



CREDIT INVESTOR UPDATE

October 2020

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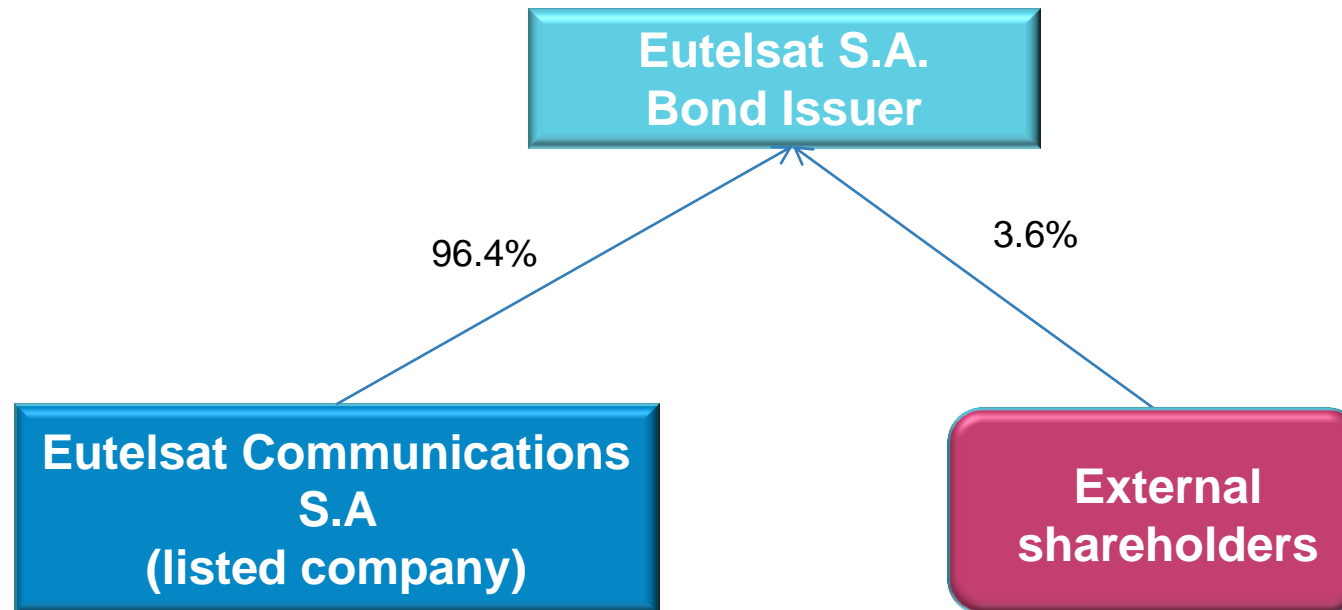
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AGENDA

1. Eutelsat in a snapshot
2. Strategy and Outlook
3. ETL Communications FY 20 performance
4. Conclusion
5. Appendix

Organisation chart

Simplified organisational chart



No guarantee on financial indebtedness

EUTELSAT IN A SNAPSHOT

KEY DATA

FY 20 revenues of **€1.28bn**

Fleet of **39** satellites¹; global coverage

Operating **>1,370** transponders

Broadcasting **~6,800** channels

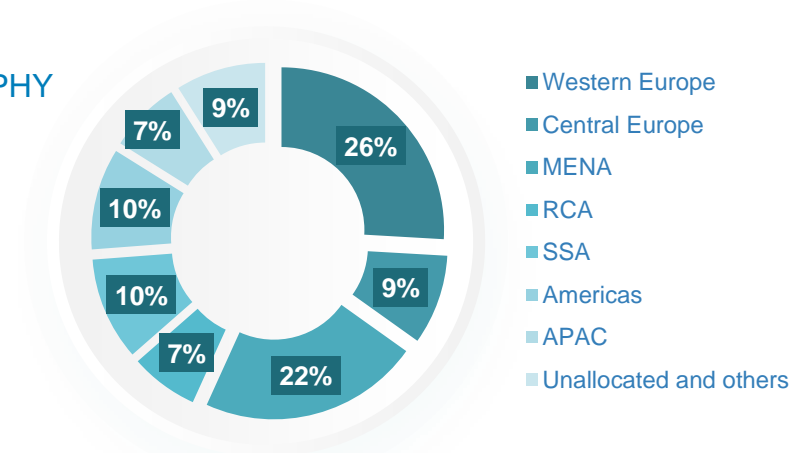
Backlog of €4.1bn, representing **3.2 years** of revenues

Net Debt/EBITDA ratio of **3.05x**

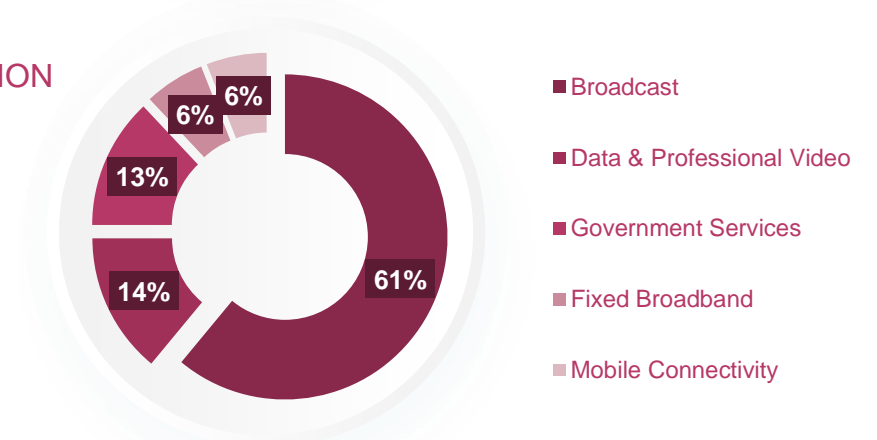
Investment grade credit ratings

REVENUE BREAKDOWN BY APPLICATION

BY GEOGRAPHY



BY APPLICATION



Highly experienced management team

Rodolphe Belmer
CEO



- ▶ CEO of Eutelsat Communications since March 2016, implemented new strategic plan
- ▶ 20-year experience in the Video industry
- ▶ Former CEO of Canal+ Group, led the Group's diversification into FTA
- ▶ Board member of Netflix
- ▶ HEC graduate

