



Full year results – 30 June 2017

GBST Holdings Limited (ASX: GBT)



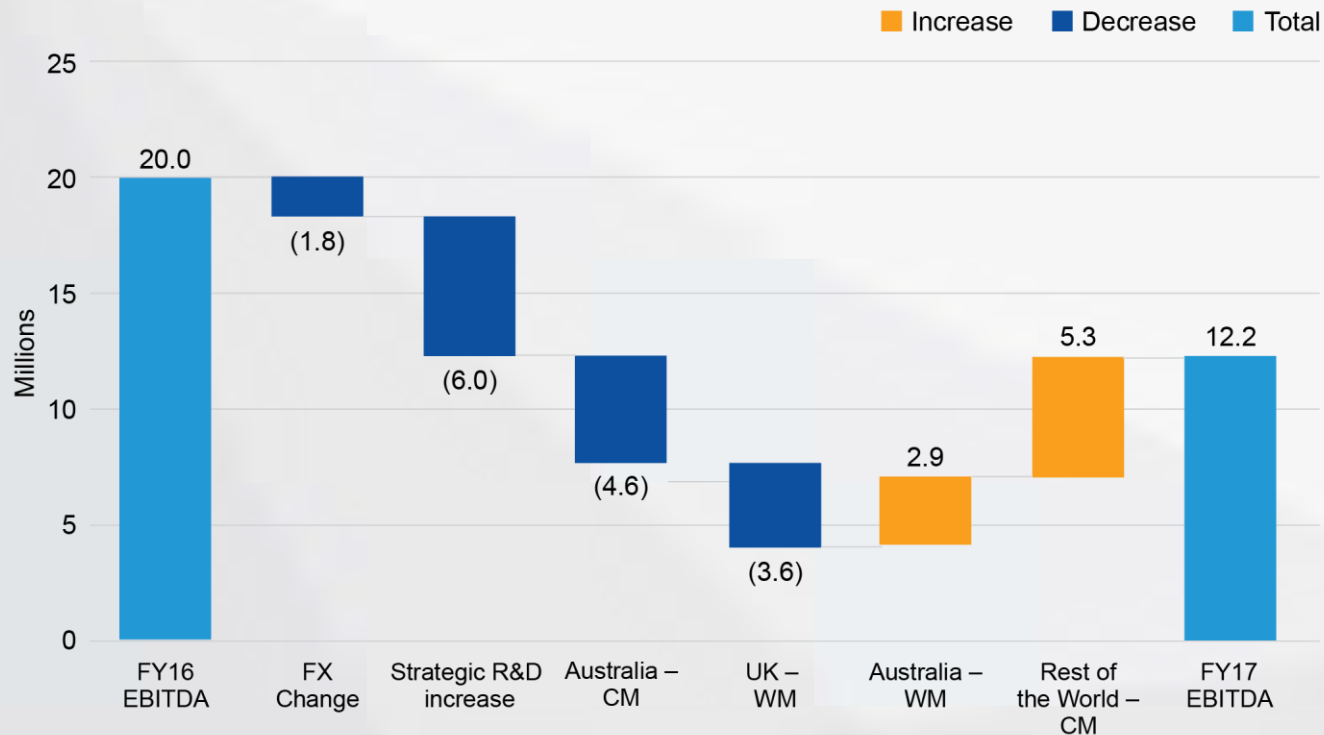
FY2017 – Financial Performance

| Results for the year ended: | 30-Jun-17 \$m | 30-Jun-16 \$m | % Change |
|--|------------------|------------------|-------------|
| Revenue | 88.0 | 108.1 | (19) |
| Operating EBITDA before strategic R&D | 21.8 | 23.6 | (8) |
| Strategic R&D | 9.6 | 3.6 | 169 |
| Operating EBITDA | 12.2 | 20.0 | (39) |
| Operating EBITDA % Margin | 14% | 18% | |
| Restructure and other non-operating expenses | (0.2) | (2.8) | |
| EBITDA | 12.0 | 17.2 | (30) |
| Net finance costs | (0.6) | (0.8) | 21 |
| Depreciation & operating amortisation | (2.9) | (3.2) | 13 |
| Investment amortisation | (3.5) | (4.1) | 15 |
| PBT | 5.0 | 9.1 | (45) |
| Income tax credit | 2.0 | 0.2 | |
| Effective tax rate | (39)% | (2)% | |
| NPAT | 7.0 | 9.3 | (25) |
| Adjusted NPAT | 10.5 | 13.4 | (22) |

