

## EchoStar Announces Financial Results for Three Months Ended March 31, 2019

May 8, 2019

ENGLEWOOD, Colo., May 8, 2019 /PRNewswire/ -- EchoStar Corporation (NASDAQ: SATS) today announced its financial results for the three months ended March 31, 2019.



### Financial Highlights:

- Consolidated revenues of \$531 million.
- Consolidated net income of \$15 million, consolidated net income attributable to EchoStar common stock of \$14 million, and diluted earnings per share of \$0.15.
- Consolidated Adjusted EBITDA of \$206 million (see discussion and the reconciliation of GAAP to this non-GAAP measure below).

### Additional Highlights:

- Approximately 1,388,000 total Hughes broadband subscribers as of March 31, 2019 including approximately 150,000 subscribers in Latin America.
- Cash, cash equivalents and current marketable investment securities of \$3.3 billion as of March 31, 2019.

Set forth below is a table highlighting certain of EchoStar's segment results for the three months ended March 31, 2019 and 2018:

|                                                               | For the three months<br>ended March 31, |                    |
|---------------------------------------------------------------|-----------------------------------------|--------------------|
|                                                               | 2019                                    | 2018               |
|                                                               | (Dollars in thousands)                  |                    |
| <b>Revenue</b>                                                |                                         |                    |
| Hughes                                                        | \$ 445,337                              | \$ 400,818         |
| EchoStar Satellite Services                                   | 81,259                                  | 96,753             |
| Corporate & Other                                             | 4,486                                   | 4,221              |
| <b>Total</b>                                                  | <b>\$ 531,082</b>                       | <b>\$ 501,792</b>  |
| <b>Adjusted EBITDA</b>                                        |                                         |                    |
| Hughes                                                        | \$ 161,864                              | \$ 137,108         |
| EchoStar Satellite Services                                   | 68,717                                  | 84,150             |
| Corporate & Other:                                            |                                         |                    |
| Corporate overhead, operating and other                       | (20,116)                                | (17,870)           |
| Equity in earnings (losses) of unconsolidated affiliates, net | (4,827)                                 | (1,009)            |
| Sub-total                                                     | (24,943)                                | (18,879)           |
| <b>Total</b>                                                  | <b>\$ 205,638</b>                       | <b>\$ 202,379</b>  |
| <b>Net income (loss)</b>                                      | <b>\$ 15,008</b>                        | <b>\$ (21,171)</b> |
| <b>Expenditures for property and equipment</b>                | <b>\$ 111,962</b>                       | <b>\$ 50,982</b>   |

### Reconciliation of GAAP to Non-GAAP Measurement:

|                                                     | For the three months<br>ended March 31, |                   |
|-----------------------------------------------------|-----------------------------------------|-------------------|
|                                                     | 2019                                    | 2018              |
|                                                     | (Dollars in thousands)                  |                   |
| Net income (loss)                                   | \$ 15,008                               | \$ (21,171)       |
| Interest income and expense, net                    | 35,453                                  | 47,116            |
| Income tax provision (benefit), net                 | 8,180                                   | (5,403)           |
| Depreciation and amortization                       | 154,221                                 | 145,554           |
| Net income attributable to noncontrolling interests | (806)                                   | (380)             |
| (Gains) loss on investment, net                     | (6,418)                                 | 36,663            |
| <b>Adjusted EBITDA</b>                              | <b>\$ 205,638</b>                       | <b>\$ 202,379</b> |

### Note on Use of Non-GAAP Financial Measures

Adjusted EBITDA is defined as "Net income (loss)" excluding "Interest income and expense, net," "Income tax provision (benefit), net," "Depreciation and amortization," "Net income (loss) attributable to noncontrolling interests," and "Gains and losses on investments, net." Adjusted EBITDA is not a measure determined in accordance with US

GAAP. Adjusted EBITDA is reconciled to "Net income (loss)" in the table above and should not be considered in isolation or as a substitute for operating income, net income or any other measure determined in accordance with US GAAP. Our management uses this non-GAAP measure as a measure of our operating efficiency and overall financial performance for benchmarking against our peers and competitors. Management believes that this non-GAAP measure provides meaningful supplemental information regarding the underlying operating performance of our business and is appropriate to enhance an overall understanding of our financial performance. Management also believes that Adjusted EBITDA is useful to investors because it is frequently used by securities analysts, investors, and other interested parties to evaluate the performance of companies in our industry.

The consolidated financial statements of EchoStar for the periods ended March 31, 2019 and 2018 are attached to this press release. Detailed financial data and other information are available in EchoStar's Quarterly Report on Form 10-Q for the period ended March 31, 2019 filed today with the Securities and Exchange Commission.

