FIRST HALF 2020-21 RESULTS

- ***Ongoing resilience in Covid-19 context with stable operating vertical revenues quarter-on-quarter***
- ***High level of Free Cash-Flow generation comfortably covering dividend***
- ***Substantial progress in Fixed Broadband strategy paving the way for future return to growth***
- ***Solid start of the year enabling to raise the low end of our FY 2020-21 revenue objective and to absorb negative perimeter impact in H2***

Paris, 12 February 2021 – 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 2020.

Key Financial Data	6M to Dec. 2019	**6M to Dec. 2020**	***Change***
P&L			
Revenues - €m	636.6	**628.5**	***-1.3%***
"Operating Verticals" revenues - €m	635.8	**613.1**	***-3.6%***
"Operating Verticals" revenues at constant currency and perimeter - €m	635.8	**622.2**	***-2.1%***
EBITDA[1] - €m	495.5	**482.1**	***-2.7%***
EBITDA margin - %[1]	77.8	**76.7**	***-1.1 pts***
EBITDA margin at constant currency - %	77.8	**76.7**	***-1.1 pts***
Group share of net income - €m	140.7	**137.4**	***-2.3%***
Financial structure			
Reported Discretionary Free Cash-Flow - €m[1]	107.9	**256.9**	***+138.1%***
Adjusted Discretionary Free Cash-Flow - €m[1]	117.6	**275.3**	***+134.2%***
Net debt - €m	3,234.8	**2,994.4**	***-€240.4m***
Net debt/EBITDA - X[1]	3.20	**3.09**	***-0.11 pts***
Backlog – €bn	4.3	**4.4**	***+1.9%***

Commenting on the First Half, Rodolphe Belmer Chief Executive Officer of Eutelsat Communications, said: *"Eutelsat has produced a solid First Half performance with Operating Verticals revenues down by 2%, reflecting our resilience in the Covid-19 impacted context, and with an EBITDA margin at 76.7%, despite the costs associated with Broadband ramp-up. Free-cash flow generation at the half year stage already amply covers the dividend paid in November. The past six months have been dynamic from a commercial point of view with the award of a further EGNOS payload to fly on EUTELSAT HOTBIRD 13G, a major wholesale agreement with Telecom Italia for the Italian capacity on EUTELSAT KONNECT and KONNECT VHTS following a similar agreement with Orange in France, and several renewal and new deals in Sub-Saharan African broadcast. From an operational point of view, we have made significant headway on our Broadband strategy with the entry into service of EUTELSAT KONNECT and the reorganization of our retail arm, where the integration of Bigblu Broadband is progressing smoothly. In view of this solid start to the year, we are in a position to*

[1] Please refer to Appendix 3 for definition and calculation.

absorb the negative perimeter effect linked to Broadband transactions and to raise the low end of our FY 21 revenue objective."

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 10 February 2021 and approved by the Board of Directors on 11 February 2021. EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex, Discretionary Free Cash-Flow and Adjusted Discretionary Free Cash-Flow are considered Alternative Performance Indicators. Their definition and calculation are in Appendix 3 of this document.

KEY EVENTS

- First Half like-for-like revenues of the Operating Verticals were down -2.1% year-on-year. This solid start of the year enables us to raise the low end of our Full Year revenue objective to between €1,190 million and €1,220 million (versus between €1,180 million and €1,220 million previously). We are also in a position to absorb the net negative perimeter effect linked to Broadband transactions which will affect the second half.

- Continued relative resilience in the Covid-19 context with stable Operating Vertical revenues[2] in the Second Quarter compared to the First.

- Sustained profitability, with EBITDA margin at 76.7%, despite revenue decline, and costs associated with Broadband ramp-up including the integration of Bigblu Broadband Europe.

- High level of Free-Cash-Flow generation with First Half Adjusted Discretionary Free-Cash-Flow of €275 million, amply covering the Full Year dividend paid in November. FY 2021-22 Adjusted Discretionary Free Cash-Flow objective mechanically adjusted to take into account changes in perimeter.

- Award of a further EGNOS payload on the EUTELSAT HOTBIRD 13G satellite representing a total contract value of €100m over 15 years.

