

# Financial results for year ended 30 June 2013

## INVESTOR PRESENTATION

Tony Klim, Chief Executive Officer  
Rebecca Lowde, Chief Financial Officer

21 August 2013

financial software  
solutions that deliver

# Agenda

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- > Corporate overview
- > Group highlights
- > FY2013 financial results
- > Market drivers
- > Corporate / regional strategy
- > Summary

# Corporate overview

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# Who we are

**Bravura Solutions is a trusted provider of product administration and transactional technology to the financial services industry.**

> Operations across

- Australia
- New Zealand
- Vietnam
- Thailand
- Hong Kong
- India
- UK
- Poland
- Luxembourg
- South Africa

> Employees

 **730+**

located in



offices around the world

**57%**



of people employed for more  
than three years

> Funds under Management

**\*A\$1.5trn+**

in funds managed on our  
applications

\*Verified internally July 2013

# Leadership team

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**Tony Klim (2008)**  
Chief Executive Officer  
London



**Rebecca Lowde (2009)**  
Chief Financial Officer  
Sydney



**Jason Tong (2005)**  
Chief Operating Officer,  
APAC  
Melbourne



**Andy Chesterton (2006)**  
Chief Operating Officer,  
EMEA  
London



**Darren Stevens (2007)**  
Director, Strategy  
Melbourne



**Nick Parsons (2006)**  
Business Development  
Director, EMEA  
London



**Roland Slee (2011)**  
Managing Director, APAC  
Sydney

# Core business

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**We implement, support and maintain data record keeping administration systems across the Transfer Agency, Wealth Management & Life Insurance markets.**

