

# FY16 Results Presentation

Anthony Woodward CEO  
Kylie Turner CFO

24 August 2016

## Results Call Information:

Call Time: 2pm Sydney time 24 August 2016  
Australia: 1800 908 299 (Australia Toll Free),  
+61 2 9007 8048 (Australia Local)  
New Zealand: 0800 452 795 (New Zealand Toll Free)

**Conference ID: 952199**

# Agenda

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FY16 Highlights

FY16 Result Detail

Overview of FY16 Acquisitions

Strategic Focus

FY17 Outlook

Appendix

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# FY16 Financial Results Highlights

Revenue \$47.2m



69%

Underlying<sup>1</sup> EBITDA \$4.7m



13%

Underlying<sup>1</sup> EBIT \$0.9m



2%

Underlying<sup>1</sup> NPAT \$0.8m



51%

Operating Cash Flow \$5.1m



49%

1. Net of Acquisition costs, Financial liabilities re-valuation and Bargain purchase on business combination

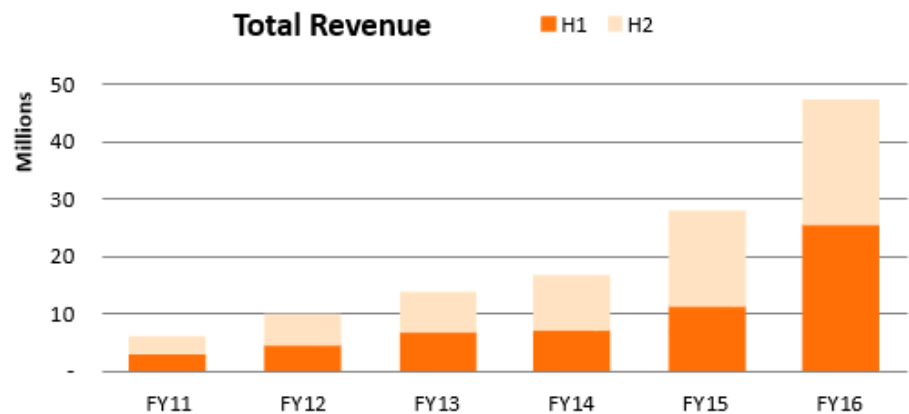
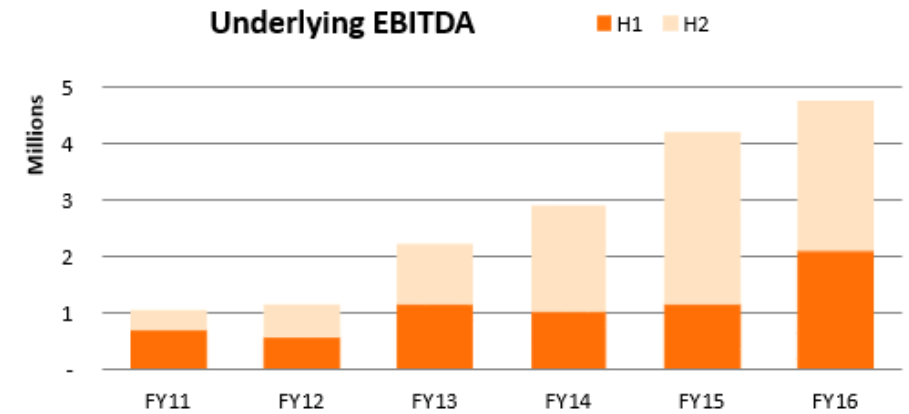
# FY16 Operational Highlights

- Successful completion of Infoplex (Oct 15) and Cloud House (Feb 16) acquisitions
- Recurring Revenues from cloud services grew 65% in FY16
- Professional Services revenues from customer project work up 86% in FY16
- Sell Anywhere retail integration product live with leading retailer
- Investment in product development platform resulted in a common base for efficient delivery of customer projects
- Largest Premier Consulting Partner for Amazon Web Services (AWS) in Australia and New Zealand

