

July 28, 2023

FY23 Trading and Guidance Update

SiteMinder accelerates subscriber growth and reduces cash usage. Expects to be EBITDA profitable and FCF positive for H2FY24

FY23 (unaudited) Trading Update – Performance Highlights:

- **Revenue increased 30.5% y/y (27.3% cc,organic)** to \$151.4m for FY23.
 - Subscription revenues grew 18.7% y/y (15.9% cc,organic) to \$103.0m for FY23. Growth (cc,organic) accelerated from 13.4% in H1 to 18.0% in H2.
 - Transaction revenues grew 65.6% y/y (61.2% cc,organic) to \$48.4m for FY23. Growth (cc,organic) moderated from 85.1% in H1 to 44.2% in H2 as the business cycled comparatives from the abnormally strong and earlier commencement to the Northern Hemisphere summer travel season last year.

The number of transaction products adopted by customers increased 53% y/y to 19.9k products at the end of FY23.
- **Annualised recurring revenue (ARR) increased 33.5% y/y (24.1% cc,organic)** to \$173.1m
 - Subscription ARR increased 28.9% y/y (19.3% cc,organic) to \$116.3m.
 - Transaction ARR increased 43.9% y/y (35.1% cc,organic) to \$56.8m.
- **Number of properties increased 12.7% y/y to 39.1k.** On an organic basis, SiteMinder added 2.5k properties during H2, a significant acceleration from 1.6k in H1, and almost double the 1.3k added in the previous corresponding period.
- **Underlying free cash flow (FCF)¹** was (\$5.3)m in Q4FY23, taking the total for FY23 to (\$34.0)m. **Q4FY23 underlying FCF represented (12.5)% of revenue**, more than halving from (28)% in the first two quarters of FY23, demonstrating operating leverage and contributions from the cost reduction program announced on 31 January this year.
- **Liquidity remains strong at \$83.6m**, consisting of \$51.3m of cash and cash equivalents, \$2.1m of term deposits, and \$30.2m of undrawn debt facilities. In July, SiteMinder signed a US\$20m debt facility with HSBC, which supplanted the facility provided by Silicon Valley Bank. The facility remains undrawn.

Growth guidance reiterated. EBITDA profitable and FCF positive for H2FY24.

SiteMinder's growth guidance is unchanged and continues to target organic revenue growth of 30% in the medium term. The Company expects to be underlying EBITDA² profitable and underlying free cash flow positive for H2FY24.

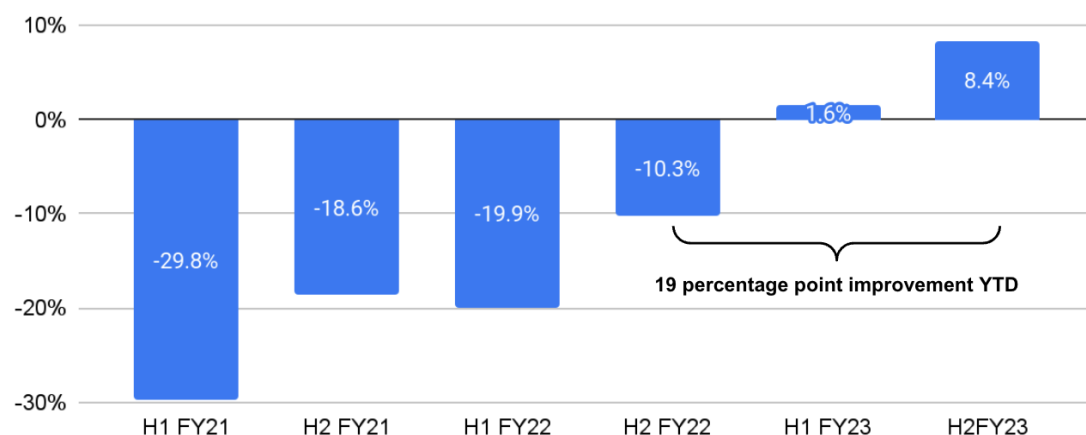
¹ Free cash flow is the sum of cash flows from operating and investing activities. Underlying free cash flow features adjustments to exclude non-recurring items.

