

# Annual Shareholders Meeting

28 June 2023

serko



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# Chairperson Welcome

Claudia Batten





# Serko's Board



Claudia  
Batten



Jan  
Dawson



Clyde  
McConaghy



Darrin  
Grafton



Bob  
Shaw



# **Order of meeting**

1. Chairperson Address
2. CEO Address
3. Outlook and Trading Update
4. Shareholder Q&A
5. Formal Business & Resolutions
6. General Business



# Chairperson Address

Claudia Batten



# Highlights and areas of focus



Maximise  
recovery,  
deliver  
unmanaged  
revenue  
growth

FY23



Winning  
in chosen  
markets

FY24



Global  
scale and  
operational  
efficiency



Building  
globally  
competitive  
business



# How we will deliver

- Targeted and disciplined in what we invest in and how we set goals, measure progress and execute;
- Increasing the international expertise across all disciplines;
- Expanding our experimentation-based approach to product development, evident most recently in our work on the Booking.com for Business platform; and
- Embedding data-driven decision-making and a systems approach across the entire organisation.







# Environmental, Social and Governance

Highlights demonstrating our commitment to building sustainable business



## Environment

- Improving our understanding of our carbon footprint — completing our first GHG inventories
- Relying ourselves for mandatory climate reporting — providing a roadmap and FY23 progress report



## Social

- Introducing our new Community Investment Programme
- Having our inaugural Community Day for employees to give back to their communities
- Publishing our first Pay and Gender Equity Statement and registering on the New Zealand 'Mind the Gap' Registry
- Comprehensively reviewing and improving disclosure of our executive remuneration
- Increasing our leave and wellness entitlements, including introducing broader parental leave benefits with gender neutral application



## Governance

- Continuing to enhance our business ethics programme, including introduction of our Modern Slavery Policy and statement
- Continuing to improve our risk management framework, including climate risk
- Establishing our new Data Governance Group and Technology Advisory Committee to provide oversight and guidance on data and technology-related matters