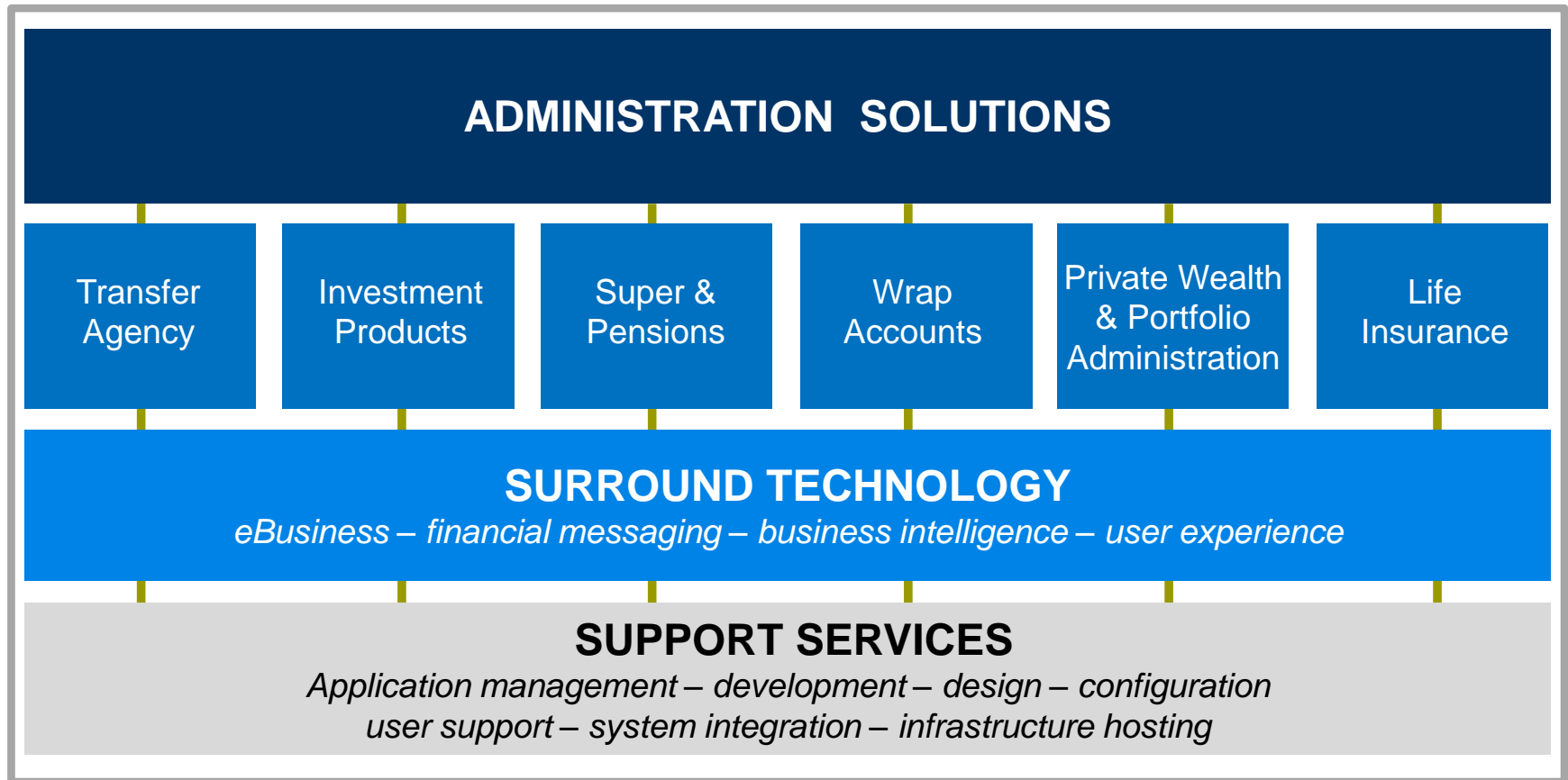
## > Transfer Agency

- Management of all aspects of record keeping and reporting in relation to mutual funds across both retail and institutional investors
- Key clients include:
  - > Bank of New York Mellon, JP Morgan, Lloyds Banking Group, Schroders, Legal & General and Citi

## > Wealth Management & Life Insurance

- End-to-end processing capability facilitating streamlined administration to support all back office functions relating to daily management of investment, superannuation, pensions, private wealth & portfolio administration and life insurance markets
- Key clients include:
  - > Bank of New York Mellon, Partners Life, Perpetual, Northern Trust, BaoViet Life, CBA, Citi and VicSuper

# What we do





# Our unique value proposition

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## Bravura Solutions has a state-of-the-art, unified wealth & life platform

- > Multi-product, multi-channel, multi-geography and multi-currency
- > Delivered on-premise, as a managed service, or hybrid
- > Continuous compliance with Australian, NZ and UK requirements
- > Modern technology, massively scalable, open, secure and agile
- > Rapidly evolving Agile development, new features monthly
- > Scalable, efficient platform for wealth product administration

## Bravura has a track record of delivery

- > 10 year MSA contracts with blue-chip clients
- > Production references in Superannuation, Investments, Life & Wrap
- > Investing \$8m+ per annum in R&D
- > 30+ Australian based clients to share the costs of compliance
- > Current supplier to largest wealth management and transfer agency organisations globally



# Group highlights

# Group highlights

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## Financial position

- > Comprehensive profit grew from \$4.0m to \$4.9m – a 22.5% increase
- > Net operating cash flow improved from \$20.7m to \$25.6m – a 23.7% increase
- > EBITDA went from \$23.2m to \$22.3m – a 3.9% decrease
- > Sales revenue went from \$126.6m to \$124.3m – a 1.8% decrease

## Operational

- > Signed first APAC managed services agreement with NZ based client
- > Implemented client centric Agile and Continuously Available Software development approach
- > Provided clients with MySuper, FOFA and SuperStream compliant solutions
- > Strengthened our consulting teams and offshore development centres in preparation for business growth
- > Received five industry accolades

# Group highlights

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## Client sales, retention and maintenance

- > Eight new contracts signed with new and existing clients
- > 33 client implementations successfully went live
- > 56 upgrade projects undertaken globally
- > First of our heritage clients working on modernising to Sonata

## Products

- > Strong R&D investment in Sonata functional development supporting our clients and position in target markets
- > Launched Babel for SuperStream in Australia, securing two clients
- > Launched Garradin for SMSF in Australia, securing one client
- > Development of integrated portal to support a key platform provider in the UK
- > Integration solutions with partners for Member Direct investing and scalable advice tools

# FY2013 financial results

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# FY2013 financial performance

