FULL YEAR 2018-19 RESULTS

31 July 2019

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Disclaimer

This document contains figures from audited consolidated financial statements prepared under IFRS, reviewed by the Audit Committee on 29 July 2019 and adopted by the Board of Directors of Eutelsat Communications on 30 July 2019. These accounts will be subject to the approval of shareholders of Eutelsat Communications at the Annual General Shareholders Meeting of 7 November 2019.

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered as Alternative Performance Indicators. Their definition and calculation can be found in appendix 3 of the Press Release.

Data at 30 June 2018 have been restated to reflect the retrospective adoption of IFRS 15 on 1 July 2018. The impact of the application of IFRS 15 is presented in the note 3 to the consolidated financial statements. The Group adopted IFRS 16 and IFRS 9 on 1 July 2018

Agenda

1 Highlights

2 Operational performance

3 Financial performance

4 Outlook

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Highlights of FY 2018-19

- All financial objectives below the topline either met or exceeded
- Discretionary Free Cash-flow objective exceeded a year ahead of schedule
- Further measures to maximise cash generation, including debt refinancing, asset disposals and material tax savings
- Proposed dividend per share of €1.27, 1.4 times covered by cash-flow
- Resilience of core Broadcast throughout the year
- Operational achievements to underpin future performance

All financial objectives below the topline met or exceeded

	Objective	Actual Performance	
Operating Verticals revenues	Circa -3% (at constant currency and perimeter)	**-3.1%[1]**	
EBITDA margin	Above 78% (at constant currency)	**78.4%[2]**	+
Cash Capex	Average €400m p.a.	**€323m**	+ +
Discretionary Free Cash Flow	Mid-single digit 3-year CAGR[3] (at constant currency, excl E25B disposal)	**+9.6%[4]**	+ +
Net Debt / EBITDA	Below 3.0x	**2.98x**	+
Dividend	Stable or progressive	**€1.27**	=

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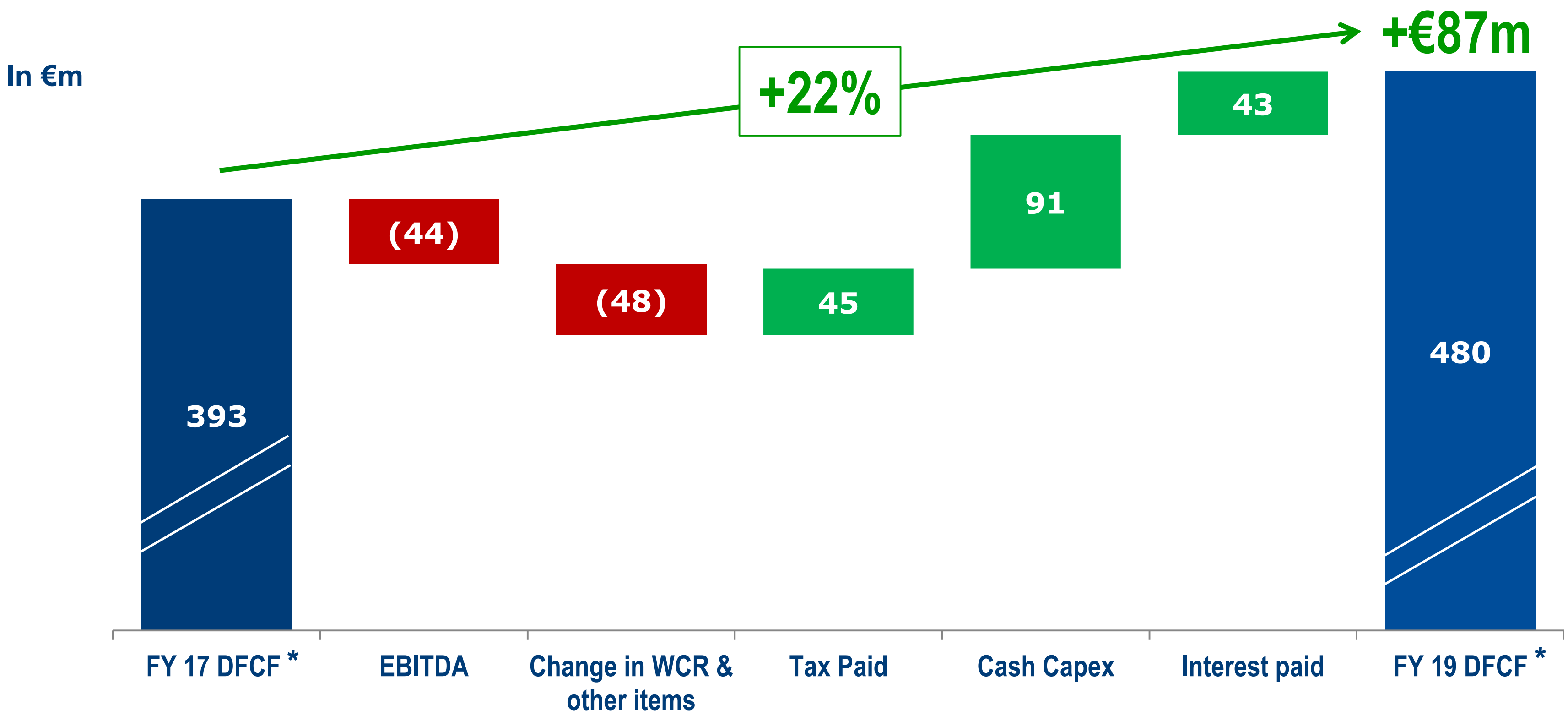
[1] YoY variation at constant currency and perimeter. [2] At constant currency. EBITDA margin stood at 78.1%, on a reported basis. [3] 3-Year CAGR between FY 17 and FY 20. [4] YoY change at constant currency and excluding E25B disposal. Discretionary Free Cash Flow down -1.7% on a reported basis.

DFCF: Implied 3-year CAGR of 6.9% already achieved



**DFCF as per financial objectives definition, ie restated as follows: i) FY 17 excludes contribution of ETL 25B for 11 months (Aug-Jun); ii) FY 19 data converted at FY 17 €/$ rate and excludes hedging and negative one-off impact of disposal of ETL 25B on Cash Tax and Change in WCR.*

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Several operational achievements to underpin future performance

VIDEO	FIXED BROADBAND	MOBILE CONNECTIVITY

VIDEO

- **Proven resilience of core Broadcast**
- **Addition of several new DTH platforms**
- **Launch of ETL 7C bringing new capacity to SSA**
- **Rollout of Eutelsat CIRRUS**

FIXED BROADBAND

- **European Broadband PPP starting to bear fruit**
- **Konnect Africa operations now up and running**
  - Direct distribution in place in DRC
  - Extension to other countries

