Interim Results 2018

2 August 2018

inmarsat
The mobile satellite company

Overview

Rupert Pearce
Chief Executive Officer

inmarsat
The mobile satellite company

Operational Review – H1 2018

Solid progress against diversified growth portfolio

> Robust results, ahead of market expectations

> Good operational progress across the Business Units

> Delivering against diversified & resilient growth portfolio

> Outlook and future guidance reiterated

Our differentiated market position & diversified growth portfolio

Compelling market opportunity

Significant future growth in demand for data "on the move"

Can only be served by satellite connectivity

Highly differentiated proposition

- ✓ Specialised in mobility
- ✓ Market-leading capabilities
- ✓ Two complementary global networks
- ✓ Global spectrum assets
- ✓ Technology leadership

Long-standing market presence

- 39 year track record in attractive growth markets
- Long term customer relationships, with high switching costs
- Unrivalled global distribution network
- Global presence enables meaningful moderation in infrastructure capex after 2020

Diversified growth portfolio

Base Case

- L-band based services
- GX services in incumbency markets
- In-Flight Connectivity

Incremental options

- Inmarsat-5 F4 satellite
- Government strategic deals & op tempo
- Ligado Networks
- Spectrum
- Digital services
- Internet of Things
- China & India

Maritime H1 2018 performance
Continued solid delivery

	H1 2018 progress	Future roadmap
Fleet Xpress	• 1,500+ vessels installed in H1 • Consistently strong new business record, with 1 in every 4 installations being a new customer • All strategic partners now up and running • Internal installation capability continues to ramp up	Further build material market share: • Deliver on Take-or-Pay commitments • XpressLink migration programme completed by end of 2019 • Sector-specific packages and services
FleetBroadband	• 800+ vessels migrated to Fleet Xpress in H1 • GMDSS approval received ahead of competition, with launch of Fleet Safety • ARPU remains resilient	Remain leading service proposition in mid-market: • Drive ARPU through price, functionality improvements and package progression • Continue to increase data rates • Lower costs & size of terminals
Fleet One	• 600+ vessels installed in H1 • Building material new business pipeline • Establishing new distribution channels	Significantly scale product into the market: • Sign major deals • Further increase vessel numbers • Develop "direct-to-consumer" service model • Drive terminal development

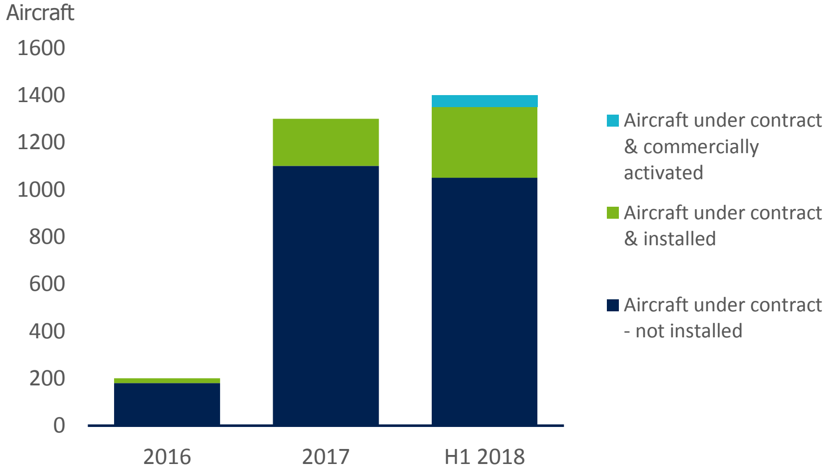
Building on our market-leading position and driving into new growth areas

Government H1 2018 performance
Another strong performance from US Government business

H1 2018 progress	Future roadmap
Contractual wins with major USG customers	Broader footprint in key markets, sectors and niches
Material reduction in Boeing ToP breakage	CSSC and FirstNet contracts fully established
Improving performance outside US, against tough op tempo comparators	MILSATCOM augmentation opportunities

Further establishing our position as a trusted strategic partner to governments around the world

Aviation IFC H1 2018 performance
Revenue doubled, with initial airtime revenue generated

H1 2018 progress	Future roadmap
	Further contract wins from pipeline of c.3,000 aircraft Bring contracted customers into service, generating airtime revenue Launch European Aviation Network Development of new partnerships and technologies to drive GX adoption

Developing a long term leadership position through continued market capture

N.B. In the above chart, total number of aircraft under contract includes installed aircraft and commercially activated aircraft in each year.

