Speedcast International Limited

Financial Results Presentation
Half year ended 30 June 2018

28 August 2018

speedcast THE CRITICAL COMMUNICATIONS COMPANY

Communications | IT Solutions | Consulting

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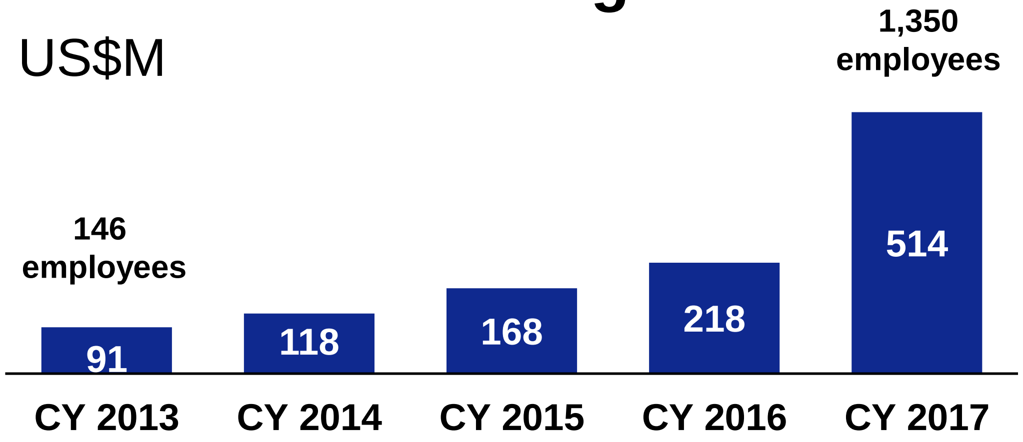
Speedcast is the global leader in remote Communications and IT services

The world's most trusted provider of remote communications and IT solutions

- **Industry leader:** worldwide coverage and infrastructure to serve customers in Maritime, Energy, Government, Enterprise and Emerging markets (EEM), with local presence in 40 countries
- **Innovator:** able to design, integrate, and deliver new networks and Value Added Services for our customers using best-in-class technologies
- **Scale:** the largest independent buyer of satellite capacity and service provider globally

Historical revenue growth

US$M



Highly experienced executive team with deep sector knowledge

Pierre-Jean ("PJ") Beylier
Chief Executive Officer

- Joined Speedcast in 2000 and appointed Chief Executive Officer in 2004
- Over 20 years of experience in executive leadership, international sales and marketing across Black and Decker in France, and at Rhodia

Keith Johnson
Chief Operating Officer & EVP Energy

- Executive VP, Energy (appointed in October 2014) and COO since December 2017
- Former President of Global Energy Services at Harris CapRock
- Over 30 years of experience in the satellite telecommunication and energy industries

Athina Vezyri
EVP Maritime

- Executive VP, Global Mobile Satellite Services ("MSS") and Maritime Services – EMEA (appointed in 2015)
- Previously spent 20+ years at SRH Marine Electronics and held various roles including Chairman and CEO

Erwan Emilian
EVP EEM

- Executive VP, EE&M (appointed in 2017)
- Strong industry know-how and sales leadership
- Previously CEO of IEC Telecom

M.G. Abutaleb
UltiSat President & CEO

- Founder of UltiSat Inc.
- Over 30 years of experience in various segments of the telecommunications and aerospace industries

Clive Cuthell
Chief Financial Officer / Joint Company Secretary

- Chief Financial Officer (appointed in 2018)
- Previously global CFO of Nuplex Industries and 5 years at Holcim
- Over 25 years of finance experience

John Truschinger
Chief Information Officer

- Chief Information Officer (appointed in January 2018)
- Spent 9 years at Transocean as CIO
- 35 years of experience in IT and supply chain

Tim Bailey
EVP Products, Marketing & Business Development

- Executive VP, Products, Marketing & Business Development (appointed in September 2016)
- Over 20 years of experience in technology products including 6 years at Asurion and 15 years at Intel Corporation

Dominic Gyngell
General Counsel / Joint Company Secretary

- Executive VP, General Counsel (appointed in 2016)
- Previously held senior roles with BT and Minter Ellison
- Over 20 years of experience in legal and regulatory affairs

Meera Ralhan-Medana
EVP Human Resources

- Executive VP, Global Head of Human Resources (appointed in 2015)
- Previously held senior roles in CBRE, Experian and Clifford Chance
- Over 25 years of experience in human resources

Vanessa Cardonnel
SVP, Corporate Dev & Investor Relations

- Appointed Senior VP, Corporate Development and Investor Relations in August 2018
- Over 13 years experience in corporate finance, mergers and acquisitions; and 4 years of Investor Relations for an NYSE listed company

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- Experienced executive team with an average of 20+ years of industry experience
- Pierre-Jean Beylier has successfully led the integration of 15 acquisitions since 2004
- Recently appointed experienced Chief Financial Officer, Clive Cuthell

First Half 2018 (1H 2018) Highlights

28 August 2018

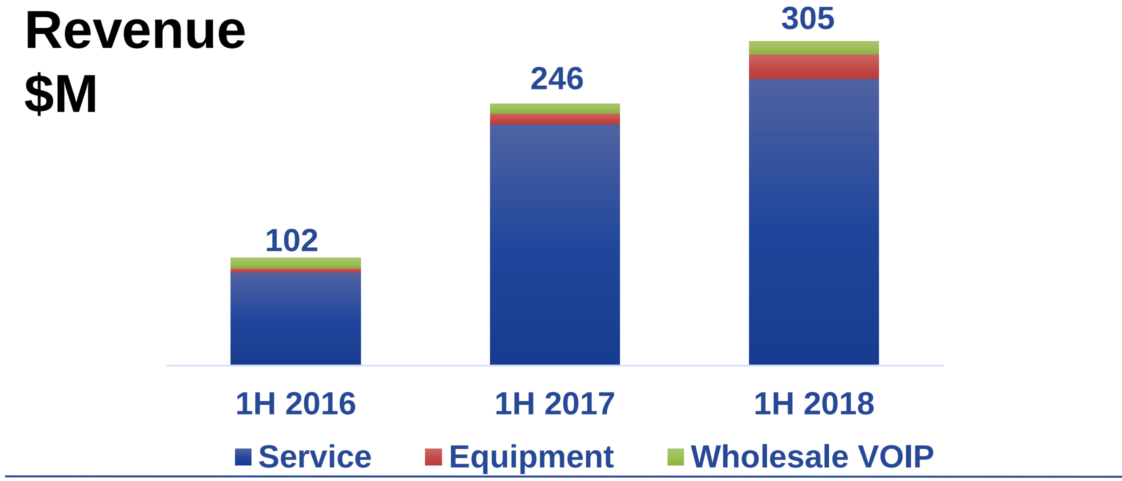
1H 2018 financial highlights

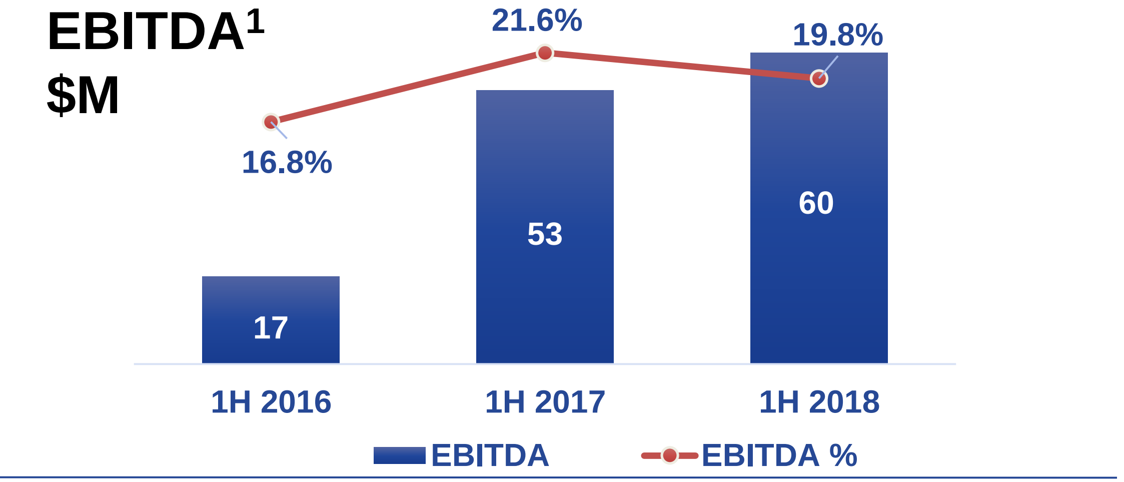
- **Revenue up 24%** to US$305M
- **Underlying EBITDA up 14%** to US$60M
- **NPATA up 37%** to US$21M
- **NPATA / share up 36%** to US$8.8 cents per share
- **89% cash conversion**
- **Dividend of AU$2.4 cents** per share

