



Singapore and U.K. AIM-listed Global Invacom Group Reverses Last Year's Loss To Announce Net Profit of US\$0.6 Million in Q1 FY2017

- **Net profit of US\$0.6 million (Q1 FY2016: US\$0.7 million loss)**
- **Gross profit of US\$6.0 million (Q1 FY2016: US\$5.7 million)**
- **Gross profit margin improved to 21.9% (Q1 FY2016: 18.5%)**
- **Release of next-generation products has helped Group make profit in Q1 FY2017**

Singapore, 11 May 2017 – Global Invacom Group Limited (“Global Invacom” or “the Group”), a satellite communications (“Sat Comms”) equipment provider listed on the Singapore Exchange and the U.K. AIM Market, today announces a net profit of US\$0.6 million for the three months ended 31 March 2017 (“Q1 FY2017”), reversing a loss of US\$0.7 million in the comparable period last year.

The turnaround was lifted by the first full quarter of profit for some time by the Group’s U.S. subsidiary, Ravens Antenna Systems (trading as “Global Skyware”). The Group acquired Global Skyware, which designs and manufactures antennas for Broadband, Satellite and Very Small Aperture Terminals covering C-band, Ku-band and Ka-band frequency platforms, on 24 August 2015.

The Group has commenced sales of next generation Low Noise Blocks (“LNBs”) utilising Digital Channel Stacking Switch (“DCSS”) technology – which allows up to 32 continuous video streams from a single LNB – as global broadcasters began transitioning to the latest DCSS based solutions. The Group expects sales of DCSS-generation products to increase throughout the year ending 31 December 2017 (“FY2017”).

Group revenue for Q1 FY2017 declined to US\$27.5 million (Q1 FY2016: US\$30.8 million) mainly due to lower turnover in the contract manufacturing segment following the closure of a non-core manufacturing subsidiary in Shenzhen, China, which was completed in Q4 FY2016. The Group’s manufacturing activity in China is now consolidated at its manufacturing facility in Shanghai.

Q1 FY2017 revenue from America, Europe and Asia regions declined by US\$0.7 million (-3.5%), US\$2.2 million (-29.8%) and US\$0.5 million (-20.1%), respectively. Revenue from the Rest of the World increased by US\$0.1 million (+10.7%).

Reflecting improvements in internal efficiencies, gross profit improved 6.1% to US\$6.0 million in Q1 FY2017 versus US\$5.7 million in Q1 FY2016. Gross profit margin increased to 21.9% compared to 18.5% the previous year, helped by on-going manufacturing efficiencies across the Group, and specifically at Global Skyware in the U.S. Lower research and development costs due to the weakened U.K. pound helped costs in the U.K.

Administrative expenses decreased to US\$5.1 million in Q1 FY2017 from US\$6.3 million in Q1 FY2016, representing 18.4% and 20.4% of revenue, respectively. This was due to operational cost savings from restructuring, rationalisation and consolidation exercises across the Group.

Cash and cash equivalents as at 31 March 2017 stood at US\$7.6 million. Net cash used in operating activities was US\$0.3 million in Q1 FY2017 compared to US\$0.4 million generated

from operating activities in Q1 FY2016; offset by the purchase of property, plant and equipment of US\$0.2 million and US\$0.7 million, respectively. Net cash generated from financing activities was US\$0.2 million in Q1 FY2017 and US\$1.6 million in Q1 FY2016, respectively.

Earnings per share on a fully diluted basis improved to 0.22 US cent for Q1 FY2017, a positive swing from a loss per share of 0.24 US cent a year earlier. Net asset value per share edged up to 19.45 US cents as at 31 March 2017 from 19.26 US cents as at 31 December 2016.

Mr Tony Taylor, Executive Chairman of Global Invacom, said:

“This set of results underscores the strong foundation we have laid to improve the Group's performance. The better margins and improved bottom line reflect the consolidation of our global manufacturing network and supply chain, as well as our efforts to expand our product portfolio through ongoing research and development and acquisitions.

“We intend to build on this momentum throughout FY2017 and beyond as we roll out DCSS-generation equipment for our broadcaster customers and Ka VSAT antenna's for the rapidly growing fleet of HTS (High Throughput Satellites), providing data over satellite around the world.”

****End of Press Release****

The information communicated in this press release contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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About Global Invacom Group Limited

Global Invacom Group Limited ("Global Invacom") is listed on the Singapore Exchange Securities Trading Limited Mainboard ("SGX-ST") and its shares are admitted to trading on the AIM Market of the London Stock Exchange in the U.K.

Global Invacom is a fully integrated satellite equipment provider with six manufacturing plants across China, Israel, Malaysia, U.K. and the U.S. Its customers include satellite broadcasters such as BSkyB of the U.K. and Dish Network of the U.S.A.

On 24 August 2015, Global Invacom completed the acquisition of Global Skyware, a leading U.S.-based designer and supplier of satellite antennas products and services for C-band, Ku-band and Ka-band frequency platforms, positioning itself as the world's only full-service outdoor unit supplier.

Global Invacom provides a full range of dish antennas, LNB receivers, transmitters, switches and video distribution components and electronics manufacturing services in satellite communications as well as manufacturing services in TV peripherals, computer peripherals, medical, and consumer electronics industries.

For more information, please refer to www.globalinvacom.com