



FY22 Full Year Results Presentation

30th August 2022

Agenda

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Welcome and Highlights

Bravura provides digital software solutions supporting sophisticated financial services products

Operating Result	Strategy	Capital	ESG
- Revenue growth of 10% yoy at \$266.7m - EBITDA of \$45.3m & NPAT of \$25.7m was within guidance - Focus on cost management in a challenging environment 	- Delivered 1st transition of Sonata Alta implementation with Aware - Delivered FinoComp microservices into EMEA and Australia - Cloud transition progressing well for Sonata, Babel and MicroServices customers 	- Strong balance sheet and operating cashflow - High quality earnings that are highly visible and recurring in nature 	- Ongoing focus on ESG delivering results - Global D&I leadership team in place - Increased female people leaders from 28% to 31% - ISO 14001 certification in Environmental Management Systems in 2022 



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Group Results

Full Year FY22 Result

Revenue \$266.7m	EBITDA \$45.3m	NPAT ¹ \$25.7m	EPS 12.1c
- Revenue growth of 10% - Recurring and attached Recurrent Revenue comprised 81% of FY22 group revenue, with Contracted Recurring Revenue up 8%	- EBITDA reduced 8% to \$45.3m - Group EBITDA margin 17% (20% in FY21)	NPAT reduced 20% to \$25.7m	- EPS down 14% to 12.1c, FY22 final dividend declared of 3.2cps - Full Year dividend of 6.9cps.

1. Adjusted NPAT excludes the remeasurement of contingent consideration, CEO termination charges and the change in accounting policy relating to the cloud-based software implementation costs now being expensed.

Full Year FY22 Result

A\$m	FY22	FY21	\$ chg	% chg
Wealth Management ¹	169.5	160.1	9.4	6%
Funds Administration	97.1	82.9	14.2	17%
Total revenue	266.7	243.0	23.6	10%
Wealth Management ¹	39.3	50.5	(11.2)	(22%)
Funds Administration	44.8	35.3	9.5	27%
Corporate	(38.8)	(36.5)	(2.3)	(6%)
EBITDA ²	45.3	49.3	(4.0)	(8%)
D&A	13.4	12.1	1.3	11%
Non-recurring items ³	(4.2)	(2.2)	(2.0)	91%
EBIT	36.1	39.4	(3.3)	(8%)
Net interest and FX expense ²	2.1	0.4	1.7	471%
Profit before tax	34.0	39.0	(5.0)	(12%)
Tax expense	4.1	4.5	(0.4)	(10%)
NPAT	29.9	34.6	(4.7)	(14%)
Adjusted NPAT ³	25.7	32.3	(6.6)	(20%)
EPS (A\$ cps)	12.1	14.0	(1.9)	(14%)

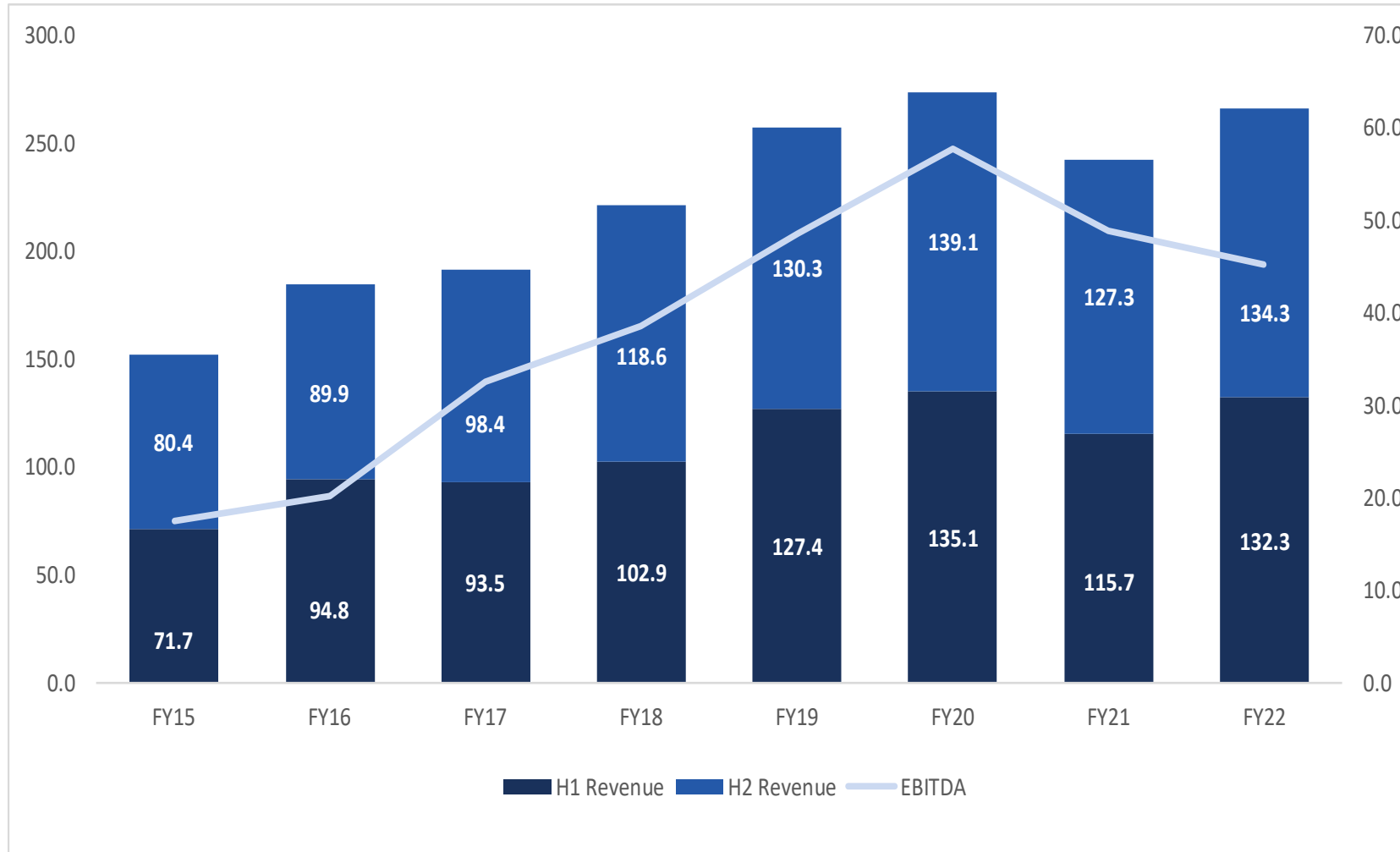
1. The Delta Financial Systems acquisition in 1H21 is reported within Wealth Management..

