

Yahsat reports solid first half results for 2023

*Normalised EBITDA grew 3% versus prior year to AED 460 million
and Normalised Net Income 5% to AED 175 million
delivering improved margins*

Abu Dhabi, United Arab Emirates, 8 August 2023: Al Yah Satellite Communications Company PJSC (“Yahsat” or the “Group”), the UAE’s flagship satellite solutions provider listed on the Abu Dhabi Securities Exchange (“ADX”, under symbol: **YAHSAT**, ISIN: **AEA007501017**) announced today its consolidated financial results for the six months ended 30 June 2023.

Revenue for the first half of the year was stable at AED 753 million [USD 205 million] whilst EBITDA and net income increased, on a normalised basis, by 3% versus the prior year to AED 460 million [USD 125 million] and 5% to AED 175 million [USD 48 million], respectively.

The Group delivered revenue growth in Infrastructure, the Group’s largest segment providing communications capacity to the UAE government, and Data Solutions, offering satellite-based broadband data solutions. Managed Solutions, providing complete value-added satellite communications solutions primarily to the UAE government and related entities, maintained revenues versus an exceptionally strong prior year. Mobility Solutions, the Thuraya business providing mobile satellite services using L-band spectrum, recorded strong double-digit growth in the second quarter of 12% versus the prior year, driven by higher equipment sales, a trend that is expected to continue into the third quarter and help achieve revenue growth for that segment by the end of the year.

Highlights for the period include:

- **Revenue** of AED 753 million [USD 205 million], stable year-on-year.
- **Normalised EBITDA** of AED 460 million [USD 125 million], up 3% year-on-year, delivering a superior margin of 61% (prior year 59%).
- **Normalised Net Income** (profit) of AED 175 million [USD 48 million], up 5% year-on-year, generating an improved margin of 23% (prior year 22%).
- **Contracted future revenue** of AED 7.0 billion [USD 1.9 billion], stable versus end of Q1 2023 and equivalent to 4.4 times last-twelve-month revenue.
- **Improved cash generation** with Discretionary Free Cash Flow of AED 296 million (USD 82 million), up 34% versus prior year.
- **Historically strong balance sheet** with negative Net Debt of more than AED 454 million [USD 125 million], total available liquidity of AED 2.3 billion [USD 686 million] and long-term visibility of future cash flows, supports Yahsat’s future investment in organic growth (Al Yah 4 and Al Yah 5) and opportunistic acquisitions, without impacting its attractive progressive dividend policy.
- **Positive net finance income** benefiting from higher interest rates on short-term deposits versus prior year.



- **On track to grow full year 2023 dividend** by at least 2% to 16.46 fils [4.48 US cents] per share or AED 402 million [USD 109 million] – based on the last closing share price, this implies an annualised dividend yield of over 6%, amongst the highest offered by UAE listed stocks.
- **Guidance** for full year revenue, EBITDA, and Discretionary Free Cash Flow remains unchanged, whilst guidance for cash capex and investments is increased to a range of AED 643-716 million [USD 175-195 million] from AED 569-643 million [USD 155-175 million], to reflect the commencement of the Al Yah 4 and Al Yah 5 satellite procurement programme.

Ali Al Hashemi, Group Chief Executive Officer of Yahsat, commented: “Yahsat continues to improve its business operations and profitability, and we remain focused on growing both our core government business and commercial segments, whilst controlling and optimising costs across the Group.

“In addition to completing the Thuraya-4 NGS satellite procurement programme, which remains on track to be launched in the first half of 2024, we have signed an Authorization-to-Proceed (ATP) with Airbus, a long-time partner of Yahsat, to commence initial activities relating to the procurement of the Al Yah 4 and Al Yah 5 satellites. In parallel, we are in advanced negotiations with the UAE government to secure a long-term contract that would significantly increase and extend our backlog of contracted revenues beyond 2040.

