



NERA TELECOMMUNICATIONS LTD

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

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



FINANCIAL HIGHLIGHTS

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KEY FINANCIAL HIGHLIGHTS

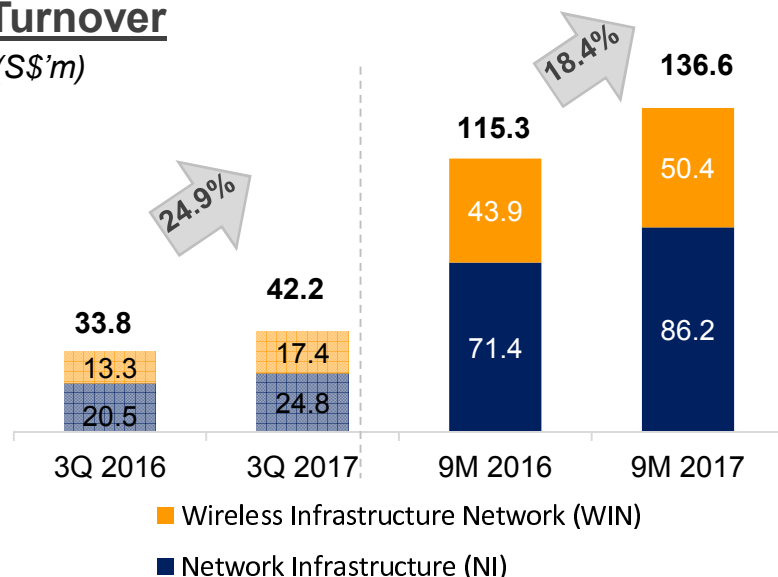
CONTINUING OPERATIONS



Nera Telecommunications Ltd

Turnover

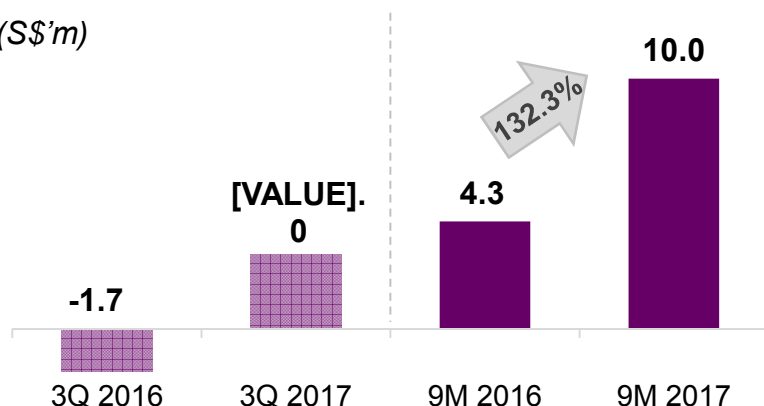
(S\$m)



