



speedcast

Speedcast AGM

Sydney, Australia

28 April, 2017



The first Item of business is the **Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2016**

There is no requirement to vote on the financial statements

Resolution 1

| 4

Adoption of the 2016 Remuneration Report.

Proxies have been received prior to the meeting representing:

- ▶ 147,958,823 shares **For**;
- ▶ 17,169,888 shares **Against**; and
- ▶ 130,423 **Open**

Resolution 2

| 5

Re-election of Mr John Mackay as Director.

Proxies have been received prior to the meeting representing:

- ▶ 173,452,306 shares **For**;
- ▶ 200,282 shares **Against**; and
- ▶ 511,660 shares **Open**

Resolution 3

| 6

Re-election of Mr Michael Berk as Director.

Proxies have been received prior to the meeting representing:

- ▶ 104,524,521 shares **For**;
- ▶ 68,148,035 shares **Against**; and
- ▶ 513,660 shares **Open**

Resolution 4

| 7

Approval of the Securities to the CEO under the Companies Long Term Incentive Plan

Proxies have been received prior to the meeting representing:

- ▶ 119,462,992 shares **For**;
- ▶ 44,089,714 shares **Against**; and
- ▶ 475,578 **Open**

Resolution 5

| 8

Approval of Potential Future Termination Benefits

Proxies have been received prior to the meeting representing:

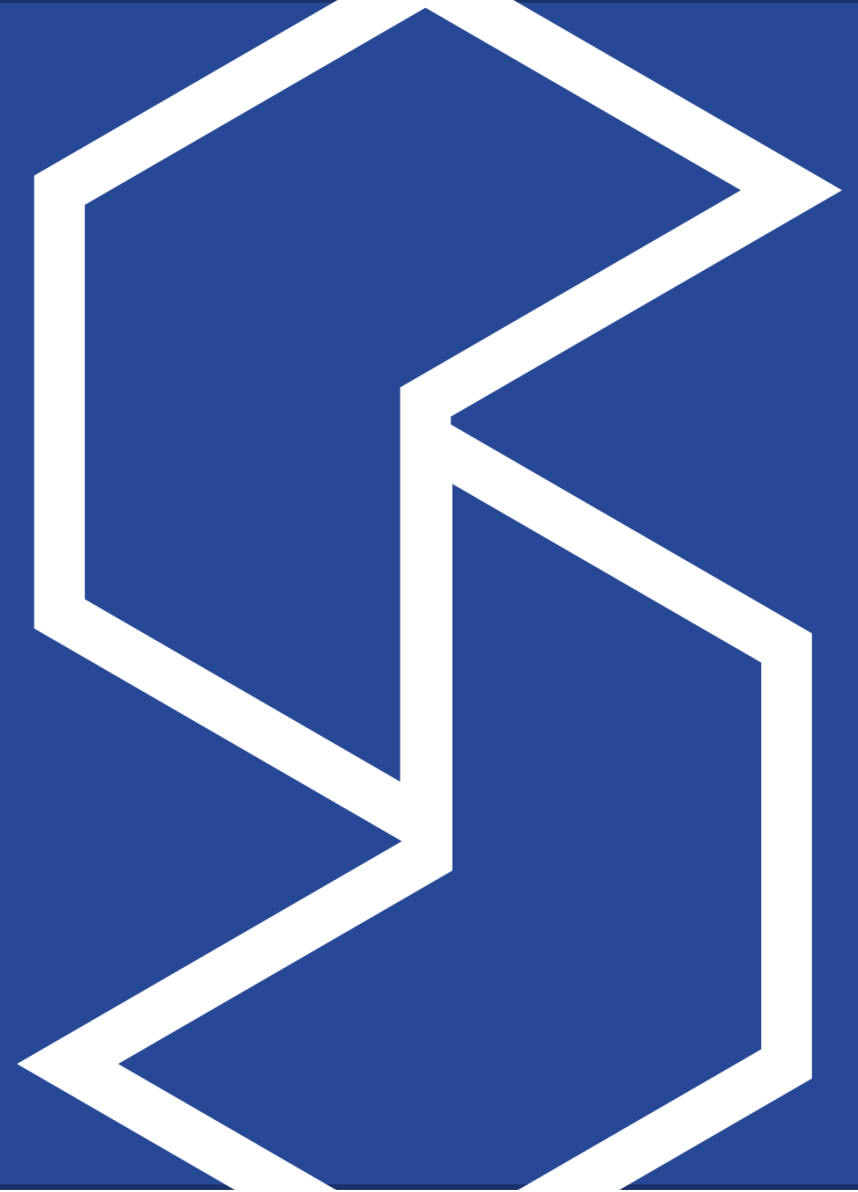
- ▶ 95,105,985 shares **For**;
- ▶ 56,472,186 shares **Against**; and
- ▶ 469,744 **Open**

