



speedcast

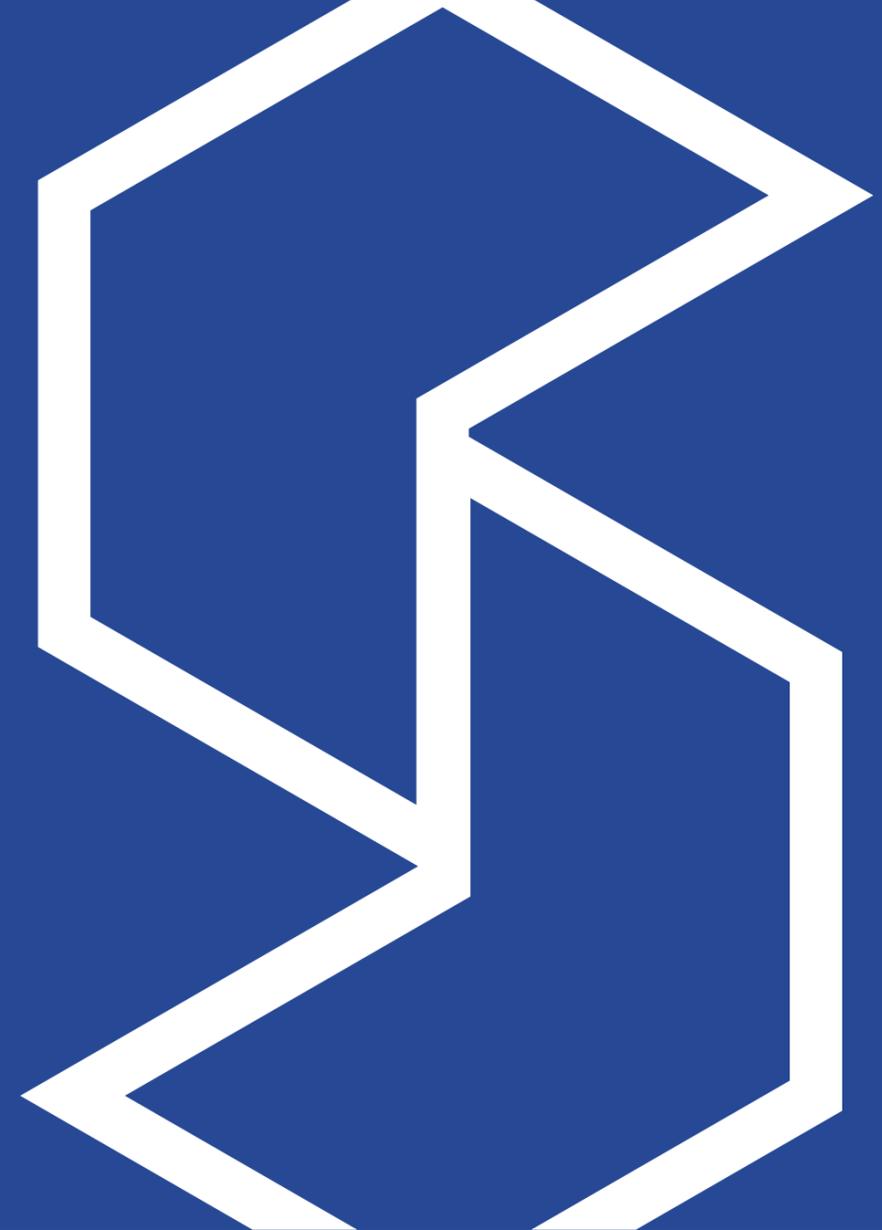
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Acquisition of UltiSat, Inc.

