

H1 2021 RESULTS

**SIX MONTHS ENDED
30 JUNE 2021**

4 August 2021

BUSINESS HIGHLIGHTS

Steve Collar, CEO



SOLID H1 PERFORMANCE DRIVING IMPROVED EBITDA OUTLOOK FOR 2021

Execution and market success

Improving trajectory in Video - leveraging value of strong neighbourhoods and expanding B2C business (HD+)

Resilient Networks performance in COVID environment - strong prospects for the future with launches in Q4 2021

Cost and financial discipline - reduced recurring OpEx by 5% YOY and interest costs by 19% YOY

Increasing low end of 2021 Adjusted EBITDA outlook; >90% of 2021 Revenue outlook now secured

Delivering shareholder value and returns

C-band clearing fully on track – recent issuance of C-band licences by FCC an important milestone

€275M of shareholder returns in 2021 through dividend payment and share buyback

SOLID FINANCIAL PERFORMANCE IN COVID ENVIRONMENT

	H1 2021	
Video Revenue	€526M	-3.9% YOY underlying ⁽¹⁾
Networks Revenue	€349M	Flat YOY underlying ⁽¹⁾
Group Revenue	€875M	-2.5% YOY underlying ⁽¹⁾
Adjusted EBITDA⁽²⁾	€544M	-2.5% YOY at constant FX
Adjusted Net Profit⁽²⁾	€152M	+34.5% YOY

- ▲ Adjusted EBITDA margin improved YOY to 62% reflecting benefit of reducing recurring OpEx by 5% YOY⁽¹⁾ with on-going focus on operational excellence
- ▲ Increasing low end of 2021 Adjusted EBITDA⁽²⁾ outlook by €20M to between €1,080M and €1,100M⁽³⁾

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) Adjusted EBITDA and Adjusted Net Profit excludes restructuring charge (H1 2021: €6M; H1 2020: €22M) and operating expenses related to US C-band repurposing (H1 2021: €12M net of income; H1 2020: €13M). Adjusted Net Profit also excludes Tax on material items (restructuring charge and C-band repurposing); 3) Financial outlook assumes EUR/USD FX rate of €1 = \$1.20, nominal launch schedule and satellite health status

LEVERAGING OUR PREMIUM VIDEO NEIGHBOURHOODS AND PRICING POWER

- ▲ Solid H1 2021 execution (-3.9% YOY versus -8.0% in FY 2020)⁽¹⁾
- ▲ Over €250M of renewals and new business signed in H1 2021 at our most popular and valuable neighbourhoods
 - Important extensions agreed with Sky, Comcast, and NSIL
 - New HD channel launches supporting 8% YOY growth, with >3,100 total HD TV channels now distributed by SES
- ▲ Positive trend with HD+ business in Germany with increase in subscriber base and price increase. New products coming in H2 2021
- ▲ Growing revenue in International markets and delivered first ever UHD broadcast in Africa via newly launched HD+ Ghana platform
- ▲ Solid performance in Sports & Events which continues to recover
- ▲ €3.2B secured backlog underpinning long-term cash flow visibility and demonstrating the lasting, strategic importance of satellite



EXTENDED LONG-TERM PARTNERSHIP

“We’re pleased to continue working with SES, a world leader in satellite provision. SES has been a valued partner to Sky for decades and this agreement represents the latest step in a long and successful relationship.”

Patrick Behar
Chief Business Officer, Sky



MULTI-YEAR RENEWAL WHILE ENABLING C-BAND TRANSITION

“SES has been integral in providing continuity of service to our Managed Satellite Distribution customers in the midst of great change. SES has been collaborative and hands-on, participating in webinars and outreach efforts to maximise response time for businesses, solve for problems before they occur, and provide clear transition paths for every impacted operation.”

Allison Olien,
VP and GM, Comcast Technology Solutions

¹⁾ At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue

EXPANDING OUR B2C PLATFORM OFFERING IN GERMANY

- ▲ >2M paying subscribers HD+ (+1% YOY) and growing
- ▲ Successfully implemented 7% price increase (Q1 2021)
- ▲ With HD+ ToGo (from early Q4 2021), HD+ experience available to subscribers on mobile and tablets
 - Additional cost of €5/month with low overall subscription of ~€11/month with access to >100 TV channels
- ▲ HD+ IP (from Q1 2022) will allow HD+ to expand to non-satellite homes
- ▲ Reinforcing our most valuable video market where SES already directly serves 17 million DTH homes and an opportunity to expand into 19 million cable/IPTV homes

Runter von der Couch! Mit HD+ ToGo.

Das bekommst du:

- Fernsehen, wann und wo du willst
- jede Menge HD-Sender
- mit Neustart und Mediatheken
- erster Monat gratis; monatlich kündbar
- Zusatzoption zum HD+ Abo

HD+ ToGo: über 50 Sender in HD.