Speedcast AGM CEO presentation

Pierre-Jean Beylier

Sydney, Australia

28 April, 2017



A transformative FY 2016¹

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Operational

Transformational acquisition of Harris CapRock
(completed 1 Jan 2017)

3 additional strategic acquisitions completed in 2016
(Newcom, ST Teleport and WINS)

Market leadership achieved in the Maritime and Energy markets – well positioned to capture growth opportunities in these two key verticals

Sustained Growth despite a difficult operating environment

Financial

Continued **double digit growth** across key financial metrics with 30% revenue growth

Core **service revenue growth** at 34%

Growth in core service margins and EBITDA margin reflecting economies of scale and operational optimization

EBITDA growth at 42%
NPATA of \$19.2M (+30%)
NPATA per share growth of 9%

¹ All comparatives in this presentation are with the corresponding prior period, FY 2015, unless otherwise specified

² Includes FX gains of \$1.5M relating to the re-measurement of cash balances at 31 December 2016 used to fund the acquisition of Harris Caprock

Harris Caprock – transformational acquisition

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1

Creation of a global and diversified industry leader

- Expands global footprint and infrastructure with strong geographic complementarity – gives Speedcast an immediate geographic presence that it currently lacks in North America, Brazil, Norway and parts of Africa
- Acquisition enhances diversification across end-markets and geographies

2

Expansion of the maritime business with global leadership in maritime broadband services

- Strengthens maritime offering, which is additive to the recent WINS acquisition and a key growth segment
- Leading provider globally to the fast growing and bandwidth hungry cruise segment
- Attractive scale of the combined group enables greater competitiveness
- Speedcast's maritime business has more than doubled in terms of revenue

3

A global leader in the Energy sector, well positioned for future growth

- Market leader in Energy, with complementary geographical overlap with Speedcast
- Strong service and technology offering, creating upsell opportunities to Speedcast customers
- Acquisition at an attractive stage in the cycle

4

Significant operational and economic benefits of scale

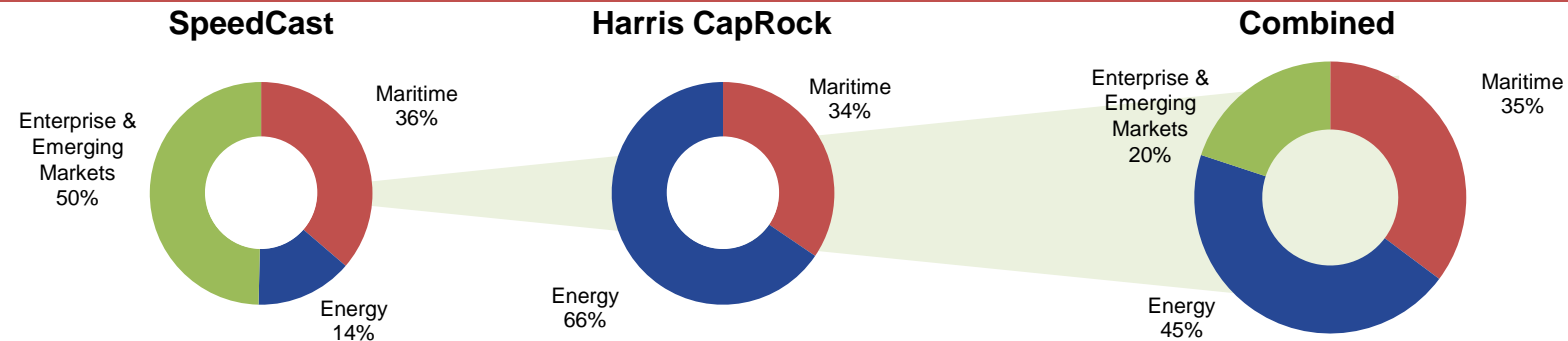
- One of the largest commercial buyers of satellite capacity globally
- Increased operational leverage
- Significant R&D capabilities
- Significant synergies expected, resulting in a high margin combined business

