



First Half and Second Quarter 2023-24 RESULTS

16 February 2024

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Agenda

- ▶ Highlights of the First Half
- ▶ Operational Performance
- ▶ Financial Performance
- ▶ Outlook and Financial Objectives



Highlights



- ▶ First Half Operating verticals revenues of €571m, confirming the return topline return to growth, underpinned by Eutelsat legacy businesses, thanks notably to EUTELSAT 10B and KONNECT VHTS incremental capacity, and inclusion of OneWeb business since the Second Quarter
- ▶ Second Quarter Operating Vertical revenues up +3.9% on like-for-like basis and by 5.4% quarter-on-quarter.
- ▶ Effective operational execution including entry into service of KONNECT VHTS and EUTELSAT 10B as well as completion of space-segment of OneWeb Constellation.
- ▶ Eutelsat and OneWeb combination effective since late September 2023; integration progressing well with synergies confirmed.
- ▶ Continued growth in secured backlog for LEO business, up 23% in past quarter and strong commercial traction.
- ▶ Design of Next Generation OneWeb constellation securing continuity of current service with stepwise capacity and functionality improvements, leading to reduction in expected capital expenditure for the period 2025-30.

Geo businesses delivering on target

Return to growth underpinned by incremental in-orbit connectivity resources



EUTELSAT 10B

- ▶ Entered service in July 2023
- ▶ Located at 10° East offering a unique visibility spanning from the Americas to Asia.
- ▶ Two new multi-beam HTS Ku-band payloads able to process more than 50 GHz of bandwidth, offering a throughput of c. 35 Gbps
- ▶ Firm multi-year capacity commitments leading maritime and in-flight connectivity service providers



KONNECT VHTS

- ▶ Entered service in October 2023
- ▶ Ka-band capacity of 500 Gbps, embarking the most powerful on-board digital processor ever put in orbit, offering capacity allocation flexibility, optimal spectrum use,
- ▶ Supporting the development of our European fixed broadband and in-flight connectivity businesses.
- ▶ Commitments totaling c.€450m

