



speedcast

Speedcast 2017 Investor Day

Sydney

26 April, 2017



Today's presenters



**Pierre-Jean
("PJ")
Beylier**

- > CEO of Speedcast
- > Joined Speedcast in 2000



**Ian
Baldwin**

- > CFO of Speedcast (appointed December 2014)
- > 18 years experience in senior finance



**Keith
Johnson**

- > Executive VP, Energy (appointed October 2014)
- > Former President – Global Energy Services at Harris CapRock



**David
Kagan**

- > Chief Operating Officer (appointed March 2017)
- > Former CEO of MTN and Globe Wireless



**Andrew
Burdall**

- > Executive VP, Enterprise & Emerging Markets (EEM)
- > Appointed October 2016, previously Head of BD



**Tim
Bailey**

- > Executive VP, Products, Marketing & Business Development (appointed September 2016)
- > 22 years experience in technology products

Agenda

- ▶ **Introduction (Ian Baldwin)**
- ▶ **Speedcast Overview (PJ Beylier)**
- ▶ **Investment value creation (Ian Baldwin)**
- ▶ **Harris CapRock integration update (Ian Baldwin)**
- ▶ **Energy division (Keith Johnson)**
- ▶ **Maritime division (PJ Beylier)**

- ▶ **Lunch (~12.30pm - 1pm)**

- ▶ **Operations (David Kagan)**
- ▶ **Enterprise & Emerging Markets (Andrew Burdall)**
- ▶ **Products, Marketing & Business Development (Tim Bailey)**
- ▶ **Speedcast Strategy & Conclusion (PJ Beylier)**

Speedcast Overview

PJ Beylier

26 April, 2017

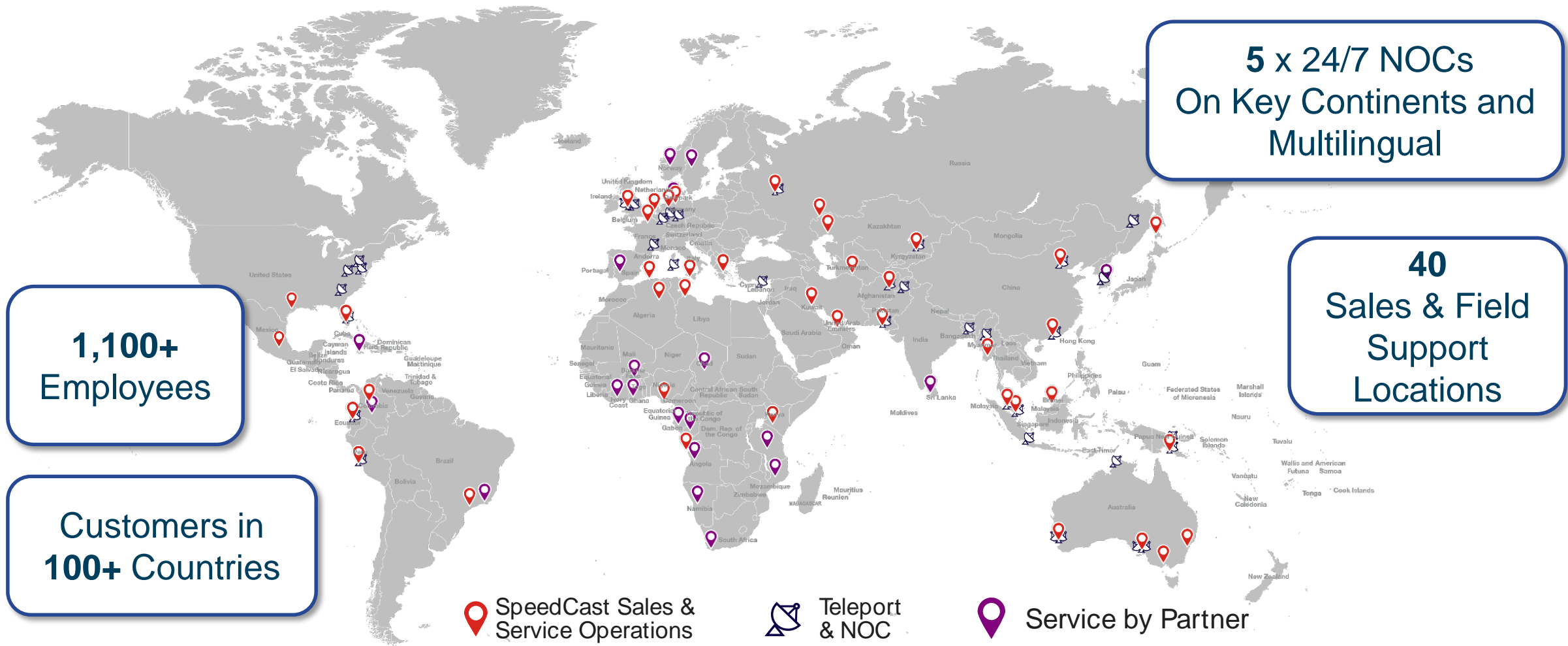


► **Speedcast is the world's most trusted provider of fully managed remote communication network and IT services**

- > 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



Service & support wherever you need it – Speedcast @ January '17



1,100+
Employees

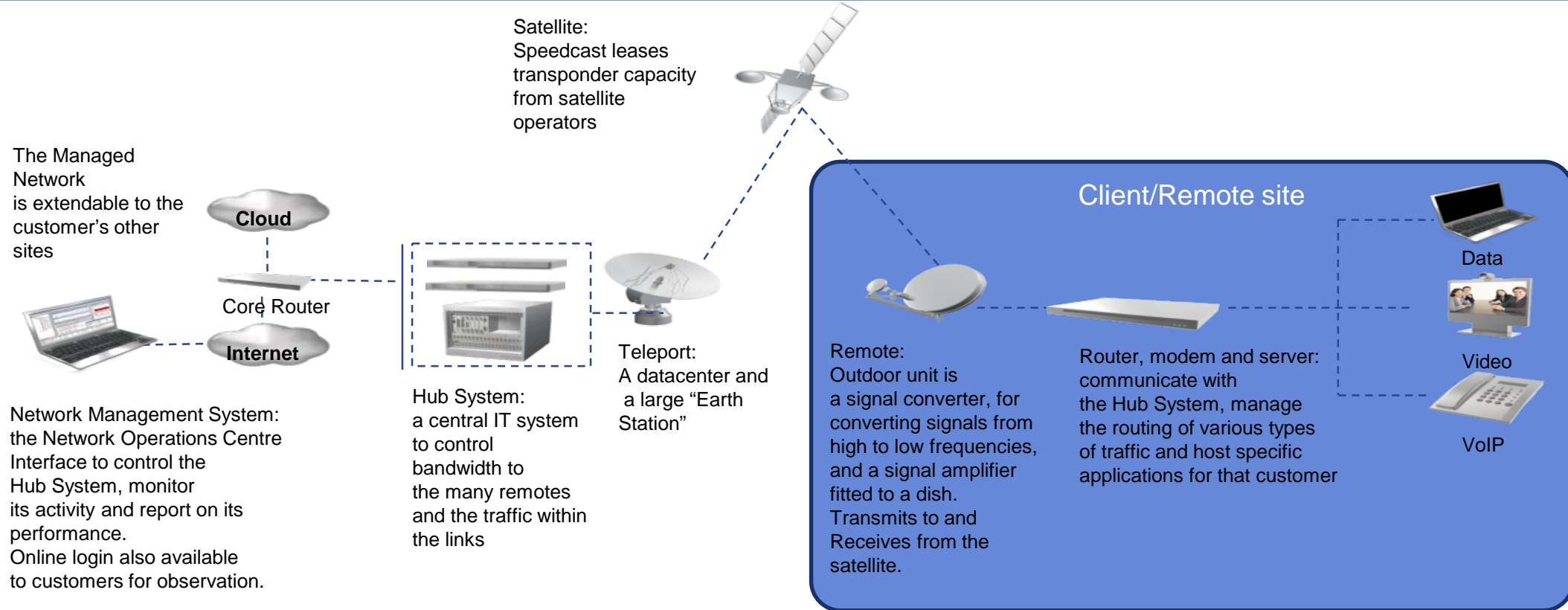
Customers in
100+ Countries

5 x 24/7 NOCs
On Key Continents and
Multilingual

40
Sales & Field
Support
Locations

Speedcast provides the necessary infrastructure and capabilities to turn satellite capacity into a useful network service for a wide range of end users | 8

Illustrative Speedcast VSAT network setup



Energy



- ▶ Speedcast is market leader following acquisition of Harris CapRock
- ▶ Cyclical industry, currently at a low point in the cycle. Sector recovering, momentum building
- ▶ Consolidated services requirement with focus on reliability and support
- ▶ Competitors facing challenges

Maritime



- ▶ Speedcast is market leader in VSAT communications following acquisition of Harris CapRock
- ▶ VSAT penetration driving growth in merchant shipping. Bottom of cycle in that segment.
- ▶ Strong volume growth fundamentals in Cruise segment
- ▶ Market still fragmented
- ▶ Some competitors facing challenges

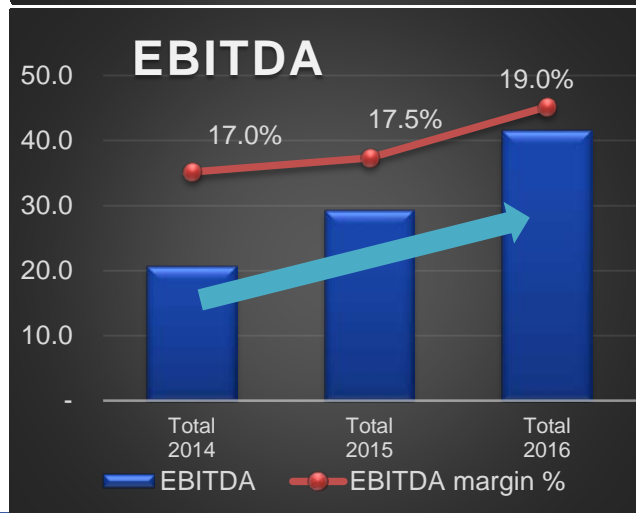
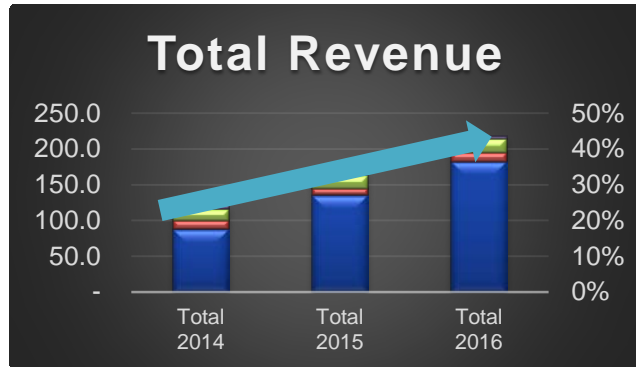
Enterprise & Emerging Markets ('EEM')



- ▶ Diversified segment. Includes Government, Telecommunications, Mining, NGOs, Media and Aviation
- ▶ Mining & Government spending expected to bottom out
- ▶ Cellular backhaul driving growth
- ▶ Fragmented industry. Limited global competitors.

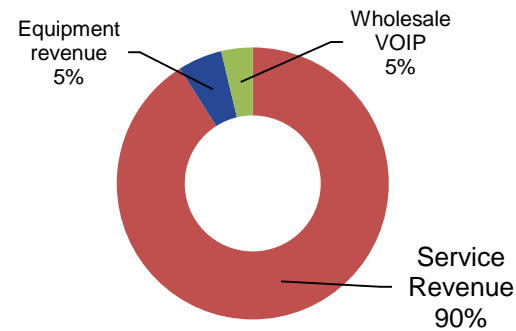
Sound underlying financial characteristics

Growth in Key Financial Metrics



Recurring revenue base

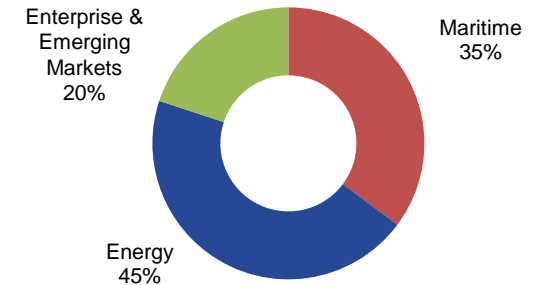
Revenue by type



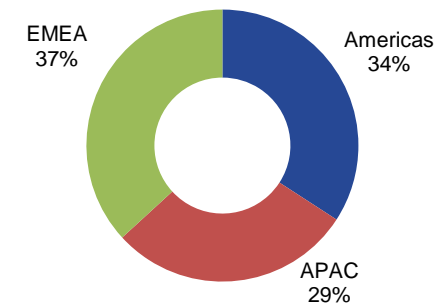
- ▶ Service revenues (c.90% of total)
- ▶ 2-3 year average contract length
- ▶ High renewal rate
- ▶ Limited Capex

Diversification across Industries and Geographically

Revenue by segment



Revenue by geography



▶ **Service Revenue**

- > 2-3 year contracts
- > Mostly recurring revenue
- > High retention rate
- > Highest gross margins
- > Includes L-band revenues at lower GM%

▶ **Equipment revenue**

- > Depends on customer contracting model therefore lumpy revenues
- > Lower margin

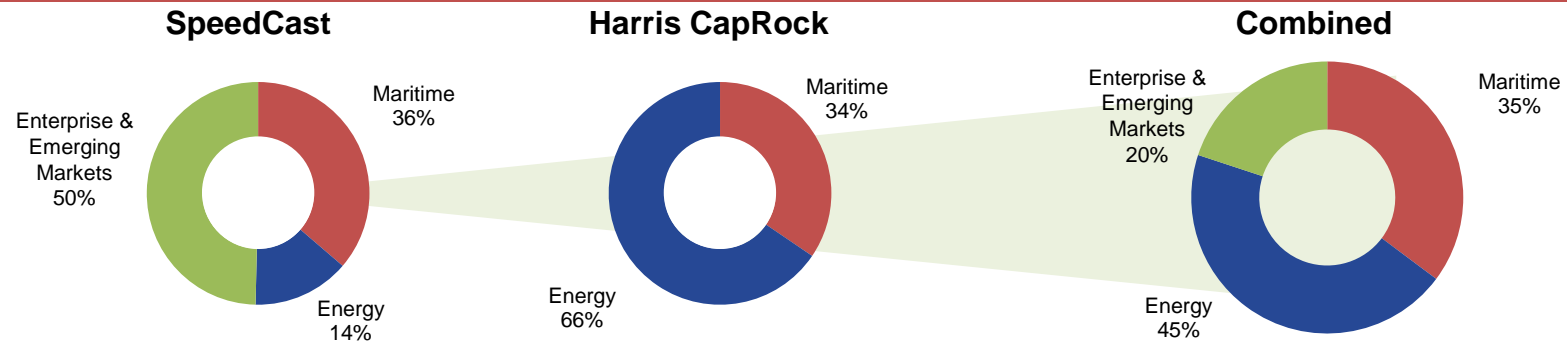
▶ **Wholesale VOIP**

- > Recurring revenue, low margin
- > Specific market related (Pacific Region); reached peak levels, limited future growth

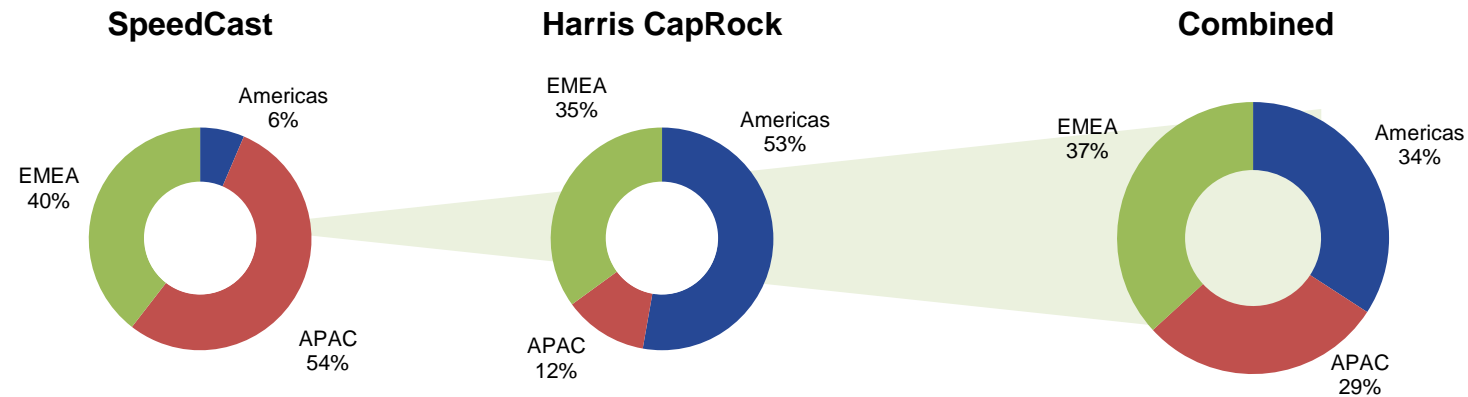
Creation of a global and diversified leader

Pro-forma earnings mix as at 30 June 2016

Revenue by segment



Revenue by geography



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

- ▶ **Growth in data connectivity needs**
 - > Digitalisation, IOT
- ▶ **Strong satellite capacity supply leading to price deflation**
 - > Volume growth will offset price decline
- ▶ **Growing technological complexity requires scale**
 - > LEO, MEO satellites
 - > All-round technological expertise required for managed services and value added services
- ▶ **Consolidation of the industry ongoing**
 - > Global scale more important than ever

Our Values



C

customer
focused

A

agile &
responsive

S

success through
people & safety

T

team
spirit

The underlying values driving our performance culture

What's happened

- **Culture Video**
- **Local office initiatives**
- **All Culture workshops completed**
- **NewsCAST newsletter launched**
- **Culture survey - 82% response rate!**
- **Appointed Culture ambassadors for all new & combined offices**

What's next

- **New Culture initiatives to unite us globally**
- **4th NewsCAST newsletter**
- **Culture immersion workshops for our new colleagues**
- **Culture dialogue continues for people who attended workshops in 2016**

Investment Value Creation - SDA

Ian Baldwin

Chief Financial Officer

26 April, 2017



► Growth - where will it come from?

