

21 October 2022

Q1FY23 Activities Report and Appendix 4C Cash Flow Report

SiteMinder Limited (ASX:SDR) (“SiteMinder” or “the Company”) has released its Activities Report and Appendix 4C Cash Flow Report for the quarter ended 30 September 2022.

Additionally, the Company is releasing an interim trading update

Q1FY23 (unaudited) Trading Update - Annualised Recurring Revenue +32% y/y (cc¹)

\$000s	Q1FY23	y/y	y/y (cc)
Annualised Recurring Revenue (ARR ²)	144,950	29.2%	31.8%
Revenue	35,736	29.0%	30.5%
Available Liquidity (incl. Undrawn Debt) ³	108,878		

SiteMinder recorded Q1FY23 revenue of \$35.7 million, growing 30.5% in constant currency (29.0% reported) from Q1FY22.

SiteMinder has continued to deliver accelerating growth in both subscription and transaction revenues, with revenue growth reaching 30.5% (cc) in Q1FY23. This is inline with the guidance provided at the IPO for the business to return to pre-COVID growth rates. Transaction revenue growth continues to significantly outperform the travel recovery reflecting the increasing customer uptake and usage rates across all of our transaction products including GDS⁴.

Annualised Recurring Revenue at the end of Q1FY23 grew 31.8% y/y (cc) from Q1FY22 to \$145 million, which is 34% (cc) higher than the pre-COVID ARR at 30 Sep 2019 reflecting the success of product and business initiatives in driving organic growth.

¹ cc is constant currency

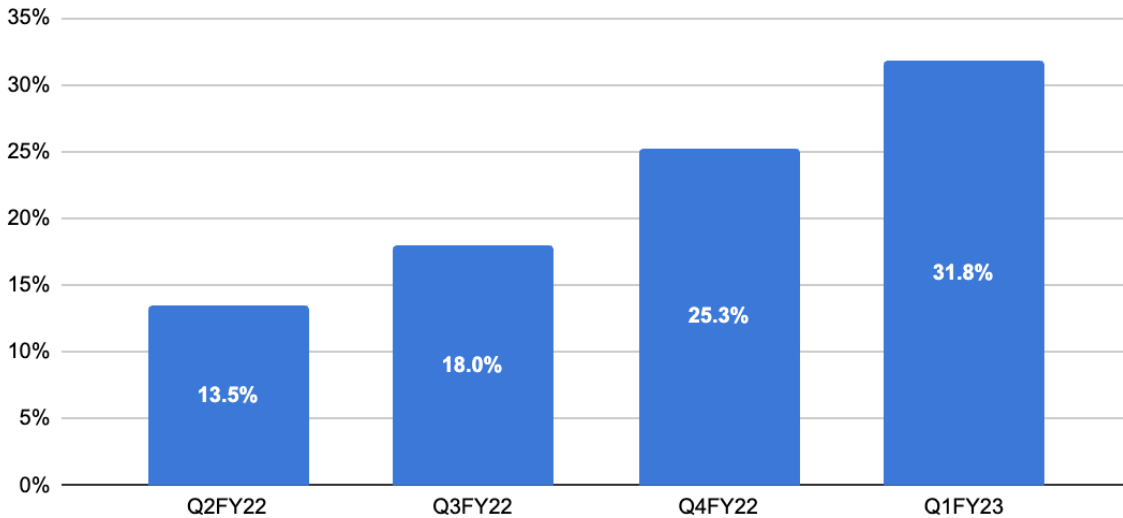
² ARR is the prior month’s recurring subscription revenue multiplied by 12 and the prior quarter’s transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. Readers should note that ARR does not represent our actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

³ Comprising cash and cash equivalents of \$25.8m, funds on deposit of \$52.1m, and undrawn debt facilities of \$31.0m

⁴ GDS connects hoteliers to the corporate and travel agent markets

Underlying operating cash flow for Q2FY23 was \$(3.2)m, representing 8.9% of revenues. Total underlying free cash outflow (FCF) was \$(10.1)m, representing 28.2% of revenues.

Annualised Recurring Revenue Growth Accelerating, +31.8% y/y (cc)



“As we near the anniversary of our first year as a publicly listed company, I want to thank our staff, partners, and customers for their contribution to our operational success. SiteMinder is reaccelerating strongly after demonstrating significant resilience during the COVID pandemic. Additionally, we have delivered strongly on all of our ambitious product and go-to-market initiatives that we outlined during the IPO to position the business to grow at scale. Even as there is global macro uncertainty, we are optimistic on the outlook as we continue to execute on our strategy and travel activity continues its post-COVID recovery around the world.” says Sankar Narayan, CEO & Managing Director at SiteMinder.

Q1FY23 Cash Flow - Underlying Operating Cash Flow at (8.9)% of revenues and Underlying Free Cash Outflow⁵ at (28.2)% of Revenues

SiteMinder's underlying free cash outflow (FCF) for Q1FY23 was (\$10.1) million and excludes \$10.0 million of proceeds from the maturity of term deposits. Q1FY23 underlying free cash outflow represented (28.2)% of revenues.

Underlying operating cash outflows in Q1FY23 was (\$3.2) million, while underlying investment cash outflows was (\$6.9m). This reflects the Company's investments in its go-to-market capacity, and R&D to develop the capabilities of its product portfolio. Payment outflows during the quarter were impacted by the timing of annual payments.

