



Gilat Satellite Networks

Investors Presentation
August 2024

Forward Looking Statements Disclaimer

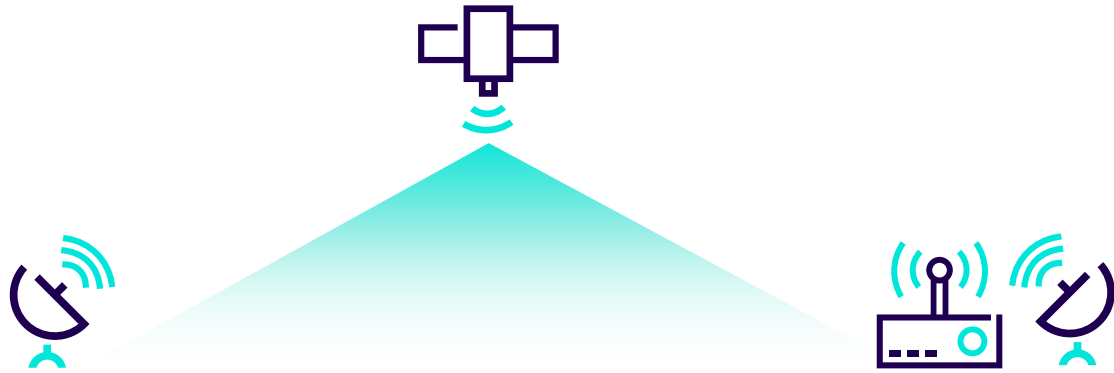
Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words “estimate”, “project”, “intend”, “expect”, “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties. Many factors could cause the actual results, performance or achievements of Gilat to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, inability to maintain market acceptance to Gilat’s products, inability to timely develop and introduce new technologies, products and applications, rapid changes in the market for Gilat’s products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company’s proprietary technology and risks associated with Gilat’s international operations and its location in Israel, including those related to the current terrorist attacks by Hamas, and the war and hostilities between Israel and Hamas and Israel and Hezbollah. For additional information regarding these and other risks and uncertainties associated with Gilat’s business, reference is made to Gilat’s reports filed from time to time with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements for any reason.

Unaudited/Non-GAAP Financial Measures

This presentation includes financial data that is not audited and financial data that was not prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Non-GAAP financial measures mainly exclude, if and when applicable, the effect of stock-based compensation expenses, amortization of purchased intangibles, lease incentive amortization, other non-recurring expenses, other integration expenses, other operating expenses (income), net, one-time changes of deferred tax assets and income tax effect on the relevant adjustments. Gilat believes these non-GAAP financial measures provide consistent and comparable measures to help investors understand Gilat’s current and future operating performance. However, our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read in conjunction with Gilat’s consolidated financial statements prepared in accordance with GAAP.

