

29 February 2024

ASX Announcement

Airtasker Limited (ASX Code: ART)

HY24 Financial Results

Airtasker delivers positive free cash flow
Airtasker marketplaces revenue growth 10.3%
Positive Group EBITDA of \$2.0m

HY24 Financial Highlights

- Positive free cash flow of \$0.1m¹, an improvement of \$4.7m on pc²
- Airtasker marketplaces revenue growth 10.3% on pc² to \$18.9m
- UK posted tasks up over 30.0%³ following UK television campaign launch
- \$17.2m in cash and term deposits on balance sheet with zero debt
- On track for FY24 full year positive free cash flow result

Positive Free Cash Flow

During HY24 Airtasker generated positive free cash flow of \$0.1m¹, an improvement of \$4.7m on pc², compared to net cash outflow of \$4.6m in HY23. During the period Airtasker invested net \$10.5m⁴ of surplus cash in term deposits. These term deposits are treated as investing cash outflows for statutory accounting purposes and reconcile to a statutory accounting net cash outflow of \$10.4m.⁵

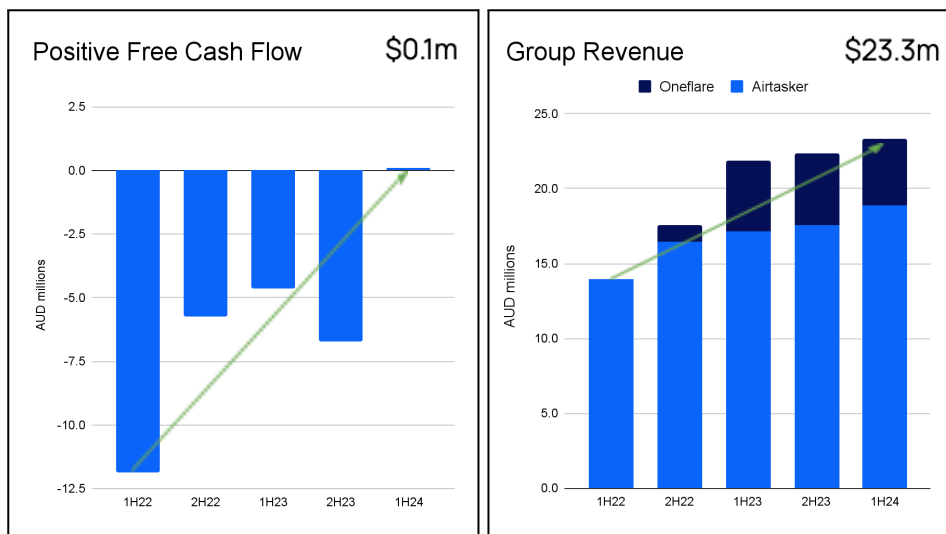
¹ Non-statutory positive free cash flow calculated as cash and cash equivalents at 31 December 2023 plus payments for term deposits less proceeds from maturing term deposits and bonds less cash and cash equivalents at 30 June 2023 as disclosed in the HY24 consolidated statement of cash flows.

² Prior comparative period.

³ Calculated as the movement in cumulative UK posted tasks for the first 4 weeks of calendar 2024 against pc².

⁴ Payments for term deposits less proceeds from maturing term deposits and bonds as disclosed in the HY24 consolidated statement of cash flows.

⁵ Net decrease in cash and cash equivalents disclosed in the HY24 consolidated statement of cash flows.



Net cash from operating activities for HY24 was positive \$1.4m, up \$7.6m, compared to operating cash outflow of \$6.2m in pcp. The positive operating cash flow result in HY24 was achieved by delivering solid Group revenue growth of 6.8% against pcp to \$23.3m combined with a focus on driving operating efficiency, including a 33.6% reduction in headcount costs and an 18.4% reduction in technology, general and administration expense.

Airtasker remains in a strong financial position at 31 December 2023 with \$17.2m (30 June 2023 : \$17.1m) in cash and term deposits on its balance sheet with zero debt.

