

# Annual Presentation

FY15





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Dear Shareholder

Fy15 has been a significant year for the company. We have continued to grow and build our platform and team to give us a significant competitive advantage.

**Poised for growth**

We are now positioned to accelerate our growth as we have a robust and proven platform and team, a clear technology advantage, thousands of repeat purchasing customers, global sales teams in place and a huge market needing our solution.

**The future of work**

At the heart of our business model is our world leading technology platform. Having a platform that can handle thousands (or millions) of freelance workers, adds a unique mechanical advantage and can provide cost effective services and solutions to corporates across the globe which will be much sought after as the nature of work changes.

**Value and liquidity**

As the largest shareholders Merryn and I are committed and incentivised to drive a substantial uplift in value and liquidity options going forward. Comparable companies to Straker Translations are trading publicly at very high revenue multiples off similar stories and business characteristics, and I firmly believe that a public listing on a major exchange in the foreseeable future is the best option for the company.

We look forward to the year ahead as one of opportunity and reward. Thank you for your continued support.



**Grant Straker**  
CEO

# \$7.9m

REVENUE GENERATED IN FY15 - 45% UP ON FY14

EXPORTS  
ACCOUNTED  
FOR

## 92%

OF OUR  
REVENUE

## 51%

FROM NORTH  
AMERICA

AVERAGE GROSS  
MARGIN

## 63%

REGISTERED  
TRANSLATORS

## 14,000

TOTAL NUMBER OF REGISTERED  
USERS ON OUR PLATFORM

## 81,863

# Some of the Team



Kim Andrews

## Operations

Kim runs our operations and HR globally. Dealing with more than 50 staff based in six countries is no easy task.



David Sowerby

## Global Sales

David is based in Europe and drives our platform, API and larger customer sales.



Indy Nagpal

## CTO

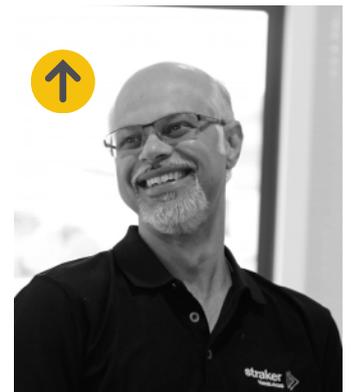
As the CTO of Straker Translations, Indy is responsible for setting the technical direction of the company across its multilingual translation product sets.



Rita Lehn

## Translator Manager

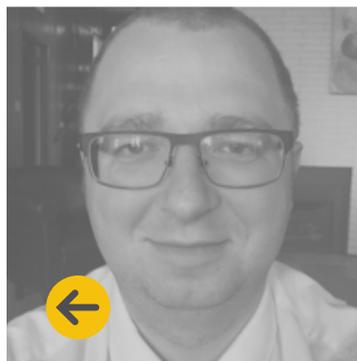
A native German with a degree in linguistics from the University of Auckland Rita looks after our pool of more than 14,000 translators



Cori Alcom

## USA Bus Dev

A professional with 10 years experience in the translation industry Cori is based in Washington state and drives new business sales across the USA.



## Characteristics of the Straker Translations business that we share with comparable tech services companies. trading at high revenue multiples

By understanding what the market values, and ensuring we focus on the key drivers of our business that will deliver the highest valuation, maximum shareholder value will be gained.



### Automation

A platform that utilise A.I. and automation to gain a 'mechanical advantage'



### Proven technology platform

Robust and scalable to deliver the throughput required to hit the revenue targets



### Operating globally in a huge market

Proven global operator in a US\$30b market so no constraints to market opportunity



### High Gross Margins

The ability to generate high gross margins



### Year on year growth in revenue

Good year on year growth, does not have to be 100% growth



### Year on year growth in customers/users

Steady growth in the number of customers, users and suppliers using the platform



### Self sustaining if needed

The ability to live within our means but still grow if necessary



### Growth through acquisition

The ability to grow through acquisition



### Crowdsourcing

Allows us to scale exponentially without having locked in supplier costs

Other factors that contribute to high revenue multiplier & market valuations for tech/ services companies



