



## H1 FY2023 RESULTS

BirdDog Technology Limited (ASX: BDT) ("**BirdDog**", "**BDT**" or the "**Company**"), the global video technology company enhancing quality, speed, and flexibility of video broadcast and communications through a range of hardware and software solutions, is pleased to announce its results for the six months ended 31 December 2022 ("**H1 FY23**").

### KEY H1 FY23 HIGHLIGHTS:

- Revenue of A\$15.3 million, down on pcp, cycling macro-economic headwinds
- Stable gross margins achieved of 27.6%, versus 28.2% pcp
- Improving net operating margins (after licensing) of 23.2%, versus 22.9% pcp
- Net loss after tax of A\$0.9 million, -14.2% versus A\$0.8m million pcp
- Company remains very well-funded with strong cash balance of A\$19.8 million as at 31 December 2022
- Strategic growth focus beyond current product-based horizon, enabled by BirdDog IP accessing significant global opportunities
- Acceleration of Med Tech opportunity, with first revenues expected in H2 CY23
- Multiple products launched across hardware and software during the half:
  - **P110 (& P120) Cameras** – immediately becoming #1 selling BirdDog camera;
  - **BirdDog PLAY** – commenced shipping with record backorders;
  - **BirdDog VideoWall** – the world's first video wall solution featuring support for Full NDI® as well as NDI® HX2 and NDI® HX3; and
  - **BirdDog Cloud 3.0 & BirdDog Cloud Connect** – both launched October 2022.
- A\$2.0 million on-market share buyback implemented, commenced mid-December 2022 and will recommence in early March 2023
- A\$20.1 million inventory as at 31 December 2022, including A\$6.8 million of inventory deposits and A\$12.3 million in finished goods, providing future production security
- Progress underway with respect to diversification of BirdDog's global manufacturing, assembly and third-party logistics footprint
- Investor webinar to be held at 11.00am AEDT, 27 February 2023. [Click here to register](#)

BirdDog Co-Founder and CEO Dan Miall said:

*"Calendar year 2022 and particularly H1 FY23 was disappointing for the business being well below management's internal revenue expectations. Having met with customers and distributors through February in our two key markets – North America and the United Kingdom & Europe – the universal feedback is of a subdued market during this past period, exacerbated by the macro-economic environments, albeit enthusiastic endorsement for our current products and product roadmap.*

*This positive market appetite for BirdDog products – in conjunction with current industry trends – provides me with confidence that we are turning the corner in 2023 with market demand for our product portfolio (existing and future), underpinning a return to growth this calendar year. I am excited about our upcoming release schedule which sees BirdDog products expand further into higher volume categories within live production, harnessing our unique IP in connecting productions globally driving subscription revenue.*



*Encouragingly, this positive sentiment can be observed having closed out January 2023 posting our strongest-ever January revenue result (up 18% year on year), reinforced by an uplift of 14% versus December 2022, the first time we have recorded a positive delta between January and December.*

*Given the current focus on camera products and their suitability in government and secure environments, I am further encouraged by our increasingly mature plans to begin manufacturing and advanced assembly of our cameras in Canada, opening large scale opportunities via preferred purchasing agreements such as GSA in the USA.*

*Investing the first half of February with customers and distributors in our key markets, I have a strong level of confidence that the pull-forward demand seen through COVID-19 impacted years is normalising, whereby I expect to see a return to growth in the near-term."*

BirdDog Chairman John Dixon also commented, stating:

*"A careful and close review of expenditures over the last 60 days, as part of our cost improvement measures and control plan initiatives, coupled with the completion of our recent inventory build, means we anticipate returning to positive cashflow from operating activities within the March 2023 quarter."*

## **SUMMARY OF KEY FINANCIAL RESULTS**

BirdDog's H1 FY23 revenue was A\$15.3 million, representing a 36.1% decline versus pcp. The decline in revenues can be attributed to softer overall demand from traditional broadcast industry customers, macroeconomic circumstances, and a delayed launch of BirdDog's new suite of products. H1 FY23 revenue was A\$1.1 million more or 7.5% up on the immediate prior half, H2 FY22, revenue.

Gross margins declined marginally to 27.6% (from 28.2% pcp) primarily due to freight and warehousing costs while net operating margins (after deducting for license fees) improved to 23.2% (from 22.9% pcp).

The net loss after tax during H1 FY23 was A\$0.86 million, a 14.2% increase versus pcp (A\$0.76 million loss). The Company's net asset position as at 31 December 2022 was \$45.14 million, compared to the 30 June 2022 position of \$45.83 million, a 1.5% decline.

## **DIVERSIFICATION OF GLOBAL MANUFACTURING, ASSEMBLY & LOGISTICS**

As a part of BirdDog's global logistics strategy, plans have accelerated to lease a North American commercial premises in Calgary, Alberta. By doing so, the Company will allow the manufacture (including calibration and advanced assembly) of BirdDog products within North America and the warehousing of finished goods at a soon-to-be-appointed third-party logistics (3PL) partner in Canada. With closer proximity to the Company's three key distributors in BirdDog's largest core market – the USA – the Company is confident this initiative will not only provide a more efficient path to market, but geographically diversifies BirdDog's manufacturing footprint.

Additionally, this move will also open-up the opportunity for BirdDog to expand into new markets, including General Services Administration (GSA) approved U.S. Federal, State and Local government departments such as for education, medical and defence. By obtaining GSA approval, BirdDog will have pre-qualified access to sell its products directly to federal buyers and benefit from the Trade Agreements Act (TAA) compliance provided by the GSA. Currently, US\$36bn in annual sales occur through GSA Schedule contracts.