Mehr Infos auf hd-plus.de

Jetzt dazubuchen.

See the HD+ ToGo commercial for yourself [HERE](#)

DATENSCHUTZ AUSBLENDEN

RESILIENT NETWORKS OUTTURN IN COVID ENVIRONMENT AND WELL PLACED TO GROW

- ▲ Government (+11.3%⁽¹⁾): acceleration fueled by new MEO- and GEO- US mobility and land deployments, plus new wins with European governments
- ▲ Fixed Data (-3.9%⁽¹⁾): ongoing growth of ‘tier 1’ 4G networks and rural inclusion, offset by lower wholesale business and reductions in the Pacific
- ▲ Mobility (-10.7%⁽¹⁾): COVID environment resulting in short-term impacts
- ▲ SES-17 and O3b mPOWER (1-3) on track to launch in Q4 2021, bringing differentiated products and services to market from H2 2022
 - \$210M of new SES-17 and O3b mPOWER backlog in 2021 with gross backlog now up to \$770M⁽²⁾, underpinning growth acceleration from 2022
 - Successful demonstrations with various Naval Forces using existing MEO
- ▲ Multi-cloud strategy takes next step with AWS Direct Connect partnership



EXPANDING SERVICES FOR US GOVERNMENT

Recent contract to support combatant command, represents the 15th task order awarded under the Blanket Purchase Agreement giving the US Government fast access to SES’ unique MEO capability. Plus, renewed award to support Thule Air Base in Greenland (>20 years of service now)

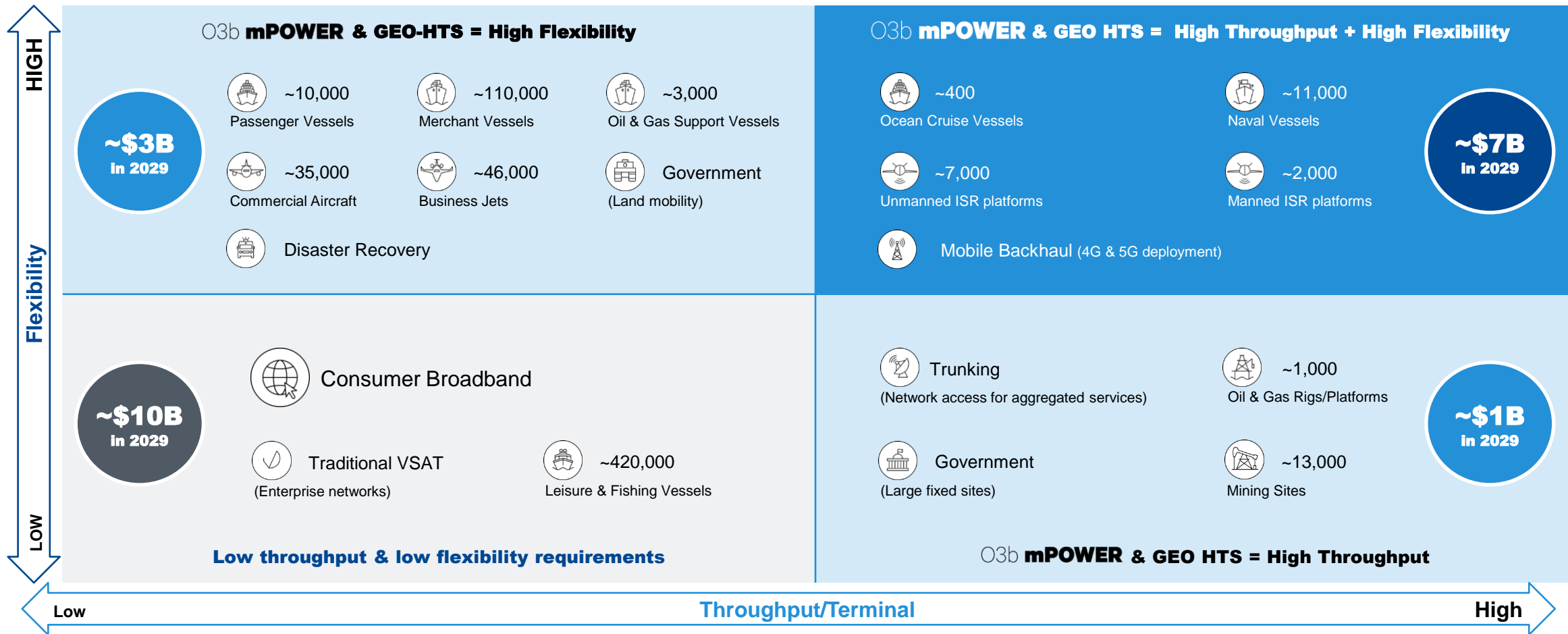


EXPANDED PARTNERSHIP TO ENHANCE MARITIME SERVICES

Orange will integrate its own global infrastructure with the global network coverage powered by SES’ Skala Global Platform. Together it will enable Orange maritime customers to cost-effectively scale up their bandwidth with seamless, ubiquitous and global services.

