

January 30, 2024

## H1FY24 trading update: SiteMinder continues strong growth and progress towards positive underlying FCF<sup>1</sup> and EBITDA<sup>2</sup> for H2FY24

### H1FY24 (unaudited) Trading Update – performance highlights:

- **Revenue increased 27.9% y/y (22.4% cc,organic)** to \$91.7m for H1FY24.
  - Subscription revenues grew 23.8% y/y (18.5% cc,organic) to \$60.3m, sustaining the momentum from H2FY23.
  - Transaction revenues grew 36.5% y/y (30.5% cc,organic) to \$31.4m. Year-on-year growth was impacted by abnormal seasonality in the prior year. SiteMinder's metasearch offering, Demand Plus, exhibited the highest growth of all transaction products and also increased its momentum through the half.

The number of transaction products adopted by customers increased 37% y/y to 22.5k products at the end of H1FY24. Transaction product additions in H1FY24 were focused on larger sized properties with higher room count and gross booking value.
- **Annualised recurring revenue (ARR) increased 27.2% y/y (22.9% cc,organic)** to \$182.5m, which was lower than Q1FY24 due to the seasonality of the transaction business.
  - Subscription ARR increased 24.2% y/y (19.8% cc,organic) to \$126.4m.
  - Transaction ARR increased 34.5% y/y (30.6% cc,organic) to \$56.1m.
- **Number of customer properties increased 13.7% y/y to 41.6k.** On an organic basis, SiteMinder added 2.5k properties during H1. Net additions were impacted by 0.2k of additional churn, driven by the closure of COVID quarantine properties in Asia. The future impact from COVID quarantine properties is expected to be comparatively modest.
- **Underlying free cash flow (FCF)** was (\$8.7)m in H1FY24 and (\$3.1)m in Q2FY24. **Q2FY24 underlying FCF represented (7.0)% of revenue**, improving from (28.4)% in the same period last year, demonstrating operating leverage and disciplined cost management.
- **Liquidity remains strong at \$71.5m**, consisting of \$40.0m of cash and cash equivalents, \$2.1m of term deposits, and \$29.4m of undrawn debt facilities.

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<sup>1</sup> Free cash flow is the sum of cash flows from operating and investing activities. Underlying free cash flow features adjustments to exclude non-recurring items.

<sup>2</sup> EBITDA is calculated by adding interest, tax, depreciation and amortization expenses to net income. Underlying EBITDA features adjustments to exclude non-recurring items. SiteMinder includes stock-based compensation in its calculation of EBITDA and underlying EBITDA.



## **Update on product initiatives - Smart Platform and transaction product pipeline**

During H1FY24, SiteMinder shared details of its Smart Platform strategy and announced plans to develop two new capabilities called Dynamic Revenue Plus and Channels Plus. These two capabilities will over time be further enhanced by SiteMinder's industry-leading data assets leveraging machine learning and artificial intelligence, and in the process redefine hotel revenue management with new levels of sophistication and automation.

SiteMinder is making good progress on the delivery of Dynamic Revenue Plus and Channels Plus, and remains on track to commence the phased delivery of these new capabilities beginning in the middle of calendar year 2024.

Significant enhancements to the existing transaction products are also expected during 2024. For SiteMinder Pay, this will include the launch of auto payments to Little Hotelier customers this month, Stripe-managed payment terminals later in the calendar year, and expansion of the product's geographic coverage over the next 12 months. For Demand Plus, a new product will be launched to cater to the needs of larger customers.

The gross booking value (GBV) of reservations made through SiteMinder increased to over \$70b across more than 115m reservations during calendar year 2023. The growth in GBV expands the opportunities to generate value through SiteMinder's transaction products, and the upcoming Smart Platform products.

## **SiteMinder reiterates guidance on growth and profitability**

SiteMinder's growth guidance is unchanged and continues to target organic revenue growth of 30% in the medium term. The Company also continues to expect to be underlying EBITDA profitable and underlying FCF positive for H2FY24.

"The past quarter was another strong performance for SiteMinder as we continued to make progress towards profitability while sustaining strong growth momentum and building new transformative revenue management solutions for the global hotel industry," says Sankar Narayan, CEO & Managing Director at SiteMinder.

"Already, we have an award-winning hotel revenue platform, which is unrivalled in its execution capability and has led us to another record result at this year's HotelTechAwards. SiteMinder won the most #1 awards in its history, including Best Hotel eCommerce Platform and the coveted #1 Hotelier's Choice Award. These awards, based on feedback from verified hoteliers around the world, capture the real world impact of our products. Additionally, we have market-leading, high-fidelity data fueled by more than 115m reservations worth over \$70b in 2023, and an envied global, multilingual, multichannel sales and marketing capability. These advantages prime SiteMinder to lead the long overdue transformation of the global hotel industry's approach to revenue management, by harnessing the power of the industry's most comprehensive global data asset through machine learning and artificial intelligence, to reimagine how hotels adopt and execute sophisticated revenue management."



### **H1FY24 cash flow – underlying FCF improves to (\$8.7)m, (9.5)% of revenues**

SiteMinder's underlying free cash flow (FCF) was (\$8.7) million for H1FY24 which excludes non-recurring items related to restructuring, the IPO, and the establishment of the new line of credit. Underlying FCF represented (9.5)% of revenues in H1FY24.

Underlying operating cash flow was \$2.2 million for H1FY24 and underlying investment cash flow was (\$10.9) million for H1FY24. The improvement compared to previous reporting periods reflects the scalability of SiteMinder's business model and disciplined cost management. SiteMinder continues to make the investments necessary to deliver the Smart Platform and sustain a high rate of growth.

SiteMinder remains well capitalised to achieve its strategic objectives. The Company ended H1FY24 with \$71.5 million of liquidity consisting of \$40.0 million of cash and cash equivalents, \$2.1 million of term deposits, and undrawn debt facilities of \$29.4 million.

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

<b>\$000s</b>	<b>H1FY24</b>
Reported Operating Cash Flows	744
Reported Investment Cash Flows	(10,911)
<b>Reported Operating and Investment Cash Flows</b>	<b>(10,167)</b>
Restructuring costs	434
IPO related costs	286
Costs related to the establishment of new line of credit	764
<b>Underlying Free Cash Flow</b>	<b>(8,683)</b>

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

-ENDS-

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**About SiteMinder**

SiteMinder Limited (ASX:SDR) is the name behind SiteMinder, the only software platform that unlocks the full revenue potential of hotels, and Little Hotelier, an all-in-one hotel management software that makes the lives of small accommodation providers easier. The global company is headquartered in Sydney with offices in Bangalore, Bangkok, Barcelona, Berlin, Dallas, Galway, London and Manila. Through its technology and the largest partner ecosystem in the global hotel industry, SiteMinder generates more than 115 million reservations worth over \$70 billion in revenue for its hotel customers each year. For more information, visit [siteminder.com](https://www.siteminder.com).