SES, Société Anonyme
Interim results for the six-month period ended 30 June 2020

Contents:

Operational and financial review

Key business and financial highlights

EUR million	H1 2020	H1 2019	∆ as Reported	∆ at constant FX
Average EUR/USD exchange rate	***1.10***	*1.13*		
Revenue	**947.5**	961.4	-1.5%	-2.6%
Adjusted EBITDA	**582.0**	595.9	-2.3%	-3.5%
Net profit	**86.4**	169.2	-48.9%	n/a

- H1 2020 group revenue of EUR 947.5 million (-2.6% at constant FX compared with the prior period) included EUR 8.8 million of periodic and other revenue (H1 2019: EUR 10.8 million). Underlying revenue (excluding periodic and other) declined by 2.4% (year-on-year at constant FX) to EUR 938.7 million.

- Video underlying revenue of EUR 559.3 million (-8.0% at constant FX) reflected the combination of lower Distribution revenue (-7.4%), from 'right-sizing' of capacity by customers in mature markets, and the decision to reduce exposure to low margin video services activities contributing to lower Services revenue (-9.6%).

- Networks underlying revenue grew, for the third consecutive year, by 7.1% at constant FX to EUR 379.4 million with double-digit growth in Mobility (+22.6%) and a return to growth in Fixed Data (+4.6%), while Government (-1.0%) is expected to benefit from new business wins that will contribute to revenue from the second half of 2020.

- Adjusted EBITDA of EUR 582.0 million represented an Adjusted EBITDA margin of 61.4% (H1 2019: 62.0%). Adjusted EBITDA excludes a restructuring charge of EUR 21.7 million in relation to the Simplify & Amplify transformation programme (H1 2019: EUR 11.4 million) and the recognition of EUR 13.6 million (H1 2019: nil) of operating expenses associated with the accelerated repurposing of U.S. C-Band spectrum.

- H1 2020 operating expenses (excluding restructuring and C-Band) in line with H1 2019 at EUR 365.5 million. This included a one-off charge of EUR 8.1 million related to the recognition of Luxembourg net wealth tax in H1 2020 which offset the positive contribution to group EBITDA from a 2.2% (year-on-year) reduction in recurring operating expenses.

- The reduction in net profit to EUR 86.4 million in H1 2020 mainly reflected the combination of the lower reported EBITDA (including the restructuring and C-Band expenses noted above) and net foreign exchange losses compared to H1 2019, which also included an income tax benefit of EUR 22.4 million. These items offset the positive contribution from lower depreciation, amortisation and net interest expenses.

- Net cash generated by operating activities of EUR 411.9 million (H1 2019: EUR 553.5 million) represented 75.3% of EBITDA (H1 2019: 94.7%). The year-on-year comparison was predominantly impacted by the changes in working capital.

- Reported net debt of EUR 3,398 million at 30 June 2020 was 6% lower than 30 June 2019 while the weighted average debt maturity improved to 7.7 years (H1 2019: 7.3 years) and weighted average interest cost reduced to 3.3% (H1 2019: 3.6%). The Adjusted net debt to Adjusted EBITDA ratio of 3.3 times (including 50% of the hybrid bonds as debt, per the rating agency methodology) was lower (H1 2019: 3.5 times).

- Fully protected contract backlog at 30 June 2020 was EUR 5.9 billion (gross backlog of EUR 6.4 billion when including backlog subject to contractual break clauses).

- In June 2020, SES announced Ferdinand Kayser's decision to retire at the end of 2020 with CEO Steve Collar assuming direct responsibility for the Video business from 1 July 2020. Thai Rubin was appointed Chief

Legal Officer to succeed John Purvis, who will remain an important member of the legal team on a part-time basis. In addition, Romain Bausch stepped down from the SES Board of Directors in July 2020 having dedicated more than 25 years of service to the company.

Update on Response to COVID-19 Global Pandemic and Financial Outlook

SES has continued to execute a series of measures to ensure employee safety and continuity of business operations including a worldwide 'work from home policy' implemented in March 2020 before any government regulation, and well established and tested contingency plans across all technical facilities around the globe. All operations centres across the SES network remain 100% in service and operational.

As at 30 June 2020, the group's financial position includes EUR 366.8 million of cash & cash equivalents, a EUR 1.2 billion Revolving Credit Facility which remains undrawn, and no meaningful senior debt maturities required to be refinanced before 2023 following the successful completion of a new EUR 400 million Euro bond maturing in 2028 with an annual coupon of 2.0%.

The fixed, long-term nature of SES' commercial contracts provides strong cash flow visibility and security as reflected in the fully protected contract backlog of EUR 5.9 billion at 30 June 2020. While the H1 2020 financial results were largely unaffected by COVID-19, it is expected that headwinds from the global pandemic will impact SES' performance over H2 2020 and, accordingly, the financial outlook (assuming a EUR/USD exchange rate of EUR 1 = USD 1.15, nominal satellite health and launch schedule) for full year 2020 is updated as follows:

- **Group revenue:** EUR 1,860 - 1,900 million (from EUR 1,920 - 2,000 million), including Video revenue of EUR 1,090 - 1,110 million and Networks revenue of EUR 770 - 790 million (from EUR 1,110 - 1,150 million and EUR 800 - 840 million respectively). At 30 June 2020, nearly 95% of the updated FY 2020 group revenue outlook is already contractually committed.

- **Adjusted EBITDA:** EUR 1,120 - 1,160 million (from EUR 1,150 - 1,210 million) including EUR 40 - 60 million of COVID-19 specific cost mitigation actions that were implemented during H1 2020 and which are not currently expected to recur after 2020. The Adjusted EBITDA outlook excludes a restructuring charge of EUR 40 million and non-reimbursable C-Band operating expenses of EUR 25 million.

Update on SES Value Drivers

Delivering substantial shareholder value through the repurposing of U.S. C-Band spectrum

On 26 May 2020, SES elected to clear a portion of the C-Band spectrum in the U.S. in accordance with the accelerated timetable detailed in the U.S. Federal Communications Commission (FCC) final Report and Order. To execute the clearing will require an investment of approximately USD 1.6 billion, of which about USD 1.5 billion is expected to be reimbursed through the Clearinghouse envisaged in the FCC final Report and Order. The remaining USD 80 million of total non-reimbursable costs are expected to impact reported EBITDA by about EUR 30 million in 2020 and then slightly decreasingover the period 2021-2023.

