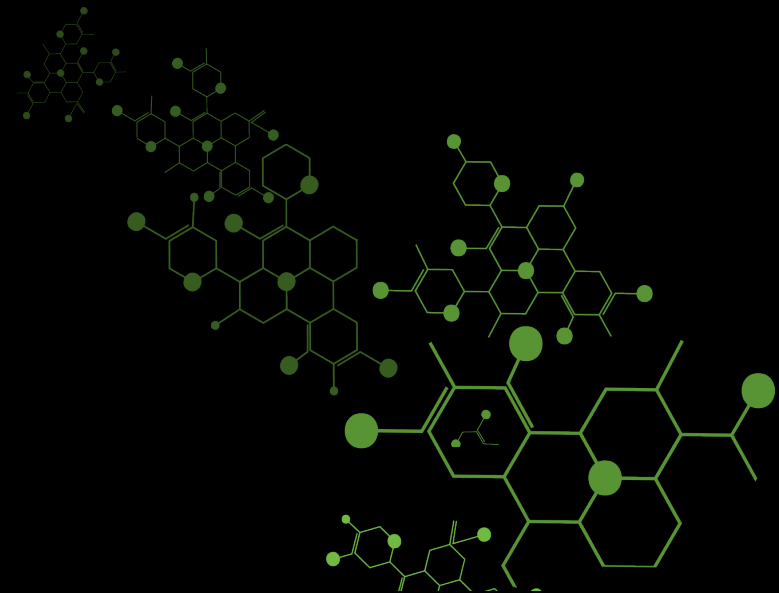




# BATM

## Interim Results

August 2021



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# H1 2021 Summary



**Momentum of 2020 continued into H1 2021**



**Significant sales growth in Bio-Medical division driven by strong global demand for COVID-19 test kits and diagnostics instruments**



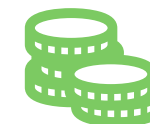
**Continued strategic focus on value creation saw disposal of NGSoft deliver capital gain of \$13m**



**Group revenue grew by 8% if contribution from NGSoft is excluded from both periods**



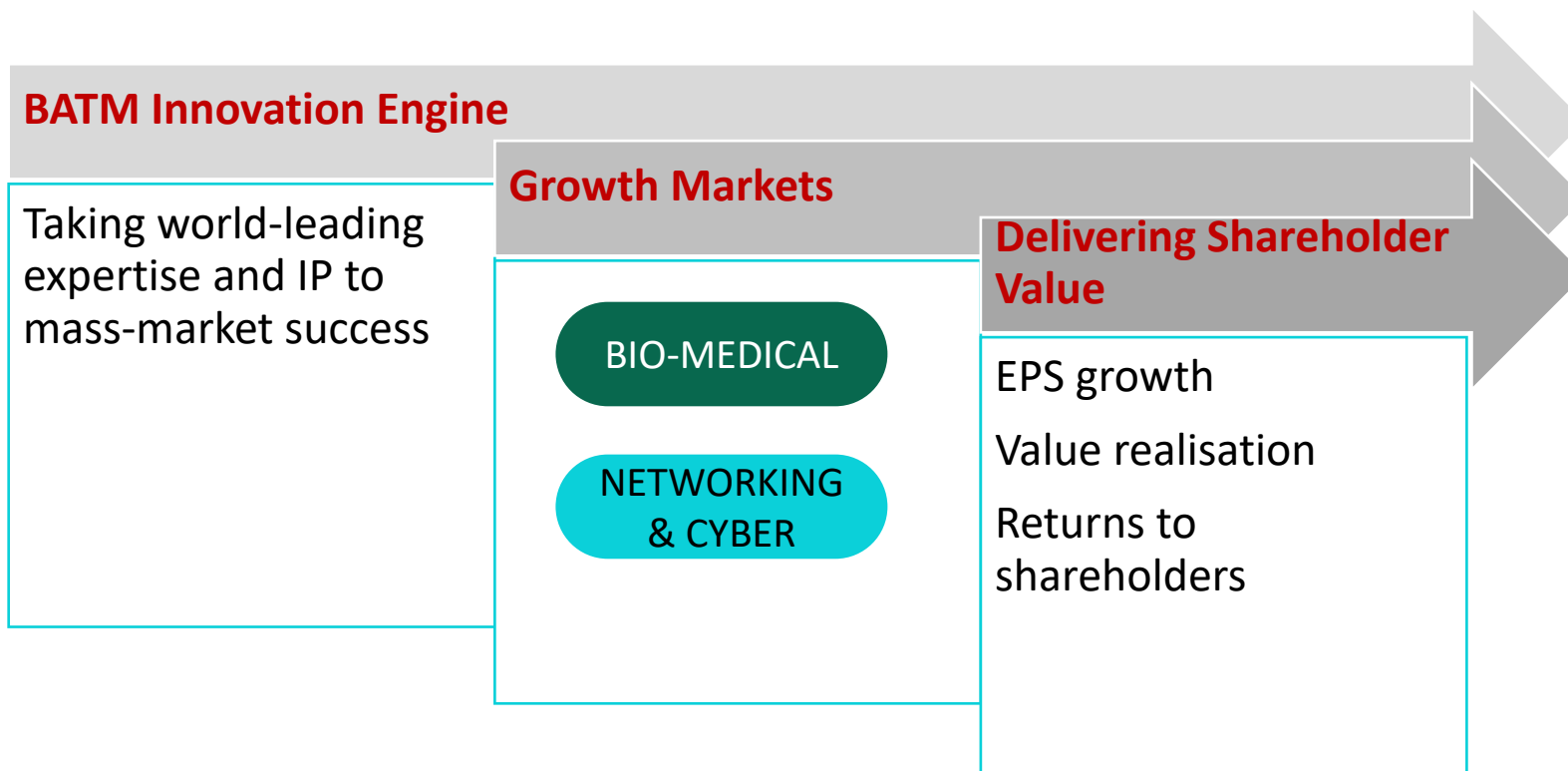
**EBITDA increased by 325% to \$22.7m (H1 2020: \$5.3m)**