Creation of a global and diversified leader

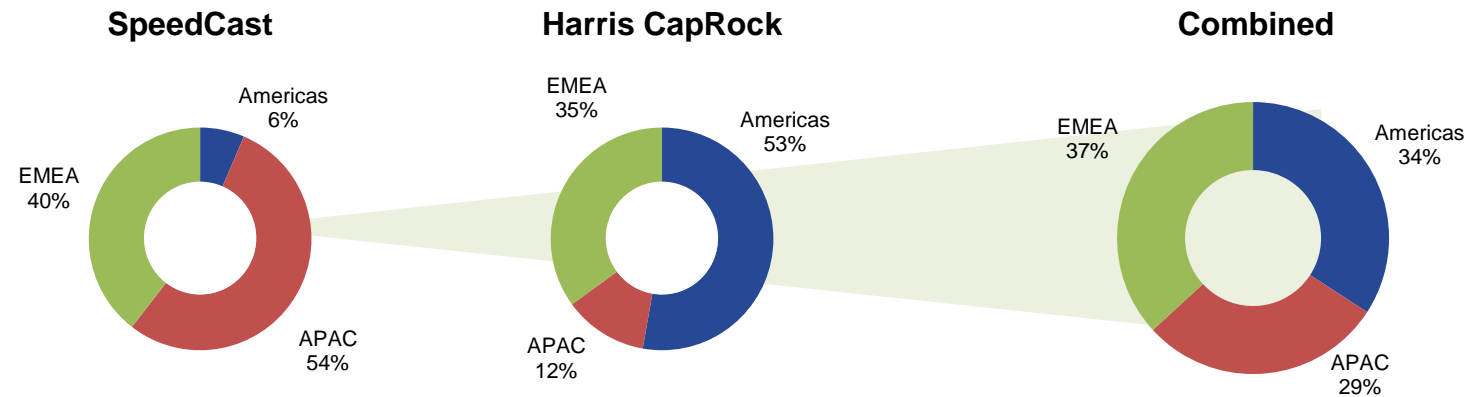
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Pro-forma earnings mix as at 30 June 2016

Revenue by segment



Revenue by geography



► **Speedcast is the world's most trusted provider of fully managed remote communication network and IT services**

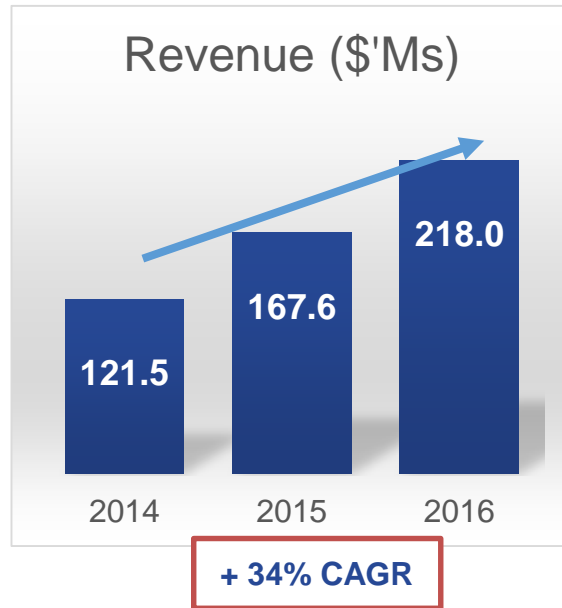
- > Industry leader: extensive worldwide footprint of local support, infrastructure and coverage coupled with world-class technology and a strong safety culture
- > Innovator: able to design, integrate, secure and optimize networks tailored to customer needs
- > Customer focused: with technology agnostic solutions and support designed to meet the needs of each unique customer installation
- > Highly Skilled People make the difference in the services Speedcast provides
- > Creating value for our customers beyond connectivity to meet evolving customer needs



