FIRST HALF 2018-19 RESULTS

15 February 2019

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Disclaimer

This document contains figures from the consolidated half-year accounts, prepared under IFRS, and subject to a limited review by the Auditors. They were reviewed by the Audit Committee on 13 February 2019 and approved by the Board of Directors of Eutelsat Communications on 14 February 2019.

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered as Alternative Performance Indicators. Their definition and calculation can be found in appendix 3 of the press release.

Figures as of 31 December 2017 have been restated throughout this presentation to reflect the retrospective adoption of IFRS 15 from 1 July 2018. The impact of the application of IFRS 15 standards is presented in the note 3 to the consolidated financial statements. The Group also adopted IFRS 16 and IFRS 9 as of 1 July 2018.

Agenda

1 Highlights

2 Operational performance

3 Financial performance

4 Outlook

Key financial data

	First Half 2018-19[1]	Underlying performance
Operating Verticals Revenues	€660m	-2.4%[2]
EBITDA margin *At constant currency*	79.0%	-0.4 pts
Cash Capex	(€130)m	(€77)m
Discretionary Free Cash-Flow *At constant currency & perimeter*	€235m	-30%
Net Debt / EBITDA	3.1	-0.2x (vs. Dec. 17)

[1] Please refer refer to appendices for full details
[2] At constant currency and perimeter

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Progress on our strategic roadmap

Step 1	Step 2: return to growth	
MAXIMIZE FREE CASH-FLOW GENERATION	**EXTRACT VALUE FROM THE CORE VIDEO BUSINESS**	**CAPTURE THE CONNECTIVITY OPPORTUNITY**

Maximising cash generation

- Disposal of non-core interest in ETL 25B satellite for €135m
- Successful refinancing of Jan 2019 Bond extending debt maturity and reducing cash interest by €24m
- Multi-launch agreement with Arianespace providing cost-effective access to space
  HOTBIRD replacement with highly effective application of design-to-cost
- LEAP cost-saving plan on track to deliver full €30m in opex savings
- Potentially significant benefit of 2019 French Finance Law for corporate tax rate

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Extracting value from the core video business

INCREASE RETURNS: HOTBIRD CONSTELLATION RENEWAL

- **Two large satellites replace three for the same number of operational transponders**
- **Compelling procurement terms significantly reducing Capex**
- **Increased in-orbit life**
- **Enhanced quality of service**
- **Illustrating effectiveness of Eutelsat's design-to-cost policy**

INCREASE REVENUES: PROMISING TAKE UP OF EUTELSAT CIRRUS

- **Eutelsat's new hybrid satellite-OTT delivery solution**
- **First customers signed up**
  - **Upsell with existing clients:** DTH customer in the Balkans subscribing to turnkey OTT delivery
  - **New platforms:** Greenfield platform taking hybrid satellite/OTT
- **Promising leads in the pipeline**

eutelsat CIRRUS

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Broadband Europe: Overhaul of distribution strategy with focus on specialist and telco partners

- **Launch of Preferred Partner Program to revitalize KA-SAT distribution**
  - **Reinforce relations with key partners**
    - Exclusive distribution of KA-SAT capacity
    - Support for SAC, installation and marketing
    - Enabling preferred partners to offer highly compelling packages
  - **Incentivize partners to maximise volumes and enhance scalability**
  - **Gold level partners already on board**

bigblu broadband skyDSL

- **Agreement with Masmovil, one of Spain's leading Telco operators**
  - **Distribution of broadband services over KA-SAT**
  - **Confirming satellite as complement to terrestrial networks in underserved areas in Europe**

MASMOVIL

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Konnect Africa: Progressive roll-out

LAUNCH IN FALL 2018	BUILDING OUT DISTRIBUTION NETWORK	DEFINING APPROPRIATE PRICING STRATEGIES (DRC EXAMPLE)

LAUNCH IN FALL 2018

- **Entry into service of Al-Yah 3**
- **Progressive launch of commercial service**
- **Konnect Africa now available in 19 countries**

BUILDING OUT DISTRIBUTION NETWORK

- **Wholesale telcos and DTH operators**
- **Go-direct through a Network of local partners**
  - **Launch in DRC with > 1,600 PoS /resellers**
- **Wi-Fi Hotspots**
  - **Succesful tests of Konnect Wifi**

DEFINING APPROPRIATE PRICING STRATEGIES (DRC EXAMPLE)

- **Segmented price grid**
  - B2C packages ranging from $25 (5 GB) to $75 (30 GB) with download speeds from five to 10 Mbps
  - B2B packages starting from $150 (50 GB) with 20 Mbps download speeds
- **Prices comparable to wireline /wireless alternatives**
- **Fully prepaid model**

