

GLOBAL INVACOM

FY2016 Annual General Meeting



global invacom
completing the picture

AGM Agenda

- **Corporate Highlights**
- **Financial Review**
- **IR Activities**
- **Outlook**
- **Q&A**

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Corporate Highlights



Corporate Highlights

Date	Milestone
15 Jun	Partners telecom equipment distributor PT ANTA Mediakom to deploy up to 14,000 Global Invacom VSAT terminals in Indonesia
5 Jul	Releases preliminary statement regarding British referendum to leave European Union (Brexit)
13 Jul	Global Professional launches new rack mount products for radio frequency (RF), VSAT and GPS applications
30 Aug	Shanghai arm secures patent for auto-assembly machine
6 Sep	Shanghai arm secures patent for cap press machine

Corporate Highlights

Date	Milestone
5 Oct	Featured at SGX investment seminar for small- to mid-cap listed companies
10 Oct	Foxcom, the Group's R&D and manufacturing arm, launches low-cost compact iridium/GPS repeater
19 Oct	Secures approval for DCSS-generation LNB from key customer, a leading US satellite equipment provider; commenced product delivery in Q4 FY2016
24 Oct	Rebrands US subsidiary as Global Skyware to align brand with rest of business
8 Nov	Consolidates activities in the People's Republic of China under wholly-owned Shanghai subsidiary to improve gross margins, cost efficiencies
31 Dec	Maiden 12-month revenue contributions from Global Skyware recognised for financial year under review

Key Developments

- **New Digital Channel Stacking Switch (DCSS) technology arrives**
 - Industry-wide replacement cycle, which occurs every 8-10 years, as clients switched to DCSS-generation technology
 - DCSS technology allows up to 32 continuous video streams from a single Low Noise Block (LNB)
 - In Q4 FY2016, the Group was approved for supply of DCSS LNBs to biggest customer
 - The Group is **one of the customer's two exclusive DCSS equipment suppliers**
 - Product delivery commenced November 2016
 - The Group expects to deploy DCSS technology across all new LNBs, benefitting those currently in design or pending approval for all customers and territories
 - Roll out expected to pick up through 2017 and continue for a number of years

Key Developments

- **Consolidation of contract manufacturing operations in China**
 - Following gradual decline in the non-core third-party manufacturing business of **Radiance Electronics (Shenzhen) Co., Ltd** the Group chose to cease operations there at the end of 2016
 - Key contract manufacturing clients, equipment and customer inventory were transferred to wholly-owned **Global Invacom Manufacturing (Shanghai) Co., Ltd**
 - Shanghai facility is the Group's largest globally in production capacity and headcount
 - The Group expects better gross margins through manufacturing cost efficiencies from the Shanghai facility in FY2017 and beyond, partly driven by the inclusion of the transferred third-party manufacturing

Key Developments

- **Hughes Network Systems, LLC (“Hughes”) launched HughesNet® Brazil in July 2016**
 - Hughes is a client of the Group and operates the world’s largest high-speed, affordable satellite Internet network
 - To date the Group, the sole supplier of antennas, has shipped over 90,000 units, bringing sustainable new revenue
 - First international deployment of award-winning consumer service outside North America, started 1 July 2016
 - HughesNet® operates on Ka-band capacity of high-throughput satellite and will service 85% of Brazil’s population, especially those underserved by terrestrial broadband

Key Developments

- **Launch of Jupiter 2 communications satellite in December 2016**
 - HughesNet®'s newest high-speed Internet satellite – the world's highest-capacity broadband satellite
 - Ka-band satellite uses high-throughput spot beams to provide HughesNet® consumer broadband across North America
 - Also supports Internet to passenger aircraft at cruising altitude
 - Expected to significantly expand service capacity and increase subscriber base
 - Commences service in Q1 FY2017
 - The Group is Hughes' predominant ground antenna provider



