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# Beamtree

## Half Yearly Investor Presentation

15 February, 2022



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- FY22 Highlights to date
- Potential<sup>(x)</sup> Integration Update
- Strategy and Growth

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**Michael Hill**  
**Non-Executive Chairman**





**Tim Kelsey**  
Chief Executive Officer



**Duane Attree**  
Chief Commercial and Development Officer



**Cheryl McCullagh**  
Chief Strategy Officer (Global)



**Cassandra Chen**  
Chief Financial Officer

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# Financial Summary 1H FY22

Growth and investment was the focus for the first half of FY22, despite ongoing challenges presented by the COVID-19 pandemic. Thanks to strong revenue performance and excellent customer retention rates, we were able to make significant investments across the business within our budgeted forecast. Our position remains strong as we enter the second half of FY22.

Strong total revenue performance

**\$7.1 million**

+91% growth in group's revenue and 24% YoY growth exc. acquisitions

Recurring revenue

**85%**

Exceeded management forecast

Net cash of

**\$6.5 million**

Position remains strong

ARR (annual recurring revenue)

**\$16.8 million**

Continued growth YoY

Operational EBITDA loss of

**\$0.5 million**

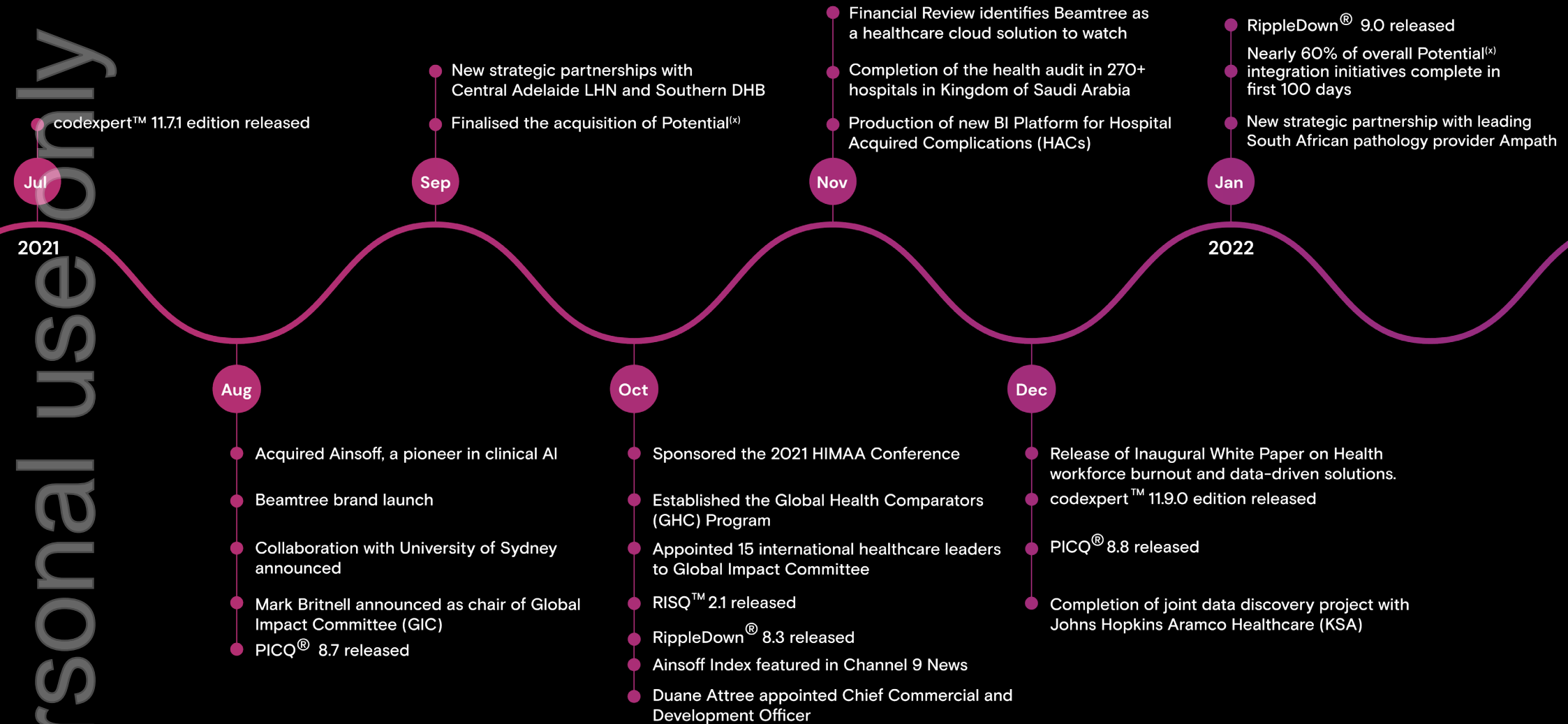
Investment in headcount for sales, product and technology capabilities

Customer Renewal

**100%**

Globally

# Highlights of FY22



# Supporting healthcare providers globally

**50m+**

people supported by Beamtree implementations every year

**1000+**  
Hospitals

**155+**  
Labs

**705+**  
Hospitals

**4**  
Continents

**23**  
Countries

**140+**  
Customers

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# Beamtree has seen continued growth in the first half of FY22



Key acquisition of Potential<sup>(x)</sup> making Beamtree Australia's largest health data and AI decision support platform.