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) Gross backlog \$770M (fully protected: \$610M)

SES IS WELL POSITIONED FOR HIGH THROUGHPUT / HIGH FLEXIBILITY NEEDS

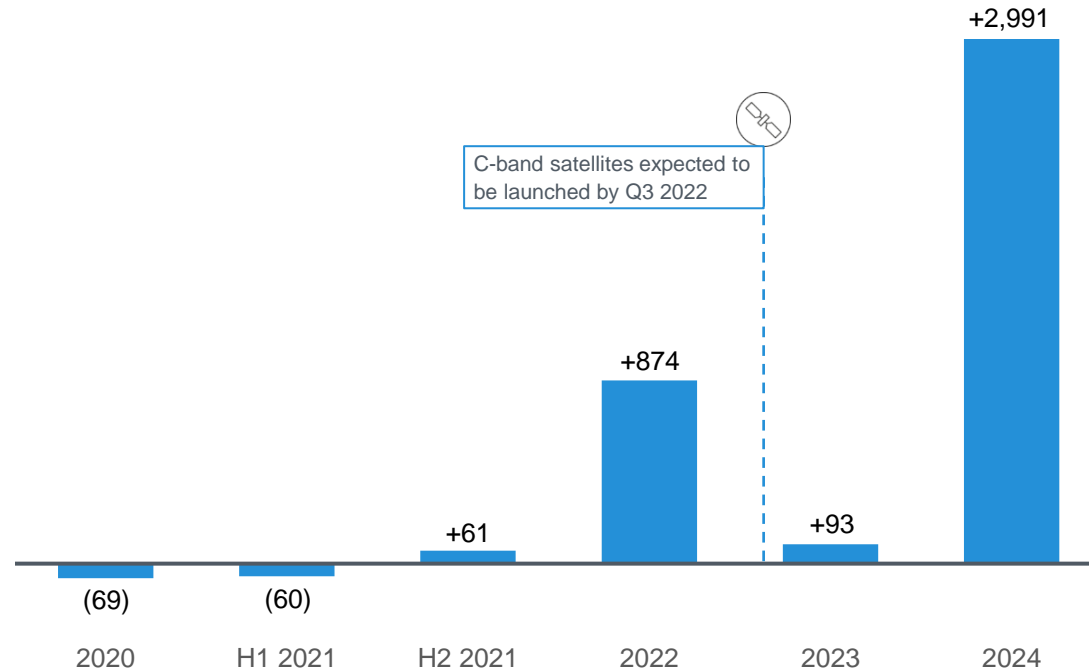


Based on Northern Sky Research (NSR) forecast (June 2021). Addressable market data (e.g., ~400 Ocean Cruise Vessels) derived from various sources, including NSR in-service units (June 2020)

DELIVERING SUBSTANTIAL VALUE-CREATION FROM US C-BAND

Expected C-band clearing net cash inflows / (outflows)

\$M (pre-tax), including accelerated relocation payments



- ▲ Nearly all Phase 1 satellite transitions now completed, all antennas installed by end-August, and ~80% of Phase 1 filters installed
- ▲ On track to meet Dec-2021 and Dec-2023 clearing deadlines and realise \$4B (pre-tax) accelerated relocation payments
 - \$1B (triggered end-2021) to be fully utilised for strengthening balance sheet
 - \$3B (triggered end-2023) used in the most optimal way for the benefit of shareholders
- ▲ Total clearing cost of \$1.6B of which >\$1.5B expected to be reimbursed
- ▲ Vigorously pursuing claim of up to \$1.8B⁽¹⁾ against Intelsat
- ▲ Actively engaged in additional C-band monetisation opportunities