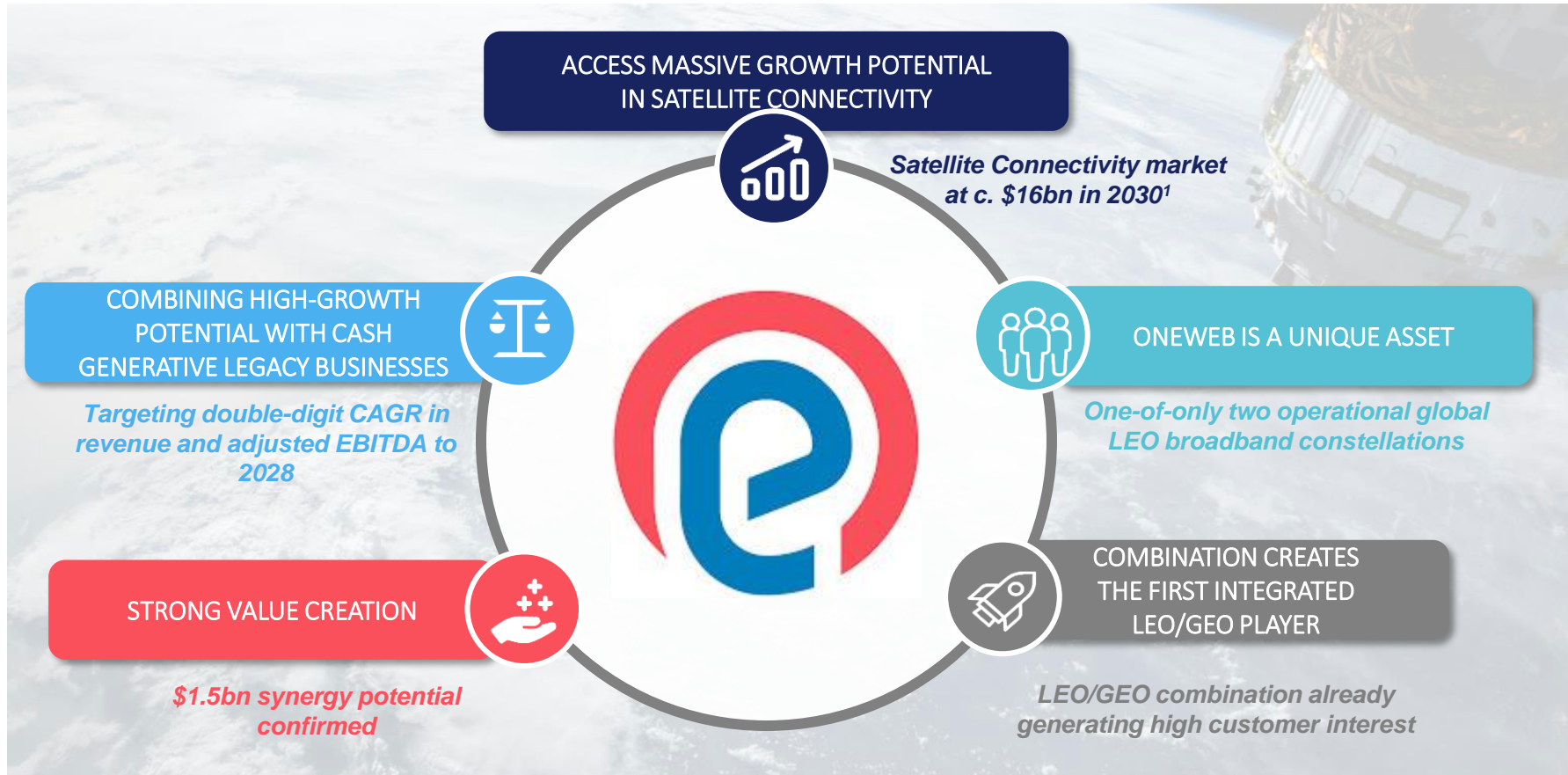
Panasonic



THALES



Reminder: rationale of the Eutelsat OneWeb combination

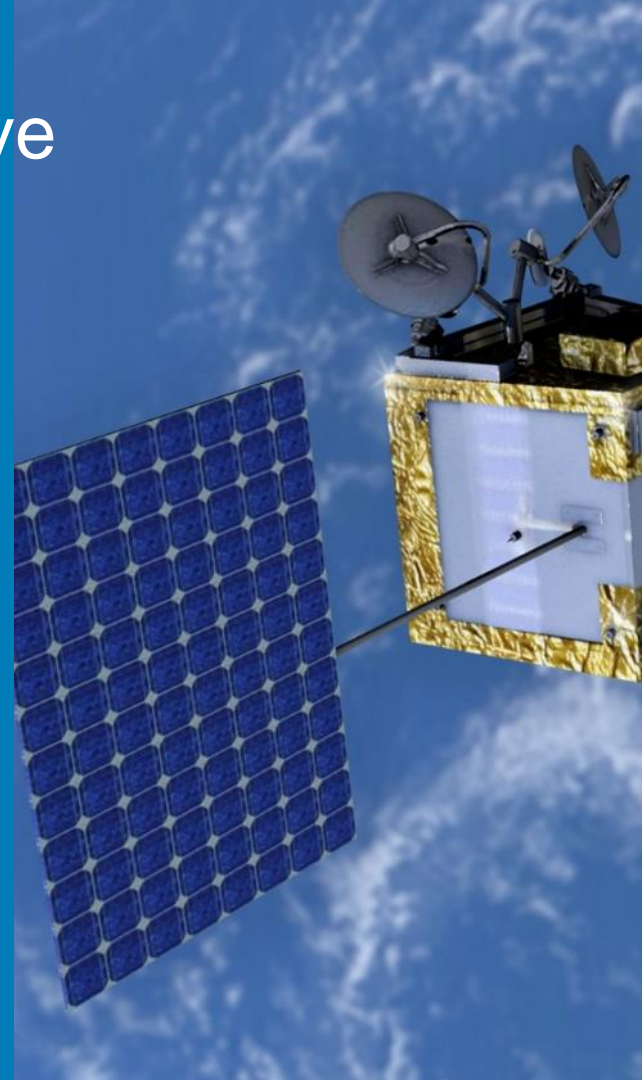


Eutelsat / OneWeb combination is live

- ▶ **Approval of the combination in Sept 2023**
- ▶ **Constellation operational and delivering proven performance**
- ▶ **Backlog up 23% in past quarter, now standing at €700m¹**
- ▶ **Strong commercial traction with deals activated with major customers**
- ▶ **Progress on ground roll-out following delays: aiming at 90% coverage by mid-2024**
- ▶ **Synergies confirmed:**
 - In terms of revenues, Eutelsat is leveraging the LEO commercial opportunity, while there is a high level of customer interest in multi-orbit LEO/GEO services in all applications
 - Cost synergies fully on rack with scope to exceed original plan²
 - Capex synergies also confirmed, with design of Next Generation OneWeb constellation around stepwise capacity and functionality improvements

1) *Converted into Euros and excluding intercompany deals, including the \$275m Take-or-Pay agreement with Eutelsat*

2) *Annual expected run-rate pre-tax cost synergies over €80m by Year 5 of the combination*



