GLOBAL INVACOM

FY2016 Briefing & Analysis

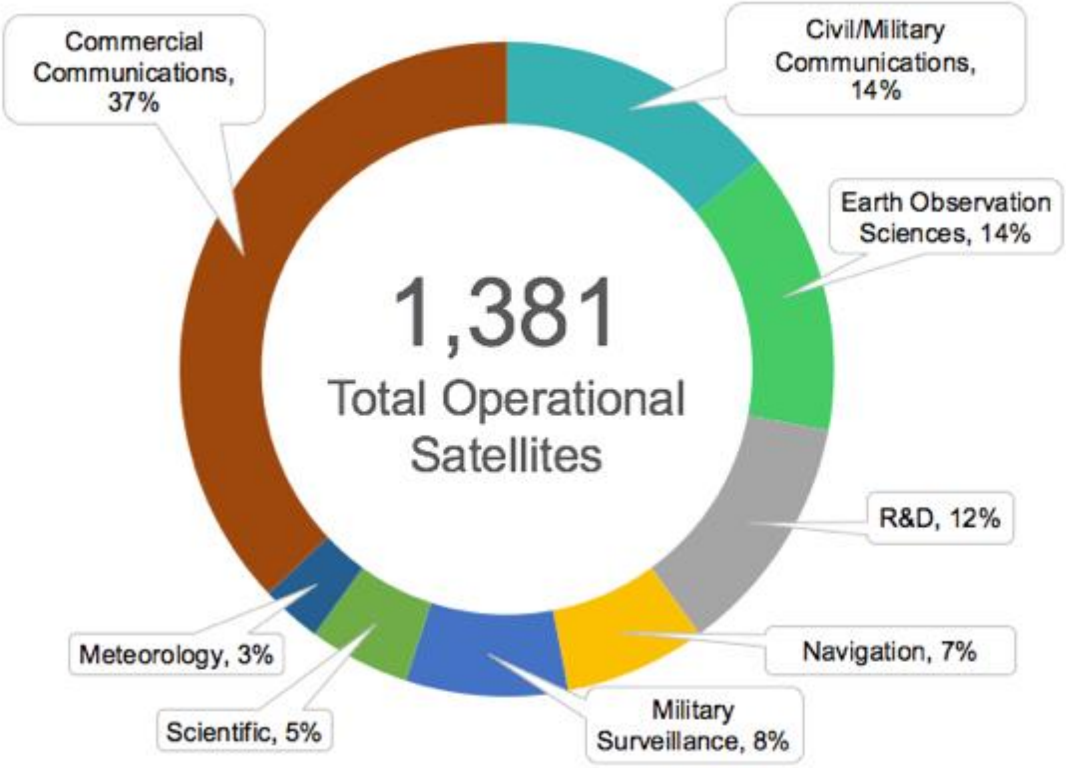
global invacom
completing the picture

1 State of the Industry

Industry Overview

Operational Satellites by Function

(as of 31 Dec 2015 – Tauri Group data)



No. of satellites up 39% over 5 years (2011: 986)

- Average number of satellites launched per year in 2011-2015 up 36%
- Small and very small satellites deployed in LEO contribute to this growth
- Average operational lives of certain satellite types (e.g. GEO communications satellites) becoming longer

59 countries with operators of at least one satellite (some as part of regional consortia)

