FIRST HALF 2019-20 RESULTS

- **First Half in line with expectations**
- **Improving Operating Verticals revenues trend in the Second Quarter**
- **High level of profitability with EBITDA margin of 78% at constant currency**
- **Launch of EUTELSAT KONNECT and procurement of EUTELSAT 10B to underpin our Connectivity strategy**
- **All elements of the Financial Outlook confirmed for current and future years**
- **Robust cash flow generation supporting highly secured dividend**

Paris, 14 February 2020 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), chaired by Dominique D'Hinnin, reviewed the financial results for the half-year ended 31 December 2019.

Key Financial Data	6M to Dec. 2018	6M to Dec. 2019	Change
P&L			
Revenues - €m	658.1	**636.6**	***-3.3%***
"Operating Verticals" revenues - €m	660.4	**635.8**	***-3.7%***
"Operating Verticals" revenues at constant currency and perimeter - €m	658.7	**626.1**	***-4.9%***
EBITDA[1] - €m	518.4	**495.5**	***-4.4%***
EBITDA margin - %	78.8	**77.8**	***-1.0 pts***
EBITDA margin at constant currency - %	78.8	**77.9**	***-0.9 pts***
Group share of net income - €m	150.4	**140.7**	***-6.4%***
Financial structure			
Discretionary Free-Cash-Flow[2] - €m	225.3	**107.9**	***-52.1%***
Discretionary Free-Cash-Flow as per financial objectives - €m	236.1	**104.5**	***-55.7%***
Net debt - €m	3,304.3	**3,234.8**	***-€69.5m***
Net debt/EBITDA - X	3.1	**3.2**	***+0.1 pts***
Backlog – €bn	4.6	**4.3**	***-5.7%***

Commenting on the First Half, Rodolphe Belmer Chief Executive Officer of Eutelsat Communications, said: *"First Half revenues were in line with our expectations with an improvement in trend in the Second Quarter versus the First and a stabilization in revenues quarter-on-quarter. Despite the revenue decline we delivered an industry-leading level of profitability, with an EBITDA margin of 78%. In recent months we have made strong progress on the development of our future growth levers with the successful launch of EUTELSAT KONNECT, bringing new resources over Africa and Europe and marking a milestone in our Connectivity strategy, as well as the procurement of EUTELSAT 10B with firm commitments on a third of the HTS capacity, highlighting robust demand in the mobility market.*

Looking ahead, the remainder of the year will benefit from several revenue tailwinds, notably the EGNOS payload on EUTELSAT 5 West B and the availability of incremental capacity on EUTELSAT 7C, leading us to reaffirm our revenue target for FY 2019-20 as a whole. All other elements of the financial outlook are also confirmed, notably our FY 2021-22 cash-flow target providing ample dividend cover. Moreover, by FY 2022-23, the bulk of our capacity renewal cycle will be complete, giving us increased flexibility to support cash generation and attendant shareholder remuneration over the long term."

Notes: This press release contains figures from the consolidated half-year accounts prepared under IFRS and subject to a limited review by the Auditors. They were reviewed by the Audit Committee on 12 February 2020 and approved by the Board of Directors on 13 February 2020. EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered Alternative Performance Indicators. Their definition and calculation is in appendix 3 of this document.

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

KEY EVENTS

First Half revenues of the Operating Verticals down 4.9% like-for-like year-on-year, with an improvement in trend in the Second Quarter (-3.7%) versus the First (-6.2%) and a stabilization in revenues quarter-on-quarter. Revenue objectives are confirmed for FY 2019-20.

Sustained profitability, with EBITDA margin at 78%, despite revenue decline.

Continued focus on Free-Cash-Flow generation

- H1 Free-Cash-Flow on track: secured cash interest savings of €64m and EUTELSAT 5 West B insurance proceeds to benefit H2;
- Launch of 'LEAP 2' cost-savings program to generate opex savings of €20-25 million by FY 2021-22;
- Confirmed objective for Discretionary Free Cash-Flow of circa €500 million in June 2022.

Consistent shareholder remuneration with €1.27 per share dividend paid in the First Half and buy-back program to start in the Second.

Entry into service of the EUTELSAT 7C satellite which brings incremental capacity over the dynamic Sub-Saharan African market.