# FY16 Result Detail

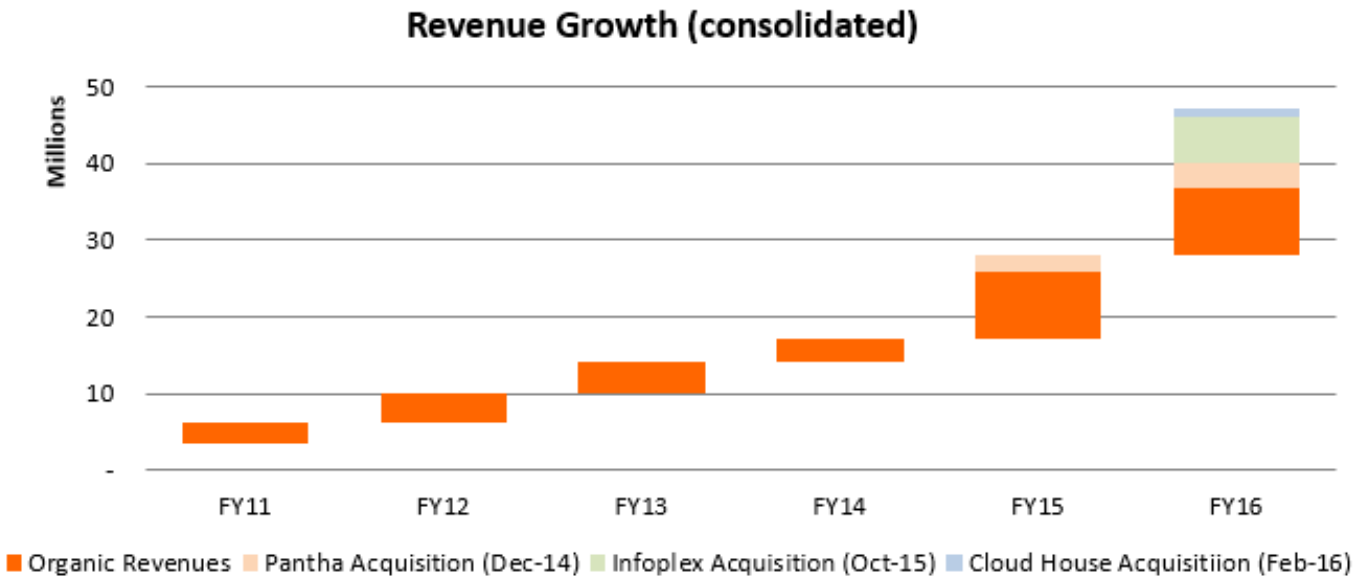
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Underlying	FY15	FY16
Sales revenue	\$28.0m	\$47.2m
Other income	\$1.2m	\$0.3m
Consumables Used	(\$10.6m)	(\$20.6m)
Employee benefits expense	(\$10.5m)	(\$15.8m)
Other expenses	(\$4.2m)	(\$7.0m)
Adj for acquisition costs	\$0.3m	\$0.5m
<b>Underlying EBITDA</b>	<b>\$4.2m</b>	<b>\$4.7m</b>
Depc'n and Amort	(\$3.3m)	(\$3.8m)
<b>Underlying EBIT</b>	<b>\$0.9m</b>	<b>\$0.9m</b>
Net Interest	(\$0.2m)	(\$0.1m)
Income Tax	(\$0.2m)	\$0.05m
<b>Underlying NPAT</b>	<b>\$0.5m</b>	<b>\$0.8m</b>
Adjustments to Reported	FY15	FY16
Financial Liabilities	\$4.1m	\$0.7m
Bargain Purchase	-	\$0.6m
Acquisition costs (adj for tax)	(\$0.3m)	(\$0.4m)
<b>Net Profit / (Loss) after Tax</b>	<b>\$4.4m</b>	<b>\$1.8m</b>



