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# COFFEE MICROCAPS

27 MAY 2021



# PROTECTING HIGH VALUE ASSETS & CRITICAL INFRASTRUCTURE





# TWO DIVISIONS, THREE MISSION-CRITICAL BUSINESSES

## TECHNOLOGY DIVISION



**Global leader in fibre optic intrusion detection systems**

- Perimeter Intrusions
- Pipeline Intrusion
- Condition Monitoring
- Data Network Protection

- 2,500+ Systems Deployed

- Products & Services Model



**Leader in high security access control technology**

- Access Control Readers
- High Security Locking
- Custom Encryption
- Biometric Solutions

- 3,500+ Sites

- COTS<sup>1</sup> & Custom Product

## SERVICES DIVISION



**Global provider of secure international logistics**

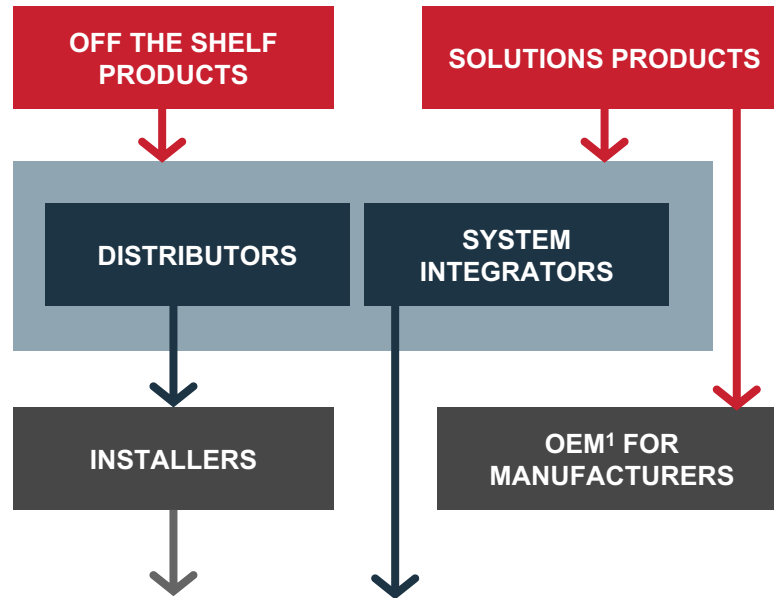
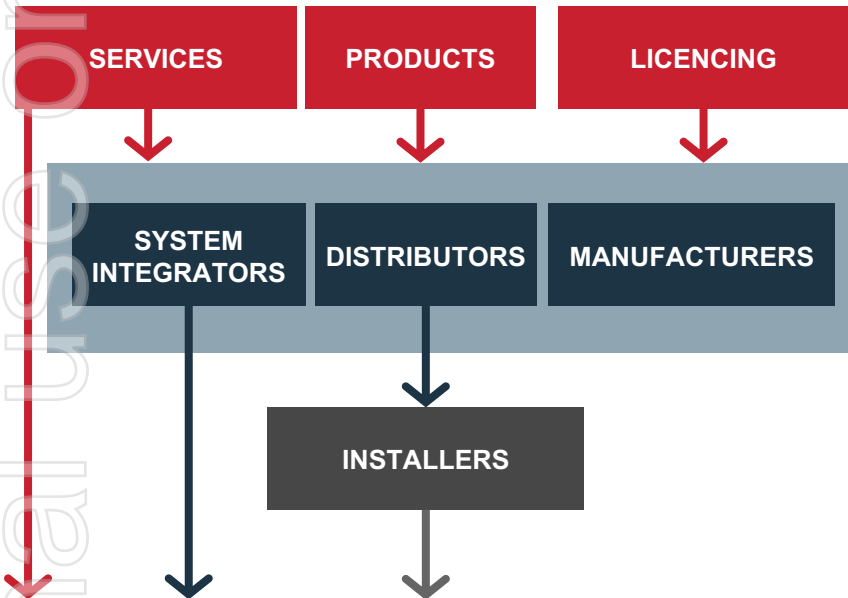
- Risk Consulting
- Precious Metals
- High Risk Valuables
- Banknotes

