

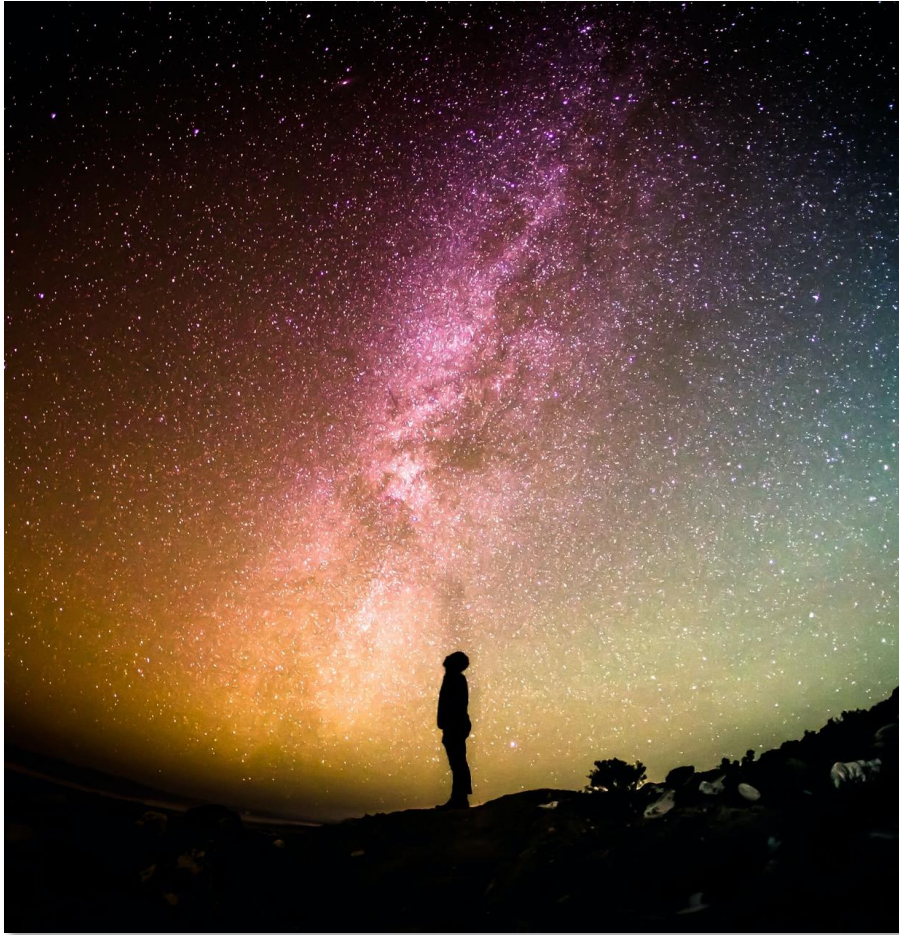


**FIRST QUARTER  
2020-21 REVENUES**  
29 October 2020

# AGENDA

- 1. Key Events**
2. Q1 2020-21 Performance
3. Outlook

# HIGHLIGHTS



General **resilience** of our activity in the **Covid** context

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**Renewal of Sky Italia contract** at HOTBIRD securing broadly stable revenues in the medium term

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Significant steps in our **Fixed Broadband** strategy

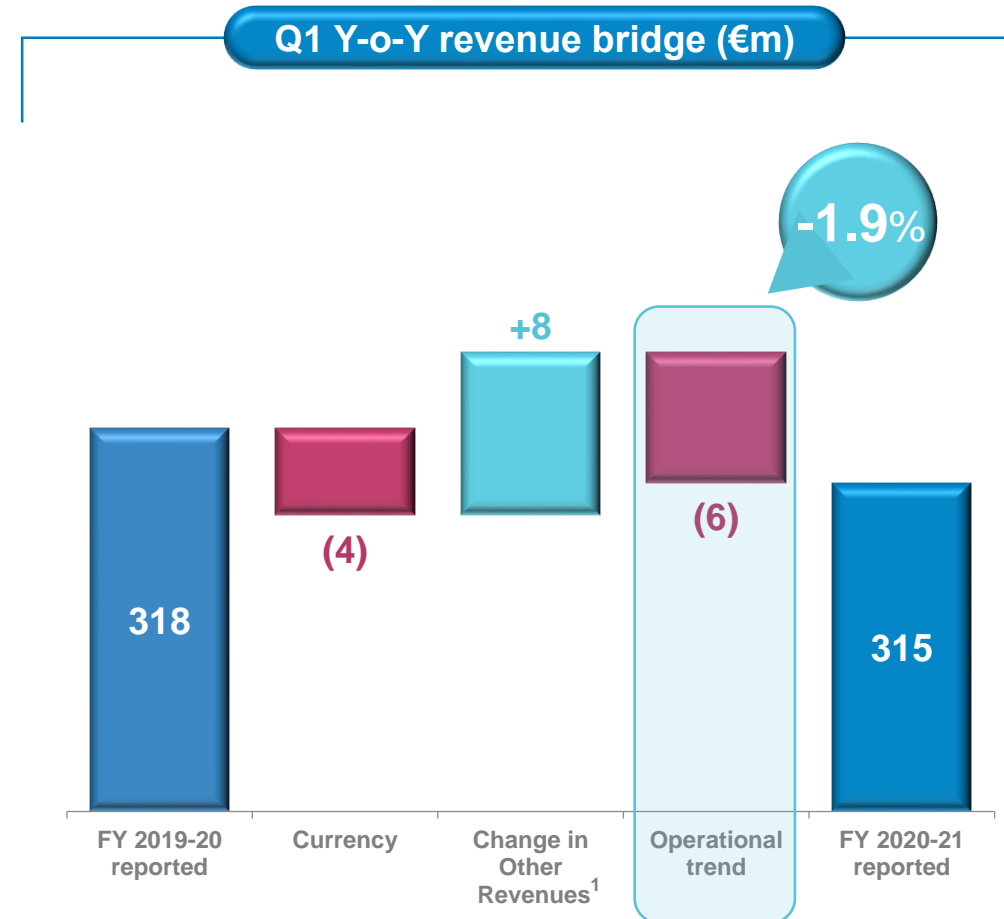
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All **financial objectives** confirmed

