

FIRST QUARTER 2020-21 REVENUES

- *Operating Verticals revenues of €307 million, down 1.9% like-for-like; total revenues down 0.7%*
- *Renewal of Sky Italia contract at HOTBIRD securing broadly stable revenues in the medium term*
- *Backlog of €4.4bn, up 3% year-on-year*
- *Significant steps in our Fixed Broadband strategy*
- *All financial objectives confirmed*

Paris, 29 October 2020 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL) reports revenues for the First Quarter ended 30 September 2020.

In € millions	Q1 2019-20	Q1 2020-21	Change	
			Reported	Like-for-like ¹
Broadcast	194.7	190.6	-2.1%	-1.5%
Data & Professional Video	43.0	39.5	-8.1%	-6.2%
Government Services	39.3	38.4	-2.3%	+0.7%
Fixed Broadband	19.9	20.5	+3.0%	+3.8%
Mobile Connectivity	19.7	17.7	-10.2%	-7.2%
Total Operating Verticals	316.5	306.7	-3.1%	-1.9%
Other Revenues ²	1.1	8.6	X 7.8	X 7.9
Total	317.6	315.3	-0.7%	-0.8%
EUR/USD exchange rate	1.12	1.16		

Rodolphe Belmer, Chief Executive Officer of Eutelsat Communications, said: “*Eutelsat has made a solid start to the year, with Operating Verticals revenues in line with expectations and a backlog of €4.4bn, up 3% year-on-year. Highlights of the First Quarter include the renewal of the Sky Italia contract at HOTBIRD, confirming the ongoing relevance of satellite in Western Europe, and significant steps in our Fixed Broadband strategy with the acquisition of Bigblu Broadband Europe ahead of the imminent entry into service of EUTELSAT KONNECT.*”

This performance demonstrates the general resilience of our business to the current environment. Although the rate of new business in certain verticals, in particular in Broadcast, is slower than usual against the general operating backdrop, we have nevertheless produced a solid commercial outturn securing several new contracts and renewals on favourable terms. Based on this performance we confirm our financial objectives for the current year and subsequent year.”

¹ Change at constant currency and perimeter. Q1 2020-21 USD revenues are converted at Q1 2019-20 rates. There is no perimeter impact in the first quarter.

² Other Revenues include mainly compensation paid on the settlement of business-related litigations, the impact of EUR/USD revenue currency hedging, the provision of various services or consulting/engineering fees and termination fees.

HIGHLIGHTS

Total revenues down 0.7% and Operating Verticals revenues down 1.9% year-on-year highlighting the **general resilience of our activity in the Covid context**;

Confirmed **solidity of Broadcast** in the First Quarter:

- Sky renewal confirming the ongoing relevance of satellite broadcast in Western Europe
- Extension of contract durations with Tricolor TV in Russia and Azam TV in Sub-Saharan Africa, new wins with BluTV and Kabelio
- Slowdown in the pace of new business against current operating backdrop;

Significant steps in our **Fixed Broadband** strategy:

- Imminent entry into service of EUTELSAT KONNECT
- Wholesale agreement with Orange for the entire French capacity on the satellite
- Integral retail pillar added with acquisition of Europe's leading satellite broadband distributor, Bigblu Broadband Europe;

All **financial objectives** for current and next fiscal year confirmed.

FIRST QUARTER REVENUES³

Total revenues for the First Quarter stood at €315.3 million down 0.7% on a reported basis and by 0.8% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €306.7 million. They were down by 1.9% on a like-for-like basis excluding a negative currency effect of c. 1.2 points. Quarter-on-quarter, revenues of the five Operating Verticals were down by 1.3% like-for-like.

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

Broadcast (62% of revenues)

First Quarter Broadcast revenues amounted to €190.6 million, down 1.5% year-on-year, reflecting the impact from 1st July of the renegotiation of contract terms with Greece's Forthnet. They include a positive one-off of circa €2m.

On a quarter-on-quarter basis, revenues were down by 1.9%.

At 30 September 2020, the total number of channels broadcast by Eutelsat satellites stood at 6,683, down 4% year-on-year. The number of HD channels stood at 1,739 versus 1,582 a year earlier, up by 10% and represented 26% of channels compared with 22.7% a year earlier. As a result, the Mbps consumption is stable year-on-year.

On the commercial front, a multi-year agreement was reached with Sky Italia, Eutelsat's largest broadcast customer for the renewal and consolidation of its capacity agreements at the HOTBIRD position, securing broadly stable revenues for Eutelsat in the medium term. While we are experiencing a broad slowdown in the pace of new business against the current operating backdrop, this quarter has seen the extension in duration of existing contracts with Russia's Tricolor TV and with Azam TV in Sub-Sahara Africa and we secured new contracts with BluTV, for a new DTH platform in Brazil on

³ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

EUTELSAT 65 West A, and with Switzerland's Kabelio for a new DTH platform at the HOTBIRD orbital position.

