



## Considered an IPO?

Keith Neilson - CEO & Co-founder

## Founded 1999

### – Headquartered in Scotland

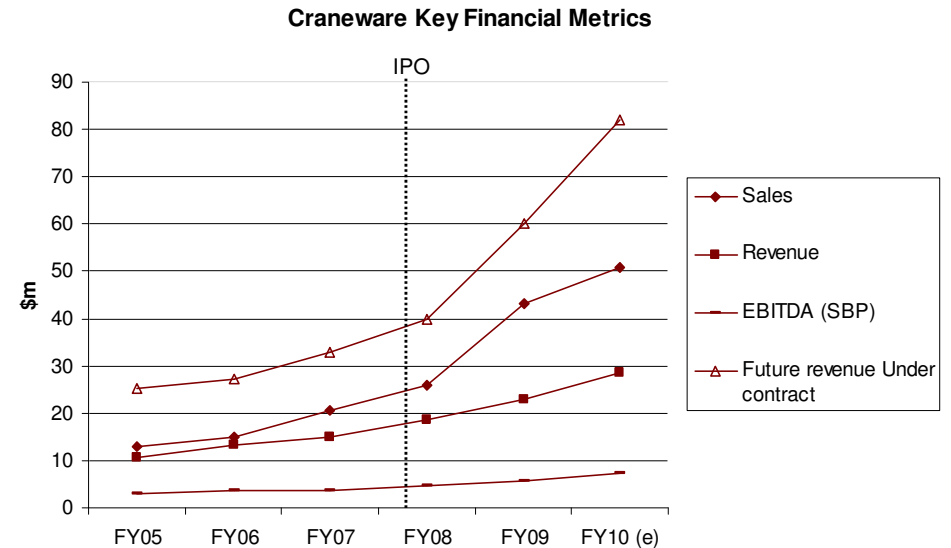
- Sales Entirely in US (\$)
  - 1000+ Hospital customers (~20% of US market)
- Offices across US
  - Arizona, Florida, Kansas & Georgia
- 145 Staff
  - 50:50 split US/UK

### – IPO Sept 2007

- Pre money valuation £27m
- Raised £20.5m with £3.8m net proceeds
- Management reinvested ~£1M
- 100% Exit for VC's
- IPO of the Year 2008

# Is an IPO right for you?

- Key Questions
  - Why do you want to IPO?
    - IPO's unlikely an exit for CEO and management
  - What do your financials look like?
    - Reasonable shape?
    - Profitable/Route to profit?
    - Explainable?
  - What do you think you can definitely deliver?
    - Forecasts
      - Margin Improvement?
      - Accelerating growth?
      - Sustainable?
  - People?
    - Bandwidth
  - Skeleton's in the closet?



# Who will be your trusted advisor's

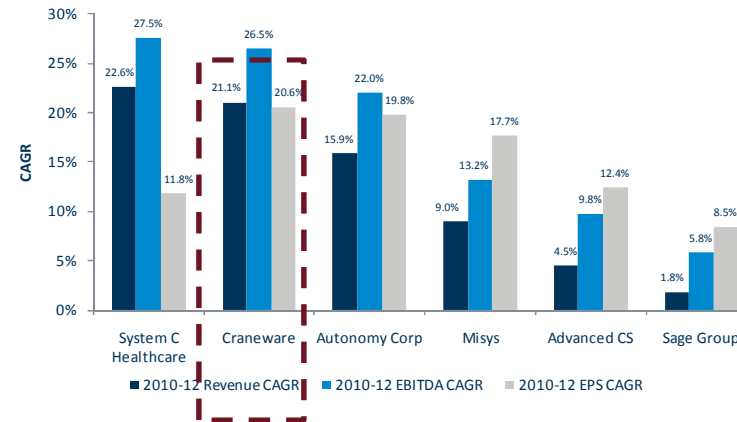
- Nomad Selection
    - Separate advisors/brokers?
      - Process (IPO/MBO/Trade Exit, etc)?
    - Peer recommendation
    - Consistency of valuation promise
    - Sector expertise
      - Analyst coverage
  - Lawyers
    - Independent of exiting shareholders
    - Company/VC's/Exiting/Nomad
  - Reporting Accountants
    - Auditors?
  - Financial PR
- Common to all
    - Would you enjoy a pint with them?
      - (Maybe not as important with the reporting accountants!)
      - Watch for 'A' team swap
    - Relevant IPO Experience
      - Size of transaction
      - Type of transaction
      - Market conditions
    - Sector specialist or generalist?
    - Value for money

