

Investor Presentation

Bravura Solutions Limited



April 2019

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WHO WE ARE



Bravura is a market leading provider of enterprise software and software-as-a-service to the wealth management and funds administration industries

- High degree of recurring revenue
- Long-term, sticky, customer contracts
- Significant operating leverage
- A\$246m revenue over last 12 months
- 5 year revenue CAGR of 12%
- A\$130m+ invested in Sonata
- 70+ blue chip clients
- A\$2.8+ trillion AUA on BVS technology
- Presence in 8 countries with 1,300+ FTEs
- Return on equity of 28%

SEGMENT OVERVIEW

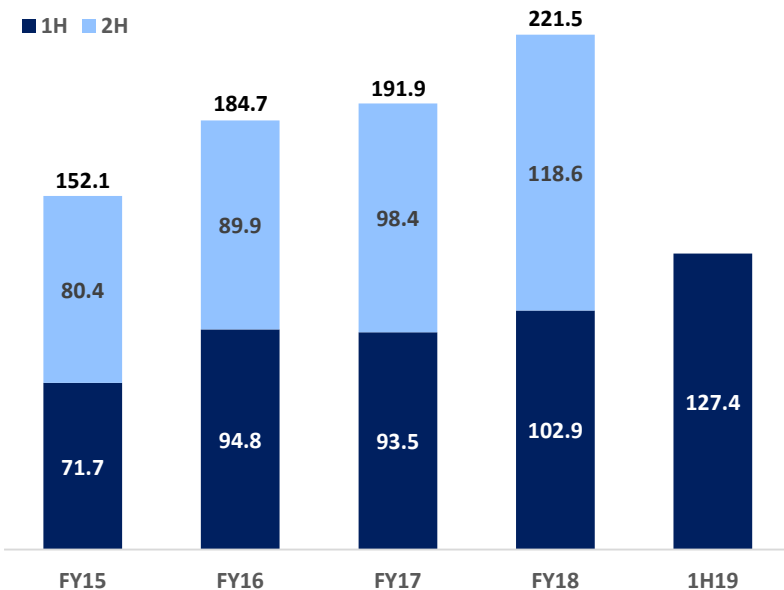
	Wealth Management	Funds Administration
Revenue contribution ¹	71%	29%
EBITDA contribution ¹	68%	32%
Number of clients ²	64	13
Key clients	<p>Fidelity, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, Partners Life, Suncorp and STANLIB Wealth</p> <p>Contracts and relationships spanning over 10 years with all top six Australian bank-based wealth management businesses, measured by AUA</p>	<p>Bank of New York Mellon, Legal & General, Schroders and Citi</p> <p>Bravura's funds administration software supports in excess of 285 investment management companies</p>
Key products	Sonata, Garradin, Babel ePASS, SuperB, Calibre, Talisman	RUFUS, GTAS, Babel GFAS
Client locations	Australia, UK, New Zealand, South Africa, Hong Kong, Vietnam and Thailand	UK, Ireland, Luxembourg, Poland and Singapore

1. Based on 1H19

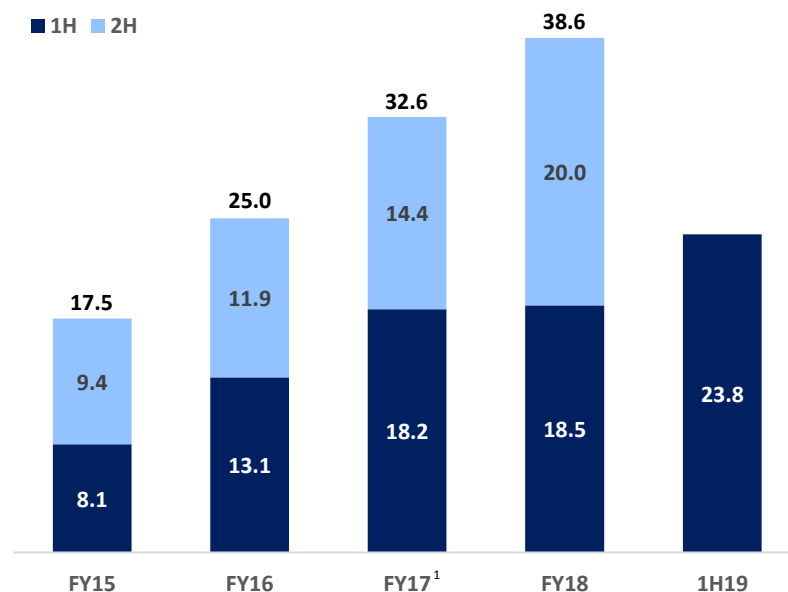
2. As at 31 December 2018

STRONG REVENUE AND EARNINGS GROWTH

Revenue (A\$m)



