ASX Investor Day
Straker Translations (ASX.STG)

April 2019

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Straker is a world leading AI data driven language translation platform powering the global growth of businesses

THE PROBLEM

Global content is expanding at an exponential rate and traditional translation processes cannot deliver at scale for customers

The speed of content change is also increasing and traditional translation providers cannot deliver to customer timeframes

Content is moving into online systems and customers need solutions to automate the content flow for translatable content

It's easy for **companies to now push into multiple regions** but the cost of large volume content into multiple languages is prohibitive

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WHAT WE DO

Straker helps leading technology companies streamline and scale the ability to communicate across regions

Straker helps major finance institutions deliver quarterly market reports in multiple languages

Straker works with major e-commerce providers to localise their product websites into multiple languages

Straker enables global media companies to provide content in multiple languages across multiple platforms

Straker provides leading global manufacturers with the ability to easily push out new products into multiple markets

Straker enables thousands of SME's to cost-effectively cross border trade without language as a barrier

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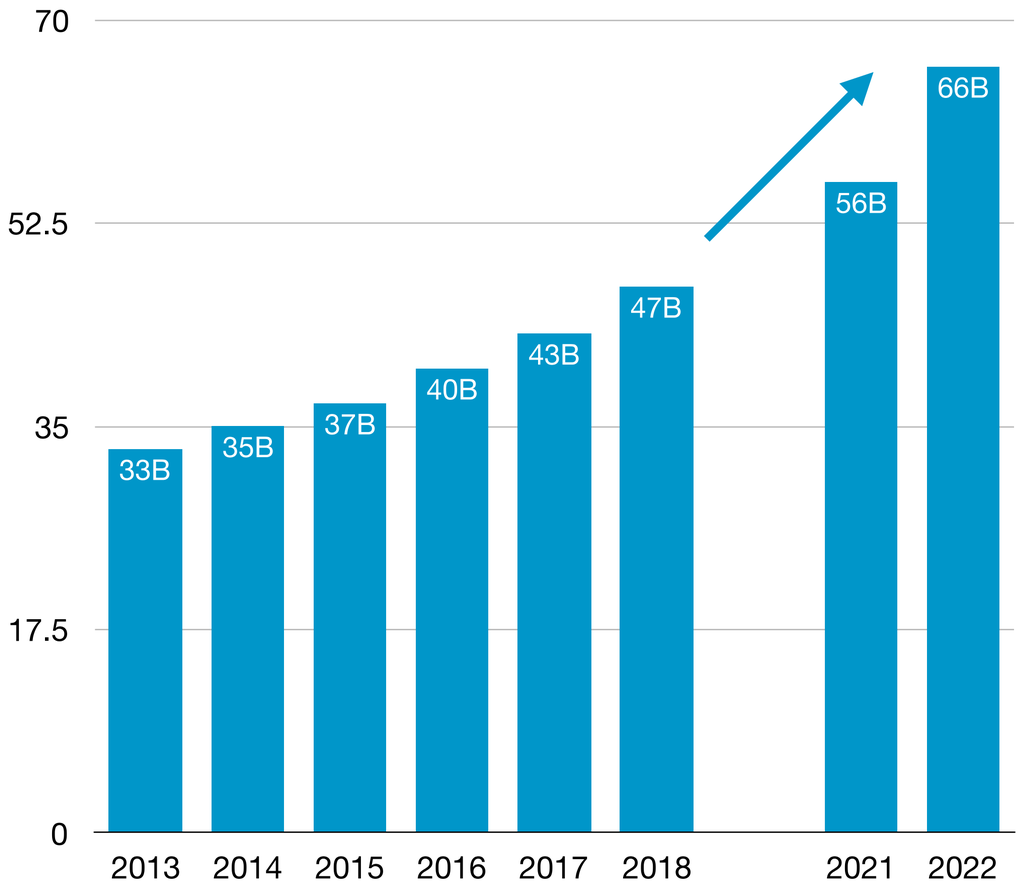
THE INDUSTRY WE OPERATE IN



*nimdzi 2018 Language services market analysis

Industry Size USD$

Forecast to reach 66 Billion by 2022

2018 - 2022 CAGR 7%*

The translation industry facilities trillions of dollars of global trade annually

