



**serko**

# FY18 Interim Results Presentation

For the six months ended 30 September 2017

# Welcome to Serko Interim Results Presentation



**Darrin Grafton**

Chief Executive Officer



**Susan Putt**

Chief Financial Officer

# Agenda

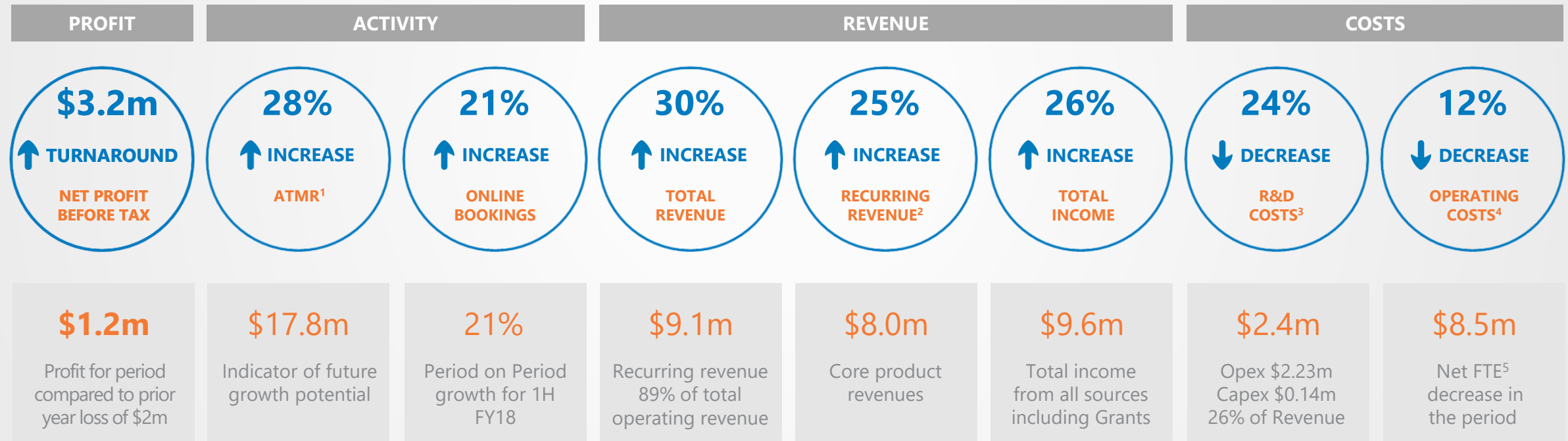


- CEO Introduction
- Financial results overview - CFO
- Strategic Update – CEO
- Outlook Update - CEO
- Shareholder Q&A