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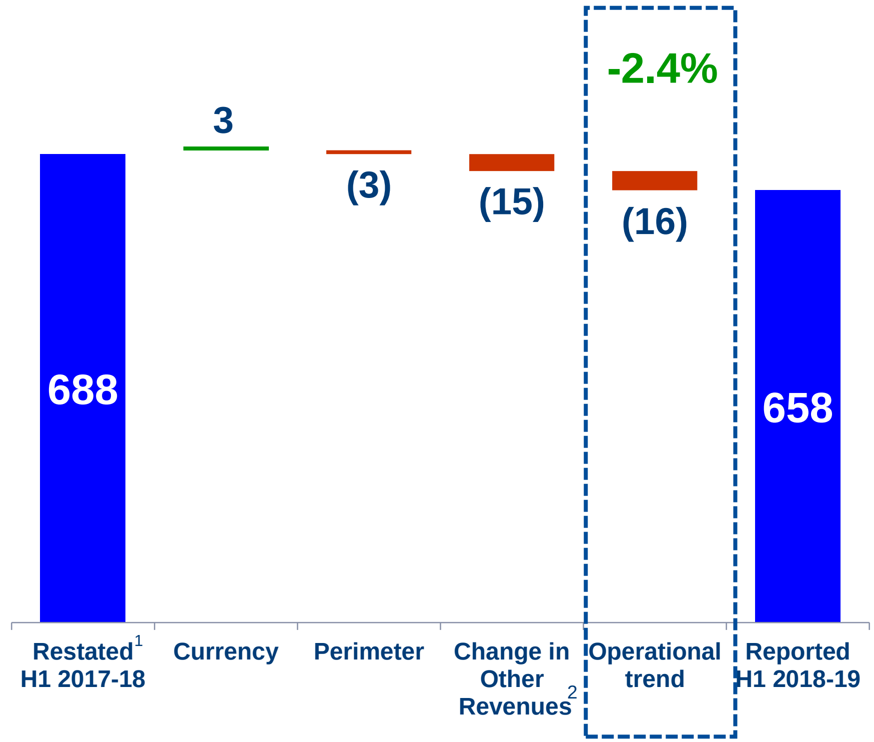
H1 2018-19 revenues

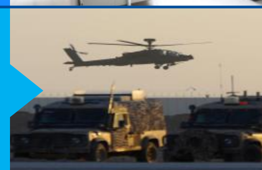
- **Total revenues of €658m, down 4.4%**
- **Negative net perimeter impact**
  - Consolidation of Noorsat
  - Deconsolidation of Eutelsat 25B
- **Positive currency effect**
  - €/$ rate of 1.16 vs 1.17 last year
- **Negative swing of -€15m in Other revenues**
  - Of which -€9m related to hedging
- **Revenues from the Operating Verticals down 2.4% like-for-like excluding 'Other Revenues'**

H1 19 Y-O-Y REVENUE BRIDGE (€M)



[1] Restated to reflect the adoption of IFRS 15 from 1 July 2018
[2] Including Hedging revenues which represented a -€9m impact

H1 2018-19 revenues by application

	Application		REVENUE CONTRIBUTION[1]	REVENUES (€m)	LIKE-FOR-LIKE[2] CHANGE
CORE BUSINESSES	Video		66%	432	-2.0%
CORE BUSINESSES	Government Services		12%	82	+1.7%
CORE BUSINESSES	Fixed Data		10%	66	-11.9%
CONNECTIVITY	Fixed Broadband		6%	40	-5.8%
CONNECTIVITY	Mobile Connectivity		6%	40	+6.7%
Total Operating Verticals				660	-2.4%
Other revenues				(2)	-€15m[3]

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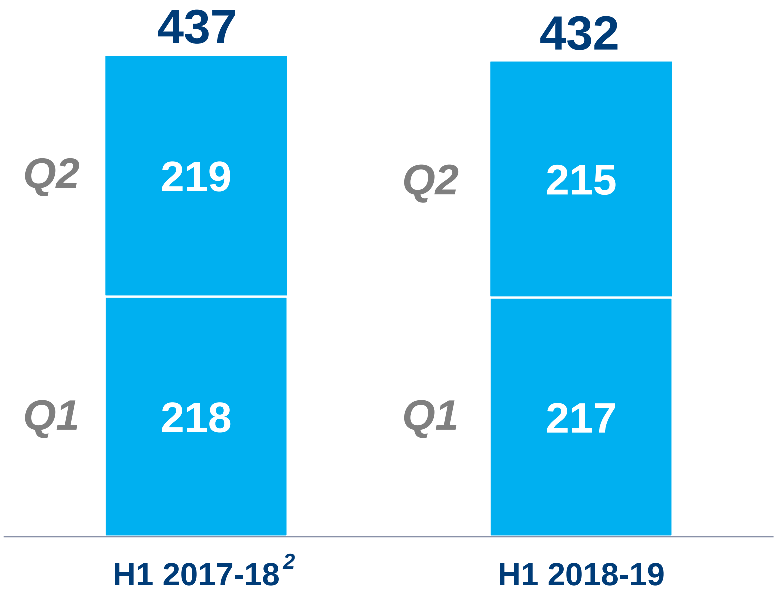
[1] The share of each application as a percentage of total revenues is calculated excluding "Other revenues".
[2] At constant currency and perimeter
[3] Of which -€9m related to Hedging revenues