**Entered second half of year with strong order book. Expected to deliver revenue and EBITDA ahead of market expectations**

# Group Strategy

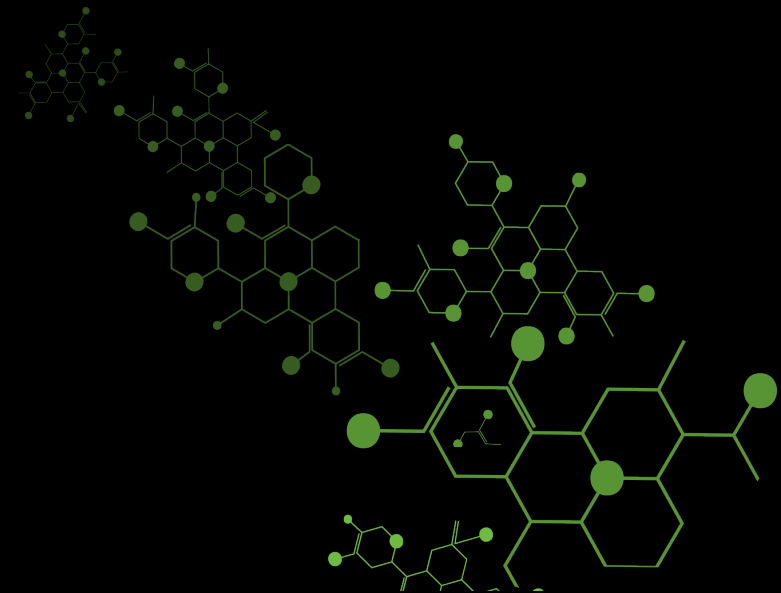
BATM brings high-technology solutions to complex, mission-critical applications in the global sectors of bio-medicine and networking



Targeting significant growth in organic revenue and operating profit as well as complementary acquisitions over the next five years



