



eUTeLSAT

THIRD QUARTER 2022-23 REVENUES ONEWEB UPDATE

11 May 2023

AGENDA

- 1. Key Events**
2. Q3 2022-23 Performance
3. Outlook
4. OneWeb Update
5. Q&A

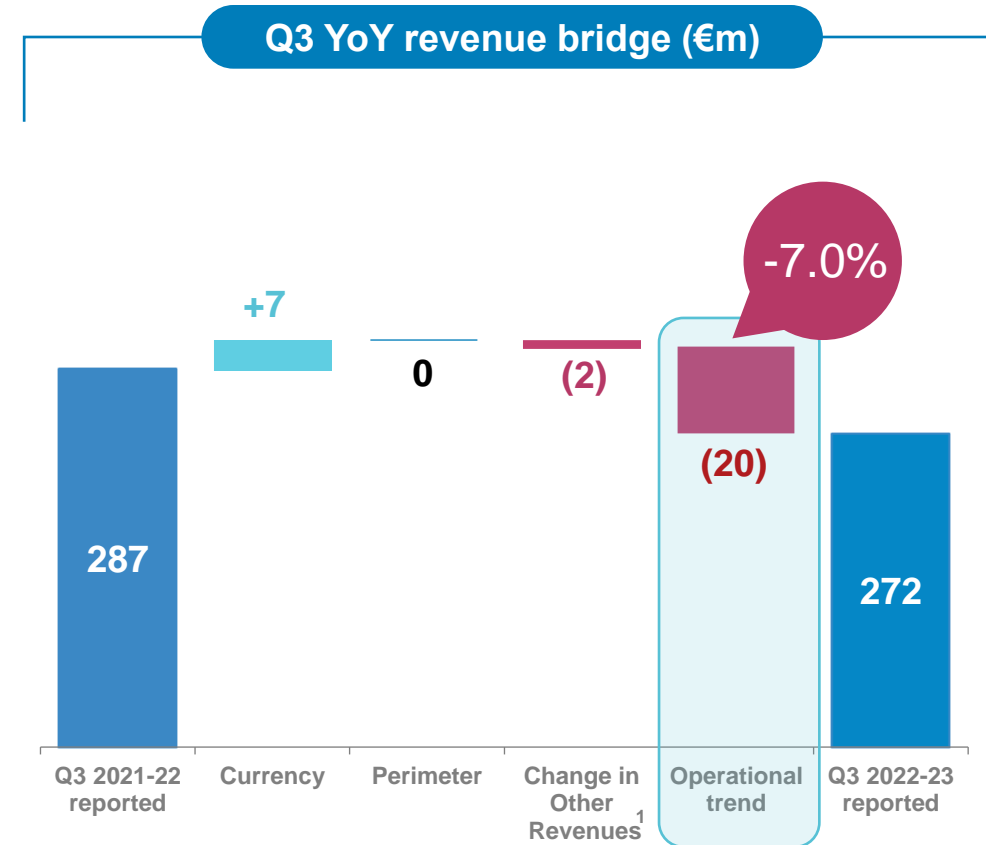
HIGHLIGHTS



- ✓ Q3 operating vertical revenues of €272m, down slightly QoQ. Nine-month operating revenues down -5.1%, at the mid-point of our Full Year 2022-23 revenue objective
- ✓ Improved trend in Government on the back of Airbus deal and ahead of entry into service of incremental capacity in FY 2023-24
- ✓ Fixed Broadband and Mobile Connectivity sustaining positive momentum ahead of entry into service of K-VHTS and E10B in FY 2023-24
- ✓ All standalone FY 2022-23 and longer-term financial objectives confirmed
- ✓ Eutelsat joins leading consortium to bid for EU Commission's tender for the IRIS² satellite constellation
- ✓ OneWeb's Gen-1 constellation on track for Global Coverage, supporting positive commercial ramp-up. Combination transaction on track to close by Q3 2023