# Board priorities

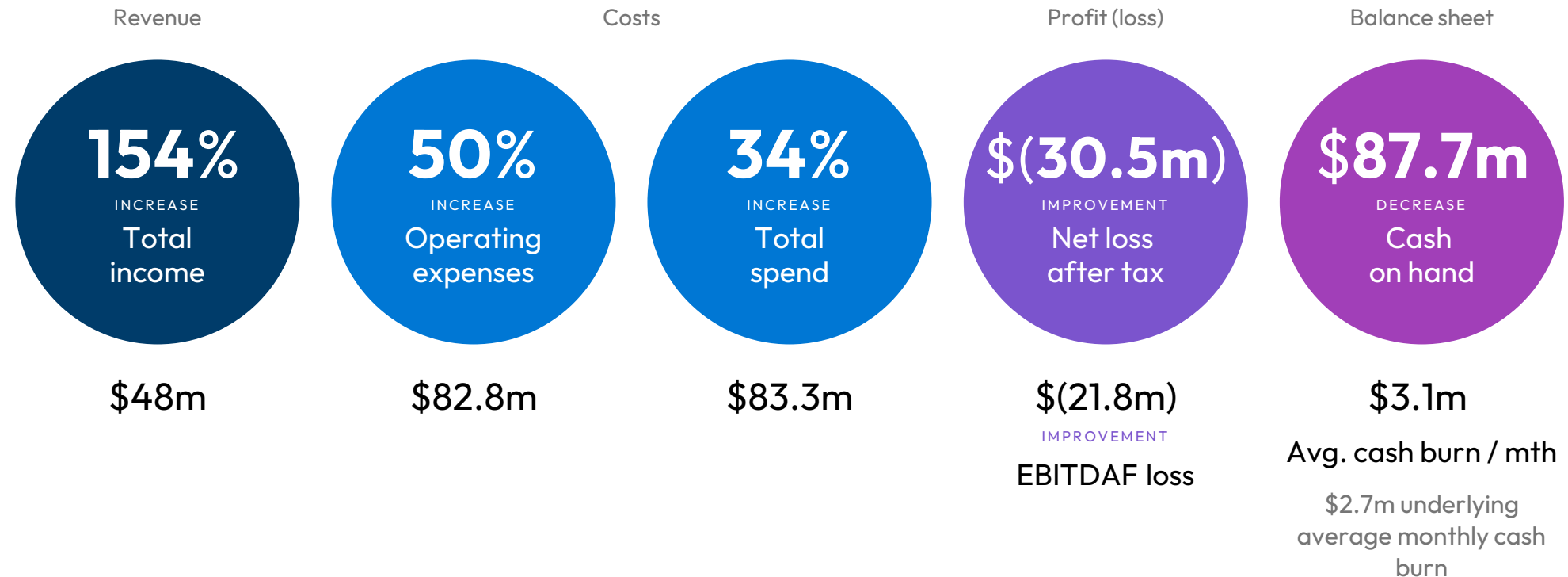
# CEO Address

Darrin Grafton





# Disciplined execution driving strong growth





# Progress against our FY25 goals

3yr  
Strategic  
Goals

1

## Customer success

Deliver an exceptional customer experience (CX) through experimentation-driven development

2

## Unmanaged revenue

Establish significant market share in unmanaged travel market

3

## Managed revenue

Consistently grow market share in global managed travel market through TMC partnerships and inorganic growth

4

## Marketplace and content

Commercialise the connected trip experience through an open platform

5

## Culture

Develop a culture of engaged Serkodians aligned to our purpose, mission and values

FY23  
Objectives

## Product health foundations

Increase customer satisfaction by continuing to enhance the performance and usability of our products

## Conversion

Grow revenue from the unmanaged travel segment by focusing on customer conversion

## Retain and grow

Scale growth in North America and extend our leadership in the Australia and New Zealand markets

## Platform foundations

Build the marketplace foundations through technology enablement of open integration platform

## Organisational alignment

Maximise alignment across our teams and minimise friction for our customers to increase organisational efficiency

