



FY23 Results Presentation

25th August 2023



Presenters



Andrew Russell,
CEO



Neil Montford,
CFO



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- 02 FY23 Results Details
- 03 Key Takeaways
- 04 Q&A
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Today's Presentation Headlines



01

Bravura's poor performance has driven the requirement and urgency for change. This has resulted in a new CEO, Chair and refreshed board joining Bravura in H2 FY23

02

Bravura remains a strong business with great technology, customers and people. Our focus is to rebuild trust with all stakeholders

03

We are in early stage of transformation, with \$25m of annualised cost savings already realised and a further \$15m to be executed in FY24

04

We are well capitalised - \$76m in cash as of June 30th and forecast cash burn of \$30-35m in FY24 (including circa \$24m for restructuring)

05

Our plan is to ensure the business will return to run rate profitability by end of FY24

06

In FY24 management will be resetting the business, and we will provide investors our 3 year strategic plan in late October as well as FY24 guidance

FY23 Financial Results

Achieved guidance across all metrics with a significant closing cash balance



Revenue

Gross Revenue
\$249.6m

Guidance of \$240m-\$245m

Contract Recurring Revenue
\$140.5m

3 Year CAGR of 7%

Profitability

Operating EBITDA
(\$8.1m)

Guidance of (\$10m) – (\$5m)

Adjusted NPAT ¹
(\$23.1m)

Guidance of (\$24m) – (\$19m)

Cash Position

Net Closing Cash (Debt free)
\$75.7m

H2 Net cash outflow
(\$22.8m)²

Guidance of (\$40m) – (\$35m)

Free Cash Flow ³

Full Year: (\$30.9m)

Q4: (\$1.4m)

1. Adjusted NPAT excludes \$257.7m of one-off/non-recurring items including impairment to intangibles (\$233.4m), restructuring costs (\$19.5m), amortization of software (\$3.7m), termination payments to Executives (\$1.0m)

2. H2 Net cash outflow excludes \$9.5m of debt repayment and excludes net capital raise proceeds of \$75.3m

3. Full Year Free Cash Flow excludes net proceeds from share issue, dividends paid, contingent consideration paid and finance costs. Free Cash Flow also excludes \$3.6m Cash payments made in relation to Project Signal in Q4

Organisational Change Program progress

Ahead of schedule announced in H1FY23, completed by 30th June 24

Expected Annualised Savings

\$40m

Cost to achieve is \$27.8m
Completed by 30 June 2024
Full year impact in FY25
Management are incentivized by
cash EBITDA FY24 exit rate

Impairment

\$233.4m in FY23

\$175.9m in December 2022 (FY23 H1)
\$57.5m in June 2023 as a result of
further assessment of carrying values.
Goodwill fully impaired

FY23 Summary and Progress

Strategic Progress



Implemented \$25m in gross annual run rate savings



Identified \$15m in gross annual run rate savings to be executed in FY24



Bravura named “Large Employer of the Year”