Strong momentum in deals with major partners

Major commercial LEO wins across all applications

Fixed Data



PARATUS
Always Prepared

TONOMUS.
NEOM

SAT. ONE

Government



AIRBUS



Shared Services
Canada

HUGHES

Mobile connectivity



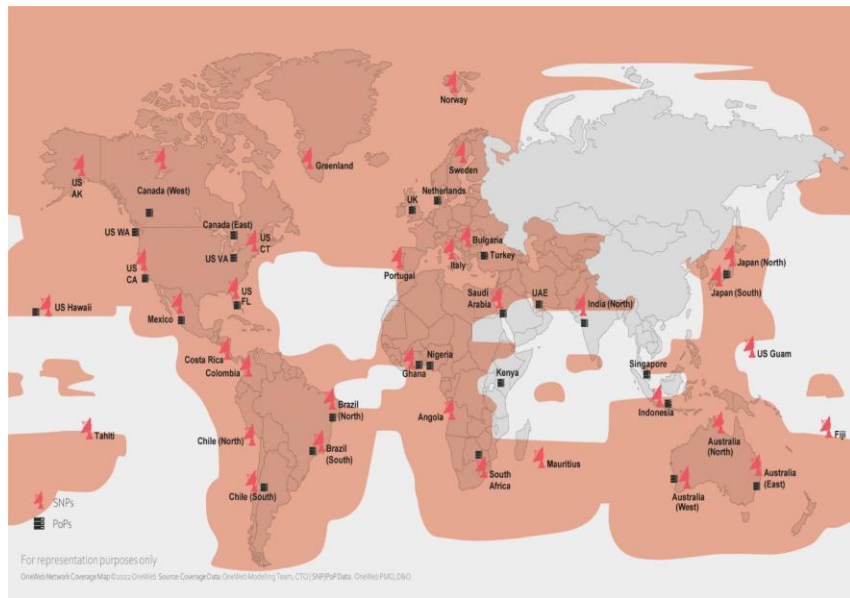
HUGHES

speedcast

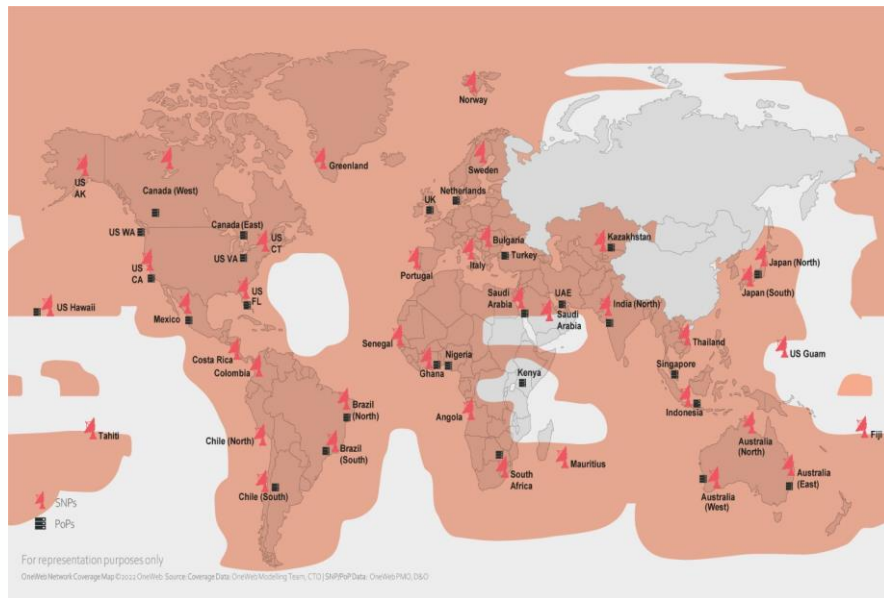
Progress in network coverage

On track to 90% Global coverage by mid-2024

MARCH 2024



JULY 2024 (E)



Constellation operational and delivering proven performance

Network performance



HTS technology delivering up to 7Gbps per satellite



Robust 4G core network developed with telecom industry leaders



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



High look angles leading to lower blockages

User experience



Average global latency of 70ms



Download speeds up to 195Mbps



Upload speeds up to 32Mbps



Supporting customers through fully managed services



11 user terminal options available; LEO/GEO terminal expected to be available mid-2024 for mobility, opening new user cases

In-market experience informing design of Next Generation

- ▶ Progressing as planned with evaluation of the requirements for the Next Generation OneWeb constellation
- ▶ Informed by operational and commercial in-market experience now that the constellation is in service
- ▶ Potential solutions focused on service continuity and a stepwise enhancement of the OneWeb services.
- ▶ Progressively embarking additional capacity and enhanced performances compared to Gen 1, with the scope to upgrade both constellation services and performances on a step by step basis.

✓ **Lower cost** than previous estimates **for the build-out of the OneWeb Next Generation**

✓ For the period FY 2025 to FY 2030, **cash capex after synergies now expected in a range of €600m to €700m** on average per annum

Operational performance



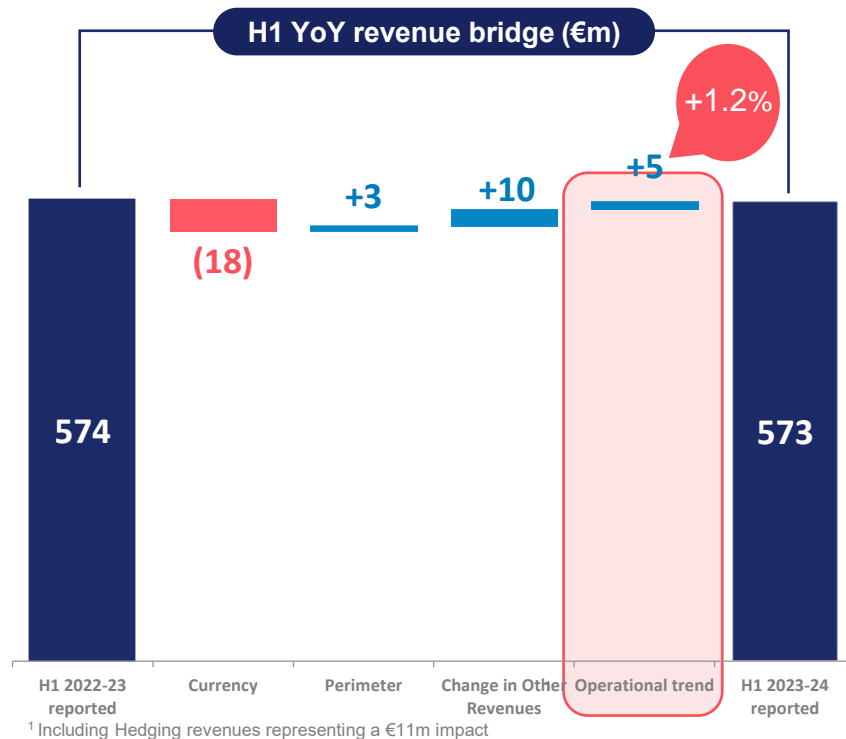
First Half 2023-24 revenues

- ▶ Total revenues of €572.9m, up +1.0% like-for-like
- ▶ Negative currency effect
 - €/\$ rate of 1.08 vs 1.00 last year
- ▶ Positive swing of €9.7m in 'Other Revenues'
 - Of which €10.9m related to hedging
- ▶ Revenues of the Operating Verticals up 1.2% like-for-like YoY

