



Global Invacom Group Limited
("Global Invacom", the "Company" or the "Group")

Final Results for the year ended 31 December 2020

Singapore/London, 1 March 2021 - Global Invacom (SGX: QS9) (AIM: GINV), the fully integrated provider of satellite communications equipment and electronics, announces its financial results for the year ended 31 December 2020 ("FY2020").

Despite the international challenges brought about by the COVID-19 pandemic, the Group is pleased to report a profit for the year.

Key financial highlights:

- Revenue for FY2020 decreased 23.4% to US\$103.1 million (FY2019: US\$134.5 million)
- Gross profit increased to US\$25.7 million (FY2019: US\$24.1* million)
- Net profit increased to US\$2.6 million (FY2019: US\$12.3 million net loss**)
- Robust net cash at 31 December 2020 of US\$7.4 million

*includes US\$4.1 million impairment costs related to the closure of the Group's Shanghai manufacturing facility.

**Includes US\$16.3 million costs relating to the closure of the Shanghai manufacturing facility and the impairment loss on goodwill and receivables.

Key operational highlights:

- Completed the full relocation of Shanghai manufacturing operations to third-party subcontract manufacturer in the Philippines
- Group identified as an essential supplier for its supply of equipment to the communications, healthcare and defence markets
- Majority of manufacturing sites remained operational during the COVID-19 pandemic; however widespread supply chain disruption continues to cause delays in forward sales
- Continued focus on Data over Satellite ("DOS") and Direct to Home markets with management emphasising on the higher growth DOS market

The global COVID-19 pandemic has provided the economic backdrop for 2020 and the Group's performance has been impacted by the associated market and worldwide disruption and uncertainty. The health and safety of our staff, partners, suppliers and customers has been our priority throughout 2020 and into 2021. Global Invacom has always been a people-driven business, with teams across the Group being essential to our ongoing success. The board of directors would like to thank the Group's employees for their outstanding contribution, during what has been an especially challenging period for all.

The impact of the COVID-19-related restrictions, including lockdowns in all countries in which we operate and the much-publicised disruption to global supply chains and international travel was, in part, mitigated by our diversified manufacturing footprint and by our classification as an essential supplier, with the Group seeing continued demand for its equipment from the key communications

and healthcare sectors. The Group was also able to safely and effectively transition some of its office and R&D staff to remote working. The Group continues to monitor the pandemic closely and, where it is safe and prudent to do so, is returning staff to work following government guidelines.

The Group's customer base was also negatively affected by the pandemic and order volume fell throughout 2020. However, Global Invacom remained profitable in three out of four quarters of the year and was profitable for the year as a whole. This was aided by a number of strategic cost-saving initiatives implemented by management last year. Most notably, our Shanghai site ceased manufacturing in July 2020, as the Group transitioned to third-party subcontractors, based in the Philippines. In Europe and the United States ("US"), the Group restructured development, sales and marketing teams to focus on emerging DOS products. We expect this transition to deliver meaningful annualised savings in 2021, while also reducing the Group's exposure to increased production costs and trade disputes between the US and China.

The Group continues to see increased demand for DOS technology and services, as consumer appetite for constant connectivity grows. With ever-growing data consumption across all geographies, underpinned by increased levels of remote working, service providers will continue to adopt satellite solutions to meet the significant growth in demand.

The Group remains well-positioned to benefit from the recovery of the global economy and the continued growth of its target, DOS market. As worldwide COVID-19 vaccination programmes have their desired effect and demand begins to normalise, Global Invacom's products will continue to play a significant role in meeting the continued growth in demand for data and connectivity.

Board Composition

Following Basil Chan's decision to step down from the board of directors (the "Board") in June 2020, we were pleased to confirm the appointment of Wayne Porritt in October 2020. Mr Porritt replaced Mr Chan as an Independent Director. Having previously held various directorship and advisory roles in corporate and non-profit organisation, including Standard Chartered Bank, Bank of America, Société Générale and Ernst & Young, Mr Porritt brings a wealth of experience to the Board.

