



GILAT SATELLITE NETWORKS

Investors Presentation

NOVEMBER 2023





FORWARD LOOKING STATEMENTS DISCLAIMER



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. 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 associated with the outbreak and global spread of the coronavirus (COVID-19) pandemic; 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. 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. We undertake no obligation to update or revise any forward-looking statements for any reason.

Unaudited/Non-GAAP Financial Measures

This presentation includes financial data that is not audited and financial data that was not prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Non-GAAP financial measures mainly exclude, if and when applicable, the effect of non-cash stock-based compensation expenses, amortization of purchased intangibles, amortization of intangible assets related to acquisition transactions, lease incentive amortization, impairment of held for sale asset, income tax effect on adjustments, one-time changes of deferred tax assets, and other operating expenses (income), net. Gilat believes these non-GAAP financial measures provide consistent and comparable measures to help investors understand Gilat’s current and future operating performance. However, our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read in conjunction with Gilat’s consolidated financial statements prepared in accordance with GAAP.

A WORLD LEADER IN SATELLITE COMMUNICATIONS



**INNOVATIVE
GROUND
EQUIPMENT
TECHNOLOGY**



2G 3G 4G 5G

Cellular Backhaul



Aero / IFC



Telecom infrastructure
& services



Maritime



Government



Land



Enterprise



Defense



Consumer

~1,000 Employees **1987** Founded **15** Sales Offices **6** R&D Centers **3** NOC Centers **GILAT** NASDAQ /TASE