- Results in line with guidance
- Operating performance impacted by delays in timing of client projects and decline of British pound
- Operating costs reduced due to restructure
- Significant strategic R&D investment in Composer & Syn
- Investment amortisation fell due to foreign exchange movements
- Finance costs relate to FX losses
- Income tax credit from R&D tax concessions
- Adjusted NPAT adds NPAT and investment amortisation charges
- Final dividend declared 2.5 cents per share, fully franked
- Franking credit balance \$13.4m

Operating EBITDA Analysis

EBITDA



- FX impact due to weakening of the GBP:AUD exchange rate
- Expensed strategic R&D up \$6.0m
- Australian capital markets impacted by competition
- Delays in timing of client projects affected UK wealth management
- Tight cost control in Australia wealth management
- International capital markets restructure drove profitability

GBST FY17 Highlights

AUSTRALIA

- GBST entered business process outsourcing market through Mainstream BPO
- Major client transition from Shares to Syn~ successful
- Syn~ now post-trade processing market leader



UK

- Aegon's Cofunds migration progressing well
- Major new contract with prominent insurance brand
- Increased Composer capability helping clients grow



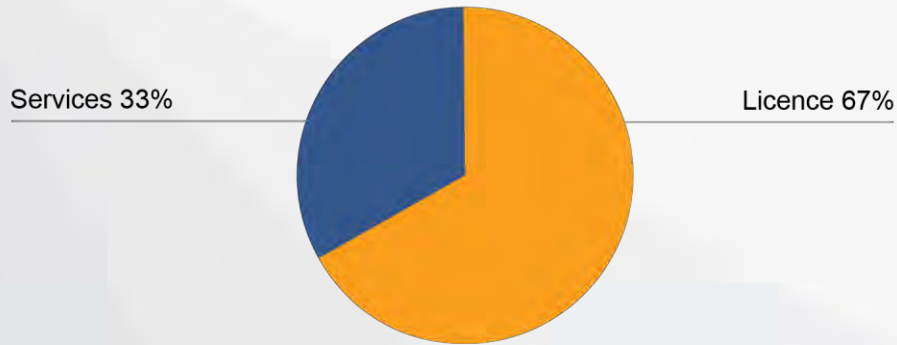
REST OF THE WORLD

- Ongoing expansion of Syn~ for major global broker-dealer continuing
- New projects include expansion of Haitong Syn~ platform

