

# ASX Release

25 August 2023

## FY23 Result

Bravura Solutions Limited (ASX:BVS) (Bravura) has today announced its full-year results for the period ended 30 June 2023.

### FY23 Operating results

- Achieved guidance across all metrics with a significant closing cash balance
- Results impacted by revenue headwinds and 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 materialise.
  - Increase in overhead costs.
  - Costs associated with cloud migration.
- Operating EBITDA declined \$53.4m, from \$45.3m in the pcp to (\$8.1m).
- Impairment and Non-recurring items of \$257.7m<sup>1</sup>
- Adjusted NPAT of (\$23.1m) represents a \$48.8m 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

### Turnaround Plan

- Bravura's trading performance has driven the requirement and urgency for change. This has resulted in a new CEO, Chair and refreshed board joining Bravura in 2HFY23
- Bravura Solutions remains a strong business with market leading technology, world class customers and talented staff. FY23 was a year of underperformance and great disappointment for shareholders, and the Company acknowledges it will take time to rebuild trust.
- Following the \$80m capital raised in March, the business is well capitalised. Furthermore, cash burn has reduced in Q4 following tighter expense focus by management.
- The Organisational Change Program, communicated during 1HFY23, will be completed ahead of schedule, by June 2024
  - Total expected annualised savings \$40m
  - Cost to achieve: \$27.8m
  - Full year impact in FY25

Commenting on the group performance, Mr Russell, Group Chief Executive Officer said:

“Bravura remains a very good business with great technology customers and people. We are fully committed to rebuilding trust and value to shareholders and customers.”

## Outlook

- Our plan is to achieve positive Cash EBITDA run rate by the end of FY24 with a cash burn of \$30-35m in FY24. Including circa \$24m of restructuring costs.
- Bravura is now well capitalised and has the leadership capability to implement the change required to restore value for shareholders and customers
- We will present a 3 year strategic plan in late October 2023 which will outline a strategic pathway for improved earnings performance, profitability and product and customer focus. We will also provide FY24 guidance at that time.

## Operating Results details

A\$m	FY22	FY23	\$ chg	% chg
Wealth Management	169.5	<b>163.6</b>	(5.9)	(3.5%)
Funds Administration	97.1	<b>86.0</b>	(11.1)	(11.4%)
<b>Total Revenue</b>	<b>266.6</b>	<b>249.6</b>	<b>(17.0)</b>	<b>(6.4%)</b>
Wealth Management	39.3	<b>10.6</b>	(28.7)	(73.1%)
Funds Administration	44.9	<b>27.9</b>	(17.0)	(37.9%)
Corporate	(38.9)	<b>(46.5)</b>	(7.6)	(19.6%)
<b>Operating EBITDA<sup>2</sup></b>	<b>45.3</b>	<b>(8.1)</b>	<b>(53.4)</b>	<b>nm</b>
D&A	(13.4)	<b>(14.1)</b>	(0.7)	(5.4%)
Non-recurring items <sup>1</sup>	4.2	<b>(257.7)</b>	(261.9)	nm
<b>EBIT</b>	<b>36.1</b>	<b>(279.8)</b>	<b>(315.9)</b>	<b>Nm</b>
Net Interest & FX expense	(2.1)	<b>(2.0)</b>	0.2	8.4%
<b>Profit before tax</b>	<b>34.0</b>	<b>(281.8)</b>	<b>(315.7)</b>	<b>Nm</b>
Tax Expense	(4.1)	<b>1.1</b>	5.1	126.4%
<b>NPAT</b>	<b>29.9</b>	<b>(280.7)</b>	<b>(310.5)</b>	<b>Nm</b>
<b>Adjusted NPAT<sup>3</sup></b>	<b>25.7</b>	<b>(23.1)</b>	<b>(48.8)</b>	<b>Nm</b>
<b>EPS (A\$ cps)</b>	<b>12.1</b>	<b>(91.7)</b>	<b>(103.8)</b>	<b>Nm</b>

1. Non-recurring items include \$233.4m impairment charges, \$1.0m termination payments to Executives, and \$19.5m organizational change related expenses and \$3.7m amortization of software
2. Includes \$7.7m of expense associated with lease liabilities accounted for under IFRS16 (FY22: 7.9m)
3. Adjusted NPAT and EPS are calculated by excluding the non-recurring items

### Teleconference details

A teleconference and webcast briefing for analysts and investors will be held at 9:00am Australian Eastern Standard Time (AEST). Participants **must** pre-register for the teleconference and can do so here:

<https://registrations.events/direct/OCP60913>

Once registered, participants will receive a calendar invite with dial-in numbers, a passcode and a unique PIN which are to be quoted when dialling into the call.

Webcast link: [https://webcast.openbriefing.com/bvs\\_fyr\\_2023/](https://webcast.openbriefing.com/bvs_fyr_2023/)

The webcast is accessible 15 minutes before the briefing starts.

If you are unable to listen to the announcement live, a recording of the call will be provided in the Investor section of the Bravura website from 1 September 2023.

– ENDS –

Authorised for release by the Board of Directors, Bravura Solutions Limited

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### About Bravura Solutions Limited

Bravura Solutions Limited is a leading provider of software solutions for the wealth management, life insurance, and funds administration industries. Our solutions are underpinned by functionally rich technology that enables modernisation, consolidation, and simplification. Our software solutions enable our clients to increase speed to market, provide a seamless digital experience and address ongoing changes in financial services regulation. Backed by over 30 years of experience, our on-premise, managed, hosted and cloud solutions are used by many of the world's leading financial institutions, who entrust trillions of dollars in assets to our systems. We support our clients with a team of more than 1,400 people in 16 offices across Australia, New Zealand, United Kingdom, Europe, Africa, and Asia.

To learn more, visit [www.bravurasolutions.com](http://www.bravurasolutions.com).