

YTD and Q3 2017 Results



Ended 30 September 2017

Betzdorf, Luxembourg

27 October 2017

Highlights



- ▲ Reported revenue up 2.5% (-4.0% like-for-like); net profit up 20.0% (excluding one-off gain related to O3b consolidation in Q3 2016)
- ▲ SES Video underlying revenue broadly stable (down 0.9%) underpinned by long-term contracts with major pay-TV broadcasters
- ▲ Successfully launched SES-11 (second time that SES has launched on a flight-proven Falcon 9 rocket)
- ▲ Focus on differentiated managed services delivering 2.2% growth in SES Networks, improving future growth profile with new contract wins
- ▲ Significantly expanding future addressable markets in Networks verticals with O3b mPOWER investment

Reported Revenue Growing 2.5% with Verticals up 4.6%

	YTD 2017 EUR million	Change (YOY)		
		Reported	Like-for-like ⁽¹⁾	
SES Video (68%)	1,031.5	+1.1%	-3.8%	<ul style="list-style-type: none"> ▲ Impact of lower periodic revenue and satellite health ▲ MX1 refocusing services portfolio for growth ▲ Underlying revenue -0.9% with improving trend
SES Networks (32%)	490.0	+12.7%	+2.2%	<ul style="list-style-type: none"> ▲ Growth of MEO driving Fixed Data and Government ▲ Lowering wholesale capacity revenue in Fixed Data ▲ Strong growth in aeronautical and maritime
SES Verticals	1,521.5	+4.6%	-2.0%	
Other	5.7	n/m	n/m	
Group total	1,527.2	+2.5%	-4.0%	

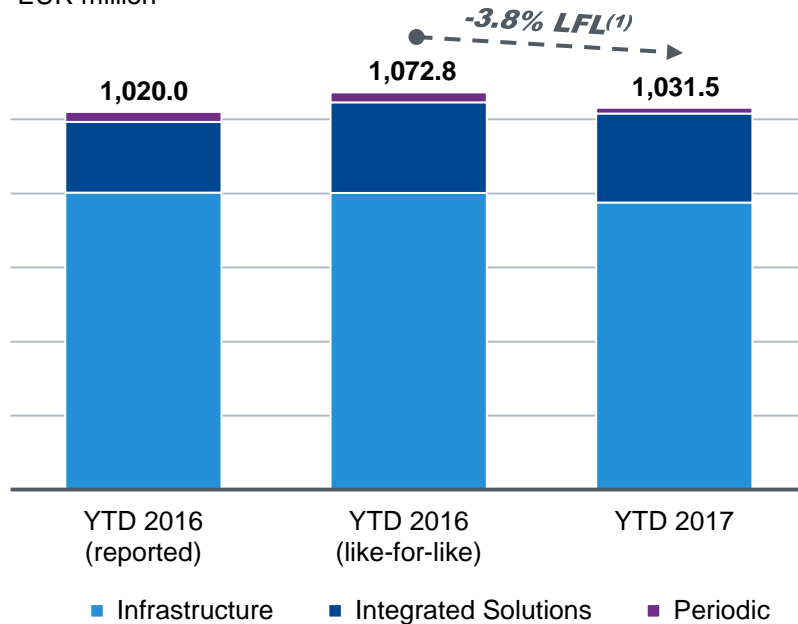
1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016



Underlying Revenue Remains Stable in SES Video

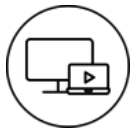
Revenue up 1.1% as reported

EUR million



- ▲ Extending partnership with Sky Deutschland
 - Multi-year renewal of seven transponders
 - Third long-term renewal signed with major pay-TV customers within the last 18 months in Europe
 - Globecast (North America) increased capacity usage from two to four transponders at the centre of the arc
- ▲ Expanding in developing markets
 - Multi-year agreement with Viasat Ukraine to broadcast 40 pay-TV channels, including 13 HDTV channels
 - Supporting first DTT platform in Uzbekistan
 - SES-9 and SES-10 gaining market traction
- ▲ YTD 2017 underlying revenue -0.9% (Q3 '17: -0.2%) excluding lower MX1 revenue

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



Enhancing Viewing Experiences on a Global Scale



325 million
households

+3%
(Q4 '16 vs. Q4 '15)

- ▲ Developed markets stable; growing developing market reach
- ▲ Unrivalled quality and reliability at monthly cost of EUR 0.5 per household



7,743 total TV
channels

+6%
(Q3 '17 vs. Q3 '16)

- ▲ Europe +4%; North America +3%; and International +10%
- ▲ 63.5% of total TV channels now in MPEG-4 (Q3 '16: 59.9%)



2,601 HDTV
channels

+7%
(Q3 '17 vs. Q3 '16)

- ▲ Europe +11%; North America +2%; and International +15%
- ▲ HDTV penetration now at 33.6% (Q3 '16: 33.3%)



