

## H1 FY17 forecast results and FY17 guidance

SYDNEY, Australia – Bulletproof Group Ltd (ASX: BPF) provides forecast results for the half year ended 31 December 2016 and confirms profit guidance for the full year ended 30 June 2017.

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### FY17 Full Year Results Guidance

- Underlying<sup>1</sup> profit guidance is re-affirmed, with EBITDA c.\$6.0m, and EBIT of c.\$1.5m
- Second half FY17 strong underlying<sup>1</sup> profitability turn-around is driven by restructuring and cost savings implemented in the first half of FY17
- Full year revenues are expected to be c.\$54.0m, up 14% on FY16, down 10% on previous guidance, resulting from reduced sales bookings, with the last six months focused on improving profitability

### H1 FY17 Results Forecast

- Half year revenue is forecast to be c.\$24m, up 11% on 1H FY16, with growth affected by customer-side project delays and lower than expected sales bookings
- Underlying<sup>1</sup> EBITDA is forecast to be a loss of c.(\$0.5m), and EBIT a loss of c.(\$2.8m), as integration, consolidation and cost reductions take time to translate into bottom line results
- Write down of c.\$3.6m of capitalised product development costs, as part of re-structure and re-focus of the business

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Commenting on the expected results and the outlook, Bulletproof CEO Anthony Woodward said, “We are pleased to be on track to deliver a strong improvement in bottom line performance into the second half of this financial year and beyond, resulting from the hard work already completed as part of the Company’s transformation. Combined with our position as the leading AWS Premier Consulting Partner in the region, our strategy for ongoing product innovation – including new Consulting Services, and our multi-cloud product offering that includes new Microsoft Azure Support offerings, we believe the Company is well positioned for growth in both the top and bottom line in future periods.”

During the first half of FY17, management have been working on a number of initiatives to consolidate, right-size and re-skill engineering and administration teams, reducing headcount by c.30 on FY16, to better position capability for customer needs, improve operating efficiency and drive underlying profitability. Re-structuring costs of c.\$800k have been incurred in H1 FY17. These initiatives, combined with other cost savings, are expected to deliver c.\$4.5m in underlying<sup>1</sup> EBIT and EBITDA benefit on an annualised basis from the second half of FY17.

As part of the re-structure and refocus of the business, the board has resolved that all capitalised product development costs relating to non-recurring revenue based business should be written off in full to the value of c.\$3.6m in the first half of FY17. These product development costs continue to benefit the professional services business and our market offerings, but not through a recurring revenue basis model.

First half revenues were impacted by customer-side project reductions following those reported in the second half of FY16. Some of these delayed projects are expected to deliver strongly in the second half of FY17, resulting in seasonally higher revenue and underlying profitability for the half.

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<sup>1</sup> Exclusive of Financial liabilities re-valuation, capitalised development cost write-downs, and restructuring costs.

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**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.