

# serko

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Annual Shareholders Meeting • 31 August 2022

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- Non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The non-GAAP financial information included in this release has not been subject to review by auditors. Non-GAAP measures are used by management to monitor the business and are useful to provide investors to access business performance. Refer to Serko's latest earnings announcement for descriptions of the non-GAAP measures used by management.

# Chairperson Welcome

Claudia Batten



## SERKO'S BOARD



Claudia  
Batten



Jan  
Dawson



Clyde  
McConaghy



Darrin  
Grafton



Bob  
Shaw

# ORDER OF MEETING

Chairperson  
Address

CEO  
Address

Shareholder  
Q&A

Formal  
Business &  
Resolutions

General  
Business

# Chairperson Address

Claudia Batten

# PROGRESS AGAINST OUR FY<sub>25</sub> GOALS

## 3yr Strategic Goals

1

### **Customer success**

Deliver exceptional customer experience (CX) through experimentation-driven development

2

### **Unmanaged revenue**

Establish significant market share in unmanaged travel market

3

### **Managed revenue**

Consistently grow market share in global managed travel market through TMC partnerships and inorganic growth

4

### **Marketplace and content**

Commercialise connected trip experience through an open platform

5

### **Culture**

Grow a culture of engaged Serkodians aligned to our purpose, mission and values

## FY23 Objectives

### **Product health foundations**

Increase customer satisfaction by continuing to enhance the performance and usability of our products

### **Conversion**

Grow revenue from the unmanaged travel segment by focusing on customer conversion

### **Retain and grow**

Scale growth in North America and extend our leadership in the Australia and New Zealand markets

### **Platform foundations**

Build the marketplace foundations through technology enablement of open integration platform

### **Organisational alignment**

Maximise alignment across our teams and minimise friction for our customers to increase organisational efficiency

## INVESTING FOR THE OPPORTUNITY

**\$80**

MILLION

New equity  
raised in  
capital raising

**\$110.1**

MILLION

Cash on hand  
at the end  
of July 2022

**\$3.6**

MILLION

Average Cash  
burn /month  
4 months to  
July 2022

Note the additional customer receipts in FY22 had not yet reversed in Q1 FY22 but are expected to reverse in Q2.

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## DISRUPTION IS AT THE HEART OF OUR PHILOSOPHY

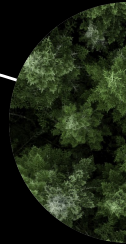
- Disruption and responding to external factors are in our DNA.
- Core challenges are attraction and retention, salary inflation and changing travel market demands.
- These have been anticipated and execution of plans is underway.
- M&A strategy in place. Potential acquisition not materially progressed and not a current focus for Serko.



# BUILDING SUSTAINABLE LONG-TERM BUSINESS GROWTH

We believe strong ESG practices give Serko its social licence to operate as well as creating long-term value.

Being a brand you can count on — trusted by our employees, customers, investors and partners



Continuously innovating — to adapt to rapid environmental changes and deliver sustainable and innovative products to our customers



Powering our people — to do amazing work that drives our business and sustainability goals

# STRENGTHENING GOVERNANCE TO SUPPORT GLOBAL GROWTH



Governance focus is to support sustainable growth and scale



Chair of the People, Remuneration & Culture Committee: Clyde McConaghy;  
Chair of the Audit & Risk Committee: Jan Dawson



Introduction of Technology Committee to support global growth and scale, and will be supported by global expertise.

# CEO Presentation

Darrin Grafton



## OUR EXECUTIVE TEAM



Darrin Grafton  
CEO & Co-founder



Tony D'Astolfo  
Senior Vice President, NORAM



Sarah Miller  
General Counsel &  
Company Secretary



Charlie Nowaczek  
Chief Operating Officer (COO)



Duanne O'Brien  
Chief Technology Officer



Shane Sampson  
Chief Financial Officer (CFO)



Rachael Satherley  
Chief People Officer



Murray Warner  
Head of Australasian Market



Nick Whitehead  
Chief Marketing Officer

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## WHAT'S IN IT FOR ME?

Business travel recovery will not be predictable nor linear but is heading in a positive direction.