A World Leader in Satellite Communications

Innovative Ground Equipment



~1,200 Employees

1987 Founded

16 Sales Offices

7 R&D Centers

3 NOC Centers

GILT NASDAQ /TASE



Gilat Proprietary and Confidential



Cellular Backhaul

2G 3G 4G 5G



Aero / IFC



Telecom Infrastructure
& Services



Maritime



Government



Land



Enterprise



Defense



Consumer



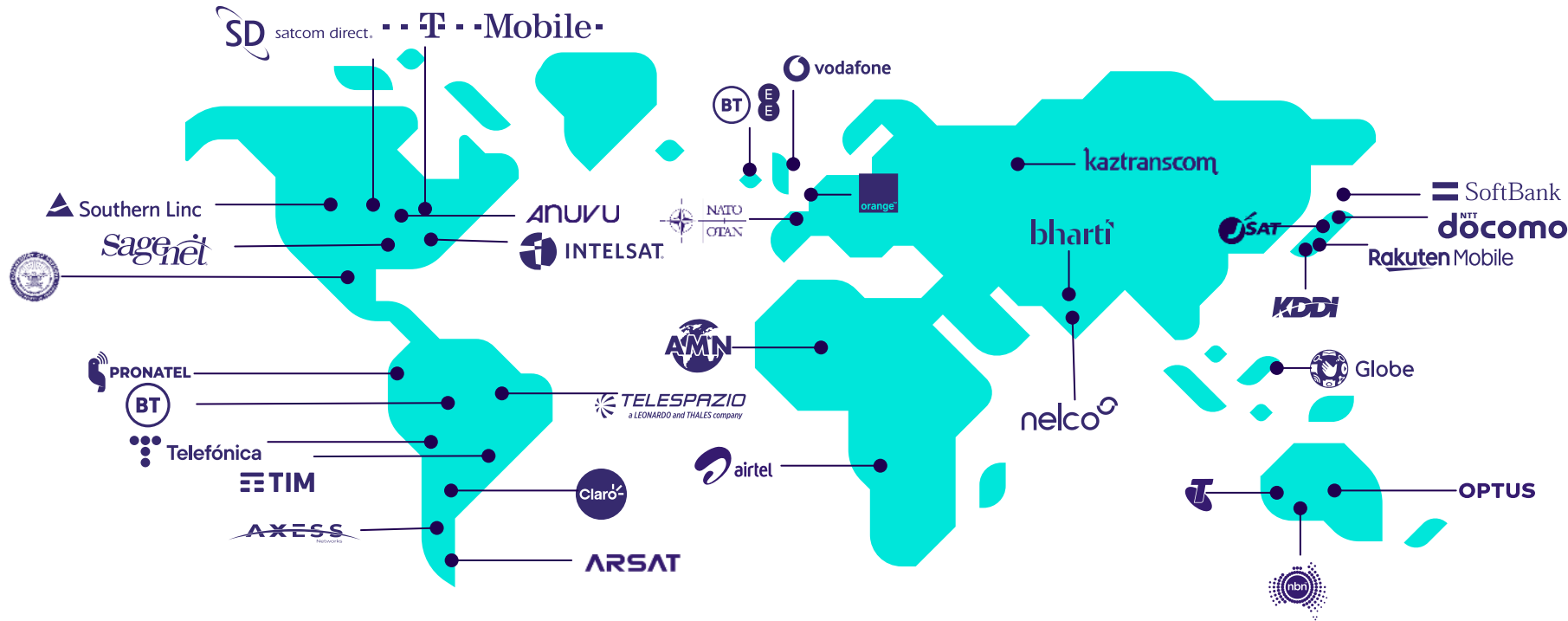
Social Inclusion

Leading Global Customer Base

Satellite Operators



Service Providers & MNO's



100+ Countries

300+ Customers

Hundreds of Networks

System Integrators



Value Chain

Satellite
Manufacturer



Satellite
Operator



Ground
Equipment



Service
Provider



End
Users



Uniquely Positioned to Unlock Growth Opportunities

1

VHTS & NGSO Constellations - Abundance of Capacity

IFC, Maritime, Cellular Backhaul, Enterprise, Social Inclusion

2

Strong Tailwinds in Defense

Increased focus on military SATCOM networks

3

Peru Terrestrial Networks "Investment" Shifting to Operation

Recurring revenue model

VHTS/NGSO Constellations - Abundance of Capacity

Large Capital Spending in Satellite Industry

GEO
35,786 km
~550msec



HTS/VHTS

MEO
2,000-10,000 km
~120msec



SES/O3B



LEO
500-2,000 km
~15msec



Telesat



Iris2



OneWeb



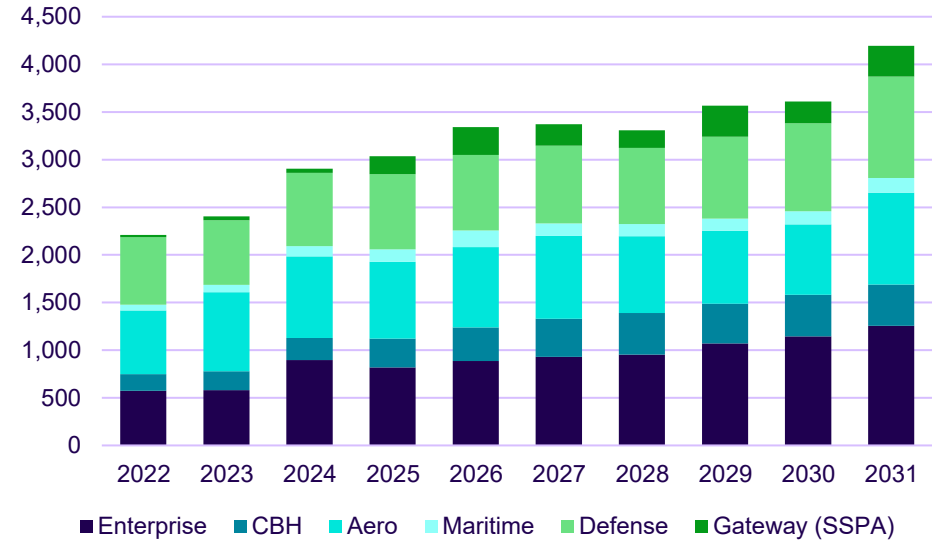
Starlink



Amazon

More Than 50,000 LEO Satellites Expected Within a Decade;
Investment Over \$30 Billion

