

FULL YEAR 2020-21 RESULTS

- **Operating Verticals revenues at the top end of our expected range**
- **Further high level of Free Cash Flow generation**
- **Topline to grow from FY 2022-23 with an acceleration in FY 2023-24**
- **Adjusted Discretionary Free Cash Flow objective for FY 2021-22 raised by €30m; growth from FY 2022-23**
- **Recommending 5% dividend increase to €0.93¹ per share**

Paris, 30 July 2021 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), chaired by Dominique D’Hinnin, reviewed the financial results for the year ended 30 June 2021.

Key Financial Data	FY 2019-20	FY 2020-21	Change
P&L			
Revenues - €m	1,278.3	1,233.9	-3.5%
“Operating Verticals” revenues reported - €m	1,276.3	1,201.2	-5.9%
“Operating Verticals” revenues at constant currency and perimeter - €m	1,267.5	1,225.9	-3.3%
“Operating Verticals” revenues as per financial objectives - €m	-	1,219.9²	-
EBITDA ³ - €m	985.0	921.9	-6.4%
EBITDA margin - % ³	77.1%	74.7%	- 2.4 pts
Operating income - €m	490.2	347.2	-29.2%
Group share of net income - €m	297.6	214.1	-28.1%
Financial structure			
Reported Discretionary Free Cash Flow - €m ³	474.4	467.1	-1.5%
Adjusted Discretionary Free Cash Flow - €m³	496.5	497.6	+0.2%
Net debt - €m	2,999.4	2,655.5	-€343.9m
Net debt/EBITDA - X ³	3.05	2.88	-0.17x
Backlog - €bn	4.1	4.4	+7.4%⁴

Rodolphe Belmer, Chief Executive Officer of Eutelsat Communications, said: “FY 2020-21 was a solid year with revenues at the high end of our upwardly revised guidance, record high cash generation and a further reduction in our Net Debt / EBITDA ratio. Major commercial highlights included, in Broadcast, the Sky Italia renewal, reflecting the long-term relevance of satellite in Europe and two hosted payloads in Government Services. The year was a turning point for our Connectivity business, in particular Fixed Broadband, with notably the entry into service of EUTELSAT KONNECT as well as major wholesale agreements with Telcos, Orange and TIM, for capacity on both EUTELSAT KONNECT and EUTELSAT KONNECT VHVS. Finally, Eutelsat accomplished a major strategic move, gaining a foothold in the LEO segment through its investment in OneWeb. OneWeb represents an additional growth engine for our Connectivity businesses with strong potential for co-operation thanks to complementarity of resources and assets.

¹ Dividend proposed at AGM of 4 November 2021.

² FY 2020-21 “Operating Verticals” revenues are converted at 1.14 €/€ rate.

³ Please refer to Appendix 3 for more details on Alternative Performance Measures.

⁴ At constant currency.

Looking ahead, Operating Verticals revenues for FY 2021-22 are expected between €1,110 and €1,150 million. They will subsequently return to growth from FY 2022-23 with an acceleration in FY 2023-24 on the back of the entry into service of incremental assets with substantial firm precommitments. Our Adjusted Discretionary Free Cash Flow objective for FY 2021-22 is raised by €30m with growth from FY 2022-23. We are also renewing our commitment to strong shareholder returns with a recommended dividend of €0.93, up 5%.”

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered Alternative Performance Indicators. Their definition and calculation are in appendix 3 of this document. The comparative financial statements as of 30 June 2020 have been restated with respect to the CVAE, which has been reclassified from "Selling, general and administrative expenses" to "Corporate income tax" for an amount of 3.1 million euros in order to align the presentation with the consolidated financial statements as of 30 June 2021.

HIGHLIGHTS

Operating Verticals revenues at the top end of the upgraded range of objectives

- €1,201 million on a reported basis, down 3.3% like-for-like
- €1,220 million at 1.14 €/€ rate, at the high end of our €1,200 to 1,220 million range

Robust financial performance despite tough external context

- High level of cash generation, with reported Discretionary Free Cash flow of €467 million, representing 38% of revenues and record high Adjusted Discretionary Free Cash flow of €498 million.
- Industry-leading profitability with a 74.7% EBITDA margin despite headwind related to covid-linked Bad Debt.
- Sound balance sheet with an improved Net Debt / EBITDA ratio at 2.88x (versus 3.05x last year).

