

FIRST QUARTER 2019-20 REVENUES

- First Quarter revenues of the Operating Verticals of €316.5 million, down 6.2% like-for-like
- Coming quarters to benefit from easing comps, new capacity and Broadband ramp
- All financial objectives confirmed based on nominal deployment plan
- LEAP 2 cost-savings plan underway
- Order of EUTELSAT 10B and first nano-satellites for the ELO constellation, paving the way for future growth in Connectivity

Paris, 30 October 2019 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL) reports revenues for the First Quarter ended 30 September 2019.

| In € millions | Q1 2018-19 | Q1 2019-20 | Change | |
|----------------------------------|--------------|--------------|--------------|----------------------------|
| | | | Reported | Like-for-like ¹ |
| Broadcast | 198.3 | 194.7 | -1.9% | -1.7% |
| Data & Professional Video | 52.3 | 43.0 | -17.7% | -19.6% |
| Government Services | 42.4 | 39.3 | -7.4% | -10.7% |
| Fixed Broadband | 20.4 | 19.9 | -2.3% | -3.3% |
| Mobile Connectivity | 20.6 | 19.7 | -4.6% | -7.8% |
| Total Operating Verticals | 334.0 | 316.5 | -5.2% | -6.2% |
| Other Revenues ² | 1.2 | 1.1 | -5.5% | -7.6% |
| Total | 335.1 | 317.6 | -5.2% | -6.0% |
| EUR/USD exchange rate | 1.16 | 1.12 | | |

Reminder: Eutelsat has adjusted its reporting basis to better reflect the differing trends in its operating verticals. Broadcast is now reported on a standalone basis. Professional Video and Fixed Data are regrouped into a new category, "Data & Professional Video".

Rodolphe Belmer, Chief Executive Officer, commented: "The first Quarter has seen a number of milestones in our Connectivity strategy, with the procurement of EUTELSAT 10B with significant pre-commitments in the mobility segment and the foundations laid for the IoT strategy, notably with the order of our first ELO constellation nanosatellites. Elsewhere, we have added a further lever to our cash flow strategy with the roll-out of the LEAP 2 cost-savings plan, aiming to generate opex economies of €20-25 million by FY 2021-22, which will be reinvested in our future growth verticals whilst preserving our EBITDA margin.

Despite our expectation that the revenues profile for the current year will be back-end loaded, the outturn of the First Quarter is slightly below our expectations, notably due to worsening trends in Data & Professional Video and the unplanned return of a couple of transponders in Russia. On the other hand, the coming quarters will benefit from easing comps in Government Services and Data & Professional Video, the contribution of new capacity and the ramp-up of African Broadband.

We therefore confirm our Full Year objective of revenues for the Operating Verticals of between €1,280 million and €1,320 million, albeit with an increased likelihood of a landing in the lower half of this range. All other elements of the financial outlook are also reiterated. These objectives are subject to a nominal deployment plan, and notably the outcome of tests on the condition of the EUTELSAT 5 West B satellite."

¹ Change at constant currency and perimeter. The variation is calculated as follows: i) Q1 2019-20 USD revenues are converted at Q1 2018-19 rates; ii) Q1 2018-19 revenues are restated from the disposal of Eutelsat's interest in Eutelsat 25B which occurred in August 2019.

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

- Procurement of EUTELSAT 10B with significant pre-commitments, notably from Gogo, highlighting robust demand in the mobility market;
- Foundations laid for the development of our IoT strategy, with two complementary initiatives:
 - The order of first four ELO constellation nanosatellites, adding a future growth lever to Eutelsat's Connectivity strategy
 - The launch of IoT FIRST, an end-to-end managed service operating in Ku-band on our existing geostationary fleet
- Launch of the LEAP 2 cost-savings program to generate opex savings of €20-25 million by FY 2021-22 to underpin Discretionary Free Cash Flow objective, and deploy resources in the growth verticals while preserving our EBITDA margin;
- Positive outcome of Fall 2019 renewal campaign with USG with a 90% renewal rate;
- All financial objectives based on nominal deployment plan confirmed, with FY 2019-20 revenues to benefit from and easing comparison basis in Government Services and Data & Professional Video, and in the Second Half, from the contribution of new capacity (EGNOS payload³ and EUTELSAT 7C) and the ramp-up of African Broadband.

FIRST QUARTER REVENUES⁴

Total revenues for the First Quarter stood at €317.6 million down 5.2% on a reported basis and by 6.0% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €316.5 million. They were down by 6.2% on a like-for-like basis excluding a negative perimeter effect of c.0.5 points (disposal of the stake in EUTELSAT 25B in August 2019) and a positive currency effect of c. 1.5 points. Quarter-on-quarter, revenues of the five Operating Verticals were down by 3.7% 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 revenues amounted to €194.7 million, down 1.7% year-on-year. This reflected notably the termination of a contract in Sub-Saharan Africa and the temporary effect of the return of a couple of transponders in Russia. None of these elements alter our view of Broadcast as a fundamentally resilient business.

