THIRD QUARTER 2017-18 REVENUES
14 May 2018
Agenda

1. Key events
2. Q3 2017-18 performance
3. Outlook
Key events since the beginning of 2018

- Third Quarter revenues of €337m, down 1.1% like-for-like, excluding Other Revenues
- Procurement of KONNECT VHTS, a major milestone in the Connectivity growth strategy
- Finalisation of Hispasat stake disposal for €302m, accelerating deleveraging
- MoU with China Unicom, addressing the fast-growing satellite communications market in Asia-Pacific
- Solid commercial performance, notably with DoD Spring renewals above 95%
Q3 revenues analysis

► Q3 revenues of €337m
  • -7.4% reported
  • -3.3% at constant perimeter and currency

► Underlying businesses down 1.1% excluding “Other’ revenues”
  • Improving trend vs H1 (-1.8%)

► Q3 revenues broadly stable vs Q2, excluding Other Revenues
Solid Commercial performance since the beginning of 2018

- Favourable outcome of the Spring DoD renewal campaign with renewal rate above 95% in value
- Further contracts secured at 174° East in Government Services
- Reservation of a significant portion of the capacity on EUTELSAT QUANTUM by Peraton
- HOTBIRD: Multi-year capacity agreement with Mediaset (Italy) to accelerate HD transition and renewal with TVN (Poland)
- Remaining HTS capacity on EUTELSAT 172B sold to UnicomAirNet
Agenda

1. Key Events
2. Q3 2017-18 performance
3. Outlook
### Q3 Revenues like-for-like by application

<table>
<thead>
<tr>
<th>Application</th>
<th>Revenue Contribution(^1)</th>
<th>Revenues (€m)</th>
<th>Like-for-like(^2) Change</th>
<th>YoY</th>
<th>QoQ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Video</strong></td>
<td></td>
<td>225</td>
<td>-0.2%</td>
<td>+0.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Government Services</strong></td>
<td></td>
<td>38</td>
<td>-2.3%</td>
<td>-1.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Data</strong></td>
<td></td>
<td>35</td>
<td>-9.0%</td>
<td>-1.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Broadband</strong></td>
<td></td>
<td>22</td>
<td>-7.7%</td>
<td>-0.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Mobile Connectivity</strong></td>
<td></td>
<td>18</td>
<td>+17.9%</td>
<td>-0.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Other revenues</strong></td>
<td></td>
<td>0</td>
<td>nm</td>
<td>nm</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) The share of each application as a percentage of total revenues is calculated excluding “Other Revenues”.

\(^2\) At constant currency and perimeter.
Q3 Revenues of €225m, down 0.2% y-o-y like-for-like\(^1\)

- Broadcast revenue now stable with improving trends at HOTBIRD
- Ongoing pressure in Professional Video

Return to a slight growth (+0.2%) on a QoQ basis

- Broadcast revenues up 0.5%

6,880 channels at end-March 2018

- +8.2% y-o-y
- HD up from 16.6% to 19.7%

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1 At constant currency and perimeter
2 Reported Revenues at actual rates. They include Noorsat’s contribution from Q2 of FY 2017-18
Focus on HOTBIRD KPIs

Resilient channel count

Sustained HD ramp-up

MPEG-4 growth slower than HD
Government Services

► Revenues of €38m, down 2.3% y-o-y like-for-like
  • Carry-over effect of previous renewals with USG

► Q-o-q revenues down 1.5% like-for-like

► USG Renewal rate at >95% in Spring round

► Further contracts secured at 174° East
  • Further ramp-up of revenues towards the end of Q4

REVENUES² (€M)

FY 2016-17

<table>
<thead>
<tr>
<th>Q4</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>45</td>
<td>45</td>
<td>44</td>
<td>42</td>
</tr>
</tbody>
</table>

FY 2017-18

<table>
<thead>
<tr>
<th>Q3</th>
<th>Q2</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

1 At constant currency and perimeter
2 Reported revenues at actual rates
**Fixed Data**

- **Revenues of €35m, down 9.0% y-o-y like-for-like**
- **Ongoing tough environment in all geographies**
- **Continued price pressure**
- **Absence of significant incremental volumes at this stage**
- **Q-o-q revenues down 1.6% like-for-like**

<table>
<thead>
<tr>
<th></th>
<th>FY 2016-17</th>
<th>FY 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>43</td>
<td>37</td>
</tr>
<tr>
<td>Q2</td>
<td>41</td>
<td>36</td>
</tr>
<tr>
<td>Q3</td>
<td>42</td>
<td>35</td>
</tr>
<tr>
<td>Q4</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

