

## Straker FY22 Presentation

Grant Straker: Co-founder & CEO



David Ingram: CFO



# DISCLOSURE STATEMENT



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

## Information in this presentation:

- 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 Appendix 4E Preliminary Final Report for the period ended 31 March 2022, 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
- Includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance
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All information in this presentation is current at 31 May 2022, unless otherwise stated.

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

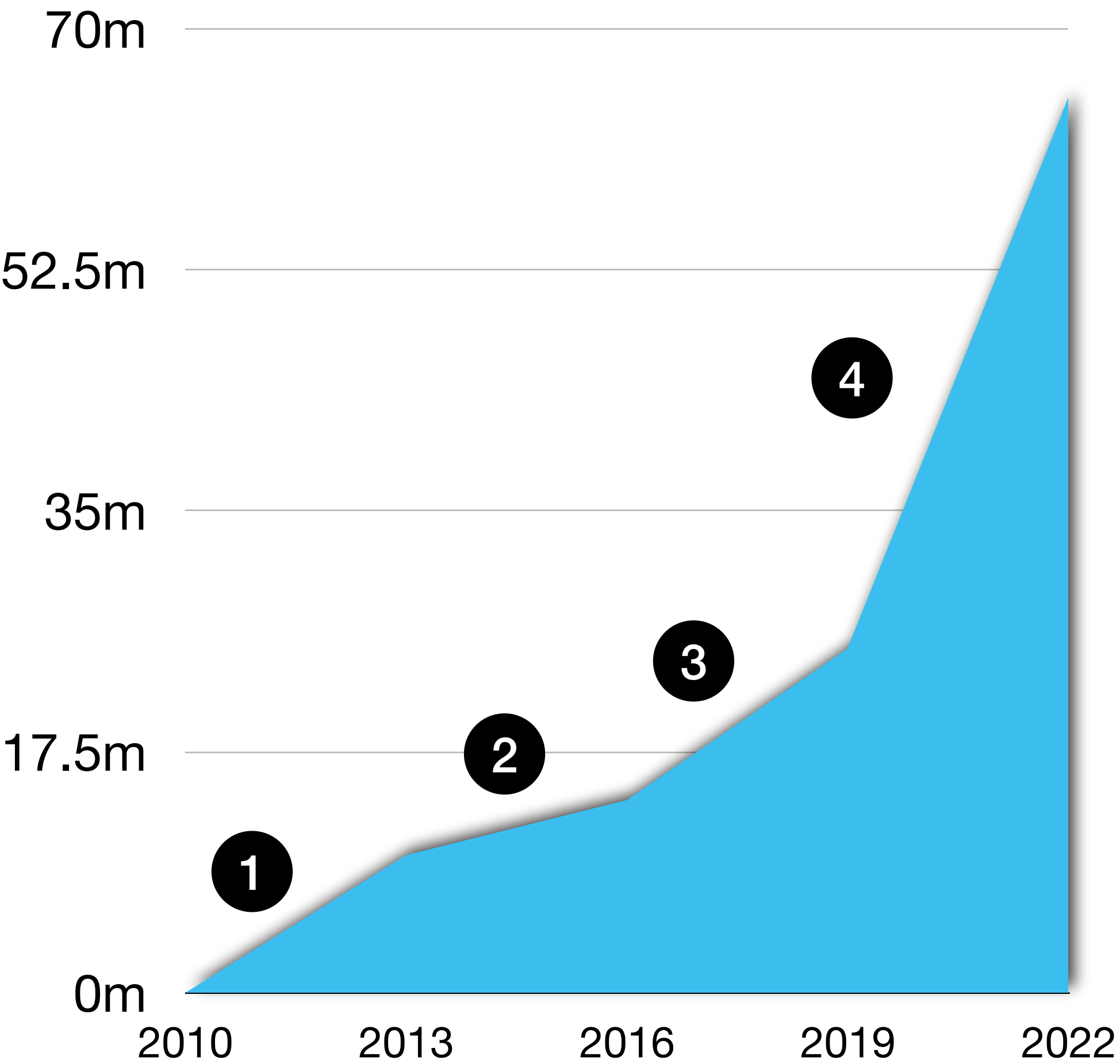
## FY22 Highlights

Out-performed on the 4 major financial metrics and are in a strong position going into FY23

