



KVH Announces Transformative Initiatives

February 13, 2024

Underpins KVH's Strategic Evolution to Become Leading Solutions-Driven Provider of Integrated Multi-Orbit, Multi-Channel Connectivity and Services

Announces Wind Down of Hardware Manufacturing, Realignment of Resources and Leadership Changes to Better Address Market Dynamics and Long-Term Opportunities

Anthony Pike to Become Chief Financial Officer

Richard Driscoll to Become Chief Technology Officer

MIDDLETOWN, R.I., Feb. 13, 2024 (GLOBE NEWSWIRE) -- KVH Industries, Inc. ("KVH" or the "Company") (Nasdaq: KVHI), today announced plans to wind down its hardware manufacturing operations to focus on strengthening its position as a streamlined provider of multi-orbit, multi-channel, integrated communications solutions. This development follows the Company's recently announced additions of Starlink and Eutelsat OneWeb to its connectivity portfolio and its exclusive maritime agreement with Kognitive Networks. The Company also announced changes to its management team.

Looking ahead, KVH is positioning to maintain its mobile-connectivity leadership as a hardware-agnostic provider of integrated communication solutions with a seamless approach to network management, encompassing versatile bandwidth delivery, cybersecurity tools and other value-added services, all bundled with KVH's recognized global service and support capabilities.

David Tolley, Chairman of KVH, commented, "Today's announcement is the culmination of the Board's extensive examination for how to best position KVH for the future as our markets continue to evolve. We have concluded that the Company should migrate away from capital-intensive manufacturing to become a more agile sales and service-oriented organization, using our expertise and global reach to deliver exceptional value-added solutions to the end markets we serve. We believe this adjustment will enable us to leverage our strong reputation, customer relationships and technology in a more flexible and sustainable manner going forward."

Strategic Realignment of Resources and Corporate Restructuring

As part of the Company's repositioning, KVH will conduct a staged and orderly wind down of manufacturing activities at its Middletown, Rhode Island, facility. During this process, KVH plans to manufacture enough maritime satellite connectivity and satellite television terminals needed to meet demand for the foreseeable future. The Company may explore opportunities to outsource the manufacturing of additional existing or new products, if there is market demand. KVH will continue to conduct its equipment repair and refurbishments, warehousing and shipping and receiving activities at the Middletown, Rhode Island location.

In conjunction with the strategic reorganization, the Company also announced certain management changes and transitions.

Roger Kuebel, KVH's Chief Financial Officer, will be stepping down from his role effective March 31, 2024. The Board of Directors of the Company has promoted Anthony Pike, KVH's Vice President Finance and Corporate Controller, to serve as the Company's Chief Financial Officer, effective April 1, 2024. To ensure a smooth transition, Mr. Kuebel will remain available to the Company through April 12, 2024.

Robert Balog, KVH's Chief Operating Officer with responsibilities for product engineering, will also be departing the Company effective April 12, 2024. Richard Driscoll, KVH's Senior Vice President, Network Operations & Service Development, has taken on the additional responsibilities of Chief Technology Officer, effective immediately.

Brent Bruun, President and CEO of KVH, stated, "I would like to thank Roger, Bob and the other valued employees departing KVH and express my sincere gratitude for their commitment, hard work, and many contributions over the years." Mr. Bruun continued, "While this realignment of resources is difficult for all of us, it is important progress for the Company in its evolution toward becoming a leaner, more agile, hardware-agnostic business focused on providing value-added solutions and services for our subscriber base."

As a result of these actions, the Company expects to reduce headcount by 75 employees, or approximately 20% of its workforce. A third of the reduction in personnel will take place by mid-March 2024, with the balance completed in the second quarter of 2024.

The Company expects to realize annualized cost savings of approximately \$9.3 million from the headcount reductions, with the full impact of these savings to be realized in 2025. KVH estimates that it will incur approximately \$3.3 million of pre-tax charges for severance and other costs related to the restructuring, through the second quarter of 2024.

KVH expects to release earnings and host a conference call in early March to discuss the Company's ongoing strategic evolution along with fourth quarter and full-year 2023 results.