Airtasker Marketplaces Revenue Growth 10.3%

Airtasker marketplaces revenue grew 10.3% on pcp to \$18.9m (HY23: \$17.1m). Whilst weak macroeconomic conditions resulted in soft top of funnel consumer demand (posted tasks), record levels of supply (Tasker offers) combined with successful funnel optimisation programs resulted in an improved customer experience and solid revenue growth.

The funnel optimisation programs delivered during the half-year included the introduction of a revised cancellation policy and fee structure designed to improve platform reliability and address task leakage. These programs saw cancellations reduce by 28.4% in HY24 against pcp resulting in the monetisation rate⁶ improving to 19.8% in HY24 (HY23: 16.6%), up 19.3% on pcp.

The cancellation fee structure was phased in during the half-year for both customers and Taskers in staggered cohorts, and as such the monetisation rate for HY24 does not yet fully reflect the impact of the introduction of this fee structure.

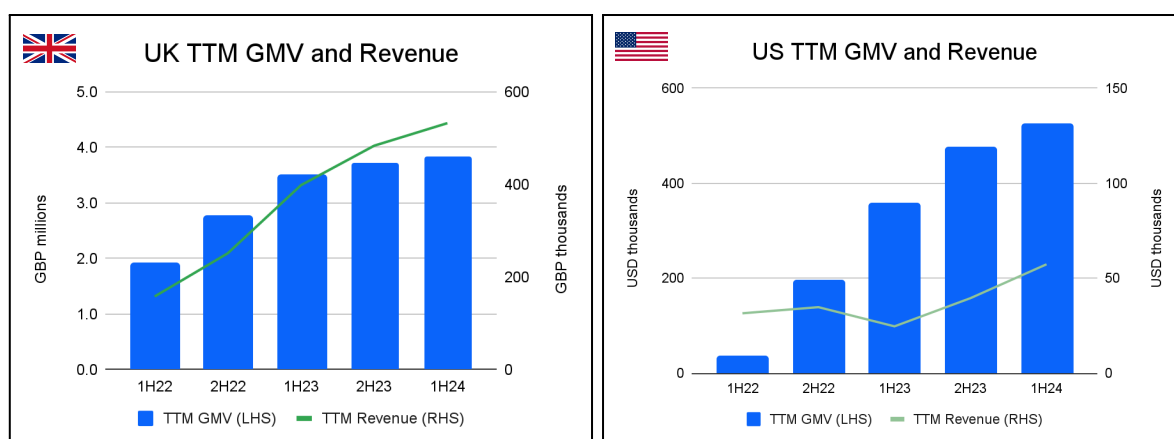
These improvements in monetisation, combined with consumer demand returning to growth towards the end HY24 are expected to deliver ongoing results in the second half of FY24.

⁶ Monetisation rate (previously take rate) represents Airtasker marketplaces revenue in a given financial period, expressed as a percentage of Airtasker marketplaces GMV in the same period.

Media Partnership Delivers 30.0%⁸ Increase in UK Posted Tasks

In Australia, a key strategy for Airtasker to build the no. 1⁷ marketplace for local services was a media-for-equity partnership with Seven West Media. This partnership enabled Airtasker to build a trusted household brand name and scale network effects rapidly, resulting in revenue growth of 20x and a 5x investment return for Seven West Media over 5 years. Airtasker is now replicating this successful media-for-equity model to drive rapid scale in new markets.

In the UK, Airtasker formed a media-for-equity partnership with Channel 4 in June 2023 which provides Airtasker with \$6.7m in advertising media and access to Channel 4's reach of 47 million UK people (78.0% of the UK population). In October 2023, Airtasker launched its UK television brand campaign, 'Airtasker. Yeahtasker!' resulting in a surge in marketplace demand, with posted tasks already up over 30.0%.⁸ This rapid growth in marketplace activity has been achieved during the low season in the UK and is expected to accelerate in the second half of FY24, being the peak spring and summer seasons in the northern hemisphere.



