# EchoStar Announces Financial Results for the Three and Twelve Months Ended December 31. 2023

ENGLEWOOD, Colo., Feb. 29, 2024 / PRNewswire/ -- EchoStar Corporation (NASDAQ: SATS) announced its financial results for the three and twelve months ended December 31, 2023.

#### Twelve Months Ended December 31, 2023:

- EchoStar reported 2023 total revenue of \$17.02 billion, compared to \$18.63 billion in 2022. The net decrease in revenue primarily resulted from subscriber declines, most significantly in its Pay-TV segment.
- Net loss attributable to EchoStar in 2023 was \$1.70 billion, compared to net income of \$2.48 billion in 2022. The net loss in 2023 was primarily attributable to a noncash impairment to goodwill totaling approximately \$758 million, and an adjustment to the carrying value of the 800 MHz purchase option totaling approximately \$1.8 billion. Diluted loss per share was \$6.28 in 2023, compared to earnings per share of \$8.05 in 2022. Excluding the tax affected impact of the goodwill impairment and the 800 MHz adjustment, 2023 net income attributable to EchoStar would have been approximately \$361 million.
- Consolidated OIBDA totaled \$1.32 billion, compared to \$3.41 billion in 2022. (See OBIDA definition and non-GAAP reconciliation below.) The decrease in OIBDA was primarily attributable to the noncash impairment to goodwill and the subscriber declines previously discussed.

"We closed the year with the completion of the merger with DISH Network. The transaction combined DISH Network's satellite technology, streaming services, engineering expertise, retail wireless business, and nationwide 5G network with EchoStar's premier satellite communications solutions, enterprise go-to-market capabilities, and U.S.-based manufacturing. Collectively, it creates a global leader in terrestrial and non-terrestrial wireless connectivity, and entertainment services," said Hamid Akhavan, president and CEO, EchoStar Corporation. "With the close of the merger, we will continue to integrate our business and realize savings and operational efficiencies. We also will increase our focus on identifying and targeting the best, most profitable customers in each of our addressable market segments – Pay-TV, Retail Wireless, and Broadband and Satellite Services."

#### Three Months Ended December 31, 2023:

- Consolidated revenue totaled \$4.16 billion for the fourth quarter, compared to\$4.53 billion in the year-ago quarter. The net decrease in revenue primarily resulted from subscriber declines, most significantly in the Pay-TV segment.
- Net loss attributable to EchoStar totaled \$2.03 billion for the fourth quarter, compared to net income attributable to EchoStar of \$984 million in the year-ago quarter. The net loss in the fourth quarter of 2023 was primarily attributable to a noncash impairment to goodwill totaling approximately \$758 million, and an adjustment to the carrying value of the 800 MHz purchase option totaling approximately \$1.6 billion. Diluted loss per share was \$7.48 for the quarter, compared to earnings of \$3.21 per share in the year-ago quarter.
- Consolidated OIBDA totaled negative \$370 million for the fourth quarter, compared to\$735 million in the year-ago quarter.
  The decrease in OIBDA was primarily attributable to the noncash impairment to goodwill and the subscriber declines previously discussed.
- Net Pay-TV subscribers decreased approximately 314,000 in the fourth quarter, compared to a decrease of approximately 268,000 in the year-ago quarter. The company closed the quarter with 8.53 million Pay-TV subscribers including 6.47 million DISH TV subscribers and 2.06 million SLING TV subscribers. This increase in net Pay-TV losses resulted from the increase in net DISH TV subscriber losses due to lower gross new DISH TV subscriber activations and a higher DISH TV churn rate, offset by the decrease in net SLING TV subscriber losses due to lower subscriber disconnects in 2023 as a result of our emphasis on acquiring higher-quality subscribers.
- Retail Wireless net subscribers decreased by approximately 123,000 in the fourth quarter, compared to a net decrease of
  25,000 in the year-ago quarter. The company closed the quarter with 7.38 million Retail Wireless subscribers. This increase
  in net Retail Wireless subscriber losses primarily resulted from lower gross new Retail Wireless subscriber activations, partially
  offset by a lower Retail Wireless churn rate due to our emphasis on acquiring and retaining higher-quality subscribers.
- Broadband net subscribers decreased by approximately 59,000 in the fourth quarter, compared to a decrease of 57,000 in the year-ago quarter. The company closed the quarter with 1.00 million Broadband subscribers. This increase in net Broadband subscriber losses primarily resulted from our capacity limitations, competitive pressure from satellite-based competitors and other technologies, and a more selective customer screening. The EchoStar XXIV satellite, also known as Jupiter 3, began service in December 2023, bringing additional broadband capacity and is expected to be an integral part of the Broadband and Satellite Services segment business.