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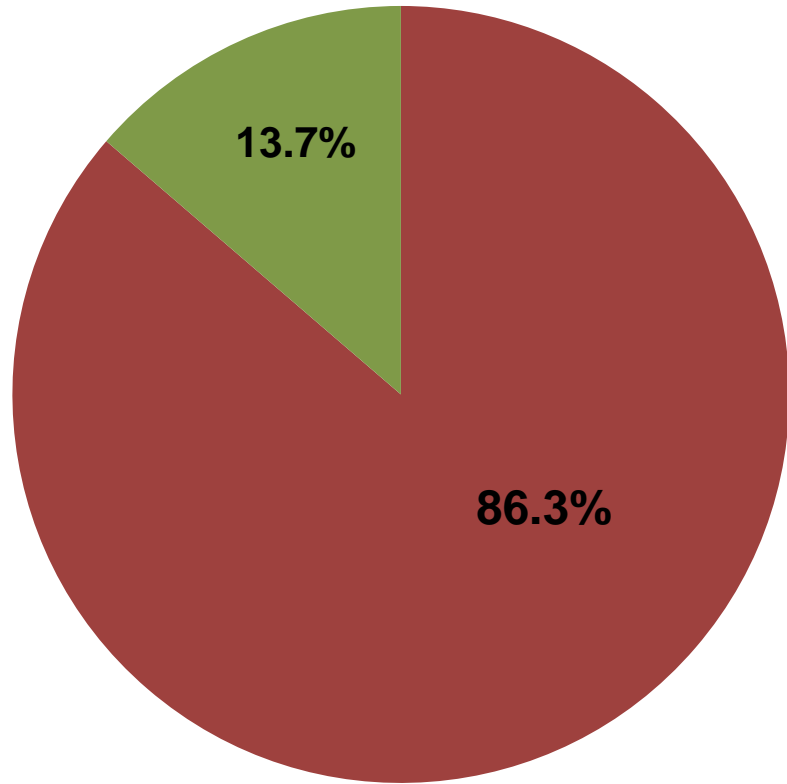
Financial Review

Financial Review FY2016

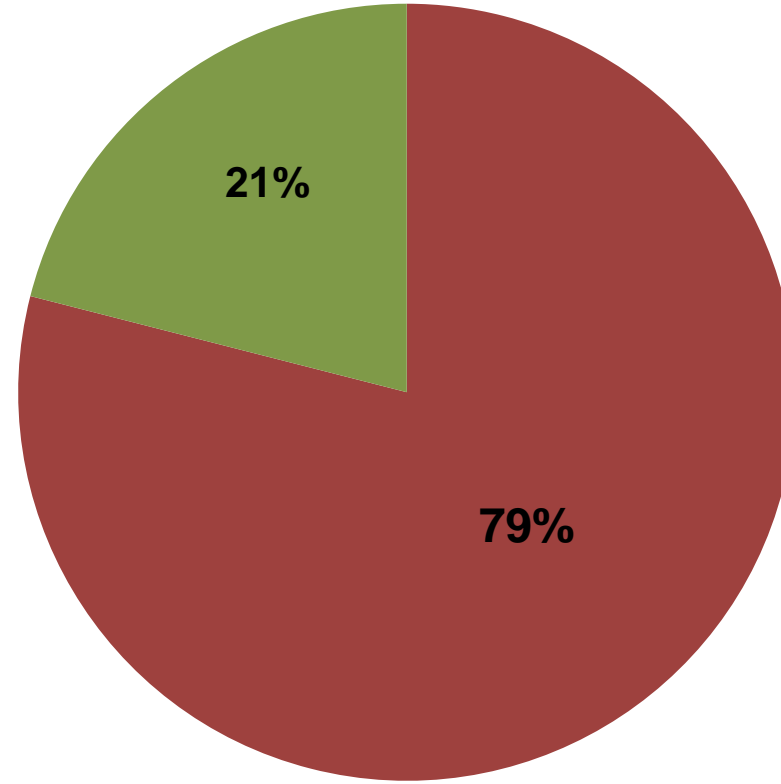
US\$'000	FY2016	FY2015	Change (%)
Revenue	127,308	129,107	(1.4)
Gross Profit	26,025	24,897	4.5
Gross Profit Margin	20.4%	19.3%	1.1
Net Loss after Tax	(2,703)	(1,128)	139.6
Diluted Loss per Share (US cents)	(1.00)	(0.43)	132.6
NAV per Share (US cents)	19.26	20.05	(3.9)