The vast majority of this investment will be placed with U.S. suppliers including the selection of Northrup Grumman and the Boeing Company to deliver four new satellites to be launched by SpaceX and United Launch Alliance, while Thales Alenia Space has been contracted for the provision of two contingency satellites to ensure that SES can meet the strict deadlines laid down by the FCC. In line with SES' firm commitment to maintaining investment grade status, the company has secured deferred payment terms with the vendors taking part in the satellite programmes associated with the accelerated clearing, ahead of reimbursement by the Clearinghouse.

SES intends to meet the deadlines envisaged in the FCC Order, which entitles the company to receive up to USD 3.97 billion in accelerated relocation payments. The first payment of USD 0.98 billion, to be earned in Q4 2021 and expected to be paid in Q1 2022, will be fully utilised to strengthen the balance sheet, while the payment of USD 2.99 billion, to be earned in Q4 2023 and expected in Q1 2024, will be used for a mix between return to shareholders, strong balance sheet and any disciplined value-accretive investment.

Investing in profitable future growth

Today, SES announced an investment in four additional O3b mPOWER satellites, expanding the constellation to 11 satellites. The total cost of the additional investment is EUR 480 million including EUR 250 million over the period 2020-2024 and the remaining expenditure thereafter. The investment further de-risks the overall project and will enhance the constellation efficiency, increase total throughput by 90% and expand geographic coverage. As SES expands the O3b mPOWER constellation, Boeing and SES have agreed to collaborate to develop commercially-based service offerings for the US Government that leverage the companies' combined multi-orbit, multi-frequency, high-throughput capabilities including the demonstration of interoperability between systems and the use of O3b mPOWER's flexible and open architecture to support waveforms and capabilities of interest to Government users."

Including the above investment, capital expenditure (representing net cash absorbed by investing activities excluding acquisitions and financial investments) is now expected to be EUR 310 million in 2020, EUR 850 million in 2021, EUR 970 million in 2022, EUR 550 million in 2023 and EUR 250 million in 2024. Compared with the forecast provided with the Full Year 2019 results, EUR 550 million is deferred from 2020 and 2021 to the following years, while the total capital expenditure is in line and represents an overall investment of EUR 2.9 billion over the period 2020-2024 of which 60% relates to growth investments and 40% for replacement of existing assets. No further growth investments are currently foreseen.

Transforming SES – Simplify and Amplify

Launched in early 2020, SES' transformation programme - Simplify & Amplify - comprises four elements including a recurring EBITDA optimisation goal ramping to EUR 40 - 50 million per year from 2021.

- **Create pure-play verticals:** a dedicated team, comprising 70 Full Time Equivalent resources is in place and executing on the transformational opportunity to reshape the 5G landscape in the U.S.; protect existing C-Band broadcast neighbourhoods and customers and realise substantial shareholder value for SES. The previously announced investigation into the potential separation of the Video and Networks businesses within SES is underway with outcome expect in H2.

- **Focus on core strengths**: in July 2020, we have made a number of changes to the operation and focus of our Video business including the creation of a single unit responsible for driving our business in Germany, Austria and Switzerland, our single largest market. SES enjoys a significant market share in Germany and operates a successful B2C business in HD+ that has generated cumulative revenue of more than EUR 1 billion for SES since its inception.

- **Simplify operations:** SES will close its offices in Brussels, Central London, the Isle of Man, Warsaw and Zurich, redistributing activities in these locations to other offices in Kiev, Stockholm, Stockley Park in London and The Hague as well as its headquarters in Luxembourg. SES also launched a voluntary phased retirement programme and is retraining and realigning resources internally towards high-value future market opportunities. In aggregate, these changes will impact between 10% and 15% of its global employee base.

- **Innovate for the future:** A cross-functional organisation has been established to drive a unified approach to cloud and enabling SES to become an integral part of customers' cloud transformation. This followed the inception of an 'innovation hub' to co-create solutions with our customers and partners and develop future technologies and business models.

Operational performance and commentary

REVENUE BY BUSINESS UNIT

	Revenue (reported)			Δ (year-on-year) at constant FX		
EUR million	Q1 2020	Q2 2020	H1 2020	Q1 2020	Q2 2020	H1 2020
Video Distribution	211.5	211.4	**422.9**	-8.5%	-6.6%	**-7.6%**
- *Underlying*	211.5	211.4	**422.9**	-8.2%	-6.6%	**-7.4%**
- *Periodic*	--	--	**--**	n/m	n/m	**n/m**
Video Services	70.4	66.0	**136.4**	-6.7%	-12.5%	**-9.6%**
- *Underlying*	70.4	66.0	**136.4**	-6.7%	-12.5%	**-9.6%**
- *Periodic*	--	--	**--**	n/m	n/m	**n/m**
Video (total)	281.9	277.4	**559.3**	-8.1%	-8.1%	**-8.1%**
- *Underlying*	281.9	277.4	**559.3**	-7.8%	-8.1%	**-8.0%**
- *Periodic*	--	--	**--**	n/m	n/m	**n/m**
Government	69.8	71.7	**141.5**	-0.5%	-3.8%	**-2.2%**
- *Underlying*	69.8	71.4	**141.2**	-0.5%	-1.5%	**-1.0%**
- *Periodic*	--	0.3	**0.3**	n/m	n/m	**n/m**
Fixed Data	69.1	61.7	**130.8**	+14.3%	+4.9%	**+9.6%**
- *Underlying*	61.4	61.7	**123.1**	+1.6%	+7.9%	**+4.6%**
- *Periodic*	7.7	--	**7.7**	n/m	n/m	**n/m**
Mobility	57.7	57.4	**115.1**	+13.6%	+16.9%	**+15.2%**
- *Underlying*	57.7	57.4	**115.1**	+28.8%	+16.9%	**+22.6%**
- *Periodic*	--	--	**--**	n/m	n/m	**n/m**
Networks (total)	196.6	190.8	**387.4**	+8.4%	+4.6%	**+6.4%**
- *Underlying*	188.9	190.5	**379.4**	+7.7%	+6.5%	**+7.1%**
- *Periodic*	7.7	0.3	**8.0**	n/m	n/m	**n/m**
Sub-total	478.5	468.2	**946.7**	-2.0%	-3.3%	**-2.6%**
- *Underlying*	470.8	467.9	**938.7**	-2.2%	-2.6%	**-2.4%**
- *Periodic*	7.7	0.3	**8.0**	n/m	n/m	**n/m**
Other[(1)]	0.4	0.4	**0.8**	n/m	n/m	**n/m**
Group Total	478.9	468.6	**947.5**	-1.9%	-3.3%	**-2.6%**

"Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This revenue may be impacted by changes in launch schedule and satellite health status. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends on a quarterly basis. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during the course of construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material. 1) Other includes revenue not directly applicable to Video or Networks.