Financial Times Adviser’s Diversity in Finance Awards

Customer



Aware Super Go-Live Lighthouse Sonata Alta solution, migrating 1.1m+ members



Merged two super funds migrating over 500,000 members onto Sonata



Modernized retail wrap solution for leading wealth provider

Product



Integrated our Automation solutions into Rufus



Launched UK Pensions Dashboard Microservice



Babel reached over 4m Trade Lifecycles per month



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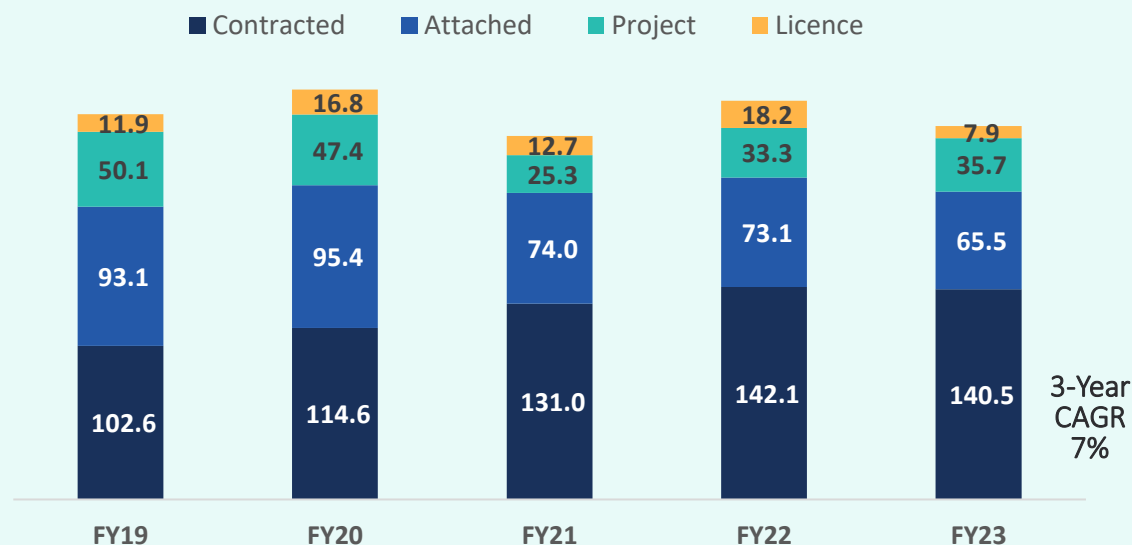
Q&A

05

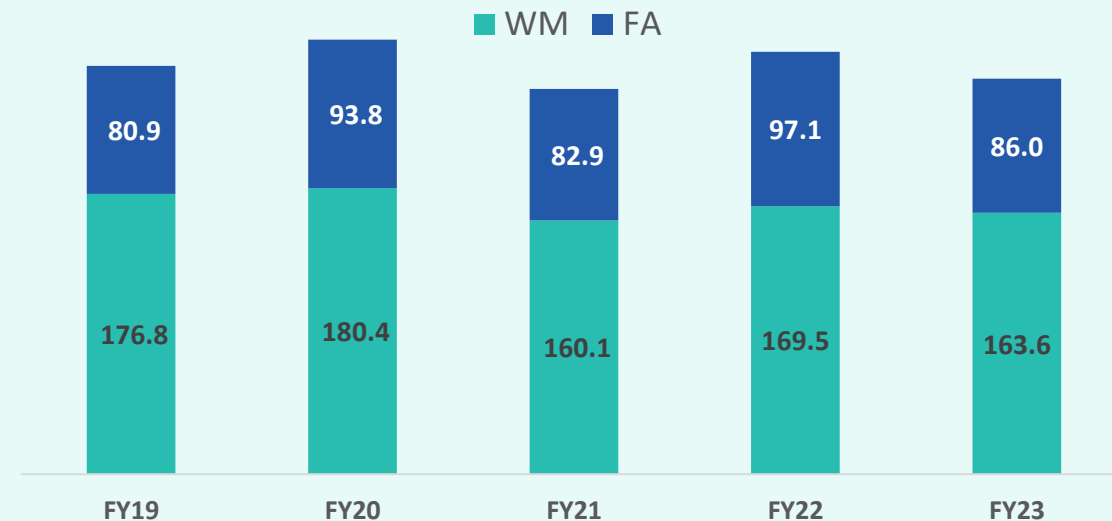
Appendix

Contracted recurring revenue has grown over the last three years

Historical revenue reporting comparison (A\$m)



Revenue reporting by segment (A\$m)



- **Contracted Recurring Revenue** comprises revenues contracted for the contract term and typically includes maintenance, managed services, hosting, cloud and SaaS
- **Attached Recurring Revenue** comprises system upgrades, enhancements and in-production professional services from ongoing client demand (attached services)
- **Project fees** comprise professional services from initial implementation and development requirements.
- **Licence fees** are earned on a one-off basis

