GLOBAL INVACOM

FY2017 Annual General Meeting

global invacom
completing the picture

AGM Agenda

- **Corporate Highlights**
- **Financial Review**
- **IR Activities**
- **Outlook**
- **Q&A**

1 Corporate Highlights



Corporate Highlights

Date	Milestone
11 May 2017	Israeli subsidiary, Foxcom, ships world's first iridium/GPS repeater for aircraft hangars
17 May 2017	Malaysia recognises Global Invacom's Fibre Integrated Reception System for nationwide rollout
23 Aug 2017	Live test of new technology in the U.K. that permits high-quality, large-scale live streaming over WiFi
6 Sep 2017	Receives approval from U.S. satellite TV broadcaster to supply triple-feed DCSS LNBs to western U.S. region; begins delivery the same month
31 Jan 2018	Incorporates Global Invacom Japan to drive business opportunities in Asia and Australasia; rebrands U.K. waveguide subsidiary as Global Invacom Waveguide

Key Developments

Turnaround of U.S. and Israeli operations

- U.S. operation, Global Skyware (acquired in August 2015), and Israeli operation, Foxcom (acquired in November 2014), each achieved their first year of profitability in over ten years

- Reflects the Group's ability to improve productivity through inter-company synergies, efficient resource allocation, lowering overheads and shifting to higher-margin product sales mix

- The Group will continue to improve performance and margins of both operations through further shop-floor enhancements, including continued capital investment as well as moving more operations in-house

Key Developments

Successful consolidation of contract manufacturing operations in China into single facility in Shanghai

- Deliberate decision in FY2016 to cease operations in Shenzhen, ahead of the decline in non-core contract manufacturing (“CM”) activity profitability
- Top line revenue dipped in FY2017 reflecting reduced CM activity previously carried out in Shenzhen but consolidation has contributed to sales efficiencies and higher margins; and
- The consolidation coincided with Group-wide supply chain efficiency improvements driven by internalising subcontracting activities

Key Developments

Digital Channel Stacking Switch (DCSS) transition

- Industry-wide replacement cycle ongoing; switch to DCSS technology allows stacking of up to 32 continuous video streams from a single LNB
- Building on the completed R&D, the Group has designed a new low-cost LNB based on a new chip design
- Uniquely positioned to offer both standard and customised antenna designs to optimise costs and performance
- DCSS transition is expected to continue throughout FY2018 and beyond

Key Developments

Continued emphasis on R&D to strengthen product pipeline

- New Western Arc Hybrid LNB launched in second half of FY2017

- New products to be launched in FY2018 include:
  - Slimline products
  - New antenna formats
  - Low-cost LNBs based on a new chip design



The Western Arc Triple (left) and Eastern Arc Twin (right) Slimline LNB prototype mounted on a dish



