



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

**Final Results for the year ended 31 December 2021**

Singapore/London, 25 February 2022 - Global Invacom (SGX: QS9) (AIM: GINV), the global provider of satellite communications equipment and electronics, announces its unaudited financial results for the year ended 31 December 2021 ("FY2021").

Notwithstanding the continued impact of the COVID-19 pandemic on global trade, the Group is pleased to report a profit for the year.

**Key financial highlights:**

- Revenue for FY2021 decreased 19.9% to US\$82.5 million (FY2020: US\$103.1 million)
- Gross profit decreased to US\$16.6 million (FY2020: US\$25.7 million)
- Net profit decreased to US\$0.6 million (FY2020: US\$2.6 million)

**Key operational highlights:**

- Ongoing demand for high-tech and reliable Data over Satellite ("DOS") and Direct to Home ("DTH") devices from stable sectors including the defence and healthcare industries
- Launched new products across all segments, bolstering the Group's portfolio and generating additional cross sell opportunities
- Granted European Space Agency funding to develop a Ka-band user terminal and a larger enterprise solution in partnership with Methera Global Communications Limited
- Successful and effective transition of R&D and office staff to remote working, however lingering global supply chain disruption continues to cause delays in delivering forward sales
- Current year likely impacted by broader macro headwinds including ongoing inflationary pressure across international shipping, wages (particularly in the U.S.) and raw materials (including steel)

The combination of ongoing COVID-19 restrictions and the well documented global supply chain issues were key features in forming the broader trading conditions for the Group throughout 2021. Management believes that, whilst demand for the Company's products will remain robust, economic headwinds, including supply shortages within the semiconductor sector, and ongoing inflationary pressure across international shipping, wages (particularly in the U.S.) and raw materials (including steel), will likely impact the performance of the business in the current financial year.

As with the prior year, and given the global nature of Global Invacom's business, the health and safety of all our staff, partners, suppliers and customers continues to be of paramount importance. Faced with these challenges, the commitment of Global Invacom's global workforce who have overcome considerable obstacles to support the business throughout the year is laudable.

Despite a reduction in customer activity, Global Invacom remained profitable for the year ended 31 December 2021, facilitated by the implementation of pragmatic cost-saving initiatives, including a reduction in marketing activity and various government grants, to mitigate the impact of the COVID-19 pandemic. The Group's prudent transition of R&D employees and office staff to remote working from 2020 have enabled our international network of teams to function efficiently throughout 2021.

During 2021, the Group focused on launching a range of innovative devices to augment its product offering across all key categories. New additions to Global Invacom's portfolio include the Optical to Optical ("O2O") converter, a Fibre to the Home ("FTTH") device designed to increase the number of subscribers that can be connected to a single dish, and Ku-Band and C-Band VSAT Radio Frequency ("RF") Block Up Converters, two new DOS products that consolidate the Group's unique position as a leading manufacturer and supplier of VSAT RF electronics, antennas and feeds.

The Group continues to ensure new products function seamlessly with existing Global Invacom devices, providing an upgraded service whilst simultaneously generating valuable cross selling opportunities. As the satellite communications industry continues to evolve and new technologies emerge, the Group is focused on leveraging its R&D capabilities to future-proof new devices. With teams based in hubs across the globe, Global Invacom's employees can rapidly respond to regulatory updates in regional markets to ensure the Group continues to develop cutting-edge competitive products.

A key long-term partnership with Methera Global Communications Limited ("Methera") and its subcontractors was announced in October 2021, where, under the Advanced Research in Telecommunications Systems programme, the Group was awarded European Space Agency funding to contribute towards the development of a low-cost Ka-band user terminal and a larger enterprise solution for use with DOS. The Company aims to deliver terminals to market in 2024 to meet the surge in demand for connectivity to non-geostationary satellite orbit ("NGSO") constellations. Significantly, Global Invacom is responsible for designing and manufacturing the fully integrated user terminal which aims to give remote and under-connected communities across the globe access to affordable satellite broadband by offering service providers and operators constellations.

More generally, O3b mPOWER plan to launch their O3b mPOWER communications system during 2022, which comprises of an initial constellation of 11 high-performance satellites, intelligent software and extensive ground infrastructure. Hughes, the global provider of high-speed satellite internet service, also indicated that their much-anticipated GEO satellite Jupiter system is currently scheduled to be launched during Q4 2022.

Globally, the normalisation of remote working across an array of sectors is a development which will benefit the Group in the medium-to-long-term, accelerating the demand for fast and reliable connectivity from businesses and consumers, as strong domestic connectivity has become essential for both work and leisure. The underlying versatility of the Group, a designer, manufacturer, and provider of satellite communications solutions, was integral to securing the partnership with Methera and will continue to provide Global Invacom with opportunities to serve the growing DOS market as well as the sizeable demand for DTH products.

