



Q3/9M 2019 RESULTS PRESENTATION

8 November 2019



FINANCIAL HIGHLIGHTS

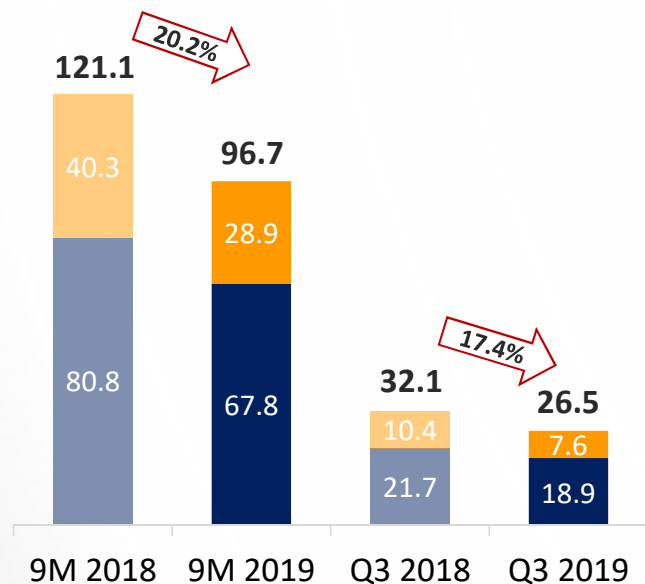


KEY FINANCIAL HIGHLIGHTS

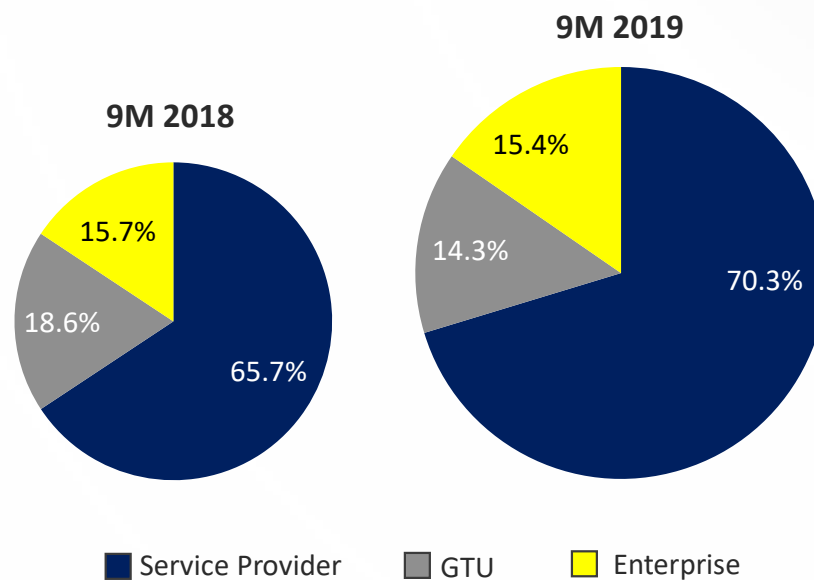
Revenue

(\$\$'m)

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



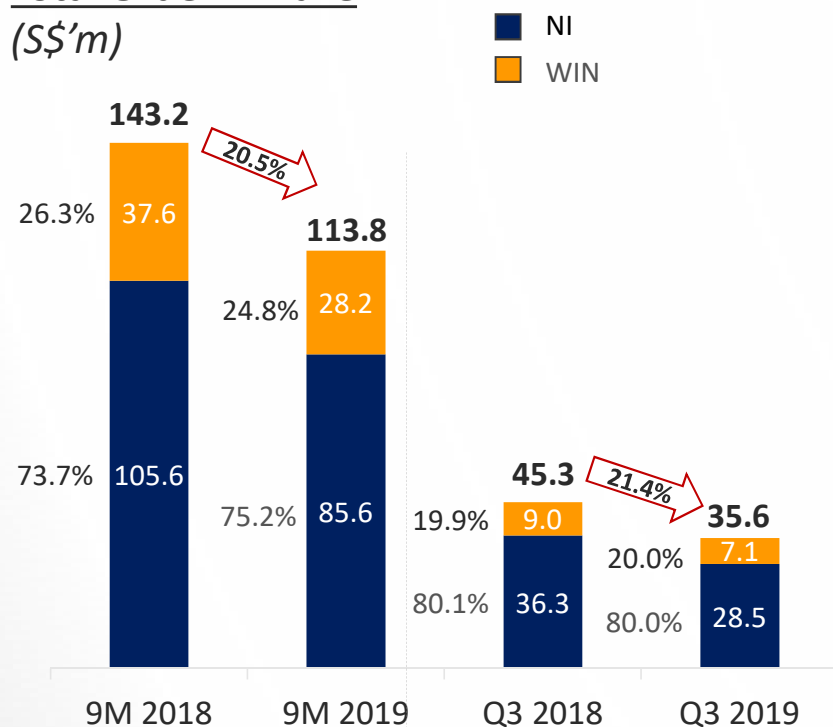
Revenue Contribution By Customer Segment