Recent Announcements Supporting KVH's Strategic Evolution

January 9, 2024	KVH Expands Multi-Orbit Hybrid Network with Eutelsat OneWeb High-speed, Low-latency Service
October 30, 2023	KVH and Kognitive Networks Sign Exclusive Maritime Agreement
September 6, 2023	KVH Enhances Maritime Hybrid Communication Solutions with Starlink
August 17, 2023	KVH and Intelsat Reaffirm Satellite Partnership with Three-year Renewal
May 9, 2023	KVH ONE OpenNet Program Brings Benefits of KVH Global HTS Network to Non-KVH Antennas

About Anthony Pike

Mr. Anthony Pike has served as vice president finance and corporate controller, responsible for the overall financial reporting function of KVH Industries, Inc., since January 2023. Before that, he served as our vice president, finance & operations EMEA/APAC starting in March 2021. In this role, Mr. Pike was responsible for all financial aspects of our subsidiaries outside the United States of America, as well as the operations of KVH's Media Group businesses. Mr. Pike served as our senior director of finance from September 2019 to March 2021, our finance director, KVH Media Group & Videotel from July 2016 to September 2019 and our financial controller, KVH Media Group & Videotel from August 2014 to September 2019. Before joining KVH, Mr. Pike was the General Ledger Regional Lead – Northern Europe, for Univar Solutions LLC, a leading chemical distribution company, from April 2010 to August 2014. Mr. Pike also previously worked as an audit senior at the accounting firm Garbutt & Elliott LLP, from 2004 to 2010. Mr. Pike received his ACA qualification from the Institute of Chartered Accountants in England & Wales in 2009.

About Richard Driscoll

Richard Driscoll has been our senior vice president of network operations and service development since April 2022. Before that, he served as our vice president of services development and implementation starting in January 2019. From August 2012 to January 2019, he served as our vice president of satellite products and services and was instrumental in the development of our global satellite communications network. From April 2001 to August 2012, Mr. Driscoll served as our director of mobile data products and then director and product manager for both our satellite television and satellite communications product lines. Before joining KVH, Mr. Driscoll was a senior technical manager at Hughes Network Systems (August 1998 to March 2001), network operations manager at CAC (a DARPA contractor) (May 1992 to April 1998), and systems engineer with the GE Syracuse Surface Ship Division from 1988 to 1991. Mr. Driscoll received a MSEE/BSEE in Electrical/Computer Engineering from the University at Buffalo and a BA in Physics at the State University of New York at Potsdam.

About KVH Industries, Inc.

KVH Industries, Inc. is a global leader in mobile connectivity and maritime VSAT delivered via the KVH ONE network. The company, founded in 1982, is based in Middletown, RI, with research, development, and manufacturing operations in Middletown, RI, and more than a dozen offices around the globe. KVH provides connectivity solutions for commercial maritime, leisure marine, military/government, and land mobile applications on vessels and vehicles, including the TracNet™, TracPhone®, and TracVision® product lines, the KVH ONE™ OpenNet Program for non-KVH antennas, AgilePlans® Connectivity as a Service (CaaS), and the KVH Link crew wellbeing content service.

This press release contains forward-looking statements that involve risks and uncertainties. For example, forward-looking statements include statements regarding, among other things, the wind-down of the Company's manufacturing operations, the timing of the wind-down, the future use of the Company's Middletown facility, the size and timing of the related reduction-in-force, the estimated size and timing of the financial impact of the wind-down and reduction-in-force, anticipated cost savings, and the anticipated impact of the wind-down on the remainder of the Company's business. Actual results could differ materially from the forward-looking statements made in this press release. Factors that might cause these differences include, but are not limited to, unanticipated obstacles to implementation of the wind-down, unanticipated costs and expenses arising from the wind-down, unanticipated effects of the wind-down on the Company's ongoing business, the risks associated with increased customer reliance on third-party hardware, the lack of future product differentiation, new service offerings from hardware providers, the potential loss of additional employees, the uncertain impact of increasing competition, particularly from low earth orbit service providers and other emerging connectivity services, potential customer delays in selecting our services, and the uncertain impact of continuing industry consolidation. These and other factors are discussed in more detail in KVH's Annual Report on Form 10-K filed with the SEC on March 16, 2023, and our Quarterly Report on Form 10-Q filed with the SEC on November 9, 2023. Copies are available through KVH's Investor Relations department and website: <https://investors.kvh.com>. KVH does not assume any obligation to update our forward-looking statements to reflect new information and developments.

KVH Industries, Inc. has used, registered, or applied to register its trademarks in the USA and other countries around the world, including but not limited to the following marks: KVH, KVH ONE, TracVision, TracPhone, TracNet, and AgilePlans. Other trademarks are the property of their respective companies.

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