Video: 59% of group revenue (H1 2019: 63%)

At 30 June 2020, SES carried a total of 8,302 TV channels to viewers around the world including 2,948 channels in High Definition and Ultra High Definition (up 2% year-on-year). 68% of total TV channels are now broadcast in MPEG-4 with an additional 4% in HEVC.

Video Distribution

H1 2020 underlying revenue of EUR 422.9 million was 7.4% lower year-on-year at constant FX mainly impacted by direct to home and cable customers 'right-sizing' capacity in mature markets. In Europe, modest volume reductions on some long-term renewals secured in late 2019 resulted in lower revenue (year-on-year). Nevertheless, utilisation rates across SES' industry-leading European Video neighbourhoods remain strong. North American revenue was mainly impacted by ongoing 'right-sizing' of volume across U.S. cable neighbourhoods and reduction in the wholesale business resulting in lower revenues year-on-year. Challenging trading environments in specific markets led to an overall revenue reduction (year-on-year) in International distribution revenue.

Video Services

Underlying revenue of EUR 136.4 million in H1 2020 was down 9.6% year-on-year at constant FX. The ongoing shift from hardware to software solutions in partnership with TV set manufacturers, and a modest reduction in the number of paying subscribers, resulted in lower HD+ revenue (year-on-year). Within the remainder of the services segment (formerly MX1), the decision to reduce exposure to low margin activities and the postponement or cancellation of many sports and events due to the COVID-19 global pandemic led to lower (year-on-year) overall revenue.

Networks: 41% of group revenue (H1 2019: 37%)

Government

Underlying revenue of EUR 141.2 million was 1.0% lower at constant FX compared with H1 2019 which had benefited from additional revenue related to the completion of certain milestone-driven institutional projects in Global Government. U.S. Government revenue was slightly up (year-on-year) and is expected to benefit from the future contribution of new business already secured and executing on a strong commercial pipeline, for both additional MEO- and GEO-enabled network solutions. Excluding the milestone-driven projects noted above, Global Government revenue was stable (year-on-year).

Fixed Data

Underlying revenue grew by 4.6% (year-on-year) at constant FX to EUR 123.1 million in H1 2020. Growth in the Americas was supported by new and incremental managed services to tier one telecommunications companies and Mobile Networks Operators to deploy 4G networks and government-funded rural WiFi projects. The successful deployment of broadband access and mobile connectivity services to rural communities on behalf of SES' customers, notably using SES-12 and MEO-enabled high throughput capabilities, contributed to growth (year-in-year) in Asia-Pacific. Along with a positive contribution from new business in Energy, and first cloud revenues, these more than offset lower (year-on-year) wholesale capacity revenue in Europe and Africa.

Mobility

Underlying revenue grew by 22.6% (year-on-year) at constant FX to EUR 115.1 million with double-digit growth in both Aeronautical and Maritime. Strong growth (year-on-year) in Aeronautical reflected the full year impact of the important new business signed during 2019 and notably utilising SES-15, SES-14 and SES' Ka-based aero network, as well as connectivity services delivered to the business aviation segment. Similarly, the full revenue contribution of expanded services with key cruise customers continued to drive strong growth (year-on-year) in the Maritime segment.

As the vast majority of SES' commercial contracts, including in Mobility, are fixed, the H1 2020 performance was largely unaffected by the impact of COVID-19 on customers and end markets served by SES in the Cruise and

Commercial Aviation segments. Nevertheless, it is expected that the development of both existing revenue and pace of new business will be impacted during the second half of the 2020.

Future satellite capacity

Satellite	Region	Application	Launch Date
SES-17	Americas	Fixed Data, Mobility, Government	Q3 2021
O3b mPOWER (satellites 1-3)	Global	Fixed Data, Mobility, Government	Q3 2021
O3b mPOWER (satellites 4-6)	Global	Fixed Data, Mobility, Government	Q1 2022
O3b mPOWER (satellites 7-9)	Global	Fixed Data, Mobility, Government	H2 2022
O3b mPOWER (satellites 10-11)	Global	Fixed Data, Mobility, Government	H2 2024

Business risks and their mitigation

For the remaining six months of the financial year, SES does not envisage any additional risks compared to the risk assessment performed for the year-end 31 December 2019, which are disclosed in full in the Annual Report 2019, except for the newly identified risk related to COVID-19.

Whilst the impact of COVID-19 on the company's operations has been limited in the first half of 2020, SES anticipates a slow-down in the pace of new business in the second half of the year, the long-term impact on those parts of the business most affected, particularly Sports & Events in Video and Mobility in Networks remains unclear at this stage. The company will continue to monitor these impacts, and implement complementary measures where needed to mitigate as far as possible any such impacts.

Related party transactions

Refer to note 9 – "Related party transactions".

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the group's business operations are carried on efficiently and transparently.

In accordance with Article 4 of the law of 11 January 2008 on the harmonization of transparency requirements in relation to information about issuer whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended 30 June 2020, prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted for use by the European Union give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidated taken as a whole.

In addition, the management's report includes a fair view of the development and performance of the business and the position of SES and its subsidiaries included in the consolidated taken as a whole, together with a description of the principal risks and uncertainties that they face.

Frank Esser
Chairman of the SES Board of Directors

Steve Collar
Chief Executive Officer

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of
SES S.A.

We have reviewed the accompanying interim condensed consolidated financial statements of SES S.A. and its subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2020 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in shareholders' equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the interim condensed consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 6 August 2020

François Mousel

Interim condensed consolidated income statement

For the six-month period ended 30 June 2020

In millions of euros		**2020**	2019
Revenue		**947.5**	961.4
Operating expenses		**(400.8)**	(376.9)
EBITDA		**546.7**	584.5
Depreciation and impairment expense		**(319.1)**	(323.0)
Amortisation expense		**(43.6)**	(45.3)
Operating profit		**184.0**	216.2
Finance income		**1.0**	1.5
Finance costs		**(91.7)**	(82.9)
Net financing costs		**(90.7)**	(81.4)
Profit before tax		**93.3**	134.8
Income tax (expense)/ benefit	Note 7	**(11.3)**	22.4
Profit for the period		**82.0**	157.2
Attributable to owners of the parent		**86.4**	169.2
Attributable to non-controlling interests		**(4.4)**	(12.0)
Basic earnings per share (in euro)	Note 8	**2020**	2019
Class A shares		**0.14**	0.32
Class B shares		**0.05**	0.13
Diluted earnings per share (in euro)	Note 8	**2020**	2019
Class A shares		**0.14**	0.32
Class B shares		**0.05**	0.13

