SiteMinder

ASX ANNOUNCEMENT
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SiteMinder reaccelerates and grows across key metrics in H1
$55M revenue, 33.4K subscribers, $111M ARR, growth in ARPU

H1FY22 performance highlights
(All figures in AUD as at December 31, 2021)

- *Total revenue was up 9% on H1FY21 (10.4% in constant currency (cc)) to $55.0 million.*
  - *In H1FY22, in cc over H1FY21, revenue grew 25% in the Americas and 16% in EMEA, and declined 5% in APAC.*
- *SiteMinder's global customer base increased 6% during H1FY22. During H1FY22, annualised property growth in the Americas expanded by 15%, EMEA by 8% and APAC was flat.*
  - *Global customer base increased 8% by annualised property growth during Q2FY22.*
  - *Global customer base was 33,400 as at December 2021, which was an increase of 2.7% over December 2020.*
- *Annualised recurring revenue (ARR) grew 13.5% (cc) on H1FY21 to $111 million.*
- *Monthly average revenue per user (ARPU) grew 7.7% (cc) on H1FY21 to $280.*
- *LTV/CAC increased from 2.1x in FY21 to 3.2x in H1FY22.*
- *Underlying free cash outflow of $16.6 million represented 30% of revenue with available cash and term deposits of $113 million.*
- *Underlying net loss was $18.6 million reflecting investments to reaccelerate.*
- *Reported net loss was $87 million primarily from the costs of revaluation of embedded derivatives on preference shares while a private company.*

SiteMinder Limited (ASX:SDR) ("SiteMinder" or "the Company") has today released its results over the six months ended 31 December 2021 (H1FY22), to mark its first half-year report as an ASX-listed company since its Initial Public Offering in November 2021. SiteMinder's performance demonstrated reacceleration, in line with the continued reopening of travel globally and the Company's rebuilding of its go-to-market (GTM) capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020.

Growth recovery
Following a resilient performance in FY21, SiteMinder delivered growth in H1FY22, including total revenue, which grew 10.4% (cc) from the prior year to $55.0 million. Annualised Recurring Revenue (ARR) at the end of H1FY22 was $111 million, growing 13.5% (cc) from H1FY21 and outpacing revenue growth to reflect the acceleration of SiteMinder's business.

SiteMinder's customer property count increased from 32,800 to 33,400 over the past quarter, with annualised property growth in a quarter picking up speed from 5% in Q1FY22 to 8% in Q2FY22. With subscription growth, improving travel and increased transaction attachment rates[1] of 32% (9 pp growth YoY), total ARPU rose to $280 – an increase of 7.7% YoY (cc).

Transaction revenues rebounded with the partial recovery of global travel. Around a third (32%) of customers have adopted an average of one transactional product – up 9 percentage points from the prior year.

SiteMinder also saw its LTV/CAC increase from 2.1x in FY21 to 3.2x in H1FY22, with lower churn and expanding ARPU. The rise in CAC is temporary and due to GTM investments to recover sales capacity.

Financial outcomes

SiteMinder remains well capitalised, following its IPO, with cash and term deposits on hand of $113 million. Underlying free cash outflow represents 30% of revenue, following planned investments in rebuilding GTM and product. The Company continues to invest in R&D, with the February 2022 relaunch of its Little Hotelier mobile application now mobilising the world's small hoteliers, and its next generation platform on track to launch during H2FY22.

The reported net loss for the period was $87 million driven in large part by a one-off cost of $61.8 million relating to the higher revaluation of preference shares while a private company. Additionally, one-off IPO costs of $6.7 million were incurred in November 2021. The underlying net loss was $18.6 million and underlying EBITDA loss was $10.0 million.

Market highlights

SiteMinder's revenue in the Americas increased 25% (cc) to $14.0 million over H1FY21, due in part to the reopening of travel in the region and the increased attachment of transactional products. The Americas' annualised property growth expanded by 15% during the half to represent the highest growth across all regions.