- > Organic revenue growth
 - Increasing demand for connectivity
 - Positive underlying fundamentals in industries served by Speedcast
- > Revenue synergies from acquisitions (new markets/services)

► Margins

- > Expansion in margin % from operating leverage & scale
- > Bandwidth cost savings benefits from volume oversupply

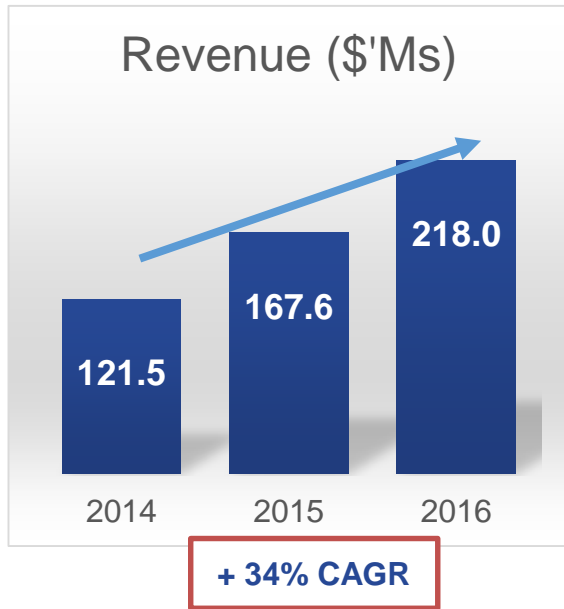
► Returns

- > EPS growth from margin % expansion, cash flow generation and revenue growth
- > Strong cash flow generation (FCF > EPS); Low capex requirements
- > Ability to de-leverage balance sheet quickly
- > Fragmented market creating opportunities for further accretive M&A transactions

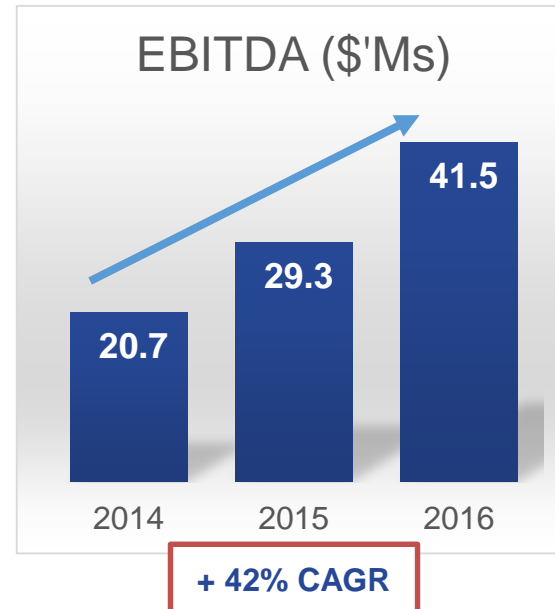


History of growth

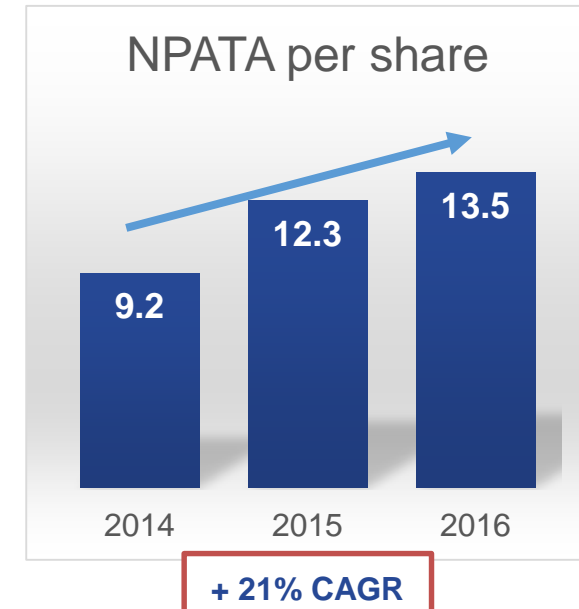
Since IPO.....



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



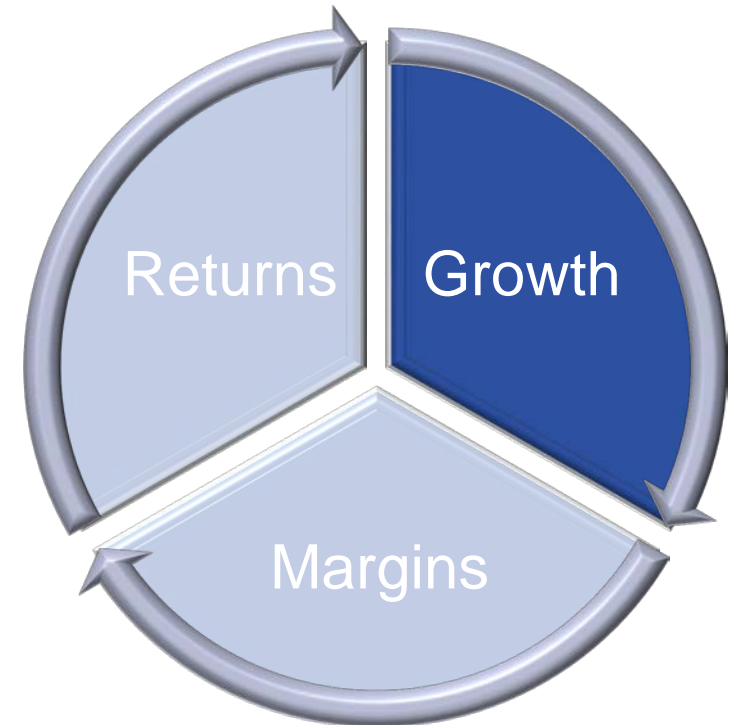
- ▶ EBITDA growth > Revenue
- ▶ Scale and operating leverage driving EBITDA margin % expansion, despite initial dilution of acquisitions on margins
- ▶ Realisation of acquisition synergies



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

Growth - organic and acquisitive

- ▶ 2016 was tough year for industry, many competitors saw declines in their financial results, both revenue and Ebitda
- ▶ Speedcast outperformed vs peers, growing the business and completing a transformational acquisition
- ▶ Dual growth strategy delivered both EBITDA and NPATA per share growth in 2016 despite tougher trading conditions
- ▶ SDA has delivered organic service revenue growth since IPO, 10%¹ in 2015 and 2%¹ in 2016
- ▶ **Growing faster than the market**
 - > Increasing market share in strategic markets (Energy & Maritime)
 - > Room for more growth....only 10-15% of overall market revenues



¹ Constant FX rates

Margins - expansion of EBITDA margins

▶ **Group EBITDA margins have grown from 11% in 2011 to 19% in 2016**

▶ **Scale**

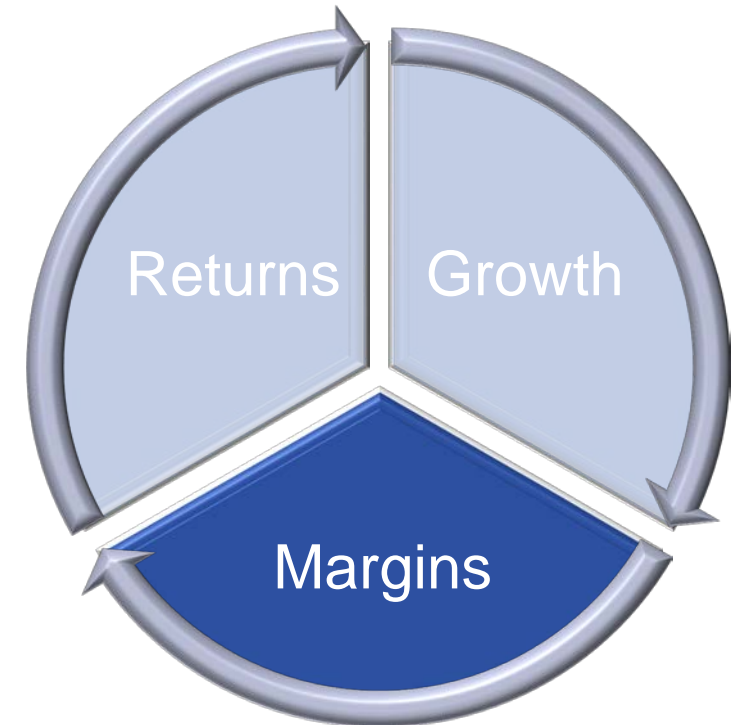
- > Increasing scale has improved group's negotiating power with suppliers
- > Reduced costs and improved working capital cycle
- > Harris CapRock acquisition takes this to another level

▶ **Operating leverage**

- > Limited operating leverage seen to date; Re-investment of cost savings in critical resources and skills to support larger organisational structure
- > Critical mass now reached leading to economies of scale; opex expected to grow at a slower rate than revenues in future years

▶ **Satellite industry entering period of bandwidth oversupply**

- > Leading to unit price pressure for satellite operators
- > Speedcast is largest commercial buyer of VSAT bandwidth globally
- > Leverage this position to optimise benefits for customers & Speedcast



Returns - EPS growth & cash flow generation

▶ **EPS growth**

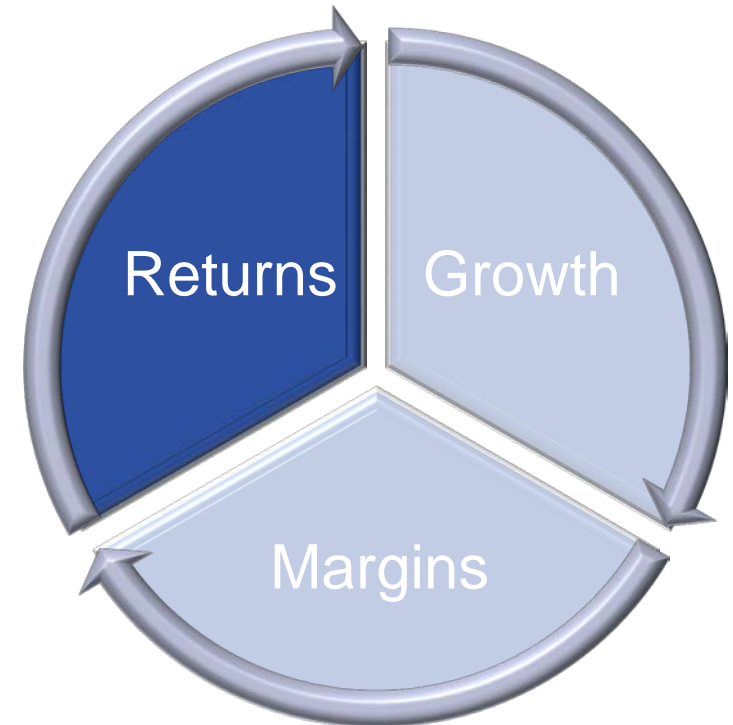
- > Organic revenue growth, Margin % expansion & FCF cash flow generation will drive growth in NPATA
- > Fragmented market creating opportunities for further accretive M&A transactions

▶ **Strong cash flow generation (FCF > EPS);**

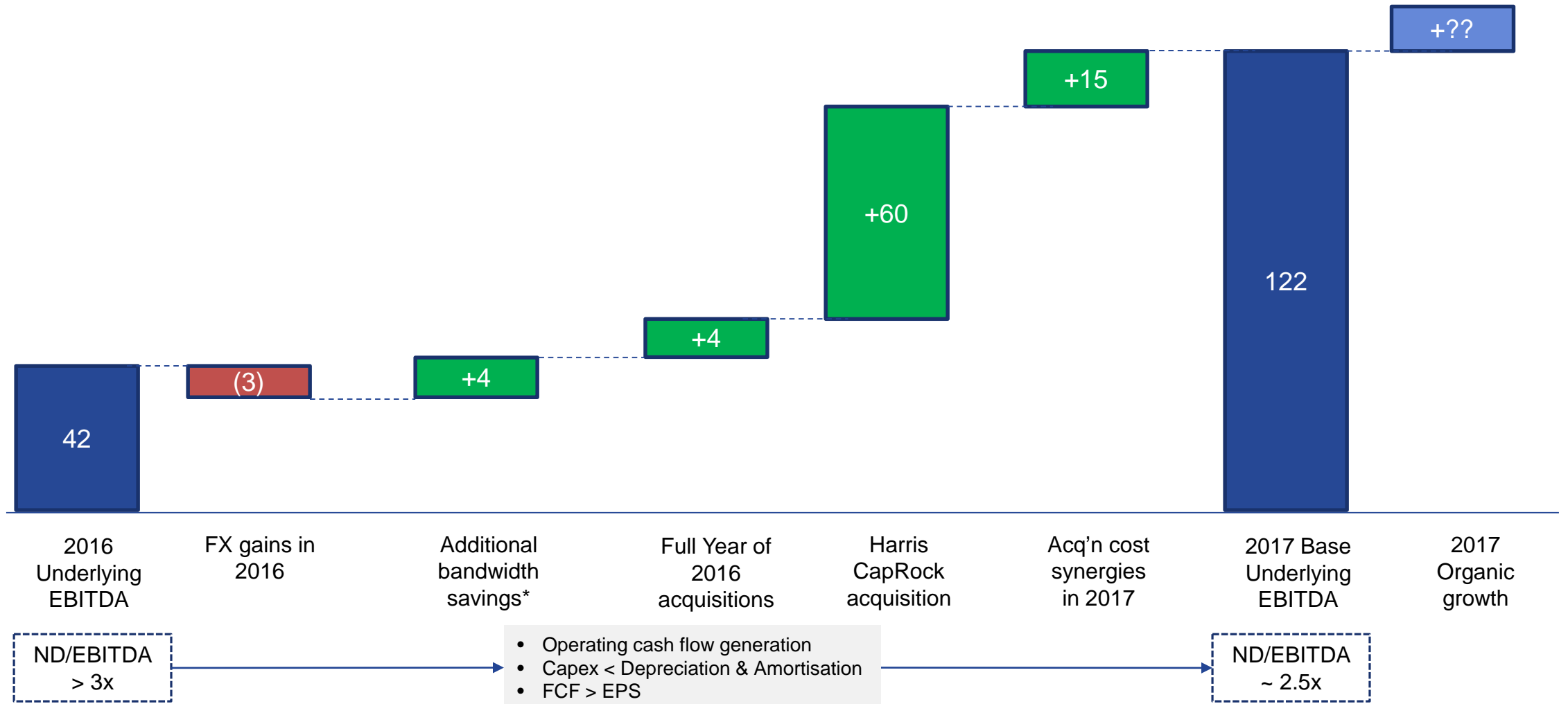
- > Good operating EBITDA cash conversion (80%+)
- > Low ongoing maintenance capex requirements (~\$5M per annum)
- > Growth capex linked to Earnings growth
- > Capex < depreciation & amortisation

▶ **Ability to de-leverage balance sheet quickly**

- > Reduce net finance costs
- > Available funding to pursue accretive bolt-on M&A opportunities



2017 EBITDA & leverage bridge



* Net impact on 2017 EBITDA of reclassification of bandwidth costs for previously disclosed renegotiated contract entered into during 2016

2H 2017 earnings and de-leveraging skew

| 24

► 2017 second half skew

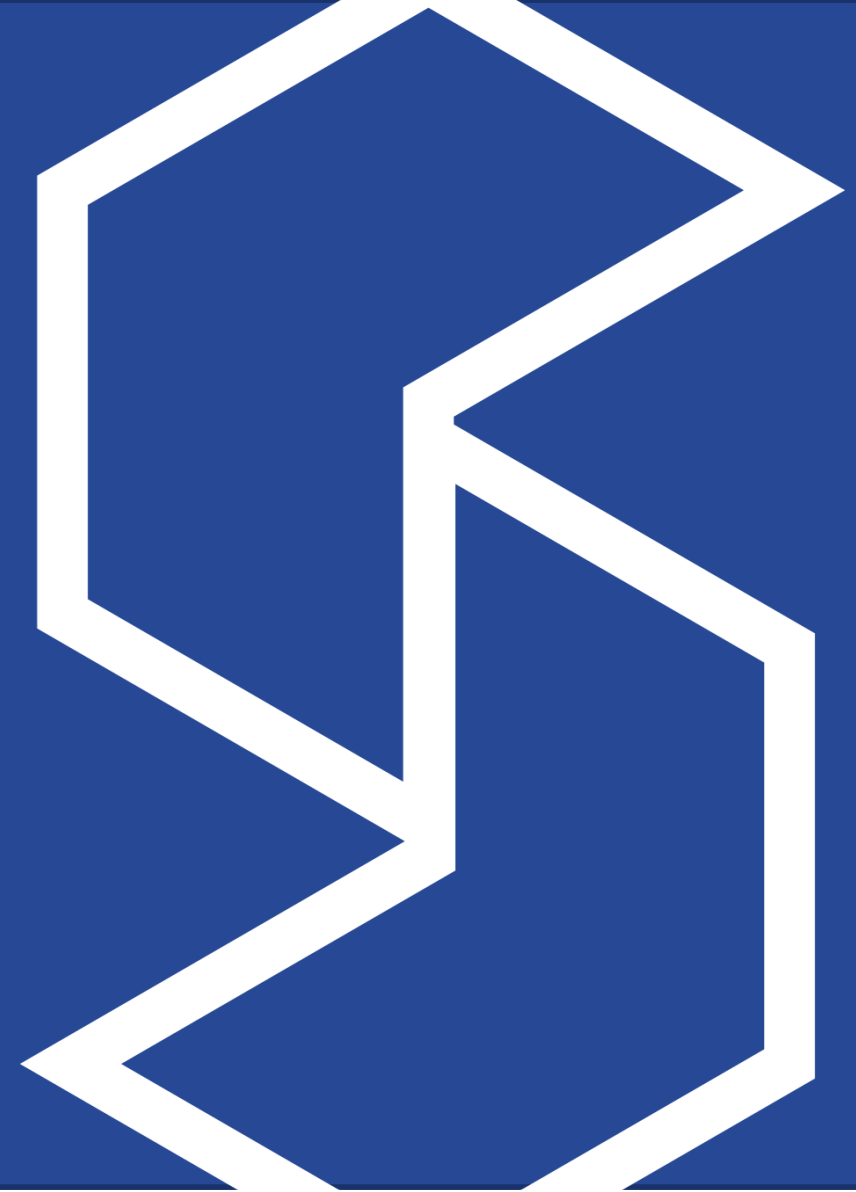
- > Acquisition integration activities occurring progressively through 1H
- > Expected savings from these activities (\$15M) will therefore be weighted to 2H 2017 as monthly run-rate progressively increases through the year
- > Increased size of the Cruise revenues (c.50% of Maritime service revenues) will increase the impact of seasonality (July - Sept focus), further skewing EBITDA to 2H 2017
- > Cash outflows for severance and one time integration costs to deliver 2017 costs savings will be weighted towards 1H 2017. Balance sheet de-leveraging will therefore have some skew to 2H.

