



# EUTELSAT TO COMBINE WITH ONEWEB

A leap forward in Satellite Connectivity

October 12, 2022

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In connection with the proposed transaction, Eutelsat Communications intends to file with the AMF and publish an information document in connection with the listing of its shares to be issued in exchange for the contribution by OneWeb shareholders of part of the OneWeb shares. Investors are urged to carefully read all relevant documents published in connection with the proposed combination, including the information document when it becomes available, because they will contain important information about the proposed transaction. Investors may obtain free of charge a copy of the information document as well as other documents filed with the AMF (when they become available) on Eutelsat Communications' website (at <https://eutelsat.com>) and, where relevant, on the AMF's website at [www.amf-france.org](http://www.amf-france.org).

# TODAY'S PRESENTERS



**Eva Berneke**  
*Chief Executive Officer*



**Sandrine Térán**  
*Chief Financial Officer*



**Jean-Hubert Lenotte**  
*Chief Strategy and  
Resources Officer*



**Pascal Homsy**  
*Chief Technology Officer*



**Neil Masterson**  
*Chief Executive Officer*



**Srikanth Balachandran**  
*Chief Financial Officer*



**Massimiliano Ladovaz**  
*Chief Technology Officer*



# Opening remarks



# TODAY'S AGENDA

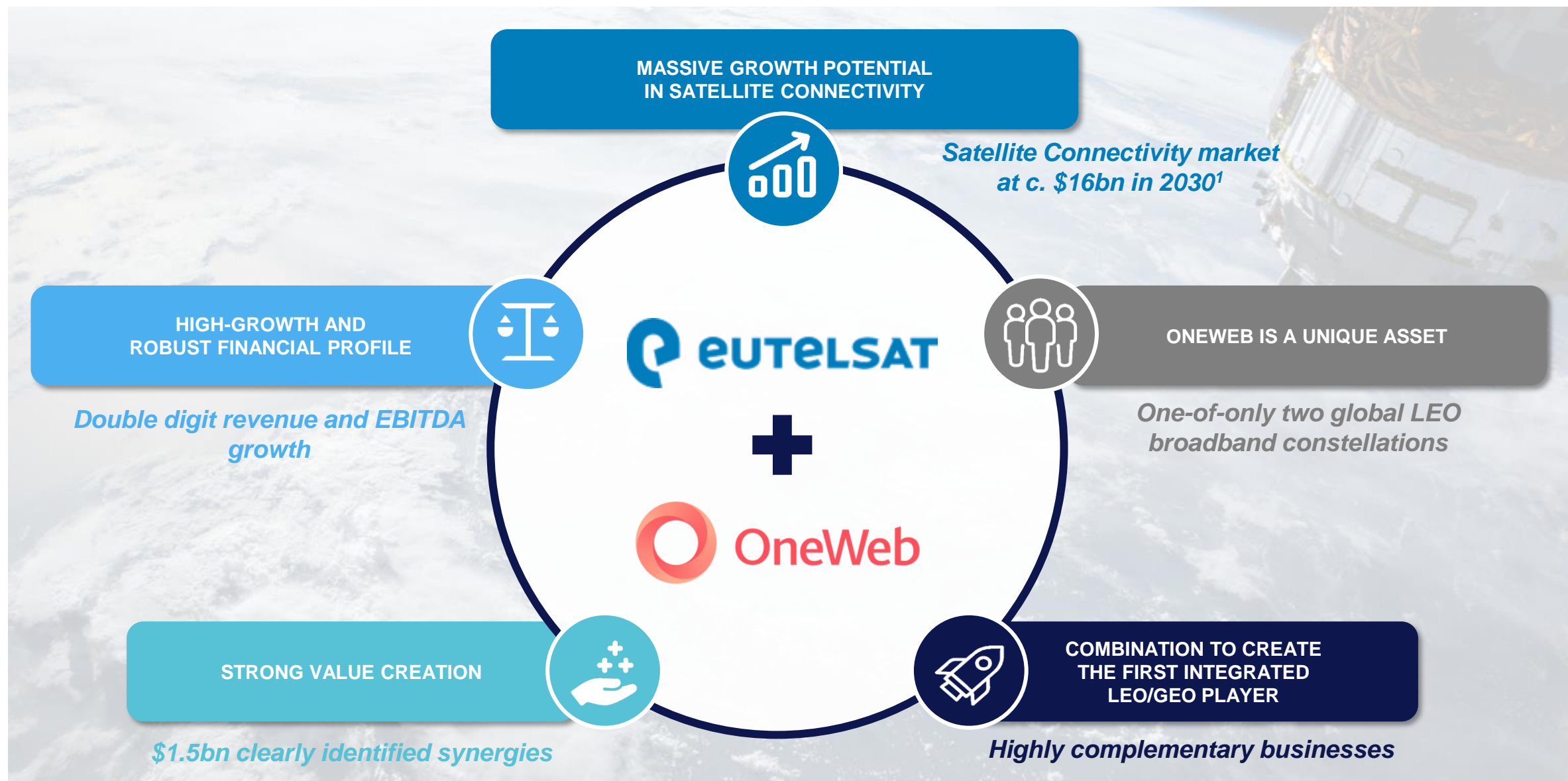
1	Eutelsat and OneWeb: transformational growth and value opportunity	<i>Eva Berneke</i>
2	Addressing high-growth markets with a strong competitive position	<i>Jean-Hubert Lenotte</i>
3	OneWeb Satellite: LEO opportunity	<i>Neil Masterson</i>
4	Significant complementarity between both partners	<i>Eva Berneke and Neil Masterson</i>
5	Leveraging on proven technologies and developing Gen 2	<i>Pascal Homsy and Massimiliano Ladovaz</i>
6	Robust financials: strong growth and significant synergies	<i>Sandrine Téran and Srikanth Balachandran</i>
7	Next steps and Conclusion	<i>Eva Berneke</i>
Q&As		<i>All</i>

# AGENDA

- 1. Eutelsat and OneWeb: transformational growth and value opportunity**
2. Addressing high-growth markets with a strong competitive position
3. OneWeb Satellite: LEO opportunity
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# DELIVERING GROWTH AND VALUE



(1) Source: Euroconsult Satellite Connectivity and Video Market, September 2021

# TWO HIGHLY COMPLEMENTARY BUSINESSES



**GEO**



**LEO**



**Geographical advantage**

**Capacity density:** ability to focus capacity over high-demand regions

**Full global coverage** expected by Q4 2023



**Key value proposition**

**Low-cost sellable capacity:** higher fill-rates than NGSO systems and longer lifetime

**Low latency:** critical for some applications and improved quality of experience for many others



**Access to customers**

**Large installed base:** major legacy customer base with well established relationships

**Access to untapped market pockets**



**Financial profile**

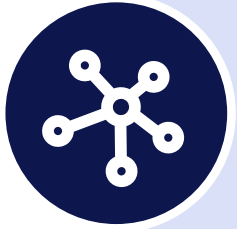
**High cash flow generation**

**Investment requirements in early years**

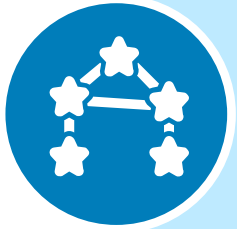
**Combining the best of both worlds, creating a solution that will deliver significant benefits to customer**



# THE RIGHT COMBINATION AT THE RIGHT TIME



**Satellite connectivity market at an inflexion point, expected to deliver high levels of sustained growth**



**OneWeb successful service launch, ramping up to full global deployment expected by Q4 2023**



**Seizing early cost synergies: leveraging Eutelsat resources and experience to accelerate the ramp-up of OneWeb**



**Maximizing Capex synergies: designing OneWeb Gen 2 as part of an integrated LEO/GEO infrastructure, optimizing the fleets of both partners**

# CONNECTIVITY DRIVING STRONG PROFITABLE GROWTH

## Step up in Connectivity business

FY23PF

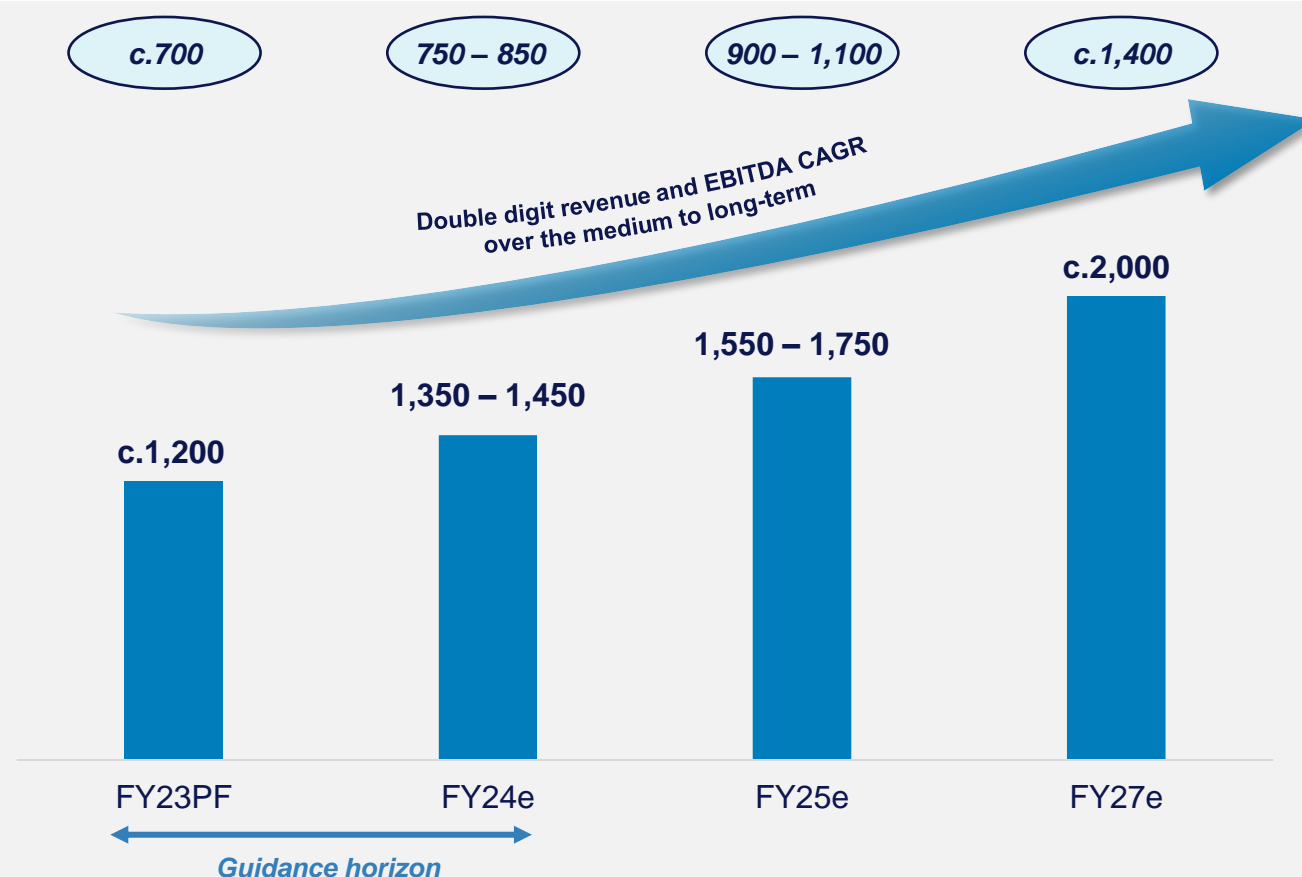


FY27e



All figures at June year end

## Revenue and EBITDA prospects for the combined entity (€m)



Revenue

EBITDA

# GENERATING STRONG VALUE CREATION

## REVENUE SYNERGIES

Average annual expected  
Revenue synergies of  
**c. €150m**  
by Year 4

- ▶ Leverage Eutelsat sales forces, geographical reach and existing customer base to accelerate commercial ramp-up
- ▶ One-stop-shop for customers looking both for ubiquity and capacity density
- ▶ Single hybrid LEO/GEO terminal unlocking new use cases and revenue opportunities

