



EchoStar Announces Financial Results for the Three and Nine Months Ended September 30, 2024

November 12, 2024

ENGLEWOOD, Colo., Nov. 12, 2024 /PRNewswire/ -- EchoStar Corporation (NASDAQ: SATS) announced its financial results for the three and nine months ended September 30, 2024.



Nine Months Ended September 30, 2024:

- EchoStar reported total revenue of \$11.86 billion for the nine months ended September 30, 2024, compared to \$12.85 billion in the year ago period.
- Net loss attributable to EchoStar in the first three quarters of 2024 was \$454.78 million, compared to net income of \$327.83 million in the year-ago period. Diluted loss per share was \$1.67, compared to earnings per share of \$1.06 in the year-ago period.
- Consolidated OIBDA totaled \$1.23 billion for the nine months ended September 30, 2024, compared to \$1.69 billion in the year-ago period. (See OIBDA definition and non-GAAP reconciliation below.)

"The EchoStar team continued to execute against our plan in the third quarter. Our efforts focused on profitable customer acquisition and retention, strengthening our consumer offerings and enhancing our nationwide Open RAN 5G network," said Hamid Akhavan, president and CEO, EchoStar Corporation. "In addition, we recently announced a series of transformative transactions that will disrupt the wireless and pay-TV industries. We secured financing to meet our November debt maturity and announced an agreement with a group of our convertible note holders. This last transaction provides approximately \$5.2 billion in additional financing and extends payment terms for the existing convertible notes tendered. In addition, we agreed to sell our pay-TV business to DIRECTV, subject to successful completion of an ongoing exchange and other closing conditions."

Three Months Ended September 30, 2024:

- Net Pay-TV subscribers decreased approximately 43,000 in the third quarter, compared to a decrease of 64,000 in the year-ago quarter. Sling TV subscribers increased 145,000 in the third quarter, compared to a 117,000 increase in the year-ago quarter. The company closed the third quarter with 8.03 million Pay-TV subscribers including 5.89 million DISH TV subscribers and 2.14 million SLING TV subscribers. This decrease in net Pay-TV subscriber losses resulted from higher net SLING TV subscriber additions in the third quarter compared to the year-ago quarter and a lower DISH TV churn rate, offset by lower gross new DISH TV subscriber activations.
- Retail Wireless subscribers, excluding Affordable Connectivity Program ("ACP") subscribers, increased approximately 62,000 in the third quarter. The company closed the third quarter with 6.98 million Retail Wireless subscribers. Retail Wireless net subscribers decreased by approximately 297,000 in the third quarter, compared to a decrease of 225,000 in the year-ago quarter. The increase in net retail wireless subscriber losses resulted from net losses of government subsidized subscribers, including ACP subscribers, compared to net additions in the year ago quarter, primarily due to the ACP program funding concluding on June 1, 2024. The third quarter was positively impacted by a lower retail wireless churn rate.
- The company closed the third quarter with 912,000 Broadband Satellite subscribers, a decrease of approximately 43,000 in the quarter, compared to 59,000 in the year-ago quarter. The decrease in net Broadband Satellite subscriber losses was primarily due to the new EchoStar XXIV (Jupiter 3) satellite service launch and increased subscriber demand for our new satellite service plans. The third quarter was negatively impacted by the ACP program funding concluding on June 1, 2024.

Set forth below is a table highlighting certain of EchoStar's segment results for the three and nine months ended September 30, 2024 and 2023 (all U.S. GAAP amounts reference results from operations):

For the Three Months Ended For the Nine Months Ended

	September 30,		September 30,	
	2024	2023	2024	2023
	(in thousands)			
Revenue				
Pay-TV	\$ 2,618,031	\$ 2,807,101	\$ 8,020,893	\$ 8,754,372
Retail Wireless	895,949	890,980	2,693,330	2,794,087
5G Network Deployment	43,227	29,916	108,245	67,902
Broadband and Satellite Services	386,709	413,073	1,163,306	1,305,779
All Other & Eliminations	(52,932)	(32,196)	(127,196)	(69,138)
Total	\$ 3,890,984	\$ 4,108,874	\$ 11,858,578	\$ 12,853,002
Net Income (loss) attributable to EchoStar	\$ (141,812)	\$ (138,371)	\$ (454,779)	\$ 327,825

OIBDA				
Pay-TV	\$ 676,003	\$ 675,565	\$ 2,184,514	\$ 2,271,638
Retail Wireless	(90,755)	(105,617)	(174,268)	(130,275)
5G Network Deployment	(330,737)	(299,146)	(977,319)	(813,597)
Broadband and Satellite Services	77,526	112,957	239,205	393,339
All Other & Eliminations	(15,370)	(17,897)	(43,153)	(31,289)
Total	\$ 316,667	\$ 365,862	\$ 1,228,979	\$ 1,689,816

Purchases of property and equipment, net of refunds, (including capitalized interest related to regulatory authorizations)

Pay-TV	\$ 53,357	\$ 64,331	\$ 165,275	\$ 167,524
5G Network Deployment	396,596	852,169	1,506,237	2,907,102
Broadband and Satellite Services	44,913	79,164	172,083	172,251
Total	\$ 494,866	\$ 995,664	\$ 1,843,595	\$ 3,246,877

Reconciliation of GAAP to Non-GAAP Measurement:

For the Three Months Ended September 30, 2024	Pay-TV	Retail Wireless	5G Network Deployment	Broadband and Satellite Services	Eliminations	Consolidated
	(In thousands)					
Segment operating income (loss)	\$ 588,501	\$ (113,792)	\$ (600,270)	\$ (36,116)	\$ 910	\$ (160,767)
Depreciation and amortization	87,502	23,037	269,533	113,642	(16,280)	477,434
OIBDA	\$ 676,003	\$ (90,755)	\$ (330,737)	\$ 77,526	\$ (15,370)	\$ 316,667

For the Three Months Ended September 30, 2023

Segment operating income (loss)	\$ 589,465	\$ (168,166)	\$ (463,105)	\$ 9,991	\$ 466	\$ (31,349)
Depreciation and amortization	86,100	62,549	163,959	102,966	(18,363)	397,211
OIBDA	\$ 675,565	\$ (105,617)	\$ (299,146)	\$ 112,957	\$ (17,897)	\$ 365,862

For the Nine Months Ended September 30, 2024	Pay-TV	Retail Wireless	5G Network Deployment	Broadband and Satellite Services	Eliminations	Consolidated
	(In thousands)					
Segment operating income (loss)	\$ 1,926,361	\$ (309,571)	\$ (1,749,961)	\$ (110,256)	\$ 2,047	\$ (241,380)
Depreciation and amortization	258,153	135,303	772,642	349,461	(45,200)	1,470,359
OIBDA	\$ 2,184,514	\$ (174,268)	\$ (977,319)	\$ 239,205	\$ (43,153)	\$ 1,228,979

For the Nine Months Ended September 30, 2023

Segment operating income (loss)	\$ 1,985,490	\$ (298,872)	\$ (1,198,667)	\$ 81,543	\$ 4,724	\$ 574,218
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Depreciation and amortization	286,148	168,597	385,070	311,796	(36,013)	1,115,598
OIBDA	\$ 2,271,638	\$ (130,275)	\$ (813,597)	\$ 393,339	\$ (31,289)	\$ 1,689,816

Note on Use of Non-GAAP Financial Measures

OIBDA is defined as "Operating income (loss)" plus "Depreciation and amortization."

OIBDA, which is presented by segment above, is a non-GAAP measure reconciled to "Operating income (loss)" and does not purport to be an alternative to operating income (loss) as a measure of operating performance. We believe this measure is useful to management, investors and other users of our financial information in evaluating operating profitability of our business segments on a more variable cost basis as it excludes the depreciation and amortization expenses related primarily to capital expenditures and acquisitions for those business segments, as well as in evaluating operating performance in relation to our competitors.

The condensed consolidated financial statements of EchoStar for the period ended September 30, 2024, are attached to this press release. Detailed financial data and other information are available in EchoStar's Form 10-Q for the period ended September 30, 2024, filed today with the Securities and Exchange Commission.

EchoStar will host a conference call to discuss its earnings on Tuesday, November 12, 2024, at 11 a.m. Eastern Time. The conference call will be broadcast live in listen-only mode on EchoStar's investor relations website at ir.echostar.com. To attend the call, please dial: (877) 484-6065 (U.S.) and (201) 689-8846. When prompted on dial-in, please utilize the conference ID (13750022) or ask for the "EchoStar Corporation Q3 2024 Earnings Conference Call." Please dial in at least 10 minutes before the call to ensure timely participation.

About EchoStar Corporation

EchoStar Corporation (Nasdaq: SATS) is a premier provider of technology, networking services, television entertainment and connectivity, offering consumer, enterprise, operator and government solutions worldwide under its EchoStar®, Boost Mobile®, Sling TV, DISH TV, Hughes®, HughesNet®, HughesON™, and JUPITER™ brands. In Europe, EchoStar operates under its EchoStar Mobile Limited subsidiary and in Australia, the company operates as EchoStar Global Australia. For more information, visit www.echostar.com and follow EchoStar on X (Twitter) and LinkedIn.

Safe Harbor Statement under the US Private Securities Litigation Reform Act of 1995

This press release 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 release, the words "believe," "anticipate," "goal," "seek," "estimate," "expect," "intend," "project," "continue," "future," "will," "would," "can," "may," "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 period ended December 31, 2023, and subsequent quarterly reports on Form 10-Q 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.

ECHOSTAR CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS (Dollars in thousands, except share amounts) (Unaudited)

	As of	
	September 30, 2024	December 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	\$ 622,608	\$ 1,821,376
Current restricted cash and cash equivalents	2,047,489	—
Marketable investment securities	51,792	623,044
Trade accounts receivable, net of allowance for credit losses of \$82,427 and \$74,390, respectively	1,099,545	1,122,139
Inventory	441,683	665,169
Prepays and other assets	649,802	644,005
Other current assets	87,458	16,081

Total current assets	5,000,377	4,891,814
<i>Noncurrent Assets:</i>		
Restricted cash, cash equivalents and marketable investment securities	156,323	118,065
Property and equipment, net	9,287,726	9,561,834
Regulatory authorizations, net	39,156,029	38,572,980
Other investments, net	216,139	314,370
Operating lease assets	3,158,548	3,065,448
Intangible assets, net	79,078	172,892
Other noncurrent assets, net	493,157	411,491
Total noncurrent assets	52,547,000	52,217,080
Total assets	<u>\$ 57,547,377</u>	<u>\$ 57,108,894</u>

Liabilities and Stockholders' Equity (Deficit)

Current Liabilities:

Trade accounts payable	\$ 707,476	\$ 774,011
Deferred revenue and other	645,719	754,658
Accrued programming	1,499,375	1,427,762
Accrued interest	406,619	297,678
Other accrued expenses and liabilities	1,699,434	1,717,826
Current portion of debt, finance lease and other obligations	2,520,297	3,046,654
Total current liabilities	<u>7,478,920</u>	<u>8,018,589</u>

Long-Term Obligations, Net of Current Portion:

Long-term debt, finance lease and other obligations, net of current portion	21,557,251	19,717,266
Deferred tax liabilities, net	4,926,162	5,014,309
Operating lease liabilities	3,125,819	3,121,307
Long-term deferred revenue and other long-term liabilities	958,931	849,131
Total long-term obligations, net of current portion	<u>30,568,163</u>	<u>28,702,013</u>
Total liabilities	<u>38,047,083</u>	<u>36,720,602</u>

Commitments and Contingencies

Redeemable noncontrolling interests	—	438,382
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Stockholders' Equity (Deficit):

Class A common stock, \$0.001 par value, 1,600,000,000 shares authorized, 140,480,742 and 140,153,020 shares issued and outstanding, respectively	140	140
Class B common stock, \$0.001 par value, 800,000,000 shares authorized, 131,348,468 shares issued and outstanding	131	131
Additional paid-in capital	8,337,211	8,301,979
Accumulated other comprehensive income (loss)	(177,764)	(160,056)
Accumulated earnings (deficit)	11,283,204	11,737,983
Total EchoStar stockholders' equity (deficit)	<u>19,442,922</u>	<u>19,880,177</u>
Noncontrolling interests	57,372	69,733
Total stockholders' equity (deficit)	<u>19,500,294</u>	<u>19,949,910</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 57,547,377</u>	<u>\$ 57,108,894</u>

ECHOSTAR CORPORATION **CONDENSED CONSOLIDATED STATEMENTS OF** **OPERATIONS**

(Dollars in thousands, except per share amounts)
(Unaudited)

For the Three Months Ended September 30,	For the Nine Months Ended September 30,
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	2024	2023	2024	2023
Revenue:				
Service revenue	\$ 3,671,674	\$ 3,942,308	\$ 11,233,429	\$ 12,211,542
Equipment sales and other revenue	219,310	166,566	625,149	641,460
Total revenue	3,890,984	4,108,874	11,858,578	12,853,002
Costs and Expenses (exclusive of depreciation and amortization):				
Cost of services	2,538,149	2,368,621	7,602,809	7,222,761
Cost of sales - equipment and other	393,024	612,378	1,164,200	1,715,936
Selling, general and administrative expenses	643,144	762,013	1,862,590	2,221,347
Depreciation and amortization	477,434	397,211	1,470,359	1,115,598
Impairment of long-lived assets and goodwill	—	—	—	3,142
Total costs and expenses	4,051,751	4,140,223	12,099,958	12,278,784
Operating income (loss)	(160,767)	(31,349)	(241,380)	574,218
Other Income (Expense):				
Interest income, net	11,200	43,915	55,591	166,409
Interest expense, net of amounts capitalized	(81,503)	(21,795)	(262,077)	(63,476)
Other, net	52,107	(168,947)	(65,501)	(169,640)
Total other income (expense)	(18,196)	(146,827)	(271,987)	(66,707)
Income (loss) before income taxes	(178,963)	(178,176)	(513,367)	507,511
Income tax (provision) benefit, net	35,162	59,439	53,733	(120,711)
Net income (loss)	(143,801)	(118,737)	(459,634)	386,800
Less: Net income (loss) attributable to noncontrolling interests, net of tax	(1,989)	19,634	(4,855)	58,975
Net income (loss) attributable to EchoStar	\$ (141,812)	\$ (138,371)	\$ (454,779)	\$ 327,825
Weighted-average common shares outstanding - Class A and B common stock:				
Basic	271,736	271,245	271,616	270,637
Diluted	271,736	271,245	271,616	308,259
Earnings per share - Class A and B common stock:				
Basic net income (loss) per share attributable to EchoStar	\$ (0.52)	\$ (0.51)	\$ (1.67)	\$ 1.21
Diluted net income (loss) per share attributable to EchoStar	\$ (0.52)	\$ (0.51)	\$ (1.67)	\$ 1.06

ECHOSTAR CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF
CASH FLOWS

(In thousands)

(Unaudited)

For the Nine Months Ended September 30,

	2024	2023
Cash Flows From Operating Activities:		
Net income (loss)	\$ (459,634)	\$ 386,800
<i>Adjustments to reconcile net income (loss) to net cash flows from operating activities:</i>		
Depreciation and amortization	1,470,359	1,115,598
Impairment of long-lived assets and goodwill	—	3,142
Realized and unrealized losses (gains) on investments, impairments and other	41,929	(24,866)
Realized and unrealized losses (gains) on derivatives	—	192,107
Liberty Puerto Rico Asset Sale losses (gains)	(50,418)	—
Non-cash, stock-based compensation	28,298	37,729
Deferred tax expense (benefit)	(85,300)	103,614

Equity in (earnings) losses of affiliates	74,459	6,671
Changes in allowance for credit losses	8,037	8,638
Change in long-term deferred revenue and other long-term liabilities	15,996	9,122
Other, net	137,700	80,665
Changes in current assets and current liabilities, net	25,718	102,330
Net cash flows from operating activities	1,207,144	2,021,550
Cash Flows From Investing Activities:		
Purchases of marketable investment securities	(29,166)	(2,384,614)
Sales and maturities of marketable investment securities	563,421	3,092,693
Purchases of property and equipment	(1,200,606)	(2,533,745)
Refunds and other receipts of purchases of property and equipment	—	34,611
Capitalized interest related to regulatory authorizations	(642,989)	(747,743)
Proceeds from other debt investments	—	148,448
Purchases of regulatory authorizations, including deposits	(1,104)	(1,802)
Sale of assets to CONX	26,719	—
Liberty Puerto Rico Asset Sale	95,435	—
Other, net	10,892	(17,258)
Net cash flows from investing activities	(1,177,398)	(2,409,410)
Cash Flows From Financing Activities:		
Repayment of long-term debt, finance lease and other obligations	(101,197)	(98,933)
Redemption and repurchases of convertible and senior notes	(951,170)	(1,634,084)
Proceeds from issuance of senior notes	—	1,500,000
Debt issuance costs and debt (discount) premium	—	21,635
Proceeds from New DISH DBS Financing	2,500,000	—
Debt issuance costs and debt (discount) premium from New DISH DBS Financing	(136,208)	—
Early debt extinguishment gains (losses) of convertible and senior notes	—	72,566
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	4,347	11,570
Purchase of SNR Management's ownership interest in SNR HoldCo	(441,998)	—
Other, net	(4,185)	(5,997)
Net cash flows from financing activities	869,589	(133,243)
Effect of exchange rates on cash and cash equivalents	(3,458)	1,622
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	895,877	(519,481)
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period	1,911,601	2,561,803
Cash, cash equivalents, restricted cash and cash equivalents, end of period	\$ 2,807,478	\$ 2,042,322

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