(A\$m)	FY12 actual	FY13 actual	FY13 constant currency <sup>1</sup>	% change constant currency <sup>1</sup>	% change actual
Sales revenue <sup>2</sup>	126.6	124.3	124.5	-1.7%	-1.8%
Expenses	103.4	102.1	102.3	1.1%	1.3%
EBITDA <sup>3</sup>	23.2	22.3	22.1	-4.7%	-3.9%
Comprehensive profit <sup>4</sup>	4.0	4.9	4.7	17.5%	22.5%
Net profit/(loss) after tax	5.4	1.7	1.7	-68.5%	-68.5%
Operating cash flow	20.7	25.6	N/A	N/A	23.7%

<sup>1</sup> Constant currency - assumes foreign exchange rates in FY2013 remained constant at FY2012 rates

<sup>2</sup> Sales revenue excludes interest income

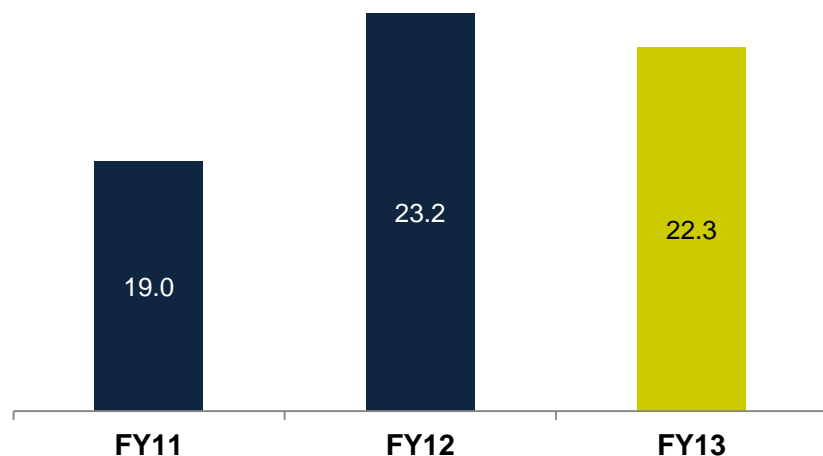
<sup>3</sup> For reconciliation between EBITDA and net profit/(loss) after tax, please refer to the Remuneration Report in the Financial Report for the year ended 30 June 2013

<sup>4</sup> Comprehensive profit includes the effect of exchange differences on translation of foreign operations

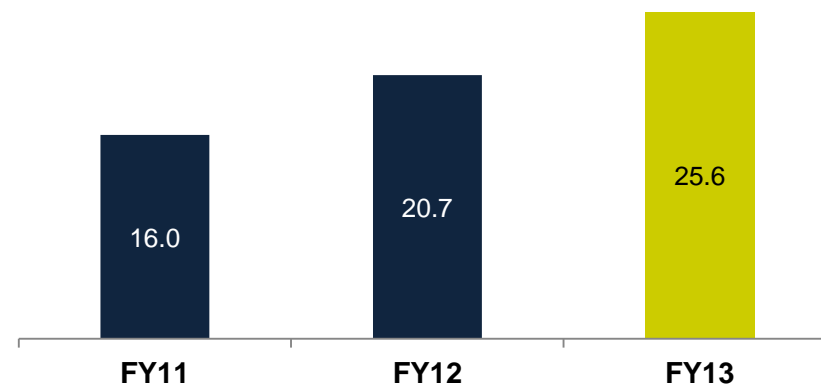
- > Strong operating cash results continued for the sixth consecutive period
- > Comprehensive profit for the year improved by 22.5%
- > Slight decrease for sales revenue and EBITDA reflects further investment in the roll out of Sonata
- > Average exchange rates for GBP remained consistent with prior year causing minimal impact to EBITDA
- > Continued focus on ensuring costs are managed and resource skills sets match delivery requirements

