

MACQUARIE AUSTRALIA CONFERENCE

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MANAGING DIRECTOR

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corporate travel
management

www.travelctm.com

Introduction to CTM.

1994...

Value Proposition

- Highly personalised service
- Compelling technology that adds value
- Return on investment methodology

**93% staff
engagement**

**97% average
client
retention
over decade**

**ASX 200
Company**

100+ clients
serviced in
more than one
CTM region

...2016

Founded in Brisbane

by Jamie Pherous
and a team of just two
staff

Goal: to offer the
market a fresh and
innovative alternative
to global TMCs

\$4bn

buying power
globally and
growing

Technology

Proprietary patented
technology
Core focus:
responsive and agile

**50% of
transactions
online via
technology**

**Not just
Corporate...
ETM
Leisure
Wholesale
Loyalty**

How are we different .



Global TMCs •

- Claimed in strategy delivery and client cost saving initiatives
- Call Centre mentality
- No empowerment
- Limited flexibility
- Technology not always market compatible



Boutique TMCs •

- Personalised service
- Good relationships
- Technology is a major barrier
- Limited diversity geographically & industry
- Low expertise in strategy, delivery

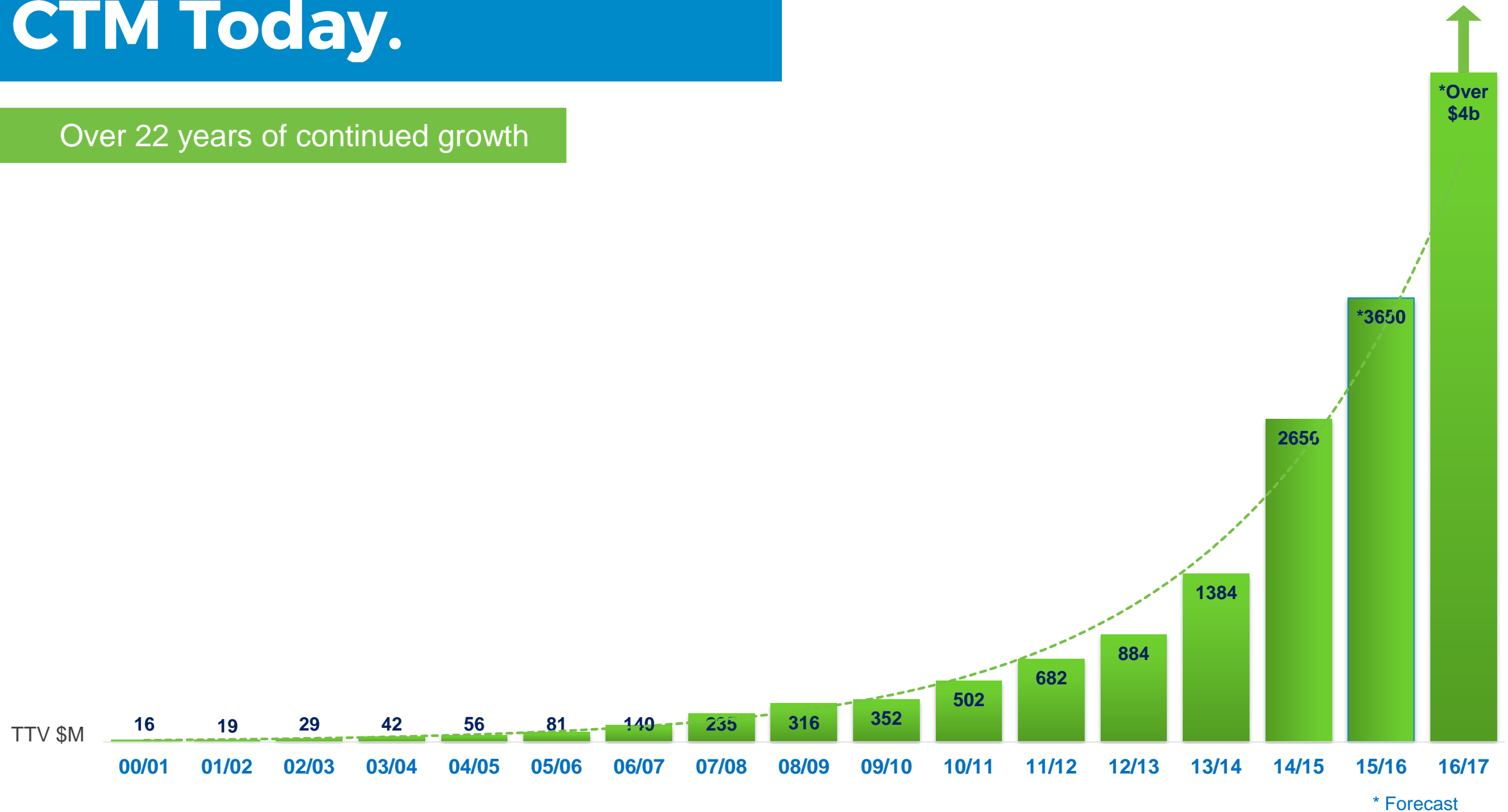


CTM

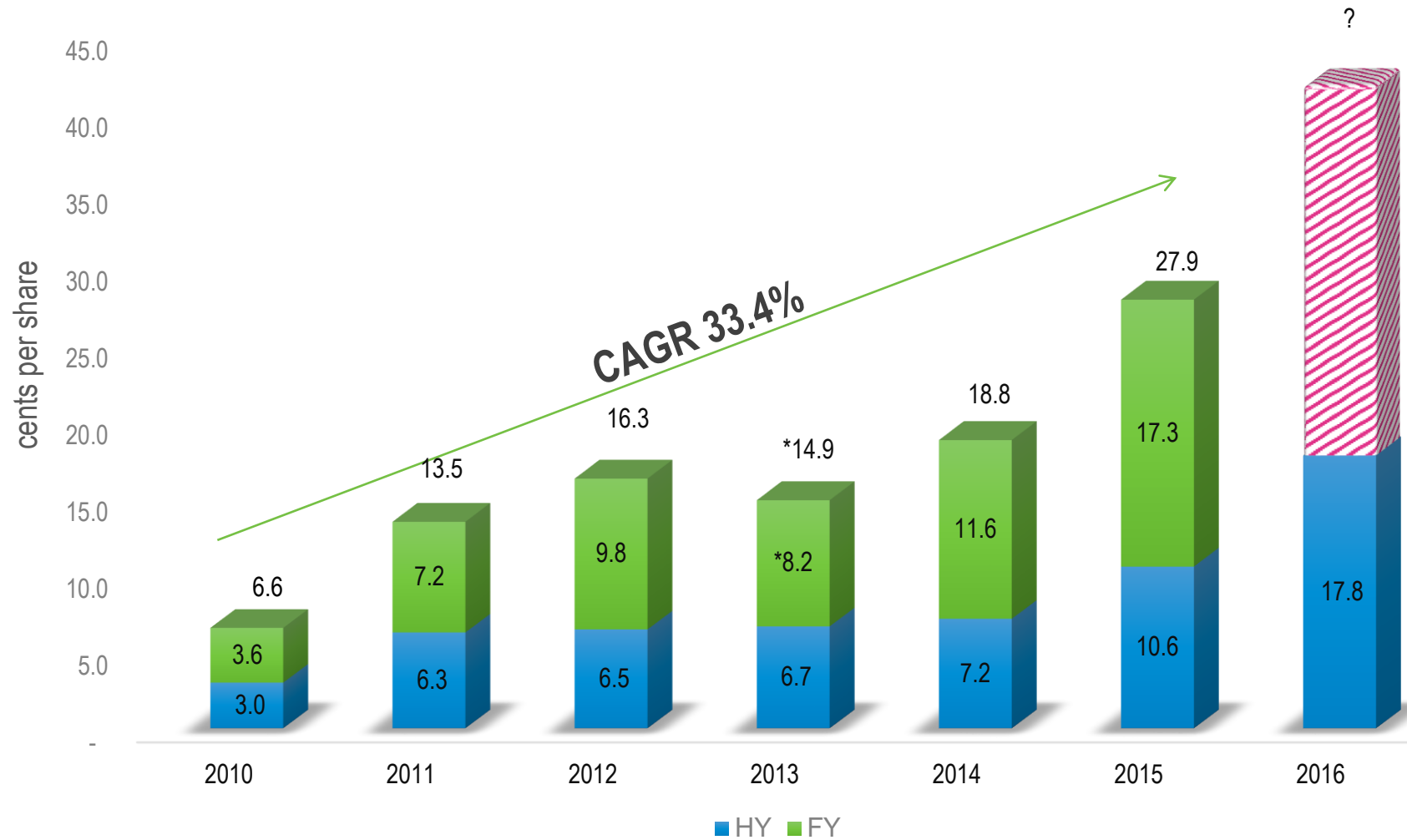
- ✓ Flexible, highly personalised service
- ✓ Innovative technology, proprietary and patented
- ✓ Demonstrated cost savings & ROI
- ✓ Agile decision making
- ✓ Experts in strategy
- ✓ Scalable with growth
- ✓ Adaptable to client needs through local ownership and accountability

