



ASX Announcement

19 February 2025

Half Year Results Presentation

Attached is Corporate Travel Management Limited's Half Year Results Presentation for the half year ended 31 December 2024.

Authorised for release by the Board.

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Corporate Travel Management

Half Year Results 1H25

19
February
2025

Jamie Pherous
Managing
Director

James Spence
Global Chief
Financial Officer



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Agenda

1H25 Highlights	4
1H25 Regional Overview	11
Financial Overview	16
FY25 and FY26 Target Metrics	20
Glossary	24





1H25 Highlights

1H25 Highlights - AUD(\$m)

1H Group EBITDA **\$77.4m**

EBITDA CAGR FY23-25

Revenue CAGR

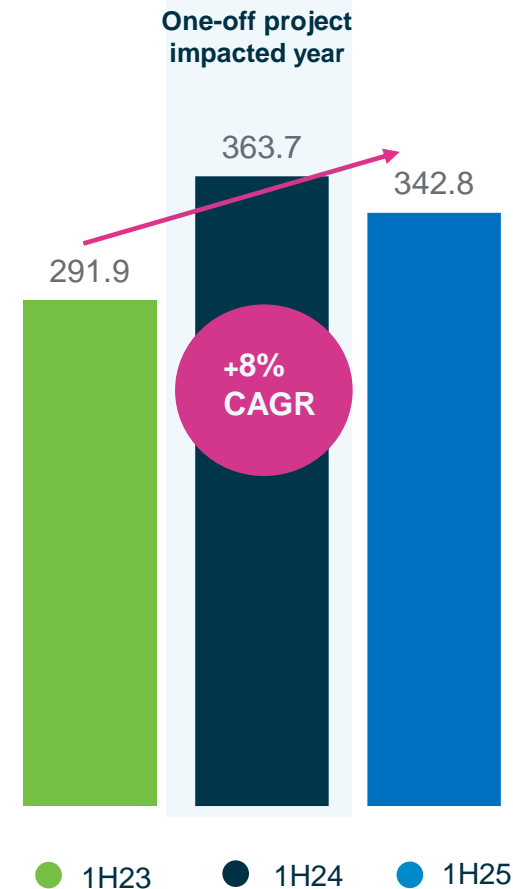
+8%

EBITDA CAGR

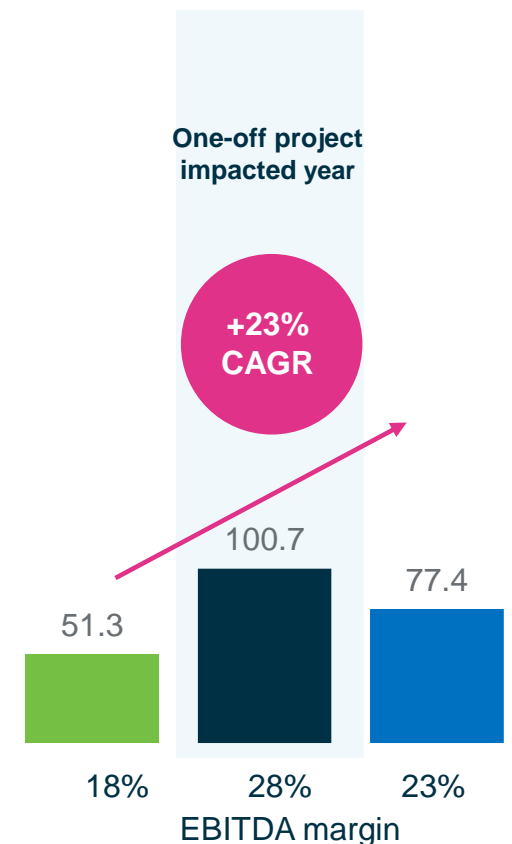
+23%

- RoW in line with long-term targets
- Strong Capital Management
 - ✓ No debt, strong cash generation
 - ✓ \$52.3m returned to shareholders in 1H

REVENUE



EBITDA



Strategic Goals - our commitment



RoW (NA, ANZ, Asia)

Long term sustainable profit growth

- ✓ Grow market share
- ✓ Increase revenue per transaction, focus on Sleep Space
- ✓ Productivity gains through automation to better service customers



Europe

Transition year – focus on BAU

- ✓ Continued focus on growing corporate share, leveraging regional technology advantage
- ✓ Long term balance between Corporate and Government segments