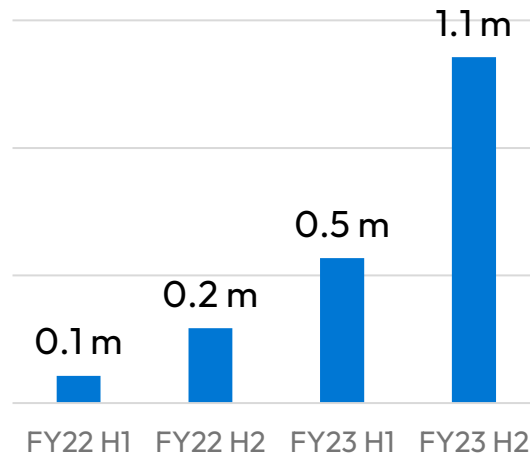


# Unmanaged revenue

Material progress against our strategy with Booking.com

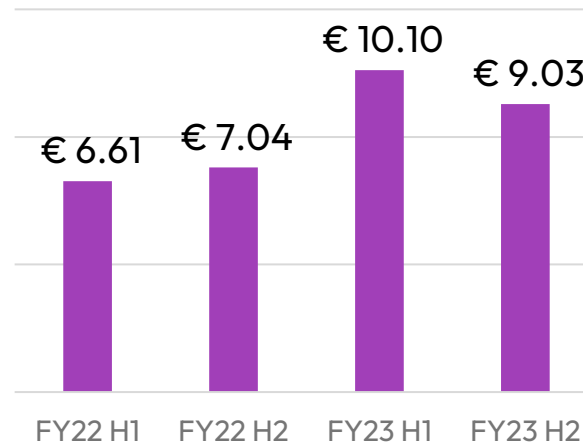
Completed room nights

up **381%** YoY,  
from 320k to 1.5m



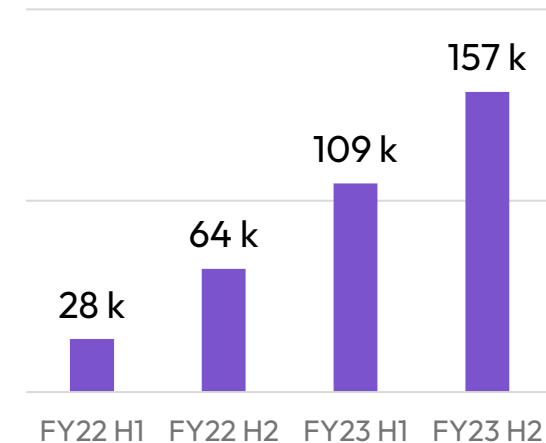
Avg. revenue per completed room night

up **36%** YoY



Active customers


up **144%**



- Dashboard
- Bookings
- Profiles
  
- My profile
- Administration
- Submit feedback


# Brand new features have arrived New

Get exclusive rates, free support and loyalty points




### 1. Save more on business travel

Access exclusive business rates and earn hotel loyalty points



### 2. Enjoy even more choice

Choose from over 420 airlines, 35+ car rental providers, and every accommodation listed on Booking.com



### 3. Get business travel support

Receive complimentary 24/7 support from a CWT travel counsellor

[Get started](#)

14159042

23 Jun - 24 Jun

NICK Whi... CHC - [Nov...



Approved



COVID-19

<https://www.booking.com/covid-19...>

FEEDBACK

Booking.com business



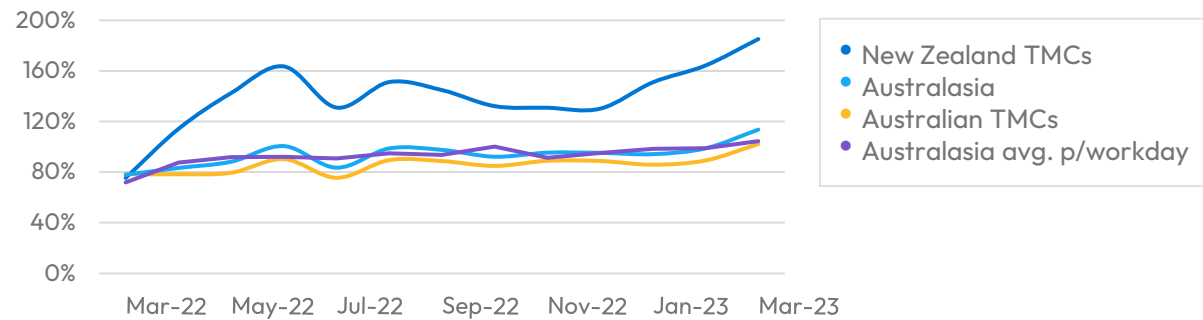


# Managed revenue

## Capitalising on business travel recovery

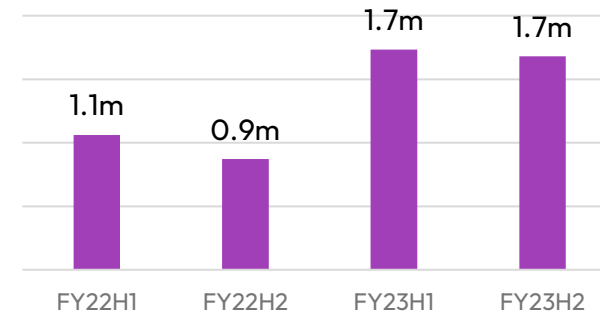
- Australasia online bookings up 77%
- Average online bookings for Australasia were 89% of pre-pandemic levels. (New Zealand 136% of pre-pandemic levels and Australia 82%)
- Strategic progress in North America