Aviation Core H1 2018 performance
Further strong revenue growth in each product line

	H1 2018 progress	Future roadmap
Business and General aviation	• Increased usage in SwiftBroadband • 125 installed with JetConneX in H1	• New growth opportunities for enhanced SwiftBroadband with I-6 launches from 2020 • Further ramp-up of JetConneX
Safety and Operational Services	• Implementation of new Classic Aero packages to meet increased usage • New contracts signed with SwiftBroadband-Safety, following market introduction • Footprint widened to high growth markets, e.g. China	• Drive SwiftBroadband-Safety into target markets • Continue preparations for regulatory developments • Future delivery of services for Air Traffic Management

Further driving our leading position in key markets

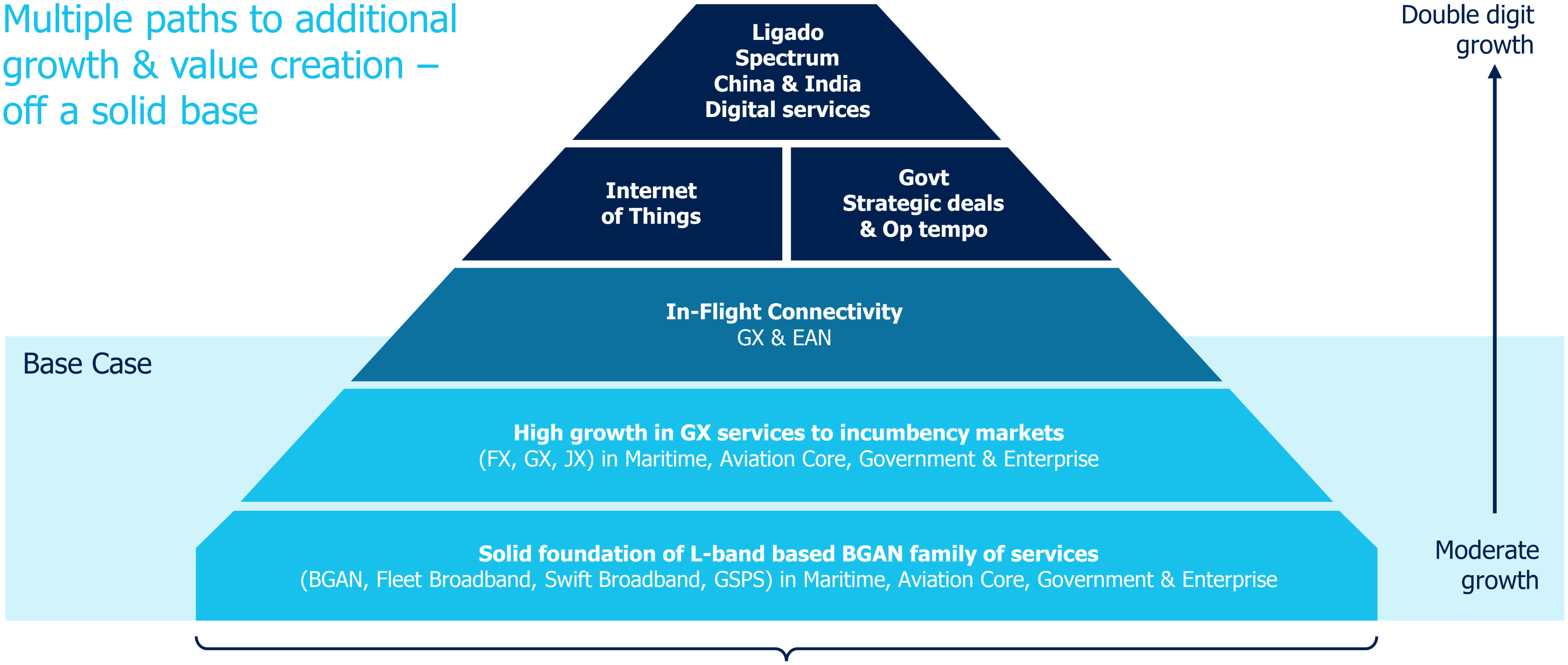
Enterprise H1 2018 performance
Driven by strong growth in satellite phone revenues

