



**NERA TELECOMMUNICATIONS LTD**

**3Q 2017 Results Presentation  
November 6, 2017**

- Financial Highlights (Continuing Operations)
- Recent Developments
- Outlook & Strategies
- Q&A



# FINANCIAL HIGHLIGHTS

NERA

# KEY FINANCIAL HIGHLIGHTS

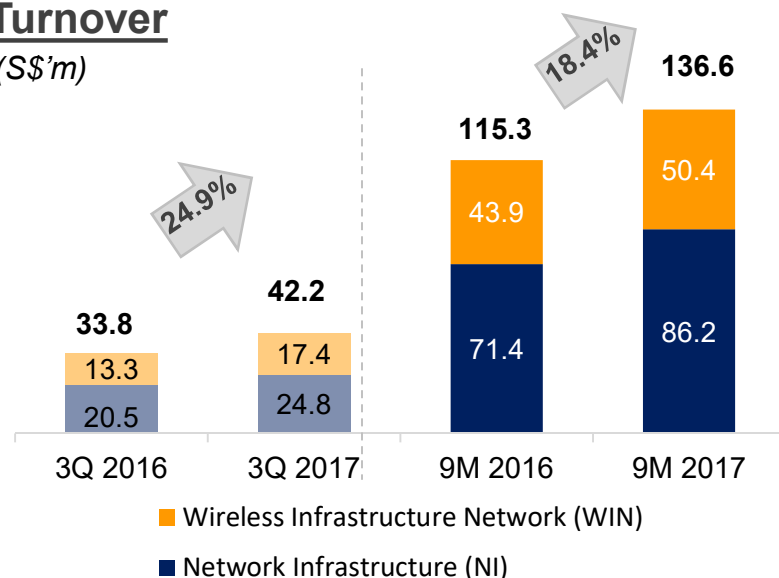
## CONTINUING OPERATIONS



Nera Telecommunications Ltd

### Turnover

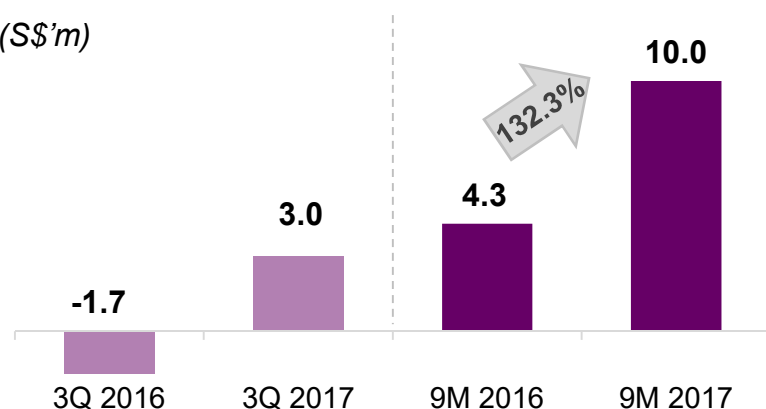
(S\$m)



- 9M 2017 turnover rose 18.4% due to stronger performance in both segments
  - NI: 20.7% growth
  - WIN: 14.7% growth
- 9M 2017 gross profit increased by 18.2% to S\$35.1 million compared to S\$29.7 million in 9M 2016
  - In line with higher turnover
  - GPM maintained at 25.7%

### Profit Before Tax

(S\$m)



- 132.3% growth for 9M 2017 profit before tax
  - Higher gross profit, write-back for doubtful debts
  - Lower forex loss
  - Lower interest expenses and depreciation