# Key results indicator

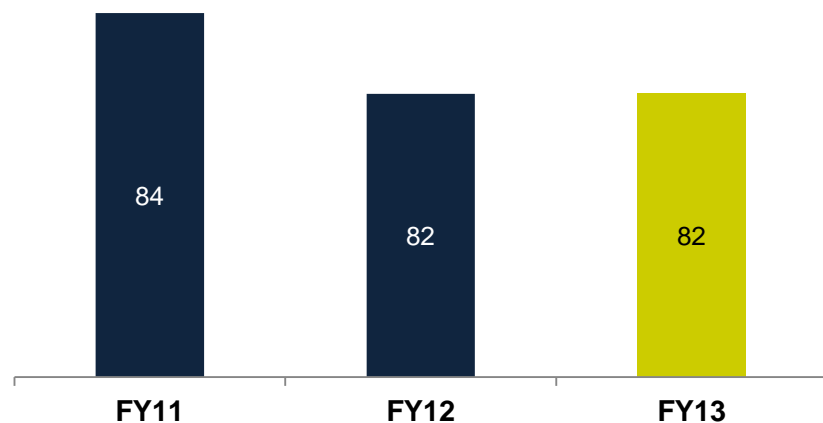
EBITDA (A\$m)



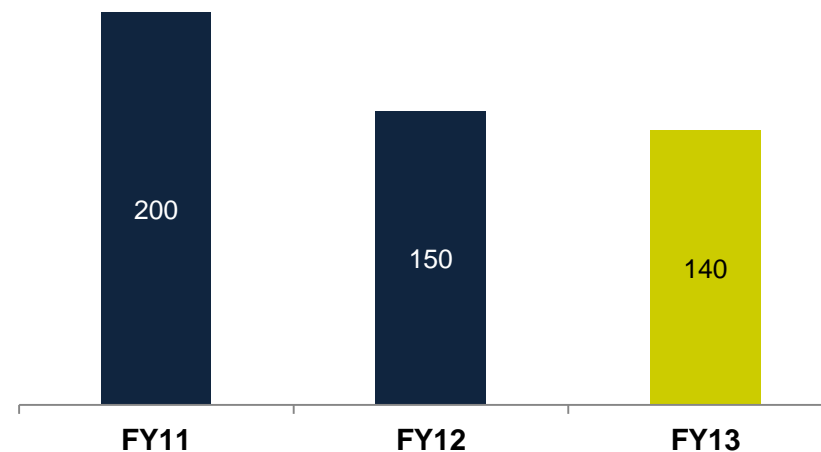
Operating cash flow (A\$m)



Cost of revenue (%)



Cost per head (A\$'000)



