

# Shaping future U.S. Government business

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# Building on solid U.S. Government (USG) demand

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- ▲ Favorable medium-term outlook
- ▲ Well established core business, processes and relationships with customers
- ▲ Within continental U.S. and overseas
- ▲ Many strands of demand growth
- ▲ Budget constrained environment will improve
- ▲ Favorable procurement practices

# Serving USG SATCOM requirements

## *SES Government Solutions clients*

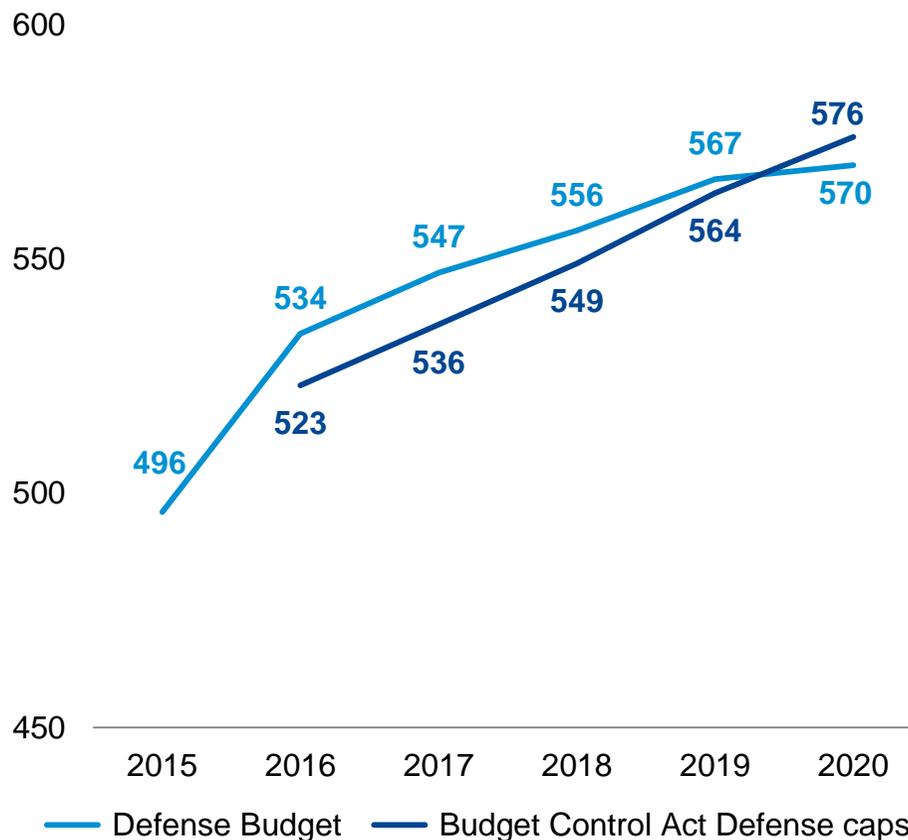


- ▲ Over 40 years' experience of serving a range of USG customers
  - Well-established relationships
- ▲ SES's global fleet enables strategic differentiation
  - Includes delivery of end-to-end solutions through the value chain
- ▲ Diverse hosted payload portfolio
- ▲ Global capabilities complemented with integration of O3b's "fiber in the sky" connectivity

# USG market today

- ▲ SES GS serves wide variety of DoD and other U.S. Government agency customers
  - Non-DoD customers represent ~20%
- ▲ Demand environment is shifting
  - Afghanistan withdrawal countered by increased activity in SWA/ME, Africa, Asia and Continental U.S.
- ▲ Increasing demand for training/testing in North America as troops withdraw from overseas
- ▲ USG budget uncertainty remains
  - 2011 Budget Control Act caps are the current law
  - Overseas Contingency Operations funding used to augment DoD budget
  - Budget is tight and could remain so through 2016

*Defense Budget proposal vs. Budget Control Act caps<sup>(1)</sup>*  
USD billion (Base Budget, exc. Overseas Contingency Operations)