On a quarter-on-quarter basis, revenues were down by 2.0%.

At 30 September 2019, the total number of channels broadcast by Eutelsat satellites stood at 6,976, down 0.3% year-on-year. The number of HD channels stood at 1,582 versus 1,419 a year earlier, up by 11.5% and represented 22.7% of channels compared to 20.3% a year earlier.

On the commercial front, two multi-year, multi-transponder contracts were signed with Orby TV for capacity on EUTELSAT 117 West A for the launch of a new DTH service across the United States, and with Ultra DTH for capacity on EUTELSAT 65 West A to support the deployment of a white-label DTH platform across the Caribbean and Andean regions.

Broadcast revenues should benefit from the entry into service of EUTELSAT 7C at the end of calendar year 2019, bringing incremental capacity (19 36-Mhz equivalent transponders) to the African broadcast market.

Data & Professional Video (14% of revenues)

First Quarter revenues stood at €43.0 million, down by 19.6% year-on-year. They continued to reflect the ongoing pricing pressure and highly competitive environment in this application, and were also affected by volume losses in Data in Latin America and lower occasional use in Professional Video.

Quarter-on-quarter, revenues were down by 11.8%.

³ Subject to availability of the payload on EUTELSAT 5 West B.

⁴ The share of each application as a percentage of total revenues is calculated excluding "other revenues".

Government Services (12% of revenues)

First Quarter revenues stood at €39.3 million, down 10.7% year-on-year, reflecting the carry-forward of the non-renewal of a single sizeable contract with a service provider in the first quarter of fiscal year 2018-19.

On a quarter-on-quarter basis, revenues were down by 1.7%.

The latest round of contract renewals with the US Government (Fall 2019) resulted in an estimated renewal rate of circa 90% in value.

Trends will benefit from an easing comparison base from the Second Quarter onwards. Subject to the availability of the payload on EUTELSAT 5 West B, they will also benefit in the second half from the contribution of the GEO-3 payload of the European Geostationary Navigation Overlay System (EGNOS), under a 15-year agreement with the European GNSS Agency (GSA).

Fixed Broadband (6% of revenues)

First Quarter revenues stood at €19.9 million, down 3.3% year-on-year. Revenue trends in Europe are improving, reflecting the continued roll-out of the PPP program (Preferred Partner Programme) which is gradually being extended to new countries. The contribution of African Broadband remains modest at this stage, but is expected to ramp throughout the year.

Quarter-on-quarter, revenues were down by 4.8%, with the fourth quarter of fiscal year 2018-19 including a positive one-off related to the sale of terminals.

Mobile Connectivity (6% of revenues)

First Quarter revenues stood at €19.7 million, down 7.8% year-on-year. They reflected mostly a negative one-off of circa €1m related to the timing of revenue recognition which will be caught up next quarter. Other effects include notably the carry-forward impact of the end of a temporary wide-beam contract on EUTELSAT 172B in FY 2018-19 offsetting the contribution of UnicomAirNet from January 2019.

Revenues were down by 4.4% quarter-on-quarter.

Trends are expected to improve throughout the year on the back of the gradual materialisation of the pipeline and ramp-up of Maritime business.

Other Revenues

Other revenues amounted to €1.1 million in the First Quarter versus €1.2 million a year earlier and (€1.7) million in the Fourth Quarter last fiscal year. They included a negative (€1.7) million impact from hedging operations.

OPERATIONAL AND UTILISED TRANSPONDERS

The number of operational transponders at 30 September 2019 stood at 1,387 down by 29 units year-on-year, principally reflecting the end of life in stable orbit of EUTELSAT 12 West B (satellites in inclined orbit are excluded from the transponder count). They were unchanged versus end-June 2019.

The number of utilized transponders stood at 966, down 10 units year-on-year on a reported basis mostly due to the end of life in stable orbit of EUTELSAT 12 West B. On a quarter-on-quarter basis, the number of utilized transponders was up six units.

As a result, the fill rate stood at 69.7% compared with 69.0% a year ago and 69.2% at end-June 2019.

| | 30 Sep 2018 | 30 Jun 2019 | 30 Sep 2019 |
|---|-------------|-------------|-------------|
| Number of operational 36 MHz-equivalent transponders ⁵ | 1,416 | 1,387 | 1,387 |
| Number of utilized 36 MHz-equivalent transponders ⁶ | 976 | 960 | 966 |
| Fill rate | 69.0% | 69.2% | 69.7% |

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

⁵ Number of 36 MHz-equivalent transponders on satellites in stable orbit, back-up capacity excluded.

