



CREDIT INVESTOR UPDATE

June 2019

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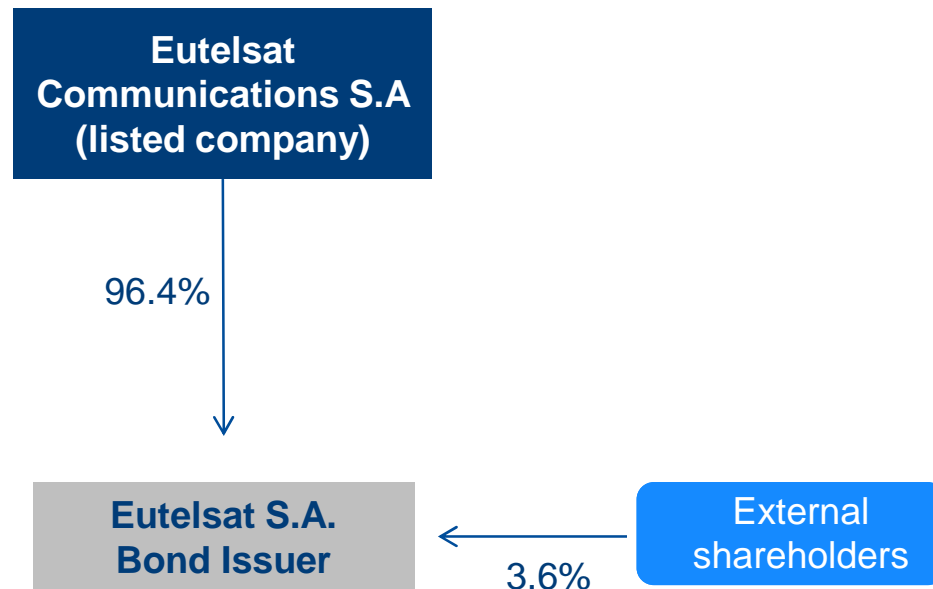
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Organisation chart

► Simplified organisational chart



► No guarantee on financial indebtedness

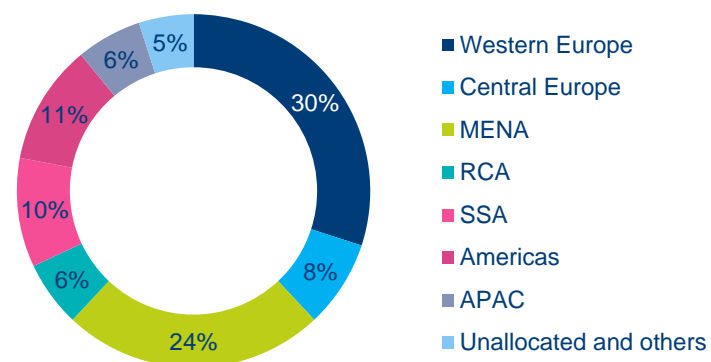
Eutelsat in a snapshot

KEY DATA

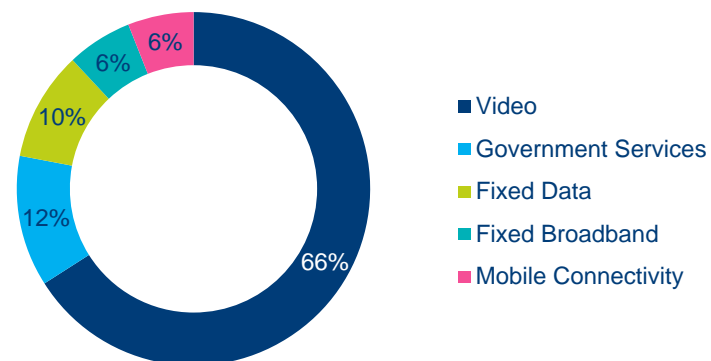
- ▶ Revenues of **€1.41bn**
- ▶ Fleet of **37** satellites; global coverage
- ▶ Discretionary Free Cash Flow of **€415m**
- ▶ Operating **>1,400** transponders
- ▶ Broadcasting **>7,000** channels
- ▶ Backlog of **€4.4bn**, representing **3.1 years** of revenues

