



EchoStar Corporation Investor Overview

November 2020

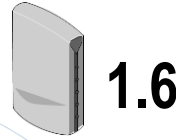


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State of Our Business

TTM Revenue of \$1.9b, Net Loss of \$112m, and Adjusted EBITDA of \$632m
Strong balance sheet with no net debt



1.6 Million HughesNet subscribers

S-Band Licenses over Europe and Mexico with terrestrial access



Global NGSO S-Band Rights



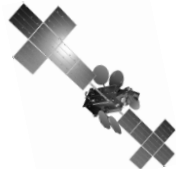
Offering consumer service in the US and Latin America



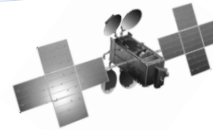
Diversified Enterprise Business with substantial backlog



HTS satellite (Jupiter 3) under construction that will more than double sellable Ka-band capacity



Existing fleet of 7 owned and 3 leased Ka, Ku, and S-band payloads/satellites



Our Global Presence



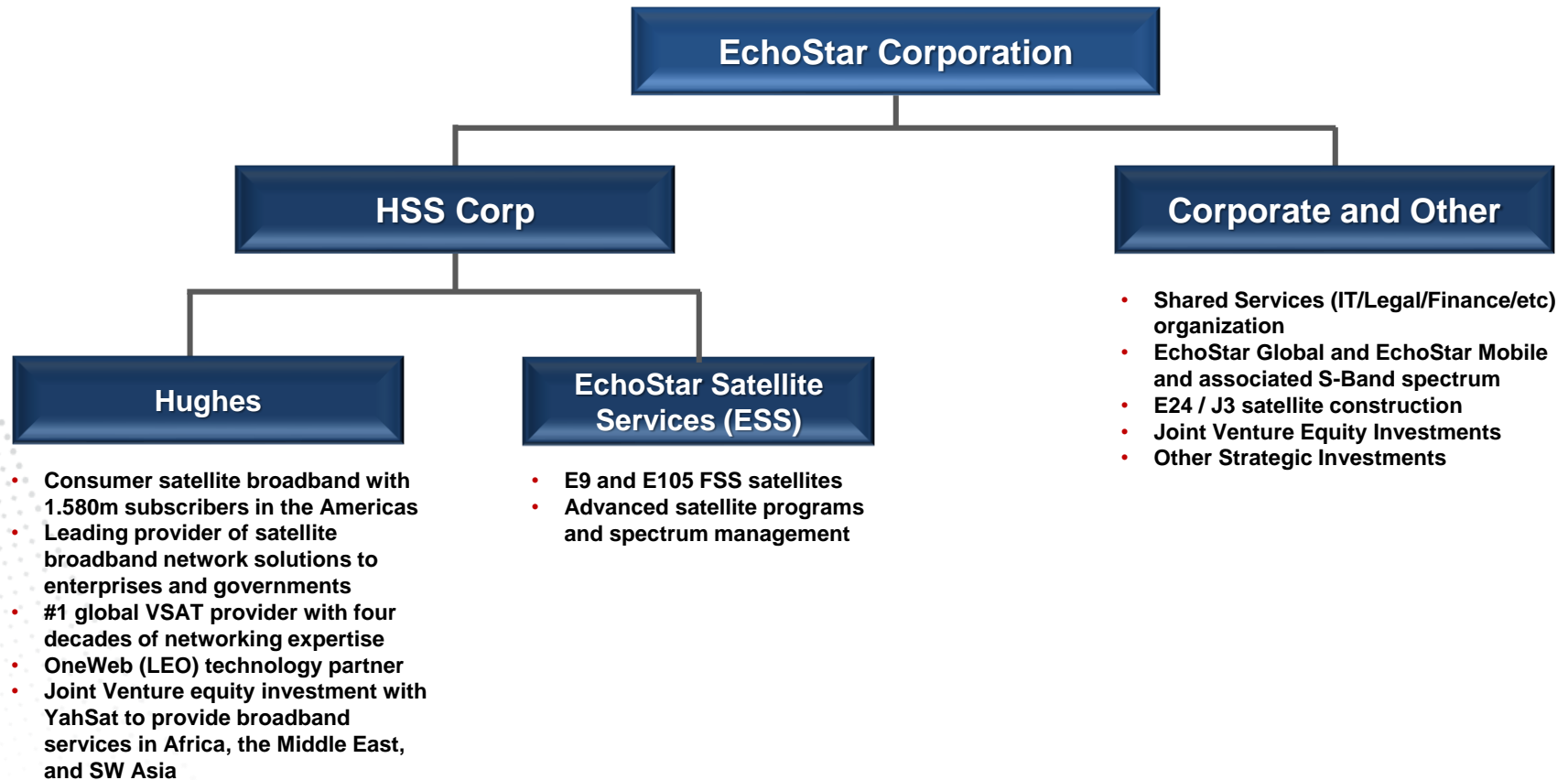
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Our Goals

