

# 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.

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🌐 [www.bailador.com.au](http://www.bailador.com.au)

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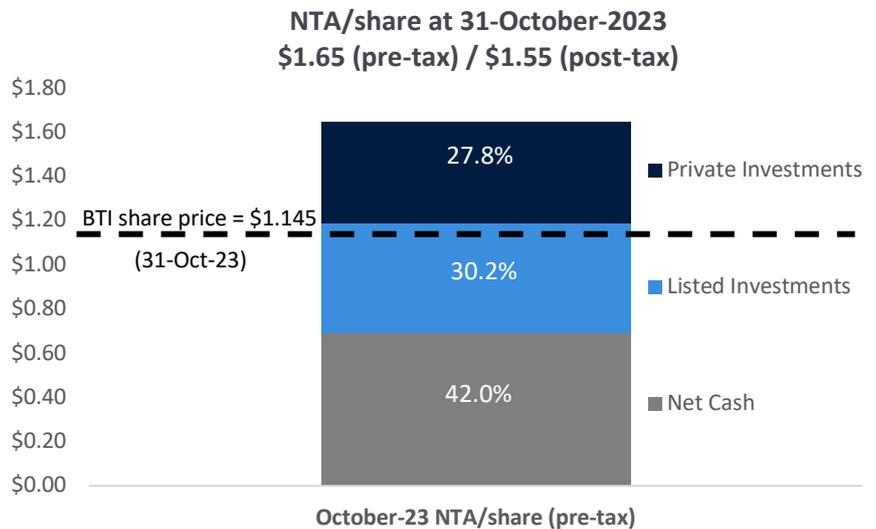
Notes:

<sup>1</sup>Portfolio return post-tax calculated as the compound annual growth in NTA per share (post-tax) plus dividends paid.

<sup>2</sup>Shareholder return calculated as the compound annual growth in BTI share price plus dividends paid.

This report was authorised for release to the ASX by Helen Foley, Company Secretary & Chief Financial Officer, on 8 November 2023.

## Net Tangible Asset Snapshot



## Fund Performance

Annual returns to 31-Oct-23	1-Year	2-Years	3-Years
Portfolio Return post-tax (%pa) <sup>1</sup>	10.2%	9.5%	11.6%
Shareholder Return (%pa) <sup>2</sup>	-3.9%	-16.8%	9.9%
<b>Performance vs Benchmark</b>			
S&P ASX All Tech Index [ASX:XTX]	10.3%	-14.7%	-3.2%
Shareholder Return vs Benchmark	-14.2%	-2.1%	+13.1%

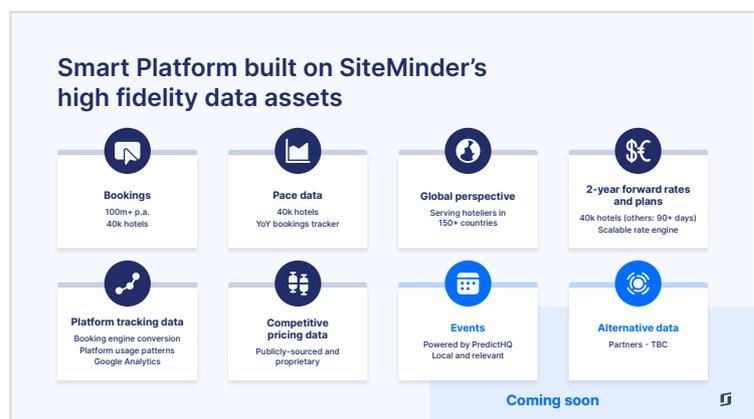
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## Founders' Commentary

### Unlocking Big SiteMinder Upside through its 'Smart Platform'

The largest single position in the Bailador portfolio is SiteMinder. SiteMinder is already the hotel tech world leader in room distribution. The company is poised to unlock huge potential upside through adding key functionality for hotels to increase their revenue, and for SiteMinder to benefit from that upside with a share of revenue.

