



ASX Announcement

25 October 2023

2023 AGM – Chairman Address

Attached are the Chairman's address and accompanying slides to be presented at Corporate Travel Management Limited's 2023 Annual General Meeting being held today.

Authorised for release by the Board.

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2023 AGM Chairman's Address

I will begin the formal business of today's meeting with a short address, followed by a presentation from Jamie Pherous, CTM's Managing Director. I will open the floor to questions from shareholders when we formally consider the resolutions for the FY23 AGM.

Year in Review

Corporate Travel Management made significant progress during the 2023 financial year, as the travel industry continued its recovery from the impacts of the global pandemic.

Our unwavering commitment to personalised service, technology, innovation and maximising return for our clients on their travel spend are the cornerstones of what we offer. I take immense pride in the service we deliver to our clients and the value that the business creates for the community and shareholders.

The transformational acquisitions we made during the previous two financial years have now been integrated into our operations. This, combined with significant new client wins and technology enabled productivity gains, have made CTM a larger and stronger business and drove the FY23 result.

Our operations in each region have adapted to the circumstances prevailing in their markets and are performing well.

Underlying EBITDA in the ANZ region rose by 256% during FY23. The year finished on an outstanding note with the awarding of the Travel Management Services contract for the Whole of Australian Government at the end of June, considered to be the largest corporate account in the country. With integration now complete, the ANZ region can now fully capitalise on its increased scale and automation.

Underlying EBITDA in Europe increased by 125% reflecting solid margin performance from existing contracts and a high rate of adoption of CTM automation technology. Europe also benefited from major new contract and client wins, although the Bridging Accommodation & Travel Services contract with the UK Home Office announced on 13 April 2023 did not impact these results. I will talk more about this contract shortly.

Underlying EBITDA in North America rose by 65% during the year, despite the corporate recovery in travel activity in the region being slower than expected. With a substantially larger presence in the North American market after the integration of the Travel and Transport acquisition, \$800 million in new client wins during FY23 and increasing rollout of our technology portfolio, this region is expected to grow significantly in the second half of the FY24.

In Asia, underlying EBITDA increased by 198% during the year, driving a return to profitability and marking an impressive turnaround since the China market re-opened early in the second half of the financial year. The region has now more than doubled its corporate market share compared to pre-pandemic levels.

During the year, the Group made significant investments in our proprietary technologies. Investing in further automation has freed up more time for our skilled travel consultants to focus on personalised service and use their expertise to manage complex travel requirements. Additionally, technology advances delivered by our in-house development teams are enabling us to provide a faster and more personalised service to enhance the customer experience.



Financial Performance and Shareholder Returns

CTM's strong financial performance in FY23 reflected two main factors: the significant rebound in global corporate travel demand as restrictions from the COVID-19 pandemic were lifted and strong operational performance from a fully integrated Group.

The Group reported a statutory Net Profit After Tax of \$77.6 million, compared to \$3.1 million in the prior year. Excluding one-off or non-recurring items, underlying Net Profit After Tax was \$124.8 million.

Balance sheet strength has always been one of CTM's important strategic advantages, particularly throughout the pandemic. The Group maintains a strong liquidity position, finishing FY23 with \$151 million in cash, no debt, and \$100 million of committed available facilities. The strength of our balance sheet allows CTM to continue to invest and advance our competitive position and support operational and financial performance.

The Group's financial performance during the last financial year enabled payment of a final unfranked dividend of 22 cents per share on 5 October 2023.

Combined with the unfranked interim dividend of 6 cents per share, the Group paid total dividends of 28 cents per share for the year, which represents 52% of Net Profit After Tax.

As announced to the ASX earlier today, we intend to embark on a \$100M share buyback program to enhance our shareholder returns. The continuing strength in both our financial results and our balance sheet together with the positive outlook for the 2024 financial year underpin this.

UK Bridging Accommodation & Travel Services Contract

On 13 April 2023, CTM announced it had been awarded the Bridging Accommodation & Travel Services Contract by the UK Home Office to manage travel logistics for asylum seekers who are in need of contingency accommodation and would otherwise be destitute.

