



Press Release

Gilat Reports Second Quarter 2024 Results

***Revenue Increased by 13% Year-over-Year,
GAAP Operating Income of \$2.8 Million and
Adjusted EBITDA of \$10.1 Million***

Petah Tikva, Israel, August 7, 2024 — Gilat Satellite Networks Ltd. (NASDAQ: GILT, TASE: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its results for the second quarter, ended June 30, 2024.

Second Quarter 2024 Financial Highlights

- **Revenue** of \$76.6 million, up 13% compared with \$67.6 million in Q2 2023;
- **GAAP operating income** of \$2.8 million, compared with \$5.4 million in Q2 2023;
 - The decline is mainly attributable to the acquisition-related expenses, amortization of purchased intangibles, and earnout-based expenses related to DataPath acquisition;
- **Non-GAAP operating income** of \$7.3 million, up 21% compared with \$6.1 million in Q2 2023;
- **GAAP net income** of \$1.3 million, or \$0.02 per diluted share, compared with \$4.3 million, or \$0.08 per diluted share, in Q2 2023;
- **Non-GAAP net income** of \$5.6 million, or \$0.10 per diluted share, up 13% compared with \$4.9 million, or \$0.09 per diluted share, in Q2 2023;
- **Adjusted EBITDA** of \$10.1 million, up 10% compared with \$9.2 million in Q2 2023.

Forward-Looking Expectations

The Company today reiterated its formerly issued guidance expectations for 2024.

Expectations are for revenue between \$305 and \$325 million, representing year-over-year growth of 18% at the midpoint. GAAP operating income is expected to be between \$15 and \$19 million, and Adjusted EBITDA is expected to be between \$40 and \$44 million, representing year-over-year growth of 15% at the mid-point.

This Guidance does not include any contribution expected from the acquisition of Stellar Blu. However given Stellar Blu has already begun delivering its antennas, and assuming closing will happen during the beginning of Q4, we estimate SBS revenues will add between \$25 to \$35 million in Q4.

Management Commentary

Adi Sfadia, Gilat's CEO, commented: "We are pleased with our results for the second quarter. Our business continues to perform well and we are on track with our expectations for 2024. The pipeline of potential orders throughout our business continues to broaden, supported by our next-generation platform and growth engines. In particular, we are pleased with the solid traction we are experiencing in the growing defense satellite communications segment, a strategic growth vector for us. This is strongly supported by our DataPath subsidiary acquired at the end of last year, which has already proven itself as a successful acquisition and key contributor to our success this quarter."

Mr. Sfadia added, "We recently took a major strategic step and announced our intention to acquire Stellar Blu, a leader and first-to-market in delivering Electronically Steerable Antenna for the In-Flight-Connectivity market. Given Stellar Blu has already begun delivering its antennas we now expect Stellar Blu to add between \$120-\$150 million in revenue in 2025 and be accretive to our Non-GAAP results. Furthermore, we estimate that once Stellar Blu reaches its target manufacturing capacity during the second half of 2025, its EBITDA margin will be above 10%".

Mr. Sfadia concluded, "With Stellar Blu on board, we will become the leader in the ESA IFC market, which we believe is set to explode in popularity and become widely adopted in the coming years. I believe that this acquisition will transform Gilat into a high-growth company for many years to come, providing us with a highly attractive portfolio of ESA products and technologies. We are very excited about the significant potential this acquisition holds for Gilat."

Key Recent Announcements

- Gilat Awarded Over \$9M for its GEO and NGSO Satellite Communications Solutions
- Gilat Awarded Over \$5M by a National Defense Organization for the Upgrade of Transportable SATCOM Network Hubs
- Gilat Receives Over \$10M Contract Extension for Cellular Backhaul Services



- Gilat Awarded Over \$9M to Support Critical Connectivity Requirements for the US Department of Defense
- Gilat Receives over \$14M in Orders Expanding Further into the IFC Market
- Gilat to Acquire Stellar Blu, an IFC Market Leader with a First-to-Market ESA-Based Solution for Commercial Aviation
- Nicole Robinson Appointed President of DataPath Inc.

Conference Call Details

Gilat's management will discuss its second quarter 2024 results and business achievements and participate in a question-and-answer session:

Date: Wednesday, August 7, 2024
Start: 09:30 AM EDT / 16:30 IDT
Dial-in: US: 1-888-407-2553
International: +972-3-918-0609

A simultaneous webcast of the conference call will be available on the Gilat website at www.gilat.com and through this link: <https://veidan.activetrail.biz/gilatq2-2024>

The webcast will also be archived for a period of 30 days on the Company's website and through the link above.

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 gross profit, operating expenses, operating income, income before taxes on income, net 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 with a more complete understanding of the Company's underlying operational results, trends, and performance. Non-GAAP financial measures mainly exclude, if and when applicable, the effect of stock-based compensation expenses, amortization of purchased intangibles, lease incentive amortization, other non-recurring expenses, other integration expenses, other operating expenses (income), net, one-time changes of deferred tax assets and income tax effect on the relevant adjustments.

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 net income and adjusted EBITDA is presented in the attached summary financial statements.

Non-GAAP presentations of gross profit, operating expenses, operating income, income before taxes on income, net 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 over 35 years of experience, we create and deliver deep technology solutions for satellite, ground and new space connectivity and provide comprehensive, secure end-to-end solutions and services for mission-critical operations, powered by our innovative technology. We believe in the right of all people to be connected and are united in our resolution to provide communication solutions to all reaches of the world.

Our portfolio includes a diverse offering to deliver high value solutions for multiple orbit constellations with very high throughput satellites (VHTS) and software defined satellites (SDS). Our offering is comprised of a cloud-based platform and high-performance satellite terminals; high performance Satellite On-the-Move (SOTM) antennas; highly efficient, high-power Solid State Power Amplifiers (SSPA) and Block Upconverters (BUC) and includes integrated ground systems for commercial and defense, field services, network management software, and cybersecurity services.

Gilat's comprehensive offering supports multiple applications with a full portfolio of products and tailored solutions to address key applications including broadband access, mobility, cellular backhaul, enterprise, defense, aerospace, broadcast, government, and critical infrastructure clients all while meeting the most stringent service level requirements. For more information, please visit: www.gilat.com

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, 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, including those related to the current terrorist attacks by Hamas, and the war and hostilities between Israel and Hamas and Israel and Hezbollah. 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.



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