- ✔ 78.5% yoy growth and outperformed guidance with \$55.9m of revenue
- ✔ Positive Adjusted EBITDA for FY22 and increased gross margin
- ✔ Operating cash flow positive in H2 and strong balance sheet with no debt and \$15m of cash
- ✔ Acquired IDEST who out-performed in the first quarter post acquisition
- ✔ First full year of IBM revenue

# Accelerated revenue growth

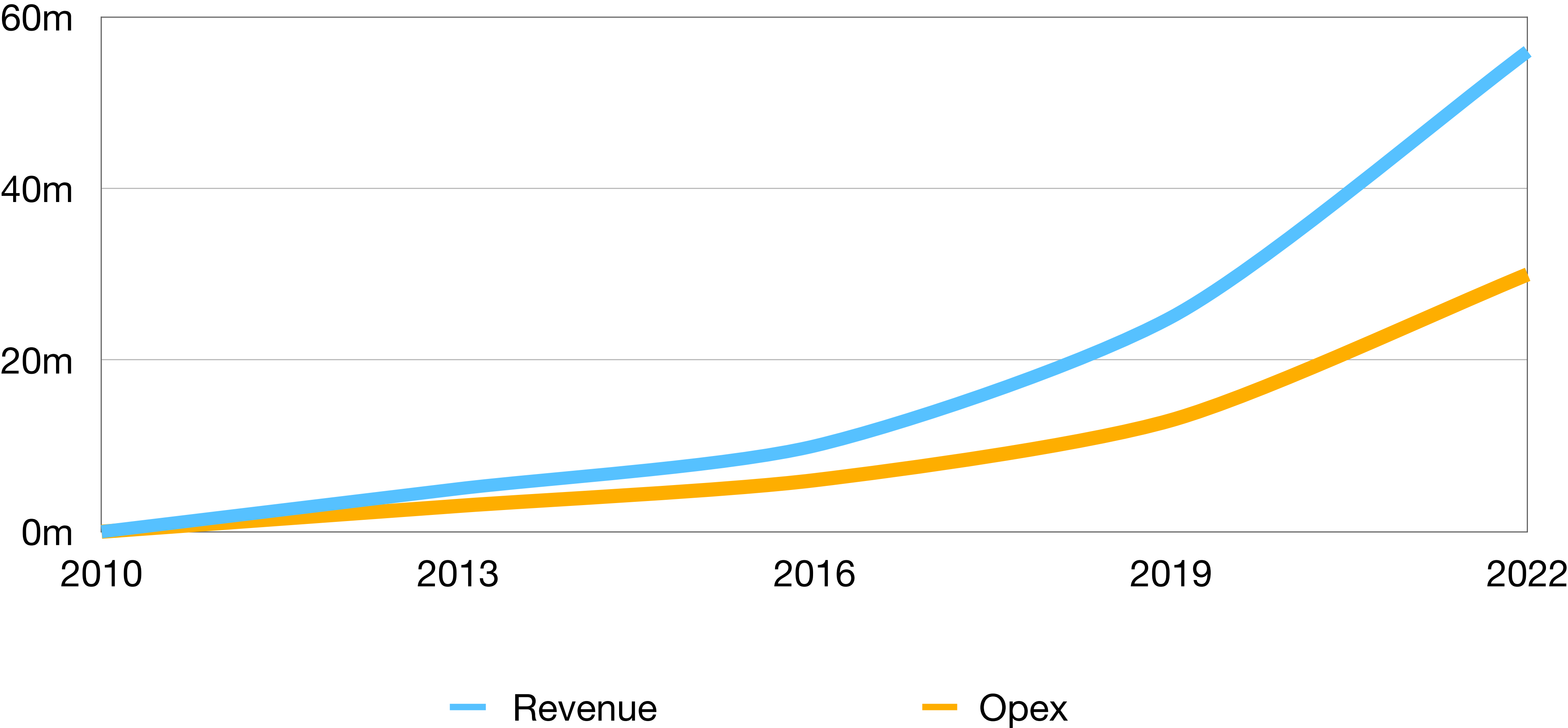
Revenue Run-Rate



As our long term strategy starts to deliver we are seeing significant revenue growth