## CRW vs. UK peers

### Commentary

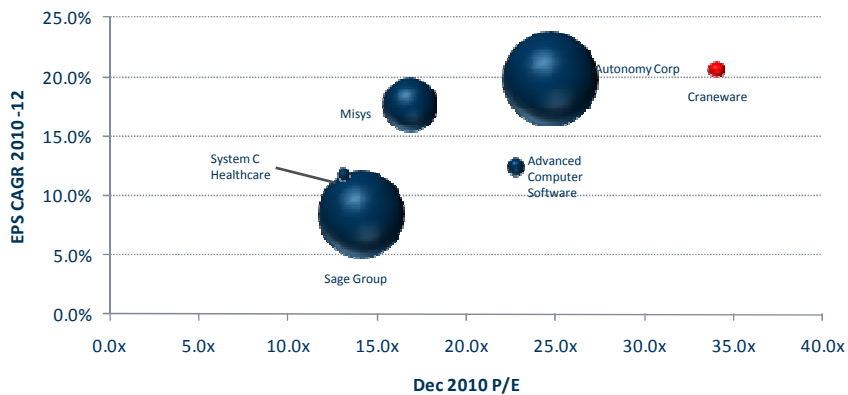
- Amongst UK peers, Craneware has top tier growth projections ...
- ... and top tier valuation, both on PER and EV/EBITDA bases
- Recurring revenue stream and visibility of earnings provides platform for extremely high rating

