

### EchoStar Corporation Investor Overview

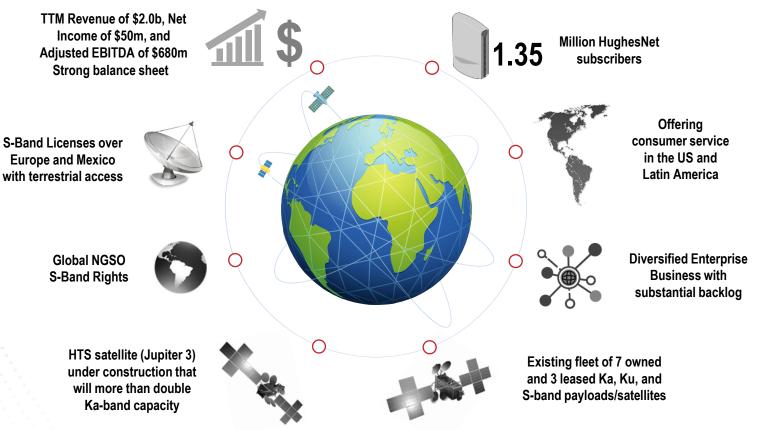
**August 2022** 



### **Safe Harbor Statement**

This presentation 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 presentation, 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 year ended December 31, 2021 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.

### **State of Our Business**

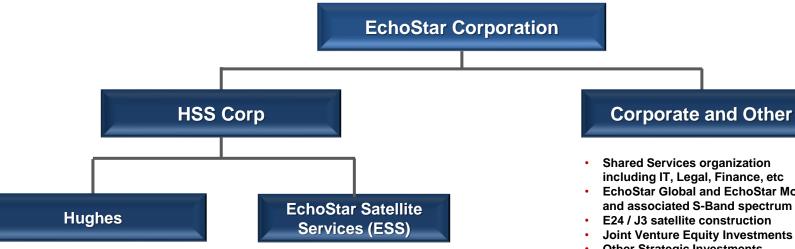




### **Our Goals**

- Connect 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 our total addressable market
- 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**



- Consumer satellite broadband with
- 1.346m subscribers in the Americas Leading provider of satellite broadband network solutions to enterprises and governments
- #1 global VSAT provider with four decades of networking expertise
- OneWeb (LEO) investor and technology partner
- Joint Venture equity investment with Yahsat to provide broadband services in Africa, the Middle East, and SW Asia

- E9 and E105 FSS satellites
- Advanced satellite programs and spectrum management

- Shared Services organization
- EchoStar Global and EchoStar Mobile and associated S-Band spectrum
- E24 / J3 satellite construction
- **Joint Venture Equity Investments**
- **Other Strategic Investments** .

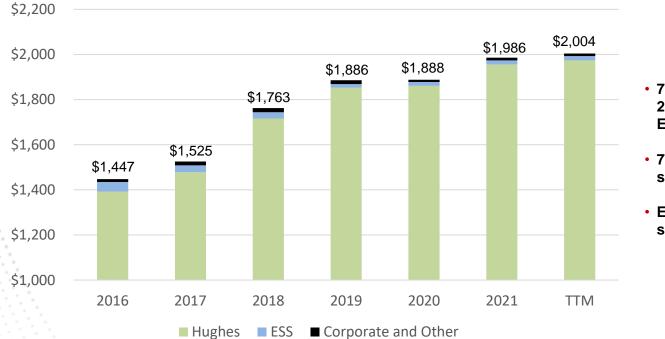
### **Recent Highlights**

- Revenue of \$499m in Q2-22 and \$1,001m YTD
- Net Income of \$10m in Q2-22 and \$99m YTD
- Adjusted EBITDA of \$168m in Q2-22 and \$334m YTD
- Free Cash Flow, defined as Adjusted EBITDA minus Capital Expenditures, of \$92m in Q2-22
- Recognized as the best satellite internet provider and best rural internet provider of 2022 by U.S. News and World Report 360 Reviews
  - Executed an agreement with Gogo Business Aviation for the first sale of our flat panel, electronically steerable antenna technology
- Debuted our pan European LoRa enabled IOT network; expected commercial service launch in late 2022
- Purchased 1.9m shares of Class A common stock in Q2-22 in open market trades
- Strong balance sheet Cash and Marketable securities of \$1.5b

