



Market Release

28 May 2024

Serko's audited financial results for the year to 31 March 2024^{1,2}

Successful execution delivers strong FY24 results

- Total income confirmed at \$71.2m (+48%)
- Total spend of \$83.9 million (+1%), below the FY24 guidance range of \$86m – \$90m
- FY25 guidance for total income of \$85m – \$92m
- On track for positive cashflow for FY25

Financial summary	NZD	% change v FY23
Total income	\$71.2m	+48%
Total spend	\$83.9m	+1%
Operating expenses	\$89.7m	+8%
EBITDAF loss	\$1.6m	93% improvement
Net loss after tax	\$15.9m	48% improvement
Average underlying monthly cash burn	\$0.6m	78% improvement

Serko Limited (NZX & ASX: SKO) today released its audited financial results for the year to 31 March 2024, with total income confirmed at \$71.2 million – up 48% and above the middle of the guidance range revised upwards in November.

Serko Chair, Claudia Batten, said: “These strong results reflect the material progress we have made on our priorities, in an often complex and uncertain external environment.

“Underpinning Serko’s progress has been a deliberate and sustained shift in how we operate. We are seeing benefits from strengthened leadership and expertise, a scalable operating model, and targeted investment to support innovation and growth. Today Serko is a more robust and dynamic business as we pursue the next phase of our strategy.

“Our renewed partnership with Booking.com for a further five years, as announced on 30 April 2024, is a major milestone – providing a strong foundation for future global scale. We are executing plans with Booking.com to deliver further growth through customer acquisition and activation, and expansion of the product offering.”

¹ Comparative numbers are for the prior comparative period (FY23) unless otherwise stated. All dollar amounts are New Zealand dollars, unless otherwise stated.

² See notes to this release for definitions of non-GAAP financial measures used in the released materials.

FY24 growth driven by strong first half

Online bookings	4.9 million	+19%
Completed room nights on Booking for Business	2.5 million	+65%

The first half benefitted from higher ARPB, favourable FX and higher-than-expected business travel volumes in Australasia. Second half revenue was lower than expected mainly driven by slower growth in completed room nights than projected, unanticipated seasonality in ARPCRNs and a decline in the Euro:NZD exchange rate since guidance was updated in November 2023.

Unmanaged travel: Driving material revenue growth

Completed room nights on Booking.com for Business grew 65% to 2.5 million from 1.5 million in FY23, reflecting strong first half growth combined with higher ARPCRNs and a favourable FX rate.

Active customers using the Booking.com for Business platform increased 10% across the year to approximately 172,000. ARPCRn was up 4% on FY23.

Serko Chief Executive and Co-Founder, Darrin Grafton, said: “We have continued to see overall growth in the Booking.com for Business partnership, underpinned by completed room nights rising 65%. This reflects the successful execution of the partnership to date and the strength of the opportunities ahead.

“The foundations are in place and we are now implementing further scaling initiatives with Booking.com to drive further volumes.”

Managed travel: Strengthened market leadership in Australasia

Mr Grafton said: “Online bookings increased 13% in Australasia from 3.4 million to 3.9 million. Rio Tinto, one of the largest corporate travel accounts in Australia, went live on Zeno during the first half via American Express Global Business Travel.

“We continue to see future potential in Australasia underpinned by new and existing customers. We have continued to deliver product improvements to our partners in the past year through a strengthened Zeno offering.”

Increased operational leverage

Total spend was \$83.9 million, below the 2024 guidance range of \$86 million to \$90 million and up 1% from \$83.3 million in FY23.

EBITDAF losses were \$1.6 million, down from \$21.8 million, a 93% improvement. Net losses after tax were \$15.9 million, down from \$30.5 million, a 48% improvement.

Higher revenue and limited cost growth in the period has led to an 78% reduction in average underlying monthly cash burn from \$2.7 million in FY23 to \$0.6 million in FY24.



Outlook

Serko anticipates demand for business travel in its key markets to remain strong.

Serko expects new unmanaged customer acquisition and activation initiatives to drive increased volumes and total income during the FY25 year, weighted to the second half. Serko also anticipates growth at FY24 levels in its Australasian business.

For the FY25 year, Serko anticipates total income in the range of \$85 million – \$92 million.

In line with previous statements, Serko expects to be cashflow positive for FY25.

With \$80.6 million cash on hand at 31 March 2024 and no debt, Serko is well positioned to consider organic and inorganic investments where these would advance strategic objectives.

Risks to the achievement of Serko's FY25 goals include the precise timing of delivery of initiatives and subsequent benefits, currency and ARPCRN movements, and geopolitical and macro-economic factors.

Ends

Released for and on behalf of Serko Limited by Shane Sampson, Chief Financial Officer.

Investor Call

Serko Chief Executive Darrin Grafton and Chief Financial Officer Shane Sampson will host a conference call and webcast at 11am (NZT) this morning to discuss the results.

To join the conference call, please dial the numbers below using the participant passcode 364343.

New Zealand +64 (0)9 9133 624 or toll free 0800 423 972

Australia +61 (0)2 7250 5438 or toll free 1 800 590 693

Numbers for additional countries can be accessed [here](#).

You can join the webcast [here](#).

Further information

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Important Notes

Non-GAAP 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 and this Investor Presentation.

- **ARPB or 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.
- **ARPCRN or Average Revenue per Completed Room Night** is a non-GAAP measure and comprises the gross unmanaged supplier commissions revenue per completed room night for revenue generating hotel transactions.
- **Average underlying monthly cash burn** is a non-GAAP measure and comprises the net cash flows excluding movements between cash and short term investments, cash flows related to capital raises and exceptional items from a timing perspective averaged over the months in the period.
- **Completed room nights** is a non-GAAP measure comprising the number of unmanaged hotel room nights which have been booked and the traveller has completed the stay at the hotel.
- **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.
- **Online Bookings** is a non-GAAP measure comprising the number of travel bookings made using Serko's Zeno and Serko Online platforms.
- **Operating expenses** is a non-GAAP measure comprising expenses excluding costs relating to taxation, interest, finance expenses and foreign exchange gains and losses.
- **Total spend** is a non-GAAP measure comprising of operating expenses and capitalised development costs. It excludes depreciation and amortisation.