

FULL YEAR 2022-23 RESULTS

- **All Full Year 2022-23 objectives attained¹**
 - **Operating verticals revenues of €1,157m, at the upper end of expected range**
 - **Continued strong Free-Cash-Flow generation, with adjusted DFCF at €518m**
- **Return to topline growth on a standalone basis from FY 2023-24 confirmed, with further strong cashflow generation**
- **Continued strong commercial momentum at OneWeb;**
 - **FY 2022-23 revenue objective achieved**
 - **EGM to approve the transaction expected in late September 2023**

Paris, 28 July 2023 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 / Euronext Paris: ETL), chaired by Dominique D’Hinnin, reviewed the financial results for the year ended 30 June 2023.

Key Financial Data	FY 2021-22	FY 2022-23	Change
P&L			
Revenues - €m	1,151.6	1,131.3	-1.8%
"Operating Verticals" revenues reported - €m	1,148.3	1,136.1	-1.1%
"Operating Verticals" revenues at constant currency -€m	1,148.3	1,093.2	-4.8%
"Operating Verticals" revenues as per financial objectives¹ - €m	-	1,157.2	-
Adjusted EBITDA ² - €m	861.6	825.5	-4.2%
Adjusted EBITDA - % ²	74.8%	73.0%	-1.8pt
Operating income - €m	424.8	573.5	+35.0%
Group share of net income - €m	230.8	314.9	+36.4%
Financial structure			
Reported Discretionary Free Cash Flow - €m ²	443.2	462.4	+4.3%
Adjusted Discretionary Free Cash Flow - €m ²	521.5	518.0	-0.7%
Net debt - €m	2,814.4	2,765.7	-48.7 M€
Net debt/ Adjusted EBITDA ² - X	3.27x	3.35x	+0.08 pt
Backlog - €bn	4.0	3.4	-15.0%

¹ Based on a €/€ rate assumption of 1.00.

² Please refer to Appendix 3 for definition and calculation.

Note: This press release contains figures from the consolidated full-year accounts prepared under IFRS and subject to a review by the Auditors. They were reviewed by the Audit Committee on 26 July 2023 and approved by the Board of Directors on 27 July 2023. The audit procedures have been carried out and the audit report is in the process of being issued. The presentation of the annual results and the notes to the consolidated financial statements are available on the www.eutelsat.com/investors website.

Adjusted EBITDA, Adjusted EBITDA margin, Net debt / Adjusted EBITDA ratio, Cash Capex, Discretionary Free Cash-Flow and Adjusted Discretionary Free Cash-Flow are considered Alternative Performance Indicators. Their definition and calculation are in Appendix 3 of this document.

In compliance with ESMA recommendations, as of 30 June 2023, Eutelsat's "EBITDA" will evolve to "Adjusted EBITDA". This change of terminology does not affect the calculation of this indicator, which can be found in Appendix 3 of this document.

Commenting on the Full-Year, Eva Berneke, Chief Executive Officer of Eutelsat Communications, said: *"Fiscal Year 2022-23 has been a very solid year for Eutelsat, with revenues at the top end of our range of expectations, a high level of profitability and robust Free Cash Flow Generation. From a commercial point of view we have seen strong momentum in our Connectivity verticals, confirming our strategy of shifting our business model to address these new applications. Operationally Eutelsat has proven its technological credentials with a record level of satellite launches and service entries. In parallel, OneWeb, with who we are working closely to prepare our proposed combination has seen a similar commercial dynamic, with a 50% increase in its backlog since October 2022.*

On the basis of the performance of the past year, Eutelsat confirms its standalone objectives for the current and outer years, and notably the long-awaited return to topline growth. With its industry-leading profitability and confirmed ability to generate a high level of Free Cash Flow, Eutelsat is in a strong position to make the combination with OneWeb a true success and I look forward to our joint future with confidence."

