



eUTeLSAT

FULL YEAR 2020-21 RESULTS

30 July 2021

DISCLAIMER

This document contains figures from audited consolidated financial statements prepared under IFRS, reviewed by the Audit Committee on 28 July 2021 and adopted by the Board of Directors of Eutelsat Communications on 29 July 2021.

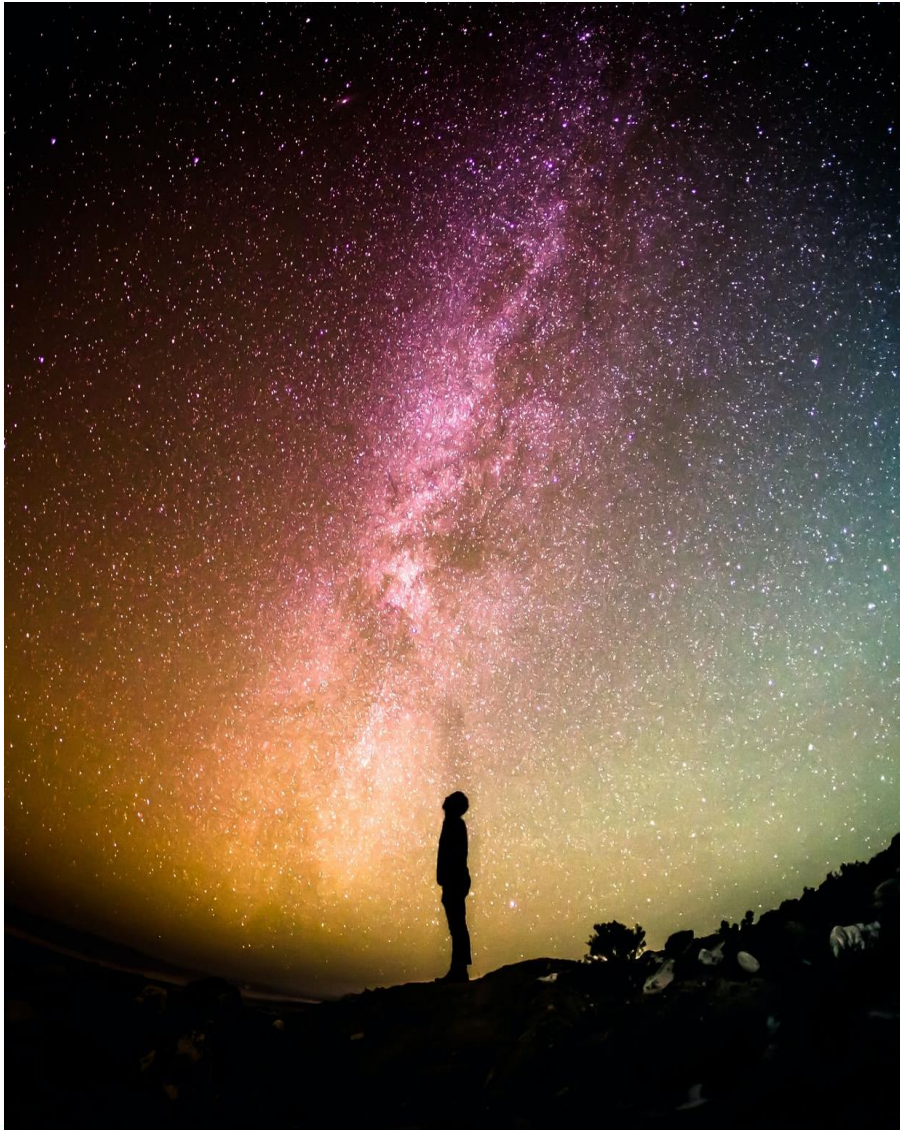
These accounts will be subject to the approval of shareholders of Eutelsat Communications at the Annual General Shareholders Meeting of 4 November 2021.

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

AGENDA

- 1. Highlights**
2. Operational performance
3. Financial performance
4. Outlook

HIGHLIGHTS



Operating verticals revenues at the top end of the upgraded range of objectives



Robust **financial performance** despite tough external context



Strong **commercial performance** with growing **backlog** representing 3.5 years of revenues



Ramp up of **Fixed Broadband** strategy with significant acceleration expected from FY 2021-22



Strategic investment in **OneWeb** providing a foothold in LEO segment



Well on track to **\$507m C-Band proceeds** pre-tax in FY 2021-22

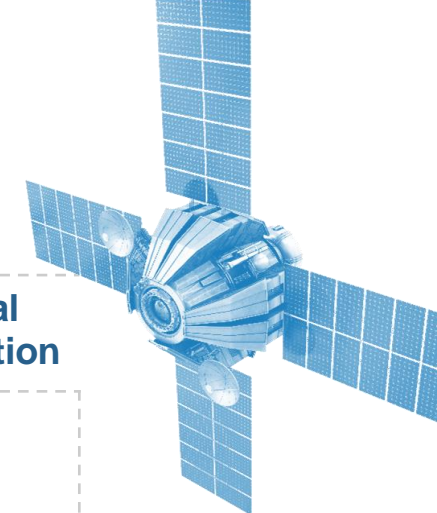


Updated financial objectives including a **€30m raise** to Adjusted DFCF for FY 2021-22



Commitment to shareholder returns with recommended **dividend of €0.93, up 5%**

KEY FIGURES



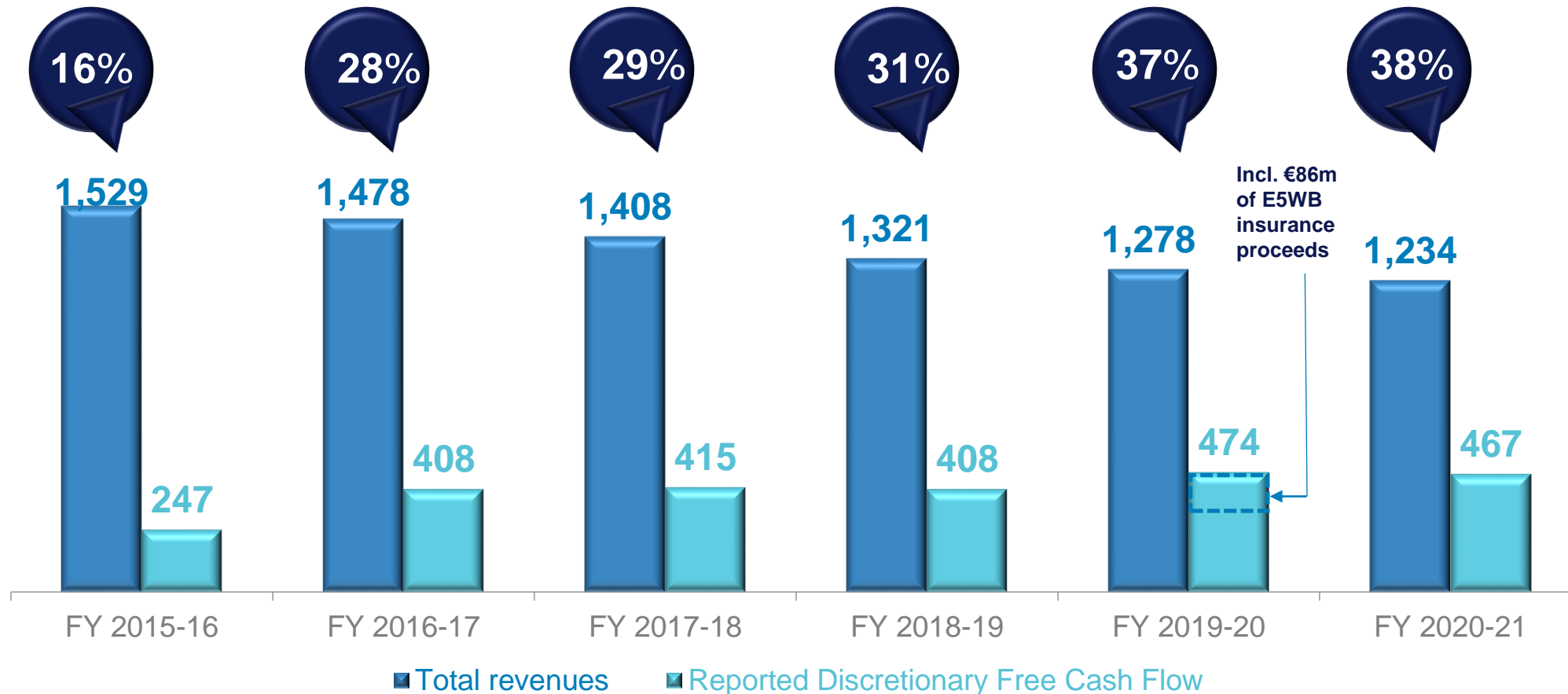
| | | Y-o-y change | |
|-------------------------------------------------|-----------------------------------------------------------------------------|-----------------|----------------------------------------|
| | | Reported | As per financial objectives definition |
| OPERATING VERTICALS REVENUES | €1,201m at reported €/\$ rate €1,220m at 1.14 €/\$ rate | -5.9% | -3.3%¹ |
| EBITDA MARGIN² | 74.7% reported | -2.4 pts | |
| CASH CAPEX² | €342m | | |
| DISCRETIONARY FREE CASH FLOW² | €467m reported €498m adjusted (as per financial objectives) ² | -1.5% | +0.2% |
| NET DEBT / EBITDA² | 2.88x | -0.17x | |
| PROPOSED DIVIDEND | €0.93 | +5% | |

