
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 9, 2018

GLOBAL EAGLE ENTERTAINMENT INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35176
(Commission
File Number)

27-4757800
(IRS Employer
Identification No.)

6100 Center Drive, Suite 1020, Los Angeles, California 90045
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 310-437-6000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 9, 2018, Global Eagle Entertainment Inc. (the “Company” or “we”) issued a press release (the “Press Release”) announcing its unaudited financial results for the second quarter ended June 30, 2018. We have furnished a copy of the Press Release as Exhibit 99.1 to this Current Report on Form 8-K (this “Form 8-K”).

Also on August 9, 2018, the Company will conduct a webcast to discuss its results of operations for the same period. We have furnished a copy of the presentation that we will use for this webcast as Exhibit 99.2 to this Form 8-K. We have provided the webcast details in the Press Release.

The information in this Item 2.02 and Exhibits 99.1 and 99.2 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release.
99.2	Presentation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GLOBAL EAGLE ENTERTAINMENT INC.

By: /s/ Paul Rainey

Name: Paul Rainey

Title: Chief Financial Officer

Dated: August 9, 2018



GLOBAL EAGLE REPORTS FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2018

Reiterates 2018 Adjusted EBITDA guidance

Strong revenue growth and gross-margin improvement in Media & Content segment

Aviation Connectivity on track to accelerate growth in second half of 2018

LOS ANGELES, CA, August 9, 2018—Global Eagle Entertainment Inc. (Nasdaq: ENT) (“Global Eagle,” the “Company” or “we”), a leading provider of media, content, connectivity and data analytics to markets across air, sea and land, today announced financial results for the second quarter ended June 30, 2018. For the second quarter of 2018, Global Eagle recorded revenue of \$166 million; incurred a net loss of \$45.9 million; and generated Adjusted EBITDA* of \$20.4 million.

During the second quarter, Global Eagle’s market-leading Media & Content segment benefitted from strong growth in revenue and gross-margin improvement. Media & Content segment revenue grew period-over-period by 11.9%, with a second-quarter-2018 gross margin of 30.0%. This growth was primarily due to a ramp up in content programming for previously-announced new customer contracts as well as expanded content programming with several of our existing airline partners. We continue to believe that over the long term we can maintain gross margins similar to those generated in the second quarter of 2018 while growing Media & Content segment revenue by 3-5% per year on average.

Global Eagle’s Connectivity segment remains the leading provider of satellite-based passenger connectivity for single-aisle airliners and the leading broadcaster of live television to the aviation and maritime markets. Our aviation connectivity business continued to benefit from our substantial economies of scale, which helped to generate gross margins during the quarter in excess of our Company’s overall average gross margin. We believe that our aviation connectivity business continues to demonstrate the highest levels of service reliability for our customers and elevate their passenger experience. We expect to accelerate our aviation connectivity installations in the second half of 2018. Our cruise business also experienced significant growth during the second quarter of 2018.

“We continue to execute on our plan for a healthy core business, profitable growth and transformation,” commented Josh Marks, CEO of Global Eagle. “Our focus is on building a profitable aviation-connectivity installation backlog and enduring customer relationships. Our performance in the second quarter of 2018 shows our execution in both top-line growth and in improved Adjusted EBITDA margins.”

“Our second-quarter results demonstrate that our commercial success is driving improved revenue growth,” said Paul Rainey, CFO of Global Eagle. “We are also beginning to see the benefits of our operating-expense-reduction initiatives, which include integrating prior acquisitions and thereby lowering operating costs. We expect the cost savings from these initiatives to build in the second half of this year.”



Second Quarter Summary

- Total revenue for the second quarter of 2018 was \$166 million, a 6.6% increase over the prior-year period. This increase was driven by growth in both our Media & Content and Connectivity segments. Revenue growth in our Media & Content segment was driven by a ramp up of new customer contracts as well as expanded content programming for existing customers as outlined above. In our Connectivity segment, service revenue from new aircraft, marine-vessel and land-site installations drove revenue growth.
- Net loss for the second quarter of 2018 was \$45.9 million. The larger net loss over the prior-year period was primarily driven by higher interest expense in the second quarter of 2018, and was partially offset by revenue growth and lower operating expenses as outlined above. Higher interest expense was driven by our issuance of new Second Lien Notes due 2023 to Searchlight Capital Partners in March of this year. As outlined above, our operating-expense improvement was driven by our continued integration of our prior acquisitions, including facilities rationalization, headcount reductions, labor insourcing and our implementation of additional technology supporting our business.
- Adjusted EBITDA for the second quarter of 2018 was \$20.4 million, which was a 23.4% increase over the prior-year period. Adjusted EBITDA growth was primarily driven by both revenue growth and lower operating expenses as outlined above.