24 July, 2017



- Speedcast has entered into an agreement to acquire 100% of UltiSat for an initial consideration of USD 65.0M (USD60.0M cash, USD5.0M scrip), plus an earn-out consideration of up to USD 35.0M¹ to be paid in 2018 and 2019
- Based in Gaithersburg, Maryland, UltiSat is a satellite services provider to the Military, Government, IGO and NGO sectors with coverage in over 130 countries
- UltiSat accelerates Speedcast's push into the Government vertical, a global market of USD 4.8bn per annum, and gives Speedcast a critical mass in that vertical with over USD 100M in revenues globally
- Strong cost synergies are anticipated from the rationalisation of support functions, satellite capacity procurement, and teleport consolidation – conservatively estimated at USD 3.0M (with 1.5M expected in the first 12 months)
- Acquisition expected to represent a multiple of ~7x FY2017 EBITDA (pre-synergies), reducing to approximately 5.5x FY2017 EBITDA post-synergies and anticipated tax benefits²
- On a pro forma full year basis, the acquisition is expected to be accretive immediately and double digit EPS accretive in 2018 before synergies
- Initial consideration is to be funded through USD 60.0M extension of Speedcast's existing debt facilities with pro forma leverage ratio expected to be at or below 3.0x at 31 December 2017
- Transaction is expected to complete in 4Q 2017, subject to regulatory approvals

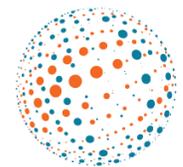
1. Earn out based on achievement of certain financial metrics, payable in 2Q18 for 2017 financial performance (up to USD 20.0M) and 2Q19 for 2018 financial performance (up to USD15.0M). 2. Based on UltiSat FY17F EBITDA of USD12.0M, synergies of USD3.0M, and reflecting payment of upfront consideration plus 100% of potential 2017 earnout of USD20.0M only. These estimates are subject to assumptions and risks in relation to future performance, and actual results may vary.

Strategic rationale – new powerful growth engine

| 5

- 1 Acquire direct access to US Government opportunities**, via innovative solutions and valuable contract vehicles, at a time when Government spending is starting to rise
- 2 Achieve critical mass in our Government business** – creation of a fourth pillar of growth – with Government division combining Speedcast and UltiSat Government revenues and with sales in excess of USD 100M
- 3 Strengthen organic growth through significant revenue synergies** with UltiSat benefitting from Speedcast's scale and global operational capabilities to upsell to its existing customer base and Speedcast leveraging UltiSat's innovative solutions and expertise to serve other governments globally where Speedcast has existing relationships
- 4 Create a global force in the IGO/NGO space** capable of gaining market share
- 5 Attract talented and experienced leadership to further strengthen the Group** – UltiSat CEO to lead the new Government division
- 6 Generate value through strong cost synergies** resulting from rationalisation of support functions, satellite capacity procurement, and teleport consolidation – conservatively estimated at USD 3.0M

- Headquartered in the Washington, DC area, UltiSat provides end-to-end global satellite communications services primarily to:
 - **US Government agencies:** DISA, GSA, Air Force, Army, FEMA and others
 - **Leading defence contractors:** Leidos, General Dynamics, AT&T Government, AECOM, SOSi and others
 - **Major NGOs and UN agencies:** UNHCR, UNDP, NetHope and others
- Established in 2003, UltiSat has 150 employees, a teleport in Denmark, sales offices in Washington, DC and San Diego and global field-service operations
 - UltiSat's teleport in Denmark can access more than 100 satellites in the geosynchronous arc from 55°W to 70°E
 - Senior management have 130+ years of experience in the telecom, aerospace, and Government services industries
- UltiSat Offers to its clients primarily managed network services that can include value added services such as data analytics. UltiSat has integrated and delivered a wide portfolio of solutions in the manned and unmanned airborne intelligence, surveillance and reconnaissance (ISR) sector.

