

MainstreamBPO Limited Full Year Results

For the year ended 30 June 2017



- › Martin Smith, Chief Executive Officer
 - › Justin O'Donnell, Chief Financial Officer
- 29 August 2017

Overview of MainstreamBPO

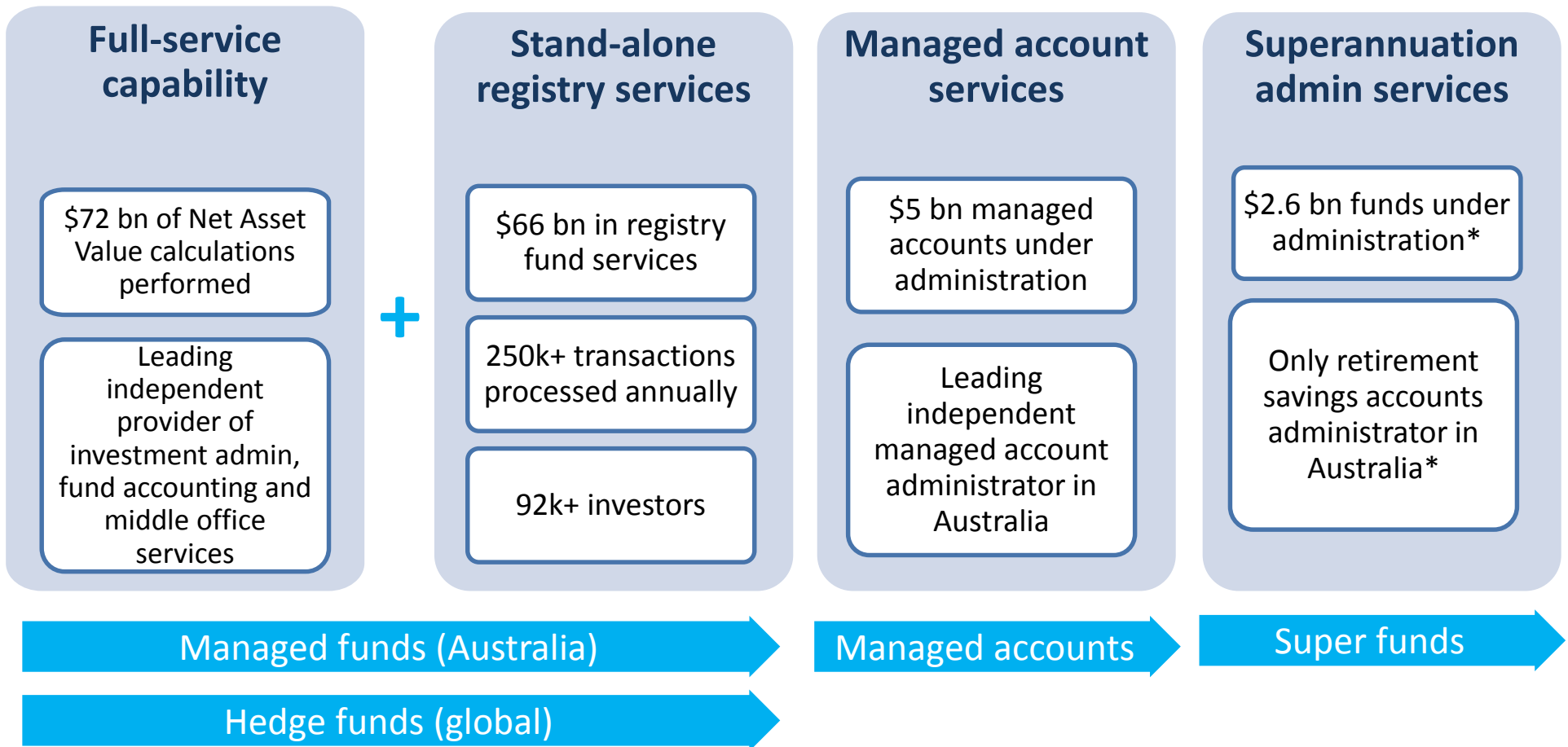
- › MainstreamBPO is a global service provider to the financial services industry
 - › Provides fund administration services in markets with \$31 trillion investment assets[^]
 - › Over 94% recurring revenue grows in line with underlying funds via long-term service contracts
- › Established in 2006, now employs 180 staff in 6 countries
- › Serving 667 funds with assets in excess of \$119 billion
- › Operating in strong market with robust outlook
 - › \$2.18 billion Australian market growing 10% p.a.