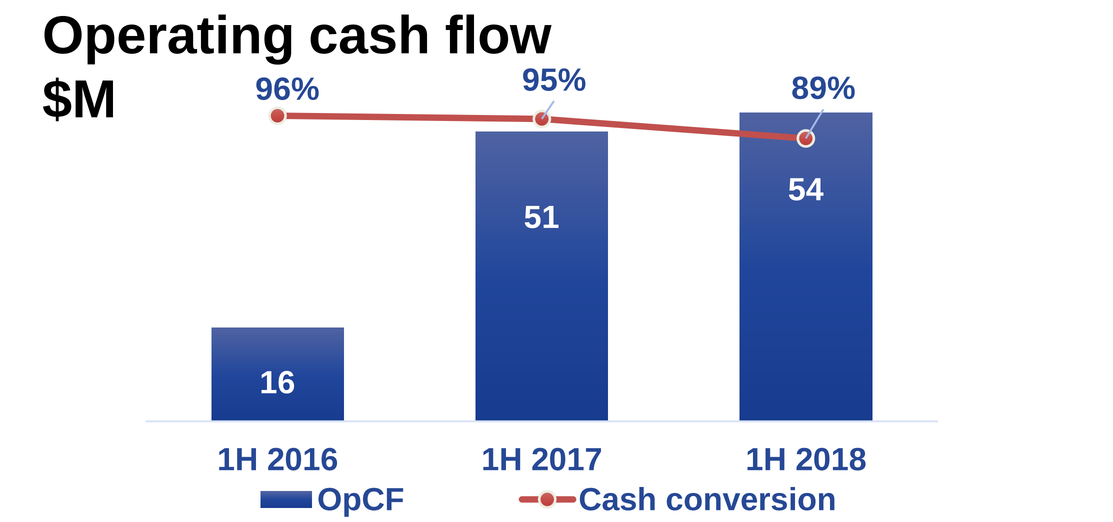
1H 2018 operational update

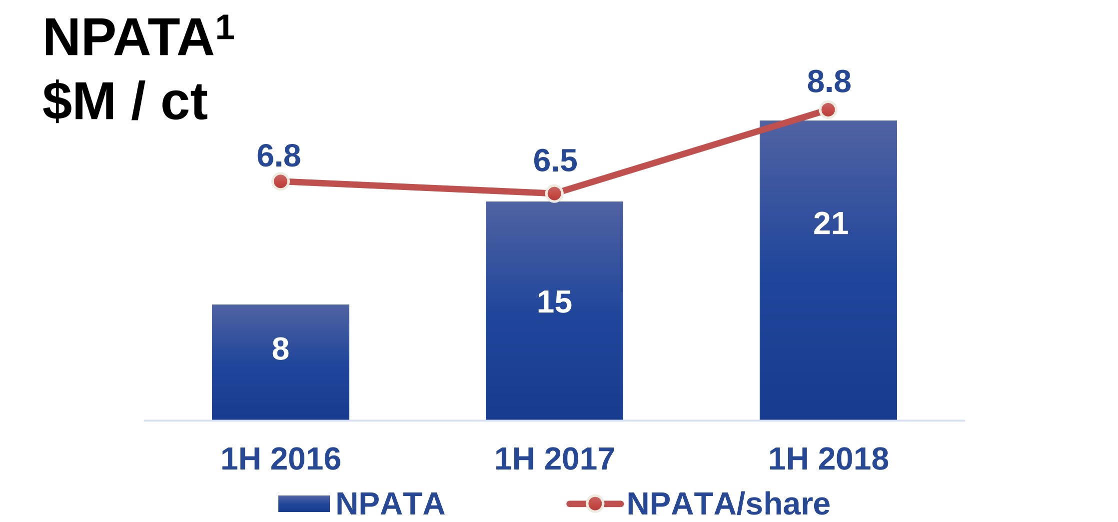
- Organic revenue growth acceleration as expected
  - High growth in **Commercial Shipping**
  - Strong rebound in **EEM** division
  - **UltiSat** delivering above expectations
- Delayed timing of Energy market recovery and investment in Cruise
  - Delay in offshore **Energy** market recovery impacting 1H 2018 and short-term outlook
  - **Cruise** negatively impacted by investment in high bandwidth pilot project with a major Cruise customer
- Harris CapRock synergy realisation on track and now extended into Phase 2
- Ongoing investment in scalability – people, processes and IT systems
- Opportunistic and highly strategic acquisition of **Globecomm** will further strengthen **Government** division

1H 2018 confirms strong track record of consecutive periods of growth



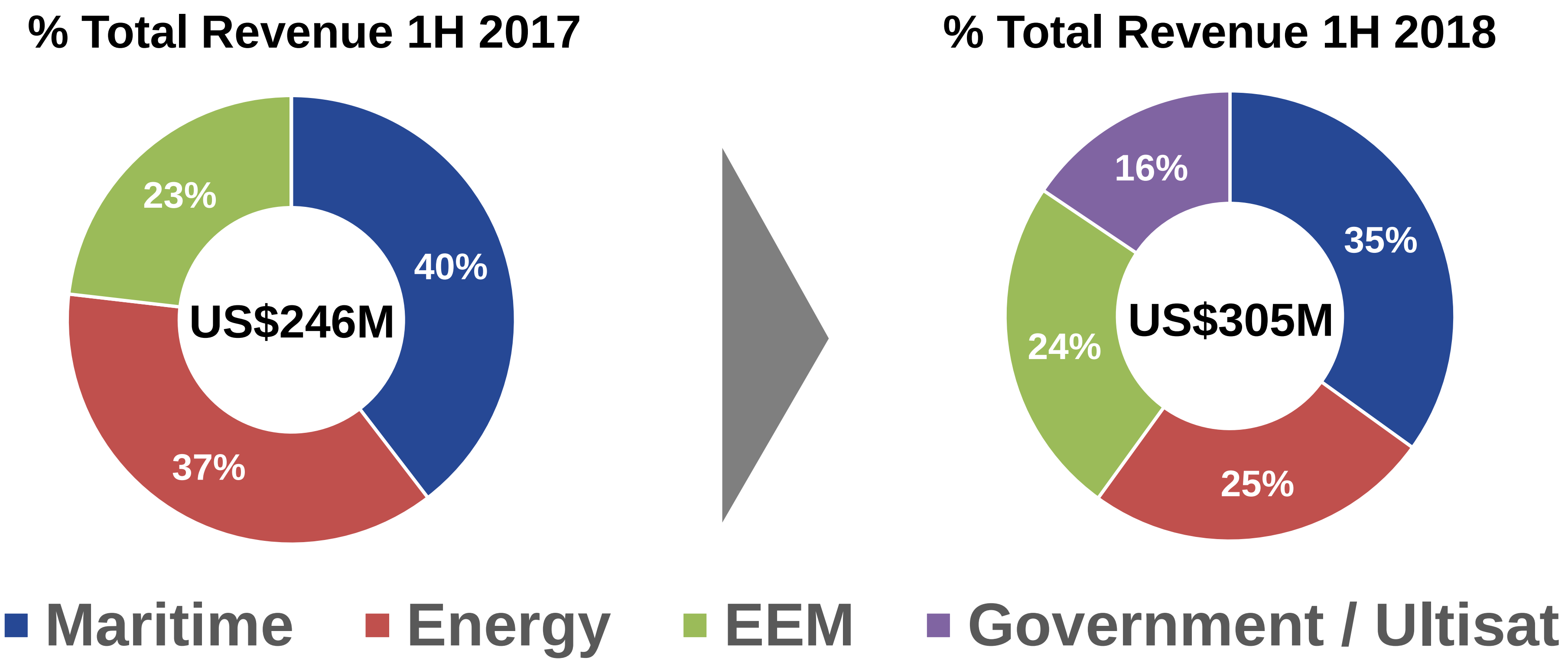






[1] Underlying financial results are intended to exclude items which are non-recurring in nature, such as acquisition related transaction costs, integration costs and restructuring costs.