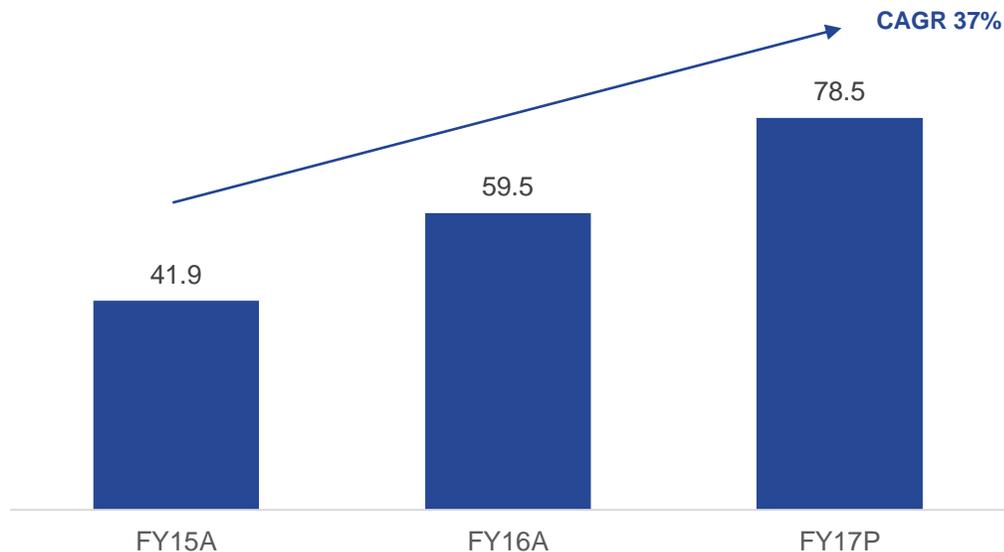


NETHOPE

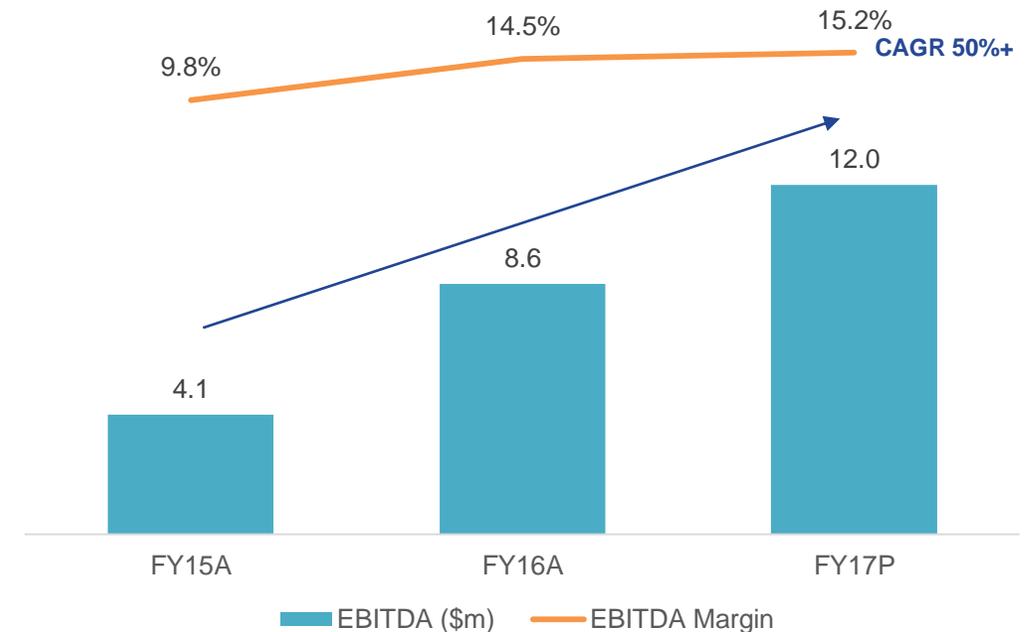
UltiSat has a strong track record of growth

UltiSat has a track record of revenue and EBITDA growth and is expected to achieve over 30% revenue growth and 40% EBITDA growth in FY2017 (before synergies)¹ driven by surge in US government activities

