



Press Release

Q1 2024 RESULTS

Luxembourg, 30 April 2024 -- SES S.A. announces financial results for the three months ended 31 March 2024 and a solid start to the 2024 financial year.

- Revenue of €498 million (+2.5% YOY⁽¹⁾) and Adjusted EBITDA⁽²⁾ of €275 million (+4.7% YOY)
- Networks up 9.6% YOY⁽¹⁾ including periodic revenue, with Video performance (-5.2% YOY⁽¹⁾) in line with expectations
- More than €125 million of new business and contract renewals signed in Q1 2024
- Adjusted Free Cash Flow of €38 million net inflow compared with €(41) million net outflow in Q1 2023
- Net Leverage at 1.5x⁽³⁾ including cash & cash equivalents of €2.4 billion
- Landmark quarter with 2nd generation MEO constellation, O3b mPOWER, beginning customer services in April 2024
- €220 million dividend payment (€0.50 per A-share) made to shareholders in April, complemented by on-going share buyback of up to €150 million and interim dividend of €110 million dividend payment (€0.25 per A-share) to be paid in October 2024
- Outlook⁽⁴⁾ for FY 2024 Revenue, Adjusted EBITDA, and capital expenditure on track and re-affirmed

Adel Al-Saleh, CEO of SES, commented: "The first quarter results demonstrate our solid start to the year, and we continued to deliver commercial momentum across the business, underpinning our FY 2024 financial outlook which is on track and unchanged.

Our Networks business now accounts for over 50% of revenue and delivered YOY growth including periodic revenue from a contract modification which allowed us to recontract capacity on our highly contended MEO fleet and generate incremental cash flows. In Video, our Sports & Events offering continued to be the standout performer, adding to its impressive line-up of customers with an exciting new agreement with a global tier one sports brand to distribute live content to audiences across the world.

April 2024 delivered a landmark milestone for SES with the entry into commercial service of O3b mPOWER, our next generation MEO constellation, strengthening our capability to deliver competitive and differentiated customer solutions in valuable, high growth government, mobility, and fixed data markets. The next O3b mPOWER satellites (7-8) are on track be launched in late 2024 launch and bring improved resiliency to the network which will be further expanded with the launch of satellites 9-11 plus 12 & 13 in 2025 and late 2026 respectively."

1) At constant FX (comparative figures restated to neutralise currency variations)

2) Excluding operating expenses/income recognised in relation to U.S. C-band repurposing and other significant special items (disclosed separately).

3) Adjusted Net Debt to Adjusted EBITDA, including 50% of €625M hybrid bond as debt

4) Financial outlook assumes a €/€ FX rate of €1 = \$1.09, nominal satellite health, and nominal launch schedule.

Key business and financial highlights (at constant FX unless explained otherwise)

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.

€ million	Q1 2024	Q1 2023	Δ as reported	Δ at constant FX
Average €/€ FX rate	1.09	1.07		
Revenue	498	490	+1.5%	+2.5%
Adjusted EBITDA	275	265	+3.8%	+4.7%
Adjusted Net Profit	77	64	+20.0%	n/m
Adjusted Net Debt / Adjusted EBITDA	1.5x	3.6x	n/m	n/m

"At constant FX" refers to comparative figures restated at the current period FX, to neutralise currency variations.

Networks (54% of total revenues) revenue of €268 million increased 9.6% year on year driven by growth in Mobility (+24.5% including periodic revenue) and Government (+6.1%). Fixed Data revenue (-0.5% year on year) was in line with Q1 2023 as new revenue added was offset by the impact of periodic revenue recognised in the prior period.

Video (46% of total revenues) revenue of €228 million represented a reduction of 5.2% compared with Q1 2023, mainly driven by lower revenue in mature markets which were partially offset by expansion in Sports & Events revenue.

Adjusted EBITDA of €275 million represented an Adjusted EBITDA margin of 55% (Q1 2023: 54%). Adjusted EBITDA excludes significant special items of €6 million (Q1 2023: €13 million), comprising net U.S. C-band expenses of €1 million (Q1 2023: net expenses of €4 million) and expense of other significant special items of €5 million (Q1 2023: €9 million).

Adjusted Net Profit of €77 million was €13 million, or 20.0%, higher than Q1 2023 mainly reflecting the higher year on year Adjusted EBITDA and net interest income of €6 million (Q1 2023: net interest expense of €23 million) which included the benefit of earning interest income on the group's balance of cash & cash equivalents.

