



ASX Announcement

31 October 2024

Corporate Travel Management

Managing Director AGM Presentation and Market Update

Corporate Travel Management (CTM, ASX:CTD) will today present the attached presentation and market update at its Annual General Meeting. A copy of the Managing Director's market update presentation and script are attached.

Managing Director, Jamie Pherous and Global Chief Financial Officer, James Spence will hold a conference call following CTM's Annual General Meeting and market update at 1.30pm (Brisbane) / 2.30pm (Sydney/Melbourne) on Thursday, 31 October 2024.

To pre-register for the conference call, please click on the following link: [Conference call Pre-Registration](#). If you wish to ask a question during the conference, please dial into the teleconference line then select *1 (star, 1) on your keypad.

Authorised for release by Shelley Sorrenson, Company Secretary.

Contact details

Media enquiries: Annabel Ausmus – media@travelctm.com.au / +61 7 3329 7426

Investor enquiries: Allison Dodd – allison.dodd@travelctm.com / +61 7 3210 3354

AUSTRALIA | NEW ZEALAND | NORTH AMERICA | ASIA | EUROPE

Corporate Travel Management Limited | ACN: 131 207 611

Level 9, 180 Ann Street, Brisbane QLD 4000 | GPO Box 2584, Brisbane QLD 4001

Telephone: +61 7 3329 7400 | Free call: 1300 663 662 | travelctm.com.au

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2024 AGM Managing Directors address and progress update.

Thanks Ewen.

I wanted to cover a quick recap of FY24, before giving a progress update on our metrics year to date and share the early signs of how our strategy is progressing.

FY24 recap

Firstly, a quick recap of FY24 on Slide 11. Despite the challenges we faced, we grew revenue 9% and EBITDA 21% to \$201.7m, a record result for CTM. To better convey to the market the underlying dynamics of the business, we deliberately separated out Europe from the Rest of World.

Slide 12 shows Europe's FY24 performance. Whilst FY24 revenue was up 18% and EBITDA up 16% to \$97.7m, it is the significant decline in the one-off project work in 2H24 that impacted the FY24 result.

Slide 13 displays the Rest of World business. Whilst full year revenue grew 6% and EBITDA grew 21% to \$122.5m, I draw your attention to 2H24 where EBITDA grew 29% and the EBITDA margin expanded from 20% to 23%. This was an early sign of strategy taking hold in our largest regions of North America and ANZ. Pleasingly this momentum has accelerated into FY25 which I will talk to in coming slides.

Global Executive team

If we can move to slide 15, where on the next two slides we lay out our Global Executive Leadership team, who as Ewen mentioned earlier, are all here today. We

believe we have the right leaders in place that can best support our plan to double FY24 EPS in five years. There are three key objectives that underpin this strategy; grow revenue and clients, drive greater automation to better service customers, and a strong focus on capital management strategy. We believe each leader's expertise is well aligned to drive these 3 key objectives.

On Slide 16, we lay out our 4 regional CEO's. Every region has its cultural and nuanced differences, and our model supports and acknowledges this, allowing a nimble and entrepreneurial approach whilst working together as one team across the globe. Each leader owns the customer experience and is responsible for winning, retaining and growing customers as well as staff engagement and development.

As Ewen mentioned, there have been a few changes to the team. Firstly, to Anita Salvatore, CEO of North America. We are pleased with the transition and early success she is bringing. Anita has brought an infectious energy to the team, and we will let our 1H results speak for her performance. Similar to North America, Michael Healy OBE has been waiting in the wings for his opportunity and with Debbie's retirement at the end of the year, we expect the same steady and smooth transition as we have experienced in North America. What I am most proud of is that both Michael and Anita have come up through our high potential and succession programs, further reinforcing the career path opportunities to all at CTM.

Progress year to date

Now if we can move to slide 17 where I will talk to our progress so far in FY25. At our full year results, we wanted to display the way we think about the business and how it aligns to our long-term plan. The most powerful drivers of long-term shareholder value are revenue growth, and how efficiently we convert incremental revenue growth into sustainable profit margins.

So, let's look at our progress so far.

Firstly, the **Rest of World (RoW) excluding UK:**

RoW combined delivers over 80% of group revenue and best depicts the progress of the strategy we put in place at the beginning of this calendar year.