Data & Professional Video (13% of revenues)

First Quarter revenues stood at €39.5 million, down by 6.2% year-on-year.

Fixed Data revenues continued to reflect the ongoing pricing pressure and highly competitive environment, notably in Latin America, but benefited from improved volume trends with, in particular, the carry-forward effect of new business secured in MENA last fiscal year.

Professional Video revenues were once again in decline on a year-on-year basis but Occasional Use, which was strongly affected by the Covid-related lockdown in the Fourth Quarter of last year, showed signs of recovery in September with the reinstatement of live sports events.

Quarter-on-quarter, revenues were down by 4.2%.

Government Services (12% of revenues)

First Quarter Government Services revenues stood at €38.4 million, up 0.7% year-on-year. They reflected the contribution of the EGNOS payload on EUTELSAT 5 WEST B which more than offset the negative carry-forward effect of USG renewals last year.

On a quarter-on-quarter basis, revenues were down by 5.8%, with the Fourth Quarter of last fiscal year including one-off revenues related to the temporary relocation of the EUTELSAT 7A satellite at 59° East.

The latest renewal campaign with the US Government (Fall 2020) resulted in an estimated renewal rate of circa 80%.

Fixed Broadband (7% of revenues)

First Quarter Fixed Broadband revenues stood at €20.5 million, up 3.8% year-on-year, in a context where demand for high quality, ubiquitous and reliable internet connectivity is higher than ever. This reflects growth in Europe and across the Mediterranean basin with net additions in positive territory for the second quarter in a row, as well as higher terminals sales during the Summer period.

Quarter-on-quarter, revenues were up by 10.6%.

With the imminent entry into service of EUTELSAT KONNECT which will gradually ramp-up to full capacity by early 2021, this fiscal year will mark a turning point for Fixed Broadband, building on the recent wholesale agreement with Orange for the French capacity of the satellite and the acquisition of the European distribution operations of Bigblu Broadband.

In Africa we have continued to progress on our go-to-market capabilities with notably the conclusion of a multi-year distribution agreement with Paratus to bring high quality network connectivity to South Africa.

Mobile Connectivity (6% of revenues)

First Quarter Mobile Connectivity revenues stood at €17.7 million, down 7.2% year-on-year. This reflected the impact of the Covid-19 crisis on Aero Mobility, weighing on airtime-related revenues on KA-SAT, and reducing revenues from certain service providers. Conversely, Maritime revenues grew further on the back of the ramp-up of contracts secured in the last couple of years. As a reminder, the First Quarter of last year included a negative one-off of circa €1m related to the timing of revenue recognition.

Revenues were up 11.9% quarter-on-quarter.

Other Revenues

Other Revenues amounted to €8.6 million in the First Quarter versus €1.1 million a year earlier and €2.3 million in the Fourth Quarter last fiscal year. They included a positive €2.4 million impact from hedging operations compared to a negative impact of (€1.7) million last year.

On a commercial front, a long term agreement was signed with Ovzon AB for the provision by Eutelsat of satellite control services over the full operational life of the future satellite Ovzon-3 to be launched in the fourth quarter of 2021.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders at 30 September 2020 stood at 1,382 down by five units year-on-year. This reflected on one hand lower operational capacity at 5°West following the transfer of services from EUTELSAT 5 West A to EUTELSAT 5 West B in January 2020, and on the other, incremental capacity brought by EUTELSAT 7C in January 2020.

The number of utilized transponders stood at 966, unchanged on a year-on-year basis and up by six units quarter-on-quarter.

As a result, the fill rate stood at 69.9% compared with 69.7% both a year ago and at end-June 2020.

	30 Sep 2019	30 Jun 2020	30 Sep 2020
Operational transponders ⁴	1,387	1,376	1,382
Utilized transponders ⁵	966	960	966
Fill rate	69.7%	69.7%	69.9%

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

BACKLOG

The backlog stood at €4.4 billion at 30 September 2020, versus €4.2 billion at end September 2019, and €4.1 billion at end-June 2020. This 3% year-on-year growth reflects the inclusion of the backlog brought by the long-term renewal of the Sky Italia contract which is partly offset by natural backlog consumption.

The backlog was equivalent to 3.4 times 2019-20 revenues, with Broadcast representing 70%.

	30 Sep 2019	30 Jun 2020	30 Sep 2020
Value of contracts (in billions of euros)	4.2	4.1	4.4
In years of annual revenues	3.2	3.2	3.4
Share of Broadcast	72%	68%	70%

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

OUTLOOK AND FINANCIAL TARGETS

⁴ Number of transponders on satellites in stable orbit, back-up capacity excluded.

⁵ Number of transponders utilized on satellites in stable orbit.

The First Quarter performance was in line with our expectations leading us to confirm our FY 2020-21 objective of revenues of the five Operating Verticals of between €1,180 million and €1,220 million⁶.

