

Yahsat reports strongest ever financial results for 2023

Record revenue, Normalised EBITDA and Normalised Net Income, growing 6%, 5% and 9% respectively

Top end of guidance exceeded across key financial metrics

Contracted future revenues reached AED 25.1 billion [USD 6.8 billion] or approximately 15 times full year revenues

Abu Dhabi, United Arab Emirates, 5 March 2024: 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 full year ended 31 December 2023.

Revenue grew 6% for the year versus the prior year to a record AED 1.7 billion [USD 457 million]. EBITDA grew 3% to AED 977 million [USD 266 million] and net income grew 68% to AED 405 million [USD 110 million]. On a normalised basis, adjusting for material, one-off items to allow like-for-like comparison, EBITDA grew 5% to reach a record of AED 996 million [USD 271 million] and net income grew 9% to a record AED 424 million [USD 116 million].

Underpinning this impressive performance was revenue growth across all operating segments of the Group for the first time since its initial public offering in July 2021. 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%. The Mobility Solutions segment, which provides mobile satellite services using L-band spectrum, recorded its highest ever revenues since Yahsat’s acquisition of Thuraya in August 2018. Revenue grew 23% versus the prior year, driven by a surge in equipment sales and higher service revenues. Managed Solutions, the Group’s third largest segment by revenue providing complete value-added satellite communications solutions primarily to the UAE Government and related entities, reported 2% revenue growth, building on an exceptionally strong prior year performance. Data Solutions, offering satellite-based broadband data solutions, grew revenues by 6%.

Highlights for the full year include:

- **Revenue** of AED 1.7 billion [USD 457 million], up 6% year-on-year with growth across all four operating segments of the Group and exceeding the top end of the previous guidance range of AED 1.6-1.7 billion [USD 435-455 million].
- **Normalised EBITDA** of AED 996 million [USD 271 million], up 5% year-on-year, with good control of the cost base maintaining a strong margin of 59% (prior year 60%) and exceeding the top end of the previous guidance range of AED 881-955 million [USD 240-260 million].
- **Normalised Net Income** (profit) of AED 424 million [USD 116 million], up 9% versus the prior year period and maintaining a healthy margin of 25% (prior year 25%).



- **Contracted future revenue** of AED 25.1 billion [USD 6.8 billion], equivalent to approximately 15 times full year revenue and representing a multi-fold increase versus year end 2022 (up from AED 7.3 billion [USD 2.0 billion] or approximately 5x full year revenue).
- **Yahsat's highest ever mandate awarded** by the UAE Government during the year 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 ("DFCF") of AED 710 million (USD 193 million), exceeding the top end of the previous guidance range of AED 514-588 million [USD 140-160 million]. DFCF was 14% lower than the prior year due to a reimbursement of advance payments to the UAE Government (approximately AED 275 million [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 and higher finance income.
- **Historically strong balance sheet** with an improved cash position of AED 2.1 billion [USD 562 million], negative Net Debt of over AED 367 million [USD 100 million], AED 3.7 billion [USD 1 billion] expected in new advance payments, access to a USD 300 million undrawn bridge facility and long-term visibility of future cash flows up to 2043. The Group is well positioned to fund growth capital expenditures and opportunistic acquisitions, without impacting its progressive dividend policy.
- **On track to grow full year 2023 dividend** by 2% to 16.46 fils [4.48 US cents] per share or AED 402 million [USD 109 million].
- **New guidance** set for 2024 with AED 1.6-1.7 billion [USD 440-460 million] for revenue, AED 936-1,010 million [USD 255-275 million] for EBITDA, AED 441-514 million [USD 120-140 million] for Discretionary Free Cash Flow and AED 1.7-1.8 billion [USD 470-500 million] for cash CapEx and investments.

Musabbeh Al Kaabi, Chairman of Yahsat, commented: "The Group's impressive achievements in 2023 have set the stage for further important developments this upcoming year. Yahsat is entering a new phase of its journey following the award of its largest ever government mandate, covering the procurement of two new satellites, Al Yah 4 and Al Yah 5, and the upcoming launch of Thuraya 4 in the second half of 2024. These new satellites represent a substantial upgrade to the Group's current fleet and will provide completely new capabilities and applications to support future growth.

"In addition, the proposed merger between Yahsat and Bayanat will create an AI-powered space technology champion with global reach. To be rebranded Space42 upon completion of the merger, the merged entity will provide vertically integrated, AI-powered geospatial and mobility solutions, satellite communications, and business intelligence. At the time of writing, the merger is subject to shareholder and regulatory approvals, and is expected to close in the second half of 2024. This is an exciting opportunity to create one of the most valuable publicly listed space companies in the world by market capitalization, with additional potential for significant global growth and synergies. Until the merger is approved and the necessary regulatory approvals obtained, the two companies will continue to be run independently and administer their own dividend policies."

Ali Al Hashemi, Group Chief Executive Officer of Yahsat, commented: "2023 was a year of major achievement for Yahsat. Not only did it record an historic financial performance whilst continuing to meet the highest standards of operational excellence, it was also awarded its largest ever mandate by the UAE Government. The Board also proposed a merger with Bayanat.

"Yahsat recorded its strongest ever financial results, surpassing management guidance and analyst consensus figures across key financial metrics including revenue, EBITDA, net income and cash flow. The



renewal of our fleet with three new, advanced, data-centric satellites, together with our valuable L-band spectrum rights and best-in-class ground infrastructure, position us well for significant growth opportunities across a range of different segments. These include serving the UAE Government's requirements for all satellite-enabled solutions, further commercialising our narrowband spectrum to become a critical player in Direct-to-Device (D2D) and developing IoT technologies that allow remote asset tracking and monitoring.

"The future is promising and we are excited to play our role in shaping it."

The full set of [full year 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. FY 2023 Normalised EBTIDA of AED 996 million [USD 271 million] reflects an adjustment for one-off redundancy costs (AED 11 million [USD 3 million]) and advisory costs related to the proposed merger between Yahsat and Bayanat (AED 8 million [USD 2 million]) whilst there were no adjustments made to FY 2022 EBITDA of AED 946 million [USD 258 million].

Similarly, FY 2023 Normalised Net Income of AED 424 million [USD 116 million] reflects the adjustments made above to derive Normalised EBITDA whilst FY 2022 Normalised Net Income of AED 390 million [USD 106 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 retains 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, the next generation telecommunications system for Thuraya, which is due to enter service in 2025. In 2023, Yahsat commenced construction of two new



software-defined telecommunication satellites, Al Yah 4 and Al Yah 5, which are expected to be launched in 2027 and 2028, respectively.

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

Note

On the 18th of December 2023, the Board of Directors of each of Bayanat AI PLC (Bayanat) and Yahsat recommended a merger of the two entities to its shareholders. The proposed merger aims to create an AI-powered space technology champion in the MENA region with global reach. Bayanat and Yahsat will continue to operate independently until regulatory approval is received and the merger is effective, which is expected to take place in mid-2024. Visit the merger microsite for more information: www.asharedambition.com

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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 2022, 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.