Video

66%

- Revenues of €432m, down 2.0% like-for-like[1]
- Core broadcast excluding FRANSAT broadly stable
- High-single digit decline in Professional Video
- Channel count up 3.8% yoy
  - 7,067 channels at end December 2018
  - HD up from 18.7% to 21.2%
- H1 commercial highlights
  - New contract in Ethiopia on ETL 8WB
  - New contract with Afghanistan Broadcasting System on ETL 53A
  - Increased direct sales in MENA
  - First contracts signed for CIRRUS
- Further business in the pipeline

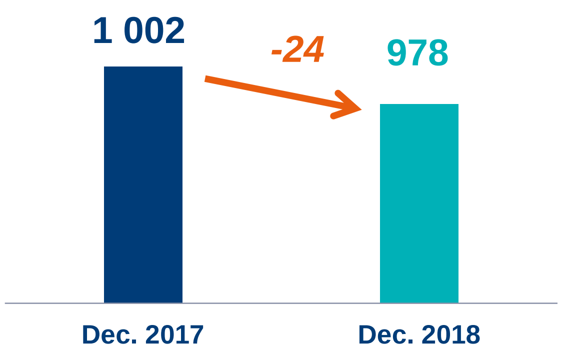
REVENUES (€M)

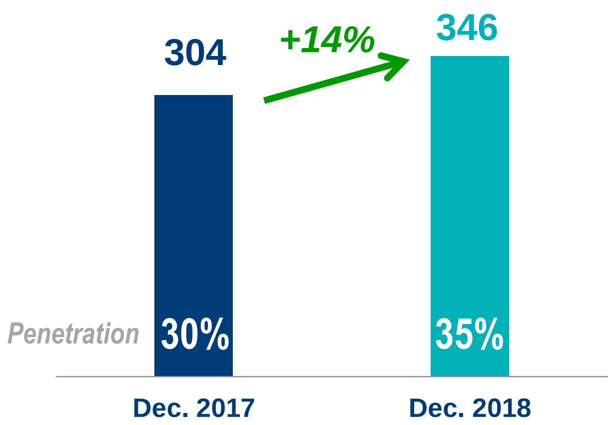


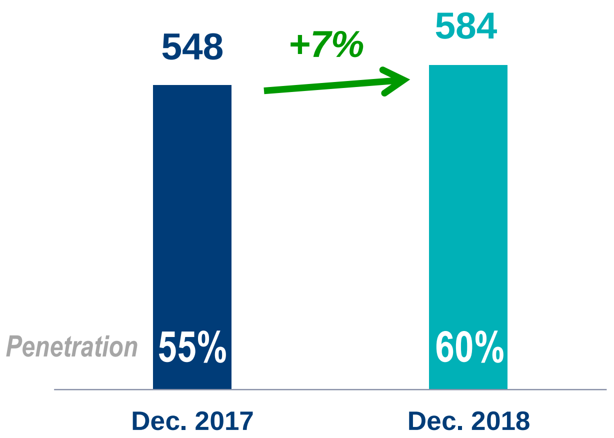
[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15 and excluding the contribution of Eutelsat 25B from August 2017

Focus on HOTBIRD KPIs

CHANNEL COUNT	HD PENETRATION	MPEG 4 RAMP UP







- Lower channel count reflects anticipated end of simulcast by a single customer
- Sustained HD ramp-up, outpacing MPEG 4
- MPEG-4 considerably more advanced than HD

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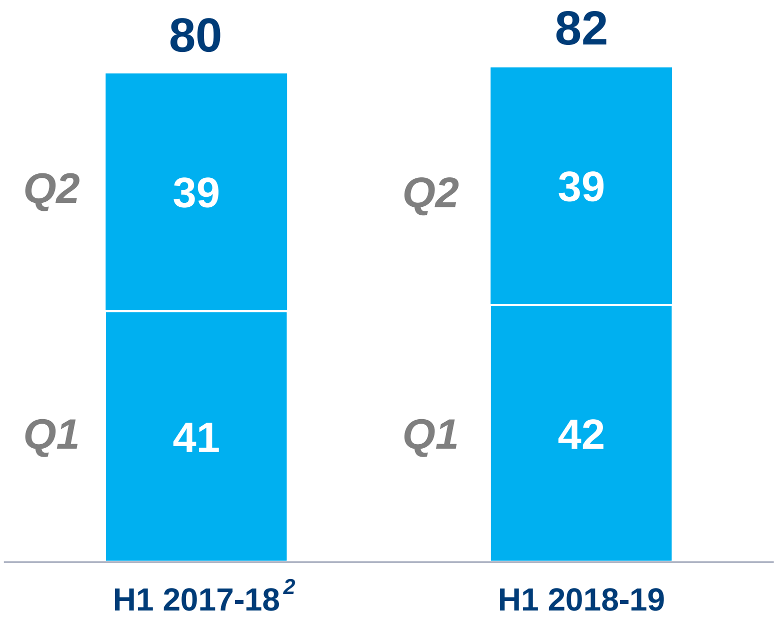
Government Services