EchoStar will host its earnings conference call on Wednesday, May 8, 2019 at 11:00 a.m. Eastern Time. The call-in numbers are (877) 815-1625 (toll-free) and (716) 247-5178 (international), Conference ID 8058859.

#### About EchoStar Corporation

EchoStar Corporation (NASDAQ: SATS) is a premier global provider of satellite communications solutions. Headquartered in Englewood, Colo., and conducting business around the globe, EchoStar is a pioneer in secure communications technologies through its Hughes Network Systems and EchoStar Satellite Services business segments.

#### Safe Harbor Statement under the US Private Securities Litigation Reform Act of 1995

This press release may contain statements that are forward looking, as that term is defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. When used in this release, the words "believe," "anticipate," "estimate," "expect," "intend," "project," "plans," and similar expressions and the use of future dates are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. We assume no responsibility for the accuracy of forward-looking statements or information or for updating forward-looking information or statements. These statements are subject to certain risks, uncertainties, and assumptions. See "Risk Factors" in EchoStar's Annual Report on Form 10-K for the period ended December 31, 2018 and Quarterly Report on Form 10-Q for the period ended March 31, 2019, as filed with the Securities and Exchange Commission and in the other documents EchoStar files with the Securities and Exchange Commission from time to time.

### ECHOSTAR CORPORATION Consolidated Balance Sheets (Dollars in thousands, except per share amounts)

|                                                                                                                                               | As of                         |                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------|
|                                                                                                                                               | March 31, 2019<br>(Unaudited) | December 31, 2018<br>(Audited) |
| <b>Assets</b>                                                                                                                                 |                               |                                |
| <b>Current assets:</b>                                                                                                                        |                               |                                |
| Cash and cash equivalents                                                                                                                     | \$ 1,349,724                  | \$ 928,306                     |
| Marketable investment securities, at fair value                                                                                               | 1,925,108                     | 2,282,152                      |
| Trade accounts receivable and contract assets, net (Note 3)                                                                                   | 216,558                       | 201,096                        |
| Trade accounts receivable - DISH Network                                                                                                      | 19,510                        | 14,200                         |
| Inventory                                                                                                                                     | 76,114                        | 75,379                         |
| Prepays and deposits                                                                                                                          | 66,119                        | 61,177                         |
| Other current assets                                                                                                                          | 24,508                        | 18,539                         |
| Total current assets                                                                                                                          | <u>3,677,641</u>              | <u>3,580,849</u>               |
| <b>Noncurrent assets:</b>                                                                                                                     |                               |                                |
| Property and equipment, net                                                                                                                   | 3,363,404                     | 3,414,908                      |
| Operating lease right-of-use assets                                                                                                           | 115,647                       | —                              |
| Regulatory authorizations, net                                                                                                                | 494,253                       | 495,654                        |
| Goodwill                                                                                                                                      | 504,173                       | 504,173                        |
| Other intangible assets, net                                                                                                                  | 40,550                        | 44,231                         |
| Investments in unconsolidated entities                                                                                                        | 227,828                       | 262,473                        |
| Other receivables - DISH Network                                                                                                              | 95,889                        | 95,114                         |
| Other noncurrent assets, net                                                                                                                  | 259,506                       | 263,892                        |
| Total noncurrent assets                                                                                                                       | <u>5,101,250</u>              | <u>5,080,445</u>               |
| Total assets                                                                                                                                  | <u>\$ 8,778,891</u>           | <u>\$ 8,661,294</u>            |
| <b>Liabilities and Stockholders' Equity</b>                                                                                                   |                               |                                |
| <b>Current liabilities:</b>                                                                                                                   |                               |                                |
| Trade accounts payable                                                                                                                        | \$ 115,752                    | \$ 121,437                     |
| Trade accounts payable - DISH Network                                                                                                         | 2,826                         | 1,698                          |
| Current portion of long-term debt and finance lease obligations                                                                               | 953,636                       | 959,577                        |
| Contract liabilities                                                                                                                          | 90,180                        | 72,284                         |
| Accrued interest                                                                                                                              | 55,552                        | 47,416                         |
| Accrued compensation                                                                                                                          | 35,161                        | 54,242                         |
| Accrued taxes                                                                                                                                 | 17,455                        | 16,013                         |
| Accrued expenses and other                                                                                                                    | 75,443                        | 72,470                         |
| Total current liabilities                                                                                                                     | <u>1,346,005</u>              | <u>1,345,137</u>               |
| <b>Noncurrent liabilities:</b>                                                                                                                |                               |                                |
| Long-term debt and finance lease obligations, net                                                                                             | 2,563,429                     | 2,573,204                      |
| Deferred tax liabilities, net                                                                                                                 | 475,464                       | 465,933                        |
| Operating lease liabilities                                                                                                                   | 95,215                        | —                              |
| Other noncurrent liabilities                                                                                                                  | 119,242                       | 121,546                        |
| Total noncurrent liabilities                                                                                                                  | <u>3,253,350</u>              | <u>3,160,683</u>               |
| Total liabilities                                                                                                                             | <u>4,599,355</u>              | <u>4,505,820</u>               |
| Commitments and contingencies                                                                                                                 |                               |                                |
| <b>Stockholders' equity:</b>                                                                                                                  |                               |                                |
| Preferred stock, \$0.001 par value, 20,000,000 shares authorized, none issued and outstanding at each of March 31, 2019 and December 31, 2018 | —                             | —                              |
| Common stock, \$0.001 par value, 4,000,000,000 shares authorized:                                                                             |                               |                                |