Core growth strategy



[^] Subject to completion of Trinity transaction.

Proven market leader in independent fund administration services



* Subject to completion of IRESS transaction.

FY17 highlights

Revenue

\$29.3m

▲ 56% on FY16

EBITDA

\$4.3m

▲ 83% on FY16

NPAT

\$1.4m

▲ 38% on FY16

Funds under
administration

\$119 bn

▲ 35% on FY16

Funds
administered

667

▲ 54% on FY16

Final fully franked

dividend

0.75 cents

per share

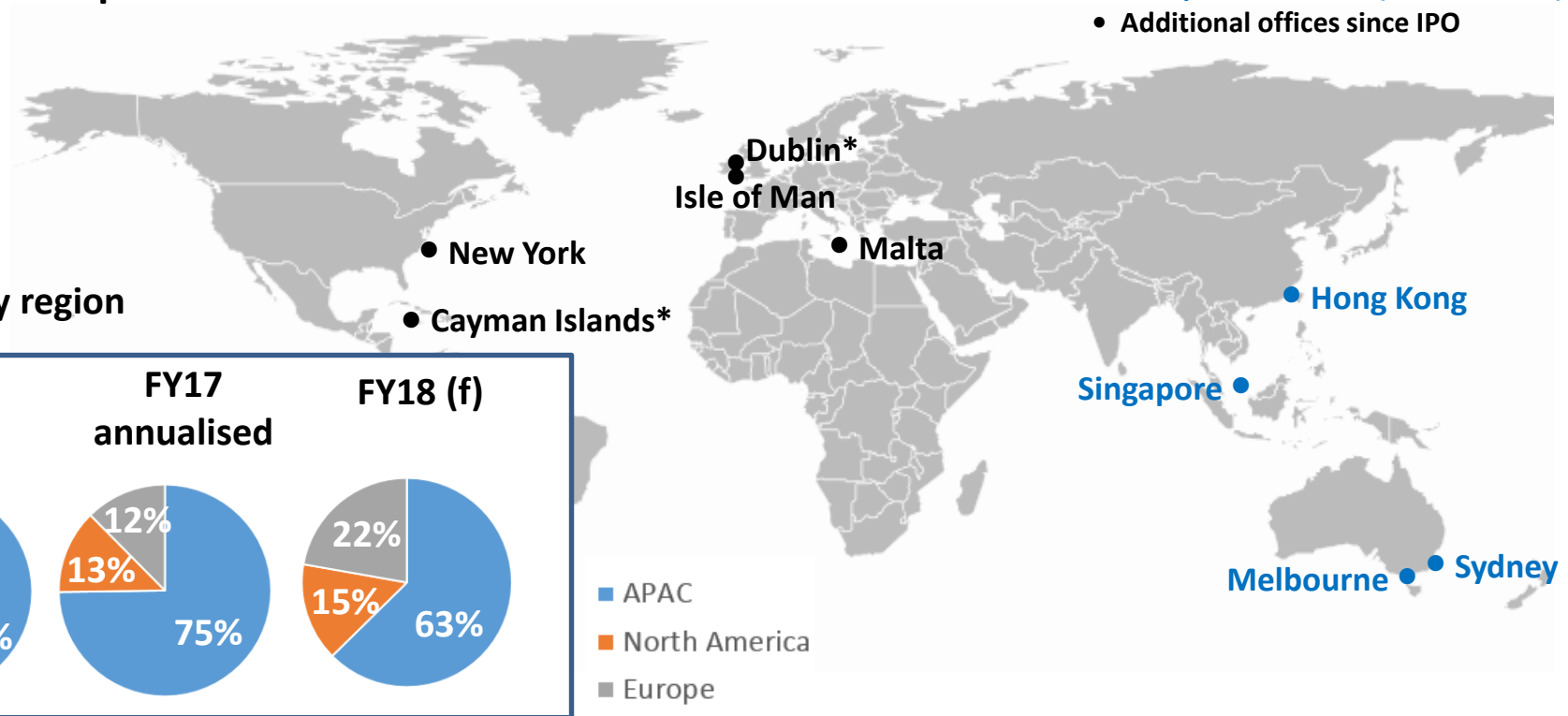
(full year: 1.25 cps)