Note on presentation of H1 2023-24 revenues:

Reported indicators include OneWeb since October 1st 2023 (Operating revenues, Total revenues, Adjusted EBITDA, Financial result, Income Tax, Group Share of Net Income, Net Debt, Net Debt/ Adjusted EBITDA and Backlog) and are compared to reported Eutelsat's H1 2022-23 performance on a standalone basis.

Revenue variations like-for-like are unaudited, and calculated as follows: i) H1 2023-24 USD revenues converted at H1 2022-23 rates; ii) the contribution of the BigBlu retail broadband operations from 1st July 2022 to 30 December 2022 is excluded from H1 2022-23 revenues iii) H1 2022-23 and H1 2023-24 revenues are restated to take into account the contribution of OneWeb as if the operation had been completed from July 1st 2022; iv) Hedging revenues are excluded.

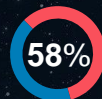


H1 revenues by verticals



VIDEO

REVENUE
CONTRIBUTION¹



REVENUES
(€m)

331.1

LIKE-FOR-LIKE²
YOY CHANGE

-8.0%



GOVERNMENT
SERVICES



74.2

+10.5%



MOBILE
CONNECTIVITY

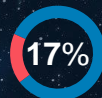


71.2

+35.6%



FIXED
CONNECTIVITY



94.6

+9.2%

TOTAL OPERATING VERTICALS

571.1

+1.2%

OTHER REVENUES

1.6

+€9.7m³

¹ Share of each application as a percentage of total revenues excluding "Other Revenues".

² Change at constant currency and perimeter. The variation is calculated as follows: i) H1 2023-24 USD revenues are converted at H1 2022-23 rates; ii) the contribution of the BigBlu retail broadband operations from 1st July 2022 to 30 December 2022 is excluded from H1 2022-23 revenues iii) H1 2022-23 and H1 2023-24 revenues are restated to take into account the contribution of OneWeb as if the operation had been completed from July 1st 2022; iv) Hedging revenues are excluded.

³ Of which €11m related to hedging revenues.

Video

▶ H1 revenues of €331.1m, down 8.0% YoY like-for-like¹

- Impact of the early non-renewal of a capacity contract with Digitürk from mid-November 2022
- Lower revenues in Europe
- Effect of sanctions against certain Russian and Iranian channels

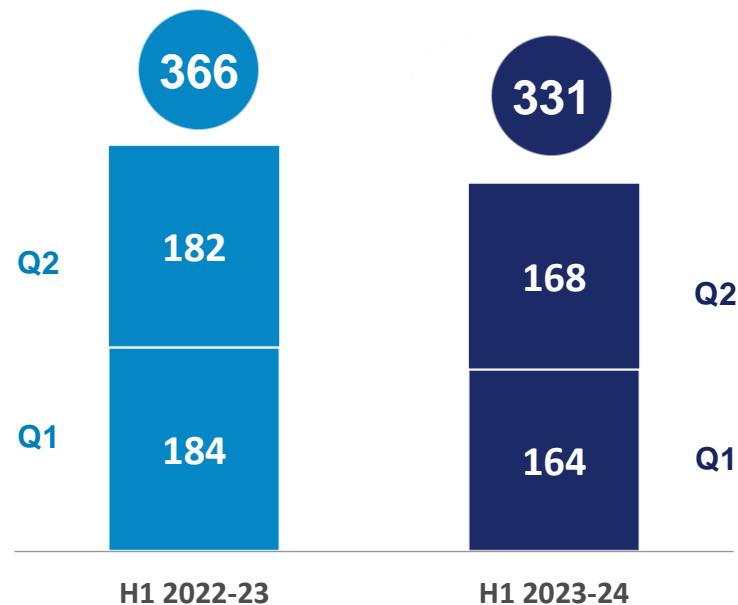
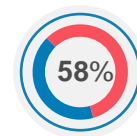
▶ Q2 Revenues of €167.6m up 1.9% QoQ

- One-off contract of c. €3 million in Latin America relating to technical assistance

▶ Professional video continuing to reflect structural headwinds

▶ Second Half expected in line with the wider market trend of a mid-single digit decline

- No longer reflect the impact of sanctions against Russian and Iranian channels
- And Digitürk non-renewal



¹ At constant currency and perimeter

Government Services

▶ H1 revenues of €74.2m, up 10.5% YoY like-for-like¹

- Slightly better renewal rate of the Fall US DoD campaign (above 80%)
- Contribution of the EGNOS GEO-4 contract on HOTBIRD 13G²
- Contribution from OneWeb

