



# FY23 Results

30 August 2023

ASX:BCC

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# EBITDA Accelerating

1

## Record Operating Revenue | EBITDA

- FY23 revenue +67% YoY to \$39.5m,
- EBITDA +189% YoY to \$4.2m,
- NPAT +\$2.3m YoY



2

## Growth Across All Divisions

- Core Beam Revenue +129%
- SatPhone Shop Revenue +6.7% and
- ZOLEO Royalties +72.1%



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## Recurring Revenues

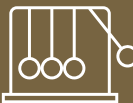
- ZOLEO FY23 Royalty Revenue of \$711k (+72.1% PCP)
- Other airtime services \$893k +21.4% PCP
- Forecasting similar growth in FY24



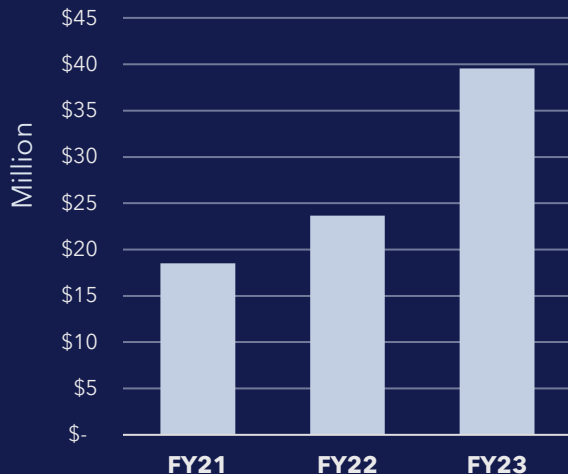
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## Momentum Carrying Through

- EBITDA growth in FY24 and further margin expansion due to favourable product mix
- Further growth in recurring revenues from airtime & VAS



## Operating Revenue

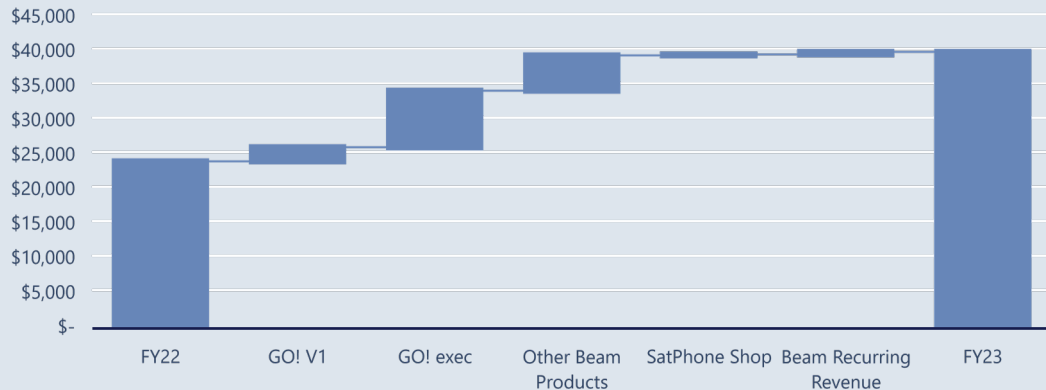


	% Change	FY23 (\$m)	FY22 (\$m)
Op Revenue	+67%	39.552	23.663
EBITDA	+189%	4.264	1.477
PBT	Large	1.925	0.121
NPAT		2.075	(0.176)

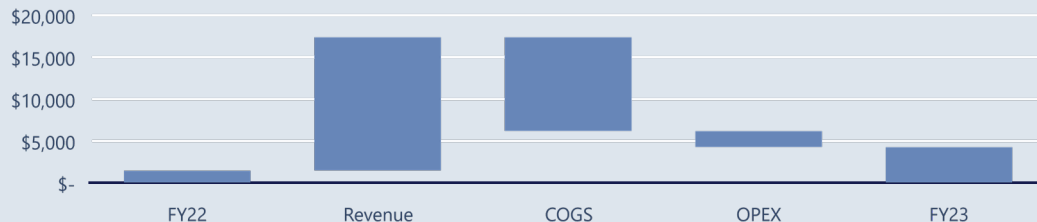
# FY23 Growth | Strong Operational Leverage