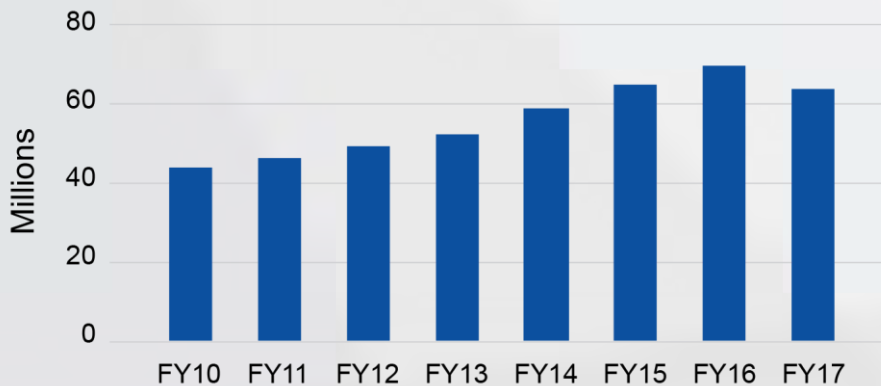


Recurring Revenue

FY17 Licence and Services Revenue



Licence Revenue*

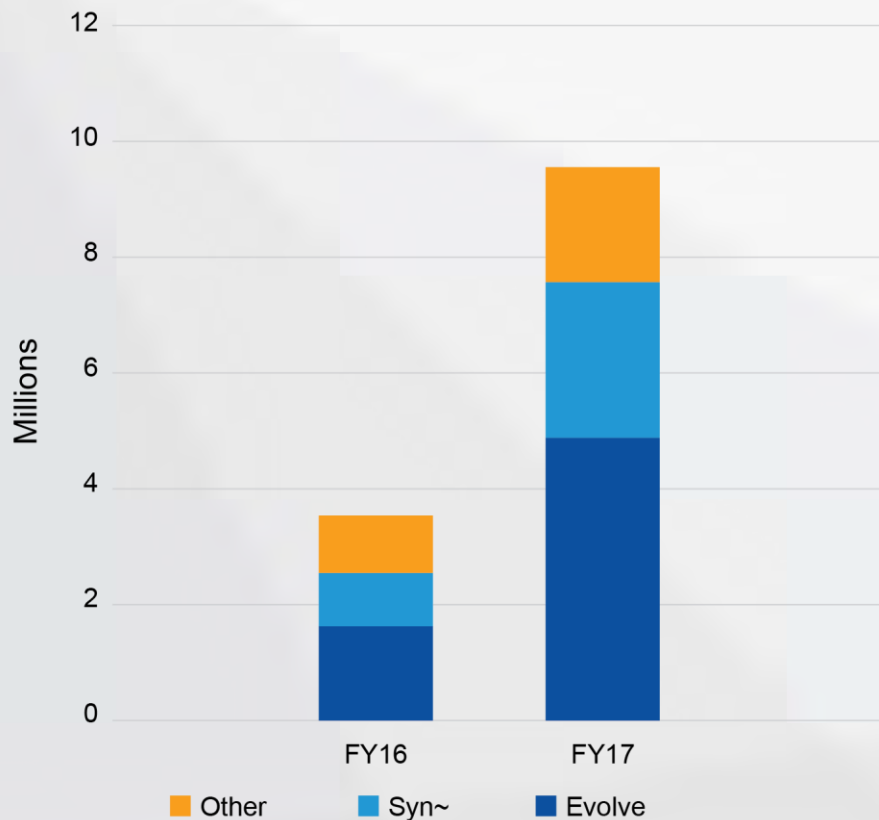


*FY17 restated on constant currency basis, using FY16 average.

- Business model focused on high-quality, long-term recurring revenue streams
- Services revenue relates to new implementations and product development
- Licence fees have increased by 44% since FY10
- Proportion of annuity revenue increases with customer growth
- Services revenue transitions to recurring licence fees when projects complete
- FY17 revenue impacted by competition
- New customer wins generate long term licence fees on 'go-live' – annuity income

R&D Investment

Strategic R&D Investment



- Increase in strategic R&D drives product leadership
- All this R&D expenditure is expensed as incurred
- E-VOLVE building a more powerful open, multi-tier architecture Composer platform
- E-VOLVE investment \$4.9m in FY17, up from \$1.6m
- ComposerWeb 2.0 (CWeb 2.0) digital front-office prioritised, launch expected 2H FY18
- Syn~ investment \$2.7 million in FY17, up from \$0.9m
- Expected strategic R&D costs \$10m-\$15m in FY18, of which \$10m-\$12m related to Composer and CWeb 2.0
- Other expenditure relates to continuing investments across GBST products
- R&D investment key for long term success, retain clients, market demand for digital and provide clients with cost effective solutions.

Indicative GBST Clients and Markets

| UK | Australia |
|---|---|
|    |   |
|    | BLACKROCK |
|    |  |
|  |   |
| Asia |   |
|    |   |
|    |   |
|  |   |
| USA |   |
| RAYMOND JAMES® |  |

Winning
new Composer and
Syn~ clients

4
new clients secured
in FY17

2
Composer

2
Syn~

Quant and Tax Analyser also growing steadily

Financial Position

| Financial position as at: | 30-Jun-17 \$m | 30-Jun-16 \$m |
|---------------------------|------------------|------------------|
| ASSETS | | |
| Cash | 11.7 | 9.0 |
| Other current assets | 19.7 | 22.0 |
| Intangible assets | 45.1 | 48.9 |
| Other non-current assets | 16.3 | 14.5 |
| TOTAL ASSETS | 92.8 | 94.4 |
| LIABILITIES | | |
| Current liabilities | 13.4 | 12.7 |
| Unearned income | 9.4 | 9.6 |
| Non-current liabilities | 5.1 | 6.2 |
| TOTAL LIABILITIES | 27.9 | 28.5 |
| NET ASSETS | 64.9 | 65.9 |
| EQUITY | | |
| Issued capital | 39.5 | 38.4 |
| Reserves | (4.2) | (1.3) |
| Retained earnings | 29.6 | 28.8 |
| TOTAL EQUITY | 64.9 | 65.9 |

