

# Investor Presentation



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May 2017

# World's Leading Satellite-enabled Solutions Provider

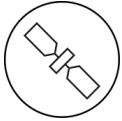
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**Covering 99.99%**  
of the globe and world's population



**>700 customers**  
across more than 130 countries



**>50 GEO satellites**  
offering multiple frequency bands



Delivering value-added **end-to-end solutions**



**12 MEO satellites**  
(growing to 20 satellites by 2019)



**>EUR 2 billion** annual  
revenue (FY 2016)



**>20 Teleports**  
supporting global ground network



**EUR 7.8 billion**  
contract backlog (as at Q1 2017)

# Executing Differentiated Strategy

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▲ Delivering a flexible and scalable, global satellite-enabled network



▲ Focusing on value-added, end-to-end solutions in four key market verticals, where SES is well positioned to accelerate



▲ Innovating at all levels of the business to create future-proof differentiation

# Delivering Sustained Profitable Growth and Returns



## Returning to sustained and profitable growth in medium term

- ▲ Delivering growth across the business
- ▲ Demonstrating sustainable foundations
- ▲ Enhancing profitability through differentiation



## Building differentiated capabilities in each market vertical





- ▲ Sustained organic investments across the value chain
- ▲ Disciplined investment in accelerators
- ▲ Aligned operating model and management



## Applying a consistent financial framework

- ▲ Strong operating cash flow funding growth investments
- ▲ Progressive dividend per share re-affirmed
- ▲ Growth accelerators executed within financial framework

# Financial Outlook

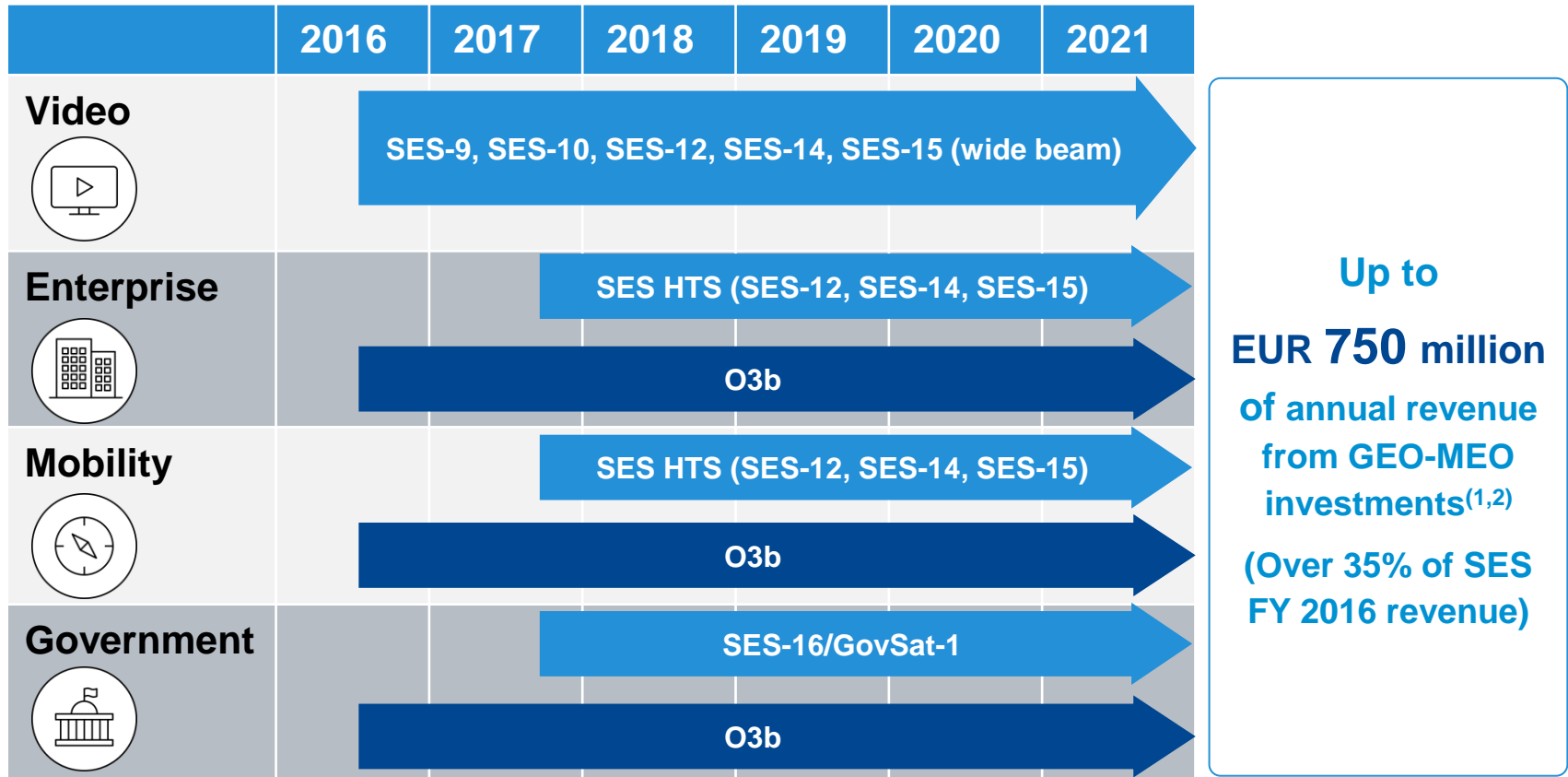
 <p><b>Well positioned to deliver sustained revenue growth<sup>(1)</sup></b></p>	<ul style="list-style-type: none"> <li>▲ Video/Government stable to slight growth in 2017, low growth medium term</li> <li>▲ Returning to growth in Enterprise and strong growth in Mobility from 2017</li> <li>▲ Up to EUR 750 million from GEO-MEO growth investments at 'steady-state'<sup>(3)</sup></li> <li>▲ Substantial contract backlog of EUR 7.8 billion (as at Q1 2017)</li> </ul>
 <p><b>Improving EBITDA and Operating profit margins<sup>(1)</sup></b></p>	<ul style="list-style-type: none"> <li>▲ EBITDA margin broadly stable for 2017/2018, improving in medium term</li> <li>▲ Operating profit margin significantly improving to over 40% in medium term</li> </ul>
 <p><b>Increasing Return on Invested Capital<sup>(1,2)</sup></b></p>	<ul style="list-style-type: none"> <li>▲ Increasing to over 10% medium term</li> </ul>
 <p><b>Increasing CapEx efficiency</b></p>	<ul style="list-style-type: none"> <li>▲ EUR 810 million for FY 2017 and EUR 560 million for FY 2018</li> <li>▲ ~50% of 2017-2021 CapEx currently uncommitted</li> </ul>

1) On a like for like basis, assuming RR Media and O3b had been consolidated on 1 January 2016. On this basis, Full Year 2016 EBITDA margin of 66.7% and Full Year 2016 Operating profit margin (before gain on deemed disposal of equity interest) of 33.3%

2) Calculated as Net Operating Profit After Tax (NOPAT) divided by average of opening and closing shareholders' equity plus Net Debt

3) Annualised revenue from recently added and forthcoming GEO-MEO investments which are expected to be launched by end-2019

# Delivering Long-term Sustainable Growth



- ▲ Significant, long-term pre-commitments secured for all future growth investments
- ▲ SES-17 (launch in 2020) expected to add a further EUR 100 million of annual revenue at ‘steady-state’