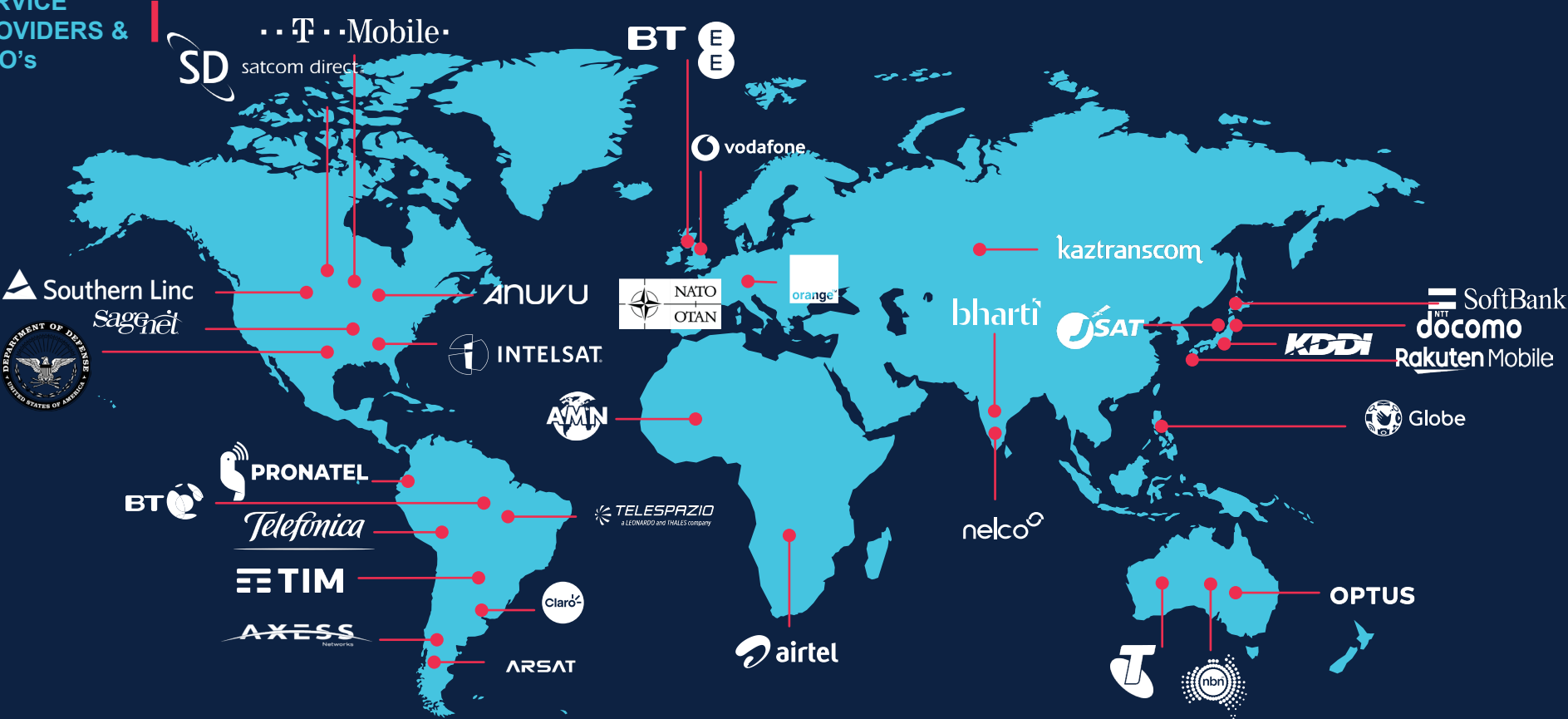
LEADING GLOBAL CUSTOMER BASE



SATELLITE OPERATOR



SERVICE PROVIDERS & MNO's



100+
COUNTRIES

300+
CUSTOMERS

HUNDREDS OF
NETWORKS

SYSTEM INTEGRATORS



VALUE CHAIN



SATELLITE MANUFACTURER



NORTHROP GRUMMAN

LOCKHEED MARTIN

ASTRANIS



SATELLITE OPERATOR



GROUND EQUIPMENT



SERVICE PROVIDER



END USERS





UNIQUELY POSITIONED TO UNLOCK GROWTH OPPORTUNITIES



- 1 | VHTS & NGSO Constellations - Abundance of Capacity**
IFC, Maritime, Cellular Backhaul, Enterprise, Social Inclusion
- 2 | Strong Tailwinds in Defense**
Increased focus on military SATCOM networks
- 3 | Peru Terrestrial Networks "Investment" Shifting to Operation**
Recurring revenue model

VHTS/NGSO CONSTELLATIONS - ABUNDANCE OF CAPACITY

LARGE CAPITAL SPENDING IN SATELLITE INDUSTRY

GEO

35,786 km
~550msec

MEO

2,000-10,000 km
~120msec

LEO

500-2,000 km
~15msec



HTS/VHTS
~50-500 Gbps

SES/O3B

mPower
~2.2 Tbps
Planned 11 Satellites
Launched 4



Telesat
~4.9 Tbps
Planned 198 Satellites



IRIS2
~3.4 Tbps
Planned 2027



OneWeb
~6.4 Tbps
Planned 618 Satellites
Launched 618
Gen2 2025/6

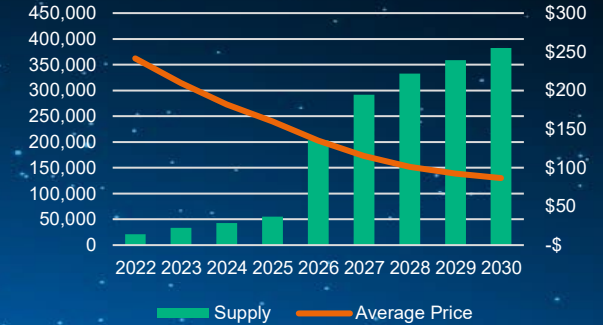


SpaceX
~23+ Tbps
Planned 12,000 satellite in Gen1
~30,000 satellite - in Gen2
Launched 5,000 Satellites