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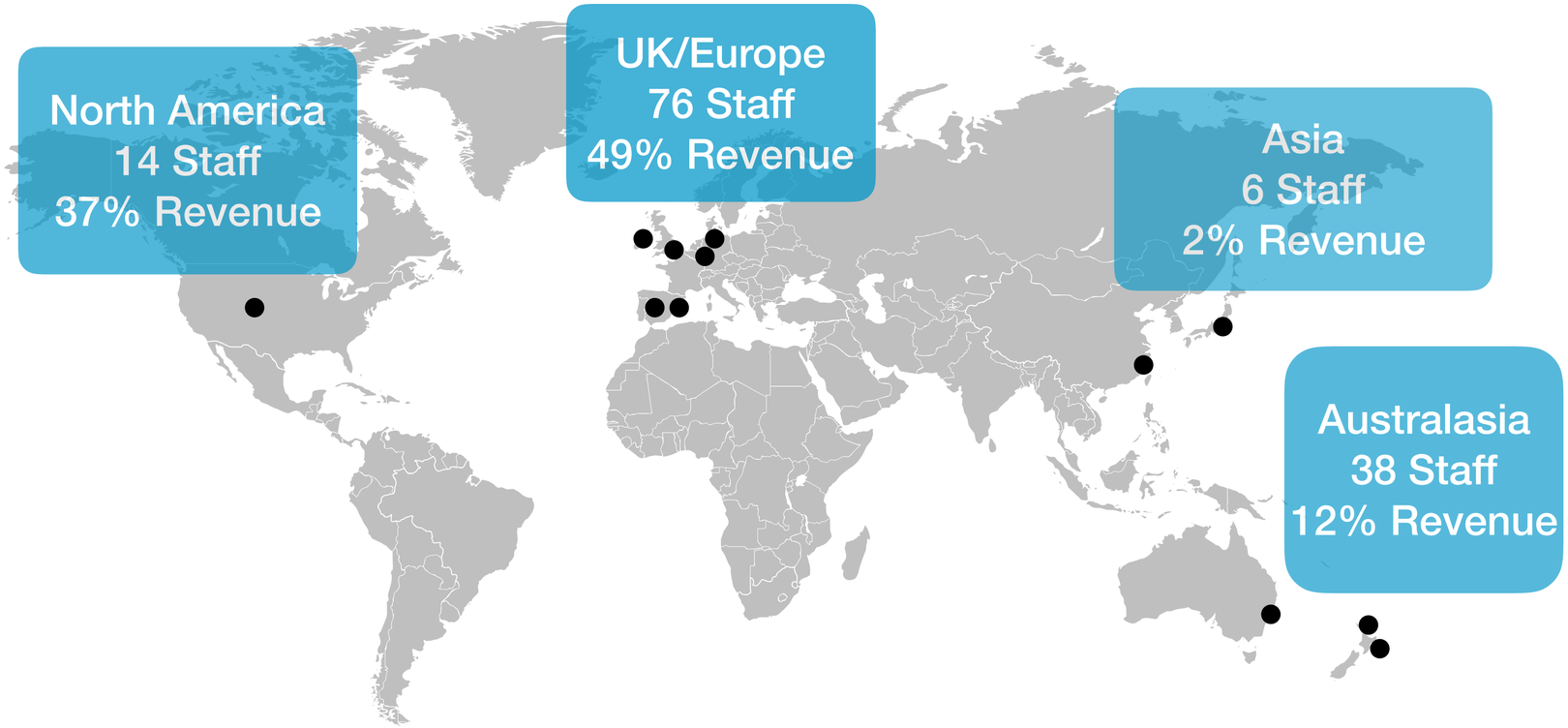
WHERE WE DO IT