12%

- **Revenues of €82m, up 1.7% like-for-like[1]**
- **Incremental business at 174°East**
- **Impact of low outcome of USG Fall 2018 renewals**
  - Non-renewal of a single sizeable contract with a specific service provider
  - Not reflective of underlying market trends

REVENUES (€M)



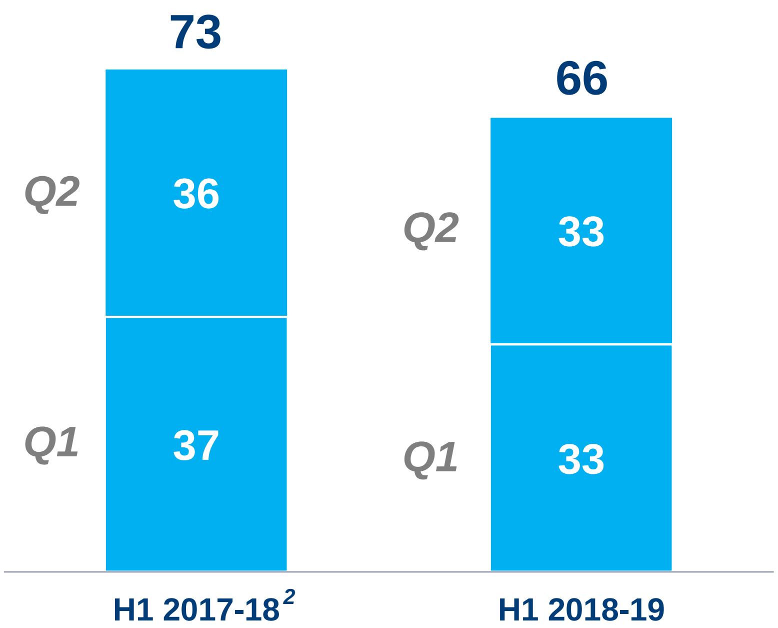
[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

Fixed Data

10%

- **Revenues of €66m, down 11.9% like-for-like[1]**
- **Continuing to reflect:**
  - Highly competitive environment
  - Ongoing price pressure
- **Latin America the main contributor to revenue decline**
- **Framework agreement with Orange**
  - Multi-transponder renewal securing business on a multi-year basis
  - Potential incremental business in multiple applications

REVENUES (€M)



[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

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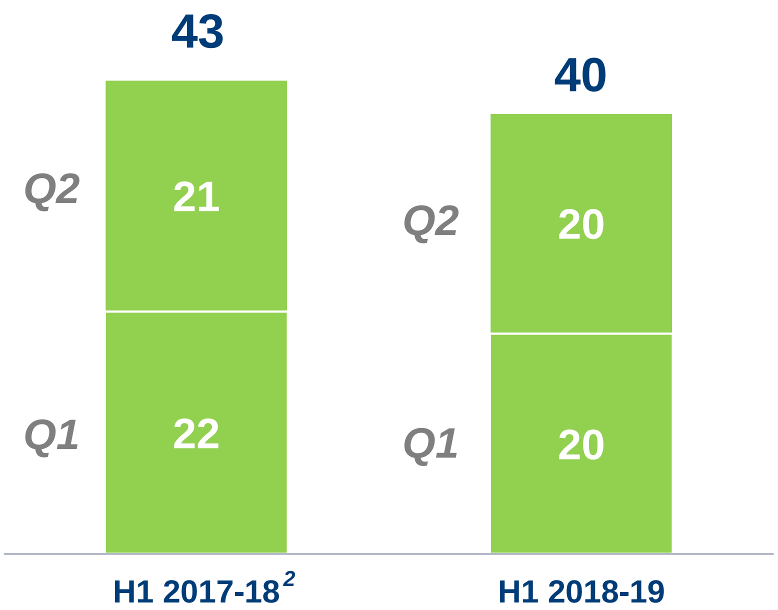
Fixed Broadband

6%

- **Revenues of €40m, down 5.8% like-for-like[1]**
- **Contract expiry for a spotbeam on ETL 3B**
  - Re-contracted to Taqnia in Mobile Connectivity
  - c.-2 points of impact
- **Lower revenues for European Broadband**
  - Scarcity of available capacity in certain Western Europe countries
- **Launch of Konnect Africa**
- **New self-managed distribution strategy in Europe**

REVENUES (€M)



[1] At constant currency and perimeter
[2] Proforma revenues at actual rates, ie adjusted for IFRS 15