REVENUE BREAKDOWN BY APPLICATION

By geography



By application



Highly experienced management team

Rodolphe Belmer
CEO



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

Michel Azibert
*Deputy CEO and
Chief
Commercial and
development
Officer*



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

Yohan Leroy
*Deputy CEO and
Chief Technical
Officer*



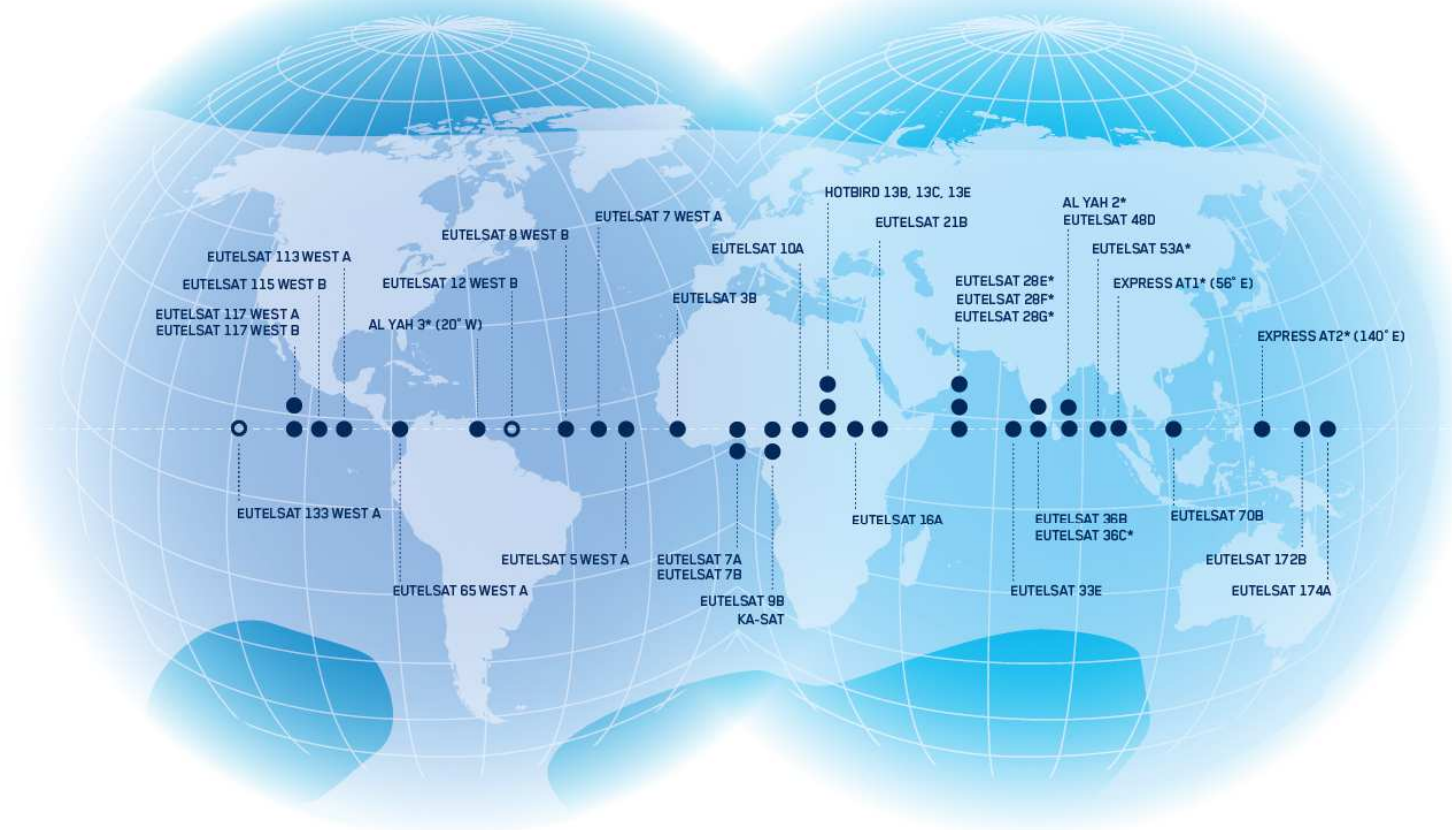
- ▶ Joined Eutelsat Communications in 2010 as Director of Strategy
- ▶ Previously technical advisor in charge notably of digital economy and industrial policy for the office of the French Prime Minister
- ▶ Leads Design-to-cost strategy
- ▶ Ecole Polytechnique - Ecole des Mines Graduate