⁶ Number of 36 MHz-equivalent transponders utilized on satellites in stable orbit.

BACKLOG

The backlog⁷ stood at €4.2 billion at 30 September 2019, versus €4.7 billion at end September 2018, and €4.4 billion at end-June 2019 reflecting natural consumption in the absence of material Video renewals. The backlog at 30 September 2019 does not yet include the multi-year capacity commitments secured on the recently ordered EUTELSAT 10B satellite.

The backlog was equivalent to 3.2 times 2018-19 revenues, with Video representing 75%.

| | 30 Sep 2018 | 30 Jun 2019 | 30 Sep2019 |
|--|-------------|-------------|------------|
| Value of contracts (in billions of euros) | 4.7 | 4.4 | 4.2 |
| <i>In years of annual revenues based on last fiscal year</i> | 3.4 | 3.3 | 3.2 |
| Share of Video Applications | 77% | 75% | 75% |

STATUS OF EUTELSAT 5 WEST B SATELLITE

Eutelsat is currently investigating an incident on one of the two solar arrays on its EUTELSAT 5 West B satellite and is working to assess the potential impact on the performance of the satellite.

Revenues generated in FY 2018-19 by EUTELSAT 5 West A, which EUTELSAT 5 West B is due to replace, amounted to circa €30 million.

EUTELSAT 5 West B is fully insured against the eventuality of loss by a launch-plus-one-year insurance of up to €173m.

OUTLOOK

Despite our expectation that the revenues profile for the current year will be back-end loaded, the outturn of the First Quarter is slightly below our expectations, notably due to worsening trends in Data & Professional Video and the unexpected return of a couple of transponders in Russia. Revenues in the coming quarters stand to benefit from:

- An easing comparison basis in Government Services and Data & Professional Video in the coming quarters;
- The entry into service of new capacity:
 - The EGNOS payload on EUTELSAT 5 West B set to generate revenues from January 2020 onwards, subject to its availability
 - The entry into service of EUTELSAT 7C in December 2019 with incremental capacity for sub-Saharan Africa
- The ramp-up of Fixed Broadband revenues in Africa
- Additional business in the pipeline, notably in Mobility

In this context, based on a nominal deployment plan, we maintain our objective of **revenues for the Operating Verticals** of between €1,280 million and €1,320 million in FY 2019-20⁸, albeit with an increased likelihood of landing in the lower half of this range.

All other elements of the financial outlook are confirmed:

- **Cash Capex**⁹ expected at an average of €400 million per annum for the period July 2019 to June 2022.
- LEAP 2 plan aimed at generating €20 to 25 million in savings by June 2022.
- **Discretionary free cash flow** of circa €500 million¹⁰ in FY 2021-22.
- Maintain a sound financial structure to support **investment grade credit rating** with a **net debt / EBITDA** ratio below 3.0x.
- Commitment to a **Stable to progressive dividend**.
- **Repurchase of at least €100 million of our shares** by end-June 2022 commencing in the second half of FY 2019-20¹¹.

⁷ The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

⁸ Based on €/\$ rate of 1.14 and current perimeter.

⁹ Including capital expenditure and payments under existing export credit facilities and from lease liabilities.

¹⁰ Based on a €/\$ rate assumption of 1.14, excluding hedging impact and based on current perimeter.

¹¹ Subject to the renewal of the resolution relating to share buybacks at the Annual General Meetings.

This financial outlook is based on the nominal deployment plan outlined hereunder. Subject to the outcome of current investigations to assess the impact of the incident reported on the EUTELSAT 5 West B satellite, it could be mechanically adjusted.

FLEET DEVELOPMENTS

Procurement of EUTELSAT 10B

A letter of agreement has been signed with Thales Alenia Space for the procurement of a new all-electric satellite, EUTELSAT 10B, scheduled to be operational by 2023. Located at 10° East, the satellite will assure service continuity for existing customers on EUTELSAT 10A, albeit with reduced capacity, while supporting the development of mobile connectivity revenues with two incremental HTS payloads. Firm multi-year capacity commitments representing more than a third of this incremental HTS capacity have already been secured, notably with Gogo, for in-flight connectivity services.

ELO Constellation

In September Eutelsat unveiled its ELO constellation project targeting the Internet of Things (IoT) market. Starting with the launch of a first series of four nanosatellites, other satellites will progressively be added to the constellation if this new initiative proves successful, to reach a total of 25 satellites operational by 2022. The investment required for the constellation is included in Eutelsat's existing Capex outlook with a cost per satellite below 1 million euros. In this context, Eutelsat has signed a strategic partnership with leading IoT player Sigfox.