# Q1 REVENUES: CONFIRMED RESILIENCE IN COVID CONTEXT

- ▶ Total revenues of €315m, down 0.7%
- ▶ Negative currency effect
  - €/€ rate of 1.16 vs 1.12 last year
- ▶ Positive swing of €8m in 'Other Revenues'
  - o/w €4m related to hedging
- ▶ Revenues of the Operating Verticals down -1.9% like-for-like YoY



<sup>1</sup> Including Hedging revenues representing +€4.1m impact

# SKY ITALIA: STRATEGIC RENEWAL AT HOTBIRD

## ANCHOR CUSTOMER AT HOTBIRD

### Share of total Group Revenues



### Share of Broadcast revenues



### Share of Western Europe Broadcast revenues



## KEY TERMS

### Multi-year agreement

### Secured backlog of c.€450m

- ▶ Future extension options representing additional potential revenues

### Assuring broadly stable revenues over medium term

### Leveraging HOTBIRD replacement

- ▶ Enhanced service levels with substantial Capex savings

## TAKE-AWAYS

### Unmatched coverage of HOTBIRD

Confirming the ongoing relevance of satellite for linear distribution in Western Europe

Supporting general resilience of broadcast revenues



# COMMERCIAL ACTIVITY

## Broadcast

- ▶ Renewal with Sky Italia



- ▶ Extension of contract duration with Tricolor TV (Russia) and Azam TV (SSA)



- ▶ New contract wins in a context of general slowdown in new business



## Other applications

- ▶ **Government Services:** Fall 2020 renewal rate with USG at c.80%



- ▶ **Fixed Broadband:** Distribution Agreement with Paratus for South-Africa



- ▶ **Other:** long term agreement with Ovzon AB for satellite control services

Ovzon

# PREPARING FOR RETURN TO GROWTH IN FIXED BROADBAND












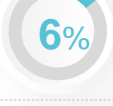
Ongoing testing of distribution models in Africa, PPP growth in Europe, optimization of CPE costs

# AGENDA

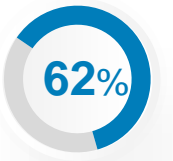
1. Key Events
- 2. Q1 FY 2020-21 Performance**
3. Outlook



# Q1 FY 2020-21 REVENUES BY APPLICATION

		REVENUE CONTRIBUTION <sup>1</sup>	REVENUES (€m)	LIKE-FOR-LIKE <sup>2</sup> YOY CHANGE
	<b>BROADCAST</b>		<b>191</b>	<b>-1.5%</b>
	<b>DATA &amp; PROFESSIONAL VIDEO</b>		<b>40</b>	<b>-6.2%</b>
	<b>GOVERNMENT SERVICES</b>		<b>38</b>	<b>+0.7%</b>
	<b>FIXED BROADBAND</b>		<b>21</b>	<b>+3.8%</b>
	<b>MOBILE CONNECTIVITY</b>		<b>18</b>	<b>-7.2%</b>
<b>TOTAL OPERATING VERTICALS</b>			<b>307</b>	<b>-1.9%</b>
<b>OTHER REVENUES</b>			<b>9</b>	<b>+€8m<sup>3</sup></b>

# BROADCAST



## ► Q1 revenues of €191m, down 1.5% YoY like-for-like<sup>1</sup>

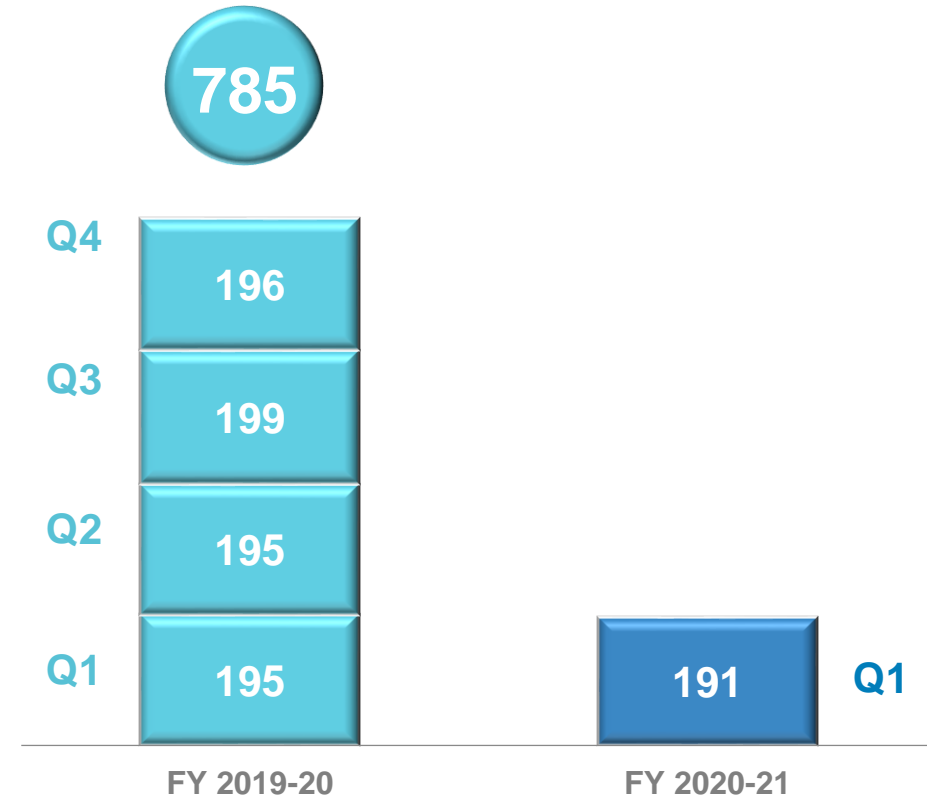
- Impact of the renegotiation of contract terms with Greece's Forthnet
- Positive one-off of circa €2m