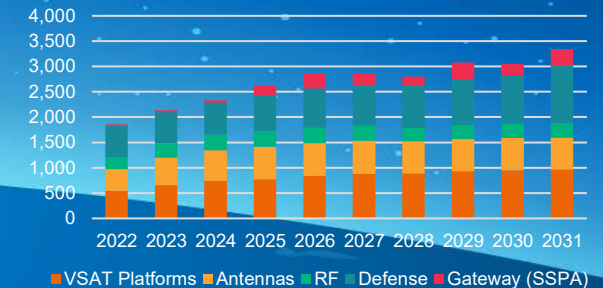


Amazon
~40+Tbps
Planned 3,236 Satellites
Launched first satellite
prototypes

Capacity Supply & Price



Total Addressable Market by Broadband Equipment Type (M\$)

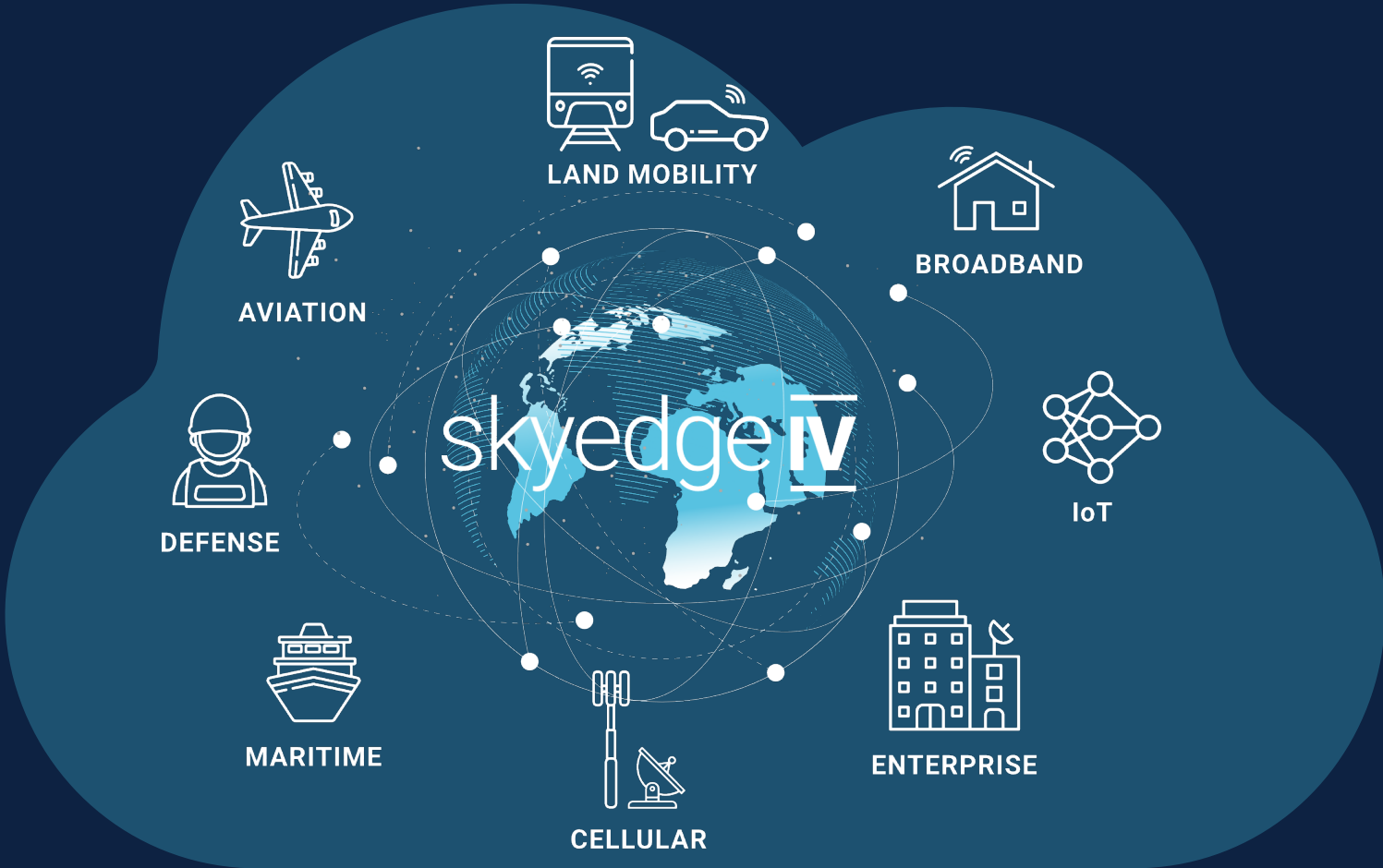


NSR 2022 & Gilat Internal

**MORE THAN 50,000 LEO SATELLITES EXPECTED WITHIN A DECADE; INVESTMENT OVER \$30 BILLION
A MULTI-BILLION DOLLAR EQUIPMENT MARKET**



SKYEDGE IV – INDUSTRY LEADING GROUND PLATFORM FOR VHTS & NGSO



The Satellite Operators Choice





POST COVID-19 IFC REBOUND INCLUDES FREE WIFI TAILWIND



LONG TERM IFC INVESTMENT CYCLE



ENABLING LARGE IFC GLOBAL NETWORK

GLOBAL COVERAGE | > 30 SATELLITES |

28 TELEPORTS | 32 AIRLINES |

GLOBAL NETWORK MANAGEMENT SYSTEM



Expanding Fleets

COMMERCIAL AIRCRAFT
(Ka/Ku)

~19,500
(2032)

CAGR 9%

~8,430
(2022)

BUSINESS JETS
(Ka/Ku)

~16,000
(2032)