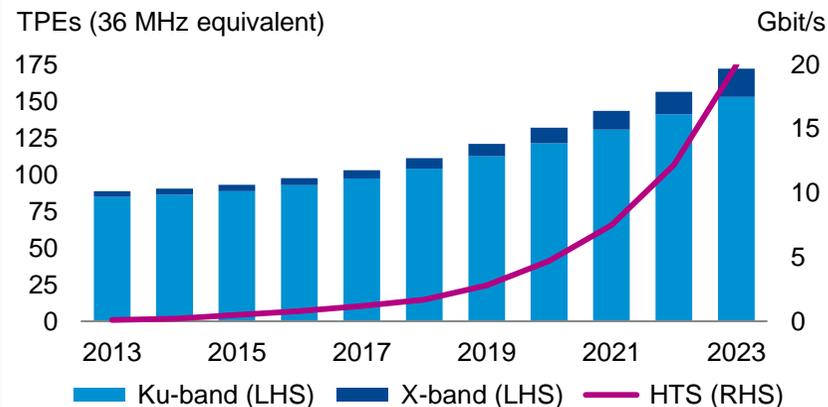


1) Source: U.S. Department of Defense

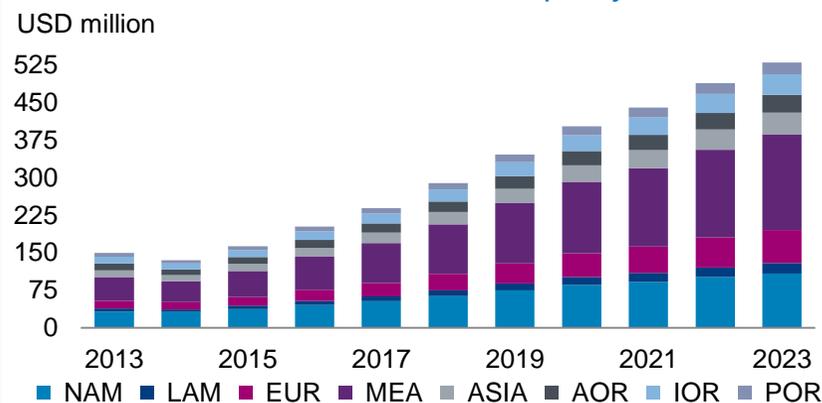
# High levels of new business

- ▲ Against a background of budget-related cuts, SES GS won high levels of new business in 2014
  - Included first-ever “Pathfinder” contract
- ▲ 2015 new business on track to surpass 2014
  - Important capacity wins supporting CENTCOM and SOCOM
  - Two significant Hosted Payload contracts
    - WAAS: Wide Area Augmentation System (GPS) for FAA
    - GOLD: Global-Scale Observations of the Limb and Disk for NASA
- ▲ Worldwide pipeline of opportunities
- ▲ Underlying demand is strong
- ▲ Winning market share in fiscally constrained environment
- ▲ Core business remains stable with slight growth anticipated in near term

Aggregate UAV capacity demand<sup>(1)</sup>



Government aeronautical Ku-band capacity revenues<sup>(1)</sup>



1) Source: NSR (2015)

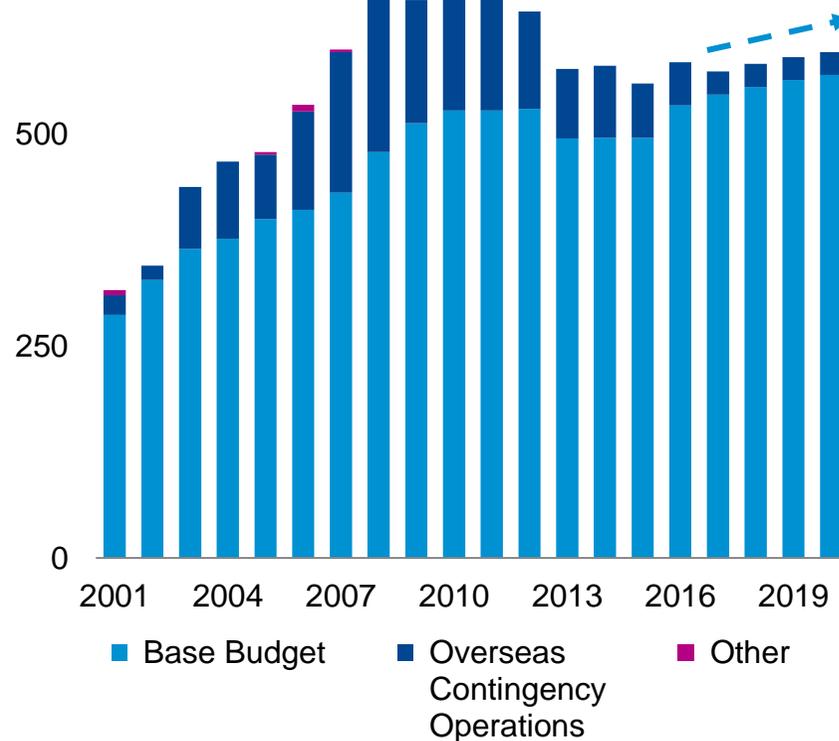
# Future USG market

- ▲ USG demand for COMSATCOM remains strong
- ▲ SES GS capabilities are a recognised national security enabler
  - Support major contract efforts with DoD and other USG agencies
  - National Security Strategy initiatives drive diverse SATCOM needs
    - MILSATCOM (WGS) cannot meet demand
    - UAV use of commercial capacity to continue and expand
- ▲ Defense spending expected to increase in 2017 and beyond
  - Innovative approaches gaining support and momentum
    - Hosted Payloads, Pathfinder initiatives and other innovative acquisition efforts