2. Includes A\$1.5m (FY21: A\$1.7m) of accretion expense associated with lease liabilities accounted for under IFRS16.

3. Non-recurring items include remeasurement of contingent consideration, termination charges and the change in accounting policy relating to the cloud-based software implementation costs now being expensed

- **Wealth Management** revenue grew 6% whilst EBITDA reduced by 22% due to increased global wage costs and resourcing mix. EBITDA margin² decreased to 23% (31% in FY21). \$2.3m of the revenue growth was attributable to a full period of Delta.
- **Funds Administration** revenue grew 17% and EBITDA grew 27%. EBITDA margin increased to 46% (43% in FY21). Included in the Funds Administration revenue was a licence associated with a major contract renewal.
- **Corporate costs** increased 6% driven by an increase in travel, post the opening of international borders and various licencing costs.
- **Depreciation and amortisation** increased by \$1.3m compared to pcp, arising from the amortisation of intangibles from recent acquisitions.
- **EBITDA** was down 8% to \$45.3m (\$49.3m in FY21), with an EBITDA margin of 17% (20% in FY21).
- **EPS** down 14% to 12.1c, FY22 final dividend declared of 3.2cps.

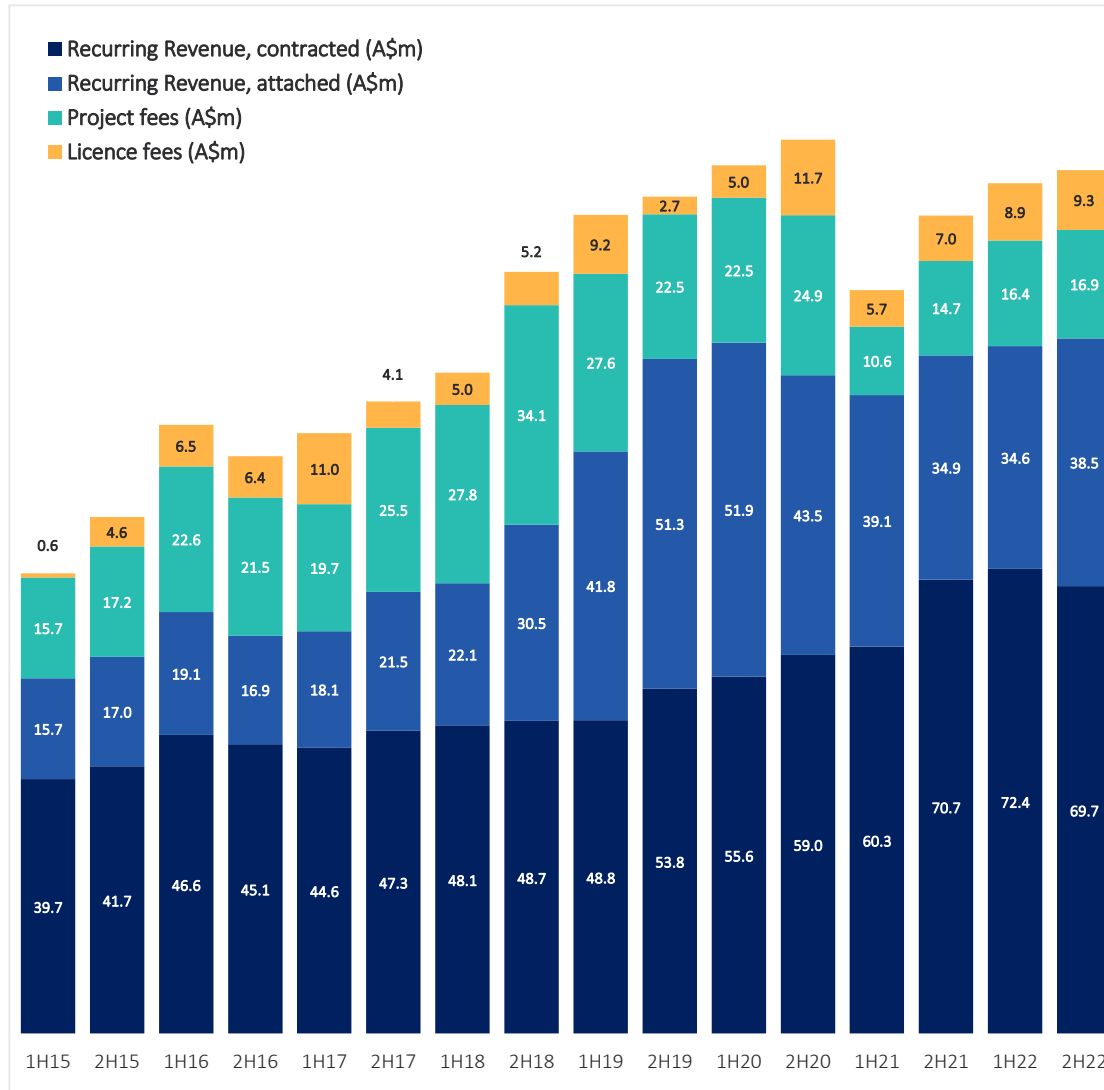
Long-term Revenue and EBITDA



- **Revenue** increased by 10% whilst **EBITDA¹** decreased by 8% on pcp.
- The **improved revenue result** was achieved through an 8% increase of the Contracted Recurring Revenue highlighting the value of long-term client contracts. Project fees increased 32% reflecting the continued progression of major works throughout the year.
- The **EBITDA¹ result** was driven by continued wage pressure driven by resource shortages and the global resource mix, staff attrition and investment in key delivery resources across APAC and EMEA. This resulted in the **EBITDA Margin** of 17% (20% in FY21).