Progress on future growth levers with:

- Successful launch of EUTELSAT KONNECT bringing new broadband resources over Africa and Europe and marking a first milestone of our return to growth strategy;
- Procurement of EUTELSAT 10B with firm commitments from Panasonic and Gogo on a third of the HTS capacity, highlighting robust demand in the mobility market;
- Foundations laid for IoT strategy, adding a third lever to our Connectivity strategy, with the order of first ELO nanosatellites and the roll-out of the IoT FIRST managed service.

ANALYSIS OF REVENUES[3]

In € millions	6 months to Dec. 2018	6 months to Dec. 2019	Change	
			Reported	Like-for-like[4]
Broadcast	394.4	389.4	-1.3%	-1.6%
Data & Professional Video	103.6	87.8	-15.3%	-17.3%
Government Services	81.8	78.3	-4.3%	-7.8%
Fixed Broadband	40.5	39.1	-3.3%	-4.4%
Mobile Connectivity	40.0	41.2	+3.0%	-0.6%
Total Operating Verticals	660.4	**635.8**	**-3.7%**	**-4.9%**
Other Revenues[5]	(2.3)	0.9	Nm	Nm
Total	658.1	**636.6**	**-3.3%**	**-4.7%**
EUR/USD exchange rate	*1.16*	*1.11*		

Total revenues for the First Half stood at €637 million, down 3.3% on a reported basis and by 4.7% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €636 million. They were down by 4.9% on a like-for-like basis excluding a negative perimeter effect of c. 0.3 points (disposal of the stake in EUTELSAT 25B in August 2018) and a positive currency effect of c. 1.5 points.

Second Quarter revenues stood at €319 million down 1.2% on a reported basis and by 3.4% like-for-like. Revenues of the five Operating Verticals stood at €319 million, down 3.7% year-on-year and **up by 0.4%** quarter-on-quarter on a like-for-like basis.

[3] The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".
[4] Change at constant currency and perimeter. The variation is calculated as follows: i) H1 2019-20 USD revenues are converted at H1 2018-19 rates; ii) H1 2018-19 revenues are restated from the disposal of Eutelsat's interest in Eutelsat 25B which occurred in August 2018.
[5] Other revenues include mainly compensation paid on the settlement of business-related litigations, the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

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

Broadcast (61% of revenues)

First Half Broadcast revenues were down 1.6% like-for-like to €389 million, reflecting notably the termination of a contract in Sub-Saharan Africa and the effect of the return of a couple of transponders in Russia.

Second Quarter revenues stood at €195 million down by 1.5% year-on-year and stable quarter-on-quarter.

At 31 December 2019, the total number of channels broadcast by Eutelsat satellites stood at 6,879, down 2.7% year-on-year. HD penetration continued to increase, standing at 1,605 channels versus 1,500 a year earlier (+7%), implying a penetration rate of 23.3% up from 21.2% a year earlier.

On the commercial front, in Europe, a multi-year capacity contract was secured at the HOTBIRD neighbourhood to broadcast RTVE free-to-air content, demonstrating the unparalleled reach of HOTBIRD across Europe and MENA. In Africa, two multi-year contracts were signed for capacity at 7°East: one with Orao Telecom Congo also including a Eutelsat CIRRUS hybrid satellite/OTT service agreement, and one with AfricaXP encompassing capacity at 16°East as well.

Second Half revenues will benefit from the entry into service of EUTELSAT 7C at the end of January, bringing incremental capacity to sub-Saharan Africa. Conversely, they will be impacted, as expected, by the loss of capacity on EUTELSAT 5 West B leading to the termination of certain services at 5°West.

Data & Professional Video (14% of revenues)

First Half revenues stood at €88 million, down by 17.3% year-on-year. They continued to reflect the ongoing pricing pressure and highly competitive environment in this application, and were also affected by volume losses in Data in Latin America in the First Quarter.

Second Quarter revenues stood at €45 million down 14.9% year-on-year and up by 3.3% quarter-on-quarter with an improvement in volume trends on a sequential basis.

The second half should benefit from an easing comparison basis.

Government Services (12% of revenues)

First Half Government Services revenues stood at €78 million, down by 7.8% like-for-like, reflecting the carry-forward impact of the US Government renewal campaigns of the past 18 months.

Second Quarter revenues stood at €39 million, down by 4.6% year-on-year and 1.7% quarter-on-quarter.