- Significant headway in our Fixed Broadband strategy paving the way for return to growth:
  - Reorganization of distribution completed with disposal of our stake in Euro Broadband Infrastructure and closing of the acquisition of Bigblu Broadband Europe, with integration well on track[3];
  - Entry into service of EUTELSAT KONNECT satellite and launch of the first retail offers in several European countries;
  - Major wholesale agreement with Telecom Italia for the Italian capacity on KONNECT and KONNECT VHTS following a similar agreement with Orange in France securing the ramp-up of capacity.

ANALYSIS OF REVENUES[4]

In € millions	6 months to Dec. 2019	6 months to Dec. 2020	Change	
			Reported	Like-for-like[5]
Broadcast	389.4	**378.9**	-2.7%	-1.8%
Data & Professional Video	87.8	**81.4**	-7.3%	-4.5%
Government Services	78.3	**76.9**	-1.8%	+2.5%
Fixed Broadband	39.1	**42.1**	+7.6%	+2.3%
Mobile Connectivity	41.2	**33.9**	-17.9%	-13.9%
Total Operating Verticals	**635.8**	**613.1**	**-3.6%**	**-2.1%**
Other Revenues[6]	0.9	**15.4**	NR	NR
Total	**636.6**	**628.5**	**-1.3%**	**-1.6%**
EUR/USD exchange rate	*1.11*	*1.17*		

[2] On a like-for-like basis.
[3] Please refer to the section "changes in perimeter".
[4] The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".
[5] Change at constant currency and perimeter. The variation is calculated as follows: i) H1 2020-21 USD revenues are converted at H1 2019-20 rates; ii) H1 2020-21 revenues are restated from the contribution of Bigblu Broadband Europe to revenues. iii) Hedging revenues are excluded from Other Revenues.
[6] Other Revenues include mainly the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

Total revenues in the **First Half** stood at €629 million, down 1.3% on a reported basis and by 1.6% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €613 million. They were down by 2.1% on a like-for-like basis excluding a positive perimeter effect of c.0.4 points (consolidation of Bigblu Broadband Europe since 1st October 2020) and a negative currency effect of c. -1.8 points.

Second Quarter revenues stood at €313 million down 1.8% on a reported basis and by 2.4% like-for-like. Revenues of the five Operating Verticals stood at €306 million, down 2.4% year-on-year and by 0.2% quarter-on-quarter on a like-for-like basis.

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

Broadcast (62% of revenues)

First Half Broadcast revenues were down 1.8% to €379 million, reflecting predominantly the impact from 1st July of the renegotiation of contract terms with Greece's Forthnet.

Second Quarter revenues stood at €188 million down by 2.1% year-on-year. On a sequential basis, they were down 0.9% and were stable excluding a positive one-off of circa €2m booked in the first quarter.

At 31 December 2020, the total number of channels broadcast by Eutelsat satellites stood at 6,608, down 3.9% year-on-year. HD penetration continued to increase, standing at 1,767 channels versus 1,605 a year earlier (+10%), implying a penetration rate of 26.7% up from 23.3% a year earlier.

On the commercial front, the African market remained dynamic with notably the expansion of the contract with Multichoice and the extension of the contract with ZAP, both operating at the 36°East orbital position. On the other hand, we continue to face a broad slowdown in the pace of new business against the current operating backdrop, notably in Europe, which will be reflected in the Second Half. As a reminder, in the first quarter a multi-year agreement was reached with Sky Italia, Eutelsat's largest broadcast customer for the renewal and consolidation of its capacity agreements at the HOTBIRD position, securing broadly stable revenues for Eutelsat in the medium term.

Data & Professional Video (13% of revenues)

First Half revenues stood at €81 million, down by 4.5% year-on-year.

Fixed Data continued to reflect ongoing pricing pressure and highly competitive environment in particular in Latin America, although it is now partially offset by improving volumes reflecting notably the carry-forward effect of new business secured in MENA last year.