We continue to expect a minimum of 25% Adjusted EBITDA growth year-over-year in 2018.

Webcast

We will host a live webcast on Thursday, August 9, 2018 at 5:00 p.m. EDT (2:00 p.m. PDT). We will make the webcast and accompanying slide presentation available on the Investor Relations section of our website at <http://investors.geemedia.com/events-and-presentations>. We will maintain an archive of the webcast on our website for 30 days following the event.

About Global Eagle

Global Eagle is a leading provider of media, content, connectivity and data analytics to markets across air, sea and land. Global Eagle offers a fully integrated suite of rich media content and seamless connectivity solutions to airlines, cruise lines, commercial ships, high-end yachts, ferries and land locations worldwide. With approximately 1,400 employees and 52 offices on six continents, the Company delivers exceptional service and rapid support to a diverse customer base. Find out more at: www.GlobalEagle.com.

Contact:

Peter A. Lopez
Vice President, Investor Relations
+1 310-740-8624
investor.relations@geemedia.com
pr@geemedia.com



* About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States, or GAAP, we present Adjusted EBITDA, which is a non-GAAP financial measure, as a measure of our performance. The presentation of Adjusted EBITDA is not intended to be considered in isolation from, or as a substitute for, or superior to, net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities or any other measures of our cash flows or liquidity. Further, we note that Adjusted EBITDA as presented herein is defined and calculated differently than the “Consolidated EBITDA” definition in our senior secured credit agreement and in our second lien notes, which Consolidated EBITDA definition we use for financial-covenant-compliance purposes and as a measure of our liquidity. For a reconciliation of Adjusted EBITDA to its most comparable measure under GAAP, please see the table entitled “Reconciliation of GAAP to Non-GAAP Measure” at the end of this press release.

Adjusted EBITDA is one of the primary measures used by our management and Board of Directors to understand and evaluate our financial performance and operating trends, including period to period comparisons, to prepare and approve our annual budget and to develop short and long term operational plans. Additionally, Adjusted EBITDA is one of the primary measures used by the Compensation Committee of our Board of Directors to establish the funding targets for (and subsequent funding of) our Annual Incentive Plan bonuses for our employees. We believe our presentation of Adjusted EBITDA is useful to investors both because it allows for greater transparency with respect to key metrics used by our management in their financial and operational decision-making and because our management frequently uses it in discussions with investors, commercial bankers, securities analysts and other users of our financial statements.

We define Adjusted EBITDA as net income (loss) before (a) interest expense (income), (b) income tax expense (benefit) and (c) depreciation and amortization (including relating to equity-method investments) and (gain) loss on disposal and impairment of fixed assets, and we then further adjust that result to exclude (when applicable in the period) (1) change in fair value of financial instruments, (2) other (income) expense, including primarily, (gains) losses from investments and foreign-currency-transaction (gains) losses, (3) goodwill impairment expense, (4) stock-based compensation expense, (5) strategic-transaction, integration and realignment expenses (as described below), (6) auditor and third-party professional fees and expenses related to our internal-control deficiencies (and the remediation thereof) and complications in our audit process relating to our control environment, (7) excess content expenses (as described below), (8) securities class-action expenses (as described below), (9) losses on significant customer bankruptcies (as described below) and (10) restructuring expenses pursuant to our September 2014 integration plan. Management does not consider these items to be indicative of our core operating results.

“Excess content expenses” includes the additional purchasing costs that we incurred in 2017 to procure movie content for our customers, notwithstanding that we could have procured equivalent content under our (preferential-pricing) output arrangements with major studios. We incurred these additional costs because we could not timely identify and measure our movie-content expenditures and procurement during the period due to weaknesses in our control environment.

“Losses on significant customer bankruptcies” includes (1) our provision for bad debt associated with the bankruptcies of Air Berlin and Alitalia (two of our Media & Content customers) in 2017, together with (2) the costs (*e.g.*, content acquisition fees) that we incurred to maintain service to those customers during their bankruptcy proceedings in order to preserve the customer relationship.