KEY EVENTS

- **FY 2022-23 Operating Vertical revenues of €1,136 and €1,157 million at the guidance rate³**, at the upper end of expected range.
- **Sustained momentum in Mobile Connectivity** with double-digit growth over the Full Year.
- **Robust financial performance with industry-leading Adjusted EBITDA margin** of 73%.
- **Adjusted Discretionary Free Cash-Flow of €518m**, comfortably within our expected range.
- **\$382m proceeds related to Phase II of the C-Band** transition recognized in late June 2023. Cash is expected to be received in Q1 FY 2023-24.
- Successful **entry into service of three satellites**:
 - **HOTBIRD 13F and HOTBIRD 13G** assuring service continuity at our flagship 13° East video hotspot, with HOTBIRD 13G hosting an incremental EGNOS GEO-4 payload.
 - **EUTELSAT E10B**, with incremental 35 Gbps of HTS Ku-band capacity addressing demand in Mobile Connectivity, with firm pre-commitments from Intelsat and Panasonic; also ensuring service continuity for customers of EUTELSAT 10A.
- **All standalone objectives confirmed**:
 - Operating Vertical revenues expected to grow from FY 2023-24 onwards (like-for-like), on the back of the entry into service of new in-orbit assets with firm precommitments.
 - Adjusted Discretionary Free Cash Flow expected at an average of €420 million per year over FY 2022-23 and FY 2023-24, equating to cumulative Adjusted DFCF generation of c.€1.4 billion over three fiscal years at a 1.00 €/€ rate.

³ Based on a €/€ rate assumption of 1.00.

- **Strong foundations to ensure the success of the proposed Eutelsat-OneWeb combination:**
 - Strong commercial ramp-up of OneWeb with secured backlog of \$900 million at end-June 2023, a \$300m increase since October 2022.
 - Revenue objective of \$50m by end-June 2023 attained.
 - Short-term adjustment of objectives for FY 2023-24.
 - EGM to approve the transaction expected to take place in late September 2023.

ANALYSIS OF REVENUES⁴

Note: As of June 30, 2023, the breakdown of the Operating Verticals revenues will evolve to better reflect the respective end markets which they address. The new framework will be altered from five verticals (Broadcast, Data & Professional Video, Government Services, Fixed Broadband and Mobile Connectivity) to four:

Video, henceforth encompassing Broadcast and professional Video, Fixed Connectivity, encompassing Data and Fixed Broadband, Mobile Connectivity, and Government services. Proforma quarterly data for FY 2021-22 and FY 2022-23 is provided in the Annexes of this Press Release.

In € millions	FY 2021-22	FY 2022-23	Change	
			Reported	Like-for-like ⁵
Video	752.2	704.8	-6.3%	-8.3%
Government Services	144.4	143.4	-0.7%	-7.2%
Mobile Connectivity	79.9	110.1	37.9%	26.8%
Fixed Connectivity	171.9	177.8	3.5%	-2.3%
Total Operating Verticals	1,148.3	1,136.1	-1.1%	-4.8%
Other Revenues ⁶	3.3	-4.8	-244.7%	-247.1%
Total	1,151.6	1,131.3	-1.8%	-5.5%
<i>EUR/USD exchange rate</i>	<i>1.14</i>	<i>1.04</i>		

Total revenues for **FY 2022-23** stood at €1,131 million, down by 1.8% on a reported basis and down by 5.5% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €1,136 million. They were down by 4.8% on a like-for-like basis, excluding a positive currency impact of €43 million. "Operating Verticals" revenues as per financial objectives (at a €/€ rate of 1.00) stood at €1,157m.

Fourth Quarter revenues stood at €286 million down 2.3% like-for-like. Revenues of the five Operating Verticals stood at €283 million, down 4.1% year-on-year and up 4.7% quarter-on-quarter on a like-for-like basis.

Note: Unless otherwise stated, all variations indicated below are on a like-for-like basis, ie, at constant currency and perimeter.

Video (62% of revenues)

FY 2022-23 Video revenues were down by 8.3% to €705 million, reflecting the impact of the early non-renewal of a capacity contract with Digitürk from mid-November 2022 as well as lower revenues in Europe related to volume reductions with certain resellers. They were also impacted by the effect of sanctions against Russian and Iranian channels, mainly in the Second Half.