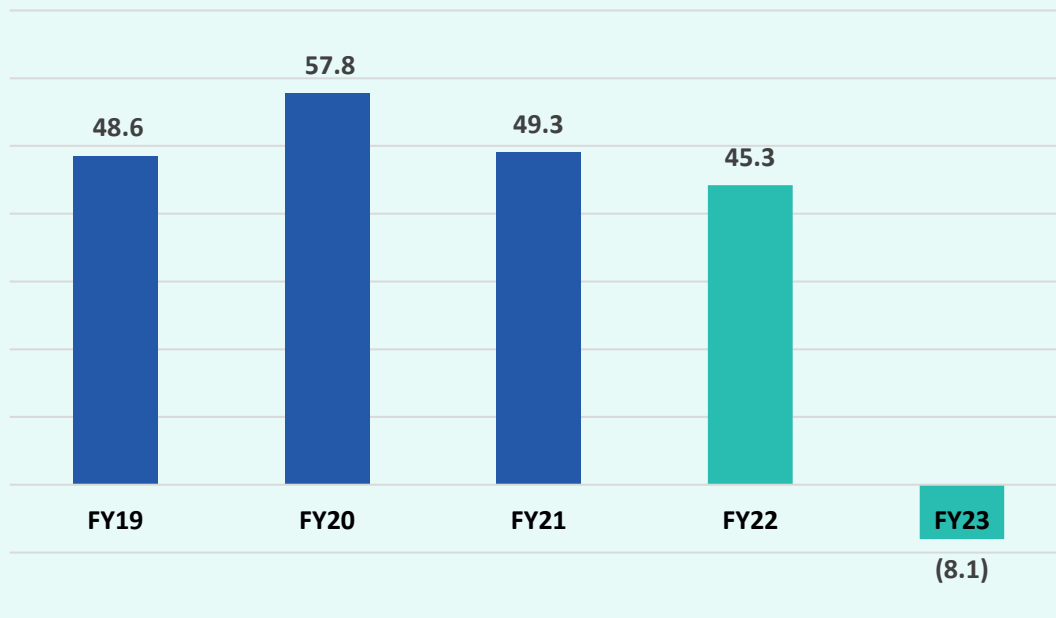
Previous year revenue difference:

- FA project revenue in previous year not repeated
- Licence fee revenue recognised in FY22