Key acquisition of Ainsoff to drive AI product innovation.



100% of our retention and renewal goals for the first half of FY22.



94% increase in staff, due to the integration of Potential(x) and Ainsoff. Beamtree also invested in new skills with 20 new technical staff for product development and go to market professionals in 1H FY22.



We have continued to win major contracts and form strategic partnerships with organisations in Australia and internationally. These include Central Adelaide Local Health Network, Ampath (South Africa), and Southern DHB (NZ).



Beamtree

About us

Beamtree mobilises  
the power of data and  
automation for a **healthier,**  
**happier world.**

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# Better Has No Limit: the problems we solve

The best health services deliver value for money by reducing avoidable mortality, waste, length of stay, readmissions and cost of care.

Complications are costly. One in nine patients who go to hospital suffer a complication, which costs Australian hospitals more than A\$5 billion a year.

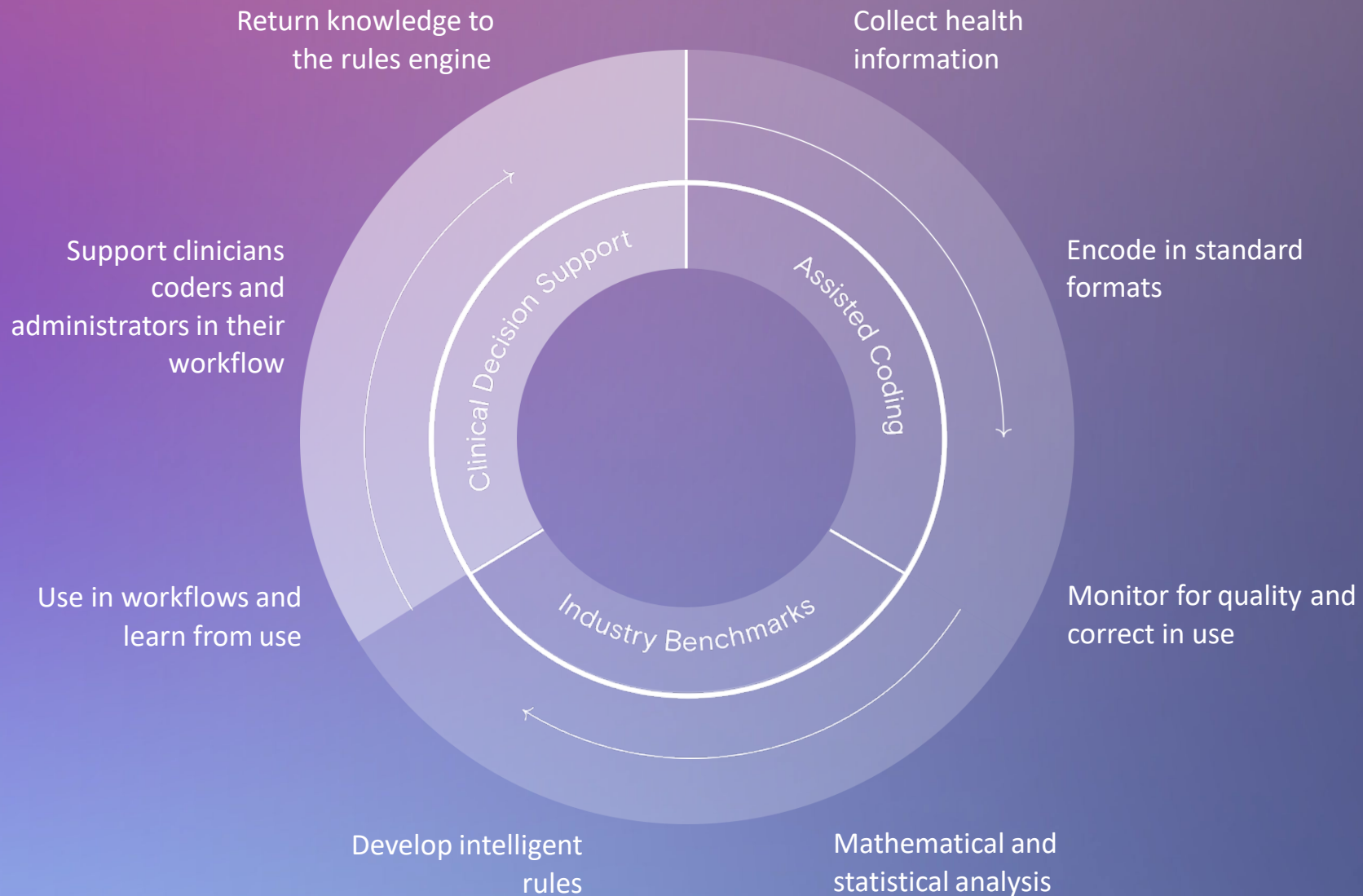
15 per cent of hospital expenditure in high-income countries is due to human error or patients being adversely affected while in hospital.

