



# Gilat Satellite Networks

Investors Presentation

May 2024

# Forward Looking Statements Disclaimer

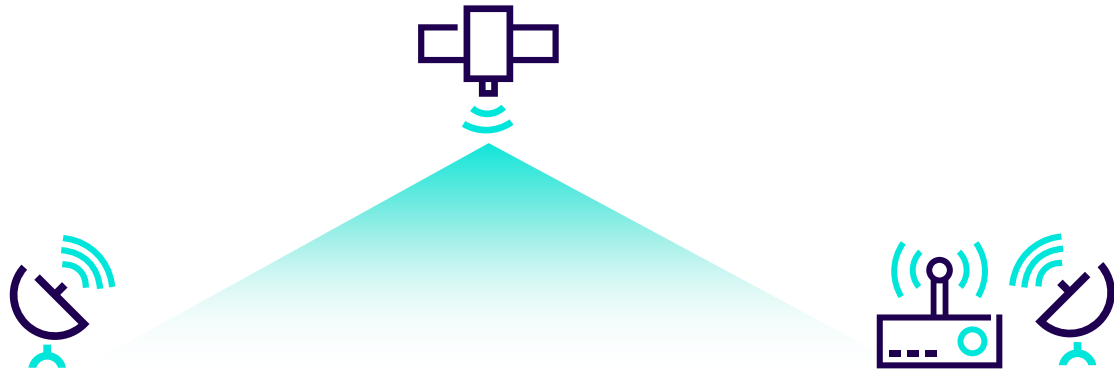
Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words “estimate”, “project”, “intend”, “expect”, “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking 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 non-cash stock-based compensation expenses, amortization of purchased intangibles, lease incentive amortization, other integration expenses, one-time changes of deferred tax assets, other operating expenses (income), net 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

