

FIRST QUARTER 2022-23 REVENUES

- *Operating Verticals revenues of €291 million, down 4.3%¹, in line with the mid-point of Full Year objectives*
- *Continued robust double-digit growth in Fixed Broadband and Mobile Connectivity*
- *All financial objectives confirmed*
- *Successful launch of KONNECT VHTS paving the way for connectivity-driven return to growth*

Paris, 12 October 2022 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL) reports revenues for the First Quarter ended 30 September 2022.

In € millions	Q1 2021-22	Q1 2022-23	Change	
			Reported	Like-for-like ²
Broadcast	177.6	170.1	-4.2%	-7.4%
Data & Professional Video	38.4	41.1	+7.0%	-2.4%
Government Services	37.0	34.7	-6.2%	-17.7%
Fixed Broadband	14.6	18.7	+28.1%	+21.1%
Mobile Connectivity	17.1	25.9	+51.5%	+31.4%
Total Operating Verticals	284.8	290.5	+2.0%	-4.3%
Other Revenues ³	2.6	(3.1)	NR	NR
Total	287.3	287.4	+0.0%	-4.5%
EUR/USD exchange rate	1.18	1.02		

Eva Berneke, Chief Executive Officer of Eutelsat Communications, said: “*First Quarter Revenues are in line with our expectations, and we confirm our financial objectives for the current and subsequent years. Despite limited available capacity at this stage, we continue to record a strong double-digit growth in Fixed Broadband and Mobile Connectivity highlighting the massive long-term potential for both applications, while our mature broadcast activities declined in line with expectations.*”

We made further strong progress in the implementation of our Telecom Pivot with the completion of the implementation of our new organization, aligned along two business lines – Broadcast and Connectivity, and new leadership in place for each business unit. The creation of two business units will enhance customer-centricity, boost efficiency and foster growth.

Finally, the successful launch of the KONNECT VHTS satellite in September is a crucial milestone for our Connectivity-driven return to growth, bringing unprecedented levels of capacity to the European markets, some of it already pre-sold.”

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

² Change at constant currency and perimeter. The variation is calculated as follows: i) Q1 2022-23 USD revenues are converted at Q1 2021-22 rates; ii) Hedging revenues are excluded from Other Revenues.

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

HIGHLIGHTS

- **Operating Vertical revenues** of €291m, down -4.3% like-for-like on a year-on-year basis, in line with the mid-point of our full-year objective.
- Continued robust double-digit growth in **Fixed Broadband** (+21.1%) and **Mobile Connectivity** (+31.4%) highlighting the long-term potential of both applications.
- Successful launch of **EUTELSAT KONNECT VHTS** on 7th September.
 - Bringing 500 Gbps of incremental capacity over Europe.
 - Major firm precommitments from Orange, Telecom Italia Mobile and Thales Alenia Space, totalling c. €450m in backlog.
 - Largest driver of our Connectivity-driven future return to growth.
- Progress in the implementation of the **new organization** along two business lines, Video and Connectivity, as part of the 'Comete' project.
 - New organization partially in place since 1st September.
 - Reorganization to enhance customer-centricity, gain efficiency and accompany return to growth.
 - Laurence Delpy and Cyril Dujardin respectively appointed as General Manager of the Video Business Unit and as General Manager of the Connectivity Business Unit.
- All **financial objectives** for current and next fiscal year confirmed.

FIRST QUARTER REVENUES⁴

Total revenues for the First Quarter stood at €287 million, stable on a reported basis, and down by 4.5% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €291 million. They were down by 4.3% on a like-for-like basis excluding a positive currency effect of c.+6 points. There were no perimeter effects this quarter.

Quarter-on-quarter, revenues of the five Operating Verticals were down by 3.8% like-for-like.

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

Broadcast (59% of revenues)

First Quarter Broadcast revenues amounted to €170 million, down 7.4% year-on-year. They reflected mostly the carry-forward effect of the partial renewal of capacity with Nilesat at 7/8° West in October 2021. Excluding the 7/8° West impact, revenues were down at a low-single digit pace.

On a quarter-on-quarter basis, revenues were down by 3.4%, partially explained by one-off effects due to the phasing of contracts.