▶ Second Quarter revenues of €40.7 million

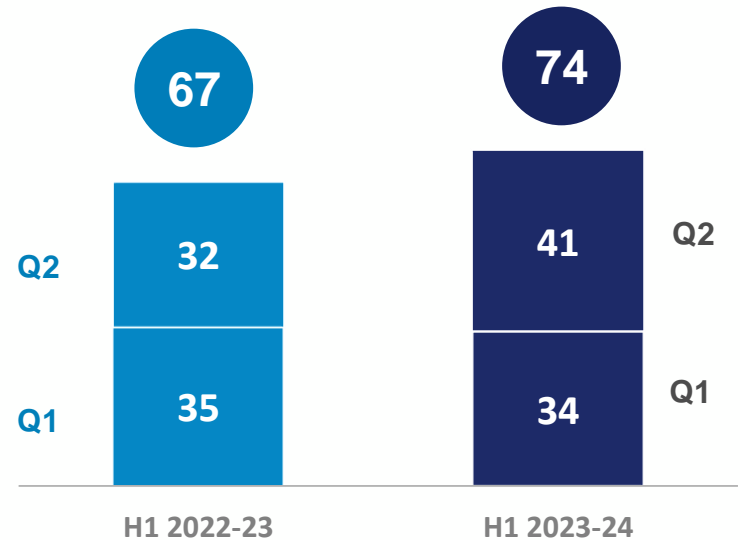
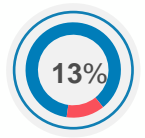
- up by 17.4% year-on-year
- and by 4.2% QoQ¹

▶ Second Half to benefit from:

- Full period contribution from OneWeb's LEO-enabled connectivity solutions,
- Contribution from EGNOS GEO-4 contract on HOTBIRD 13G²

¹ At constant currency and perimeter

² Generating €100m over 15 years



Mobile connectivity

▶ H1 revenues of €71.2m, up 35.6% YoY like-for-like¹

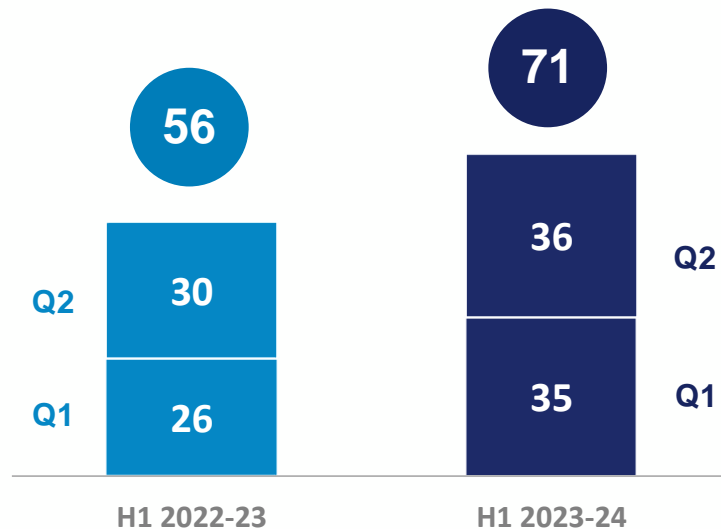
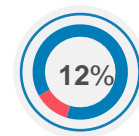
- Entry into service of the high-throughput satellite, EUTELSAT 10B, with significant pre-commitments and recent deals, especially in Aero and Maritime
- Commercialization of the final beam on EUTELSAT QUANTUM for a maritime mobility client

▶ Second Quarter revenues stood at €36.0 million, up 28.2% year-on-year and up by 0.2% QoQ¹

- Tougher basis of comparison due to entry into service of EUTELSAT 10B during the First Quarter

▶ Double-digit growth expected over FY 2023-24

- Strong demand for both GEO and LEO based connectivity solutions



¹ At constant currency and perimeter

Fixed connectivity

▶ **H1 revenues of €94.6m, up 9.2% YoY like-for-like¹**

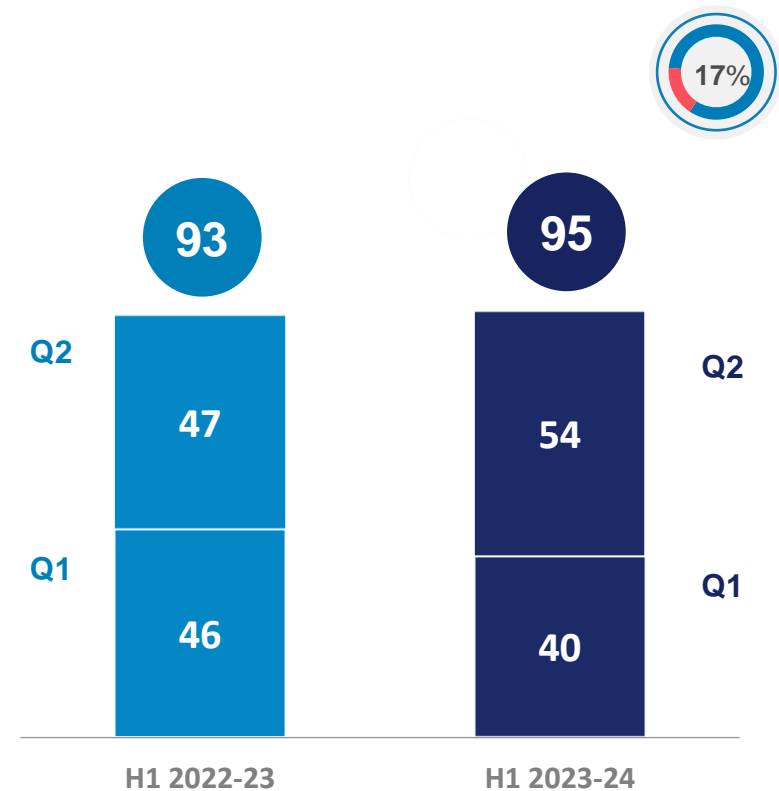
- Entry into service of KONNECT VHTS
- Contribution from LEO connectivity

