



# Q1 2015 RESULTS

Three months ended 31 March 2015

30 April 2015

# Q1 2015 highlights

*Offering integrated, satellite-enabled solutions in four key market verticals*



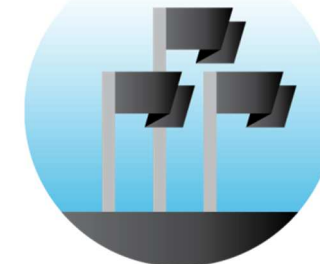
**Video**



**Data**



**Mobility**



**Government**

- ▲ Expanding SES's business globally; International segment now delivers over 30% of revenue
- ▲ Securing major incremental business with existing and new customers in all four of SES's key market verticals at an accelerated pace
- ▲ Investing in future growth with three new satellite procurements; pre-commitments already secured
- ▲ Two new U.S. Government funded hosted payloads; one each on board SES-14 and SES-15

# Financial highlights

	Q1 2015 EUR million	Growth vs. Q1 2014 as reported	Growth vs. Q1 2014 at constant FX <sup>(1)</sup>
Revenue	477.8	+2.6%	-4.9%
EBITDA	356.1	+3.2%	-4.6%
Net Profit	131.0	-12.7%	n/a

- ▲ Comparison to prior year period affected by transponder sales and the impact of the terms of the AMC-15/-16 capacity renewal agreements with EchoStar
- ▲ EBITDA benefiting from operational optimisation and improved margin

