ASX ANNOUNCEMENT

August 27, 2024

SiteMinder ends landmark year with positive EBITDA, looks ahead with Smart Platform unlocking new growth

SiteMinder Limited (ASX:SDR) ("SiteMinder", "the Company" or "the Group") has today released its results for the 12 months ended 30 June 2024 (FY24). The Company ended FY24 with a record number of property additions, improved profitability and higher unit economics. This was a landmark year for SiteMinder with significant progress made on its pivotal Smart Platform strategy. The strategy will unlock new growth opportunities for the Company, expanding the revenue potential of its market-leading distribution and revenue platform.

FY24 performance highlights

All growth rates are year-on-year (y/y), cc is constant currency

- **Total revenue[1] increased 26.0% or 20.8% (cc,organic) to $190.7m, comprising:**

  - Subscription revenue, which grew 16.2% (cc,organic). The number of subscription properties increased 13.8% to 44.5k, with 5.4k properties added compared to 4.1k (organic) in FY23 – a 31.7% increase.

  - Transactional revenues[1], which grew 30.0% (cc, organic). The number of transaction products adopted by customers increased 32.2% to 26.3k products.

- **Regional revenue (cc, organic)** grew 20.8% in the Americas, 18.1% in EMEA and 23.7% in APAC. This was supported by property growth of 15.8% in the Americas, 17.0% in EMEA, and 8.3% in APAC. The strong growth in properties, with increasing focus on larger properties, will support future revenue momentum.

- **Annualised recurring revenue (ARR) rose 20.8%** or 21.3% (cc,organic) to $209.0m.

- **Reported group gross margin was in line** with FY23, at 66.7%. **Underlying subscription gross margin improved** from 83.2% to 85.1%. **Underlying transaction gross margin moderated** from 34.8% to 32.0%, due to product mix and temporary impact from expansion into new segments and acquisition channels.

- **Underlying EBITDA turned positive**, improving from ($21.9)m to $0.9m. Underlying EBITDA improved from ($1.2)m in H1 to $2.1m in H2, reflecting the benefits of operating leverage and cost discipline.

- **Net loss improved from ($49.3)m to ($25.1)m**. This included costs related to restructuring, establishment of a replacement credit facility, fair value movement on derivative financial instruments, and benefit from the change in accounting estimates relating to the Company's metasearch solution, Demand Plus.

- **LTV/CAC improved from 4.1x to 5.4x**. The performance reflected improvement in both LTV and CAC. Notably, CAC improved 18.2% to $4,472.

[1] 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 unit economic measures and underlying margins only factors in revenue related to bookings made in H2FY24.

- **Underlying free cash outflow improved from ($34.0)m to ($6.4)m**. As a percent of revenue, underlying FCF improved from (22.5)% to (3.4)%. SiteMinder became underlying free cash flow positive in H2, generating $2.3m or 2.4% of revenue.
- **'Rule of 40'**[2] performance improved 230%, from 5 to 17, and reached 21 in H2.
- **Available funds were $72.3m** consisting of $42.3m of cash and funds on deposit, and $30.0m of undrawn debt facilities.
- **Smart Platform on track with strong partner support**. All three pillars of the strategy are on track to commence their release in H1FY25.
- **Profitability guidance issued, growth guidance unchanged**. SiteMinder expects to be underlying EBITDA profitable and underlying free cash flow positive in FY25, and continue to make progress on the Rule of 40[2].

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

Key financial milestones delivered while investing in growth for the future

FY24 was a landmark year for SiteMinder as highlighted by the Company's achievement of key financial milestones while progressing all three pillars of its Smart Platform strategy. The momentum behind the strategy is cementing SiteMinder's leadership as a distribution and revenue platform, and has underpinned SiteMinder's strategic partnerships with other leading technology partners, such as Cloudbeds, to help hoteliers realise their revenue potential.

For SiteMinder's three-pillar Smart Platform strategy:

1. More than 25 distribution partners have signed up to **Channels Plus**. Today, SiteMinder announced the addition of Meituan, a leading Chinese shopping platform and top player in the Chinese travel market. Meituan joins leading travel brands such as Agoda, Trip.com and Hopper in enabling effortless inventory distribution for hoteliers.
2. An agreement was signed with the hotel industry's leading revenue management system, IDeaS, to provide pricing recommendations for **Dynamic Revenue Plus**. The combination of IDeaS' industry leading pricing engine with SiteMinder's unrivalled distribution capability and deep intelligence assets, will reset how hoteliers execute revenue management.
3. SiteMinder secured commitment from leading global distribution partners to jointly improve the distribution configurations of hoteliers through its **Smart Distribution Program**.

"I am extremely proud of all that we as a team achieved over the last 12 months. Not only did we sustain strong growth and execute a significant turnaround in profitability to deliver a 230% improvement on the Rule of 40[2]; it was achieved while embarking on an ambitious Smart Platform strategy, leveraging our platform and go-to-market capabilities, and forging significant new partnerships that have reinforced our global leadership and future growth outlook. SiteMinder has never been better positioned to deliver high, sustainable organic growth and progress towards industry-leading SaaS economics," says Sankar Narayan, CEO and Managing Director at SiteMinder.

[2] Rule of 40 is the sum of a software company's revenue growth and profit margin. For the purpose of calculating its Rule of 40 performance, SiteMinder defines revenue growth as constant currency organic revenue growth which removes the impact of currency movements, acquisitions, divestments, and non-operational items. 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.

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.

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Definitions

Annualised recurring revenue (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 the Group's actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

Monthly average revenue per user (ARPU) is calculated by using monthly recurring revenue and dividing it by the number of properties for each respective month. The monthly ARPU is presented as the average of the last 12 months.

Lifetime value (LTV) is calculated by taking the monthly average ARPU over the last 12 months, multiplied by the gross margin percentage, divided by monthly revenue churn.

Customer acquisition cost (CAC) is calculated by the total sales, marketing and onboarding expenses over a period, less set-up fees charged in the period, divided by the number of new billed properties in the period. Figures are on a rolling average, depending on the period covered i.e. six months for half-year or 12 months for full-year.

LTV/CAC is the ratio between Lifetime Value (LTV) and Cost of Acquiring Customer (CAC).

EBITDA is calculated by adding interest, tax, depreciation and amortization expenses to net income. Underlying EBITDA features adjustments to exclude non-recurring items. SiteMinder includes stock based compensation in its calculation of EBITDA and underlying EBITDA.

Free cash flow is the sum of cash flows from operating and investing activities. Underlying free cash flow features adjustments to exclude non-recurring items.

Rule of 40 is the sum of a software company's revenue growth and profit margin. For the purpose of calculating its Rule of 40 performance, SiteMinder defines revenue growth as constant currency organic revenue growth which removes the impact of currency movements, acquisitions, divestments, and non-operational items. 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.