SES

Press release

First Quarter 2020 Results

"A solid quarter in line with expectations"

Luxembourg, 7 May 2020 -- SES S.A. announced solid financial results for the first three months ended 31 March 2020 with performance in line with the company's expectations and strong underlying revenue growth in SES Networks. The business has seen limited impact to date from the COVID-19 global pandemic but given the unprecedented impact on the global economy and on certain industry segments that the company serves, SES has proactively implemented a series of measures to mitigate the headwinds to be faced in 2020.

Key highlights

- Reported revenue of EUR 478.9 million, in line with prior period on a reported basis (down 1.9% at constant FX[(1)])
- Underlying revenue[(2)] of EUR 470.8 million; down 2.2%[(1)] (Video: -7.8%[(1,2)] and Networks +7.7%[(1,2)])
- EBITDA of EUR 284.7 million representing a margin of 59.5% (Q1 2019: 60.4%); 60.1% excluding restructuring charge (Q1 2019: 62.1%)
- Net profit attributable to SES shareholders of EUR 50.8 million (Q1 2019: EUR 72.2 million)
- Net debt to EBITDA[(3)] of 3.32x was lower than 2019 (Q1 2019: 3.40x). Strong cash and liquidity position and no refinancing needs until 2021
- 85% of FY 2020 expected revenue is now already contracted. No update to financial outlook given early phase of COVID-19 headwinds
- Substantial COVID-19 mitigation measures proactively taken including significant savings in 2020 discretionary spending targeting mid-double-digit millions and a reduction in capital expenditure of EUR 180 million over the period 2020-2024

			Change (%)	
EUR million	**Q1 2020**	**Q1 2019**	**Reported**	**Constant FX**
Average EUR/USD exchange rate	***1.109***	*1.145*		
Revenue	**478.9**	480.6	-0.4%	-1.9%
EBITDA	**284.7**	290.1	-1.9%	-3.3%
Operating profit	**104.3**	113.2	-7.9%	-8.5%
Net profit attributable to SES shareholders	**50.8**	72.2	-29.6%	-29.8%
Earnings per share	**EUR 0.09**	EUR 0.13	-30.8%	n/a

Steve Collar, CEO, commented: "We have made a strong start to 2020 with solid first quarter financial results including a step up in underlying revenue growth in SES Networks. Our Networks business now represents more than 40% of our business overall and mobility continues to stand out with 29% growth year-on-year as we have seen the full year contributions of important customer contracts signed during 2019. Strong control over discretionary costs in the quarter contributed to a reduction in recurring operating expenses year-on-year and reflects our ongoing focus on execution.

We have a strong, resilient business with predominantly fixed, long-term contracts and 85% of our expected revenue for 2020 already secured. To date our results have been largely unaffected by COVID-19. Nevertheless, the impact of the pandemic on the global economy and on several of the business verticals that we serve is profound and it is inevitable that we will be impacted as we support our most affected customers. It is too early to provide an assessment of the revenue impact that COVID-19 environment will have on our 2020 performance. That said, we have 'gone hard and gone early' in implementing COVID-19 specific measures to mitigate impacts on EBITDA, including substantial limits on discretionary spend in the order of mid-double-digit millions for the year, and removed EUR 180 million from our capital expenditure programme over the next 4 years. We are focused on ensuring the safety of our employees around the world, maintaining business continuity, supporting our customers, and taking all steps to ensure that SES can emerge from this period in the strongest possible position. I

1 Constant FX refers to comparative figures restated at constant FX to neutralise currency variations
2 Excluding periodic and other revenue (disclosed separately) that are not directly related to or would distort the underlying business trends
3 Treats the hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

am proud and appreciative of the incredible team at SES who have seamlessly adapted to the operational challenges presented by COVID-19 and continue to deliver critical services to our customers with the same quality and expertise as ever.