## ► Channel count

- 6,683 channels at end Sept. 2020, down 4% YoY
- HD up from 22.7% to 26.0% implying a 10% YoY growth

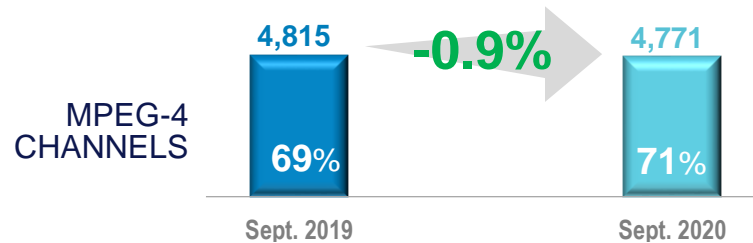
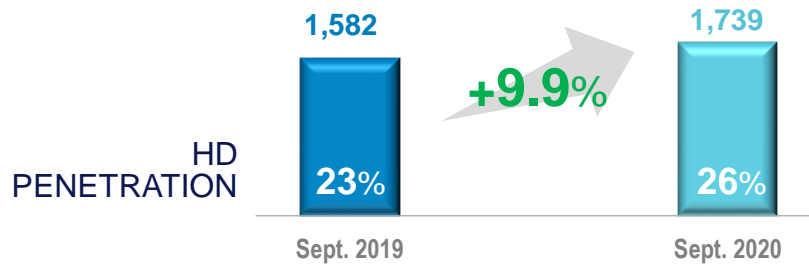
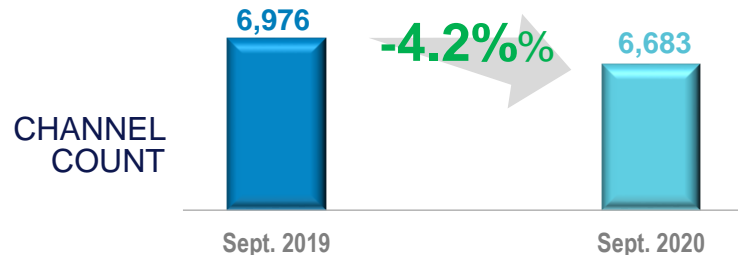
## ► Commercial activity

- Renewal with Sky Italia
- Extension of contracts with Tricolor TV and Azam TV
- Contract wins despite general context of slowdown in new business (Kabelio, BluTV)



<sup>1</sup> At constant currency and perimeter

# CHANNEL COUNT



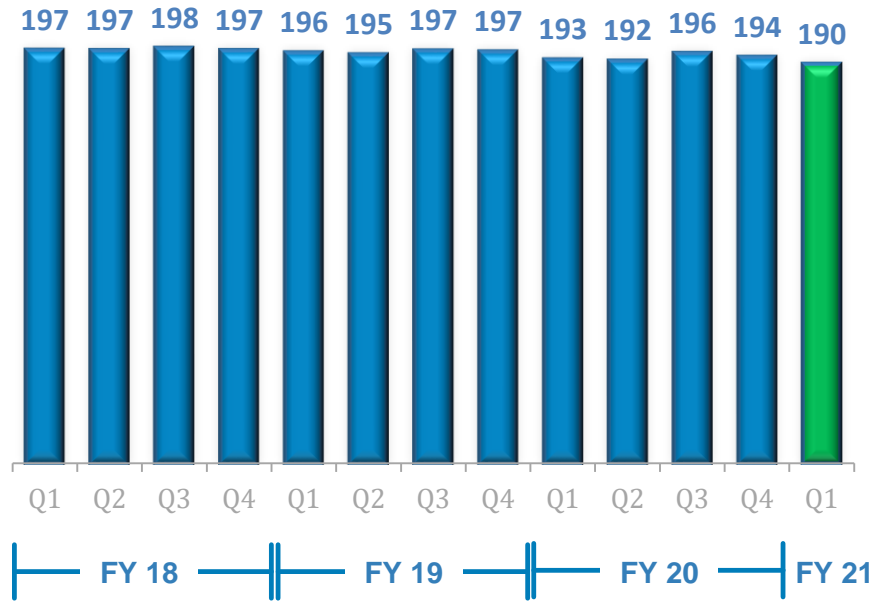
- Lower line up at 5°W following E5WA end of life in stable orbit
- Decrease in Sky Italia line-up
- Negative impact of “technical” events (dual illumination, contribution)
- Double-digit growth in HD
- HD line-ups progressing at all major orbital slots
- 26% penetration
- MPEG-4 penetration more advanced than HD

