

THIRD QUARTER AND NINE-MONTH 2021-22 REVENUES

- **Third Quarter Operating Verticals revenues of €285m**
 - **-3.5%¹ year-on-year**
 - **-0.7%¹ quarter-on-quarter**
- **Broadly stable Broadcast revenues quarter-on-quarter**
- **Strong growth in Fixed Broadband and Mobile Connectivity**
- **Nine Month operating vertical revenues down 4.0%¹ year-on-year, in line with expectations**
- **All financial objectives confirmed**

Paris, 12 May 2022 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL) reports revenues for the Third Quarter and Nine Months ended 31 March 2022.

In € millions	Q3 2020-21	Q3 2021-22	Change	
			Reported	Like-for-like ²
Broadcast	182.0	172.5	-5.2%	-6.8%
Data & Professional Video	39.5	40.0	+1.3%	-2.7%
Government Services	36.7	34.6	-5.7%	-11.3%
Fixed Broadband	20.5	16.9	-17.6%	+30.2%
Mobile Connectivity	15.7	20.7	+31.8%	+24.5%
Total Operating Verticals	294.4	284.7	-3.3%	-3.5%
Other Revenues ³	6.9	2.1	-69.6%	+84.7%
Total	301.3	286.8	-4.8%	-2.7%
<i>EUR/USD exchange rate</i>	1.22	1.13		

Eva Berneke, Chief Executive Officer of Eutelsat Communications, said: *“The Third Quarter saw robust delivery, with an improvement in Broadcast trend and strong double-digit growth in both Fixed Broadband and Mobile Connectivity whereas Government Services inevitably reflected the geopolitical environment in the Middle East. Recent months have seen meaningful progress on the commercial front in particular with the successful commercialization of EUTELSAT QUANTUM. Elsewhere, our global distribution agreement with OneWeb to address key connectivity verticals enhances the competitive position of both companies and represents a first step towards the development of combined GEO/LEO solutions. Overall, revenues at the Nine Month stage are in line with our expectations, and we confirm all our financial objectives.”*

¹ Like-for-like change.

² Change at constant currency and perimeter. The variation is calculated as follows: i) Q3 2021-22 USD revenues are converted at Q3 2020-21 rates; ii) the contribution of Eurobroadband Infrastructure (EBI) is excluded from Q3 2020-21 revenues; iii) Hedging impact is excluded from Other Revenues.

³ Other Revenues include mainly the impact of EUR/USD revenue currency hedging, the provision of various consulting/engineering services and termination fees.

HIGHLIGHTS

- Third Quarter **operating vertical revenues** of €285m, broadly stable (-0.7%) quarter-on-quarter.
- **Improvement in Broadcast revenue trend** (-6.8% year-on-year in the Third Quarter after -8.6% in the second quarter) with Third Quarter revenues broadly stable (-0.8%) relative to the Second Quarter.
- **Robust double-digit growth for both Fixed Broadband and Mobile Connectivity** in the Third Quarter, at respectively circa plus 30% and plus 25% year-on-year, highlighting the significant potential in Connectivity.
- Strong progress in the **commercialization of EUTELSAT QUANTUM** with six beams (out of eight) already sold after six months of operation and the entire capacity expected to be fully sold in the coming months.
- **Global distribution partnership** secured with OneWeb to address key connectivity verticals, deepening cooperation and showcasing operational synergies between the two companies.
- Nine Month Operating Verticals of €853m down 4.0% year-on-year and in line with expectations, enabling us to **reiterate our objective for the Full Year** of between €1,110 million and €1,130 million⁴.
- All other **financial objectives** also confirmed.

THIRD QUARTER REVENUES⁵

Total revenues for the Third Quarter stood at €287 million down 4.8% on a reported basis and by 2.7% like-for-like.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') stood at €285 million. They were down by 3.5% on a like-for-like basis excluding a negative perimeter effect of circa three points from the disposal of Euro Broadband Infrastructure (EBI) on 30 April 2021 and a positive currency effect of circa three points.

Quarter-on-quarter, revenues of the five Operating Verticals were down by 0.7% like-for-like.

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

Broadcast (61% of revenues)

Third Quarter Broadcast revenues amounted to €173 million, down 6.8% year-on-year, representing an improvement in trend relative to the Second Quarter (-8.6% year-on-year). The revenue decline reflected predominantly the effect of the partial renewal of capacity with Nilesat at 7/8°West, which is not offset by the resale of this capacity, and elsewhere, a slight erosion in the underlying business in Europe. Excluding the 7/8°West impact, Broadcast revenues experienced a low-single-digit decline.