¹ YoY variation at constant currency and perimeter

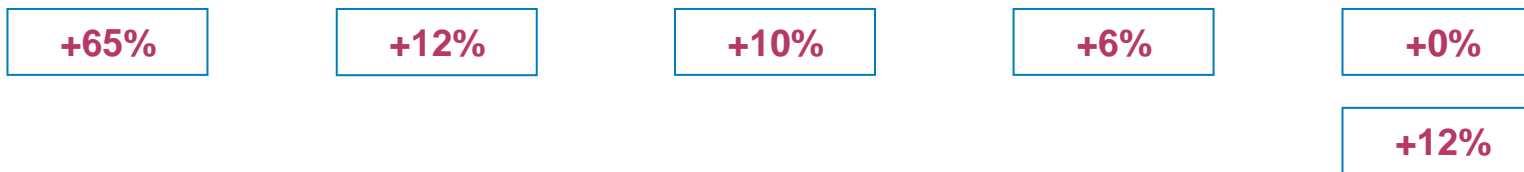
² Alternative performance metrics. Please refer to Appendix 3 to the press release for more details.

>€2.4BN AGGREGATED DFCF GENERATED OVER 6 YEARS

Reported DFCF / revenue ratio



Adjusted DFCF growth¹



Excl. Insurance proceeds²

¹ Growth as defined per financial objectives

² Excluding the post tax impact of the insurance proceeds related to EUTELSAT 5 WEST B (€86m received in FY 20, €7m received in FY 21)

STRONG COMMERCIAL PERFORMANCE WITH BACKLOG GROWTH

Broadcast

- ▶ Renewal with Sky Italia highlighting the long-term resilience of European Pay-TV
- ▶ Incremental capacity for Multichoice



Government Services

- ▶ New EGNOS payload on HB 13G representing €100m over 15 years
- ▶ ETL 36D selected to carry last UHF payload from Airbus

AIRBUS



Fixed Data

- ▶ Multiple deals with new or expanded capacity

overon



LIQUID
INTELLIGENT TECHNOLOGIES



Fixed Broadband

- ▶ Wholesale agreement with TIM on KONNECT and KONNECT VHTS



Mobility

- ▶ Contract with Global Eagle for inclined orbit capacity at 139° W



**Backlog of €4.4bn up 7%¹
representing 3.5 years of revenues**

RAMP UP OF FIXED BROADBAND STRATEGY

Entry into service of EUTELSAT KONNECT with full coverage now available over Europe and Africa

EUROPE: PROGRESS IN TWO-PILLAR APPROACH

Wholesale

- ▶ Wholesale agreements with Orange (France) and TIM (Italy)
- ▶ Ongoing discussions with other operators



Retail

- ▶ Acquisition and integration of BBB Europe adding in-house retail expertise
- ▶ Launch of competitive retail offers in several countries

AFRICA: MULTIPLE DEALS STRENGTHENING DISTRIBUTION NETWORK

- ▶ **South Africa:** Wholesale agreements with Paratus and Vox  
- ▶ **DRC:** Testing wholesale distribution with Orange 
- ▶ **Nigeria:** Strengthened partnership with Coollink 
- ▶ **Zimbabwe:** Distribution agreement with TelOne 
- ▶ **Wifi Hotspots:** Partnership with Facebook to roll out Express Wi-Fi hotspots across African footprint 



Attractive entry point to considerable LEO opportunity: \$550m for 19.3% stake in a fully funded growth asset just ahead of start of commercial rollout



OneWeb ideally positioned to be among **the winners in NGSO** landscape thanks to strong spectrum rights, first mover advantage, powerful shareholder base and scalable technology



Compelling **economic potential** with revenues targeted at c.\$1bn per annum in 3 to 5 years following full deployment and a profitable wholesale approach



Fully cash-funded and consistent with our **financial objectives**, hurdle rates, dividend policy and IG ratings



Strong **commercial potential** for 'win-win' co-operation thanks to **complementarity** of resources and assets

ONEWEB GAINING OPERATIONAL TRACTION



▶ Continued rollout of the constellation

- 254 satellites now in orbit with 4 launches completed YTD
- Service demonstrations starting this summer in several key locations
- Partial entry into service by calendar year-end

▶ Gen-1 funding completed

- \$500m Investment by Bharti Group

▶ Progressive build up of distribution network

- Acquisition of Trustcomm (USG customers)
- Partnerships with Alaska Communications /Pacific Dataport (Alaska)
- Partnership with ROCK Networks (Canada)
- MOU with BT (Rural Broadband in UK)