**Mbps consumption stable**

# RESILIENCE OF CORE BROADCAST

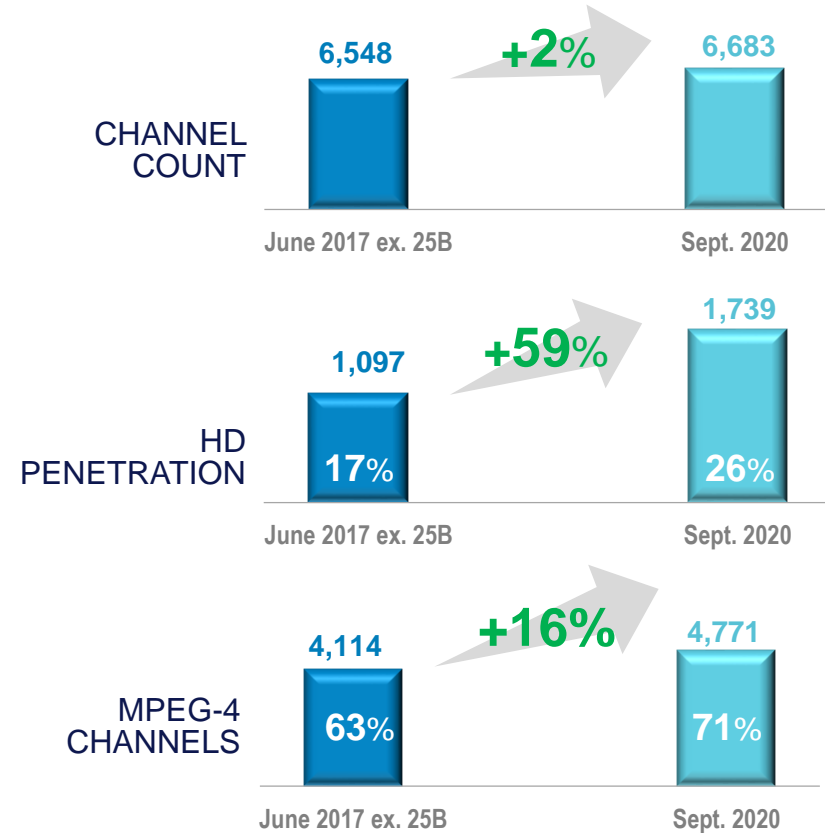
## BROAD STABILITY OF CORE BROADCAST (EXCLUDING FORTHNET)

EVOLUTION OF CORE BROADCAST REVENUES

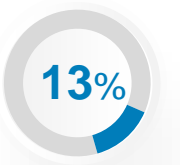


At constant currency and accounting standards  
 Excluding Fransat  
 Converted at FY19 €/\$ rate of 1.14  
 Excluding ETL 25B and Q1 FY18 data proforma for Noorsat integration

## CHANNEL KPIS LEADING TO SLIGHT GROWTH IN MBPS CONSUMPTION



# DATA & PROFESSIONAL VIDEO



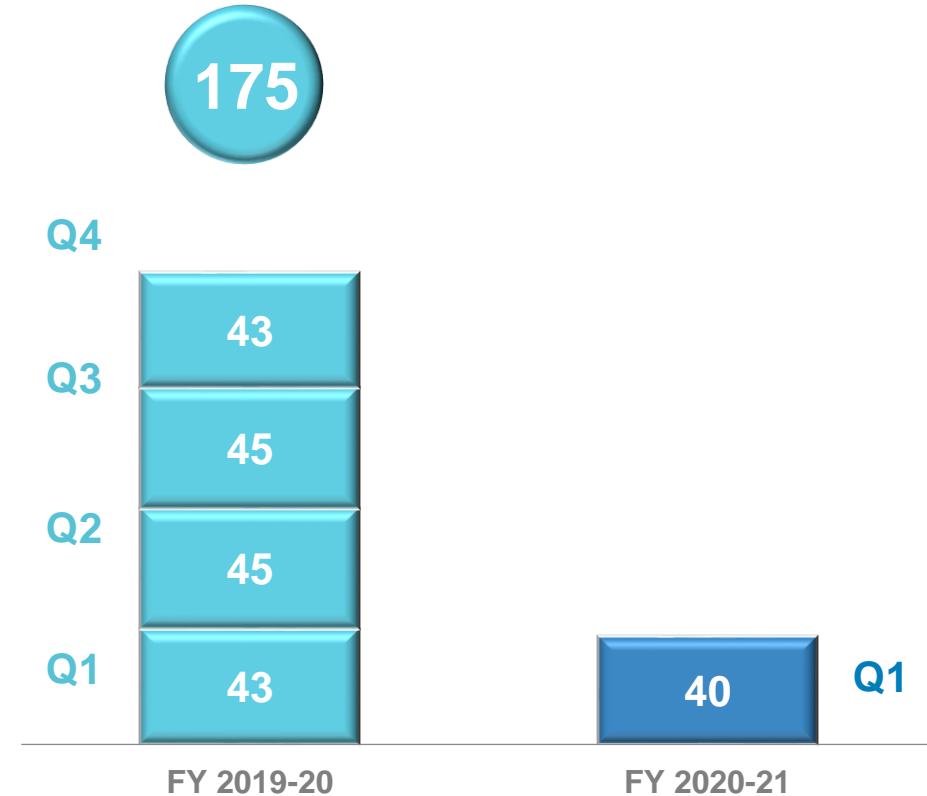
▶ **Q1 revenues of €40m, down 6.2% YoY like-for-like<sup>1</sup>**