Quarter-on-quarter, revenues were broadly stable with the slight, -0.8%, erosion reflecting the carry-forward effect of the above-mentioned 7/8°West headwind which impacted revenues from mid-October onwards. Revenues were flat excluding this item.

⁴ Based on a €/€ rate of 1.20.

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

Revenues are expected to remain broadly stable in the Fourth Quarter relative to the Third Quarter.

Data & Professional Video (14% of revenues)

Third Quarter Data & Professional Video revenues stood at €40 million, down by 2.7% year-on-year.

In Fixed Data, which represents two thirds of this application, improved volume trends are now offsetting most of the negative impact of competitive pressure.

The Professional Video revenues trend saw a slight uptick, reflecting the phasing of a specific contract which is beneficial to the Second Half but neutral over the Full Year, as well as growth of occasional use.

Quarter-on-quarter revenues were stable reflecting notably the above-mentioned Professional Video tailwind as well as the broad stabilization of Fixed Data.

On the commercial front, a multi-year agreement was signed with Tuvalu Telecommunications Corporation for connectivity on the EUTELSAT 172B satellite to support the extension of corporate networks for government offices and businesses of the Tuvalu Islands.

We expect this application to decline at a mid-single digit pace over the Full Fiscal Year, consistent with previous indications.

Government Services (12% of revenues)

Third Quarter Government Services revenues stood at €35 million, down 11.3% year-on-year. This reflected the negative carry-forward effect of US Government renewals, driven by the withdrawal of troops from Afghanistan with in particular a renewal rate of only 75% in Fall 2021, as well as the end of life in stable orbit of EUTELSAT 174A.

Quarter-on-quarter, revenues were down by 8.0% with the full effect of Fall 2021 renewals now in the quarterly base.

On the commercial front, as anticipated in February, the latest renewal campaign with the US Government (Spring 2022) resulted in a below-average renewal rate estimated at above 70% reflecting the continued impact of the geopolitical context in the Middle East. Elsewhere, the commercialisation of EUTELSAT QUANTUM made further strong progress with five beams now secured for Government Services, of which three for incremental business and two to favour the renewal of existing business.

In the Fourth Quarter, the full effect of Spring 2022 renewals relative to the Third Quarter should be largely offset by the ramp-up of new business on EUTELSAT QUANTUM.

Fixed Broadband (6% of revenues)

Third Quarter Fixed Broadband revenues stood at €17 million, up 30.2% year-on-year on a like-for-like basis. They reflected the contribution from the wholesale agreements with TIM and Hispasat, the strong dynamic of our African operations and the ramp-up of the multi-beam agreement signed on EUTELSAT 65 West A with several Mexican service providers. Conversely, revenues also reflected the erosion of the legacy business of Bigblu Broadband on the KA-SAT satellite.

Quarter-on-quarter, revenues were up by 7.7%.

The favourable momentum in this application is set to continue into the Fourth Quarter.

Mobile Connectivity (7% of revenues)

Third Quarter Mobile Connectivity revenues stood at €21 million, up 24.5% year-on-year. They reflected the carry-forward effect of the contract signed with Anuvu last year as well as the ongoing strong growth

of Maritime, driven by the ramp-up of contracts with service providers signed in recent years and by the agreement inked earlier this year on EUTELSAT QUANTUM with a customer in the Middle East.

Quarter-on-quarter, revenues were up by 4.5%.

On the commercial front, we continue to see a robust pipeline of business for maritime mobility highlighting both the strong demand in this vertical as well as the quality of our in-orbit resources and services.

In the Fourth Quarter, growth is expected to decelerate as the comparison base will notably integrate the above-mentioned agreement with Anuvu.

Other Revenues

'Other Revenues' amounted to €2.1 million in the Third Quarter versus €6.9 million a year earlier and €1.0 million in the Second Quarter. They included a negative (€2.8) million impact from hedging operations compared to a positive impact of +€4.3 million last year and a negative impact of (€2) million in the Second Quarter.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders as of 31 March 2022 stood at 1,358 down by 22 units quarter-on-quarter, the latter reflecting principally the end of life in stable orbit of EUTELSAT 174A.