Australasia transactions as % of pre-pandemic levels\*

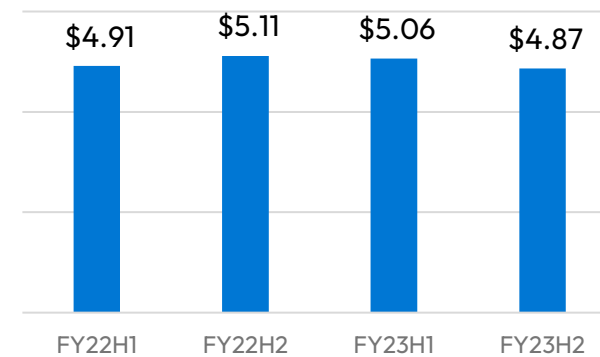


\* Percentages are measured against the same month in 2019 to reflect pre-pandemic volumes.

Australasia online bookings (millions)



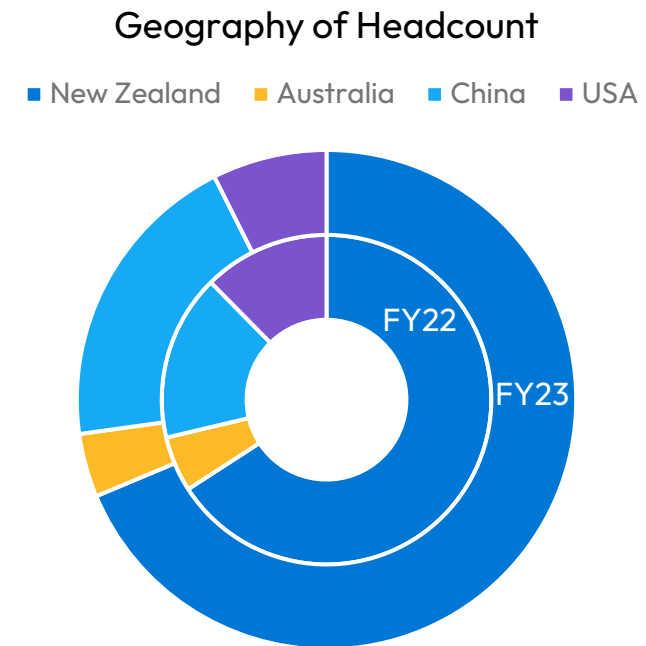
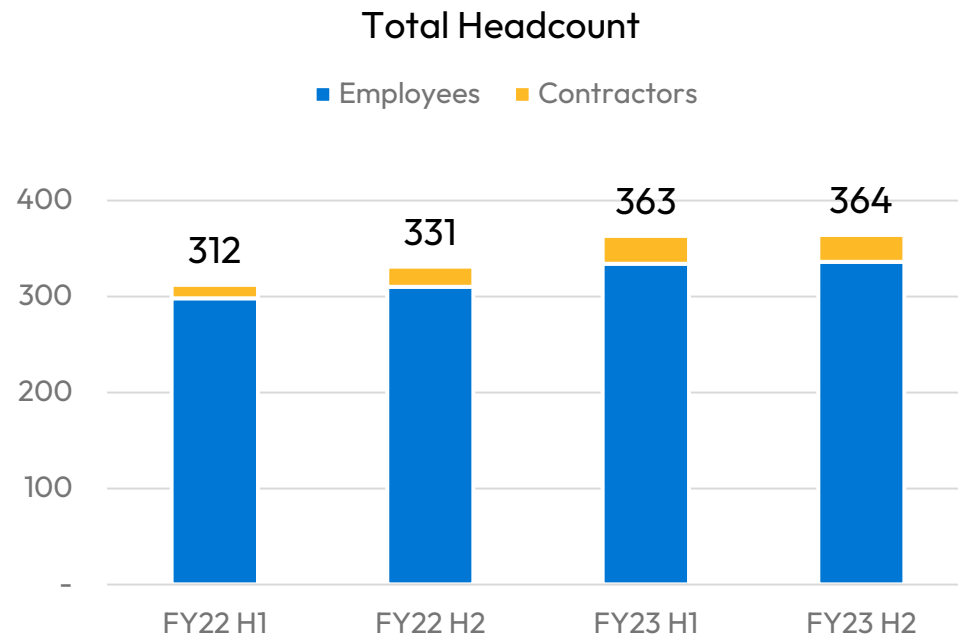
Australasia ARPB