Looking beyond COVID-19, Simplify & Amplify, our strategic transformation programme, is well underway. We are executing on initiatives that will generate EUR 40-50 million annualised EBITDA optimisation in 2021 and beyond and we are making progress on the potential separation of our Video and Networks business within SES. Successful execution of this separation will provide greater visibility into our business for investors, increase operational focus and create strategic flexibility. We have set up a dedicated team to execute on the objectives of the U.S. FCC's C-Band final Report and Order, including the ability for SES to earn up to USD 3.97 billion in acceleration payments for efficiently and effectively repurposing C-Band spectrum while protecting our broadcast neighbourhoods."

Key business highlights

- Group revenue was EUR 478.9 million for Q1 2020 (-1.9% at constant FX compared with the prior period). Underlying revenue (excluding periodic and other) reduced by 2.2% (year-on-year) at constant FX to EUR 470.8 million. There was EUR 8.1 million of periodic and other revenue in Q1 2020 (Q1 2019: EUR 6.7 million).

- EBITDA of EUR 284.7 million represented an EBITDA margin of 59.5%, or 60.1% excluding a restructuring charge of EUR 3.1 million associated with the SES' commitment to focus on core strengths and simplify operations, as part of the Simplify & Amplify programme. Q1 2020 operating expenses included a one-off charge of EUR 7.8 million related to the recognition of a Luxembourg net wealth tax which offset the positive contribution on group EBITDA from a 1% (year-on-year) reduction recurring operating expenses.

- Net profit attributable to SES shareholders of EUR 50.8 million compared with EUR 72.2 million in Q1 2019 with the variance mainly driven by the combination of lower Operating Profit, lower capitalised interest and movement in net foreign exchange gains/(losses).

- Net debt to EBITDA ratio of 3.32 times at Q1 2020 was lower than Q1 2019 (3.40 times).

- SES's fully protected contract backlog at 31 March 2020 was EUR 6.2 billion (gross backlog of EUR 6.7 billion when including backlog subject to contractual break clauses). 85% of the FY 2020 expected revenue is already contractually committed as at Q1 2020.

- No update to Full Year 2020 financial outlook of group revenue of EUR 1,920 - 2,000 million and EBITDA of EUR 1,150 - 1,210 million (excluding a restructuring charge of EUR 40 million and any impact from C-Band). We are early in the assessment of the impact that the COVID-19 pandemic will have on the verticals that we serve, as well as in the pace and scale of the recovery. Impacted verticals are expected to be Aeronautical, Cruise and Sport & Events which together represent approximately 12% of group revenue. Proactive measures have been taken by the company to limit all discretionary spending and minimise 2020 operating and capital expenses, including the adoption of non-recurring measures for 2020.

- Expected capital expenditure (representing the net cash absorbed by the group's investing activities excluding acquisitions and financial investments) is reduced by EUR 180 million for the period 2020 to 2024 reflecting lower estimated expenditure for ground and replacement CapEx. Accordingly, CapEx is expected to be EUR 340 million in 2020, EUR 1,310 million in 2021 (including the launch of SES-17 and O3b mPOWER satellites 1-7), EUR 390 million in 2022, EUR 390 million in 2023 and EUR 250 million in 2024.

- Both the financial outlook and expected capital expenditure assumes a EUR/USD exchange rate of EUR 1 = USD 1.15; nominal launch schedule and satellite health; and excludes any impact from the repurposing of part of SES' U.S. C-Band spectrum which would result in additional operating costs and capital expenditure prior to reimbursement of clearing costs and the receipt of the accelerated relocation payments as laid out by the FCC's final Report and Order. This is subject to the eligible satellite operators, including SES, filing with the FCC by 29 May 2020, their election to make an accelerated relocation by the FCC's stated deadlines.

SES

Response to the COVID-19 Global Pandemic

From a business perspective, SES' response and actions during this unprecedented period focus on the following areas:

- **Employee safety and business continuity**: since early March 2020, SES has maintained a worldwide 'work from home' policy for the majority of its 2,100+ full-time employees and additional part-time staff/contractors, before any government regulation. SES has well established and tested contingency plans in place to address a number of scenarios across all technical facilities around the world and, accordingly, does not anticipate any impact on the services provided to SES' customers. All operations centres across the SES network remain 100% in service and operational;

