SiteMinder

ASX ANNOUNCEMENT
24 October 2022

Annual General Meeting 2022
Chairman and CEO's Address

Chairman's Address

It is almost exactly one year ago that I took on the role as SiteMinder's chairman. Having worked closely with a number of Australia's leading technology companies, I recognised characteristics in SiteMinder that would not only allow it to maintain global leadership, but continue to grow its presence and play an increasingly important role in the day-to-day operations of its customers.

Today I am happy to share with you that my conviction in the quality and future direction of SiteMinder has only grown. After successfully weathering the most challenging period for any business exposed to travel, the team turned their focus to growth in FY22. Annual recurring revenue growth accelerated from 13.5% year-on-year on a constant currency basis at the end of H1FY22 to 25.3% at the end of FY22. Momentum has continued into Q1FY23, and SiteMinder has returned to its pre-COVID revenue growth rate of 31%, in line with the guidance provided at the IPO.

While the acceleration in revenue momentum is encouraging, what has been most impressive is the manner in which it has been achieved. There is no denying the easing of COVID related restrictions and resumption of travel was a tailwind for SiteMinder in FY22, but its contribution was rivalled by the strategic initiatives actioned by the team. The benefits from the roll-out and strengthening of SiteMinder's transaction products during COVID is now becoming apparent, with their uptake increasing by 51% and their revenues growing 72.3% on a constant currency basis in FY22.

The team, led by Sankar Narayan, continues to set SiteMinder up to deliver growth at scale through the successful execution of initiatives across product, go-to-market, and digitisation. The release of the next generation SiteMinder Platform and Little Hotelier Basics were highlights. These two products are truly transformational as they simultaneously boost SiteMinder's customer value proposition, remove customer pain points, and enhance scalability. I'll leave it to Sankar to detail his future vision for the business and his action plan to deliver it, but I'm excited by the numerous levers that have been built or are being built into the business to deliver growth at scale.

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In SiteMinder's first year as a public company, good progress was made in improving corporate governance. A key area of focus has been the composition of the Board in terms of capability, diversity, and independence. Since the company's ASX listing, we've added two independent directors in Kim Anderson and Dean Stoecker, both of whom have enviable track records as founders, executives, and board members.

I've had the pleasure of working with Kim across a number of ASX boards and have seen first-hand her contributions particularly on the people & culture front. Kim is also the Chair of the People & Culture Committee at SiteMinder and worked with Sankar and the team to put in place the new remuneration framework. Dean is the latest addition to the Board, and as the founder and Executive Chairman of Alteryx, brings a broad global perspective and expertise in scaling a SaaS business in multiple countries.

Kim and Dean, along with Michael Ford, are up for election today and I support their appointment to the Board.

SiteMinder also released its first Sustainability Report and I encourage you to peruse it at your convenience. Highlights include initiatives to offset carbon emissions, transitioning the Sydney head office to 100% GreenPower, progress towards achieving 40/40/20 by 2024, and the addition of new independent directors to improve the diversity and independence of the Board. I'm proud of the progress made by the team on all fronts in our short time as a public company but acknowledge we are on a journey.

Overall, I believe SiteMinder has performed very well since its listing on the ASX and has delivered on its commitments. The business is well capitalised, operational momentum is solid, and the team is laying great foundations for the company to continue growing at scale.

I would like to thank my fellow directors, the SiteMinder leadership team, and all of SiteMinder's staff for their support and effort during FY22. Your resilience and commitment during the most challenging times in the company's history is now yielding results. I would also like to thank our investors who've not only entrusted us with their capital but have been most generous with their advice and feedback. The team looks forward to your continued partnership as we build upon SiteMinder's industry leadership, and open every hotelier across the world to the next era of hotel commerce.

I will now invite Sankar Narayan, SiteMinder's CEO and Managing Director, to address the meeting on SiteMinder's operational performance.

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CEO's Address

Thank you, Pat. I would also like to acknowledge the support you and the Board have provided to not just myself but the whole SiteMinder team in our first year as a public company.