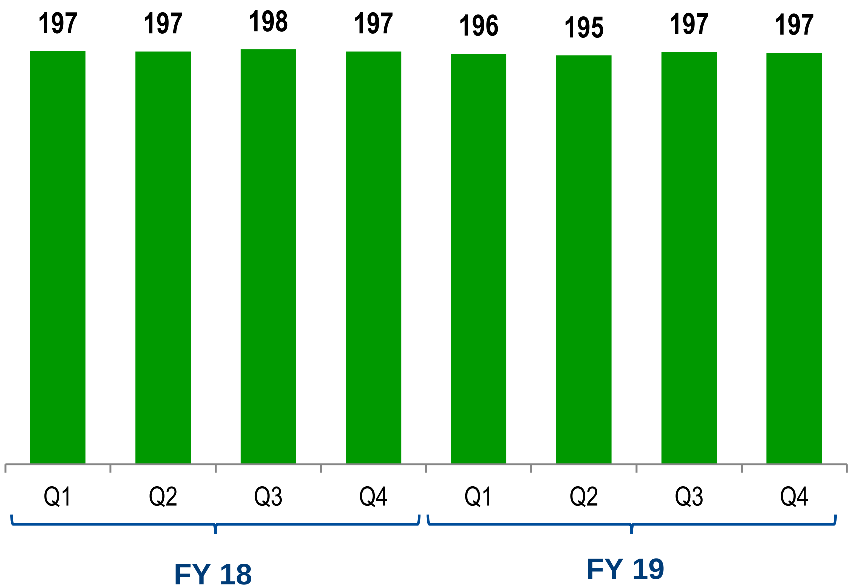
MOBILE CONNECTIVITY

- **Market share gains in maritime mobility**
  - Substantial commercial wins with major players

Resilience of Core Broadcast

UNDERLYING STABILITY OF CORE BROADCAST

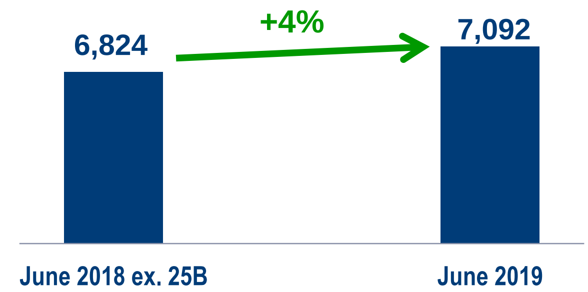
Evolution of Core Broadcast revenues



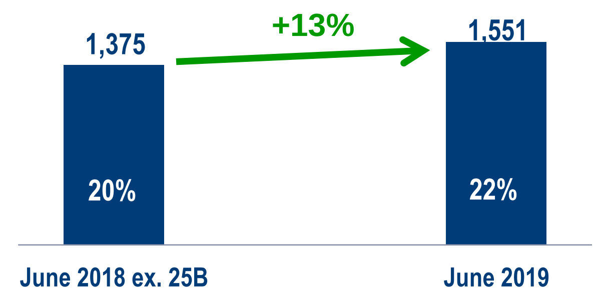
At constant currency and accounting standards
Excluding Fransat
Converted at FY19 €/$ rate of 1.14
Excluding ETL 25B and Q1 FY18 data proforma for Noorsat integration

CONTINUED PROGRESSION IN KEY INDICATORS

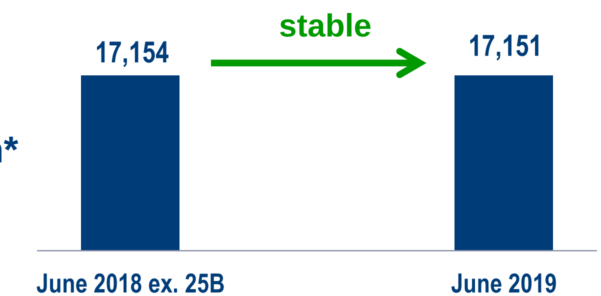
Channel count



HD Penetration



Mbps consumption*



** Data measured only at key orbital positions*

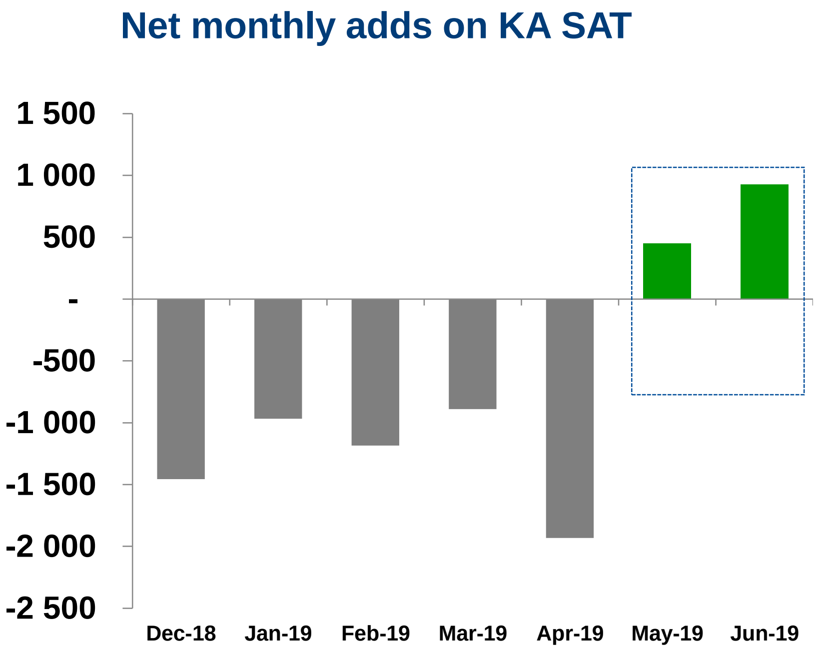
European Broadband: launch of PPP starting to bear fruit

LAUNCH OF PREFERRED PARTNERSHIP PROGRAMME END 2018

- ► Focus on few, selected partners
- ► Incentives to maximise market share
- ► Lower churn for PPP customers
- ► Three countries currently representing 90% of PPP customers
- ► Scheme to be extended to new markets in FY 20

PPP growth now offsetting traditional distributor erosion

INFLEXION IN NET ADDS DURING Q4-19



10,000 PPP subscribers at end-June

Leveraging all components of cash-flow to maximize cash generation

Tax	Reduction of €74m in FY 19 tax burden after change in French tax territoriality treatment
Interest costs	Two successful bond issuances reducing pre-tax cash interest by c.€34m p.a. at run-rate
Operating costs	Successful completion of 'LEAP 1' cost-saving program with €32m in total savings in FY 19
	'LEAP 2' program targeting further Opex savings of €20-25m by FY 2021-22
Capital expenditure	Ongoing optimization, with anticipated replacement of HOTBIRD constellation at significant cost reduction
Portfolio optimisation	Disposal of interest in EUTELSAT 25B for €135m

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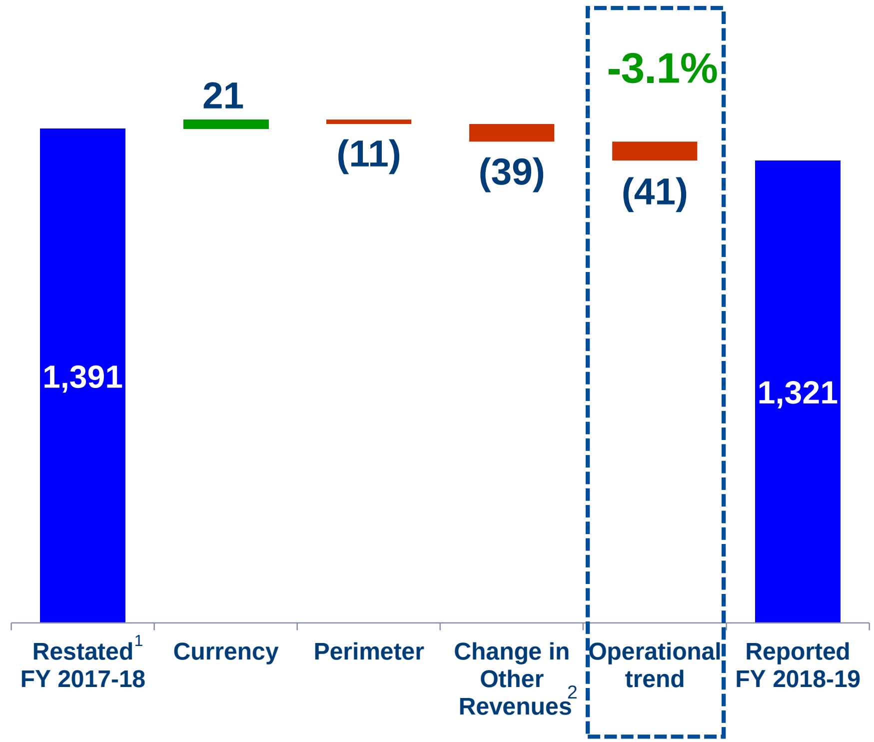
FY 2018-19 revenues