UltiSat Revenue (USDm) ⁽¹⁾



UltiSat EBITDA (USDm) and EBITDA margin ⁽¹⁾

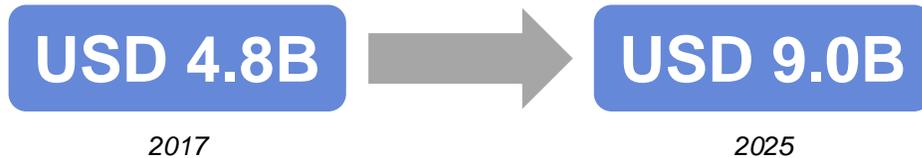


1. UltiSat financial year ends 31 December. These estimates are subject to assumptions and risks in relation to future performance, and actual results may vary.

Attractive Government vertical new pillar of growth

Market Opportunity

- Government market expected to grow at ~8% CAGR



- Government and Military satellite communication markets have started stabilizing in 2016-17 after several years of downturn
 - New opportunities materialising as Government spending is expected to grow in key developed markets around the world, as demonstrated by UltiSat's strong revenue growth
 - Opportunities emerging within the Classified Military space in North America, Latin America, Europe & Asia
 - Aero government applications expected to experience strong growth



Speedcast's Government strategy

Scale to give access to larger US government contracts

UltiSat's solutions portfolio to be leveraged globally

Strategic secured infrastructure growth

Global and unique NGO/IGO network solutions



Targeting \$200M⁽¹⁾ revenue within 5 years

Source: NSR & Speedcast

1. These estimates are subject to assumptions and risks in relation to future performance, and actual results may vary

Government to become a fourth pillar for growth

Government division combining Speedcast and UltiSat Government revenues with sales in excess of USD 100M. Further diversification of Speedcast's business.

Energy



- Cyclical industry, expected to come out of a severe downturn in the near future
- Consolidated services requirement with focus on reliability and support
- Outsourcing likely to grow as customers need to be leaner

Maritime



- VSAT penetration driving growth in merchant shipping
- Strong volume growth fundamentals in Cruise segment
- Market still fragmented
- Opportunity for new applications and innovation

Enterprise & Emerging Markets ('EEM')



- Diversified segment
- Fragmented industry
- Limited global competitors
- Cellular backhaul driving growth
- Mining spending expected to improve

Government



- Government spending expected to rise globally in coming years
- Access to US Govt. opportunities
- Significant opportunity in the IGO/NGO space
- Experienced leadership team led by UltiSat CEO

Transaction expected to be accretive immediately and double digit accretive in 2018 pre-synergies

Expected financial impact on Speedcast

- UltiSat revenue expectations for FY2017 pro forma approximately USD 78.5M, and approximately USD 12.0M EBITDA (pre-synergies)¹
- Combined Speedcast and UltiSat Government pro forma revenues are expected to be in excess of USD 100.0M per annum, creating a new fourth division for the group
- Including the acquisition of UltiSat, the group's pro forma leverage ratio is expected to be at or below 3.0x by 31 December 2017
- On a pro forma full year basis, the acquisition is expected to be accretive immediately and double digit EPS accretive in 2018 before synergies

Estimated synergies - Speedcast & UltiSat

- Strong cost synergies resulting from the rationalisation of corporate support functions, satellite capacity procurement, and teleport consolidation
- Conservative estimate at USD 3.0M, with USD 1.5M expected to be delivered within 12 months post acquisition¹
- Speedcast confident in achieving at least the target synergies given the group's strong track record of integration and delivery of previous synergy benefits
- Combination of the two businesses expected to create significant revenue generating opportunities in the Government and IGO/NGO sectors not previously available
- USD 200M¹ revenue target within 5 years

1. These estimates are subject to assumptions and risks in relation to future performance, and actual results may vary

Earn-out consideration is subject to future financial performance metrics being met

