

## SiteMinder delivers acceleration in ARR growth, room additions and improved unit economics

SiteMinder Limited (ASX:SDR) (“SiteMinder”, “the Company” or “the Group”) has today released its results for the six months ended 31 December 2024 (H1FY25). The results demonstrate building momentum with accelerating annualised recurring revenue (ARR) growth supported by Smart Platform monetisation, over 50% y/y growth in net rooms added, and strong unit economics in LTV/CAC. SiteMinder has made continued progress in the delivery of the company’s transformative Smart Platform strategy.

### H1FY25 performance highlights

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

- **Annualised recurring revenue (ARR) increased 18.4% or 22.0% (cc,organic<sup>1</sup>)** to \$216.2m, accelerating in Q2FY25, with contributions from the Smart Platform.

Subscription ARR increased 12.7% or 15.3% (cc,organic) to \$142.4m, and transaction ARR increased 31.5% or 37.0% (cc,organic) to \$73.8m. The Smart Platform contributed to transaction ARR.

- **Total revenue increased 13.9% or 17.2% (cc,organic) to \$104.5m, accelerating in Q2.**
  - Subscription revenue increased 9.9% or 11.8% (cc,organic) to \$66.3m. Revenue was impacted by increased short-term new customer incentives as part of SiteMinder’s strategy to pursue larger hotel properties with higher room count and transaction value.
  - Transactional revenue, which included Smart Platform contributions, increased 21.4% or 27.8% (cc,organic) to \$38.1m. The number of adopted transaction products increased 36.0% to 30.6k, led by Demand Plus and Channels Plus. The former had strong uptake among larger properties with higher gross booking value.
- **Net customer additions increased to 2.7k.** As part of the company’s strategy of pursuing larger hotel properties, the number of **net rooms added increased by more than 50%** compared to H1FY24.
- **LTV/CAC improved from 5.3x in H1FY24 to 6.1x.** CAC improved from \$4,814 in H1FY24 to \$4,463, reflecting ongoing operating leverage. LTV improved from \$25,394 in H1FY24 to \$27,122 reflecting increased product uptake, improved revenue churn, and contributions from the Smart Platform.
- **Underlying gross margin increased** by 118bps from H2FY24 to 66.9%, reflecting higher subscription and transaction margin. **Underlying subscription gross margin increased** 31bps from H2FY24 to 85.5%, driven by scale and operating leverage. **Underlying transaction gross margin** increased 384bps from H2FY24 to 34.5%, which included contributions from the Smart Platform.

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<sup>1</sup> Constant currency (cc), organic removes the impact of currency rate movement, non-operational items, and adjustment for the change in accounting estimates for Demand Plus as reported in FY24

- **Underlying EBITDA was positive \$5.3m for the half**, improving from a (\$1.2)m loss in H1FY24. **Reported EBITDA was positive \$0.3m**, which includes (\$4.9)m of restructuring costs.
- **Reported net loss improved from (\$14.9)m in H1FY24 to (\$13.9)m**. Reported net loss included (\$4.9)m of restructuring costs. **Underlying net loss improved from (\$13.8)m in H1FY24 to (\$9.0)m**.
- **Underlying free cash flow** improved from (\$8.7)m in H1FY24 to **(\$0.6)m**. There is seasonality in SiteMinder's free cash flow with staff incentive payments made in the first half of the financial year.
- **Available funds were \$68.6m** consisting of \$36.5m of cash and funds on deposit, and \$32.2m of undrawn debt facilities.
- **Rule of 40** performance was 19% on a rolling 12-month basis, an improvement on the 17% in FY24. The H1FY25 performance was impacted by investment in short-term new customer incentives and the Smart Platform.
- **SiteMinder's performance improved markedly over the last two years** with underlying EBITDA improving from (\$14.6)m in H1FY23 to positive \$5.3m, and underlying free cash flow improving from (\$20.3)m to (\$0.6)m. SiteMinder's Rule of 40 performance improved from (4%) for the 12 months to Dec-22, to 19% for the 12 months to Dec-24.
- **Strong progress was made in delivering the Smart Platform** with the Smart Distribution Program commencing implementation, Channels Plus pilot and general release successfully completed, and Dynamic Revenue Plus on track for its Northern Hemisphere release at ITB Berlin in March 2025.
- **Growth and profitability guidance reiterated**. SiteMinder, with the Smart Platform strategy, is targeting 30% organic annual revenue growth in the medium term. SiteMinder expects to be underlying EBITDA and underlying free cash flow positive in FY25, and make continued progress on the Rule of 40.