Sandrine Térán
CFO



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

Eutelsat's global network



THE EUTELSAT FLEET

MAY 2019

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

FUTURE SATELLITES: EUTELSAT 7C
EUTELSAT 5 West B
EUTELSAT QUANTUM
KONNECT
KONNECTVHTS
HOTBIRD 13F
HOTBIRD 13G

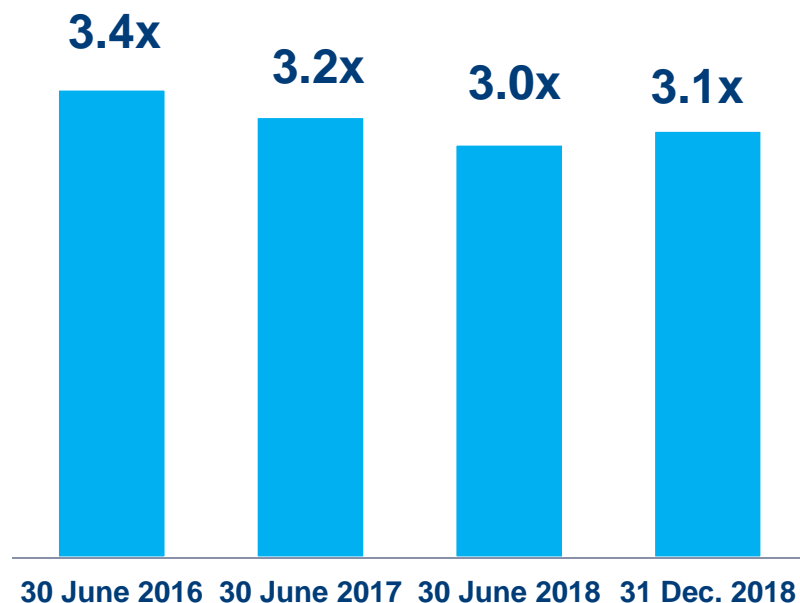
○ EUTELSAT 36A currently under redeployment