Operational leverage a key feature | OPEX + 40% | EBITDA +189%

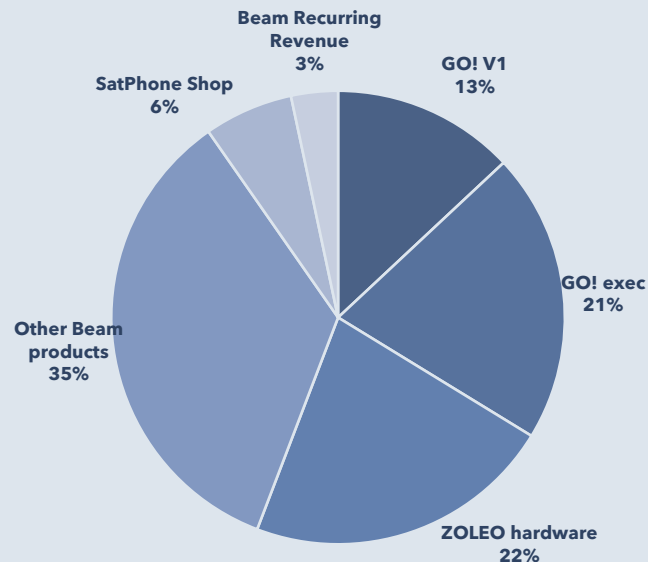
## Revenue (\$'000)



## EBITDA (\$'000)

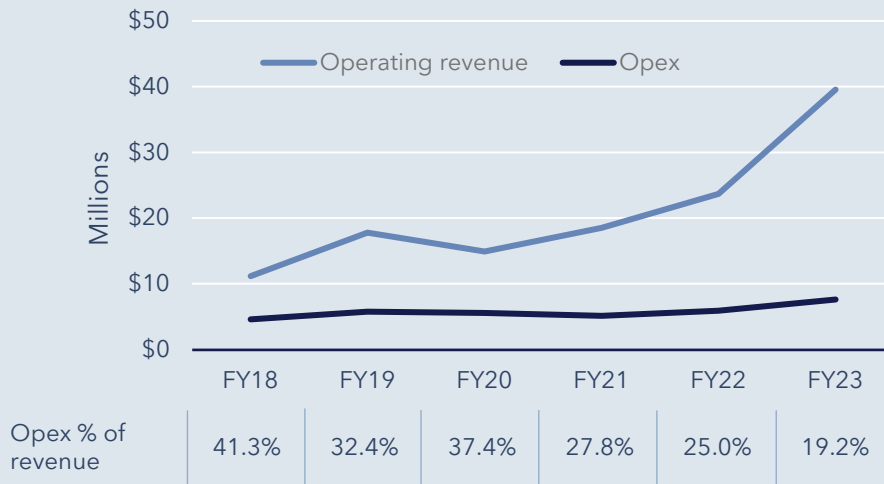


## Revenue Diversity



# Revenue Growth History

## Revenue growing ~3x faster than Opex



- Operating leverage increases as new products/services are added
- 5-year revenue CAGR 29%, 5-year Opex CAGR 11%
- Proven heritage of innovation and growing addressable markets

Improving affordability and new technologies are transforming Mobile Satcom from niche to mass market

- ➔ Global Mobile Satellite Service (MSS) market forecast to grow at 6.9% CAGR to US\$9.2B by 2030<sup>1</sup>
- ➔ Iridium's Commercial IoT business (category that includes Beam's solutions) is one of the fastest growing parts of Iridium's business
- ➔ Revenue from this business jumped 13% YoY to US\$34.6M and subscribers increased 19% YoY to 1.6M in the June 2023 quarter<sup>2</sup>
- ➔ Beam's track record positions it well to benefit from this growth

1) <https://www.skyquestt.com/report/mobile-satellite-services-market>  
2) <https://investor.iridium.com/2023-07-25-Iridium-Announces-Second-Quarter-2023-Results-Reports-Record-Operational-EBITDA>

# Core Beam | Performance

	FY23	FY22	FY21
Revenue	\$27.6m	\$12.1m	\$10.7m
Gross Profit	\$10.4m	\$5.1m	\$4.8m
Gross Margin %	38%	43%	45%

Core Beam Revenue (ex ZOLEO)



