

YTD 2020 RESULTS

NINE MONTHS ENDED 30 SEPTEMBER 2020

November 5, 2020

BUSINESS HIGHLIGHTS

Steve Collar, CEO



Highlights

Another solid Q3. YTD performance in line with expectations, despite continuing challenges introduced by COVID-19

On track to deliver on FY 2020 financial outlook

Executing well across four key strategic initiatives (C-band Repurposing, Simplify & Amplify, Network of the Future and Cloud Adoption) driving significant future value creation

Unique Networks value proposition, prime Video neighbourhoods and disciplined financial policy underpin strong future cash generation



YTD Performance In Line With Expectations

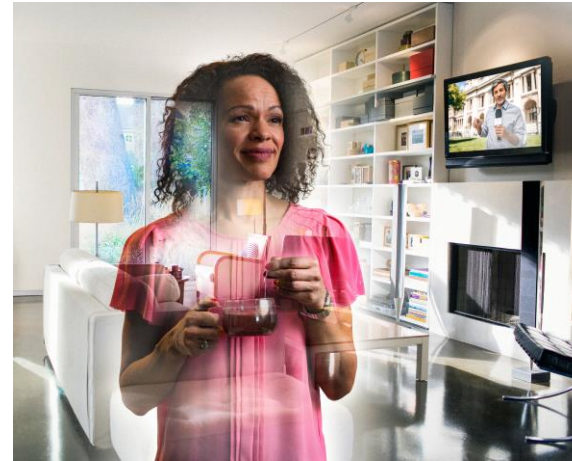
	YTD 2020	
Video Revenue	€832M	-8.1% YOY underlying ⁽¹⁾
Networks Revenue	€577M	+7.5% YOY underlying ⁽¹⁾
Group Revenue	€1,410M	-2.3% YOY underlying ⁽¹⁾
Adjusted EBITDA⁽²⁾	€883M	-2.5% YOY at constant FX
Adj. Net debt to Adj. EBITDA^(2,3)	3.2 times	

- ▲ Strong underlying growth across Networks
- ▲ Third quarter 2020 Video revenue stable QOQ
- ▲ Adjusted EBITDA margin of 62.6% reflecting benefit of exceptional cost measures taken early in response to COVID-19
- ▲ Adjusted Net debt to Adjusted EBITDA ratio at 3.2x, lower YOY (Q3 2019: 3.4x)

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) EBITDA excluding restructuring charge (YTD 2020: €28M and YTD 2019: € 14M) and operating expenses related to U.S. C-band spectrum clearing (YTD 2020: €21M and YTD 2019: nil); and 3) Treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

Video (59% of Revenue) – Consolidated High Value Neighbourhoods with Canal+

- ▲ Q3 2020 revenue in line with Q2 2020 (at constant FX)
- ▲ Prime video neighbourhoods in Europe demonstrating long-term value and customer attraction
 - Substantial agreement with Canal+ across 3 orbital positions adding over €230M in secured backlog and extending commitment to 2030
 - Increase in HD+ paying subscribers since the start of 2020 while roll-out of HD+ TV app is gaining traction in the market
- ▲ Strengthened position as the market leader in premium content with further growth in HD/UHD channels (+1% YOY)
- ▲ €3.5B secured backlog underpinning long-term cash flow visibility



STRENGTHENED PARTNERSHIP WITH LONG-TERM EXTENSIONS

“Extending our partnership with SES was a natural choice, since we have a long and successful partnership in delivering superior quality video experiences to diverse audiences around the world. This agreement across three orbital slots demonstrates that satellite is at heart of our pay-tv operations throughout the world. We look forward to many more years of working together to ensure we reach the widest possible TV audiences.”

Jacques du Puy, CEO, CANAL+ International



B2C PLATFORM UNDERPINS OUR STRONGEST DTH MARKET

HD+ benefits from over 2 million HD+ paying subscribers and strong net promoter score. HD+ app now being fully integrated in TV sets sold by 9 different manufacturers, meaning that one third of all TV sets sold in Germany has HD+ on board.

