ASX Announcement

15 February 2023

Half Year Results Presentation

Attached is a copy of Corporate Travel Management's Limited Half Year Results Presentation for the half year ended 31 December 2022.

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

Corporate Travel Management

Half Year 2023 Results

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CTM 1H23 Highlights

1H23 Group financial highlights

- **Record 1H TTV, revenue.** A testament to strategy, client wins and financial strength through COVID
- **Generating fast growing PBT and NPAT,** reinforcing CTM's recovery and return to 'business as usual'
- **Invested in people to ensure service excellence,** carried $8.4m additional expense in 1H23, to stay ahead of recovery
- **No debt, cash $110.3m**
- **Interim dividend declared of 6.0c** per share unfranked, follows 5.0c per share FY22 unfranked final dividend
- **Looking forward:**
  - ✓ **Expecting record 2H EBITDA result at higher margin** due to industry momentum, significant client wins transacting. 2H expected to be beyond typical 2H skew
  - ✓ **FY23 guidance - underlying EBITDA $160-180m**, underlying PBTA $120m-$140m

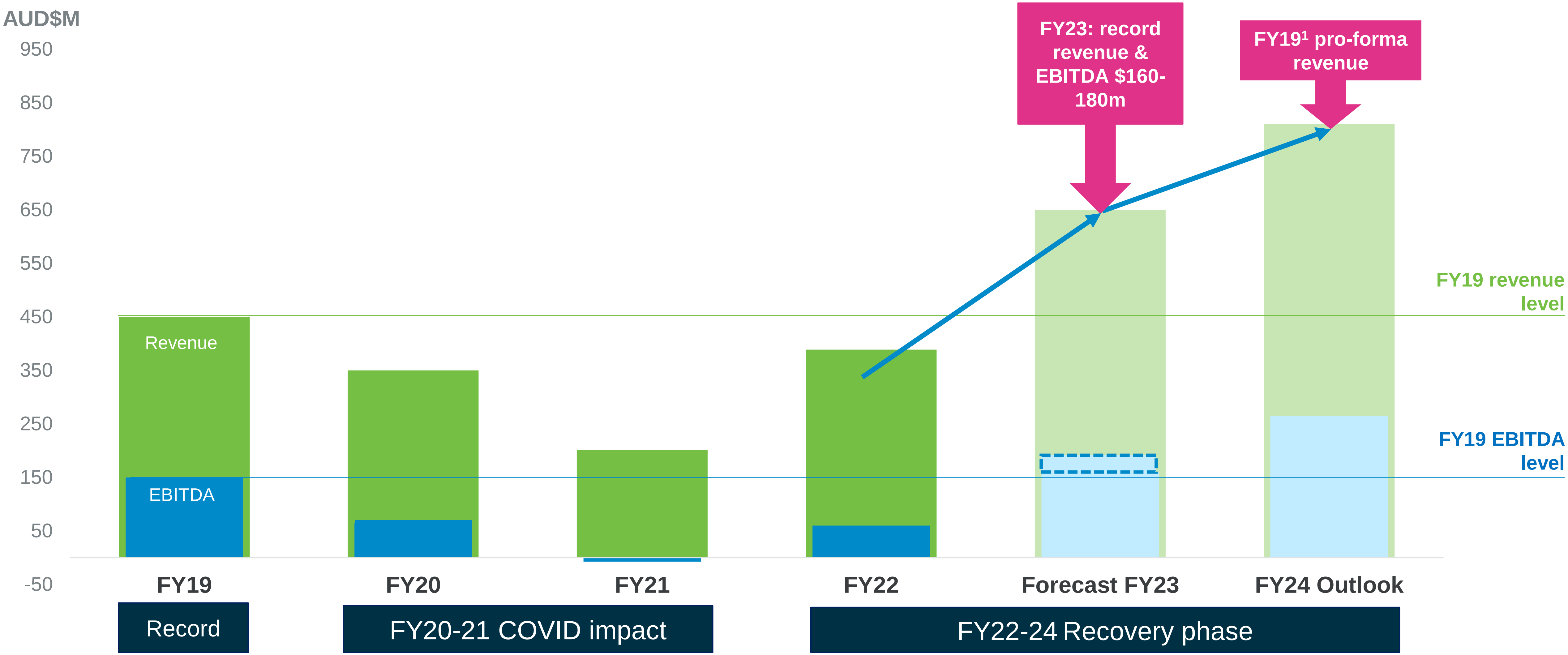
Reported ($AUDm)	1H23	Change on P.C.P
TTV (unaudited)	4,199.0	+102%
Revenue and other income	291.9	+79%
Underlying EBITDA[1]	**51.3**	**+182%**
PBTA[1,2]	**30.4**	**n.m.**
Underlying NPAT attributable to owners of CTM[3]	**22.1**	**n.m.**
Underlying EPS[3], cents basic	15.1c	n.m.
Interim Dividend, unfranked	6.0c	