7 R&D Centers

1987 Founded

3 NOC Centers

16 Sales Offices

GILT NASDAQ /TASE



Gilat Proprietary and Confidential



Cellular Backhaul

2G 3G 4G 5G



Aero / IFC



Telecom Infrastructure  
& Services



Maritime



Government



Land



Enterprise



Defense



Consumer



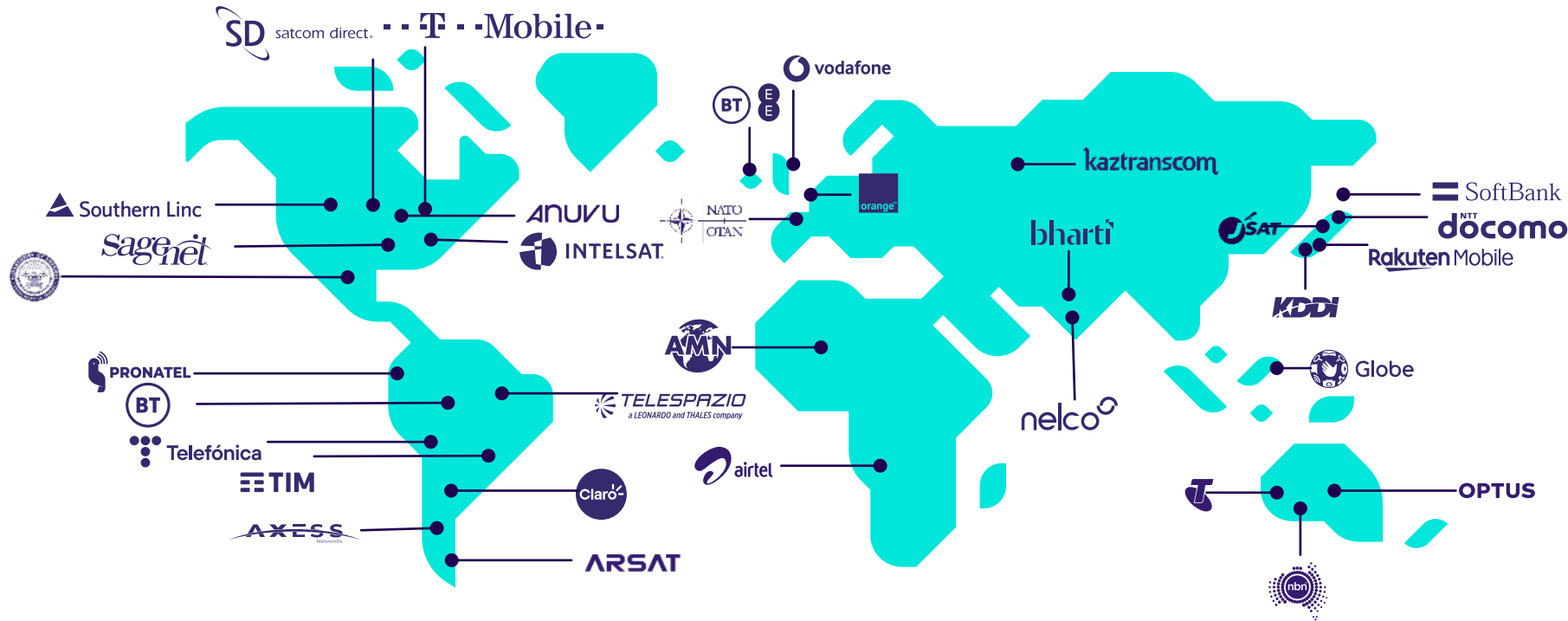
Social Inclusion

# 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



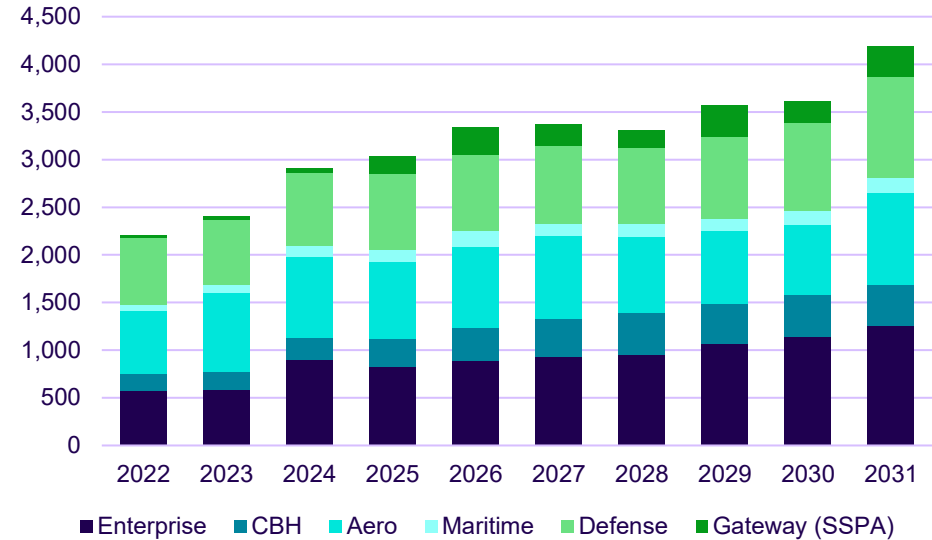
Starlink



Amazon

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

Total Addressable Market (\$M)