Q3 REVENUES

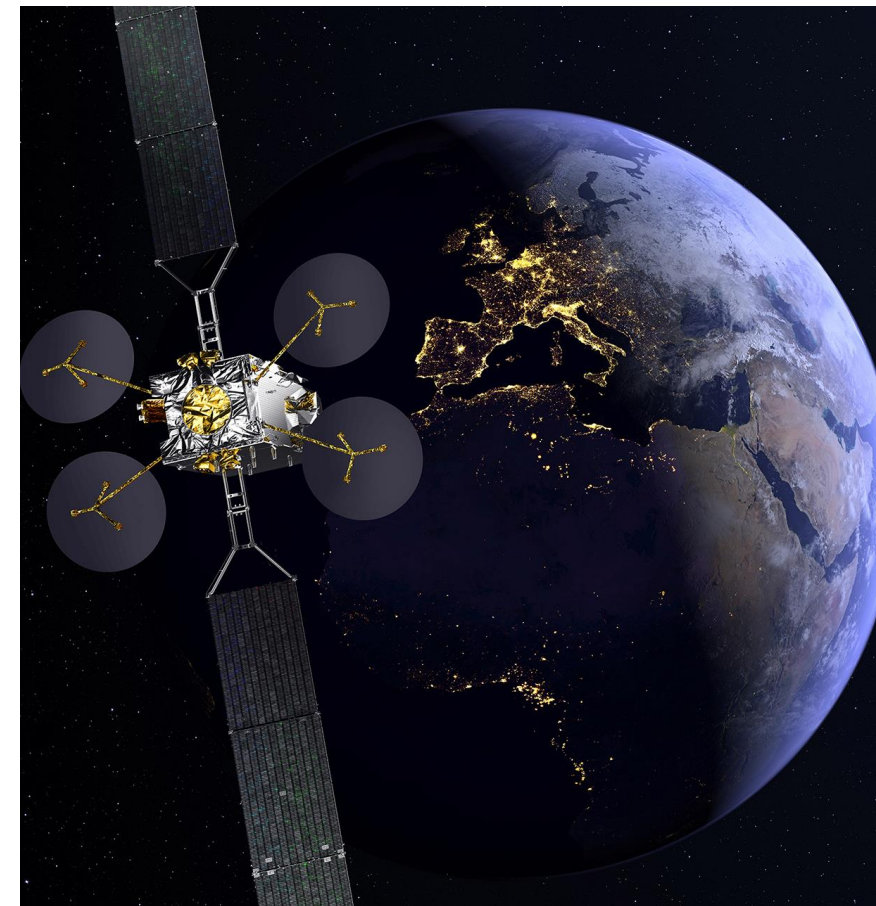
- ▶ Total revenues of €272m, down 7.5% like-for-like
- ▶ Positive currency effect
 - €/\$ rate of 1.07 vs 1.13 last year
- ▶ Negative swing of €2m in 'Other Revenues'
 - Of which +€1m related to hedging
- ▶ Revenues of the Operating Verticals down 7.0% like-for-like YoY



¹ Including Hedging revenues representing a +€1m impact

Q3 FY 2022-23 REVENUES BY APPLICATION

	REVENUE CONTRIBUTION ¹	REVENUES (€m)	LIKE-FOR-LIKE ² YOY CHANGE
 BROADCAST	 58%	157	-10.6%
 DATA & PROFESSIONAL VIDEO	 14%	38	-7.3%
 GOVERNMENT SERVICES	 11%	31	-13.4%
 FIXED BROADBAND	 7%	19	+7.3%
 MOBILE CONNECTIVITY	 10%	27	+23.0%
TOTAL OPERATING VERTICALS		272	-7.0%
OTHER REVENUES		0	-€2m³



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

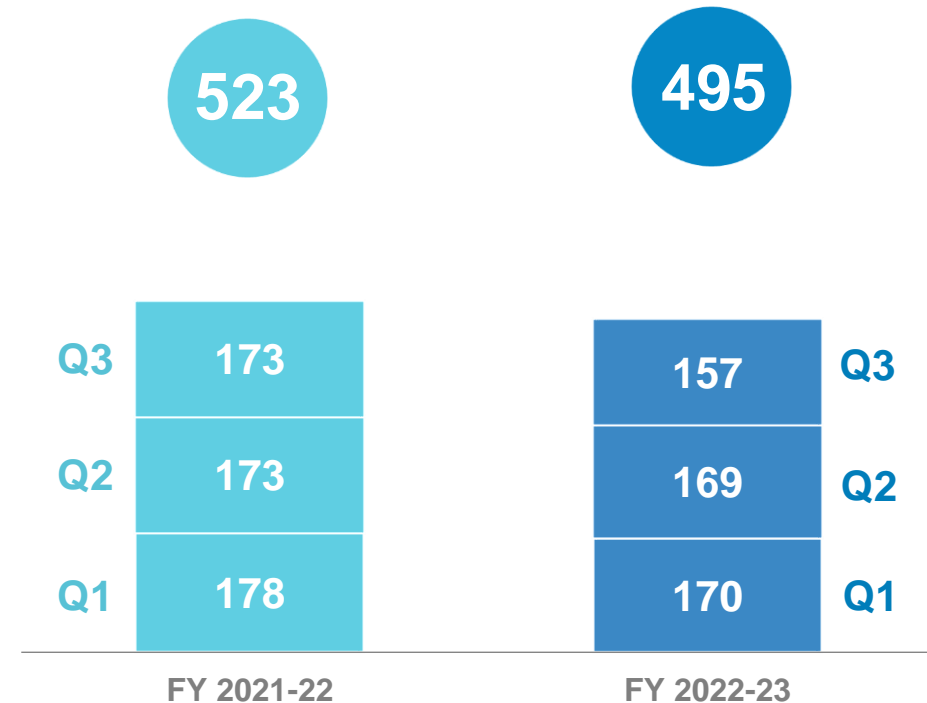
² Change at constant currency and perimeter. The variation is calculated as follows: i) Q3 2022-23 USD revenues are converted at Q3 2021-22 rates; ii) Hedging impact is excluded.

³ Of which +€1m related to hedging revenues.

