



# Interim Results 1HFY24

28 February 2024

ASX:BCC



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# H1 Highlights

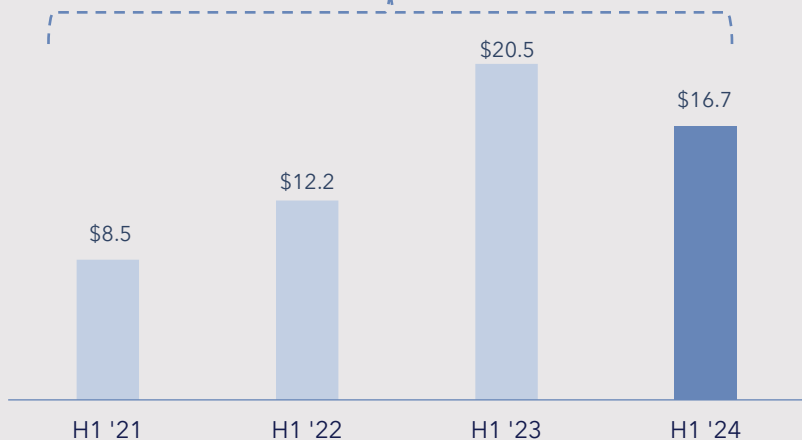
Financial	1	<b>Headline Financials</b> <ul style="list-style-type: none"><li>• Revenue \$16.7m</li><li>• GM 31%</li><li>• Normalised EBITDA \$2m</li></ul>	
	2	<b>Cash Generation as the Business Scales</b> <ul style="list-style-type: none"><li>• Near-record cash receipts of \$19.7m, +83% in 2 years</li><li>• Positive Free Cash Flow over the last rolling 12 months</li><li>• Stable GM and EBITDA margins despite inflationary pressures</li></ul>	
Strategic	3	<b>Continuing Growth in Recurring Revenues</b> <ul style="list-style-type: none"><li>• ZOLEO Royalty Revenue growth 35x in 3 years (+47% on PCP)</li><li>• Other recurring revenue +200% on PCP, total recurring rev +111%</li><li>• Subscription revenue now \$2.5m annualised</li></ul>	
	4	<b>Confidence in the Core Business</b> <ul style="list-style-type: none"><li>• Maintaining leading GM margin at 40%</li><li>• 3 Year recurring revenue CAGR 15%</li><li>• \$1.9m invested in innovation and product development in H1</li></ul>	

\* Normalised EBITDA excludes Zoleo arbitration costs

# Strong multi-year growth

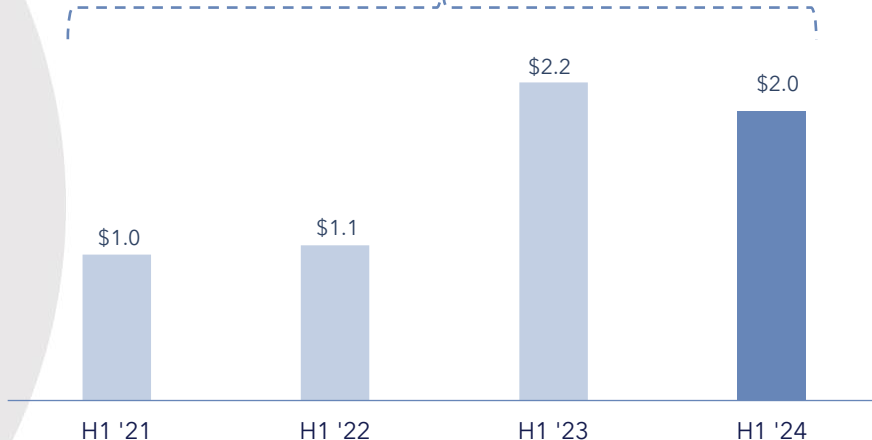
## Operating Revenue (\$m)