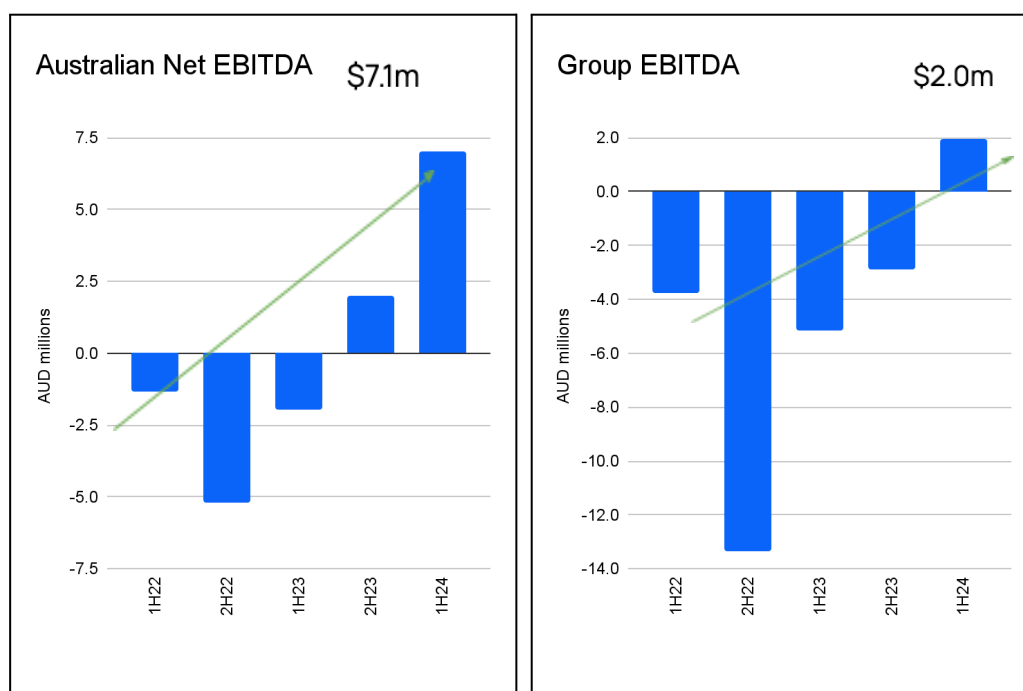
In the UK, Airtasker's marketplaces demonstrated strong performance with HY24 TTM⁹ GMV up 10.1% on pcp to £3.8m¹⁰ and TTM revenue up 33.6% on pcp to £532k¹⁰ as a result of record levels of tasker engagement driving high task completion rates.

In Airtasker's US marketplaces, HY24 TTM GMV increased 46.3% on pcp to US\$0.5m¹⁰ and revenue increased 132.4% on pcp to US\$57k.¹⁰ In the US, Airtasker is seeing healthy growth in marketplace activity and maintaining a disciplined approach to investment as it explores several media partnership opportunities.

⁷ Based on 1.9m posted tasks on the Airtasker Australia platform during FY23.
⁸ Calculated as the movement in cumulative posted tasks for the first 4 weeks of calendar 2024 against pcp.
⁹ Trailing twelve months.
¹⁰ Calculated on a TTM basis.

Positive Australian Net EBITDA \$7.1m and Group EBITDA \$2.0m

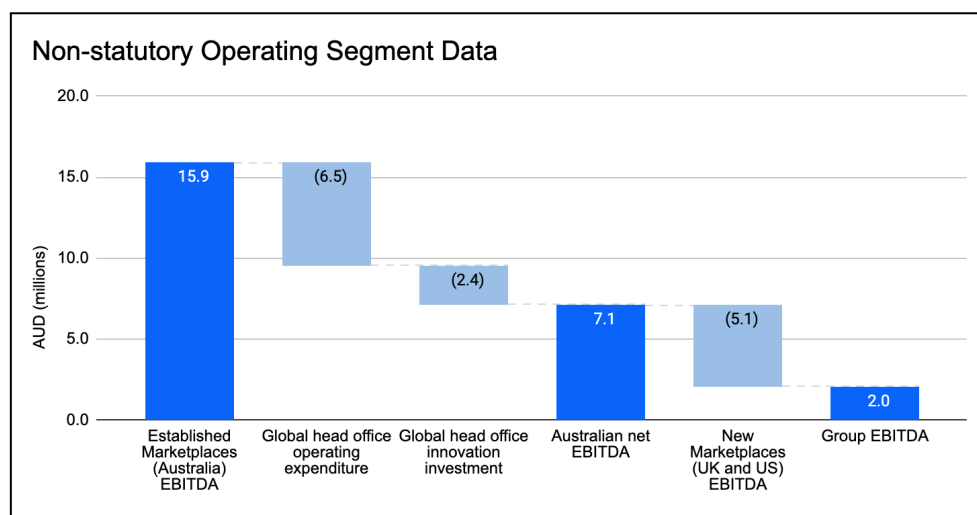
Airtasker's marketplaces fall into two business segments, being the 'Established Marketplaces Segment' and the 'New Marketplaces Segment' plus global head office which is not directly attributable to a segment. Geographic operations are segmented based on the maturity of the marketplaces as economics differ at each stage of growth. The Airtasker Australia and Oneflare Australia marketplaces have established user bases and operations and represent the 'Established Marketplaces Segment'. Airtasker International marketplaces, particularly in the UK and the US, have less established user bases and operations and represent the 'New Marketplaces Segment'.