Global Goal

Doubling FY24 EPS in 5 years

- ✓ Capital management program to optimise shareholder returns through ROI on Capex, Share buy-back, dividends
- ✓ Executive team to support long term growth and key objectives

1H25 Rest of World ex EU overview - AUD(\$m)

RoW underscores effective strategy execution



Executing to plan

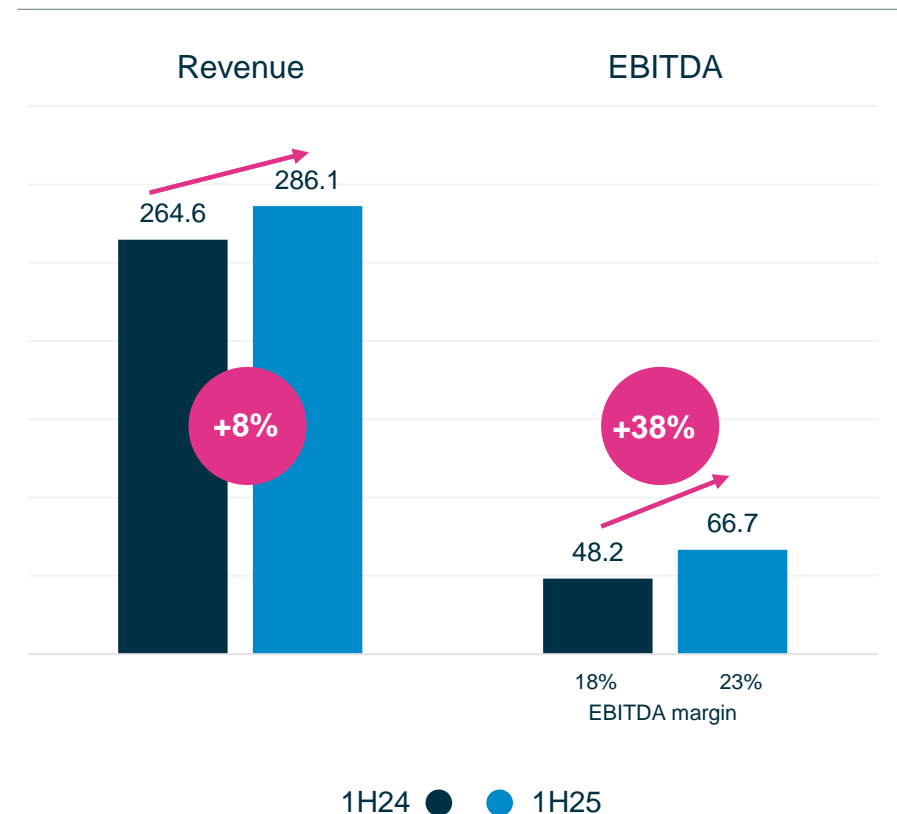
1H EBITDA
+38%

1H margin uplift
18% → 23%

1H Revenue
+8%



Expect revenue, profit
margins higher in 2H
due to normal seasonal skew



1H25 Key Metric execution

86% conversion of incremental revenue to EBITDA (RoW¹)

How?

High adoption of **proprietary** technology
Strong gains in automation, ML and AI

Customers win

\$600m
1H Client Wins²
\$880m
@ 14Feb25

97%
Client Retention

Outcome

Efficient cost base drives incremental profit, not customer revenue
Revenue earned from Customer TTV lower than benchmark peers
High staff engagement, client satisfaction

1H25 Europe Overview – AUD(\$m)

Year in Transition



Transitioning from one-off FY24 project work as previously announced

38.6% 1H margin

despite **reduced** govt spend, carrying **c80 staff** transitioning from servicing one-off projects to service **record** corp. client wins commencing 2H

Now sole provider of **UK Govt TMC travel services framework** (previously 1 of 3)