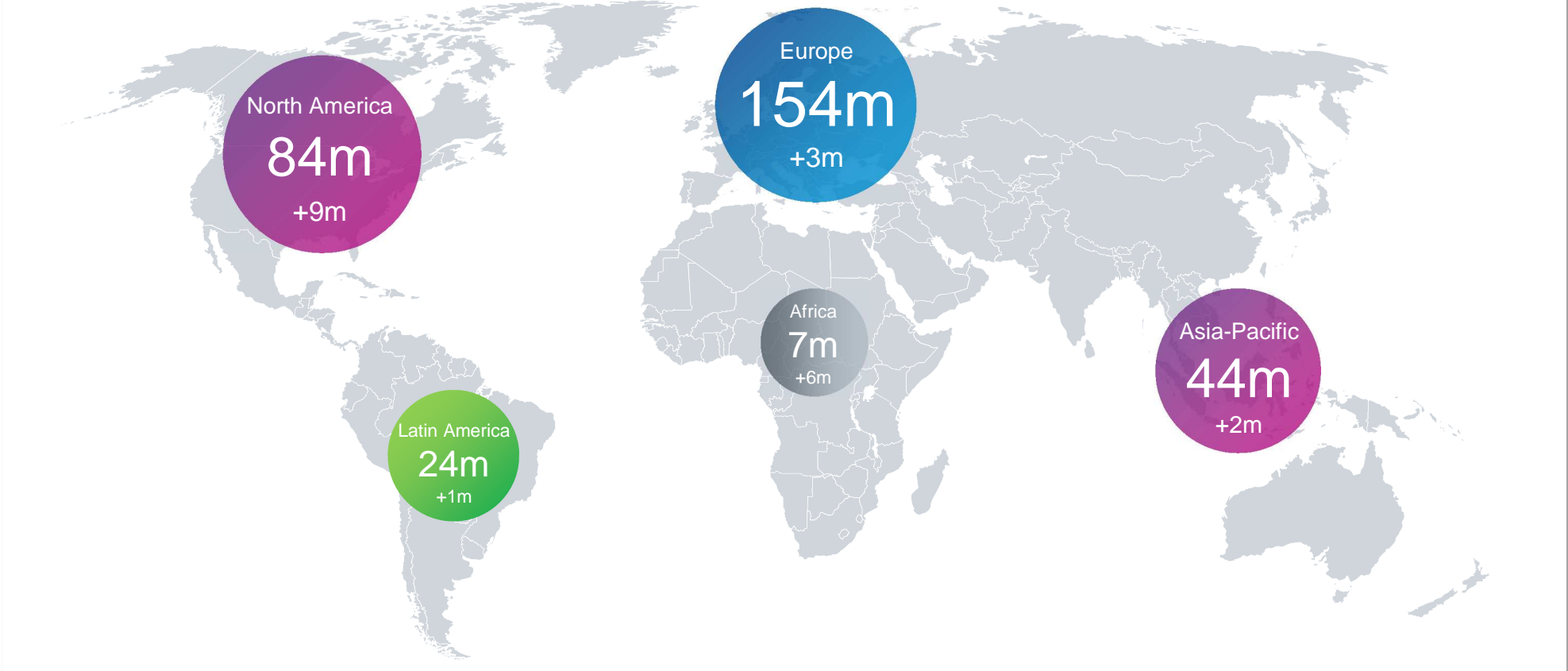
# Major developments across the regions

	Q1 2015 Revenue	Major business developments
Europe	EUR 241.0 million -5.3% as reported <sup>(1)</sup> -4.9% at constant FX <sup>(1)</sup>	<ul style="list-style-type: none"> <li>▲ Comparison to prior year affected by txps sale to ETL</li> <li>▲ Further growth in European services</li> <li>▲ LuxGovSat procurement of SES-16/GovSat</li> </ul>
North America	EUR 91.1 million +8.2% as reported <sup>(1)</sup> -8.4% at constant FX <sup>(1)</sup>	<ul style="list-style-type: none"> <li>▲ Impact of AMC-15/-16 capacity renewal agreements</li> <li>▲ Data contracts with ITC Global and X2nSat</li> <li>▲ Two new U.S. Government funded hosted payloads</li> </ul>
International	EUR 145.7 million +14.8% as reported <sup>(1)</sup> -2.6% at constant FX <sup>(1)</sup>	<ul style="list-style-type: none"> <li>▲ Transition of ARSAT capacity to own satellite</li> <li>▲ Decline in U.S. Government contract renewals</li> <li>▲ Major NGD agreements with Airbus, GEE and KVH</li> </ul>

▲ Revenue flat vs. prior year period (at constant FX) excluding transponder sales and the impact of the terms of the AMC-15/-16 capacity renewal agreements with EchoStar

