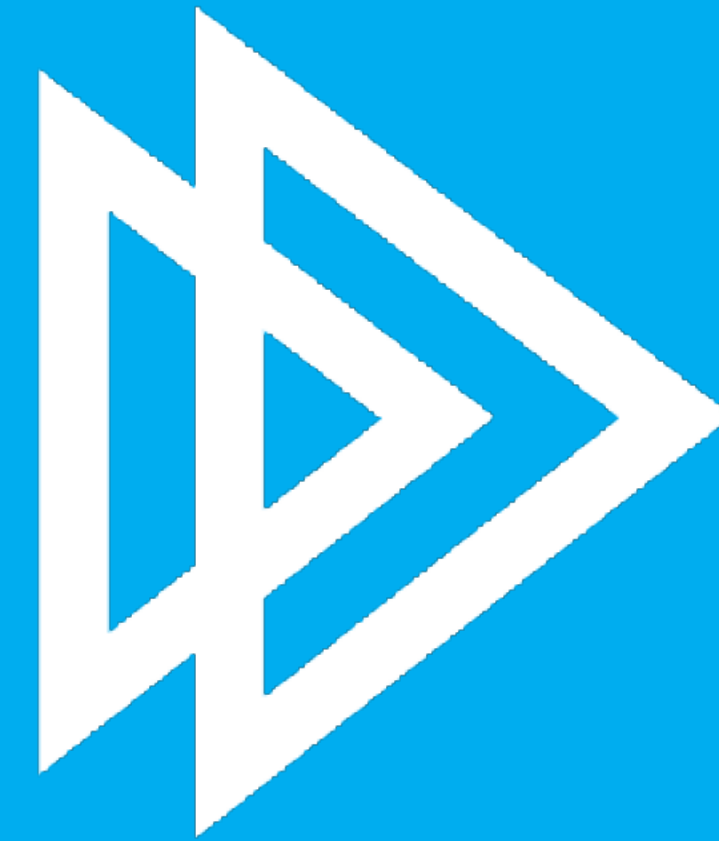


# Straker *STG:ASX*

## 4C Q3 FY22 Presentation



The Market Opportunity is now stronger than ever, as we see larger users of translation services looking to **consolidate vendors**, needing **productivity enhancing AI enabled** solutions and more **automation in the process** workflows for translation.

