

FIRST QUARTER 2023-24 REVENUES

- **Operating Verticals revenues of €273 million, down 2.4%¹, but up 2.9% on a sequential basis (excluding one-off)**
- **Continued robust double-digit growth in Mobile Connectivity on the back of strong commercial momentum**
- **Eutelsat/OneWeb combination now live, and Eutelsat Group's financial objectives confirmed, replacing Eutelsat standalone objectives**

Paris, 26 October 2023 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris / London Stock Exchange: ETL) reports revenues for the First Quarter ended 30 September 2023.

In € millions	Q1 2022-23	Q1 2023-24	Change	
			Reported	Like-for-like ²
Video	183.5	163.5	-10.9%	-9.5%
Government Services	34.7	33.5	-3.4%	1.1%
Mobile Connectivity	25.9	35.2	35.5%	44.1%
Fixed Connectivity	46.4	40.2	-13.2%	-2.6%
Total Operating Verticals	290.5	272.5	-6.2%	-2.4%
Other Revenues ³	-3.1	1.5	na	na
Total	287.4	274.0	-4.7%	-0.8%
EUR/USD exchange rate	1.02	1.09		

HIGHLIGHTS

- **Operating Vertical revenues** of €273m, down 2.4% like-for-like on a year-on-year basis. They rose by 2.9% on a sequential basis (quarter-on-quarter), excluding a one-off contract booked in Government services in Q4 FY 2022-23.
- Continued robust double-digit growth in **Mobile Connectivity**:
 - Commercialization of the final beam on EUTELSAT QUANTUM. All of the satellite's capacity is now commercialized, just 18 months following its entry into service.
 - Multi-year, multi-million euro contract with Marlink, for capacity on EUTELSAT 10B for maritime Connectivity in EMEA.
- **Successful entry into service of the EUTELSAT KONNECT VHTS satellite**, driving connectivity growth with 500 Gbps of incremental capacity and firm commitments totalling c.€450m.
- **Eutelsat/OneWeb combination project approved** on 28 September 2023.

¹ Like-for-like change at constant currency and perimeter.

² Change at constant currency and perimeter. The variation is calculated as follows: i) Q1 2023-24 USD revenues are converted at Q1 2022-23 rates; ii) the contribution of the BigBlu retail broadband operations from 1st July 2022 to 30 September 2022 is excluded from Q1 2022-23 revenues; iii) Hedging revenues are excluded.

³ Other Revenues include mainly the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

- All **financial objectives for Eutelsat Group are confirmed**; they replace Eutelsat standalone objectives.
- **Further strong commercial momentum at OneWeb**; backlog close to \$1.0bn⁴, up 66% year-on-year.

FIRST QUARTER REVENUES⁵

Total revenues for the First Quarter stood at €274 million, down 4.7% on a reported basis, and by 0.8% like-for-like.

Revenues of the four Operating Verticals (ie, excluding 'Other Revenues') stood at €273 million. They were down by 2.4% on a like-for-like basis excluding a negative currency effect of €8 million, as well as a negative perimeter effect of c. -1 point from the disposal of the BigBlu retail broadband operations in late June 2023.

Quarter-on-quarter, revenues of the four Operating Verticals were down by 2.3% like-for-like. Excluding a one-off contract booked in Q4 FY 2022-23 in Government Services⁶, revenues of the four Operating Verticals were up by 2.9% like-for-like.

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

Video (60% of revenues)

First Quarter Video revenues amounted to €164 million, down 9.5% year-on-year, reflecting the impact of the early non-renewal of a capacity contract with Digitürk from mid-November 2022. They were also impacted by the effect of sanctions against certain Russian and Iranian channels.

Professional Video revenues, which account for under 10% of the Video vertical, also decreased, reflecting lower occasional use.

On a quarter-on-quarter basis, revenues were down by 3.4%, reflecting lower revenues in Europe.

Looking ahead, Video revenues are expected broadly in line with the wider market trend of a mid-single digit decline, excluding the effect of Russian and Iranian sanctions which will be embarked for a full 12 months versus six months in FY 2022-23.

Government Services (12% of revenues)

First Quarter Government Services revenues stood at €34 million, up 1.1% year-on-year. This rise reflected the contribution of the EGNOS GEO-4 contract on HOTBIRD 13G.

On a quarter-on-quarter basis, revenues were down by 25.2%. Excluding the abovementioned one-off DLR contract in Q4 FY 2022-23 (c. €14 million), First Quarter revenues were up 9.5% on a quarter-on-quarter basis, on the back of increasing traction with European customers.

The latest renewal campaign with the US Department of Defence (Fall 2023) resulted in a slightly improved renewal rate of above 80%.

Over the Full Year, Government Services revenues will benefit from the abovementioned EGNOS Geo-4 contract on HOTBIRD 13G, set to generate €100m in revenues over 15 years, as well as the contribution from OneWeb's LEO-enabled connectivity solutions, offering global coverage and lower latency.

⁴ Of which \$275m is with Eutelsat.

⁵ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

⁶ 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).

Mobile Connectivity (13% of revenues)

First Quarter Mobile Connectivity revenues stood at €35 million, up 44.1 % year-on-year. This reflected the commercialization of the final beam on EUTELSAT QUANTUM for a maritime mobility client. The eight beams of this satellite are now fully commercialized, just 18 months after its entry into service.

Revenues also benefited from the entry into service of the high-throughput satellite, EUTELSAT 10B, with significant pre-commitments and recent deals, especially in Maritime, such as the multi-year, multi-million contract with Marlink, a leading provider of connectivity solutions.

On a quarter-on-quarter basis, revenues were up by 29.8%.