- Revenue down 1.4% to US\$127.3m (FY2015: US\$129.1m)
 - Global Skyware's maiden full-year contribution was US\$42.4m, against one quarter of FY2015 at US\$17.5m
 - Higher revenue from America by US\$8.4m (+11.1%)
- Gross profit margin improved to 20.4% (FY2015: 19.3%)
- Cash position moved to US\$7.9m from US\$8.9m. Last payments from RTO completed
- Net loss after tax of US\$2.7m (FY2015: US\$1.1m net loss)
 - Without one-off restructuring costs, net profit for FY2016 would have been US\$0.5m

Breakdown: Business Segment



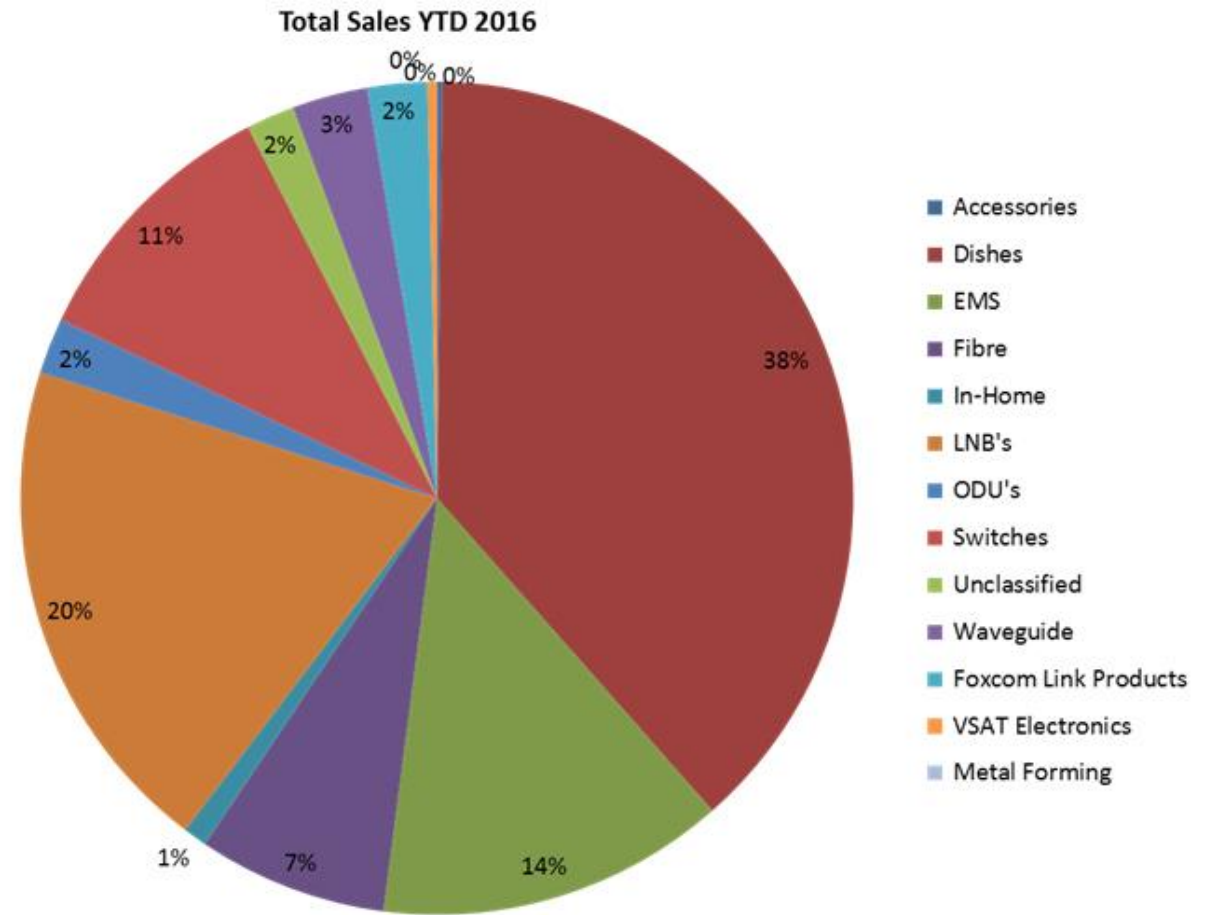
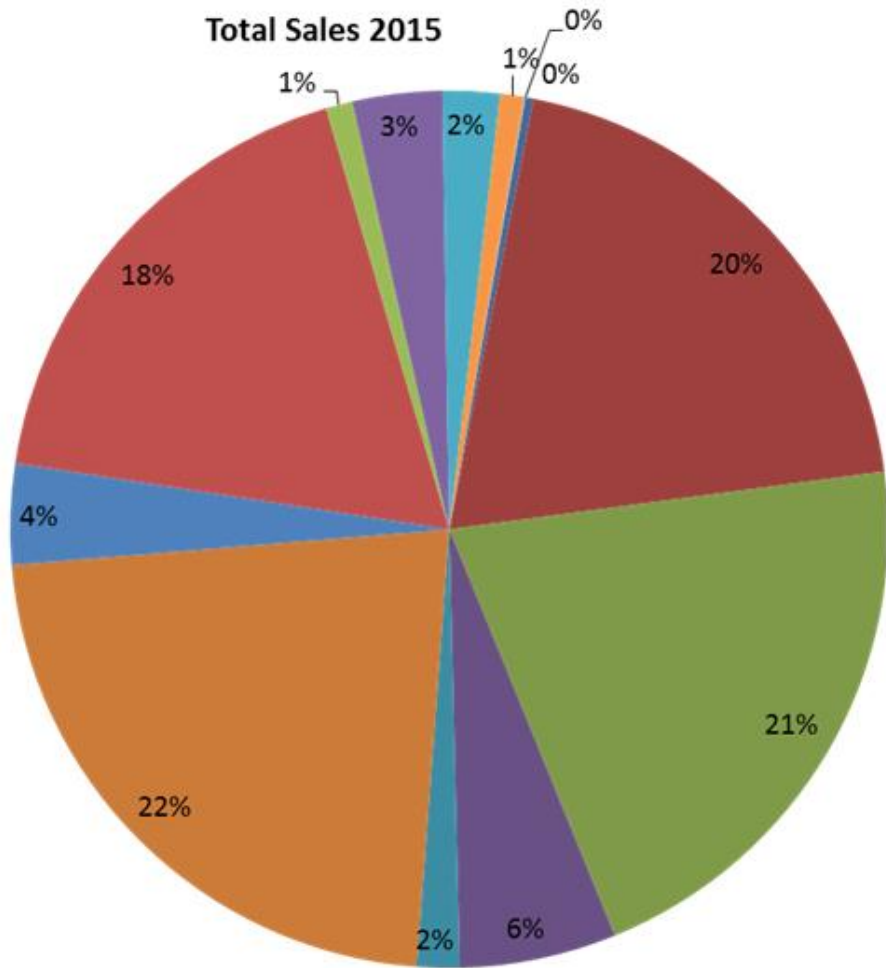
FY2016
(US\$'000)



FY2015
(US\$'000)