- **Financial position**: at 31 March 2020, SES had cash and cash equivalents of EUR 437.2 million prior to payment of the 2019 dividend (total amount of EUR 184 million) which was paid to shareholders on 23 April 2020. The group has no refinancing requirements until 2021 and a EUR 1.2 billion Revolving Credit Facility which is fully undrawn. SES has implemented additional measures to manage cost and discretionary spending, notably reducing capital expenditure by EUR 180 million for the period 2020-2024 as compared with the previous forecast;

- **Customer segments and markets**: the fixed and long-term nature of SES' commercial contracts provide strong cash flow visibility and security as reflected in the group's fully protected contract backlog of EUR 6.2 billion as at 31 March 2020. SES is closely monitoring development across all business segments, most notably Aeronautical (approximately 7% of group revenue), Cruise (approximately 4% of group revenue) and Sports & Events (approximately 1% of group revenue). At the same time, SES is focused on driving opportunities to support additional demand for content connectivity solutions in Fixed Data and Government; and

- **Giving back**: given the importance of staying connected, SES is actively supporting customers and Non-Governmental Organisations (NGOs) on the frontlines of the pandemic with "in kind" connectivity services and broadcasting programmes organised by non-profit organisations to uplift community spirits. SES employees are utilising the SES Give Back programme to support their local communities including through donations to qualified non-profit organisations which are matched by SES, helping vulnerable communities or serving as volunteers on the frontline of the response to COVID-19.

Simplify & Amplify update

In March 2020, SES launched Simplify & Amplify, a programme of strategic actions to be executed throughout 2020 which will best position the business for future growth and deliver maximum value to customers and stakeholders. The programme comprises four major initiatives:

- **Create Pure-Play Verticals**: SES is investigating the potential separation of its Video and Networks businesses within SES and, in so doing, provide greater visibility to the market, increase operational focus and maximise strategic flexibility. Additionally, and following the adoption by the U.S. Federal Communications Commission (FCC) of its final Report and Order regarding the repurposing of part of the C-Band spectrum, SES has set-up a dedicated team to execute on the most complex and demanding spectrum repurposing ever contemplated;

- **Focus on Core Strengths**: SES will focus its capabilities and offerings across each of its markets on profitable segments that play to the group's core strengths, doubling down where it makes sense to do so, while exiting, reducing exposure to, or establishing alliances and partnerships to serve, other market segments. This will result in a stronger, more focused SES with world-leading products and solutions in the areas where it excels;

- **Simplify Operations**: SES expects to realign its resources to support the above initiatives, to simplify operations, maximise efficiency & competitivity, and make SES easier to do business with. Activities will include the consolidation and reorganisation of some functions to reflect any changes in business scope and structure. In addition, the company plans a comprehensive review of its global footprint. Overall it is expected that SES will generate EBITDA optimisation ramping to EUR 40 - 50 million annually from 2021 from the focus on core strengths and business simplification; and

- **Innovate for the Future**: SES will deepen its commitment to innovation to drive the customer solutions demanded in the market today and in the future. This further commitment to innovation will broaden SES's leadership in cloud integration through the development of a "cloud practice". In addition, the company intends to establish an innovation hub to co-create and incubate solutions together with customers and partners, as well as developing new technologies and business models through corporate venturing.

OPERATIONAL REVIEW

REVENUE BY BUSINESS UNIT

			Change (%)	
EUR million	**Q1 2020**	**Q1 2019**	**Reported**	**Constant FX**
Video	**281.9**	304.1	-7.3%	-8.1%
- *Underlying*	**281.9**	303.3	-7.1%	-7.8%
- *Periodic*	--	0.8	n/m	n/m
Networks	**196.6**	176.4	+11.5%	+8.4%
- *Underlying*	**188.9**	170.6	+10.7%	+7.7%
- *Periodic*	**7.7**	5.8	n/m	n/m
Sub-total	**478.5**	480.5	-0.4%	-2.0%
- *Underlying*	**470.8**	473.9	-0.7%	-2.2%
- *Periodic*	**7.7**	6.6	n/m	n/m
Other	**0.4**	0.1	n/m	n/m
Group Total	**478.9**	480.6	-0.4%	-1.9%

"Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This revenue may be impacted by changes in launch schedule and satellite health status. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends on a quarterly basis. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material. "Other" includes revenue not directly applicable to Video or Networks

Q1 2020 underlying revenue of EUR 470.8 million was EUR 10.5 million (or -2.2%) lower at constant FX, compared with the prior period. Total group revenue included periodic and other revenue of EUR 8.1 million (Q1 2019: EUR 6.7 million).