Sound financial structure

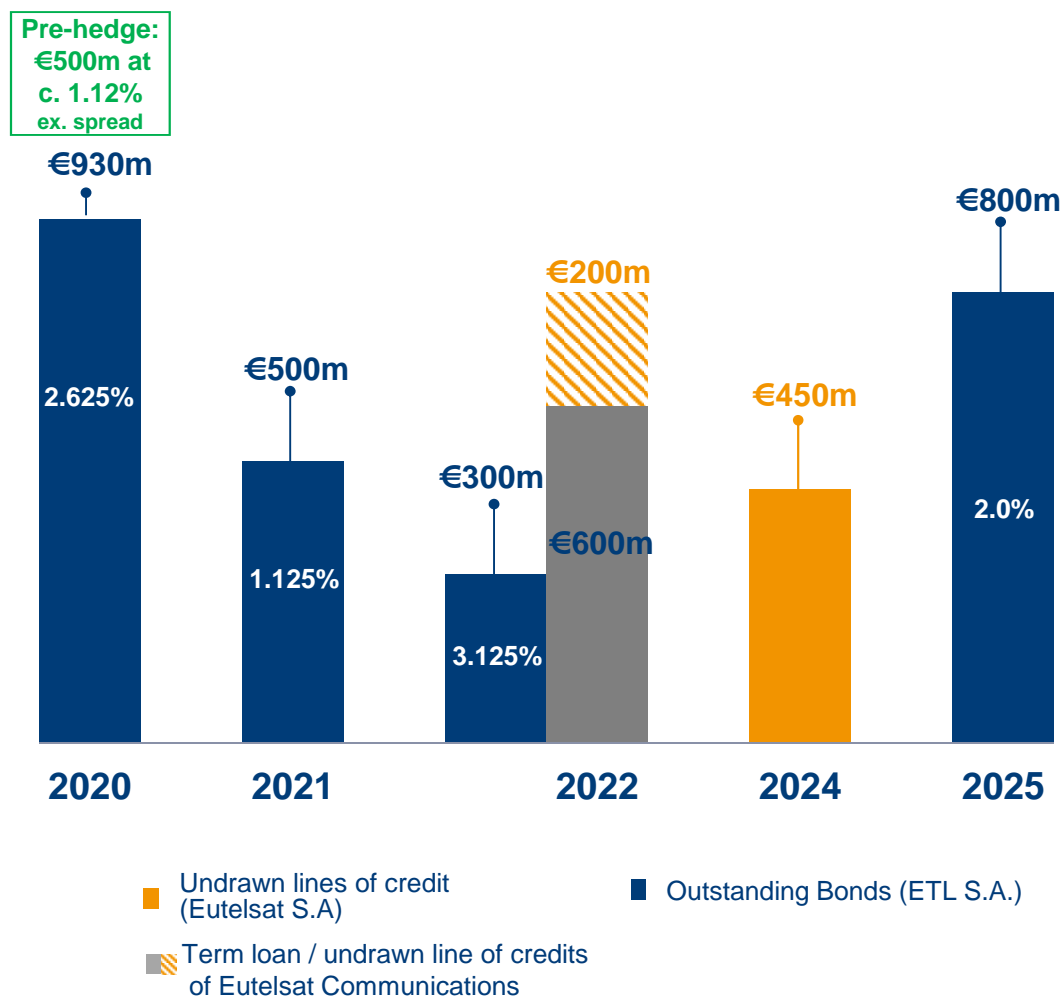
ONGOING DEBT OPTIMISATION

- ▶ **Net Debt/EBITDA ratio reduced to 3.1x**
 - Versus 3.4x at 30 June 2016
 - December is usually the peak in the annual net Debt given dividend timing
- ▶ **Pre-hedge of 2020 bond swap component for €500m**
- ▶ **Strong liquidity position**
 - €677m of cash as of 31 Dec. 2018 on top of the €800m earmarked for the redemption of the Jan. 19 Bond
 - €650m undrawn revolving credit lines available

NET DEBT TO EBITDA RATIO



Bond and bank debt maturity schedule



Note: Maturities are provided on a calendar year. Data as of end of April 2019

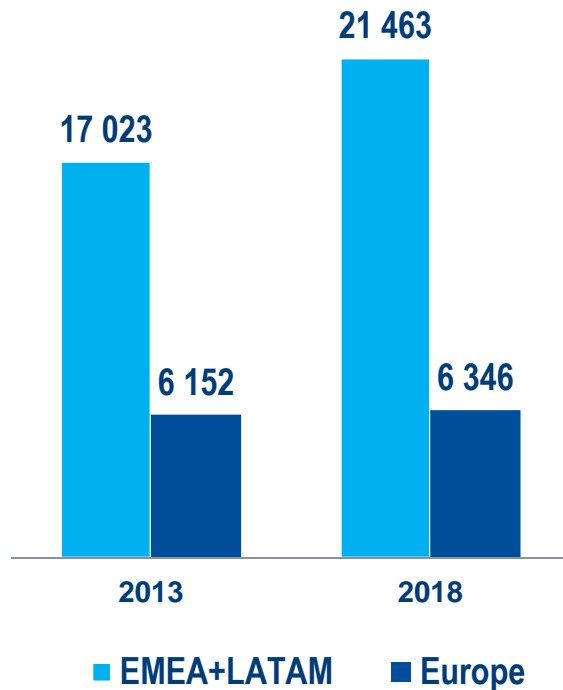
Commitment to Investment Grade Credit Ratings for Eutelsat S.A