Total Addressable Market (\$M)

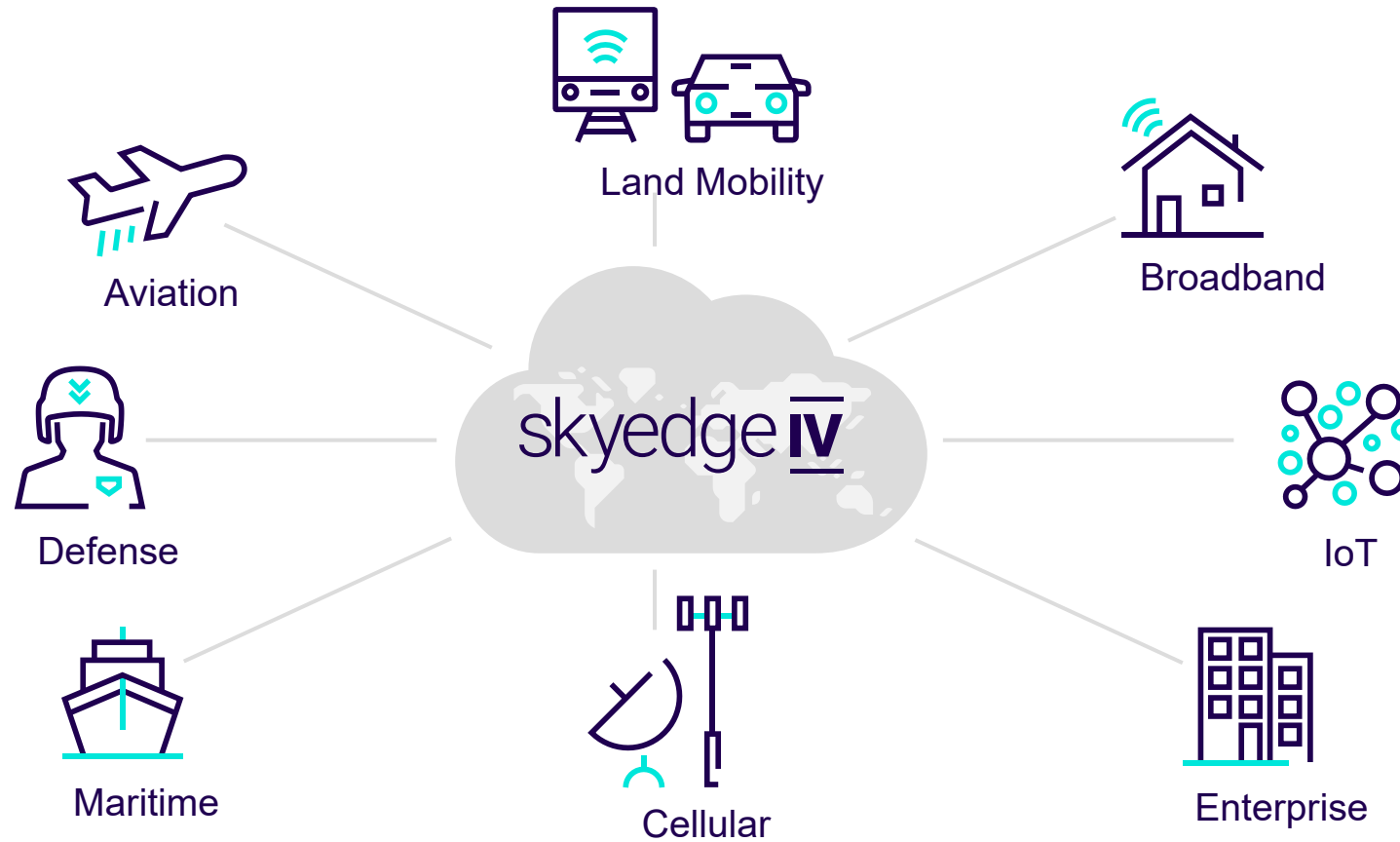


NSR 2023 & Gilat Internal

A Multi-billion Dollar Equipment Market

SkyEdge IV – Industry Leading Ground Platform

For VHTS & Multi Orbit Constellations



The Satellite Operators Choice

SES **hispasat** **INTELSAT**

In Flight Connectivity



INTELSAT



satcom direct.