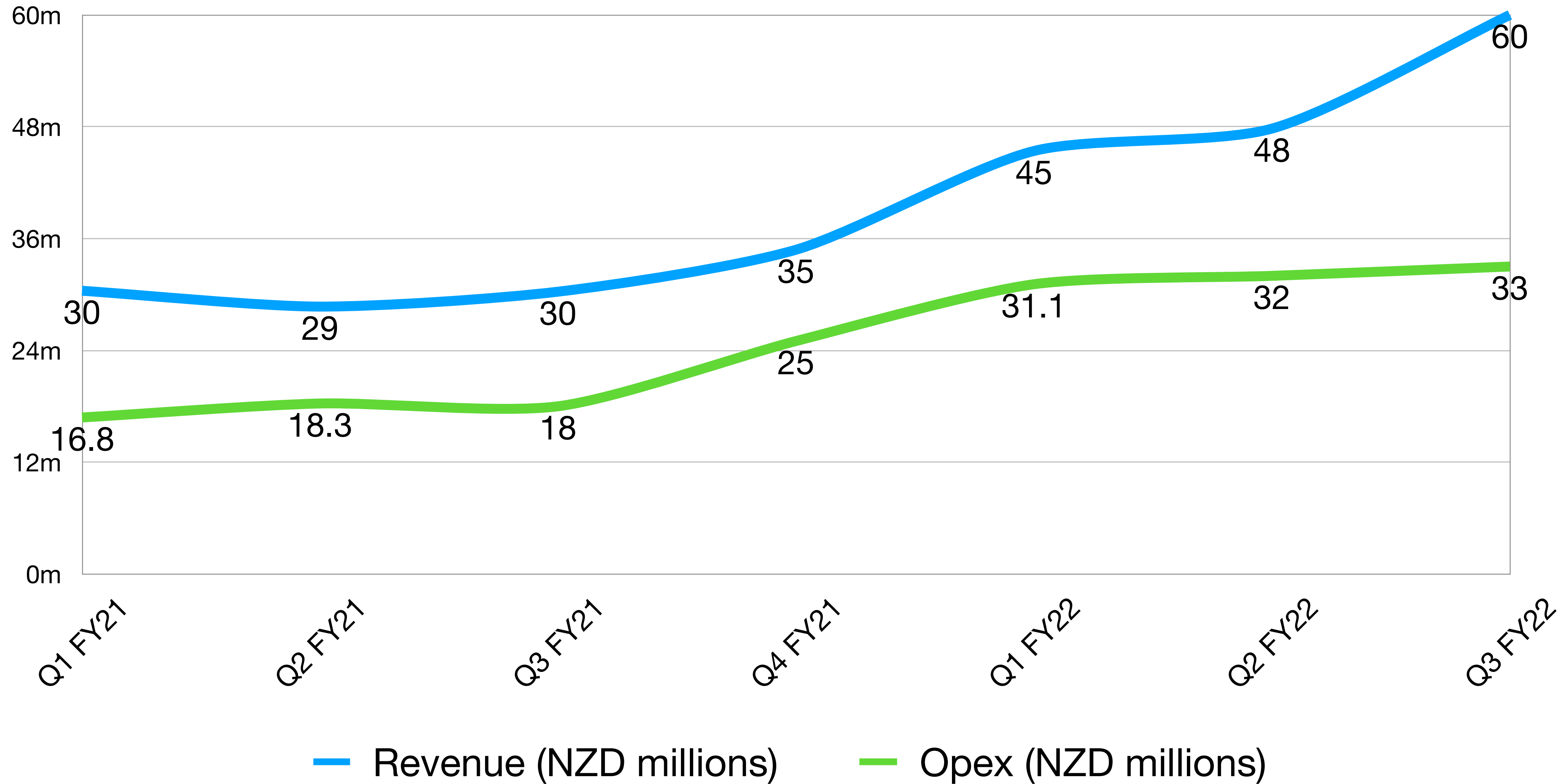
Our mixture of industry leading AI technology, global services and sales delivery teams along with an enterprise proven solution puts us in a very good position.

**99% revenue growth and positive adjusted EBITDA - a new phase showing that the operating leverage from our technology is now starting to deliver returns**

- Revenue of \$15 million up 99% (101% in constant currency ) vs pcp and up 26% vs last quarter;
- Strong balance sheet with no debt and cash of \$17.5m;
- Positive operating cashflow
- \$60m annualised revenue run-rate
- Straker is financially secure, has the cashflow, balance sheet and strong repeating revenues to support our growth ambitions

## **Straker are executing at pace and scale and are well positioned as a technology leader, in one of the few \$50bn+ industries that has yet to get consolidated through technology**

- IBM ramp up in-line with expectations and significant progress with API automation across the IBM businesses
- Opened a Philippines office to relieve HR growth pressures as we rapidly scale. We now have 14 staff located in our Philippines office
- North American new business team closed 5 new enterprise deals that will vary in annual revenue contribution for FY23 from 100-500k year
- Lingotek had the best quarter in its company history off the back of a significant deal with an existing customer
- Post quarter-end closed our 9th M&A deal with the purchase of IDEST which had LTM revenue of NZ\$6.6m and long term contracts with major global institutions along with significant growth opportunities. No revenue was recorded in Q3 from IDEST



## **The long term opportunity remains simple, powerful and large**

1. AI will assist human translators and make them more productive
2. Automation will streamline production workflow processes and require less human intervention
3. Data will drive machine learning efficiency
4. Speed is the key - we are very close to 1,000 words an hour on average