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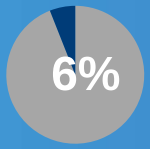
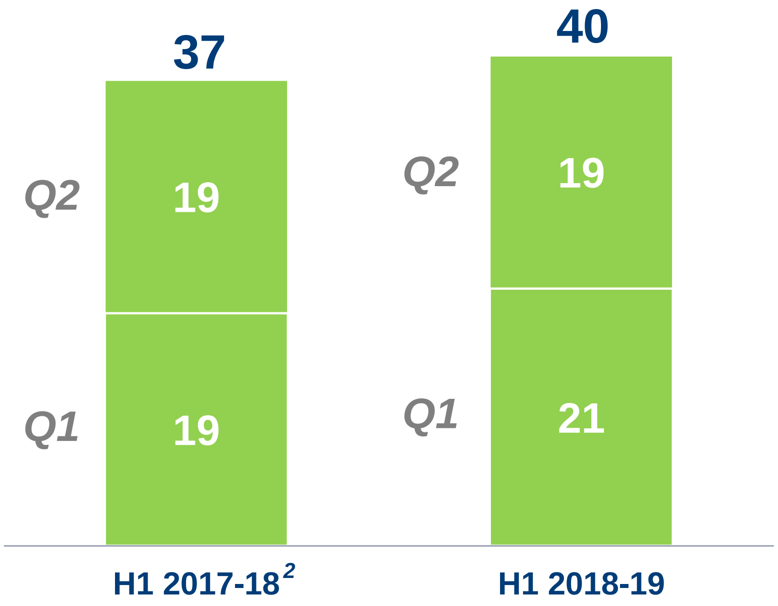
Mobile Connectivity



REVENUES (€M)

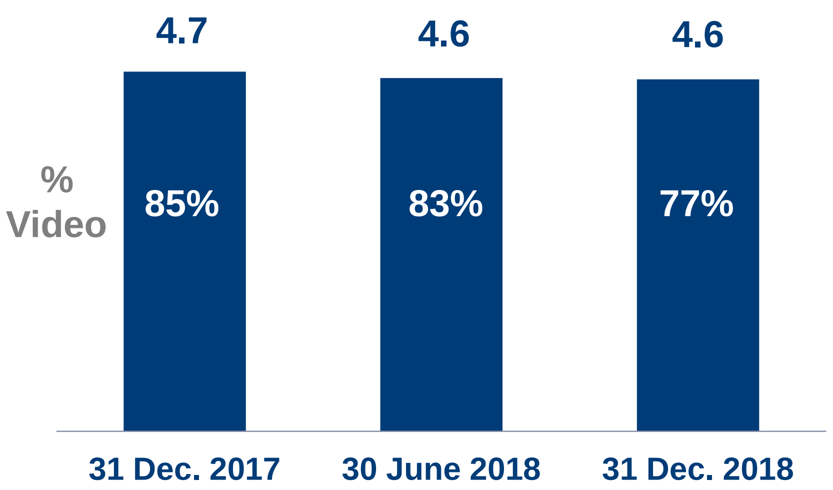
- **Revenues of €40m, up 6.7% like-for-like[1] reflecting:**
  - New contract with Taqnia at 3°East and 70°East
  - Carry-over effect of entry into service of EUTELSAT 172B
  - Ongoing ramp up of capacity contracts on KA-SAT
- **New multi-transponder contract with a leading service provider in Maritime at several orbital positions**



[1] *At constant currency and perimeter*
[2] *Proforma revenues at actual rates, ie adjusted for IFRS 15*

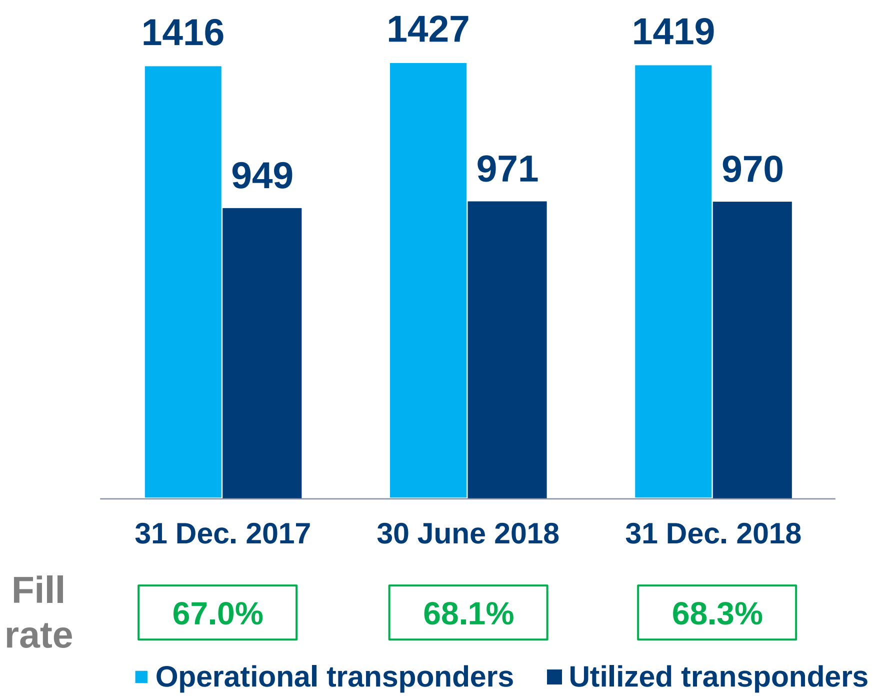
Backlog and Fill Rate

BACKLOG (€BN)