1) Comprising \$450M in compensatory damages and the balance in punitive damages

FINANCIAL HIGHLIGHTS

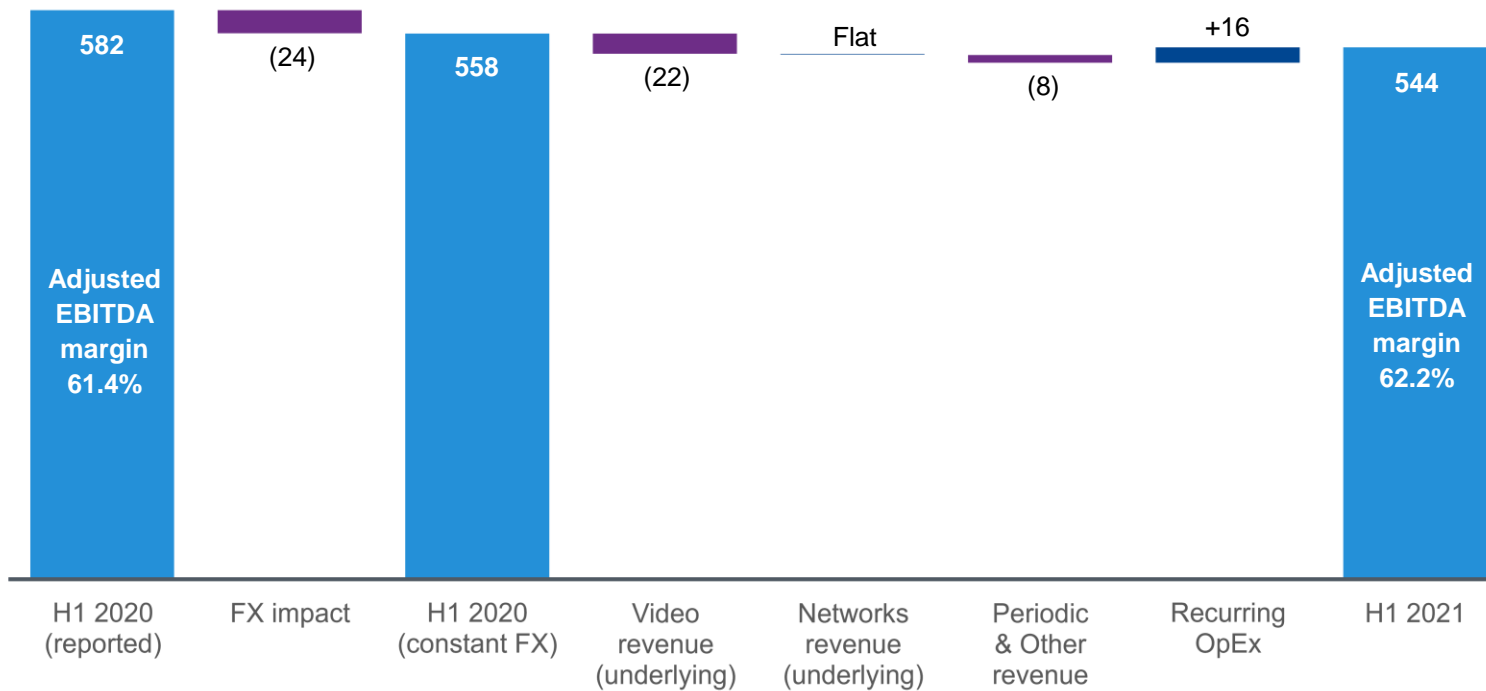
Sandeep Jalan, CFO



SOLID ADJUSTED EBITDA AND IMPROVED MARGIN

EBITDA margin reflects strong focus on the bottom line

Adjusted EBITDA Walk (in €M)