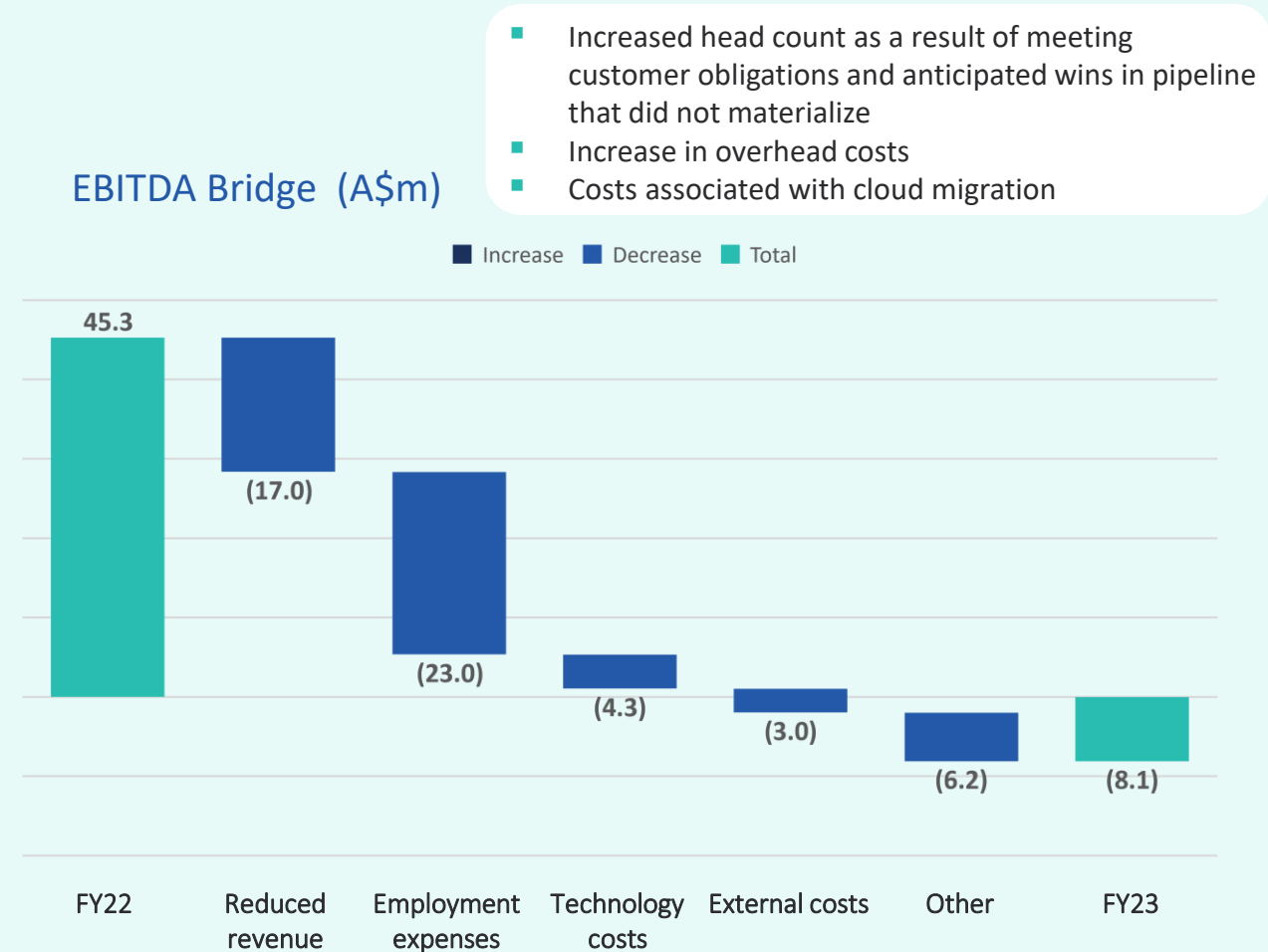
Targeting revenue in FY24 around the same as FY23

Bravura's cost base is too high and expenses are now being rationalised

EBITDA (A\$m)



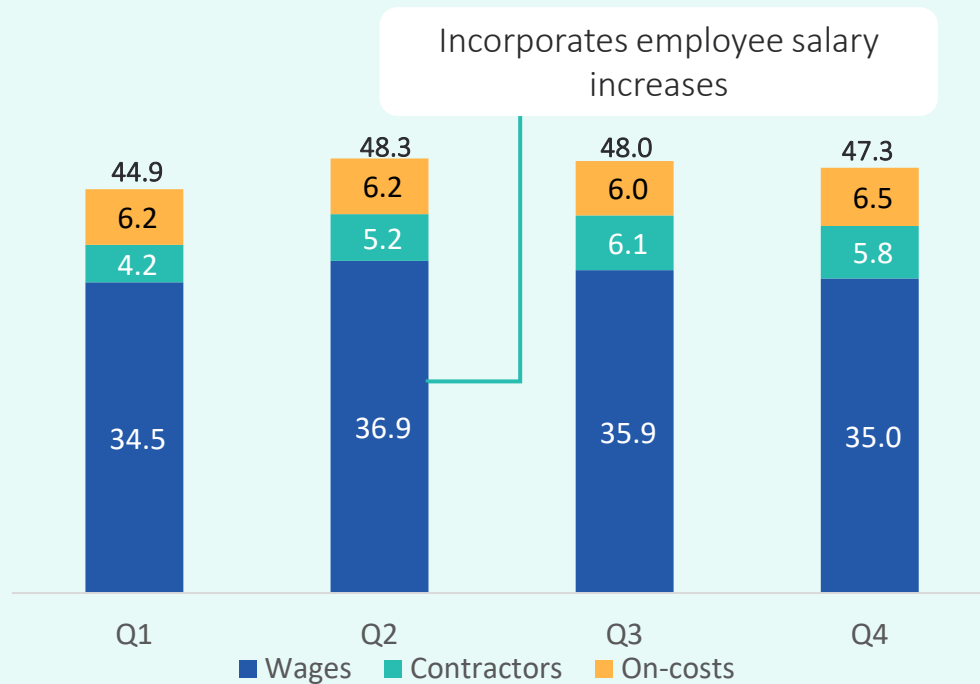
EBITDA Bridge (A\$m)



