

Investor Presentation

2018 H1 Results

16 February 2018

Conf Details:

1800 908 299 Toll Free – ID 361201

+61 2 9007 8048 (AUS)

0800 452 795 (NZ)

FY18 H1 Result - Summary

Comparisons to FY17 H1

Revenue

\$23.3m



5%

Underlying¹ EBITDA

\$1.9m



+\$2.3m

Underlying¹ EBIT loss (\$0.2m)



+\$2.9m

Underlying¹ NPAT loss (\$0.4m)



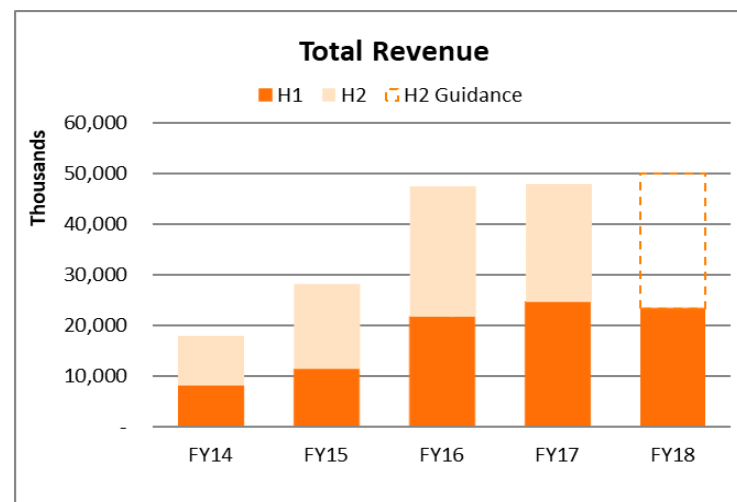
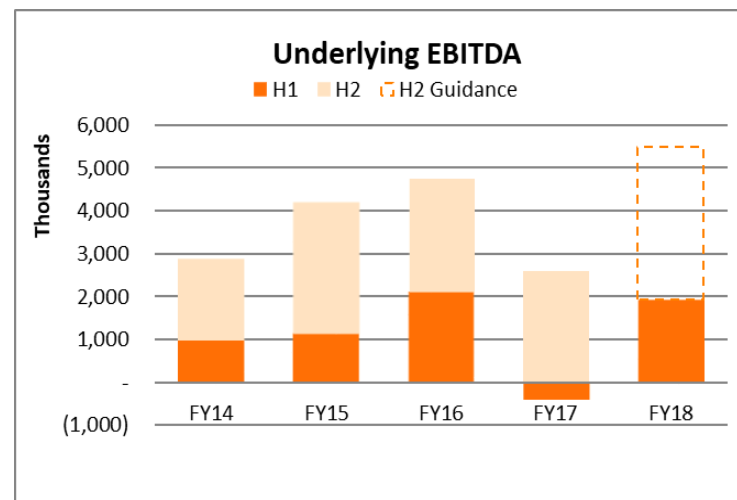
+\$1.1m

Reported NPAT loss (\$1.3m) – incl. \$0.9m adjustments

1. Excluding M&A defence and restructuring costs.

FY18 H1 Result - Detail

	H1 FY18	H1 FY17
Sales revenue	\$23.3m	\$24.5m
Other income		\$0.3m
Consumables Used	(\$13.9m)	(\$13.3m)
Employee benefits expense	(\$5.1m)	(\$9.4m)
Consulting	(\$1.0m)	(\$1.0m)
Other expenses	(\$2.2m)	(\$2.2m)
Adj for restructuring costs	\$0.4m	\$0.8m
Adj for M&A & Legal costs	\$0.4m	
Adj for Write off of non current assets	\$0.1m	
Underlying EBITDA	\$1.9m	(\$0.4m)
Depcn and Amort	(\$2.1m)	(\$2.3m)
Underlying EBIT	(\$0.2m)	(\$2.7m)
Net Interest	(\$0.2m)	\$0.1m
Income Tax		\$1.1m
Underlying NPAT	(\$0.4m)	(\$1.5m)
Cashflows	H1 FY18	H1 FY17
Net Cash generated from operating activities	\$1.0m	(\$2.5m)
Investing activities	(\$0.3m)	(\$0.4m)
Cash (used in)/from financing	(\$0.8m)	\$0.9m
Net (decrease) in cash	(\$0.1m)	(\$1.9m)
Net Cash at Bank	\$1.4m	\$2.8m



FY18 H1 - Financial Performance Improvements

- Positive cashflows \$1m from operating activities
- Customer wins in professional services & reduction in churn
- Line of Business Segment analysis
 - Better visibility to all stakeholders
 - Driving line of business improvements

FY18 H1	Public cloud		Private Cloud		Professional Services	
\$m	FY18	FY17	FY18	FY17	FY18	FY17
Revenue	11.4	12.4	8.9	9.6	2.8	2.5
Gross Margin	2.8	3.7	3.3	3.0	1.5	0.3

Organisational Improvements

Organisational Structure Review in FY18 H1:

- Structure centralised around customer rather than product
- Customer engagement teams focused on mid-market & Enterprise
- More efficient and focused functional areas removing silos
- Emphasis on Product innovation under the CTO
- Key roles initiated for Group Marketing and Customer Focus (H2)
- Sales and revenue driven across whole of business
- Re-energised team delivering on growth into future periods
- Reduction in corporate overheads and lean executive team
- Further improvements to SG&A overhead with scale

Market Positioning

- Focus on targeting and winning Key Verticals & Workloads:
 - FS&I – Building on momentum from wins to grow Agile transformation pipeline
 - Retail – Adding to success from complex integrations with major retailers
 - Government - Grow Spatial & Other data services pipeline
 - Mid-market – focus on transactional, point solutions for rapid wins
- Building out our strong Partner engagements
 - Re-certification as AWS Premier Consulting Partner (MSP competency)
 - Microsoft Gold Partner & Tier 1 CSP
 - Ongoing engagement with strategic consulting partners
- Focus on transforming our customers' Digital/Back Office
 - Develop clear message targeting the key workloads still driving public/private cloud opportunities
 - Refreshed and competitive products focused on business outcomes
 - Engaging with existing customers to leverage business drivers and grow share of wallet

Bulletproof NZ - Update

Legal Matter Update

- Complete defence and counter claim lodged in NZ High Court 22 October 2017
- Legal costs to date c.\$170k, \$135k expensed in H1 FY18
- Court date set for October 2018
- Board remains confident of position
- No provision as at 31 December 2017 as not probable, total legal costs to completion of trial estimated as total c.\$450k

Contact Us

For enquires please contact:

Anthony Woodward
Chief Executive Officer
+61 2 9663 9022

For investor related queries please contact:

Paula Kensington
CFO & Company Secretary
+61 2 9663 9007
investors@bulletproof.net