On the commercial front, Eutelsat was selected by Orby Elevate for the distribution of its first mainstream English language Direct-to-Home (DTH) services in the United States, leveraging the unparalleled coverage of EUTELSAT WEST 117 West A over the US territory. Eutelsat also extended its partnership

⁴ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

⁵ Change at constant currency. The variation is calculated as follows: i) FY 2022-23 USD revenues are converted at FY 2021-22 rates; ii) Hedging impact is excluded.

⁶ Other Revenues include mainly the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

with du, the Emirates Integrated Telecommunications Company, to upgrade its DTH services across the Middle East and North Africa.

Professional Video revenues, which account for c.10% of the Video vertical, also decreased, reflecting structural headwinds as well as the seasonality of some events.

Fourth Quarter revenues stood at €170 million down by 9.7% year-on-year and broadly stable quarter-on-quarter.

Government Services (12% of revenues)

FY 2022-23 Government Services revenues stood at €143 million, down by 7.2% year-on-year.

Fourth Quarter revenues stood at €45 million, up by 25.8% year-on-year and by 45.0% quarter-on-quarter. This increase was mainly due to a one-off contract of €14m with the German space agency, DLR, whereby EUTELSAT HOTBIRD 13F provided a service from April at the 0.5°E orbital position, prior to its commissioning at 13°E, expected in Q3 2023 (calendar).

Excluding this impact, Fourth Quarter revenues declined by 14.2% year-on-year, a level consistent with the trend of the Third Quarter (-13.4%), albeit representing a slightly improved trend versus the First Half, thanks to a superior renewal rate in the Spring 2023 US DoD campaign of above 70%, following the 65% rate of the Fall 2022 campaign.

Mobile Connectivity (10% of revenues)

FY 2022-23 Mobile Connectivity revenues stood at €110 million, up 26.8% year-on-year, reflecting the ongoing positive momentum, notably in Maritime.

Fourth Quarter revenues stood at €27 million, up 20.7% year-on-year and by 2.9% quarter-on-quarter, reflecting the positive impact of the commercialization in the First Half of the third beam on EUTELSAT QUANTUM for a maritime mobility customer.

Fixed Connectivity (16% of revenues)

FY 2022-23 Fixed Connectivity revenues stood at €178 million, down by 2.3% year-on-year.

In Broadband, 40% of this application, revenues were broadly stable as the comparison basis included the contribution from the wholesale agreements with Orange, TIM, and more recently Hispasat and Swisscom as well as, to a lesser extent, the growth of the African operations.

Eutelsat completed the disposal of its European broadband retail activities in the wake of the success of its wholesale go-to-market model to distribute satellite broadband capacity over Europe. This strategy will be further supported by the entry into service of KONNECT VHTS expected in the second half of 2023 (calendar).

In Fixed Data, 60% of this application, improved volume trends partly offset the negative impact of the ongoing competitive pressure on prices.

Fourth Quarter revenues stood at €41 million. On a like-for-like basis, they were down by 16.0% year-on-year, and by 6.9% quarter-on-quarter, reflecting a tougher comparison basis including a positive one-off of c. €2.5 million in the Fourth Quarter last year. Excluding this one-off, they were broadly stable on a sequential basis.

Other Revenues

Other Revenues amounted to -€5 million versus +€3 million a year earlier. They included a €15 million negative impact from hedging operations versus a negative impact of €12 million a year earlier.

BACKLOG

The backlog stood at €3.4 billion at 30 June 2023 versus 4.0 billion a year earlier. The natural erosion of the backlog, especially in the Video segment, more than offsets the contribution of the EGNOS contract in Government as well as other incremental contracts in Mobility.

The backlog was equivalent to 3.0 times 2021-22 revenues, and Video represented 59% of the total.

	30 June 2022	30 June 2023
Value of contracts (in billions of euros)	4.0	3.4
<i>In years of annual revenues based on previous fiscal year</i>	3.5	3.0
Share of Video application	64%	59%

Note: The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement. Managed services are not included in the backlog.