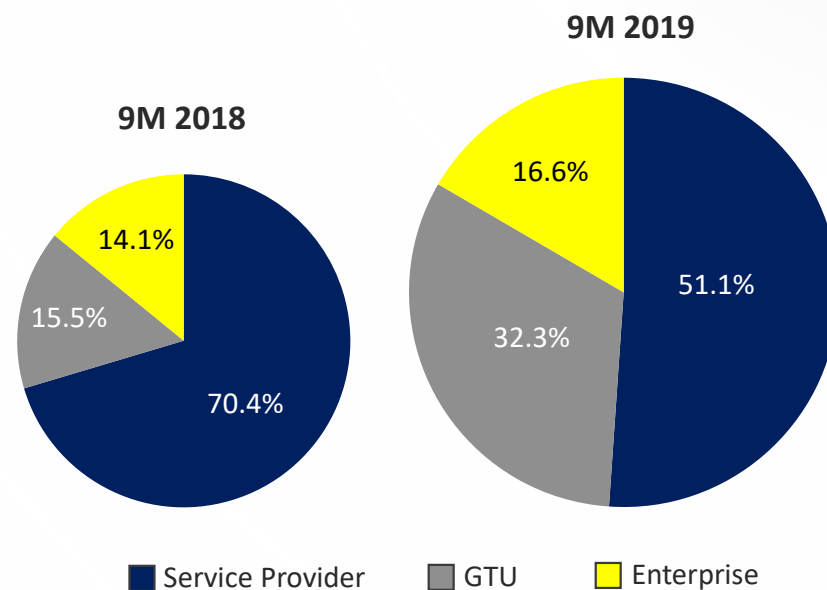
- Revenue declined YOY due to lower contributions from both business segments, resulting mainly from lower order in-take from the Service Provider customer segment

KEY FINANCIAL HIGHLIGHTS

Total Order In-Take
(S\$m)