Set forth below is a table highlighting certain of EchoStar's segment results for the three and twelve months endedDecember 31, 2023 and 2022 (all U.S. GAAP amounts reference results from operations):

For the three r Decem		For the years ended December 31,			
2023	2022	2023	2022		
	(in thou	usands)			
\$ 2,816,787	\$ 3,106,149	\$ 11,571,159	\$ 12,505,392		

Retail Wireless		898,284		928,095		3,692,372		4,135,129
5G Network Deployment		24,027		17,406		91,928		65,768
Broadband and Satellite Services		449,779		499,857		1,755,559		1,998,093
All Other & Eliminations		(26,281)		(18,490)		(95,420)		(70,136)
Total	\$	4,162,596	\$	4,533,017	\$	17,015,598	\$	18,634,246
Net Income (loss) attributable to EchoStar	\$ (	2,029,882)	\$	984,264	\$	(1,702,057)	\$	2,477,720
Purchases of property and equipment, net of refunds	and other	receipts (inc	cluding	capitalized in	terest re	lated to regula	atory au	thorizations)
Purchases of property and equipment, net of refunds	and other	receipts (inc 75,212	cluding \$	capitalized in	terest re	lated to regula	atory au \$	thorizations)
			_			_	-	
Pay-TV	\$		_	39,835	\$	_	\$	
Pay-TV Retail Wireless	\$	75,212	_	39,835	\$	242,736	\$	131, <b>0</b> 93
Pay-TV Retail Wireless 5G Network Deployment	\$ \$ \$	75,212 - 841,522	_	39,835 - 1,084,441	\$ \$ \$	242,736 - 3,748,624	\$ \$	131,093 - 3,580,518 325,891

Reconciliation of GAAP to Non-GAAP Measurement:

For the Year Ended December 31, 2023		Pay-TV	Retail Wireless	-	G Network eployment		roadband and Satellite Services	Elir	minations	Co	onsolidated
					(In thou	ısar	nds)				
Segment operating income (loss)	\$	2,699,810	\$ (643,184)	\$	(1,881,369)	\$	(458,609)	\$	5,443	\$	(277,909)
Depreciation and amortization		381,292	221,968		629,685		419,262		(45,284)		1,597,923
OIBDA	\$	3,081,102	\$ (421,216)	\$	(1,260,684)	\$	(39,347)	\$	(39,841)	\$	1,320,014
For the Year Ended December 31, 2022		Pay-TV	Retail Wireless	-	G Network eployment		roadband and Satellite Services	Elir	minations	Co	onsolidated
					(In tho	usar	nds)				
Segment operating income (loss)	\$	2,933,898	\$ (77,264)	\$	(810,968)	\$	181,615	\$	5,557	\$	2,232,838
Depreciation and amortization		428,471	177,914		131,566		462,748		(25,804)		1,174,895
OIBDA	\$	3,362,369	\$ 100,650	\$	(679,402)	\$	644,363	\$	(20,247)	\$	3,407,733
For the three months Ended December 31, 2023	Retail Wireless		-	5G Network Deployment Satellite Services		Elir	minations	Сс	onsolidated		
					(In thou	usar	nds)				
Segment operating income (loss)	\$	714,319	(344,312)		(682,701)		(540,152)		720		(852,127)
Depreciation and amortization		95,145	53,371		235,615		197,466		(9,273)		482,325
OIBDA	\$	809,464	\$ (290,941)	\$	(447,087)	\$	(432,686)	\$	(8,553)	\$	(369,803)
For the three months Ended December 31, 2022		Pay-TV	Retail Wireless	_	G Network eployment		roadband and Satellite	Elir	minations	Co	onsolidated

#### Services

	· · · · · · · · · · · · · · · · · · ·	(In thousands)						
Segment operating income (loss)	\$	748,729	(118,424)	(254,963)	50,418	1,753	427,513	
Depreciation and amortization		100,398	50,534	53,914	111,115	(8,093)	307,869	
OIBDA	\$	849,127	\$ (67,891) \$	(201,048) \$	161,533 \$	(6,339) \$	735,382	

#### 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 consolidated financial statements of EchoStar for the periods endedDecember 31, 2023, are attached to this press release. Detailed financial data and other information are available in EchoStar's Annual Report on Form 10-K for the period ended December 31, 2023, filed today with the Securities and Exchange Commission.

