

GILAT SATELLITE NETWORKS LTD

Form 6-K

February 13, 2018

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FORM 6 – K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report on Foreign Issuer

Pursuant to Rule 13a – 16 or 15d – 16  
of the Securities Exchange Act of 1934

For the Month of February, 2018

Gilat Satellite Networks Ltd

(Translation of Registrant’s Name into English)

Gilat House, Yegia Kapayim Street  
Daniv Park, Kiryat Arye, Petah Tikva, Israel  
(Address of Principal Corporate Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F            Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes            No

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Attached hereto is Registrant's IR presentation as posted on Registrant's website.

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, thereunto duly authorized.

Gilat Satellite Networks Ltd.  
(Registrant)

Dated February 13, 2018 By: /s/ Yael Shofar  
Yael Shofar  
General Counsel

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**Forward Looking Statements Disclaimer** Certain statements made in this presentation that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words "estimate", "project", "intend", "expect", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties. Many factors could cause the actual results, performance or achievements of Gilat to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, inability to maintain market acceptance to Gilat's products, inability to obtain financing and/or timely develop and introduce new technologies, products and applications, rapid changes in the market for Gilat's products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company's proprietary technology and risks associated with Gilat's international operations and its location in Israel. Gilat undertakes no obligation to update or revise any forward-looking statements for any reason. For additional information regarding these and other risks and uncertainties associated with Gilat's business, reference is made to Gilat's reports filed from time to time with the Securities and Exchange Commission.

**Unaudited/Non-GAAP Financial Measures** This presentation includes financial data that is not audited and financial data that was not prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Non-GAAP financial measures appearing in this presentation consist of GAAP financial measures adjusted to exclude, non cash share-based compensation expenses, impairment of goodwill and long lived assets, amortization of acquired intangible assets, restructuring, trade secrets litigation expenses, tax expenses under amnesty program and other non-recurring expenses and net income or loss from discontinued operations. Gilat believes these non-GAAP financial measures provide consistent and comparable measures to help investors understand Gilat's current and future operating performance. However, our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read in conjunction with Gilat's consolidated financial statements prepared in accordance with GAAP. Additionally, these non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies.

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Gilat – Boundless

Communications MOBILITY MOBILE Air Land Enterprise Consumer 4G/5G Sea MOST ADVANCED  
TECHNOLOGYTerrestrial-grade user experience END-TO-END SERVICEMost stringent service levels GLOBAL  
PRESENCE20 sales offices RURAL BROADBAND 2G/3G Established 1987 NASDAQ / TASE: GILT ~1,100  
employees

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Global Footprint – Expanding a Diverse Customer Base 300+ customers 500+ Networks 90+ countries SYSTEM  
INTEGRATORS GOVERNMENTS SATELLITE OPERATORS CARRIERS & SERVICE PROVIDERS

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Booming capacity – GEO + LEO/MEO Global HTS Bandwidth Supply, Demand and Price per  
Mbps \$/Mbps/Month Gbps ~16 times today Source: Euroconsult, NSR, 2017 ABUNDANCE OF  
CAPACITY UNLOCKS NEW MARKETS

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Affordable Internet Everywhere is Becoming a “Birth Right” WE ALL WANT BROADBAND Everywhere.  
Anytime. Affordable. WE ALL WANT BROADBAND Everywhere. Anytime. Affordable. Mobility Rural  
Broadband Mobile SATELLITE DELIVERS Affordable, Plentiful, Terrestrial-grade User Experience

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Accelerating Connectivity – Growth Areas for Gilat Mobile Cellular Backhaul, Network Resilience, Public Safety Rural Broadband Broadband to the Unserved and Underserved Mobility In the Air, at Sea, on the Ground

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Mobile

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MOBILE – Leading the Fast Growing Satellite Backhaul Market \$720M(2016) \$2,900M(2026) Satellite Backhaul Market Gilat is the fastest growing player in the vertical. It recently won large projects, boosting its market share...” “ Source: NSR, March 2017

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Global End-to-End Services Affordable true LTE Backhaul MOBILE – Enabling “Terrestrial-grade” User Experience Delivering “terrestrial-grade” User Experience Rapid network deployment Expanding coverage to: rural, highways, islands, tourist centers, campuses, metro-edge and metro areas Replacing leased lines and upgrading T1s/E1s Delivering comprehensive services Expertise in integrating ground and sat networks Experience with tier-1 MNOs worldwide Generating recurring revenues

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T-MobileCellular backhaulProject