- Partners in 100+ Countries

- Recurring Services Model

1. Commercial off-the-shelf

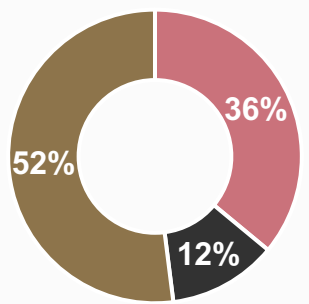
# PROVEN GO-TO-MARKET STRATEGIES



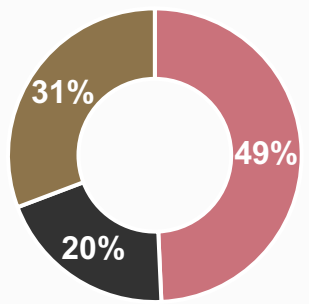
1. Original Equipment Manufacturer



H1 FY2021 REVENUE

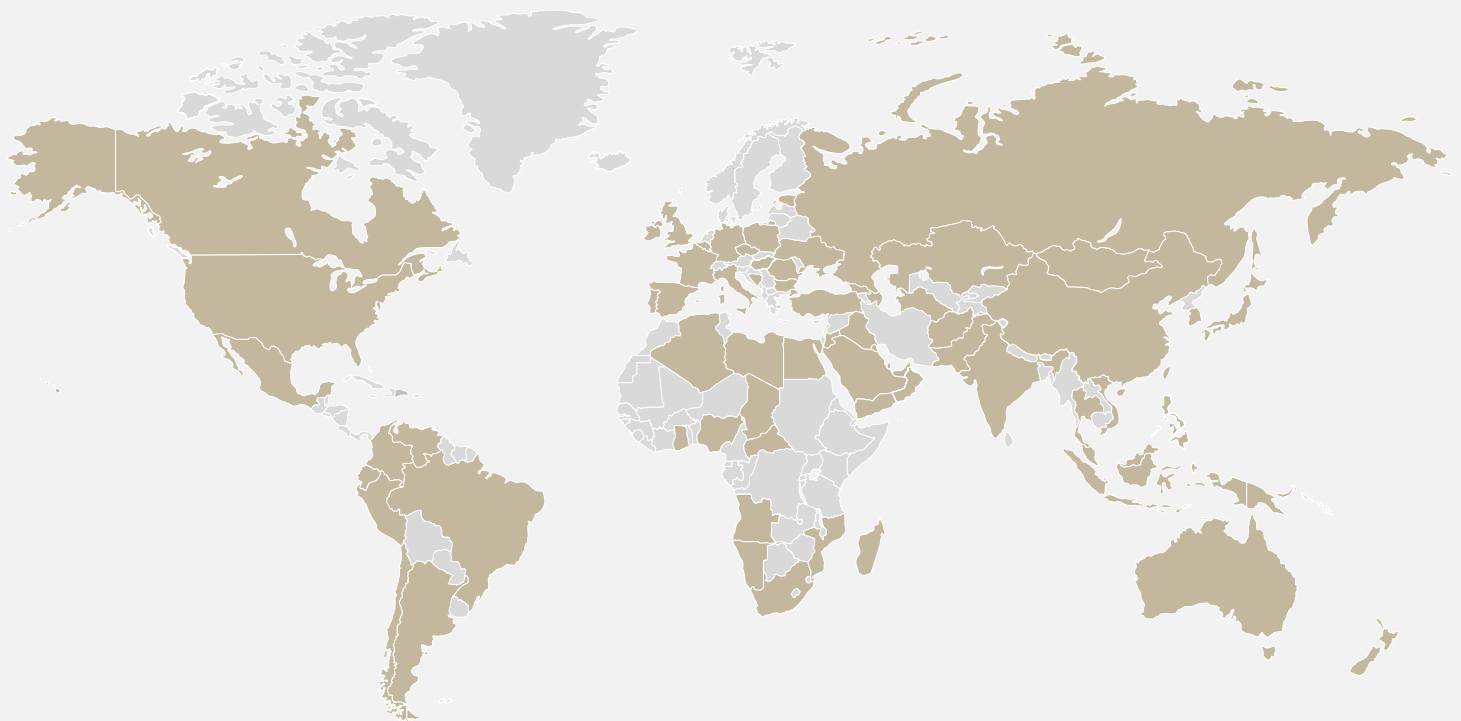


H1 FY2021 EBITDA



- AVA Global Logistics
- Future Fibre Technologies
- BQT Solutions

EXTENSIVE GLOBAL FOOTPRINT

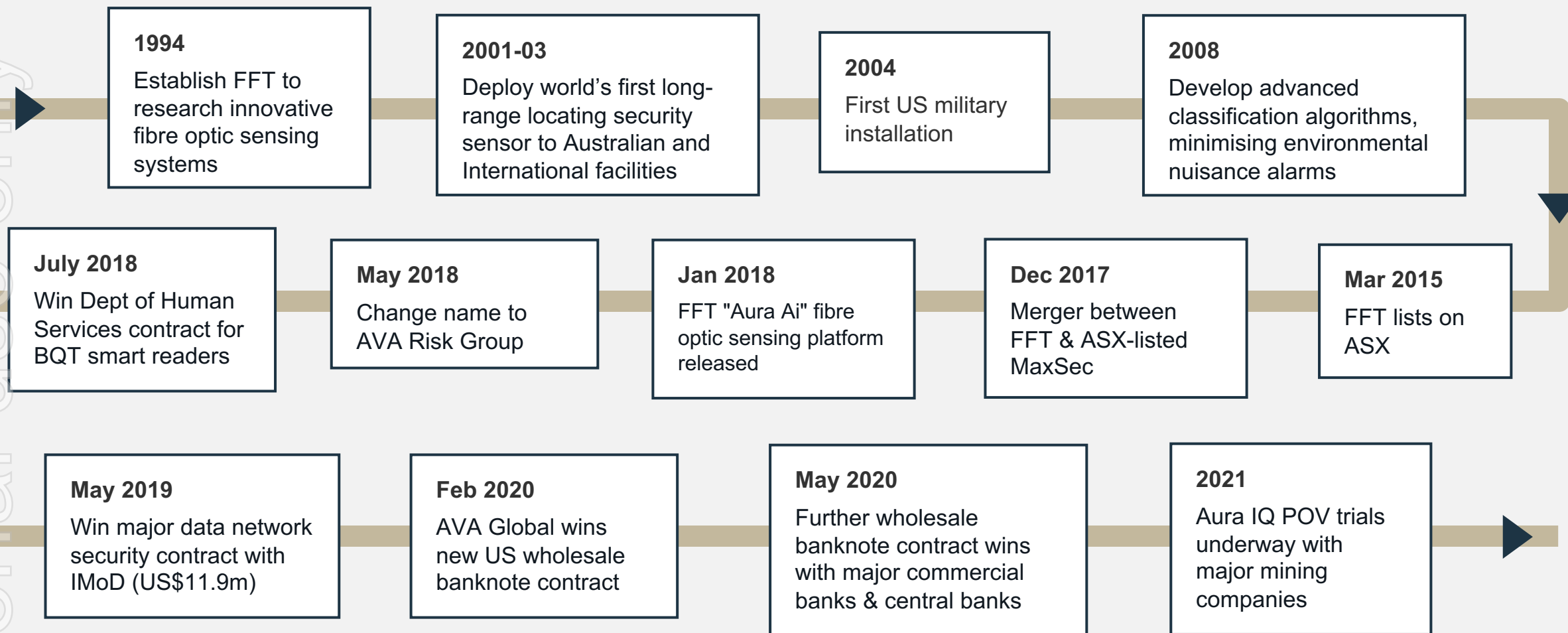


+100 countries

+2,500 systems deployed

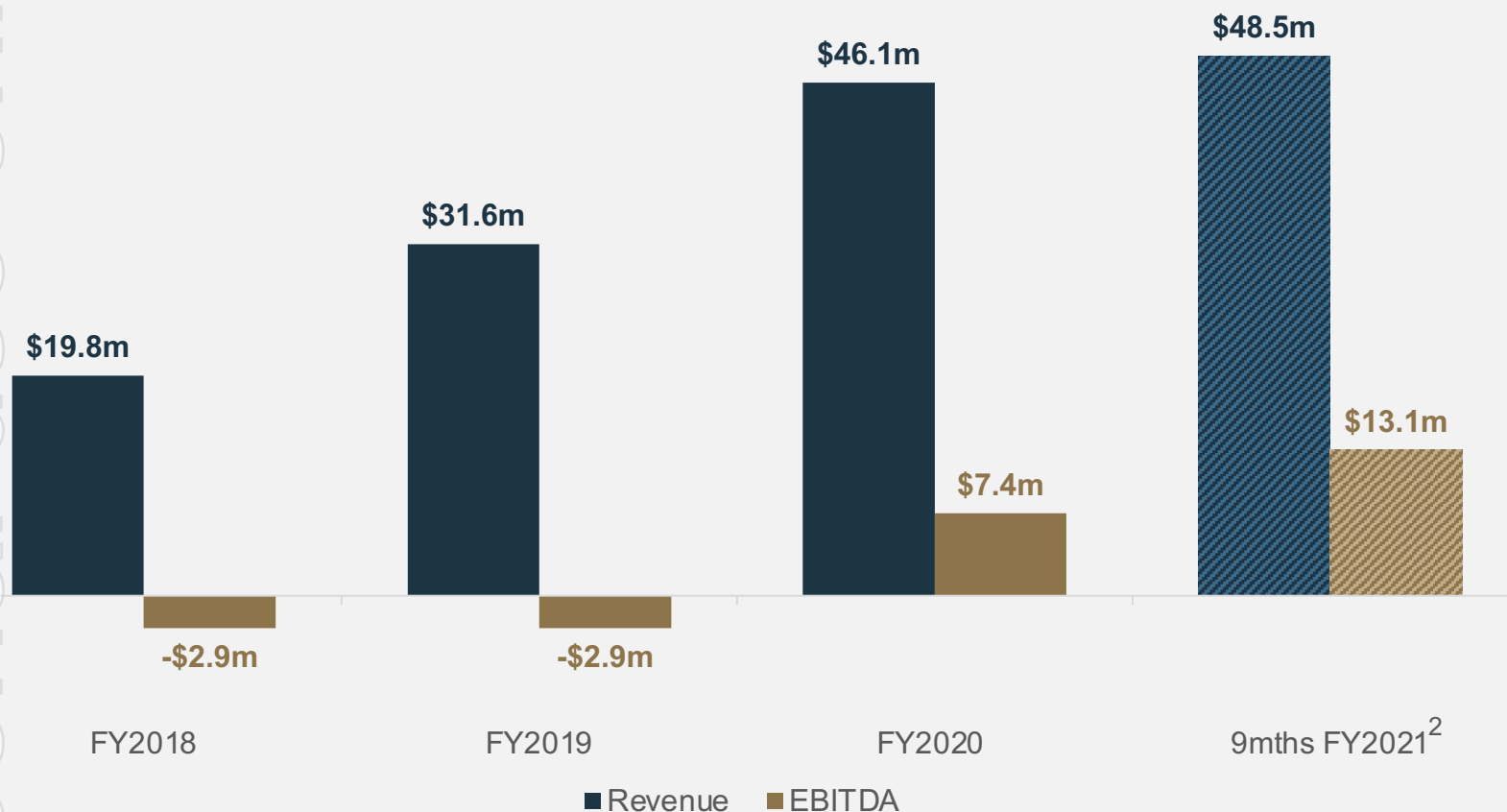
+3,500 sites protected

# PROVIDER OF INNOVATIVE PRODUCTS & SERVICES





# DELIVERING SUSTAINABLE PROFIT GROWTH



- Record revenues as Ava Group delivers positive EBITDA and enters next phase of growth
- FY2021 guidance for Group Revenue of \$60-64m and Group EBITDA of \$13-15m<sup>1</sup>