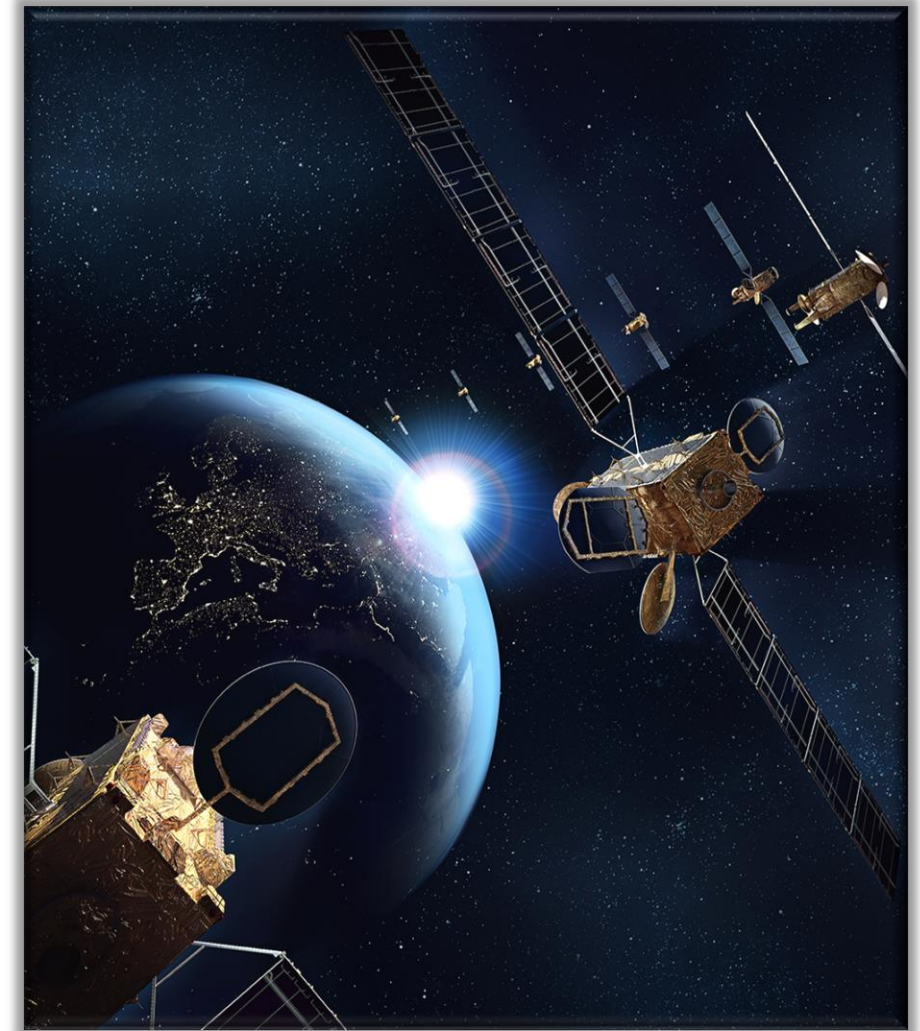


TrustComm



WELL ON TRACK FOR C-BAND PROCEEDS IN FY 22

- ▶ **Eutelsat eligible for \$507m accelerated relocation payments**
 - Phase 1 (portion of the spectrum): \$125m to be completed by 12/2021
 - Phase 2 (full 300 Mhz spectrum): \$382m to be completed by 12/2023
- ▶ **Transition plan based on simplified migration secures early completion of both phases**
 - No new C-band satellite launches required with regrooming performed on existing fleet
 - Limited number of antennae requiring filter installation
- ▶ **Completion report on both phase 1 and 2 to be filed imminently**
- ▶ **Proceeds expected to be received in full in FY 22**

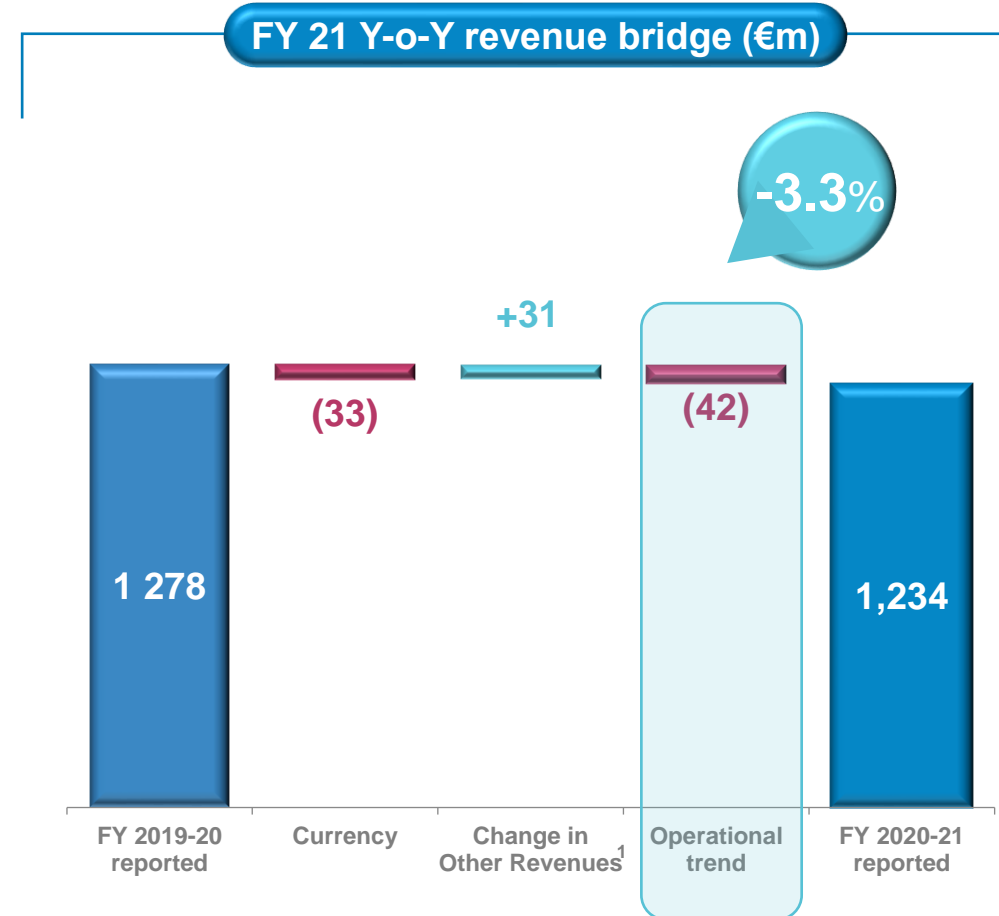


AGENDA

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- 2. Operational performance**
3. Financial performance
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FY 2020-21 REVENUES

- ▶ Total revenues of €1,234m, down -3.5%
- ▶ Broadly neutral perimeter effect
 - Consolidation of BBB Europe (1st October 2020)
 - Disposal of EBI (30 April 2021)
- ▶ Negative currency effect
 - €/\$ rate of 1.188 vs 1.105 last year
- ▶ Positive swing of +€31m in 'Other Revenues'
 - +€26m related to hedging
- ▶ Revenues of the Operating Verticals down -3.3% like-for-like



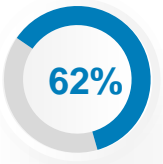
¹ Including Hedging revenues representing +€26m impact

FY 2020-21 REVENUES BY APPLICATION

| | REVENUE CONTRIBUTION ¹ | REVENUES (€m) | LIKE-FOR-LIKE ² CHANGE |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------|-----------------------------------|
|  BROADCAST |  62% | 741 | -4.2% |
|  DATA & PROFESSIONAL VIDEO |  13% | 161 | -3.7% |
|  GOVERNMENT SERVICES |  13% | 151 | +0.0% |
|  FIXED BROADBAND |  7% | 80 | +7.1% |
|  MOBILE CONNECTIVITY |  5% | 67 | -8.4% |
| TOTAL OPERATING VERTICALS | | 1,201 | -3.3% |
| OTHER REVENUES | | 33 | +€31m³ |



BROADCAST

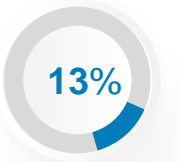


- ▶ **FY revenues of €741m, down 4.2% like-for-like¹**
 - Impact of Forthnet contract renegotiation
 - Lower revenues in Europe with slowdown in pace of new business affecting notably resellers
- ▶ **Q4 revenues broadly stable QoQ excluding Fransat**
- ▶ **7,006 channels at end Jun 21, up 3.2% YoY**
 - HD up from 25% to 28%, 16% YoY growth
- ▶ **Commercial activity**
 - Renewal with Sky Italia
 - Expansion of contract with Multichoice
 - Low level of new business in Europe
 - Recent signs of normalization with notably a contract with a major global Broadcaster for content distribution on E9B