Beamtree can help:

- Tackle unwarranted variation
- Address equity of access and resource allocation
- Offer revenue assurance
- Manage risk
- Promote transparency
- Drive automation

# How we create value: the Learning Health System

Driving continuous improvement by better access to healthcare information – towards safety, quality and efficiency.



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# Data, insights and action for better healthcare

Our solutions and services help clients make the best use of their data. From improving the quality of the inputs, to better visualising the outputs and automating decisions, we help healthcare providers make informed decisions and improve patient outcomes.



## Clinical Coding

Improve quality and accuracy of clinical coding through automation



## Analytics & Insights

Turn data into insight through comparative benchmarking and interactive dashboards



## Automation & Decision Support

Automate decision-making to transform clinical effectiveness and efficiency



## Advisory & Services

Transform insights into action through support, networking, education and research

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# Beamtree and Potential<sup>(x)</sup> Integration Rationale

- 1 *Accelerate growth in new global markets and adjacent sectors*
- 2 *Add value and market access for existing solutions and software*
- 3 *Reduce barriers to entry in ANZ market*
- 4 *Immediate market share, expertise and insight into public hospital sector*
- 5 *Grow our people, leadership, industry and technical expertise*
- 6 *Be cash flow positive and profitable*
- 7 *Integration of Potential(x) analytics and insights into other software and markets*

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# Beamtree and Potential<sup>(x)</sup> Integration Update

## Scope of Post-Merger Integration (PMI) activity

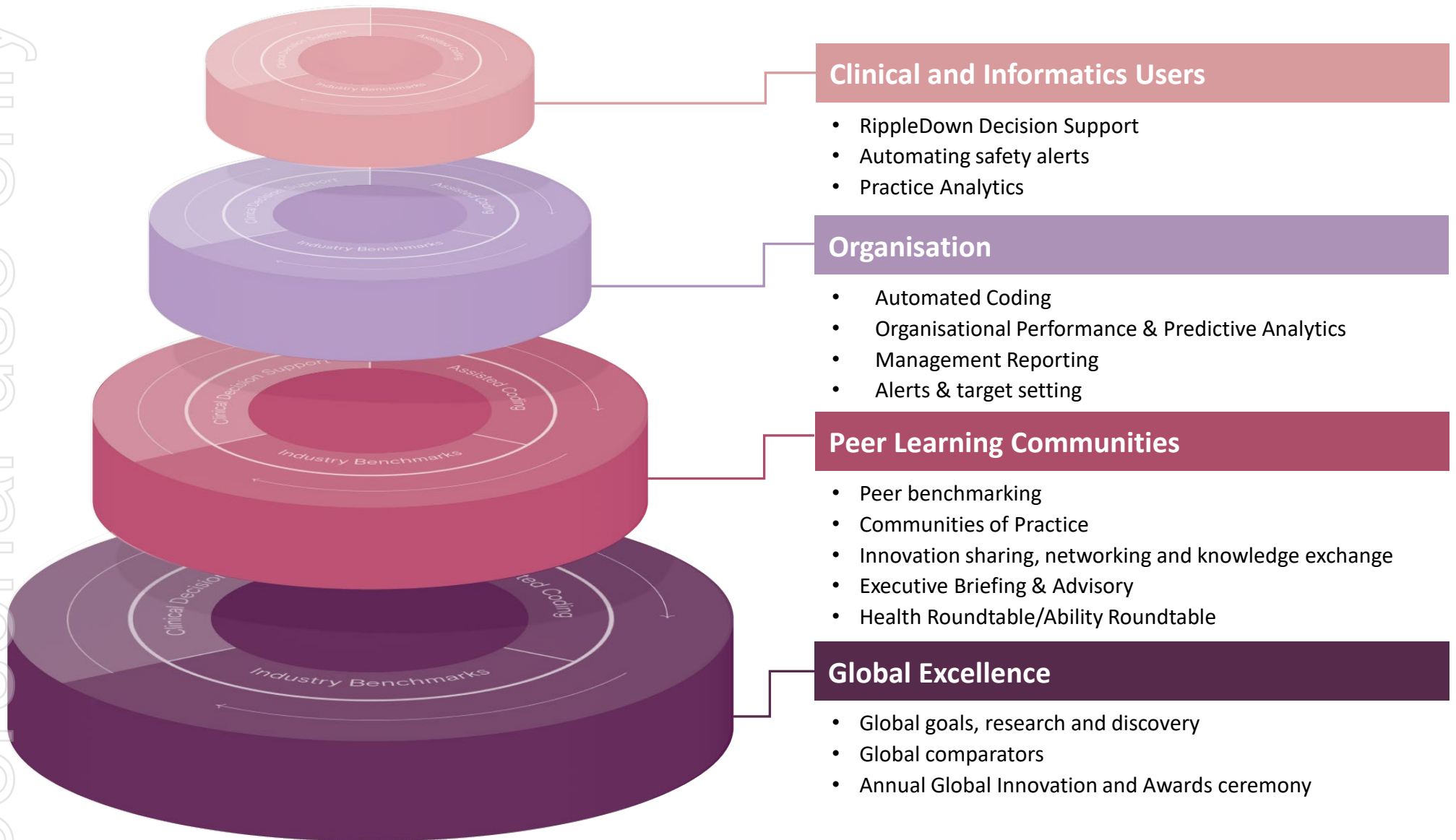
To identify and action efficiencies in the organisational ways of working, value-creation, cost containment and avoidance, and organisation and operational alignment.