Professional Video remained in decline on a year-on-year basis although Occasional Use, which was initially strongly impacted by the Covid-related lockdowns, confirmed its recovery in the past few months following the reinstatement of live sports events

Second Quarter revenues stood at €42 million down 2.7% year-on-year but up by 7.2% quarter-on-quarter notably on the back of the rebound of Occasional Use.

On the commercial front, a capacity contract with Liquid Telecom for the provision of VSAT services on the EUTELSAT 7B satellite was renewed and expanded.

Government Services (13% of revenues)

First Half Government Services revenues stood at €77 million, up by 2.5%, with the negative carry-forward impact of the US Government renewal campaigns of the past 18 months more than offset by the contribution of the EGNOS payload and by new business.

Second Quarter revenues stood at €39 million, up by 4.5% year-on-year and by 2.1% quarter-on-quarter.

As a reminder, Second Half revenues will reflect a tougher comparison basis, as the same period last year included the first-time contribution of EGNOS from mid-February as well as a positive one-off related to the temporary relocation of EUTELSAT 7A in the Fourth Quarter.

On the commercial front, an agreement was signed with the European Global Navigation Satellite Systems Agency (GSA) for a further EGNOS payload to be carried by the EUTELSAT HOTBIRD 13G satellite for a total contract value of €100m over 15 years.

Fixed Broadband (7% of revenues)

First Half revenues stood at €42 million, up 2.3% reflecting notably higher sales of terminals in Europe in a context of increased demand for internet connectivity leading to a positive momentum of the European customer base in the last twelve months.

Second Quarter revenues stood at €22 million. On a like-for-like basis, they were up 0.8% year-on-year, and down by 6.5% compared to the First Quarter which included a high level of terminals sales.

In Europe, all the elements are now in place for a progressive return to growth: the KONNECT satellite gradually entered into service from mid-November and is now close to full-speed operations. The integration of Bigblu Broadband is progressing smoothly, and the first retail offers were launched in several countries. In parallel, two wholesale agreements have been inked with Orange and TIM, covering France and Italy respectively, and are starting to generate revenues from the current semester. In Africa, while revenues remain modest, progress has been made notably with a contract to provide connectivity services to the Post Office in Ivory Coast, highlighting the potential of government backed digital inclusion programs, and an agreement with the internet service provider, TelOne, covering Zimbabwe.

Mobile Connectivity (5% of revenues)

First Half revenues stood at 34 million, down 13.9% like-for-like, reflecting the impact of the Covid-19 crisis on Aero Mobility, leading to both a low level of airtime-related revenues on KA-SAT and to the renegotiation of contracts with certain service providers. On the other hand, maritime revenues remained well-oriented thanks to the ramp-up of contracts secured in the last couple of years.

Second Quarter revenues stood at €16 million, down 20.1% year-on-year and by 6.9% quarter-on-quarter. As a reminder, the Second Quarter of FY 2019-20 included the catch-up of a negative one-off booked in the First Quarter for circa €1m.

Other Revenues

In the **First Half**, Other Revenues amounted to €15 million versus €1 million a year earlier. They included a €6 million positive impact from hedging operations versus a negative impact of (€5) million a year earlier.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders at 31 December 2020 stood at 1,380, down by seven units year-on-year, mainly reflecting on one hand lower operational capacity at 5° West following the transfer of services from EUTELSAT 5 West A to EUTELSAT 5 West B in January 2020, and on the other, incremental capacity brought by EUTELSAT 7C in January 2020. Relative to end-June 2020 they were up by four units.

The number of utilized transponders stood at 967, almost unchanged year-on-year and up by seven units compared to end June.

As a result, the fill rate progressed to 70.1% compared to 69.7% a year earlier and at end-June.

	31 Dec. 2019	30 June 2020	**31 Dec. 2020**
Operational transponders[7]	1,387	1,376	**1,380**
Utilized transponders[8]	966	960	**967**
Fill rate	69.7%	69.7%	**70.1%**

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

ORDER BACKLOG

The order backlog[9] stood at €4.4 billion at 31 December 2020 versus 4.3 billion a year earlier and 4.1 billion at end June 2020. It now includes the capacity commitments secured with TIM on EUTELSAT KONNECT and KONNECT VHTS but not yet the recent contract for the additional EGNOS payload.