- 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

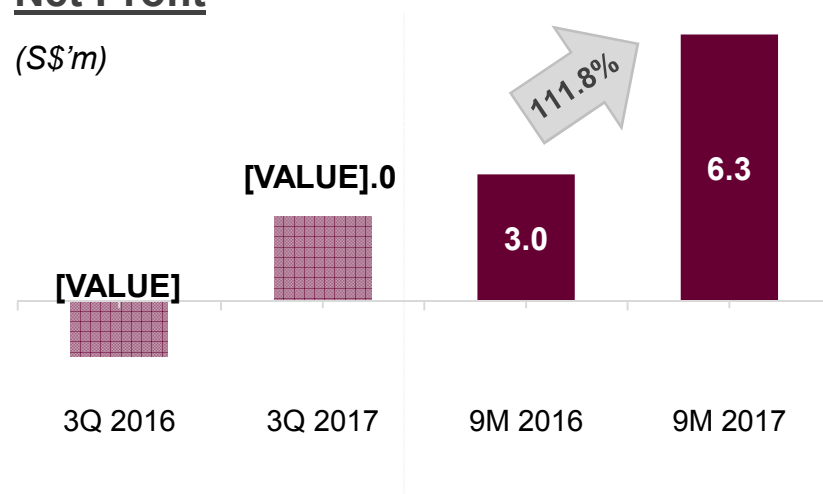
CONTINUING OPERATIONS



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Net Profit

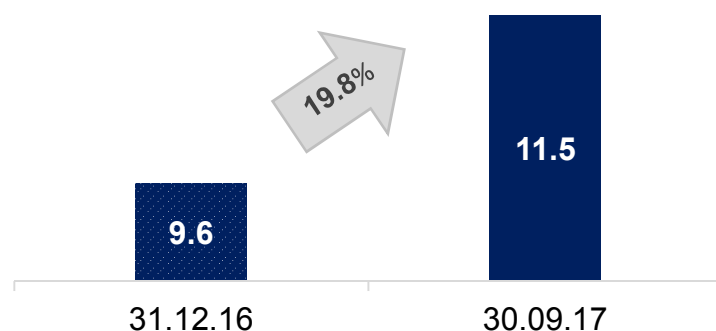
(S\$m)



- 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 pt	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 pt	4.6	2.6	2.0 pt
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