# Growing SES's technical reach around the world

SES's video technical reach at end-2014 vs. end-2013<sup>(1)</sup>



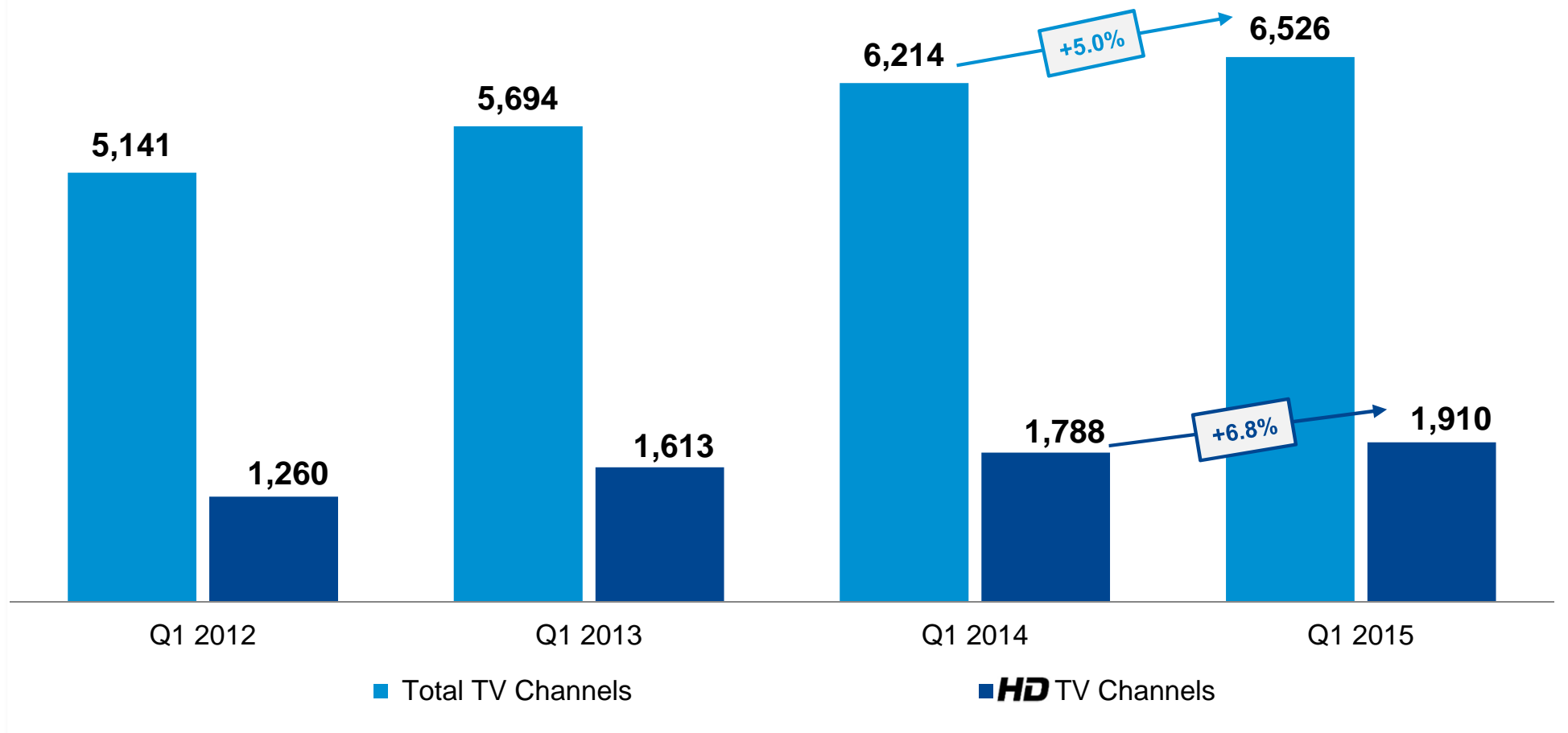
- ▲ Increasing total reach by 7% to 312 million TV households; represents over 1 billion people
- ▲ Growing International reach by 14% to 75 million households

1) Source: SES, Satellite Monitor YE14, B2B surveys among cable head-ends in North and Latin America, PayTV operators' figures. Includes subscribers reached via Ciel-2's spot beams

