



NERA TELECOMMUNICATIONS LTD

First Quarter 2017 Results Presentation
May 5, 2017

- Financial Highlights (Continuing Operations)
- Recent Developments
- Outlook & Strategies
- Q&A



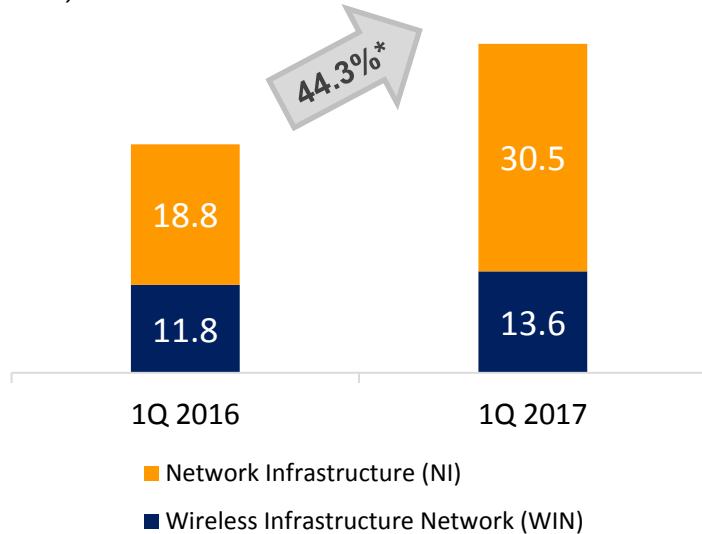
FINANCIAL HIGHLIGHTS

KEY FINANCIAL HIGHLIGHTS

CONTINUING OPERATIONS

Turnover

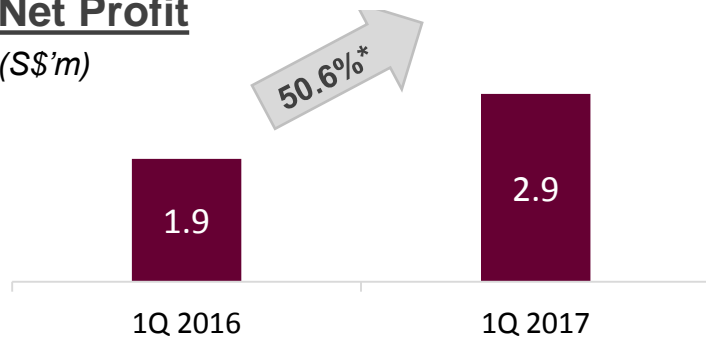
(S\$m)



- Turnover rose 44.3% to S\$44.1 million due to stronger performance in both segments, particularly in the NI segment
- 1Q 2017 gross profit rose 12.7% to S\$11.3 million compared to S\$10.0 million
 - Gross profit margin declined to 25.7% in 1Q 2017 from 32.9% due to changes of sales mix in products, projects and services

Net Profit

(S\$m)



- Net profit rose 50.6% to S\$2.9 million
- Strong balance sheet with S\$19.1 million in cash and bank balances and net cash of S\$9.4 million (*as at March 31, 2017*)

KEY FINANCIAL HIGHLIGHTS

Continuing Operations

S\$m	1Q 2017	1Q 2016	Change (%)
Turnover	44.1	30.6	44.3
Gross Profit	11.3	10.0	12.7
Gross Profit Margin (%)	25.7	32.9	(7.2) pt
Total Operating Expenses	8.1	7.4	9.9
Net Profit After Tax	2.9	1.9	50.6
Net Profit Margin (%)	6.5	6.2	0.3 pt
Basic and Fully Diluted EPS (SGD Cents)	0.79	0.52	51.9
	Mar 31, 2017	Dec 31, 2016	
NAV/Share (SGD Cents)	19.00	18.31	3.8

KEY FINANCIAL HIGHLIGHTS

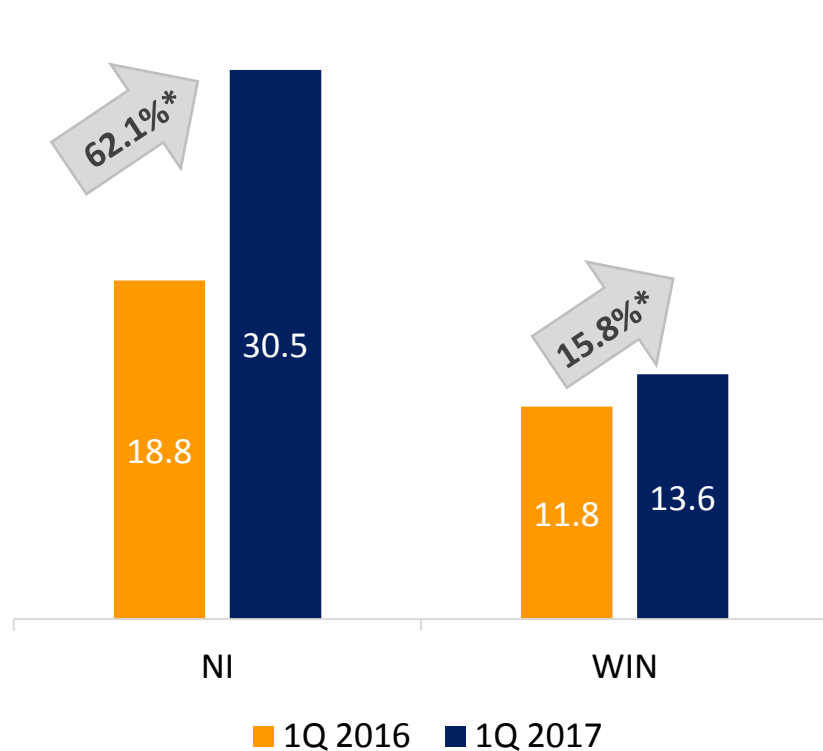
Continuing Operations

S\$m	Mar 31, 2017	Dec 31, 2016
Current Assets	138.7	137.6
Current Liabilities	68.1	69.8
Net Current Assets	70.6	67.8
Total Assets	144.0	143.2
Total Liabilities	75.3	76.9
Total Borrowings & Debts	9.7	9.6
Cash and Bank Balances	19.1	22.8
Net Cash (Debt)	9.4	13.2

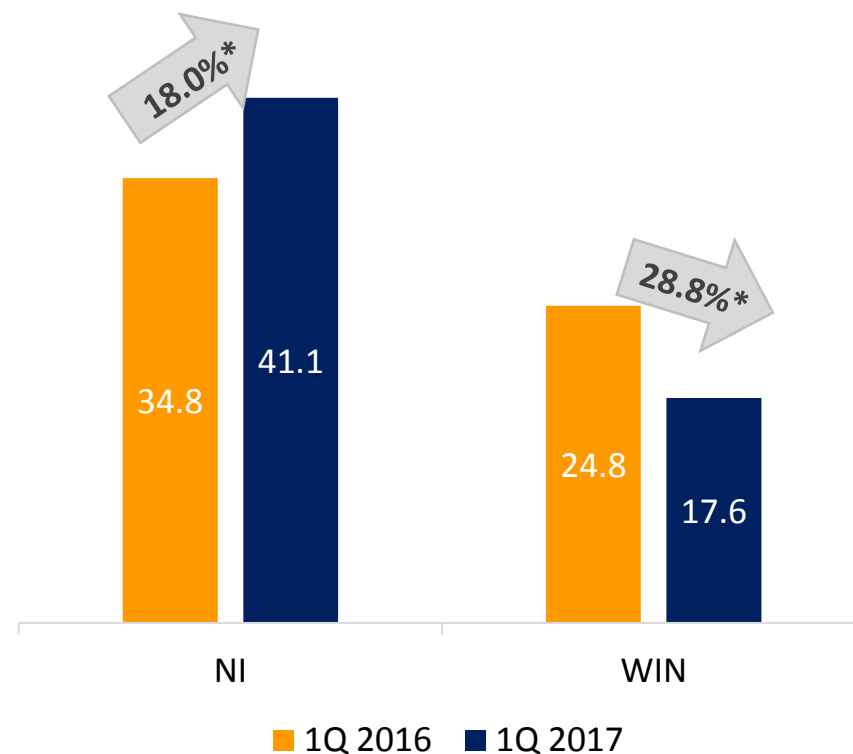
KEY FINANCIAL HIGHLIGHTS

Business Segments

Turnover (S\$'m)



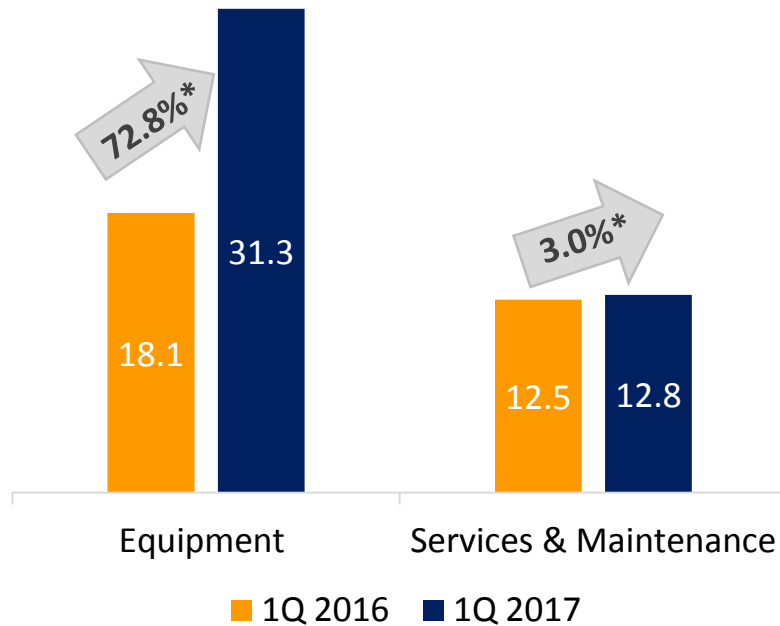
Order In-Take (S\$'m)



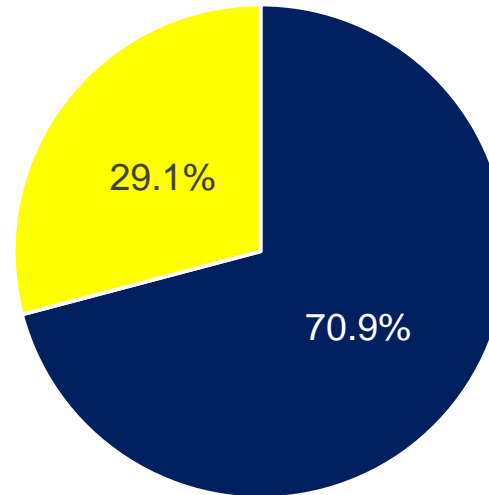
KEY FINANCIAL HIGHLIGHTS

Breakdown By Nature

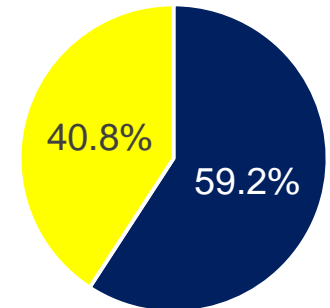
Turnover (S\$m)



1Q 2017



1Q 2016

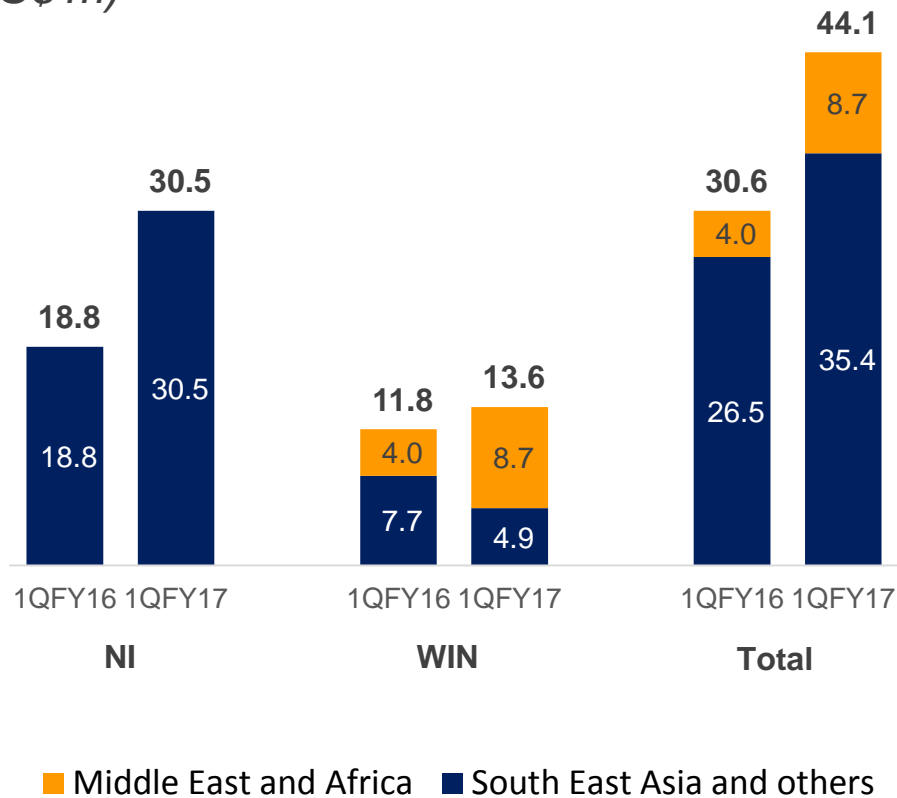


■ Equipment Sales
■ Services & Maintenance

KEY FINANCIAL HIGHLIGHTS

Turnover By Region

Turnover (S\$m)



- In 1Q 2017, NI segment turnover increased by 62.1% Y-o-Y from higher sales of network equipment to the Service Provider market
- In 1Q 2017, WIN segment turnover increased by 15.8% Y-o-Y
 - Middle East and Africa region increased by 115.7% Y-o-Y
 - SEA & others region decreased by 36.3% Y-o-Y
- Overall, total turnover from SEA and others region, as well as the Middle East and Africa region increased by 33.4% and 115.7%, respectively

RECENT DEVELOPMENTS

RECENT DEVELOPMENTS

IP Network Contract Wins

- S\$19.9 million contract win announced on April 20, 2017
- Supply, delivery, installation and maintenance of IP network equipment for Singapore's leading Service Providers
- Testament for demand of such turnkey solutions and reaffirms NeraTel's strong relationship with prominent customers
- Continue to offer quality turnkey solutions to assist Service Providers in roll out of robust, high performing and cost-effective network solutions to meet rising demand for high-speed and reliable broadband connectivity



RECENT DEVELOPMENTS

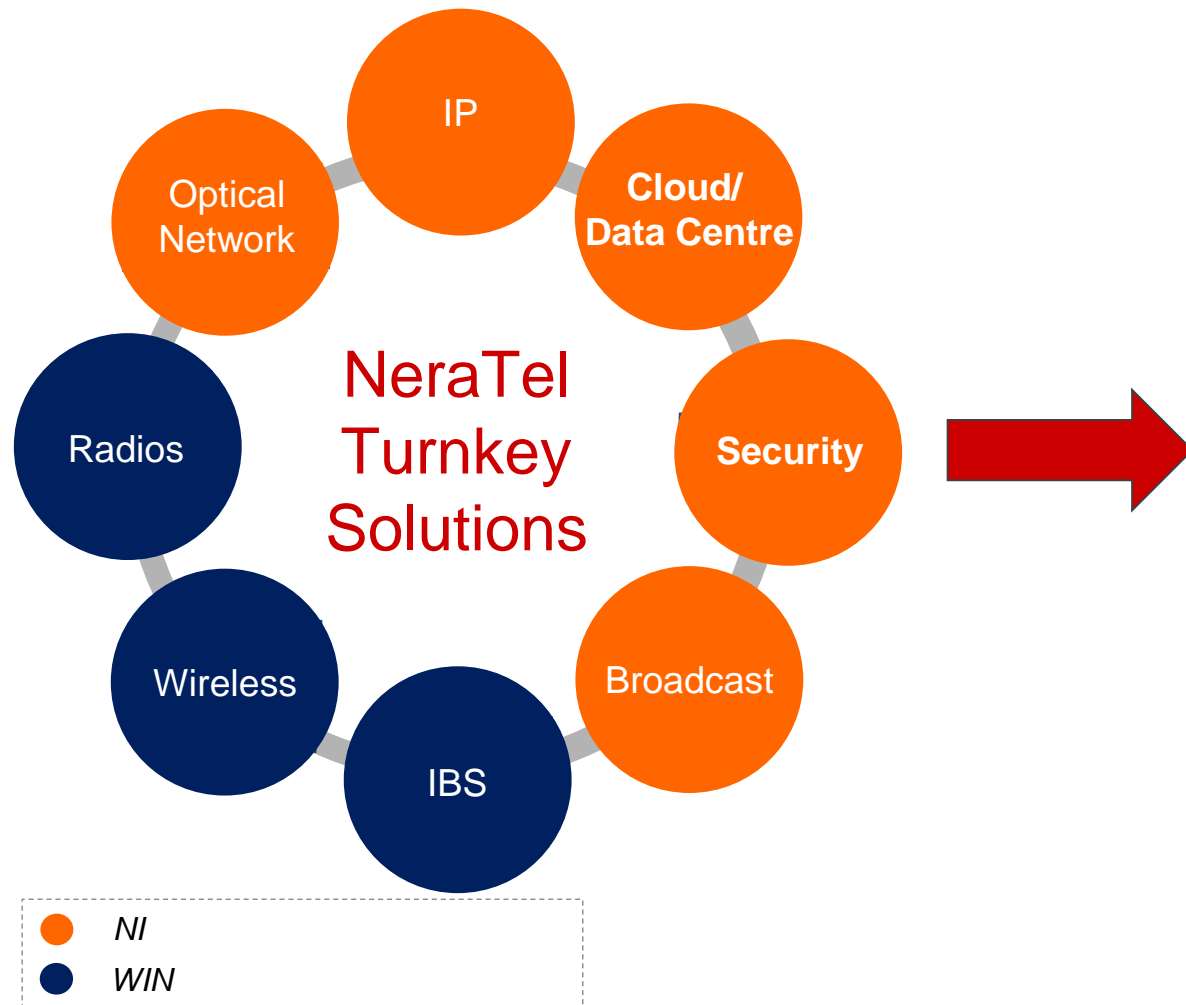
Network Security Contract Wins

- Secured S\$7.15 million worth of contracts (announced on April 24, 2017)
- Supply, delivery, installation and maintenance of security application equipment for leading telecom operator in the Philippines
- Testament for NeraTel's strengths in the security applications space
- To capitalise on demand/customers' renewed focus for network security solutions
- Expand reach into other business sectors to grow network security business



OUTLOOK & STRATEGIES

We are a **global solution provider** and we provide **technological solutions** to **ease our customers' pain points**, help them **transform**, and **grow** their business



What Makes NeraTel Different

- 1** Global Footprint
- 2** 4 decades of established track record
- 3** One of region's largest team of certified professionals
- 4** End-to-end capabilities to provide turnkey solutions

What This Means For Customers

- Value Creation
- Peace of Mind
- Complex solutions delivered accurately
- Competitive
- Reliable



DIGITISATION



INTERNET OF THINGS



CLOUD

- Mobile Internet Traffic will continue to grow due to digitisation – mobile data consumption is expected to increase seven-fold by 2021, driven by an expansion of networks, amongst other factors
- Mobile carriers, already strained under massive demand for mobile data, will continue to upgrade upgrade mobile networks and offer more digital services to their customer base to support this growth

Source:

Business Insider, February 9, 2017 – Mobile data will skyrocket 700% by 2021

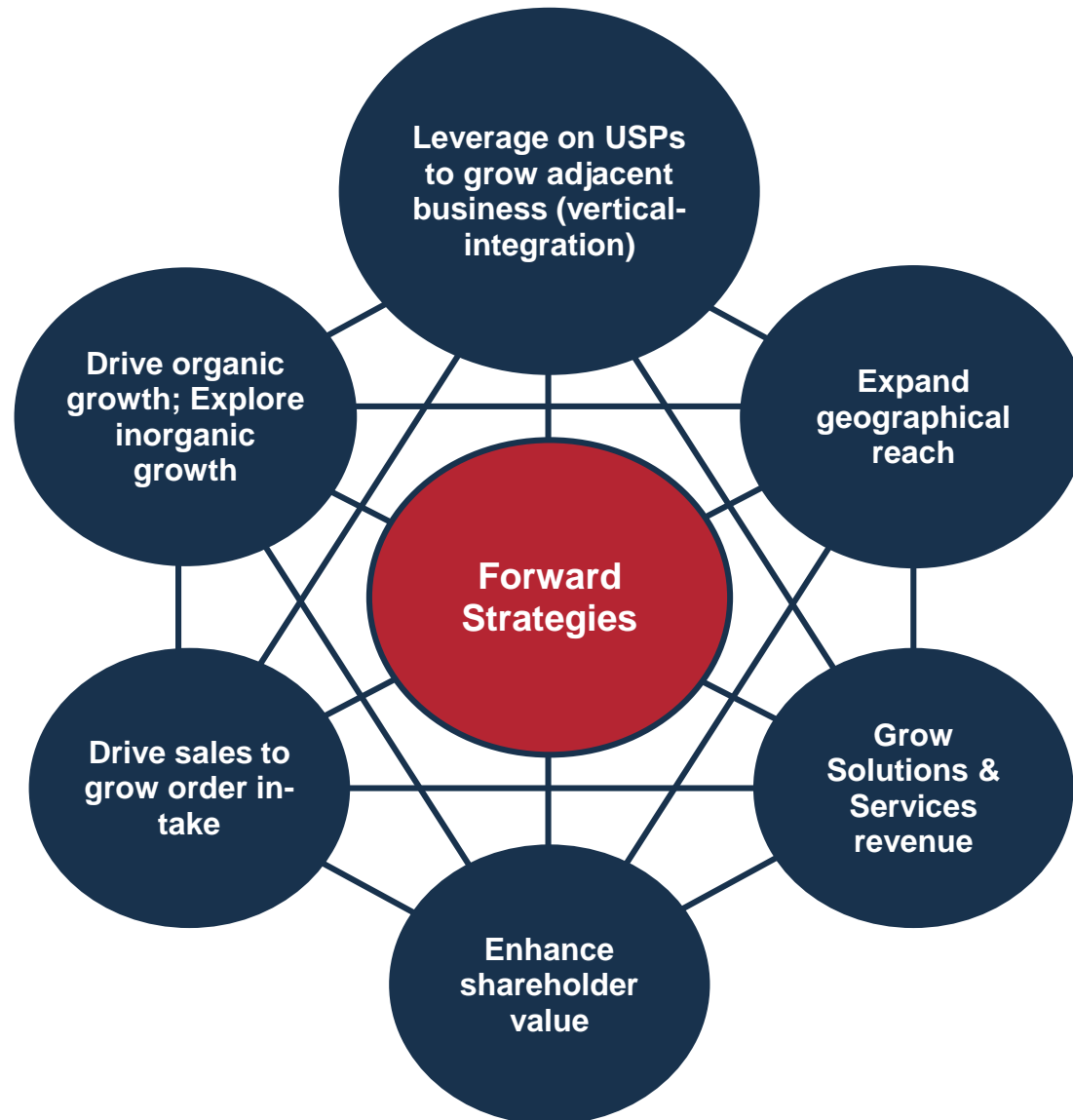
- Reap synergies from complementary businesses to offer turnkey solutions to clients
- Grow recurring Service & Maintenance revenue stream for sustainable long-term growth

Network Infrastructure

- Network Security
- Data Centre/Cloud

Wireless Infrastructure Network

- Capitalise on proliferation of data and demand from telcos to upgrade network
- Continue to provide a comprehensive suite of wireless solutions to meet the demands of our customers



NERA

NERA TELECOMMUNICATIONS LTD

THANK YOU