Full Year 31st December 2023 Results for Connect Bidco Ltd

All information presented herein is related to Inmarsat which is part of the Viasat, Inc. group (“Viasat”), following the acquisition by Viasat on 30th May 2023 (the “Viasat Transaction”). All references herein to ‘Group’ and ‘Company’ refer to Inmarsat only and not to Viasat or any member of the wider Viasat group.

Refer to legal disclaimer slide for further information.

9th May 2024

FY 2023 Headlines

Trading Performance

- The Group has continued growth across all Business Units.
  - Government revenues have grown from higher GX usage and equipment sales in the U.S. and growth in GX connections outside the U.S.
  - Maritime delivered revenue growth through FX continuing to outpace L-band declines, and legacy product price increases.
  - Aviation revenue growth continued from its diverse services portfolio, with higher installations and usage across all markets.
  - Enterprise revenues benefitted from strong GSPS handset deliveries from increased availability.
  - Direct costs increased primarily due to a higher hardware sales mix, increased purchases of third-party capacity and other costs in support of revenue growth, an increase in bad debt expense, following higher write offs in the current year, offset by the release of a customer provision upon renegotiation of a contract.
  - Indirect costs increased primarily higher due to higher employee costs from cost inflation, less an increase in capitalised employee costs from higher project work, higher IT costs for improved data resilience and other inflationary increases across the business, partially offset by net favourable currency movements which included a one-off gain relating to the HMRC launch costs case.

New Business / Renewals

- Global Government signed multi-year AUD$187m (US $118m) SouthPAN satellite service contract with Australia and New Zealand, utilising one of the I-8 satellites.

- The U.S. Government division signed multi-year contract extension worth c. $55m p.a, a renewal of a steerable beam lease worth $11m and a 6-month contract extension with the United States Marine Corps worth $8m.

FY 2023 Headlines (Cont.)

Satellite Programme Update

- I6-F1: Satellite has successfully completed final testing and is now fully operational.
- I6-F2: During Q3, Inmarsat confirmed that its I6-F2 satellite suffered a power subsystem anomaly during the orbit raising phase and in September, the manufacturer (Airbus) confirmed the battery had permanently failed. The manufacturing and launch costs of the satellite were insured. The full book value of the satellite ($490m, including $124m of capitalised interest) was impaired in Q3, as well as recognition of $349m with respect to the related insurance claim.
- I4-F1: During Q2, an 18-year-old satellite, I4-F1, suffered a permanent power anomaly. We have since recovered most services and as a permanent solution, we have accelerated our plan to transition I-4 L-Band services to our new I-6 satellite. The financial impact of this outage was immaterial, and we have been working closely with customers impacted.
- I-8: Contract signed for construction of three I-8 L-band satellites, scheduled for launch in 2026.

Other

- Subsequent to year-end, the Group extended the maturity of $1.3 billion of Inmarsat's $1.68 billion TLB by 5.5 years to September 2029. Of the $384 million that was not extended, $84 million was repaid in cash and the remaining $300 million maintains the original maturity date of December 2026.
- As part of the TLB extension, the Group extended the maturity of $550 million of Inmarsat's revolving credit facility by 3 years to March 2027. The remaining $150m of commitments were cancelled.

Group Financial Performance

$m (unaudited)	FY 2023[1]	FY 2022[2]	Change $m	Change %	Q4 2023[1]	Q4 2022[2]	Change $m	Change %
Revenue	**1,619.8**	**1,473.7**	**146.1**	**9.9%**	**420.5**	**395.7**	**24.8**	**6.3%**
o/w Government	571.8	526.9	44.9	8.5%	155.3	141.9	13.4	9.4%
o/w Maritime	538.4	515.5	22.9	4.4%	131.2	132.2	(1.0)	(0.8%)
o/w Aviation	380.2	310.8	69.4	22.3%	103.1	85.2	17.9	21.0%
o/w Enterprise	115.1	106.4	8.7	8.2%	28.1	33.0	(4.9)	(14.8%)
o/w Central Services	14.3	14.1	0.2	1.4%	2.8	3.4	(0.6)	(17.6%)
Direct Costs	(232.9)	(209.8)	(23.1)	(11.0%)	(54.2)	(59.5)	5.3	8.9%
Gross Margin	**1,386.9**	**1,263.9**	**123.0**	**9.7%**	**366.3**	**336.2**	**30.1**	**9.0%**
Indirect Costs	(417.5)	(406.9)	(10.6)	(2.6%)	(110.1)	(113.9)	3.8	3.3%
Adjusted EBITDA[3]	**969.4**	**857.0**	**112.4**	**13.1%**	**256.2**	**222.3**	**33.9**	**15.2%**
Cash Capital Expenditure	**(430.0)**	**(316.0)**	**(114.0)**	**(36.1%)**	**(123.2)**	**(140.0)**	**16.8**	**12.0%**