AGENDA

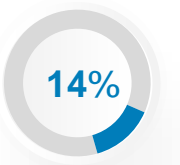
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- ▶ **Q3 revenues of €157m, down 10.6% YoY like-for-like¹**
 - Full effect of the non-renewal of the Digitürk contract
 - Lower revenues in Europe
 - Effect of sanctions against certain Russian and Iranian channels mainly impacting the Second Half of FY 2022-23
- ▶ **Eutelsat selected by Latin American broadcasters for services in Mexico and Brazil**
 - Leveraging the unparalleled coverage of the EUTELSAT 65A, 117WA and 117WB satellites over the region
- ▶ **Revenues expected to slightly decrease in Q4 vs. Q3**



¹ At constant currency and perimeter

DATA & PROFESSIONAL VIDEO



▶ **Q3 revenues of €38m, down 7.3% YoY like-for-like¹**

- Q3 revenues down 4.7% QoQ¹

▶ **Improved volumes in Fixed Data**

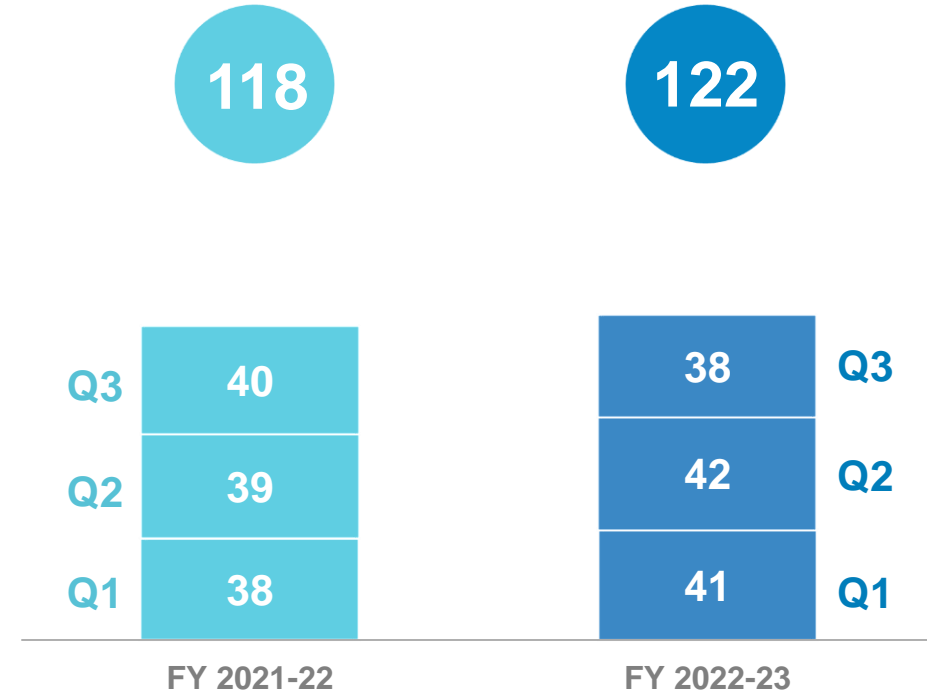
- Partly offsetting impact of ongoing pricing pressure

▶ **Slight deterioration in Professional Video**

- Phasing of a specific contract
- Seasonality in occasional use

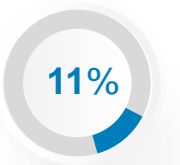
▶ **Partnership with POULSAT to provide schools in North Africa with high-speed internet connectivity**

▶ **Mid-single digit decline expected for FY 2022-23**



¹ At constant currency and perimeter

GOVERNMENT SERVICES



▶ **Q3 revenues of €31m, down 13.4% YoY like-for-like¹**

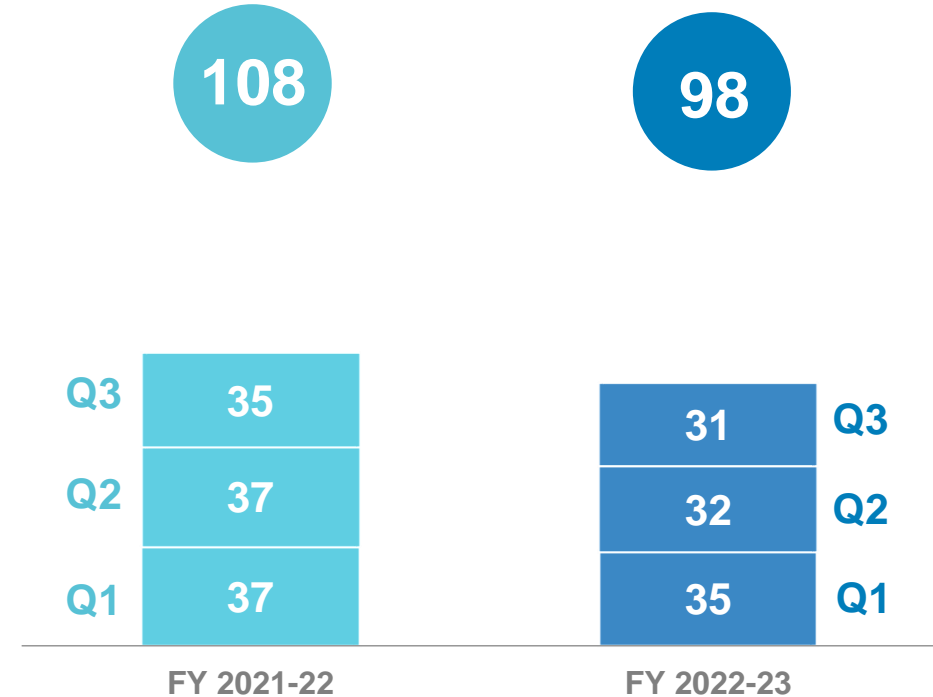
- Full negative carry-forward effect of recent US Department of Defence renewals, with in particular, a renewal rate of 65% in Fall 2022
- Partially offset by take-or-pay contract with Airbus