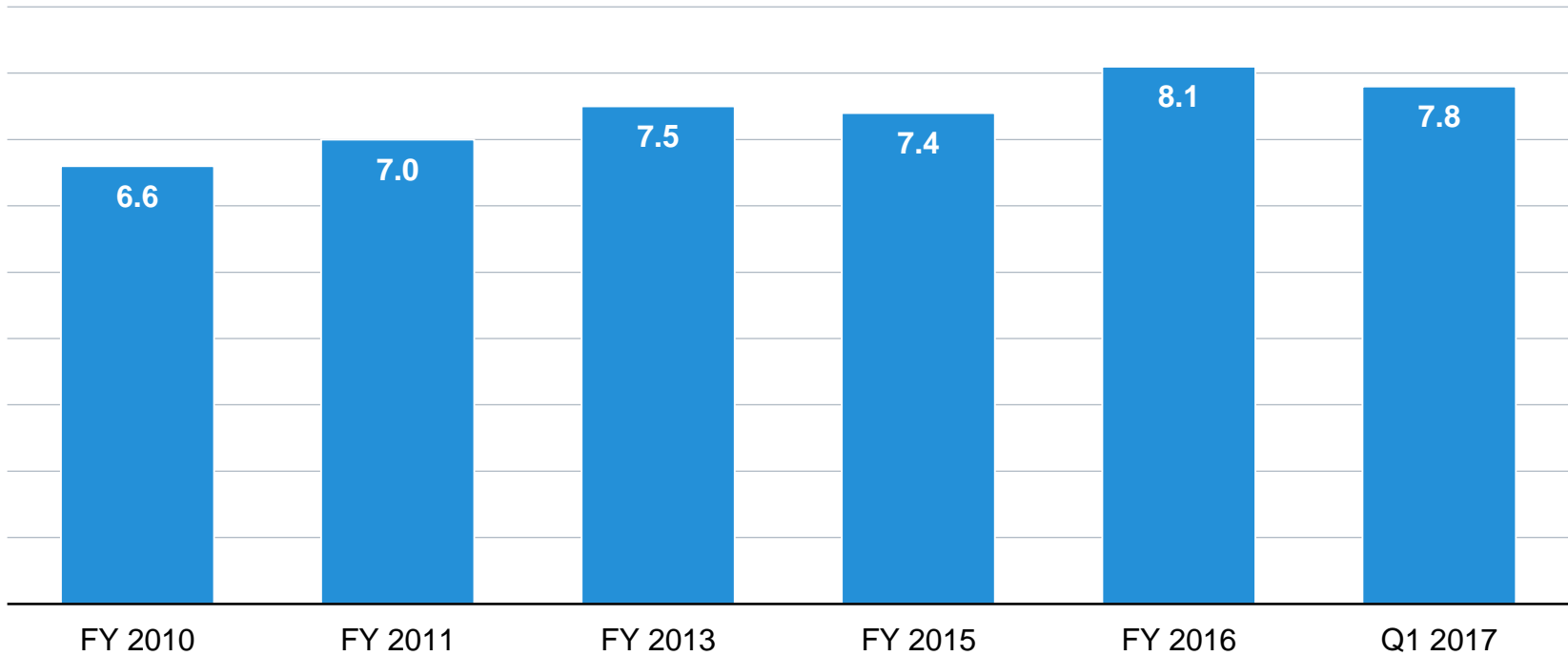
1) Annualised incremental revenue for GEO incremental capacity at average ‘steady-state’ utilisation of around 75% (based on FX rate of EUR 1: U.S. Dollar 1.10)

2) Based on O3b constellation of 17 satellites in operation and at ‘steady-state’ utilisation (based on FX rate of EUR 1: U.S. Dollar 1.10)

# Substantial Contract Backlog Underpins Growth Outlook

## SES's fully protected contract backlog

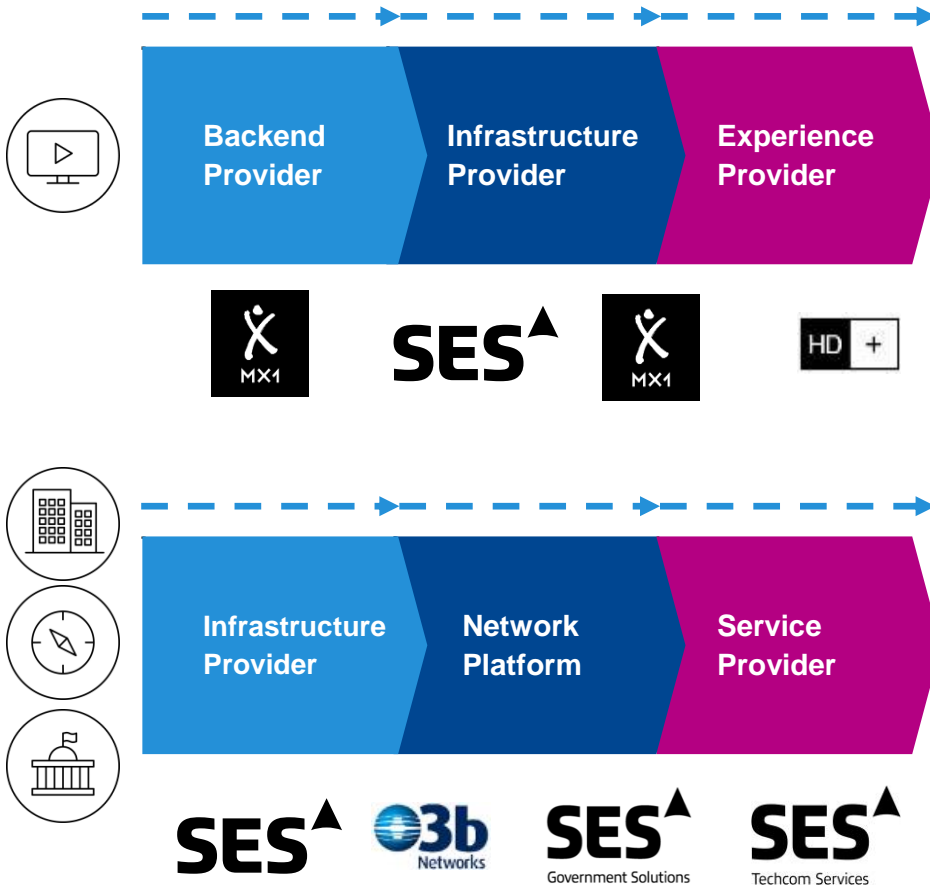
EUR billion



▲ Weighted average contract length remaining of around eight years

# Enabling Markets and Clients Through End-to-end Solutions

*SES – from infrastructure to holistic solutions*



- ▲ Integrating space and ground assets
- ▲ Accelerating the scalability of resources
- ▲ Fast-tracking deployment of solutions and applications:
  - Video: SD to HD/UHD acceleration; LIQUID VoD; East Africa platform
  - Enterprise: Service Provider+, Telco+, Enterprise+ products
  - Mobility: Aero+ and Maritime+ products
  - Government: Tactical Persistent Surveillance, e-inclusion



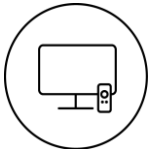
# SES Video: End-to-end Solutions in Prime Neighbourhoods



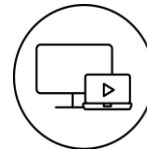
**325 million** global households served by SES satellites (+3% YOY)



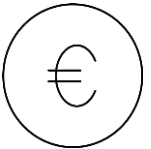
**22 UHD channels** including Fashion One and Sky (+47% YOY)



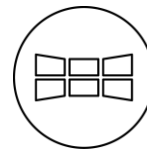
**7,610 TV channels** broadcast globally (+4% YOY)



**44 million IPTV homes;** enabling hybrid solutions



**<EUR 0.5** average monthly cost per household



**>2,750 TV channels** distributed globally by MX1



**2,496 HDTV channels** (+6% YOY); HD penetration of 33%



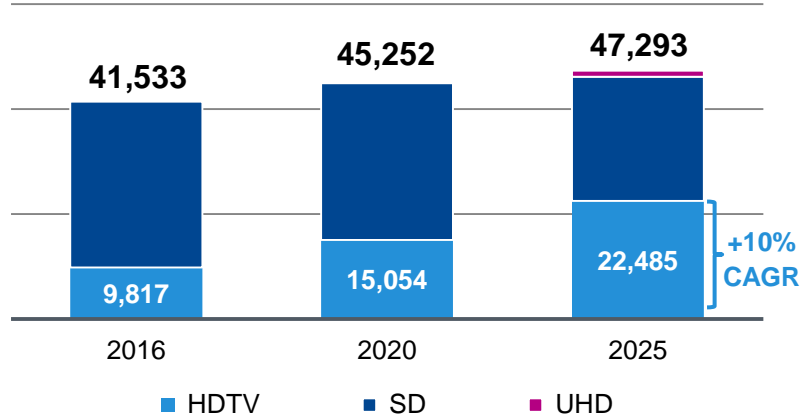
**>120 Video on Demand** platforms supported by MX1 globally