■ Sat Comms ■ Contract Manufacturing

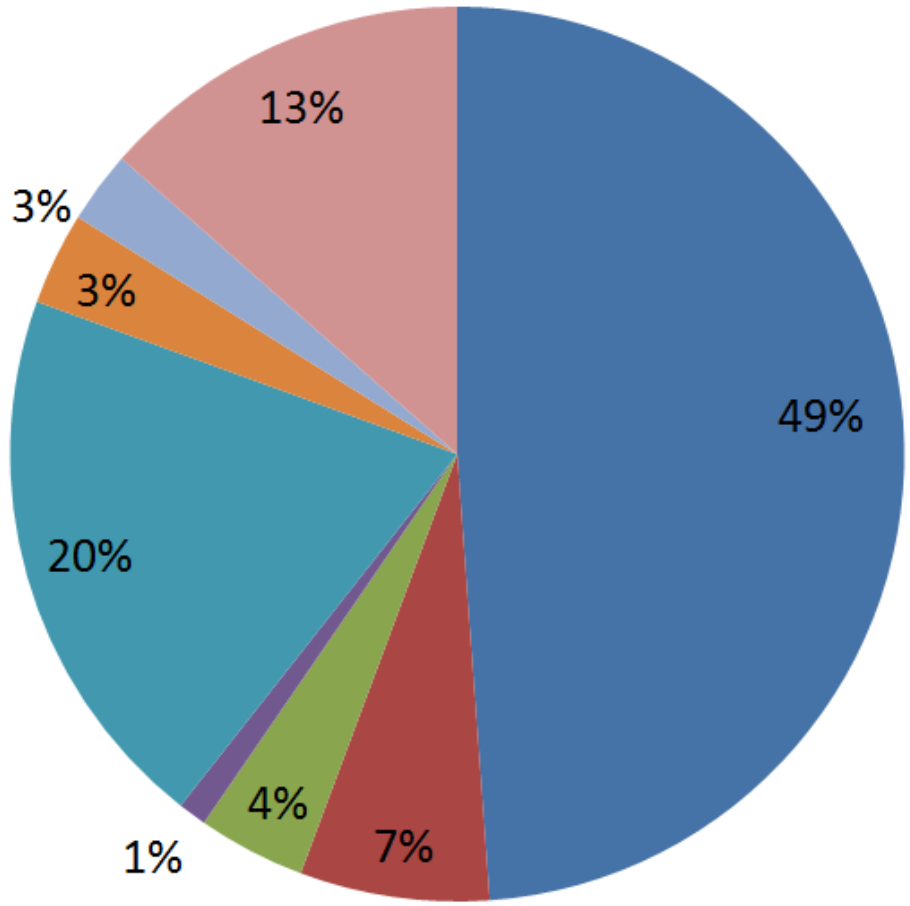
Breakdown: Product Segment



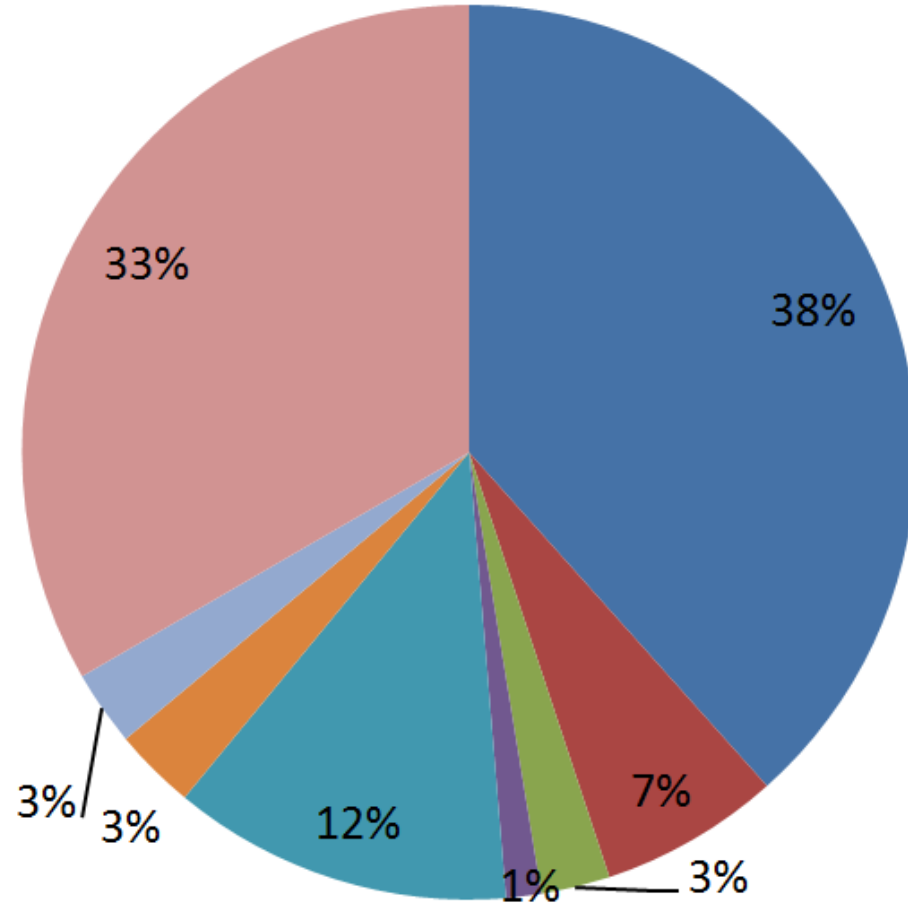
- Accessories
- Dishes
- EMS
- Fibre
- In-Home
- LNB's
- ODU's
- Switches
- Unclassified
- Waveguide
- Foxcom Link Products
- VSAT Electronics
- Metal Forming

