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The Manager  
Market Announcements Platform  
Australian Securities Exchange Limited

## TRADING UPDATE

### Highlights:

- **FY22 revenue forecast to increase by circa 24% while EBITDA is expected to decline before staging a significant recovery in FY23**
- **FY22 EBITDA is likely to come in at circa \$1M due to a delay in a few shipments of devices from June to July and further investments to grow the business**
- **The decline in FY22 profitability is not due to loss of sales, slowing growth or other negative fundamental change in the business**
- **FY23 EBITDA is forecast to be materially in excess of FY21 (\$2.1M)**
- **Beam's balance sheet remains robust with \$5.4m in cash as of 1 June 2022**

**Beam Communications Holdings Ltd** (ASX: BCC, "Beam" or the "Company") wishes to provide the following trading update ahead of the end of the 2022 financial year (FY22) ending June 30.

Group revenue for FY22 is expected to materially exceed that of FY21, although 2HFY22 will not duplicate the strong sales or earnings before interest, tax, depreciation and amortisation (EBITDA) achieved in 1HFY22.

The temporary decline in profitability is driven by a timing issue with a few shipments of devices being pushed from June to July due to global supply chain challenges afflicting all companies.

Meanwhile, Beam continues to invest in growing the business, particularly to expand the ZOLEO subscriber base in Australia and New Zealand – including funding its share of the growth capex for Europe.

As such, group revenue is forecast to increase by around 24% to \$23 million while EBITDA is expected to be circa \$1 million for FY22 before rebounding in FY23 to be materially in excess of the \$2.1 million delivered in FY21.

### **Drivers for the anticipated strong FY23 earnings**

The lift in FY23 earnings is due to the commencement of deliveries of the binding US\$12 million (\$16.7 million) Iridium Certus<sup>®</sup> contract announced this morning, the shipment of the delayed deliveries outlined above and the continued growth of the Iridium GO! product.

Additionally, FY23 will see further growth in Beam's SatPhone shop business along with increased royalties linked to ZOLEO subscriptions. Beam's profit margins will materially expand as its ZOLEO subscriber base grows.



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“The blip in earnings for the current financial year, which is largely due to timing issues, is very unfortunate. Importantly, this transient drop in FY22 EBITDA is not due to loss of sales, slowing demand for Beam’s equipment or other negative fundamental change in the business,” said Beam’s Managing Director, Michael Capocchi.

“If anything, with the latest ASX release on the securing of the significant Iridium contract, I am more optimistic about the Company’s outlook than I have ever been, and I would like to thank our shareholders for their patience as we execute on our multi-prong growth strategy, which we believe will generate significant shareholder returns in the new financial year and beyond.”

Beam’s balance sheet remains robust with \$5.4 million in cash and a further \$1.7 million in unused, but available, debt.

This announcement has been approved by Beam’s Board of Directors.

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**About Beam Communications Holdings Limited**

Beam Communications Holdings Limited is an Australian publicly-listed company (ASX:BCC) that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment applications and services. Beam has developed several world-first innovations and its products and services are adopted by some of the world’s largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat and Thuraya. Beam also developed the multi-award winning ZOLEO device, which generates recurring subscription revenues for the Group. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd [www.satphoneshop.com](http://www.satphoneshop.com). For more information, visit [www.beamcommunications.com](http://www.beamcommunications.com).

**About ZOLEO Inc.**

Formed in 2018 and headquartered in Toronto, Canada, ZOLEO Inc. is a joint venture between Beam Communication Pty. Ltd. and Roadpost Inc. that is pioneering the development of innovative lower cost, consumer-oriented global messaging solutions, including innovative wireless devices and apps based on Iridium short burst data (SBD), cellular and Wi-Fi standards. The company serves three primary markets including consumers residing on the fringe of cellular coverage, outdoor recreation and lone worker safety. Its products are offered through authorised retailers in the US, Canada and Australia. Roadpost is responsible for retail distribution in North America and Beam is responsible for the Asia Pacific region. Staged distribution in other regions will be jointly managed. For more information visit [www.zoleo.com](http://www.zoleo.com).