

## Yahsat Reports 1Q22 Revenue Growth of 9.4% and a 26.4% Increase in Profit

- 1Q22 revenue of AED 362.5 million [USD 98.7 million], up 9.4% year-on-year
- 1Q22 Adjusted EBITDA of AED 213.4 million [USD 58.1 million], up 6.8% year-on-year with a healthy margin of 58.9%
- Net Income (profit attributable to shareholders) of AED 73.8 million [USD 20.1 million], up 26.4% year-on-year
- Contracted future revenue of AED 8.1 billion [USD 2.2 billion], up by AED 642.1 million [USD 174.9 million] or 8.6% since the start of the year
- Awarded a 5-year AED 908.9 million [USD 247.5 million] managed services mandate by the UAE Government for satellite communications capabilities
- Strong Discretionary Free Cash Flow (DFCF) of AED 333.1 million (USD 90.7 million), supporting an attractive dividend expected to total at least 16.12 fils [US cents 4.39] per share, an increase of 2%, split into two equal instalments around October 2022 and April 2023
- FY2022 guidance range maintained

**Abu Dhabi, United Arab Emirates, 11 May 2022:** Al Yah Satellite Communications Company PJSC (“Yahsat” or “the Group”) listed on the Abu Dhabi Securities Exchange (“ADX”) under (SYMBOL: YAHSAT) (ISIN: AEA007501017), the UAE’s flagship satellite solutions provider, today announced its financial results for the three-month period ended 31 March 2022 (“1Q22”).

### Ali Al Hashemi, Group Chief Executive Officer of Yahsat, commented:

“Yahsat has had an excellent start to 2022 with significant year-on-year growth in revenue, adjusted EBITDA and Net Income. With the recent award of a 5-year managed services mandate from the UAE Government, reinforcing our position as its preferred satellite solutions partner, we strengthened our foundations for long term sustainable growth, and now show contracted future revenue of AED 8.1 billion (USD 2.2 billion), 5.4 times our annual revenue.

“With almost 90% of remaining projected revenue for the current year already secured, we remain very confident in our outlook for Yahsat and reiterate our guidance for FY2022.”

### Financial Overview

AED millions	1Q22	1Q21	Change%
Revenue	362.5	331.3	9.4%
Adjusted EBITDA	213.4	199.8	6.8%
Net Income (Profit attributable to the shareholders)	73.8	58.4	26.4%
Discretionary Free Cash Flow	333.1	315.8	5.5%
Adjusted EBITDA Margin %	58.9%	60.3%	
Net Income Margin %	20.4%	17.6%	
Cash and short-term deposits	1,756.2	1,470.0*	19.5%

\* (as of 31 Dec 2021)

Following the exceptional performance in 4Q21, Yahsat has continued building on its strong momentum in 2022 with first quarter revenue of AED 362.5 million [USD 98.7 million] reflecting an increase of 9.4% year-on-year. All business segments performed well with a particularly exceptional performance in both Managed Solutions and Mobility Solutions, which increased by 26.0% and 45.4% respectively.

As at 31 March 2022, the Group's contracted future revenue stood at AED 8.1 billion [USD 2.2 billion] equivalent to around 5.4 times annualized revenue. Future revenue increased by 8.6% since the start of the financial year and by 47.3% since the beginning of 2021, underpinned by the recent 5-year AED 908.9 million [USD 247.5 million] managed services mandate awarded by the UAE Government.

Adjusted EBITDA of AED 213.4 million [USD 58.1 million] increased by 6.8% year-on-year, generating a strong margin of 58.9%. Net income (profit attributable to shareholders) of AED 73.8 million [USD 20.1 million] increased by 26.4% year-on-year, resulting in a higher net income margin of 20.4% versus 17.6% in the prior period.

The Group's balance sheet remained strong. At 31 March 2022, the Group's net debt stood at AED 382.1 million [USD 104.0 million] with a leverage ratio (net debt to Adjusted EBITDA) of 0.4x.

Together with Discretionary Free Cash Flow for the period of AED 333.1 million [USD 90.7 million] and a cash conversion ratio of 97.6%, the Group is well positioned to meet its future dividend, growth and capital expenditure commitments.

## Operating Segments

AED millions	1Q22	1Q21	Change %
Infrastructure	217.7	220.2	-1.1%
Managed Solutions	55.8	44.3	26.0%
Mobility Solutions	67.8	46.6	45.4%
Data Solutions	21.1	20.2	4.4%
<b>Total Revenue</b>	<b>362.5</b>	<b>331.3</b>	<b>9.4%</b>

### Infrastructure

Infrastructure accounted for approximately 60% of Group revenue, mainly comprising the 15-year long-term Capacity Services Agreement with the UAE Government. Overall revenue remained broadly stable at AED 217.7 million [USD 59.3 million].