SiteMinder ended Q1FY23 with \$108.9 million of liquidity consisting of \$77.9⁶ million of available cash balance and funds on deposit, and undrawn debt facilities of \$31.0 million. SiteMinder continues to take a disciplined approach in deploying capital with a strong focus on unit economics and delivering long term value for shareholders. The business is well capitalised to achieve its strategic objectives.

Reconciliation of Reported to Underlying Free Cash Flow

\$000s	Q1FY23
Reported Operating Cash Flows	(3,186)
Reported Investment Cash Flows	3,118
Reported Operating and Investment Cash Flows	(68)
Maturity of Term Deposits	(10,000)
Underlying Free Cash Flow	(10,068)

Growth and Free Cash Flow Guidance Re-iterated

SiteMinder's revenue growth in Q1FY23 was in line with pre COVID-19 rates (31% from FY17-FY19). SiteMinder is targeting consistent delivery of pre-COVID growth rates, but realisation of this target will depend on many factors outside of SiteMinder's control including the substantial abatement of COVID 19 related influences on the accomodation and travel industry.

SiteMinder expects to become free cash flow neutral by Q4FY24 on a quarterly basis as it reaches the necessary scale to self-fund its organic growth plans, subject to the continued recovery of travel and other factors outside the SiteMinder's control.

⁵ Free cash outflow is the sum of operating and investment cash flows

⁶ Comprising cash and cash equivalents of \$25.8m and funds on deposit of \$52.1m

Use of Funds

SiteMinder's initial public offering (**Offer**) raised \$627 million. Primary IPO proceeds of \$90 million were received during Q2FY22.

SiteMinder remains well capitalised with cash and funds on deposit of \$77.9⁷ million and no debt.

The table below sets out SiteMinder's expenditures since the completion of the Offer in Q2FY22. All expenditures are aligned with SiteMinder's expected use of funds as outlined in its Prospectus dated 21 October 2021.

Uses of funds	Funds received per Prospectus (\$ million)	Expenditure since IPO (\$ million)	Status
Costs of the Offer borne by SiteMinder	10.2	9.4	Paid in full
Employee incentive close-out	9.6	9.8	Paid in full
Sales and marketing	29.6	16.1	On track
Research and development	25.4	14.3	On track
General and admin	15.1	9.2	On track
Payments to selling shareholders	537.0	537.0	Paid in full
Total uses	627.0	595.8	

As noted in Appendix 4C, payments totalling \$0.3 million were made to related parties of SiteMinder during Q1FY23, consisting of Non-Executive Director fees and consultancy fees.

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

-ENDS-

⁷ Comprising cash and cash equivalents of \$25.8m and funds on deposit of \$52.1m

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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 US\$35 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).

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Appendix 4C

Quarterly Cash Flow Report for Entities Subject to Listing Rule 4.7B

Name of entity

SiteMinder Limited (ASX:SDR)

ABN

Quarter ended ("current quarter")

59 121 931 744

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36,705	36,705
1.2 Payments for		
(a) research and development	(775)	(775)
(b) product manufacturing and operating costs	(7,571)	(7,571)
(c) advertising and marketing	(3,093)	(3,093)
(d) leased assets	(296)	(296)
(e) staff costs	(21,783)	(21,783)
(f) administration and corporate costs	(4,691)	(4,691)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(200)	(200)
1.6 Income taxes paid	(211)	(211)
1.7 Government grants and tax incentives	-	-

1.8	Other (provide details if material) Employee incentive and share schemes	(546) (726)	(546) (726)
1.9	Net cash from / (used in) operating activities	(3,186)	(3,186)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(447)	(447)
	(d) investments	-	-
	(e) intellectual property	(6,300)	(6,300)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	4	4
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) Term deposit	(139) 10,000	(139) 10,000
2.6	Net cash from / (used in) investing activities	3,118	3,118

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(5)	(5)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Proceeds from employee share loan Repayment of lease liabilities	- - (779)	- - (779)
3.10	Net cash from / (used in) financing activities	(783)	(783)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period ⁸	26,598	26,598
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,186)	(3,186)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,118	3,118
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(783)	(783)
4.5	Effect of movement in exchange rates on cash held	53	53
4.6	Cash and cash equivalents at end of period	25,800	25,800

⁸ Opening balance has been adjusted for funds on deposit of \$60.0m

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	25,800	26,598
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,800	26,598

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	200
6.2 Aggregate amount of payments to related parties and their associates included in item 2	61

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	30,956	0
7.2 Credit standby arrangements		
7.3 Other (please specify) Term deposit	52,122	0
7.4 Total financing facilities	83,078	0
7.5 Unused financing facilities available at quarter end		83,078

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

We have access to a revolving credit facility ('Banking Facility') of US\$20 million from Silicon Valley Bank. The facility was entered into on 13 October 2020 as part of an amendment to the original loan and security agreement dated 15 December 2017 and matures on 6 October 2023. The Banking Facility accrues interest at a floating per annum rate equal to the greater of: (i) 1.50% above the Prime Rate; or (ii) a fixed rate of 4.75%.

As at the date of this report, the Banking Facility was undrawn.

We have access to Term deposits totalling \$52.1 million maturing in the next 14 months

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,186)
8.2	Cash and cash equivalents at quarter end (item 4.6)	25,800
8.3	Unused finance facilities available at quarter end (item 7.5)	83,078
8.4	Total available funding (item 8.2 + item 8.3)	108,878
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	34

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **21 October 2022**

Authorised by: **The Board of Directors of SiteMinder Limited**
(Name of body or officer authorising release – see note 4)

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