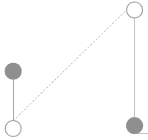




3Q/9M2018 RESULTS PRESENTATION

November 9, 2018



AGENDA

- Financial Highlights
- Recent Developments
- Outlook & Strategies
- Q&A

Nera Telecommunications Ltd

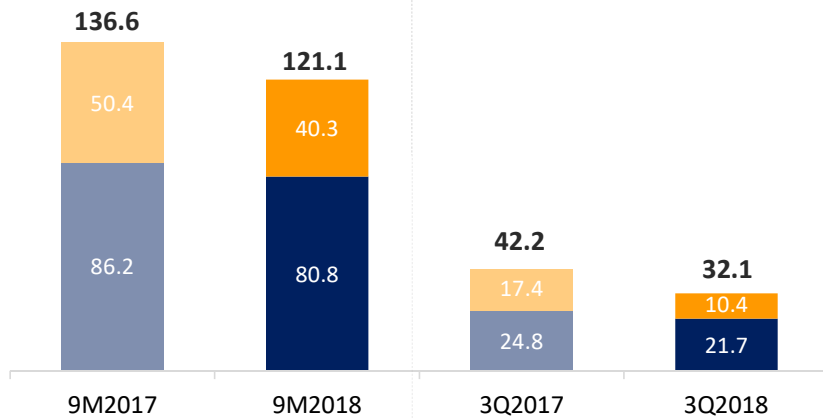
3Q/9M2018 Results Presentation

FINANCIAL HIGHLIGHTS

KEY FINANCIAL HIGHLIGHTS

Turnover

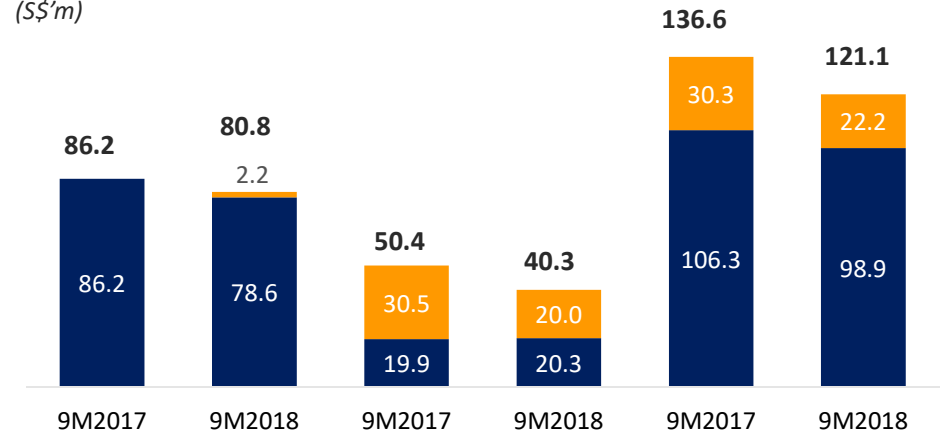
(S\$m)



■ Network Infrastructure (NI) ■ Wireless Infrastructure Network (WIN)

Turnover by Geography

(S\$m)



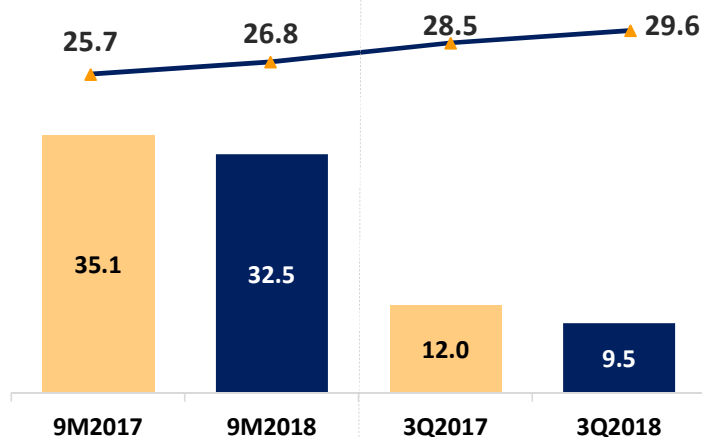
NI WIN TOTAL
■ Southeast Asia & Others ■ Middle East & Africa

- Lower turnover due mainly to lower order-in-take from the Middle East and Africa markets and delays in project completion for both segments
- NI: Lower turnover from Service Provider markets mainly in Australia and Philippines, partially offset by higher turnover in Myanmar and Pakistan
- WIN: Lower turnover mainly from the Middle East and Africa markets, partially offset by higher turnover in Singapore and Philippines