2 FY2017 Financial Review

FY2017 Financial Highlights

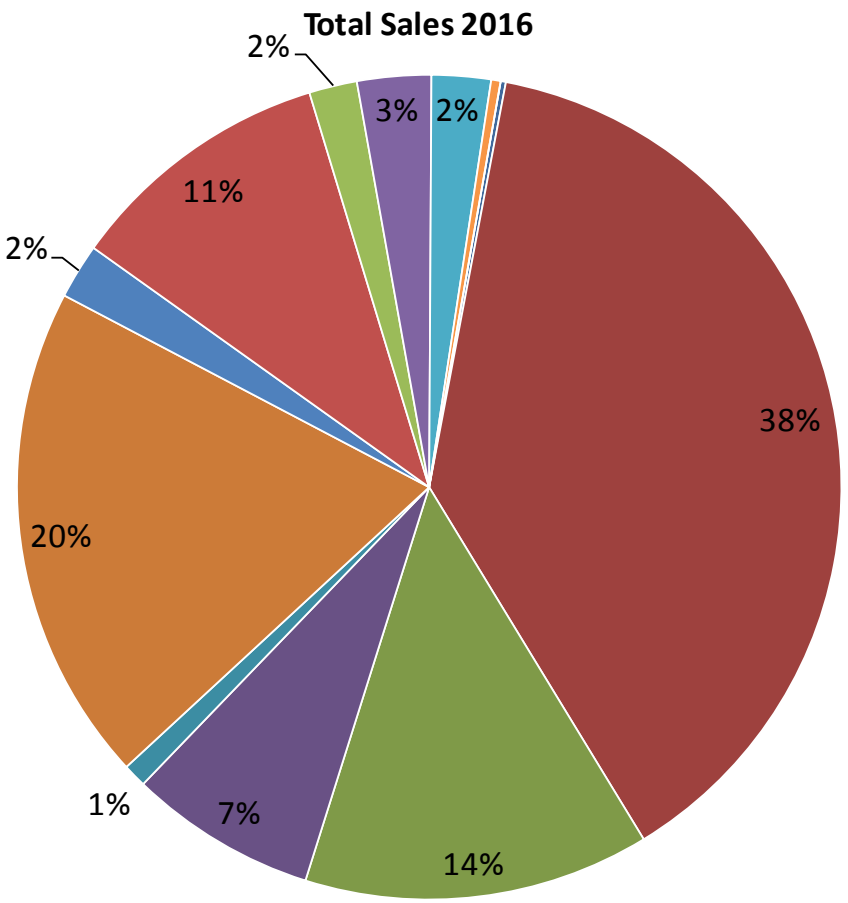
- FY2017 net profit of US$2.9 million, reversing two years of losses
- Lifted by recovery of U.S. and Israeli units – which reported first profit in over ten years – and improved global efficiencies
- Q4 FY2017 represented fourth consecutive quarter of profitability
- After consolidating two China facilities into one, global manufacturing and supply chain efficiencies are kicking in
- Significant reduction in expenses reflects synergies and improved efficiency
- Launched new products, continued expansion of global marketing activities