Looking ahead, the impact of the Nilesat headwind will wash out from mid-October 2022; however, revenues will be impacted by the anticipated non-renewal of a capacity contract with Digitürk from mid-November leading to an overall mid-single-digit decline for this application for the Full Year.

⁴ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

Data & Professional Video (14% of revenues)

First Quarter Data & Professional Video revenues stood at €41 million, down by 2.4% year-on-year.

Professional Video, which now represents less than a third of revenues for this application, faced a mid-single-digit decline, while Fixed Data revenues were in slight decline, with improved volume trends now offsetting most of the negative impact of competitive pressure.

Quarter-on-quarter, revenues were down by 2.4%, reflecting in particular the seasonality of 'Occasional Use'.

On the commercial front, the EUTELSAT KONNECT satellite was selected by Liquid Intelligent Technologies to provide connectivity services to Small and Medium Enterprises (SME) and Small Office / Home Office (SOHO) customers across Uganda, South Sudan, and the Democratic Republic of Congo.

Over the Full Year, the Data & Professional Video revenue trend is expected broadly in line with the mid-single digit decline reported in FY 2021-22.

Government Services (12% of revenues)

First Quarter Government Services revenues stood at €35 million, down 17.7% year-on-year. This reflected mostly the negative carry-forward effect of US Government renewals, only partially offset by the contribution of EUTELSAT QUANTUM, where most of the incremental capacity has been booked in the Mobile Connectivity vertical.

On a quarter-on-quarter basis, revenues were down by 8.2%, due to the transfer of capacity sold on EUTELSAT QUANTUM from the Government vertical to the Mobile Connectivity vertical in our reporting.

The latest renewal campaign with the US Government (Fall 2022) resulted in an estimated renewal rate of around 65%.

Over the Full Year, the revenue trend for Government Services will reflect the carry-forward effect of Fall renewals as well as the re-allocation of EUTELSAT QUANTUM revenues to other verticals. It will also depend on the outcome of the Spring 2023 renewal campaign with the US Government.

Fixed Broadband (6% of revenues)

First Quarter Fixed Broadband revenues stood at €19 million, up 21.1% year-on-year. This reflects the carry-forward effect of the November 2021 wholesale agreement with Hispasat, the contribution of the multi-beam agreement signed last year on EUTELSAT 65 West A with several Mexican service providers, as well as, to a lesser extent, continued progress at our African operations.

On a quarter-on-quarter basis, revenues were down by 15.7%, reflecting in particular a €2.5 million positive one-off booked in the Fourth Quarter of last year.

Over the Full Year, Fixed Broadband will keep growing, albeit at a slower pace compared to the massive double-digit growth recorded in FY 2021-22 (+36.0%), as the comparison basis will gradually reflect the above-mentioned agreements with Hispasat and Mexican service providers. Growth is expected to re-accelerate in FY 2023-24 on the back of the entry into service of KONNECT VHTS.

Mobile Connectivity (9 % of revenues)

First Quarter Mobile Connectivity revenues stood at €26 million, up 31.4 % year-on-year. This reflected, continued progress in Maritime driven by the agreement with Telenor in the cruise segment as well as the contribution of EUTELSAT QUANTUM with two beams commercialized for incremental capacity in this vertical.

On a quarter-on-quarter basis, revenues were up by 8.7%.

Over the Full Year, Mobile Connectivity will record double-digit growth albeit at a slower pace compared to the First Quarter as the comparison basis will gradually reflect some of the above-mentioned incremental contracts.

Other Revenues

'Other Revenues' amounted to (€3) million in the First Quarter versus €3 million a year earlier and (€2) million in the Fourth Quarter of FY 2021-22. They included a negative impact from hedging operations of (€5) million in the First Quarter (compared to no substantial impact in the First Quarter last year and a negative impact of (€7) million in the Fourth Quarter last year).

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders at 30 September 2022 stood at 1,359 units, down 17 units year-on-year, the latter reflecting principally the end of life in stable orbit of EUTELSAT 174A. The number of utilized transponders stood at 990 units, up 6 units year-on-year, reflecting principally the ramp-up of the maritime connectivity vertical, partially offset by the renewal campaigns with the US Government as well as the partial renewal with Nilesat.

As a result, the fill rate stood at 72.9% compared with 71.5% a year ago and 73.2% at end-June 2022.

