

# Full Year 2017 Results



Year ended 31 December 2017

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Betzdorf, Luxembourg

23 February 2018

# Agenda

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- ▲ Statement by the Chairman  
Romain Bausch, Chairman
- ▲ FY 2017 Highlights  
Karim Michel Sabbagh, President & CEO
- ▲ SES Video  
Ferdinand Kayser, CEO of SES Video
- ▲ SES Networks  
Steve Collar, CEO of SES Networks
- ▲ Financial Review  
Padraig McCarthy, CFO
- ▲ Looking Forward  
Steve Collar, President & CEO Designate

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## **FY 2017 HIGHLIGHTS**

Karim Michel Sabbagh, President & CEO

## Key Highlights - 2017 an Important Year of Transformation



Credit: NBC Sports Group



- ▲ Establishing two new market-focused businesses (SES Video and SES Networks) in 2017
- ▲ Integrating 2016 acquisitions (O3b and RR Media) and building differentiated capabilities
- ▲ 2017 financial performance did not meet original targets, partly affected by satellite health
- ▲ Five new satellites successfully launched since 1 January 2017, underpinning future growth
- ▲ Adapting business and financial model to support long-term profitability, including new guidance and rebased dividend

# Transforming the Business to Support Strategy and Growth

▲ **Undergoing holistic transformation** to enhance strategy execution and SES's commercial value proposition

**1. Scale and globalise** SES's core activities

**2. Build differentiated capabilities** in Video, Fixed Data, Mobility and Government

**3. Develop a future-proof business** and technology model through innovation

	Drivers	SES actions (since 2014)	Outcome (from 2018)
Video	<ul style="list-style-type: none"> <li>▲ Developed markets maturing</li> <li>▲ Competition from IP distribution</li> <li>▲ Multiple viewing models</li> <li>▲ Increasing value of sports content</li> <li>▲ Demand for added services</li> </ul>	<ul style="list-style-type: none"> <li>▲ Market solutions centres (2015); <b>SES Video</b> (2017)</li> <li>▲ <b>SES-9 and SES-10</b> (2016-17) for International markets</li> <li>▲ <b>MX1</b> (2016) for global video services</li> <li>▲ Expansion of <b>HD and UHD</b> in developed markets</li> <li>▲ Building <b>hybrid solutions</b> (e.g. SAT&gt;IP and HD+)</li> </ul>	<ul style="list-style-type: none"> <li>▲ <b>Resilient revenue stream</b></li> <li>▲ <b>High margin and cash flows</b></li> <li>▲ <b>CapEx efficiency potential</b></li> <li>▲ <b>Improving ROIC</b></li> </ul>
Networks	<ul style="list-style-type: none"> <li>▲ Explosion of data usage/applications</li> <li>▲ Connectivity anytime, anywhere</li> <li>▲ Requirement for higher throughput</li> <li>▲ Demand for lower cost per bit</li> <li>▲ From MHz to managed services</li> </ul>	<ul style="list-style-type: none"> <li>▲ Market solutions centres (2015); <b>SES Networks</b> (2017)</li> <li>▲ <b>SES-12, SES-14 and SES-15</b> (2017-2018) for IFC/IFE</li> <li>▲ <b>SES-16/GovSat-1</b> (2018) for global government</li> <li>▲ Consolidation of <b>O3b</b> (2016) and <b>O3b mPOWER</b> (2021)</li> <li>▲ <b>SES-17</b> (2021) for IFC/IFE</li> </ul>	<ul style="list-style-type: none"> <li>▲ <b>Strong revenue growth</b></li> <li>▲ <b>Lower EBITDA margin</b></li> <li>▲ <b>Flexible, scalable technology</b></li> <li>▲ <b>Improving ROIC</b></li> </ul>

# Aligning Operating Model to Target Markets; and Fit-for-Growth Launched

▲ **Building two market-centric business units** with differentiated capabilities to meet clients' evolving demands



## SES Video

- ▲ Prime video neighbourhoods with access to vast global audience
- ▲ Complementing Video Distribution with global Video Services
- ▲ Accelerating adoption of higher quality formats (HD and UHD)
- ▲ Delivering quality linear/OTT viewing to any device, anywhere



## SES Networks

- ▲ Only multi-orbit, multi-frequency satellite-based services provider
- ▲ Focusing on customers in Fixed Data, Mobility and Government
- ▲ Expanding satellite's role in growing data-centric applications
- ▲ Developing optimised networking products/solutions

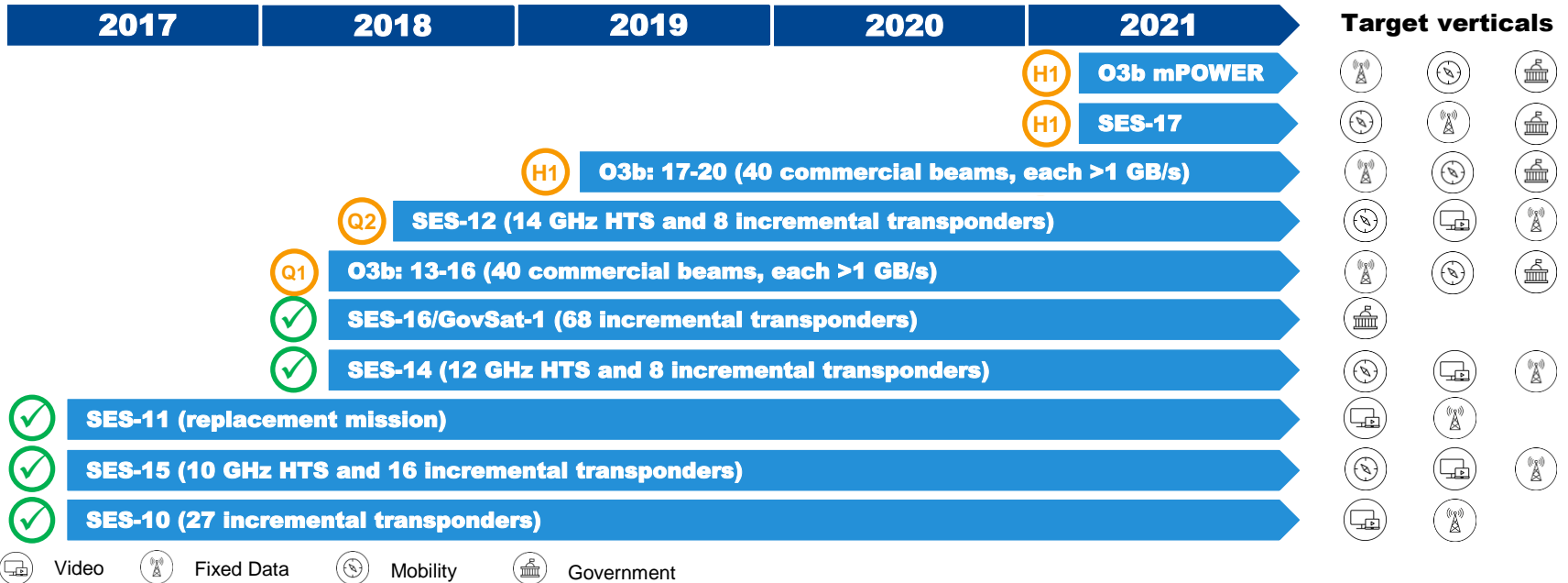


## Company-wide

- ▲ Continuous attention to cost control, profitability and capital efficiency
- ▲ Launching Fit-for-Growth programme (zero-based approach to assigning resources, optimising costs to drive revenue and EBITDA)
- ▲ Driving innovation in space and ecosystems, with global partners, to enhance SES's value proposition and efficiency

# Launching Differentiated Capabilities to Support Future Growth

- ▲ Investing in growth capabilities specifically designed for their target markets, with important customer commitments
- ▲ Five satellites successfully launched since 1 January 2017, further launches planned in 2018, 2019 and 2021