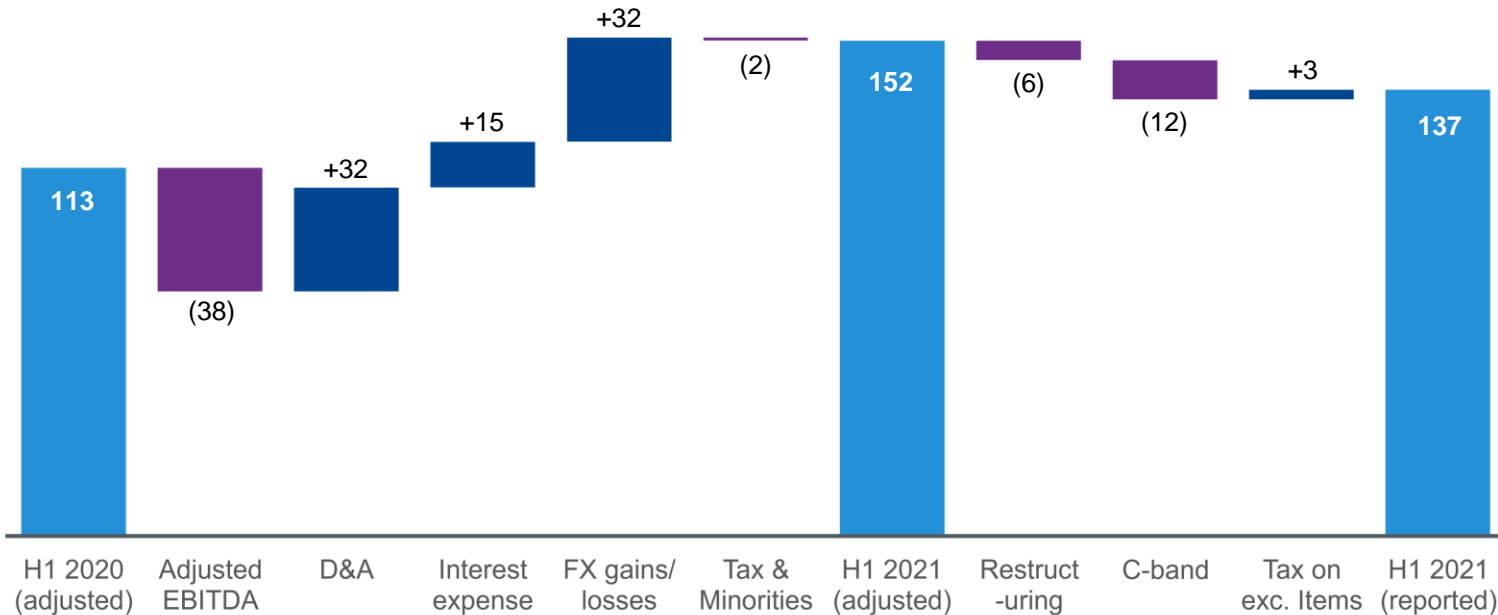


- ▲ **Adjusted EBITDA margin improved to 62.2%**
 - Recurring OpEx reduced 4.6% YOY including the gains from Simplify & Amplify
- ▲ **Improving trajectory in Video (-3.9% YOY)**
 - Lower revenue in mature markets reflects near-term impact of 'right-sizing'
 - Higher revenue in International markets and growth in paying subscribers to HD+
- ▲ **Resilient Networks performance (flat YOY)**
 - Strong growth in Government mitigating COVID-related impacts on Mobility and lower Fixed Data
 - New business in Government and Fixed Data to support revenue development in H2 2021

35% GROWTH IN ADJUSTED NET PROFIT

Adjusted Net Profit of €152M

Adjusted Net Profit and Net Profit Attributable to SES Shareholders Walk as reported (€M)



Adjusted Net Profit (H1 2020 to H1 2021):

- ▲ 35% Growth YOY - lower Adjusted EBITDA offset by reduction in D&A (-9% to €331M) and net interest expense (-19% to €64M)
- ▲ H1 2021 also includes an FX gain of €20M, compared with a loss of €12M in Q1 2020
- ▲ Effective tax rate of 11% in H1 2021

Adjusted Net Profit to Reported Net Profit (H1 2021):

- ▲ Exceptional restructuring expenses (€6M), US C-band expenses €12M (gross costs €59M, netted with reimbursement-related income of €47M), and related tax benefit
- ▲ Reported EPS up 79% YOY from €0.14 to €0.25

REDUCED ADJUSTED NET DEBT BY €391M YOY AND LOWERING INTEREST COSTS

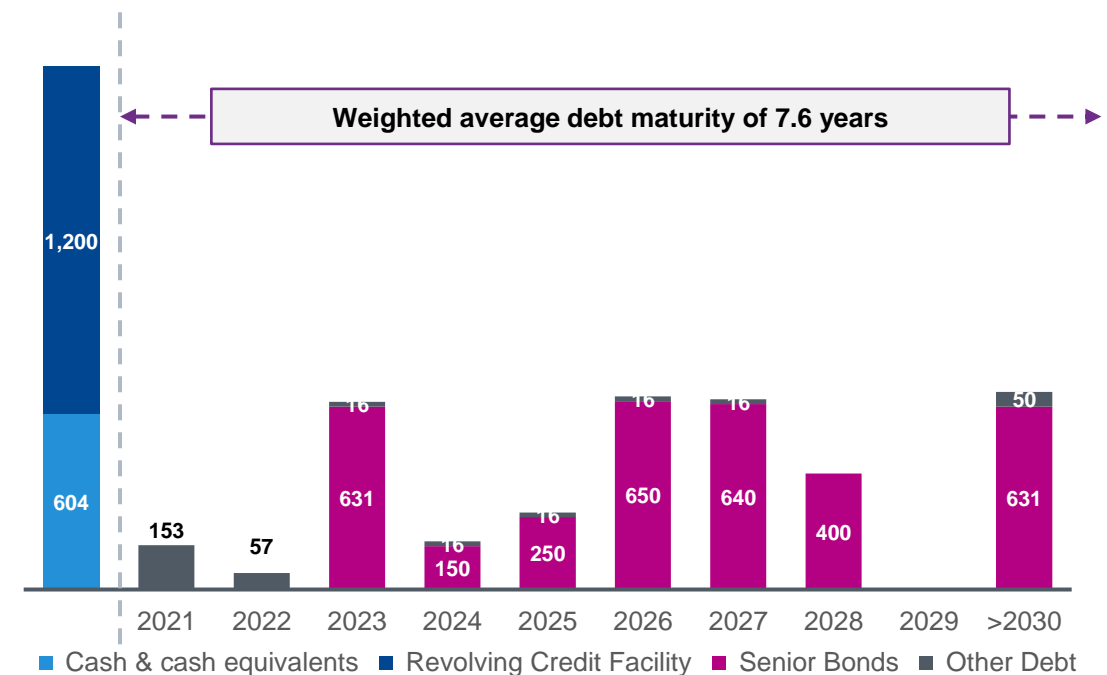
Reduced Net Debt and Interest Costs

Adjusted Net Debt (€M)⁽¹⁾ and Adjusted Net Debt to Adjusted EBITDA ratio (Times)