As Pat outlined in his address, FY22 was about re-acceleration after two years of some of the toughest trading conditions ever faced by those involved with the travel industry, a period where SiteMinder's resilience to tough economic environment was showcased.

On FY22, I'm pleased with how the business performed against the financial framework we have shared with the market. Revenue growth accelerated from 10% y/y on a constant currency basis in H1FY22 to 23.4% y/y in Q4FY22, net additions to the subscriber base increased from 1k in H1FY22 to 1.3k in H2FY22, customer churn has returned to pre-COVID levels, and LTV/CAC improved from 2.1x in FY21 to 3.9x in Q4FY22.

While the business benefited from the easing of COVID related restrictions during H2FY22, the performance also reflected the investment made in transaction products. The uptake of our transaction products increased 51% in FY22 as hoteliers sought solutions that helped increase bookings and operational efficiencies as they look to make the most of the travel recovery. The life-time value of our customers in Q4FY22 was 30% above pre-COVID levels, confirming the value generated from our product strategy.

Last Friday, we released our quarterly cash flow and trading update.

The update confirmed that momentum continues to build with annual recurring revenue growth of 31.8% y/y (constant currency) in Q1FY23 compared to 25.3% y/y in Q4FY22.

Revenue growth was 30.5% y/y (constant currency) in Q1FY23, in line with pre-COVID 19 growth rates and meeting the growth guidance provided at the IPO.

In addition to performing well against the financial framework shared with the market, we have also executed strongly on the initiatives required for SiteMinder to deliver growth at scale in the medium and long term:

1. We're investing in our frontline sales force to return capacity back to pre-COVID levels and leverage the sales infrastructure that's already in place.
2. We launched our next generation SiteMinder Platform and continued to make enhancements to our transaction products.

   SiteMinder's commerce Platform helps transition our technology to a more integrated customer solution, creating new whitespace opportunities to drive penetration in our customer segments.

3. Initiatives such as Little Hotelier Basics transform how customers engage with us via a completely digital and ‘touchless’ onboarding and sales process. This helps us deliver a superior customer experience at a significantly lower cost. Over time, we’ll digitise more of how our customers engage with us.

4. Delivering value via M&A - shortly after the end of FY22, we acquired GuestJoy, an industry leader in guest communications and upsell. Featuring capabilities that are priorities for the modern hotelier, GuestJoy strengthens the appeal of the Platform and Little Hotelier to existing and prospective customers.

   With SiteMinder growing and well capitalised, we are keeping our eyes open for further synergistic M&A opportunities.

5. Globalising our labour cost base gives us access to the best and most effective talent and improves alignment with our customers. The proportion of our work force in Asia has grown from 15% pre-COVID to more than 30%.

These initiatives, along with others in the pipeline, will help SiteMinder become free cash flow neutral by Q4FY24 on a quarterly basis.

I have strong confidence in SiteMinder’s long-term growth prospects. Underpinning this is the significant total addressable market of 1 million hotels which is almost 30x our customer base. The vast majority of this TAM are independent hoteliers, our core market, whose uptake of modern technology solutions have been low due to friction associated with technology adoption.

The whitespace opportunity is greatest in the smaller hotel properties. Most of these operators lack the time to explore and implement technology solutions and as a result manage their bookings using spreadsheets or notebooks. In June, we launched Little Hotelier Basics to help address their pain-points. Featuring a completely digital sales and onboarding journey, these operators can implement Little Hotelier Basics, an all-in-one technology solution, in as little as 15 minutes. The lower costs associated with a 100% digital customer journey supports an attractive pricing model that helps broaden appeal while maintaining strong unit economics.

The capabilities and economics of Little Hotelier Basics also opens up opportunities to service alternative accommodation providers such as vacation rentals, which would add millions of properties to our addressable market.