H1 2018 progress	Future roadmap
• Key legacy product lines stabilised, in particular, satellite phones • New commercial distribution agreements • Continued M2M revenue growth • Progress made in establishing relationships with potential IoT partners	• Further develop M2M product set for future IoT applications • Develop new partnerships in IoT – eco-systems and managed service providers

Creating a position as a key satellite communications provider for the future digital society

Robust growth outlook
Diversified growth portfolio supported by moderating capex profile

Multiple paths to additional growth & value creation – off a solid base



Supported by a meaningful moderation in infrastructure capex after 2020

Financial Review

Tony Bates
Chief Financial Officer

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Group Income statement – H1 & Q2 2018

$m	H1 2018	H1 2017	Change	Q2 2018	Q2 2017	Change
Revenue	**717.2**	**683.7**	**33.5**	**371.8**	**354.2**	**17.6**
Direct costs	(118.2)	(86.5)	(31.7)	(65.2)	(50.4)	(14.8)
Gross margin	**599.0**	**597.2**	**1.8**	**306.6**	**303.8**	**2.8**
Indirect costs	(226.0)	(217.5)	(8.5)	(108.5)	(107.2)	(1.3)
EBITDA	**373.0**	**379.7**	**(6.7)**	**198.1**	**196.6**	**1.5**
Depreciation & Amortisation	(232.3)	(194.5)	(38.5)	(116.8)	(97.2)	(20.1)
Net financing costs*	(52.5)	(49.6)	(2.9)	(24.9)	(23.4)	(1.5)
Adjusted profit before tax	**88.2**	**135.6**	**(47.4)**	**56.4**	**76.0**	**(19.6)**
Tax	(12.7)	(24.6)	11.9	(10.3)	(17.7)	7.4
Adjusted profit after tax	**75.5**	**111.0**	**(35.5)**	**46.1**	**58.3**	**(12.2)**
Change in value of derivative	(207.3)	(72.2)	(135.1)	(231.5)	(13.9)	(217.6)
Profit after tax	**(131.8)**	**38.8**	**(170.6)**	**(185.4)**	**44.4**	**(229.8)**

*Excluding change in value of derivative

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H1 2018 Business Unit Summary

Maritime ($m)	2018		2017	
Revenue	282.1		279.8	
Direct Costs	(43.6)		(40.6)	
Gross Margin	238.5	84.5%	239.2	85.5%
Indirect Costs	(20.6)		(16.5)	
EBITDA	217.9	77.2%	222.7	79.6%

Government ($m)	2018		2017	
Revenue	183.1		187.5	
Direct Costs	(32.6)		(27.2)	
Gross Margin	150.5	82.2%	160.3	85.5%
Indirect Costs	(21.3)		(22.5)	
EBITDA	129.2	70.6%	137.8	73.5%

Aviation - IFC ($m)	2018		2017	
Revenue	41.2		19.6	
Direct Costs	(21.1)		(1.1)	
Gross Margin	20.1	47.6%	18.5	94.4%
Indirect Costs	(28.8)		(26.6)	
EBITDA	(8.7)		(8.1)	

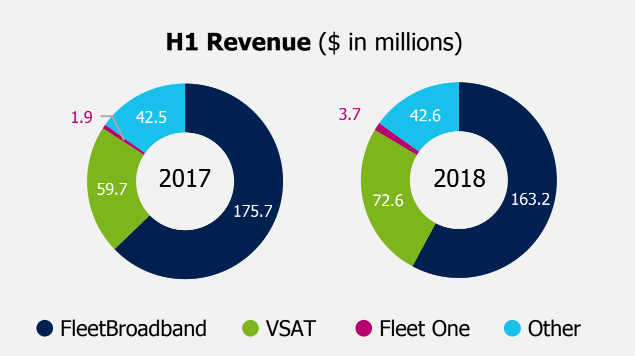
Enterprise ($m)	2018		2017	
Revenue	64.0		62.3	
Direct Costs	(12.2)		(9.7)	
Gross Margin	51.8	80.9%	52.6	84.4%
Indirect Costs	(11.1)		(9.0)	
EBITDA	40.7	63.6%	43.6	70.0%