Further diversification across four end markets



Globecomm acquisition to further strengthen end-market diversification

Divisional Update

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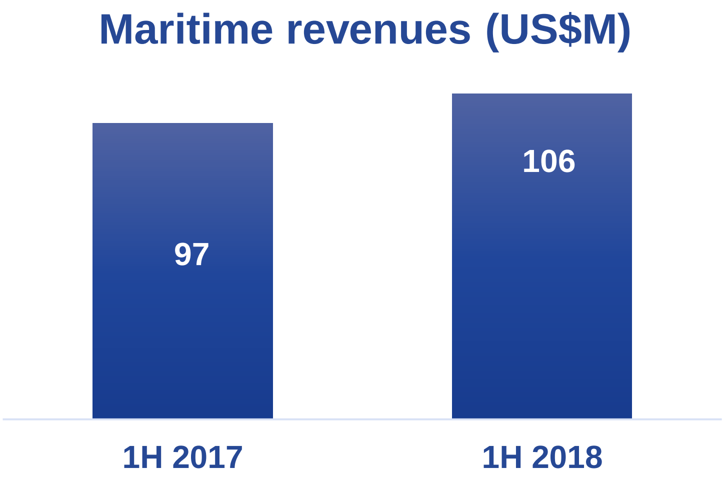
Maritime delivers organic growth

1H 2018

- Maritime **revenue up 10%** to US$106M – largest Speedcast division
- Strong growth in Commercial Shipping driven by continued increase in VSAT activations (200+ in 1H 2018)
- Cruise met expectations, driven by bandwidth growth and new wins, but offset by one time investment in key relationship



Outlook 2018

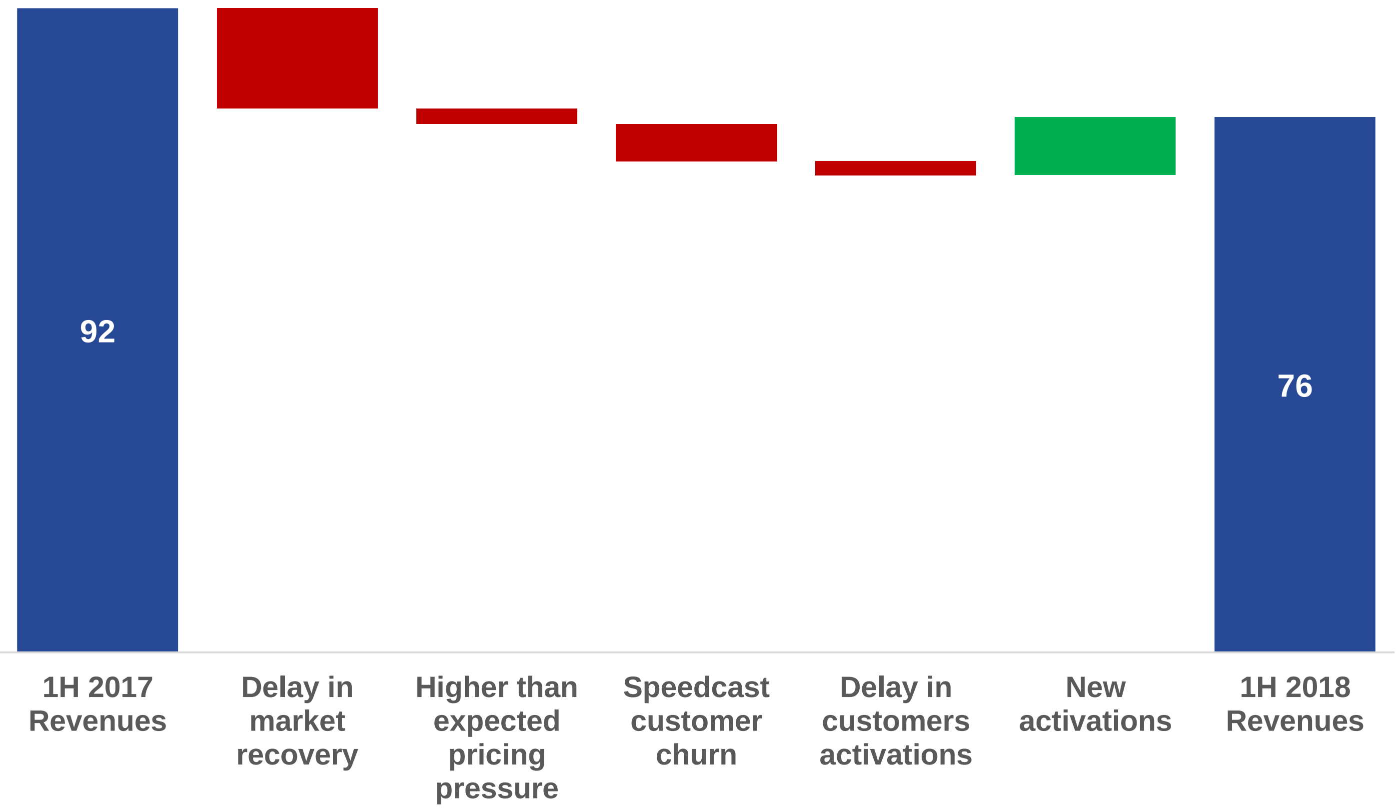
- Commercial shipping
  - VSAT activation growth expected to accelerate following the addition of resources in service delivery – **backlog of ~730 vessels**
  - **Globecomm** to further strengthen commercial shipping customer base
- Cruise
  - Conditional award of **Carnival renewal for 3 years** (Speedcast's largest customer)
  - 20 new ships won since the beginning of the year in cruise and ferries will drive revenue growth

Energy underperformance principally due to delay in market recovery

1H 2018

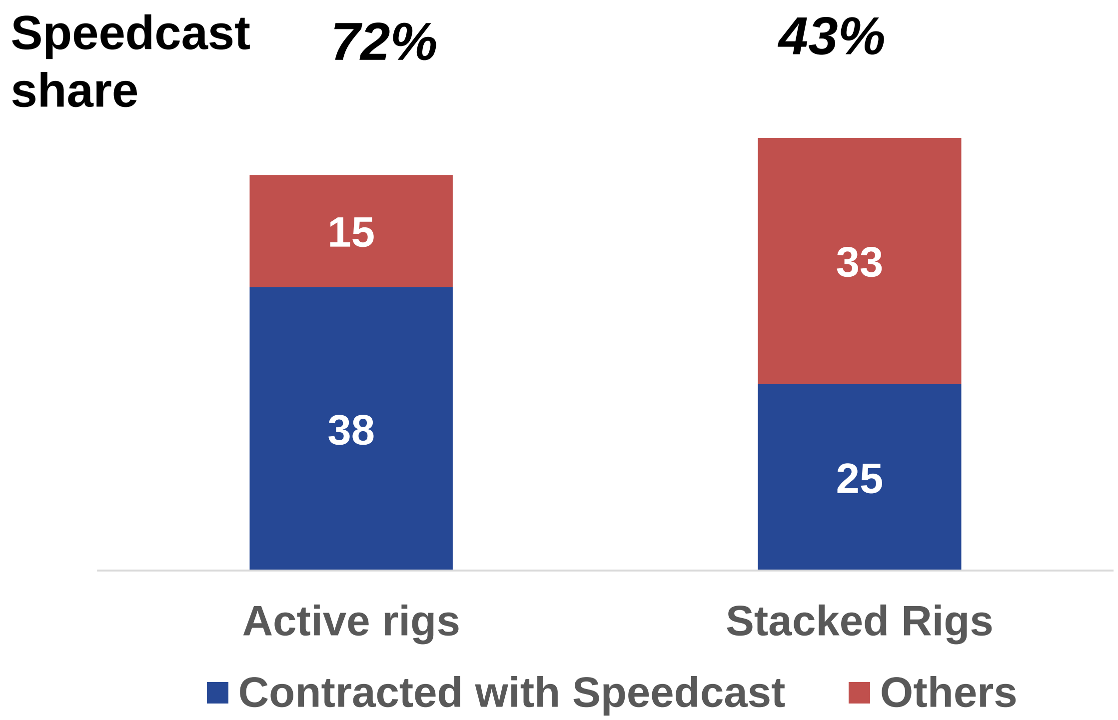
- Energy revenue **down 17%**
- Delay in market recovery resulting in higher than expected rig count attrition and delays in new projects
- Continued price pressure due to customers focusing on cost savings
- Loss of two contracts (one lost by Harris CapRock but maintained post acquisition until 1H 2018 and the other lost due to collection issues)
- Unexpected delays in the implementation of two major contracts
- Good activity level onshore and pipeline growth

1H 2017 to 1H 2018 Energy revenue bridge (US$M)

