



20<sup>th</sup> February 2019

**ASX RELEASE**

**Corporate Travel Management Reports HY19 Profit**

Total Transaction Value (TTV) (unaudited)	\$2,951.5m	Up 31%
Revenue and other income	\$212.2m	Up 23%
Underlying EBITDA <sup>1*</sup>	\$64.6m	Up 21%
Statutory NPAT <sup>2</sup> (attributable to owners of CTD)	\$38.9m	Up 27%
Underlying NPAT <sup>2**</sup> (excluding acquisition amortisation)	\$42.6m	Up 20%
Statutory EPS <sup>3</sup>	36.0 cents per share	Up 25%
Underlying EPS <sup>3**</sup> (excluding acquisition amortisation)	39.4 cents per share	Up 17%
Half Year Dividend <sup>4</sup> (fully franked)	18 cents per share	Up 20%

Currently trading at top end of FY19 Guidance Underlying EBITDA range of \$150m, 20% growth on p.c.p. Original guidance range \$144m - \$150m.

\* Underlying EBITDA excludes pre-tax one-off acquisition and non-recurring costs.

\*\* Underlying NPAT and Underlying EPS excludes non-cash amortisation relating to acquisition accounting.

<sup>1</sup> EBITDA (Earnings Before Interest Tax Depreciation and Amortisation). EBITDA is not an IFRS measurement.

<sup>2</sup> NPAT (Net Profit After Tax).

<sup>3</sup> EPS (Earnings Per Share).

<sup>4</sup> Interim Dividend of 18 cents per share, fully franked, payable 12 April 2019.

**AUSTRALIA | NEW ZEALAND | NORTH AMERICA | ASIA | EUROPE**

Corporate Travel Management Group Pty Ltd ABN: 52 005 000 895

Level 24, 307 Queen Street, Brisbane, QLD 4000 GPO Box 2584, Brisbane, QLD 4001

Telephone: +61 7 3211 2400 Fax: +61 7 3236 1930 Free call: 1800 663 622

info@travelctm.com [www.travelctm.com](http://www.travelctm.com)

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In commenting on the half year results, CTM's Managing Director, Jamie Pherous said: "We have delivered another great set of results across all of our operating regions. This strong performance reaffirms our clear strategy to build a global network by applying a high-quality growth business model."

CTM continued to increase market share, with organic growth a primary driver, contributing \$9.4 million to profit growth. CTM achieved an underlying EBITDA of \$64.6 million, representing 21% growth on the previous year. On a constant currency basis, underlying EBITDA was \$61.8 million up 16%.

"Our diverse business model and global footprint gives us a competitive advantage, while our proven M&A strategy is also providing strong returns," Mr Pherous said. "Our win and retention rates are at historically high levels, and this includes several multinational clients that recognise our international capabilities."

"CTM has been delivering travel management services for 25 years and we have great relationships with our clients who trust in our ability to look after them. We remain focused on executing our strategy to establish a global footprint and generate scale, creating opportunities for long-term, sustainable growth. We are confident we will continue to grow and develop as a business for many years to come, and we believe we are a solid prospect for investors."

### Highlights by region:

	CTM Consolidated		Australia & New Zealand		North America			Asia		Europe		Group						
	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17	Dec-18	Dec-17						
<b>REPORTED (AUD)</b>																		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m					
TTV	2,951.5	2,258.5	31%	649.6	541.2	20%	689.9	592.4	16%	1,070.5	667.9	60%	541.5	457.0	18%	--	--	
Revenue	210.2	171.9	22%	58.3	50.5	15%	70.2	59.4	18%	38.3	26.1	47%	43.3	35.9	21%	0.1	--	
Adj. EBITDA	64.6	53.5	21%	22.3	18.9	18%	17.9	17.3	3%	12.5	9.3	34%	16.8	12.9	30%	(4.9)	(4.9)	0%
EBITDA/revenue margin	30.7%	31.1%																
<b>CONSTANT CURRENCY*</b>																		
TTV	2,798.6	2,258.5	24%	649.5	541.2	20%	641.8	592.4	8%	997.1	667.9	49%	510.2	457.0	12%	--	--	
Revenue	200.3	171.9	17%	58.3	50.5	15%	65.3	59.4	10%	35.7	26.1	37%	40.9	35.9	14%	0.1	--	
Adj. EBITDA	61.8	53.5	16%	22.5	18.9	19%	16.7	17.3	(3%)	11.6	9.3	25%	15.9	12.9	23%	(4.9)	(4.9)	0%

