

**ASX ANNOUNCEMENT****Business Update and Appointment of CEO and President/CCO**

- The Board's extensive review of the FY19 result is progressing
  - Determining whether additional matters, such as non-cash write-downs, should be taken up, and what additional market disclosure is appropriate
- FY20 performance has been affected by the heightened uncertainty surrounding the coronavirus, particularly within the Cruise segment
- Additional funding is being sought to provide the opportunity to engage in meaningful discussions with the Company's lending group and suppliers as part of an overall longer-term recapitalisation of the business
  - Current equity market conditions preclude a meaningful equity raising
  - Moelis Australia Limited appointed to advise on funding solutions and implementing a longer term recapitalisation
- Potential sale of non-core assets (where material and beneficial to the Company) continue to be pursued
- Speedcast continues to operate as close to normal as possible
  - Company continues to provide services to its customers worldwide
  - Appropriate measures have been implemented to address coronavirus risks
- Peter Shaper and Joe Spyttek have agreed to move to full-time Chief Executive Officer and President / Chief Commercial Officer roles respectively, effective immediately, while continuing with their Board roles

**Sydney, Australia, 18 March 2020** – [Speedcast International Limited](#) (ASX: SDA), the world's most trusted provider of remote communication and IT solutions, provides the following update to the market.

**FY19 Result**

As previously announced, Speedcast's EBITDA result for the 12 months ended 31 December 2019 (FY19) is not within the range anticipated by the market at the time of the Company's guidance last year. As such, there has been additional focus by the Board to consider whether any other matters should be accounted for in FY19, such as impairment charges, asset write downs and provisions, and to determine what additional market disclosures are required.

The Board continues to work with the management team to fully review all elements of the FY19 result, and expects to finalise this review soon.

At this stage, the Company anticipates that FY19 EBITDA (excluding Significant Items<sup>1</sup>) will be in the range of US\$110-121 million (including AASB16 leasing benefit).

**FY20 performance affected by the coronavirus**

The Board had previously announced that it anticipated identifying the amounts that will provide a baseline for the expected performance of the business in FY20.

Coronavirus has had a substantial impact on the Cruise industry over the past few weeks, which is anticipated to continue for the near term. With Cruise being a key market segment for Speedcast, this downturn has negatively

<sup>1</sup> 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.

affected the Company's earnings outlook for the current financial year. As a consequence, Speedcast is not yet able to provide a reliable outlook for the performance of the business in FY20.

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.

Similarly, Speedcast will continue to work with its suppliers during this period, to minimise any impact on the business from customer delays and cancellations where possible.

As with many other companies, Speedcast is moving to have a large proportion of its team members working from home where possible during this time. 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.

### **Alternate sources of funding being sought**

With current equity market conditions precluding a meaningful equity raising, the Company has appointed Moelis Australia Limited to advise on its funding and recapitalisation alternatives. Obtaining additional funding will provide Speedcast with the opportunity to engage in meaningful discussions with its lending group and suppliers as part of an overall longer-term recapitalisation of the business.

Speedcast has already initiated discussions with its lending group in respect of this additional funding, and to ensure a productive ongoing relationship in the recapitalisation process. The Company is particularly seeking to work with the lending group and suppliers so that all stakeholders can assist in ensuring the stability of Speedcast's customers at this challenging time.

In addition, the Board continues to seek to reduce overall leverage, including the potential sale of non-core assets to reduce debt, where material and beneficial to the Company.

### **Speedcast continues to trade as close to normal as possible**

Although the Company is operating through a challenging business environment, it is seeking to conduct as close to normal operations as possible.

While there are understandable challenges with travel and some site access, Speedcast's global teams are working hard to continue to provide our services to customers around the world. Speedcast's aim is to ensure that its essential communication services are delivered as planned throughout this period.

### **CEO and President/CCO appointments**

Speedcast is very pleased to announce that Peter Shaper and Joe Spytek have agreed to move into full-time Chief Executive Officer and President / Chief Commercial Officer roles respectively, effective immediately, while continuing with their Board roles.

Peter and Joe have been instrumental in formulating a focused transformation plan to address the business issues facing the Company. The Board believes it is a very good outcome that the Company now has continuity in the execution of this plan and the ability to build positive momentum, as Peter and Joe move into full time executive roles.

As a consequence, the Company has suspended its external search for a CEO.

Key elements of Mr Shaper's and Mr Spytek's employment contracts are included in the attached Appendices.

***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](http://www.speedcast.com).

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**Appendix 1: Material terms of Peter Shaper's appointment as CEO of Speedcast**

<b>Key terms</b>	<b>Detail</b>
<b>Commencement date</b>	1 March 2020
<b>Term</b>	Ongoing
<b>Total Fixed Remuneration (TFR)</b>	US\$800,000 per annum.
<b>Short Term Incentive (STI)</b>	A maximum of US\$400,000. The STI does not form part of the TFR for any purpose, including the calculation of notice, payment in lieu of notice, or any other entitlement.
<b>Long Term Incentive (LTI)</b>	A suitable equity linked performance-based LTI will be agreed with the Board, and a resolution to approve the incentive will be included in an upcoming Extraordinary General Meeting.
<b>Notice period</b>	Either party may terminate the agreement on three months' notice. If Speedcast terminates the agreement without cause, the Company would pay the proportionate part of any STI earned to that date.

**Appendix 2: Material terms of Joe Spytek's appointment as President/CCO of Speedcast**

<b>Key terms</b>	<b>Detail</b>
<b>Commencement date</b>	1 March 2020
<b>Term</b>	Ongoing
<b>Total Fixed Remuneration (TFR)</b>	US\$600,000 per annum.
<b>Short Term Incentive (STI)</b>	A maximum of US\$300,000. The STI does not form part of the TFR for any purpose, including the calculation of notice, payment in lieu of notice, or any other entitlement.
<b>Long Term Incentive (LTI)</b>	A suitable equity linked performance-based LTI will be agreed with the Board, and a resolution to approve the incentive will be included in an upcoming Extraordinary General Meeting.
<b>Notice period</b>	Either party may terminate the agreement on three months' notice. If Speedcast terminates the agreement without cause, the Company would pay the proportionate part of any STI earned to that date.