3-year CAGR 25%



## EBITDA\* (\$m)

3-year CAGR 26%

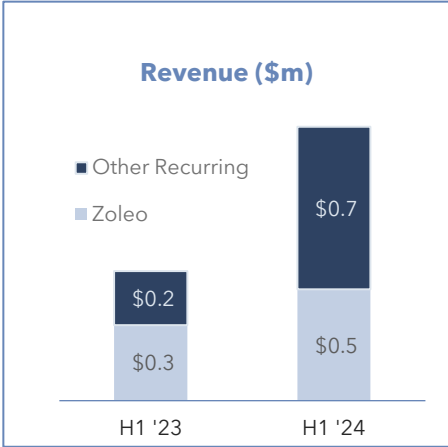


- **Higher quality revenue and earnings as revenue mix shifts to recurring**
- **Beam has grown 2x in 3 years**

- **Normalised EBITDA excludes \$836k of arbitration related expenses**

\* Normalised EBITDA excludes Zoleo arbitration costs of \$836k

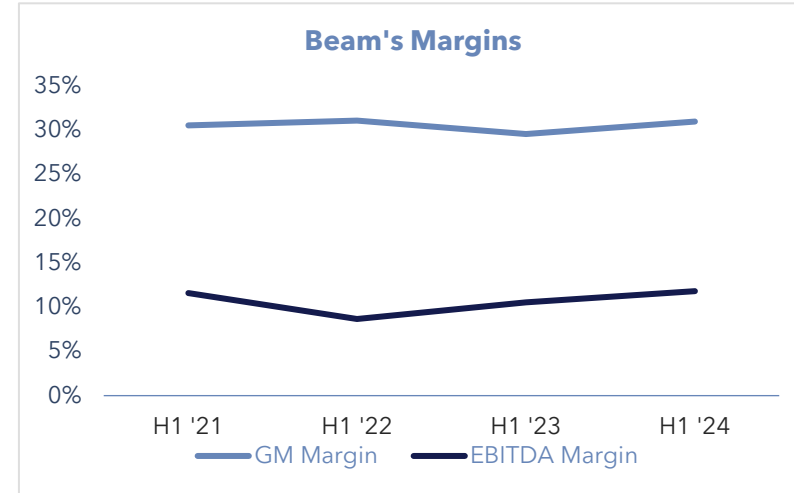
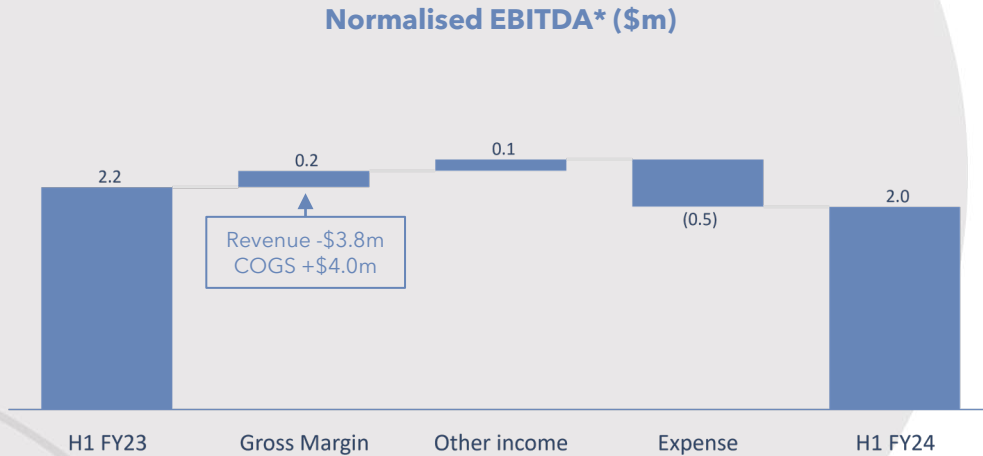
# Revenue | Strong recurring revenue +111%