- Increased head count as a result of meeting customer obligations and anticipated wins in pipeline that did not materialize
- Increase in overhead costs
- Costs associated with cloud migration

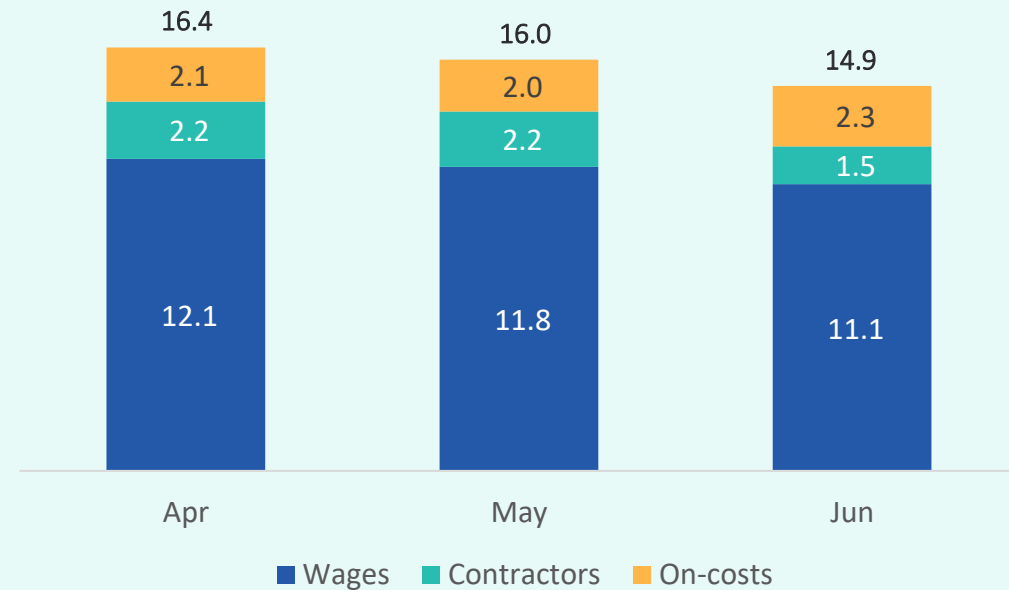
Employee expenses have peaked and run rate operating expenses are now trending to drive Bravura back to profitability

FY23 Total employment expenses (A\$m)¹



Employment expenses¹ are moving back in line with end of FY22

Q4 Employee expenses (A\$m)¹



Organisational change program is underway and we have identified \$40m of annualised gross cost out opportunities, with \$25m realised

	Organisational Re-alignment	External Cost Reductions	Optimising Operating Model	Right-sizing
BENEFIT	\$25m	\$4m	Expected annualized savings \$40m	\$6m
SCOPE	<ul style="list-style-type: none"> Reduced management layers Removed duplication 	<ul style="list-style-type: none"> Closing and resizing offices in Australia, UK and NZ Renegotiating hosting and IT partnerships 	<ul style="list-style-type: none"> Integrating our acquisitions Optimising our geographic locations onshore / offshore mix 	<ul style="list-style-type: none"> Capacity reductions as projects wind down
STATUS	Completed	FY24	FY24	FY24
COST	\$7.6m spent in FY23	FY24 estimated cost to achieve \$20m ¹		

Cash burn is reducing, with a stable cash balance going into FY24



Available cash headroom Jan 2022 to Aug 2023 (A\$m)





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FY23 Results – Takeaways

01

Bravura remains a strong business with great technology, customers and people. Our focus will be to rebuild trust and value to shareholders