1. FY 2023 adjusted to exclude amounts relating to Ligado ($4.5m credit to direct costs) and the Viasat transaction & integration ($95.8m indirect costs). Q4 2023 adjusted to exclude amounts relating to the Viasat transaction & integration ($11.5m indirect costs).
2. FY 2022 adjusted to exclude amounts relating to the Viasat transaction ($22.8m indirect costs) and Ligado ($0.4m revenue and $14.9m credit to direct costs). Q4 2022 adjusted to exclude amounts relating to the Viasat transaction ($5.3m indirect costs) and Ligado ($15.3m credit to direct costs).
3. Before costs associated with the Viasat transaction, integration and Ligado. Included within FY 2023 adjusted EBITDA is a $27.6m foreign exchange gain following settlement of the HMRC launch costs case. Excluding this gain, adjusted EBITDA increased $84.6m (+9.9%).

Government FY Results

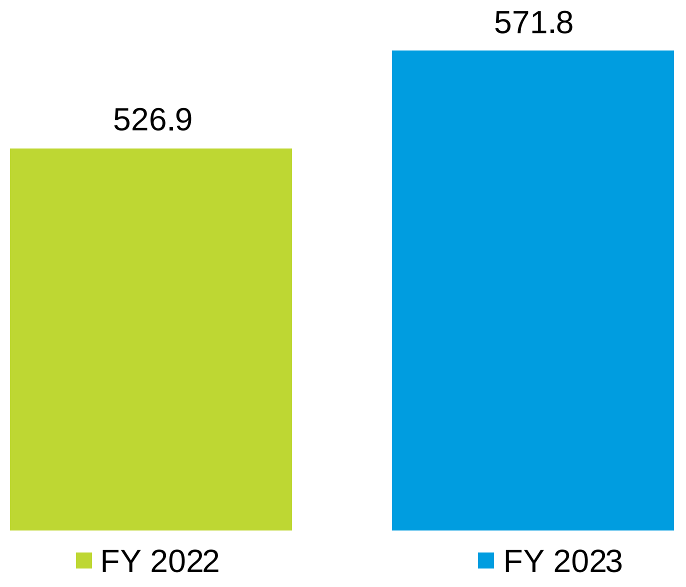
Growth from U.S. and outside U.S.

Total Government revenue increased by 9% ($45m) YoY

- U.S. revenues up 7% ($25m) YoY to $390m
  - Higher GX usage
  - Increased equipment sales
  - Timing of contract milestones

- Revenues outside the U.S. up 12% ($20m) YoY to $182m
  - Continued growth in GX connections
  - Increased terminal sales
  - Timing of milestones from new contracts

FY 2023 Revenue ($m)