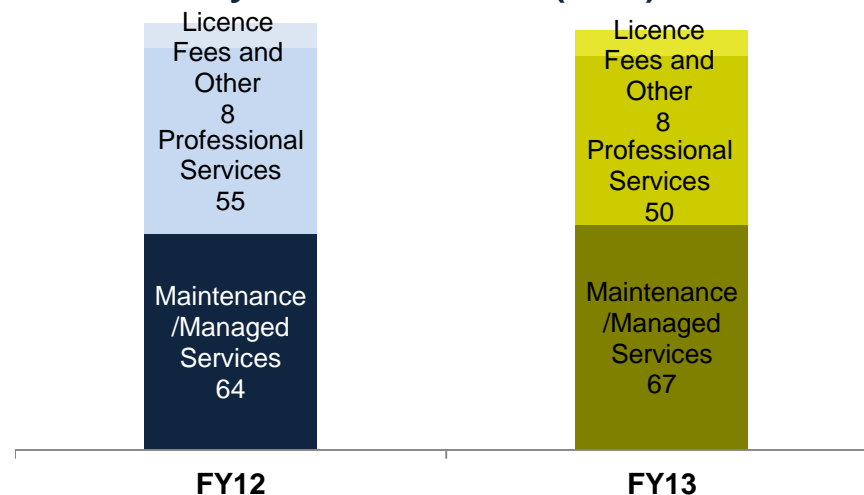


# Year on year revenue

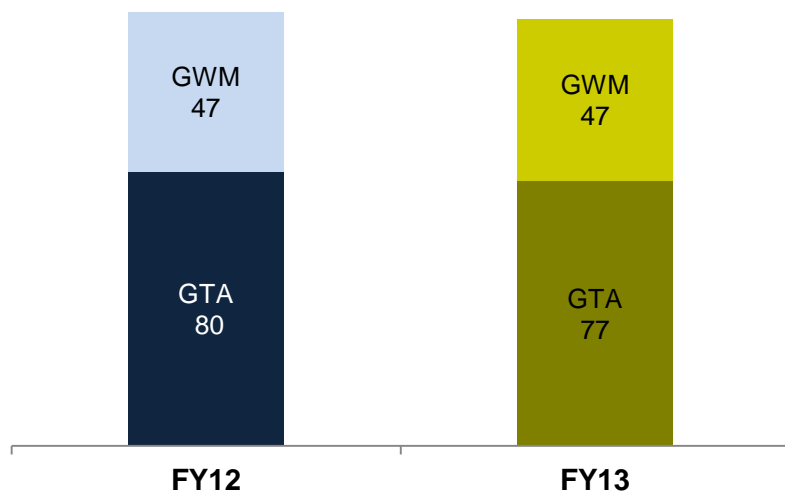
Total revenue (A\$m)



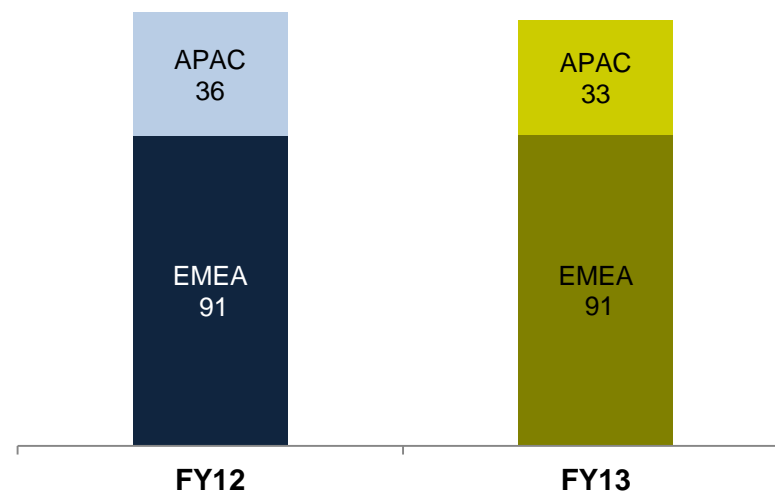
Revenue by line of business (A\$m)



Revenue by division (A\$m)



Revenue by region (A\$m)





# Balance sheet

A\$m	FY12	FY13
<b>ASSETS</b>		
Cash	4.6	13.8
Other current assets	38.0	29.6
Intangible assets	114.9	113.7
Other non-current assets	22.7	22.9
<b>Total assets</b>	<b>180.2</b>	<b>180.0</b>
<b>LIABILITIES</b>		
Borrowings	28.4	27.3
Other current liabilities	37.9	34.6
Other non-current liabilities	7.3	6.8
<b>Total liabilities</b>	<b>73.6</b>	<b>68.7</b>
<b>Net assets</b>	<b>106.6</b>	<b>111.3</b>
Contributed equity	133.3	132.7
Reserves	(2.7)	0.9
Accum (losses)/retained profits	(24.0)	(22.3)
<b>Total equity</b>	<b>106.5</b>	<b>111.3</b>

- > Significant increase in cash on hand as receipts from customers continue to increase
- > Other current assets reduced as a result of strong collections throughout the year
- > Intangible assets included a slight decrease with no impairment for FY2013
- > Borrowings predominantly non-current following new facilities being commenced with CBA in October 2012
- > Share buy-back completed in September 2012

# Funding profile

	Facility limit	(m)	Drawn down / guarantees (m) <sup>3</sup>	Due date
<b>Working capital facility</b>				
AUD revolving tranche facility		\$6.5	\$0.9	Oct-15
GBP revolving tranche facility		£3.5	£2.3	Oct-15
<b>Amortising term facility</b>				
AUD term tranche facility		\$4.0	\$3.7	Oct-15
GBP term tranche facility		£11.5	£10.3	Oct-15
<b>Total debt facilities @ 1.6628 (\$:£ exchange rate)</b>		<b>\$35.4</b>	<b>\$25.6</b>	
<b>Balance (m)</b>				
Cash and cash equivalents		\$13.8		
	<b>Covenant</b>		<b>Jun-13</b>	
Net assets	>\$65m		✓	
Leverage ratio <sup>1</sup>	<2.5x		✓	
Debt service cover ratio <sup>2</sup>	>1.2x		✓	

