

Q2FY22 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 31 December 2021.

Additionally, in light of ongoing travel disruptions with Covid, the Company is releasing an interim trading update.

H1FY22 (unaudited) and Q2FY22 (unaudited) trading update

SiteMinder’s total revenues for H1FY22 were \$55 million, growing 10.4% (on a constant currency basis) from H1FY21. Annualised Recurring Revenue (ARR)¹ at the end of H1FY22 was \$111 million, growing 13.5% (on a constant currency basis) from H1FY21 and outpacing revenue growth, reflecting the acceleration of SiteMinder’s business.

ARR value changes from June 30, 2021 reflect growth in the Company and seasonality. SiteMinder’s customer property count increased from 32,800 to 33,400 over the past quarter, with annualised property growth within a quarter accelerating from 5% both in Q4FY21 and Q1FY22 to 8% in Q2FY22.

“Building on the momentum from the prior two quarters, SiteMinder is pleased to be reaccelerating post the COVID-19 slowdown. In line with the continued reopening of travel globally, we are rebuilding our go-to-market (GTM) capacity, which was reduced as part of our response to the COVID-19 pandemic in early 2020. The growth of our customer base mirrors the increasing pursuit and adoption of hotel commerce technology around the world,” says Sankar Narayan, CEO & Managing Director at SiteMinder.

During the quarter, SiteMinder benefited from the continued reopening of travel markets, including in Australia, before moderating due to the Omicron-driven travel slowdown – a trend that was experienced in travel markets globally. In spite of the slowdown, and the consequential impact to the Company’s corporate and GDS revenues, SiteMinder’s ongoing resilience and growth in ARR from December 2020 reflect the continued strength of domestic leisure travel markets.

¹ 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. We use ARR to project current performance into the future.

Mr Narayan says, “While there is ongoing impact to certain segments of travel, such as corporate bookings, SiteMinder’s greater exposure to leisure travel—which is continuing and strengthening in most parts of the world, especially at a domestic level—is proving a strong advantage. We are optimistic that we are on the path to recovery and our ARR growth from the prior year demonstrates this.”

H1FY22 cash flow

SiteMinder’s Free cash outflow² for H1FY22 was (\$16.2 million), representing 29% of revenues with available cash of \$113 million, excluding debt facilities. There were timing impacts on cash usage between Q1FY22 and Q2FY22 due to movements in working capital in the ordinary course of business.

Operating cash outflows of (\$5.6 million) in H1FY22 reflected the Company’s investment in rebuilding GTM capacity, to support future growth.

Investment cash outflows in H1FY22 were (\$10.6 million) for the R&D product portfolio and to support the H2FY22 launches of SiteMinder’s next generation platform and mobile applications.

Use of funds

SiteMinder’s initial public offering (**Offer**) raised \$627 million. Primary IPO proceeds of \$90 million received during Q2FY22 were used to pay Offer costs of \$7.1 million and employee incentives of \$9.5 million. Further financing cash outflows relating to the IPO of \$4 million will be reflected in H2FY22.

SiteMinder remains well capitalised, following the IPO, with cash on hand of \$113 million.

The table below sets out SiteMinder’s Q2FY22 expenditure. All costs 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)	Q2 expenditure (\$ million)	Status
Costs of the Offer borne by SiteMinder	10.2	7.1	On track
Employee incentive close-out	9.6	9.5	On track
Sales and marketing	29.6	3.7	On track
Research and development	25.4	3.3	On track
General and admin	15.1	1.9	On track

² Free cash flow is the sum of operating and investment cash flows



Payments to selling shareholders	537.0	537.0	Paid in full
Total uses	627.0	562.5	

As noted in Appendix 4C, payments totalling \$0.11 million were made to related parties of SiteMinder during Q2FY22, consisting of Non-Executive Director fees.

SiteMinder's H1FY22 results will be released on February 16, 2022.

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

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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.

Appendix 4C

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

Name of entity

SiteMinder Limited (ASX:SDR)

ABN

59 121 931 744

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	28,531	56,279
1.2 Payments for		
(a) research and development	(836)	(1,763)
(b) product manufacturing and operating costs	(5,382)	(9,175)
(c) advertising and marketing	(1,662)	(3,037)
(d) leased assets	(117)	(273)
(e) staff costs	(20,531)	(41,029)
(f) administration and corporate costs	(2,736)	(5,509)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(5)	(9)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(862)	(1,116)
1.9 Net cash from / (used in) operating activities	(3,584)	(5,602)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(157)	(336)
(d) investments	-	-
(e) intellectual property	(5,375)	(10,492)

	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	16	18
	(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)	238	206
2.6	Net cash from / (used in) investing activities	(5,278)	(10,604)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	92,325	110,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	317	317
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7,097)	(7,556)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(21)	(21)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	Employee incentive close out	(9,530)	(9,530)
	Proceeds from employee share loan	6,105	6,306
	Repayment of lease liabilities	(407)	(806)
	Repayment of lease interest	(207)	(429)
3.10	Net cash from / (used in) financing activities	81,486	98,281

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	40,245	30,970

4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,584)	(5,602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,278)	(10,604)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	81,486	98,281
4.5	Effect of movement in exchange rates on cash held	130	(46)
4.6	Cash and cash equivalents at end of period	112,999	112,999

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	112,999	40,245
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)	112,999	40,245

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	110
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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.</i> <i>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	27,541	0
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	27,541	0
7.5	Unused financing facilities available at quarter end		27,541

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;1 or (ii) a fixed rate of 4.75%.

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,577)
8.2	Cash and cash equivalents at quarter end (item 4.6)	112,999
8.3	Unused finance facilities available at quarter end (item 7.5)	27,541
8.4	Total available funding (item 8.2 + item 8.3)	140,540
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	39
<i>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.</i>		
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		
<i>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.</i>		

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: **31 January 2022**

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