24 commercial
UHD channels

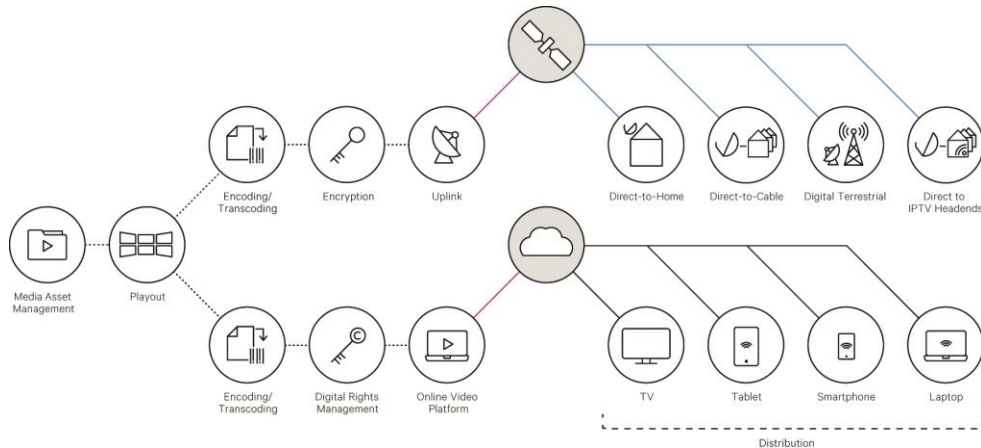
+41%
(Q3 '17 vs. Q3 '16)

- ▲ Building momentum in Europe and North America
- ▲ Four new UHD TV channels added in Q3 '17, plus QVC signed post Q3



Refocusing MX1 Portfolio of Services to Drive Future Growth

- ▲ MX1 revenue lower (YOY) due to the impact of non-renewals of certain legacy services
- ▲ Refocusing portfolio of services on long-term growth opportunities with major broadcasters/content owners
 - Secured contract, during Q3 2017, with eoTV in Germany for combination of managed linear and non-linear services
 - New CEO (Wilfried Urner) appointed to drive expected growth



MX1 *serving major content owners, including:*

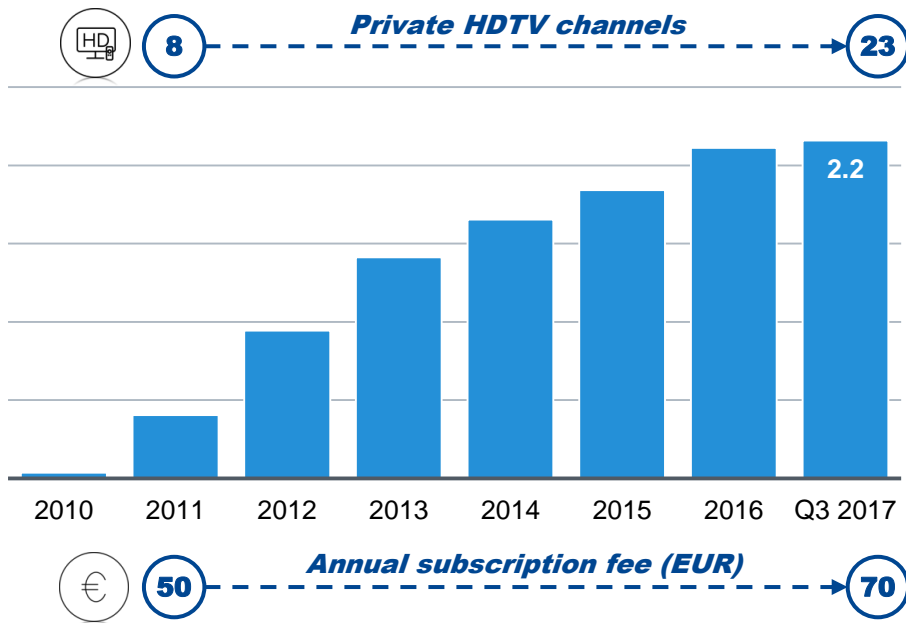
The image displays a grid of logos for various content owners. The logos include: Nickelodeon, Sky, Turner, Eurosport, Thomson Reuters, NBC, Premier League, Universal, CNN, VU Biquity, Fox Sports, PGA, National Geographic, ESPN, NFL, and BBC Worldwide.



Expanding HD+ Content and Subscribers; Driving Further Growth

HD+ Paying Subscribers

Million



HD+ package

23 private HD channels

CA HD	HD	V+XHD	7 HD	HD	HD	GOLD HD	NITRO HD
DMAX HD	TELE5 HD	ZIMAX HD	SIXX HD	TLC HD	SUPER NYL HD	Disney	nickelodeon HD
BRavo HD	HD	N24 HD	HD	HD	sport HD	EUROSPORT HD	weitere folgen

and over 30 free-to-air channels

New from 2017 ... exclusive access to premium live sports:

HD+ Premium

Eurosport-Paket

EUROSPORT 2 HD XTRA

EUROSPORT PLAYER

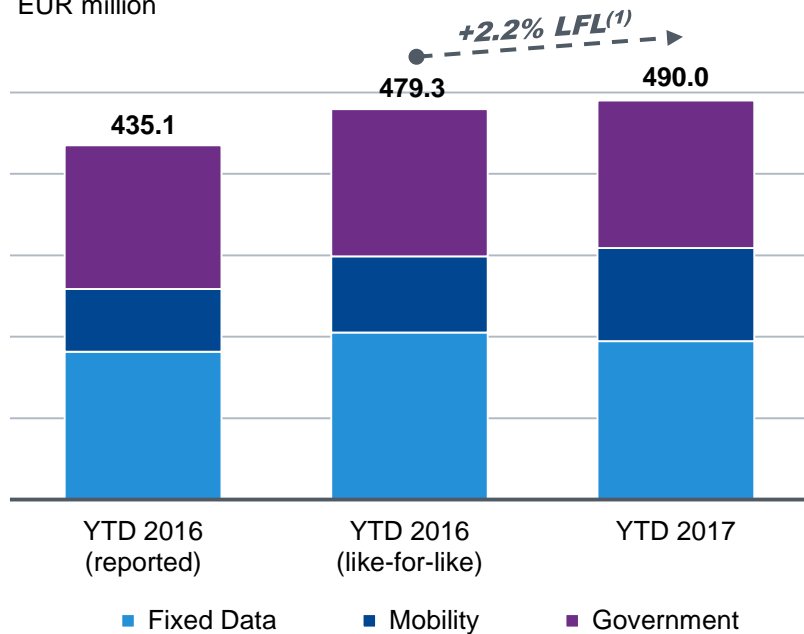
- ▲ 45 Bundesliga games
- ▲ Grand Slam tennis
- ▲ International cycling, motorsport and track and field



Growing SES Networks Revenue

Revenue up 12.7% as reported

EUR million



- ▲ Fixed data down 5.2% YTD to EUR 194.5 million
 - Stabilising from -20.0% reduction in FY 2016 (vs. FY 2015)
 - Negatively impacted by AMC-9 failure and transitioning from legacy wholesale fixed data networks
 - Significant new wins including Telco networks in Africa to support Orange; a multi-gigabit network for a national PTT; and a cell backhaul network in Asia
 - New business wins will reflect through into revenues as networks are delivered in late Q4 2017 and early Q1 2018
- ▲ Mobility up 22.3% to EUR 114.4 million
 - Strong growth in aeronautical and maritime
 - Significant win with Carnival Corporation - world's largest cruise line - in Q3
- ▲ Government up 0.3% to EUR 181.1 million
 - Strong deal flow in SES Government Solutions in Q3
 - Four Gbps of O3b services across 13 U.S. DoD sites by end-2017

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



Scaling Up Capabilities to Capture Growing Networks Demand

- ▲ Reorienting SES Networks business towards end-to-end managed solutions, creating intimacy and long term value

	Industry business model	SES[^] Networks business model
Customer engagement	▲ ~3 - 6 month lead time	▲ ~1 - 2 years lead time
Customer insight	▲ Limited	▲ High, with close partnerships
Service level	▲ Bandwidth-only	▲ Fully managed/end-to-end network solutions
Service longevity	▲ ~1 - 3 years	▲ >5 years with higher renewal potential
Economics	▲ Highly commoditised pricing ▲ Limited up-front OpEx	▲ Value-based pricing ▲ Higher up-front OpEx to deploy network



Achieving New Strategic Wins, Demonstrating Strategy Execution

- ▲ Securing important SES Networks deals which will contribute to future revenue development
- ▲ Requiring commensurate resourcing and time to deploy, but offering greater scope and long-term growth potential



Cruise



Burkina Faso



U.S. Government

Customer engagement	<ul style="list-style-type: none"> ✓ Over two years 	<ul style="list-style-type: none"> ✓ Over two years 	<ul style="list-style-type: none"> ✓ Over two years
Service level	<ul style="list-style-type: none"> ✓ Fully managed service ✓ Integrated GEO and MEO solution ✓ Managed services ✓ Antenna and shipboard technology 	<ul style="list-style-type: none"> ✓ Fully managed service ✓ MEO / Terrestrial network ✓ Critical resilience ✓ Network evolution ability 	<ul style="list-style-type: none"> ✓ Fully managed service ✓ MEO capacity ✓ Trusted partner through early service that is now scaling ✓ Configurable and transportable terminal equipment
Service longevity	<ul style="list-style-type: none"> ✓ Strategic partnership 	<ul style="list-style-type: none"> ✓ Five-year contract 	<ul style="list-style-type: none"> ✓ Five-year task order



Empowering Clients With a New Era of Cloud-scale Connectivity

- ▲ Delivering the most powerful, flexible and scalable satellite-based system with **O3b mPOWER**



Flexibility

- ▲ More than **30,000 formed beams** fully-shapeable and steerable in real-time
- ▲ Unrivalled coverage of nearly **400 million square kilometres**



Scalability

- ▲ **Multiple terabits** of throughput across a global 'virtual fibre' network
- ▲ Small, fast and **easy-to-install terminals**, reducing deployment time from days to hours



