



eUTeLSAT

FULL YEAR 2021-22 RESULTS

26 July 2022

DISCLAIMER

The audit procedures for the consolidated financial statements have been completed. The certification report will be issued at the end of the next Board of Directors' meeting, after completion of the specific verifications and review of events after 25 July 2022.

These accounts will be subject to the approval of shareholders of Eutelsat Communications at the Annual General Shareholders Meeting of 10 November 2022.

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex, Discretionary Free Cash Flow and Adjusted Discretionary Free Cash 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 slightly above the mid-point of our range of objectives



Resilient financial performance including industry-leading profitability and ongoing robust Free Cash Flow generation



Putting all elements in place to foster the **Telecom Pivot**



Closer **cooperation with OneWeb** which is making good progress



Updated financial objectives including a confirmed **return to topline growth** from FY 24



Announcement of a **merger between Eutelsat and OneWeb** representing a leap forward in the Satellite Connectivity space¹

KEY FIGURES



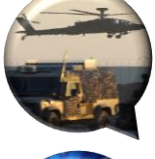


		YoY change	
		Reported	As per financial objectives definition
OPERATING VERTICALS REVENUES	€1,148m at reported €/\$ rate €1,122m at 1.20 €/\$ rate	-4.4%	-3.8% ¹
EBITDA MARGIN²	74.8% reported	+0.1 pt	
CASH CAPEX²	€280m		
DISCRETIONARY FREE CASH FLOW²	€443m reported €460m adjusted (as per financial objectives) ²	-5.1%	-2.1%
NET DEBT / EBITDA²	3.27x	+0.39 pt	
PROPOSED DIVIDEND	€0.93 per share Scrip option proposed to shareholders	Stable	

¹ YoY variation at constant currency and perimeter

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

SEQUENTIAL TRENDS IMPROVING THROUGHOUT THE YEAR

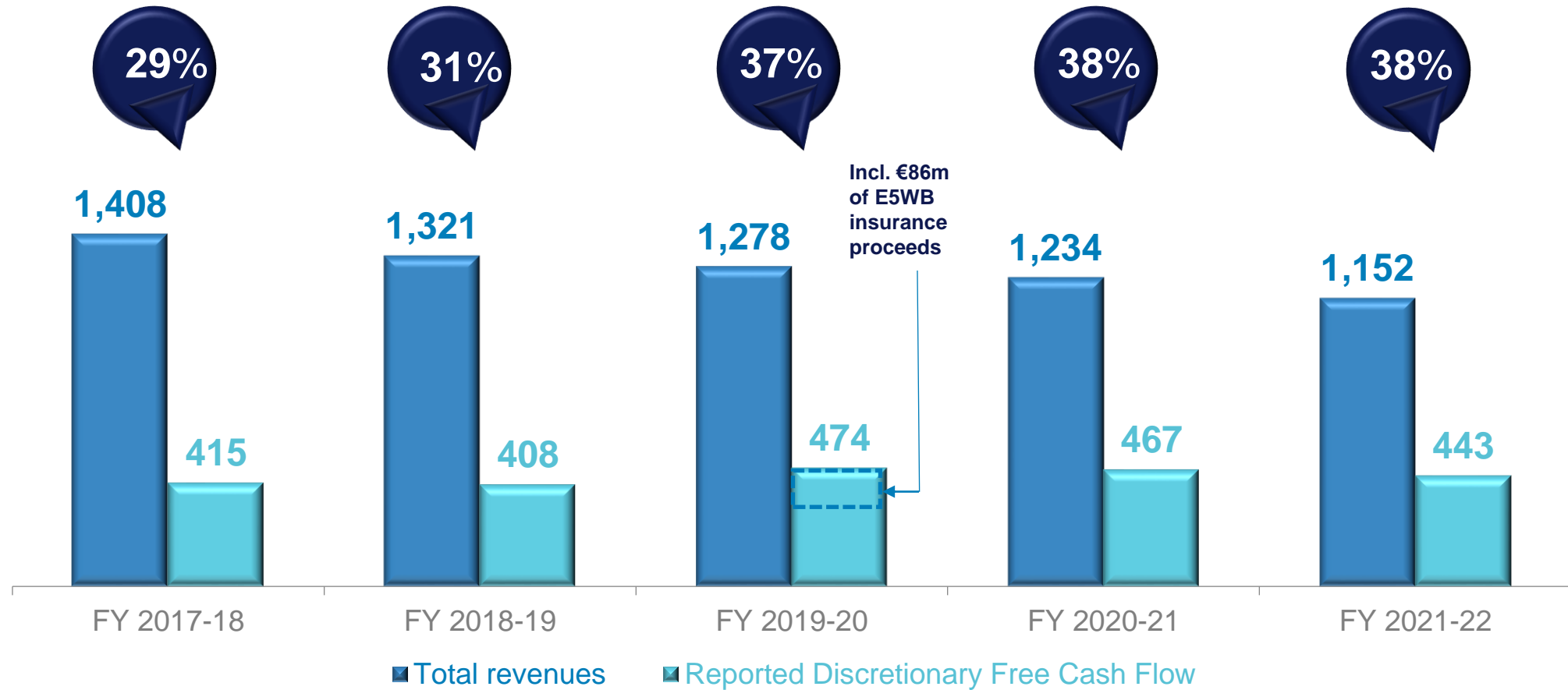
Q4 revenues slightly up vs Q3

		QoQ like-for-like variation			
		Q1	Q2	Q3	Q4
	BROADCAST	-1.7%	-3.1%	-0.8%	-0.4%
	DATA & PROFESSIONAL VIDEO	-6.2%	+1.4%	+0.1%	-1.1%
	GOVERNMENT SERVICES	-3.2%	-2.0%	-8.0%	-0.1%
	FIXED BROADBAND	-2.6%	+5.9%	+7.7%	+26.0%*
	MOBILE CONNECTIVITY	-3.6%	+11.0%	+4.5%	+4.5%
TOTAL OPERATING VERTICALS		-2.7%	-1.0%	-0.7%	+1.5%*