# FINANCIAL REVIEW



# H1 2021 Financial Summary

	H1 2021	H1 2020*	Change
	\$m	\$m	
<b>Revenue</b>	<b>71.4</b>	<b>77.4</b>	<b>(7.7%)</b>
<b>Gross profit</b>	<b>25.7</b>	<b>23.0</b>	<b>+11.7%</b>
<b>Gross margin</b>	<b>36.0%</b>	<b>29.7%</b>	<b>+630bps</b>
<b>Operating profit</b>	<b>20.0</b>	<b>2.4</b>	<b>+733.3%</b>
<b>Adj.** operating profit</b>	<b>20.5</b>	<b>2.8</b>	<b>+640.1%</b>
<b>EBITDA</b>	<b>22.7</b>	<b>5.3</b>	<b>+325.3%</b>
<b>Earnings per share (cents)</b>	<b>2.72¢</b>	<b>0.36¢</b>	<b>+655.6%</b>
<b>Cash and financial assets</b>	<b>64.9</b>	<b>44.3</b>	<b>+46.6%</b>

- Revenue from ongoing operations excluding the contribution to both periods from NGSoft grew by over 8% and by almost 30% when also excluding the contribution from the exceptional ventilator contract delivered in H1 2020

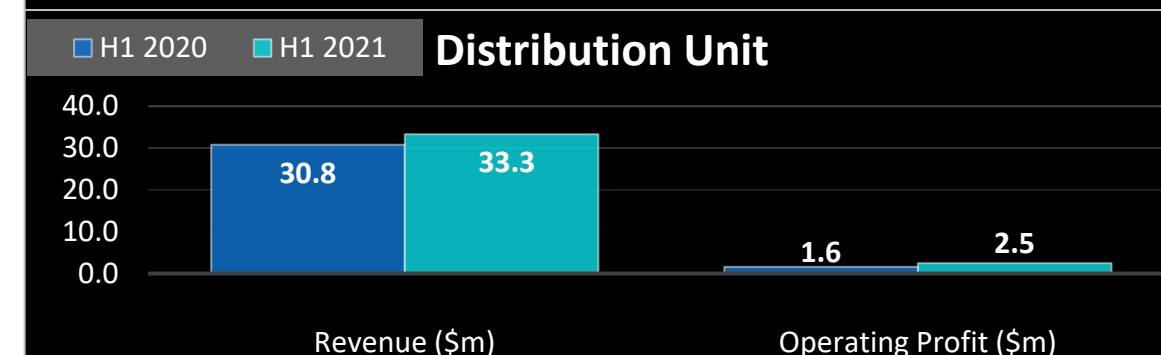
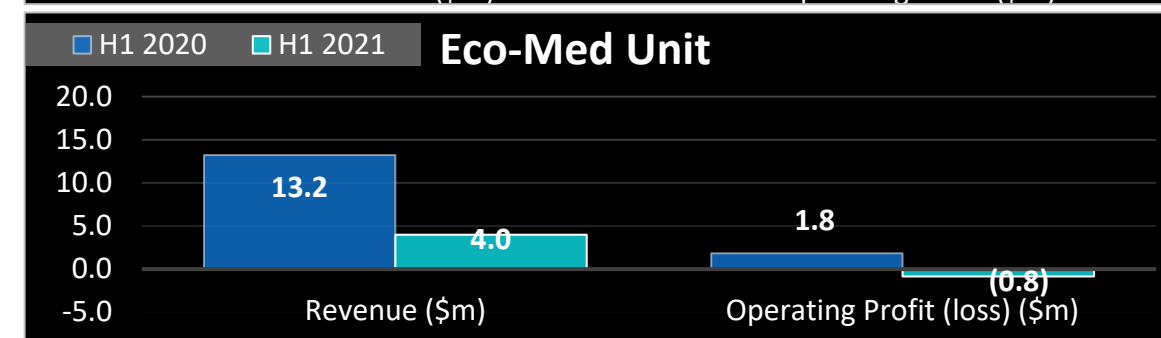
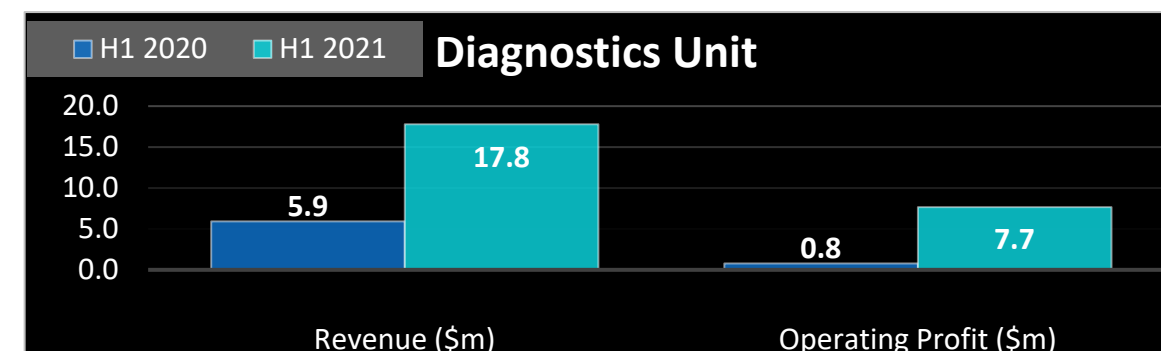
\* H1 2020 includes a six-month contribution from NGSoft compared with three months in H1 2021 following the Group's sale of the subsidiary in March 2021