## Listed

Being listed on a major exchange has significant valuation benefits



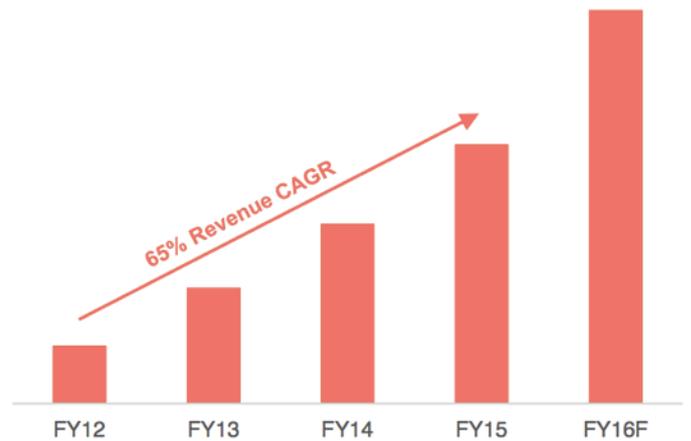
## Cash

Having a good cash buffer (\$5-10m) is liked by the market for companies our size



## Board

A well respected and high performing board



## Growth Profile

Having a smooth and consistent growth profile is looked on favourably. While our yearly growth is steady our monthly profile is still lumpy due to the way larger projects influence our revenue.



## Acquisition Target

It is not our strategy to be acquired but, given our technology platform advantage in a \$30b industry it is a possibility. Being an active acquisition target has been proven to have beneficial effect on valuation.

THE BOARD



Tim Williams  
Independent



Phil Norman  
Chairman

Phil was the founding Chairman of Xero Limited, one of New Zealand's most successful publicly listed technology companies.



Paul Wilson  
Bailador

Paul has had extensive private equity investment experience as a Director of CHAMP Private Equity in Sydney and New York, and with MetLife Private Equity in London.



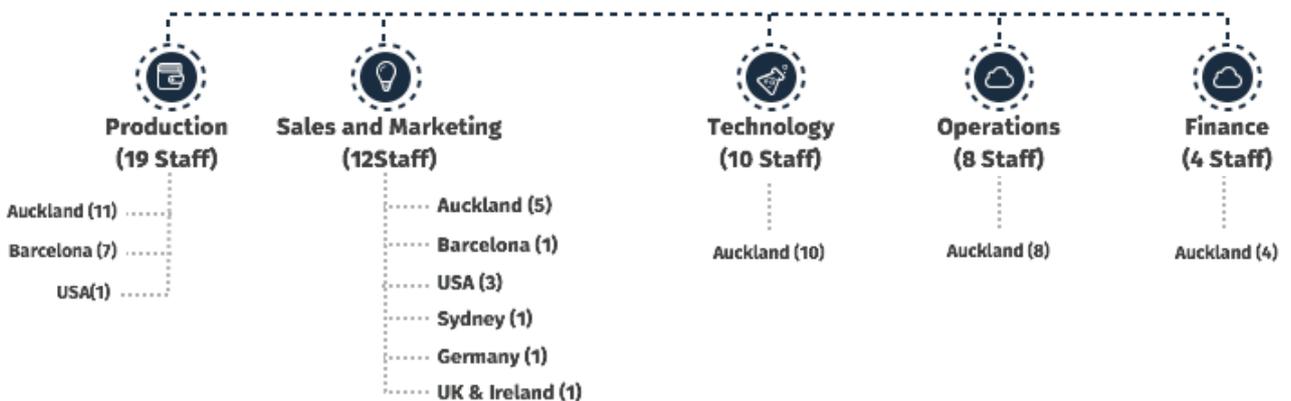
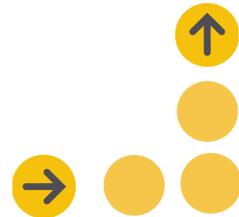
Steve Donovan  
CFO

Steve is a former partner of Ernst & Young. He qualified as a Chartered Accountant in the U.K. and has operated within the IT and finance industry in New Zealand for a number of years.

