



**global invacom**  
completing the picture

**FY2015 ANNUAL GENERAL MEETING**



# AGENDA

- 1. Corporate Highlights**
- 2. Financial Review**
- 3. Skyware Acquisition**
- 4. IR Activities**
- 5. Outlook**
- 6. Q&A**



# CORPORATE HIGHLIGHTS



YEAR IN  
REVIEW



# CORPORATE HIGHLIGHTS

- Acquisition of U.S.-based **Skyware Global** for US\$8.8M
- Experiencing once-in-a-decade **technology shift** to channel stacking; led to de-stocking by key customers
- FY2015 revenue declined to US\$129.1M from US\$134.1M; Net loss of US\$1.1M vs. net profit of US\$5.1M, respectively
- Paid **dividend** of 0.525 Singapore cent for FY2014
- Resumed **share buyback**; Group holds 10.7M treasury shares as at end-FY2015
- **SCE Enterprise** acquired 12M treasury shares (4.4% stake in Group) for S\$3.5M
- Partnered **Avanti** (backed by Microsoft & ESA) to deliver satellite broadcast content over IP networks



# FINANCIAL REVIEW



**FY2015  
SNAPSHOTS**



# FINANCIAL REVIEW

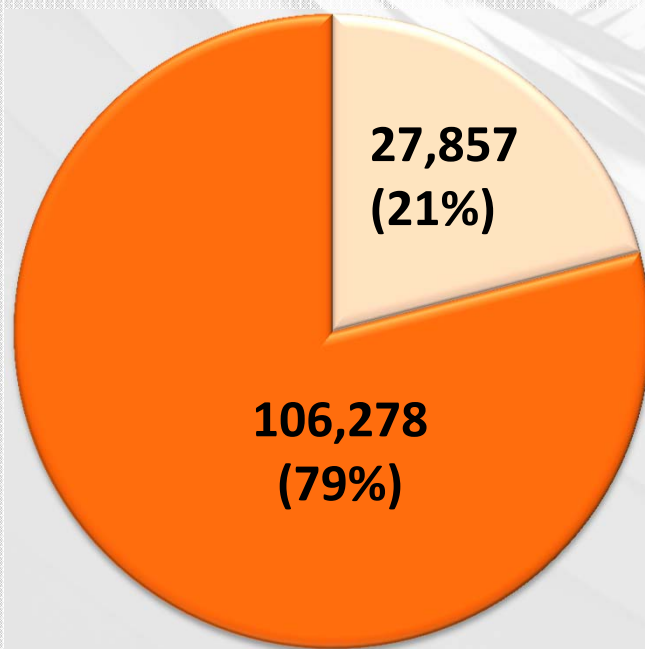
As at 31 December 2015 US\$'000	FY2015	FY2014	Changes (%)
Revenue	129,107	134,135	(3.7)
Gross Profit	24,897	31,791	(21.7)
Gross Profit Margin	19.3%	23.7%	(4.4)
(Loss)/Profit After Tax	(1,128)	5,102	N.M.
Diluted (Loss)/Earnings per Share (U.S. cents)	(0.43)	2.00	N.M.
NAV per Share (U.S. cents)	20.05	22.33	(10.2)

- **Revenue** declined 3.7% due to main customers' destocking in 1H FY2015 to prepare for technology shift; offset by recognition of four months' revenue from Skyware Global
- **Gross profit margin** fell to 19.3% from 23.7%, impacted by forex, product reclassification in relation to import duty taxes in U.S., and shortage of semiconductor devices
- **Cash position** of US\$8.9M (FY2014: US\$21.2M) post-Skyware acquisition; sale and subsequent purchase of 10.7M treasury shares, respectively
- **First and final dividend** of 0.525 Singapore cent for FY2014