02

Our plan is to achieve a positive Cash EBITDA run rate by the end of FY24¹. Our forecast cash burn in FY24 is \$30-35m, including circa \$24m of restructuring costs

03

Bravura is now well capitalised and has the leadership capability to implement the change required to restore value for shareholders

04

We intend to provide investors a 3 year strategic plan in October as well as FY24 guidance

What to expect from here



Finalising our 3 year Strategy



Fast tracking and resetting the Organisational Change Program for the business



Update full year guidance



Investor Day
End of October



AGM
Early November



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Questions



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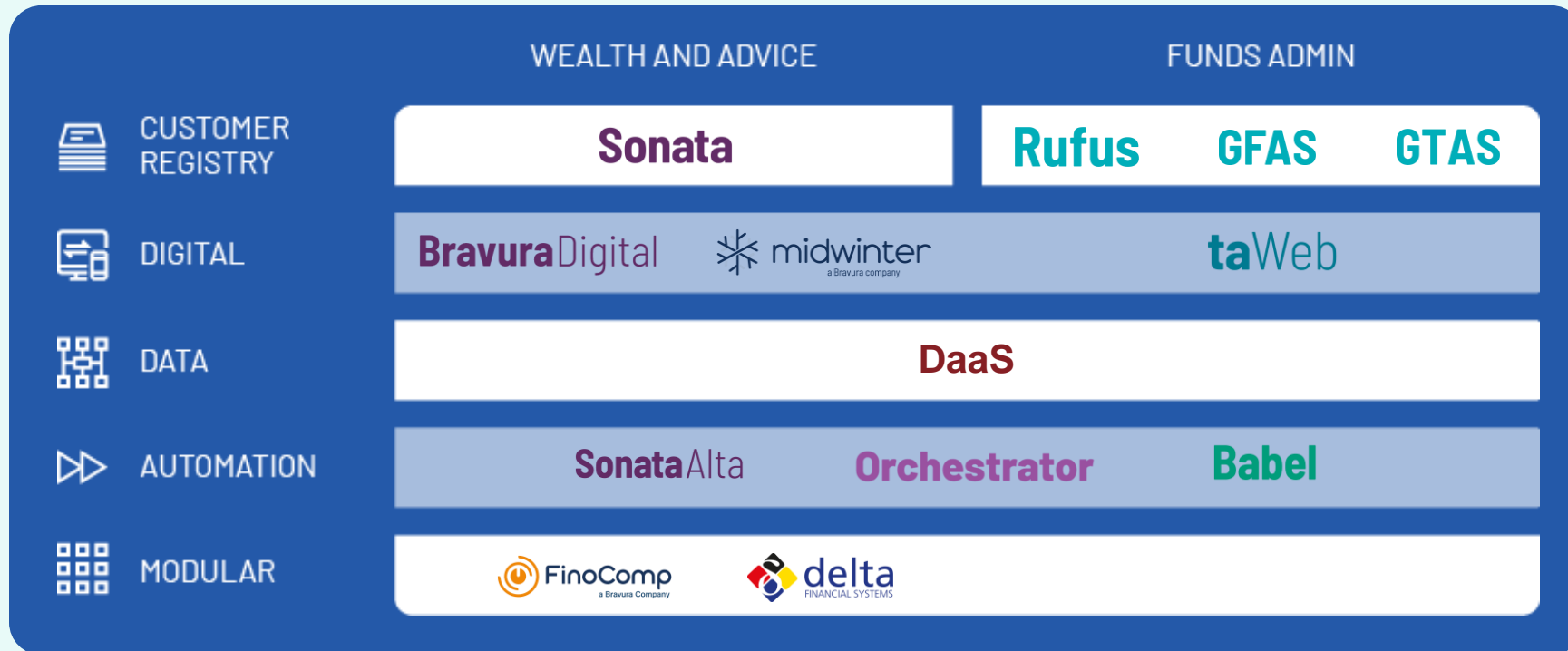
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Appendix

The Bravura value proposition is to simplify complexity, automate for efficiency and reduce operational risk



