

31 January 2023

SiteMinder sustains strong growth. H1 revenue of \$71.7m (+30.4% y/y).

SiteMinder Limited (ASX:SDR) ("SiteMinder" or "the Company") has released its Activities Report and Appendix 4C Cash Flow Report for the quarter ended 31 December 2022.

Additionally, the Company is releasing an interim trading update and more detailed information ahead of its half year reporting on 22 February 2023.

H1FY23 (unaudited) Performance Highlights:

- **Revenue increased 30.4% y/y (29.6% cc¹,organic)** during H1FY23 to \$71.7m:
 - Subscription revenue growth accelerated to 14.1% y/y (13.4% cc,organic) to \$48.7m in H1FY23 aided by subscriber growth, favourable customer mix, upselling success, and price increases.
 - Transaction revenues grew 87.1% y/y (85.1% cc,organic) to \$23.0m in H1FY23, substantially outpacing growth in travel demand as uptake of our products continues to increase.
- **Annualised recurring revenue (ARR²) increased 30.1% y/y (28.3% cc,organic)** to \$143.5m.
 - Subscription ARR increased 17.3% y/y (15.8% cc,organic) to \$101.8m
 - Transaction ARR increased 77.2% y/y (73.5% cc,organic) to \$41.7m. Q2 is a seasonally weaker period for Transaction activity causing an ARR understatement.
- **Number of properties increased 10% y/y to 36.6k.** During H1FY23 SiteMinder added 1.6k properties (organic) compared to 1.0k in H1FY22, an increase of 60%
- **Uptake of transaction products increased 55% y/y to 16.5k** products with continued uptake of SiteMinder Pay and Demand Plus.
- **Underlying free cash outflow of (\$20.3)m** for H1FY23, which **represents 28.2% of revenue**, consistent with recent financial periods. Liquidity remains strong at \$97.6m.

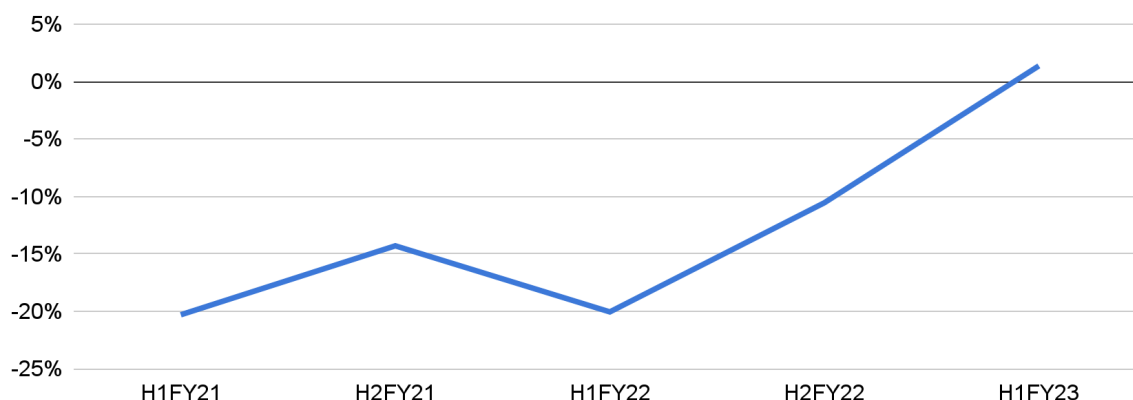
¹ cc is constant currency

² ARR is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. Readers should note that ARR does not represent our actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

“It is pleasing to see subscription revenues accelerate, building on the strong growth of our transaction products. Our revenue growth rate in the last half was the fastest in 5 years, reflecting the market leadership of our hotel commerce platform which delivered over 100 million reservations in 2022, and was recognised as the best ecommerce platform at the 2023 HotelTechReport Awards. We also continue to be net beneficiaries of the strong demand in travel which has gained further momentum following China’s decision to ease COVID related restrictions.

Even with a healthy balance sheet and good revenue growth, it is appropriate in the current capital environment to target a stronger path to a cash flow neutral position through continued revenue growth and a cost-out program. SiteMinder is a growth oriented business with market leadership and a large multilingual global opportunity. The proposed pathway will ensure that SiteMinder has the ability to successfully deliver on its longer term growth objectives ” says Sankar Narayan, CEO & Managing Director at SiteMinder.

