

NZX RETAIL INVESTOR OVERVIEW



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INTRODUCTION



Darrin Grafton
Chief Executive Officer

Agenda

About Serko

Strategy Overview

Financial Highlights

Outlook

ABOUT SERKO

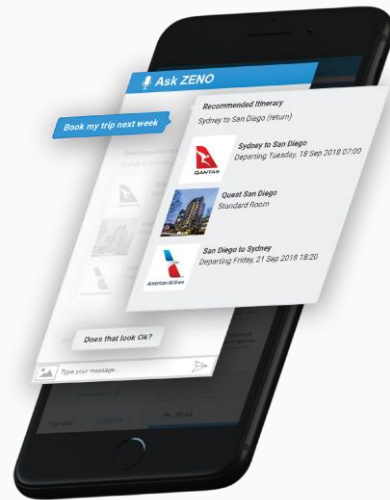
- Serko provides innovative cloud based corporate travel and expense technology solutions.
- Serko listed on the New Zealand stock exchange in June 2014, and more recently in June 2018, has listed as a foreign exempt listing on the Australian Securities Exchange. Serko remains founder led. Serko trades under the ticker 'SKO'.
- Serko is a leading supplier of technology solutions for Travel Management Companies (TMCs) in Australasia and is now expanding into Northern Hemisphere markets with signed global supply arrangements.
- The majority of Serko's revenue comes from Travel Management Companies (TMCs) who provide our solution to their corporate customers.
- Serko is head quartered in New Zealand and employs more than 170 people worldwide including offices in Australia, United States and China and India.

For further information refer to Serko's website www.serko.com and its 2019 Annual Report which can be found under Investor Centre.

OUR SOLUTIONS

Zeno Travel

Zeno Travel is an **Online Booking Tool (OBT)** that corporate travellers use to book flights, trains, hotels, rental cars and airport transfers in line with their corporate travel policies.



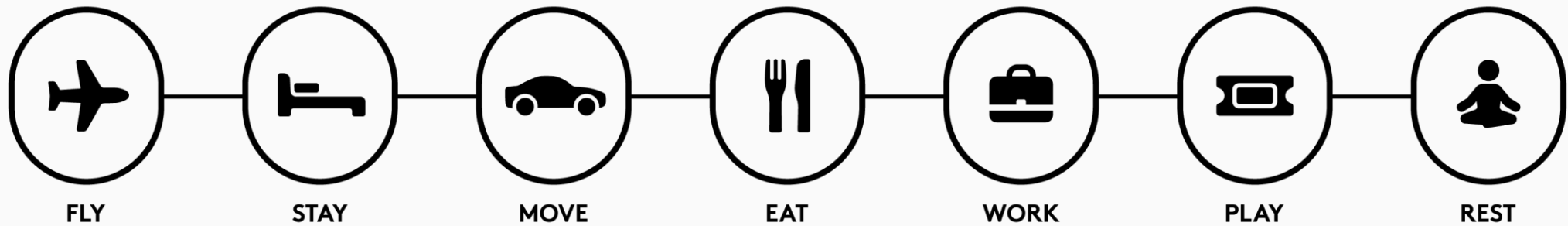
Zeno Expense

Zeno Expense **automates the process** of corporate card and out-of-pocket expense submission, reconciliation and reimbursement



THE CONNECTED TRAVELLER

Zeno is a single application to manage travel across every phase of the journey



OUR CUSTOMERS

The majority of Serko's revenue comes from Travel Management Companies (TMCs) that act as reseller partners, providing our solutions to their corporate customers as part of their overall managed travel service.