Satellite Advantage

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

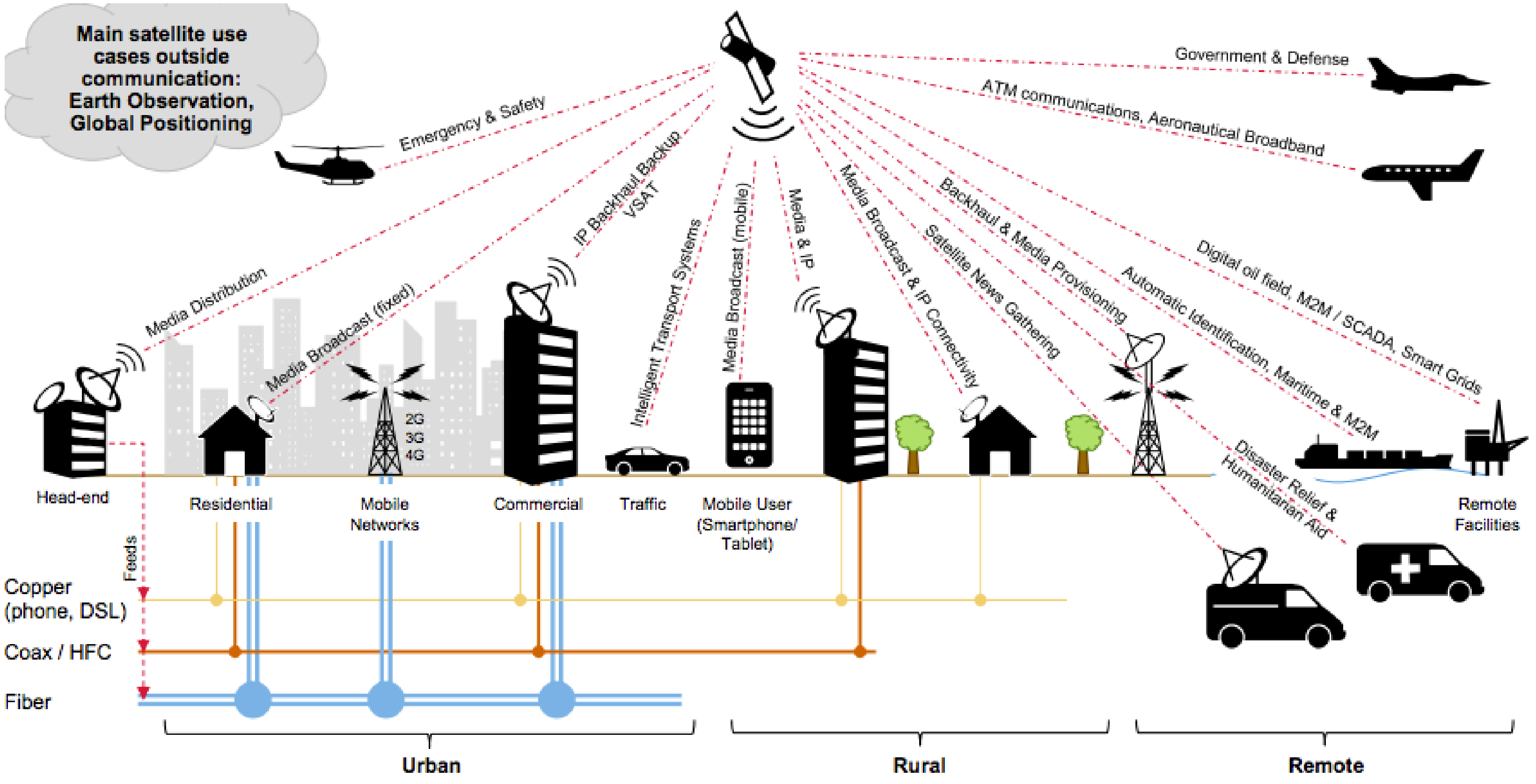


Image reference: EMEA Satellite Operators Association, “Why Satellites Matter”

How Sat Comms Work

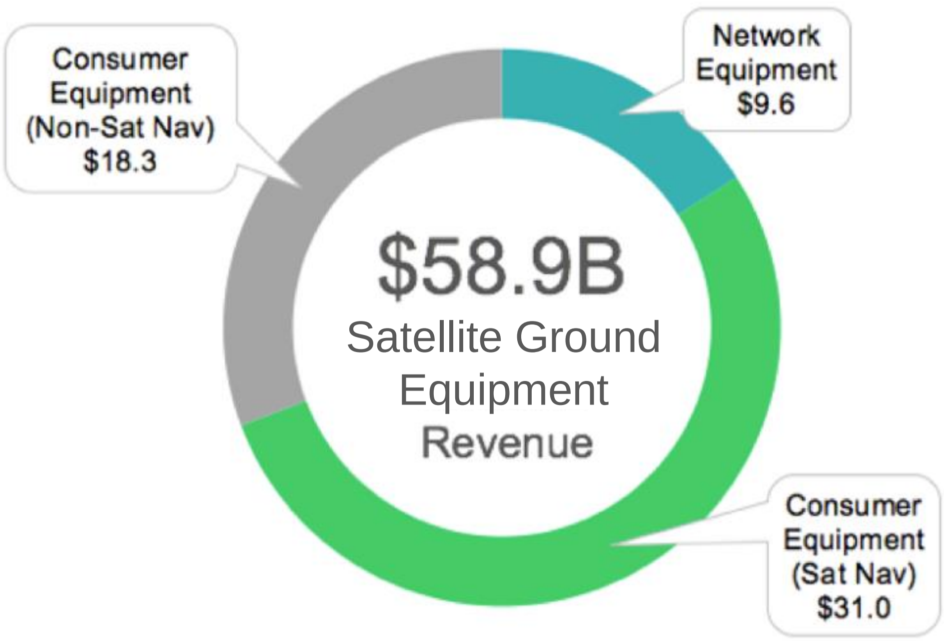
Uplink Stations

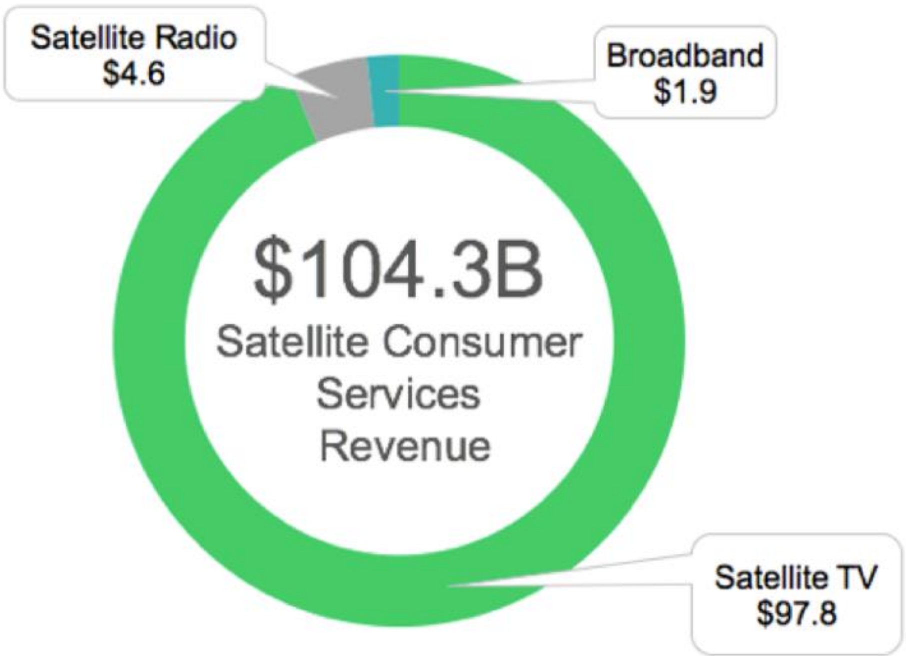
TV content from broadcasters is processed by the operator and sent to the uplink station, where it is beamed up to the satellite.

Dish & LNBs

A dish and LNB receive signals from satellites, which are then converted before being passed to the set top box, decoded, and displayed on TVs.

By the Numbers





Global Satellite Ground Equipment ("SGE") market valued at US$58.9B in 2015, expected to continue growing (grew 1% since 2014)

Global satellite manufacturing and launch market expected to grow at CAGR of 5.14% between 2014 and 2019

The booming satellite TV industry accounted for nearly 80% of satellite consumer revenues in 2015, and is rising YoY

Examples: Astro (Malaysia), SkyTV (UK)

SGE In-Demand

Direct to Home (DTH) – Satellite Broadcasting

- Manufactures the electronics and antennas for reception of broadcast services
- Supplier to major broadcasters around the world including Dish, Sky and Astro

Ka-, Ku-, C-band Antennas

- Covering VSAT [Very Small Aperture Terminals] (e.g. Internet, VoIP, Point of Sale services) and DTH requirements
- Metal and composite covering multiple spectrums

Fibre

- Passive distribution network allowing, for example, a single Out Door Unit (ODU) to cover multiple dwellings

2 About Global Invacom

Global Invacom

- Leading designer and manufacturer 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; only one to provide these services for both electronics and antenna products

- 61 granted patents, 53 patent applications and a 31-year track record in pioneering new products

Clients & Partners

ANTA MEDIAKOM

dish

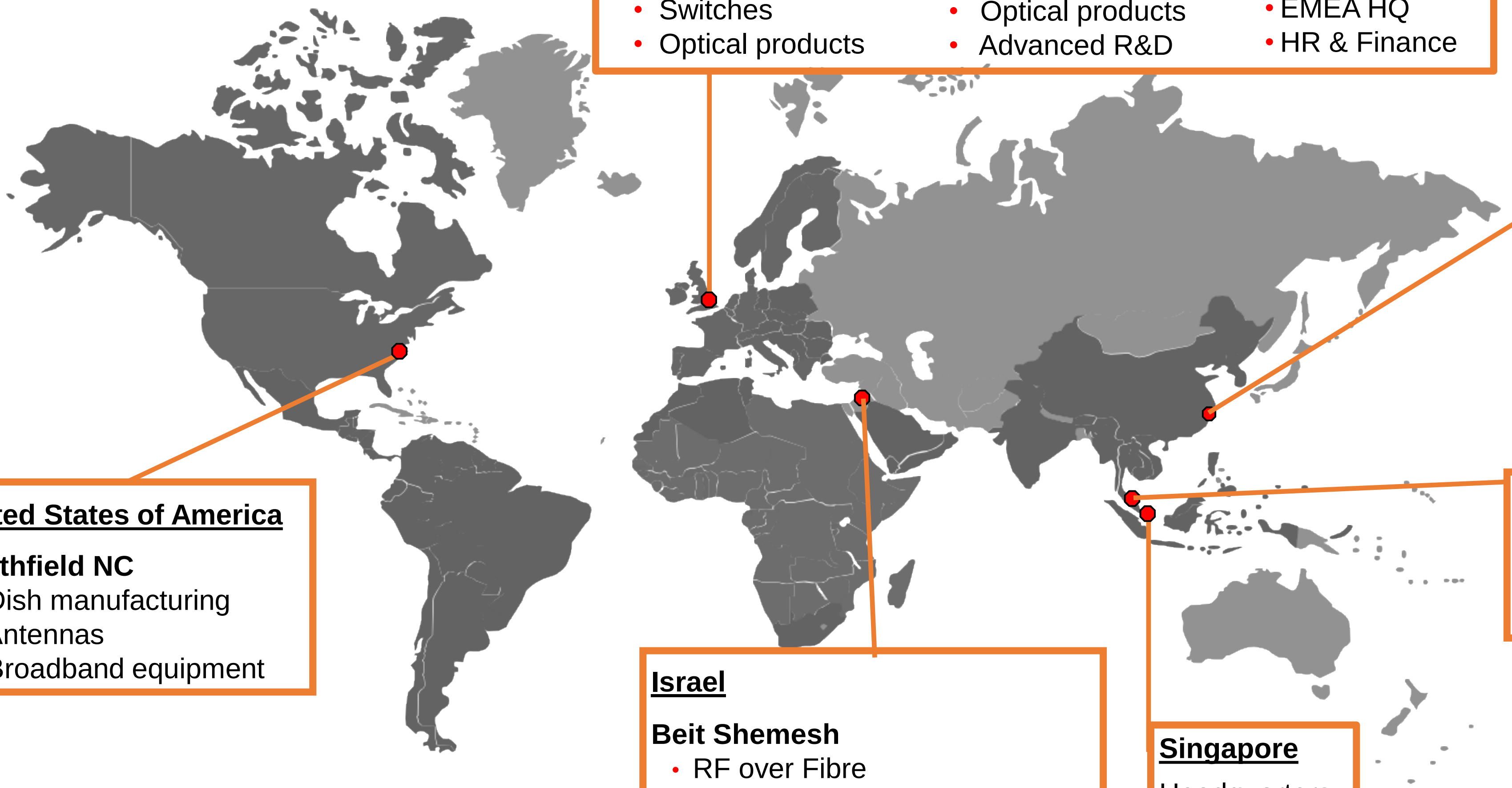
HUGHES®
An EchoStar Company

SERIAL
新暉集團

sky

Shaw) Broadcast Services

Global Footprint



United Kingdom

Stevenage
- Satellite dishes
- Wireless video
- LNBs and VSAT
- Switches
- Optical products

Newton Abbott
- Waveguide

Chelmsford
- Switches
- Optical products
- Advanced R&D

Accrington
- Dish manufacturing

Canterbury
- EMEA HQ
- HR & Finance

China

Shanghai
- Sat Comms products
- EMS provision: 3rd-party OEMs/ODMs (non-core)

United States of America

Smithfield NC
- Dish manufacturing
- Antennas
- Broadband equipment

Israel

Beit Shemesh
- RF over Fibre
- In Building Wireless coverage
- DAS

Singapore

Headquarters

Malaysia

Kuala Lumpur
- ODU supply
- Dish manufacturing

3

Global Invacom
Financials

Financial Highlights Q4 FY2016

US$'000	Q4 FY2016	Q4 FY2015	Change (%)
Revenue	30,965	42,945	(27.9)
Gross Profit	5,810	7,474	(22.3)
Gross Profit Margin	18.8%	17.4%	1.4
Net Profit/(Loss) after Tax	(2,972)	4,423	N.M.
Diluted Earnings/(Loss) per Share (US cents)	(1.09)	1.68	N.M.

Balance Sheet

US$'000	31 Dec 2016	31 Dec 2015	Change (%)
Total Assets	83,604	89,539	(6.6)
Total Borrowings	6,108	5,348	12.4
Total Equity	52,314	54,462	(3.9)
Cash & Cash Equivalents	7,942	8,866	(10.4)
NAV per Share (US cents)	19.26	20.05	(3.9)

Financial Highlights Q4 FY2016

- **Revenue** US$31.0 million, down US$11.9 million from US$42.9 million in Q4 FY2015
  - Includes reductions in revenue to a key customer of US$9.1 million and US$2.6 million in Contract Manufacturing segment
- **Gross profit margin** improved to 18.8% (Q4 FY2015: 17.4%)
  - Favourable product mix, ongoing Group-wide factory cost controls
- **Net loss after tax** of US$3.0 million (Q4 FY2015: US$4.4 million profit)
  - Includes one-off restructuring costs as well as legal and impairment charges
  - Negative margin of 9.6% compared to positive margin of 10.3% period-on-period

Financial Highlights 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 Profit/(Loss) after Tax	(2,703)	(1,128)	139.6
Diluted Earnings/(Loss) per Share (US cents)	(1.00)	(0.43)	132.6

Financial Highlights FY2016

- **Revenue** down 1.4% to US$127.3 million (FY2015: US$129.1 million)
  - Including maiden full-year contribution from Global Skyware of US$42.4 million, against one quarter in FY2015 at US$17.5 million
  - Higher revenue from America by US$8.4 million (+11.1%)
- **Gross profit margin** improved to 20.4% (FY2015: 19.3%)
- **Net loss after tax** of US$2.7 million (FY2015: US$1.1 million net loss)
  - Without one-off restructuring costs, net profit for FY2016 would have been US$0.5 million

4 FY2016 Updates & The Year Ahead

FY2016: In Review

- **New technological developments**
  - Introduction of digital channel stacking (“DCS”) technology that allows up to 32 continuous video streams from a single Low Noise Block (“LNB”) caused major customers to destock
  - Group completed research on next-gen LNBs and secured approval to supply LNBs from a main customer, positioning for better sales
  - Delivery commenced Q4 FY2016

- **Higher expected demand for HD and 4K content from satellite broadcasters**
  - Especially in emerging markets; more product launches expected in upcoming year

FY2016: In Review

- **Group-wide restructuring and overhaul**
  - U.S. subsidiary rebranded "Global Skyware" to align brand with rest of business; consolidation of China manufacturing subsidiaries expected to improve gross margins and cost efficiencies
  - Consolidated supply chain, quality control, strong key management
  - Positive feedback from clients
  - First full-year contributions from Global Skyware recognised in FY2016

- **Focus on cost control**
  - Direct material cost reductions
  - Improved labour efficiencies
  - Drive to reduce fixed cost spend

FY2016: In Review

Investment Merits

- Group turnaround in place
  - Global Skyware rebranding, consolidation of US supply chain has attracted clients
  - UK restructuring and cost improvement initiatives have reduced fixed costs
  - Consolidation of China operations has given the Group a larger revenue base over which to spread manufacturing overheads
- Secured approval from major client to release new products in the year ahead
- The only supplier with a global footprint in Europe, North America & Asia
- Relationships with major broadcasters globally
- Recent launch of Jupiter 2 satellite for Hughes/Dish and upcoming launch of Viasat-2 will drive demand for SGE

Stock Data

Basic Share Data	As at 22 Feb 2017 5.00 PM
Share Price	0.152
Net Asset Value per Share	0.2774
Trailing P/E	24.996
Total Shares	282,402,000
Issued & Paid-up Shares *(not including Treasury Shares)*	271,662,000
Treasury Shares	10,740,000
Market Capitalisation (S$M)	41.293

Data: ShareInvestor; Currency: SGD

THANK YOU

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