- › Continued strong inflows into client funds
- › Completed 3 international acquisitions to build global distribution capability:
 - › *Fundadministration, Inc* – established presence in New York, home of the world's hedge fund markets
 - › Galileo Fund Services – expansion of services to support UK based offshore funds
 - › Former European hedge fund business of Alter Domus – increased scale and cross-border growth opportunities in Europe

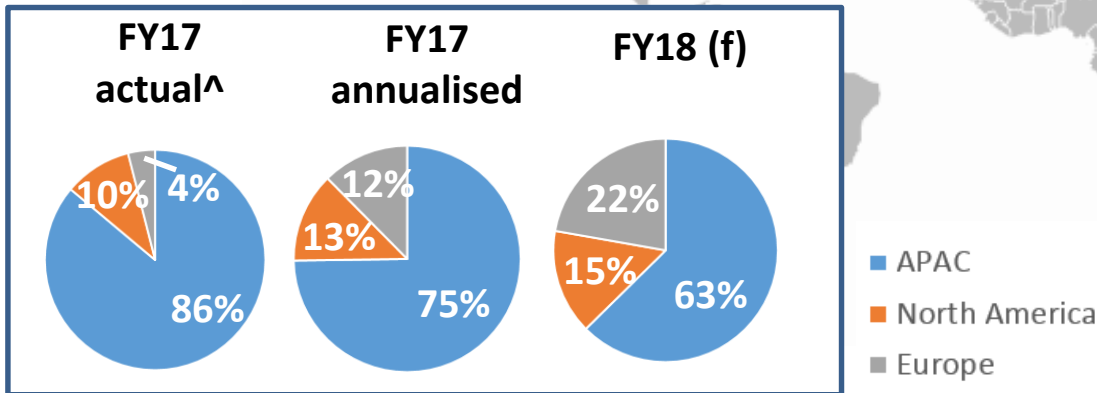
Further progress in our ambition to be a global fund administrator

Group now has global operations to support cross-border clients and grow revenue channels

Group offices



Revenue by region



[^] The Group had operations in North America for nine months and Europe for seven months during FY17.

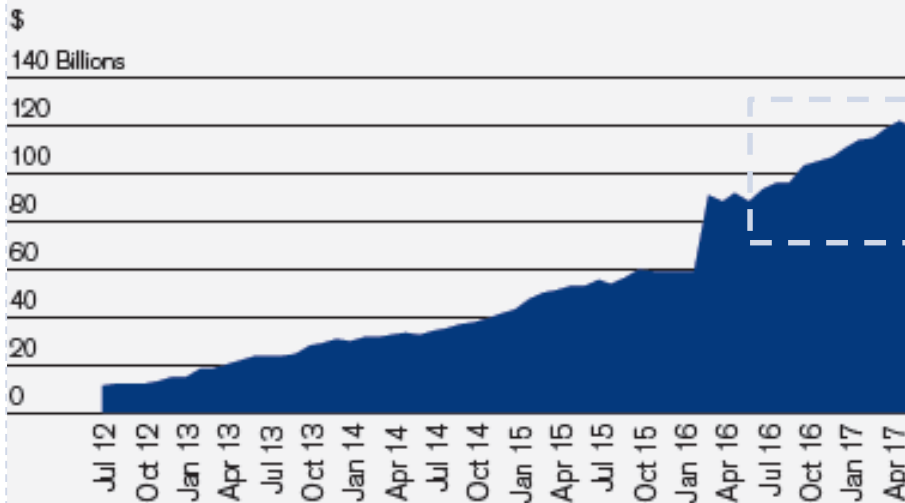
* Subject to regulatory approval.