- **Connecting People, Enterprises, and Things Everywhere**
- **Deliver essential broadband services and solutions through the largest high-throughput satellite network over the Americas at the lowest cost per bit**
- **Complement our GEO fleet with NGSO/LEO capacity and other technologies to extend coverage to our customers and significantly increase the size of the market we can address**
- **Continue as a trusted partner for technology solutions and services globally that support ubiquitous connectivity**
- **Develop and monetize our portfolio of spectrum assets in a variety of ways including full integration of S-band solutions into 5G networks**



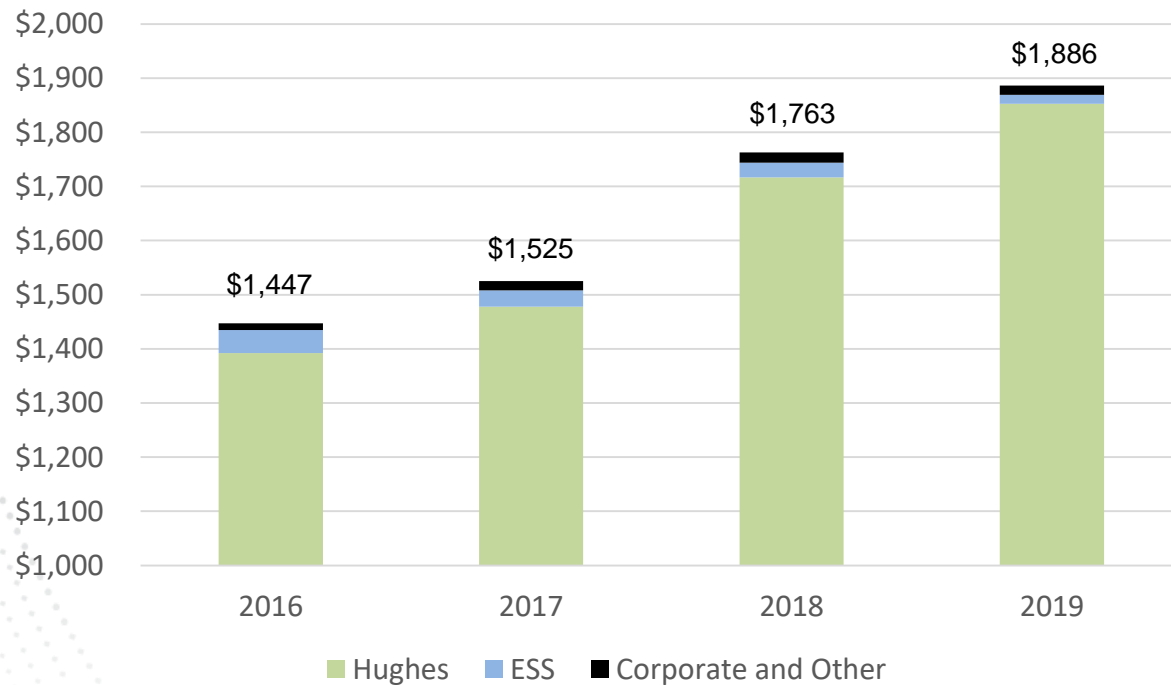
Our Business Segments



Recent Highlights

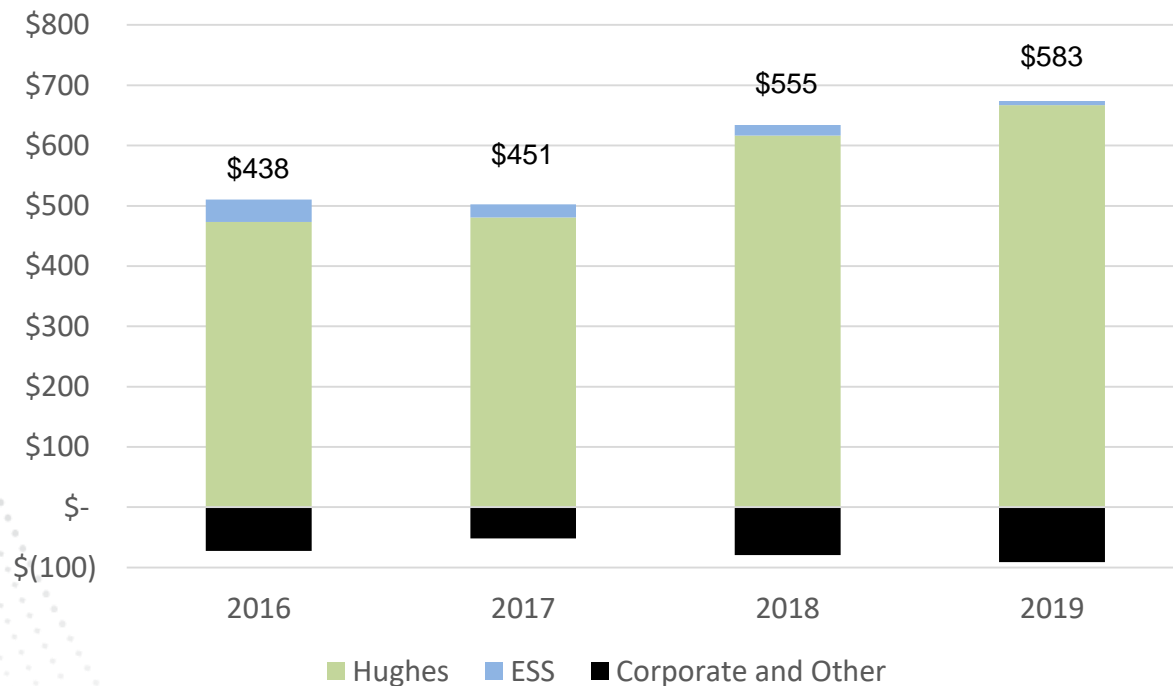
- Revenue of \$474m in Q3-20 and \$1,399m YTD
- Net Income of \$23m in Q3-20 and Net Loss of \$49m YTD
- Adjusted EBITDA of \$167m in Q3-20 and \$476m YTD
- Free Cash Flow, defined as Adjusted EBITDA minus Capital Expenditures, of \$69m in Q3-20 and \$181m YTD-20
- Q3-20 net subscriber additions of 38,000 driven by LatAm markets
- Strong balance sheet – Cash and Marketable securities of \$2.5b with net debt of zero
- Agreed in principle to invest in OneWeb (LEO) and continue as technology and distribution partner
- Filed application to participate in Federal Communications Commission Rural Digital Opportunity Fund (RDOF)
- Strategic collaboration with Inmarsat for inflight connectivity