In December 2020, the Company announced that after seven years with the business, Matthew Garner had stepped down as Chief Financial Officer ("CFO") and as a member of the Board in order to pursue other business interests. The Board has no current intention to appoint a new CFO and the Group's joint Financial Controllers, Wendy Isabel Wong and Andrew Martin have jointly assumed the overall responsibility for the Group's financial function.

Tony Taylor, Executive Chairman of Global Invacom, commented:

"2020 was a uniquely challenging year for Global Invacom and on behalf of myself and the board, I would like to thank our teams around the world for not only keeping the business running, but also helping to deliver another profitable year for the Group.

Despite the many headwinds faced during 2020, our strategic direction remains unchanged, and, whilst early in the year, we are well positioned for a constructive 2021, as the global economy recovers and the demand for uninterrupted connectivity and data expands."

Financial Review

Revenue for the 12 months ended 31 December 2020 (“FY2020”) decreased 23.4% to US\$103.1 million from US\$134.5 million the previous year (“FY2019”). Revenue of US\$50.3 million for the second half year ended 31 December 2020 (“2H FY2020”) was 19.6% lower than the corresponding period in 2019 (“2H FY2019”).

Geographically, Group revenue for FY2020 decreased in America and Europe by US\$24.4 million (-26.1%) and US\$7.3 million (-23.4%), respectively, offset by an increase in Rest of the World (“RoW”) by US\$0.2 million (+3.7%). Revenue for Asia remained constant in the comparative period. Revenue for 2H FY2020 decreased in America, Europe and Asia by US\$8.1 million (-19.5%), US\$4.3 million (-26.8%) and US\$0.8 million (-26.2%), respectively, offset by an increase in RoW by US\$0.9 million (+43.8%) compared to the prior year.

The decrease in revenue, offset by a more profitable product mix, manufacturing efficiencies and cost reduction programs, resulted in a 6.8% increase in gross profit for FY2020 to US\$25.7 million compared with FY2019 of US\$24.1 million.

Administrative expenses decreased to US\$23.0 million in FY2020 from US\$27.4 million in FY2019, due to reduction in travelling, marketing and trade shows during this pandemic period. Excluding the one-off compensation and restructuring costs for the closure of the Shanghai manufacturing facility and restructuring process in the UK based facilities in both FY2020 and FY2019, the administrative expenses would be US\$22.5 million and US\$23.2 million, respectively.

In the year ended 31 December 2020, the Group recorded a net profit of US\$2.6 million (FY2019: US\$12.3 million net loss). Reversing the one-off costs for the Shanghai planned closure, impairment of goodwill and receivables, would give the Group a net profit of US\$4.0 million in FY2019.

The Group recorded a net increase in cash and cash equivalents amounting to US\$2.3 million in FY2020 bringing cash and cash equivalents per the consolidated statement of cash flows to US\$11.3 million as at 31 December 2020. Overall net cash in the Group, combining cash and cash equivalents against borrowings, improved by US\$7.4 million in FY2020.

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About Global Invacom Group Limited

Global Invacom is a fully integrated satellite equipment provider with sites across Singapore, China, Indonesia, Philippines, Malaysia, Israel, UK and the US. Its customers include satellite broadcasters such as Sky Group of the UK and Dish Network of the USA and Data over Satellite providers including Hughes Network Systems, Viasat and Gilat Satellite Networks.

Global Invacom provides a full range of satellite ground equipment including antennas, LNB receivers, transceivers, fibre distribution equipment, transmitters, switches, and video distribution components, as well as manufacturing services for the defence and healthcare sectors. The Group is the world's only full-service outdoor unit supplier.

Global Invacom is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and its shares are admitted to trading on the AIM Market of the London Stock Exchange.

For more information, please refer to www.globalinvacom.com.