



bulletproof.net.au

Investor Presentation – FY15 H1 Results

February 2015

Company Overview

Financial Snapshot

	FY14	FY14 H1	FY15 H1	Variance
Revenue	\$18.3m	\$8.1m	\$11.9m	↑ 46%
Underlying EBITDA ¹	\$2.9m	\$0.96m	\$1.2m	↑ 20%
NPAT	(\$3.1m)	(\$95.7k)	\$808k	
Underlying NPAT ¹	\$450k	(\$95.7k)	(\$567k)	

¹ Excludes historic goodwill impairment, acquisition costs, expensed broker options, and Class B Performance share re-valuation from January 2014 reverse acquisition of Spencer Resources

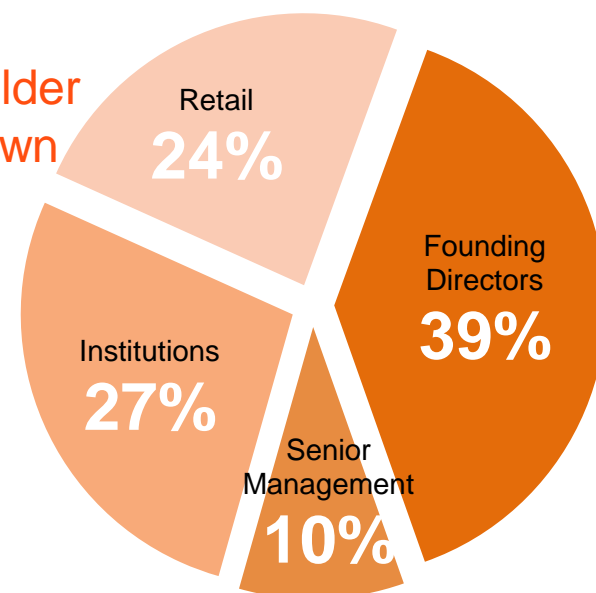
1H15 Highlights

- > Strong revenue growth
- > Significant investment in growth
- > Strong underlying EBITDA
- > Significant growth in external cloud-based revenues
- > Recurring revenues >85%
- > Completion of Pantha Corp Consulting acquisition

Background

- > 105 Staff, Sydney, Melbourne & USA
- > Managed Cloud and Cloud Consulting Services
- > Corporate and Government customers
- > Launched first Australian Public Managed Cloud in 2006
- > Customers include Qantas, Amaysim, Network Ten, Movember, Racing Victoria, Sydney Airport, AOC, BlueScope Steel

Shareholder Breakdown

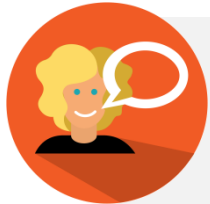


Capital Structure

	Number
Shares on issue	111,929,276
Unlisted Options	2,920,392
Class B Performance Shares ¹	25,000,000
Total fully diluted share capital	139,849,668

¹ Up to 25m shares, which convert on sliding FY15 EBITDA hurdle

Client Engagement



Consult

- Assess customer workloads to migrate to the cloud.
- Advise on best cloud platform for workloads.
- Provide architecture baseline for target cloud platform.
- Estimate migration and ongoing cost at destination.



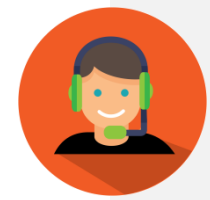
Design

- Architecture for application infrastructure in the cloud.
- Assess business, security, uptime and performance objectives.
- Use industry best practice to provide best solution for customer.