1. Bravura has consistently included occupancy costs as accounted for under IFRS16 in the calculation of EBITDA.

Highly Visible Revenue

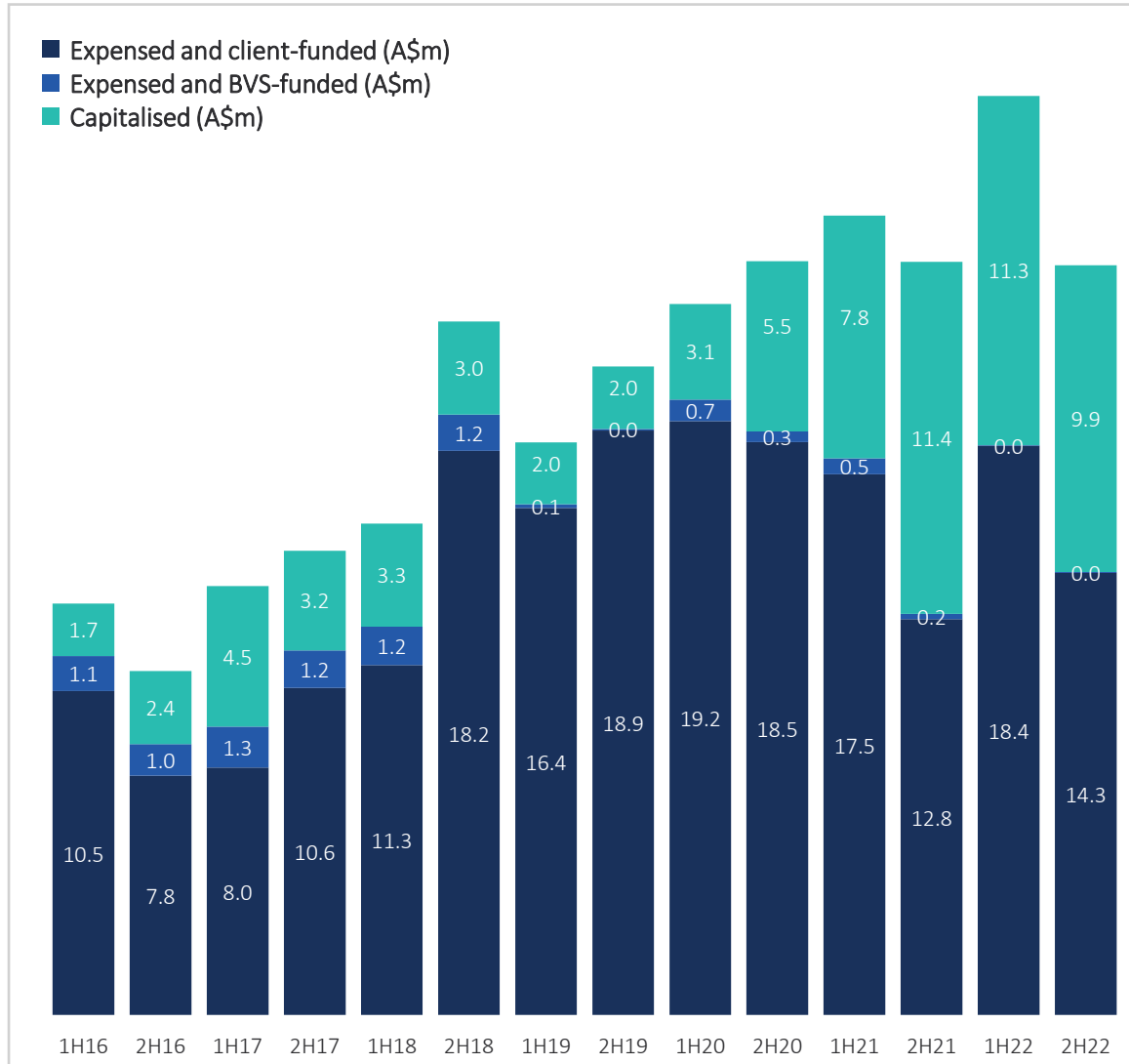


- **Recurring Revenue** comprises revenue that is contracted for the contract term plus project work post initial implementation. Majority of the revenue has **contract terms of 7-13 years**
 - **Contracted Recurring Revenue** comprises revenues contracted for the contract term and typically includes 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.

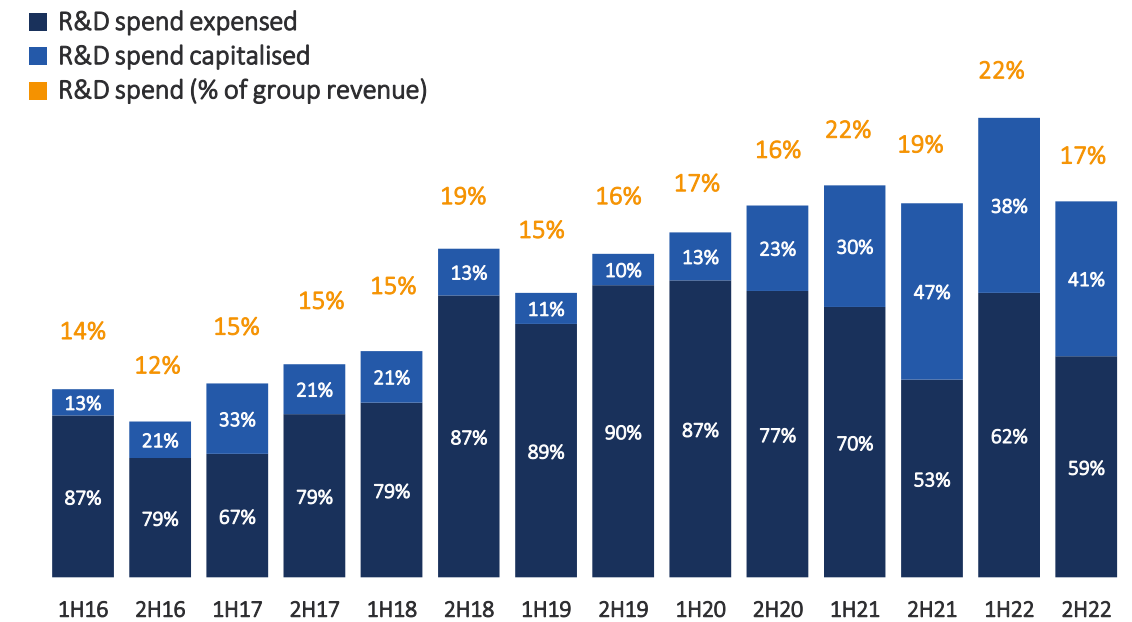
Growing our Recurring Revenue base

- **Contracted Recurring Revenue was up 8%** in FY22 compared to the pcip highlighting the value of long-term contracts.
- **Attached Recurring Revenue declined 1%** in FY22 compared to pcip with work being delayed and reprioritised by clients, predominately in the UK. Despite this decrease, Attached Recurring Revenue still accounted for 27% of the total Revenue base, highlighting the strong relationships held with clients.
- **Non-recurring revenue increased by 36%** driven by project fees resulting from new client wins and licences from renewals and new client wins.