Revenue (\$m)



- **9% 3-Year CAGR (2016 – 2019) for consolidated EchoStar**
- **10% 3-Year CAGR for Hughes segment (2016 – 2019)**
- **EchoStar 17/ Jupiter 2 in service Q2-17**

Adjusted EBITDA (\$m)



- 10% 3-year CAGR (2016 – 2019) for consolidated EchoStar
- 12% 3-year CAGR for Hughes segment (2016 – 2019)
- EchoStar 17/ Jupiter 2 in service Q1-17
- Corporate and Other includes equity of unconsolidated affiliates which causes some variability

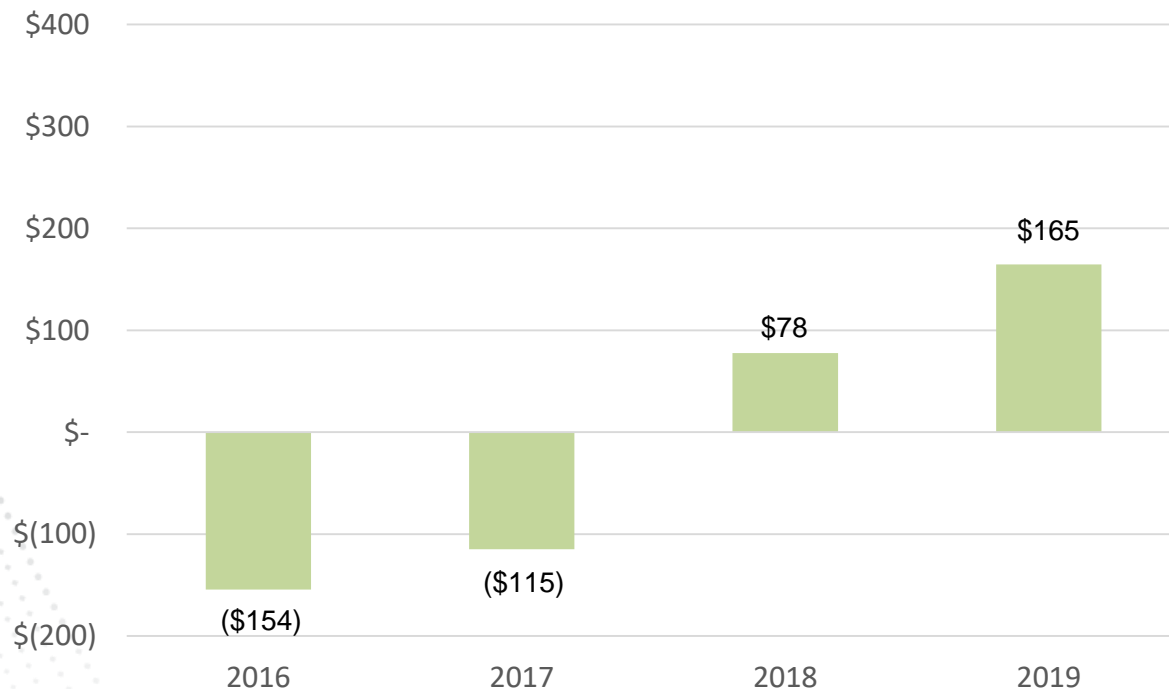
Capital Expenditures (\$m)



- **Main categories of capital expenditures include consumer premise, new satellites and associated infrastructure, enterprise solutions, and other corporate needs**

- 2016 estimated for continuing operations post BSS transaction which was completed in 2019

Free Cash Flow (\$m)



- Free Cash Flow defined as Adjusted EBITDA less capital expenditures

Liquidity and Leverage (\$m)