Funds under administration (FUA) continues to grow

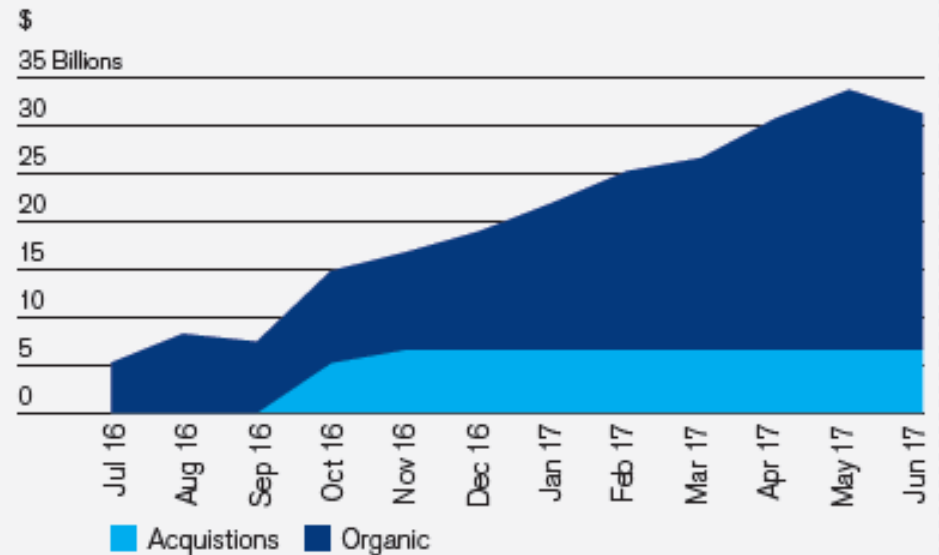
- › \$31 billion inflows in FY17
- › Largely driven by existing business and complemented by FY17 acquisitions