[1] Excluding pre-tax non-recurring costs of $1.1m (1H22: $7.7m)

[2] Excluding pre-tax client amortisation, a non-cash item of $7.3m (1H22: $4.0m)

[3] Excluding post-tax non-recurring costs of $0.8m and client relationship amortisation, a non-cash item of $5.4m

The recovery trajectory to FY24 – on track



[1] FY19 pro-forma includes T&T and HLO acquisitions

People- Investment in rebuilding and reconnecting

- **Experienced and trusted leadership team -** 30 years+ travel experience**,** across MD, global COO, all regional CEO's.
- **Rebuilt workforce with capacity for future servicing,** welcoming back alumni and opening new recruitment markets via the CTM travel academy. Currently over 3,000 FTE.
- **Looking after our people** increased salaries, incentives, and new benefits ensuring a motivated workforce aligned to success.
- **Reconnecting and recognition** – reconnecting teams with clients and each other. Talent development and recognition of outperforming staff underway in all regions.

CTM has never been a better place to work!

Regional Performance

Group overview

(AUD$m)	1H23	1H22	p.c.p. change
TTV	4,199.0	2,083.1	+102%
Revenue and other income	291.9	163.0	+79%
Underlying EBITDA	51.3	18.2	+182%
EBITDA / Rev & Oth Inc Margin	17.6%	11.2%	

1H23:

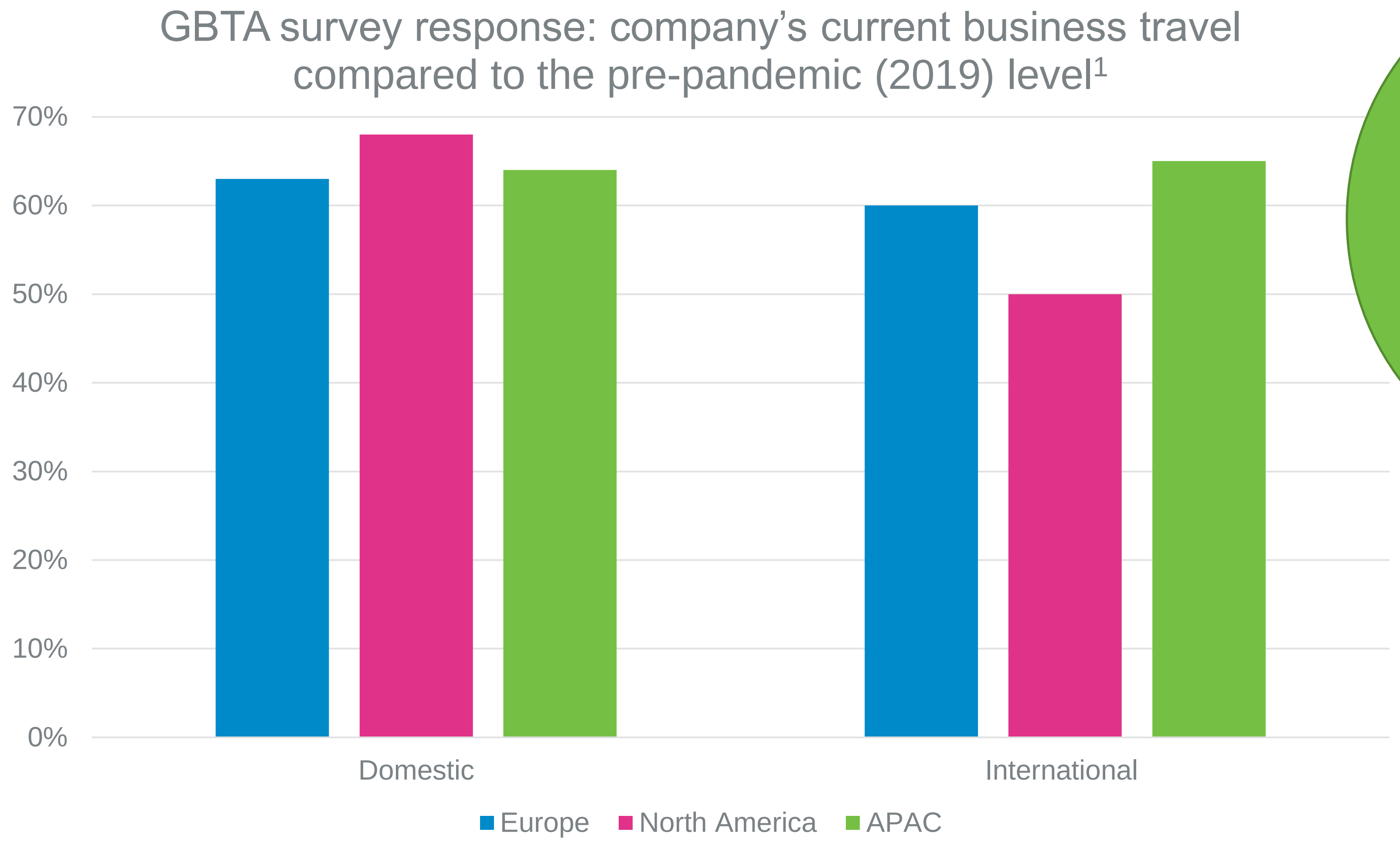
- **Record 1H TTV and revenue**
- **EBITDA includes $8.4m cost of excess staff capacity held** throughout the half. This was a deliberate decision to ensure service levels in 2H23 and beyond.
- **Result included Group overhead of $9.2m[1]** (1H22: $7.0m). Investing to support a much larger business

Outlook:

- Strong momentum into 2H23 due to significant new clients transacting, activity recovery of existing clients.
- NA Jan booking volume highest since COVID despite seasonality, EU January was a record profit.
- Expect strong 2H23 underlying EBITDA at higher margin, beyond our typical 2H skew

[1] Underlying

GBTA Pulse survey Jan 2023- CTM recovery ahead of this data



CTM ahead of recovery GBTA data (**revenue/ booking volume**) vs FY19:
NA c73%
ANZ c78%
EU c146%

77% of travel managers expect their company will take more business trips in CY23

[1] Source: Global Business Travel Association (GBTA) pulse survey January 2023. Domestic and International is booking transaction volumes, not TTV

North America

(AUD$m)	1H23	1H22	p.c.p. change
TTV	1,431.7	949.0	+51%
Revenue and other income	145.8	92.0	+58%
Underlying EBITDA	16.6	6.0	+177%
EBITDA / Rev & Oth Inc Margin	11.4%	6.5%	