Technology evolution

- ▲ Incorporating **cutting-edge space and ground technologies** across the ecosystem
- ▲ **Seamless integration** with existing GEO-MEO and terrestrial network

- ▲ Enhancing SES's profitable growth trajectory and increasing capital efficiency
 - Expanding addressable market by unlocking exponentially accelerating demand for connectivity anywhere, anytime
 - Generating important future CapEx synergies from unique GEO-MEO offering (up to two GEO replacement satellites from 2021)

FINANCIAL REVIEW

Padraig McCarthy, CFO

Financial Highlights

	YTD 2017 EUR million	YTD 2016 EUR million	Change (YOY)	
			Reported	Like-for-like ⁽¹⁾
Revenue	1,527.2	1,490.1	+2.5%	-4.0%
EBITDA	994.6	1,060.9	-6.3%	-5.9%
- EBITDA margin (like-for-like) ⁽¹⁾	65.1%	66.4%		
Operating profit	448.4	610.4	-26.5%	-12.1%
- Operating profit margin (like-for-like) ⁽¹⁾	31.9% ⁽²⁾	32.1%		
Net profit attributable to SES shareholders	394.5	824.0	-52.1%	n/a
- Net profit exc. deemed gain on disposal of equity interest (EUR 495.2 million)	394.5	328.8	+20.0%	n/a
Net debt/EBITDA ⁽³⁾	3.29 times	3.30 times		
Contract backlog	EUR 7.5 billion	EUR 8.0 billion		

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

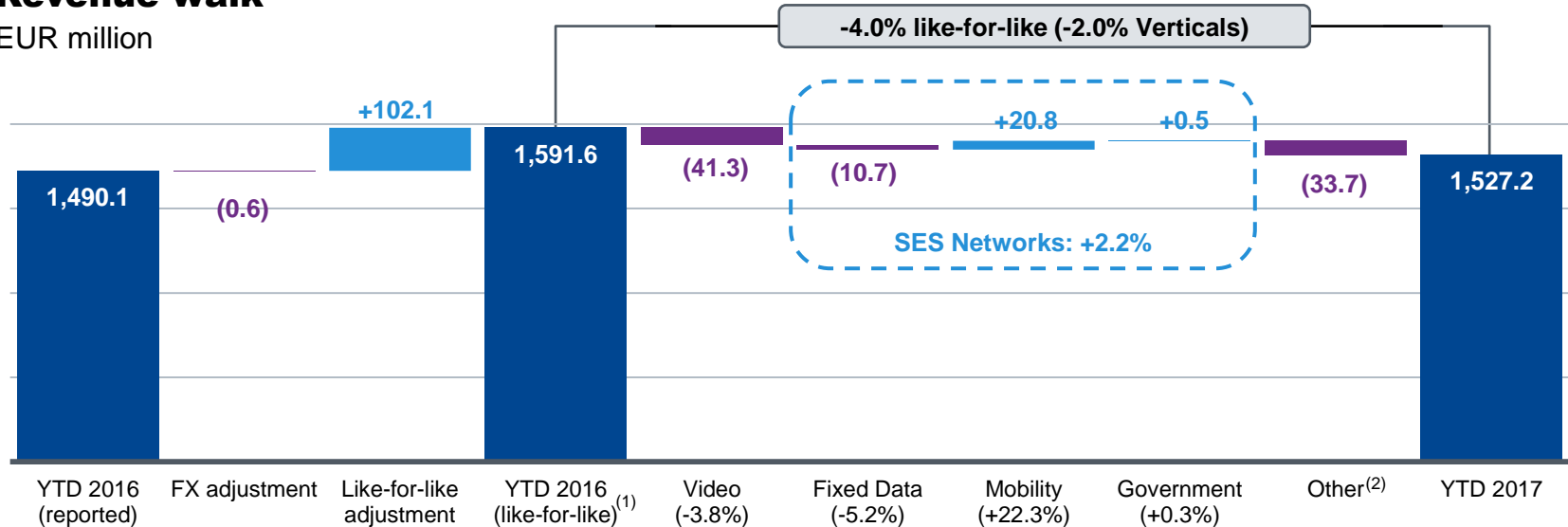
2) Excluding one-off impairment charge of EUR 38.4 million against AMC-9 in Q2 2017. YTD 2017 reported operating profit margin was 29.4%

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

SES Group revenue +2.5% as reported (-4.0% like-for-like) YTD 2017

Revenue walk

EUR million



▲ 'Other' revenue of EUR 5.7 million YTD 2017 , in line with expected normalised run-rate