The SiteMinder platform is the most popular in the world for helping hotels distribute room inventory through online channels. By utilising its scalable technology foundations, and adding additional enhancements, SiteMinder is positioned to unlock further benefits for its hotel customers. Some material from SiteMinder's Annual General Meeting and recent Investor Day:



SiteMinder is perfectly placed to capitalise on its central position in the hotel industry through its 'Smart Platform'.

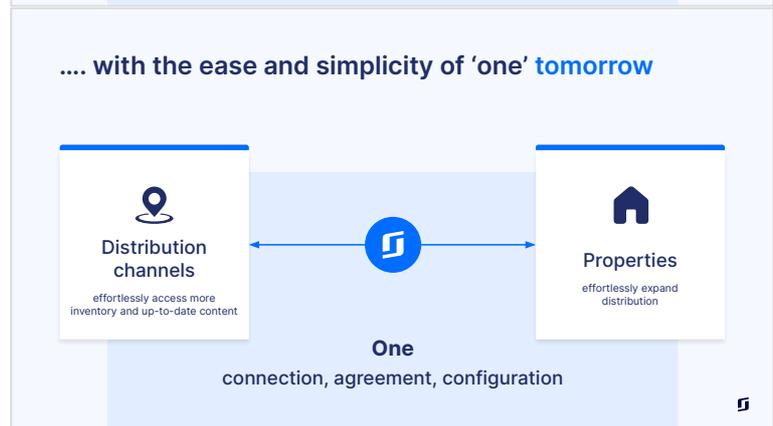
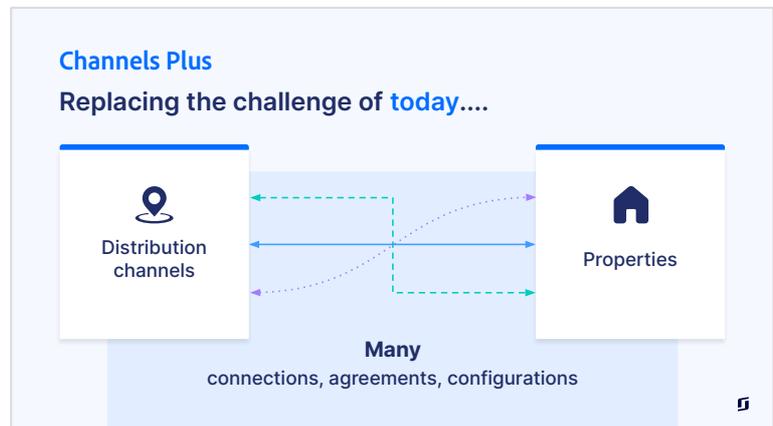
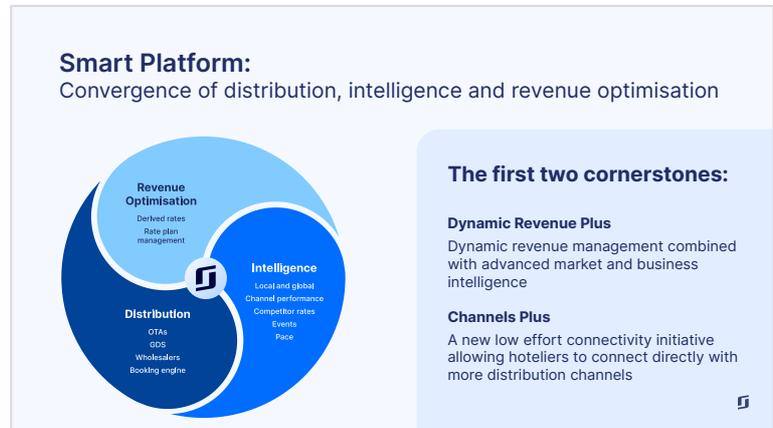
*"By leveraging the scalable technology foundations built over more than fifteen years, the Smart Platform will harness SiteMinder's proprietary data assets and automate much of the effort required to optimize a hotelier's commercial decisions."*