Breakdown: Site

Total Sales 2015

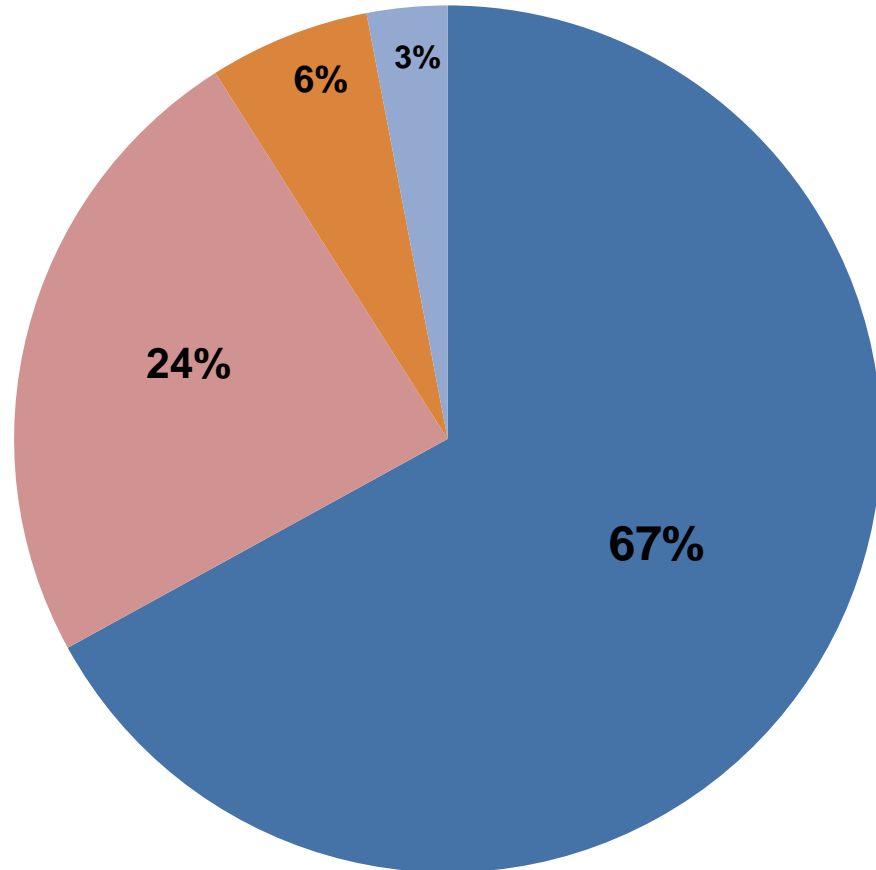


Total Sales YTD 2016

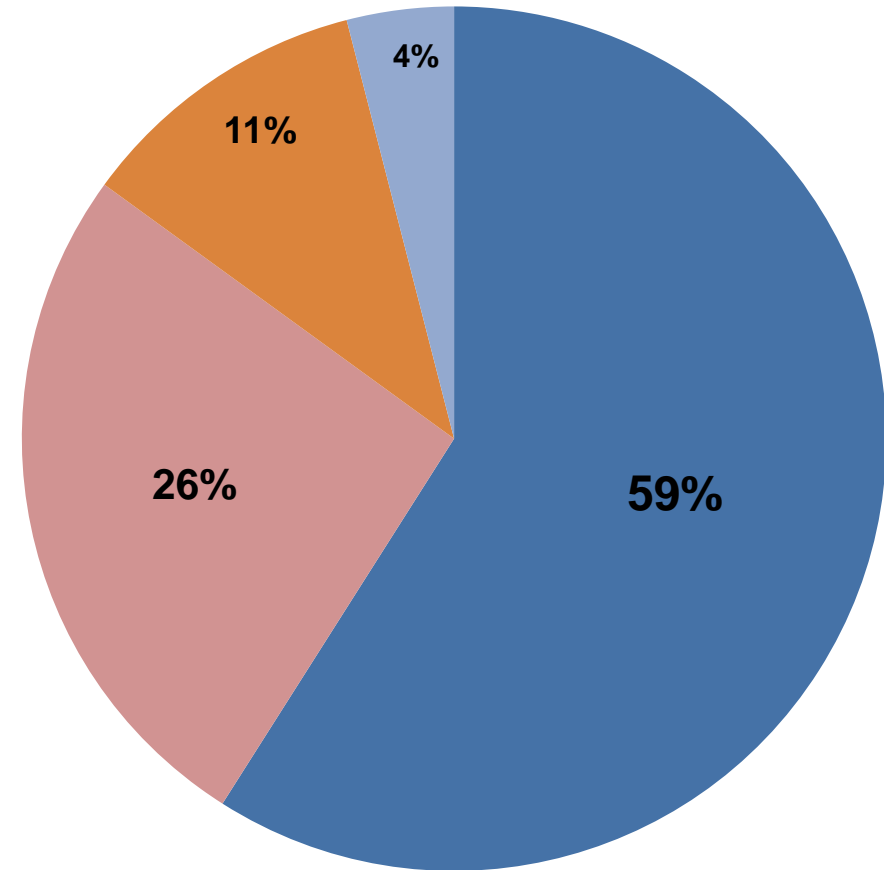


- GIL
- GIML
- GISB
- GISH
- RESZ
- TWS
- Foxcom
- GS

Breakdown: Geographical Segment



FY2016



FY2015

■ America ■ Europe ■ Asia ■ Rest of the World (RotW)

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Investor Relations Activities



Engaging the Investor Community



- **Quarterly Results & Analyst Briefings**
- **Retail & Investor Roadshows and Seminars (SGX-WeR1 Seminar, RHB Unpolished Gems)**
- **Media Features (SGX Kopi-C, Business Times)**
- **Covered by RHB Securities, Mirabaud Securities LLP and finnCap Ltd**

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Group & Industry Outlook



Industry Outlook

- Global satellite manufacturing and launch market expected to grow at compounded annual growth rate of 4.95% for 2016 – 2020, driving the requirement for SGE
- Global SGE market valued at US\$58.9B in 2015, expected year-on-year growth
- Sat Comms revenue and raw material spend largely transacted in USD, which has strengthened since election of US President Donald Trump
 - Recent global political changes (Brexit etc.) may impact international trade; Group will monitor developments and investigate ways to mitigate impact on activity
- Technological replacement cycle for DCSS technology expected to continue for the foreseeable future as more Broadcasters take up the technology and gradually transition their customers to DCSS
- On-going demand for low-cost HD/4K content from satellite broadcasters

Group Outlook

- Improved capabilities and cost efficiencies
 - China consolidation will remove overhead replication and assist margin improvement through increased activity
 - Global Skyware improvements, rebranding and continuing integration have attracted clients
 - UK restructuring and cost improvement initiatives have reduced fixed costs
- With approval to release DCSS-generation products continuing from Q4 FY2016, prior year's R&D expenditure is now converting to revenue streams
- The one stop shop for Satellite Ground Equipment
- The only supplier with a global footprint in Europe, North America & Asia
- Enlarged customer base; good relationships with major broadcasters globally

THANK YOU / Q&A

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