Straker Group Revenue by region
post COM acquisition

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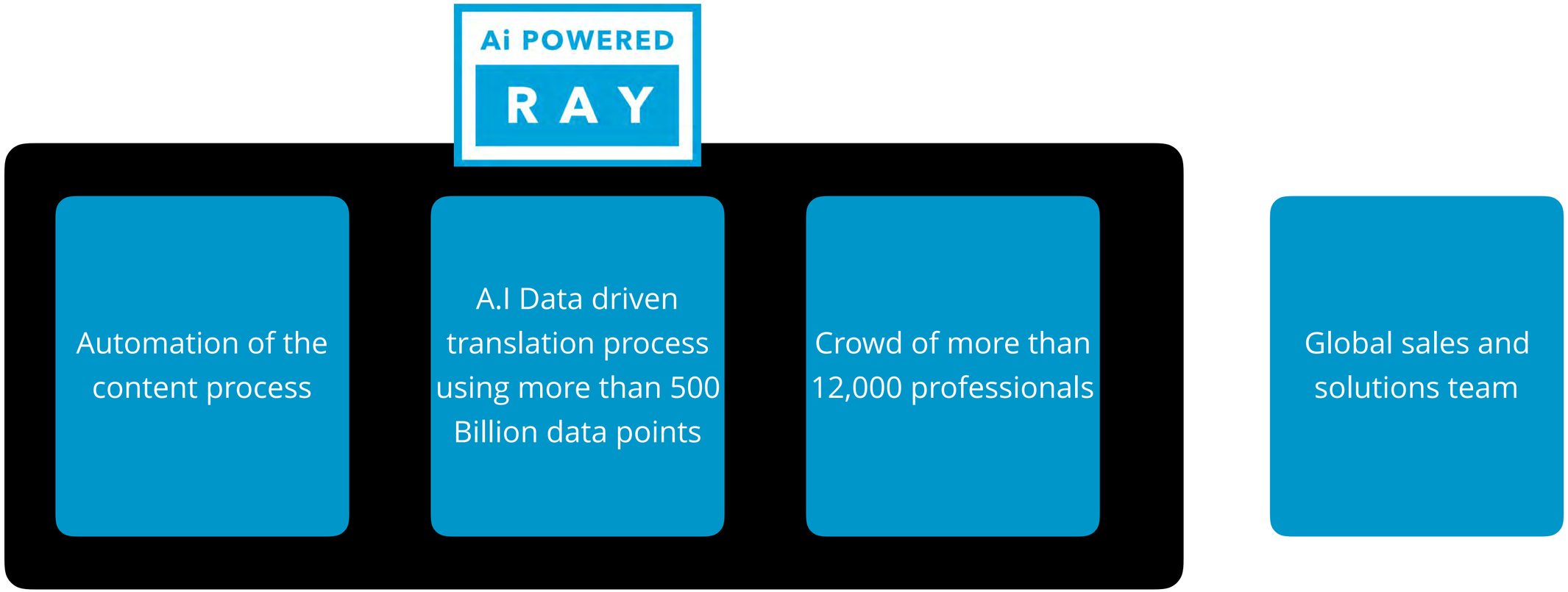
HOW WE DO IT

We have a built a **unique technology platform** (RAY Ai) to leverage the advances in **A.I and big data** to give us a strong competitive advantage in the **US$47 billion** translation industry.



REVOLUTIONARY DATA-DRIVEN PLATFORM

Data-driven Speed

Using big data to train machine learning engines, and give insights into human efficiency and continual refinements

Data-driven Quality

Rather than process driven quality control we can use machine learning to identify all the variables to ensure quality at the start of the project

Data-driven Production

Using data to streamline the production process by using previous project data to identify the most efficient method of processing a job

Data-driven value

Being able to offer alternative structures for pricing and delivering projects

Data-driven security

Using data to provide security and confidentiality to projects even if using a remote workforce