► 2018+

- > Base EBITDA will be boosted by a further \$9M of acquisition cost synergies expected to impact 'bottom-line' in 2018 (vs \$15M in 2017), largely resulting from the 2017 synergies exit run-rate
- > Net debt expected to continue to decline to <2.5 times through further deleveraging

Harris CapRock Integration update

26 April, 2017



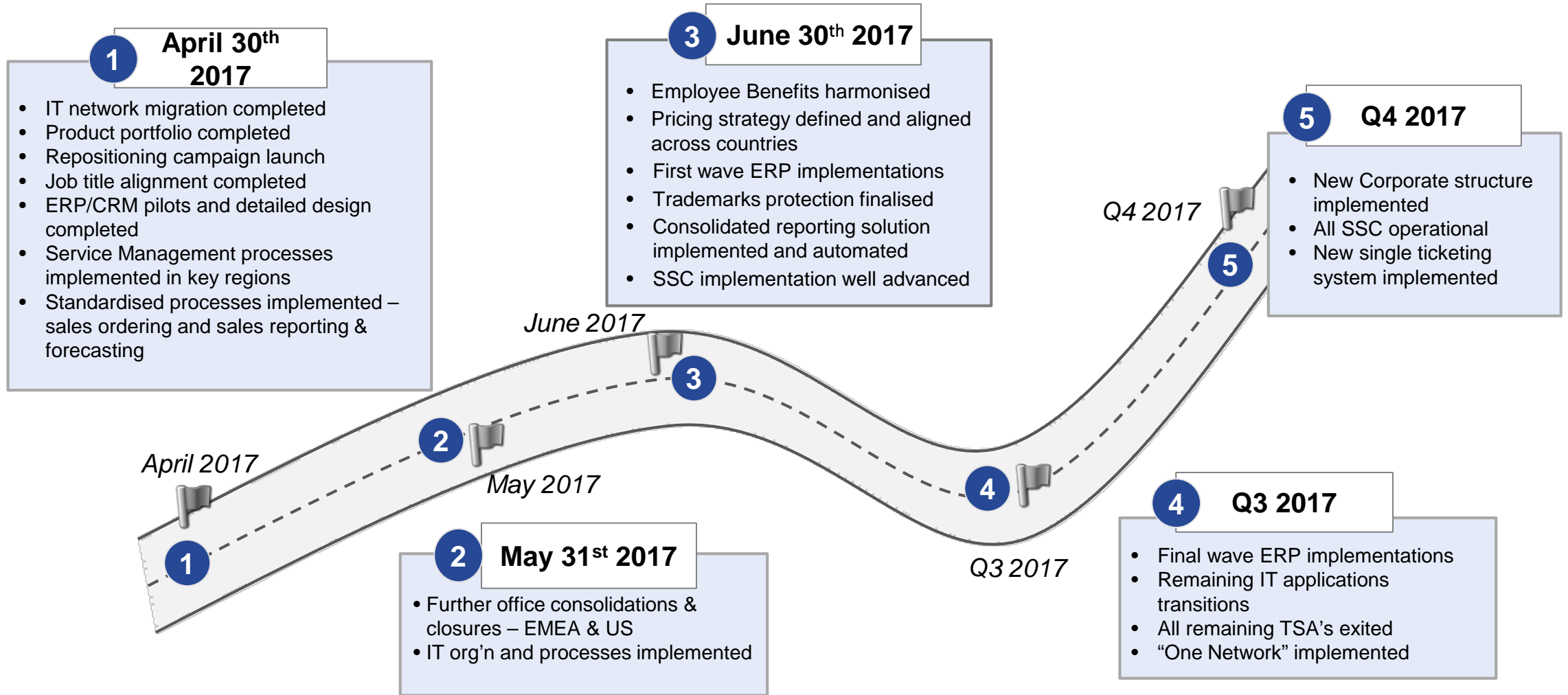
- ▶ **Integration Planning & Execution Program comprises of 15 different work streams covering the efforts**
- ▶ **Capgemini Consulting has been engaged to support with the Integration Planning & Execution - their initial engagement completed at 15 March 2017 and a smaller team continues to support Integration Execution through to mid-May 2017**
- ▶ **The entire organizational structure including full org charts for every single department has been completed in early March as planned with communications and announcements to staff completed at 15 March 2017**
- ▶ **The total headcount will be reduced with approx. 120 FTE's, and most of the affected employees have left or are in the process of leaving the organization**
- ▶ **Integration synergies and cost savings are on track and expected to deliver \$15M and \$24M in 2017 and 2018 respectively**
- ▶ **We believe the Integration Program 'really ticks' with high energy, enthusiasm, commitment, buy in and support from both management and staff from both legacy organizations**
- ▶ **Overall the Integration Program is progressing very well delivering on project milestones and on track to deliver the investment case benefits**

Our Integration program: 15 work streams

- 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**

Planned key milestones ahead in completing our journey



▶ **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+

Energy

Keith Johnson

EVP, Energy

26 April, 2017



- ▶ Oil rig count up in North America, signaling a positive trend
- ▶ Signs of consolidation among operators, drillers, and service companies: Speedcast well positioned with key consolidators
- ▶ Increase in demand for bandwidth among existing customers as activity picks up
- ▶ New orders being received, signaling improvement in the market
- ▶ Customers are again discussing projects and capex and requesting proposals
- ▶ Positive feedback from our customers on Harris CapRock/Speedcast combination
- ▶ Energy customers transformed to operate with less staff, leading to outsourcing opportunities in professional services
- ▶ Oil prices stabilising back above \$50



Speedcast's leadership position in Energy

▶ Onshore drilling:

- > Contracts with key drillers like Nabors
- > North America drilling activity increasing

▶ Offshore drilling:

- > Supports 9 out of 10 top drilling contractors
- > Supports over 60% of worldwide deep water vessels

▶ Oil producers:

- > Global Contracts with all majors, as well as key National Oil Companies
- > Awards for SI contracts, capex spend

▶ Oil services:

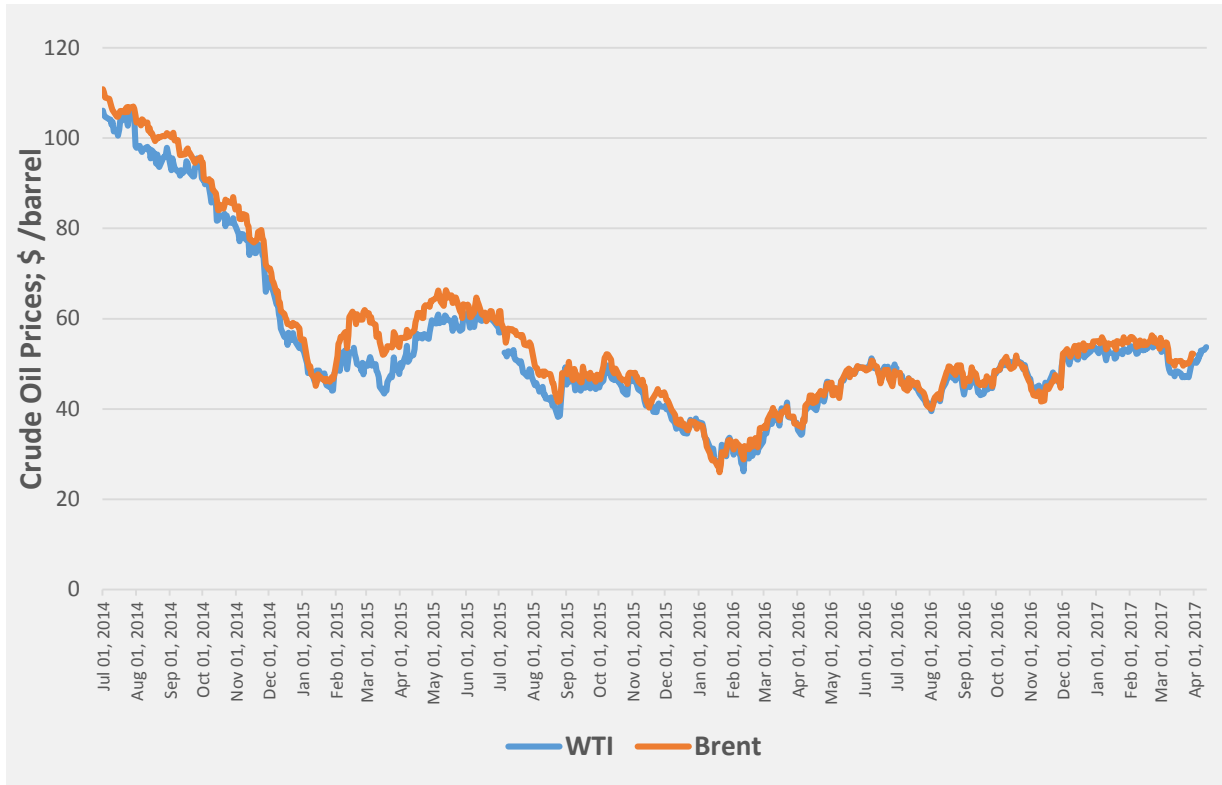
- > Global contracts with the top 10 companies
- > Positions us well to leverage the market rebound

▶ Key Clients:



Stabilising crude oil prices

WTI and Brent oil price movement since July 2014



Source: U.S. Energy Information Administration (EIA)

In the News

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Oil tipped to soar by \$10 a barrel in 2017 amid a bumper year for commodities, say Citi analysts

Sam Meredith | @smeredith19
3 Hours Ago

Commodities are forecast to have a bumper year in 2017 with oil prices expected to rally to the mid \$60s by the end of December, according to analysts at Citigroup.

Citi analysts had previously projected crude oil prices could shoot up to \$70 a barrel in a note published February, as supply and demand levels continued to rebalance.

NEWS

Analysts Remain Bullish With \$70 Oil By Year-End

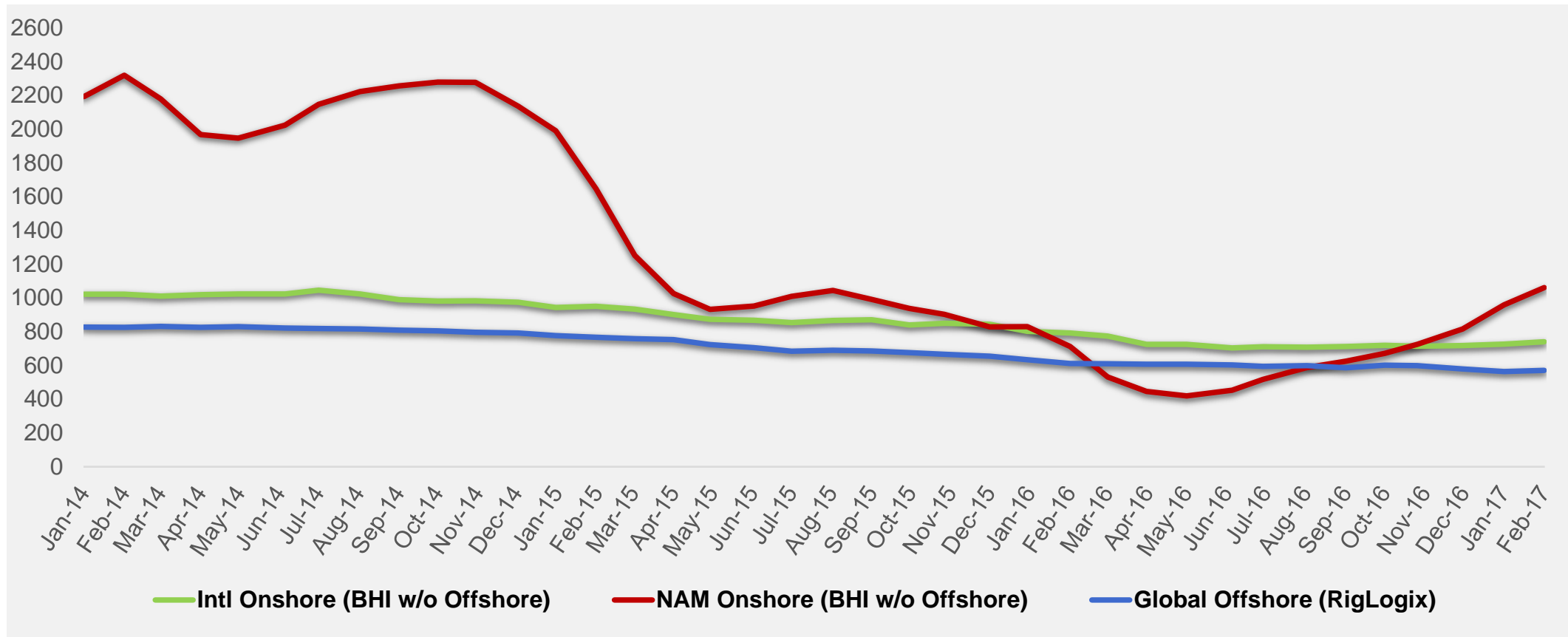
by Deon Daugherty | Rigzone Staff | Monday, April 17, 2017

Despite slow start to oil price growth in 2017, Raymond James says \$70 WTI is on the horizon.

Bullish global oil demand is expected to draw 1 million barrels per day off inventories in 2017, positioning the supply/demand dynamic to boost WTI price of oil by more than 32 percent by year-end.

For the last two years, analysts at Raymond James have forecast a draw of 900,000 barrels per day (bpd), and massive inventories at the beginning of the year did give them pause, they said in a note to investors.

Onshore and offshore rig count



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

DIA ▼ 20541.38 -0.46% S&P 500 ▼ 2342.19 -0.29% Nasdaq ▼ 5841.44 -0.26% U.S. 10 Yr ▲ 12/32 Yield 2.206% Crude Oil ▼ 52.62 -0.06%

THE WALL STREET JOURNAL

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BUSINESS

Exxon Eyes Brazil Expansion

Oil company in talks to partner with Petrobras on offshore oil projects

By *Bradley Olson and Paul Kiernan*

Updated April 4, 2017 10:41 a.m. ET

Exxon Mobil Corp., the only big oil company without a major foothold in Brazil, is in talks to gain access to the country's prized deep-water resources, according to people familiar with the matter.

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S&P 500 2,343.88 -5.13 (-0.22%)	Dow 30 20,532.77 -104.15 (-0.50%)	Nasdaq 5,851.11 -5.87 (-0.10%)	Crude Oil 52.59 -0.06 (-0.11%)
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Seadrill and Transocean Acquire Drilling Contracts, Hope to See Stabilization and Growth Soon

Accesswire April 13, 2017

NEW YORK, NY / ACCESSWIRE / April 13, 2017 / According to Zack's Investment Service, the Oil and Gas sector has started the 2nd quarter on a positive note. Oil prices rising and political tensions between the United States and Russia are turning up some heat in the Middle East. Seadrill has been wobbly of late, while Transocean has picked up some new drilling contracts to help steady the ship.

REUTERS Schlumberger, Weatherford to form joint venture

Schlumberger, Weatherford to form joint venture



The exterior of a Schlumberger Corporation building is pictured in West Houston January 16, 2015. REUTERS/Richard Carson

Schlumberger NV said on Friday it would form a joint venture with Weatherford International Plc to deliver oilfield products and services for unconventional resource plays in the United States and Canada.

The oilfield equipment maker will get a one-time \$535 million cash payment from Schlumberger, the companies said in a joint statement.

Weatherford shares were up 7 percent at \$6.28 in extended trading. Schlumberger will manage the joint venture, OneStim, and own 70 percent of it, while Weatherford will own the remaining.

The joint venture will offer products and services for well completions along with hydraulic fracturing fleets.

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NEWS

Baker Hughes: US Drillers Add Most Oil Rigs in a Quarter Since 2Q 2011

by Reuters | Friday, March 31, 2017

Baker Hughes oil rig count plunged from a record 1,609 in October 2014 to a six-year low of 316 in May 2016 as U.S. crude collapsed from over \$107 a barrel in June 2014 to near \$26 in February 2016.

Analysts projected U.S. energy firms would boost spending on drilling and pump more oil and natural gas from shale fields in coming years with energy prices expected to climb.

Futures for the balance of 2017 were trading over \$51 a barrel, while calendar 2018 was fetching almost \$52 a barrel.

Analysts at Simmons & Co, energy specialists at U.S. investment bank Piper Jaffray, this week forecast the total oil and gas rig count would average 843 in 2017, 968 in 2018 and 1,079 in 2019. Most wells produce both oil and gas.

That compares with an average of 742 so far in 2017, 509 in 2016 and 978 in 2015, according to Baker Hughes data.