Strong commercial performance with growing backlog representing 3.5 years of revenues

- **Broadcast:** Sky Italia renewal highlighting the long-term relevance of satellite broadcast in Europe and incremental capacity commitment from Multichoice in sub-Saharan Africa;
- **Fixed Data:** Multiple deals with new or expanded capacity highlighting the robust demand for Backhaul and Corporate Networks;
- **Government Services:** New EGNOS payload on EUTELSAT HOTBIRD 13G with a total contract value of €100m over 15 years; EUTELSAT 36D selected by Airbus Defence and Space to carry its latest Ultra High Frequency (UHF) payload;
- **Fixed Broadband:** Major wholesale agreement with Telecom Italia for the Italian capacity on EUTELSAT KONNECT and KONNECT VHTS, following similar deal with Orange for France.
- **Mobile Connectivity:** Agreement with Global Eagle for capacity in inclined orbit at 139°West.

Ramp up of Fixed Broadband strategy with significant acceleration expected from FY 2021-22

- Entry into service of EUTELSAT KONNECT with full coverage over Europe and Africa
- Progress in Western Europe:
 - Wholesale agreements with Orange and TIM; ongoing discussions with other operators.
 - Launch of retail offers in several European countries, following successful integration of Bigblu Broadband Europe.
- Multiple distribution agreements signed in key African markets.

Strategic investment in OneWeb

- Compelling entry point to the LEO segment.
- Additional growth engine for our connectivity businesses.
- Strong potential for co-operation thanks to complementarity of resources and assets.

Well on track to receive C-Band proceeds during FY 2021-22 with completion report to be filed imminently

- Completion report on both phase 1 and phase 2 of the transition to be filed imminently.
- Eutelsat eligible for a pre-tax consideration of \$507m of which \$125m for phase 1 and \$382m for phase 2.
- Proceeds expected in full during FY 2021-22 for both phase 1 and phase 2.

Updated financial objectives extending visibility to FY 2023-24

- Operating Vertical revenues expected between €1,110 million and €1,150 million in FY 2021-22 (at 1.20 €/ \$ rate),
- Operating vertical revenues expected to grow from FY 2022-23 with an acceleration in FY 2023-24, on the back of the entry into service of new assets with substantial firm precommitments.
- Adjusted Discretionary Free Cash Flow Objective for FY 2021-22 raised by €30m at constant currency; growth from FY 2022-23.

Commitment to strong shareholder returns with recommended dividend of €0.93, up 5%

- Dividend covered more than twice by Reported Discretionary Free Cash Flow.

ANALYSIS OF REVENUES⁵

In € millions	FY 2019-20	FY 2020-21	Change	
			Reported	Like-for-like ⁶
Broadcast	784.6	741.0	-5.6%	-4.2%
Data & Professional Video	175.3	161.4	-7.9%	-3.7%
Government Services	161.1	151.4	-6.0%	+0.0%
Fixed Broadband	76.7	80.2	+4.6%	+7.1%
Mobile Connectivity	78.7	67.2	-14.6%	-8.4%
Total Operating Verticals	1,276.3	1,201.2	-5.9%	-3.3%
Other Revenues ⁷	2.0	32.7	x 16.4	+35.7%
Total	1,278.3	1,233.9	-3.5%	-2.9%
<i>EUR/USD exchange rate</i>	<i>1.105</i>	<i>1.188</i>		

Total revenues for **FY 2020-21** stood at €1,234 million, down 3.5% on a reported basis and by 2.9% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €1,201 million. They were down by 3.3% on a like-for-like basis excluding a negative currency effect of c. 2.6 points and a broadly neutral perimeter effect with the consolidation of BigBlu Broadband Europe since 1st October 2020 offset by the disposal of Euro Broadband Infrastructure (EBI) on 30 April 2021.

Fourth Quarter revenues stood at €304 million down 4.8% on a reported basis and by 2.4% like-for-like. Revenues of the five Operating Verticals stood at €294 million, down 2.7% year-on-year and up 1.2% quarter-on-quarter on a like-for-like basis.

⁵ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

⁶ Change at constant currency and perimeter. The variation is calculated as follows: i) FY 2020-21 USD revenues are converted at FY 2019-20 rates; ii) FY 2020-21 revenues are restated from the contribution of BigBlu Broadband Europe to revenues; iii) FY 2019-20 revenues are restated from the contribution of Eurobroadband Infrastructure in May and June 2020.

⁷ "Other Revenues" include mainly the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

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

Broadcast (62% of revenues)

FY 2020-21 Broadcast revenues were down 4.2% like-for-like to €741 million. They reflected the full-year impact of the renegotiation of contract terms with Forthnet as well as lower revenues in Europe stemming from a slowdown in the pace of new business against the current covid backdrop which is affecting resellers in particular.

Fourth Quarter revenues stood at €180 million, down by 6.6% year-on-year. Quarter-on-quarter, they were broadly stable excluding Fransat.