▲ Focusing on delivering the best viewer experience to any device, anywhere

# Positive Demand Outlook Across Video

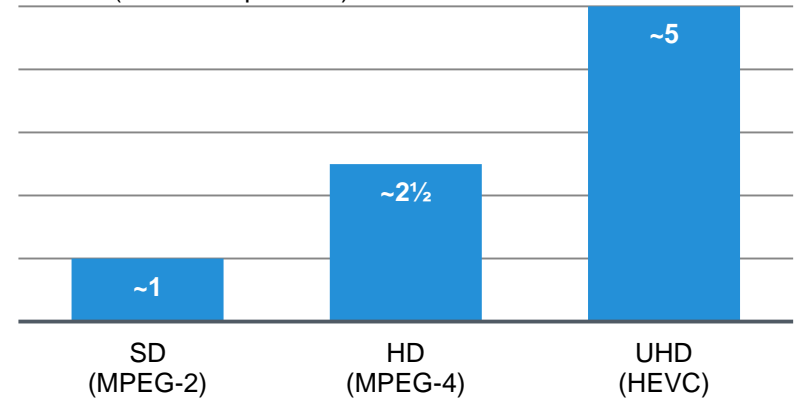
## Global TV channels<sup>(1)</sup>

Number



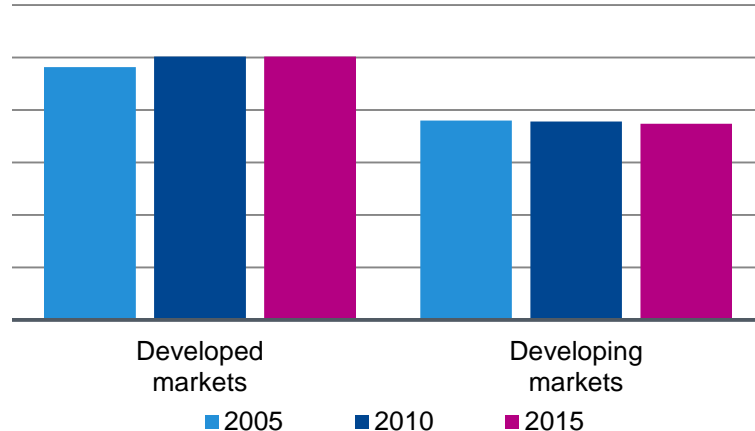
## Transponder requirement for 10 TV channels

Number (36 MHz equivalent)



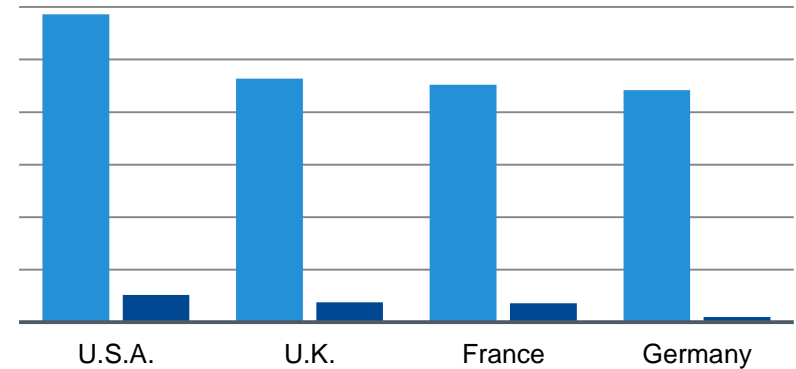
## Average daily linear TV viewing<sup>(2)</sup>

Minutes



## Average daily linear TV viewing<sup>(2)</sup>

Minutes



1) Source: Euroconsult. 2025 forecast includes 1,116 UHD TV channels (2016: 71)

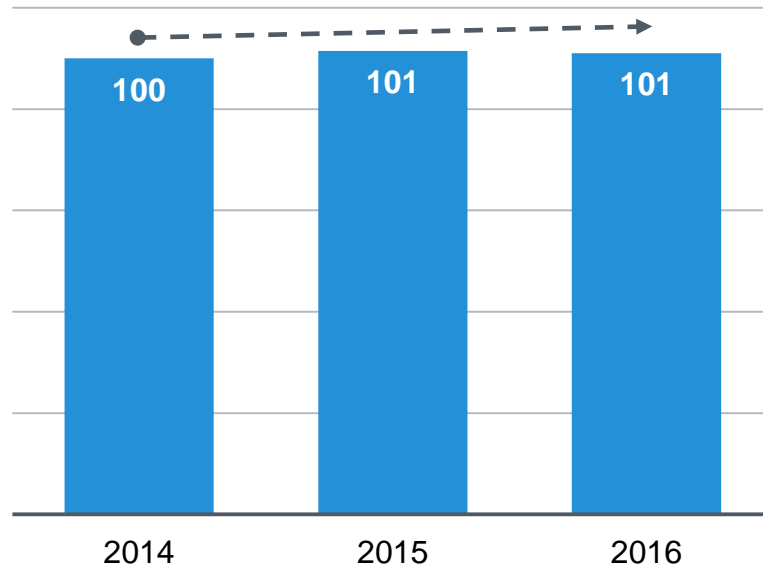
2) Source: Eurodata TV

# Enhancing Viewing Experience to Drive Demand in Europe

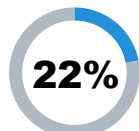
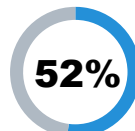
## European Video Revenue

2014 = 100

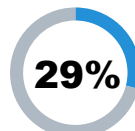
Stable to slight growth



MPEG-4 channels

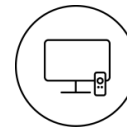


HDTV channels



**~740 HDTV channels**

broadcast across Europe by SES satellites (29% of total TV channels)



**>1,800 SDTV channels**

broadcast across Europe by SES



**~15-40 TPEs<sup>(1)</sup>** of incremental bandwidth consumed when:

- ▲ 40-45% of total channels in HD; and
- ▲ 60-70% of channels in MPEG-4
- ▲ Represents up to 10% of SES's current satellite capacity in Europe



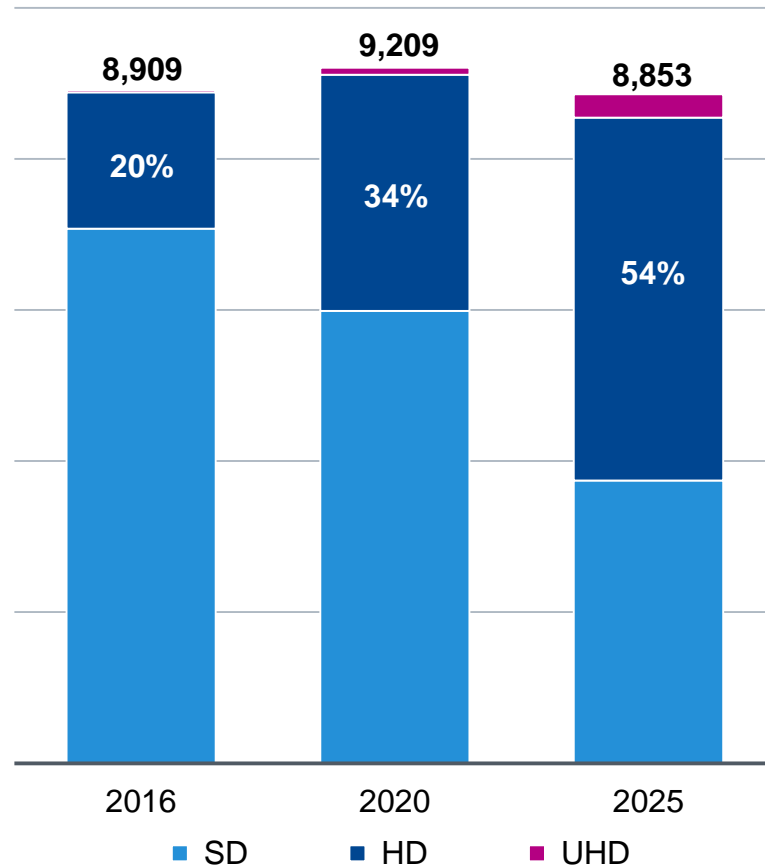
UHD acceleration providing additional upside potential

1) Transponder Equivalents "TPEs" (36 MHz equivalent). Calculation indicative and based on current SES TV channel count and composition in Europe (at Q1 2017)