EchoStar will host a conference call to discuss its earnings on Friday, March 1, 2024, at noon Eastern Time. The conference call will be broadcast live in listen-only mode on EchoStar's investor relations website at <u>ir.echostar.com</u>. To attend the call, please dial: (877) 484-6065 (U.S.) or (201) 689-8846. When prompted on dial-in, please utilize the conference ID (13744790) or ask for the "EchoStar Corporation Q4 and Full Year 2023 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®, Boost Infinite, 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 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

#### CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share amounts)

cember 31,
2022

#### Assets

Current Assets:

Cash and cash equivalents	\$ 1,821,376	\$ 2,497,536

Marketable investment securities	623,044		1,809,898
Trade accounts receivable, net of allowance for credit losses of \$74,390 and \$59,790, respectively	1,122,139		1,182,597
Inventory	665,169		625,979
Prepaids and other assets	644,005		617,819
Other current assets	16,081		23,884
Total current assets	4,891,814		6,757,713
Noncurrent Assets:			
Restricted cash, cash equivalents and marketable investment securities	118, <b>0</b> 65		117,011
Property and equipment, net	9,561,834		7,904,957
Regulatory authorizations, net	38,572,980		37,395,604
Other investments, net	314,370		524,9 <b>0</b> 5
Operating lease assets	3,065,448		2,823,834
Intangible assets, net	172,892		1,113,298
Other noncurrent assets, net	411,491		2,110,959
Total noncurrent assets	52,217,080		51,990,568
Total assets	\$ 57,108,894	\$	58,748,281
Liabilities and Stockholders' Equity (Deficit)			
Current Liabilities:			
Trade accounts payable	\$ 774,011	\$	1,023,537
Deferred revenue and other	754,658		833,213
Accrued programming	1,427,762		1,298,777
Accrued interest	297,678		298, <b>0</b> 43
Other accrued expenses and liabilities	1,717,826		1,436,485
Current portion of long-term debt and finance lease obligations	3,046,654		1,552,559
Total current liabilities	8,018,589		6,442,614
Long-Term Obligations, Net of Current Portion:			
Long-term debt and finance lease obligations, net of current portion	19,717,266		21,343,561
Deferred tax liabilities, net	5,014,309		5,354,756
Operating lease liabilities	3,121,307		2,808,774
Long-term deferred revenue and other long-term liabilities	849,131		748,384
Total long-term obligations, net of current portion	28,702,013		30,255,475
Total liabilities	36,720,602		36,698,089
Commitments and Contingencies	·	-	
Commitments and Contingencies			
Redeemable noncontrolling interests	438,382		464,359
Stockholders' Equity (Deficit):			
Class A common stock, \$0.001 par value, 1,600,000,000 shares authorized, 140,153,020 and 138,128,368 shares issued and outstanding, respectively	140		138

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	8,301,979	8,222,599
Accumulated other comprehensive income (loss)	(160,056)	(175,267)
Accumulated earnings (deficit)	11,737,983	13,440,040
Total EchoStar stockholders' equity (deficit)	19,880,177	 21,487,641
Noncontrolling interests	69,733	98,192
Total stockholders' equity (deficit)	 19,949,910	21,585,833
Total liabilities and stockholders' equity (deficit)	\$ 57,108,894	\$ 58,748,281

#### ECHOSTAR CORPORATION

#### CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

#### For the Years Ended December 31,

	2023	2022	2021
Revenue:			
Service and other revenue	\$ 16,145,763	\$ 17,596,265	\$ 18,598,313
Equipment sales and other revenue	869,835	1,037,981	1,220,365
Total revenue	17,015,598	18,634,246	19,818,678
Costs and Expenses (exclusive of depreciation and amortization):			
Cost of services	9,510,427	10,111,341	10,717,333
Cost of sales - equipment and other	2,434,904	2,099,136	1,778,471
Selling, general and administrative expenses	2,989,154	3, <b>0</b> 15,325	2,686,279
Depreciation and amortization	1,597,923	1,174,895	1,213,946
Impairment of long-lived assets and goodwill	761,099	711	245
Total costs and expenses	17,293,507	16,401,408	16,396,274
Operating income (loss)	(277,909)	2,232,838	3,422,404
Other Income (Expense):			
Interest income, net	207,374	93,240	33,903
Interest expense, net of amounts capitalized	(90,357)	(79,217)	(111,151)
Other, net	(1,770,792)	1,088,441	4,716
Total other income (expense)	(1,653,775)	1,102,464	(72,532)
Income (loss) before income taxes	(1,931,684)	3,335,3 <b>9</b> 2	3,349,872
Income tax (provision) benefit, net	296,860	(798,410)	(828,437)
Net income (loss)	(1,634,824)	2,536,892	2,521,435
Less: Net income (loss) attributable to noncontrolling interests, net of tax	67,233	59,172	35,150
Net income (loss) attributable to EchoStar	\$ (1,702,057)	\$ 2,477,720	\$ 2,486,285