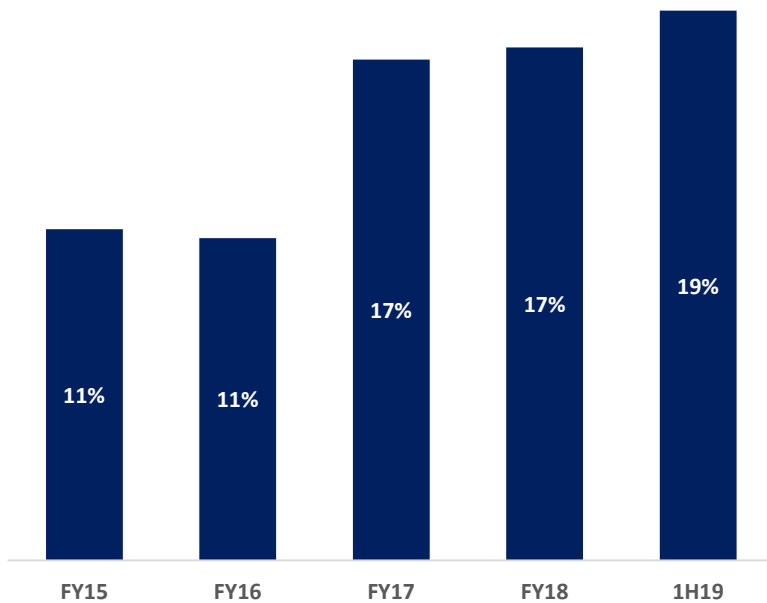
EBITDA (A\$m)



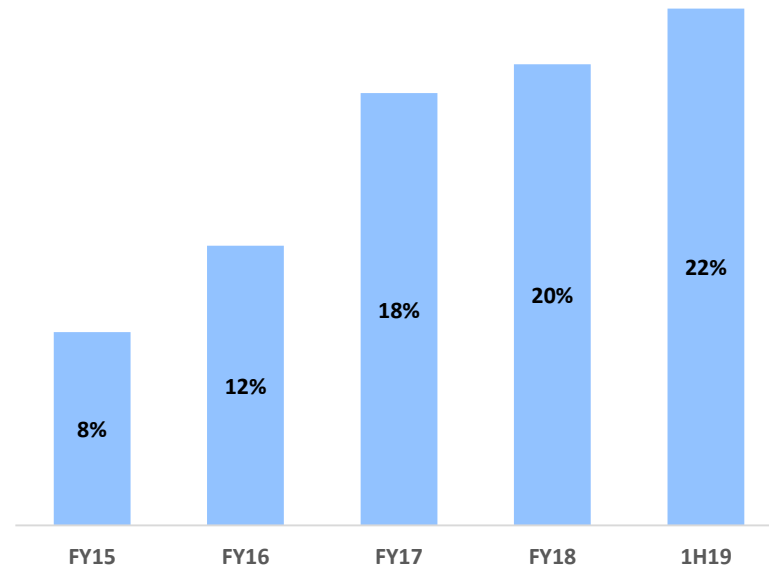
1. FY17 EBITDA is presented on a pro forma basis

CONTINUED IMPROVEMENT IN MARGINS AND RETURNS

EBITDA margin¹



Return on assets^{1, 2}



1. Based on FY15 and FY16 pro forma EBITDA

2. Return on assets is based on annualised EBITDA over average total assets

WHY CLIENTS CHOOSE SONATA

Challenges faced by participants...