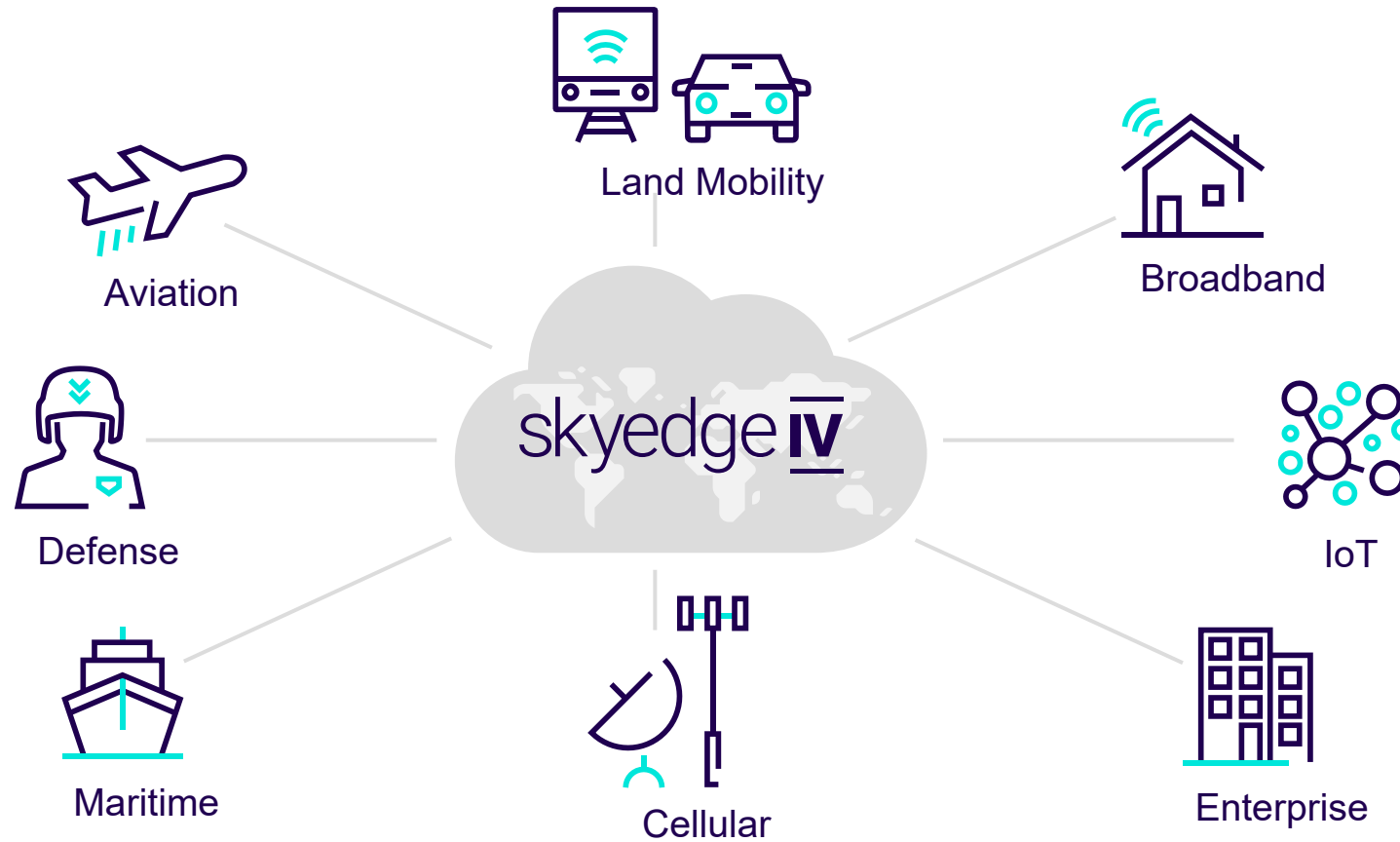


NSR 2023 & Gilat Internal

A Multi-billion Dollar Equipment Market

# SkyEdge IV – Industry Leading Ground Platform

For VHTS & Multi Orbit Constellations

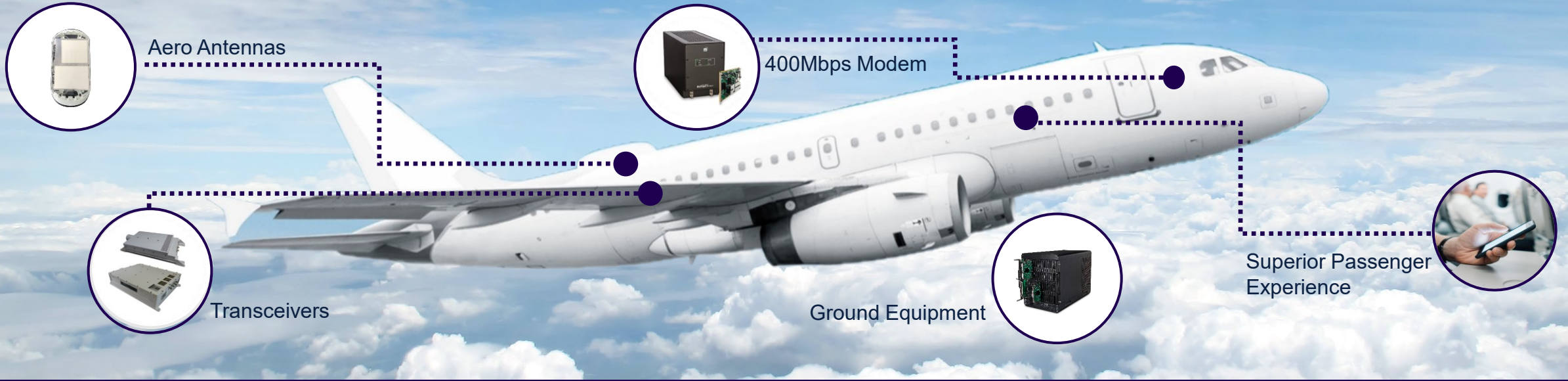


The Satellite Operators Choice