# KEY FINANCIAL HIGHLIGHTS

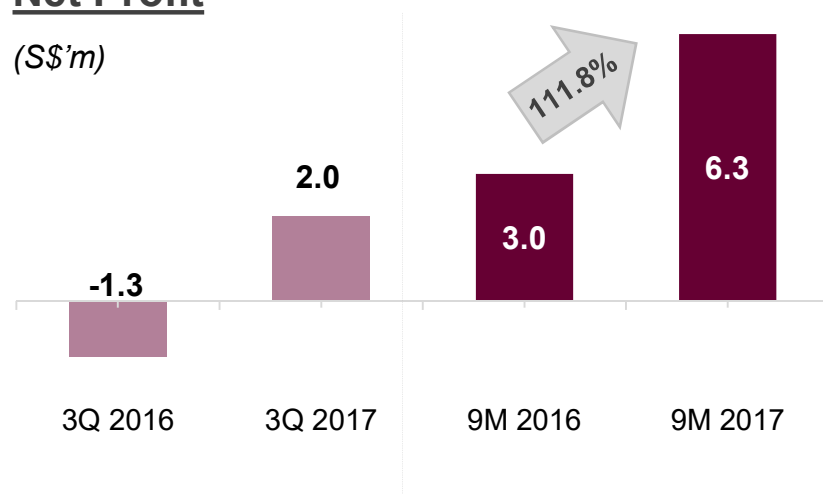
## CONTINUING OPERATIONS



Nera Telecommunications Ltd

### Net Profit

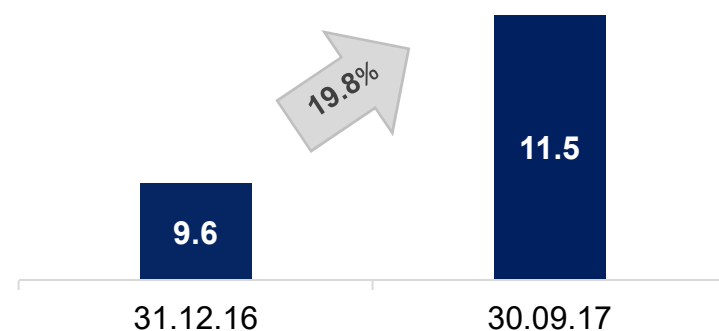
(S\$m)



- 111.8% growth for 9M 2017 profit after tax
  - Higher gross profit, write-back for doubtful debts
  - Lower forex loss
  - Lower interest expenses and depreciation
  - Partially offset by higher tax expense

### Total Borrowings

(S\$m)



- Increase in bank borrowings as at September 30, 2017 was for project financing

# KEY FINANCIAL HIGHLIGHTS

## Continuing Operations

S\$'m	3Q 2017	3Q 2016	Change (%)	9M 2017	9M 2016	Change (%)
Turnover	42.2	33.8	24.9	136.6	115.3	18.4
Gross Profit	12.0	6.4	89.1	35.1	29.7	18.2
Gross Profit Margin (%)	28.5	18.8	9.7 <i>pt</i>	25.7	25.7	-
Total Operating Expenses	9.1	8.6	6.0	25.6	25.8	0.6
Net Profit After Tax	2.0	(1.3)	nm	6.3	3.0	111.8
Net Profit Margin (%)	4.7	(3.9)	8.6 <i>pt</i>	4.6	2.6	2.0 <i>pt</i>
Basic and Fully Diluted EPS (SGD Cents)	0.55	(0.36)	nm	1.73	0.82	111.0
NAV/Share (SGD Cents)	September 30, 2017			December 31, 2016		
	18.58			18.31		

# KEY FINANCIAL HIGHLIGHTS

## Continuing Operations

S\$m	September 30, 2017	December 31, 2016
Current Assets	148.5	137.6
Current Liabilities	86.3	69.8
Net Current Assets	62.2	67.8
Total Assets	153.9	143.2
Total Liabilities	86.7	76.9
Total Borrowings	11.5	9.6
Cash and Bank Balances	19.2	22.8
Net Cash	7.7	13.2