۲



### Revenue (\$m)



- 7% 5-Year CAGR (2016 2021) for consolidated EchoStar
- 7% 5-Year CAGR for Hughes segment (2016 2021)
- EchoStar 17/ Jupiter 2 in service Q2-17

# Adjusted EBITDA (\$m)



- 10% 5-year CAGR (2016 2021) for consolidated EchoStar
- 11% 5-year CAGR for Hughes segment (2016 2021)
- EchoStar 17/ Jupiter 2 in service Q1-17
- Corporate and Other includes equity of unconsolidated affiliates which causes some variability

Ì.

# **Capital Expenditures (\$m)**

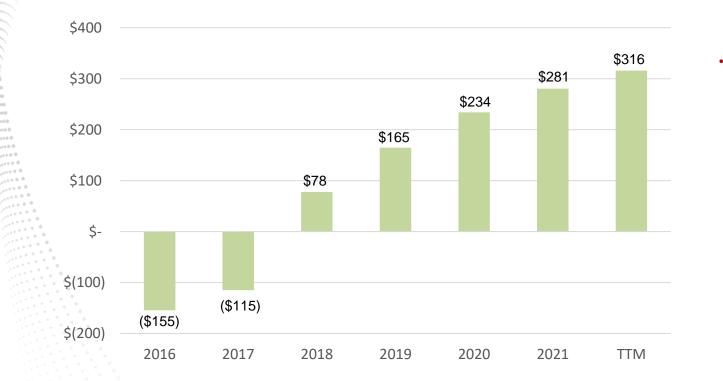


Main categories of capital expenditures include consumer premise, new satellites and associated infrastructure, enterprise solutions, and other corporate needs

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

Correctli

### Free Cash Flow (\$m)



 Free Cash Flow defined as Adjusted EBITDA less capital expenditures

( corrected

# Liquidity and Leverage (\$m)

aha Carn				
Echo Corp				
onsolidated				
1,522				
750				
750				
51				
1,551				
30				

\* HSS Corp based on covenant definitions

- All public debt resides at HSS Corporation
  - HSSC Covenants:
    - ✓ Secured is 4.0x
    - ✓ Total is 6.0x
  - Data as of 6/30/22

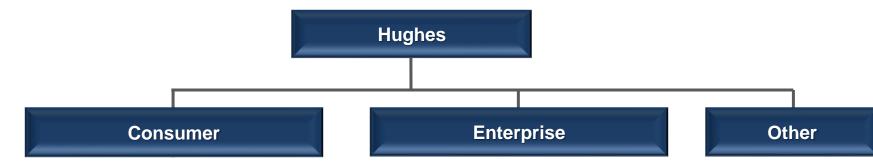


# **Hughes Segment**



Slide 13 ECHOSTAR PROPRIETARY

### **Hughes**



- ~ 63% of revenues in Q2-22
- 1.019 US subscribers as of 6/30/22
- 327k subscribers in Brazil, Colombia, Peru, Ecuador, Chile, and Mexico
- High margins driven by owner
  economics on satellites
- Community Wi-Fi solutions
- Capacity constrained until J3 launch focused on increasing yields and optimizing service
- Brazil operations 80% ownership of JV with Yahsat

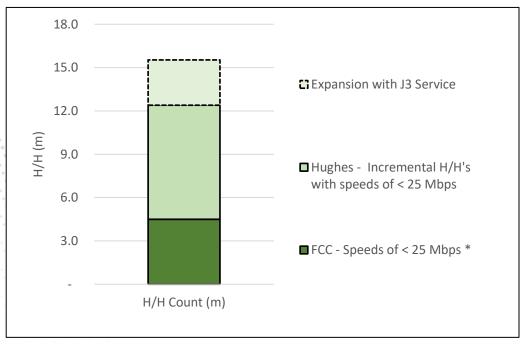
#### • ~ 37% of revenues in Q2-22

- Backlog of \$1.6 billion as of 6/30/22
- Managed service provider for Enterprises and Governments on a global basis
- Operating service entities in the US, Europe, Brazil (80% ownership), and India (67% ownership)
- Equipment and Infrastructure sales in more than 100 countries
- OneWeb LEO technology partner
- Mobile Satellite services group focused on IOT and mobility applications

