

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## About Bailador

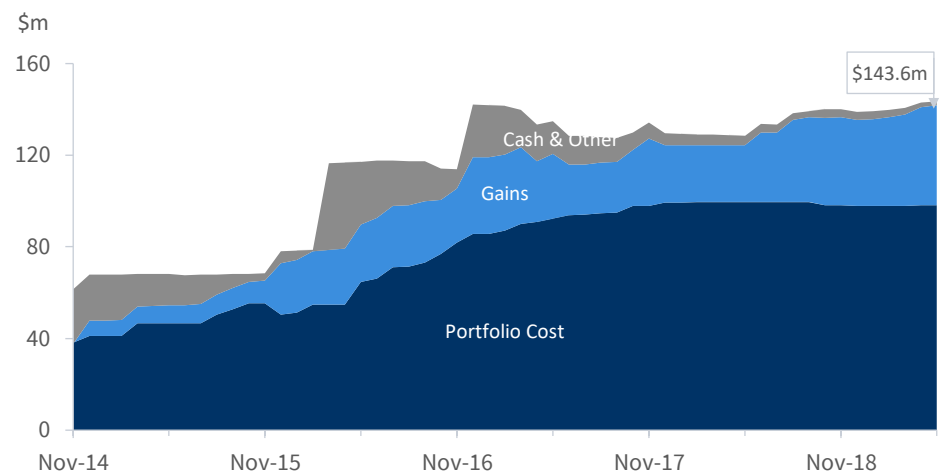
Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

Bailador provides exposure to a portfolio of information technology companies with global addressable markets. We invest in private technology companies at the expansion stage.

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.19
NTA per share post-tax	\$1.12

## Net Tangible Asset Breakdown Since Inception



## Founders' Commentary

### B2B is the way to get BIG for Australian Tech

It's only natural that investors are often drawn to names and products that they know and can relate to. But when making investment decisions, it often pays to have the data as your 'North Star'.

When we look at the top performers on the Australian tech scene over recent times, there are some clear standouts in names such as WiseTech, Altium, Xero and Appen on the ASX, as well as Atlassian listed on NASDAQ.

All of these businesses sell primarily to business customers (B2B) rather than direct to consumers (B2C), and all of these businesses have grown to have revenue over \$100m and market capitalisations over \$1bn.

There are a growing number of examples of B2B focused businesses from Australia that have been able to access huge global markets, and thereby become very large businesses themselves. Each of the names mentioned above has a material level of revenue being generated outside of Australia. This has been key in enabling them to scale, and generate premium returns for investors.

SiteMinder is a good example of this in the Bailador portfolio. Achieving a major milestone, [SiteMinder recently announced that it has passed \\$100m in annual recurring revenue.](#)

SiteMinder is not a brand name that consumers would easily recognise because SiteMinder does not market to consumers, but rather has a customer base of 35,000 hotels and growing. With about 80% of its revenue generated in markets outside Australia, SiteMinder is the world leader in its space. Having grown to

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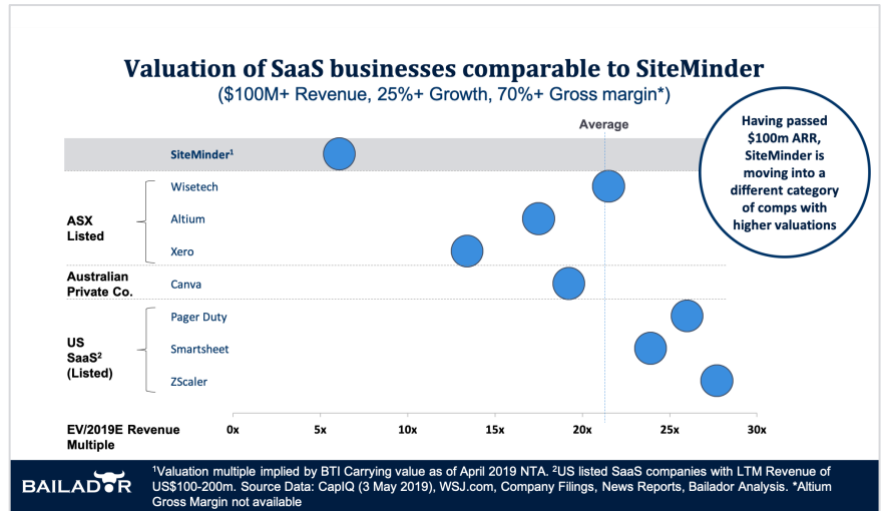
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over \$100m in revenue, SiteMinder now has the critical mass that is seeing the names mentioned above generate premium valuations.