Networks (41% of Revenue) - Sustaining Strong Revenue Growth

- ▲ Strong underlying growth both YOY and QOQ
- ▲ Demand for unique MEO-GEO-enabled solutions in Government and Fixed Data driving continued sequential revenue growth
 - Expansion in U.S. Government applications combining MEO and GEO delivering incremental revenue
 - Fixed Data growing in the Americas and Asia-Pacific, complemented by new energy and cloud services
- ▲ Mobility revenue remains robust despite COVID-19 headwinds, albeit with delays in new Aero and Cruise opportunities
- ▲ €2.3B secured backlog underpinning future growth



EXPANDING CONNECTIVITY

“INRED and SES have carried out the first phases of this universal access program in record time, which opens the door to exciting new opportunities for economic growth, work, and education in what have been historically disconnected communities across Colombia. By adding 300 more community Wi-Fi hotspots, more families and businesses are able to communicate, and sell their services and products. At the same time, it is gratifying to know that more children now have access to connectivity that makes remote learning during the pandemic possible.”

Jhon Jairo Ureña, CEO, INRED

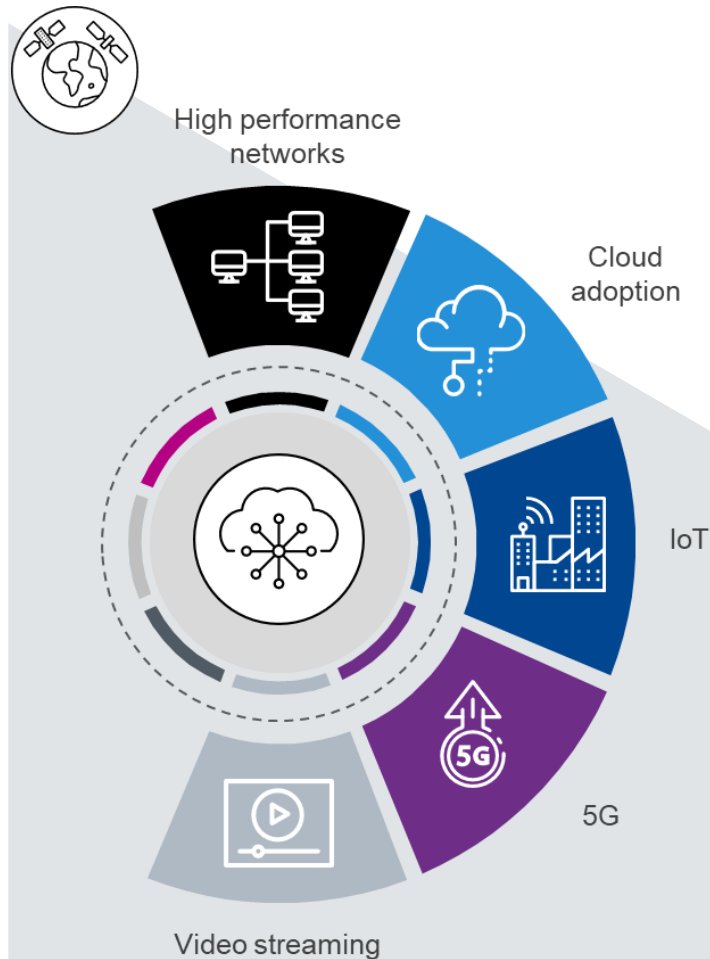


PIONEERING CLOUD ADOPTION

“Our launch of Azure Orbital will enable our partners’ customers to on-ramp their data into Azure where it can immediately be processed with market-leading data analytics, geospatial tools and machine learning services, adding another layer of automation and intelligence in their networks. SES’ O3b mPOWER communications system is proof of SES’ cloud-first strategy, focusing on industry standards and orchestration, and aligns with our connectivity vision for the future, and we are delighted to be kicking off this project.”

Jeff Cohen, Azure Networking, Microsoft

Creating a Multi-orbit, Seamless Network of the Future Across MEO and GEO



\$500m secured backlog and growing across multiple verticals



Strategic partnership with Microsoft; Azure Orbital and Azure ExpressRoute, allowing satellite and telecom customers unprecedented access to Cloud – “One hop to the cloud”



Adaptive, intelligent MEO-GEO network, implemented with leading ARC and ONAP automation systems and integrated with forward thinking technology partners, Gilat and ST Engineering iDirect



Time-to-market advantage with less than a year from first launch

Executing Well Across Four Key Strategic Initiatives

U.S. C-band repurposing

(\$4B of payments, including \$1B in Q4 2021)⁽¹⁾

- ▲ Significant shareholder returns, stronger balance sheet and optionality for disciplined investment⁽⁴⁾
- ▲ Fully on schedule for first clearing by 5 December 2021 and second clearing by 5 December 2023

Simplify & Amplify

(€40-50M of EBITDA optimisations from 2021)