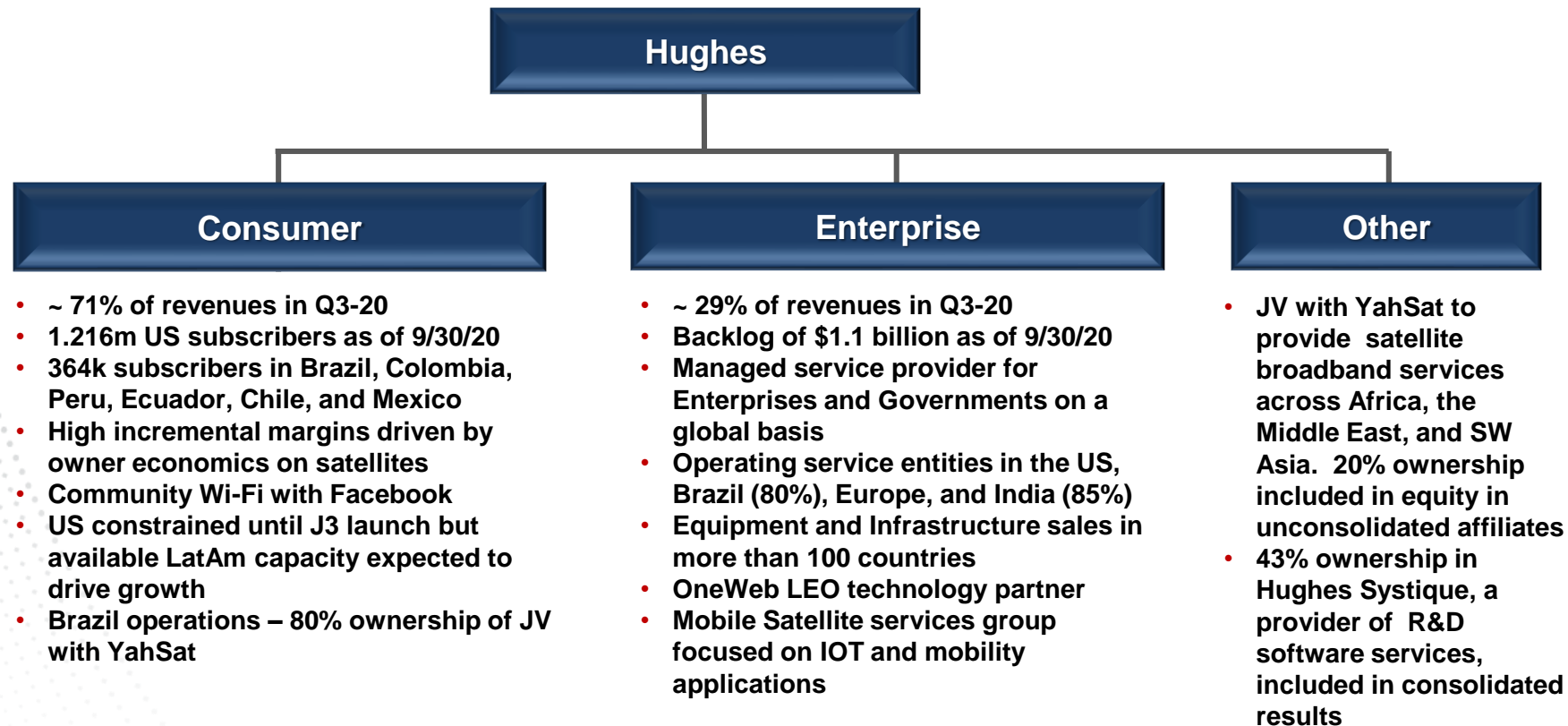
	HSS Corp	Echo Corp
Cash and Marketable Securites	\$ 1,862	\$ 2,506
Debt		
Sr. Unsecured 7.625% Due 2021	\$ 900	\$ 900
Sr. Secured 5.25% Due 2026	\$ 750	\$ 750
Sr. Unsecured 6.625% Due 2026	\$ 750	\$ 750
In-Orbit Incentives, Cap Lease, Other *	\$ 33	\$ 57
	\$ 2,433	\$ 2,457
Net Debt	\$ 571	\$ (49)
Indebtedness to Cash Flow *		
Gross - Secured	1.1x	
Gross - Total	3.5x	
Net	0.8x	

* HSS Corp based on covenant definitions

- All public debt resides at HSS Corporation
- HSSC Covenants:
 - ✓ Secured is 3.5x
 - ✓ Total is 5.5x
- Intent is to repay \$900m of Sr. Unsecured 7.625% due June of 2021
- Data as of 9/30/20

