SES

Q1 2021 RESULTS

THREE MONTHS ENDED 31 MARCH 2021

May 6, 2021

BUSINESS HIGHLIGHTS

Steve Collar, CEO

STRONG START TO 2021

Strong execution and market success	Strong start to the year with solid Revenue and EBITDA performance - 2021 financial outlook on track
	Improving trajectory in Video - leveraging value of strong neighbourhoods and pricing power
	Solid Networks performance in COVID environment - strong prospects for the future
	Strong cost and financial discipline - reduced recurring OpEx by 7% (inc. S&A) and net debt by €534M
Delivering shareholder value and returns	C-band clearing on track - Phase 1 customer clearing ahead of plan
	€100M share buyback programme reflecting our confidence in the long-term fundamentals of the business

STRONG FINANCIAL PERFORMANCE IN COVID ENVIRONMENT

	Q1 2021	
Video Revenue	€263M	*-4.6% YOY underlying(1)*
Networks Revenue	€173M	*+0.1% YOY underlying(1)*
Group Revenue	€436M	*-2.8% YOY underlying(1)*
Adjusted EBITDA(2)	€268M	*-2.6% YOY at constant FX*
Adj. Net Debt to Adj. EBITDA(2,3)	3.1 times	

- Adjusted EBITDA margin improved YOY to 61.4% reflecting benefit of reducing recurring OpEx with on-going focus on operational excellence
- Adjusted Net Profit up 41.5% YOY to €75M

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) EBITDA excluding restructuring charge (Q1 2021: €1M; Q1 2020: €3M) and operating expenses related to US C-band repurposing (Q1 2021: €7M net of income; Q1 2020: nil); and 3) Treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

IMPORTANT RENEWALS SECURED - IMPROVING TREND IN VIDEO

- Strong start to the year (-4.6% YOY versus -8.0% in FY 2020)[1]
- Over €150M of renewals and new business signed in Q1 2021 including important extensions with Sky, bmt, WDR, and NHK at our most popular and highest value neighbourhoods
- Positive trend with HD+ business in Germany with increase in subscriber base, upcoming price increase and new product introductions coming later in the year
- 90% of video revenue outlook already contracted and more than 95% when factoring trajectory of performance in HD+
- €3.4B secured backlog underpinning long-term cash flow visibility and demonstrating the lasting, strategic importance of satellite

EXTENDED LONG-TERM PARTNERSHIP

"We're pleased to continue working with SES, a world leader in satellite provision. SES has been a valued partner to Sky for decades and this agreement represents the latest step in a long and successful relationship."

Patrick Behar
Chief Business Officer, Sky

DELIVERING CUSTOMER VALUE AT CORE NEIGHBOURHOODS

"The increasing viewership and high popularity ratings of the current programming in the past two years show how much viewers appreciate reliable information from their region, especially in the news-heavy times of the pandemic. With the transmission of local TV programmes via SES's ASTRA satellites, we are able to successfully reach the widest audiences and bring their favorite content in HD quality."

Siegfried Schneider
President, BLM

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue

SOLID NETWORKS OUTTURN IN COVID ENVIRONMENT - WELL PLACED TO GROW

- Government (+8.5%[1]) fueled by new MEO- and GEO- US Government business in both mobility and land deployments, plus new wins with 3 European governments
- Fixed Data (-1.0%[1]) with ongoing positive development with tier 1 mobile 4G operators and rural inclusion projects, offset by lower wholesale business and in the Pacific region
- Mobility (-9.1%[1]) with COVID and customer restructuring resulting in short-term impact, balanced with long-term partnership extensions
- Strong progress in the build of our multi-orbit future network offering differentiated products and services at time when demand recovers post-COVID and connectivity requirements expand substantially
  - $180M of SES-17/O3b mPOWER backlog in 2021 with gross backlog at $740M[2], underpinning growth acceleration from 2022
  - Agreements signed and construction underway on initial 8 O3b mPOWER gateways
- Pioneering cloud adoption with >€10M cloud revenue signed for 2021 (compared to €3M in 2020)

EXPANDING SERVICES FOR US GOVERNMENT

"We are proud to provide satellite communications support for this critical combatant command mission. This new program allows personnel to reach out to the tactical edge for fast and dependable real-time data and represents a further extension of our current mission support to warfighters using both GEO and medium earth orbit (MEO) satellite communications capabilities."