- 1 Initial start up phase, market validation
- 2 Market structure headwinds
- 3 Adapted game plan to acquiring relationships, embedding tech and expanding from the bottom up
- 4 Rapid growth and validation of stage 3 plan as we accelerated growth from expanded customer relationships through our technology offering

Jaws opening between revenue and opex



**Revolutionising a \$50 Billion+ Industry  
through AI driven innovation, our global  
reach and a solid growth platform**

R&D Focused on revenue growth and higher margins

R&D Spend

**\$9m**

FY22

R&D Spend

**16%**

of revenue

R&D Team

**64**

people

Capitalised R&D

**\$2.5m**

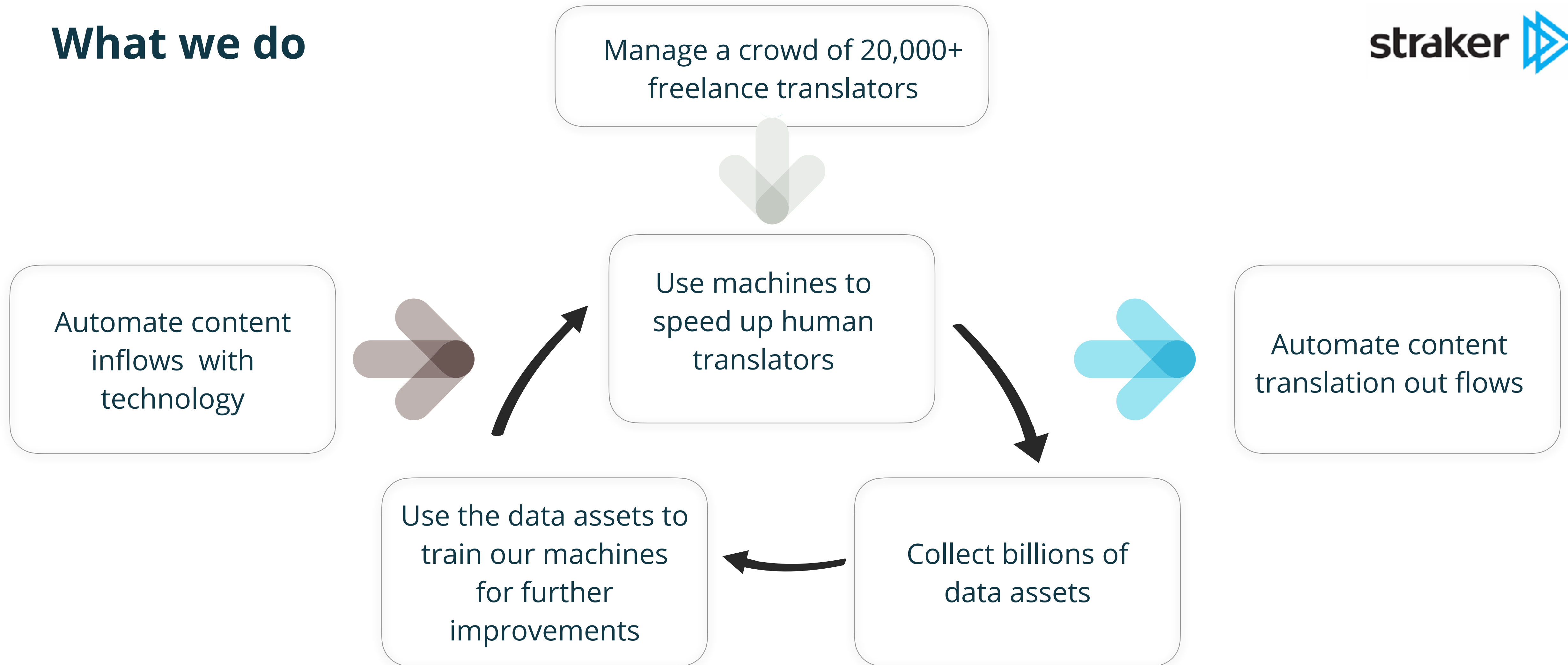
FY22

R&D areas of focus

- Translator Productivity