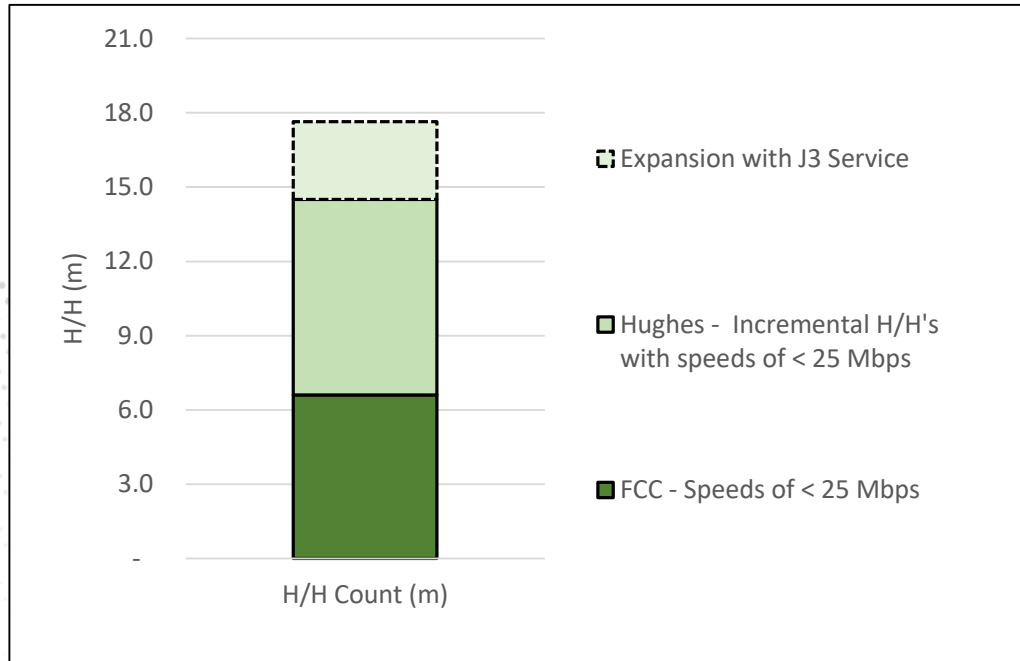
Hughes Segment

Hughes



Hughes Consumer – US Addressable Market

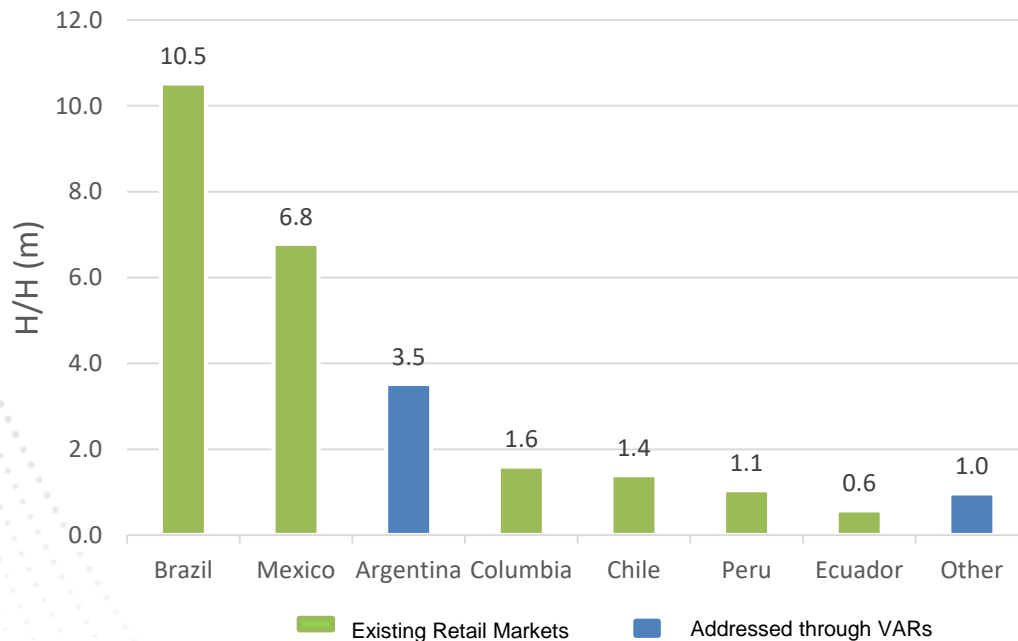
- 138m Households (H/H) in the United States: ~ 14.5m currently included in addressable market
- By only requiring low cost CPE to be installed at the service location, Hughes provides broadband services to areas that are financially unattractive to other technologies



- FCC 477 file represents 6.7m H/H have no access or access to speeds <25 Mbps
- We estimate an additional 7.9m H/H that have access to speeds <25 Mbps based on internal estimates and third party research
- We anticipate an expansion of our addressable market with the J3 launch due to the ability to better compete with 3m DSL H/H that have access to service between 25 and 50 Mbps