Our technology provides leading Registry, Digital, Data and Automation products



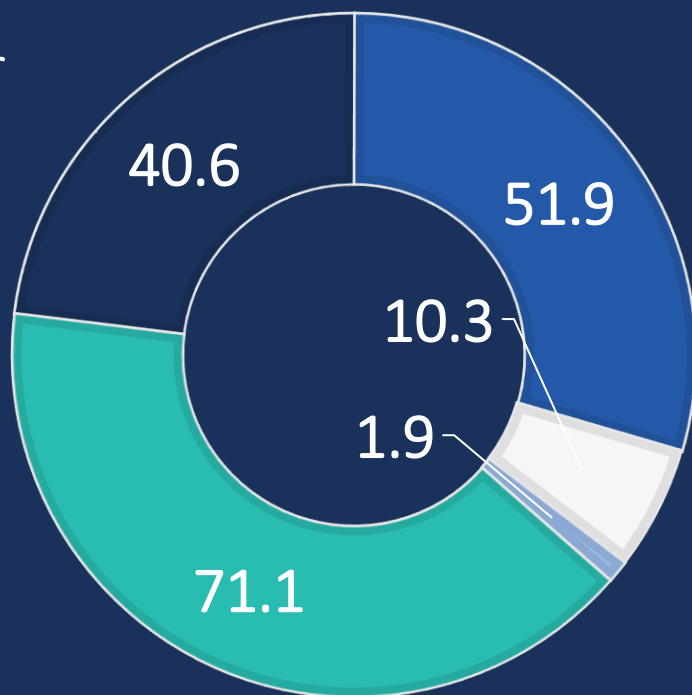
- **Core Registry Leadership**
- **Market focused product capability**
 - Best of breed **Digital Advice**
 - Market level **Data**
 - Deep **Automation integration**
- Scalable **cloud first SaaS model**

Technology focused response to solve customer pain points



Servicing blue chip customers in EMEA and APAC regions

Global Assets Under Management
\$USD 176 Trillion¹



- Pension and Super Funds
- Insurance Funds
- Sovereign Wealth
- Endowments
- Mutual Funds (Inc ETF)

- Mutual and Pensions Funds account for 70% of Assets globally
- 7 countries today account for over 85%



FY23 Operating Results

A\$m	FY22	FY23	\$ chg	% chg
Wealth Management	169.5	163.6	(5.9)	(3.5%)
Funds Administration	97.1	86.0	(11.1)	(11.4%)
Total Revenue	266.6	249.6	(17.0)	(6.4%)
Wealth Management	39.3	10.6	(28.7)	(73.1%)
Funds Administration	44.8	27.9	(16.9)	(37.8%)
Corporate	(38.9)	(46.5)	(7.6)	19.6%
EBITDA¹	45.3	(8.1)	(53.4)	nm
D&A	(13.4)	(14.1)	(0.7)	5.4%
Non-recurring items ²	4.2	(257.7)	(261.9)	nm
EBIT	36.1	(279.8)	(315.9)	nm
Net Interest & FX expense	(2.2)	(2.0)	0.2	(11.0%)
Profit before tax	34.0	(281.8)	(315.7)	nm
Tax Expense	(4.1)	1.1	5.1	nm
NPAT	29.9	(280.7)	(310.6)	nm
Adjusted NPAT³	25.7	(23.1)	(48.8)	nm
EPS (A\$ cps)	12.1	(91.7)	(103.8)	nm

Earnings impacted by revenue headwinds, cost increases

- Total revenue declined 6.4% in FY23 vs the pcp, driven by:
 - Wealth Management: Less project work and upgrades
 - Funds Administration: Ending of FA contract previously communicated
- Operating expenses rose from \$221.3m to \$257.7m in FY23 driven by:
 - Increased head count as a result of meeting customer obligations and anticipated wins in pipeline that did not materialize
 - Increase in overhead costs
 - Costs associated with cloud migration
- Operating EBITDA declined \$53.4m, from \$45.3m in the pcp to a loss of (\$8.1m).
- Impairment and Non-recurring items of \$257.7m²
- Adjusted NPAT of (\$23.1m) represents a \$48.7m decline vs the pcp figure of \$25.7m
- No dividend was declared for FY23, per the Board's decision to suspend dividends until the company returns to generating significant free cash flow