Video
 Fixed Data
 Mobility
 Government

# Financial Highlights

EUR million	2017	2016	
Revenue	2,035.0	2,068.8	▲ Down 1.6% as reported; -5.2% like-for-like <sup>(1)</sup>
EBITDA	1,324.2	1,451.5	▲ EBITDA margin 65.1% (2016: 66.7% <sup>(1)</sup> )
Net profit attributable to SES shareholders	596.1	962.7	▲ Positive income tax (EUR 130.6 million) partly offsetting 2016 O3b gain (EUR 495.2 million)
Free cash flow before financing and acquisitions	760.8	654.6	▲ Up 16.2%, supported by 94.5% cash conversion <sup>(3)</sup> and lower CapEx
Net debt/EBITDA <sup>(2)</sup>	3.27 times	3.09 times	▲ SES intends to strengthen the balance sheet
Proposed Dividend per share	EUR 0.80	EUR 1.34	▲ Rebasing appropriate for SES and will allow a strengthening of the balance sheet whilst supporting growth opportunities and progressive dividend

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

2) Based on rating agency methodology which treats the hybrid bonds as 50% debt and 50% equity

3) Measured as the ratio of net cash generated by operating activities to EBITDA. 2016 cash conversion ratio was 87.8%



## Full Year 2017 and Q4 2017 Revenue Development

EUR million	FY 2017	FY 2016	Change (like-for-like <sup>(1)</sup> )	
			FY 2017 vs. FY 2016	Q4 2017 vs. Q4 2016
<b>SES Video</b>	<b>1,383.0</b>	<b>1,391.6</b>	<b>-3.6%</b>	<b>-3.0%</b>
- <i>Underlying<sup>(2)</sup></i>	1,373.2	1,366.5	-2.4%	-3.4%
- <i>Periodic<sup>(3)</sup></i>	9.8	25.1	n/m	n/m
<b>SES Networks</b>	<b>646.1</b>	<b>627.3</b>	<b>-1.9%</b>	<b>-12.9%</b>
- <i>Underlying<sup>(2)</sup></i>	606.6	588.6	-2.6%	-0.8%
- <i>Periodic<sup>(3)</sup></i>	39.5	38.7	n/m	n/m
Other	5.9	49.9	n/m	n/m
<b>Total</b>	<b>2,035.0</b>	<b>2,068.8</b>	<b>-5.2%</b>	<b>-8.7%</b>

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

2) "Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This is impacted by changes in launch schedule and satellite health status

3) "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends on a quarterly basis. This includes: the outright sale of capacity; accelerated revenue from hosted payloads during the course of construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material

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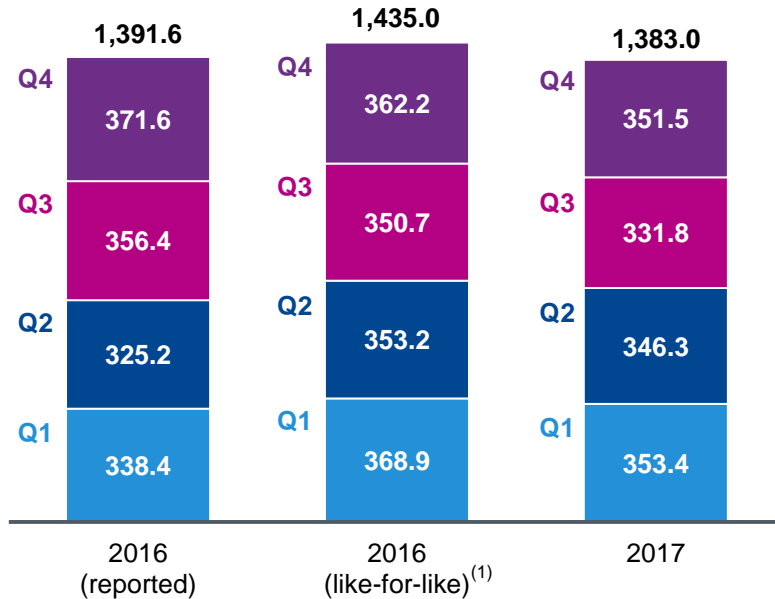
## SES VIDEO

Ferdinand Kayser, CEO of SES Video

# SES Video - Key Highlights

## SES Video revenue

EUR million



- ▲ FY 2017 revenue -3.6%<sup>(1)</sup> to EUR 1,383.0 million
  - Q4 2017 revenue of EUR 351.5 million (-3.0%<sup>(1)</sup> YOY)
  - FY and Q4 underlying development impacted by changes in satellite health and non-renewal of legacy MX1 services
- ▲ Total TV channels +2% (YOY) to 7,709 TV channels
  - Including +4% (YOY) expansion of HDTV channels across Europe, North America and International
  - Total TV channels (including HDTV) +8% (YOY) across the International markets
- ▲ Contract backlog of EUR 5.3 billion, with more than 85% of 2018 expected revenue already committed

1) At constant FX and assuming RR Media had been consolidated on 1 January 2016

# Commercial Activity Underpins Resilience of SES Video's Value Proposition

## ▲ **Delivering distribution and video services**, supporting content anytime, and on any screen



▲ Important long-term renewal of seven transponders to serve German audiences



▲ Extending partnership in U.S. for cable clients and Romania to support Orange



▲ Multi-year agreement to broadcast 40 pay-TV channels in Ukraine



▲ Ten-year agreement for additional capacity to launch new UHD channel in Germany

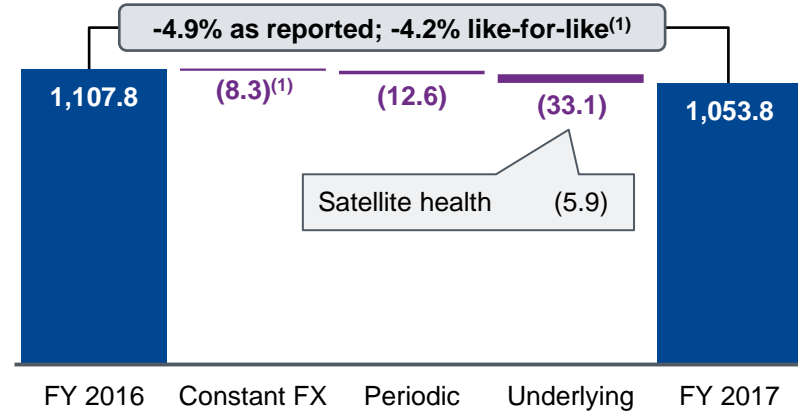


▲ MX1 global, multi-year content aggregation and distribution over satellite and IPTV

# Video Distribution – Resilient Revenue and Strong Cash Flow

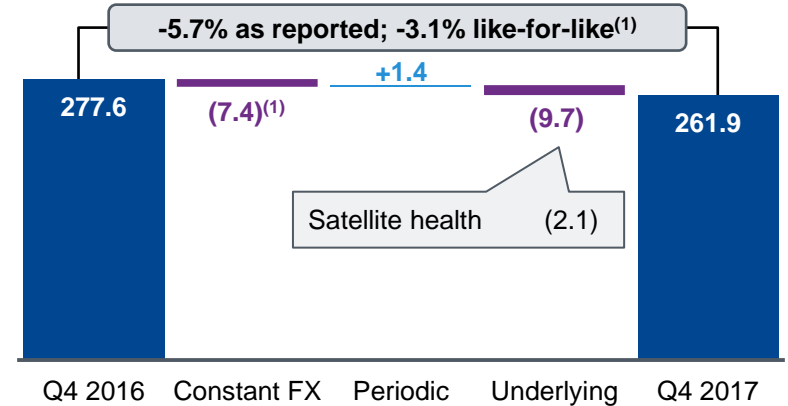
## Video Distribution revenue walk (FY 2017)

EUR million



## Video Distribution revenue walk (Q4 2017)

EUR million



▲ Video distribution represents revenue from capacity leased for the distribution of video content (DTH, DTC and IPTV)