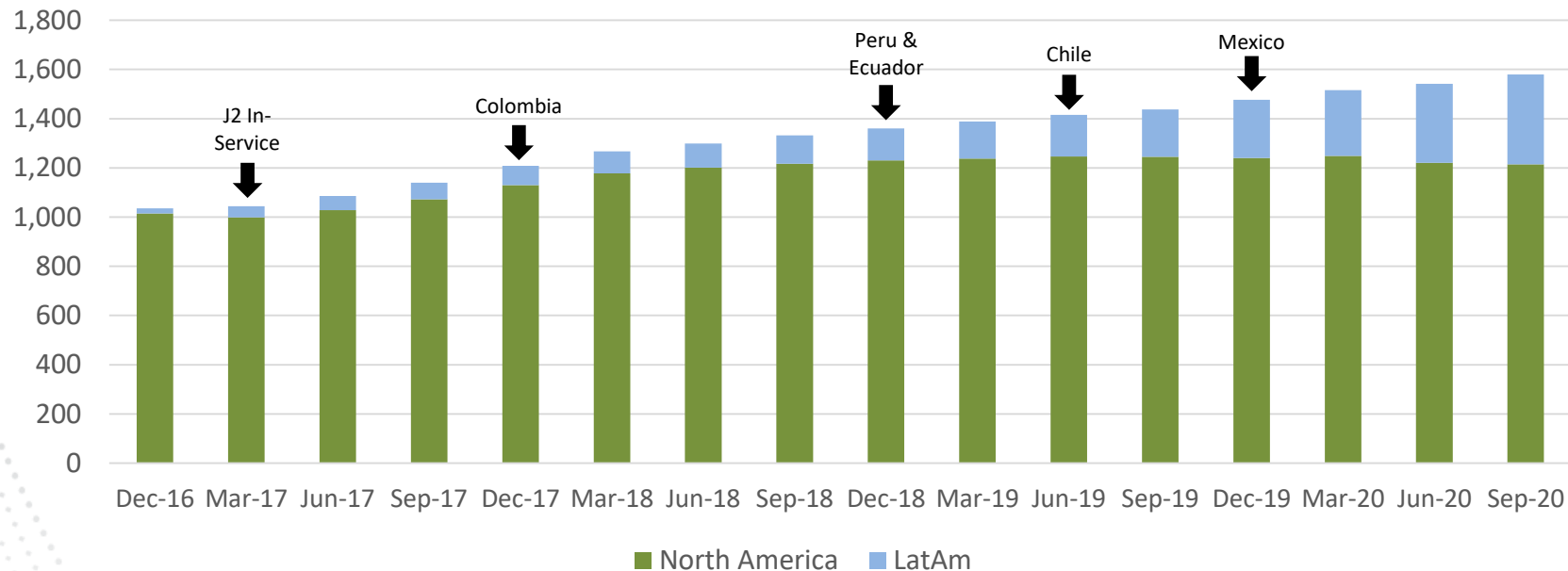
Hughes Consumer – LatAm Addressable Market

- ~ 179m households (H/H) in the major Latin America countries by 2021
- 26m upper income households are in unserved and underserved areas



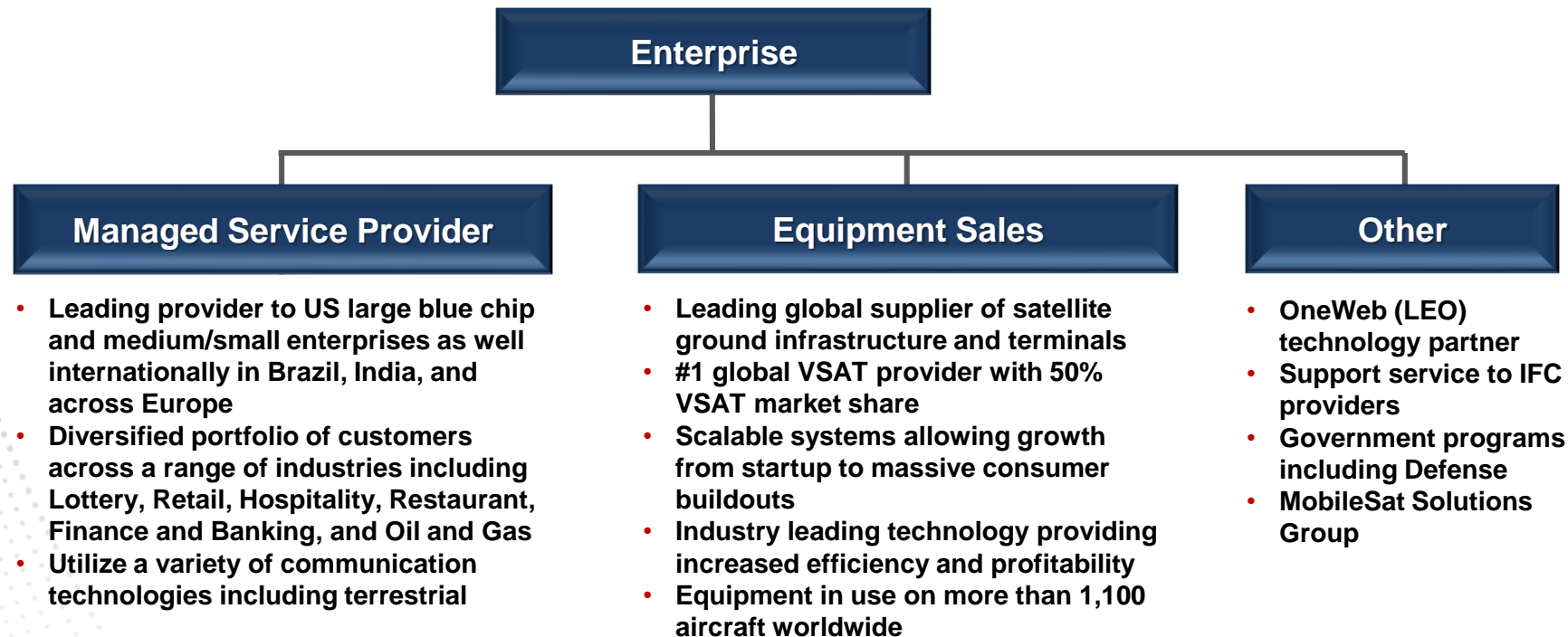
- Retail consumer services in Brazil, Mexico, Columbia, Chile, Peru, and Ecuador
- Other markets addressed through VARs
- Brazil accounts for 40% of addressable market of 26m
- Satellite is not only rural. Sao Paulo, Brazil, with extensive infrastructure, is the largest source of HughesNet Brazil subscribers. Other countries have similar characteristics