For FY25 we targeted RoW revenue to grow approximately 10% and EBITDA margins to expand from 23% to 27.5%. This implies significant profit growth versus the prior year, and I am pleased to say we are on track. This is a testament to the strategy being delivered and more pleasingly is being led by our largest markets, North America and ANZ.

There is a lot of noise from our peers and the travel industry at large around ticket price deflation adversely impacting revenue and profit. At CTM, our corporate model is more reliant upon transactions to derive revenue. Customers often set annual travel expenditure budgets, so cheaper ticket prices mean travel budgets can go further. As a result, ticket price deflation has not significantly impacted CTM.

Price deflation is having an impact on our Asian business, particularly the wholesale segment that relies on commissions and overrides, but this is a smaller part of our overall business and is being more than off-set by NA and ANZ performance.

Europe:

As we have said, this is a transition year for Europe as they cycle off very strong non-recurring project work in FY24. As a result, we always expected a large decline in revenue and profit in 1H25, but once we cycled through the first half, we could look to return to the long-term growth metrics the region has previously delivered, into CY25. In this transition year, the long-term strategic direction is to better balance our client mix by leveraging our superior technology stack in the region and doubling down on corporate growth. This strategy is clearly working; we have won more business than we have won in any other year, which we will talk about shortly.

A consequence of this is that we have retained all core staffing previously working on projects in lieu of clients starting in the coming months.

Further, the UK Government released its budget yesterday. As part of the budget, we have been informed of planned reductions in departmental opex budgets. In ensuring there are no surprises, we wish to flag there is a risk in reduction in UK Government travel spend that could adversely impact regional and the full year result. Whilst we cannot yet quantify the impact this may have on UK Government travel spend, we can put this potential risk into context. Europe represents under 20% of Group Revenues, and Government work represents around half of the European region, with much of the government travel considered essential travel. Additionally, we have been re-appointed a three plus one year extension in UK Government work. So, the service we perform is long term, recurring and the Travel Management Services lot is now exclusive to CTM, so we anticipate incremental revenues into CY25/FY26.

Financial metrics:

Next is 1H profit which is on track at the 35% skew we indicated. I also want to remind the market that as part of this skew, revenue growth and particularly profit margin has always historically skewed to the 2H. This year is no different.

As part of our five-year strategy, a continued strong discipline in capital management is a key focus, and I am pleased to say that all metrics are on track; capital expenditure is flat and may even decline as we work through a more disciplined ROI on technology, group costs are on track and non-recurring costs for Atlas are largely complete. We expect minimal non-recurring adjustments on a go-forward basis.

Our other key growth metrics of client wins, and retention are also on-track. New client wins have surpassed \$0.4bn and pleasingly, Europe is leading the way, a further testament to the transition strategy working, albeit early in the financial year.

Strategy - key focus areas:

On slide 18, we want to reinforce our strategy, and the key focus areas that matter in this financial year. For the RoW, it is about long-term sustainable profit growth through three key objectives: growing market share, increasing revenue per transaction with a focus on Sleep Space our accommodation engine, and delivering productivity gains through automation to better service our customers. This strategy supports the two metrics that drive shareholder value; revenue growth and incremental profit margin expansion.

As we said earlier, Europe is in a transition year. It has always been a highly successful and profitable region for CTM. Our key goal is to grow corporate market share by leveraging our superior technology stack to obtain a better balance between government and corporate customers.

If I can now take you to the right-hand side of the slide, where we talk to key year to date highlights that demonstrate long term strategic execution.

Firstly, to Europe. We are proud to be servicing the UK Government and can confirm our contract has been extended for an additional three years plus one year option from January 2025. Previously we were one of three providers but will operate the travel management services lot exclusively.

Secondly, Europe customer wins have surpassed our best annual result. This supports the region's transition as we move into FY26.

The US is also a key plank for long-term growth. We can confirm we have been selected on the US Federal Government Panel. Whilst this is not a FY25 story, and it will take hard work to win Government Departments, we expect Government to be an additional driver of growth into FY26-27. As part of servicing The US Government, we can confirm we have won our first crisis management work in the US supporting families that have been displaced by the recent Florida Hurricanes.