Michel Azibert Deputy
CEO



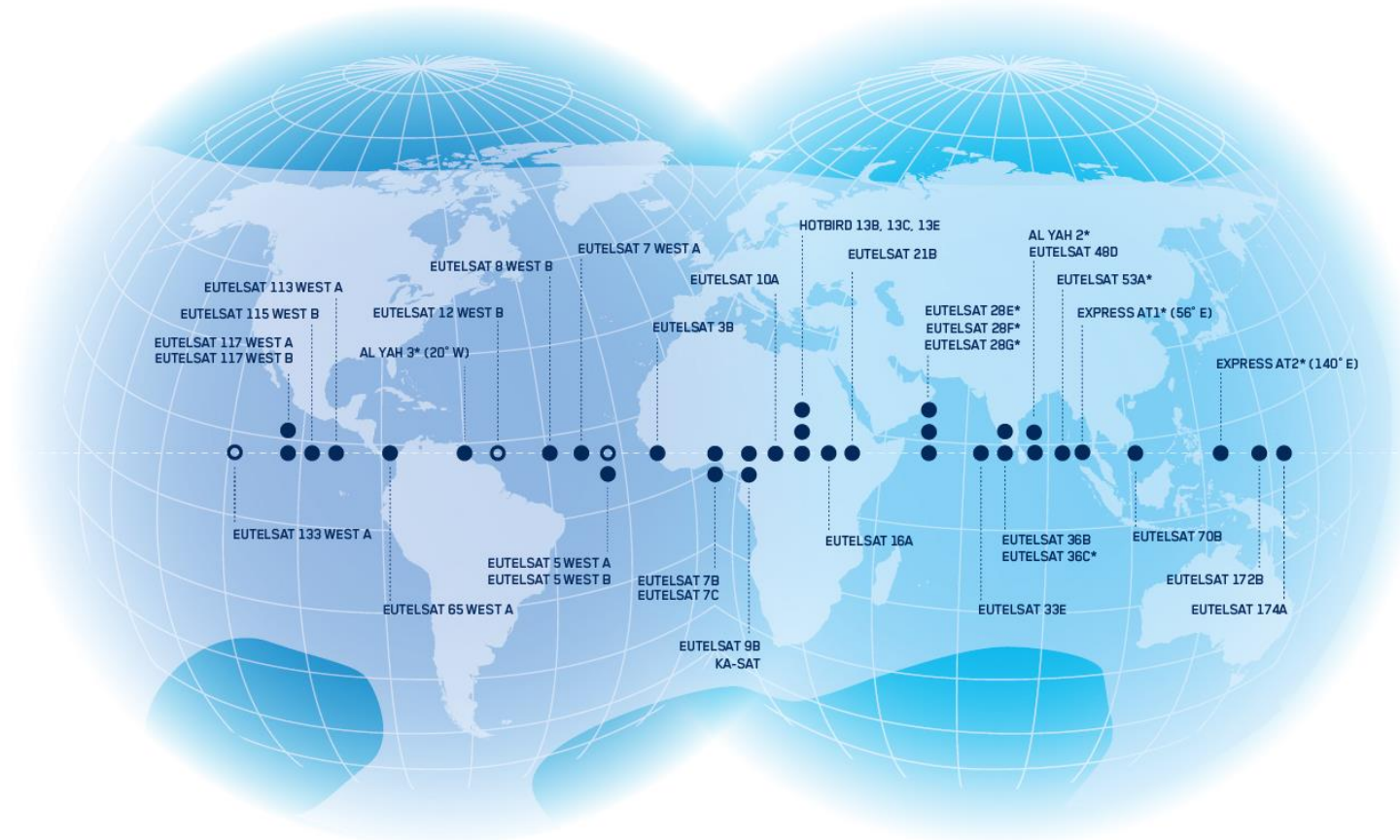
- ▶ Joined Eutelsat Communications in 2011
- ▶ 30 year experience in Telecom /Media industry
- ▶ Former Deputy CEO of TDF where he notably led international development
- ▶ École Centrale de Paris and France's National School of Administration graduate

Sandrine Térán CFO



- ▶ CFO of Eutelsat Communications since 1 Jan. 2017
- ▶ >25 year experience in key executive positions in Finance and Taxation,
- ▶ Former Global CFO of Louis Dreyfus Company
- ▶ From 2000 to 2008 head of taxation, corporate finance and internal audit at Eutelsat Communications contributing to the privatization and IPO
- ▶ Paris Dauphine Graduate

EUTELSAT'S GLOBAL NETWORK



THE EUTELSAT FLEET

- stable orbit
- inclined orbit
- * capacity on third-party satellites

FUTURE SATELLITES: EUTELSAT QUANTUM
EUTELSAT KONNECT VHTS
HOTBIRD 13F
HOTBIRD 13G
EUTELSAT 10B

- EUTELSAT 36A under redeployment
- EUTELSAT 7A currently under redeployment
- EUTELSAT KONNECT in orbit raising



BUSINESS CHARACTERISTICS

High barriers to entry

- ▶ Finite resource of orbital positions and frequencies, heavily regulated at international level with key commercial orbital positions have already been developed
- ▶ High upfront CAPEX before operations
- ▶ High technology and technical expertise through satellite lifecycle

Profitable business model

- ▶ Significant backlog with long term contracts
- ▶ Economies of scale
- ▶ High operating margins
- ▶ Predictable operating cash flow

RELATIVE RESILIENCE TO COVID-19

Activity characterized by long-term contracts, a substantial backlog and the criticality of our capacity for customers

Resilience of core broadcast (>60% of revenues)

Professional Video, in particular Occasional Use (c.1%) impacted by cancellation of sport events

Mobile Connectivity (6% of revs.) affected by lower traffic, in particular Aero mobility