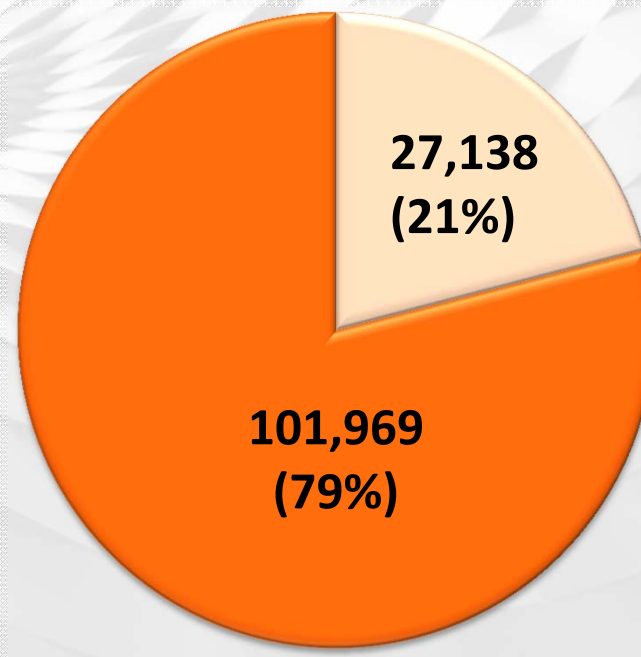


# FINANCIAL REVIEW

## BUSINESS SEGMENT



**FY2014: 134,135**  
(US\$'000)



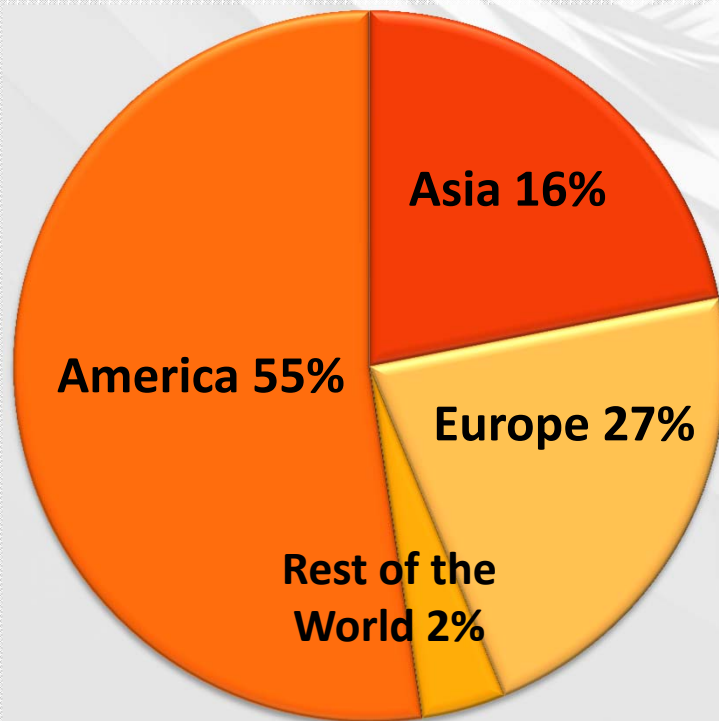
**FY2015: 129,107**  
(US\$'000)

■ Sat Comms    ■ Contract Manufacturing

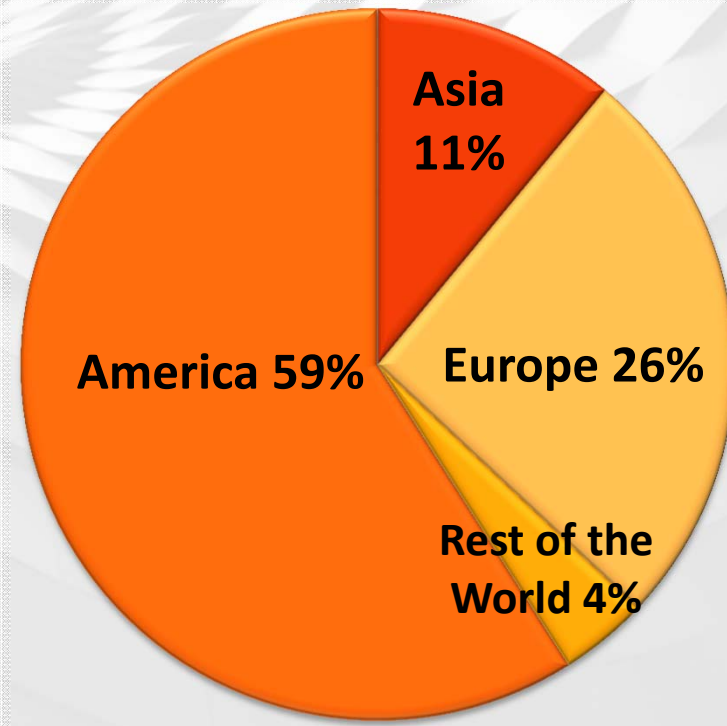


# FINANCIAL REVIEW

## GEOGRAPHICAL SEGMENT



**FY2014**



**FY2015**



# SKYWARE ACQUISITION



NEWLY-ACQUIRED  
SUBSIDIARY



# SKYWARE ACQUISITION

- Largest acquisition (US\$8.8M) since RTO, completed August 2015
- Based in North Carolina, U.S.; designs, develops & manufactures antennas; 67-year heritage
- Covers C-, Ku- and Ka-frequency platforms for LNBs & VSAT
- Expands Group's product portfolio and customer base
- In last few months, consolidated logistics/warehouse functions of North Carolina plant, yielded savings
- Extending Skyware's VSAT technology to Asian markets
- Strengthened management, integrated global sales network and now ramping up marketing activities
- Contributed four months' revenue in FY2015; full recognition in FY2016



# IR ACTIVITIES



**ENGAGING  
INVESTORS**



# INVESTOR RELATIONS ACTIVITIES

## ENGAGING THE FINANCIAL COMMUNITY



- Results & Analyst Briefings
- Media Features/Interviews
- Retail & Investor Roadshows
- Now covered by RHB Securities, Mirabaud Securities LLP and finnCap Ltd



# OUTLOOK



**INDUSTRY &  
GROUP FORECAST**



# INDUSTRY OUTLOOK

- Revenues for the global satellite sector grew 4% in 2014\* to US\$203B (US\$195.2B in 2013)
  - Expected to continue growing on back of demand for digital TV services and communications infrastructure, together with advancements in broadcasting technology
- Satellite Ground Equipment market valued at US\$58.3B in 2014
- Replacement cycle of new technological developments in the industry
  - Customers likely to manage inventory carefully, change procurement patterns
- High demand for HD and 4K content from satellite broadcasters, especially in emerging markets; tighter requirements for VSAT terminals and increased demand for consumer ground equipment

*\*Source: The Satellite Industry Association's 2015 State of the Satellite Industry Report*



# GROUP OUTLOOK

- Continues to strengthen value proposition as a leading integrated Sat Comms player; combine R&D with a global manufacturing footprint
- Post-Skyware acquisition, Group has enlarged customer base and suite of capabilities; will increase sales and marketing activities in South America, Africa (with a focus on South Africa), Europe and Southeast Asia
- Continues to drive internal efficiencies; intends to expand scope of manufacturing operations to Southeast Asia
- Investments in R&D to drive long-term growth, deliver world-class equipment



# THANK YOU

## Media and Investor Contact Information

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