## COSTS SYNERGIES

Annual expected run-rate  
Pre-tax cost synergies  
**Over €80m**  
by Year 5

- ▶ Optimized cost structure on commercial, G&A and joint technical resources
- ▶ Significant cost avoidance at OneWeb
- ▶ Strongly mitigating implementation costs and execution risks

## CAPEX SYNERGIES

Average expected annual  
Capex synergies of  
**c. €80m**  
From Year 1

- ▶ Leveraging hybrid LEO/GEO satellite infrastructure to right-size Gen 2
- ▶ Synergies in procurement and on ground segment and terminals deployment
- ▶ Mid-term GEO fleet rationalization

## NPV OF SYNERGIES

**Over €1.5bn**  
After tax  
Net of implementation costs

- ▶ Low execution risk
- ▶ Balanced between Revenue, Costs and Capex synergies

# REINFORCING OUR ESG PRIORITIES



## Bridging the digital divide

### Enhancing our reach:

- ✓ Combining assets and know-how to extend our current reach
- ✓ LEO/GEO combination opening up new means to address the world's digital white zones

*"This combination fast-tracks our mission to deliver connectivity that will change lives at scale."* **(Neil Masterson, CEO OneWeb)**



## Protecting the environment and space

### Strong environmental benefit:

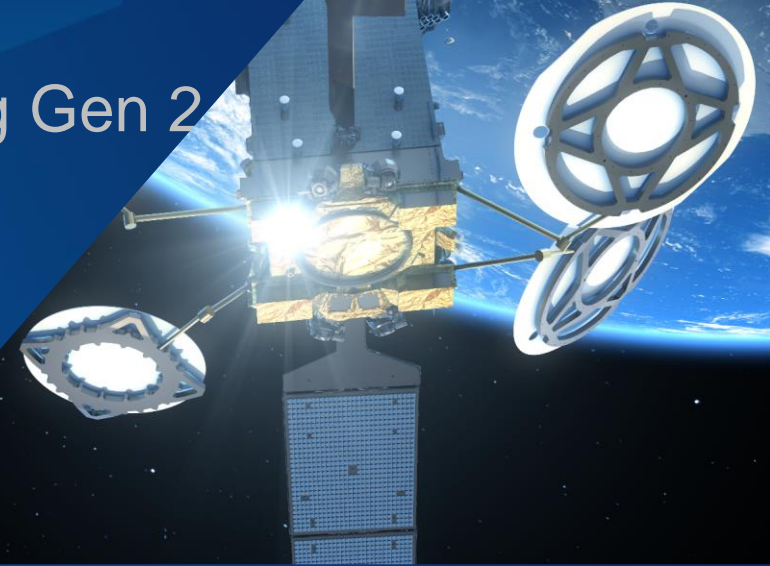
- ✓ Fleet optimization by both entities leading to efficiency in the number of satellites and launches
- ✓ Optimization of existing ground and other infrastructures
- ✓ Coordination on our efforts on regulatory aspects of space environment





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# TRANSFORMATIONAL OPPORTUNITY IN SATELLITE CONNECTIVITY

Rapid technology evolution led by GEO VHTS and LEO **opening up new, more bandwidth-hungry use cases**

Material **improvement in cost per gigabit**, permitting significantly more attractive price points for customers while maintaining profitability

All **barriers to adoption set to gradually reduce**, driving market **expansion** at an **unprecedented rate**

Enterprise-grade products with latency on par with terrestrial technologies: **latency of ~50ms** achievable with LEO

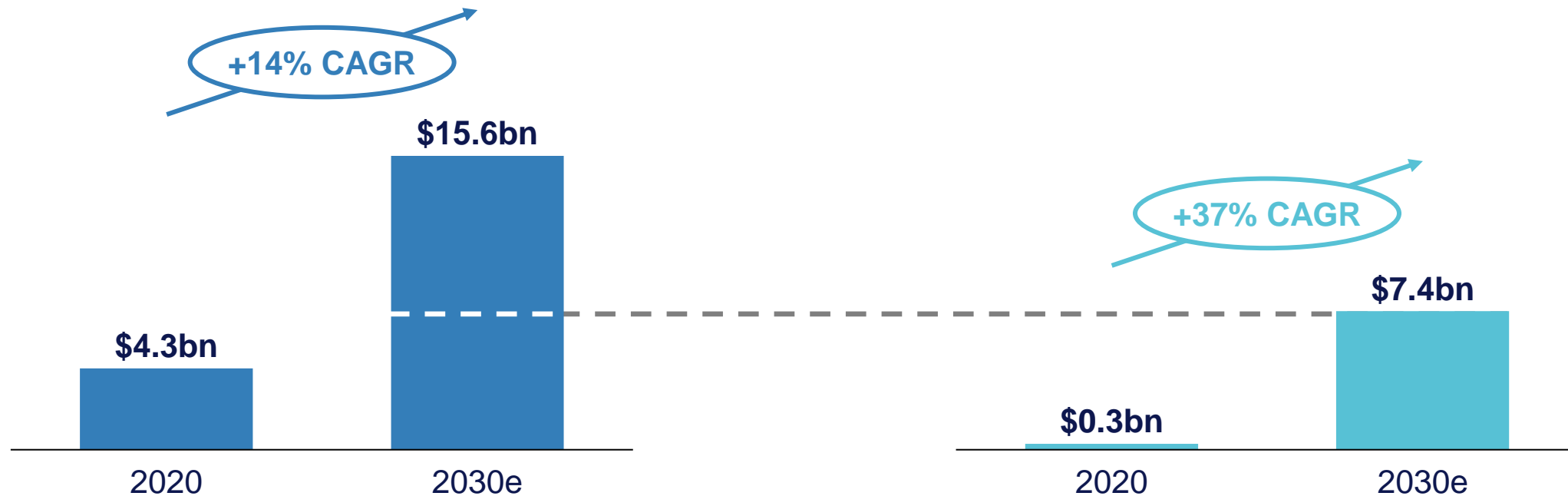
Step change in terminals, with continuous decrease in production costs and ease of use: **self-installed terminals** on their way

# A \$16BN CONNECTIVITY MARKET OPPORTUNITY, MAINLY DRIVEN BY NGSO





Satellite connectivity market expected to more than triple by 2030 ...

... mainly driven by NGSO growth

- ▶ NGSO expected to grow c. 2.5x faster than overall market
- ▶ NGSO to represent c. 50% of the market by 2030, mostly captured by LEO constellations







# \$16BN OPPORTUNITY – FOUR KEY VERTICALS

	VERTICAL	KEY APPLICATIONS	DRIVERS	2030 MARKET	10-Y CAGR
B2B	 <b>FIXED DATA</b>	<ul style="list-style-type: none"> <li>▶ Mobile backhaul</li> <li>▶ Corporate networks</li> </ul>	<ul style="list-style-type: none"> <li>▶ Network extension</li> <li>▶ Seamless integration in enterprise networks</li> <li>▶ Growing data usages</li> <li>▶ Ubiquitous coverage need</li> </ul>	<b>\$3.9bn</b>	<b>+10%</b>
	 <b>GOVERNMENT</b>	<ul style="list-style-type: none"> <li>▶ Military / Security</li> <li>▶ Civil government</li> </ul>	<ul style="list-style-type: none"> <li>▶ Defense budget increases</li> <li>▶ Significant bandwidth demand</li> <li>▶ Remote sites connection</li> </ul>	<b>\$3.9bn</b>	<b>+13%</b>
	 <b>MOBILITY</b>	<ul style="list-style-type: none"> <li>▶ In-Flight Connectivity</li> <li>▶ Maritime Connectivity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Growing number of aircraft / ships</li> <li>▶ Improved equipment / take-up rates</li> <li>▶ Enhanced service leading to higher usages</li> </ul>	<b>\$3.4bn</b>	<b>+17%</b>
B2C	 <b>CONSUMER BROADBAND</b>	<ul style="list-style-type: none"> <li>▶ Internet access for individuals</li> <li>▶ Community Wi-Fi hotspots</li> </ul>	<ul style="list-style-type: none"> <li>▶ Internet access a fundamental need</li> <li>▶ Universal Service Obligation pressure</li> <li>▶ High cost of terrestrial rollout</li> <li>▶ Long-term growth in individual data usage</li> </ul>	<b>\$4.4bn</b>	<b>+17%</b>
				<b>Σ=\$15.6bn</b>	<b>+14%</b>



# DEMAND GROWTH CONTINUING BEYOND 2030

	VERTICAL	CURRENT USE CASES	EMERGING FUTURE APPLICATIONS
B2B	 <b>FIXED DATA</b>	<ul style="list-style-type: none"> <li>▶ <b>Mobile backhaul</b>: up to ~35% of sites still in 2G/3G in 2030, leaving potential x10 increase in capacity per site</li> <li>▶ <b>Corporate networks</b>: continued rise of <b>cloud connectivity</b>, increasing number of sites and consumption per site</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Digital Twin of remote industrial sites</b> (e.g., mining, O&amp;G) requiring large number of connected devices</li> </ul>
	 <b>GOVERNMENT</b>	<ul style="list-style-type: none"> <li>▶ <b>Governmental SATCOM</b>: demand increase driven by the introduction of <b>next-generation platforms</b> across air/land/sea and by the need of <b>resilience of critical infrastructure</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Autonomous vehicles</b> to represent a growing share of military assets</li> <li>▶ <b>Full-spectrum global combat clouds</b> expected to deploy in French Army staff by ~2040</li> </ul>
	 <b>MOBILITY</b>	<ul style="list-style-type: none"> <li>▶ <b>In-Flight Connectivity</b>: up to ~40% of commercial aircraft not yet equipped with IFC in 2030</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Data-intensive innovations for aerial mobility</b> (e.g., TBO<sup>1</sup>, Single Pilot Operations) to gain traction after 2030<sup>i</sup></li> <li>▶ <b>Maritime Autonomous Surface Ships</b></li> </ul>
B2C	 <b>CONSUMER BROADBAND</b>	<ul style="list-style-type: none"> <li>▶ <b>Satellite internet penetration</b>: &lt;0.5% of global households equipped in 2030</li> </ul>	<ul style="list-style-type: none"> <li>▶ Bandwidth from <b>metaverses</b> such as Meta's Horizon Worlds to increase by 2030<sup>ii</sup></li> </ul>