The backlog was equivalent to 3.4 times 2019-20 revenues, and Broadcast represented 67% of the total.

	31 Dec. 2019	30 June 2020	**31 Dec. 2020**
Value of contracts (in billions of euros)	4.3	4.1	**4.4**
In years of annual revenues based on previous fiscal year	*3.3*	*3.2*	*3.4*
Share of Broadcast application	68%	68%	67%

PROFITABILITY

EBITDA stood at €482 million at 31 December 2020 compared with €496 million a year earlier, down by 2.7%. The **EBITDA margin** stood at 76.7% (76.7% at constant currency) versus 77.8% a year earlier, reflecting lower revenues and higher costs to prepare the change in scale in Fixed Broadband including the slightly dilutive impact from the consolidation of Bigblu Broadband Europe. These effects were partially offset by a strong cost discipline on the Core business. The LEAP 2 cost-saving program is well on track to deliver its objective of €20-25 million in annual savings by 2021-22 with around half of this amount to be delivered by the end of the current fiscal year.

Group share of net income stood at €137 million versus €141 million a year earlier, down by 2.3% and representing a margin of 22%. This reflected:

- Broadly stable **depreciation and amortisation** ((€260) million at 31 December 2020 compared with (€263) million a year earlier);
- A **net financial result** of (€47) million (versus (€41) million a year earlier), reflecting on one hand the benefit of previous debt refinancing and on the other an unfavourable impact related to the evolution of foreign exchange gains and losses;
- A **tax rate** of 14% (versus 18% last year) reflecting notably the favourable effect of currency and inflation on deferred tax assets and liabilities as well as the decrease of two points of the corporate tax rate in France.

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

CASH FLOW

In H1 2020-21, **net cash flow from operating activities** amounted to €435 million, €82 million higher than a year earlier. It reflected notably lower tax paid as well as a favourable comparison basis for change in working capital, since June 2020 reflected the most acute stage of the Covid-19 crisis.

Cash Capex amounted to €117 million (versus €189 million last year); this level reflects the phasing of satellite program milestones and is not representative of the expected Full Year figure.

Interest and other fees paid net of interest received amounted to €61 million versus €57 million last year, the slight increase reflecting a phasing effect. As a reminder the bulk of the coupon payments related to our Bonds fall due in the First Half (three maturities representing a nominal amount of €1.7bn) with only one maturity in the Second Half (€500m nominal amount).

Discretionary Free Cash-Flow amounted to €257 million on a reported basis, up €149 million. Adjusted Discretionary Free Cash-Flow as per the financial outlook definition[10] stood at €275 million, up €158 million or 134%.

FINANCIAL STRUCTURE

In the First Half, the Group raised **€800 million of financing** highlighting its ease of access to diversified sources of funding and leading to the extension of the average debt maturity on compelling terms. A €600 million Eurobond was issued in October with an 8-year maturity and a 1.5% coupon to refinance the June 2021 €500 million maturity. Elsewhere, an agreement was secured with the European Investment Bank for a €200 million 8-year term loan to finance the KONNECT VHTS program at an interest rate of 0.49%. The Group's strong liquidity position enabled it to make an early repayment of €200 million out of the €600 million term loan maturing in March 2022.

At 31 December 2020, **net debt** stood at €2,994 million, down €5 million versus end-June. It mainly reflected on one hand the €257 million in Discretionary Free Cash-Flow generated in H1, and on the other, the dividend payment of €205 million and an outflow €56 million[11] related to changes in perimeter. Other items (mostly variations related to leases, structured debt and the foreign exchange portion of the cross-currency swap) contributed to the decrease in net debt for a net impact of €9 million. Compared to 31 December 2019, net debt was reduced by €240m. As a reminder, the month of December represents a peak in the annual net debt profile reflecting the timing of the dividend payment.

The **net debt to EBITDA ratio** stood at 3.09 times, compared to 3.20 times at end-December 2019 and 3.05 times at end-June 2020.