▲ Q4 2017 underlying -3.6% (YOY) including impact of satellite health

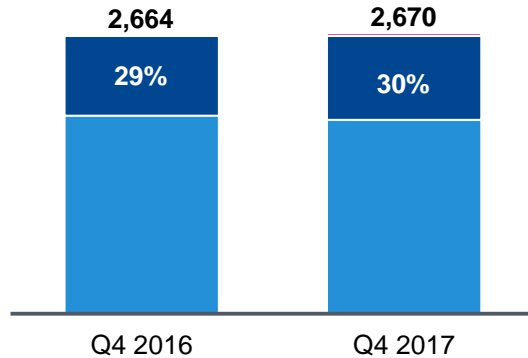
- European broadcast stable year-on-year; small decline in North America due to modest volume reductions and lower occasional use
- International revenue reflected the combination of lower volume following loss of AMC-9 and a gradual ramp-up of new capacity

1) At constant FX

# Total TV Channels Growing 2% (YOY); HDTV Channels Up 4% (YOY)

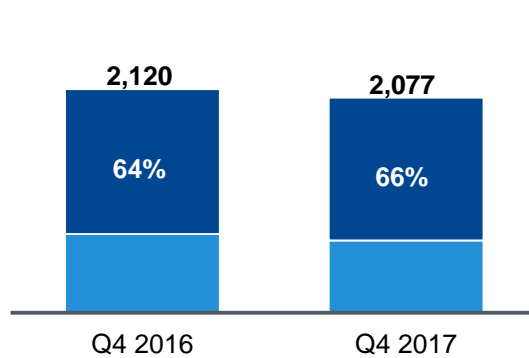
## Europe

Number of TV channels<sup>(1)</sup>



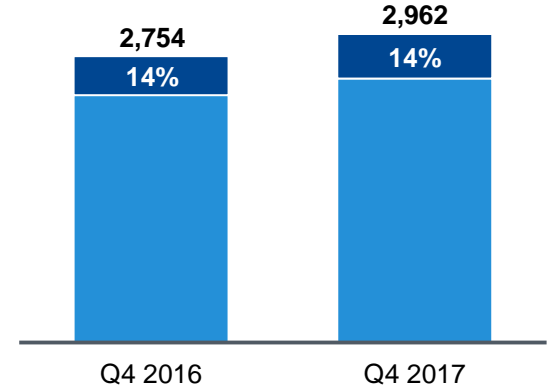
## North America

Number of TV channels<sup>(1)</sup>



## International

Number of TV channels<sup>(1)</sup>



■ SD (~3 MHz/channel in MPEG-2)

■ HD (~6 MHz/channel in MPEG-4)

■ UHD (~12 MHz/channel in HEVC)

▲ SES broadcasting 7,709 TV channels (+2% YOY) globally to 325 million households

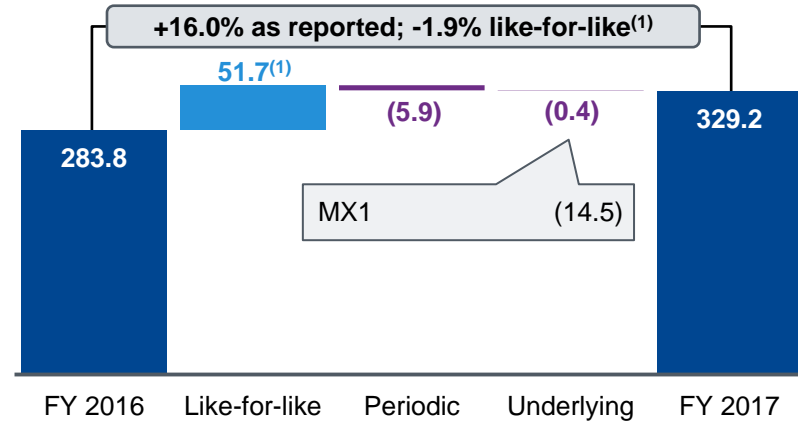
- Expanding HDTV (+4% YOY to 2,602 HD channels) and commercial UHD (+33% YOY to 28 UHD channels)
- 65.0% of total channels now broadcast in MPEG-4 (Q4 2016: 61.4%)

1) Source: Lyngsat

# Video Services - Global Video Services Add to SES's Value Proposition

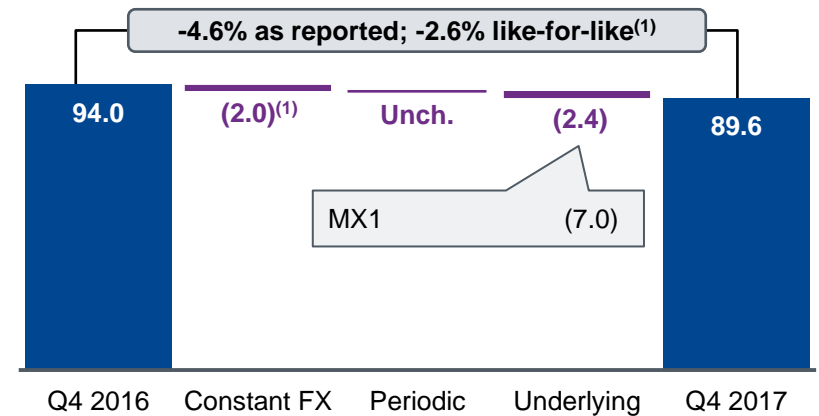
## Video Services revenue walk (FY 2017)

EUR million



## Video Services revenue walk (Q4 2017)

EUR million



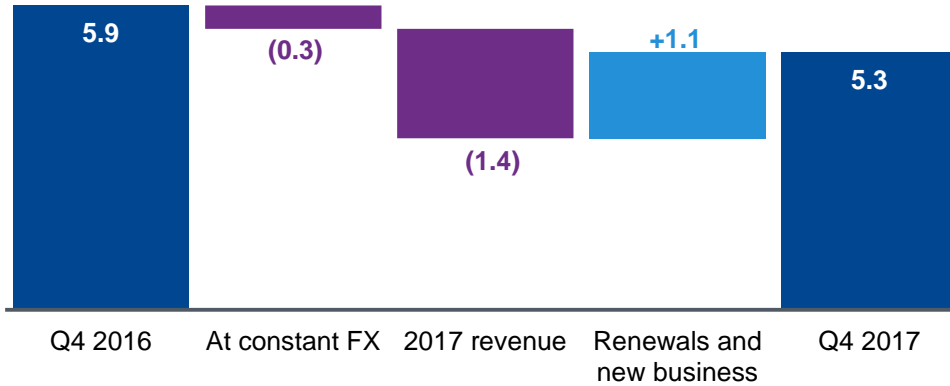
- ▲ Video services represents revenue from MX1 (including “pull through”) and HD+ platform revenue
- ▲ Q4 2017 underlying -2.6% including lower MX1 revenue as legacy services not renewed
  - Slight sequential improvement in MX1 from Q3 2017 to Q4 2017 due to new business wins for linear and OTT services (e.g. eoTV)
  - Growth in HD+ from increased annual subscription fee and new premium Eurosport package; total of 2.1 million paying subscribers

1) At constant FX and assuming RR Media had been consolidated on 1 January 2016

# Strong Contract Base Underpinning Long-term Resilience of Video

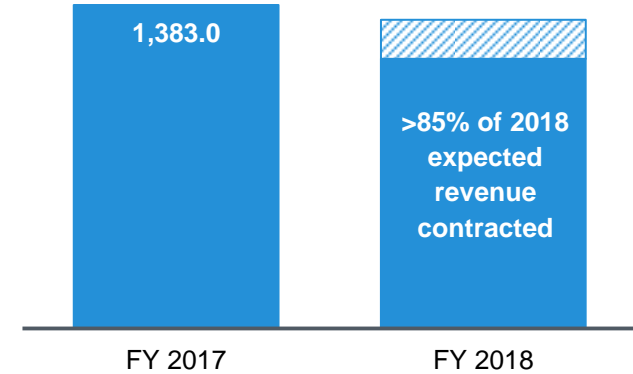
## SES Video contract backlog

EUR billion



## SES Video revenue

EUR million



- ▲ EUR 1.1 billion of renewals and new business secured during 2017
- ▲ Strong contract backlog underpinning revenue visibility with over 85% of 2018 expected revenue already committed
- ▲ Weighted average contract length in Video remains around 10 years



