



# Global Invacom Group Limited

**Analyst Briefing 1H FY2014**

**15 August 2014**

# Presentation Outline

- 1 1H FY2014 Financial Highlights
- 2 Business Overview
- 3 Business Outlook



# 1H FY2014 FINANCIAL HIGHLIGHTS

# 1H FY2014 Financial Highlights

- **Revenue** rose 26.3% to US\$69.8M (1H FY2013: US\$55.3M) mainly due to:
  - Increased orders from a major Sat Comms customer in USA
  - Recognition of US\$7.4M contribution from Global Invacom Manufacturing Limited (“GIML”), acquired in November 2013
  - Higher Contract Manufacturing sales in China
  - Most regions recorded higher revenue with RoW growing fastest at 227.3%, USA at 59.5%, Europe at 41.1% but Asia’s revenue decreased 70.9%
- **Gross Profit** rose 38.2% to US\$17.4M (1H FY2013: US\$12.6M), outpacing revenue growth
- **Gross profit margin** increased to 24.9% (1H FY2013: 22.8%)
- **Profit before tax** increased 23.3% to US\$4.3M (1H FY2013: US\$3.5M)
- **Net Profit** of US\$3.7M (1H FY2013: US\$3.4M)
  - Excluding one-off professional fees for AIM listing, net profit would have been US\$4.9M

# 1H FY2014 Financial Highlights

- **Administrative expenses** increased by US\$3.3M to US\$12.6M due to:
  - One-off professional fees in relation to AIM listing
  - Manpower and expenses from newly acquired GIML
  - Additional development costs for new products with two major customers, which positions the Group better for future orders with these customers
- **Healthy cash position** of US\$14.8M as at 30 June 2014
- **Diluted EPS:** 1.56 US cents (1H FY2013: 1.44 US cents)
- **NAV:** 20.61 US cents (FY2013: 19.32 US cents)

# Profit & Loss Highlights

As at 30 June 2014 US\$'millions	1H FY2014	1H FY2013	Changes US\$	Changes (%)
<b>Revenue</b>	69.8	55.3	14.5	26.3
Satellite Communications	53.6	43.9	9.7	22.2
Contract Manufacturing	16.2	11.4	4.8	41.8
<b>Gross Profit</b>	17.4	12.6	4.8	38.2
<b>Gross Profit Margin (%)</b>	24.9	22.8	--	2.1 <sup>^</sup>
<b>Profit Before Income Tax</b>	4.3	3.5	0.8	23.3
<b>Net Profit After Tax</b>	3.7	3.4	0.3	7.7
<b>EPS (US cents)</b>	1.56 <sup>*</sup>	1.44 <sup>**</sup>	0.12	8.3
<b>NAV per Share (US cents)</b>	20.61 <sup>#</sup>	19.32 <sup>##</sup>	1.29	6.7

\* calculated based on 234,434,003 weighted average number of ordinary shares for the period ended 30 June 2014

\*\* calculated based on 235,258,042 weighted average number of ordinary shares for the period ended 30 June 2013

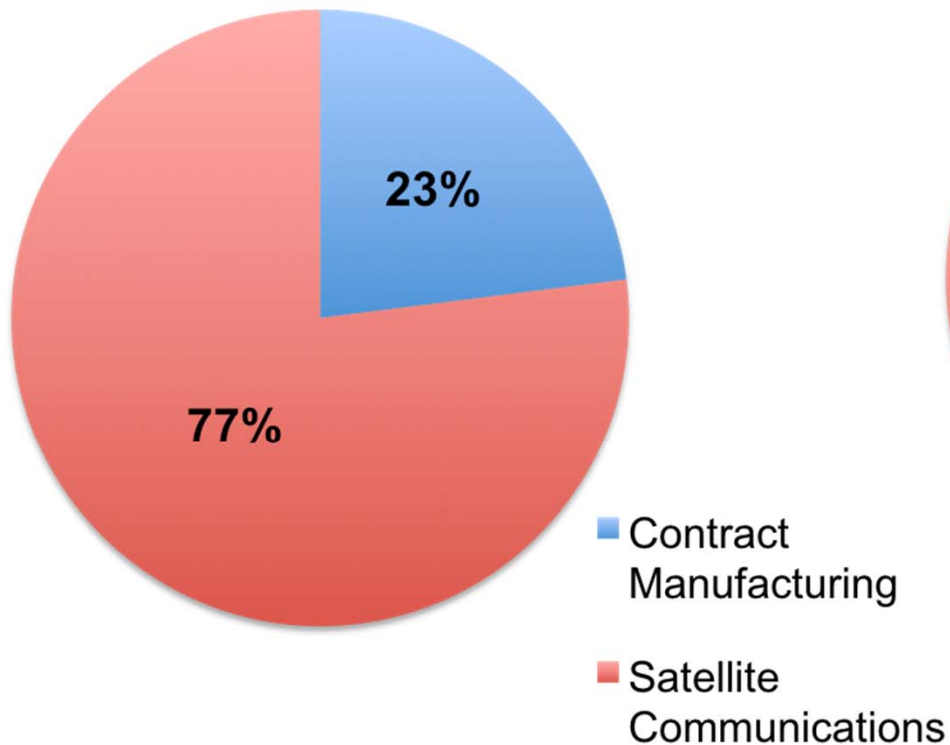
# calculated based on 231,832,299 total number of issued shares as at 30 June 2014