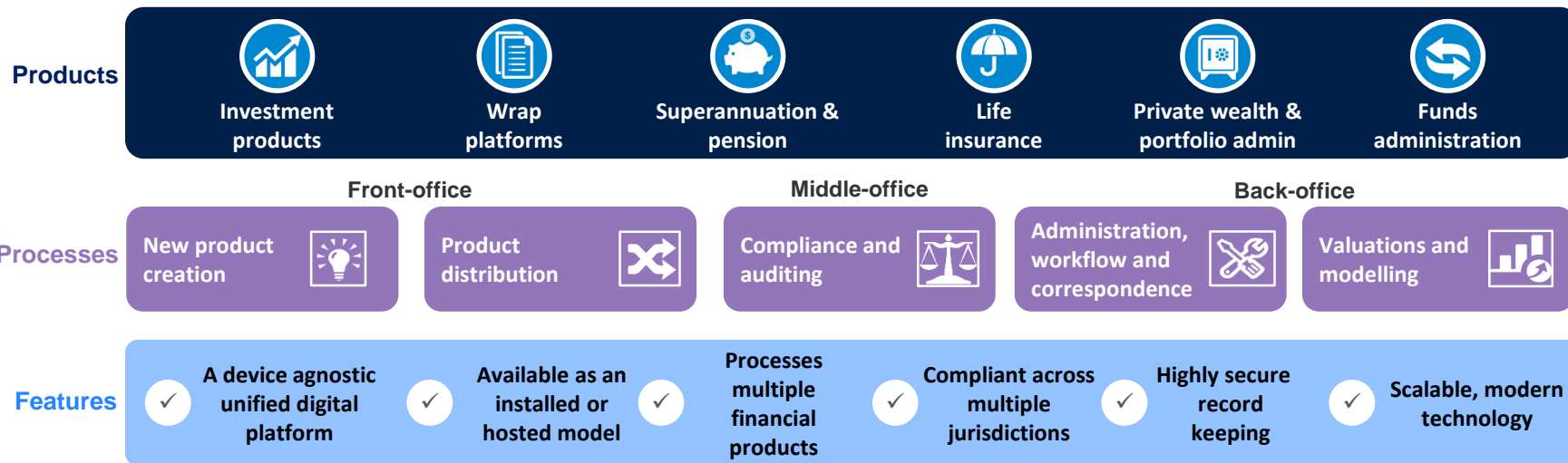
- 1 Evolving and complex regulatory and tax environment
- 2 Demand for digital and “self-directed” technology
- 3 Need for rapid product innovation and launch
- 4 Cost and margin pressures
- 5 Scaleable technology

... can be solved with Bravura technology

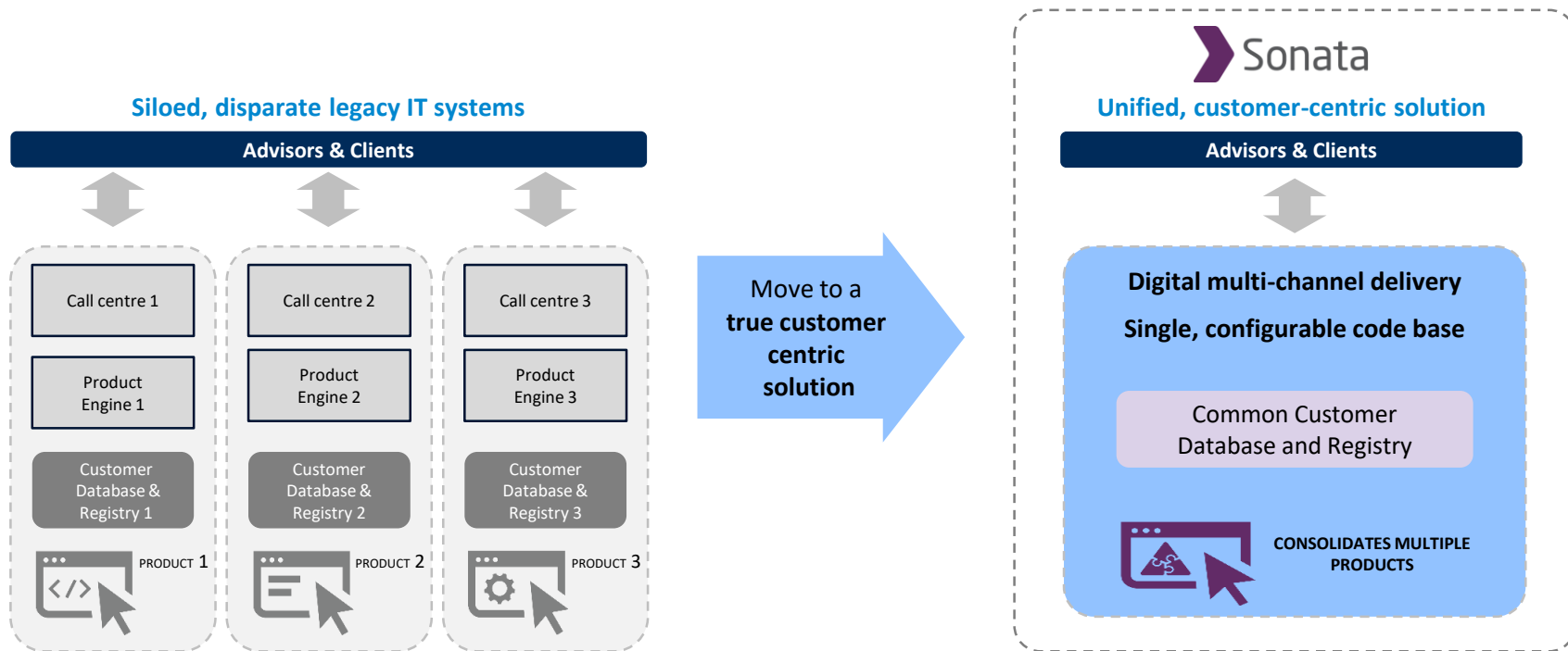
- ✓ Solves complex regulatory and tax environments
- ✓ Fully accessible through API/web services to self-developed, third party or Bravura digital offering
- ✓ Enables faster product configuration and launch
- ✓ Highly configurable single global line of code
- ✓ Extracting operational efficiencies
- ✓ Enterprise grade, able to handle high volumes