▶ **Q3 revenues up 3.1% QoQ¹**

- Airbus contract with retroactive effect from 1 July 2022

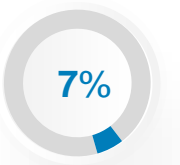
▶ **Slightly improved outcome of Spring US DoD renewals, at above 70%**

▶ **Improving trend expected in Q4**

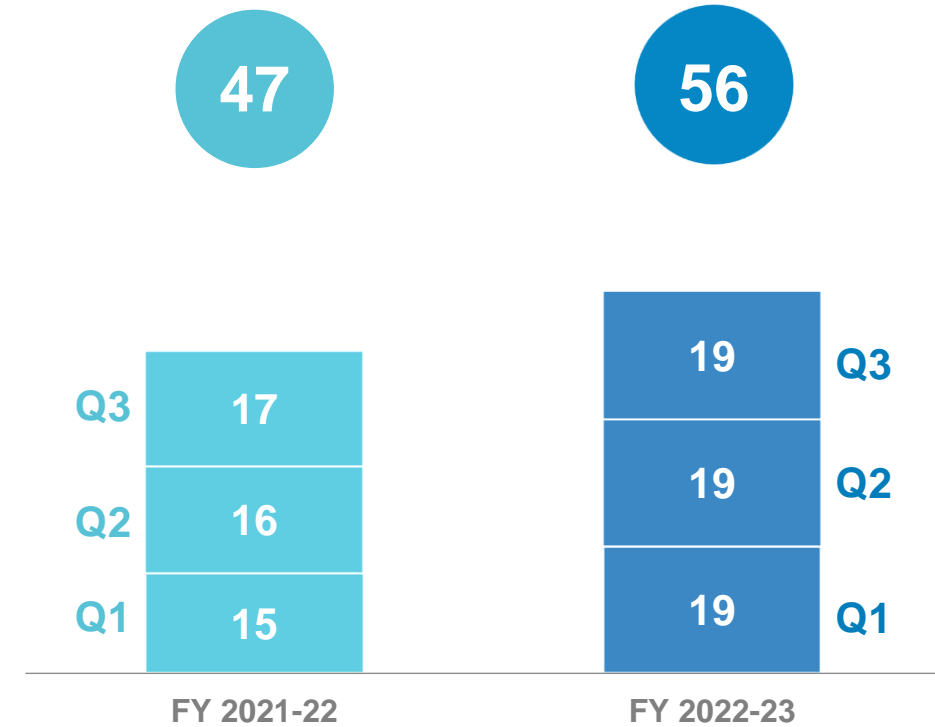


¹ At constant currency and perimeter

FIXED BROADBAND



- ▶ **Q3 revenues of €19m, up 7.3% like-for-like¹**
 - Wholesale agreements with Orange, TIM, Hispasat and Swisscom
 - Ramp-up of the African operations
- ▶ **Q3 revenues up 3.5% QoQ¹**
- ▶ **Revenues expected broadly stable over Full Year**
 - Growth to re-accelerate in FY 2023-24 on the back of entry into service of KONNECT VHTS