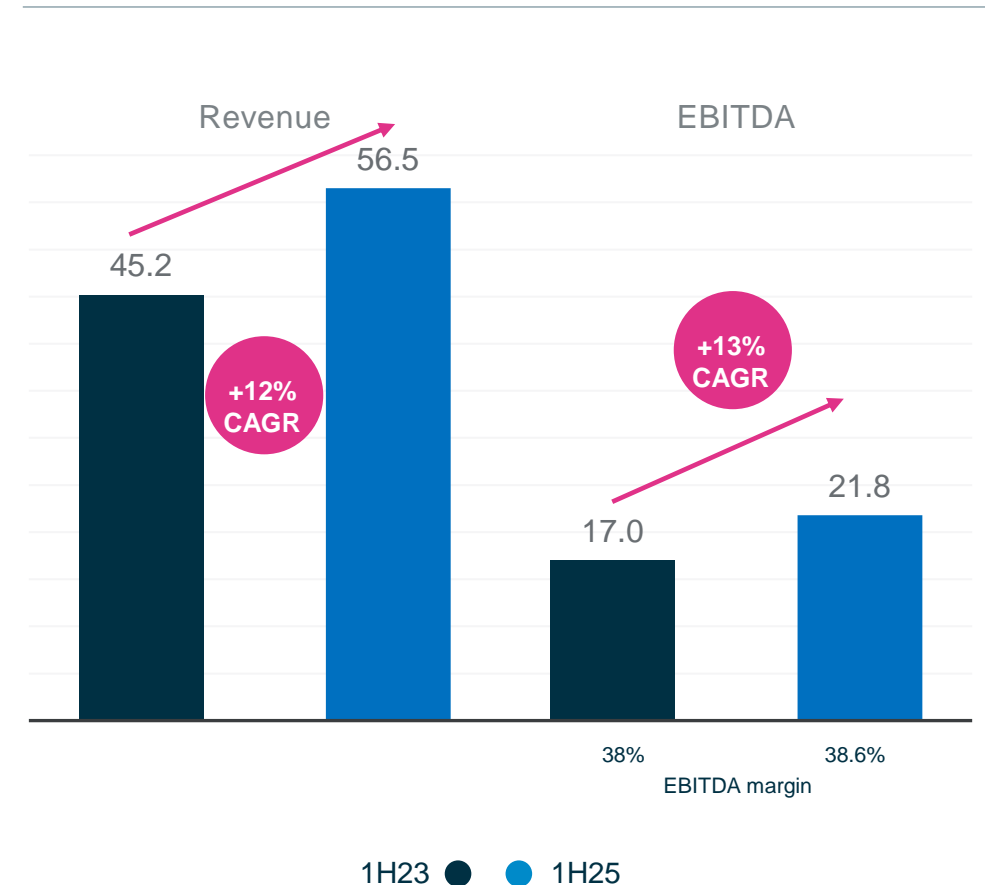
Strong BAU growth FY23-FY25

REVENUE CAGR

+12%

EBITDA CAGR

+13%



Global Executive Leadership Team



Jamie Pherous
Managing Director



James Spence
Global CFO



Ana Pedersen
Global CCO



Eleanor Noonan
Global COO

Strategic Global Appointments



Joel Bailey
Chief Technology Officer



Darren Toohey
Chief Sales and Customer Officer



Larry Lo
Asia Chief
Executive Officer



Greg McCarthy
ANZ Chief
Executive Officer



Anita Salvatore
NA Chief
Executive Officer



Michael Healy
EU Chief
Executive Officer



1H25 Regional Overview

ANZ – AUD(\$m)

Highlights:



Executing to plan

1H EBITDA

+53%

1H margin uplift

23% → 30%

Atlas, automation gains

1H revenue

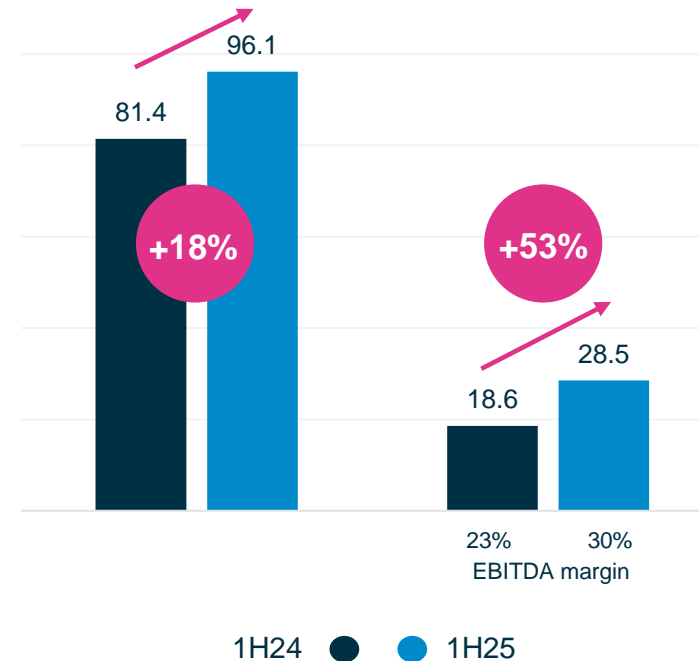
+18%

- New wins, returning clients
- Sleep Space

1H25 RESULTS

Revenue

EBITDA



North America – AUD(\$m)