PROFITABILITY

Adjusted EBITDA stood at €825 million at 30 June 2023 compared with €862 million a year earlier, down by 4.2%. The **Adjusted EBITDA margin** stood at 72.9% at constant currency (73.0% reported) versus 74.8% a year earlier, on the back of lower revenues, especially in the Video vertical. **Operating costs** were €16 million higher than last fiscal year reflecting increased staff and technical costs due to a changing revenue mix and, to a lower extent, inflation. They also included transaction costs incurred with Russian clients. This Adjusted EBITDA margin is reflective of the progressive rebalancing of our business towards connectivity applications.

Group share of net income stood at €315 million versus €231 million a year earlier, up by 36% and representing a margin of 28%. This reflected:

- Lower **depreciation** of -€455m versus -€482m a year earlier, due to lower in-orbit and on-ground depreciation. Two satellites, HOTBIRD 13F and HOTBIRD 13G entered into service respectively on April 4, 2023 and May 30, 2023.
- **Other operating income** of €203m, compared to income of €45 million last year, which principally includes the \$382m payment related to Phase II of C-Band proceeds. Last year's other operating income included \$125m of Phase I of C-Band proceeds.
- A **net financial result** of -€91 million versus -€65 million a year earlier, reflecting an unfavourable evolution of foreign exchange gains and losses as well as higher interest rates.
- Higher **tax**, at -€67 million versus -€49 million a year earlier, reflecting notably the 30% tax rate applied to the above-mentioned C-Band proceeds.
- Negative **income from associates** of -€87 million, reflecting the full year contribution of the stake in OneWeb, which last year was only from September 2021 onwards⁷.

CASH FLOW

Net cash flow from operating activities amounted to €735 million, €66 million lower than a year earlier due to lower adjusted EBITDA and the first instalment of \$100 million of the take-or-pay agreement signed with OneWeb, partially compensated by lower working capital requirement needs, namely thanks to a prepayment in respect of the EGNOS contract of €85 million and strong cash collection.

Cash Capex amounted to €271 million, a level broadly stable versus €280 million last year.

⁷ In September 2021, Eutelsat held 20.52% of OneWeb. Its equity interest increased to 25.13% in late December 2021, after having participated in a portion of Bharti Global's last call option. As of March 2022, following Hanwha Systems UK Ltd.'s acquisition of an equity interest, Eutelsat's participation now stands at 22.91% of OneWeb's capital.

Interest and other fees paid net of interest received amounted to €95 million versus €78 million last year. It notably reflected interests from the credit facility drawn down for the financing of satellite programs.

Discretionary Free Cash-Flow amounted to €462 million on a reported basis, up €19 million. It excludes the first instalment of \$100 million of the take-or-pay agreement signed with OneWeb. **Adjusted Discretionary Free Cash-Flow** as per the financial outlook definition⁸ and at a Euro/dollar rate of 1.00, stood at €518 million, down €3 million or 1%, but well above our objective of an average of €420 million per year at a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24.

FINANCIAL STRUCTURE

At 30 June 2023, **net debt** stood at €2,766 million, down €49 million versus end of June 2022. It reflected: i) higher reported Discretionary Free Cash-Flow, ii) a reduced dividend payment of €81 million following the payment of part of the dividend in shares under the scrip option, and iii) lower leases. These impacts were partly compensated by the outflow in respect of inorganic investments of €140m mainly for OneWeb as well as the first instalment of \$100 million of the take-or-pay agreement signed with OneWeb.

The **net debt to Adjusted EBITDA ratio** stood at 3.35 times, compared to 3.27 times at end-June 2022 and 3.55 times at end-December 2022.

The average cost of debt after hedging stood at 2.96% (2.6% in FY 2021-22). The weighted average maturity of the Group's debt amounted to 3.6 years, compared to 4.3 years at end-June 2022.

Liquidity remained strong, with undrawn credit lines and cash around €1.5 billion.

OUTLOOK AND FINANCIAL OBJECTIVES

On a standalone basis, FY 2023-24 is expected to be the year that marks the return to revenue growth, driven by the entry into service of new in-orbit resources.

