

FY16 Results Guidance and Trading Update

FY16 Results Guidance

- Full year revenues expected to be in line with market expectations at \$47m, up 67% on FY15
 - Underlying¹ EBITDA expected to be \$4.6m - \$4.7m, up from \$4.2m in FY15
 - Underlying¹ EBIT expected to be \$600k - \$700k, down from \$850k in FY15
 - Positive operating cashflow, with closing cash balance of \$4.6m
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Bulletproof wishes to advise the market of its expected FY16 full year results and trading conditions with this interim update.

FY16 Results

The ongoing investment in accelerated growth from organic and acquired revenue sources is expected to deliver a revenue figure in line with market expectations, at \$47m, a 67% increase on FY15, and well above market revenue growth rates of 25-30%. Of this revenue, recurring sources are expected to make up close to 80% of the total figure. Cash flow is positive for the year, with a closing cash balance of \$4.6m. While revenue growth and cash have been positive, the underlying profitability of the business has not grown at the same pace in the latter part of the period, affected by a number of factors outlined below.

Project based revenues in professional services and consulting were strong in the first half of FY16, however weaker than usual seasonal behaviour and some customer-side project delays, particularly in the newly-acquired New Zealand business, have lead to a relatively flat revenue performance in this area towards the end of the second half. During the period of lower activity and revenue, utilisation levels of the professional services engineering team declined, which impacted underlying profits. Towards the end of the second half however, we have seen some significant enterprise customer wins, with project based revenue starting to increase into FY17.

Bulletproof has invested strongly in application product development over FY16, and while these revenues have begun to flow through, these have not delivered as much revenue as was expected into FY16. We expect to see these revenues increase into FY17 as products gain appeal with customers and assist the Company to deliver value more efficiently, and help drive margins.

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¹ Net of Acquisition costs, Financial liabilities re-valuation and Bargain purchase on business combination

About Bulletproof

Bulletproof Group Limited is an Australian-owned, publicly listed company with offices in Sydney and Melbourne, Australia, Auckland and Wellington, New Zealand and employees in the USA. Bulletproof Group shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

Founded in 2000, Bulletproof is Australia's leading end-to-end mission critical Cloud Services provider, providing Cloud Services to business, enterprise and government customers. Bulletproof has consistently been first to market with public and private cloud based services and innovations. With over 14 years of experience in managed hosting and Cloud Services, Bulletproof continues to drive industry innovation since being the first provider in Australia to launch a VMware public cloud service in 2006, the first in 2012 to provide Managed AWS services and in 2013, Bulletproof was given the status of the first and leading AWS Premier Consulting Partner in Australia and New Zealand.

Bulletproof's world-class service allows customers to focus on their core business to ensure they have the freedom to be remarkable.