In the ‘mid-market’ hotel segment, our SiteMinder Platform complements the hotelier’s existing tech stack with superior levels of connectivity, integration, functionality, and business intelligence. Within this segment, there are significant opportunities for an integrated commerce platform that can service multiple business functions with intelligent solutions. By providing these solutions through complementing rather than replacing existing technology, our Platform allows hoteliers to implement best in class capabilities with minimal disruption to their business.

From a geographic perspective, Australia is highly penetrated with SiteMinder holding the leading share. Technology penetration in other parts of the world is much lower, including the developing markets in Asia. There is also significant white space in Europe, including in Germany, where recent independent studies have indicated that 50% of properties do not use a booking engine.

Complementing the significant addressable market opportunity are our transaction products which increases the potential value of existing and prospective customers to SiteMinder.

Transaction revenues grew 72.3% (constant currency) in FY22 to represent 25% of total revenues. Future growth will be driven by increasing uptake of transaction products by our customers, increasing usage or share of wallet in customers who have already adopted our transaction products, and benefiting from the growth in travel demand. The first two factors have been key drivers of growth in our transaction revenues, as evidenced by our outperformance of market recovery, and I expect this will continue.

The opportunity from upsell, cross-sell, and share of wallet is significant.

The number of transaction products in use by our customers increased by 51% in FY22. Despite the significant growth, the penetration of these two products of our customer base remains low.

Share of wallet with customers who already use our transaction products is also very low and perhaps presents the biggest opportunity to drive long-term growth. Pay only processed 1% of the $45b of GMV that flowed through SiteMinder in FY22, and Demand Plus' share of wallet was even lower.

We are well positioned to capture the growth opportunities in our transaction products with a strong pipeline of initiatives involving new product capabilities, automation, data analytics, and partnerships.

With the growing mix of transaction revenues, let me address the future margin structure of the business given the gross margin differential.

While transaction revenues attract lower gross margins, they also have lower sales & marketing costs reflecting our strategy of selling them as 'add-on' products as opposed to standalone products, and they are also less R&D intensive. The net result is a cash EBIT margin that is only slightly lower than what is generated on subscription revenues.

Additionally, transaction revenues significantly enhance the lifetime value of our customers, and their highly variable cost structure provides protection in times of economic uncertainty.

We at all times remain aware of the macro environment, and we believe the current uncertainties do not materially impact on the outlook for the business. This view is shaped by:

- The resilience of travel demand through past economic downturns.
- While there are pockets of strength, some outbound markets such as China are still limited by COVID restrictions.
- Our business model demonstrated its resilience during COVID with stable revenues in FY21 compared to the 50%+ declines experienced by our travel tech peers.

As we saw previously, the business has accelerated strongly in the last few quarters. In reviewing future growth opportunities, we note the large TAM (total addressable market) and in particular the multiple dimensions of growth available with the products and services we already have today.

Additionally, we recently completed the acquisition of GuestJoy. While not material in the current financial year, GuestJoy provides additional subscription revenue upsell opportunities in the years to come.

On our growth outlook, we are targeting consistent delivery of pre-COVID growth rates (31% from FY17-FY19). Realisation of this target will depend on many factors outside of our control including the substantial abatement of COVID-19 related influences on the accommodation and travel industry.

We expect to become free cash flow neutral by Q4FY24 on a quarterly basis as we reach the necessary scale to self-fund our organic growth plans. This is subject to the continued recovery of travel and other factors outside of our control.

I would like to echo Pat's sentiment and thank all of SiteMinder's staff for their efforts. None of the achievements highlighted would have been possible without your outstanding efforts over the last few years. To our investors, thank you for the trust you've placed in the team, and I look forward to your continued partnership.

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

-ENDS-

SiteMinder

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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Chief Executive Officer’s Address

Sankar Narayan
CEO & Managing Director

Annual recurring revenue (ARR)

$129.7M

25.3% growth (cc) in FY22

Subscription properties

34.7K

7% growth in FY22

Total FY22 revenue

$116.0M

15.0% growth y/y (cc)

Q4FY22 growth of 23.4% y/y (cc)

Monthly ARPU

$291

13.2% growth y/y (cc) in FY22.