¹ At constant currency and perimeter

DATA & PROFESSIONAL VIDEO



▶ FY revenues of €161m, down 3.7% like-for-like¹

- Considerably improved trend compared to previous years

▶ Fixed Data

- Improving volumes largely offsetting persistent price pressure

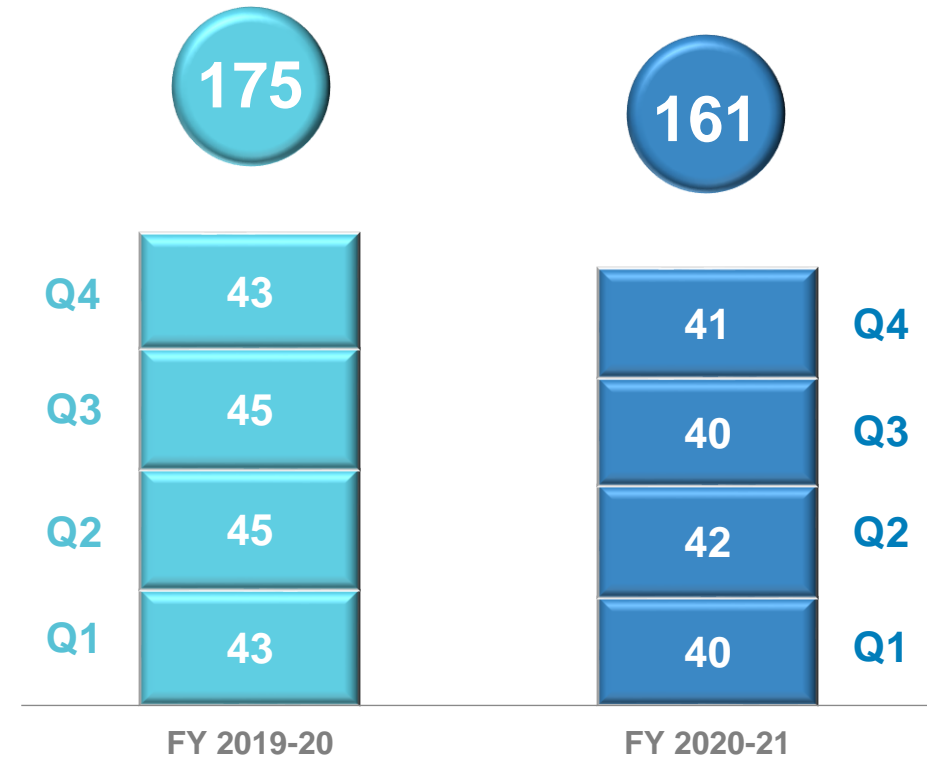
▶ Professional Video

- Still in structural decline
- Recovery in Occasional Use vs. FY20 affected by Covid-related suspension of live sport events

▶ Q4 revenues up 0.9% YoY and 2.1% QoQ

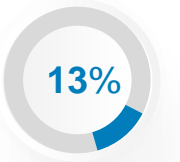
▶ Dynamic commercial activity

- Renewal and expansion of contracts with Liquid Telecom and Overon
- New contract with New Zealand's Mobile operators
- New contract with Telespazio for rural backhauling in Peru

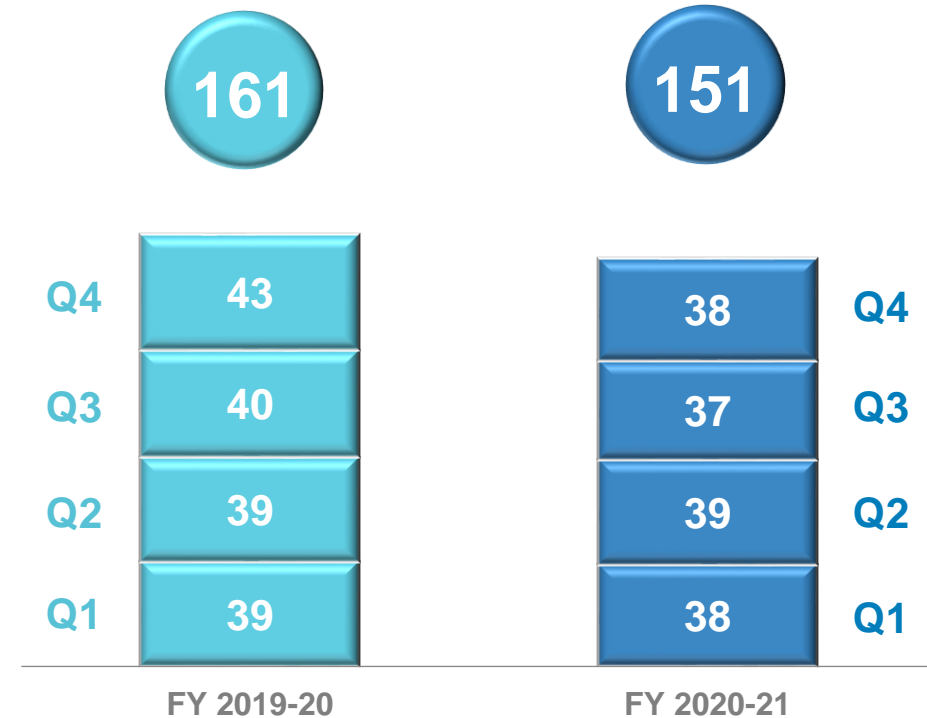


¹ At constant currency and perimeter

GOVERNMENT SERVICES

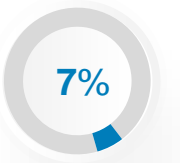


- ▶ **FY revenues of €151m, stable like-for-like¹**
 - Carry-forward effect of the past 18 months USG renewals
 - Positive one-off in Q4 FY20 from temporary relocation of ETL 7A
 - New business and contribution of EGNOS payload on ETL 5 WEST B
- ▶ **Q4 revenues down 4.5% YoY but up 1.7% QoQ**
- ▶ **ETL 36D selected by Airbus to host UHF payload**
- ▶ **Quantum to be launched tonight; set to enter service in Q4 CY 21**



¹ At constant currency and perimeter

FIXED BROADBAND



▶ **FY revenues of €80m, up 7.1% like-for-like¹**

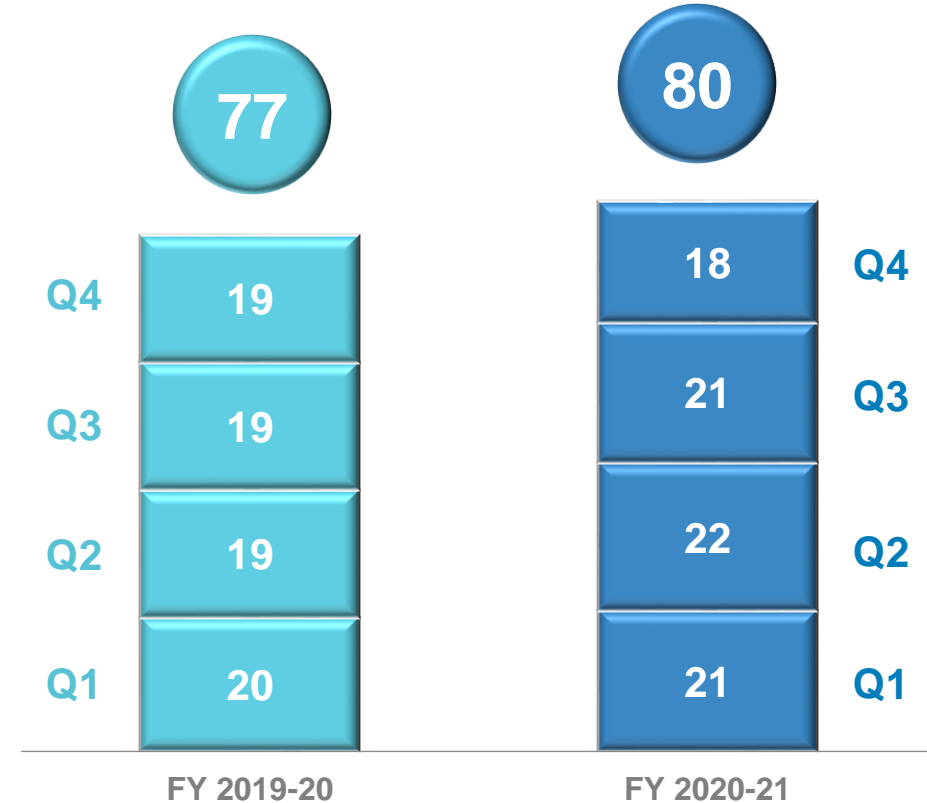
- Initial revenues generated by Konnect Europe with start of wholesale contracts with Orange and TIM
- Growth at African operations