\*\* Adjusted to exclude the amortisation of intangible assets

# Bio-Medical

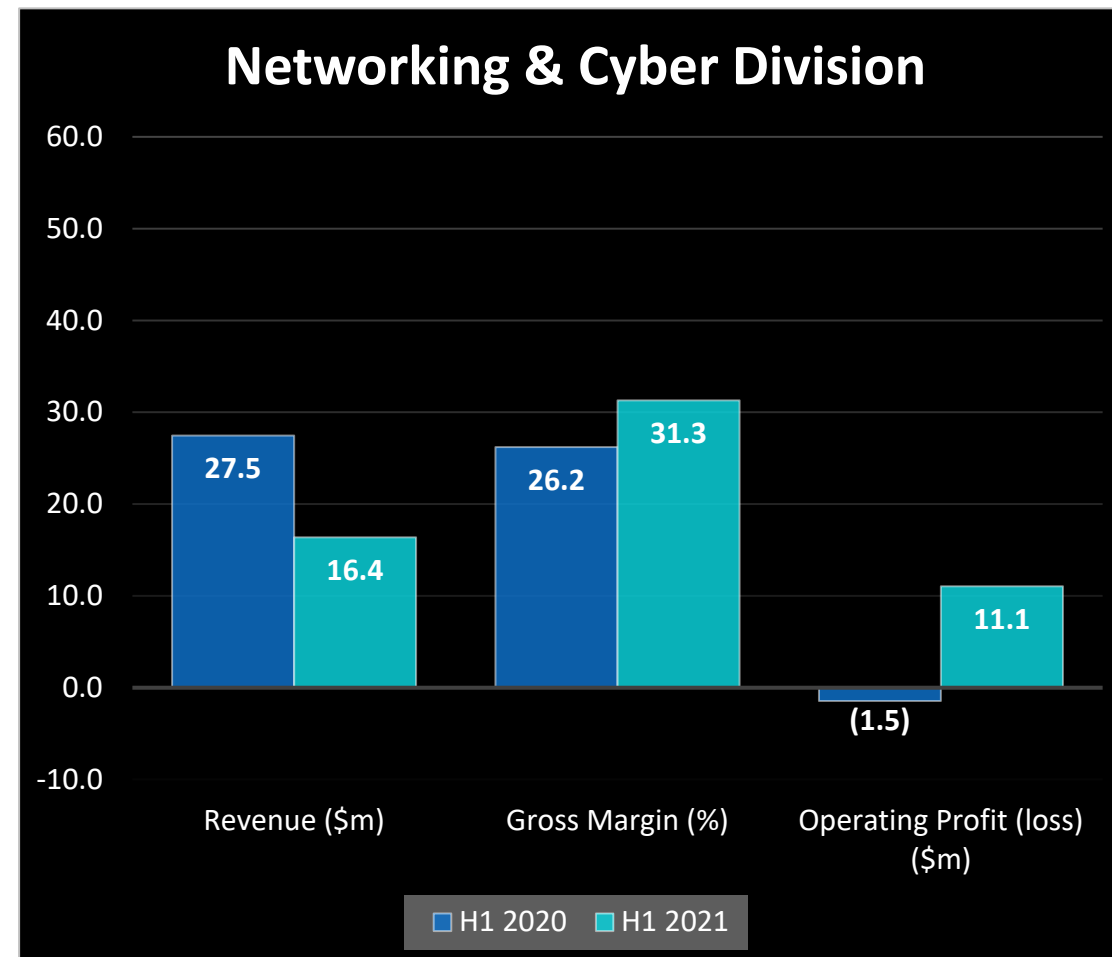
	H1 2021	H1 2020
((\$000's))		
<b>Revenues</b>	55,071	49,952
<b>Cost of sales</b>	34,185	33,935
<b>Gross profit*</b>	20,886	16,017
<b>Gross margin</b>	37.9%	32.1%
<b>Operating expenses</b>		
- R&D	1,566	1,228
- S&M	6,828	7,642
- G&A	3,086	2,828
- Other operating expenses	-	100
<b>Adj.* operating profit</b>	9,406	4,219