## **Board Composition**

In July 2021, the Group appointed Gordon Blaikie as an Executive Director to replace Malcolm Burrell who stepped down from his roles of Executive Director and Chief Technical Officer as part of his retirement plan. Mr Blaikie has worked with Global Invacom for 10 years progressing to become the Group's Chief Operating Officer, a role he remains in alongside his new position as Executive Director of the Company. Mr Blaikie has supervised the manufacturing entities and sales functions of the Group and regularly worked closely with the Board and senior management team to streamline and enhance

the Group's operating performance. Mr Burrell remains the Group's Chief Risk Officer, overseeing the risk and sustainability management of the Group.

Concurrently, Derek Grice was appointed as the Group's new Chief Technical Officer. Mr Grice is leveraging his 35+ years of satellite product development experience and DOS market knowhow to oversee the development of new technologies and products for current and future market opportunities being addressed by the Company, as well as manage stakeholder relationships, effectively communicating technology advances and innovations.

## **Outlook**

Whilst the Company continues to see strong demand for its products, the current financial year remains challenging. Although the impact of the Covid pandemic is easing, management remains vigilant as to the financial impact of any potential future lockdowns. Elsewhere, supply shortages within the semiconductor sector, and ongoing inflationary pressure across international shipping, wages (particularly in the U.S.) and raw materials (including steel), will likely impact the performance of the business in the current financial year.

## **Financial Review**

The Group's revenue for the year ended 31 December 2021 ("FY2021") decreased by 19.9% to US\$82.5 million from US\$103.1 million in the prior year ("FY2020"). Revenue for the second half year ended 31 December 2021 ("2H FY2021") was US\$42.1 million against US\$50.3 million in the prior year ("2H FY2020"). The ongoing COVID-19 pandemic impacted the Group globally, as there have been a reduction in orders from our customers. It has also impacted the Group's production facilities around the world as working practices were adapted to comply with regional variations on social distancing guidelines during the pandemic.

Geographically, Group revenue for FY2021 decreased in America by US\$22.8 million (-32.9%) and increased in Europe, Asia and Rest of the World ("RoW") by US\$0.5 million (+2.0%), US\$0.5 million (+11.9%) and US\$1.3 million (+22.5%), respectively. Revenue for 2H FY2021 decreased in America and RoW by US\$10.1 million (-30.2%) and US\$0.9 million (-32.3%), respectively, compensated by an increase in Europe and Asia by US\$1.5 million (+13.0%) and US\$1.3 million (+59.8%), respectively, compared to the prior year.

The decrease in revenue resulted in a 35.6% decrease in gross profit from US\$25.7 million in FY2020 to US\$16.6 million in FY2021. Gross profit margin has decreased by 4.8 percentage points from 24.9% to 20.1%, mainly attributable to higher materials costs and the supply chain constraints that continue to cause disruptions to the Group.

Similarly, gross profit decreased from US\$13.4 million in 2H FY2020 to US\$7.8 million in 2H FY2021. Gross profit margin has decreased by 8.2 percentage points from 26.6% to 18.4%.

Administrative expenses, together with research and development expenses, for FY2021 decreased 9.0% to US\$20.9 million compared to US\$23.0 million in FY2020, representing 22.3% and 25.3% of revenue, respectively. The ongoing cost control measures across the Group, including a reduction in travelling and marketing activity, have resulted in lower administrative expenses being incurred. For 2H FY2021, administrative and research and development expenses decreased 16.1% to US\$10.0 million compared to US\$12.0 million in the previous year, representing 23.8% of revenue for both periods.

In 2H FY2021, the UK Group received research and development tax credits from the UK government and, coupled with deferred taxes, resulted in the Group recording a net profit of US\$1.7 million

compared to US\$2.3 million in the prior year, representing a margin of 4.1% and 4.5%, respectively. For FY2021, the Group recorded a net profit of US\$0.6 million, compared to US\$2.6 million the prior year, representing a margin of 0.7% and 2.5%, respectively.

The Group recorded a net increase in cash and cash equivalents amounting to US\$1.3 million and net decrease amounting to US\$0.5 million in 2H FY2021 and FY2021, respectively, bringing cash and cash equivalents per the consolidated statement of cash flows to US\$10.8 million as at 31 December 2021.

**Tony Taylor, Executive Chairman of Global Invacom, commented:**

*“2021 was another challenging year for Global Invacom, but, despite broader macro-economic headwinds impacting our markets, the Group delivered another profitable performance, underpinning the resilience of our business.*

*The Group’s new products and R&D efforts, alongside our partnership with Methera, demonstrate our ambitions, and we anticipate that significant further commercial opportunities will be generated over the medium term.*

*The Board and management would like to thank our dedicated team who continue to work tirelessly to help the Group across all key operations.”*

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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 U.S. 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](http://www.globalinvacom.com)

## **About Methera Global Communications Limited**

Based in Oxfordshire, UK, Methera owns a unique constellation of medium earth orbit ("MEO") satellites that enable customers to deliver ultrafast and superfast broadband satellite services to underserved areas of the world. Methera's applications enable the delivery of fibre speeds to areas of the world where it is uneconomic or impracticable to build fibre networks, with its customer base ranging from governments and telecoms companies to internet services providers.