



Release to the Australian Stock Exchange

Bravura Solutions Limited

Half Year FY17 financial results deliver above IPO forecasts

Sydney, 27 February 2017 – Bravura Solutions Limited (ASX:BVS, Bravura) a leading provider of enterprise software, installed and hosted, for the wealth management, life insurance and funds administration industries – today announced its half year results for the period ended 31 December 2016.

- **H1 2017 operating EBITDA exceeds H1 IPO forecast**
 - Group H1 operating EBITDA of **\$18.2 million** exceeding IPO prospectus forecast H1 operating EBITDA of **\$17.7 million¹**
 - Operating EBITDA Margin **19.5%** versus **13.1%** prior comparative period (pcp)
 - Cash balance of **\$23.1 million** as at 31 December 2016 and no debt
- **Significant Wealth Management Segment revenue growth**
 - Wealth Management revenue was **\$57.8 million** an increase of **10.0%** based on actual currency and **19.5%** on a constant currency basis² versus pcp
 - Sonata Revenue now accounts for **72.6%**, or **\$41.9 million**, of Wealth Management revenue, representing an increase in Sonata revenue of **19.5%** based on actual currency, and **33.4%** on constant currency basis² versus pcp
- **Sustained Funds Administration Segment revenue growth**
 - Funds Administration Revenue was **\$35.7 million**, an increase of **3.3%** versus pcp on a constant currency basis²
 - Funds Administration operating EBITDA margin **48.2%** versus **44.7%** pcp
- **Market demand for Bravura's products continues to be strong**
 - New major Australian and UK Sonata clients signed in H1 2016
 - Two new Funds Administration SaaS sales completed in H1 2017
 - Completed new Australian sale of Garradin – a complete private wealth and portfolio administration solution
 - Sales pipeline remains strong with no visible impact from BREXIT (other than FX translation)
 - Strong and growing Wealth Management segment revenue driven by existing and new clients

Bravura Chairman, Brian Mitchell said: “Strong performance in our first half year result since re-listing on the ASX is pleasing, with operating EBITDA outperforming forecasts for H1 2017. Bravura remains on track to deliver the guidance provided in its 2016 IPO prospectus for the full year 2017 financial year. Brexit is having no visible effect on UK sales (other than FX) with our UK business continuing to be strong, as evidenced by a large UK sale in H1 2017.”

Bravura CEO, Tony Klim said: “Strong market tailwinds and a large addressable market continue to drive the take up of our services in H1 2017 across Wealth Management and Funds Administration Segments. The many challenges faced by our clients globally including, complex regulatory change, demand for mobile and self-directed technology, rapid product innovation, cost and margin pressures, and the need for scalable technology plays directly into the hands of our flagship offering Sonata. The \$100 million invested in Sonata and ongoing investment continues to attract clients across the geographies and markets in which we operate to help address these issues and give them a competitive edge.”

Group Results Overview

Strong H1 2017 financial performance and an improvement in operating EBITDA margin has resulted in Bravura exceeding forecasts in the IPO prospectus.

Revenue was driven by significant new client wins in H1, and growth in revenue from existing clients. The total number of Sonata clients at H1 2017 was 18, following two new client wins in the period. Group pro forma revenue was \$93.5 million, up +12.8% versus the pcg on a constant currency basis², and -1.4% on actual currency basis.

Group operating EBITDA of \$18.2 million was achieved in H1 2017, exceeding the IPO prospectus forecast of \$17.7 million¹, and represented an increase of +97.1% versus pcg on constant currency basis².

Pro Forma NPAT was \$12.6 million, up +199.5% versus pcg on constant currency basis².

As at 31 December 2016 Bravura had cash balance of \$23.1 million, and nil drawn debt.

A\$ million	Pro forma ³ result H1 2017	Pro forma ³ result H1 2016	A\$ m	%		Constant currency ² H1 2016	% Growth
Revenue	93.5	94.8	(1.3)	-1.4 %		82.9	+12.8 %
Operating EBITDA	18.2	12.5	5.7	+46.2 %		9.2	+97.1 %
NPAT	12.6	7.0	5.6	+79.2 %		4.2	+199.5 %
Key metrics							
Wealth Management revenue (A\$m)	57.8	52.5	5.3	+10.0 %		48.3	+19.5%
Funds Administration revenue (A\$m)	35.7	42.3	(6.6)	-15.5 %		34.6	+3.3%
Wealth Management Segment operating EBITDA (A\$m)	15.4	8.3	7.1	+85.5 %		7.3	+109.8 %
Funds Administration Segment operating EBITDA (A\$m)	17.2	18.9	(1.7)	-8.9 %		15.3	+12.3 %
Operating EBITDA margin (%)	19.5 %	13.1 %		+6.3 ⁴		11.1%	+8.3 ⁴

Wealth Management Segment

Wealth Management Segment revenue increased +10.0% to \$57.8 million versus the pcg, or +19.5% on a constant currency² basis. Sonata Revenue increased by +19.5% to \$41.9 million versus pcg, or +33.4% on a constant currency basis². Sonata revenue growth was driven by new sales and an increase in professional services revenue from existing clients.