Highlights:



Executing to plan

1H EBITDA

+49%

1H margin uplift

14% → 19%

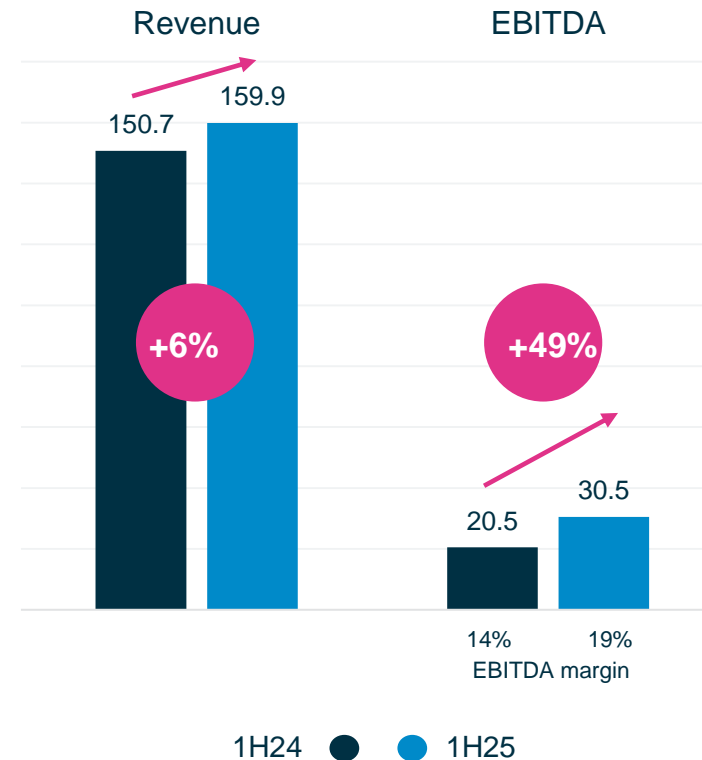
Atlas, automation, on-line penetration

1H revenue

+6%

Lightning OBT uptake
doubled + = lower rev.
yield, higher profit
contribution

1H25 RESULTS



Asia – AUD(\$m)

Highlights:



1H Revenue
-7%

1H EBITDA
-15%

25% Price deflation

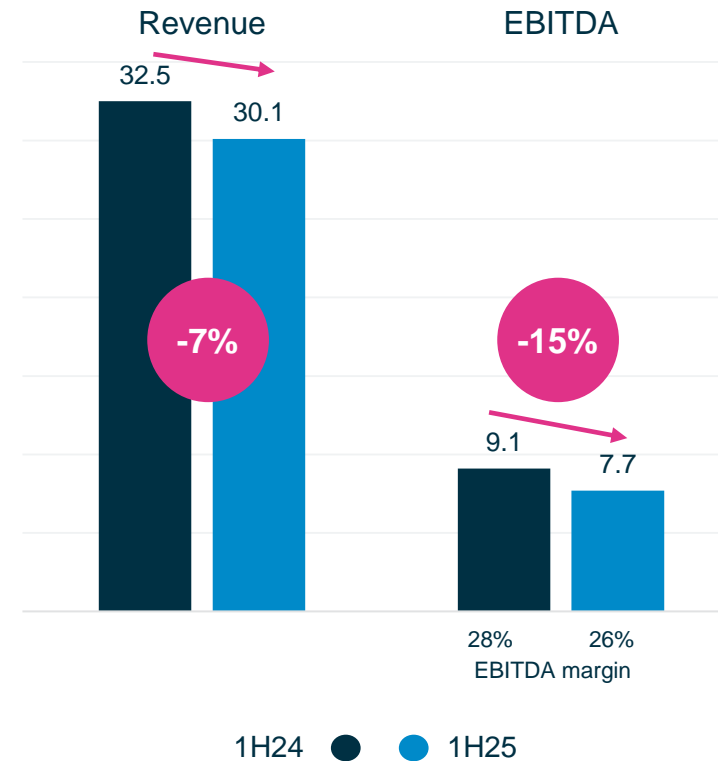
impacted **supplier revenue, EBITDA**
(remnant of COVID)

Ticket prices steady

Strong corporate client wins
partially off-set deflation

11% transaction growth in 1H

1H25 RESULTS



Asia
<9%
of Group
EBITDA

Europe – AUD(\$m)