- Video revenues are expected to be broadly in line with market trends of a mid-single digit decline, excluding the effect of sanctions which will be embarked for a full 12 months versus six months in FY 2022-23.
- Government Services will continue to reflect the outcome of past and upcoming US DoD renewals and a tougher comparison basis with FY 2022-23 due to the abovementioned one-off DLR contract. Revenues will however benefit from the EGNOS GEO-4 contract on HOTBIRD 13G, set to generate €100m in revenues over 15 years.
- Both the Mobile Connectivity and Fixed Connectivity verticals are expected to experience double-digit growth in FY 2023-24 on the back of the entry into service of EUTELSAT 10B and KONNECT VHTS, both with firm pre-commitments, and positive commercial traction.

Cash Capex⁹ will not exceed €400 million per annum for FY 2022-23 and FY 2023-24.

The Group will continue to leverage all measures to maximise cash generation and confirms an objective of Adjusted Discretionary Free Cash Flow expected at an average of €420 million per year at a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24. This is equivalent to a cumulative Adjusted DFCF generation of c.€1.4 billion over three fiscal years at a 1.00 €/€ rate. It excludes future payments related to the exclusive commercial partnership with OneWeb.

On a standalone basis, the group continues to target a medium-term net debt / Adjusted EBITDA ratio of c.3x.

With its industry-leading profitability and confirmed ability to generate a high level of Free Cash Flow, Eutelsat is in a strong position to make the combination with OneWeb a true success.

⁸ Please refer to Appendix 3.

⁹ Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

Note: This outlook is based on the revised nominal deployment plan outlined in the 2022-2023 results presentation. It assumes no further material deterioration of revenues generated from Russian customers. It excludes the impact of the contemplated combination with OneWeb.

ONEWEB UPDATE

OneWeb's revenues reached the \$50 million objective at end-June 2023. For FY 2023-24, the later-than-expected availability of terminals for key verticals will lead to a delay in revenue recognition compared to the objective communicated in October 2022. As a result, the revenue and adjusted EBITDA objectives of Combined Entity are adjusted for the current fiscal year to reflect this short-term impact. The new objectives are as follows (at a €/€ rate of 1.00):

- Operating Vertical revenues are now expected at €1.32-1.42 billion, with OneWeb's standalone contribution estimated at €125-225 million in FY 2024, versus €1.35-1.45 billion for the Combined Group and €150-250 million for OneWeb previously.
- The Combined Group's adjusted EBITDA is now expected at €725-825 million in FY 2024 (versus €750-850 million previously).

OneWeb continues to enjoy strong commercial momentum, with over +\$300m of incremental contracts signed since last October 2022, for a total backlog of \$900m¹⁰. Therefore, the trajectory for the outer years remains unchanged, as our market expectations as well as the strong synergy potential give us confidence in the value-creation the Combined Entity can generate in the long run. Likewise, this adjustment does not alter the future group's capacity to cover its long-term financing needs.

The Extraordinary General Meeting to approve the combination is expected to take place in late September 2023.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

Governance

On June 16, 2023, Didier Leroy, Board Member, announced he would step down for personal reasons, with immediate effect. As at 30 June 2023, the Board of Directors of Eutelsat Communications S.A. was composed of nine members, with 56% female members and 67% independent members.

Florence Parly was co-opted to replace Didier Leroy, effective from 27 July 2023. She brings with her a wealth of expertise acquired after years of distinguished service in both the public and private sectors, on topics of Mobility and Government services. As a result, the Board is now composed of ten members, with 60% female members and 70% independent members.

Corporate Social Responsibility

During the financial year, the Group has realigned its Corporate Social Responsibility (CSR) initiatives by adopting a new mission and specific key commitments, driving an ambitious program.

Our dedication to bridging the digital divide and expanding digital inclusiveness is a crucial component of our Corporate Social Responsibility strategy. By joining the Partner2Connect digital coalition set up by the International Telecommunication Union (ITU) in 2022, the Group has committed to bringing Internet access to 1 million people living in the most underserved regions of sub-Saharan Africa by 2027. In less than six months, we have already reached the 200,000-user mark, a significant milestone in fulfilling this pledge.