Second Half revenues will benefit from the contribution of the GEO-3 hosted payload of the European Geostationary Navigation Overlay System (EGNOS) on EUTELSAT 5 West B and from the relocation of EUTELSAT 7A.

Fixed Broadband (6% of revenues)

First Half revenues stood at €39 million, down 4.4% like-for-like. In Europe, the PPP (Preferred Partner Programme) is continuing its ramp-up and is gradually being extended to new geographies, but business remain constrained by a lack of capacity in high demand markets and the decline of traditional distributors. In Africa, revenues remain modest at this stage while the emphasis remains on trialling distribution models in a limited number of countries.

Second Quarter revenues stood at €19 million, down 5.5% year-on-year and by 3.8% quarter-on-quarter.

The entry into service of KONNECT in FY 2020-21 will unlock the potential of African Broadband and provide much-needed incremental capacity in Europe.

Mobile Connectivity (6% of revenues)

First Half revenues stood at €41 million, down 0.6% like-for-like. The ramp-up of capacity contracts on KA-SAT and maritime business as well as the carry-forward effect of the UnicomAirNet contract on EUTELSAT 172B offset the end of a temporary wide-beam contract that occurred in FY 2018-19.

Second Quarter revenues stood at €22 million, including the catch up of a negative one-off of circa €1m in the First Quarter. They were up 7.1% year-on-year and by 8.2% quarter-on-quarter.

The second half should benefit from the materialization of pipeline opportunities. In the longer term, the firm commitments from Gogo and Panasonic on the HTS capacity of EUTELSAT 10B reflect robust demand in the mobility market.

Other Revenues

In the **First Half**, Other Revenues amounted to €0.9 million versus (€2.3) million a year earlier. They included a negative (5.1€) million impact from hedging operations versus (€7.1) million a year earlier.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders at 31 December 2019 stood at 1,387, down by 32 units year-on-year, principally reflecting the end of life in stable orbit of EUTELSAT 12 West B. They were unchanged versus end-June 2019.

The number of utilized transponders stood at 966, down four units year-on-year, notably reflecting the impact of EUTELSAT 12 West B. Compared to end June, the number of utilized transponders was up by six units.

As a result, the fill rate stood at 69.7% compared to 68.3% a year earlier and 69.2% at end-June.

	31 Dec. 2018	30 June 2019	**31 Dec. 2019**
Operational transponders[6]	1,419	1,387	**1,387**
Utilized transponders[7]	970	960	**966**
Fill rate	68.3%	69.2%	**69.7%**

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity and satellites in inclined orbit.

ORDER BACKLOG

The order backlog[8] stood at €4.3 billion at 31 December 2019 versus 4.6 billion a year earlier and 4.4 billion at end June 2019. It includes the capacity commitments secured on the recently ordered EUTELSAT 10B satellite.

The backlog was equivalent to 3.3 times 2018-19 revenues. Broadcast represented 68% of the backlog.

	31 Dec. 2018	30 June 2019	**31 Dec. 2019**
Value of contracts (in billions of euros)	4.6	4.4	**4.3**
In years of annual revenues based on previous fiscal year	*3.3*	*3.3*	***3.3***
Share of Broadcast application	74%	72%	**68%**

PROFITABILITY

EBITDA stood at €496 million at 31 December 2019 compared with €518 million a year earlier, down by 4.4%. The **EBITDA margin** stood at 77.8% (77.9% at constant currency) versus 78.8% a year earlier, reflecting lower revenues as well as higher costs associated with Broadband activities which are partially offset by a strong cost discipline on Core business.

At this stage, there is no benefit from the 'LEAP 2' cost-savings program which has just been launched and targets savings of €20-25 million by the end of FY 2021-22.

Group share of net income stood at €141 million versus €150 million a year earlier, down by 6.4% and representing a margin of 22%. This reflected:

- A slight increase in **depreciation and amortisation** ((€263) million at 31 December 2019 compared with (€258) million a year earlier);
- **Lower 'Other operating income'** of (€8) million (versus +€36 million last year) which included the capital gain on the disposal of the interest in EUTELSAT 25B;

[6] Number of transponders on satellites in stable orbit, back-up capacity excluded.
[7] Number of transponders utilised on satellites in stable orbit.
[8] The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

- A **net financial result** of (€41) million (versus (€53) million a year earlier), mainly reflecting the benefit of last year's debt refinancing;
- A **tax rate** of 18% (versus 35% last year) reflecting the change in tax territoriality treatment in France.