At 30 June 2021 the total number of channels broadcast by Eutelsat satellites stood at 7,006 up 3.2% year-on-year. HD penetration continued to increase, standing at 1,942 channels versus 1,679 a year earlier (+15.7%), implying a penetration rate of 27.7% compared to 24.7% a year earlier.

On the commercial front, the year was marked by the renewal of the contract with our largest Broadcast customer, Sky Italia, highlighting the long-term resilience of the European Pay-TV segment. We also expanded our commercial relationship with Multichoice which committed for incremental capacity at 36°East, highlighting the potential of the African market.

Conversely, the tough covid-related economic environment led to a lower than usual level of new business throughout the year, particularly in Europe. Nevertheless, there have been some signs of normalization recently, for example with a contract secured with a major global broadcaster for content distribution on EUTELSAT 9B.

Data & Professional Video (13% of revenues)

FY 2020-21 Data & Professional Video revenues stood at €161 million, down by 3.7% year-on-year, a trend which has considerably improved compared to the previous year (-14.1%). Fixed Data, which accounts for more than two thirds of this vertical, is benefiting from improving volumes which largely offset the continued price pressure. Professional Video remains in structural decline, although it enjoyed a recovery in Occasional Use compared to FY 2019-20 which was strongly impacted by the suspension of live sports events.

Fourth Quarter revenues stood at €41 million, up 0.9% year-on-year and 2.1% quarter-on-quarter. They included a one-off sale of equipment for circa €1m.

On the commercial front, the year saw dynamic activity levels highlighting the multiple opportunities in Mobile Backhaul and Corporate Networks. Amongst others we renewed and expanded contracts with Liquid Telecom for VSAT services on EUTELSAT 7B, and with Overon for use of capacity on EUTELSAT 10A and EUTELSAT 10B by Eumetsat, the European weather monitoring agency. Elsewhere new contracts were secured with New Zealand's Mobile operators to provide 4G mobile backhaul services to the country's remote offshore territories and with Telespazio for the provision of satellite capacity for rural backhauling in the context of Peru's national telecommunications programme.

Government Services (13% of revenues)

FY 2020-21 Government Services revenues stood at €151 million, stable on a like-for-like basis. This reflected notably the negative carry-forward effect of renewals with the US Government during the past 18 months (85% in Spring 2020, 80% in Fall 2020, 95% in Spring 2021) and a tough comparison basis in the Fourth Quarter which last year included a positive one-off from the temporary relocation of EUTELSAT 7A.

Conversely revenues benefited from new business as well as from the contribution of the EGNOS payload which entered service on 15 February 2020 on EUTELSAT 5 WEST B.

Fourth Quarter revenues stood at €38 million, down 4.5% year-on-year but up 1.7% quarter-on-quarter.

On the commercial front, the EUTELSAT 36D satellite was selected by Airbus Defence and Space to carry its latest Ultra High Frequency (UHF) payload to support communications over the EMEA region.

Fixed Broadband (7% of revenues)

FY 2020-21 Fixed Broadband revenues stood at €80 million, up 7.1% like-for-like. They reflected the initial revenues generated by Konnect Europe, including the start of the wholesale contracts with Orange from 1st January and TIM from 1st April, as well as growth at our African operations.

Fourth Quarter revenues stood at €18 million, up 34.8% on a year-on-year basis and 16.4% quarter-on-quarter.

FY 2020-21 was marked by significant milestones for our Fixed Broadband operations with the entry into service of the EUTELSAT KONNECT satellite. Progress in Europe included wholesale agreements with Orange and TIM as well as the launch of our retail offers following the integration of BigBlu Broadband Europe. In Africa our distribution capabilities were boosted notably through agreements with Paratus, TelOne, Vox, Coolink, Orange DRC and Facebook.

FY 2021-22 is expected to see the full benefit of these wins as well the materialization of other initiatives resulting in a substantial acceleration of growth.

Mobile Connectivity (5% of revenues)

FY 2020-21 Mobile Connectivity revenues stood at €67 million, down 8.4% like-for-like. Revenues reflected the impact of the Covid crisis on Aero Mobility, reducing revenues from certain service providers and leading to the loss of airtime-related revenues on KA-SAT. On a more positive note, Maritime continued to perform well on the back of the ramp-up of contracts secured in the last couple of years.

On the **commercial front**, a multi-year multi-transponder agreement was signed with Global Eagle for capacity in inclined orbit at the 139° West orbital position, highlighting the strength of Eutelsat's in-orbit resources and underlying demand on the Aero Mobility market. In addition, 'Eutelsat ADVANCE', the recently launched end-to-end managed connectivity service is showing early traction, having already been adopted by several maritime service providers.

The vertical will continue to face a degree of uncertainty on the timing of recovery; however trends improved in the **Fourth Quarter** with revenues up 16.0% year-on-year, albeit compared to a low base, and up 11.6% quarter-on-quarter thanks to the contribution of the Global Eagle contract.