- Production Productivity
- Integration
- Dev ops
- SaaS
- Connectors and automation



# What we do



Our enterprise translation management platforms to manage the process



There are two major customers types

Customers who want minimal involvement in the process

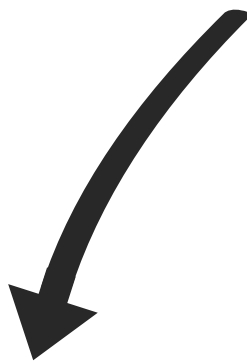
Customers who want to manage the process internally



RAY Translation HUB



Lingotek TMS



RAY Translation Portal



External/Internal Vendors

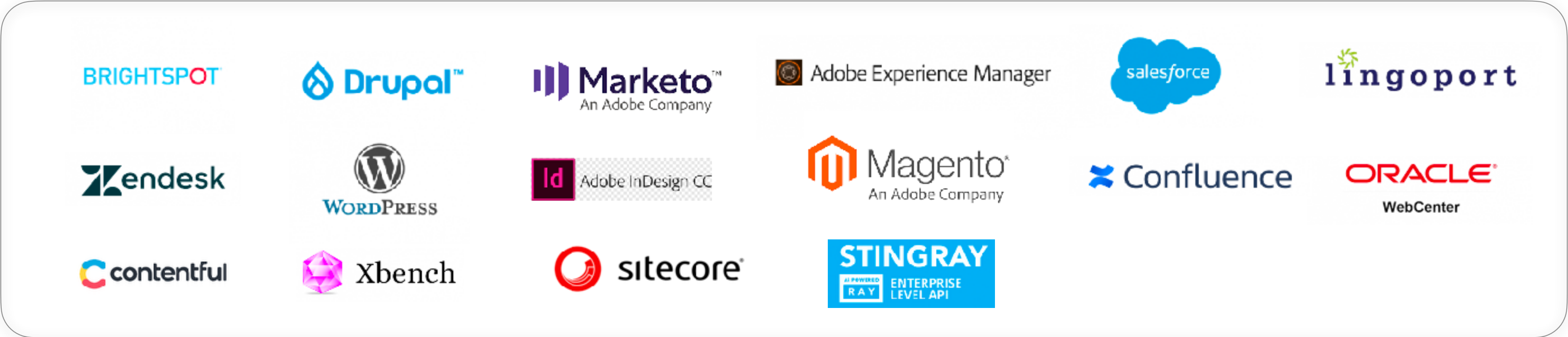
# Software strategy



Be the industry **eco-system provider of choice** by having a **full stack offering** by simplifying customers technology stack and adding value through our **unique productivity based pricing**