The average cost of debt after hedging stood at 2.3% (2.4% in H1 2019-20). The weighted average maturity of the Group's debt stood at 4.3 years, or 4.9 years excluding the Bond maturing in June 2021, which is already refinanced, compared to 4.2 years at end-December 2019.

Liquidity remained strong, with undrawn credit lines and cash in excess of €1.7 billion.

DIVIDEND

The Annual General Meeting of Shareholders of 5 November 2020 approved the payment of a dividend of €0.89 per share in respect of the financial year ended 30 June 2020. The dividend was paid on November 24, 2020.

CHANGES IN PERIMETER

On 1 October 2020, the transaction with Bigblu Broadband for the acquisition of its European satellite broadband activities was closed for a consideration of approximately £38 million.

On 18 November 2020, an agreement was signed with Viasat Inc. for the disposal of Eutelsat's 51% stake in Euro Broadband Infrastructure (EBI), the company operating the KA SAT satellite and related European broadband business, for an initial consideration of €140 million. Completion is expected by the end of the current quarter, subject to customary conditions precedent.

[10] Please refer to Appendix 3

[11] Acquisition of BigBlu Broadband Europe and earn-out related to the acquisition of minority interests in Russian operations in FY 2019-20.

The net impact of the combined operations is estimated at around (€20) million on Operating Vertical Revenues and (€30) million on Discretionary Free Cash-Flow for the first full fiscal year following completion of the transactions.

As stated above, our Full Year 2020-21 revenues target is raised, despite the net negative perimeter effect linked to these transactions which will affect the second half, while the FY 2021-22 Adjusted Discretionary Free Cash-Flow objective is mechanically adjusted.

FINANCIAL OUTLOOK

On the back of our robust First Half revenue performance, we are in a position to raise the low end of our FY 2020-21 objective of revenues for the five Operating Verticals to between €1,190 million and €1,220 million[12] (versus between €1,180 million to €1,220 million previously). We are also absorbing the negative effect of changes in perimeter expected in the second half.

As highlighted by the First Half performance, we remain well on track on our Cash-Flow generation trajectory. The Adjusted Discretionary Free Cash-Flow objective for FY 2021-22, which was based on a constant perimeter assumption, is mechanically adjusted from the (€30) million net impact of the combined operations of the acquisition of Bigblu Broadband Europe and the disposal of EBI and now stands between €390 million and €420 million[13] in FY 2021-22 (€420 million to €450 million previously).

All other elements of the financial outlook are confirmed:

- Cash Capex[14] at an average not exceeding €400 million per annum for the period July 2020 to June 2022.
- LEAP 2 plan aimed at generating €20-25 million in annual savings by FY 2021-22.
- Commitment to a sound financial structure to support our investment grade credit ratings targeting a medium-term net debt / EBITDA ratio of around 3x.
- Stable to progressive dividend policy based on the dividend of 0.89 euros paid in November 2020.

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

FLEET DEPLOYMENT

Nominal deployment programme

The Covid-19 crisis continued to affect the operations of satellite manufacturers and launchers. In this context, since the last quarterly update in October 2020:

- the launch of EUTELSAT QUANTUM is now expected in Q2 2021, versus Q1 2021 previously;
- the launch of EUTELSAT HOTBIRD 13G is now expected in H1 2022, versus H2 2021 previously.
- the launch of KONNECT VHTS is now expected in H1 2022, versus the very end of H2 2021 previously.

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[12] Based on a €/$ rate assumption of 1.14 and including the combined impact of the acquisition of Bigblu Broadband Europe and the disposal of EBI but excluding the effect of other changes in perimeter if any.

[13] Based on a €/$ rate assumption of 1.14, excluding one-off impacts such as hedging, effects of changes in perimeter other than the acquisition of Bigblu Broadband Europe and the disposal of EBI, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters.

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

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	48° East	*Q2 2021*	Government Services	Flexible	8 "QUANTUM" beams	Not applicable	Not applicable
EUTELSAT HOTBIRD 13F	13° East	*H2 2021*	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None
EUTELSAT HOTBIRD 13G	13° East	*H1 2022*	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None
KONNECT VHTS	To be confirmed	*H1 2022*	Connectivity	Europe	~230 Ka spot beams	500 Gbps	500 Gbps
EUTELSAT 10B	10° East	*H2 2022*	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10 C >100 Ku spot beams	12 Ku 20 C c. 35 Gbps	-48 Ku transponders c. 35 Gbps

[1] EUTELSAT QUANTUM is a chemical propulsion satellite. KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G and 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.