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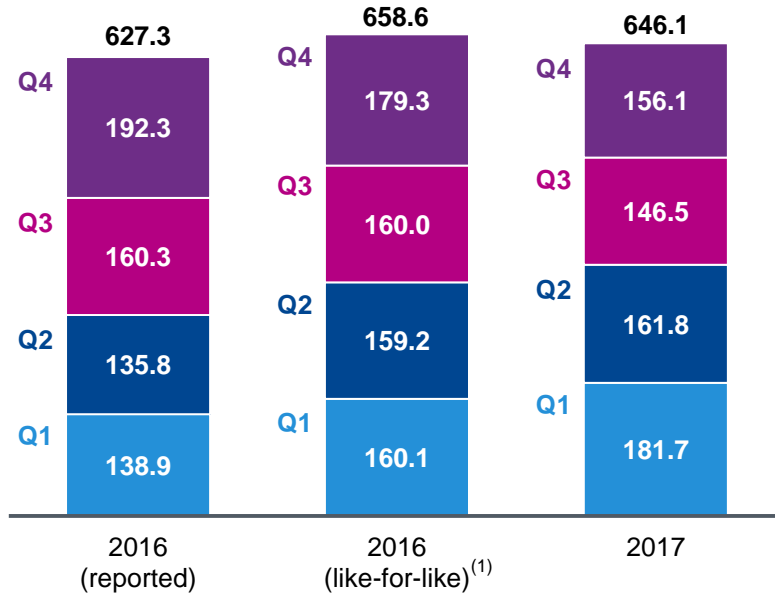
## SES NETWORKS

Steve Collar, CEO of SES Networks

# Key Highlights - SES Networks

## SES Networks revenue





EUR million



- ▲ Full year 2017 revenue -1.9%<sup>(1)</sup> (YOY)
  - Growing revenue from managed end-to-end services
  - Negatively impacted by AMC-9 loss and transitioning from legacy wholesale fixed data networks
- ▲ Q4 2017 down 12.9%<sup>(1)</sup> (YOY), reflecting transponder sale to Global Eagle in Q4 2016
  - Underlying -0.9%<sup>(1)</sup> (YOY) including impact of satellite health
  - Annualised value of new business/renewals in Q4 2017 at around two times the level of Q2 2017
- ▲ Building positive momentum with SES-15 now in service and SES-16/GovSat-1
  - SES-14, SES-12 and next four O3b satellites during 2018
- ▲ Contract backlog of EUR 2.3 billion, with over 75% of 2018 expected revenue already committed

1) At constant FX and assuming O3b had been consolidated on 1 January 2016

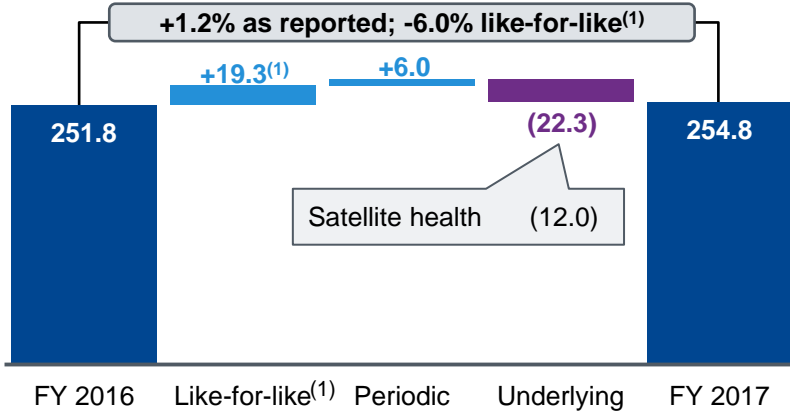
# Building Momentum and Delivering on SES Networks Strategy

 <b>FIXED DATA</b>	 <b>MOBILITY</b>	 <b>GOVERNMENT</b>
 <p>Multi-year, multi-gigabit core connectivity IP transit and EPL services for Cuba</p>	 <p>Major increase in commitment to SES-15 Premier Americas satellite for Aero ASPs</p>	 <p>US DoD now committed to &gt; 5Gbps managed MEO capability across 18 sites</p>
  <p>Enabling Digi to extend its cellular network to the far reaches of Malaysia</p>	 <p>Reinforcing No.1 position in cruise via partnership with Carnival on MedallionNet™</p>	 <p>Revolutionizing Pan African Peace-Keeping operations across 10 locations</p>

# Fixed Data - Growth in Managed Services Driving Revenue Stabilisation

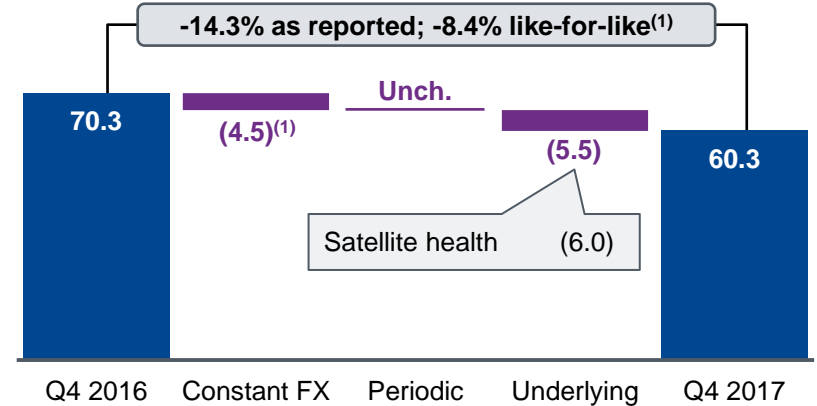
## Fixed Data revenue walk (FY 2017)

EUR million



## Fixed Data revenue walk (Q4 2017)

EUR million



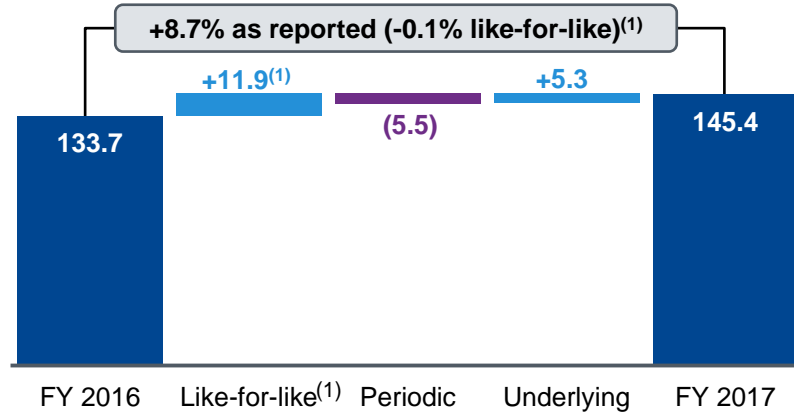
- ▲ Revenue development impacted by loss of AMC-9 and lowering of wholesale capacity across most International markets (notably MENA)
- ▲ Growth in new managed services across most International markets for MEO and GEO-MEO capabilities
- ▲ Increase in business momentum supporting sequential growth of 10.7% from Q3 2017 to Q4 2017 (at constant FX)

