



**Butn Limited**

ACN 644 182 883

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

ASX Code: BTN

Melbourne, 19 February 2024

**ASX ANNOUNCEMENT**

## **Record 1H24 performance, including record originations and revenue, platform growth and positive EBITDA**

### **Key 1H24 highlights**

- **Record originations:**
  - 1H24 originations of \$241 million up 12% on the previous corresponding period (pcp)
  - Q1FY24 record origination quarter, with October a monthly platform origination record, up 51% on the pcp
  - Q2FY24 third consecutive record platform origination quarter
- **Record revenue:**
  - 1H24 revenue of \$6.8 million up 24% on the pcp's \$5.5 million
  - 1H24 revenue margin 2.7%, up from 2.6% in the pcp
- **Strong financial results:**
  - 1H24 EBITDA \$1.4 million, compared with \$0.6 million in the pcp
  - Bad debts written off for 1H24 under 0.1% of total originations
- **Record platform growth:**
  - 1H24 record origination and revenue from Butn's platform distribution channel
  - Platform monthly originations now account for over 30% of total monthly originations
  - Strategic MYOB partnership growing strongly, evidenced by a monthly origination record in November
- **Successful debt raise:**
  - Successfully rolled the 2018-1 bond in October through an additional tap of the 2019-1 bond, supporting future receivable book growth

Butn Limited (ASX: BTN) ('Butn' or 'Group') is pleased to announce its results for the six months ended 31 December 2023 (1H24).

Butn's Co-founder and Co-CEO, Rael Ross said:

"We have demonstrated growth in 1H24, delivering record originations and revenue at an improved revenue margin. Our platform distribution channel continues to develop, with a third consecutive record of quarterly originations and revenue in Q2FY24. The increased revenue has led to an improved positive EBITDA result in 1H24, up more than double on the pcp, benefitting from the strategic operating leverage in the business model.

Looking forward, due to business seasonality post-Christmas and January holidays, the third quarter is typically our most modest of the financial year, yet January 2024 saw an improvement on a pcpc basis with continued growth, particularly in our platform business. ”

### **Record originations**

The Group reported 1H24 origination growth of 12% to \$241 million (1H23: \$214 million). This included a record quarter in Q1FY24. Additionally, we recorded a monthly platform origination record in October, up 51% on the pcpc. Q2FY24 was the third consecutive record platform origination quarter, following strong growth in this distribution channel.

The six months origination to 31 December 2023 represent 88% of the 12 months FY22 originations and 55% of the 12 months FY23 originations, demonstrating the sustained momentum and origination growth in the business.

### **Record revenue**

Record originations have driven record revenue with 1H24 revenue of \$6.8 million, up 24% on the pcpc's \$5.5 million revenue.

Revenue margins increased from 2.6% in the pcpc to 2.7%, through improved industry mix, an increasing contribution from the platform channel at higher margins and pass through of some pricing adjustments.

### **Strong financial results**

Butn has benefitted from its strategic operating leverage, which has seen record revenue in 1H24, earned at an improved revenue margin. This has led to positive EBITDA result of \$1.4 million in 1H24 (1H23: EBITDA of \$0.6 million).

In addition, bad debts written off for 1H24 were low and under 0.1% of total originations.

### **Record platform growth**

Butn's platform distribution channel delivered record originations and revenue in 1H24. This culminated in October 2023's platform originations record, equating to over 30% of that month's total originations. The strategic MYOB partnership continues to grow strongly, evidenced by a record monthly originations, following continued adoption of the embedded funding solution to a broader MYOB business user base during the period.

### **Improved financial position**

Receivables increased to \$84.5 million (1H23: \$74.8 million) with origination growth driving the fast-turning receivables book which on average turns six times per annum. To support this growth, Butn successfully rolled the 2018-1 bond in October 2023 through an additional tap of the 2019-1 bond, supporting future receivable book growth.

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

### **For further information please contact:**

#### **Investors**

Rael Ross, Co-CEO, Exec Director and Interim Chairman

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)