

GLOBAL INVACOM

Q1 FY2019 Results Briefing



global invacom
completing the picture

Agenda

- **About Us**
- **Corporate Highlights**
- **Q1 FY2019 Financial Review**
- **Outlook**
- **Q&A**

About Global Invacom

- Uniquely listed on the Mainboard of the Singapore Exchange and the AIM Market of the London Stock Exchange.
- One of seven companies worldwide involved in the design, development, production and supply of satellite communications solutions to the world's largest satellite broadcasters and Data Over Satellite (“DOS”) providers.
- World's only full-service outdoor unit supplier for both satellite broadcasters and Data Over Satellite (“DOS”) providers.
- One of the world's only designers and manufacturer of both electronics and antenna solutions.
- Currently has 82 patents, with 38 pending applications.



Corporate Highlights

New Contracts for Direct-To-Home Satellite Outdoor Units

Wholly owned Malaysian subsidiary Global Invacom Sdn. Bhd. has secured new contracts to supply Direct-To-Home Satellite Outdoor Units to a major Asian Satellite Service Provider

1. Contracts worth a total of US\$6 million
2. Expected contribution to the Group's financial performance for FY2019

For more information, please refer to the SGX announcement dated 7 May 2019.

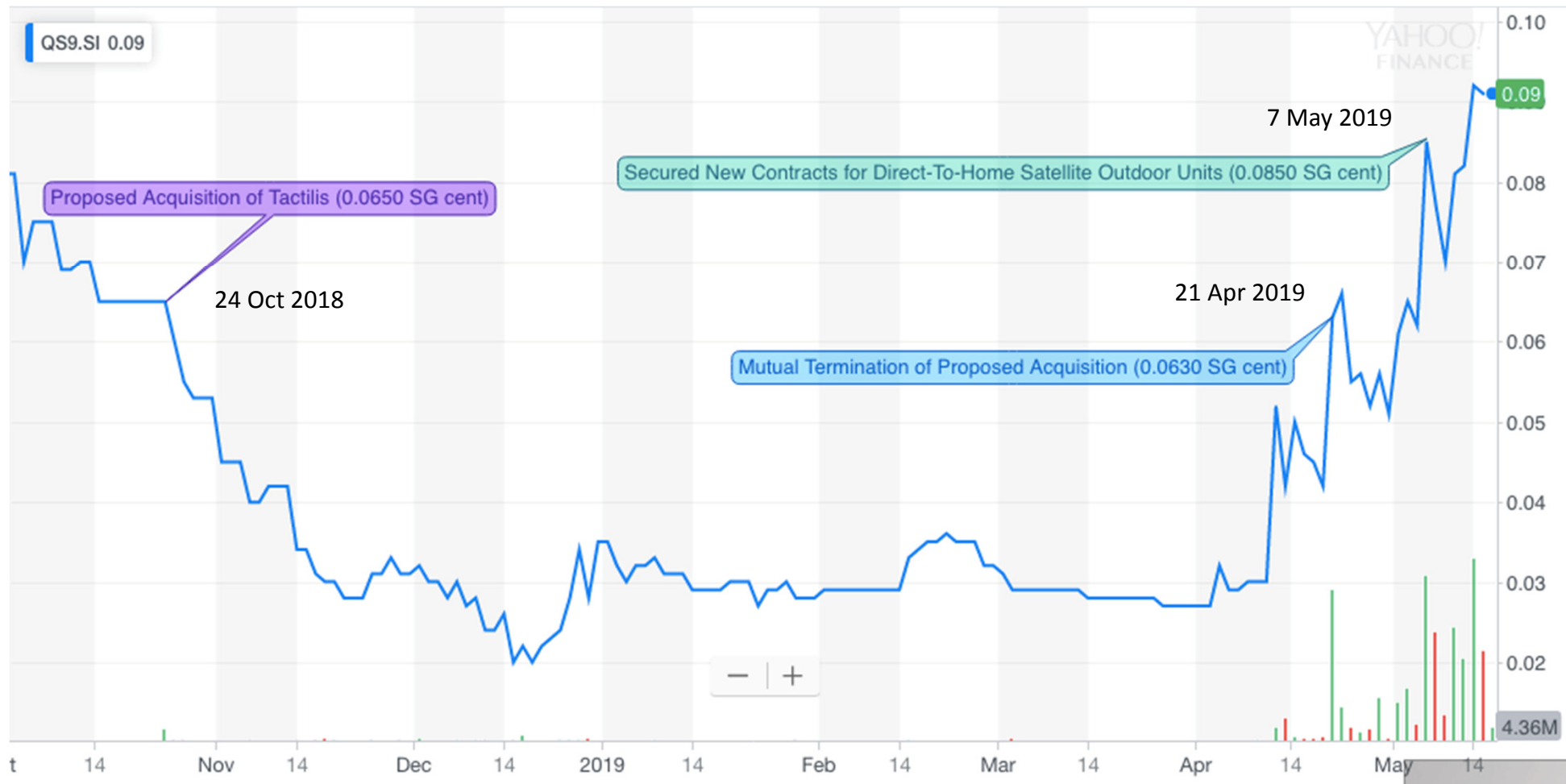
Termination of Proposed Acquisition of Tactilis