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70 Million subscribers, 308 million POP50,000 employees2016 revenues: \$37.2 BillionOver 1M net adds per quarter,  
17 quarters in a row T-Mobile Coverage Map(as of December 31, 2016) T-Mobile Coverage Map(as of December  
31, 2017)

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Multi-year Managed Satellite-based LTE Backhaul Service Scope: Expanding T-Mobile's 4G/LTE coverage throughout the US Rural areas, destinations and highways where fiber delivery is challenging Emergency response and disaster recovery – Miami, Puerto Rico Selection criteria Technology leadership - Successfully passing T-Mobile's rigorous performance and high standards of customer experience Service leadership - Providing an end-to-end satellite-based backhaul service, that meets T-Mobile's integration tests with its core network

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Mobility

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MOBILITY – Superior Passenger Experience Drives Demand 3,800(2016) 28,400(2026) Satellite Broadband  
Connected Aircrafts Source: NSR, May 2017 \$280M(2016) \$590M(2026) Aero Satellite Equipment Market

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MOBILITY – Delivering Superior Passenger Experience ~2,000 aircrafts World’s Fastest SpeedIn-Flight  
Connectivity

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Leading Performance Solutions for All In-Flight Connectivity Modules Ku and Ka Transceivers Dual Band Ku/Ka  
Antenna 400Mbps Modem ESA/PAA

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Rural Broadband

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RURAL BROADBAND – Delivering Core Infrastructure Supporting Nation Building Growing service revenues Target:Recurring revenues >\$50M / year, profitable, starting 2019 Broadband to unserved & underserved Bridging the digital divide Connecting communities and individuals to the world via broadbandInnovating to deliver affordable Consumer and Enterprise solutions Large governmental projects in Peru and Colombia Peru – FITEL projectsA \$2B+ program to build terrestrial networksacross Peru8 Regional Projects awarded so far - 4 to Gilat (~\$400M)~\$230M construction revenue ~\$170M operational revenue over 10 years

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National Broadband Network (NBN) Enterprise project

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NBN Co and Speedcast Select Gilat for Business and Enterprise Satellite Service in Australia; Valued at Tens of Millions of Dollars February 5, 2018 Gilat to deliver the satellite platform for NBN Co to serve nationwide business in regional and rural Australia

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NBN - National Broadband Networks AUSTRALIA Established in 2009, government-owned, budget of \$49B  
Objective is to extend broadband to rural Australia Launched 2 satellites (Skymuster 1A and 1B) – 135 Gbps over 202  
beams in 2016 Active service to approximately 70,000 consumers

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The Enterprise project Extending broadband connectivity to enterprises and government entities in rural Australia (agriculture businesses, banks, government service offices etc.)Speedcast (Australian service provider) as the prime vendor to provide full managed services, including: installations, maintenance of remote sites, BSS/OSS, program managementPer Speedcast PR - initial deal size of \$107M AUD (\$84M USD) expected to grow up to \$184M AUD (\$140M USD)Gilat as a key supplier, providing: network design, technology, equipment and 10 years of network management (NOC) NBN Speedcast Gilat Other Vendors GILAT IS PART OF THE DIRECT NBN GOVERNANCE.

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Why GILAT Solution is based on our cloud-based distributed X-architectureSingle platform for multi-applications, giving satellite operators the flexibility to expand customer-base according to market demand (Enterprise, Cellular Backhaul, Consumer, Mobility)High spectral efficiency (meaning: more capacity per user or more customers on same capacity), enabling satellite operators to better monetize their investment SkyEdge II-c

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2017 Summary

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2017 Summary 2016 2017 2017 2017 targets modified  
targets actual Revenue \$280M \$280M-\$300M \$280M-\$290M \$283M Adjusted  
EBITDA \$19.2M \$20M-\$24M \$22M-\$26M \$26.2M Rural Broadband Mobility Mobile + more

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Financial Indicators and Analysis

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yearly Profit and Loss Highlights US\$ millions Revenues\$282.8M (\$279.6M)1%YoY Gross ProfitGAAP 29% (27%)Non GAAP 31% (29%) Revenues wo Terrestrial Infra\$204.5M (\$188M)9% YoY Mobility RevenuesMainly IFC\$88.4M (\$62.9M)41% YoY OPEXGAAP \$71.6M (\$74.7M)Non GAAP \$68.8M (\$68.6M) Operating ProfitGAAP \$10.9M (\$0.8M)Non GAAP \$18.5M (\$11.7M) Net ProfitGAAP \$6.8M (\$5.3M loss)Non GAAP \$14.6M (\$5.6M) Operating Margin GAAP 4% (0%)Non GAAP 7% (4%) Adjusted EBITDA\$26.2M (\$19.2M)