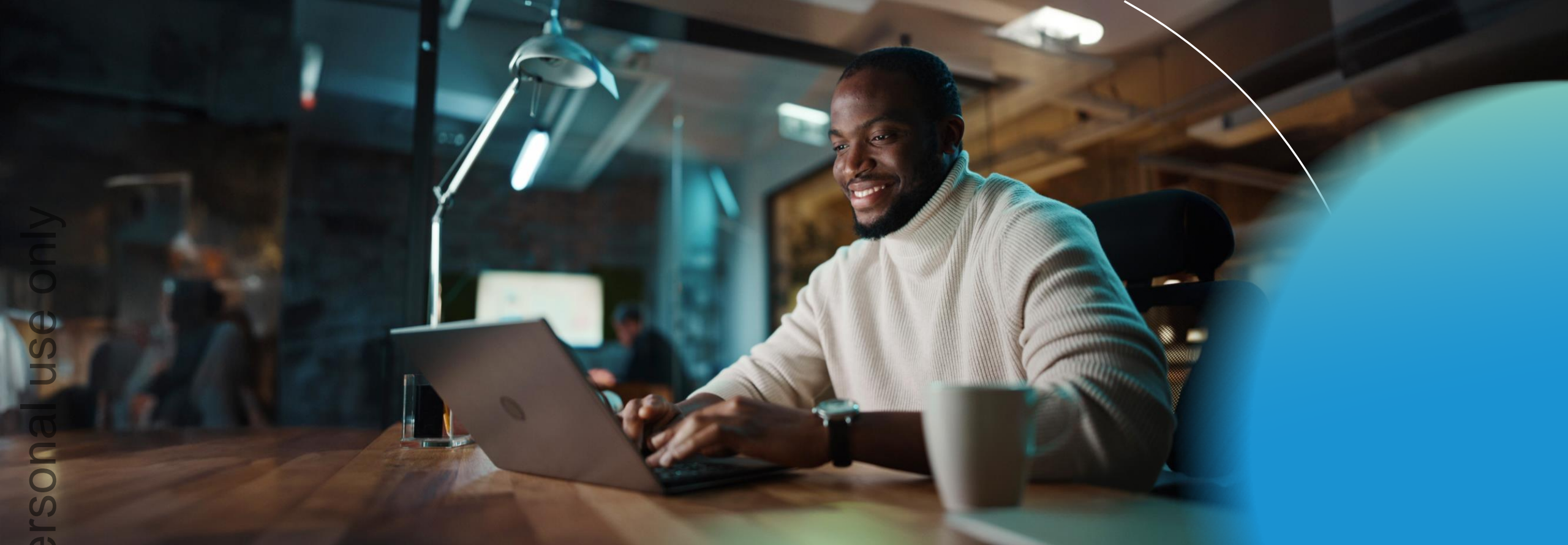
Our team is very proud to be able to support those Floridians in need.

Whilst these events outlined above have little to no impact on FY25, it gives you an early insight into how we are focusing upon long-term strategy. When aligned with our capital management program and strong focus on extracting improved capital returns, we believe these attributes demonstrate the focus on the long term; to double FY24 EPS in five years.

I will now hand back to our Chairman, Ewen Crouch

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FY24 Highlight Recap

FY24 Group overview - AUD(\$m)

Consolidated CTM¹

FY24 Revenue
up **+9%**

EBITDA up **21%** to
\$201.7m

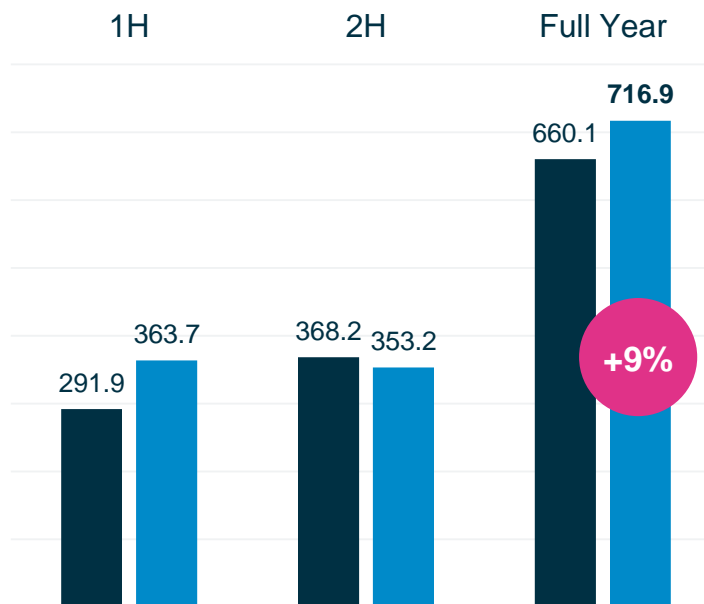
FY24 underperformance specific to:

1H issues previously flagged at 1H results:

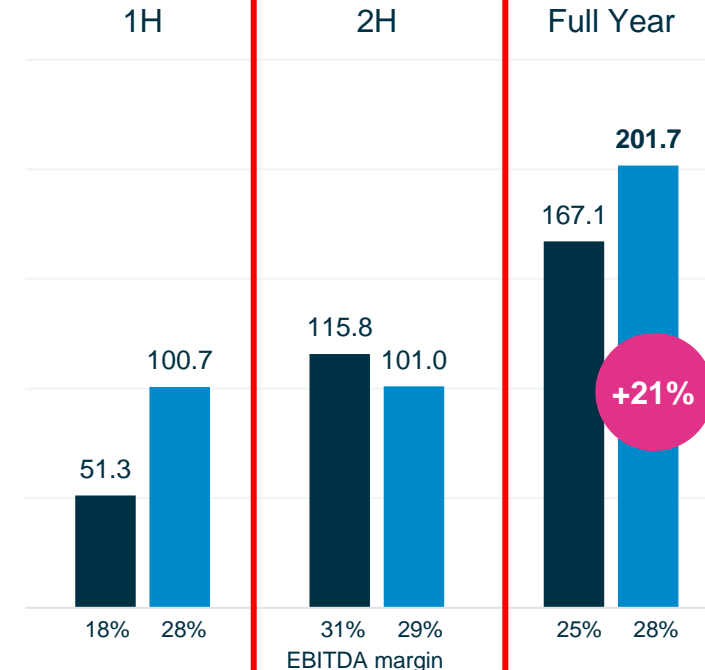
- Macro 2Q impacts to NA (no impact in 2H)
- Europe Bridging accommodation contract materially below forecast due to changes in government policy

2H: One-off war related humanitarian projects tapered off faster in EU than expected late 2H (corporate & govt.)

Revenue



EBITDA



FY23 ● ● FY24

FY24 Europe overview – AUD(\$m)