All other objectives are also confirmed as follows:

- Cash Capex⁷ at an average not exceeding €400 million per annum for the period July 2020 to June 2022.
- LEAP 2 plan, aimed at generating €20-25 million in annual savings by FY 2021-22.
- Adjusted discretionary free cash flow of between €420 million and €450 million⁸ in FY 2021-22.
- Commitment to a sound financial structure to support our investment grade credit ratings targeting a medium-term net debt / EBITDA ratio of around 3x.
- Stable to progressive dividend policy based on the dividend of 0.89 euros recommended at the upcoming Annual General Meeting.

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

FLEET DEPLOYMENT

Nominal deployment programme

Since the last quarterly update in July 2020, the launch of Eutelsat Quantum has been delayed from the fourth quarter of calendar year 2020 to the first quarter of calendar year 2021.

Satellite ¹	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT QUANTUM	48° East	Q1 2021	Government Services	Flexible	8 "QUANTUM" beams	Not applicable	Not applicable
KONNECT VHTS	To be confirmed	H2 2021	Connectivity	Europe	~230 Ka spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	H2 2021	Video	Europe MENA	80 Ku ²	73 Ku ²	None
EUTELSAT HOTBIRD 13G	13° East	H2 2021	Video	Europe MENA	80 Ku ²	73 Ku ²	None
EUTELSAT 10B	10° East	2022	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10C >100 Ku spot beams	12 Ku 20 C c. 35 Gbps	-48 Ku transponders c. 35 Gbps

¹ EUTELSAT QUANTUM is a chemical propulsion satellite. KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G and EUTELSAT 10B 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 (95 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account.

Changes in the fleet since 30 June 2020

- EUTELSAT 12 West B which was operating in inclined orbit has been de-orbited.

⁶ Based on a €/€ rate assumption of 1.14 and excluding the effect of the acquisition of Biglu Broadband.

⁷ Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

⁸ Based on a €/€ rate assumption of 1.14, excluding 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.

RECENT EVENTS

Acquisition of Bigblu Broadband

On 31 July 2020, Eutelsat Communications has reached an agreement with Bigblu Broadband to acquire its European satellite broadband activities for a consideration of approximately £38 million. The transaction was closed on 30 September 2020.

€600 million Bond Issue

On 13 October, Eutelsat S.A. issued an €600 million 1.500 percent Eurobond with an 8-year maturity enabling the full redemption of the €500 million bonds maturing in June 2021. This transaction allowed Eutelsat to extend its debt maturity profile at compelling conditions.

CORPORATE GOVERNANCE

Upcoming Annual General Meeting

The Board of 30 July 2020 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting of 5 November 2020:

- Approval of the accounts;
- Dividend relating to Financial Year 2019-2020;
- Renewal of the mandates of FSP (Fonds Stratégique de Participations) and Rodolphe Belmer;
- 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

Resignation of Yohann Leroy from his mandate as of Deputy Chief Executive Officer

On 15 September 2020, Yohann Leroy resigned from his position as Deputy Chief Executive Officer effective as of 15 September 2020. From this date, he maintains only the duties of Chief Technical Officer.

First Quarter 2020-21 revenues conference call

A conference call will be held on **Thursday, 29 October 2020** at **18.30 CET / 17.30 GMT / 13.30 EST**

To connect to the call, please use the following numbers:

- France: +33 (0) 1 70 72 25 50
- UK: +44 (0) 330 336 9125
- United States: +1 720 543 0214

Access code: **6012791#**

Instant replay will be available from 29 October, 22.30 CET to 5 November, 22.00 CET on the following numbers:

- France: +33 (0) 1 70 48 00 94
- UK: + 44 (0) 207 660 0134
- United States: + 1 719 457 0820

Access code: **6012791#**

Financial calendar

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

- 5 November 2020: Annual General Shareholders' Meeting
- 12 February 2021: First Half 2020-21 results

About Eutelsat Communications

Founded in 1977, Eutelsat Communications is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across Video, Data, Government, Fixed and Mobile Broadband markets to communicate effectively to their customers, irrespective of their location. More than 6,600 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 1,000 men and women from 46 countries who are dedicated to delivering the highest quality of service.

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.

APPENDIX

Quarterly revenues by application

In € millions	Q1 2019-20	Q2 2019-20	Q3 2019-20	Q4 2019-20	FY 2019-20	Q1 2020-21
Broadcast	194.7	194.7	198.8	196.4	784.6	190.6
Data & Professional Video	43.0	44.8	44.8	42.7	175.3	39.5
Government Services	39.3	39.1	40.0	42.8	161.1	38.4
Fixed Broadband	19.9	19.2	18.8	18.8	76.7	20.5
Mobile Connectivity	19.7	21.5	20.8	16.7	78.7	17.7
Total Operating Verticals	316.5	319.3	323.1	317.4	1,276.3	306.7
Other Revenues	1.1	(0.2)	(1.1)	2.2	2.0	8.6
Total	317.6	319.1	322.0	319.6	1,278.3	315.3