- Cash \$11.7m at 30 June 2017
- GBST has no debt
- Intangible assets primarily comprise purchased software, client contracts and goodwill from business acquisitions
- Carrying value of intangible assets comprises InfoComp (\$28.5m), Coexis (\$9.7m), and other intangibles (\$6.9m)
- Investment amortisation charges in FY17 of \$3.5m fall to below \$2m in FY18 as assets are fully amortised
- Unearned income represents advance payments

Cash Flow

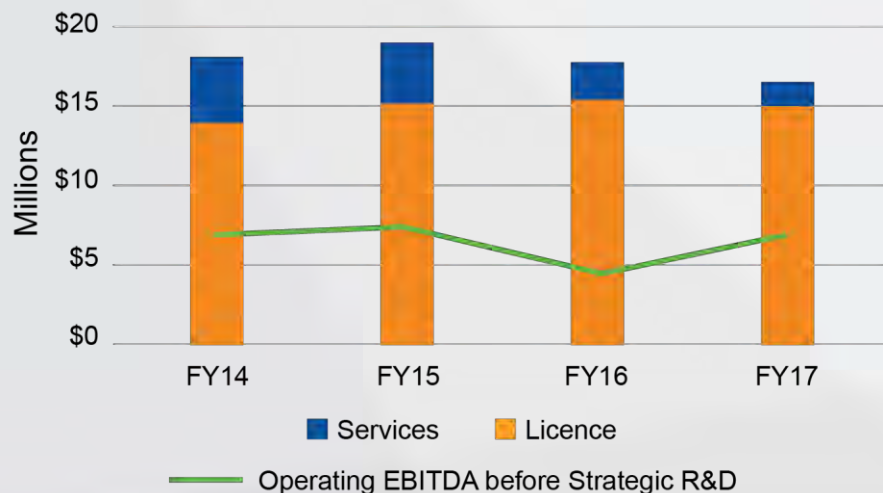
| Results for the year ended: | 30-Jun-17 \$m | 30-Jun-16 \$m |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATIONS | | |
| Receipts | 92.6 | 117.8 |
| Payments | (82.1) | (104.9) |
| Finance costs | (0.1) | (0.1) |
| Income tax | 0.5 | (0.9) |
| Net cash from operations | 10.9 | 11.9 |
| CASH FLOWS FROM INVESTMENTS | | |
| Purchase of tangible assets | (0.5) | (2.4) |
| Purchase of intangible assets | (1.2) | (0.1) |
| Net cash used in investments | (1.7) | (2.5) |
| CASH FLOWS FROM FINANCING | | |
| Financing | 0.1 | (0.3) |
| Dividends paid | (6.2) | (7.3) |
| Net cash used in financing | (6.1) | (7.6) |
| NET INCREASE/(DECREASE) IN CASH | 3.1 | 1.8 |
| Effect of FX movements on cash held | (0.4) | (0.6) |
| Opening cash - 1 July | 9.0 | 7.8 |
| CLOSING CASH | 11.7 | 9.0 |

- Strong cash flow generation
- 88% conversion of EBITDA to cash flow for FY17
- Income tax paid offset by UK income tax refund (prior period credit)
- Intangible assets primarily relate to software purchased from third parties

Australia – Wealth Management

| | 30-Jun-17 \$m | 30-Jun-16 \$m | % Change |
|---------------------------------------|------------------|------------------|-------------|
| Revenue | 16.6 | 17.8 | (7) |
| Operating EBITDA before strategic R&D | 8.5 | 5.6 | 52 |
| Strategic R&D | 1.4 | 1.0 | (40) |
| Operating EBITDA | 7.1 | 4.6 | 55 |