▶ **Q4 revenues up 34.8% YoY and 16.4% QoQ²**

▶ **Significant milestones achieved**

- Entry into service of EUTELSAT KONNECT
- Launch of retail offers following successful integration of BBB
- Wholesale agreements with Orange and TIM
- Distribution capabilities in Africa strengthened

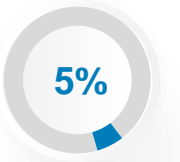
▶ **FY 22 expected to see substantial growth acceleration**



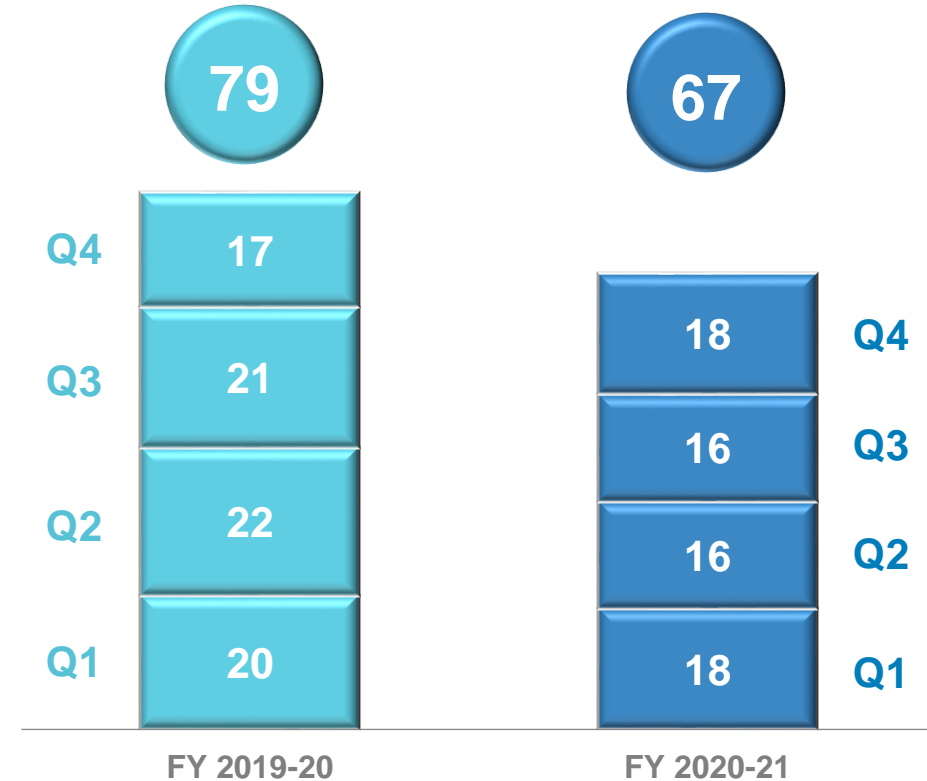
¹ At constant currency and perimeter. Proforma base of €68m in FY 20 excluding the contribution of EBI from 30 April. BBB contribution excluded in FY 21.

² At constant currency and perimeter. Proforma base of €10m in Q4 FY 20 and €15m in Q3 FY 21, with only one month of contribution of EBI

MOBILE CONNECTIVITY



- ▶ **FY revenues of €67m, down 8.4% like-for-like¹**
- ▶ **Impact of Covid-19 crisis on aero mobility**
 - Lower airtime-related revenues on KA-SAT
 - Lower revenues from certain service providers
- ▶ **Positive performance in maritime**
 - Ramp-up of contracts signed in last couple of years
- ▶ **Improved trend in Q4 despite uncertainty on the timing of recovery**
 - Revenues up 16.0% YoY vs a low base and up 11.6% QoQ with initial contribution of Global Eagle at 139°W
- ▶ **‘Eutelsat ADVANCE’ gaining early traction in maritime**



¹ At constant currency and perimeter

LAUNCH OF 'EUTELSAT ADVANCE'

Innovative end-to-end managed services addressing Connectivity verticals



GLOBAL ECOSYSTEM OF SERVICES

- Global network that seamlessly integrates multiple Ku/Ka capacity
- Common ecosystem enabling asset mutualization and resources optimization
- Flexible service catalog tailored for each market



ADVANCED TECHNOLOGIES & TOOLS

- Integrated state-of-the-art cloud-based platform
- Intelligent band allocation & analytics
- Network management & monitoring tools providing advanced customer experience



SEAMLESS USER EXPERIENCE & SUPPORT

- Dynamic interfaces
- Self management of services
- 24 / 7 / 365 customer support
- Highly-reliable hosting & Teleport Services



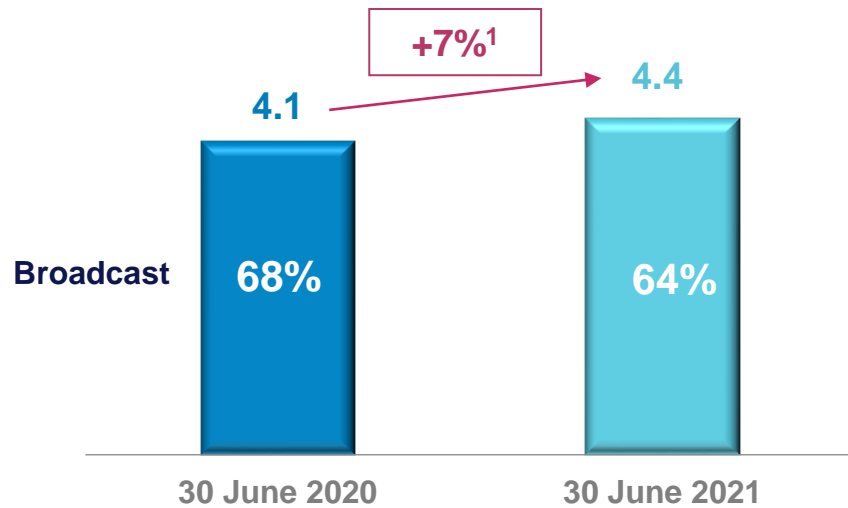
FLEXIBLE PARTNERSHIP WITH NO BARRIERS to ENTRY

- Dynamic allocation of supply & demand
- Scaling up & down of bandwidth
- Reducing time to market
- Open ecosystem of partners

Leveraging existing capabilities at limited incremental cost to create a powerful platform enabling optimization of existing and future GEO/LEO resources

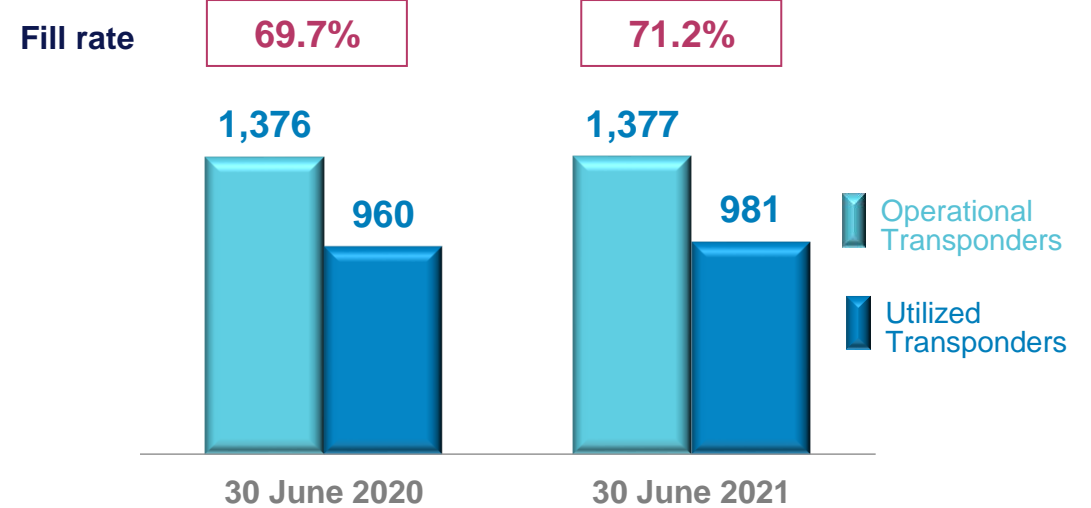
BACKLOG & FILL RATE

BACKLOG (€BN)



