



# Interim Results presentation

Six months ended 31 December 2022 (HY23)

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Bailador Technology Investments Limited (ASX:BTI)

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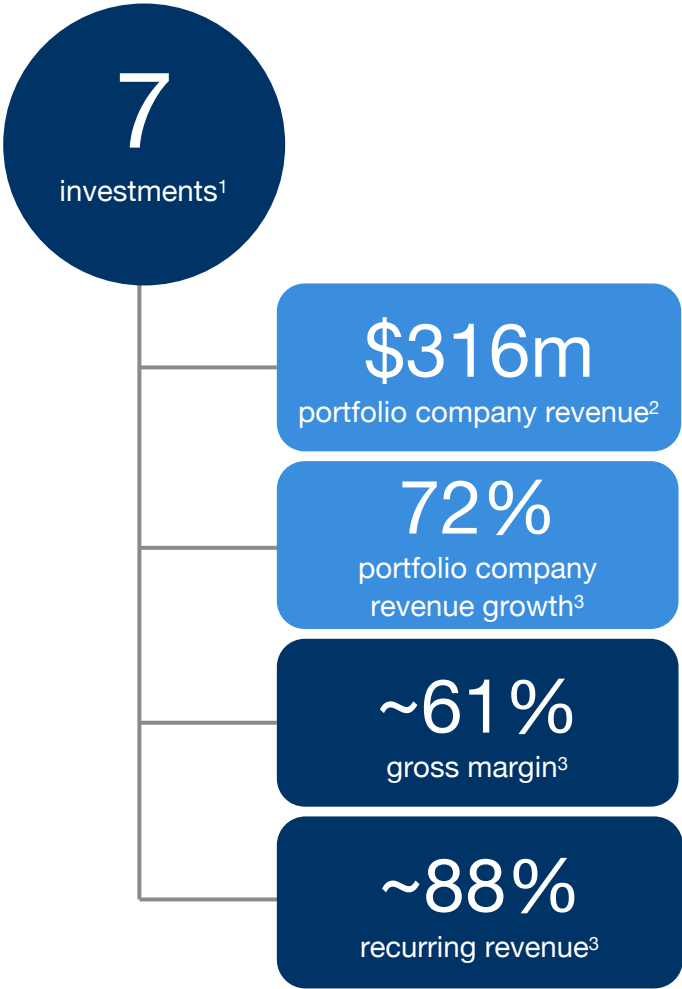
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This presentation was authorised for release to the ASX by Helen Foley, Company Secretary & Chief Financial Officer, on 8 February 2023.

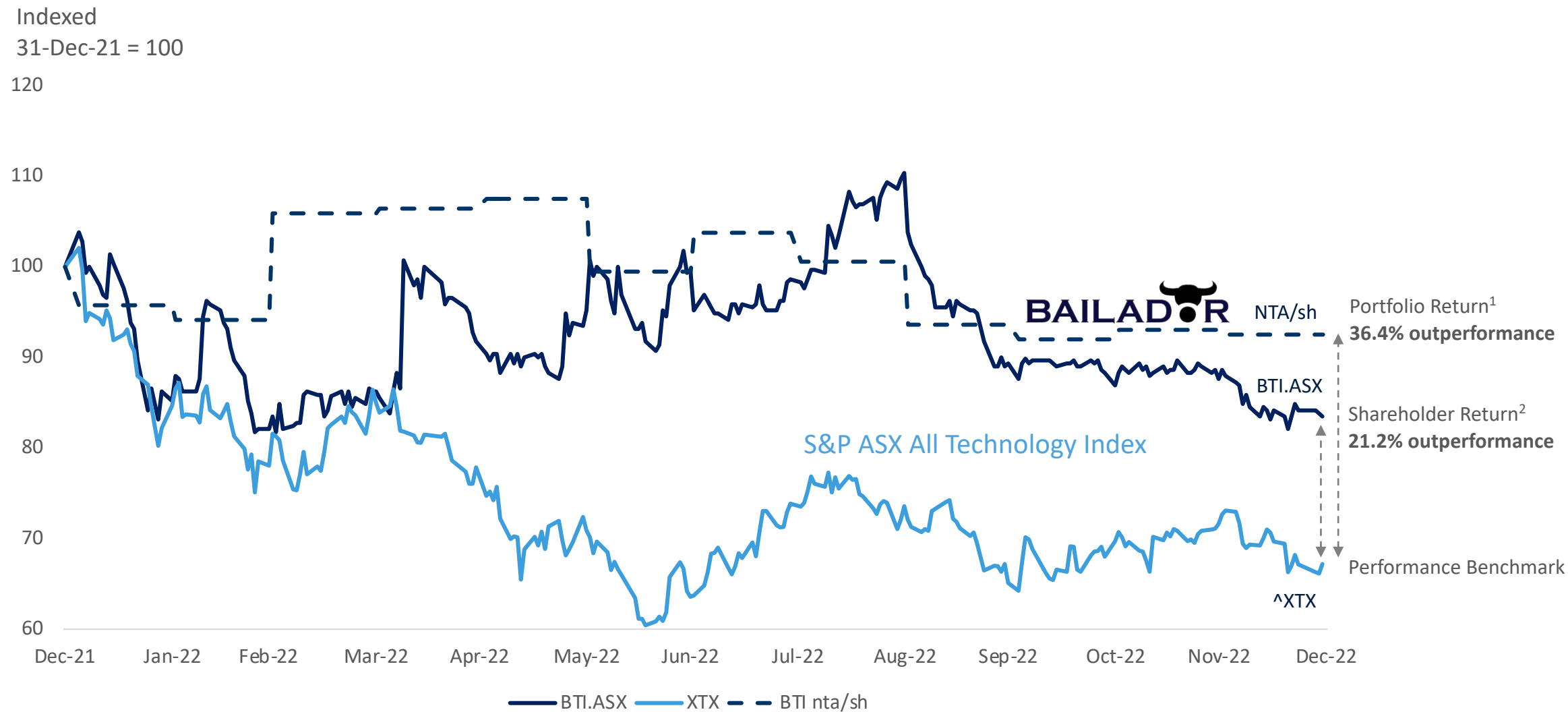
## Executive Summary

- ✓ **Interim dividend of 3.5 cents per share (fully franked) declared<sup>1</sup>, part of ongoing dividend commitment**
  - *Represents an annualised yield of 5.4% (7.7% on a grossed up basis)*
  - *10.9 cents per share declared/paid over last 12 months, fully franked*
- ✓ **BTI shares outperformed the S&P/ASX All Technology index by 21% over last 12 months**
- ✓ **NTA per share down 7% to \$1.73 over 1H FY23 largely due to September 2022 dividend payment**
  - *BTI portfolio remains conservatively valued compared to listed comparables*
- ✓ **The BTI portfolio ended 2022 in a strong position with combined portfolio revenue of \$316m**
  - *72% growth over last 12 months*
- ✓ **BTI is well positioned with Net Cash of \$120m to take advantage of additional investment opportunities**
  - *Additional investments in InstantScripts (\$5.0m) and Rezdy (\$1.5m)*
  - *Further investments in Access Telehealth (\$3.1m) and Rezdy (\$0.5m) completed in January 2023*

