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# Investor presentation

Results for half year ended 31 December 2012

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14 February 2013

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# Agenda

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- > Highlights
- > 1HFY13 financial results
- > Strategic outlook
- > Questions & answers



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# Highlights

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# Financial services environment

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- > Operating environment in financial markets improving
  - Regulatory change driving revenue opportunities
    - > Retail Distribution Review (RDR), Future of Financial Advice (FOFA), SuperStream, Foreign Account Tax Compliance Act (FATCA)
  - Increasing growth in Self Managed Super Funds (SMSF) market
  - Stabilising European economy
- > Trend to obtain increased efficiency and cost reductions continues to drive interest in technology based solutions

# Key points

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## Sound financials – continued commitment to growth

- > Sales revenue increased by 7% to \$64m for the half period
- > EBITDA increased by 12% to \$10.6m for the half period
- > Operating cash flow increased by 75% to \$20m for the half period
- > Annuity revenues remain strong at 51% (maintenance/managed services)

## Secured new clients and deepened relationships with existing clients

- > StatewideSuper signed a three year contract
- > BNY Mellon signed a ten year technology and managed services contract
- > Schroders selected Bravura's STP offering to enable an expanded customer base
- > Smith Coffey selected Bravura's SMSF application to service its growing client base

## Sonata product development continues

- > Expansion of functionality

## Growing pipeline of opportunities

- > In wealth management markets



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# 1HFY13 financial results

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# 1H13 financial performance



(A\$M)	1H12 Actual	1H13 Actual	1H13 Constant Currency <sup>1</sup>	% Change Constant Currency <sup>1</sup>	% Change Actual
Sales revenue <sup>2</sup>	59.8	64.0	64.6	8.0%	7.2%
Expenses	50.4	53.5	53.7	-6.7%	-6.2%
EBITDA	9.4	10.6	10.8	15.3%	12.3%
Net profit / (loss) after tax	2.2	-0.6	-0.3	113.8%	-125.8%
Operating cash flow	11.4	20.0	N/A	N/A	75.4%

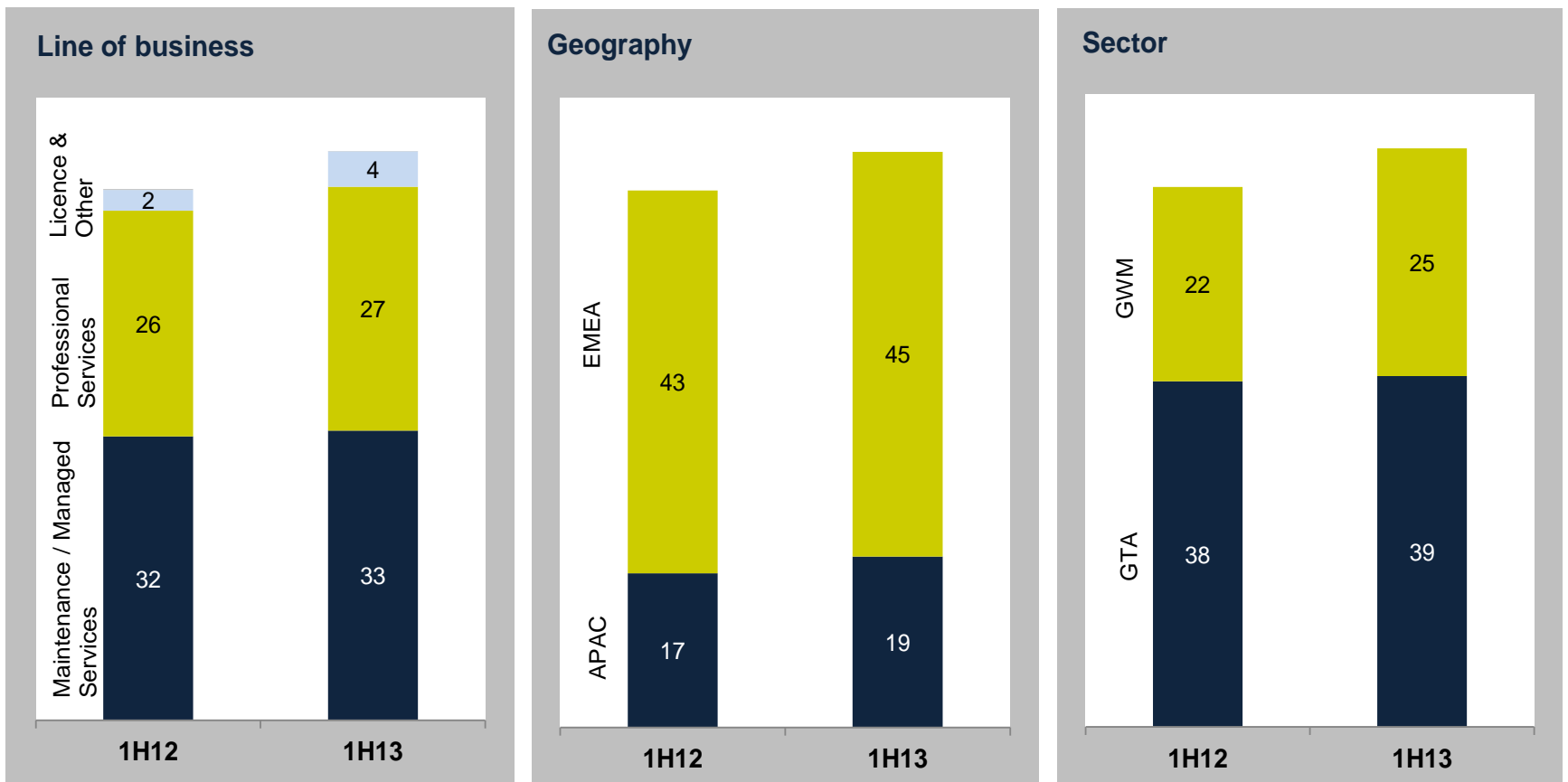
1 Constant Currency - Assumes foreign exchange rates in FY2013 remained constant at FY2012 rates  
2 Sales revenue excludes interest income