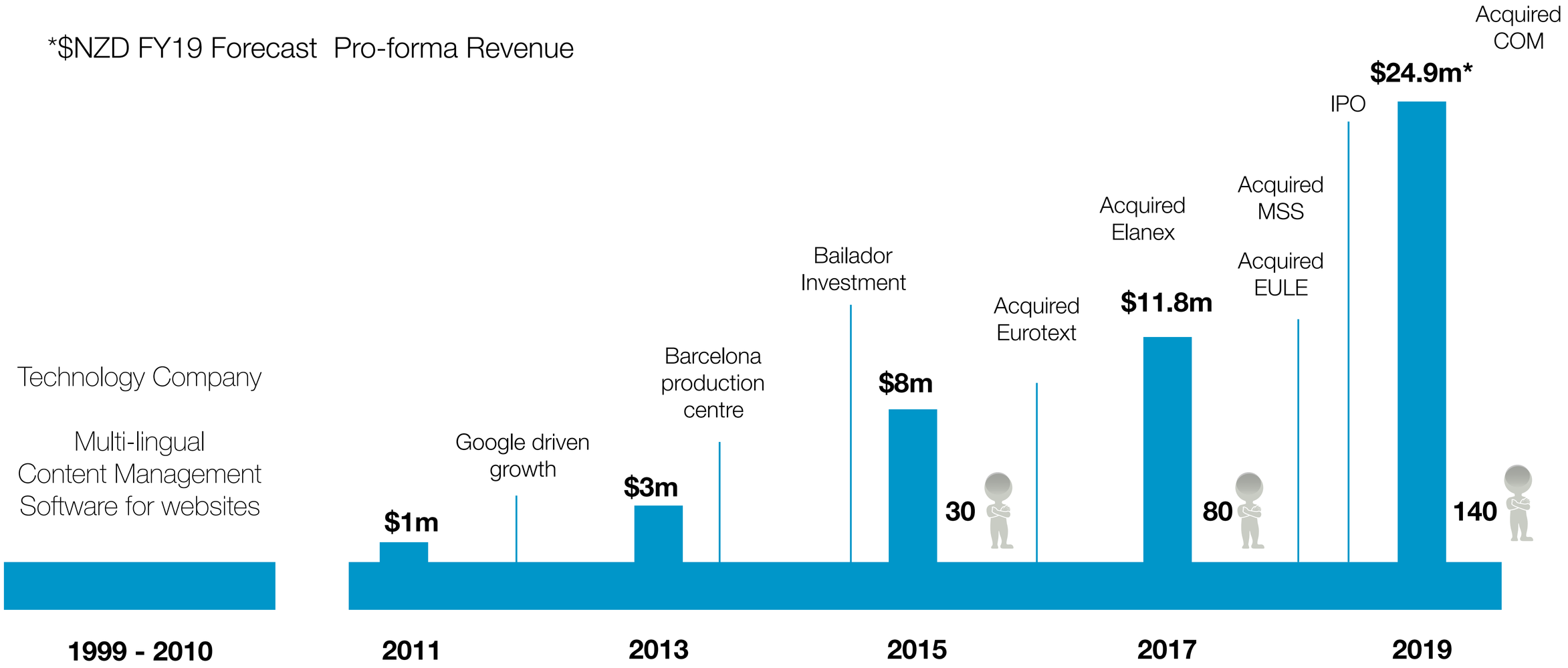
WHAT SUCCESS HAS PROVEN

In 2011 we were the first company to develop a data driven approach to translation.

We have redefined how the translation process works and aligned it to the business requirements of today

- Industry High Gross Margins
- Unique solutions for world leading companies
- Variable cost base and efficient use of capital
- solutions that give us tight relationships with customers
- 83% of revenue is repeat customers

COMPANY HISTORY



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STRONG GROWTH CONTINUES

H1 Results (April - Sept 2018)