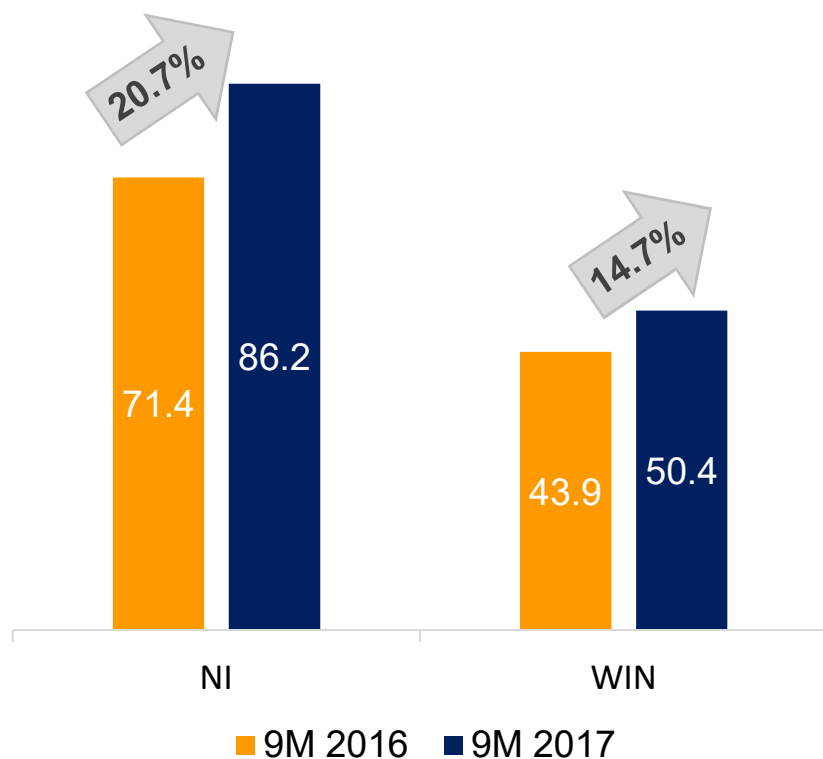
# KEY FINANCIAL HIGHLIGHTS

*Business Segments*

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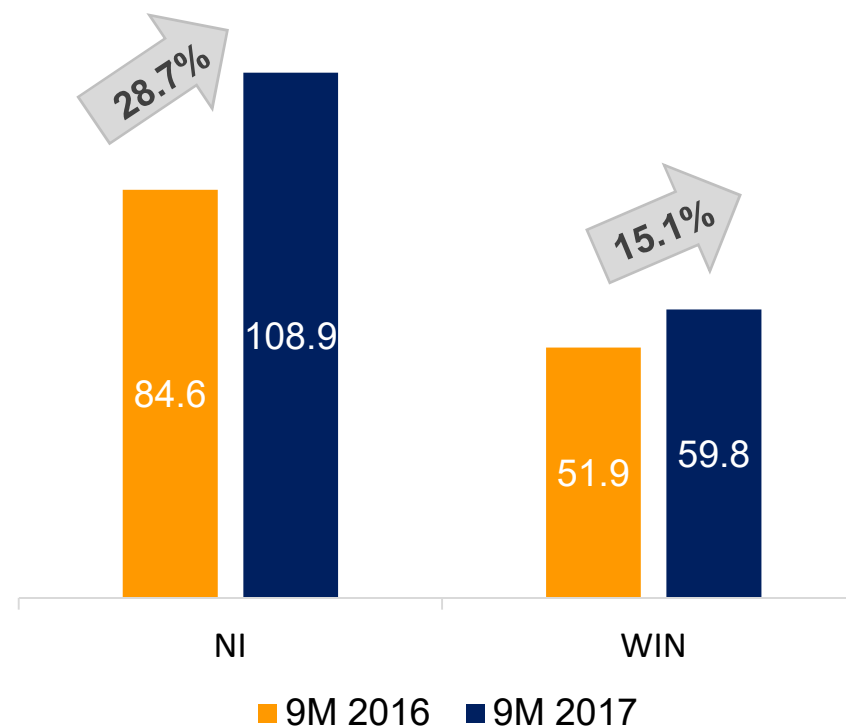
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## Turnover (S\$m)