# FY16 Result Detail

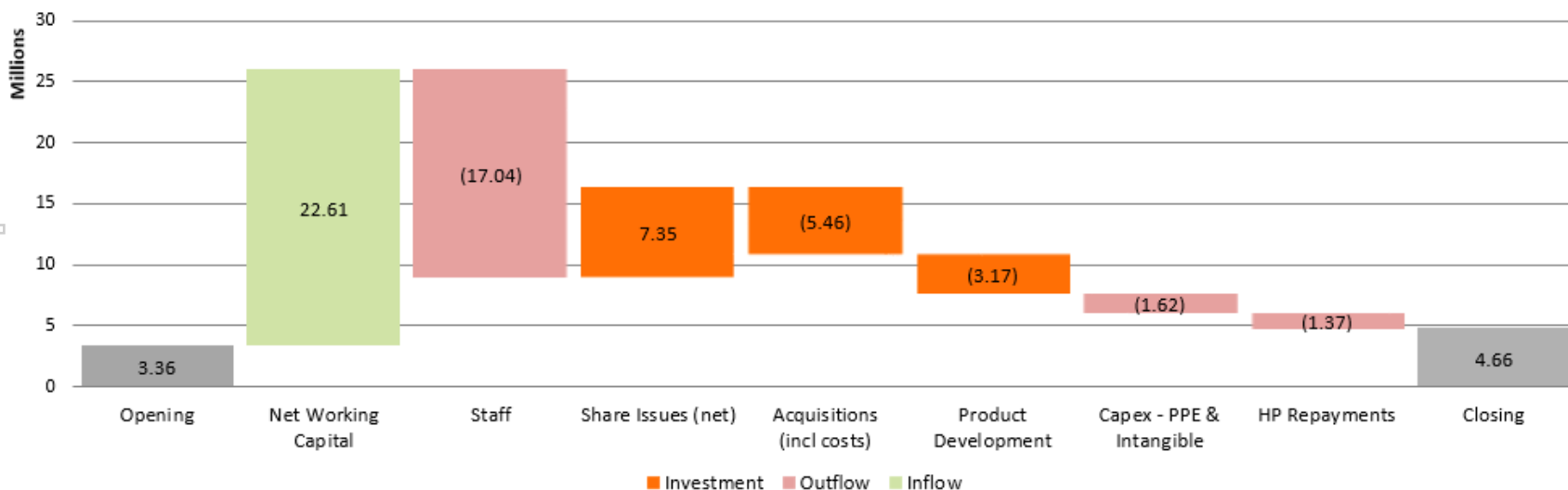
- Total Revenue up 69% to \$47.2m
  - Strong organic Revenue growth of \$8.8m, up 31% on FY15 (5 year CAGR 41%)
  - Acquisitions contributed \$10.4m in FY16
  - Consolidated 5 year CAGR of 50%



# Cash Flow Analysis

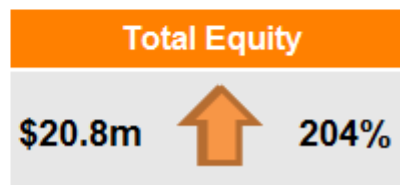
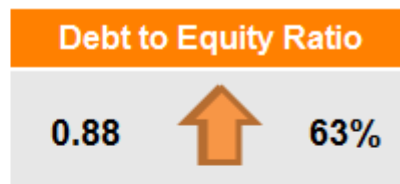
- Positive Operating Cash flows of \$5.1m, inclusive of:
  - \$1.5m expensed on AWS Reserved Instances
  - \$1.2m invested in Automation
- Significant investment to accelerate growth
  - \$5.0m to acquire Infoplex and Cloud House businesses (including costs)
  - \$0.5m paid in Earn Out milestones related to Pantha Corp acquisition
  - \$3.2m invested in Product Development

FY16 Net Cash Flows by Category



# Balance Sheet Strengthened

- Net assets up \$14m on FY15
  - \$1.3m increase in net cash flows
  - Total borrowings increase \$0.7m
  - \$2.4m increase in PPE (net of acquired)



	FY15	FY16
Cash and cash equivalents	\$3.4m	\$4.7m
Trade and other receivables	\$5.0m	\$7.4m
Other current assets	\$1.0m	\$2.2m
<b>Total current assets</b>	<b>\$9.3m</b>	<b>\$14.3m</b>
Property, plant and equipment	\$4.8m	\$8.6m
Intangible assets (incl Goodwill)	\$7.5m	\$13.9m
Other non-current assets	\$1.4m	\$2.4m
<b>Total current assets</b>	<b>\$13.7m</b>	<b>\$24.9m</b>
<b>Total assets</b>	<b>\$23.1m</b>	<b>\$39.2m</b>
Trade and other payables	\$5.2m	\$8.1m
Borrowings	\$1.2m	\$1.4m
Other current liabilities	\$7.6m	\$5.3m
<b>Total current liabilities</b>	<b>\$14.0m</b>	<b>\$14.7m</b>
Borrowings	\$1.0m	\$1.6m
Other non-current liabilities	\$1.2m	\$1.9m
<b>Total non-current liabilities</b>	<b>\$2.2m</b>	<b>\$3.6m</b>
<b>Total liabilities</b>	<b>\$16.2m</b>	<b>\$18.3m</b>
<b>Net assets</b>	<b>\$6.8m</b>	<b>\$20.8m</b>
Issued capital	\$12.9m	\$25.0m
Other components of equity	(\$7.4m)	(\$7.6m)
Retained earnings	\$1.4m	\$3.5m
<b>Total equity</b>	<b>\$6.8m</b>	<b>\$20.8m</b>