1) At constant FX and assuming O3b had been consolidated on 1 January 2016

# Mobility - Underlying Revenue Growing in Aeronautical and Maritime

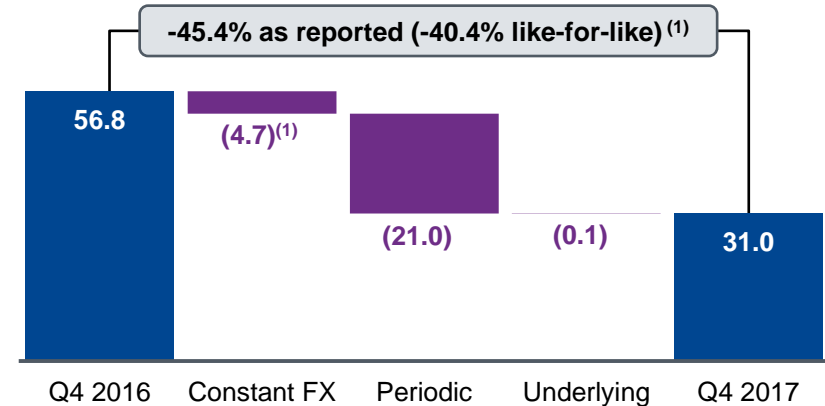
## Mobility revenue walk (FY 2017)

EUR million



## Mobility revenue walk (Q4 2017)

EUR million



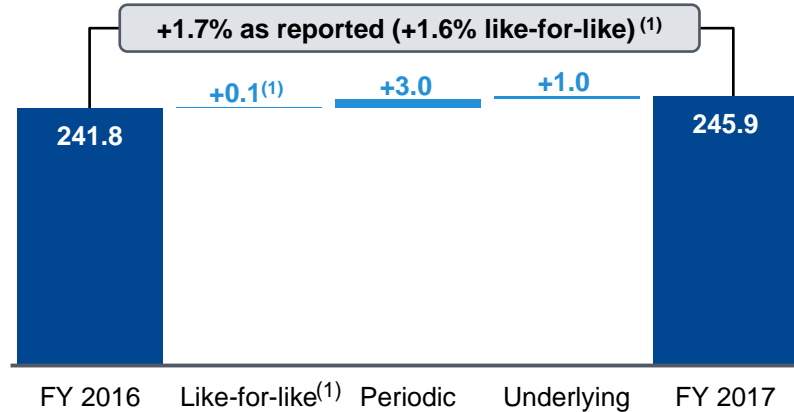
- ▲ Important up-front (periodic) contribution from Global Eagle Entertainment in Q4 2016 and then Q1 2017
- ▲ Underlying business driven by growth in aeronautical and cruise, offset by higher revenue related to services provided in cruise in 2016
- ▲ Increase in business momentum, notably cruise, supporting sequential growth of 2.4% from Q3 2017 to Q4 2017 (at constant FX)

1) At constant FX and assuming O3b had been consolidated on 1 January 2016

# Government - Growing in Both U.S. and Global Government

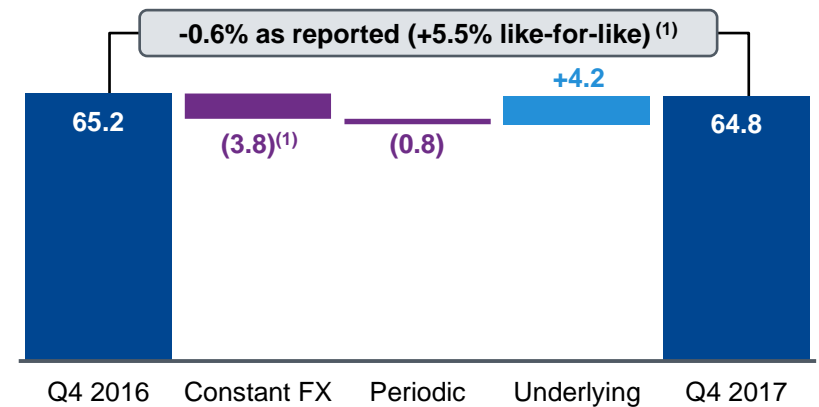
## Government revenue walk (FY 2017)

EUR million



## Government revenue walk (Q4 2017)

EUR million



- ▲ New MEO contracts and stabilisation of existing business supporting return to growth in U.S. Government business
- ▲ Strong growth in global government revenue from new services commenced in 2017 (e.g. NATO AGS)
- ▲ Increase in business momentum, supporting sequential growth of 6.9% from Q3 2017 to Q4 2017 (at constant FX)

1) At constant FX and assuming O3b had been consolidated on 1 January 2016

# Transforming Business to Capture Exponential Networks Demand

## Building

### ... resourcing and implementing differentiated data services

- ▲ First satellite-enabled services provider to achieve MEF CE 2.0 Services Certification
- ▲ Establishing dedicated teams focused on specific market segments (e.g. SES Global Government)
- ▲ Increasing commercial headcount, adding customer insight from target markets/verticals

## Adapting

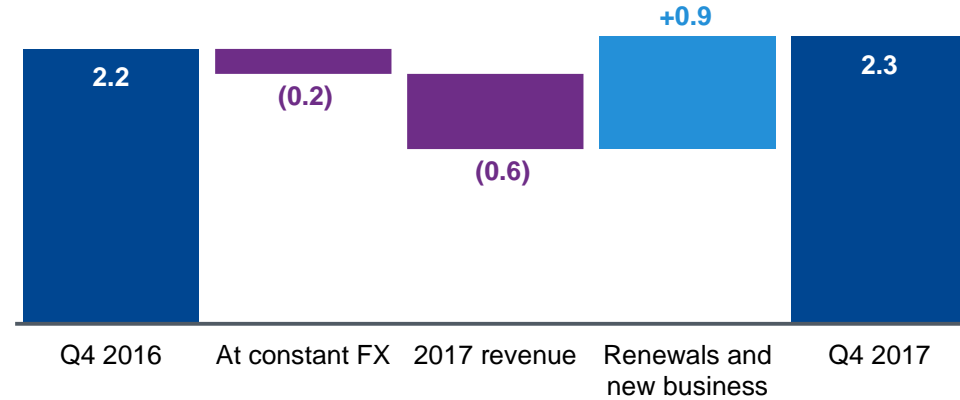
### ... business model to increase customer intimacy, stickiness and long-term value

- ▲ Expanding value proposition from MHz to managed services
- ▲ Customer engagement longer with time to contract increased from 3-6 months to 1-2 years
- ▲ Combination of managed services with bandwidth requires additional lead time and up-front OpEx

# Building Momentum in Networks Contract Pipeline

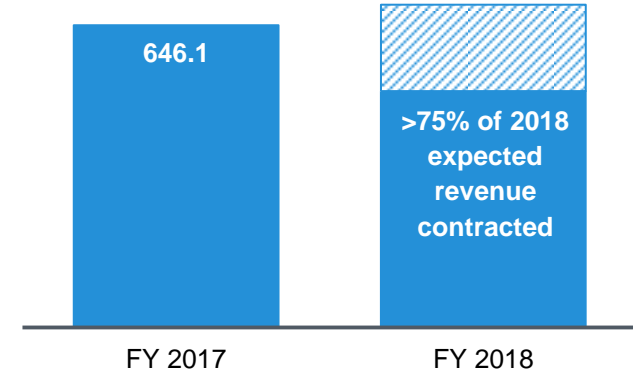
## SES Networks contract backlog

EUR billion



## SES Networks revenue

EUR million



- ▲ EUR 0.9 billion of renewals and new business secured during 2017
- ▲ Building momentum across SES Networks with annualised value of Q4 2017 new business/renewals doubled vs. each of first three quarters
- ▲ Over 75% of 2018 expected revenue already committed