- JV with Yahsat to provide satellite broadband services across Africa, the Middle East, and SW Asia. 20% ownership included in equity in unconsolidated affiliates
- 42% ownership in Hughes Systique, a provider of R&D software services, included in consolidated results

### Hughes Consumer – US Addressable Market

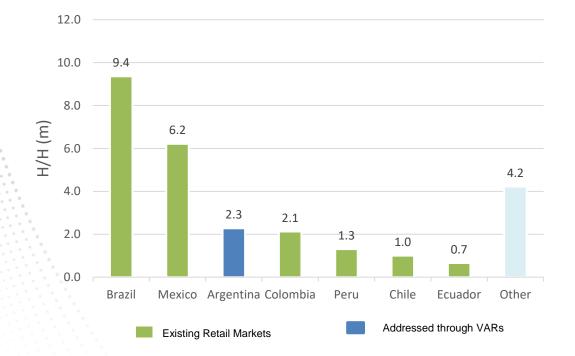
- 139m Households (H/H) in the United States: ~ 12.4m currently included in addressable market
- By only requiring low-cost CPE to be installed at the service location, Hughes provides broadband services to areas that are financially unattractive to other technologies



- FCC 477 file indicates 4.5m H/H have no access or access to speeds <25 Mbps \*
- We estimate an additional 7.9m H/H have access to speeds <25 Mbps based on internal estimates and thirdparty research
- We anticipate an expansion of our addressable market with the J3 launch due to the ability to better compete with 3.1m H/H's that have access to service between 25 and 100 Mbps

### Hughes Consumer – LatAm Addressable Market

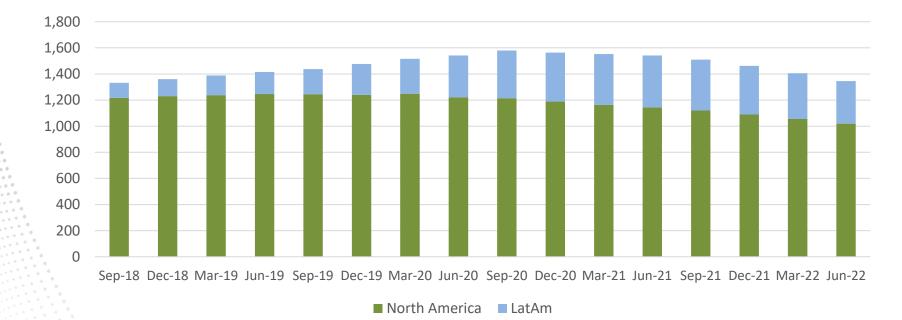
#### • 27m upper income households are in unserved and underserved areas \*



- Retail consumer services in Brazil, Mexico, Colombia, Chile, Peru, and Ecuador
- Brazil accounts for 35% of addressable market of 27m
- Satellite is not only rural. Sao Paulo, Brazil, with extensive infrastructure, is the largest source of HughesNet Brazil subscribers. Other countries have similar characteristics

\* Source: ABI Research: Forecast for 2022

### Hughes Consumer – Subscriber Trends (000)



- Actively managing capacity limitations to optimize service to our existing customers and drive ARPU
- Supported by Jupiter 1 (E17), Jupiter 2 (E19), SPACEWAY 3, AI Yah 3, Eutelsat 65WA and Telesat T19V
- Jupiter 3, once in service, will more than double our Ka capacity

### **Hughes Enterprise**

#### Managed Service Provider

- Leading provider to US large and medium/small enterprises as well internationally in Brazil, India, and across Europe
- Diversified portfolio of customers across a range of industries including Lottery, Retail, Hospitality, Restaurant, Finance and Banking, and Oil and Gas
- Utilize a variety of communication technologies including terrestrial