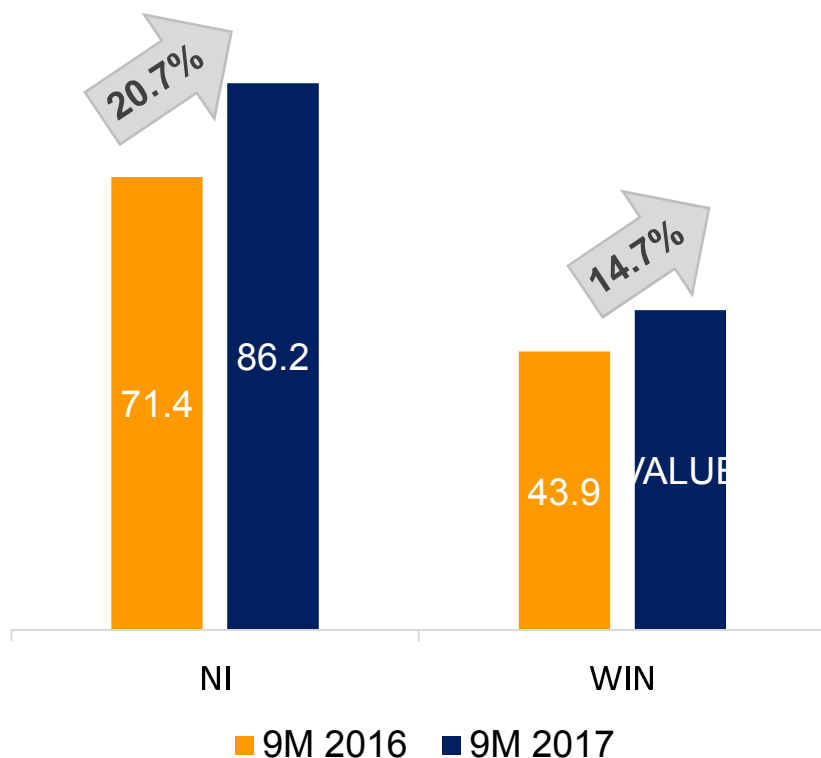
KEY FINANCIAL HIGHLIGHTS

Business Segments

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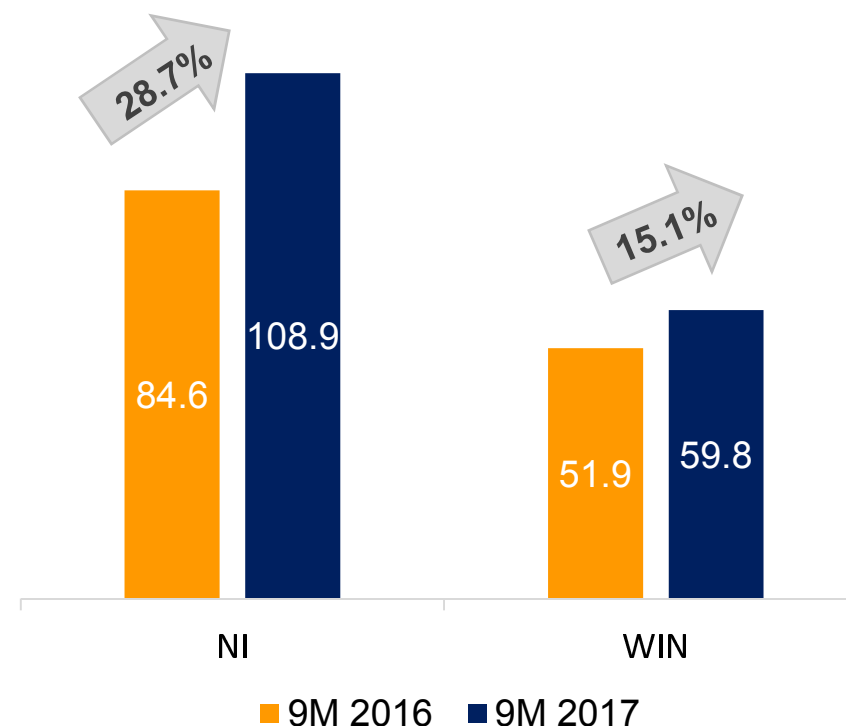
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Turnover (S\$m)



Order In-Take (S\$m)

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



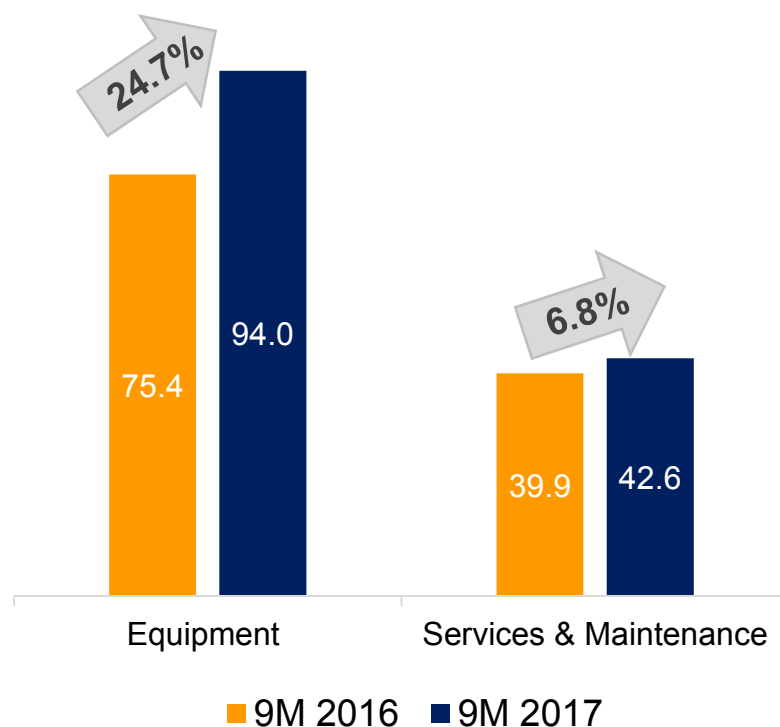
KEY FINANCIAL HIGHLIGHTS

Breakdown By Nature

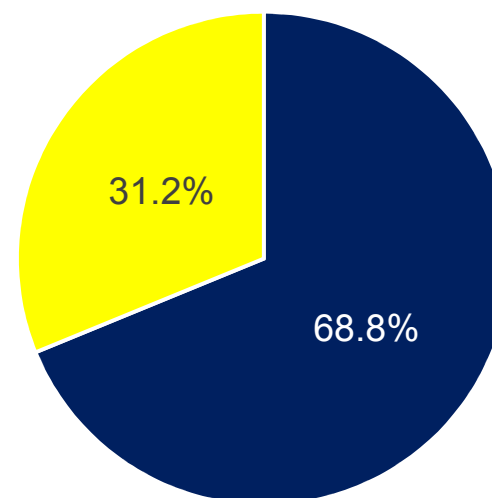
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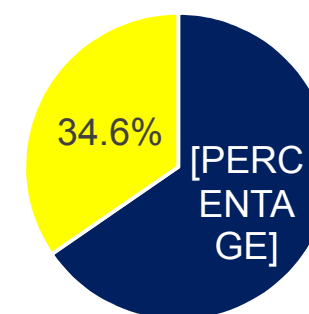
Turnover (S\$m)