Generalised slowdown in the pace of new business

Delays in deployment plan pushing out revenues and Capex

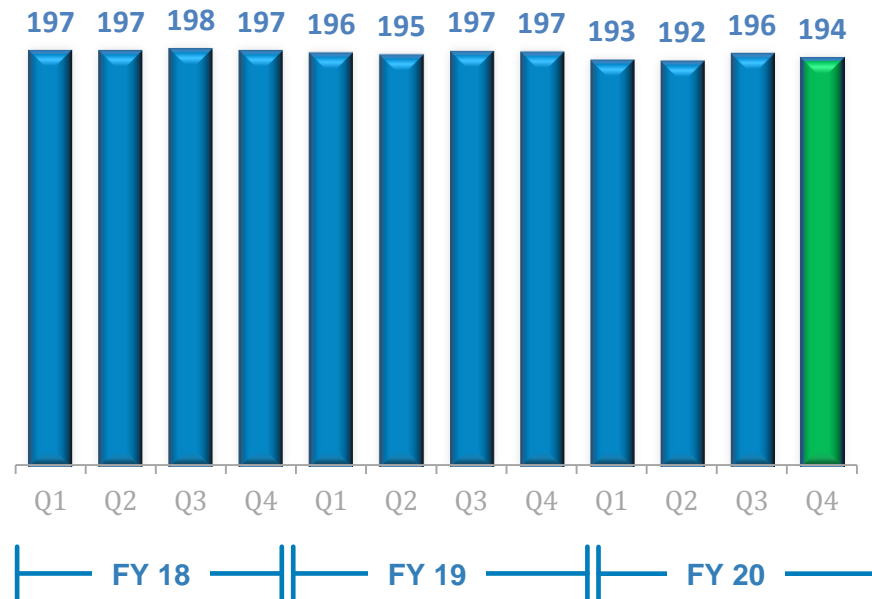
- ▶ Rollout of Ground gateways of KONNECT (full entry into service delayed to early 2021)
- ▶ Launch of EUTELSAT QUANTUM (from Q3 20 to Q4 20)

Business remaining highly cash-generative

ROBUSTNESS OF CORE BROADCAST

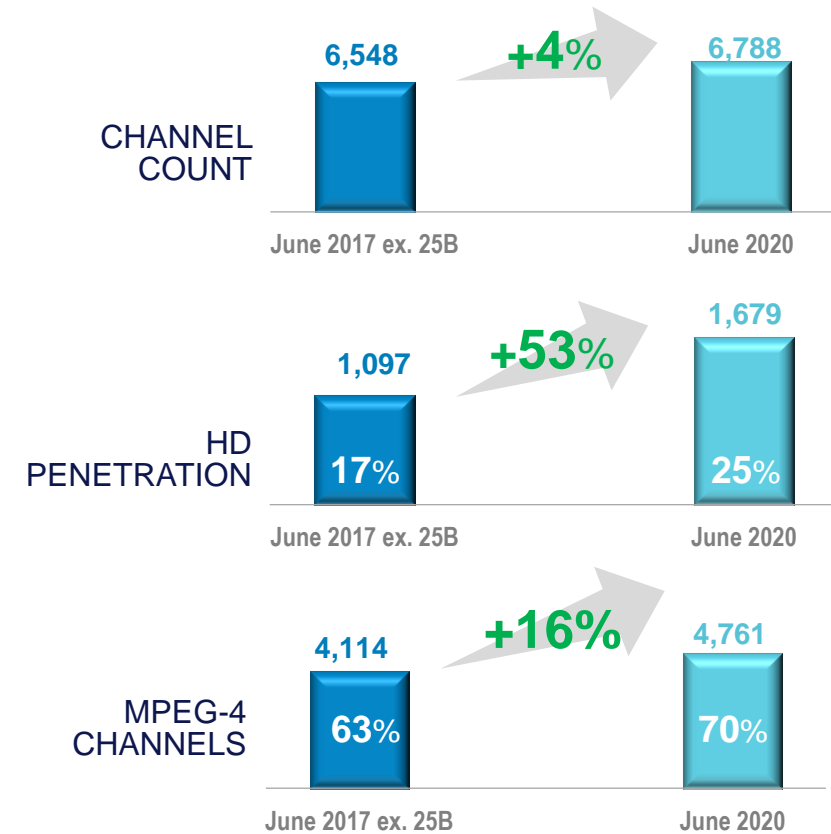
UNDERLYING STABILITY OF CORE BROADCAST

EVOLUTION OF CORE BROADCAST REVENUES












At constant currency and accounting standards
Excluding Fransat
Converted at FY19 €/€ rate of 1.14
Excluding ETL 25B and Q1 FY18 data proforma for Noorsat integration

CHANNEL KPIs LEADING TO GROWTH IN MBPS CONSUMPTION



SATELLITE CONTINUING TO GAIN SHARE IN OUR FOOTPRINT

Expansion of satellite households in most regions

Region	Satellite HH (m)	2015-2019 CAGR	Satellite penetration	Satellite Rank
WEU 	47m	-1.5%	27% 	#2
CEU ¹ 	40m	+0.1%	31% 	#1
MENA 	58m	+2.4%	66% 	#1
AFRICA 	24m	+11.8%	29% 	#1
EUTELSAT FOOTPRINT	169m	+1.7%	36% 	#1