## First 100 Days

The first 100 days of the PMI finished on track with nearly 60% of the overall integration initiatives identified for execution (pre and post first 100 days) completed. This includes:

- Rationalisation and consolidation of internal business-as-usual operational tools
- Aligned and unified methods of organisational ways-of-working
- Organisational structure and culture alignment
- Identification of synergies to enable early cross-sales opportunities to existing clients

# Beamtree is creating next-generation solutions to enable the learning health system



# Key Partnerships and International Expansion

## Key Strategic Partnerships

- Strategic partnership with Central Adelaide Local Health Network (CALHN) in South Australia to implement its decision support platform.
- A strategic partnership with Southern DHB in New Zealand to implement proprietary data capture bar coding technology to support quality surveillance of outcomes in allied health.

## New Australian Clients

Major new client wins for PICQ® (data quality) and RISQ™ (benchmarking services) in Australian hospitals. These services now assess around 90% of inpatient activity in Australia.

## International expansion

- Completion of the national clinical coding quality improvement audit in Kingdom of Saudi Arabia (TCV AUD \$2.25m), working with 73 Ministry of Health sites across the country.
- Completion of a data and analytics discovery project with Johns Hopkins Aramco Healthcare (a joint venture between Saudi Aramco and Johns Hopkins Medicine).
- International growth continues with key contract with leading South African pathology provider Ampath.



# Collaborative Partnerships

As part of the acquisition of Potential<sup>(x)</sup>, Beamtree now provides services to the following organisations.

## the ability roundtable

- Established in 2013, Ability Roundtable is a not-for-profit benchmarking and knowledge-sharing organisation in the disability sector.
- Continued service improvements have reduced the data turnaround time by two months and transitioned from PDFs to online analytics. This has resulted in a 30% YOY increase in revenue.



- Established in 1995, Health Roundtable is a not-for-profit benchmarking and knowledge-sharing organisation
- Members include 90% of large (300+ bed) hospitals across every state and territory in Australia, all of New Zealand and the Abu Dhabi Health Authority.
- Independent Board provides oversight & governance.
- Renewals for the Health Roundtable track in line with historical trends, currently sitting at 85% completion for the calendar year of 2022. Recent introduction of multi-year subscriptions for HRT has seen commitments for 2023 and 2024 subscriptions from approximately 20% of Members.

# New Products & Enhancements

## **Growth in microbiology and pathology**

RippleDown® Artificial Intelligence (AI) decision support expanded into microbiology and pathology services in several new countries with channel partners Philips and Abbott.

## **Improvements and enhancements**

Major new releases for RippleDown®, PICQ® and RISQ™ have resulted in performance improvements and service enhancements.

## **Production of hacBI platform**

Development and implementation of a new business intelligence platform for Hospital Acquired Complications (HAC's) in partnership with a large private provider.

## **Wellbeing product suite**

The Wellbeing product is largely packaged and delivered through the Health Roundtable partnership, with the Royal Children's Hospital, Melbourne taking up the Beamtree version in late 2021.

# Driving Beamtree's future growth

## Expansion

Domestic TAM \$100m,  
International TAM \$3.8bn

- **Goals and strategies that power present success and maintain core business**
- Where are we today and what needs to happen now
- Generate today's cash flow
- Short jump initiatives to fortify and extend current business, product, Derivatives and process improvement  
Improving products and user experience
- Current products current market +
- Acquisition for development with Immediate gains in revenue and profits
- Developing people and skills

## Innovation

Domestic TAM \$310m,  
International TAM \$10.1bn

- **Transformative direction that respond to gaps in existing technology expressed by client needs**
- Improve productivity and Generate new revenue
- Improving end to end journey of current offerings
- New applications of known technology
- Acquisition and Investment in high growth areas
- Developing opportunities for our partners with co-design
- Thought leadership groups will have global impacts