Video: 59% of group revenue (Q1 2019: 63%)

VIDEO REVENUE BY VERTICAL

			Change (%)	
EUR million	**Q1 2020**	**Q1 2019**	**Reported**	**Constant FX**
Video Distribution	**211.5**	229.2	-7.7%	-8.5%
- *Underlying*	**211.5**	228.4	-7.4%	-8.2%
- *Periodic*	--	0.8	n/m	n/m
Video Services	**70.4**	74.9	-6.1%	-6.7%
- *Underlying*	**70.4**	74.9	-6.1%	-6.7%
- *Periodic*	--	--	n/m	n/m
Video (total)	**281.9**	304.1	-7.3%	-8.1%
- *Underlying*	**281.9**	303.3	-7.1%	-7.8%
- *Periodic*	--	0.8	n/m	n/m

Video underlying revenue of EUR 281.9 million was EUR 24.0 million (or 7.8%) lower at constant FX than the prior period. Total Video revenue included no periodic revenue (Q1 2019: EUR 0.8 million).

At 31 March 2020, SES carried a total of 8,330 TV channels to viewers around the world including 2,923 channels in High Definition (up 3.4% year-on-year) and 53 commercial Ultra High Definition channels (Q1 2019: 52). More than 68% of the total TV channels carried on the SES fleet are now broadcast in MPEG-4 with an additional 4% in HEVC.

In 2019, SES served a total of 367 million TV households (compared with 355 million households in 2018) across its industry-leading video neighbourhoods. European reach remained solid with 168 million TV homes, or over 60% of all TV households in Europe, relying on SES for their video content. North American reach of 69 million TV households (down slightly from the previous year) remains a key distribution platform for over 60% of TV households in the U.S. SES' reach in international markets has continued to expand, now serving a total of 130 million TV households across Asia-Pacific, Africa, Latin America and the Middle East.

Video Distribution

Q1 2020 underlying revenue was 8.2% lower (constant FX) than the prior period.

In Europe, the effect of modest volume reductions on certain long-term renewals secured in late 2019 contributed to lower (year-on-year) revenue. Nevertheless, utilisation rates across SES' industry-leading European Video neighbourhoods remains strong.

North American revenue decreased (year-on-year), primarily driven by the reduction in the wholesale business and ongoing 'right-sizing' of volume across U.S. cable neighbourhoods.

In the International markets, recently signed new business is not yet offsetting the impact of challenging trading environments in specific markets which drove an overall revenue reduction (year-on-year).

Video Services

Underlying revenue was down 6.7% at constant FX compared with the prior period.

Lower hardware sales, as the business is shifting towards a software-based model in partnership with leading TV set manufacturers such as Panasonic and Samsung, led to HD+ revenue being lower (year-on-year) while the number of paying subscribers remain stable.

Within the remainder of the services segment (formerly MX1), SES' decision to reduce exposure to certain low-margin services led to lower (year-on-year) overall revenue. This offset the positive contribution to year-on-year development from value-added products and services including Sports & Events, albeit which will likely be impacted throughout the remainder of 2020 by the delays and cancellations of several major events due to the COVID-19 global pandemic.