MOODY'S	S&P	FITCH RATINGS
<ul style="list-style-type: none"> ► Current ratings <ul style="list-style-type: none"> • Eutelsat SA¹: Baa3 /stable • Eutelsat Communications²: Ba1 /stable ► Confirmed on 11 March 2019 	<ul style="list-style-type: none"> ► Current ratings: <ul style="list-style-type: none"> • Eutelsat SA: BBB-/Stable³ • Eutelsat Communications: BB+/Stable⁴ ► Last rating action was downgrade from BBB to BBB- on 21 Nov 18 <ul style="list-style-type: none"> • Based on revision of business profile • Ratios already consistent with the revised threshold for a BBB ► Confirmed on 17 May 2019 	<ul style="list-style-type: none"> ► Current ratings <ul style="list-style-type: none"> • Eutelsat SA: BBB/Stable⁵ • Eutelsat Communications: BBB/Stable⁶ ► Confirmed on 14 January 2019

Video KPIs: resilience in Europe, growth globally

GROWING CHANNEL LINE-UP

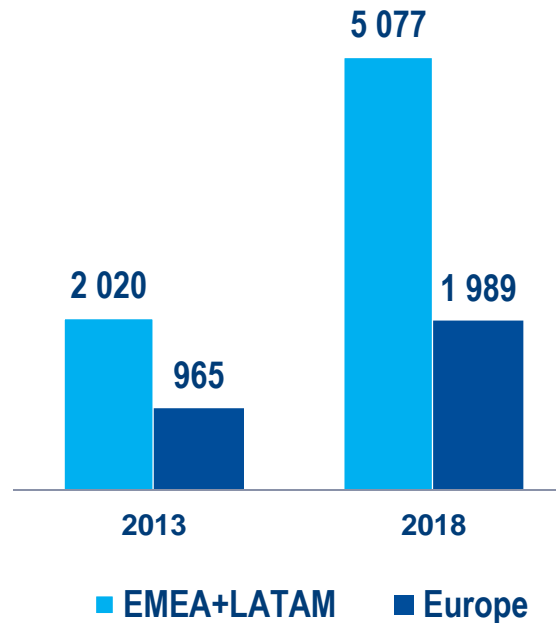
Satellite TV channels (units)



Source : Euroconsult 2018

INCREASING HD PENETRATION

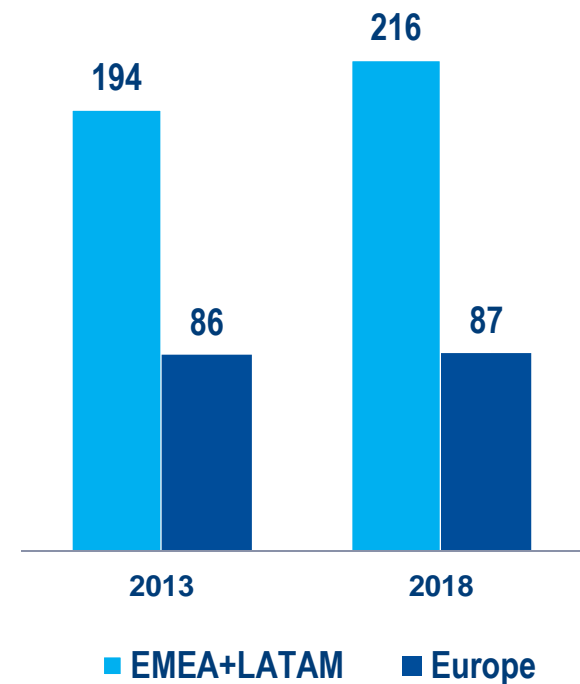
HD channels (units)



Source : Euroconsult 2018

SATELLITE GAINING SHARE GLOBALLY

Satellite Subs (millions)



Source : Digital TV research 2018

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Reminder: Our strategic roadmap

Step 1

**MAXIMIZE
FREE CASH-FLOW
GENERATION**



Step 2: return to growth






**EXTRACT VALUE
FROM THE CORE
VIDEO BUSINESS**



**CAPTURE THE
CONNECTIVITY
OPPORTUNITY**



Significant progress on all components of cash generation since FY 16

Item	Achievement	Status	
Cash Capex	Guidance reduced from €500m to €400m	Delivered	
Opex	LEAP program generating €30m external cost-savings	Secured	
Cash interest	€50m savings through bond refinancing	Secured	
Asset Disposals	>€600m asset sold at a ~9x average EBITDA multiple	Secured	
Corporate tax	Outcome of discussions on tax territoriality treatment leading to a reduction of the order of €70m ¹	In progress	

