ASX Announcement

27 October 2022

Corporate Travel Management

Managing Director AGM Presentation and Trading Update

Corporate Travel Management (CTM, ASX:CTD) will today present the attached presentation and trading update at its Annual General Meeting. A copy of the Managing Director's presentation is attached.

Authorised for release by Shelley Sorrenson, Company Secretary.

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FY22 Highlights

CTM FY22 highlights

Successfully converting activity recovery into revenue and PBT	• **FY22:** TTV $5.1bn, revenue $389m, underlying: EBITDA $59.8m, PBT $22.3m, NPAT $17.5m • **4Q22:** TTV $1.8bn, revenue $141m, underlying: EBITDA $35.7m, PBT $25.5m, NPAT $20.5m
Strong 4Q22 momentum	**Starting run rate for FY23 (4Q22 annualised):** • **Revenue $563m; underlying: EBITDA $143m, PBT $102m** • June revenue materially higher than April • 4Q22: 14% productivity gains
Financial Strength	• **$127m corporate cash, zero debt,** positive PBT, strong cash flow, adequate working capital • **Reinstated dividends**: 5c final dividend (unfranked) paid with future intention to pay 50% of NPAT
Recovering faster than market - winning share	• Strong market share gains as evidenced by **revenue recovery** @ 69.5% in 4Q22 • Value proposition, global scale, financial strength all highly relevant to clients – **97% client retention** • Enhancing proprietary automation and RPA tools to enhance service expertise in FY23
A 75% larger business that is expected to deliver record EPS on full recovery	• Full recovery to deliver revenue $810m, underlying EBITDA $265m, up c75% on FY19 (pre-COVID) • Capital raised during COVID has enabled highly accretive acquisitions, full recovery expected to deliver 30%+ EPS growth on FY19 EPS (pre-COVID)

Trading Update

Trading update: General market insights

Observation	Outcome
1. Removal of travel impediments drives rapid recovery in corporate activity	• Experiencing rapid recovery when COVID related impediments removed
2. Airline reliability and airport experience impacting corporate activity recovery	• Where airline reliability and airport congestion is near normal, corporate travel activity now above pre-COVID pro-forma levels (FY19) • Where airport congestion and airline unreliability exists, recovery temporarily stalls until resolved
3. Corporate travel demand remains strong. Inadequate airline capacity persists	• Supply unable to keep up with corporate demand. Airline capacity constraints holding back faster recovery • Average booking completion time higher than pre-COVID due to higher airline disruption management, finding available seats, clearing waitlists, creative trip planning. • Both issues progressively resolving week by week as global network rebuilds
4. No noticeable impact of economic conditions upon activity	• September revenue recovery at 75% of pro-forma pre-COVID • ANZ and EU regions, Singapore already above pre-COVID pro-forma trading levels in September despite greatly reduced capacity, reinforcing strong market share gains through COVID period • Further revenue recovery, some regions significant, across October v September

Regional trading update: FY23 year-to-date

Region	September activity[1]	October month-to-date[2]	Update
EU	**101%**	↑	• Still to come: international, domestic UK and UK government as people return to work • Heathrow airport announced lifting capacity to 100% (from 80%) end of October
ANZ	**116%**	↑	• Revenue recovery to 85% in September as international recovery increases • Upside to come: BNE-SYD-MEL triangle capacity constraints c70%, international supply c45% of pre-Covid, HLO synergies

Asia	**51%**	↑↑	• Pre-Covid, HKG/SIN represented 90% of Asia revenue:
			  • September: Singapore trading >100% pre-Covid pro-forma FY19 levels
			  • HKG: removal of hotel quarantine 27 September; rapid recovery only limited by supply.
			  • HKG recovery >3x Cathay Pacific Airline capacity recovery- a market share gain signal

NA	**70%**	Steady	• Activity post-vacation back to peaks of April/May despite small decline in average ticket value • Slower than expected post-vacation September recovery vs RoW. Airline disruption/poor airport experience lingers, impacting demand for short duration travel • Expect activity to accelerate with greater airline reliability, consistent with all other CTM regions • 80% revenue recovery a stepped change to regional profitability as we soak up excess workforce capacity employed in May, leverage integration and scale benefits

[1] Activity vs proforma pre-COVID 2019 (FY19)
[2] Activity growth vs September 2022