€M	H1 2020	H1 2021
Total borrowings	3,764	3,672
Cash & cash equivalents	(367)	(604)
50% of SES' hybrid bonds	650	588
Adjusted Net Debt	4,047	3,656 (-10%)
Adjusted Net Debt / Adjusted EBITDA	3.31 times	3.28 times
Weighted average cost of debt⁽¹⁾	3.5%	2.8%

No significant senior Bond maturities before Q2 2023

Debt maturity profile (€M)

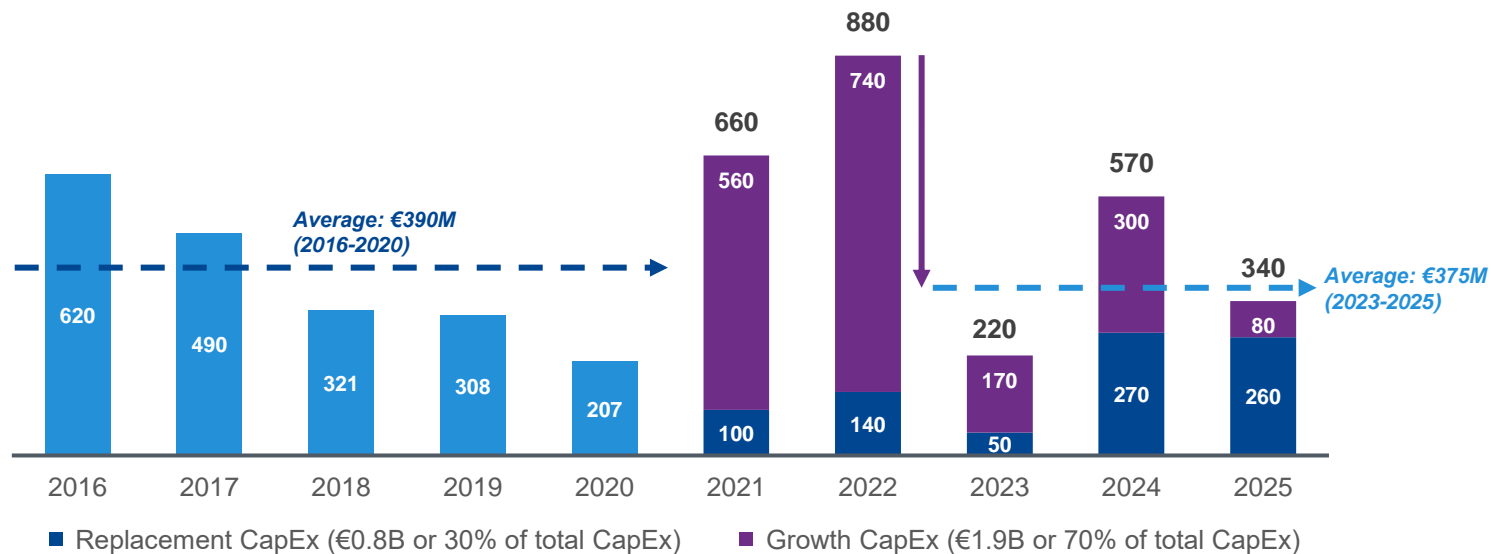


¹⁾ Treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

EXPANDING FCF BEYOND 2022 DRIVEN BY INCREASING EBITDA AND LOWER CAPEX

Growth investment peak in 2022 followed by meaningfully lower CapEx profile, combined with expanding revenue and EBITDA driven by SES-17 & O3b mPOWER

Expected Capital Expenditure (€M, excluding US C-band)⁽¹⁾



- ▲ Growth investment (SES-17 and O3b mPOWER) on track and supporting profitable growth from 2023
 - Lower growth investment expected after 2022 (average of €185M for 2023-2025)
- ▲ Reduction in average total annual CapEx to €375M (2023-2025) combined with EBITDA growth from 2023 to drive strong future FCF generation
 - Comparable with 2016-2020 (average of €390M)
- ▲ CapEx forecast (2021-2025) includes completion of major growth investment and substantial proportion of fleet replacement needs, leading to strong FCF growth and sustained period of lower CapEx