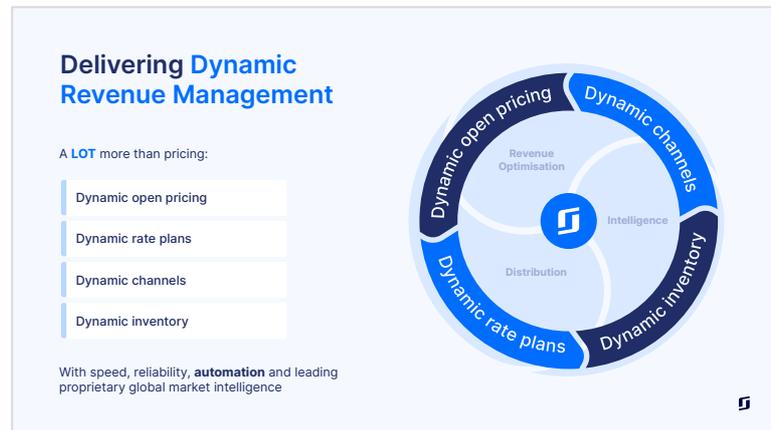
**Sankar Narayan, SiteMinder CEO**

Two key elements of the Smart Platform are:

**Dynamic Revenue Plus:** Revenue management combined with data driven automated business intelligence.

**Channels Plus** Low effort connectivity allowing hoteliers to connect directly with more distribution channels.





SiteMinder has an embedded base of ~40,000 hotel customers. These customers generate subscription revenue for SiteMinder, which is attractive in its predictability, high margins, and continued consistent growth. In recent years, an even faster growing element of SiteMinder’s business has been the introduction of transaction based revenue.

Last year, over \$60b of hotel bookings were processed through the SiteMinder platform. By taking even a very small slice of this throughput via the introduction of valuable services to hotels which earn revenue for SiteMinder on a per transaction basis, SiteMinder can generate a huge revenue increase. The potential impact on SiteMinder’s valuation is enormous.

*“The opportunity to add additional value to customers is significant, and our revenue from these products at maturity could be a multiple of FY23 revenue base.”*

**Sankar Narayan, SiteMinder CEO**

Keeping sight of the near term, SiteMinder confirmed at its AGM last week “the business is on a strong trajectory with revenue growth doubling in FY23, and is on track to deliver on its guidance to be underlying EBITDA profitable and free cash flow positive for H2FY24”. This demonstrates a high level of confidence in delivering on SiteMinder’s near term financial future. A move into sustained profitability is typically accompanied by an upward valuation re-rating, in a positive prospect for SiteMinder shareholders including Bailador.

Even more encouraging is the clear product pathway and commercial monetisation opportunities which set SiteMinder up for long term success. Bailador continues to have conviction in our investment in SiteMinder as the largest position in the portfolio.

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

## Highlights

### Investment Focus

Bailador typically invests \$5 - 20 million 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, e-commerce, high value data, online education, telecommunication applications and services.

#### Movement in NTA

BTI's NTA per share (pre-tax) at close of October 2023 was \$1.65 (September 2023 \$1.70). Key movements in NTA are noted below.

#### Movement in NTA per share (pre-tax) October 2023

Decrease in SiteMinder (ASX:SDR) share price to \$4.07 (September 2023 \$4.63)	-6.4c per share
Decrease in Straker (ASX:STG) share price to \$0.51 (September 2023 \$0.52)	-0.1c per share
Operating expenses and interest	1.5c per share

Operating expenses include provision for performance fee not yet payable.

#### SiteMinder [ASX:SDR]

SiteMinder released its [Q1 FY24 Activities Report](#) and [Trading Update](#) to the market. Highlights included a 32.1% YoY increase in annualised recurring revenue (ARR) to \$191.6m and underlying operating cash flow of \$0.6m for the quarter. SiteMinder reiterated guidance for organic revenue growth of 30% in the medium term and to be underlying EBITDA and underlying free cash flow positive for H2 FY24.