LTV/CAC

3.2x

Up from 2.1x in FY21.

3.9x in Q4FY22

Q4FY22 LTV 30% above pre-COVID

Churn

1.0%

Monthly revenue churn inline with pre-COVID levels in FY22

Transaction product uptake

13k

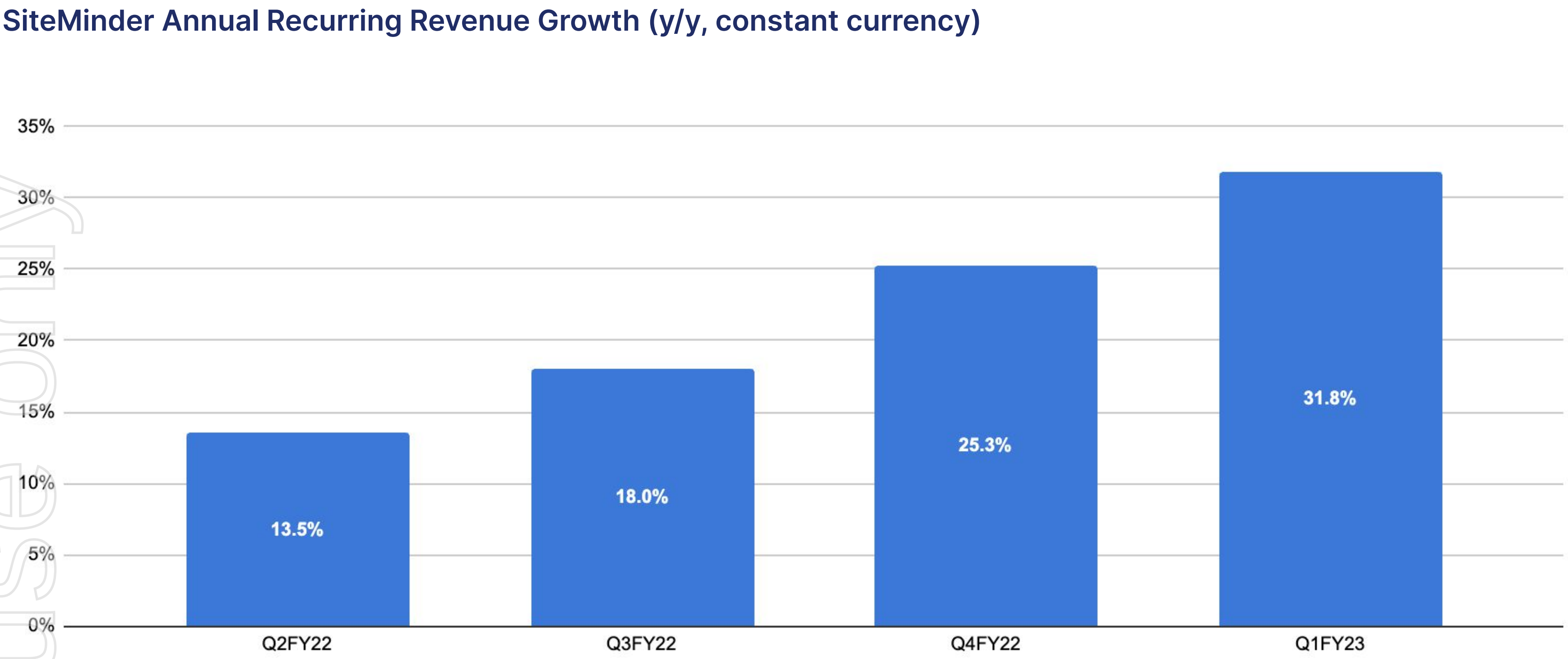
Increasing 51% y/y in FY22

Free cash outflow

30%

of FY22 revenue

SiteMinder continues to accelerate in Q1FY23



FY22 Performance & Initiative Scorecard

	Metric / Initiative	Target	Performance	Achieved / Not Achieved
Financial	**Revenue Growth**	Re-accelerate towards pre-COVID levels (31% from FY17-FY19)	Annual recurring revenue growth of 25.3% y/y (cc) in Q4FY22 and 31.8% in Q1FY23	✓
	Subscription Revenue	Re-accelerate growth	Growth accelerated from 1% y/y (cc) in H1FY22 to 9.7% in Q4FY22	✓
	Transaction Revenue	Increase penetration of transaction products	Number of transaction products increased 51% y/y to 13k. Transaction revenues grew 86.3% y/y (cc) in Q4FY22	✓
	Unit Economics	Improve LTV/CAC	LTV/CAC improved from 2.1x in FY21 to 3.9x in 4QFY22. LTV in Q4FY22 was 30% above pre-COVID (Q4FY19) levels	✓
	Free Cash Outflow	Manage free cash outflow as the business reinvests for growth	Underlying free cash outflow stable at (30%) of revenues in H1FY22 and H2FY22.	✓