Research & Development Investment of \$53.9m



- FY22 group R&D investment was A\$53.9m, of which 41% was capitalised (A\$21.2m).
- Bravura's current R&D program is focused on outcome-based services predominantly for the development of microservices, Australian wrap functionality, Sonata Alta, Rufus, Pension Dashboard, GFAS, Cloud, and the extension of digital advice capability
- The R&D program strengthens Bravura's product functionality relative to competitors and expands Bravura's total addressable market.
- The trend in capitalised R&D spend from 2H FY22 will continue into FY23

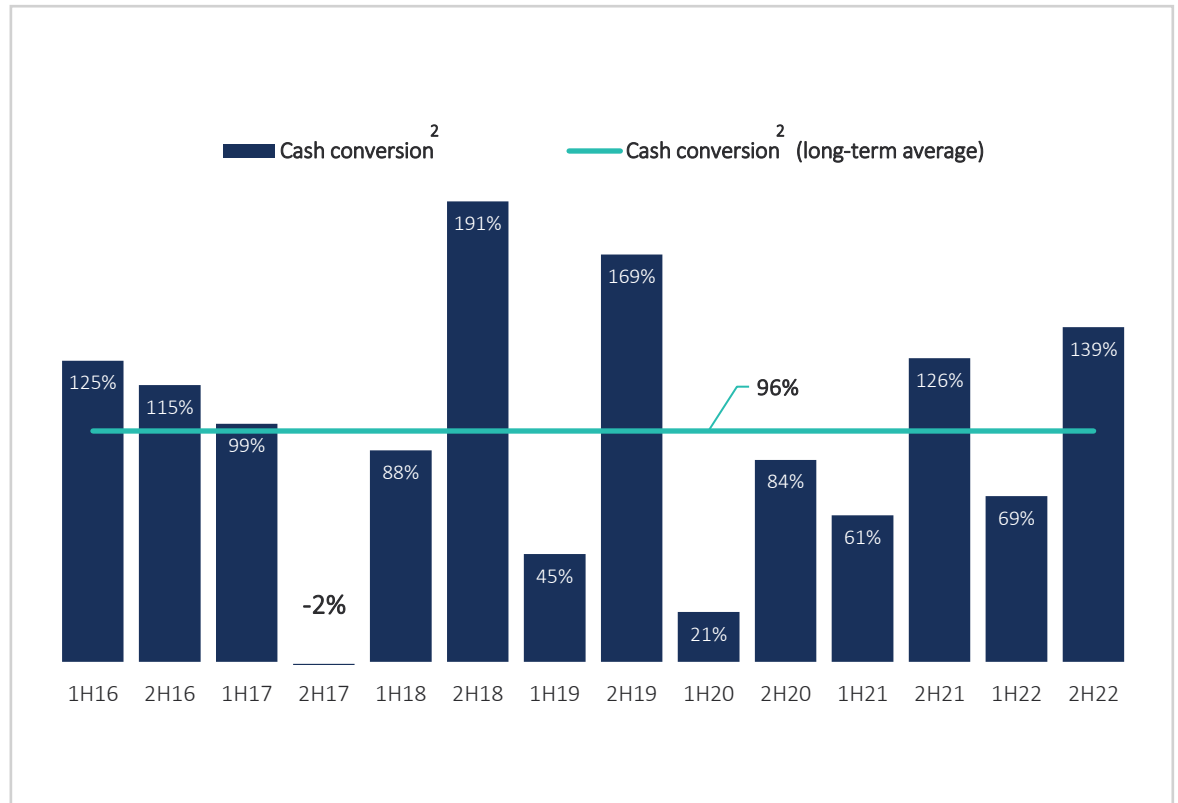


Strong Balance Sheet

- Bravura is in a robust financial position, with cash of A\$48.7m at balance date. Bravura continues to evaluate a pipeline of additional acquisitive, organic growth opportunities and continues its R&D programme to facilitate growth in the future.
- Intangible assets have increased to A\$264.1m reflecting the continued investment in R&D driving future revenue opportunities.