## calculated based on 231,802,299 total number of issued shares as at 31 December 2013

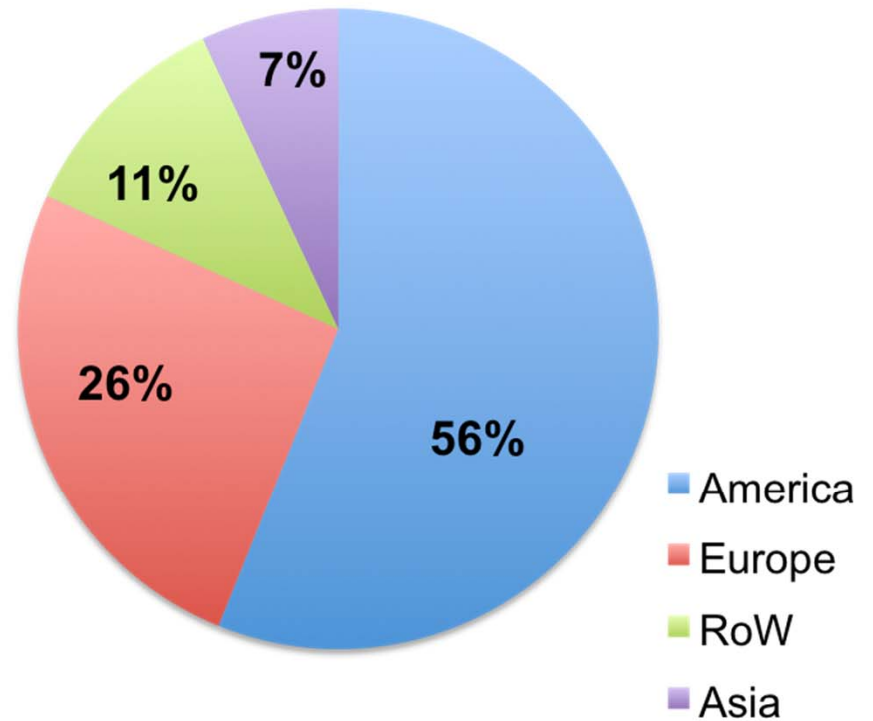
<sup>^</sup> percentage points

# Revenue Breakdown

## By Business Segment



## By Geographical Segment



# Balance Sheet Highlights

US\$ in million	30 Jun 2014	31 Dec 2013	Change %
<b>Total Assets</b>	86.3	79.3	8.7
<b>Total Borrowings</b>	0.5	0.1	268.8
<b>Shareholders' Fund</b>	47.8	44.8	6.7
<b>Cash &amp; cash equivalents</b>	14.8	14.7	0.8
<b>NAV per share (US cents)</b>	20.61 <sup>#</sup>	19.32 <sup>##</sup>	6.7

<sup>#</sup> calculated based on 231,832,299 total number of issued shares as at 30 June 2014

<sup>##</sup> calculated based on 231,802,299 total number of issued shares as at 31 December 2013





# BUSINESS OVERVIEW



# Recent Corporate Developments

## Listing on the AIM Market of the London Stock Exchange (July 2014)

- Placement of 44,600,000 new shares, at a price of 19.75 U.K. pence (approximately S\$0.42) per share, which were oversubscribed
- Raised gross proceeds of US\$15M to be used for business expansion and general corporate working capital
- Additional channel to raise capital and gained access to new networks of retail and institutional investors in Europe
- Enhanced international profile, boosting long-term visibility reputation, growth and development with investors and customers
- Current trading price on AIM is 23.00 U.K. pence as at 14 August 2014 (approximately S\$0.48)

# Stock Data

Basic Share Data	As at 14 August 2014
SGX Share Price	S\$0.495
AIM Share Price	23.00 U.K. pence (~S\$0.48)
No. of Issued Shares	276,432,000
Market Capitalisation*	S\$136.8 Million
NTA per Share	S\$0.185
Price/NTA*	2.68 times

\*calculated based on SGX share price

Major Shareholders (as at 18 Mar 2014)	% Shares Held
OCBC Securities P/L	34.52
DMG & Partners Securities Pte Ltd	11.58
Bank of East Asia Nominees Pte Ltd	5.19