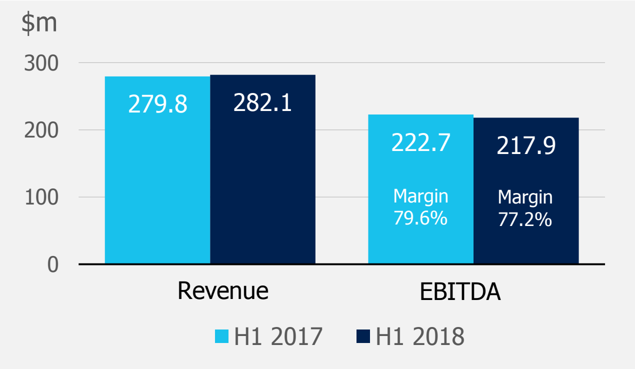
Central Services ($m)	2018	2017
Revenue	72.5	70.9
Direct Costs	(8.0)	(7.5)
Gross Margin	64.5	63.4
Indirect Costs	(139.2)	(138.2)
EBITDA	(74.7)	(74.8)

Aviation - Core ($m)	2018		2017	
Revenue	74.3		63.6	
Direct Costs	(0.7)		(0.4)	
Gross Margin	73.6	99.1%	63.2	99.4%
Indirect Costs	(5.0)		(4.7)	
EBITDA	68.6	92.3%	58.5	92.0%

Maritime Results – H1 2018

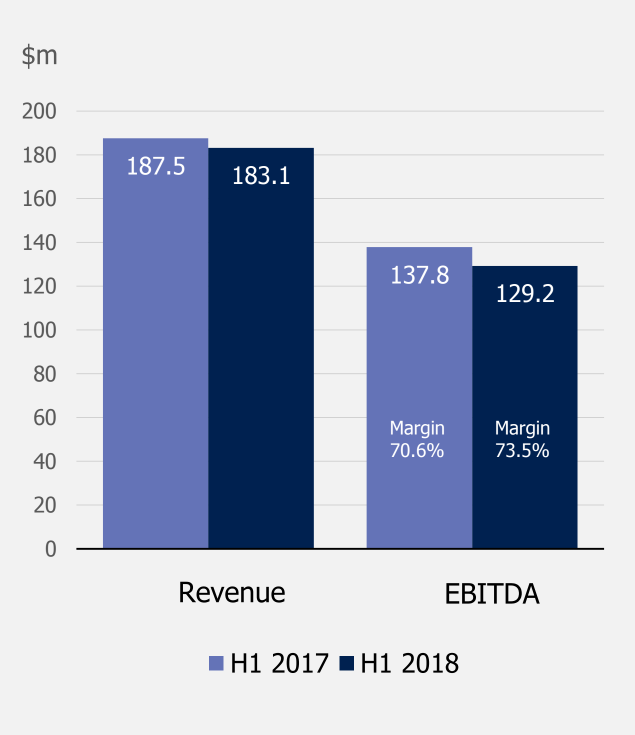
- VSAT revenue up $12.9m, 21.6%, to $72.6m:
  - VSAT ships up 1,801 to 5,364 (including 4,121 on FX)
  - FX net installation rate ramping up: c.1,500 in H1 2018 (H1 2017: c.1,00)
  - c.26% of installations from completely new customers
  - ARPU fell to $2,530 per month (H1 2017: $3,040) mainly due to increasing share of wholesale installations
- Decline in FleetBroadband revenue of $12.5m, 7.1%, to $163.2m:
  - Migration to FX drove 50% of revenue decline and 40% of vessel losses
  - Plans in place to mitigate vessel losses to low end competition
  - ARPU stable at c.$770 per month during H1
- Fleet One airtime and equipment revenue up to $3.7m (from $1.9m)
  - Vessels up to 3,672
- Other maritime products flat at $42.6m:
  - VSAT terminal sales up $6.8m
  - Other mainly low margin legacy products down $6.5m, 16.7%, to $32.4m
- EBITDA 2.2% lower:
  - High revenue offset by higher bad debt provisions
- Success-based cash capex little changed at $24.0m