Analysts at U.S. financial services firm Cowen & Co said in a note this week that its capital expenditure tracking showed 57 exploration and production (E&P) companies planned to increase spending by an average of 50 percent in 2017 over 2016.

That expected spending increase in 2017 followed an estimated 48 percent decline in 2016 and a 34 percent decline in 2015, Cowen said according to the 64 E&P companies it tracks.

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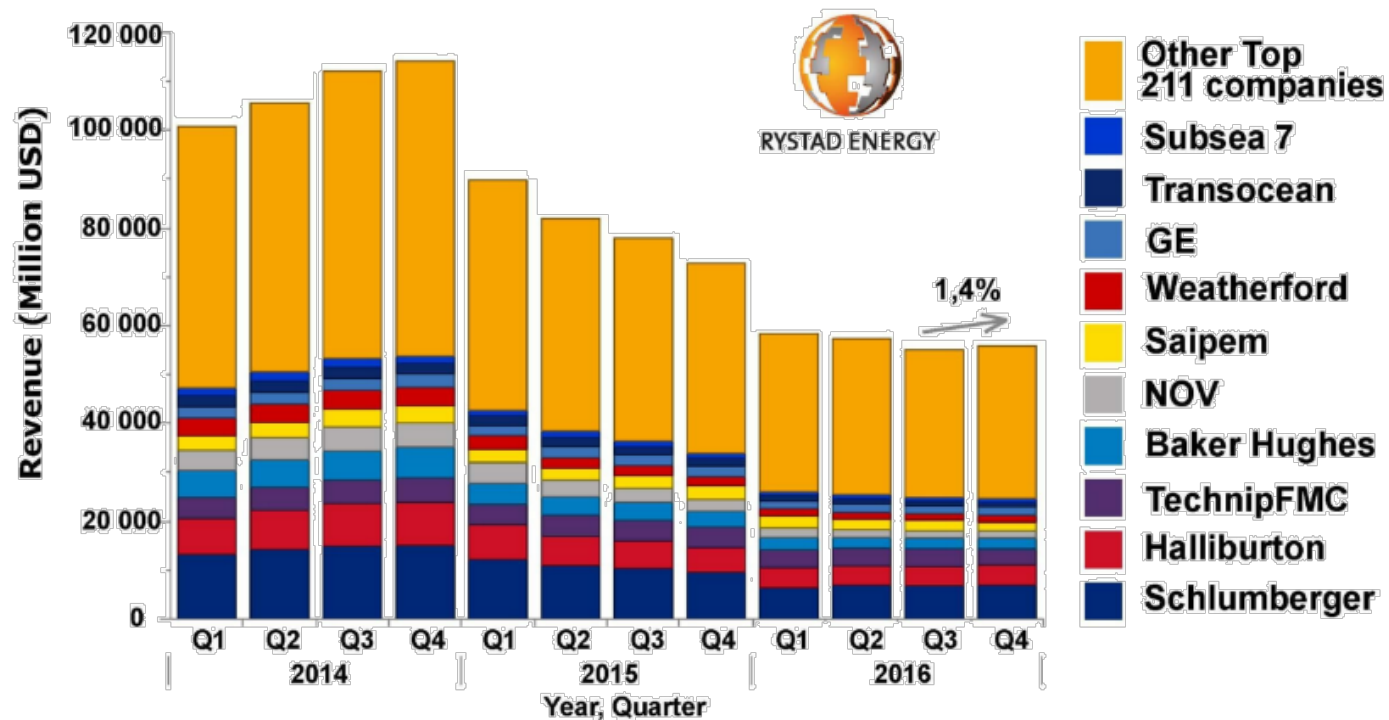
News in Focus Business & Money Science & Tech Lifestyle & Health Policy & Public Interest People & Culture

Nabors and Weatherford Form Alliance for Integrated Drilling Solutions

Combined Capabilities Include Leading Edge Drilling Rigs and Best-in-Class Drilling Services

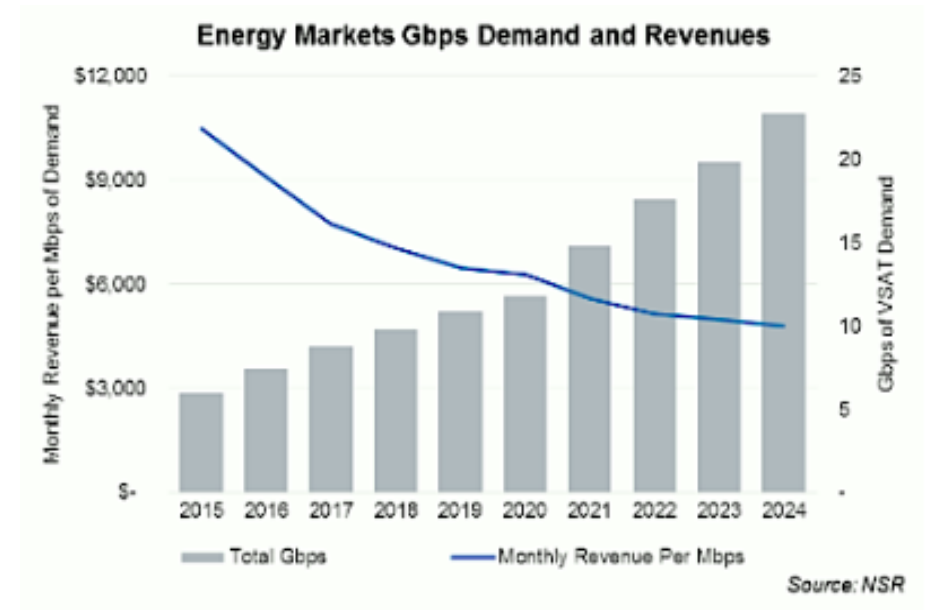
Q4 2016 – First time oilfield service companies' revenues grew after 7 consecutive quarters of decline

Quarterly revenue, Top Oilfield Service companies



Source: Rystad Energy SCube

- ▶ Energy end-users more focused on cost savings and improvements in efficiencies
- ▶ Bandwidth demand is expected to more than treble over the next 8 years
- ▶ Price per Mbps is forecasted to decline gradually due to capacity oversupply and demand expansion
- ▶ Digitalisation of the oil field driving bandwidth increases



- ▶ Revenue decline slowing down, with growth in the number of new orders
- ▶ 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.
- ▶ Significant increase in Sales Engineering activity
- ▶ Rig count up in North America, translating into bandwidth orders and additional managed services
- ▶ Systems integration wins and pipeline growing - momentum building



RigNet

- Global Energy player, number two behind SpeedCast
- Almost totally focused on energy (onshore and offshore)
- Recent change in key leadership (CEO, CCO, CTO)
- Gone through several restructuring plans
- Expanding networks in GOM (4G LTE, MPLS)

ITC Global – Panasonic Avionics

- Acquired by Panasonic Avionics in 2016
- Service provider focused on energy, mining and a bit of maritime
- Good presence in Africa, GOM, Australia
- Long term relationships with a few oil majors
- Panasonic Avionics under investigation by U.S. officials under the Foreign Corrupt Practices Act
- Wave of departures of key managers

EMC – Global Eagle Entertainment

- Diversified global service provider
- Strong positions in cruise / yacht market, some limited energy revenues
- EMC /MTN recently acquired by GEE: poised to leverage GEE's content-heavy focus with EMC's maritime mobility network
- Departure of Senior Executives (CEO and CFO) following accounting issues

- ▶ **Market share gain against weakening competitors**
- ▶ **Oilfield Digitalisation and rig of the future – bandwidth demand increasing**
- ▶ **Market recovery, oil price stabilization and drilling rig activity**
- ▶ **Previously delayed projects are back on track**
- ▶ **Outsourcing of IT and support personnel, leveraged by the headcount reductions**
- ▶ **New products/services, more share of the wallet, leveraging R&D investment**
- ▶ **Globalisation of our systems integration business**

Competitive advantages

- ▶ **Strong global customer base positioned to leverage existing contracts for growth**
- ▶ **Innovation as a technology leader and proven pioneer in system implementation**
- ▶ **Flexibility in our approach to meet customer objectives**
- ▶ **Customer Focus with our 24/7/365 Network Operations Centers and Global Support Organization on 5 continents**
- ▶ **Quality and Safety Record/Capabilities with ISO 9001, ISO 14001, OSHAS 18001, and BOSIET certifications**
- ▶ **Scale as one of the largest commercial buyers of satellite capacity and the largest satellite service provider globally, with over 30 years of experience**

- ▶ **Consolidation and unification of the global sales team**
- ▶ **Establishment of Regional Sales Leaders: EMEA, NA, Brazil, Asia, Australia Pacific**
- ▶ **Integration of the CRM to track opportunities and manage the pipeline**
- ▶ **Sales targets and new compensation plan**
- ▶ **Sales training to introduce a common language and consistent service offering**
- ▶ **Implementation of global sales operation processes**
- ▶ **Establishment of weekly global and regional sales meetings to track activity and promote accountability.**

Maritime

April 26, 2017



Maritime Satellite Communications market today | 44

338,000 terminals in 2015

16,000+ commercial active VSAT terminals

\$ 953 million in revenue for satellite operators

\$ 1.7 billion in revenue for service providers

Total of 8.5 Gbps of C-, Ku- and Ka-band capacity used for Maritime VSAT business in 2015 Vs. 2 Gbps in 2010

CAGR of 5% in terminals and revenue over the next decade

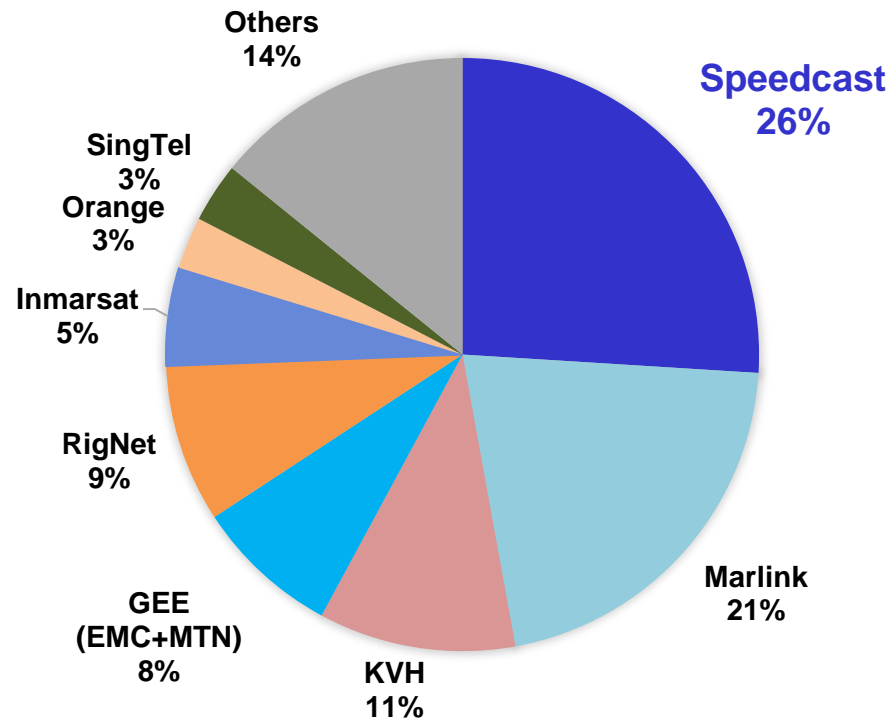
- > **Market challenges: lower activity, vessel oversupply**
- > **More Bits in more places; high end is driving the revenue growth**
- > **Lower prices in all markets**
- > **Connectivity is becoming a “must-have” driven by lower pricing**
- > **Growth of apps and demand for content driving up demand**
- > **MSS Broadband and MSS Narrow band remain a key path to getting “marginal markets”**

Source: Prospects for Maritime Satellite Communications”; Euroconsult, 2016

Competitive landscape – Leadership position

| 45

▶ Main Maritime Service Providers Revenues Market share, 2015



Source: NSR - Maritime Satcom Markets; 4th Edition, June 2016

Marlink

- Technology agnostic, similar to Speedcast
- Strong position in commercial shipping, seismic, ferry market
- An estimated 2500 vessels on its VSAT network
- Biggest Inmarsat customer for L-band services
- Direct and indirect sales strategy
- Recently reacquired by private equity group (APAX)

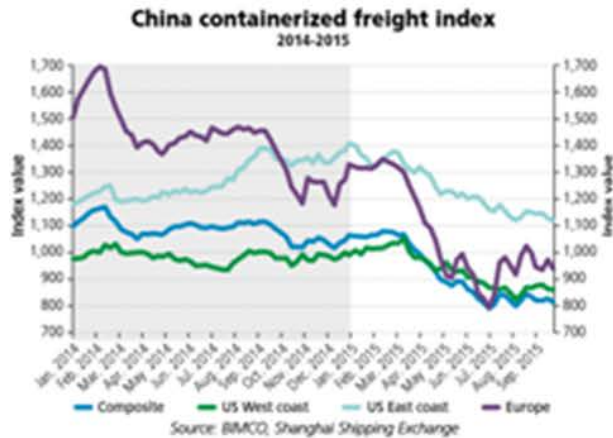
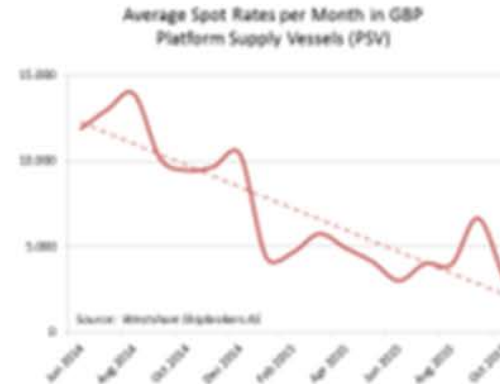
GEE (incl. EMC & MTN)

- Strong positions in cruise / yacht market
- EMC /MTN recently acquired by GEE: poised to leverage GEE's content-heavy focus with EMC's maritime mobility network
- Diversified between verticals
- Departure of major executives / difficulties with financial reporting
- Recently hired ex-CFO of Harris CapRock

KVH

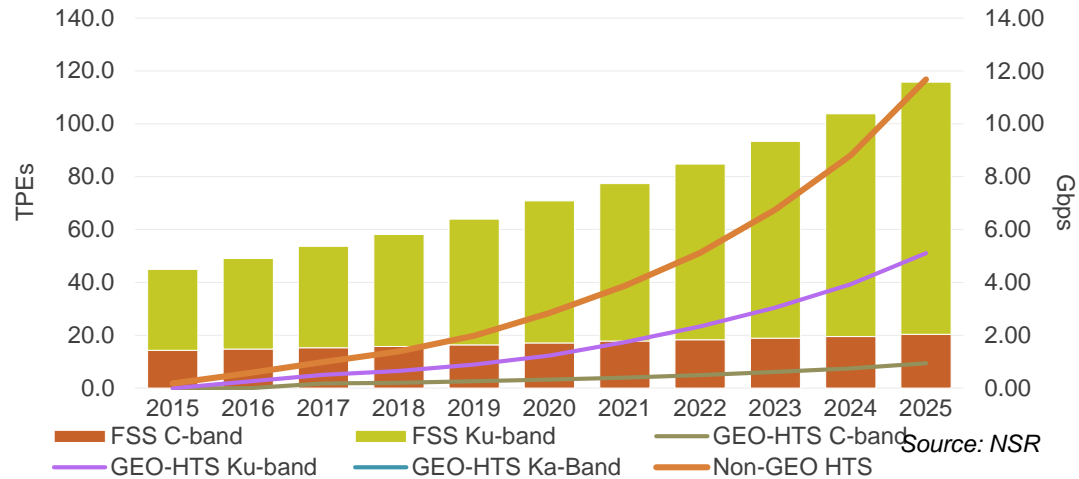
- Proprietary system – small terminals resulting in higher bandwidth cost
- Biggest number of vessels equipped
- Content play

2017 outlook – shipping market emerging from the storm | 46

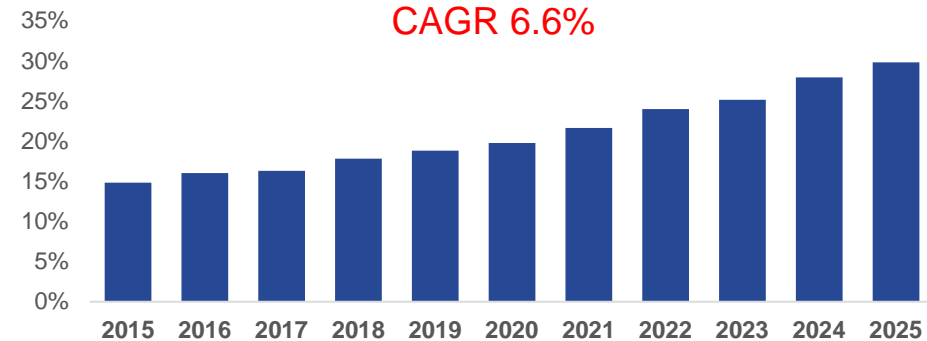


Merchant maritime – continuous gradual growth⁴

Merchant Capacity Demand



Merchant VSAT Penetration (Adoption rate)



VAS Opportunities:

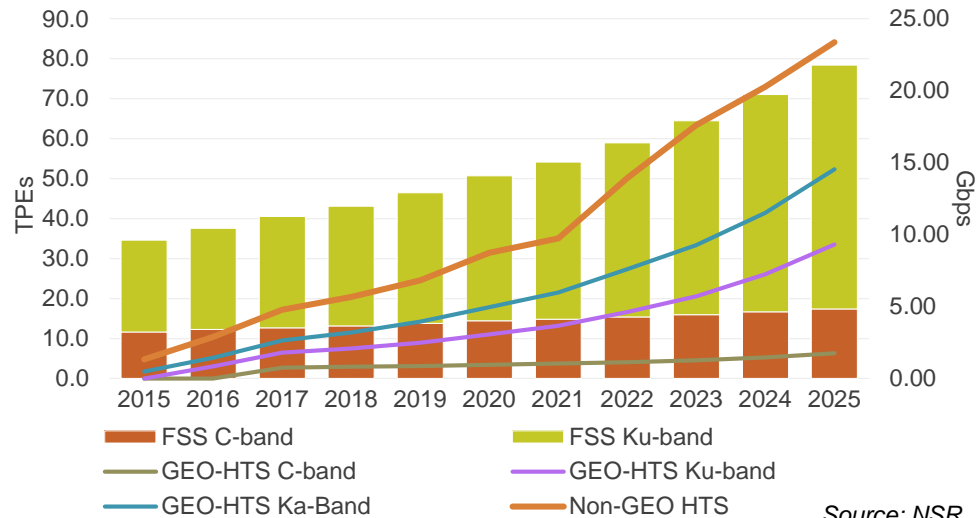
- Live TV
- E-Learning
- VOD
- Crew Calling
- Crew Internet
- Condition Monitoring
- Cybersecurity

- ▶ Merchant Maritime - increasing opportunity for upgrade from L-band to VSAT Broadband connectivity
- ▶ L-band communication remains dominant
- ▶ Downwards pressure on ARPU
- ▶ A shift towards more “apps” and “outsourced” activities on board the vessel

Source: NSR - Maritime Satcom Markets; 4th Edition, June 2016

Passenger market – strong growth ahead

Passenger Capacity Demand



Source: NSR

VAS Opportunities:

- Streaming Media
- Live TV
- E-Learning
- Content
- VOD
- Crew Calling
- Crew Internet
- Weather / Telemetry
- Network Optimization
- Cybersecurity

- ▶ High VSAT adoption rate (76%)
- ▶ Fastest growing vessel for per-vessel bandwidth
- ▶ Opportunities for non-connectivity services
- ▶ Cruise industry experiencing growth with addition of new vessels
- ▶ Ferry market remains strong with good level of new vessels additions per year
- ▶ Pressure on price amidst satellite capacity oversupply, but bandwidth growth will far outweigh unit price decline

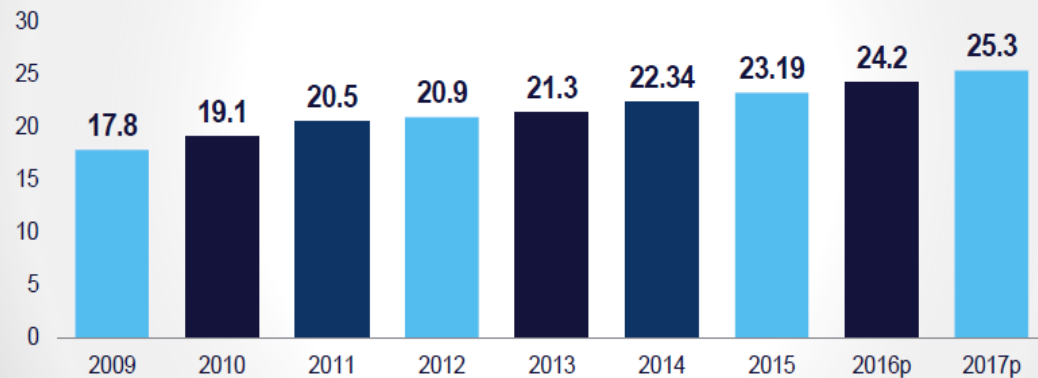
Source: NSR - Maritime Satcom Markets; 4th Edition, June 2016

Cruise industry in a growth cycle

2017 PASSENGER CAPACITY SNAPSHOT

2017 = 25.3 Million Passengers Expected to Cruise

CLIA Global Ocean Cruise Passengers (In Millions)



- ▶ 448 cruise Ships in 2016
- ▶ 26 new Ocean, River and Specialty Ships Scheduled to debut in 2017
- ▶ Demand for Cruising increased 62% from 2005 to 2015 and expected to remain strong in 2017

2017 NEW SHIPS

26 New Ships on Order (as of December 2016)

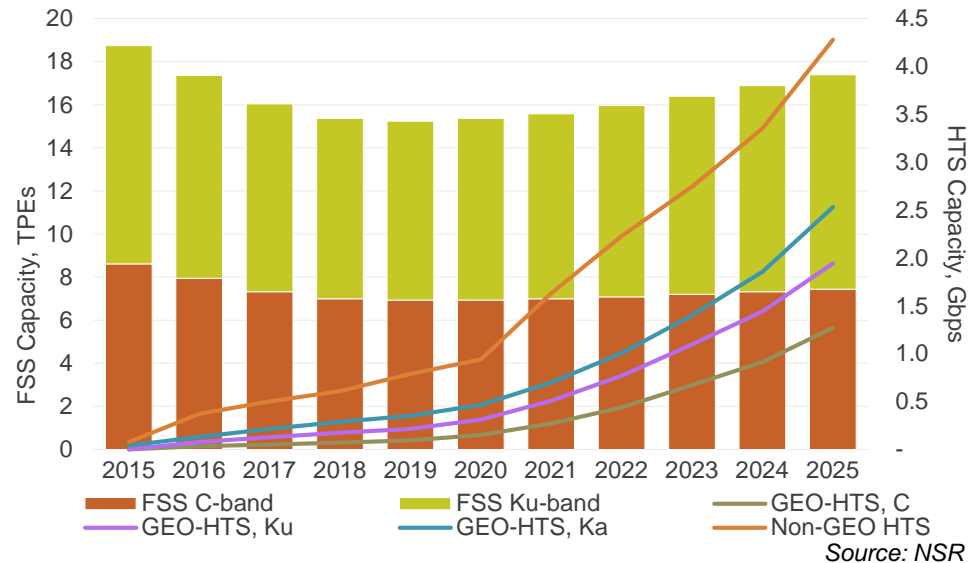
Total Investment of More than \$6.8 Billion in New Ocean Vessels in 2017

Year	Ocean	River	Ships Ordered	New Capacity
2017	13	13	26	30,006
2018	15	2	17	29,448
2019	20	2	22	51,824
2020 – 2026	32	0	32	119,510
Total	80	17	97	230,788

- ▶ Younger generations (Millennials and Gen-X) will embrace cruise travel more
- ▶ River Cruises demand increases (13 ships on order in 2017 - 7% increase)
- ▶ Cruise itineraries – more private islands and expedition cruises

Source: CLIA – 2017 Cruise Industry Outlook, December 2016

E&P Offshore Support Vessel Markets Capacity Demand by Bands



- ▶ **Offshore Support Vessels: O&G market downturn cut the fleet in half - many vessels are stacked until pricing improves**
- ▶ **Pursuit of higher-end O&G locations will prove challenging until market re-growth occurs closer to 2020**

Source: NSR - Energy Markets Via Satellite; 6th Edition, March 2016

VAS Opportunities:

- Video Surveillance
- Streaming Media
- Live TV
- E-Learning
- Content
- VOD
- Crew Calling
- Crew Internet
- Weather / Telemetry
- Network Optimization
- Data Analysis
- Cybersecurity

- ▶ **Near to mid-term challenges with HTS fueling growth for revenues in the future; Long-term spending flat**
- ▶ **Bandwidth on the rise – Offshore end-user want more per dollar**

Source: NSR - Maritime Satcom Markets; 4th Edition, June 2016

- ▶ Increased demand for evolved Value Added Services (VAS) and for advanced & fully integrated solutions & services via one provider
- ▶ Movement towards condition monitoring & control of shipborne traffic and operations – initial steps towards the autonomous ship
- ▶ IOT (Internet of Things) pushing insatiable demand for bandwidth
- ▶ Increasing digitalization of bridge and engine operations driving communications requirements
- ▶ Focus on provision of economic, yet high quality services that are both scalable and ‘future proof’
- ▶ Hybrid connectivity options becoming more apparent (Satellite, GSM & Terrestrial) powering onboard networks

Maritime – Competitive Advantages

- ▶ **Comprehensive maritime solution portfolio across all major segments with specific segment-based offerings**
- ▶ **Strong suite of Value Added Services**
- ▶ **Local scale and presence across all major maritime customer bases globally**
- ▶ **24/7/365 customer support covering all maritime services & solutions**
- ▶ **Technology agnostic approach allowing for a consultative sales process**
- ▶ **Largest maritime network**

LUNCH BREAK

Back at 1pm



Operations

David Kagan

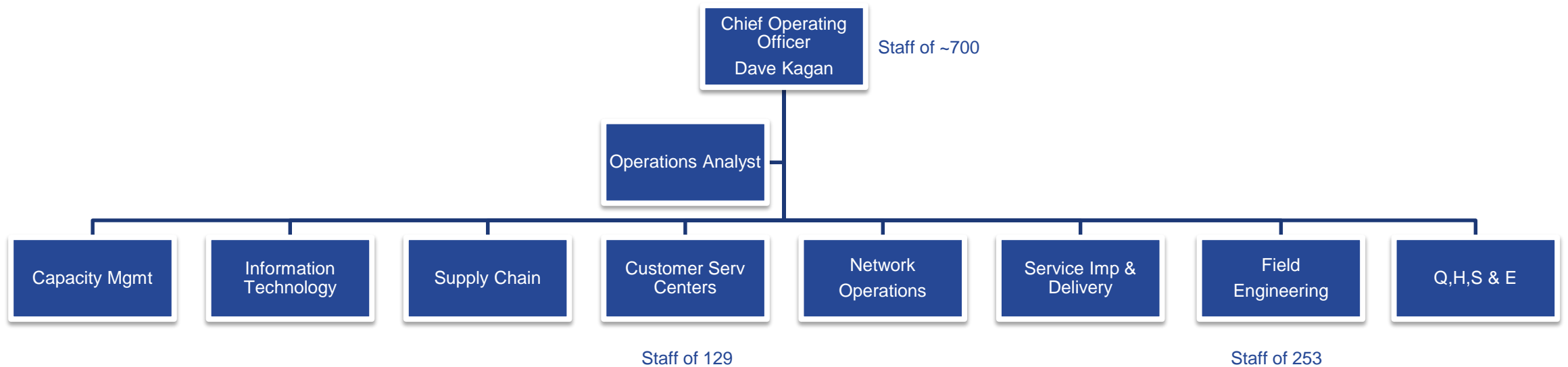
Chief Operating Officer

26 April, 2017



- ▶ **Dave Kagan (Bio)**
- ▶ **Mr. Kagan has 30 years of experience in the cruise and satellite industries as a C-level executive. He was the VP Finance & Treasurer of Norwegian Cruise Line for 10 years, CEO of MTN for 12 years, the CEO of Globe Wireless for 3 years, the president & COO of ITC Global, and the President & COO of Globalstar. Mr. Kagan has extensive experience in managing both growth and turn around situations. He is a proven leader with a track record of driving significant shareholder value growth throughout his career.**

Operations – organization structure

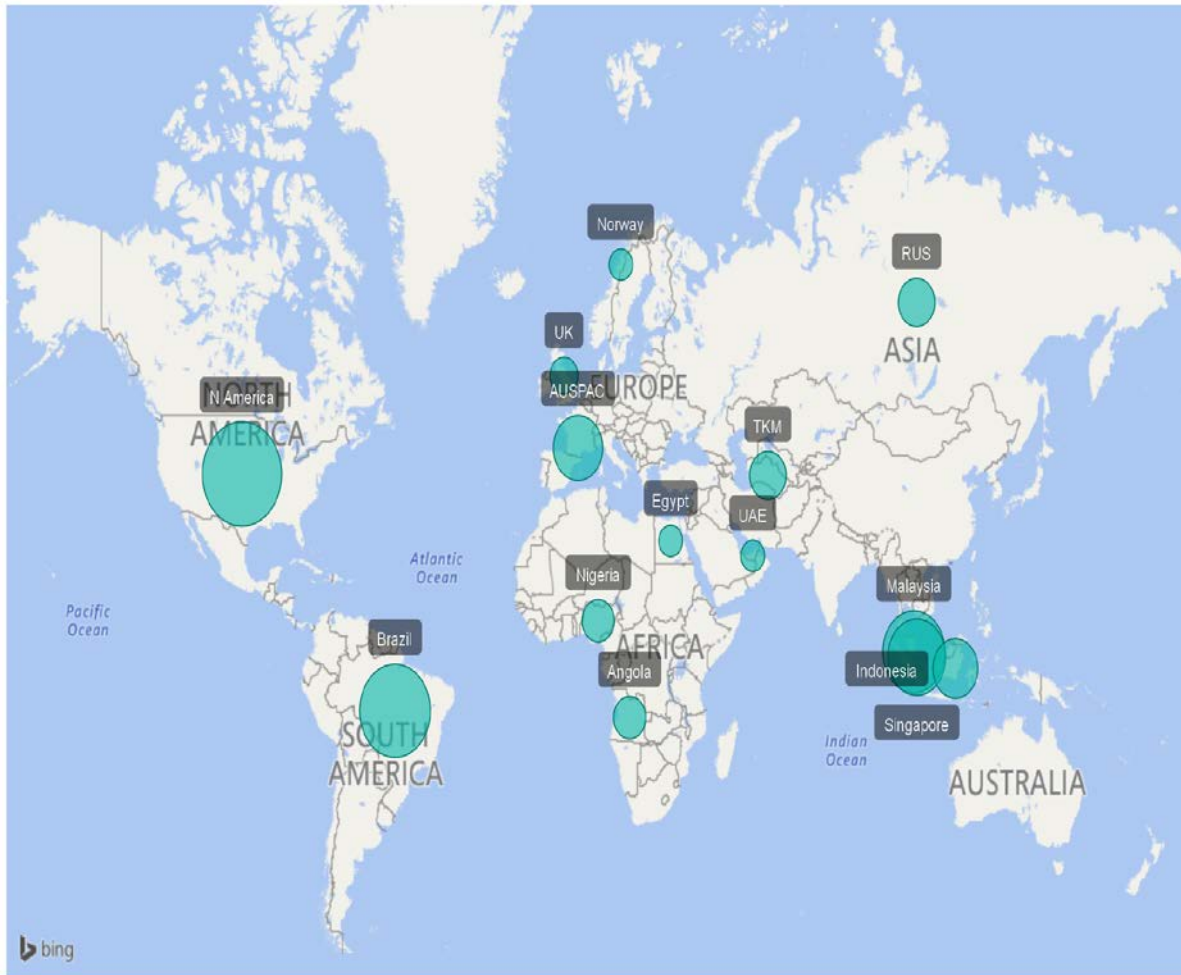


Operations integration on-going success

Work Stream	Key achievements to date
Real Estate	<ul style="list-style-type: none">✓ Houston, Kuala Lumpur, Jakarta, Dubai and Algeria (30 April) offices have been closed and staff have been relocated✓ In Angola and Singapore, offices have been vacated and staff has been relocated✓ Negotiations continuing for 14 additional sites
IT	<ul style="list-style-type: none">✓ IT network migration has been completed successfully in the weekend from 7 to 10 April: >26 office networks and 10 VPN site migrated✓ Migrated email and deployed Skype collaboration tool; ERP and CRM transition scenarios have been defined and endorsed✓ Significant efforts continue to exit the Transition Services Agreement
Network Operations & Engineering	<ul style="list-style-type: none">✓ "One Network" design and Capacity Consolidation plan have been completed✓ Approx. 40 individual network consolidation initiatives are currently already completed or in implementation✓ Negotiations underway with all major satellite bandwidth providers
Field Engineering / SID/ Supply Chain	<ul style="list-style-type: none">✓ Selected software application for Field Services and Supply chain function; Conference room and user experience pilot in progress✓ Detailed job descriptions and roles & responsibilities for key roles developed; cross dependencies and handovers between Service Implementation and Field Engineering finalized
Service Management	<ul style="list-style-type: none">✓ Malta NOC has been closed and customers have been migrated to UK NOC✓ Ticketing system has been chosen and confirmed to be global ticketing system; Roll out has commenced✓ Incident Management process has been finalized and implemented in key regions

- ▶ **Extensive expertise in all major disciplines (long tenure of all key employees in all market segments and all technologies)**
- ▶ **Local presence – significant people, assets, and facilities close to all customer field operations**
- ▶ **Global reach – All encompassing coverage for all aspects of customer service and delivery**
- ▶ **Expertise to support systems integration, remote IT and other value added services**
- ▶ **Platform to rollout large scale products on a global basis**
- ▶ **Scale and strategic relationships with all major vendors**
 - > Antennas, routers, bandwidth (8500Mhz), etc.
- ▶ **Network of owned teleports – control over quality/reliability of service and additional flexibility**
- ▶ **Sizeable global MPLS network**
- ▶ **Ability to attract talent given market leadership position**

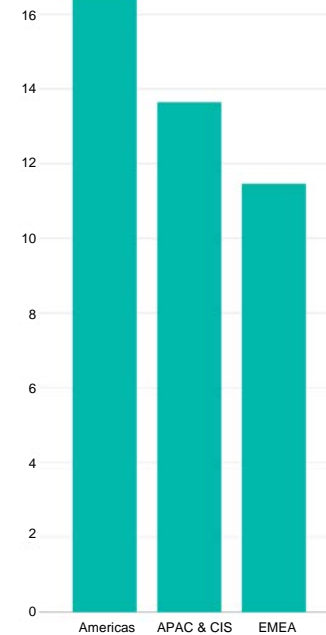
Unique field engineering experience



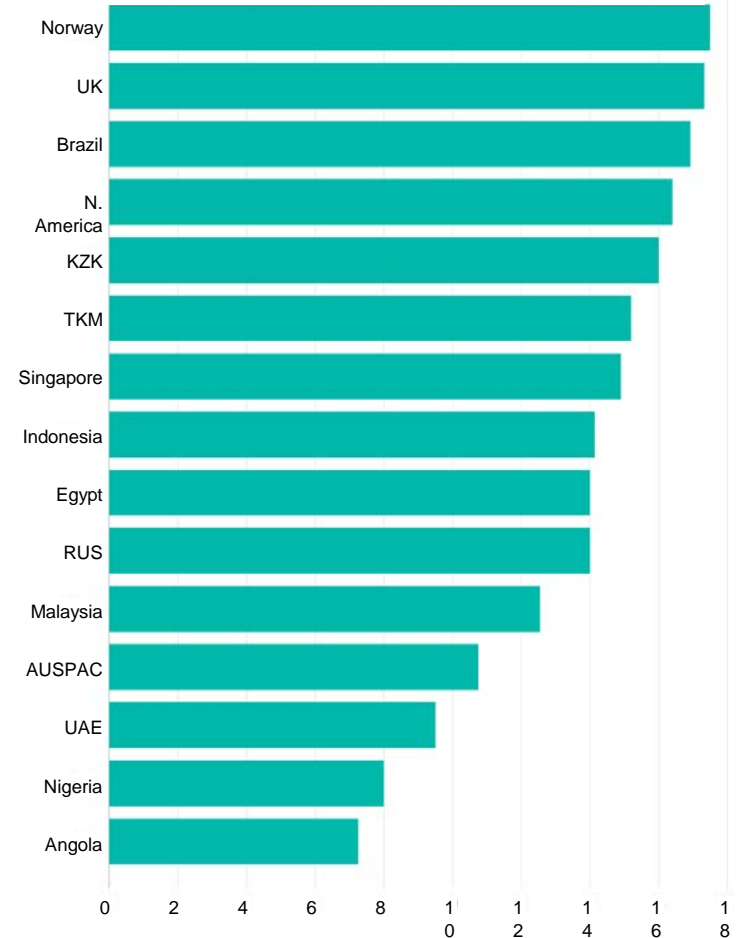
Average Years Experience

14

Average of Experience: How many years experience do you have in the Communications Industry?