Increased contribution from Zoleo Royalty Fees and Other Recurring

# EBITDA | Modest margin improvement

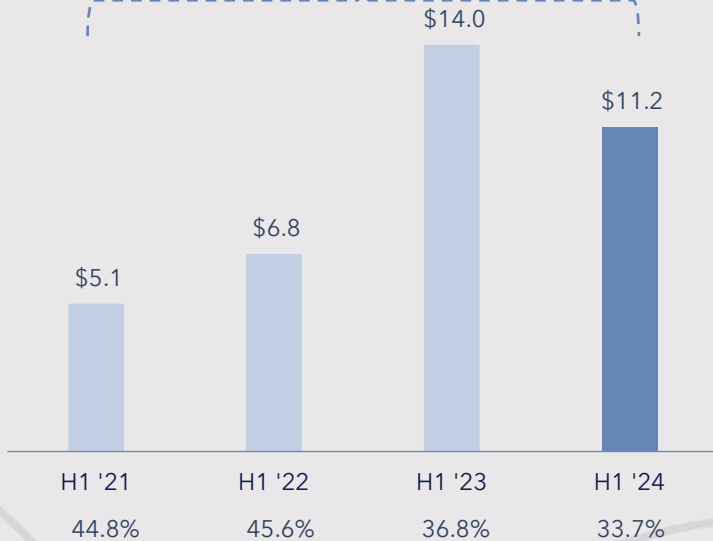
OPEX well managed with Revenue -19% and Normalised EBITDA -9%



# Core Beam (ex ZOLEO) | Performance

## Revenue (\$m)

3-year CAGR 30%



## Highlights



Lower sales of Iridium GO compared to PCP, ongoing committed orders from Iridium into FY25



Iridium Go exec<sup>®</sup> continuing deliveries against 5 year / USD20M commitment



Lower sales of docks, terminals and accessories against PCP

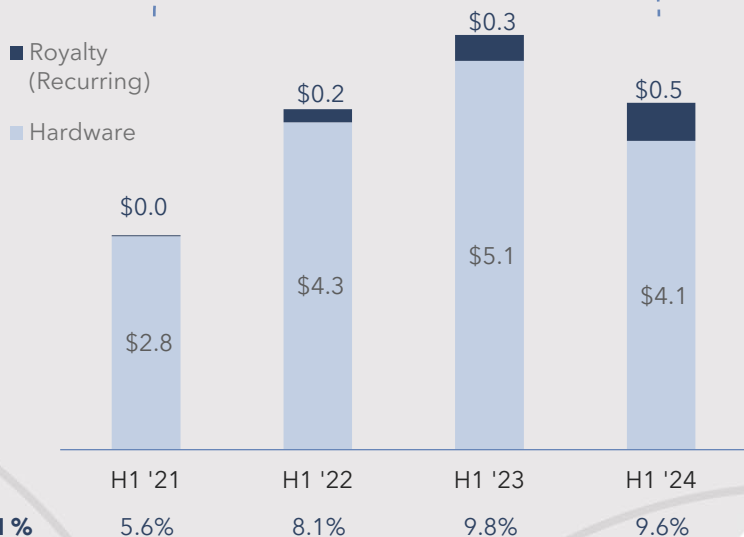


The Telstra/MT Data recurring revenues continue to grow increasing total billable subscribers.

# Beam ZOLEO | Performance<sup>1</sup>

## Revenue (\$m)

3-year CAGR 17%



## Highlights



Gross margin expected to expand as recurring revenue grows



Zoleo activations for ANZ ahead of internal expectations.



Channel demand remains strong given orders in hand



Inherent value in ZOLEO asset that has 81K global subscribers

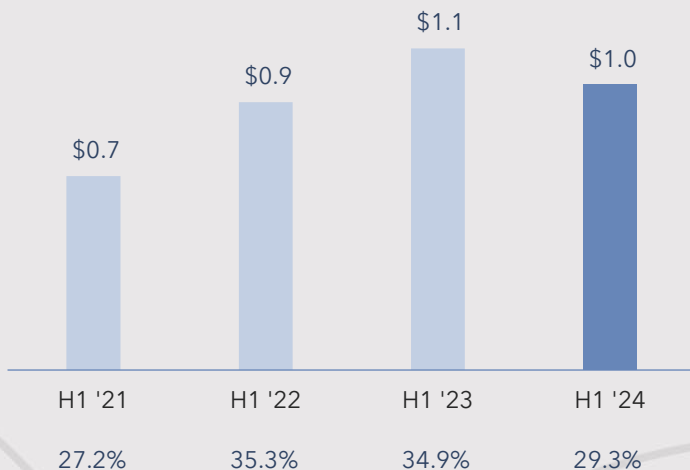
<sup>1</sup> Represents Beam hardware sales to ZOLEO Inc, Beam device sales to ANZ channel partners, ANZ device sales made by Beam and subscription royalties received from ZOLEO Inc. ZOLEO Inc. is accounted for as a joint venture per AASB 128 Investments in Associates and Joint Ventures