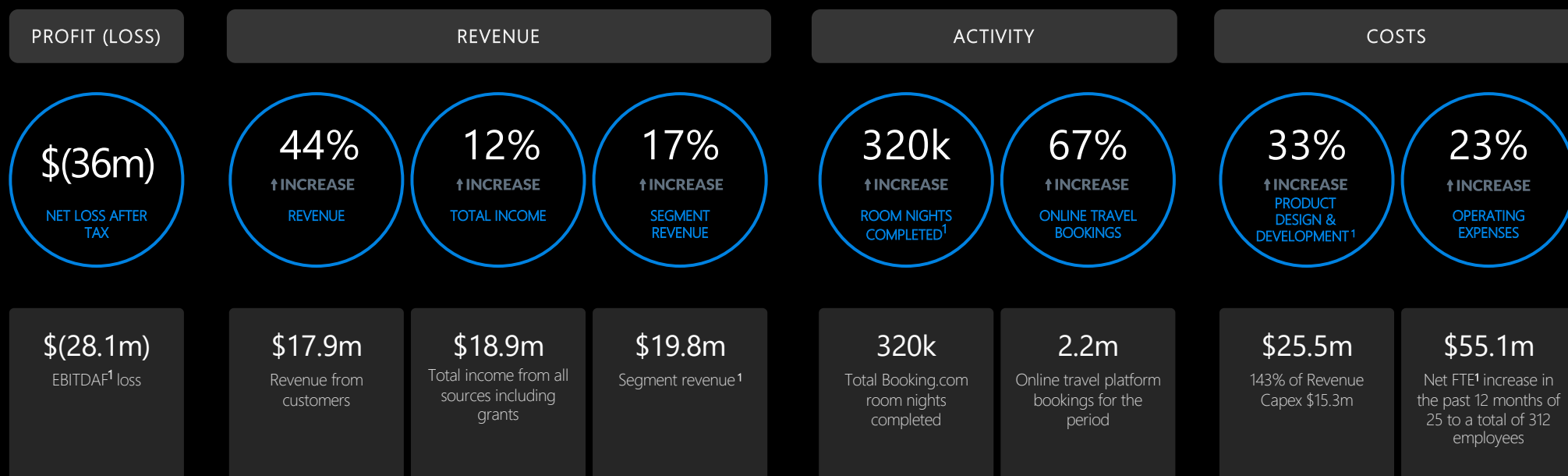
Confident that business travel will return to pre-pandemic levels over time.

New approaches to business travel include remote teams travelling to be together and 'Bleisure' (Business and leisure blended in a single trip).



# FY22 RESULTS

PERFORMANCE COMPARED TO PRIOR COMPARABLE PERIOD



<sup>1</sup>Refer to Appendix for definitions and descriptions of the non-GAAP measures used by management.

# PROGRESS AGAINST OUR FY<sub>25</sub> GOALS

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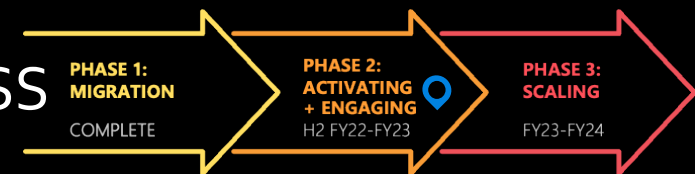
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Maximise alignment across our teams and minimise friction for our customers to increase organisational efficiency

# BOOKING.COM FOR BUSINESS PROGRESS



## FY 2020



- Agreement signed
- Piloting one country at a time

## FY 2021



- COVID-19 pandemic
- Revised plan – large scale migration

## FY 2022



- Build minimum viable solution to cover all key countries
- Migration of 300k+ customers