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yearly Profit and Loss Highlights US\$ millions, except per share data \* Include tax amnesty, goodwill impairment, restructuring cost and trade secrets litigation expenses\*\* Adjustments reflect the effect of non-cash stock based compensation as per ASC 718, amortization of intangible assets related to shares acquisition transactions, impairments, restructuring costs, trade secrets litigation expenses and tax expense under amnesty program

	GAAP	2015	2016	2017	Revenues	197.5	279.6	282.8	Gross Profit	44.1	75.5	82.5	Gross Margin	22%	27%	29%	R&D net	22.4	24.9	28.0	S&M	24.8	23.4	23.8	G&A	17.8	22.0	18.5	Other expenses*	22.7	4.4	1.3	Operating income (loss)	(43.7)	0.8	10.9	Net income (loss)	(52.3)	(5.3)	6.8	Diluted EPS	(1.16)	(0.10)	0.12	Non-GAAP**	Gross Margin	30%	29%	31%	Operating Income	(loss)	(3.4)	11.7	18.5	Net income (loss)	(11.8)	5.6	14.6	Adjusted EBITDA	6.1	19.2	26.2
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Quarterly Profit and Loss Highlights US\$ millions, except per share data GAAP Q4 16 Q1 17 Q2 17 Q3 17 Q4 17

	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
Revenues	80.3	63.9	66.2	69.9	82.7
Gross Profit	24.2	17.3	19.6	20.3	25.2
Margin	30%	27%	30%	29%	31%
R&D	6.5	6.7	6.2	6.9	8.2
S&M	6.2	5.8	5.6	5.8	6.6
G&A	4.2	4.0	5.3	4.3	5.0
Other expenses	0.9	0.8	0.7	-	(0.2)
Operating income	6.5	0.0	1.9	3.3	5.6
Net income	4.5	(0.8)	2.1	2.1	3.4
Diluted EPS	0.08	(0.01)	0.04	0.04	0.06
Non-GAAP**					
Gross Margin	32%	29%	31%	31%	32%
Operating Income	9.0	2.5	4.1	4.9	7.0
Net income	7.0	1.7	4.6	3.6	4.7
Adjusted EBITDA	10.8	4.2	5.9	7.1	9.0

\* Include tax amnesty and trade secrets litigation expenses\*\* Adjustments reflect the effect of non-cash stock based compensation as per ASC 718, amortization of intangible assets related to shares acquisition transactions, impairments, restructuring costs, trade secrets litigation expenses and tax expense under amnesty program

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Gilat revenues & terrestrial infrastructure breakdown US\$ millions \$285M-\$305M \$283M \$280M

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Yearly Revenue per Segment US\$

millions 41% (11%) ~25% ~14% (10%) (~19%) \$285M-\$305M \$283M \$280M

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Geographic revenue breakdownUS\$ millions \* Data excludes construction of the terrestrial infrastructure in Peru  
2016 2017

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Balance Sheet Highlights US\$ millions 1) Including cash and cash equivalents, restricted cash and net of short term bank credits 2) DSO calculation excludes services segment revenues and AR Cash and equivalents 1 \$86.8 (\$111.6) DSO 275 days (89 days) Total Assets \$386.8 (\$383.2) Cash From Operation \$20.8M (\$10.8M) Total Debt \$17.1 (\$21.5) Shareholders equity \$218.3M (\$209.8M)

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2018 guidelines and outlook – increased profitability US\$ millions Revenues \$285M-\$305M (\$282.8M) 1%-8% YoY >60% of 2018 revenues from current backlog Revenues w/o Terrestrial Infra \$247M-\$263M (\$204.5M) 21%-29% YoY Mobility Revenues Mainly IFC \$98M-\$103M (\$88.4M) 11%-17% YoY Operating Profit GAAP \$17M-\$21M (\$10.9M) Non GAAP \$21M-\$25M (\$18.5M) Operating Margin GAAP 4% (4%) Non GAAP 7% (7%) Adjusted EBITDA \$30M-\$34M (\$26.2M) 15%-30% YoY

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Executing Profitable Growth Strategy Annual Revenues Adjusted EBITDA Revenues: \$285M - \$305M GAAP  
Operating Profit: \$17M - \$21M Adjusted EBITDA: \$30M - \$34M GAAP Operating Profit 2018 Management  
Objectives (US\$ millions)

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In Summary – Uniquely Positioned for Unlocking Opportunities Demand for plentiful affordable broadband, anywhere anytime, is soaring Focused on strategy execution and profitability Leading in the main growth areas – Mobile Backhaul & IFC Mobility Oversupply of capacity unlocks new markets

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