Pete Hoene, CEO, SES GS

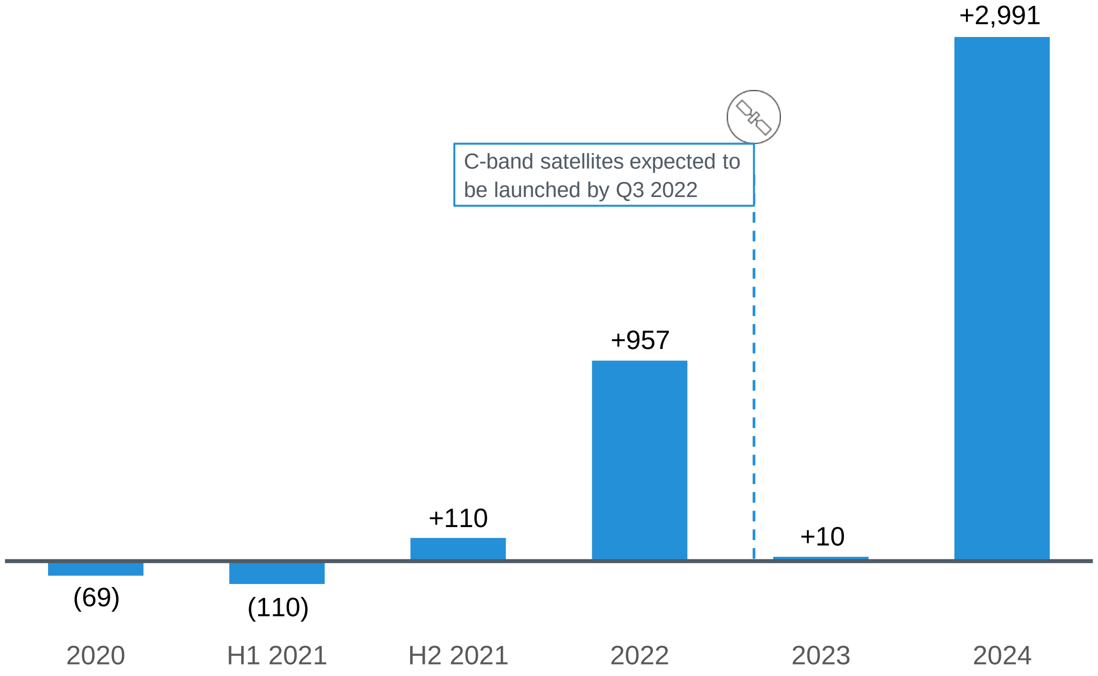
STRENGHTENING OUR MARKET LEADERSHIP IN CRUISE

Four of top five major cruise companies have contracted for service on the ground-breaking O3b mPOWER system and the SES geostationary fleet, resulting in a backlog in excess of €220M.

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) Gross backlog $740M (fully protected: $605M)

CLEAR VISIBILITY OF SUBSTANTIAL VALUE-CREATION FROM US C-BAND

Expected C-band clearing net cash inflows / (outflows)
$M (pre-tax), including accelerated relocation payments



- ~60% of all Phase 1 satellite transitions now completed
- On track to meet end-2021 and end-2023 clearing deadlines and realise $4B (pre-tax) accelerated relocation payments
  - $1B (triggered end-2021) to be fully utilised for strengthening balance sheet
  - $3B (triggered end-2023) used in the most optimal way for the benefit of shareholders
- Total clearing cost of $1.6B of which >$1.5B expected to be reimbursed
- Vigorously pursuing claim of up to $1.8B(1) against Intelsat
- Actively engaged in additional C-band monetisation opportunities both in the US and in other countries