(1) Trajectory-Based Operations, i.e., collecting the exact position of airplanes at any instant to optimize airspace management

Sources: Euroconsult Satellite Connectivity and Video Market, September 2021; (i) ESA; (ii) Credit Suisse

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# ONEWEB AT A GLANCE

## Overview

- ▶ One-of-only two global broadband LEO
- ▶ c. 648 satellites at 1,200 kms<sup>1</sup>
- ▶ 1.1 Tbps sellable capacity<sup>1</sup>
- ▶ 84% capacity over land
- ▶ Target fast growth markets

## Assets

- ▶ Global stakeholders
- ▶ c. \$4.5bn deployed on Capex
- ▶ Highly skilled organization
- ▶ Priority spectrum rights
- ▶ 428 satellites deployed

## Velocity

- ▶ Revenue generating
- ▶ 5x usage growth on Network
- ▶ 44 distribution partners
- ▶ Deal pipeline of c. \$2.7bn
- ▶ 150+ Customer Trials underway


**Unique asset, speed to market and a strong track record of execution**

(1) Expected by Q4 2023

# ONEWEB HAS SECURED PRIORITY RIGHTS OVER PREMIUM SPECTRUM BANDS

- ▶ **OneWeb has secured about 6 GHz of bandwidth**
  - Ku-band (User links)
  - Ka-band (Gateway links)
- ▶ **Highest priority in Ku-band (2.5 GHz)**
- ▶ **Strong Priority in Ka-band (3.3 GHz)**
- ▶ **Other LEOs need to coordinate with or work around OneWeb to avoid interference**

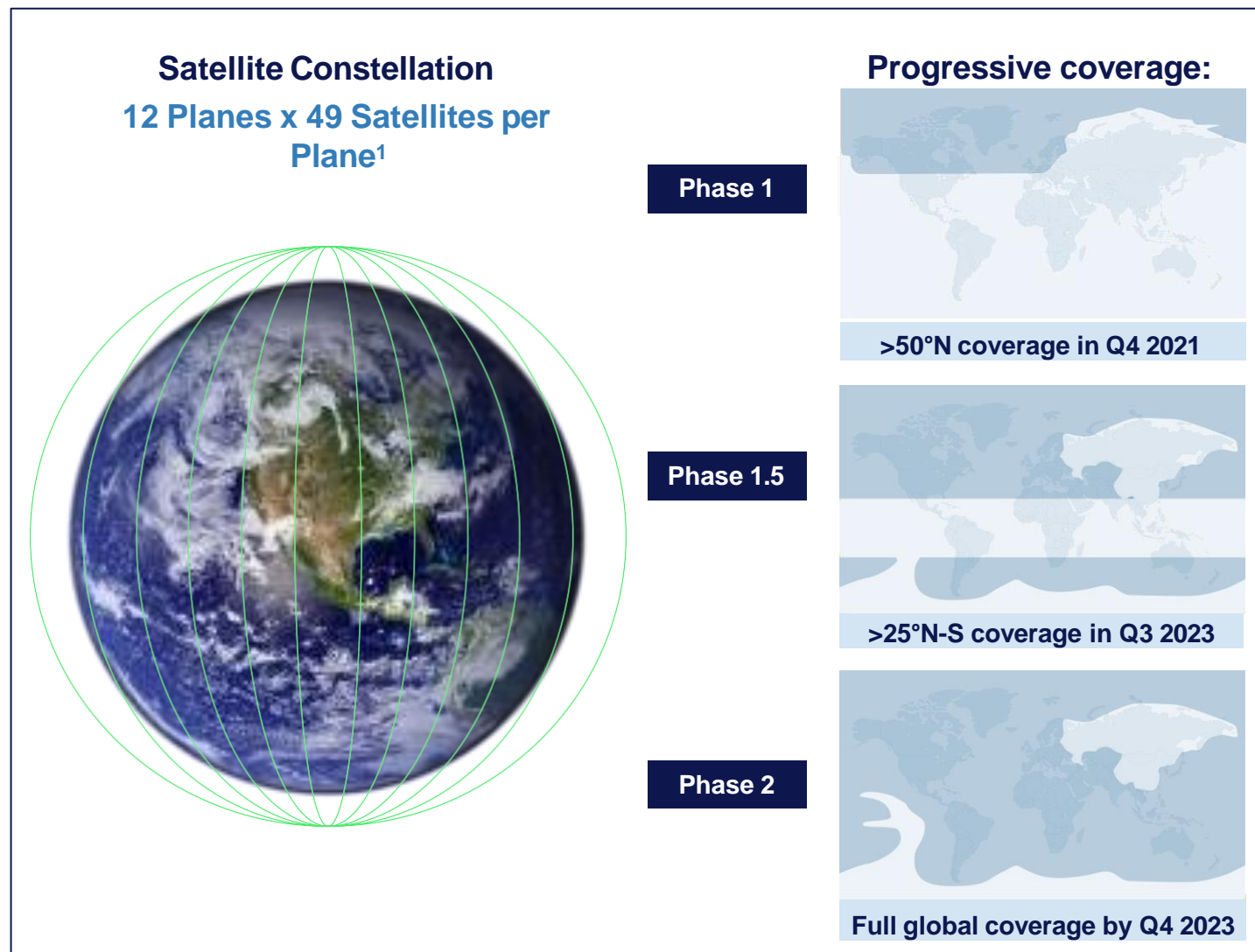
## Strong Spectrum Positioning in Ku- and Ka-bands

	 Ku-Band	Ka-Band
Bandwidth	2.5 GHz	3.3 GHz
Priority Position	1 <sup>st</sup>	High
Usage	User links	Gateway links

**Burden of coordination in Ku-band is on other operators not to interfere with OneWeb**



# EARLY MOVER GLOBAL COVERAGE ADVANTAGE



2<sup>nd</sup> largest global constellation



Generating revenues in 50° North



Two more launches required for satellite coverage 25° N-S



All remaining launches contracted



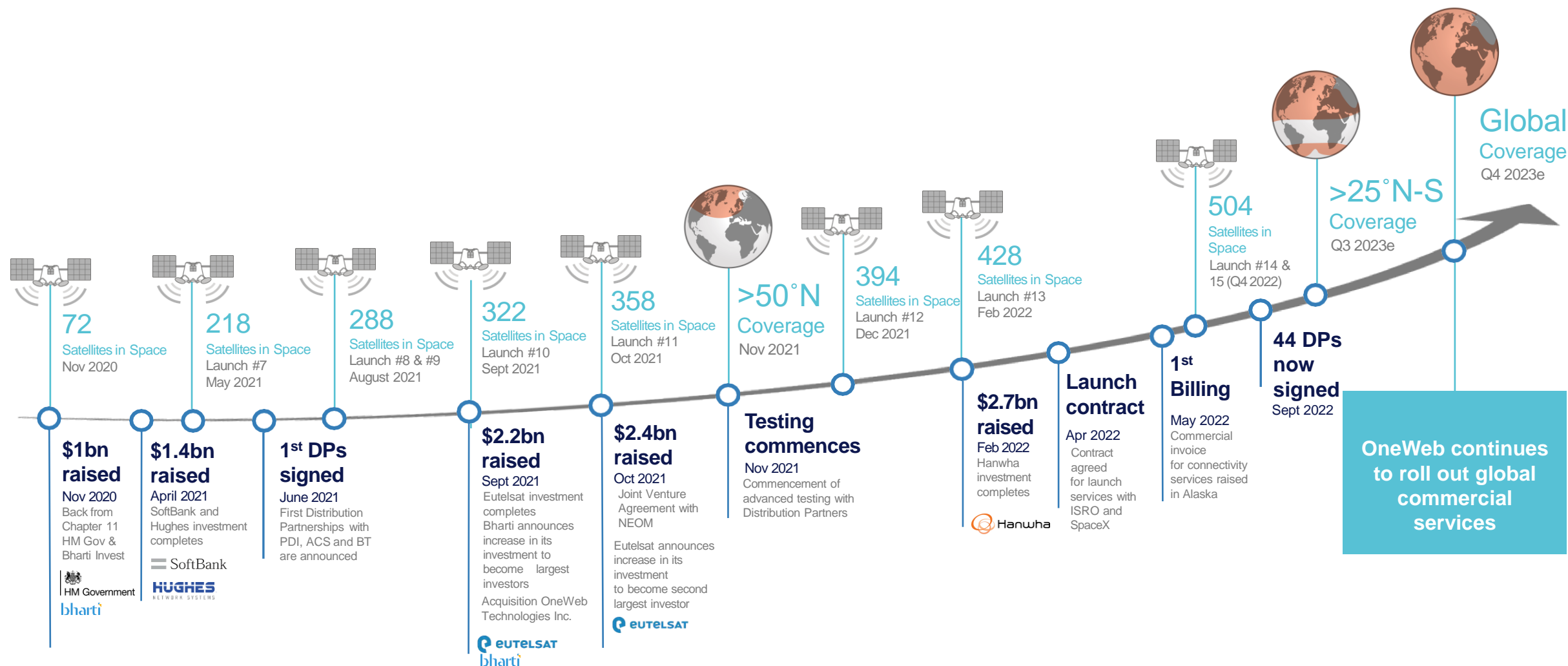
Satellites manufactured for global coverage



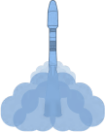


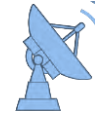

Global coverage expected by end 2023

(1) Not including in-orbit spares, for a total fleet of c. 648 satellites

# CULTURE OF RAPID EXECUTION



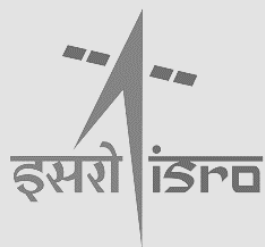
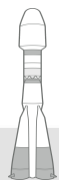
# GEN 1 IS LIVE AND FULLY FUNDED

		November 2020	October 2022 <i>Today</i>	Q4 2023e <i>Global Coverage</i>	
	Cumulative Number of Launches	3	13	18	<ul style="list-style-type: none"> <li>2/3rds of launches completed</li> </ul>
	Cumulative Number of Satellites Launched	74	428	c. 648 <sup>1</sup>	<ul style="list-style-type: none"> <li>2/3rds of satellites launched and supporting growing revenues in 50-degrees North</li> </ul>
	Cumulative Number of Satellites Manufactured	110	c. 648 <sup>1</sup>	c. 648 <sup>1</sup>	<ul style="list-style-type: none"> <li>All of the remaining satellites manufactured</li> </ul>
	Satellite Network Portals	5	13	42	<ul style="list-style-type: none"> <li>13 commissioned; 26 expected to be completed by March 2023</li> </ul>
	Distribution Partners Signed	-	44	60+	<ul style="list-style-type: none"> <li>&gt;\$600m contracted revenues</li> </ul>

(1) Final integration to take place before shipment for launch. Includes in-orbit spares