“Securities class-action expenses” includes third-party professional fees and expenses associated with the securities class-action lawsuits filed against us in 2017.

“Strategic-transaction, integration and realignment expenses” includes (1) transaction-related expenses and costs (including third-party professional fees) attributable to acquisition, financing, investment and other strategic-transaction activities, (2) integration and realignment expenses and allowances, (3) employee-severance, -retention and -relocation expenses, (4) purchase-accounting adjustments for deferred revenue, costs and credits associated with companies and businesses that we have acquired through our M&A activities, (5) service-level-agreement penalties incurred during our Eagle-1 migration and setup in its new orbital slot in 2017, and (6) claims at companies or businesses that we acquired through our M&A activities for underlying liabilities that pre-dated our acquisition of those companies or businesses. In respect of clause (6) in this definition, we include (*i.e.*, exclude from net income (loss)) any estimated loss contingencies and provisions for legal settlements relating to those liabilities.



Cautionary Note Concerning Forward-Looking Statements

Certain statements in this press release may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements with respect to our expected Adjusted EBITDA, revenue and margin growth in future periods, our aviation-connectivity installations in future periods, our business and financial-performance outlook, industry, business strategy, plans, business and M&A integration activities, operating-expense and cost-structure improvements and reductions, future operations, margins, profitability, future efficiencies and other financial and operating information. The words “anticipate,” “assume,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this press release.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- our ability to remediate material weaknesses in our internal control over financial reporting and to complete such remediation in a timely manner, and the effect of those weaknesses on our ability to report and forecast our operations and financial performance;
- our ability to maintain effective disclosure controls and internal control over financial reporting;
- our efforts to remediate our material weaknesses in our internal control over financial reporting may divert management’s attention from our business, reduce our liquidity and have an adverse effect on our financial performance;
- any future restructuring activities may prove detrimental to our operations and sales and our ability to achieve our operating-expense and cost-structure improvements and reductions;
- our dependence on the travel industry;
- future acts or threats of terrorism;
- our dependence on our existing relationship and agreement with Southwest Airlines;
- our ability to obtain new customers and renew agreements with existing customers;
- our customers’ inability to pay us for our services;
- our ability to retain and effectively integrate and train key members of senior management;
- our ability to recruit, train and retain highly skilled technical employees, particularly in our finance and IT functions;
- our ability to receive the anticipated cash distributions or other benefits from our investment in the Wireless Maritime Services joint venture;
- customer attrition due to direct arrangements between satellite providers and customers;
- the effect of a variety of complex U.S. and foreign tax laws and regimes due to the global nature of our business;
- our need to invest in and develop new broadband technologies and advanced communications and secure networking systems, products and services and antenna technologies as well as their market acceptance;
- our ability to continue to be able to make claims for e-business and multimedia tax credits in Canada;
- our exposure to foreign currency risks and a lack of a formalized hedging strategy;
- increased demand by customers for greater bandwidth, speed and performance and increased competition from new technologies and market entrants;
- our reliance on “sole source” service providers and other third parties for key components and services that are integral to our product and service offerings;
- the potential need to materially increase our investments in product development and equipment beyond our current investment expectations;