CTM Today.

Over 22 years of continued growth

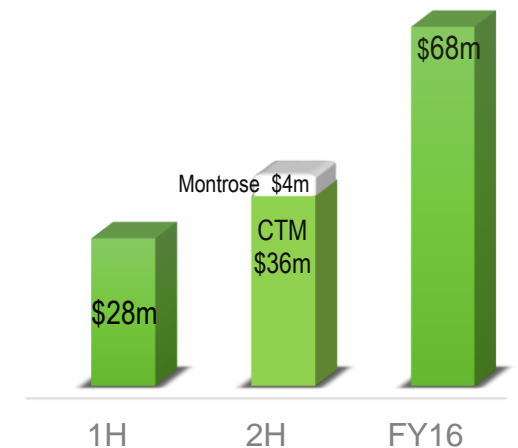


EPS Growth Since IPO December 2010.

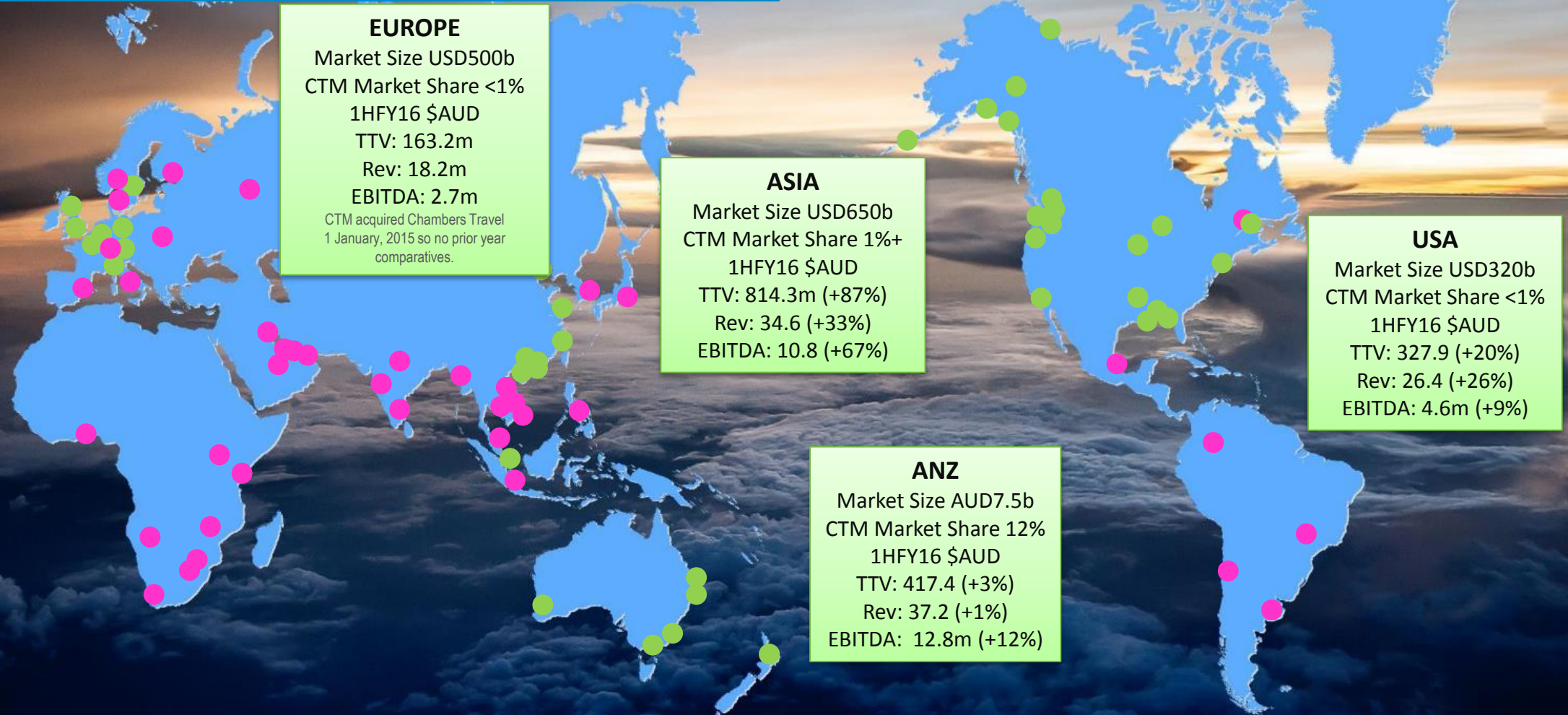


*Restated downwards for voluntary change in accounting policy on recognition of pay direct commissions