## Transformation

Domestic TAM \$427m,  
International TAM \$13.6bn

- **Goals and objectives focussed entirely on future creative thinking**
- Providing Initiatives that that open up where health service is heading and sow the seeds for future innovation that will change the industry
- Develop New technologies that adapt to changing healthcare concepts
- High growth and developing markets
- Potential for significant ROI and revenue gains
- and knowledge development through science and research partnerships

Horizon One

Horizon Two

Horizon Three

New and expanded markets, including: Aged care, community, disability

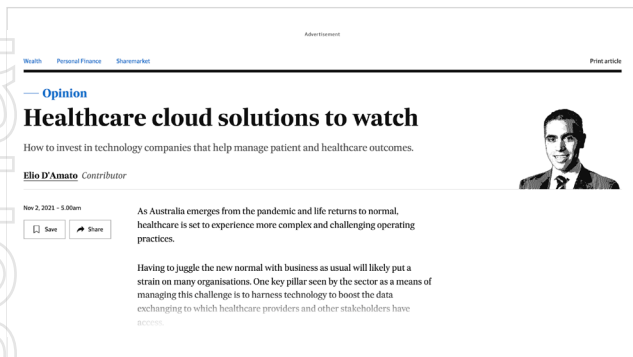
# Media Mentions



New hospital system predicts the future of a patient's condition

Oct 28, 2021

<https://www.9news.com.au/national/new-medical-system-for-hospitals-monitor-patients-warning-signs-new-south-wales/e1b8e92f-3b7b-4171-82f9-612f316dc84c>



Healthcare cloud solutions to watch

Nov 2, 2021

<https://www.afr.com/wealth/personal-finance/healthcare-cloud-solutions-to-watch-20211031-p594sh>

"The beauty of the system is when you look at the single ward say 30 patients you can see instantly if there are any patients who are sick"

Dr Levi Bassin



# Thought Leadership & Collaboratives

## Global Impact Committee

Chaired by Mark Britnell, this advisory board includes 15 international healthcare leaders from Australia, Canada, UK, Ireland, USA, Singapore, India, Italy and Sweden. Following the first meeting in October, the committee is working on its first research paper. The paper will consider the major issues facing health systems around the world and put forward solutions that can make a real difference to the quality of care.

## International Collaborative

The Global Health Comparators Program empowers hospitals and hospital systems to look beyond their national boundaries to measure performance, explore variation and identify areas for improvement. It has incorporated hospitals from the Global Health Data@Work network from England, Italy, the USA and Belgium and is expected to grow quickly and organically. Initial discussions with hospitals from England, Wales, Italy, and Belgium have been very positive.

## Thought Leadership

In partnership with Health Roundtable, industry recognised thought leaders were convened to discuss health staff burnout and offer solutions. The result is a white paper titled *Addressing Burnout. Bringing data-driven solutions, care and hope to the health workforce*, released in December 2021.

“Networking and sharing of best practices is the only solution to solve the type of enormous challenges we are facing in our world. The global network is an original, simple and effective opportunity for this”.

Marco Albini, Chief of Quality Monitoring Office,  
Istituto Clinico Humanitas

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# Financial Summary

## 1H FY22



# 1H FY22 – continued strong revenue growth

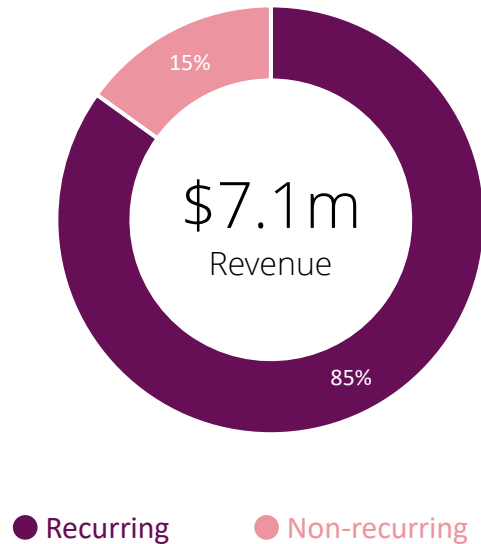
## Comments

- Total Revenue growth of 91%, up to \$7.1m supported by 23.5% organic revenue growth YoY (exc. Acquisitions) due to new contract wins and strong performance in advisory projects. Potential(x) contributed \$2.5m revenue to the group for the half year.
- Annualised recurring revenue up +160% and increased to \$16.8m. Recurring revenue exceeds 85% of total group revenue driven by growth in SaaS subscription revenue and the contribution from acquisition in data analytics platform.
- Strong revenue growth in consultancy and advisory revenue of \$1m as successful conclusion of national clinical coding project in Saudi Arabia in Dec21
- Increase in Opex compared to pcp largely driven by \$2m cost contributed from acquisition and \$2.1m cost increase in headcount as the group invests in product, technology and direct sales capabilities
- Operational EBITDA loss of \$0.5m as investment made in 2021 calendar year to accelerate future growth.
- Increase in D&A relates to product development and acquired amortisation of IP