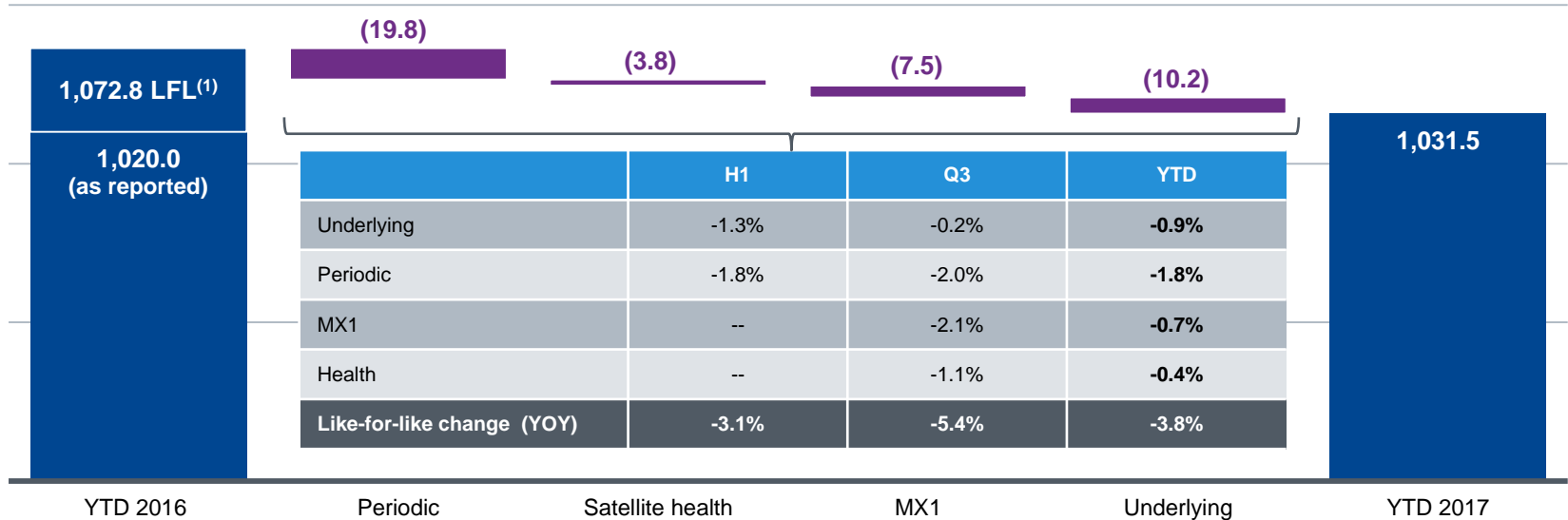
1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

2) "Other" includes revenue not directly applicable to a particular vertical

SES Video Revenue +1.1% as reported (-3.8% like-for-like) YTD 2017

SES Video revenue YTD walk

EUR million



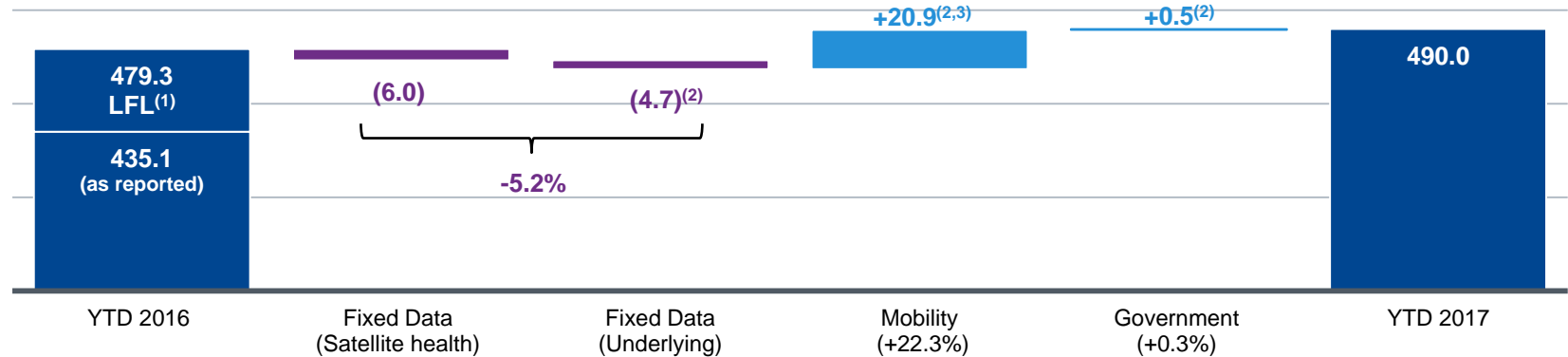
▲ Underlying representing -0.9% of the variance to date with improved profile in Q3

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

SES Networks Revenue +12.7% as reported (+2.2% like-for-like) YTD 2017

SES Networks revenue YTD walk

EUR million



- ▲ Growth in new managed service contracts in Fixed Data offset by short-term impact of AMC-9 and lowering of wholesale revenue
- ▲ Aero and Maritime driving growth in Mobility
- ▲ Stabilising Government business with growth momentum building, particular for U.S. Government