Adjusted EBITDA		**582.0**	595.9
C-Band operating expenses	Note 12	**(13.6)**	-
Restructuring expenses	Note 11	**(21.7)**	(11.4)
EBITDA		**546.7**	584.5

The notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June 2020

In millions of euros	**2020**	2019
Profit for the period	**82.0**	**157.2**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligation	**(1.3)**	**-**
Income tax effect	**0.4**	**-**
Remeasurements of post employment benefit obligation, net of tax	**(0.9)**	**-**
Income tax relating to treasury shares impairment reversal or charge	**7.9**	**4.3**
Total items that will not be reclassified to profit or loss	**7.0**	**4.3**
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**23.0**	**40.4**
Income tax effect	**(1.1)**	**(2.5)**
Total impact of currency translation, net of tax	**21.9**	**37.9**
Net investment hedge	**(4.3)**	**(9.4)**
Income tax effect	**1.1**	**2.3**
Total net investment hedge, net of tax	**(3.2)**	**(7.1)**
Total items that may be reclassified subsequently to profit or loss	**18.7**	**30.8**
Total other comprehensive income for the period, net of tax	**25.7**	**35.1**
Total comprehensive income for the period, net of tax	**107.7**	**192.3**
Attributable to:		
Owners of the parent	**112.2**	**204.0**
Non-controlling interests	**(4.5)**	**(11.7)**

The notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

As at 30 June 2020

In millions of euros	**30 June 2020**	31 December 2019
Non-current assets		
Property, plant and equipment	**4,899.4**	5,185.9
Assets in the course of construction	**1,163.6**	923.7
Total property, plant and equipment	**6,063.0**	6,109.6
Intangible assets	**4,681.5**	4,685.2
Other financial assets	**9.8**	11.8
Trade and other receivables	**273.4**	285.5
Deferred customer contract costs	**13.7**	17.7
Deferred tax assets	**279.5**	260.5
Total non-current assets	**11,320.9**	11,370.3
Current assets		
Inventories	**20.7**	30.5
Trade and other receivables	**550.4**	590.1
Deferred customer contract costs	**11.8**	17.9
Prepayments	**62.6**	62.2
Derivatives	**0.3**	-
Income tax receivable	**4.2**	6.9
Cash and cash equivalents	**366.8**	1,155.3
Total current assets	**1,016.8**	1,862.9
Total assets	**12,337.7**	13,233.2
Equity		
Attributable to the owners of the parent	**6,047.1**	6,173.4
Non-controlling interests	**78.6**	83.1
Total equity	**6,125.7**	6,256.5
Non-current liabilities		
Borrowings	**3,065.0**	3,737.2
Provisions	**13.2**	14.0
Deferred income	**271.8**	316.6
Deferred tax liabilities	**359.0**	359.5
Other long-term liabilities	**125.8**	168.2
Lease liabilities	**26.2**	29.7
Fixed assets suppliers	**742.8**	622.5
Total non-current liabilities	**4,603.8**	5,247.7
Current liabilities		
Borrowings	**699.4**	691.1
Provisions	**60.2**	48.6
Deferred income	**400.4**	467.0
Trade and other payables	**266.6**	351.2
Lease liabilities	**11.3**	11.2
Fixed assets suppliers	**137.8**	134.8
Income tax liabilities	**32.5**	25.1
Total current liabilities	**1,608.2**	1,729.0
Total liabilities	**6,212.0**	6,976.7
Total equity and liabilities	**12,337.7**	13,233.2

The notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

For the six-month period ended 30 June 2020

In millions of euros	**2020**	2019
Profit before tax	**93.3**	**134.8**
Taxes paid during the period	**(12.8)**	**(39.7)**
Adjustment for non-cash items	**447.6**	**432.4**
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes	**528.1**	**527.5**
Changes in working capital	**(116.2)**	**26.0**
Net cash generated by operating activities	**411.9**	**553.5**
Cash flow from investing activities		
Payments for purchases of intangible assets	**(21.9)**	**(12.0)**
Payments for purchases of tangible assets	**(129.9)**	**(159.6)**
Other investing activities	**(1.1)**	**(2.1)**
Net cash absorbed by investing activities	**(152.9)**	**(173.7)**
Free cash flow before financing activities	**259.0**	**379.8**
Cash flow from financing activities		
Repayment of borrowings	**(670.6)**	**(458.5)**
Coupon paid on perpetual bond	**(65.6)**	**(65.6)**
Dividends paid on ordinary shares[1]	**(182.1)**	**(326.7)**
Dividends paid to non-controlling interests	**-**	**(0.5)**
Interest paid on borrowings	**(108.6)**	**(113.7)**
Payments for acquisition of treasury shares	**(8.9)**	**(20.3)**
Proceeds from treasury shares sold and exercise of stock options	**5.3**	**26.1**
Lease payments	**(6.5)**	**(5.1)**
Payments related to changes in ownership interest in subsidiaries	**(7.3)**	**-**
Net cash absorbed by financing activities	**(1,044.3)**	**(964.3)**
Net foreign exchange movements	**(3.2)**	**(2.1)**
Net increase / (decrease) in cash	**(788.5)**	**(586.6)**
Cash and cash equivalents at beginning of the period	**1,155.3**	**909.1**
Cash and cash equivalents at end of the period	**366.8**	**322.5**

[1] Dividends are presented net of dividends received on treasury shares of EUR 2 million (30 June 2019: EUR 4.2 million)

The notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

	Attributable to owners of the parent									
In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2020	**719.0**	**1,635.5**	**(90.0)**	**1,300.0**	**2,519.7**	**296.2**	**(207.0)**	**6,173.4**	**83.1**	**6,256.5**
Result of the period	-	-	-	-	-	86.4	-	**86.4**	(4.4)	82.0
Other comprehensive income	-	-	-	-	7.1	-	18.7	**25.8**	(0.1)	25.7
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**7.1**	**86.4**	**18.7**	**112.2**	**(4.5)**	**107.7**
Allocation of 2019 result	-	-	-	-	296.2	(296.2)	-	**-**	-	-
Coupon on perpetual bond	-	-	-	-	(65.6)	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon	-	-	-	-	9.0	-	-	**9.0**	-	**9.0**
Dividends provided for or paid[1]	-	-	-	-	(182.1)	-	-	**(182.1)**	-	**(182.1)**
Acquisition of treasury shares	-	-	(8.9)	-	-	-	-	**(8.9)**	-	**(8.9)**
Share-based compensation expense	-	-	-	-	4.3	-	-	**4.3**	-	**4.3**
Exercise of share-based compensation	-	-	6.1	-	(8.9)	-	-	**(2.8)**	-	**(2.8)**
Sale of treasury shares	-	-	9.8	-	-	-	-	**9.8**	-	**9.8**
Other movements	-	-	-	-	(2.2)	-	-	**(2.2)**	-	**(2.2)**
At 30 June 2020	**719.0**	**1,635.5**	**(83.0)**	**1,300.0**	**2,577.5**	**86.4**	**(188.3)**	**6,047.1**	**78.6**	**6,125.7**

