

Telesat Corporation (Q2 2025 Results)
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Corporate Speakers

- James Ratcliffe; Telesat Corporation; Vice President, Investor Relations
- Daniel Goldberg; Telesat Corporation; President and Chief Executive Officer
- Andrew Browne; Telesat Corporation; Chief Financial Officer
- Michel Forest; Telesat Corporation; Chief Technical Officer

Participants

- David McFadgen; Cormark Securities; Director
- Caleb Henry; Quilty Space; Analyst
- Edison Yu; Deutsche Bank; Analyst
- Walter Piecyk; LightShed Partners; Partner and Analyst

PRESENTATION

Operator: Thank you for standing by. At this time I would like to welcome everyone to Telesat Second Quarter 2025 Financial Results Call. (Operator Instructions) Thank you.

I would now like to turn the conference over to James Ratcliffe, Vice President, Investor Relations.

Please go ahead.

James Ratcliffe: Thank you, [Denny]. Good morning, everyone. And thank you for joining us today.

Earlier this morning, we filed our quarterly report for the period ending June 30, 2025, on Form 6-K with the SEC and on SEDAR+.

Our remarks today may contain forward-looking statements. There are risks that Telesat's actual results may differ materially from the results contemplated by the forward-looking statements as a result of known and unknown risks and uncertainties.

For a discussion of known risks, please see Telesat's annual report and updates filed with the SEC.

Telesat assumes no responsibility to update or revise these forward-looking statements.

I'd now like to turn the call over to Dan Goldberg, Telesat's President and Chief Executive Officer.

Daniel Goldberg: Okay. Thanks, James. And thank you all for joining us this morning.

Q2 was in line with our expectations, and I'm pleased with Telesat's performance in the first half of this year in both our GEO and LEO segments.

In GEO, our team continues to execute in a highly disciplined, focused manner with the Nimiq 5 renewal with DISH in Q4 last year providing the biggest top line headwind as far as year-over-year comparisons are concerned.

In LEO, we're moving forward rapidly on both the technical and commercial aspects of Telesat Lightspeed. We're making steady progress on the development of the satellites, ground infrastructure and the software for the network. I'm very pleased with the work that's taking place.

On the commercial side, we're seeing strong interest in Telesat Lightspeed from customers across our target segments, particularly with respect to aero and government users at this time.

We have a robust pipeline of opportunities at various stages of development, and we're working hard to turn them into completed deals and committed backlog, which for Telesat Lightspeed was above CAD 1 billion at the end of the second quarter and up slightly from the last time we spoke, adjusting for movements in FX. We'll update you on our progress as the year unfolds.

Lastly, and as we've noted before, we remain focused on refinancing the restricted group debt that begins to come due in December next year and expect to engage with our lenders in the near term.

We've also been progressing with our search for a new CFO given Andrew's planned retirement, and we expect to have some clarity there in the near future as well.

And speaking of Andrew, I'll hand over to him now so he can speak to the numbers in more detail before opening the call up to questions.

Andrew Browne: Thank you, Dan. Good morning, everyone.

I would now like to focus on highlights from this morning's press release and filings.

In the second quarter of 2025, Telesat reported consolidated revenues of \$106 million, adjusted EBITDA of \$59 million and year-to-date generated cash from operations of \$108 million, thus ending the quarter with CAD 547 million in cash.

For the second quarter of 2025, revenues decreased by \$46 million to \$106 million from the second quarter of 2024.

Operating expenses decreased by \$6 million to \$51 million and adjusted EBITDA decreased by \$45 million to \$59 million. The adjusted EBITDA margin was 55%. I would also note that the margin in the GEO segment was approximately 70%.

The revenue decrease for the quarter was primarily due to a lower rate on the renewal of a long-term agreement with a North American direct-to-home customer. Other factors included reductions in services for certain enterprise customers, particularly an Indonesian rural broadband program, lower consulting revenues, and a reduction in services to another North American direct-to-home customer.

The decrease in operating expenses was primarily due to higher capitalized engineering costs, lower consulting costs, and lower share-based compensation, and offset by higher Telesat Lightspeed headcount along with higher legal and professional fees.

As usual, we break out the performance of our LEO and GEO segment separately in Note 4 of our financial statements filed on Form 6-K.

Interest expense decreased by \$8 million during the second quarter when compared to the same period in 2025. The decrease in interest expense was primarily due to the impact of our debt repurchases.