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

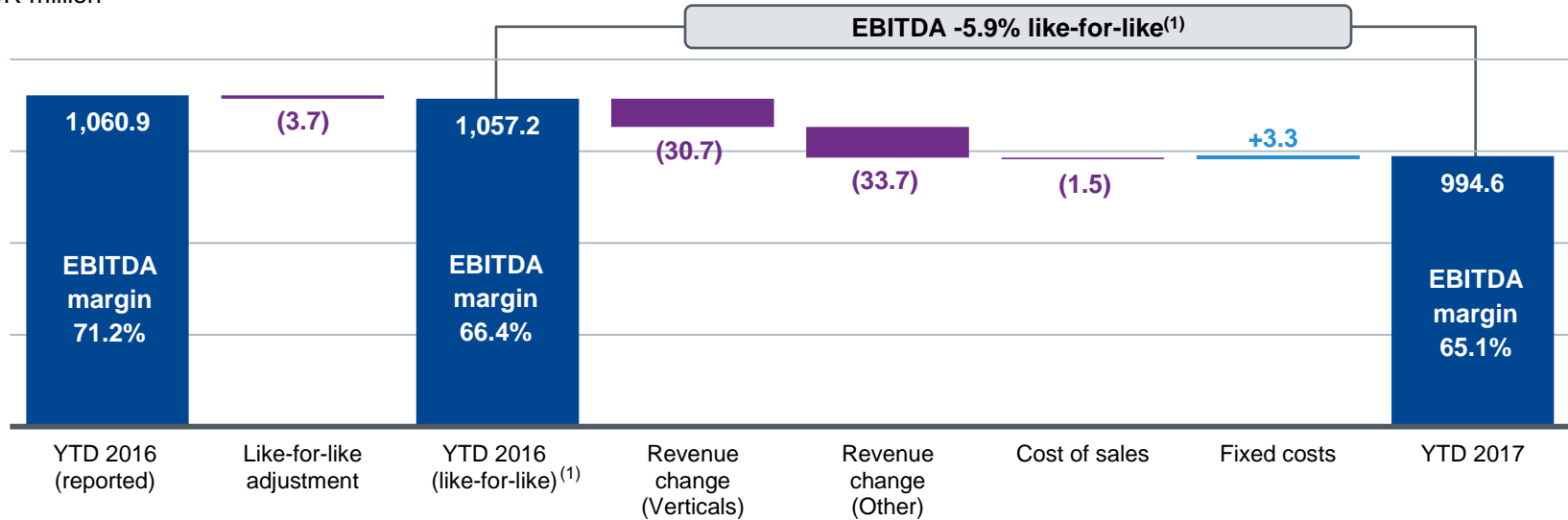
2) Periodic YTD 2017: EUR 9 million in Fixed Data, EUR 11 million in Government (of which around EUR 2 million of U.S. hosted payloads). Periodic YTD 2016: EUR 3 million in Fixed Data, EUR 2 million in Mobility, EUR 8 million in Government (of which around EUR 8 million of U.S. hosted payloads)

3) Includes around EUR 17 million upfront revenue recognition in Q1 2017 from agreement with Global Eagle Entertainment

EBITDA of EUR 994.6 million (YTD 2016: EUR 1,060.9 million)

EBITDA walk

EUR million



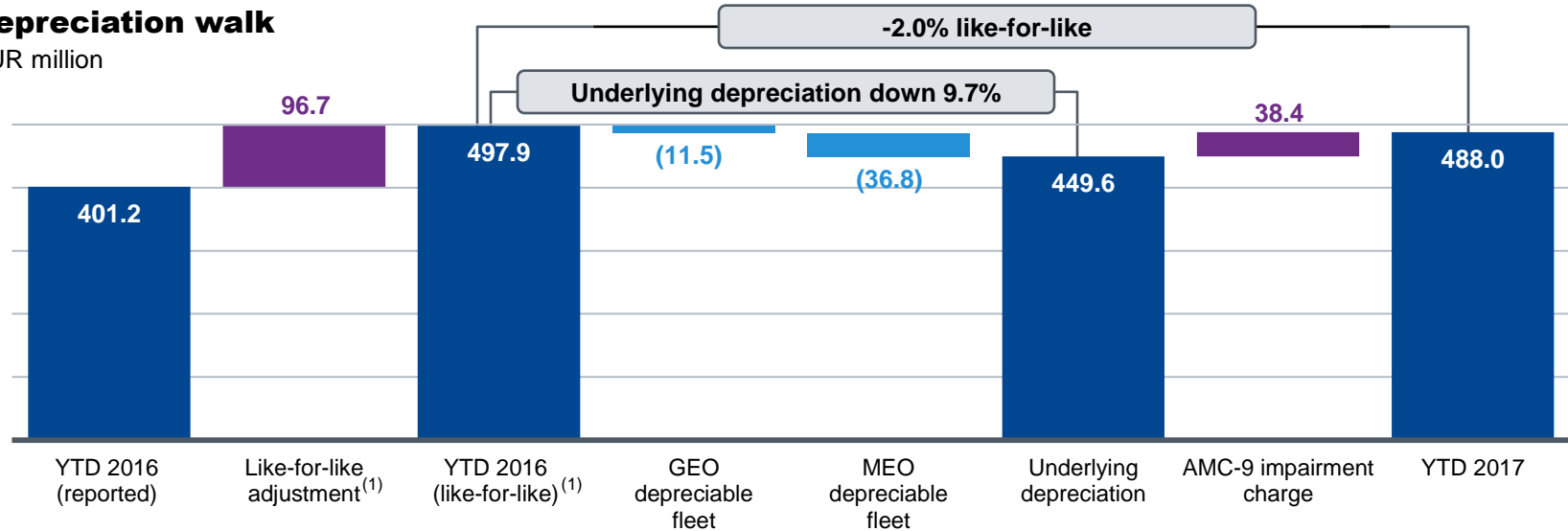
▲ Operating expenses reduced (like-for-like) as lower fixed costs more than offset increase in variable cost of sales