|                                                                                                                                                                                                                                            |                     |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Class A common stock, \$0.001 par value, 1,600,000,000 shares authorized, 54,514,833 shares issued and 48,029,912 shares outstanding at March 31, 2019 and 54,142,566 shares issued and 47,657,645 shares outstanding at December 31, 2018 | 54                  | 54                  |
| Class B convertible common stock, \$0.001 par value, 800,000,000 shares authorized, 47,687,039 shares issued and outstanding at each of March 31, 2019 and December 31, 2018                                                               | 48                  | 48                  |
| Class C convertible common stock, \$0.001 par value, 800,000,000 shares authorized, none issued and outstanding at each of March 31, 2019 and December 31, 2018                                                                            | —                   | —                   |
| Class D common stock, \$0.001 par value, 800,000,000 shares authorized, none issued and outstanding at each of March 31, 2019 and December 31, 2018                                                                                        | —                   | —                   |
| Additional paid-in capital                                                                                                                                                                                                                 | 3,713,777           | 3,702,522           |
| Accumulated other comprehensive loss                                                                                                                                                                                                       | (124,251)           | (125,100)           |
| Accumulated earnings                                                                                                                                                                                                                       | 709,928             | 694,129             |
| Treasury stock, at cost                                                                                                                                                                                                                    | (131,454)           | (131,454)           |
| Total EchoStar Corporation stockholders' equity                                                                                                                                                                                            | 4,168,102           | 4,140,199           |
| Other noncontrolling interests                                                                                                                                                                                                             | 11,434              | 15,275              |
| Total stockholders' equity                                                                                                                                                                                                                 | 4,179,536           | 4,155,474           |
| Total liabilities and stockholders' equity                                                                                                                                                                                                 | <u>\$ 8,778,891</u> | <u>\$ 8,661,294</u> |

**ECHOSTAR CORPORATION**  
**Consolidated Statements of Operations**  
(Dollars in thousands, except per share amounts)

|                                                                                 | <b>For the three months<br/>ended March 31,</b> |                    |
|---------------------------------------------------------------------------------|-------------------------------------------------|--------------------|
|                                                                                 | <b>2019</b>                                     | <b>2018</b>        |
| <b>Revenue:</b>                                                                 |                                                 |                    |
| Services and other revenue - DISH Network                                       | \$ 85,888                                       | \$ 103,805         |
| Services and other revenue - other                                              | 393,480                                         | 355,040            |
| Equipment revenue                                                               | 51,714                                          | 42,947             |
| Total revenue                                                                   | <u>531,082</u>                                  | <u>501,792</u>     |
| <b>Costs and expenses:</b>                                                      |                                                 |                    |
| Cost of sales - services and other (exclusive of depreciation and amortization) | 153,571                                         | 148,745            |
| Cost of sales - equipment (exclusive of depreciation and amortization)          | 45,007                                          | 39,071             |
| Selling, general and administrative expenses                                    | 112,134                                         | 103,275            |
| Research and development expenses                                               | 6,888                                           | 7,137              |
| Depreciation and amortization                                                   | 154,221                                         | 145,554            |
| Total costs and expenses                                                        | <u>471,821</u>                                  | <u>443,782</u>     |
| Operating income                                                                | <u>59,261</u>                                   | <u>58,010</u>      |
| <b>Other income (expense):</b>                                                  |                                                 |                    |
| Interest income                                                                 | 24,429                                          | 15,635             |
| Interest expense, net of amounts capitalized                                    | (59,882)                                        | (62,751)           |
| Gains (losses) on investments, net                                              | 6,418                                           | (36,663)           |
| Equity in losses of unconsolidated affiliates, net                              | (6,353)                                         | (1,009)            |
| Other, net                                                                      | (685)                                           | 204                |
| Total other expense, net                                                        | <u>(36,073)</u>                                 | <u>(84,584)</u>    |
| Income (loss) before income taxes                                               | 23,188                                          | (26,574)           |
| Income tax benefit (provision), net                                             | (8,180)                                         | 5,403              |
| Net income (loss)                                                               | 15,008                                          | (21,171)           |
| Less: Net income attributable to noncontrolling interests                       | 806                                             | 380                |
| Net income (loss) attributable to EchoStar Corporation common stock             | <u>\$ 14,202</u>                                | <u>\$ (21,551)</u> |
| <b>Earnings per share - Class A and B common stock:</b>                         |                                                 |                    |
| Basic earnings (loss) per share                                                 | \$ 0.15                                         | \$ (0.22)          |
| Diluted earnings (loss) per share                                               | \$ 0.15                                         | \$ (0.22)          |