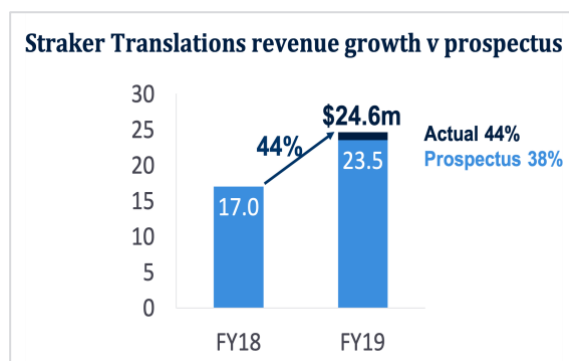


SiteMinder is due for valuation review by Bailador at 30 June 2019, with any change in valuation to be published by 14 July in our monthly NTA statement.

Straker Translations [ASX:STG] is another Bailador investee company which reached a milestone this month, [releasing its maiden full year result as a publicly listed company](#).

Straker generated revenue of NZ\$24.6m for the year to 31 March 2019 (as a NZ headquartered company, it has a March financial year end). This represents revenue growth of 44%, eclipsing prospectus forecasts of 38% revenue growth.

Straker is another example of a primarily B2B focused model, with over 8,000 mostly business customers last year. With 88% of its revenue being generated from international markets, the most efficient translation platform, industry leading gross margins, and an addressable market of over \$40b, Straker is another B2B business that is on its way to becoming an extremely large business, even though most people may not have heard their brand name.



Eight out of 10 of the Bailador portfolio investments are B2B focused. 65% of portfolio revenue is generated outside of Australia. So, while you may not have heard the brand names very often, you can see the results in the data: \$209m revenue produced by the Bailador portfolio companies in 2018, at a growth rate of 30%.

Some of the businesses are starting to get pretty Big.

**David Kirk & Paul Wilson**  
Bailador Co-Founders

## Highlights

### Investment Focus

Bailador typically invests \$3-5m in businesses within the technology sector that are seeking growth stage investment.

Companies we invest in typically share the following characteristics:

- Run by the Founders
- Two to six years in operation
- Proven business model with attractive unit economics
- International revenue generation
- Huge market opportunity
- Ability to generate repeat revenue

Important verticals we seek to invest in within the technology sector include: SaaS and other subscription-based internet businesses, online marketplaces, software, eCommerce, high value data, online education, telecommunication applications and services.

#### SiteMinder **SiteMinder**

SiteMinder announced it has [reached a major milestone by achieving \\$100 million in annual recurring revenue](#). The figure is widely considered an indication a technology company is on track to achieving 'unicorn' status, an industry term for companies reaching a \$1bn valuation. SiteMinder has 35,000 hotel customers across 160 countries, with 80% revenue generated offshore, and processed over US\$30 billion of hotel reservations last year.

New SiteMinder CEO [Sankar Narayan wrote for Forbes about his first 100 days in the role](#). Sankar, who was previously COO/CFO at Xero, joined the company in January. SiteMinder Founder and Managing Director [Mike Ford also gave his tips on growing a global business](#) to Business Insider.