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## FINANCIAL REVIEW

Padraig McCarthy, CFO

# Financial Highlights

EUR million	2017	2016	Change (YOY)	
			Reported	Like-for-like <sup>(1)</sup>
Revenue	2,035.0	2,068.8	-1.6%	-5.2%
EBITDA - EBITDA margin (like-for-like) <sup>(1)</sup>	1,324.2 65.1%	1,451.5 66.7%	-8.8%	-7.6%
Operating profit - Operating profit margin (like-for-like) <sup>(1)</sup>	610.6 30.0% <sup>(2)</sup>	820.3 33.2%	-25.6%	-14.4%
Net profit attributable to SES shareholders	596.1	962.7	-38.1%	n/a
Net cash generated by operating activities	1,251.2	1,274.1	-1.8%	n/a
Free cash flow before financing and acquisitions	760.8	654.6	+16.2%	n/a
Net debt/EBITDA <sup>(3)</sup>	3.27 times	3.09 times		
Contract backlog	EUR 7.5 billion	EUR 8.1 billion		

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

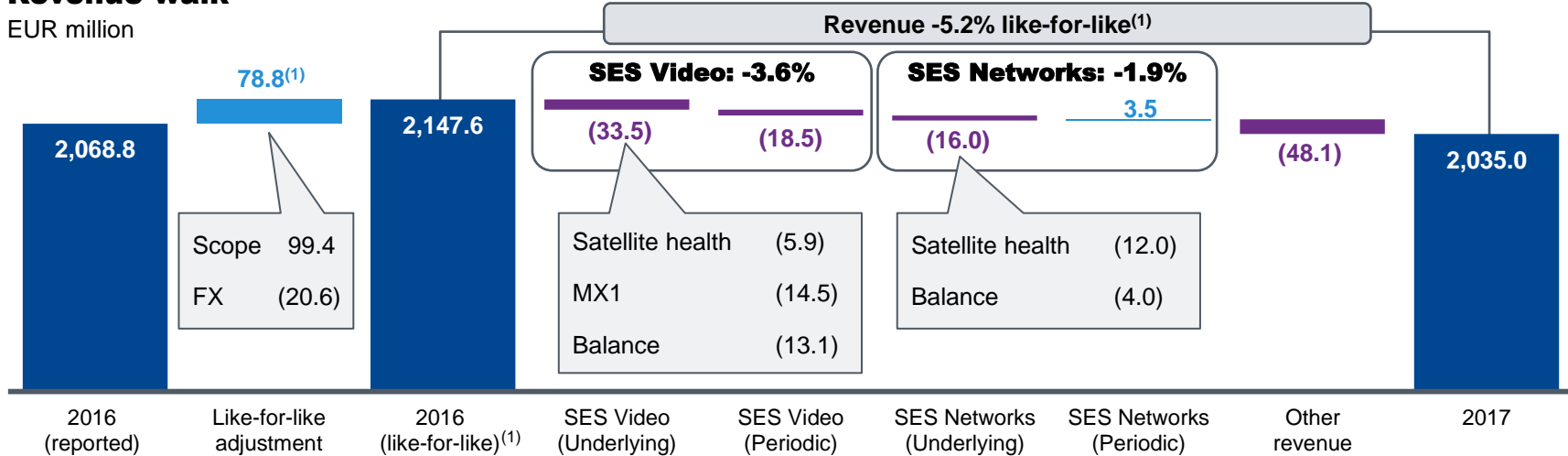
2) Included one-off impairment charge of EUR 38.4 million against AMC-9 in Q2 2017. Excluding this item 2017 operating profit margin was 31.9%

3) Based on rating agency methodology (hybrid bonds treated as 50% debt and 50% equity)

# Revenue Down 1.6% as Reported (-5.2% like-for-like)

## Revenue walk

EUR million



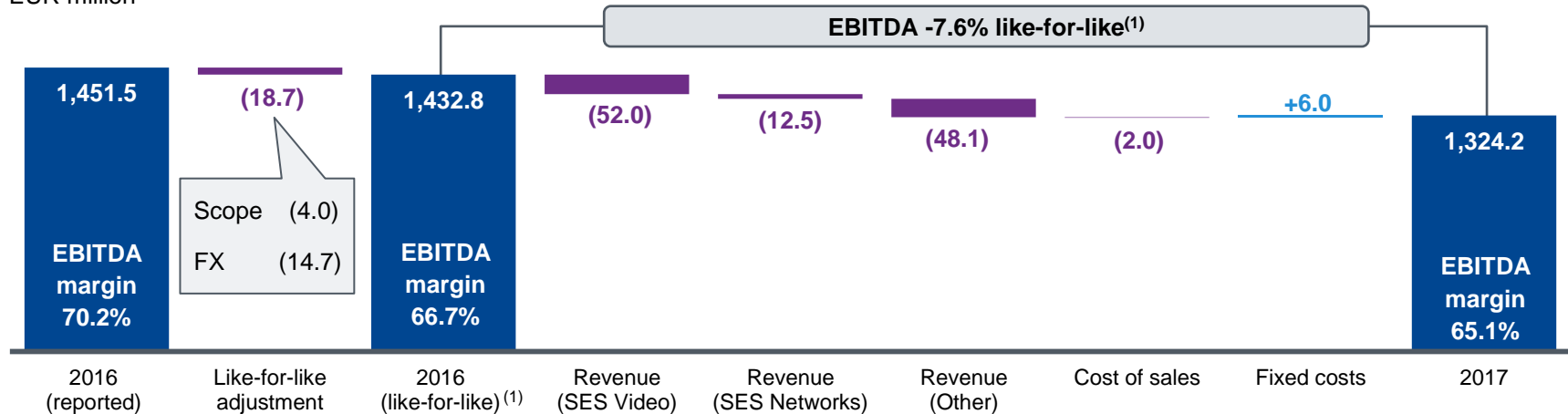
- ▲ Other revenue of EUR 5.9 million in 2017 (2016: EUR 54.0 million), in line with expected normalised run-rate
- ▲ Underlying revenue represents core business of capacity sales, as well as associated services and equipment
- ▲ O3b performance on target and underpinning execution of SES Networks strategy
- ▲ IFRS 15 implementation expected to reduce HD+ revenue by EUR 15-20 million in 2018; no cash impact on the business

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

# EBITDA of EUR 1,324.2 million (2016: EUR 1,451.5 million)

## EBITDA walk

EUR million



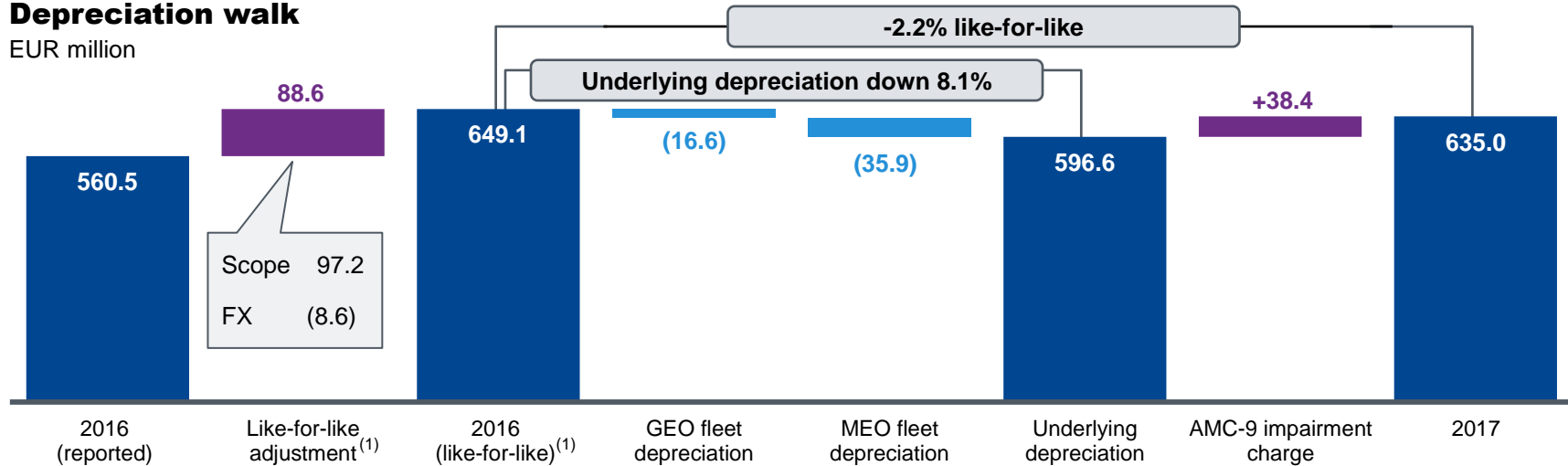
- ▲ Operating expenses reduced (like-for-like) as lower fixed costs more than offset increase in variable cost of sales
- ▲ Launching Fit-For-Growth programme to optimise cost efficiency and support future business growth, EUR 10-12 million restructuring provision expected in Q1 2018 to fund planned measures
- ▲ Implementation of IFRS 16 from 2018 will reduce OpEx with small increase in annual depreciation

