



## GILAT PRESS RELEASE

### Gilat Presents Strong Fourth Quarter and Full Year 2022 Results

*Q4 revenue of \$73 million, up 8% year over year, GAAP operating income of \$6 million and Adjusted EBITDA of \$10 million*

*2022 revenue of \$240 million, up 12% year over year, GAAP operating income of \$10 million and Adjusted EBITDA of \$25 million, up 64% YoY*

*Mr. Isaac Angel, Chairman of the Board, announced his plans to step down. Mr. Ami Boehm named as the new Chairman of the Board*

**Petah Tikva, Israel – February 14, 2023** – Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its unaudited results for the fourth quarter and full year ended December 31, 2022.

#### Fourth Quarter 2022 Financial Highlights

- **Revenues** of \$72.6 million, up 8% compared with \$67.0 million in Q4 2021;
- **GAAP operating income** of \$6.1 million, up 13% compared with \$5.4 million in Q4 2021;
- **Non-GAAP operating income** of \$7.1 million, up 8% compared with \$6.6 million in Q4 2021;
- **GAAP net loss** of \$6.0 million, or \$0.11 per share, compared with GAAP net income of \$2.1 million, or \$0.04 per diluted share, in Q4 2021;
  - GAAP net loss in Q4 2022 includes a one-time tax expense of \$12.9 million that was recorded with respect to historical trapped earnings. The Company elected to take advantage of the temporary Israeli tax relief of 2022 and pay a reduced tax rate to allow certain distribution of dividends or acquisitions without additional corporate tax liability in the future;
  - Net income in Q4 2022 excluding this one-time tax expense was \$6.9 million;
- **Non-GAAP net income** of \$7.9 million, or \$0.14 per diluted share, compared with \$5.6 million, or \$0.1 per diluted share, in Q4 2021;
- **Adjusted EBITDA** of \$10.1 million compared with \$10.4 million in Q4 2021.

#### Full year 2022 Financial Highlights

- **Revenue** of \$239.8 million, up 12% compared with \$215.0 million in 2021;
- **GAAP operating income** of \$10.0 million, up 4.6x compared to \$2.2 million in 2021;



- **Non-GAAP operating income** of \$13.6 million, up 3.1x compared with \$4.4 million in 2021;
- **GAAP net loss** of \$5.9 million or \$0.1 per share, compared with GAAP net loss of \$3.0 million in 2021 or \$0.05 per share; GAAP net income excluding the above-mentioned one-time tax expense of \$12.9 million was \$7.0 million;
- **Non-GAAP net income** of \$10.6 million or \$0.19 per diluted share, up 7.3x compared to non-GAAP net income of \$1.4 million or \$0.03 per diluted share in 2021;
- **Adjusted EBITDA** was \$25.2 million, up 64% compared with adjusted EBITDA of \$15.4 million in 2021.

### Forward-Looking Expectations

Management guidance for 2023 are for revenues of between \$260 to \$280 million, representing year-over-year growth of 13% at the midpoint, GAAP operating income of between \$15 to \$19 million, representing year-over-year growth of 70% at the midpoint, and Adjusted EBITDA of between \$30 to \$34 million, representing year-over-year growth of 27% at the mid-point.

### Changes in Chairman of the Board Position

Mr. Isaac Angel, Chairman of the Board, announced his plans to step down from his chairman and directorship positions effective March 8, 2023. The Board has appointed Mr. Ami Boehm as the new Chairman of the Board.

### Management Commentary

**Adi Sfadia, Gilat's CEO, commented:** "We are very pleased with our financial results for the fourth quarter, capping off a strong 2022. For both the quarter and the year, we achieved solid revenue growth, strong gross margins, and significant improvement in our profitability-particularly in our operating income and adjusted EBITDA.

2022 marked key achievements in several strategic areas. We delivered SkyEdge IV, our leading ground segment for next generation satellite communication to over 20 gateways worldwide, enabling hundreds of Gbps of capacity and securing tens of millions of dollars' worth of contract awards.

We had a record year in Mobility with Inflight Connectivity (IFC), bringing in orders valued at tens of millions of dollars, for both our ground segment platform, modems and our transceiver product line. In the Maritime sector, we secured a new win for SkyEdge IV to enable maritime applications and are making excellent progress with SES on the cruise premium maritime service with SkyEdge IV.

In Cellular Backhaul, we also had a record year with tens of millions of dollars in orders and in Defense, we made progress with important multi-million dollar wins and a growing pipeline."