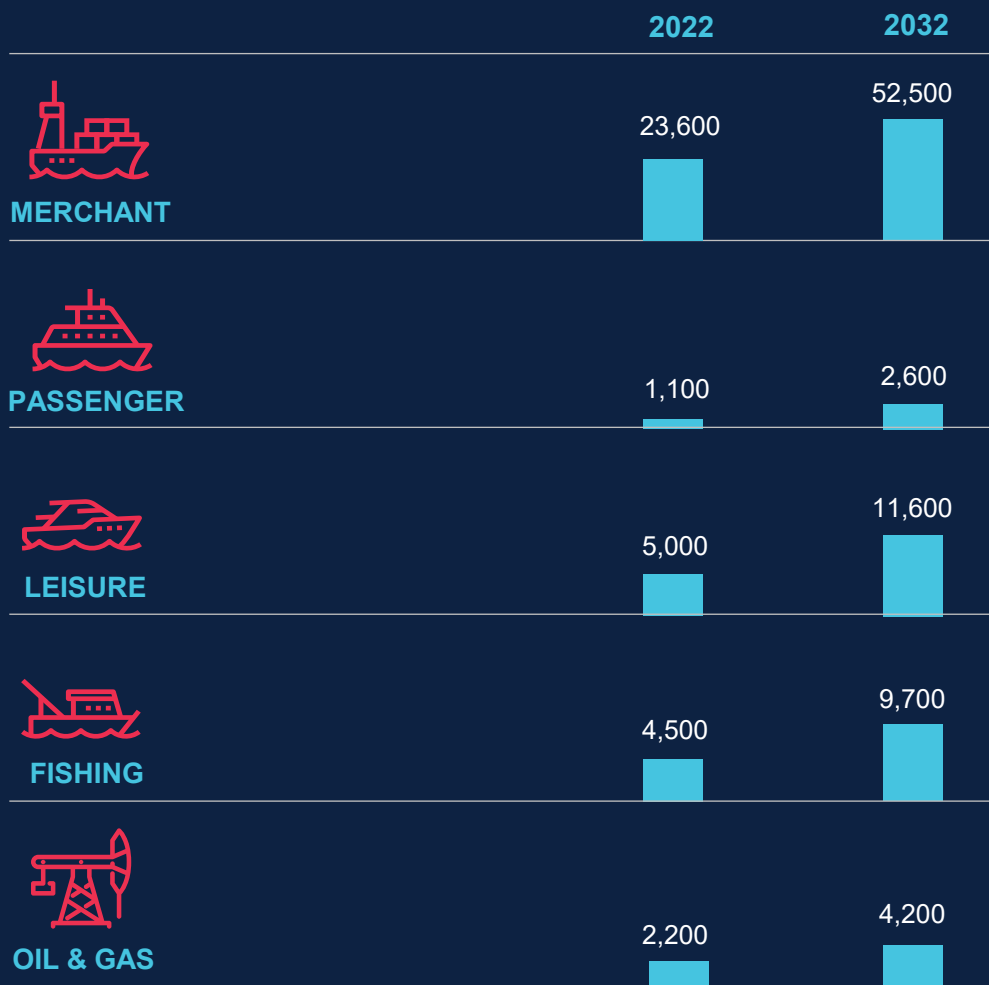
CAGR 20%

2,700
(2022)

Euroconsult 2023

GROWTH OPPORTUNITIES DRIVEN BY INCREASE IN DEMAND AND MARKET PENETRATION

ACTIVE VSAT TERMINALS



Euroconsult 2023





4G/5G UBIQUITOUS CONNECTIVITY BRIDGING THE DIGITAL DIVIDE



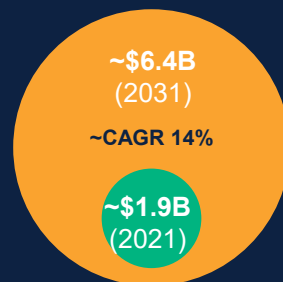
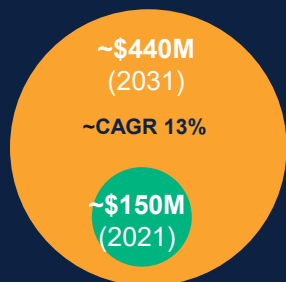
OF SATELLITE BACKHAUL
4G/LTE MARKET SHARE

NSR & GILAT ESTIMATION, 2022

“GILAT CONTINUES TO LEAD IN SHIPMENTS
WITH BIG WINS AND BUSINESS EXPANSIONS