During HY24, Airtasker's Established Marketplaces Segment in Australia generated positive EBITDA of \$15.9m (HY23: positive \$11.9m), a 33.6% increase.

The EBITDA from the Australian Established Marketplaces Segment contributed to the non-variable global head office operating expenditure of \$6.5m and innovation investment of \$2.4m to generate a positive Australian net EBITDA of \$7.1m, up \$9.1m or 452.9% on pcp (HY23: \$2.0m loss).

Airtasker delivered a 138.3% improvement in positive Group EBITDA of \$2.0m (HY23: \$5.1m loss) including the increased investment in New Marketplaces. The investment in the New Marketplaces Segment during HY24 primarily consisted of UK expenditure on creative assets, paid marketing and amortisation of the advertising media services asset provided by Channel 4.



The performance of the segments for HY24 is presented in the table below.

Non-statutory operating segment data ¹¹	HY24 \$m	HY23 \$m	Change \$m	Change %
Established Marketplaces (Australia) EBITDA ¹²	15.9	11.9	4.0	33.6%
Global head office operating expenditure ¹³	(6.5)	(11.8)	5.3	45.2%
Global head office innovation investment ¹⁴	(2.4)	(2.1)	(0.3)	(13.0%)
Australian net EBITDA	7.1	(2.0)	9.1	452.9%
New Marketplaces (UK and US) EBITDA	(5.1)	(3.1)	(2.0)	(63.3%)
Group EBITDA	2.0	(5.1)	7.1	138.3%

Commenting on the results, Airtasker Founder and CEO Tim Fung said, "I'm super pleased to announce that Airtasker has delivered positive free cash flow ahead of plan and is on track for a full year free cash flow result in FY24. It's been an incredible achievement by the whole Airtasker team to drive solid revenue growth whilst at the same time delivering massive improvements in operating efficiency. Our unwavering focus on the core Airtasker product experience has seen a dramatic improvement in marketplace reliability, fewer cancellations and less leakage. With this much more efficient sales funnel, we're super excited about the potential as market conditions continue to improve!

It's also been super awesome to see our partnership with Channel 4 come to fruition with the launch of our 'Airtasker. Yehtasker!' television brand campaign. This brand campaign has already delivered over 30.0% growth in posted tasks and we can't wait to see this marketplace grow as the UK heads into the peak spring and summer seasons. We've got a massive 2024 ahead!"

- Ends -

¹¹ Values in the table are rounded for presentation.

¹² Excluding global head office operating expenditure and innovation investment.

¹³ The operating expenditure relating to the marketplace platforms (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).

¹⁴ The innovation investment that is non-capitalisable and associated with the design of, and post-implementation work on, new product features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

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About Airtasker

Airtasker (ASX: ART) is Australia's leading online marketplace for local services, connecting people and businesses who need work done with people who want to work. With a mission to **empower people to realise the full value of their skills**, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income. Since launching in 2012, Airtasker has put more than \$550m into the pockets of workers (payments made after all fee revenue is deducted) and served more than 1.7m unique paying customers across the world. For more information visit: investor.airtasker.com.

This announcement was approved for release by the Board of Directors of Airtasker Limited.