1) Comprising $450M in compensatory damages and the balance in punitive damages

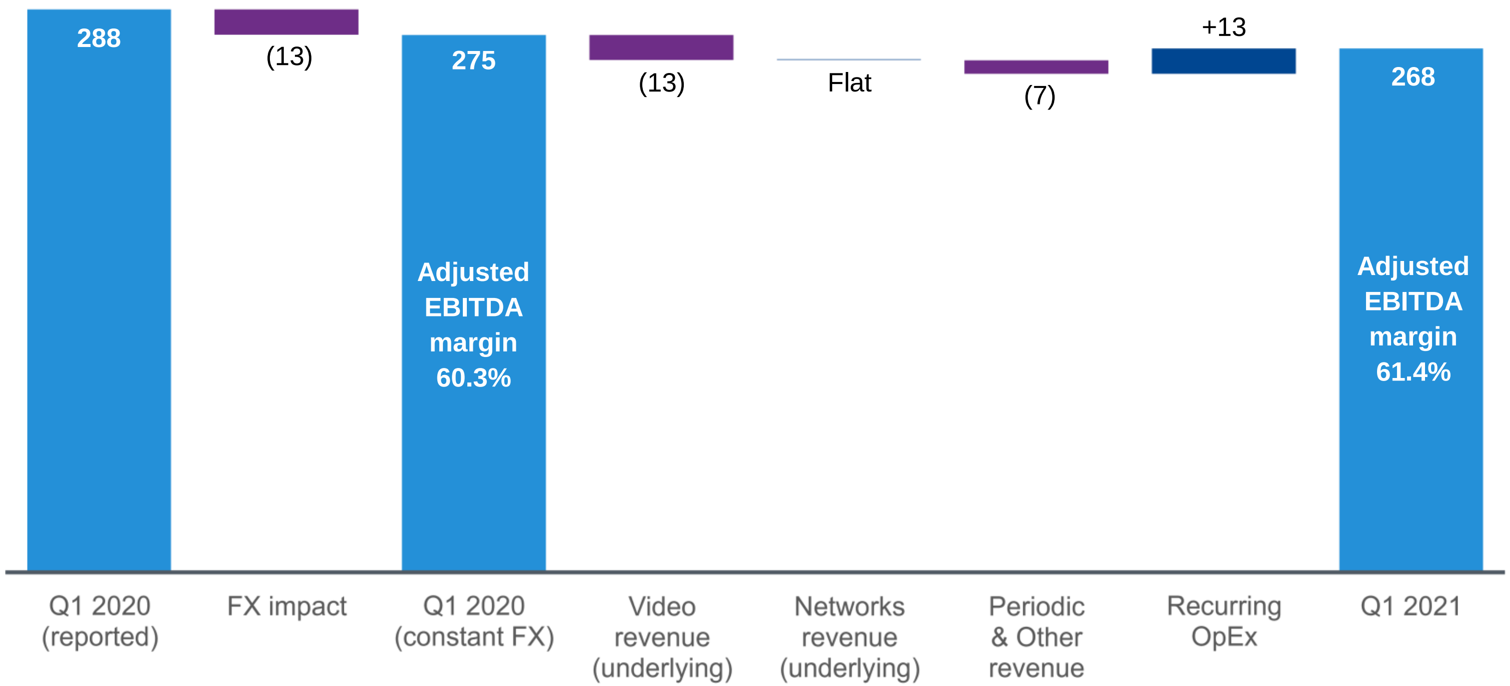
FINANCIAL HIGHLIGHTS

Sandeep Jalan, CFO

SOLID ADJUSTED EBITDA AND IMPROVED MARGIN

EBITDA margin reflects strong focus on the bottom line

Adjusted EBITDA Walk (in €M)

