

A photograph of two wheat stalks in sharp focus against a blurred green field background. The stalks are positioned on the right side of the slide.

Positioning for future growth

Financial results for the year ended 30 June 2015 – Investor presentation

Iain Dunstan – Chief Executive Officer

Darius Coveney – Chief Financial Officer

27 August 2015

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Agenda

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Corporate Overview



Corporate information

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Rubik is a leading technology partner that delivers innovative wealth, banking and mortgage broking solutions to the financial services industry.

- Operations across Australia, Asia and the Middle East
- More than 150 people located across four offices
- More than 22,000 users of Rubik software



Rubik

Deep technology and financial services experience

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IAIN DUNSTAN

Chief Executive Officer

- More than 30 years of experience in fintech and listed companies



DARIUS COVENEY

Chief Financial Officer

- More than 20 years of experience across technology and financial services



DAVID SPREADBURY

Chief Operating Officer

- More than 30 years of experience in business operational roles within financial services

Product solutions

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Wealth

- Enables financial planning professionals and dealer groups to efficiently run and manage their businesses across a range of services including insurance advice, comprehensive advice, scaled advice, and revenue & commission management
- Number of Coin licenses increasing for first time in 12 months
- Scaled advice solution Provisio ranked #1*
- Overall customer satisfaction increased*



*Investment Trends Report 2015

Rubik

Product solutions

Banking

- Provides a suite of business solutions for Authorised Deposit Taking Institutions (ADIs) and Non-ADIs across Australia, Asia and the Middle East
- By leveraging Rubik's strong product and service portfolio, its team maintains relationships with over 60% of all Australian ADIs
- Implementing Temenos' new digital solution



Product solutions

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Mortgages

- Provides leading edge technology and mortgage solutions to aggregators, brokers and lenders, specialising in loan processing and customer management platforms and point of sale mobility solutions
- Solution set created with the acquisitions of Stargate and Infnitive in June 2014



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Rubik's Market



Key market drivers

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Improved use of technology impacting regulatory compliance, efficiency and client engagement



Market appetite for changes in Banking industry



Uptake of Software as a Service (SaaS)



Scaled advice legislation

Market challenges and trends

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Attracting / engaging new clients and members



Merging distribution channels due to evolving advice landscape



Greater emphasis on digital



Applications delivered as SaaS

Group Highlights



Group highlights presented

Financial

- Revenue grew from \$30.5m to \$38.8m
- Segment profits remained stable at \$8.2m
- Underlying EBITDA at top end of revised guidance at \$4.9m

Operational

- Appointed new CEO and COO
- Signed 45 contracts with new clients
- Renewed contracts with top 6 wealth clients
- Commenced corporate restructure and data centre infrastructure consolidation
- Established off-shore development and testing centre in Philippines

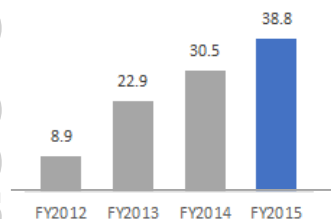
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FY2015 Financial Results

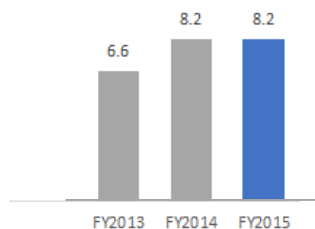


Overall key result indicators

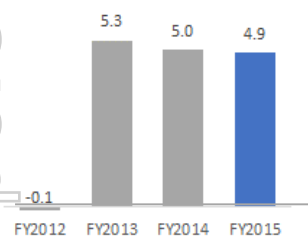
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Revenues (\$m)



Segment Profits (\$m)



Underlying EBITDA (\$m)

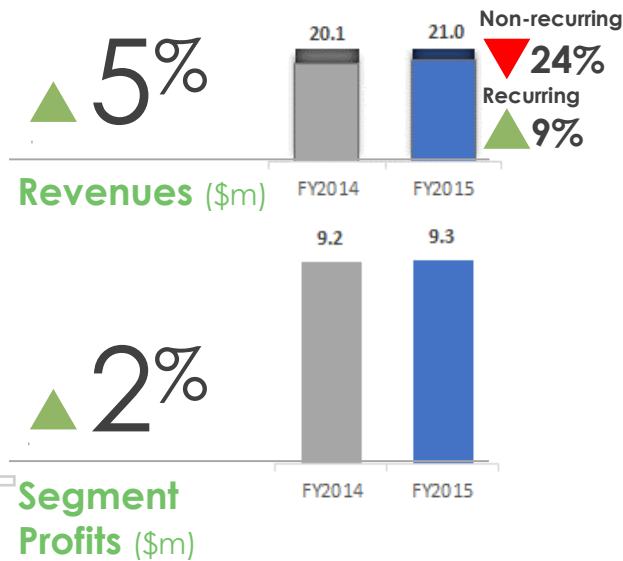


Operating Cash Flow (\$m)

- 27% increase in overall revenues due to Mortgages and AMEE acquisitions
- Underlying EBITDA at upper end of guidance
- Decrease in operating cash flow reflects spending on integration and operational restructuring expenses