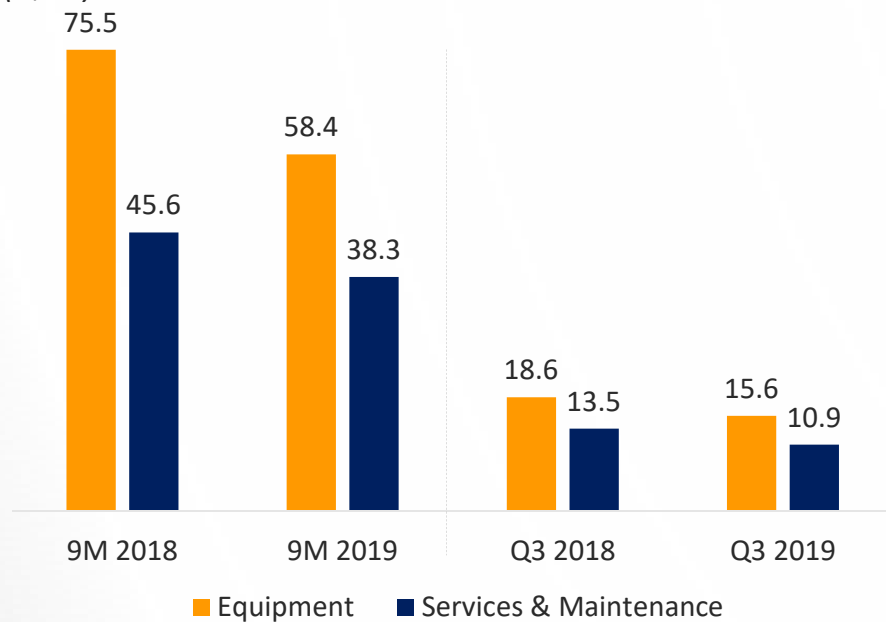
Total Order In-Take By Customer Segment



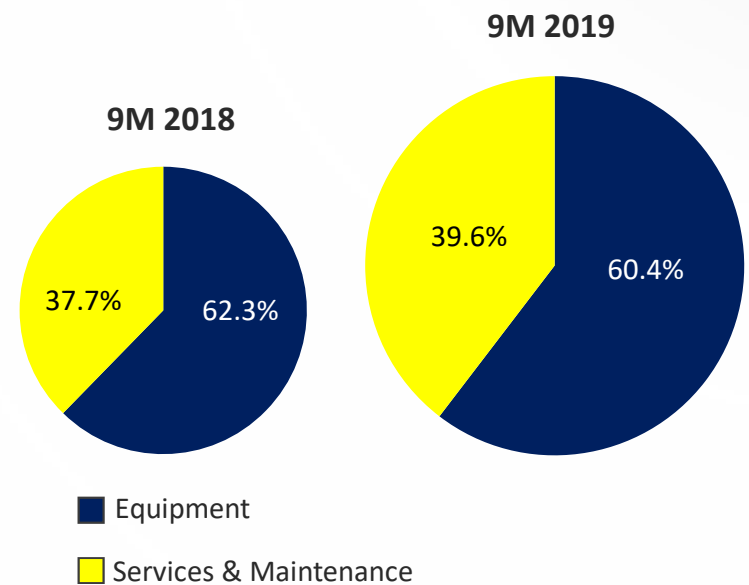
KEY FINANCIAL HIGHLIGHTS

Revenue (By Nature)

(S\$m)



Breakdown (By Nature)

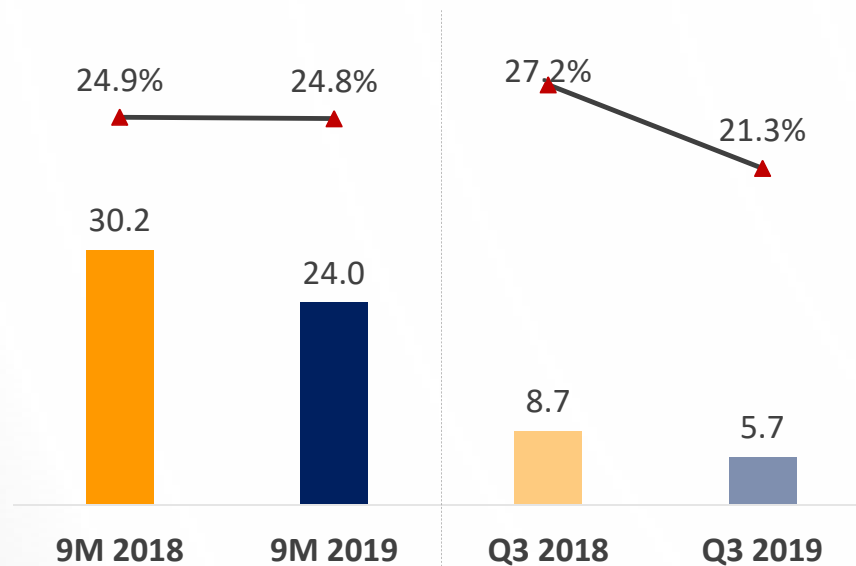


Encouraging customers to take on services & maintenance contracts to bolster recurring income streams

KEY FINANCIAL HIGHLIGHTS

Gross Profit/Gross Profit Margin

(\$'\$m)



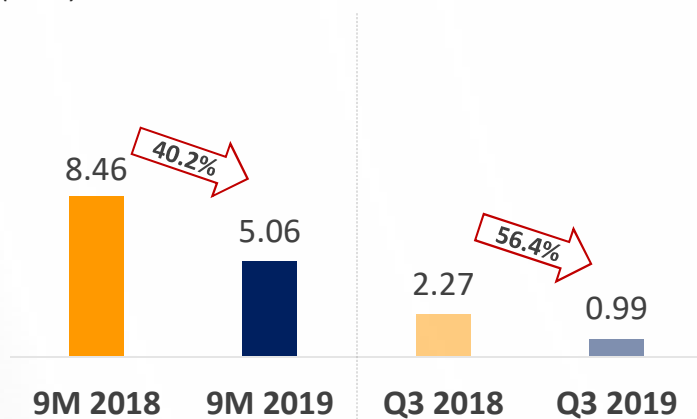
Gross profit margins remains stable with higher proportion of services revenue