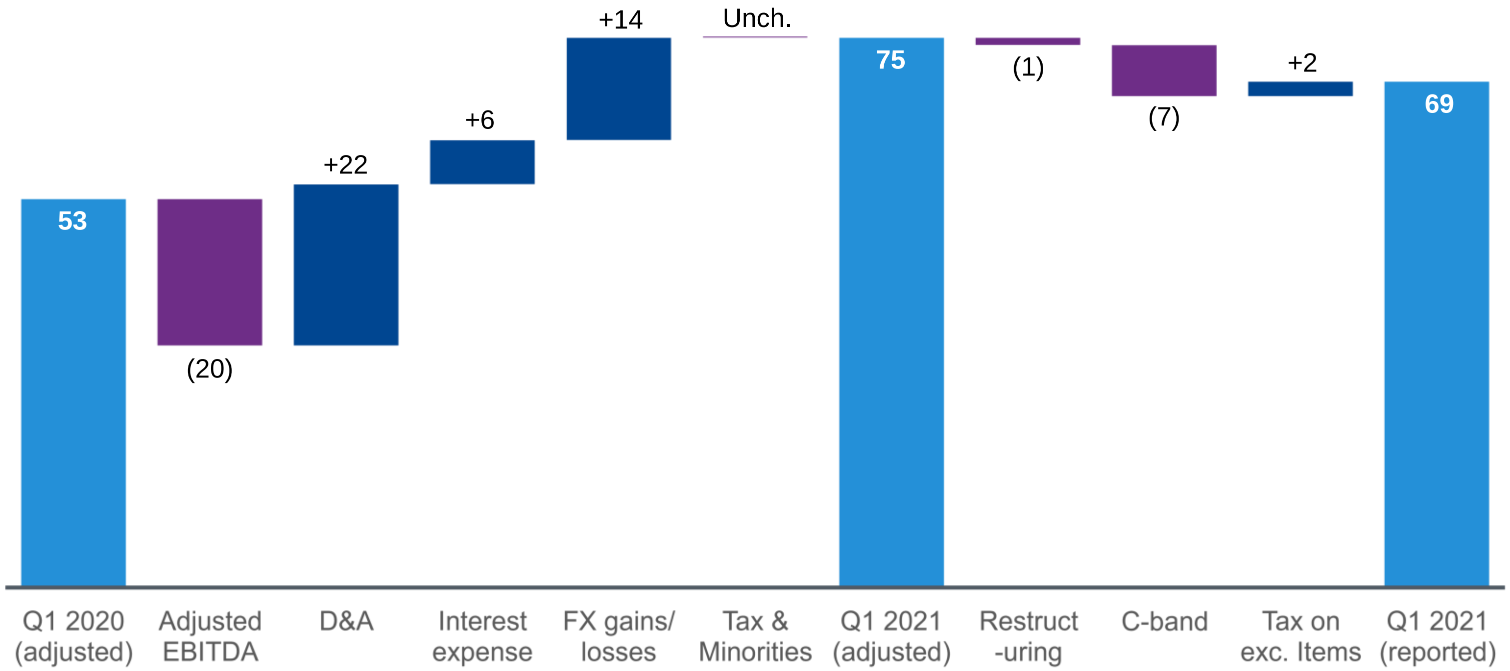


- **Adjusted EBITDA margin improved to 61.4%**
  - Recurring OpEx reduced 7% YOY including the gains from Simplify & Amplify
- **Improving trajectory in Video (-4.6% YOY)**
  - Lower revenue in mature markets reflects near-term impact of 'right-sizing'
  - Higher revenue in International markets and growth in paying subscribers to HD+
- **Solid Networks performance (flat YOY)**
  - Strong growth in Government mitigating COVID-related impacts on Mobility while Fixed Data in line
  - New business in Government and Fixed Data to support sequential revenue growth

STRONG GROWTH IN NET PROFIT

Adjusted Net Profit up 41.5% YOY (+15.1% excluding FX gains/losses)

Adjusted Net Profit and Net Profit Attributable to SES Shareholders Walk as reported (€M)