* Excluding one-off of c. €2.5m, Q4 Fixed Broadband QoQ variation is +11.2% and Q4 Operating verticals QoQ variation is +0.6%

>€2.2BN AGGREGATED DFCF GENERATED OVER 5 YEARS

Reported DFCF / revenue ratio



■ Total revenues

■ Reported Discretionary Free Cash Flow

Adjusted DFCF growth¹

+10%

+6%

+0%

-2%

+12%

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)

ALL ELEMENTS IN PLACE TO FOSTER TELECOM PIVOT

MARKET OPPORTUNITY



Massive long-term market potential for both B2C and B2B connectivity

INNOVATIVE END-TO-END PLATFORM



Successful launch of Eutelsat Advance managed services solutions

ADEQUATE ORGANISATION



Reorganization along two business lines to enhance customer-centricity

UNPARALLELED GROWTH CAPACITY







Substantial growth capacity with high level of pre-commitments



Access to OneWeb resources providing a unique GEO-LEO combination

MASSIVE OPPORTUNITY FOR BOTH B2B AND B2C CONNECTIVITY

Addressing multiple verticals worth almost **\$16bn**

VERTICALS	KEY APPLICATIONS	DRIVERS	2030 MARKET	10Y-CAGR
 FIXED DATA¹	<ul style="list-style-type: none"> ▶ Mobile backhaul ▶ Corporate networks 	<ul style="list-style-type: none"> ▶ Network extension ▶ Growing Data usages ▶ Ubiquitous coverage need ▶ USO pressure 	\$3.9bn	+10%
 GOVERNMENT	<ul style="list-style-type: none"> ▶ Military / Security ▶ Civil government 	<ul style="list-style-type: none"> ▶ Defense budget increases ▶ Bandwidth-hungry usages ▶ Connecting remote sites 	\$3.9bn	+13%
 CONSUMER BROADBAND²	<ul style="list-style-type: none"> ▶ Internet access for individuals ▶ SMEs Drivers 	<ul style="list-style-type: none"> ▶ USO pressure ▶ High cost of terrestrial rollout ▶ Internet access becoming a basic need 	\$4.4bn	+17%
 MOBILITY	<ul style="list-style-type: none"> ▶ In-flight Connectivity ▶ Maritime Connectivity 	<ul style="list-style-type: none"> ▶ Growing number of aircraft / ships ▶ Improved equipment / take-up rates ▶ Enhanced service leading to higher usages 	\$3.4bn	+17%

SUCCESSFUL LAUNCH OF EUTELSAT ADVANCE PLATFORM

INNOVATIVE

END-TO-END MANAGED SERVICES SOLUTION



Flexible solutions

On-demand service plans and bandwidth



Global reach

Single platform seamlessly integrating Ku and Ka-band capacity



Cutting-edge technology

State-of the art platform including network management and monitoring tools



User-centric experience

Dynamic interface enabling customer to control and self-manage its own services

SPECIFIC OFFERS

ADDRESSING ALL B2B VERTICALS



Enterprise



Maritime



Telecom



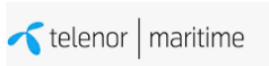
Government



Aviation

PROMISING

COMMERCIAL START

- ▶ **Extension** to more verticals and in-orbit resources
- ▶ Managed connectivity services provided to **Telenor for cruise connectivity** over the Caribbean Sea.

- ▶ Large Connectivity project for **rural schools** in Mexico on E65 WA
- ▶ Significant pipeline of opportunities in **Maritime** and in **Fixed Data** leveraging KONNECT and Ku-Band capabilities

REORGANISATION ALONG TWO BUSINESS UNITS

Enhancing customer-centricity, gaining efficiency and fostering return to growth

CONTEXT

- ▶ We are exposed to **2 different markets** with distinct customers
 - **Video** which is mature and highly cash-generative
 - **Connectivity** where enhanced technology unlocks considerable opportunities
- ▶ Customers in these 2 markets have **distinctive expectations**
- ▶ They need to be **addressed separately**












NEW ORGANISATION AND TIMING

- ▶ Creation of **two Business Units** in charge of all customer-related aspects responsible for their own P&L
 - Video
 - Connectivity
 - Each BU to integrate sales and support for customer services
- ▶ New organisation expected to be in place **early in CY 23**

EXPECTED BENEFITS

- ▶ Improved **customer-centricity** and focus on customer satisfaction
- ▶ **Differentiated** sales / marketing strategies per each sub-segment
- ▶ Increased **collaboration** between teams involved in the same processes
- ▶ Optimized **efficiency** in the use of the resources of the company

SUBSTANTIAL GROWTH CAPACITY TO PROGRESSIVELY SUPPORT TOPLINE

	INCREMENTAL CAPACITY	KEY MARKETS	ENTRY INTO SERVICE*	FIRM COMMITMENTS
EUTELSAT KONNECT	65 Ka spots 75 Gbps	Broadband Europe/Africa	In service since Q4 2020	  
EUTELSAT QUANTUM	8 "QUANTUM" beams	Government Flexible	In service since Q4 2021	Multiple beams sold
HOTBIRD 13G	EGNOS Payload	Government	H1 2023	
EUTELSAT 10B	~100 Ku spots c. 35 Gbps	Mobility EMEA/Atlantic & Indian Ocean	Q3 2023	  
KONNECT VHTS	~230 Ka spots 500 Gbps	Connectivity Europe	H2 2023	  
EUTELSAT 36D	UHF Payload	Government	H2 2024	