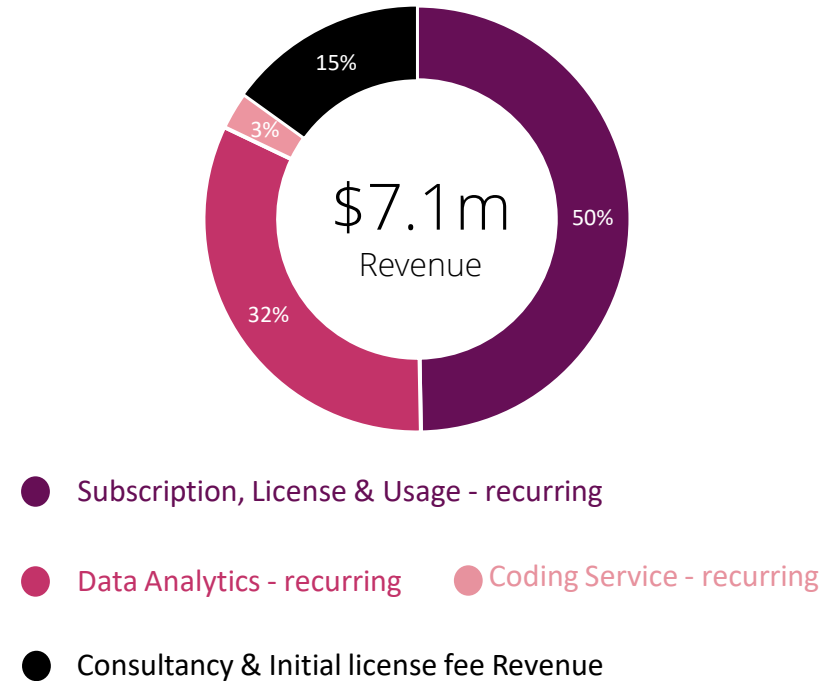
\$(,000)	1H FY22	1H FY21	YoY Var \$	YoYVar%
Subscription, License & Usage Revenue - recurring	3,546	3,053	493	16%
Data Analytics - recurring	2,310	-	2,310	-
Service Revenue - recurring	203	221	(18)	(8)%
Consultancy & other	1,075	455	620	136%
<b>Revenue</b>	<b>7,134</b>	<b>3,729</b>	<b>3,405</b>	<b>91%</b>
<i>Revenue (Organic)</i>	<i>4,604</i>	<i>3,729</i>	<i>875</i>	<i>24%</i>
Other income	398	276	122	31%
<b>Total Revenue</b>	<b>7,532</b>	<b>4,005</b>	<b>3,526</b>	<b>47%</b>
<b>Total Operating cost</b>	<b>7,713</b>	<b>2,546</b>	<b>(5,167)</b>	<b>(67)%</b>
<b>Operational EBITDA (Non-GAAP)*</b>	<b>(181)</b>	<b>1,459</b>	<b>(1,641)</b>	<b>(112)%</b>
% margin	(2)%	36%		
listing, one-off and acquisition expenses	737	745	8	1%
Options & performance rights	129	326	197	153%
D&A	1,323	371	(952)	(72)%
<b>Loss before tax</b>	<b>(2,370)</b>	<b>17</b>		