Other Revenues

Other Revenues amounted to €33 million versus €2 million a year earlier. They included a positive €16 million impact from hedging operations compared to a negative effect of (€11) million last year.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders at 30 June 2021 stood at 1,377 units, almost unchanged year-on-year. The number of utilized transponders stood at 981, up 21 units year-on-year.

As a result, the fill rate stood at 71.2% compared with 69.7% a year ago.

	30 June 2020	30 June 2021
Operational transponders ⁸	1,376	1,377
Utilized transponders ⁹	960	981
Fill rate	69.7%	71.2%

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

BACKLOG

At 30 June 2021 the backlog stood at €4.4 billion, up 7.4% at constant currency compared to 30 June 2020. It reflected notably the inclusion of the long-term renewal contract with Sky Italia, the wholesale

⁸ Number of transponders on satellites in stable orbit, back-up capacity excluded.

⁹ Number of transponders utilized on satellites in stable orbit.

agreement with Telecom Italia and the additional EGNOS payload on the future EUTELSAT HOTBIRD 13G, partly offset by natural backlog consumption.

The backlog was equivalent to 3.5 times 2020-21 revenues, with Broadcast representing 64%, up from 3.2 years in FY 20.

	30 June 2020	30 June 2021
Value of contracts (in billions of euros)	4.1	4.4
<i>In years of revenues based on last fiscal year</i>	3.2	3.5
Share of Broadcast	68%	64%

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

PROFITABILITY

EBITDA stood at €922 million versus €985 million at 30 June 2020, down 6.4%. The EBITDA margin stood at 74.7% versus 77.1% a year earlier. This reflected mostly lower revenues, the dilutive impact of the consolidation of Bigblu Broadband Europe and a specific Bad Debt headwind related mostly to Mobile Connectivity customers in the context of the Covid crisis. These elements were partly offset by continued cost discipline with the pursuit of the LEAP 2 plan.

Group share of net income stood at €214 million versus €298 million in FY 2019-20, down by 28.1%. The net margin stood at 17% versus 23% last year. This reflected mainly:

- Lower **depreciation and amortisation costs of** -€508 million at 30 June 2021 compared with -€531 million a year earlier, due notably to the disposal of KA-SAT and the end of the amortization period of certain assets (EUTELSAT 7A and EUTELSAT 172A) which more than offset the full-year effect of EUTELSAT 7B and EUTELSAT 5 WEST B and the entry into service during the year of EUTELSAT KONNECT.
- '**Other operating income**' of -€67 million versus +€36 million last year; FY 2020-21 included notably costs related to the Issy-les-Moulineaux headquarters move, the LEAP 2 plan and M&A activity as well as some asset impairments, whereas FY 2019-20 included the insurance proceeds from EUTELSAT 5 West B net of asset impairments.
- A **net financial result** of -€95 million (versus -€81 million a year earlier), mainly reflecting an unfavourable impact from foreign exchange gains and losses.
- Lower tax, at -€24 million versus -€98 million, last year reflecting notably lower pre-tax profit, the favorable effect of currency and inflation on deferred tax assets and liabilities as well as the two-point reduction in the corporate tax rate in France. As a result, the **tax rate** stood at 10% (versus 24% last year).

CASH FLOW

Net cash flow from operating activities amounted to €889 million, €110 million above last year. The decrease in EBITDA was more than offset by an improved working capital requirement trend reflecting a catch-up compared to FY 2019-20 which was impacted by the Covid crisis. Cash tax was also lower than the previous year which included taxes related to one-off insurance proceeds.

Cash Capex¹⁰ amounted to €342 million, well within our €400m average per annum envelope. It was €120 million above FY 2019-20 which reflected milestone delays in the context of the Covid crisis and the insurance proceeds from Eutelsat 5 West B.

¹⁰ Please refer to Appendix 3 for more details on Alternative Performance Measures.

Interest and other fees paid net of interest received amounted to €80 million versus €83 million last year.

As a result, **Discretionary Free Cash Flow** amounted to €467 million on a reported basis. At constant currency and excluding the impact of hedging, one-off costs related to the LEAP 2 plan and the move to the new headquarters, Adjusted DFCF stood at €498m, up 0.2%. Excluding the post-tax effect of the above-mentioned insurance proceeds, it would have been up 12%. This evolution comes on top of a compound annual growth rate exceeding 20% in the previous four years.

Discretionary Free Cash Flow represented 38% of revenues, a record high level.