Adjusted Net Debt to Adjusted EBITDA ratio (including 50% of €625 million of hybrid bond as debt) on 31 March 2024 was 1.5 times, (31 March 2023: 3.6 times, 31 December 2023: 1.5 times) including cash & cash equivalents of €2,403 million. In January 2024, SES called and repaid the €550 million hybrid bond and expects to repay approximately €450 million of additional upcoming debt maturities.

The total amount of remaining U.S. C-band clearing cost reimbursements expected to be received in future is now approximately \$480 million and SES is continuing to engage with insurers regarding the claim of \$472 million relating to O3b mPOWER satellites 1-4.

Contract backlog on 31 March 2024 was €4.0 billion (€5.0 billion gross backlog including backlog with contractual break clauses).

The Full Year 2023 dividend of €0.50 per A-share and €0.20 per B-share was paid to shareholders on 18 April 2024. For Full Year 2024, SES will move to a semi-annual distribution with an interim dividend of €0.25 per A-share (€0.10 per B-share) to be paid in October 2024 and final dividend, subject to shareholder approval, of at least €0.25 per A-share (€0.10 per B-share) to be paid in April 2025.

The share buyback programme of up to €150 million was started in November 2023 and is being executed under the authorisation given by the Annual General Meeting of shareholders held on 6 April 2023. On 31 March 2024, 9 million A-shares had been purchased at an average price of approximately €5.70 per A-share. The aggregate value of the programme shall not exceed €150 million, and the shares acquired are intended to be cancelled, reducing the total number of voting and economic shares in issue.

For Full Year 2024, group revenue and Adjusted EBITDA (assuming an FX rate of €1=\$1.09, nominal satellite health, and nominal launch schedule) are expected to be in the range of €1,940-2,000 million and €950-1,000 million respectively, with growth in Networks revenue expected to mostly offset lower year-on-year Video revenue.

Capital expenditure (net cash absorbed by investing activities excluding acquisitions, financial investments, U.S. C-band repurposing, and assuming an FX rate of €1=\$1.09) is expected to be in the range of €500-550 million in 2024 with an average annual capital expenditure of approximately €350 million for the period 2025-2028.

Operational performance

REVENUE BY BUSINESS UNIT

Q1 2024	Revenue (€ million) as reported	Change (YOY) at constant FX
Average €/\$ FX rate	1.09	
Video	228	-5.2%
Networks	268	+9.6%
Government	125	+6.1%
Fixed Data	59	-0.5%
Mobility	84	+24.5%
Other	2	n/m
Group Total	498	+2.5%

"At constant FX" refers to comparative figures restated at the current period FX, to neutralise currency variations.

Future satellite launches

Satellite	Region	Application	Launch Date
ASTRA 1P	Europe	Video	Summer 2024
O3b mPOWER (satellites 7-8)	Global	Fixed Data, Mobility, Government	Late 2024
O3b mPOWER (satellites 9-11)	Global	Fixed Data, Mobility, Government	2025
ASTRA 1Q	Europe	Video, Fixed Data, Mobility, Government	2026
SES-26	Africa, Asia, Europe, Middle East	Video, Fixed Data, Mobility, Government	2026
EAGLE-1	Europe	Government	2026
O3b mPOWER (satellites 12-13)	Global	Fixed Data, Mobility, Government	2026

Final launch dates are subject to confirmation by launch providers.

CONSOLIDATED INCOME STATEMENT

€ million	Q1 2024	Q1 2023
Average €/€ FX rate	1.09	1.07
Revenue	498	490
U.S. C-band repurposing income	1	2
Operating expenses	(230)	(240)
EBITDA	269	252
Depreciation expense	(139)	(148)
Amortisation expense	(19)	(17)
Operating profit	111	87
Net financing income/(costs)	5	(29)
(Loss) / profit before tax	116	58
Income tax expense	(43)	(3)
Net Profit attributable to owners of the parent	73	55
Basic and diluted loss per A-share (in €)⁽¹⁾	0.16	0.10
Basic and diluted loss per B-share (in €) ⁽¹⁾	0.06	0.04

1) Earnings per share is calculated as profit attributable to owners of the parent divided by the weighted average number of shares outstanding during the year, as adjusted to reflect the economic rights of each class of share. For the purposes of the EPS calculation only, the net profit for the year attributable to ordinary shareholders has been adjusted to include the assumed coupon, net of tax, on the perpetual bonds.