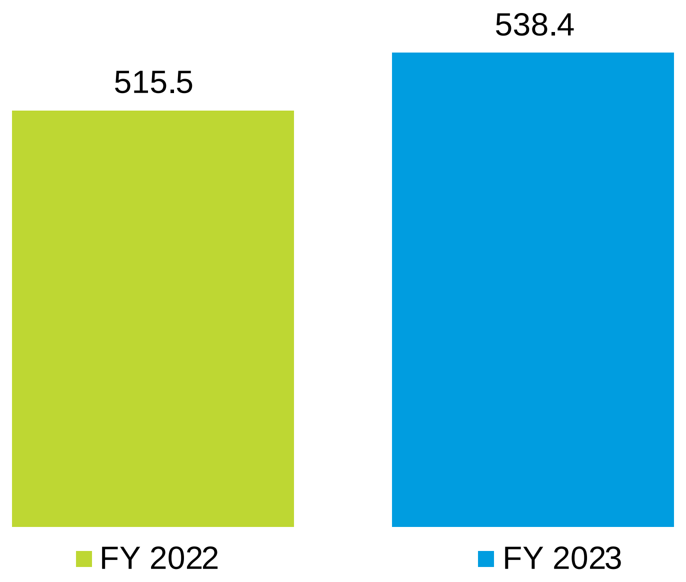
Maritime FY Results

Continued good revenue growth

Revenue increased by 4% ($23m) YoY

- VSAT[1] revenue up 13% ($38m) YoY to $340m
  - FX vessels grow 5% YoY
  - ARPU increased 4% from higher retail mix
- FleetBroadband revenue down 22% ($31m) YoY to $107m
  - Continued customer migration to VSAT
  - ARPU 9% lower as higher value customers migrate
- Legacy revenue up 20% ($16m) YoY to $91m
  - Price change on a legacy product

FY 2023 Revenue ($m)



1. VSAT - Very Small Aperture Terminal

Aviation FY Results

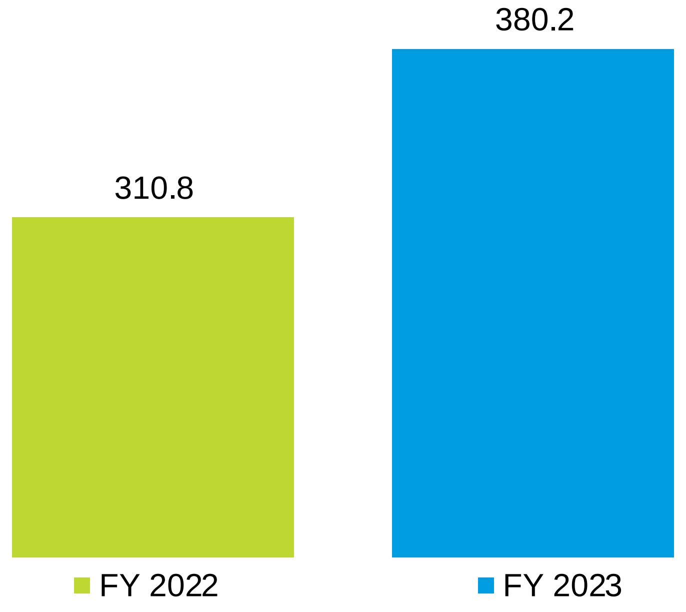
Strong performance from a diverse services portfolio

Revenue increased by 22% ($69m) YoY

- Core revenue up 17% ($41m) YoY to $285m
  - BGA up 18%
    - Continued growth in installations
    - JX installed aircraft grew YoY with 6% higher ARPA
  - AOS revenue up 13% due to implementation of new safety pricing

- IFC revenue up 41% ($28m) at $95m
  - Rising passenger usage
  - High YoY active aircraft install base
  - Release of a customer provision due to renegotiation of a contract.

FY 2023 Revenue ($m)