Adjusted Net Profit (Q1 2020 to Q1 2021):

- 42% Growth YOY
- Lower Adjusted EBITDA more than offset by 11.9% YOY reduction in D&A and 15.1% YOY reduction in net interest expenses
- Q1 2021 also includes an FX gain of €9M, compared with a loss of €5M in Q1 2020
- Effective tax rate of 10.3% in Q1 2021

Adjusted Net Profit to Reported Net Profit (Q1 2021):

- Exceptional restructuring expenses (€1M), US C-band expenses €7M (gross costs €34M, netted with reimbursement-related income of €27M), and related tax benefit
- Reported EPS up 44.4% YOY from €0.09 to €0.13

STRONG CASH FLOW GENERATION DRIVING €534M YOY NET DEBT REDUCTION

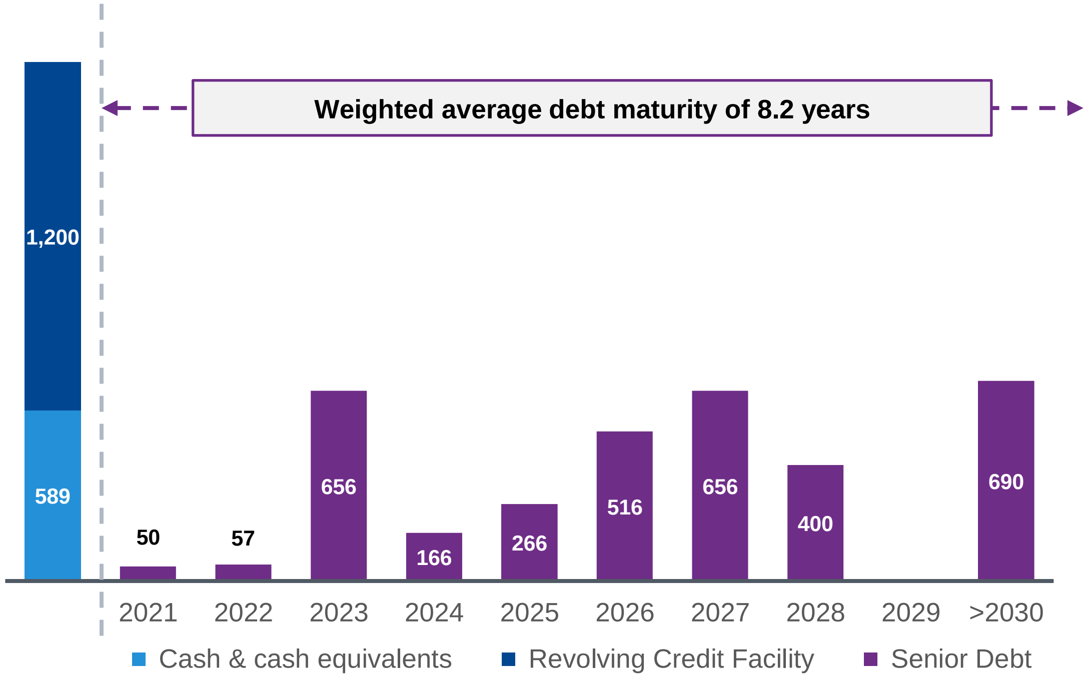
Leverage and Net Debt reduced YOY

Adjusted Net Debt (€M)[(1)] and Adjusted Net Debt to Adjusted EBITDA ratio (Times)

€M	Q1 2020	Q1 2021
Total borrowings	3,807	3,425 (-10%)
Cash & cash equivalents	(437)	(589)
50% of SES' hybrid bonds	650	650
Adjusted Net Debt	**4,020**	**3,486 (-13%)**
Adjusted Net Debt / Adjusted EBITDA	**3.28 times**	**3.08 times**

No significant senior maturities before Q2 2023

Debt maturity profile (€M)

