

## FY24 trading update: SiteMinder delivers positive free cash flow for H2FY24, surpasses \$200m ARR, announces new program expanding its Smart Platform

### FY24 (unaudited) Trading Update – performance highlights:

- **Customer properties** increased by **2.9k in H2** (vs 2.5k in H1) to **end FY24 at 44.5k**. During H2, SiteMinder added 70% more rooms in the Americas and EMEA compared to the corresponding period last year.
- **Revenue<sup>1</sup> increased 26.0% y/y (20.8% cc,organic)** to \$190.7m for FY24.
  - Subscription revenue grew 18.8% y/y (16.2% cc,organic) to \$122.4m.

As part of its pursuit of larger-sized hotels, SiteMinder has invested in short-dated incentives, the impact of which are expected to normalise over the next 12 months.
  - Transaction revenue<sup>1</sup> grew 41.2% y/y (30.0% cc,organic) to \$68.3m. SiteMinder's metasearch offering, Demand Plus, performed best, benefiting from strong adoption and improving booking conversion.

**Transaction product uptake increased by 3.8k in H2** (vs 2.6k in H1) to finish FY24 at 26.3k (+32.2% y/y). SiteMinder continues to enjoy success in driving the adoption of SiteMinder Pay and Demand Plus by both new and existing customers.
- **Annualised recurring revenue (ARR<sup>1</sup>) increased 20.8% y/y (21.3% cc,organic)** to **\$209.0m**.
  - Subscription ARR increased 14.5% y/y (15.7% cc,organic) to \$133.1m.
  - Transaction ARR increased 33.7% y/y (32.7% cc,organic) to \$75.9m.
- **Underlying free cash flow (FCF)** was (\$6.4)m in FY24 and **was positive in H2FY24 at \$2.3m**. FY24 underlying FCF represented (3.4)%<sup>1</sup> of revenue, improving from (22.5)% in FY23, and demonstrating operating leverage and disciplined cost management.
- **'Rule of 40'<sup>1,2</sup>** performance improved 150% from 8.4 in H2FY23 to 21.0 in H2FY24.
- **Liquidity remained strong at \$72.3m**, consisting of \$40.2m of cash and cash equivalents, \$2.1m of term deposits and \$30.0m of undrawn debt facilities.

<sup>1</sup> SiteMinder's H2FY24 revenue included \$3.6m from the recognition of Demand Plus revenues at the time of booking instead of check-out, of which \$1.0m relate to bookings made in H2FY24. This recognition of revenue is in line with the obligations of hotels. The constant currency organic growth rates and ARR reflect consistent treatment. The calculation of FCF margin only factors in revenue related to bookings made in H2FY24.

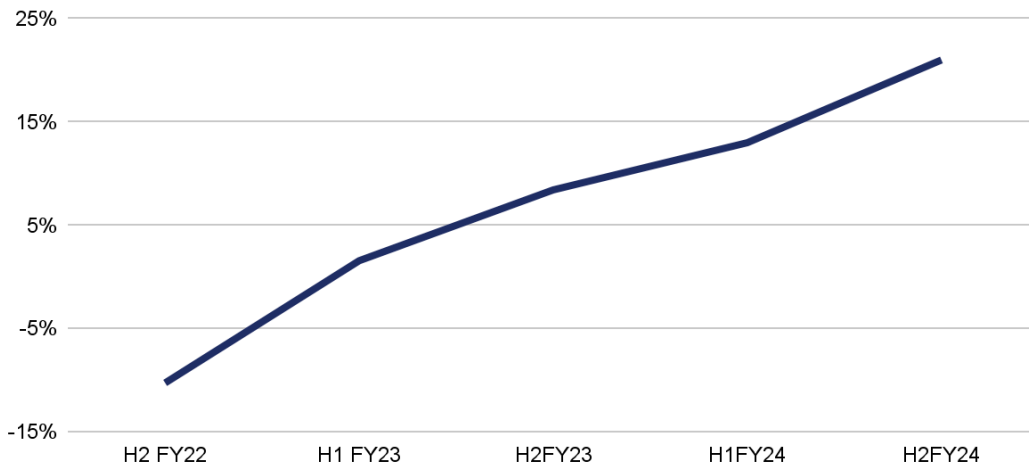
<sup>2</sup> 'Rule of 40' is the sum of a software company's revenue growth and profit margin. SiteMinder defines revenue growth as constant currency organic revenue growth which removes the impact of currency movements, acquisitions, and divestments. SiteMinder defines profit margin as underlying free cash flow margin, which is calculated as the sum of reported operating and investing cash flow divided by revenue, adjusted for non-recurring items.

