

ASX ANNOUNCEMENT**Management change and trading update**

- Board has accepted PJ Beylier's resignation as CEO of Speedcast, effective 1 February 2020
 - Global search for new CEO now underway
 - Board Directors Peter Shaper and Joe Spytek appointed as co-CEOs in the interim
- Preliminary view of FY19 result around 10% below prior guidance, including several items that do not directly contribute to ongoing earnings
 - Given the quality of the preliminary FY19 result, the Board is currently undertaking an extensive review to determine whether additional matters, such as non-cash write downs, should be taken up, and what additional market disclosure is appropriate
- Board seeking to accelerate previously flagged de-gearing of the balance sheet
 - Reviewing potential sale of non-core assets to reduce debt, where beneficial to the Company

Sydney, Australia, 3 February 2020 – [Speedcast International Limited](#) (ASX: SDA), the world's most trusted provider of remote communication and IT solutions, advises that the Board has accepted the resignation of PJ Beylier as CEO, effective from 1 February 2020.

While the preliminary view of the FY19 result is a little greater than 10% below the Company's previous guidance, that result includes a number of items (such as procurement savings and sale of minor surplus assets) that do not directly contribute to ongoing earnings. In light of the disappointing preliminary FY19 result, the Board accepted PJ Beylier's resignation from his role. He remains available to support the management team and the interim leadership over the next three months.

Commenting on his resignation, PJ Beylier said *"2019 was a challenging year for Speedcast. The quality of the financial result is not in line with the Board and management's expectations, which I take responsibility for and have therefore decided to resign. I want to thank all our employees for their amazing passion and hard work over the past 20 years that has made it possible to build together the global service leader that Speedcast has become. I remain excited about Speedcast's future; as the company continues to execute on its operational improvement plans, it will be able to leverage the unique platform it has built and generate growth."*

A global search for Speedcast's new CEO has commenced with Russell Reynolds, with a particular focus on Europe and the US for candidates. In the interim, existing Board Directors Peter Shaper and Joe Spytek have agreed to act as co-CEOs of the Company. Peter and Joe will also continue as Directors.

Preliminary FY19 Result

The Board continues to work with the management team to fully review all elements of the preliminary FY19 result.

While each year the Company's reported EBITDA has and will include a range of non-trading profits - such as procurement savings, the sale of minor surplus assets and the impact of various accounting estimates - the Board believes that the core result and the non-trading items for FY19 may not be within the range anticipated by the market at the time of the Company's guidance last year. Hence, the need for additional focus to consider whether any other matters should be accounted for in FY19, and to determine what additional market disclosures will be required.

The Board anticipates providing additional clarity around the preliminary result at the time it resumes trading; particularly identifying the amounts that will provide a baseline for the expected performance of the business in FY20.

In line with its previous advice to the market that the Company is seeking to reduce overall leverage, the Board is also considering ways to strengthen the balance sheet. As a consequence, the Board is reviewing the potential sale of non-core assets to reduce debt, where material, and beneficial to the Company.

Responding to PJ Beylier's resignation, Speedcast's Chair, Stephe Wilks said "*We acknowledge the many years of committed service PJ has given to Speedcast, and the significant business that he and the team created over that time. However, in light of the preliminary FY19 result, the Board has accepted PJ's resignation and will now move to urgently finalise that result.*

We will also immediately implement the necessary plans to improve the business over FY20 and beyond.

While we undertake a global search for the next CEO for the Company, the Board is exceptionally pleased that Peter and Joe have agreed to take on the interim leadership role, bringing their extensive satellite communications experience to bear in an executive capacity, in addition to their ongoing roles as Directors of the Company."

CEO termination arrangements, and Interim CEO arrangements

PJ Beylier will continue to be available to the Company for three months, and will then receive a termination payment equivalent to 12 months salary (paid in instalments), with a restraint period of nine months from the time of his resignation. He will forfeit any unvested shares, and will receive no bonus for the FY19 year. He will receive his other statutory entitlements.

Peter Shaper and Joe Spytak will be paid within the current CEO's salary (sharing that remuneration equally between them). They will be paid a salary of US\$25k each per month, and be entitled to a short term incentive full year bonus target of US\$250k each. The bonus will be determined at the end of the interim period based upon (i) length of service (pro rata for the portion of a year) and (ii) performance as determined by the Board.

Subject to shareholder approval, the Board also proposes a long term incentive of Performance Rights, with a full year value of US\$200k each. The actual award will be determined at the end of the interim period based on the length of service.

In addition, the Company will also seek Shareholder approval for a change to the previously proposed share-based compensation for Peter and Joe, and also for the Chair (as the three 'new' directors since the time of the Company's earlier guidance). The proposed revision will be to:

- reduce the strike price to \$1.00
- amend vesting to achieving either (i) share price over \$2.00 for 10 days of any month or (ii) service on the board for three years

The Company anticipates bringing these approvals to the Shareholders for their consideration and approval in the coming months.

This announcement has been authorised for release by the Board of Speedcast.

For further information please contact:

Investors

Ronn Bechler
P: +61 400 009 774
E: ronn.bechler@marketeye.com.au

Media

Tristan Everett
P: +61-403 789 096
E: tristan.everett@marketeye.com.au

About Speedcast International Limited

Speedcast International Ltd (ASX: SDA) is the world's largest remote communications and IT services provider. The company delivers critical communications solutions through its multi-access technology, multi-band and multi-orbit network of 80+ satellites and an interconnecting global terrestrial network, bolstered by extensive local support from 40+ countries. Speedcast is uniquely positioned as a strategic partner, tailoring communications, IT and digital solutions to meet customer needs and enable business transformation. The company provides managed information services with differentiated technology offerings, including cybersecurity, crew welfare, content solutions, data and voice applications, IoT solutions and network systems integration services. With a passionate customer focus and a strong safety culture, Speedcast serves more than 3,200 customers in over 140 countries in sectors such as Maritime, Energy, Mining, Enterprise, Media, Cruise, Humanitarian and Government. Learn more at www.speedcast.com.

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