# The Bailador portfolio ended 2022 in a strong position



# Bailador outperformed the technology sector by 21% in 2022

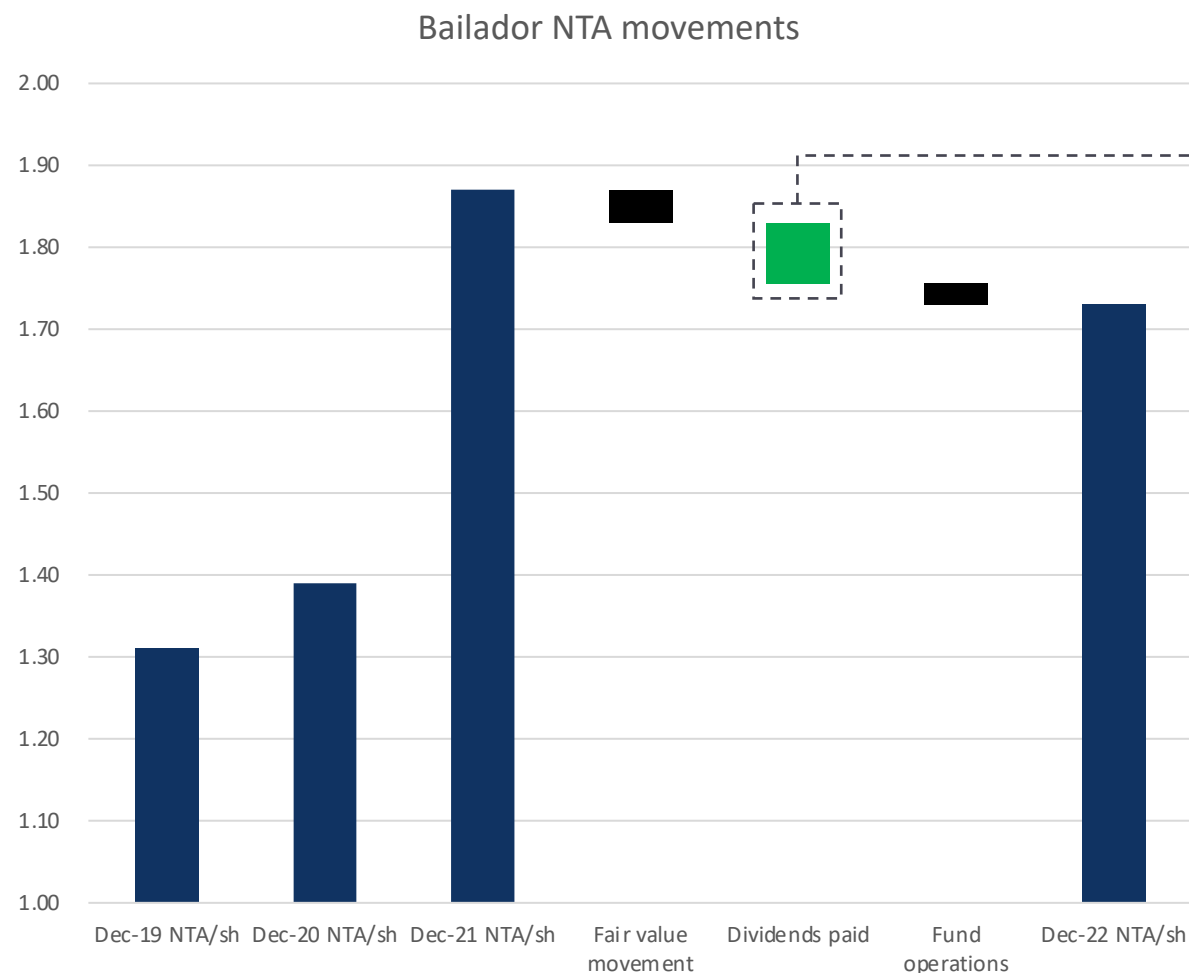


Note: <sup>1</sup>Portfolio Return calculated as the compound annual growth in NTA per share (pre-tax) plus dividends paid. <sup>2</sup>Shareholder Return calculated as the compound annual growth in BTI share price plus dividends paid.

# NTA per share movement largely driven by September 2022 dividend payment

- Dividends fully-franked; 40% DRP take-up of September 2022 dividend

NTA per share

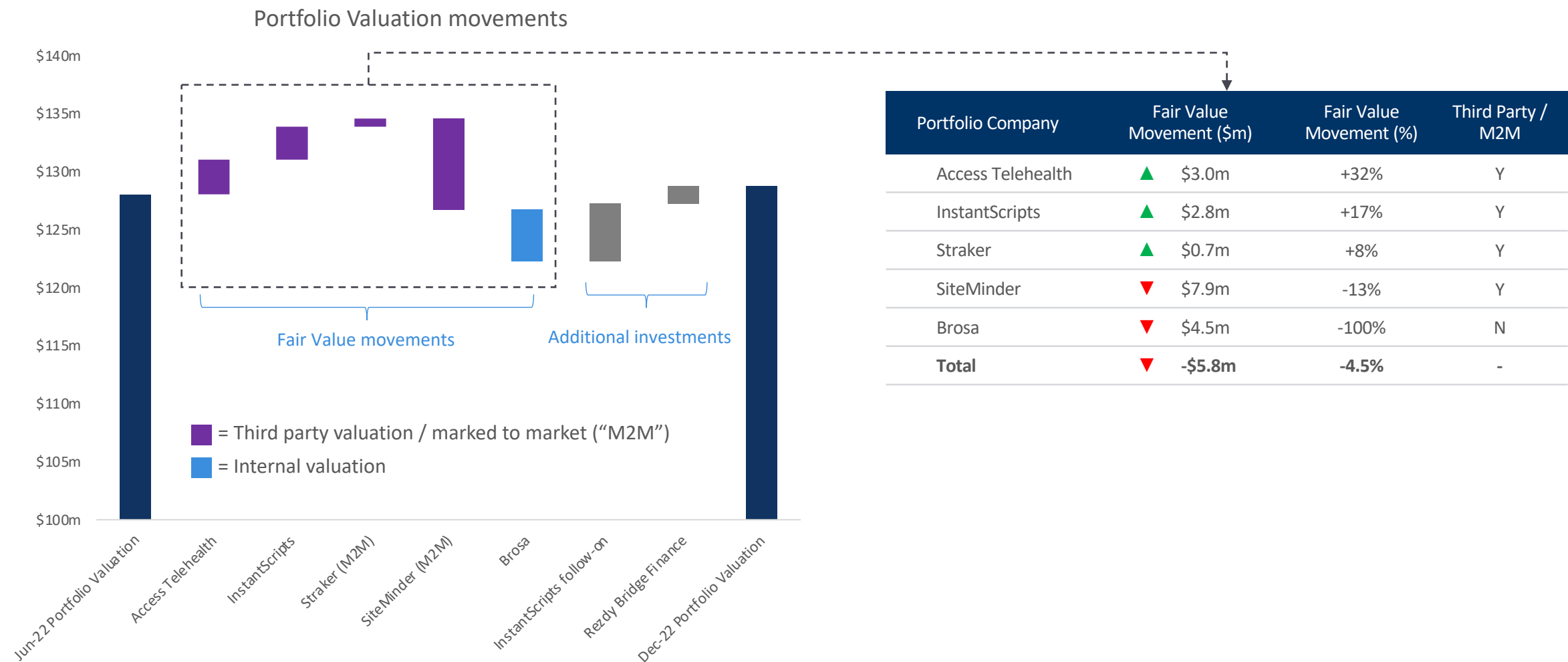


Dividend paid (Sep-22) <sup>1</sup>	Amount
30-Jun-22 NTA (pre-tax)	\$262.0m
Special dividend paid	\$5.2m
Ongoing dividend paid	\$5.2m
<b>Total dividend paid</b>	<b>\$10.4m</b>
BTI shares on issue	141.0m
Dividend per share	7.4cps
BTI share price (12-Aug-22)	\$1.50
<b>Cash dividend yield</b>	<b>4.9%</b>
Franking	100%
Company tax rate	30%
<b>Effective Sep-22 dividend yield (grossed up)<sup>1</sup></b>	<b>7.0%</b>