1 Dividends are presented net of dividends received on treasury shares of EUR 2 million.

The notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in shareholders' equity

For the six-month period ended 30 June 2019

	Attributable to owners of the parent									
In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2019	**719.0**	**1,635.5**	**(132.1)**	**1,300.0**	**2,673.5**	**278.6**	**(326.1)**	**6,148.4**	**102.2**	**6,250.6**
Result of the period	-	-	-	-	-	169.2	-	**169.2**	(12.0)	157.2
Other comprehensive income	-	-	-	-	4.3	-	30.5	**34.8**	0.3	35.1
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**4.3**	**169.2**	**30.5**	**204.0**	**(11.7)**	**192.3**
Allocation of 2018 result	-	-	-	-	278.6	(278.6)	-	**-**	-	-
Coupon on perpetual bond	-	-	-	-	(65.6)	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon	-	-	-	-	8.9	-	-	**8.9**	-	**8.9**
Dividends provided for or paid[1]	-	-	-	-	(364.0)	-	-	**(364.0)**	-	**(364.0)**
Acquisition of treasury shares	-	-	(20.3)	-	-	-	-	**(20.3)**	-	**(20.3)**
Share-based compensation expense	-	-	-	-	5.8	-	-	**5.8**	-	**5.8**
Exercise of share-based compensation	-	-	14.7	-	(21.6)	-	-	**(6.9)**	-	**(6.9)**
Sale of treasury shares	-	-	31.5	-	-	-	-	**31.5**	-	**31.5**
Other movements	-	-	-	-	(0.8)	-	-	**(0.8)**	0.2	**(0.6)**
At 30 June 2019	**719.0**	**1,635.5**	**(106.2)**	**1,300.0**	**2,519.1**	**169.2**	**(295.6)**	**5,941.0**	**90.7**	**6,031.7**

[1] Dividends are presented net of dividends received on treasury shares of EUR 4.2 million.

The notes are an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

As at 30 June 2020

(In millions of euros, unless indicated otherwise)

Note 1 - Corporate information

SES S.A. ("the Company") was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to "the Group" in the following notes are to the Company and its subsidiaries. SES trades under "SESG" on both the Luxembourg Stock Exchange and Euronext in Paris.

The interim condensed consolidated financial statements of SES S.A. and its subsidiaries as at, and for the six-month period ended, 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 7 August 2020. These interim condensed consolidated financial statements have been reviewed, not audited.

Note 2 - Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements as at, and for the six-month period ended, 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at, and for the year ended, 31 December 2019.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements as at, and for the year ended, 31 December 2019.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these interim condensed consolidated financial statements:

1) **Amendment to IFRS 3 - Definition of a Business Combination**

   The International Accounting Standards Board ('IASB') has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving those difficulties which arise when an entity determines whether it has acquired a business or a group of assets.

   The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The Group does not expect any significant impact of these amendments on its consolidated financial statements

2) **Amendments to IAS 1 and IAS 8 on the definition of material**

   The IASB has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020 and earlier application is permitted. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

3) Amendments to References to the Conceptual Framework in IFRS standards

The IASB has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

4) Amendments to IAS 1 on classification of liabilities as current or non-current

On 23 January 2020, the IASB issued 'Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)'. The amendment will affect the presentation of liabilities in the statement of financial position. The amendment clarifies that the classification of a liability as current or non-current should be based on rights in existence at the end of the reporting period to defer settlement of a liability by at least 12 months. The amendment also clarifies that classification of a liability should be unaffected by the entity's expectations regarding whether it will exercise its rights to defer payment. The amendment is effective for annual reporting periods beginning on 1 January 2023. The amendment was not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

5) Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. The amendment is effective for annual reporting periods beginning on or after 1 June 2020. The amendment was not yet endorsed by the EU. The Group does not expect any significant impact of this amendment on its consolidated financial statements.

6) Amendment to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'. The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments were not yet endorsed by the EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

There are no other IFRSs or IFRIC interpretations except the ones disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2019 or disclosed herewith, that are not yet effective that would be expected to have a material impact on the Group.

Note 3 - Significant accounting judgements and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2019.

Impairment charges

There was no impairment recorded during the six-month period ended 30 June 2020 on space segment assets, or on indefinite-life intangible assets. More details are given in Note 13.

Income tax

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Note 4 - Segmental information

The Group continues to report its activities as a single reportable operating segment in 2020.

When analysing the performance of the operating segment, the comparative prior year figures are analysed as reported and at 'constant FX' - recomputed using the exchange rates applying for each month in the current period.

The segment's financial results for the six-month period ended 30 June 2020 and the comparative prior period figures as reported and at 'constant FX', are set out below:

In millions of euros	**2020**	2019	Change Favourable + / Adverse
Revenue	**947.5**	961.4	(13.9)
Operating expenses	**(400.8)**	(376.9)	(23.9)
EBITDA	**546.7**	584.5	(37.8)
EBITDA margin (%)	57.7%	60.8%	-3.1 points
Depreciation and impairment	**(319.1)**	(323.0)	3.9
Amortisation	**(43.6)**	(45.3)	1.7
Operating profit	**184.0**	216.2	(32.2)
Adjusted EBITDA	**582.0**	595.9	(13.9)
C-Band operating expenses	**(13.6)**	-	(13.6)
Restructuring expenses	**(21.7)**	(11.4)	(10.3)
EBITDA	**546.7**	584.5	(37.8)