9M 2017



9M 2016



■ Equipment
■ Services & Maintenance

KEY FINANCIAL HIGHLIGHTS

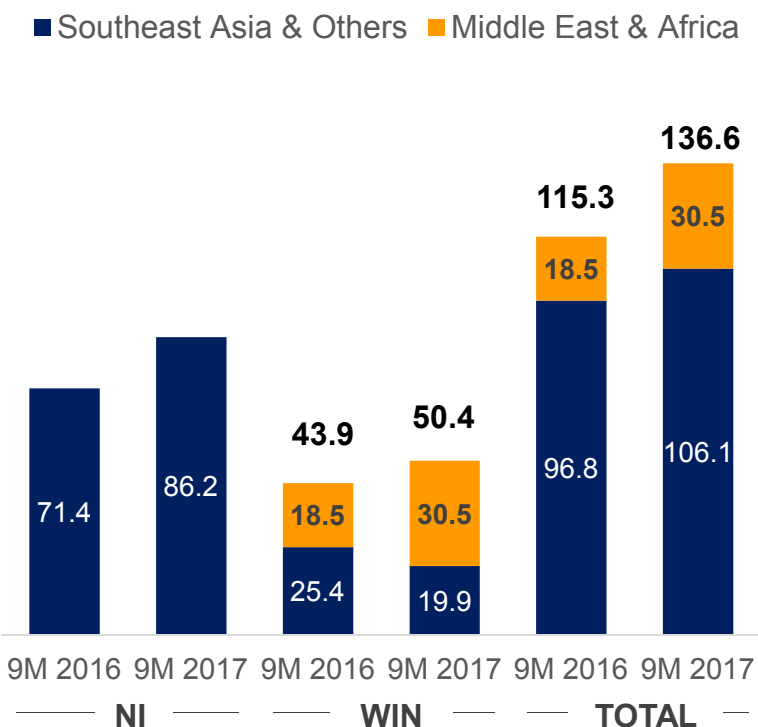
Turnover By Region

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Turnover

(S\$m)