# SatPhone Shop | Performance

## Revenue (\$m)

3-year CAGR 14%



## Highlights



Leveraged to growth in the Mobile Satellite Service market



Recurring airtime revenue (sold through SPS) grew 10% PCP



Improving online presence an ongoing focus



Strategic value in SPS which gives Beam an important channel to market

# Marketing and Sales Focus

## MEDIA

**Stay In Reach With ZOLEO | Mini Satellite Communicator | 2 Way ...**  
[\[AD\] satphoneshop.com/SatelliteCommunicator](#)  
 Stay In Reach With The ZOLEO Global Satellite Communicator. Affordable & Reliable. Don't Pay A Premium To Stay In Reach. Choose A ZOLEO Global Satellite Communicator.

**Iridium 9555 With Carry Case | Iridium 9555 Satellite Phone | Iridi...**  
[\[AD\] satphoneshop.com/Iridium\\_9555/With\\_Carry\\_Case](#)  
 Buy An Iridium 9555 Satellite Phone & Get A Free Carry Case Valued At \$195 Today. 9555 Sat Phones To Connect To The Only Truly Global Mobile Communications Network.

**SatPhone Shop For Sat Phones | Satellite Phones & Airtime | Shop Sat Phone Bundles & Plans**  
[\[AD\] satphoneshop.com/Satellite-PhoneBundles+...](#)

**The Emergency Communicator**  
 Zoleo Seamless Connectivity Beyond Cell Coverage. The Satellite Communicator.

**4WD 24/7**

### H1 Outcomes

- ✓ Continued improvement to social medial performances, ZOLEO impressions +25%<sup>1</sup>
- ✓ Engage with key media publications to promote products and create awareness.
- ✓ Effective online paid keyword and display campaigns to strengthen brand recognition

<sup>1</sup>. Represents social medial impressions in period June 2023 to December 2023 for ZOLEO Australia

## AMBASSADORS

**Dua Discovers (NZ)**  
 Hiker, Outdoor Enthusiast

Instagram: 130K | TikTok: 2.7K

**Wild Reaches (AU)**  
 Fisherman, Outdoor Enthusiast

Instagram: 35.8K | YouTube: 41.6K

**Meet The Metchers (AU)**  
 Camping and Outdoor Enthusiast

Instagram: 5.1K

**The Hunters Campfire (AU)**  
 Hunters

Facebook: 1K | YouTube: 7.9K

**4WD 24/7 (AU)**  
 4WD Enthusiasts

Instagram: 639K | YouTube: 1.09M

**Kane Brisco (NZ)**  
 Farmer, Public Speaker

Instagram: 8.2K

### H1 Outcomes

- ✓ On target stable of ambassadors promoting product suite
- ✓ Reach into 1.2M+ Instagram followers via networks (18 AUS / 15 NZ)
- ✓ Strong influencer presence, credibility of product benefits and use case

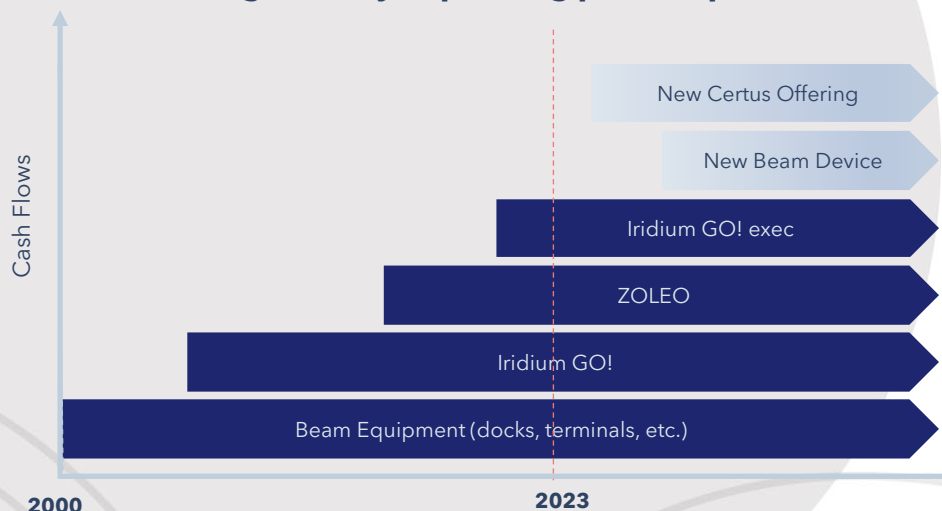
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# Innovation Program Drives Profitable Growth

