

FY17 Q3 Update and FY17 guidance update

SYDNEY, Australia – Bulletproof Group Ltd (ASX: BPF) provides an update for the quarter ended 31 March 2017 and adjusts guidance down for the full year ended 30 June 2017.

FY17 Full Year Results Guidance Update

- Full year revenues expected to be c.\$48.5m, up c.3% on FY16
- Underlying¹ profit guidance adjusted: EBITDA c.\$3.0m, EBIT loss c.(\$1.5m)
- Adjusted run-rate from H2 FY17 shows sustainable underlying EBIT profitability of c.4% expected to improve over time

Operational Update

- New CFO commenced 1 May 2017
- Launch of new products in FY17 Q3 to improve margin on recurring public cloud revenues
- Improved utilisation rates for Professional Services business, with increasing project workloads into FY17 Q4

	H1 FY17 (Actual)	FY17 (Prior Forecast)	FY17 (Updated Forecast - unaudited)
Revenue	\$24.5m	\$54.0m	\$48.5m
Underlying ¹ EBITDA	(\$0.4m)	\$6.0m	\$3.0m
Underlying ¹ EBIT (loss)	(\$2.7m)	\$1.5m	(\$1.5m)

During first half of FY17, the Company experienced a relatively flat March quarter 2017 in recurring public cloud revenues, as a result of customer churn and buying behaviour, partly offset by sales growth during that quarter. With roll-forward effects, this has resulted in a c.\$4.0m lower recurring public cloud revenue outlook for the second half of FY17, compared with prior internal forecasts. Professional Services revenues for the second half of FY17 are expected to be c.\$1.5m below previous forecasts, as a result of a relatively quiet March quarter and a slightly lower outlook for project work in-hand and in pipeline for the June quarter than was previously expected. The New Zealand business is expected to generate c.NZ\$3.0m revenue for the year, down from c.NZ\$3.5m previously expected.

While the resulting H2 FY17 revenue forecast total of \$24.0m gives a run-rate of \$48.0m, growth rates are expected to pick up again in FY18, with FY17 March quarter sales bookings ahead of targets and revenue materialisation growing into the June quarter. As a result of the reduced revenue outlook, underlying¹ EBITDA for the full year is now forecast to be c.\$3.0m, with an underlying¹ EBIT loss (\$1.5m).

Commenting on the revised guidance, Bulletproof CEO Anthony Woodward said “we acknowledge that these revised forecasts are well below our previous guidance, but still reflect a turnaround in underlying profitability from H1 FY17, following the steps that were taken during that period. We stress that revenue and profit growth continue to be management’s core focus. The factors reducing revenue growth from forecasts are being addressed through continued work on product offerings to mitigate churn, increase margins and grow profitable consulting and project work into FY18 and beyond.”

¹ Excluding capitalised development cost write-downs, and restructuring costs

For further details contact:

Anthony Woodward
Chief Executive Officer
Tel: +61 414 565 061
<http://www.bulletproof.net.au>

Orla Keegan
Market Eye
+61 406 991 840
<http://www.marketeye.com.au>

About Bulletproof

Founded in 2000, Bulletproof is Australia's leading cloud services company, supporting business, enterprise and government customers across the globe. Bulletproof has consistently been first to market with public and private cloud based services and innovations. With over a decade of experience in cloud, Bulletproof continues to drive industry innovation. Since being the first provider in Australia to launch a VMware public cloud service in 2006 and the first in 2012 to provide Managed AWS services, in 2013 Bulletproof was given the status of the first AWS Premier Consulting Partner in Australia and New Zealand.

In 2014, Bulletproof became Australia's first publicly listed pure play cloud services company, with offices in Sydney, Melbourne, Auckland and Wellington. Bulletproof Group Limited shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

With the launch in 2016 of Bulletproof Support™ for Microsoft Azure, Bulletproof is now the leading end-to-end multi-cloud services company, guiding customers on their journey to the cloud through consulting, implementation and support services.