- Lower gross profit YOY mainly due to lower revenue
- Quarterly gross profit margin lower primarily due to lower gross profit margin from services revenue

KEY FINANCIAL HIGHLIGHTS

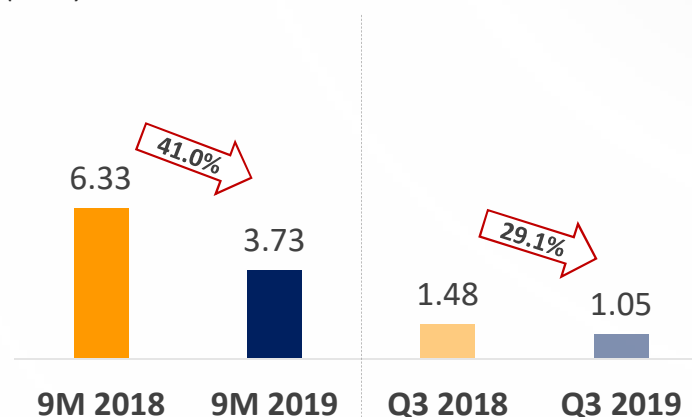
Profit Before Tax

(\$'m)



Net Profit

(\$'m)



- The decrease in profit before tax ("PBT") was attributable to lower gross profit in tandem with lower revenue, partially offset by lower operating expenses
- Lower net profit mainly due to lower PBT, partially offset by differences in tax assessment and tax estimates made in prior years for foreign subsidiaries

FINANCIAL POSITION

S\$'m	Q3 2019	Q3 2018	Change (%)	9M 2019	9M 2018	Change (%)
Revenue	26.49	32.07	(17.4)	96.68	121.08	(20.2)
Gross Profit	5.65	8.71	(35.1)	23.99	30.19	(20.6)
Gross Profit Margin (%)	21.3	27.2	(5.9) <i>pt</i>	24.8	24.9	(0.1) <i>pt</i>
Total Operating Expenses	5.61	6.13	(8.2)	19.45	20.57	(5.3)
Net Profit After Tax	1.05	1.48	(29.1)	3.73	6.33	(41.0)
Net Profit Margin (%)	3.9	4.6	(0.7) <i>pt</i>	3.9	5.2	(1.3) <i>pt</i>
Basic and Fully Diluted EPS (SGD cents)	0.29	0.41	(29.3)	1.03	1.75	(41.1)

FINANCIAL POSITION



S\$'m	30 September 2019	31 December 2018
Current Assets	148.15	152.38
Current Liabilities	89.58	91.52
Net Current Assets	58.58	60.86
Total Assets	157.31	158.50
Total Liabilities	93.88	91.83
Total Borrowings	12.50	5.50
Cash and Bank Balances	12.72	21.56
Net Cash	0.22	16.06
NAV/Share (SGD cents)	17.53	18.42



OUTLOOK & STRATEGIES



OUTLOOK – IDENTIFIED BUSINESS VERTICALS



Cybersecurity

>US\$ **300.0B**

Cybersecurity Market (APAC)
(2026F)

20.0%

CAGR
(2018 - 2024F)



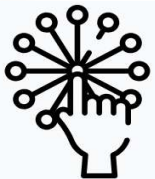
Data Analytics

US\$ **274.3B**

Global big data and business analytics solutions
(2022F)

13.2%

CAGR
(2018 - 2022F)



Automation

>US\$ **16.9B**

Network Automation Market
(2022F)

48.7%

CAGR (2016 - 2022F)

KEY STRATEGIES

Capitalise Digitisation Wave for New Growth Areas	Optimise Customer Base	Reap Synergies Across Businesses	Enhance Product Mix	Inorganic Growth
• Cybersecurity: secure digital assets to reduce the risk of losses arising from cybersecurity breaches • Automation: Achieve operational efficiencies whilst reducing human error • Data Analytics: Identify insights to enable swift-decision making process	• Build a balanced and diversified customer base • Reach out to a wider range of customers through an expanded range of product and service offerings	• Upsell/Cross sell products and services to customers (e.g. security products) • Drive growth for identified new verticals – Cybersecurity/ Automation/Data Analytics	• Bolster recurring income streams by encouraging customers to take on Service & Maintenance contracts	• Keep a look out for synergistic M&A opportunities to gain new capabilities and access to customers/ geographical markets – particularly in the identified new growth areas



NERA

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THANK YOU