Launching new offerings into a growing global market

## Building scale by expanding product portfolio



NB: satellite equipment has long product lifecycles

## Further Iridium Certus® Offering

Beam is developing another next-gen satellite offering on the back of the success of Iridium GO! exec®, due for launch 2H

## New Beam-Branded Device

A new solution to generate hardware sales and recurring subscription revenue for Beam 1HFY25

# P&L Summary

	H1 FY24 (\$m)	H1 FY23 (\$m)	% Change
Revenue	16.7	20.5	(19%)
Gross Profit <sup>1</sup>	5.2	6.1	(15%)
Gross Margin % <sup>1</sup>	31%	30%	1pp
OPEX <sup>2</sup>	3.9	3.5	13%
EBITDA <sup>2</sup>	2.0	2.2	(9%)
NPAT	(0.3)	1.2	n/m

1. Excludes Statutory Inventory Provision adjustment

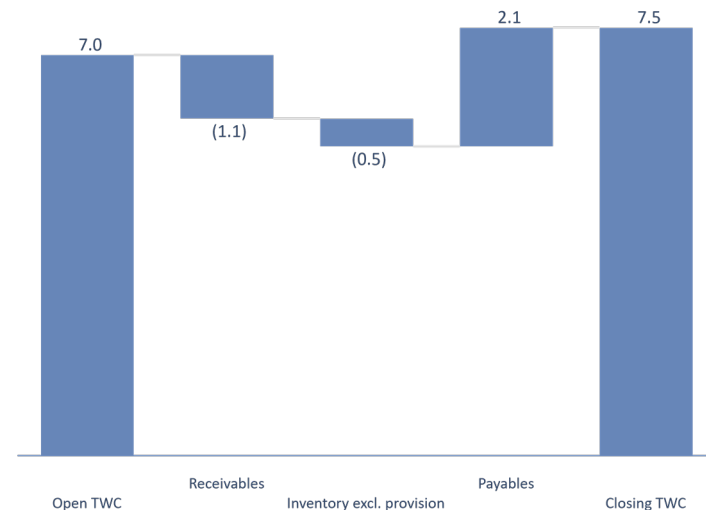
2. Normalised EBITDA and Opex excludes Zoleo arbitration costs of \$836k. Statutory EBITDA \$1.1m.

- **Revenue decline from the PCP due to overall softer performance, exacerbated by the timing of hardware sales and a notably strong H1 FY23.**
- **Revenue mix shifting to higher margin Recurring Revenue now 7% of Operating Revenue (H1 FY23 5%).**
- **Resilient Gross Margin % improving despite cost pressures.**

# BCC | Group Balance Sheet

Current Assets	Dec 2023 \$,000	June 2023 \$,000	Dec 2022 \$,000
Cash	3,384	4,951	3,039
Trade Receivables	4,205	5,321	7,628
Inventory	8,477	8,965	8,251
Inventory Provision	(1,128)	(1,503)	(1,080)
<b>Total Current Assets</b>	<b>14,938</b>	<b>17,734</b>	<b>17,838</b>
Non Current Assets			
Development Assets	9,408	8,915	8,739
Other	1,301	653	391
<b>Total Non Current Assets</b>	<b>10,709</b>	<b>9,568</b>	<b>9,130</b>
<b>Total Assets</b>	<b>25,647</b>	<b>27,302</b>	<b>26,968</b>
Current Liabilities			
Trade & other payables	5,193	7,274	7,697
Provisions & Lease Liability	1,980	1,528	1,428
<b>Total Current Liabilities</b>	<b>7,173</b>	<b>8,802</b>	<b>9,125</b>
Non Current Liabilities			
Borrowings	-	-	337
Other	245	80	57
<b>Total Non Current Liabilities</b>	<b>245</b>	<b>80</b>	<b>394</b>
<b>Total Liabilities</b>	<b>7,418</b>	<b>8,882</b>	<b>9,519</b>
<b>Net Assets</b>	<b>18,229</b>	<b>18,420</b>	<b>17,449</b>