FINANCIAL STRUCTURE

At 30 June 2021 **net debt** stood at € 2,655 million, a €344m decrease versus end-June 2020. Discretionary Free Cash Flow more than covered the dividend payment (€205 million). Other variations included equity investments and divestments (resulting in a net increase in debt of €15 million), the mark-to-market of the foreign exchange portion of the cross-currency swap (resulting in a net decrease in debt of €34 million) and other items (mostly related to leases and structured debt) contributing to the reduction in net debt for a net €63 million.

The **net debt to EBITDA ratio** stood at 2.88x, an improvement compared to end-June 2020 (3.05x).

During the year, the Group undertook several successful financing operations:

- The issuance of a €600 million Eurobond with an 8-year maturity and a 1.5% coupon to refinance the June 2021 €500 million maturity which was early redeemed in April 2021.
- An agreement with the European Investment Bank for a €200 million 8-year term loan to finance the KONNECT VHTS program at compelling terms.
- The early repayment of €200 million out of the €600 million Eutelsat Communications term loan maturing in March 2022, taking advantage of the Group's strong liquidity position.
- The refinancing of the remaining €400m Eutelsat Communications term loan and attendant €200 million undrawn credit line by two facilities for the same amounts with an initial term of five years and slightly improved terms.
- A €200 million undrawn revolving credit facility at the level of Eutelsat S.A. for a period of two years which will provide an additional layer of liquidity in the context of the investment in OneWeb.
- A €200 million undrawn structured credit facility consisting of three tranches repayable in June 2024, June 2025 and June 2026, which also enhances the Group liquidity position.

As a result:

- the weighted average maturity of the Group's debt significantly improved to stand at 5.0 years, compared to 3.4 years at end-June 2020;
- the average cost of debt after hedging was further reduced to 2.38% versus 2.45% in FY 2019-20;
- the Group's liquidity position at the end of June 2021 including cash and undrawn credit lines stood at more than €1.9 billion.

DIVIDEND

On 29 July 2021 the Board of Directors agreed to recommend to the Annual Meeting of Shareholders on 4 November 2021 a dividend of €0.93 per share, up 5% versus last year], in line with Eutelsat's commitment to serving a stable to progressive dividend and signalling its strong confidence in the cash generation capabilities of the Group in the long term.

It will be paid on 18 November 2021, subject to the vote of the Annual Meeting of Shareholders.

OUTLOOK AND FINANCIAL TARGETS

A growing backlog, sound financial position and solid cash-flow generation ability put Eutelsat in a strong position to face the challenges of FY 2021-22 which is expected to be the last year of organic revenue decline before a return to growth from FY 2022-23.

- The direction of Broadcast revenues is expected to be broadly similar to FY 2020-21, impacted by the carry forward-effect of the slowdown in new business prevalent during most of the year. The trend is expected to improve thereafter.
- Data & Professional Video will continue to decline, albeit at a modest pace thanks to improving volume trends in the Fixed Data segment.
- Government Services revenues will continue to be driven by the outcome of past and upcoming US DoD renewals but will embark the initial contribution of EUTELSAT QUANTUM expected in the Second Half.
- With the full availability of the EUTLSAT KONNECT satellite, Fixed Broadband is set for substantial growth on the back of the full effect of the abovementioned wholesale agreements, the ramp-up of retail operations in Europe and the acceleration of Konnect Africa.
- Mobility will continue to experience a high degree of uncertainty regarding the recovery of the Aero segment but will benefit from the full-year effect of the Global Eagle contract and continued momentum in Maritime.

Taking these elements into account, we expect to generate revenues from the five Operating Verticals of between €1,110-1,150 million in FY 2021-22¹¹. Thanks notably to the firm precommitments secured on EUTELSAT KONNECT VHTS and EUTELSAT 10B and the full-year effect of EUTELSAT QUANTUM, revenues are expected to grow from FY 2022-23 with an acceleration in FY 2023-24.

Cash Capex¹² will continue to be contained, and will not exceed €400 million per annum for each of the next three fiscal years (FY 2021-22 / FY 2022-23 / FY 2023-24).

The Group will continue to leverage all measures to maximise cash generation, notably the execution of the LEAP 2 plan, aimed at generating €20-25 million in annual savings by FY 2021-22.

In this context, our objective of Adjusted Discretionary Free Cash Flow for 2021-22 stands at €400-€430 million at a €/€ rate of 1.20, equating to a €30 million uplift at constant currency versus previous guidance of €370-€400 million at the same €/€ rate¹³. Adjusted Discretionary Free Cash Flow is expected to grow in FY 2022-23 and in FY 2023-24.

¹¹ Based on a €/€ rate assumption of 1.20 and current perimeter.

¹² Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

¹³ As a reminder previous objective was €390-€420 million at €/€ rate of 1.14. It equates to €370-400 million at €/€ rate of 1.20 taking account of a -€20 million conversion impact.