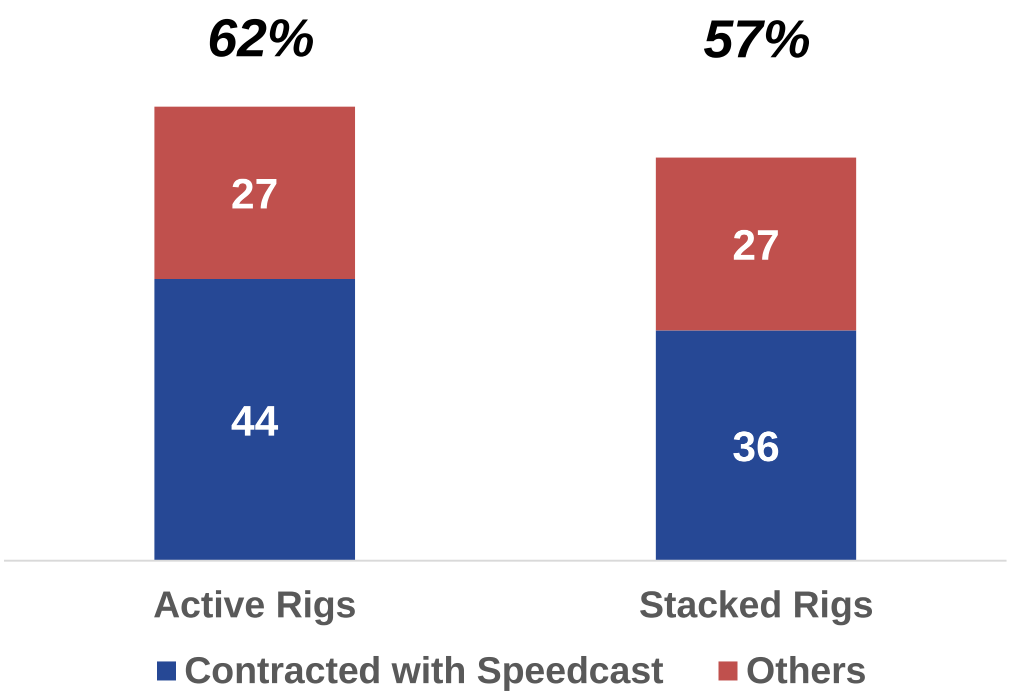


Market leader in deepwater drilling and best positioned for future recovery

Drillships market share 2018



Semi-submersibles market share 2018



Speedcast is the clear market leader and the expected increase in offshore rig utilisation positions it well to benefit from the expected market recovery, underpinning revenue growth in 2019 and beyond

The deepwater offshore market is turning

Energy industry activity levels are a key driver

- Offshore, especially deep water, will be the last segment to recover in the cycle
- Land drilling and more recently offshore shallow water drilling have been recovering
- While delayed, the deepwater offshore market recovery is expected to be stronger than initially anticipated

Sustained crude prices ~US$70 per barrel
+
Strong energy producer results

Project capex increasingly being released

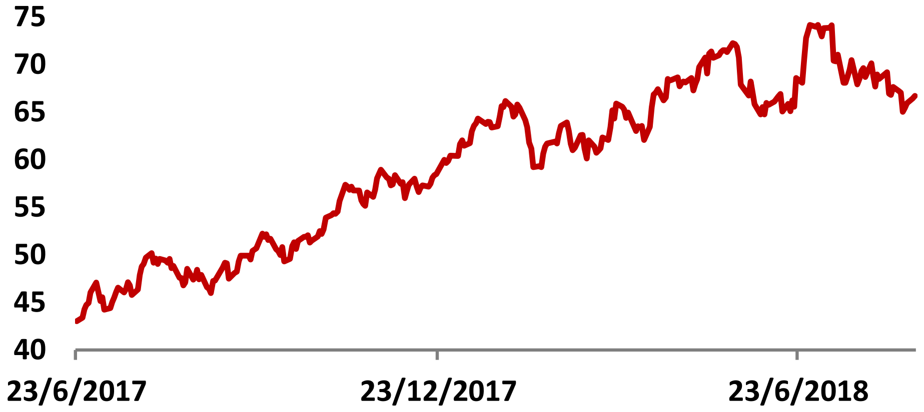
Proposal activity growing

"The most excitement at the moment is from the deepwater" – *Shell Head of Exploration and Product Andy Brown (12 August 2018, Financial Times)*

"As near-term ultra-deepwater fixtures continue to increase throughout the world, we're even more encouraged about the possibilities we think are likely to emerge in the coming months." – *Transocean President & CEO Jeremy Thigpen (31 July 2018, earnings transcript)*

"Offshore drilling industry metrics continued to improve through the second quarter and we anticipate further gains over the remainder of 2018 and into 2019." – *Noble VP & GM, Marketing & Contracts Robert Eifler (3 August 2018, earnings transcript)*

WTI Crude Oil Price



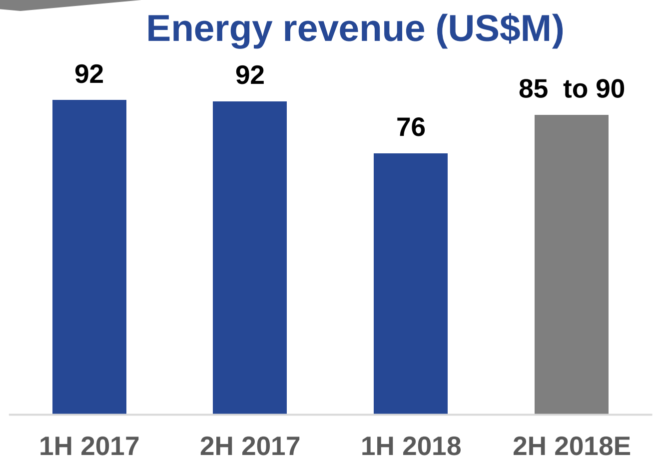
Source: Bloomberg

Stronger Energy outlook for 2018 and beyond

2018 outlook

- June & July 2018 were the **first two consecutive months where activations exceeded revenue churn** in Energy
- Strong **backlog** of US$1.5M/month – to be implemented over a period of time with some contribution to CY 2018
- Strong **pipeline** with around US$100M total contract value (probability weighted) of which US$7M is expected to contribute to CY18 revenues
  - High win rate in 1H 2018 expected to continue

Full year 2018 Energy revenue expected to be ~10% down on prior year



2019 Outlook

- As the market recovers customer focus will shift from cost savings to investment and execution
- Existing backlog and pipeline to contribute to medium-term growth
- Expected continued good performance with land customers
- Strong share of contracted inactive offshore rigs will provide upside as offshore recovers

Growth expected to accelerate more steeply in 2019 and 2020 compared to previous expectation of a gradual recovery

"Our second quarter figures confirm that a much broader-based international recovery is now emerging…Spare production capacity… is now nearing its lowest level for more than a decade while decline in the world's mature production base continues to accelerate. These developments underline the growing need for E&P spending to increase significantly"

Schlumberger Chairman & CEO Paal Kibsgaard (20 July 2018 - Q2 results)

EEM back to strong organic growth

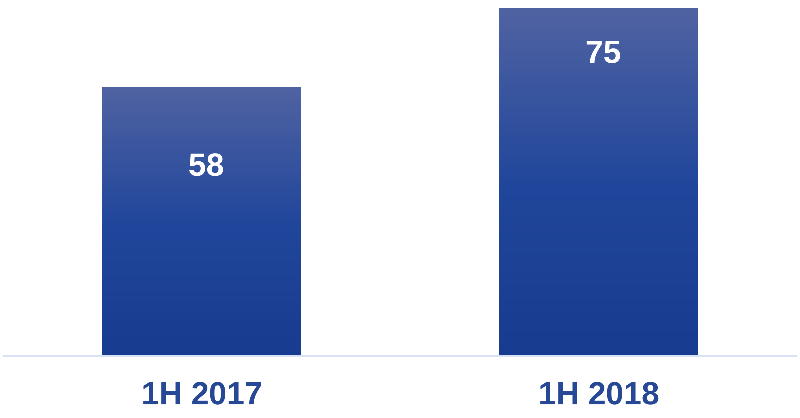
1H 2018

- **EEM revenue up 29%** to US$75M
- **Strong growth includes first phase of NBN** contract
- Growth in **Wholesale Voice**
- **Significant challenge** with revenue not realized in Peru (US$5M)

Outlook 2018

- **Continued growth** from NBN
- **Peru contract issue** will reduce expected 2018 growth by a further US$5M in 2H 2018
- **Good win rate** with revenue backlog of US$0.6M/month to be implemented
- **Stronger pipeline** of 2019 opportunities, notably in Latin America, Africa and South East Asia

EEM revenues (US$M)

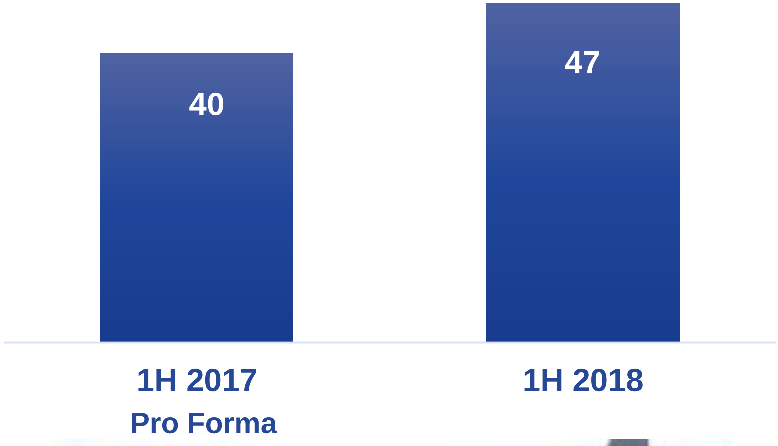


Government / UltiSat outperforming

1H 2018 results

- UltiSat acquired November 2017 - pro forma **revenue up 17%**
  - **Increased defense budget** of approximately 10% for the US[1]
  - Network service growth from increased **bandwidth & new sites**
  - **Promising market development** with governments outside of the US and IGO's
- Equipment sales growth is underpinning future service revenue growth with a sticky high quality customer base