▶ **Second Quarter at €54.3m, up 17.6% year-on-year and by 23.7% on a sequential basis**

- Contracts activate from mid-October following the entry into service of KONNECT VHTS

▶ **Double-digit growth expected for FY 24**

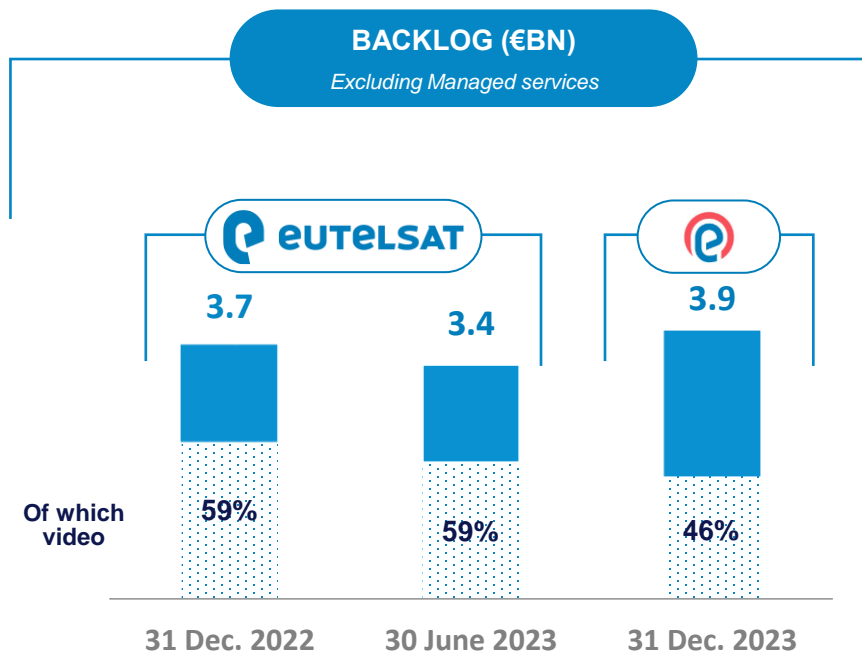
- Entry into service of KONNECT VHTS
- Contribution from LEO connectivity offers



¹ At constant currency and perimeter

Backlog

- ▶ Backlog at €3.9 billion on 31 December 2023 vs. €3.4bn in June 2023
- ▶ Representing 3.5 years of revenues
- ▶ Contribution of OneWeb's growing backlog, amounting to €700m¹ at end-December 2023, up 23% over the Quarter.
- ▶ Natural erosion of the GEO backlog, especially in the Video segment, in the absence of major renewals
- ▶ Video accounting for 46% versus 59% a year ago
- ▶ Clearly illustrating impact of successful telecom pivot



¹ Converted into Euros and excluding intercompany agreements

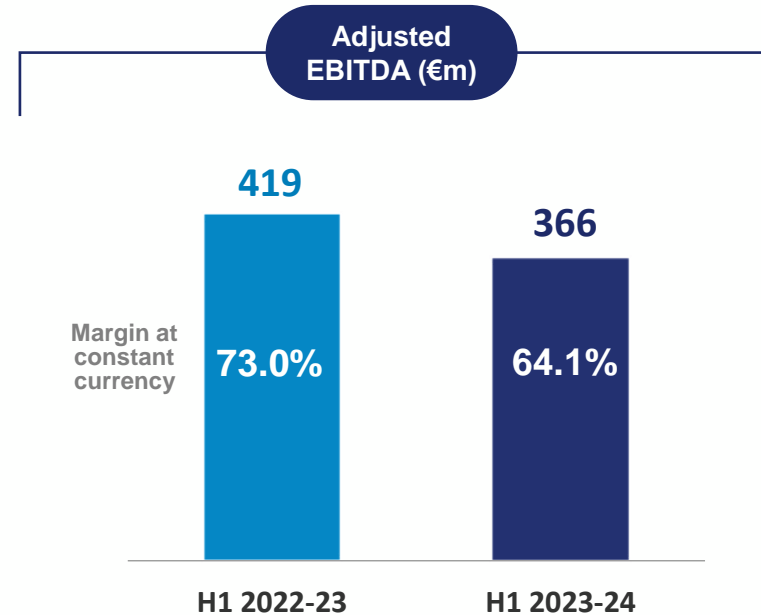
Financial performance



Profitability

- ▶ H1 Adjusted EBITDA margin of 64.1% at constant currency¹ down 5.9 points YoY
- ▶ Higher operating costs
 - Impact of the consolidation of OneWeb
 - Partially offset by a positive perimeter effect from the disposal of the BigBlu retail broadband operations
 - Lower bad debt, especially in Video
- ▶ Adjusted EBITDA margin reflecting progressive rebalancing of business towards higher growth connectivity applications

¹ 63.8% reported.