Wealth Management Revenue and Operating EBITDA

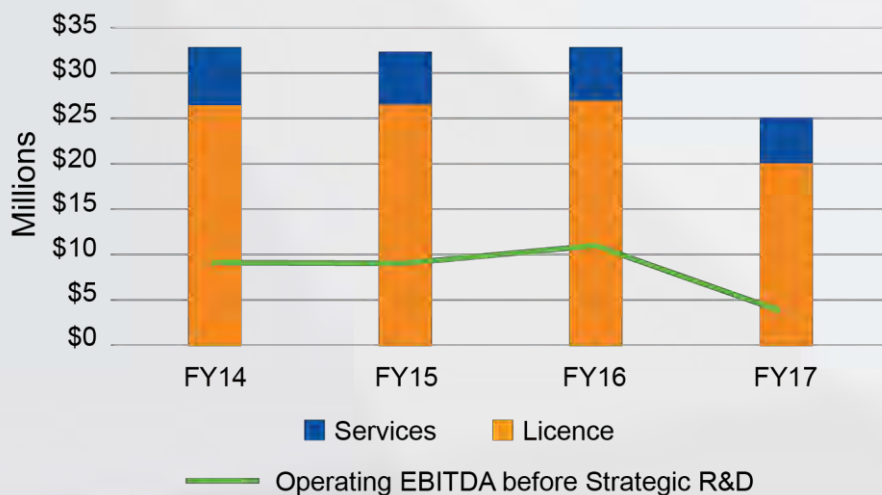


- Major migration projects completed
- Tight cost controls helped improve earnings
- Strategic R&D reflects investment in strengthening BPO capability
- High-quality recurring revenue 91% of total
- Global 100 asset manager's platform now hosted on Composer through MainstreamBPO's Fund BPO
- Two new implementations of digital e-commerce platform launched
- Superstream Gateway reduced rollover times from 20 days to 3 days

Australia – Capital Markets

| | 30-Jun-17 \$m | 30-Jun-16 \$m | % Change |
|---------------------------------------|------------------|------------------|-------------|
| Revenue | 24.9 | 32.7 | (24) |
| Operating EBITDA before strategic R&D | 7.5 | 12.2 | (38) |
| Strategic R&D | 2.9 | 1.0 | 214 |
| Operating EBITDA | 4.6 | 11.2 | (59) |

Capital Markets Revenue and Operating EBITDA

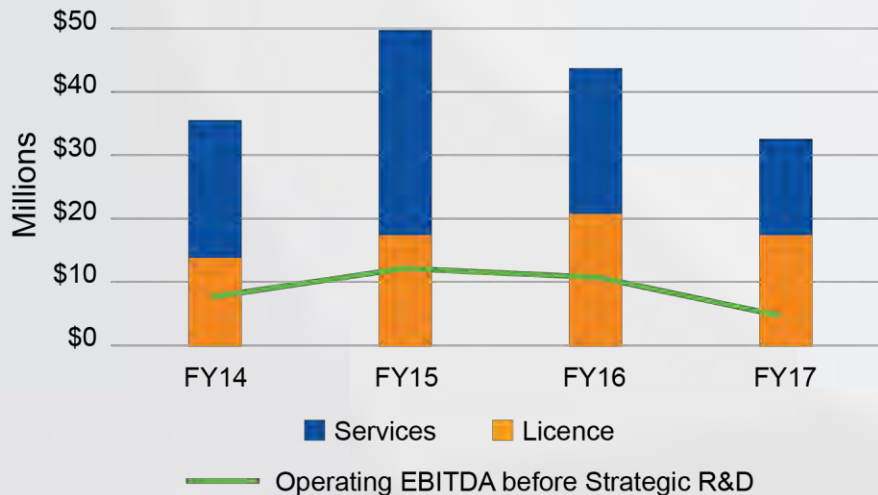


- Capital markets revenue impacted by competition and regulation, now stabilised
- Operating EBITDA before strategic R&D \$7.5m, compared to \$12.2m in FY16
- Strategic R&D in Syn~ increased during major installation
- Licence revenue 81%
- Successful major Shares to Syn~ migration validates Syn~ investment
- Syn~ now post-trade processing market leader, with up to 25% of equity trades
- Catalyst API-enabled front-end digital platform development opportunity with major institution