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

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

3. Draw down/guarantees amount is related to Letters of Credit/Guarantees and NIL working capital draw down

# Market drivers

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# Major market trends

**Ever increasing  
regulatory  
supervision**

**Margin  
compression  
driving search for  
scale and  
consolidation**



**Wealth & Banking  
distribution and  
platforms converge**

**Evolving  
technology makes  
it easier to engage  
with customers**



**Legacy business  
modernisation for  
efficiency and  
improved customer  
offerings**

**Retirement wave of  
more affluent aging  
population**

# Major technology trends

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# Corporate / regional strategy



# Corporate strategy

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- > Accelerate adoption of Sonata as wealth management & life insurance application of choice. Increased interest in multi-line support from a single platform provider
- > Continue to roll out managed services model in APAC and expand among EMEA client base
- > Enhance strategic relationships with key clients, providing additional products and services to administration models
- > Support client upgrades with new product versions to drive recurring revenue
- > Utilise cost effective development and support capability through further expansion of operations in India and Poland for cost management purposes
- > Review suitable acquisition opportunities



# Regional growth opportunities / focus

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## Asia Pacific

- > Support clients with compliance of Australia's Stronger Super and FOFA regulatory changes including the development of new product and service opportunities
- > Offer Babel in Australia for compliance with new SuperStream messaging standards
- > Offer Garradin to address rapid growth in SMSF market, Small APRA Funds and HNW product support requirements
- > Build on success with VicSuper establishing Sonata as leading next generation superannuation platform providing modern, flexible and scalable solution for long-term strategy
- > Ongoing development of "next generation" platforms in the Wealth and Bancassurance sectors providing Sonata opportunities
- > Utilise our strong solutions and heritage in retirement savings and life insurance to support the rapidly evolving Asian markets.
- > Develop and support online solutions that enable stronger end client engagement and real-time analytics
- > Extend our managed service / hosting capabilities to improve clients operational efficiency and allow them to focus on their core businesses

# Regional growth opportunities / focus

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## Europe, Middle East & Africa

- > Enable clients to take advantage of opportunities arising from regulatory change: UK Retail Distribution Review (RDR), FATCA (US directive with international applicability) Single European Payments Area (SEPA), UCITS IV, including support for Key Investor Information Document (KIID), and re-registration automation
- > Supporting our key third party administration clients in providing market leading wrap platforms and solutions to their clients
- > Provide Sonata as technology to support next generation wrap functionality for the UK platform market, and to modernise the Life and Pensions markets
- > Provide supporting technology solutions including taWeb, Babel and our Operational Data Store to existing and prospective TA clients
- > Expand our TA solutions into broader geographic markets
- > Continue to support clients with functional enhancements for our transfer agency platform catering for new product and service opportunities

- > Recent announcements show Sonata's sales success in both APAC and EMEA
- > Strong interest and growth momentum for Sonata in the UK, Australia and New Zealand
- > Legacy modernisations now top of mind as clients move past the period of large regulatory change
- > Further opportunities to expand the adoption of our surrounding technologies across our client base and prospects
- > Increased interest from businesses in APAC considering Managed Service Arrangements for the supply of registry solutions
- > Growth and development in new platform offerings and continued expansion of the SMSF segment in Australia

# Summary

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# Key summary points

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## Financial

- > Solid and continuously improved cash position
- > Decreased cost per head
- > Minimal decreases in EBITDA and sales revenue
- > Increased comprehensive profit after tax

## Client

- > Retained strong long-term client relationships with key players
- > Replicated managed services model in New Zealand market
- > Secured first Sonata migration from legacy superannuation administration system

## Product

- > Enhanced features and functionality across all products to successfully cater for new markets and increasing industry requirements

## Market

- > Successfully accessed SMSF market with one Garradin sale
- > Successfully accessed SuperStream messaging market with two Babel sales

Financial software  
solutions that deliver