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

# Like-for-like Depreciation down 2.2% (+13.3% as reported)

## Depreciation walk

EUR million



- ▲ Amortisation expense of EUR 78.6 million (2016: EUR 70.7 million as reported and EUR 70.3 million like-for-like<sup>(1)</sup>)
- ▲ Reported operating profit EUR 610.6 million (2016<sup>(2)</sup>: EUR 820.3 million as reported and EUR 713.5 million like-for-like<sup>(1)</sup>)
- ▲ Operating profit margin at 30.0% including AMC-9 impairment charge in Q2 2017 (2016 like-for-like<sup>(1,2)</sup>: 33.2%)

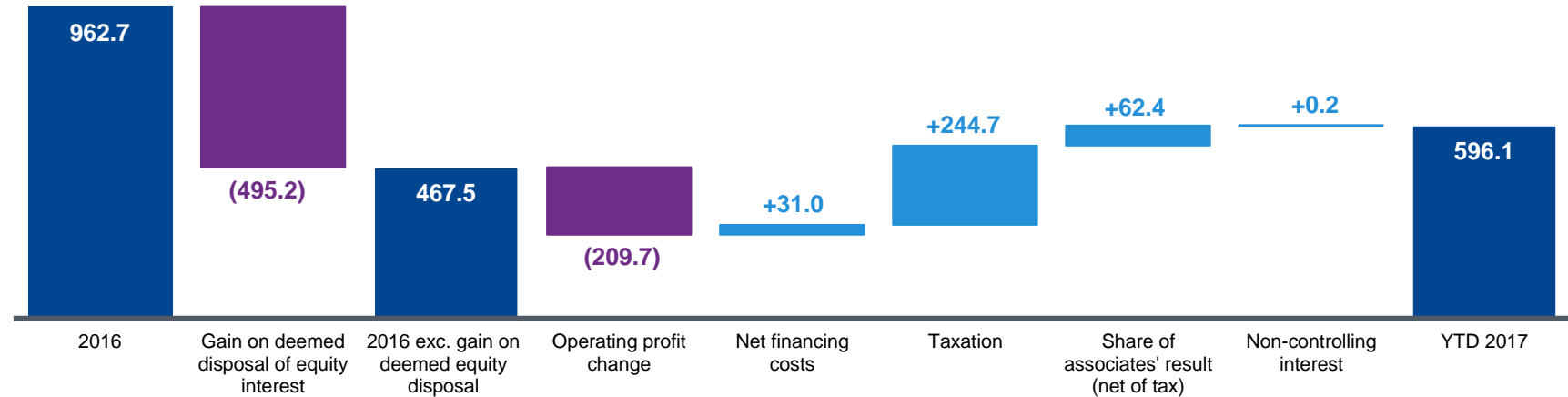
1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

2) Operating profit before gain on deemed disposal of equity interest (EUR 495.2 million) in 2016

# Net Profit of EUR 596.1 million (2016: EUR 962.7 million)

## Net Profit Attributable to SES Shareholders

EUR million



- ▲ Net financing 17.7% lower due to lower same scope net interest, higher capitalised interest and synergies from O3b refinancing in H2 2016
- ▲ Positive impact of U.S. tax reforms led to one-off accounting gain of EUR 94.4 million in Q4 2017, in addition to other positive contributions
- ▲ Share of associates' result nil for 2017 following O3b consolidation which resulted in EUR 495.2 million gain in Q3 2016

## Favourable Tax Outcomes Driving Positive Contribution in 2017

### Tax income/(expense)

EUR million

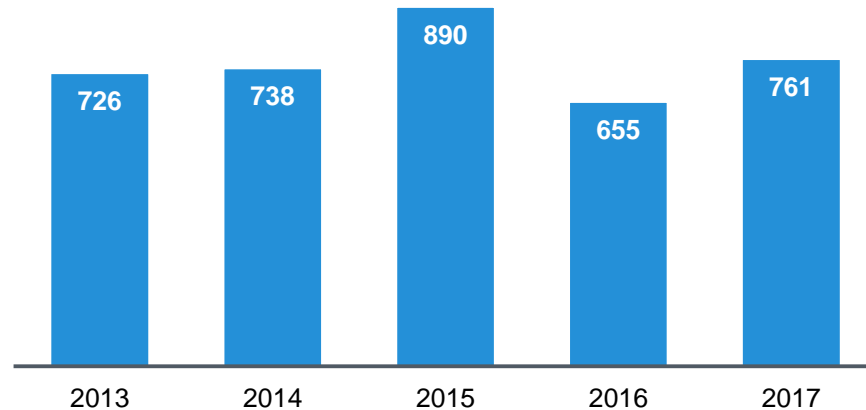
	2017	2016
Underlying tax expense	(95.4)	(114.1)
Reduction in U.S. deferred tax liabilities	94.4	--
U.S. tax credits	56.7	--
Recognition of tax asset in relation to withholding tax in Latin America	51.1	--
Other one-off items	23.8	--
<b>Tax income/(expense) as reported</b>	<b>130.6</b>	<b>(114.1)</b>

- ▲ Successful outcome in Latin America recognised tax asset and reduces future annual cash tax by EUR 12-15 million in this market
- ▲ Normalised effective tax rate of 20.4% (2016: 17.7%)
- ▲ Positive future impact of changes in U.S. tax legislation, reducing annual effective tax rate by around 1%

# Free Cash Flow Before Financing and Acquisitions Up 16.2%

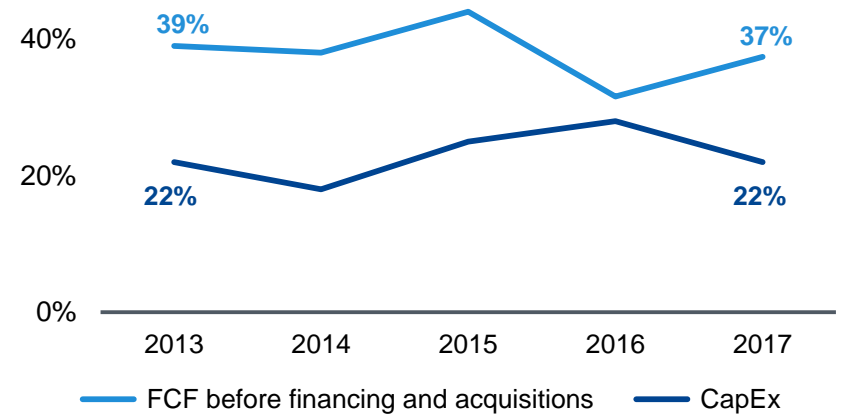
## Free Cash Flow before Financing and Acquisitions

EUR million



## Free cash flow and CapEx development

As a % of group revenue



- ▲ Net cash flow generated by operating activities (NOCF) of EUR 1,251.2 million (2016: EUR 1,274.1 million)
- ▲ 2017 cash conversion (ratio of NOCF to group EBITDA) of 94.5% (2016: 87.8%)
- ▲ FCF includes lower net cash absorbed by investing activities of EUR 490.4 million (2016: EUR 619.5 million)