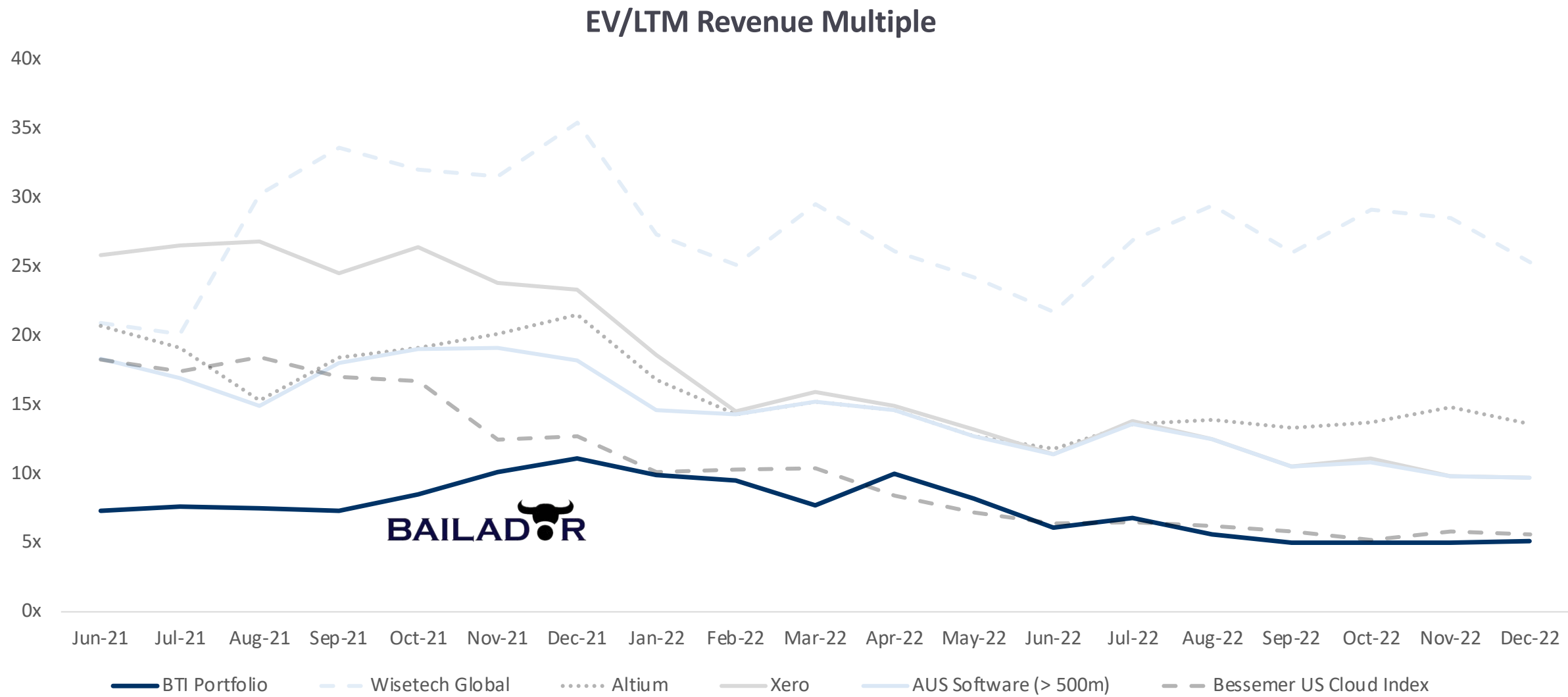
Note: <sup>1</sup>Yield calculated on September 2022 dividend only. Interim dividend declared on 8 February 2022 will be in addition to this.

# Portfolio valuation movements driven largely by third party transactions and marked to market

- Bailador’s overall portfolio valuation flat over HY23 despite significant reductions in value of SiteMinder and Brosa



