

Beamtree Holdings Limited (ASX: BMT) ASX Announcement

Sydney, 19th February 2025

1H FY25 results and trading update

Beamtree Holdings Limited (“Beamtree” or “the Company”) (ASX:BMT), a leading provider of AI based decision support and data insights solutions for the health care sector, is pleased to release financial results and trading update for the six months ending 31 December 2024 (“1H FY25”). Key highlights include:

- Continued double digit revenue growth in 1H FY25 (10%) driven by international revenue growth of 31% and customer renewals continuing at +95%.
- Current sales pipeline of \$61m which has significantly matured over the last 12 months with \$13m of the current pipeline in later stages of the procurement process. Current ARR is \$25.5m which combined with the \$13m later stage pipeline, provides confidence around meeting the \$60m ARR target.
- Cost growth in 1H FY25 was 5% year on year due to strong cost management.
- 101% improvement in operating performance with an operating profit of \$5k in 1H FY25 versus \$546k loss in 1H FY24, as the Company continues to focus on profitable growth and developing its significant sales pipeline.
- Delivered break even operating cashflow in 1H FY25 versus \$2.3m cash outflow in the same period in FY24.
- Beamtree enters 2025 with a strong balance of \$3.7m versus \$5.0m at 30 June 2024 with the company on track to deliver cash flow break even by end of FY25.
- The Company has also entered into a NZ\$7.5m (AU\$6.75m) debt facility to further strengthen its cash position (see non-dilutive debt facility below) and for intra month working capital needs.
- Significant customer and contract developments in 1H FY25 include:
 - Launch of our new Integrated Coding Platform (“ICP”) occurred in Saudi Arabia in October 2024 with first implementation at a major Riyadh hospital scheduled for Q3 FY25. Total market opportunity for ICP in Saudi Arabia is estimated to be \$10m to \$20m with current ICP opportunities included in the sales pipeline.
 - Verbal agreement for multiple implementations across Australia, Canada and the UK of Beamtree’s new autonomous coding solution. Total initial annual contract value of +\$1.5m targeted to be signed in 2H FY25 (included in later stage pipeline). The global market size of coding is US\$22bn and launch of Beamtree’s new autonomous coding product is expected to accelerate revenue growth with pricing 6x to 8x more than the current PIC coding product.
 - Two major recurring revenue contracts for our PICQ Coding signed in Saudi Arabia with an annual value of +\$1m. These contracts are expected to provide opportunities for further PICQ sales in this market and are included in the current ARR of \$25.5m.
 - Strong Australian pipeline (+\$2m) for sales of PICQ Audit a new PICQ module aim at ensuring funding reflects case complexity.
 - Continued momentum with our Abbott distribution agreement with +50% increase in revenue driven by increased tier 1 licences in new countries such as Columbia, Croatia and Belgium plus the impact of re-pricing back book renewals and the impact of a new co-sale in ANZ (combined ARR impact \$0.25m)
 - The new +\$2m data analytics platform is now live in ANZ and the Company is working on opportunities to leverage this infrastructure and capability in other markets.
 - The Company is in advanced discussions with The NHS Confederation in the UK around the formation of a peer-to-peer knowledge and improvement network. The total addressable market for this new venture is \$2m to \$5mm plus cross selling opportunities.
 - New 2-year contract signed with Western Sydney LHD for the implementation of our AI based deterioration index. Regulatory approval in Europe for this product expected to be delivered in 2H FY25.

Financial Summary for 1H FY25

The table below summarises the summary financial results for Beamtree for 1H FY25.

	1H FY24 \$000	1H FY25 \$000	Variance
Recurring revenue	11,195	12,294	10%
Non recurring revenue	<u>1,753</u>	<u>1,941</u>	11%
Total revenue	12,948	14,235	10%
Total operating expenses	<u>(13,494)</u>	<u>(14,230)</u>	<u>5%</u>
Operating profit	(546)	5	101%
Reported EBITDA	(715)	(378)	47%
Operating cashflow	(2,303)	(31)	99%
Cash at period end	5,099	3,693	(28%)
Annual recurring revenue at period end	24.2m	25.5m	5%

Note:1 Operating profit/loss is revenue less operating expenses (including property lease costs) and excludes FX gains or losses, share based payments and any non-operating expenses including restructuring, transaction costs and fair value adjustments which are treated as non-operating expenses.

Beamtree has delivered another half-year of double-digit revenue growth, strong cost management, improved profitability and operating cash flow break even. The Company enters into the second half with a strong pipeline of +\$61m of which more than 20% are in the later stages. This maturing pipeline provides the Company with confidence around accelerating revenue growth in the second half.

The Company enters 2025 with a strong cash balance of \$3.7m with sufficient cash to fund the business as the business targets positive cash flow generation by the end of FY25.

Chair of Beamtree, Emma Gray, commenting on the results, said: *“Beamtree has had a good first half with a large and maturing sales pipeline that provides confidence for 2025 and the forecast of ARR \$60m by the end of 2026.”*

Tim Kelsey, CEO, said: ‘These results are further validation of our international growth strategy – we report more than 30% acceleration in sales in our priority markets of Canada, the UK and Saudi Arabia. Beamtree continues to set the standard for software that reduces costs and improves patient outcomes. I pay tribute to the talent and passion of the outstanding Beamtree team.’

Non-dilutive debt facility

Beamtree is also pleased to announce that, through its subsidiary Beamtree New Zealand Limited, it has entered into a circa 3-year loan facility (**Loan Facility**) with Bank of New Zealand (**BNZ or “the bank”**) for up to NZ\$7.5 million under the bank’s Project Scale Up portfolio.

The Loan Facility interest is charged at the interest rate benchmark (BKBM) plus a margin secured by a General Security Deed over Beamtree and certain of its subsidiaries and has customary covenants for a secured corporate facility. The financial close is subject to satisfaction of customary conditions precedent.

Beamtree’s cash resources will be strengthened by the new facility and will support funding of its growth plans, as well as provide general working capital.

Outlook

Beamtree enters 2025 with a strong pipeline of opportunities across all its markets and products. This pipeline supports the acceleration of recurring revenue growth in the second half.

Reported revenue growth is expected to be ~10% for FY25 with forecast reported recurring revenue expected to be 12% to 14% for FY25. Forecast ARR growth target for FY25 is 20% year on year. Management continues to target a reduction in cash burn in the second half versus the first half with the aim of delivering a cashflow break even business by the end of FY25.

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The Company will continue to focus on delivering profitable growth and carefully managing investment required to support overseas expansion which supports the long-term aim of delivering annual recurring revenue of \$60m by the end of 2026.

-ENDS-

Authorised for release by the Chair of the Board.

For further information, please email investor@beamtree.com.au

About Beamtree

A leading provider of AI decision support and data insights solutions, Beamtree supports healthcare providers globally. They believe in creating a better future for health by turning data into insights and action through automation. They help solve real-world problems in healthcare by developing smart tools that aim to improve patient outcomes. Their solutions and services offer customers an unrivalled range of analytics across four key product segments:

- **Diagnostic Technology:** Enabling the effective delivery of diagnostic services as they underpin the future of health and personalised medicine.
- **Clinical Decision Support:** Combining human and artificial expertise together to enhance decisions that improve care, value and experience.
- **Coding Assistance and Data Quality:** Digitising and automating workflows with data, classification, coding & technical expertise to improve information standardisation, quality and timeliness.
- **Analytics and Knowledge Networks:** Combining data analytics solutions with peer-to-peer alliances that accelerate innovation and knowledge diffusion.