	30 Sep 2021	30 Jun 2022	30 Sep 2022
Operational transponders ⁵	1,376	1,361	1,359
Utilized transponders ⁶	984	996	990
Fill rate	71.5%	73.2%	72.9%

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity

BACKLOG

The backlog stood at €3.9 billion at 30 September 2022, versus €4.2 billion at end-September 2021 and €4.0 billion at end-June 2022. The backlog was equivalent to 3.4 times FY 2021-22 revenues, with Broadcast representing 61%.

	30 Sep 2021	30 Jun 2022	30 Sep 2022
Value of contracts (in billions of euros)	4.2	4.0	3.9
In years of annual revenues	3.4	3.5	3.4
Share of Broadcast	64%	62%	61%

Note: The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

⁵ Number of transponders on satellites in stable orbit, back-up capacity excluded.

⁶ Number of transponders utilized on satellites in stable orbit.

OUTLOOK AND FINANCIAL TARGETS

The First Quarter performance was in line with our expectations enabling us to confirm our FY 2022-23 objective of revenues of the five Operating Verticals of between €1,150-1,180 million⁷.

All other objectives are also confirmed as follows:

- Thanks to new capacity including notably the firm precommitments secured on EUTELSAT KONNECT VHTS and EUTELSAT 10B, revenues are expected to grow from FY 2023-24.
- Cash Capex⁸ will not exceed €400 million per annum for each of the next two fiscal years (FY 2022-23 / FY 2023-24).
- The Group will continue to leverage all measures to maximise cash generation with an objective of Adjusted Discretionary Free Cash Flow expected at an average of €420 million per year at a €/€ rate of 1.00 for FY 2022-23 and FY 2023-24. Adjusted DFCF objectives exclude future payments related to the exclusive commercial partnership with OneWeb signed in July.
- We remain committed to a sound financial structure and continue to target a medium-term net debt / EBITDA ratio of around 3x.
- A €0.93 per share dividend will be proposed to the upcoming AGM with a scrip option. Beyond that, the dividend will be suspended in the context of the proposed merger with Oneweb.

This outlook is based on the nominal deployment plan outlined below. It assumes no material deterioration of revenues generated from Russian customers. It is a standalone outlook and does not take account of the proposed merger with OneWeb.

FLEET DEPLOYMENT

Nominal deployment programme

There are slight changes to the nominal deployment plan since the last quarterly update in July 2022 with the entry into service of EUTELSAT HOTBIRDS 13G and 13F now expected in Q2/Q3 versus H1 previously.

Satellite	Orbital position	Estimated entry into service (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	Of which expansion
EUTELSAT 10B	10° East	Q3 2023	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10 C >100 Ku spot beams	-48 Ku c. 35 Gbps
EUTELSAT HOTBIRD 13G	13° East	Q2/Q3 2023	Broadcast	Europe MENA	80 Ku ¹ EGNOS payload	EGNOS payload
EUTELSAT HOTBIRD 13F	13° East	Q2/Q3 2023	Broadcast	Europe MENA	80 Ku ¹	None
EUTELSAT 36D	36° East	H2 2024	Broadcast Government	Africa, Russia, Europe	70 Ku UHF payload	UHF payload

¹ Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders operated, once regulatory, technical and operational constraints are taken into account.

Changes in the fleet since 30 June 2022

- The KONNECT VHTS satellite was successfully launched on 7 September 2022. It is expected to enter into service in the second half of calendar 2023.

⁷ Based on a €/€ rate assumption of 1.00 and current perimeter. As a reminder this represents a -4% like-for-like decline at mid-point relative to FY 2021-22.

⁸ Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

DIVIDEND

On 25 July 2022 the Board of Directors agreed to recommend to the Annual Meeting of Shareholders to be held on November 10, a dividend of €0.93 per share for FY 2021-22, unchanged versus the previous year. An option for shareholders to receive the entire dividend, either in cash or in new shares of the Company will be proposed. Subject to the approval of the Annual meeting of shareholders, the price of the new shares issued as payment of the dividend will amount to 90% of the average opening share price during the 20 trading sessions preceding the General Shareholders' Meeting, less the net amount of the dividend and rounded up to the nearest euro cent.

RECENT EVENTS

Sandrine Térán, Eutelsat's Chief Financial Officer, to step down

The Chief Financial Officer of Eutelsat Communications, Sandrine Térán, has announced her decision to step down by the end of November. The recruitment process of a successor is underway.