## Order In-Take (S\$m)

Total 9M 2017 Order-In-Take:  
**Up 23.5% to S\$168.7M**





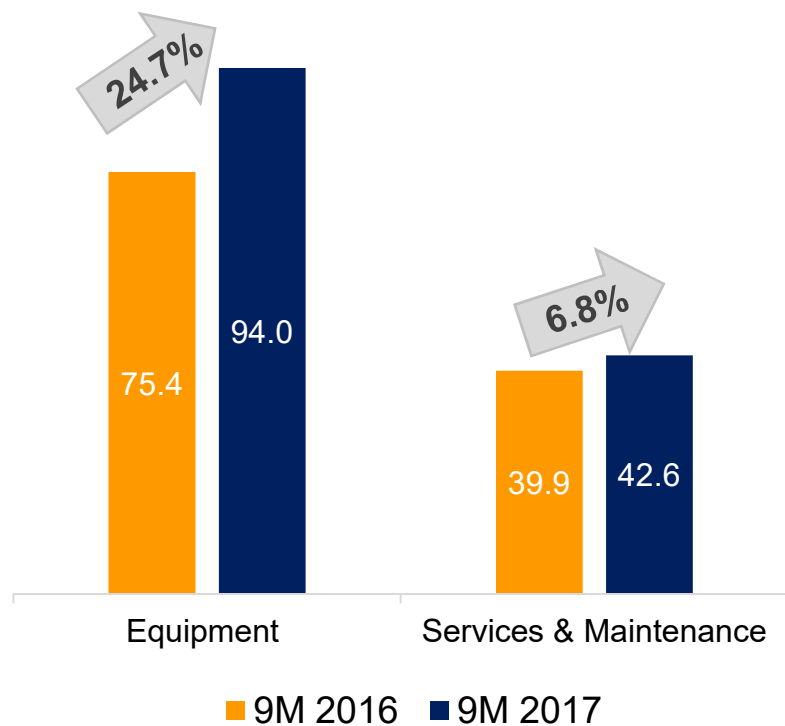
# KEY FINANCIAL HIGHLIGHTS

*Breakdown By Nature*

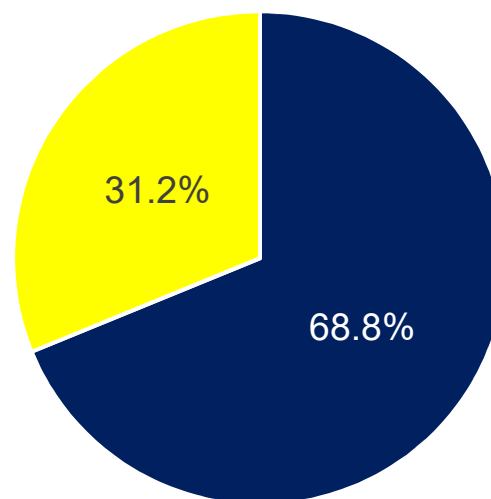
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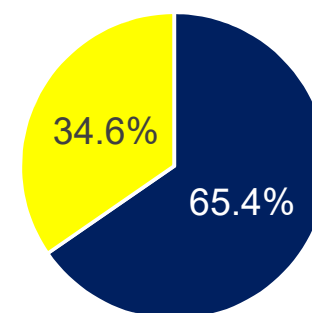
## Turnover (S\$m)



## 9M 2017



## 9M 2016



■ Equipment  
■ Services & Maintenance

# KEY FINANCIAL HIGHLIGHTS

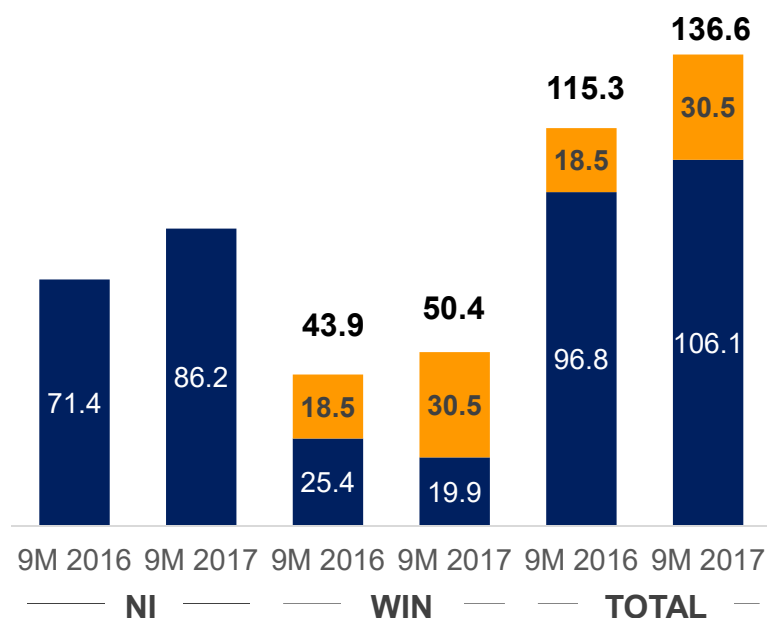
## Turnover By Region



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### Turnover (S\$m)