Speaking of which to note, the cumulative amount of debt repurchased is USD 857 million at a cost of USD 462 million, an average price of just under \$0.53. This also results in interest savings of approximately USD 53 million annually. Including previous repayments of approximately USD 356 million of our Term Loan B, our overall debt is reduced by approximately 36%.

In the second quarter, we recorded a gain on foreign exchange of \$115 million as compared to a loss of \$34 million in the second quarter of 2024.

Our net income for the second quarter was \$76 million compared to net income of \$129 million for the same period in the prior year. The variance was due to lower revenues, loss related to the change in the fair value of financial instruments, smaller gain on debt repurchases, partially offset by the foreign exchange gain I've mentioned a little bit earlier.

For the first half of 2025, the cash inflows from operating activities were \$108 million, and cash flows used by investing activities were \$413 million.

In terms of capital expenditures incurred, almost all were related to Telesat Lightspeed.

During the first half of 2025, we completed the first two draws on our financing facilities with the government of Canada and government of Quebec, thus receiving CAD 340 million.

Guidance. As you will also have noted in our earnings release this morning, we have reiterated our guidance for 2025. This guidance assumes a Canadian dollar to U.S. dollar exchange rate of CAD 1.42.

For 2025, we continue to expect full year revenues to be between \$405 million and \$425 million.

In terms of operating expenses, excluding share-based compensation, we expect to spend approximately \$110 million to \$120 million on Telesat Lightspeed this year compared to \$74 million in 2024.

In terms of adjusted EBITDA, we expect to be between \$170 million to \$190 million.

In respect to capital expenditures and as previously disclosed, we continue to expect our 2025 capital expenditures to be in the range of CAD 900 million to CAD 1.1 billion, which is nearly all related to Telesat Lightspeed.

To meet our expected cash requirements for the next 12 months including interest payments and capital expenditures, we have approximately \$550 million of cash and short-term investments at the end of June as well as \$2.2 billion available under our funding agreements with the government of Canada and Quebec.

At the end of the second quarter, the total leverage ratio as calculated under the terms of the amended senior secured credit facilities was 7.51x. Telesat is in compliance with all the covenants in our credit agreements and indentures.

A reconciliation between our financial statements and financial covenant calculations is provided in the report we filed this morning. Our 6-K provides the unaudited interim condensed consolidated financial information in the MDA. The non-guarantor subsidiaries are essentially the unrestricted subsidiaries with some minor differences.

So with this, I conclude our prepared remarks for the call. Very happy now to turn back to the operator and address any questions you may have. And thank you very much.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question comes from the line of David McFadgen with Cormark Securities.

David McFadgen: A couple of questions. So just first of all, on the LEO backlog, when you reported Q1, you said the backlog was about \$1.1 billion. But this time you say it's over \$1 billion. So -- but then, Dan, you said that it's up slightly from when you reported Q1. So it is like slightly above \$1.1 billion then, I guess?

Daniel Goldberg: It is. Well so the deal is we report our -- and David, by the way, thanks for the questions. We report the backlog in Canadian dollars, but for both GEO and LEO, it's a mix of different currencies. For LEO, it's a mix of U.S. and Canadian.

And fundamentally, over the quarter, the -- and relative to where kind of the U.S. dollar and the Canadian dollar sat at the end of Q1, the Canadian dollar has gotten a little bit stronger.

So when we take the U.S. dollar backlog and convert it into Canadian dollars, it wasn't showing up with as many Canadian dollars at the end of Q2 as it did at the end of Q1. So that's really what it was.

Now we added a little bit of a small incremental LEO contract, which on an apples-to-apples basis would have made Lightspeed backlog a little bit higher at the end of Q2 than it was at the end of Q1. So anyway, that's what was going on there.

David McFadgen: Yes, because you guys announced Arabsat and Vocus after you reported your Q1. So (multiple speakers) --

Daniel Goldberg: Well to be clear, so Vocus -- I think Vocus might have been a little something, wasn't massively material. Arabsat, I think we just signed a term sheet or a letter of intent with them. So that has no backlog contribution at this point at least.

David McFadgen: Okay. And because I think Space Norway as well has a term sheet, have you concluded anything with them yet?

Daniel Goldberg: Same thing. No. Not yet. Same thing. We don't count term sheets as until we have a final definitive agreement, it doesn't go into backlog.

David McFadgen: Okay. All right. So then on the debt negotiations, restructuring the debt, I mean I believe that you're talking to your debt holders. I was just wondering if you can give us any update there and whether you still think it's possible to conclude this in 2025?