The number of utilized transponders stood at 961, down 13 units quarter-on-quarter, reflecting principally the same effect as above as well as the Fall 2021 renewal campaign with the US Government.

As a result, the fill rate stood at 70.7% compared with 69.5% a year ago and 70.6% at end-December 2021.

	31 March 2021	31 Dec. 2021	31 March 2022
Operational transponders ⁶	1,366	1,380	1,358
Utilized transponders ⁷	950	974	961
Fill rate	69.5%	70.6%	70.7%

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

BACKLOG

The backlog stood at €4.0 billion as of 31 March 2022 versus €4.5 billion a year ago, and €4.2 billion at end-December 2021, reflecting its natural consumption in the absence of major broadcast renewals this quarter.

It was equivalent to 3.3 times 2020-21 revenues, with Broadcast representing 63%.

	31 Mar. 2021	31 Dec. 2021	31 Mar. 2022
Value of contracts (in billions of euros)	4.5	4.2	4.0
In years of annual revenues	3.5	3.4	3.3
Share of Broadcast	64%	64%	63%

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

⁶ Number of transponders on satellites in stable orbit, back-up capacity excluded.

⁷ Number of transponders utilized on satellites in stable orbit.

NINE MONTH REVENUES

Revenues for the first Nine Months of FY 2021-22 stood at €859 million, down by 7.6% on a reported basis and by 4.0% at constant currency and perimeter.

Revenues of the five Operating Verticals (excluding 'Other Revenues') were down by 6.0% on a reported basis. They were down by 4.0% on a like-for-like basis excluding a positive effect from currency representing circa one point and a negative perimeter effect of circa three points from the disposal of Euro Broadband Infrastructure (EBI) on 30 April 2021 only partly offset by the consolidation of Bigblu Broadband Europe since 1st October 2020.

At a 1.20 €//\$ rate (rate as per financial objectives) they stood at €840 million.

In € millions	9m 2020-21	9m 2021-22	Change	
			Reported	Like-for-like ⁸
Broadcast	560.9	523.0	-6.8%	-7.3%
Data & Professional Video	120.9	117.8	-2.6%	-3.7%
Government Services	113.6	108.4	-4.6%	-6.3%
Fixed Broadband	62.6	47.0	-24.9%	+34.4%
Mobile Connectivity	49.6	57.2	+15.3%	+14.5%
Total Operating Verticals	907.5	853.4	-6.0%	-4.0%
Other Revenues	22.3	5.6	-74.9%	-10.4%
Total	929.9	859.0	-7.6%	-4.1%
<i>EUR/USD exchange rate</i>	<i>1.18</i>	<i>1.16</i>		

FINANCIAL OUTLOOK

On the back of the performance of the first Nine Months, we confirm our objective for the Full Year of Operating Vertical Revenues of between €1,110 to €1,130 million⁹.

All other elements of the financial outlook are also confirmed:

- Cash Capex¹⁰ not exceeding €400 million per annum for each of the next three fiscal years (FY 2021-22 / FY 2022-23 / FY 2023-24).
- Adjusted Discretionary Free Cash Flow of between €400 million and €430 million in FY 2021-22 at a €//\$ rate of 1.20. Adjusted Discretionary Free Cash Flow is expected to grow in FY 2022-23 and in FY 2023-24.
- The LEAP 2 plan aimed at generating €20-25 million in annual savings by FY 2021-22.
- Commitment to a sound financial structure to support our solicited investment grade credit ratings targeting a medium-term net debt / EBITDA ratio of around 3x.

The policy of a stable to progressive dividend is also reiterated.

This outlook is based on the nominal deployment plan outlined below. It assumes no material deterioration of revenues generated from Russian customers.

⁸ Change at constant currency and perimeter. The variation is calculated as follows: i) 9-months 2021-22 USD revenues are converted at 9-months 2020-21 rates; ii) the contribution of BigBlu Broadband Europe (BBB) from 1st July 2021 to 30 September 2021 is excluded from 9-months 2021-22 revenues; iii) the contribution of Eurobroadband Infrastructure (EBI) is excluded from 9-months 2020-21 revenues; iv) Hedging revenues are excluded from Other Revenues.

⁹ Based on a €//\$ rate assumption of 1.20 and current perimeter.

¹⁰ Including capital expenditure and payments under existing export credit facilities and other bank facilities financing investments as well as payments related to lease liabilities.

