



global invacom
completing the picture

Q1 FY2016 RESULTS BRIEFING
12 MAY 2016

AGENDA

- 1. About the Sat Comms Industry**
- 2. Financial Review**
- 3. Skyware Global Acquisition**
- 4. Group Outlook**

HOW SAT COMMS WORK



BENEFITS OF SAT COMMS

Low-cost, ubiquitous coverage in cities, especially in remote regions where terrestrial networks fall short of high reliability and high speed

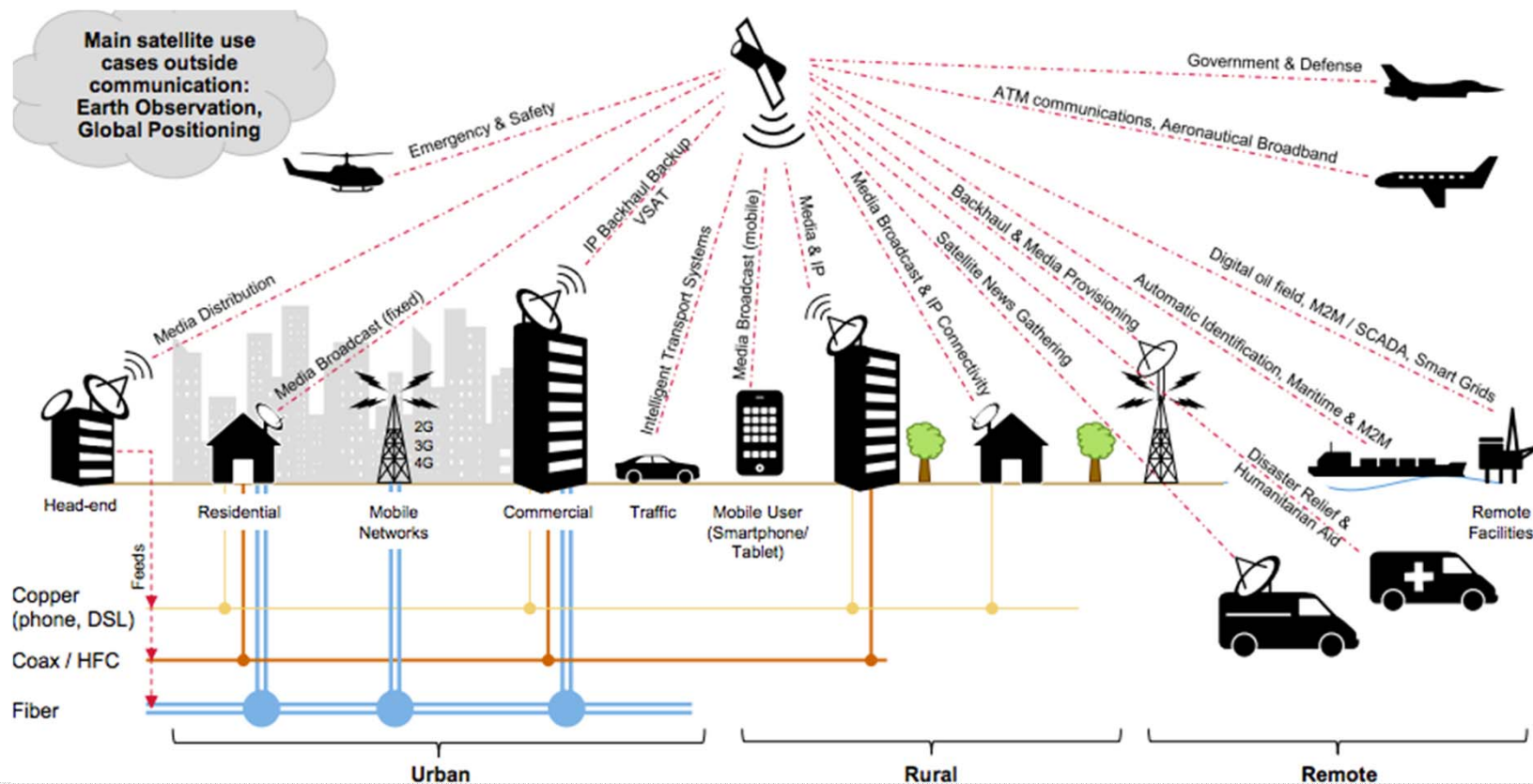


Image reference: EMEA Satellite Operators Association, "Why Satellites Matter"