Net income

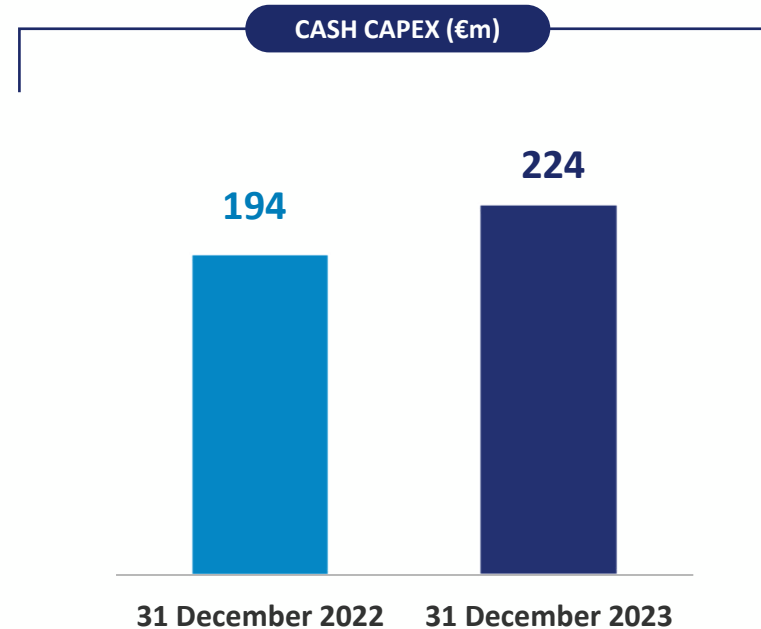
Extracts from the consolidated income statement in €m	H1 2022-23	H1 2023-24	CHANGE
Revenues	573.8	572.6	-0.2%
Adjusted EBITDA ¹	419.0	365.6	-12.7%
Operating income	151.2	(56.8)	n.a.
Financial result	(56)	(60.7)	-8.4%
Income tax	(0.8)	28.5	n.a.
Group share of net income	51.9	(191.3)	n.a.

¹ Adjusted EBITDA defined as operating income before depreciation, amortization, impairments and other operating income/(expenses)

- Other operating expenses of -€183.9 million, compared to -€34.0 million last year, mainly due to fair value adjustment of shares owned by Eutelsat before the combination.
- Higher depreciation of -€316.1 million versus -€233.8, reflecting the perimeter effect from OneWeb as well as higher in-orbit and on-ground depreciation.
- A net net financial result of -€60.7 million versus -€56.0 million a year earlier, reflecting the higher interest rates, partly offset by favourable evolution of foreign exchange gains and losses.
- Income Tax gain of €28.5 million versus tax cost of €0.8 million last year mainly driven by the positive deferred tax recognized due to the Satmex arc assets impairments.
- Lower losses from associates of -€23.0 million, reflecting the contribution of the stake in OneWeb for the first quarter, which last year was from July 2022 onwards.

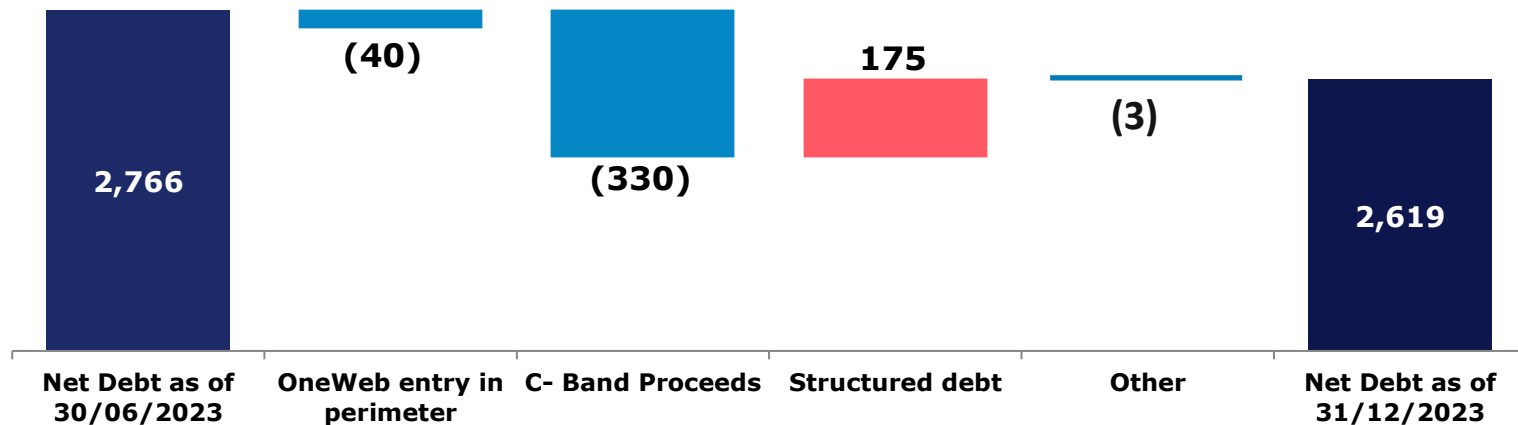
Cash Capex

- ▶ **Cash Capex of €224 million, versus €194 last year**
- ▶ **Reflecting perimeter effect from the consolidation of OneWeb**
- ▶ **Not representative of the decrease in Capex, reflecting phasing of satellite program delivery last year for both Eutelsat and OneWeb**



