Corporate Travel Management – Half Year Results 2016

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Group Result Highlights

- **Underlying EBITDA up 38% to $28.0m**, excluding $2.4m one-off net revenue items. Statutory EBITDA $30.4m
- Top line growth through strong client wins and retention in every CTM region. **Approximately 73% of TTV, 54% of revenue and 80% of underlying EBITDA growth is organic**
- Strong operating cash flow and cash conversion
- Strong Balance Sheet
- Continued investment in client-facing technology and internal business tools, which strengthens CTM competitive advantage
- Half year dividend up 50% to 9 cents fully franked payable 08 April 2016
- Reconfirm Guidance of underlying FY16 EBITDA at top end of range at $68m

	$m 1H2016	Change on P.C.P
TTV (unaudited)	1,722.7	↑ 54%
Revenue and other income	119.7	↑ 43%
Underlying EBITDA*	28.0	↑ 38%
Underlying NPAT*	14.9	↑ 36%
Statutory NPAT	17.3	↑ 75%
Statutory EPS	17.8c / share	↑ 68%
Half Year Dividend	9 cents	↑ 50%

* Underlying EBITDA and NPAT is before one-off net revenue items after tax of $2.4m (being acquisition costs of $0.1m and earn-out consideration right back of $2.5m). Statutory EBITDA $30.4m.

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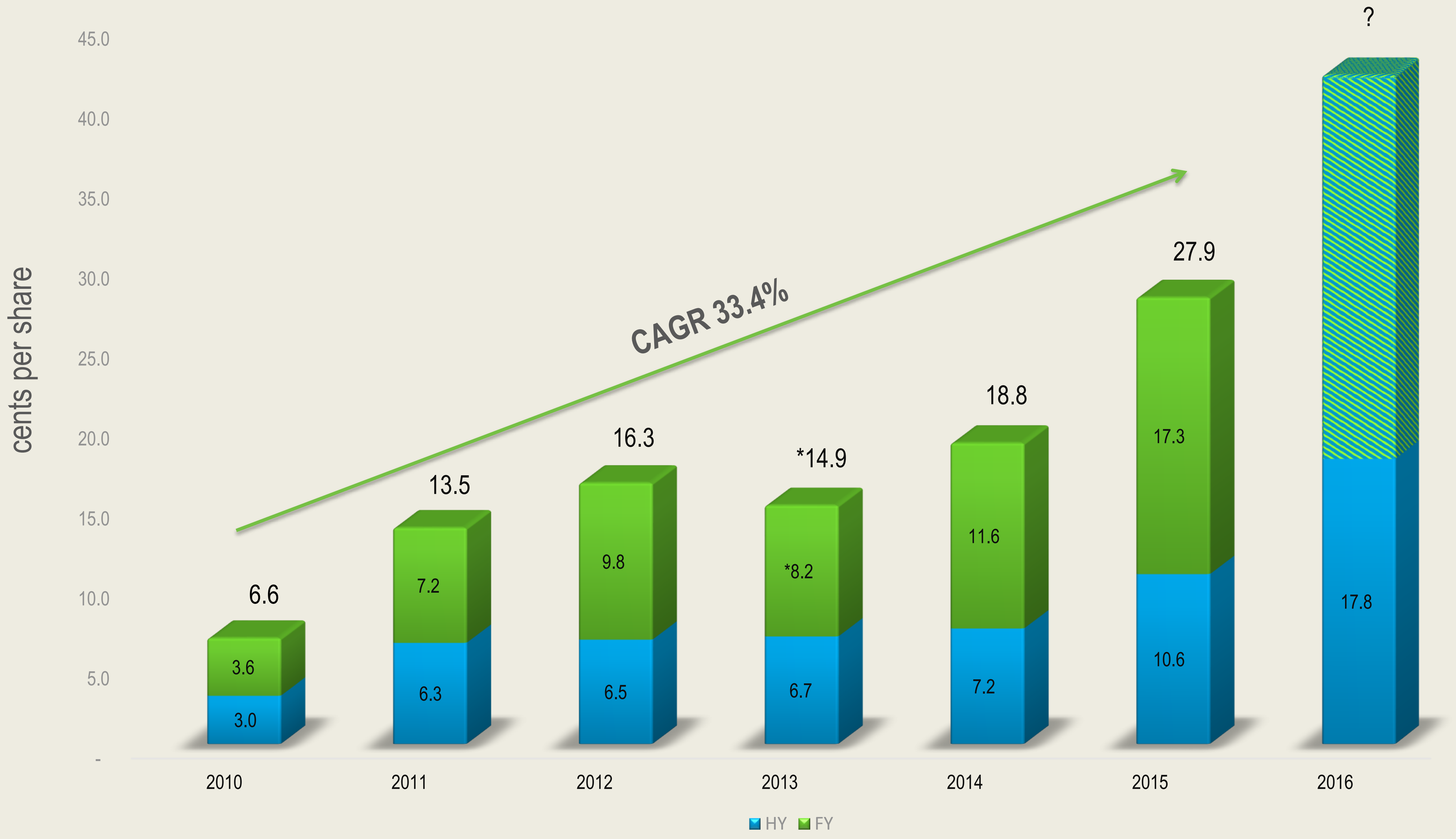
EPS Growth Since IPO December 2010