- **Total revenues of €1,321m, down 5%**
- **Negative net perimeter impact**
  - Carry-forward effect of Noorsat
  - Deconsolidation of Eutelsat 25B
- **Positive currency effect**
  - €/$ rate of 1.14 vs 1.19 last year
- **Negative swing of -€39m in 'Other Revenues'**
  - Of which -€23m related to hedging
- **Revenues of the Operating Verticals down 3.1% like-for-like**

FY 19 YoY REVENUE BRIDGE (€M)



[1] Restated to reflect tadoption of IFRS 15 from July 2018
[2] Including Hedging revenues representing -€23m impact

FY 2018-19 revenues by application

			REVENUE CONTRIBUTION[1]	REVENUES (€m)	LIKE-FOR-LIKE[2] CHANGE
CORE BUSINESSES	Video		66%	864	*-1.9%*
CORE BUSINESSES	Government Services		12%	162	*-1.5%*
CORE BUSINESSES	Fixed Data		10%	127	*-14.6%*
CONNECTIVITY	Fixed Broadband		6%	80	*-5.6%*
CONNECTIVITY	Mobile Connectivity		6%	80	*+4.0%*
Total Operating Verticals				**1,313**	*-3.1%*
Other Revenues				**8**	*-€39m*[3]

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[1] *Share of each application as a percentage of total revenues excluding "Other Revenues".*
[2] *At constant currency and perimeter*
[3] *Of which -€23m related to hedging revenues*

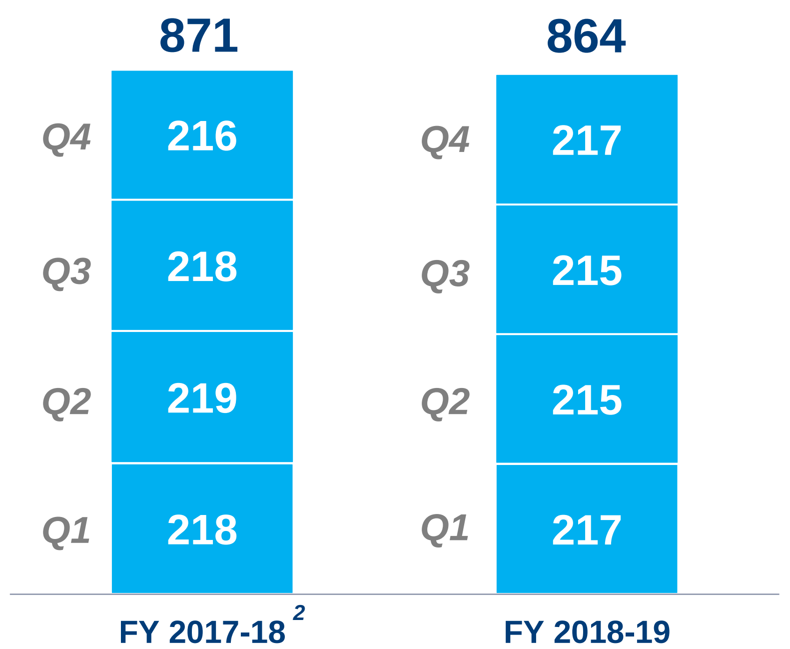
Video

66%

- **Revenues of €864m, down 1.9% like-for-like[1]**
  - Core broadcast excluding FRANSAT broadly stable
  - Double digit decline in Professional Video
- **Q4 revenues down 1.1% YoY but up 0.3% QoQ**
- **Channel count up 4% YoY**
  - 7,092 channels at end June 2019
  - HD up from 20.1%* to 21.9%
- **Successful launch of EUTELSAT 7C**
  - Entry into service at end of FY 19
  - Bringing incremental capacity in SSA

* *Excluding ETL 25B*

REVENUES (€M)



1 At constant currency and perimeter
2 Proforma revenues at actual rates, ie adjusted for IFRS 15 and excluding the contribution of Eutelsat 25B from August 2017

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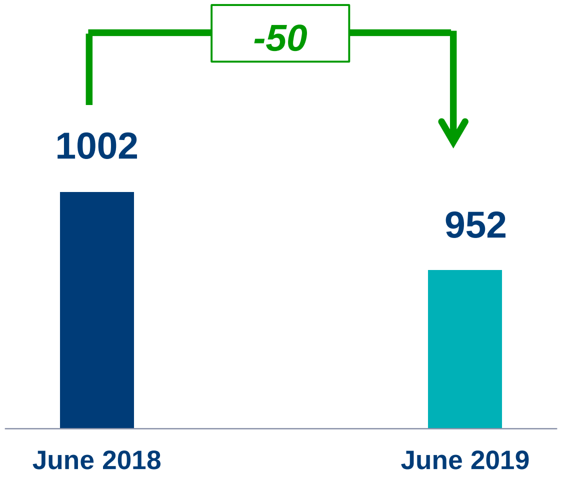
Focus on HOTBIRD KPIs

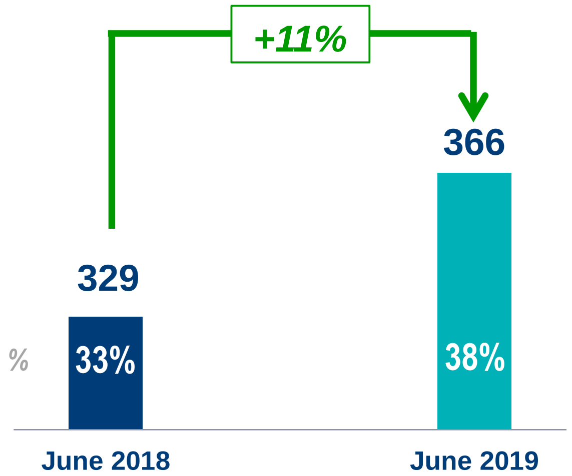
CHANNEL COUNT	HD PENETRATION	MPEG 4

CHANNEL COUNT



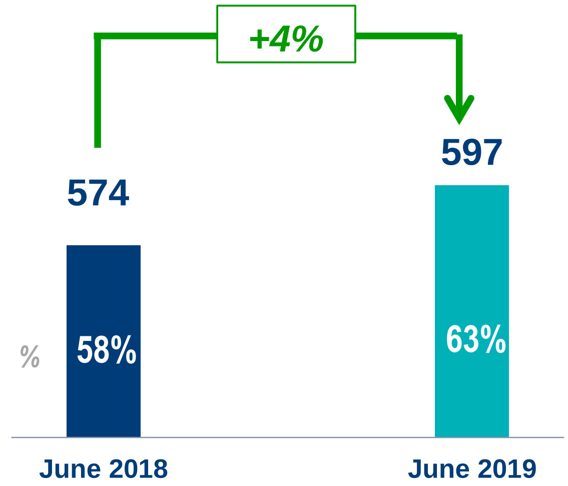
- Reflects mostly the end of simulcast / dual illumination