Global Invacom and the Vendor have decided to mutually terminate the Proposed Acquisition, due to difficulties in fulfilling all of the Conditions Precedent in the sale and purchase agreement ("SPA").

1. Both Global Invacom and the Vendor mutually waive the Break Fee of US\$20 million under the SPA
2. All fees, costs and expenses incurred will be borne equally by both sides; the portion advanced by the Group on behalf of the Vendor will be fully reimbursed on or before 16 July 2019

For more information, please refer to the SGX announcement dated 21 April 2019.

Share Price Movement



Milestones

Year	Milestone
1985	Formation of Global Communications Sold RF multiswitches
2010	Obtained controlling interest in Radiance Group Manufacture of DTH electronics, fibre and peripherals
2012	Completed RTO, and acquisition of Waveguide Solutions Design and manufacture of waveguides and antennas
2014	London AIM listing, and acquisition of Foxcom Manufacture of two-way fibre secure satellite, radio and telephony equipment
2015	Acquisition of Skyware Global Major move into DOS and DTH antennas
2016	Consolidated China manufacturing sites
2017	Slimline's LNB (gen 3 DCSS) live video streaming
2018	Acquisition of Skyware Technology assets and development team Design and manufacture of DOS electronics

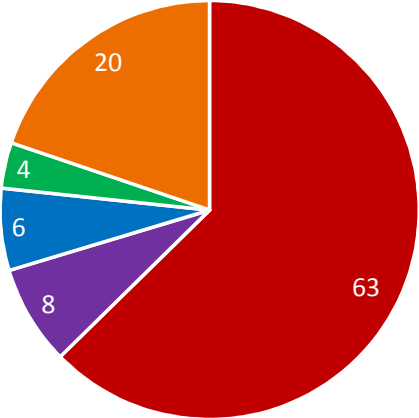
Recent Developments

Date	Development
12 July 2018	Launches Hangar Repeater Solution that enables 24/7 avionics testing of Inmarsat, Iridium and GPS satellite signals indoors
5 Sep 2018	Acquires assets with IP, R&D team and inventory from Skyware Technologies to offer the total DOS terminal solution
October 2018	Launches Western Arc Slimline LNB, with exclusive shipments to a major U.S. customer till end of Q1 FY2019
December 2018	Commences shipment of Eastern Arc Slimline LNB to the same customer
6 Mar 2019	Global Skyware makes first shipment of fully integrated and cost-effective VSAT, FiberGo
14 Mar 2019	Partners with Edgewater Wireless to further develop live, high quality and large-scale event video streaming technology Broadcast WiFi