¹ At constant currency and perimeter

MOBILE CONNECTIVITY



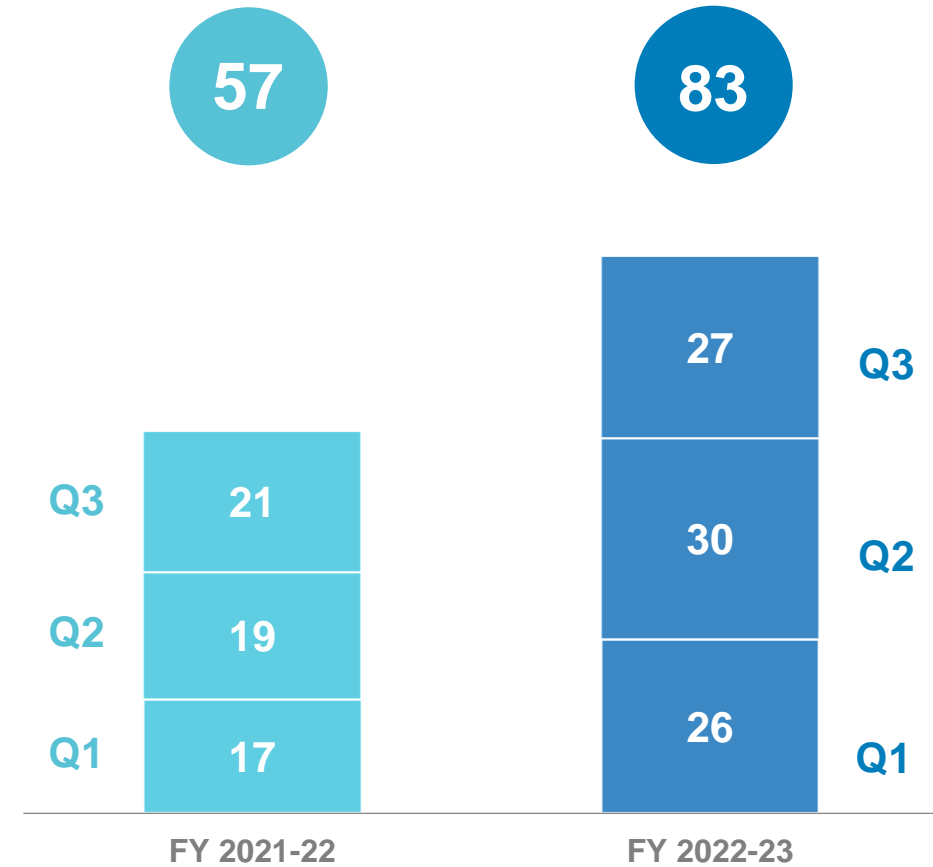
► **Q3 revenues of €27m, up 23.0% YoY like-for-like¹**

- Ongoing positive momentum
- Strong growth in Maritime

► **Q3 revenues down 4.1% QoQ¹**

- Reflecting timing of commercialization of the third beam on EUTELSAT QUANTUM booked in Q2 with retroactive effect from August 2022

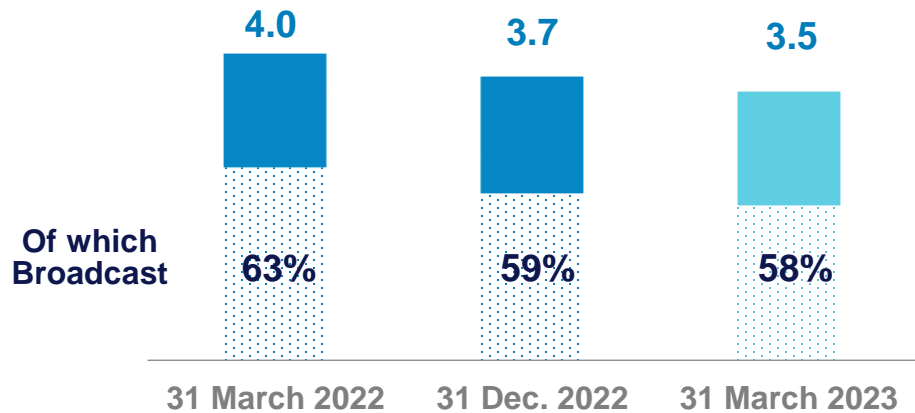
► **Positive dynamics to translate into double-digit growth for the Full Year, albeit at a lower level than First Nine Months**



¹ At constant currency and perimeter

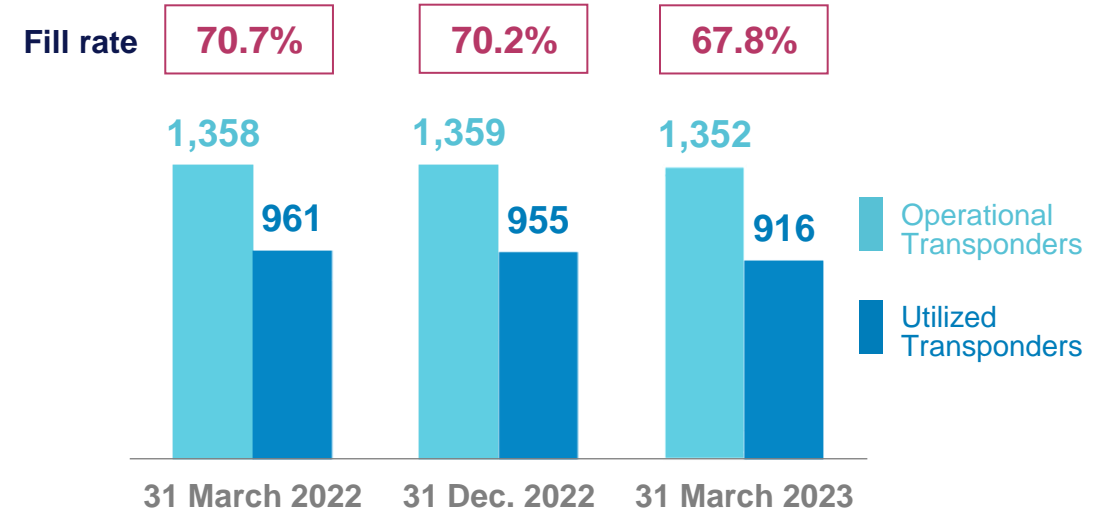
BACKLOG & FILL RATE

BACKLOG (€BN)



- Natural erosion in the absence of major broadcast renewals this quarter
- Representing 3.1 years of revenues
- Broadcast accounting for 58% versus 63% a year ago