- ▲ Completed actions to realise expected optimisation; strengthening profitability and FCF generation
- ▲ Chosen not to pursue the separation of Networks within SES at this time in favour of driving strong operational focus within Video and Networks

Network of the Future

(3-fold increase in addressable market)⁽²⁾

- ▲ Enhances our differentiated value proposition across Government, Fixed Data and Mobility segments
- ▲ \$0.5B secured backlog for SES-17 and O3b mPOWER with focus on building the commercial pipeline

Pioneering Cloud Adoption

(\$16B 10-year industry service opportunity)⁽³⁾

- ▲ Foundational partnership with Microsoft on Azure Orbital, MEO connectivity partner for Azure Modular Data Centres, and Azure ExpressRoute for Satellite – intelligence to the edge of the network
- ▲ Driving a “cloud first” strategy across our enterprise, Video and Networks operations

1) Total accelerated relocation payments (pre-tax); 2) Source: Northern Sky Research (June 2020) Networks global industry capacity revenue growth over next 10 years (2020-2029) (see page 19); 3) Source: Northern Sky Research (May 2020), cumulative over next 10 years (2020-2029); 4) Investments subject to IRR hurdle rate exceeding 10% (post-tax) over the investment horizon as defined by the financial policy (see page 21)

FINANCIAL HIGHLIGHTS

Sandeep Jalan, CFO



Financial Performance In Line With Expectations

€M	YTD 2019 reported	YTD 2020 reported
<i>Average €/€ FX rate</i>	1.13	1.12
Revenue	1,452	1,410
Operating expenses⁽¹⁾	(548)	(527)
Adjusted EBITDA⁽¹⁾	904	883
Adjusted EBITDA margin	62.3%	62.6%
Restructuring & U.S. C-band expenses	(14)	(49)
Depreciation and amortisation	(557)	(537)
Net financing costs	(115)	(135)
Income tax benefit/(expense)	16	(14)
Non-controlling interests	16	6
Net profit	250	154

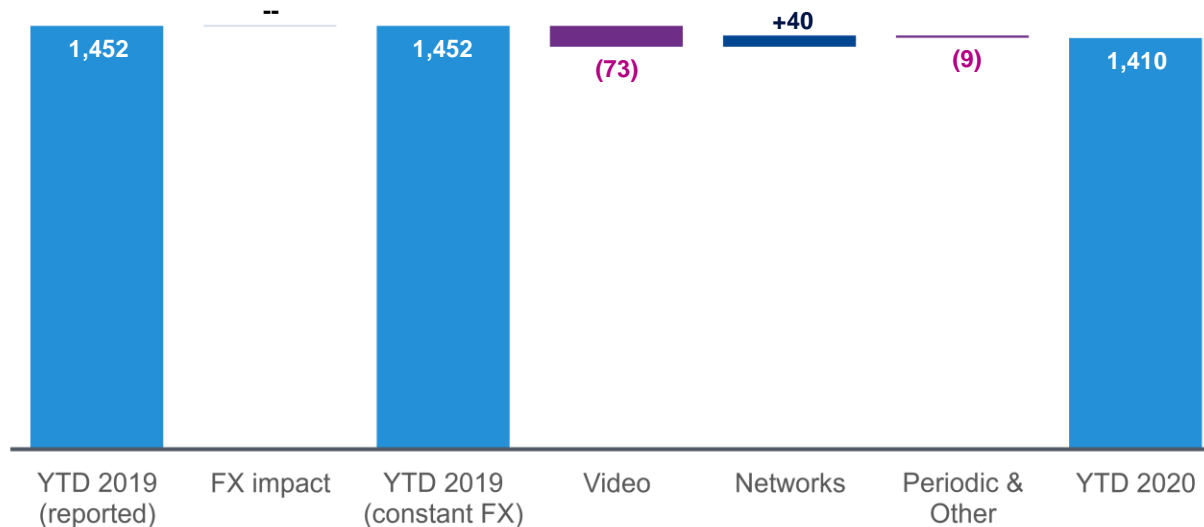
- ▲ EBITDA margin reflects strong COVID-19 cost mitigation savings and control over discretionary spend
 - 3.7% YOY OpEx reduction
 - FY 2020 Adjusted EBITDA outlook underpinned by around €50m of 'exceptional' COVID-19 cost mitigations to protect bottom line
- ▲ Adjusted EBITDA margin excludes restructuring and U.S. C-band expenses (€28M and €21M respectively)
- ▲ D&A 3.7% lower compared with prior period
- ▲ Net financing costs impacted by lower interest capitalised and FX losses (non-cash)
 - Net interest expense (€120m) reduced 10% YOY
- ▲ YTD 2020 effective tax rate of 8.8%