HD PENETRATION



- HD ramp-up outpacing MPEG-4 adoption

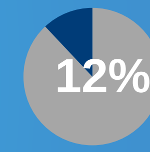
MPEG 4



- MPEG-4 considerably more advanced than HD

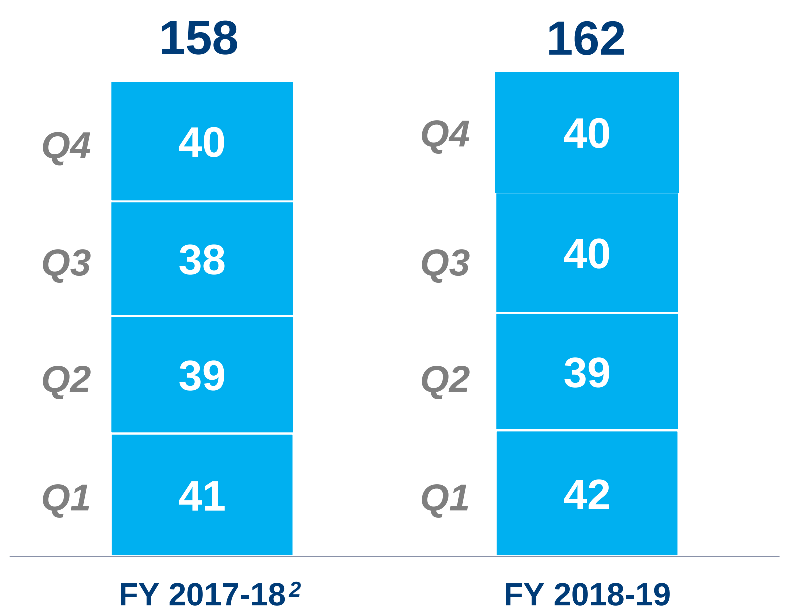
Mbps broadly stable

Government Services



- ► **Revenues of €162m, down 1.5% like-for-like[1]**
  - Low level of renewals with USG in FY 19
  - Carry-forward effect of incremental business over APAC at 174°East
- ► **Q4 revenues down 7.9% YoY and 1.5% QoQ**
- ► **FY 2019-20 to reflect:**
  - Contribution of EGNOS payload on ETL 5WB
  - Delayed launch of ETL Quantum, from end-2019 to Q3 2020 calendar year, which will not contribute to revenues

REVENUES (€M)



[1] *At constant currency and perimeter*
[2] *Proforma revenues at actual rates, ie adjusted for IFRS 15*

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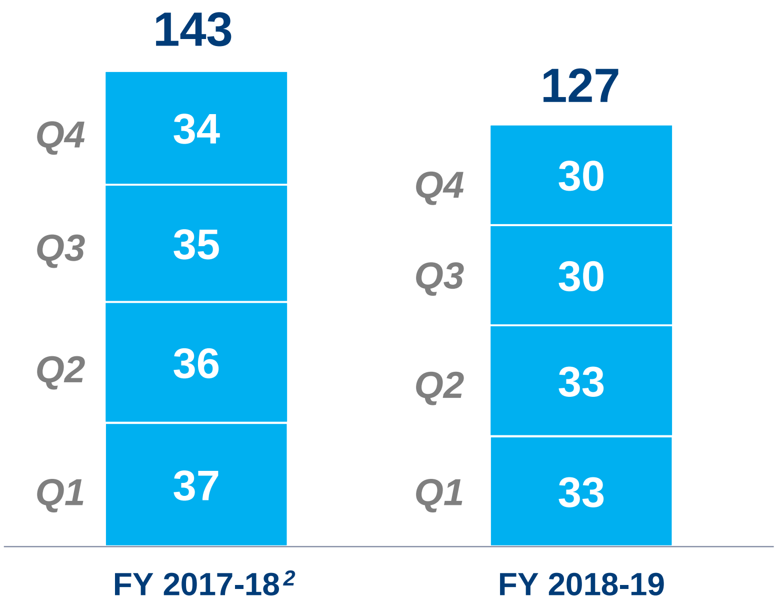
Fixed Data

10%

- **Revenues of €127m, down 14.6% like-for-like[1]**
- **Continuing to reflect:**
  - Highly competitive environment
  - Ongoing price pressure
- **Softer volumes in Latin America**
- **Q4 down 16.4% YoY and 1.4% QoQ**
- **From FY 2019-20, this vertical will be known as 'Data & Professional Video'**
- **Further decline expected next year**

REVENUES (€M)



[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

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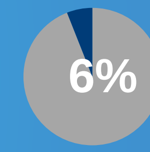
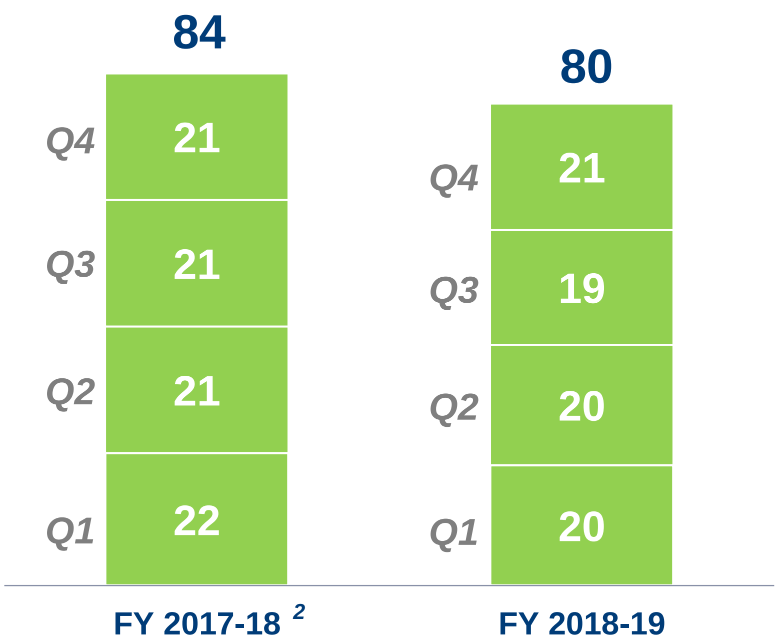
Fixed Broadband



- **Revenues of €80m, down 5.6% like-for-like[1]**
  - Down 3.5% excl contract expiry for a spotbeam on E3B (recontracted in Mobility)
- **Lower revenues in European Broadband, but improvement in Q4**
  - PPP starting to bear fruit
- **Konnect Africa: modest revenues in FY19 due to temporary rollout issues**
  - Direct distribution model now in place and strong market potential confirmed
- **Q4 down 1.3% YoY and up 8.8% QoQ**
- **FY 20 to benefit from**
  - Ramp-up of Konnect Africa
  - Improved trend in Europe

REVENUES (€M)