- 3.5 years of revenues
- Including Sky Italia, TIM and new EGNOS payload
- Broadcast accounting for 64%

OPERATIONAL & UTILIZED TRANSPONDERS



- Operating TPE almost unchanged
- Utilized TPE up 21 units
- Fill rate slightly up at 71.2%

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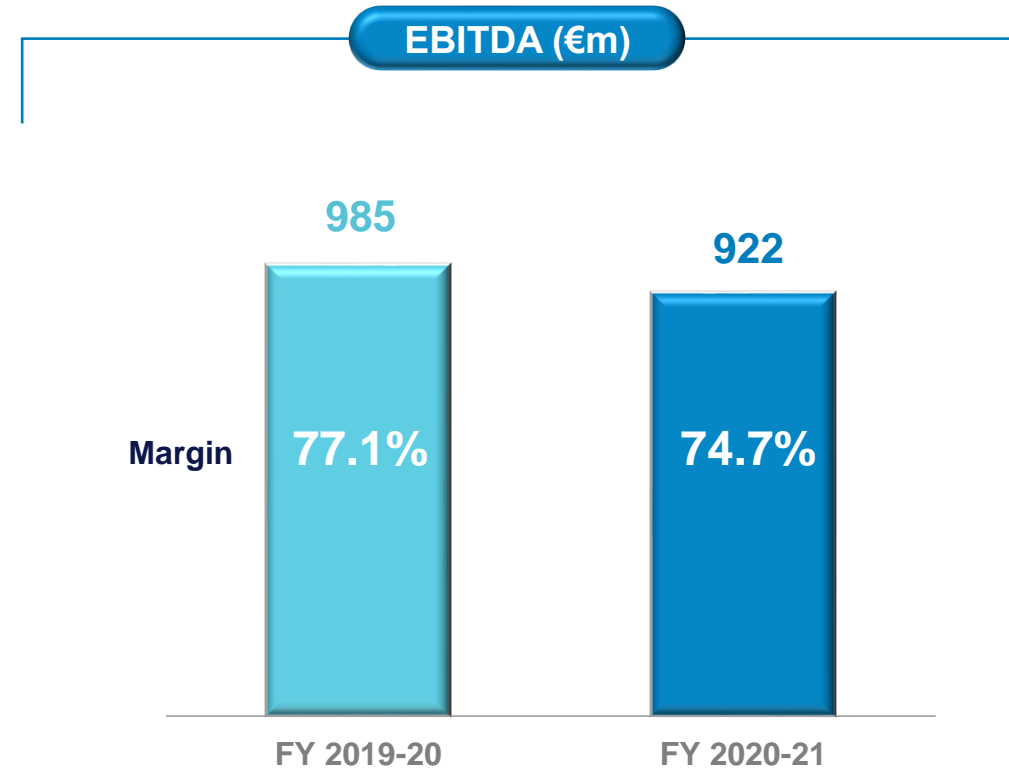
PROFITABILITY

► FY 21 EBITDA margin of 74.7% down 2.4 points YoY

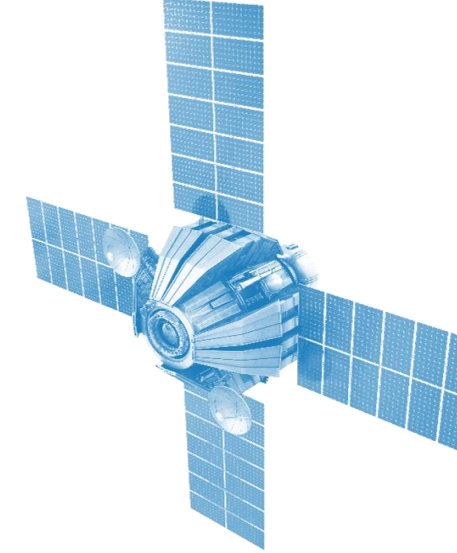
- Lower revenues
- Dilutive impact of the consolidation of BBB Europe
- Specific Bad Debt headwind related mostly to Mobile connectivity customers in Covid-crisis context

► Continued cost discipline

- LEAP 2 programme well on track to deliver on objective of €20-25 million in annual savings next fiscal year
- Half of the savings delivered at end-June 2021



NET INCOME

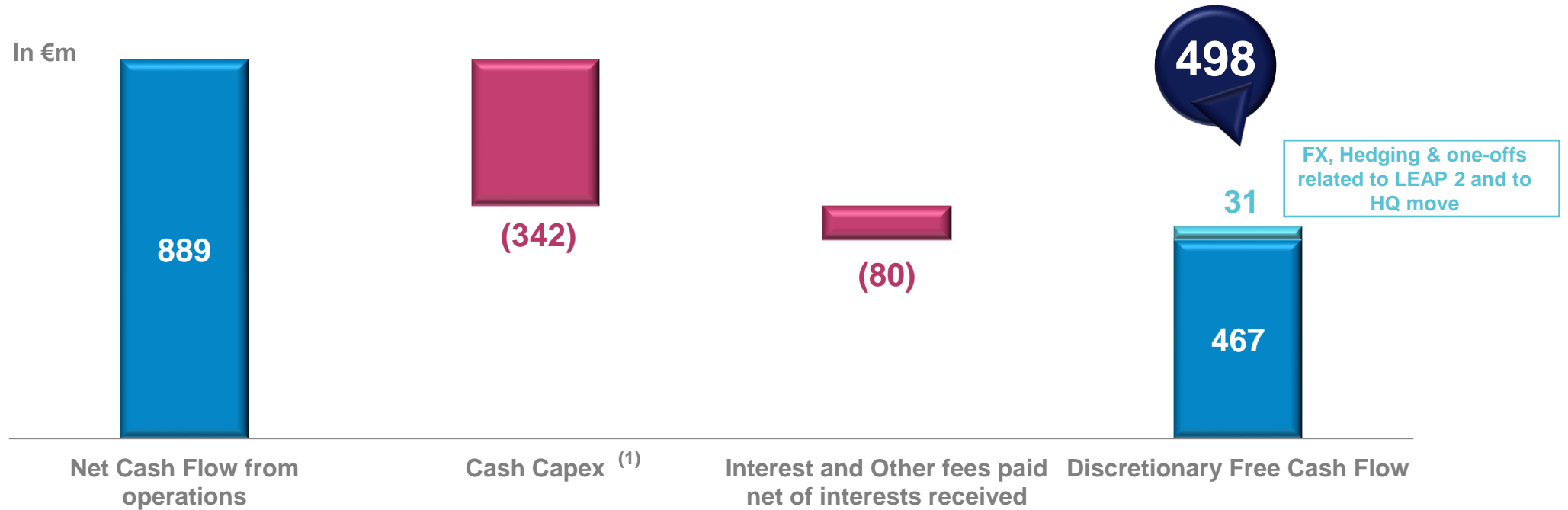


| Extracts from the consolidated income statement in €m ¹ | FY 2019-20 | FY 2020-21 | CHANGE | |
|--------------------------------------------------------------------|------------|------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenues | 1,278 | 1,234 | -3.5% | |
| EBITDA ² | 985 | 922 | -6.4% | |
| Operating income | 490 | 347 | -29.2% | <ul style="list-style-type: none"> ▶ Lower D&A reflecting notably KA-SAT disposal ▶ FY 21 Other operating income reflecting HQ move, LEAP 2 plan, M&A activity and asset impairments |
| Financial result | (81) | (95) | +17.9% | <ul style="list-style-type: none"> ▶ Negative impact from FX losses |
| Income tax | (98) | (24) | -75.2% | <ul style="list-style-type: none"> ▶ Tax Rate of 10% vs 24% last year ▶ Positive variation of deferred taxes ▶ 2-point decrease of French corporate tax rate |
| Group share of net income | 298 | 214 | -28.1% | <ul style="list-style-type: none"> ▶ Net margin of 17% versus 23% last year |