## FY23 Result Commentary



Successful launch of Iridium GO! exec® contributing to growth



Iridium GO! exec orders expected to exceed minimum US\$12M contract



Demand for original Iridium GO!® hotspot remains strong



Sales of other Beam equipment (docks, terminals, etc) also increased

# SatPhone Shop | Performance

	FY23	FY22	FY21
Revenue	\$2.5m	\$2.4m	\$1.8m
Gross Profit	\$879,625	\$814,533	\$592,171
Gross Margin %	35.0%	34.6%	32.3%

SatPhone Shop Revenue



## FY23 Result Commentary



Leveraged to growth in the Mobile Satellite Service market



Recurring airtime revenue (sold through SPS) grew 31% YoY



Strong interest in satellite solutions from government, enterprise and consumers

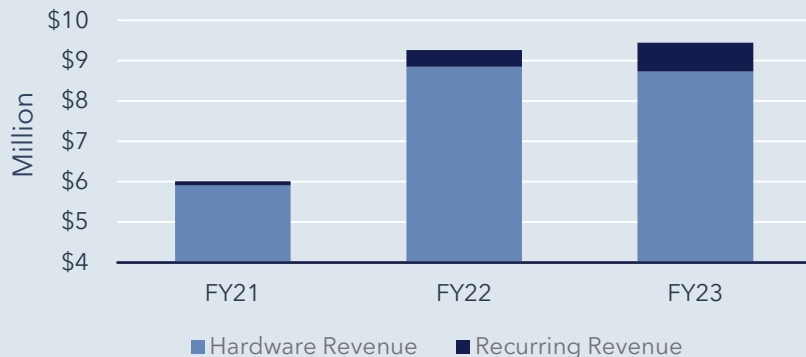


Strategic value in SPS which gives Beam an important channel to market

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

	FY23	FY22	FY21
Hardware Revenue	\$8.7m	\$8.9m	\$5.9m
Royalty Revenue	\$711,324	\$413,359	\$104,040
Total GM	\$929,926	\$587,571	\$365,898
Net ANZ Subs (#)	6,218	3,739	1,287

Beam ZOLEO Revenue



## FY23 Result Commentary



Gross margin expected to rise further as high-margin recurring revenue grows



Strong subscriber growth as FY22 hardware sales was bolstered by channel fill



Enterprise/Government sales expected to accelerate after launch of ZOLEO Track



Inherent value in ZOLEO asset that has ~71K global subscribers



# BCC | Group Balance Sheet

Current Assets		FY23 \$,000		FY22 \$,000		FY21 \$,000
Cash		4,951		5,775		3,707
Trade Receivables		5,321		6,036		3,157
Inventories		7,462		4,335		3,072
<b>Total Current Assets</b>		<b>17,734</b>		<b>16,146</b>		<b>9,936</b>
<b>Non Current Assets</b>						
Development Assets		8,915		7,569		5,500
Other	TWC \$5.5m	653	TWC \$4.3m	627		1,261
<b>Total Non Current Assets</b>		<b>9,568</b>		<b>8,196</b>		<b>6,761</b>
<b>Total Assets</b>		<b>27,302</b>		<b>24,342</b>		<b>16,697</b>
<b>Current Liabilities</b>						
Trade & other payables		7,274		6,047		2,633
Provisions & Lease Liability		1,528		1,421		1,310
<b>Total Current Liabilities</b>		<b>8,802</b>		<b>7,468</b>		<b>3,943</b>
<b>Non Current Liabilities</b>						
Borrowings		-		486		735
Other		80		153		357
<b>Total Non Current Liabilities</b>		<b>80</b>		<b>639</b>		<b>1,092</b>
<b>Total Liabilities</b>		<b>8,882</b>		<b>8,107</b>		<b>5,035</b>
<b>Net Assets</b>		<b>18,420</b>		<b>16,235</b>		<b>11,662</b>