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

Like-for-like Depreciation down 2.0% (+21.6% as reported)

Depreciation walk

EUR million



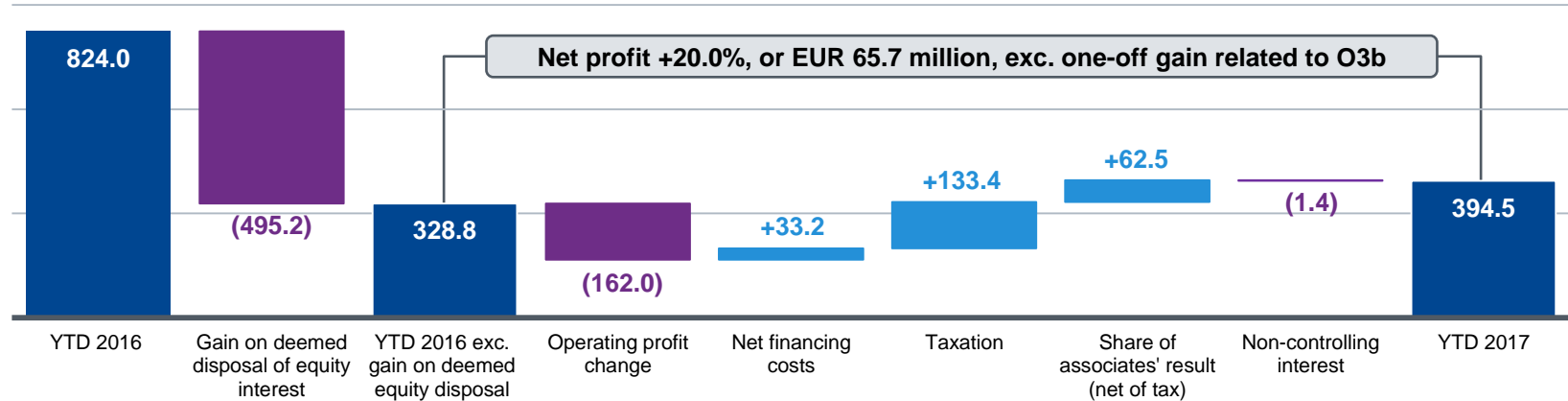
- ▲ Amortisation expense of EUR 58.2 million (YTD 2016: EUR 49.3 million)
- ▲ Reported operating profit of EUR 448.4 million (YTD 2016 like-for-like⁽¹⁾: EUR 510.1 million, EUR 610.4 million as reported)
- ▲ Operating profit margin at 31.9%, excluding AMC-9 impairment charge in Q2 2017 (YTD 2016 like-for-like⁽¹⁾: 32.1%)

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

Net Profit of EUR 394.5 million

Net Profit Attributable to SES Shareholders

EUR million

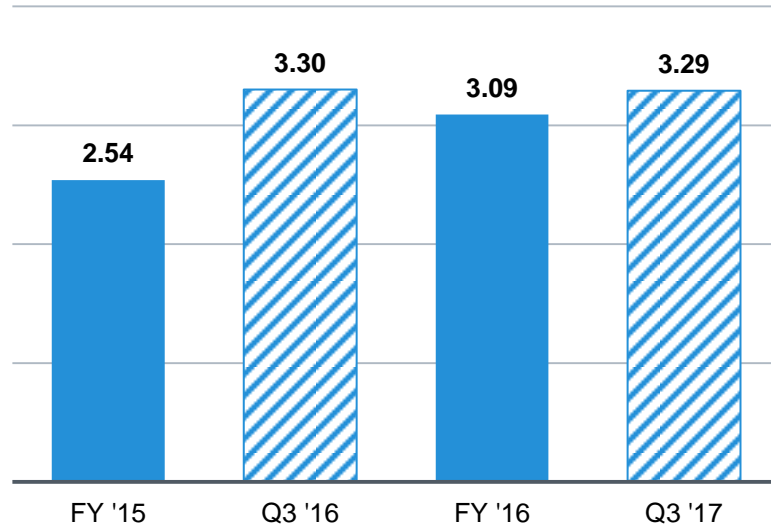


- ▲ Finance costs 24.5% lower as additional costs from RR Media and O3b offset by lower same scope net interest and higher capitalised interest
- ▲ Positive contribution from release of certain tax provisions and recognition of tax assets and credits; ETR at 17.2% excluding one-offs
- ▲ Share of associates' result nil for YTD 2017 following O3b consolidation which resulted in EUR 495.2 million gain in Q3 2016

