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Speedcast International Limited Announces 143% Revenue Growth for Half Year 2017

Sydney, Australia, 29 August 2017 – [Speedcast International Limited](#) (ASX: SDA), the world's most trusted provider of highly reliable, fully managed, remote communication and IT solutions, today announced its financial results for the six-month period ended 30 June 2017, with group revenues of USD 246.3 million, a 143% period-on-period increase.

Financial Highlights

- Group revenues grew 143% to USD 246.3 million for the period ended 30 June 2017, while service revenues grew 165% to USD 231.9 million.
- Underlying EBITDA profitability was USD 52.8 million, a 210% increase over the same period last year. EBITDA margins grew 470 basis points to 21.4% in 1H17.
- Underlying NPATA, excluding non-recurring costs, was USD 15.1 million, an increase of 86% period-on-period.
- Strong operating cash flows (96% of underlying EBITDA), generated as a result of improved working capital disciplines, delivered balance sheet de-leveraging in line with expectations. Net debt reduced from USD 356 million at 31 December 2016 to USD 333 million at 30 June 2017.
- The Board declared a fully franked interim dividend of AUD 2.40 cents per share for the six-month period ended 30 June 2017, consistent with the final dividend for 2016 and utilising the maximum amount of franking credits.

Operational Highlights

- On 1 January 2017 Speedcast completed the acquisition of Harris CapRock. The acquisition positions Speedcast as the leader in the key vertical markets of Energy and Maritime. As a result of the integration, Speedcast will have the largest global satellite footprint, which will provide unprecedented value to our customer base.
- Since the acquisition, Speedcast has completed >80% of the identified Harris CapRock integration milestones. Key initiatives remaining include ERP implementation, full integration of the ticketing system, and network consolidation. The investment thesis is being proved out as a result of the increased synergies. Additional cost synergy benefits have been identified with total cost synergies now expected to be over USD 30 million compared with USD 24 million previously communicated.

- Speedcast had a 100% renewal rate within the Energy sector for the first half of the year. The group is positioning itself to be the partner of choice to lead the customers through the recovery.
- The Maritime group made significant progress in the integration of the Cruise business, while establishing relationships with key customers. In addition, a successful pilot was completed demonstrating > 400 Mbps to a single cruise ship.
- Speedcast is experiencing a strong win rate within the Cellular Backhaul market. Cellular Backhaul will be one of the fundamental growth areas in the satellite industry for the next 10 years with double digit CAGR growth expected (Source: NSR).
- On 23 July 2017 Speedcast entered into a definitive agreement to acquire UltiSat for a purchase consideration of up to USD 100 million. This acquisition will give Speedcast its fourth growth pillar, Government. Retail revenues for the Government sector are expected to reach USD 9.3 billion by 2025, up from the current market size of USD 4.8 billion (Source: NSR).
- Speedcast's services and commitment to excellence is also being recognized by industry authorities. In 1H 2017 Speedcast has been awarded industry recognitions including:
 - 2017 World Teleport Association's (WTA) Independent Teleport Operator of the Year
 - Speedcast CEO, Pierre-Jean Beylier received Finance Monthly CEO Award 2017

"We are very proud of the progress we have made since the completion of the acquisition of Harris CapRock", said Pierre-Jean Beylier, Chief Executive Officer of Speedcast. "Amidst a difficult market background, Speedcast has executed well, both from a financial and an operational perspective. We are taking advantage of the opportunities in all of our target markets, and delivering world-class, innovative global solutions. Speedcast is well positioned to deliver value to our customers, partners and shareholders in 2017 and beyond."

About Speedcast 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.

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