OPERATIONAL & UTILIZED TRANSPONDERS



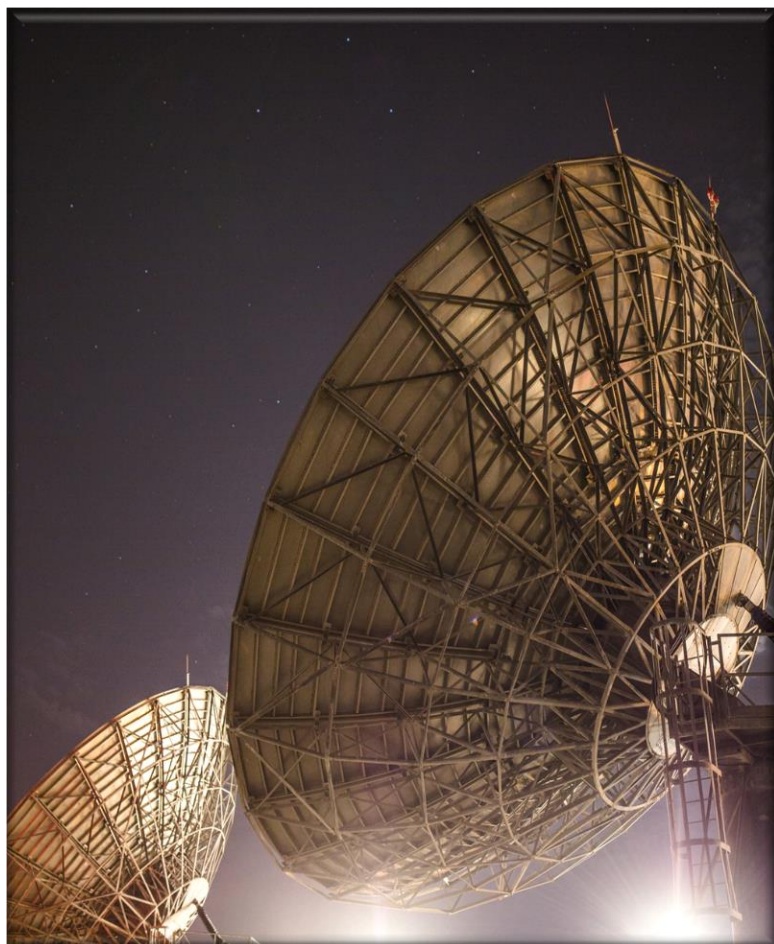
- Broadly stable operational TPE
- Utilized TPE down 45 units YoY
- Fill rate at 67.8% slightly down YoY, reflecting lower volumes in Broadcast and absence of major broadcast renewals this quarter

Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity

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FINANCIAL OUTLOOK CONFIRMED



OPERATING VERTICALS REVENUES¹

- ▶ Between €1,135 to €1,165m in FY 2022-23¹
- ▶ Growth from FY 2023-24 onwards

CASH CAPEX

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

ADJUSTED DISCRETIONARY FREE CASH FLOW³

- ▶ Average of €420m per annum over the next two fiscal years FY 2022-23 and FY 2023-24³

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

- ▶ Dividend suspended for three years in the context of combination with OneWeb

This outlook is based on the revised nominal deployment plan outlined below.



It assumes no further material deterioration of revenues generated from Russian customers. It excludes the impact of the contemplated combination with OneWeb.

¹ Based on a €/€ rate assumption of 1.00 and current perimeter.

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

³ Based on a €/€ rate assumption of 1.00 and current perimeter. Adjusted DFCF objectives exclude future payments related to the take-or-pay agreement with OneWeb.

UPCOMING LAUNCHES

NAME	EUTELSAT 36D	FLEXSAT AMERICAS
Orbital Position	36° East	
Approx. Entry into service date ¹	H2 2024	2026 (delivery)
Manufacturer		
Coverage	Africa, Russia, Europe, Middle East	Americas
Applications	Video Government	Connectivity
Total capacity (TPX ² /Spotbeams)	70 transponders in Ku-band UHF payload	Over 100 Gbps
o/w expansion ²	UHF payload	-

¹ Calendar year | ² Excludes unannounced redeployments



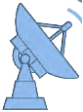
³ “Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 TPE), once regulatory, technical and operational constraints are taken into account.”

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GEN-1 ON TRACK FOR GLOBAL COVERAGE BY YEAR END



		November 2020	March 2023	Q4 2023e	
	Cumulative Number of Launches	3	18	19	<ul style="list-style-type: none"> • 100% of launches completed for operations • Additional launch is planned for resiliency and redundancy
	Cumulative Number of Satellites Launched	74	620	c. 636 ¹	<ul style="list-style-type: none"> • 100% of satellites launched for global coverage and supporting growing revenues in 50-degrees North, before roll-out below 50°
	Satellite Network Portals	5	22	40	<ul style="list-style-type: none"> • 22 completed by March 2023

✓ On track for Europe and US coverage by May 2023 (>35° N)
 ✓ Full coverage by January 2024

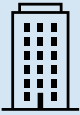
ROBUST COMMERCIAL RAMP-UP

Key enablers...

