

THIRD QUARTER AND NINE-MONTH 2023-24 REVENUES

- **Third Quarter Operating Verticals revenues of €300.3m**
 - **+8.5%¹ year-on-year**
 - **+1.4%¹ quarter-on-quarter**
- **Sustained double-digit growth in Connectivity**
- **Nine Month Operating Verticals revenues up 3.6%¹ year-on-year**
- **FY 2023-24 financial objectives confirmed.**

Paris, 14 May 2024 – Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris / London Stock Exchange: ETL) reports revenues for the Third Quarter and Nine Months ended 31 March 2024.

In € millions	Q3 2022-23	Q3 2023-24	Change (%)	
			Reported	Like-for-like ²
Video	169.3	160.2	-5.4	-4.9
Government Services	31.4	43.6	+38.9	+22.1
Mobile Connectivity	26.9	39.2	+45.6	+48.0
Fixed Connectivity	44.0	57.4	+30.2	+24.2
Total Operating Verticals	271.6	300.3	+10.6	+8.5
Other Revenues	0.4	0.5	+48.3	+48.2
Total	272.0	300.8	+10.6	+8.3
<i>EUR/USD exchange rate</i>	<i>1.07</i>	<i>1.09</i>		

Note: Reported indicators include OneWeb since October 1st, 2023, and are compared to reported Eutelsat's FY 2022-23 performance on a standalone basis.

HIGHLIGHTS

- Third Quarter and Nine-month revenues in line with expectations.
- Video in line with overall market trend of mid-single digit decline; base effect of non-renewal of Digitürk contract and Russian sanctions washed through from Q3.
- Double-digit growth in Connectivity (Government Services: +22.1%; Mobile Connectivity: +48.0%; and Fixed Connectivity: +24.2%), driven by incremental GEO capacity and LEO.
- All Full Year 2023-24 financial objectives confirmed.
- Successful launch of EUTELSAT 36D satellite, assuring service continuity with optimised performance for video customers at the 36° East orbital position.
- Major \$500m commercial deal with Intelsat for capacity on OneWeb LEO constellation.
- OneWeb ground network roll-out on track.
- Refinancing of November 2025 bond completed.

¹ Like-for-like change.

² Change at constant currency and perimeter. The variation is calculated as follows: i) Q3 2023-24 USD revenues are converted at Q3 2022-23 rates; ii) the contribution of the BigBlu retail broadband operations from 1st January 2023 to 31 March 2023 is excluded from Q3 2022-23 revenues iii) Q3 2022-23 revenues are restated to take into account the contribution of OneWeb as if the operation had been completed from July 1st 2022; iv) Hedging revenues are excluded.

THIRD QUARTER REVENUES³

Total revenues for the Third Quarter stood at €300.8 million up 10.6% on a reported basis and by 8.3% like-for-like. Revenues of the four Operating Verticals (i.e., excluding 'Other Revenues') stood at €300.3 million. They were up by 8.5% on a like-for-like basis. Quarter-on-quarter, revenues of the four Operating Verticals were up by 1.4% like-for-like.

Note: Unless otherwise stated, all variations indicated hereunder are on a like-for-like basis, ie, at constant currency and perimeter.

Video (53% of revenues)

Third Quarter Video revenues amounted to €160.2 million, down 4.9% year-on-year, in line with the broader market trend following wash-through of the base effect of last year's non-renewal of the Digitürk contract and Russian sanctions. On a quarter-on-quarter basis revenues were down 3.9% reflecting the non-recurrence of a one-off c.€3 million contract in Q2.

On the commercial front, Eutelsat secured several new contracts in emerging broadcast regions, highlighting the ongoing relevance of satellite in these markets, where sustained demand is partially mitigating the decline in Europe. They included notably new business on the EUTELSAT 117 West A satellite which was selected by StarTV for the deployment of StarFlix, its new video streaming service, and by Instituto Nacional de Radio y Televisión del Perú which signed a multi-year capacity agreement for large-scale content distribution to homes and IP devices across the country.

Eutelsat also inked new business at its 7/8° West orbital position with Télédiffusion d'Algérie which increased capacity on the EUTELSAT 7 West A satellite to consolidate its TV and radio channels on the country's leading video neighbourhood. Finally, iKO Media Group is leveraging capacity at the 16° East, 13° East, and 7/8° West orbital positions to bring its new eSports TV package, eCLUTCH, to screens across Europe, the Middle East and Africa.

On the operational front, Eutelsat celebrated the successful launch and deployment of its EUTELSAT 36D satellite, set to replace EUTELSAT 36B, at the 36° East orbital position, assuring service continuity with optimised performance for customers over its footprint.

