



**Global Invacom Group Limited**  
("Global Invacom", the "Company" or the "Group")

**Results for the six months ended 30 June 2019**  
**("1H FY2019")**

Singapore/London, 8 August 2019 - Global Invacom (SGX: QS9) (AIM: GINV), the global provider of satellite communications equipment and electronics, is pleased to announce its financial results for the six months ended 30 June 2019 and three months ended 30 June 2019 ("Q2 FY2019").

**Key financial highlights:**

- The Group announced a Q2 FY2019 net profit of US\$845k, its tenth consecutive quarter of profitability
- Revenue for 1H FY2019 increased significantly by 29.9% to US\$71.9m (1H FY2018: US\$55.4m)
- Gross Profit for 1H FY2019 increased by 28.1% to US\$15.1m (1H FY2018: US\$11.8m)
- Net profit for 1H FY2019 increased by 198.1% to US\$1.6m (1H FY2018: US\$0.5m)
- Cash and cash equivalents of US\$7.9m (31 December 2018: US\$8.4m)

**Key operational highlights:**

- The acquisition of Apexsat (June 2019) bolsters capability in Low Earth Orbit ("LEO") and Medium Earth Orbit ("MEO") products
- Ongoing sales momentum for Direct to Home ("DTH") satellite connectivity equipment, to major US, Malaysian and UK satellite broadcasters
- Expanded capabilities to deliver integrated antenna and electronics solutions for the fast growing Very Small Aperture Terminal ("VSAT") market for Data over Satellite ("DOS") to customers such as Hughes, Gilat and Viasat
- Ongoing focus on both product development and diversification remains central to growth strategy

The Group's sales momentum reflects the continued and growing global demand for satellite communications equipment and electronics to satisfy the demand for data and connectivity.

Satellite communications remain an essential component in meeting global demand for data and connectivity, especially where security of transmission is important or in rural areas and less developed regions where physical fibre or cable is not commercially viable.

This strong industry back drop is reflected in our robust financial performance, with the Group reporting another quarter of profit.

Revenue for the quarter ended 30 June 2019 rose 27.1% to US\$33.7 million from Q2 FY2018 at US\$26.5 million, driven by an increase in order intake from major customers in the United States.

Revenue in the period increased in America, Europe and Rest of the World by US\$7.2 million (+40.9%), US\$0.1 million (+1.4%) and US\$1.0 million (+122.8%), respectively, minorly offset by a weaker performance in Asia, down by US\$1.1 million (-73.9%).

With the increase in revenue coupled with product mix and manufacturing improvements, gross profit for Q2 FY2019 increased by 28.8% to US\$7.3 million, compared with corresponding quarter in 2018 of US\$5.7 million.

Net profit increased significantly by 310.2% to US\$0.8 million (Q2 FY2018: US\$0.2 million), the Group's tenth consecutive quarter of profitability.

Administrative expenses rose to US\$5.9 million in Q2 FY2019 from US\$5.2 million in Q2 FY2018, due to the inclusion of salaries and related costs from the acquisition of Skyware Technologies and some small professional fees incurred for the reverse takeover, which were both absent in Q2 FY2018. Excluding these new costs brings administrative costs back in line with FY2018.

Earnings per share on a fully diluted basis rose to 0.31 US cent for Q2 FY2019 (Q2 FY2018: 0.08 US cent). For 1H FY2019, earnings per share increased to 0.58 US cent (1H FY2018: 0.20 US cent). Net asset value per share increased to 21.30 US cents as at 30 June 2019 from 20.84 US cents as at 31 December 2018. The Group's cash and cash equivalents amounted to US\$7.9 million as at 30 June 2019.

Through the Group's solutions, Global Invacom has fast established itself as a preferred partner for several blue-chip global media operators. The Group is now the exclusive antenna manufacturer for a leading UK telecommunications company to whom it is also now supplying its electronics, and has built strong relationships with major US customers, including a major broadcaster and the world's largest provider of DOS services.