* Calendar years

CLOSER LINKS WITH ONEWEB

OneWeb operations progressing well despite Russian headwind

OPERATIONAL UPDATE

- ▶ 13 launches completed with 2/3 of the fleet now in orbit
- ▶ Partial coverage available and service launched North of 50° Parallel
- ▶ Soyuz launches in Baikonur suspended
- ▶ Agreements with SpaceX and New Space India enabling launches to resume in CY 2022
- ▶ Global coverage expected by end CY 2023
- ▶ Continued commercial traction



CLOSER COOPERATION

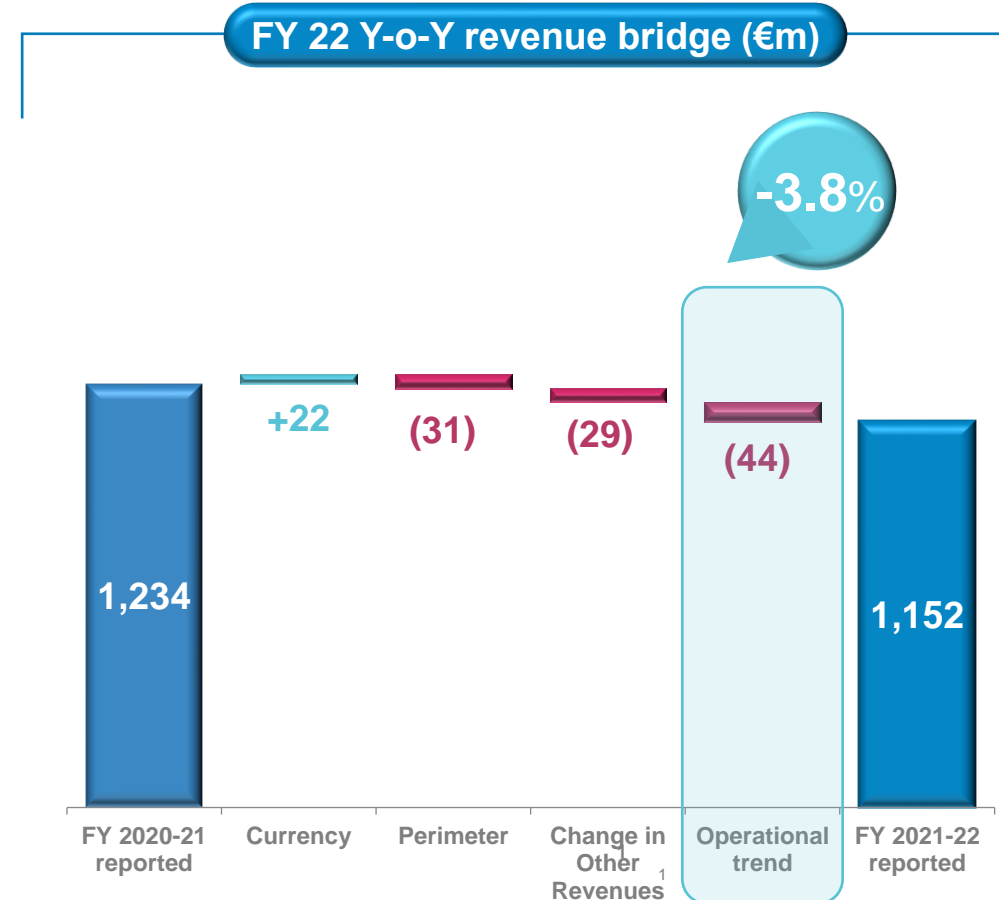
- ▶ Investment closed with a further strengthening of the initial stake making Eutelsat OneWeb's second largest shareholder
- ▶ Fully integrated in the governance of OneWeb
- ▶ Launch of a number of joint workstreams, at the technical and regulatory levels
- ▶ Global distribution agreement covering all verticals and geographies
- ▶ Exclusive commercial partnership
 - ▶ Firm commitment by Eutelsat to purchase \$275m of OneWeb's constellation capacity at pre-defined terms
 - ▶ Eutelsat to benefit from exclusive use of OneWeb's capacity over certain pre-determined sales regions and verticals in particular continental Europe and Global cruise

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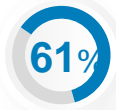

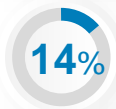






FY 2021-22 REVENUES

- ▶ Total revenues of €1,152 down 6.7%
- ▶ Negative perimeter effect
 - Acquisition of BBB on 1st October 2020
 - Disposal of EBI on 30 April 2021
- ▶ Positive currency effect
 - €/\$ rate of 1.14 vs 1.19 last year
- ▶ Negative change of -€29m in ‘Other Revenues’
 - O/w -€27m related to hedging
- ▶ Revenues of the Operating Verticals down 3.8% like-for-like



¹ Including Hedging revenues representing -€27m impact

FY 2021-22 REVENUES BY APPLICATION

	REVENUE CONTRIBUTION ¹	REVENUES (€m)	LIKE-FOR-LIKE ² CHANGE
 BROADCAST	 61%	697	-6.9%
 DATA & PROFESSIONAL VIDEO	 14%	159	-4.2%
 GOVERNMENT SERVICES	 12%	144	-7.9%
 FIXED BROADBAND	 6%	69	+36.0%
 MOBILE CONNECTIVITY	 7%	80	+15.0%
TOTAL OPERATING VERTICALS		1,148	-3.8%
OTHER REVENUES		3	-€29m ³



¹ Share of each application as a percentage of total revenues excluding "Other Revenues".

² Change at constant currency and perimeter.

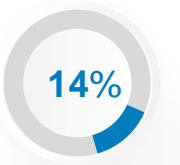
³ Of which -€27m related to hedging revenues.