1H23

- **Record 1H TTV, revenue**
- Well publicised stalling of US corporate recovery in 1H23, driven by poor airport experience flight reliability
- Resulted in excess staff capacity (A$6.4m) maintained for a recovery that did not occur
- **NA continues to lead client wins across CTM,** with a compelling market opportunity now integration is complete

Outlook:

- **Corporate recovery has resumed,** with January booking volumes **highest levels since COVID**, a positive sign
- 62% of new clients choosing CTM's Lightning OBT
- As a result of excess staff and integration completion, NA is highly leveraged to a small activity recovery (see slide 12)
- **Expect stronger than normal 2H seasonal skew** due to newly won clients transacting

NA Spotlight - Highly leveraged to small activity recovery (AUD)

Revenue Recovery[1]	1H23 c73%	at 80%	at 100%
Revenue per month[2]	$24.3m	$27.0m	$33.0m
Cost base per month[2]	($20.3m)	($21.0m)	($23.0)
EBITDA per month[2]	$4.0m	$6.0m	$10.0m
Rev/EBITDA margin	16.5%	22.2%	30.3%

Take-aways:

1. **Revenue recovery uplift to 80% can be managed with limited additions to cost base,** due to excess workforce capacity, integration completion**. (**1H23, carried additional staff costs for recovery that did not occur)

2. **Integration completion means a small incremental revenue rise translates into a large EBITDA uplift:**
   - an 80% recovery is expected to deliver approximately AUD6.0m/month[2] EBITDA
   - a 100% recovery is expected to deliver approximately AUD10.0m/month[2] EBITDA

3. **Expecting to surpass 80% revenue recovery during 2H23**

AUD1.00=USD0.70
[1] Revenue recovery versus average pro-forma FY19 which includes T&T acquisition
[2] Represents average month over a full year, seasonally adjusted

Europe

(AUD$m)	1H23	1H22	p.c.p. change
TTV	924.3	806.5	+15%
Revenue and other income	45.2	43.8	+3%
Underlying EBITDA	17.0	20.9	(19%)
EBITDA / Rev & Oth Inc Margin	37.6%	47.7%	

1H23

- **TTV, revenue, EBITDA all exceeding 1H19**
- Region is cycling off a record 1H22 due to large COVID projects completed in FY22
- TTV has nearly doubled in size compared to FY19, primarily through client wins
- New, ongoing logistic-related revenue streams as a result of expertise developed through the COVID period

Outlook

- **Jan '23 was a record profit** despite Jan being seasonally weak
- Logistic skill-set developed through COVID expanding CTM EU's addressable market
  - ✓ As a result, the EU is expected to be the largest contributor to the Group in 2H23
- Significant client wins transacting - expect very strong 2H23 on 1H23 growth.

ANZ

(AUD$m)	1H23	1H22	p.c.p. change
TTV	1,329.8	238.6	+457%
Revenue and other income	80.7	21.1	+283%
Underlying EBITDA	23.5	0.9	+2511%
EBITDA / Rev & Oth Inc Margin	29.1%	4.3%	

1H23

- **Record TTV and revenue. TTV trading beyond FY19 levels, including HLO in baseline**
- Rev/TTV margin decline through the addition of HLO corporate acquisition
- Graduate program investment and support of WoAG servicing resulted in maintaining excess staff for service continuity, c$2m in 1H23

Outlook

- China opening is expected to enable a significant recovery of international supply and competition; Positive for customers in the region
- Maintaining excess staff to service clients through an expected international recovery
- Expect a significantly stronger 2H due to momentum from client wins, HLO synergies, productivity gains

Asia

(AUD$m)	1H23	1H22	p.c.p. change
TTV	513.3	89.0	+477%
Revenue and other income	19.9	6.0	+232%
Underlying EBITDA	3.4	(2.6)	n.m.
EBITDA / Rev & Oth Inc Margin	17.1%	(43.3%)	

1H23

- Momentum from HKG opening late in 1Q23, with almost half the earnings derived in the last 2 months of the half, despite seasonal weakness
- Won significant market share following competitor exits