UltiSat revenues (US$M)



Outlook 2018

- Growth expected to continue in 2H 2018 delivering **full year 2018 outperformance**
- **Globecomm acquisition** expected to close in Q4 2018 and double **government revenue**, creating a stronger position in a growth market

1. 2018 vs. 2017. Source: Office of the Under Secretary of the Department of Defense (Comptroller)

Financial Results 1H 2018

28 August 2018

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NPATA per share up 36%

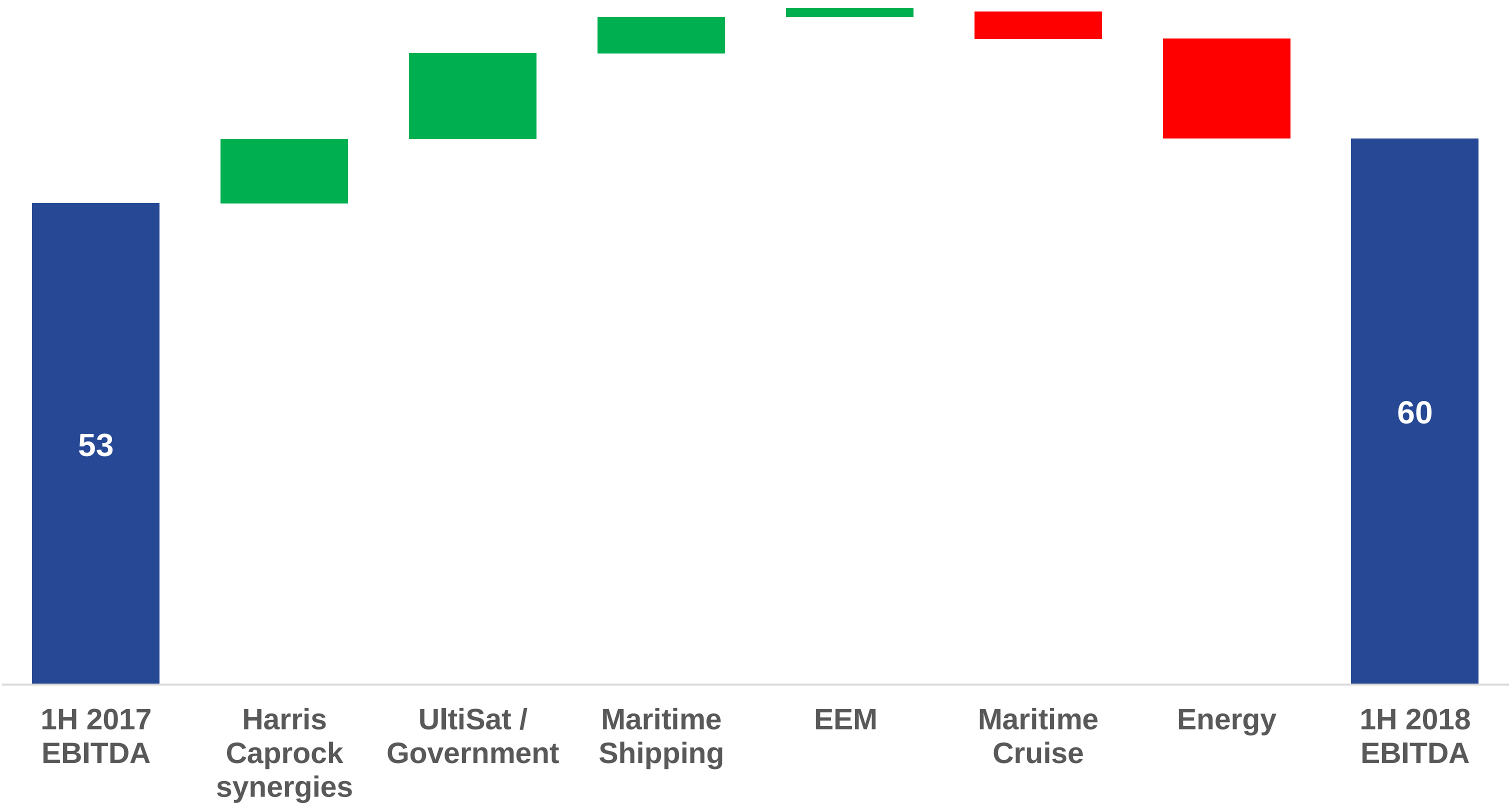
Underlying[1] US$M	1H 2018	1H 2017	Change
Revenue	**304.9**	**246.3**	***24%***
EBITDA	**60.4**	**53.2**	***14%***
EBITDA %	*19.8%*	*21.6%*	*(180)bps*
D & A	(37.9)	(36.0)	5%
EBIT	**22.5**	**17.2**	***31%***
Net finance costs	(15.0)	(11.3)	33%
Profit before tax	**7.5**	**5.9**	***27%***
Income tax expense	(1.6)	(1.2)	
NPAT	**5.9**	**4.7**	
NPATA	**21.1**	**15.4**	***37%***
NPATA per share (US cents)	**8.8**	**6.5**	***36%***

[1] 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.

- **Revenue** up 24% and growing organically
- **EBITDA up 14%. EBITDA margin of 19.8%,** diluted by UltiSat & NBN, and impacted by Energy market and Cruise investment
- **Depreciation & Amortisation** increased with the inclusion of UltiSat, partly offset by classification changes
- **Net finance cost** increased with additional debt to fund growth
- **Tax expense** represents effective tax rate of 21%, expected to trend down over time to around 20% due to geographic mix & lower US rates
- **NPATA per share up 36%**
- **Fully franked interim dividend of AU$2.4 cents per share**

1H 2018 delivered strong growth despite Energy market challenges and investment in Cruise

1H 2017 to 1H 2018 Underlying EBITDA bridge (US$M)



Strong growth:

- Harris CapRock synergies
- UltiSat outperformance
- Commercial shipping growth
- Strong EEM

Offset by:

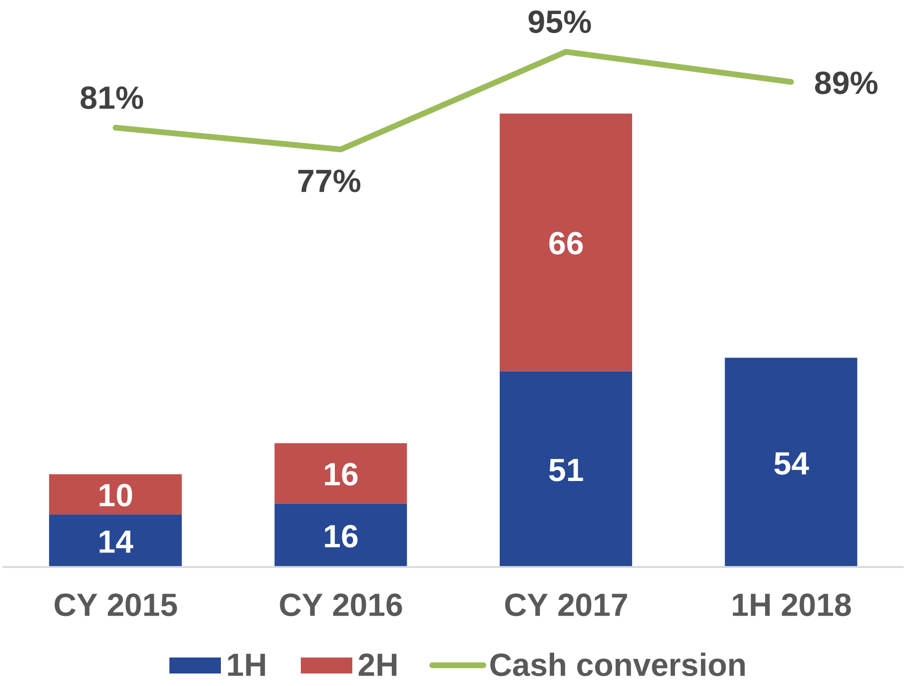
- One time investment in Cruise
- Energy market