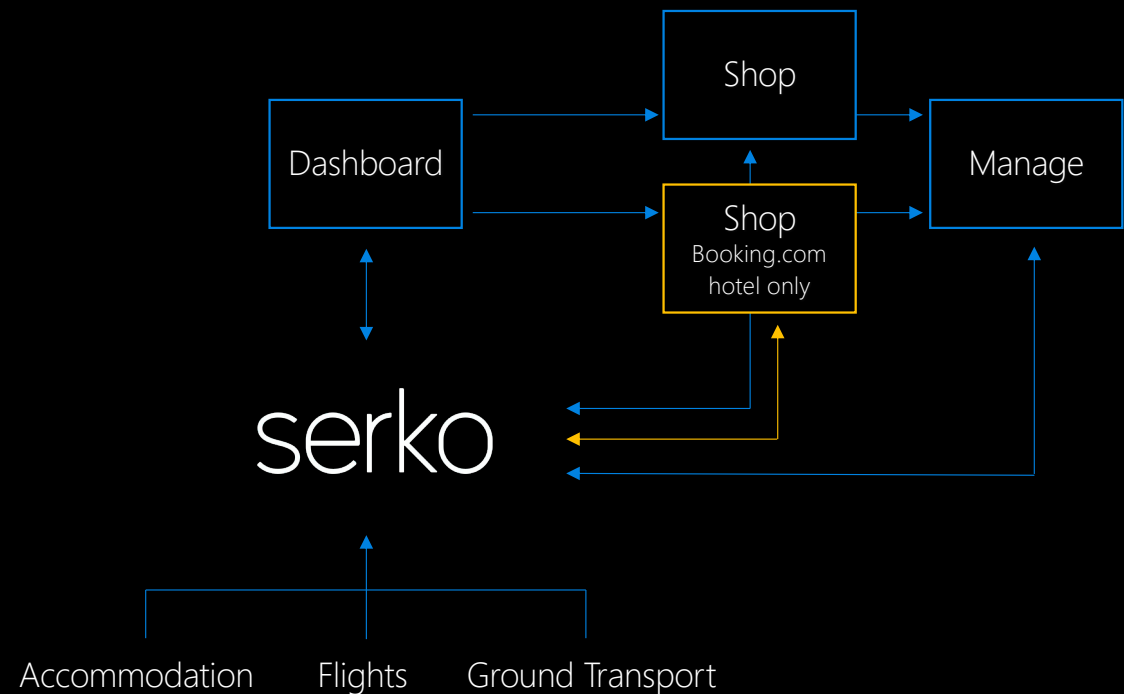
## FY 2023



- Experimentation and testing focused on conversion
- Development of new hotel shop experience

# BOOKING.COM FOR BUSINESS CONVERSION

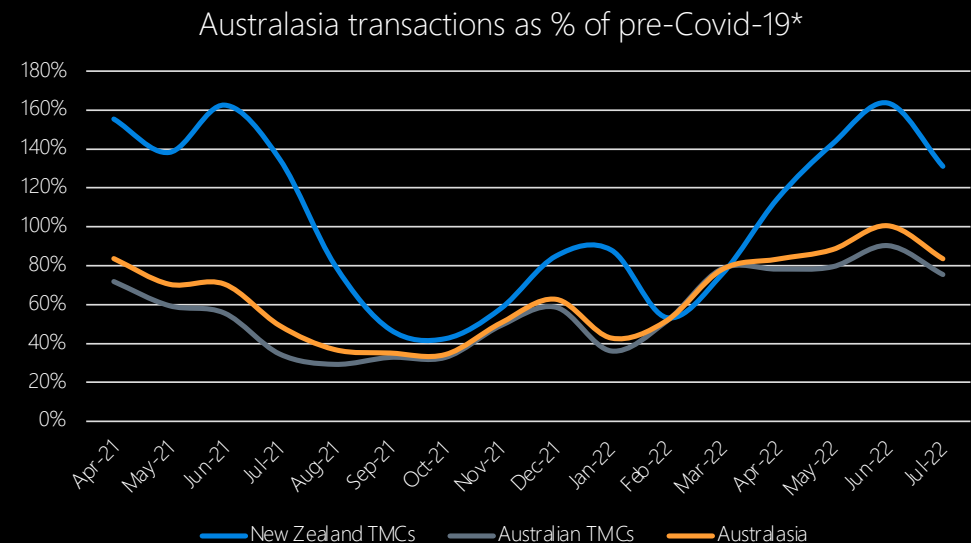
- Experiment-led development and user experience tests completed in July has led to significantly increased conversion.
- Now building a hotel shop experience for Booking.com for Business customers to better reflect the aspects of the Booking.com user experience.
- While the development work is occurring, a transition solution is using elements of the Booking.com environment for most Booking.com for Business customers when they make a accommodation-only booking.
- Connected trip bookings and a portion of Booking.com for Business customers continue to use the full original Zeno experience.



\* Infographic shows simplified user experience

## MANAGED TRAVEL: ANZ RECOVERY

- Australasian business travel bookings have recovered strongly.
- New Zealand bookings exceed pre-Covid levels due to market share gains more than offsetting lower levels of business travel.



\* Percentages are measured against the same month in 2019 to reflect pre-Covid-19 volumes.

\*\* June 2022 had 2 more business days than June 2019 increasing volumes in the month relative to 2019. The business day impact reverses in July.