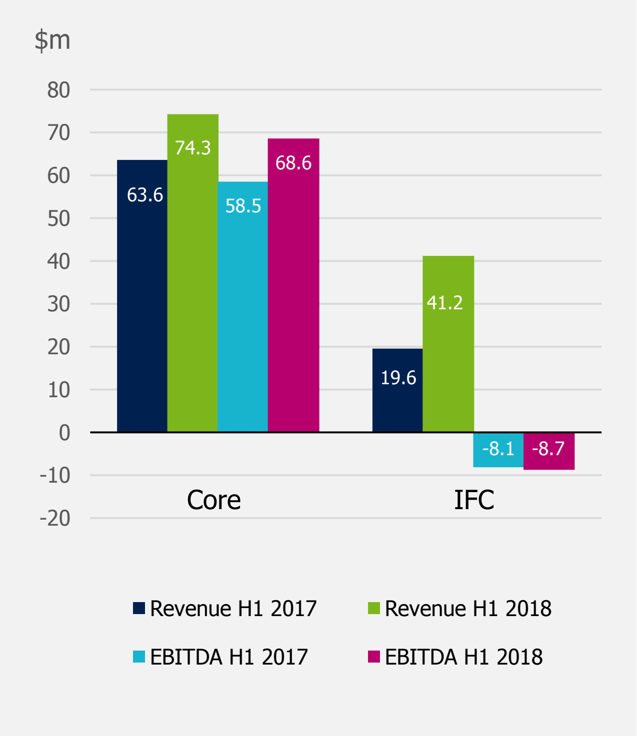
Government Results – H1 2018

- US revenue up 2.8%:
  - Contract renewed on revised terms
  - One-off airtime leasing revenue and equipment sales
  - Underlying growth in Boeing ToP
    - Continues to reduce to normalised levels
- Revenue down 11.6% outside the US:
  - Mainly reflecting reduction in exceptional operational revenues from Q3 2017
  - Improving performance in Q2
- EBITDA down $8.6m, 6.2%:
  - Lower revenue and higher direct costs
- Near term growth to remain modest:
  - Impact of contract wins continues to be lumpy and irregular