Appointment of Laurence Delpy as General Manager of the Video Business Unit and Cyril Dujardin as General Manager of the Connectivity Business Unit

Laurence Delpy was appointed as General Manager of the Video Business Unit and Cyril Dujardin as General Manager of the Connectivity Business Unit. These two appointments are at the core of Eutelsat's Telecom Pivot, which will be further strengthened by the combination of Eutelsat and OneWeb announced in July. The creation of two business units will enhance customer-centricity, boost efficiency and foster growth. Laurence Delpy and Cyril Dujardin joined Eutelsat's Executive Committee as of 29 August 2022 and 10 October 2022 respectively.

CORPORATE GOVERNANCE

Upcoming Annual General Meeting

The Board of 9 September 2022 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting of 10 November 2022:

- Approval of the accounts.
- Dividend relating to Financial Year 2021-22 with an option to be paid in shares.
- Ratification of the appointment of Eva Berneke as a Board member.
- Appointment of Ms Fleur Pellerin and Mr Michel Sirat as Board members.
- Renewal of the mandate of Bpifrance Participations. Subject to the vote of the Ordinary General Meeting, it will be represented by Mr Samuel Dalens.
- Compensation of corporate officers and compensation policy.
- Authorisation to the Board of Directors to purchase the Company's shares and, if necessary, to cancel them.

Ross McInnes did not wish to be reappointed, since his independence would not have been acquired for the entire duration of such office.

Following the next Annual General Meeting and subject to the approval of the above-mentioned resolutions, the Board will be composed of 10 members, 50% of whom are women and 70% of whom are independent.

Results presentation

In the context of the Strategic Update Presentation on the combination of Eutelsat and OneWeb, a webcast will be held on **Wednesday 12 October at 10am GMT, 11am CET.**

To connect to the webcast, please use the following link: [Webcast Link](#)

A replay will be available at the same link.

Financial calendar

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

- 10 November 2022: Annual General Shareholders' Meeting
- 17 February 2023: First Half 2022-23 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 7,000 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Committed to promoting all facets of sustainable development across its business activities, Eutelsat leverages its in-orbit resources to help bridge the digital divide while maintaining a safe and uncluttered space environment. As an attractive and socially responsible employer, 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

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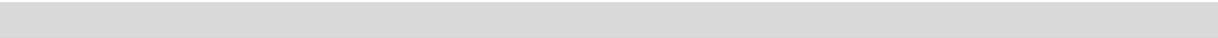
Disclaimer

The forward-looking statements included herein are for illustrative purposes only and are based on management's views and assumptions as of the date of this document.

Such forward-looking statements involve known and unknown risks. For illustrative purposes only, such risks include but are not limited to: risks related to the health crisis; operational risks related to satellite failures or impaired satellite performance, or failure to roll out the deployment plan as planned and within the expected timeframe; risks related to the trend in the satellite telecommunications market resulting from increased competition or technological changes affecting the market; risks related to the international dimension of the Group's customers and activities; risks related to the adoption of international rules on frequency coordination and financial risks related, inter alia, to the financial guarantee granted to the Intergovernmental Organization's closed pension fund, and foreign exchange risk.

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The information contained in this document is not based on historical fact and should not be construed as a guarantee that the facts or data mentioned will occur. This information is based on data, assumptions and estimates that the Group considers as reasonable.



APPENDIX

Quarterly Reported revenues

The table below shows quarterly reported revenues.

In € millions	Q1 2021-22	Q2 2021-22	Q3 2021-22	Q4 2021-22	FY 2021-22	Q1 2022-23
Broadcast	177.6	172.8	172.5	173.9	696.9	170.1
Data & Professional Video	38.4	39.4	40.0	40.7	158.5	41.1
Government Services	37.0	36.8	34.6	36.0	144.4	34.7
Fixed Broadband	14.6	15.5	16.9	21.7	68.7	18.7
Mobile Connectivity	17.1	19.4	20.7	22.7	79.9	25.9
Total Operating Verticals	284.8	283.9	284.7	295.0	1,148.3	290.5
Other Revenues	2.6	1.0	2.1	(2.3)	3.3	(3.1)
Total	287.3	284.9	286.8	292.6	1,151.6	287.4