First earn-out (2Q18)

- The first earn-out consideration may be payable in 2Q 2018 post the release of Speedcast's FY2017 audited results
- First earn-out consideration is based on FY2017 audited EBITDA performance (excluding synergies)
- First earn-out consideration – capped at USD 20.0M cash consideration – to be funded from operating cash flows

Second earn-out (2Q19)

- The second and final earn-out consideration may be payable in 2Q 2019 post the release of Speedcast's FY2018 audited results
- The second earn-out is subject to certain financial performance measures being achieved by UltiSat in 2018 (excluding synergies)
- Second earn-out consideration – capped at USD 15.0M cash consideration – to be funded from operating cash flows

UltiSat acquisition consideration	USD M	Payable
Initial consideration	65.0	4Q 2017
First earn-out (cash) - 2017 performance	20.0	2Q 2018
Second earn-out (cash) - 2018 performance	15.0	2Q 2019

Integration experience highlighted in Harris CapRock deal

- In November 2016, the Integration Program for Harris CapRock commenced. In January 2017 15 work streams, 53 initiatives and 244 key milestones were established to achieve the integration plan.
- The execution of the program is ahead of plan and management are now confident that the expected synergy benefits from the transaction in future years will be in excess of those previously announced
- By end of June 2017, approximately 75% is completed based on achievement of planned key milestones, 87% completed based on planned 2017 synergies
- After July, some key initiatives will continue including: further re-branding, ERP implementation, implementation of Shared Services Centers, migration of customer support ticketing system, and network consolidation initiatives
- By end of October 2017, we expect to have only 2 work streams remaining before full completion of integration by the end of Q4 2017

Integration Program	Jan 2017	End of June Approx. 75% completed	End of July Approx. 85% completed	End of Sept Approx. 95% completed	End of Oct Approx. 98% completed
# of work streams remaining	15	10	7	5	2
# of initiatives in progress	53	26	18	11	3
Key milestones to achieve	244	Approx. 60	Approx. 30	Approx. 12	3

- The acquisition of UltiSat further strengthens Speedcast's position as the global leader in remote communications and IT services with unique scale and capabilities
- UltiSat acquisition expedites Speedcast's push into the attractive Government vertical at a time when government spending is starting to rise globally
 - Combined Speedcast and UltiSat's Government revenues are expected to be in excess of USD 100M per annum
 - Diversifies Speedcast's business further
 - Full year run-rate cost synergies from UltiSat acquisition conservatively estimated at USD 3.0M per annum¹
 - On a pro forma full year basis, the acquisition is expected to be accretive immediately and double digit EPS accretive in 2018 before synergies¹
 - Speedcast continues to generate strong operating cash flows and earnings growth, and the combination of these two factors is expected to reduce the pro forma leverage materially over time
- Increasing demand for connectivity and a new investment cycle will underpin long-term growth in the Government vertical, supported by technology developments and satellite capacity availability
- Speedcast is targeting to grow Government revenues to USD 200M within 5 years¹

1. These estimates are subject to assumptions and risks in relation to future performance, and actual results may vary.

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About Speedcat International Limited

Speedcast International Ltd (ASX: SDA) is the world's most trusted provider of highly reliable, fully managed, end-to-end remote communication and IT solutions. The company utilizes an extensive worldwide footprint of local support, infrastructure and coverage to design, integrate, secure and optimize networks tailored to customer needs. With differentiated technology, an intense customer focus and a strong safety culture, Speedcast serves more than 2,000 customers in over 140 countries via 39 teleports, including offshore rigs and cruise ships, 10,000+ maritime vessels and 4,500+ terrestrial sites. Speedcast supports mission-critical applications in industries such as maritime, oil and gas, enterprise, media, cruise and government. Learn more at www.Speedcast.com. Social Media: [Twitter](#) | [LinkedIn](#) | [Facebook](#)

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