#### **Straker Translations [ASX:STG]**

[Straker Translations released its first full year result as an ASX-listed company](#) reporting it had exceeded its prospectus forecasts for FY19. The company performed strongly with revenue up 44% year-on-year to NZ\$24.6m, which was above the prospectus forecast of 38% growth. The New Zealand Herald reported [Straker's share price jumped after it beat prospectus forecast](#).



#### **Stackla**

[Stackla has expanded its partnership with Simpleview](#), a leading provider of digital products and services for destination marketing organisations. The move gives thousands of destination marketers access to the most capable digital marketing suite available in the market.

In disclosing the Simpleview partnership expansion, Stackla CEO Damien Mahoney said the company will be announcing a host of major product releases this year that will be transformational for the travel and destination marketing industry.

#### **instaclustr** **Instaclustr**

Instaclustr is introducing a new certification program for open source technologies. The [Instaclustr Certification Framework for Open Source Software](#) will allow enterprises to build applications with greater confidence thanks to a rigorous testing and evaluation program.

#### **DocsCorp** **DocsCorp**

DocsCorp has continued to win large new clients to its productivity tools and recently onboarded European law firm Houthoff and UK law firm Womble Bond Dickinson.

DocsCorp has [announced Bob Moore will return to the company as Vice President, Americas](#) DocsCorp for a brief period after working at DocsCorp for over 10 years as Sales Director. He will return to oversee the Sales, Marketing, Customer Support and Operations teams in the region, and will be based in Portland, Oregon.



#### **Bailador Technology Investments**

Bailador [released its latest company presentation to the ASX this month](#). The report, A Smart Approach to Technology Investment, was presented at Wholesale Investor's Emerging Technology Convention in Melbourne and Sydney by Bailador co-founder Paul Wilson.

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
SiteMinder	55.9	305%	▲	0.47		June 2019
Instaclustr	14.6	225%	▲	0.12	✓	August 2019
Stackla	12.6	13%	▲	0.10	✓	October 2019
Straker Translations	12.5	99%	▲	0.10	✓	Mark to market each month end
Lendi	10.7	112%	▲	0.09	✓	November 2019
SMI	9.6	30%	▲	0.08		March 2020
DocsCorp	9.2	83%	▲	0.08		June 2019
Viostream	7.8	-72%	▼	0.06		June 2019
Rezdy	5.9	64%	▲	0.05		February 2020
Brosa	3.0	0%	▶	0.02	✓	October 2019
Cash	1.5			0.02		
Other	0.3			0.00		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>143.6</b>			<b>1.19</b>		

Denotes change to valuation in current month

Denotes valuation review in next six months

<sup>1</sup> Next valuation review date refers to the period 12 months since the last valuation movement. Valuation events can also occur in a shorter time frame where there is a third-party investment

### Please Note

Figures in this report are unaudited and exclude tax.

The current value for each investment in the table above is consistent with the BTI investment valuation policy, which may be found in the BTI prospectus lodged with ASIC on 3<sup>rd</sup> October 2014 and available on the ASX website.

## Portfolio Company Details



Name:	SiteMinder	Instaclustr	Stackla	Straker Translations	Lendi
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	Marketplace/Machine Learning	Fintech
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Open source data platform for cloud-based solutions that require immense scale	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Digital language translation services provider and one of the world's fastest growing translation companies	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry
HQ:	Sydney	Canberra	San Francisco	Auckland	Sydney
Staff:	600-650	50-100	50-100	100- 150	400-450



Name:	SMI	DocsCorp	Viostream	Rezdy	Brosa
Type:	SaaS/Big Data	SaaS/Document Productivity	SaaS/Video	SaaS	Online Retail/B2C
About:	Big data aggregation and analysis platform with exclusive access to ad expenditure data	Global leader in the rapidly growing Document Productivity segment	Cloud-based end-to-end platform for the creation, management and distribution of video	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Tech-led, vertically integrated furniture brand and online retailer
HQ:	New York	Sydney	Sydney	Sydney	Melbourne
Staff:	1-50	100-150	1-50	50-100	1-50

## Important Notice

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