² EBITDA is calculated by adding interest, tax, depreciation and amortization expenses to net income. Underlying EBITDA features adjustments to exclude non-recurring items. SiteMinder includes stock based compensation in its calculation of EBITDA and underlying EBITDA.

“The past year has seen SiteMinder strengthen its go-to-market capability through the expansion of marketing and sales channels that reach hotels in more effective and targeted ways. Concurrently, the normalisation of hotel booking activity around the world spurred hoteliers to increasingly engage with SiteMinder to access solutions that boost their revenue. The combination of these factors have resulted in additions to our global customer base being almost double what they were in the same period last year. This growth, along with our cost reduction program, has put the business firmly on the path to become profitable in H2FY24,” says Sankar Narayan, CEO & Managing Director at SiteMinder.

“In addition, we are making good progress in delivering our Smart Platform, which will both accelerate our industry leadership and add profitable growth levers to complement our already strong outlook. SiteMinder has unique access to global, market-leading, proprietary data backed by more than 100 million hotel bookings worth in-excess of A\$60 billion each year. Leveraging this data, the Smart Platform will provide our hotel customers new intelligent capabilities and with automated implementation, empower them to maximise revenues for all conditions.”

‘Rule of 40’³ – SiteMinder on a strong positive trajectory



H2FY23 cash flow – underlying FCF improves to (\$13.8)m, (17.3)% of revenues.

SiteMinder’s underlying free cash flow (FCF) was (\$13.8) million for H2FY23 and excludes non-recurring items related to term deposit flows, the acquisition of GuestJoy, proceeds from the sale of stake in Rezdy, and the actioning of the cost reduction program announced on 31 January 2023. Underlying FCF represented (17.3)% of revenues in H2FY23.

Underlying operating cash flow was (\$2.9) million for H2FY23 and underlying investment cash flow was (\$10.9) million for H2FY23. The improvement compared to previous reporting periods reflects the scalability of SiteMinder’s business model and benefits gained from the actioning of the cost reduction program. SiteMinder continues to make the investments necessary to sustain a high rate of growth.

³ ‘Rule of 40’ is the principle that the sum of a software company’s revenue growth and profit margin should be equal to 40 percent or higher. SiteMinder defines profit margin as free cash flow margin adjusted for non-recurring items (underlying).



SiteMinder remains well capitalised to achieve its strategic objectives. The Company ended FY23 with \$83.6 million of liquidity consisting of \$51.3 million of cash and cash equivalents, \$2.1 million of term deposits, and undrawn debt facilities of \$30.2 million.

Reconciliation of Reported to Underlying Free Cash Flow

\$000s	H2FY23
Reported Operating Cash Flows	(7,154)
Reported Investment Cash Flows	18,236
Reported Operating and Investment Cash Flows	11,082
Term deposit flows	(25,000)
M&A related items	(4,099)
Restructuring costs	2,494
IPO related costs	1,763
Underlying Free Cash Flow	(13,760)

This ASX announcement was authorised by SiteMinder's Board of Directors.

-ENDS-

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About SiteMinder

SiteMinder Limited (ASX:SDR) is the world's leading open hotel commerce platform, ranked among technology pioneers for opening up every hotel's access to online commerce. It's this central role that has earned SiteMinder the trust of tens of thousands of hotels, across 150 countries, to sell, market, manage and grow their business. The global company, headquartered in Sydney with offices in Bangkok, Berlin, Dallas, Galway, London and Manila, generated more than 100 million reservations worth over A\$60 billion in revenue for hotels in the last year prior to the start of the pandemic. For more information, visit [siteminder.com](https://www.siteminder.com).