Daniel Goldberg: I think -- so I would say that we really haven't started to engage with the restricted group debt holders at this point. We will soon is what our expectation is, but we haven't yet.

As far as how long it will take to reach an agreement on refinancing, I think it's conceivable that it could get done by the end of this year. But until we engage and get a better sense of it, I'd say hard to tell.

David McFadgen: Okay. I mean I'm just wondering why it's taking so long to start engaging with them. Can you provide any information on why it's taking so long?

Daniel Goldberg: Yes. There's no great mystery. I'd say that it's a process that we need to go through on our side, working with our advisers, working with our Board. It is absolutely a priority for us. But obviously we've got a lot of other things going on at the company as well.

So anyway, it's a combination of all of that. And -- but I think that, as I said, I think we'll be in a position to engage in the near term.

David McFadgen: Okay. And then just on the GEO business, you referenced a couple of big contracts that's -- you renegotiated those, and that's why the business is declining the way it is. I

mean when do you lap that or those two deals? And then do you think the decline would ease up?

Daniel Goldberg: Yes. So look, the declines, I mean I was looking at the numbers earlier, obviously. And we highlight in the earnings release basically two North American DTH customers. So one was DISH on the Nimiq 5 renewal. The other one would be Shaw, now Rogers, which is no longer using Anik F2.

And then the other two that we highlighted were a rural broadband program in Indonesia, where some Indonesian domestic satellites have come online and are taking some more of that business. And I also think just that whole broadband program was sort of getting refinanced or there were some questions around its funding.

And then lastly, on the LEO consulting side, we had been doing some work with NASA, but that is sort of a lumpy contract. Those four things, DISH, Shaw, Indonesia Broadband and NASA account for roughly 3/4 of the decrease in revenue.

So as far as when things kind of flush out, I think we did the DISH renewal. That's been the biggest headwind this year. We did that in October of last year. So it will have -- come Q4, we'll start to kind of get even with that, not entirely.

And then I'd say the other thing that -- and again, not giving guidance for 2026, but I'd say the other North America DTH contract that will provide a headwind, it would be Nimiq 4. Nimiq 4 is with Bell. That satellite has about another year plus of life on it, but it's not our expectation that Bell will renew when that contract comes up in October. They'll consolidate their activities on Nimiq 6. So that will be kind of the next contract that's coming up that I think will provide a headwind. But in any event -- so we'll give guidance for 2026.

I'd say that, yes, some of the big headwinds on the North America DTH side with the exception of that Nimiq 4 contract will have flushed their way through, and then we'll go from there.

David McFadgen: Okay. And then just lastly, on the Q1 call you seem pretty optimistic on the interest or demand for Lightspeed, just given what's happening geopolitically or just what's happening in the market. Are you still -- do you still have the same level of optimism?

Daniel Goldberg: Yes, 100%. I noted in my remarks that the pipeline for Lightspeed is robust. I noted that, that's particularly the case for aero and for government.

Obviously we did the Viasat deal. It was technically in Q2, although we announced it when we did our Q1 numbers, and we see more opportunities there.

And Viasat is, I'd say, principally about commercial aero connectivity, although I believe they'll leverage Lightspeed for some of their other verticals as well. And we see more opportunities out there on the commercial aero broadband front.

And then government. I've said before, it's always a little bit harder to handicap exactly when these government opportunities will land. But we see very meaningful opportunities out there for government including here in Canada.

Canada, like the rest of the U.S. allies is looking to spend more money on defense in part to meet NATO contribution commitments. I think Telesat Lightspeed is very well positioned to meet the government's requirements in terms of Northern sovereignty, NORAD modernization, making capabilities available to their allies.

And so yes, I think Telesat has a really meaningful opportunity there. But we've got work to do and nothing is done until it's done. But yes, we remain very bullish on our commercial prospects.

Operator: Next question comes from the line of Caleb Henry with Quilty Space.

Caleb Henry: Questions, a couple of questions.

First is just on OpEx for Lightspeed. Can you provide some visibility into how that's expected to trend throughout 2026 as the constellation moves closer to service entry?

Daniel Goldberg: In 2026 -- Caleb, thanks for the question.

So I mean Lightspeed expenses are ramping, particularly driven by headcount. I'd say we are a little bit slower off the mark for the first half of the year. We expect -- we've hired a lot of people, but we were expecting to hire even more people. We believe we will catch up from a headcount perspective toward the back end of the year.