Outlook

- China opening on 8 January 2023 is expected to create a stepped change in activity
- Continue to win business from competitors; competitor closures expected to continue
- Expect significant 2H23 skew due to China opening, new client wins transacting and recovering

Group Financial Summary

Profit and loss

$AUD(m)	1H23	1H22	%Δ
TTV	**4,199.0**	**2,083.1**	102%
Revenue and other income	**291.9**	**163.0**	79%
Underlying EBITDA[1]	**51.3**	**18.2**	**182%**
Underlying PBT[2]	**30.4**	**(0.6)**	
Underlying NPAT[3]	**21.9**	**(0.4)**	
Less: Non-recurring items[4]	(0.8)	(6.6)	
Less: Client relationship amortisation[3]	(5.4)	(3.0)	
Statutory NPAT	15.7	(10.0)	

- 1H23 a strong result, building throughout the half
- 1H23 Depreciation & Amortisation: $27.2m **($19.9m** excluding client relationship amortization, a non-cash amount)
- FY23 full year D&A expectations 1H23: roughly double ~$55m **(~$40.0m** excluding client relationship amortisation, non-cash)
- Effective tax rate 28.6%

[1] Excluding pre-tax non-recurring costs of $1.1m (1H22: $7.7m).
[2] Excluding pre-tax non-recurring costs of $1.1m (1H22: $7.7m) and pre-tax client relationship amortisation of $7.3m (1H22: $4.0m)
[3] Excluding post-tax non-recurring costs of $0.8m (1H22: $6.6m) and client relationships amortisation, of $5.4m (1H22: $3.0m)
[4] Post-tax

Comparative statutory balance sheet

$AUD(m)	Dec 22	Jun 22[1]
Cash	110.3	142.1
Receivables	357.7	276.3
Other current assets	14.3	18.5
Total current assets	**482.3**	**436.8**
Right-of-use assets	39.5	42.4
Intangible assets	986.9	975.2
Other non-current assets	50.5	54.6
Total assets	**1,559.2**	**1,509.0**
Payables	367.3	343.3
Other current liabilities	44.3	37.9
Total current liabilities	**411.6**	**381.2**
Borrowings	-	-
Other non-current liabilities	41.9	46.4
Total liabilities	**453.5**	**427.6**
Net assets	**1,105.7**	**1,081.4**

- **Strong financial position** is enabling the Group to comfortably manage growing activity
  - **Cash has decreased by $31.8m** primarily as a result of working capital movements over the reporting date
  - **Strong cash generation** is expected going forward as working capital balances are now near full recovery levels
  - **Zero debt drawn**
- Increase in receivables and payables driven by strong growth in activity, particularly late in the half
- Increase in intangibles as a result of updates to the HLO Corporate and 1000 Mile Travel Group acquisition and movements in FX rates

[1] Comparative information has been restated to reflect the prior period adjustments detailed in note 5 'Business combinations' of the Interim Financial Report.

Cash flow summary

$AUD(m)	1H23	1H22
EBITDA statutory	50.1	10.5
Non-cash items	3.7	3.3
Change in working capital	**(54.9)**	**26.6**
Income tax paid/received	2.3	(1.2)
Net interest	(0.8)	(1.1)
Cash flows from operating activities	**0.4**	**38.1**
Capital expenditure	(16.3)	(10.6)
Acquisition/divestment cash flows	(2.1)	(0.6)
Other investing cash flows	-	-
Cash flows from investing activities	**(18.4)**	**(11.2)**
Net (repayment)/drawing of borrowings	-	-
Dividends paid	(7.3)	-
Proceeds from issue of shares (net of transactional costs)	-	73.8
Other financing cash flows	(6.2)	(4.5)
Cash flows from financing activities	**(13.5)**	**69.3**
FX movements on cash balances	(0.3)	(2.0)
Increase/(decrease) in cash	**(31.5)**	**96.2**