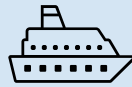
Sellable Capacity

- ▶ 450 Gbps currently
- ▶ 1.3 tbps expected by Q4 2023
- ▶ Fill rate of 5%, and 21% in Alaska in March '23 vs. 6% May '22

Terminal Availability (flat panels)



Government: now



Maritime: H2 23

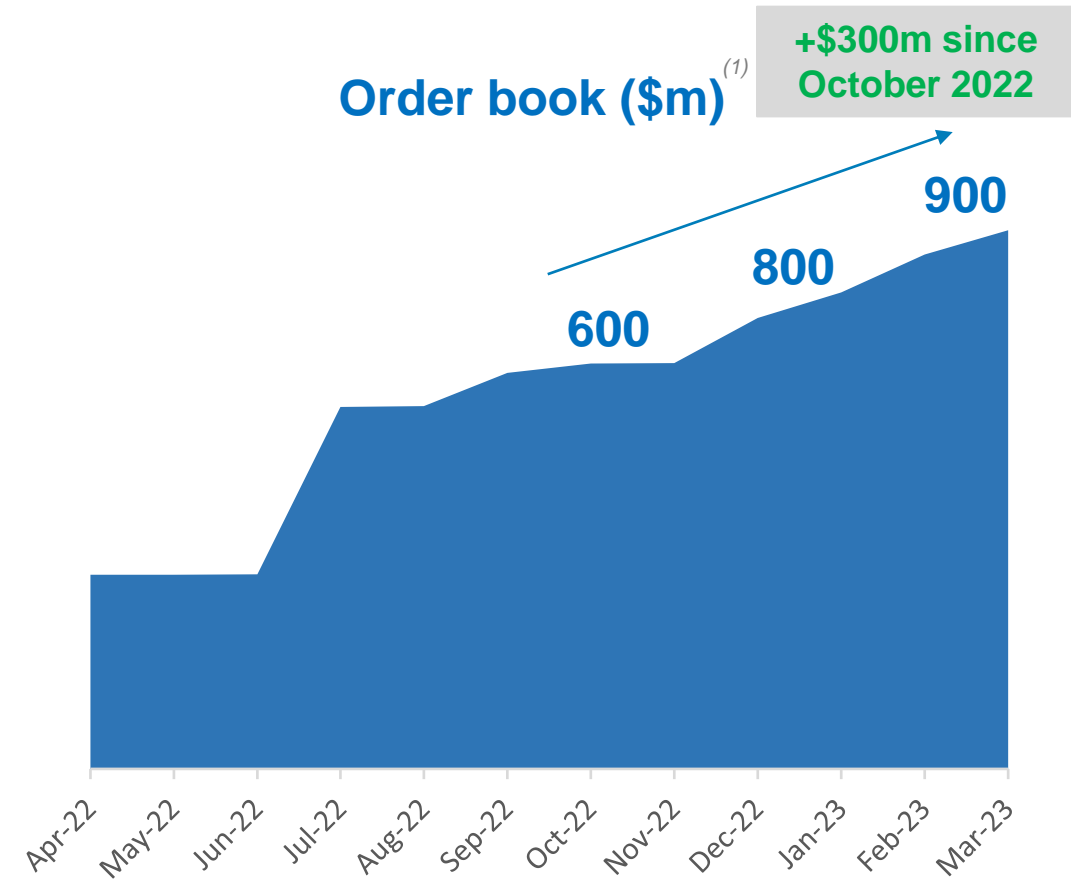


Aviation: early 24

Ground Infrastructure

- ▶ 22 Satellites Network Portals
- ▶ Market access and authorizations: 170 countries covered as of April 2023

...supporting positive commercial dynamic



Fixed Connectivity

- ▶ **Cellular Backhaul in Africa** with Airtel
- ▶ **Community Broadband**, in underserved regions of North America, with Galaxy and Bell Canada
- ▶ **Enterprise Connectivity** in Southeast Asia with mu Space Corp



Mobile Connectivity

- ▶ **Maritime**: enabling coverage with densification in key areas
- ▶ **Aviation**: improved quality of experience through multi-orbit capacity, thanks to successful trials on GEO+LEO aviation antenna