FY16 Profit Growth Build

*Restated downwards for voluntary change in accounting policy on recognition of pay direct commissions

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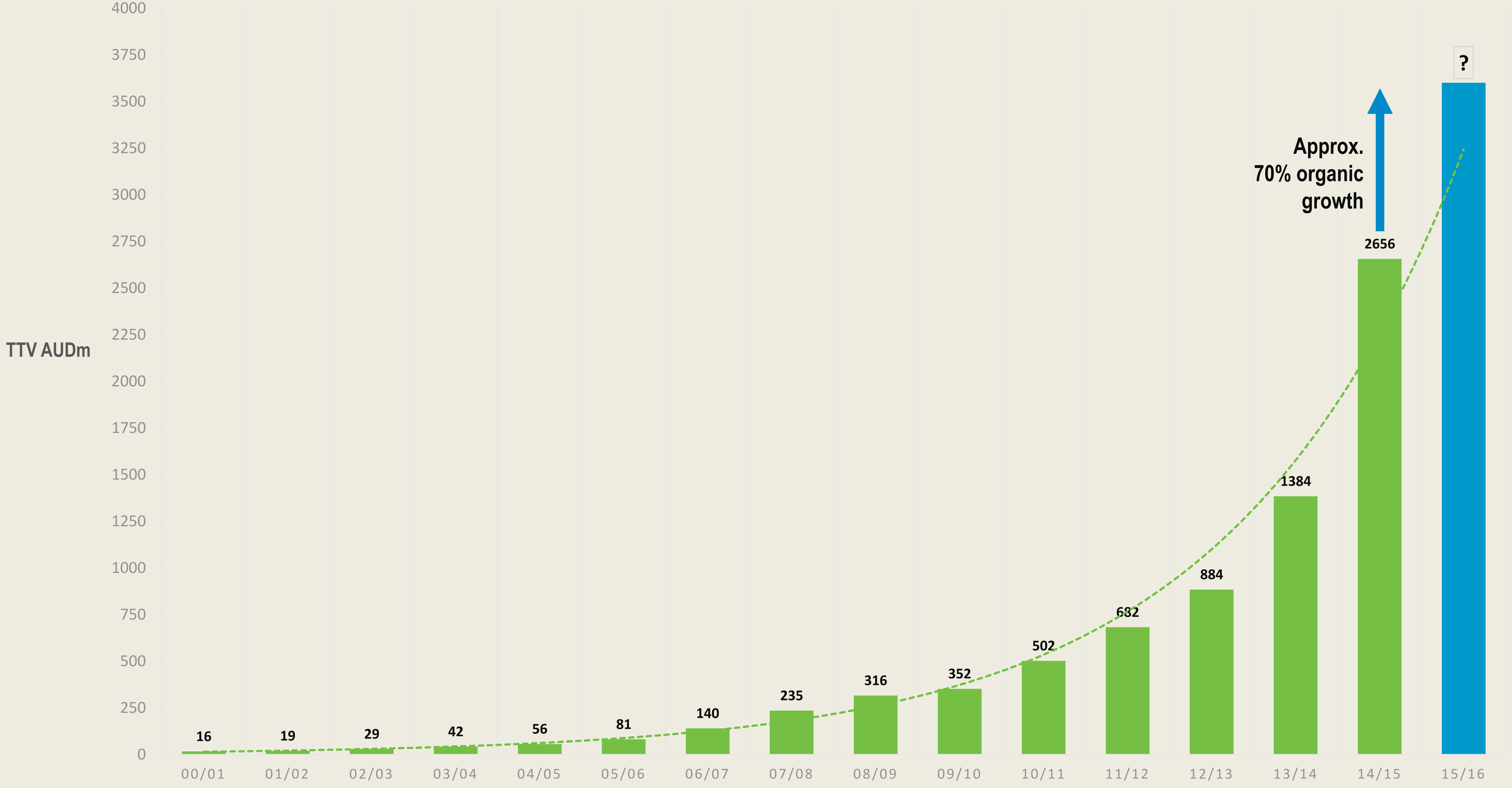
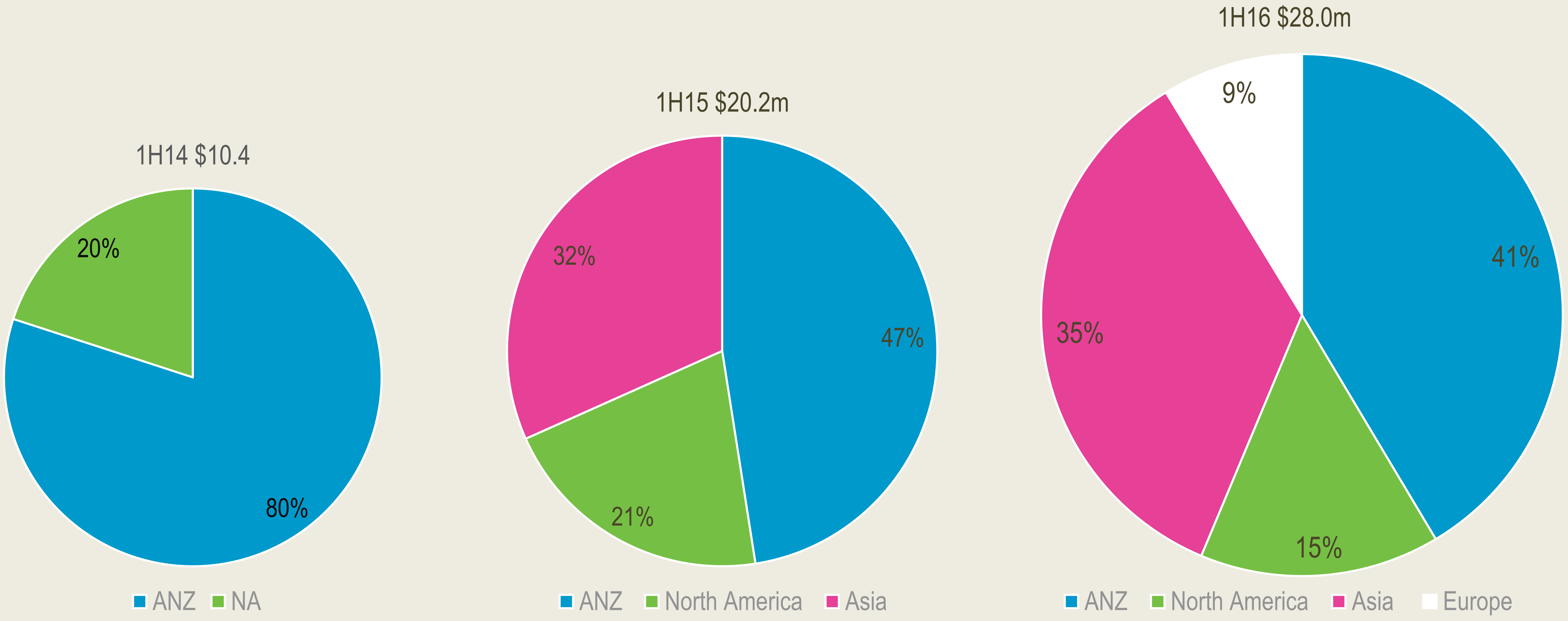
CTM Global Footprint