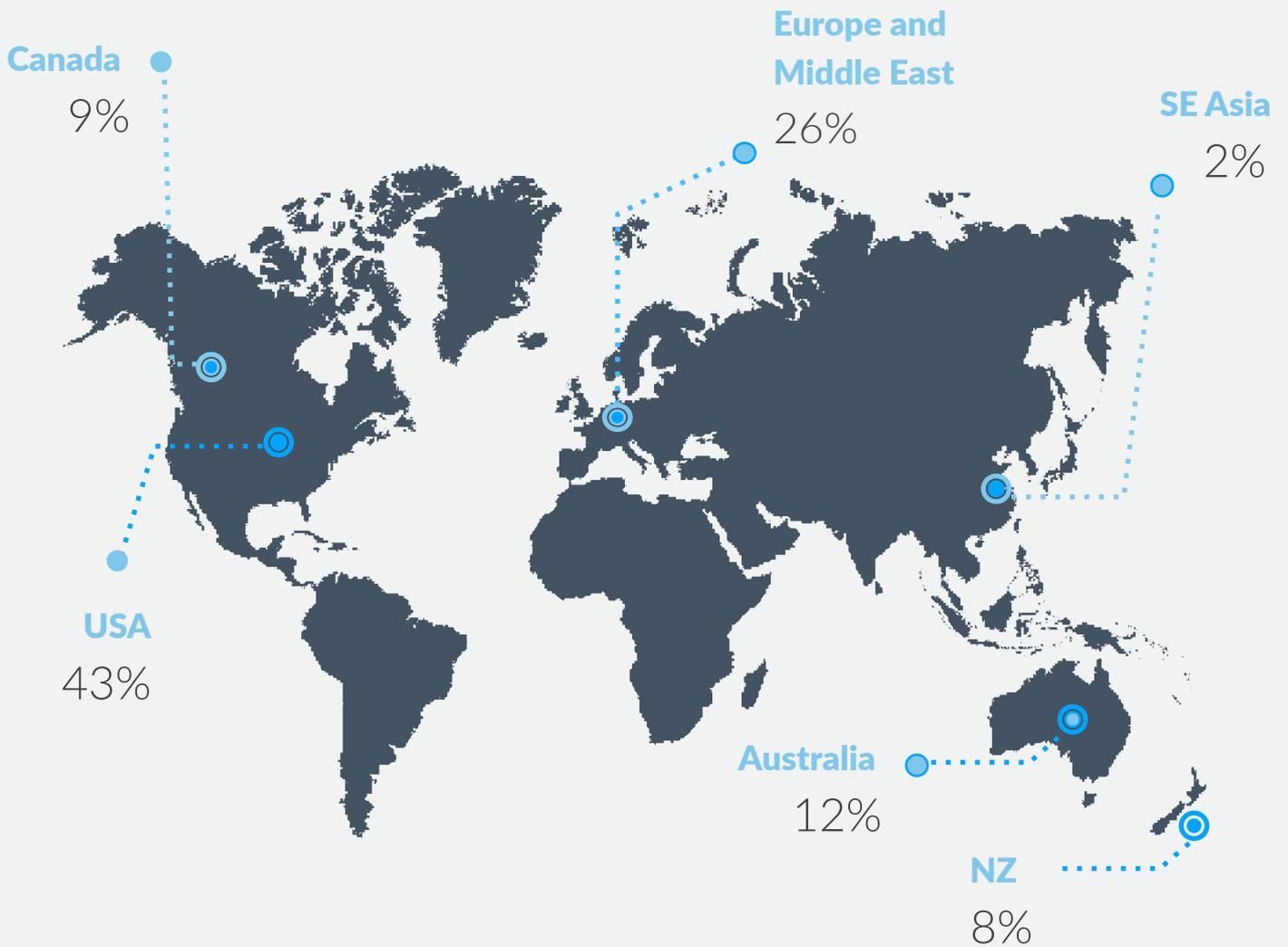


Grant Straker  
CEO

Grant continues to lead the team and drive the vision and future of the company.



## Global Revenues



We have a global and diverse customer base

## Leading global organisations choose Straker Translations






















**“We were very impressed with Straker Translations from the outset – even receiving a personal commitment from Grant Straker, the Chief Executive Officer. That was very reassuring. Not only was accuracy vital, but speed, too. This came in the form of everything from the actual translation of the materials, to the responsiveness to queries, and a genuine willingness to adapt their translation process and systems to meet the requirements of our internal reviewers. We were thrilled to be at the end of such a fast, flexible and customer focused approach.”**

*Louis Chetty, Learning & Development Business Partner at Fletcher Building*

Competing against other NZ tech companies for awards gives us a good sense of how our success stacks up against others.



### 2015 Winner

Innovative Hi-Tech Services



### 2015 Winner

E-Commerce Exporter of the Year





# Growth Plan



## Industry growth forecast to continue



### Globalisation

Demand for translation services continues to grow as businesses expand internationally, particularly to new foreign language markets in Asia.