### **Delivery of Smart Platform on track and gaining traction with hoteliers and partners**

SiteMinder is the industry's leading distribution and revenue platform, winning six categories at the 2025 HotelTechAwards including the Hotelier's Choice Award and the Hotel eCommerce Platform Award. The Smart Platform strategy builds on SiteMinder's leadership position through deeper partnerships, innovative engineering and improved accessibility for all hotels.

During H1FY25, significant milestones were achieved across all three pillars of the Smart Platform strategy, which contributed to the acceleration in ARR growth to 22.0%:

- The **Smart Distribution Program** commenced implementation and is performing in line with the expectations of the program's partners and SiteMinder's budgeted outcomes.
- **Channels Plus** successfully completed its pilot and **progressed to general release** at the end of H1FY25. The number of **participating hotels has more than doubled** from the pilot intake, and **more than 35 distribution partners** have been contracted.
- **Dynamic Revenue Plus** was launched in Australia and New Zealand, and received positive feedback from both hoteliers and industry participants. The product is now on track



for its Northern Hemisphere release at ITB Berlin in March 2025 where additional capabilities will also be launched, including the integration with IDEaS, the world's leading provider of revenue management software and services.

“The last six months have seen us focus our efforts on laying the foundations for strong top line and bottom line performance in the future. Pleasingly, our results show that our Smart Platform strategy has begun delivering revenue and is driving acceleration in ARR growth,” says Sankar Narayan, CEO and Managing Director at SiteMinder. “And, it’s just the beginning. We continue to make strong progress with the impending Northern Hemisphere release of Dynamic Revenue Plus incorporating dynamic pricing recommendations from IDEaS. Channels Plus is now released everywhere, and the Smart Distribution Program commenced. All of these programs have been designed to help fulfill our mission of making sophisticated revenue management accessible to every hotel in the world and realise the full potential of our ecosystem, which today delivers over 125 million annual reservations for our hotelier customers.”

To unlock additional value under the Smart Platform strategy, SiteMinder has made changes to its teams to focus resources on key capabilities that drive long-term value. Notably, the Company has brought its technology and data groups closer together, so it can more comprehensively harness the power of AI and data opportunities across the business. As a part of this shift, SiteMinder’s co-founder, Mike Rogers, has taken up the role of Chief Data Officer to further the Company’s data science capabilities, and a new Chief Technology Officer has been appointed to oversee the Company’s engineering capabilities.

“Bringing our technology and data teams closer will unlock value from one of our most unique and significant asset – our data, the breadth and depth of which is unmatched in our industry. At the same time, our go-to-market efforts have been redirected towards larger properties that drive greater platform value, with very pleasing results. These team changes will allow our company to scale and deliver operational efficiencies, as demonstrated by the improvement in our unit economics and bottom line performance even as we are delivering transformational products,” says Narayan.

“Finally, amidst all of this activity, we have not lost sight of what is most important – our hotelier customers. Our customers have again acknowledged the excellence of our platform with a record six category wins at the annual HotelTechAwards, including continued recognition as the leading hotel ecommerce platform in the world.”

In addition to the team changes, SiteMinder has made significant progress in globalising its workforce with the proportion of employees located in Asia and Latin America increasing to around 50%.

SiteMinder’s Smart Platform initiatives are positioning the Company to accelerate its growth and make sustained progress on the Rule of 40.

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 world's leading hotel distribution and revenue platform, 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, Manila and Mexico City. Through its technology and the largest partner ecosystem in the global hotel industry, SiteMinder generates more than 125 million reservations worth over A\$80 billion in revenue for its hotel customers each year. For more information, visit [siteminder.com](http://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 multiplied by four (assuming any promotions have ended). 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. 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.

**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 properties in the period. Figures are on a rolling average, depending on the period covered i.e. 6 months for half-year or 12 months for full-year.

**EBITDA** is calculated by adding interest, tax, depreciation and amortisation 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.

**Lifetime value (LTV)** is the recurring (subscription + transactional) gross margin expected from a property over the lifetime of that property. It is calculated by taking the monthly average ARPU over the trading period, multiplied by the gross margin percentage, divided by Monthly Revenue Churn. Figures are on a rolling average, depending on the period covered i.e. 6 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).

**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 6 months for half-year or 12 months for full-year.

**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.