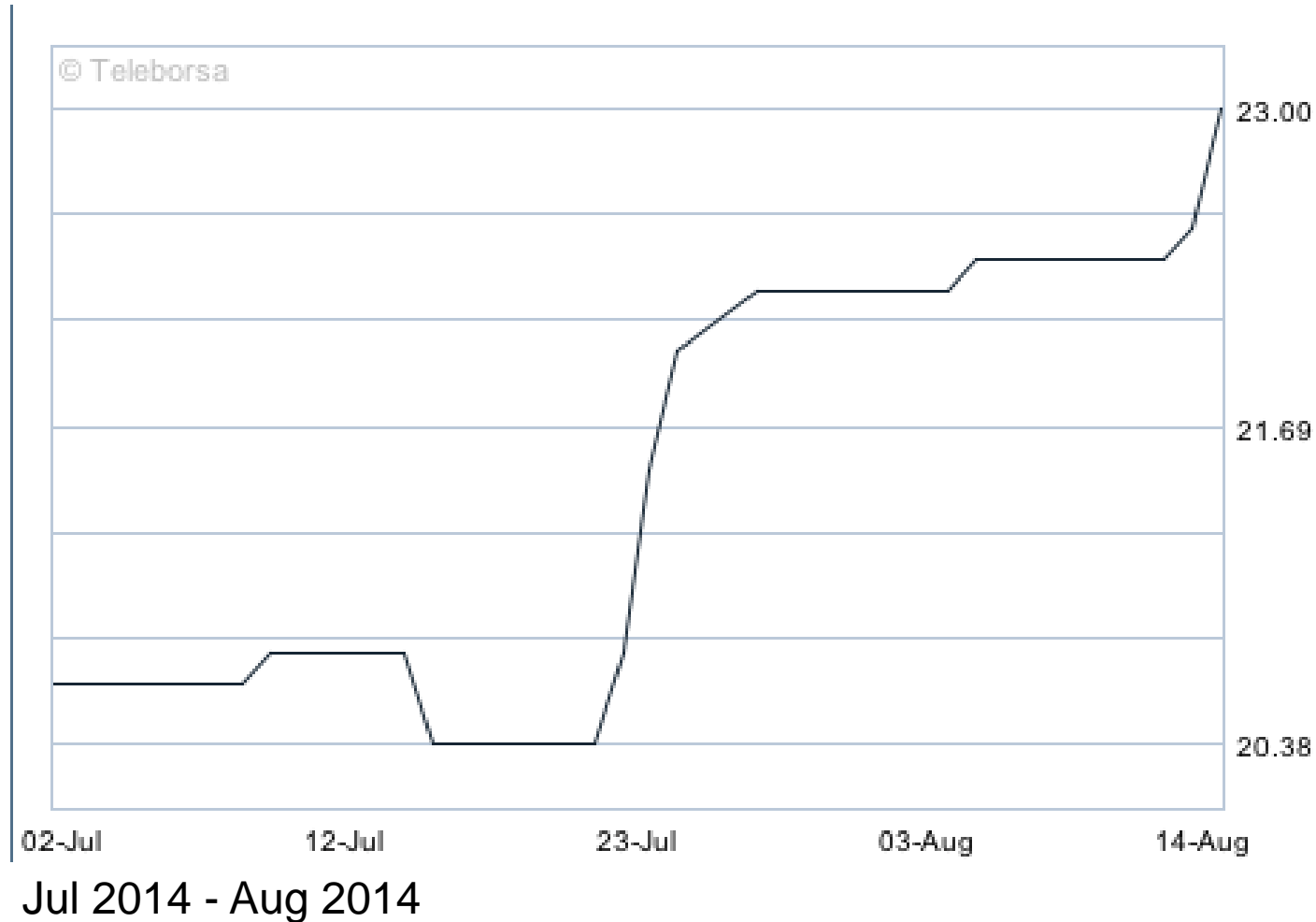
*Substantial Shareholder: Neo Chee Beng has 0.0003% direct interest and 10.0% deemed interest*

# SGX Stock Chart – 6-month period



Feb 2014 - Aug 2014

# AIM Stock Chart – 2-month period





# BUSINESS OUTLOOK



**global invacom**  
completing the picture

# Outlook for Sat Comms Industry

- **Continued growth of the Sat Comms industry worldwide**
  - Buoyed by emergence of new technologies (e.g. UltraHD)
  - Increased demand for HD content globally which leads to a rising number of content distribution channels and essentially higher demand for ground equipment
  - At the same time, increased barriers to entry in terms of increasing technology and customer relations
- **Increasing consolidation trend**
  - Proposed acquisitions of two European pay TV providers
  - Leads to a preference for Sat Comms equipment players with a value proposition that combines both R&D and a global manufacturing footprint

# Group's Forward Strategy

- Continues to monitor the market for strategic acquisition opportunities to further expand its suite of capabilities through:
  - i. New technologies
  - ii. New territories
  - iii. New broadcasters; or combination of all
- Better positioned for business prospects in Europe and elsewhere with AIM listing which has successfully raised the Group's international profile
- Continues to evolve product offerings with ongoing R&D efforts.
- Barring any unforeseen circumstances, the Board of Directors expects the financial performance in FY2014 to remain profitable.





# Global Invacom Group Limited

**Thank you!**

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