- **Cashflow conversion fundamentals have not changed**, with conversion expected to align with historical averages over time
- **Cash at reporting date has decreased in 1H23 by $31.5m** (ex. FX) from the p.c.p. to $110.3m due to:
  - Unfavourable timing of fixed payment cycle at reporting period versus the p.c.p. Timing will reverse at FY23
  - Invoice book increase as client activity returned, principally in ANZ and EU
- **Strong cash generation is expected going forward** as working capital balances are now near full recovery levels
- FY22 final dividend of 5.0cps paid during the period
- Software Capex $14.1m ensuring software leadership and the integration of HLO technology. Capex in 2H expected at similar levels, primarily software

FY23-24 Outlook

FY23 Guidance

FY23 guidance:

- **Underlying EBITDA range $160-$180m, full-year underlying PBTA[1] $120-$140m**
- Momentum from a strong 2H23 result is expected to set up a strong FY24
- Expect **significantly higher revenue/EBITDA margin in 2H23** due to significant client wins transacting, supply chain stability, increasing productivity

Group activity update:

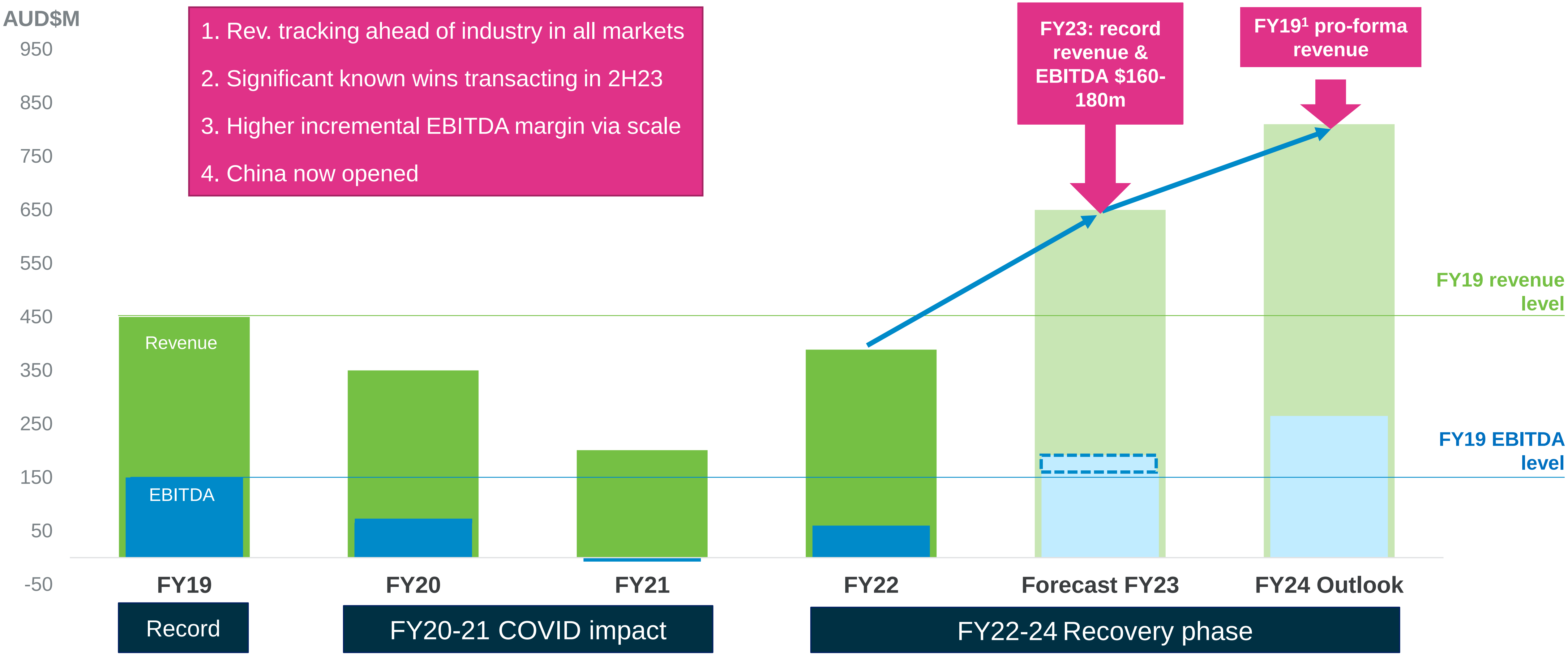
- Demand remains strong: no signs of macroeconomic impact on recovery. Continue to monitor closely
- Supply chain stabilising, assisting in increased productivity, supplier revenues, margins
- Client win pipelines at all-time highs with 97%+ client retention

