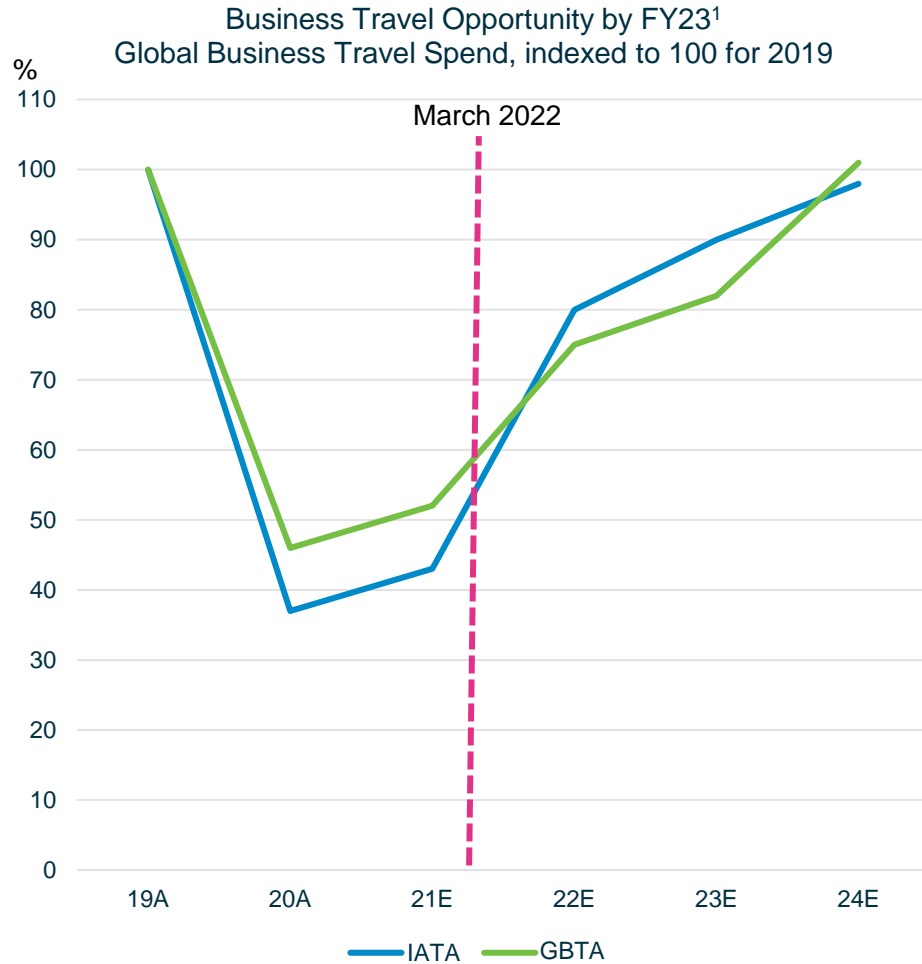
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# Revenue expected to surpass CY19 levels in 4Q22

- **CTM to be >75% larger than CY19 at full recovery**
  - Transformational acquisitions through COVID
  - Monthly revenue expected to surpass CTM CY19 levels in 4Q22
  - Targeting \$265m EBITDA upon 100% recovery
- **CTM recovering faster than corporate travel sector in its largest regions**
  - Strong market share gains in all regions
  - Value proposition, global scale, financial strength all highly relevant in COVID recovery period
- **Strong financial position**
  - Zero debt with sufficient cash to support full recovery
  - Continued investment in technology and staff
  - Underlying EBITDA profits since March 2021
- **Expect strong rev and EBITDA momentum into FY23**
  - After slow 3Q start due to Omicron, record March, expecting new records April, May
  - 4Q22 EBITDA will provide strong momentum into FY23



# Organic growth driving recovery ahead of corporate travel industry



- Consensus<sup>1</sup> corporate travel forecast : 90%-100% recovery through end 2024
- CTM is **recovering well ahead** of consensus and ahead of comparable peers, as evidenced by **March 2022** recovery percentages<sup>3</sup> versus 2019:

Region	CTM <sup>3</sup>	Amex GBT <sup>2</sup>	Recovery upsides still to come
North America	70%	51%	<ul style="list-style-type: none"> <li>• Testing still in place for inbound travel, a significant international impediment</li> <li>• Top 25 accounts trading below average but returning to work through April</li> <li>• TTV Recovery: April 75%+, last week 80%</li> </ul>
Europe	86%	56%	<ul style="list-style-type: none"> <li>• UK BAU Govt &lt;50% recovered, return to work underway</li> </ul>
ANZ	71%	57%	<ul style="list-style-type: none"> <li>• Slow international recovery due to supply constraints despite v. high demand</li> <li>• State Government accounts below average due to WFH but returning to work</li> <li>• TTV recovery: last week 90%</li> <li>• HLO Corporate acquired 1Apr22, not included in this data but TTV at similar trajectory to CTM</li> </ul>

1. Source: GBTA, IATA, Nov-2021  
 2. Estimate of March recovery versus 2019: Amex GBT Investor Day Presentation, 12 April 2022  
 3. Recovery is total transaction value versus CY19 proforma average including T&T

# People a key service differentiator in CTM's value proposition

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- **Service and up to the minute information is a premium asset**
  - Industry-leading <90 second wait times in all regions through March, April except ANZ
  - Strong financial position enabled higher staff retention, proprietary COVID relevant technology investment
- **Unique servicing issues experienced in ANZ: #1 global focus**
  - These short-term issues will be resolved through May/June
  - Service levels affected by a combination of well publicised supply chain staff shortages, rapid recovery, and under-staffing across newly acquired HLO Corporate business
  - Recruitment efforts significantly increased in the short-term to return service to acceptable levels
- **Wage inflation a key challenge in most markets but manageable**
  - Focus on taking care of staff that stuck by CTM through both the pandemic and the current rapid recovery cycle.
  - Inflation impact offset through a combination of:
    - on-going automation to CTM systems driving productivity and creating time for complex expert service demands
    - revenue initiatives being executed globally

# CTM's proprietary technology platform critical to success

## CTM's travel technology stack

- Full Front / Mid / Back-office tech
- Greater cost control and ease of use for clients
- Agile development, client-focused roadmap
- Informative for COVID times

**Global strategy and system architecture, local design and development** – agile, relevant and secure

**End-to-end travel experience:** fully integrated technology and data feeds

**Multi-channel servicing:** desktop, mobile, agent



# Sustainability a key focus in Lightning OBT

## Carbon budgeting

Set a carbon allowance for company by region, team, or individual and see changes as options added to travel baskets

## CTM Greener Choice

The lowest CO<sub>2</sub> choices for flights, hotels, trains and car hire are highlighted in search results with 'CTM Greener Choice' label

## Total trip carbon cost

Total carbon cost of a trip shown in basket so customers know the full environmental impact of an entire trip

