Full Year Results 2018

7 March 2019

Strategic overview and 2018 performance review

Rupert Pearce
Chief Executive Officer

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Inmarsat remains well positioned for future growth

Compelling market opportunity

Significant future growth in demand for data "on the move" - satellite connectivity is the only solution

Mobility Markets

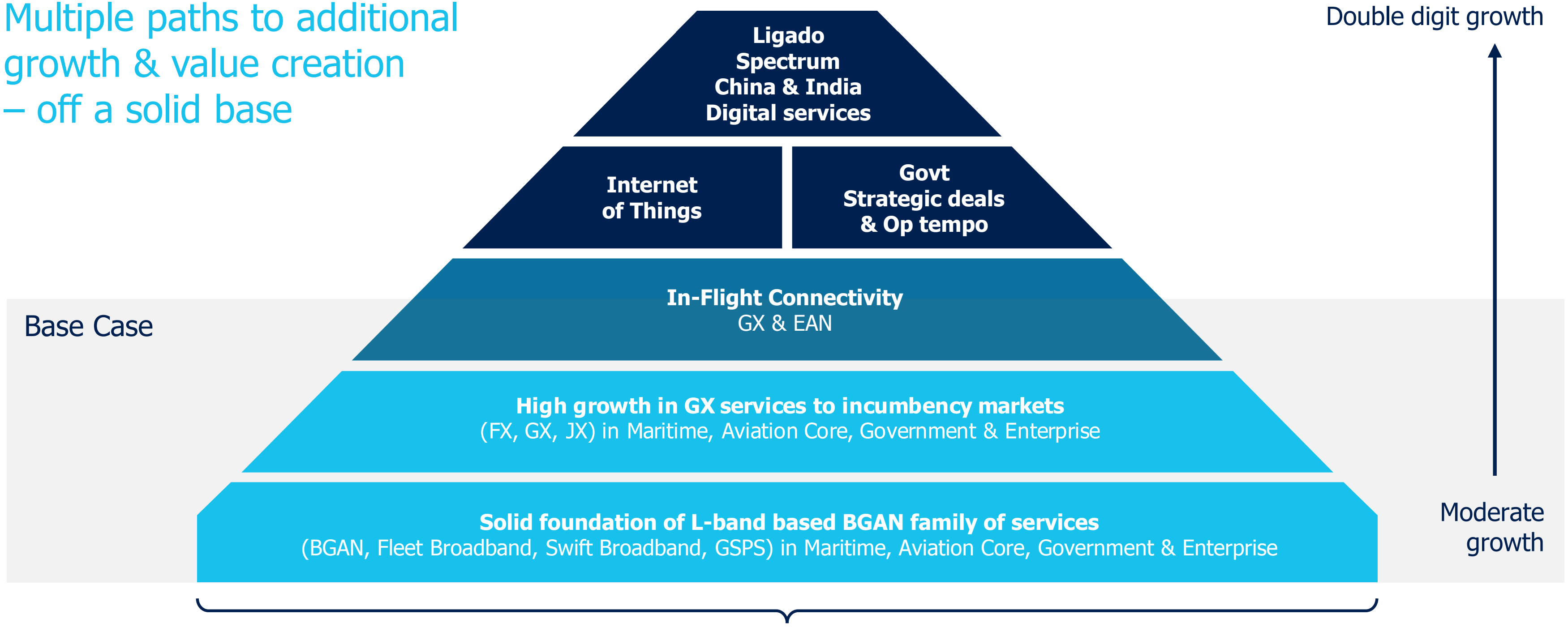
Maritime | **Government** | **Aviation** | **Enterprise**

Inmarsat is well positioned

- ✓ **Highly** differentiated proposition
- ✓ **Long-standing** market presence
- ✓ **Clear** strategy being steadily delivered

Diversified portfolio
to drive Revenue, EBITDA and FCF growth

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



Supported by meaningful moderation in infrastructure capex after 2020

2018 Operational Review

Consistent revenue and EBITDA growth, in line with guidance

- Strong results, building on return to growth established in 2017
- Continued delivery of compelling strategy
  - Progress right across our diversified growth portfolio
  - Increasing customer demand for broadband in mobility
- Medium term outlook and future guidance unchanged