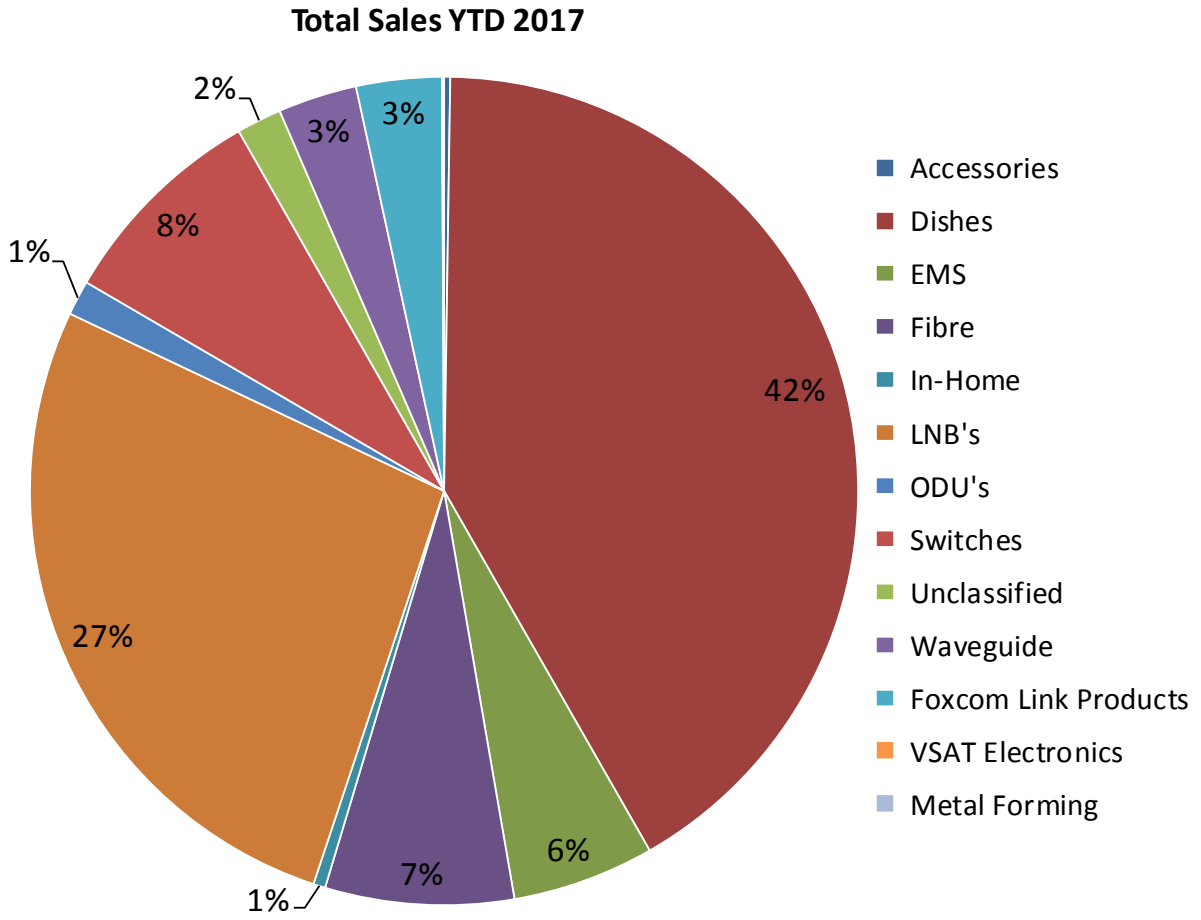
FY2017 Key Financials

US$'000	FY2017	FY2016	Change (%)
Revenue	115,706	127,308	(9.1)
Gross Profit	24,191	26,025	(7.0)
Gross Profit Margin	20.9%	20.4%	0.5ppt
Net Profit / (Loss) after Tax	2,949	(2,703)	N.M.
Diluted Earnings / (Loss) Per Share (US cents)	1.08	(1.00)	N.M.
NAV Per Share (US cents)	20.42	19.26	6.0