A\$m	30 Jun 2021	30 Jun 2022
Cash	73.6	48.7
Trade receivables	40.2	39.8
Contract assets	23.4	30.6
Intangible assets	252.6	264.1
Property, plant and equipment	54.4	49.0
Other assets	13.6	18.0
Total assets	457.8	450.1
Trade payables	13.5	15.7
Contract liabilities	31.7	30.9
Borrowings	0.0	0.0
Lease liabilities	36.8	30.6
Other liabilities	46.1	38.0
Total liabilities	128.0	115.2
Net assets	329.8	334.9

- Operating cash flow (excluding taxes paid) was A\$47.2m, reflecting operating cashflow to EBITDA conversion of 104% (105% in FY21), consistent with the long-term trend.
- Strong cashflow conversion in 2HFY22



Cash Flow Statement

A\$m	FY21	FY22
Receipts from customers	247.3	273.0
Payments to suppliers and employees	(195.6)	(225.8)
Interest received	0.2	0.0
Income taxes paid	(4.5)	(5.2)
Total operating cash flow (direct method)	47.3	42.1
Purchase of property, plant, and equipment	(5.9)	(4.9)
Payments for capitalised software development	(19.5)	(21.2)
Acquisition of subsidiaries	(23.1)	0.0
Contingent Consideration	0.0	(6.8)
Total investing cash flow	(48.4)	(33.0)
Payments of share issue costs	0.0	0.0
Finance costs paid	(0.3)	(0.3)
Rental lease interest payments	(1.7)	(1.5)
Rental lease principal payments	(6.3)	(6.8)
Dividend paid	(17.1)	(24.0)
Total financing cash flow	(25.4)	(32.6)
Cash at the beginning of the period	99.1	73.6
Net change in cash	(26.5)	(23.6)
Effects of exchange rate changes on cash	1.0	(1.3)
Cash at the end of the period	73.6	48.7

A\$m	FY21	FY22
Profit for the year	34.6	29.9
Depreciation and amortisation	21.3	22.7
Financing costs	3.4	2.6
Share-based payments	1.5	(0.2)
Remeasurement of contingent consideration	(4.6)	(6.6)
Net unrealised exchange differences	(1.0)	1.8
Trade, other debtors, and contract assets	(4.8)	(5.4)
Other current assets	(4.0)	(2.8)
Deferred tax assets	3.1	(0.7)
Trade and other payables	2.1	2.4
Provision for income tax	(1.0)	0.2
Contract liabilities	(0.8)	(0.6)
Deferred tax liabilities	0.0	0.8
Provisions and other liabilities	(2.4)	(2.0)
Total operating cash flow (indirect method)	47.3	42.1



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Strategy and Outlook

Next phase of Bravura's strategy will leverage existing assets & strengths



BVS product suite covers the breadth of the Wealth value chain



Strong global footprint



Revenue growth underpinned by long term contracts and visible recurring revenue



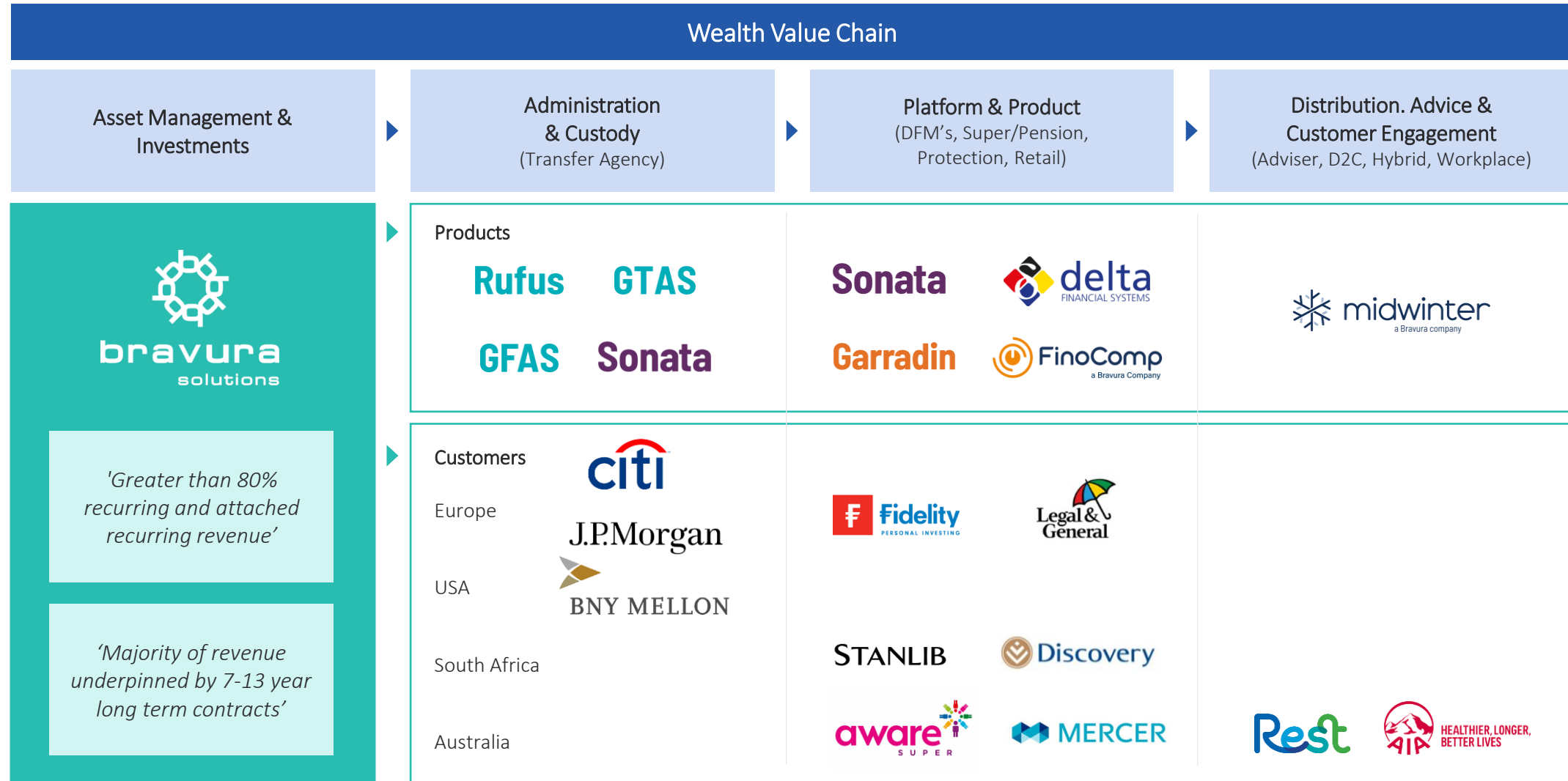
72% of \$280M R&D invested over last 7 years has been client funded