The sustainable use of space is the second of the core tenets of Eutelsat's CSR strategy. As one of the first actors in the "Net Zero Space" initiative, Eutelsat reaffirmed its commitment at the last year's Paris Peace Forum to call for the sustainable use of space, making concrete commitments to urgently reduce the amount of debris in Earth orbit for the benefit of all humanity by 2030. In this spirit of continuity, in

¹⁰ Of which \$275m is with Eutelsat.

November 2022 the Group became a signatory of the ESA's "Joint Statement for a responsible space sector", alongside all European space sector actors.

Eutelsat is fully determined to reduce its carbon footprint. In line with the Paris' Agreement's objective of limiting global temperature increase to 1.5°C, we have taken a significant step by accelerating our environment program and our objectives being defined together with industry. By 2030, we aim to achieve a substantial reduction in our total carbon footprint, covering scopes 1, 2 and 3, targets which shall be submitted to the SBTi during the coming year.

Results presentation

Eutelsat Communications will present its results on **Friday, July 28th, 2023** by conference call and webcast at **9:00 CET**.

Click [here](#) to access the webcast presentation.

It is not necessary to dial into the audio conference, unless you are unable to join the webcast URL

If needed, please dial:

+33 (0)1 70 72 25 50 (from France)
+44 (0)330 165 3655 (from the U.K)
+1 720-543-0214 (from the United States)
Access code: 5801666#

Replay will be available on same link

Documentation

Consolidated accounts are available at: <https://www.eutelsat.com/en/investors/financial-information.html>.

Financial calendar

The financial calendar below is provided for information purposes only. It is subject to change and will be regularly updated.

- 26 October 2023: First Quarter 2023-24 revenues
- 16 February 2024: Half Year 2023-24 results

About Eutelsat Communications

Founded in 1977, Eutelsat Communications is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across Video, Data, Government, Fixed and Mobile Broadband markets to communicate effectively to their customers, irrespective of their location. Around 7,000 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Committed to promoting all facets of sustainable development across its business activities, Eutelsat leverages its in-orbit resources to help bridge the digital divide while maintaining a safe and uncluttered space environment. As an attractive and socially responsible employer, Eutelsat assembles 1,200 men and women from 50 countries who are dedicated to delivering the highest quality of service. Eutelsat Communications is listed on the Euronext Paris Stock Exchange (ticker: ETL).

For more about Eutelsat go to <https://www.eutelsat.com/en/home.html>

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Disclaimer

The forward-looking statements included herein are for illustrative purposes only and are based on management's views and assumptions as of the date of this document.

Such forward-looking statements involve known and unknown risks. For illustrative purposes only, such risks include but are not limited to: risks related to the health crisis; operational risks related to satellite failures or impaired satellite performance, or failure to roll out the deployment plan as planned and within the expected timeframe; risks related to the trend in the satellite telecommunications market resulting from increased competition or technological changes affecting the market; risks related to the international dimension of the Group's customers and activities; risks related to the adoption of international rules on frequency coordination and financial risks related, inter alia, to the financial guarantee granted to the Intergovernmental Organization's closed pension fund, and foreign exchange risk.

Eutelsat Communications expressly disclaims any obligation or undertaking to update or revise any projections, forecasts or estimates contained in this document to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law.

The information contained in this document is not based on historical fact and should not be construed as a guarantee that the facts or data mentioned will occur. This information is based on data, assumptions and estimates that the Group considers as reasonable.

APPENDICES

Appendix 1: Additional financial data

Extract from the consolidated income statement (€ millions)

Twelve months ended June 30	2022	2023	Change (%)
Revenues	1,151.6	1,131.3	-1.8%
Operating expenses	(290.1)	(305.9)	-5.4%
EBITDA	861.6	825.5	-4.2%
Depreciation and amortisation	(481.7)	(455.5)	-5.4%
Other operating income (expenses)	44.9	203.5	353.2%
Operating income	424.8	573.5	35.0%
Financial result	(64.9)	(91.3)	40.7%
Income tax expense	(48.6)	(66.5)	36.9%
Income from associates	(71.5)	(87.3)	22.1%
Portion of net income attributable to non-controlling interests	(9.1)	(13.4)	47.3%
Group share of net income	230.8	314.9	36.4%

