

ASX ANNOUNCEMENT**Appendix 4E and Unaudited Financial Statements**

- Preliminary Appendix 4E and unaudited financial statements for 12 months ended 31 December 2019 lodged
- Audited financial statements to be completed as soon as possible
- Impacts from global COVID-19 pandemic being felt across the business; as such, the Company is unable to provide FY 2020 guidance at this time
- Capital structure remains under review
 - Company is in discussions with its lender group in relation to bridging finance and forbearance of obligations due 31 March 2020
 - favourable outcome anticipated in relation to these discussions
- Speedcast remains committed to working with its customers and suppliers through this unprecedented period to ensure continuity of their critical telecommunications services

Sydney, Australia, 30 March 2020 – [Speedcast International Limited](#) (ASX: SDA), the world's most trusted provider of remote communication and IT solutions, today announced its preliminary financial results for the 12 months ended 31 December 2019 (FY 2019).

FY 2019 overview

- Group unaudited revenue up 18% to US\$722.3 million (FY 2018 [restated]: US\$611.9 million), with FY 2019 revenue including a full year of revenue from acquisitions made in 2018
 - Excluding Globecomm and project revenue from a key customer, underlying revenue was relatively flat year-on-year
- Statutory unaudited NPAT loss of US\$459.8 million (FY 2018 [restated]: loss of US\$6.8 million)
 - Includes US\$413.8 million of non-cash impairment charges and write-downs
 - Also included were other significant one-off expenses of US\$54.5 million related to previous acquisition transaction costs, integration and restructuring costs; as well as gains or losses on foreign exchange settlements, and bandwidth costs associated with technology disruptions
- The Board considers that unaudited EBITDA excluding Significant Items¹ provides a useful indication of the performance of the business, that is, excluding the impact of non-cash impairment charges and write-downs and other significant costs:
 - EBITDA before Significant Items of US\$121.8 million, includes US\$8.8 million AASB16 Leases benefit (FY 2018 [restated]: US\$120.9 million with no AASB 16 Leases benefit)

¹ These include non-cash impairments and write downs, acquisition-related transaction costs, integration and restructuring costs, gains or losses on foreign exchange translation and bandwidth costs associated with technology disruptions.

- EBITDA before Significant Items without AASB 16 Leases benefit was US\$113 million

in both cases, after US\$10 million of additional provisions were taken in relation to asset values as a result of further review of FY 2019 results

- Excluding the additional provision charges referred to above, EBITDA excluding Significant Items (without AASB 16 Leases benefit) of US\$123 million was around 10% under previous guidance (as announced on 3 February 2020)
- At 31 December 2019, total cash on balance sheet was US\$58.4 million, with US\$669.0 million debt.

The audit of Speedcast's FY 2019 financial statements is still being completed, and trading of the Company's shares will remain in suspension until the audit has been finalised.

COVID-19 impact

COVID-19 has had a substantial impact on the cruise industry, which is anticipated to continue for the near term. With cruise being a key market segment for Speedcast, this downturn has negatively affected the Company's earnings outlook for the current financial year. As a consequence, Speedcast is not able to provide a reliable outlook for the performance of the business in FY 2020.

Speedcast has been working with its Cruise customers to support them during this difficult period, and the Company anticipates that the joint engagement will prove the value of working with trusted partners – in both the good and the difficult times.

As the global pandemic has continued, and consistent with the market more broadly, the Company is seeing impacts across a range of its customers and business segments. On the supplier front, Speedcast will continue to work with its suppliers to minimise any impact on the business from customer delays and cancellations where possible.

As with many other companies, Speedcast has moved to have a large proportion of its team members working from home where possible. The Company has implemented a range of other measures around business continuity planning, security and safety of its sites; and to ensure that – where team members are travelling to other sites – appropriate precautions are being observed.

Speedcast's key interest remains the health and well-being of its people, and its customers' and suppliers' people.

The Company anticipates that a cost of the necessary measures will be some delay and dislocation in operations as the Company works to resolve the range of issues this pandemic has created. Nonetheless, Speedcast remains committed to working with its customers and suppliers through this unprecedented period to ensure continuity of the critical telecommunications services it provides.

Review of Capital Structure

The Board continues to review the Company's capital structure, and is progressing several initiatives that it expects will be favourably concluded including:

- Negotiating the terms of a Forbearance Agreement with its lenders that is expected to provide for, amongst other things, forbearance in respect of non-payment of the interest and amortisation payment due to the lenders on 31 March 2020, and in respect of any potential breach of the net leverage covenant as at 31 December 2019. The forbearance is intended to assist with the Company's liquidity position, to provide stability and to allow ongoing trading while the terms of the interim funding are finalised
- With equity market conditions precluding a meaningful equity raising, the Company is in discussions with its lending syndicate to implement short-term bridging finance to allow Speedcast to continue operating and progress its recapitalisation and restructuring to reduce the overall leverage of the Company
- Engaging with suppliers in respect of certain payments due. These discussions relate to scheduling for payment of overdue amounts and the ongoing support and provision of services by suppliers as the Company continues to progress its recapitalisation and restructuring.

Based on the expectation that a Forbearance Agreement will be signed, the Company will obtain the required funding, and that a satisfactory recapitalisation will be achieved, the Directors have prepared the preliminary financial report on a going concern basis. However, there is no guarantee that all of these initiatives will be achieved.

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

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About Speedcast International Limited

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

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