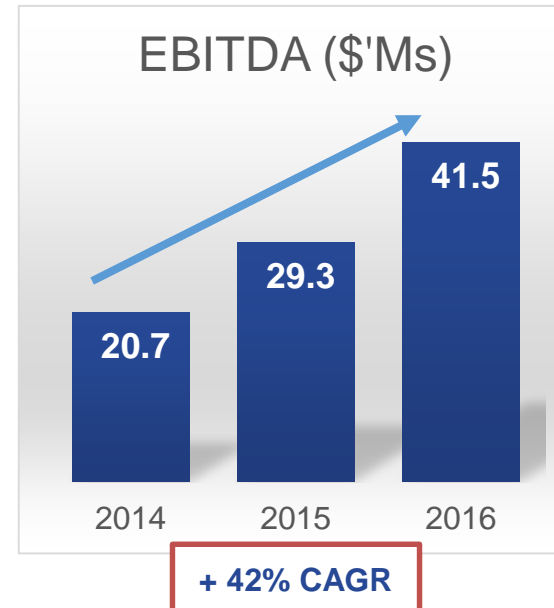
History of growth

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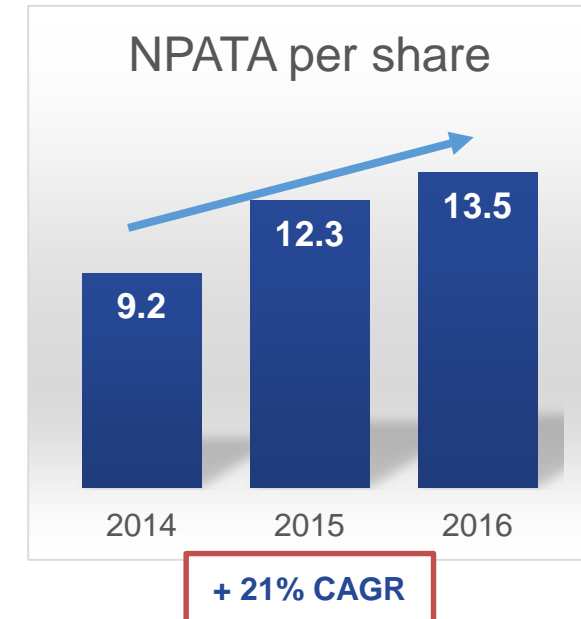
Since IPO.....



- Growth in revenues from dual strategy of combining organic and acquisitive growth



- EBITDA growth > Revenue
- Scale and operating leverage driving EBITDA margin % expansion, despite initial dilution of acquisitions on margins
- Realisation of acquisition synergies



- EPS growth underpinned by a combination of
 - > Organic growth in the business
 - > EBITDA margin expansion
 - > Accretive acquisitions

2016 Financial Highlights - sustained growth

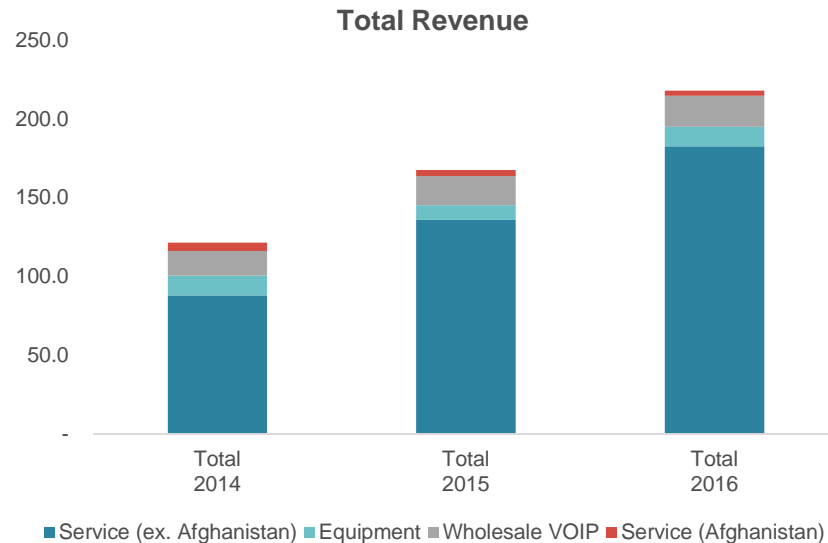
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Group Revenue
US\$218.0m

