



## Market Release

10 October 2017

### Serko Limited – Market Update Interim Results

#### Serko upgrades guidance as transaction growth accelerates

Auckland, New Zealand 10 October 2017 – Serko (NZX.SKO) today upgrades guidance for its results for the half year ended 30 September 2017 as transaction volumes across its suite of travel booking and expense management solutions accelerate.

- Half year trading revenue<sup>1</sup> is now forecast to be approximately \$9.1 million, up 30% on the \$7.1 million achieved in the previous corresponding period and at the top end of guidance given at the company's annual meeting in August. Total income<sup>1</sup> for the period is expected to reach \$9.6 million.
- Half-year earnings before interest, tax, depreciation and amortisation (EBITDA<sup>2</sup>) is expected to rise to \$1.3 million, up from the EBITDA loss of \$1.8 million in the same period last year. The forecast result is ahead of earlier guidance for FY18 EBITDA of \$1 million.
- Half-year net profit before tax (NPBT) is expected to be \$1.0 million, a \$3.0 million turnaround on the \$2.0 million loss incurred in the same period of the last financial year.
- Annualised Transactional Monthly Revenue (ATMR), an indicator of the company's recurring revenues, continues to grow strongly. ATMR for August was \$17.8 million well ahead of the 31 March 2017 figure of \$15.3 million
- Cash on hand as at 30 September 2017 will be approximately \$4.6 million, up from the \$4.3 million net cash on hand as at the end of July 2017.

Serko Chief Executive Darrin Grafton said: "Serko is enjoying accelerating momentum. Serko Online transaction volumes have increased by 21% over the same period a year ago, ahead of the 18% growth we achieved in the year to 31 March 2017. In addition to growth in the core platform, we are also benefitting from growth in revenues from content such as hotel bookings and airport transfers.

"The second half of the financial year is traditionally weaker due to the Australian and New Zealand holidays in December and January. However, we still expect trading revenue in the second half of the year to continue to be 25-30% above the same period last year as we onboard new customers and launch our new online booking product Zeno, a premium offering alongside Serko Online. Zeno customer beta trials have progressed pleasingly and we are on track for commercial launch in Australasia during October."

"We now expect trading revenue for the year to 31 March 2017 to range between \$18 million and \$19 million. In line with earlier guidance, we expect to achieve 'break even' profit and cash flow for the second half as we invest to expand our operations in to the Northern Hemisphere. The EBITDA and NPBT results for the full year are therefore expected to largely reflect the half-year result."

"Serko is performing well. We continue to grow in our 'home' markets of Australasia and we are looking forward confidently to the next phase of our growth plans" Mr Grafton said.

Further information on Serko's performance for the period ended 30 September 2017 and outlook for the full year will be provided at Serko's preliminary earnings announcement to be held on 22 November 2017.

ENDS

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<sup>1</sup> Trading revenue excludes income from grants and interest income, while total income includes grants.

<sup>2</sup> EBITDA is a non-GAAP measure representing Earnings or Losses before Interest (net Finance income/cost), Tax, Depreciation, Amortisation and Impairments.

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**About Serko**

Serko is Australasia's leading online travel booking and expense management solution provider and is listed on the New Zealand Stock Exchange Main Board (SKO.NZ). Serko employs more than 100 people worldwide with its HQ in Auckland New Zealand, and offices in Sydney Australia, Foshan and Xi'an City China,.

Serko Online, which includes integrated travel and expense management capability, is used by more than 6000 organisations and is sold by most Travel Management Companies in Australasia.

serko.travel is Serko's small and medium enterprise proposition targeting companies in Australia and New Zealand with less than 150 employees. It allows smaller organisations to self-onboard and make/change bookings online at no cost 24x7.

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