Operating out of 82 cities in 53 countries, employing over 2,000 FTE

Over 20 Years of Continued Growth



EBITDA Contribution by Region



Building diversity through offshore expansion

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ANZ

Underlying EBITDA up 12% on the p.c.p:

- Organic growth despite decline in activity and client specific slowdowns
- Record EBITDA margin due to scalability and continued productivity improvements. Testament to business model and technology
- Yield decline due to more online business and winning larger clients, but is not compromising EBITDA margins (key measure)
- Expect stronger 2H due to new client win momentum. (record year for new client wins)
- Remain highly leveraged to activity recovery due to market share gains

$AUD	ANZ		
	1H2016	1H2015	% Change
TTV (unaudited)	417.4m	406.0m	3%
Revenue	37.2m	36.9m	1%
Yield % of TTV	8.9%	9.1%	
Underlying EBITDA	12.8m	11.4m*	12%
% of Revenue	34.4%	30.9%	

* Restated for allocation of group costs.

Asia

Underlying EBITDA up 67% on the p.c.p.:

- Top line growth in new clients primarily across corporate and wholesale segments
- Lower yield due to greater wholesale mix, but translating into record EBITDA margins

- Asian footprint across 14 countries, making CTM a strong proposition for clients wanting an Asian regional service solution
- EBITDA gain through scale, productivity and leveraging customer technology suite

$AUD	Asia		
	1H2016	1H2015	% Change
TTV (unaudited)	814.3m	437.0m	87%
Revenue	34.6m	26.0m	33%
Yield % of TTV	4.25%	5.9%	
Underlying EBITDA	10.8m	6.5m	67%
% of Revenue	31.3%	25.0%	

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Europe

- Strong market share growth during the period with TTV up 29% on the p.c.p
- Higher yield compared to other CTM regions due to high international travel
- Continued focus upon productivity and building sustainable organisational structure for long term growth
- CTM SMART technology roll-out and leveraging CTM network
- Instrumental in leading global business wins
- Expect stronger second half due to momentum and seasonality
- EBITDA in line with expectations, but expect increased EBITDA margin over the longer term

$AUD	Europe 1H2016*
TTV (unaudited)	163.2m
Revenue	18.2m
Yield % of TTV	11.1%
Underlying EBITDA	2.7m
% of Revenue	14.8%

* CTM acquired Chambers Travel 1 January, 2015 so no prior year comparatives.