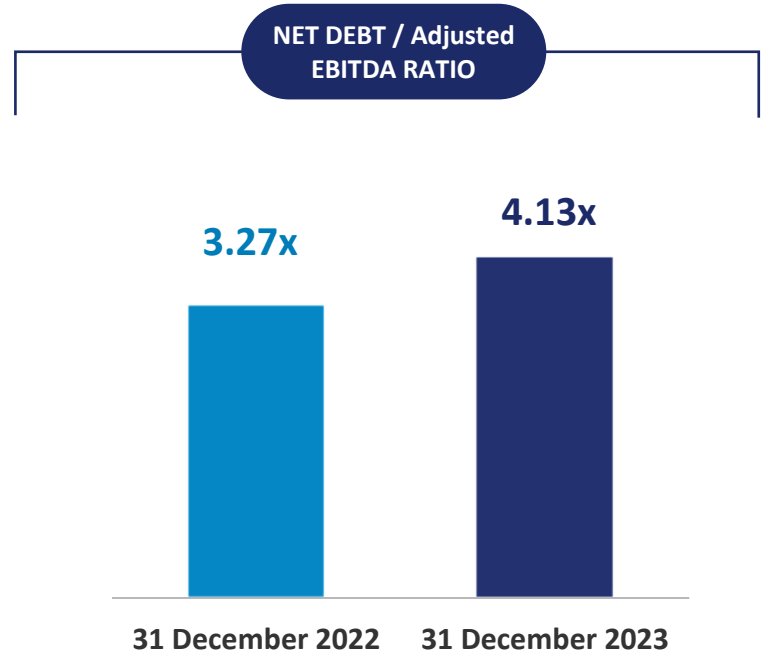
Change in net debt

In €m

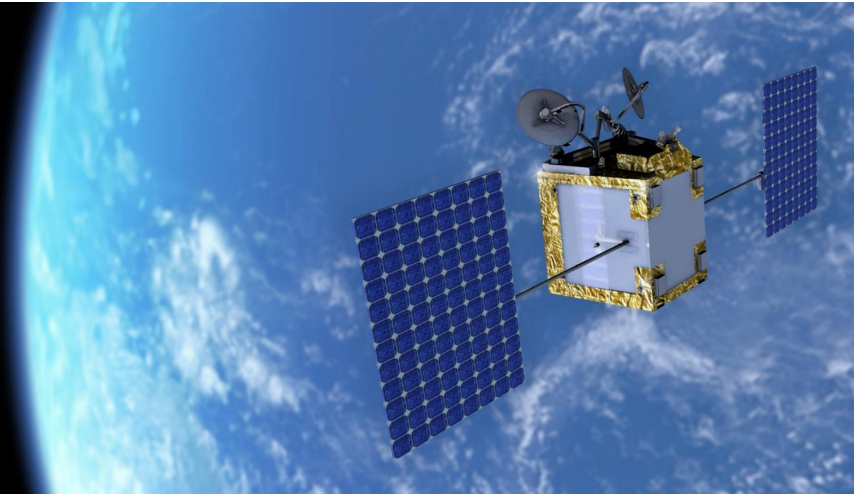


Financial Structure

- ▶ **Net Debt/Adjusted EBITDA ratio of 4.13x**
 - Versus 3.55x at end December 2022 and 3.35x as of 30 June 2023
- ▶ **Average cost of debt after hedging of 3.16%**
 - Versus 2.67% in H1 23
- ▶ **Average weighted maturity of 3.0 years**
 - Versus 4.1 y at 31 December 2022
- ▶ **Undrawn credit lines and cash around €1.8 billion**



Outlook



Eutelsat and OneWeb integration progressing as planned

Commercial momentum and synergies confirmed

Technical

- LEO Constellation operational and delivering proven, robust performance
- Acceleration in ground network roll-out following recent delays
- Multiple user terminal options available addressing customer needs
- LEO/GEO terminal expected to be available mid-2024 for mobility, opening new user cases

Commercial

- Resilient GEO activities continuing to deliver on track
- Growing OneWeb backlog, up 23% during past quarter
- Strong commercial momentum, with multiple service deals activated with major customers in recent months

Synergies

- Integration between Eutelsat and OneWeb progressing smoothly
- All synergies confirmed, notably cost synergies, where additional sources of savings have been identified
- Design of OneWeb NextGen based on a stepwise design assuring continuity of service, leading to significant capex savings

Eutelsat Group

Financial objectives

GROUP REVENUES

- ▶ Between €1.25bn and €1.3bn in FY 2024,
- ▶ Double digit CAGR between 2024 and 2028

ADJUSTED EBITDA

- ▶ Between €650m and €680m in FY 2024,
- ▶ Double digit CAGR between 2024 and 2028

CASH CAPEX

- ▶ Between €600m and €650m in FY 2024
- ▶ €600 to €700m per annum on average, over the period FY 2025 to FY 2030 after synergies

LEVERAGE



- ▶ Targeting medium-term net debt / EBITDA ratio of c. 3x

Note: Outlook is based on a €/\$ rate assumption of 1.00 and current perimeter and on the nominal deployment plan outlined below. It assumes no further material deterioration of revenues generated from Russian customers.

Q&A



Appendix: Upcoming GEO launches

	EUTELSAT 36D	FLEXSAT AMERICAS
Orbital Position	36° East	-
Approx. Entry into service date ¹	H2 2024	2026 (delivery)
Manufacturer		
Coverage	Africa, Russia, Europe, Middle East	Americas
Applications	Video Government	Connectivity
Total capacity (TPX ² /Spotbeams)	70 transponders in Ku-band UHF payload	Over 100 Gbps
o/w expansion ²	UHF payload	-

¹ Calendar year

² Excludes unannounced redeployments