# UNDERPINNED BY PROVEN TECHNOLOGY

## Launches



## Satellites



**AIRBUS**

## Network



NOKIA



Qualcomm



ORACLE



## User Terminals



**HUGHES**

KYMETA

Intellian



 Also potential customer



# STRONG DISTRIBUTION NETWORK IN KEY VERTICALS

## GTM Strategy: OneWeb-to-Institution Sales Business Model

- ✓ Partnership with existing service providers to reach end users
- ✓ Helping our partners be a part of the solution
- ✓ Leveraging the existing ecosystem vs. disrupting

**44 distribution partners signed to date**

### Enterprise



*Signed with some of the largest Telcos and Service Providers*

### Government



*Partnered with the Key Service Providers*

### Aviation



*Partners cover majority of the Aviation segment*

### Maritime



*Partners cover majority of the Maritime segment*

# ALASKA – CONNECTING COMMUNITIES

## Regional Need

*Connectivity is not equally available in rural Alaska*

**c. 48% of the Arctic Circle  
and c. 40% of Alaskans  
have slow or no connectivity**

*Despite being the biggest state in the US, Alaska is one of the lowest ranked states in terms of internet*

Covid-19 placed unprecedented demand on existing systems like emergency response

*OneWeb office and customer demonstration centre in Anchorage*



*Local partners to serve entire Alaskan community*



*One of the largest ground station sites serving the Arctic circle*



*74 active sites connecting native communities, local services, mining companies*



# BUILDING THE PIPELINE: OVER 150 CUSTOMER TRIALS UNDERWAY



# \$2.7BN PIPELINE

## Total Pipeline

\$2.7bn



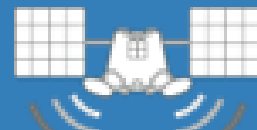
Signed  
Orders:  
\$0.6bn<sup>1</sup>

## Risk Adjusted Pipeline

\$1.9bn



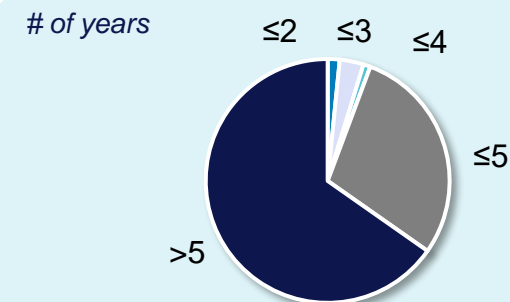
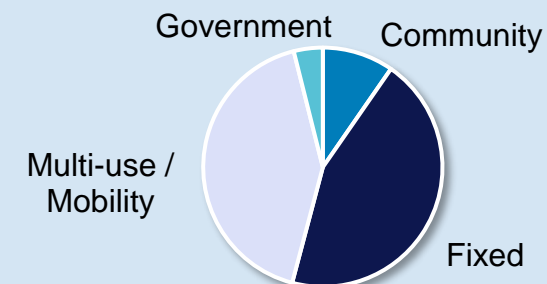
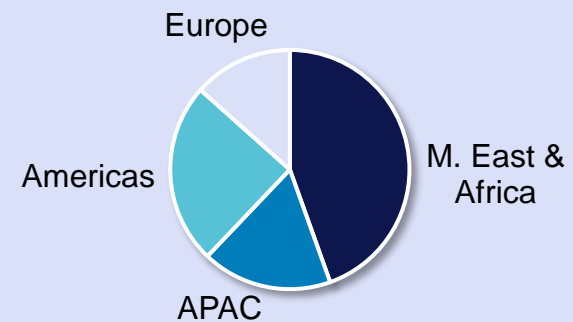
Significant  
Global Reach



Diversity of  
Use Cases
























Long Dated  
Contract Terms



(1) Including \$275m related to commercial partnerships with Eutelsat

# LEO/GEO: NOT JUST COMPLEMENTARY, BUT A MULTIPLIER

	Key decision criteria	GEO <i>HTS, Flexsat</i>	MEO <i>Equatorial</i>	LEO	LEO/GEO
	Coverage ubiquity	 Regional	 Global	 Global	 Global
	Capacity densification		 Regional	 Global	
	Resilience / availability		 Regional	 Regional	
	Latency		 Regional		
	Ease of installation / Bulkiness	 Global	 Regional		

 Low performance    High performance

# MARKET DYNAMICS

Room for a limited number of players	Challenges for new entrants
<b>Size and scale of the market</b> Market growth of 14% CAGR with NGSO CAGR of 37% <sup>1</sup>	<b>Spectrum</b> Scarcity and priority of spectrum
<b>Customers want choice</b> Breeds healthy competition	<b>Long Development and Deployment time</b> 4-5 years with high Capex and limited launch capacity
<b>Requirement for resiliency and redundancy</b> Demand for alternate service providers	<b>Landing rights and market access</b> Long-lead time to full commercial service
<b>Geo-politics</b> A single winner not accepted	<b>Skills and talents</b> High demand for small numbers of skilled talents

(1) Source: Euroconsult Satellite Connectivity and Video Market, September 2021



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4. **Significant complementarity between both partners**
5. Leveraging on proven technologies and developing Gen 2
6. Robust financials: strong growth and significant synergies
7. Next steps and Conclusion



# MERGER: THE LOGICAL NEXT STEP TO UNLOCK FULL VALUE POTENTIAL



## INITIAL INVESTMENT IN APRIL 2021

- ▶ Initial \$550m investment announced in April 2021 followed by a \$165m call option exercised in October, both closed<sup>1</sup>
- ▶ Eutelsat becomes the second-largest shareholder of OneWeb with a 22.9% stake
- ▶ Eutelsat well represented in the governance of OneWeb with 3 board seats



## DISTRIBUTION AND COMMERCIAL PARTNERSHIPS SIGNED IN 2022

- ▶ **Distribution partnership** signed in March 2022 to address key connectivity verticals **deepening cooperation**
- ▶ **Exclusive commercial partnership** addressing mainly global cruise vertical and European footprint



## JOINT TECHNICAL AND REGULATORY WORKSTREAMS ALREADY LIVE

- ▶ Common workstream to shape **the next generation systems** relying on a **hybrid GEO-LEO infra** and working jointly on Gen 2 design
- ▶ **Mutualization** of selected investments under consideration
- ▶ Leveraging Eutelsat **institutional relationships** and regulatory know-how to **accelerate** OneWeb market access

(1) \$165m call option exercised in October 2021 (\$150m call option and \$15m premium paid to Bharti), of which \$30m called as of Dec-21 and remaining \$135m to be called in upcoming quarters

# WHY NOW?

## THE RIGHT WINDOW OF OPPORTUNITY

**Accelerate OneWeb  
commercial ramp-up**

**Jointly address customer  
needs and capture  
opportunities from Day  
One**

**Minimize implementation  
costs and risks on Opex  
savings**

**Optimize right-sizing and  
Capex savings with an  
early joint design of Gen 2**

# KEY CUSTOMER BUSINESS DRIVERS IN LEO/GEO USE-CASES

LEO/GEO combination enables better services and unlocks new use cases

## For Eutelsat

- ✓ Optimize fleet
- ✓ Optimize network & capacity usage
- ✓ Provide Unique Selling Proposition
- ✓ Improve fleet resiliency
- ✓ Unlock new revenue sources



### EXPAND COVERAGE & LOCALIZED DENSIFICATION

LEO & GEO offer a truly global offering combining LEO ubiquity and GEO larger capacity over certain area



### IMPROVE RESPONSIVENESS & QUALITY OF EXPERIENCE

Enhance the overall end user experience combining LEO & GEO and performing a smart routing of traffic



### ENHANCE RESILIENCY & AVAILABILITY

To improve service performance / SLAs and minimize disruptions



### EASE ACCESS TO SERVICE

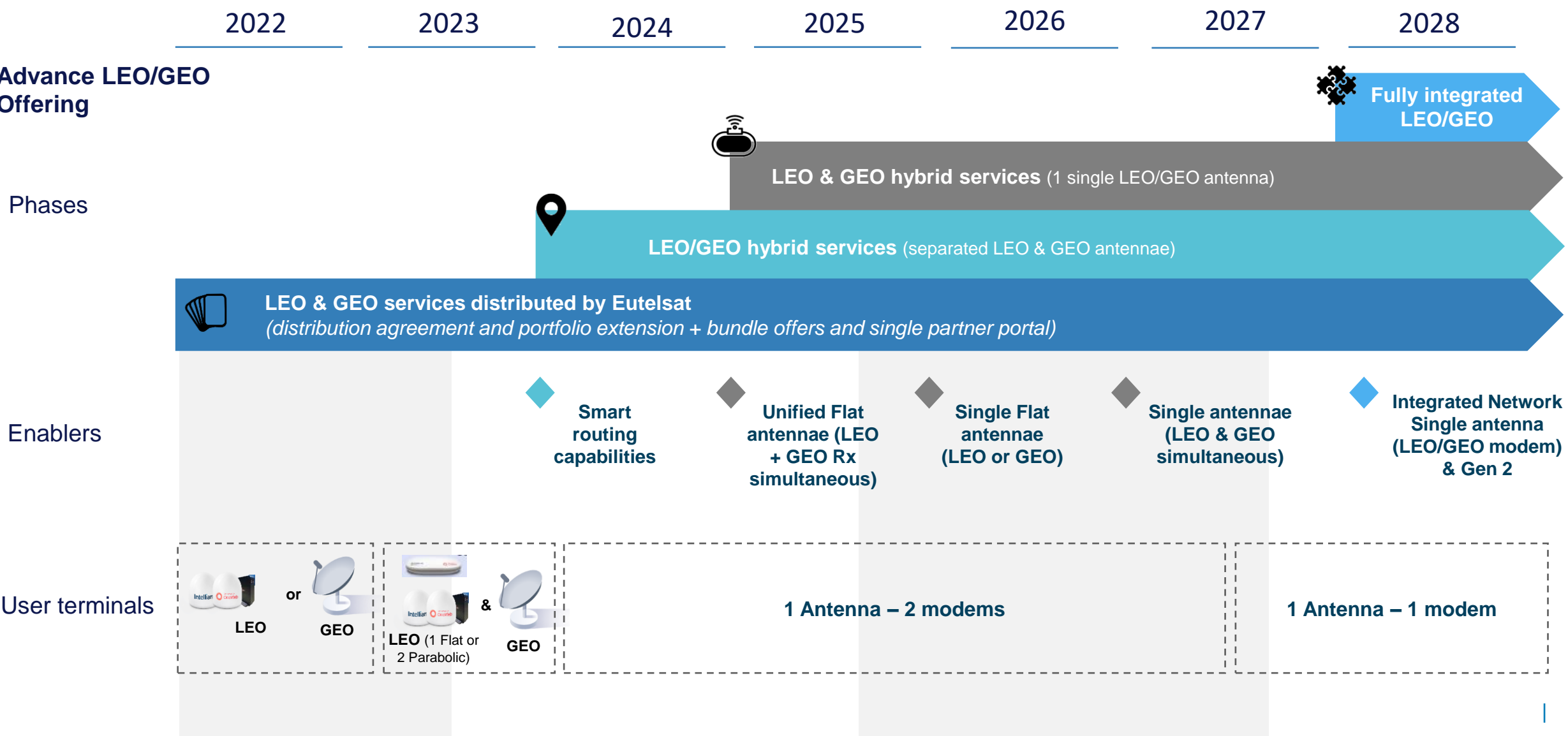
Terminal easy to procure and install at effective cost