¹⁾ Excluding restructuring expenses and U.S. C-band operating expenses

Revenue Growth in Networks Being Offset By Near-term Impacts on Video

Revenue Walk

€M

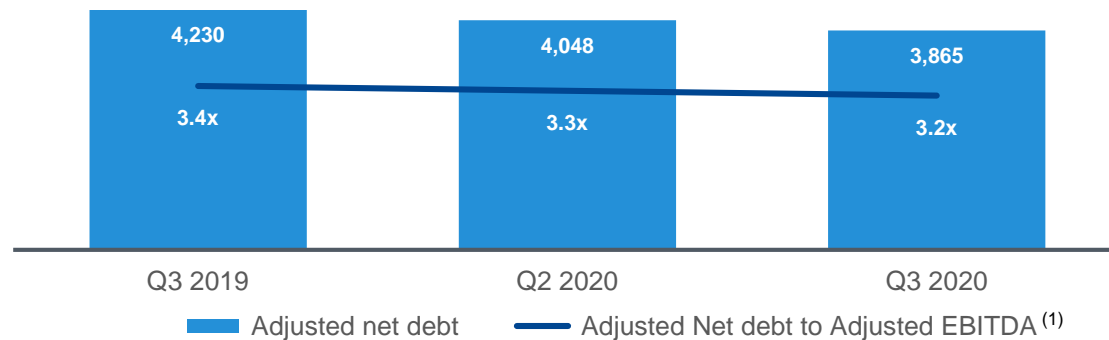


- ▲ Video (-8.1% YOY) reflected the combination of lower Distribution (-7.3%) from 'right-sizing' of capacity in mature markets and lower Services (-10.3%) due to decision to reduce exposure to low margin activities, as well as COVID-19 impact on Sports & Events business
 - Q3 2020 revenue in line with Q2 2020
- ▲ Continued growth in Networks (+7.5% YOY) with positive contribution from all three segments
 - Contribution from new business signed in 2019 sustaining double-digit growth in Mobility (+17.9%) despite COVID-19 headwinds
 - Government (+1.3%) benefiting from new business wins in H1 2020
 - Acceleration of growth in Fixed Data (+6.4%)

Maintaining SES' Strong Balance Sheet, Liquidity and Debt Maturity Profile

Adjusted net debt and Adjusted Net Debt to Adjusted EBITDA ratio

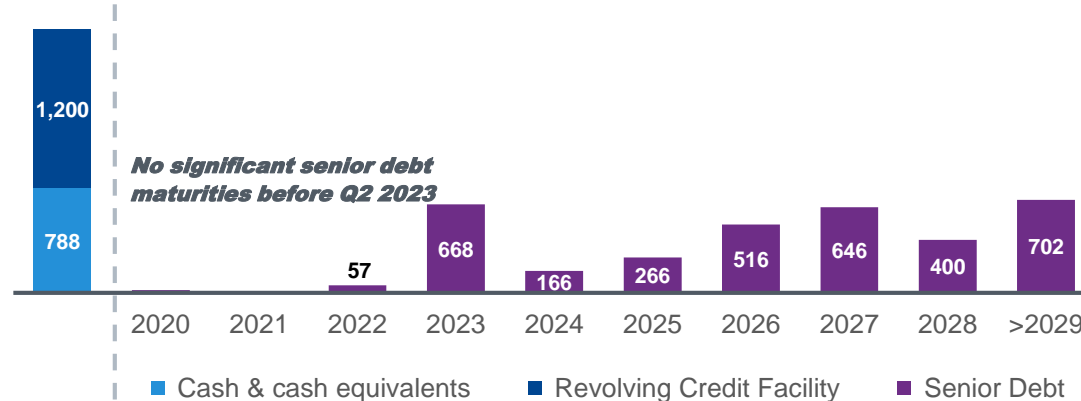
€M and Times



- ▲ Adjusted Net Debt to Adjusted EBITDA⁽²⁾ of 3.2x, down from 3.4x at Q3 2019
- ▲ €2B of liquidity comprising €1.2B fully undrawn committed credit facility and €0.8B of cash & cash equivalents
- ▲ Commitment to maintain a strong balance sheet consistent with investment grade ratios underpinning low senior debt cost of 2.5%⁽¹⁾ and 8 years average senior debt maturity⁽¹⁾