¹⁾ CapEx represents the net cash absorbed by the group's investing activities excluding acquisitions and financial investments. CapEx outlook assumes €/€ FX rate of €1 = \$1.20 and excludes repurposing of US C-band

INCREASING LOW END OF 2021 ADJUSTED EBITDA OUTLOOK

Financial outlook assumes EUR/USD FX rate of €1 = \$1.20, nominal launch schedule and satellite health status

Revenue⁽¹⁾	<p>Between €1,760M and €1,820M, including:</p> <ul style="list-style-type: none"> ▲ Video between €1,000M and €1,030M ▲ Networks between €750M and €780M
Adjusted EBITDA⁽¹⁾	<p>Between €1,080M and €1,100M (increased from between €1,060M and €1,100M)</p> <p><i>Excluding restructuring expenses (~€10M) plus US C-band related net non-reimbursable expenses (~€15-20M) and income from 1st accelerated relocation payment (€815m)</i></p>

- ▲ Over 90% of group revenue outlook is now already under contract
- ▲ Growth outlook for Networks in 2021 consistent with extended COVID environment, expected to accelerate in 2022 and beyond, fueled by SES-17 and O3b mPOWER
- ▲ Fully protected contract backlog of €5.3B (gross backlog of €5.9B) underpinning future long-term cash generation

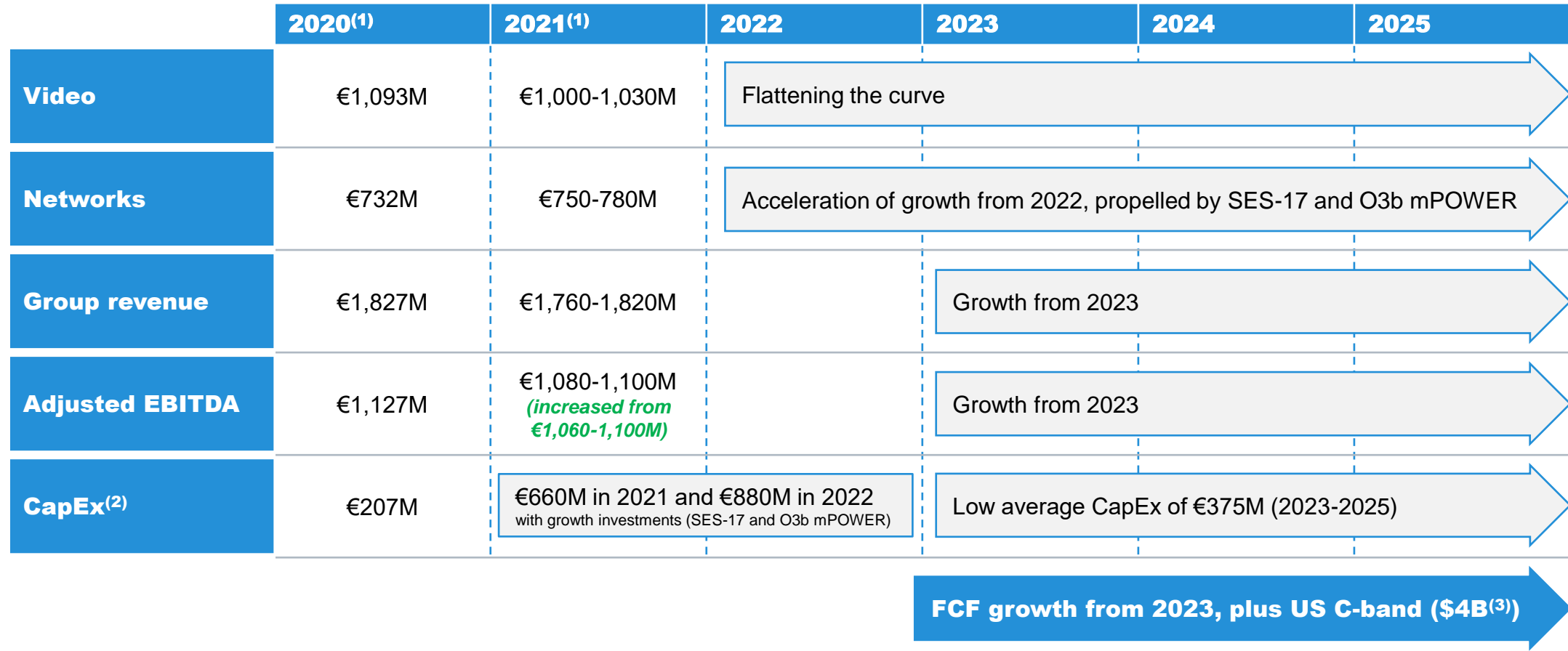
1) In FY2020, 51% of group revenue and 47% of Adjusted EBITDA was denominated in \$

