

# ASX Announcement

01 February 2016



## International Acquisition: Leader in NZ Cloud Services

---

Bulletproof to acquire Cloud House, New Zealand-based Cloud Services business:

- Purchase price NZ\$1.0m cash upfront, plus up to NZ\$4.2m payable based on performance
  - Most awarded and fastest-growing Amazon Web Services (AWS) Partner in New Zealand
  - EPS accretive deal represents an initial payment of c.2x run-rate EBITDA
  - Cloud House employees to transition to Bulletproof
- 

Bulletproof (ASX:BPF) is pleased to announce it has agreed to acquire the business assets of Cloud House Limited, the leading Cloud Services company in New Zealand, with offices in Auckland and Wellington. New Zealand's largest AWS Advanced Consulting partner, Cloud House provides consulting, billing and managed services for its customers on their journey to the cloud.

Bulletproof has agreed to pay NZ\$1m to purchase the business assets of Cloud House from existing cash reserves, bringing approximately NZ\$3.5m annualised revenues, with around NZ\$500k of current run-rate EBITDA to the Company.

The owners of Cloud House may earn up to a further NZ\$4.2m, split between cash and shares, payable based on performance targets to be achieved up to 30 June 2017, or earlier if achieved earlier. As part of the acquisition the owners of Cloud House will also transition to become part of the Bulletproof management team.

The deal represents Bulletproof's third acquisition, having previously acquired Panthacorp, an AWS Consulting partner in December 2014, and Infoplex, a leading Private Cloud provider, in October 2015. As well as cementing Bulletproof's position in the region as the largest AWS Partner, the deal will bring new cross-Tasman enterprise customers to the Company, while tapping into a market that is leading the region's cloud adoption rates .

The acquisition by Bulletproof will provide corporate, financial and marketing resources to the Cloud House team to continue to extend their lead in the New Zealand market.

Speaking about the acquisition, Bulletproof CEO, Anthony Woodward, said:

*"We have been working with the outstanding team at Cloud House on a number of partnered opportunities for some time and we have always been impressed with the innovative, customer-focused capabilities of the Cloud House team. With great cultural alignment between the organisations already demonstrated, we believe the Cloud House team will feel at home within the wider Bulletproof Group and we're excited to welcome them aboard."*

For personal use only

### More on Cloud House

Cloud House is the leading Amazon Web Services Advanced Consulting partner in New Zealand, and has been instrumental in some of the largest public cloud projects in New Zealand and beyond. With offices in Auckland and Wellington, Cloud House provides consulting, billing and managed services for enterprise clients making the journey to public cloud platforms such as Amazon Web Services.

Immediate synergy opportunities of the deal arise from consolidated buying of key capacity and licensing from suppliers that Bulletproof and Cloud House share, along with Bulletproof's AWS Premier Partner benefits being made available to Cloud House customers. Innovation in managed Cloud and Application services that the Cloud House team have developed will be merged with Bulletproof's existing comprehensive end to end Cloud Services offering to extend the Company's market-leading position.

Speaking about the acquisition, Cloud House co-founder and CEO, Scott Judson, said, "The end to end product offering made available to the New Zealand market from this deal is really going to disrupt the market. The acquisition brings to New Zealand the first AWS Premier Partner, making us one of only 8 top tier AWS Partners in Asia Pacific. We have instant access to the Bulletproof market-leading managed services platform and many other resources we can leverage. And the cultural alignment between Bulletproof and Cloud House couldn't be better."

### Transaction Terms

In addition to the upfront payment of NZ\$1m, the deal includes performance based hurdles to allow the owners to earn up to a further NZ\$4.2m. Those performance-related payments are payable as a 50:50 mix of cash and scrip in the Company.

Bulletproof anticipates that the deal will be strongly earnings per share (eps) accretive, with the initial payment representing some 2x EBITDA, and total consideration (if all performance hurdles are achieved) of the order of 3x overall EBITDA growth brought to the Company.

The targets are linked to measures where the Cloud House business is expected to bring material additional value, including adding new profitable consulting and managed services revenues to the Company.

The measures are benchmarked over three consecutive half-year periods corresponding with the audited results of the Company, and must be achieved by the end of June 2017. Any target not met by that time will have its corresponding payment forfeited.

For personal use only

## Contacts

Anthony Woodward  
Chief Executive Officer  
Tel: +61 2 9663 9022  
<http://www.bulletproof.net.au>

David Paterson  
Chairman  
Tel: +61 417 823 654

---

## About Bulletproof

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

Founded in 2000, Bulletproof is Australia's leading end-to-end mission critical Cloud Services 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. With over 14 years of experience in managed hosting and Cloud Services, Bulletproof continues to drive industry innovation since being the first provider in Australia to launch a VMware public cloud service in 2006, the first in 2012 to provide Managed AWS services and in 2013, Bulletproof was given the status of the first and leading AWS Premier Consulting Partner in A/NZ.

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

For personal use only