Build on our core Video business; capture longer term potential in Connectivity to accelerate growth

MEDIUM TERM

LONG TERM



VIDEO

Extracting value from the core business

▶ Growth potential of Video in emerging markets

▶ Opportunity for further value creation through additional resources

▶ Optimizing Capex



FIXED BROADBAND

Prepare for scalability

▶ Optimize existing assets within a limited current addressable market

▶ Progress on prerequisites for scalability

▶ Decide on scale and location of investments



MOBILE CONNECTIVITY

From niche to mass market

▶ Use existing assets to anchor foothold in the market

▶ Selectively invest in capacity to improve coverage

▶ Pave the way for mass market

Financial outlook for Eutelsat Communications

OPERATING VERTICALS REVENUES

(At constant currency, perimeter and accounting standards)

- ▶ c. -3% in FY 2018-19¹
- ▶ Returning to slight growth in FY 2019-20

EBITDA MARGIN

(At constant currency)

- ▶ Above 78% from FY 2018-19

CAPEX

- ▶ FY 2017-18 to FY 2019-20: average of €400m per year²

DISCRETIONARY FREE CASH FLOW³

(At constant currency and excluding the impact of the disposal of ETL 25B)

- ▶ FY 2016-17 to FY 2019-20: mid-single digit CAGR

LEVERAGE

- ▶ Investment grade rating
- ▶ Net debt / EBITDA below 3.0x

DISTRIBUTION

- ▶ Stable to progressing dividend



eutelsat

¹ Proforma revenues for the five operating verticals, ie reflecting the impact of IFRS 15 and the disposal of EUTELSAT 25B, of €1,330m in FY 2017-18. ² Inc. cash outflows related to ECA loan repayments and capital lease payments; ³ Net cash-flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Three year CAGR calculated on the period FY 2016-17 to FY 2019-20.

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Highlights



Core Broadcast business showing resilience



Current year topline adjustment reflects delays in Fixed Broadband and Video and tougher conditions in Fixed Data and Professional Video



All our other objectives are confirmed with next year revenues supported by new capacity and other tailwinds



Significant savings on the Tax front with a positive impact of the change in tax treatment of circa €70m¹ in FY 19



Focused on fundamental strategy based on free-cash-flow maximisation and shareholder returns



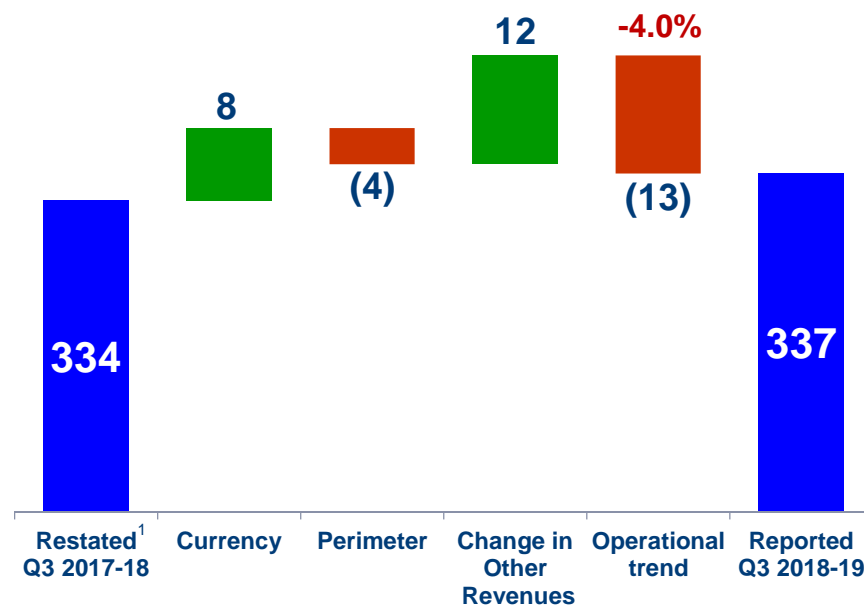
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¹ Subject to final formal approval by French Tax administration