↑ 30%

Service Revenue¹
US\$182.7m

↑ 34%

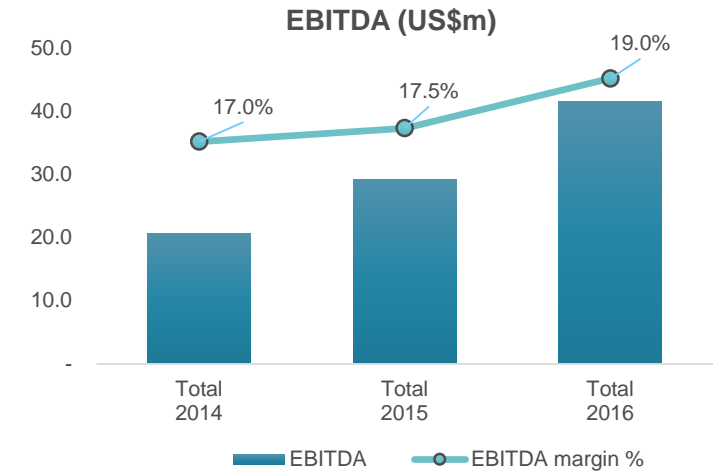


EBITDA²
US\$41.5m

↑ 42%

EBITDA Margin²

↑ 150 bps

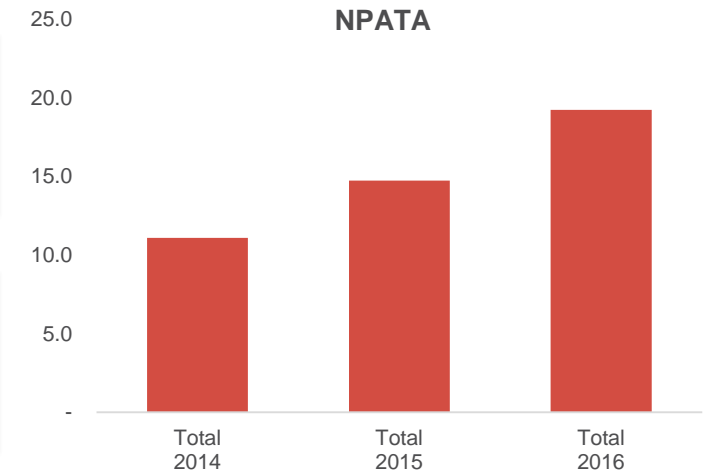


NPATA²
US\$19.2m

↑ 30%

NPATA per Share²
13.5 cps

↑ 9%



¹ Service Revenue excludes Afghanistan. ² Underlying. Underlying financial results are intended to exclude items which are non-recurring in nature, such as acquisition-related transaction costs, integration costs and restructuring costs.

Our Integration program: 15 work streams

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- 1 Sales
- 2 Products
- 3 Marketing
- 4 Organization
- 5 HR
- 6 Internal Communication
- 7 Real Estate
- 8 Network Operations & Engineering

- 9 Service Management
- 10 Service Implementation
- 11 Field Engineering
- 12 IT
- 13 Finance
- 14 Legal
- 15 Supply Chain

Project charters have been developed for each work stream – containing the objectives, priorities, guidelines, anticipated benefits, team members, high level planning with key activities, timelines and milestones, risks & mitigants. Across the work streams, there are **102 roles of which 54 are taken by legacy Speedcast and 48 by legacy Harris CapRock employees**, resulting in the **right balance of the legacy organizations and cultures in the integration program**.

► **2017 Cost synergies (\$15M Target)**

- > Labour - 120 employees exiting. Various departure dates through first half 2017
- > Transition Service Agreements (TSA) with Harris Corporation
 - Finance migrations commenced in Q1, full transition expected to be complete in Q3 2017
 - IT transitions ahead of schedule and progressively occurring throughout 1H 2017, except ERP IT system. ERP transition process underway and scheduled to migrate in 2H 2017
- > Network consolidation activities in progress; Majority of cost savings expected to be in 2H 2017 & early 2018
- > \$11M of \$15M target cost savings for 2017 now secured; detailed plans in place to deliver remaining \$4M

► **2018 Cost synergies (\$24M Target)**

- > Full year benefit of 2017 synergies exit run-rate will deliver large proportion of \$24M target
- > Additional savings from Network consolidation activities in 2018
- > Potential additional savings above the \$24m target have been identified

► **Revenue synergies starting to materialise**

- > Low hanging early stage sale synergies being realised
- > Will support delivery of organic growth in 2018+

Our Culture & values drives our performance | 18



C

customer
focused

A

agile &
responsive

S

success through
people & safety

T

team
spirit

Rebranding – new logo, new campaign

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THE CRITICAL COMMUNICATIONS COMPANY