- 3.3 years of revenues
- Total backlog stable sequentially
- Video accounting for 77%

OPERATIONAL AND UTILIZED TRANSPONDERS



- Operational txp reflecting disposal of ETL 25B
- Utilized txp stable vs. end June
- Fill rate of 68.3%

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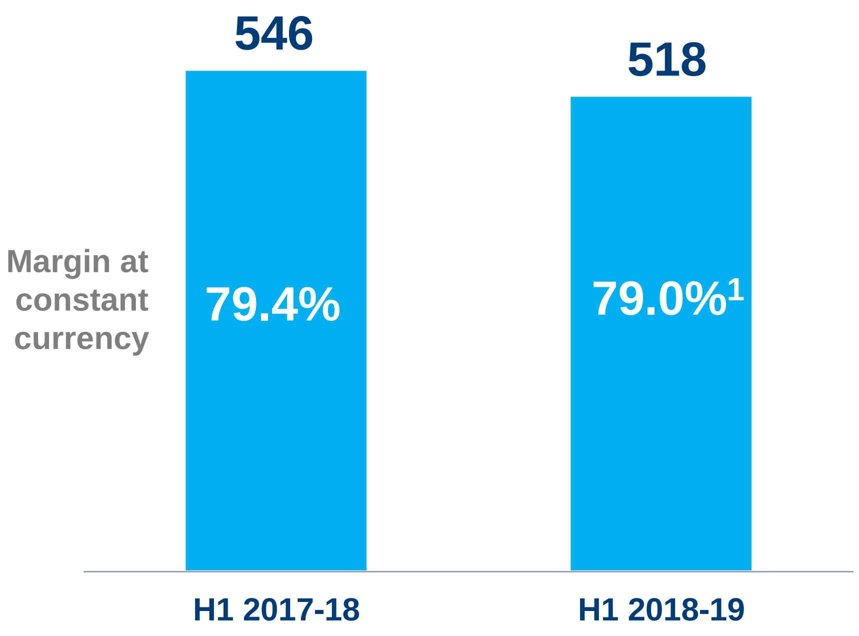
Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity

Agenda

Profitability

- ▶ **EBITDA margin of 79.0% at constant currency vs. 79.4% in H1 2017-18**
  - Lower 'Other Revenues'
  - Roll-out costs of Konnect Africa
  - Disposal of ETL 25B
  - Consolidation of Noorsat
- ▶ **LEAP cost saving plan in line with expectations**
  - On track to deliver full €30m target by year end

EBITDA (€M)



[1] Reported EBITDA margin stood at 78.8%

Net income

Extracts from the consolidated income statement in €m[1]	H1 2017-18	H1 2018-19	Change	
Revenues	688	658	-4.4%	
EBITDA[2]	546	518	-5.1%	
Operating income	282	297	+5.3%	► Capital gain related to the sale of ETL 25B in Aug' 18
Financial result	(56)	(53)	-4.7%	► Reflecting the evolution of foreign exchange gains and losses
Income tax	(61)	(85)	+40.3%	► Tax Rate of 35% vs 27% last year ► Includes capital gain tax on ETL 25B disposal ► Positive non-cash one-off in H1 2017-18
Group share of net income	158	150	-4.8%	► Net margin of 23%

[1] Rounded to closest million; As a reminder, Figures as of 31 December 2017 have been restated to reflect the adoption of IFRS 15 from 1 July 2018
[2] EBITDA defined as operating income before depreciation, amortization, impairments and other operating income/(expenses)