Networks: 41% of group revenue (Q1 2019: 37%)

NETWORKS REVENUE BY VERTICAL

			Change (%)	
EUR million	Q1 2020	Q1 2019	Reported	Constant FX
Government	**69.8**	68.5	+1.9%	-0.5%
- *Underlying*	**69.8**	68.5	+1.9%	-0.5%
- *Periodic*	**--**	--	n/m	n/m
Fixed Data	**69.1**	58.7	+17.6%	+14.3%
- *Underlying*	**61.4**	58.7	+4.5%	+1.6%
- *Periodic*	**7.7**	--	n/m	n/m
Mobility	**57.7**	49.2	+17.4%	+13.6%
- *Underlying*	**57.7**	43.4	+33.0%	28.8%
- *Periodic*	**--**	5.8	n/m	n/m
Networks (total)	**196.6**	176.4	+11.5%	+8.4%
- *Underlying*	**188.9**	170.6	+10.7%	+7.7%
- *Periodic*	**7.7**	5.8	n/m	n/m

Underlying revenue of EUR 188.9 million was EUR 13.5 million (or 7.7%) higher at constant FX, compared with Q1 2019, reflecting strong growth in Mobility and Fixed Data as well as robust performance in Government. There was EUR 7.7 million of periodic revenue Q1 2020, compared with EUR 5.8 million recognised in Q1 2019.

Government

Underlying revenue was comparable (year-on-year) with Q1 2019 at constant FX.

U.S. Government revenue was slightly up (year-on-year) and the business is focused on executing on a strong commercial pipeline, for both additional MEO- and GEO-enabled network solutions.

Global Government remained relatively stable (year-on-year) with the lower revenue from milestone-driven institutional projects which was recognised in 2019 being offset by the expansion in services for government-funded connectivity projects, humanitarian operations and other connectivity solutions.

Fixed Data

Underlying revenue grew by 1.6% (year-on-year) at constant FX compared with the prior period and included the first revenue contribution from global Cloud partners.

Growth in the Americas was supported by new and incremental managed services to tier one telecommunications companies and Mobile Networks Operators to deploy 4G networks and government-funded rural WiFi projects.

The successful deployment of broadband access and mobile connectivity services to rural communities on behalf of SES' customers, notably using SES-12 and MEO-enabled high throughput capabilities, contributed to growth (year-in-year) in Asia-Pacific.

Along with the Cloud revenue, these offset lower (year-on-year) wholesale capacity revenue in Africa and Europe.

Mobility

Underlying revenue grew by 28.8% (year-on-year) at constant FX with double-digit growth in both Aeronautical and Maritime.

Strong growth (year-on-year) in Aeronautical reflected the full year impact of the important new business signed during the 2019, notably the steady increase in the fill rate of SES-15 and SES-14 with Aero Service Providers supporting airlines operating flights across North America and Latin America, the expansion of SES' Ka-based aero network, and the first contribution from managed connectivity services delivered to the business aviation segment, and the restoration of services on behalf of Intelsat as part of the restoration agreement between the two companies that was activated during Q2 2019.

Similarly, the full revenue contribution of expanded services with key cruise customers continued to drive strong growth (year-on-year) in the Maritime segment.

SES is closely monitoring the potential impact of the COVID-19 global pandemic on Mobility customers, notably in the Cruise and Commercial Aviation segments, and any resulting consequence for near-term revenue development.

Future satellite capacity

COMMITTED LAUNCH SCHEDULE

Satellite	Region	Application	Launch Date
SES-17	Americas	Fixed Data, Mobility, Government	H1 2021
O3b mPOWER (satellites 1-7)	Global	Fixed Data, Mobility, Government	H1 2021

FINANCIAL REVIEW

Reported revenue was in line with the prior period reflecting the benefit of the stronger U.S. Dollar in Q1 2020 compared with the same period in 2019. At constant FX, revenue decreased by EUR 9.4 million (or 1.9%) with lower Video revenue largely offset by strong growth in Networks.

Operating expenses were EUR 3.7 million higher as reported and included a restructuring charge of EUR 3.1 million as part of SES' optimisation programme (Q1 2019: EUR 8.3 million). Excluding the restructuring charge, operating expenses increased by EUR 5.5 million at constant FX as a 1% (year-on-year) reduction in operating expenses was offset by the one-off recognition of EUR 7.8 million for the Luxembourg Net Wealth Tax (Q1 2019: nil).

Q1 2020 group EBITDA represented an EBITDA margin of 59.5% (Q1 2019: 60.4%), or 60.1% excluding the restructuring charge noted above.