\* Adjusted to exclude amortisation of intangible assets



# Networking & Cyber

	H1 2021	H1 2020
(\$000's)		
Revenues	16,377	27,458
Cost of sales	11,254	20,262
Gross profit*	5,123	7,196
Gross margin	31.3%	26.2%
<b>Operating expenses</b>		
- R&D	2,086	2,665
- S&M	2,387	2,513
- G&A	2,635	3,394
- Other operating expenses (income)	(13,035)	79
<b>Adj.* operating profit (loss)</b>	<b>11,050</b>	<b>(1,455)</b>



\* Adjusted to exclude amortisation of intangible assets



# Capital Allocation Priorities

## 1. Investment

- Our primary use of capital is investment in research and development, our go-to-market strategy, capital expenditure and working capital

## 2. Acquisitions

- Targeting strategic acquisitions where we see consolidation opportunities

## 3. Returns to Shareholders

- Progressive dividend policy and expect to increase dividends in line with adj EPS growth
- In the event of surplus capital, BATM will also consider other forms of returns to shareholders

# Business Review



## BIO-MEDICAL DIVISION

DIAGNOSTICS

ECO-MED

DISTRIBUTION



# Bio-Medical H1 2021 Highlights



## Diagnostics (Revenue +200%)

- Growth driven by sustained demand for COVID-19 test kits and instruments
- Expanded portfolio of COVID-19 tests with launch of a saliva-based PCR test and lateral rapid flow test
- Customers primarily public health authorities in Europe, Middle East and South East Asia
- New molecular multi-pathogen respiratory test received certification and is being prepared for sales in winter 2021
- Received the backing of the Stop TB Partnership for a new method for the rapid and comprehensive diagnosis of tuberculosis



## Eco-Med (Revenue +9% excluding contribution from ventilator contract)

- Resumed installation of pathogenic waste treatment solutions based on Integrated Steriliser and Shredder technology
- Significant progress with the delivery of ISS-based solution at the Hungarian facility of Ceva Animal Health, a leading developer of animal health products
- Advanced installation of ISS-based solution for agri-food conglomerate in Taiwan



## Distribution (Revenue +8%)

- Growth reflects strong demand for the distribution of diagnostic products, especially COVID-19
- Distributed several molecular diagnostics tests and third-party reagents and diagnostic equipment for COVID-19 to Eastern European health authorities
- Romanian lab continued to deliver COVID-19 tests for private sector customers

# Bio-Medical Division Outlook

- **Sustained momentum expected in Diagnostics throughout 2021**
  - Testing expected to remain a key component of pandemic management measures globally, improving disease monitoring and controls, improving health outcomes and providing a tool to assist in re-opening of economies
  - Order book significantly stronger than at the equivalent period last year
  - Continued investment in diagnostics tests functionality, accuracy and speed; and cost reduction
  
- **Eco-Med returning its focus to its ISS solutions**
  - Installation at Ceva Animal Health to complete this year
  - Progress at food manufacturing customers in Taiwan and the Philippines subject to travel restrictions
  
- **Distribution activities expected to remain robust owing to diagnostics-related activities**