KEY FINANCIAL HIGHLIGHTS

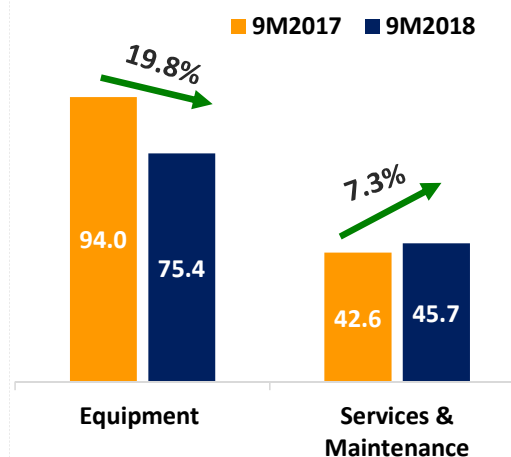
Gross Profit

(\$\$'m)



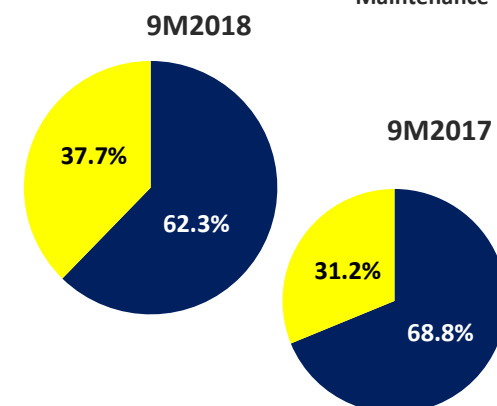
Turnover (By Nature)

(\$\$'m)



Breakdown (By Nature)

Equipment
Services & Maintenance

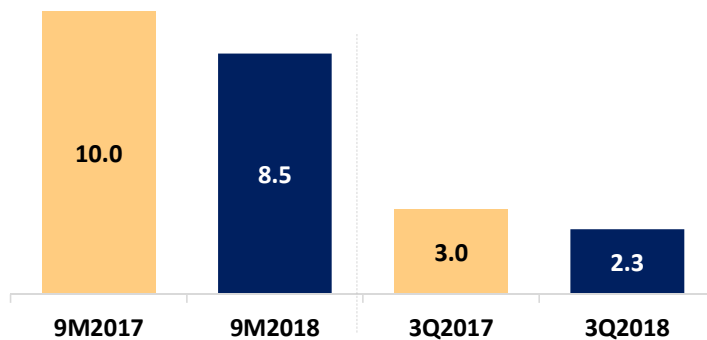


- Gross profit decreased in tandem with lower turnover
- Notwithstanding the lower gross profit in 3Q2018 and 9M2018, gross profit margin increased mainly due to a positive net movement from warranty provision

KEY FINANCIAL HIGHLIGHTS

Profit Before Tax

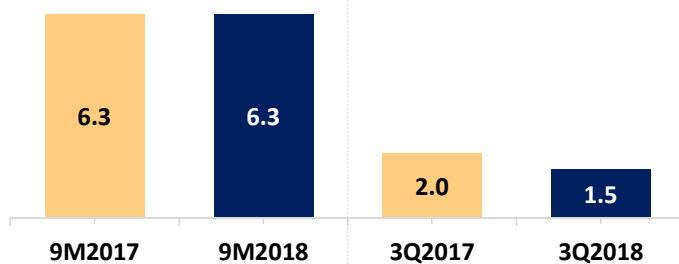
(S\$m)



- 3Q2018 profit before tax (“PBT”) decreased 24.3% to S\$2.3 million while 9M2018 PBT decreased 15.7% to S\$8.5 million due mainly to lower gross profit, partially offset by lower operating expenses
- 3Q2018 net profit slid 25.4% to S\$1.5 million in tandem with lower turnover recorded in 3Q2018 while 9M2018 net profit improved marginally by 1.0% to S\$6.3 million