### Macroeconomic Growth

Translation services increasingly enable global trade. In turn, global economic growth will underpin demand for translation services and the development of new markets.



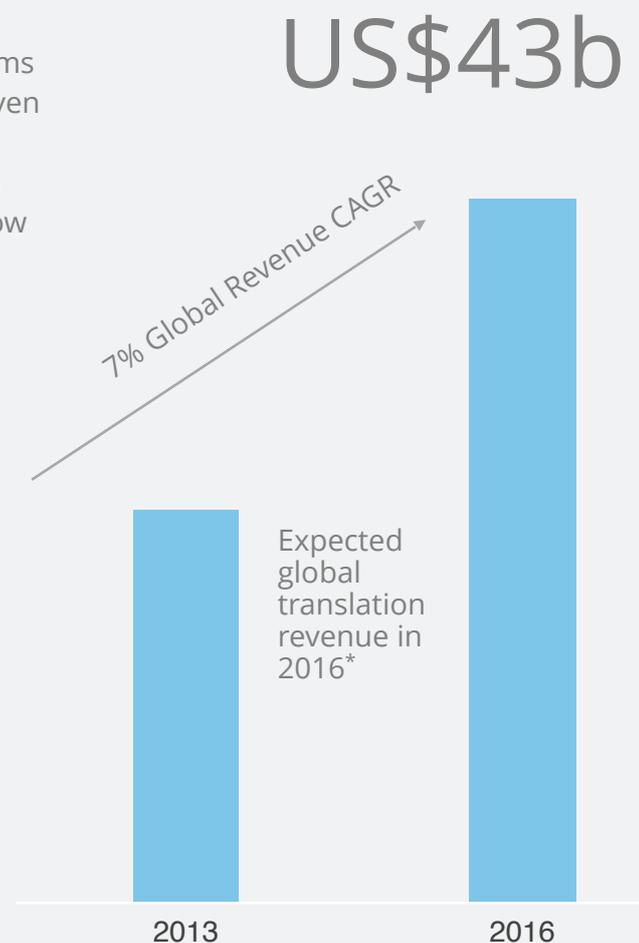
### Content Creation

The recent proliferation in publishing platforms and the increased importance of content driven marketing has resulted in content volumes growing rapidly. Getting that content out to a global audience quickly is more important now than ever.



### Demographic Shift

Growing middle classes in emerging markets have changed internet demographics. Translation services are increasingly required to ensure language is not a barrier to reaching these powerful, emerging consumer markets.



## Our growth strategy is based around four main streams

### Platform Utility

Our unique technology platform allows us to be the default translation utility for large content and e-commerce portals.

Platforms will not only give us frictionless revenue streams but also give us a very low cost of sale as we get a network effect from portals that can have millions of users. We have already won significant platform deals with global publishing and eCommerce companies. We estimate there are more than 1,000 large platforms we can approach over the next 12 months.



### Platform Examples - network effect

The examples (we currently do not have full integration with any of these) below show the potential for a network effect on our sales once we have invested in building comprehensive connectors and start marketing directly to the user base. We estimate 100 top level platform targets and around 1,000 b & c level platform targets.



**45,000**  
Subscribers



**2,300,000**  
Subscribers



**74,000,000**  
Subscribers

## Direct

We will continue to grow our existing corporate sales team by placing senior sales staff on the ground in key markets to identify and approach key customers. Key markets currently identified for new or additional resource include Canada, Singapore, the USA (San Francisco & New York) and the UK.



## Online

We understand how paid advertising works, with significant in-house expertise managing the process. We will continue to generate engaging and educational content to push out through advertising platforms such as Outbrain and LinkedIn.