1. Includes \$7.7m of expense associated with lease liabilities accounted for under IFRS16 (FY22: 6.3m)

2. Non-recurring items include \$233.4m impairment charges, \$1.0m termination payments to Executives, and \$19.5m organisational change related expenses and \$3.7m amortization of software

3. Adjusted NPAT, by excluding the non-recurring items

Cash Flow detail

A\$m	FY22	FY23
Receipts from customers	273.0	242.0
Payments to suppliers and employees	(225.8)	(245.2)
Interest received	0.0	0.5
Income taxes paid	(5.1)	(2.8)
Total operating cash flow (direct method)	42.1	(5.5)
Purchase of property, plant, and equipment	(4.9)	(2.8)
Payments for capitalised software development	(21.2)	(16.4)
Contingent Consideration	(6.8)	(4.9)
Total investing cash flow	(33.0)	(24.1)
Payments of share issue costs	0.0	(4.7)
Finance costs paid	(0.3)	(1.2)
Proceeds from issue of shares	0.0	80.0
Rental lease payments	(8.3)	(9.8)
Dividend paid	(24.0)	(8.0)
Total financing cash flow	(32.6)	56.3

	A\$m
Cash at 30 Jun 2022	48.7
Dividend paid	(8.0)
Net Proceeds from issue of shares	75.3
Restructure costs	(3.6)
Operating cash flow (ex Restructure costs)	(2.0)
Investing cash flow	(24.1)
Financing cash flow (ex dividends and share issue)	(11.0)
Effects of exchange rate changes on cash and cash equivalents	0.4
Cash at 30 Jun 2023	75.7

Balance Sheet

A\$m	30 Jun 2022	30 Jun 2023
Cash	48.7	75.7 1
Trade receivables	39.8	56.6 2
Contract assets	30.6	26.8
Intangible assets	264.1	36.4 3
Property, plant and equipment	49.0	38.6 4
Other assets	18.0	20.4
Total assets	450.1	254.5
Trade and other payables	15.7	17.9
Contract liabilities	30.9	36.5
Borrowings	-	- 5
Lease liabilities	30.6	27.8
Other liabilities	38.0	46.4 6
Total liabilities	115.2	128.6
Net assets	334.9	125.9

Key Callouts

1. Cash across H2 includes the net Capital Raise proceeds of \$75m, offset by \$9.5m of external debt repayment and H2 cash burn of \$22.7m.
2. 75% of Receivables at year end are classified as Current (issued within 30 days), with an additional 13% attributed to the annual invoice for one client (received July 2023).
3. Intangible Assets include impairments of \$231.2m (H1 \$175.9m / H2 \$55.3m).
4. Includes \$2.2m of impairment on the right of use (ROU) assets
5. Drawdown of \$9.5m in H1 and was repaid upon receipt of the net Capital Raise proceeds
6. Organisational change provision of \$11.9m was recorded in June 2023



Glossary

Attached Recurring Revenue

comprises system upgrades, enhancements and in-production professional services from ongoing client demand (attached services)

CAGR

Compound Annual Growth Rate

Cash EBITDA

Operating Revenue minus Operating Costs including capitalized development costs, capex and lease

Contracted Recurring Revenue

Comprises revenues contracted for the contract term and typically includes maintenance, managed services, hosting, cloud and SaaS

DaaS

Data as a Service

FA

Funds Administration

Free Cash Flow (FCF)

Operating Cash Flow – Capital Expenditure – Capitalised Software Expense – Leases

FUA

Funds Under Administration

FX

Foreign Exchange

Licence fees

Earned on a one-off basis

PCP

Prior Corresponding Period

PPE

Property, Plant & Equipment

Project fees

Comprise professional services from initial implementation and development requirements

SaaS

Software as a Service

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