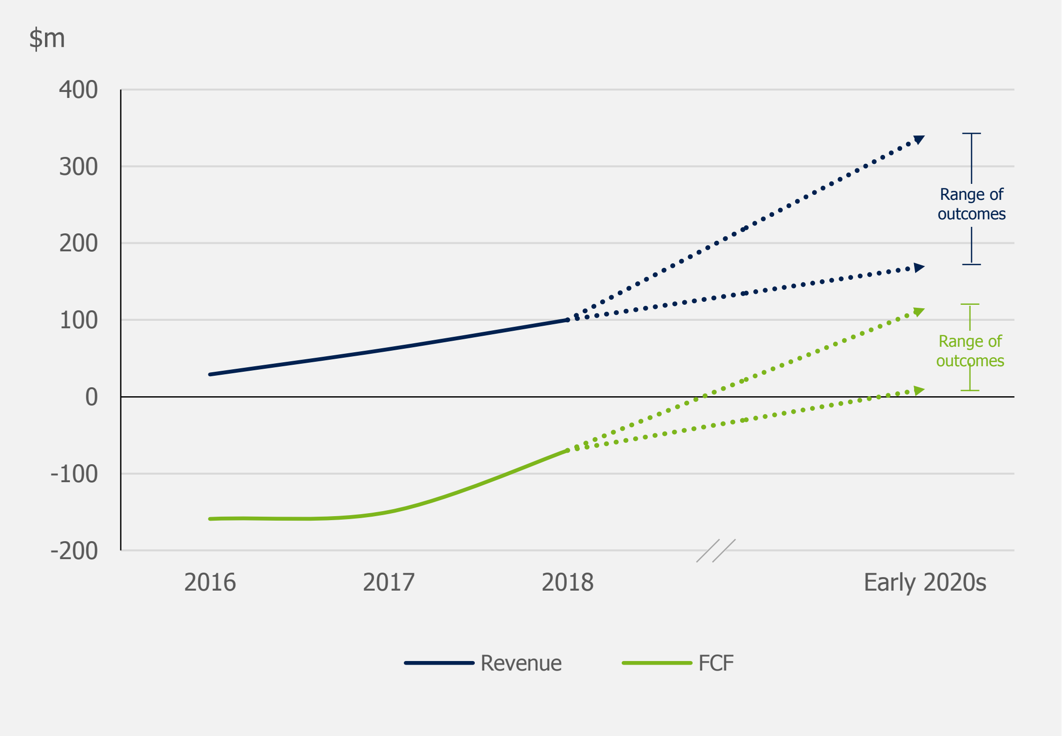
Aviation Results H1 2018

- > Aviation revenue up $32.3m, (38.8%) to $115.5m
- > Total Core revenues up $10.7m, (16.8%) to $74.3m
  - SwiftBroadband up $3.3m to $40.6m
  - JetConneX revenue up $7.2m to $8.3m
  - Classic Aero up $2.3m to $21.6m
  - Direct and indirect costs little changed
- > In-Flight Connectivity revenues up $21.6m, 110.2%, to $41.2m:
  - L-band (airtime) IFC revenues up $4.7m to $22.6m
  - GX IFC revenues up $17.0m to $18.7m
    - > First commercially activated aircraft delivering $1.4m of airtime revenue
  - Direct costs increased by $20.0m to $21.1m: related to installation services
  - Indirect costs increased by $2.2m to $28.8m: market capture and service delivery resource
- > EBITDA up $9.5m at $59.9m, EBITDA % margin of 51.9% (H1 2017: 60.6%)
  - Margins to fall from 60%+ in 2016 to c.40% in 2018, before returning to 2016 levels
- > Cash capex down $56.5m to $28.9m
  - S-band satellite capex in H1 2017
  - Success-based capex of IFC equipment to support customers into service delivery



Aviation – IFC revenue and Cash Flow trajectory - Illustrative

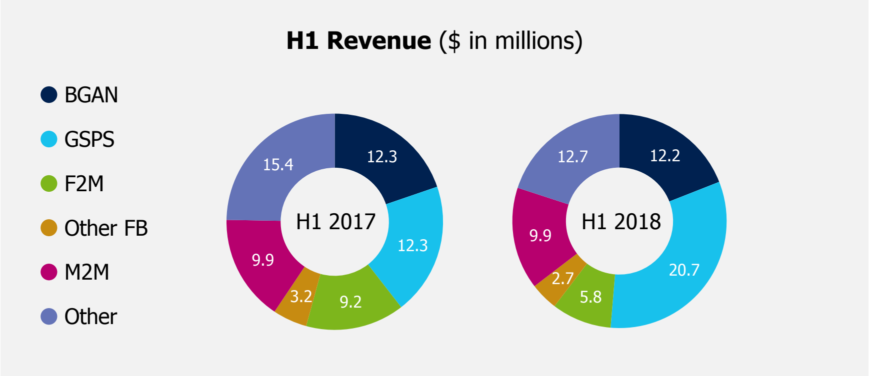
- High margin airtime revenues grow and increasingly to dominate the revenue mix
  - More aircraft
  - More consumer uptake
  - But falling price per bit
- Low margin installation revenues fall away
  - Move to line fit v retro fit
  - Only at start of service life
- Service revenues remain the minority
  - Profitable but low margin
- Gross margins increase ($ and %)
- Cash flow improves
  - Gross margin improvement
  - Indirect costs flatten after 2018
  - Move to line fit (lower capex)
  - Any additional satellite capacity is success based

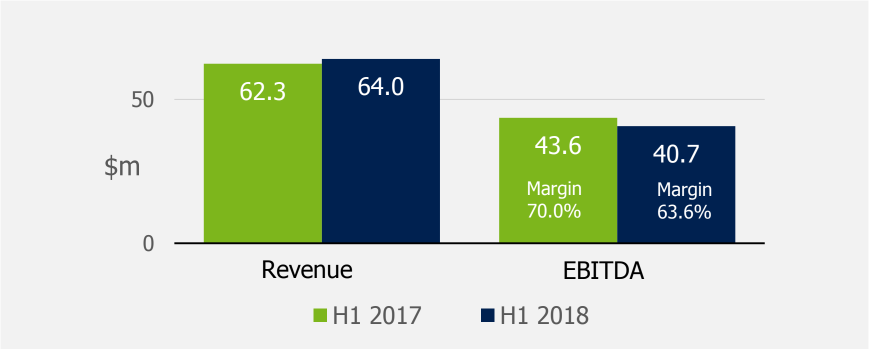


2016 & 2017 revenue and FCF based on reported figures
2018 and early 2020's revenue based on current analysts' consensus forecasts – subject to change over time, depending on market developments
2018 and early 2020's FCF based on company modelling, using analysts' consensus forecasts for revenue – subject to change over time, depending on market developments