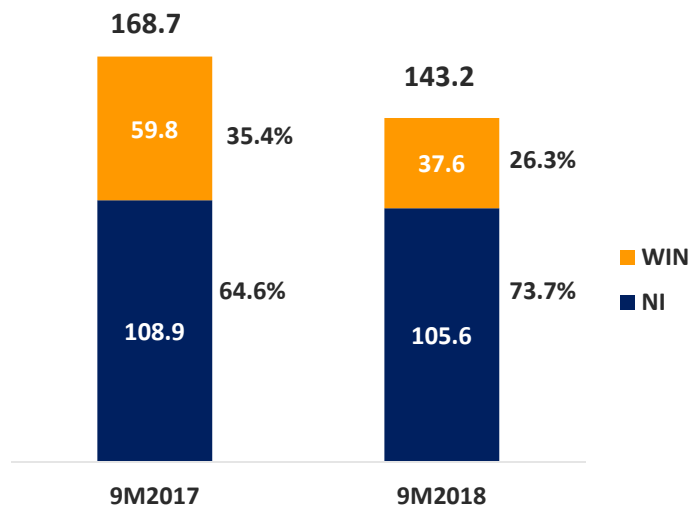
Net Profit

(S\$m)



ORDER IN-TAKE

Order In-Take (S\$m)



Recent Contracts

Feb 2018: S\$2.2m IP network equipment contract (NI) for major Telco in Singapore – repeat Grade-A customer

Feb 2018: S\$1.0m first contract awarded by key Malaysian Telco for design, supply, delivery, installation, maintenance and management of internet service (NI)

Jul 2018: S\$8.5m contract awarded by leading service provider in Southeast Asia for provision of internet service infrastructure (NI)

Jul 2018: S\$3.2m contract to supply microwave links to a government entity in the Middle East (WIN)

Aug 2018: S\$11.8m worth of NI contracts to provide NI equipment and maintenance for a leading service provider in Southeast Asia

Nov 2018: S\$7.8m worth of NI contract to supply, install, commission and managed services of a Wi-Fi Infrastructure network for a major Government entity in Southeast Asia

KEY FINANCIAL HIGHLIGHTS

S\$'m	3Q2018	3Q2017	Change (%)	9M2018	9M2017	Change (%)
Turnover	32.1	42.2	(24.0)	121.1	136.6	(11.3)
Gross Profit	9.5	12.0	(21.2)	32.5	35.1	(7.4)
Gross Profit Margin (%)	29.6	28.5	1.1 <i>ppt</i>	26.8	25.7	1.1 <i>ppt</i>
Total Operating Expenses	7.2	9.1	(20.9)	24.2	25.6	(5.5)
Net Profit After Tax	1.5	2.0	(25.4)	6.3	6.3	1.0
Net Profit Margin (%)	4.6	4.7	(0.1) <i>ppt</i>	5.2	4.6	0.6 <i>ppt</i>
Basic and Fully Diluted EPS (SGD Cents)	0.41	0.55	(25.5)	1.75	1.73	1.2
NAV/Share (SGD Cents)	September 30, 2018			December 31, 2017		
	18.10			19.29		

KEY FINANCIAL HIGHLIGHTS

S\$'m	September 30, 2018	December 31, 2017
Current Assets	141.7	151.6
Current Liabilities	81.6	87.0
Net Current Assets	60.1	64.6
Total Assets	147.5	157.3
Total Liabilities	82.0	87.5
Total Borrowings	6.4	11.3
Cash and Bank Balances	17.9	20.7
Net Cash	11.5	9.4

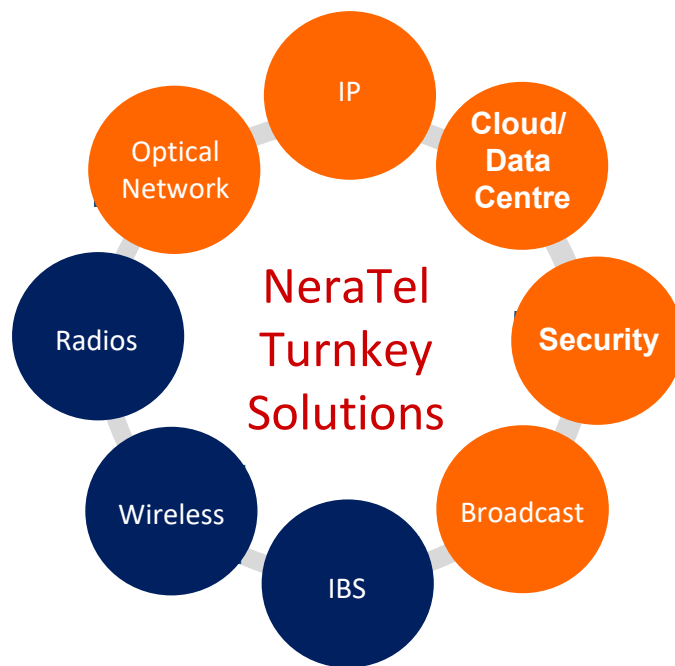
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OUTLOOK & STRATEGIES