Revenue from EMEA increased 16% (cc) to $24.1 million, underpinned by the reopening of travel over the Northern Hemisphere summer. Annualised property growth of 8% during the half was also assisted by the reopenings. There were some impacts from Omicron and the reintroduction of lockdowns in some markets, but they have again begun reopening.

With Asia Pacific hotels particularly dependent on international travel, and borders remaining closed throughout the period, Asia Pacific revenue declined by 5% (cc) to $17.0 million over H1FY21. Annualised property growth in the region stabilised during H1FY22 with greater optimism from improved vaccination rates.

Global product and customer leadership

The breadth and depth of SiteMinder's hotel commerce platform, combined with the Company's continued customer focus, earned SiteMinder the top prize and the highest number of major accolades at the 2022 HotelTechAwards, affirming the Company's position as the world's leading open hotel commerce platform. SiteMinder was awarded the overall

[1] Subscription customers on average having one transaction product

People's Choice Award, as well as Best Marketplace & Integrator, Best Channel Manager and Best Booking Engine.

With close to 650 members, SiteMinder's Partner Program remains the most extensive, global program of its kind and continues to drive the growth of SiteMinder's ecosystem of more than 1,400 partners. The Company celebrated the first anniversary of the program in November with the inaugural SiteMinder Partner of the Year Awards, which attracted more than 80 nominations from 24 countries.

Commenting on SiteMinder's H1FY22 performance, SiteMinder CEO and managing director Sankar Narayan said: "In line with the continued reopening of travel markets and the rebuilding of our go-to-market capacity, SiteMinder's growth is accelerating once again and our performance over the past six months stands as a testament to our ability to withstand the ongoing challenges presented by travel globally. We continue to exhibit our resilience through growth in total revenue and our subscription base, as well as ARR, ARPU and improved unit economics. Our performance also reflects the scale and breadth of our global business, with both the Americas and EMEA driving Company growth, and we are hopeful that the Asia Pacific will continue to reopen during 2022, to provide additional strength to our growth recovery.

"As we continue to deliver on our growth objectives, we have recently relaunched the Little Hotelier mobile app to literally free the world's small hotels and to deepen our ability to service that critical segment of the market. Particularly during a time when hoteliers are increasingly relying on technology more than ever to help sell, market, manage and grow their business, the launch of our next generation platform over the coming months puts us in an even greater position to capitalise on the opportunity that is uniquely available to us.

"Along with the validation we have gained through the recent HotelTechAwards wins, these strategic initiatives will transform how we do business. We know that our customers want choice, but also a platform that takes the complexity out of designing and executing online commerce strategies in an integrated way, to reach new customers and increase revenue. These hotel strategies involve both direct and indirect revenue streams, which reinforces the importance of our strength in indirect distribution as well as our recognised leadership in integrated, direct booking solutions."

Outlook

Following a global resumption of travel, SiteMinder is targeting pre-COVID-19 revenue growth rates (31% from FY17-FY19) in the future but realisation of this target will depend on many factors outside of the Company's control, including the substantial abatement of COVID-19 related influences on the accommodation and travel industry.

This announcement was authorised for release by the Board & Chair of the Audit and Risk Committee.

-ENDS-

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.

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Definitions

<u>ARR</u> 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. However, investors 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.

<u>ARPU</u> is calculated by using monthly recurring revenue and dividing it by the number of properties for each respective month. The monthly ARPU is presented as the average of the last 12 months.

<u>LTV/CAC</u> is the ratio between the Lifetime Value (LTV) and Cost of Acquiring Customer (CAC). LTV is calculated by taking the monthly average ARPU over the last 12 months, multiplied by the gross margin percentage, divided by Monthly Revenue Churn. This is then annualised by multiplying by 12. CAC is calculated by the total sales, marketing and onboarding expenses over a period, less set-up fees charged in the period, divided by the number of new billed properties in the period. Figures are on a rolling average, depending on the period covered i.e. six months for half-year or 12 months for full-year.

<u>Underlying free cash flow</u> is the sum of underlying operating cash flow and underlying investment cash flows.