# Culture

Targeted people investments to increase capability and scale





# Our FY24 goals

3yr Strategic Goals	<b>1</b> <b>Customer success</b> Deliver an exceptional customer experience (CX) through experimentation-driven development	<b>2</b> <b>Unmanaged revenue</b> Establish significant market share in unmanaged travel market	<b>3</b> <b>Managed revenue</b> Consistently grow market share in global managed travel market through TMC partnerships and inorganic growth	<b>4</b> <b>Marketplace and content</b> Commercialise the connected trip experience through an open platform	<b>5</b> <b>Culture</b> Develop a culture of engaged Serkodians aligned to our purpose, mission and values
FY24 Objectives	<b>Build travel software people love</b> Engage and delight our customers through impactful data-driven products	<b>Make booking for business easy</b> Combine Serko's experience of what matters most to business travellers with the best of Booking.com	<b>Unlock the US market</b> Utilise our market leading A/NZ experience to improve the success of our US-based TMCs	<b>Adopt next gen tech foundations</b> Continue development of our next-gen technology platform to optimise scale, cost and pace of innovation	<b>The best place to do your best work</b> An environment where you can do career defining work that delights our customers and partners



# Outlook and trading update

**Claudia Batten**



# Outlook and trading update

- Serko has experienced a strong start to FY24 and affirms its guidance provided in May that it continues to anticipate FY24 total income of between \$63m and \$70m and total spend of between \$86m and \$90m.
- If June 23 quarter trends continue, we anticipate total income to be above the midpoint of this guidance range.
- Serko is well capitalised with cash of \$88m (as at 31 March 2023) and no debt.
- As well as top-line growth, Serko is focused on continued cost discipline and operational efficiency as it tracks towards positive cashflow for the FY25 financial year.
- Guidance remains subject to ongoing risks including geo-political and macro-economic risks.

This slide should be read alongside the full guidance statement provided in the Investor Presentation dated 17 May 2023, published with full earnings results.

**Thank you**

serko



# Appendix

# 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 dated 17 May 2023.

- **Active customers (unmanaged)** is a non-GAAP measure comprising the number of customers who have made a booking in the preceding 12-month period.
- **Average Revenue Per Booking (ARPB)** 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 comprising the gross unmanaged supplier commissions revenue per completed room night for revenue generating hotel transactions.
- **Cash on hand** is a non-GAAP measure comprising cash and short term investments.
- **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.
- **Headcount** is a non-GAAP measure comprising of the number of employees (excluding casual workers) and contractors employed on the last day of the period.
- **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.
- **Product design and development expenditure** is a non-GAAP measure representing the internal and external costs related to the design, development and maintenance of Serko's platforms, including costs within operating expenses and amortisation. It excludes capitalised development costs.
- **Total spend** is a non-GAAP measure comprising of operating expenses and capitalised development costs. It excludes depreciation and amortisation.
- **Total travel bookings** include both online and offline bookings. Offline bookings are system automated bookings.
- **Underlying cash flow** is a non-GAAP measure comprising cash flows excluding movements between cash and short term investments, cash flows related to capital raises and unusual items from a timing perspective.





**2007**

Founded



**SKO**

ASX & NZSX



**360+**

Size of our team



**5 offices**

New Zealand, USA,  
Australia, China



**6000+**

Corporate  
customers



**c. 600k**

SME registered  
companies

serko