We remain committed to a sound financial structure to support our solicited investment grade credit ratings and continue to target a medium-term net debt / EBITDA ratio of around 3x.

At the same time, we will continue to serve a stable to progressive dividend.

This outlook is based on the nominal deployment plan outlined hereunder.

FLEET DEPLOYMENT

Nominal deployment program

Since the last quarterly update in May 2021, the launch of EUTELSAT HOTBIRD 13F has been delayed from the second half of calendar year 2021 to the first half of calendar year 2022.

Satellite ¹	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	Of which expansion
EUTELSAT QUANTUM	48° East	30 July 2021	Government	Flexible	8 "QUANTUM" beams	Not applicable
EUTELSAT HOTBIRD 13F	13° East	H1 2022	Broadcast	Europe MENA	80 Ku ²	None
EUTELSAT HOTBIRD 13G	13° East	H1 2022	Broadcast	Europe MENA	80 Ku ²	None
KONNECT VHTS	To be confirmed	H1 2022	Connectivity	Europe	~230 Ka spot beams	500 Gbps
EUTELSAT 10B	10° East	H2 2022	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10 C >100 Ku spot beams	-48 Ku c. 35 Gbps
EUTELSAT 36D	36° East	H1 2024	Broadcast Government	Africa, Russia, Europe	70 Ku	None

¹ KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B and EUTELSAT 36D are electric propulsion satellites.
² 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 2020

- EUTELSAT KONNECT entered service and now operates with full coverage.
- EUTELSAT 12 West B which was operating in inclined orbit has been de-orbited.
- EUTELSAT 48D ended its life in stable orbit.
- EUTELSAT 59B, which operates in an inclined orbit, has been relocated to 139° West and renamed EUTELSAT 139 West A.
- The KA-SAT satellite is no longer in the fleet following the disposal of Euro Broadband Infrastructure (EBI) on 30 April 2021.

Procurement of EUTELSAT 36D

Eutelsat procured the EUTELSAT 36D satellite to succeed EUTELSAT 36B, expected to reach its end of life at the end of 2026, at its key 36° East orbital position. EUTELSAT 36D will assure all the main legacy missions of EUTELSAT 36B in Broadcast (Africa and Russia) and Government Services (EMEA and Central Asia), with enhancements to coverage areas and performance. It will also carry an incremental Ultra High Frequency (UHF) payload providing additional revenue stream in Government Services.

CORPORATE GOVERNANCE

The Board of 29 July 2021 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting of 4 November 2021:

- Approval of the accounts;
- Dividend relating to Financial Year 2020-21;
- Renewal of the mandates of Esther Gaide, Dominique D'Hinnin and Didier Leroy;
- The appointment of BPIFrance Investissement as a Board member. Subject to the vote of the Ordinary General Meeting, it will be represented by Paul François Fournier;
- Compensation of corporate officers and compensation policy.

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.

CHANGES IN PERIMETER

Acquisition of Bigblu Broadband

On 30 September 2020 Eutelsat Communications acquired the European satellite broadband activities of Bigblu Broadband for a consideration of approximately £38 million.

Investment in OneWeb

On 27 April 2021 Eutelsat has entered into an agreement with OneWeb, for the subscription of a c.24% equity stake¹⁴, becoming a leading shareholder of the company alongside the UK Government and Bharti Global. Eutelsat will invest \$550 million in OneWeb, with closing expected in H2 2021 subject to regulatory authorisations.

Closing of the disposal of EBI

On 30 April 2021 the transaction with Viasat for the disposal of Eutelsat's 51% stake in Euro Broadband Infrastructure (EBI), the company operating the KA-SAT satellite, and related European broadband business, was closed for an initial amount of €143 million. The net impact of this sale on the Group's net debt amounted to €41.5 million, after taking into account the cash held by EBI at the date of the sale.

Note: This press release contains audited consolidated financial statements prepared under IFRS, reviewed by the Audit Committee on 28 July 2021 and adopted by the Board of Directors of Eutelsat Communications on 29 July 2021. These accounts will be subject to the approval of shareholders of Eutelsat Communications at the Annual General Shareholders Meeting of 4 November 2021.

Documentation

Consolidated accounts are available at <https://www.eutelsat.com/en/investors/financial-information.html>

Results presentation

Eutelsat Communications will present its results on **Friday, July 30st, 2021** by conference call and webcast at **8:30am CET**.

To join the call, please dial the following numbers:

- + 33 (0)1 76 77 22 88 (from France)
- + 44 (0)330 336 9127 (from Europe)
- +1 720 543 0214 (from USA)

Access code: 1023102#

¹⁴ Following the \$500m investment from Bharti announced on 29 June 2021 and subject to its completion, the stake of Eutelsat would be mechanically diluted to 19.3%

A live webcast will be available [here](#).