\* Excluding non-cash liabilities



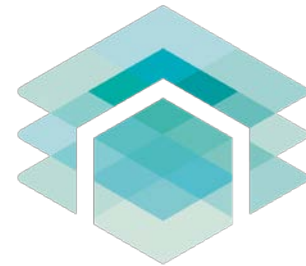
# Acquisition Fully Integrated



- Experienced engineering team joined Bulletproof operations team
- GM of Infoplex now GM, Business Development and Partners for Bulletproof
- Re-certification of ISO27001 as required by corporate & government
- Product offering merged with pre-existing Bulletproof private cloud offering
- Renewal of key customer contracts for 2-3 years, including Genworth, a top 3 customer
- Additional private cloud customers on-boarded
- Revenue contribution from Infoplex Private Cloud platform expected to be c.\$8m in FY17, up 14% on annualised revenue from FY16

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# Acquisition Integration on track



cloud.house

- Access to rapidly-growing New Zealand Cloud Services market
- Working with leading Cloud-based accounting software company Xero
- Bulletproof NZ brand launch completed at AWS Summit New Zealand, June 2016
- NZ's only AWS Premier Consulting and Managed Services Partner
- Expanding blue chip enterprise client base
- Revenue contribution expected to be in excess of NZ\$3.5m in FY17, up 20% on annualised revenue from FY16
- Bulletproof's Managed Service offering available to existing New Zealand Cloud House customers

# Strategic Focus

- Customers' Business drivers of agility and transformation focus our efforts on products that assist migration and specific operational outcomes
- Our acquired Professional Services capability taps into higher margin opportunities for project work, and flow-on recurring revenues
- Product refreshes under way will continue to address more customer-specific pain points on their journey to the cloud
- Further consolidation and integration of acquired assets will help to drive cost and product synergies
- Our cohesive product set will continue to see Bulletproof as the leading, end to end cloud services partner in Australia and New Zealand
- Management remains focused on sustainable revenue and profit growth as these initiatives roll out

# Management changes



On 1 September 2016, Lorenzo Modesto has been appointed Director of Strategy, to ensure delivery of the Company's strategic initiatives.



On 1 September 2016, Mark Rainbird will commence as Chief Operating Officer to drive delivery of profitability-aligned improvements. Mr Rainbird comes with an extensive background in CEO/COO roles in public technology services companies.

- Professional Services function will be centralised under the COO role, with a new Professional Services Operations Manager driving operational excellence and efficiency
- Product Development function will be centralised under the Sales & Marketing and CTO roles, further aligning product development with strategy

# FY17 Outlook

## Transition and transformation

- Revenues expected to be up c.30% to c.\$60m for full year FY17
- Professional Services revenues expected to continue to grow strongly
- 1H17 underlying profitability expected to be down on 1H16 as product offerings and efficiency improvements transition to profits from 2H17
- Strategic outcomes to deliver strong increase to profitability in 2H17
- Underlying EBITDA expected to be up c.26% to c.\$6m for full year FY17
- Underlying EBIT expected to be up c.82% to c.\$1.5m for full year FY17
- Management focused on driving further growth in profits in FY18 and FY19

# Appendix

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Corporate Overview

Bulletproof Timeline

Bulletproof Services

Customer Case Study - CrownBet

Key Customers

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# Company Overview - Snapshot

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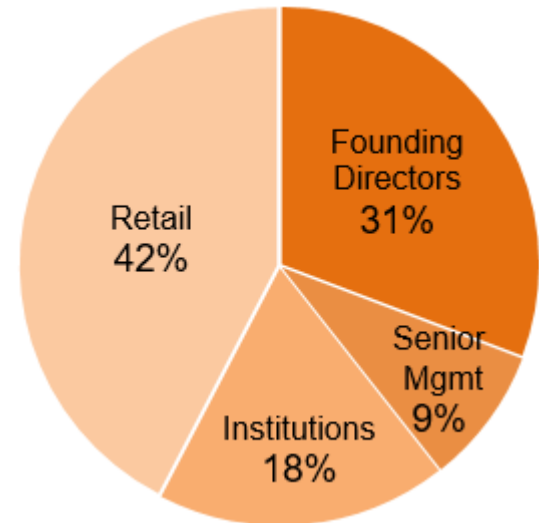
## Corporate Information