‘Underlying FCF Margin + Revenue Growth’ on Strong Positive Trajectory



H1FY23 (unaudited) Cash Flow - Underlying Free Cash Outflow³ at (28.2)% of Revenue

SiteMinder’s underlying free cash outflow (FCF) for H1FY23 was (\$20.3)m and represented (28.2%) of revenue. Underlying FCF for Q2FY23 was (\$10.2)m.

Underlying operating cash outflows were (\$7.3)m and investment cash outflows were (\$12.9)m during H1FY23.

H1FY23 underlying free cash outflow excludes \$157k of costs related to the acquisition of GuestJoy, \$164k of cash received from GuestJoy, \$733k of costs related to the IPO, \$240k of restructuring costs, and \$35m of net proceeds from the maturity of term deposits.

The cash usage was driven by the rebuilding of our Go to Market (GTM) capacity during H1FY23 following the COVID driven reductions in March 2020, and investment in new product initiatives. These investments are laying the foundations for improved unit economics and for SiteMinder to become free cash flow positive with high organic growth in the future.

³ Free cash outflow is the sum of operating and investment cash flows

Reconciliation of Reported to Underlying Free Cash Flow

\$000s	H1FY23
Reported Operating Cash Flows	(8,474)
Reported Investment Cash Flows	22,255
Reported Operating and Investment Cash Flows	13,781
Pre-IPO historical commitments	733
M&A Related Cash Items	(7)
Restructuring costs	240
Maturity of Term Deposits	(35,000)
Underlying Free Cash Flow	(20,254)

SiteMinder ended H1FY23 with \$97.6m of liquidity consisting of \$68.2⁴m of available cash balance and funds on deposit, and undrawn debt facilities of \$29.3m. The business is well capitalised to achieve its strategic objectives.

Growth guidance re-iterated. Free cash-flow breakeven through revenue growth and cost initiatives.

SiteMinder continues to target pre-COVID-19 revenue growth rates (31% from FY17-FY19) in the future but realisation of this target will depend on many factors outside of the Company's control, including the continued abatement of COVID-19 related influences on the accommodation and travel industry.

SiteMinder expects to be free cash flow neutral by Q4FY24 on a quarterly basis through continued revenue growth and cost initiatives. This plan is subject to the continued recovery of travel and other factors outside SiteMinder's control.

Use of Funds

SiteMinder's initial public offering (**Offer**) raised \$627m. Primary IPO proceeds of \$90m were received during Q2FY22.

The table below sets out SiteMinder's expenditures since the completion of the Offer in Q2FY22. All expenditures are aligned with SiteMinder's expected use of funds as outlined in its Prospectus dated 21 October 2021.

⁴ Comprising cash and cash equivalents of \$41.1m and funds on deposit of \$27.1m

Uses of funds	Funds received per Prospectus (\$m)	Expenditure since IPO (\$m)	Status
Costs of the Offer borne by SiteMinder	10.2	9.4	Paid in full
Employee incentive close-out	9.6	9.8	Paid in full
Sales and marketing	29.6	20.4	On track
Research and development	25.4	17.8	On track
General and admin	15.1	11.7	On track
Payments to selling shareholders	537.0	537.0	Paid in full
Total uses	627.0	606.0	

As noted in the Appendix 4C, payments totalling \$0.3m were made to related parties of SiteMinder during Q2FY23, consisting of Non-Executive Director fees and consultancy fees.

Key Product Initiatives during H1FY23

Earlier this month HotelTechReport announced the 2023 HotelTechAwards. SiteMinder won the most accolades of any accommodation software company with nine major awards including Best Hotel eCommerce Platform, and the coveted #1 Hotelier's Choice Award. These awards, based on feedback from verified hoteliers, captures the real world impact of our products which facilitated and optimised more than 100m bookings in 2022.

During Q2FY23 SiteMinder continues to make enhancements to its products and digitise more of the customer journey to reduce the friction experienced in their use and adoption.