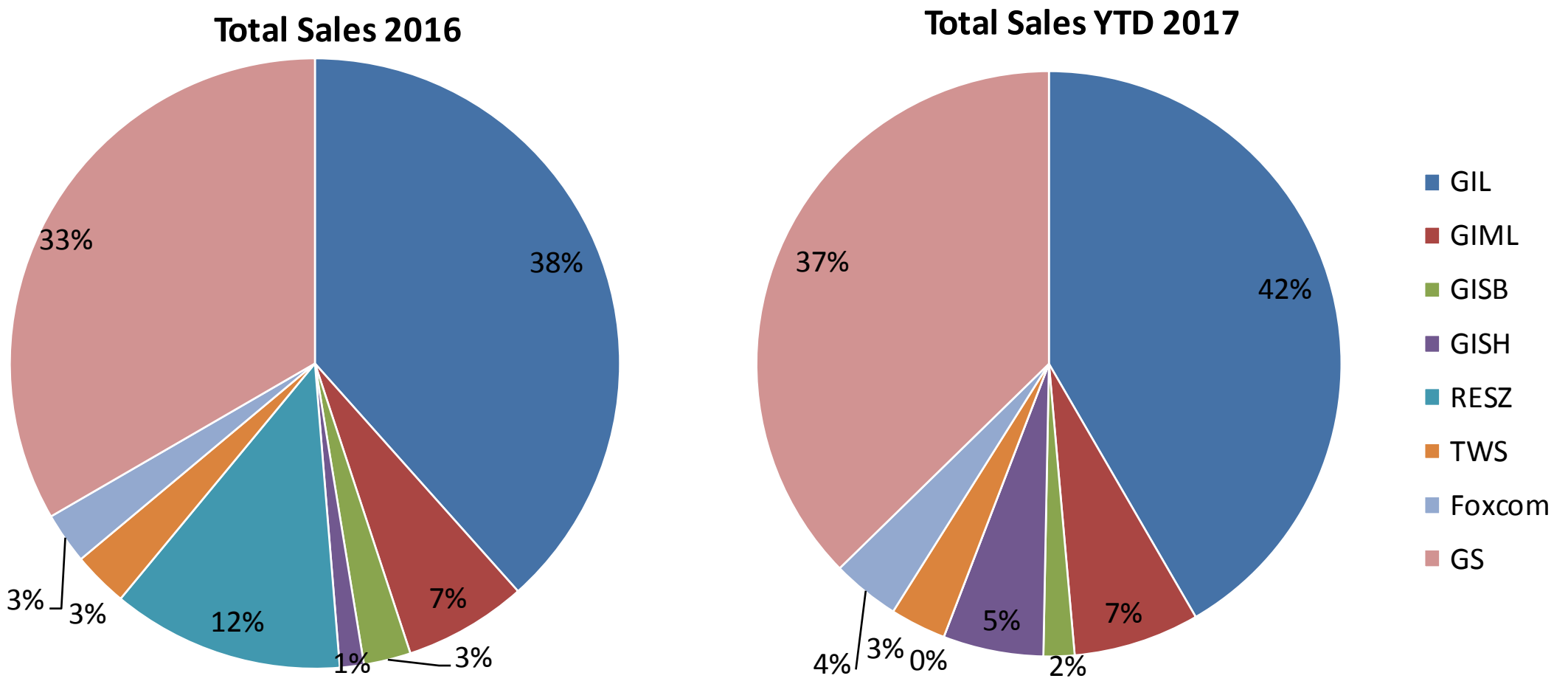
- Revenue declined 9.1% to US$115.7m (FY2016: US$127.3m), due to the reduction of CM activities previously carried out in Shenzhen
- Gross profit decreased 7.0% to US$24.2m (FY2016: US$26.0m) in line with lower revenue
- Gross profit margin improved to 20.9% (FY2016: 20.4%) underscoring Group-wide improved efficiencies
- Net profit after tax of US$2.9m (FY2016: net loss after tax of US$2.7m), reflects turnarounds in the U.S. and Israeli units, as well as global efficiencies after consolidating China operations