This contract follows CTM's extensive experience and track record in successfully managing large scale crisis and humanitarian assistance programs for a number of years. Some of this work has included repatriating UK citizens stranded following the Thomas Cook collapse, the repatriation of UK citizens during COVID together with arranging accommodation under the hotel quarantine scheme and supporting asylum seekers from Ukraine, Afghanistan and Sudan through arranging transport and accommodation.

Following our due diligence and risk/reward assessment processes, we were pleased to tender for this contract to provide a more streamlined and efficient service to asylum seekers than what occurred under the previous multi-provider arrangements. This delivers a more manageable system and represents value for money for the UK taxpayer and local communities.

It is important to emphasise that under the Bridging Accommodation & Travel Services Program;

- Asylum seekers have 24/7 freedom of movement;
- Accommodation and service delivery meet human rights standards; and
- Accommodation and transport suppliers are subject to regular audits with UK government oversight.

Further details regarding the Program are available on the UK Government's website.

To reinforce our expertise in this area, we have been most recently called upon to assist with the repatriation of UK citizens from Israel. This work is continuing.



The Board is proud of all the crisis and humanitarian assistance program work that CTM does, often at very short notice.

Sustainability

Corporate travel is an essential element of economic growth and prosperity. We recognise that the energy and resources consumed by the industry also may contribute to climate change. We are committed to embedding sustainability in all aspects of the business and made some important steps during the financial year.

While CTM, as a service business, has a relatively small carbon footprint, we consider sustainability an opportunity from two perspectives. Firstly, informing and supporting our customers to make informed decisions about reducing their carbon footprint in their travel decisions is a growing focus for our business and a real competitive opportunity. Additionally, understanding and managing the Group's own climate change impacts is also a way in which we can make a positive difference.

CTM undertook its first Climate Change Impact Assessment during the financial year. This has helped the Group to identify the material risks and opportunities for the business, and to design and implement effective carbon reduction strategies. We also completed our first formal Materiality Assessment during the year, with input from internal and external stakeholders. This has helped us to prioritise aspects of our operations, under the pillars of Governance, People, Planet and Prosperity.

The details of our approach are explained in the Group's first standalone Sustainability Report which is available on our website.

In acknowledgment of the improvements and increased transparency of our ESG reporting, our proxy and rating agencies have positively re-rated a number of our ESG scores over the financial year.

Remuneration

As shareholders will be aware, CTM received a first strike against the 2022 Remuneration Report at last year's AGM.

After the AGM, the Board consulted extensively with shareholders and proxy advisors to understand their concerns. The feedback focused on a number of areas, including;

- the Board's exercise of upward discretion in relation to the FY21 share appreciation rights;
- greater transparency about performance measures under the Short Term Incentive plan, and particularly the relative weightings and the outcomes against performance measures; and
- the design of our incentive plans, particularly the lack of a deferred component in the Short Term Incentive plan, and the length of the performance period and performance measures under the Long Term Incentive plan.

It is important for the Board to develop and implement remuneration structures that engage, fairly reward and retain Key Management Personnel in a very competitive market for the contributions they make to the long-term success of the Group. Nevertheless, the feedback from investors has provided a valuable perspective on our remuneration policies, and we have taken steps to address the issues that were raised.



The actions taken by the Board in response to shareholders' feedback are explained in detail in the Remuneration Report. To summarise them, we have taken the following actions.

- We have provided greater transparency in relation to the Short Term Incentive plan, including the weightings and outcomes.
- The Board has not exercised upward discretion in relation to Share Appreciation Rights performance outcomes – in effect, the exercise of that discretion in relation to the FY21 rights was a 'one off' to address prevailing circumstances during the pandemic.
- During the COVID-19 recovery period, the Board temporarily reduced the vesting period for some Share Appreciation Rights from three years to two years. This is not a part of our ongoing remuneration practice.
- As disclosed in last year's Remuneration Report, we have changed the Long Term Incentive plan from FY23, with Performance Rights replacing the Share Appreciation Rights plan.

Shareholders will have the opportunity to ask questions of the Board in relation to the 2023 Remuneration Report when the meeting considers the formal resolutions.

The Year Ahead

CTM has entered FY24 with strong revenue and earnings growth momentum, building on our strong operational performance in FY23. Our annual Global Customer Survey, which was conducted in May 2023, indicates a growing appetite for corporate travel.