**SES** **hispasat** **INTELSAT**



# In Flight Connectivity



## Enabling Large IFC Global Networks

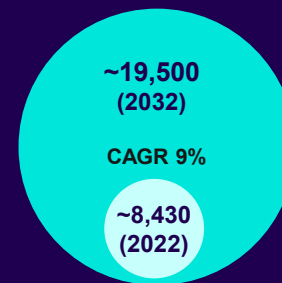
Global Coverage | > 30 Satellites |

28 Teleports | 32 Airlines |

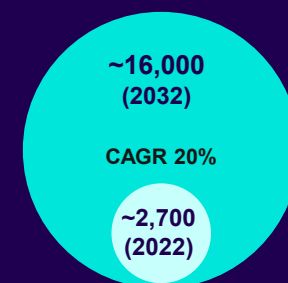
Global Network Management System

## Expanding Fleets






### Commercial Aircrafts



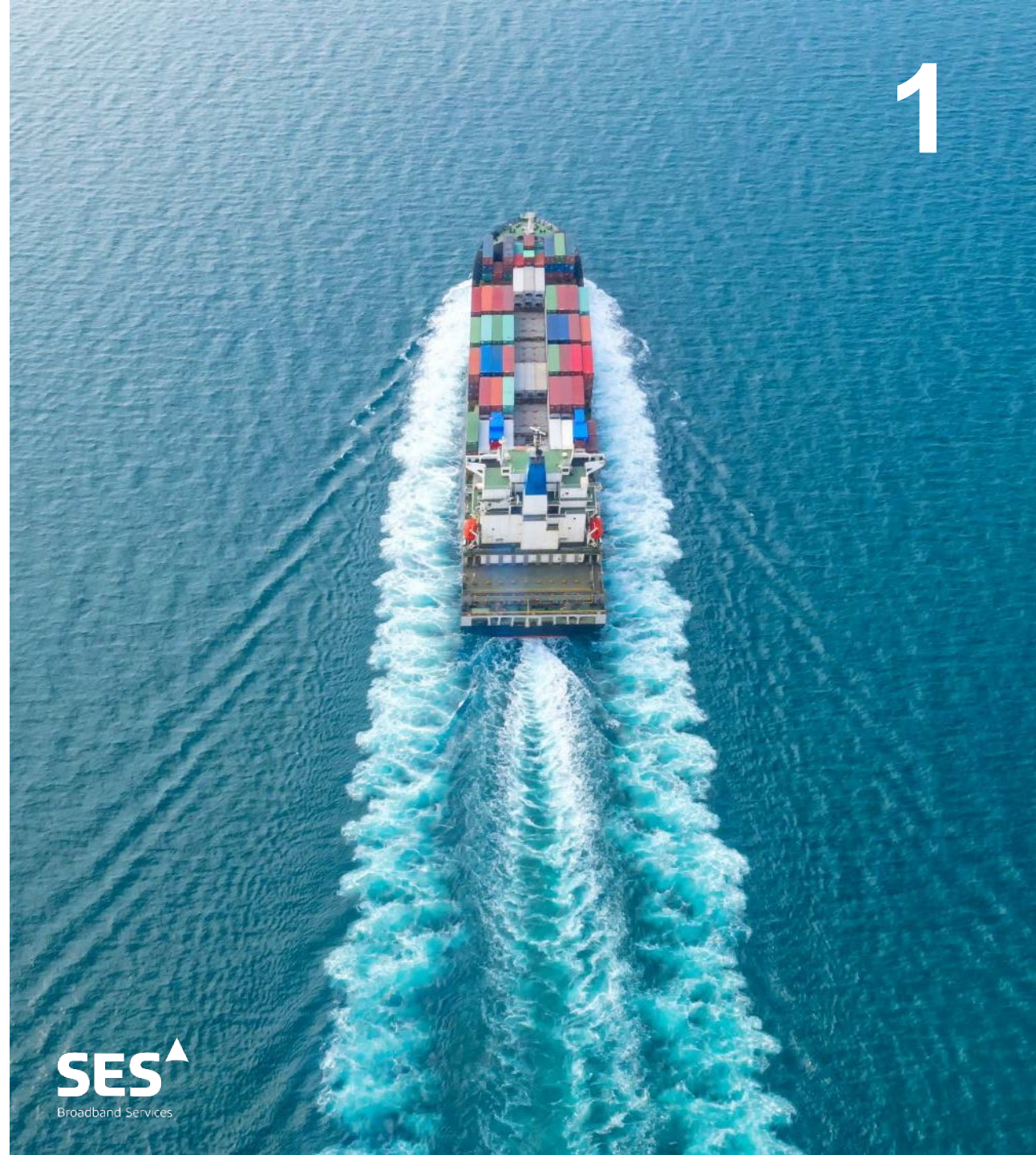
### Business Aircrafts



# Maritime

Active VSAT Terminals	2022	2032
 Merchant	23,600	52,500
 Passenger	1,100	2,600
 Leisure	5,000	11,600
 Fishing	4,500	9,700
 Oil & Gas	2,200	4,200