Aero Antennas



400Mbps Modem



Transceivers



Ground Equipment



Superior Passenger Experience

Enabling Large IFC Global Networks

Global Coverage | > 30 Satellites |

28 Teleports | 32 Airlines |

Global Network Management System

Expanding Fleets

Commercial Aircrafts

~19,500
(2032)

CAGR 9%

~8,430
(2022)

Business Aircrafts

~16,000
(2032)

CAGR 20%

~2,700
(2022)



Stellar Blu – First-to-Market ESA Multi-Orbit for Commercial Aviation IFC



About

~60 employees

Main Locations: Ft. Worth, TX, San Diego CA, Europe



Strategy

First-to-market commercial aviation ESA



Technology

ESA based multi-orbit aero satcom terminal



Main Customers



Panasonic



Longer Term Prospects - Upside

Ka Operators and Service providers (GEO and LEO)

Aircraft manufacturers

Government and Defense

Land mobility

The acquisition positions Gilat as a market leader in In-Flight Connectivity (IFC) technologies and solutions for Commercial and Business Aviation



Winning Product Offering

Select Product Features

- Low profile, no radome – lowest TCO
- Operate with LEO, GEO, and MEO networks
- Agnostic architecture allowing customization to different service providers



Bombardier CRJ-700 Test Flight (Dec 2022)

GPS Antenna



Aircraft Personality Module



Power Supply Unit



Antenna Control Management Unit

Financial Highlights

Deal Size

Initial cash of **\$98M**

+ up to **\$147M**

goals based earnout:

\$29M Delivery ramp up objectives

\$19M Additional orders objectives

\$99M New Strategic customer agreements (4 milestones)

Deal Financing

A combination of Gilat's cash resources and a credit facility, leveraging Gilat's strong balance sheet

Expected Closing

H2/24

Profitability

SBS is expected to become profitable **during 2025**

Accretive acquisition from **H2/2025** (non-GAAP);