Operational	**Go-to-Market**	Rebuild capacity and invest in digital capabilities	Invested in quota carrying headcount. Launched Little Hotelier Basics featuring digital on-boarding.	✓
	Product	Enhance product and platform capabilities	- Launched next generation SiteMinder Platform - Re-launched Little Hotelier App - Launched Little Hotelier Basics - Enhanced SiteMinder Pay with AutoPay functionality - Acquired GuestJoy (announced 23-Aug-2022)	✓
	Globalise Cost Base	Reposition cost-base to reflect our customer base and access best talent	More than 30% of workforce in Asia compared to 15% pre-COVID. Manila employees to be brought in-house from Jan-23	✓

Setting up the business to self fund its growth

Automation and Digitisation

Automating key business processes to drive operational efficiencies and improve customer experience.

During FY22 we introduced Little Hotelier Basics. 100% digital customer on-boarding shortens on-boarding process from 6 weeks to 15 minutes.

Leveraging our access to global talent

Manila employees to be brought in-house from Jan-23 to improve alignment with SiteMinder's culture and growth ambitions.

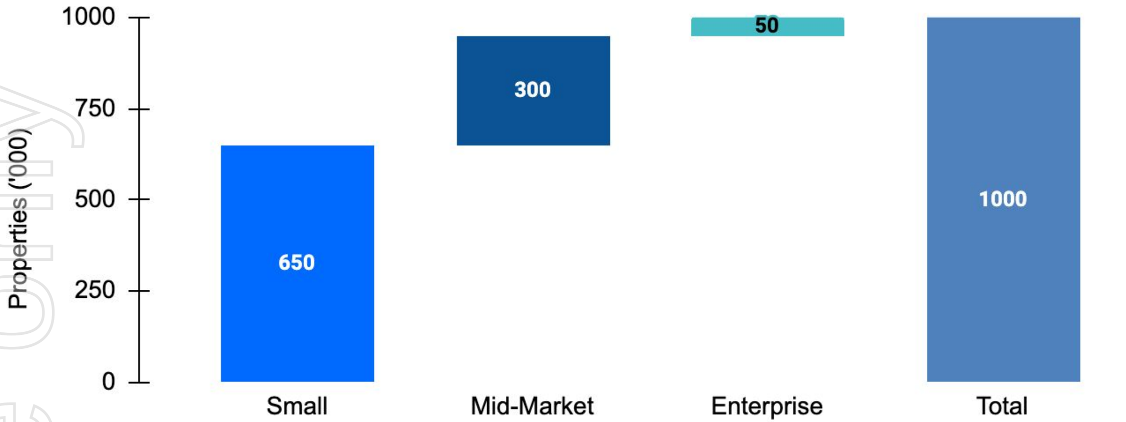
Expanding our R&D capabilities in Eastern Europe.

Expanding capabilities in our existing operations in Bangkok, Bangalore and Barcelona.