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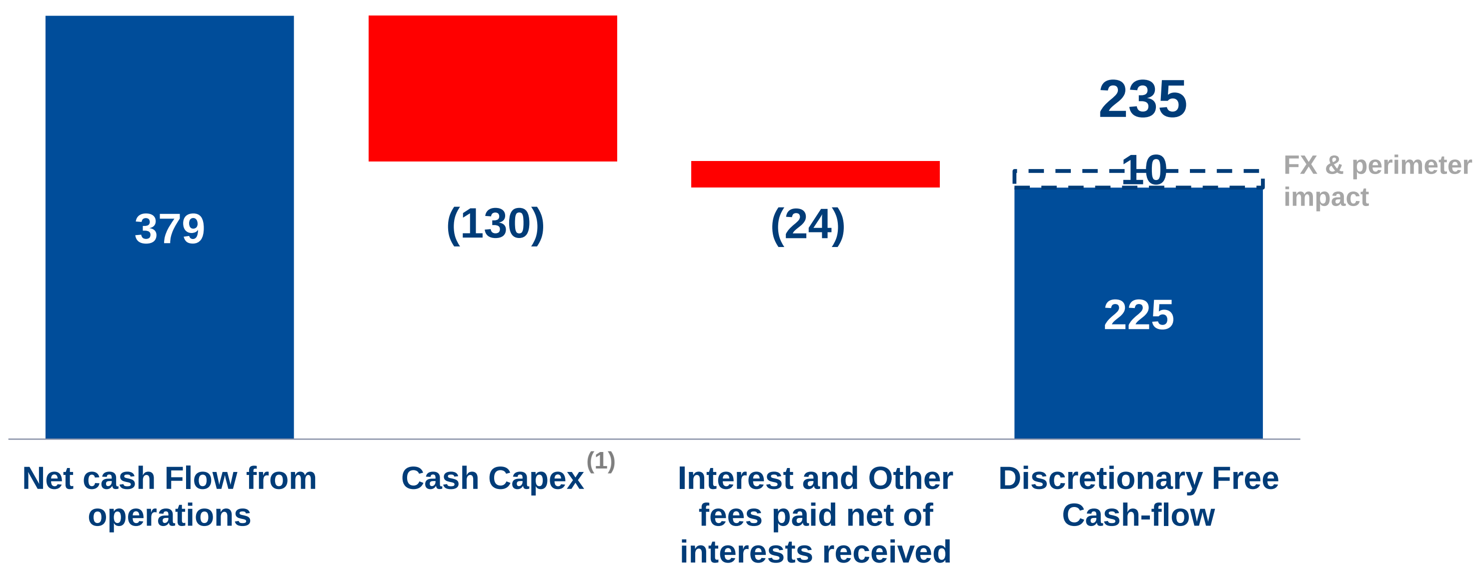
Discretionary Free Cash-Flow reflecting Capex phasing

In €m



Change at constant FX & perimeter	**(22)**	**(77)**	**(3)**	**(102)**
Reported change	***(33)***	***(77)***	***(3)***	***(113)***

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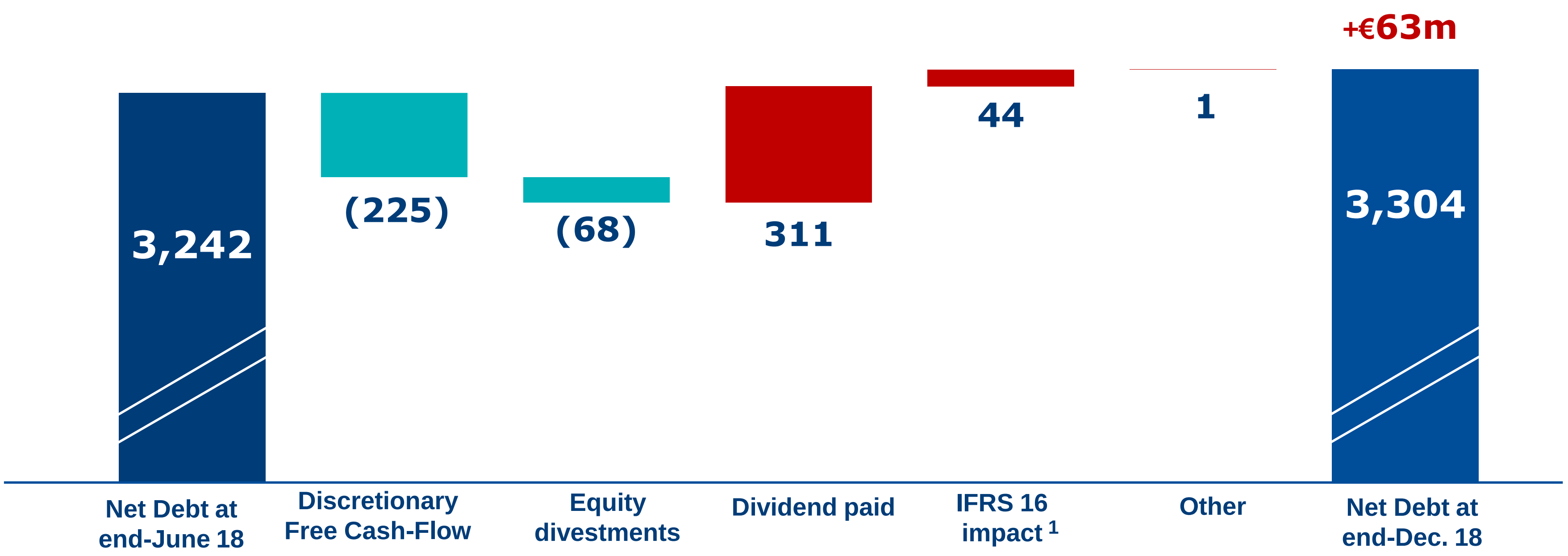
[1] Cash Capex includes capital expenditure and payments under existing export credit facilities and long-term lease agreements on third party capacity.