▶ **Fixed Data**

- Highly competitive environment notably in LATAM
- Improved volume trends with notably the carry-forward effect of new business secured in MENA last FY

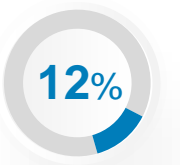
▶ **Professional Video still in decline**

- Occasional Use showing signs of recovery in September with the reinstatement of live sports events



<sup>1</sup> At constant currency and perimeter

# GOVERNMENT SERVICES



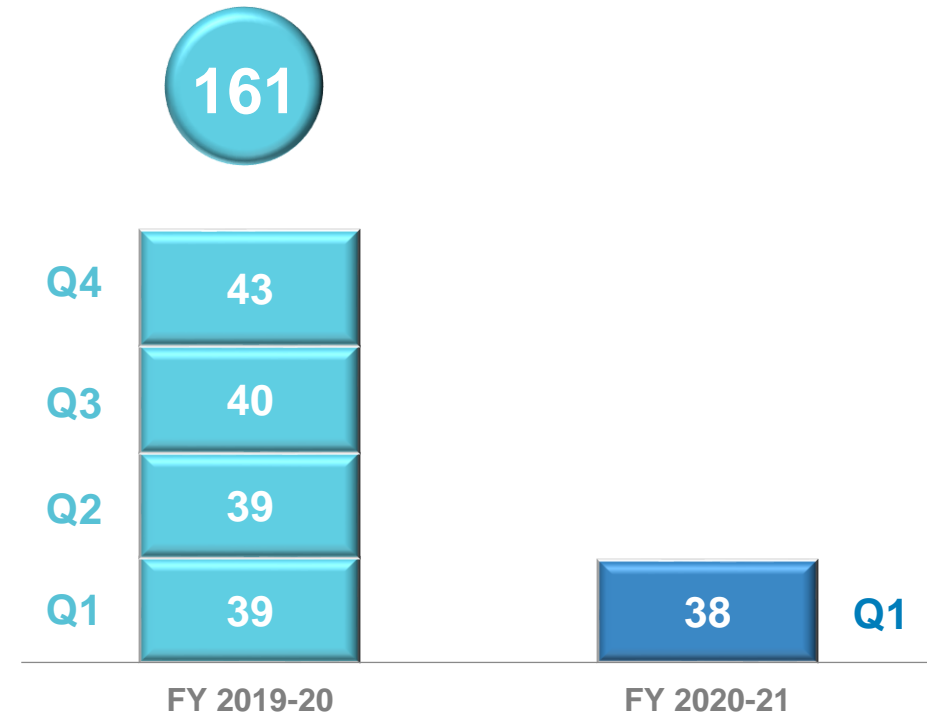
▶ **Q1 revenues of €38m, up 0.7% YoY like-for-like<sup>1</sup>**

- Negative carry-forward effect of last year USG renewals
- Incremental contribution from the EGNOS payload

▶ **Revenues down 5.8% QoQ**

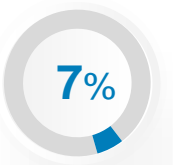
- Temporary relocation of the EUTELSAT 7A at 59° E in Q4