1. FY2021 guidance assumes no change to the exchange rate at 31 March 2021 with A\$1 equal to US\$0.7592  
2. Unaudited financial information

# MARKET OPPORTUNITY DRIVEN BY GLOBAL INDUSTRY TRENDS

## Macro trends support LT growth

- Global security concerns driving rapid adoption of high security technology and increased government spending on security and defence
- Global connectivity driving greater demand for remote service capability to deliver upgrades and ongoing support
- Market consolidation within global secure logistics market driving opportunity for Services Division

## Multiple business growth drivers

- Expanding technology into new markets and applications
- Multiple go-to-market opportunities and provision of value-added services
- Growing share of spend from existing logistics customers and new client wins
- Multiplier effect as Ava Global scales and prospective client base increases



# EXPERTS IN HIGH SECURITY & SENSING TECHNOLOGY

- ▶ Diversified business model with low risk go-to-market strategies
- ▶ World-leading portfolio of premium services and technologies
- ▶ Strong competitive position underpinned by AVA's IP, performance differentiation and compelling TCO<sup>1</sup>
- ▶ Domain expertise drives innovation and continuous improvement
- ▶ Customer-centric focus on product and service development with blue-chip client base
- ▶ Proven track record in delivering complex services and solutions

<sup>1</sup>. TCO - Total Cost of Ownership

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**TECHNOLOGY DIVISION**

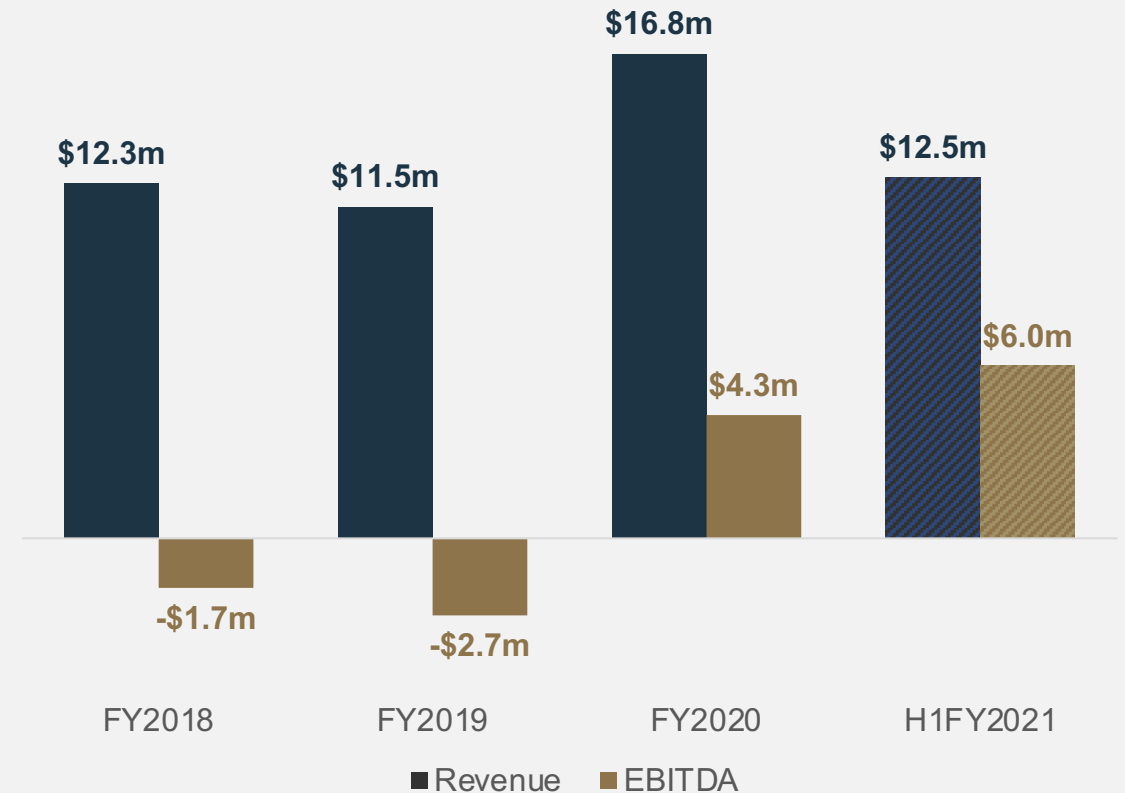


# FIBRE OPTIC PRODUCTS FOR INTRUSION DETECTION

- Global leader in advanced fibre optic intrusion detection systems
- Protect critical sites and infrastructure across transport, government, military and utility sectors
- COVID-19 restrictions led to delays in number of major security-related contracts in FY2021