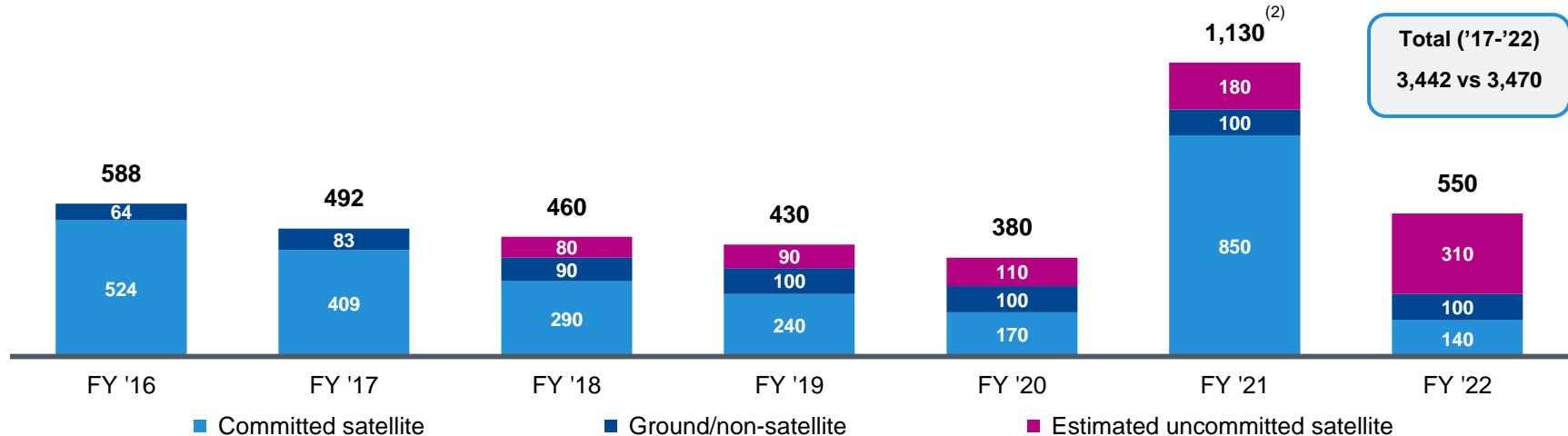


# Investing in Future Growth Capabilities

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

EUR million

FY '17 (27 Oct '17)	630	430	430	430	980	570
(Reduction) / Increase	(138)	+30	-	(50)	+150	(20)



1) Cash CapEx including payload, launcher, capitalised interest and excluding financial or intangible investments (based on EUR/USD FX rate of 1.15 as of FY '18). CapEx includes capitalised interest as follows: 2017: EUR 47 million, 2018: EUR 35 million, 2019: EUR 15 million, 2020: EUR 20 million, 2021: EUR 50 million and 2022: EUR 25 million

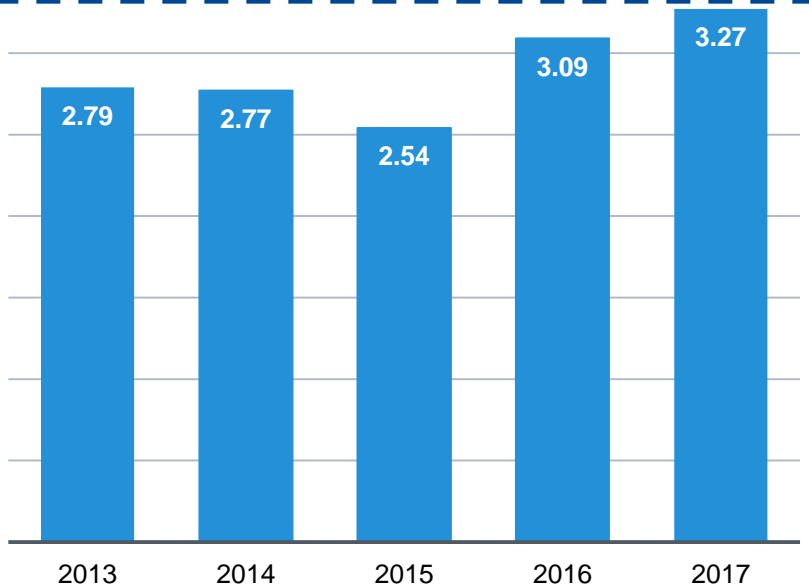
2) Includes O3b mPOWER, for which SES has the right to acquire the satellites directly at the end of the construction period (shown above as base case assumption), or enter into a leasing agreement that would result in a deferred payment plan, or to direct the sale of these assets to a third party

# Focusing on Strengthening the Balance Sheet

## Net debt to EBITDA

Times (including 50% of hybrid bonds)

**SES threshold target: 3.3x**



- ▲ Net debt reduced by 4.2% to EUR 3,678.3 million
  - Weighted average interest rate<sup>(1)</sup> 3.66% (2016: 3.87%)
  - Weighted average debt maturity 7.0 years (2016: 7.8 years)
- ▲ Additional EUR 1.3 billion of hybrid bonds at average coupon of 5.05%
  - SES Net debt to EBITDA calculation adopts rating agency approach which treats the hybrid bonds as 50% debt and 50% equity
- ▲ BBB/Baa2 rating (stable outlook) re-affirmed
- ▲ SES intends to strengthen balance sheet
  - Whilst supporting growth opportunities

*1) Excluding loan origination costs, commitment fees and hybrid bonds*

## Outlook - Completing Transformation and Executing Business Plan

	2017 as reported	2017	2018	2020
Average EUR/USD FX rate	1.1249	1.15	1.15	1.15
SES Video	EUR 1,383 million	EUR 1,373.7 million	EUR 1,300 - 1,320 million	Over EUR 1,350 million
SES Networks	EUR 646 million	EUR 632.0 million	EUR 660 - 690 million	Over EUR 875 million
Group EBITDA margin	65.1%	65.1%	64.0% to 64.5%	Over 65.0%

- ▲ SES Video expected to decline in 2018 with revenue flat to slight growth thereafter
- ▲ New business driving SES Networks' return to growth in 2018 and revenue acceleration into 2020
- ▲ EBITDA margin initially lower before recovering into 2020
- ▲ Financial outlook assumes EUR/USD exchange rate of 1.15; nominal launch schedule and satellite health status; and includes the impact of IFRS accounting changes

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## LOOKING FORWARD

Steve Collar, President & CEO Designate

## Well Placed to Serve Our Customers



### Global and scalable business

- ▲ Fleet covers **99%** of the world with 99.99% reliability
- ▲ Only multi-orbit, multi-frequency satellite-enabled services provider
- ▲ Extensive global terrestrial network and partnerships



### Differentiated capabilities in Video, Fixed Data, Mobility and Government

- ▲ Prime video neighbourhoods with access to **325 million** households
- ▲ Unique GEO-MEO network providing high-throughput, low latency connectivity
- ▲ Value-added end-to-end solutions for video and networks clients



### Future-proof business and technology model

- ▲ **Five** satellites launched since January 2017, with SES-12 launch in Q2 2018
- ▲ Expanding O3b fleet in 2018/2019, which is now reaching peak capacity in some regions
- ▲ Launching O3b mPOWER and SES-17 in 2021, expanding addressable market

# Strategy and Organisation Now in Place to Support Execution



**Strategy in place**



**Transformation to new Operating model**



**Priority now is Execution**

## SES's Financial Model

- ▲ **SES Video highly profitable and resilient**
- ▲ **Revenue growth driven by SES Networks**
  - Lower EBITDA margin driven by delivery of end-to-end solutions and additional headcount
  - EBITDA margin improving with scale, operational leverage and fixed-cost efficiencies
- ▲ **Increasing capital efficiency/productivity**
  - Supporting improved EBIT and ROIC
- ▲ **Strengthening balance sheet to support growth commitments**

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