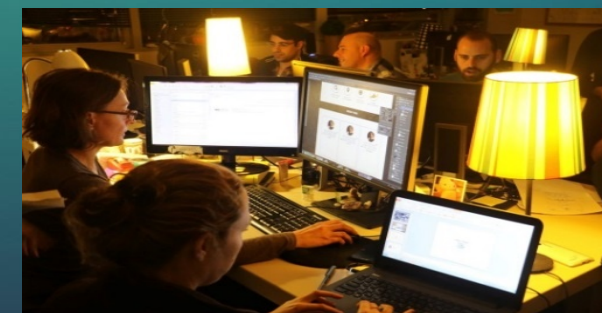
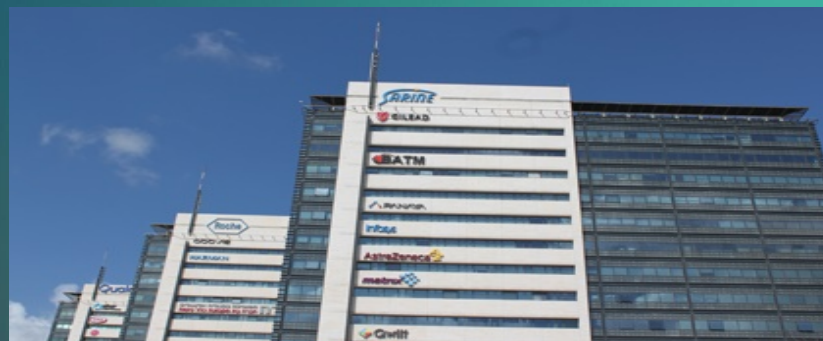
# Business Review



## NETWORKING & CYBER DIVISION

TELCO SYSTEMS

CYBER



# CE & Cyber H1 2021 Highlights

## Carrier Ethernet

- Slight increase in revenue from carrier ethernet solutions and services following return to normal business practices in the EMEA region
- Selected as the preferred supplier by a tier 1 telecommunications operator in APAC to provide demarcation units for connecting its business and enterprise customers
- Increasing customer interest in ultra-high capacity service aggregation and cloud gateway products

## Cyber

- Slight reduction in revenue due to diversion of government budgets to COVID-19
- Towards the end of the first half and post period, activity in this area has increased as public authorities begin to return to postponed projects
- \$4.1m contract awarded from long-standing government defence department
- Post-period, awarded \$10m contract for an advanced cyber security solution

# NFV H1 2021 Highlights

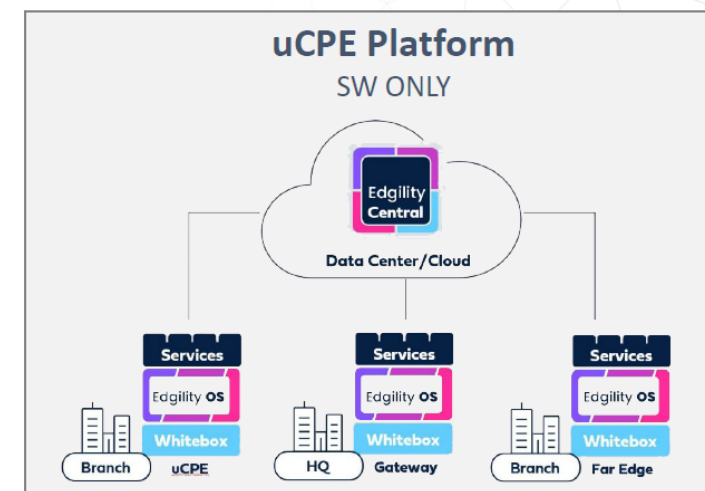
Launched Edgility post-period - new brand of networking products and services based on NFV operating system

Established two partnerships in EMEA to boost sales and market presence

Significant interest from potential customers – undergoing evaluation with several leading operators, MSPs and enterprises

Expanded addressable market with certification for use for public cloud environments

## Edgility platforms



### Connectivity Platform

SD WAN + Firewall

- Network probing
- Service flexibility
- Process automation
- Simplify logistics
- Any Whitebox, Any VNF/CNF