BVS's clients entrust more than \$5 trillion in assets to our solutions



Bravura has a strong global footprint



Over the next 3 months we will refine our strategy focusing on the following areas

Leverage strong customer base

- Manage for value
- Customer penetration
- Geographic expansion
- Increase sales & marketing capability



Scale opportunities against customer priorities

- Deep dive on sequence of inflight initiatives
- Prioritise on client needs of cost reduction, regulatory compliance and differentiation



Accelerate Cloud implementation across multiple platforms

- Sonata
- Babel
- Microservices



Drive operating leverage

- Refine Cost base
- Alta roll-out (BPaaS)
- Identify opportunities for standardization
- Future proof architecture
- R&D optimisation



Ongoing ESG focus

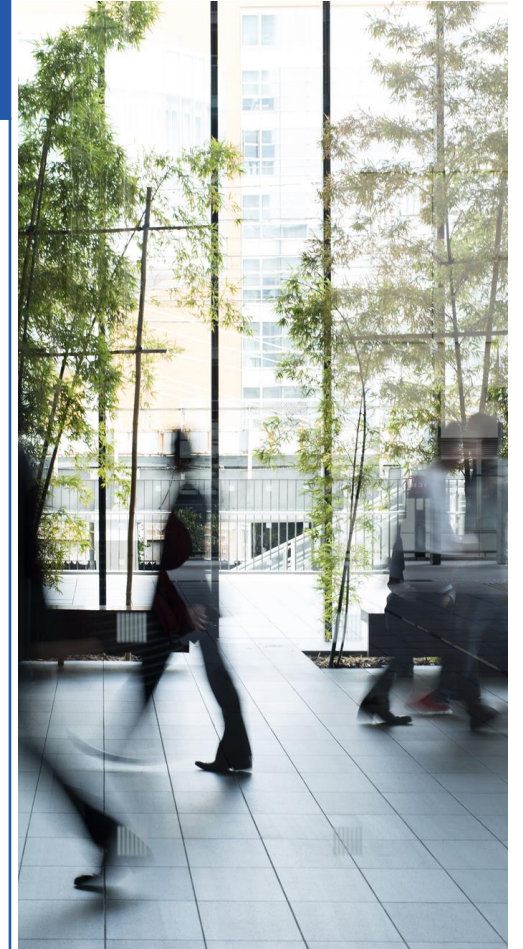
- Inclusion
- Carbon reduction initiatives
- ISO accreditation



Outlook



- There are a number of high-quality deals in the pipeline, with high confidence we will close and execute on these opportunities
- The specialist labour market we operate in will remain challenging
- In Australia there is continued market consolidation providing further opportunities for the business and while recovery in the EMEA wealth industry remains subdued, there are business opportunities in the existing customer base
- The trend in capitalised R&D spend from 2H FY22 will continue into FY23
- We will provide further detail on the outlook of the business post the completion of our strategy review





Appendix

What we do

Bravura provides digital software solutions supporting sophisticated financial services products

Core record keeping

- Investment products
- Wrap platforms
- Superannuation and pension
- Life insurance
- Private wealth and portfolio admin
- Funds administration
- Financial planning software
- Unit registry