¹ The comparative financial statements as of 30 June 2020 have been restated with respect to the CVAE, which has been reclassified from "Selling, general and administrative expenses" to "Corporate income tax" for an amount of 3.1 million euros in order to align the presentation with the consolidated financial statements as of 30 June 2021. Figures are rounded to closest million;

² EBITDA defined as operating income before depreciation, amortization, impairments and other operating income/(expenses)

DISCRETIONARY FREE CASH FLOW



YoY Change in Adjusted DFCF

+1
+53 (excl. Insurance)

YoY Change in Reported DFCF

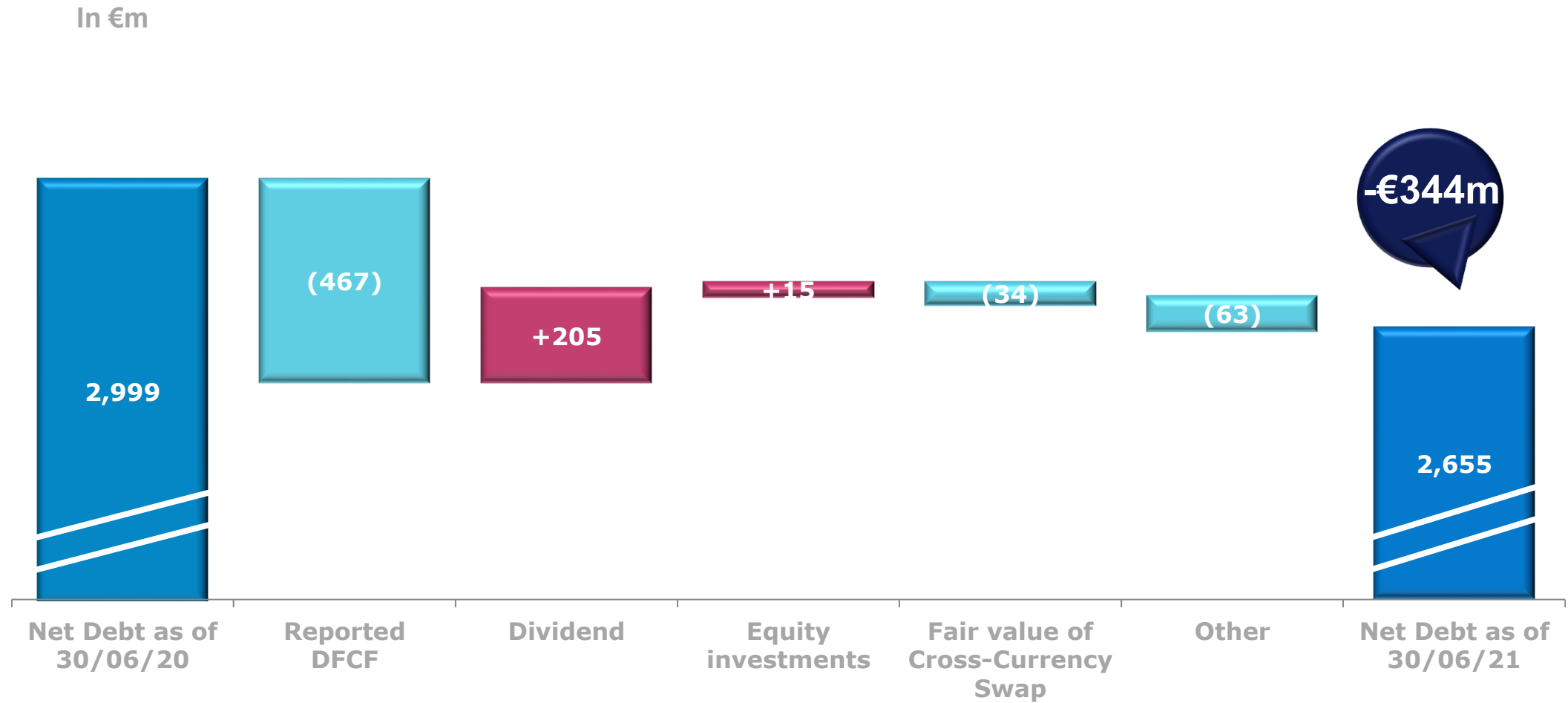
+110

-120

+3

(7)

FURTHER DECREASE IN NET DEBT



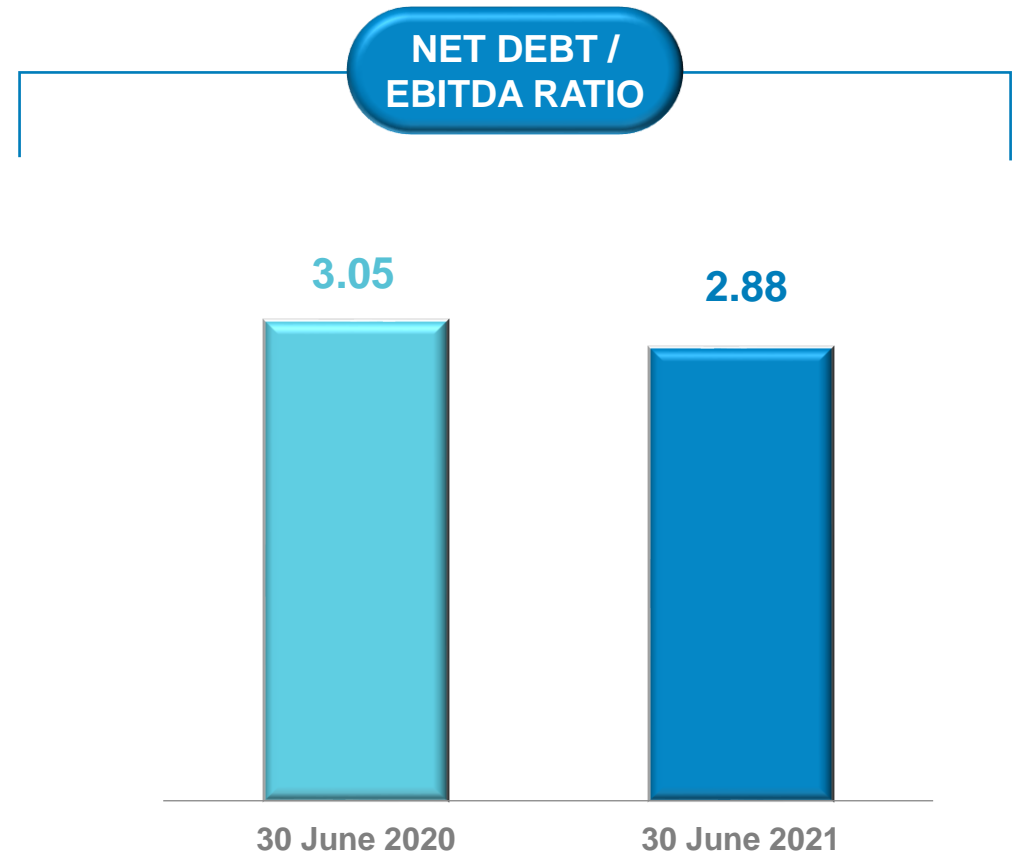
FINANCIAL STRUCTURE

▶ **Net Debt/EBITDA ratio of 2.88x vs. 3.05x as of 30 June 2020**

- Improvement vs previous year
- Comfortably in line with medium-term target

▶ **Solicited investment grade ratings confirmed**

▶ **Several successful financing operations during the financial year**



OPTIMIZATION OF DEBT STRUCTURE

Successful financing operations

- ▶ Issuance of €600m **Eurobond** with 8-year maturity and 1.5% coupon
- ▶ New €200m 8-year **EIB term loan** to finance KONNECT VHTS at compelling terms
- ▶ **Early €200m repayment** of March 22 €600m ETL COM term loan
- ▶ **Refinancing** of remaining €400m ETL COM term loan and attendant €200 million undrawn credit line with similar 5-year instruments at slightly improved terms
- ▶ Further **improving liquidity** with
 - ▶ A ETL SA €200 million undrawn 2-year RCF
 - ▶ A €200 million 3-tranches undrawn structured credit facility