Government Services

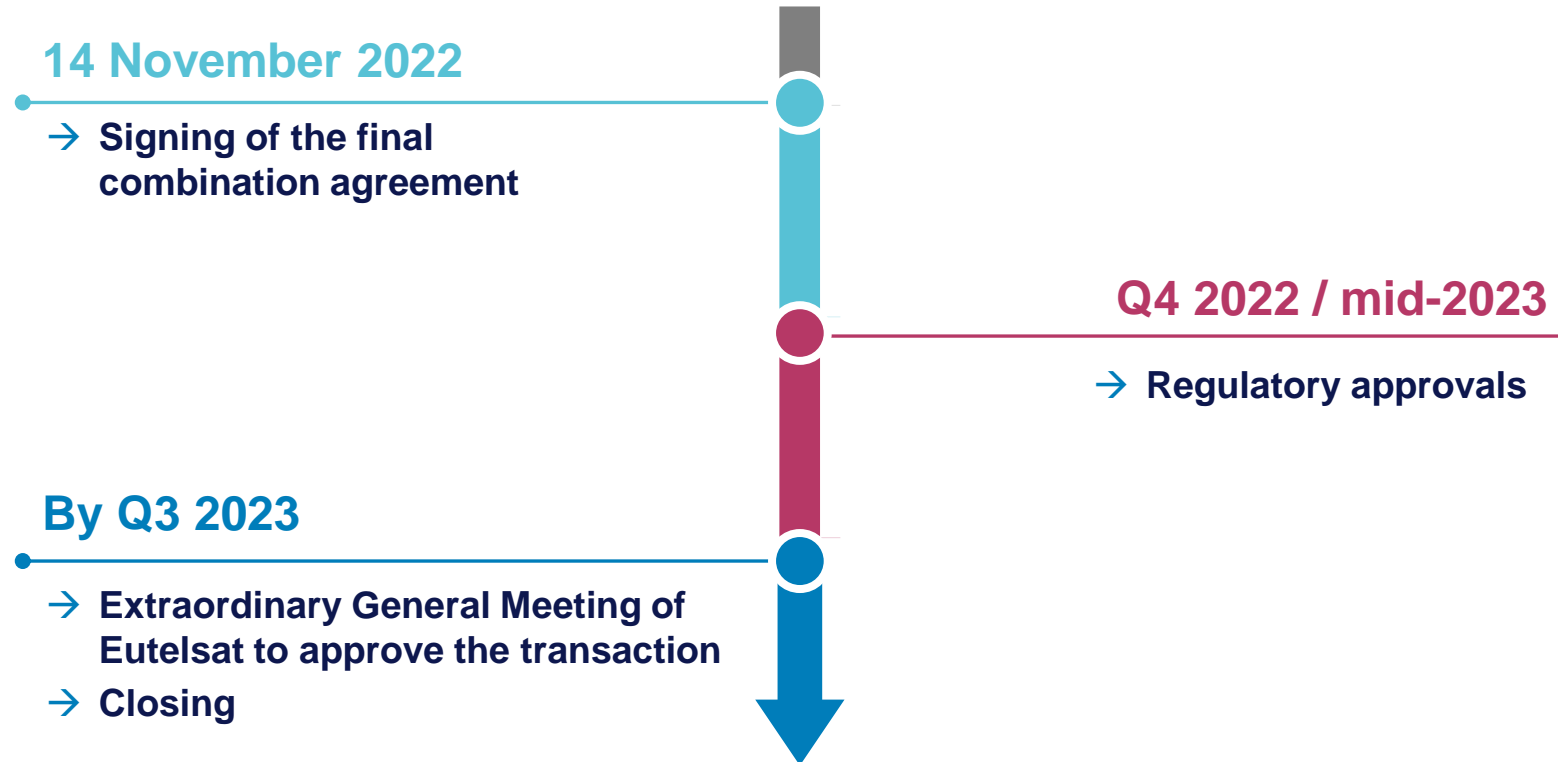
- ▶ **\$200m joint venture** to bring high-speed satellite connectivity to Saudi Arabia and the wider Middle East and neighboring East African countries with **NEOM**
- ▶ Remote Community Broadband in Trials for **UK Government Connectivity Programme**



✓ 53 distribution partners at end-March 2023

✓ 75 expected by end-2023

LOOKING AHEAD: UPDATE ON THE COMBINATION



- ▶ Regulatory approval workstream progressing according to plan (No EU referral considered, FR and US still ongoing)
- ▶ Closing of the transaction expected by Q3 2023, conditional upon:
 - Customary regulatory approvals
 - Eutelsat EGM approval

UNDERPINNING OUR SYNERGY EXPECTATIONS



Confirming high value-creative synergies, with low execution risk

Revenues Synergies

Leverage **Eutelsat sales forces, geographic reach and customer base** to accelerate commercial ramp-up of OneWeb

Costs Synergies

Opex optimization driven by **cost avoidance and cost duplication** between the two entities

Capex Synergies

Leverage **hybrid LEO/GEO satellite infrastructure** to unlock **Gen-2 rationalization** that will considerably optimize both fleets and enable significant savings

NPV OF SYNERGIES

Over €1.5bn

(After tax
Net of
implementation
costs)

GEN-2 TO UNLOCK SIGNIFICANT VALUE AT OPTIMIZED COST



Development to begin as soon as 2024



- ✓ **Market-informed design process**
Bottom-up market analysis for right-sizing
Ancillary payload to enable fleet expansion at minimum marginal cost
- ✓ **From 3 to 5 times the capacity of Gen-1**
Bulkier and fewer satellites (c. 300)
Lower cost per Mbit
- ✓ **Leveraging on existing and future GEO infrastructure**
Focus capacity on high-demand area
Reduce costs
- ✓ **Inter-satellite link**
Significant savings, namely in ground infrastructure
Improved average latency across the Globe
- ✓ **Innovation on smaller terminals to unlock new uses**

✓ **Estimated saving of \$1.5 to \$1.8bn for a total confirmed cost of around \$4.0 bn**

✓ **Positive discussions with Government ECAs on financial support**

Q & A

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