- ▶ **FY revenues of €697m, down 6.9% YoY like-for-like¹**
 - Partial renewal of capacity with Nilesat at 7/8°W
 - Lower revenues in Europe in H1 due to the carry-forward effect of a slowdown in the pace of new business during the Covid period
- ▶ **Q4 revenues of €174m**
 - Low single-digit decline YoY excluding 7/8°W impact
 - Broadly stable QoQ for the second quarter in a row



¹ At constant currency and perimeter

DATA & PROFESSIONAL VIDEO



▶ **FY revenues of €159m, down 4.2% like-for-like¹**

- Trend broadly in keeping with the previous FY

▶ **Fixed Data**

- Higher volumes partly offsetting continued double-digit price pressure

▶ **Professional Video**

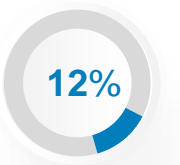
- Still in structural decline
- Benefited from robust Occasional Use performance

▶ **Q4 revenues down 5.8% YoY and 1.1% QoQ**



¹ At constant currency and perimeter

GOVERNMENT SERVICES

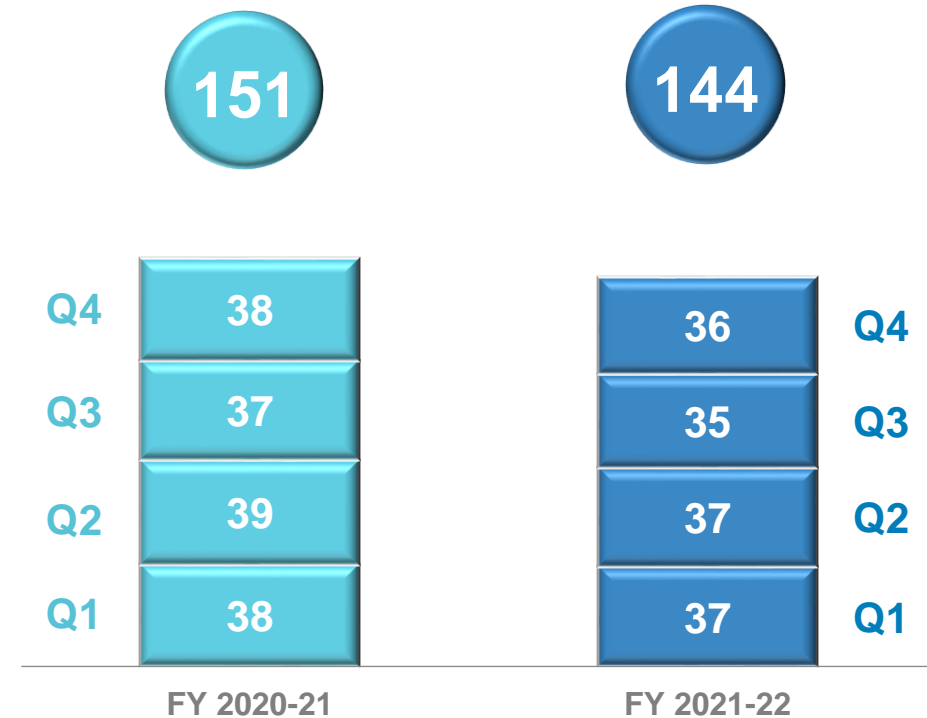


► FY revenues of €144m, down 7.9% like-for-like¹

- Negative effect of USG renewals with a ~75% renewal rate over the FY
 - Withdrawal from Afghanistan
- End of life in stable orbit of E174A
- Initial incremental revenues secured on ETL QUANTUM

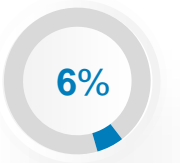
► Q4 revenues of €36m

- Down 12.9% YoY
- Stable QoQ



¹ At constant currency and perimeter

FIXED BROADBAND

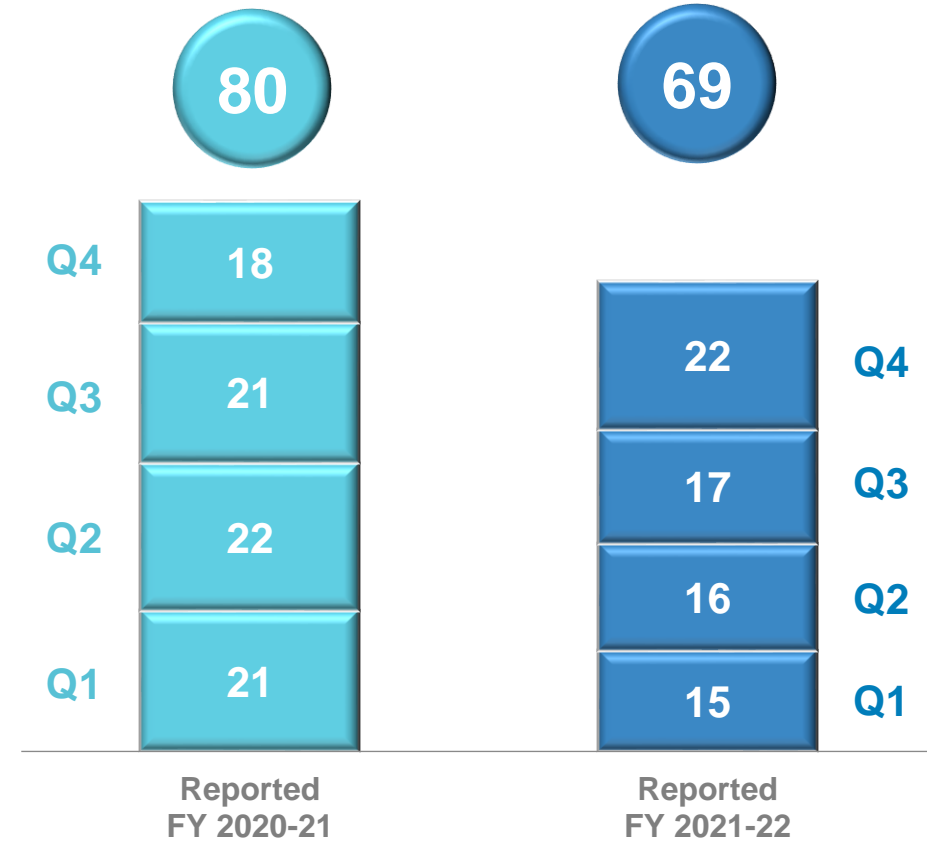


► FY revenues of €69m, up 36.0% like-for-like¹

- Wholesale agreements with Orange, TIM and Hispasat (from Nov. 21)
- Strong dynamic of our African operations
- Ramp-up of the multi-beam agreement signed on E65WA with several Mexican service providers
- More than offsetting erosion of the legacy business of BBB on KA-SAT