## Carbon approvals

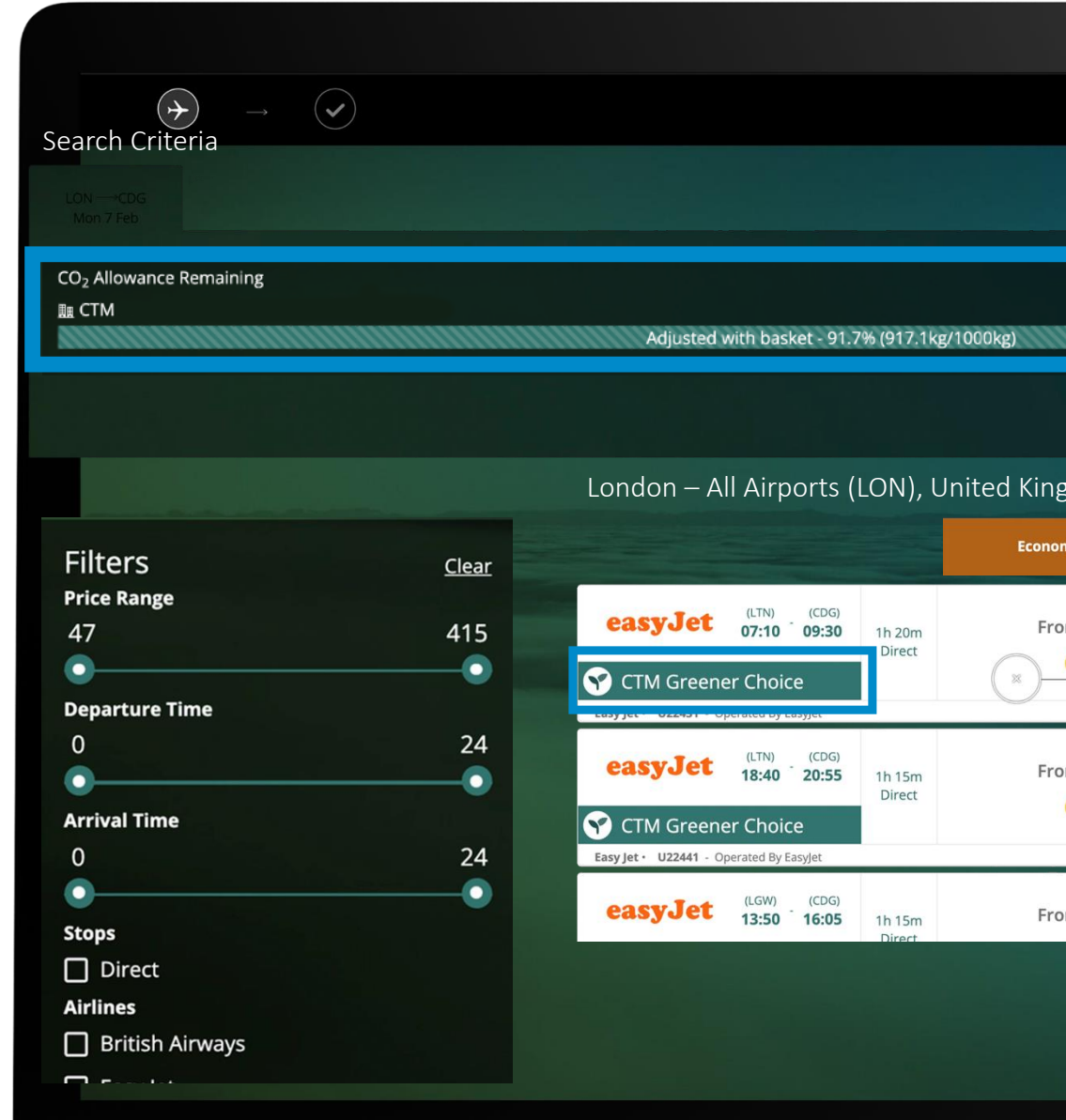
Once a carbon budget has been exhausted, trips can be queued to a 'carbon approver' if required for necessary trips

## Climate+

Reporting in CTM Data Hub on CO<sub>2</sub> for flights, trains, hotels and car

## CTM Ride share

Identifies ride sharing opportunities for colleagues travelling at similar times





# Acquisition and integration status

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## North America:

- Client integration to one system on track for 30 June 2022 completion.
- One brand, one tech stack, one system will allow competitive advantage in both scalability, process simplicity, client serviceability
- Key initiative: Transatlantic client segment. Full technology suite enhancement for release in 1Q23 - industry leading solution
- NA now leading the Group in profit contribution, client wins and this is expected to continue

## HLO Corporate - ANZ

- Acquired 1 April 2022, high quality client base
- Key focus is communicating with clients and staff our plans to rectify under-resourcing. Will be resolved quickly.
- Upsides to expectations:
  - manual processes that will be greatly enhanced via CTM tools and automation
  - moving at rapid speed to move clients to CTM process and technology where applicable
  - merging offices through April and early May to talent share, build quick scale to service clients
- Activity recovery rates mirroring CTM ANZ