GROWTH IN FUNDS UNDER ADMINISTRATION

FUA HISTORICAL GROWTH



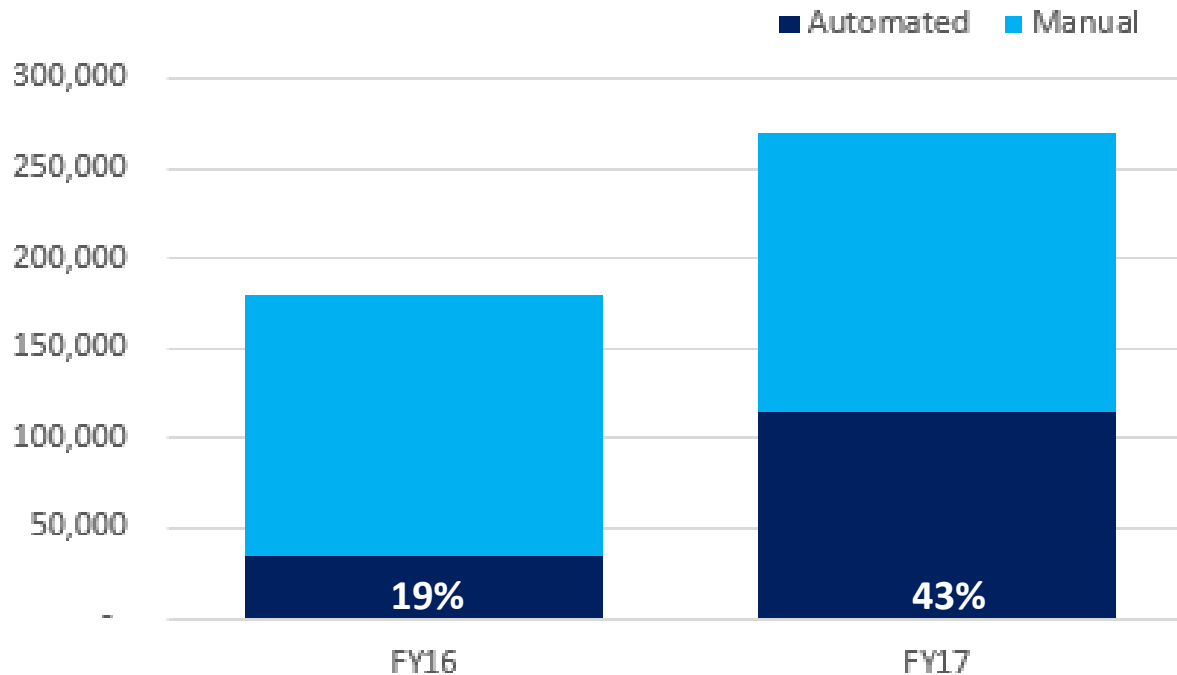
FUA INFLOWS DURING FY2017



Investment in automation to build efficiency and scale

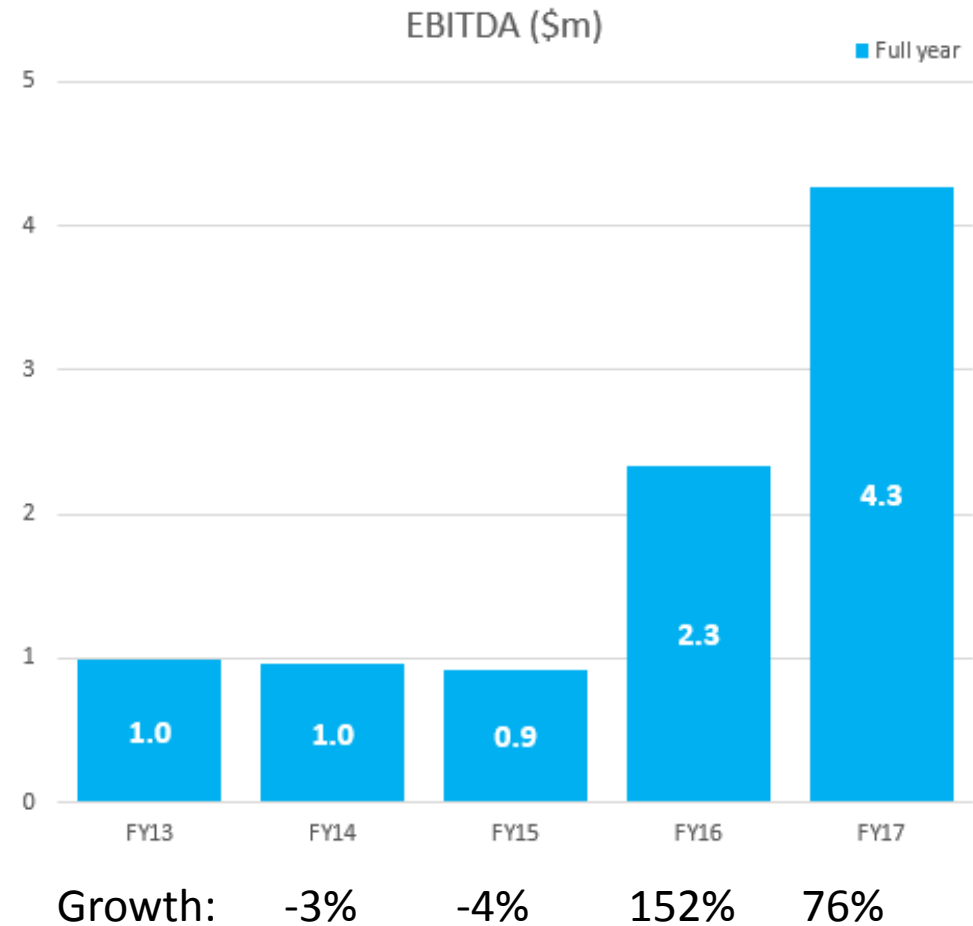
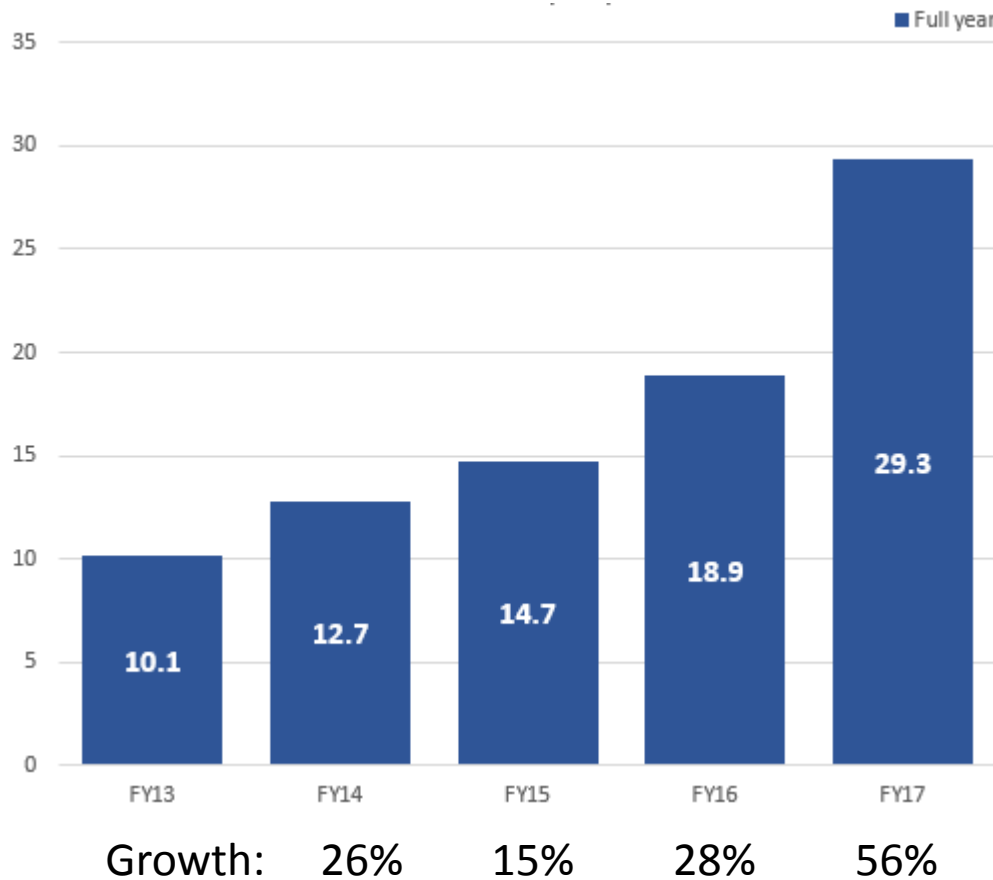
- › Unit registry services account for over \$66 bn funds under administration
- › YoY increase in registry transaction volumes (↑49%) and automation (↑24%)
- › Further opportunity to enhance client service experience and efficiency