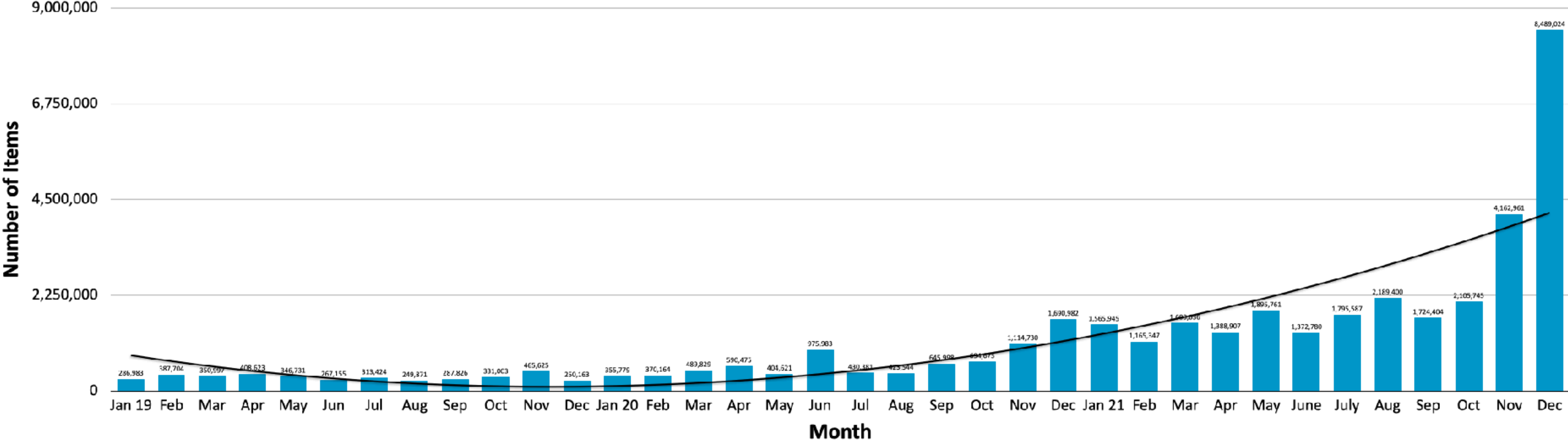
## **RAY - Industry Leading Platform**

- Centralised platform ensuring all translations are utilising one platform, enables AI driven adaptive translation process
- All data assets collected centrally and used to drive future improvements in productivity
- Comprehensive automation and workflow features to streamline the process for customers



A.I. Engines are driven by data, and margins improve when the engines are more efficient because of greater data input - in Q3 we were accelerating the collection of data at an exponential pace and scale

### Number of Human Memory Items Added



**Brussels based company with 18 staff, strong clients in the international institutional space such as European Commission and UN. Long term contracts and significant opportunities to expand into other languages from the base contracts.**

- LTM revenues of €4 million (NZD\$6.63 million) and approximately 10% EBITDA
- Binding agreement to acquire IDEST shares for an initial consideration of EUR€1.75million (NZ2.9 million), comprising EUR €1.5m million in cash and EUR €250 thousand in shares at transaction completion plus deferred consideration based on revenue milestones
- Extends and consolidates Straker's presence in the multi-billion-dollar European market
- Opens the largest translation market in Europe through established relationships with major enterprise customers and partners, including the United Nations and European Commission
- IDEST's management team, including its founder/CEO to be aligned with acquisition success via a performance-linked earn-out structure and will continue in management post-deal close
- Competitively priced acquisition
- Acquisition funded through Straker's existing debt-free balance sheet



## **A period of strong growth combined with steady opex and margins, cementing a solid base for our aspirational goal of reaching \$100m in revenue**

- The outlook is strong, driven primarily by better-than-expected organic growth and a modest contribution from M&A
- Bed in new customers, IDEST and look to optimise our global resources as we focus on strong margins and steady opex
- Continue onramp of IBM content and systems, looking at other opportunities outside of the core translation focus.
- More investment into our new business team driving growth in Europe and North America
- Focus on R&D around speed and productivity of translations; both give us more market leverage and/or margin gains

# Q&A Session

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