- our ability to expand our international operations and the risks inherent in our international operations, especially in light of current trade and national-security disputes between the United States and China (which may adversely impact our ability to conduct business in that market);
- service interruptions or delays, technology failures, damage to equipment or software defects or errors and the resulting impact on our reputation and ability to attract, retain and serve our customers;
- equipment failures or software defects or errors that may damage our reputation or result in claims in excess of our insurance or warranty coverage;
- satellite failures or degradations in satellite performance;
- our ability to integrate businesses or technologies we have acquired or may acquire in the future;
- increased on-board use of personal electronic devices and content accessed and downloaded prior to travel, and our ability to compete as a content provider against “over the top” download services and other companies that offer in-flight entertainment products;
- pricing pressure from suppliers and customers in our Media & Content segment and a reduction in the aviation industry’s use of intermediary content service providers (such as us);
- a reduction in the volume or quality of content produced by studios, distributors or other content providers;
- a reduction or elimination of the time between our receipt of content and it being made available to the rental or home viewing market (*i.e.*, the “early release window”);
- increased competition in the in-flight entertainment and in-flight connectivity system supply chain;
- our ability to plan expenses and forecast revenue due to the long sales cycle of many of our Media & Content segment’s products;
- our use of fixed-price contracts for satellite bandwidth and potential cost differentials that may lead to losses if the market price for our services declines relative to our committed cost;
- our use of fixed-price contracts in our Media & Content segment that may lead to losses in the future if the market price for our services declines relative to our committed cost;
- our ability to develop new products or enhance those we currently provide in our Media & Content segment;
- our ability to successfully implement a new enterprise resource planning system;
- our ability to protect our intellectual property;
- the effect of cybersecurity attacks, data or privacy breaches, data or privacy theft, unauthorized access to our internal systems or connectivity or media and content systems, or phishing or hacking, especially in light of recently publicized security incidents affecting our industry and our systems;
- the costs to defend and/or settle current and potential future civil intellectual property lawsuits (including relating to music and other content infringement) and related claims for indemnification;
- changes in regulations and our ability to obtain regulatory approvals to provide our services or to operate our business in particular countries or territorial waters;
- compliance with U.S. and foreign regulatory agencies, including the Federal Aviation Administration and Federal Communications Commission and their foreign equivalents in the jurisdictions in which we and our customers operate;
- changes in government regulation of the Internet, including e-commerce or online video distribution;
- our ability to comply with trade, export, anti-money laundering and anti-bribery practices and data protection laws, especially the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
- uninsured or underinsured costs associated with stockholder litigation and any uninsured or underinsured indemnification obligations with respect to current and former executive officers and directors;
- limitations on our cash flow available to make investments due to our substantial indebtedness and our ability to generate sufficient cash flow to make payments thereon;
- our ability to repay the principal amount of our bank debt, Second Lien Notes and/or convertible notes at maturity, to raise the funds necessary to settle conversions of our convertible notes or to repurchase our convertible notes upon a fundamental change or on specified repurchase dates or due to future indebtedness;
- the conditional conversion of our convertible notes;
- the effect on our reported financial results of the accounting method for our convertible notes;



- the impact of the fundamental change repurchase feature and change of control repurchase feature of the securities purchase agreement governing our Second Lien Notes on our price or potential as a takeover target;
- the dilution or price depression of our common stock that may occur as a result of the conversion of our convertible notes and/or Searchlight warrants;
- our ability to meet the continued listing requirements of The Nasdaq Stock Market, in particular given our recent history of delinquent periodic filings with the U.S. Securities and Exchange Commission and the need to maintain a minimum \$1.00 per share stock price pursuant to Nasdaq rules;
- our eligibility to use Form S-3 to register the offer and sale of securities, which Form we are not currently eligible to use;
- conflicts between our interests and the interests of our largest stockholders;
- volatility of the market price of our securities;
- anti-takeover provisions contained in our charter and bylaws;
- the dilution of our common stock if we issue additional equity or convertible debt securities; and
- other risks and factors listed under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the SEC on April 2, 2018 and in any subsequently filed Quarterly Reports on Form 10-Q.

The forward-looking statements herein speak only as of the date the statements are made (which is the date of this press release). You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.



Financial Information

The table below presents financial results for the three and six months ended June 30, 2018 and 2017.

Global Eagle Entertainment Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Licensing and services	156,428	146,148	302,954	289,790
Equipment	9,534	9,594	19,505	18,544
Total revenue	165,962	155,742	322,459	308,334
Cost of sales:				
Licensing and services	122,304	108,923	234,795	211,795
Equipment	4,427	9,167	10,415	16,835
Total cost of sales	126,731	118,090	245,210	228,630
Gross margin	39,231	37,652	77,249	79,704
Operating Expenses:				
Sales and marketing	10,877	10,029	20,492	21,041
Product development	9,872	7,942	18,206	15,591
General and administrative	29,799	34,929	68,235	70,250
Provision for legal settlements	(141)	—	375	475
Amortization of intangible assets	10,357	10,860	20,920	21,868
Goodwill impairment	—	—	—	78,000
Total operating expenses	60,764	63,760	128,228	207,225
Loss from operations	(21,533)	(26,108)	(50,979)	(127,521)
Other income (expense):				
Interest expense, net	(19,755)	(14,807)	(35,352)	(25,697)
Loss on extinguishment of debt	—	—	—	(14,463)
Income from equity method investments	428	601	1,589	2,140
Change in fair value of derivatives	(655)	(445)	(91)	2,475
Other (expense) income, net	(673)	653	(347)	165
Loss before income taxes	(42,188)	(40,106)	(85,180)	(162,901)
Income tax (benefit) expense	3,722	4,024	(987)	6,840
Net loss	(45,910)	(44,130)	(84,193)	(169,741)
Net loss per share – basic and diluted	(0.50)	(0.52)	(0.93)	(1.99)
Weighted average shares outstanding – basic and diluted	91,057	85,496	90,925	85,468