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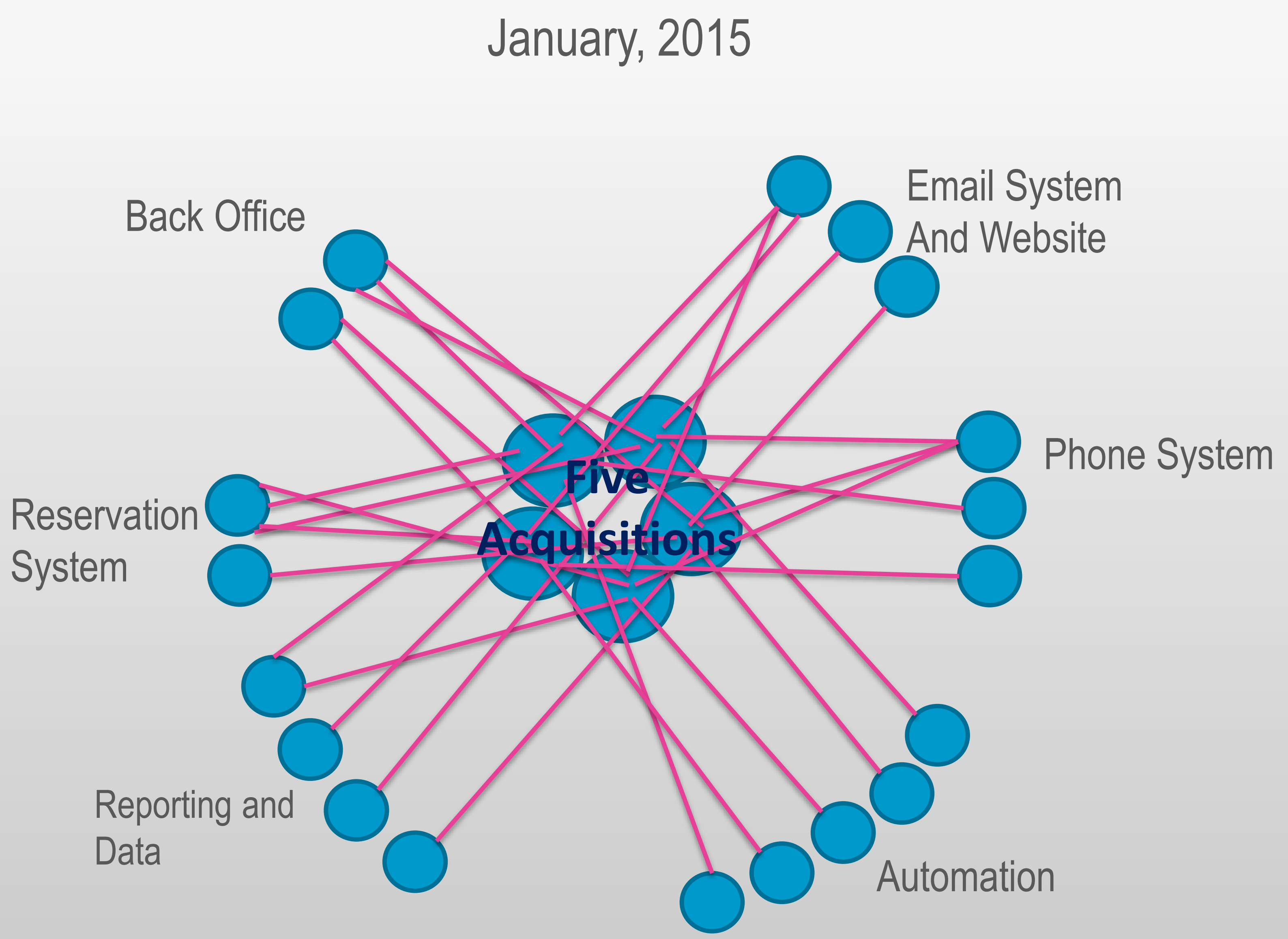