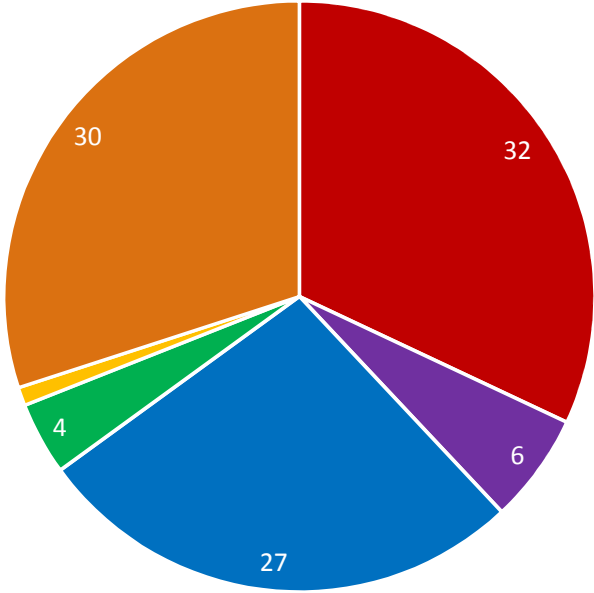
Customer Split: 2012 & 2018

2018 Sales: US\$122m

2012 Sales: US\$60m



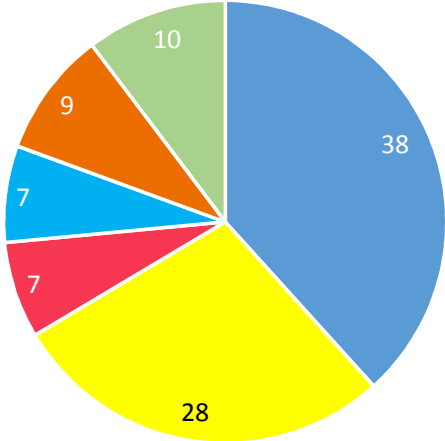
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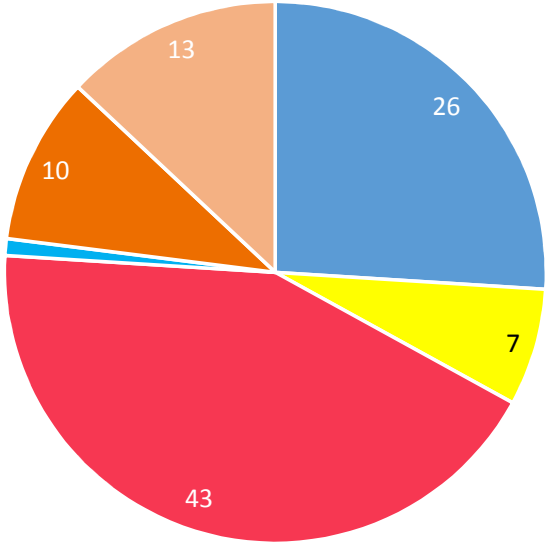
Product Split: 2012 & 2018

2012 Sales: US\$60m



- LNB's
- Switches
- Antennas
- DOS Electronics
- Fibre
- Other

2018 Sales: US\$122m



- LNB's
- Switches
- Antennas
- DOS Electronics
- Fibre
- Other



**Q1 FY2019
Financial Review**

Q1 FY2019 Key Financials

US\$'000	Q1 FY2019	Q1 FY2018	Change (%)
Revenue	38,293	28,925	32.4
Gross Profit	7,759	6,088	27.4
Gross Profit Margin	20.3%	21.0%	(0.7 ppt)
Net Profit after Tax	741	326	127.3
Diluted Earnings Per Share (US cents)	0.27	0.12	125.0
NAV Per Share (US cents)	21.04	20.84 ¹	1.0

¹ As at 31 December 2018

- Revenue increased 32.4% to US\$38.3m (Q1 FY2018: US\$28.9m), due to increase in orders from key customers in the UK and US
- Gross profit increased 27.4% to US\$7.8m (Q1 FY2018: US\$6.1m) in line with higher revenue
- Gross profit margin remained relatively steady at 20.3% (Q1 FY2018: 21.0%)
- Net profit after tax of US\$741,000 (Q1 FY2018: US\$326,000), in line with higher revenue