▶ **Fall 2020 USG renewal rate of c.80%**

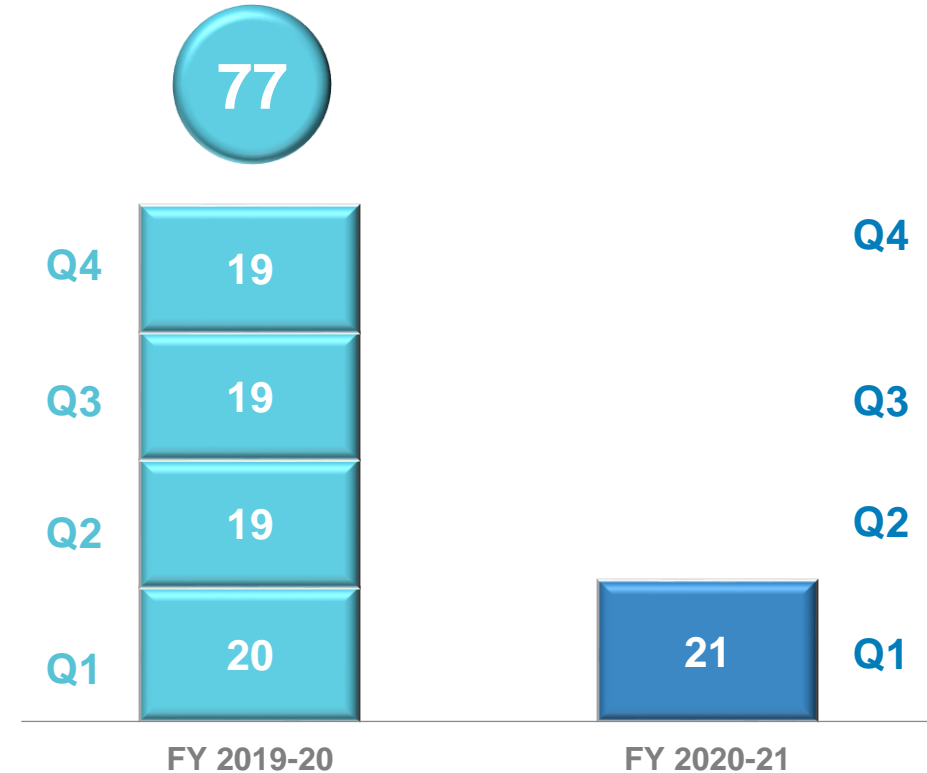


<sup>1</sup> At constant currency and perimeter

# FIXED BROADBAND

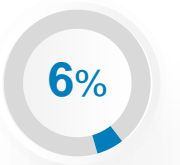


- ▶ **Q1 revenues of €21m, up 3.8% YoY like-for-like<sup>1</sup>**
- ▶ **Covid context favourable to satellite broadband**
- ▶ **Growth in Europe**
  - Positive net adds for the second quarter in a row
  - Higher terminal sales in the Summer
- ▶ **Ramp-up of go-to-market capabilities in Africa**
  - Distribution agreement with Paratus in SA
- ▶ **FY 21 to mark a turning point**
  - Imminent entry into service of EUTELSAT KONNECT
  - Wholesale agreement with Orange
  - Integration of BBB retail operations progressing well



<sup>1</sup> At constant currency and perimeter

# MOBILE CONNECTIVITY



▶ **Q1 revenues of €18m, down 7.2% YoY like-for-like<sup>1</sup>**

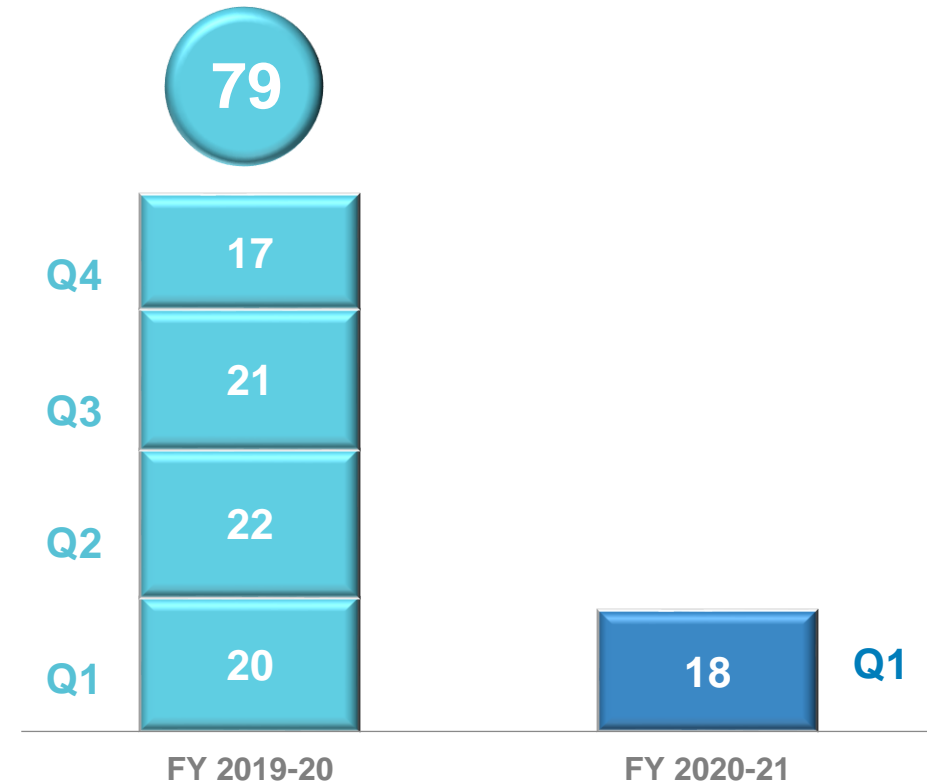
- Q1 of last fiscal year included a €1m negative one-off

▶ **Impact of Covid-19 crisis on aero mobility**

- Low level of airtime-related revenues on KA-SAT
- Lower revenues from certain service providers