A replay will be available from July 30, 13:00 CET to August 6, 13:00 CET by dialling the following numbers:

- + 33 (0) 1 70 48 00 94 (from France)
- + 44 (0) 203 859 5407 (from Europe)
- +1 719 457 0820 (from USA)

Access code: 1023102#

Financial calendar

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

- 27 October 2021: First Quarter 2021-22 revenues
- 4 November 2021: Annual General Shareholders' Meeting
- 17 February 2022: First Half 2021-22 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. Around 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. Headquartered in Paris, with offices and teleports around the globe, 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.

Eutelsat Communications expressly disclaims any obligation or undertaking to update or revise any projections, forecasts or estimates contained in this document to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law.

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.

APPENDICES

Appendix 1: Additional financial data

Extract from the consolidated income statement (€ millions)

Twelve months ended June 30	2020	2021	Change
Revenues	1,278.3	1,233.9	-3.5%
Operating expenses ¹⁵	(293.3)	(312.0)	+6.4%
EBITDA	985.0	921.9	-6.4%
Depreciation and amortisation	(530.9)	(507.7)	-4.4%
Other operating income (expenses)	36.1	(67.0)	n/a
Operating income	490.2	347.2	-29.2%
Financial result	(80.5)	(95.0)	+17.9%
Income tax expense	(97.5)	(24.2)	-75.2%
Portion of net income attributable to non-controlling interests	(14.6)	(14.0)	-4.2%
Group share of net income	297.6	214.1	-28.1%

Change in net debt (€ millions)

Twelve months ended June 30	2020	2021
Net cash flows from operating activities	779.0	889.0
Cash Capex	(221.5)	(342.0)
Interest and Other fees paid net of interests received	(83.2)	(80.0)
Reported Discretionary Free Cash Flow	474.4	467.1
Acquisition / disposal of equity investments and subsidiaries	20.0	(15.3)
Distributions to shareholders (including non-controlling interests)	(315.7)	(204.9)
Change in fair value of Cross-Currency Swap ¹⁶	(104.1)	34.4
Share buy backs	(20.0)	-
Premium paid on pre-hedge instrument	(39.1)	-
Other	57.9	62.6 ¹⁷
Decrease (increase) in net debt	73.4	343.9

¹⁵ Operating expenses is defined as the sum of operating costs and of selling, general & administrative expenses.

¹⁶ Forex portion

¹⁷ Mostly related to leases and structured debt

Appendix 2: Quarterly revenues by application

Analysis of revenues by business application in the Fourth Quarter (€ millions)

In € millions	Q4 2019-20 reported	Q4 2020-21 reported	Actual change	Like-for-like change ¹⁸
Broadcast	196.4	180.1	-8.3%	-6.6%
Data & Professional Video	42.7	40.6	-4.9%	+0.9%
Government Services	42.8	37.7	-11.9%	-4.5%
Fixed Broadband	18.8	17.7	-5.9%	+34.8%
Mobile Connectivity	16.7	17.6	+5.4%	+16.0%
Total Operating Verticals	317.4	293.7	-7.5%	-2.7%
Other Revenues	2.2	10.4	X 4.7	+18.1%
Total	319.6	304.1	-4.8%	-2.4%
<i>EUR/USD exchange rate</i>	<i>1.094</i>	<i>1.199</i>		

Quarterly Reported revenues FY 2020-21

The table below shows quarterly reported revenues.

In € millions	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	FY 2020-21
Broadcast	190.6	188.3	182.0	180.1	741.0
Data & Professional Video	39.5	41.9	39.5	40.6	161.4
Government Services	38.4	38.5	36.7	37.7	151.4
Fixed Broadband	20.5	21.6	20.5	17.7	80.2
Mobile Connectivity	17.7	16.2	15.7	17.6	67.2
Total Operating Verticals	306.7	306.4	294.4	293.7	1,201.2
Other Revenues	8.6	6.8	6.9	10.4	32.7
Total	315.3	313.2	301.3	304.1	1,233.9

¹⁸ At constant currency, perimeter. The variation is calculated as follows: i) Q4 2020-21 USD revenues are converted at Q4 2019-20 rates. ii) Q4 2020-21 revenues are restated from the contribution of BigBlu Broadband Europe to revenues; iii) Q4 2019-20 revenues are restated from the contribution of Eurobroadband Infrastructure in May and June 2020.

Quarterly Proforma revenues FY 2020-21

For comparability purposes, the table below shows proforma quarterly revenues, which exclude the contribution of EBI from 1st July 2020.