Strong cash conversion and low capex generates strong cash flow

- **Focused working capital management**
- **Strong operating cash conversion**
- **Capex light**
  - 5 to 6% of revenue historically, mainly growth investment
  - 1H 2018 increase to 9% due to significant contract wins primarily in Energy and EEM, and investment in IT systems
- **Providing capital for investment in growth strategy**

Reported operating cash flow

US$M and %

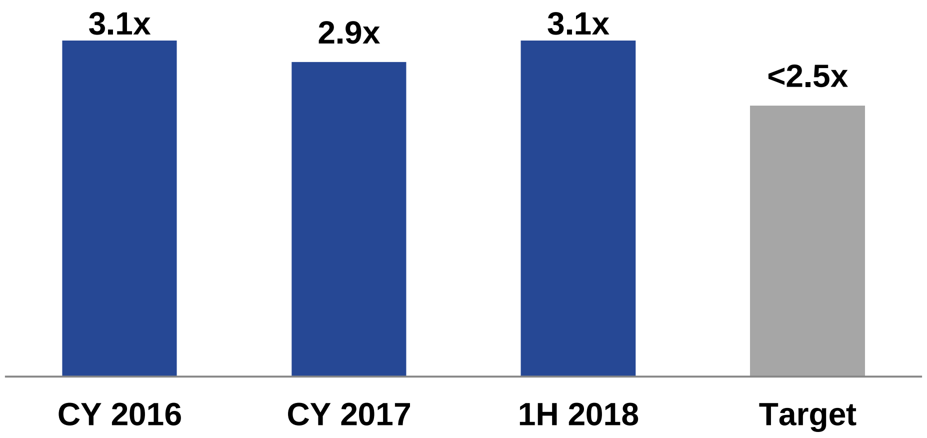


Capex as a % of sales	5%	7%	6%	9%

Disciplined approach to capital management and liquidity

- **Proactive refinancing in April 2018 extending maturity**
  - US$425M 7-year US Term Loan B (TLB)
  - US$100M 5-year Revolving Credit Facility
  - 75% of TLB interest now fixed
  - Revenue and costs predominantly US$
- **Credit ratings**
  - Moody's Ba3 / S&P BB-
- **1H 2018 impacted by investment to support growth**
  - UltiSat outperformance earnout
  - Refinancing costs
  - Growth capex
- **Continued commitment to de-lever to below 2.5x on a like for like basis**
- **Liquidity discipline underpinned by formal policy strengthens funding risk management**

Net Debt / EBITDA ratio[1]



Speedcast Liquidity Policy

	US$M
Target	**80**
Min	50
Max	120

[1] 1H2018 calculated based on LTM June 2018 Consolidated EBITDA including the Pro Forma impact of UltiSat (acquired on 1 November 2017)

Acquisition of Globecomm

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Globecomm transaction summary

Speedcast to acquire Globecomm and extend market leadership in key verticals

Summary	■ Definitive agreement signed to acquire Globecomm Systems, Inc. (“Globecomm”) ■ Highly synergistic combination with strong revenue and cost synergies potential ■ More than US$15M of annualised cost synergies to be realised within 18 months post acquisition
Purchase Price	■ Estimated net purchase price of US$135M on a cash and debt-free basis[1], below 5x EBITDA (post synergies)
Funding	■ The acquisition will be funded via a fully-underwritten add-on to the existing term loan B facility (due 2025) ■ Anticipated pro-forma LTM net debt/EBITDA of 3.3x for June 2018 (pro-forma for Globecomm contribution to EBITDA and anticipated cost synergies)
Conditions	■ Regulatory approvals and consents ■ No material adverse effect ■ Other customary closing conditions
Timeline	■ The transaction is expected to complete in Q4 2018

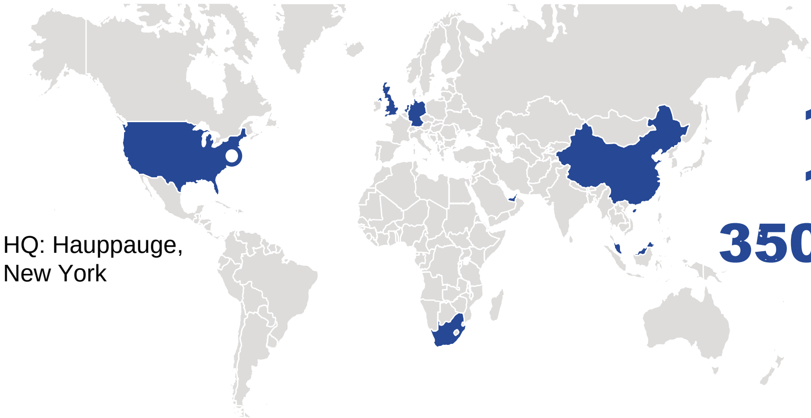
1 The purchase price of US$135M is net of the total proceeds from the sale and leaseback of Globecomm’s Hauppauge facility of US$20M, 50% of which will be payable to the Vendors and the remaining 50% to be retained by Speedcast, and other estimated purchase price adjustments.

Globecomm – a compelling strategic fit

Company description

- #7 independent teleport operator in the world, serving customers in over 100 countries
- Products and solutions include: satellite, fiber/ CDN transport, broadcast and video, systems integration, industrial IoT, cellular and voice and telecom/IT engineering consulting
- Highly reliable, scalable network supported by 18 teleport facilities, 29 POP access points, fiber infrastructure and satellite capacity

Geographic footprint

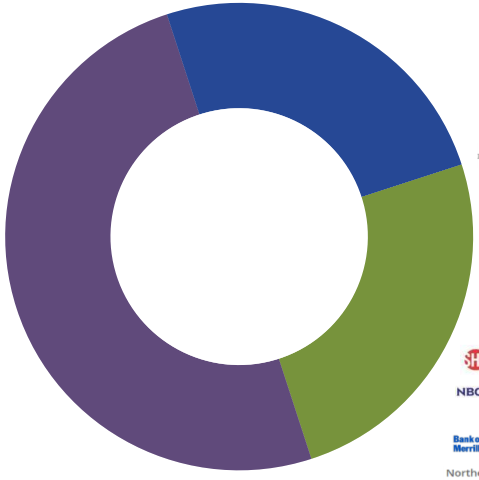


HQ: Hauppauge, New York

12 offices in
10 countries
350+ employees

Markets

CY 2017 Revenue Split (%)



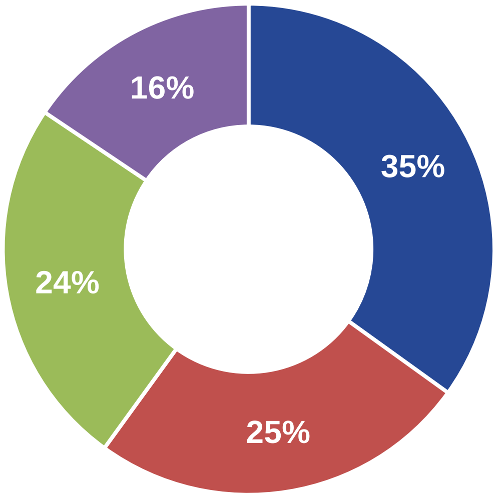
- Globecomm CY 2017 revenue constitutes an even split of both Government and Commercial (maritime, media, enterprise and telecom) contracts

Capabilities

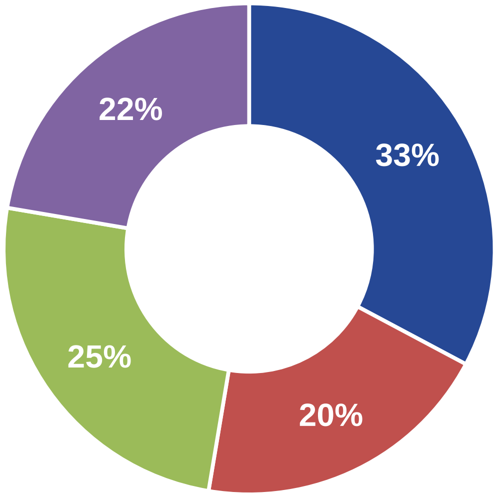
- Managed Network Services
- Systems Integration
- Professional Services

Globecomm will further strengthen end-market diversification with a high quality customer base

% Total Revenue 1H 2018
Speedcast Standalone



% Total Revenue 1H 2018
Pro Forma Globecomm



■ Maritime ■ Energy ■ EEM ■ Government / Ultisat

Strategic rationale - a highly synergistic acquisition that fits our objective to build scale/capabilities and invest in high growth market segments

✓ **Highly strategic acquisition in line with the company's goal to build scale and capabilities through market consolidation, which provides competitive advantages**

✓ **Additional presence and capabilities in the growing government sector**

- Doubles Speedcast government revenue and creates a stronger market position to win larger and more complex contracts