▶ **Continued progression of Maritime**

- Ramp-up of contracts signed in previous years

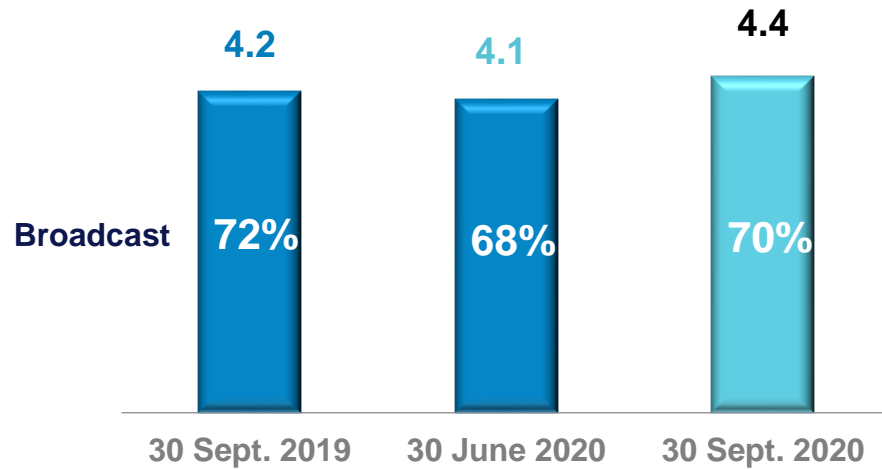


<sup>1</sup> At constant currency and perimeter



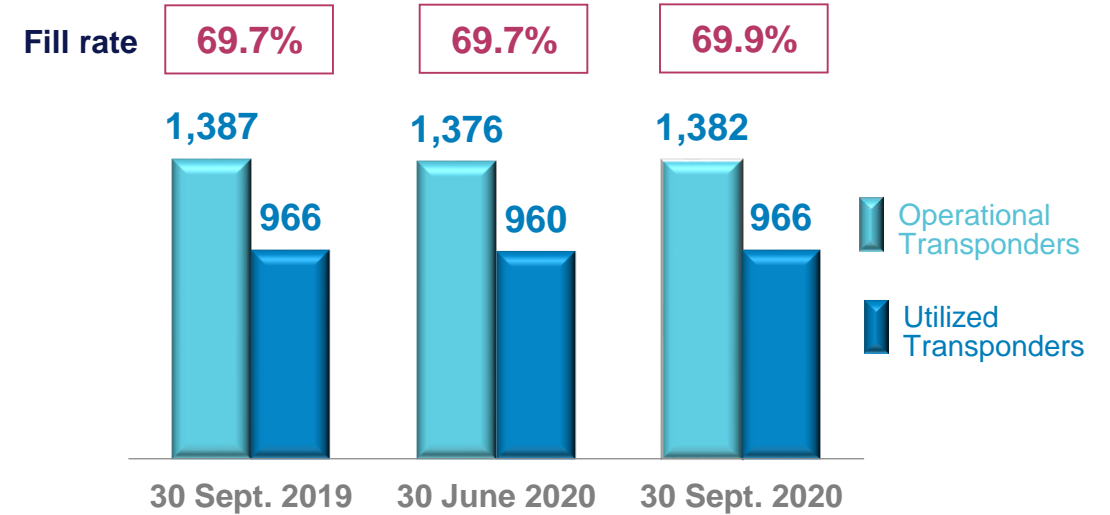
# BACKLOG & FILL RATE

## BACKLOG (€BN)



- Backlog up 3% YoY
- Now including Sky renewal
- 3.4 years of revenues
- Broadcast accounting for 70%

## OPERATIONAL & UTILIZED TRANSPONDERS



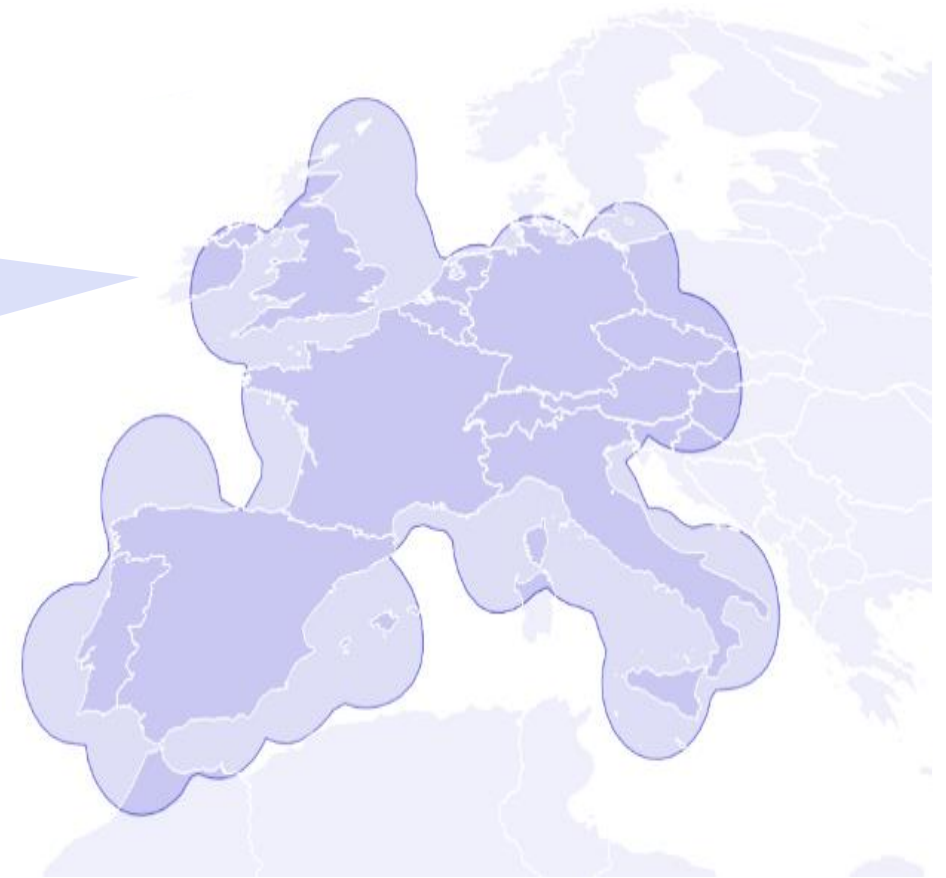
- Operating TPE down 5 units / utilized TPE stable YoY
  - Lower capacity at 5°West
  - Entry into service of E7C
- Fill rate continuing its slight progression at 69.9%

# AGENDA

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# IMMINENT ENTRY INTO SERVICE OF EUTELSAT KONNECT

- ▶ **Gradual entry into service from early November**
  - 80% of the capacity in service by year-end
- ▶ **Covering both Europe and Africa**
  - Circa 55% Europe
  - Circa 45% Africa
- ▶ **Superior economic performance vs existing assets**
  - 75 Gbps of capacity with lower cost per Gbps
  - Unprecedented flexibility to reallocate capacity between beams
- ▶ **Enhanced offers for end users**
  - Speeds up to 100 Mbps vs. 50 Mbps currently
- ▶ **Wholesale agreement with Orange for entire French capacity**