Nominal deployment programme

Since the last quarterly update in July 2019, the launch of KONNECT is now expected to occur in early Q1 2020. This has no impact on FY 2019-20 revenues.

| 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 |
|------------------------|------------------|----------------------------------|-------------------------------------|------------------------------------|------------------------------------|---|--|
| KONNECT | To be confirmed | Q1 2020 | Connectivity | Africa Europe | 65 Ka spot beams | 75 Gbps | 75 Gbps |
| EUTELSAT QUANTUM | To be confirmed | Q3 2020 | Government Services | Flexible | 8 "QUANTUM" beams | Not applicable | Not applicable |
| KONNECT VHTS | To be confirmed | H2 2021 | Connectivity Government Services | 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 ³ c. 35 Gbps |

¹ Chemical propulsion satellites (EUTELSAT QUANTUM) generally enter into service 1 to 2 months after launch. Electric propulsion satellites (KONNECT, KONNECT VHTS, EUTELSAT HOTBIRD 13F, EUTELSAT HOTBIRD 13G, EUTELSAT 10B) between 4 and 6 months.

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.

³ 36 Mhz equivalent transponders.

Furthermore, in the context of the kick-off of the ELO constellation, a first series of four nanosatellites (ELO 1, 2, 3 and 4) will be launched between 2020 and 2021.

LAUNCH OF LEAP 2 PROGRAM

We are starting the roll-out of our 'LEAP 2' cost-savings program, aimed at generating economies of €20-25 million by the end of FY 2021-22. These economies are destined to support the deployment of the group into future growth verticals, namely Connectivity, while preserving our EBITDA margin.

In this regard, we have designed a wide-ranging reorganization project to define the optimum structure for each of our operations. It implies a reduction of circa 100 in headcount outside of France, a global hiring freeze in the legacy businesses and austerity measures within France including a compensation freeze over three years. This project and its measures will be presented to relevant staff representative bodies.

OTHER

C-Band Alliance

In September 2019, Eutelsat announced its withdrawal from the C-Band Alliance ("CBA"), an organization tasked with the clearing and repurposing of C-band spectrum to make a portion of this band available for 5G services in the United States. Eutelsat wishes to take a direct active part in the discussions surrounding C-band clearing and repurposing in order to better defend its legitimate interest.

Early repayment of €930m Bond

Eutelsat exercised the option allowing the early repayment of the €930 million Bond maturing in January 2020 which was redeemed on 15 October 2019, hence generating €6m savings in pre-tax cash interest in FY 2019-20.

GOVERNANCE

The Board of 30 July 2019 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders at the Annual General Meeting of 7 November 2019:

- Approval of the accounts;
- Dividend relating to Financial Year 2018-2019;
- Renewal of the mandate of Ana Garcia Fau;
- The appointment of Cynthia Gordon as a Board member;
- Compensation of corporate officers and compensation policy.

Furthermore, Carole Piwnica will step down from the Board following the upcoming AGM and the mandates of Jean d'Arthuys and Lord Birt will not be renewed.

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.

First Quarter 2019-20 revenues conference call

A conference call will be held on **Wednesday, 30 October 2019 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 0206

Access code: **2789737#**

Instant replay will be available from 30 October, 22.30 CET to 6 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: **2789737#**

APPENDICES

Quarterly revenues by application

The table below shows quarterly revenues.

| In € millions | Q1 2018-19 | Q2 2018-19 | Q3 2018-19 | Q4 2018-19 | FY 2018-19 | Q1 2019-20 |
|----------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Broadcast | 198.3 | 196.1 | 198.1 | 198.4 | 790.9 | 194.7 |
| Data & Professional Video | 52.3 | 51.4 | 47.7 | 48.6 | 199.9 | 43.0 |
| Government Services | 42.4 | 39.4 | 39.9 | 39.8 | 161.5 | 39.3 |
| Fixed Broadband | 20.4 | 20.1 | 19.1 | 20.9 | 80.4 | 19.9 |
| Mobile Connectivity | 20.6 | 19.4 | 19.8 | 20.5 | 80.3 | 19.7 |
| Total Operating Verticals | 334.0 | 326.4 | 324.6 | 328.1 | 1,313.1 | 316.5 |
| Other Revenues | 1.2 | (3.5) | 12.1 | (1.7) | 8.0 | 1.1 |
| Total | 335.1 | 322.9 | 336.7 | 326.3 | 1,321.1 | 317.6 |

As a reminder, in order to better reflect the different trends of its verticals, Eutelsat made the following changes to its reporting basis:

- Broadcast is now reported on a standalone basis and exclude Professional Video
- Professional Video and Fixed Data have been regrouped in the new "Data & Professional Video" application