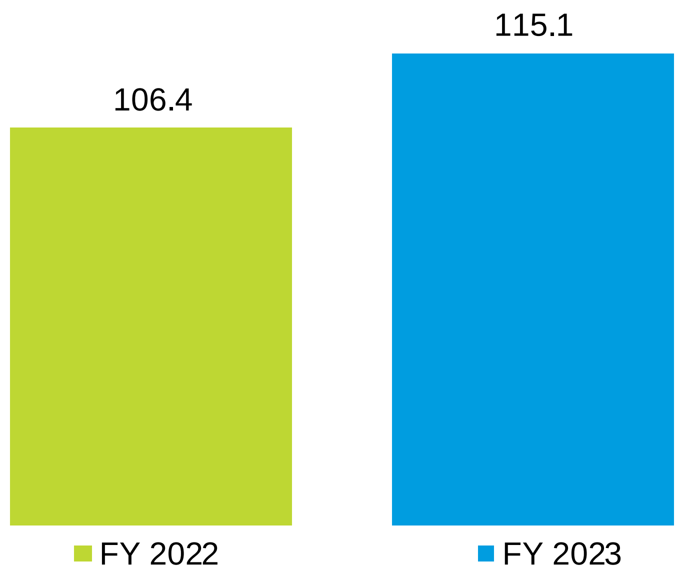
Enterprise FY Results

Increased handset availability

Revenue increased by 8% ($9m) YoY

- Satellite phone revenues up 28% ($10m) YoY to $45m
  - Higher handset deliveries
  - Higher airtime
- M2M and lease revenues up 4% YoY to $39m
  - M2M subscriber growth
- Legacy Enterprise product revenues down 8% ($1m) YoY at $31m
  - Reduced usage

FY 2023 Revenue ($m)



Group Liquidity

$m (unaudited)	FY 2023	FY 2022
Total cash, cash equivalents and short-term deposits	315.2	342.9
Undrawn RCF	700.0	700.0
Total available liquidity	**1,015.2**	**1,042.9**
Gross debt[1]	3,759.4	3,776.9
Cash and cash equivalents and short-term deposits	(315.2)	(342.9)
Net financial debt	**3,444.2**	**3,434.0**
Pro forma Adjusted EBITDA (Last twelve-months)	**964.1[2]**	**879.2[3]**
Pro forma adjusted net leverage[4]	**3.6x**	**3.9x**

1. Gross debt is gross of deferred finance costs and gain on term loan repricing, following repricing of the term loan during 2021.
2. Represents Adjusted EBITDA for the twelve months ended December 31, 2023, plus $4.5m EBITDA attributable to Ligado, less $9.8m adjustment to reflect December 31, 2023 exchange rates prevailing throughout the respective period.
3. Represents Adjusted EBITDA for the twelve months ended December 31, 2022, plus $15.3m EBITDA attributable to Ligado and a $69m adjustment to reflect December 31, 2022 exchange rates prevailing throughout the respective period.
4. Pro forma Adjusted EBITDA includes a $27.6m foreign exchange gain relating to the settlement of the HMRC launch costs case. Excluding this gain, pro forma adjusted net leverage including Ligado is 3.7x.

Questions & Answers

Legal Disclaimer

All information in this presentation is related to Connect Bidco Limited (together with its subsidiaries, “Inmarsat”), which is part of the Viasat, Inc. group (“Viasat”) following the acquisition by Viasat of Connect Topco Limited, the parent company of Inmarsat, on May 30, 2023 (the “Viasat Transaction”). All references herein to “we”, “us”, “our”, “Group” and “Company” refer to Inmarsat only and not to Viasat or any member of the wider Viasat group.

Financial Information

This presentation is being provided in connection with the reporting requirements set out in our debt agreements and should be read alongside the Management Discussion and Analysis and accompanying financial statements of the Group. The financial information set forth herein is unaudited and has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act of 1933, other requirements of the Securities Exchange Commission (“SEC”), International Financial Reporting Standards (“IFRS”), or other generally accepted accounting principles. The accompanying financial statements have been prepared in accordance with IFRS, whereas Viasat’s consolidated financial information is prepared in accordance with US GAAP, which differs from IFRS in a number of significant respects. Information presented may vary from the results for Inmarsat presented by Viasat, or included in the consolidated financial statements for Viasat because (i) of the differences between IFRS and US GAAP and associated audit standards, (ii) Purchase Price Accounting (“PPA”) adjustments reflected in Viasat’s consolidated financial statements as a result of the Viasat Transaction, and (iii) the accompanying financial statements and associated disclosures contained herein are prepared at the level of Connect Bidco Limited, whereas results for Inmarsat, presented by Viasat, are prepared at the Connect Topco Limited level. Information presented should not be considered to be a substitute for or supplement to Viasat’s consolidated financial statements for the Viasat Group prepared in accordance with US GAAP or the disclosures set forth in Viasat’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or other filings with the US Securities and Exchange Commission (the “SEC”).