CASH FLOW

In H1 2019-20, **net cash flow from operating activities** amounted to €353 million; €25 million lower than a year earlier. This reflected notably the lower EBITDA and an unfavourable comparison basis for change in working capital, which more than offset the benefit of the change in tax treatment.

Cash Capex amounted to €189 million versus €130 million last year. Cash capex in the second half will however reflect insurance proceeds in respect of EUTELSAT 5 West B.

Interest and other fees paid net of interest received amounted to €57 million versus €24 million last year, reflecting a change in the phasing of coupon payments versus last year following the refinancing of two bonds in FY 2018-19. H2 will see an attendant mechanical €64m year-on-year reduction in coupon payments, leading to a substantial reduction over the full year.

Discretionary Free Cash-Flow amounted to €108 million on a reported basis. As per financial outlook definition[9] it stood at €105 million, down €132 million or 56%.

FINANCIAL STRUCTURE

At 31 December 2019 **net debt** stood at €3,235 million, up €162 million versus end-June. It reflected principally on one hand the €108 million in discretionary free cash-flow generated in H1 and an inflow related to changes in perimeter for €55 million[10], and on the other, the dividend payment of €316 million. Other items (mostly export credit financing, financial leases and other bank facilities and changes in the foreign exchange portion of the cross-currency swap) generated a net outflow of €9 million.

The **net debt to EBITDA ratio** stood at 3.2 times, compared to 3.1 times at end-December 2018. As a reminder, December usually represents a peak in the annual net debt profile reflecting the timing of the dividend payment.

As a result of the refinancing of two debt maturities in FY 2018-19 both the weighted average maturity of the group's debt (4.2 years versus 2.7 in H1 2018-19) and the average cost of debt after hedging (2.4% versus 2.8% in H1 2018-19) showed improvement.

Liquidity remained strong, with undrawn credit lines of €798 million and cash of €373 million.

DIVIDEND

The Annual General Meeting of Shareholders of 7 November 2019 approved the payment of a dividend of €1.27 per share in respect of the financial year ended 30 June 2019. The dividend was paid on November 25, 2019.

FINANCIAL OUTLOOK

The improved trend in Operating Vertical revenues in the Second Quarter was in line with expectations, while the remainder of the year will benefit from the contribution of the EGNOS payload on EUTELSAT 5 West B, the relocation of EUTELSAT 7A, further business in the pipeline notably in Mobility and potential business from the availability of incremental capacity on EUTELSAT 7C from the end of January. In this context we continue to expect to land within the range of €1,270 to €1,315 million for FY 2019-20[11] as a whole, although we are more likely to be in the low end. This range includes the impact of the 5 to 10 million euros mechanical adjustment communicated in January related to the loss of capacity on EUTELSAT 5 West B.

All other elements of the financial outlook are also confirmed:

- **Cash Capex**[12] is expected at an average of €400 million per annum for the period July 2019 to June 2022.
- LEAP 2 plan aimed at generating €20 to 25 million in savings by June 2022.
- **Discretionary free cash flow** of circa €500 million[13] in FY 2021-22.

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[9] At constant currency and excluding the impact of the disposal of EUTELSAT 25B in FY 2018-19
[10] Second half of the consideration for EUTELSAT 25B net of the acquisition of stake in Broadpeak
[11] Based on €/$ rate of 1.14 and current perimeter
[12] Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.
[13] Based on a €/$ rate assumption of 1.14, excluding hedging impact and based on current perimeter.

- Maintain a sound financial structure to support **investment grade credit rating** with a **net debt / EBITDA ratio** below 3.0x
- Stable to progressive **dividend** with at least €100 million **shares repurchased** by June 2022[14].

This outlook is based on the nominal deployment plan outlined hereunder.

FLEET DEPLOYMENT

Nominal deployment programme

Satellite[1]	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT QUANTUM	To be confirmed	Q3 2020	Government Services	Flexible	8 "QUANTUM" beams	Not applicable	Not applicable
KONNECT VHTS	To be confirmed	H2 2021	Connectivity	Europe	~230 Ka spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	H2 2021	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None
EUTELSAT HOTBIRD 13G	13° East	H2 2021	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None
EUTELSAT 10B	10°East	2022	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10C >100 Ku spot beams	12 Ku 20 C c. 35 Gbps	-48 Ku transponders[3] c. 35 Gbps

[1] EUTELSAT QUANTUM is a chemical propulsion satellite. KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B are electric propulsion satellites.
[2] 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 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account.
[3] 36 Mhz equivalent transponders.