WORLDWIDE”

EQUIPMENT

CAPACITY, SERVICE & EQUIPMENT



NSR, 2022

End-to-end service with recurring revenue





4G/5G UBIQUITOUS CONNECTIVITY BRIDGING THE DIGITAL DIVIDE

5G TOTAL ADDRESSABLE MARKET EXPANDING DRAMATICALLY

HIGH SPEED

Speeds
>1Gbps



Innovative
Wideband
Technology

FLEXIBLE NETWORK ARCHITECTURE

Satellite Ground
Segment Integration
Into 5G Eco-System



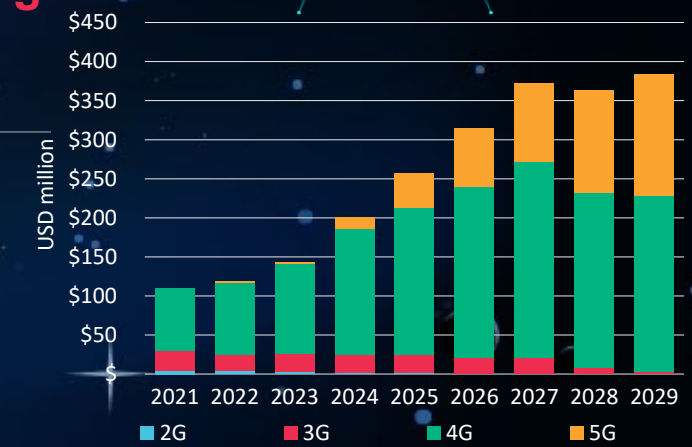
Utilize SDN/NFV,
Cloud, Edge Computing
& Network Slicing