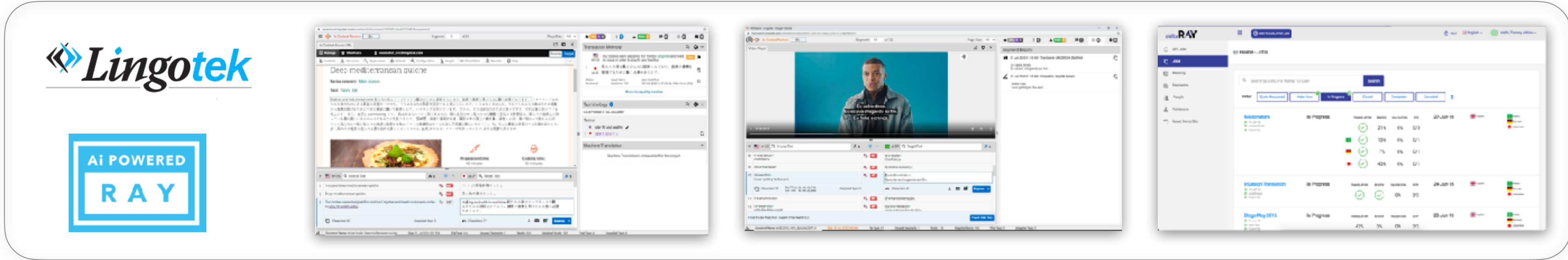
## Connectors

*Be where the customer is*



## Translation Management System

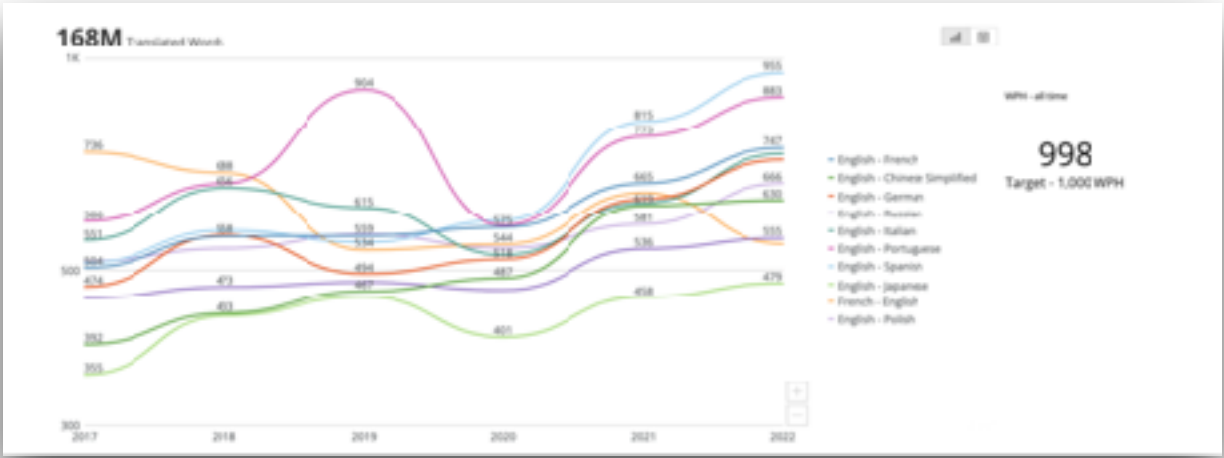
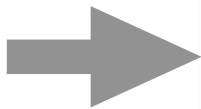
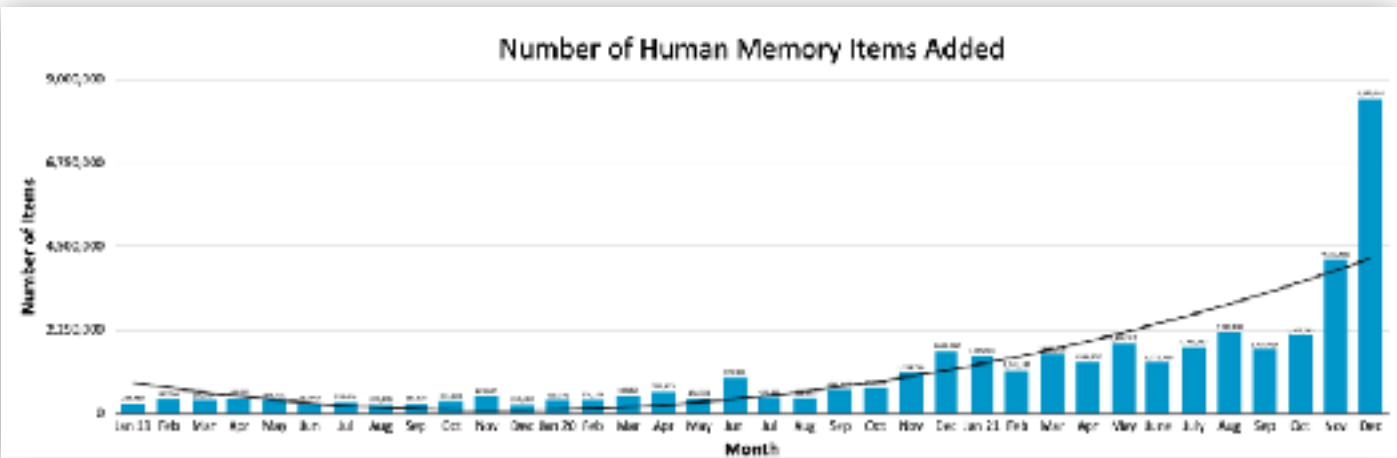
*Minimum input, maximum functionality*