FY16 Profit Growth Build



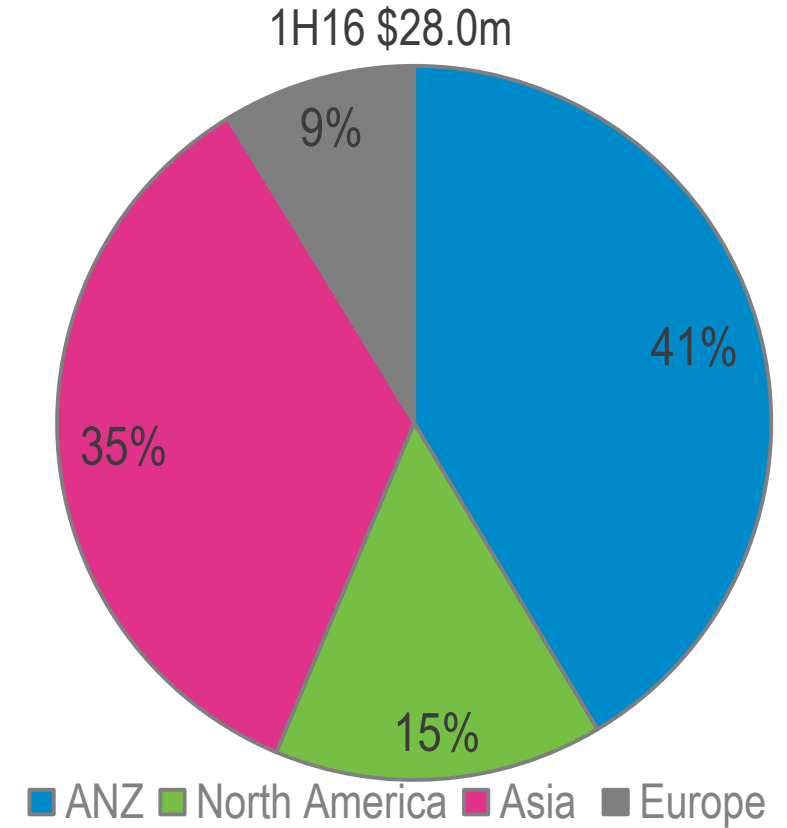
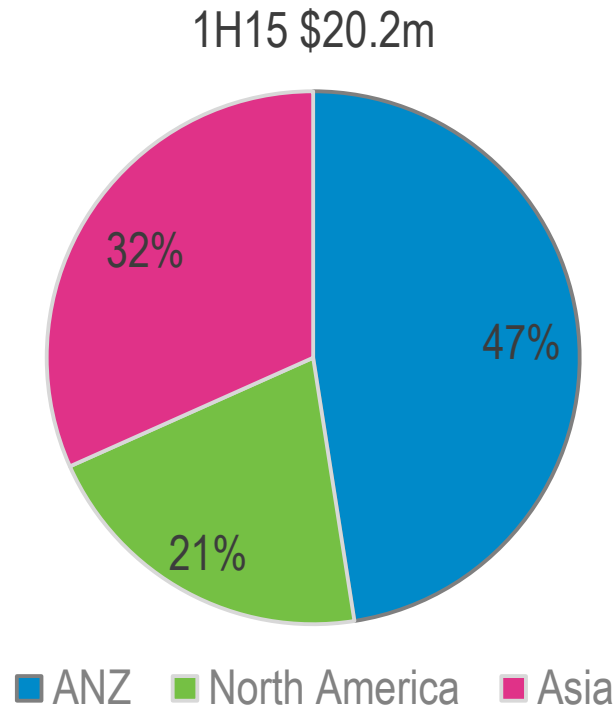
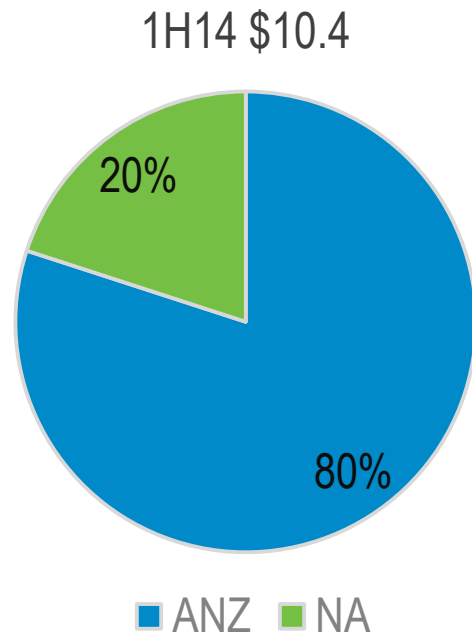
CTM Global Footprint.



Operating out of 53 countries, employing over 2200 FTE

● CTM office
● Partner office

EBITDA Contribution by Region.



Building diversity through offshore expansion

Investor Model Highlights.

- **High organic growth** complemented with a proven successful and **disciplined M&A strategy**
- **Strong Operating Cash Flow** -Approximately 100% operating cash flow
- **Low Capex** (majority on technology)
- **Strong Balance sheet with historically low debt**
- Majority of **revenue** from clients, not suppliers.
- **Low exposure** to economic shocks versus leisure segment
- **Highly leveraged** to economic recovery
- **Technology** a differentiator. Perceived as an innovation leader, not a follower
- A relatively small player in an **enormous, highly fragmented market**

1HFY16 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**
- 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.

FY 16/17 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 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. Travizon, Boston, to be acquired 1 July 2016.**
- Expand CTM partner network to service our accounts in secondary markets
- **RESULT: CTM 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 (e.g. B2B, B2C)
- **RESULT: Significant expansion into new B2B segments by leveraging technology suite**
- **Launched Flybuystravel.com.au in conjunction with Coles B2C**

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 a capable global team that is highly engaged**