# Stable Growth Outlook for European Video

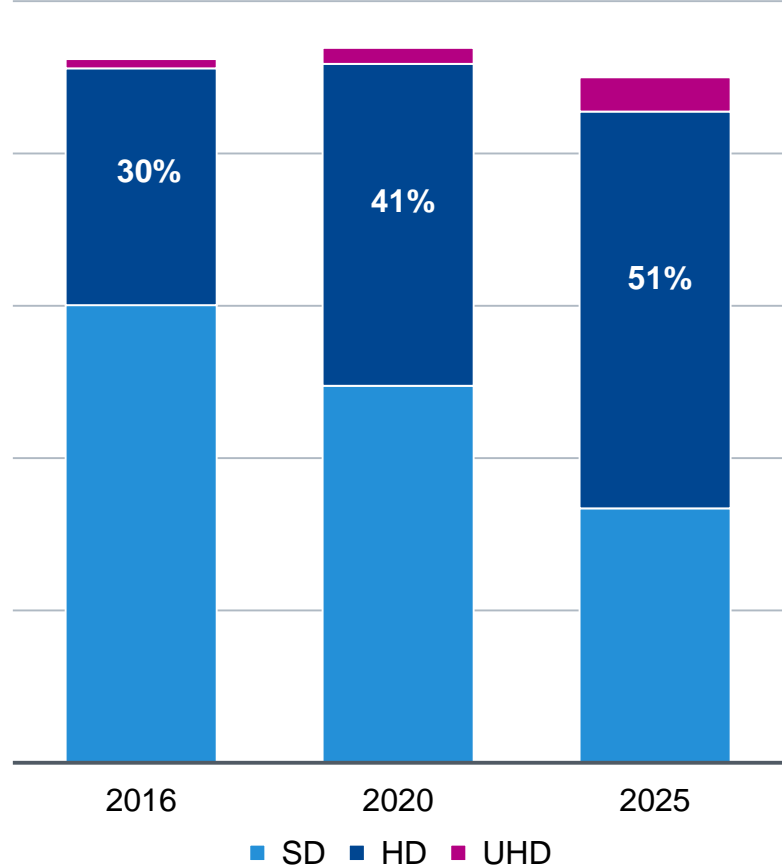
## European TV channels (market)<sup>(1)</sup>

Number



## European Video Capacity (market)<sup>(1)</sup>

TPEs (36 MHz equivalent)



1) Source: Euroconsult

2) Source: NSR

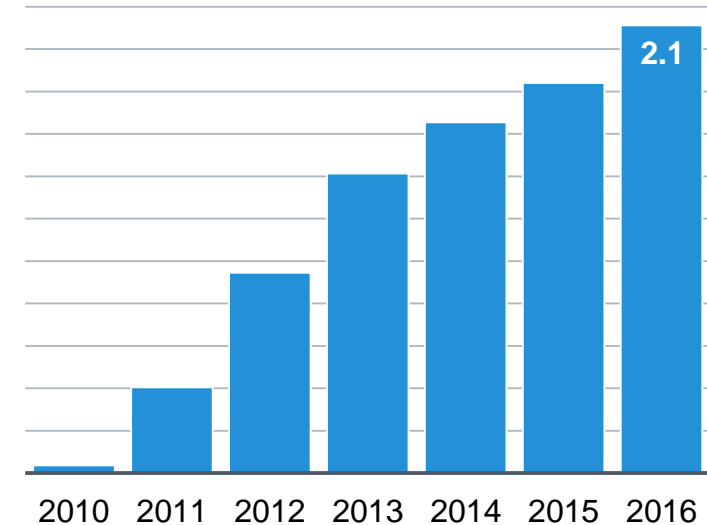
# Enabling an End-to-end Solution in Germany With HD +



- ▲ Using differentiated capabilities to accelerate HD adoption in Germany
- ▲ Distributing **30** free-to-air HD channels, plus **23** private HD channels
- ▲ Over **2.1** million paying customers (+15% YOY); plus 0.9 million in free trial period
- ▲ Enhancing viewer experience with UHD and complementary non-linear solutions

## HD+ paying customers

Millions



SAT > IP™



# Expanding Digital Video Platforms in Developing Markets



**90 million** households across Asia-Pacific, Latin America and Africa



**>2,900 TV channels** broadcast over the SES fleet



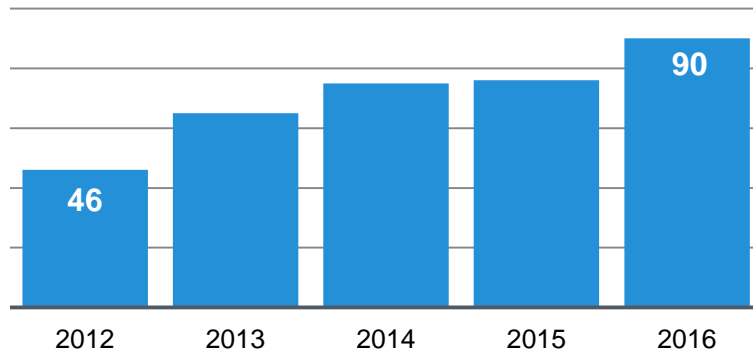
Growth of **+35%<sup>(1)</sup>** in total channels expected in developing markets (2016-2025)



**+13%<sup>(2)</sup>** expansion of SES capacity for developing markets (2016-2017)

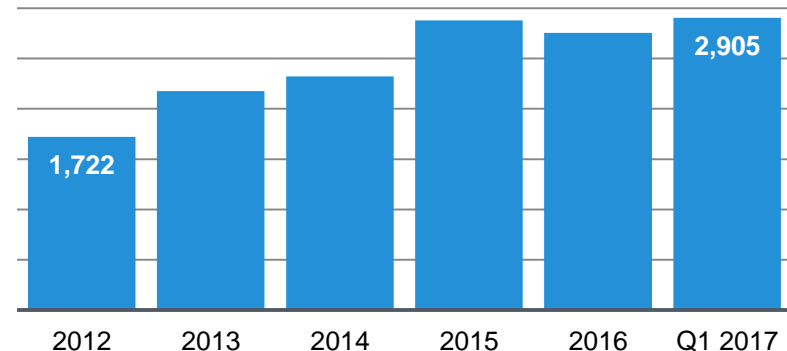
## SES technical reach in International markets

Millions of households



## SES total TV channels

Number



1) Source: Euroconsult

2) Represents incremental wide beam transponders (36 MHz equivalent) recently and expected to be launched on SES-9, SES-10, SES-12 and SES-14

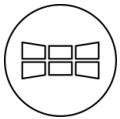
# Accelerating the Introduction of Commercial Ultra HD



Broadcasting **22 commercial UHD channels** (+47% YOY)



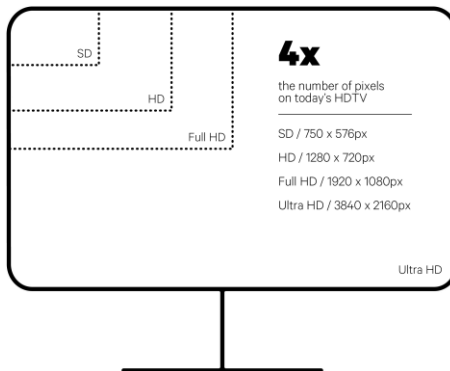
**5 times** bandwidth requirement of an SD channel