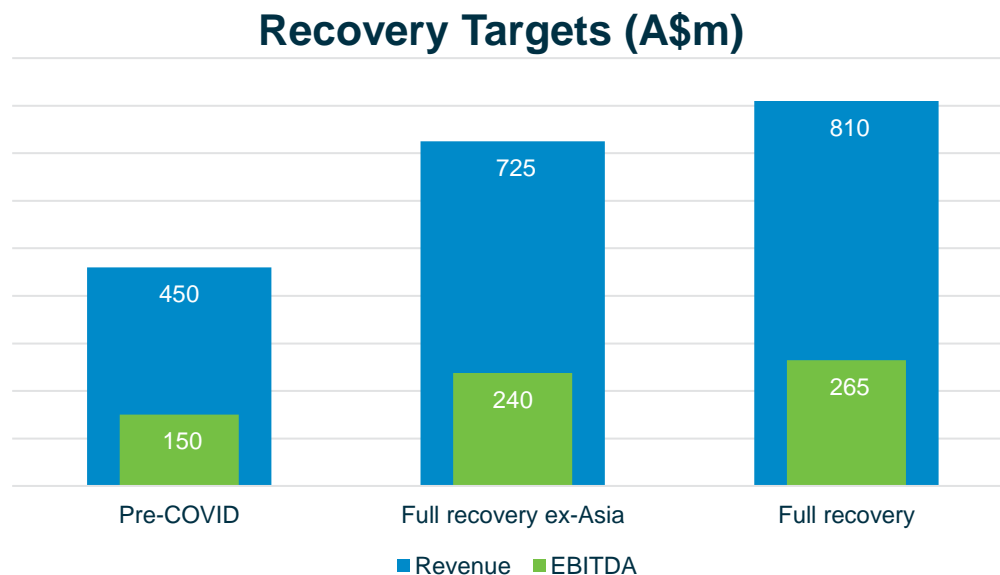
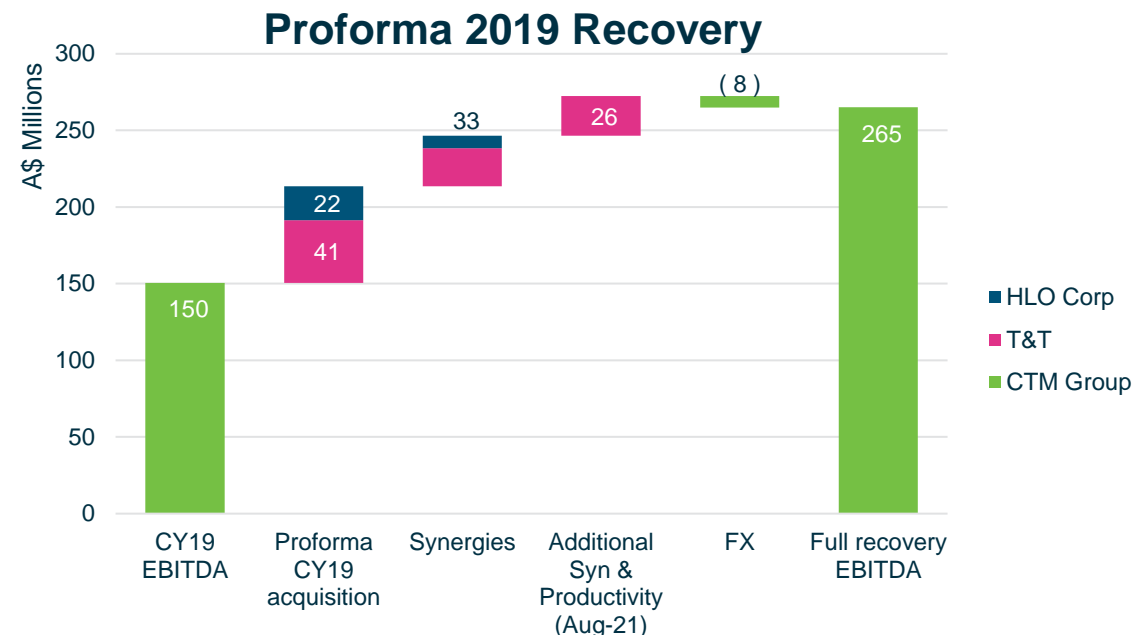
## Other M&A

- Continue to investigate opportunities that make strategic sense, have high quality staff/client base
- Multiples reducing given industry distress through managing cash flow rewind due to rapid recovery
- Sufficient capacity to fund M&A pipeline through cash flow

# CTM transformation through COVID-cycle

- **CTM a much larger business due to COVID acquisitions**
  - Expect EBITDA of \$265m on full recovery, +76% versus pre-COVID
  - **4Q22 monthly revenue to exceed CTM CY19 revenue.** HLO Corp additional
- **CTM will reach 100% recovery faster than the corporate travel industry**
  - Strong market share gains. Value prop of service, tech, ROI highly relevant
  - Little to no recovery impediments exist in NA, EU, ANZ
- **Asia - COVID restrictions delaying recovery in HKG/China**
  - Asia is c80% Greater China. Asia profit contribution <10% on full recovery
  - Singapore- rapid recovery as impediments removed: last week, 70% recovery
- **FY22 earnings:**
  - Still expecting c2/3 EBITDA skew in 2H22. Omicron and resulting global lockdowns impacted 3Q22 recovery
  - **Strong 4Q22** will more than off-set 3Q22 Omicron impact and provide strong momentum for FY23 EBITDA

1. Pro forma EBITDA includes normalisations and excludes costs which are one-off in nature.  
 2. Unaudited  
 3. FX assumed AUD1.00= USD0.75, GBP0.55, HKD6.00 per CY19 averages





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