## Working Capital Investment

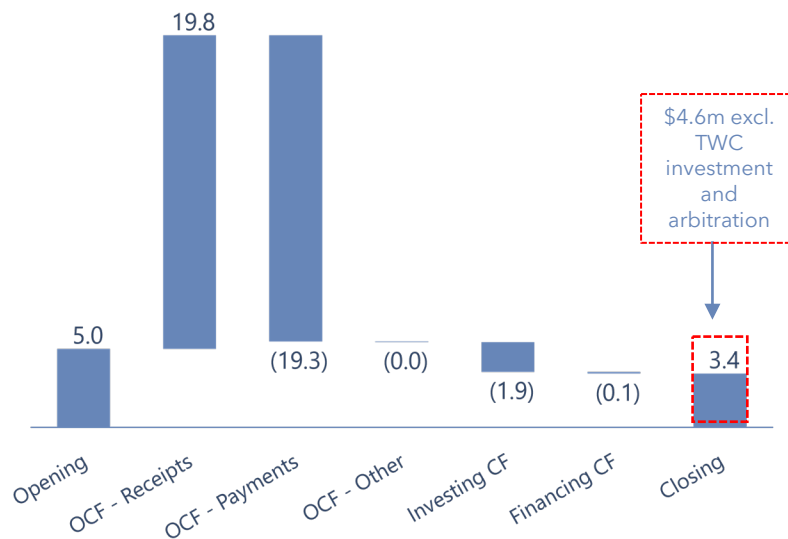


# BCC | Cash Flow

	H1 FY24 \$,000	H1 FY23 \$,000	H1 FY22 \$,000
<b>Opening Cash</b>	4,951	5,775	3,707
Customer Receipts	19,761	18,931	10,812
Payments to Suppliers	(19,304)	(20,459)	(9,750)
Other Operating Cash Flows	(27)	59	75
<b>Operating Cash Flows</b>	430	(1,469)	1,137
<b>Investing Cash Flows</b>	(1,883)	(988)	(721)
<b>Free Cash Flows</b>	<b>(1,453)</b>	<b>(2,457)</b>	<b>416</b>
<b>Financing Cash Flows</b>	(114)	(279)	4,273
<b>Closing Cash</b>	3,384	3,039	8,396

- Operating cash flow positive \$0.4m despite \$0.5m working capital increase and ZOLEO arbitration payments ~\$0.7m
- Debt free, liquidity to fund business plan and ZOLEO arbitration
- Second-half anticipated to deliver positive free cash flow and further boost cash reserves

## Strong Cash Flow Comfortably Funding Arbitration



# Zoleo Business and Arbitration Update

- Zoleo Inc. generated total revenue of \$41M in FY23 and will be cash generating under single ownership.
- Global subscribers of 81K in December 2023 - 187% CAGR since 2020.
- Low average global churn rate of ~3.5% and monthly ARPU of US\$26 (~\$58).
- It is a predominantly high gross margin, recurring revenue, subscription style of business which is expected to continue to grow strongly in FY24.
- Large distribution network with ~400 ZOLEO dealers in ~1,200 locations worldwide.
- Arbitration between Beam and the JV Partner commences in Canada in late April 2024.
- Required Beam debt funding options to support possible arbitration outcomes are well advanced.



# Beam | FY24 Outlook

## H2 Catalysts

- Conclude ZOLEO arbitration
  - Potential for a value accretive decision and a consolidated business with >\$70m of revenue should Beam be in a position to secure ownership of Zoleo
  - Required debt funding options to support possible arbitration outcomes are well advanced.
- Positive FCF in H2 to further bolster cash reserves and Balance Sheet shape
- Continued strong growth in recurring revenues

## Financial Guidance

- H2 revenue forecast to be weaker than PCP largely due to order deferment into FY25
- FY24 normalised EBITDA within the range of \$3.1M to \$3.6M
- Positive FCF for H2 and for FY24
  - Includes ~\$3M of CAPEX for new innovations
  - Excludes ~\$1.5M for arbitration costs