Managing global distribution for **>50%** of SES's commercial UHD channels

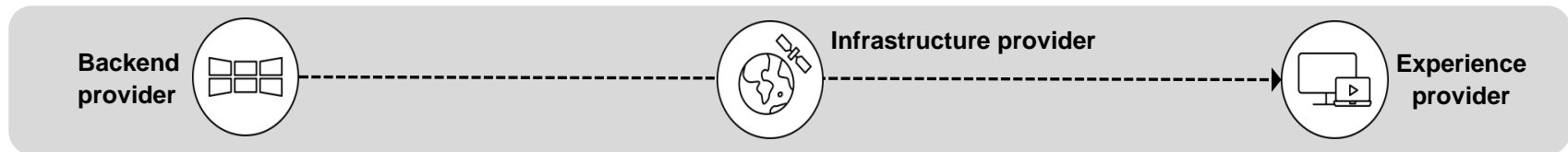



**>1,000<sup>(1)</sup>** global UHD channels expected by 2025 (2016: 71)



1) Source: Euroconsult





# Expanding Capabilities Across the Video Value Chain



- ▲  : World-leading media solutions and experience provider

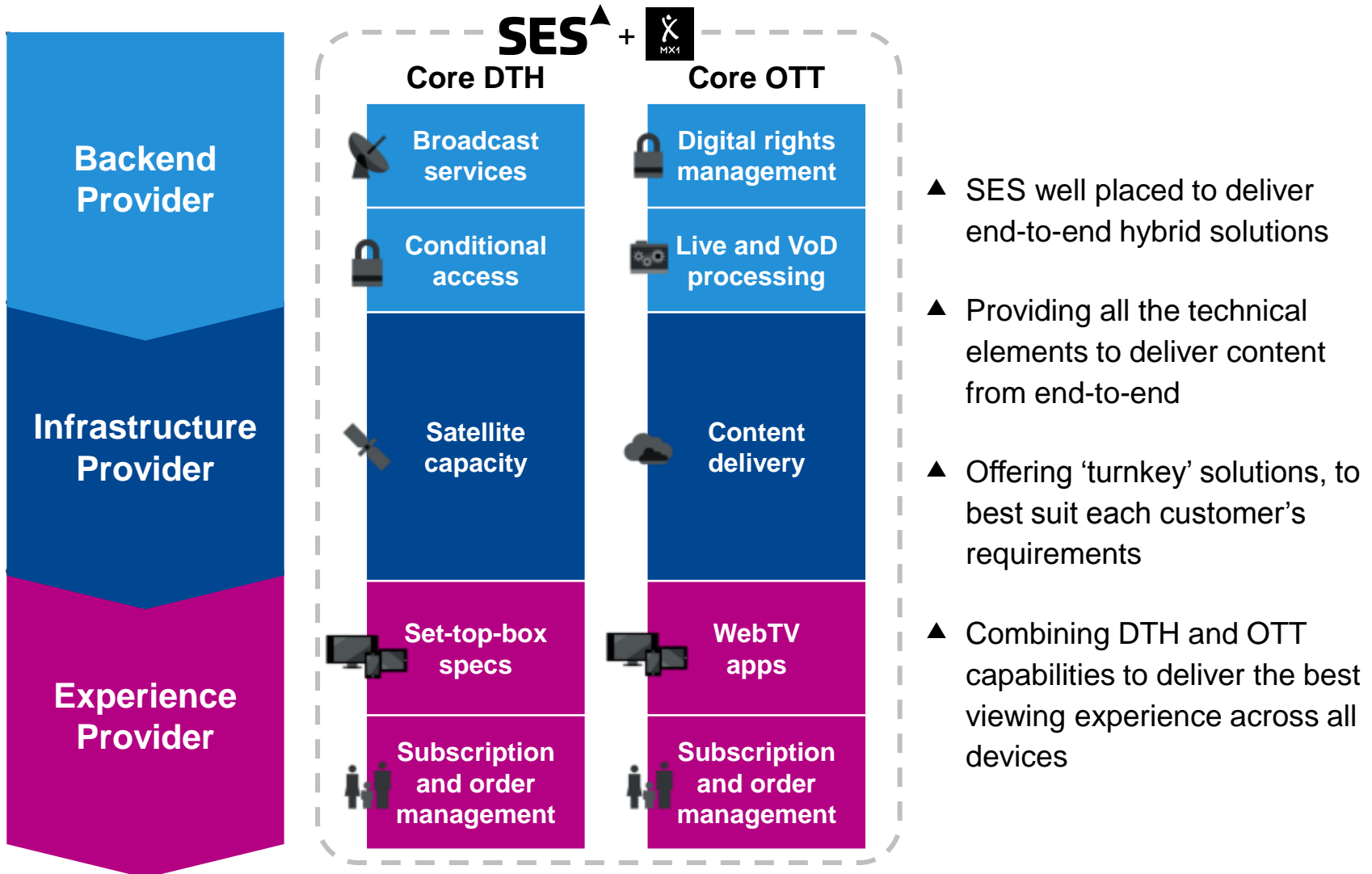
- Distributing **>2,750** TV channels; serving **>120** VoD platforms; delivering **>500** hours of sports per day

- ▲ Enabling major broadcast clients:

-  : providing content distribution services for global broadcasting of premier league matches in HD
-  : agreement to bring first free-to-air channel (Sky Sports News HD) to Germany and Austria
-  : delivering technical and transmission services on HD+, expanding HD+'s premium offering
-  : multi-year deal for the global distribution of live games and content in HD



# Delivering Scalable Linear/Non-linear End-to-end Solutions



# SES Networks: Global Managed Connectivity Networks



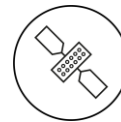
Unique global **GEO-MEO**  
distributed network



**99.99%** measured service  
availability (benchmark: 99.97%)



**>300** enterprise customers,  
including major tier one global clients



**Up to 1.6 Gbps** per MEO  
beam with low latency (<150 ms)



**~90%** connected aircraft market  
served with global IFC/IFC partners



**>One million** cruise  
passengers served each year



**62** global government clients  
served in 28 countries



**13** U.S. Government agencies  
served by SES Government Solutions

▲ Focusing on delivering scalable and high-performing connectivity solutions

# Providing Tailored Solutions Across the Data Verticals

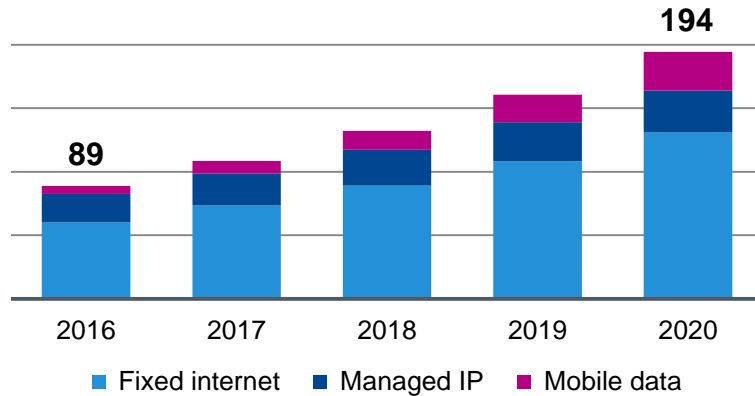
	Application	GEO wide beam	GEO HTS	MEO HTS	
Enterprise	Corporate networks	←→			
	Enterprise broadband	←→			
	Energy		←→		
	Mobile backhaul		←→		
	Consumer broadband		←→		
	Trunking			←→	
Mobility	Aeronautical	←→			
	Maritime	←→			
	Oil & Gas	←→			
Government	Military	←→			
	Civilian	←→			

▲ Delivering optimal networks and solutions over multi-layered global architecture

# Positive Demand Outlook Across SES's Data-centric Verticals

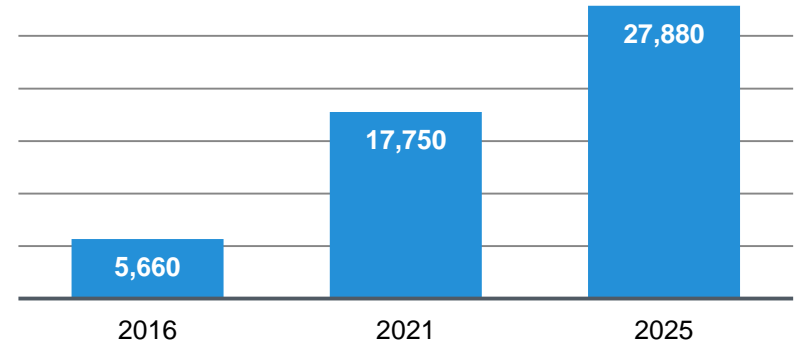
## Global IP Traffic<sup>(1)</sup>

Exabytes per month



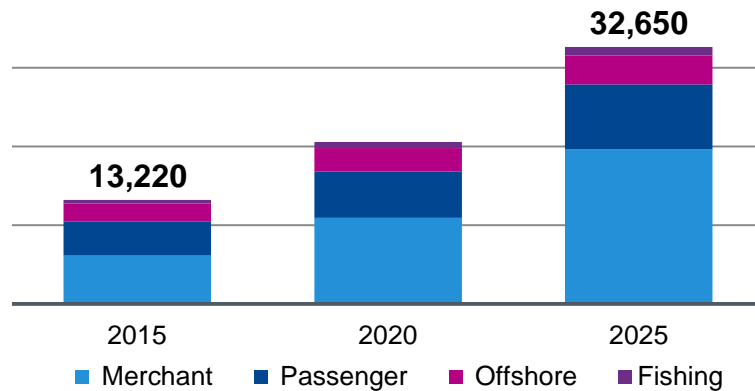
## Number of globally connected planes<sup>(2)</sup>

Number of in-service terminals



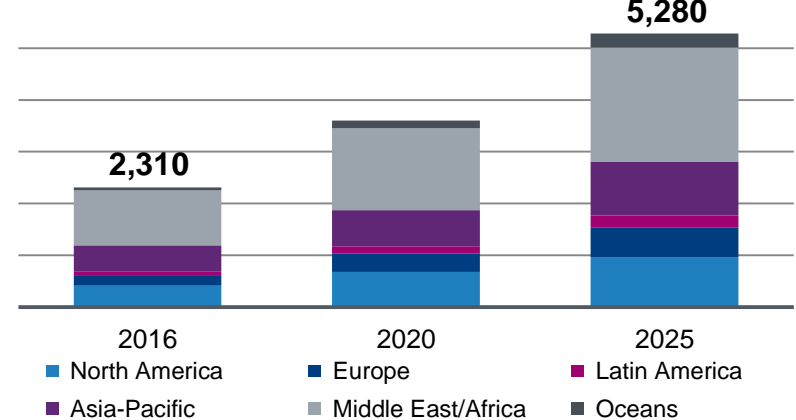
## Number of globally connected ships<sup>(2)</sup>