**Mr. Sfadia concluded,** "In summary, we are very pleased with our performance over the past year. We look forward to further growth on our top and bottom lines in 2023 as the satellite communications sector strongly gains additional traction. Our pipeline continues to increase and broaden as we continue to see growing demand for our products and services among new as well as existing customers. As we move through 2023, we are increasingly optimistic and as our guidance demonstrates, we expect to maintain our strong momentum ahead.

After an intensive two-year period of helping to rebuild the company following the pandemic's repercussions, Mr. Isaac Angel has decided to retire as Chairman of the Board, effective March



8, 2023, due to personal time constraints. I would like to thank Mr. Angel for his great contribution over the past two years and to wish him success in the future.

The Board has appointed Mr. Ami Boehm as Chairman of the Board effective upon Mr. Angel's departure. On behalf of Gilat, I would like to welcome Mr. Boehm who has been an invaluable Board Member for the last 10 years and I am most pleased that we will now gain even more from his vast experience in directing Gilat to maximize the great potential that we see ahead."

### **Key Recent Announcements**

- Gilat Awarded Multimillion-Dollar Contract for SATCOM Expansion on Trains in Asia-Pacific
- Gilat and Intelsat Expand Their Strategic IFC Partnership with Multimillion-Dollar Agreements for the Americas
- Comlabs Selects Gilat for US Government Critical Communications Requirements

### **Conference Call Details**

Gilat's management will discuss its fourth quarter and full year 2022 results and business achievements and participate in a question-and-answer session:

Date: Tuesday February 14, 2023  
Start: 09:30 AM EST / 16:30 IST  
Dial-in: US: 1-888-407-2553  
International: +972-3-918-0609

A simultaneous webcast of the conference call will be available on the Gilat website at [www.gilat.com](http://www.gilat.com) and through this link: <https://veidan.activetrail.biz/gilatq4-2022>

The webcast will also be archived for a period of 30 days on the Company's website and through the link above.

### **Non-GAAP Measures**

The attached summary unaudited financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). To supplement the consolidated financial statements presented in accordance with GAAP, the Company presents non-GAAP presentations of gross profit, operating expenses, operating income, income before taxes on income, net income, adjusted EBITDA and earnings per share. The adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results, trends, and performance. Non-GAAP financial measures mainly exclude, if and when applicable, the effect of stock-based compensation, amortization of purchased intangibles, lease incentive amortization, litigation expenses, income related to trade secrets claims, restructuring and reorganization costs, merger, acquisition and related litigation expense (income), impairment of held for sale asset, other expenses, income tax effect on adjustments, one-time changes of deferred tax assets and one-time tax expense related to the release of historical tax-trapped earnings.

Adjusted EBITDA is presented to compare the Company's performance to that of prior periods and evaluate the Company's financial and operating results on a consistent basis from period to period. The Company also believes this measure, when viewed in combination with the Company's financial results prepared in accordance with GAAP, provides useful information to investors to evaluate ongoing operating results and trends. Adjusted EBITDA, however, should



not be considered as an alternative to operating income or net income for the period and may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. Adjusted EBITDA is not a measure of financial performance under GAAP and may not be comparable to other similarly titled measures for other companies. Reconciliation between the Company's net income (loss) and adjusted EBITDA is presented in the attached summary financial statements.

Non-GAAP presentations of gross profit, operating expenses, operating income, income before taxes on income, net income, adjusted EBITDA and earnings per share should not be considered in isolation or as a substitute for any of the consolidated statements of operations prepared in accordance with GAAP, or as an indication of Gilat's operating performance or liquidity.

## About Gilat

Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT) is a leading global provider of satellite-based broadband communications.

With over 35 years of experience, we create and deliver deep technology solutions for satellite, ground and new space connectivity and provide comprehensive end-to-end solutions and services, powered by our innovative technology. We believe in the right of all people to be connected and are united in our resolution to provide communication solutions to all reaches of the world.

Delivering high value solutions, our portfolio is comprised of a cloud-based platform and high-performance satellite terminals designed to work in harmony with satellite constellations, including Very High Throughput Satellites (VHTS) and Software-Defined Satellites (SDS) in multiple orbits; high performance Satellite On-the-Move (SOTM) antennas; and highly efficient, high-power Solid State Power Amplifiers (SSPA) and Block Upconverters (BUC).

Gilat's comprehensive solutions support multiple applications with a full portfolio of products to address key applications including broadband access, mobility, cellular backhaul, military, government, and enterprise, all while meeting the most stringent service level requirements. For more information, please visit: [www.gilat.com](http://www.gilat.com)

*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, risks associated with the outbreak and global spread of the coronavirus (COVID-19) pandemic; 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. 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.*



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