- > ASX:BPF – listed 23 January 2014
- > Market cap – c.\$47m (as at 22 August 2016)

## Background

- > Founded in 2000
- > 170 Staff, Sydney, Melbourne, Auckland, Wellington & USA
- > Over 750 corporate, government and enterprise customers
- > Customers include Qantas, Amaysim, Genworth and Crownbet

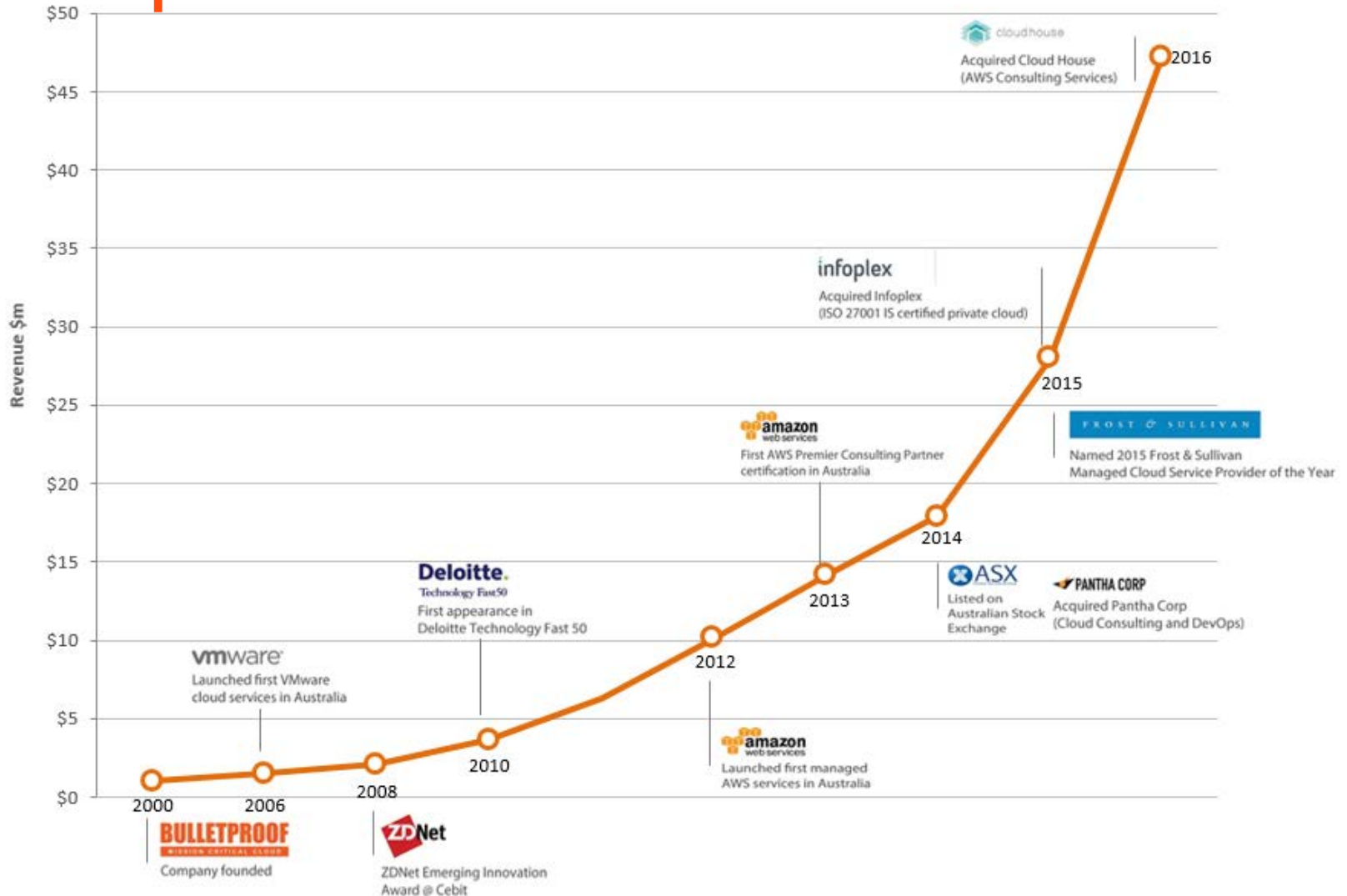
## Shareholder Breakdown



	Number
Shares on issue	158,777,698
Unlisted Options	868,297
Total fully diluted share capital	159,645,995