Breakdown: Product Segment

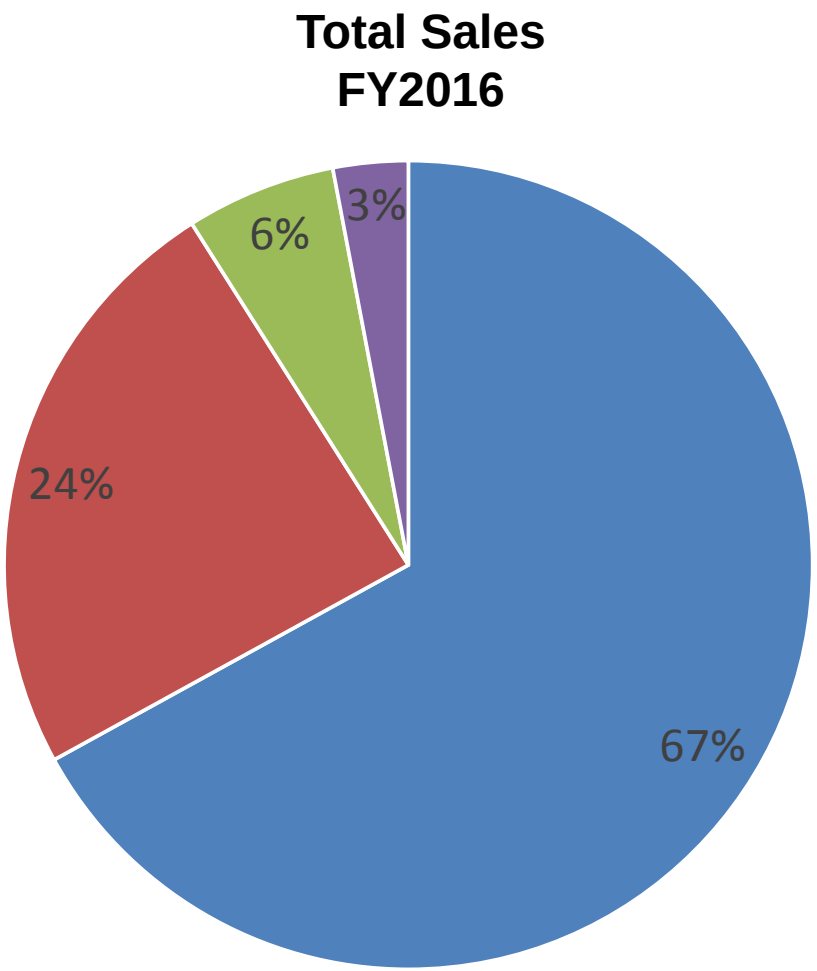


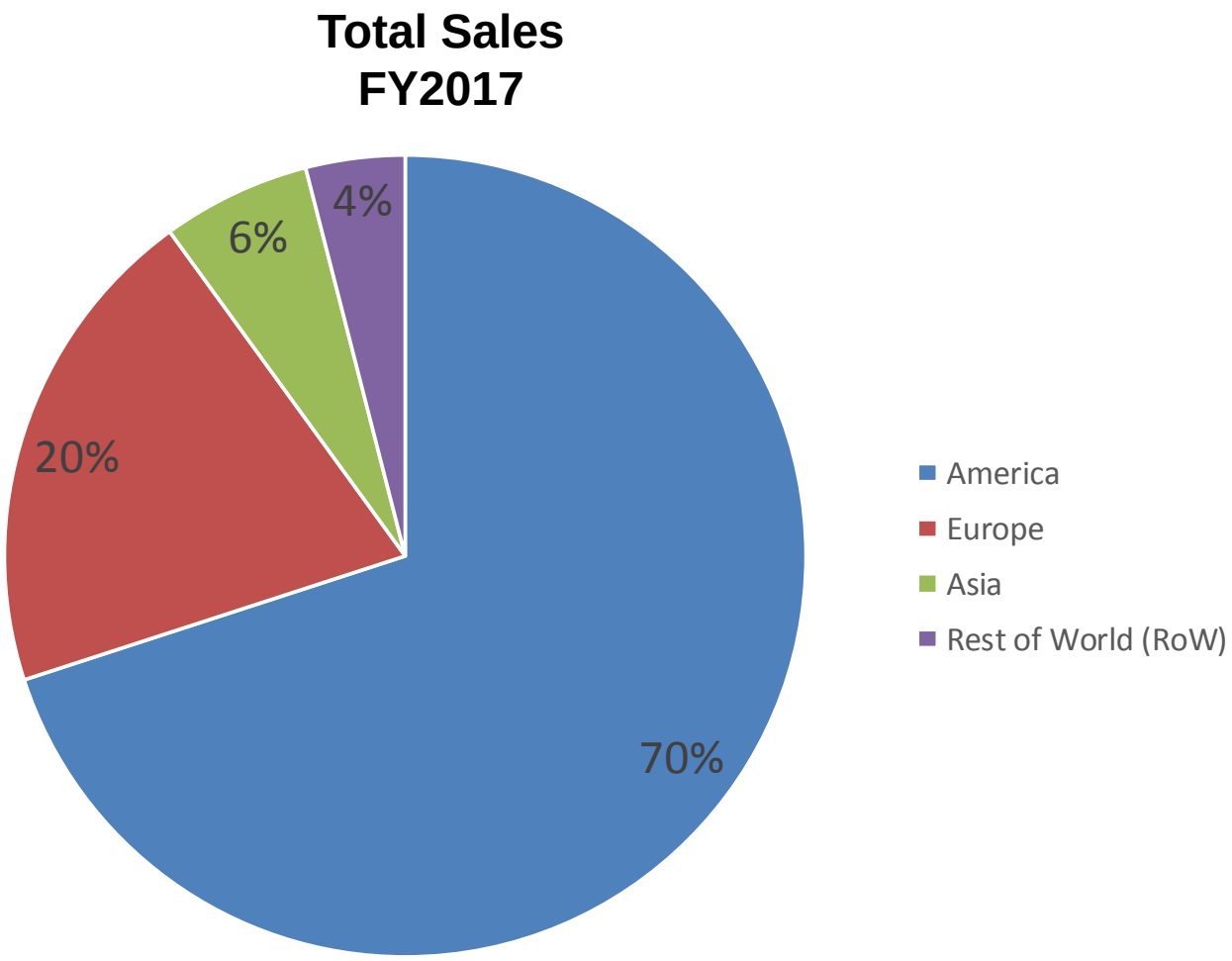


Breakdown: By Site



Breakdown: Geographical Segment