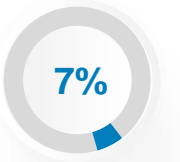
► Q4 revenues of €22m up 39.2% YoY and 26.0% QoQ

- Positive one-off in Q4 of ~€2.5m



¹ At constant currency and perimeter

MOBILE CONNECTIVITY



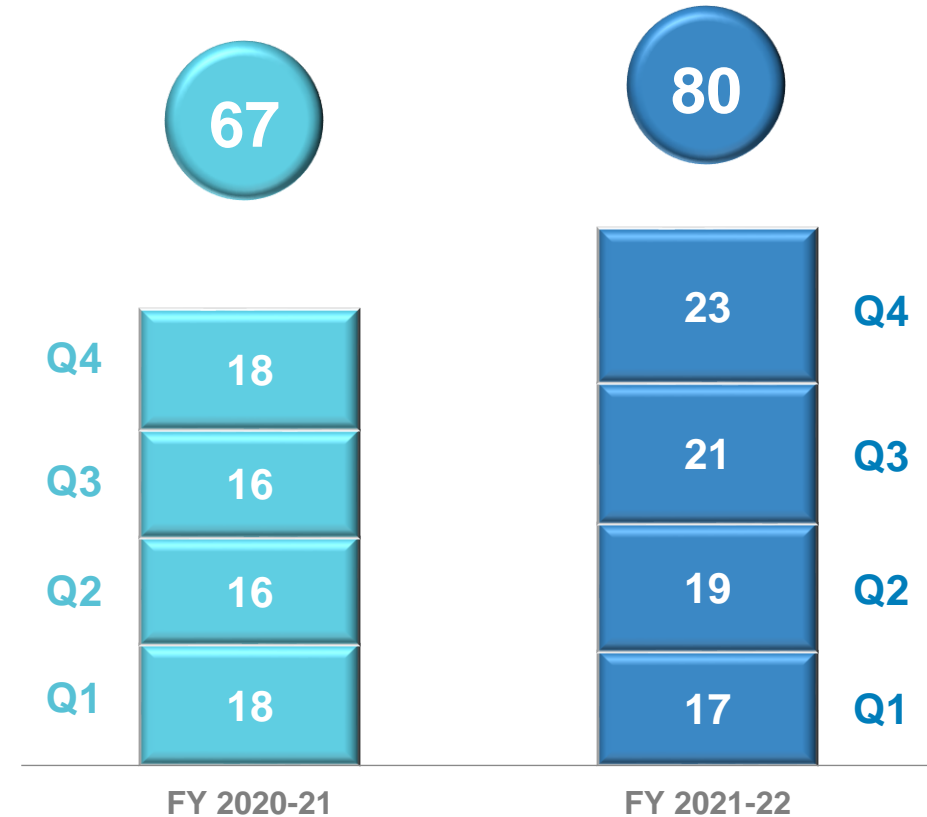
► FY revenues of €80m, up 15.0% like-for-like¹

- Ongoing strong growth of Maritime driven by ramp-up of contracts secured in previous years
- Agreement on ETL QUANTUM with a customer in the Middle East
- Carry-forward effect of Anuvu contract signed last year
- Down-sizing of a contract with a service provider in the Middle East

► Q4 revenues of €23m up 16.4% YoY and 4.5% QoQ

► Key agreement with Telenor for cruise connectivity in-orbit resources and managed services for cruise connectivity

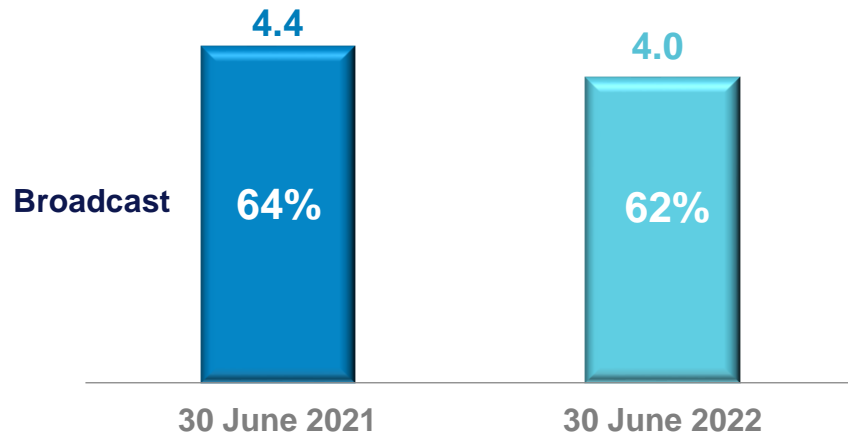
- Covering in-orbit resources and managed services
- Service both Mediterranean Sea and the Caribbean



