INTELSAT

Quarterly Report

(With Independent Auditors' Review Report Thereon)

Intelsat S.A. and Subsidiaries

March 31, 2025

TABLE OF CONTENTS

KPMG LLP
Suite 900
8350 Broad Street
McLean, VA 22102

Independent Auditors' Review Report

To the Shareholders and Board of Directors
Intelsat S.A.:

Results of Review of Condensed Consolidated Interim Financial Information

We have reviewed the condensed consolidated financial statements of Intelsat S.A. and its subsidiaries (the Company), which comprise the condensed consolidated balance sheet as of March 31, 2025, and the related condensed consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the condensed consolidated interim financial information).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for it to be in accordance with U.S. generally accepted accounting principles.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of condensed consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of condensed consolidated interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Condensed Consolidated Interim Financial Information

Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with U.S. generally accepted accounting principles and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of condensed consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Condensed Consolidated Balance Sheet as of December 31, 2024

We have previously audited, in accordance with GAAS, the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated February 28, 2025. In our opinion, the accompanying condensed consolidated balance sheet of the Company as of December 31, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

McLean, Virginia
May 15, 2025

INTELSAT S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31, 2024	March 31, 2025
		(unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 997,435	$ 833,600
Restricted cash	11,223	8,203
Receivables, net of allowances	312,362	309,085
Contract assets, net of allowances	54,330	57,059
Inventory	214,420	227,487
Prepaid expenses and other current assets	126,839	145,956
Total current assets	1,716,609	1,581,390
Satellites and other property and equipment, net	4,464,357	4,393,613
Goodwill	783,928	783,928
Non-amortizable intangible assets	1,050,000	1,050,000
Amortizable intangible assets, net	132,311	130,487
Contract assets, net of current portion and allowances	49,720	45,893
Other assets	670,744	666,189
Total assets	$ 8,867,669	$ 8,651,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 233,298	$ 213,322
Taxes payable	10,377	6,833
Employee-related liabilities	71,307	53,377
Accrued interest payable	63,172	13,981
Contract liabilities	188,644	192,457
Finance lease liabilities	35,652	33,205
Deferred satellite performance incentives	15,701	16,290
Other current liabilities	82,723	82,740
Total current liabilities	700,874	612,205
Long-term debt, net of current portion	3,000,000	3,000,000
Contract liabilities, net of current portion	563,019	525,979
Finance lease liabilities, net of current portion	478,115	472,397
Deferred satellite performance incentives, net of current portion	75,672	72,377
Deferred income tax liabilities	38,416	26,677
Accrued retirement benefits, net of current portion	45,509	42,979
Other long-term liabilities	309,129	302,659
Total liabilities	5,210,734	5,055,273

Commitments and contingencies				
Shareholders’ equity:				
Common shares, $0.01 par value		684		685
Paid-in capital		3,149,922		3,155,739
Retained earnings		485,030		418,895
Accumulated other comprehensive loss		(2,606)		(2,667)
Treasury shares, at cost		(6,545)		(6,545)
Total Intelsat S.A. shareholders’ equity		3,626,485		3,566,107
Noncontrolling interest		30,450		30,120
Total liabilities and shareholders’ equity	$	8,867,669	$	8,651,500

See accompanying notes to the unaudited condensed consolidated financial statements.

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Revenue:		
Service revenue	$ 476,614	$ 420,961
Equipment revenue	29,033	45,937
Total revenue	505,647	466,898
Operating expenses:		
Direct costs of revenue (excluding depreciation and amortization)	202,031	224,998
Selling, general and administrative	118,932	115,613
Depreciation and amortization	150,272	144,048
Impairment of goodwill and other intangible assets	290,692	—
Other operating income, net—C-band	(60,187)	—
Total operating expenses, net	701,740	484,659
Loss from operations	(196,093)	(17,761)
Interest expense	(69,094)	(62,719)
Interest income	15,957	12,301
Other income, net	2,171	2,635
Loss before income taxes	(247,059)	(65,544)
Income tax benefit (expense)	31,906	(921)
Net loss	(215,153)	(66,465)
Net loss attributable to noncontrolling interest	869	330
Net loss attributable to Intelsat S.A.	$ (214,284)	$ (66,135)

See accompanying notes to the unaudited condensed consolidated financial statements.

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Net loss	$ (215,153)	$ (66,465)
Other comprehensive loss, net of tax:		
Defined benefit retirement plans:		
Reclassification adjustment for amortization of unrecognized actuarial gain or loss, net of tax included in other income (expense), net	(73)	(61)
Other comprehensive loss	(73)	(61)
Comprehensive loss	(215,226)	(66,526)
Comprehensive loss attributable to noncontrolling interest	869	330
Comprehensive loss attributable to Intelsat S.A.	$ (214,357)	$ (66,196)

See accompanying notes to the unaudited condensed consolidated financial statements.

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands, except where otherwise noted)

	Common Shares		Treasury Shares						
	Number of Shares (in millions)	Amount	Number of Shares (in millions)	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Intelsat S.A. Shareholders' Equity	Noncontrolling Interest
Balance at December 31, 2023	68.1	$ 681	(0.2)	$ (6,545)	$ 3,615,296	$ 666,932	$ (86)	$ 4,276,278	$ 32,004
Net loss	—	—	—	—	—	(214,284)	—	(214,284)	(869)
Share-based compensation, net of tax	0.1	1	—	—	3,623	—	—	3,624	—
Postretirement/pension liability adjustment, net of tax	—	—	—	—	—	—	(73)	(73)	—
Balance at March 31, 2024	68.2	$ 682	(0.2)	$ (6,545)	$ 3,618,919	$ 452,648	$ (159)	$ 4,065,545	$ 31,135

	Common Shares		Treasury Shares						
	Number of Shares (in millions)	Amount	Number of Shares (in millions)	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Intelsat S.A. Shareholders' Equity	Noncontrolling Interest
Balance at December 31, 2024	68.4	$ 684	(0.2)	$ (6,545)	$ 3,149,922	$ 485,030	$ (2,606)	$ 3,626,485	$ 30,450
Net loss	—	—	—	—	—	(66,135)	—	(66,135)	(330)
Share-based compensation, net of tax	0.1	1	—	—	5,817	—	—	5,818	—
Postretirement/pension liability adjustment, net of tax	—	—	—	—	—	—	(61)	(61)	—
Balance at March 31, 2025	68.5	$ 685	(0.2)	$ (6,545)	$ 3,155,739	$ 418,895	$ (2,667)	$ 3,566,107	$ 30,120

See accompanying notes to the unaudited condensed consolidated financial statements.

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Cash flows from operating activities:		
Net loss	$ (215,153)	$ (66,465)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	150,272	144,048
Provision for expected credit losses	3,940	(59)
Foreign currency transaction losses	672	1,453
Loss on disposal of assets	46	—
Impairment of goodwill and other intangible assets	290,692	—
Share-based compensation	8,131	8,779
Deferred income taxes	(5,075)	205
Amortization of discount, premium, issuance costs and related costs	41	41
Amortization of actuarial gain and prior service credits for retirement benefits	(74)	(62)
Gains on investments and loans held-for-investment	(2,184)	(2,214)
Changes in operating assets and liabilities:		
Receivables	138,430	3,336
Prepaid expenses, contract and other assets	(45,056)	(16,341)
Accounts payable and accrued liabilities	(63,805)	(22,805)
Accrued interest payable	(49,785)	(49,191)
Contract liabilities	(35,567)	(33,268)
Accrued retirement benefits	(3,771)	(2,530)
Other long-term liabilities	(29,821)	(8,287)
Net cash provided by (used in) operating activities	141,933	(43,360)
Cash flows from investing activities:		
Capital expenditures (including capitalized interest)	(77,808)	(83,752)
Purchases of available-for-sale investments	(15,000)	—
Purchases of investments, net	—	(17,180)
Proceeds from principal repayments on loans held-for-investment	125	—
Acquisition of intangible assets	(4,931)	(4,733)
Net cash used in investing activities	(97,614)	(105,665)
Cash flows from financing activities:		
Principal payments on deferred satellite performance incentives	(3,572)	(3,717)
Principal payments on finance lease obligations	(5,633)	(8,267)
Share premium distribution to shareholders	(127,513)	(1,539)
Dividend equivalents paid to equity award holders	(1,178)	(399)
Payments for employee taxes withheld upon vesting of restricted stock units	(4,508)	(2,962)
Net cash used in financing activities	(142,404)	(16,884)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(936)	(1,046)
Net change in cash, cash equivalents and restricted cash	(99,021)	(166,955)
Cash, cash equivalents and restricted cash, beginning of period	1,279,931	1,016,561
Cash, cash equivalents and restricted cash, end of period	$ 1,180,910	$ 849,606

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Supplemental cash flow information:		
Interest paid, net of amounts capitalized	$ 100,484	$ 96,895
Income taxes paid, net	7,949	4,003
Supplemental disclosure of non-cash investing and financing activities:		
Change in accrued capital expenditures	$ 33,576	$ 8,757
Lease assets obtained in exchange for new operating lease liabilities	22	2,864
Lease assets obtained in exchange for new finance lease liabilities	7,935	2,013
Lease assets reduced due to modification of finance leases	—	(4,120)
Reclassification of inventory to satellites and other property and equipment	10,086	—
Reclassification of other assets to prepaid expenses and other current assets	—	750
Change in deferred satellite performance incentives	(2,391)	240

See accompanying notes to the unaudited condensed consolidated financial statements.

INTELSAT S.A. AND SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2025

Note 1—General

In this Quarterly Report, unless otherwise indicated or the context otherwise requires, (1) the terms "we," "us," "our," "the Company" and "Intelsat" refer to Intelsat S.A. (formerly Intelsat Emergence S.A.) and its subsidiaries on a consolidated basis, (2) the term "Intelsat Holdings" refers to Intelsat Holdings S.á r.l., our direct wholly-owned subsidiary, (3) the term "Intelsat Investments" refers to Intelsat Investments S.á r.l., which was dissolved on December 31, 2023 and had been Intelsat Holdings' direct wholly-owned subsidiary, (4) the term "Intelsat Luxembourg" refers to Intelsat (Luxembourg) S.á r.l., which was dissolved on December 31, 2023 and had been Intelsat Investments' direct wholly-owned subsidiary, (5) the term "Intelsat Envision" refers to Intelsat Envision Holdings LLC, which was dissolved on September 30, 2023 and had been Intelsat Luxembourg's direct wholly-owned subsidiary, (6) the term "Intelsat Connect" refers to Intelsat Connect Finance S.á r.l., which was dissolved on December 31, 2023 and had been Intelsat Envision's direct wholly-owned subsidiary until Intelsat Envision's dissolution on September 30, 2023, and after which was a wholly-owned subsidiary of Intelsat Luxembourg, (7) the term "Intelsat Jackson" refers to Intelsat Jackson Holdings S.A., which had been Intelsat Connect's direct wholly-owned subsidiary until Intelsat Connect's dissolution on December 31, 2023, and after which is a direct wholly-owned subsidiary of Intelsat Holdings, and (8) the term "Intelsat CA" refers to our commercial aviation business. In this Quarterly Report, unless the context otherwise requires, (a) all references to Intelsat S.A. refer to Intelsat S.A. (formerly Intelsat Emergence S.A.), and (b) all references to transponder capacity or demand refer to transponder capacity or demand in the C-band and Ku-band frequencies only.

Basis of Presentation

The accompanying condensed consolidated financial statements of Intelsat S.A. and its subsidiaries have not been audited and are prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. References to U.S. GAAP issued by the Financial Accounting Standards Board ("FASB") in these footnotes are to the FASB Accounting Standards Codification ("ASC"). The unaudited condensed consolidated financial statements include all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of these financial statements. The results of operations for the periods presented are not necessarily indicative of operating results for the full year or for any future period. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report for the year ended December 31, 2024 (the "2024 Annual Report").

Use of Estimates

The preparation of these condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of these condensed consolidated financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities. Accordingly, ultimate results could differ from those estimates.

SES S.A. to Acquire Intelsat

On April 30, 2024, SES S.A. and Intelsat announced an agreement for SES S.A. to acquire Intelsat through the purchase of 100% of the equity of Intelsat Holdings for a cash consideration of $3.1 billion and certain contingent value rights (the "SES Transaction"). The contingent value rights entitle the holders thereof to 42.5% of the net proceeds received by the combined company in respect of any monetization of the combined company's usage rights for up to 100 MHz of the C-band spectrum within the 7.5 year period post-closing. On September 27, 2024, Intelsat distributed $0.5 billion out of Intelsat's share premium to Intelsat shareholders. As a result of such distribution, the cash consideration payable by SES S.A. in connection with the SES Transaction has been reduced to $2.6 billion (subject to other adjustments). The SES Transaction has been unanimously approved by the board of directors of both companies, and Intelsat shareholders holding approximately 73% of the common shares have entered into customary support agreements requiring them to vote in favor of the transaction. The SES Transaction is subject to receiving relevant regulatory clearances and approval of Intelsat's shareholders. Closing of the SES Transaction is expected to occur mid-year 2025.

Macroeconomic Environment

Our overall performance depends in part on worldwide economic and geopolitical conditions and their impacts on customer behavior. The broader implications of the macroeconomic environment, including uncertainty around U.S. and international trade relationships, agreements, regulations and treaties, tariffs or future tariffs, higher inflation rates, a recession or economic downturn globally or in markets in which we operate, international conflicts, higher interest rates, and other related global economic conditions, remain unknown. We are unable to reasonably estimate the total potential financial impact that may ultimately result from changes in the macroeconomic environment. A deterioration in macroeconomic conditions could continue to increase the risk of lower consumer spending and demand for our services, or other business interruption, which may adversely impact our business. If these conditions continue or worsen, they could adversely impact our future financial and operating results.

Tariffs

In recent months, the U.S. government has imposed, and is considering imposing, additional tariffs and trade restrictions on certain goods imported into the U.S. We continue to analyze the impact of these tariffs on our business and actions we can take to minimize their impact. We are unable to reasonably estimate the total potential financial impact that may ultimately result from these tariffs and trade restrictions.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less, which are generally time deposits with banks and money market funds. The carrying amount of these investments approximates fair value. Restricted cash represents legally restricted amounts primarily held as a compensating balance for certain outstanding letters of credit.

The following table presents a reconciliation of cash, cash equivalents and restricted cash reported within our condensed consolidated balance sheets to the total sum of these amounts reported in our condensed consolidated statements of cash flows (in thousands):

	As of December 31, 2024	As of March 31, 2025
Cash and cash equivalents	$ 997,435	$ 833,600
Restricted cash	11,223	8,203
Restricted cash included in other assets	7,903	7,803
Cash, cash equivalents and restricted cash	$ 1,016,561	$ 849,606

Receivables and Allowance for Credit Losses

We provide satellite services and extend credit to numerous customers in the satellite communication, telecommunications and video markets, as well as the airline industry. We monitor our exposure to credit losses and maintain allowances for credit losses and anticipated losses. The Company's methodology to measure the provision for credit losses considers all relevant information, including, but not limited to, information about historical collectability, current economic and market conditions, and reasonable and supportable forecasts of future economic conditions. We believe we have adequate customer collateral and reserves to cover our exposure.

The following table presents a roll-forward of the allowance for credit losses related to accounts receivable and contract assets for the three months ended March 31, 2024 and 2025 reported within our condensed consolidated balance sheets (in thousands):

	Accounts Receivable				Contract Assets			
	Balance at Beginning of Period	Charges (Reversals) to Costs and Expenses	Recoveries (Deductions)[(1)]	Balance at End of Period	Balance at Beginning of Period	Charges (Reversals) to Costs and Expenses	Recoveries (Deductions)[(1)]	Balance at End of Period
Three Months Ended March 31, 2024	$ 29,675	3,842	(755)	$ 32,762	$ 1,536	98	—	$ 1,634
Three Months Ended March 31, 2025	$ 26,224	(59)	(404)	$ 25,761	$ 1,049	—	—	$ 1,049

(1) Uncollectible accounts written off, net of recoveries.

Recently Adopted and Recently Issued Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), to address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. ASU 2023-09 will be effective for the Company for annual periods beginning after December 15, 2024, though early adoption is permitted. The Company plans to adopt ASU 2023-09 in its annual report for the year ended December 31, 2025. The adoption of ASU 2023-09 will expand our disclosures, but we do not expect the adoption of ASU 2023-09 to have a significant impact on our condensed consolidated financial statements.

Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through May 15, 2025, the date at which the condensed consolidated financial statements were available to be issued.

Note 2—Revenue

(a) Contract Liabilities

For the three months ended March 31, 2024 and 2025, we recognized revenues of $77.5 million and $73.3 million, respectively, that were included in the contract liability balances as of the beginning of each respective year.

(b) Assets Recognized from the Costs to Obtain a Customer Contract

For the three months ended March 31, 2024 and 2025, we capitalized $2.2 million and $1.3 million, respectively, of costs to obtain a contract, and amortized $1.6 million and $2.0 million, respectively. As of December 31, 2024 and March 31, 2025, capitalized costs to obtain a customer contract amounted to $11.9 million and $11.2 million, respectively, and are included within "Other assets" in our condensed consolidated balance sheets.

(c) Remaining Performance Obligation

Our remaining performance obligation is our expected future revenue under existing customer contracts and includes both cancelable and non-cancelable contracts. Our remaining performance obligation was approximately $3.8 billion as of March 31, 2025. We assess the contract term of our cancelable contracts as the full stated term of the contract assuming each contract is not canceled since the termination penalty upon cancellation is substantive. As of March 31, 2025, the weighted average remaining customer contract life was approximately 2.6 years. Approximately 53%, 27%, and 20% of our total remaining performance obligation as of March 31, 2025 is expected to be recognized as revenue during 2025 and 2026, 2027 and 2028, and 2029 and thereafter, respectively. The amount included in the remaining performance obligation represents the full-service charge for the duration of the contract and does not include termination fees. The amount of the termination fees, which is not included in the remaining performance obligation amount, is generally calculated as a percentage of the remaining performance obligation associated with the contract. In certain cases of breach for non-payment or customer financial distress or bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. Our remaining performance obligation includes 100% of the remaining performance obligation of our consolidated ownership interests, which is consistent with the accounting for our ownership interest in these entities.

(d) Business and Geographic Information

We provide satellite and other communications services to our customers around the world. Our revenues are disaggregated by billing region, service type and customer set. Revenue by region is based on the locations of customers to which services are billed. Our satellites are in geosynchronous orbit, and consequently are not attributable to any geographic location. Of our remaining assets, substantially all are located in the United States. Intelsat CA revenues are allocated to the geographic location where the airline customer is domiciled.

The following table disaggregates revenue by billing region (in thousands, except percentages):

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2025	
North America	$ 274,262	54%	$ 253,792	54%
Europe	55,380	11%	54,918	12%
Latin America and Caribbean	44,392	9%	39,990	9%
Africa and Middle East	62,286	12%	57,465	12%
Asia-Pacific	69,327	14%	60,733	13%
Total	$ 505,647		$ 466,898	

The following table disaggregates revenue by type of service (in thousands, except percentages):

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2025	
On-Network Revenues				
Transponder services	$ 269,667	53%	$ 234,140	50%
Managed services	90,058	18%	72,444	16%
Total on-network revenues	359,725	71%	306,584	66%
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	36,359	7%	38,523	8%
Satellite-related services	13,260	3%	15,315	3%
Total off-network and other revenues	49,619	10%	53,838	11%
In-Flight Services Revenues				
Services	70,956	13%	68,316	15%
Equipment	25,347	5%	38,160	8%
Total in-flight services revenues	96,303	19%	106,476	23%
Total	$ 505,647		$ 466,898	

The following table disaggregates revenue by type of customer application (in thousands, except percentages):

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2025	
Network services	$ 105,217	21%	$ 78,670	17%
Mobility	146,524	29%	143,316	31%
Media	156,090	31%	143,644	31%
Government	87,518	17%	90,377	19%
Satellite-related services	10,298	2%	10,891	2%
Total	$ 505,647		$ 466,898	

Our largest customer for each period accounted for approximately 7% and 8% of our revenue during the three months ended March 31, 2024 and 2025, respectively. Our ten largest customers for each period accounted for approximately 34% and 37% of our revenue during the three months ended March 31, 2024 and 2025, respectively.

Note 3—Satellites and Other Property and Equipment

Satellites and other property and equipment, net were composed of the following (in thousands):

	As of December 31, 2024	As of March 31, 2025
Satellites and launch vehicles	$ 4,074,445	$ 4,091,408
Information systems and ground segment	910,534	942,898
Finance lease assets	588,227	585,872
Buildings and other	331,043	332,750
Total cost	5,904,249	5,952,928
Less: accumulated depreciation	(1,439,892)	(1,559,315)
Total	$ 4,464,357	$ 4,393,613

Satellites and other property and equipment, net of accumulated depreciation as of December 31, 2024 and March 31, 2025, includes construction-in-progress of $856.4 million and $850.8 million, respectively. These amounts relate primarily to satellites under construction and related launch services.

Interest costs of $11.3 million and $13.4 million were capitalized for the three months ended March 31, 2024 and 2025, respectively. Additionally, depreciation expense was $142.3 million and $137.5 million for the three months ended March 31, 2024 and 2025, respectively.

We have entered into contracts for the launch of both specified and unspecified future satellites. Each of these launch contracts may be terminated at our option, subject to payment of a termination fee that increases as the applicable launch date approaches.

In the second quarter of 2024, we executed an additional finance lease for an in-orbit, satellite servicing vehicle, which has not yet commenced, with payments totaling approximately $33.0 million. The lease is expected to commence in 2026 with a lease term of approximately 4 years.

Note 4—Investments

We have an ownership interest in three entities that meet the criteria of a variable interest entity ("VIE"): Horizons Satellite Holdings LLC ("Horizons Holdings"), Horizons-3 Satellite LLC ("Horizons 3") and Horizons-4 Satellite LLC ("Horizons 4"), which are discussed in further detail below, including our analyses of the primary beneficiary determination as required under ASC 810, *Consolidation* ("ASC 810"). We also own noncontrolling investments in debt and equity securities and loan receivables as discussed further below.

(a) Horizons Holdings

Horizons Holdings is a joint venture with JSAT International Inc. ("JSAT") that consists of two investments: Horizons-1 Satellite LLC ("Horizons 1") and Horizons-2 Satellite LLC ("Horizons 2"). We have determined that this joint venture meets the criteria of a VIE under ASC 810, and we have concluded that we are the primary beneficiary because decisions relating to any future relocation of the Horizons 2 satellite, the most significant asset of the joint venture, are effectively controlled by us. In accordance with ASC 810, as the primary beneficiary, we consolidate Horizons Holdings within our condensed consolidated financial statements.

We have a revenue sharing agreement with JSAT related to services sold on the Horizons 1 and Horizons 2 satellites. We are responsible for billing and collection for such services, and remitting 50% of the revenue, subject to collections, less applicable fees and commissions, to JSAT. Amounts payable to JSAT related to the revenue sharing agreement, net of applicable fees and commissions, from the Horizons 1 and Horizons 2 satellites were $0.7 million as of both December 31, 2024 and March 31, 2025.

Total assets of Horizons Holdings included in our condensed consolidated balance sheets were $1.2 million and $0.5 million as of December 31, 2024 and March 31, 2025, respectively. No liabilities of Horizons Holdings were included in our condensed consolidated balance sheets as of December 31, 2024 and March 31, 2025.

(b) Horizons 3 and Horizons 4

Horizons 3 and Horizons 4 are each 50% owned by each of Intelsat and JSAT, who in turn have a joint share of management authority and equal rights to profits and revenues from each joint venture. We have determined that both joint ventures meet the criteria of a VIE under ASC 810; however, we have concluded that we are not the primary beneficiary of either joint venture because we and JSAT equally share control over the operations of the joint ventures and also equally share exposure to risk of losses or gains, and therefore we do not consolidate Horizons 3 or Horizons 4 within our condensed consolidated financial statements. Our investments in Horizons 3 and Horizons 4 are included within "Other assets" in our condensed consolidated balance sheets and are accounted for using the equity method of accounting.

Similar to Horizons Holdings, we have a revenue sharing agreement with JSAT related to services sold on the Horizons 3e (Horizons 3) and Galaxy 37 (Horizons 4) satellites, wherein the initiating party contracting with a customer is responsible for engineering, billing and collection for such services, and remitting 50% of the revenue, subject to collections, less applicable fees and commissions, to the other party.

In connection with our investments in Horizons 3 and Horizons 4, we entered into capital contribution and subscription agreements, which require us to fund our 50% share of the amounts due in order to maintain our respective 50% interest in the joint ventures. We did not make any contributions nor receive any distributions during the three months ended March 31, 2024 and 2025 for both joint ventures.

The Company purchases satellite capacity and related services from the joint ventures, and then sells that capacity to its customers. Subsequently, we remit 50% of the revenue, less applicable fees and commissions, to JSAT. The Company recognizes net fees related to engineering, billing, licensing, and commissions. We also sell managed ground network services to the joint ventures and provide program management services for a fee.

The following tables summarizes the relevant supplemental information related to the Company's investments in Horizons 3 and Horizons 4 (in thousands):

		As of December 31, 2024		As of March 31, 2025	
	Classification	**Horizons 3**	**Horizons 4**	**Horizons 3**	**Horizons 4**
Assets					
Investment balance	Other assets	$ 110,686	$ 25,886	$ 110,490	$ 25,904
Liabilities					
Due to JSAT	Accounts payable and accrued liabilities	$ 6,538	$ 1,320	$ 7,240	$ 2,170

		Three Months Ended March 31, 2024		Three Months Ended March 31, 2025	
	Classification	**Horizons 3**	**Horizons 4**	**Horizons 3**	**Horizons 4**
Income					
Customer revenues	Revenue	$ 12,839	$ 4,786	$ 9,186	$ 4,523
Expenses					
JSAT revenue share(1)	Direct costs of revenue (excluding depreciation and amortization)	$ 8,234	$ 2,428	$ 6,823	$ 2,269
Satellite capacity & related purchases	Direct costs of revenue (excluding depreciation and amortization)	4,838	447	4,472	540

(1) JSAT's portion of the revenue share agreement may or may not approximate 50% of customer revenues per period due to timing differences of revenue and cost recognition. Revenue is generally recognized on a fixed price accrual basis while costs are accrued when the customer is billed.

The investment balance exceeded our equity in the net assets of Horizons 3 by $12.6 million and $12.2 million as of December 31, 2024 and March 31, 2025, respectively. We recognize this basis difference as a reduction of our equity in earnings of Horizons 3 on a straight-line basis over the life of the satellite. We recognized a nominal amount of equity in earnings or losses of Horizons 3 and Horizons 4 for each of the three months ended March 31, 2024 and 2025, which were all recognized in "Other income, net" in our condensed consolidated statements of operations.

(c) Investments in Debt Securities

On February 5, 2024, Intelsat Jackson entered into a note purchase agreement with a certain privately held company, whereby the company issued us a convertible promissory note in the amount of $15.0 million. The note bears interest at 5.0% annually and matures in February 2028. The principal and accrued interest shall be due and payable on or after the maturity date upon demand by the requisite note holders.

For this investment, we elected the fair value option under ASC 825, *Financial Instruments*, whereby changes in fair value will be recorded through earnings. This election was made given the presence of at least one embedded feature and our inability to reliably identify and measure the embedded derivative. We consider the inputs used to determine the investment's fair value to be Level 3 within the fair value hierarchy under ASC 820, *Fair Value Measurements and Disclosure* ("ASC 820").

In accordance with ASC 320, *Investments—Debt Securities,* we classified the investment as available-for-sale and its cost approximated its fair value as of March 31, 2025. The investment was recorded in "Other assets" in our condensed consolidated balance sheets and had a total carrying value of $15.7 million and $15.9 million as of December 31, 2024 and March 31, 2025, respectively.

(d) Investments in Equity Securities

The Company holds noncontrolling equity investments in certain separate privately held companies, including investments in equity securities without readily determinable fair values.

In accordance with ASC 321, *Investments—Equity Securities*, we use the measurement alternative to measure the fair value of our investments in equity securities without readily determinable fair values. Accordingly, these investments are measured at cost, less any impairment, and are adjusted for changes in fair value resulting from observable transactions for identical or similar investments of the same issuer. Changes in fair value are determined using Level 3 inputs within the fair value hierarchy under ASC 820.

In the first quarter of 2025, we purchased preferred shares in two separate companies at a total cost of $17.2 million. For our investment in one of the companies, we received additional common stock and warrants as part of our consideration. The investments in equity securities were recorded in "Other assets" in our condensed consolidated balance sheets and had a total carrying value of $47.4 million and $64.6 million as of December 31, 2024 and March 31, 2025, respectively.

(e) Loan Receivables

The Company had loan receivables of $68.9 million as of both December 31, 2024 and March 31, 2025 from certain separate privately and publicly held companies that it is holding for long-term investment, which are presented within "Other assets" on our condensed consolidated balance sheets at amortized cost, net of the allowance for credit losses. As of December 31, 2024 and March 31, 2025, $1.5 million and $3.6 million, respectively, of accrued interest receivable related to our loan receivables was recorded in "Prepaid expenses and other current assets" in our condensed consolidated balance sheets. We recognized interest income related to our loan receivables of $1.9 million and $2.1 million during the three months ended March 31, 2024 and 2025, respectively.

The fair value of loan receivables is evaluated on a loan-by-loan basis, and is determined based on assessments of discounted cash flows that are considered probable of collection. We consider the inputs used to determine the fair value of the loan receivables to be Level 3 within the fair value hierarchy under ASC 820. The cumulative fair value of our loan receivables as of December 31, 2024 and March 31, 2025 was $70.4 million and $72.4 million, respectively.

Note 5—Goodwill and Other Intangible Assets

We account for goodwill and other non-amortizable intangible assets in accordance with ASC 350, *Intangibles—Goodwill and Other*, and have deemed these assets to have indefinite lives. Therefore, these assets are not amortized but are tested on an annual basis for impairment during the fourth quarter, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

(a) Goodwill

Intelsat had two reporting units for purposes of the analysis of goodwill: Intelsat Legacy (which consists of Intelsat S.A. excluding Intelsat CA) and Intelsat CA. Intelsat CA's goodwill balance as of December 31, 2024 and March 31, 2025, was zero. For both reporting units, we used a qualitative approach to identify and consider the significance of relevant key factors, events, and circumstances that affect the fair value of the reporting unit. We make our qualitative evaluation considering, among other things, general macroeconomic conditions, industry and market considerations, cost factors, overall financial performance and other relevant entity-specific events, each of which is considered a Level 3 input within the fair value hierarchy under ASC 820.

During the qualitative assessment of the Intelsat Legacy reporting unit in the first quarter of 2024, we identified that the SES Transaction indicated it was more likely than not that the fair value of the reporting unit was less than its carrying amount. Consequently, we performed a quantitative analysis to determine the fair value of the reporting unit. In estimating the fair value, we used an income approach utilizing a discounted cash flow model. Based on the results of the quantitative analysis, we determined that the fair value of the reporting unit was less than its carrying amount, resulting in the recognition of goodwill impairment of $290.7 million in the first quarter of 2024, which is included within "Impairment of goodwill and other intangible assets" in our condensed consolidated statements of operations.

Determining the fair value of a reporting unit often involves the use of estimates and assumptions that require significant judgment, and that could have a substantial impact on whether or not an impairment charge is recognized and the magnitude of any such charge. Estimates of fair value are primarily determined using discounted cash flows and market transactions. These estimates involve making significant estimates and assumptions, including projected future cash flows (including timing), discount rates reflecting the risks inherent in future cash flows, perpetual growth rates, and the determination of appropriate market comparisons.

The carrying amounts of goodwill consisted of the following (in thousands):

	As of December 31, 2024	As of March 31, 2025
Goodwill	$ 1,395,942	$ 1,395,942
Accumulated impairment losses	(612,014)	(612,014)
Net carrying amount	$ 783,928	$ 783,928

(b) Other Intangible Assets

Orbital Locations and Trade Name. The carrying amounts of acquired intangible assets not subject to amortization consisted of the following (in thousands):

	As of December 31, 2024	As of March 31, 2025
Orbital slots	$ 1,000,000	$ 1,000,000
Trade name	50,000	50,000
Total non-amortizable intangible assets	$ 1,050,000	$ 1,050,000

Other Intangible Assets. The carrying amounts and accumulated amortization of acquired intangible assets subject to amortization consisted of the following (in thousands):

	As of December 31, 2024			As of March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Backlog and other	$ 70,008	$ (37,542)	$ 32,466	$ 70,008	$ (39,556)	$ 30,452
Customer relationships	44,670	(13,665)	31,005	44,670	(14,733)	29,937
Software and supplemental type certificates	118,206	(49,366)	68,840	122,939	(52,841)	70,098
Total	$ 232,884	$ (100,573)	$ 132,311	$ 237,617	$ (107,130)	$ 130,487

Intangible assets are amortized based on the expected pattern of consumption. Amortization expense was $8.0 million and $6.6 million for the three months ended March 31, 2024 and 2025, respectively.

Note 6—Debt

The carrying values and fair values of our notes payable and debt were as follows (in thousands):

	As of December 31, 2024		As of March 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
6.50% First Lien Secured Notes due March 2030	$ 3,000,000	$ 2,763,750	$ 3,000,000	$ 2,853,750
Total Intelsat debt	3,000,000	2,763,750	3,000,000	2,853,750
Less: current maturities of long-term debt	—	—	—	—
Total Intelsat long-term debt	$ 3,000,000	$ 2,763,750	$ 3,000,000	$ 2,853,750

The fair value for non-publicly traded instruments is based upon composite pricing from a variety of sources, including market leading data providers, market makers and leading brokerage firms. Substantially all of the inputs used to determine the fair value of our debt are classified as Level 2 inputs within the fair value hierarchy under ASC 820.

Intelsat Jackson 6.50% First Lien Secured Notes due 2030

On January 27, 2022, Intelsat Jackson completed an offering of $3.0 billion aggregate principal amount of 6.50% First Lien Secured Notes due 2030 (the "2030 Jackson Secured Notes"). The 2030 Jackson Secured Notes bear interest at 6.50% annually and mature in March 2030. These notes are guaranteed by Intelsat S.A., other parent entities of Intelsat Jackson, and certain subsidiaries of Intelsat Jackson. Interest is payable on the 2030 Jackson Secured Notes semi-annually on March 15 and September 15, which commenced on September 15, 2022. Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices and criterion set forth in the indenture governing the 2030 Jackson Secured Notes. The 2030 Jackson Secured Notes are senior secured obligations of Intelsat Jackson.

2022 Intelsat Jackson Secured Credit Facilities due 2029

On February 1, 2022, Intelsat Jackson entered into a secured credit agreement (the "2022 Intelsat Jackson Secured Credit Agreement"), which included a $3.2 billion term loan facility and a $500.0 million revolving credit facility, and borrowed the full $3.2 billion under the term loan facility due February 2029 (the "2029 Term Loans"). On October 26, 2023, the 2029 Term Loans were paid in full. The maturity date of the revolving credit facility is February 1, 2027. The obligations under the 2022 Intelsat Jackson Secured Credit Agreement are guaranteed by Intelsat S.A., other parent entities of Intelsat Jackson, and certain subsidiaries of Intelsat Jackson. The 2029 Term Loans and the revolving loans under the revolving credit facility (the "Revolving Loans") bear interest either (i) based on a 1-month, 3-month or 6-month (or if agreed to by each lender of a loan, 12-month) secured overnight financing rate ("SOFR") plus a related spread or (ii) at the Base Rate (as defined in the 2022 Intelsat Jackson Secured Credit Agreement), in each case, plus an applicable margin. The applicable margin for the 2029 Term Loans is 4.25% for SOFR loans and 3.25% for Base Rate loans, and the applicable margin for Revolving Loans ranges from 2.25%–2.75% for SOFR loans and 1.25%–1.75% for Base Rate loans, in each case, depending on the leverage ratio of Intelsat Jackson. The 2029 Term Loans have a SOFR floor of 0.50% and a Base Rate floor of 1.50%, and the Revolving Loans have a SOFR floor of 0.00% and a Base Rate floor of 1.00%.

The 2022 Intelsat Jackson Secured Credit Agreement includes customary negative covenants for loan agreements of this type, including covenants limiting the ability of Intelsat Jackson and its subsidiaries to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

The 2022 Intelsat Jackson Secured Credit Agreement also includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, and change of control.

The foregoing description of the 2022 Intelsat Jackson Secured Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the 2022 Intelsat Jackson Secured Credit Agreement.

Note 7—Leases

Lessor

We have certain operating and sales-type leases that generate operating lease income and interest income, respectively. The lease expiration dates range from 2025 to 2038, and are primarily related to managed service contracts and teleport usage. Refer to the 2024 Annual Report for further discussion of our sales-type leases.

The following table sets forth the net investments in sales-type leases recorded on our balance sheets (in thousands):

	Classification	As of December 31, 2024	As of March 31, 2025
Lease receivables (current)	Receivables, net of allowances	$ 2,540	$ 2,922
Lease receivables (long-term)	Other assets	16,057	14,998
Unguaranteed residual asset	Other assets	2,608	2,728
Net investment in leases		$ 21,205	$ 20,648

The following table sets forth lease income from operating and sales-type leases (in thousands):

	Classification	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Operating lease revenue	Revenue	$ —	$ 463
Sales-type lease interest income	Interest income	—	356

Note 8—Retirement Plans and Other Retiree Benefits

(a) Pension and Other Postretirement Benefits

We maintain a noncontributory defined benefit retirement plan covering substantially all of our employees hired prior to July 19, 2001. The cost of providing benefits to eligible participants under the defined benefit retirement plan is calculated using the plan's benefit formulas, which take into account the participants' remuneration, dates of hire, years of eligible service and certain actuarial assumptions. In addition, as part of the overall medical plan, we provide postretirement medical benefits to certain current retirees who meet the criteria under the medical plan for postretirement benefit eligibility. In 2015, we amended the defined benefit retirement plan to end the accrual of additional benefits for the remaining active participants.

The defined benefit retirement plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). We expect that our future contributions to the defined benefit retirement plan will be based on the minimum funding requirements of the Internal Revenue Code of 1986, as amended (the "IRC"), and on the plan's funded status. Any significant decline in the fair value of our defined benefit retirement plan assets or other adverse changes to the significant assumptions used to determine the plan's funded status would negatively impact its funded status and could result in increased funding in future years. The impact on the funded status is determined based upon market conditions in effect when we completed our annual valuation.

The following tables present the components of net periodic benefit income (in thousands). These amounts are recognized in "Other income, net" in the condensed consolidated statements of operations.

	Pension Benefits	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Interest cost	$ 4,017	$ 3,911
Expected return on plan assets	(4,882)	(4,612)
Amortization of unrecognized net gain	(6)	(3)
Net periodic benefit income	$ (871)	$ (704)

	Other Postretirement Benefits	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Interest cost	$ 265	$ 264
Amortization of unrecognized net gain	(68)	(60)
Net periodic benefit expense	$ 197	$ 204

(b) Other Retirement Plans

We maintain a defined contribution retirement plan qualified under the provisions of Section 401(k) of the IRC for our employees in the United States. We recognized compensation expense for this plan of $4.4 million and $4.3 million for the three months ended March 31, 2024 and 2025, respectively. We also maintain other defined contribution retirement plans in several non-U.S. jurisdictions, but such plans are not material to our financial position or results of operations.

Note 9—Income Taxes

The Company measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid.

In response to the novel coronavirus (“COVID-19”) pandemic, on March 18, 2020, the Families First Coronavirus Response Act (the “FFCR Act”) was enacted, and on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was enacted. The FFCR Act and the CARES Act contain numerous income tax provisions, such as increasing the 30 percent adjusted taxable income threshold to 50 percent for taxable years beginning in 2019 and 2020 for purposes of determining allowable business interest expense deductions. The CARES Act repeals the 80 percent limitation for taxable years beginning before January 1, 2021 (enacted by the U.S. Tax Cut and Jobs Act (the “Act”)), and it further specifies that net operating losses arising in a taxable year beginning after December 31, 2017, and before January 1, 2021, are allowed as a carryback to each of the five taxable years preceding the taxable year of such losses. Modifications to the tax rules for the carryback of net operating losses and business interest limitations resulted in a federal tax refund of approximately $53.5 million as of March 31, 2025.

The majority of our operations are located in taxable jurisdictions, including Luxembourg, the U.S. and the United Kingdom (“UK”). Due to our cumulative losses in recent years, and the inherent uncertainty associated with the realization of taxable income in the foreseeable future, we recorded a full valuation allowance against the cumulative net operating losses generated in Luxembourg. The difference between “Income tax benefit (expense)” reported in the condensed consolidated statements of operations and tax computed at statutory rates is attributable to the impacts of valuation allowances in Luxembourg and the U.S. as well as the provision for foreign taxes which were principally in the U.S.

We intend to continue maintaining a full valuation allowance on our Luxembourg deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances. Any future release of the valuation allowance would result in the recognition of certain deferred tax assets with a corresponding benefit being realized in the period the release is recorded. Approximately $1.0 billion of our Luxembourg net operating losses do not expire or have ownership charge limitations. Our other Luxembourg deferred tax assets expire over 17 years, beginning in 2035 and extending to 2041.

As of December 31, 2024 and March 31, 2025, our gross unrecognized tax benefits were $69.2 million and $69.8 million, respectively (including interest and penalties), of which $53.0 million and $53.6 million, respectively, if recognized, would affect our effective tax rate. As of December 31, 2024 and March 31, 2025, we recorded reserves for interest and penalties in the amount of $0.3 million as income tax benefit and $0.6 million as income tax expense, respectively. We continue to recognize interest and, to the extent applicable, penalties with respect to the unrecognized tax benefits as income tax expense. There was no change in the balance of unrecognized tax benefits related to current tax positions for both the three months ended March 31, 2024 and March 31, 2025, and there was an increase of $0.6 million related to prior tax positions for the three months ended March 31, 2025, compared to a decrease in prior tax positions of $23.1 million for the three months ended March 31, 2024. Of the total change related to prior tax positions for the three months ended March 31, 2024, $20.2 million relates to the derecognition of uncertain tax benefits for which the statute of limitations has expired and $3.3 million relates to the corresponding interest thereof.

We operate in various taxable jurisdictions throughout the world, and our tax returns are subject to audit and review from time to time. We consider Luxembourg, the U.S., the UK and Brazil to be our significant tax jurisdictions. Our subsidiaries in these jurisdictions are subject to income tax examination for periods after December 31, 2017. We believe that there are no jurisdictions in which the outcome of unresolved tax issues or claims is likely to be material to our results of operations, financial position or cash flows within the next twelve months.

In conjunction with emergence from Chapter 11 bankruptcy proceedings in February 2022, all of the Company’s debt that was outstanding as of December 31, 2021 has been repaid or settled and extinguished. The IRC provides that a debtor in a Chapter 11 bankruptcy case may exclude cancellation of debt income (“CODI”) from taxable income but must reduce certain of its tax attributes by the amount of any CODI realized as a result of the consummation of a plan of reorganization. The amount of CODI realized by a taxpayer is determined based on the fair market value of the consideration received by the creditors in settlement of outstanding indebtedness. Upon emergence from Chapter 11 bankruptcy proceedings, CODI may reduce some or all of the amount of prior U.S. tax attributes, which can include net operating losses, general business credits, capital losses, and tax basis in assets. The actual reduction in tax attributes occurred effective December 31, 2022. The Company’s amount of remaining U.S. deferred tax assets, against which a partial valuation exists, will be limited under IRC Section 382 due to the change in control resulting from the Chapter 11 bankruptcy proceedings. In the fourth quarter of 2024, the Company realized intercompany installment income at a US subsidiary. This resulted in a taxable income event which utilized a portion of the existing recognized built-in gain (“RBIG”) income.

The Company has evaluated the impact of the reorganization, including the change in control, resulting from its emergence from bankruptcy. The post-Emergence Company was able to fully absorb the CODI realized by the pre-Emergence Company in connection with the reorganization as an offset to current year operating losses without impacting its net historical operating losses, general business credits, capital losses, and tax basis in assets. The tax attribute limitation rules under IRC Section 382 are subject to favorable modification by items such as RBIG income. Subsequent to year-end 2023, the Company received notice that the Internal Revenue Service ("IRS") had agreed to extend the identification period for qualified replacement property, and so the ARP (as defined in Note 10—Commitments and Contingencies**)** income was not recognized in the 2023 Federal tax return filing. The Company has until December of 2027 under its current extension to identify the remaining qualified replacement property to continue to defer the income under IRC Section 1033. If qualified replacement property is not identified and placed into service and no additional extensions are granted by the IRS, the Company will be required to amend its originally filed tax returns for 2023 to recognize the income and effects of RBIG on its IRC Section 382 limitation. As a result of this possible RBIG income inclusion, a material portion of U.S. deferred tax assets consisting of net operating losses and IRC Section 163(j) interest expense may be utilized in future years, excluding the portion utilized in 2024 as disclosed above. We currently believe it is more likely than not that the Company will recognize further RBIG type income amounts which could favorably impact the Company's ability to realize future income tax benefits related to its remaining U.S. net deferred tax asset based on the IRC Section 382 limitation. Historical results and expected market conditions known on the date of measurement result in the Company maintaining a partial valuation allowance against the remaining U.S. net deferred tax asset. This is periodically reassessed and could change in the future.

The Organization for Economic Co-operation and Development has issued Pillar Two model rules introducing a new global minimum tax of 15% intended to be effective on January 1, 2024. While the U.S. has not yet adopted the Pillar Two rules, various other governments around the world are enacting legislation. As currently designed, Pillar Two will ultimately apply to our worldwide operations. Considering we do not have material operations in jurisdictions with income tax rates lower than the Pillar Two minimum, these rules are not expected to materially increase our global tax costs. There remains uncertainty as to the final Pillar Two model rules. We will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

Note 10—Commitments and Contingencies

SES Claim

On July 14, 2020, SES Americom, Inc. ("SES") filed a proof of claim in the Bankruptcy Court in the amount of $1.8 billion against each of Intelsat S.A. (now known as Reorganized ISA S.A.) and 34 of its affiliates (collectively the "Debtors"). The SES claim asserted that the Debtors owe money (or would owe money) to SES pursuant to certain contractual and fiduciary obligations made in the context of the consortium agreement entered into in September of 2018 among Intelsat US LLC, SES, and other satellite operators (the "Consortium Agreement"). SES claimed that it was entitled to 50% of the combined payments that may eventually be payable to the Debtors and SES pursuant to the FCC Final Order, which provides for accelerated relocation payments ("ARPs") subject to the satisfaction of certain deadlines and other conditions set forth therein. The proof of claim also alleged breach of fiduciary duties and unjust enrichment and sought monetary and punitive damages. Intelsat filed an objection to the proof of claim and has vigorously litigated our position. SES also filed an objection to the Debtors' Plan in connection with the confirmation hearing. Intelsat settled SES's Plan objection and as part of the settlement SES agreed to: (1) eliminate any punitive damage claims; (2) limit their breach of contract and unjust enrichment claims to three Debtor entities; and (3) limit damages under their "constructive trust" theory to a maximum of $200.0 million, even if SES won.

A trial before the Bankruptcy Court was held in February of 2022, and on September 30, 2022, the Bankruptcy Court ruled in the Debtors' favor on all relevant issues, awarding SES nothing. The Debtors had accrued an estimate of this liability in accordance with ASC 450, *Contingencies* as of December 31, 2021 for which we recognized a benefit during the three months ended September 30, 2022. SES filed a Notice of Appeal on October 14, 2022. The appeal was briefed and argued before the U.S. District Court for the Eastern District of Virginia ("District Court").

On September 8, 2020, SES also filed a series of proofs of claim in the amount of approximately $11.6 million for costs it contended were associated with the Consortium Agreement (the "Cost Claims"). In January 2023, the parties settled the Cost Claims and Intelsat's motion to receive expense reimbursements related to the trial of the ARP claim. Intelsat and SES stipulated that (1) the Cost Claims are withdrawn with prejudice and will receive no recovery; and (2) Intelsat will be paid $100,000 following the final judgement (and exhaustion of all appeals) if the Bankruptcy Court's decision rejecting SES's ARP claim is affirmed.

On June 22, 2023, the District Court issued its decision on appeal. The District Court agreed with the Bankruptcy Court that no unjust enrichment claim was available to SES as a matter of law. The District Court further rejected SES' claim on appeal that the Bankruptcy Court judge did not exercise independent judgement. However, the District Court remanded the case for further consideration by the Bankruptcy Court. The District Court believed the Consortium Agreement was ambiguous and found that the Bankruptcy Court had not sufficiently explained its analysis of certain extrinsic evidence introduced by SES that SES believed supported its interpretation of the Consortium Agreement. In September of 2023, the Bankruptcy Court entered an order reopening the bankruptcy cases for Intelsat Jackson, Intelsat US LLC and Intelsat License as a result of the District Court's remand. In light of the proposed SES Transaction, Intelsat and SES have petitioned the Bankruptcy Court to hold the case in abeyance and close the underlying Bankruptcy Cases without prejudice. The Bankruptcy Court agreed to hold the remand on the claim in abeyance and closed the remaining Bankruptcy Cases, subject to reopening the cases at the request of either party if the SES Transaction agreement is validly terminated. If the SES Transaction closes, SES has agreed to withdraw the claim.

$250.0 Million Satellite Capacity Commitment

On April 18, 2024, Intelsat entered into a $250.0 million commitment to purchase low-earth orbit satellite capacity over six years commencing on July 1, 2024, which was subsequently amended and which commenced on January 1, 2025. Intelsat has the option, but not the obligation, to increase its commitment for an additional $250.0 million for a total of $500.0 million over a term of seven years.

Note 11—Related Party Transactions

Indemnification Agreements

We have entered into agreements with our executive officers and directors to provide contractual indemnification in addition to the indemnification provided for in our articles of association.

Expense Reimbursement Agreement

We entered into an agreement with certain shareholders to provide reimbursement of up to $250,000 for fees and expenses that the shareholders incurred in connection with the SES Transaction. Approximately $120,000 has been reimbursed to the shareholders through the date of this Quarterly Report.

SUPPLEMENTARY INFORMATION

Supplemental Consolidating Financial Information

The following presents our unaudited condensed consolidating balance sheet as of March 31, 2025 and unaudited condensed consolidating statements of operations, changes in shareholders' equity and cash flows for the three months ended March 31, 2025. Investments in subsidiaries in the following unaudited condensed consolidating financial information are accounted for under the equity method of accounting. Consolidating adjustments include eliminations of the following:

- investments in subsidiaries;
- intercompany accounts;
- intercompany sales and expenses; and
- intercompany equity balances.

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEET
AS OF MARCH 31, 2025
(in thousands)

	Intelsat S.A. and Other Parent Companies	Intelsat Jackson and Subsidiaries	Consolidation and Eliminations	Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 335	$ 833,265	$ —	$ 833,600
Restricted cash	—	8,203	—	8,203
Receivables, net of allowances	33	309,052	—	309,085
Contract assets, net of allowances	—	57,059	—	57,059
Inventory	—	227,487	—	227,487
Prepaid expenses and other current assets	1,247	144,709	—	145,956
Intercompany receivables	11,891	2,215,230	(2,227,121)	—
Total current assets	13,506	3,795,005	(2,227,121)	1,581,390
Satellites and other property and equipment, net	—	4,393,613	—	4,393,613
Goodwill	—	783,928	—	783,928
Non-amortizable intangible assets	—	1,050,000	—	1,050,000
Amortizable intangible assets, net	—	130,487	—	130,487
Contract assets, net of current portion and allowances	—	45,893	—	45,893
Investment in affiliates	4,273,966	—	(4,273,966)	—
Other assets	—	666,189	—	666,189
Total assets	$ 4,287,472	$ 10,865,115	$ (6,501,087)	$ 8,651,500

	Intelsat S.A. and Other Parent Companies	Intelsat Jackson and Subsidiaries	Consolidation and Eliminations	Consolidated
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	$ 1,696	$ 211,626	$ —	$ 213,322
Taxes payable	—	6,833	—	6,833
Employee-related liabilities	(106)	53,483	—	53,377
Accrued interest payable	—	13,981	—	13,981
Contract liabilities	—	192,457	—	192,457
Finance lease liabilities	—	33,205	—	33,205
Deferred satellite performance incentives	—	16,290	—	16,290
Other current liabilities	—	82,740	—	82,740
Intercompany payables	673,420	1,553,701	(2,227,121)	—
Total current liabilities	675,010	2,164,316	(2,227,121)	612,205
Long-term debt, net of current portion	—	3,000,000	—	3,000,000
Contract liabilities, net of current portion	—	525,979	—	525,979
Finance lease liabilities, net of current portion	—	472,397	—	472,397
Deferred satellite performance incentives, net of current portion	—	72,377	—	72,377
Deferred income tax liabilities	—	26,677	—	26,677
Accrued retirement benefits, net of current portion	—	42,979	—	42,979
Other long-term liabilities	16,235	286,424	—	302,659
Total liabilities	691,245	6,591,149	(2,227,121)	5,055,273
Shareholders' equity:				
Common shares	685	1,025	(1,025)	685
Other shareholders' equity	3,595,542	4,272,941	(4,272,941)	3,595,542
Total shareholders' equity	3,596,227	4,273,966	(4,273,966)	3,596,227
Total liabilities and shareholders' equity	$ 4,287,472	$ 10,865,115	$ (6,501,087)	$ 8,651,500

(Certain totals may not sum due to rounding)

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(in thousands)

	Intelsat S.A. and Other Parent Companies	Intelsat Jackson and Subsidiaries	Consolidation and Eliminations	Consolidated
Revenue:				
Service revenue	$ —	$ 481,681	$ (60,720)	$ 420,961
Equipment revenue	—	45,937	—	45,937
Total revenue	—	527,618	(60,720)	466,898
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	—	285,618	(60,620)	224,998
Selling, general and administrative	2,188	113,525	(100)	115,613
Depreciation and amortization	—	144,048	—	144,048
Total operating expenses, net	2,188	543,191	(60,720)	484,659
Loss from operations	(2,188)	(15,573)	—	(17,761)
Interest expense	—	(62,719)	—	(62,719)
Interest income	1	12,300	—	12,301
Equity in losses of affiliates	(63,947)	—	63,947	—
Other income (expense), net	(1)	2,636	—	2,635
Loss before income taxes	(66,135)	(63,356)	63,947	(65,544)
Income tax expense	—	(921)	—	(921)
Net loss	(66,135)	(64,277)	63,947	(66,465)
Net loss attributable to noncontrolling interest	—	330	—	330
Net loss attributable to Intelsat S.A.	$ (66,135)	$ (63,947)	$ 63,947	$ (66,135)

(Certain totals may not sum due to rounding)

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF SHAREHOLDERS' EQUITY
(in thousands, except where otherwise noted)

		Common Shares			
	Entity	Number of Shares (in millions)	Amount	Other Shareholders' Equity	Total Shareholders' Equity
Balance at March 31, 2025	Intelsat S.A. & Subsidiaries	68.5	$ 685	$ 3,595,542	$ 3,596,227
Common shares of other entities	All other entities[1]	(68.5)	(685)	—	(685)
Other shareholders' equity	All other entities[1]	—	—	(3,595,542)	(3,595,542)
Consolidation and eliminations	Eliminations	102.5	1,025	4,272,941	4,273,966
Balance at March 31, 2025	Intelsat Jackson & Subsidiaries	102.5	$ 1,025	$ 4,272,941	$ 4,273,966

(1) Represents Intelsat S.A. and other parent companies.

(Certain totals may not sum due to rounding)

INTELSAT S.A. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(in thousands)

	Intelsat S.A. and Other Parent Companies	Intelsat Jackson and Subsidiaries	Consolidated
Net cash provided by (used in) operating activities	$ 1,269	$ (44,629)	$ (43,360)
Cash flows from investing activities:			
Capital expenditures (including capitalized interest)	—	(83,752)	(83,752)
Purchases of investments, net	—	(17,180)	(17,180)
Acquisition of intangible assets	—	(4,733)	(4,733)
Net cash used in investing activities	—	(105,665)	(105,665)
Cash flows from financing activities:			
Principal payments on deferred satellite performance incentives	—	(3,717)	(3,717)
Principal payments on finance lease obligations	—	(8,267)	(8,267)
Share premium distribution to shareholders	(1,539)	—	(1,539)
Dividend equivalents paid to equity award holders	—	(399)	(399)
Payments for employee taxes withheld upon vesting of restricted stock units	—	(2,962)	(2,962)
Net cash used in financing activities	(1,539)	(15,345)	(16,884)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1)	(1,045)	(1,046)
Net change in cash, cash equivalents and restricted cash	(271)	(166,684)	(166,955)
Cash, cash equivalents and restricted cash, beginning of period	606	1,015,955	1,016,561
Cash, cash equivalents and restricted cash, end of period	$ 335	$ 849,271	$ 849,606

(Certain totals may not sum due to rounding)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and their notes included in Item 1—Financial Statements in this Quarterly Report, and with our audited consolidated financial statements and their notes included in our Annual Report for the year ended December 31, 2024 (the "2024 Annual Report").

Special Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes statements that are, or may be deemed to be, "forward-looking statements." These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "predicts," "plans," "project," "may," "will," "could," "should," "future" or similar terms or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, including but not limited to, our statements regarding the following: the risk that the conditions to the closing of the proposed transaction between Intelsat and SES S.A. (the "SES Transaction") are not satisfied, including the risk that required approvals of the SES Transaction from the shareholders of Intelsat or from regulators are not obtained; litigation relating to the SES Transaction; uncertainties as to the timing of the consummation of the SES Transaction and the ability of each party to consummate the SES Transaction; risks that the SES Transaction disrupts the current plans or operations of Intelsat; the ability of Intelsat to retain and hire key personnel; competitive responses to the SES Transaction; unexpected costs, charges or expenses resulting from the SES Transaction; potential adverse reactions or changes to relationships with customers, suppliers, distributors and other business partners resulting from the announcement or completion of the SES Transaction; our belief that there is a growing worldwide demand for reliable broadband connectivity everywhere at all times; the trends that we believe will impact our revenue and operating expenses in the future; global economic and geopolitical events and conditions, including economic downturns and evolving impacts from tariffs or the imposition of new tariffs, trade wars, barriers or restrictions, or threats of such actions; and our expected capital expenditures this year and during the next several years. These factors should not be construed as exhaustive and should be read in conjunction with any other forward-looking statements and any other cautionary statements in future annual and quarterly reports.

These forward-looking statements are based on management's current expectations and beliefs about future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, any forward-looking statements speak only as of the date of such statements and are not guarantees of future performance or results and are subject to risks, uncertainties, and other factors, many of which are outside of our control. These factors could cause actual results or developments to differ materially from the expectations and beliefs expressed or implied in the forward-looking statements, and as such, readers are cautioned not to place undue reliance on such forward-looking statements in this Quarterly Report. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Company Overview

We operate one of the world's largest satellite communication services businesses, providing a critical layer in the global communications infrastructure.

We provide diversified communications services to the world's leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications in the air and on the seas, multinational corporations and internet service providers. We are also the leading provider of commercial satellite capacity to the U.S. government and other select military organizations and their contractors.

Our customers use our global network for a broad range of communication applications, from global distribution of content for media companies, to providing the transmission layer for commercial aeronautical consumer broadband connectivity and to enabling essential network backbones for telecommunications providers in high-growth emerging regions.

Our network solutions are a critical component of our customers' infrastructures and business models. In recent years, mobility services providers have contracted for services on our fleet that support broadband connections for passengers on commercial flights and cruise ships, connectivity that in some cases is only available through our network. In addition, our satellite neighborhoods provide our media customers with efficient and reliable broadcast distribution that maximizes audience reach, a technical and economic benefit that is difficult for terrestrial services to match. In developing regions, our satellite solutions often provide higher reliability than is available from local terrestrial telecommunications services and allow our customers to reach geographies that they would otherwise be unable to serve.

Through our commercial aviation business ("Intelsat CA"), we are a global leader in providing in-flight connectivity solutions to the commercial aviation industry. In-flight services provided by our Intelsat CA business include passenger connectivity, which allows passengers to connect to the Internet from their personal Wi-Fi-enabled devices; passenger entertainment, which offers passengers the opportunity to enjoy a broad selection of in-flight entertainment options on their laptops and personal Wi-Fi-enabled devices; and Connected Aircraft Services ("CAS"), which offer airlines connectivity for various operations and currently include, among others, real-time credit card transaction processing, electronic flight bags and real-time weather information.

Recent Developments

SES S.A. to Acquire Intelsat

On April 30, 2024, SES S.A. and Intelsat announced an agreement for SES S.A. to acquire Intelsat through the purchase of 100% of the equity of Intelsat Holdings for a cash consideration of $3.1 billion and certain contingent value rights (the "SES Transaction"). The contingent value rights entitle the holders thereof to 42.5% of the net proceeds received by the combined company in respect of any monetization of the combined company's usage rights for up to 100 MHz of the C-band spectrum within the 7.5 year period post-closing. On September 27, 2024, Intelsat distributed $0.5 billion out of Intelsat's share premium to Intelsat shareholders. As a result of such distribution, the cash consideration payable by SES S.A. in connection with the SES Transaction has been reduced to $2.6 billion (subject to other adjustments). The SES Transaction has been unanimously approved by the board of directors of both companies, and Intelsat shareholders holding approximately 73% of the common shares have entered into customary support agreements requiring them to vote in favor of the transaction. The SES Transaction is subject to receiving relevant regulatory clearances and approval of Intelsat's shareholders. Closing of the SES Transaction is expected to occur mid-year 2025.

Macroeconomic Environment

Our overall performance depends in part on worldwide economic and geopolitical conditions and their impacts on customer behavior. The broader implications of the macroeconomic environment, including uncertainty around U.S. and international trade relationships, agreements, regulations and treaties, tariffs or future tariffs, higher inflation rates, a recession or economic downturn globally or in markets in which we operate, international conflicts, higher interest rates, and other related global economic conditions, remain unknown. We are unable to reasonably estimate the total potential financial impact that may ultimately result from changes in the macroeconomic environment. A deterioration in macroeconomic conditions could continue to increase the risk of lower consumer spending and demand for our services, or other business interruption, which may adversely impact our business. If these conditions continue or worsen, they could adversely impact our future financial and operating results.

Tariffs

In recent months, the U.S. government has imposed, and is considering imposing, additional tariffs and trade restrictions on certain goods imported into the U.S. We continue to analyze the impact of these tariffs on our business and actions we can take to minimize their impact. We are unable to reasonably estimate the total potential financial impact that may ultimately result from these tariffs and trade restrictions.

$250.0 Million Satellite Capacity Commitment

On April 18, 2024, Intelsat entered into a $250.0 million commitment to purchase low-earth orbit satellite capacity over six years commencing on July 1, 2024, which was subsequently amended and which commenced on January 1, 2025. Intelsat has the option, but not the obligation, to increase its commitment for an additional $250.0 million for a total of $500.0 million over a term of seven years.

Results of Operations

Three Months Ended March 31, 2024 and 2025

The following table sets forth our comparative statements of operations for the periods shown with the increase (decrease) and percentage changes, except those deemed not meaningful ("NM"), between the periods presented (in thousands, except percentages):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025	Dollar Change	Percentage Change
Revenue:				
Service revenue	$ 476,614	$ 420,961	$ (55,653)	(12%)
Equipment revenue	29,033	45,937	16,904	58%
Total revenue	505,647	466,898	(38,749)	(8%)
Operating expenses:				
Direct costs of revenue (excluding depreciation and amortization)	202,031	224,998	22,967	11%
Selling, general and administrative	118,932	115,613	(3,319)	(3%)
Depreciation and amortization	150,272	144,048	(6,224)	(4%)
Impairment of goodwill and other intangible assets	290,692	—	(290,692)	NM
Other operating expense, net—C-band	(60,187)	—	60,187	NM
Total operating expenses, net	701,740	484,659	(217,081)	(31%)
Loss from operations	(196,093)	(17,761)	178,332	(91%)
Interest expense	(69,094)	(62,719)	6,375	(9%)
Interest income	15,957	12,301	(3,656)	(23%)
Other income, net	2,171	2,635	464	21%
Loss before income taxes	(247,059)	(65,544)	181,515	(73%)
Income tax benefit (expense)	31,906	(921)	(32,827)	NM
Net loss	(215,153)	(66,465)	148,688	(69%)
Net loss attributable to noncontrolling interest	869	330	(539)	(62%)
Net loss attributable to Intelsat S.A.	$ (214,284)	$ (66,135)	$ 148,149	(69%)

Revenue Overview

We earn revenue primarily by providing services over satellite transponder capacity to our customers. Our customers generally obtain satellite capacity from us by placing an order pursuant to one of several master customer service agreements. The master customer agreements and related service orders under which we sell services specify, among other things, the amount of satellite capacity to be provided, whether service will be non-preemptible or preemptible and the service term. Most services are full time in nature, with service terms of up to 15 years. Occasional use services used for video applications can be for much shorter periods, including increments of one hour. Our master customer service agreements offer different service types, including transponder services, managed services, and channel, which are all services that are provided on, or used to provide access to, our global network. We refer to these services as on-network services. Our customer agreements also cover services that we procure from third parties and resell, which we refer to as off-network services. These services can include transponder services and other satellite-based transmission services sourced from other operators, often in frequencies not available on our network, and other operational fees related to satellite operations provided on behalf of third-party satellites.

Our Intelsat CA business generates two types of revenue: service revenue and equipment revenue. Service revenue is primarily derived from connectivity services and, to a lesser extent, from entertainment services, CAS and maintenance services. Connectivity is provided to our customers using both satellite technologies and air-to-ground ("ATG"). Service revenue is earned by services paid for by passengers, airlines and third parties. Equipment revenue primarily consists of the sale of satellite connectivity equipment and ATG as well as the sale of entertainment equipment. Equipment revenue also includes revenue generated by our installation of connectivity and entertainment equipment on commercial aircraft.

The following table sets forth our comparative revenue by service type for the periods presented (in thousands, except percentages):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025	Increase (Decrease)	Percentage Change
On-Network Revenues				
Transponder services	$ 269,667	$ 234,140	$ (35,527)	(13%)
Managed services	90,058	72,444	(17,614)	(20%)
Total on-network revenues	359,725	306,584	(53,141)	(15%)
Off-Network and Other Revenues				
Transponder, MSS and other off-network services	36,359	38,523	2,164	6%
Satellite-related services	13,260	15,315	2,055	15%
Total off-network and other revenues	49,619	53,838	4,219	9%
In-Flight Services Revenues				
Services	70,956	68,316	(2,640)	(4%)
Equipment	25,347	38,160	12,813	51%
Total in-flight services revenues	96,303	106,476	10,173	11%
Total	$ 505,647	$ 466,898	$ (38,749)	(8%)

Total revenue decreased by $38.7 million, or 8%, to $466.9 million for the three months ended March 31, 2025, as compared to $505.6 million for the three months ended March 31, 2024. By service type, our revenues increased or decreased due to the following:

On-Network Revenues:

- *Transponder services*—an aggregate decrease of $35.5 million, primarily due to a $16.5 million net decrease from network services customers, an $11.5 million net decrease from mobility customers, a $4.8 million net decrease from media customers and a $2.7 million net decrease from government customers. The decreases in revenues were primarily driven by non-renewals, competitive losses, price reductions, capacity downgrades, the termination of services and service transfers to managed services, partially offset by new services.
- *Managed services*—an aggregate decrease of $17.6 million, primarily due to a $9.5 million net decrease from network services customers, a $7.6 million net decrease from media customers, and a $1.7 million net decrease from mobility customers, partially offset by a $1.2 million net increase from government customers. The decrease in revenue from network services, media and mobility customers was primarily driven by revenue recognized as a result of new or amended sales-type leases in 2024 with no similar income in 2025, termination fees received in 2024 with no similar income in 2025, non-renewals, competitive losses, capacity downgrades, the termination of services and service transfers to transponder services, partially offset by new services. The increase in revenue from government customers was primarily driven by an increase in equipment sales, partially offset by non-renewals.

Off-Network and Other Revenues:

- *Transponder, MSS and other off-network services*—an aggregate increase of $2.2 million, primarily attributable to an increase from government customers mainly due to new services.
- *Satellite-related services*—an aggregate increase of $2.1 million, primarily related to an increase from government customers mainly due to new services.

In-flight Services Revenues:

- *Services*—an aggregate decrease of $2.6 million, primarily due to continued aircraft de-installations from a previously disclosed customer termination, partially offset by increased service revenue across the remaining customer base due to higher in-service aircraft and increased average revenue per aircraft.
- *Equipment*—an aggregate increase of $12.8 million, primarily attributable to shipments of new Electronically Steered Array antennas.

Operating Expenses

Direct Costs of Revenue (Excluding Depreciation and Amortization)

Direct costs of revenue increased by $23.0 million, or 11%, to $225.0 million for the three months ended March 31, 2025, as compared to $202.0 million for the three months ended March 31, 2024, primarily due to the following:

- an increase of $18.3 million in equipment expenses primarily due to an increase in airline shipments;
- an increase of $4.7 million in earth station expenses; and
- an increase of $2.7 million in staff-related expenses; partially offset by
- a decrease of $2.0 million related to the revenue sharing agreements with JSAT International, Inc. (see Item 1, Note 4—Investments)

Selling, General and Administrative

Selling, general and administrative expenses decreased by $3.3 million, or 3%, to $115.6 million for the three months ended March 31, 2025, as compared to $118.9 million for the three months ended March 31, 2024, primarily due to the following:

- a decrease of $4.0 million in bad debt expenses; and
- a decrease of $1.9 million in professional services expenses; partially offset by
- an increase of $3.0 million in staff-related expenses.

Depreciation and Amortization

Depreciation and amortization expense decreased by $6.3 million, or 4%, to $144.0 million for the three months ended March 31, 2025, as compared to $150.3 million for the three months ended March 31, 2024, primarily due to the full impairment of the Intelsat 33e satellite in October 2024 due to a total loss of the satellite, as well as certain satellites and various building related and other assets becoming fully depreciated, partially offset by other property and equipment placed into service and a change in the useful lives of certain satellites.

Impairment of Goodwill and Other Intangible Assets

We recognized an impairment charge of $290.7 million for the three months ended March 31, 2024 related to goodwill, with no comparable amount for the three months ended March 31, 2025. See Item 1, Note 5—Goodwill and Other Intangible Assets.

Other Operating Income, Net—C-band

Other operating income, net—C-band consists of reimbursable and non-reimbursable costs and offsetting income associated with our C-band spectrum relocation efforts. The Company completed the C-band spectrum clearing project in 2023, and as of December 31, 2024, we have received all C-band related payments and reimbursements, and have completed all applicable obligations. Other operating income, net—C-band was $60.2 million for the three months ended March 31, 2024 and primarily related to the recognition of reimbursement income of $64.9 million, partially offset by C-band expenditures. There was no comparable amount for the three months ended March 31, 2025.

Interest Expense

Interest expense decreased by $6.4 million, or 9%, to $62.7 million for the three months ended March 31, 2025, as compared to $69.1 million for the three months ended March 31, 2024, primarily due to the following:

- a decrease of $3.4 million in interest expense related to the significant financing component identified in customer contracts due to lower contract balances; and
- a decrease of $2.1 million related to higher capitalized interest resulting from increased activity related to satellites and other assets under construction.

The non-cash portion of total interest expense was $18.4 million and $15.0 million for the three months ended March 31, 2024 and 2025, respectively, primarily consisting of interest expense related to the significant financing component identified in customer contracts.

Interest Income

Interest income decreased by $3.7 million to $12.3 million for the three months ended March 31, 2025, as compared to $16.0 million for the three months ended March 31, 2024, primarily due a decrease of $4.2 million due to lower invested funds and lower interest rates.

Other Income, Net

Other income, net increased by $0.4 million to $2.6 million for the three months ended March 31, 2025, as compared to $2.2 million for the three months ended March 31, 2024. The increase is not material to our financial statements.

Income Tax Benefit (Expense)

Income tax benefit decreased by $32.8 million to $0.9 million of tax expense for the three months ended March 31, 2025, as compared to $31.9 million of tax benefit for the three months ended March 31, 2024, primarily as a result of non-recurring events that occurred in 2024, including the release of reserves for uncertain tax positions, adjustments for prior periods, and the recognition of deferred tax benefits related to goodwill impairments.

Cash paid for income taxes, net of refunds, were $4.0 million for the three months ended March 31, 2025 , as compared to $7.9 million for the three months ended March 31, 2024.

EBITDA

EBITDA consists of earnings before net interest, taxes and depreciation and amortization. EBITDA is a measure commonly used in the FSS sector, and we present EBITDA to enhance the understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that EBITDA is an operating performance measure, and not a liquidity measure, that provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. However, EBITDA is not a measure of financial performance under U.S. GAAP, and our EBITDA may not be comparable to similarly titled measures of other companies. EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

A reconciliation of net income to EBITDA for the periods shown is as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Net loss	$ (215,153)	$ (66,465)
Add (Subtract):		
Interest expense	69,094	62,719
Interest income	(15,957)	(12,301)
Income tax expense (benefit)	(31,906)	921
Depreciation and amortization	150,272	144,048
EBITDA	$ (43,650)	$ 128,922

Adjusted EBITDA

In addition to EBITDA, we calculate a measure called Adjusted EBITDA to assess the operating performance of the Company. Adjusted EBITDA consists of EBITDA as adjusted to exclude or include certain unusual items, certain other operating expense items and certain other adjustments as described in the table and related footnotes below. Our management believes that the presentation of Adjusted EBITDA provides useful information to investors, lenders and financial analysts regarding our financial condition and results of operations because it permits clearer comparability of our operating performance between periods. By excluding the potential volatility related to the timing and extent of non-operating activities, such as impairments of asset value and other non-recurring items, our management believes that Adjusted EBITDA provides a useful means of evaluating the success of our operating activities. We also use Adjusted EBITDA, together with other appropriate metrics, to set goals for and measure the operating performance of our business, and it is one of the principal measures we use to evaluate our management's performance in determining compensation under our incentive compensation plans. Adjusted EBITDA measures have been used historically by investors, lenders and financial analysts to estimate the value of a company, to make informed investment decisions and to evaluate performance. Our management believes that the inclusion of Adjusted EBITDA facilitates comparison of our results with those of companies having different capital structures.

Adjusted EBITDA is not a measure of financial performance under U.S. GAAP and may not be comparable to similarly titled measures of other companies. Adjusted EBITDA should not be considered as an alternative to operating income (loss) or net income (loss) determined in accordance with U.S. GAAP, as an indicator of our operating performance, as an alternative to cash flows from operating activities determined in accordance with U.S. GAAP, as an indicator of cash flows, or as a measure of liquidity.

A reconciliation of net income to EBITDA and EBITDA to Adjusted EBITDA for the periods shown is as follows (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Net loss	$ (215,153)	$ (66,465)
Add (Subtract):		
Interest expense	69,094	62,719
Interest income	(15,957)	(12,301)
Income tax expense (benefit)	(31,906)	921
Depreciation and amortization	150,272	144,048
EBITDA	(43,650)	128,922
Add (Subtract):		
Compensation and benefits[(1)]	8,852	9,539
Non-recurring and non-cash items[(2)]	(49,399)	17,639
Impairment of goodwill and other intangible assets[(3)]	290,692	—
Proportionate share from unconsolidated joint venture[(4)]:		
Interest expense, net	1,009	611
Depreciation and amortization	3,136	3,136
Adjusted EBITDA[(5)]	$ 210,640	$ 159,847

(1) Reflects non-cash expenses incurred relating to our equity compensation plans and our employee retention incentive plans.

(2) Reflects certain non-recurring expenses, gains and losses and non-cash items, including the following: severance, retention and relocation payments; certain foreign exchange gains and losses; certain research and development costs; costs related to merger and acquisition efforts; and other various non-recurring expenses. In addition, 2024 includes costs and income associated with our C-band spectrum clearing efforts; certain non-recurring sales-type lease net losses; and certain legal costs associated with our Chapter 11 restructuring.

(3) Reflects non-cash impairment charges related to goodwill (see Item 1, Note 5—Goodwill and Other Intangible Assets).

(4) Reflects adjustments related to our interest in Horizons-3 Satellite LLC and Horizons-4 Satellite LLC (see Item 1, Note 4(b)—Investments—Horizons 3 and Horizons 4).

(5) Adjusted EBITDA includes $27.0 million and $26.8 million for the three months ended March 31, 2024 and 2025 of revenue relating to the significant financing component identified in customer contracts in accordance with ASC 606, *Revenue from Contracts with Customers* (“ASC 606”).

Liquidity and Capital Resources

Overview

Our contractual obligations, commitments and debt service requirements over the next several years are significant. As of March 31, 2025, the aggregate principal amount of our debt outstanding not held by affiliates was $3.0 billion. Interest expense for the three months ended March 31, 2025 was $62.7 million, which included $15.0 million of non-cash interest expense. As of March 31, 2025, cash, cash equivalents and restricted cash were approximately $849.6 million.

In past years, our cash flows from operations and cash on hand have been sufficient to fund interest obligations of $391.8 million and $200.2 million for the years ended December 31, 2023 and 2024, respectively, and significant capital expenditures of $584.3 million and $376.1 million for the years ended December 31, 2023 and 2024, respectively.

Our primary source of liquidity is and is expected to continue to be cash generated from operations, as well as existing cash. We currently expect to use cash on hand and cash flows from operations to fund our most significant cash outlays, including debt service requirements and capital expenditures, in the next twelve months and beyond.

Cash Flow Items

Our cash flows consisted of the following for the periods shown (in thousands):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2025
Net cash provided by (used in) operating activities	$ 141,933	$ (43,360)
Net cash used in investing activities	(97,614)	(105,665)
Net cash used in financing activities	(142,404)	(16,884)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(936)	(1,046)
Net change in cash, cash equivalents and restricted cash	$ (99,021)	$ (166,955)

Net Cash Provided by (Used in) Operating Activities

Net cash provided by operating activities decreased by $185.3 million to $43.4 million cash used in operating activities for the three months ended March 31, 2025, as compared to $141.9 million cash provided by operating activities for the three months ended March 31, 2024. The decrease was due to a $145.6 million decrease in net income and non-cash items and a $39.7 million decrease from changes in operating assets and liabilities. The decrease from changes in operating assets and liabilities was primarily due to lower inflows related to accounts receivable, primarily due to receiving all remaining cash related to the C-band program in 2024, offset by lower outflows related to prepaid expenses, contract and other assets, and higher inflows related to accounts payable and accrued liabilities.

Net Cash Used in Investing Activities

Net cash used in investing activities increased by $8.1 million to $105.7 million for the three months ended March 31, 2025, as compared to $97.6 million for the three months ended March 31, 2024, primarily due to purchases of investments of $17.2 million for the three months ended March 31, 2025 and an increase in capital expenditures of $5.9 million, partially offset by purchases of available-for-sale investments of $15.0 million for the three months ended March 31, 2024, with no similar purchases for the three months ended March 31, 2025.

Net Cash Used in Financing Activities

Net cash used in financing activities decreased by $125.5 million to $16.9 million for the three months ended March 31, 2025, as compared to $142.4 million for the three months ended March 31, 2024, primarily due to $127.5 million in share premium distributions to shareholders for the three months ended March 31, 2024, compared to $1.5 million of distributions for the three months ended March 31, 2025.

Restricted Cash

As of March 31, 2025, $16.0 million of cash was held in escrow primarily as a compensating balance for certain outstanding letters of credit.

Debt

Intelsat Jackson 6.50% First Lien Secured Notes due 2030

On January 27, 2022, Intelsat Jackson Holdings S.A. (“Intelsat Jackson”) completed an offering of $3.0 billion aggregate principal amount of 6.50% First Lien Secured Notes due 2030 (the “2030 Jackson Secured Notes”). The 2030 Jackson Secured Notes bear interest at 6.50% annually and mature in March 2030. These notes are guaranteed by Intelsat S.A., other parent entities of Intelsat Jackson, and certain subsidiaries of Intelsat Jackson. Interest is payable on the 2030 Jackson Secured Notes semi-annually on March 15 and September 15, which commenced on September 15, 2022. Intelsat Jackson may redeem some or all of the notes at the applicable redemption prices and criterion set forth in the indenture governing the 2030 Jackson Secured Notes. The 2030 Jackson Secured Notes are senior secured obligations of Intelsat Jackson.

2022 Intelsat Jackson Secured Credit Facilities due 2029

On February 1, 2022, Intelsat Jackson entered into a secured credit agreement (the "2022 Intelsat Jackson Secured Credit Agreement"), which included a $3.2 billion term loan facility and a $500.0 million revolving credit facility, and borrowed the full $3.2 billion under the term loan facility due February 2029 (the "2029 Term Loans"). On October 26, 2023, the 2029 Term Loans were paid in full. The maturity date of the revolving credit facility is February 1, 2027. The obligations under the 2022 Intelsat Jackson Secured Credit Agreement are guaranteed by Intelsat S.A., other parent entities of Intelsat Jackson, and certain subsidiaries of Intelsat Jackson. The 2029 Term Loans and the revolving loans under the revolving credit facility (the "Revolving Loans") bear interest either (i) based on a 1-month, 3-month or 6-month (or if agreed to by each lender of a loan, 12-month) secured overnight financing rate ("SOFR") plus a related spread or (ii) at the Base Rate (as defined in the 2022 Intelsat Jackson Secured Credit Agreement), in each case, plus an applicable margin. The applicable margin for the 2029 Term Loans is 4.25% for SOFR loans and 3.25% for Base Rate loans, and the applicable margin for Revolving Loans ranges from 2.25%–2.75% for SOFR loans and 1.25%–1.75% for Base Rate loans, in each case, depending on the leverage ratio of Intelsat Jackson. The 2029 Term Loans have a SOFR floor of 0.50% and a Base Rate floor of 1.50%, and the Revolving Loans have a SOFR floor of 0.00% and a Base Rate floor of 1.00%.

The 2022 Intelsat Jackson Secured Credit Agreement includes customary negative covenants for loan agreements of this type, including covenants limiting the ability of Intelsat Jackson and its subsidiaries to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

The 2022 Intelsat Jackson Secured Credit Agreement also includes certain customary representations and warranties, affirmative covenants and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, and change of control.

The foregoing description of the 2022 Intelsat Jackson Secured Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the 2022 Intelsat Jackson Secured Credit Agreement.

Contracted Backlog

We benefit from strong visibility of our future revenues. Our contracted backlog is our expected future revenue under existing customer contracts and includes both cancelable and non-cancelable contracts. As of March 31, 2025, our contracted backlog was approximately $4.0 billion. The amount included in backlog represents the full service charge for the duration of the contract and does not include termination fees. The amount of the termination fees is generally calculated as a percentage of the remaining backlog associated with the contract. In certain cases of breach for non-payment or customer bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. Our contracted backlog includes 100% of the backlog of our consolidated ownership interests, which is consistent with the accounting for our ownership interests in these entities. We believe this backlog and the resulting predictable cash flows in the FSS sector make our results less volatile than that of typical companies outside our industry.

Capital Expenditures

Our capital expenditures depend on our business strategies and reflect our commercial responses to opportunities and trends in our industry. Our actual capital expenditures may differ from our expected capital expenditures if, among other things, we enter into any currently unplanned strategic transactions. Levels of capital spending from one year to the next are also influenced by the nature of the satellite life cycle and by the capital-intensive nature of the satellite industry. For example, we incur significant capital expenditures during the years in which satellites are under construction. We typically procure a new satellite within a timeframe that would allow the satellite to be deployed at least one year prior to the end of the service life of the satellite to be replaced. As a result, we frequently experience significant variances in our capital expenditures from year to year. Payments for satellites and other property and equipment during the three months ended March 31, 2025 were $83.8 million.

We intend to fund our capital expenditure requirements through cash on hand and cash provided by operating activities.

Off-Balance Sheet Arrangements

Other than disclosed in the 2024 Annual Report and elsewhere in this Quarterly Report, we have no material off-balance sheet arrangements that have or are reasonably likely to have a current or future effect or change on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Contractual Obligations

Other than as disclosed elsewhere in this report, there have been no material changes outside the ordinary course of business to the information provided with respect to our contractual obligations as disclosed in the 2024 Annual Report.

Critical Accounting Policies and Estimates

The preparation of these condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of these condensed consolidated financial statements, the reported amounts of revenues and expenses during the reporting periods, and the disclosures of contingent liabilities.

See our 2024 Annual Report for a discussion of our critical accounting policies and estimates. There have been no material changes to our critical accounting policies and estimates discussed in such report.