



GILAT PRESS RELEASE

Gilat Reports Q4 and Full Year 2019

Petah Tikva, Israel – February 19, 2020 – Gilat Satellite Networks Ltd. (NASDAQ, TASE: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its unaudited financial results for the fourth quarter and full year ended December 31, 2019.

Key Financial Highlights:

- Revenues for Q4 2019 were \$78.3 million compared to \$69.7 million for Q4 2018. Full year 2019 revenues totaled \$263.5 million versus \$266.4 million in 2018.
- Continued strong profitability:
 - Q4 2019 GAAP operating income increased to \$9.2 million from \$7.5 million in Q4 2018. Non-GAAP operating income in Q4 2019 totaled \$9.9 million, compared to \$7.9 million in Q4 2018. Full year 2019 GAAP operating income totaled \$25.6 million versus \$21.3 million for 2018. Non-GAAP operating income for full year 2019 of increased to \$29.2 million from \$25.1 million in 2018.
 - Q4 2019 GAAP net income totaled \$24.0 million, or \$0.43 per diluted share, including a tax benefit of \$15.5 million due to the first-time recording of deferred tax assets on NOLs mainly in Israel. GAAP net income was \$5.3 million, or \$0.09 per diluted share, in Q4 2018. Non-GAAP Q4 2019 net income increased to \$9.1 million, from \$5.7 million in Q4 2018.
 - Full year 2019 GAAP net income totaled \$36.5 million, or \$0.65 per diluted share, including the Q4 tax benefit. Non-GAAP net income for full year 2019 increased to \$24.7 million, or \$0.44 per diluted share, compared with \$18.2 million, or \$0.32 per diluted share in 2018.
 - Q4 2019 Adjusted EBITDA was \$13.1 million, compared to \$10.5 million in Q4 2018. Full Year 2019 Adjusted EBITDA was \$40.2 million versus \$35.2 million for full year 2018.
 - Gilat's tail-mount Ku-band antenna project, previously announced on August 5th, 2019, was discontinued. Gilat will refocus on other opportunities that the significant growth in the IFC terminal market offers.

In light of the merger agreement between Comtech and Gilat and as previously announced, Gilat will not hold a fourth quarter and fiscal 2019 year-end conference call and webcast.



Non-GAAP Measures

The attached summary unaudited financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). To supplement the consolidated financial statements presented in accordance with GAAP, the Company presents Non-GAAP presentations of net income, operating income, Adjusted EBITDA and earnings per share. The adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results, trends and performance. Non-GAAP financial measures mainly exclude the effect of stock based compensation, amortization of purchased intangibles, lease incentive amortization, litigation expenses, income related to trade secrets claims, re-organization costs, merger and acquisition costs, expenses for tax contingencies to be paid under an amnesty program and initial recognition of deferred tax asset with respect to carry-forward losses.

Adjusted EBITDA is presented to compare the Company's performance to that of prior periods and evaluate the Company's financial and operating results on a consistent basis from period to period. The Company also believes this measure, when viewed in combination with the Company's financial results prepared in accordance with GAAP, provides useful information to investors to evaluate ongoing operating results and trends. Adjusted EBITDA, however, should not be considered as an alternative to operating income or net income for the period and may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. Adjusted EBITDA is not a measure of financial performance under GAAP and may not be comparable to other similarly titled measures for other companies. Reconciliation between the Company's Operating income and Adjusted EBITDA is presented in the attached summary financial statements.

Non-GAAP presentations of net income, operating income, Adjusted EBITDA and earnings per share should not be considered in isolation or as a substitute for any of the consolidated statements of operations prepared in accordance with GAAP, or as an indication of Gilat's operating performance or liquidity.

About Gilat

Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT) is a leading global provider of satellite-based broadband communications. With 30 years of experience, we design and manufacture cutting-edge ground segment equipment, and provide comprehensive solutions and end-to-end services, powered by our innovative technology. Delivering high value competitive solutions, our portfolio comprises of a cloud based VSAT network platform, high-speed modems, high performance on-the-move antennas and high efficiency, high power Solid State Amplifiers (SSPA) and Block Upconverters (BUC).

Gilat's comprehensive solutions support multiple applications with a full portfolio of products to address key applications including broadband access, cellular backhaul,



enterprise, in-flight connectivity, maritime, trains, defense and public safety, all while meeting the most stringent service level requirements. Gilat controlling shareholders are the **FIMI Private Equity Funds**. For more information, please visit: www.gilat.com

Safe Harbor Statement

Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words "estimate", "project", "intend", "expect", "believe" and similar expressions are intended to identify forward-looking statements. For example, when we discuss the benefits of the pending acquisition of Gilat by Comtech Telecommunications Corp., we are using forward-looking statements. In addition, announced results for the fourth quarter and full year 2019 are preliminary, unaudited and subject to year-end audit adjustment. These forward-looking statements involve known and unknown risks and uncertainties. Many factors could cause the actual results, performance or achievements of Gilat to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, risks and uncertainties relating to the pending acquisition of Gilat by Comtech Telecommunications Corp., changes in general economic and business conditions, inability to maintain market acceptance to Gilat's products, inability to timely develop and introduce new technologies, products and applications, rapid changes in the market for Gilat's products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company's proprietary technology and risks associated with Gilat's international operations and its location in Israel. We undertake no obligation to update or revise any forward-looking statements for any reason. For additional information regarding these and other risks and uncertainties associated with Gilat's business, reference is made to Gilat's reports filed from time to time with the Securities and Exchange Commission.

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