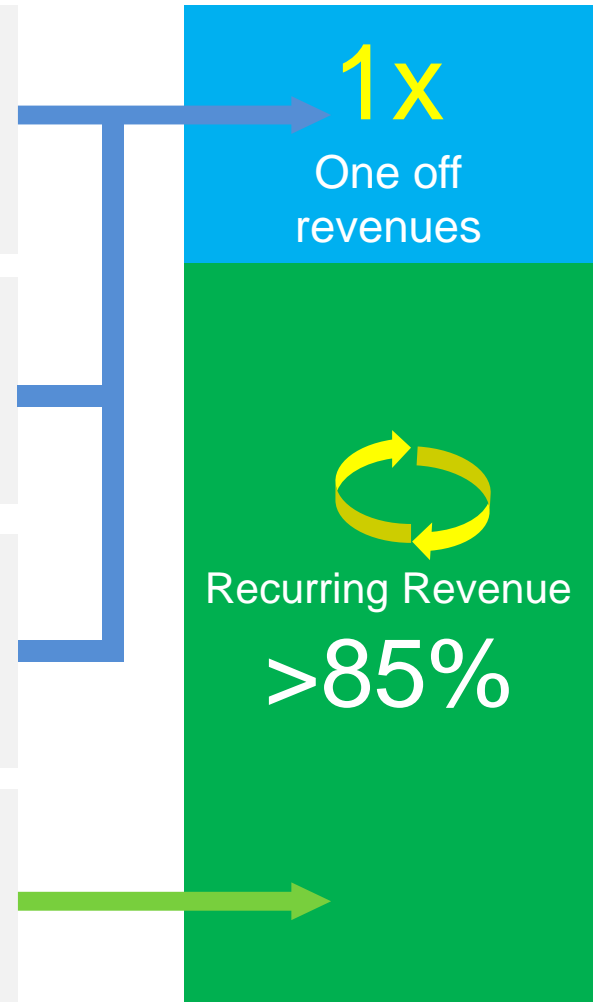
Deliver

- Implement architecture onto chosen cloud platform.
- Coordinate migration plan with developers and customer.
- Project manage end to end deployment, testing and handover.



Support

- Provide cloud infrastructure on an ongoing basis.
- Deep monitoring detects issues 24x7.
- Use ITIL-informed processes to resolve issues 24x7.
- Manage infrastructure for uptime, security, performance.



Recurring Business Model

Managed Cloud

Revenue

Bulletproof
Managed Service



AWS On
Demand
Service

Cost

Margin

AWS Cost

Bulletproof purchases AWS infrastructure on demand and on-bills to customers, and adds value through managed services.

Managed Hosting

Revenue

Bulletproof
Managed Service



Bulletproof
Hosted
Services

Cost

Margin

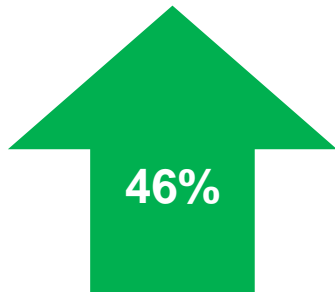
Hardware,
Software

Co-location,
licensing,
bandwidth

Hosted on Bulletproof's VMware infrastructure in 3rd party data centres in Australia and the US.

FY15 H1 Financial Results Highlights

Revenue: **\$11.9m**



FY14 H1 Revenue: \$8.1m

Underlying EBITDA:
\$1.2m



FY14 H1 Underlying EBITDA: \$965k

Managed Public Cloud
Revenue: **\$4.2m**



FY14 H1 Managed Public
Cloud Revenue: \$800k

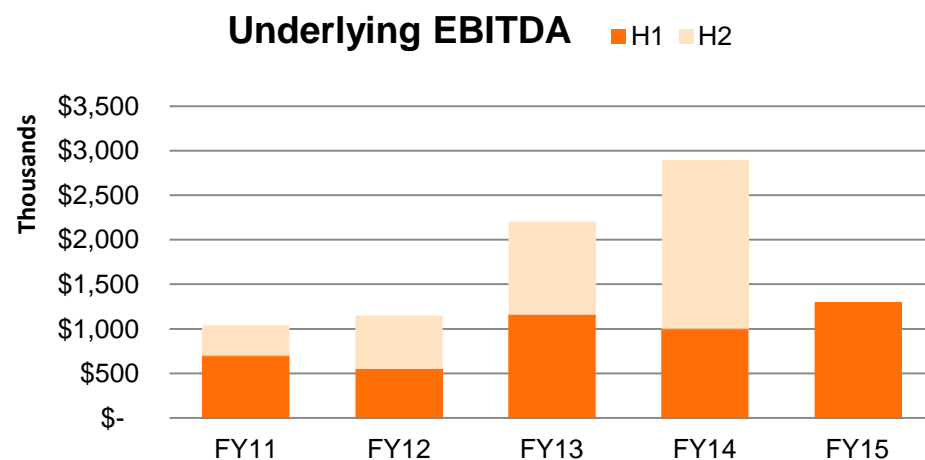
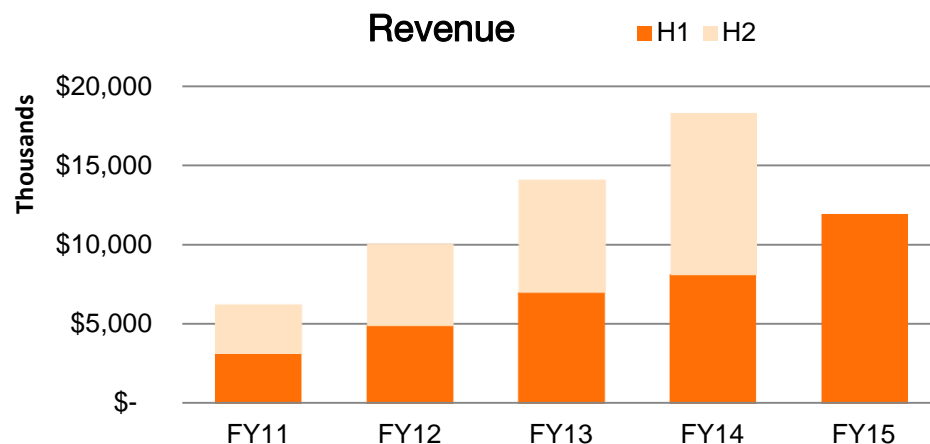
Investment for growth and product maturity