SKY ITALIA: STRATEGIC RENEWAL AT HOTBIRD

THE ANCHOR CUSTOMER AT HOTBIRD

Share of total Group Revenues



Share of Broadcast revenues



Share of Western Europe Broadcast revenues



KEY TERMS

Multi-year agreement

Massive secured backlog of c.€450m

- ▶ Future extension options representing additional potential revenues

Securing broadly stable revenues over medium term

- ▶ Comforting guidance range

Leveraging on HB replacement

- ▶ Enhanced service levels and substantial Capex savings

KEY MESSAGE

Unmatched coverage of Hotbird

Long term effectiveness of satellite for linear distribution in Western Europe

General resilience of Broadcast revenues



SOUND FINANCIAL STRUCTURE

ONGOING DEBT OPTIMISATION

Net Debt/EBITDA ratio of 3.05x

► vs 3.44 as of 30 June 2016

Net Debt of €2,999m

► vs €4,007m as of 30 June 2016

Average cost of debt after hedging of 2.4%

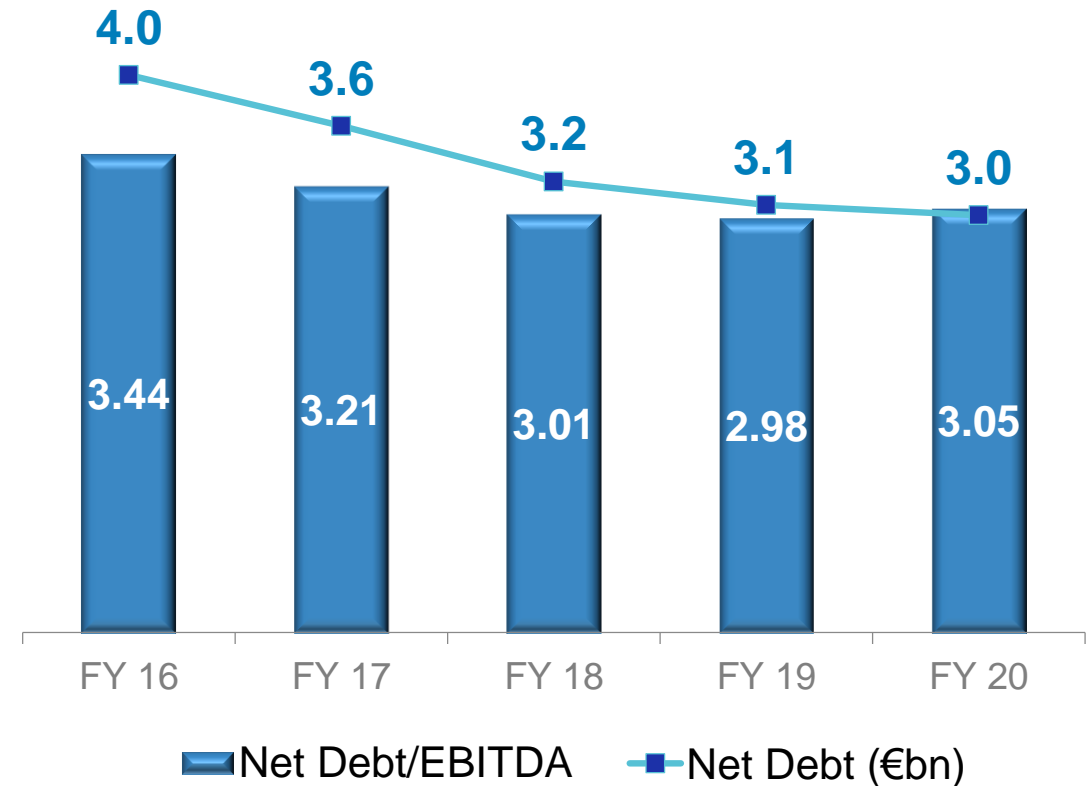
Average weighted maturity of 3.4 years

Strong liquidity

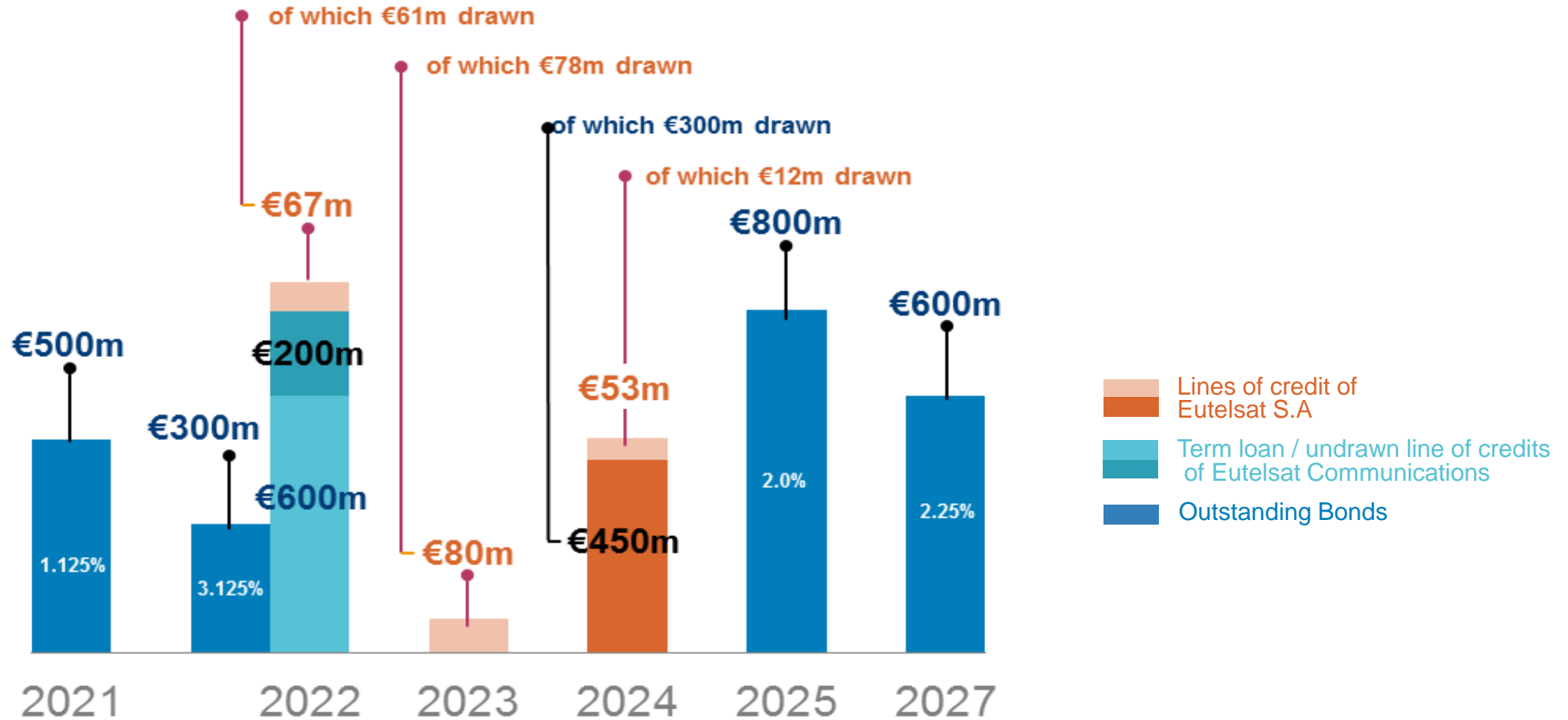
► Cash and undrawn credit lines of > €1.2bn

Investment grade ratings confirmed post-Covid

NET DEBT (€bn) AND NET DEBT/EBITDA EVOLUTION



BOND & BANK DEBT MATURITY SCHEDULE



COMMITMENT TO IG CREDIT RATINGS FOR EUTELSAT S.A

S&P **S&P Global**
Ratings

FITCH **FitchRatings**

Current ratings

- ▶ Eutelsat SA: BBB-/Stable¹
- ▶ Eutelsat Communications: BB+/Stable²

Confirmed on 15 April 2020

“Eutelsat Communications' Credit Metrics Are Not Materially Affected By COVID-19”³

Current ratings

- ▶ Eutelsat SA: BBB/Stable⁴
- ▶ Eutelsat Communications: BBB/Stable⁵

Confirmed on 15 September 2020

«Early remedial action taken by Eutelsat to cut dividends and stop its share buyback programme should largely offset the impact of the coronavirus pandemic, therefore enabling the company to preserve its credit profile and sustain its 'BBB' rating and Stable Outlook. Eutelsat's actions are consistent with its track record of maintaining financial flexibility in response to potential operational threats”⁶