*U.S. Defense Budget<sup>(1)</sup>*

USD billion

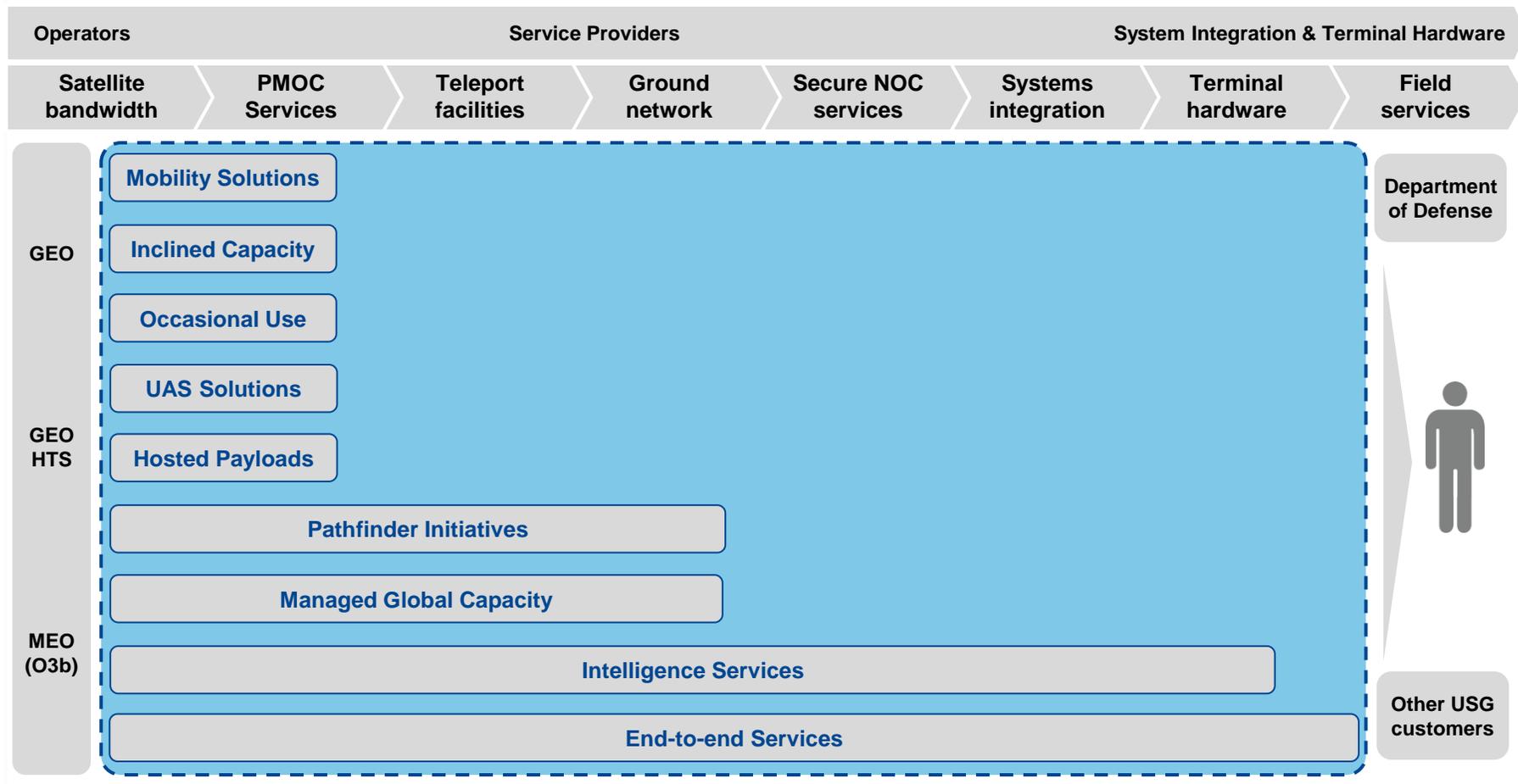
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1) Source: US Congressional Budget Office

# SES GS's core capabilities

## SES global government market vertical



# SES GS's right-to-win

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## Aggressive pursuit of new opportunities

- ▲ Leverage SES's global fleet
- ▲ Expand products and solutions in the value chain
- ▲ Expand market access

## Shape USG policy and procurement practices

- ▲ Pathfinder initiatives
- ▲ Hosted payloads
- ▲ Redefining COMSATCOM as critical infrastructure

## Grow market share

- ▲ Outperform the competition
- ▲ Grow the contract backlog
- ▲ Continue to expand as budget funding capabilities increase

# Conclusion

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**Video**



**Fixed Data**



**Mobility**



**Government**

- ▲ Strong pipeline supporting growth potential
- ▲ Actively engaged in developing a new approach to COMSATCOM procurement
- ▲ Global operational scale improves competitive positioning
- ▲ Increasing backlog enhances revenue visibility

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