



29 August 2013

ASX Release

Corporate Travel Management reports full year profit;  
releases FY2014 profit guidance

FY13 Result Highlights:

TTV<sub>1</sub> up 30% to \$883.8m (unaudited)

Revenue up 21% to \$78.8m#

**Underlying EBITDA<sub>2</sub> up 20% to \$21.0m**

Underlying NPAT<sub>3</sub> up 16% to \$13.1m\*

Statutory NPAT up 5% to \$12.4m

Underlying EPS<sub>4</sub> up 11% to 17.3 cents per share

Final Dividend Payable 6.5 cents (Full Year 10.5 cents), fully Franked

FY14 guidance 15%-20% underlying EBITDA growth on p.c.p.

*<sub>1</sub>TTV (Total Transaction Value).*

*<sub>2</sub>EBITDA (Earnings Before Interest Depreciation and Amortisation).*

*<sub>3</sub>NPAT (Net Profit After Tax).*

*<sub>4</sub>EPS (Earnings Per Share).*

*\*Underlying NPAT includes after tax \$700k adjustment for one-off items relating to North American and restricting costs acquisition and re-structuring costs.*

*# Revenue excludes interest income.*

Corporate Travel Management (CTM, ASX Code:CTD), today announced its full year profit for FY2013.

In commenting on the full year results, Managing Director Jamie Pherous said, “our team successfully executed on the key business drivers we can control, allowing us to achieve an underlying EBITDA of \$21m, in line with our upgraded guidance, despite a softening in the Australian economy and lower average ticket prices experienced in the second half of FY13”.

Key highlights for the year:

- Strong client wins and retentions across the entire Group.
- Continued investment in client facing technology, strengthening CTM’s client facing tools.
- Productivity gains, without compromising client service or staff engagement, which translated into higher EBITDA margins in ANZ and North America.
- Continued high client satisfaction and staff engagement from internal surveys.
- Strong organic growth and EBITDA margin growth in North America as a result of the introduction of CTM’s business model and processes, further supporting CTM’s effective M&A execution.

- Winning the Australian industry's premier National Travel Industry Awards for Best Australian Corporate agency (won 8 of last 10 years) and Best Events Agency for etm (won 3 of 3 years),

"This execution across all of our key business drivers translated to "like for like" FY13 EBITDA growth for ANZ of 10.3% and North America of 96%, with the combined Group recording an underlying EBITDA of \$21m, up 20%".

The CTM Board has declared a final fully franked dividend of 6.5 cents per share to be paid on 11 October 2013 (full year fully franked dividend 10.5 cents).

Mr Pherous said the focus for FY14 includes:

- Enhancing client service and experience through technology development, to support strong organic growth through new client wins and retention of existing clients.
- Maintaining a core culture that empowers our staff to continuously enhance CTM's high client service standards, staff engagement and productivity initiatives.
- Leveraging scale from the recent Travelcorp acquisition of May 2013 in North America, to further build upon the success in North America to grow market share and improve EBITDA margins.
- Continuing to look at further EPS accretive acquisitions in line with CTM's 5 year strategic plan.

#### **FY14 Guidance:**

CTM's guidance for FY14 is for underlying EBITDA growth of 15-20%, subject to no further erosion in the broader economy. Any acquisitions would be in addition to this guidance.

#### **Trading Update: July-August 2013:**

FY14 year to date trading is in line with the EBITDA forecast growth range despite tough and uncertain economic conditions, particularly in ANZ.

CTM will be conducting a Webinar/teleconference at 9am on Thursday 29th August 2013 to discuss the full year results. To participate in the webinar, please follow this link:

<http://www.travelctm.com/Announcements/Announcement/CTM-Full-Year-Results-release-notification.aspx>

#### **About CTM**

*CTM is an award-winning provider of innovative and cost effective travel management solutions to the corporate market. Its proven business strategy combines excellence in client services, advanced technologies and global buying power to deliver client-driven solutions and savings for business travel needs.*

*The Company employs 616 FTE staff and has established a national footprint in Australia and international offices in New Zealand and the USA.*

*CTM (Australia) is a member of the GlobalStar worldwide network of 70 travel management companies, which allows it to provide a seamless international service for its clients and provides access to leading edge technology. This partnership with GlobalStar also provides a valuable networking tool, enabling the Company to contribute to significant industry developments around the world.*

*CTM has been acknowledged by the Australian Federation of Travel Agents (AFTA) as the 'Best Corporate Agency in Australia' eight times in the past ten years and was inducted into AFTA's Hall of Fame in 2010 for continued excellence.*