LOW LATENCY

Order of Magnitude
Reduction in Latency



Leverage Our
NGSO Baseband



NSR 2022



DEFENSE & GOVERNMENT

INCREASED FOCUS ON MILITARY SATCOM NETWORKS



Secure & Resilient SATCOM Technology for Today's Net-Centric Battlefield

- End-to-end in-house capabilities for land, sea and air missions
- Ruggedized antennas, VSATs, modems and SSPAs
- Enable mission-critical COMMs/C5ISR operations over multi-orbit, software-defined platforms
- Support defense organizations around the globe



TOTAL ADDRESSABLE MARKET ~\$1B



FULL PORTFOLIO OF DEFENSE SOLUTIONS FOR MULTIPLE SEGMENTS

● Military SATCOM Networks

- SkyEdge IV with Aquarius family of VSATs
- Next generation point to point modem with cyber protection capabilities
- Network SSPAs for gateways to provide true “always-on” satellite communication



SkyEdge IV platform



SkyEdge IV Modems
Aquarius & Taurus



GLT Modems



Gateway SSPA

● SATCOM on the Move/Pause

- Terminals for armored vehicles and manpacks



Manpacks



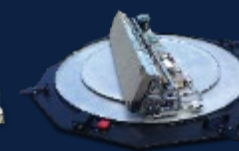
60W Ku-Band
BUC



Microstream



ER5000



ER7000



SR300

● Airborne Terminals

- Robust lightweight proven airborne terminals for UAVs



BlackRay Family



ESA

DataPath is a market leader in trusted communications for the US DoD Military and Government sectors, generating annual revenues of ~\$50M and profitable

- The acquisition is a strategic step in Gilat's initiatives to increase its presence in the growing defense markets
- High Synergy potential between the companies
- Valuation of up to \$45M Enterprise value – upfront \$3M, assumed debt \$15M, Earnout up to \$27M
 - The Consideration will be paid mainly in Gilat shares
- The acquisition is expected to close in Q4 2023, pending regulatory approvals

Primary End-Markets

U.S. DoD



International MoDs



Core DataPath Solutions Segments

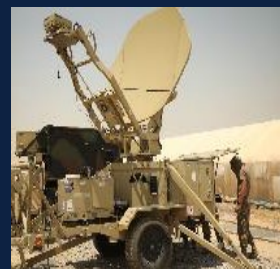
Sat. Ground
Systems



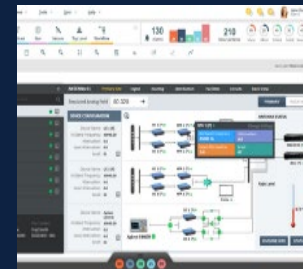
Field Services



Transportable



MaxView M&C





PERU TERRESTRIAL NETWORKS "INVESTMENT" SHIFTING TO OPERATIONS RECURRING REVENUE MODEL

3



Annual recurring revenues >\$50M

Pronatel Terrestrial Projects



Six regions awarded to Gilat (~\$550M)

- ~\$350M Construction revenue - 96% recognized by Sep 30, 2023
- ~\$200M Operation revenue over ten years
- Five regions are already in the operation phase; the last region is expected to be operative during H1-2024

Social Inclusion and Others

Expanding operation over our network infrastructure & through strategic vectors

- E-Learning; Public free WI-FI Hotspots; 4G backhauling



INTERNET
PARA TODOS

Telefonica



GILAT DELIVERS INTERNET TO MILLIONS OF PEOPLE IN PERU





FINANCIAL INDICATORS HIGHLIGHTS



Q3 2023 PROFIT AND LOSS HIGHLIGHTS

US\$ MILLIONS

		Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
GAAP	Revenue	63.9	67.6	59.0	72.6	60.4
	Gross Margin	40%	38%	42%	38%	38%
	Operating Expenses	13.1	20.1	17.7	21.6	19.6
	Operating Income	12.7	5.5	7.0	6.1	3.4
	Net Income / (Loss)	10.2	4.3	5.6	(6.0)	2.1
Non-GAAP	Adj. EBITDA	9.5	9.2	8.4	10.1	7.3
	Operating Expenses	19.8	19.6	19.5	20.7	18.7
	Operating Income	6.1	6.0	5.3	7.1	4.4
	Net Income	4.6	4.9	3.8	7.9	3.0