Group trading update: outlook

Group	Update
Activity summary	• No noticeable impact from economic conditions • Consistent theme: demand for corporate travel exceeding supply, travel rebounds rapidly with travel impediment removal & reliability in airline and airport experience • Further material recovery levers: supply constraints, client recovery, synergy & scale benefits, organic growth • Two regions already surpassed pro-forma FY19 despite constraints, reinforcing CTM market share gains
Workforce recovery	• Staff count (FTE) at 30 September: 2956 (+102 since 30 June, predominantly ANZ region) • Workforce build out now largely complete in all CTM regions ex HKG • Graduate academy being rolled out in all regions due to success in ANZ region
Financial metrics	**Revenue and FY23 profit skew:** • 1Q typically the slowest profit quarter due to seasonality of northern hemisphere vacation (Jul-Aug) • September TTV c$0.8bn, an all-time CTM record • September revenue recovery 75%, October tracking higher than September • Consensus requires c80% revenue recovery across FY23 • CTM expects a similar 1H profit skew to FY22, c30%/70%, on-track
Market share gains	**Continues at an accelerated rate:** • Client wins at all-time record levels through to mid-October - surpassed CTM's largest ever full FY result • Client retention remains >97%
Balance sheet strength, scale	• Zero debt, significant cash holdings building since 30 June 2022 consistent with 1Q23 profit generation • CTM is already a much larger business than pre-COVID (FY19) • Expecting to be 75% larger than FY19 at full recovery

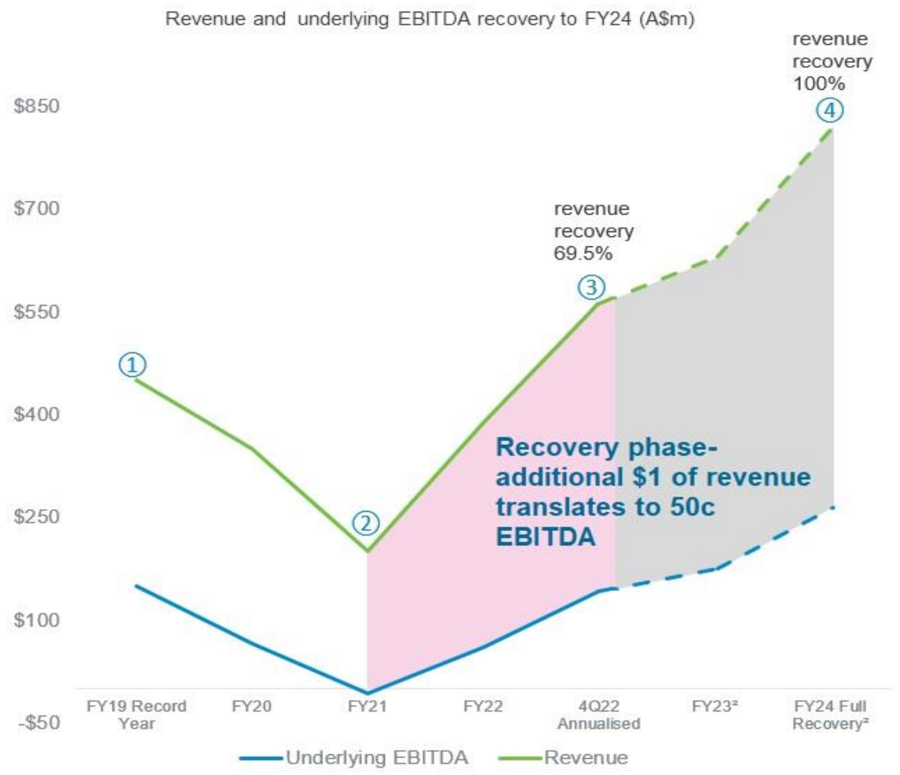
FY23-24 Assumptions

FY23 Assumptions:

- Starting point is underlying EBIDA $143m (4Q22 run-rate)
- Targeting c80% revenue recovery in FY23
- FY23 expected to remain choppy:
    - Supply constraints/airport congestion lingers, notably USA
    - Greater China largely closed (Asia full recovery contributes ~$25m EBITDA)
    - Expect both issues to resolve progressively during FY23
- No further impact on activity from economic conditions than currently experiencing
- COVID remains endemic

FY24 – full recovery (underlying EBITDA $265m on $810m revenue) if:

- Greater China to open borders with no travel impediments by June 2023
- Supply constraints/airport congestion resolved in all CTM markets by June 2023



1. **FY19**- Record CTM Revenue and EBITDA (pre-COVID)
2. **Recovery phase begins.** Every additional $1 revenue translating into 50c of EBITDA
3. **Current position -** 4Q22 annualised revenue recovered to 69.5% of FY24 target
4. **FY24**: Full recovery expectations: revenue $810m, underlying EBITDA $265m, 50% incremental EBITDA margin

² FY23/24 Forecast