## Data

*Unique productivity based offer*

*Increased data assets*



*Increased translator speed*



# Who are our customers



25 Leading customers



300+ Enterprise customers



10,000+ SME/  
Transactional customers

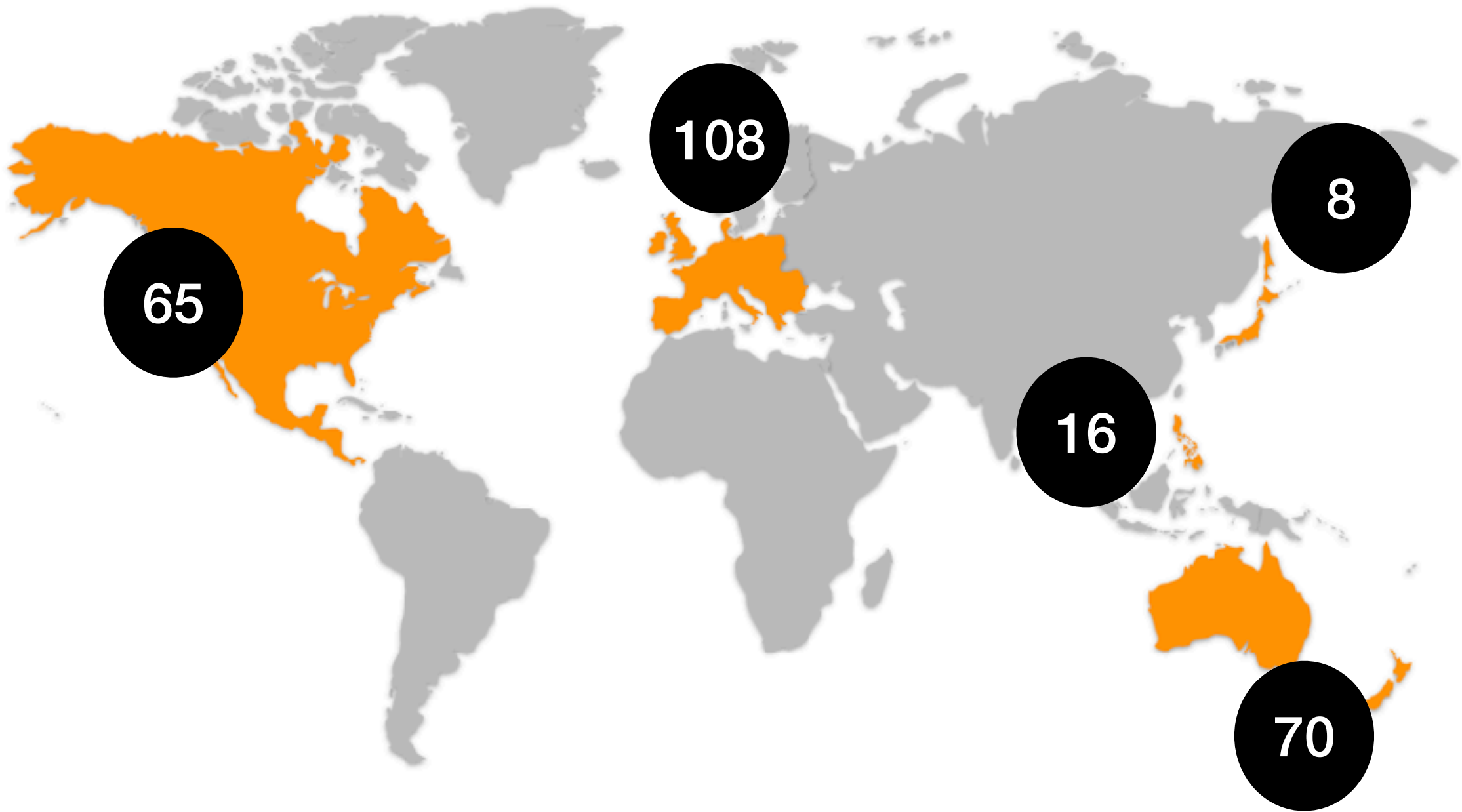


# Straker Team

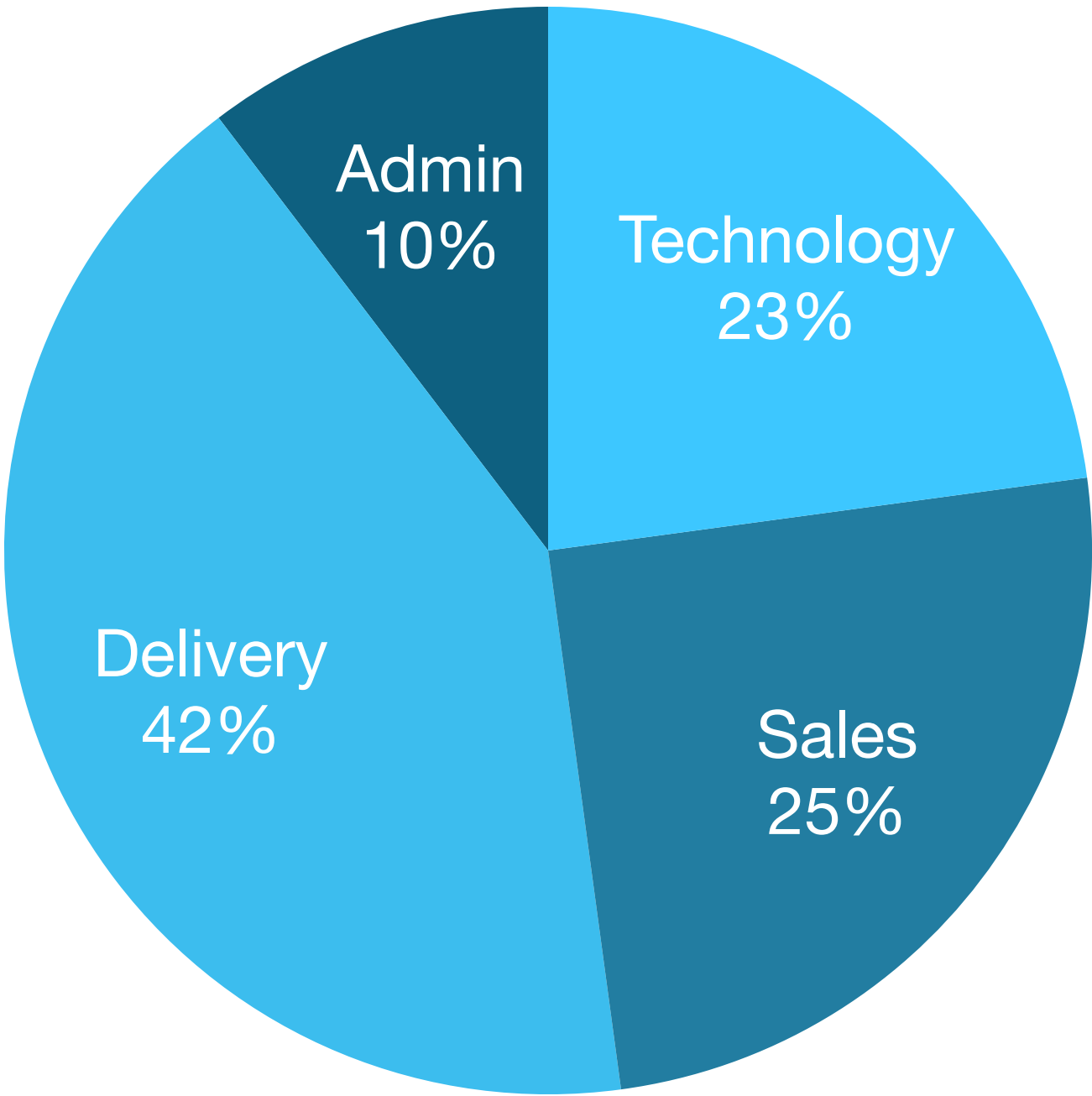


With 267 FTEs in 14 offices across 10 countries Straker has scale and reach to deliver on our growth objectives

Global Team - 267 people



Department Split by Employees



We have had a focus on being a good corporate citizen and ensuring that our Environmental, Social and Governance foundations are strong. We are in the process of working towards **B-Corp accreditation**.

Environmental	Social	Governance
<div><div>✓</div><div>90% reduction in travel carbon emissions in FY22 from FY19</div></div> <div><div>✓</div><div>Once borders fully reopen we expect travel to be around 40% of the FY20 level</div></div> <div><div>✓</div><div>Embraced and facilitated remote working long before covid</div></div> <div><div>✓</div><div>Ensured our head office was next to a major public transport hub</div></div>	