Fixed Connectivity (19% of revenues)

Third Quarter Fixed Broadband revenues stood at €57.4 million, up 24.2% year-on-year on a like-for-like basis. They mainly reflected the entry into service of KONNECT VHTS, as well as contribution from OneWeb. Quarter-on-quarter, revenues were up by 6.7%.

On the commercial front OneWeb is gaining traction with the activation of contracts where the service is now fully operational, notably in South Africa where Q-KON, a leading satellite engineering enterprise, is leveraging the constellation to deliver digital banking services in the region, while NEC XON, a leading African integrator of ICT solutions and part of Japan's NEC Group, has signed a multi-year, multimillion-dollar deal for connectivity capacity to integrate into its suite of systems, providing secure connectivity for enterprise customers in areas that lack terrestrial connectivity - especially in agriculture, mining, oil & gas and fibre back-up.

Government Services (15% of revenues)

Third Quarter Government Services revenues stood at €43.6 million, up 22.1% year-on-year. They were boosted by the contribution of the EGNOS GEO-4 contract on HOTBIRD 13G⁴ from June 2023; they also embark the carry-forward effect of the Fall 2023 US Department of Defence rate of above 80%.

Quarter-on-quarter, revenues were up by 7.2%.

The Spring 2024 renewal campaign with US Department of Defence confirmed the improved trend of Fall 2023, with a renewal rate once again above 80%.

³ The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".

⁴ Generating €100m over 15 years.

Mobile Connectivity (13% of revenues)

Third Quarter Mobile Connectivity revenues stood at €39.2 million, up 48.0% year-on-year. They reflected the entry into service of the high-throughput satellite, EUTELSAT 10B and OneWeb growth. Quarter-on-quarter, revenues were up +11.9% underpinned by ramp-up on OneWeb.

On the commercial front, Eutelsat extended its partnership with Universal Satcom, the Dubai-based satellite communication system integrator with a new multi-year capacity deal enabling Universal Satcom to leverage Eutelsat's geostationary ADVANCE maritime packaged solutions in Ku-band to extend its coverage in MENA and globally. Elsewhere, Australia's Sat One, is leveraging the OneWeb LEO constellation for the first-time activation of land-based services across Australia's remote northern and southern regions, maritime services in Australian waters, and commercial service in New Zealand.

Other Revenues

'Other Revenues' amounted to €0.5 million in the Third Quarter versus €0.4million a year earlier and €0.1 million in the Second Quarter. They included a negative (€1.1) million impact from hedging operations compared to a negative impact of (€1.8) million last year and a negative impact of (€1.6) million in the Second Quarter.

BACKLOG

The backlog stood at €3.9 billion as of 31 March 2024 versus €3.5 billion a year ago, and €3.9 billion at end-December 2023, reflecting its natural erosion, especially in the Video segment, in the absence of major renewals, offset by the contribution of OneWeb.

It was equivalent to 3.4 times 2022-23 revenues, with Video representing 44%.

	31 March 2023	31 Dec. 2023	31 March 2024
Value of contracts (€ billions)	3.5	3.9	3.9
Value in years of revenues based on previous year	3.1	3.5	3.4
Share of Video application (%)	61	46	44

Note: The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement. Managed services are not included in the backlog.

NINE MONTH REVENUES

Revenues for the first Nine Months of FY 2023-24 stood at €873.5 million, up by 3.3% on a reported basis and by 3.4% at constant currency and perimeter, underpinned by Eutelsat GEO business and inclusion of OneWeb LEO business in the Second Quarter.

Revenues of the four Operating Verticals (excluding 'Other Revenues') up 3.6% on a like-for-like basis excluding a negative currency effect of -€20.9m.

In € millions	9m 2022-23	9m 2023-24	Change (%)	
			Reported	Like-for-like ⁵
Video	535.3	491.4	-8.2	-7.0
Government Services	98.2	118.2	+20.3	+14.7
Mobile Connectivity	82.8	109.9	+32.7	+39.1
Fixed Connectivity	137.2	151.9	+10.7	+14.2
Total Operating Verticals	853.5	871.4	+2.1	+3.6
Other Revenues	-7.8	2.1	n.a	n.a
Total	845.8	873.5	+3.3	+3.4
EUR/USD exchange rate	1.03	1.08		

⁵ Change at constant currency and perimeter. The variation is calculated as follows: i) 9-months 2023-24 USD revenues are converted at 9-months 2022-23 rates; ii) the contribution of the BigBlu retail broadband operations from 1st July 2022 to 31 March 2023 is excluded from 9-months 2022-23 revenues iii) 9-months 2022-23 revenues are restated to take into account the contribution of OneWeb as if the operation had been completed from July 1st 2022; iv) Hedging revenues are excluded.

