



**Butn Limited**

ACN 644 182 883

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

ASX: BTN

Melbourne, 19/10/22  
**ASX ANNOUNCEMENT**

## **Butn continues to deliver record originations as growth accelerates**

*Quarterly Activities Report for the three months ended 30 September 2022 (Q1 FY23)*

### **Q1 FY23 highlights**

- Record quarterly originations totalling \$102.2 million, a 63% increase on the previous corresponding period (pcp) and a 20% increase on the prior quarter
- September was a record for originations at \$35.4 million, the sixth consecutive record month
- Quarterly revenue of \$2.6 million, 110% increase on pcp with a 2.5% revenue margin (2.0% in the pcp)
- Record month for Butn's platform originations of \$8.5 million, an increase of 27% month-on-month, equating to ~24% of total monthly originations
- September's quarterly platform originations exceeded \$21 million (\$1 million in the pcp), reflecting the rapid growth and future potential of this distribution channel
- Strong closing cash position, positive EBITDA for Q1 FY23, complemented by a new debt facility post quarter end supporting continued growth

Butn Limited (ASX: BTN; Butn) provides this quarterly activities report for the three months ended 30 September 2022 (Q1 FY23), along with the Company's Appendix 4C cash flow report.

### **Commenting on Q1 FY23, Butn's Co-founder and Co-CEO, Rael Ross said:**

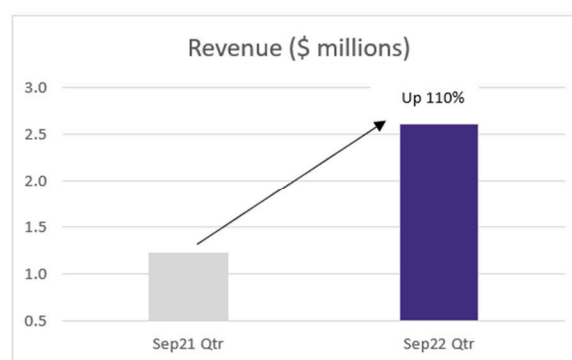
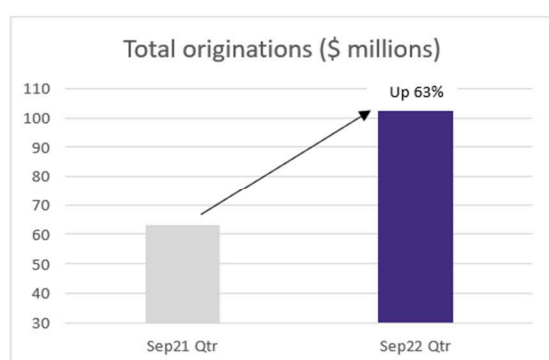
"A sixth consecutive record month of originations, quarterly originations exceeding \$100 million and quarterly revenue double that of the previous corresponding period all demonstrate the growing need for our fast, secure and reliable funding, supporting SMEs in these challenging market conditions. Growth in our platform channel is driving record originations at increasing revenue margin with no additional operational staff, supporting our mass distribution strategy through increased operating leverage. This, together with our strong cash position and additional debt facility post quarter end, provides ongoing momentum through FY23 and beyond."

### **Record originations and increasing revenue margin**

Butn achieved record quarterly originations in Q1 FY23 of \$102.2 million, up 63% on the pcg and 20% on the prior quarter.

September's monthly originations were \$35.4 million, the sixth consecutive record origination month, underlining the growing momentum in the business. The sustained growth reflects Butn's strong relationship with its platform partners, growth of distribution channels and the increasing awareness of its product offering in the SME community.

Importantly, revenue margin increased to 2.5%, up from 2.0% in the pcg, reflecting a significant improvement in industry mix to higher-margin segments and increased contribution of higher-margin platform originations. This saw Q1 FY23 revenue of \$2.6 million, up 110% on the pcg.



Key metrics*	Quarter ending 30 Sep 2022	Quarter ending 30 Sep 2021	Movement
Total originations (\$ millions)	102.2	62.8	Up 63%
Net revenue (\$ millions)	2.6	1.3	Up 110%

\*Rounding may occur. All figures unaudited.

### **Record platform growth from strategic partnerships**

Momentum in the Butn platform continues to accelerate with platform origination growth a consistent and growing component of Butn's overall origination levels.

In September platform originations were a record \$8.5 million, approximately 24% of that month's total originations demonstrating the significant benefits in Butn's embedded funding technology to leverage and deepen existing strategic partnerships.

The Q1 FY23 platform originations exceeded \$21 million compared with approximately \$1 million in the pcg, reflecting the rapid growth and future potential of this distribution channel.

### **Strong financial position, with additional debt facility secured**

At 30 September 2022 cash on hand was \$12.3 million, providing Butn with the continued financial flexibility to pursue growth opportunities as they arise.

The accelerating record growth over recent months and increasing revenue margin were delivered with no new operational staff and combined with tight cost control have driven a positive EBITDA result for Q1 FY23.

Post quarter end, Butn settled \$11.4 million of debt from Noteholders under a new 2022-1 bond (see 7 October ASX Announcement). The funds will be used to purchase eligible receivables, positioning Butn for continued origination growth in FY23. Based on Butn's fast turning receivables book of approximately 6 times per year, the funding will provide around \$68 million of additional annual origination capacity.

The additional debt funding increases Butn's total debt funding to over \$70 million, double the debt availability in October 2021.

### **Summary of Q1 FY23 cashflows**

Butn generated increased cash receipts from customers of \$2.6 million, reflecting continued origination growth in the quarter compared with the pcq.

Total net operating cash outflows were lower than the previous quarter, with material outflows including staff costs of \$0.8 million (including \$0.2 million of salary and fees paid to directors and the Co-CEOs), administration and corporate costs of \$0.5 million and interest costs of \$1.1 million.

Investing cash flows included \$0.3 million for Butn fintech development and the purchase of two small complimentary automotive books, together with \$7.3 million in growing the receivables book.

Financing cash flows reflected \$5 million of additional funding secured, offset by \$0.5 million of transaction costs related to both the current and prior quarter's borrowings.

- ENDS -

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

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#### **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 button having funded over \$1 billion to Australian businesses. For more information visit [www.butn.co](http://www.butn.co)