<div><div>✓</div><div>More than 50% of staff are female</div></div> <div><div>✓</div><div>1/3 of the executive female</div></div> <div><div>✓</div><div>Living wage</div></div> <div><div>✓</div><div>ISO 27001 Data Security</div></div> <div><div>✓</div><div>High customer satisfaction scores</div></div> <div><div>✓</div><div>Invested in regional offices to support the regional communities</div></div> <div><div>✓</div><div>Support local communities through sponsorships</div></div>	<div><div>✓</div><div>2 Indigenous Directors</div></div> <div><div>✓</div><div>1 Female Director</div></div> <div><div>✓</div><div>Executive pay market rates with any upside linked to company performance</div></div> <div><div>✓</div><div>Anti-bribery and corruption policy</div></div> <div><div>✓</div><div>All Board charters and policies freely available on our website</div></div>



# Industry market dynamics

Private sector is showing considerable interest in the sector and putting a premium on the opportunity

- ✔ Verbit.ai - raised \$250m at a US\$2b valuation and \$100m revenue
- ✔ Transactions - there were 62 industry transactions in 2021 including M&A, capital raises and trade sales
- ✔ Transperfect - 1st language service provider to break US\$1 billion in revenue
- ✔ Top 100 LSPs - grew revenue by 12.7% in 2021
- ✔ Venga acquired by Argos in 2021

Next 3 years presents a huge opportunity to use our unique technology and data assets to grow our margins

 Build out our **SaaS revenue** structures with an initial target to move from our current 7% to 20% of revenue

 Become the industry **eco-system provider of choice** by having a multi-option, deep stack offering

 **R&D focus** on adaptive, AI based translation processes to increase the speed of translators

 Use **data assets to increase market share** through our unique productivity based pricing models

 Further **improve the gains in automation** we have in the sales & services layers of the business



- ✓ Guidance of 20% growth on FY22 full year revenues and Adjusted EBITDA profitable for FY23
- ✓ Focus on profit and margins through SaaS
- ✓ R&D Innovation focus
- ✓ New vertical sales channels
- ✓ Acquisition possibilities as the market adjusts post covid and opportunities arise

# Q&A