

Yahsat reports strong revenue and EBITDA growth in 2022

Key financial guidance targets met or exceeded

*Contracted future revenues of AED 7.3 billion [USD 2.0 billion]
equivalent to 4.6 times annual revenue*

Robust balance sheet and strong cash generation to support progressive dividend and future growth across government and commercial businesses

Abu Dhabi, United Arab Emirates, 28 February 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 fourth quarter and full year ended 31 December 2022.

For the twelve-month period, the Group delivered robust growth in revenue and Adjusted EBITDA, which increased 6% and 7% respectively year-on-year, meeting and exceeding financial guidance targets.

The Group’s positive performance was primarily driven by the Managed Solutions segment which delivered exceptional results in each quarter of the year and saw revenue increase significantly by 41% year-on-year to AED 333 million [USD 91 million]. Infrastructure, the Group’s largest business segment, continued to deliver stable and predictable returns, reporting AED 872 million [USD 238 million] in revenue for the period, 1% higher than the prior year.

Highlights for the full year include:

- **Revenue** of AED 1.6 billion [USD 433 million], up 6% year-on-year, driven by strong growth of 41% in Managed Solutions and stable performance across the Infrastructure and Mobility Solutions businesses.
- **Adjusted EBITDA** of AED 946 million [USD 258 million], up 7% year-on-year, delivering a superior margin of 60%.
- **Normalised net income** of AED 390 million [USD 106 million] up 31% year-on-year, generating a strong margin of 25%.
- **Contracted future revenue** of AED 7.3 billion [USD 2.0 billion], equivalent to 4.6 times annual revenue for the year 2022.
- **Robust balance sheet** with negative net debt, strong cash position and long-term visibility of future cash flows, continues to support Yahsat’s investment in organic growth as well as opportunistic acquisitions, without impacting its progressive dividend policy.
- **Proposed full year dividend** of AED 16.12 fils [USD 4.39 cents] per share or AED 393 million [USD 107 million], 2% higher than the prior year, of which 50% was paid as an interim dividend in October 2022 and the remaining amount is expected to be paid as a final dividend in May 2023 subject to shareholder approval at the upcoming annual general meeting.



Musabbeh Al Kaabi, Chairman of Yahsat, commented: “In a year of continued transformational change for the satellite industry and against a backdrop of global economic headwinds and tighter financial conditions, the Group continues to deliver impressive top-line revenue growth, a superior margin and healthy cash flows, positioning it to sustain and grow its dividend and invest in organic and inorganic growth opportunities.

“The true test of a company's performance, however, is its ability to deliver on its promises, and I'm pleased to see Yahsat's management team firmly meet or exceed the financial targets set out in our first full year as a publicly traded company following the successful IPO in July 2021. This reliable and steady progress bodes well for creating further shareholder value as we work on executing Yahsat's growth strategy.

“In turn, the Board is also pleased to recommend a total dividend for the year of 16.12 fils, which, based on Yahsat's current share price, implies a dividend yield of more than 6%, one of the highest yields amongst UAE listed equities. We expect to continue growing Yahsat's dividends by at least 2% per year underscoring the Board's confidence in Yahsat's future growth potential and long-term visibility of cash flows.”

Ali Al Hashemi, Group Chief Executive Officer of Yahsat, said: “Yahsat delivered strong growth in 2022, reinforcing and expanding its role as the preferred partner of the UAE Government for satellite solutions. We now provide complete end-to-end managed solutions to the UAE government under a new, expanded mandate that includes technology management services. The launch of the Thuraya-4 NGS satellite in 2024 followed by two potential new satellites, Al Yah 4 and Al Yah 5, demonstrates our commitment to sustaining our core government business, presenting unique growth opportunities for the Group that are expected to further secure our long-term financial outlook beyond 2026.

“In our commercial businesses, we are refocusing on areas of higher growth and profitability. This includes targeting various industry verticals, such as oil and gas, health and education, and maritime, and offering both mobile and fixed satellite services to meet their satellite connectivity needs. New products under development for the Thuraya-4 NGS satellite will also be offered to commercial customers, underpinning organic growth, whilst opportunistic acquisitions will allow us to further expand our product portfolio and customer base.

“Looking ahead, we remain confident in the Group's underlying health and resilience, which is supported by a robust balance sheet and a substantial contracted future revenues of approximately AED 7.3 billion [USD 2 billion]. This financial strength will help drive our future ambitions as we pursue a range of promising growth opportunities across IoT, government, maritime and enterprise data solutions, playing to our many strengths and driving sustainable long-term growth.”

The full set of [fourth quarter and full year financial disclosures](#), including a more detailed Management Discussion & Analysis report, can be found within the Investor Relations section on Yahsat's website.

Note to Editors:

Normalised Net Income is net income 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 2022 Normalised Net Income of AED 390 million [USD 106 million] has been adjusted for a non-cash impairment in Q3 2022 (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. This reflected a rapid deterioration in the global macro-economic environment, which significantly increased the discount rate used in assessing the recoverable amount of this investment. Similarly, FY 2021 net income of AED 256 million [USD 70 million] has been adjusted for one-off costs relating to the prior year debt refinancing (AED 26 million [USD 7 million]) and IPO-related costs (AED 15 million [USD 4 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/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.