# Revenue Composition

1H FY22 % of Recurring Revenue



Revenue Profile



## Comments

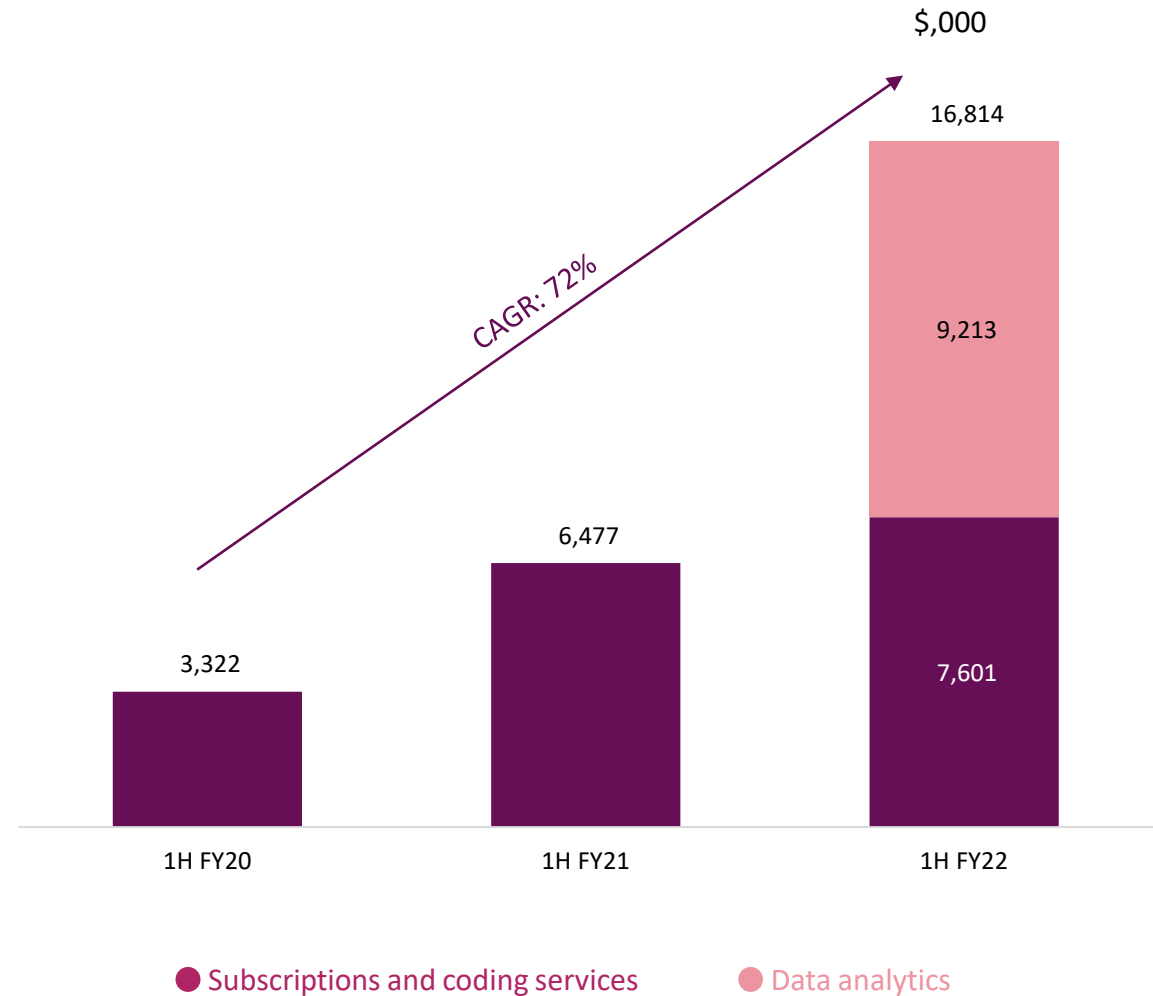
- Recurring revenue exceeds 85% of total revenue, in line with 1H FY21 as group continues to focus on recurring revenue generation
- Revenue from core SaaS products grew by 11%
  - RippleDown growth 10%
  - PICQ growth 11%
  - RISQ growth 29%
- Revenue from direct customers has further increased to 94% of total revenue, from 89% in 1H FY21. it underpins strong sales and go to market capabilities



# Annual Recurring Revenue Growth

## Comments

- Annual Recurring Revenue (ARR) has increased at a CAGR of 72% since 1H FY20 on statutory basis.
- The acquisition of Potential(x) has substantially increased Beamtree's ARR through data analytics by adding \$9.2m as at the half year.
- Increase in recurring subscriptions and coding services due to new clients and contract wins in Australia and globally which drives 17% growth YoY. Key clients include Central Adelaide Local Health Network, Children's Health Queensland Hospital, Southern DHB New Zealand



# Statutory Balance Sheet

## Comments

- \$6.5m of net cash – position remains strong
- Debtors balance increased by \$3.1m compared to 30 June 2021. Debtor balance of Potential<sup>(x)</sup> contributes \$1.8m to the total of which \$1.6m related to Health Roundtable and received post year end. The remaining of debtors balance relates to mainly the milestone payments from Saudi project which expect to receive in 2H
- Non current asset largely comprises of software intangibles, right-of-use asset from AASB16 and goodwill. Increase in intangible asset reflecting acquired assets through acquisitions and continued investment in product and innovation
- Increase in current liabilities are mainly driven by additional employee benefits as group headcount grows. Contract liabilities represents annual license and subscription invoiced to clients in advance and recognise as revenue over the following periods
- Increase in other-current liabilities are related to deferred shares from Potential(x) acquisition

\$(,000)	31 Dec 2021	30 June 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,038	14,117
Trade & other receivables	5,219	2,132
Contracts asset	488	1,119
<b>Total current assets</b>	<b>12,745</b>	<b>17,368</b>
<b>Non-current assets</b>	<b>51,596</b>	<b>29,686</b>
<b>Total Assets</b>	<b>64,341</b>	<b>47,055</b>
<b>Liabilities</b>		
<b>Total current liabilities</b>	<b>5,865</b>	<b>3,758</b>
<b>Total non-current liabilities</b>	<b>7,422</b>	<b>1,206</b>
<b>Total liabilities</b>	<b>13,287</b>	<b>4,964</b>
<b>Net Assets</b>	<b>51,054</b>	<b>42,091</b>

# Statutory Cashflow

## Comments

### Operating cashflow

- Net cash outflow is driven by timing in receiving \$1.9m (USD \$1.4m) from completion of Saudi project (expect to receive in 2H) and debtors balance of \$1.6m related to Health Round Table (received post half year-end).
- Increase in operating cost driven by headcount grew

### Investing cashflow

- \$1.4m invested in research and product development
- \$2.6m reflecting net upfront cash consideration paid for acquisition of AINSOFF and Potential<sup>(x)</sup>

### Financing cashflow

- Net cashflow movement reflect proceeds from the exercise of options and lease payments.