Changes in the fleet since 30 June 2020

- EUTELSAT 12 West B which was operating in inclined orbit has been de-orbited.
- EUTELSAT 48D now operates in inclined orbit.

CORPORATE GOVERNANCE

Annual General Meeting

The Ordinary and Extraordinary Shareholders' Meeting of 5 November 2020 renewed the mandates of Rodolphe Belmer and Fonds Stratégique de Participations.

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 2019-20, compensation of corporate officers and compensation policy.

Appointment of Pascal Homsy as Chief Technical Officer

Pascal Homsy joined Eutelsat as Chief Technical Officer and as a member of the Executive Committee. He replaces Yohann Leroy.

Appointment of Anne Carron as Chief Human Resources Officer

Anne Carron joined Eutelsat in the role of Chief Human Resources Officer and as a member of the Executive Committee. She replaces Marie-Sophie Rouzaud.

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Results presentation

Eutelsat Communications will present its results on **Friday, February 12th, 2021** by conference call and webcast at **9:00 CET.**

To join the call, please dial the following numbers:

- + 33 (0)1 70 72 25 50 (from France)
- + 44 (0)330 336 9125(from Europe)
- +1 323 794 2093 (from USA)

Access code: 1505199#

A live webcast will be available here.

A replay will be available from 12 February, 13:00 CET to 19 February, 13:00 CET by dialling the following numbers:

- + 33 (0) 1 70 48 00 94 (from France)
- + 44 (0) 203 859 5407 (from Europe)
- +1 719 457 0820 (from USA)

Access code: 1505199#

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.

- 11 May 2021: Third Quarter 2020-21 revenues
- 30 July 2021: Full Year 2020-21 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. More than 6,600 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 1,200 men and women from 50 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 go to www.eutelsat.com

Media

Joanna Darlington	Tel.: +33 1 53 98 35 30	jdarlington@eutelsat.com
Marie-Sophie Ecuer	Tel.: +33 1 53 98 32 45	mecuer@eutelsat.com
Jessica Whyte	Tel.: +33 1 53 98 46 21	jwhyte@eutelsat.com

Investors

Joanna Darlington	Tel.: +33 1 53 98 35 30	jdarlington@eutelsat.com
Cédric Pugni	Tel.: +33 1 53 98 31 54	cpugni@eutelsat.com
Alexandre Illouz	Tel.: +33 1 53 98 46 81	aillouz@eutelsat.com

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.

APPENDICES

Appendix 1: Additional financial data

Extract from the consolidated income statement (€ millions)

Six months ended December 31	2019	**2020**	**Change (%)**
Revenues	636.6	**628.5**	**-1.3%**
Operating expenses	(141.1)	**(146.4)**	**+3.8%**
EBITDA	495.5	**482.1**	**-2.7%**
Depreciation and amortisation	(262.5)	**(260.2)**	**-0.9%**
Other operating income (expenses)	(7.8)	**(7.7)**	**-1.3%**
Operating income	225.3	**214.2**	**-4.9%**
Financial result	(41.4)	**(47.4)**	**+14.5%**
Income tax expense	(33.7)	**(22.8)**	**-32.2%**
Portion of net income attributable to non-controlling interests	(9.5)	**(6.6)**	**-30.4%**
Group share of net income	140.7	**137.4**	**-2.3%**

Change in net debt (€ millions)

Half-year ending	**31/12/2019**	**31/12/2020**
Net cash flows from operating activities	**353.4**	**435.1**
Cash Capex	(189.1)	(116.9)
Interest and Other fees paid net of interests received	(56.5)	(61.4)
Discretionary Free Cash-Flow	**107.9**	**256.9**
(Acquisitions) / disposals	54.7	(56.1)
Distributions to shareholders	(315.7)	(204.9)
Other	(8.9)	9.1
Decrease (increase) in net debt	**(162.0)**	**5.0**