Adj EBITDA > **10%**



**Accelerated
Profitable
Growth**

2025 Revenues

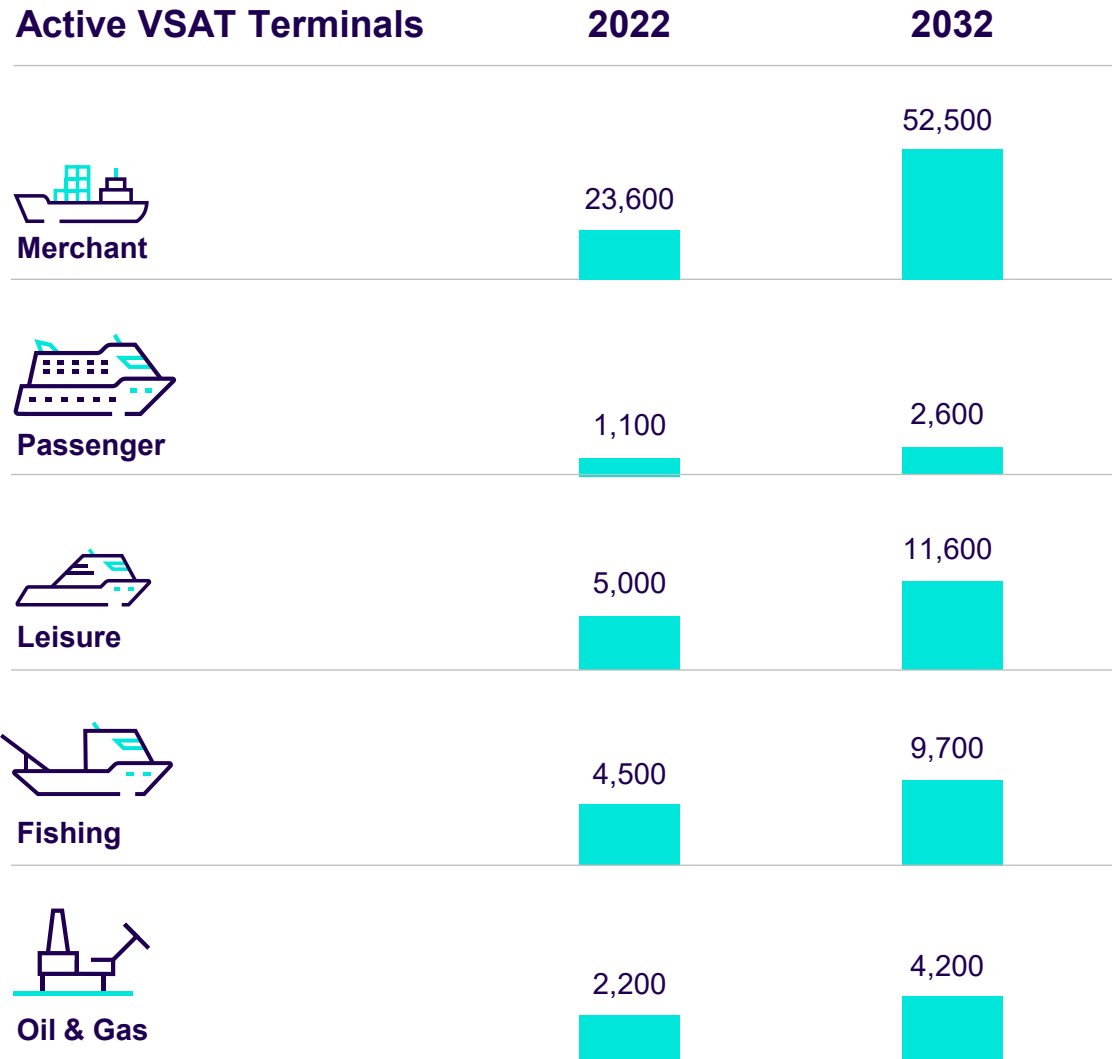
\$120M-\$150M

based on a firm backlog

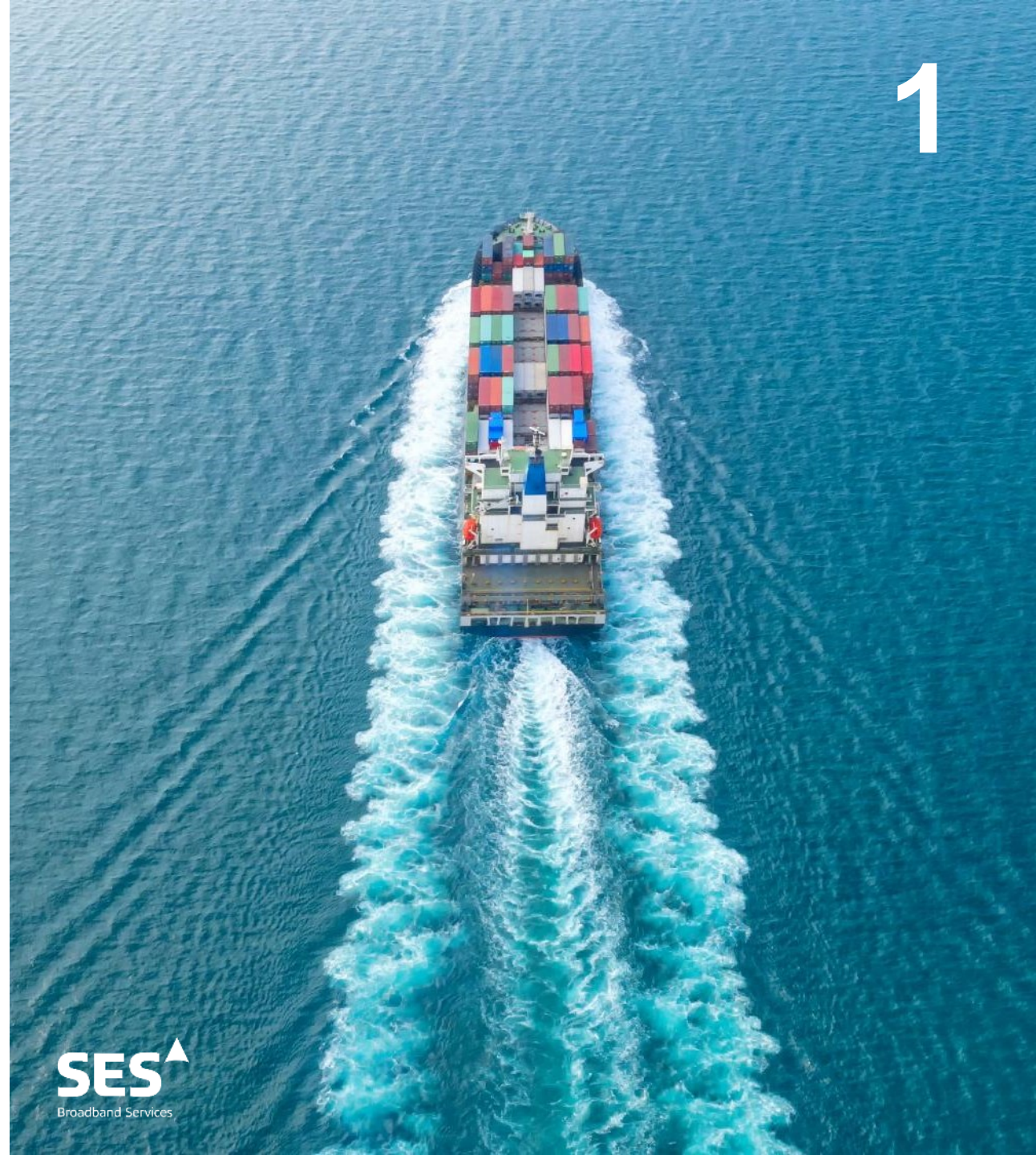
Additional material revenues upon meeting all earnout goals