### Forecast summary - CAGRs



Source: Capital IQ

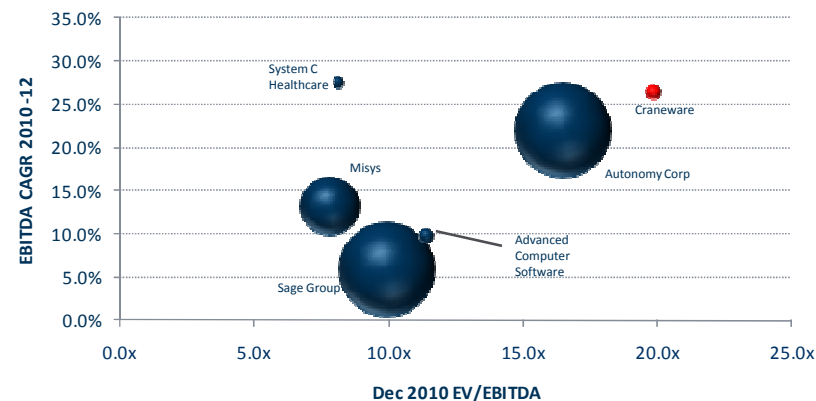
### P/E vs. EPS CAGR



\* Bubble size proportionate to Enterprise Value

Source: Capital IQ

### EV/EBITDA vs. EBITDA CAGR



\* Bubble size proportionate to Enterprise Value

Source: Capital IQ

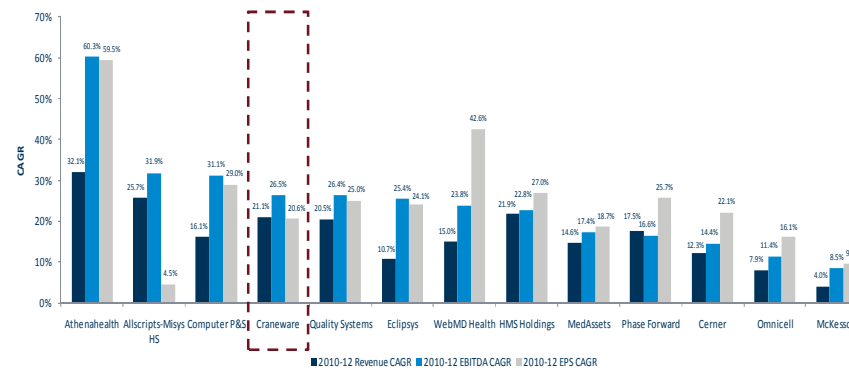
High valuation for high growth, high quality earnings

## CRW vs. US peers

### Commentary

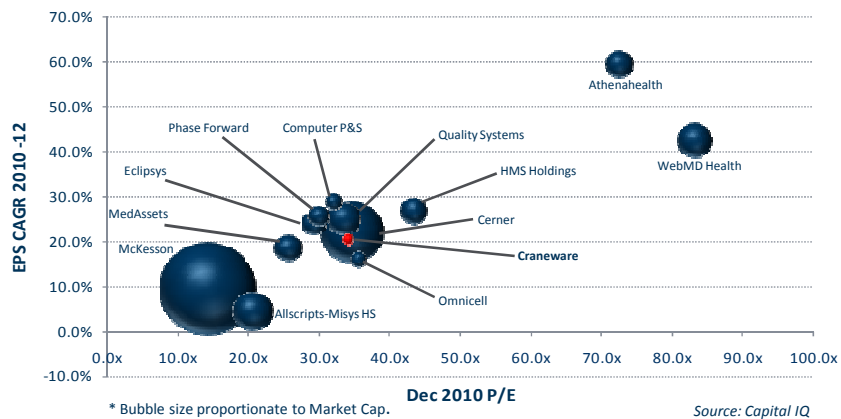
- Middle of the pack growth projections relative to high growth US peers
- Top tier valuation (excluding Athenahealth outlier) on a capital structure neutral basis
- Small company relative to US peers

### Forecast summary - CAGRs

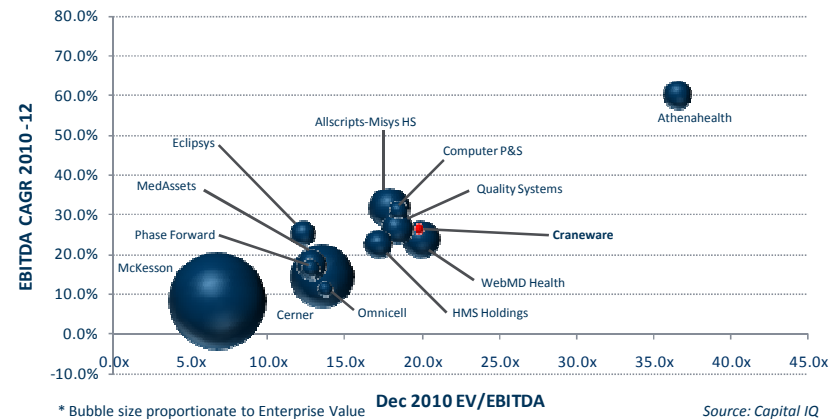


Source: Capital IQ

### P/E vs. EPS CAGR



### EV/EBITDA vs. EBITDA CAGR



CRW: a UK tech company with a US tech rating

- Start as soon as you decide an IPO is for you!
- Have a good narrative
- Know your sector (Inside out/upside down)
- Know your numbers
- Keep it fresh but build on previous success
- Treat each presentation as an enabler of questions
- Practise
- Consider pre-IPO marketing
- Choose the right KPI's for now and the future
- Learn & Enjoy
- Don't disagree with share price

# Craneware's Share Performance



# Questions?

**bvca**