Pro Forma Debt Maturity Profile⁽¹⁾

€M

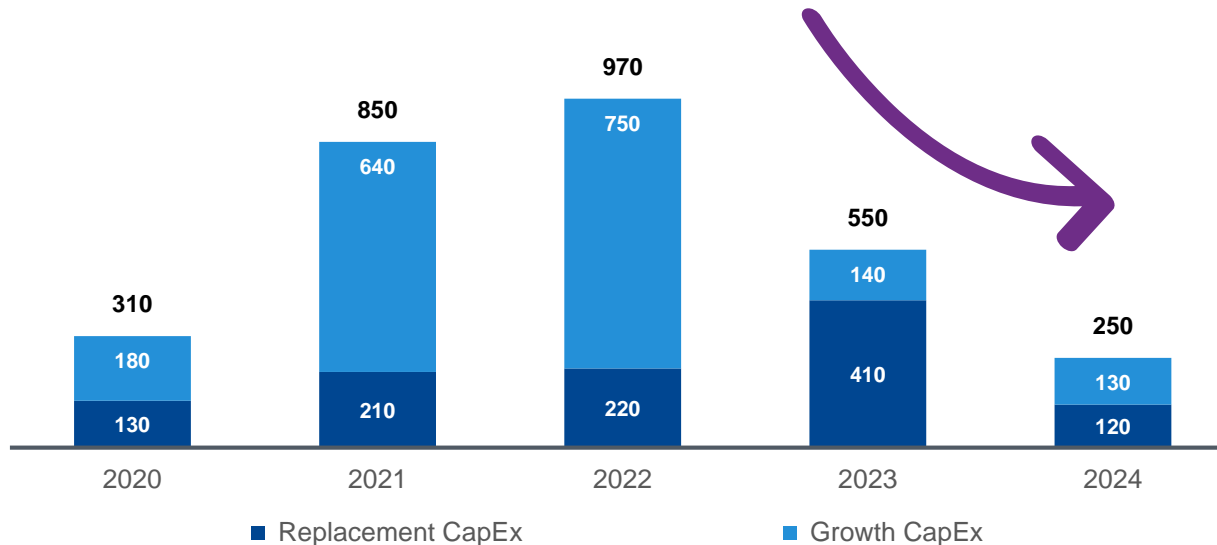


1) Pro forma, after the 2021 Notes are settled in March 2021; 2) Adjusted Net Debt to Adjusted EBITDA ratio treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

Unchanged CapEx Profile Supporting Long-term Cash Generation

Expected Capital Expenditure⁽¹⁾

€M (excluding U.S. C-band)



- ▲ €2.9bn of total CapEx (2020-24), comprising €1.8bn (60%) growth investment and €1.1bn (40%) replacement CapEx
 - Average annual replacement CapEx of €220mn
 - Average annual growth CapEx of €370mn followed by substantially lower growth CapEx anticipated
- ▲ Important growth investments in 2021/2022 (SES-17 and O3b mPOWER) to capture growth from 3-fold increase in addressable market⁽²⁾ and deliver Free Cash Flow contribution from H2 2022 onwards
 - \$0.5B backlog secured on SES-17/O3b mPOWER and growing
- ▲ Cash Flow profile expected to improve after 2022 as annual CapEx significantly reduces to a more 'normalised' level

1) CapEx represents the net cash absorbed by the group's investing activities excluding acquisitions and financial investments. CapEx outlook assumes EUR/USD FX rate of EUR 1 = USD 1.15 and excludes repurposing of U.S. C-band;

2) Source: Northern Sky Research (June 2020) Networks global industry capacity revenue growth over next 10 years (2020-2029) (see page 19)

On Track to Deliver on Financial Outlook

Financial outlook assumes EUR/USD FX rate of EUR 1 = USD 1.15, nominal launch schedule and satellite health status

Revenue	<p>Between €1,860M and €1,900M</p> <ul style="list-style-type: none"> ▲ <i>Video between €1,090M and €1,110M</i> ▲ <i>Networks between €770M and €790M</i>
Adjusted EBITDA	<p>Between €1,120M and €1,160M</p> <p><i>Excluding restructuring expenses (~€40M) and U.S. C-band operating expenses (~€25M)</i></p>

- ▲ Over 97% of group revenue outlook is already contracted
- ▲ Adjusted EBITDA outlook includes €40-60M of COVID-19 specific cost mitigation measures to protect bottom line in FY 2020
- ▲ Substantial fully protected contract backlog of €5.8B (gross backlog of €6.3B) underpinning future cash generation