SiteMinder held its Investor Day where the company outlined several exciting product initiatives. We have given a rundown of some of the key items in the Founders' Commentary above, but if you have a moment, it is well worth taking a look at the SiteMinder presentation in full [HERE](#).

#### Rezdy

Rezdy announced a [new partnership with Pelago](#), a travel experiences platform by Singapore Airlines, designed to enable fast connectivity for tours and activities in Australia, New Zealand, and beyond. This partnership enables Pelago to easily connect and promote their tours to end customers in real-time with automated pricing updates, availability, and content via a Rezdy API.

#### Rosterfy

Rosterfy announced a [new form builder tool](#) which enables volunteer managers to easily create customised forms to collect volunteer information, gather feedback, and receive online submissions.

#### Nosto

Shopware, a digital commerce platform for mid-market and lower enterprise merchants, [named Nosto as a Platinum Partner](#) in their global technology vendor ecosystem. The partnership allows e-commerce brands built on Shopware to access Nosto's AI-powered personalisation and merchandising solutions to help them increase customer engagement and revenue.

#### Straker [ASX:STG]

Straker released its [Q2 FY24 Activities Report](#) to the market. Highlights included strong gross margin of 63.3%, up 780bp versus the prior corresponding period, operating cash flow of \$2.8m, and record free cash flow generation of \$1.95m. Due to market conditions, Straker slightly downgraded FY24 revenue guidance, but upgraded FY24 gross margin guidance and continues to expect positive operating cash flow and EBITDA for FY24.

**BAILADOR**  **Bailador**

Bailador's [latest column with Stockhead](#) looks at how portfolio company Straker is well positioned to benefit from growth tailwinds emerging from generative artificial intelligence (AI).

Bailador held its AGM on Thursday 2<sup>nd</sup> November 2023. Click [HERE](#) to read the AGM Presentation and Chairman's Address. Click [HERE](#) to read the Results of Meeting.

**Important Notice**

Bailador Investment Management Pty Ltd ACN 143 060 511 ('Manager') has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator or future performance.

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
SiteMinder	68.0	421%	▲	0.47	✓	Mark to market each month end
Rezdy	24.9	98%	▲	0.17	✓	May 2024
Access Telehealth	15.6	0%	▶	0.11	✓	December 2023
Rosterfy	9.8	0%	▶	0.07	✓	April 2024
Nosto	9.2	(18%)	▼	0.06	✓	February 2024
Mosh	7.5	0%	▶	0.05	✓	December 2023
Straker	4.7	(38%)	▼	0.03	✓	Mark to market each month end
Cash	104.3			0.72		
Other <sup>2</sup>	(3.5)			(0.03)		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>240.5</b>			<b>1.65</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 date of the next formal valuation review. Valuation events can also occur in a shorter time frame where there is a third-party investment or a valuation change material to BTI.

<sup>2</sup> Includes provision for performance fee not yet payable.

**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	Rezdy	Access Telehealth	Rosterfy
Type:	SaaS/B2B	SaaS	Digital Healthcare/B2C	SaaS/B2B
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Specialist telehealth platform connecting Australian communities to high-quality healthcare	Volunteer management software platform that connects communities to events and causes they are passionate about
HQ:	Sydney	Sydney	Melbourne	Melbourne
Staff:	750-1000	100-250	100-250	1-50



Name:	Nosto	Mosh	Straker
Type:	SaaS/B2B	Digital Healthcare/B2C	Marketplace/Machine Learning
About:	Leading AI-powered e-commerce personalisation platform	Digital healthcare brand making men's health and wellness easily accessible via subscription treatment plans	Digital language translation services provider and one of the world's fastest growing translation companies
HQ:	Helsinki	Sydney	Auckland
Staff:	100-250	1-50	100-250