REVENUE, OPERATING EXPENSES AND EBITDA

EUR million	Q1 2020	Q1 2019	Change	Change (%)
Revenue	**478.9**	480.6	-1.7	-0.4%
Revenue (constant FX)	**478.9**	488.3	-9.4	-1.9%
Operating expenses	**(194.2)**	(190.5)	-3.7	-1.9%
Operating expenses (constant FX)	**(194.2)**	(193.9)	-0.3	-0.2%
EBITDA	**284.7**	290.1	-5.4	-1.9%
EBITDA (constant FX)	**284.7**	294.4	-9.7	-3.3%

Depreciation and amortisation expense remained stable (at constant FX) compared with the prior period as the impact of the entry into service of new assets since 31 March 2019 offset the benefit of certain assets reaching the end of their depreciable life.

Q1 2020 operating profit represented an operating profit margin of 21.8% (Q1 2019: 23.6%), or 22.4% excluding the restructuring charge as noted above.

DEPRECIATION, AMORTISATION AND OPERATING PROFIT

EUR million	Q1 2020	Q1 2019	Change	Change (%)
Depreciation expense	**(158.3)**	(156.4)	-1.9	-1.2%
Amortisation expense	**(22.1)**	(20.5)	-1.6	-8.2%
Depreciation and amortisation expense	**(180.4)**	(176.9)	-3.5	-2.0%
Depreciation and amortisation expense (constant FX)	**(180.4)**	(180.5)	+0.1	Unchanged
Operating profit	**104.3**	113.2	-8.9	-7.9%
Operating profit (constant FX)	**104.3**	113.9	-9.6	-8.5%

Net financing costs were EUR 8.5 million higher than the prior period reflecting an overall reduction in net interest expenses of 3.7% being more than offset by lower capitalised interest, as recent space and ground investments are now in service and ramping up, and net foreign exchange losses.

The first quarter 2020 tax expense represented an effective tax rate of 16.7% (Q1 2019: 9.6%).

Net profit attributable to SES shareholders of EUR 50.8 million represented basic earnings per share of EUR 0.09 after deducting the assumed coupon (net of tax) for the group's hybrid (perpetual) bonds.

PROFIT ATTRIBUTABLE TO SES SHAREHOLDERS

EUR million	Q1 2020	Q1 2019	Change	Change (%)
Net interest expense and other	**(42.6)**	(44.3)	+1.7	+3.7%
Capitalised interest	**1.1**	3.9	-2.8	n/m
Net foreign exchange gains / (losses)	**(4.8)**	2.6	-7.4	n/m
Net financing costs	**(46.3)**	(37.8)	-8.5	-21.9%
Profit before tax	**58.0**	75.4	-17.4	-23.0%
Income tax expense	**(9.7)**	(7.2)	-2.5	-34.3%
Profit after tax	**48.3**	68.2	-19.9	-29.1%
Non-controlling interests	**2.5**	4.0	-1.5	-38.0%
Profit attributable to SES shareholders	**50.8**	72.2	-21.4	-29.6%
Coupon on hybrid (perpetual) bond, net of tax	**(12.1)**	(11.8)	-0.3	-2.5%
Adjusted profit attributable to SES shareholders	**38.7**	60.4	-21.7	-35.9%
Basic earnings per Class A share (in EUR)	**EUR 0.09**	EUR 0.13	-0.04	-30.8%

Financing

SES' net debt to EBITDA ratio (representing the ratio of net debt plus 50% of the group's EUR 1.3 billion of hybrid bonds, divided by the last 12 months' EBITDA, per the rating agency methodology) was 3.32 times at Q1 2020 and compared with 3.40 times at Q1 2019.

In the first quarter 2020, SES repaid a maturing Euro Bond of EUR 650 million which had an annual coupon of 4.625%. As a result, the group has no further refinancing needs until 2021 and had a balance of cash and cash equivalents of EUR 437.2 million at the end of Q1 2020. The group's EUR 1.2 billion Revolving Credit Facility was also fully undrawn as at 31 March 2020.