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Europe



One-off project underperformance impacted group results in FY24

2H EBITDA DOWN ↓ **48%**

Record FY24 financial metrics

REVENUE UP

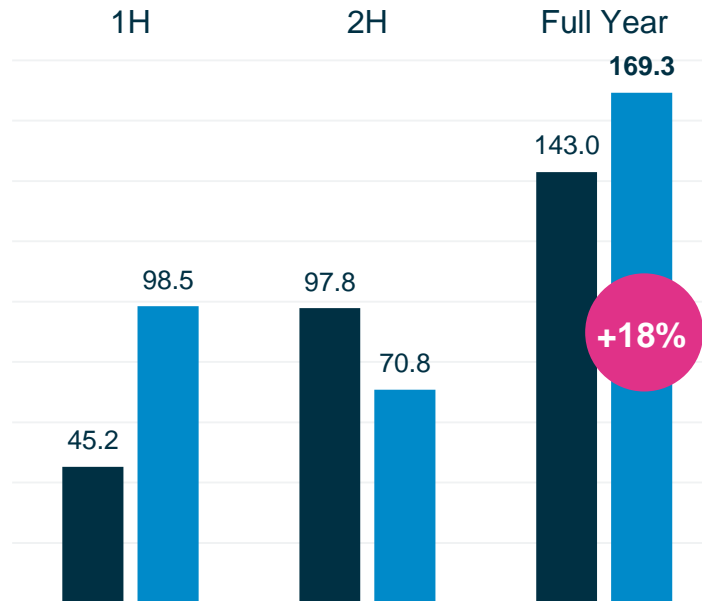
↑ **18%**

EBITDA UP

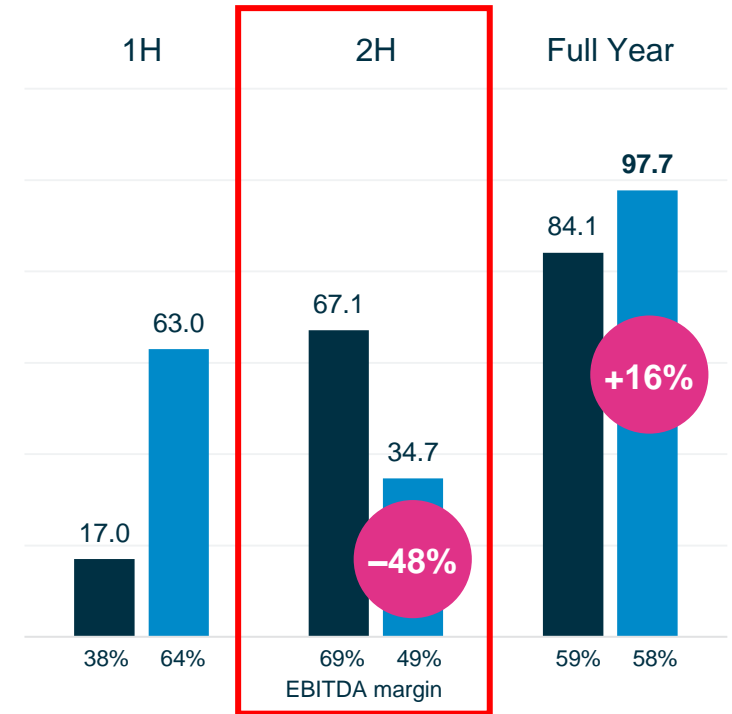
↑ **16%**

- Full year result included one-off projects (war related humanitarian work), both Government and Corporate

Revenue



EBITDA



FY23 ● ● FY24

FY24 Rest of World overview - AUD(\$m)

Rest of World (NA, ANZ, Asia)



Rest of World (ex. Europe)
Strong momentum for FY25



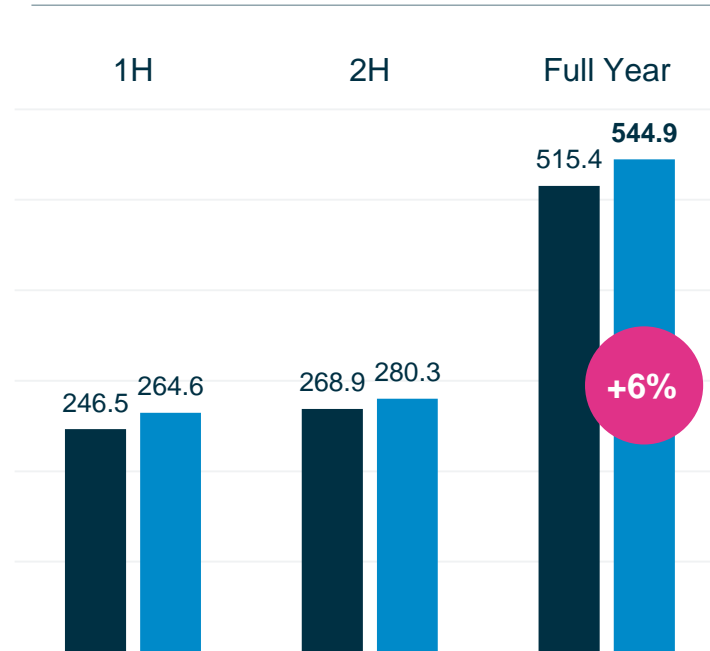
Turnaround led by NA and ANZ

- 2H EBITDA up **↑ 29%**
- 2H EBITDA margin **21% to 27%**
vs p.c.p. (slides 10-11)

