

SiteMinder accelerates in Q4 across key growth metrics with ARR¹ growing 25% y/y (cc²) to \$129.7m

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

Additionally, the Company is releasing an interim trading update and more detailed information ahead of its full year reporting on 23 August 2022.

Q4FY22 (unaudited) Trading Update - Performance Highlights:

- **Annualised recurring revenue (ARR) increased 25.3% y/y (cc)** to \$129.7m, which is 27% (cc) higher than the pre-COVID ARR at 30 June 2019
- **Revenue increased 23.4% y/y (cc)** to \$32.0m, taking FY22 revenues to \$116.0m
 - Subscription revenues grew 9.7% y/y (cc) accelerating from 1% y/y (cc) during 1H FY22
 - Transaction revenues grew 86.3% y/y (cc). The number of transaction products subscribed by our customers increased 51% y/y to 13k products at the end of FY22
- **Number of properties increased 7% y/y** to 34.7k
- **Underlying free cash outflow** of (\$18.4)m for H2FY22, **representing 30% of revenue**
- **Available Liquidity of \$117.7m** consisting of \$26.6m of cash and cash equivalents, \$62.1m of funds on deposit, and \$29.0m of undrawn debt facilities

"It's great to see the business accelerate driven by the initiatives delivered over the last 3 years. We have been assisted by the overall global travel recovery, even with Asia still in the early phases of reopening. Our strong success in increasing the customer uptake of our transaction products is paying off with 86% y/y (cc) transaction revenue growth in Q4FY22. Subscription revenues are starting to accelerate as we rebuild our Go To Market capacity. I want to thank all our staff, partners and customers for the resilience they have shown over the last couple of years and we are optimistic for the continued recovery of travel around the world." says Sankar Narayan, CEO & Managing Director at SiteMinder.

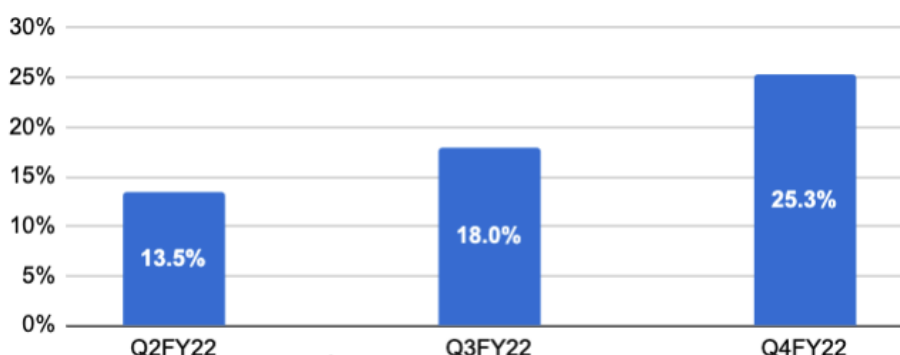
¹ ARR is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. 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.

² (cc) is constant currency

Q4FY22 (unaudited) Trading Summary

\$m	Q4FY22	y/y	y/y (cc)
Revenue	32.0	23.9%	23.4%
Annualised Recurring Revenue (ARR)	129.7	23.6%	25.3%
Number of Properties	34.7k	7%	7%
Available Liquidity (incl. Undrawn Debt)	117.7	n/a	n/a

Accelerating ARR Growth (y/y, cc)



Key Product Initiatives

During the quarter we launched our next generation Platform with overwhelmingly positive feedback from our customers. Our customers are excited to take advantage of the Platform's more intuitive user experience, improved workflow, increased connectivity, and access to deep insights on business performance.

We expanded Little Hotelier Basics (LH Basics) on 28-June to our major English speaking regions. Featuring digital sales and on-boarding, and a hybrid pricing model, LH Basics makes SiteMinder's technology more accessible to small accommodation providers whose uptake of modern technology solutions remain low.

Our transaction products were also enhanced to drive customer adoption and usage. During 4QFY22 we further optimised our Demand Plus bidding engine helping deliver more bookings for our customers.

H2FY22 (unaudited) Cash Flow - Underlying Free Cash Outflow³ at (30)% of Revenue

SiteMinder's underlying free cash outflow (FCF) for H2FY22 was (\$18.4)m and represented (30%) of revenue. Underlying FCF for Q4FY22 was (\$9.9)m. There were modest working capital timing differences between Q3FY22 and Q4FY22.

Underlying operating cash outflows were (\$6.2)m and investment cash outflows were (\$12.2)m during H2FY22.

H2FY22 underlying free cash outflow excludes (\$0.6)m of cash payments related to pre-IPO historical commitments, (\$4.0)m of IPO costs and (\$2.1)m of funds invested in term deposits.