Balance Sheet and Contract Backlog Remain Strong

Net Debt to EBITDA

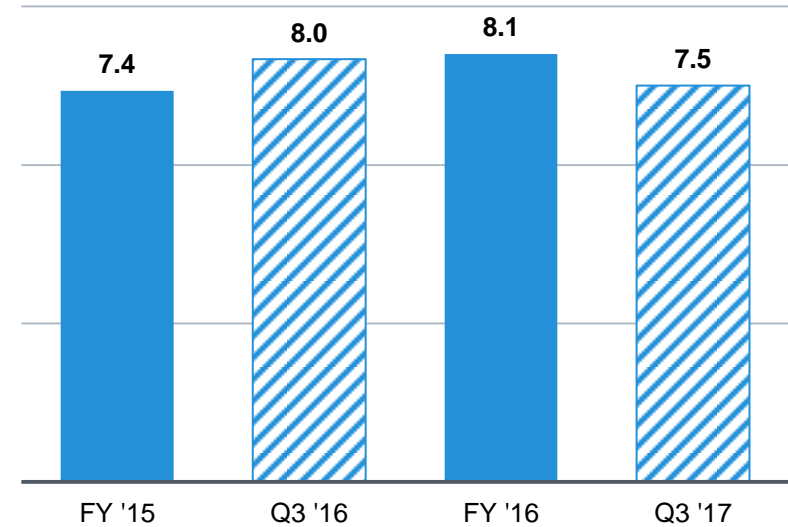
Times⁽¹⁾



▲ In line with SES's financial framework

Fully protected contract backlog

EUR billion



▲ Broadly stable at constant FX with recent contract wins

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

Financial Outlook

Video⁽¹⁾	▲ Slight decline, including changes in launch schedule and satellite health
Fixed Data⁽¹⁾	▲ Moderate decline, with marked improvement from a decline of 20% in FY 2016
Mobility⁽¹⁾	▲ Strong growth
Government⁽¹⁾	▲ Stable to slight growth
Other	▲ EUR 5 - 10 million
EBITDA margin⁽¹⁾	▲ Broadly in line with the YTD 2017 level
Capital Expenditure	▲ EUR 630 million (compared with EUR 810 million as expected in February 2017)

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

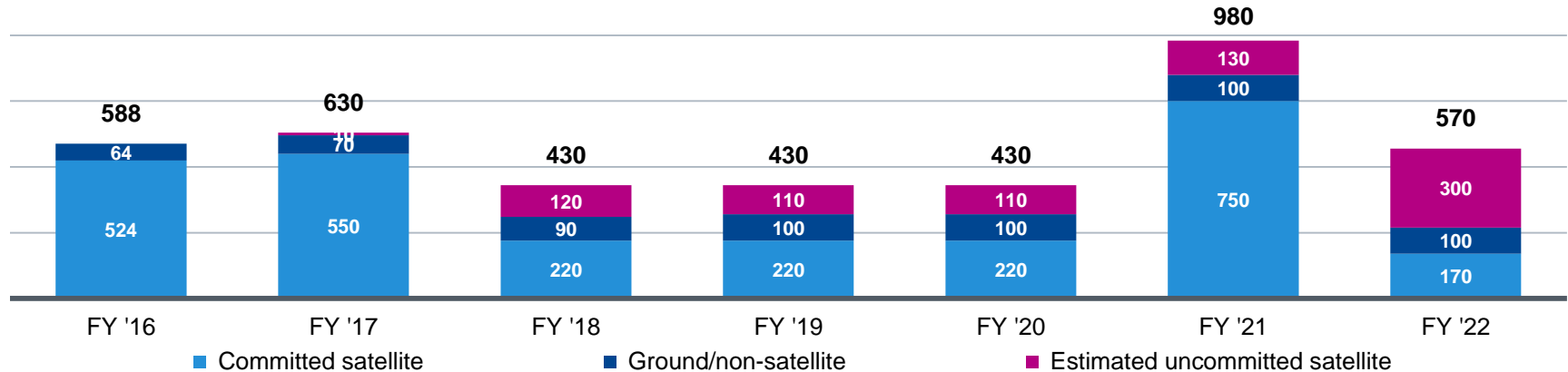
Improving CapEx Efficiency by Unlocking GEO-MEO Synergies

GEO-MEO Capital Expenditure (growth and replacement)⁽¹⁾

EUR million

FY '16 (24 Feb '17)	810	560	550	550	610
EUR/USD 1.10 to 1.15	(30)	(20)	(10)	(10)	(30)
(Reduction)/increase	(150)	(110)	(110)	(110)	400

Total ('17-'21)
3,080
(100)
(80)



▲ O3b mPOWER investment enables important GEO-MEO synergies (up to two replacement GEO satellites from 2021)

¹⁾ Cash CapEx including payload, launch, capitalised interest and excluding financial or intangible investments (based on FX rate of EUR 1: USD 1.15 as of FY '17)

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