Following the successful launch of Little Hotelier Basics to our major English speaking regions, the option for self-guided setup has now been extended to all Little Hotelier users. Self-guided setup allows hoteliers to complete set up tasks at a time that's convenient for them, and can reduce the time required to complete on-boarding.

SiteMinder Pay saw the introduction of central reconciliation capabilities. Customers can now automatically sync their SiteMinder Pay transactions to a participating property management system, which eliminates the need to manually record and manage payments separately.

In December, SiteMinder successfully gained ISO27001 certification, the only auditable international standard that deals with the overall management of information security. This demonstrates our commitment to put in place best-practice information security processes.



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

-ENDS-

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About SiteMinder

SiteMinder Limited (ASX:SDR) is the world's leading open hotel commerce platform, empowering hotels and accommodation providers to sell, market, manage and grow their business. SiteMinder's innovative online platform offers hotels and accommodation providers a comprehensive range of products and solutions to manage and streamline the distribution of their rooms across a wide selection of direct and indirect channels, take bookings from guests and communicate with guests. The global company, headquartered in Sydney with offices in Bangkok, Berlin, Dallas, Galway, London and Manila, generates more than 100 million reservations worth US\$40 billion in revenue for hotels each year. For more information, visit siteminder.com.

Appendix 4C

Quarterly Cash Flow Report for Entities Subject to Listing Rule 4.7B

Name of entity

SiteMinder Limited (ASX:SDR)

ABN

Quarter ended ("current quarter")

59 121 931 744

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	38,078	74,783
1.2 Payments for		
(a) research and development	(746)	(1,521)
(b) product manufacturing and operating costs	(9,471)	(17,042)
(c) advertising and marketing	(3,043)	(6,135)
(d) leased assets	(402)	(698)
(e) staff costs	(23,169)	(44,952)
(f) administration and corporate costs	(5,216)	(9,907)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(186)	(386)
1.6 Income taxes paid	(413)	(624)
1.7 Government grants and tax incentives	-	-

1.8	Other (provide details if material)	(581)	(1,109)
	M&A	(139)	(157)
	Employee incentive and share schemes	-	(726)
1.9	Net cash from / (used in) operating activities	(5,288)	(8,474)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(287)	(734)
	(d) investments	-	-
	(e) intellectual property	(5,932)	(12,233)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	12	16
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	344	205
	Term deposit	25,000	35,000
2.6	Net cash from / (used in) investing activities	19,136	22,255

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,220	2,220
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(49)	(54)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) Proceeds from employee share loan Repayment of lease liabilities	- (714)	- (1,492)
3.10	Net cash from / (used in) financing activities	1,457	674

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period ⁵	25,800	26,598
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,288)	(8,474)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	19,136	22,255
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,457	674
4.5	Effect of movement in exchange rates on cash held	-4	49
4.6	Cash and cash equivalents at end of period	41,101	41,101

⁵ Opening balance has been adjusted for funds on deposit of \$60.0m

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	41,101	25,800
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	41,101	25,800

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	248
6.2	Aggregate amount of payments to related parties and their associates included in item 2	61

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	29,334	0
7.2	Credit standby arrangements		
7.3	Other (please specify) Term deposit	27,123	0
7.4	Total financing facilities	56,456	0
7.5	Unused financing facilities available at quarter end		56,456

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

We have access to a revolving credit facility ('Banking Facility') of US\$20 million from Silicon Valley Bank. The facility was entered into on 13 October 2020 as part of an amendment to the original loan and security agreement dated 15 December 2017 and matures on 6 October 2023. The Banking Facility accrues interest at a floating per annum rate equal to the greater of: (i) 1.50% above the Prime Rate; or (ii) a fixed rate of 4.75%.

As at the date of this report, the Banking Facility was undrawn.

We have access to Term deposits totalling \$27.1 million maturing in the next 6 months

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,288)
8.2 Cash and cash equivalents at quarter end (item 4.6)	41,101
8.3 Unused finance facilities available at quarter end (item 7.5)	56,456
8.4 Total available funding (item 8.2 + item 8.3)	97,557
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	18
Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	
<p>8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: N/A</p> <p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer: N/A</p> <p>8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>	

Answer:
N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **31 January 2023**

Authorised by: **The Board of Directors of SiteMinder Limited**
(Name of body or officer authorising release – see note 4)