And yes, that will continue to ramp into 2026. Again, we're not giving guidance on 2026 numbers, but our technical staff will continue to grow. We'll be starting to scale our commercial team in a more meaningful way starting in 2026.

I mean so much of the headcount growth that we've had has been mostly around technical staff to support the build-out of satellites, gateways, writing software, modems, user terminals and the like. But as we get closer to in-service, we've got to scale the commercial organization as well. And we've been doing that, but that will accelerate into the next year.

So anyway, but again, we'll provide guidance on that as we get closer to it.

Caleb Henry: All right. And then I know we talked last call a little about the state of user terminals and gateways and things. But can you provide a little more clarity on like when you think user terminals will be available? I think we talked about ThinKom and QEST and some others. Are you expecting those to be ready like the day Lightspeed turns on? Or are they ready now? Kind of how is that pacing alongside the constellations development?

Daniel Goldberg: Yes. So I mean to talk about user terminals, you kind of need to go vertical by vertical. And then you have to -- there are flat panel antennas. There are dual parabolic for certain applications for aero. There are the more mechanically steered antennas that exist today.

And so the mechanically steered antennas, they're obviously here now and Lightspeed is sort of backwards compatible with those provided that they're operating in Ka-band and recognizing also that they'll require a Lightspeed modem. And so those are available today.

On the flat panel side for aero, there are flat panel aero antennas today, and we are -- I'm trying to remember what we've announced and what we haven't announced.

Michel Forest: The development with QEST?

Daniel Goldberg: Yes. Thank you, [Michèle].

So we've announced on flat panel antennas for the aero segment development effort with QEST, which has a promising antenna. But there are others as well who are developing flat panel antennas.

So -- and yes, we expect those will be, frankly, all of our user terminals, whether they're flat panel antennas or in some cases, for kind of community aggregator applications that all of our user terminals including the antennas, obviously will be available in advance of our entry into commercial service.

So we've announced some of that already. We announced development with Intellian. We've just now referenced the development with QEST.

And I'd say stay tuned. We'll make some other announcements, too, on that front.

But it feels good. I mean we always expected there would be good developments on the user terminal front, particularly with respect to flat panel antennas and that is very much materializing.

Caleb Henry: Okay. And then last question, just sort of an obligatory Golden Dome question. I know there's been some discussion about Canada being involved. Is there any opportunity for Telesat Lightspeed to be involved in that? Or is that kind of too far out or too speculative?

Daniel Goldberg: It's probably all of that. On only too far out and too speculative. I mean I think it's fair to say that Golden Dome is something that's still being defined. It looks like it will be a network of networks and that space-based architectures at various orbits will form an important part of Golden Dome.

Whether Canada participates or not, I think, is still an open question. I think from what I've just read, the U.S. is receptive to Canada participating. And so -- anyway, so I'd say that's still an open question.

But I believe that Lightspeed, given its capabilities, given the orbit that we're flying at up at around 1,300 kilometers. Yes, I think that Lightspeed could make valuable contributions to Golden Dome. And so that's something that we're watching. We're certainly making sure that decision-makers are aware of the capabilities of Lightspeed.

And so yes, look, I think there's a reason we're investing billions of dollars in LEO, we're absolutely convinced that the world and our industry is moving to LEO in all of these different verticals that we're talking about, broadband connectivity, broadband to planes to ships, to rural communities to moving vehicles for government users.

It's just the -- for us, the overall trends are pointing to LEO. And LEO is hard, and there aren't that many of them. And particularly when you talk about architectures like Golden Dome, they need to be multiple networks to ensure resiliency. And so yes, we're very bullish about the positioning that Lightspeed will have.

So thanks for the question.

Operator: Next question comes from the line of Edison Yu with Deutsche Bank.

Edison Yu: I want to start off on Lightspeed. You highlighted aero and government. Could you shed some light on the discussions around pricing and usage dynamics going on? Obviously you had put out some forecasts in the past about the kind of revenue you're going to generate. And I assume there was some pricing embedded in that.

Are those kind of discussions implying pricing is where you think it is? Is it better or worse? And also in terms of the usage patterns, is it fixed versus variable? Just curious if you could shed more light on those elements.

Daniel Goldberg: Yes. I mean I'll tell you what we see right now. So for sure, we've got a model for Lightspeed. It goes vertical by vertical. We've got pricing assumed on a basically per megabit basis in every vertical.

It depends on what user terminal uses as well. Obviously the bigger the antenna, the more efficiency you get on the link. And so if someone is using a big antenna tend to give them a lower rate per megabit. If they have a little antenna, it means there are more inefficiencies in the link and you try.