¹ At constant currency and perimeter

BACKLOG & FILL RATE

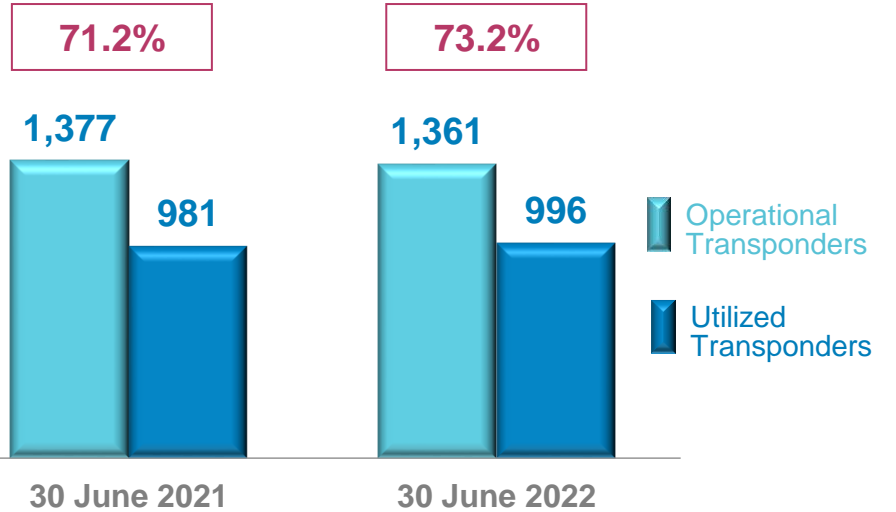
BACKLOG (€BN)



- 3.5 years of revenues
- Broadcast accounting for 62%

OPERATIONAL & UTILIZED TRANSPONDERS

Fill rate



- Operating TPE down 16 units
- Utilized TPE up 15 units
- Fill rate at 73.2%

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PROFITABILITY

▶ **FY 22 EBITDA margin of 74.8% stable YoY**

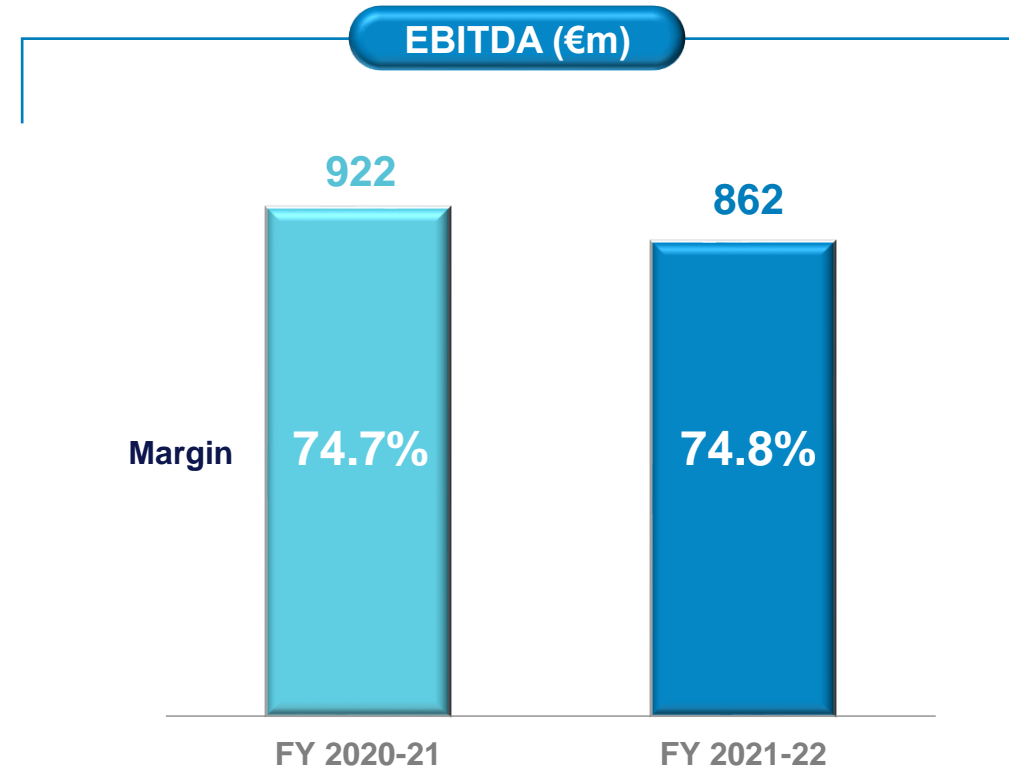
- Lower revenues

▶ **Lower Opex**

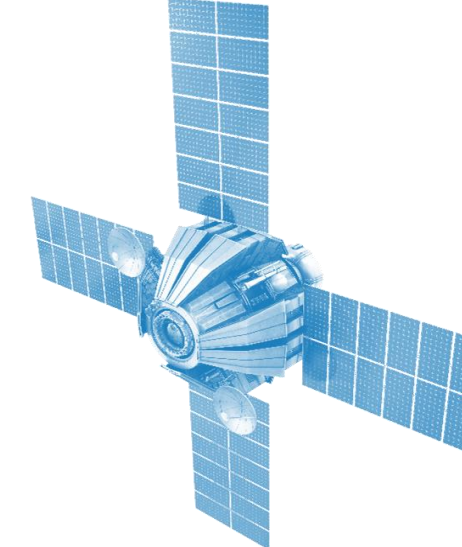
- Favorable effect of changes of perimeter
- Lower Bad Debt
- Continued strict cost discipline in the legacy business

▶ **LEAP 2: €24m savings in FY 22 being achieved**

- High-end of the €20-25m range



NET INCOME



Extracts from the consolidated income statement in €m	FY 2020-21	FY 2021-22	CHANGE
Revenues	1,234	1,152	-6.7%
EBITDA ¹	922	862	-6.5%
Operating income	347	425	+22.3%
Financial result	(95)	(65)	-31.6%
Income tax	(24)	(49)	+101.1%
Income from associates	-	(72)	NA
Group share of net income	214	231	+7.8%