Number of broadband maritime vessels



## Global UAV-ISR deployments<sup>(2)</sup>

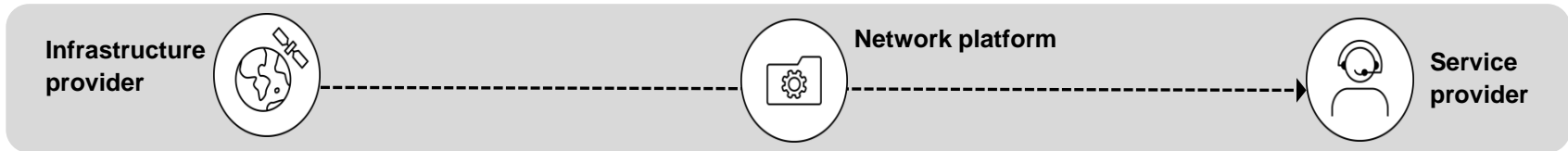
Number of UAS in-service units




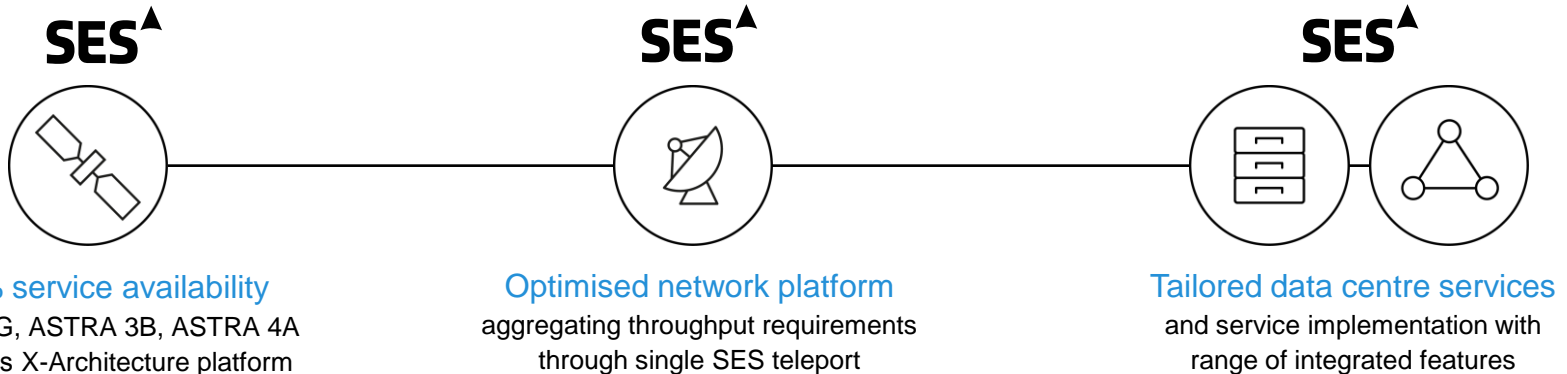
1) Source: Cisco

2) Source: NSR (for aero and maritime FSS only)

# Turnkey Solutions for Tier One Enterprise Clients

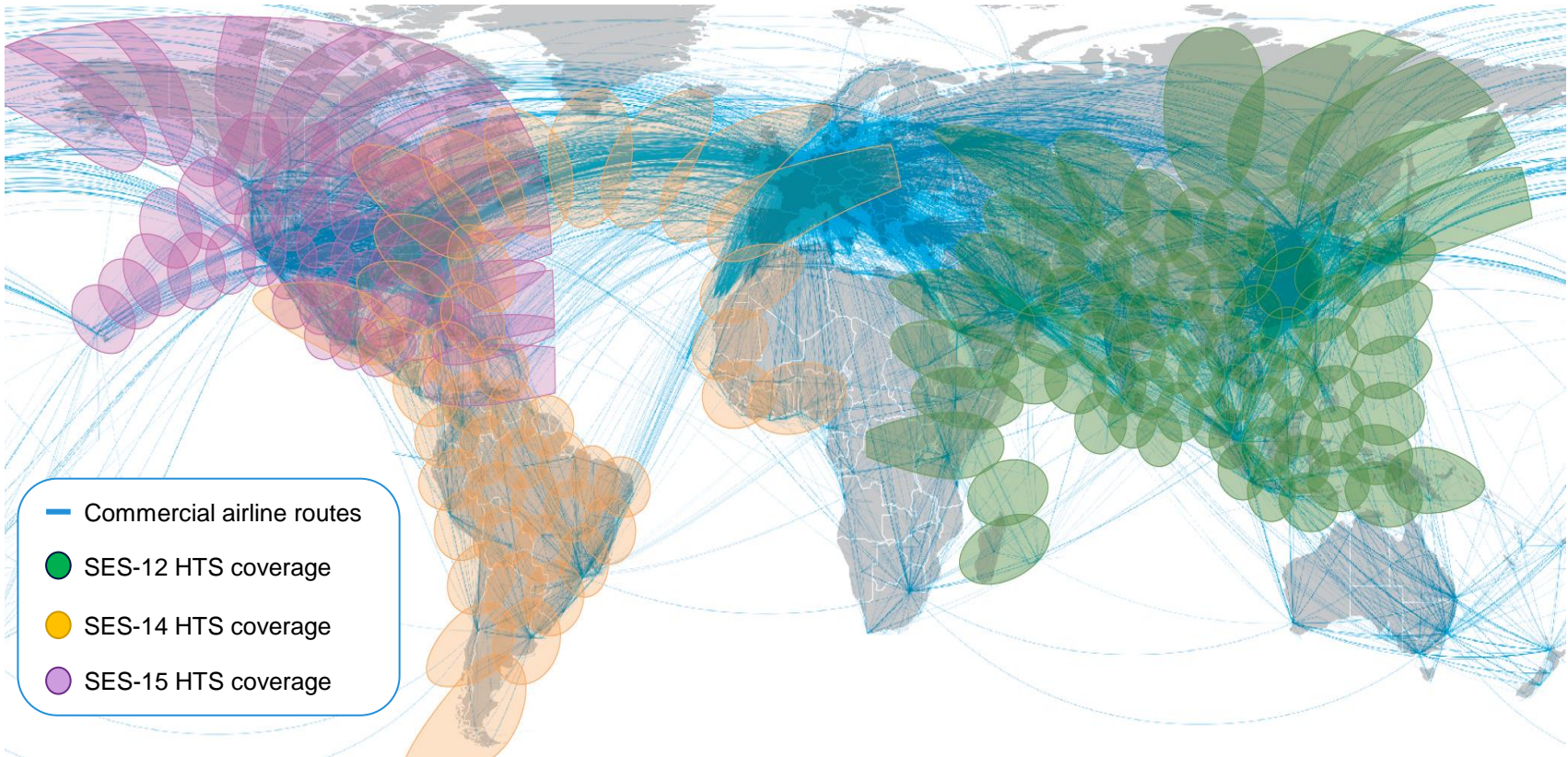


- ▲  : providing a complete solution that brings mobile internet services to Sub-Saharan Africa



- ▲ Expanding future capabilities with flexible and scalable SES GEO and O3b MEO HTS solutions

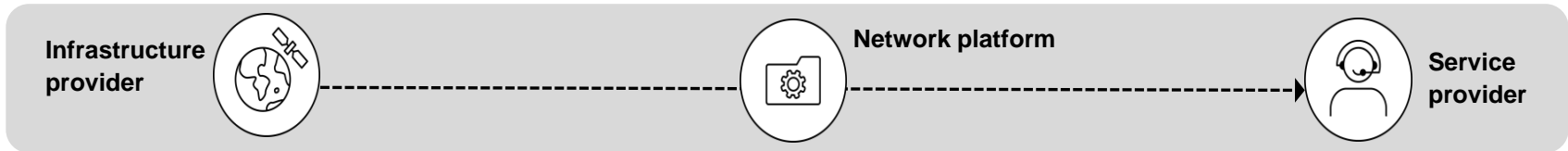
# Superior 'Home-equivalent' Passenger Experiences in the Air







- ▲ Complementing SES's global wide beam GEO network, along with O3b's unique MEO HTS
- ▲ Securing long-term agreements with major global service providers:



# Establishing SES as the 'Partner of Choice' in Aero



	SES-12 (wide beam and HTS)	SES-14 (wide beam and HTS)	SES-15 (wide beam and HTS)	SES-17 (HTS)	SES's existing network
	✓	✓	✓		✓
		✓	✓		✓
		✓	✓		✓
				✓	✓

Major, Long-term commitments with IFC/IFE providers serving ~90% of connected aircraft

- ▲ Multi-layered and multi-band network delivering optimised mobility solutions
- ▲ Complementing existing station-kept and inclined assets with flexible and customised HTS

# Delivering Seamless Maritime Connectivity



## ▲ Delivering the next generation data network for the maritime industry (Maritime+)

- Unique global GEO-MEO capabilities
- Access to multiple spectrum
- Reliable and secure network
- Innovative, customised products/solutions
- 24/7 network operations and services

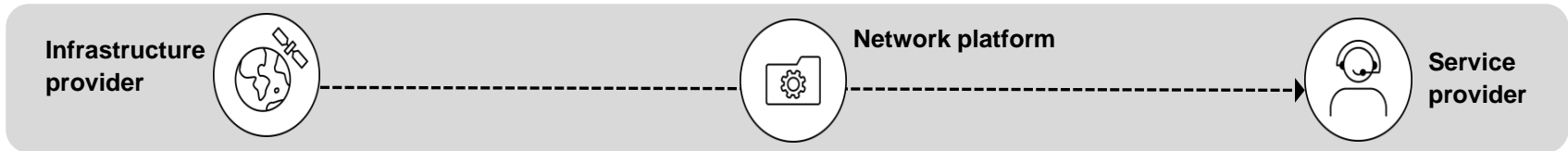
## ▲ O3b changing the cruise industry


- From serving two ships to 11 ships
- From follow the ship to dynamic shared capacity
- From bandwidth only to fully managed solution





# End-to-end Solutions for Global Government Clients

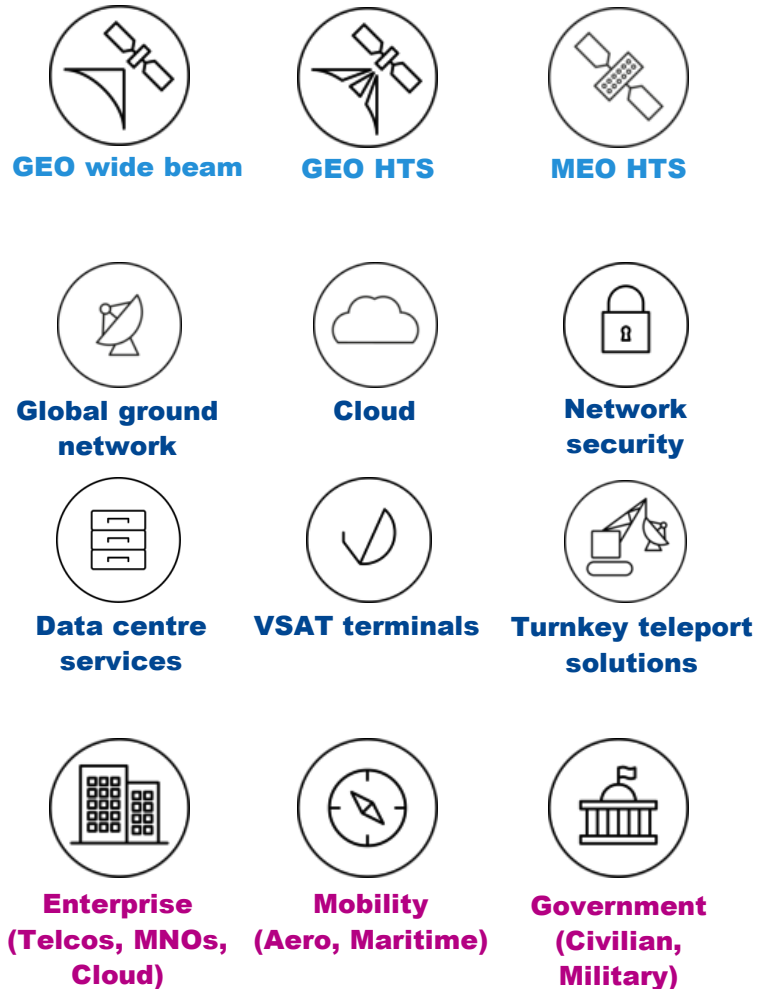


▲  **TROJAN Network** : SES GS's largest ever contract award (potential value of up to USD 285 million)

- From bandwidth-only to customised managed service for U.S. Army Intelligence and Security Command
- SES GS providing access to a global and multi-band end-to-end network via the SES fleet
- SES GS delivering centralised network management and bandwidth management solutions



# Delivering Flexible and Scalable Network Solutions



- ▲ SES well placed to deliver end-to-end network solutions
- ▲ Multi-layered infrastructure (GEO-MEO) with wide beam and HTS capabilities
- ▲ Global coverage with a range of frequencies (C-, Ku-, Ka-, military Ka- and X-band)
- ▲ Supporting service level agreements and requirements
- ▲ Global ground network with innovative cloud/IP-based capabilities

# Expanding Future Satellite Network and Capabilities

	Launch date	Payload type	Incremental txps <sup>(3)</sup>	HTS capacity (GHz)	Launch provider
SES-10	Launched March 2017 (OSD by end-May 2017)	Shaped	27	-	SpaceX
SES-11	H2 2017	Shaped	-	-	SpaceX
SES-12 <sup>(1)</sup>	H2 2017	Shaped/HTS	8	14	Ariane
SES-14 <sup>(1)</sup>	H2 2017	Shaped/HTS	8	12	SpaceX
SES-15 <sup>(1)</sup>	Q2 2017	Shaped/HTS	16	10	Ariane
SES-16/GovSat-1 <sup>(2)</sup>	H2 2017	Fully steerable	68	-	SpaceX
O3b (satellites 13-16)	H1 2018	HTS			
O3b (satellites 17-20)	H2 2019	HTS			
SES-17	2020	HTS			

▲ Expanding global network, with long term anchor customers secured before procurement

1) SES-12, SES-14 and SES-15 will be positioned using electric orbit raising, with entry into service some four to six months after launch date