CONCLUSION

Steve Collar, CEO



CLEAR PATH TO SUSTAINED PROFITABLE GROWTH



1) All numbers shown at FX rate of €1=\$1.20. Financial outlook also assumes nominal satellite health and launch schedule; 2) Excluding C-band; 3) \$1B pre-tax relocation payment end-2021 and \$3B pre-tax relocation payment end-2023

ADDITIONAL INFORMATION

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 ▲ IRR hurdle rate >10% (post-tax) over the investment horizon 	<ul style="list-style-type: none"> ▲ Limited annual replacement CapEx €165M (2021-2025) ▲ €1.9B total growth CapEx (2021-2025), including €1.3B over 2021-2022 ▲ Followed by substantially lower annual CapEx of €375M (2023-2025)
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"> ▲ Adjusted Net Debt to Adjusted EBITDA below 3.3x
CASH RETURN TO SHAREHOLDERS	<ul style="list-style-type: none"> ▲ Maintain minimum base dividend of €0.40 per A-share 	<ul style="list-style-type: none"> ▲ 2020 dividend of €0.40 per A-share paid in April 2021 (€181M)
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"> ▲ €94M share buyback programme completed in July 2021 ▲ 1st C-band relocation payment (\$1B pre-tax) linked to 5 December 2021 clearing milestone to be fully utilised to strengthen the Balance Sheet ▲ 2nd C-band relocation payment (\$3B pre-tax) linked to 5 December 2023 clearing milestone, to be used for a mix between return to shareholders, strong balance sheet, and any disciplined value-accretive investment

ESG – WE ARE HERE TO MAKE A DIFFERENCE

<p>ENVIRONMENTAL</p>	<ul style="list-style-type: none"> ▲ Our business activities have low impact on the environment ▲ We apply a responsible fleet management approach with manufacturers to mitigate the environmental impact and to minimise space debris ▲ Minimising the environmental impact of SES sites and ground stations 	<ul style="list-style-type: none"> ▲ Satellites create no carbon emissions during their operating life ▲ Across our Earth operations, CO2 emissions reduced 5% YOY ▲ In 2020, SES saved 605,118 pages equaling 7,261 trees and 7,685 kg of CO2
<p>SOCIAL</p>	<ul style="list-style-type: none"> ▲ We provide over 1 billion people with access to news and entertainment, and we deliver solutions to connect to the unconnected around the world ▲ We pioneer technologies to drive social, environment, and economic change ▲ We save lives by restoring critical connectivity following natural disasters ▲ We are >2,100 people representing 79 nationalities here to make a difference 	<ul style="list-style-type: none"> ▲ Disaster relief and humanitarian missions: emergency.lu covered ~30 missions with ~70 deployments since 2012 and supported various COVID related initiatives ▲ Broadband access: services deployed across Africa, Asia, and Latin America ▲ Giving back initiatives: employees engage in charity and social projects ▲ Diversity & inclusion: 79 nationalities; 24% women; healthy age distribution ▲ Customer satisfaction: Video Net Promoter Score (NPS) improved to 58 and Networks NPS improved to 38 (both scored on a scale of -100 to +100) ▲ Commitment to attractive & fair compensation, flexible working conditions, and employee welfare & development (>16,000 hours of training in 2020)
<p>GOVERNANCE</p>	<ul style="list-style-type: none"> ▲ Integrity, compliance, and legal responsibility are the cornerstones of our sustainable corporate governance and serve as the basis for all our actions ▲ Our Code of Conduct is committed to conducting business with integrity and treating everyone with respect 	<ul style="list-style-type: none"> ▲ Board membership 64% (7 of 11) independent and Board size of 11 members with various industry expertise; 5 of 11 Board members are female ▲ Fully implemented compliance processes and commitments to anti-bribery, human rights, sanctions compliance, data security, and fair employment practices

Our purpose and ambitions are strongly correlated to **13 of the 17** UN Sustainable Development Goals:



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	H1 2020	H1 2021
Adjusted EBITDA	582	544
US C-band repurposing income	-	47
US C-band operating expenses	(13)	(59)
Restructuring expenses	(22)	(6)
EBITDA (as reported)	547	526

€M	H1 2020	H1 2021
Adjusted Net Profit	113	152
US C-band repurposing income	-	47
US C-band operating expenses	(13)	(59)
Restructuring expenses	(22)	(6)
Tax on material, exceptional items	8	3
Net profit (as reported)	86	137

€M	H1 2020	H1 2021
Total borrowings	3,764	3,672
Cash & cash equivalents	(367)	(604)
Net debt (as reported)	3,397	3,068
50% of SES' hybrid bonds	650	588
Adjusted Net Debt (A)	4,047	3,656
12-month rolling Adjusted EBITDA (B)	1,224	1,114
Adjusted Net Debt to Adjusted EBITDA (A / B)	3.31x	3.28x

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