Q1 FY2019 Financial Highlights

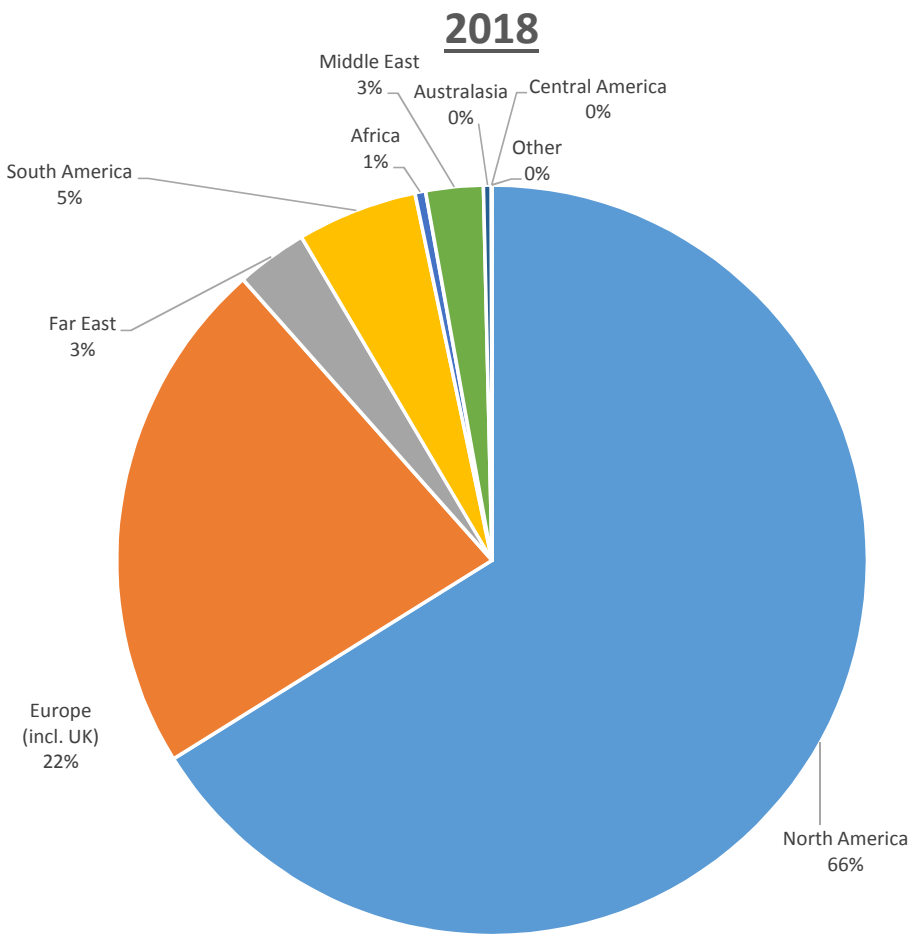
- First shipment of fully integrated and cost-effective fibre Very Small Aperture Terminal (“VSAT”) solution, FiberGo, to Asia and Americas, will distribute to the rest of the world in second half of 2019
- Increase in volume of shipments of recently launched Western Arc Slimline Low Noise Block (“LNB”) to major U.S. customer, with Eastern Arc model shipments commencing in Q1 FY2019
- Shipment of new 90 cm satellite antenna to U.S. customer as sole supplier throughout FY2018, with shipments on a non-exclusive basis to continue throughout FY2019 and beyond
- New revenue from Data over Satellite (‘DOS’) electronics products with the acquisition of assets and the R&D function of Skyware Technologies