CONCLUSION

Steve Collar, CEO



LEADER IN GLOBAL CONTENT CONNECTIVITY SOLUTIONS



**WELL POSITIONED TO CAPTURE
SIGNIFICANT OPPORTUNITY
FROM GLOBAL DEMAND FOR
CONTENT CONNECTIVITY**

Unique Networks infrastructure driving profitable growth (+25% last 3 years) and cash flows

Premier Video neighbourhoods with long-term revenue (€3.5B backlog) and profitability focus



**VALUE CREATION FROM
DISCIPLINED INVESTMENT,
STRONG BALANCE SHEET AND
RETURN TO SHAREHOLDERS**

Solid cash flow and balance sheet profile (Senior debt: 2.5% cost, 8-years average maturity)
supporting profitable investment (€1.8B growth investment, limited replacement CapEx need)
and total shareholder return, in line with commitment to disciplined financial policy




**SUBSTANTIAL VALUE CREATION
FROM U.S. C-BAND REPURPOSING**


On track to meet FCC timeline. 1st relocation payment (\$1B) strengthens balance sheet; and
2nd payment (\$3B) for mix between shareholder return, balance sheet, any disciplined investment


ADDITIONAL INFORMATION


WE DO THE **EXTRAORDINARY** IN SPACE TO DELIVER **AMAZING** EXPERIENCES **EVERYWHERE** ON EARTH





 We believe in content and connectivity everywhere

 We provide cloud-enabled, satellite-based intelligent connectivity

 We are future-proof, powered by sustained growth and innovation

 We are passionate about customer experience and focused on customer success

 SES is a great place to work

 We are here to make a difference

Our Key Priorities



Video moving images that move the world

- ▲ **Reinforcing premier neighbourhoods** (focus on reach, content and value)
- ▲ **Customer success and engagement**
- ▲ **Deliver solutions our customers need** (cloud, hybrid and multi-platform)
- ▲ **Continued strong focus on value creation** (cash profitability and return on capital)



Networks changing lives by connecting people

- ▲ **Leveraging unique infrastructure,** enhancing market-leading position & profitable long-term growth
- ▲ **Expanding managed connectivity solutions** and total addressable market
- ▲ **Enable cloud adoption on a global scale** with automation, virtualisation, cloud technologies
- ▲ **Seamless integration in broader ecosystem** ... making satellite mainstream