Wealth Management Segment operating EBITDA for H1 2017 increased by +85.5% to \$15.4 million versus the pcg, achieving 51% of FY2017 IPO prospectus Wealth Management Segment operating EBITDA forecast. Segment operating EBITDA margins increased in H1



2017 to +26.6% through higher operating leverage driven by major new Sonata contracts signed in the UK and Australia.

Bravura's South African strategy is beginning to yield Sonata opportunities, with a strong pipeline in that market.

Funds Administration Segment

Funds Administration Segment revenue for H1 grew +3.3% on a constant currency² basis driven by new SaaS sales and a Babel licence sale signed in H1 2017. On an actual basis, funds administration segment revenue declined -15.5% to \$35.7 million versus pcp, impacted by the depreciation of GBP over calendar year 2017, with 88% of Funds Administration revenues received in GBP.

The Funds Administration segment H1 2017 operating EBITDA represented 56% of forecast FY2017 Segment operating EBITDA of \$30.5 million. Segment operating EBITDA for the period declined -8.9% to \$17.2 million, however on a constant currency² basis it increased by +12.3%. Effective cost management improved operating EBITDA margins in H1 2017 by 3.5 margin points.

New pipeline opportunities for Sonata in the UK Funds Administration segment support the UK sales pipeline which remains strong with no visible impact from BREXIT other than FX.

Sonata Research and Development

Bravura expects continued investment in Sonata development will enhance our core platform, maintain its leading position and create new market opportunities. Development capital expenditure (\$4.5 million in H1 2017) is expected to decrease following FY2017 as non-client funded development reduces and more development is client funded, and Sonata development revenue (\$5.4 million in H1 2017) is expected to increase in H2 2017 as a result of H1 new client wins and forecast wins in H2 2017.

Outlook

Bravura confirms its FY2017 forecast guidance provided in its prospectus.

Sales pipeline remains strong with no visible impact from BREXIT other than FX.

Sonata has a strong and growing pipeline of opportunities, driven by favourable structural tailwinds and increasing IT spend, and additional new pipeline opportunities for Sonata in the Funds Administration Segment.

-ENDS-



Results Announcement teleconference details

A teleconference and webcast briefing for analysts and investors will be held at **09:30 (AEST) on Monday 27 February 2017** following the release of the half year results announcement.

Teleconference details

Conference ID: 7134 9824

	Direct	Toll Free
Australia	+61 2 8038 5221	1800 123 296
New Zealand		0800 452 782
Hong Kong		800 908 865
United Kingdom		0808 234 0757
United States		1855 293 1544

Webcast details

The webcast is accessible 15 minutes before the briefing starts.

<http://www.openbriefing.com/OB/2453.aspx>

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About Bravura Solutions Limited

Bravura Solutions Limited is a leading provider of enterprise software, installed and hosted for the wealth management, life insurance and funds administration industries, underpinned by functionally rich technology that enables modernisation, consolidation, simplification and consumer focused marketing.

We are committed to increasing the operational and cost efficiency of our clients, enhancing their ability to rapidly innovate and grow, minimising their risk and enabling them to provide better service to their customers.

Backed by over 30 years of experience, enterprise software is used by many of the world's leading financial institutions. In excess of A\$2.3 trillion/ £1.4 trillion in assets are entrusted to our systems.

We support our clients with a team of more than 1000 people in 12 offices across Australia, New Zealand, United Kingdom, Europe, South Africa and Asia.

For more information about us visit www.bravurasolutions.com. You can also follow us @BravuraFinTech.

Notes:

¹ H1 2017 Prospectus Forecast EBITDA of \$17.7 million (55% of FY17 full year EBITDA prospectus forecast of \$32.3 million) as advised in prospectus sections 4.7.1 and 4.7.3

² H1 FY 2016 restated using H1 FY 2017 average foreign exchange rates in order show constant currency comparison

³ Proforma EBITDA and NPAT have been prepared consistently with the IPO Prospectus, adjusting for the removal of the impact of \$2.7m IPO transaction fees and the Company's historical capital structure (H1 2017 \$4.4m of net finance expense and H1 2016 \$6.0m of net finance expense)

⁴ Proforma EBITDA and NPAT have been prepared consistently with the IPO Prospectus, adjusting for the removal of the impact of \$2.7m IPO transaction fees and the Company's