Maritime 2018 performance

Robust results amid transition to broadband

	2018 progress	Future roadmap
Fleet Xpress Aiming to capture further share in high potential VSAT market	▪ 2,750+ vessels installed in 2018 ▪ 19% of FX installations were new customers ▪ Consistent run rate of installations ▪ Strategic partners gained further traction ▪ Strong progress in Xpress Link migration programme ▪ Development of Crew Xpress product ▪ 25% share of VSAT market captured (2016: 15%) ▪ 50% market share of all 2018 VSAT installations	▪ Install 5,000+ FX vessel commitments ▪ Drive into new non-merchant VSAT segments ▪ Complete Xpress Link migration programme in 2019 ▪ Launch Crew Xpress into the market ▪ Support improvement in ARPU over medium to long term ▪ Launch value-added services over Fleet Edge platform
FleetBroadband Focused on retaining FB vessels and/or migrating to FX	▪ Vast majority of lost vessels migrated to VSAT segment, of which 50%+ moved to FX ▪ GMDSS approval received ahead of competition ▪ Enhanced product offerings, targeted price incentives and new marketing strategies introduced	▪ Enhanced protection of FB base, to FX transition ▪ Sustain ARPU through functionality improvements and usage and package progression ▪ Lower cost/size, higher functionality of next gen FB terminals

Focused on further building and retaining market share

Government 2018 performance

US Government business continues to outperform

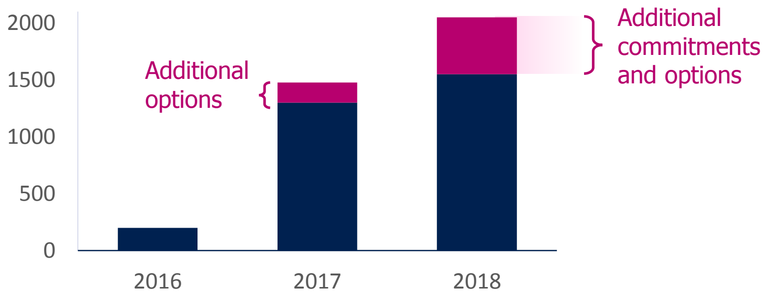
2018 progress	Future roadmap
Significant contractual wins in the US	Expand footprint in new markets, sectors and niches
Material increase in underlying revenues from Boeing ToP	Major long term contracts fully embedded
Solid progress outside the US	Deliver on MILSATCOM augmentation opportunities

Aiming to become more embedded in significant customer platforms

Aviation IFC 2018 performance

Material strategic, operational and financial progress

2018 progress	Future roadmap
Aircraft under contract	Additional contract wins from new business pipeline
	Further increase in aircraft in service, from 100+ in 2018, to generate high margin airtime revenue
	Service roll-out of European Aviation Network
	Next phase of strategic agreement with Panasonic Avionics



Long term leadership position further consolidated

Aviation Core 2018 performance

Another year of double digit revenue growth

	2018 progress	Future roadmap
Business and General aviation	▪ Higher usage in SwiftBroadband ▪ 260+ new aircraft installed with JetConneX	▪ Further roll-out of JetConneX, including incremental customer migration from SwiftBroadband ▪ New growth opportunities through our I-6 satellite platform from early 2020's
Safety and Operational Services	▪ Additional aircraft usage of Classic Aero ▪ First customers won for Swift Broadband-Safety ▪ SOS contracts signed in new markets	▪ Full commercial roll-out of SB-S for next gen aero safety ▪ Continue development of IRIS European Space Agency Air Traffic Management programme ▪ Focus on connected aircraft opportunities

Continue to develop our leadership position across key markets

Enterprise 2018 performance

Foundations being built for future IIoT opportunities

2018 progress	Future roadmap
- Stabilisation in certain legacy products, supported by terminal and handset sales - M2M product line continues to grow - Early stage trials on IIoT initiatives with blue chip partners - Phase 1 tribunal ruling on RigNet arbitration found in Inmarsat's favour	- Continue to protect revenues of legacy product lines - Further develop major IIoT partnerships to help establish solutions in key target areas (mining, logistics & agriculture) - Secure recovery of ultimate RigNet award