Average of Experience: How many years experience do you have in the Communications Industry? By Sub-Region





Asia: Singapore, Hong Kong, Malaysia and Jakarta

- > Primary Network Operations Center (NOC)
- > International Teleport
- > Strategically located in Hong Kong and Singapore with worldwide interconnectivity
- > Serves Asia, Oceania, and Middle East



Europe: Aberdeen, and Shrewsbury

- > Teleport in UK
- > International Teleport
- > NOC and Service Desk
- > Major energy and maritime region
- > Serves Europe, MiddleEast and Africa



APAC: Adelaide, Perth and PNG

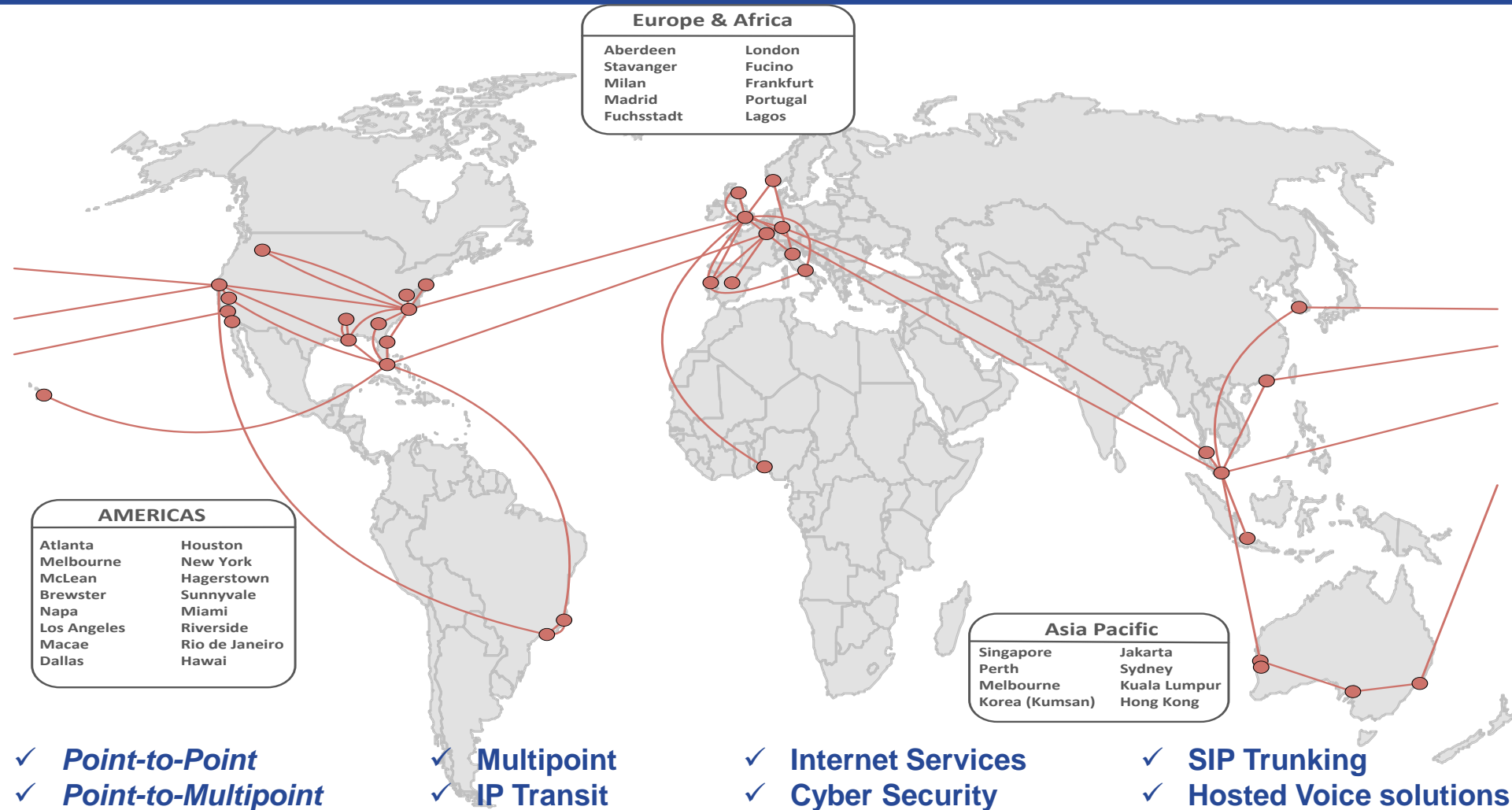
- > Australasia and Pacific Teleport and Network Facility
- > International Teleport
- > Network Operations Center
- > Serves Australia, Pacific Islands, and Southeast Asia



America: Houston, Brazil, Lima and Miami

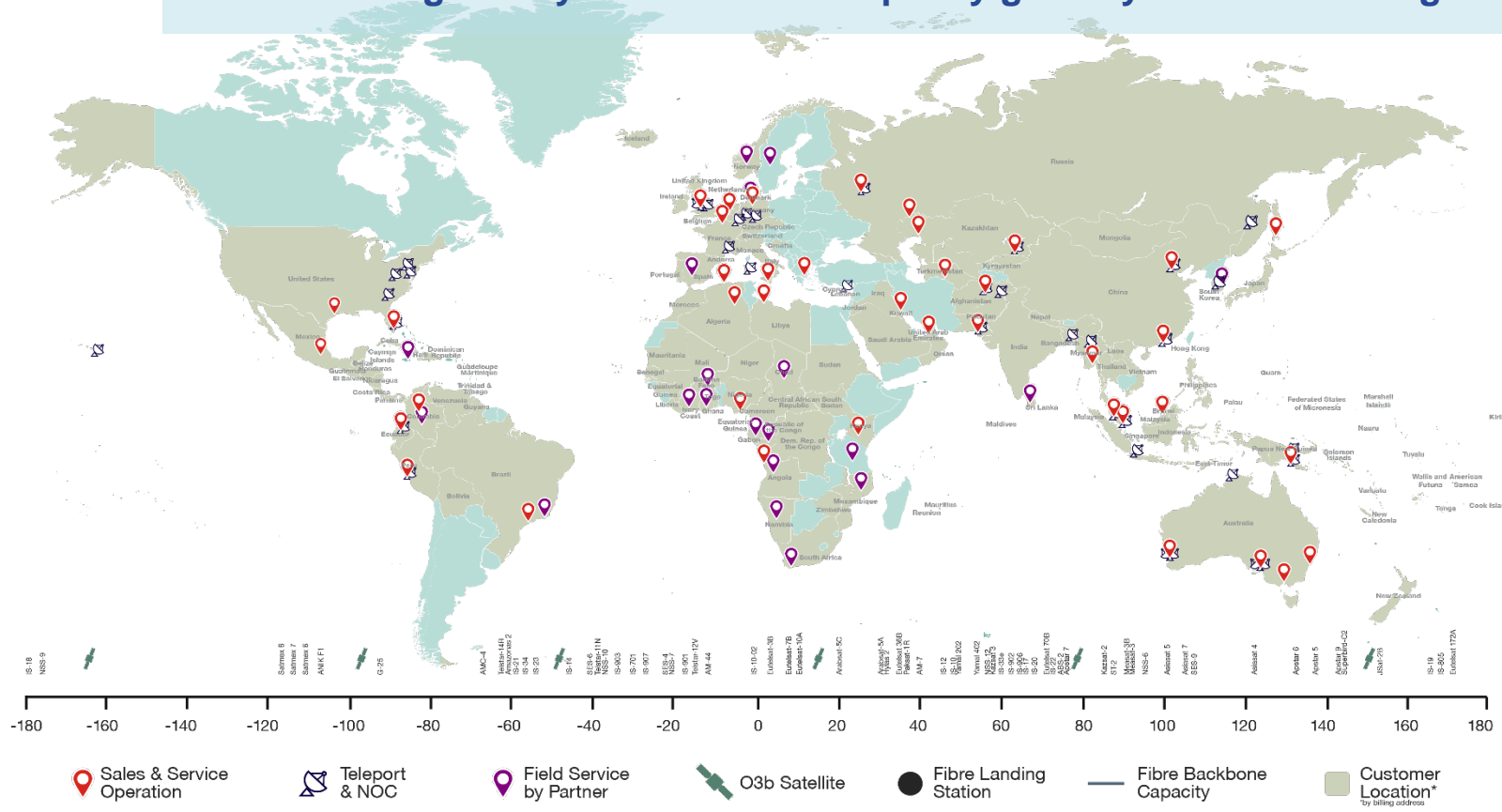
- > International Teleport
- > Network Operations and Service Desks
- > Serves US, LATAM

Global carrier grade MPLS core network



Carrier grade, high quality global network

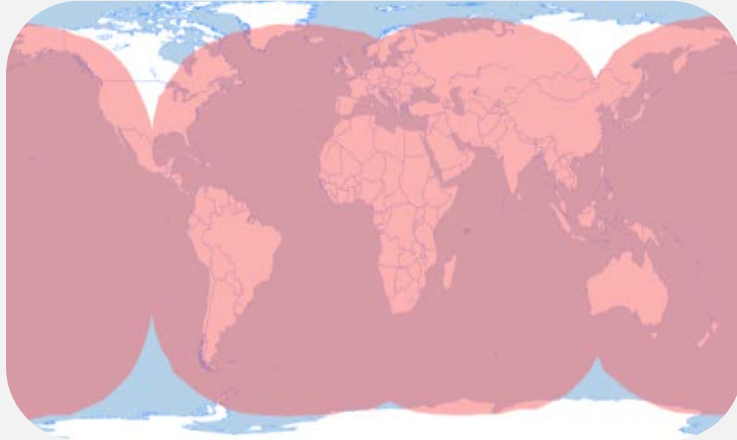
One of the largest buyers of satellite capacity globally with extensive global network



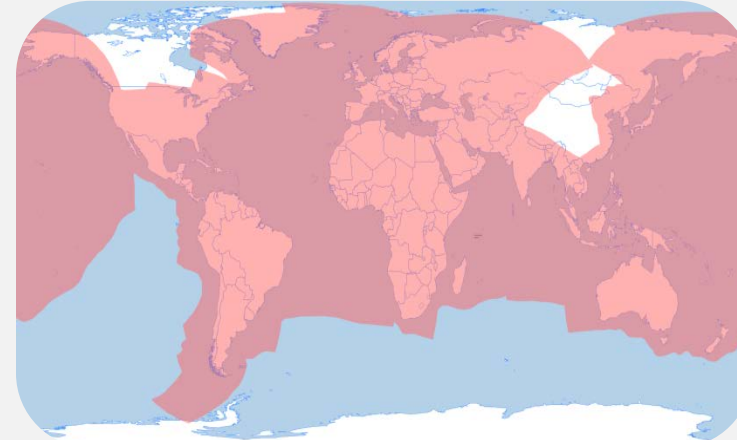
- > Over 80 satellites within our network
- > 40 teleport locations
- > 4 Global Service Desks
- > 40 sales and support centers
- > Services in over 100 countries

Global coverage – frequency agnostic

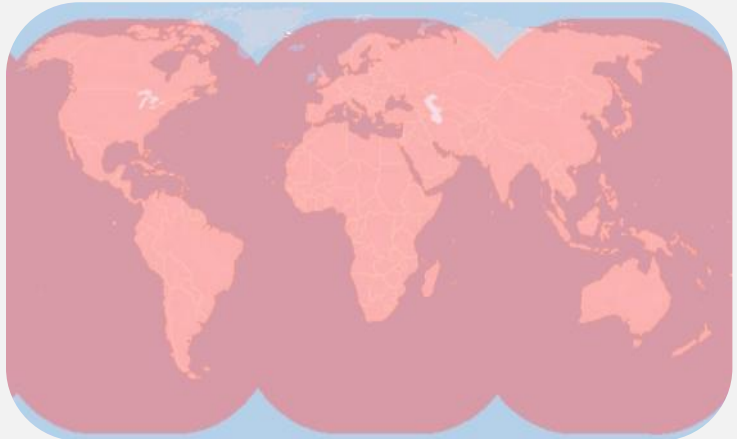
C-BAND



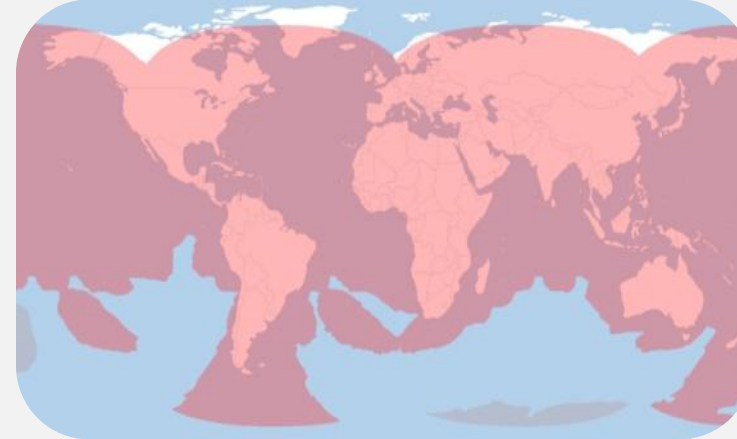
KU-BAND



L-BAND



KA-BAND



ASIASAT

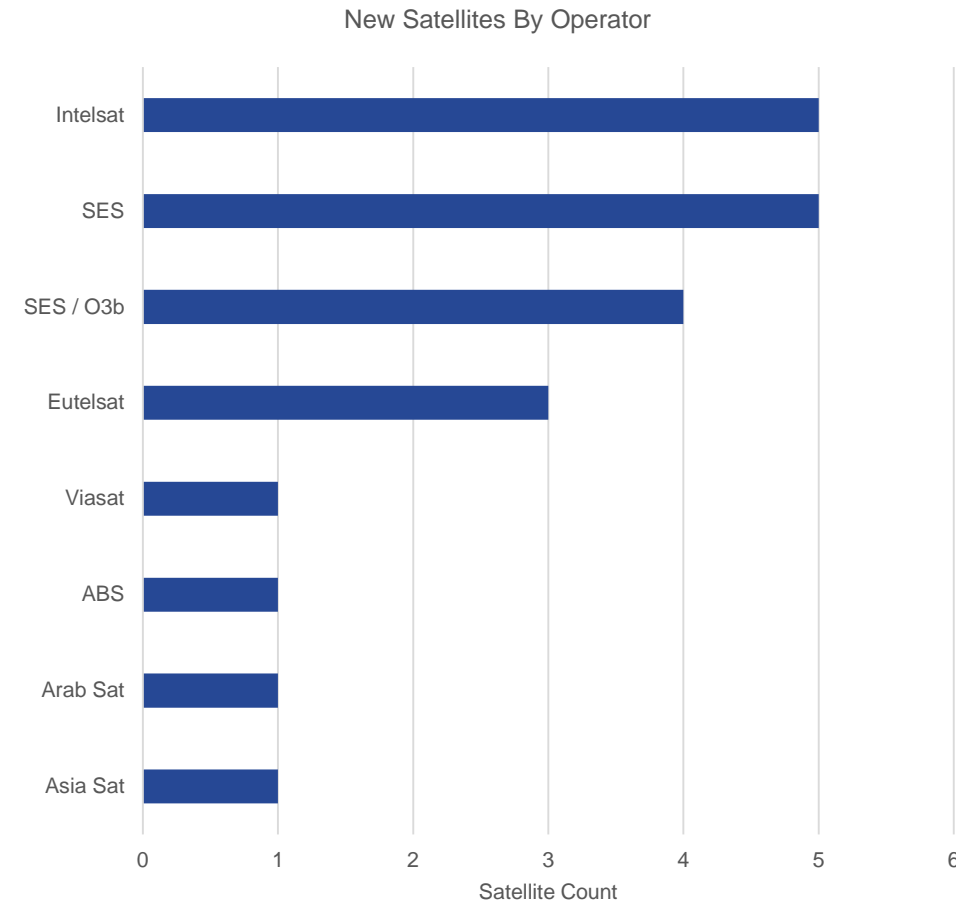


SES



Satellite capacity supply growth

- ▶ **21 new satellites in 2017/18**
- ▶ **9 with High Throughput Satellite (HTS) capabilities**
- ▶ **492 TPE in additional GEO-KU Band transponders**
- ▶ **232 TPE in additional GEO-C Band Transponders**
- ▶ **~ 350 Gb of GEO-Ka capacity**
- ▶ **~ 64 Gb of MEO-Ka capacity**
- ▶ **Overall 500Gb increase in available capacity: 22% growth**