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REMINDER: OUR STRATEGIC ROADMAP

STEP 1



**MAXIMIZE
FREE CASH-FLOW
GENERATION**

STEP 2: RETURN TO GROWTH



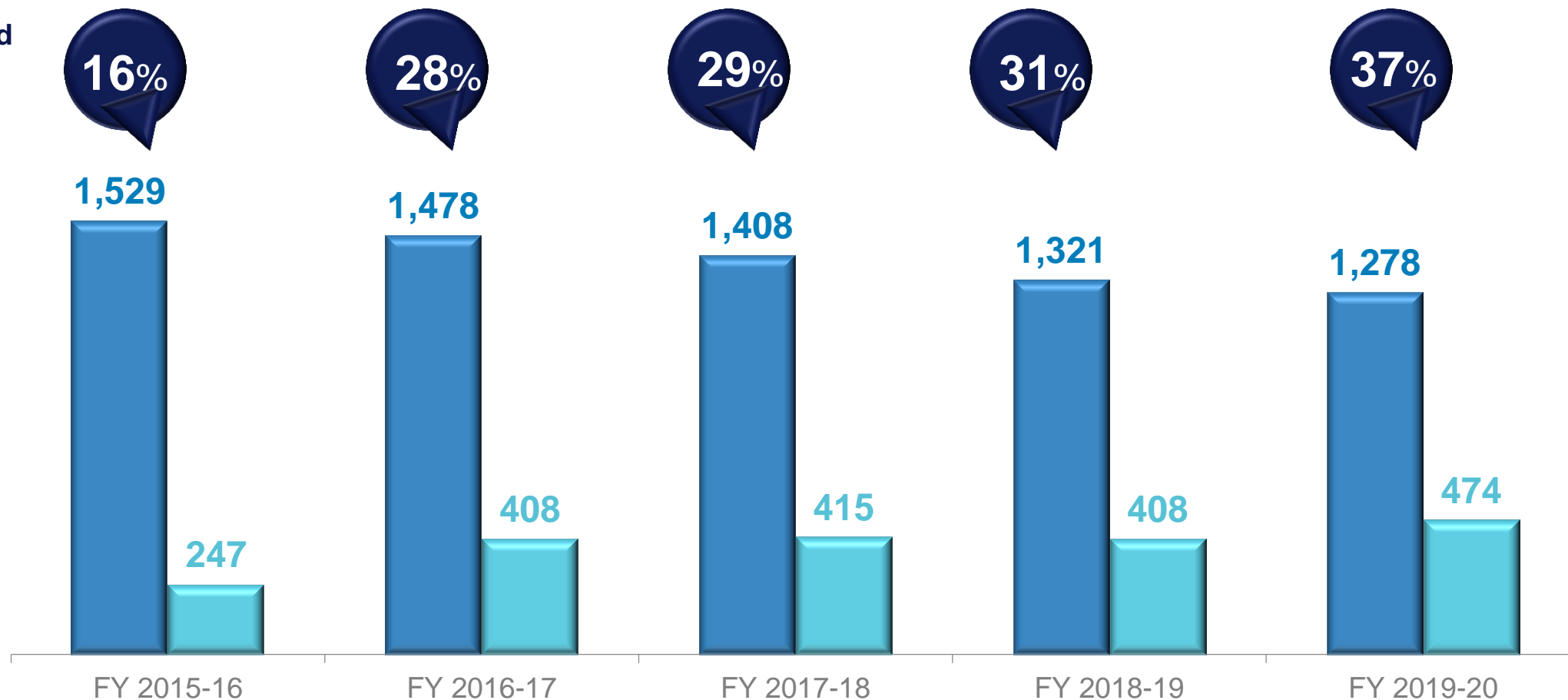
**EXTRACT VALUE
FROM THE CORE
VIDEO BUSINESS**



**CAPTURE
THE CONNECTIVITY
OPPORTUNITY**

DFCF/ REVENUE RATIO DOUBLED IN FIVE YEARS

Reported
DFCF /
revenue
ratio



Adjusted DFCF
growth¹

+65%

+12%

+10%

+6%

PREPARING FOR RETURN TO GROWTH IN FIXED BROADBAND

Progress in Europe and Africa



Ongoing testing of distribution models in Africa, PPP growth in Europe, optimization of CPE costs

FY 2020-21: REVENUE TRENDS BY APPLICATION



BROADCAST



Continued dynamism in SSA



Limited available capacity in other geographies



Forthnet specific renegotiation in Greece



DATA & PROFESSIONAL VIDEO



Continued double-digit price decline in Fixed Data



Improving volume trends in Fixed Data



Gradual recovery in Occasional Use



GOVERNMENT SERVICES



Full-year contribution of EGNOS



Initial contribution of Quantum in Q4



Negative carry-forward of FY 20 renewals and wash-out of E7A temporary relocation



FIXED BROADBAND



KONNECT satellite fully in-service in early 2021



Wholesale agreement with Orange and addition of a retail pillar in Europe



Schoolap contract in Africa



MOBILE CONNECTIVITY



Ongoing effect of Covid-19 crisis on In-flight mobility market



Ramp-up of maritime business



Timing of recovery uncertain

FINANCIAL OUTLOOK



OPERATING VERTICALS REVENUES¹

- Between €1,180m and €1,220m in FY 2020-21

CASH CAPEX

- Not exceeding average of €400m² per year for the period July 2020 to June 2022

ADJUSTED DISCRETIONARY FREE CASH FLOW³

- Between €420m and €450m in FY 2021-22

LEVERAGE

- Maintain investment grade rating
- Medium-term net debt / EBITDA ratio of c. 3x