✓ **Broadening of our maritime and EEM businesses**

- Expansion of the maritime customer base and opportunity to accelerate the migration of Globecomm's narrowband vessels to broadband VSAT services
- Attractive partnerships in the enterprise and telecom space to be leveraged globally
- Enhancement of Speedcast's media business with a strong foothold in the US market

✓ **Complementary teleport and security-cleared infrastructure in the US and Europe**

✓ **Annualised cost synergies of more than US$15M**

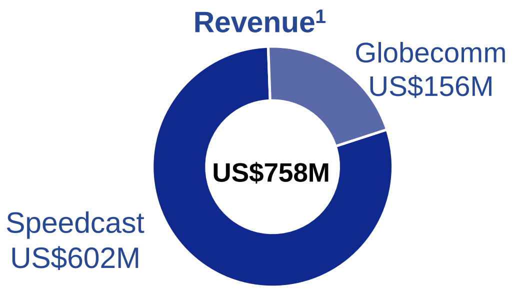
✓ **Further diversification of Speedcast's revenue**

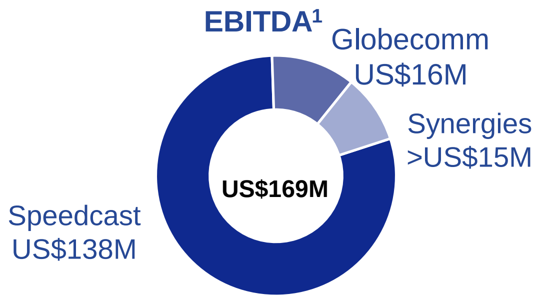
Positive financial impact for Speedcast

Expected financial impact

- Significant positive impact to both revenue and EBITDA. Globecomm 2019 EBITDA expected at $22-30M.
- Temporarily leverage increase immediately post transaction, with commitment to de-lever over time
- Acquisition is expected to be accretive in the first year

LTM Pro Forma Financials (US$M)[1]

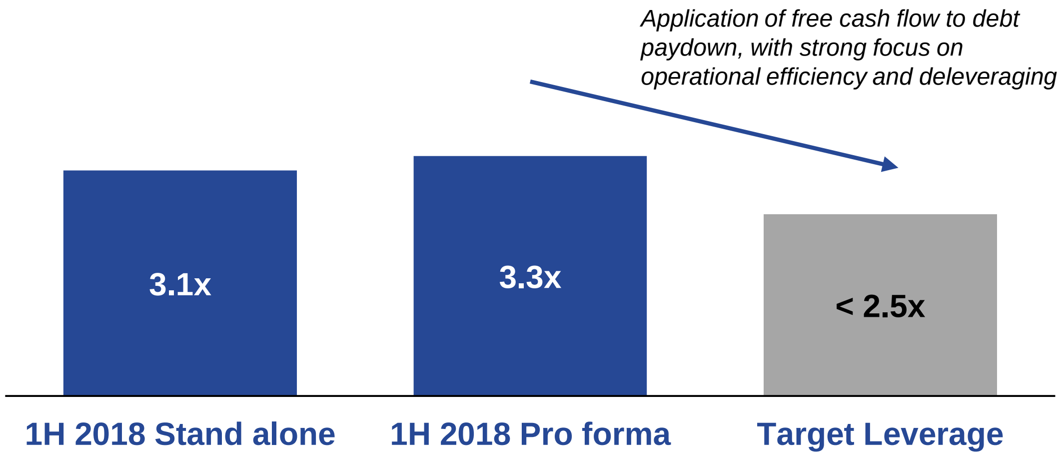




Significant synergies: More than US$15M cost synergies

- Significant cost synergies from the rationalisation of support and operations functions, satellite and terrestrial capacity procurement, teleport consolidation
- Conservative estimate with full run-rate expected to be delivered within 18 months post acquisition
- Confidence in achieving target synergies; strong track record of integration and execution of synergy targets in previous acquisitions
- The combination of Speedcast and Globecomm is expected to create revenue synergies in both government and commercial

Net debt/ EBITDA (x)



Transaction expected to be EPS accretive in the first year

1. Pro forma for 12 months ended 30 June 2018; EBITDA impact from Globecomm is indicative of full run-rate synergies and cost savings currently being implemented by Globecomm.

Strategy

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Speedcast vision

Vision presented at the Investor day in January 2016

- ✓ Undisputed leader in satellite service provision in the Asia Pacific region
- ✓ Top 5 global player
- ✓ Top 3 global maritime player
- ✓ Top 3 global energy player

New Vision

- Further build scale and capabilities – reach US$1B revenue within 3 years
- Strengthen leadership positions in Maritime and Energy
- Drive economies of scale and efficiencies – target 25% EBITDA margin within 3 years

Our values are key to fulfilling our vision

C customer focused

A agile & responsive

S success through people & safety

T team spirit

The underlying values driving our performance culture

Consistent strategy of value creation

Favourable Industry Trends

Organic growth | **Inorganic growth**

Revenue & Margin Growth

Value Creation

Value creation through earnings growth and capital management

<table>
<tr><th>Initiative</th><th>Completed</th><th>Future</th></tr>
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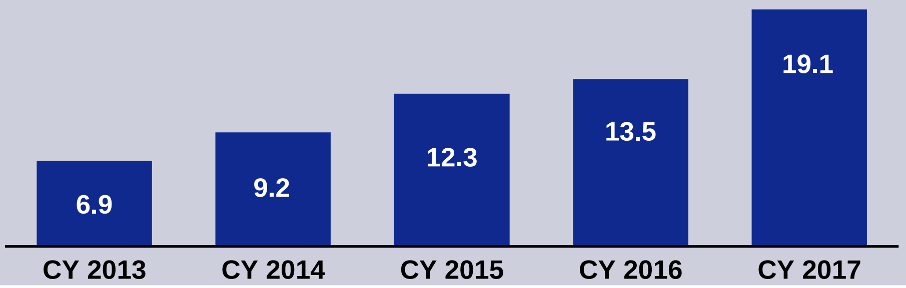
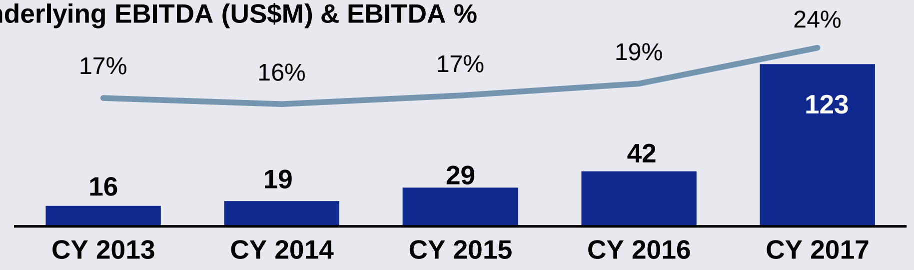
<td>Deliver consistent earnings growth</td>
<td>Underlying NPATA per Share (US$)

</td>
<td>CY 2018 to deliver solid growth despite some temporary headwinds
Significant pipeline of 2019 opportunities demonstrating growing ability to generate material revenue synergies
Well positioned in expected growth markets of Government, Maritime and Energy</td>
</tr>
<tr>
<td>Capitalise on scale efficiencies</td>
<td>Underlying EBITDA (US$M) & EBITDA %

</td>
<td>Scale added by Globecomm to drive additional operating cost efficiencies
Speedcast’s ability to extract scale efficiencies remains a key element of ongoing disciplined approach to M&A</td>
</tr>
<tr>
<td>Disciplined approach to balance sheet</td>
<td>Strong operating cash flows: close to or above 80% cash conversion delivered historically
Liquidity policy</td>
<td>Temporary step-up in leverage following acquisition of Globecomm
Highly accretive and synergistic transaction
In line with long-term value creation strategy
Fast deleveraging expected</td>
</tr>
</table>