Year in Transition



Transitioning from one-off FY24 project work as previously announced

38.6% 1H margin

despite **reduced** govt spend, carrying **c80 staff** transitioning from servicing one-off projects to service **record** corp. client wins commencing 2H

Now sole provider of **UK Govt TMC travel services framework** (previously 1 of 3)

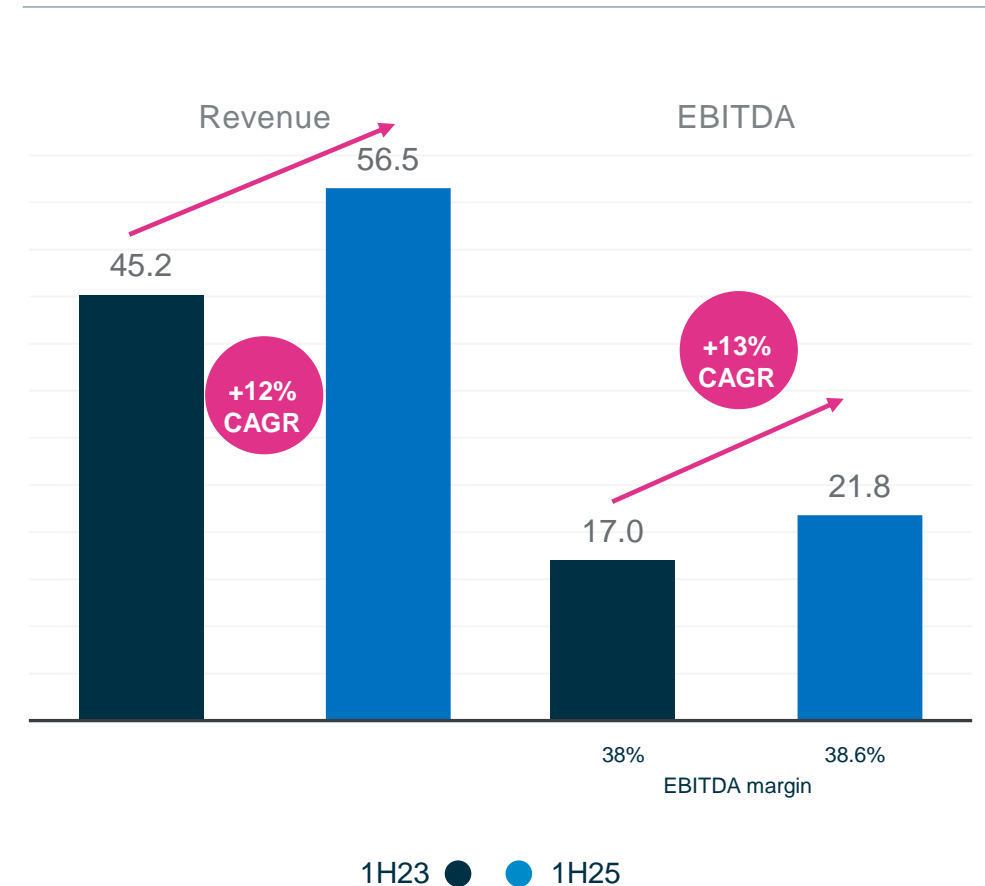
Strong BAU growth FY23-FY25

REVENUE CAGR

+12%

EBITDA CAGR

+13%





Financial Overview

James Spence, Global CFO

1H25 Key Financials

Reported AUD(\$m)	1H25	1H24	%
Revenue and other income	342.8	363.7	↓6%
Underlying EBITDA ¹	77.4	100.7	↓23%
Underlying PBT ^{1,2}	52.4	79.1	↓34%
Effective tax rate	23.9%	25.3%	↓140bps
Underlying NPAT attributable to owners of CTM ³	38.7	57.9	↓33%
Statutory NPAT attributable to owners of CTM	28.5	49.4	↓42%
Underlying EPS ³ , cents basic	27.0c	39.6c	↓32%
Statutory EPS, cents basic	19.9c	33.8c	↓41%
Dividend unfranked (interim declared)	10c	17c	↓41%

¹ Excluding pre-tax transition costs of \$7.1m. (1H24: \$4.1m)

² Excluding pre-tax client amortisation, a non-cash item of \$6.9m (1H24: \$7.5m)

³ Excluding post-tax transition costs of \$5.2m (1H24: \$3.0m), client relationship amortisation, a non-cash item of \$5.0m (1H24: \$5.5m)