Underpinning this strong market position is the growing demand for satellite systems. It is estimated that approximately 3,300 satellites will be launched between 2018 and 2027, representing a market of approximately US\$284 billion<sup>1</sup>. Increasing demand for data services continues to support this growth, led by the ongoing adoption of smart phone usage, particularly in developing economies, where fibre infrastructure is weak or non-existent. Smart phone data consumption is forecast to increase ten-fold globally between 2016 and 2022, rising to twelve times in Central and Eastern Europe and Middle East and Africa<sup>2</sup>, with demand for voice data remaining largely flat.

The Company's focus on DOS and DTH solutions and complementary ancillary products and services continues to exploit global demand. In 1H FY2019, the Company commenced sales of its US-targeted slimline Eastern Arc LNB (low noise block downconverter), following the successful launch of the Western Arc model in late-2018 and was initially the sole source supplier for these DTH products.

In the DOS division, the acquisition of the business of Skyware Technologies, now trading under Global Skyware Limited, in October 2018 bolstered the Group's electronics capabilities, which now positions Global Invacom to offer integrated antenna and electronics solutions for this market. The Group's capabilities in this DOS sector of the market were further enhanced when, in June 2019, the Group completed the acquisition of the assets and technology of Apexsat, which specialises in the design and manufacture of steerable earth station antenna solutions, essential to address the upcoming LEO and MEO satellite communications market. These moveable antennas are capable of tracking satellites that form part of the LEO and MEO constellations in addition to receiving signals from rarely used commercial satellites. The integration of Apexsat is now underway with management keen to explore commercial opportunities as the rollout of LEO and MEO commences.

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<sup>1</sup> [http://www.euroconsult-ec.com/shop/index.php?id\\_product=110&controller=product](http://www.euroconsult-ec.com/shop/index.php?id_product=110&controller=product)

<sup>2</sup> <https://www.ericsson.com/en/mobility-report/future-mobile-data-usage-and-traffic-growth>

Meanwhile, in the DTH market, the Group is focussed on second generation data satellite providers, where there is demand for streaming and recording capabilities and is now seeing real global traction within this sector, which the Group believes presents a significant opportunity going forward.

The Group's sales reflected demand across its global footprint with DTH and DOS products now equally represented. The Group remains well positioned to capitalise on further market growth and will continue to leverage its blue-chip customer relationships.

Central to the Group's success is its technical track record, both acquired and created internally. In Q2 FY2019, the Group successfully completed a further trial of its Bx-Wifi technology, with the Italian national public broadcasting company. Bx-Wifi technology enables the simultaneous streaming of uninterrupted audio or video content from multiple sources by narrowing bandwidth usage, eliminating buffering or loss of signal, and enabling thousands of users to stream concurrently.

The Group plans to expand its sales and marketing activities to further broaden its growing customer base geographically, in addition to strengthening existing customer relationships. In light of further recent tariff increases imposed by the USA on products produced in China, it will also continue its strategy in the second half to derisk its manufacturing exposure through reduced activity at its largest site in China.

**Tony Taylor, Executive Chairman of Global Invacom, commented:**

*"We have made a strong start to 2019 buoyed by our recent acquisition of Apexsat and good customer traction across our DOS and DTH satellite solutions. Global Invacom has an enviable customer base, a long track record of innovation and service excellence, and a unique and leading position in the industry."*

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## **About Global Invacom Group Limited**

Global Invacom is a fully integrated satellite equipment provider with six manufacturing plants across China, Israel, Malaysia, UK and the US. Its customers include satellite broadcasters such as BSkyB of the UK and Dish Network of the USA and Data over Satellite providers including Hughes Network Systems, Viasat and Gilat Satellite Networks.

Global Invacom provides a full range of antennas, LNB receivers, transceivers, electronics, fibre distribution equipment, transmitters, switches and video distribution components as well as electronics manufacturing services in satellite communications. Following the acquisition in 2015 of Global Skyware, a leading US-based designer and supplier of satellite antennas products and services, the Company became the world's only full-service outdoor unit supplier.

Global Invacom is listed on the Mainboard of the Singapore Exchange Securities Trading Limited and its shares are admitted to trading on the AIM Market of the London Stock Exchange.

For more information, please refer to [www.globalinvacom.com](http://www.globalinvacom.com)