### RAPID MEDTECH PROGRESS

Over the last six months, the Company's medical collaboration solution – Remedi – has transitioned from research and development into beta testing environment. Flexible by design, Remedi provides BirdDog – as the company manufacturing the hardware and designing the software for this solution – with a unique opportunity to maximise the potential of the technology for live surgical collaboration, as well as providing transformative educational experiences for the next generation medical professionals. Specific use cases for Remedi stretch from theatre environments – surgery across emergency, neuro, cardio, vascular, orthopaedic, endoscopy etc – to educational, training and conference settings.

Pleasingly, the Company has successfully trialled Remedi – a combination of BirdDog's hardware and new MedTech focused software – across multiple surgical modalities within Australia and globally, with overwhelmingly positive feedback. Users noted an unparalleled audio-visual experience whilst maintaining a user-friendly, simple design capable of facilitating adoption across many areas within medicine.

The next steps for Remedi are continued testing of the solution within different surgical modalities, fine-tuning the hardware/software combination to ensure a smooth launch to market, currently anticipated within H2 FY23.

Dr. Hal Rice, Associate Professor, Director of Interventional Neuroradiology, Gold Coast University Hospital, said after his trial of Remedi:

*“The pandemic definitely highlighted and accelerated the need for remote collaboration tools in the medical space. I have evaluated many different technologies over the past four years and Remedi is a quantum leap regarding the quality, functionality and simplicity of the solution. This technology is the future of remote collaboration and medical education.”*

Based on the rapid progress achieved and significant, indicative interest garnered from potential customers, the Company now anticipates MedTech to be generating revenue from the third quarter of this 2023 calendar year.



## COST IMPROVEMENT & CONTROL PLAN UPDATE

As flagged within the Company's Q2 update and in response to the short to medium term challenging market environment, the BirdDog recently implemented a variety of controls and cost-improvement initiatives. The company has actioned the first phase of this multi-phase initiative which has seen a break-even outcome for cashflows from operating activities for the month of January 2023, ahead of internal schedule.

## PRODUCTS UPDATE

As BirdDog continues to reinvigorate sales via recent innovative R&D efforts, the Company will continue to drive the introduction of new products, including next-generation cameras, converters, software and AV products through calendar year 2023 and beyond.

The current generation of products and near-term product releases represent expansion within BirdDog's Growth Horizon 1, with substantial upside based on access to higher volume segments of current markets and improving margins. All IP and research & development is designed, however, for BirdDog's growth Horizon 2 which sees truly disruptive, cloud-enabled applications. Horizon 2 also encompasses larger cross sections of industry including further reach into Medical, Security, Government, Education, Consumer, Military and Industrial applications.

BirdDog's IP is both scalable and licensable, with current and next generation products seeing the benefits of ongoing R&D driving subscription and OEM license-based revenue streams.

## BALANCE SHEET STRENGTH REMAINS

As part of the Company's ongoing capital management, as announced on 18 November 2022, BirdDog implemented an on-market share buy-back of up to \$2,000,000 ("**Share Buy-Back**"). The Board continue to categorically believe the Share Buy-Back is an effective and flexible mechanism to enhance shareholder returns over the long term. The Share Buy-Back will be reactivated on 6 March 2023 in accordance with the Company's share trading policy.

## POSITIONED FOR RETURN TO GROWTH

BirdDog has an un-paralleled breadth of product portfolio covering cameras & controllers, converters, AV products, chips & boards and software. In light of such, the Company believes it remains well-positioned for a return to growth in CY23. Further elements of BirdDog's business are supportive of this expectation include:

- Deployment of BirdDog's own Intellectual Property, driving competitive & first-to-market advantages;
- Ability to rapidly expand into new markets, including MedTech;
- Launching new products throughout remainder of calendar year 2023;
- Finely tuned, laser-focussed team working in partnership with highly engaged channel partners; and
- BirdDog remains financially well-capitalised with no debt.



## H1 FY23 RESULTS WEBINAR

An investor webinar will be hosted today, 27 February 2023 at 11:00am AEDT. Investors and interested parties can register for the webinar via the following link:

[https://us02web.zoom.us/webinar/register/WN\\_jN3\\_aX21QZWKvctxxPm0ng](https://us02web.zoom.us/webinar/register/WN_jN3_aX21QZWKvctxxPm0ng)

Investors can submit questions prior to the webinar to [sam@nwrcommunications.com.au](mailto:sam@nwrcommunications.com.au) or do so via the Q&A functions on Zoom.

- Ends -

**Authorised for release by the BirdDog Technology Board**

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## ABOUT BIRDDOG

BirdDog is a global video technology company that enhances the quality, speed and flexibility of video through a range of solutions, augmented with NDI® (Network Device Interface).

This enables video-compatible products to communicate, deliver and receive high-definition video over a computer network in a broadcast-quality, low-latency manner, that is frame accurate and suitable for switching in a live production environment.

BirdDog develops and manufactures a range of connected solutions, including:

- Pan-tilt-zoom (PTZ) Cameras
- Box Cameras
- Converters
- AV Products
- Controllers & Accessories
- Monitors
- NDI® Embedded Smart Display Modules
- Cloud Software Platforms

End users of BirdDog's products cover a wide range of market segments, including Professional Video, Broadcast, Audio Visual and large private and public sector organisations.

For more information on BirdDog, please visit [www.birddog.tv](http://www.birddog.tv)

**WELCOME TO THE WORLD OF NDI®. WE'VE BEEN EXPECTING YOU.**





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