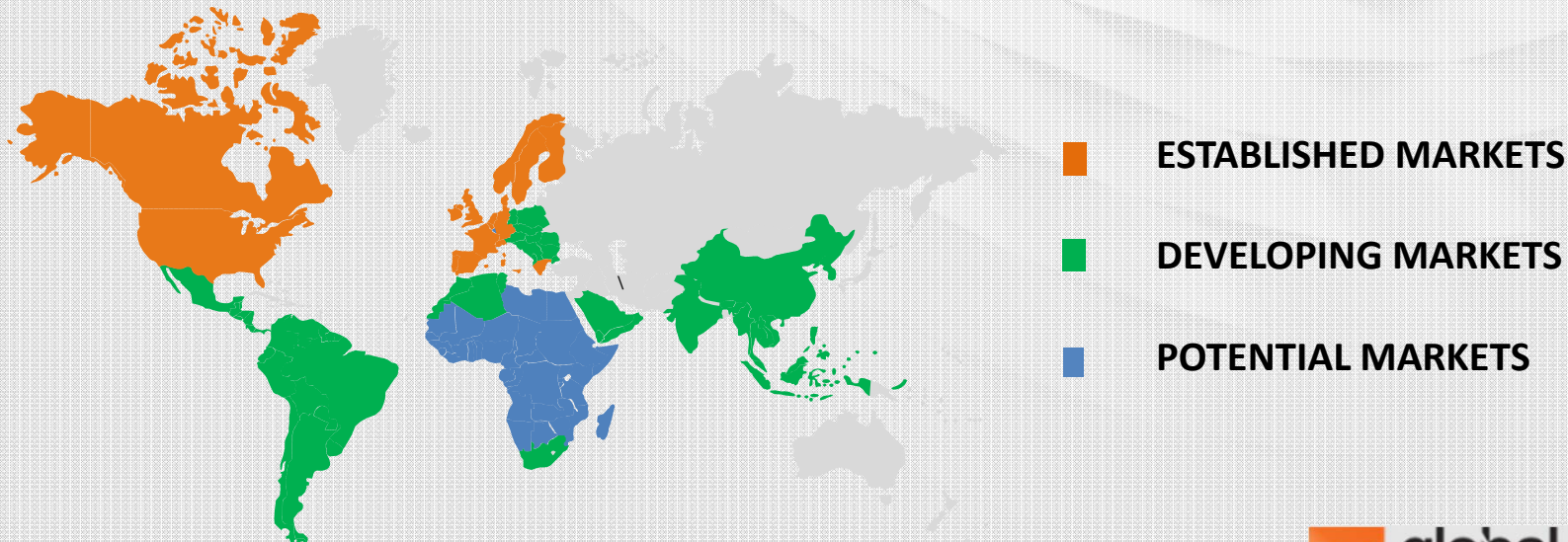
BENEFITS OF SAT COMMS



- Cost-efficient for broadcasting
- High bandwidth
- Does not require complex ground infrastructure; interoperable with terrestrial services
- Solar-powered
- Offers global coverage with instant, interoperable services
- Reliable quality, independent of terrain or distance

THE GLOBAL SAT COMMS MARKET

- Developing markets (**Latin America**, the **Middle East**) not yet saturated with terrestrial networks; open to satellite services (e.g. Facebook, Google Project)
- Governments turning to commercial satellites to spur economic growth and meet growing global demand for data and connectivity
- **Asia** expected to be a major market; rising middle class, greater rural connectivity
- Global satellite manufacturing and launch market expected to grow at CAGR of 5.14% between 2014 and 2019



FINANCIAL REVIEW



Q1 FY2016
SNAPSHOTS

PROFIT & LOSS OVERVIEW

As at 31 March 2016 US\$'000	Q1 FY2016	Q1 FY2015	Changes (%)
Revenue	30,758	27,037	13.8
Gross Profit	5,679	5,847	(2.9)
Gross Profit Margin	18.5%	21.6%	(3.1)
Loss before income tax	(630)	(829)	(24.0)
Loss after income tax attributable to equity holders of the Company	(654)	(933)	(29.9)
Diluted Loss per Share (U.S. cents)	(0.24)	(0.36)	(33.3)
NAV per Share (U.S. cents)	20.05	20.05	-

BALANCE SHEET HIGHLIGHTS

US\$'000	31 Mar 2016	31 Dec 2015	Changes (%)
Total Assets	87.3	89.5	(2.5)
Total Borrowings	6.9	5.3	28.5
Total Equity	54.5	54.5	-
Cash & Cash Equivalents	10.4	8.9	17.6

