

Q3FY24¹ trading update: SiteMinder nears breakeven, deepens partnership with Trip.com as Channels Plus pilots

Q3FY24 (unaudited) performance highlights

- **Revenue increased 23.3% y/y** (20.7% cc,organic) to \$46.0m. The contribution from SiteMinder's metasearch offering, Demand Plus, was especially strong, driven by accelerated adoption and strong booking activity. Overall growth continues to be impacted by the cycling of elevated comparables and the timing of Easter, notably in SiteMinder's global distribution system (GDS) product.
- **Annualised recurring revenue (ARR) increased 24.8% y/y** (20.8% cc,organic) to **\$187.6m**.
- **Net subscriber addition** momentum continued from H1FY24 and focused on larger properties, resulting in the highest room-per-property added since the Covid reopening in the June 2022 quarter. The greater gross booking value associated with larger properties enriches SiteMinder's long-term commercial opportunities. Transaction attachment also grew through the quarter, supported by the strong uptake of Demand Plus as well as SiteMinder Pay.
- **Underlying free cash flow (FCF)²** was (\$0.2)m in Q3FY24. At (0.4)% of revenue, it represented a significant improvement from (22.7)% of revenue in the previous corresponding period. Underlying operating cash flow was \$5.1m, improving from (\$3.0)m in the previous corresponding period. The improvement reflects the continuing benefits of sustained strong organic growth and operating leverage.
- **Liquidity remained strong at \$72.2m**, consisting of \$39.5m of cash and cash equivalents, \$2.1m of term deposits and \$30.6m of undrawn debt facilities.

Guidance on growth and profitability reiterated

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 EBITDA³ profitable and underlying FCF positive for H2FY24.

"The team at SiteMinder continues to perform strongly, driven by both our mission to make sophisticated revenue management accessible to every hotel in the world and our goal to be a profitable business while transforming the global hotel industry," says Sankar Narayan, CEO and Managing Director at SiteMinder.

¹ Q3FY24 refers to the three-month period ended 31 March 2024.

² FCF is the sum of cash flows from operating and investing activities. Underlying FCF features adjustments to exclude non-recurring items.

³ EBITDA is calculated by adding interest, tax, depreciation and amortisation 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.



Partnership with Trip.com Group deepens as pilot for Channels Plus commences

During H1FY24, SiteMinder shared details of its Smart Platform strategy and announced plans to deliver two new transformational products, Channels Plus and Dynamic Revenue Plus. The Company remains on track to deliver these products from the middle of calendar year 2024. These products will redefine how hoteliers approach revenue management by leveraging AI and SiteMinder's industry-leading data assets to automate and optimise commercial decisions around pricing, distribution channel activation, and inventory allocation.

SiteMinder today announces it has signed an agreement with leading online travel company Trip.com Group, to participate in the Channels Plus program. The addition of the Trip.com Group means hoteliers will be able to effortlessly distribute their inventory to the rebounding Chinese outbound tourism market, while Trip.com will gain access to more hotels and expand its inventory to deliver world-class travel experiences.

Channels Plus continues to gain traction with leading brands in the travel industry and has to date secured agreements with 14 distribution partners. The program has also drawn strong registered expressions of interest from SiteMinder customers and its pilot commences today. The pilot is being limited to approximately 1,000 hotels and will be gradually extended until the general release of Channels Plus in H1FY25.

Separately, Dynamic Revenue Plus continues to progress as planned with the launch of the SiteMinder mobile app in March well received by users. The SiteMinder mobile app is a key conduit for the delivery of Dynamic Revenue Plus, which will provide users with instant access to business and market updates, and facilitate the ability to make changes quickly in response to an increasingly dynamic booking landscape. Already, the SiteMinder mobile app allows users to easily execute time-sensitive revenue management functions such as instant rate and availability adjustments, minimum and maximum stay length adjustments, and room sale closures.

"I am very proud of our team's continued timeliness and progress on delivering two truly transformational products for the global hotel industry. We have received overwhelming interest from hoteliers everywhere, and the commitment from innovative leaders such as Trip.com serves as a strong endorsement of what we are pursuing. I am more confident than ever that our mission is redefining how hoteliers operate, and will deliver profitable growth for us and our partners alike," says Narayan.

SiteMinder's delivery of initiatives to extend the reach and capabilities of its payments offering – including the introduction of SiteMinder Pay into new markets and the rollout of SiteMinder Pay terminals – remains on track for H1FY25. Little Hotelier AutoPay, which was released at the start of Q3FY24, has seen strong adoption and increased SiteMinder's capture of gross booking value at participating properties.

Additionally, Demand Plus for the enterprise segment is progressing as planned and is receiving strong positive feedback from prospective hotel groups.

Underlying FCF nears breakeven as it improves to (0.4)% of revenues

Reconciliation of Reported to Underlying Free Cash Flow

\$000s	Q3FY24
Reported Operating Cash Flows	4,858
Reported Investment Cash Flows	(5,283)
Reported Operating and Investment Cash Flows	(424)
Restructuring costs	286
Proceeds related to loan funded shares	(53)
Underlying Free Cash Flow	(191)

Reported operating cash flow was \$4.9m. Adjusting for non-recurring costs related to restructuring and proceeds related to loan funded shares; underlying operating cash flow was \$5.1m, an \$8.1m improvement on Q3FY23.

Reported and underlying investing cash flow was (\$5.3)m. Capitalised development costs were (\$6.1)m compared to (\$5.5)m in Q3FY23 reflecting investments to deliver Channels Plus, Dynamic Revenue Plus, and other product initiatives.

Reported free cash flow (FCF), which is the sum of cash flows from operating and investing activities, was (\$0.4)m in Q3FY24. Adjusting for non-recurring costs, underlying free cash flow (FCF) was (\$0.2)m, representing (0.4)% of revenue which improved from (22.7)% in Q3FY23.

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

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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).