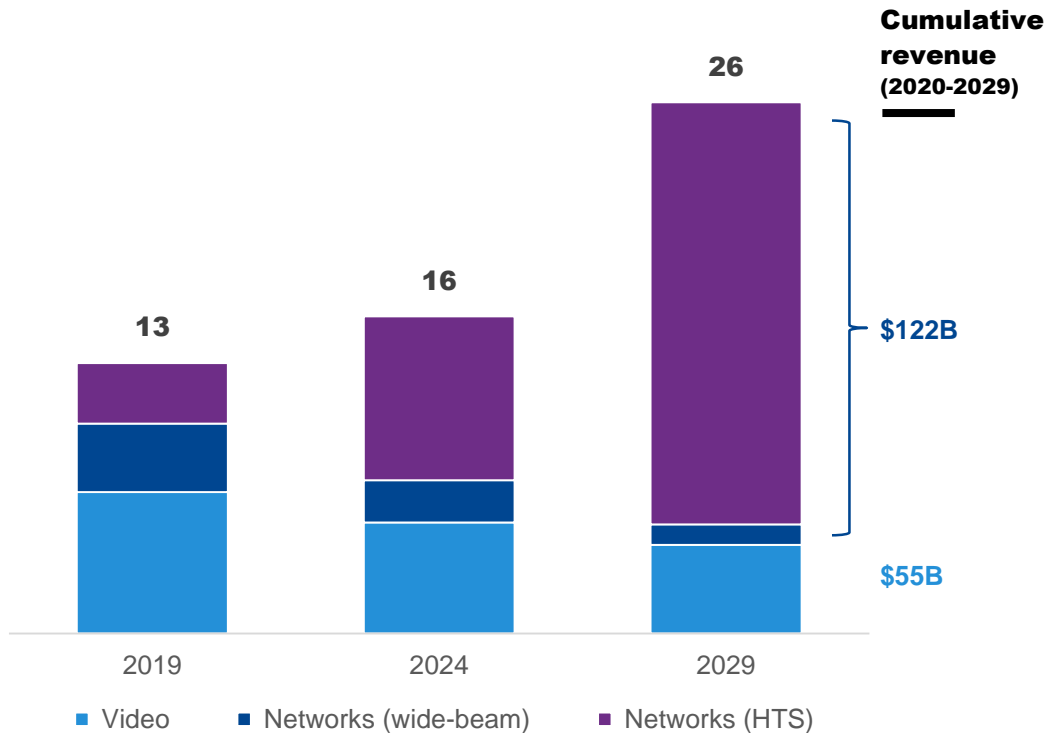
Financial discipline and value creation

- ▲ **Disciplined investment** (IRR >10% post-tax)
- ▲ **Maintain strong balance sheet** consistent with investment grade ratios
- ▲ **Return cash to shareholders and utilise excess cash** in the most optimal way
- ▲ **Strengthening competitiveness** and drive innovation
- ▲ **Capture value from U.S. C-band** (\$4bn of accelerated relocation payments)

Industry Revenues Forecast to Double Over Next 10 Years With SES Well Positioned

NSR Forecast for Global Satellite Industry Capacity Revenue⁽¹⁾

\$B



41% of revenue

SES | Networks: differentiated investments

- ▲ The only proven high throughput, low latency constellation (O3b)
- ▲ Focused GEO HTS payloads (SES-12, SES-14 and SES-15)
- ▲ Expanded institutional government capabilities (GovSat-1)
- ▲ Scaling unique GEO-MEO network (O3b mPOWER and SES-17)
- ▲ Investments in Cloud, Automation and Resource Management to create a seamless, multi-orbit network