United Kingdom – Wealth Management

| | 30-Jun-17 \$m | 30-Jun-16 \$m | % Change |
|--|------------------|------------------|-------------|
| Revenue | 32.5 | 43.9 | (26) |
| Operating EBITDA before strategic R&D | 4.2 | 10.3 | (60) |
| Strategic R&D | 5.1 | 1.6 | (212) |
| Operating EBITDA | (0.9) | 8.7 | (109) |

Revenue Composition and Operating EBITDA



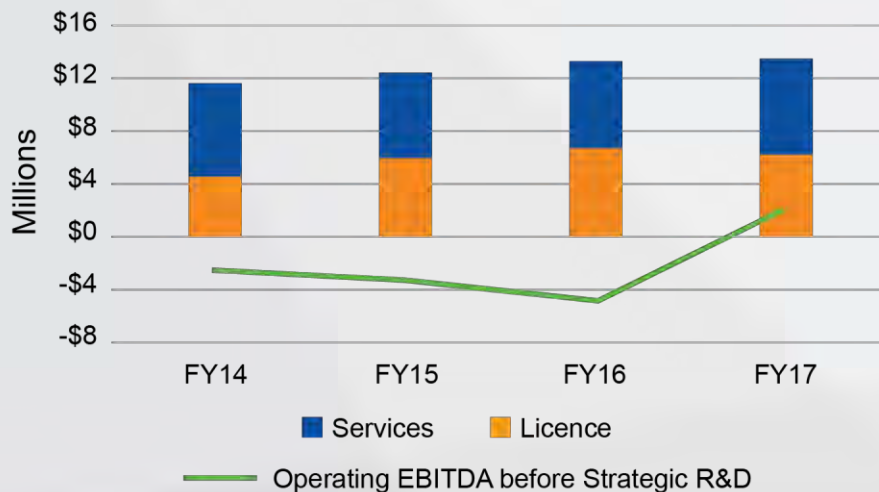
- Recurring revenue 54% in FY17, up from 47%
- Ongoing strategic R&D investment in E-VOLVE to transform Composer
- Composer is the top direct-to-consumer software platform for the distribution of tax-incentivised products in the UK
- New contract with prominent insurance brand; SaaS delivery model
- Aegon / Cofunds platform integration onto Composer progressing well
- Retirement Advantage platform extended
- New products launched, including Lifetime ISAs

Rest of the World – Capital Markets

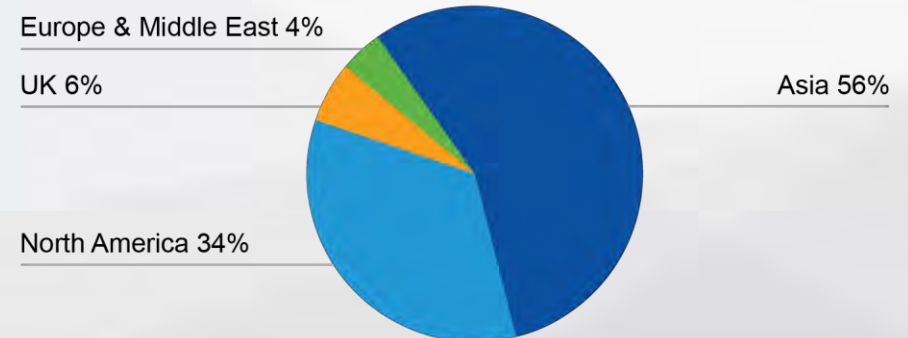
| | 30-Jun-17 \$m | 30-Jun-16 \$m | % Change |
|---------------------------------------|------------------|------------------|-------------|
| Revenue | 13.6 | 13.2 | 3 |
| Operating EBITDA before strategic R&D | 1.6 | (4.5) | 136 |
| Strategic R&D | 0.2 | 0.0 | |
| Operating EBITDA | 1.4 | (4.5) | 132 |

- Restructure enabled return to profitability
- Project extensions for Haitong International's Syn~ platform and a major institutional bank
- Raymond James' Syn~ deployment complete