[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

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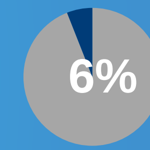
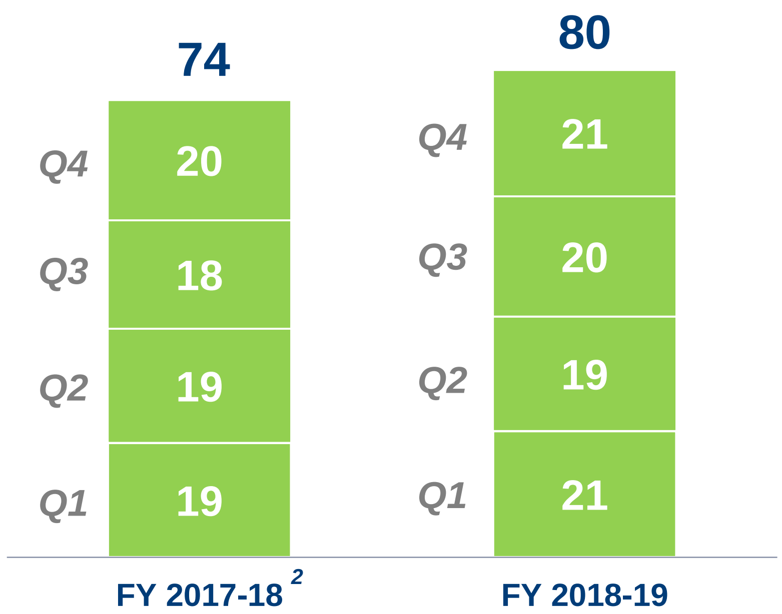
Mobile Connectivity



- **Revenues of €80m, up 4.0% like-for-like[1] reflecting:**
  - Start of UnicomAirNet contract in Jan '19
  - Carry-forward of Taqnia contract at 3° and 70°East
  - Ongoing ramp-up of capacity contracts on KA-SAT
  - End of temporary wide-beam contract on ETL 172B
- **Q4 down 1.7% YoY and up 2.2% QoQ**
- **FY 2019-20 to benefit from**
  - Full-year contribution of UnicomAirNet
  - New contracts in maritime

REVENUES (€M)



[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

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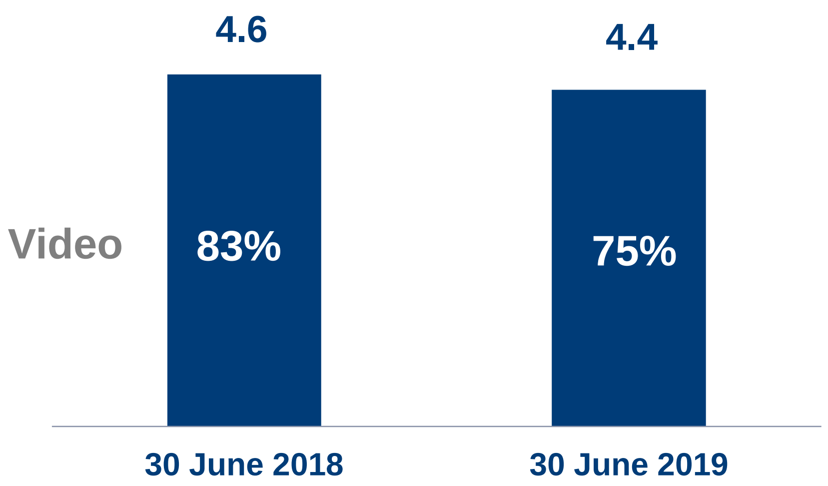
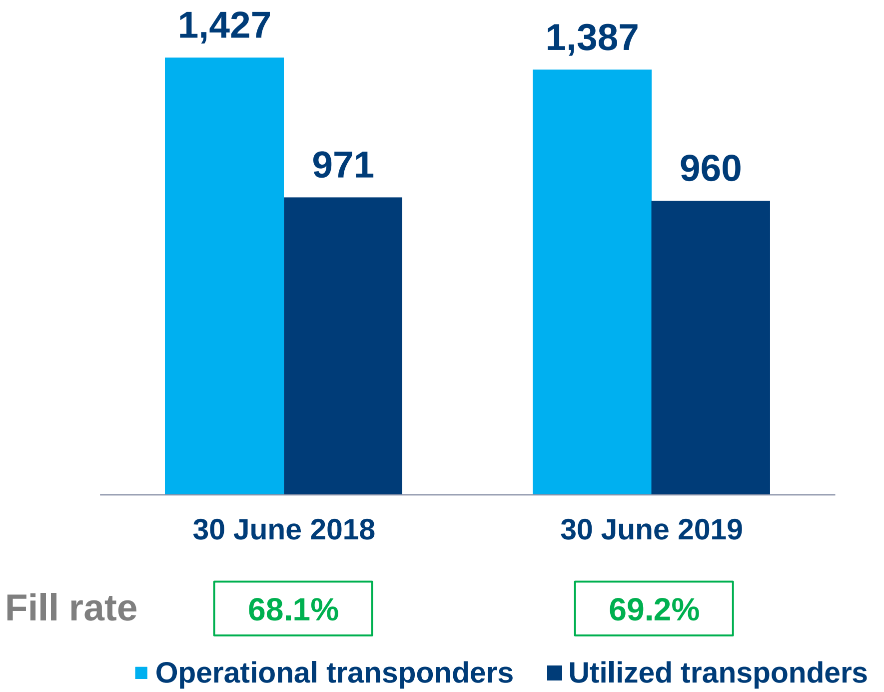
Backlog and Fill Rate

BACKLOG (€BN)



- 3.3 years of revenues
- Video accounting for 75%
- No material video renewals in FY19

OPERATIONAL AND UTILIZED TRANSPONDERS



- Operational txp reflecting disposal of E25B and E12WB EoL in stable orbit
- Utilized txp down 3 units YoY excl E25B

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Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity

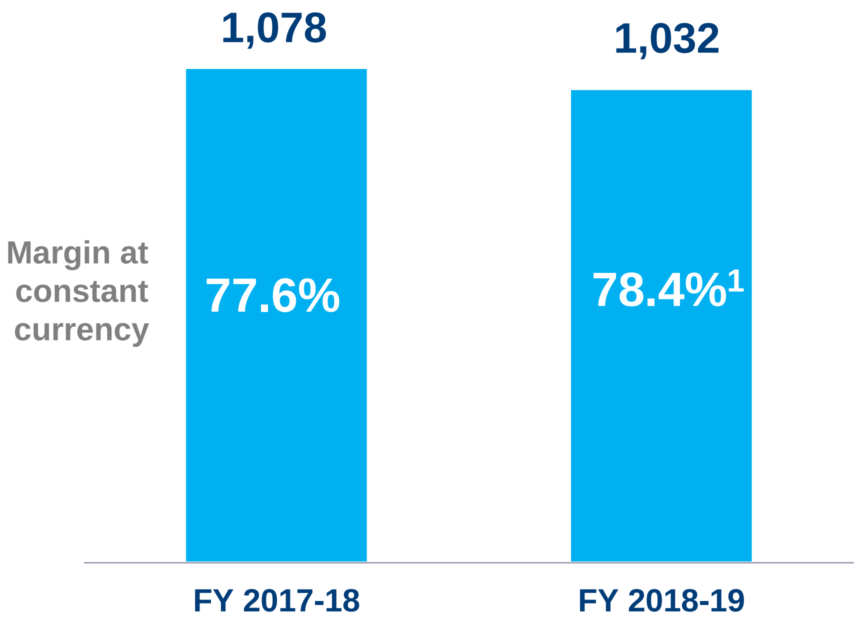
Agenda

Profitability

- **EBITDA margin of 78.4% at constant currency versus 77.6% in FY 2017-18 despite**
  - Lower revenues
  - Roll-out costs of Konnect Africa

- **Successful completion of LEAP 1 opex plan**
  - €32m in savings versus €30m target

EBITDA (€M)