Appendix 2: Quarterly revenues by application

In € millions	**Q1 2019-20**	**Q2 2019-20**	**Q3 2019-20**	**Q4 2019-20**	**FY 2019-20**	**Q1 2020-21**	**Q2 2020-21**
Broadcast	194.7	194.7	198.8	196.4	**784.6**	190.6	188.3
Data & Professional Video	43.0	44.8	44.8	42.7	**175.3**	39.5	41.9
Government Services	39.3	39.1	40.0	42.8	**161.1**	38.4	38.5
Fixed Broadband	19.9	19.2	18.8	18.8	**76.7**	20.5	21.6
Mobile Connectivity	19.7	21.5	20.8	16.7	**78.7**	17.7	16.2
Total Operating Verticals	**316.5**	**319.3**	**323.1**	**317.4**	**1,276.3**	**306.7**	**306.4**
Other Revenues	1.1	(0.2)	(1.1)	2.2	**2.0**	8.6	6.8
Total	**317.6**	**319.1**	**322.0**	**319.6**	**1,278.3**	**315.3**	**313.2**

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 frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for H1 2019-20 and H1 2020-21:

Six months ended December 31 (€ millions)	2019	2020
Operating result	225.3	214.2
+ Depreciation and Amortization	262.5	260.2
- Other operating income and expenses	7.8	7.7
EBITDA	**495.5**	**482.1**

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

Six months ended December 31 (€ millions)	2019	2020
EBITDA	495.5	482.1
Revenues	636.6	628.5
EBITDA margin (as a % of revenues)	**77.8**	**76.7**

At constant currency, the EBITDA margin stood at 76.7% as of 31 December 2020.

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)	2019	2020
Last twelve months EBITDA	1,009.5	968.6
Closing net debt[15]	3,234.8	2,994.4
Net debt / EBITDA	**3.20x**	**3.09x**

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

[15] Net debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Cash as of 30 December 2020 includes €20m related to assets held for sale (51% stake in EBI); it also includes the current account of the Group towards EBI of €74m that Eutelsat SA committed to reimburse before the disposal of EBI. Net Debt calculation is available in the Note 6.3.3 of the appendices to the financial accounts.

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 net from the amount of insurance proceeds.
The table below shows the calculation of Cash Capex for H1 2019-20 and H1 2020-21:

Six months ended December 31 (€ millions)	**2019**	**2020**
Acquisitions of satellites, other property and equipment and intangible assets	(151.1)	(67.5)
Insurance proceeds	-	6.6
Repayments of ECA loans, lease liabilities and other bank facilities [16]	(38.0)	(56.0)
Cash Capex	**(189.1)**	**(116.9)**

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 shareholder remuneration and debt reduction.
Reported Discretionary Free Cash-Flow is defined as Net Cash-Flow from operating activities less Cash Capex as well as Interest and other fees paid net of interest received.
Adjusted Discretionary Free Cash-Flow (as per financial objectives) is calculated at constant currency and excludes 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.
The table below shows the calculation of Reported Discretionary Free Cash-Flow and Adjusted Discretionary Free Cash-Flow for H1 2019-20 and 2020-21 and its reconciliation with the Cash-Flow statement:

Six months ended December 31 (€ millions)	**2019**	**2020**
Net Cash-Flows from operating activities	353.4	435.1
Cash Capex (as defined above)	(189.1)	(116.9)
Interest and other fees paid net of interest received	(56.5)	(61.4)
Reported Discretionary Free Cash-Flow	**107.9**	**256.9**
Currency impact[17]	-	9.4
Hedging impact	5.1	(6.1)
One-off costs related to "LEAP 2" program and move to new headquarters	4.6	15.1
Adjusted Discretionary Free Cash-Flow	**117.6**	**275.3**

[16] Included in lines "Repayment of borrowings" and of "Repayment of lease liabilities" of cash-flow statement
[17] H1 2020-21 discretionary Free Cash-Flow has been converted at H1 2019-20 €/$ rate.