



**Butn Limited**

ACN 644 182 883

[www.butn.co](http://www.butn.co)

ASX Code: BTN

Melbourne, 29 August 2024

**ASX ANNOUNCEMENT**

## **Record revenue and cashflow positive final quarter ends Butn's FY24 Result**

### **Key FY24 Highlights**

- **Record revenue:**
  - FY24 revenue was \$13.5 million (FY23: \$11.9 million) up 14% on the pcg
  - FY24 revenue margin improved to 2.9% (FY23: 2.7%)
  - Record quarterly revenue result in Q4 of \$3.5 million
- **Record originations:**
  - FY24 originations of \$468 million (FY23: \$441 million) up 6% on the pcg
  - Platform originations up 35% on the pcg
- **Record platform growth:**
  - Record FY24 origination and revenue from Butn's platform distribution channel, following accelerated growth
  - Butn platform now accounts for c. 35% of total monthly originations (FY23: 25%)
  - Records achieved over key metrics including user transactions, user engagement and new user registration numbers
- Achieved positive operating cashflow of \$0.2 million for Q4 FY24
- Achieved non-recoverable write-offs of approximately 0.5% of originations (much better than industry standards)
- FY24 EBITDA loss of \$1.4 million (FY23: positive \$1.2 million) and normalised loss after tax of \$7.2m (statutory loss of \$12.3 million includes non-cash items totalling \$5.1m) (FY23: statutory loss \$6.5 million) - driven by the increase in expected credit loss provisions and the change in useful life of IP, in line with industry standards. These non-cash items are expected to be significantly lower in FY25
- **Strong financial position:**
  - \$5.0 million of equity raised, supporting continued growth
  - Closing FY24 cash of \$13.3 million
- **FY25 Outlook:**
  - A healthy pipeline of both organic and in-organic growth opportunities to further drive improvements to revenue and cash generation

Butn Limited (ASX: BTN; Butn or Group) is pleased to release its Annual Report for the financial year (FY) ended 30 June 2024 (FY24).

Butn's Co-founder and Co-CEO, Rael Ross said: "Butn has had an excellent year, with all-time records for both revenues and originations. Revenue increased by 14% and Butn reported record annual originations, up 6% on the previous financial year. The higher margin Butn platform has continued its remarkable growth, with revenue up 32% on the previous financial year, as we scale with our strategic partners. The platform also achieved records over several key metrics, reflecting the SME community's endorsement and adoption of Butn's product offerings. Despite the current challenging macro-economic conditions, Butn achieved non-recoverable write-offs of just 0.5% of originations, much better than industry averages. Management's focus on business optimisation in FY24 resulted in significant cost reductions at staff, administration and corporate levels. This positions us well for future positive financial results and we have already seen the benefits in FY24, which included a positive operating cash flow for Q4. We also successfully completed a debt rollover and a fully underwritten accelerated, non-renounceable entitlement (raising \$5 million from institutional and retail shareholders). Together, these reflect continued investor appetite and support for Butn and subsequently completes another successful financial year for the company."

#### **Record revenue**

Butn delivered record revenue of \$13.5 million (FY23: \$11.9 million), up 14% on the pcp.

Revenue margins increased to 2.9% in FY24 (FY23: 2.7%). The improvement in revenue margin reflects the rising contribution of higher margin platform originations and successful repricing with customers.

Moreover, the improved revenue results have been achieved whilst maintaining a low non-recoverable write-off rate of 0.5% of originations.

#### **Record platform growth**

Butn's platform originations increased 35% on the pcp to \$145.2 million (FY23: \$107.3 million). The platform business has continued to scale with our strategic partners, benefiting from Butn's unique distribution platform IP. Platform originations now account for c.35% of monthly originations and a higher proportion of revenue reflecting its higher revenue margin. The year also saw records achieved over several key metrics, including user transactions, user engagement and new user registration numbers. The platform's strong performance reinforces the significant benefits and mounting utilisation of Butn's embedded funding technology across its strategic partnerships and clients.

#### **Strong financial position**

Management's focus on business optimisation in FY24 resulted in revenue growth together with significant cost reductions at staff, administration and corporate levels. This led to positive financial results in FY24, including a positive operating cash flow for Q4, a seminal milestone for the company.

Butn recorded a FY24 EBITDA loss of \$1.4 million (FY23: positive \$1.2 million) and normalised loss after tax of \$7.2m (statutory loss of \$12.3 million includes non-cash items totalling \$5.1m) (FY23: statutory loss \$6.5 million) - driven by the increase in expected credit loss provisions and the change in useful life of IP, in line with industry standards. These non-cash items are expected to be significantly lower in FY25.

Additionally, during the financial year, Butn completed a fully underwritten accelerated, non-renounceable entitlement offer. A total of \$5 million was raised via institutional and retail shareholders, reflecting continued investor appetite and support for Butn.

Cash as at 30 June 2024 was \$13.3 million (FY23: \$14.6 million), providing financial flexibility and support for continued growth.

### **Outlook for FY25**

With a healthy pipeline of both organic and in-organic growth opportunities, management will continue to pursue new growth opportunities to further drive improvements to revenue and cash generation.

Butn's Co-founder and Co-CEO, Rael Ross said: "We anticipate continuing to leverage our successful strategic partnerships, technology and management team in driving our financial results higher in FY25. We have a strong foundation of support from our debt partners and investors, which will serve us well as we continue to explore opportunities to increase our cash generation and revenue streams. The challenging macro environment conditions are projected to continue into FY25, however Butn remains both committed and well placed to continue providing funding solutions for SME's and improving upon its growth and value proposition."

*This announcement has been authorised for release by the Board of Directors of Butn Limited.*

### **Further information please contact:**

#### **Investors**

Rael Ross, Co-CEO and Exec Director

Investor Relations: [investors@butn.co](mailto:investors@butn.co)

#### **About Butn**

Butn Limited is an Australian Business-to-Business ('B2B') funder innovating the way SMEs fund and grow their businesses. Butn focuses on transactional funding – funding SME businesses through their working capital constraints by financing individual transactions, leveraging the end debtor's credit. With a vision of "Your money, today" Butn delivers cashflow funding solutions at the click of a Butn having funded over \$1.5 billion to Australian businesses. For more information visit [www.butn.co](http://www.butn.co)