Hughes Consumer – Subscriber Trends (000)



- **US nationwide service with 25 Mbps download speeds (FCC recognized) plus voice**
- **Supported by Jupiter 1 (E17), Jupiter 2 (E19), SPACEWAY 3, Al Yah 3, Eutelsat 65WA and Telesat T19V**
- **Jupiter 3, once in service, will more than double our sellable Ka capacity**

Hughes Enterprise



GEO versus LEO

- GEO and LEO systems are expected to be complementary, and as new systems come on-line and mature, the optimal solution will be a hybrid of both
- GEO provides targeted high capacity at a low cost per bit while LEO provides ubiquitous coverage and supports low latency applications
- EchoStar agreed in principle to invest in OneWeb (LEO) and to continue as technology and distribution partner

GEO

- 100% of capacity in areas where there are customers
- Provides speed and bandwidth at an attractive price
- The #1 use of internet is video which is well suited for GEO
- Successful track record

LEO

- Capacity is evenly distributed across the Earth's surface ~ 70% covered by water
- Well suited for enterprise verticals including government and mobility applications like aeronautical and maritime
- Cost of phased-array antenna not suited for consumer application
- Modern LEO systems in testing phase
- Regulatory / Orbital debris and collision risk

Government Subsidies / Rural Digital Opportunity Fund (RDOF)

- **Program:**

- ✓ The FCC has established RDOF, a 10-year, \$20.4 billion subsidy effort to help close the digital divide
- ✓ Phase 1 of the program is \$16 billion or \$1.6 billion per year in subsidy funding
- ✓ Phase 1 is focused on ~ 6m households
- ✓ Build out requirements are 40% by end of Year 3, with 20% per year after that

- **EchoStar:**

- ✓ Filed an application to participate in Phase 1 bidding
- ✓ Currently in auction quiet period
- ✓ RDOF rules provide preference to fiber and to a lesser extent fixed wireless. Because of this, RDOF will cover far fewer H/H as the high cost to deploy fiber consumes the budget
- ✓ We do not anticipate any negative material impact to our target market due to its size and the cost challenges of serving the low density areas where the majority of our subscribers reside
- ✓ We see potential upside if we can ultimately secure funding

EchoStar Satellite Services



EchoStar Satellite Services (ESS)