FINANCIAL REVIEW – 1

- **Revenue** increased 13.8% to US\$30.8M (Q1 FY2015: US\$27.0M)
 - Recognition of three-month contributions of US\$11.5M from Skyware Global
 - Major U.S. customer down US\$5.1M; Contract Manufacturing segment down US\$2.0M
 - Including Skyware Global, revenue from America and the Rest of the World increased by US\$5.0 million (+33.9%) and US\$0.9 million (+172.2%), respectively; Europe and Asia revenue fell by US\$1.4 million (-16.2%) and US\$0.8 million (-26.8%), respectively
- **Gross profit margin** fell to 18.5% (Q1 FY2016: 21.6%)
 - Excluding Skyware Global, gross profit margin would have risen 2.7% to 24.3%
 - Skyware Global margin affected by one-off post-acquisition costs, adverse product mix

FINANCIAL REVIEW – 2

- **Net loss** narrowed to US\$0.7M in Q1 FY2016 (Q1 FY2015: US\$0.9M)
 - Net loss margin of 2.1% compared to 3.5%, respectively
 - Excluding Skyware Global, net loss would have been reduced to US\$0.1M
- **Cash and cash equivalents** of US\$9.0M per consolidated cash flow statement (Q1 FY2015: US\$16.6M)
 - Net cash generated from operating activities: US\$0.5M
 - Net cash used in investing activities: US\$0.7M, comprising mainly purchase of machinery and equipment
 - Net cash generated from financing activities was US\$1.6M, arising from net proceeds from borrowings

SKYWARE GLOBAL



Q1 FY2016
UPDATE

SKYWARE GLOBAL ACQUISITION – 1

- Three-month contribution of **US\$11.5M** in Q1 FY2016
- 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

SKYWARE GLOBAL ACQUISITION – 2

- In last few months, consolidated logistics/warehouse functions of North Carolina plant (including shutting down one warehouse)
- Extending Skyware Global's VSAT technology to Asian markets
- Strengthened management, integrated global sales network and now ramping up marketing activities
- Revenue contribution expected to increase through FY2016

GROUP OUTLOOK



INDUSTRY &
GROUP FORECAST

INDUSTRY OUTLOOK

- Global satellite sector valued at US\$203B in 2014* (2013: US\$195.2B)
- Satellite Ground Equipment market valued at US\$58.3B in 2014, expected to continue growing at 5% per year
 - High demand for digital TV services and communications infrastructure, together with advancements in broadcasting technology
- Replacement cycle of new technological developments in the industry
 - Introduction of digital channel stacking (“DCS”) technology that allows up to 32 continuous video streams from a single Low Noise Block (“LNB”); effects expected to persist through 1H FY2016
 - 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; combining R&D with a global manufacturing footprint
- Post-Skyware Global acquisition, Group has enlarged customer base and suite of capabilities; will increase sales and marketing activities in all territories
 - Includes developing markets such as South America and Southeast Asia
 - Monitoring opportunities in Africa and India
- Continues to drive internal efficiencies; intends to expand scope of manufacturing operations in Southeast Asia
- Investments in R&D to drive long-term growth, deliver world-class equipment