YTD Q3-23 PROFIT AND LOSS HIGHLIGHTS

US\$ MILLIONS

		YTD 2023	YTD 2022
GAAP	Revenue	190.5	167.2
	Gross Margin	40%	35%
	Operating Expenses	50.8	55.3
	Operating Income	25.2	3.9
	Net Income	20.1	0.1
Non-GAAP	Adj. EBITDA	27.1	15.1
	Operating Expenses	58.9	52.9
	Operating Income	17.4	6.5
	Net Income	13.4	2.7



BALANCE SHEET HIGHLIGHTS

US\$ MILLIONS

	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22
Cash ¹	100.3	87.8	89.7	87.1	69.9
DSO ²	75	63	77	72	89
Cash from operations	13.8	2.0	6.2	16.8	4.7
Equity	265.5	255.0	250.0	244.1	248.6

1) Cash includes Cash and cash equivalents and restricted cash

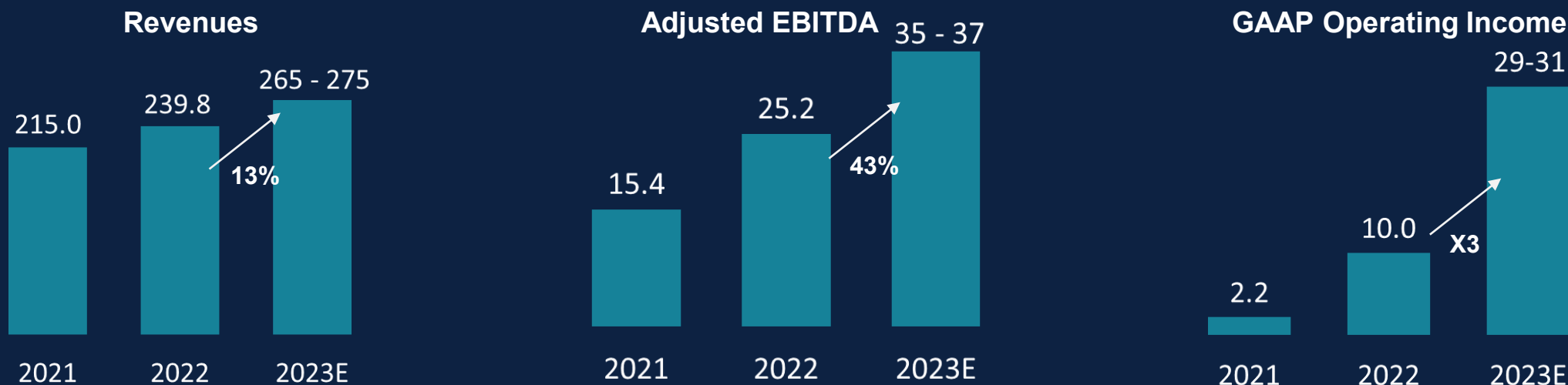
2) DSO excluding construction in Peru



EXECUTING PROFITABLE GROWTH STRATEGY



Updated 2023 Market Guidelines (US\$ millions)



Revenues: \$265M - \$275M

GAAP Operating Income: \$29M - \$31M

Adjusted EBITDA: \$35M - \$37M



SUMMARY

UNIQUELY POSITIONED TO UNLOCK GROWTH OPPORTUNITIES



VHTS and NGSO Opening New Markets



SkyEdge IV is a leading VHTS and NGSO Platform



Leading in Main Growth Areas – Cellular Backhaul (4G, 5G) & In-Flight Connectivity



Increased Focus on Military SATCOM Networks



Focused on Profitable Growth





THANK YOU

Gilat Satellite Networks | info@gilat.com | www.gilat.com