# Bailador's valuation has remained conservative despite the sell-off in tech stocks

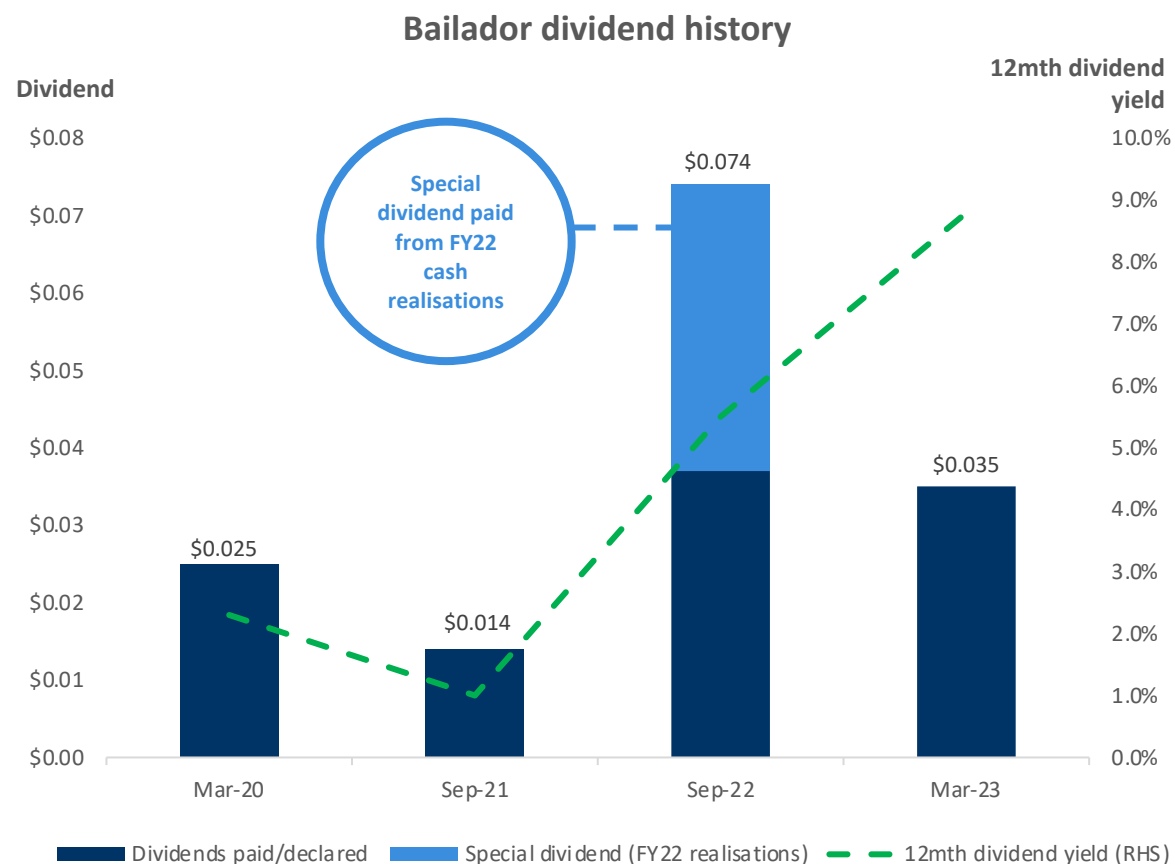




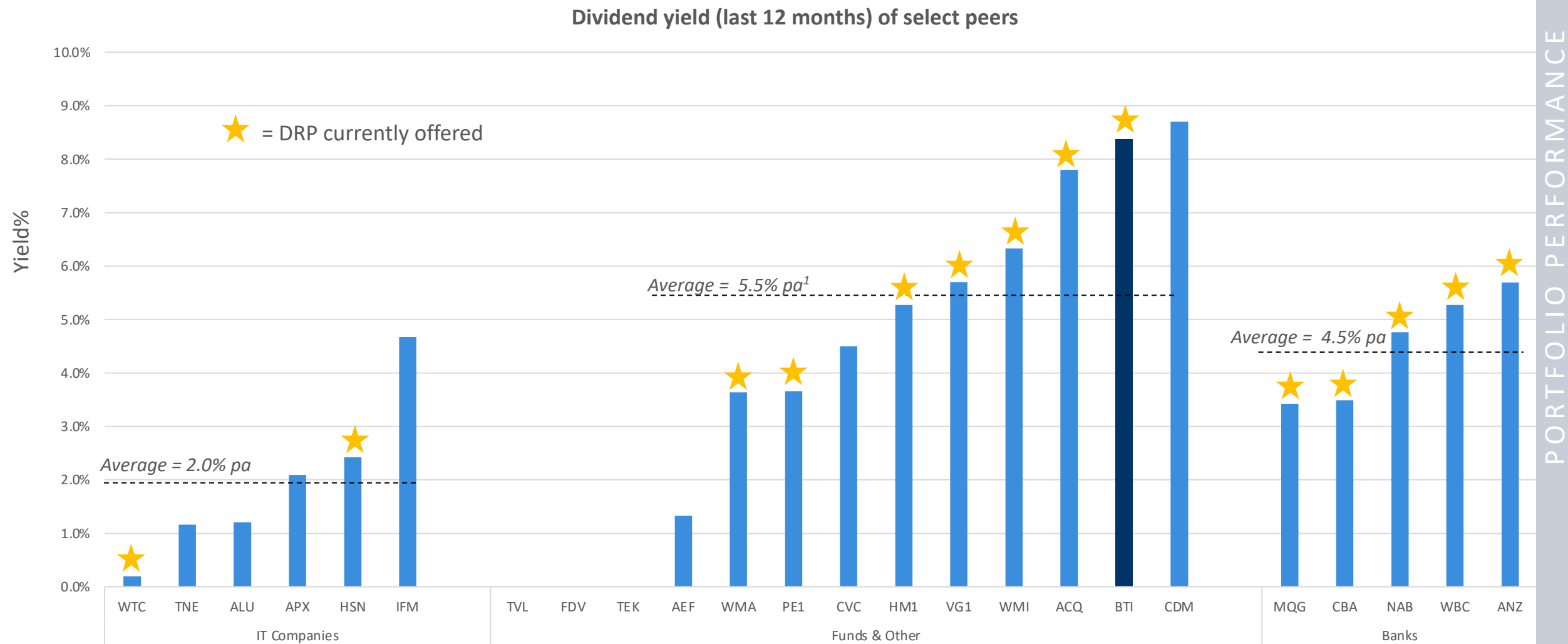
# Interim dividend of 3.5 cents per share fully franked declared to be paid in March 2023

- Bailador has committed to paying 4% of NTA (pre-tax) per annum fully franked, paid semi-annually
- Total dividends of 10.9 cents per share (fully franked) declared over last 12 months
- DRP active at 2.5% discount to DRP price<sup>3</sup>

Interim Dividend declared <sup>1</sup>	Amount
Dec-22 NTA (pre-tax)	\$248.3m
Dividend as %NTA (pre-tax)	2.0%
<b>Dividend declared</b>	<b>\$5.0m</b>
BTI shares on issue	143.9m
Dividend per share	3.5cps
BTI share price (7-Feb-2023)	\$1.30
Cash dividend yield	2.7%
<b>Annualised cash dividend yield</b>	<b>5.4%</b>
Franking	100%
Company tax rate	30%
Interim dividend yield (grossed up) <sup>1</sup>	3.8%
<b>Annualised Interim dividend yield (grossed up)</b>	<b>7.7%</b>



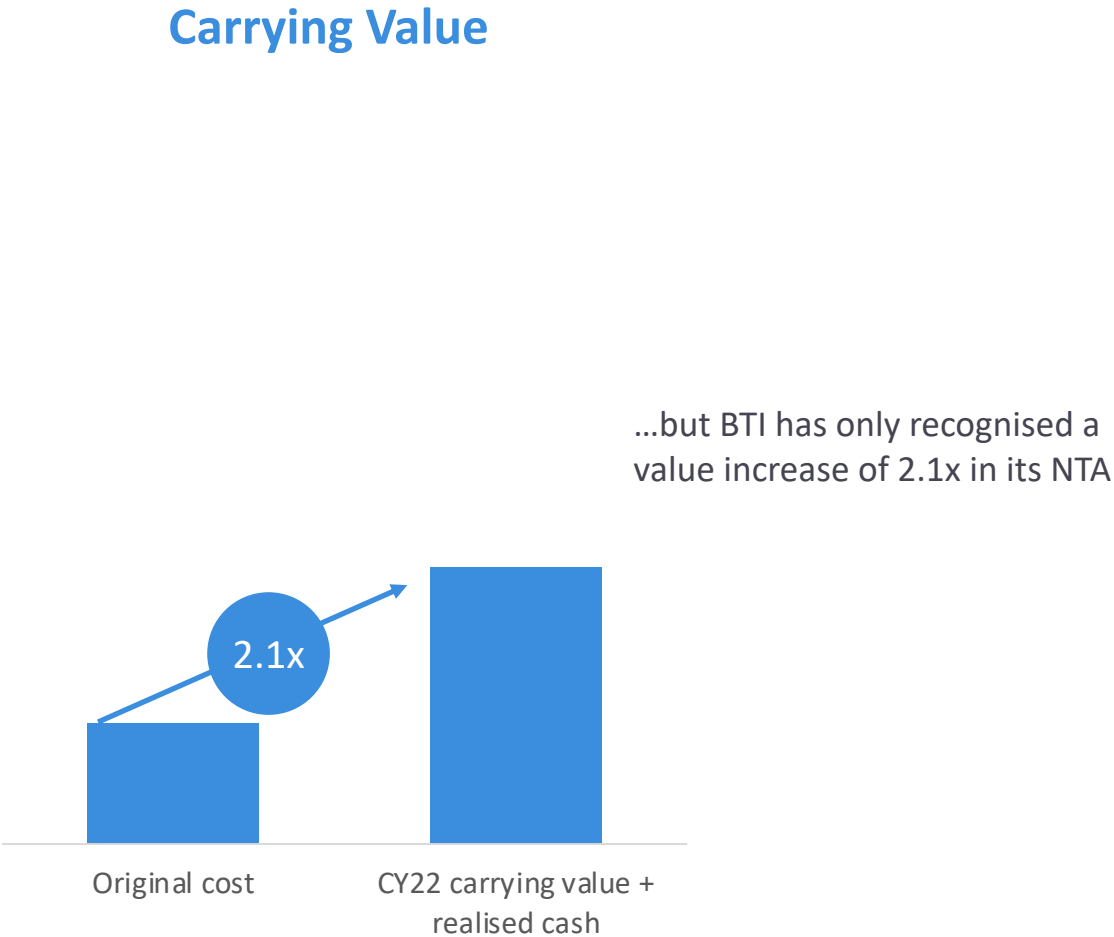
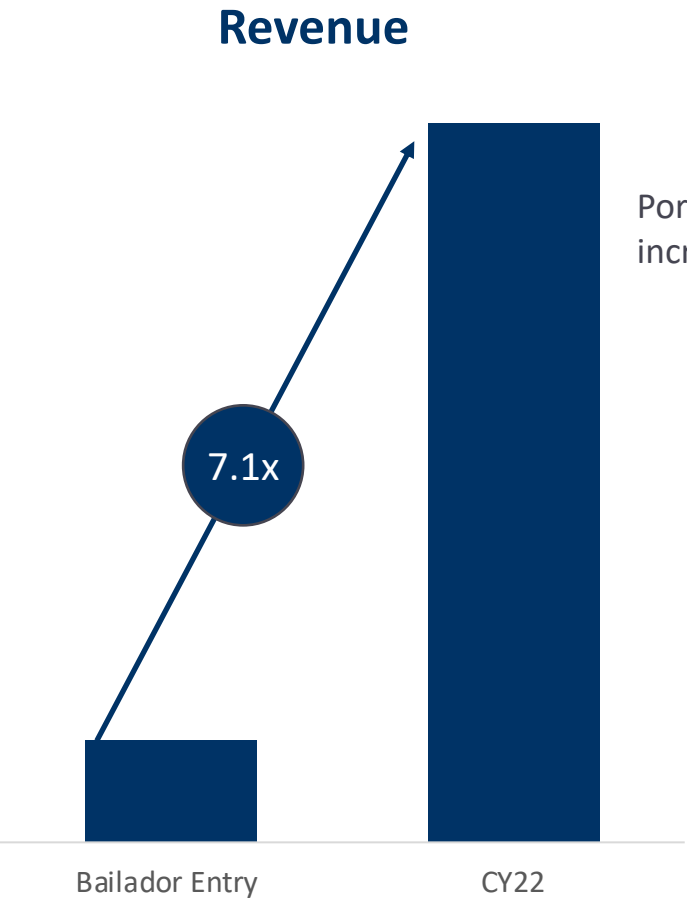
# BTI offers a superior dividend yield vs peers