**European coverage focused on high demand markets**

# FINANCIAL OUTLOOK CONFIRMED



## OPERATING VERTICALS REVENUES<sup>1</sup>

- ▶ Between €1,180m and €1220m in FY 2020-21

## CASH CAPEX

- ▶ Not exceeding average of €400m<sup>2</sup> per year for the period July 2020 to June 2022

## ADJUSTED DISCRETIONARY FREE CASH FLOW<sup>3</sup>

- ▶ Between €420m and €450m in FY 2021-22

## LEVERAGE

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

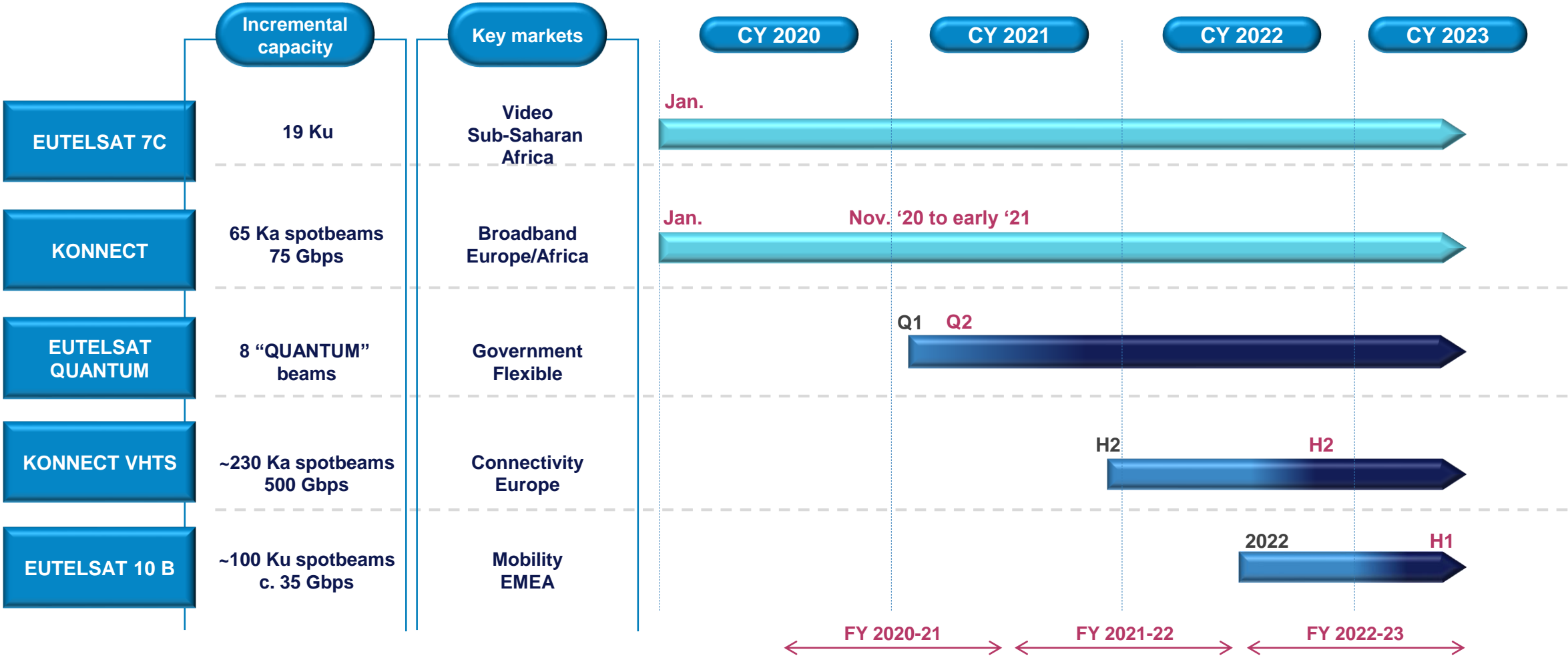
## DISTRIBUTION

- ▶ Proposed dividend of €0.89 per share for FY 2019-20
- ▶ Stable to progressive dividend policy reinstated from FY2020-21

<sup>1</sup> Based on a €/\$ rate of 1.14 and excluding the impact of BBB acquisition.

<sup>3</sup> 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 one-off impacts such as Hedging, effects of changes in perimeter when relevant, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters

# TARGETED GROWTH CAPACITY TO PROGRESSIVELY SUPPORT TOPLINE



■ Launched   
 ■ Upcoming Launch   
 X Approx. launch date   
 X Approx. time to entry into service

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# FUTURE LAUNCHES

NAME		KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT HOTBIRD 13G	EUTELSAT 10B
Orbital Position	48° East	TBD	13° East	13° East	10° East
Launch date <sup>1</sup>	Q1 2021	H2 2021	H2 2021	H2 2021	2022
Manufacturer					
Launcher		TBD	TBD	TBD	TBD
Coverage	Flexible	Europe	Europe	Europe	EMEA, Atlantic & Indian Ocean
Applications	Government Services	Connectivity Government	Video	Video	Mobile Connectivity
Total Capacity (TPE/Spotbeams)	N/A	<b>~230 Ka / 500 Gbps</b>	73 Ku <sup>3</sup>	73 Ku <sup>3</sup>	12 Ku / 20C / c.35 Gbps
o/w Expansion <sup>2</sup>	N/A	<b>~230 Ka / 500 Gbps</b>	-	-	-48 Ku <b>c.35 Gbps</b>

 Electrical propulsion

**HTS Payload**

<sup>1</sup> Calendar year | <sup>2</sup> Excludes unannounced redeployments

<sup>3</sup> "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."