

# Bailador Tech Investments

## Building a disruptive portfolio

**Bailador Technology Investments (BTI) is a Sydney-based private equity firm created by former Fairfax Media (FXJ.ASX) CEO and All Black captain David Kirk and former CHAMP and Illyria executive Paul Wilson. The company raised A\$25m in an IPO in late 2014 to continue its strategy to invest in technology companies that have passed through the start-up stage. The company's post-tax NAV at 31 July was A\$1.013, a 27% premium to the current share price, which is also at a discount to the issue price of \$1/share.**

### Tech-focused

BTI is a private equity firm specialising in investments in expansion capital in companies that have advanced through the start-up phase. The firm prefers to invest in the internet and information technology sector with a focus on e-commerce and subscription-based internet businesses, software, high-value data, online education, telecommunications applications and services, and new media and marketing. It does not invest in start-ups or in the biotechnology sector. The firm typically invests between A\$2m and A\$5m. It prefers to take minority stakes with board seats in portfolio companies.

### Current portfolio

BTI brought three foundation private investments to its IPO – SiteMinder, Viocorp and Standard Media Index (SMI) – and has subsequently invested in a fourth tech company, iPRO. SiteMinder is the global leader in hotel channel management and distribution solutions for online accommodation bookings. It accounts for 37% of the portfolio and Bailador values its 12.9% fully diluted share at A\$25m.

Viocorp is a cloud-based platform provider for publishing and broadcasting video and audio content through the web, IPTV and mobile services. BTI values its 52% stake at A\$18.7m. It makes up 27.6% of the portfolio. SMI, an independent source of actual advertising expenditure data to rival Nielsen, accounts for 8.1% of the portfolio. BTI values its 7.7% fully diluted stake at A\$5.5m. In March, the company invested A\$5.5m for a 45.3% stake in iPRO, a cloud-based vendor/supplier/employee compliance verification portal aimed at governments and corporates. It accounts for 8.5% of the portfolio. BTI had A\$13.3m cash in hand at end-July.

The company has announced it will invest NZ\$4m (A\$3.6m) in New Zealand-founded machine and crowd sourced translation service provider Straker Translations. BTI will hold a 15% stake via converting preference shares and take a board seat.

### Forecasts

There are no consensus forecasts available on the company.

#### Historical financials

Year end	Portfolio value (A\$m)	NTA pre-tax (A\$)	NTA post-tax (A\$)	DPS (c)	P/E (x)	Yield (%)
07/15	67.8	1.086	1.013	N/A	N/A	N/A

Source: Company reports

### Listed investment company

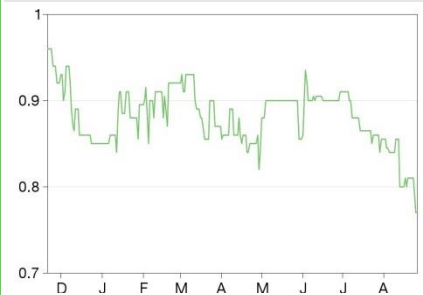
**Price\*** **A\$0.77**

**Market cap** **A\$48m**

\*As at 27 August 2015

Net cash (A\$m) at 31 July 2015 13.3

#### Share price graph



#### Share details

Code	BTI
Listing	ASX
Shares in issue	62.5m

#### Business description

Bailador is a private equity firm created to invest in internet and IT companies in their expansion capital stage. The company typically invests between A\$2m and A\$5m and takes a seat on the board. The company has had a realisation event since listing.

#### Bull

- Proven track record with compound annual growth of investor returns of 24.3% from 2010 to 2014.
- Experienced management team.
- Portfolio has a nice selection of sector disruptors.

#### Bear

- The foundation investments are private companies and not publicly traded.

- Option conversion deadline of 31 March 2016 will potentially weigh on the stock (exercise price A\$1.00/option).

#### Analysts

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