FLEET DEPLOYMENT

Nominal deployment program

Since the last quarterly update in February 2022, there is no change in the nominal deployment program below.

Satellite ¹	Orbital position	Estimated entry into service (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	Of which expansion
EUTELSAT 10B	10° East	H1 2023	Mobile Connectivity	EMEA Atlantic & Indian Ocean	12 Ku 10 C >100 Ku spot beams	-48 Ku c. 35 Gbps
EUTELSAT HOTBIRD 13G	13° East	H1 2023	Broadcast	Europe MENA	80 Ku ² EGNOS payload	EGNOS payload
KONNECT VHTS	To be confirmed	H2 2023	Connectivity	Europe	~230 Ka spot beams	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	Q2/Q3 2023	Broadcast	Europe MENA	80 Ku ²	None
EUTELSAT 36D	36° East	H2 2024	Broadcast Government	Africa, Russia, Europe	70 Ku UHF payload	UHF payload

¹ 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 2021

- EUTELSAT QUANTUM was launched on 30 July 2021 and entered service in November 2021.
- The lease agreement for capacity on the YAHSAT 1B and AI Yah 3 satellites was terminated in the First Quarter of Fiscal Year 2021-22.
- EUTELSAT 48E, which was in inclined orbit, terminated its life in October 2021.
- EUTELSAT 174A is operating in inclined orbit since January 2022.

EXPOSURE TO RUSSIAN CRISIS

As disclosed in the latest Universal Registration Document, Eutelsat derived circa 6.3% of its revenues from Russian customers in Fiscal Year 2020-21 and has no material revenue exposure to Ukraine. The Group also leases capacity on four satellites owned by the Russian operator, RSCC, serving mostly the above-mentioned Russian customers and representing a net present value (included in Net Financial Debt) of €322 million as of 31 December 2021.

Furthermore, the OneWeb low-orbit constellation in which Eutelsat owns a 22.9% stake had to suspend the remaining six upcoming launches which were planned from Baikonur Cosmodrome. Since then, OneWeb entered into agreements with SpaceX and New Space India that will enable to resume satellite launches.

Consistent with its Code of Ethics and as a provider of infrastructure globally Eutelsat upholds a commitment to neutrality and is therefore guided by sanctions and by the decisions of its competent regulatory bodies, which it strictly applies. In this context, Eutelsat immediately implemented EU Council Regulation 2022/350, suspending the broadcasting activities of Russian television stations such as Russia Today.

Third Quarter 2021-22 revenues conference call

A conference call will be held on **Thursday, 12 May 2022** at **18.30 CET / 17.30 GMT / 12.30 EST**

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

- France: +33 (0) 1 76 77 25 07
- UK: +44 (0) 330 165 4045
- United States: +1 720-543-0214

Access code: 5156191#

Instant replay will be available from 12 May, 22.30 CET to 19 May, 22.30 CET on the following numbers:

- France: +33 (0) 1 70 48 00 94
- UK: + 44 (0) 20 3859 5407
- United States: + 1 719 457 0820

Access code: 5156191#

Financial calendar

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

3 August 2022: Full Year 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. Committed to promoting all facets of sustainable development across its business activities, Eutelsat leverages its in-orbit resources to help bridge the digital divide while maintaining a safe and uncluttered space environment. As an attractive and socially responsible employer, 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.

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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 Reported revenues for FY 2020-21 and FY 2021-22

The table below shows quarterly reported revenues.

In € millions	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	FY 2020-21	Q1 2021-22	Q2 2021-22	Q3 2021-22
Broadcast	190.6	188.3	182.0	180.1	741.0	177.6	172.8	172.5
Data & Professional Video	39.5	41.9	39.5	40.6	161.4	38.4	39.4	40.0
Government Services	38.4	38.5	36.7	37.7	151.4	37.0	36.8	34.6
Fixed Broadband	20.5	21.6	20.5	17.7	80.2	14.6	15.5	16.9
Mobile Connectivity	17.7	16.2	15.7	17.6	67.2	17.1	19.4	20.7
Total Operating Verticals	306.7	306.4	294.4	293.7	1,201.2	284.8	283.9	284.7
Other Revenues	8.6	6.8	6.9	10.4	32.7	2.6	1.0	2.1
Total	315.3	313.2	301.3	304.1	1,233.9	287.3	284.9	286.8

Quarterly Proforma revenues for 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