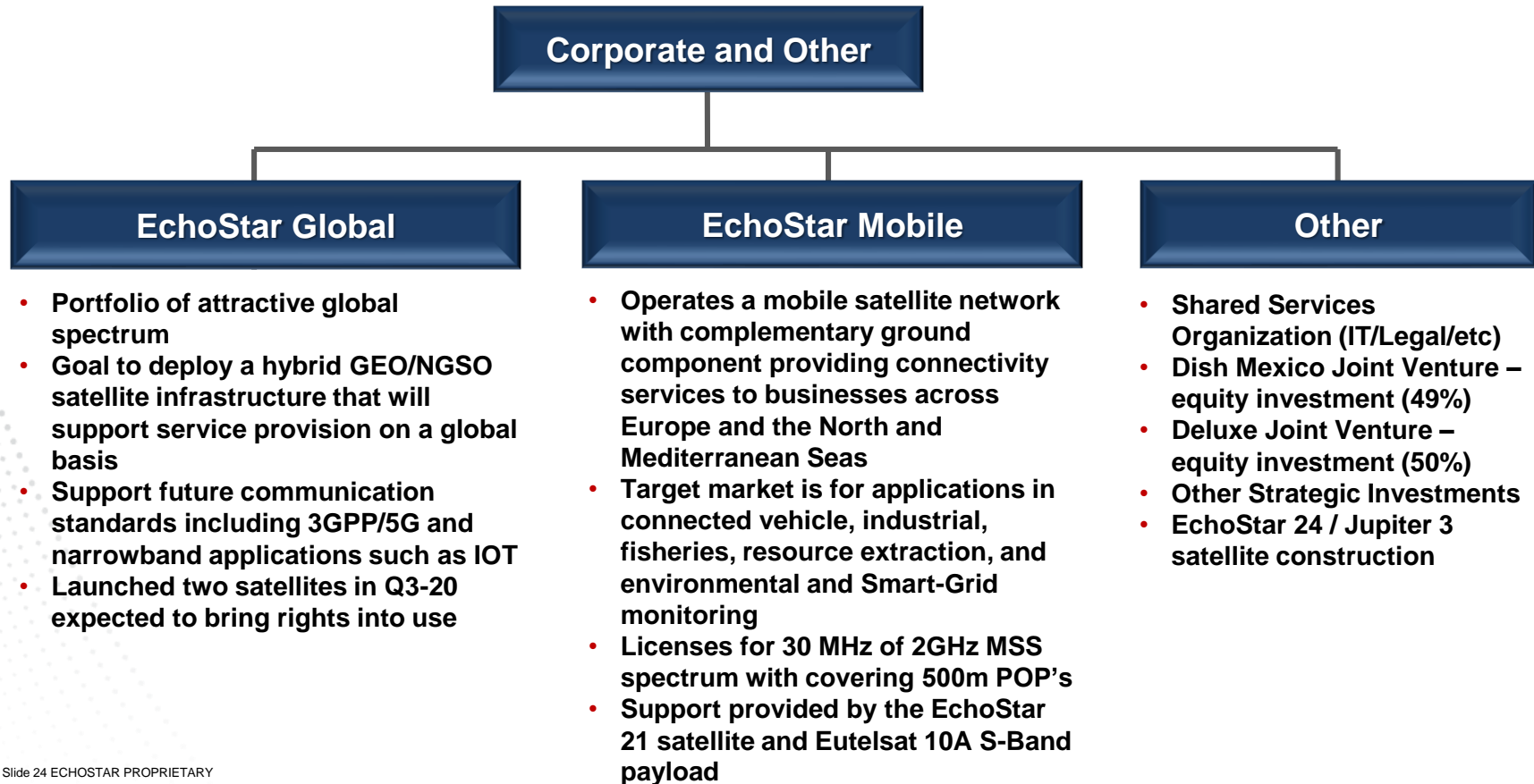
- Fixed Satellite Services (FSS)
 - ✓ Full and part-time Ku-band transponder capacity
 - ✓ Enterprise, broadcast, and government services applications
 - ✓ Fleet consists of two FSS Satellites:
 - EchoStar 105: Pre-paid lease with SES. Launched in 2017 and resides in the 105 degree west slot
 - EchoStar 9: Owned satellite. Launched in 2003 and resides in the 121 degree west slot
- Advanced Satellite Programs and Spectrum Management



Corporate and Other Segment



Corporate and Other Segment



Corporate and Other – S-band Strategy

- **Developing a unique portfolio of global S-band spectrum rights, including rights to develop hybrid next-gen mobile satellite services integrated with complementary terrestrial rights; developing similar rights in other attractive frequency bands**
- **ITU priority to utilize up to 75 MHz of S-band globally for new 5G NGSO network; New networks will leverage/integrate in-orbit GEO assets and priority filings covering the Americas, Europe, Middle East and Africa**
- **Planned network features include:**
 - ✓ Global 5G connectivity with seamless terrestrial integration
 - ✓ Fully cloud integrated open/standards-based ecosystem
 - ✓ Application focused; embedded with OEMs
- **High value emerging vertical markets include:**
 - ✓ Consumer 5G services
 - ✓ Aero and UAV (urban air mobility and autonomous delivery)
 - ✓ Ubiquitous 5G automotive connectivity
 - ✓ Public protection and disaster Relief
 - ✓ Health monitoring



Summary

Outlook

- **Strong core business delivering essential broadband services and solutions**
- **Jupiter 3 satellite, which will more than double sellable Ka capacity, expected to drive robust growth in consumer markets as well as provide additional enterprise opportunities including cellular backhaul and Wi-Fi hotspots**
- **Engineering expertise and technology innovator**
- **Evolving complex hybrid networks anticipated to increase the size of our addressable market significantly**
- **Well positioned with S-band assets to participate in the evolution of 5G and IOT focused markets**
- **Strong balance sheet; continue to seek opportunities to deploy cash for both organic and inorganic growth**



Reconciliation of GAAP to Non-GAAP Measure

Adjusted EBITDA Reconciliation (\$m)

	2016	2017	2018	2019	TTM
Net income (loss)	\$ 181	\$ 393	\$ (39)	\$ (74)	\$ (112)
Interest income and expense, net	67	140	139	169	155
Income tax provision, net	33	(155)	7	20	14
Depreciation and amortization	304	386	457	491	521
Net income (loss) from discontinued operations	(136)	(271)	(94)	(39)	7
Net income (loss) attributable to noncontrolling interests	(1)	(1)	(2)	11	19
EBITDA	\$ 447	\$ 492	\$ 469	\$ 578	\$ 604
(Gains) losses on investments, net	(10)	(53)	13	(29)	37
Impairment of long-lived assets	-	11	65	-	-
Litigation expense	-	3	3	26	(1)
Foreign currency transaction (gains) losses, net	1	(1)	16	12	(0)
License fee dispute - India, net of noncontrolling interests	-	-	-	(3)	(8)
Vendor settlement	-	-	(10)	-	-
Adjusted EBITDA	\$ 438	\$ 451	\$ 555	\$ 583	\$ 632