

27 April 2023

## Q3FY23 Activities Report and Appendix 4C Cash Flow Report

### SiteMinder continues to grow strongly with moderating cash usage, stays on track to be free cash flow neutral by Q4FY24

SiteMinder Limited (ASX:SDR) (“SiteMinder” or “the Company”) has released its Activities Report and Appendix 4C Cash Flow Report for the quarter ended 31 March 2023.

Additionally, the Company has released the following interim trading update:

#### Q3FY23 (unaudited) trading update

- **Revenue increased 28.7% y/y** (27.1% cc<sup>1</sup>,organic) during Q3FY23 to \$37.3m.
- **Annualised recurring revenue (ARR<sup>2</sup>) increased 28.5% y/y** (25.8% cc,organic) to \$150.3m.
- **Net subscriber additions** accelerated compared to H1FY23 and Q2FY23.
- **Uptake of transaction products accelerated** with more new users of Demand Plus than during any other quarter prior.
- **Underlying free cash outflow of (\$8.5)m** for Q3FY23 was the lowest compared to the prior five quarters. At **22.7% of revenue**, it was an improvement from 28.2% of revenue in H1FY23.
- **Available liquidity** (including undrawn debt) remained strong at \$86.7m<sup>3</sup>.

Revenue growth was strong, even as the business cycled robust comparables in the prior year, with the growth in transaction revenue continuing to outpace travel demand. Q3FY22 benefited from the reopening of borders following a COVID pause and extended periods of travel shutdown.

In spite of year-on-year ARR growth being impacted by the unusually early start to the northern hemisphere's summer travel season last year, ARR at the end of Q3FY23 grew 28.5% y/y (25.8% cc,organic) to \$150.3 million. The Company notes that forward booking activity has to date been strong for this year's northern hemisphere summer travel season.

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<sup>1</sup> cc is constant currency

<sup>2</sup> 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.

<sup>3</sup> Comprising cash and cash equivalents of \$29.7m, funds on deposit of \$27.1m, and undrawn debt facilities of \$29.9m

*"It is pleasing to see good momentum across all parts of the business with the expansion of our go-to-market engine, and continued strength in global travel demand as outbound Chinese tourism builds," says Sankar Narayan, CEO & Managing Director at SiteMinder.*

*"We are particularly excited by the opportunities presented by our Smart Platform, which is the next phase in the evolution of the SiteMinder Platform. The Smart Platform will over time feature automated and easy-to-use tools that will bring hoteliers new levels of intelligence, and allow them to react to the always-dynamic travel environment at pace and with conviction to maximise their revenues.*

*"We remain focused on leveraging our scalable business model to deliver our growth ambitions in a financially-prudent manner. This quarter's improvement in underlying free cash outflow, even as our business accelerated, demonstrates the progress we are making towards being free cash flow neutral."*

### **SiteMinder's Smart Platform strategy**

SiteMinder's hotel commerce platform is today led by its pioneering channel management capability, which allows hotel customers to distribute their room rates to both direct and third-party channels. Another increasing strength of the platform is rate management, which involves hoteliers managing their rate plans using intuitive interfaces alongside error detection, so they can set pricing plans with greater confidence, agility and reduced lead time in response to market changes.

SiteMinder's rate management capability is underpinned by a unique architecture that enables the platform to store up to two years of future hotel rate plans, and be the industry benchmark for reliability. It is this unique architecture that allows SiteMinder's hotelier customers to manage their rates and inventory within the platform, asynchronously deliver updates to their distribution channels, and be as dynamic as the environment within which they operate.

As the Company enhances its platform, it will leverage its unique architecture, proprietary data assets derived from more than 100 million bookings annually, and external market and competitor pricing data even further. SiteMinder will also use artificial intelligence to deliver actionable insights that will help hoteliers optimise their room and rate configurations to drive revenue growth. Importantly, hoteliers will enjoy these new capabilities through automated tools, thus removing friction and pain points.

Such capabilities, which have previously only been available to larger hotel groups with revenue management teams and/or complex revenue management systems, adds to the already-strong value proposition of SiteMinder's platform. They also significantly expand the opportunities available to SiteMinder to grow its customer base and their lifetime value.

### Q3FY23 cash flow - underlying FCF improves to (\$8.5)m, 22.7% of revenues

SiteMinder's underlying free cash outflow (FCF) for Q3FY23 was (\$8.5) million, and excluded \$2.7 million of non-recurring costs related to the acquisition of GuestJoy and the actioning of the cost-out program announced on 31 January 2023. Q3FY23 underlying free cash outflow represented 22.7% of revenues.