In millions of euros	2020	Constant FX 2019	Change Favourable + / Adverse
Revenue	**947.5**	972.9	(25.4)
Operating expenses	**(400.8)**	(381.1)	(19.7)
EBITDA	**546.7**	591.8	(45.1)
EBITDA margin (%)	57.7%	60.8%	-3.1points
Depreciation and impairment	**(319.1)**	(328.6)	9.5
Amortisation	**(43.6)**	(45.5)	1.9
Operating profit	**184.0**	217.7	(33.7)
Adjusted EBITDA	**582.0**	603.3	(21.3)
C-Band operating expenses	**(13.6)**	-	(13.6)
Restructuring expenses	**(21.7)**	(11.5)	(10.2)
EBITDA	**546.7**	591.8	(45.1)

Note 5 - Fair value management of financial instruments

The interim condensed consolidated financial statements do not include all fair value management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

1) Level 1: Quoted prices in active markets for identical assets or liabilities;

2) Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;

3) Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The following table present the Group's financial assets are measured at fair value:

In millions of euros	30 June 2020 Fair value asset	30 June 2020 Fair value liability	31 December 2019 Fair value asset	31 December 2019 Fair value liability
Derivatives:				
Forward currency exchange contracts	**0.3**	-	-	-
Total value of financial derivatives:	**0.3**	-	-	-
Of which: Non-current	**-**	-	-	-
Of which: Current	**0.3**	-	-	-

The Group has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following category of financial instruments at 30 June 2020:

Borrowings: *In millions of euros*	Fair value hierarchy	Carrying amount	Fair value
Eurobond 2026 (EUR 500 million)	2	495.2	499.9
Eurobond 2021 (EUR 650 million)	2	649.4	665.7
Eurobond 2027 (EUR 500 million)	2	497.0	464.6
US Bond 2023 (USD 750 million)	2	668.9	687.1
US Bond 2043 (USD 250 million)	2	216.5	220.5
US Bond 2044 (USD 500 million)	2	433.9	444.7
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.6	158.4
Coface	2	100.5	101.5
Fixed Term Loan Facility (LuxGovSat)	2	114.7	138.9
German Bond 2032 (EUR 50 million)	2	49.9	57.7
German Bond 2024 (EUR 150 million)	2	149.6	151.3
German Bond 2025 (EUR 250 million)	2	249.2	253.0
Total borrowings		**3,764.4**	**3,843.3**

In March 2020 the Group repaid EUR 650 million on the maturity of the Eurobond 2020.

Note 6 - Dividends declared and paid during the period

In millions of euros	Six-month period ended 30 June **2020**[1]	2019[2]
Class A dividend (2019: EUR 0.40, 2018: EUR 0.80)	**133.7**	269.5
Class B dividend (2019: EUR 0.16, 2018: EUR 0.32)	**30.7**	61.4
Total dividends declared and paid during the period	**164.4**	330.9

1 Net of withholding tax of EUR 19.7 million

2 Net of withholding tax of EUR 37.3 million

Note 7 - Income tax

The income tax expense of EUR 11.3 million recognised for the period ended 30 June 2020 is due to the current income tax expense for the period of EUR 31.7 million partially offset by the recognition of deferred tax assets for investment tax credits of EUR 20.4 million. The current income tax expense includes a provision of EUR 3.3 million mainly due to withholding tax risks in various jurisdictions.

Luxembourg fiscal unity

The investments made by the Group in the period, mainly in the framework of the procurement programmes for SES-17 and the mPOWER constellation, gave rise to investment tax credits in the amount of EUR 28.1 million. As of 1 January 2020, the tax benefit or tax charges of the individual members of the Luxembourg fiscal unity are no longer being recorded in the respective profit and loss account of the individual members but are instead being recorded in the profit and loss account of SES S.A. being the head of Luxembourg fiscal unity. Given the availability of tax losses to be carried in Luxembourg, these investment tax credits are not being utilised against Luxembourg current income tax during the period, but have been recognised as a deferred tax asset which is available for offset against future corporate income taxes in Luxembourg.

In addition, the Company is liable to pay the Luxembourg Net Wealth Tax for an amount of EUR 8.1 million which is included within the operating expenses.

Note 8 - Earnings per share

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the perpetual bond.

For the period ended 30 June 2020, basic earnings per share of EUR 0.14 per Class A share (30 June 2019: EUR 0.32), and EUR 0.05 per Class B share (30 June 2019: EUR 0.13) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating basic earnings per share:

In millions of euros	Six-month period ended 30 June	
	2020	2019
Profit attributable to owners of the parent	**86.4**	169.2
Assumed coupon on perpetual bond (net of tax)	**(24.3)**	(24.2)
Total	**62.1**	145.0

Assumed coupon accruals of EUR 24.3 million (net of tax) for the period ended 30 June 2020 (30 June 2019: EUR 24.2 million) related to the perpetual securities issued during 2016 have been considered for the calculation of the basic and diluted earnings available for distribution.

Weighted average number of shares, net of own shares held, for calculating basic earnings per share:

	Six-month period ended 30 June	
	2020	2019
Class A shares (in million)	**378.3**	377.7
Class B shares (in million)	**191.7**	191.7
Total	**570.0**	569.4

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which are primarily related to the share-based compensation plans. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the difference, if it results in effective dilution, is considered to adjust the weighted average number of shares.

For the period ended 30 June 2020, diluted earnings per share of EUR 0.14 per Class A share (30 June 2019: EUR 0.32), and EUR 0.05 per Class B share (30 June 2019: EUR 0.13) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating diluted earnings per share:

In millions of euros	Six-month period ended 30 June	
	2020	2019
Profit attributable to owners of the parent	**86.4**	169.2
Assumed coupon on perpetual bond (net of tax)	**(24.3)**	(24.2)
Total	**62.1**	145.0

Weighted average number of shares, net of own shares held, for calculating diluted earnings per share:

	Six-month period ended 30 June	
	2020	2019
Class A shares (in million)	**379.6**	379.9
Class B shares (in million)	**191.7**	191.7
Total	**571.3**	571.6

Note 9 - Related party transactions

No related party transactions have occurred during the six-month period ended 30 June 2020 which have a significant impact on the financial position or results of the Group.

Note 10 - Implications of COVID-19

The COVID-19 pandemic is having widespread economic implications, not all of which can be projected and quantified at the date of issuance of these financial statements.

Based on the information available at the date of issuance, management does not believe that the impact on the Group's activities will become so material that it will cast doubt on the Group's ability to continue as a going concern.

This partly reflects the fact that, whilst the Group is inevitably experiencing adverse financial impacts from the wide-ranging economic impacts of the pandemic, many of the Group's customers are large broadcasters and government agencies which are expected to be more resilient to the COVID-19 impacts than other economic sectors.