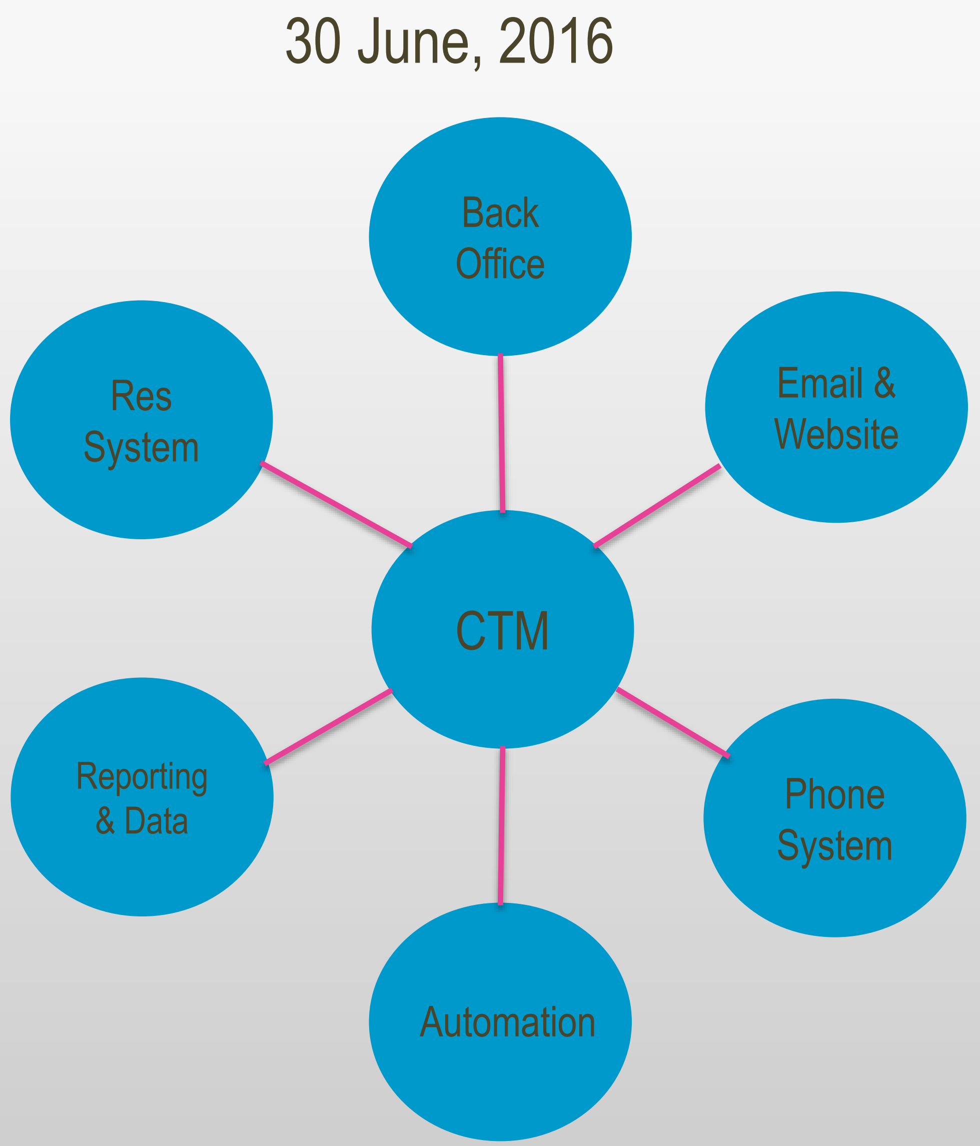
North America