## Our business model is designed to generate premium returns



# The growth in carrying value of BTI's investments is conservative in comparison to the revenue growth in the portfolio



# Bailador has a track record of 11 full and partial cash realisations

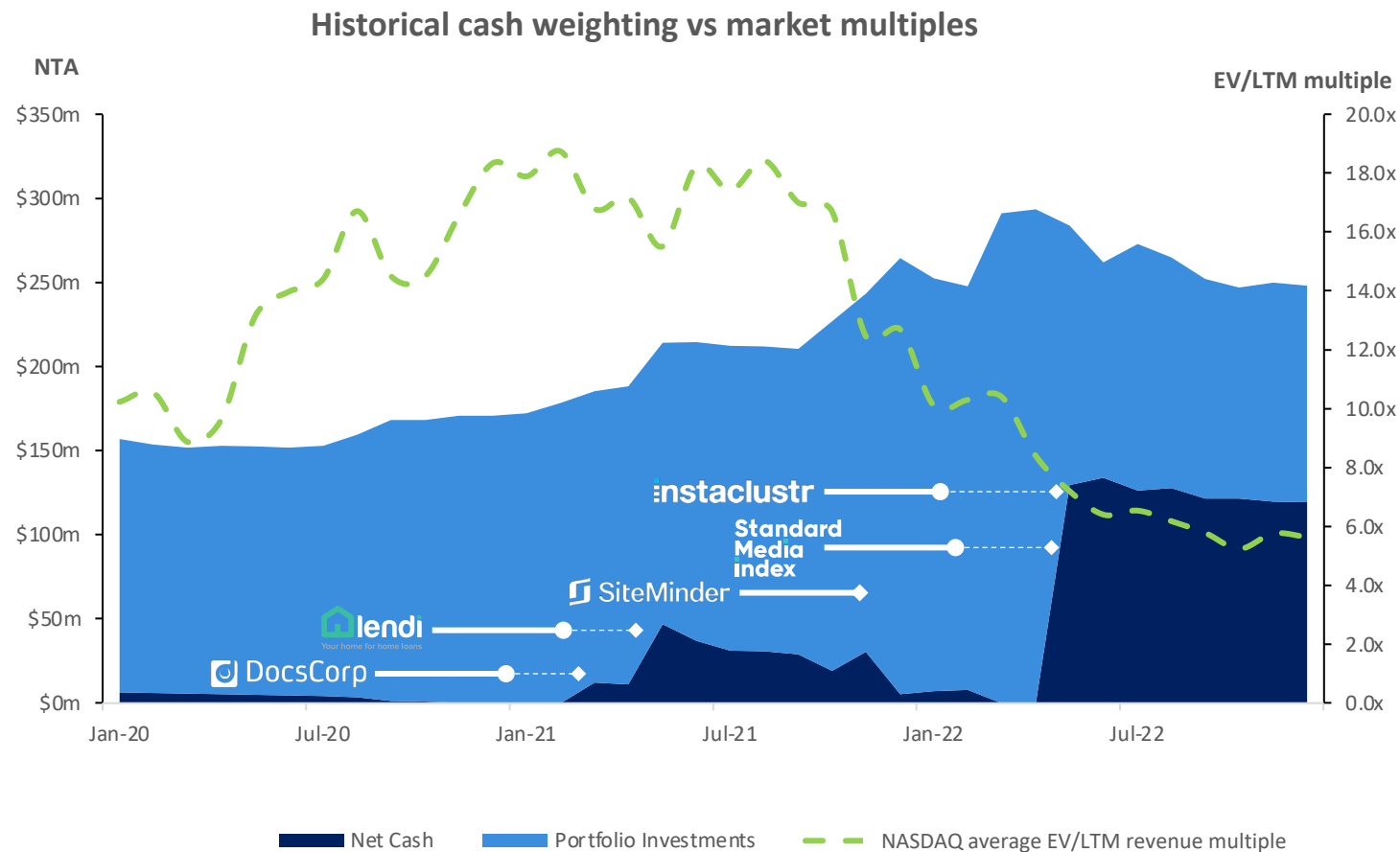
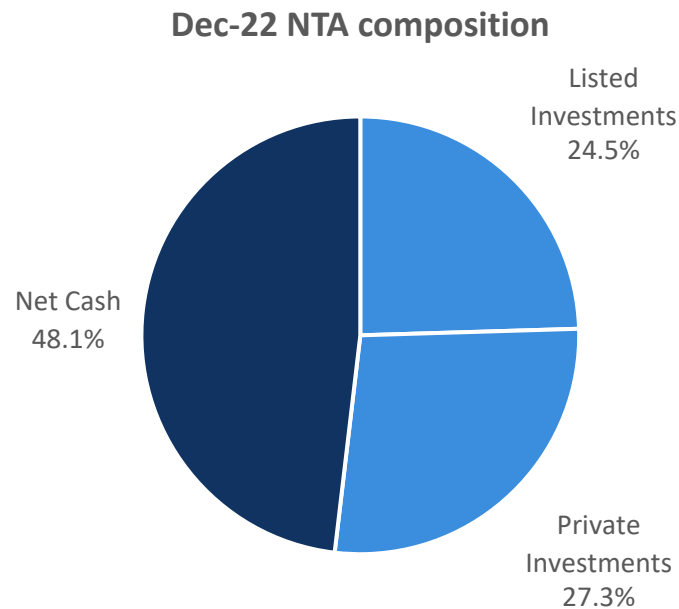
- These have delivered a combined 3.8x multiple on invested capital at an IRR of 22.4%
- All 11 realisations have been above carrying value