- Backlog and anticipated orders of \$6m expected to be deferred until FY2022
- Strong pipeline of growth opportunities and well positioned to meet pent-up demand

**US\$1-2bn**  
est. addressable  
market<sup>1</sup>

**>2,500**  
systems installed  
in 70+ countries



1. Ava Risk Group estimate

# HIGH-QUALITY CUSTOMER BASE

## SYSTEM INTEGRATORS / DISTRIBUTORS



## END USERS





# IMoD CONTRACT PROVIDES BLUEPRINT FOR GROWTH

- Large scale licensing of FFT's SecureLink technology to Indian Ministry of Defence via in-country manufacturing partner
- Fulfilment and licencing model provides low working capital and low risk, high margin go-to-market approach
- US\$11.9m in licensing income including tax credits
- Final delivery expected in FY2022 following COVID-19 delay
- ~US\$3.4m in additional revenue from 7-year spares and maintenance contract<sup>1</sup>



**+40,000km of data communications cables protected**

1. After the initial 3-year warranty period

# AURA AI: LEVERAGING UNIQUE TECHNOLOGY INTO NEW APPLICATIONS

- Platform uses the latest advanced optical designs and signal processing algorithms
- Differentiates between intrusions, nuisance alarms and other causes of offence disturbance
- Extend application into adjacent markets including condition monitoring of power cables
- Ongoing development in software capability to leverage sensing technology



- World-leading fibre optic technology with advanced signal processing algorithms and cloud-based analysis, reporting and alerts
- Developed in partnership with leading industry research organisation Mining3
- Multiple Proof of Value (POV) trials with mining houses and bulk material handling facilities
- Cloud platform allows for future enhancements and SaaS opportunities for **recurring revenue stream**
- Premium partnership agreement with US Company Strata Worldwide to distribute to mining and tunneling operations