Euroconsult 2023



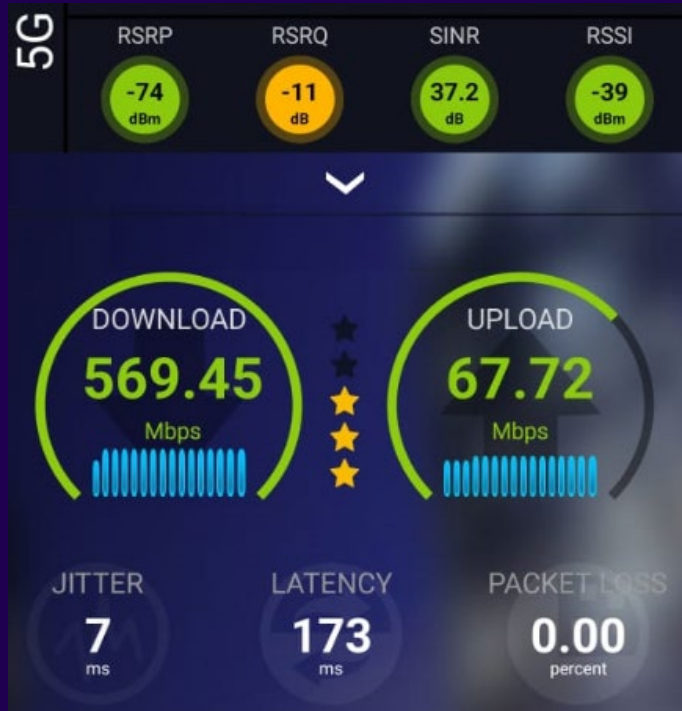
# CBH

4G/5G Ubiquitous Connectivity Bridging the Digital Divide

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

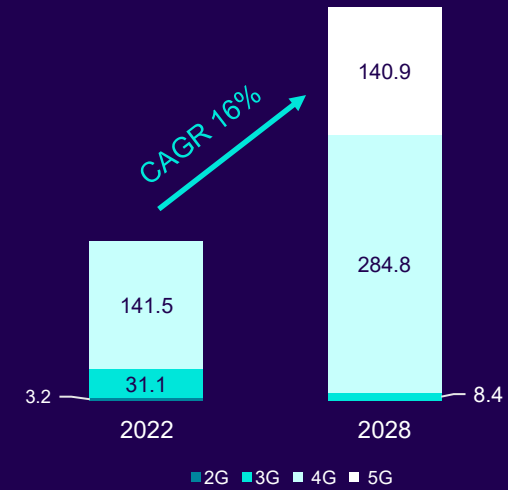
NSR & GILAT ESTIMATION, 2022

## 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

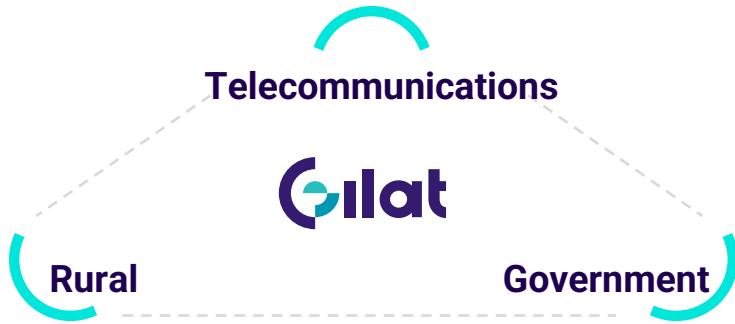
- ✓ U.S. DoD
- ✓ International MoDs

## 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, 6<sup>th</sup> 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

# Q1 2024 Profit and Loss Highlights

US\$ Millions

	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
<b>GAAP</b>					
Revenue	76.1	75.6	63.9	67.6	59.0
Operating Expenses	22.7	26.0	13.1	20.1	17.7
Operating Income	5.4	2.9	12.7	5.4	7.0
Net Income	5.0	3.4	10.2	4.3	5.6
<b>Non-GAAP</b>					
Gross Margin	38%	39%	41%	38%	42%
Adj. EBITDA	9.3	9.4	9.5	9.2	8.4
Operating Expenses	22.2	23.4	19.8	19.6	19.5
Operating Income	6.6	6.1	6.1	6.1	5.3
Net Income	6.0	6.5	4.6	4.9	3.8





# Balance Sheet Highlights

US\$ Millions

	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23
Cash, net <sup>1</sup>	98.5	95.3	100.3	87.8	89.7
DSO <sup>2</sup>	76	64	75	63	77
Cash From Operations	4.2	10.0	13.8	2.0	6.2
Equity	280.8	274.7	265.5	255.0	250.0

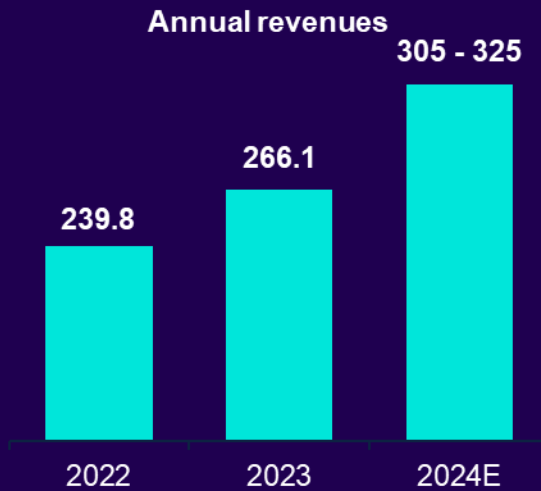
1)Cash includes Cash and cash equivalents and restricted cash, net of loans