[1] Reported EBITDA margin stood at 78.1%

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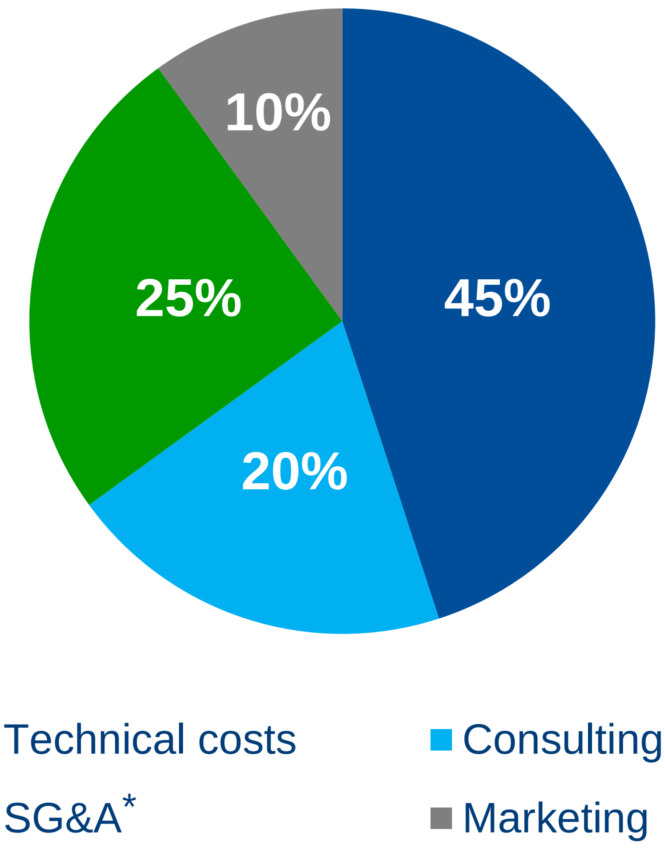
Successful completion of LEAP 1 cost-saving program

- **Targeting external costs**
- **Adressable cost base of €140m reduced by >20%**
- **€30m objective exceeded**
- **Underpinning record EBITDA margin**

€32m in total savings in FY 19

BREAKDOWN OF COST SAVINGS



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* Including Travel, IT and Facility Management

Net income

Extracts from the consolidated income statement in €m[1]	FY 2017-18	FY 2018-19	Change	
Revenues	1,391	1,321	*-5.0%*	
EBITDA[2]	1,078	1,032	*-4.3%*	
Operating income	554	526	*-5.0%*	► Capital gain on sale of E25B ► Impairment of assets ► Negative one-off impact of Noorsat integration in FY18
Financial result	(105)	(92)	*-13.0%*	► Higher capitalized interest ► Positive impact of Jan. 19 refinancing ► Favourable evolution of FX gains and losses
Income tax	(143)	(76)	*-46.6%*	► Tax Rate of 18% vs 32% last year ► Full impact of change in tax territoriality treatment (€74m savings for French Tax) ► One-off impact of CGT on E25B disposal
Group share of net income	292	340	*+16.7%*	► Net margin of 26% versus 21% last year

[1] Rounded to closest million; As a reminder, Figures as of 30 June 2018 have been restated to reflect the adoption of IFRS 15 from 1 July 2018
[2] EBITDA defined as operating income before depreciation, amortization, impairments and other operating income/(expenses)

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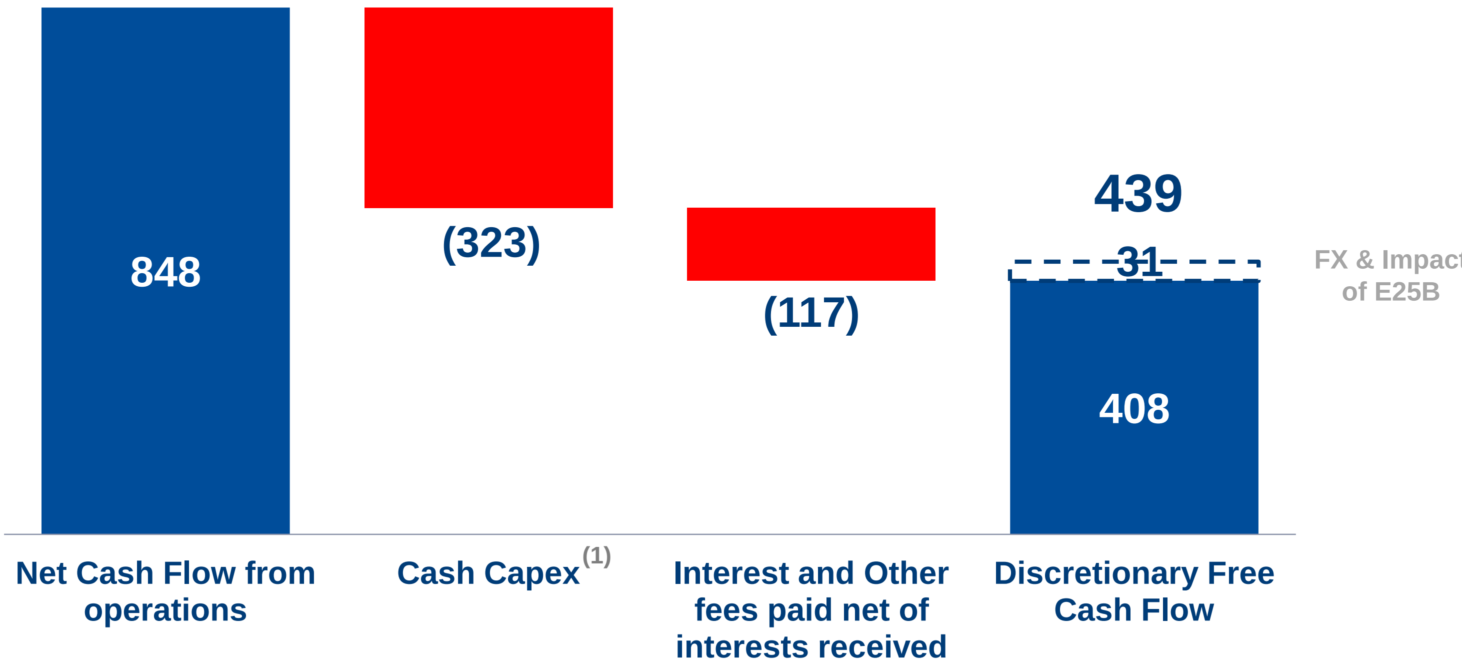
Discretionary Free Cash Flow

In €m



Change at constant FX, excl E25B	+13	+35	(9)	+39
Reported change	*(33)*	*35*	*(9)*	*(7)*