Outlook

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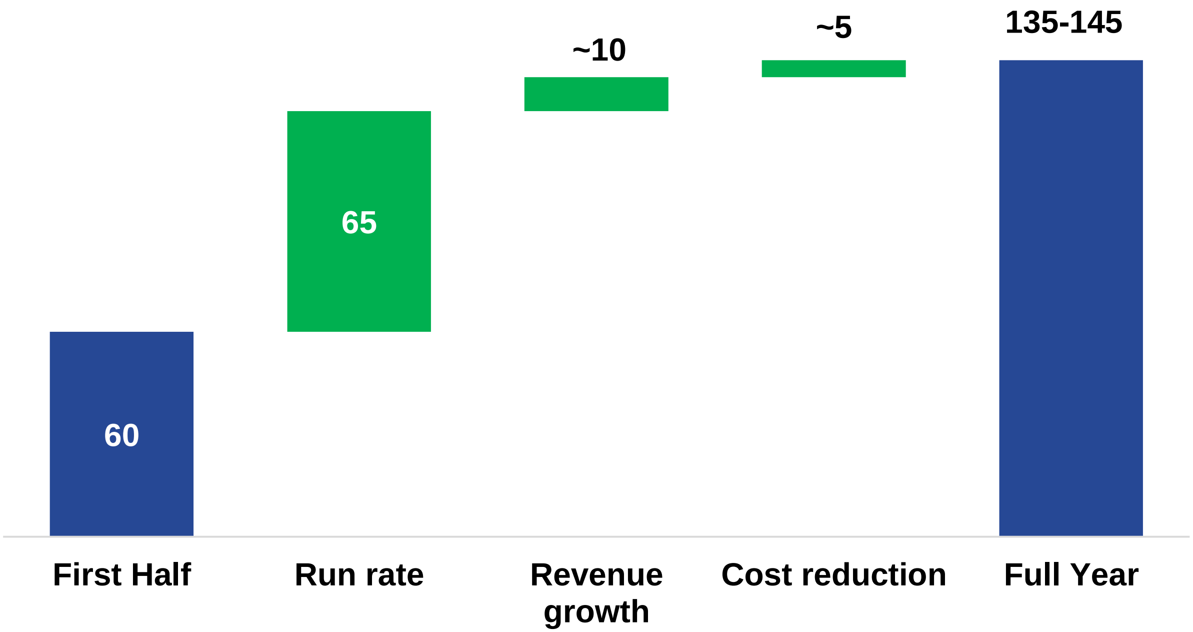
Full year 2018 Outlook

- Recent developments impacting the outlook include:
  - Energy upturn timing
  - Challenge with one large Latam contract
  - Investment in Cruise
  - Commercial Shipping / UltiSat growth
- Extension of synergies and continuous cost control initiatives
- 2H 2018 EBITDA margin expected to be higher than 1H 2018
- **Following 1H 2018 performance and a detailed bottom-up reforecast, full year 2018 outlook for Underlying EBITDA revised to US$135-145M**

1H 2018 to full year 2018 Underlying EBITDA US$M



Strong medium term outlook

Maritime

- **Merchant Shipping backlog and pipeline** provide a strong outlook for future service revenue growth beyond 2018
- **Promising medium-term growth in cruise** with customers aiming for much higher bandwidth for both guests and crew, and embarking on digitalisation projects. Expected Carnival renewal and strong pipeline to drive future growth, which will include market share gains.

Energy

- **Strong evidence of industry upturn in 2019**
- **Upswing expected for Speedcast revenue in 2019 and 2020**
  - Conversion of new business backlog
  - Strong activity onshore
  - Energy industry activity levels rising and deepwater offshore capex increasing
  - Significant market share with growth potential in existing contracted but currently stacked rigs

EEM

- **Cellular backhaul to be a key growth area** with positive momentum in Latin America, Africa and South East Asia
- **Improving prospects in the mining industry** should drive additional growth in 2019
- Leveraging scale advantage **to win market share globally**

Gov/UltiSat

- Growth expected to continue on the back of **increased government spending globally**
- Group will leverage the scale of the combined UltiSat and Globecomm businesses to **access government opportunities** globally while increasing its presence in the **NGO/IGO space**

Globecomm – diversified contribution to economies of scale and future growth

- Opportunities to build a more **global media business**
- **Accelerated migration** of Globecomm narrowband customers to broadband VSATs

Conclusion

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Conclusion

- Overall solid financial performance in 1H 2018 amidst organic growth acceleration in key verticals with the notable exception of Energy, due to delayed offshore market recovery, which combined with a one-time investment in Cruise is leading to a revised US$135-145M Underlying EBITDA outlook for full year 2018
- Delivered 24% Revenue growth and 37% NPATA growth
- Opportunistic and highly strategic acquisition of Globecomm in line with the company's long-term strategy
- Temporary re-leverage for Globecomm acquisition, which will support growth and commitment to future deleveraging
- Strong medium term outlook due to accelerating organic growth on the back of Energy recovery and contribution from Globecomm including significant cost synergies
- Market leading platform well positioned for future growth, with increased geographical and market diversification, unique scale and capabilities and leadership position in key markets

Appendices

28 August 2018

Reconciliation of Underlying to Statutory Results

US$m	Underlying[1] 1H 2018	Underlying[1] 1H 2017 (Restated)
Statutory NPAT	**0.5**	**(5.2)**
Acquisition related costs	0.4	6.0
Integration costs	1.0	0.8
Restructuring costs	0.6	3.6
Fair value loss on deferred consideration	-	0.6
Gain on extinguishment of interest rate hedges	(3.0)	-
Foreign exchange gain	(1.9)	(0.4)
Accelerated amortisation of capitalised facility fees on borrowing – finance cost	8.6	-
Interest expense on deferred consideration – finance cost	0.8	-
Unwinding of fair value adjustments on acquisitions – finance cost	0.3	0.4
Tax effect of above items	(1.4)	(1.1)
Underlying NPAT	**5.9**	**4.7**
Add back: Amortisation (net of tax)	15.2	10.8
Underlying NPATA	**21.1**	**15.4**

- The underlying financial results have been presented to provide a better understanding of Speedcast's financial performance in the period and is intended to exclude items which are non-recurring in nature such as acquisition-related costs, integration costs and restructuring costs. The table opposite reconciles the Statutory NPAT to the Underlying NPAT and NPATA
- Acquisition related costs such as due diligence, M&A, consultants and legal fees totalling US$0.4M have been excluded from the underlying financial results
- Integration and restructuring costs of US1.6M, principally in relation to the Harris CapRock and UltiSat acquisitions.
- On repayment of previous loans, certain interest rate swaps were cancelled. The fair value of the swaps was recycled through profit and a gain of US$3.0M was recognised;
- Foreign exchange gains of $1.9M have been excluded from the underlying result;
- As a consequence of the 1H 2018 refinancing, prior loan establishment costs have been amortized fully generating a US$8.6M expense
- The collective tax impact of the adjustments is a credit of US$1.4M
- Underlying NPAT for the period after these adjustments was US$5.9M
- After adding back the amortisation of intangibles (net of tax) the underlying NPATA of the Group is US$21.1M compared with US$15.4M in 1H 2017

[1] 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.

Balance Sheet overview – 30 June 2018

US$m	Jun-18	Dec-17 (Restated)
Cash	50.3	54.8
Trade & other receivables	171.1	147.7
Inventories	23.5	15.7
Income tax receivable	5.1	4.2
Total current assets	**250.0**	**222.4**
PP&E	102.8	95.2
Deferred Tax Assets	18.9	9.8
Intangibles (including Goodwill)	606.9	623.0
Other Non-current assets	9.6	4.1
Total Assets	**988.2**	**954.4**
Trade and other payables	196.2	166.3
Income tax payable	2.1	5.3
Total Current liabilities	**198.3**	**171.5**
Borrowings (Non-Current)	469.7	432.2
Deferred Tax Liabilities	14.2	18.0
Other Non Current Liabilities	21.6	29.5
Total Liabilities	**703.8**	**651.3**
Net Assets	**284.4**	**303.1**

- Borrowings of US$469.7M at Jun-18 are non-current and comprise gross drawn debt of US$479.8M (Dec-17: US$443.1M) offset by prepaid facility fees of US$10.1M (Dec-17: US$10.9M)
- Net debt (Gross drawn debt less cash) increased by US$42M to $430M at 30 June 2018 (Dec-17: US$388M) reflecting the payment of the first earnout in relation with the acquisition of UltiSat (US$20M), fees related to the refinancing and capital expenditure

Case Study - Harris CapRock synergies delivered

Track record of integrating acquisitions and realising synergies

Transaction overview

- Acquisition of Harris CapRock for US$425M announced 2 November 2016
  - Transaction multiple of 7.0x EBITDA (pre-synergies)
- Expected synergies revised to more than US$30M from initial guidance of US$24M
  - Transaction multiple of 4.7x after reestimated synergies of more than US$30M (from initial guidance of US$24M)
- Transaction closed 1 January 2017
- Acquisition of Harris CapRock (and prior acquisitions) financed using a combination of debt and new equity
  - Harris CapRock partially financed with a US$224M equity raise

Integration program update

- In January 2017, Speedcast commenced the Integration Program with 15 work streams, 53 initiatives and 244 key milestones to achieve
- 12 workstreams were closed in 2017 with 98% of the key milestones achieved
- Integration synergies forecast to be more than US$30M in 2018
- Key initiatives remaining as of Jun-18 include ERP integration and MSS services rationalisation

Approx. 99% completed

	Jan-17	June-17	Dec-17	Jun-18
# of work streams	15	10	2	2
# of initiatives in progress	53	26	3	2
Key milestones to achieve	244	Approx. 60	3	2

speedcast