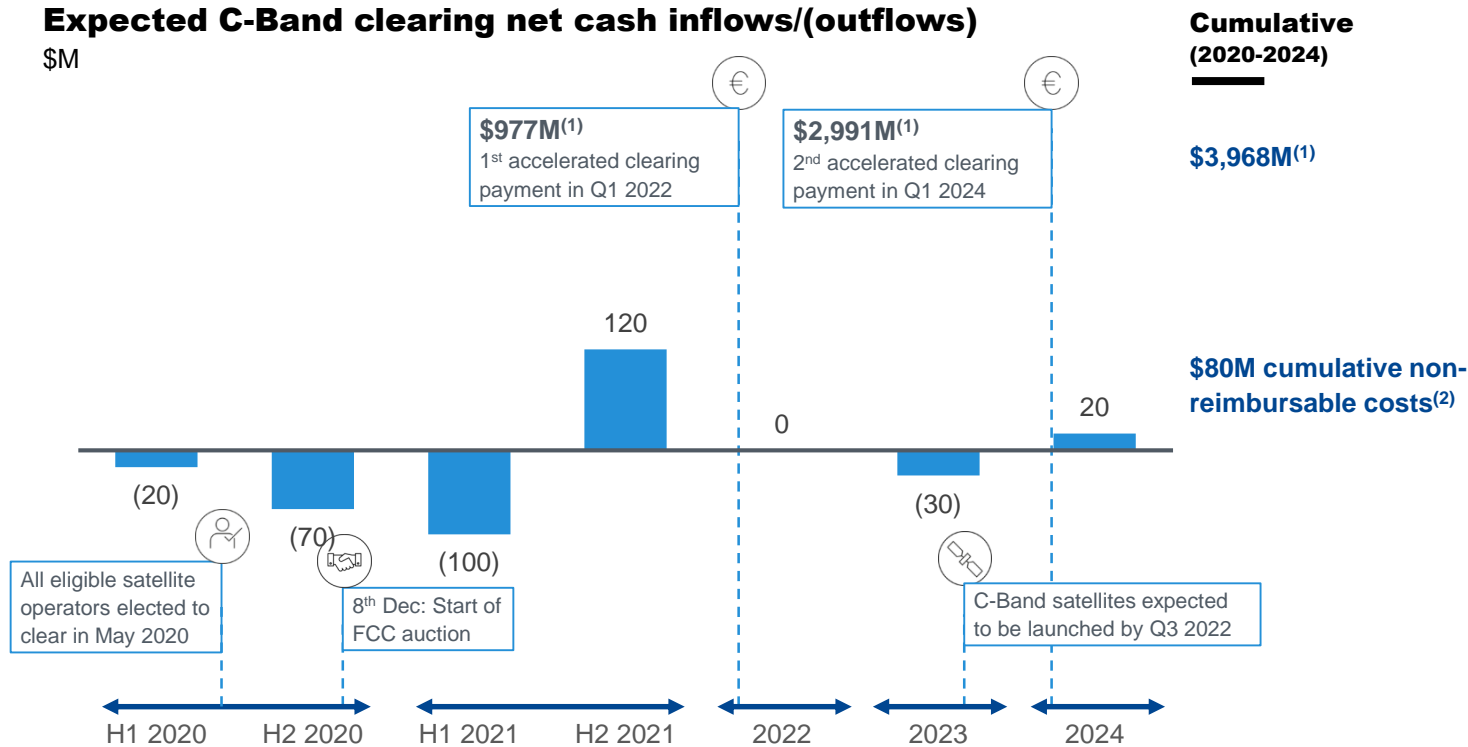
59% of revenue

SES | Video: world's premier neighbourhoods

- ▲ 367 million households (#1 in our industry)
- ▲ Serving >95% of TV households in Germany, Austria and U.K.
- ▲ 3,000 HD and UHD TV channels (#1 in our industry)
- ▲ Developing Cloud, Hybrid and Multi-platform solutions

¹⁾ Source: Northern Sky Research (June 2020)

Strong Visibility and Conviction to Capture Value From U.S. C-Band



- ▲ Total clearing cost of \$1.6B of which over \$1.5B expected to be reimbursed
- ▲ Deferred payment terms agreed with vendors in line with commitment to maintaining investment grade
- ▲ EBITDA impact of total non-reimbursable costs of \$80M (about \$30M in 2020 and then slightly decreasing over 2021-2023)
- ▲ Clear roadmap and dedicated team to meet deadlines and realise \$4B⁽¹⁾ relocation payments
 - First payment of C-band relocation incentive (\$0.98B pre-tax linked to success milestone in Q4 2021) to be fully utilised to strengthen the Balance Sheet
 - Second payment of C-band relocation incentive (\$2.99B pre-tax linked to success milestone in Q4 2023) to be used for a mix between return to shareholders, strong balance sheet and any disciplined value-accretive investment

1) Pre-tax; and 2) Estimated total clearing costs of USD 1.6 billion less over USD 1.5 billion expected to be eligible for reimbursement by the Clearinghouse

SES' Commitment to the Disciplined Financial Policy

	OUR POLICY	OUTLOOK
DISCIPLINED INVESTMENT	<ul style="list-style-type: none"> ▲ Replacement CapEx to sustain profitable portfolio of business ▲ Disciplined value-accretive growth investment opportunities ▲ IRR hurdle rate >10% (post-tax) over the investment horizon 	<ul style="list-style-type: none"> ▲ Limited annual replacement CapEx of €220M (2020-2024) ▲ €1.8B total growth CapEx (2020-2024) followed by substantially lower growth CapEx anticipated
MAINTAIN STRONG BALANCE SHEET	<ul style="list-style-type: none"> ▲ Maintain a strong balance sheet consistent with investment grade ratios, allowing continued access to wide range of funding sources and keeping low cost of funding 	<ul style="list-style-type: none"> ▲ Net debt to Adjusted EBITDA below 3.3x
CASH RETURN TO SHAREHOLDERS	<ul style="list-style-type: none"> ▲ Maintain a base dividend 	<ul style="list-style-type: none"> ▲ 2019 dividend of €0.4 per A-share paid in April 2020
UTILISING EXCESS CASH	<ul style="list-style-type: none"> ▲ Utilise any excess cash in the most optimal way for the benefit of shareholders 	<ul style="list-style-type: none"> ▲ First payment of C-band relocation incentive (\$0.98B pre-tax linked to success milestone in Q4 2021) to be fully utilised to strengthen the Balance Sheet ▲ Second payment of C-band relocation incentive (\$2.99B pre-tax linked to success milestone in Q4 2023) to be used for a mix between return to shareholders, strong balance sheet and any disciplined value-accretive investment

Alternative Performance Measures

SES regularly uses Alternative Performance Measures (APM) to present the performance of the Group and believes that these APMs are relevant to enhance understanding of the financial performance and financial position. 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.

€M	YTD 2019 reported	YTD 2020 reported
Adjusted EBITDA	904	883
C-band operating expenses	-	(21)
Restructuring expenses	(14)	(28)
EBITDA	890	834

€M	YTD 2019 reported	YTD 2020 reported
Total borrowings	3,989	4,003
Cash & cash equivalents	(409)	(788)
Net debt	3,580	3,215
50% of SES' hybrid bonds	650	650
Adjusted Net Debt (A)	4,230	3,865
12-month rolling Adjusted EBITDA (B)	1,233	1,216
Adjusted Net Debt to Adjusted EBITDA (A / B)	3.4x	3.2x

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