### IOT Gateway Platform

- Compact yet rugged
- Remote manageability of 1000+ devices
- Near field applications - Edge compute



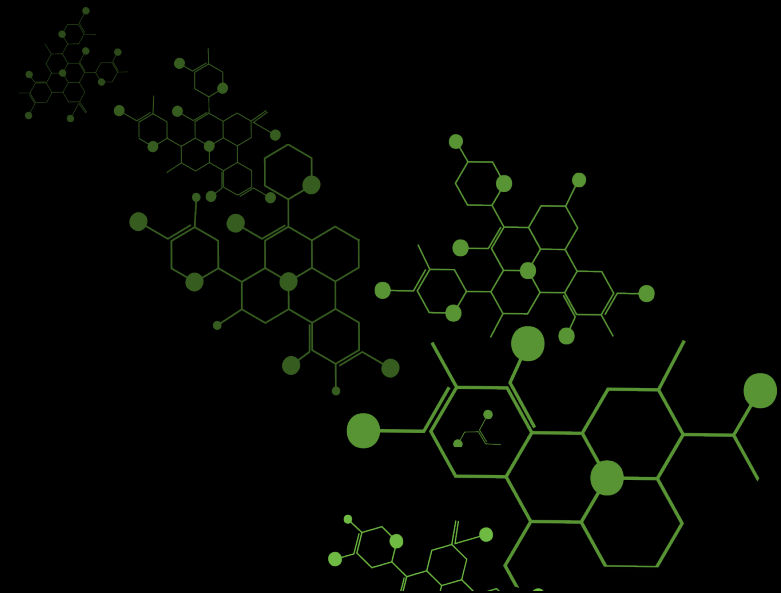
# Group Outlook

- **BATM entered H2 2021 with a strong order book**
- Sustained demand for diagnostics solutions as a key tool in pandemic and disease management
  - Bio-Medical division expected to remain the largest contributor to Group revenues in 2021
- NFV sales to contribute to growth from roll-out of Edgility OS by PCCW and Group anticipates sales following successful completion of proof-of-concepts undertaken during the period
- Carrier Ethernet and Cyber revenues expected to return to growth as lockdown restrictions are lifted
- Revenue from ongoing operations, excluding NGSoft and the impact of the large ventilator contract delivered in 2020, expected to show significant growth for FY 2021
- Overall, the Group expects total revenue for FY 2021 to be slightly ahead of market expectations and EBITDA to be significantly ahead of market expectations





# Appendix



# H1 2021 P&L

	H1 2021		H1 2020	
(\$000's)		% rev.		% rev.
<b>Revenues</b>	71,448		77,410	
<b>Gross profit*</b>	26,009	36.4	23,213	30.0
<b>Operating expenses</b>				
<b>Sales and marketing expenses</b>	9,215	12.9	10,155	13.1
<b>General and administrative expenses</b>	5,721	8.0	6,222	8.0
<b>Research and development expenses</b>	3,652	5.1	3,893	5.0
<b>Other operating expenses (income)*</b>	(13,035)	-	179	-
<b>Total operating expenses</b>	5,553		20,449	
<b>Adj.* operating profit</b>	20,456		2,764	

\* Adjusted to exclude amortisation of intangible assets

# H1 2021 Balance Sheet

	30 June 2021	30 June 2020	31 December 2020
(\$000's)			
<b>Cash and financial assets</b>	64,893	44,275	53,378
<b>Total assets</b>	195,936	181,847	200,106
<b>Total liabilities</b>	67,873	76,445	81,343
<b>Net assets</b>	128,063	105,402	118,763

# H1 2021 Cash Flow

	H1 2021	H1 2020
(\$000's)		
<b>Net cash from (used in) operations</b>	(2,255)	4,398
<b>Net cash from (used in) investing activities</b>	17,351	(1,289)
<b>Net cash used in financing activities</b>	(1,348)	(2,567)
<b>Net Increase in cash and cash equivalents</b>	11,639	61
<b>Cash and cash equivalents at the beginning of the period</b>	50,575	40,584
<b>Cash and cash equivalents at the end of the period</b>	62,151	39,990