★ = full cash realisation

# Bailador's NTA composition has changed over the past two years due to cash realisations

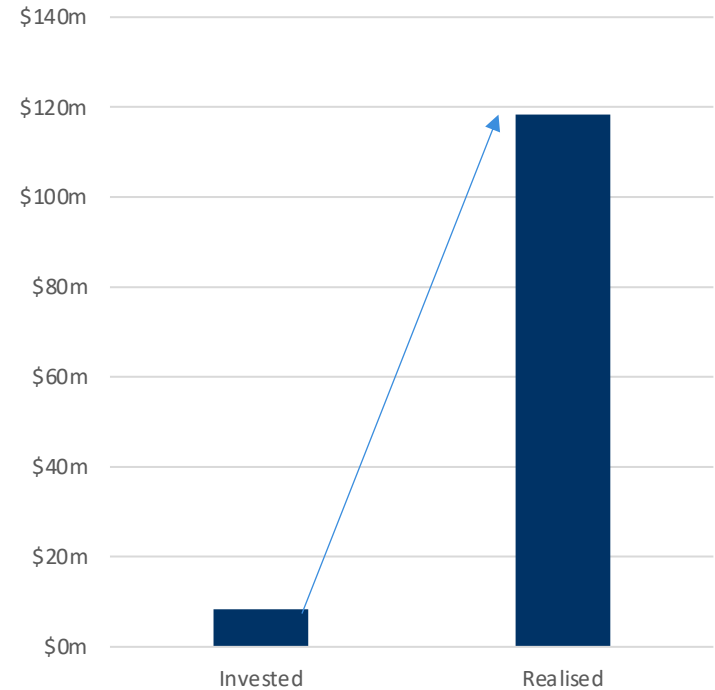
- Bailador realised over \$183m in cash from transactions executed during the peak of the market
- With \$120m in Net Cash (48% of NTA) BTI is well positioned to take advantage of additional investment opportunities



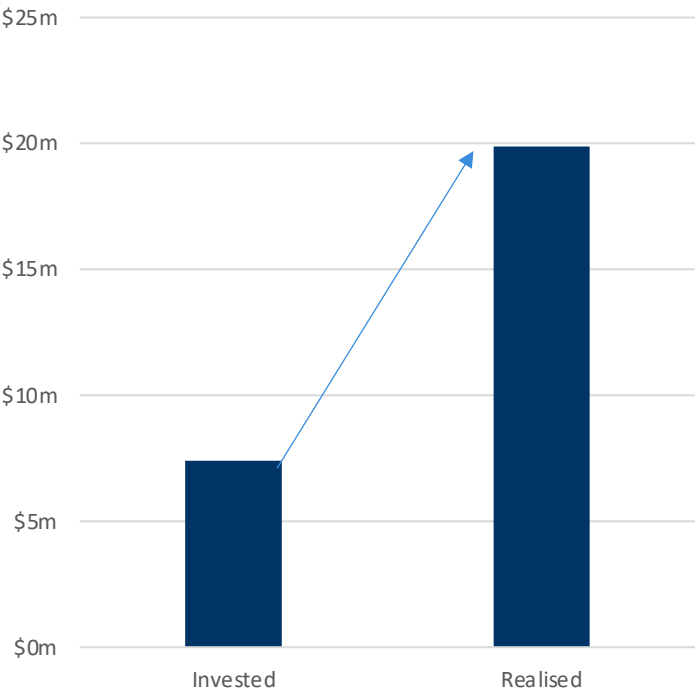
# Recent increase in Net Cash driven by three successful cash realisations



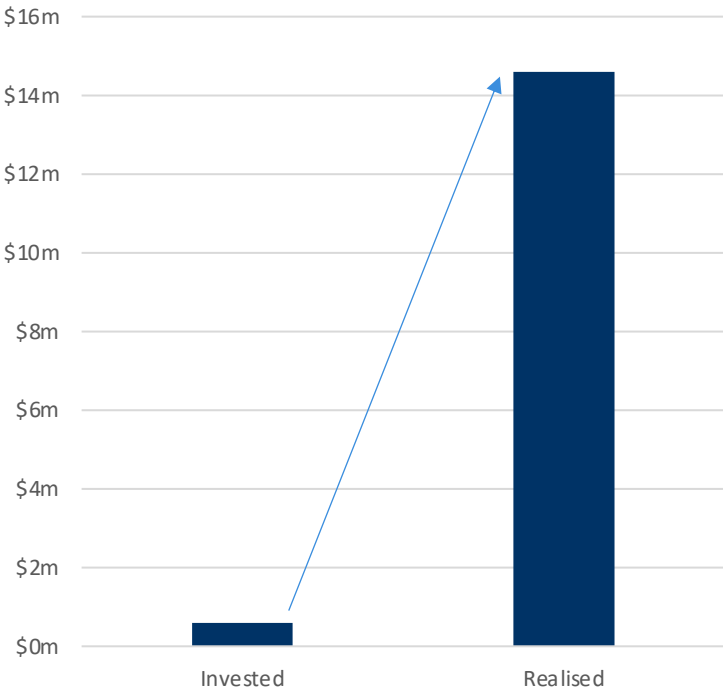
Instaclustr returned 14.2x invested capital at an IRR of 79.8%



SMI returned 2.7x invested capital at an IRR of 15.0%



SiteMinder investment returned 24.8x invested capital at an IRR of 40.4%



## Market valuation multiples have reduced and Bailador is well positioned to make new investments

- Three follow-on investments (InstantScripts, Rezdy and Access Telehealth) already made in FY23
- Likely to be additional new investments during the year, and possibly further follow on investments in existing portfolio companies
- Average technology multiples have declined over 70% since their peak and are now 25% below their long run average (8 years)
- Aim to maintain portfolio size at eight to 12 investments
- Bailador Net Cash at December 2022 was \$120m

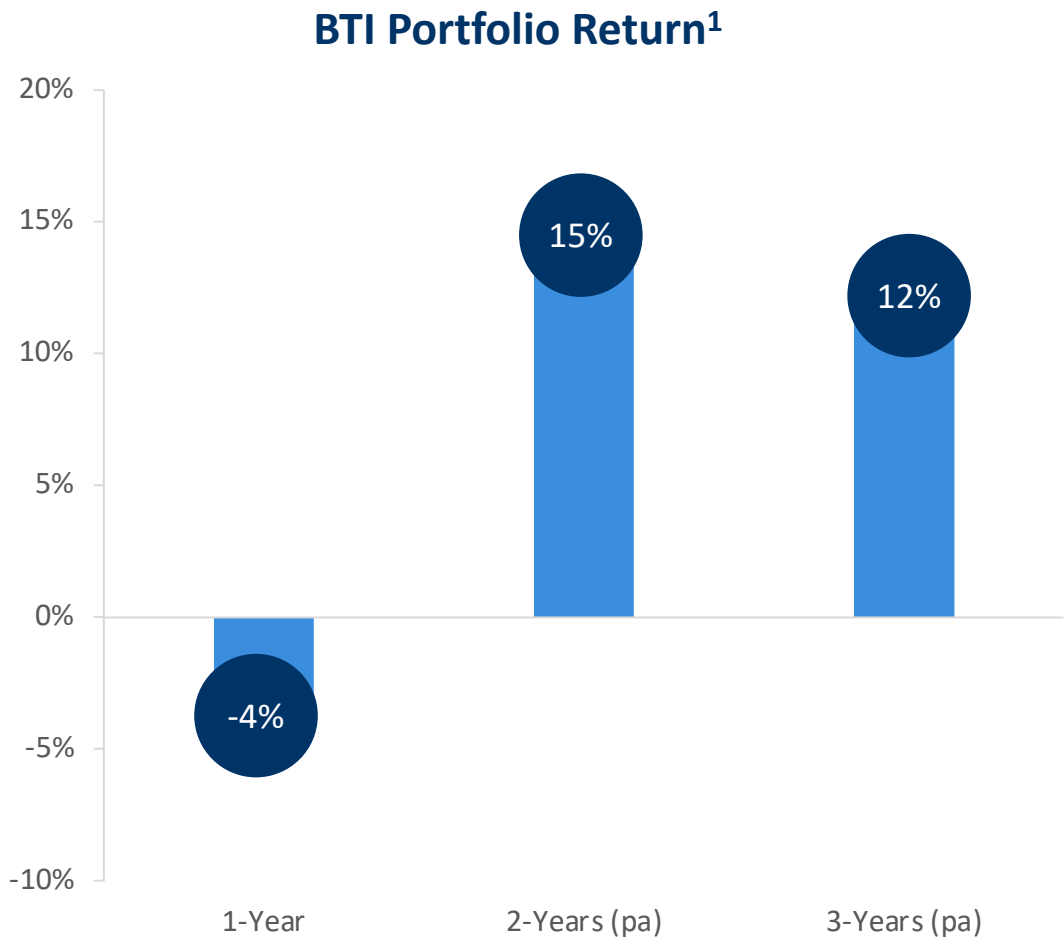
### Average technology multiples have declined to below their long-term average<sup>1</sup>





# Bailador has generated solid investor returns over the medium-term



- BTI has outperformed benchmarks in all periods













Returns as at 31 Dec 2022	1-yr	2-yr	3-yr
Portfolio Return (%pa) <sup>1</sup>	-3.6%	14.5%	12.3%
Shareholder Return (%pa) <sup>2</sup>	-11.6%	6.3%	5.9%
Benchmark			
S&P/ASX All-Tech Index	-32.8%	-16.5%	0.4%
Performance vs Benchmark			
Portfolio Return	+36.4%	+31.0%	+11.9%
Shareholder Return	+21.2%	+22.9%	+5.5%

Note: <sup>1</sup>Portfolio Return calculated as the compound annual growth in NTA per share (pre-tax) plus dividends paid. <sup>2</sup>Shareholder Return calculated as the compound annual growth in BTI share price plus dividends paid.

# Strong portfolio performance and prospects across the Bailador portfolio

Investment	Portfolio weighting	Sector	Sector growth	Sector themes	Operational milestones
 		Travel / Accom.		<ul style="list-style-type: none"> <li>✓ International travel reopening and gathering momentum</li> <li>✓ Regional travel strong in some countries</li> <li>✓ China reopening expected to provide significant uplift in travel activity globally</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Delivered strong HY23 performance (revenue up 30.4% on HY22, including transaction revenue up 87.1%)</b></li> <li>• Number of properties increased 10% YoY and uptake of transaction products increased 55% YoY</li> <li>• Management team strengthened with appointment of Tim Howard (CFO)</li> <li>• SiteMinder has guided to cashflow neutral by Q4 FY24</li> <li>• Remains well capitalised with \$97.6m of liquidity</li> </ul>
 		Digital Healthcare		<ul style="list-style-type: none"> <li>✓ Emerging market with huge potential</li> <li>✓ Attractive structural tailwinds</li> <li>✓ Low competition</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Bailador invested an additional \$5m in Jul-22 increasing the value of Bailador's investment to \$24.4m</b></li> <li>• Scaling across all areas of the business</li> <li>• <b>Growing extremely rapidly with revenue up over 190% over the period having completed over 900,000 transactions</b></li> </ul>
 		Travel / Experiences		<ul style="list-style-type: none"> <li>✓ International travel reopening and gathering momentum</li> <li>✓ Regional travel strong in some countries</li> <li>✓ China reopening expected to provide significant uplift in travel activity globally</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ended 2022 with ARR up 45% despite travel not yet reaching full capacity</b></li> <li>• Adjusted revenue model and built distribution alliances that will pay off as travel returns</li> <li>• <b>Bailador invested additional \$1.5m via bridging loan in Nov-22</b></li> </ul>
 		Digital Healthcare		<ul style="list-style-type: none"> <li>✓ COVID-19 has moved telehealth into the mainstream for both consumers and doctors</li> <li>✓ Attractive structural tailwinds</li> <li>✓ Low competition</li> </ul>	<ul style="list-style-type: none"> <li>• The business is growing rapidly with doctors and specialists delivering 10,000+ consultations monthly</li> <li>• <b>Bailador invested an additional \$3.1m as part of a \$7m capital raise which resulted in a 32% valuation uplift on Bailador's valuation held prior to the transaction</b></li> </ul>

## Strong performance and prospects across the Bailador portfolio (cont.)

Investment	Portfolio weighting	Sector	Sector growth	Sector thematics	Operational milestones
		Language Translation		<ul style="list-style-type: none"> <li>✓ Highly fragmented provider landscape with patchy technology adoption</li> <li>✓ Increasing demand from Enterprises for platform capable of facilitating full range of translation needs</li> <li>✓ Increased globalization of products and media content</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple growth drivers via both organic (customer) and inorganic (business) acquisition channels</li> <li>• Renewed IBM contract for 3 years</li> <li>• <b>Delivered \$5m of annual run-rate cost savings</b></li> <li>• Straker has guided to positive cash flow and EBITDA in Q4 FY23</li> <li>• <b>Share price up 8% over the period</b></li> </ul>
		E-commerce		<ul style="list-style-type: none"> <li>✓ Fast growing e-commerce sector</li> <li>✓ Huge COVID-19 inspired growth wave</li> <li>✓ Increasing demand for personalised, authentic shopping experiences that can be delivered at scale</li> </ul>	<ul style="list-style-type: none"> <li>• Stackla merged with Nosto in Jun-21 in a predominately scrip transaction</li> <li>• Nosto has since acquired two other companies: SearchNode and Findologic, to further enhance its offering to customers</li> <li>• Nosto is profitable and performing well</li> </ul>
		Digital Healthcare		<ul style="list-style-type: none"> <li>✓ Emerging market with huge potential</li> <li>✓ Attractive structural tailwinds</li> <li>✓ Low competition</li> </ul>	<ul style="list-style-type: none"> <li>• Has developed a strong brand in the fast-growing men's digital healthcare market</li> <li>• Growing well and offering treatment plans in hair loss, sexual health, weight loss and mental health</li> </ul>
	nil	E-commerce (furniture)	n/a	n/a	<ul style="list-style-type: none"> <li>• The economic climate placed stress on Brosa's discretionary focused revenue and Bailador proactively wrote Brosa down to \$nil in October 2022. Brosa was later placed into administration and its assets sold in December 2022.</li> </ul>

# Summary Profit and Loss

For the half year ended 31 December 2022

	HY22 \$000	HY23 \$000
Change in value of portfolio assets	65,214	(5,818)
Interest income	82	1,479
<b>Total investment growth</b>	65,296	(4,339)
Management fee	(2,034)	(2,292)
Performance fee	(11,135)	-
Cost of realisation of financial assets	(474)	(20)
Directors' fees	(104)	(112)
Other operating expenses	(606)	(673)
<b>Total costs</b>	(14,354)	(3,097)
<b>Profit before tax</b>	50,942	(7,436)
Tax	(15,284)	2,230
<b>Profit after tax</b>	35,659	(5,206)

As a result of significant increase to cash balance from recent realisations

1.75% management fee calculated on pre-tax NTA

# Summary Financial Position

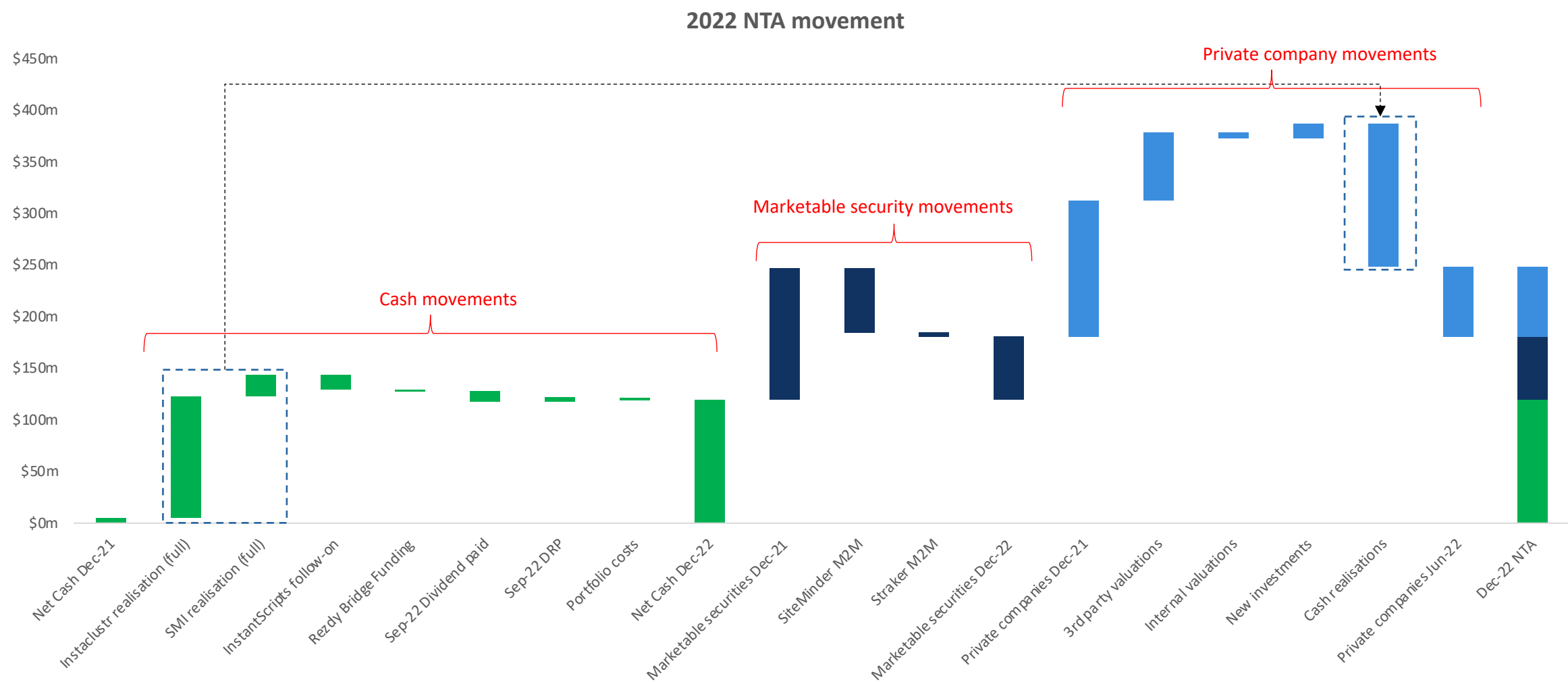
	30 June 2022 \$000	31 December 2022 \$000	Movement \$000
Cash	143,784	115,138	(28,646)
Marketable securities	68,001	60,879	(7,122)
Portfolio loans	-	1,500	1,500
Receivables	934	4,523	3,589
Deferred tax asset	4,863	5,338	475
Financial assets	60,051	66,400	6,349
<b>Total assets</b>	<b>277,633</b>	<b>253,778</b>	<b>(23,855)</b>
Trade & other payables	10,773	176	(10,597)
Income tax payable	30,391	30,391	-
Deferred tax liability	11,783	10,022	(1,761)
<b>Total liabilities</b>	<b>52,947</b>	<b>40,589</b>	<b>(12,358)</b>
<b>Net assets</b>	<b>224,686</b>	<b>213,189</b>	<b>(11,497)</b>
<b>Net assets (pre-tax)</b>	<b>261,997</b>	<b>248,264</b>	<b>(13,733)</b>
<b>Net assets per share (pre-tax) \$</b>	<b>1.86</b>	<b>1.73</b>	<b>(0.13)</b>

Decrease in cash includes Sep-22 dividend (\$10.4m), payment of performance fee (\$11.1m) and additional portfolio investments (\$6.5m)

During the period, Straker share price increased 8%; SiteMinder share price decreased 13%

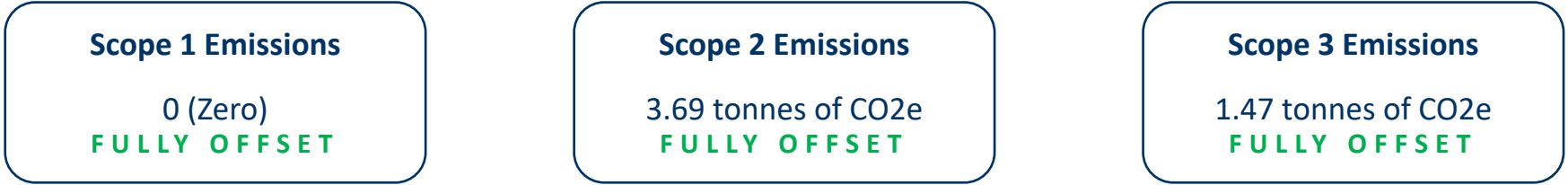
Income tax to be paid in February 2023

# Summary 2022 NTA movement by component



# Bailador’s commitment to ESG principles

- Bailador is establishing, integrating and implementing a long-term sustainability framework and goals
- Bailador is measuring, managing and mitigating carbon emissions we are directly responsible for
- In FY22, Bailador achieved the following results:



	Establish best practice at Bailador	Integrate ESG principles across the Bailador investment cycle	Work and influence portfolio companies
Governance	✓✓✓✓✓	✓✓✓	✓✓✓✓
People practices	✓✓✓✓	✓✓✓✓	✓✓✓
Climate change and carbon intensity	✓✓✓	✓✓	
Giving back	✓✓✓✓	✓✓✓	✓

# Bailador integrates ESG principles across the investment cycle



## Screening and qualification

- ✓ Bailador undertakes a high-level assessment of carbon intensity of potential investments
- ✓ Bailador considers high carbon intensity companies (e.g. data centres and bitcoin mining) to have a higher risk than low carbon intensity businesses



## Due diligence, negotiation and investment

- ✓ Meticulous in assessing governance capability and the commitment of founders and management to high-class governance
- ✓ Background research on founders is undertaken
- ✓ Information rights and investor representation are negotiated and agreed



## Governance and support for management post investment

- ✓ Bailador is often on the board of investments and from this position is able to influence governance
- ✓ Board papers and board sub-committees are established
- ✓ Bailador works with management to support diversity, people development and a merit-based culture



## Sale and realisation

- ✓ Bailador remains tightly involved in sale and realisation processes and supports sales only to reputable buyers





**Bailador provides investors with access to high-growth [expansion-stage technology](#) companies at attractive valuations.**

Investors get access through an ASX traded share [[ASX:BTI](#)]  
with liquidity available at any time

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