\*Constant currency reflects December 2017 as previously reported. December 2018 represents local currency converted at average foreign currency rates for the half year ended 31 December 2017

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## **ANZ:**

Underlying EBITDA \$22.3 million up 18% on the p.c.p.

- Region continues to outperform market.
- Winning market share through record new client wins and retention.
- 1H result includes \$0.4m EBITDA contribution from SCT acquisition.
- Approximately 80% of all client transactions are on-line.

## **North America:**

Underlying EBITDA \$17.9 million up 3% on the p.c.p.

- As previously flagged, strong revenue growth off-set by additional \$2.0m technology hub development costs expensed in 1H versus the p.c.p. This explains the lower EBITDA margin.
- On a 'like for like' basis, EBITDA would be up 15%.
- Technology suite launched to market, with on-going client rollout and regular enhancements underway, continuing throughout CY19.

## **Asia:**

Underlying EBITDA \$12.5 million up 34% on the p.c.p.

- Business performing well across all segments.
- CTM technology gaining good traction, resulting in client wins and improved sales pipelines.
- Lotus Travel integration going well. Achieving early revenue and cost synergies in 2QFY19 of ownership that will play out in 2H19.

## **Europe:**

Underlying EBITDA \$16.8 million up 30% on the p.c.p.

- Region continues to outperform market.
- Continuation of winning market share despite patchy client activity (Brexit).
- Additional benefit from global clients won ex USA, transacting in Europe.

## **CTM Group:**

CTM has won significant global clients, primarily due to the Company's global network and its innovative SMART technology suite.

The CTM network provides localised service solutions employing approximately 2,700 FTE staff.

The Group remains committed to delivering superior results for clients through a consistent value proposition, including innovative customer facing technology solutions underpinned by a highly personalised service offering, and delivering a return on investment to our clients.

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Employees remain central to the Group's ongoing success, and surveys of staff engagement continue to outperform benchmarks.

The CTM Board has declared a fully franked half year dividend of 18.0 cents per share to be paid on 12 April 2019

Dividend ex date	7 March 2019
Dividend record date	8 March 2019
Dividend payment date	12 April 2019

### **FY19 Guidance**

CTM is tracking at the top end of FY19 Guidance (underlying EBITDA AUD\$150m +20%). FY19 underlying EBITDA range of AUD\$144-150m (approximately +15% to 20% growth on the p.c.p.) was provided with the release of the FY18 results in August 2018.

### **Guidance Assumptions:**

1. Foreign Currency cross-rates average USD0.76c/HKD6.00/ GBP0.56p during the remainder of the year
2. Client activity remains favourable
3. Excludes any future potential acquisitions

Please refer to the Investor Presentation for a detailed analysis of the HY19 results.

CTM will be conducting a Webinar at 8:30am AEDT/SYD on Wednesday 20<sup>th</sup> February 2019, to discuss the half year results. To participate in the Webinar please follow this link: [CLICK HERE](#).

### **About CTM**

Corporate Travel Management Pty Ltd (CTM) (ASX:CTD) is a global provider of innovative and cost-effective travel solutions spanning corporate, events, leisure, loyalty and wholesale travel. Our proven business strategy combines personalised service excellence with market-leading technology to deliver a return on investment to our customers.

Media enquiries please contact Julian Murphy | Communications Manager p | +61 7 3164 5583 m | 0418 970 778

For Investor Relations please contact Allison.dodd@travelctm.com or +61 7 3210 3354