Revenue Composition and Operating EBITDA



Revenue by Geography



Outlook

Australia

- Expansion in BPO
- Catalyst - link GBST's wealth and capital markets solutions
- More opportunities on Syn~
- Capitalise on leading market positions

UK

- CWeb 2.0 one client secured, further sales expected
- Increased investment in E-VOLVE
- Growing UK market
- GBST market share increasing
- Aegon's Cofunds platform progressing

Rest of World

- Good growth in Asia Pacific and Japan
- Rollouts of Syn~ continuing
- Syn~ now recognised as a leading global solution
- Direct and partner sales models in North America

Annuity income growth – driven by market leading solutions

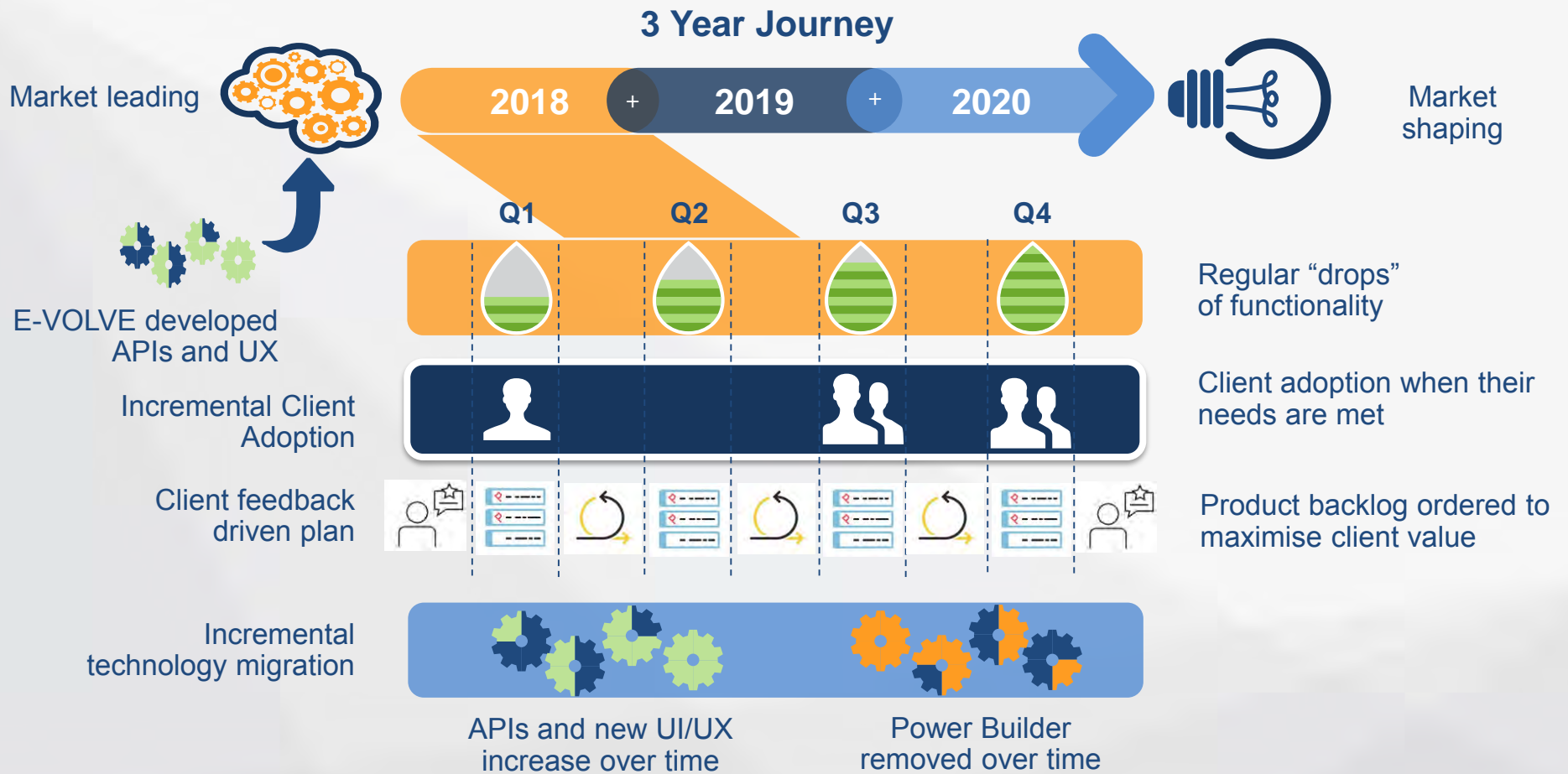
Group Strategy

Vision: To be the market-leading provider and clear choice for financial technology platforms in our chosen sectors and regions