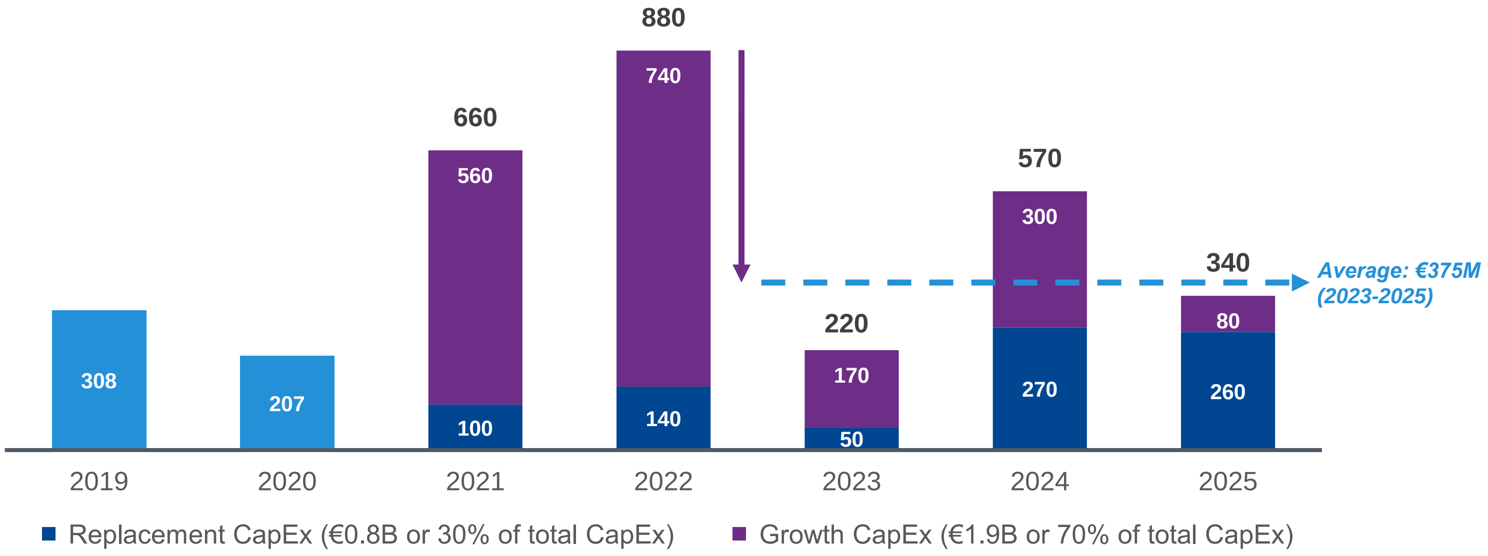


1) Adjusted Net Debt to Adjusted EBITDA ratio treats hybrid bonds as 50% debt and 50% equity, per the rating agency methodology

CAPEX FORECAST UNCHANGED WITH LOW NORMALISED CAPEX FROM 2023

Growth investment peaks in 2022 followed by meaningfully lower CapEx profile, combined with expanding revenue and EBITDA driven by SES-17 & O3b mPOWER

Expected Capital Expenditure (€M, excluding US C-band)(1)



- Important growth investment (SES-17 and O3b mPOWER) on track and supporting profitable growth from 2023
  - Substantially lower growth investment expected after 2022 (average of €185M for 2023-2025)
- Significant reduction in average total annual CapEx to €375M (2023-2025) combined with EBITDA growth from 2023 to drive strong future FCF generation
- Low average annual replacement CapEx of €165m over the forecast period (2021-2025)
- CapEx forecast (2021-2025) includes completion of major growth investment and substantial proportion of fleet replacement needs, leading to strong FCF growth and sustained period of lower CapEx

1) CapEx represents the net cash absorbed by the group's investing activities excluding acquisitions and financial investments. CapEx outlook assumes €/$ FX rate of €1 = $1.20 and excludes repurposing of US C-band

ON TRACK TO DELIVER ON 2021 FINANCIAL OUTLOOK

Financial outlook assumes EUR/USD FX rate of €1 = $1.20, nominal launch schedule and satellite health status