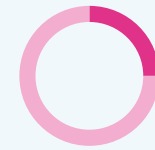
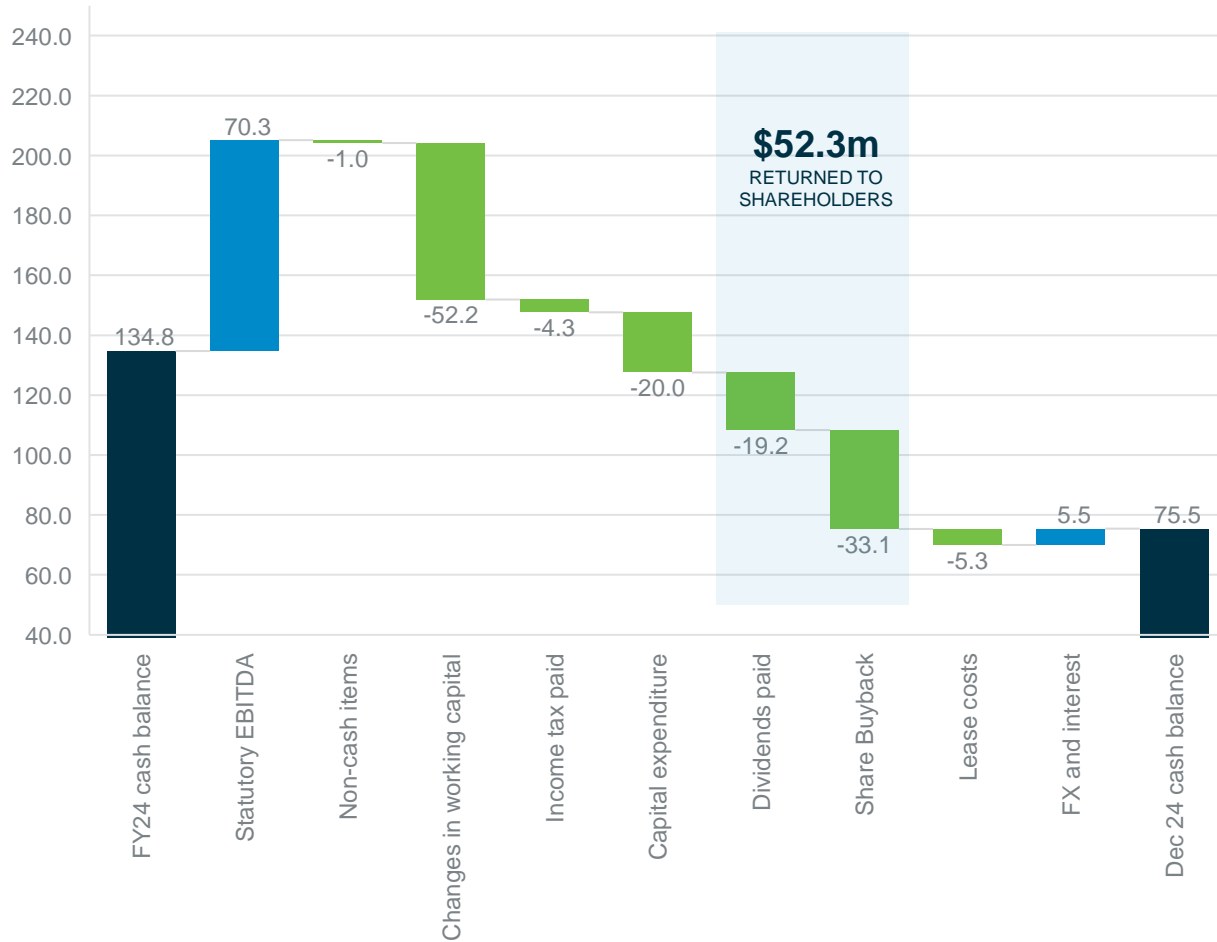
⁴ Post-tax

Transition costs (AUD\$m) pre-tax	1H25
Project Atlas as previously flagged c\$7m	6.9
Integration	0.2
Total transition costs 1H25, pre-tax	7.1

Reconciliation - underlying NPAT to Statutory NPAT (AUD\$m)	1H25	1H24	%
Underlying NPAT	38.7	57.9	(33%)
Less: Client relationship amortisation ⁴	(5.0)	(5.5)	n.m.
Less: Transition items ⁴	(5.2)	(3.0)	n.m.
Statutory NPAT, attributable to owners of CTD	28.5	49.4	(42%)