Maritime



Euroconsult 2023



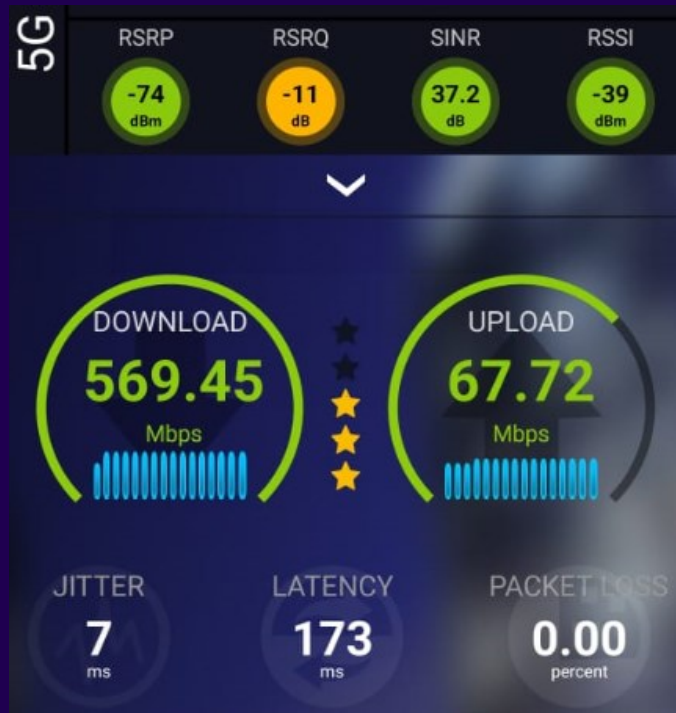
Cellular Backhaul

4G/5G Ubiquitous Connectivity Bridging the Digital Divide

~75% of Satellite Backhaul
4G/LTE Market Share

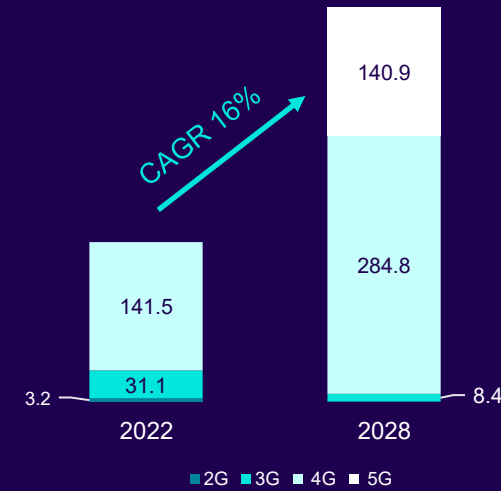
NSR & GILAT ESTIMATION, 2022

Demonstrated 5G Capabilities Over NGS0:



1

Global CPE Revenues (\$M)



NSR 2023



Defense & Government

Increased Focus on Military Satcom Networks

Secure & Resilient SATCOM Technology for Today's Net-Centric Battlefield

- End-to-end in-house capabilities for land, sea and air missions
- Ruggedized antennas, modems and SSPAs
- Enable mission-critical COMMs/C5ISR operations over multi-orbit, software-defined platforms
- Support defense organizations around the globe

Total Addressable Market ~\$1B by 2030



Acquisition of DataPath

Completed November 2023

DataPath is a market leader in trusted communications for the US DoD Military and Government sectors, generating annual revenues of ~\$45M and profitable

- A strategic step in Gilat's role in the defense markets
- High Synergy potential between the companies
- Valuation of up to \$45M Enterprise value – up front \$3M, assumed debt \$15M, Earnout up to \$27M
- Consideration is mainly in Gilat shares



Primary End-Markets

- ✓ U.S. DoD
- ✓ International MoDs

Core DataPath Solutions Segments

- ✓ Sat. Ground Systems
- ✓ Transportables
- ✓ Network Management SW (MaxView)
- ✓ Field Services

Peru Terrestrial Networks

Shifting to Operations Recurring Revenue Model



Annual Recurring Revenues **> \$50M**



Telefónica



facebook connectivity

Pronatel Terrestrial Projects totaling \$567M

5 regions in operation, 6th was submitted, expected to start operation in 2024

Elevating our Technologies & Network Infrastructure to other Social Inclusion projects

E-Learning; Public free WI-FI Hotspots; 4G backhauling...



Gilat Proprietary and Confidential

3

Gilat Delivers Internet to Millions of People in Peru



Financial Highlights

Q2 2024 Profit and Loss Highlights

US\$ Millions

	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23
GAAP					
Revenue	76.6	76.1	75.6	63.9	67.6
Operating Expenses	23.8	22.7	26.0	13.1	20.1
Operating Income	2.8	5.4	2.9	12.7	5.4
Net Income	1.3	5.0	3.4	10.2	4.3
Non-GAAP					
Gross Margin	37%	38%	39%	41%	38%
Adj. EBITDA	10.1	9.3	9.4	9.5	9.2
Operating Expenses	20.9	22.2	23.4	19.8	19.6
Operating Income	7.3	6.6	6.1	6.1	6.1
Net Income	5.6	6.0	6.5	4.6	4.9



H1 2024 Profit and Loss Highlights

US\$ Millions

	H1/24	H1/23
GAAP		
Revenue	152.7	126.6
Operating Expenses	46.4	37.8
Operating Income	8.2	12.5
Net Income	6.3	9.9

Non-GAAP

Gross Margin	37%	40%
Adj. EBITDA	19.4	17.6
Operating Expenses	43.0	39.1
Operating Income	13.9	11.3
Net Income	11.6	8.8



Balance Sheet Highlights

US\$ Millions

	Q2/24	Q1/24	Q4/23	Q3/23	Q2/23
Cash, net ¹	92.6	98.5	95.3	100.3	87.8
DSO ²	88	76	64	75	63
Cash From Operations	(3.5)	4.2	10.0	13.8	2.0
Equity	282.8	280.8	274.7	265.5	255.0