So anyway, so just to give you a sense of what -- how that model is built up, and then for the deals that we've closed to date, I'd say probably on balance, the pricing is -- the pricing that we're seeing in the market and deals that we've closed is consistent with or higher than our pricing.

I'd say we've been not pessimistic on our pricing, but we built a model that, yes, we think that we can execute on. So we envisioned a world where pricing would be lower than where it is today and would come down over time.

I'd love to be proven wrong on that, but that's what we've assumed. And the pricing that has been in the contracts that we've closed on has been either consistent with or north of what's in our model. I'd say that's true of the conversations that we're having in terms of opportunities in the pipeline.

And so -- and as I said before, where we're seeing the most opportunities at this stage of Lightspeed. And by that, I mean we're not going to be in service until the end of 2027, where we're seeing the most opportunities right now the most concrete opportunities are in aero because there, you need a longer horizon for our partners to equip those airlines to be ready for Lightspeed.

So the planning cycles in aero tend to be among the longest, shorter in maritime shorter in, I'd say, terrestrial backhaul.

And then there's government and the governments tend to plan well in advance. And so those are the two verticals right now I'd say we're getting the most traction. So yes.

And then as far as volumes, yes, I've been pleasantly surprised. I'm glad to see that we're getting as much real traction as we're getting even with Lightspeed still not coming online until basically another, what is it, 1.5 years or something like that, 2.5 years.

Edison Yu: Understood. I appreciate the detailed color.

I wanted to ask about maritime. I know you said -- you just said that it's kind of shorter cycle time. Is that a market you think you will pursue, I guess, fairly aggressively? I would assume that the pricing dynamics there are probably less favorable than aero, government. But perhaps to your point, is it just cycle time? Or do you think it's more of a pricing or pricing competitive there?

Daniel Goldberg: No. So we will absolutely be pursuing maritime. Today, maritime probably represents, I don't know a little bit more than 5% of our total revenues, and that's down. That's down a lot. It's been cannibalized by Starlink because the maritime users like from what the market is telling us, they like the LEO value proposition. They like the low latency. They like the high throughput. They like the smaller antennas.

And so maritime is a great market for LEO and we'll be absolutely addressing that market with Lightspeed cruise, maritime transport, high-end yachts, the energy kind of offshore market. All of that, we think, is very promising.

Edison Yu: Understood. Understood. And last one, I actually wanted to shift to the GEO side.

I realize you're not providing kind of exact numbers going forward, but can we assume that GEO should at least be from a standalone basis, cash flow accretive or cash flow positive in the next few years? And if so, like when do you think that kind of becomes neutral or drag? Or I understand it could be quite a few years away, but how do you think about, I guess, the cash generation ability of GEO as it sort of trickles down?

Daniel Goldberg: Well I'm no finance guy. But it's pretty straightforward, I think, on GEO. I mean the reality is it's generating a lot of cash right now. And because we haven't been building new GEO satellites, it means there's not a lot of CapEx going out. There's very little maintenance CapEx in terms of GEO.

I think we do a really good job managing the operating expenses around GEO. We report our segments separately. And you can see that GEO still has a very favorable EBITDA margin. So we run that business very efficiently. And we still have almost \$1 billion of backlog left on GEO. And every quarter, we've got new stuff that comes up for renewal.

So net-net, we've been running backlog down, but we replenished some of it along the way with some renewals.

And so in terms of -- so yes, for the foreseeable future, it's free cash flow positive. It's accretive to our cash position. And that would, I think, only change in the next couple of years if we had a new opportunity to invest in GEO. And so then we're building a new GEO satellite, so there's cash flows out that would offset the cash flows in.

So anyway, so that's what it looks like right now. And we'd love to build a new GEO satellite provided that we feel good about the business case for the last like 10 years, we haven't been able to close a business case on either a new GEO satellite or even a replacement GEO satellite, just given everything that's been going on in the market.

But we still see some opportunities out there potentially. And so yes, so -- and we continue to work hard to develop a sound GEO business case. So that, I think, is what the outlook looks like.

Andrew Browne: Yes, absolutely, Dan. I agree.

Operator: (Operator Instructions) And our next question comes from the line of Walter Piecyk with LightShed Partners.

Walter Piecyk: Dan, with Kuiper kind of getting a little momentum at least in launches, just curious, can you update us on -- and they seemingly are going after a similar market, just kind of your competitive analysis there and whether they're under consideration for any of the business that you've been attempting to win ahead of your LEO launch?