The business has been transformed by the actions taken by the Group to strengthen our competitive position during the pandemic. Our value proposition sets us apart from our competitors and is more relevant than ever for our customers. In the year ahead, we will look to leverage it across the expanded business, by continuing to invest in our people and our technology capabilities with a disciplined focus on operational excellence and improving productivity.

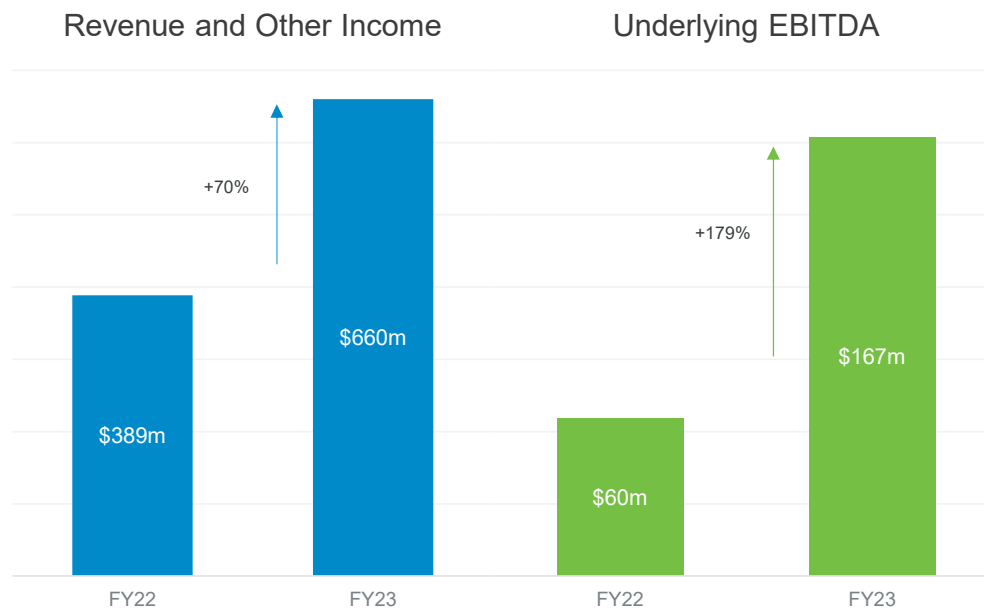
On behalf of the Directors, I would like to take this opportunity to thank all of the CTM team members for their dedication to our clients and delivering personalised travel experiences. I would also like to thank our clients and our shareholders for their continued support.

I would now like to invite our Managing Director, Jamie Pherous to deliver his presentation.

Ewen Crouch AM
Chairman
25 October 2023

FY23 Financial performance and Shareholder Returns

Strong 2H23 enabled a final dividend of 22 cents per share for FY23



- Statutory net profit after tax \$77.6m (pcp: \$3.1m)
- Underlying net profit before tax \$124.8m¹
- Strong liquidity position
 - \$151.0 million of cash
 - Undrawn \$100 million debt facility
- Final dividend of 22 cents per share paid on 5 October 2023
- \$100m on-market buyback program announced

¹Excluding one off or/non reoccurring items and amortisation of client intangible assets

FY23 ESG Progress

Materiality Assessment



Our first formal Materiality Assessment was completed during FY23, with input from internal and external stakeholders. It has helped us to define a number of material topics that have been determined to be priorities for CTM.

Climate Change Impact Assessment



CTM undertook its first formal Climate Change Impact Assessment during FY23. This work identified the potential pathways of material risks and opportunities for the business and has helped to define how to effectively mitigate climate-related impacts including the introduction of carbon reduction strategies.

Carbon (net) Positive Program



CTM's climate commitments are derived from our sustainability strategy, defining our purpose and key focus areas for 2023 and beyond. The C(n)PP includes carbon neutral and net zero targets to create a negative carbon footprint and an overall net benefit to the environment.

Alignment with TCFD Standards



We assessed our climate-related impacts as aligned to the Taskforce on Climate related Financial Disclosures (TCFD) and further improved Diversity, Equality and Inclusion within our workplaces.