Change in net debt (€ millions - reported)

Twelve months ended June 30	2022	2023
Net cash flows from operating activities	800.9	734.9
Payments of the OW take-or-pay	-	93.4
Cash Capex	(279.5)	(270.6)
Interest and Other fees paid net of interests received	(78.3)	(95.3)
Discretionary Free Cash-Flow	443.2	462.4
Acquisition / disposal of equity investments and subsidiaries	(494.9)	(143.4)
Distributions to shareholders (including non-controlling interests)	(221.5)	(80.6)
Change in fair value of Cross-Currency Swap	(80.0)	27.7
C-band net of taxes	86.1	(9.8)
Other (including debt-related finance facility for the financing of satellite programs and OW take-or-pay)	108.1	(207.6)
Decrease (increase) in net debt	(159.0)	48.7

Appendix 2: Quarterly revenues by application

Analysis of revenues by business application in the Fourth Quarter (€ millions)

In € millions	Q4 2021-22	Q4 2022-23	Change	
			Reported	Like-for-like
Video	187.8	169.5	-9.7%	-9.7%
Government Services	36.0	45.1	25.5%	25.8%
Mobile Connectivity	22.7	27.3	20.3%	20.7%
Fixed Connectivity	48.5	40.6	-16.3%	-16.0%
Total Operating Verticals	295.0	282.6	-4.2%	-4.1%
Other Revenues	-2.3	3.0	-229.1%	-230.4%
Total	292.6	285.5	-2.4%	-2.3%
EUR/USD exchange rate	1.08	1.08		

Quarterly Reported revenues FY 2021-22 and FY 2022-23

The table below shows quarterly reported revenues FY 2021-22.

In € millions	Q1	Q2	Q3	Q4	FY
	2021-22	2021-22	2021-22	2021-22	2021-22
Video	191.2	186.5	186.7	187.8	752.2
Government Services	37.0	36.8	34.6	36.0	144.4
Mobile Connectivity	17.1	19.4	20.7	22.7	79.9
Fixed Connectivity	39.4	41.2	42.7	48.5	171.9
Total Operating Verticals	284.8	283.9	284.7	295.0	1,148.3
Other Revenues	2.6	1.0	2.1	-2.3	3.3
Total	287.3	284.9	286.8	292.6	1,151.6

The table below shows quarterly reported revenues FY 2022-23.

In € millions	Q1	Q2	Q3	Q4	FY
	2022-23	2022-23	2022-23	2022-23	2022-23
Video	183.5	182.4	169.3	169.5	704.8
Government Services	34.7	32.2	31.4	45.1	143.4
Mobile Connectivity	25.9	30.0	26.9	27.3	110.1
Fixed Connectivity	46.4	46.8	44.0	40.6	177.8
Total Operating Verticals	290.5	291.4	271.6	282.6	1,136.1
Other Revenues	-3.1	-5.0	0.4	3.0	-4.8
Total	287.4	286.4	272.0	285.5	1,131.3

Appendix 3: Alternative performance indicators

In addition to the data published in its accounts, the Group communicates on three alternative performance indicators which it deems relevant for measuring its financial performance: Adjusted EBITDA, Cash Capex and Discretionary free cash flow (DFCF). These indicators are the object of reconciliation with the consolidated accounts.

Adjusted EBITDA, Adjusted EBITDA margin and Net debt / Adjusted EBITDA ratio

In compliance with ESMA recommendations, as of 30 June 2023, Eutelsat's "EBITDA" will evolve to "Adjusted EBITDA". This change of terminology does not affect the calculation of this indicator.

Adjusted EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortisation. It is a frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry. The table below shows the calculation of Adjusted EBITDA based on the consolidated P&L accounts for FY 2021-22 and FY 2022-23:

Twelve months ended June 30 (€ millions)	2022	2023
Operating income	424.8	573.5
+ Depreciation and Amortisation	481.7	455.5
- Other operating income and expenses	(44.9)	(203.5)
Adjusted EBITDA	861.6	825.5

The Adjusted EBITDA margin is the ratio of Adjusted EBITDA to revenues. It is calculated as follows:

Twelve months ended June 30 (€ millions)	2022	2023
Adjusted EBITDA	861.6	825.5
Revenues	1,151.6	1,131.3
Adjusted EBITDA margin (as a % of revenues)	74.8	73.0

At constant currency, the adjusted EBITDA margin stood at 72.9% as of 30 June 2023.