- Underlying EBITDA up 9.5% on the p.c.p.:
- Continued reinvestment in a structure and cost base to support long term scalable growth. Integration completion on track for 30 June, 2016. Region well positioned for future organic growth:
  - Expect improved margin moving forward due to continued revenue synergies and productivity improvements
  - Significant improved sales pipeline versus 12 months ago
  - Improvement in supplier contracts
  - Redundancy and integration costs $1.0m absorbed in 1H
- Expect stronger second half due to momentum and seasonality
- Client base has declined by annualized $45m due to oil and gas and related industries. Momentum in client wins expected to offset the decline
- Remains on track for 30-40% FY profit growth (excluding Montrose) with higher EBITDA margin expected in 2H
- LA based Montrose travel acquired 1 January 2016. Will contribute to second half earnings (AUD$4m EBITDA contribution for 2H)

$AUD	North America		
	1H2016	1H2015	% Change
TTV (unaudited)	327.9m	273.0m	20%
Revenue	26.4m	20.9m	26.3%
Yield % of TTV	7.9%	7.7%	
Underlying EBITDA	4.6m	4.2m	9.5%
% of Revenue	17.4%	20%	

North America Integration Project





One integrated system benefits;

- Consistent value proposition for winning and servicing clients
- Timely and consistent data for agile decision making
- Leverage automation for productivity gains
- Scalable platform for future growth

Comparative Statutory Profit and Loss

- Increased amortisation due to M&A activity. It represents non-cash acquisition accounting entry for amortisation of client intangibles (FY16 amortisation of circa $7.3m)
- Lower effective tax rate compared to the p.c.p. as a result of greater contribution from lower rate jurisdictions (Asia and Europe)
- Expect full year effective tax rate for Group to be circa 25%
- Forex $600k benefit in 1H

$AUD (m)	1H 2016	% change	1H 2015
TTV (unaudited)	1722.7	54%	1,115.9
Revenue and Other Income	119.7	43%	83.8
Operating Expenses	(89.3)		(64.7)
EBITDA - statutory	30.4	59%	19.1
Depreciation	(1.7)		(1.5)
Amortisation	(3.2)		(1.3)
EBIT	25.5	56%	16.3
Net interest income/(expense)	(0.7)		(0.9)
NPBT	24.8	61%	15.4
Tax	(5.6)		(4.3)
NPAT statutory	19.2		11.1
NPAT statutory – attributable to owners of CTD	17.3	75%	9.9
Reconciliation to underlying NPAT:			
One off acquisition related items (tax effect)	(2.4)		1.1
NPAT Underlying – attributable to owners of CTD	14.9		11.0

Group Balance Sheet ($m)