SiteMinder expects to become free cash flow neutral by Q4FY24 on a quarterly basis

Subscription Revenues - Large Total Addressable Market (TAM)

Existing TAM (Properties): Almost 30x Customer Base



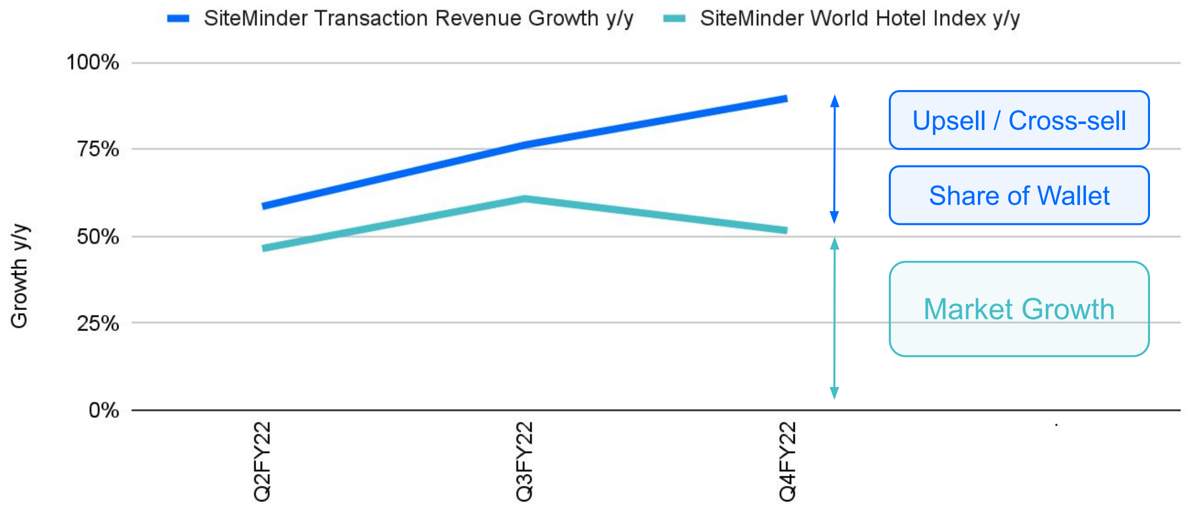
	Small	Mid-Market	Enterprise
SDR product	Little Hotelier	SiteMinder Platform	SiteMinder Platform
White space	Significant	Moderate	Low
How we compete?	Great value Ease of use & adoption All-in-one solution	Reliability & support Ease of use & adoption Best in class capabilities	Reliability & support Ease of use & adoption Best in class capabilities

Future Opportunities

Vacation Rentals

New Geographical Markets

Transaction Revenues - Outpacing Market Growth



- **Upsell / Cross-sell** - number of transaction products increased 51% in FY22 to 13k
- **Share of wallet opportunity** - only 1% of the $45b of GMV that flowed through SiteMinder in FY22 was processed by SiteMinder Pay. Demand Plus' share of GMV was less than 1%.

Transaction operating margins are strong due to “add-on” nature

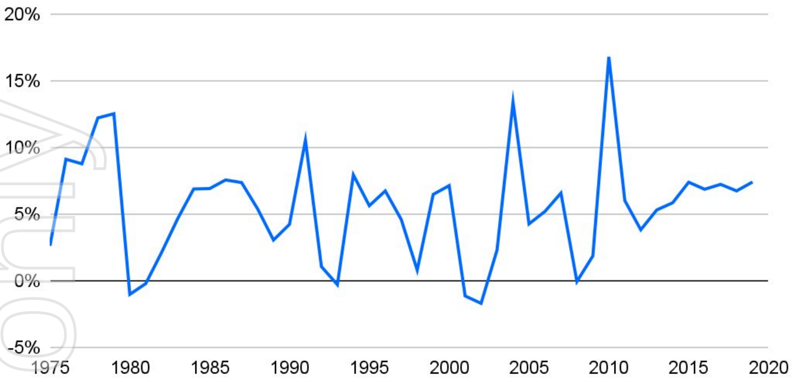
Cost	Subscription Products	Transaction Products
Cost of Sales	- Subscription gross margin was 81.5% in FY22 - Scope to increase via scale and automation	- Transaction gross margin was 31.5% in FY22 - Opportunity to improve with scale, automation, and product optimization
Sales & Marketing (S&M)	- Represents the vast majority of annual S&M expenditure - S&M intensity will ease as business matures and more of the customer journey is digitised	- Sold as ‘add-on’ product and requires only modest S&M - Self sign-on already launched for our transaction products
Cash R&D	- Represents the vast majority of annual R&D budget - R&D intensity will ease via operating leverage	- Modest R&D as products rely on 3rd party services - R&D intensity will ease via operating leverage
General & Administrative	- Billing and customer maintenance costs are largely borne by Subscription products - Benefits from operating leverage	- Benefits from operating leverage