- To further advance its Smart Platform strategy, SiteMinder has successfully launched the pilots for both Dynamic Revenue Plus and Channels Plus, and is **today announcing its Smart Distribution Program** – a third pillar designed to accelerate and expand the revenue potential of SiteMinder’s Smart Platform.

### Improved ‘Rule of 40’ performance

SiteMinder’s ‘Rule of 40’ performance improved from (10.3) at the time of IPO (H2FY22) to 21.0 in H2FY24. SiteMinder intends to continue its progress under the ‘Rule of 40’ through a combination of strong organic growth and prudent cost management.

**SiteMinder ‘Rule of 40’ performance since IPO**



### SiteMinder’s three-pillar Smart Platform strategy

To further advance its Smart Platform strategy, SiteMinder has successfully launched the pilots of both Dynamic Revenue Plus and Channels Plus, and is today announcing its Smart Distribution Program.

The Smart Distribution Program forms the third pillar of SiteMinder’s Smart Platform strategy, and is designed to accelerate and expand the revenue potential of the Company’s platform. SiteMinder has secured support and commitment from key global distribution partners to jointly improve the distribution configurations of hoteliers through the Smart Platform. There are significant opportunities to improve distribution configurations for hotels to maximise revenue performance.

“There is already high engagement on distribution on the SiteMinder platform, with users averaging three sessions per workday. It is clear that hoteliers look to SiteMinder as their trusted revenue partner, and our Smart Distribution Program, alongside the rollout of Dynamic Revenue Plus and Channels Plus, amplifies this market position. Our ecosystem partnerships with industry heavyweights serves as recognition of SiteMinder’s scale and technology leadership as a distribution and revenue platform, and our ability to leverage these capabilities to deliver win-win-win outcomes to partners and hotels,” says Sankar Narayan, CEO and Managing Director at SiteMinder.

Dynamic Revenue Plus, which equips hoteliers with the ability to assess and react to changes in demand quickly and accurately, commenced its pilot in July in Australia and New Zealand. The phased development of the product is progressing as planned with the ANZ release on schedule for Q1FY25. Additionally, SiteMinder has entered into an agreement with IDEaS to provide price recommendations for the product. IDEaS has a 35-year track record in hospitality pricing, and is the industry's most trusted revenue management software empowering more than 30,000 properties in 158 countries. This partnership combines their market-leading pricing engine with SiteMinder's unrivalled distribution execution capability and deep local and global intelligence, to reset how hoteliers execute revenue management.

The general release of Channels Plus also remains on track for Q2FY25. Channels Plus is SiteMinder's innovative offering which allows hoteliers to expand their distribution to multiple channels with ease and control. Its pilot commenced in April and has to date attracted interest from more than 25 distribution partners including leading travel brands such as Agoda, Hopper, Trip.com, and Grupo Viajes el Corte Ingles.

"I am incredibly proud of our team for getting both Dynamic Revenue Plus and Channels Plus into pilot and into the hands of hoteliers. More work remains to be done but I am extremely pleased with the initial performance of these groundbreaking products and the feedback we have received from our customers. The progress to date wouldn't be possible without the support of our partners, and I thank them for endorsing and sharing in our mission of making sophisticated revenue management accessible to every hotel in the world," says Narayan.