Furthermore, in the context of the kick-off of the ELO constellation, a first series of five nanosatellites will be launched between 2020 and 2021.

Eutelsat 5 West B

EUTELSAT 5 West B started operations in January with c.45% of its capacity following the loss of its South solar array. The EGNOS payload entered into service in February

EUTELSAT 5 West A now operates in inclined orbit.

Other changes in the fleet

EUTELSAT 7C started operations on 28 January 2020. EUTELSAT 7A is currently being relocated.

KONNECT was launched on 16 January 2020. It is due to enter service in Autumn.

CORPORATE GOVERNANCE

The Ordinary and Extraordinary Shareholders' Meeting of 7 November 2019 renewed the mandate of Ana Garcia Fau and appointed Cynthia Gordon as a Board member.
The Board is composed of 10 members, 50% of whom are women and 70% of whom are independent.
The Combined General Meeting also approved all the other resolutions, including the accounts, the dividend in respect of FY 2018-19, compensation of corporate officers and compensation policy.

[14] Subject to the renewal of the resolution relating to share buybacks at the Annual General Meetings.

RECENT EVENTS

Acquisition of minority interests in Russian operations

On 30 January 2020, Eutelsat acquired the minority interests of its Russian operations for a cash consideration of €34m. They consist of 49% of Eutelsat International and Eutelsat Networks which market capacity on the Express-AT1, Express-AT2 and Eutelsat 36C satellites for a total of 38 Ku-band transponders and 18 Ka-band spotbeams. The transaction carries an earn-out feature to be settled between September 2020 and September 2023.

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First Half 2019-20 results conference call and webcast

A conference call will be held on **Friday, 14 February 2020** at **9:00am CET.**

To connect to the call, please use the following numbers:

- + 33 (0) 1 76 77 22 57 (France)
- + 44 (0) 330 336 9411 (UK)
- + 1 720 543 0214 (USA)

Access code: 6494955#

The presentation will also be available via webcast by clicking here and on our website at http://www.eutelsat.com/en/investors.html.

Recording available from Friday, 14 February 2020, 1:00pm to Friday, 21 February 2020, 1.00pm CET

- + 33 (0) 1 70 48 00 94 (France)
- + 44 (0) 207 660 0134 (UK)
- + 1 719 457 0820 (USA)

Access code: 6494955#

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.

- 14 May 2020: Third Quarter 2019-20 revenues
- 31 July 2020: Full Year 2019-20 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. Headquartered in Paris, with offices and teleports around the globe, Eutelsat assembles 1,000 men and women from 46 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 please visit: www.eutelsat.com

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APPENDICES

Appendix 1: Additional financial data

Extract from the consolidated income statement (in € millions)

Six months ended December 31	2018	2019	Change (%)
Revenues	658.1	**636.6**	**(3.3%)**
Operating expenses	(139.7)	**(141.1)**	**+1.0%**
EBITDA	518.4	**495.5**	**(4.4%)**
Depreciation and amortisation	(257.6)	**(262.5)**	**+1.9%**
Other operating income (expenses)	35.7	**(7.8)**	**n.a.**
Operating income	296.6	**225.3**	**(24.0%)**
Financial result	(53.2)	**(41.4)**	**(22.2%)**
Income tax expense	(85.0)	**(33.7)**	**(60.4%)**
Income from associates	(1.3)	**0.0**	**n.a.**
Portion of net income attributable to non-controlling interests	(6.8)	**(9.5)**	**+39.7%**
Group share of net income	150.4	**140.7**	**(6.4%)**

Change in net debt (€ millions)

Half-year ending	31/12/2018	31/12/2019
Net cash flows from operating activities	**378.7**	**353.4**
Cash Capex	(130.0)	(189.1)
Interest and Other fees paid net of interests received	(23.5)	(56.5)
Discretionary Free Cash Flow	**225.3**	**107.9**
(Acquisitions) / disposals	67.5	54.7
Distributions to shareholders (including non-controlling interests)	(310.5)	(315.7)
Change in foreign exchange portion of the cross-currency swap	(11.9)	(9.9)
IFRS 16 Impact as of 1 July 2018	(43.8)	-
Other	10.7	1.0
Decrease (increase) in net debt	**(62.7)**	**(162.0)**

Appendix 2: Quarterly revenues by application

The table below shows quarterly revenues.