### Weighted-average common shares outstanding - Class A and B common stock:

Basic		270,842		270,102		275,117
Diluted	270,842			307,733		313,122
Earnings per share - Class A and B common stock:						
Basic net income (loss) per share attributable to EchoStar	\$	(6.28)	\$	9.17	\$	9.04
Diluted net income (loss) per share attributable to EchoStar	\$	(6.28)	\$	8.05	\$	7.94

## ECHOSTAR CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

#### For the Years Ended December 31,

		rears Eriaca Dece	mber 51,		
	2023	2022	2021		
Cash Flows From Operating Activities:	-				
Net income (loss)	\$ (1,634,824)	\$ 2,536,892	\$ 2,521,435		
Adjustments to reconcile net income (loss) to net cash flows from operating activities:					
Depreciation and amortization	1,597,923	1,174,895	1,213,946		
Impairment of long-lived assets and goodwill	761,099	711	245		
Realized and unrealized losses (gains) on investments, impairments and other	(46,888)	(72,371)	(7,541)		
Realized and unrealized losses (gains) on derivatives	1,693,387	(1,015,387)	13,000		
Non-cash, stock-based compensation	51,514	82,994	59,379		
Deferred tax expense (benefit)	(337,222)	729,587	639,708		
Changes in allowance for credit losses	14,600	6,590	(34,635)		
Change in long-term deferred revenue and other long-term liabilities	15,825	83,453	65,943		
Other, net	166,383	253,784	135,871		
Changes in current assets and current liabilities, net					
Trade accounts receivable	20,622	(74,812)	206,995		
Prepaid and accrued income taxes	15,836	(36,115)	81,197		
Inventory	(37,981)	16,200	(175,918)		
Other current assets	(40,290)	21,737	(47,144)		
Trade accounts payable	4,108	90,721	86,219		
Deferred revenue and other	(78,555)	(71,709)	(62,034)		
Accrued programming and other accrued expenses	267,110	(105,980)	(41,293)		
Net cash flows from operating activities	2,432,647	3,621,190	4,655,373		
Cash Flows From Investing Activities:					
Purchases of marketable investment securities	(2,407,546)	(1,965,859)	(6,338,641)		
Sales and maturities of marketable investment securities	3,710,544	4,159,830	4,390,903		
Purchases of property and equipment	(3,100,921)	(3,050,472)	(1,619,312)		
Refunds and other receipts of purchases of property and equipment	38,611	_	_		

	(4.160.477)	(004 700)	(777 005)
Capitalized interest related to regulatory authorizations	(1,162,473)	(984,309)	(777,885)
Proceeds from other debt investments	148,448	_	_
Refund of regulatory authorizations deposit	_	_	337,490
Purchases of regulatory authorizations, including deposits	(2,009)	(7,296,865)	(122,657)
Other, net	(33,386)	(11,900)	(116,621)
Net cash flows from investing activities	(2,808,732)	(9,059,575)	(4,246,723)
Cash Flows From Financing Activities:			
Repayment of long-term debt and finance lease obligations	(121,981)	(86,229)	(89,958)
Redemption and repurchases of senior notes	(1,460,635)	(2,056,821)	(2,901,818)
Proceeds from issuance of senior notes	1,500,000	2,000,000	6,750,000
Repurchases of convertible notes	(182,834)	_	_
Early debt extinguishment gains (losses)	73,024	_	_
Net proceeds from Class A common stock options exercised and stock issued under the Employee Stock Purchase Plan	10,598	27,438	68,182
Purchase of Northstar Manager, LLC's ownership interest in Northstar Spectrum	(109,432)	_	_
Treasury share repurchase	_	(89,303)	(261,436)
Debt issuance costs and debt (discount) premium	21,635	(51,121)	(34,459)
Other, net	(7,496)	(18,413)	(15,5 <b>9</b> 7)
Net cash flows from financing activities	(277,121)	(274,449)	3,515,004
Effect of exchange rates on cash and cash equivalents	3,004	(2,306)	(3,749)
Net increase (decrease) in cash, cash equivalents, restricted cash and cash equivalents	(650,202)	(5,715,140)	3,919,9 <b>0</b> 5
Cash, cash equivalents, restricted cash and cash equivalents, beginning of period	2,561,803	8,276,943	4,357,038
Cash, cash equivalents, restricted cash and cash equivalents, end of period	\$ 1,911,601	\$ 2,561,803	\$ 8,276,943

SOURCE EchoStar Corporation

For further information: news@dish.com