BRAVURA'S FLAGSHIP PRODUCT – SONATA

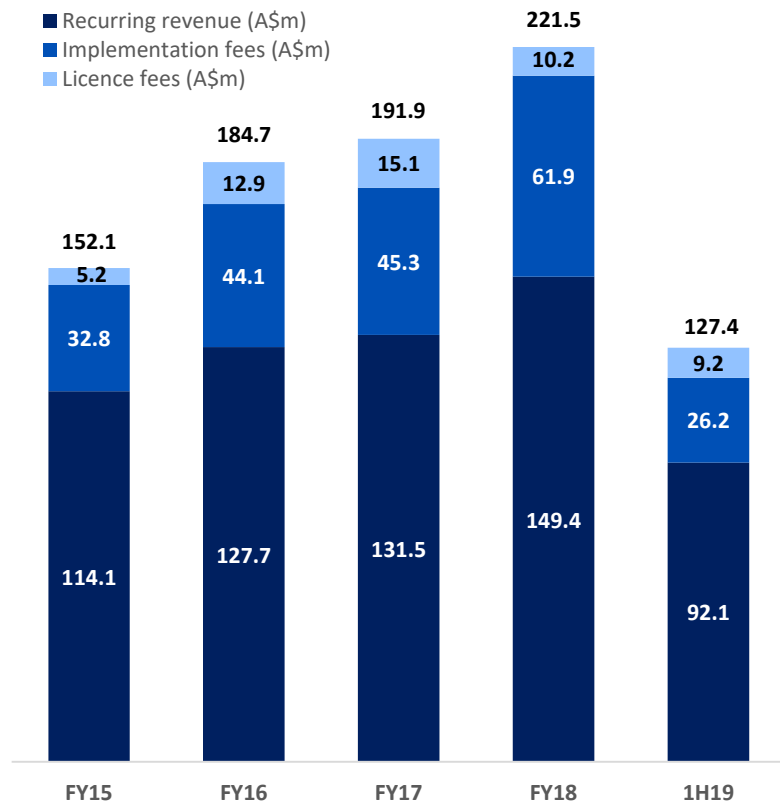
Sonata is the essential software for financial institutions to administer a wide range of financial products. This ranges from allowing front office functions to originate and distribute financial products, middle office functions to assess risk and align the product strategy to the broader group, to back office functions to process customer transactions, reporting, and correspondence.



SONATA SIMPLIFIES LEGACY CLIENT SYSTEMS



STRONG GROWTH IN RECURRING REVENUE



- Recurring revenue was up 31% in 1H19 compared to the pcp and comprised 72% of total revenue
- Recurring revenue has grown as new clients are added and existing clients broaden their use of functionality, supported by the long-term nature of Bravura's client contracts
- Bravura's significant recurring revenue base provides a high degree of certainty around its long-term earnings profile and future cash flow expectations
- New contract wins also attract implementation fees over the initial 2 to 3 year period, as clients deeply embed Bravura's solutions into their business's core operating model

