

FY15 H1 Results: Strong Growth from the Market Leader in Cloud

Results

- Half year revenues of \$11.9m up 46% from FY14 H1
- Strong organic growth well ahead of wider market growth rates
- Underlying EBITDA of \$1.2m up 20% from FY14 H1

Highlights

- Successful completion of Pantha Corp acquisition enhances Cloud Services offering
- Rapid growth in managed public cloud to 42% of recurring revenues
- Significant client wins shows proven formula for Cloud Services success

Bulletproof Group Limited is pleased to announce its FY15 H1 results, showcasing the Company's ongoing growth and investment in being the premier Cloud Services provider.

	FY14 H1	FY15 H1	%change (to pcg)
Revenue	\$8.1m	\$11.9m	+46%
Underlying EBITDA ¹	\$0.96m	\$1.2m	+20%
NPAT / (loss)	(\$1.1m)	\$808k	-
Underlying NPAT ¹ / (loss)	(\$226k)	(\$567k)	-

¹ Excludes costs associated with the reverse listing of Bulletproof Networks in January 2014 - write down of goodwill from discontinued operations, expensed broker options and gain on revaluation of Class B Performance Share liability. A detailed reconciliation of these amounts can be found in the half year accounts.

The result shows strong organic revenue growth, above market trend at 46% compared with FY14 H1. During the half, the Company invested substantially in people and resources to further accelerate growth. It was particularly pleasing that underlying EBITDA grew by 20% over the comparable period, even with that strong reinvestment.

Continued growth in both customer numbers and average size of revenues per customer, along with significant wins (including Qantas and Amaysim), characterise the market leading position that Bulletproof continues to enjoy.

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Following the pattern seen in FY14 (where second half revenue and EBITDA grew as a result of investment during the first half), the Company expects FY15 to continue to grow strongly through the second half, for a positive full year result.

Speaking about the results, Bulletproof CEO, Anthony Woodward, said, “We are really excited to have delivered such strong growth for the period. It reflects the way our Managed Cloud business is tracking the transformation that public cloud services bring to the industry.

“Our client wins show the trusted partnership position that Bulletproof enjoys. We help leading organisations leverage the cloud to transform their business, while achieving both compliance and high performance business outcomes. With the addition of our recent acquisition, we bring a comprehensive service suite to the market. Businesses are increasingly looking for a consulting service to help them select, plan, implement and manage their move to the cloud.”

Cloud Consulting and Professional Services provide a more complete offering

In December 2014, Bulletproof completed its acquisition of Pantha Corp, a leading Cloud Consulting Services business with corporate and government clients. The acquisition brought 22 staff and a wide range of consulting and professional services capabilities to the Company, allowing earlier engagement with clients considering their move to the cloud, and ensuring a smooth transition of core business applications. The move is expected to enable Bulletproof’s customers and prospects to enjoy an end-to-end service on their journey to the cloud.

Managed Public Cloud growth reflects leading position

Managed Cloud services on public cloud platforms such as Amazon Web Services (AWS) continue their rapid growth, with the FY15 H1 period recording \$4.2m, or 42% of recurring revenues, up from 17% of recurring revenues in FY14 (and compared with \$800k in FY14 H1).

Bulletproof’s market-leading position as the premier Cloud Services provider continues to extend, with the Company being awarded AWS Premier Consulting Partner status for the second year running in November 2014, listing it among just 27 such Premier Consulting Partners globally.

Significant client growth continues

Bulletproof’s credentials as the leading Cloud Services provider resulted in continued growth of corporate, government and enterprise clients, with an increase in new average revenue per customer (ARPU). As customers continue to explore – and then move more workloads to – the cloud, they will engage with the new consulting service offerings, and continue to grow their managed cloud services spend.

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FY15 Outlook

Bulletproof expects to continue to grow revenues and profitability over the remainder of FY15, with an expectation that year-on-year growth will exceed general market growth rates of 25-30%.

The Company has an outstanding obligation under the reverse listing to deliver Class B Performance Shares to the original vendors based on the FY15 result. Those shares may be converted to ordinary shares on a sliding scale for EBITDA (net of deal and corporate costs) in the range of \$3.5m to \$5.0m. An EBITDA net of deal and corporate costs of \$4.0m, for example, would represent a 38% increase on FY14 EBITDA and result in the conversion of 10 million Class B Performance Shares to ordinary shares.

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About Bulletproof

Bulletproof Group Limited is an Australian-owned, publicly listed company with offices in Sydney and Melbourne, Australia, and California, USA. Bulletproof Group shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

Founded in 2000, Bulletproof is the leading Australian-owned mission critical cloud provider, providing Cloud Services to business, enterprise and government customers. Bulletproof has consistently been first to market with public and private cloud based services and innovations. Bulletproof was the first company in Australia to launch a public cloud service in 2006 and the first to launch a managed Amazon Web Services (AWS) offering in 2012.

Bulletproof's world-class service allows customers to focus on their core business to ensure they have the freedom to be remarkable.

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