

SPEEDCAST

recon: Year in Review

By Mike Carew, Vice President, Government Services, Speedcast

Without question, 2017 has been a year of growth and transformation for Speedcast.

From a government services perspective, and for the company as a whole, the year was ignited by the acquisition and integration of Harris CapRock. For a company steeped in strategic growth, this integration has been a catalyst, positioning Speedcast as a leader in key energy, maritime and cruise markets supporting thousands of ships, rigs and enterprise customers globally. This has developed Speedcast into a unique company in the industry — a company possessing many strengths.

Speedcast's unparalleled strength of network includes 40 teleports accessing more than 70 satellites with global C-, X-, Ku-, Ka-, L- and UHF-band coverage.

The company's strength of experience spans more than 30 years delivering customized and managed services to critical customers.

The firm's strength of partnerships with satellite operators, equipment manufacturers and local entities help us to deliver and support Speedcast products and services anywhere in the world.

Furthermore, the strength of more than 1,300 people, in 40 countries and in every business function, who are passionate about creating an agile, responsive work environment, allows Speedcast to support our customers' needs no matter what.

Additionally, the Harris CapRock acquisition also helped to transform Speedcast's government industry aspirations. The scale and reach of the company's expanded global infrastructure sets the foundation for cost effective, innovative solution development, which is paramount for success in the government market

This expansion has enabled organic growth with additional resources and broader service offerings and is the launch pad for additional market-specific acquisitions — particularly the addition of UltiSat to the portfolio this November.

A COMPANY POSITIONED FOR GROWTH

The inherent strengths of an integrated Speedcast resonate in government and military markets, positioning Speedcast well to meet the demands of a changing market.

While requirements and spending can vary greatly by country and agency, there are common themes that have emerged in recent years that remain consistent today.

Budgetary pressure drives hard decisions on program spending and many times requires governments to do more with less. However, demand for big data is growing and is being led largely by intelligence, surveillance and reconnaissance (ISR) demands and the need for real-time, battlefield decisions based on those ISR sources. As military spending turns the corner in the next few years, a doubling of the market for the company is anticipated.

Commercial satellite communications (COMSATCOM) always has, and always will, play a critical role in the delivery of creative solutions to meet Speedcast's government customers' expanding mission requirements.

Satellite operators are building new high-throughput satellite (HTS) constellations, which also feature enhanced resilience and security features.

Terminal and modem original equipment manufacturers (OEMs) are building smaller, militarized and encrypted products.

With such upgrades, Speedcast sits in a unique position by remaining technology agnostic to create a network of networks. The firm is continually investing in infrastructure and consolidating new capabilities across satellite operators and OEMs.

The company has the scale to deliver robust, resilient and secure solutions based on customers' unique requirements and budget constraints.

The new Speedcast infrastructure is built for government services anywhere around the globe. The company has a 30 year history of delivering critical communications in the harshest of environments, where interruptions put lives and missions at risk.

Speedcast's tagline, "*The Critical Communications Company*," comes with great responsibility and a substantial commitment to government customers as the need for resilient, reliable, global communications, while understanding the risk and consequence should such services be unavailable, and to accept the heady responsibility of guaranteed delivery.

EXPANSION IN THE GOVERNMENT MARKET

As with Speedcast's commercial divisions, the Harris CapRock acquisition has also been a catalyst for the company's government teams with the immediate addition of cleared, U.S.-based staff supporting government growth in the U.S. and internationally, as well as a number of strategic and longstanding international government contracts.

The added resources and infrastructure have helped Speedcast facilitate more direct sales as well as expanded the growth of the firm's indirect sales model, which is important for global success.

As an Australian company listed on the Australian Securities Exchange (ASX), and with offices in 49 countries, Speedcast continues to build from the firm's natural strengths in Australia and Asia.

Speedcast is executing the first year of a multiyear contract with an Australian government agency to install new wideband management terminals for the agency's vessels.