### Managed Solutions

Managed Solutions, contributing approximately 15% to Group revenue, continued the strong growth momentum seen in 4Q21. 1Q22 revenue grew year-on-year by 26.0% reflecting the consistent uptake of recommissioned projects that were delayed in 2021, in addition to new requirements stemming from the expansion of the Oil & Gas sector.

On 3 February 2022, Yahsat Government Solutions ("YGS") was awarded a AED 24 million [USD 7 million] contract by Abu Dhabi Ship Building ("ADSB") to provide advanced and secure satellite communication services. Yahsat will design, deliver and integrate the satellite communication systems in vessels produced by ADSB.

On 8 February 2022, Yahsat Government Solutions ("YGS") was awarded a AED 908.9 million [USD 247.5 million] mandate to provide enhanced managed services to the UAE Government for its satellite communications capabilities. The agreement augments the previous operations and maintenance services provided, to include technology management support, from January 2022 until the end of 2026. This

mandate reinforces Yahsat's long-standing relationship with the UAE Government, which has existed for more than a decade, highlighting the Group's role as the preferred partner for capacity and solutions since 2011.

### Mobility Solutions

Mobility Solutions accounted for approximately 19% of Group revenue and recorded stellar year-on-year growth of 45.4%, capitalizing on its exceptional 4Q21 performance. Service revenue increased by around 4% with double digit growth in both Voice and Data whilst Equipment revenue soared by more than 5 times, underpinned by the three-year AED 316 million [USD 86 million] distribution agreement secured in 2021.

### Data Solutions

YahClick accounted for approximately 6% of Group revenue and recorded year-on-year revenue growth of 4.4% with increases across both its Consumer broadband and Enterprise businesses. Consumer broadband subscribers continued to ramp up with an increase over the past 12 months of 25%. Enterprise revenue grew by more than 15% from the realization of the strong pipeline of cellular backhaul opportunities secured in 2021.

### **Dividend**

At the Annual General Meeting on 11 April 2022, shareholders approved the updated dividend policy allowing payment of semi-annual dividends going forward as well as the Company's final dividend payment for fiscal year 2021. As a result, Yahsat proposes to pay an interim dividend to shareholders in October 2022 and maintain semi-annual dividend payments going forward.

A final cash dividend of AED 192.7 million [USD 52.5 million], or 7.90 fils [US Cents 2.15] per share, for fiscal year 2021 was paid on 9 May 2022 to all shareholders of record as at 21 April 2022.

For fiscal year 2022, the total expected dividend is 16.12 fils per share [US Cents 4.39], split into two equal instalments around October 2022 and April 2023 respectively. This represents a total dividend payment of AED 393.3 million [USD 107.1 million]. Yahsat reiterates its commitment to grow its dividend by at least 2% per year, reflecting the Board of Directors' confidence in the financial strength of the business.

### **Guidance Update**

With almost 90% of the remaining projected revenue for FY2022 already secured, Yahsat reiterates its FY2022 guidance provided on 1 March 2022. The Company expects sustained momentum whilst maintaining a robust balance sheet and cash flow to support dividend payments and growth investments.

Financial KPI	Guidance 2022 in AED
Gross revenue	1.524 – 1.616 billion [USD 415 - 440 million]
Adjusted EBITDA	Stable
Discretionary Free Cash Flow ('DFCF')	771 – 881 million [USD 210 - 240 million]
Capex and Investments <sup>1</sup>	771 – 845 million [USD 210 - 230 million]

Approximately 85% of 2022 projected Capex and Investments, equating to about AED 698 million [USD 190 million], is related to the T4-NGS program which will be fully funded through a combination of debt and an advance payment from the 15-year T4-NGS Managed Capacity Services Agreement.

<sup>1</sup> 'Investments' refer to investments in associates, net of any dividends received, and capital returned.

## Alternative Performance Measures

Yahsat regularly uses alternative performance measures which are relevant to enhance the understanding of the financial performance and financial position of the Group. These measures may not be comparable to similar measures used by other companies; they are neither measurements under IFRS nor any other body of generally accepted accounting principles and thus should not be considered as substitutes for the information contained in the Group's financial statements.