Unit registry transactions processed



Revenue and EBITDA growth

High organic growth underpinned by inflows into wealth management industry



FY17 full year results

Highlights

- › Annualised revenue doubled since listing in Oct 2015
- › \$10.4m revenue increase YoY: \$6.3m from organic growth, \$4.1m from acquisitions
- › 2.2% margin improvement

\$ 000	FY17	FY16	Change
Profit after income tax expense	1,425	1,029	↑38%
Add:			
Income tax expense	387	337	
Amortisation and depreciation expense	998	463	
Interest expense	696	92	
Share-based payments expense	751	412	
EBITDA*	4,257	2,330	↑83%
EBITDA margin (%)	14.5%	12.3%	↑2.2%
EPS - basic	\$0.016	\$0.013	↑21%

* Includes non-recurring acquisition costs of approx. \$250k.

FY17 balance sheet

Highlights

- › YoY cash balance increase of \$5m
- › \$9m debt facility used to fund strategic acquisitions
- › Debtors increased YoY due to significant revenue growth and quarterly billing cycle of international businesses

\$m	FY17	FY16
Current assets	12.7	5.0
Non-current assets	20.4	9.0
Total assets	33.1	14.0
Current liabilities	5.0	3.2
Non-current liabilities	9.4	0.0
Total liabilities	14.4	3.2
Net assets	18.7	10.8
Equity	18.7	10.8

Outlook

FY2018

- › Anticipated revenue ~\$40m and EBITDA of ~\$6m as a result of:
 - › Organic growth of existing clients and new contracts
 - › Full year impact of completed acquisitions
 - › Further margin improvement through scale and technology investment
 - › No dependence on additional acquisitions
- › Further acquisition opportunities in Europe (Luxembourg)
- › Global rebrand to “Mainstream”

Trinity transaction

- › Sale agreement signed 18 May 2017
- › Delivers established operations in Ireland and Cayman Islands
- › Pending regulatory approval to complete transaction

IRESS transaction

- › Sale agreement signed 13 July 2017
- › On track for October completion
- › Only third party administrator of retirement savings accounts

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