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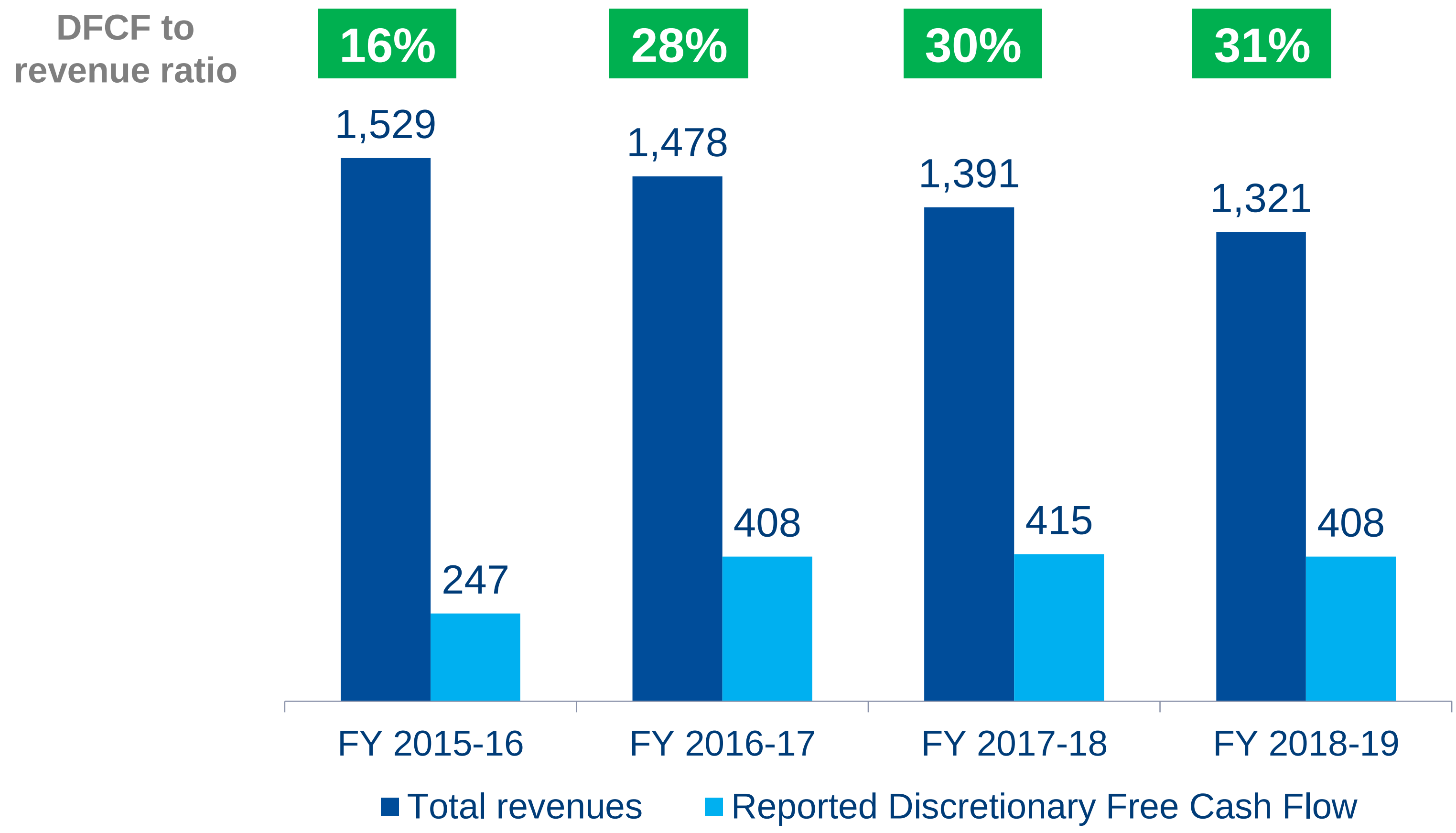
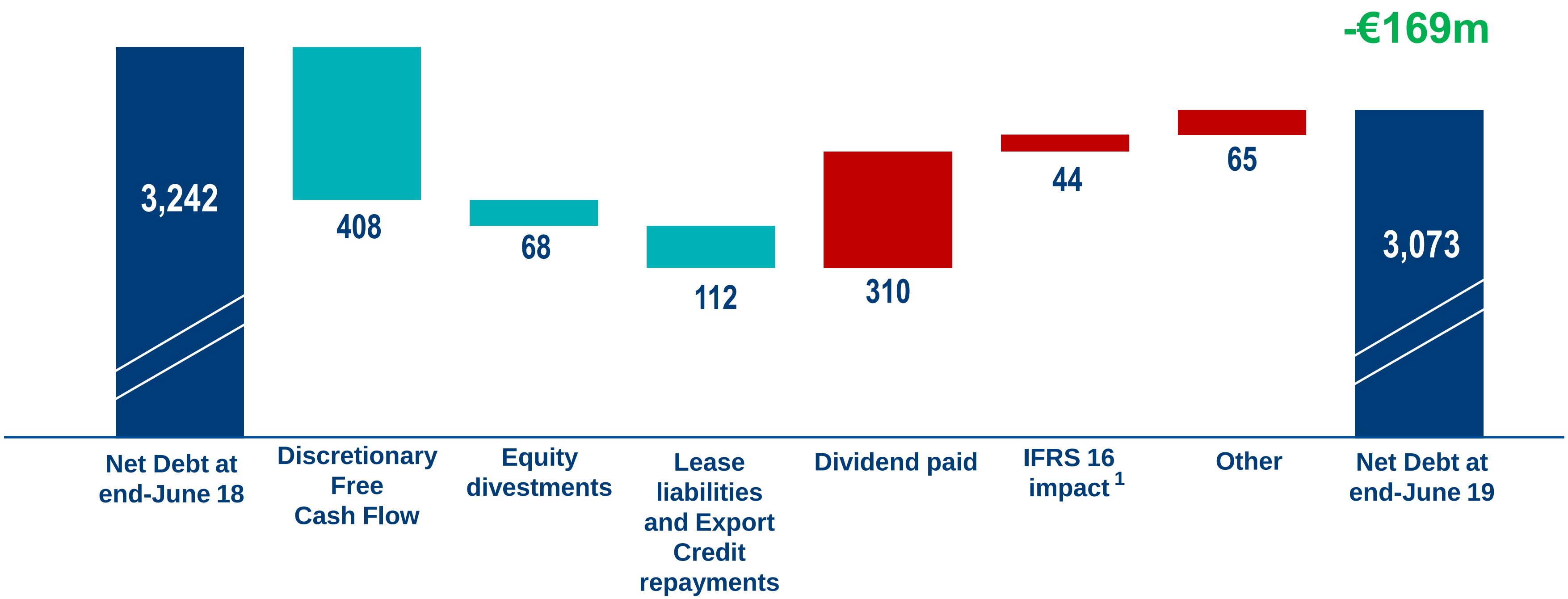
[1] *Cash Capex includes capital expenditure and payments under existing export credit facilities and lease liabilities.*

DFCF/ revenue ratio almost doubled in three years



Further reduction in Net Debt

In €m



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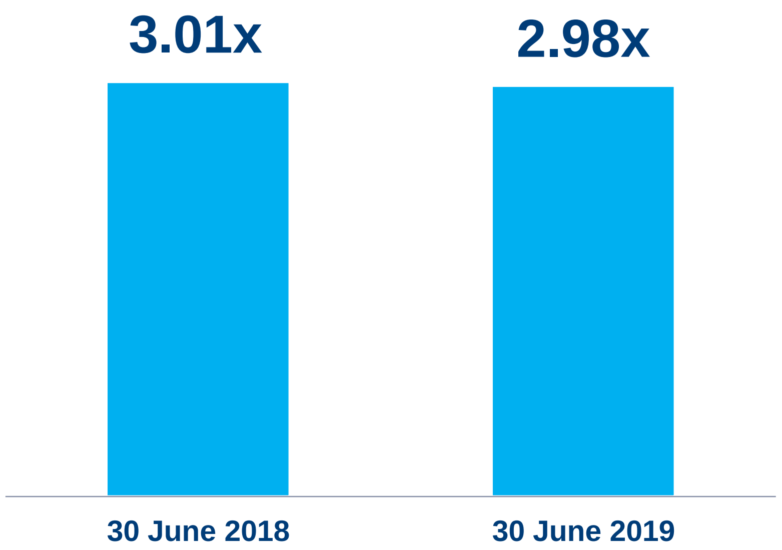
[1] As of 1 July 2018