This presentation includes non-IFRS financial measures such as EBITDA, Adjusted EBITDA, Pro forma Adjusted EBITDA, to supplement consolidated financial information presented on an IFRS basis. We believe these measures are appropriate to enhance an overall understanding of our past financial performance and prospects for the future. However, the presentation of this additional information is not meant to be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS. Moreover, Viasat and Inmarsat calculate EBTIDA and Adjusted EBITDA differently and therefore the two measures may not be comparable. A reconciliation between the non-IFRS financial information and the most comparable IFRS financial information is set forth in the accompanying Management Discussion and Analysis. Neither the assumptions underlying the pro forma adjustments nor the resulting pro forma non-IFRS measures have been audited or reviewed in accordance with any generally accepted auditing standards. You should not consider such items as an alternative to the historical financial position or results, or other indicators of our position or performance based on IFRS measures.

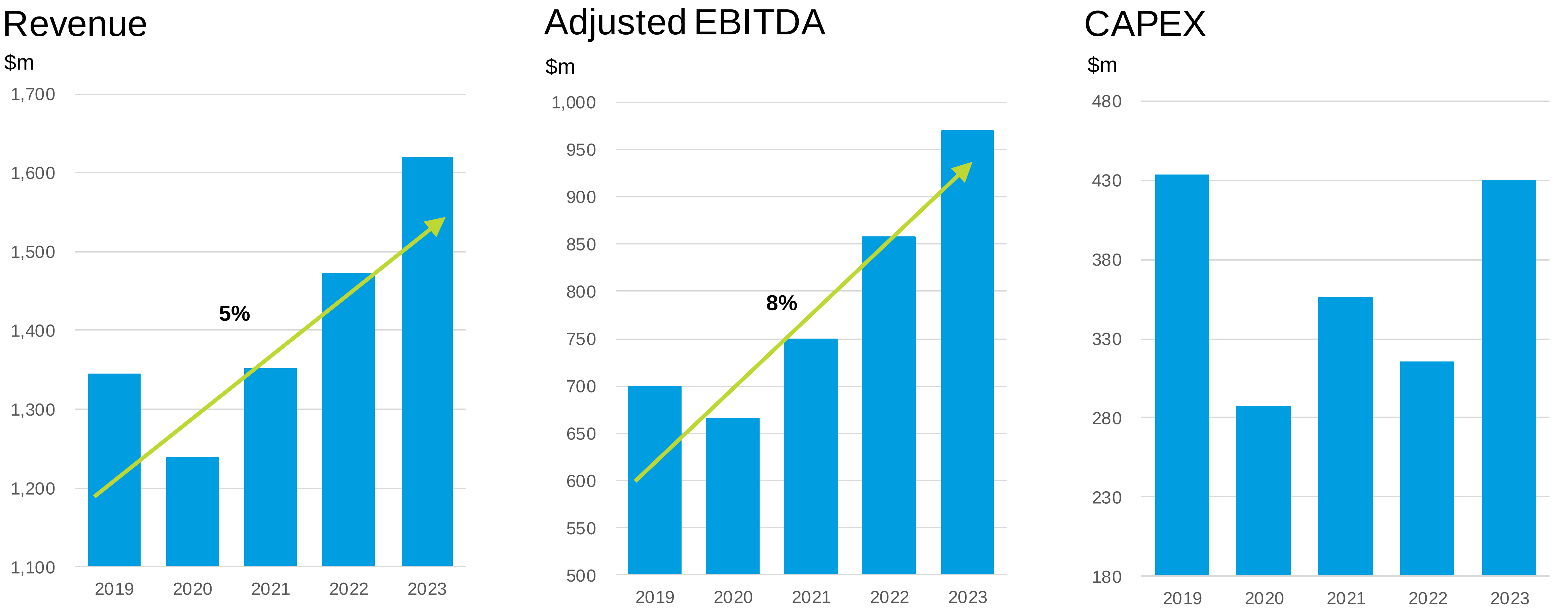
Legal Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the US Securities Act of 1933 and the US Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we and the wider Viasat group operate and the beliefs and assumptions of management. We use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” variations of such words and similar expressions to identify forward-looking statements. In addition, statements regarding our anticipated operations, financial position, liquidity, performance, prospects or growth and scale opportunities; projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; the development, customer acceptance and anticipated performance of technologies, products or services; satellite construction and launch activities; completion of in-orbit placement and in-orbit testing and commencement of commercial service of our satellites; the performance and anticipated benefits of our satellites; the expected completion, capacity, coverage, service speeds and other features of our satellites, and the timing, cost, economics and other benefits associated therewith; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ materially include the factors identified in Viasat’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Viasat’s other filings with the SEC. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Appendix