### IMPROVE OPERATING COSTS

Improve connectivity costs for the customers via optimized routing and combined lower data costs

# CLEAR ROADMAP TO INTEGRATION



# PAVING THE WAY TO UNLOCK NEW REVENUE STREAMS

For current... and future use cases

**MARITIME**

Global Coverage & Densification

- ▶ Demand surge at peak times requiring GEO support on cruise regions for large ships
- ▶ Service continuity requiring LEO ubiquity

Business drivers



**ENTERPRISE  
OIL & GAS**

Critical Land Segments

- ▶ Group of platforms creating regional demand peaks better served by GEO
- ▶ LEO providing low latency for sensitive apps and ubiquity

Business drivers




**AVIATION**

Private 5G networks

- ▶ Need for high throughput around regional hubs and main routes requiring GEO density
- ▶ Service continuity requiring LEO ubiquity

Business drivers






**BACKHAUL**

Private 5G networks

- ▶ LEO+GEO allowing higher link availability
- ▶ LEO/GEO backup for improved resilience

Business drivers




**GOVERNMENT**

Mission critical operations

- ▶ LEO/GEO allowing higher link availability and resiliency
- ▶ Ubiquity is key for fast deployment

Business drivers






**CONSUMER  
BROADBAND**

Community Wi-Fi

- ▶ Optimization of service experience with intelligent traffic routing on hybrid LEO/GEO network (Ka VHTS when available / Ku)
- ▶ Need real plug & play terminals, for consumers and Community ISPs

Business drivers





Coverage ubiquity



Localized capacity densification



Responsiveness/ Latency



Resilience/ availability



Throughput FWD



Ease of installation/ bulkiness





# MARITIME: ENABLING COVERAGE WITH DENSIFICATION IN KEY AREAS



## CUSTOMER NEEDS

Cruise / Containers / Tankers going globally with need for high throughput around regional hubs and main routes requiring GEO density

Need of robust, reliable communications at any time



Fully integrated



Unified antenna



Hybrid service



## VALUE PROPOSITION

- ✓ Need for high throughput around regional hubs and main routes requiring GEO density
- ✓ Unified offering served in Gbps with LEO main connectivity and GEO as a back-up for Containers & Tankers and opposite for Cruise
- ✓ Intelligent traffic routing (use GEO in FWD streaming/broadcasting etc..., use LEO for latency sensitive applications)



## COMPETITIVE ADVANTAGES

### VERSUS GEO ONLY

Ubiquitous Coverage  
Latency sensitive applications

### VERSUS LEO ONLY

Optimized offering  
Increased robustness

### VERSUS STARLINK

SLAs  
Several levels of QoS



# AVIATION: IMPROVED QUALITY OF EXPERIENCE WITH DENSIFICATION AROUND REGIONAL HUBS



## CUSTOMER NEEDS

Need for an integrated service with the **best perceived quality of experience**

Need of **guaranteed throughputs** around high contended areas, like regional hubs and main routes requiring GEO density



Fully integrated



Unified antenna



Hybrid service



## VALUE PROPOSITION

- ✓ Leverage the best available network (nominal LEO/GEO in dense area) with optimized operating costs versus separate links
- ✓ Enriched responsiveness for latency-sensitive applications, like credit card authorizations, secure transactions or online buying



## COMPETITIVE ADVANTAGES

### VERSUS GEO ONLY

Improved responsiveness

### VERSUS LEO ONLY

Overall better availability

### VERSUS STARLINK

More capacity per congested area, SLAs



# GOVERNMENT: MISSION CRITICAL SURVEILLANCE OPERATIONS



## CUSTOMER NEEDS

Special forces using drones, from Tactical to MALE RPAS, needing global coverage including >70°N

Low latency & resiliency, high throughput for HD/UHD & Sensors

Various SWaP constraints compliant (Size Weight and Power)



Fully integrated



Unified antenna



Hybrid service



## VALUE PROPOSITION

- ✓ Combining LEO low latency with GEO resiliency
- ✓ High throughput in return with GEO
- ✓ Increased responsiveness with LEO for time critical applications



## COMPETITIVE ADVANTAGES

### VERSUS GEO ONLY

Low latency  
Reach in high latitudes  
Assured access

### VERSUS LEO ONLY

Resiliency  
Assured access  
Sovereign anchoring with GEO  
Critical data via GEO TRANSEC

### VERSUS STARLINK

CIR, SLAs  
Critical data via GEO TRANSEC  
Sovereign anchoring with GEO





# OFFSHORE RIG: REMOTE OPERATIONS FOR TIME CRITICAL APPLICATIONS



## CUSTOMER NEEDS

High throughput links required for offshore remote operations, with critical and unique connectivity requirements for **safety and efficiency**

Latency-sensitive applications like CCTV, video conferencing & critical asset monitoring



Fully integrated



Unified antenna



Hybrid service



## VALUE PROPOSITION

- ✓ Making offshore platforms and fields safer and more robust by using a unique combination of GEO for high throughput & SLAs and LEO for low latency applications
- ✓ Bringing the best SLAs possible for critical operations, with QoS depending on traffic types



## COMPETITIVE ADVANTAGES

### VERSUS GEO ONLY

Low latency  
Extended reach (Arctic connectivity)

### VERSUS LEO ONLY

Extended SLAs  
Optimized offering

### VERSUS STARLINK

SLAs  
Several levels of QoS

# AGENDA

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# GEN 1 DELIVERING PROVEN PERFORMANCE

## Network performance



HTS technology delivering up to 7Gbps per satellite



Satellite Operational lifetime above seven years



Robust 4G core network developed with telecom industry leaders (Qualcomm and Hughes)



Satellite failure rate <1% - one of the best in the industry



Higher look angles than other constellations leading to lower blockages



## User experience



Average global latency of 70ms

Download speeds up to 195Mbps

Upload speeds up to 32Mbps

User terminals adapted for each market

Fully managed services through its Distribution Partners

Long life, low failure rates, high customer throughput and compelling user experience



# ONEWEB GEN 1 IN ACTION

## Community Wi-Fi



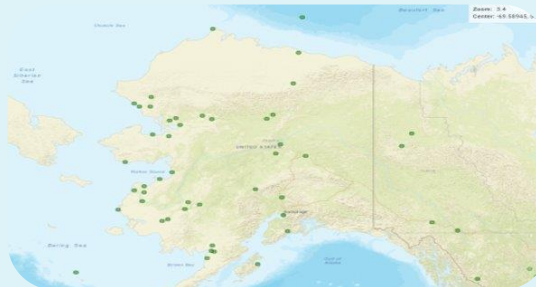
## Business Continuity



## Mining Sites



## Alaska



## Canada



## Greenland

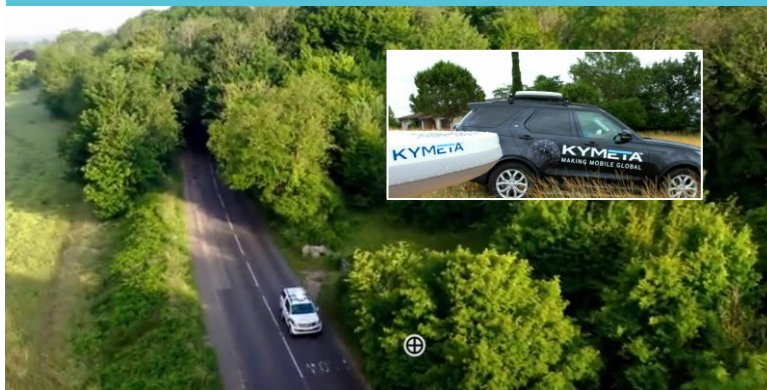
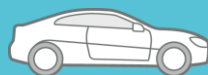


"My oldest daughter just left for summer camp and we had our first facetime. We used OneWeb. I am really grateful we can see each other. She's going to be gone three weeks. My baby's leaving. Growing up."

**Shawna Williams**  
Proud Parent

# PROVEN NETWORK PERFORMANCE FOR DEMANDING MOBILITY USE CASES

## Land



5G pilot project with UKSA and ESA:

- **Testing since 2021**
- **Backhaul seamless mobile land connectivity**
- **Connecting vehicle direct to mobile network**

Operations, Comms-on-the-Pause

## Maritime

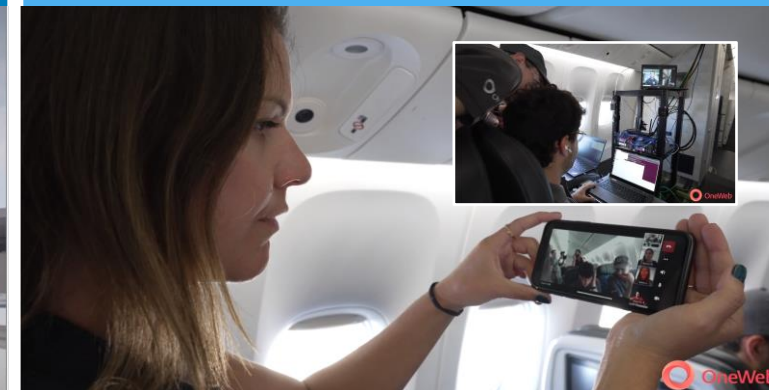


Seaborne connectivity PoC, providing seamless:

- **Voice calls**
- **Streaming**
- **Video gaming**
- **Office at sea**

Home at sea, autonomy, IoT

## Aviation

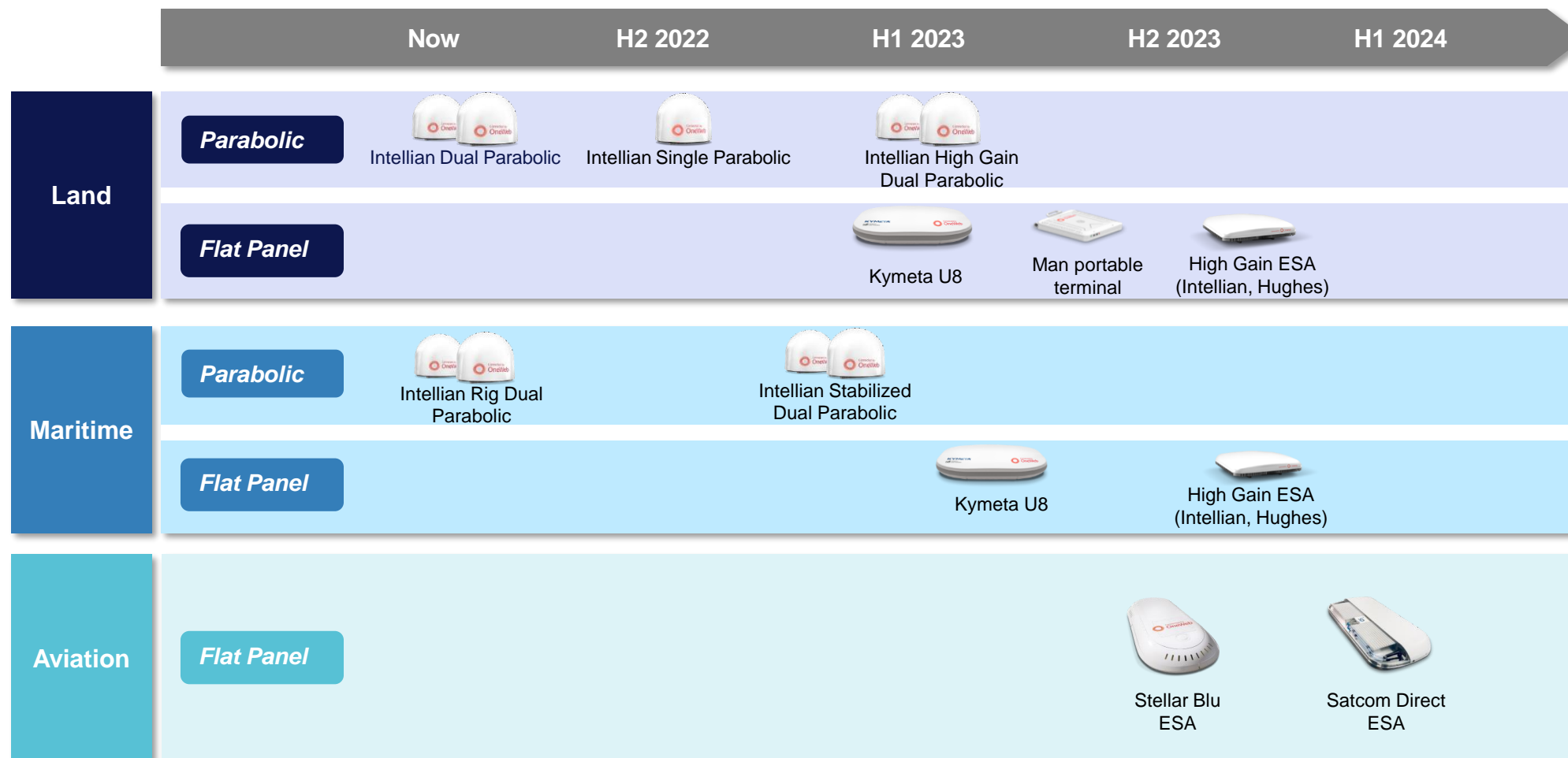


In-flight PoC on Boeing B777-200LR including:

- **MS Teams call**
- **Netflix**
- **YouTube**
- **Gaming**

Improved passenger experience, IoT

# USER TERMINALS STRATEGY – COMPETITIVE ECONOMICS

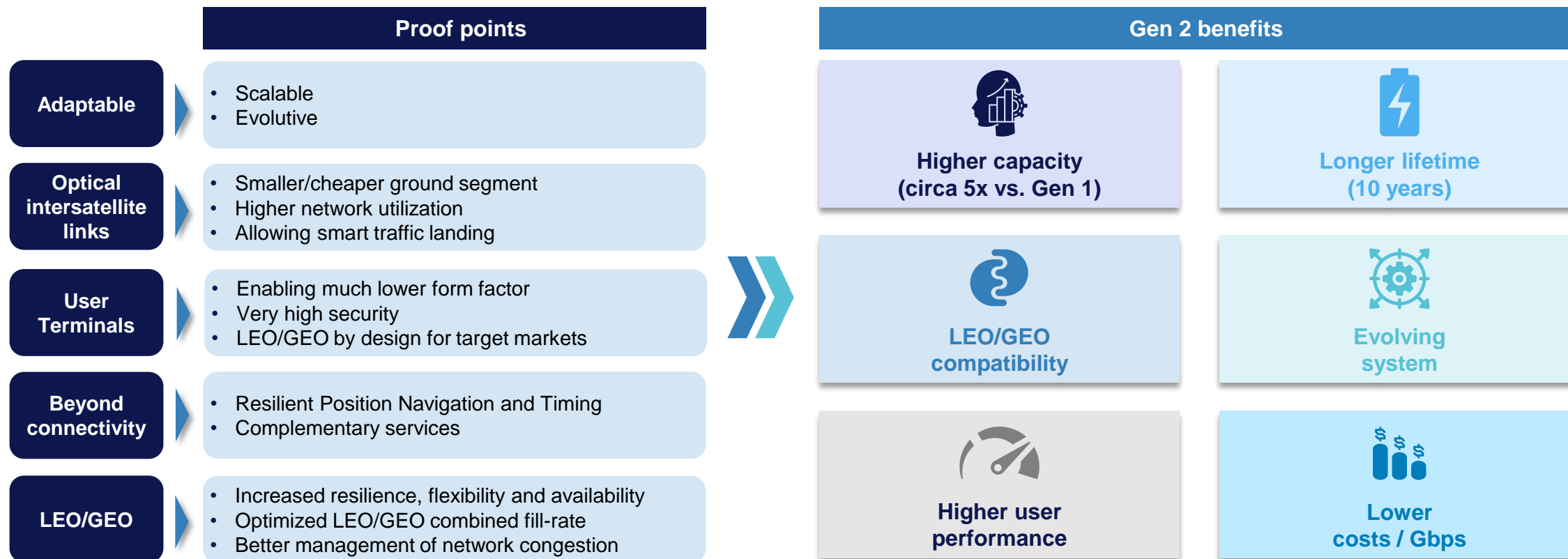


**HUGHES**

**Intellian**

**KYMETA™**

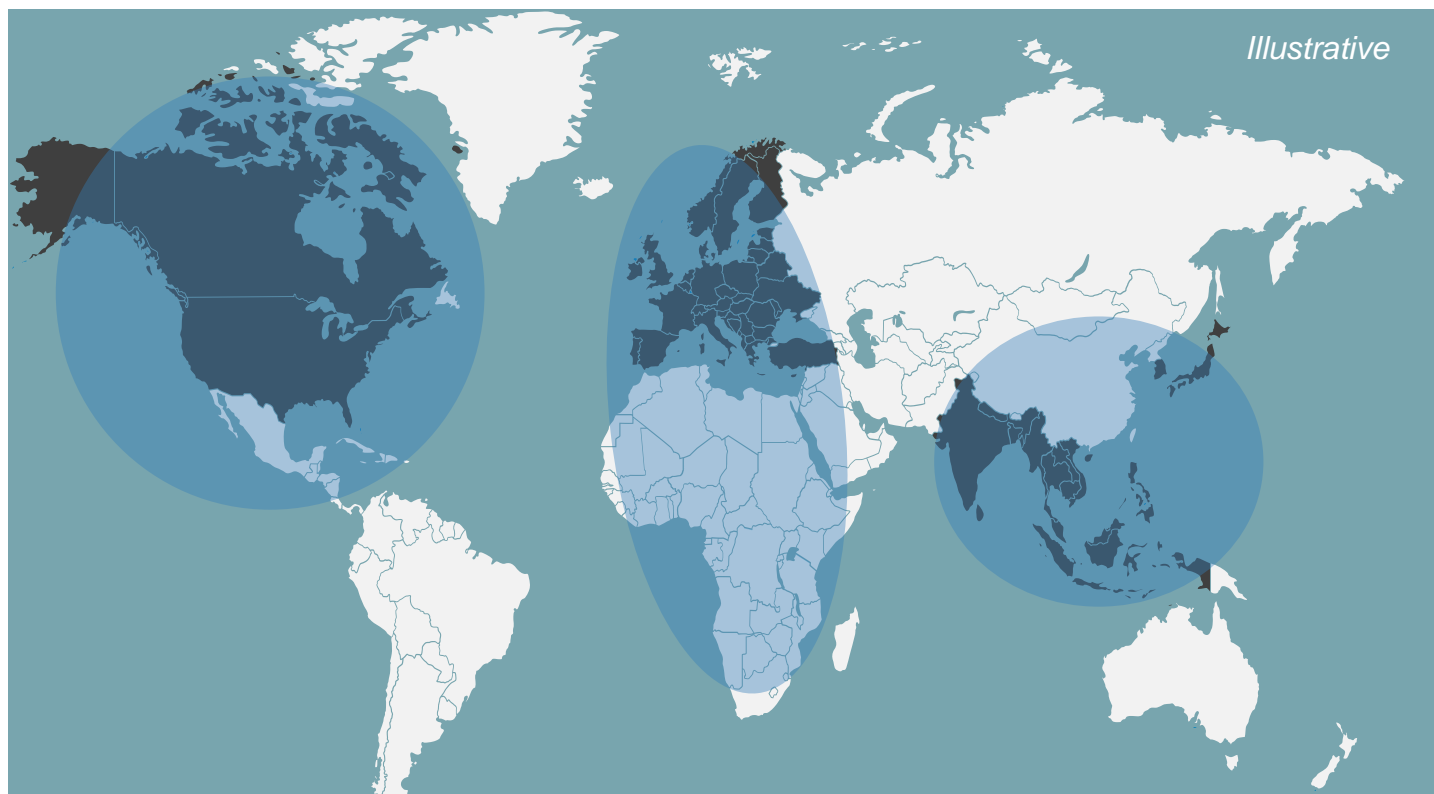
# GEN 2 INNOVATIONS OPENING NEW REVENUE OPPORTUNITIES



**Gen 2 will open new market opportunities following its targeted commercial launch by early 2028**



# CAPEX SAVINGS FROM RIGHT-SIZING OF GEN 2 CONSTELLATION



Eutelsat GEO High Throughput Satellites

OneWeb LEO satellites



## CAPEX OPTIMIZATION POTENTIAL

- ▶ High volumes of connectivity demand concentrated in **specific geographical areas**
- ▶ On a stand-alone basis, LEO constellations able to accommodate such local demand peaks only at the **cost of deploying significant capacity on a global scale**
- ▶ **GEO satellites fit to complement LEO with targeted capacity over high-demand areas: ~70% of the internet traffic coming from video, well suited for GEO (mostly forward and not latency-sensitive)**
- ▶ Hybridization of networks enabling a downscaling of the LEO constellation: **optimized LEO/GEO combination enabling higher fill-rates**

# GEN 2: A COMPELLING ECONOMIC PROSPECT

**Far cheaper than building a LEO constellation from scratch**

**Re-use of Gen 1 on-ground infrastructure**

**Benefiting from Gen 1 know-how and skill-set**

**BIU<sup>1</sup> filings<sup>2</sup> enabling highest priority rights**

**Estimated saving of \$1.5 to \$1.8bn**

**Significant advantage over new LEO entrants**

**Spectrum**

**Landing rights**

**Massively de-risked through existing customer base**



# CONCLUSION – LEVERAGING ON STRONG TECHNOLOGICAL NGSO FEATURES



**Gen 1 is a proven technology already serving customers**



**Gen 1 experience and combination with GEO will bring strong cost advantage**



**Gen 2 will open additional market opportunities**



**Capex will be reduced post Gen 2 deployment**

# AGENDA

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# EUTELSAT KEY METRICS AND OUTLOOK

FY Jun-22 figures



Backlog

€4.0bn

3.5 years of revenue



Revenue

€1,152m

Between €1,150 to €1,180m in FY23<sup>1</sup>  
Growth from FY24



EBITDA

€862m

FY22 EBITDA margin of 74.8%



Cash Capex

€(280)m

Not exceeding €(400)m<sup>2</sup> per annum for each of the next two fiscal years (FY23 / FY24)



Adjusted DFCF

€460m






Average of €420m per annum over the next two fiscal years (FY23 / FY24)<sup>3</sup>

(1) Based on a €/€ rate assumption of 1.00 and current perimeter and on the nominal deployment plan outlined below. It assumes no material deterioration of revenues generated from Russian customers.