- ▶ Lower D&A reflecting notably KA-SAT disposal
- ▶ FY 22 Other operating income reflecting C-band proceeds (phase 1) partly offset by asset impairments
- ▶ Positive variation of FX gains and losses
- ▶ C-band proceeds from Phase 1 taxed at 30% rate
- ▶ Tax Rate of 14% vs 10% last year
- ▶ Negative contribution from OneWeb
- ▶ Net margin of 20% versus 17% last year

¹ EBITDA defined as operating income before depreciation, amortisation, impairments and other operating income/(expenses)

DISCRETIONARY FREE CASH FLOW



YoY Change in Adjusted DFCF

-10

YoY Change in Reported DFCF

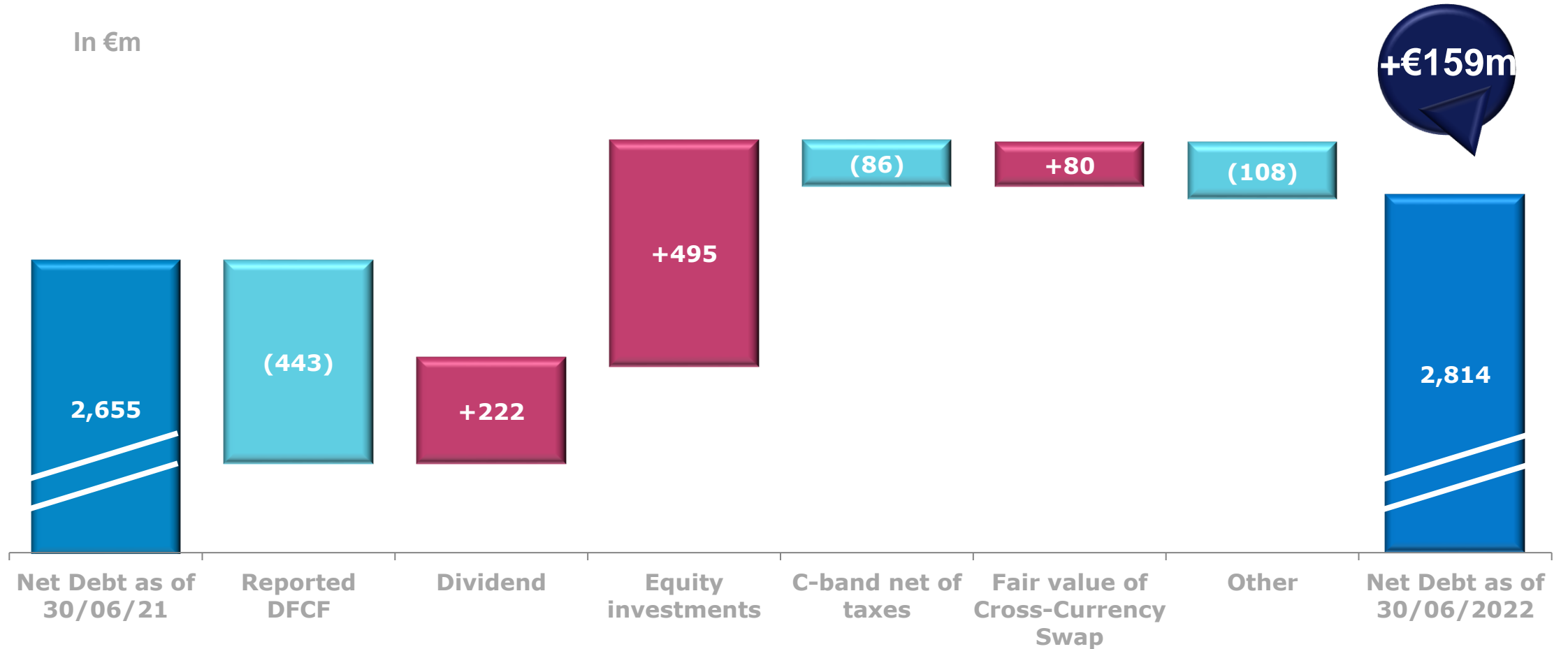
-88

-63

-2

-24

NET DEBT EVOLUTION



FINANCIAL STRUCTURE

▶ Net Debt/EBITDA ratio of 3.27x

- Versus 2.88x as of 30 June 2021
- Phase 2 of C-Band proceeds now expected in FY 23