Global Eagle Entertainment Inc.
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	June 30, 2018	December 31, 2017
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,403	\$ 48,260
Restricted cash	5,390	3,608
Accounts receivable, net	103,415	113,545
Inventories	32,719	28,352
Prepaid expenses	16,949	13,486
Other current assets	21,482	20,923
TOTAL CURRENT ASSETS:	217,358	228,174
Content library	8,101	8,686
Property, plant and equipment, net	190,716	195,029
Goodwill	159,610	159,696
Intangible assets, net	101,659	122,582
Equity method investments	135,430	137,299
Other non-current assets	11,603	9,118
Total Assets	\$ 824,477	\$ 860,584
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	188,231	205,036
Deferred revenue	8,472	6,508
Current portion of long-term debt	19,595	20,106
Other current liabilities	9,661	7,785
TOTAL CURRENT LIABILITIES:	225,959	239,435
Deferred revenue, non-current	1,089	1,079
Long-term debt	633,527	598,958
Deferred tax liabilities	8,590	16,247
Other non-current liabilities	34,455	30,340
Total Liabilities	903,620	886,059
Stockholders' Equity		
Common stock	10	10
Treasury stock, 3,053,634 shares at March 31, 2018 and December 31, 2017	(30,659)	(30,659)
Additional paid-in capital	809,369	779,565
Subscriptions receivable	(591)	(578)
Accumulated deficit	(857,051)	(773,791)
Accumulated other comprehensive loss	(221)	(22)
Total Stockholder's Deficit	(79,143)	(25,475)
Total Liabilities and Stockholders' Equity	\$ 824,477	\$ 860,584



Global Eagle Entertainment Inc.
Reconciliation of GAAP to Non-GAAP Measure
(In thousands)
(Unaudited)

	Three Months Ended	
	June 30,	
	2018	2017
Net loss to Adjusted EBIDTA reconciliation		
Net loss	(45,910)	(44,130)
Interest expense, net	19,755	14,807
Income tax expense	3,722	4,024
Depreciation and amortization and loss on disposal and impairment of fixed assets	29,657	24,456
Change in fair value of financial instruments	655	445
Other (income) expense	673	(653)
Goodwill impairment expense	—	—
Stock-based compensation expense	2,230	992
Strategic-transaction, integration and realignment expenses	5,775	6,588
Internal-control and delayed audit expenses	3,847	6,650
Excess content expenses	—	677
Securities class-action expenses	—	168
Losses on significant customer bankruptcies	—	2,537
Restructuring expenses	—	—
Adjusted EBITDA	20,404	16,561

See "About Non-GAAP Financial Measures" above, including our definition of Adjusted EBITDA described therein.

2Q 2018 Results

Global Eagle Entertainment Inc.
August 9, 2018

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Forward-Looking Statements

We may make forward-looking statements in this presentation within the meaning of the Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements with respect to our expected Adjusted EBITDA, revenue and margin growth in future periods, our aviation-connectivity installations in future periods, our business and financial-performance outlook, industry, business strategy, plans, business and M&A integration activities, capital expenditures, operating-expense and cost-structure improvements and reductions, future operations, margins, profitability, future efficiencies and other financial and operating information. These statements may be preceded by, followed by or include the words "may," "might," "will," "will likely result," "should," "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "continue," "target" or similar expressions. These forward-looking statements are based on information available to us as of the date they were made, and should not be relied upon as representing our views as of any subsequent date. These forward-looking statements are subject to a number of risks and uncertainties, including without limitation those risks and uncertainties described in our most recent annual report on Form 10-K and subsequently filed reports on Form 10-Q. As a result, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Participants

Prepared remarks:

Josh Marks
Chief Executive Officer

Paul Rainey
Chief Financial Officer

Peter Lopez
VP Investor Relations

Additional Q&A participants:

Jeff Leddy
Executive Chairman

Per Norén
Chief Commercial Officer

Walé Adepoju
Chief Strategy Officer

Global Eagle™

**Solutions that connect,
entertain and inform
passengers and remote
workers, enriching time
with fast Internet, live TV,
games and applications**



Market Leadership Position

Smartphone & tablet connectivity



Portals and apps to engage end-users



Seatback movies & IFE media services



Analytics that inform loyalty & guest services



- Provider of **satellite-based passenger connectivity** for single-aisle airliners
- Independent distributor of **global content** to aviation industry
- **Live television broadcaster** to maritime and aviation markets
- **Inflight games and seatback IFE interface design services**

Focused Execution

2Q revenue \$166 million (+6.6%), Adjusted EBITDA¹ \$20.4 million (+23.4%)

Healthy Core

Expand relationships with our customers

Expect to reduce operating expenses by \$16-\$24 million annual run rate by YE 2018

Profitable Growth

Recover margins in our content business

Drive connectivity growth through solution value, not subsidies

Transform & Innovate

Modernize ERP, improve financial reporting

Transition to digital content supply chain

Drive new network efficiencies

Aviation Market

Media & Content

- Growth in revenue and gross margin
- First airlines on our new digital content supply chain launch at year-end 2018

Inflight Connectivity

- Continued installations on Southwest
- SES HTS capacity deployed in Americas
- Norwegian won "Best Wi-Fi" APEX award
- FAA-approved new three-axis antenna (400 Mbps)
- Now retrofit *and* linefit certified for B737 MAX
- Significant installations in 2H 2018 on our unnamed major European carrier
- China: 1st active domestic single-aisle IFC

6 2Q 2018 Webcast



Maritime & Land Market

Cruise & Ferry

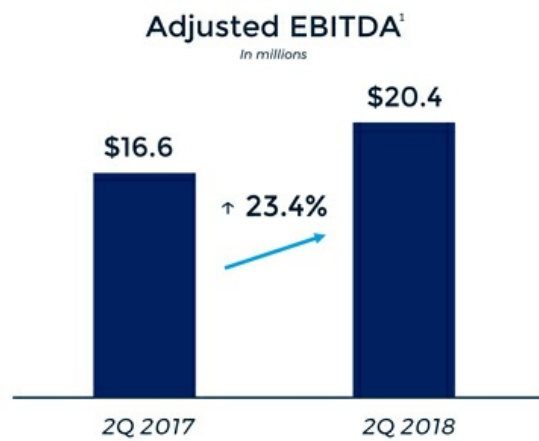
- Revenue growth ↑ 8% vs 2Q 2017
- 212 vessels connected as of June 30
- TV vessel count ↑ 20% and cabins ↑ 50% vs 2Q 2017
- LEO testing (with Telesat) expected in 4Q 2018

Other Maritime & Land Segments

- Shifting resources to support growth in more profitable maritime & land segments
- Brazil, yachts, and government activity all driving top-line and margin growth
 - Brazil backlog drives 2x revenue growth in Brazil
- Winding down cellular backhaul business
- Expanding US military business



2Q18 Financial Results



¹ See the "Non-GAAP Reconciliation" and "Adjusted EBITDA Definition" slides in the back of this presentation.

Transformation Execution

Cost reduction efforts starting to show results

- 2Q 2018 benefitted from ~\$1 million of operating expense savings, or \$12 million annualized benefit
- Labor actions driving \$10 million annualized benefit
- ERP consolidation driving process standardization by YE 2018, with 90% of financial data on one platform
- Additional cost-saving actions are in process of implementation in 2H 2018, including office footprint consolidation

Business Outlook

Maintaining expectations for 2018:

- Revenue \$655 - \$670 million
- Minimum 25% Adjusted EBITDA growth year-over-year
- Capex of less than \$42 million
- Operating-expense reduction 10 - 15% run rate by YE 2018

Questions & Answers

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Non-GAAP Reconciliation

Net loss to Adjusted EBITDA reconciliation	Three Months Ended	
	June 30,	
	2018	2017
Net loss	(45,910)	(44,130)
Interest expense, net	19,755	14,807
Income tax expense	3,722	4,024
Depreciation and amortization and loss on disposal and impairment of fixed assets	29,657	24,456
Change in fair value of financial instruments	655	445
Other (income) expense	673	(653)
Goodwill impairment expense	-	-
Stock-based compensation expense	2,230	992
Strategic-transaction, integration and realignment expenses	5,775	6,588
Internal-control and delayed audit expenses	3,847	6,650
Excess content expenses	-	677
Securities class-action expenses	-	168
Losses on significant customer bankruptcies	-	2,537
Restructuring expenses	-	-
Adjusted EBITDA	20,404	16,561