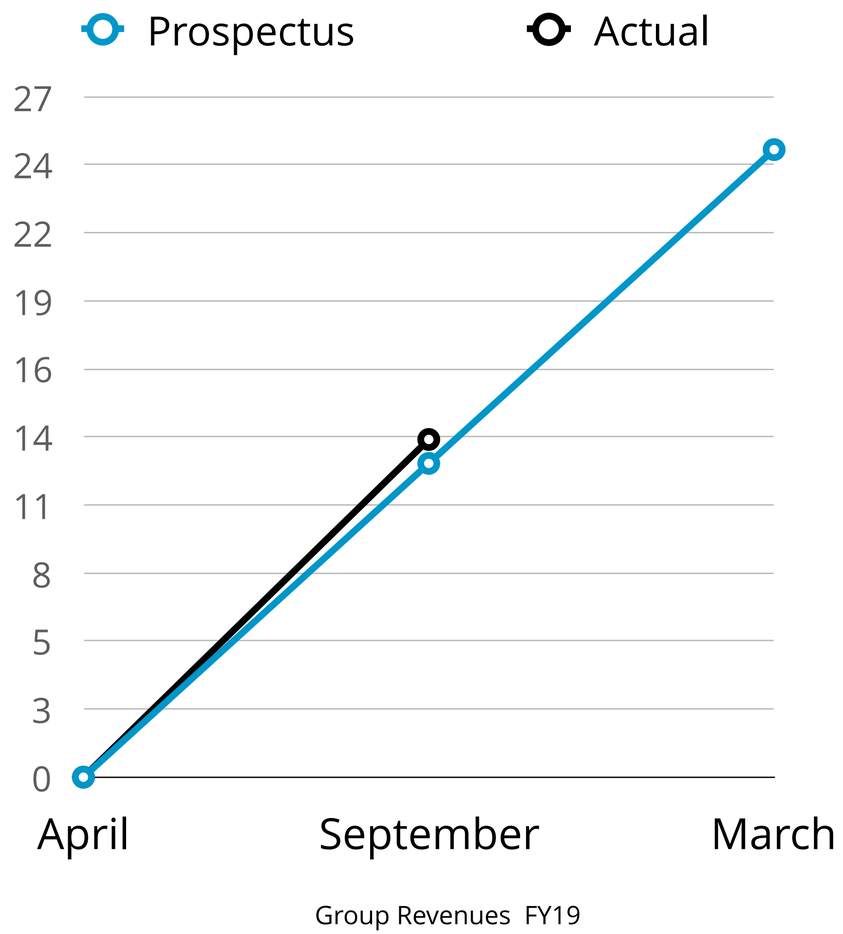
39%
year on year growth

83%
repeat revenue

$110k
adjusted EBITDA

42%
Increase in gross profit

$13.4m
pro-forma revenue



Group Revenues FY19

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OPERATING CASH FLOW POSITIVE WITH $20M CASH AT BANK

4C Results (Oct - Dec 2018 quarter)

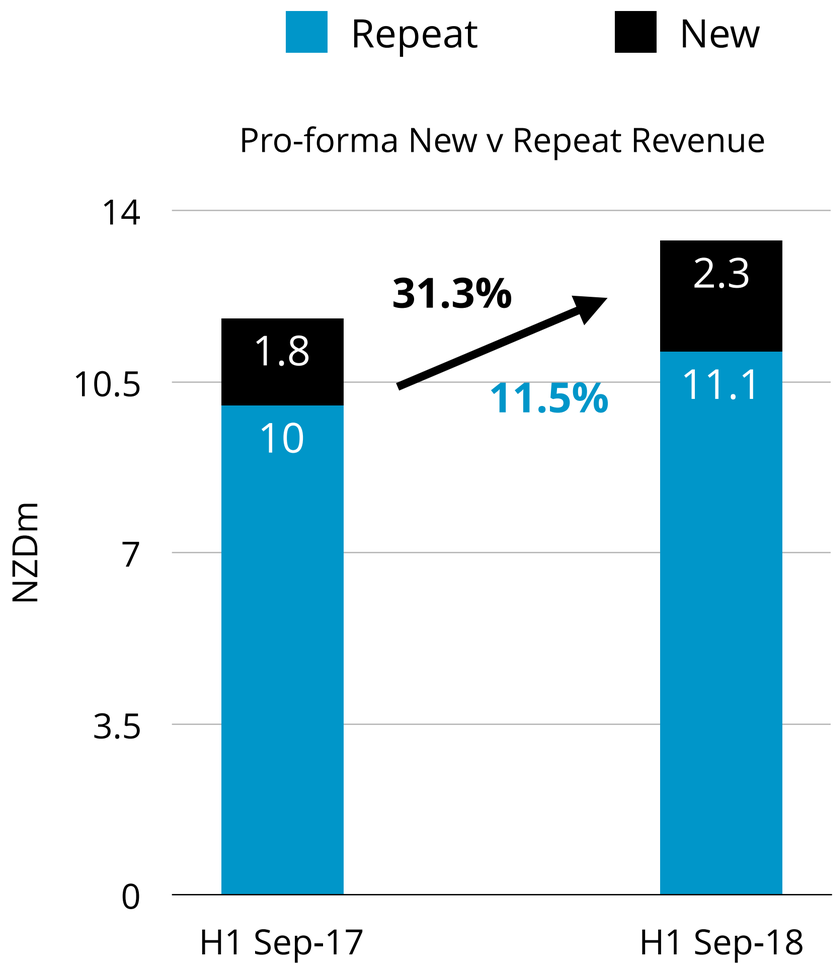
$270k
operating cash flow positive

$19.8m
Cash at bank

$6.8m
cash collections in Q3
Up from $4.4m in Q3 FY18

$17.6m
Year to date collections

$200k
Capitalised R&D



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OUR GROWTH STRATEGY

Five Point Growth Strategy

- Winning new enterprise customers
- Transactional Revenue
- Integration into content platforms
- Increased penetration with existing customers
- Acquisitions

Straker raised funds at its October 2018 IPO to continue its inorganic growth strategy and the acquisition of COM Translations is the continued execution of this strategy

ORGANIC GROWTH

Winning new enterprise customers

- Secure large volume enterprise customers
- Straker invested in global enterprise sales team over the previous two years
- 16 new salespeople across seven countries
- Using our data-driven unique platform benefits