1 At constant currency and perimeter  
2 Reported revenues at actual rates
Revenues of €22m, down 7.7% y-o-y like-for-like\(^1\)

Broadly stable revenues q-o-q

Lower revenues in Europe
- Disappointing performance of Retail JV
- Scarcity of available capacity in Western Europe

Experienced management team now in place

Progressive arrival of significant incremental capacity
- AL-Yah 3 in 2018 for launch of Konnect Africa Broadband Service
- KONNECT\(^3\) satellite in 2020
- KONNECT VHTS in 2021

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\(^{1}\) At constant currency and perimeter
\(^{2}\) Reported revenues at actual rates
\(^{3}\) Formerly called African Broadband satellite
Revenues of €18m, up 18% y-o-y like-for-like¹

Full-quarter effect of EUTELSAT 172B
- Operations started end-Nov. 2017
- Capacity pre-sold to Panasonic

Continued wide-beam capacity growth
- In particular over the Americas

Q-o-q revenues broadly stable like-for-like

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1 At constant currency and perimeter
2 Proforma revenues at actual rates reflecting the disposal of Wins/DHI for FY 2016-17
## Backlog and Fill Rate

### BACKLOG (€BN)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Noorsat</td>
<td>5.2</td>
<td>4.7</td>
<td>4.6</td>
</tr>
<tr>
<td>(0.4)</td>
<td></td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>4.3</td>
<td>4.0</td>
<td>3.9</td>
</tr>
</tbody>
</table>

- **Video**
- **Others**

### OPERATIONAL AND LEASED TRANSPONDERS

<table>
<thead>
<tr>
<th></th>
<th>31 Mar. 17</th>
<th>31 Dec. 17</th>
<th>31 Mar. 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational</td>
<td>1,374</td>
<td>1,416</td>
<td>1,424</td>
</tr>
<tr>
<td>Leased</td>
<td>937</td>
<td>949</td>
<td>951</td>
</tr>
</tbody>
</table>

- **Fill rate**

- 68.2%
- 67.0%
- 66.8%

- OSD of EUTELSAT 172B end-Nov 17
- 2 incremental TPE leased during the quarter, 14 y-o-y

- Backlog reflecting the absence of significant renewals during Q3
- 3.1 years of revenues
- Video accounting for 83%

Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity
KONNECT VHTS: Optimal commercial, technical, financial and operational option…

<table>
<thead>
<tr>
<th>Commercial:</th>
<th>Financial:</th>
</tr>
</thead>
</table>
| • Partnership with two blue chip anchor customers:  
  • Orange for retail in Europe  
  • Thales for Government Services | • De-risking through multi-year capacity pre-commitments  
  • Aggregate value of several hundred €m |

<table>
<thead>
<tr>
<th>Technical:</th>
<th>Operational:</th>
</tr>
</thead>
</table>
| • Highest usable capacity over Europe (500 Gbps)  
  • Powerful on-board digital processor providing maximum flexibility  
  • Unmatched procurement terms for total cost of ownership | • OSD in 2021 / KONNECT capacity giving early-mover advantage from 2020  
  • Full ownership of the satellite  
  • Compatible with multiple ground technologies  
  • Maximization of synergies with other broadband operations |
### Significant long-term potential
- Core market for Fixed Broadband via satellite estimated at c.5m households in Europe in 2030
- Global revenues for in-flight Connectivity capacity expected to exceed €1bn in 2025

### Game-changing technology
- Production costs in line with our Capex/Gbps target
- Provision of “fibre-like” service at “fibre-like” price
- Paving the way for the transition from niche to mass market

### Springboard for growth rebound from 2020
- KONNECT capabilities providing early mover advantage from 2020 onwards
- KONNECT VHTS available from 2021

### Managed within current financial framework
- KONNECT VHTS investment included in current capex envelope
- Eutelsat retains an infrastructure business model to protect high EBITDA margins
Update on our priorities for FY 2017-18