#### **Equipment Sales**

 Leading global supplier of satellite ground infrastructure and terminals

Enterprise

- #1 global VSAT provider with more than 50% VSAT market share
- Scalable systems allowing growth from startup to massive consumer buildouts
- Industry leading technology providing increased efficiency and profitability
- Equipment in use on more than 1,100 aircraft worldwide

#### Other

- OneWeb (LEO) technology partner
- Support service to IFC providers
- Government programs
  including Defense
- MobileSat Solutions Group

### **Multi-Orbit Broadband Services**

- GEO and LEO systems are expected to be complementary elements in future satellite broadband services
- GEO provides targeted high capacity at a low cost per bit while LEO provides ubiquitous coverage and supports low latency applications
- EchoStar has technology and products for GEO and LEO networks
  - Extensive investments in GEO with Jupiter satellites, ground systems and broadband services
  - \$50m investment in OneWeb (LEO), supply of the essential grounds systems for OneWeb, and signed agreements to utilize OneWeb capacity in the US and India

### 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



# **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**

Cesa ariane



### **Corporate and Other Segment**

**Corporate and Other** 

#### **EchoStar Global**

- Portfolio of attractive global spectrum assets
- Goal to deploy a hybrid GEO/NGSO satellite infrastructure that will support service provision on a global basis
- Support future communication standards including 3GPP/5G and narrowband applications such as IoT
- Utilizing EG-1 and EG-3 satellites for development and testing activities

#### **EchoStar Mobile**

- Operates a mobile satellite network with complementary ground component providing connectivity services to businesses across Europe and the North and Mediterranean Seas
- Target market is for applications in connected vehicles, industrial IoT, fisheries, resource extraction, and environmental and Smart-Grid monitoring
- Licenses for 30 MHz of 2GHz MSS spectrum covering 500m POP's
- Support provided by the EchoStar 21 satellite and Eutelsat 10A S-Band payload
- Debuted pan European LoRa enabled IOT network; expected commercial service launch in late 2022

#### Other

- Shared Services Organization (IT/Legal/etc)
- Deluxe Joint Venture equity investment (50%)
- Other Strategic Investments
- EchoStar 24 / Jupiter 3 satellite construction

### **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

11/1/1/1/1/



### Outlook

- Strong core business delivering essential broadband services and solutions
- Jupiter 3 satellite, which will more than double Ka capacity, expected to drive robust growth in various 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		2020		2021		ТТМ		Q2-22		YTD-22	
			-								-							
Net income (loss)	\$	181	\$	393	\$ (39)	\$	(74) \$	\$	(52)	\$	63	\$	50	\$	10	\$	99	
Interest income and expense, net		67		140	139		169		108		73		34		5		14	
Income tax provision, net		33		(155)	7		20		24		66		60		5		38	
Depreciation and amortization		304		386	457		491		525		491		480		117		237	
Net income (loss) from discontinued operations		(136)		(271)	(94)		(39)		-		-		-		-		-	
Net (income) loss attributable to noncontrolling interests		(1)		(1)	(2)		11		12		10		13		3		6	
EBITDA	\$	447	\$	492	\$ 469	\$	578 \$	\$	617	\$	703	\$	637	\$	141	\$	394	
(Gains) losses on investments, net		(10)		(53)	13		(29)		31		(70)		(18)		23		(58)	
Impairment of long-lived assets		-		11	65		-		2		0		1		1		1	
Impairment loss on equity method investment		-		-	-		-		-		55		55		-		-	
Litigation expense		-		3	3		26		-		17		-		-		-	
License fee dispute - India, net of noncontrolling interests		-		-	-		(3)		(1)		(1)		(1)		(0)		(0)	
Foreign currency transaction (gains) losses, net		1		(1)	16		12		(6)		13		6		4		(3)	
Loss on Debt Repurchase		-		-	1		0		-		2		-		-		-	
Vendor settlement		-		-	(10)		-		-		-		-		-		-	
Adjusted EBITDA	\$	438	\$	451	\$ 556	\$	583	\$	643	\$	719	\$	680	\$	168	\$	334	