Adjusted EBITDA Definition

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States, or GAAP, we present Adjusted EBITDA, which is a non-GAAP financial measure, as a measure of our performance. The presentation of Adjusted EBITDA is not intended to be considered in isolation from, or as a substitute for, or superior to, net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities or any other measures of our cash flows or liquidity. Further, we note that Adjusted EBITDA as presented herein is defined and calculated differently than the "Consolidated EBITDA" definition in our senior secured credit agreement and in our second lien notes, which Consolidated EBITDA definition we use for financial-covenant-compliance purposes and as a measure of our liquidity. For a reconciliation of Adjusted EBITDA to its most comparable measure under GAAP, please see the slide entitled "Non-GAAP Reconciliation" in this presentation.

Adjusted EBITDA is one of the primary measures used by our management and Board of Directors to understand and evaluate our financial performance and operating trends, including period to period comparisons, to prepare and approve our annual budget and to develop short and long term operational plans. Additionally, Adjusted EBITDA is one of the primary measures used by the Compensation Committee of our Board of Directors to establish the funding targets for (and subsequent funding of) our Annual Incentive Plan bonuses for our employees. We believe our presentation of Adjusted EBITDA is useful to investors both because it allows for greater transparency with respect to key metrics used by our management in their financial and operational decision-making and because our management frequently uses it in discussions with investors, commercial bankers, securities analysts and other users of our financial statements.

We define Adjusted EBITDA as net income (loss) before (a) interest expense (income), (b) income tax expense (benefit) and (c) depreciation and amortization (including relating to equity-method investments) and (gain) loss on disposal and impairment of fixed assets, and we then further adjust that result to exclude (when applicable in the period) (1) change in fair value of financial instruments, (2) other (income) expense, including primarily, (gains) losses from investments and foreign-currency-transaction (gains) losses, (3) goodwill impairment expense, (4) stock-based compensation expense, (5) strategic-transaction, integration and realignment expenses (as described below), (6) auditor and third-party professional fees and expenses related to our internal-control deficiencies (and the remediation thereof) and complications in our audit process relating to our control environment, (7) excess content expenses (as described below), (8) securities class-action expenses (as described below), (9) losses on significant customer bankruptcies (as described below) and (10) restructuring expenses pursuant to our September 2014 integration plan. Management does not consider these items to be indicative of our core operating results.

Adjusted EBITDA Definition (continued)

"Excess content expenses" includes the additional purchasing costs that we incurred in 2017 to procure movie content for our customers, notwithstanding that we could have procured equivalent content under our (preferential-pricing) output arrangements with major studios. We incurred these additional costs because we could not timely identify and measure our movie-content expenditures and procurement during the period due to weaknesses in our control environment.

"Losses on significant customer bankruptcies" includes (1) our provision for bad debt associated with the bankruptcies of Air Berlin and Alitalia (two of our Media & Content customers) in 2017, together with (2) the costs (*e.g.*, content acquisition fees) that we incurred to maintain service to those customers during their bankruptcy proceedings in order to preserve the customer relationship.

"Securities class-action expenses" includes third-party professional fees and expenses associated with the securities class-action lawsuits filed against us in 2017.

"Strategic-transaction, integration and realignment expenses" includes (1) transaction-related expenses and costs (including third-party professional fees) attributable to acquisition, financing, investment and other strategic-transaction activities, (2) integration and realignment expenses and allowances, (3) employee-severance, -retention and -relocation expenses, (4) purchase-accounting adjustments for deferred revenue, costs and credits associated with companies and businesses that we have acquired through our M&A activities, (5) service-level-agreement penalties incurred during our Eagle-1 migration and setup in its new orbital slot in 2017, and (6) claims at companies or businesses that we acquired through our M&A activities for underlying liabilities that predated our acquisition of those companies or businesses. In respect of clause (6) in this definition, we include (*i.e.*, exclude from net income (loss)) any estimated loss contingencies and provisions for legal settlements relating to those liabilities.