Going beyond fixed and mobile satellite solution connectivity to the Australian government, Speedcast is also delivering a full network management system. Customized for the customer, the management solution consists of equipment, software, monitoring, maintenance and support, meeting the agency's stringent security and quality requirements. This effort demonstrates the diversity of Speedcast's government services portfolio and our strategy to grow this sector with true value-added, customer-focused solutions.

A further testament to Speedcast's investment in the government market, specifically within Australia, is the Adelaide team's recent multi-year contract with the Australian government to provide mission-critical VSAT services, equipment, training and support to scientific research teams at the three Australian Antarctic research stations — Mawson, Casey and Davis, plus the base on Macquarie Island.

With the equipment and network enhancements provided by Speedcast, the research teams will be able to use four times their current throughput, significantly expanding the operational and crew morale capabilities at each site. The criticality of satellite communications in environments as unforgiving as the Antarctic demonstrates the confidence and trust Australian government customers hold in Speedcast.

Customer intimacy is also instrumental to Speedcast's growth, with end-user demonstrations and hands-on training an important focus. This August, Speedcast participated in the Multinational Communications Interoperability Program (MCIP) Annual Pacific Endeavor 2017 (PE17) exercise in San Jose, California, sponsored by the U.S. Pacific Command (USPACOM).

Senior communications leadership from more than 22 pacific nations attended PE17 to develop greater interoperability among nations when responding to Humanitarian Aid and Disaster Relief (HADR) events. Speedcast participated in the SATCOM training event, providing classroom instruction followed by several hours of hands-on training.

Using 95cm and 1.3m flyaway terminals with both star and mesh modem technologies via Speedcast's Houston teleport, more than a dozen communications officers were able to assemble and bring into use both terminals and activate live video streaming calls. Events such as this, especially for HADR operations, instill familiarity and confidence with SATCOM equipment and solutions, improving readiness and mission execution when responding to disasters.

ADVANCEMENT THROUGH ACQUISITION

The capstone event of Speedcast's government growth strategy has undoubtedly been the \$100 million acquisition of UltiSat and the formation of a dedicated government division completed in November.

With a team of 150 satellite communications professionals, UltiSat has been delivering customized SATCOM solutions to the U.S. government, global government and nongovernmental organizations (NGOs) for the past 15 years. The synergies achieved with the addition of UltiSat will pay immediate dividends.

The structure and leadership of the division will be derived from UltiSat, allowing the team to hit the ground running immediately. With direct access to U.S. government and global government contract vehicles at a time when government spending is on the rise, the government division can leverage the scale and resilience of the Speedcast architecture to deliver innovative solutions and enhancements globally.

The business development teams around the world benefit from UltiSat services becoming available to existing customers, along with the infusion of significant resources and expertise in government contracting, product and service development, delivery and support. The acquisition brings capabilities to ensure that Speedcast is well positioned for continued growth in the government market in 2018.

LOOKING TO THE FUTURE

Government and military markets have been stabilizing over the past 12 to 18 months, following several years of downturn. New opportunities are materializing and spending for satellite communications is expected to grow in many countries, with an anticipated doubling in growth of the government market by 2025.

The COMSATCOM industry has, and will continue to play, a pivotal role in finding solutions to governments' communications needs. Across the board, the industry recognizes the importance of the government customer and continues to develop commercial constellations, products and services with government users in mind.

The investments completed in 2017 will position Speedcast as a leader in the government sector. Equipped with an unprecedented network capability and scale, a pedigree of government service development and delivery, and the ability to harness the power and features of our satellite operator and OEM partners under one roof, Speedcast creates enormous potential and value to governments and militaries around the globe.

At Speedcast, the delivery of products and services critical to invaluable government customers will ensure the company's ongoing successes during 2018.

Author Mike Carew is the Vice President of Government Services at Speedcast. For additional information regarding the company, please visit the firm's infosite at www.speedcast.com