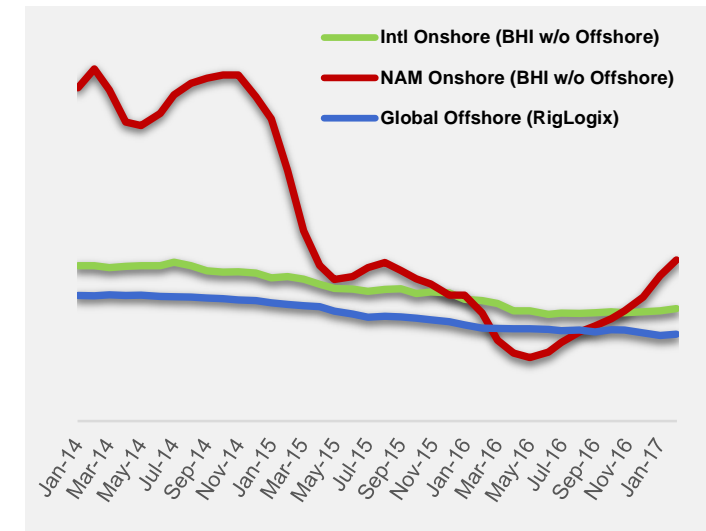
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Business update - Energy

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- ▶ Rig count up in North America, translating into bandwidth orders and additional managed services
- ▶ Increase in demand for bandwidth among existing customers as activity picks up
- ▶ Customers are again discussing projects and capex and requesting proposals - significant increase in Sales Engineering activity
- ▶ Systems integration wins and pipeline growing - momentum building
- ▶ Positive feedback from our customers on Harris CapRock/Speedcast combination
- ▶ 100% Renewal rate for Q1 2017 - price pressure on long term contract renewals, partially offset by a wider scope of services provided. Bandwidth growth expected to kick in as the sector recovers.
- ▶ Revenues levelling out - 3 months of consistent revenues in Q1
- ▶ Energy customers transformed to operate with less staff, leading to outsourcing opportunities in professional services
- ▶ Some competitors in turmoil



Offshore Rigs: Marketed Active Rigs (Drillships; Jack-ups, Submersibles, Semisubs, Platform rigs) Source - RigLogix
Onshore Rigs: Source - Baker Hughes (BHI)

Business update - Maritime

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- ▶ Maritime continues to be a growth engine for Speedcast
- ▶ Cruise customers adding bandwidth to improve customer experience - additional vessels being built will also contribute to future growth
- ▶ Merchant maritime presents an increasing opportunity for upgrade from L-band to VSAT broadband connectivity
- ▶ Offshore service vessels expected to remain soft through 2017
- ▶ Pressure on price amidst satellite capacity oversupply, but we expect bandwidth growth to outweigh unit price decline



Trading update - Enterprise & Emerging Markets | 22

► Cellular Backhaul

- > 3 x major contract wins in Q1.
- > Large pipeline of opportunities, particularly in Latin America, Africa and Central Asia

► Government

- > Pipeline activity beginning to grow as government activity increases
- > First win from our partnership with Airbus Defence & Space
- > Renewals of key government contracts

► Growth momentum in Latin America

- > Leveraging the Group's scale and capabilities to win market share against smaller regional players

► Speedcast exploring revenue opportunities in emerging markets for the group: media, aviation



Conclusion and Outlook

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- ▶ Strong growth in 2016 across all key financial metrics
- ▶ Pipeline strengthening as energy and government verticals are bottoming out
- ▶ Increasing demand for connectivity will underpin long-term growth, supported by technology developments and satellite capacity availability
- ▶ Acquisition of Harris Caprock has positioned Speedcast as the global leader in remote communications and IT services with unique scale and capabilities, at a time when some of our key competitors are facing significant challenges
- ▶ Integration activities progressing well. On track to deliver \$15M of cost synergies in 2017; and at least \$24M in 2018
- ▶ Current 2017 EBITDA market consensus is in line with management's expectations



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Well positioned for long term growth

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- ▶ **Competitive advantages to gain market share**
 - > Scale
 - > Unique capabilities and experience
 - > Strong culture
 - > Reputation and track record
 - > Great customer base
- ▶ **Leadership positions in key growth markets**
 - > Energy sector expected to recover
 - > Cruise to lead maritime growth
 - > Government spending expected to rise in key developed markets
- ▶ **Innovation to lead to new revenue opportunities**
- ▶ **Expertise to expand our offering into non-connectivity services**



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