Financial structure

- **Net Debt/EBITDA ratio of 2.98x**
  - Slight reduction vs 30 June 2018 (3.01x)
  - In line with target
- **Average cost of debt after hedging reduced to 2.6%**
  - vs 2.9% in FY 2017-18
- **Average weighted maturity of 3.6 years vs 2.2 years at 30 June 2018**
  - 4.7 years excluding now-refinanced Jan 20 maturity
- **Strong liquidity**
  - €525m cash on top of €930m earmarked for Jan 20 bond
  - €850m in undrawn credit lines

NET DEBT / EBITDA RATIO[1]



[1] *Based on net debt at the end of the period and last twelve months' EBTIDA*

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Reminder: Our strategic roadmap

Step 1	Step 2: return to growth	
MAXIMIZE FREE CASH-FLOW GENERATION	EXTRACT VALUE FROM THE CORE VIDEO BUSINESS	CAPTURE THE CONNECTIVITY OPPORTUNITY

Key priorities for FY 2019-20

MAXIMIZE FREE CASH FLOW GENERATION

- ▶ **Execute on LEAP 2 cost savings plan**
- ▶ **Relocate Paris HQ**
- ▶ **Maintain all other levers of free cash flow generation under tension**

EXTRACT VALUE FROM THE CORE VIDEO BUSINESS

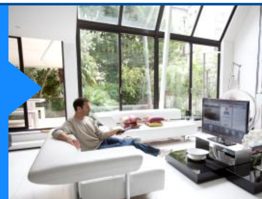
- ▶ **Exploit growth pockets**
  - Market incremental capacity on E7C
- ▶ **Upsell incremental services**
  - Continue to push roll-out of Cirrus
- ▶ **Exercise pricing power in high demand regions**
  - Optimize yield at key hotspots

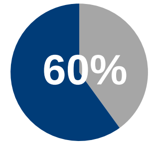
CAPTURE THE CONNECTIVITY OPPORTUNITY

- ▶ **Maintain momentum in maritime mobilty**
- ▶ **Return to growth in Fixed Broadband**
- ▶ **Prepare the ground for KONNECT**
- ▶ **Prepare for the IoT opportunity**
  - Development of ELO constellation
  - Elaborate go-to-market strategy

FY 20: Key trends by Operating Vertical

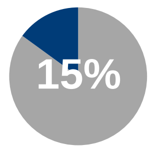
Broadcast





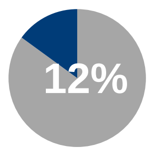
= Resilience of core Broadcast
+ Entry into service of ETL 7C

Data & Professional Video



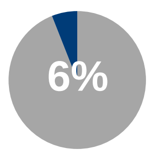
− Ongoing competitive pressure

Government Services



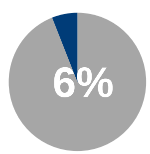
+ Entry into service of EGNOS payload
− Delayed launch of Eutelsat Quantum

Fixed Broadband



+ Improvement in European Broadband
+ Ramp-up of Konnect Africa

Mobile Connectivity



+ Contract wins in Maritime
+ Continued ramp-up of business on KA-SAT
+ Full year impact of UnicomAirNet contract

[1] *The share of each application as a percentage of total revenues is calculated excluding "Other revenues".*

Financial outlook

OPERATING VERTICALS REVENUES[1]	▶ FY 2019-20: between €1,280m and €1,320m
CASH CAPEX	▶ FY 2019-20 to FY 2021-22: average of €400m[2] per year
DISCRETIONARY FREE CASH FLOW[3]	▶ FY 2021-22: around €500m
LEVERAGE	▶ Maintain investment grade rating ▶ Net debt / EBITDA below 3.0x
DISTRIBUTION	▶ Stable to progressing dividend ▶ At least €100m shares repurchased by June 2022

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[1] Based on current perimeter and € / $ rate of 1.14;
[2] Inc. cash outflows related to ECA loan repayments and capital lease payments;
[3] Net cash flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Based on a €/$ rate assumption of 1.14, excluding hedging impact and based on current perimeter.

To sum up

- Consistent delivery on below-topline objectives despite challenging environment for core businesses
- Successful execution of cash generation strategy with cash flow/revenue ratio doubled in three years, and DFCF target reached a year early
- On track for connectivity-driven return to growth, with associated Capex and Opex already factored into financial objectives
- Further leverage of all elements of cash generation with follow-on 'LEAP 2' cost-savings plan generating resources to invest in growth verticals
- New DFCF target of circa €500m in FY 2022
- Enhanced remuneration policy with a combination of dividend and share buy-backs

APPENDIX

Future launches

Name	EUTELSAT 5 WEST B	KONNECT	eutelsat QUANTUM	KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT HOTBIRD 13G
Orbital Position	5° West	TBD	TBD	TBD	13° East	13° East
Launch date[1]	Q4 2019	Q4 2019	Q3 2020	H2 2021	H2 2021	H2 2021
Manufacturer	AIRBUS DEFENCE & SPACE / Orbital ATK	ThalesAlenia Space	AIRBUS DEFENCE & SPACE	ThalesAlenia Space	AIRBUS DEFENCE & SPACE	AIRBUS DEFENCE & SPACE
Launcher	ILS	arianespace	arianespace	TBD	TBD	TBD
Coverage	Europe North Africa	SSA Europe	Flexible	Europe	Europe	Europe
Applications	Video	Connectivity	Government Services	Connectivity Government	Video	Video
Total Capacity (TPE/Spotbeams)	35 Ku	**65 Ka / 75 Gbps**	N/A	**~230 Ka / 500 Gbps**	73 Ku3	73 Ku3
o/w Expansion[2]	-	**65 Ka / 75 Gbps**	N/A	**~230 Ka / 500 Gbps**	-	-

Electrical propulsion

HTS Payload

[1] Calendar year
[2] Excludes unannounced redeployments
[3] "Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 TPE), once regulatory, technical and operational constraints are taken into account."

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Key Financial Data

Key Financial Data	FY 2017-18 Restated	FY 2018-19	Change
P&L			
Revenues - €m	1,390.5	**1,321.1**	**-5.0%**
"Operating Verticals" revenues	1,343.9	**1,313.1**	**-2.3%**
"Operating Verticals" revenues at constant currency and perimeter	1,330.0	**1,288.7**	**-3.1%**
EBITDA[1] - €m	1,078.5	**1,032.4**	**-4.3%**
EBITDA margin - %	77.6	**78.1**	**+0.5pts**
EBITDA margin at constant currency - %	77.6	**78.4**	**+0.8pts**
Group share of net income - €m	291.6	**340.4**	**+16.7%**
Financial structure			
Discretionary Free Cash Flow[2]	414.7	**407.8**	**-1.7%**
Discretionary Free Cash Flow as per financial objectives	400.7	**439.3**	**+9.6%**
Net debt - €m	3,241.6	**3,072.8**	**-€169m**
Net debt/EBITDA - X	3.01	**2.98**	**-0.03pts**
Backlog – €bn	4.6	4.4	-4.9%

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[1] Operating income before depreciation and amortization, impairments and other operating income/(expenses).
[2] Net cash flow from operating activities – Cash Capex - Interest and Other fees paid net of interests received.

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