Evolution of Net Debt

In €m



[1] As of 1 July 2018

Financial structure

- **Net Debt/EBITDA ratio reduced to 3.1x**
  - vs 3.3x at 31 Dec 2017
- **Average cost of debt after hedging reduced to 2.2% when restated from the repayment of the Jan. 19 maturity[1]**
  - vs 2.9% in H1 2017-18
- **Average weighted maturity of 3.4 years when restated from the repayment of the Jan. 19 maturity[1]**
  - vs 2.5 years at 31 Dec 2017
- **Strong liquidity**
  - €677m cash excluding €800m earmarked for Jan. 19 bond
  - €650m undrawn credit lines

NET DEBT / EBITDA RATIO[2]

[1] Respectively 2.8% and 2.7 years on a reported basis
[2] Based on net debt at the end of the period and last twelve months' EBTIDA

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	Finance law paving the way for tax relief in 2019	In progress

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1 Recent highlights

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Revenue trend to improve in H2

VIDEO	FIXED BROADBAND	MOBILE CONNECTIVITY
▶ New contracts on ETL 8WB and ETL 16A ▶ Increased direct sales in MENA ▶ FRANSAT headwind wash-out ▶ Further business in the pipeline	▶ Ramp-up of Konnect Africa ▶ Improved trends in Europe on the back of recent initiatives	▶ New multi-transponder contract with a leading maritime service provider ▶ UnicomAirNet contract on ETL 172B

Financial outlook confirmed

OPERATING VERTICALS REVENUES (At constant currency, perimeter and accounting standards)	► Broadly stable in FY 2018-19[1] ► Return to slight growth from FY 2019-20
EBITDA MARGIN (At constant currency)	► Above 78% from FY 2018-19 Taking into account impact of IFRS 15 and 16
CAPEX	► FY 2017-18 to FY 2019-20: average of €400[2]m per year Including IFRS 16 impact
DISCRETIONARY FREE CASH FLOW[3] (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

[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 .

To Sum Up

- Several important measures to boost cash generation including successful bond issue and further asset disposals
- Progress on the long-term components of our performance in Video and Connectivity, with Konnect Africa potential confirmed
- Robust EBITDA margin, despite lower revenues and other dilutive impacts
- H1 cash-flow measures and potential benefit of new finance law underpinning our ability to achieve or exceed our DFCF objective
- Confirmation of Financial Objectives for FY2019 and beyond

APPENDIX

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]	Q2 2019	Q2 2019	H2 2019	H2 2019	2021	2021	2021
Manufacturer	SSL	Airbus Defence & Space / Orbital ATK	Airbus Defence & Space	ThalesAlenia Space	ThalesAlenia Space	Airbus Defence & Space	Airbus Defence & Space
Launcher	arianespace	ILS	arianespace	arianespace	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**	-	-

Electrical propulsion (green)

HTS Payload (blue)

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[1] *Calendar year*

[2] *Excludes unannounced redeployments*

[3] *"Nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 TPE), once regulatory, technical and operational constraints are taken into account."*

Key Financial Data

Key Financial Data	6M to Dec. 2017 Restated	6M to Dec. 2018	Change
P&L			
Revenues - €m	688.1	**658.1**	**-4.4%**
"Operating Verticals" revenues	675.9	**660.4**	**-2.3%**
"Operating Verticals" revenues at constant currency and perimeter	669.9	**653.8**	**-2.4%**
EBITDA[1] - €m	546.2	**518.4**	**-5.1%**
EBITDA margin - %	79.4	**78.8**	**-0.6 pts**
EBITDA margin at constant currency - %	79.4	**79.0**	**-0.4 pts**
Group share of net income - €m	158.0	**150.4**	**-4.8%**
Financial structure			
Discretionary Free-Cash-Flow at constant currency and perimeter[2]	337.1	**235.2**	**-30.2%**
Net debt - €m	3,630.3	**3,304.3**	**-€326m**
Net debt/EBITDA - X	3.3x	**3.1x**	**-0.2 pts**
Backlog – €bn	4.7	**4.6**	**-2.9%**

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[1] Operating income before depreciation and amortisation, impairments and other operating income/(expenses).
[2] Net cash-flow from operating activities – Cash Capex - Interest and Other fees paid net of interests received.

Proforma revenues by application

In € millions	**Q1 2017-18**	**Q2 2017-18**	**Q3 2017-18**	**Q4 2017-18**	**FY 2017-18**
Video	217.9	219.0	217.9	215.6	870.5
Government Services	41.1	38.5	38.0	40.2	157.8
Fixed Data	37.2	36.2	35.3	34.2	143.0
Fixed Broadband	22.0	20.9	20.8	20.7	84.3
Mobile Connectivity	18.6	18.5	17.9	19.5	74.4
Total Operating Verticals	**336.8**	**333.0**	**329.9**	**330.2**	**1,330.0**
Other Revenues	6.6	5.5	0.6	33.9	46.7
Total	**343.5**	**338.6**	**330.4**	**364.1**	**1,376.6**

Figures restated for: 1/ The contribution of Eutelsat 25B as of August 2017; 2/ The impact of new IFRS 15 standards

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