DISTRIBUTION

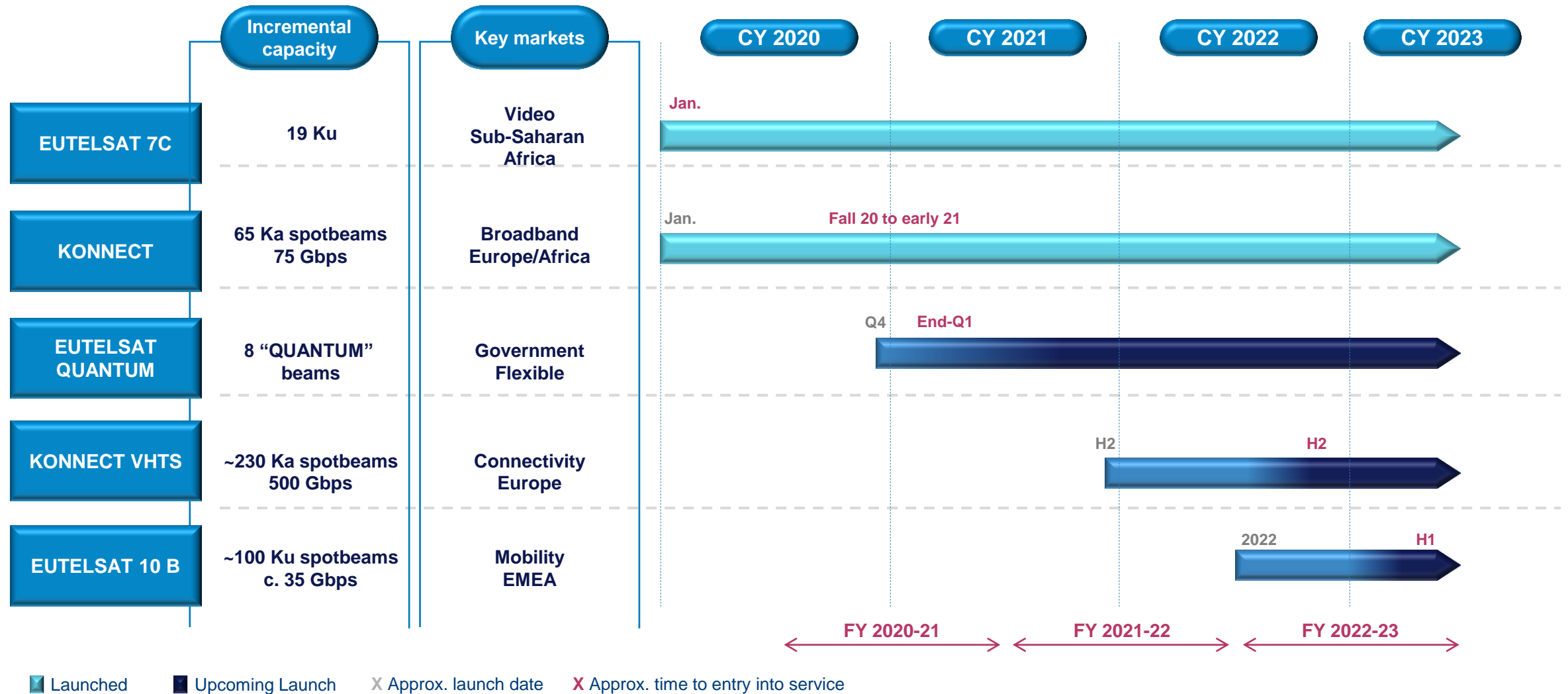
- €0.89 per share proposed to the AGM for FY 2019-20
- Stable to progressive dividend

¹ Based on current perimeter and € / \$ rate of 1.14;

² Inc. capital expenditure and payments under existing ECAs and other bank facilities financing investments as well as payments related to lease liabilities.

³ Net cash flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Based on a €/\$ rate assumption of 1.14, excluding one-off impacts such as Hedging, effects of changes in perimeter when relevant, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters

TARGETED GROWTH CAPACITY TO PROGRESSIVELY SUPPORT TOPLINE








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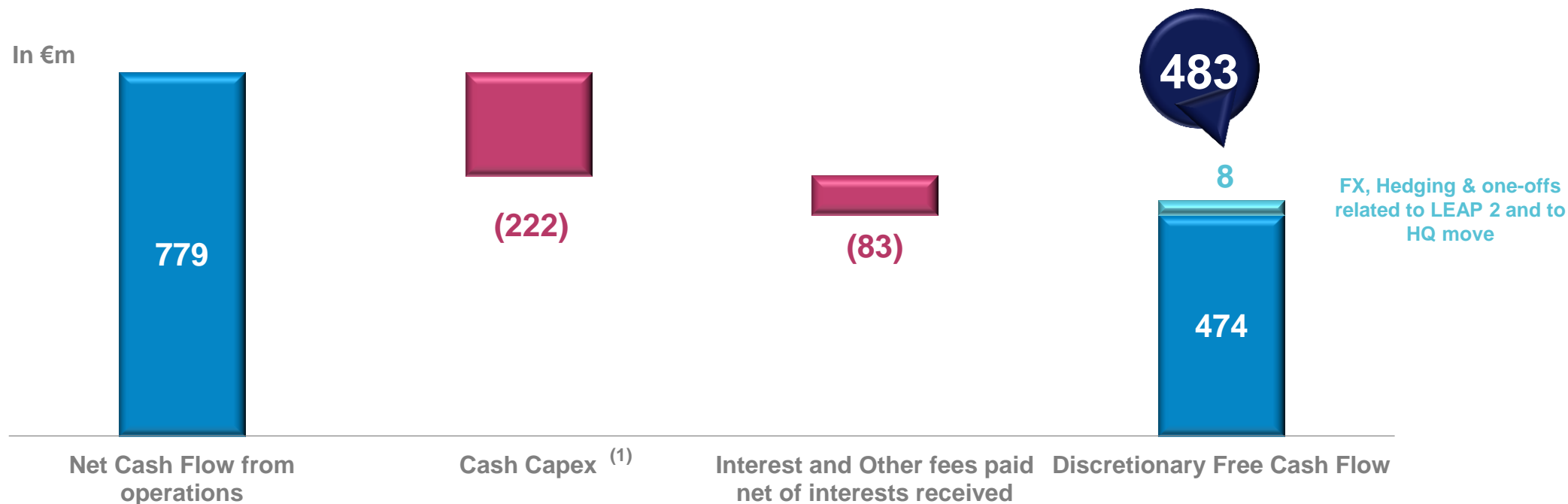
KEY FIGURES

		Y-o-y change	
		Reported	As per financial objectives definition
OPERATING VERTICALS REVENUES	€1,276m at reported €/ \$ rate €1,261m at 1.14 €/ \$ rate	-2.8%	-3.9% ¹
EBITDA MARGIN	76.8% reported 76.9% at constant currency	-1.3 pts	
CASH CAPEX	€222m	-31.5%	
DISCRETIONARY FREE CASH FLOW	€474m reported €483m adjusted (as per financial objectives) ²	+16.3%	+5.7% ²
NET DEBT / EBITDA	3.05x	+0.07x	

FY 2019-20 REVENUES BY APPLICATION

		REVENUE CONTRIBUTION ¹	REVENUES (€m)	LIKE-FOR-LIKE ² CHANGE
	BROADCAST	61%	785	-1.2%
	DATA & PROFESSIONAL VIDEO	14%	175	-14.1%
	GOVERNMENT SERVICES	13%	161	-3.3%
	FIXED BROADBAND	6%	77	-5.6%
	MOBILE CONNECTIVITY	6%	79	-5.1%
TOTAL OPERATING VERTICALS			1,276	-3.9%
OTHER REVENUES			2	-€6m ³

DISCRETIONARY FREE CASH FLOW



Change as per financial objectives

+26

Reported change

(69)

+102

+34

+67

¹ Cash Capex 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.