Enterprise Results – H1 2018

- Revenue up $1.7m, 2.7%, to $64.0m
- BGAN flat at $12.2m
- Satellite phones up 68.3% to $20.7m
  - Several new distribution partnerships
- Fixed to Mobile revenues down 37.0% to $5.8m
  - On-going structural migration to VOIP
- M2M revenues up 11.2% to $9.9m
  - Increased terminal numbers
- EBITDA declined $2.9m, 6.7%, to $40.7m:
  - Changing revenue mix & legal fees





Group Cash Flow – H1 & Q2 2018

US$m	H1 2018	H1 2017	Change	Q2 2018	Q2 2017	Change
EBITDA	**373.0**	**379.7**	**(6.7)**	**198.1**	**196.6**	**1.5**
Working capital/non-cash items	(61.6)	22.0	(83.6)	(34.7)	17.9	(52.6)
Operating cash flow	**311.4**	**401.7**	**(90.3)**	**163.4**	**214.5**	**(51.1)**
Capital expenditure	(257.8)	(308.2)	50.4	(116.5)	(173.8)	57.3
Interest paid	(59.7)	(54.8)	(4.9)	(38.2)	(33.5)	(4.7)
Tax paid*	1.4	(16.6)	18.0	(0.2)	(2.9)	2.7
Free cash flow	**(4.7)**	**22.1**	**(26.8)**	**8.5**	**4.3**	**4.2**
Dividends paid	(38.9)	(117.9)	79.0	(38.9)	(117.9)	79.0
Other movements	1.4	(2.6)	4.0	0.7	(1.6)	2.3
Net cash flow	**(42.2)**	**(98.4)**	**56.2**	**(29.7)**	**(115.2)**	**85.5**
Opening net debt**	2,078.6	1,894.8	(183.8)	2,100.7	1,884.9	(215.8)
Net cash flow	42.2	98.4	(56.2)	29.7	115.2	(85.5)
Other	18.7	12.6	6.1	9.1	5.7	3.4
Closing net debt**	**2,139.5**	**2,005.8**	**(133.7)**	**2,139.5**	**2,005.8**	**(133.7)**

* Legacy tax issue remains open ** Including convertible bond

Capital Expenditure

US$m	H1 2018	H1 2017	Change	Q2 2018	Q2 2017	Change
Major infrastructure projects	149.7	203.5	53.8	95.0	127.3	32.3
Success-based capex	74.9	60.8	(14.1)	19.2	26.6	7.4
Other	51.9	58.8	6.9	25.0	29.0	4.0
Cash flow timing	(18.7)	(14.9)	3.8	(22.7)	(9.1)	13.6
Total cash capital expenditure	**257.8**	**308.2**	**50.4**	**116.5**	**173.8**	**57.3**

Major infrastructure projects: H1 2018 Includes I-5 F5, and I-6 spend satellite design, build, launch and ground infrastructure costs.

H1/Q2 2017 includes I-5 F4 launch and insurance costs

Success-based capex: Equipment installed on customer platforms primarily in Maritime and Aviation, to help support service delivery.

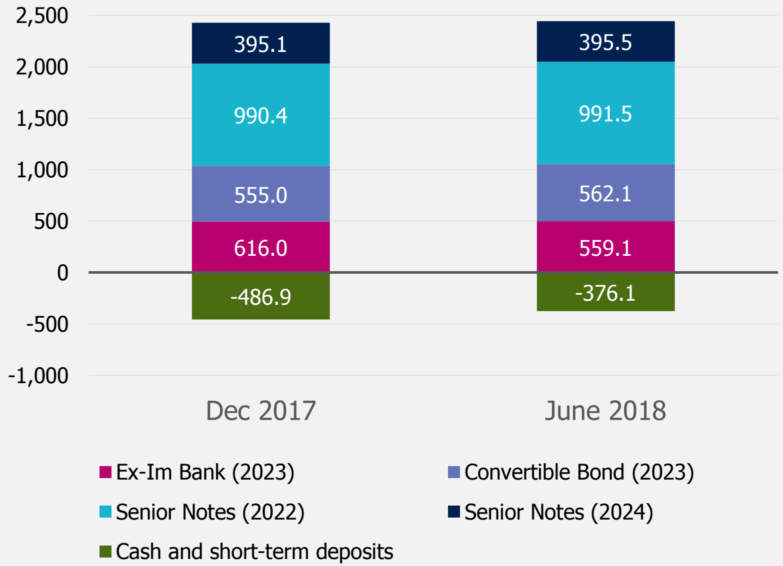
Other: Primarily infrastructure maintenance, IT and capitalised product and service development costs.