(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 mentioned in the press release.

# EUTELSAT Q1 2022-23: TOTAL REVENUES OF €287M, DOWN 4.5%

		REVENUE CONTRIBUTION <sup>1</sup>	REVENUES (€m)	LIKE-FOR-LIKE <sup>2</sup> YOY CHANGE	LIKE-FOR-LIKE <sup>2</sup> QOQ CHANGE
	BROADCAST	59%	170	-7.4%	-3.4%
	DATA & PROFESSIONAL VIDEO	14%	41	-2.4%	-2.4%
	GOVERNMENT SERVICES	12%	35	-17.7%	-8.2%
	FIXED BROADBAND	6%	19	+21.1%	-15.7%
	MOBILE CONNECTIVITY	9%	26	+31.4%	+8.7%
TOTAL OPERATING VERTICALS			291	-4.3%	-3.8%
OTHER REVENUES			(3)	-€6m <sup>3</sup>	-€1m <sup>4</sup>

<sup>1</sup> Share of each application as a percentage of total revenues excluding "Other Revenues".

<sup>2</sup> At constant currency and perimeter

<sup>3</sup> Of which -€5m related to hedging revenues

<sup>4</sup> Of which €1.5m related to hedging revenues

# ONEWEB KEY METRICS

Last twelve months figures  
as of 30/09/2022<sup>1</sup>



Backlog

>\$600m<sup>2</sup>

Significant backlog from existing orders and ToP agreements; 5 years average maturity



Revenue

\$21m

Presently generated from North America; other geographies to follow



EBITDA

\$(198)m

EBITDA expected to reach breakeven during FY25e



Gen 1  
Cash Capex

\$(710)m<sup>3</sup>

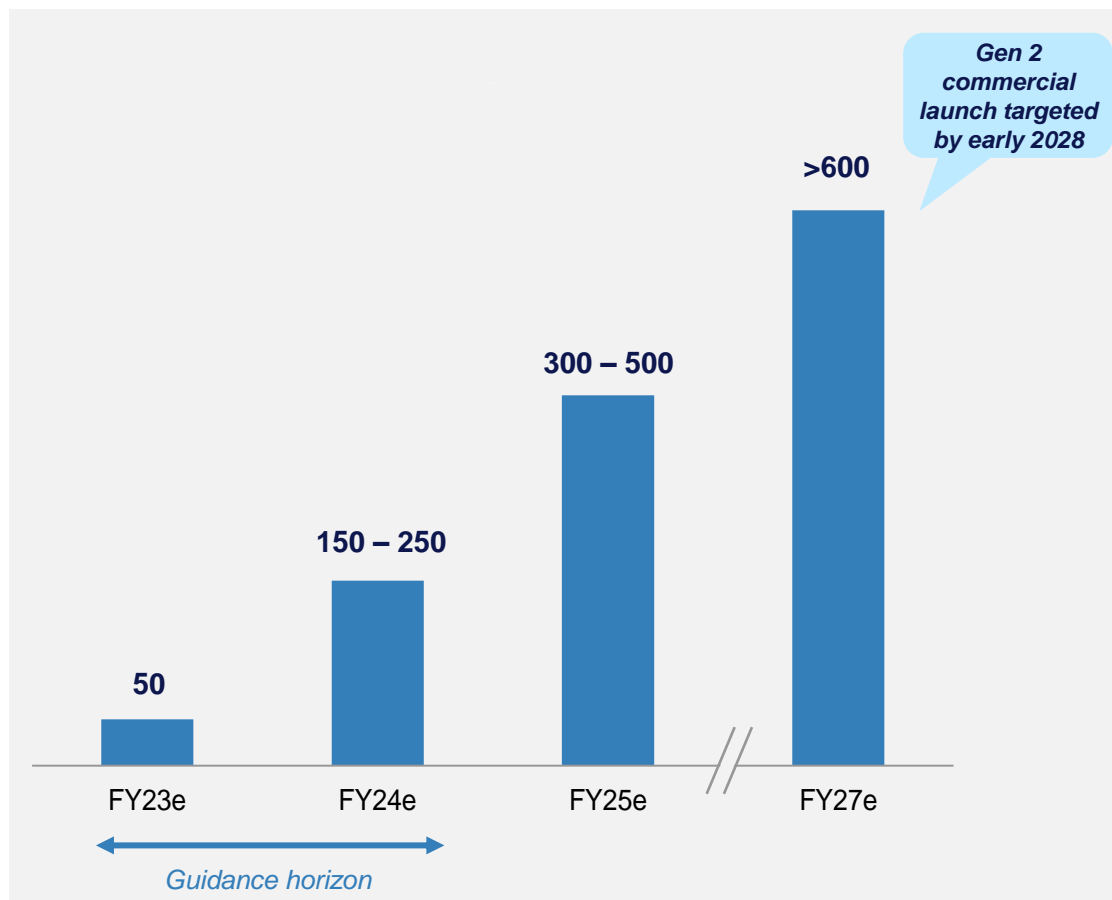
Cumulative Gen 1 Capex of \$4.5bn to date, representing 90%; completion expected in mid-2023. Capex savings: c. \$2.3bn

Gen 1 system build-out fully funded via equity

(1) Unaudited numbers based on OneWeb management's reasonable assumptions and adjustments; (2) Including \$275m related to commercial partnerships with Eutelsat; (3) Cash Capex

# OVERVIEW OF ONEWEB REVENUE PROSPECTS

## OneWeb standalone revenue prospects before synergies (€m)



## Key enablers

### Coverage

50° N Latitude now  
Global during FY24

### Sellable Capacity

130 Gbps now  
1.1 Tbps during FY24

### Distribution Partners

44 signed to date  
and increasing

### Verticals

Fixed segment now  
Aviation, Maritime, and  
Government during FY24

### User Terminals

2 models now  
more than 12 models  
during FY24

### Revenue Ramp-Up

Strong pipeline of \$2.7bn  
>\$600m<sup>1</sup> orders confirmed

All figures in €m at June year end figures with €/\$ parity

Calendarized as of Jun-30

(1) Including \$275m related to commercial partnerships with Eutelsat



# GENERATING STRONG VALUE CREATION

## REVENUE SYNERGIES

Average annual expected  
Revenue synergies of  
**c. €150m**  
by Year 4

## COSTS SYNERGIES

Annual expected run-rate  
Pre-tax cost synergies  
**Over €80m**  
by Year 5

## CAPEX SYNERGIES

Average expected annual  
Capex synergies of  
**c. €80m**  
From Year 1

## NPV OF SYNERGIES Over €1.5bn

After tax  
Net of implementation costs

- ▶ Low execution risk
- ▶ Balanced between Revenue, Costs and Capex synergies

# ANNUAL REVENUE SYNERGIES OF c. €150M ON AVERAGE BY YEAR 4

## Acceleration of commercial ramp-up

- ▶ Leverage **Eutelsat sales forces, geographical reach and existing customer base** to accelerate commercial ramp-up
- ▶ Accelerated **time-to-market** for OneWeb products

## Combined offers

- ▶ LEO/GEO **bundle offers, creating up-selling / cross-selling opportunities**
- ▶ **One-stop-shop** for customers looking both for **ubiquity and capacity density**

## Integrated new offers

- ▶ **Single hybrid LEO/GEO terminal** unlocking new use cases and revenue opportunities
- ▶ Flexible service catalog tailored to each market
- ▶ **Seamless unified customer experience**, unique in the industry

Average annual revenue synergies of **c. €150m** by Year 4

# COST SYNERGIES OF > €80M p.a. BY YEAR 5

- ▶ Opex optimization coming mostly from **avoidance of costs ramp up and cost duplication** between the two entities
- ▶ Synergies including personnel as well as non personnel costs, **but no layoffs required to achieve target**
- ▶ **Limited implementation costs** and **low execution risks**

## Technical

- ▶ Operations optimization (teleports and ground infrastructure rationalization, consolidation of operation centers, level 1 support teams and associated IT systems)
- ▶ Mutualization of engineering departments, including related office costs

## Commercial

- ▶ Pooling of connectivity sales forces (esp. Government, Maritime, Aviation), including related office and travel costs
- ▶ Optimization of marketing spends

## General & Administrative

- ▶ Finance, HR, Legal, Central IT and Purchasing functions, including related office costs

Annual expected  
run-rate pre-tax  
cost synergies  
**over €80m**  
by Year 5

# CAPEX SYNERGIES OF c. €80M p.a. FROM YEAR 1

## Right-sizing of LEO Gen 2 constellation

- ▶ Leveraging **hybrid LEO/GEO satellite infrastructure** to unlock **Gen 2 rationalization** vs. stand-alone plan
- ▶ **Targeted GEO capacity to address regional demand peaks / non-latency-critical traffic**, also leveraging lower Capex/Gbps of GEO (V) HTS compared to LEO
- ▶ Hybrid infrastructure requiring **fewer total satellites** and/or **smaller satellites**, enabling **higher fill-rates**

## Rationalization of long-term GEO fleet

- ▶ **Rationalization** of long-term GEO fleet
  - Focused on Video hotspots and ad hoc complements to LEO capacity
  - Traffic from **legacy GEO connectivity assets largely migrated to LEO**
  - >5 GEO connectivity satellites **reaching end of life over 2028-35**
- ▶ Resulting **lower long-term Capex**, even after Gen 2 deployment

## Ground rationalization

- ▶ Mutualization of **ground infrastructure** (operation centers, teleports, baseband, fibers)
- ▶ Convergence of **IT systems** and synergies on infrastructure development costs

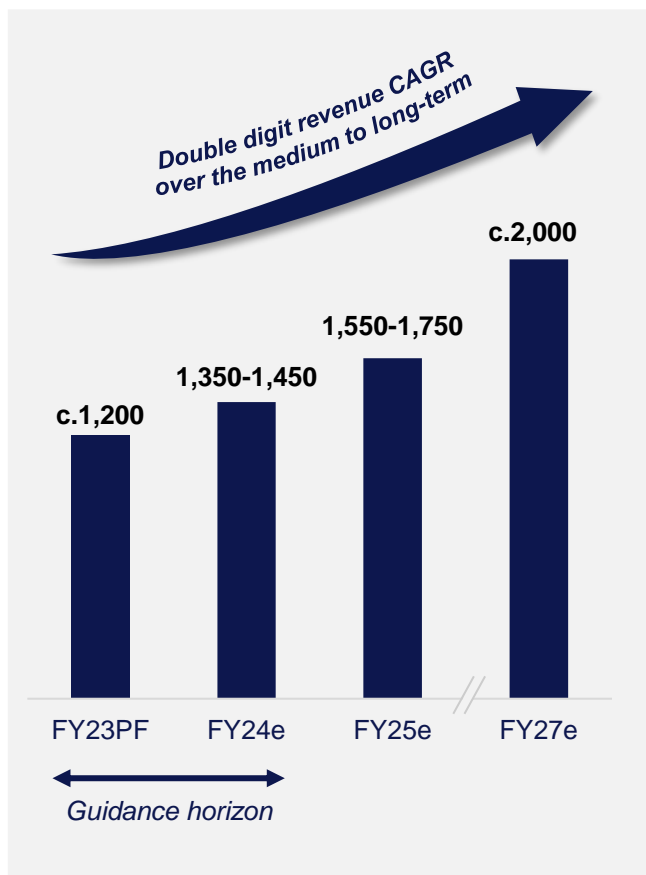
## Scale impact

- ▶ **Improvement of purchasing efficiency** linked to larger procurement volumes, applicable to both satellite manufacturing and launch services