Enterprise & Emerging Markets

Andrew Burdall

EVP, Enterprise & Emerging Markets

26 April, 2017



▶ **Executive Vice President, Enterprise & Emerging Markets**

▶ **Biography**

- > Over twelve years experience in Satellite Communications
- > Previously the CEO of SatComms Australia
- > SatComms was acquired into the Speedcast Group in June 2014
- > Previously held the role of Vice President, Strategic Business Development within Speedcast
- > Based in Brisbane, Australia
- > Fully qualified Accountant – FCCA, MIPA

▶ Matrix Sales Organization

- > The Enterprise & Emerging Markets division has a large diversity of Sub-Vertical markets. These include;
 - Telecommunications (Internet & Voice Trunking)
 - Cellular Backhaul
 - Government
 - Non-Governmental Agencies (NGO)
 - Media
 - Mining
 - Aviation
 - Agriculture
 - Construction
 - Banking
 - Enterprise
- > The EEM Sales team is split into geographical regions, with Regional Sales Heads running local sales organizations
- > In addition, Vertical specialist leaders for growth markets assist the Regional Sales Teams worldwide in winning bids for new business

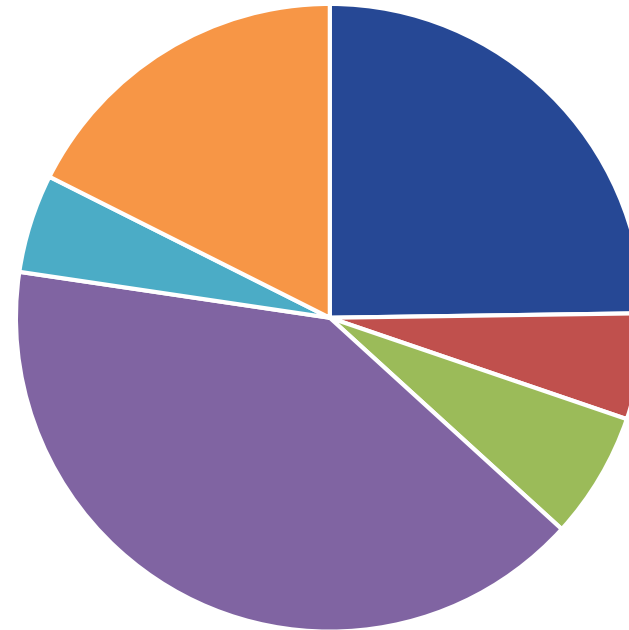
Service Revenue by Vertical Market

Service Revenue – FY16



- Government/NGO
- Mining
- Media
- Telecommunication
- Aviation
- Other/Enterprise

Service Revenue – FY17



- Government/NGO
- Mining
- Media
- Telecommunication
- Aviation
- Other/Enterprise

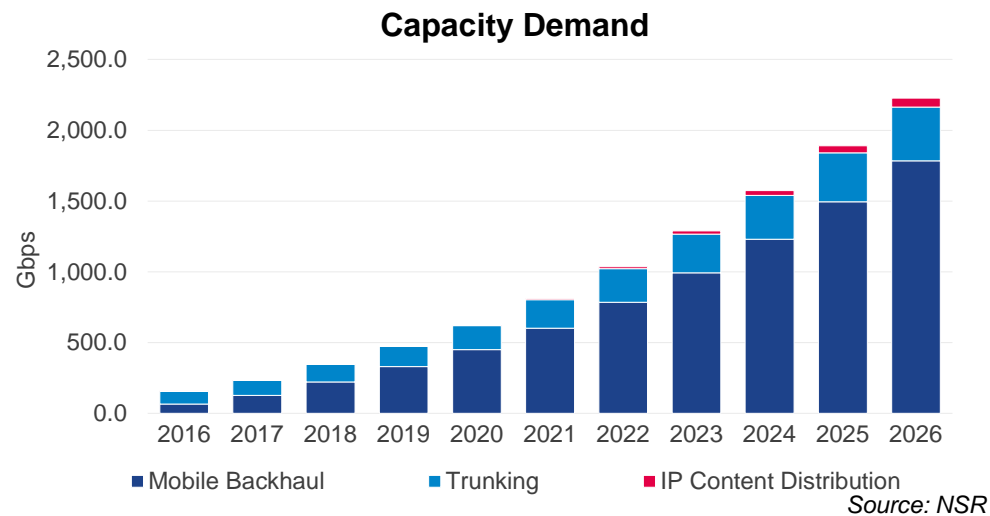
► **Multiple Competitors in each of the Vertical Markets**

- > Cellular Backhaul
 - Gilat, Intelsat, Axesat, Elara
- > Government
 - Inmarsat, Singtel, SES Government, Intelsat General
- > Media
 - RR Media, Globecast, Arqiva, Encompass
- > Mining
 - ITC Global, Telstra, EMC
- > NGO
 - EMC, Ultisat, Skyvision
- > Aeronautical
 - Panasonic, Honeywell, Global Eagle

Key vertical market – cellular backhaul

▶ One of the major markets of growth

- > ~ \$ 1 Bn market growing at a double digit rate
- > Global installed base of satellite backhaul sites to surpass 188,000 by 2026 and generate US\$3.4 Bn in annual satellite capacity revenues*).



Source: NSR – *Wireless Backhaul Via Satellite*, 11-th edition, March 2017

** Growth in Wireless Backhaul via Satellite Reported by NSR in New Report “Satnews Daily” March 28, 2017

▶ Lower capacity pricing

▶ Advanced ground segment and global telecom market

▶ Infrastructure evolution

▶ Booming capacity demand generating revenue growth

▶ Growing trend towards outsourcing

▶ Future for satellite enabled consumer internet in rural areas

- > Growing acceptance of VSAT as a cellular backhaul solution for rural areas
- > Growing adoption by governments for broadband expansion for unconnected rural population

Cellular backhaul – high level strategy

| 72

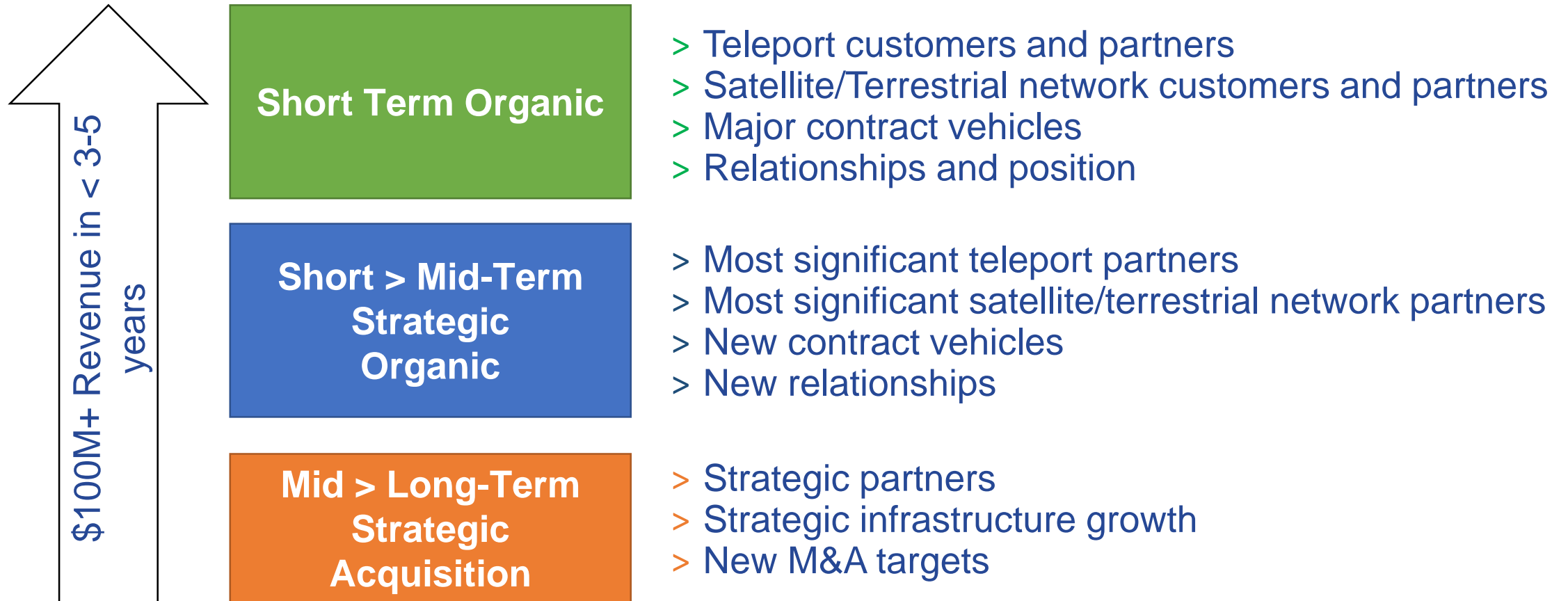
- ▶ **FY 2017 – capitalize on recent wins and a growing pipeline of opportunities**
- ▶ **Leverage recent multi-million dollar wins in the sector**
- ▶ **Create revenue synergies by capitalizing on CapRock’s Systems Integration capabilities**
- ▶ **Increase revenue potential by becoming a one-stop shop – not just satellite backhaul, full installation of remote sites and equipment maintenance**
- ▶ **Develop partnerships with equipment vendors**
- ▶ **Focus geographies for FY 2017**
 - > Afghanistan & Iraq
 - > Sub-Saharan Africa
 - > Latin America

- ▶ **Several years of reduced government budgets**
- ▶ **“In 2016 and into 2017, Government and Military satcom markets have shown some signs of stabilizing**
- ▶ **Satcom opportunities from global government and military customers continue to grow – primarily from mobility and HTS**
- ▶ **With outstanding questions on the shape of future proprietary military capacity, pricing pressures on commercial satellite capacity spilling over into military end-user expectations and a rebalance of general military deployment strategies, there is an ever widening path for growth**
- ▶ **At over **\$9 Bn** in retail revenues by 2025, all signs point towards a slow, cautious recovery.”*)**

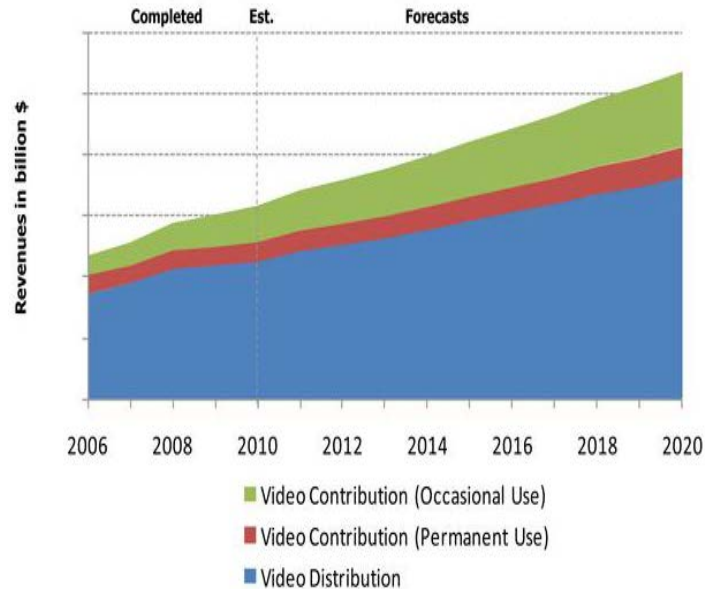
Current market size ~ \$ 4.8 Bn

**) Source: NSR Report Finds Widening Growth Path for Government & Military Satcom Markets. Near Term Challenges Giving Way to Slow Recovery Driven by Mobility and HTS
09, Nov 2016 Virtual Strategy Magazine*

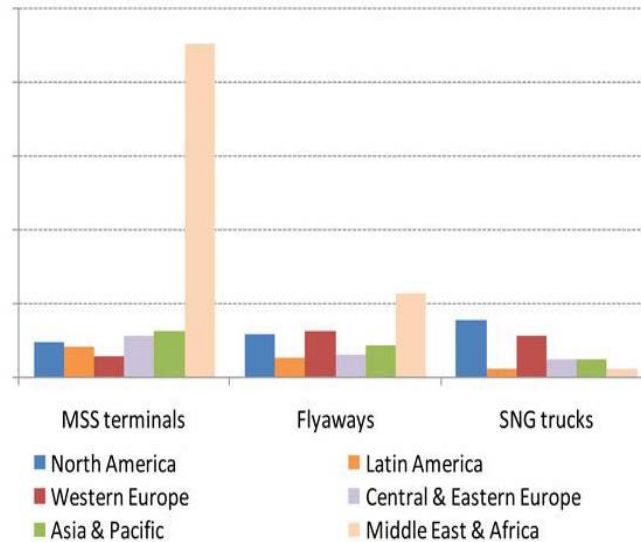
Government Market Growth – Execution Elements:



Key vertical market – Media



Forecasts revenues for Video transmission services / segment (EuroConsult)



Number of terminals in the next 10 years (EuroConsult)

- > Global TV and video market \$192 Bn (\$161 in 2008), production sector capturing the majority of revenues.
- > The Content Management Distribution (CMD) market is still dependent on the distribution of linear TV channels, representing 30,000 satellite TV signals and 23,000 unique TV channels in 2013.
- > Non-linear content growth continues to accelerate, including over-the-top content (OTT) and mobile video, impacting service revenues while prompting specialized CMD providers to expand their service offering.
- > CMD revenues for video contribution services: \$5 Bn in 2013 (\$3 Bn in 2008). Growth favored by occasional use services with smaller, lighter and more easy to use terminals (MSS and 3G/4G).
- > Satellite will remain essential for permanent contribution activities, yet its market share should decrease to the advantage of fiber.
- > Occasional use market - share of satellite should decrease to the advantage of 3G/4G services. Satellite revenues should be driven by lower-priced HTS Ka-band services.

MAIN PROJECTIONS

- > In the next 4 years video permanent and occasional use will represent US\$27b
- > By 2020 MSS terminals will represent 40% of occasional use market (US\$4.5b)
- > By 2023 Ka band will represent 18% of the total occasional use market

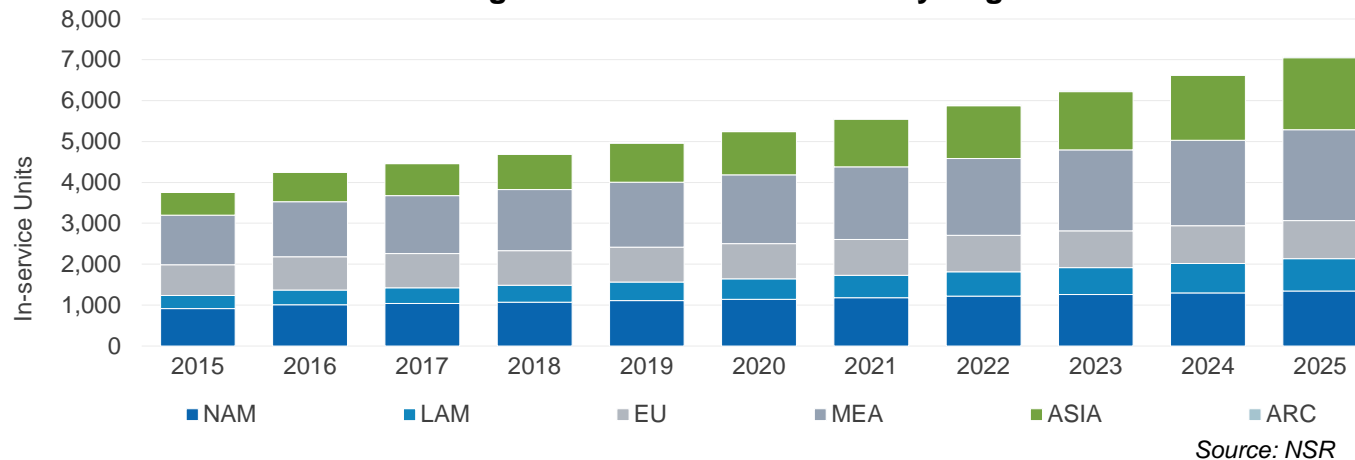
Focus vertical market – mining

► Market Globally

- > Estimated to be ~ \$ 1 trillion
- > Top 40 companies revenue above \$ 450 billion
- > Satcoms total market today globally around \$ 700 million
- > Fastest growing regions are Asia and Latin America
- > More complex and technical requirements, including automation, are seeing increasing investment in communications



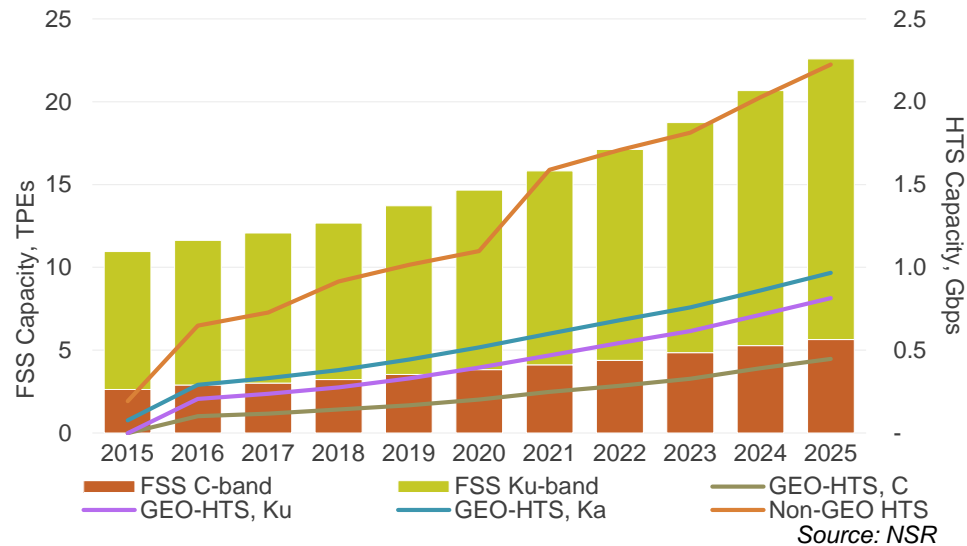
Mining Markets In-service Units By Regions