Major long term opportunity to play key role in the digital society

2019 Priorities

Delivering further revenue and EBITDA growth

	Maritime	Government	Aviation	Enterprise	Organisational Infrastructure
Objectives	▪ Grow share in VSAT segments, protect mid-market position and launch first applications	▪ Continue to strengthen & diversify major customer relationships	▪ Further commercial momentum in IFC. Launch new safety product & develop connected aircraft position	▪ Progress in building market position in IIoT. Stabilize legacy products	▪ Further strengthen our global networks & organizational infrastructure
2019 proof points	▪ Further progress with FX installation programme – wholesale and retail ▪ Successful Crew Xpress roll-out ▪ Retention of FB customers ▪ Complete migration of XL & FB customers to FX ▪ Launch first set of maritime business applications	▪ Continued strong USG performance, driven by new contract wins and increased usage from existing customers ▪ Further revenue growth from Boeing ▪ Continue to diversify and internationalise ▪ Develop global managed services capability	▪ Further increase in IFC aircraft under contract, installed & in service ▪ Commercial launch of the European Aviation Network ▪ Further JX installs in BGA, with continued usage growth in SB ▪ Increased usage in SOS products & next steps for IRIS	▪ Continued growth in M2M revenue ▪ Move into billing for IIoT deployments in target markets, with key partners ▪ Manage legacy products revenues	▪ Launch of GX-5 satellite ▪ Continued preparation for launch of I-6 satellites in 2020/21 ▪ Launch new service delivery & billing platforms ▪ Further steps taken to establish strong organisational platform ▪ Continued drive to reduce legacy costs

Continue to be well positioned to capitalise on future growth opportunities

Financial Review

Tony Bates
Chief Financial Officer

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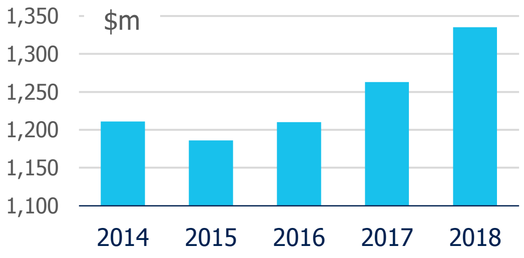
Five Year track record

Revenue and EBITDA (both ex Ligado) and cash capex

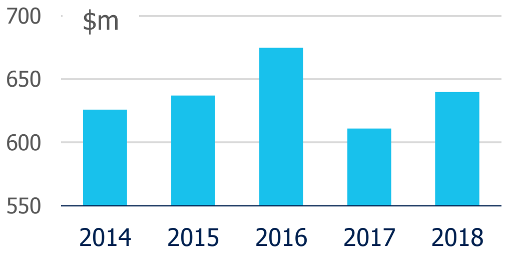
Revenue



- New GX revenues: especially Maritime and Government
- New IFC revenues

Guidance: mid-single digit % increase in revenue on average over 2018 to 2022

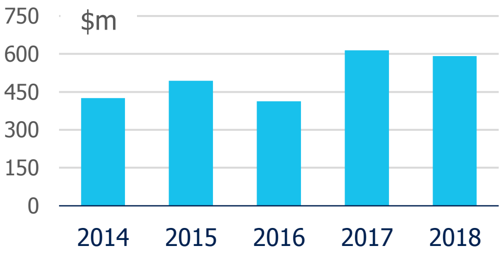
EBITDA



- Revenue growth and mix
- Investment in IFC and operational capability
- 2017 restructuring charge

Guidance: EBITDA expected to steadily improve over the medium term

Cash Capex



- Investment in GX, I-6 and S-band satellite systems and ground networks
- Success-based capex to support market capture

Guidance: infrastructure investment to meaningfully moderate from 2021

N.B. 2017 and 2018 figures restated for IFRS15 and IFRS16

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Group Income statement

$m	2018	2017	Change	Q4 2018	Q4 2017	Change
Revenue	**1,465.2**	**1,391.7**	**73.5**	**378.7**	**351.8**	**26.9**
Direct costs	(255.0)	(190.7)	(64.3)	(75.4)	(57.1)	(18.3)
Gross margin	**1,210.2**	**1,201.0**	**9.2**	**303.3**	**294.7**	**8.6**
Indirect costs*	(440.1)	(441.8)	1.7	(112.7)	(108.5)	(4.2)
EBITDA	**770.1**	**759.2**	**10.9**	**190.6**	**186.2**	**4.4**
Depreciation, Amortisation and other	(481.4)	(415.1)	(66.3)	(127.5)	(114.2)	(13.3)
Net financing costs**	(97.6)	(98.1)	0.5	(18.4)	(28.7)	10.3
Adjusted profit before tax	**191.1**	**246.0**	**(54.9)**	**44.7**	**43.3**	**1.4**
Tax	(42.9)	(52.6)	9.7	(18.5)	(17.2)	(1.3)
Adjusted profit after tax	**148.2**	**193.4**	**(45.2)**	**26.2**	**26.1**	**0.1**
Change in value of derivative	(23.2)	7.7	30.9	2.9	23.5	20.6
Restructuring charge (post tax)	-	(16.1)	**(16.1)**	-	(16.1)	(16.1)
Statutory profit after tax	**125.0**	**185.0**	**(60.0)**	**29.1**	**33.5**	**(4.4)**

2017 figures have been restated throughout this presentation to reflect the adoption of IFRS15

* Excludes $19.9m restructuring charge taken in Q4 2017

** Excluding change in value of derivative

Business Unit Summary ($m)

Maritime	2018		2017	
Revenue	552.8		567.3	
Direct Costs	(85.2)		(84.0)	
Gross Margin	467.6	84.6%	483.3	85.2%
Indirect Costs	(38.6)		(36.3)	
EBITDA	429.0	77.6%	447.0	78.8%

Government	2018		2017	
Revenue	381.0		366.7	
Direct Costs	(66.9)		(54.4)	
Gross Margin	314.1	82.4%	312.3	85.2%
Indirect Costs	(43.9)		(47.1)	
EBITDA	270.2	70.9%	265.2	72.3%

Aviation - IFC	2018		2017	
Revenue	101.3		49.3	
Direct Costs	(55.1)		(11.3)	
Gross Margin	46.2	45.6%	38.0	77.1%
Indirect Costs	(57.7)		(55.8)	
EBITDA	(11.5)		(17.8)	

Aviation - Core	2018		2017	
Revenue	154.8		132.5	
Direct Costs	(1.2)		(1.0)	
Gross Margin	153.6	99.2%	131.5	99.2%
Indirect Costs	(10.2)		(9.8)	
EBITDA	143.4	92.6%	121.7	91.8%

Enterprise	2018		2017	
Revenue	130.0		132.6	
Direct Costs	(26.2)		(23.4)	
Gross Margin	103.8	79.8%	109.2	82.4%
Indirect Costs	(21.5)		(17.3)	
EBITDA	82.3	63.3%	91.9	69.3%

Central Services	2018	2017
Revenue	145.3	143.3
Direct Costs	(20.4)	(16.6)
Gross Margin	124.9	126.7
Indirect Costs	(268.2)	(295.4)*
EBITDA	(143.3)	(168.7)

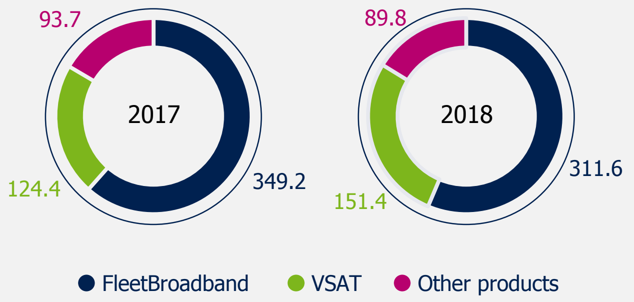
GX-generated airtime and related revenue in 2018: $250.9m (2017: $135.9m)

* Includes $19.9m restructuring charge

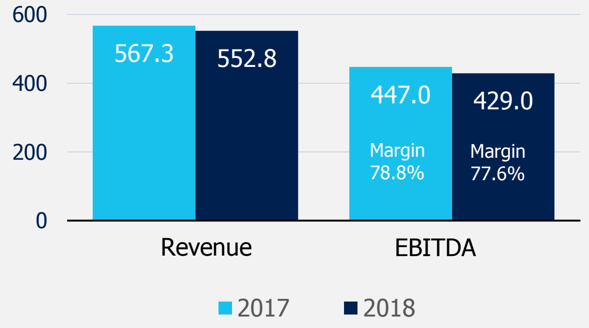
Maritime 2018 results

- VSAT revenue up $27m, 21.7%, to $151.4m
  - Market share gains
    - c. 50% of industry VSAT installations in 2018
    - c. 20% of installations with new customers
  - Vessels up 44% or by 1,887 to 6,219 (including 5,375 FX vessels)
  - ARPU down 17% to $2,391 due to channel mix
    - Wholesale installation share 30%, from 14% in 2017
- FleetBroadband revenue down $37.6m, 10.8%, to $311.6m
  - FB vessels down 3,739 to 32,366:
    - 42% migrated to FX
    - Balance mainly to competitor VSAT offerings
  - ARPU down 6% to $756, as higher value customer migrate to VSAT
- Other products revenue down 4.2% to $89.8m
  - Fleet One revenue up 52.0%, to $7.6m – (4,000+ vessels)
  - Equipment revenue up $6.2m to $20.1m
  - Legacy product revenue down $12.7m or 17% to $62.1m
- Direct costs up $1.2m
  - Higher provisions and terminal sales, leased capacity and other savings
- Indirect costs up $2.3m
  - Timing of marketing spend related to Volvo Ocean Race
- EBITDA $18.0m lower at $429.0m
- Success-based cash capex up $8.5m to $54.4m

Full Year Revenue ($m)



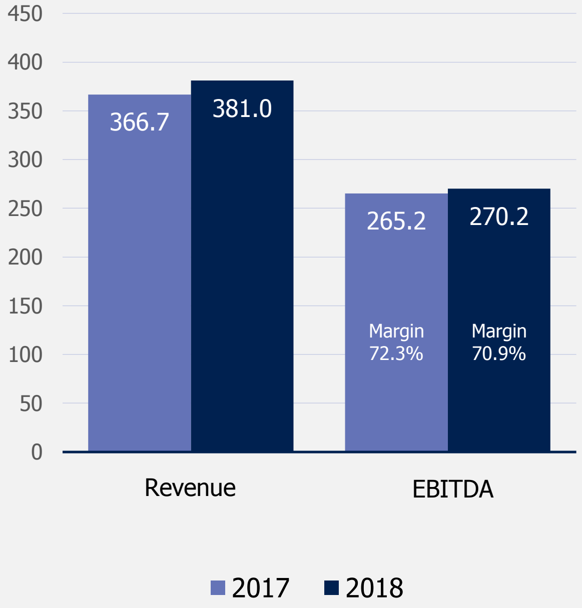
Full Year Revenue & EBITDA ($m)



Government 2018 results

- Total Government revenue up $14.7m to $381.0m
- US revenue up 6.4%
  - New business wins
  - Increased customer expenditure under existing contracts
  - Material increase in underlying revenues on Boeing ToP
- Revenue down 1.1% outside the US
- Direct costs up $12.5m
  - Revenue growth
- Indirect costs down $3.2m
  - Lower employee and related cost savings
- EBITDA up $5.0m to $270.2m

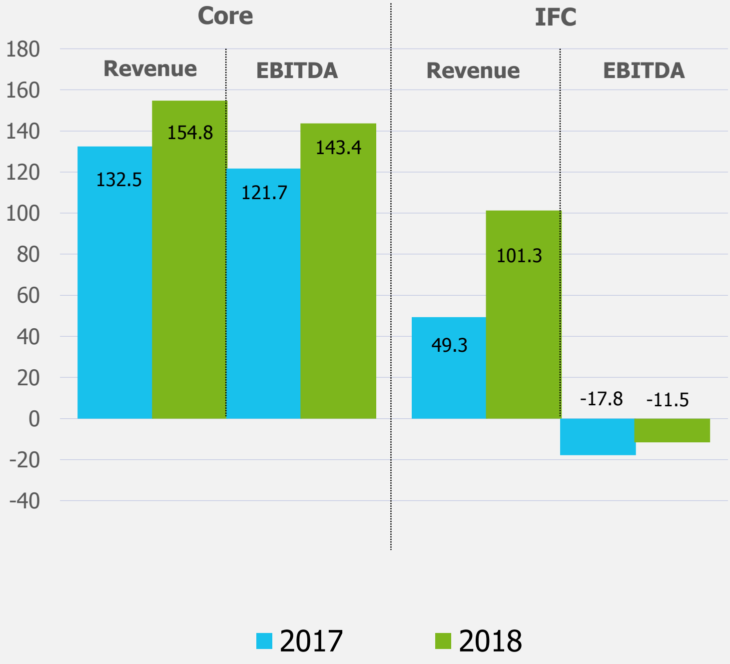
Full Year Revenue & EBITDA ($m)



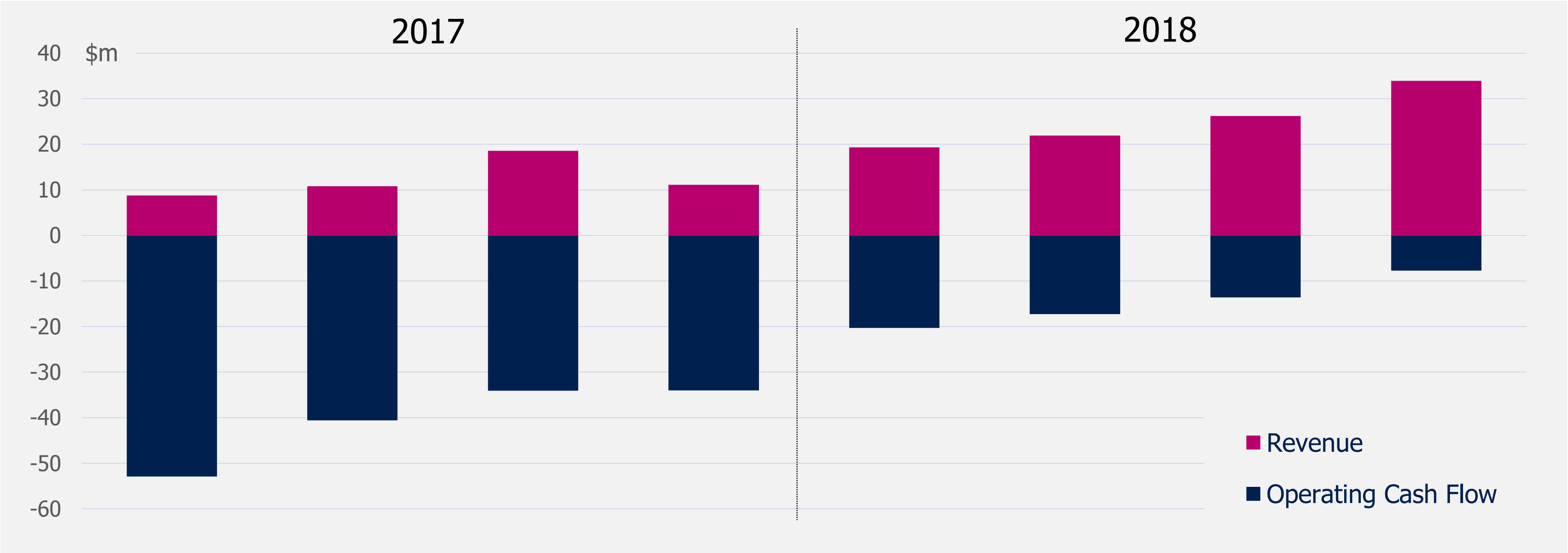
Aviation 2018 results

- Aviation revenue up 40.9% or $74.3m to $256.1m
- IFC revenues up 105% or $52.0m to $101.3m
  - $49.3m equipment revenue
  - $52.0m airtime revenue (including 7.1m GX airtime)
  - 1,580 aircraft under contract
  - 100+ GX aircraft in service
- Core revenues up $22.3m, 16.8%, to $154.8m
  - SwiftBroadband up 2.8%
  - JetConneX up by factor of 5x
  - Classic Aero up 9.6%
- Direct costs up $44.0m
  - Equipment sales and contractual start-up costs
- Indirect costs up $2.3m to $67.9m
  - Increase in service delivery headcount, lower IFC marketing spend
- EBITDA up $28.0m to $131.9m,
  - EBITDA % margin of 51.5%
  - Expect return to at least 2016 levels of c.60% by 2021
- Cash capex down $109.0m to $34.8m
  - Now only spend on on-board equipment for customers
  - S-band satellite capex in H1 2017 only

Full Year Revenue & EBITDA ($m)



Aviation IFC quarterly revenue and cash flow

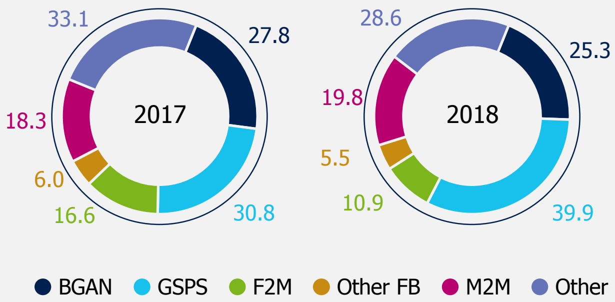


Steadily improving trends in revenue and operating cash flow

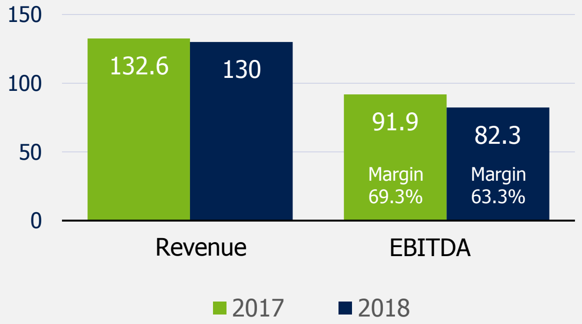
Enterprise 2018 results

- Revenue down $2.6m, 2.0%, to $130.0m
- Satellite phones up 30.0% to $39.9m
- BGAN down 9.0% to $25.3m
- M2M revenues up 7.6% to $19.8m
- Fixed to Mobile down 34.3% to $10.9m
- Positive outcome of RigNet arbitration Phase 1
  - Ruled that RigNet owed Inmarsat $50.8m + interest
  - Treated as contingent asset
  - Phase 2 to be finalised in 2019
- Direct costs up $2.8m
  - Higher proportion of handset sales
- Indirect costs up $4.2m
  - Legal costs relating to RigNet arbitration
- EBITDA declined $9.6m to $82.3m

Full Year Revenue ($m)



Full Year Revenue & EBITDA ($m)



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Group Cash Flow

US$m	2018	2017	Change	Q4 2018	Q4 2017	Change
EBITDA	**770.1**	**739.3**	**30.8**	**190.6**	**166.3**	**24.3**
Working capital	(61.6)	30.7	(92.3)	1.7	33.7	(32.0)
Non-cash items	4.9	19.8	(14.9)	-	0.4	(0.4)
Operating cash flow	**713.4**	**789.8**	**(76.4)**	**192.3**	**200.4**	**(8.1)**
Capital expenditure	(590.7)	(614.1)	23.4	(175.4)	(204.9)	29.5
Interest paid	(114.5)	(114.7)	0.2	(36.9)	(37.2)	0.3
Tax paid*	2.3	(19.8)	22.1	(1.6)	(1.7)	0.1
Free cash flow	**10.5**	**41.2**	**(30.7)**	**(21.6)**	**(43.4)**	**21.8**
Dividends paid	(70.1)	(202.9)	132.8	(30.1)	(84.9)	54.8
Other movements	(13.9)	(3.0)	(10.9)	(3.5)	(0.1)	(3.4)
Net cash flow	**(73.5)**	**(164.7)**	**91.2**	**(55.2)**	**(128.4)**	**73.2**

OPENING NET DEBT**	2,078.6	1,894.8	(183.8)	2,115.7	1,952.0	(163.7)
Net cash flow	73.5	164.7	(91.2)	55.2	128.4	(73.2)
Other	24.6	19.1	5.5	5.8	(1.8)	7.6
CLOSING NET DEBT**	**2,176.7**	**2,078.6**	**(98.1)**	**2,176.7**	**2,078.6**	**(98.1)**

* Legacy tax issue remains open ** Including convertible bond

Capital Expenditure

US$m	2018	2017	Change	Q4 2018	Q4 2017	Change
Major infrastructure projects	333.5	423.5	90.0	107.6	179.3	71.7
Success-based capex	80.4	112.0	31.6	19.1	19.0	(0.1)
Other	115.3	115.2	(0.1)	47.0	20.1	(26.9)
Cash flow timing	61.5	(36.6)	(98.1)	1.7	(13.5)	(15.2)
Total cash capital expenditure	**590.7**	**614.1**	**23.4**	**175.4**	**204.9**	**29.5**

Major infrastructure projects Satellite design, build, launch & ground infrastructure. In 2018 mainly for GX-5 and I-6 satellites.

Success-based capex: Equipment installed on customer platforms (e.g. vessels and aircraft) increasing due to installation programmes, currently mainly IFC and FX.

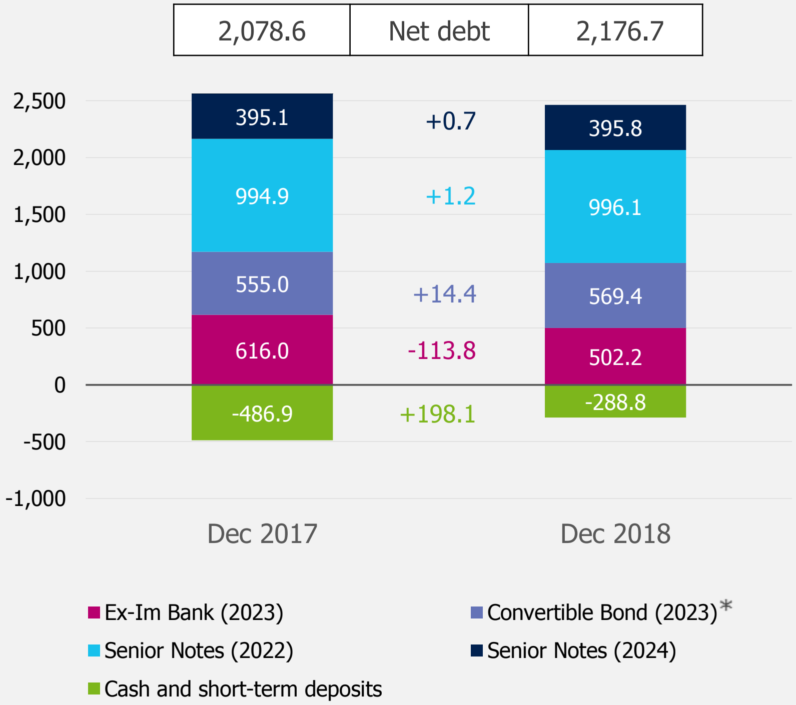
Other: Primarily infrastructure maintenance, IT (including cyber) and capitalised product and service development costs.

Cash flow timing This analysis of capital expenditure is on an accruals basis and exclusive of capitalised interest.

Year on year change due mainly to timing of contractual payments on I-6's and GX5

Net debt at end of 2018

- $1,039m liquidity at end of 2018
  - Cash $289m
  - Revolving Credit Facility $750m
- Leverage
  - Net Debt to normally be <3.5x EBITDA
  - 2.8x at end of 2018 (2017: 2.8x)
- Average interest rate on Gross Debt of 4.45% (2017: 4.43%)
- Average interest rate over on Cash on deposit of 1.5% (2017: 1.0%)



* Excludes potential derivative liability

Future Guidance

Medium term guidance unchanged
New 2021 capex and 2019 revenue guidance

2019 Revenue (excluding Ligado):

- Expected to be between $1,300m and $1,400m

GX revenues:

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

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

- Targeting mid-single digit % increase in revenue on average over 2018 to 2022
- EBITDA and Free Cash Flow expected to steadily improve *

Leverage policy:

- To normally remain below 3.5x

Capex:

- Capex of $500m to $600m pa in 2019 and 2020
- Infrastructure capex to meaningfully moderate after 2020
  - Capex of between $450m and $550m in 2021
  - Reflects new satellite technologies, constellation cycle, move to linefit in IFC and completion of XL to FX migration

* Excluding any impact of on-going exceptional tax matter, outlined in detail in Inmarsat's FY18 results announcement

Q&A

The mobile satellite company

Full Year Results 2018

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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.