

## Overview

Clare Capital Tech Insights 100 - 100 - 20181005

















































































This is the 100th edition of our weekly Technology Insights report. We started this back in July 2016 with the idea of giving the market access to more information as we found there was a lack of understanding around technology companies and metrics.

We initially sent a single two-page report out to about 20 people plotting EV/Revenue against revenue growth for NZX technology companies on a chart with a variety of metrics on the back page including international comparators. It has since grown to 950+ subscribers (our target is 1,000 by the end of this year).

Credit must go to the team here at Clare Capital for producing 100 different technology reports over the last two-and-a-bit years. Each one takes about a day to produce and at any given moment we have approximately a dozen ready to be sent. It is all done in Excel, including the charts (with a couple of exceptions).

## Then and Now - a comparison between when we first started (July 2016) and now (October 2018)

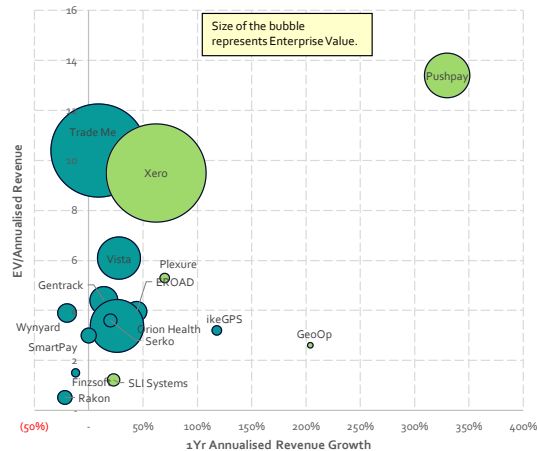
Top 10 ASX and NZX technology companies from the start of the reports to now (minimum NZD \$2 million in revenue now, only current public companies included).

	Market Capitalisation		Revenue		Revenue Growth		EBITDA Margin	
	Jul 2016	Oct 2018	Jul 2016	Oct 2018	Jul 2016	Oct 2018	Jul 2016	Oct 2018
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

## Highlights - a selection of excerpts from our reports that generated the most discussion over the last 99 editions

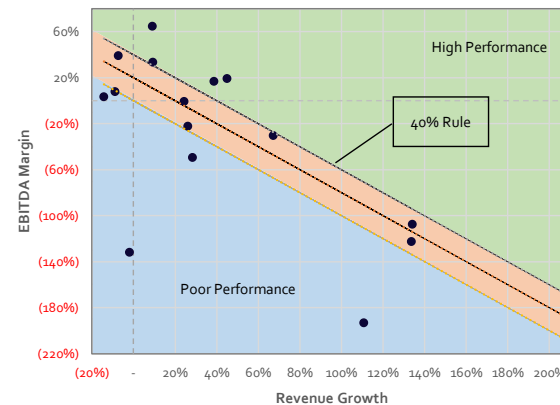
### Tech Insights #1 - EVAR v Growth v EV

Our very first report compared multiples, growth and EV for listed NZ tech companies.



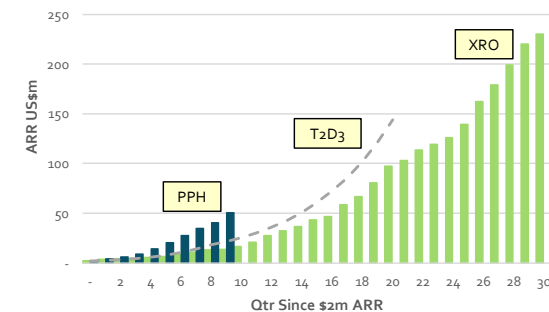
### Tech Insights #14 - 40% rule

The 40% Rule: Revenue Growth + EBITDA Margin. This metric looks at the trade-off between growth and profitability by adding a company's annual growth rate to the EBITDA margin.



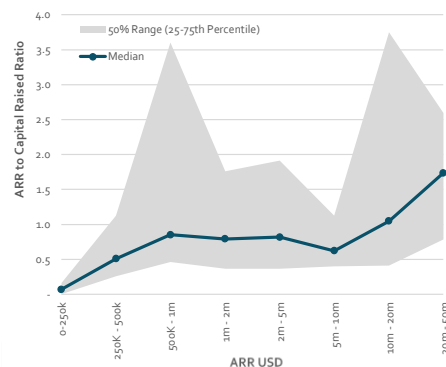
### Tech Insights #36 - How fast is T2D3?

Triple, Triple, Double, Double, Double - concept to understand how fast the fastest companies grow. The premise is that you get to USD \$2 million in revenue then triple your revenue, then triple a year after that, then double, double and double your revenue.



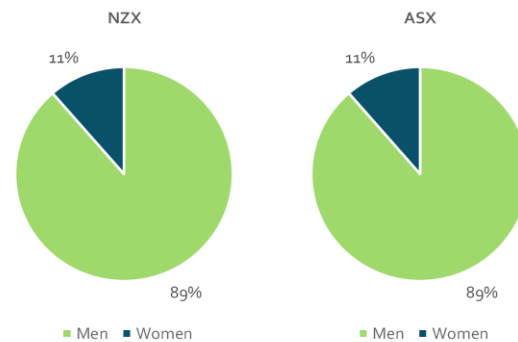
### Tech Insights #77 - Used capital ratio

Used Capital to Revenue (Used Capital Ratio). The amount of capital used (Capital Raised + Debt - Cash) to generate a \$1 in revenue.



### Tech Insights #82 - Board gender composition

Only 11% of board members are women. While there has been a greater emphasis on increasing the gender diversity on boards, there is still along way to go.



### Tech Insights #87 - SaaS quick ratio

Measures growth efficiency. A low value suggests that new revenue is working hard to replace lost revenues. A high value suggests that revenue growth is both high and stable.