# Strong Improvement in All Key Measures



## Performance dashboard (1HFY18 vs 1HFY17)

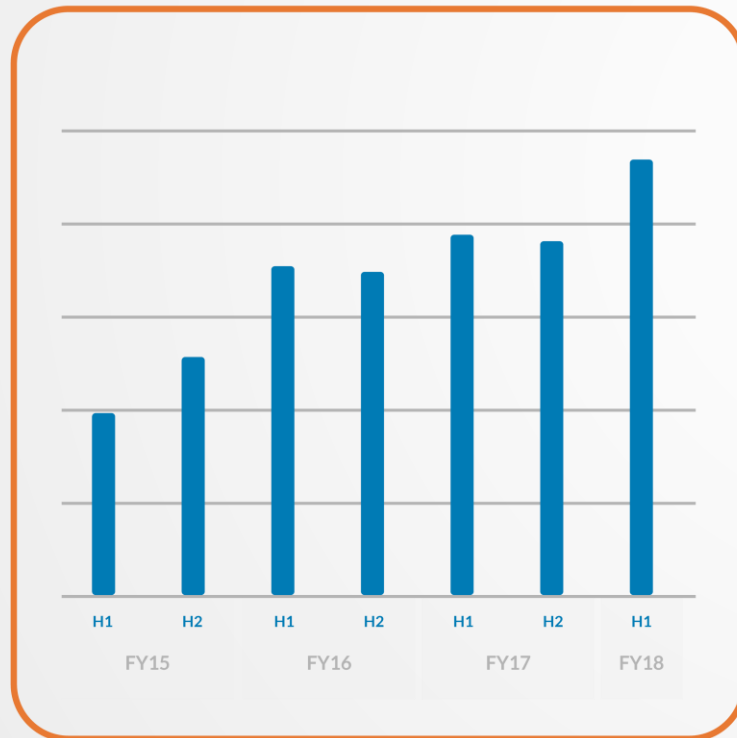


Notes 1 – 5: Refer to Appendix for Definitions

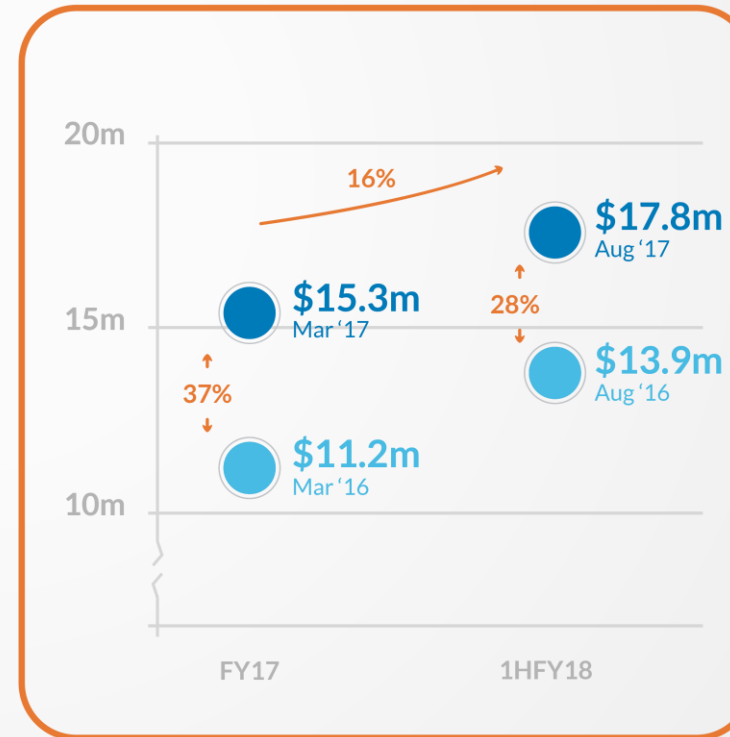
Annualised Transactional Monthly Revenue (ATMR) of \$17.8m is as at Aug 2017 and represents peak for the period whereas Sept 2017 is seasonally affected by AUS school holiday period. % increase calculated against Aug 2016 of \$13.9m

# ATMR Rises In Line With Strong Transactional Growth

## ONLINE BOOKING TREND BY HALF



## PEAK ATMR COMPARISON



# Revenue Growth and Cost Control Lifts Earnings



- Significant increases in Revenue across all sources
- EBITDA \$1.3 million (same period last year was a loss of \$1.8 million)

NZD \$'000	1H18	1H17	INCREASE
Serko Online	6,442	5,404	19%
Serko Expense	746	572	30%
Content Revenue	708	354	100%
Other Revenue	148	106	40%
<b>RECURRING REVENUE</b>	<b>8,044</b>	<b>6,436</b>	<b>25%</b>
Service Revenue	1,026	568	81%
<b>TOTAL OPERATING REVENUE</b>	<b>9,070</b>	<b>7,004</b>	<b>30%</b>