Revenue(1)	Between €1,760M and €1,820M, including: ▲ *Video between €1,000M and €1,030M* ▲ *Networks between €750M and €780M*
Adjusted EBITDA(1)	Between €1,060M and €1,100M *Excluding restructuring expenses (~€10M) plus US C-band related net non-reimbursable expenses (~€15-20M) and income from 1st accelerated relocation payment (€815m)*

- Over 85% of group revenue outlook is already under contract
- Growth outlook for Networks in 2021 consistent with extended COVID environment, accelerating in 2022 and beyond, fueled by SES-17 and O3b mPOWER
- Substantial fully protected contract backlog of €5.5B (gross backlog of €6.1B) underpinning future long-term cash generation

1) In FY 2020, 51% of group revenue and 47% of Adjusted EBITDA was denominated is $

CONCLUSION

Steve Collar, CEO

CLEAR PATH TO SUSTAINED PROFITABLE GROWTH

	2020[1]	2021[1]	2022	2023	2024	2025
Video	€1,093M	€1,000-1,030M	Flattening the curve			
Networks	€732M	€750-780M	Acceleration of growth from 2022, propelled by SES-17 and O3b mPOWER			
Group revenue	€1,827M	€1,760-1,820M		Growth from 2023		
Adjusted EBITDA	€1,127M	€1,060-1,100M		Growth from 2023		
CapEx[2]	€207M	€660M in 2021 and €880M in 2022 with growth investments (SES-17 and O3b mPOWER)		Low average CapEx of €375M (2023-2025)		

FCF growth from 2023, plus US C-band ($4B[3])

1) All numbers shown at FX rate of €1=$1.20. Financial outlook also assumes nominal satellite health and launch schedule; 2) Excluding C-band; 3) $1B pre-tax relocation payment end-2021 and $3B pre-tax relocation payment end-2023

ADDITIONAL INFORMATION

LEADER IN GLOBAL CONTENT CONNECTIVITY SOLUTIONS

SES

WELL POSITIONED TO CAPTURE SIGNIFICANT OPPORTUNITY FROM GLOBAL DEMAND FOR CONTENT CONNECTIVITY

Unique Networks infrastructure driving profitable growth (+20% since Q1 2017)

Profitable Video neighbourhoods with long-term revenue (€3.4B backlog) and profitability focus

DISCIPLINED FINANCIAL POLICY SUPPORTING PROFITABLE GROWTH FROM 2023 ONWARDS

Solid cash flow and balance sheet profile (leverage lower YOY at 3.1x; debt maturity at >8 years)

supporting profitable investment (1st revenues from €1.9B of growth investment from H2 2022)

and total shareholder return (€0.40 dividend and up to €100M share buyback programme)

SUBSTANTIAL VALUE CREATION FROM US C-BAND REPURPOSING

On track to meet FCC timeline: 1st relocation payment ($1B) strengthens balance sheet; and 2nd payment ($3B) for mix between shareholder return, balance sheet, any disciplined investment

COMMITMENT TO THE DISCIPLINED FINANCIAL POLICY

	OUR POLICY	OUTLOOK
DISCIPLINED INVESTMENT	▲ Replacement CapEx to sustain profitable portfolio of business ▲ Disciplined value-accretive growth investment ▲ IRR hurdle rate >10% (post-tax) over the investment horizon	▲ Limited annual replacement CapEx €165M (2021-2025) ▲ €1.9B total growth CapEx (2021-2025), including €1.3B over 2021-2022 ▲ Followed by substantially lower annual CapEx of €375M (2023-2025)
MAINTAIN STRONG BALANCE SHEET	▲ Maintain a strong balance sheet consistent with investment grade ratios, allowing continued access to wide range of funding sources and keeping low cost of funding	▲ Adjusted Net Debt to Adjusted EBITDA below 3.3x
CASH RETURN TO SHAREHOLDERS	▲ Maintain minimum base dividend of €0.40 per A-share	▲ 2020 proposed dividend of €0.40 per A-share
UTILISING EXCESS CASH	▲ Utilise any excess cash in the most optimal way for the benefit of shareholders	▲ Up to €100M share buyback programme to be executed by end-2021 ▲ 1st C-band relocation payment ($1B pre-tax) linked to 5 December 2021 clearing milestone to be fully utilised to strengthen the Balance Sheet ▲ 2nd C-band relocation payment ($3B pre-tax) linked 5 December 2023 clearing milestone, to be used for a mix between return to shareholders, strong balance sheet and any disciplined value-accretive investment