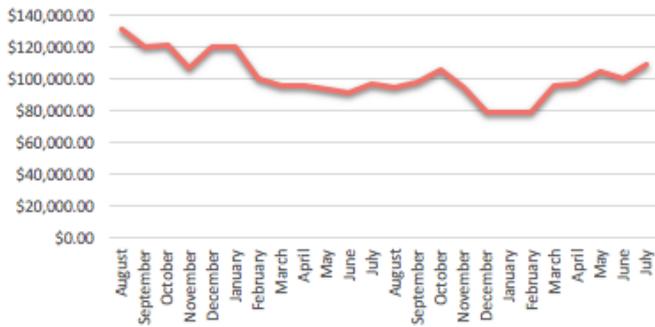
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	Quote Out		TJ264067	Keshia Flavienne Moreira Sambo
	Quote Out	Natalia	TJ264269	Sandra Cassidy
	Quote Out		TJ264265	nicole van ruiten
1	Quote In	Natalia	TJ264269	Sandra Cassidy [ <a href="mailto:adminofficer@bssl.org.au">adminofficer@bssl.org.au</a> ]
2	Quote In		TJ264265	nicole van ruiten [ <a href="mailto:nicolala@nicolala.com">nicolala@nicolala.com</a> ]
	Payment Received		TJ264259	Sandeep Mann
	Quote Out	Natalia	TJ264263	Matt Fraser

## Acquisition

Within a highly fragmented market, there are many small, low-technology focussed companies that hold key customer accounts. Many of these companies are being squeezed on margin and have owners facing succession issues. We plan to acquire smaller vendors who have a solid customer base and revenues in the range of \$0.5m - \$1.5m. Target acquisitions will be significantly smaller than us, making it a relatively low risk strategy, and will allow us to switch customers to it's higher margin technology platform.

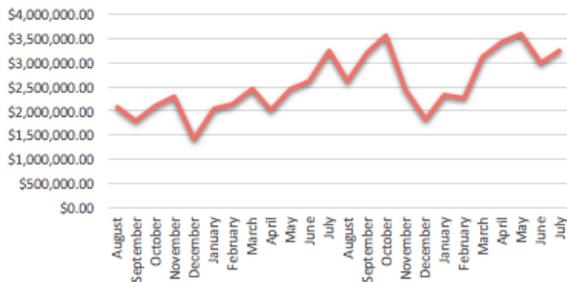
# Online marketing

Online Marketing Spend



Over the past two years our online marketing spend has actually decreased. This is because as we have been able to make it more efficient (see lead charts below) so we are getting a better return for less cost.

New customer leads

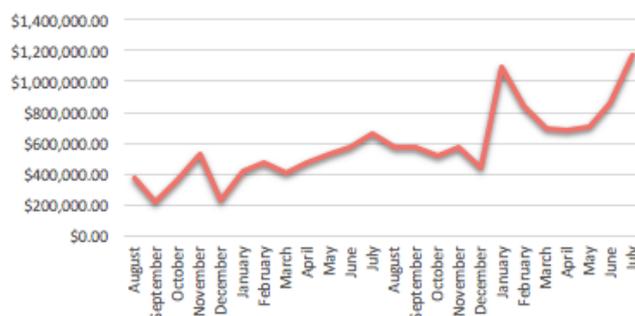


We were also constrained by the fact we did not have the sales teams in place to close all the leads we generated (a good problem), and we would have been wasting money. One of the reasons for raising capital has been to increase our ability to support in market sales teams faster to close more sales.

New lead values (leads from customers who have never ordered before) have continued to climb over the last two years with a steady marketing spend. Quarter on quarter we have gone from an average of \$1.8m a month in new leads to \$3.2m a month. This is a direct reflection of our improved marketing. With many of those leads out of the USA and only two people in market a primary driver for new capital is to have a bigger sales team with capacity to close more leads. It will also allow us to then increase our online marketing spend to drive increase our rate of growth.

Repeat customer leads

While new leads have increased, our repeat customer leads have taken a massive leap upwards - from around \$300k a month two years ago to \$1m a month today. We close a much higher percentage of repeat leads than new leads (as we already have a trust relationship with the customer).



## Why we own our supply chain

- ▶ Speed to adapt to meet the market
- ▶ Small efficiencies at each step in the chain
- ▶ Total control of our value proposition
- ▶ Ownership of the data
- ▶ Quicker access more of the addressable market
- ▶ Greater margins



## Educating the next generation

### Technology in schools

With technology disruption affecting business globally it is critical that New Zealand school children have a strong grounding in technology skills, especially at a primary school age.

With \$5,000 of equipment sponsored by Straker Translations, Grant Straker has developed a program for getting primary school kids engaged with technology. This involves coding, programmable logic boards, robotics and electronics. We are now helping the Faculty of Education at the University of Auckland to build programs to train new and existing teachers in technology, and to look at systems to roll out programs across schools in Auckland.