The Net debt / adjusted EBITDA ratio is the ratio of net debt to last-twelve months adjusted EBITDA. It is calculated as follows:

Twelve months ended June 30 (€ millions)	2022	2023
Last twelve months adjusted EBITDA	861.6	825.5
Closing net debt ¹¹	2,814.4	2,765.7
Net debt / adjusted EBITDA	3.27x	3.35x

¹¹ Net debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Net Debt calculation is available in the Note 7.4.4 of the appendices to the financial accounts.

Cash Capex

The Group on occasion operates capacity within the framework of leases, or finances all or part of certain satellite programs under export credit agreements or through other bank facilities, leading to outflows which are not reflected in the item "acquisition of satellites and other tangible or intangible assets". Cash Capex including the outflows related to these elements is published in order to reflect the totality of Capital Expenditures undertaken in any financial year.

In addition, in the event of a partial or total loss of satellite, as previously reported cash Capex included investment in assets which are inoperable or partially inoperable, the amount of insurance proceeds is deducted from Cash Capex.

Cash Capex therefore covers the acquisition of satellites and other tangible or intangible assets, payments in respect of export credit facilities or other bank facilities financing investments as well as payments related to lease liabilities. If applicable it is net from the amount of insurance proceeds.

The table below shows the calculation of Cash Capex for FY 2021-22 and FY 2022-23:

Twelve months ended June 30 (€ millions)	2022	2023
Acquisitions of satellites, other property and equipment and intangible assets	(177.2)	(201.0)
Insurance proceeds	-	-
Repayments of ECA loans, lease liabilities and other bank facilities ¹²	(102.3)	(69.6)
Cash Capex	(279.5)	(270.6)

Discretionary Free Cash-Flow (DFCF)

The Group communicates on Discretionary free cash flow which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves investments to pursue the strategy of the company, shareholder remuneration and debt reduction.

Reported Discretionary free cash flow is defined as Net cash flow from operating activities less Cash Capex as well as Interest and other fees paid net of interest received. It excludes C-Band proceeds and attendant tax and future payments related to the exclusive commercial partnership with OneWeb.

Adjusted Discretionary free cash flow (as per financial objectives) is calculated at the guidance rate (based on a EUR/USD rate of 1.00) and excludes one-off impacts such as Hedging, effects of changes in perimeter when relevant, impacts from C-band proceeds and one-off costs related to specific projects, in particular to the COMETE project as well as the Eutelsat-OneWeb combination project for FY 2022-23.

The table below shows the calculation of Reported Discretionary Free Cash-Flow and Adjusted Discretionary Free Cash-Flow for FY 2021-22 and 2022-23 and its reconciliation with the Cash-Flow statement:

Twelve months ended June 30 (€ millions)	2022	2023
Net Cash-Flows from operating activities	800.9	734.9
Payments of the OW take-or-pay	-	93.4
Cash Capex (as defined above)	(279.5)	(270.6)
Interest and other fees paid net of interest received	(78.3)	(95.3)
Reported Discretionary Free Cash-Flow	443.2	462.4
Currency impact ¹³	45.1	17.9
Hedging impact	11.8	13.6
One-off costs related to "LEAP 2" program, move to new headquarters (FY 2021-22) and to specific projects, in particular to the COMETE project as well as the Eutelsat-OneWeb combination project (FY 2022-23)	21.4	24.2
Adjusted Discretionary Free Cash-Flow	521.5	518.0

¹² Included in lines "Repayment of borrowings" and of "Repayment of lease liabilities" of cash-flow statement

¹³ FY 2021-22 and FY 2022-23 Discretionary Free Cash Flows have been converted at 1.00 euro/U.S. dollar rate.