Q1 FY2019 Financial Highlights

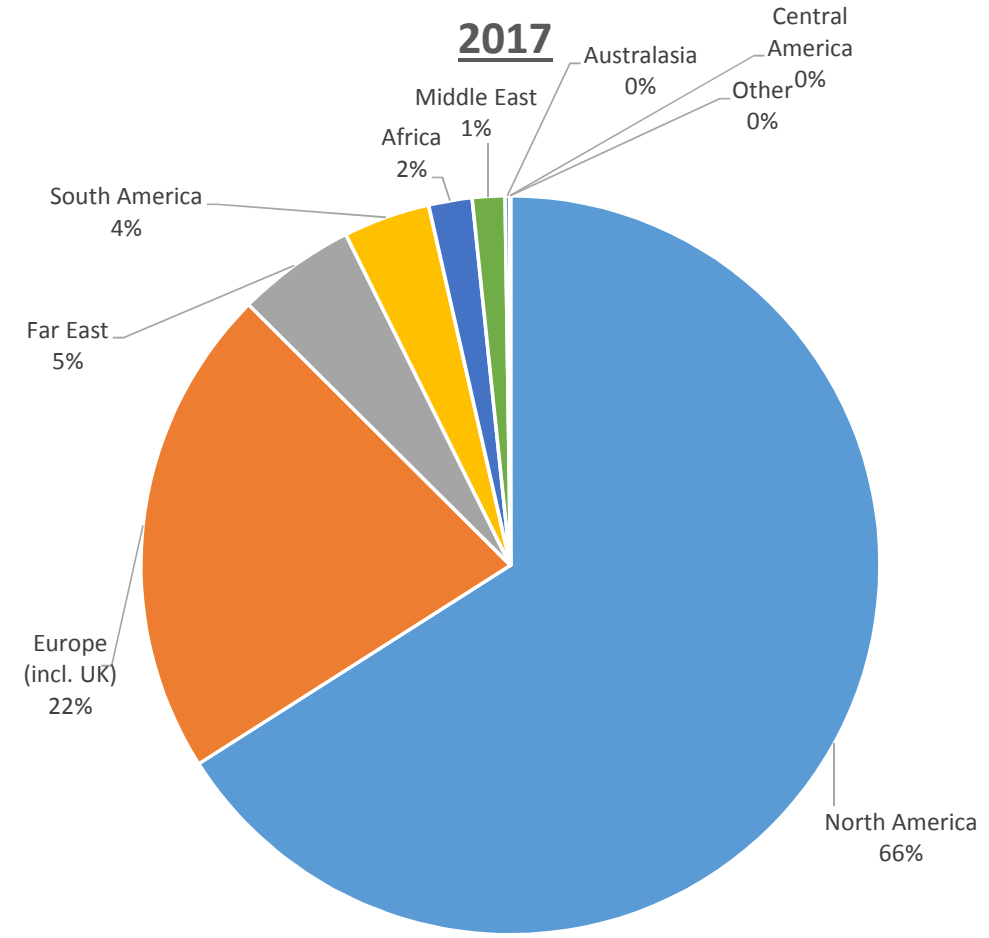
- Gross margin dipped slightly (Q1 FY2019: 20.3%; Q1 FY2018: 21.0%) as a result of variation in product mix
- Administrative expenses increased (Q1 FY2019: US\$6.3m; Q1 FY2018: US\$5.4m) due to continued emphasis on R&D and recognition of a full quarter of costs from Data Over Satellite electronics sites acquired in Q3 FY2018
- Other administration costs arose from increase in depreciation with additions in machinery and professional fees incurred from proposed acquisition of Tactilis
- US\$1.6 million net cash used in investing activities, attributable to purchase of machinery and equipment and investment in convertible notes in Tactilis

Revenue Breakdown: Geographical

2018



2017





Outlook

Industry Outlook

There is a continued focus world wide on DOS development and distribution. This includes the ongoing development for 5G which incorporates satellite technology within its proposed distribution backbone as well as the increased requirement for internet access everywhere. The Group is reviewing the potential benefits of Mid Earth Orbit (“MEO”) and Low Earth Orbit (“LEO”) satellite constellations.

The trade tension between the US and China continues to affect markets worldwide. The Group is reviewing its internal processes and working with affected end customers to limit the impact of the higher tariffs imposed.

Group Outlook

During the satellite broadcasting industry's transition to DCSS products, the Group will continue to focus on R&D to address customer preferences while striving to improve product performance and increase cost savings from more efficient operations and smaller form factors requiring less raw materials.

The improved product line arising from R&D will help capture the increasing demand for LNBS, transceivers and antennas, especially in the US.

THANK YOU / Q&A

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