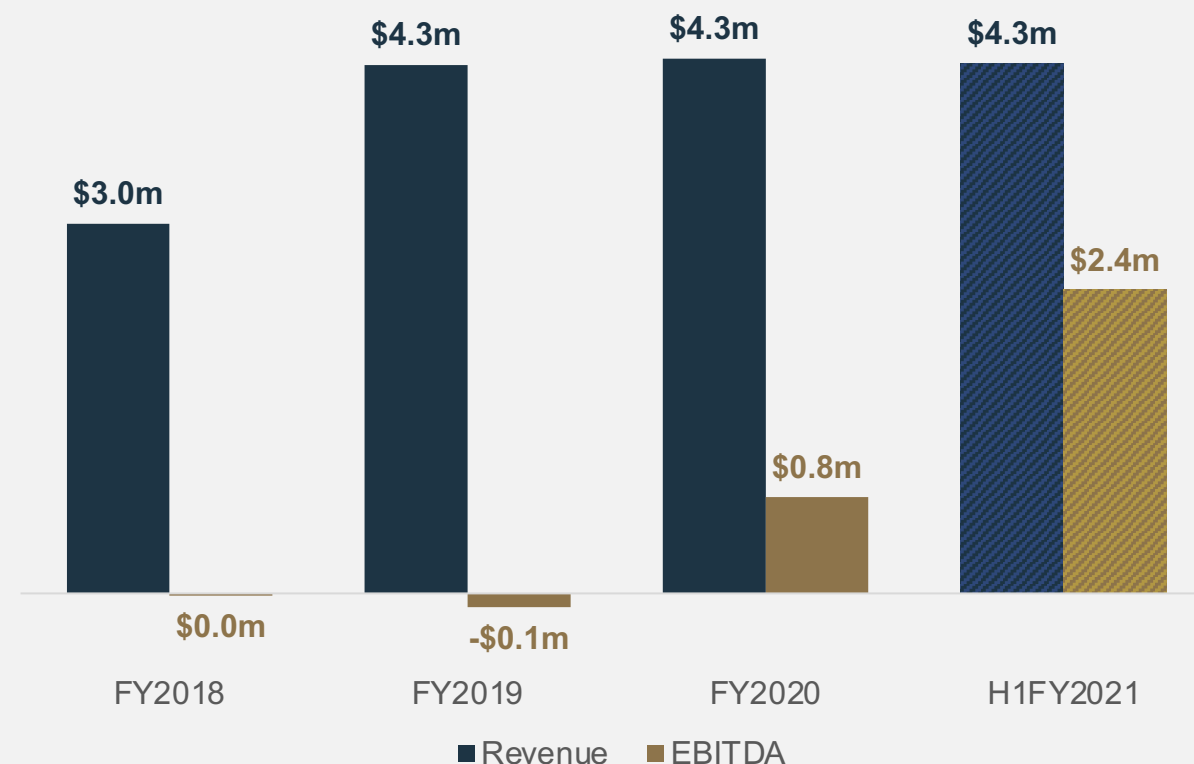
Conveyor health monitoring and intelligence platform



- Provider of high security card and biometric readers, electromechanical locks and related electronic security products
- Military, critical infrastructure, commercial, industrial and residential applications
- Expanded distribution agreements with locking industry leaders ASSA ABLOY and dormakaba
- Consolidation of Auckland production activities drives operational efficiency and better supports customer demand