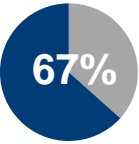
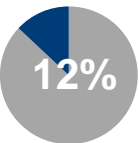
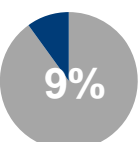
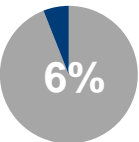
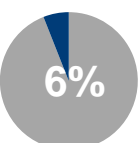
Q3 Revenues

- ▶ Third Quarter revenues of €337m, up 0.7%
- ▶ Negative perimeter effect
 - Deconsolidation of Eutelsat 25B
- ▶ Positive currency effect
 - €/€ rate of 1.14 versus 1.21 last year
- ▶ Positive swing of €12m in 'Other Revenues'
 - Net of negative hedging effect of -€6m
- ▶ Revenues for the five Operating Verticals down 4.0%

Q3 REVENUE BRIDGE (€M)



Q3 2018-19 revenues by application

		REVENUE CONTRIBUTION ¹	REVENUES (€m)	LIKE-FOR-LIKE ² CHANGE	
				YoY	QoQ
CORE BUSINESSES	Video		215	-2.5%	+0.0%
	Government Services		40	-1.0%	+0.2%
	Fixed Data		30	-17.8%	-7.3%
CONNECTIVITY	Fixed Broadband		19	-9.7%	-5.3%
	Mobile Connectivity		20	+4.7%	+1.3%
Total Operating Verticals			325	-4.0%	-1.0%
Other revenues			12	+€ 12m	+€ 16m

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Investment case

- ▶ **Strong market position: Among top 3 in the sector with high barriers to entry**
- ▶ **Backlog representing >3 years of revenues**
- ▶ **High profitability and strong cash generation**
 - EBITDA margin objective >78%
 - Discretionary-Free-Cash-Flow of €415m¹
- ▶ **Sound financial structure:**
 - Ongoing reduction in leverage
 - Commitment to Investment Grade
 - Strong liquidity profile
- ▶ **Adapting to slowing industry-wide momentum**
 - Emphasis on cash-flow generation and margin support
 - Proven ability of monetization of non-core assets
- ▶ **Significant medium to long-term opportunities**
 - Secular growth opportunity in Connectivity for both Fixed Broadband and Mobility
 - Improved Capex efficiency
- ▶ **Q3 revenue objective adjustment does not change the fundamental investment case on credit metrics; significant achievement on the tax front**

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**Eutelsat Communications
H1 2018-19 key financial data**

5.2

Eutelsat S.A. financials

Eutelsat Communications H1 2018-19 Key Financial Data

	First Half 2018-19	Underlying performance
Operating Verticals Revenues	€660m	-2.4%¹
EBITDA margin <i>At constant currency</i>	79.0%	-0.4 pts
Cash Capex	(€130)m	(€77)m
Discretionary Free Cash-Flow <i>At constant currency & perimeter</i>	€235m	-30% Mostly reflecting capex phasing
Net Debt / EBITDA	3.1x	-0.2x (vs. Dec. 17)

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5.1

**Eutelsat Communications
H1 2018-19 key financial data**

5.2

Eutelsat S.A. financials

Eutelsat SA main P&L items

(in € millions)	For the year ended (Audited)			For the half-year ended (Non-audited)		
	30 June 2017	30 June 2018	Change	31 Dec. 2017	31 Dec. 2018	Change
REVENUES	1,481	1,411	-5%	689	659	-4%
Operating costs	(99)	(97)	-2%	(46)	(43)	-7%
Selling, general and administrative expenses	(240)	(230)	-4%	(94)	(95)	+1%
Depreciation and amortisation	(488)	(462)	-6%	(232)	(235)	+1%
Other operating income and expenses	14	(19)	N/A	(10)	36	N/A
OPERATING INCOME	668	604	-10%	307	322	+5%
Net financial items	(125)	(103)	-17%	(56)	(50)	-11%
CONSOLIDATED NET INCOME	398	313	-22%	162	178	+10%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	401	316	-21%	161	177	+10%