In € millions	Q1 2018-19	Q2 2018-19	Q3 2018-19	Q4 2018-19	FY 2018-19	Q1 2019-20	Q2 2019-20
Broadcast	198.3	196.1	198.1	198.4	790.9	194.7	194.7
Data & Professional Video	52.3	51.4	47.7	48.6	199.9	43.0	44.8
Government Services	42.4	39.4	39.9	39.8	161.5	39.3	39.1
Fixed Broadband	20.4	20.1	19.1	20.9	80.4	19.9	19.2
Mobile Connectivity	20.6	19.4	19.8	20.5	80.3	19.7	21.5
Total Operating Verticals	**334.0**	**326.4**	**324.6**	**328.1**	**1,313.1**	**316.5**	**319.3**
Other Revenues	1.2	(3.5)	12.1	(1.7)	8.0	1.1	(0.2)
Total	**335.1**	**322.9**	**336.7**	**326.3**	**1,321.1**	**317.6**	**319.1**

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: EBITDA, cash capex and Discretionary free cash flow (DFCF). These indicators are the object of reconciliation with the consolidated accounts.

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization. It is a key indicator in the Fixed Satellite Services Sector. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for H1 2018-19 and H1 2019-20:

Six months ended December 31 (€ millions)	2018	2019
Operating result	296.6	225.3
+ Depreciation and Amortization	257.6	262.5
- Other operating income and expenses	(35.7)	7.8
EBITDA	**518.4**	**495.5**

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

Six months ended December 31 (€ millions)	2018	2019
EBITDA	518.4	495.5
Revenues	658.1	636.6
EBITDA margin (as a % of revenues)	**78.8**	**77.8**

At constant currency, the EBITDA margin stood at 77.9% as of 31 December 2019.

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

Six months ended December 31 (€ millions)	2018	2019
Last twelve months EBITDA	1,050.7	1,009.5
Closing net debt	3,304.3	3,234.8
Net debt / EBITDA	**3.1**	**3.2**

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 netted from the amount of insurance proceeds.

The table below shows the calculation of Cash Capex for H1 2018-19 and 2019-20:

Six months ended December 31 (€ millions)	2018	2019
Acquisitions of satellites, other property and equipment and intangible assets	82.2	151.1
Repayments of ECA loans and lease liabilities[15]	47.8	38.0
Cash Capex	**130.0**	**189.1**

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 the dividend payment and debt reduction.

Discretionary free cash flow is defined as Net cash flow from operating activities less Cash Capex as well as interest and other financial costs, net of interest income.

The table below shows the calculation of Discretionary free cash flow for H1 2018-19 and 2019-20 and its reconciliation with the cash flow statement:

Six months ended December 31 (€ millions)	2018	2019
Net cash flows from operating activities	378.7	353.4
Acquisitions of satellites, other property and equipment and intangible assets	(82.2)	(151.1)
Repayment of Export credit facilities[16]	(11.9)	(11.9)
Repayment in respect of lease liabilities	(35.9)	(26.1)
Interest and other fees paid net of interest received	(23.5)	(56.5)
Accounting Discretionary Free-Cash Flow	**225.3**	**107.9**
Perimeter impact[17]	3.8	-
Currency impact[18]	7.0	(3.4)
Discretionary Free-Cash Flow at constant currency and perimeter	**236.1**	**104.5**

[15] Included in lines “Repayment of borrowings” and of “Repayment of lease liabilities” of cash-flow statement
[16] Included in the line “Repayment of borrowings” of cash-flow statement
[17] Impact of the disposal of EUTELSAT 25B satellite. For comparability purposes H1 2018-19 is restated from the contribution of the EUTELSAT 25B to Discretionary Free-Cash-Flow in July 2018 and from the advanced payment made by Es’hailSat for capacity on EUTELSAT 25B (€5.5 million) which had to be reimbursed by Eutelsat to Es’hailSat when the asset was sold in August 2018.
[18] H1 2019-20 Discretionary Free-Cash Flow has been converted at H1 2018-19 €/$ rate and hedging impact has been excluded.