**US\$0.6-1.5bn** est.  
addressable market<sup>1</sup>

**+3,500 sites**  
in >50 countries



1. Ava Risk Group estimate

## DISTRIBUTORS

**dormakaba**

**ASSA ABLOY**

**MASLAND**  
TOEGANGSOPLOSSINGEN

**SAT**  
SECURE ACCESS TECHNOLOGIES

**SEADAN**  
SECURITY & ELECTRONICS  
simply smart

**CSM** Consolidated  
**SECURITY**  
**MERCHANTS**

**iec**  
First Choice Solutions®

## END USERS



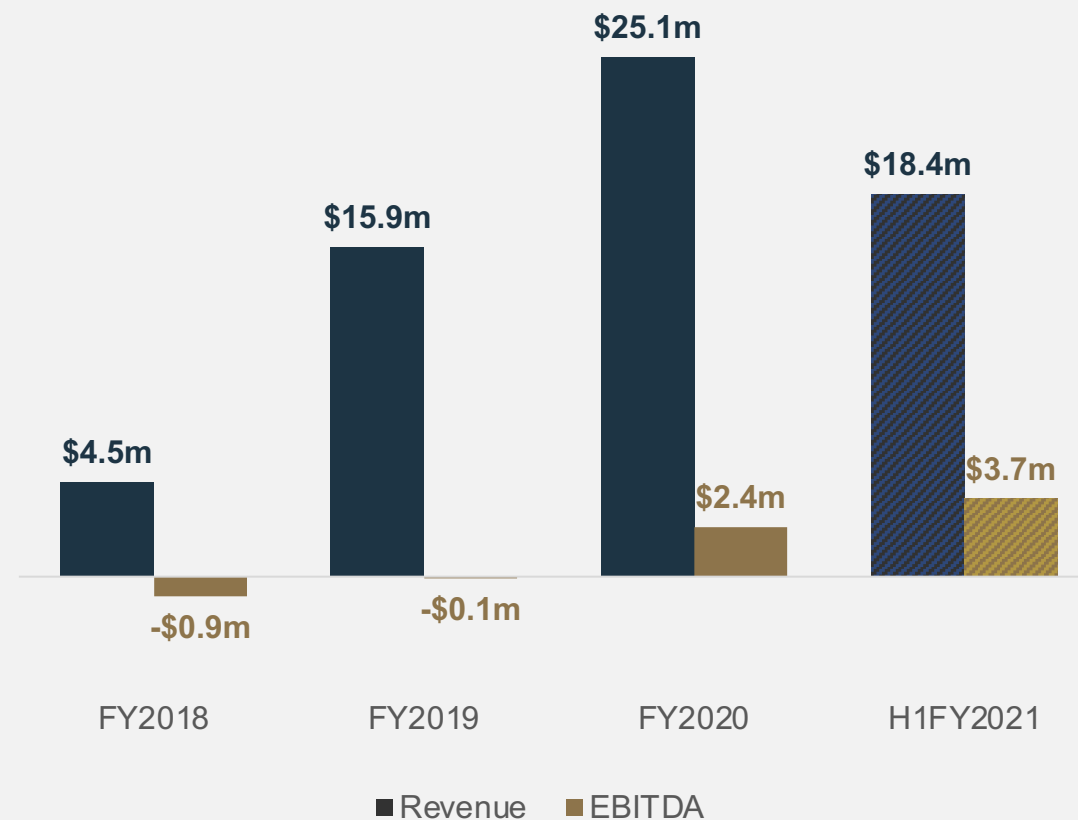
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# SERVICES DIVISION

- Global provider of secure international logistics of high-risk valuables, precious metals and currency
- Highly scalable partner model provides ability to expand customer base globally
- Investment in technology to automate processes and realise significant operational efficiencies
- Strong revenue growth drives turnaround in profitability
- Further expansion into Latin America via strategic partnerships

**US\$0.6-1.0bn**  
est. addressable market<sup>1</sup>

**100+**  
Countries



1. Ava Risk Group estimate



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# FINANCIALS & OUTLOOK

# YEAR TO DATE FY2021 FINANCIAL HIGHLIGHTS

## Group Revenue

**\$48.5m**

Up 48.2% on pcp<sup>1</sup>

## Technology Revenue

**\$19.8m**

Up 16.6% on pcp

## Services Revenue

**\$28.7m**

Up 82.4% on pcp

## Gross Profit

**\$25.3m**

Up 59.2% on pcp

## Group EBITDA

**\$13.1m**

Up 138.3% on pcp

## Group EBITDA margin

**27%**

vs 17% in pcp

**Strong financial position with cash of \$11.7m and no debt**

1. All figures compare 9 months to 31 March unless otherwise indicated; unaudited financial information

# OUTLOOK

- ▶ **FY2021 Guidance:** Group Revenue forecast of \$60-64m and Group EBITDA of \$13-15m
- ▶ \$6.0m in backlog and anticipated orders for **Technology Division** expected to be deferred to FY2022
- ▶ Generate meaningful revenue from partial conversion of **Aura-IQ** sales pipeline

- ▶ New client wins and higher contracted customer spend to drive **Services Division** revenue growth in FY2022
- ▶ Leverage **BQT**'s key distributor partners to drive sales in the US and Europe
- ▶ Expand long-term maintenance contracts and remote servicing solutions to **grow annual recurring revenue**



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# QUESTIONS

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# FORWARD LOOKING STATEMENTS

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