- Subscription products carry higher gross margin but also carry more costs
- Transaction contribution margins is only slightly lower despite significantly lower gross margins. Made possible due to cross-sell / upsell go to market model - key benefit of **an add on product**
- Transaction products have a highly variable cost structure which provides protection in times of economic uncertainty

Resilient Business Model

Global Air Transport Passengers (1975-2019, y/y)

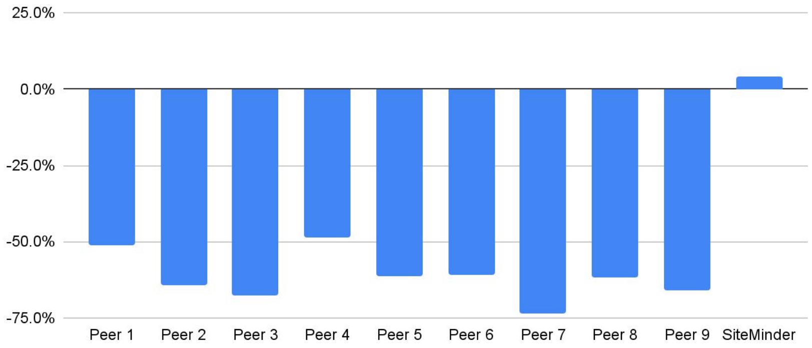
Travel demand has been resilient across economic cycles



- Air transport passengers (a proxy for travel) has grown at 5% CAGR since 1975
- SiteMinder is optimistic on the outlook for travel with major tourism markets yet to fully re-open

SiteMinder Revenues vs Travel Tech Peers (FY21 vs FY19)

Delivered stable revenues during COVID



*Travel tech peers: Booking.com, Despegar, eDreams, Expedia, MakeMyTrip, Tripadvisor, Trivago, Amadeus, Sabre

- SiteMinder delivered stable revenues during peak COVID distribution (FY21) compared to pre-COVID levels. Travel tech peers saw 50%+ declines.
- Strong customer value proposition - **solutions** helping **drive revenues** (distribution) and **lower costs**

Multiple levers to sustain high growth rates

	Subscription Growth	Transaction Products	M&A
Opportunity	Existing addressable market >1m hotels.	Our customers generate 105m transactions per year valued at US$35b (pre-COVID)	Hotel tech landscape is fragmented. Opportunity to bolt-on capabilities and leverage our scale.
FY22 Progress	Revenue grew 9.7% y/y (cc) in Q4. Property count increased 7.2% in FY22.	Revenue grew 86% y/y (cc) in Q4. Number of products increased 51% in FY22.	Acquisition of GuestJoy
Initiatives to drive growth	- Growing sales capacity - Investment in digital sales & on-boarding - Product development: Platform and Little Hotelier Basic	- New capabilities such as AutoPay - Improving product efficacy (e.g. Demand Plus' bidding engine) - Educating hoteliers	We continue to evaluate M&A opportunities that strengthen our value to accommodation providers

Outlook

SiteMinder is targeting consistent delivery of pre-COVID growth rates (31% from FY17-FY19). 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, with a substantive global opportunity and market leadership, continues to invest in its go-to-market capacity, and expand the platform with a strong focus on unit economics.

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 SiteMinder's control.