■ Southeast Asia & Others ■ Middle East & Africa



- In 9M 2017, NI segment turnover increased by 20.7% Y-o-Y from higher turnover from Service Provider markets in Singapore, Indonesia, Philippines and Australia
- In 9M 2017, WIN segment turnover increased by 14.7% Y-o-Y
  - Middle East and Africa region increased by 64.9% Y-o-Y
  - SEA and others region decreased by 21.7% Y-o-Y
- Overall, total turnover from SEA and others region, as well as the Middle East and Africa region increased by 9.6% and 64.9%, respectively

# RECENT DEVELOPMENTS

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*New Contract Wins (2017)*

## NI

☐ **Order In-Take: S\$108.9m**

☐ August: S\$7.0m information system communication network equipment contract from Government entity in the Philippines

☐ April: S\$7.15m security application equipment contract from leading Telco in the Philippines

☐ April: S\$19.9m IP Network Equipment contract from Singapore's leading Service Providers

## WIN

☐ **Order In-Take: S\$59.8m**

☐ S\$7.9m Transmission Equipment contract from North African operators for 4G rollout

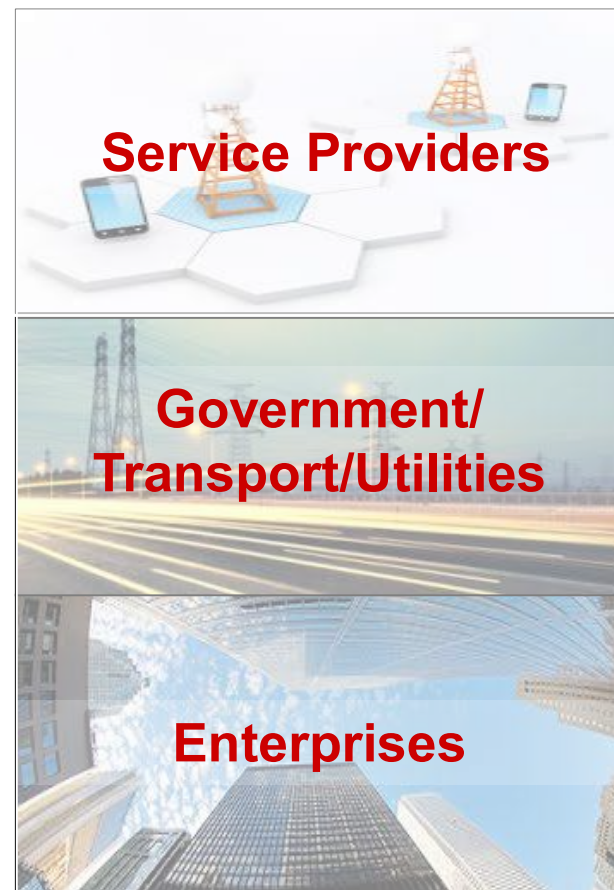
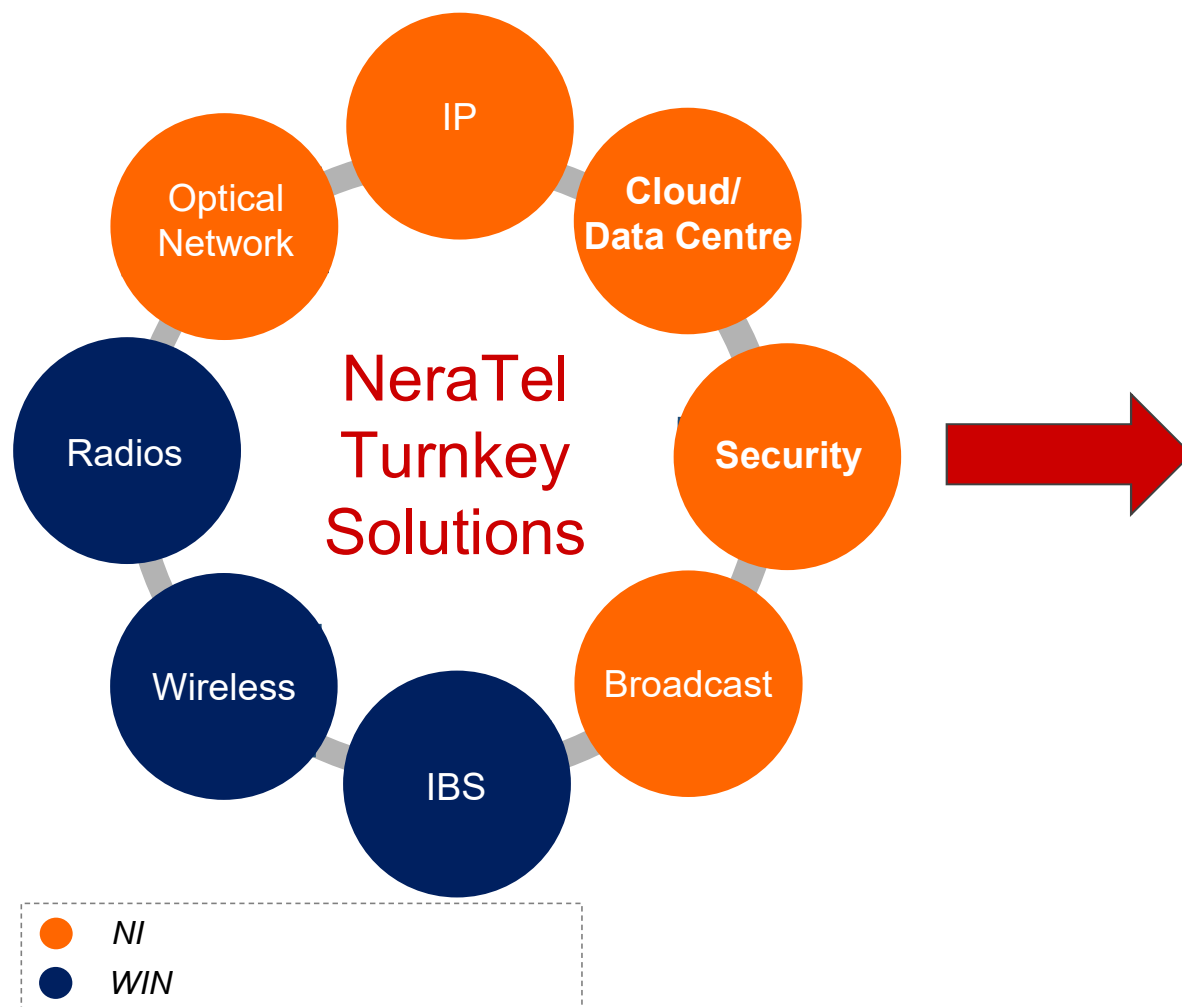
- Repeat 'Grade A' customers
- Testament of NeraTel's value proposition and capabilities to provide turnkey solutions