Improved KPIs

- ▶ **Improved average weighted maturity of 5.0 years**
 - vs 3.4 y at 30 Jun 2020
- ▶ **Average cost of debt after hedging slightly reduced at 2.38%**
 - vs. 2.45% in FY 20
- ▶ **Strong liquidity**
 - Cash and undrawn credit lines of > €1.9bn

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REMINDER: A TWO-PRONGED STRATEGY

1. MAXIMISE CASH GENERATION OF THE HERITAGE BUSINESSES



Funding our transition towards high growth verticals...



...whilst continuing to generate a high level of shareholder returns

2. DELIVER GROWTH IN CONNECTIVITY VERTICALS



GEO-enabled: in Fixed Broadband via KONNECT and KONNECT VHTS and in other applications via selected investments



LEO-enabled: addressing Telecom needs in the longer-term via OneWeb

KEY PRIORITIES FOR FY 2021-22

1. MAXIMISE CASH GENERATION OF THE HERITAGE BUSINESS

- ▶ Fully deliver on LEAP 2 cost savings plan
- ▶ Maintain all other levers of Free Cash Flow generation under tension
- ▶ Secure C-Band proceeds in FY 22

2. DELIVER GROWTH IN CONNECTIVITY VERTICALS

GEO-Enabled

- ▶ Commercialise EUTELSAT QUANTUM
- ▶ Secure further large wholesale agreements in Fixed Broadband
- ▶ Ramp-up Konnect Africa operations
- ▶ Prepare the ground for KONNECT VHTS and E10B
- ▶ Roll out 'Eutelsat Advance' managed services

LEO-Enabled

- ▶ Secure the closing of our investment in OneWeb
- ▶ Develop cooperation with OneWeb

FY 2021-22: REVENUE TRENDS BY APPLICATION



BROADCAST

- Carry forward-effect of the slowdown in new business prevalent during most of FY 21
- Overall direction expected to be broadly similar to FY 2020-21 with improving trends thereafter



DATA & PROFESSIONAL VIDEO

- Ongoing structural pressure in Professional Video
- Improving volume trends in the Fixed Data segment
- Continued decline overall, albeit at a modest pace



GOVERNMENT SERVICES

- Revenues continuing to be driven by the outcome of past and upcoming US DoD renewals
- Initial contribution of EUTELSAT QUANTUM expected in H2



FIXED BROADBAND











- Full effect of wholesale agreements and ramp-up of retail in Europe
- Acceleration of Konnect Africa
- Substantial growth expected



MOBILE CONNECTIVITY

- High degree of uncertainty regarding the recovery of the Aero segment
- Full-year effect of the Global Eagle contract
- Continued momentum in Maritime

SUBSTANTIAL GROWTH CAPACITY TO PROGRESSIVELY SUPPORT TOPLINE

| | INCREMENTAL CAPACITY | KEY MARKETS | LAUNCH DATE* | ENTRY INTO SERVICE* | FIRM COMMITMENTS |
|------------------|-----------------------------|----------------------------|------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EUTELSAT KONNECT | 65 Ka spots 75 Gbps | Broadband Europe/Africa | Launched Jan. 19 | Q4 2020 |   |
| EUTELSAT QUANTUM | 8 "QUANTUM" beams | Government Flexible | To be launched 30 Jul. 21 | Q4 2021 | |
| HOTBIRD 13G | EGNOS Payload | Government | H1 2022 | H1 2023 |  |
| KONNECT VHTS | ~230 Ka spots 500 Gbps | Connectivity Europe | H1 2022 | H1 2023 |    |
| EUTELSAT 10B | ~100 Ku spots c. 35 Gbps | Mobility EMEA | H2 2022 | H1 2023 |    |
| EUTELSAT 36D | UHF Payload | Government | H1 2024 | H2 2024 |  |

FINANCIAL OUTLOOK



OPERATING VERTICALS REVENUES¹

- ▶ Between €1,110 to €1,150m in FY 2021-22¹
- ▶ Growth from FY 2022-23 with an acceleration in FY 2023-24

CASH CAPEX

- ▶ Not exceeding €400m² per annum for each of the next three fiscal years (FY 2021-22 / FY 2022-23 / FY 2023-24)

ADJUSTED DISCRETIONARY FREE CASH FLOW³

- ▶ Between €400m and €430m in FY 2021-22³
€30m uplift at comparable currency versus the previous objective
- ▶ Growth in FY 2022-23 and in FY 2023-24

LEVERAGE

- ▶ Maintain solicited investment grade ratings
- ▶ Medium-term net debt / EBITDA ratio of c. 3x

DISTRIBUTION

- ▶ €0.93 per share (up 5%) proposed to the AGM for FY 2020-21
- ▶ Stable to progressive dividend policy

¹ Based on a €/€ rate assumption of 1.20 and current perimeter.

² Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

³ Based on a €/€ rate assumption of 1.20 and current perimeter.

TO SUM UP



Record high **Adjusted DFCF** in FY 21 and FY 22 objective raised by €30m



Well-covered recommended **dividend** of €0.93 per share, up 5% representing a 9% yield



Tangible **acceleration in Fixed Broadband**



FY 22 the last year of transition, with revenues and adjusted DFCF set to **grow** from FY 23












Incremental capacity with firm pre-commitments to support future revenues



OneWeb deal brings unique exposure to one of the few global LEO constellations, a critical infrastructure to address long-term telecom needs

APPENDIX

FUTURE LAUNCHES

| NAME |  | EUTELSAT HOTBIRD 13F | KONNECT VHTS | EUTELSAT HOTBIRD 13G | EUTELSAT 10B | EUTELSAT 36D |
|----------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Orbital Position | 48° East | 13° East | TBD | 13° East | 10° East | 36° East |
| Approx. Launch date ¹ | 30 July | H1 2022 | H1 2022 | H1 2022 | H2 2022 | H1 2024 |
| Manufacturer |  |  |  |  |  |  |
| Launcher |  | TBD | TBD | TBD |  | TBD |
| Coverage | Flexible | Europe | Europe | Europe | EMEA, Atlantic & Indian Ocean | Africa, Russia, Europe |
| Applications | Government | Video | Connectivity Government | Video | Mobile Connectivity | Video Government |
| Total Capacity (TPX ² /Spotbeams) | N/A | 80 Ku ⁴ | ~230 Ka / 500 Gbps | 80 Ku ⁴ | 12 Ku / 10C / c.35 Gbps | 70 Ku |
| o/w Expansion ³ | N/A | - | ~230 Ka / 500 Gbps | - | -30 Ku c.35 Gbps | - |

 Electrical propulsion

 HTS Payload

¹ Calendar year | ² Physical transponders | ³ Excludes unannounced redeployments

⁴ "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."