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INVESTMENT CASE IN A NUTSHELL

- ✓ Strong market position: among top 3 in the sector with high barriers to entry and a backlog representing > 3 years of revenues
- ✓ High profitability, strong cash generation and upcoming C-Band proceeds
- ✓ Sound financial structure with a leverage under control, a commitment to IG and strong liquidity
- ✓ Broadly stable core Broadcast as highlighted by recent Sky renewal
- ✓ Relative resilience to Covid-19 context of our overall activities
- ✓ Adapting to slowing industry-wide momentum with an emphasis on cash-flow generation
- ✓ Substantial medium term growth opportunities in Connectivity with new assets to gradually enter into service

INDICATIVE TERMS & CONDITIONS

ISSUER	EUTELSAT SA
ISSUER RATING AND EXPECTED ISSUE RATING	BBB- stable / BBB stable (S&P / Fitch)
STATUS (NOTES)	Senior, unsecured notes, RegS, Bearer
CURRENCY, SIZE	EUR, 500M (expected)
EXPECTED TENOR	8 years
COUPON	Fixed, Annual
SPECIFIED DENOMINATION	€100,000 + €100,000
DOCUMENTATION	Standalone
EARLY REPAYMENT OPTION	3 months Par Call, Clean-Up Call (80%), CoC Put (at par), Make Whole Call
LISTING	CSSF
GOVERNING LAW	French law
USE OF PROCEEDS	General Corporate Purposes, including refinancing of EUR500m 1.125% bonds maturing June 2021

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EUTELSAT S.A FINANCIALS

Extracts from the consolidated income statement in €m¹

	FY 2018-19	FY 2019-20	CHANGE
Revenues	1,324	1,281	-3%
Operating costs	-90	-89	-1%
SG&A	-195	-203	4%
Depreciation and amortisation	-474	-486	3%
Other operating income and expenses	13	37	181%
Operating Income	578	539	-7%
Net financial items	-85	-74	-13%
Consolidated net Income	395	354	-10%
Group share of net income	391	351	-10%

EUTELSAT S.A FINANCIALS

Extracts from the consolidated Balance sheet in
€m

	30 JUNE 2019	30 JUNE 2020	CHANGE
Total of non-current assets	5,290	5,221	(69)
Total current assets	1,891	1,296	(595)
Total assets	7,181	6,517	(664)
Total shareholders' equity	2,181	1,930	(251)
Total non-current liabilities	3,522	3,322	(200)
Total current liabilities	1,478	1,265	(213)
Total liabilities and shareholders' equity	7,181	6,517	(664)
NET DEBT ¹	2,739	2,886	+148

EUTELSAT S.A FINANCIALS

Extracts from the consolidated cash flow
statemetrn in €m¹

	FY 2018-19	FY 2019-20	CHANGE
Net cash flows from operating activities	855	782	(73)
Net cash flows used in investing activities	(143)	(80)	+64
Net cash flows used in financing activities	35	(1,329)	(1,364)
Increase (decrease) in cash and cash equivalents	749	(626)	NR