- 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

RECENT DEVELOPMENTS

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

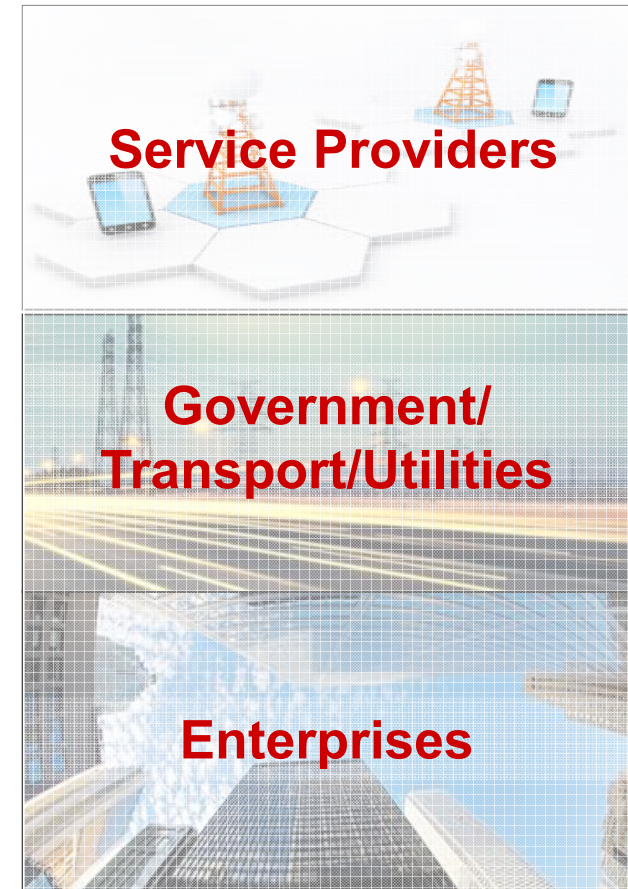
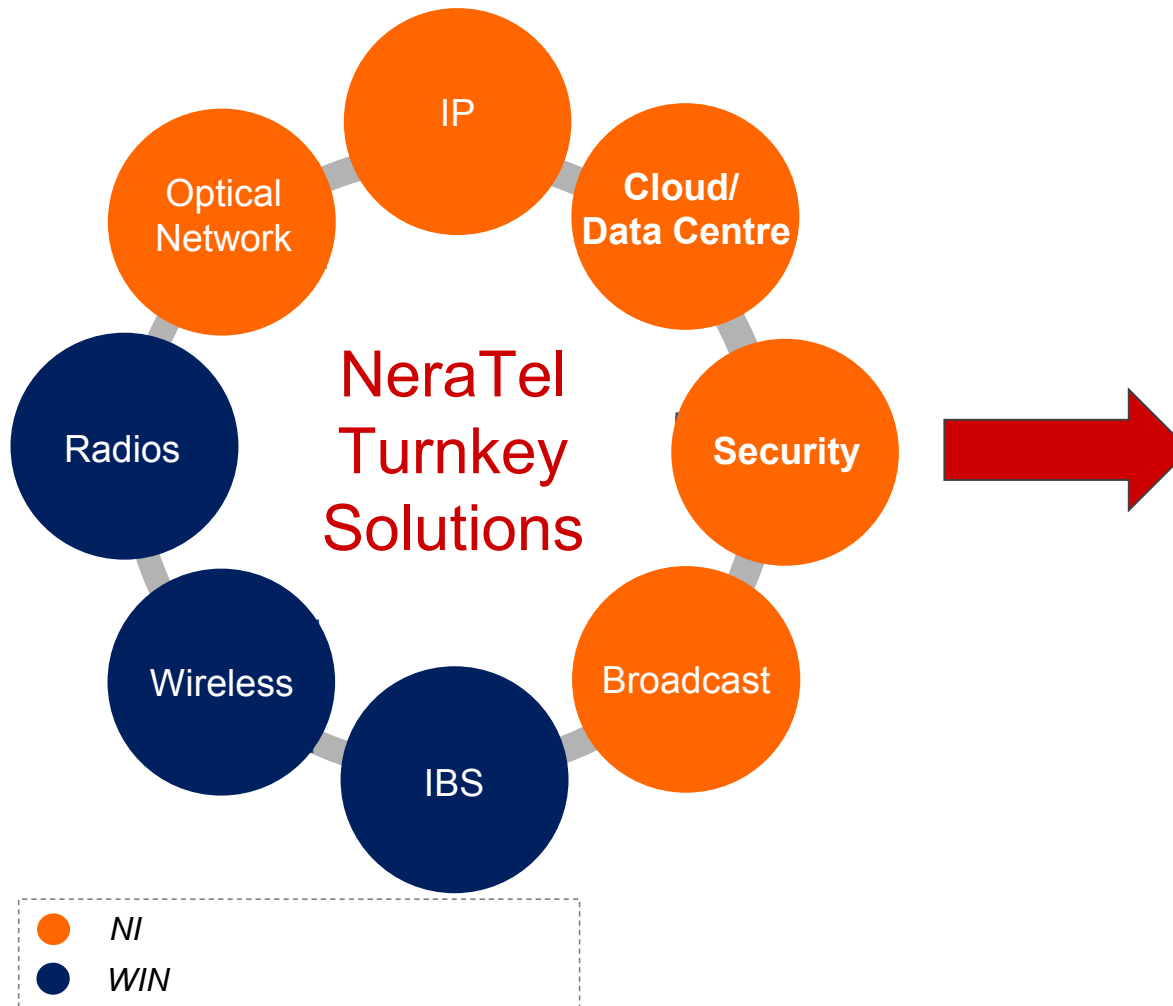
- Repeat 'Grade A' customers
- Testament of NeraTel's value proposition and capabilities to provide turnkey solutions
- Total order in-take lifted to S\$168.7 million

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_x

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)

Sources:

Cisco, **March 28**, 2017 – [Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2016-21 White Paper](#)
CSO, Jun 15, 2016 – [Cybersecurity spending outlook: \\$51 trillion from 2017 to 2021](#)
Forbes, April 29, 2017 – [Roundup of cloud computing forecasts, 2017](#)

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

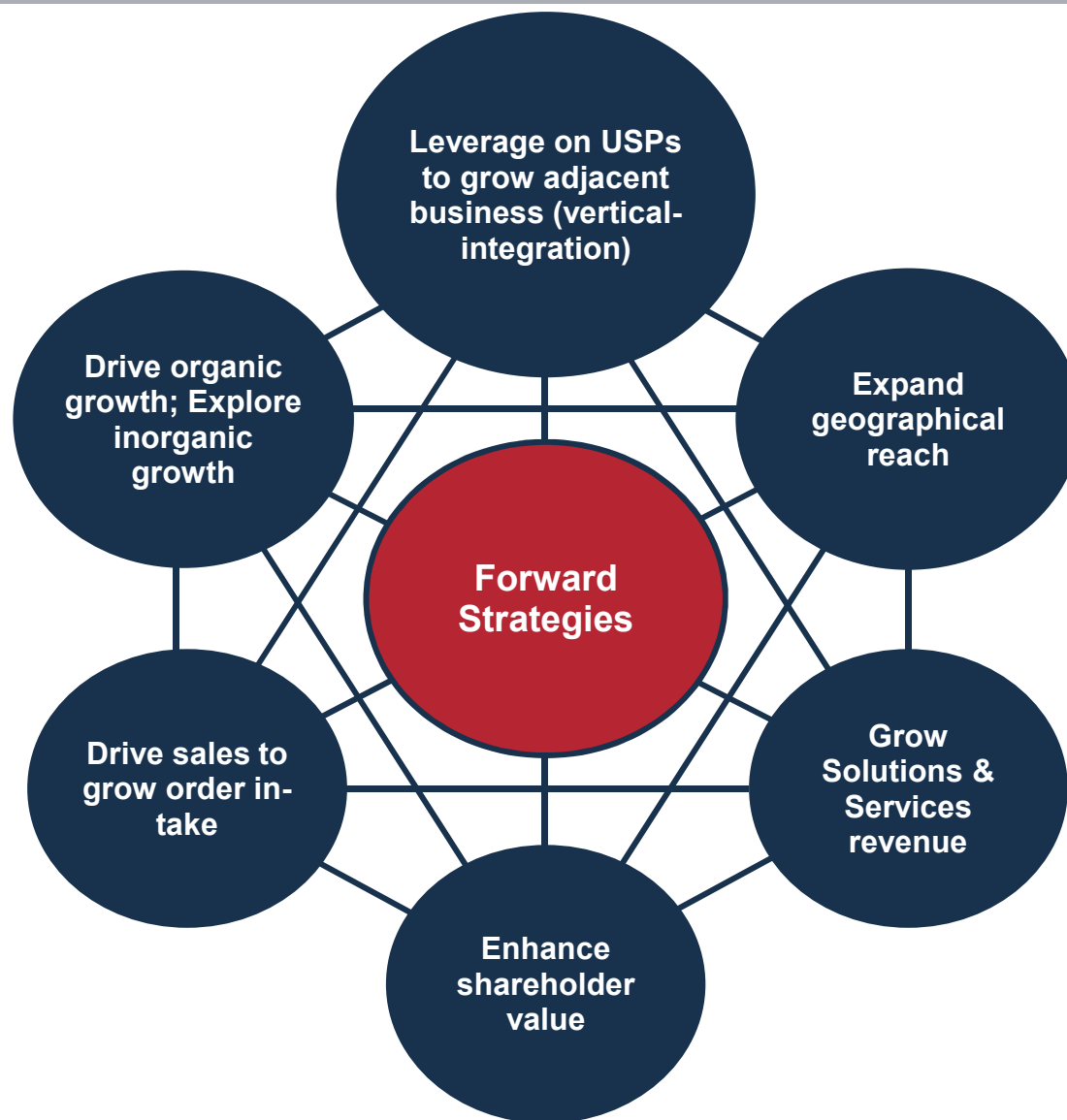
Network Infrastructure

- 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