Process support

- Automation
- New product creation
- Product distribution
- Client on-boarding
- Compliance and auditing
- Administration, workflow and correspondence
- Valuations and modelling

Capabilities

- Cloud deployment
- On-premises and hybrid cloud
- Full managed service
- Compliant across multiple jurisdictions
- Highly secure record keeping
- Scalable, modern technology
- Enterprise solutions and eco-system of microservices

ESG - Social responsibility

Diversity and Inclusiveness

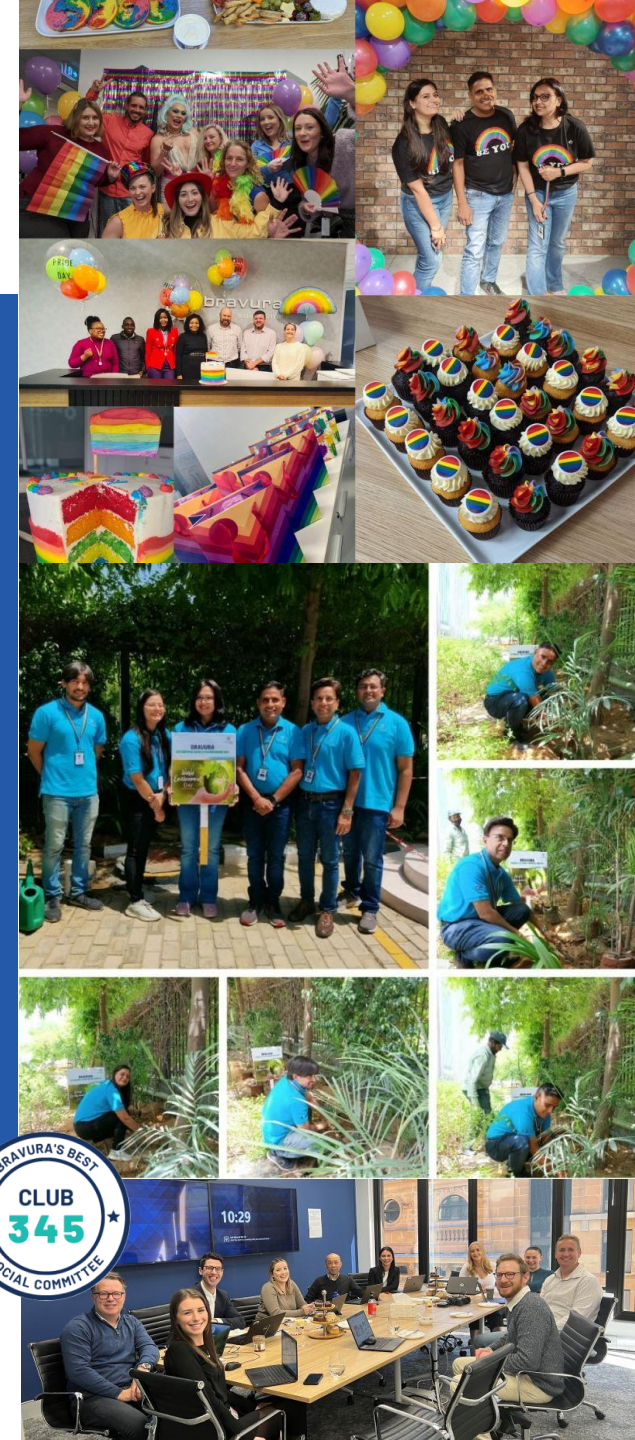
- ✓ The Global D&I Leadership Team champions employee networks for Gender, LGBT+, Neurodiversity, Social Mobility, Race & Ethnicity and Disability
- ✓ Our bWell programme covers the whole company to support the mental health of our people with internal (over 20 trained mental health first-aiders) and external support
- ✓ We run formal mentoring programmes for women in our workspaces
- ✓ Increased female people leaders from 28% to 31%
- ✓ We support schooling in disadvantaged areas

People

- ✓ Enhanced parental leave offering for primary and secondary carers
- ✓ Increased paid leave for volunteering
- ✓ Introduced new “Ways of Working” and cultural mindsets that drive empowerment, flexibility, wellness and community
- ✓ Globally coordinated COVID-19 response. COVID Warriors in India sourced oxygen, plasma donations
- ✓ Increased focus on Graduate Recruitment and delivering experience-led Onboarding
- ✓ Launch of Anywhere Leadership Experience focused on leading successful, connected hybrid teams in the new era of work
- ✓ Increased access to role-based training, such as AWS, SAFe and Bravura product suite

Sustainability

- ✓ Established an environmental working group to achieve ISO 14001 certification in Environmental Managements Systems
- ✓ Focused on carbon footprint reduction by using video conferencing as the preferred format for meetings
- ✓ Actively recycling and managing waste from our offices



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