Underlying operating cash outflow in Q3FY23 was (\$3.0) million, while underlying investment cash outflow was (\$5.5 million). Both represent declines compared to recent quarters, reflecting the scalability of SiteMinder's business model and benefits gained from the actioning of the cost-out program. SiteMinder continues to make the investments necessary to sustain a high rate of growth. These investments include the go-to-market engine, and R&D to support the realisation of the Smart Platform program.

The Company remains well capitalised to achieve its strategic objectives. SiteMinder ended Q3FY23 with \$86.7 million of liquidity consisting of \$56.9<sup>4</sup> million of available cash balance and funds on deposit, and undrawn debt facilities of \$29.9 million.

#### **Reconciliation of Reported to Underlying Free Cash Flow**

<b>\$000s</b>	<b>Q3FY23</b>
Reported Operating Cash Flows	(5,285)
Reported Investment Cash Flows	(5,840)
<b>Reported Operating and Investment Cash Flows</b>	<b>(11,124)</b>
GuestJoy acquisition costs	367
Restructuring costs	2,302
<b>Underlying Free Cash Flow</b>	<b>(8,456)</b>

#### **Growth and free cash flow guidance reiterated**

SiteMinder continues to target pre-Covid revenue growth rates (31% from FY17-FY19). Additionally, the Company expects to be free cash flow neutral by Q4FY24 on a quarterly basis through continued revenue growth and cost initiatives. The realisation of these targets is subject to the continued recovery of travel and other factors outside of SiteMinder's control.

<sup>4</sup> Comprising cash and cash equivalents of \$29.7m and funds on deposit of \$27.1m

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## Use of funds

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

In addition to being well capitalised, with cash and funds on deposit of \$56.9<sup>5</sup> million, SiteMinder has no debt.

The table below lays 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	23.7	On track
Research and development	25.4	20.7	On track
General and admin	15.1	13.8	On track
Payments to selling shareholders	537.0	537.0	Paid in full
<b>Total uses</b>	<b>627.0</b>	<b>614.4</b>	

As noted in Appendix 4C, payments totalling \$0.3 million were made to related parties of SiteMinder during Q3FY23, consisting of Non-Executive Director fees and consultancy fees.

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

-ENDS-

<sup>5</sup> Comprising cash and cash equivalents of \$29.7m and funds on deposit of \$27.1m

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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

31 March 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	37,557	112,340
1.2 Payments for		
(a) research and development	(682)	(2,203)
(b) product manufacturing and operating costs	(7,637)	(24,679)
(c) advertising and marketing	(1,830)	(7,965)
(d) leased assets	(410)	(1,108)
(e) staff costs	(23,822)	(68,774)
(f) administration and corporate costs	(7,553)	(17,461)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(193)	(579)
1.6 Income taxes paid	(10)	(634)
1.7 Government grants and tax incentives	-	-

1.8	Other (provide details if material) Employee incentive and share schemes	(689) (15)	(1,955) (741)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(5,285)</b>	<b>(13,759)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(112)	(846)
	(d) investments	-	-
	(e) intellectual property	(5,494)	(17,727)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	4	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) Term deposit	(238) -	(32) 35,000
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(5,840)</b>	<b>16,415</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	10	2,230
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	(9)	(63)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Proceeds from employee share loan Repayment of lease liabilities	- - (791)	- - (2,284)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(791)</b>	<b>(117)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period <sup>6</sup>	41,101	26,598
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,285)	(13,759)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,840)	16,415
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(791)	(117)
4.5	Effect of movement in exchange rates on cash held	554	602
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>29,739</b>	<b>29,739</b>

<sup>6</sup> Opening balance has been adjusted for funds on deposit of \$60.0m



<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	29,739	41,101
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>29,739</b>	<b>41,101</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	229
6.2 Aggregate amount of payments to related parties and their associates included in item 2	28

*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.*

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	29,857	0
7.2 Credit standby arrangements		
7.3 Other (please specify) Term deposit	27,123	0
<b>7.4 Total financing facilities</b>	<b>56,980</b>	<b>0</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>56,980</b>

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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 \$27.1 million maturing in the next 2 months

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,285)
8.2 Cash and cash equivalents at quarter end (item 4.6)	29,739
8.3 Unused finance facilities available at quarter end (item 7.5)	56,980
8.4 Total available funding (item 8.2 + item 8.3)	86,719
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	16

*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: **27 April 2023**

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

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