2)DSO exclude construction in Peru

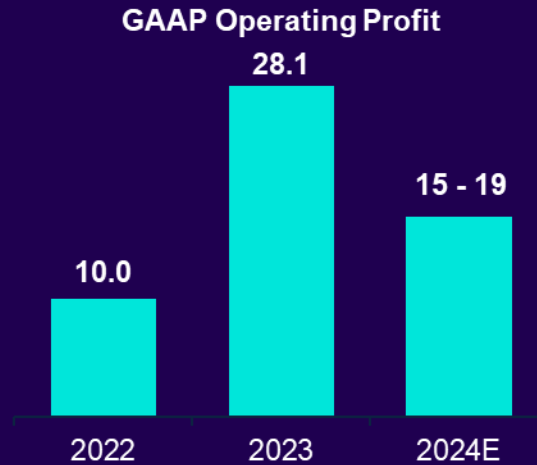


# Executing Profitable Growth Strategy

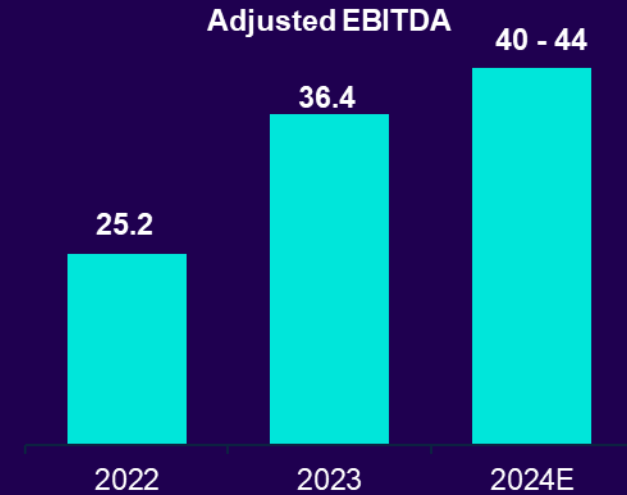
2024 Market Guidance (US\$ Millions)



**Revenues:**  
**\$305M - \$325M**



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



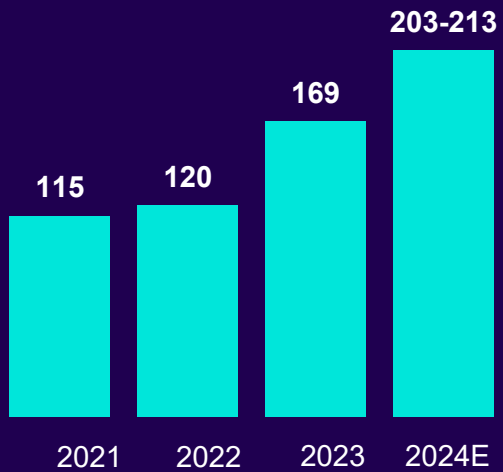
**Adjusted EBITDA:**  
**\$40M - \$44M**



# 2024 Market Guidance by Segment

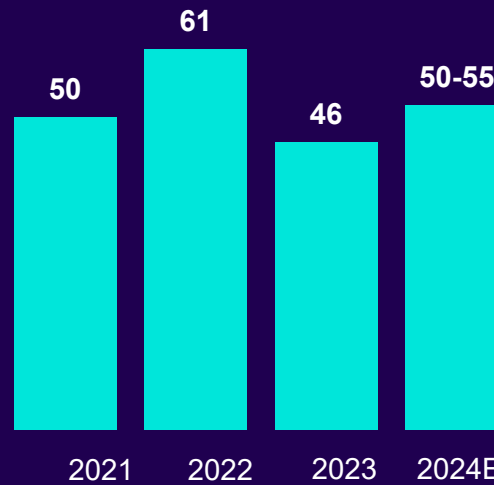
Annual Revenues (US\$ Millions)

## Satellite Networks



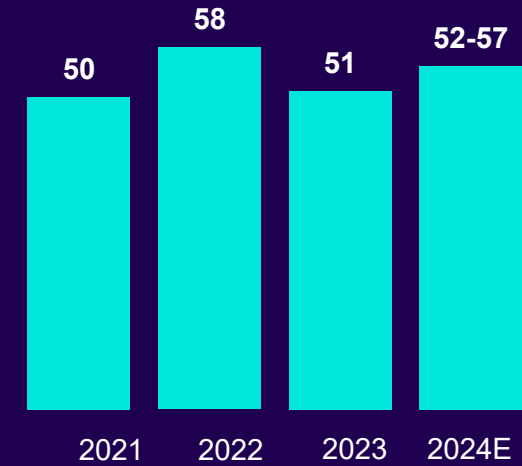
**\$203M - \$213M**

## 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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