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Market Announcements Platform
Australian Securities Exchange Limited

BEAM RETURNS TO PROFIT WITH RECORD FIRST HALF REVENUE

Highlights:

- **Interim revenue increased 107% to \$10.5 million**
- **Return to profit with interim net profit of \$732,938 vs. 1H FY18 net loss of \$580,858**
- **Growth recorded in all areas of the group's business**
- **On track to deliver an improved FY19 full year result over FY18**
- **Momentum expected to carry through to FY20 with fulfillment of 6th Iridium GO! order, anticipated further demand for Thuraya WE and contribution from new LTE/IoT products**

Beam Communications Holdings Ltd (ASX: BCC) is pleased to announce a significant improvement in its first half result for the 2019 financial year (FY) with all its business divisions reporting growth over the same period last year.

Total interim revenue more than doubled to a record \$10.5 million from \$5.1 million in the previous corresponding period, while net profit after tax for the half year reached \$732,938 compared to a net loss of \$580,858 in the first half of FY18.

The strong result was driven by the successful completion of the first order of the Thuraya WE dual-mode terminals and the shipment of 2,500 Iridium GO! devices.

More significantly, earnings were further bolstered by strong growth in Beam Communications' wholly-owned SatPhone Shop business, which grew interim revenue by 35% over the same time last year, and demand for other Beam-branded products.

The group recorded a 2-percentage point increase in gross profit margins. The improved gross margin, together with the group's cost reduction program, helped to offset some of the operating cost increases. These included exchange rate losses and investments required for product development and new market segment expansion.

Outlook

Barring any unforeseen circumstances, Beam Communications is expecting to deliver a marked improvement in its full year result compared to FY18.

Strong sales from existing Beam products and SatPhone Shop has continued into January and February.

While the second half of FY19 is not expected to match the record first half performance, as new orders for Thuraya WE are not anticipated before the start of FY20 and the company increases investment to expand Beam into new products, the second half of FY19 is still anticipated to be stronger than the second half of FY18.

This is due in part to deliveries of a further 5,000 Iridium GO! devices and ongoing sales growth of Beam's other products and the SatPhone Shop business.

"The current financial year marks a turnaround in profitability for our company and the investments we've made puts us in a strong position to continue growing the business in FY20 and beyond," said Beam Communications' managing director, Michael Capocchi.

"The investments we are making will also help us build a more consistent earnings stream and will include growing our recurring services offering and launching new IoT and LTE solutions to enhance our current product portfolio. My team and I look forward to providing further regular updates to shareholders as we embark on our next phase of growth."

For media enquiries please contact:

Brendon Lau

e: brendon@vantagepointpartners.com.au

m: 0409 341 613

About Beam Communications Holdings Limited

Beam Communications Holdings Limited (formerly World Reach Limited) is an Australian publicly-listed company that specialises in the design, development, manufacture and distribution of satellite, cellular and dual-mode equipment, applications and services. Its products and services are adopted by some of the world's largest satellite and telecommunications companies, such as Iridium, Telstra, KDDI, Inmarsat & Thuraya, to fill the global needs of Information Communication & Technology markets. Beam Communications Holdings Limited owns 100% of Beam Communications Pty Ltd and SatPhone Shop Pty Ltd www.satphoneshop.com. For more information, visit www.beamcommunications.com