

Deloitte Emerging Enterprise Award

Cadmus Technology

SOLID BASE

With its proven track record and smart positioning for the future, payments solutions company Cadmus Technology has snapped up this year's Deloitte Emerging Enterprise Award. As managing director Ian Bailey said when announcing the company's 2005 results, Cadmus has worked consistently over the past few years to get its core business right and to establish a solid revenue base from which to expand into the huge and growing global payments market.

"The company's strategic investments in people, infrastructure and a commitment to innovative product development," he said, "have started to pay off." Cadmus has been patching together a coordinated network of operations for some time now.

Recent manoeuvres include the acquisition of distribution channels and investment in a finance company. The company now has the capability to design, develop, produce, market, distribute and finance its range of technologies. This ability to manage the entire end-to-end process, says Bailey, establishes an ongoing identifiable revenue stream.

Cadmus' three operating units cover payment products (EFTPOS terminals, loyalty terminals and other customised hardware), data management (capture and processing of data from terminals or directly from customer host services) and a finance division (renting products and services to end users).

Looking to the international market, Cadmus has set up an office in Sydney to service the Australian market and is utilising its already-proven 'direct-to-market' approach that provides for Cadmus-owned, managed and/or operated businesses to market its products directly to merchants and/or partner with larger established organisations. In bigger international markets, the company works in conjunction with local partners or other third parties.

New Zealand's use of EFTPOS is well advanced when compared with that of many other countries and Cadmus is well placed to reap substantial upcoming opportunities for overseas growth. Developing countries such as India and China, which currently lack a digital infrastructure, provide a huge market for expansion. Specific opportunities are also arising in both Australia and New Zealand following decisions to migrate to new product standards – technological changes which will see all terminals in both countries either replaced or upgraded over the next few years.

In New Zealand alone, Cadmus' estimated 30-40 percent market share of new connections and replacements means the

company is in a strong position to reap future revenue and profits from the migration.

The company's recent changes are starting to pay off. A few months ago Cadmus announced that it had pulled its June year net profits back into the black and posted a 50 percent hike in revenue to \$19.7 million.

As they say: watch this space. **M**

JUDGES' COMMENTS

WINNER CADMUS TECHNOLOGY

This rapidly-growing tech company is on the fast track to international success. A payments solutions business, Cadmus Technology provides a range of hardware- and software-based products and services. Strategic investments in people and infrastructure, and a commitment to ongoing product development are starting to pay off. Now with a solid core business and a sound revenue base, Cadmus is well placed to reap the benefits of its move into the sizeable global payments market.

FINALISTS 42 BELOW

Cool branding of some hot products is fuelling turnover at New Zealand's only super premium vodka company, 42 Below. The company may have only been exporting since 2003 but already it has gained worldwide publicity on a shoestring budget. Key ingredients? A "Vodka University", complete with its own vodka professors, and an association with New Zealand's clean, green, pristine image. Turnover last year shot up 113 percent. This unashamedly New Zealand business continues to soak up business in some of the world's hottest bars.

RAKON

No one would claim that Rakon is a new company but it is now seriously hitting its stride. Sales rose 762 percent between January 2002 and December 2004. This Kiwi manufacturer of quartz crystals and oscillators used in telecommunications and GPS receivers, brings in export sales of around \$70 million and has around 60 percent of the global market in crystals for GPS. Rakon outsells competitors often 20 times its size from Asia, the US and Europe. You could say it's well positioned for further growth.