- Additional staff to deliver Consulting Revenues
- Growth of support team in line with continued customer growth
- Pantha Corp acquisition: 22 new Consulting staff
- New Product capability to develop managed application platforms
- Increasing demand from enterprise customers for consulting services
- Increasing spend from existing customers, ARPU rising
- Numerous client wins include Qantas, Amaysim

FY15 H1 Financial - Context

Results Detail	FY15 H1
Revenue	\$11.9m
Cost of Sales	(\$6.1m)
Expenses (including tax)	(\$5.0m)
NPAT	\$808k
Adjustments ¹	(\$1.4m)
Underlying NPAT	(\$567k)
Underlying EBITDA	\$1.2m

¹ Class B Performance share re-valuation



FY15 Outlook

Continued revenue and EBITDA growth

- H1 FY15 investments to drive growth
- Increase in Professional Services and Consulting revenues

Operating leverage improvements

- Automation
- Increasing scale

Continued development of Managed Application products

FY15 Performance B hurdles

- Across a target EBITDA range of \$3.5m - \$5.0m
- As an example, target EBITDA of \$4.0m:
 - would result in conversion of 10m Class B Performance Shares to ordinary
 - on earnings growth of around 38% from FY14
- Maximum conversion is 25m shares (at \$5m target EBITDA)
- Zero shares awarded for <\$3.5m target EBITDA
- Target EBITDA excludes EBITDA contributed from acquisitions

Pantha Corp Acquisition Update

Acquisition of Pantha Corp FY15 Q2:

- Initial payment of \$800k at 2x EBITDA (\$400k EBITDA run rate)
- Significant hurdles to meet for additional consideration up to \$3.1m 50:50 cash and scrip
- EPS accretive deal, with maximum around 4x EBITDA with all targets met

BPF and Pantha Corp Enterprise customers showing positive prospects already



- > Blue chip, loyal customer base
- > Design, deploy and manage Cloud infrastructure
- > 24x7 Managed Services capability with 14 years' experience
- > Customer base on or moving to Cloud
- > Strong customer-oriented values
- > AWS Premier Consulting Partner



- > Leading Cloud automation and deployment capabilities
- > Proven consulting best practice with seven years experience
- > Strong customer-oriented values
- > Industry leading Cloud architects
- > Enterprise client base ready for managed services

Australia's leading end to end cloud services company

Cloud Market Update

Australian Cloud Market findings:

- Australian Cloud market \$1.23bn in 2013
- Expected to grow to \$4.55bn by 2018
- Average cost savings 12%
- 64% using cloud now plan to increase spend in next 12 months

Source: Frost & Sullivan "State of Cloud Computing in Australia, 2014"

Aust Cloud Market
2018: **\$4.55bn**

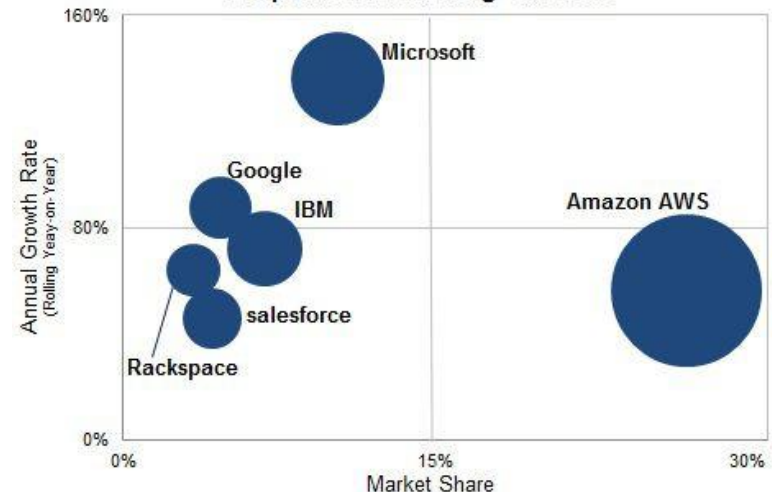


2013: \$1.23bn

Global players in Australia:

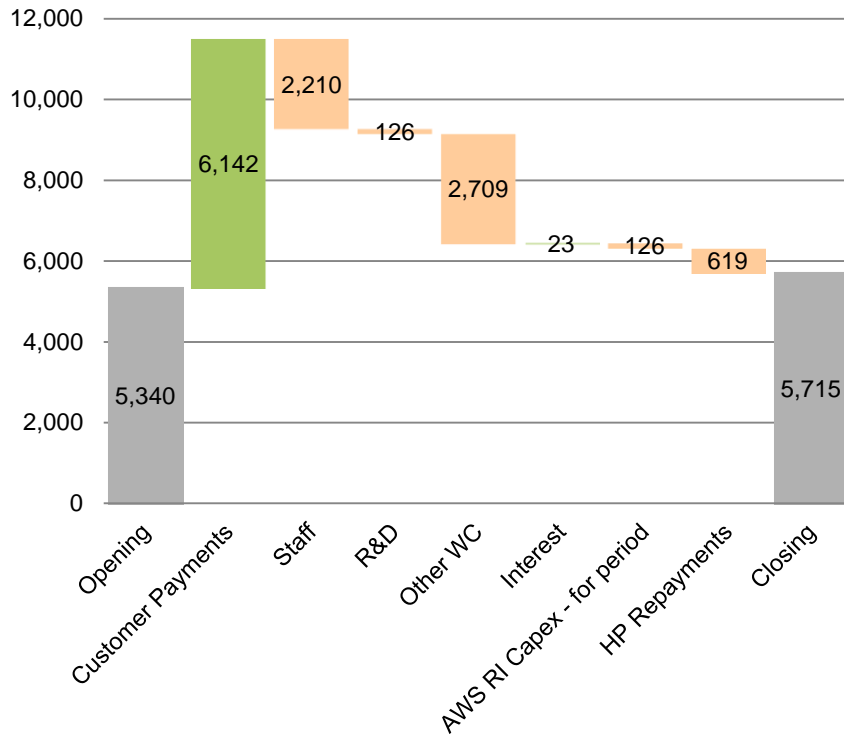
- Amazon Web Services maintains commanding lead
- Microsoft Azure, IBM Softlayer launched in 2014
- VMware Cloud Air due to launch in 2015
- Less than 10% of workloads are in the cloud
- Bulletproof manages public and private cloud

Cloud Infrastructure Services
Competitive Positioning - Q3 2014

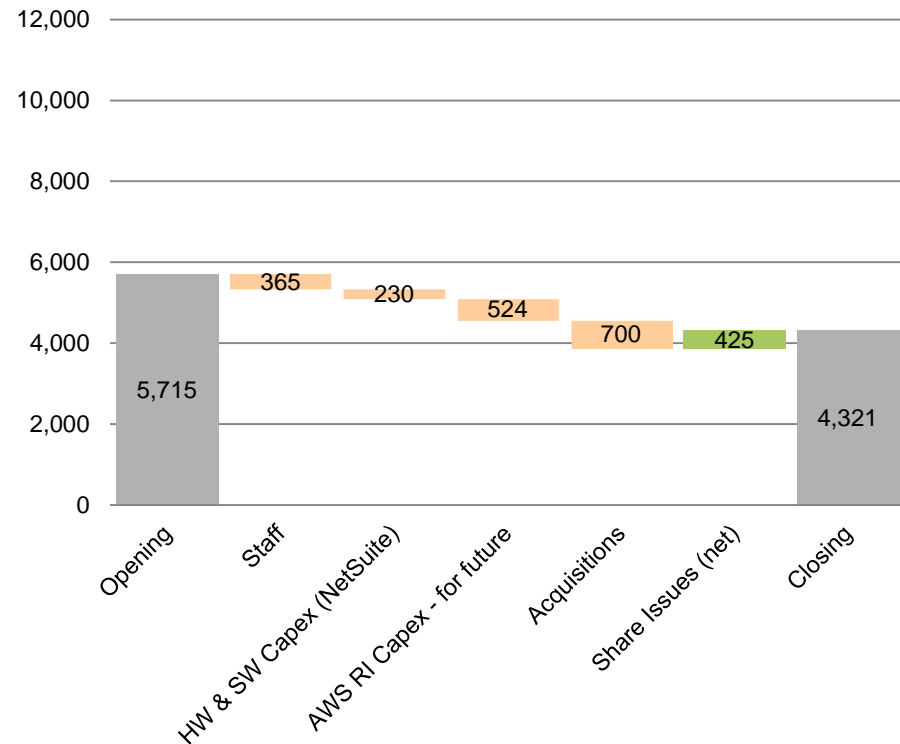


Q2 Cash Analysis

Business as Usual (\$,000)