- Recurring revenue comprises maintenance, managed services, and in-production professional services from ongoing client demand
- Implementation fees comprise professional services from initial implementation and development requirements
- Licence fees are earned on a one-off or recurring basis

EXPANSION IN WEALTH MANAGEMENT R&D LEVERAGE

A\$m	FY14	FY15	FY16	FY17	FY18	1H19
Client development revenue	5.0	11.2	13.9	13.5	28.9	22.5
Client development costs	-5.4	-12.0	-11.1	-13.7	-21.0	-11.8
Development operating expense	-1.7	-2.2	-2.1	-2.5	-2.4	-1.2
Development capital expense	-5.5	-8.8	-4.0	-7.7	-6.3	-2.0
Total development expenditure¹	-12.6	-23.0	-17.2	-24.0	-29.7	-15.0
Net development	-7.6	-11.8	-3.3	-10.5	-0.8	7.5
Wealth Management revenue	59.0	76.5	99.6	122.7	155.1	90.4
Total R&D expenditure as a % of WM revenue	21%	30%	17%	20%	19%	17%

- Continued investment over time has led to significant scale and depth in product functionality, and has further cemented Bravura's market-leading position
- Capitalised R&D expenditure declined to A\$2.0m in 1H19 (A\$3.3m in 1H18)
- All development expenditure adds to product capability, creating further operating leverage and market opportunity

1. Total development expenditure represents the sum of client development costs, development operating expense and development capital expense

1H19 KEY HIGHLIGHTS

Continued strong revenue growth with increasing operating leverage



- Bravura's long-term growth is driven by clients' need to address speed to market for new products, the growing importance of a seamless digital experience, ongoing changes in financial services regulation, and pressure to increase operational efficiency
- Wealth Management revenue up 24%¹**, driven by growth in Sonata, and **Funds Administration revenue up 23%¹** to deliver **Group revenue up 24%¹ to A\$127.4m**
- Wealth Management EBITDA up 36%¹ to A\$29.4m**, ahead of growth in Funds Administration and investment in Corporate, to increase **Group EBITDA up 28%¹ to \$23.8m**

Investment in Sonata is continuing to drive strong growth



- Achieved **two new Sonata contracts** in the period
- A number of clients were successfully implemented and several additional projects for new and existing clients commenced
- Sonata's compelling value proposition which supports clients with managing new regulation, digital and cost pressures has driven **significant growth in Sonata revenue** which now makes up almost all of Wealth Management

Strong business performance is delivering attractive shareholder returns



- Interim dividend declared of 5.3 cents per share**, representing 70% of 1H19 EPS
- Return on equity² of 28%** in 1H19 underpinned by Bravura's consistent and long-term investment in product development, deep market knowledge and expertise, sound business model, driving significant operating leverage

1. Compared to 1H18

2. Return on equity is based on annualised NPAT over average total equity

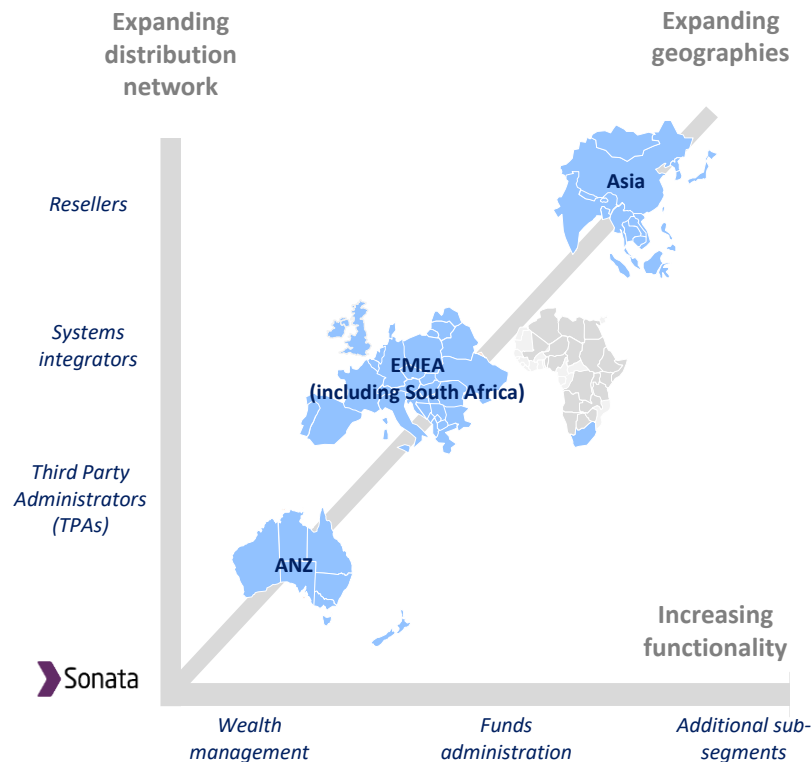
A\$m	1H18	1H19	% chg
Group			
Revenue	102.9	127.4	24%
EBITDA	18.5	23.8	28%
NPAT	14.2	16.3	15%
Segments			
Wealth Management revenue	72.8	90.4	24%
Wealth Management EBITDA	21.6	29.4	36%
Funds Administration revenue	30.1	37.0	23%
Funds Administration EBITDA	12.8	13.7	7%
Sonata			
Sonata clients	22	25	14%