“We have also commenced work on establishing a formal partnership with Bayanat to offer Earth Observation (EO) capabilities using, in the first phase, synthetic aperture radar (SAR) technology, which provides higher resolution data than conventional sensors. This partnership aims to develop a constellation of five satellites, with the first satellite expected to be launched in the first half of 2024, which will further diversify our current portfolio of fixed and mobile satellite communication services from GEO orbits and expand it to include Earth observation services from LEO orbits.

“The satellite industry continues to witness substantial investments and the development of new business models. Together, these forces are driving industry consolidation and the necessary emergence of larger and stronger players. Yahsat remains in a strong position to take advantage of these developments, underpinned by our unique backlog of future revenues and our historically strong and robust balance sheet.”

The full set of [first half financial disclosures](#), including a more detailed Management Discussion & Analysis report that clearly defines capitalised terms used in this press release, can be found within the Investor Relations section on Yahsat’s website.

Note to Editors:

Normalised EBITDA is EBITDA (earnings before interest, taxes, depreciation and amortisation) adjusted for material, one-off items recorded during the current and comparative periods that would otherwise distort the underlying, like-for-like performance of the business. H1 2023 Normalised EBITDA of AED 460 million [USD 125 million] reflects an adjustment for one-off redundancy costs (AED 8 million [USD 2 million]) whilst there were no adjustments made to H1 2022 EBITDA of AED 448 million [USD 122 million]

Similarly, H1 2023 Normalised Net Income of AED 175 million [USD 48 million] reflects adjustments made to derive Normalised EBITDA whilst there were no adjustments made to H1 2022 net income of AED 167 million [USD 45 million].

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About Yahsat

Al Yah Satellite Communications Company PJSC (Yahsat) is a public company listed on the Abu Dhabi Securities Exchange (ADX) and a subsidiary of Mubadala Investment Company PJSC, offering multi-mission satellite solutions in more than 150 countries across Europe, the Middle East, Africa, South America, Asia and Australasia.

Yahsat's fleet of 5 satellites reaches more than 80% of the world's population, enabling critical communications including broadband, broadcasting, backhauling and mobility solutions. Based out of Abu Dhabi in the UAE, Yahsat provides C, Ku, Ka and L-band satellite communications solutions for land, maritime and aero platforms to consumers, governments and enterprises. Its businesses consist of Yahsat Government Solutions, Thuraya, YahClick (powered by Hughes) and YahLink. Yahsat also participates in Hughes do Brasil, an equity partnership with Hughes, and Yahlive, an equity partnership with SES. In 2020, Yahsat commenced construction of Thuraya 4-NGS, the next generation telecommunications system for Thuraya, which is due to enter service in 2025.

For more information, visit: www.yahsat.com; follow us on Twitter: [@YahsatOfficial](https://twitter.com/YahsatOfficial)

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This announcement includes forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, words such as "expect", "will", "looking ahead" and any other words and terms of similar meaning. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, and speak only as at the date of this announcement. Forward-looking statements are based on assumptions of future events and information currently available to the Company which may not prove to be accurate and the Company does not accept any responsibility for the accuracy or fairness thereof and expressly disclaims any obligation to update any such forward looking statement. No representation or warranty is made that any forward-looking statement will come to pass. You are therefore cautioned not to place any undue reliance on forward-looking statements. For further information regarding forward-looking statements, and the factors that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements please refer to our Annual Report for 2021, which is available on our website at <https://www.yahsat.com/Reports/2022/index.html>

The amount and payment of dividends by the Group is subject to consideration by the Board of Directors of the cash management requirements of the Group for operating expenses, interest expense, and anticipated capital expenditures, and market conditions, the then current operating environment in its markets, and the Board of Directors' outlook for the business of the Company. In addition, any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, as determined at the discretion of the Board of Directors.

Neither this announcement nor anything contained herein constitutes a financial promotion, or an invitation or inducement to acquire or sell securities in any jurisdiction.