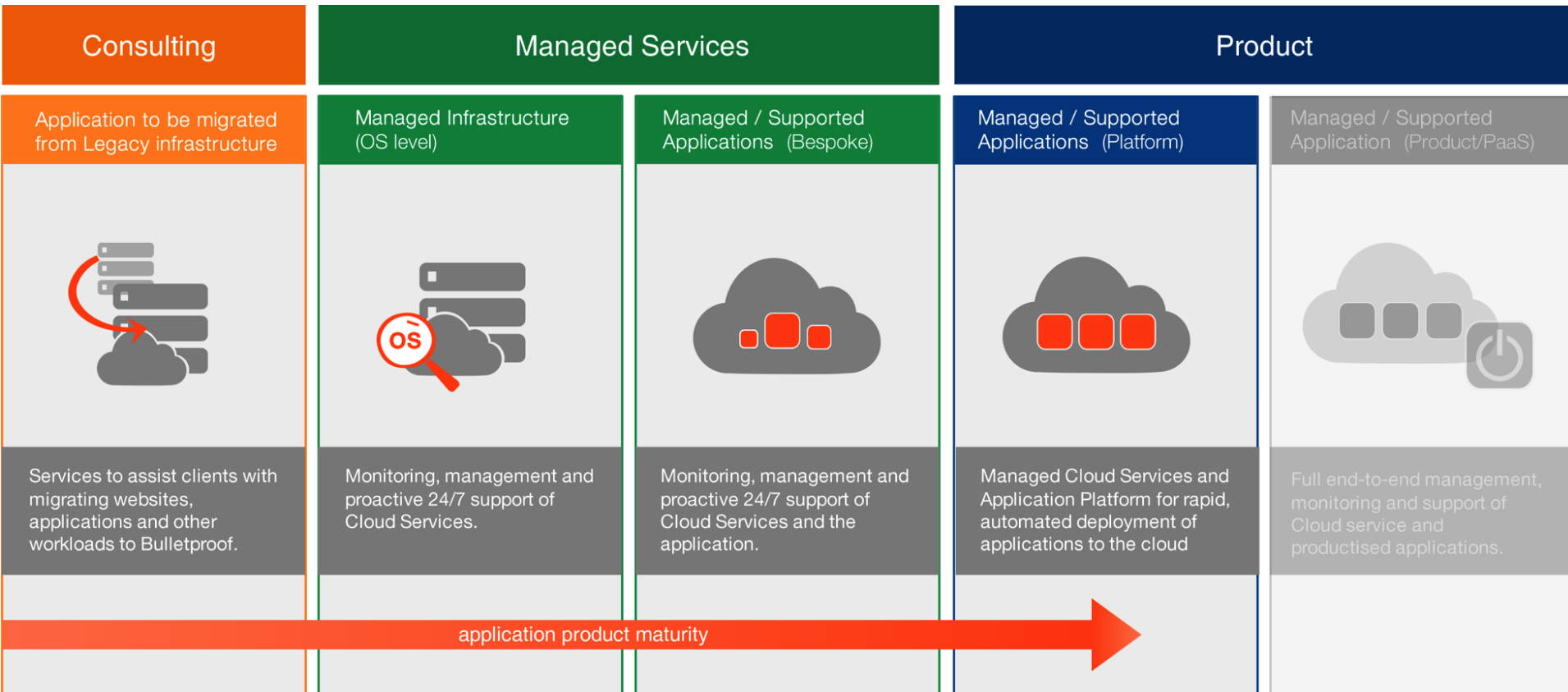


Growth (\$,000)



- Other Working capital is primarily AWS ongoing costs (for managed cloud) and other service providers (for managed hosting). Statutory and office expenses ~20% of the total
- Cash deployed for growth primarily around acquisition, staff for new business, and AWS RIs to enhance future revenue margins

Product Maturity Roadmap



Key Customers

theguardian



OLYMPUS®



W[®] MOVEMBER



sage



MAZDA



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