## RECONCILIATION OF NET PROFIT BEFORE TAX TO EBITDA

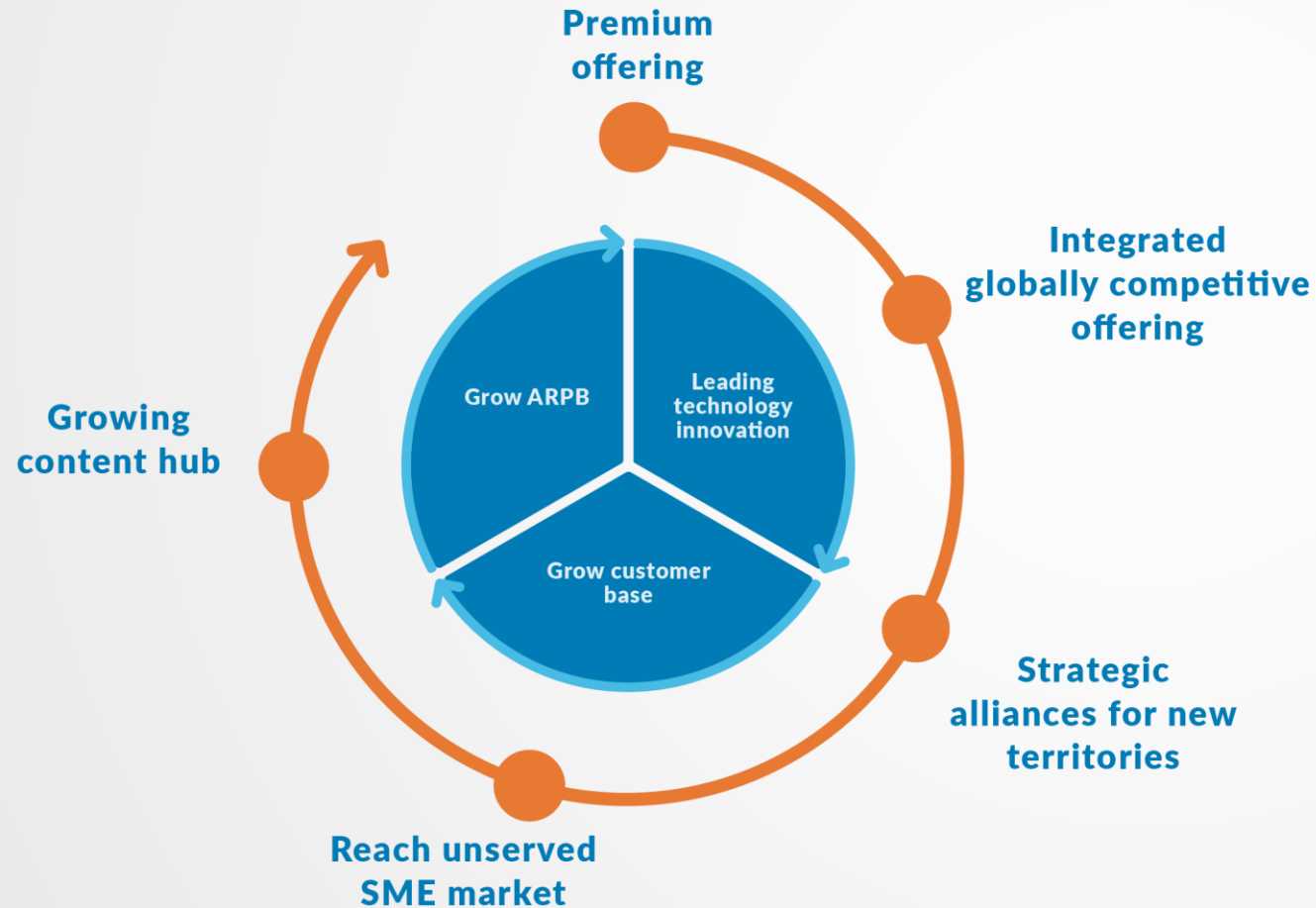
NZD \$'000	1H18	1H17	CHANGE
Revenue	9,070	7,004	30%
Other Income	499	594	-16%
<b>TOTAL INCOME</b>	<b>9,569</b>	<b>7,598</b>	<b>26%</b>
Operating Expenses (including D&A)	8,530	9,735	-12%
Net Finance Income	127	125	2%
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	<b>1,166</b>	<b>(2,012)</b>	<b>158%</b>