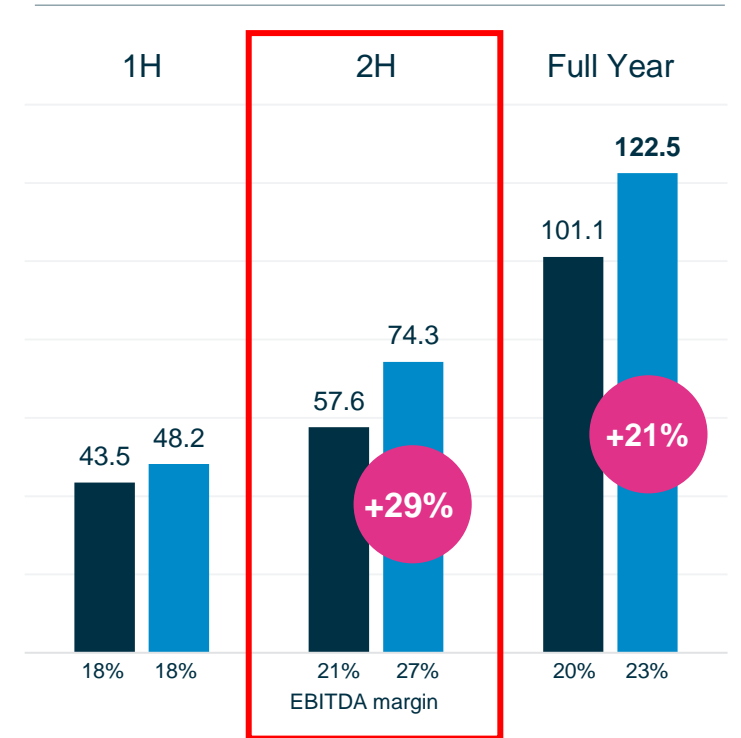
Full Year EBITDA
up **↑ 21%**

EBITDA margin from
20% to 23%

Revenue



EBITDA



FY23 ● ● FY24

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Progress YTD

Global Executive Leadership Team

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Jamie Pherous
Managing Director

Guides global strategy.

- Strategic vision / direction.
- Investor relations
- M&A opportunities
- Shaping culture



James Spence
Global CFO

Leads financial strategy

- Global financial strategy and reporting
- Share buy backs and acquisitions
- Capital Management.



Ana Pedersen
Global CCO

Creates customer value

- New client wins and retention
- Customer facing technology
- Supplier revenues and SleepSpace



Eleanor Noonan
Global COO

Delivers internal excellence

- People performance and accountability.
- Data, ICT and IT security.
- Internal productivity, automation and transformation.

Regional CEOs x4

Regional CEO Leadership Team

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ANZ



Greg McCarthy
Chief Executive Officer

ASIA



Larry Lo
Chief Executive Officer

NORTH AMERICA



Anita Salvatore
Chief Executive Officer

EUROPE / UK



Debbie Carling
Chief Executive Officer
(Retiring)



Michael Healy OBE
Chief Executive Officer
(previously COO)

Responsibility: execute local strategy to deliver personalised and flexible service solutions that meet the needs of local markets.

Accountability: winning and retaining customers, delivering customer service and experience, and demonstrate to customers a return on investment through achieved savings.

FY25 Target metrics - progress

METRIC	FY25 TARGET ¹	STATUS	COMMENTARY
REST OF WORLD (ANZ, NA, Asia)			>80% Global Revenue
Revenue growth	~+10%	ON TRACK	• Strong y.t.d. revenue & profit growth led by NA & ANZ regions
EBITDA Margin	~27.5%	ON TRACK	• No significant impact from price deflation
EUROPE			<20 % Global Revenue
Revenue growth	~(-18%)	AT RISK	• UK Government budget – planned reduction in departmental opex budgets. Risk of reduction in govt travel spend
EBITDA Margin	~49.0%	ON TRACK	
GROUP METRICS			
1H profit	1H 35% skew	ON TRACK	• 1H on-track • Revenue growth & profit margin has historic skew to 2H
CAPEX	\$48m	ON TRACK	• On-track, potential to be slightly below forecast
Non-Recurring Costs	\$7m	ON TRACK	• Atlas project completion • Future non-recurring costs expected to be minimal
Group Costs	\$23m	ON TRACK	
GROWTH METRICS			
New Client Wins	\$1.0b	ON TRACK	• EU leading the way supporting EU's transition from project/government work to greater share of corporate BAU
Client Retention	97%	ON TRACK	

¹ As per full year FY24 investor presentation 21 August

HIGHLIGHTS:



Strategy delivery

Evidenced in RoW; strong profit growth, margin expansion, led by NA & ANZ



EU transition underway

Significant client wins y.t.d. with corporate becoming a greater share in CY25



\$0.4bn

new client wins year to date

Strategy: Key Focus Areas

RoW (NA, ANZ, Asia)

Long term sustainable profit growth

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

Europe

Transition year – focus on BAU

- Continued focus upon 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

KEY HIGHLIGHTS YTD

underpinning long-term strategic growth:

UK Government extension - managing travel services lot exclusively for a further 3 years + 1 year option (previously 1 of 3 providers)

EU corporate wins surpassed best annual result supporting region's transition strategy into FY26

Selected on US Federal Govt panel supports long term growth strategy FY26-27

1st crisis management work in USA proud to support Florida post Hurricane