## Record Investment into Working Capital

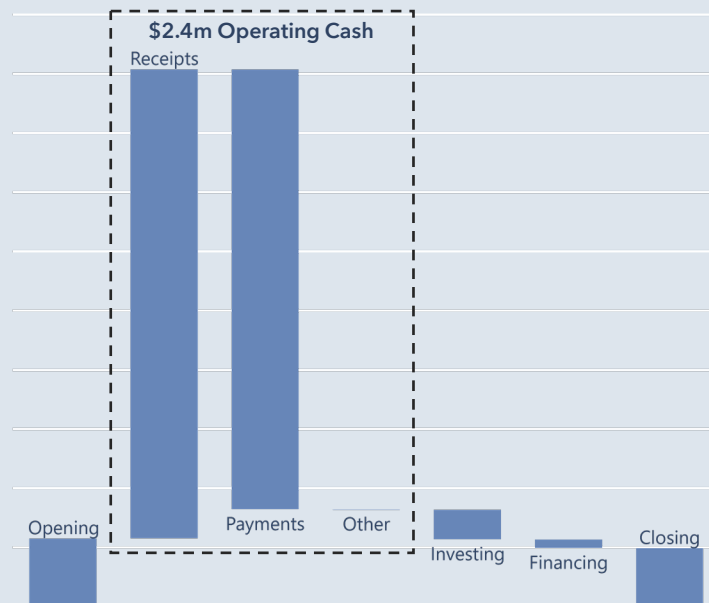


# BCC | Operating Cash Flows

	FY23 \$,000	FY22 \$,000	FY21 \$,000
<b>Opening Cash</b>	\$ 5,775	\$ 3,707	\$ 874
Customer Receipts	\$ 39,608	\$ 28,176	\$ 19,191
Payments to Suppliers	\$ (37,156)	\$ (27,856)	\$ (18,496)
Other Operating Cash Flows	\$ (37)	\$ 6	\$ 238
<b>Operating Cash Flows</b>	<b>\$ 2,415 ↑</b>	<b>\$ 326</b>	<b>\$ 933</b>
<b>Investing Cash Flows</b>	\$ (2,501)	\$ (2,408)	\$ (1,839)
<b>Financing Cash Flows</b>	\$ (738)	\$ 4,150	\$ 3,740
<b>Closing Cash</b>	\$ 4,951	\$ 5,775	\$ 3,708

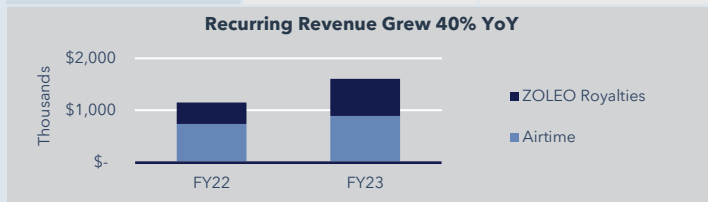
- Working capital increase of \$1.2m to support growth
- Operating cash flow positive \$2.4m despite working capital increase
- Balance sheet remains robust with working capital peak reached
- As working capital unwinds enhanced cash flow will follow
- Ample liquidity to fund business plan

## Cash Flow Generation Strong Given Investment



# Portfolio | Growing Recurring Revenue

	ZOLEO™	Airtime
		
Subscribers	6.2K (ANZ) ~71K (Global)	4,100+
Years in the Market	3+	5+



## Role in Portfolio

- Key focus going forward
- Attractive margin with appealing retention characteristics
- Opportunity for further value add through new subscription services
- Additional revenue-based subscription models being investigated
- Less capital intensive

	Beam Brand	Iridium GO!®	ZOLEO™	Iridium GO! exec®
				
Original Minimum Commitment	N/A	6,000	19,775	US\$12M
Lifetime Sales to Date	>\$220M	62,000	137,000+	\$8.2M
Years in Market	15+	8+	3+	New
Type	Beam	OEM	ZOLEO	OEM

## Role in Portfolio

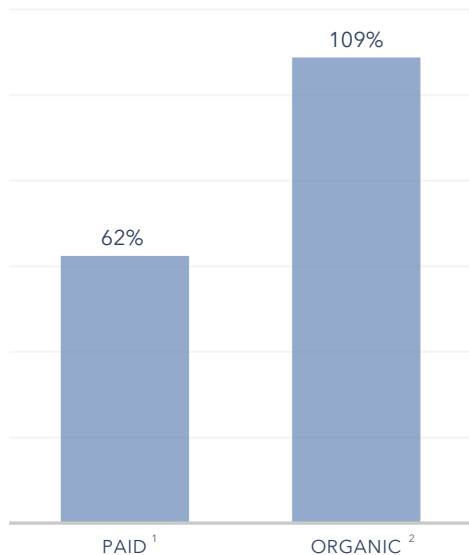
- Long run revenue opportunities based on Beam's engineering and manufacturing prowess
- Deep relationships with satellite carriers provides competitive edge
- Proven ability to materially exceed original minimum order commitments
- Ongoing drive to generate capital efficiency from product innovation (eg. risk sharing etc.)