The cash usage was driven by the rebuilding of our Go to Market (GTM) capacity during FY22 following the COVID driven reductions in March 2020, and new product initiatives including the Platform launch in Q4FY22. These investments are laying the foundations for improved unit economics and for SiteMinder to become free cash flow positive with high organic growth in the future.

SiteMinder ended FY22 with \$117.7m of liquidity consisting of \$88.7⁴m of available cash balance and funds on deposit, and undrawn debt facilities of \$29.0m. The business is well capitalised to achieve its strategic objectives.

Reconciliation of Reported to Underlying Free Cash Flow

\$000s	H2FY22
Reported Operating Cash Flows	(10,750)
Reported Investment Cash Flows	(14,293)
Reported Operating and Investment Cash Flows	(25,043)
Pre-IPO historical commitments	562
Transaction costs relating to IPO and excess insurance cost	3,655
Payment for employee incentives on IPO	314
Financial assets	2,123
Underlying Free Cash Flow	(18,389)

³ Free cash outflow is the sum of operating and investment cash flows

⁴ Comprising cash and cash equivalents of \$26.6m and funds on deposit of \$62.1m

Growth Guidance Re-iterated

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.

Use of Funds

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

SiteMinder remains well capitalised with cash and funds on deposit of \$88.7m 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 (\$m)	Expenditure since IPO (\$m)	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	12.2	On track
Research and development	25.4	10.6	On track
General and admin	15.1	6.7	On track
Payments to selling shareholders	537.0	537.0	Paid in full
Total uses	627.0	585.7	

As noted in the Appendix 4C, payments totalling \$0.21m were made to related parties of SiteMinder during Q4FY22, consisting of Non-Executive Director fees and consultancy fees.

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 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).

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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31,644	117,988
1.2 Payments for		
(a) research and development	(1,227)	(3,730)
(b) product manufacturing and operating costs	(6,270)	(20,656)
(c) advertising and marketing	(2,508)	(7,293)
(d) leased assets	(300)	(823)
(e) staff costs	(20,568)	(82,211)
(f) administration and corporate costs	(3,658)	(12,697)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid ⁵	(196)	(833)

⁵ Interest on leased asset was previously classified as financing cashflow in the Q2FY22 4C

1.6	Income taxes paid	(60)	(75)
1.7	Government grants and tax incentives	-	16
1.8	Other (provide details if material)	(739)	(2,539)
	Employee incentive close out ⁶	-	(9,844)
	D&O Insurance	-	(1,928)
	IPO costs ⁷	(115)	(6,080)
1.9	Net cash from / (used in) operating activities	(3,997)	(30,705)
2. Cash flows from investing activities			
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(302)	(882)
	(d) investments	-	-
	(e) intellectual property	(6,195)	(22,022)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	20
	(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)	(101)	140
	Term deposit	(2,123)	(62,123)

⁶ Employee incentive close out was previously classified as financing cashflow in the Q2FY22 4C

⁷ IPO costs were previously classified as financing cashflow in the Q2FY22 4C

2.6	Net cash from / (used in) investing activities	(8,719)	(84,867)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	110,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	159	667
3.4	Transaction costs related to issues of equity securities or convertible debt securities	122	(3,622)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(36)	(90)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Proceeds from employee share loan Repayment of lease liabilities	- (422)	6,306 (1,642)
3.10	Net cash from / (used in) financing activities	(176)	111,618
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	39,060	30,970 ⁸
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,997)	(30,705)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,719)	(84,867)

⁸ Opening balance has been adjusted for funds on deposit of \$60.0m and an additional \$2.1m was invested in Q4FY22

4.4	Net cash from / (used in) financing activities (item 3.10 above)	(176)	111,618
4.5	Effect of movement in exchange rates on cash held	431	(417)
4.6	Cash and cash equivalents at end of period	26,598	26,598

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	26,598	39,060
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)	26,598	39,060

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	211
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>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.</i>		

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
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7.1	Loan facilities	29,019	0
7.2	Credit standby arrangements		
7.3	Other (please specify) Term deposit	62,122	0
7.4	Total financing facilities	91,142	0
7.5	Unused financing facilities available at quarter end		91,142
7.6	<p>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.</p> <p>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%.</p> <p>As at the date of this report, the Banking Facility was undrawn.</p> <p>We have access to Term deposits totalling \$62.1 million maturing in the next 1-9 months</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,997)
8.2	Cash and cash equivalents at quarter end (item 4.6)	26,598
8.3	Unused finance facilities available at quarter end (item 7.5)	91,142
8.4	Total available funding (item 8.2 + item 8.3)	117,740
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	29
<p><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></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer:</p>	

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: **29 July 2022**

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