\$(,000)	1H FY22
Receipts from customers (inclusive of GST)	6,644
Payments to suppliers and employees (inclusive of GST)	(8,866)
Other	24
<b>Net cash from / (used in) operating activities</b>	<b>(2,198)</b>
Payment for purchase of business, net of cash acquired	(2,653)
Payments for property, plant and equipment	(12)
Payments for intangibles	(2,214)
<b>Net cash from / (used in) investing activities</b>	<b>(4,879)</b>
Repayments of lease liabilities	(242)
Proceeds from issuing of share capital	240
<b>Net cash from / (used in) financing activities</b>	<b>(2)</b>
<b>Net cash movement</b>	<b>(7,079)</b>
Opening Cash Balance	14,117
<b>Closing Cash Balance</b>	<b>7,038</b>

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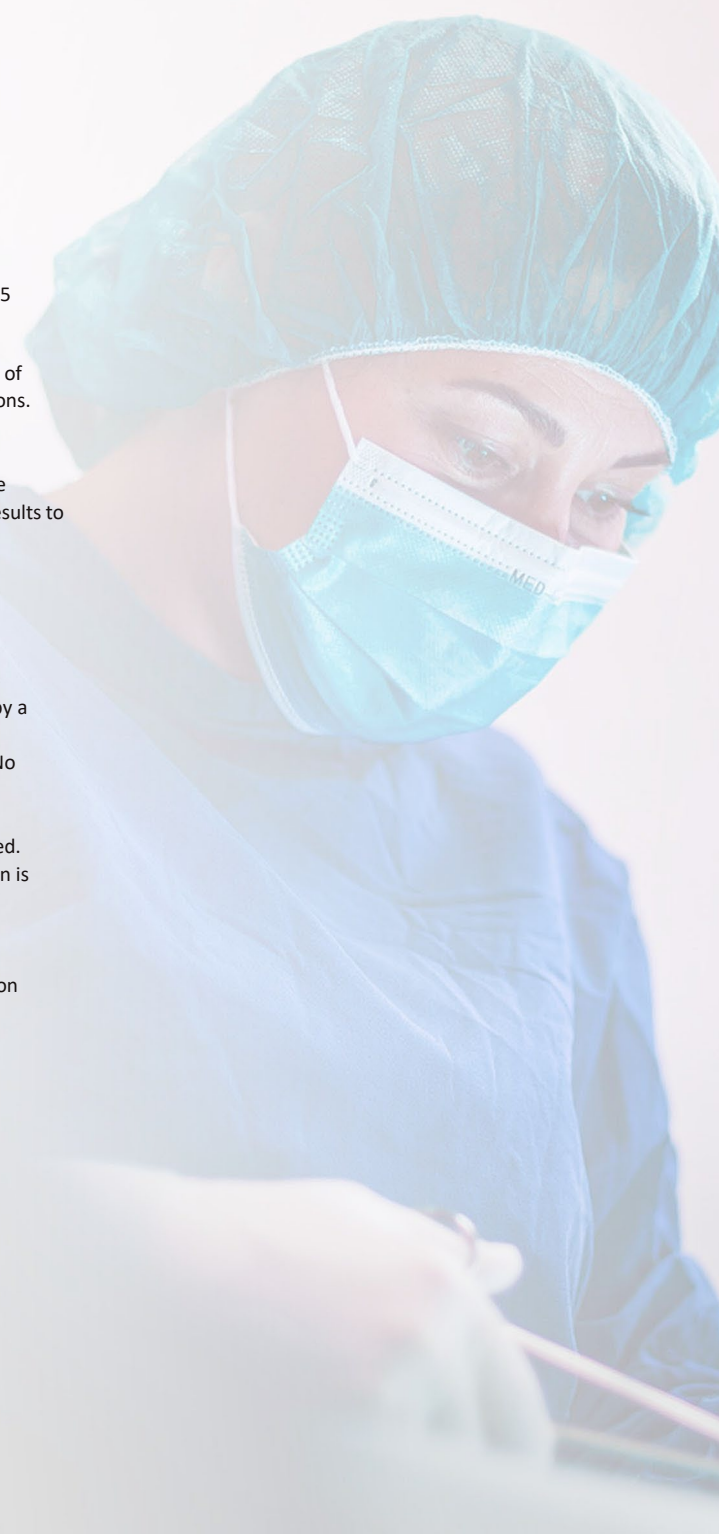
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