# Product Positioning



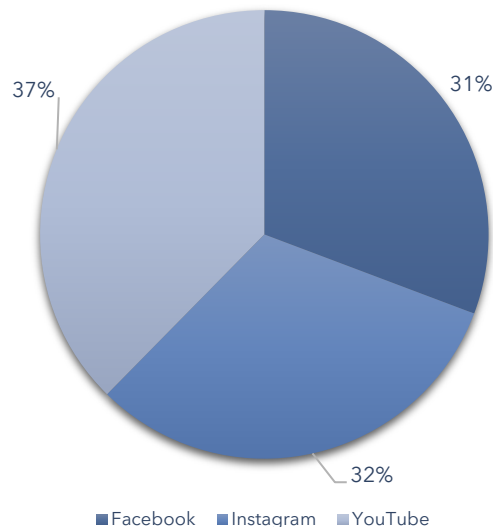
# Sales and Marketing Focus

## Growth in Traffic



- ✓ Small investment on streamlining our target audience, enterprise and location reach has made a dramatic improvement in web traffic<sup>3</sup> to all business sites

## Growth in Ambassador Reach



- ✓ Strategic partnerships with Ambassadors increasing our reach equally across different social media platforms by 34%, from 1.7m to 2.5 million reach
- ✓ ZOLEO social media followers have increased by 30% to over 5.6K

## Enterprise Customers

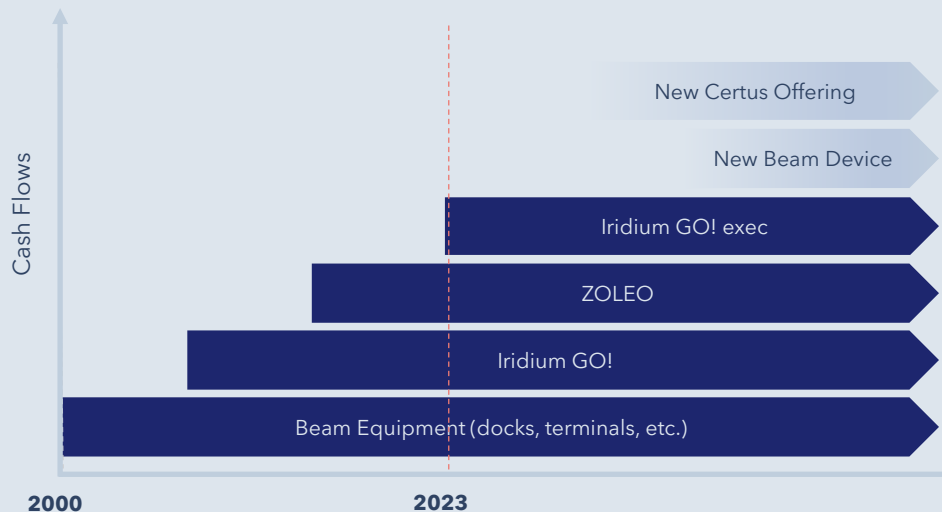


- ✓ Beam continues to have strong presence in major markets around the world with a growing list of high profile customers

# Upcoming Beam Innovations

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®

### New Beam-Branded Device

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

# Beam | Outlook

## Strategic Outlook

- Range of world-first innovations that are well positioned to grow with the global mobile satellite market
- Further increases in ZOLEO royalties from subscribers, enterprise/govt customers, EU expansion
- Expanding product portfolio to continue to scale earnings and margins
- Solid balance sheet to fund growth agenda
- Beam's earnings profile is different from what it was only a few years ago

## Financial Outlook

- EBITDA growth in FY24 and further margin expansion due to favourable product mix
- Sales of higher margin offerings to offset lower channel orders for low-margin ZOLEO hardware
- Total revenue expected to remain steady near record highs in FY24
- Positive operating cash flow outlook from ongoing unwinding of trade working capital
- CAPEX of circa \$3M in FY24 for development of two new innovations

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