STRATEGIC GROWTH PRIORITIES

Growth drivers

- ✓ UK Life & Pensions regulatory changes and moves to digital driving system upgrades
- ✓ Next generation Australian & New Zealand wrap and investment platforms driving the need for new technology
- ✓ Significant South African regulatory change driving new solutions for life, pensions and investments
- ✓ Expanding Bravura's distribution network through ongoing partnerships with TPAs, systems integrators and resellers
- ✓ Evaluating businesses or products that add value to Bravura on an ongoing basis

Execution of growth drivers



MULTIPLE GROWTH OPPORTUNITIES

Bravura is actively exploring a number of growth opportunities to expand into adjacent markets in existing geographies, and new or existing markets in new geographies

Acquisition and product expansion opportunities

- Bravura is actively exploring a number of growth opportunities which may include acquisitions and product functionality enhancements to support expansion in existing geographies and into new geographies and markets
- A number of geographies are currently demonstrating (or are likely to demonstrate in the near term) characteristics similar to the ones in which Bravura currently operates and thrives:
 - Increasingly sophisticated financial services economy
 - More complex financial products
 - Increasingly more complex financial services regulation
- Growth opportunities may be pursued through:
 - Acquisitions (including the non-binding indicative proposal to acquire 100% of GBST);
 - Development co-funding with an existing client who wishes to enter a new geography and/or market; and
 - Further R&D spend (on a market by market basis), or with any combination of these.

Non-binding indicative proposal to acquire GBST

- On 12 April 2019, Bravura announced a non-binding indicative proposal to acquire all of the shares in GBST by way of a scheme of arrangement (**Indicative Proposal**)
- The proposed consideration is a i) cash payment of A\$2.50 per GBST share (**Cash Consideration**), with up to a A\$0.35 per share special dividend (to be deducted from Cash Consideration), or ii) cash and scrip alternative such that GBST shareholders receive A\$0.35 per share cash payment (less any special dividend paid), plus 0.4095 Bravura shares for every GBST share (**Cash and Scrip Option**)¹
- Bravura believes that the Indicative Proposal represents an attractive opportunity for the shareholders of GBST
- Bravura is seeking an 8-week due diligence period
- The Indicative Proposal is at a preliminary stage. No due diligence has been undertaken and no agreement has been reached between Bravura and GBST in relation to the structure, value or terms of a transaction
- The Indicative Proposal remains subject to a number of conditions precedent, as outlined in the announcement to the market in respect to the Indicative Proposal on 12 April 2019. There is no certainty that this proposal will result in a transaction.

¹Cash and scrip alternative subject to a cap so that the total number of shares issued by Bravura does not exceed 16.4m

FY19 OUTLOOK

Strong sales pipeline



- Strong pipeline driven by sales opportunities from new clients and significant project activity from existing clients
- Bravura is well placed to take advantage of strong demand in the UK, Australia, New Zealand, South Africa and Asia
- Strong demand underpinned by clients' need for speed to market for new products, digital capabilities, navigating maturing and evolving regulation and extracting operational efficiencies

Increased scale driving operating leverage



- Strong growth, increasing scale and greater efficiency are driving increased operating leverage
- Increasing investment in Sonata continues to support client demand and deepen product functionality
- Bravura's broad suite of products, complemented by enhanced digital and cloud solutions, is extending Bravura's market-leading position in its established markets

FY19 earnings guidance



- Full-year 2019 guidance for EPS growth in the mid to high-teens re-affirmed

Q&A



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For more information, visit:
www.bravurasolutions.com/investors/

investors@bravurasolutions.com



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