OUTLOOK⁶

On the back of the performance of the first Nine Months, we confirm our objectives⁷ for the Full Year 2023-24 of Operating Vertical Revenues of between 1.25-1.30 billion euros and adjusted EBITDA is expected in a range of €650m to €680m.

Elsewhere, cash capex⁸ for FY 2024 remains expected in a range between €600m and €650m after synergies; for the period FY 2025 to FY 2030, cash capex is expected between €600m to €700m on average per annum.

We also continue to target leverage of c.3x in the medium term.

++ENDS++

Third Quarter 2023-24 revenues conference call & webcast

A conference call and webcast will be held on **Tuesday, 14 May 2024 at 6:30pm CET**

Click [here](#) to access the webcast presentation.

It is not necessary to dial into the audio conference unless you are unable to join the webcast URL

If needed, please dial:

+33 (0)1 7037 7166 (from France)

+44 (0)33 0551 0200 (from the UK)

+1 786 697 3501 (from the US)

Quote “Eutelsat” to the operator when connecting to the call. Replay will be available on same link.

Financial calendar

The financial calendar is provided for information purposes only. It is subject to change and will be regularly updated.

2 August 2024: Full Year 2023-24 results

About Eutelsat Communications

Eutelsat Group is a global leader in satellite communications, delivering connectivity and broadcast services worldwide. The Group was formed through the combination of Eutelsat and OneWeb in 2023, becoming the first fully integrated GEO-LEO satellite operator with a fleet of 36 geostationary (GEO) satellites and a Low Earth Orbit (LEO) constellation of more than 600 satellites.

The Group addresses the needs of customers in four key verticals of Video, where it distributes more than 6,500 television channels, and the high-growth connectivity markets of Mobile Connectivity, Fixed Connectivity, and Government Services. Eutelsat Group’s unique suite of in-orbit assets and on-ground infrastructure enables it to deliver integrated solutions to meet the needs of global customers. The Company is headquartered in Paris and Eutelsat Group employs more than 1,700 people from more than 50 countries.

The Group is committed to delivering safe, resilient, and environmentally sustainable connectivity to help bridge the digital divide. The Company is listed on the Euronext Paris Stock Exchange (ticker: ETL) and the London Stock Exchange (ticker: ETL).

Find out more at www.eutelsat.com

⁶ Outlook based on the deployment plan outlined in the Third Quarter 2023-2024 revenue presentation. It assumes no further material deterioration of revenues generated from Russian customers.

⁷ Based on a EUR/USD rate of 1.00

⁸ Based on nominal deployment plan for the GEO fleet and LEO constellation; excluding uncommitted projects.

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Disclaimer

The forward-looking statements included herein are for illustrative purposes only and are based on management's views and assumptions as of the date of this document.

Such forward-looking statements involve known and unknown risks. For illustrative purposes only, such risks include but are not limited to: risks related to the health crisis; operational risks related to satellite failures or impaired satellite performance, or failure to roll out the deployment plan as planned and within the expected timeframe; risks related to the trend in the satellite telecommunications market resulting from increased competition or technological changes affecting the market; risks related to the international dimension of the Group's customers and activities; risks related to the adoption of international rules on frequency coordination and financial risks related, inter alia, to the financial guarantee granted to the Intergovernmental Organization's closed pension fund, and foreign exchange risk.

Eutelsat Communications expressly disclaims any obligation or undertaking to update or revise any projections, forecasts or estimates contained in this document to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law.

The information contained in this document is not based on historical fact and should not be construed as a guarantee that the facts or data mentioned will occur. This information is based on data, assumptions and estimates that the Group considers as reasonable.

APPENDIX

Quarterly Reported revenues for FY 2022-23 and FY 2023-24

In € millions	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
	2022-23	2022-23	2022-23	2022-23	2022-23	2023-24	2023-24	2023-24
Video	183.5	182.4	169.3	169.5	704.8	163.5	167.6	160.2
Government Services	34.7	32.2	31.4	45.1	143.4	33.5	40.7	43.6
Mobile Connectivity	25.9	30.0	26.9	27.3	110.1	35.2	36.0	39.2
Fixed Connectivity	46.4	46.8	44.0	40.6	177.8	40.2	54.3	57.4
Total Operating Verticals	290.5	291.4	271.6	282.6	1,136.1	272.5	298.6	300.3
Other Revenues	-3.1	-5.0	0.4	3.0	-4.8	1.5	0.1	0.5
Total	287.4	286.4	272.0	285.5	1,131.3	274.0	298.7	300.8