Source: NSR - Energy Markets Via Satellite; 6th Edition, March 2016

Focus vertical market – mining

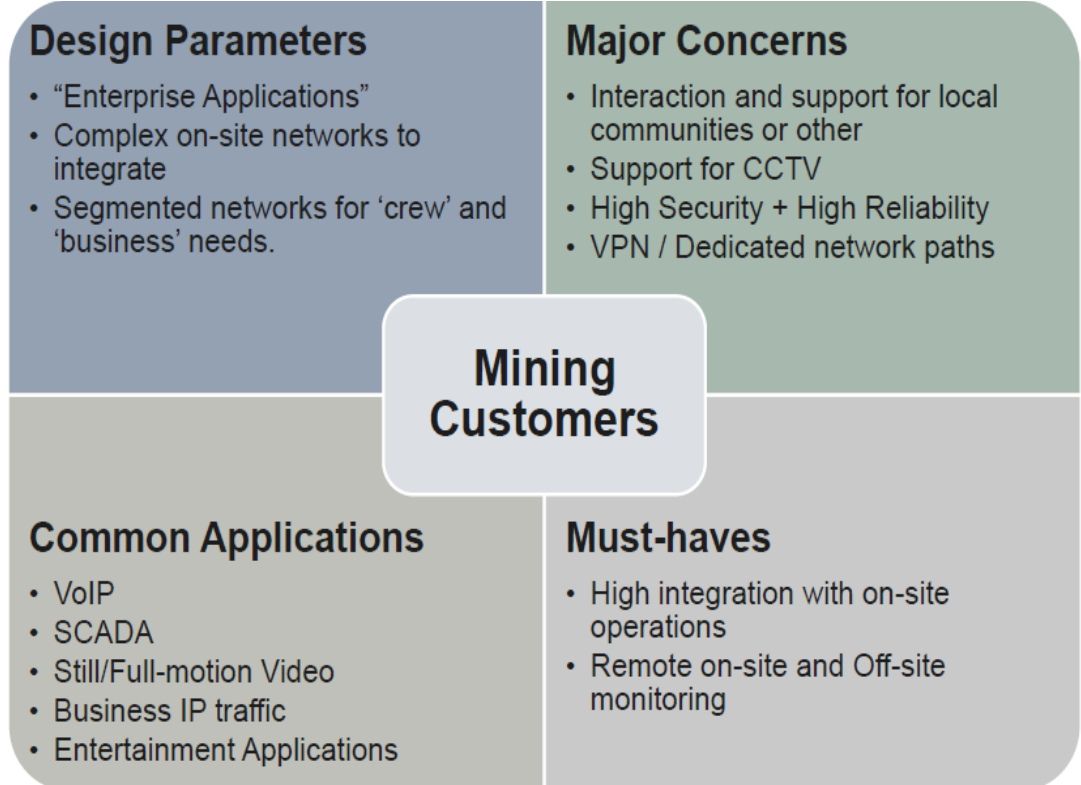
Mining Markets Capacity Demand by Bands



- > A solid “Growth Option” for revenues, capacity and terminals
- > Still has macro-economic pressures within mining sector and stronger competition with terrestrial

Source: NSR - Energy Markets Via Satellite; 6th Edition, March 2016

▶ Mining Market – User Requirements



- ▶ Total revenues from passenger connectivity services are expected to grow from \$700 M in 2015 to ~ \$5.4 Bn by 2025, a 23% CAGR over the 10-year period.
- ▶ In 2015, 72 airlines installed or announced plans to install passenger connectivity systems on board, number of connected commercial aircraft had increased by 21% Vs 2014.
- ▶ Launch of HTS would be a game-changer for the in-flight connectivity market. Total Ka-band HTS supply will increase threefold to reach 1,500 Gbps by 2018, while Ku-band HTS supply will increase fivefold to reach 285 Gbps in 2018.
- ▶ HTS systems will not only tremendously increase data speeds to the plane, but will also significantly lower costs, further driving the adoption of IFC services.
- ▶ The number of connected commercial aircraft is expected to grow from 5,300 to 23,100 over the 2015-2025 period (62% of the global fleet)
- ▶ In the business aviation market, the share of VSAT solutions is also increasing dramatically, as the largest service providers on the commercial aviation market announced plans at the end of 2015 to address this market.

Current market size ~ \$ 1.2 Bn

Euroconsult: Prospects for In-Flight Entertainment and Connectivity; February 2016

Emerging Opportunities

- > Government
 - Leveraging Caprock’s small International Government team
 - Opportunities emerging within the Classified Military space in North America, Latin America, Europe & Asia
 - Combining this team with recent recruitment of Vice President, Government Services has lead to an increase in sales opportunities and capabilities
- > Media
 - Houston based Systems Integration team working on US based opportunities for Satellite News Gathering
 - Combination of Sales expertise from within SpeedCast increasing chances to win business in this market
 - Expedites Media growth potential within the Division
- > Aeronautical
 - Existing Caprock customers for terrestrial services operating aircraft fleets in Europe and Australia
 - Customers welcome opportunity to source services from SpeedCast as a one-stop shop
- > Mining
 - Caprock’s superb infrastructure used to leverage opportunities with Mining companies in North America, Brazil & Africa
- > Leveraging CapRock’s presence in new countries to sell to more industries
 - CapRock’s licensed infrastructure in Brazil opens up opportunities within Cellular Backhaul and Rural Communications

- > Scale
 - Fragmented sub-vertical markets provide competition from smaller entities with lesser capacity buying power
- > Infrastructure
 - Global infrastructure can be quickly re-purposed for new projects providing an agile response versus competitors
- > Customer Focused Support
 - Global 24/7/365 support based on 5 continents in multiple languages providing seamless customer experience no matter where operations take our clients
- > Global Presence, Local Expertise
 - Worldwide operations backed up by local operators who can understand and support customers in their own time zone
- > Innovation
 - Ability to pivot quickly and deliver new products and services into key Vertical and Geographical growth markets

Products & Marketing

Tim Bailey

EVP, Products, Marketing, & Business Development

26 April, 2017



- ▶ **Tim Bailey (Bio)**
- ▶ **Mr. Bailey has over 20 years' experience in product development and marketing in the technology field. Prior to joining Speedcast, he spent 6 years at Asurion and 15 years at Intel Corporation. At Asurion he led product development and helped establish new businesses for the company in multiple countries around the world. At Intel he led both the marketing and product organizations for Intel Asia Pacific, and was responsible for developing and driving Intel's Asia Pacific product strategies as well as Intel's marketing for consumer, corporate, and OEMs.**

Products & Marketing integration

Work Stream	Key achievements to date
Products	<ul style="list-style-type: none">✓ Initial product training successfully delivered at the Sales Kick Off event✓ Product rationalization completed✓ Product category structure defined✓ New product investment areas defined✓ First future product roadmap review completed
Marketing	<ul style="list-style-type: none">✓ New Speedcast logo launched in early March at the Satellite Show in Washington DC✓ Integrated rebranding plan developed and in execution✓ Campaign development underway

Increasing demand for connectivity

► Business Needs

- > Condition monitoring
- > Analytics
- > Remote Access
- > Navigation
- > Regulatory Compliance

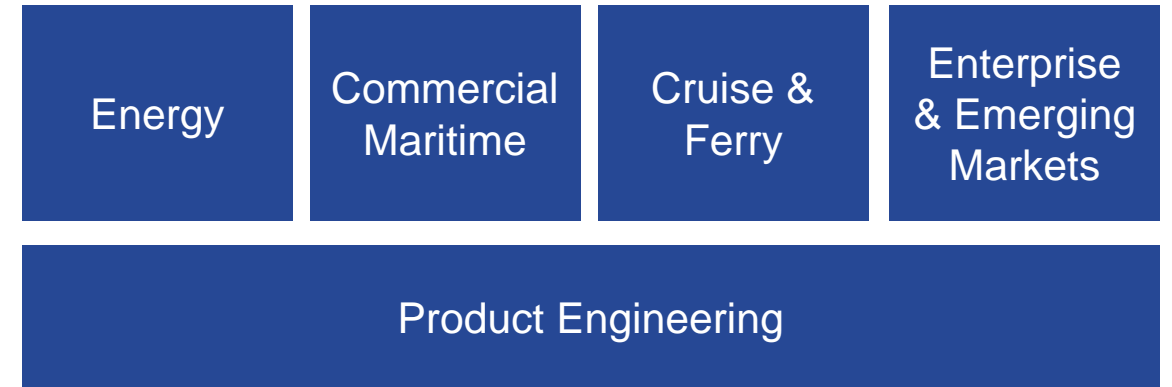
► Crew & Passenger Needs

- > News & Entertainment
- > Training
- > Communication: Email, Voice, Video
- > Social Media

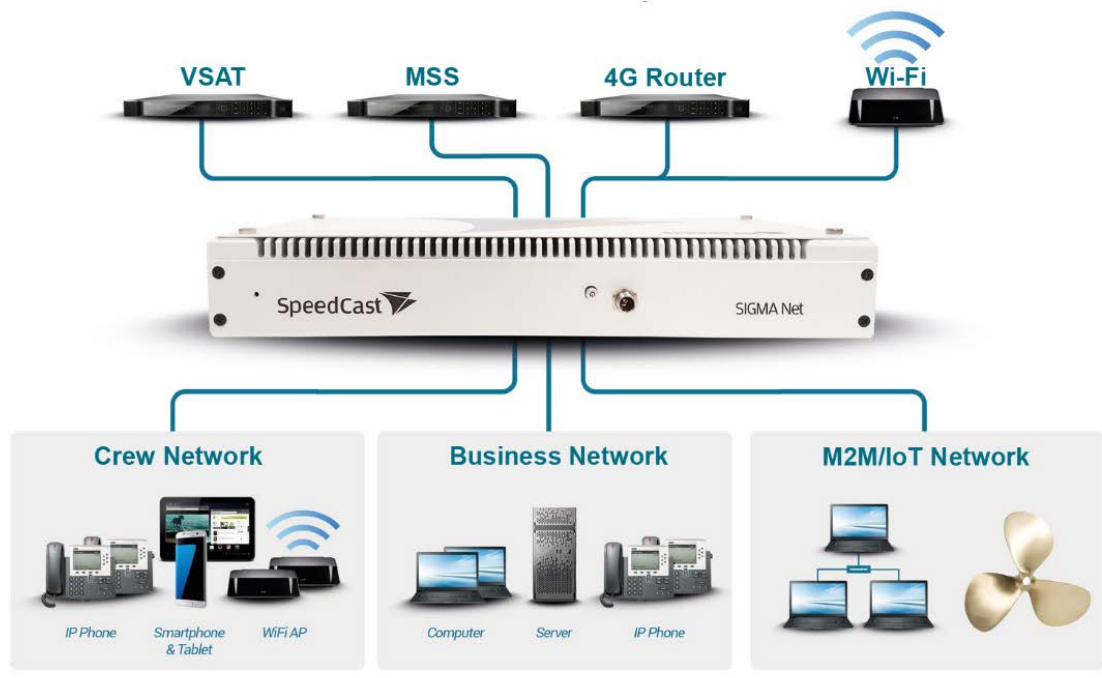


New focus on innovation to drive growth

- ▶ **Unique R&D capabilities**
- ▶ **Leverage internal development and external technology partnerships**
- ▶ **Segment-driven product development**
- ▶ **Strategic focus to extend service offering beyond connectivity**



SIGMA Net – Intelligent network management device



Flat Panel Antennas



Internet of Things



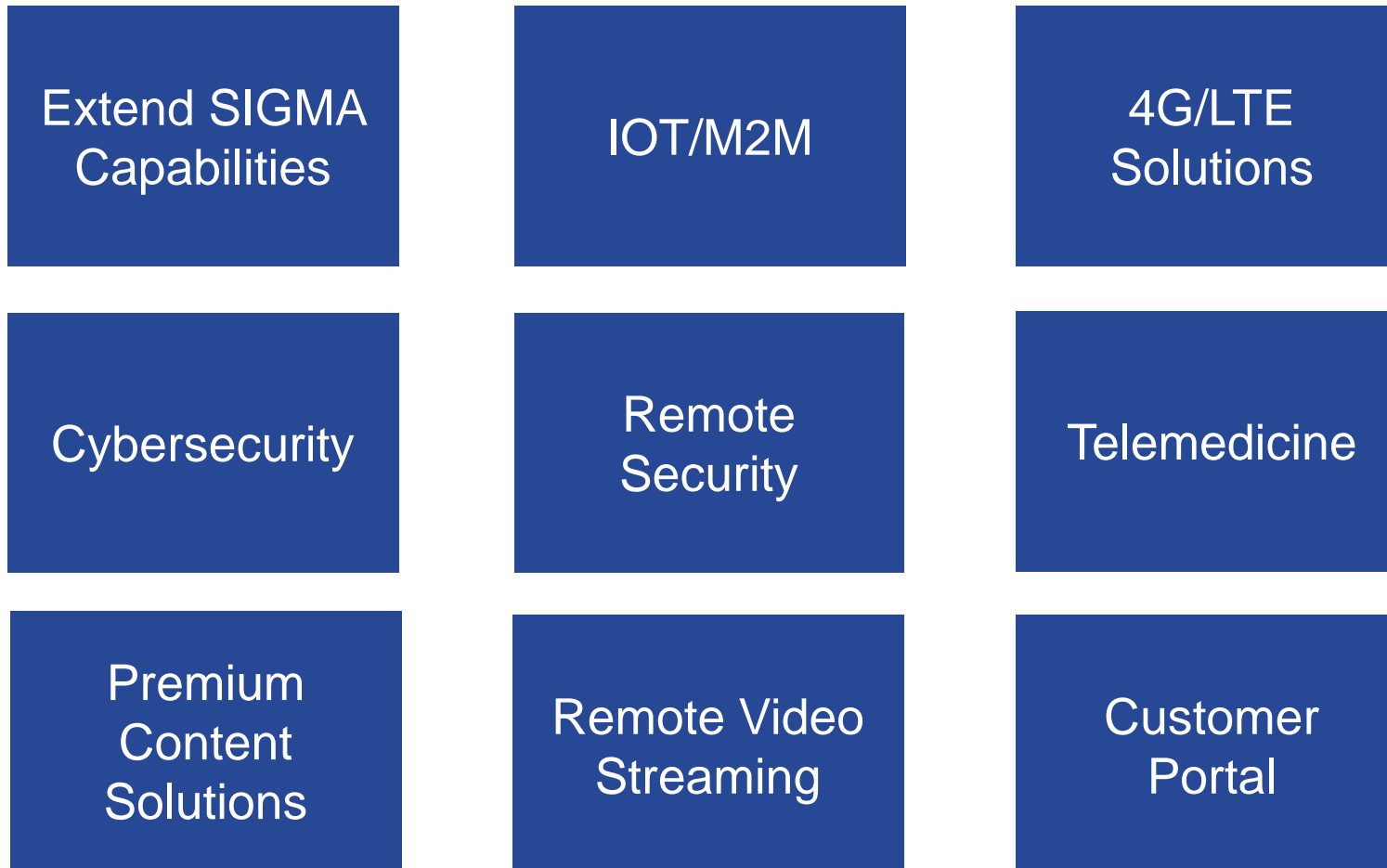
Explosive Growth in Applications



Cybercrime



Product roadmap – expanding beyond connectivity

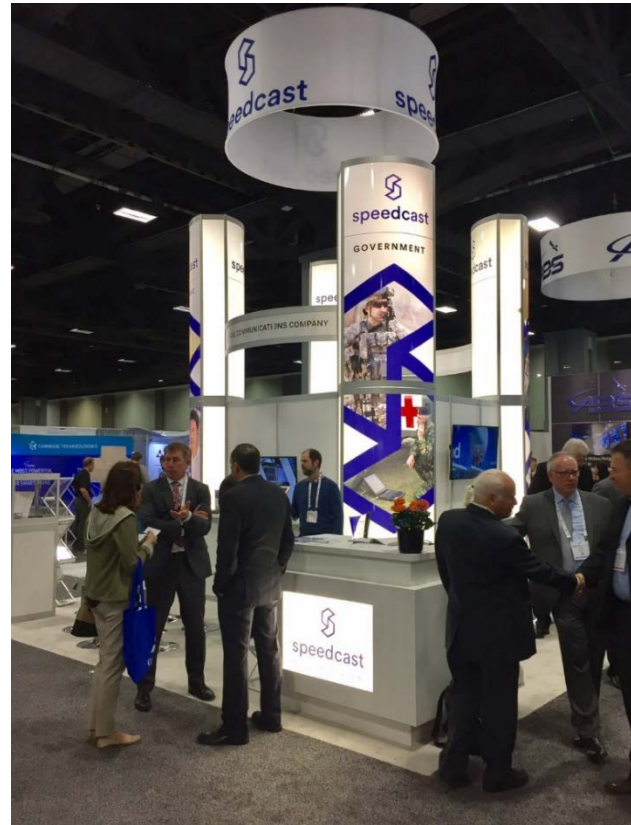


- ▶ **32% of cyber attacks on critical infrastructure targeted energy firms, second only to government sector**
- ▶ **Cyberattacks against oil and gas infrastructure will cost businesses up to \$1.9B by 2018***
- ▶ **SafePass Pro**
 - > Minimizes malware and spyware
 - > Guards against threat exposure for remote sites
 - > Improves network integrity



* Ebeling, Paul. "Hackers Next Target, GlobalShipping." Live Trading News, Posted April 25,2014

Rebranding – new logo, new campaign



Conclusion

PJ Beylier

Chief Executive Officer

26 April, 2017



- ▶ **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
- ▶ **Innovation to lead to new revenue opportunities**
- ▶ **Expertise to expand our offering into non-connectivity services**



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