Nonetheless specific operational verticals are being affected, primarily Data Mobile - which encompasses the Group's Aeronautical and Cruise offerings - and Sport & Events in the Video business. Together these impacted verticals represent about 12% of the Group's revenue. Proactive measures have been taken to limit the impact of any adverse impacts on the Group's revenue line through actions to reduce discretionary spending and minimise operating and capital expenses. These actions, designed to partly offset the revenue shortfalls at the EBITDA level, include the adoption of non-recurring measures such as lower bonus and equity-based compensation grants affecting all employees and a significant reduction in discretionary spending like travel costs, trade fairs and consultancy charges.

The year-on-year adverse impact of Covid-19 on the Group's revenue was about 2%. The Group is also in discussion with some customers in the most affected verticals concerning adjustments to contractual arrangements for payments and these are resulting in delays in settlements, which is contributing to an increase in the Group's investment in working capital over the period.

Note 11 - Restructuring charges

Expenses of the period include an amount of EUR 21.7 million (2019: EUR 11.4 million) of charges associated with the reorganisation of the Group's operations, mainly in the framework of the Group's 'Simplify & Amplify' programme. These comprise personnel measures such as the implementation of an incentive programme for early retirement and measures to adjust staffing levels and structures in certain areas, as well as the cessation of operations in certain locations including the Isle of Man, Poland and Switzerland.

Reflecting these activities, the consolidated statement of financial position includes a provision of EUR 21.2 million.

Note 12 - C-Band repurposing

At its Open Commission Meeting held on 28 February 2020, the Federal Communications Commission ('FCC') adopted a Report and Order and Order of Proposed Modification ('the FCC Order') in connection with the clearing of a 300 MHz band of C-Band downlink spectrum between 3700 and 4000 MHz by December 2025 to support the rapid deployment of terrestrial 5G services in the contiguous United States ('CONUS'). The FCC plans to hold a public auction for the repurposed spectrum starting in December 2020.

On 26 May 2020, SES officially committed to an accelerated version of the C-Band clearing programme proposed in the FCC Order, which aims at ensuring a faster deployment of 5G capabilities in the United States. On 1 June 2020, the FCC's Wireless Telecommunications Bureau confirmed that a sufficient number of eligible space station operators filed similar accelerated relocation elections, triggering the adoption of the accelerated programme pursuant to the schedule set out below:

- Phase I: By 5 December 2021, SES will relocate all of its commercial services out of the 3700-3820 MHz band in CONUS, make necessary equipment changes on all associated incumbent earth stations located in 46 of the top 50 Partial Economic Areas ("PEAs") in CONUS, supplement its telemetry, tracking and control ("TT&C") operations to enhance two earth stations located in Hawley, PA, and Brewster, WA and begin to consolidate its gateway services currently located at other SES gateway locations as well as any customer or user gateway services to Hawley and/or Brewster.
- Phase II: By 5 December 2023, SES will relocate all its CONUS commercial services out of the full 3700-4000 MHz band, make necessary equipment changes on all associated incumbent earth stations located in all CONUS PEAs, complete its gateway consolidation to the Hawley and Brewster sites and complete TT&C upgrades across SES teleports.
- SES will receive accelerated relocation payments of EUR 872 million (USD 977 million) and EUR 2,671 million (USD 2,991 million) respectively for Phase 1 and Phase 2 if it successfully completes the clearing of the spectrum as described above. In the case of delays in achieving those spectrum clearing milestones then the accelerated relocation payments will decrease on a sliding scale to zero over the six-month period beginning with the stated deadlines for Phases 1 and 2 set out above.

To facilitate the clearing of the spectrum SES is procuring six new C-Band satellites and necessary launch vehicles and is consolidating and upgrading its ground facilities to comply with the provisions of the FCC Order. In parallel, customers and affiliated earth stations will be equipped with special filters, new antennae and/or other technology capabilities so that they can be migrated to work with services operating in the remaining 200 MHz of spectrum (between 4000 MHz and 4200 MHz) available to satellite operators.

The SES Board of Directors has approved an investment envelope of EUR 1.4 billion (USD 1.6 billion) for the implementation of the accelerated clearing programme including the procurement and launch of the new satellites and other equipment and services described above. SES expects these spectrum clearing costs to be reimbursed by the Clearinghouse currently being established which is expected to commence its operations in the second half of 2020.

The Group recorded C-Band-related expenses of EUR 13.6 million in the six-month period ending 30 June 2020 representing accumulated staff costs of EUR 9.9 million and other operating expenses (including travel and consulting charges) of EUR 3.7 million. Once the accelerated clearing programme had been confirmed, the Group began the amortisation of the remaining balance of deferred charges in connection with the C-Band repurposing of EUR 17.4 million (31 December 2019: EUR 18.6 million). These deferred charges, which are presented under ‘Prepayments’ in the Statement of Financial Position are to be amortised on a straight-line basis through to the completion of Phase 2 in December 2023.

In June 2020 SES entered into procurement agreements with two satellite manufacturers to acquire four of the six satellites needed to facilitate the repurposing of the C-Band spectrum representing an aggregate commitment of EUR 440.7 million.

Note 13 - Analysis of impairment indicators

In reviewing the valuations of assets in the framework of its analysis of impairment indicators as of 30 June 2020, management reviewed the results of operations and also considered the impact of three discrete events occurring in the first half of 2020: the issuance of the Federal Communications Commisssion’s Report and Order (see Note 12), the SES Board of Directors’ approval of four additional satellites as part of the mPOWER constellation and COVID-19, as discussed above. Management also considered the impact of internal and external factors on the discount rates used to discount the Group’s future cash flows.

The conclusion of this analysis was that there were no triggering events requiring a formal impairment test, and thus no impairment tests were performed in the first half of 2020. Accordingly, there was no impairment recorded during the six-month period ended 30 June 2020 on space segment assets, or on indefinite-life intangible assets.

Additionally, there were no additional impairment indicators for those assets which were subject to impairment charges as at 31 December 2019: the satellites ASTRA 5B, Ciel-2, YahSat 1A, NSS-10 and NSS-9 and the goodwill of the MX1 cash generating unit.

During the first half of 2019 an impairment charge of EUR 4.8 million on space segment assets has been recorded by the Group in connection with the Yahlive payload of the Yahsat 1A satellite.