- Total order in-take lifted to S\$168.7 million

*All order book figures are as at 9M 2017*

# OUTLOOK & STRATEGIES

# TURNKEY SOLUTIONS

We are a **global solution provider** and we provide **technological solutions** to **ease our customers' pain points**, help them **transform**, and **grow** their business



## What Makes NeraTel Different

- 1** Global Footprint
- 2** 4 decades of established track record
- 3** One of region's largest team of certified professionals
- 4** End-to-end capabilities to provide turnkey solutions

## What This Means For Customers

- Value Creation
- Peace of Mind
- Complex solutions delivered accurately
- Competitive
- Reliable



## Mobile Data Traffic

**7<sub>x</sub>**

Global mobile data  
traffic growth (2016-2021)

**47%**

Global mobile data  
traffic CAGR (2016-2021)



## Cybersecurity

**>US\$ 1T**

Cybersecurity spending  
(2017-2021)

**7.8%**

Cybersecurity spending  
CAGR (2017-2021)



## Cloud Computing

**US\$ 162B**

Cloud computing spending  
(2020)

**19%**

Cloud computing spending  
CAGR (2017-2021)



- Reap synergies from complementary businesses to offer turnkey solutions to clients
- Grow recurring Service & Maintenance revenue stream for sustainable long-term growth