**STEP 1: GROW CASH-FLOW**

<table>
<thead>
<tr>
<th>Stabilise revenues</th>
<th>Optimise other items</th>
</tr>
</thead>
<tbody>
<tr>
<td>► Return to stability at HOTBIRD</td>
<td>► Deliver on LEAP cost-savings plan</td>
</tr>
<tr>
<td>Improvement in all trends</td>
<td>Well on track at H1 driving margin uplift next year</td>
</tr>
<tr>
<td>► Proactive Video strategy HD% up 3 points</td>
<td>► Contain Capex Below three-year average in FY 18</td>
</tr>
<tr>
<td>Noorsat Integration</td>
<td></td>
</tr>
<tr>
<td>► Fill Data capacity Evolution in line with expectations</td>
<td></td>
</tr>
<tr>
<td>► Leverage new resources to grow Connectivity ETL 172B HTS payload fully sold eutelsat</td>
<td>► Continue to de-lever Accelerated with Hispasat sale</td>
</tr>
</tbody>
</table>

**STEP 2: RETURN TO GROWTH**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>► Successfully market EUTELSAT QUANTUM</td>
<td></td>
</tr>
<tr>
<td>Vast majority of capacity reserved</td>
<td></td>
</tr>
<tr>
<td>► Deployment of Konnect Africa</td>
<td>Delayed by AY3 late availability</td>
</tr>
<tr>
<td>► Prepare growth in Connectivity</td>
<td></td>
</tr>
<tr>
<td>Vast majority of capacity reserved</td>
<td></td>
</tr>
<tr>
<td>► Disappointing performance of Retail JV with ViaSat</td>
<td></td>
</tr>
<tr>
<td>► Procurement of KONNECT VHTS</td>
<td></td>
</tr>
</tbody>
</table>

- [ ] Checkmark indicates completed tasks.
- [X] Xmark indicates uncompleted tasks.
## Financial outlook

### REVENUES
(At constant currency and perimeter)
- **FY 2017-18**: low end of -1% to -2% range, subject to materialization of “Other Revenues” in the pipeline
  - Up to c. -3.5% if none of these “Other Revenues” materialize
  - From FY 2018-19: return to slight growth

### EBITDA MARGIN
(At constant currency)
- Above 76% in FY 2017-18
- Above 77% from FY 2018-19

### CAPEX
- **FY 2017-18 to FY 2019-20**: average of €420m per year
  - FY 2017-18 expected below €420m average

### DISCRETIONARY FREE CASH FLOW³
(At constant currency)
- **FY 2016-17 to FY 2019-20**: mid-single digit CAGR

### LEVERAGE
- Investment grade rating
- Net debt / EBITDA below 3.0x

### DISTRIBUTION
- Stable to progressing dividend

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1 Based on Proforma revenues of €1472m for FY 2016-17 excluding the contributions of Wins/DHI and DSAT; 2 Inc. cash outflows related to ECA loan repayments and capital lease payments; 3 Net cash-flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Three year CAGR calculated on the period FY 2016-17 to FY 2019-20.
## Future launches

<table>
<thead>
<tr>
<th>Name</th>
<th>EUTELSAT 7C</th>
<th>EUTELSAT 5 WEST B</th>
<th>KONNECT QUANTUM</th>
<th>KONNECT VHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orbital Position</td>
<td>7° East</td>
<td>5° West</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Launch date¹</td>
<td>Q4 2018</td>
<td>Q4 2018</td>
<td>H2 2019</td>
<td>H2 2019</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>SSL, Orbital ATK, AIRBUS DEFENCE &amp; SPACE, ThalesAlenia Space</td>
<td>ILS, ThalesAlenia Space</td>
<td>ILS, ThalesAlenia Space</td>
<td>TBD</td>
</tr>
<tr>
<td>Launcher</td>
<td>ariane space</td>
<td>ILS, ariane space</td>
<td>ariane space</td>
<td>TBD</td>
</tr>
<tr>
<td>Coverage</td>
<td>MENA SSA, South &amp; Central Asia (SSA)</td>
<td>Europe, North Africa</td>
<td>Flexible</td>
<td>SSA Europe, Europe</td>
</tr>
<tr>
<td>Applications</td>
<td>Video</td>
<td>Video</td>
<td>Government Services</td>
<td>Broadband</td>
</tr>
<tr>
<td>Total Capacity (TPE/Spotbeams)</td>
<td>49 Ku</td>
<td>35 Ku</td>
<td>N/A</td>
<td>65 Ka / 75 Gbps</td>
</tr>
<tr>
<td>o/w Expansion Capacity²</td>
<td>19 Ku</td>
<td>-</td>
<td>N/A</td>
<td>65 Ka / 75 Gbps</td>
</tr>
</tbody>
</table>

¹ Calendar year
² Excludes unannounced redeployments

Electrical propulsion
HTS Payload
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