1) Cash includes Cash and cash equivalents and restricted cash, net of loans

2) DSO exclude construction in Peru

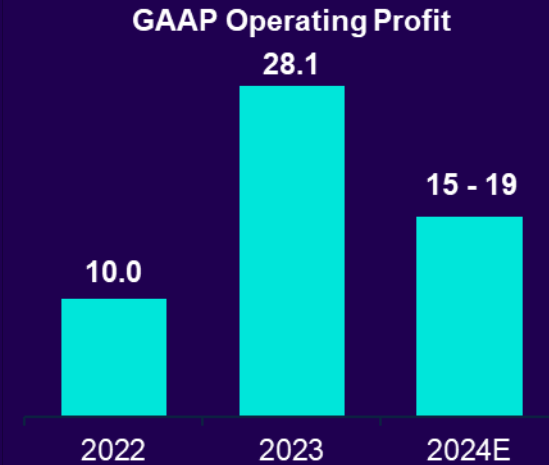


Executing Profitable Growth Strategy

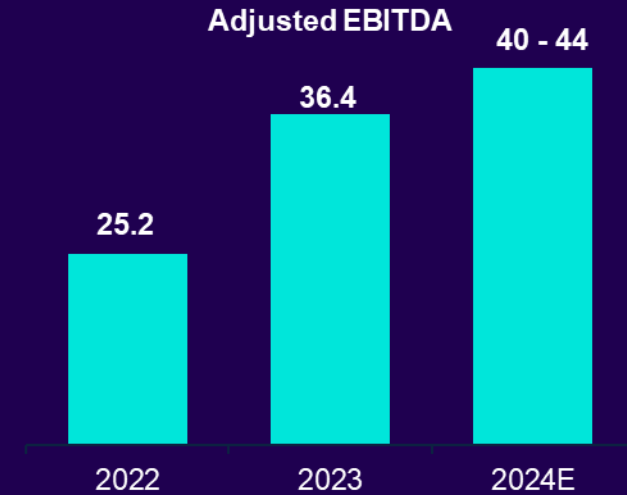
2024 Market Guidance (US\$ Millions)



Revenues:
\$305M - \$325M



GAAP Operating Income:
\$15M - \$19M

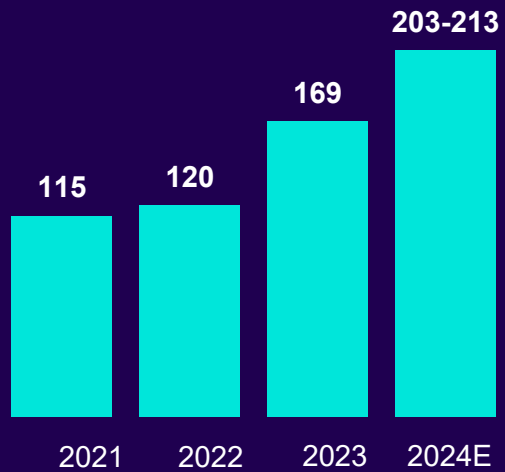


Adjusted EBITDA:
\$40M - \$44M

2024 Market Guidance by Segment

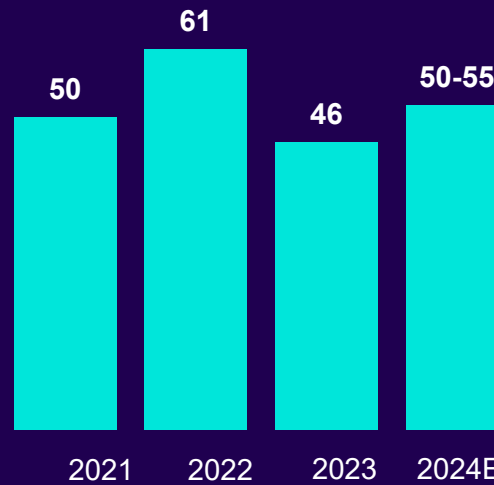
Annual Revenues (US\$ Millions)

Satellite Networks



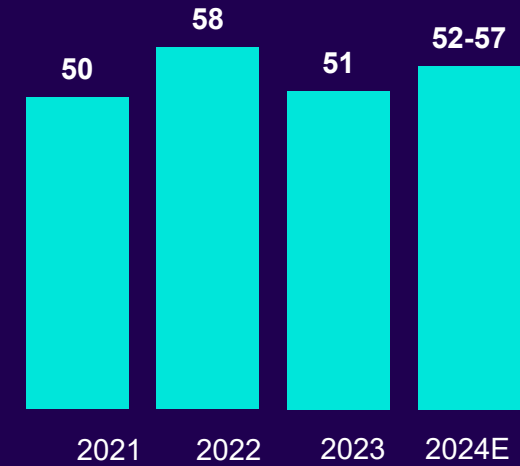
\$203M - \$213M

Integrated Solutions



\$50M - \$55M

Network Infrastructure and Services



\$52M - \$57M

Summary

Uniquely Positioned to Unlock Growth Opportunities



VHTS and **NGSO** Opening New Markets



SkyEdge IV is a leading VHTS and NGSO Platform



Leading in Main Growth Areas –
Cellular Backhaul (4G, 5G) & In-Flight Connectivity



Focused on **Military SATCOM** Networks



Demonstrating **Profitable Growth**



Thank You

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