- No debt at 31 December, 2015
- Short term debt used to acquire Montrose Travel 1 January 2016 (USD27.45m)
- Reduction in receivables and payables is due to December being a seasonally lower trading month than June
- Intangibles are largely goodwill on acquisitions
- Liabilities includes AUD$29.9m of deferred consideration on Chambers acquisition

$AUD (m)	Dec 15 $m	June 15 $m
Cash	54.2	40.7
Receivables and other	132.6	158.0
Total current assets	186.8	198.7
PP&E	4.8	3.7
Intangibles	241.6	238.0
Total assets	433.2	440.4
Payables	136.3	148.4
Other current liabilities	16.0	17.0
Total current liabilities	152.3	165.4
Non current liabilities	30.8	39.1
Total liabilities	183.2	204.5
Net assets	250.0	235.9

Cash Flow Summary ($m)

- Strong cash conversion from operations
- Working capital has improved due to capital management initiatives and one-off reversals being;
  - Collection of receivable on new global deal outstanding @30 June 2015 ($6m)
  - Conversion of cash securitisation deposits to bank guarantees in Asia ($7m)
- Increased tax due to business size and annual tax payment in Asia paid in this half
- 2016 Capex investment expected to be circa $6.75m
- Montrose acquisition on 1 January, 2016 funded by USD denominated debt (USD27.45m)

$ AUD (m)	6 mths FY16 $m	6 mths FY15 $m
Statutory EBITDA	30.4	19.1
Change in working capital	20.4	10.0
Income tax paid	(7.8)	(5.5)
Interest	(0.2)	(0.3)
Cash flows from operating activities	42.8	23.3
Capital expenditure	(3.7)	(1.6)
Other investing cash flows	(13.8)	(9.4)
Cash flow from investing activities	(17.5)	(11.0)
New equity	-	44.2
Dividends paid	(12.1)	(7.6)
Net (repayment)/drawing of borrowings	-	-
Cash flow from financing activities	(12.1)	36.6
FX Movements on cash balances	0.4	0.8
Net increase/(decrease) in cash	13.6	49.7

FY16 Key Strategic Initiatives

Continued Organic Growth and Acquisition	• Enhance our value proposition and leverage competitive advantage across CTM network • RESULT: High client retention rates, with high personalised service and ROI savings being key drivers in feedback • Outperform in local, regional and global segments, through a motivated sales team • RESULT: Organic TTV growth approximately $450m • Execute upon M&A opportunities, remain disciplined to strategic fit, culture and EPS accretion • RESULT: Montrose Travel, Los Angeles, acquired 1 January 2016 • Expand CTM partner network to service our accounts in secondary markets • RESULT: CTM in 82 cities in 53 countries
Client Facing Innovation	• Implementation of SMART technology globally and develop new tools that are industry firsts • Develop upon the SMART platform with our clients, to meet local client regional needs • Leveraging our technological competitive advantage into new market segments and create diversity of revenue streams RESULT: Significant expansion into new segments by leveraging technology suite
Leveraging Our Scale and Geography	• A structured supplier strategy (locally, globally) to optimise performance • Demonstrating to suppliers that partnering with CTM is highly valued • Sharing of best practice through formal sharing/best practice process across all regions • RESULT: Incremental supplier gains contributing to client wins and group EBITDA margin
Productivity and Internal Automation	• Internal innovation feedback loops to improve and automate existing process • Expect strong client satisfaction and staff engagement as an outcome • RESULT: Expansion of EBITDA margin in Asia and ANZ to record levels • Automation program to be expanded into EUR and NA 2H 2016
Our People	• Empowerment of our teams to support our client needs • Continued investment to attract, retain and develop the brightest talent • Embracing culture that represents our values and business drivers • RESULT: Building engaged local and global teams that are highly capable.

CTM SMART Technology – significant client uptake

- End to end Travel Platform
- Modern Technology Stack
- Growing user base
- Competitive Advantage

Trading Update and Guidance

Guidance:

- FY16 underlying EBITDA reiterated at the top end of Guidance, at $68m.

Assumptions:

- Acquisitions continue to perform to expectations
- No further economic shocks, continuation of acquisition integration success
- Decline in activity from Oil & Gas clients in ANZ and USA built into Guidance