3 Investor Relations Activities

Engaging the Investor Community





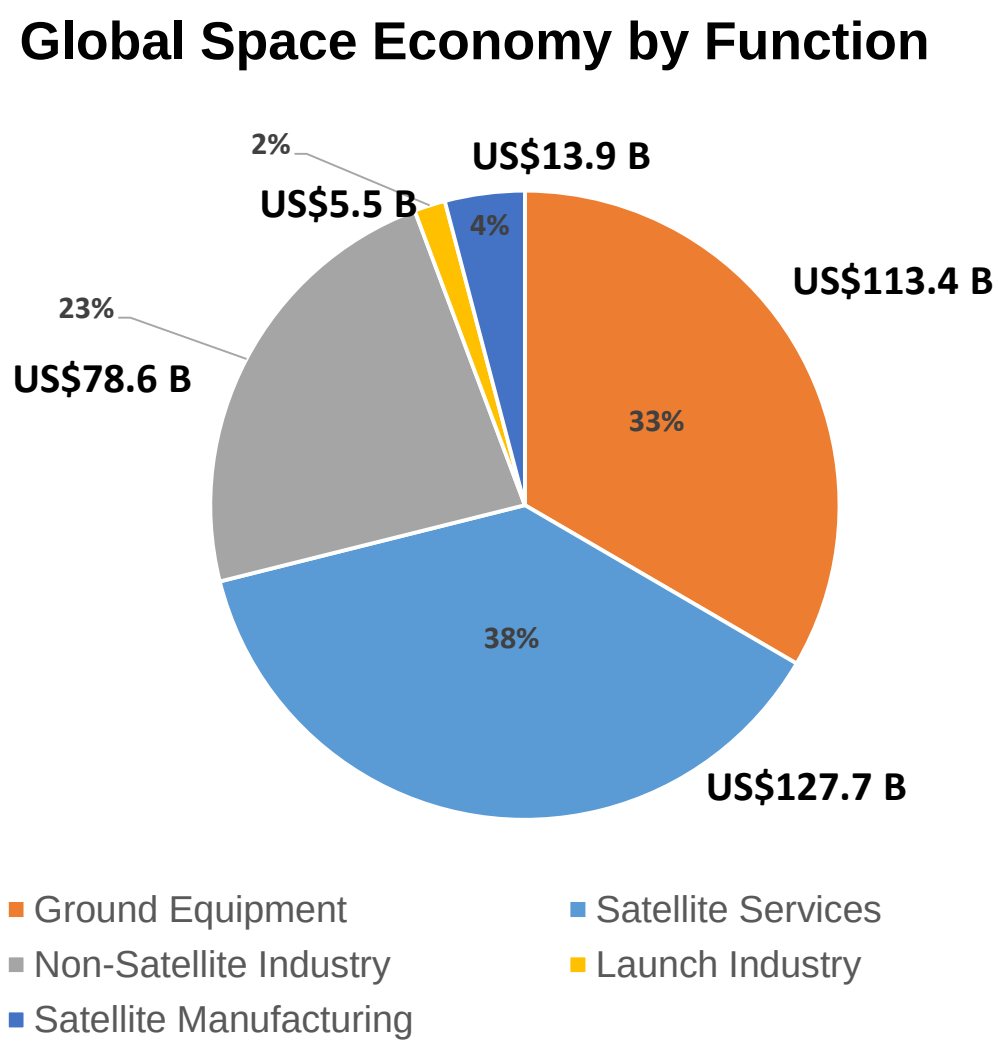
- Quarterly Results & Analyst Briefings
- Media Engagement (MONEY 89.3 FM - Radio)