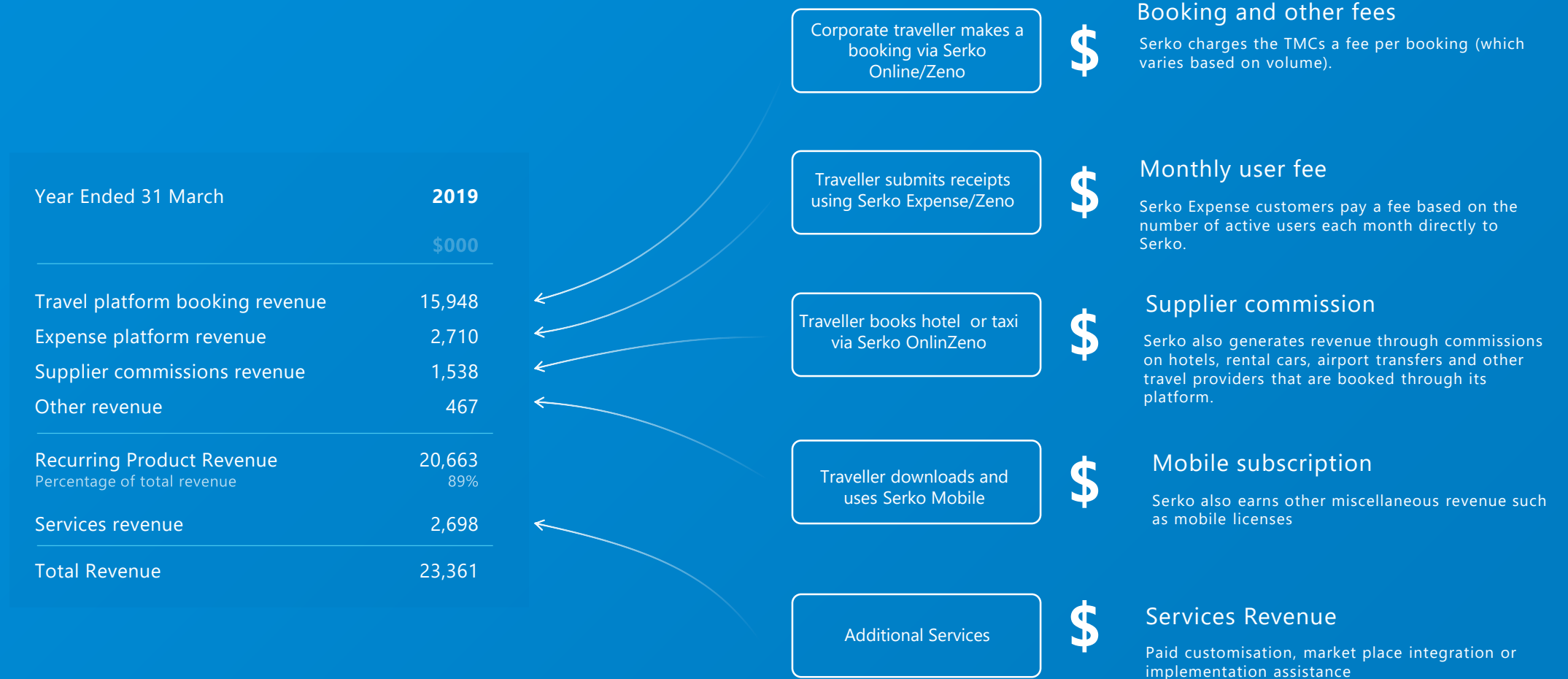
TMCs



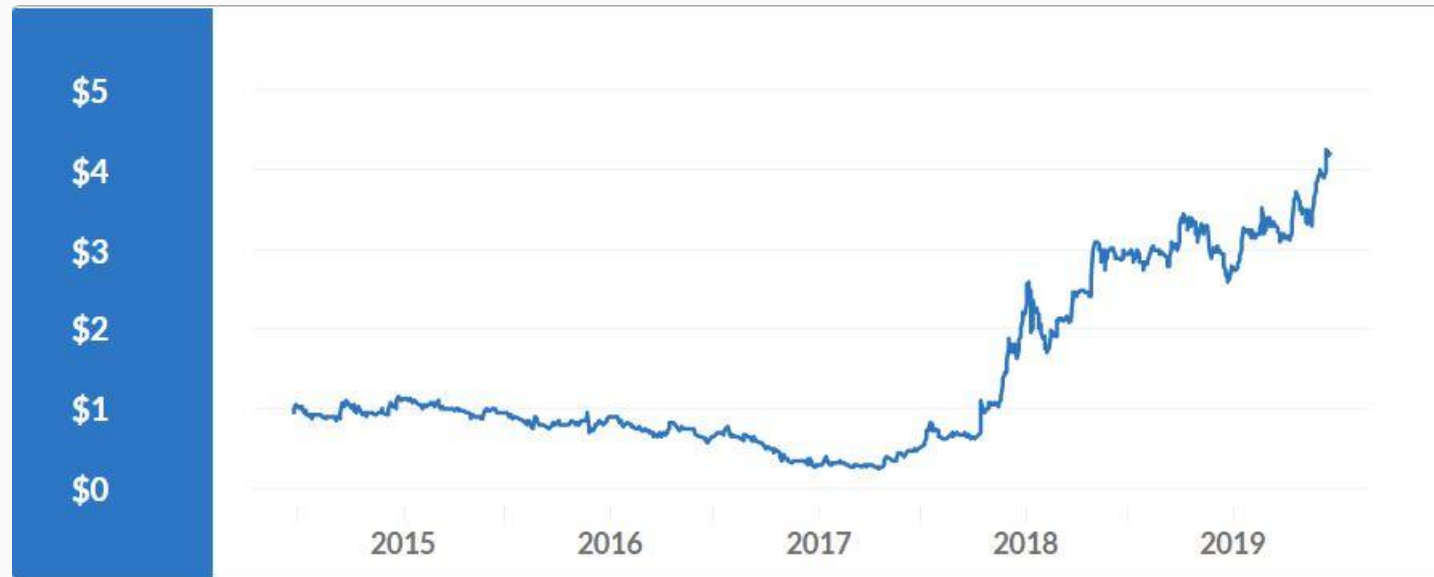
Example corporates



COMMERCIAL MODEL

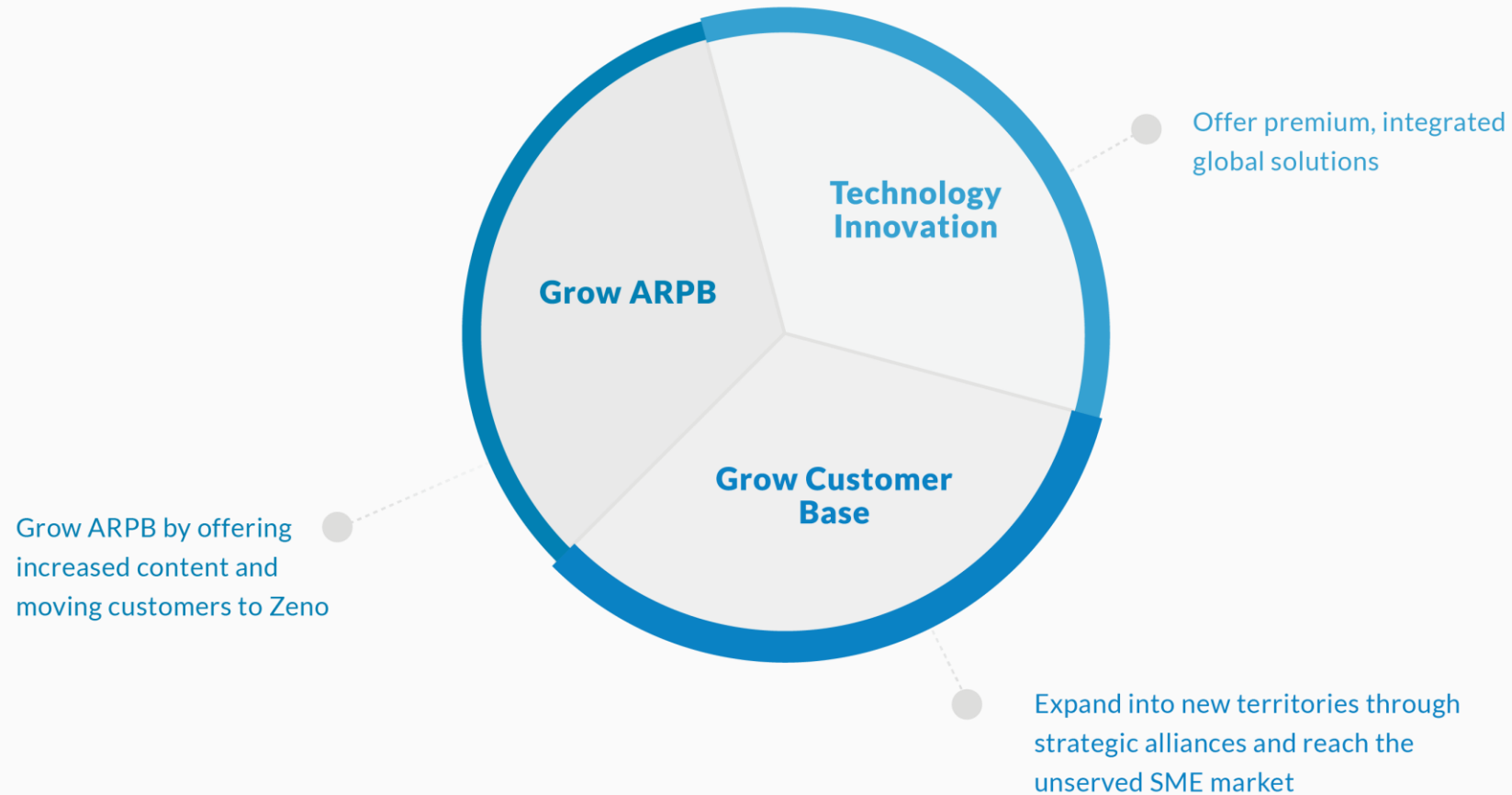


SKO – NZX top performing stock for 2017



From \$1.10 at IPO (June 2014) to a low 25c (April 2017) to NZX top performing stock for 2017

OUR STRATEGY



ARPB : Average Revenue Per Booking is a non-GAAP measure.