This analysis of capital expenditure is on an accruals basis, with the timing adjustment to cash capex being shown separately, and is exclusive of capitalised interest.

Net debt

- $876m liquidity at 30 June
  - Cash and short term deposits $376m
  - Revolving Credit Facility $500m
- Revolving Credit Facility increased to $750m in July 2018
  - Substantially same terms as previous facility
  - Flexibility regarding debt maturities
- Leverage
  - Policy: Net Debt* to normally be <3.5x EBITDA
  - 2.9x at 30 Jun (as at 31 Dec 2017: 2.8x)
- Average interest rate over H1 2018 on Gross Debt of 4.42% (FY 2017: 4.43%)
- Average interest rate over H1 2018 on Cash on deposit of 1.66% (FY 2017: 1.0%)

2,078.6*	Net debt	2,139.5*



* Includes other debt, in particular satellite payments and bank overdrafts

* Including convertible bond

Future Guidance

Unchanged from 9 March 2018

Medium term revenue, EBITDA & Free Cash Flow (all excluding Ligado):

> Targeting mid-single digit % increase in revenue growth on average over 2018 to 2022

> EBITDA and Free Cash Flow expected to steadily improve

Revenue (excluding Ligado):

> 2018 revenue of $1,300m to $1,500m

> Annual GX revenues at a run rate of $500m by the end of 2020

Leverage:

> To normally remain below 3.5x

Capex:

> Capex of $500m to $600m pa over 2018 to 2020

> Based on current management plans, infrastructure capex to meaningfully moderate after 2020, reflecting:
- New, lower cost, satellite technologies
- Constellation cycle
- More line-fit in IFC
- XL to FX migration complete

Q&A

Interim Results 2018

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The mobile satellite company

Q2 2018 Business Unit Summary

Maritime ($m)	2018		2017	
Revenue	140.1		140.0	
Direct Costs	(21.5)		(21.3)	
Gross Margin	118.6	84.7%	118.7	84.8%
Indirect Costs	(10.3)		(8.1)	
EBITDA	108.3	77.3%	110.6	79.0%

Government ($m)	2018		2017	
Revenue	104.8		101.5	
Direct Costs	(18.4)		(17.1)	
Gross Margin	86.4	82.4%	84.4	83.2%
Indirect Costs	(10.5)		(10.9)	
EBITDA	75.9	72.4%	73.5	72.4%

Aviation – IFC ($m)	2018		2017	
Revenue	21.9		10.8	
Direct Costs	(13.6)		(0.4)	
Gross Margin	8.3	37.9%	10.4	96.3%
Indirect Costs	(16.5)		(14.6)	
EBITDA	(8.2)	n/a	(4.2)	n/a

Enterprise ($m)	2018		2017	
Revenue	31.3		32.9	
Direct Costs	(6.2)		(6.9)	
Gross Margin	25.1	80.2%	26.0	79.0%
Indirect Costs	(6.0)		(4.5)	
EBITDA	19.1	61.0%	21.5	65.3%

Central Services ($m)	2018	2017
Revenue	36.1	36.9
Direct Costs	(5.2)	(4.5)
Gross Margin	30.9	32.4
Indirect Costs	(62.4)	(66.5)
EBITDA	(31.5)	(34.1)

Aviation - Core ($m)	2018		2017	
Revenue	37.6		32.1	
Direct Costs	(0.3)		(0.2)	
Gross Margin	37.3	99.2%	31.9	99.4%
Indirect Costs	(2.8)		(2.6)	
EBITDA	34.5	91.8%	29.3	91.3%

Interim Results 2018

2 August 2018

Forward looking Statements

This announcement contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements. These factors include: general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance or programmes, or the delivery of products or services under them; structural change in the satellite industry; relationships with customers; competition; and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances.