

Inmarsat Plc

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Inmarsat shares sink as revenue drops in major Maritime division

Shares in Inmarsat Plc (LON:ISAT) sank in mid-morning trading Thursday after an increase in third-quarter earnings was overshadowed by a decline in its major Maritime division.

The FTSE 250 mobile satellite firm reported group underlying earnings (EBITDA) for the period were up 6.8% at US\$206.5mln while revenues climbed 3.7% to US\$369.3mln.

READ: Inmarsat lifted as it unveils collaboration with Panasonic Avionics
However, despite the relatively positive earnings picture, the group's Maritime arm, which formed around 36% of its quarterly takings, dropped 5.7% year-on-year to US\$135mln which the firm blamed on a decline in its core FleetBroadband revenues reflecting customer migration to its Fleet Xpress system and VSAT competition.

The bleak Maritime figures overshadowed a strong performance in Inmarsat's Aviation segment, which saw revenues grow 34% to US\$68.2mln in the quarter.

Revenues in the group's Government and Other divisions also grew by 7.7% and 2% respectively, while the Enterprise segment shrank 9.4% which was blamed on a "tough, event-driven, comparative".

Looking ahead, the firm left its medium-term guidance unchanged, targeting mid-single-digit percentage revenue growth over the next five years with capital expenditure at between US\$500mln and US\$600mln a year until 2020.

Rupert Pearce, chief executive of Inmarsat, said the group would accelerate the rate of migration of its FleetBroadband customers to the Fleet Xpress product, adding that the group was "well-placed" to deliver medium-term growth in revenue, EBITDA, and free cash flow.

Shares were down 6.4% at 430.9p.

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Price: 543.6p

Market Cap: £2518.17M

1 Year Share Price Graph



June 2018 December 2018 June 2019

Share Information

Code: ISAT

Listing: LSE

52 week High Low
646.00p 355.00p

Sector: Telecoms

Website: www.inmarsat.com

Company Synopsis:

Inmarsat Plc provides via satellite a portfolio of global mobile and transportable broadband communication services and solutions across its main areas of maritime, aeronautical and land mobile.

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