Revenue, Adjusted EBITDA and CAPEX



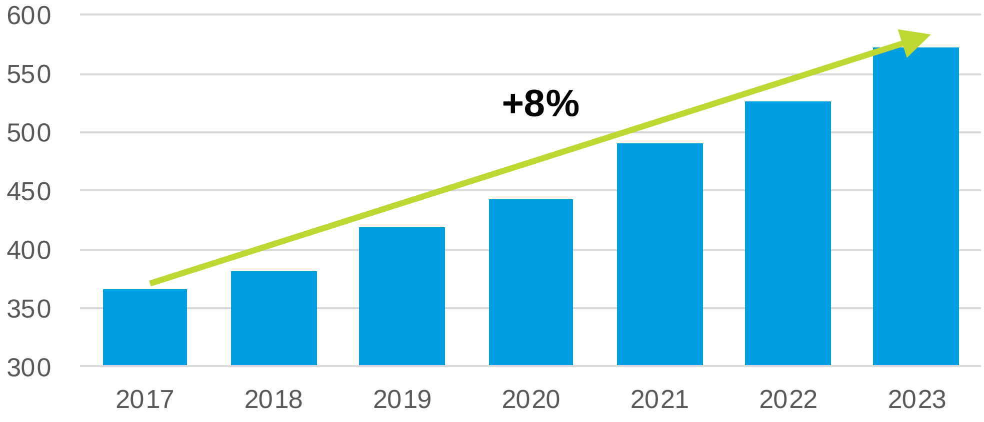
NB: Growth rates are 2019-23 CAGR. Figures in $m exclude : 2019 Public to Private transaction, Rignet settlement, contributions from Ligado and amounts related to the Viasat transaction of 2019 Revenue $205m, EBITDA $47m, 2020 Revenue $34m, EBITDA $33m, 2021 EBITDA ($11m), 2022 EBITDA ($19m), 2023 EBITDA ($91m).

