



Singapore and U.K. AIM-listed Global Invacom Group's Q2 FY2017 Net Profit Rises To US\$0.9 Million From US\$0.2 Million In Q2 FY2016

- **Second consecutive quarter of profitability propelled by DCSS-generation LNB product sales**

Singapore, 10 August 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, announced today that its net profit for the three months ended 30 June 2017 (“Q2 FY2017”) rose nearly four-fold to US\$0.9 million from US\$0.2 million a year ago, lifted by sales of newly designed Low Noise Block (“LNB”) products.

Sales of the new-generation Digital Channel Stacking Switch (“DCSS”) LNB products which commenced in Q4 FY2016 to a major United States (“US”) customer continued throughout the first six months of FY2017 (“1H FY2017”) and are expected to remain solid throughout the rest of the financial year ending 31 December 2017 (“FY2017”) and beyond. Broadcasters across the world are also expected to migrate their customer bases to the new technology.

Ongoing efforts to integrate operations have improved the Group’s supply chain, including the introduction of new quality-control measures for production and stronger management teams across the world. This has increased productivity and efficiency across its manufacturing network, lowering breakeven points across the Group’s global footprint. As a prime example of these changes, Global Skyware has recorded a second consecutive quarter of profit in Q2 2017, having previously not recorded a quarterly profit in 10 years.

Within the UK, the Group has partnered with a leading broadcaster to develop breakthrough new technology that enables live HD large-scale event video streaming over WiFi. In Malaysia, Global Invacom’s internationally regarded Fibre Integrated Reception System has been certified for nationwide use. The Group has also benefitted from higher demand for VSAT products as more data satellites are launched.

Group revenue for Q2 FY2017 of US\$29.9 million (Q2 FY2016: US\$33.5 million) reflects the reduction in non-core Contract Manufacturing revenues following the consolidation of the two subsidiaries in the People’s Republic of China into one site in late FY2016.

In geographical terms, the reduced Contract Manufacturing revenues contributed to a reduction in Q2 FY2017 revenues from America and the European regions of US\$1.3 million (-5.7%) and US\$3.0 million (-38.8%), respectively. Revenue from Asia and the Rest of the World increased by US\$0.2 million (+9.8%) and US\$0.5 million (+53.7%), respectively, compared to Q2 FY2016.

Due to the lower Group revenues, Global Invacom’s gross profit decreased by US\$1.5 million, or 20.5%, to US\$5.8 million in Q2 FY2017 from US\$7.3 million in Q2 FY2016. Although gross profit margin for Q2 FY2017 declined to 19.4% from 21.8% in Q2 FY2016 due to product mix variation, gross profit margin rose from 20.2% in 1H FY2016 to 20.6% in 1H FY2017.

Despite the lower gross profit, net profit margin improved to 2.9% in Q2 FY2017 from 0.7% a year ago, due to ongoing cost containment that included significant sustainable savings from consolidating operations in China. These efforts helped lower administrative expenses by 19.5% to US\$5.2 million in Q2 FY2017 from US\$6.5 million a year ago, lifting net profit nearly four-fold despite lower revenues over the comparative periods.

Earnings per share on a fully diluted basis improved to 0.32 US cent in Q2 FY2017 from earnings per share of 0.08 US cent in Q2 FY2016. Net asset value per share climbed to 19.87 US cents as at 30 June 2017 from 19.26 US cents as at 31 December 2016.

Cash and cash equivalents as at 30 June 2017 stood at US\$10.1 million. Operating cash flow before working capital changes for 1H FY2017 amounted to US\$3.0 million compared to US\$2.0 million in 1H FY2016.

Mr Tony Taylor, Executive Chairman of Global Invacom, said: "Revenue recognition from the new DCSS technology that has been extensively developed over the last two to three years has started to kick in. Beyond the United States, we expect broadcasters around the world will migrate their customers to the new technology so as to give their clients more advanced features and a better viewing experience. Elsewhere, we continue to work with suppliers of internet over satellite to provide VSAT products that allow quick and reliable connectivity to people who cannot easily be connected through standard cabling or line-of-sight products."

"We will continue to expand our product portfolio through ongoing R&D and execute our strategy to become the lead provider, designer and manufacturer of satellite ground equipment worldwide," he added.

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

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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