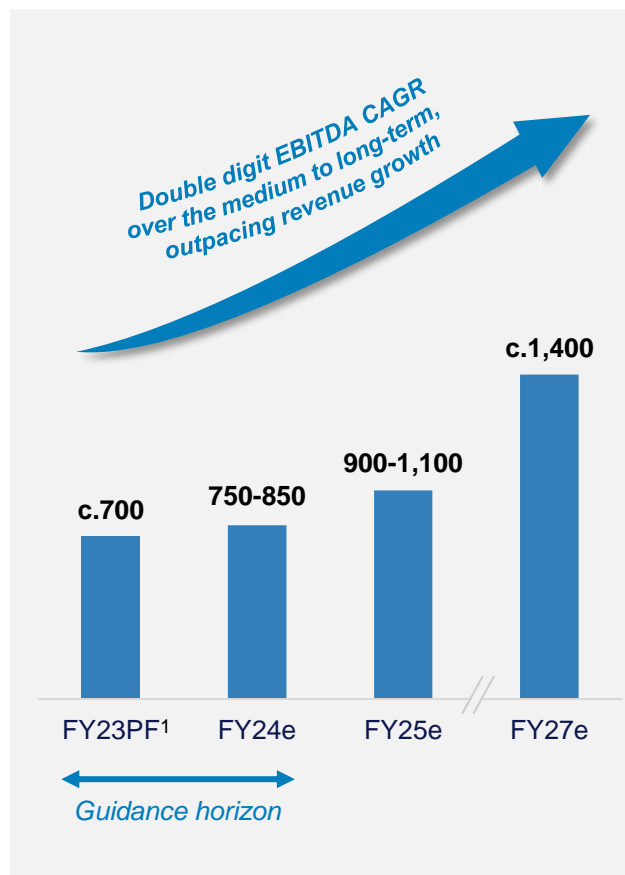
Average expected annual Capex synergies of  
**c. €80m**  
from Year 1

# GROWTH AND DELEVERAGING PROSPECTS

## Revenues (€m)



## EBITDA (€m)



## Capex

- ▶ Front-end loaded Capex with average of €725 – 875m p.a. over FY24 - FY30 including synergies
- ▶ EBITDA-Capex back in positive territory in FY25 - FY26 depending on Gen 2 Capex phasing
- ▶ Post Gen 2 deployment Capex will consist of upgrade, replacement and maintenance of existing fleet

## Leverage



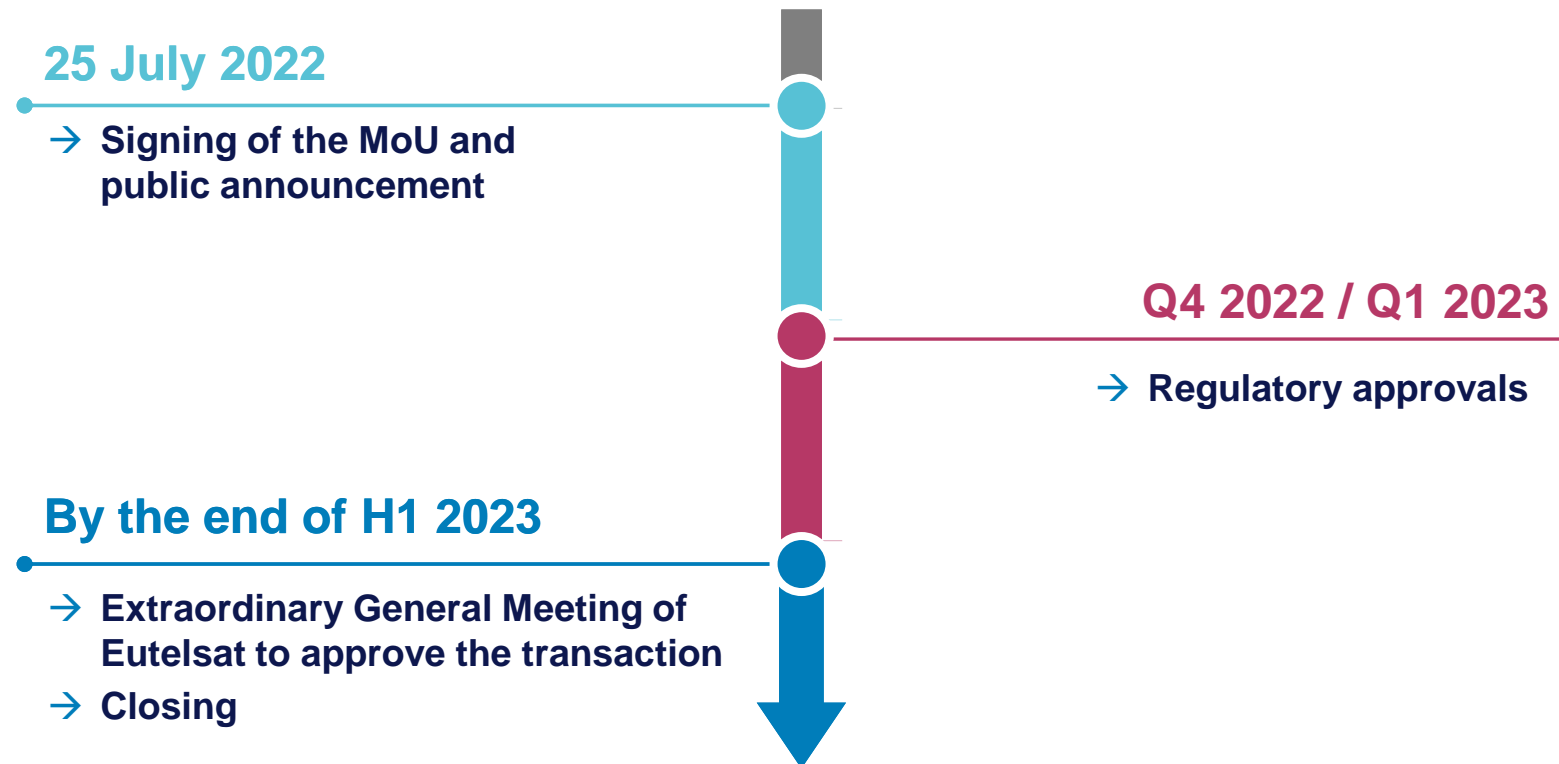
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# INDICATIVE TRANSACTION TIMELINE



► **Closing of the transaction expected by end of H1 2023, conditional upon:**

- Signing of definitive agreements
- Customary regulatory approvals
- Eutelsat EGM approval
- Approval from the French stock market authority on the prospectus

# TRANSFORMATIONAL GROWTH AND VALUE OPPORTUNITY



Q&A

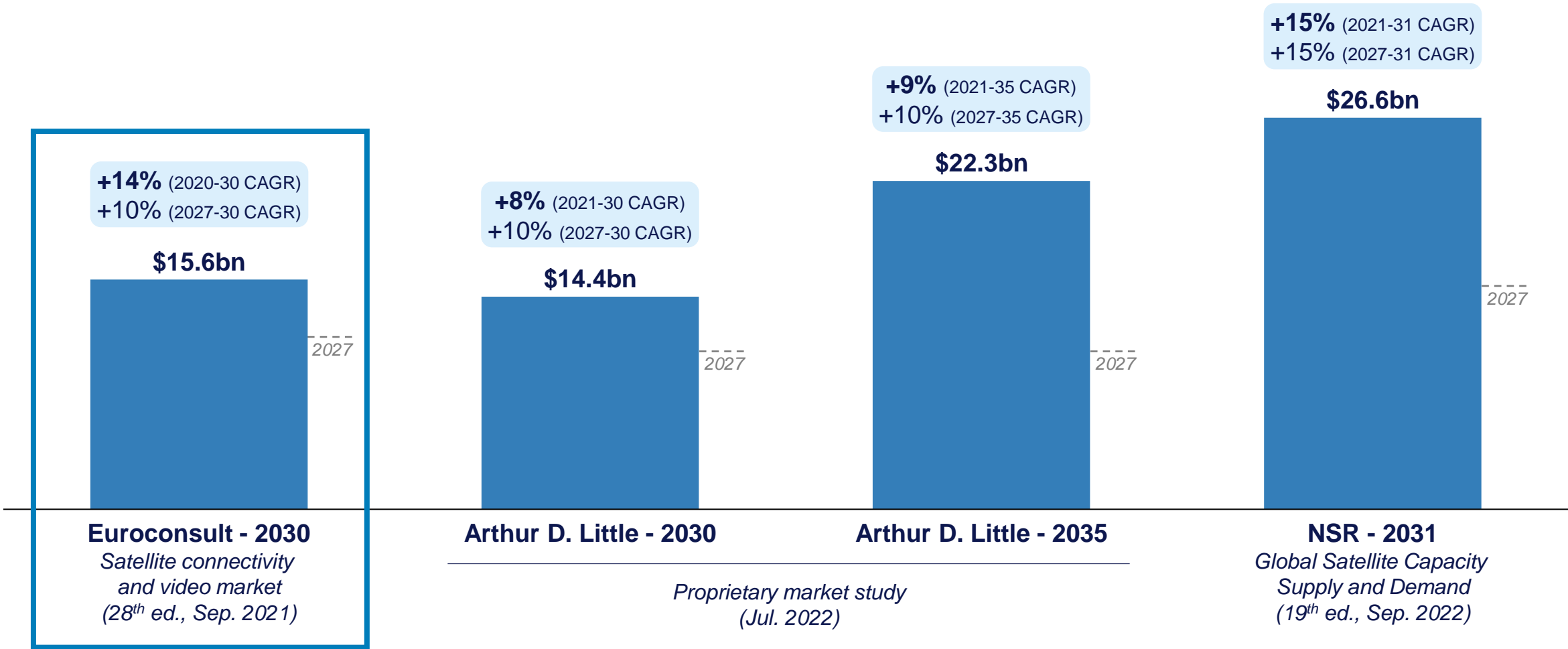


# Appendix



# BESIDES EUROCONSULT, OTHER STUDIES POINT TOWARDS A LARGER MARKET OPPORTUNITY FOR SATELLITE CONNECTIVITY

## Satellite connectivity market opportunity



Reference data