Note : All growth rates are CAGR over the period represented by the arrow

Growth across all Business Units

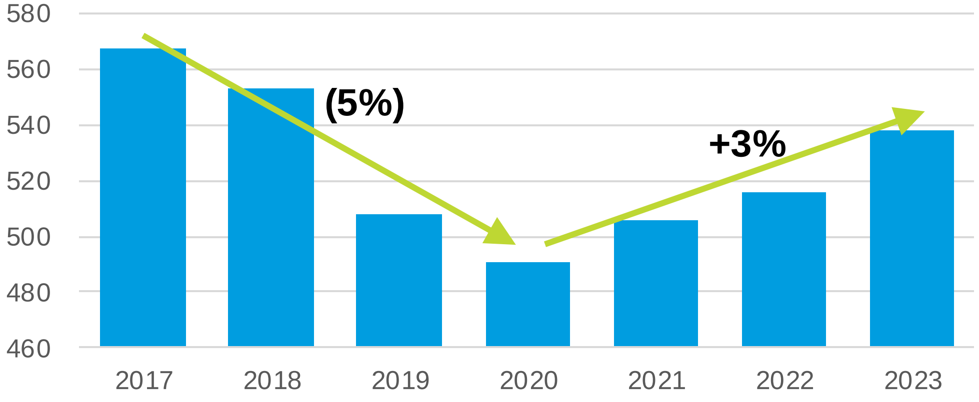
Government

Consistent consecutive growth



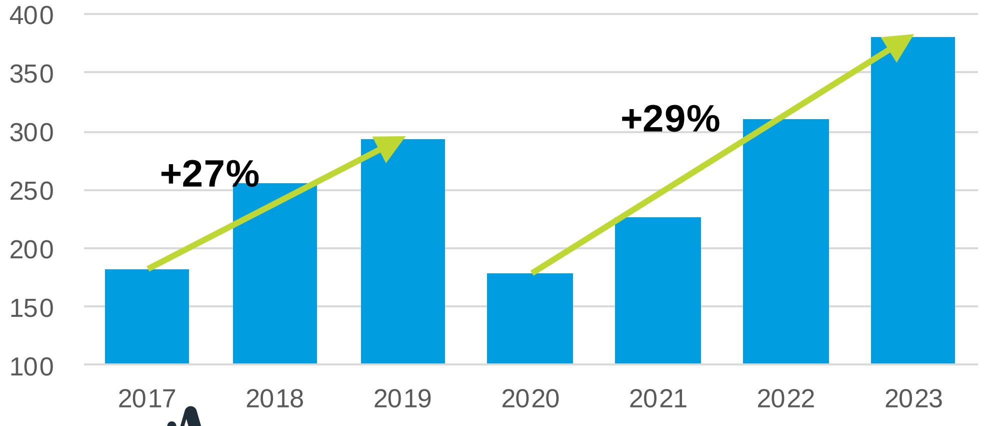
Maritime

Continued growth in revenue



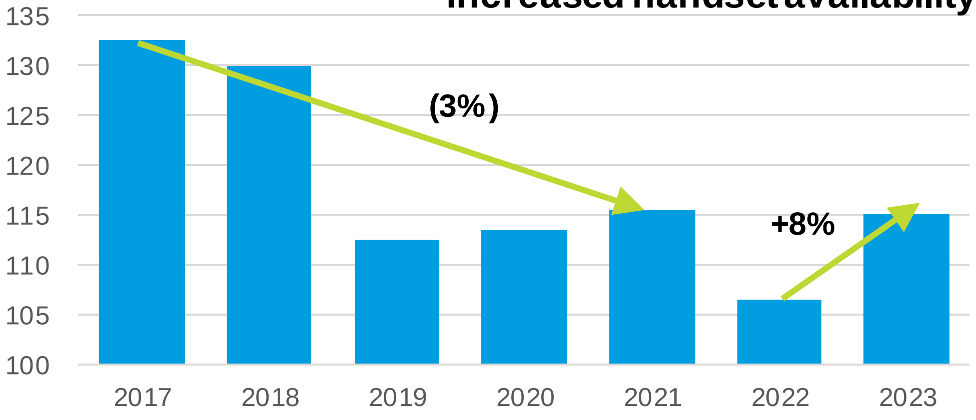
Aviation

Strong performance from diverse portfolio



Enterprise

Return to growth from increased handset availability



Viasat

Note : All growth rates are CAGR over the period represented by the arrow

Adjusted EBITDA Reconciliations

The following table reconciles EBITDA and Adjusted EBITDA to total profit / loss for the year, which we consider to be the most directly comparable IFRS financial measure. Total profit / (loss) for the year is set forth in the accompanying Management Discussion and Analysis.

$m	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Profit / (loss) for the year	**18.6**	**105.2**	**(152.9)**	**(215.7)**	**(304.0)**
Taxation charge	33.2	30.7	170.6	32.8	18.5
Net financing costs	74.6	115.4	86.5	198.9	365.7
Depreciation and amortisation	609.5	600.8	632.5	673.0	503.2
Net impairment of assets	145.2	0.5	(0.3)	10.5	12.9
Loss on disposal of assets	4.1	4.1	7.6	3.2	1.3
Share of profit of associates	(7.1)	(7.2)	(5.1)	(4.2)	(4.0)
EBITDA	**878.1**	**849.5**	**738.9**	**698.5**	**593.6**
Attributable to Ligado	(4.5)	(15.3)	-	(33.3)	-
Attributable to Rignet	-	-	-	-	(47.3)
Cost associated with the acquisition[1]	61.2	22.8	11.1	(0.2)	153.7
Viasat Integration Costs	34.6	-	-	-	-
Adjusted EBITDA	**969.4**	**857.0**	**750.0**	**665.0**	**700.0**

1. 2019 acquisition costs relate to the 2019 Public to Private transaction. 2020-2023 relates to the Viasat transaction & Integration.

Viasat

Thank you