Cash Flow Summary

CTM YTD Dec 24 Cash movement (AUD\$m)



25%

1H operating cash conversion¹

Unfavourable timing of fixed supplier payment cycle in 1H

~\$52.3m

returned to shareholders in the form of dividends and share buybacks in 1H24

Expect full year cash conversion

~80-90%

favourable timing of supplier payment cycle in 2H25

1H Capex ~\$20m

Reduction vs PCP (-\$1.9m) driven by cost discipline and focus on ROI;

Investment in proprietary technology continues; Lightning, Sleep Space and Scout/Automation



Continued investment in core CTM products

Capital Management and Balance Sheet



Dividends

- Dividends continue in line with policy (50% of NPAT)
- FY25 interim dividend of 10cps to be paid on 4 April 2025



Funding flexibility

- Cash balance **\$75.5m**
- **No debt**
- \$100m unused debt facility (matures in July 2025; to be refinanced in 2H25)

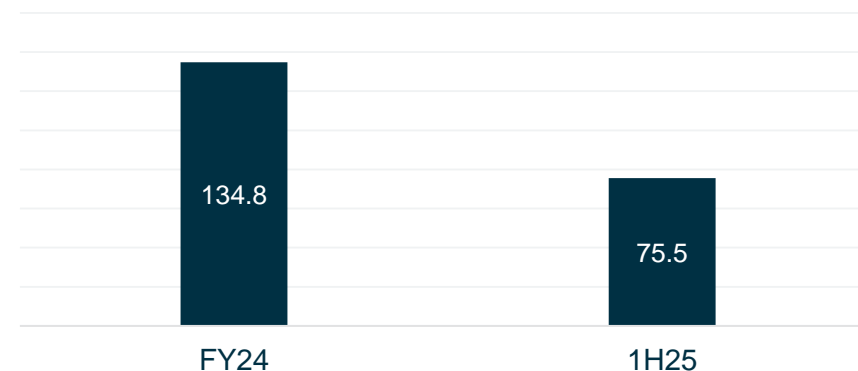


Share buyback

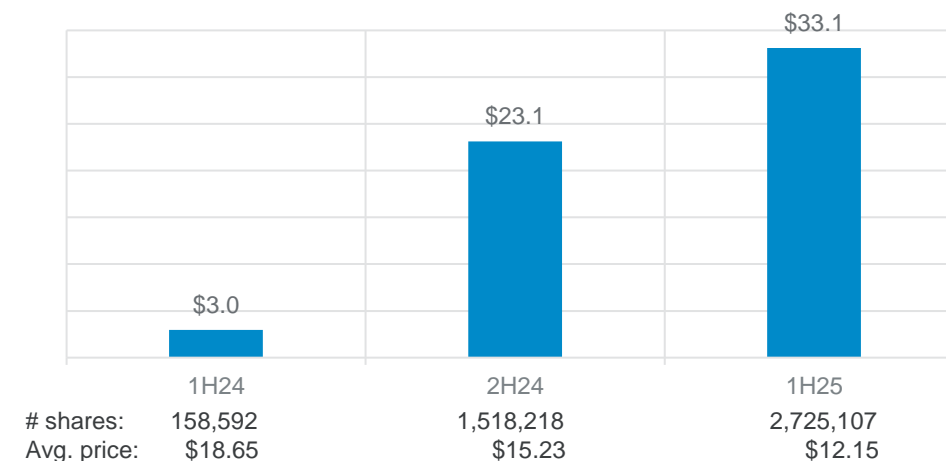
- A total of **4.4m shares bought** to date for **\$59m** (~3% of total shares outstanding) at an average price of \$13.45
- **\$33.1m spent in 1H25** at an average price of \$12.15, following \$26.1m during FY24 at an average price of \$15.55
- Shares on issue reduced to **141.9m**
- Buyback program continues subject to Board discretion and market conditions
- Up to \$100m of shares can be bought under the program during FY25
- Reflects confidence in medium-term outlook versus current share price weakness

Net Cash Balance (A\$m)

■ Cash ■ Debt



Buyback spend (A\$m)