ABOUT GLOBAL INVACOM



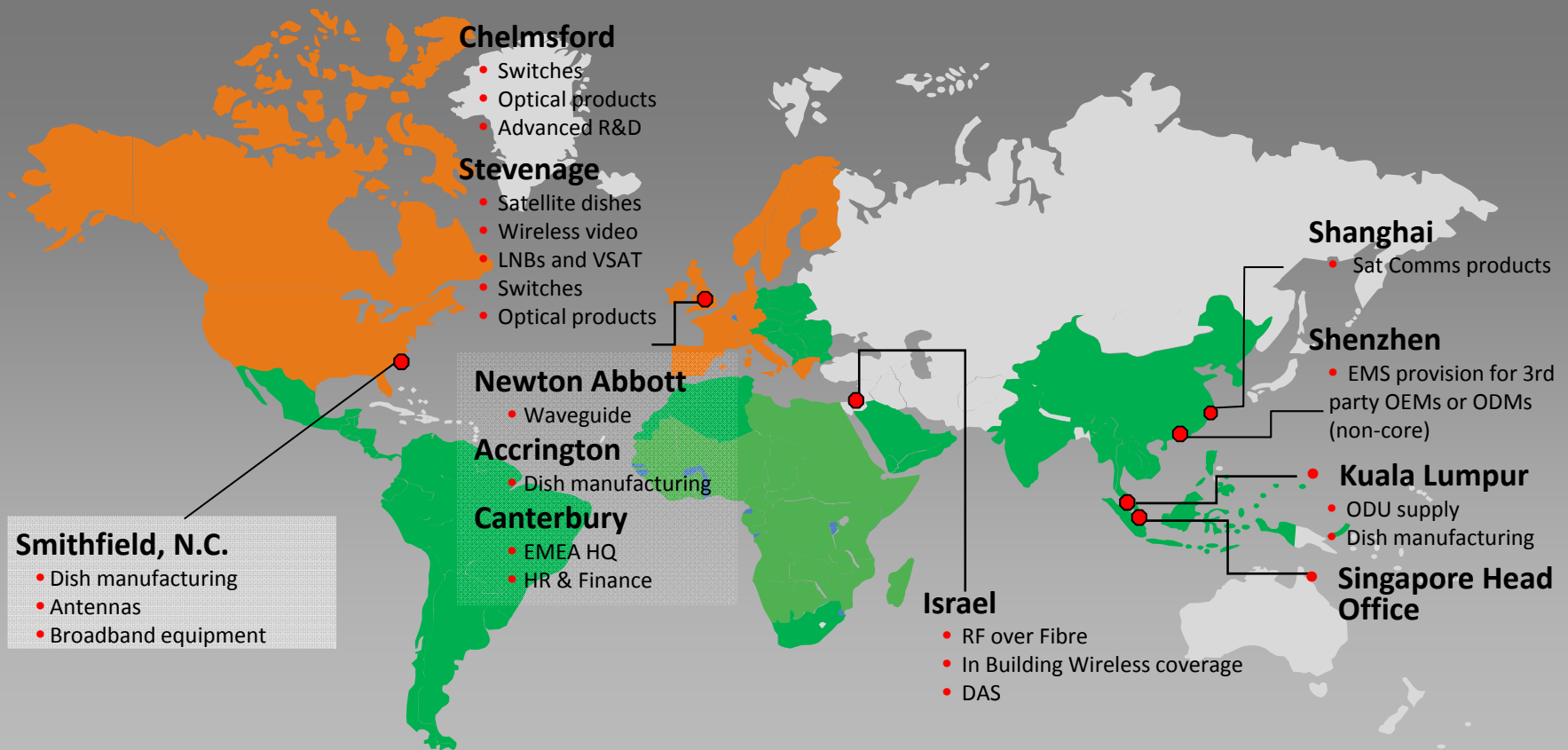
COMPANY
OVERVIEW

ABOUT GLOBAL INVACOM

- One of the world's leading providers of fully integrated satellite communications ("Sat Comms") equipment
- Listed on the Mainboard of SGX-ST and the AIM Market of the London Stock Exchange
- One of seven companies worldwide involved in R&D, design and supply of Sat Comms products to large-scale satellite broadcasters
- Seven manufacturing plants in China, Malaysia, Israel, U.K. and U.S.
- 83 patent applications with 20 granted to date and a 20-year track record in pioneering new products

GEOGRAPHICAL PRESENCE

- Headquartered in Singapore; 12 operational locations in U.K., U.S., Israel, China and Malaysia; exports products to 60+ countries



BUSINESS OVERVIEW

PRODUCTS

- Designing, manufacturing and marketing of products in the satellite TV and cable peripherals industries
- Electronics manufacturing services

MARKETS

- Broadcasters
- Building developers
- Installers and integrators
- Telecommunications providers
- Medical
- Aerospace and Marine

SERVICES

- Consultancy
- State-of-the-art R&D

BUSINESS OVERVIEW

- Globally-integrated value chain; extensive product portfolio
- Solid customer relationships, reliable supply chain
 - Customers: Relationship with Echostar for 10+ years; significant increase in sales to BSkyB over FY2009 - FY2013
 - Suppliers: Engaged with 4 of our 5 top suppliers for over 10 years; began consolidating all suppliers to build strategic relationships in 2013



THANK YOU

Media and Investor Contact Information

WeR1 Consultants Pte Ltd

3 Phillip Street, #12-01 Royal Group Building

Singapore 048693

Tel: (65) 6737 4844 | Fax: (65) 6737 4944

Grace Yew, graceyew@wer1.net

Ian Lau, ianlau@wer1.net