CONSOLIDATED INCOME STATEMENT

FOR THE QUARTER ENDED 31 MARCH

EUR million	Q1 2020	Q1 2019
Revenue	**478.9**	480.6
Operating expenses[1]	**(194.2)**	(190.5)
EBITDA[2]	**284.7**	290.1
Depreciation expense	**(158.3)**	(156.4)
Amortisation expense	**(22.1)**	(20.5)
Operating profit	**104.3**	113.2
Net financing costs	**(46.3)**	(37.8)
Profit before tax	**58.0**	75.4
Income tax expense	**(9.7)**	(7.2)
Profit after tax	**48.3**	68.2
Non-controlling interests	**2.5**	4.0
Profit attributable to SES shareholders	**50.8**	72.2
Basic earnings per share (in EUR)[3]		
Class A shares	**0.09**	0.13
Class B shares	**0.03**	0.05

1) Includes EUR 3.1 million of restructuring charges in Q1 2020 and EUR 8.3 million in Q1 2019
2) Earnings before interest, tax, depreciation, amortisation and share of associates' result (net of tax)
3) 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. Fully diluted earnings per share are not significantly different from basic earnings per share

Supplementary information:

QUARTERLY INCOME STATEMENT (AS REPORTED)

EUR million	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Average EUR/USD exchange rate	1.145	1.120	1.119	1.101	**1.109**
Revenue	480.6	480.8	490.5	532.0	**478.9**
Operating expenses	(190.5)	(186.4)	(185.4)	(205.0)	**(194.2)**
EBITDA	290.1	294.4	305.1	327.0	**284.7**
EBITDA margin	60.4%	61.2%	62.2%	61.5%	**59.5%**
Depreciation and impairment expense	(156.4)	(166.6)	(168.1)	(205.8)	**(158.3)**
Amortisation and impairment expense	(20.5)	(24.8)	(20.6)	(88.4)	**(22.1)**
Operating profit	113.2	103.0	116.4	32.8	**104.3**
Operating profit margin	23.6%	21.4%	23.7%	6.2%	**21.8%**
Net financing costs	(37.8)	(43.6)	(33.0)	(51.5)	**(46.3)**
Profit before tax	75.4	59.4	83.4	(18.7)	**58.0**
Income tax benefit/(expense)	(7.2)	29.6	(6.4)	60.5	**(9.7)**
Non-controlling interests	4.0	8.0	3.7	4.5	**2.5**
Profit attributable to owners of the parent	72.2	97.0	80.7	46.3	**50.8**
Basic earnings per share (in EUR)[1]					
Class A shares	0.13	0.19	0.15	0.07	**0.09**
Class B shares	0.05	0.07	0.07	0.03	**0.03**

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

QUARTERLY OPERATING PROFIT (AT CONSTANT FX)

EUR million	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Average U.S. dollar exchange rate	1.109	1.109	1.109	1.109	**1.109**
Revenue	488.3	483.2	492.7	529.9	**478.9**
Operating expenses	(193.9)	(187.3)	(186.3)	(203.8)	**(194.2)**
EBITDA	294.4	295.9	306.4	326.1	**284.7**
EBITDA margin	*60.3%*	*61.2%*	*62.2%*	*61.5%*	***59.5%***
Depreciation and impairment expense	(159.8)	(167.9)	(169.2)	(204.7)	**(158.3)**
Amortisation and impairment expense	(20.7)	(24.8)	(20.6)	(87.9)	**(22.1)**
Operating profit	113.9	103.2	116.6	33.5	**104.3**
Operating profit margin	*23.3%*	*21.4%*	*23.7%*	*6.3%*	***21.8%***

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Presentation of Results:

A presentation of the results for investors and analysts will be hosted at 9.30 CEST on 7 May 2020 and will be broadcast via webcast and conference call. The details for the conference call and webcast are as follows:

U.K. (Standard International Access)	+44 (0) 20 3003 2666
France	+33 (0) 1 7037 7166
Germany	+49 (0) 30 3001 90612
U.S.A.	+1 212 999 6659
Confirmation code	**SES Q1**
Webcast registration	https://channel.royalcast.com/webcast/ses/20200507_1/

The presentation is available for download from the Investors section of the SES website (www.ses.com), and a replay will be available shortly after the conclusion of the presentation.

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