

Yahsat reports strong third quarter results for 2023

Third quarter revenues grew 8% versus prior year, second highest on record

Nine-month revenues and Normalised EBITDA increased 3% underpinned by double digit growth in Mobility Solutions

Contracted future revenues surged to a record AED 25.3 billion [USD 6.9 billion] or 15.7 times last twelve-month revenues following the award of Yahsat's largest ever Government mandate valued at AED 18.7 billion [USD 5.1 billion]

Abu Dhabi, United Arab Emirates, 7 November 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 nine months ended 30 September 2023.

Revenue and Normalised EBITDA grew 3% for the first nine months of the year versus the prior year to reach AED 1.2 billion [USD 323 million] and AED 713 million [USD 194 million], respectively. Net Income more than doubled whilst Normalized Net Income was in line versus the prior year period at AED 274 million [USD 75 million].

Underpinning this impressive performance were historically strong results in Mobility Solutions, the Thuraya business providing mobile satellite services using L-band spectrum, which recorded revenue growth for the nine-month period of 22% and third quarter growth of 81% versus the prior year, driven by higher equipment sales and service revenues. Meanwhile Infrastructure, the Group’s largest segment providing communications capacity to the UAE Government by means of an index-linked long-term contract, continued to grow its year-on-year revenues by 1%. Managed Solutions, the Group’s second largest segment, providing complete value-added satellite communications solutions, primarily to the UAE Government and related entities, reported slightly lower revenues mainly due to an exceptionally strong comparative period although remains well positioned to deliver full year revenues in line, or better, than prior year. Data Solutions, offering satellite-based broadband data solutions, saw marginally lower revenues from fewer equipment sales but recorded a significant improvement in underlying operating profitability.

Highlights for the nine-month period include:

- **Revenue** of AED 1.2 billion [USD 323 million], up 3% year-on-year.
- **Normalised EBITDA** of AED 713 million [USD 194 million], up 3% year-on-year, with a strong margin of 60% (prior year 60%).
- **Normalised Net Income** (profit) of AED 274 million [USD 75 million], in line with the prior year period and maintaining a healthy margin of 23% (prior year 24%).



- **Contracted future revenue** of AED 25.3 billion [USD 6.9 billion], equivalent to 15.7 times last-twelve-month revenue and representing a multi-fold increase versus year end 2022 (of AED 7.3 billion [USD 2.0 billion] or 4.6x last twelve-month revenue).
- **Yahsat's highest ever mandate awarded** by the UAE Government during the quarter worth AED 18.7 billion [USD 5.1 billion] for satellite capacity and managed services of which AED 3.7 billion [USD 1 billion] will be received in advance.
- **Strong cash generation** with Discretionary Free Cash Flow of AED 627 million (USD 171 million), 6% lower versus prior year due to a reimbursement of advance payments to the UAE Government (approx. USD 75 million per annum starting 2023) previously received during the construction phase of the AY1 and AY2 satellites. This was largely offset by improved collection of receivables.
- **Historically strong balance sheet** with record negative Net Debt of more than AED 583 million [USD 159 million], total available liquidity of AED 2.6 billion [USD 719 million] and long-term visibility of future cash flows up to 2043, supporting 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** of AED 36 million [USD 10 million] 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 continues to imply an annualised dividend yield of well over 6%, amongst the highest currently offered by UAE listed stocks.
- **Guidance** for full year revenue, EBITDA, and cash capex and investments remain unchanged, whilst guidance for Discretionary Free Cash Flow is increased to a range of AED 514-588 million [USD 140-160 million] from AED 477-550 million [USD 130-150 million].

Ali Al Hashemi, Group Chief Executive Officer of Yahsat, commented: “The third quarter has been one of several historic achievements which reinforce the company’s future growth trajectory. Our reported revenue growth for the nine-month period underpinned by one of the strongest third quarters on record has resulted in improved financial guidance for 2023 and means that we are well positioned to record our strongest ever performance for the full year. Our financial position with record low leverage has never been stronger and continues to support our attractive progressive dividend policy. The construction of the Thuraya-4 NGS satellite remains on track for launch in 2024 and entry into service in H1 2025, with new advanced capabilities that will allow us to offer additional applications to our customers. Our largest ever contract award during the quarter – an AED 18.7 billion [USD 5.1 billion] satellite capacity and managed services mandate from the UAE Government that includes the procurement of two new satellites, Al Yah 4 and Al Yah 5, has propelled our contracted future revenues to an all-time high and will support our core government business going forward whilst securing significant predictable cashflows all the way out to 2043.

“This is a very exciting time for Yahsat. These achievements continue to differentiate our investment case amongst regionally-listed peers and within the global satellite industry, which continues to witness significant transformation. We remain in a strong position to take advantage of value accretive opportunities, underpinned by our unique backlog of future revenues and our historically strong balance sheet.”

The full set of [nine-month 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. 9M 2023 Normalised EBITDA of AED 713 million [USD 194 million] reflects an adjustment for one-off redundancy costs (AED 11 million [USD 3 million]) whilst there were no adjustments made to 9M 2022 EBITDA of AED 694 million [USD 189 million].

Similarly, 9M 2023 Normalised Net Income of AED 274 million [USD 75 million] reflects the adjustments made above to derive Normalised EBITDA whilst 9M 2022 Normalised Net Income of AED 278 million [USD 76 million] reflects an adjustment for a non-cash impairment (AED 149 million [USD 41 million]) in the Group's equity-accounted joint-venture in HPE Brazil, in which the Group owns a non-controlling 20% stake.

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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.