Eutelsat SA main Balance sheet items

(in € millions)	For the year ended (Audited)			For the half-year ended (Non-audited)		
	30 June 2017	30 June 2018	Change	31 Dec. 2017	31 Dec. 2018	Change
Total of non-current assets	5,579	5,488	(91)	5,383	5,349	(34)
Total current assets	835	1,094	+259	761	1,906	+1,145
Assets held for sale	301	-	(301)	301	-	(301)
Total assets	6,715	6,582	(133)	6,444	7,256	+812
Total shareholders' equity	2,217	2,137	(80)	2,008	2,002	(6)
Total non-current liabilities	4,109	3,158	(951)	3,989	4,003	+14
Total current liabilities	389	1,287	+898	447	1,251	+804
Total liabilities and shareholders' equity	6,715	6,582	(133)	6,444	7,256	+812
NET DEBT ¹	3,267	2,902	(365)	3,272	2,974	(298)

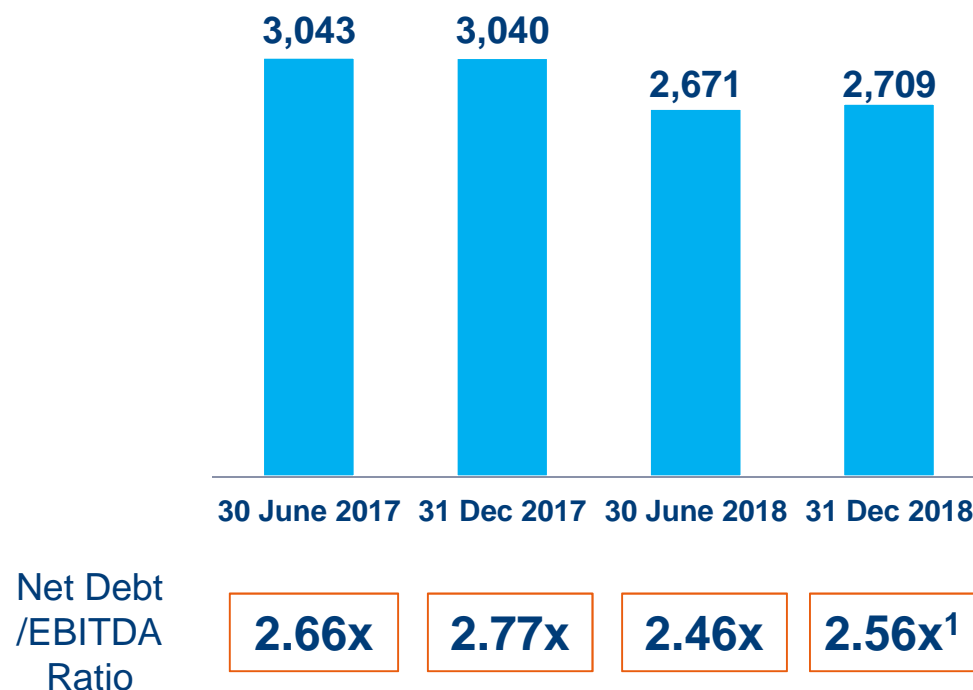
Eutelsat's SA financial structure

- ▶ **Average cost of debt after hedging: 2.5% when restated from the repayment of the Jan. 19 maturity**













- ▶ **Strong liquidity**

- Cash of €672m in addition to the €800m allocated to the Jan 2019 redemption
- €450m revolving lines of credit available

NET DEBT AS PER COVENANT DEFINITION (€M)



Future launches

Name	EUTELSAT 7C	EUTELSAT 5 WEST B	 eutelsat QUANTUM	KONNECT	KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT HOTBIRD 13G
Orbital Position	7° East	5° West	TBD	TBD	TBD	13° East	13° East
Launch date ¹	June 2019	Q3 2019	H2 2019	Q4 2019	2021	2021	2021
Manufacturer							
Launcher					TBD	TBD	TBD
Coverage	MENA SSA	Europe North Africa	Flexible	SSA Europe	Europe	Europe	Europe
Applications	Video	Video	Government Services	Connectivity	Connectivity Government	Video	Video
Total Capacity (TPE/Spotbeams)	49 Ku	35 Ku	N/A	65 Ka / 75 Gbps	~230 Ka / 500 Gbps	73 Ku ³	73 Ku ³
o/w Expansion ²	19 Ku	-	N/A	65 Ka / 75 Gbps	~230 Ka / 500 Gbps	-	-

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