Transactional revenue

- Provides cash flow benefits
- Drives smaller jobs that provide a range of ancillary benefits
- Driven by online advertising and content marketing

Integration into content platforms

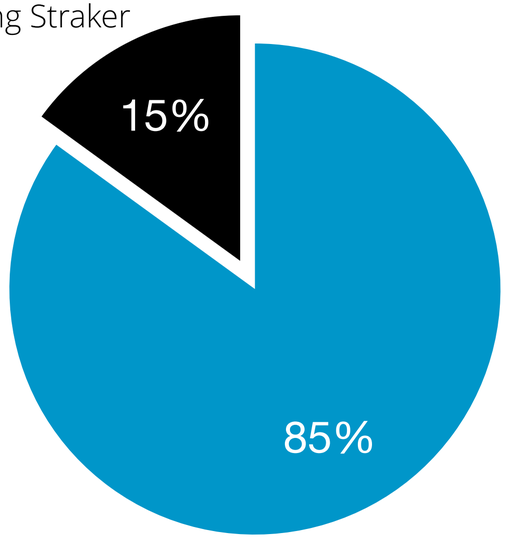
- Directly market to platforms' broad customer bases
- Continue to invest in new integrations / refining the integrations
- Medium term revenue targets

ACQUISITION OPPORTUNITY

Fragmented Industry

Language services market revenue – over 18,500 language service providers

Top 100 service providers = 15% including Straker



Increase EBITDA %

- Improve the target's gross margins
- Grow target's customer base and revenues
- Cost synergies
- Geographical footprint
- Economies of scale

Templated Acquisition Structure

- Compounding gains on each acquisition
- Dedicated integration team
- Standard approach to negotiation
- Continuous identification and engagement of targets

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SUCCESSFUL ACQUISITIONS

EBITDA Margin %	FY17	FY18	FY19
EuroText	8%	13%	22%
Elanex	-6%	8%	22%

Price

Average price of an acquisition is ~0.8 x revenue

mss

EUROTEXT TRANSLATIONS

elanex

COMTRANSLATIONS

Eule

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OVERVIEW OF COM TRANSLATIONS

Founded in 2011 COM Translations provides media and audio-visual translations services to the media industry

COMTRANSLATIONS INTERNATIONAL AGENCY

Audio & Visual Translation Services

- Transcription
- Subtitling
- Translation
- Voiceover

Typical Industries	•Major media companies •Film studios •Post production houses	•Public companies •Training organisations
Locations	•Madrid (HQ)	•Los Angeles (sales)
Translation Stats	•Translate media assets in 50+ languages •800k subtitle minutes	•7,400 episodes •1,480 movies
Financial Performance	•Revenues of between NZD$1.4-1.8m	•20 employees

Apple SONY 21ST CENTURY FOX Walt Disney MIRAMAX FILMS

IN SUMMARY

Huge Global TAM

- Huge US$47 billion addressable market opportunity
- Industry is growing at over 7% pa

Unique Technology

- Artificial Intelligence driven platform using more than 500 billion data points
- Proprietary “RAY Ai Translation Platform”
- Enterprise grade, end-to-end cloud-based platform that allows human translators to deliver faster and more accurate translations via the capture of vast amounts of data and meta data

Global Customers

Large and diverse customer base – approximately 8,400 customers serviced in FY18
88% of revenue is international

Industry High Gross Margins

Leveraging efficiency gains and improved economics from Strakers’ online platform

Disclosure Statement

This presentation is given on behalf of Straker Translations Limited ASX:STG (Company number NZ: 1008867 / AU: ARBN 628 707 399)

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- Is for general information purposes only, and is not an offer or invitation for purchase, or recommendation of securities in Straker Translations Limited (Straker)
- Should be read in conjunction with, and is subject to, Straker's latest and prior interim and annual reports, including Straker's interim report for the period ended 30 September 2018, and Straker's market releases on the ASX
- Includes forward-looking statements about Straker and the environment in which Straker operates, which are subject to uncertainties and contingencies outside of Straker's control - Straker's actual results or performance may differ materially from these statements
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All information in this presentation is current at 9 April 2019, unless otherwise stated.

All currency amounts are in NZ dollars, unless otherwise stated.

Unless otherwise stated numbers quoted are based on EUR/NZD exchange rate of 1:65

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