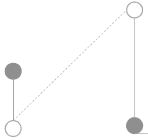
TURNKEY SOLUTIONS

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



● NI
● WIN





CLEAR POSITIONING



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

OUTLOOK – MACRO



Mobile Data Traffic

8_x

Global mobile data
traffic growth (2017-2023)

39%

Global mobile data
traffic CAGR (2017-2023)



Cybersecurity

>US\$ 124B

Cybersecurity spending
(2019F)

12.4%

Cybersecurity spending YoY growth
(2018 vs 2019F)



Cloud Computing

US\$ 62.2B

Cloud computing spending
(2018F)

31.1%

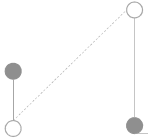
Cloud computing YoY spending growth
(2017 vs 2018F)

Sources:

Ericsson, June 2018– Mobile data traffic growth outlook

Gartner, August 15, 2018 – Gartner forecasts worldwide information security spending to exceed \$124 billion in 2019

Cloudtech / IDC, October 8, 2017– Why cloud IT infrastructure revenue will reach 62.2 billion



KEY GROWTH STRATEGIES



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

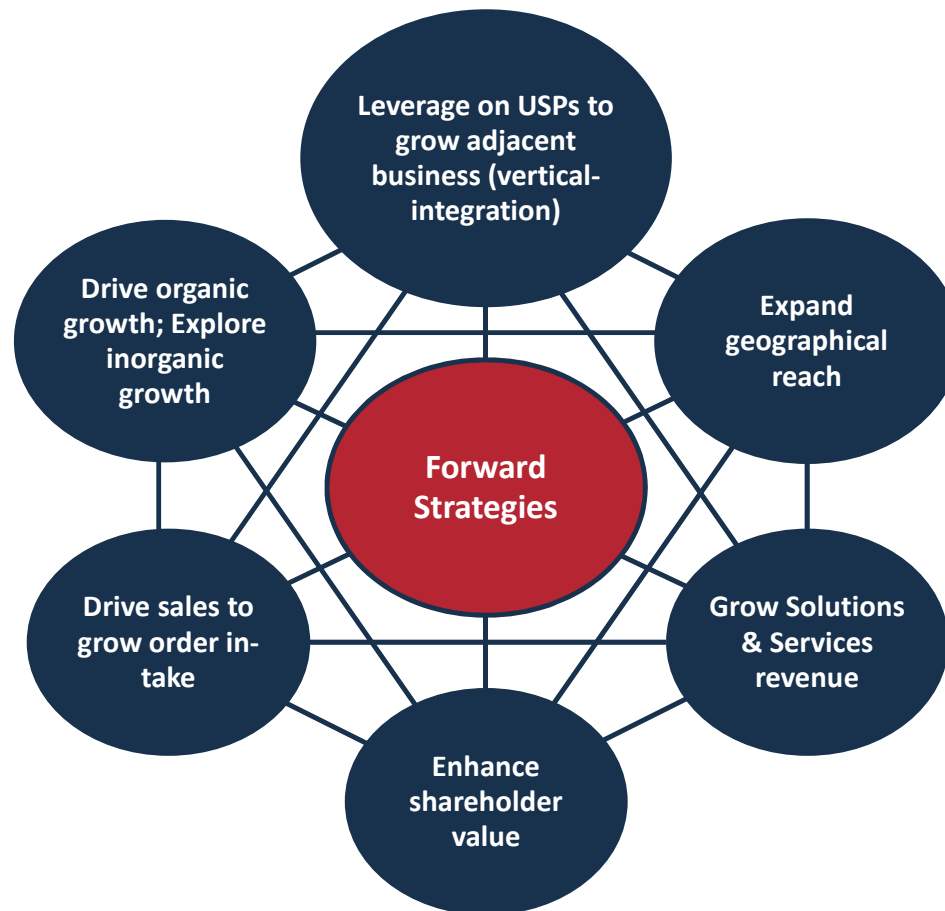
NETWORK INFRASTRUCTURE

- 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



THANK YOU

The NERA logo is rendered in a bold, red, sans-serif font. It is positioned in the center of the slide, overlaid on a circular graphic element. This graphic consists of concentric blue circles and radial lines, resembling a stylized globe or a technical diagram. The background of the entire slide is a faded image of server racks in a data center.

NERA

3Q/9M2018 RESULTS PRESENTATION