SES

ESG – WE ARE HERE TO MAKE A DIFFERENCE

ENVIRONMENTAL

- Our **business activities have low impact** on the environment
- We apply a **responsible fleet management approach** with manufacturers to **mitigate the environmental impact** and to **minimise space debris**
- **Minimising the environmental impact** of SES sites and ground stations

- Satellites create no carbon emissions during their operating life
- Across our Earth operations, CO_2 emissions reduced 5% YOY
- In 2020, SES saved 605,118 pages equaling 7,261 trees and 7,685 kg of CO_2

SOCIAL

- We provide **over 1 billion people with access** to news and entertainment, and we deliver solutions to **connect to the unconnected** around the world
- We pioneer technologies to **drive social, environment, and economic change**
- We save lives by **restoring critical connectivity following natural disasters**
- We are **>2,100 people representing 79 nationalities** here to make a difference

- Disaster relief and humanitarian missions: emergency.lu covered ~30 missions with ~70 deployments since 2012 and supported various COVID related initiatives
- Broadband access: services deployed across Africa, Asia and Latin America
- Giving back initiatives: employees engage in charity, social projects
- Diversity & inclusion: 79 nationalities; 24% women; healthy age distribution
- Customer satisfaction: Video Net Promoter Score (NPS) improved to 58 and Networks NPS improved to 38 (both scored on a scale of -100 to +100)
- Commitment to attractive & fair compensation, flexible working conditions, and employee welfare & development (>16,000 hours of training in 2020)

GOVERNANCE

- **Integrity, compliance and legal responsibility are the cornerstones** of our sustainable corporate governance and serve as the basis for all our actions
- Our **Code of Conduct** is committed to conducting business with integrity and treating everyone with respect

- Board membership 64% (7 of 11) independent and Board size of 11 members with various industry expertise; 5 of 11 Board members are female
- Fully implemented compliance processes and commitments to anti-bribery, human rights, sanctions compliance, data security, fair employment practices

Our purpose and ambitions are strongly correlated to

13 of the 17 UN Sustainable Development Goals:

ALTERNATIVE PERFORMANCE MEASURES

SES regularly uses Alternative Performance Measures (APM) to present the performance of the Group and believes that these APMs are relevant to enhance understanding of the financial performance and financial position. These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group's financial statements.

€M	Q1 2020	Q1 2021
Adjusted EBITDA	**288**	**268**
US C-band repurposing income	-	27
US C-band operating expenses	-	(34)
Restructuring expenses	(3)	(1)
EBITDA (as reported)	**285**	**260**

€M	Q1 2020	Q1 2021
Adjusted Net Profit	**53**	**75**
US C-band repurposing income	-	27
US C-band operating expenses	-	(34)
Restructuring expenses	(3)	(1)
Tax on material, exceptional items	1	2
Net profit (as reported)	**51**	**69**

€M	Q1 2020	Q1 2021
Total borrowings	3,807	3,425
Cash & cash equivalents	(437)	(589)
Net debt	**3,370**	**2,836**
50% of SES' hybrid bonds	650	650
Adjusted Net Debt (A)	**4,020**	**3,486**
12-month rolling Adjusted EBITDA (B)	1,227	1,132
Adjusted Net Debt to Adjusted EBITDA (A / B)	**3.28 times**	**3.08 times**

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