# MANAGED TRAVEL: NORTH AMERICA



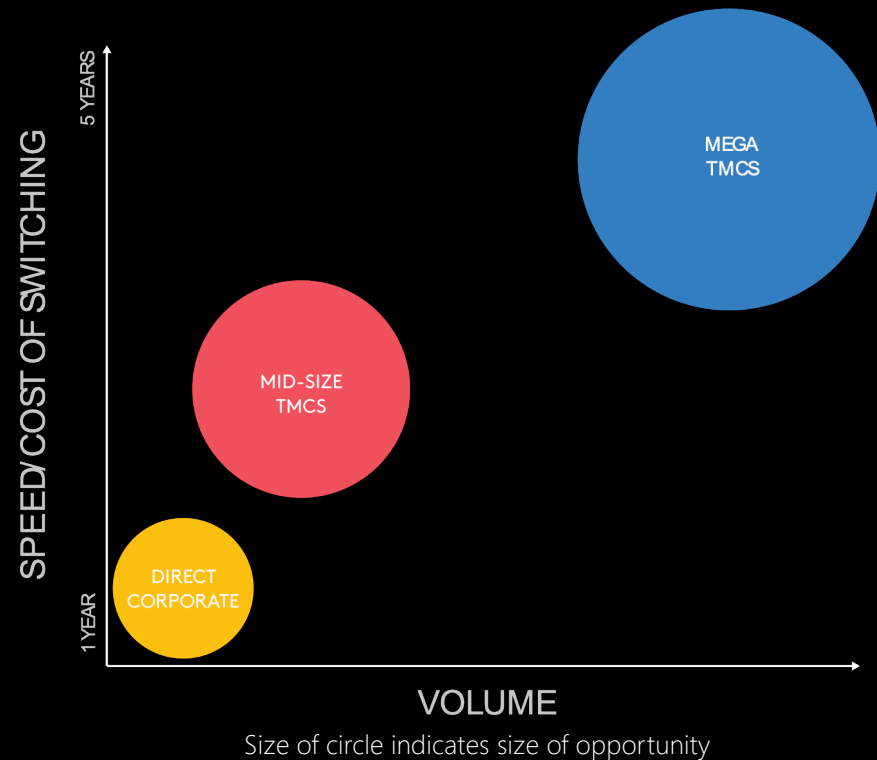
Validation phase in North America is complete. Announcement of CWT and Visa (May 2022).



Three market segments:<sup>1</sup>

- Mega TMCs (~75% market share)
- Mid market TMCs (~25% market share)
- Direct to Enterprise (Fortune 500)

Representation of the US managed travel market segmentation



<sup>1</sup>Source: Statista, Leading travel management companies in the United States in 2019, by share of air ticket transactions  
<https://www.statista.com/statistics/202250/air-ticket-transactions-of-travel-management-companies/>

## ATTRACTING & RETAINING THE BEST PEOPLE

- During the quarter, slight improvement in availability of technology skills, however, employment market remains challenging.
- Time to hire has reduced following insourcing of recruitment.
- Strong focus on career pathing and enhancing graduate recruitment and internship programmes.



# Outlook

Claudia Batten

## OUTLOOK

- We remain confident in the direction of business travel and Serko's role in the recovery and beyond.
- As signalled, we are increasing our rate of investment into our products and markets to support future growth.
- We have a strong cash position and are committed both to prudent cash management and investment for growth.
- We reaffirm the guidance provided in May and expect revenue for the year to 31 March 2023 to approximately double from the prior year.
- Our guidance remains subject to ongoing risks including geo-political uncertainty, the potential resurgence of COVID and other matters.

Thank you

# Appendix

# DEFINITIONS

Non-GAAP (generally accepted accounting practices) financial measures do not have standardised meanings prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Non-GAAP measures are used by management to monitor the business and are considered useful to provide information to investors to assess business performance. Reconciliation of non-GAAP financial measures to GAAP measures can be found within the Annual Report dated 18 May 2022.

- **ARPB (Average Revenue Per Booking)** is a non-GAAP measure. Serko uses this as a useful indicator of the revenue value per travel booking. ARPB for travel-related revenue is calculated as travel-related revenue divided by the total number of online bookings. **ARPB for recurring revenue is calculated as revenue from customers less services revenue divided by the total number of online bookings.**
- **Total travel bookings** include both online and offline bookings. Offline bookings are system automated bookings.
- **Segment revenue** (a non-GAAP measure) is Total revenue and other income before deducting consideration payable to customers.
- **Total operating revenue** (a non-GAAP measure) is revenue excluding income from grants and finance income; total income includes grants.
- **Product design and development costs** is a non-GAAP measure representing the internal and external costs related to the design, development and maintenance of Serko's platforms that are included within operating expenses or capitalised but excludes amortisation.
- **Operating expenses** is a non-GAAP measure comprising expenses excluding costs relating to taxation, interest, depreciation, amortisation, finance expenses and foreign exchange gains and losses.
- **EBITDAF** is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation, Amortisation, Foreign Currency (Gains)/Losses and Fair value measurement. See slide 15 for a reconciliation to Net loss after tax.
- **FTE = Full time equivalent employee.**