# Bulletproof Timeline

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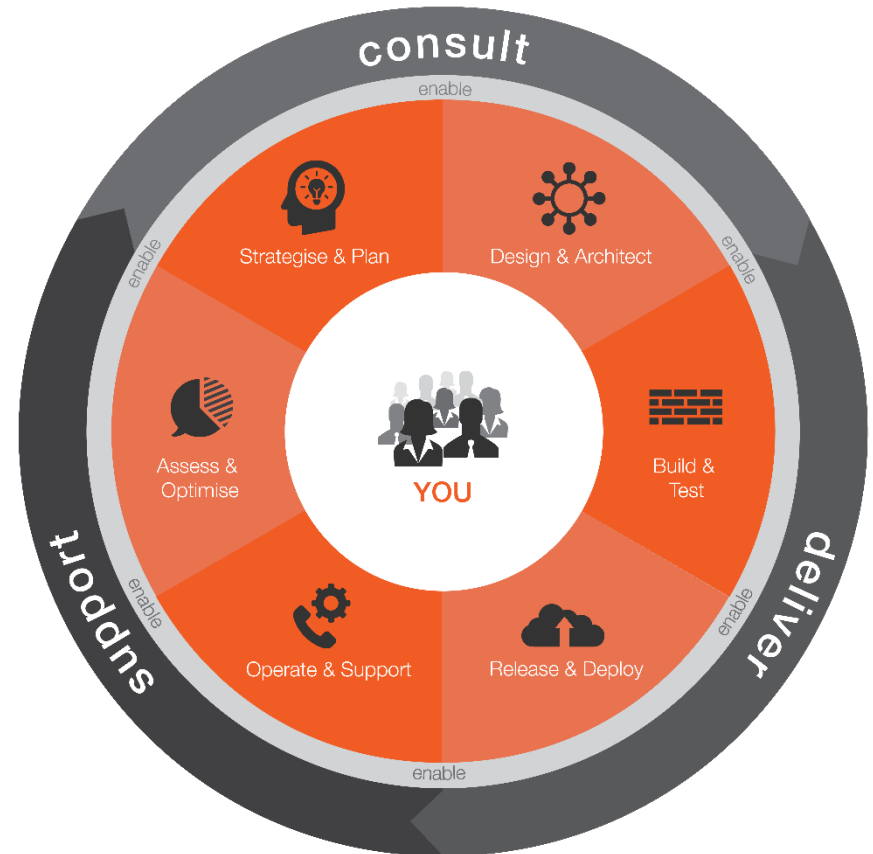




# Bulletproof Services

Bulletproof is the leading Cloud Services Provider in Australia/NZ

- Customers want to transform their businesses with Cloud
- They need expertise focused on business outcomes such as transformation and agility
- They require excellence to operate a secure, reliable, performing solution that meets business objectives
- Our cohesive service offering meets customers' needs at all stages of their journey to the cloud



# Customer Case Study - CrownBet



**CrownBet**

*"You have to trust that the partner can do their job, because you're essentially going from 100% internally managed, to an ideal fully managed environment – allowing you to concentrate on business specific activities and stay ahead of the game.*

*Bulletproof are fundamental to our innovation and business strategy. We love having Bulletproof as our trusted partner!"*

- Gus D'Onofrio, CTO

- Australian-owned online wagering company
- Selected Bulletproof as Managed Cloud Partner in 2014 at their inception
- Bulletproof provides:
  - Advice, architecture design, cost optimisation, technology leadership
  - Implementation of infrastructure using Private and Public cloud (Hybrid cloud)
  - Ongoing managed services of the CrownBet Hybrid Cloud platform
- Melbourne Cup Day: **1500% increase in transactions over peak period**
- Total Cost of Ownership **savings of \$2.9m** over 3 years compared with owned, dedicated infrastructure
- Bulletproof helped deliver 100% availability for cloud-based wagering applications during spring carnival 2014 & 2015

# Key Customers

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# Contact Us

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