Daniel Goldberg: Walter, yes. So look, we always knew Kuiper was coming. Every once in a while, somebody would question how committed Amazon was to Kuiper. I was always convinced that this was something that they're very, very serious about, and I continue to believe that. And I think it will be like Starlink, a very capable constellation.

And you're right, they're like Starlink, focused on the same verticals that we're focused on, plus consumer broadband. So again, like Starlink, we're not, as you know focused on the B2C direct-to-consumer market.

And yes, we see Kuiper out there in the market pitching themselves in all these different verticals that we're focused on. So -- which is all to say, as far as I'm concerned, nothing's changed. We knew they were coming. Maybe on balance, they're coming a little bit later than we had anticipated, but they're starting to launch now.

Walter Piecyk: Do you see them in RFP processes though or no?

Daniel Goldberg: Yes. That's a good question.

I mean the folks that kind of do more formal RFPs, it seems like the airlines certainly do that. We tend to support our channel partners in those RFPs. So I have a little less visibility there.

But I would say, I assume they're pitching in the aero segment. To date, that segment is being successfully won by the incumbent operators, so the Viasats of the world, the Gogos, Panasonic, Hughes has made some inroads there. And then, of course, Starlink.

So -- but I assume that Amazon -- I'm sorry, Kuiper is out there as well. And then we see them -- there are different government opportunities all around the world.

So yes, I mean it is as we expected. And I think that they'll have a great offering. I think that they'll get a lot of traction in the market. And I continue to believe that we will, too.

It's a big market. We've got certain capabilities that are differentiated. So yes.

Walter Piecyk: Is there value proposition enhanced because of their ability to tie it into AWS?

Daniel Goldberg: I think -- I mean look, they leverage a large ecosystem, and they will benefit from that. They leverage a large ecosystem in terms of AWS. They have deep capabilities in terms of, obviously software development, development of devices.

I mean Amazon is obviously one of the largest companies in the world. They've got Amazon Prime. So we'll leverage all of those things, I think, in a pretty effective way.

Walter Piecyk: Okay. And then on the tactical side, you have this company, AST, that has -- is in the process of sourcing some spectrum from Ligado, something I've asked you about historically on past calls, as you know. I think there's some other S-band that they identified today.

But also Starlink, I think, has been attempting to acquire additional spectrum from what's now EchoStar through an FCC process. We'll see how that goes, but it seems like there's some momentum there.

I'm just curious, and again, I know this is a question I've asked you many times over the years, but I just want to refresh, not just because if your peers doing, it doesn't necessarily mean you have to do it. But is there any interest or discussion or kind of where are you in the development

process of your birds that you could integrate additional spectrum? And why -- or why is that not important for the future of connectivity when you're seeing some of your peers, let's put AST aside for a second, but even Starlink, right, looking to add additional spectrum to their constellation?

Daniel Goldberg: So we're still sticking to our knitting in terms of enterprise broadband connectivity. We're well aware what others are doing in the direct-to-device market, and we wish them well. But we don't really have the spectrum for that. And our satellites that we're building today are absolutely optimized every amp, every kilo of mass is absolutely devoted to our core mission.

We do not have the capability to modify them in a way to add antennas or payloads to do direct-to-device. The satellites would look massively different than they do. We'd lose schedules. So that's not something that we're being distracted by.

And so yes, I mean to come back to it, Lightspeed is a significant undertaking from an engineering perspective, a commercial perspective, a regulatory perspective, a CapEx perspective. And so we've got to stay focused on that, and we are 1,000% focused on that, and I think making really good progress.

I think the value creation opportunity for Telesat, if we execute well on our Lightspeed plan is massive. And so we have to stay focused to capture that.

On the spectrum front, the FCC, it sounds like, is going to take another look at the portion of the C-band that they did not claw back in auction for 5G services. We continue to operate on C-band in North America. So maybe there's an opportunity there, but I don't think that's Telesat building a direct-to-device constellation. That's not on our radar.

Operator: Seeing no further questions, that concludes our Q&A session.

I'd like to turn the call back over to Dan Goldberg for closing remarks.

Daniel Goldberg: Okay. Well operator, thank you. And thank you all for joining us this morning, and we look forward to chatting with you again when we release our third quarter numbers. So thank you.

Andrew Browne: Thank you very much.

Operator: Ladies and gentlemen, that concludes today's call. Thank you all for joining, and you may now disconnect.