1. Constant currency – assumes foreign exchange rates in FY2013 remained constant at FY2013 rates
2. Sales revenue excludes interest income

- > Sales revenue growth resulting from increased existing client business and stable currency
- > Steady growth in EBITDA due to increased sales revenue and reduced cost per head
- > Significant increase in operating cash flow and reduction in number of days trade debtors remain outstanding
- > NLAT of \$0.6m due to increased investment in operational headcount and foreign exchange losses on intercompany transactions

# 1H13 revenue summary (\$Am)

- > Revenue continued to be well diversified across lines of business, geography and sector/product line





# Revenue & operating cost management

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- > Team expanded to service increasing WM and TA opportunities
  - Expansion of India office to improve client servicing
  - Recruited subject matter experts in expanding regions
  - Focused on learning and development
- > Transitioned to new UK data centre to support managed services
- > Continued focus on discretionary spend
- > Total cost per headcount continued to decline due to utilisation of skilled resources in low cost development centres

# Balance sheet

A\$m	1H12	1H13
<b>ASSETS</b>		
Cash	5.2	17.1
Other current assets	25.7	23.0
Intangible assets	117.2	113.3
Other non-current assets	22.0	23.5
<b>Total assets</b>	<b>170.1</b>	<b>176.9</b>
<b>LIABILITIES</b>		
Borrowings	30.2	29.1
Other current liabilities	28.2	33.7
Other non-current liabilities	7.7	7.2
<b>Total liabilities</b>	<b>66.2</b>	<b>70.0</b>
<b>Net assets</b>	<b>104.0</b>	<b>106.9</b>
Contributed equity	134.2	132.8
Reserves	(3.0)	(1.3)
Accum (losses)/ retained profits	(27.3)	(24.6)
<b>Total equity</b>	<b>104.0</b>	<b>106.9</b>

## Stable balance sheet

- > Net assets improved compared to prior corresponding period
- > Significant improvement in net current assets due to new long-term debt facility with CBA
- > Decrease in equity due to share buy-back
  - Capital management strategy concluded September 2012

# Funding profile

	Facility limit (m)	Drawn down value (m)	Guarantees/ Letters of Credit	Due date
<b>Working capital facility</b>				
AUD revolving tranche facility	\$6.5	\$0.0	\$0.5	Oct-15
GBP revolving tranche facility	£3.5	£0.0	£2.3	Oct-15
<b>Amortising term facility</b>				
AUD term tranche facility	\$4.0	\$4.0	\$0.0	Oct-15
GBP term tranche facility	£11.5	£11.5	£0.0	Oct-15
<b>Total debt facilities @ 1.5571 (\$:£ exchange rate)</b>	<b>\$33.9</b>	<b>\$21.9</b>	<b>\$4.0</b>	

<b>Balance (millions)</b>	
Cash and cash equivalents	\$17.0

	<b>Covenant</b>	<b>Dec-12</b>	
Net assets	>65m	\$106.9	√
Leverage ratio <sup>1</sup>	<2.5x	1.66	√
Debt service cover ratio <sup>2</sup>	>1.2x	5.79	√

1. Leverage ratio is defined as total debt as at end of the relevant period of EBITDA for the prior 12 months

2. Debt service cover ratio is defined as the ratio of cash available for debt servicing to interest, principal and lease payments



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# Strategic outlook

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# Wealth management & life insurance

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- > Launched Babel for SuperStream in Australia
- > Launched Garradin SMSF functionality alongside new client win
- > Released enhanced Garradin tax platform and government retail bonds functionality
- > Continued growth for Sonata pipeline of opportunities
- > Extensive wealth management programs of work continued for BNY Mellon and Citi
- > 35 client upgrades and five client implementations /go-live undertaken across Australia, New Zealand and Asia for Talisman, ePASS, SAS, Calibre and SuperB

# Transfer agency

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- > Emerging opportunities in the European market
- > Extensive Rufus upgrades as part of programmes of work that continue for BNY Mellon and key UK clients
- > Installation of network infrastructure to DTCC for automated NSCC network link
- > Five client upgrades and six client migrations /go-live undertaken across EMEA for Rufus, Babel and GFAS

# Going forward

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- > Continuing signs that European financial services markets are stabilising
- > Sonata generating growing interest from UK wrap and Australian superannuation markets
- > Babel for SuperStream gaining momentum as legislation deadline closes in
- > SMSF market opportunities supporting Garradin growth
- > Continue to support existing Asian client base
- > Emerging TA opportunities
- > Continuing to review acquisition opportunities synergistic with existing business



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# Questions and answers

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Thank you

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