For the Full Year, Mobile Connectivity is expected to see double-digit growth driven by strong demand for both GEO and LEO-based connectivity solutions.

Fixed Connectivity (15% of revenues)

First Quarter Fixed Connectivity revenues stood at €40 million, down by 2.6% year-on-year. They include the contribution from the wholesale agreements with Orange, TIM, Hispasat and Swisscom, which is now fully embarked.

On a quarter-on-quarter basis, revenues were up 6.5%, notably on the back of the resale of OneWeb capacity for data usages in Alaska.

Over the Full Year, Fixed Connectivity is set to deliver double-digit growth on the back of the entry into service of KONNECT VHTS as well as the contribution from LEO connectivity offers.

Other Revenues

'Other Revenues' amounted to €2 million in the First Quarter versus minus €3 million a year earlier and minus €5 million in the Fourth Quarter of FY 2022-23. They included a neutral impact from hedging operations in the First Quarter versus negative impacts of respectively €5m in the First Quarter, and €1 million in the Fourth Quarter of 2022-23.

BACKLOG

The backlog stood at €3.4 billion at 30 September 2023, broadly stable versus end-June 2023. The consumption of the Video backlog, in the absence of major renewals, was offset by strong commercial momentum in Connectivity, reflecting the rebalancing of the business towards growth verticals. The backlog was equivalent to 3.0 times FY 2022-23 revenues, with Video representing 57% of the total.

	30 Sep 2022	30 Jun 2023	30 Sep 2023
Value of contracts (in billions of euros)	3.9	3.4	3.4
In years of annual revenues	3.4	3.0	3.0
Share of Video	63%	59%	57%

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.

OneWeb's backlog amounted to c. \$1bn at end-September 2023. It included the \$275m Take-or-Pay Agreement signed with Eutelsat in July 2022.

OUTLOOK AND FINANCIAL TARGETS

Following the approval in late September 2023 of the combination with OneWeb, the financial objectives of Eutelsat Group replace the previous financial objectives of Eutelsat standalone.

These financial objectives are confirmed as follows (at a €/€ rate of 1.00):

- Revenues of Eutelsat Group are expected to grow at a double-digit revenue CAGR over the medium to long-term, reaching €1.32-1.42bn in FY 2024, €1.55-1.75bn in FY 2025, and c. €2.0bn in FY 2027.

- Adjusted EBITDA for Eutelsat Group is expected to grow at a double digit CAGR over the same period, outpacing revenues growth, rising from a range of €725m to €825m in FY 2024 to €900m to €1.1bn in FY 2025, and c. €1.4bn in FY 2027.
- After synergies, the cash capex of Eutelsat Group is estimated to be at €725m to €875m per annum on average, over the period FY 2024 to FY 2030, with a front-end loaded profile.
- Leverage, which stood at c. 4x net debt / adjusted EBITDA pro forma end of June 2023, is expected to be reduced on the back of strong adjusted EBITDA growth, backed by a disciplined financial policy, with an objective of leverage of c. 3x in the medium term.

Note: This outlook is based on the revised nominal deployment plan outlined in the Q1 2023-2024 revenue presentation. It assumes no further material deterioration of revenues generated from Russian customers.

CORPORATE GOVERNANCE

Upcoming Annual General Meeting

The Board of 10 October 2023 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting to be held 23 November 2023:

- Approval of the accounts.
- Compensation of corporate officers and compensation policy.
- Authorisation to the Board of Directors to purchase the Company's shares and, if necessary, to cancel them.

First Quarter 2023-24 revenues conference call & webcast

A conference call & webcast will be held on **Thursday, 26 October at 09.00am CET**.

Click [here](#) to attend the webcast presentation

If needed, please dial one of these numbers:

+33 (0)1 7037 7166 (from France)

+44 (0)33 0551 0200 (from the U.K)

Quote "Eutelsat" to the operator when connecting to the call

Replay will be available on same link

Financial calendar

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

- 23 November 2023: Annual General Shareholders' Meeting
- 16 February 2024: First Half 2023-24 results

About Eutelsat Communications

Eutelsat Group is a global leader in satellite communications, delivering connectivity and broadcast services worldwide. The Group was formed through the combination of Eutelsat and OneWeb in 2023, becoming the first fully integrated GEO-LEO satellite operator with a fleet of 36 Geostationary satellites and a Low Orbit earth constellation of more than 600 satellites.

The Group addresses the needs of customers in four key verticals of Video, where it distributes more than 6,500 television channels, and the high-growth connectivity markets of Mobile Connectivity, Fixed Connectivity, and Government Services.

Eutelsat Group's unique suite of in-orbit and on-ground assets enables it to deliver integrated solutions to meet the needs of global customers. The Company is headquartered in Paris and Eutelsat Group employs more than 1,700 from 50 different nationalities. The Group is committed to delivering safe, resilient, and environmentally sustainable connectivity to help bridge the digital divide. The Company is listed on the Euronext Paris Stock Exchange and the London Stock Exchange (ticker: ETL).

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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.



APPENDIX

Quarterly Reported revenues

The table below shows quarterly reported revenues.

In € millions	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	FY 2022-23	Q1 2023-24
Video	183.5	182.4	169.3	169.5	704.8	163.5
Government Services	34.7	32.2	31.4	45.1	143.4	33.5
Mobile Connectivity	25.9	30.0	26.9	27.3	110.1	35.2
Fixed Connectivity	46.4	46.8	44.0	40.6	177.8	40.2
Total Operating Verticals	290.5	291.4	271.6	282.6	1,136.1	272.5
Other Revenues	-3.1	-5.0	0.4	3.0	-4.8	1.5
Total	287.4	286.4	272.0	285.5	1,131.3	274.0