Note 14 - Post balance sheet events

Issuance of EMTN bond

On 2 July 2020, SES received the net proceeds of a EUR 400 million bond issued under the Company’s European Medium-Term Note Programme. The bond has an eight-year maturity and bears interest at a fixed rate of 2%. On the date of launch of this bond, 22 June 2020, the Company invited holders of its outstanding EUR 650 million 4.75% Notes due 11 March 2021, to tender their Notes for purchase by the Company for cash. At the expiration deadline of this tender offer, SES had received valid tenders of EUR 94 million and accepted to purchase all of these Notes with a settlement date of 2 July 2020, resulting in a charge of EUR 2.6 million which was recorded in July 2020 as part of net financing charges.

Procurement of assets for C-Band repurposing and augmentation of mPOWER constellation

Subsequent to the period end the Group contracted with one satellite manufacturer and a launch service supplier for an aggregate amount of EUR 678.9 million in connection with the augmentation of the mPOWER constellation from seven to 11 satellites and launches in connection with the C-Band repurposing and mPOWER programmes. An amount of EUR 51.5 million was paid during the period ended 30 June 2020, in order to allow the manufacturer to commence the work.

There were no other material events occurring between the reporting date and the date when the interim condensed consolidated financial statements were authorised by the Board of Directors.

Note 15 - Alternative performance measures

SES regularly uses alternative performance measures to present the performance of the Group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group's financial statements.

i. EBITDA and EBITDA Margin

EBITDA is defined as profit for the period before the impact of depreciation and impairment expense, amortisation expense, net financing costs and income tax. EBITDA Margin is defined as EBITDA divided by revenue. The Group believes that EBITDA and EBITDA Margin are useful supplemental indicators that may be used to assist in evaluating a company's operating performance. The following table reconciles EBITDA to the income statement line items from which it is derived:

In millions of euros	**30 June 2020**	30 June 2019
Profit before tax	**93.3**	134.8
Add: Depreciation and impairment expense	**319.1**	323.0
Add: Amortisation expense	**43.6**	45.3
Add: Net financing costs	**90.7**	81.4
EBITDA	**546.7**	584.5

The following table provides a reconciliation of EBITDA Margin:

In millions of euros	**30 June 2020**	30 June 2019
Revenue	**947.5**	961.4
EBITDA	**546.7**	584.5
EBITDA Margin (%)	**57.7%**	60.8%

ii. Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA is defined as EBITDA adjusted to exclude material exceptional and non-recurring items. In 2020 the primary exceptional and non-recurring items are restructuring charges announced in the framework of the Group's 'Simplify and Amplify' programme, and the net impact of the C-Band repurposing.

In millions of euros	**30 June 2020**	30 June 2019
EBITDA	**546.7**	584.5
Add back: C-Band repurposing expenses (Note 12)	**13.6**	-
Add back: Restructuring expenses (Note 11)	**21.7**	11.4
Adjusted EBITDA	**582.0**	595.9

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue. The following table provides a reconciliation of the Adjusted EBITDA Margin:

In millions of euros	**30 June 2020**	30 June 2019
Revenue	**947.5**	961.4
Adjusted EBITDA	**582.0**	595.9
Adjusted EBITDA Margin (%)	**61.4%**	62.0%

iii. *Operating Profit and Operating Profit Margin*

Operating Profit is defined as profit before tax before the impact of net financing costs. The Group uses Operating Profit to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets. The following table reconciles Operating Profit to the income statement line items from which it is derived:

In millions of euros	**30 June 2020**	30 June 2019
Profit before tax	**93.3**	134.8
Add back: Net financing costs	**90.7**	81.4
Operating Profit	**184.0**	216.2

Operating Profit Margin is defined as Operating Profit as a percentage of revenue. SES believes that Operating Profit Margin is a useful measure to demonstrate the proportion of revenue that has been realised as Operating Profit, and therefore an indicator of profitability. The following table provides a reconciliation of Operating Profit Margin:

In millions of euros	**30 June 2020**	30 June 2019
Revenue	**947.5**	961.4
Operating Profit	**184.0**	216.2
Operating Profit Margin (%)	**19.4%**	22.5%

iv. *Adjusted Net Debt*

Adjusted Net Debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position and also includes 50% of the Group's EUR 1.3 billion of perpetual bonds (consistent with rating agencies' methodology). The Group believes that Adjusted Net Debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities. The following table reconciles Net Debt to the relevant line items on the statement of financial position from which it is derived:

In millions of euros	**30 June 2020**	30 June 2019
Borrowings – non-current	**3,065.0**	3,247.6
Borrowings – current	**699.4**	690.7
Total borrowings	**3,764.4**	3,938.3
50% of the Group's EUR 1.3 billion of perpetual bonds	**650.0**	650.0
Less: Cash and cash equivalents	**(366.8)**	(322.5)
Adjusted Net Debt	**4,047.6**	4,265.8

v. *Adjusted Net Debt to EBITDA ratio*

The Adjusted Net Debt to EBITDA ratio is defined as Adjusted Net Debt as described above, divided by EBITDA.

In millions of euros	**30 June 2020**	30 June 2019
Adjusted Net Debt	**4,047.6**	4,265.8
Twelve-month rolling EBITDA*	**1,178.8**	1,218.9
Adjusted Net Debt to EBITDA ratio	**3.43 times**	3.50 times

* 2020 twelve-month rolling EBITDA was calculated as follows:

In millions of euros	**30 June 2020**	30 June 2019
EBITDA as at 30 June 2020	**546.7**	584.5
Add: EBITDA as at 31 December 2019	**1,216.6**	1,255.5
Less: EBITDA as at 30 June 2019	**584.5**	621.1
EBITDA	**1,178.8**	1,218.9

vi. *Adjusted Net Debt to Adjusted EBITDA ratio*

The Adjusted Net Debt to Adjusted EBITDA ratio is defined as Net Debt divided by Adjusted EBITDA. The Group believes that the Adjusted Net Debt to Adjusted EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the recurring income needed to be able to settle its loans and borrowings as they fall due.

In millions of euros	**30 June 2020**	30 June 2019
Adjusted Net Debt	**4,047.6**	4,265.8
Twelve-month rolling Adjusted EBITDA*	**1,223.3**	1,233.0
Adjusted Net debt to Adjusted EBITDA ratio	**3.31 times**	3.46 times

* The twelve-month rolling Adjusted EBITDA was calculated as follows:

In millions of euros	**30 June 2020**	30 June 2019
Adjusted EBITDA as at 30 June 2020	**582.0**	595.9
Add: Adjusted EBITDA as at 31 December 2019	**1,237.2**	1,266.6
Less: Adjusted EBITDA as at 30 June 2019	**(595.9)**	(629.5)
Twelve-month rolling Adjusted EBITDA	**1,223.3**	1,233.0