**ECHOSTAR CORPORATION**  
**Consolidated Statements of Cash Flows**  
(Dollars in thousands, except per share amounts)

|                                                                                  | <b>For the three months ended March 31,</b> |             |
|----------------------------------------------------------------------------------|---------------------------------------------|-------------|
|                                                                                  | <b>2019</b>                                 | <b>2018</b> |
| Cash flows from operating activities:                                            |                                             |             |
| Net income (loss)                                                                | \$ 15,008                                   | \$ (21,171) |
| Adjustments to reconcile net income to net cash flows from operating activities: |                                             |             |
| Depreciation and amortization                                                    | 154,221                                     | 145,554     |
| Equity in losses of unconsolidated affiliates, net                               | 6,353                                       | 1,009       |
| Amortization of debt issuance costs                                              | 2,010                                       | 1,936       |
| (Gains) losses on investments, net                                               | (6,418)                                     | 36,673      |
| Stock-based compensation                                                         | 2,628                                       | 2,765       |
| Deferred tax (benefit) provision                                                 | 6,455                                       | (7,036)     |
| Changes in current assets and current liabilities, net:                          |                                             |             |
| Trade accounts receivable, net                                                   | (19,231)                                    | 23,153      |

|                                                                                      |                     |                     |
|--------------------------------------------------------------------------------------|---------------------|---------------------|
| Trade accounts receivable - DISH Network                                             | (5,310)             | (13,473)            |
| Inventory                                                                            | (1,036)             | (2,297)             |
| Other current assets                                                                 | (4,024)             | (10,926)            |
| Trade accounts payable                                                               | 8,831               | (6,471)             |
| Trade accounts payable - DISH Network                                                | 1,128               | (1,011)             |
| Accrued expenses and other                                                           | 6,854               | (2,288)             |
| Changes in noncurrent assets and noncurrent liabilities, net                         | 5,563               | (13,982)            |
| Other, net                                                                           | 2,914               | 2,840               |
| Net cash flows from operating activities                                             | <u>175,946</u>      | <u>135,275</u>      |
| Cash flows from investing activities:                                                |                     |                     |
| Purchases of marketable investment securities                                        | (325,557)           | (562,611)           |
| Sales and maturities of marketable investment securities                             | 712,666             | 298,596             |
| Expenditures for property and equipment                                              | (111,962)           | (128,506)           |
| Refunds and other receipts related to property and equipment                         | —                   | 77,524              |
| Expenditures for externally marketed software                                        | (7,600)             | (7,148)             |
| Net cash flows from investing activities                                             | <u>267,547</u>      | <u>(322,145)</u>    |
| Cash flows from financing activities:                                                |                     |                     |
| Repayment of debt and finance lease obligations                                      | (9,882)             | (9,368)             |
| Repurchase of debt                                                                   | (8,046)             | —                   |
| Net proceeds from Class A common stock options exercised                             | 2,047               | 3,481               |
| Net proceeds from Class A common stock issued under the Employee Stock Purchase Plan | 2,749               | 2,636               |
| Noncontrolling interest purchase                                                     | (7,313)             | —                   |
| Repayment of in-orbit incentive obligations                                          | (1,573)             | (1,265)             |
| Other, net                                                                           | (131)               | (243)               |
| Net cash flows from financing activities                                             | <u>(22,149)</u>     | <u>(4,759)</u>      |
| Effect of exchange rates on cash and cash equivalents                                | (133)               | (242)               |
| Net increase (decrease) in cash and cash equivalents, including restricted amounts   | 421,211             | (191,871)           |
| Cash and cash equivalents, including restricted amounts, beginning of period         | 929,495             | 2,432,249           |
| Cash and cash equivalents, including restricted amounts, end of period               | <u>\$ 1,350,706</u> | <u>\$ 2,240,378</u> |
| <b>Supplemental disclosure of cash flow information:</b>                             |                     |                     |
| Cash paid for interest, net of amounts capitalized                                   | <u>\$ 54,572</u>    | <u>\$ 51,073</u>    |
| Cash paid for income taxes                                                           | <u>\$ 772</u>       | <u>\$ 839</u>       |

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