€ million	Q1 2024	Q1 2023
Adjusted EBITDA	275	265
U.S. C-band income	1	2
U.S. C-band operating expenses	(2)	(6)
Other significant special items	(5)	(9)
EBITDA	269	252

€ million	Q1 2024	Q1 2023
Adjusted Net Profit	77	64
U.S. C-band income	1	2
U.S. C-band operating expenses	(2)	(6)
Other significant special items	(5)	(9)
Tax on significant special items	2	4
Net profit attributable to owners of the parent	73	55

SUPPLEMENTARY INFORMATION

QUARTERLY INCOME STATEMENT (AS REPORTED)

€ million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Average €/ \$ FX rate	1.07	1.08	1.08	1.07	1.09
Revenue	490	497	507	536	498
U.S. C-band income	2	1	2,715	26	1
Other income	-	-	-	5	-
Operating expenses	(240)	(251)	(251)	(355)	(230)
EBITDA	252	247	2,971	212	269
Depreciation expense	(148)	(146)	(153)	(156)	(139)
Amortisation expense	(17)	(29)	(21)	(22)	(19)
Non-cash impairment	-	-	(1,553)	(2,123)	-
Operating profit / (loss)	87	72	1,244	(2,089)	111
Net financing income / (costs)	(29)	(18)	(2)	7	5
Profit/ (loss) before tax	58	54	1,242	(2,082)	116
Income tax (expense) / benefit	(3)	(17)	(472)	316	(43)
Non-controlling interests	-	-	-	(1)	-
Net profit/ (loss)	55	37	770	(1,767)	73
Basic earnings / (loss) per share (in €) ⁽¹⁾					
Class A shares	0.10	0.07	1.73	(4.04)	0.16
Class B shares	0.04	0.03	0.69	(1.62)	0.06
Adjusted EBITDA	265	265	262	233	275
Adjusted EBITDA margin	54%	53%	52%	44%	55%
U.S. C-band income	2	1	2,715	26	1
Other income	-	-	-	5	-
U.S. C-band operating expenses	(6)	(7)	(4)	(30)	(2)
Other significant special items	(9)	(12)	(2)	(22)	(5)
EBITDA	252	247	2,971	212	269

1) Earnings per share is calculated as profit attributable to owners of the parent divided by the weighted average number of shares outstanding during the year, as adjusted to reflect the economic rights of each class of share. For the purposes of the EPS calculation only, the net profit for the year attributable to ordinary shareholders has been adjusted to include the coupon, net of tax, on the perpetual bonds. Fully diluted earnings per share are not significantly different from basic earnings per share.

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.

Alternative Performance Measure	Definition
Reported EBITDA and EBITDA margin	EBITDA is profit for the period before depreciation, amortisation, net financing cost, and income tax. EBITDA margin is EBITDA divided by revenue.
Adjusted EBITDA and Adjusted EBITDA margin	EBITDA adjusted to exclude significant special items of a non-recurring nature. The primary exceptional items are the net impact of the repurposing of U.S. C-band spectrum, restructuring charges, costs associated with the development and/or implementation of merger and acquisition activities, specific business taxes, one-off regulatory charges arising outside ongoing operations. Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.
Adjusted Free Cash Flow	Net cash generated by operating activities less net cash absorbed by investing activities, interest paid on borrowings, coupon paid on perpetual bond and lease payments, and adjusted to exclude the effect of cash flows generated by significant special items of a non-recurring nature. The primary exceptional items are the net impact of the repurposing of U.S. C-band spectrum, restructuring charges, costs associated with the development and/or implementation of merger and acquisition activities, specific business taxes, one-off regulatory charges arising outside ongoing operations.
Adjusted Net Debt to Adjusted EBITDA	Adjusted Net Debt to Adjusted EBITDA represents the ratio of Net Debt plus 50% of the group's hybrid bonds (per the rating agency methodology) divided by the last 12 months' (rolling) Adjusted EBITDA.
Adjusted Net Profit	Net profit attributable to owners of the parent adjusted to exclude the after-tax impact of significant special items.

Presentation of Results:

A presentation of the results for investors and analysts will be hosted at 9.30 CET on 30 April 2024 and will be broadcast via webcast and conference call. The details for the conference call and webcast are as follows:

U.K.	+44 (0) 33 0551 0200
France	+33 (0) 1 70 37 71 66
Germany	+49 (0) 30 3001 90612
U.S.A.	+1 786 697 3501

Confirmation code **SES**

Webcast registration https://channel.royalcast.com/landingpage/ses/20240430_2/

The presentation is available for download from <https://www.ses.com/investors/financial-results> and a replay will be available shortly after the conclusion of the presentation.

For further information please contact:

Richard Whiteing
Investor Relations
Tel: +352 710 725 261
richard.whiteing@ses.com

Suzanne Ong
External Communications
Tel: +352 710 725 500
suzanne.ong@ses.com

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