



## **Global Invacom Group Reports FY2017 Net Profit Of US\$2.9 Million, Lifted By Recovery of U.S. and Israeli Operations and Improved Global Efficiencies**

- Turnaround to profit after two years of losses
- U.S. and Israeli units report first profit in over ten years
- Achieves fourth consecutive quarter of profitability in Q4 FY2017
- A year after consolidating two China facilities into one, global manufacturing and supply chain efficiencies are kicking in
- Administrative expenses for FY2017 down 20.6% to US\$21.0 million

**Singapore/London, 1 March 2018 – 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 a net profit of US\$2.9 million for the financial year ended 31 December 2017 (“FY2017”), reflecting turnarounds in the U.S. and Israeli units, as well as improved global efficiency after consolidating its China operations.

The FY2017 performance, with pre-tax profits of US\$3.7 million, benefitted from the absence of one-off restructuring expenses amounting to US\$2.3 million incurred a year earlier. Although overall turnover in FY2017 declined to US\$115.7 million from US\$127.3 million in FY2016, this reflects the cessation of contract manufacturing revenues from the Group’s former, sub-contract only, facility in Shenzhen.

The consolidated operations in Shanghai contributed to Group-wide supply chain improvements while sharpening the focus on satellite ground equipment. The Group’s U.S. operation, Global Skyware (acquired in 2015), and its Israeli operation, Foxcom (acquired in 2014), each recorded their first year of profitability in over a decade.

Global Skyware’s main focus is the design and manufacture of antennas for broadband, satellite and Very Small Aperture Terminals (“VSAT”) applications with Foxcom focusing on advanced radio frequencies over fibre solutions.

Reflecting the ongoing emphasis on R&D, Global Invacom launched several new products in the second half of FY2017, including the Western Arc Hybrid Low Noise Block (“LNB”).

The Group will continue to develop and market products to support the once-in-a-decade technological shift towards digital channel stacking switch (“DCSS”), even as newer satellites are launched to support higher-resolution (4K and developing 8K) content. It is introducing new slimline products based on an improved designs and is widening its sales network across South America, Malaysia, Indonesia, Africa and Europe.

The Group expects to benefit from global sporting events such as the 2018 Football World Cup in Russia, 2019 Rugby World Cup and the 2020 Summer Olympics in Japan, which have garnered government and commercial attention and commitment to infrastructure development. In particular, the Japanese government is seeking to implement 8K in time for the 2020 Olympics.

For the VSAT market, the Group is observing rising demand in developing countries and increasing availability, at a lower price point, proving satellites to be a viable option compared to other communication technologies.

At the operating level, the Group will continue making capital investments to improve shop-floor productivity in all operations. It achieved improved efficiencies in the last two years from better resource allocation, lower overheads and a shift of the sales mix towards higher-margin products.

Mr Tony Taylor, Executive Chairman of Global Invacom, said, “Despite service bundling and competition from OTT (Over-The-Top) content delivery, the satellite ground equipment market remains healthy. As well as introducing new and innovative products during the shift to DCSS technology, we will continue to build up our product portfolio and expand into new markets.”

“Our efforts this year have cemented our position as one of the world’s leading manufacturer, distributor and innovator of Sat Comms equipment, and laid the foundation for the years ahead,” he added.

On a geographical basis, revenue declined in the U.S., Europe and Asia by US\$3.4 million (-4.1%), US\$7.1 million (-23.0%) and US\$1.6 million (-19.1%), partially offset by higher contributions from the Rest of the World (“RoW”) by US\$0.5 million (+11.3%).

Gross Profit (“GP”) margin moved up 0.5% to 20.9%, underscoring Group-wide improved efficiencies in performance and margins although in line with the lower revenues, numeric GP decreased 7.0% to US\$24.2 million in FY2017 from US\$26.0 million in FY2016.

Administrative expenses for FY2017 fell 20.6% to US\$21.0 million from US\$26.4 million a year ago due to cost-saving initiatives that included automating lower-value activities, especially in the U.S., and improving staff productivity levels.

Earnings per share on a fully diluted basis increased to 1.08 US cents for FY2017 (FY2016: Loss of 1.00 US cent) and 0.29 US cent for Q4 FY2017 (Q4 FY2016: Loss of 1.09 US cents).

Net asset value per share increased to 20.42 US cents as at 31 December 2017 from 19.26 US cents as at 31 December 2016. The Group ended the year with cash and cash equivalents of US\$7.2 million.

For the three months ended 31 December 2017 (“Q4 FY2017”), the Group recorded a net profit of US\$0.8 million – its fourth consecutive quarter of profitability – reversing a net loss of US\$3.0 million a year ago (“Q4 FY2016”).

GP for Q4 FY2017 increased to US\$6.3 million (Q4 FY2016: US\$5.8 million) representing a higher GP margin of 21.1% (Q4 FY2016: 18.8%) due to a more favourable product mix and cost control initiatives. Revenue for the quarter decreased to US\$29.8 million (Q4 FY2016: US\$31.0 million), reflecting the consolidation of its contract manufacturing segment.

**\*\*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](http://www.globalinvacom.com)