EUTELSAT'S SA FINANCIAL STRUCTURE

ONGOING DEBT OPTIMISATION

Average cost of debt after hedging of 2.73 %

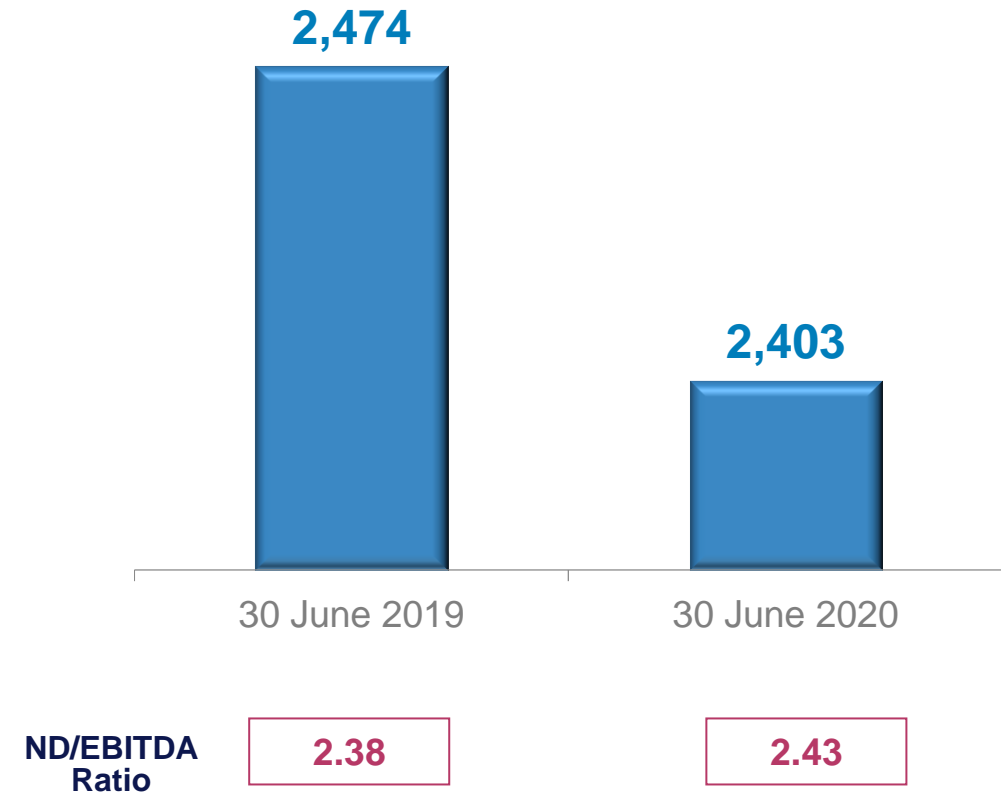
Average weighted maturity of 3.7 years

Strong liquidity

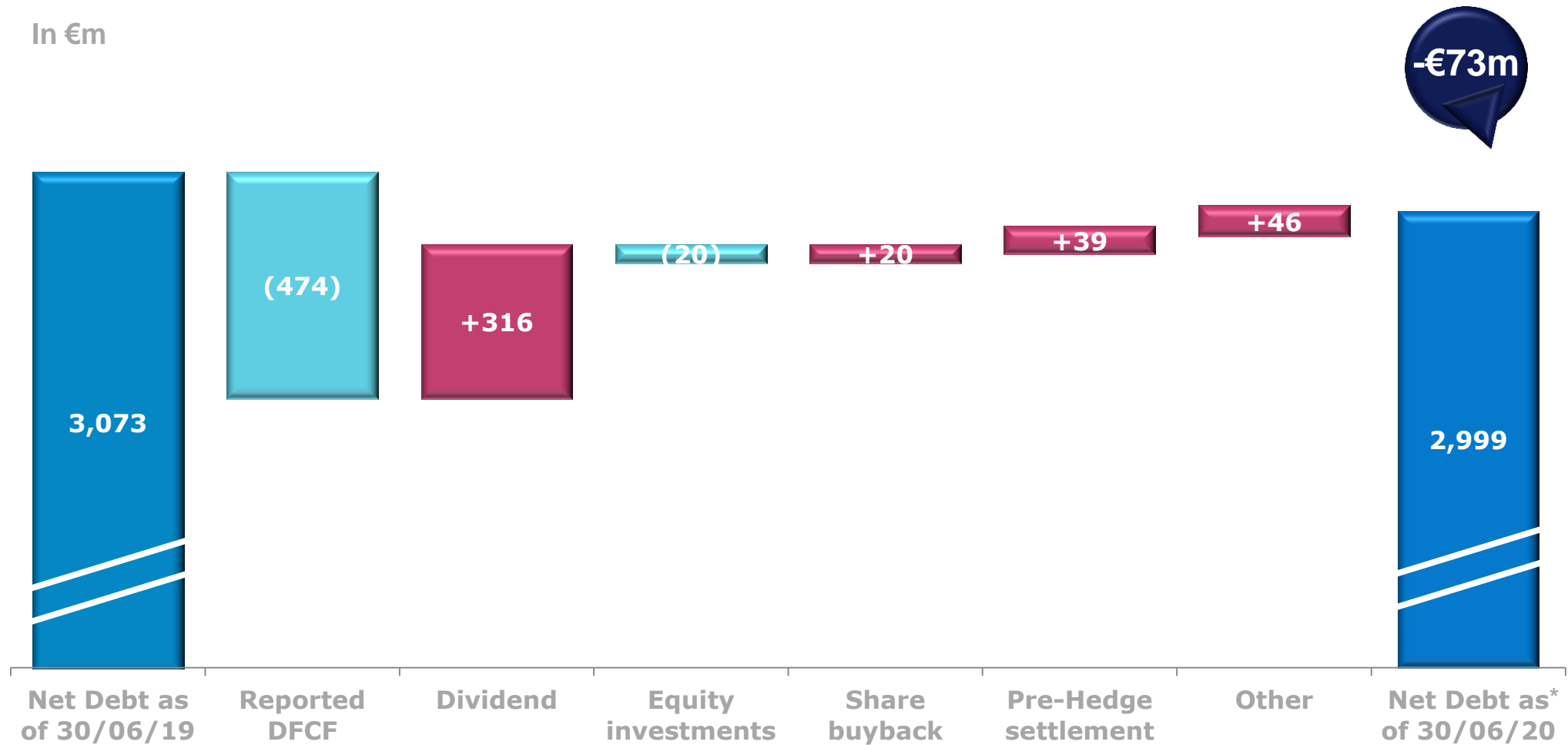
► Cash and undrawn credit lines of > €1bn

Investment grade ratings confirmed post-Covid


NET DEBT AS PER COVENANT DEFINITION (€M)



FURTHER DECREASE IN NET DEBT OF EUTELSAT COMMUNICATIONS



FUTURE LAUNCHES

NAME		KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT HOTBIRD 13G	EUTELSAT 10B
Orbital Position	48° East	TBD	13° East	13° East	10° East
Launch date ¹	Q4 2020	H2 2021	H2 2021	H2 2021	2022
Manufacturer					
Launcher		TBD	TBD	TBD	TBD
Coverage	Flexible	Europe	Europe	Europe	EMEA, Atlantic & Indian Ocean
Applications	Government Services	Connectivity Government	Video	Video	Mobile Connectivity
Total Capacity (TPE/Spotbeams)	N/A	~230 Ka / 500 Gbps	73 Ku ³	73 Ku ³	12 Ku / 20C / c.35 Gbps
o/w Expansion ²	N/A	~230 Ka / 500 Gbps	-	-	-48 Ku c.35 Gbps

 Electrical propulsion

HTS Payload

C-BAND

In its order on the C-band, voted on February 28, the FCC confirmed its plan to clear the frequency band 3.7-4.0 GHz in CONUS and make it available for flexible use, including 5G, via a public auction.

The schedule for clearing the 300 MHz of C-band satellite spectrum will be concluded by December 5, 2025. Eligible satellite operators agreeing to accelerate the clearing will be required to clearing

- ▶ 120MHz in 46 of the top 50 Partial Economic Areas (PEAs) by December 5, 2021,
- ▶ the total 300 MHz in the entire CONUS by December 5, 2023.

The total amount of above-cost 5G-related acceleration payments (in addition to the relocation costs) has been fixed to \$9.7 billion and will be paid by winning bidders to the satellite operators.

Within this total, Eutelsat is eligible to receive a pre-tax amount of \$507m, of which

- ▶ \$125m in the first phase (post December 21)
- ▶ \$382m in the second (post December 23)

Eutelsat elected to perform accelerated relocation on May 27 and is confident of being able to execute the clearance within the prescribed deadlines.

ESG STRATEGY

Given the nature of its activities, the Group has a limited impact on **greenhouse gases** emissions

CSR strategy seeks to focus on those areas where it can **maximise its impact** without neglecting other aspects

Four major areas of focus are identified

- ▶ Engaging in efforts to bridge the “digital divide”
- ▶ Maintaining the space around the Earth uncongested and clean
- ▶ Implementing a HR policy suited to the challenges facing the Group
- ▶ Promoting corporate values and ethics, and preventing corruption risks

KPIs specific to each of these areas have been defined and action plans put in place

Compensation of corporate officers includes ESG criteria

More detail on ESG strategy and KPIs is available in **DPEF** ¹

SPEAKER



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