In € millions	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	FY 2020-21
Broadcast	190.6	188.3	182.0	180.1	741.0
Data & Professional Video	39.4	41.8	39.4	40.5	161.1
Government Services	38.4	38.5	36.7	37.7	151.4
Fixed Broadband	5.6	12.3	12.6	14.9	45.4
Mobile Connectivity	17.3	15.9	15.5	17.5	66.3
Total Operating Verticals	291.3	296.8	286.2	290.8	1,165.2
Other Revenues	8.6	6.8	6.9	10.4	32.7
Total	300.0	303.6	293.1	301.2	1,197.9

Appendix 3: Alternative performance indicators

In addition to the data published in its accounts, the Group communicates on three alternative performance indicators which it deems relevant for measuring its financial performance: EBITDA, cash capex and Discretionary free cash flow (DFCF). These indicators are the object of reconciliation with the consolidated accounts.

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization. It is a frequently used indicator in the Fixed Satellite Services Sector and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2019-20 and FY 2020-21:

Twelve months ended June 30 (€ millions)	2020	2021
Operating result	490.2	347.2
+ Depreciation and Amortization	530.9	507.7
- Other operating income and expenses	(36.1)	67.0
EBITDA	985.0	921.9

The EBITDA margin is the ratio of EBITDA to revenues. It is calculated as follows:

Twelve months ended June 30 (€ millions)	2020	2021
EBITDA	985.0	921.9
Revenues	1,278.3	1,233.9
EBITDA margin (as a % of revenues)	77.1%	74.7%

The Net debt / EBITDA ratio is the ratio of net debt to last-twelve months EBITDA. It is calculated as follows:

Twelve months ended June 30 (€ millions)	2020	2021
Last twelve months EBITDA	985.0	921.9
Closing net debt ¹⁹	2,999.4	2,655.5
Net debt / EBITDA	3.05x	2.88x

Cash Capex

The Group on occasion operates capacity within the framework of leases, or finances all or part of certain satellite programs under export credit agreements or through other bank facilities, leading to outflows which are not reflected in the item “acquisition of satellites and other tangible or intangible assets”. Cash Capex including the outflows related to these elements is published in order to reflect the totality of Capital Expenditures undertaken in any financial year.

In addition, in the event of a partial or total loss of satellite, as previously reported cash Capex included investment in assets which are inoperable or partially inoperable, the amount of insurance proceeds is deducted from Cash Capex.

Cash Capex therefore covers the acquisition of satellites and other tangible or intangible assets, payments in respect of export credit facilities or other bank facilities financing investments as well as payments related to lease liabilities. If applicable it is net from the amount of insurance proceeds.

The table below shows the calculation of Cash Capex for FY 2019-20 and FY 2020-21:

Twelve months ended June 30 (€ millions)	2020	2021
Acquisitions of satellites, other property and equipment and intangible	(220.3)	(183.4)
Insurance proceeds	85.6	6.6
Repayments of ECA loans, lease liabilities and other bank facilities ²⁰	(86.7)	(165.2)
Cash Capex	(221.5)	(342.0)

Discretionary free cash flow (DFCF)

The Group communicates on Discretionary free cash flow which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves the shareholder remuneration and debt reduction.

Reported Discretionary free cash flow is defined as Net cash flow from operating activities less Cash Capex as well as Interest and other fees paid net of interest received.

Adjusted Discretionary free cash flow (as per financial objectives) is calculated at constant currency and excludes one-off impacts such as Hedging, effects of changes in perimeter when relevant, and one-off costs related to specific projects in particular to the LEAP 2 program and to the move to new headquarters.

The table below shows the calculation of Reported Discretionary free cash flow and Adjusted Discretionary free cash flow for FY 2019-20 and 2020-21 and its reconciliation with the cash flow statement:

¹⁹ Net debt includes all bank debt, bonds and all liabilities from lease agreements and structured debt as well as Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Net Debt calculation is available in the Note 7.3.4 of the consolidated financial statements.

²⁰ Included in lines “Repayment of borrowings” and “Repayment of lease liabilities” of cash-flow statement

Twelve months ended June 30 (€ millions)	2020	2021
Net cash flows from operating activities	779.0	889.0
Cash Capex (as defined above)	(221.5)	(342.0)
Interest and other fees paid net of interest received	(83.2)	(80.0)
Reported Discretionary Free-Cash Flow	474.4	467.1
Currency impact ²¹	-	24.4
Hedging Impact	10.6	(15.6)
One-off costs related to “LEAP 2” program and move to new headquarters	11.5	21.7
Adjusted Discretionary Free-Cash Flow	496.5	497.6

²¹ FY 2020-21 discretionary Free-Cash Flow has been converted at FY 2019-20 €/\$ rate.