Serko delivers $8.9m free cash flow as Booking.com for Business accelerates

> The first half marks a clear step up in the trajectory of the business. Total income grew 17%, we generated $8.9 million of free cash flow and gross margin expanded.

Darrin Grafton CEO & co-founder

$72.3m **Total income** up 17%	**$66.4m** **Total spend** up 12%	**$8.4m** **EBITDAFI** up 37%
($0.9m) **Net loss after tax** improved from ($9.5m)	**$8.9m** **Free cash flow** up from $3.0m	**$63.0m** **Cash and deposits, no debt** up from $54.1m[1]

5.0m
Online bookings, up 5%

3.0m
Completed room nights, up 47%

363k
Active customers, up 38%

Booking.com for Business

Outlook

Business travel demand in our key markets is robust despite ongoing geopolitical uncertainty and macroeconomic challenges.

First-half momentum has carried into the second half, and Serko expects underlying growth to continue on a seasonally adjusted basis for the remainder of FY27.

Reflecting this, Serko now expects total income for FY27 of $135 million to $141 million, up from our previous guidance of $128 million to $134 million.

Serko continues to expect total spend towards the middle of its guidance range of $132 million to $140 million.

Free cash flow for FY27 is expected to be positive, but below the $8.9 million reported in the first half. Second-half free cash flow is expected to reflect normal revenue seasonality and payment timing, alongside planned investment in Serko.ai.

Guidance remains subject to uncertainty and volatility in economic and geopolitical conditions, including the impact of the conflict in the Middle East on business travel demand.

Investor call

CEO Darrin Grafton, CFO Shane Sampson and COO Matthew Gerrie will host a call and webcast at 11.00am (NZT) today.

New Zealand
+64 9 889 9720
Toll free (0)800 454 801

Australia
+61 (0)2 8015 5005
Toll free 1800 816 091

Passcode: 491388

Other countries: dial-in numbers here
Live webcast: join here

[1] Compared to cash and deposits at 31 March 2026

Serko 1H27 results

Serko Limited (NZX & ASX: SKO) today reported total income of $72.3 million, up 17%, and free cash flow of $8.9 million for the six months ended 30 September 2026, as Booking.com for Business accelerated.

> **Serko CEO and co-founder, Darrin Grafton, said:** "The first half marks a clear step up in the trajectory of the business. Total income grew 17%, we generated $8.9 million of free cash flow, and gross margin expanded.
>
> "Booking.com for Business accelerated through the half, with completed room nights up 47%, almost one million on the same period last year, and active customers up 38%.
>
> "Last month we released Serko.ai, our new AI-powered personal travel assistant, into open beta in the US. It's a key step in our ambition to bring more intelligence to every stage of the journey - before, during and after each trip."

Financial overview

Serko delivered a strong financial performance in 1H27, reflecting the acceleration of Booking.com for Business and increasing operational leverage as the business scales.

- **Total income** grew 17% to $72.3 million, with Booking.com for Business the main driver of growth.
- **Total spend** increased 12% to $66.4 million, below the rate of income growth.
- As a result, **EBITDAFI** rose 37% to $8.4 million and the **net loss after tax** narrowed from $9.5 million to $0.9 million, a 91% improvement.

Gross margin increased to 90%, up from 73% since 1H23, continuing a steady rise as Serko grows and supporting the improvement in earnings.

Free cash flow of $8.9 million, up 196%, lifted cash and short-term deposits to $63.0 million at 30 September 2026, up from $54.1 million at 31 March 2026.

Serko has a strong balance sheet with no debt.

Business performance

Booking.com for Business

Performance in Booking.com for Business was driven by customer acquisition and product improvements, with growth accelerating in the second quarter.

- **Completed room nights** increased 47% to 3 million (from 2.1 million), with strong exit momentum into the second half.
- **Active customers** grew 38% to 363,000 (from 262,000), supporting continued booking volume growth.

Australasia

The Australasian business delivered a positive performance, with total travel revenue up 5% to $14.0 million.

- **Online bookings** were 2.2 million, in line with 1H26.

- **Average revenue per booking** increased 12% to $6.23, mainly reflecting a stronger Australian dollar.

United States

GetThere continues to provide a strategic foothold in the US market with close customer and partner engagement shaping our future US offering.

- **Online bookings** were 1.5 million, down 15% on 1H26, a smaller decline than expected. Volumes rose 9% on 2H26, reflecting normal seasonality.
- **Average revenue per booking** increased 2% to $5.21, reflecting a stronger US dollar.

New growth initiatives

Serko.ai

- Launched publicly in the US in open beta in mid-October, following a closed beta
- An AI-powered personal travel assistant: travellers book complete trips in a single conversation within company policy, with proactive disruption alerts and 24/7 human support
- Companies can set up and be live the same day, with real-time visibility of travel and spend
- Early signals are encouraging, with users returning for multiple conversations and first trips booked.

US corporate segments

- Interest across six sectors and customer need validated
- Five US customers signed but limited adoption to date
- The focus now is on converting demand into bookings and growing volume with each customer.

Both initiatives use the growth loop behind the success of Booking.com for Business, which centres on acquiring customers, converting demand, and growing revenue and cash flow.

ENDS

Released on behalf of Serko Limited by Jason Hawthorne, General Counsel & Company Secretary

Investor relations
Shane Sampson, CFO
+64 9 884 5916
investor.relations@serko.com

Media relations
Sling & Stone
+64 21 271 4256
serko@slingstone.com

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 FY26 Annual Report and the 1H27 Investor Presentation.

Definitions

- **Active customers** is a non-GAAP measure comprising the number of unmanaged customers who have made a booking in the preceding 12 month period.
- **ARPB** or **Average revenue per booking** is a non-GAAP measure. Serko uses this as a useful indicator of the revenue value per online booking. ARPB for travel-related revenue is calculated as travel-related revenue divided by the total number of online bookings.
- **Australasia:** New Zealand and Australia.
- **Cost of sales** is a non-GAAP measure comprising the third party costs associated with providing services to customers including hosting expenses, third party connection costs and other platform related costs.
- **CRN** or **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.
- **EBITDAFI** is a non-GAAP measure representing Earnings Before the deduction of costs relating to Interest, Taxation, Depreciation, Amortisation, Foreign Currency (Gains)/Losses, Fair value measurement and Impairment.
- **Free cash flow** is a non-GAAP measure comprising GAAP cash flows excluding movements between cash and short-term investments, cash flows related to capital raises and strategic acquisition payments.
- **Gross margin** is a non-GAAP measure comprising revenue less cost of sales.
- **Online bookings** is a non-GAAP measure comprising the number of travel bookings made using Serko's Zeno and Serko Online platforms (including Booking.com for Business and GetThere).
- **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.
- **Unmanaged customers** is a non-GAAP term referring to companies who make online bookings through Serko's Booking.com for Business platform.