Regional activity update:

- NA - Jan booking volumes record since COVID. Expect to surpass 80% revenue recovery in 2H23, with strong ongoing profit contribution
- EU - significant client wins transacting expected to provide a company-leading 2H result. January a record profit despite seasonal weakness
- ANZ - post-vacation period activity at record levels. International supply, operational improvements and synergies to provide a strong 2H23
- Asia - experienced an immediate activity increase upon China opening on 8 January, with demand outstripping supply

[1] Excluding pre-tax non-recurring costs and pre-tax client amortisation

The recovery trajectory to FY24 – why it's on track



[1] FY19 pro-forma includes T&T and HLO acquisitions

Summary- focus remains on long-term strategy and execution.

A track record of strong performance and execution	• CTM has been successfully operating for nearly 29 years and has delivered TTV, EBITDA and dividend growth in 26 of 29 years, in all economic conditions (only exceptions: COVID, September 11)
Huge untapped growth opportunity	• Corporate travel is a huge and fragmented sector estimated at USD1.5 trillion in FY25 • CTM is the 4th largest corporate travel brand in the world, yet manages under 1% of the global market • Expect further industry consolidation. CTM has the expertise and the balance sheet to be part of any industry consolidation
CTM's value proposition is compelling to the corporate market	• We combine highly personalised service with technology and deliver a return on investment to our customers, ensuring a sustainable and compelling value proposition • CTM has been able to execute this strategy at scale in every region it operates
Technology competitive advantage	• Building our own client-facing technology, in collaboration with our clients • Large investment that has delivered strong market returns and margins in ANZ and EUR, with further margin opportunity in USA and Asia once these regions reach 80% revenue recovery
World class sustainable investment thesis	• Beyond FY24, targeting double digit compound organic revenue growth, of which half of incremental revenue converts to EBITDA. (FY24 growth expectations much higher due to COVID recovery phase) • CTM generates free cash flow and does not require debt to generate growth, with expectations that 50-60% of NPAT to be paid out in dividends • CTM already carbon neutral for internal travel - targeting net zero for Scope 2 GHG emissions by FY25

Glossary

Client SLA’s	Client Service Level Agreements
CTM regions	ANZ- Australia and New Zealand, NA - North America, EU- UK and Europe, Asia - Asia
EBITDA	Earning before Interest, Tax , Depreciation, Amortisation
EPS	Earnings per share
FTE	Full time equivalent employee
GDS	Global Distribution System
GHG	Greenhouse Gas
IATA	International Air Transport Association
m.o.m.	month on month
n.m.	not meaningful
NPAT	Net Profit after tax
OBT	On-line booking tool
PBT	Profit before tax
PBTA	Profit before tax and Client amortisation, a non-cash amount
p.c.p.	Previous corresponding period
ROI	Return on Investment
TTV	Total transaction value, an unaudited amount
Underlying	Excludes one-off acquisition, integration costs, other non-recurring items, and client amortisation, a non-cash amount
WoAG	Whole of Australia Government
Y.T.D.	Year to Date

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