2) Procured by LuxGovSat

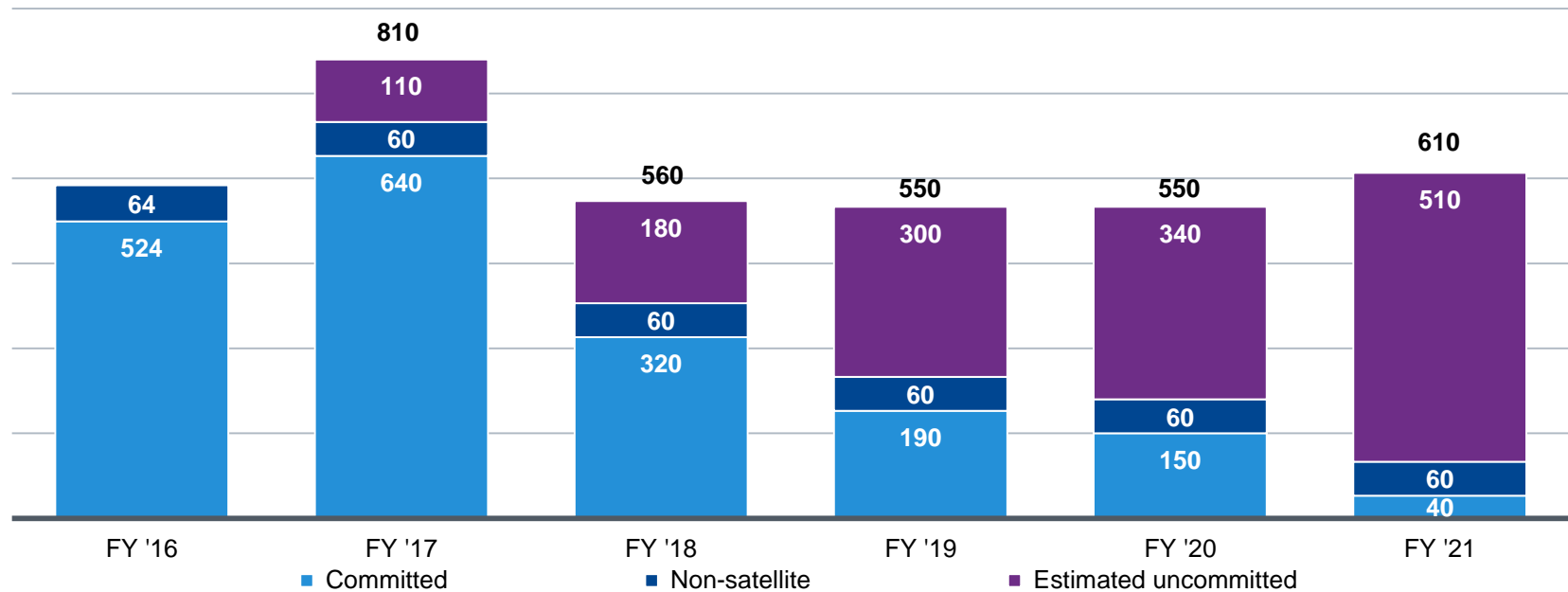
3) 36 MHz equivalent

"OSD" refers to Operational Service Date

# Future Capital Expenditure Profile

## GEO-MEO Capital Expenditure (growth and replacement capacity)<sup>(1)</sup>

EUR million



▲ ~50% of 2017-2021 CapEx is currently uncommitted

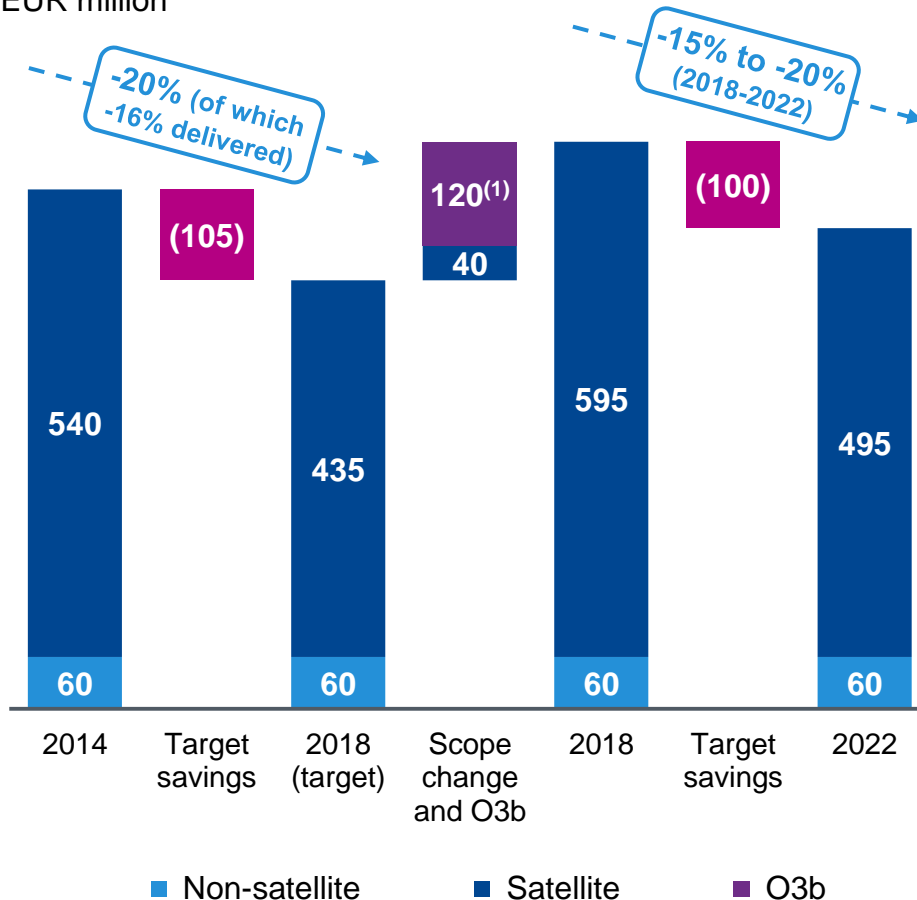
▲ Future CapEx efficiency potential via innovation and unique GEO-MEO combination

1) Including payload, launch, capitalised interest and excluding financial or intangible investments (based on FX rate of EUR 1: USD 1.10)

# Reducing Normalised CapEx; Improving Capital Efficiency

## SES's Normalised CapEx development

EUR million



Economies of scale and design reduce Normalised CapEx by 16% from 2014

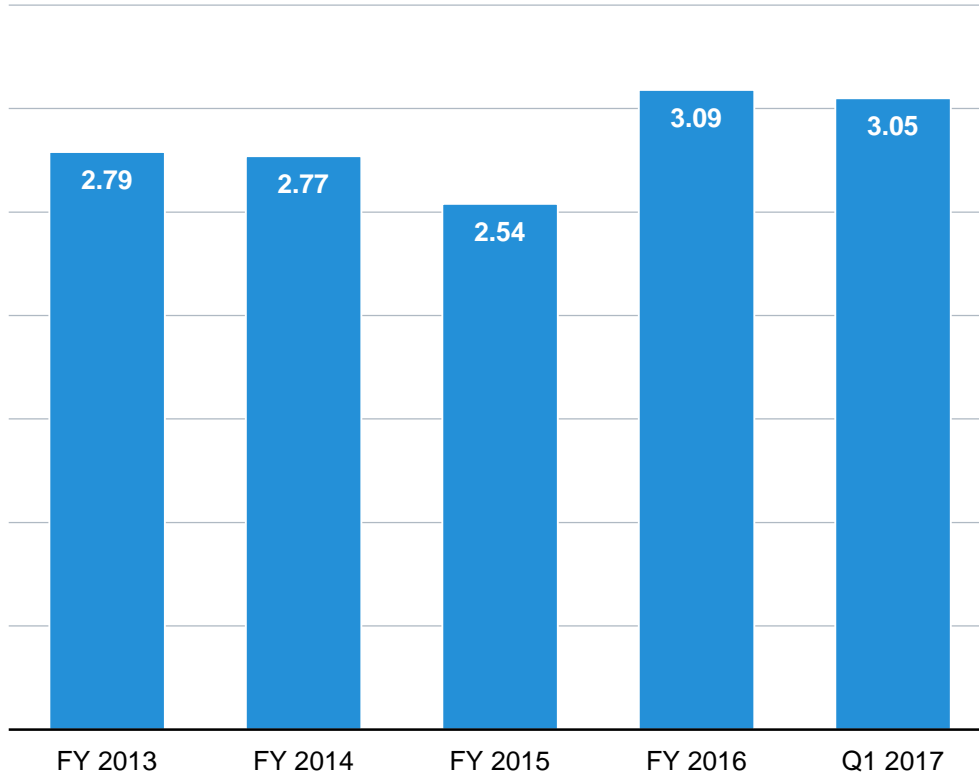
- Primary satellites reduced from 37 to 32
  - Cost per satellite EUR 214 million (-3%)
  - Design life of 15 years (unchanged)
  - Well on track to deliver 20% reduction in Normalised satellite replacement CapEx (2014-2018)
- ▲ Scope change (SES-16 and HTS capacity) and O3b add EUR 160 million
- ▲ Targeting 15%-20% reduction in consolidated Normalised CapEx
- Efficiencies in fleet scale, design and scope synergies (e.g. GEO/MEO)

1) Based on EUR 73 million (USD 80 million) cost per satellite (20-satellite constellation) and assumed design life of 12 years per satellite

# Maintaining SES's Strong Balance Sheet Metrics

## SES's net debt to EBITDA ratio<sup>(1)</sup>

Times



- ▲ Executed growth accelerators within financial framework
- ▲ Net Debt to EBITDA ratio increased following RR Media and O3b consolidation
- ▲ Average interest cost of 3.9%
- ▲ Long-term average debt maturity of around eight years

1) Based on rating agency methodology (hybrid bonds as 50% debt/50% equity) and includes last 12 months EBITDA from O3b and RR Media

# Applying a Consistent Financial Framework



## Separate investing decision from financing decision

- ▲ Target IRRs in excess of 10%
- ▲ Securing anchor customers in advance of procurement
- ▲ Seeding new market opportunities with existing global network/assets
- ▲ Disciplined investment across value chain to deliver customer solutions



## Financing decision to maximise future ROIC

- ▲ Optimising SES's long-term cost of capital and liquidity
- ▲ Retaining flexibility with access to wide range of attractive sources
- ▲ Maintaining net debt to EBITDA ratio below 3.3 times



## Applying consistent use of cash approach

- ▲ Current replacement requirements and committed growth pipeline
- ▲ Maintaining a progressive dividend per share
- ▲ Executing additional growth accelerators within financial framework

- ▲ Driving sustained, profitable growth and long-term returns

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