#### **Update on transaction product initiatives**

In addition to the timely progress made on Dynamic Revenue Plus and Channels Plus, SiteMinder's delivery of initiatives to extend the reach and capabilities of its payments offering and its metasearch solution is progressing as planned.

During FY24, SiteMinder's payment solution was extended into Singapore and Hong Kong, and additional markets will go live in FY25. Work on introducing physical payment terminals, which will create a more holistic payment solution and drive increased usage, is also well progressed and the pilot is scheduled to commence in Q2FY25. A staged rollout will follow from Q3FY25.

Metasearch Manager, SiteMinder's metasearch solution for the enterprise segment, has entered pilot with strong interest from hotel groups looking to better manage their meta search campaigns.

#### **SiteMinder continues to target 30% organic annual revenue growth**

SiteMinder has embarked on a Smart Platform strategy with significant new products and programs to be launched in FY25. SiteMinder is targeting 30% organic annual revenue growth in the medium term, aided by contributions from the Smart Platform.

With SiteMinder's FY24 audited financial results yet to be released, the Company's financial guidance currently remains unchanged. The Company continues to expect to be underlying EBITDA profitable and underlying FCF positive for H2FY24, and will provide an update following the audit and release of its full-year financial results on 27 August 2024.

"SiteMinder has significantly improved its long-term growth trajectory with the three-pillar Smart Platform strategy expanding the company's monetisation opportunities, and strengthening its already enviable position as the default choice for the convergence of distribution, revenue optimisation and market intelligence. Our business has never been better positioned to deliver high, sustainable organic growth and progress towards industry-leading SaaS economics," says Narayan.

### Underlying FY24 FCF improves to (\$6.4)m, (3.4)% of revenues

SiteMinder's underlying free cash flow (FCF) was (\$6.4) million for FY24, and turned positive in Q4FY24 at \$2.5 million. Underlying FCF excludes non-recurring items related to restructuring, M&A transactions, the IPO, the establishment of the new line of credit, and loan-funded shares.

Underlying operating cash flow was \$16.2 million for FY24 and underlying investment cash flow was (\$22.6) million for FY24. The improvement, compared to previous reporting periods, reflects the scalability of SiteMinder's business model and disciplined cost management. SiteMinder continues to make the investments necessary to deliver its Smart Platform and sustain a high rate of growth.

SiteMinder remains well capitalised to achieve its strategic objectives. The Company ended FY24 with \$72.3 million of liquidity consisting of \$40.2 million of cash and cash equivalents, \$2.1 million of term deposits, and undrawn debt facilities of \$30.0 million.

#### *Reconciliation of Reported to Underlying Free Cash Flow*

<b>\$000s</b>	<b>Q4FY24</b>	<b>FY24</b>
Reported Operating Cash Flows	8,089	13,692
Reported Investment Cash Flows	(5,932)	(22,126)
<b>Reported Operating and Investment Cash Flows</b>	<b>2,157</b>	<b>(8,434)</b>
Restructuring costs	829	1,549
M&A related items	(495)	(495)
Costs related to the establishment of new line of credit	-	764
IPO related costs	-	286
Proceeds related to loan funded shares	-	(53)
<b>Underlying Free Cash Flow</b>	<b>2,491</b>	<b>(6,383)</b>

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

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### **About SiteMinder**

SiteMinder Limited (ASX:SDR) is the name behind SiteMinder, the only software platform that unlocks the full revenue potential of hotels, and Little Hotelier, an all-in-one hotel management software that makes the lives of small accommodation providers easier. The global company is headquartered in Sydney with offices in Bangalore, Bangkok, Barcelona, Berlin, Dallas, Galway, London and Manila. Through its technology and the largest partner ecosystem in the global hotel industry, SiteMinder generates more than 120 million reservations worth over A\$75 billion in revenue for its hotel customers each year. For more information, visit [siteminder.com](https://www.siteminder.com).

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