GROWTH PATHWAYS

- Serko is still gaining domestic volume through new TMCs as well as new corporate customers through existing TMCs
- Targeting run forward bookings of 5 million in ANZ
- International growth opportunities are very significant
- Activating North American resellers this year
- Building to double volumes and increase revenues to \$100M

STRONG TRACK RECORD OF GROWTH

Selected Operational Metrics	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Total revenue growth (%)	27%	39%	55%	27%	9%	28%	28%
Revenue growth – Travel Platforms (%)	41%	12%	62%	49%	8%	23%	20%
Total travel booking transactions (000s)	987	1,107	1,588	2,407	2,913	3,526	4,138
Online booking transactions ¹ (000s)	821	1,011	1,468	2,262	2,673	3,207	3,743
Online transaction growth (%)	35%	23%	45%	54%	18%	20%	17%
Recurring product revenue as % total revenue	84%	71%	80%	93%	91%	90%	89%
Operating costs ² (% change)	35%	62%	105%	13%	(10%)	(5%)	29%
Employees (number at end of year - FTE)	47	87	133	127	108	106	173
Average revenue per FTE (NZD\$000)	119	100	94	101	122	170	167
Research & development costs - expense and capex (NZD\$000)	2,340	3,387	5,762	6,268	5,836	4,906	9,165
Annualised transactional monthly revenue (ATMR) (NZD\$m)	*	*	*	11.2	15.3	18.4	26.0

1 – Online bookings exclude Offline and Custom bookings (system generated bookings) which are included in Online booking pricing or at a reduced rate

2 – Operating costs are Operating Expenses excluding depreciation and amortisation and fair value remeasurements of contingent consideration

* indicates not previously measured or reported

PERFORMANCE DASHBOARD

FY19 VS FY18

PROFIT

\$1.6m

NET PROFIT
AFTER TAX

\$2.6m

EBITDAF¹
up 19% over prior
year

REVENUE

28%

↑ INCREASE
OPERATING
REVENUE

\$23.4m

Operating revenue
from core products
plus services
revenue

26%

↑ INCREASE
RECURRING
REVENUE²

\$20.7m

Recurring revenue (core
product revenue only)
89% of total operating
revenue

28%

↑ INCREASE
TOTAL
INCOME

\$24.6m

Total income from
all sources including
grants

ACTIVITY

41%

↑ INCREASE
PEAK ATMR³

\$26m

Indicator of future
growth potential
based on current
trading

17%

↑ INCREASE
ONLINE
BOOKINGS

17%

Travel platform
booking growth
against prior
corresponding year

COSTS

87%

↑ INCREASE
R&D COSTS⁴

\$9.2m

39% of Revenue
Opex \$2.4m
Capex \$6.7m

32%

↑ INCREASE
OPERATING
EXPENSES

\$23.3m

Net FTE⁵ increase in
the year of 67

Notes 1 – 5: Refer to Appendix for Definitions

See Slide 13 of this presentation for a reconciliation of Net Profit to EBITDAF

Note 3 - Peak Annualised Transactional Monthly Revenue (ATMR) of \$26m is as at February 2019. This includes InterplX acquired in Dec 2018. Excluding InterplX, ATMR would be \$22.5m representing a 23% increase on prior year.



OUTLOOK

- Total Operating Revenue Growth expected to be in the range of 20%-40%
- Positive EBITDAF is dependant on continued capitalisation of internally developed software and achieving revenue growth at high end of guidance due to scaling of operations for signed contracts
- Further guidance will be given at Annual Shareholders Meeting in August 2019



QUESTIONS

APPENDIX

DEFINITIONS

- Peak ATMR (Annualised Transactional Monthly Revenue) is a non-GAAP measure. Serko uses this as a useful indicator of recurring revenues from Serko products. It is calculated by annualising the combination travel and expense platform monthly revenues for the most recent non-seasonal month. The travel platform revenue is annualised by taking the monthly online booking transactions divided by the number of weekdays for that month multiplied by the average ARPB and multiplied by 260 days. The expense platform revenue is based on the monthly revenue from active users multiplied by 12 months.
- ARPB (Average Revenue Per Booking) is a non-GAAP measure. Serko uses this as a useful indicator of the combined value from transactional booking fees and the supplier commissions earned from the travel platform. It is calculated by taking total travel platform booking revenue and supplier commission revenue divided by the total number of bookings.
- Recurring product revenue (a non-GAAP measure) is the recurring revenue derived from transactions and usage of Serko products by contracted customers. It excludes revenues from customised software development (services revenue).
- R&D (Research & Development) costs is a non-GAAP measure representing the internal and external costs related to R&D both expensed and capitalised.
- EBITDAF is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation and Amortisation and Fair value remeasurement of contingent consideration.
- FTE = Full time equivalent employee.

THANK YOU