FY25 & FY26 Target Metrics

FY25 Target Metrics - Progress

METRIC	FY25 TARGET ¹	STATUS	COMMENTARY
RoW (ANZ, NA, Asia)			>80% Global Revenue
Revenue growth ²	~+10%	ON TRACK	• Sleep Space global roll-out continuing in 2H25, client win momentum
EBITDA Margin (+450bps)	~27.5%		• Expect normal 2H skew to both revenue and profit margin • ANZ and NA cycling off strong 2H24 comps, significant 2H25 rebound in Asia
EUROPE - Transition year			<20 % Global Revenue
Revenue growth ²	~-24%	UPDATED	• Previously flagged "at risk " due to unknown govt spend reduction, carrying c80 staff during transition to service new work commencing 2H. Now updated
EBITDA Margin	~43%		• Expect strong 4Q: 1) record new corporate wins transacting against a fixed cost base 2) positive impact of becoming sole provider for the UK Government TMC services framework (previously a panel of 3) in January 2025
GROUP METRICS			
CAPEX	~\$42m	UPDATED	• Expect reduced spend to ~\$42m from ~\$48m due to increased ROI focus
Transition Costs	~\$7m	ON TRACK	• Atlas project completion, benefits playing out in EBITDA margin uplift
Group Costs	\$23m	ON TRACK	• Inclusive of one-off senior executive retirement costs of \$1.4m
GROWTH METRICS			
New Client Wins	\$1.0b	ON TRACK	• \$880m TTV @14 Feb 2025 with EU & NA leading the way
Client Retention	97%	ON TRACK	

FY26 Indicative Target Metrics

METRIC	FY26 TARGET
Revenue growth	~+10%
EBITDA Margin (~ +250bps)	~ 30%
Capex	~ \$40m

Bottom up
long-term
plan updated
Jan25

Consolidated CTM FY26 financial targets- rationale:



~10% revenue growth on FY25

- Current win rate supports 10% growth target
- EU transition year complete, back to LT growth and expected to be a significant contributor in FY26
- Rebuilt and focused sales teams with global coordination driving new wins
- Various initiatives already supporting yield growth e.g. Sleep Space



EBITDA margin ~30% (+ ~250 bps)

- Strong operating leverage
- Margin growth driven by scale, on-going automation and productivity projects, EU trajectory
- > 50% incremental revenue conversion to continue in line with 5-year plan



Capex ~\$40m

- Disciplined focus on ROI (FY24: \$48m)

Summary - Delivering on Strategic Goals



RoW (NA, ANZ, Asia)

Long term sustainable profit growth

- ✓ Grow market share: **1H25; revenue +8%, EBITDA +38%, high client and staff satisfaction**
- ✓ Increase revenue per transaction, focus on Sleep Space: **ANZ proof of success; 1H Rev +18%**
- ✓ Productivity gains through automation to better service customers: **1H margin expansion 18% to 23%**



Europe

Transition year – focus on BAU

- ✓ Continued focus upon growing corporate share: **EU record corporate client wins. Promising 4Q**
- ✓ Long term balance between Corporate and Government segments : **Expect strong 4Q25, FY26**



Global Goal

Doubling FY24 EPS in 5 years

- ✓ Capital management program to optimise shareholder returns through ROI on Capex, Share buy-back, dividends. **Since strategy announcement ; share buy-back \$59.2m, dividends \$77.2m¹**
- ✓ Executive team to support long term growth and key objectives. **Built team aligned to strategy**
- ✓ **FY26 indicative targets; revenue ~ +10%, EBITDA margin ~30% (~ +250 bps), CAPEX ~\$40m**

Glossary

AI	Artificial Intelligence
Atlas	Project to globalize 4 regional IT support departments into 1
BAU	Business As Usual
bps	Basis points (1% = 100bps)
CTM regions	ANZ – Australia and New Zealand, NA – North America, EU – UK and Europe, Asia – Asia
EBITDA	Earnings before Interest, Tax, Depreciation, Amortisation. EBITDA excludes one-off acquisitions, integration costs and other transition items.
EPS	Earnings per share
FTE	Full time equivalent employee
ML	Machine Learning
NPAT	Net Profit after Tax
PBT	Profit before Tax and client acquisition amortisation
p.c.p	Previous corresponding period
RoW	Rest of World regions; ANZ, NA, Asia excluding Europe
ROI	Return on investment
Sleep Space	CTM's proprietary Accommodation content and aggregation tool
TMC	Travel Management Company
TTV	Total Transactional Value, an unaudited amount
Underlying	Excludes one-off acquisitions, integration costs, other transition items, and client amortisation
UK Govt TMC Travel Framework	Travel framework sole provider to Lot 1, the Travel Management Services framework partition
Y.T.D.	Year to Date



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