▶ Average cost of debt after hedging of 2.55%

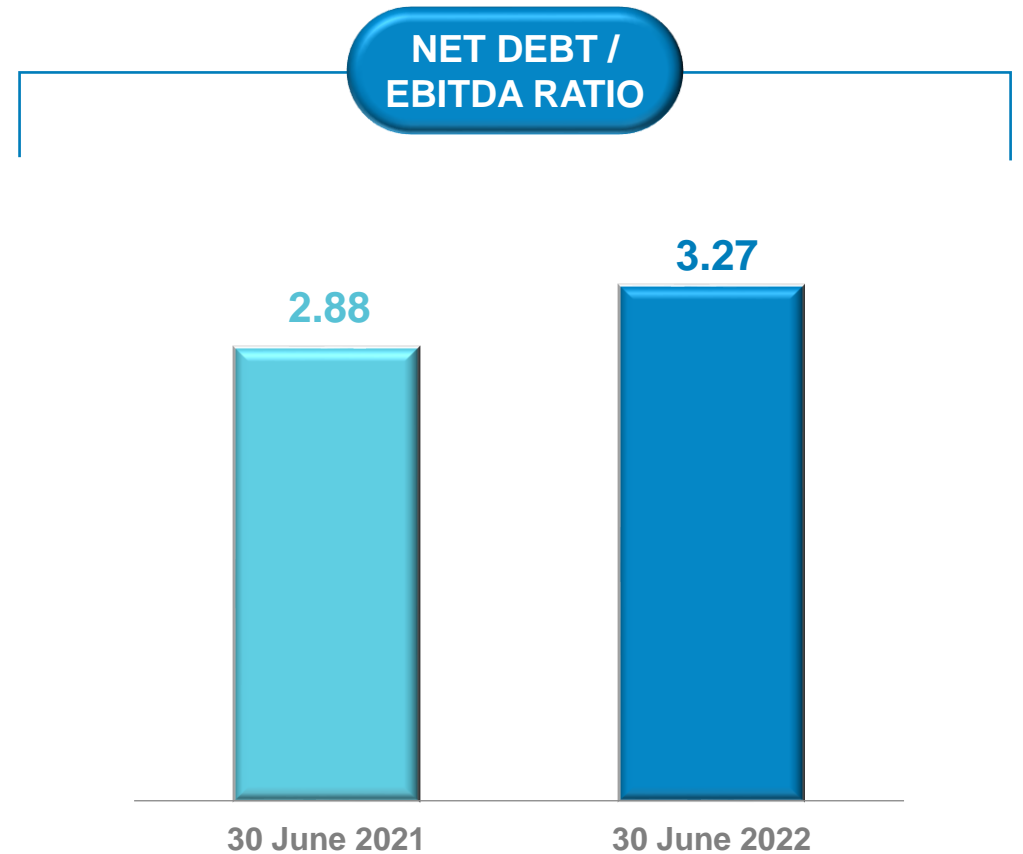
- Versus 2.4% in FY 21

▶ Average weighted maturity of 4.3 years

- Versus 5.0 y at 30 June 2021

▶ Strong liquidity

- Cash and undrawn credit lines around €1.9bn



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A THREE-PILLAR STRATEGY

Relying on a strong foundation

Eutelsat Telecom pivot

Maximize cash generation of legacy business

- To fund our transition towards high growth verticals
- Whilst continuing to generate strong shareholder return

Deliver GEO-enabled growth in Connectivity

- In Fixed Broadband via KONNECT and KVHTS
- Via selected investments in other verticals

Further develop collaboration with OneWeb

- To capture LEO-enabled growth opportunities
- To maximize GEO-LEO synergies

Organisation, operating model, tools and systems

Culture, Employees & Competencies

CSR, open innovation and partnership strategy

FY 2022-23: REVENUE TRENDS BY APPLICATION



BROADCAST

- Carry forward-effect of the partial renewal with Nilesat washing out from mid-October 2022
- Non-renewal of the agreement with Digitürk
- **Revenue trend to materially improve vs FY 22 with FY 23 expected in mid-single digit decline**



DATA & PROFESSIONAL VIDEO

- Ongoing structural pressure in Professional Video
- Positive volume trends in the Fixed Data partially offsetting price pressure
- **Overall Revenue trend to remain largely in keeping with FY 22 mid-single digit decline**



GOVERNMENT SERVICES

- Ramp-up of EUTELSAT QUANTUM and carry-forward effect of FY 2021-22 below-average renewals
- Revenues continuing to be driven by the outcome of upcoming US DoD renewals



FIXED BROADBAND

- Ongoing good momentum but no incremental capacity in FY 23
- Carry-forward effect of Hispasat contract and positive dynamic in Africa and LATAM
- **Revenues to keep growing in FY 23, although at a slower pace than in FY 22**



MOBILE CONNECTIVITY

- Ongoing good momentum in maritime but no incremental capacity in FY 23
- Full benefit of the recent agreement with Telenor but downsizing of a contract in MENA
- **Revenues to keep growing in FY 23, although at a slower pace than in FY 22**

FINANCIAL OUTLOOK



OPERATING VERTICALS REVENUES¹

- ▶ Between €1,150 to €1,180m in FY 2022-23¹
- ▶ Growth from FY 2023-24

CASH CAPEX

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

ADJUSTED DISCRETIONARY FREE CASH FLOW³

- ▶ Average of €420m per year over the next two fiscal years (FY 23 / FY 24)³
Equivalent to cumulative Adjusted DFCF generation of €1,361m over three fiscal years (FY 22 / FY 23 / FY 24) at 1.00 €/€

LEVERAGE

- ▶ Medium-term net debt / EBITDA ratio of c. 3x

DISTRIBUTION

- ▶ €0.93 per share proposed to the AGM for FY 22
- ▶ Scrip dividend option proposed
- ▶ Dividend policy suspended in the context of the merger with OneWeb






¹ Based on a €/€ rate assumption of 1.00 and current perimeter and on the nominal deployment plan outlined below. It assumes no material deterioration of revenues generated from Russian customers.

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 1.00 and current perimeter. Adjusted DFCF objectives exclude future payments related to the take-or-pay agreement with OneWeb mentioned in the press release.

APPENDIX

FUTURE LAUNCHES

NAME	EUTELSAT 10B	EUTELSAT HOTBIRD 13G	KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT 36D
Orbital Position	10° East	13° East	TBD	13° East	36° East
Approx . Entry into service date ¹	Q3 2023	H1 2023	H2 2023	Q2/Q3 2023	H2 2024
Manufacturer					
Coverage	EMEA, Atlantic & Indian Ocean	Europe	Europe	Europe	Africa, Russia, Europe
Applications	Mobile Connectivity	Video	Connectivity Government	Video	Video Government
Total Capacity (TPX ² /Spotbeams)	12 Ku / 10C / c.35 Gbps	80 Ku ³ EGNOS payload	~230 Ka / 500 Gbps	80 Ku ³	70 Ku UHF payload
o/w Expansion ²	-48 Ku c.35 Gbps	EGNOS payload	~230 Ka / 500 Gbps	-	UHF payload

 Electrical propulsion

HTS Payload

¹ Calendar year | ²Excludes 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."