Wealth - opportunity in scaled advice

FY2015 financial results - Wealth

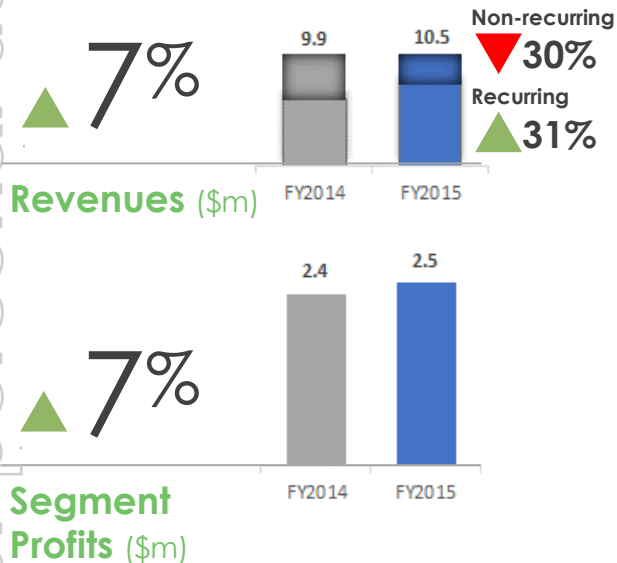


Wealth highlights

- 6 largest wealth contracts re-signed for two year terms during the year
- Increased recurring revenues
- Grew number of Coin licenses during the year
- Focus on Provisio and scaled advice

Banking - the future is digital

FY2015 financial results - Banking

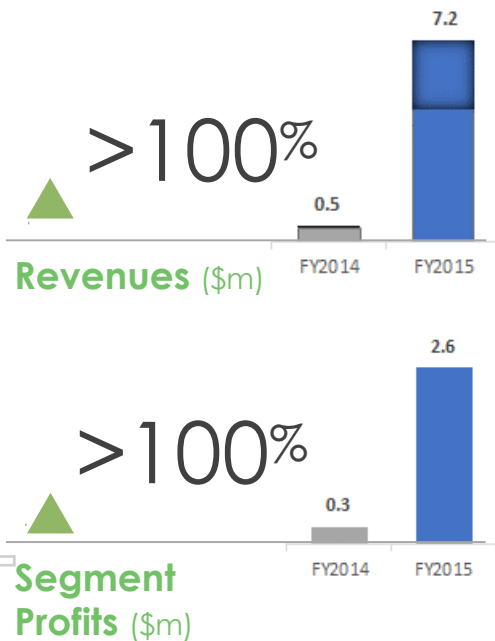


Banking highlights

- Strong growth in recurring revenues
- Focus on SaaS
- Strengthen relationship with Temenos
- Delivery of digital platform

Mortgages - first full year of revenue contribution

FY2015 financial results - Mortgages



Mortgages commentary

- Strong results, but new opportunities taking longer to convert than anticipated
- Recurring revenues of \$4.8m
- Non-recurring revenues of \$2.5m

Balance sheet restructure continues

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	FY2015 (\$m)	FY2014 (\$m)
Assets		
Current assets	10.4	16.4
Non-current assets	69.6	81.4
Total assets	80.0	97.8
Liabilities		
Current liabilities	12.2	17.9
Non-current liabilities	12.2	13.8
Total liabilities	24.4	31.7
Total equity	55.6	66.2

Balance sheet commentary

- Unmarketable Parcel Share Buy-back completed in February 2015
- \$8.5m impairment of Banking division, mainly related to Goodwill and Software from historical Swiftcall and Temenos T24 deals
- \$7.6m debt facility extended to September 2016, with \$2.5m undrawn as at year end

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Corporate Strategy & Outlook



Focused corporate strategy

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- Moving from product to functional operational model
- Increasing focus on Banking product suite to leverage current market opportunities
- Greater customer focused approach to improve client consultation and engagement
- Building professional services capability to better service clients and create additional revenue streams
- Consider suitable acquisition opportunities as they arise
- Utilising a mixture of on-shore and off-shore testing and development capabilities

Outlook – positioning for growth

- Continue consolidation and integration of acquisitions to benefit from synergies
- Continue to consolidate data centre infrastructure to keep data in Australia, increase operational efficiency, establish a standardised support model, standardise application deployment, simplify infrastructure services, and benefit from economies of scale
- Further utilise and expand cost effective development and testing capability through further expansion of operations in Philippines for cost management purposes and to better support Australian operations
- Expect to see benefits of the above flow through in 2HFY2016
- Over the medium term, expect revenues and underlying EBITDA margins to improve from low teens to mid twenties
- Further guidance will be provided at the AGM in November

Summary



Key summary points

Financial

- Increased revenue, and recurring revenues following acquisitions
- Stable segment profits following acquisitions
- Negative operating cash flow due to restructuring and acquisition integration activities
- Stable R&D spend

Corporate

- New leadership team
- Move from product to functional operational model
- Retained long-term client relationships with key players
- Integrating acquisitions
- Consolidating corporate structure and data centre infrastructure
- Expanding use of off-shore development and testing capabilities

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QUESTIONS

Appendix



Reconciliation of Underlying Operating EBITDA to Operating Cash Flow

	\$'000
Underlying Operating EBITDA	4,929
Restructuring	(2,339)
Net interest paid	(341)
Integration & other costs (excludes transaction costs)	(788)
Income tax paid	(6)
Other	243
Sub total:	1,698
Change in Working Capital	(2,250)
Increase in trade & other receivables	(1,262)
Decrease in inventories	4
Increase in accrued revenue	504
Increase in pre-payments	(45)
Decrease in other operating expenses	(45)
Increase in trade and other payables	(793)
Decrease in employee benefits	(158)
Increase in other provisions	121
Decrease in other operating activities	(576)
Operating Cash Flow (post R&D)	(552)