Alternative Performance Measure	Definition
Adjusted EBITDA	Earnings from continuing operations before interest, tax, depreciation, amortisation, impairment, fair value adjustments on investment property and share of results of equity-accounted investments
Adjusted EBITDA Margin	Adjusted EBITDA divided by Revenue
Operating Free Cash Flow	Adjusted EBITDA minus additions to intangible assets, development and maintenance related capital expenditure, excluding capital work-in-progress
Cash Conversion Ratio	Operating Free Cash Flow divided by Adjusted EBITDA
Discretionary Free Cash Flow' ('DFCF')	Net cashflow from operations less Maintenance and Development CapEx, Investments and net finance costs and excludes advances from customers on long term capacity contracts (e.g. T4-NGS).
Net Income	Profit attributable to the shareholders
Net Income margin	Net Income (profit attributable to shareholders) divided by Revenue

The numbers in UAE Dirhams (AED) have been derived by converting the underlying US Dollar (USD) values using a standard exchange rate of 1 USD = AED 3.6725. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Conference Call

The 1Q22 earnings announcement for the three months ended 31 March 2022 can be found on the Company's website at <https://www.yahsat.com/>.

A conference call followed by a Q&A session, to discuss 1Q22 earnings, has been scheduled for Wednesday, 11 May 2022 at 16.00 (GST) / 13.00 (BST) / 08.00 (EDT). The call will be hosted by Ali Al Hashemi (CEO), Andrew Cole (CFO), Amit Somani (CSO) and Layla Al Hayyas (Head of Investor Relations). Interested parties are invited to join the call by clicking [here](#).

**ENDS**

## Appendix

### USD Financial Highlights

Revenue by operating segment, year-on-year comparison and % changes year-on-year (YoY) are provided in the table below.

USD millions	1Q22	1Q21	Change %
Infrastructure	59.3	60.0	-1.1%
Managed Solutions	15.2	12.1	26.0%
Mobility Solutions	18.5	12.7	45.4%
Data Solutions	5.7	5.5	4.4%
<b>Total Revenue</b>	<b>98.7</b>	<b>90.2</b>	<b>9.4%</b>

USD millions	1Q22	1Q21	Change%
Revenue	98.7	90.2	9.4%
Cost of revenue	(10.1)	(4.9)	-104.8%
Staff costs	(21.1)	(20.0)	-5.3%
Other operating expenses	(10.0)	(11.3)	11.7%
Other Income	0.5	0.4	25.0%
<b>Adjusted EBITDA</b>	<b>58.1</b>	<b>54.4</b>	<b>6.8%</b>
<b>Net Income (Profit attributable to the shareholders)</b>	<b>20.1</b>	<b>15.9</b>	<b>26.4%</b>
Discretionary Free Cash Flow	90.7	86.0	5.5%
Adjusted EBITDA Margin %	58.9%	60.3%	
<b>Cash and short-term deposits</b>	<b>478.2</b>	<b>400.3*</b>	<b>19.5%</b>

\* (as of 31 Dec 2021)

## 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 be in service during 2024.

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

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## **Legal Notice and Cautionary statement regarding forward-looking information**

This news release contains forward-looking statements relating to Al Yah Satellite Communications Company PJSC (“Yahsat” or “the Group”) operations that are based on management’s current expectations, estimates and projections about the integrated satellite communication solutions and other related industries. Words or phrases such as “will”, “expects,” “proposes,” and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond the company’s control and are difficult to predict, such as lower than expected rates of industry growth; increased competition; the Group’s ability to deploy new technologies, products and services; lower than expected impact of new or existing products, services or technologies on the industry as a whole and the Group’s competitive positioning, future revenue, cost structure and capex; slower than expected customer growth; the materialisation and successful execution of pipeline deals across the business; successful delivery of capex projects; third party service providers’ delivery as per the terms of their contracts; realisation of contracted future revenue; delay or default in payment from contract counterparties; the Group’s ability to secure timely performance or delivery from suppliers; loss of suppliers, disruption of supply chains and changes in prices of hardware components, network hardware, and satellite communications equipment; failure to meet agreed service levels or targeted delivery or deployment dates due to unforeseen and unprovided circumstances; the impact of a failure or significant interruption to the Group’s satellites, ground networks or IT systems; the Group’s ability to secure, or realise expected benefits from, new missions, partnerships, joint ventures, or other arrangements with third parties; the extent of any future write-downs or impairment charges; continued financial strength of the business, profitability and cash flows being realised in line with expectations and supporting the ability to fund future investments and a progressive dividend policy and shareholder approval of the proposed revised dividend policy. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, Yahsat undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. For further information regarding forward-looking statements, please refer to our Annual Report for 2021, which is available on our website at <https://www.yahsat.com/Reports/2021/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.