- Client-driven platform solutions
- Focusing on enabling clients achieve their strategic objectives
- Changing commercial model to meet future client needs
- Maintain strong, long-term client relationships
- Expand in existing markets: Australia, UK, Asia and North America
- Foster strong expertise in our markets and technologies
- Skilled, experienced people
- Maintain strong balance sheet
- Profitable growth through client wins and disciplined cost management

Client-led, incremental platform delivery



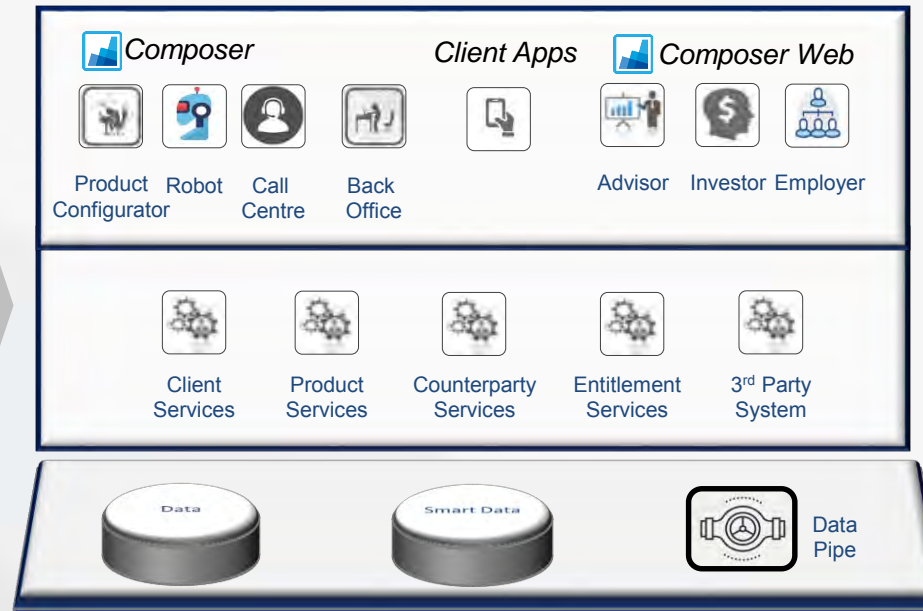
An open platform in the wealth management ecosystem

Market Position

Shaping market demand

Client Focus

Client engagement
Lower cost
Speed to market
Insight driven solutions
Flexibility
Always on



Multichannel, personalised and context sensitive

Open, API enabled, automated platform

Data connectivity and aggregation

Cloud enabled, scale and resilience

Summary

- FY18 EBITDA guidance before strategic R&D \$20m - \$25m
- Strategic R&D \$10m - \$15m in FY18, \$10m - \$12m related to E-VOLVE and CWeb 2.0
- E-VOLVE and CWeb 2.0 software renewal costs up to \$50m over three years
- CWeb 2.0 launch expected 2H FY2018; one client secured, further sales expected
- UK long-term growth market opportunity; UK FUM £1.1 trillion in June 2017 and increasing
- New BPO partnership provides momentum in Australia
- Significant Syn~ opportunity in Australia, Asia Pacific and Japan
- Strong balance sheet, net cash and no debt
- Final dividend of 2.5 cents per share, fully franked

Disclaimer

While every effort has been made to provide accurate and correct information in this presentation, GBST Holdings Limited does not warrant or represent that the information is free from errors or omissions. To the extent permitted by law, no responsibility for any loss, damage, cost or expense arising in any way from anyone acting or refraining from acting as a result of information in this presentation is accepted by GBST Holdings Limited. This presentation is not investment advice that can be relied upon as it has not been prepared considering any individual's objectives, financial position or needs.