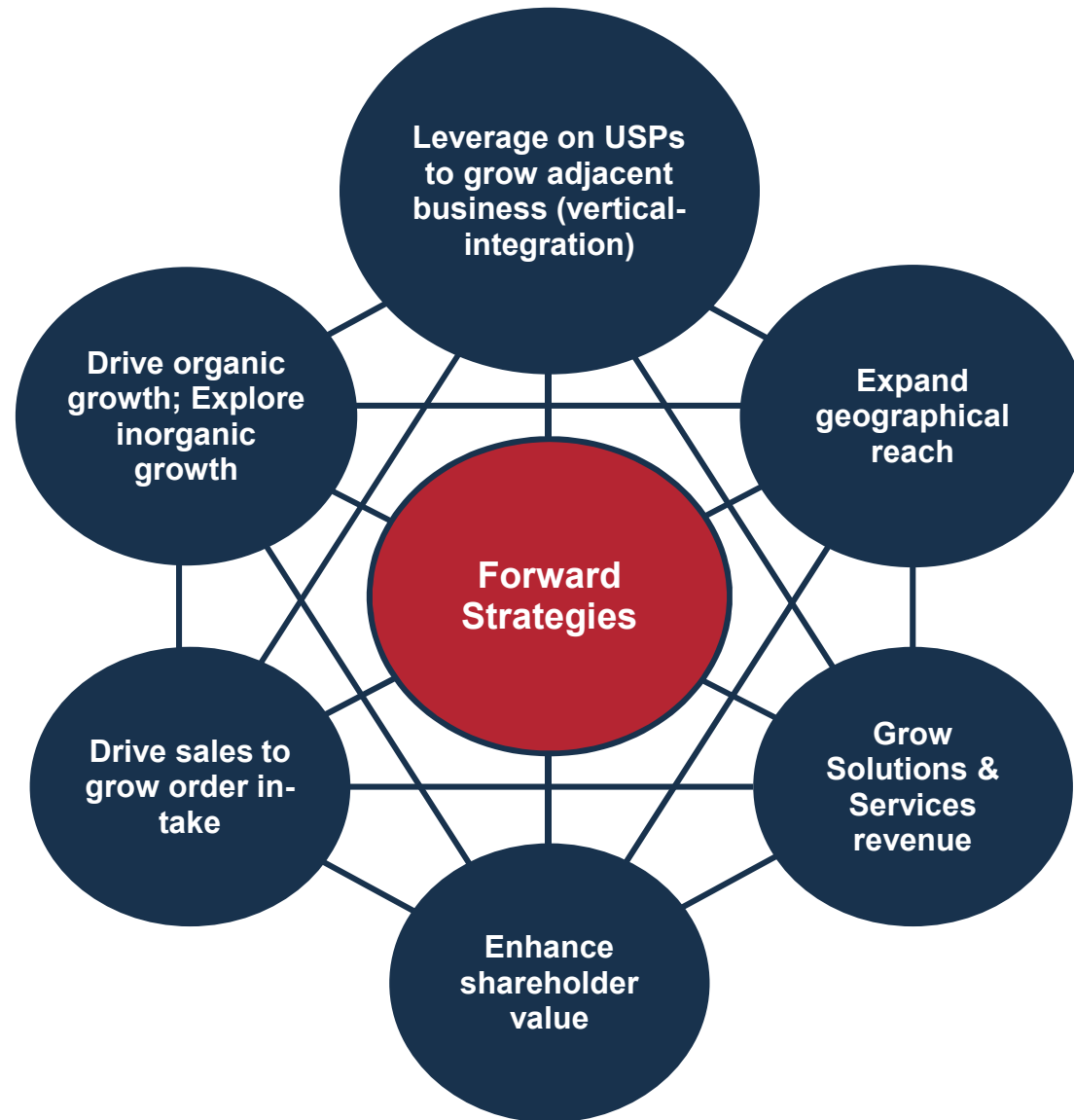
## Network Infrastructure

- Network Security
- Data Centre/Cloud

## Wireless Infrastructure Network

- Capitalise on proliferation of data and demand from telcos to upgrade network
- Continue to provide a comprehensive suite of wireless solutions to meet the demands of our customers

# Key Strategic Initiatives



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**THANK YOU**