MONEYFM 89.3 STAY AHEAD



4 Group & Industry Outlook

Industry Overview



Ground equipment revenues up 7% YoY

- Segmental analysis: GNSS (75%), Non-GNSS (16%) and Network (9%)
- GNSS (satellite navigation) grew 8%
- Non-GNSS (consumer equipment) grew 1% driven by satellite TV, radio, broadband and mobile
- Network (including VSAT) increased 7%
- Global space economy is worth US$339.1B (+1% YoY) with Ground Equipment accounting for 33.4%

Source: Satellite Industry Association (June 2017)

Industry Outlook

Over-The-Top (OTT) industry trend

- According to Satellite Industry Association, market for satellite ground equipment grew 2% to US$260.5 billion in 2017
- Continued demand attributed to increasing consumer appetite for higher quality video (4K and 8K) and commercial viability in remote areas
- There is an inherent cost-effectiveness of satellite provision over its cable alternative, reflecting shifting methods of disseminating an ever-growing library of video content
- Despite OTT and service bundling, broadcasters will continue to offer new services and enter new markets, leveraging on the latest innovations and technologies

Industry Outlook

Growing consumer appetite for higher bandwidth

- Sporting events such as the 2018 Football World Cup in Russia, 2019 Rugby World Cup and 2020 Summer Olympics in Japan, have garnered government and commercial attention to developing the broadcast infrastructure
- Japanese government is seeking to implement 8K in time for the 2020 Olympics, while 4K testing has already begun through the SKY Perfect JSAT satellite service
- Public and private attention has accelerated the provision of the 7680x4320 (8K) resolution, 4 and 16 times sharper than 4K and 1080p, respectively
- In January 2018, established a presence in Japan to provide services to the Group's distribution hub in Malaysia and drive business opportunities in Asia and Australasia

Industry Outlook

Bright prospects for Sat Comms equipment

- The Sat Comms equipment market* was estimated to be US$20.2 billion in 2017 and is projected to reach US$30.32 billion by 2022

- Growth (+8.46 CAGR) will be driven by demand for advanced, energy-efficient communication systems with longer lifespans, increased reliability and diverse functions

**segmented into portable SATCOM equipment, land mobile SATCOM equipment, maritime SATCOM equipment, airborne SATCOM equipment, and land fixed SATCOM equipment*

Source: Satellite Communications Equipment Market – Global Forecast to 2022 by MarketsandMarkets (April 2018)

Group Outlook

- U.S. operation will seek to enhance margins through shop-floor improvements, and a shift of sales mix towards higher-margin products
- Enlarged global footprint and consolidation of PRC operations allows the Group to benefit from cost synergies and economies of scale
- Continued emphasis on R&D; launching slimline products, new antenna formats, and low-cost Low Noise Blocks in FY2018
- Group will explore opportunities to tap demand for Sat Comms products in developing markets
- The Group has sharpened focus on its satellite ground equipment business and is well-positioned for future growth

THANK YOU / Q&A

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