### Reconciliation to EBITDA:

#### Add back (deduct):

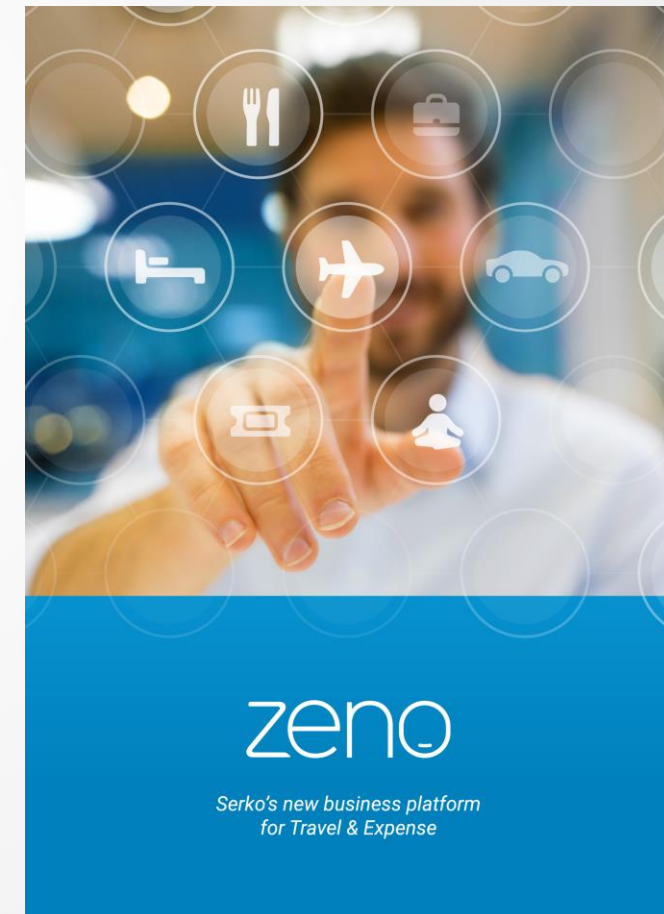
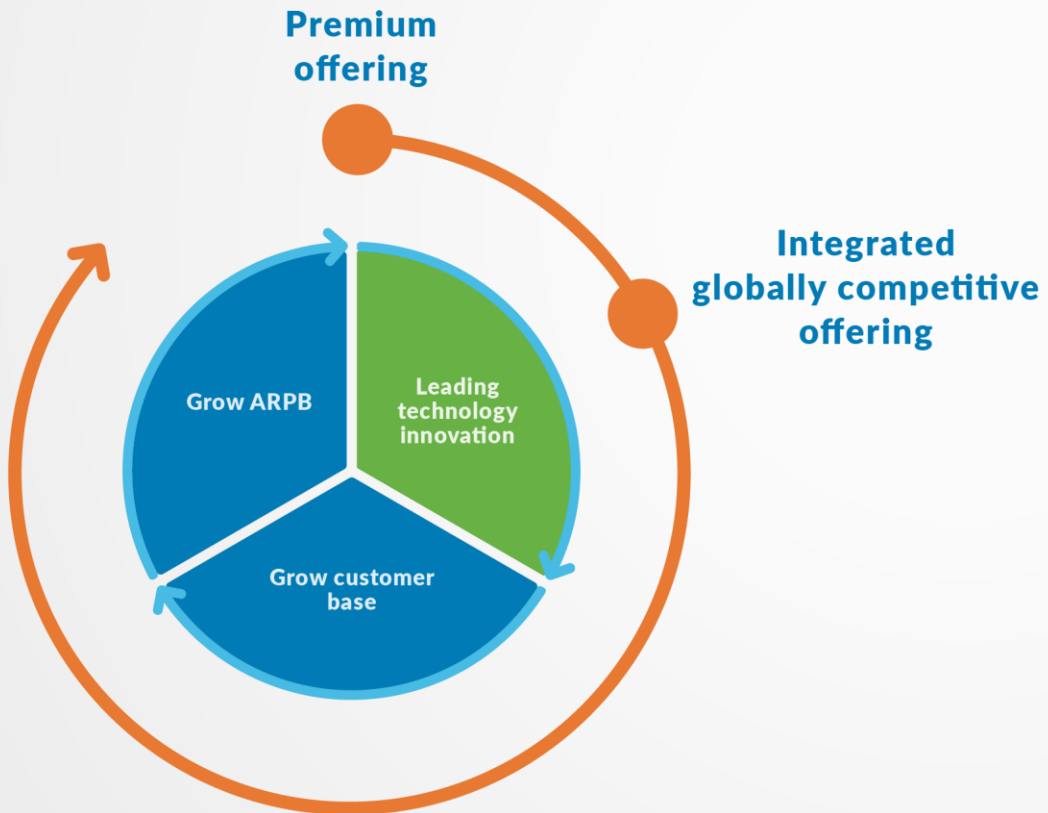
Depreciation and Amortisation	286	311	-8%
Net Finance Income	(127)	(125)	2%
<b>EBITDA profit/(loss)</b>	<b>1,325</b>	<b>(1,826)</b>	<b>173%</b>
Share based payments (SBP)	72	(44)	264%
<b>EBITDA (excluding SBP)</b>	<b>1,397</b>	<b>(1,870)</b>	<b>175%</b>
Research & Development (Expensed)	2,370	3,119	-24%
Grant income relating to R&D	(499)	(594)	-16%
<b>EBITDA (excluding SBP and R&amp;D)</b>	<b>3,268</b>	<b>655</b>	<b>399%</b>

# Strategic Focus Recap



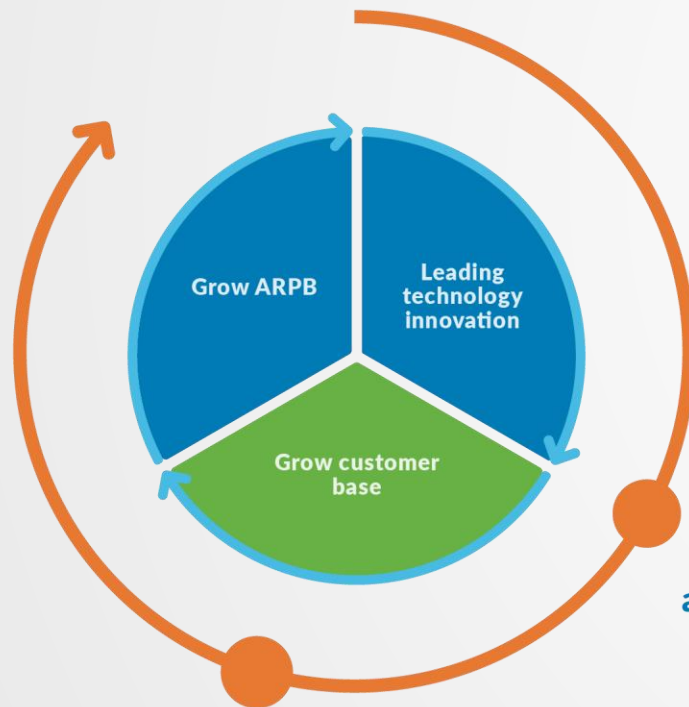


# Innovating for the Future





# Growing Our Customer Base



Reach unserved  
SME market

Strategic  
alliances for new  
territories



# Growing ARPB



Booking.com



**hotelhub**<sup>TM</sup>  
Any hotel.Anywhere.Anytime

AIR NEW ZEALAND 

gta   
powering  
global travel



Growing  
content hub



# On Track for Full-year Net Profit



## Total Operating Revenue expected to be in the range of \$18 to \$19 million for FY18

- Second half FY18 revenue expected to be 25-30% higher than same period last year
- EBITDA, NPBT and cash flow expected to be break even for second half
  - Second half traditionally affected by seasonality
  - Investment into new territory expansion will result in increased expenditure

## On track to achieve:

- October 17 ATMR was \$17.8 million in line with Aug peak and expected to grow on back of strong content and transaction growth
- October 17 transactions approximately double the level of transactions two years ago

# Q&A



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# Definitions



Note: Non-GAAP financial information does not have a standardised meaning 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 useful to provide investors to access business performance.

- ATMR (Annualised Transactional Monthly Revenue) is a Non-GAAP measure. Serko uses this as a useful indicator of future recurring revenues from Serko products based on the month's transactions multiplied by ARPB, on a constant currency basis.
- ARPB (Average Revenue Per Booking) is a Non-GAAP measure.
- Recurring product revenue (a Non-GAAP measure) is the recurring revenue derived from transactions and usage of Serko products by contracted customers. It excludes revenues from customised software development.
- R&D (Research & Development) costs is a Non-GAAP measure representing the internal and external costs related to R&D both expensed and capitalised.
- Operating Costs is a Non-GAAP measure which excludes costs relating to taxation, interest, depreciation, amortisation and impairment charges
- EBITDA is a Non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation and Amortisation and Impairment.
- NPBT = Net Profit Before Tax
- FTE = Full time equivalent employee

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