# Strong growth in HD TV Channels

6.8% growth in HD channels since Q1 2014<sup>(1)</sup>

Number of total TV Channels broadcast over SES's fleet

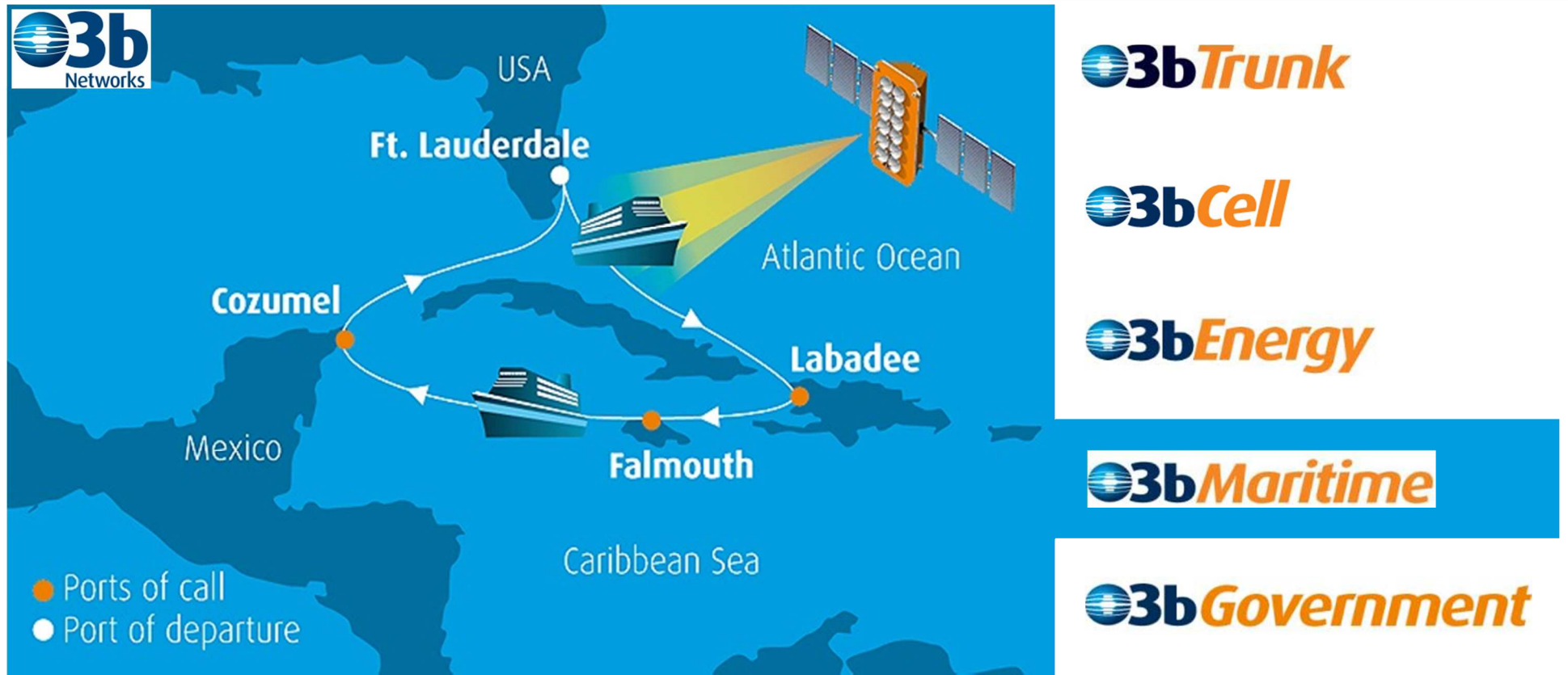


1) Source: Lyngsat, SES analysis

# Serving major Next Generation Data requirements

 <p><b>Data</b></p>	<ul style="list-style-type: none"> <li>▲ Airbus Defence &amp; Space to deliver new Terralink offerings for enterprise clients over SES's global fleet</li> <li>▲ ITC Global to use capacity on three SES satellites for a major global oil producer's enterprise network</li> </ul>	 
 <p><b>Mobility</b></p>	<ul style="list-style-type: none"> <li>▲ GEE (already on SES fleet) contracted HTS capacity on SES-12, SES-14 and SES-15 for in-flight connectivity</li> <li>▲ KVH Industries using SES-4 for maritime connectivity in North America, the Caribbean and Gulf of Mexico</li> </ul>	 
 <p><b>Government</b></p>	<ul style="list-style-type: none"> <li>▲ LuxGovSat formed with Luxembourg Government to launch satellite for dedicated government applications</li> <li>▲ SES GS multi-year agreements for GOLD and WAAS hosted payloads on board SES-14 and SES-15</li> </ul>	 

# O3b continuing to build its customer base



- ▲ Customer base now comprises around 40 committed clients
- ▲ Additional customers secured in Q1 2015, including SpeedCast, Meosat, Telesom, and Presta Bist
- ▲ Range of services from trunking and backhaul to Government and maritime connectivity



# Three satellites procured in Q1 for future growth

## SES-14 (Latin America)

- ▲ Replaces NSS-806 at 47.5/48° West
- ▲ 48 txps, plus 12 GHz HTS payload
- ▲ Serving video (DTH & DTC), data and mobility requirements
- ▲ Pre-commitment by GEE
- ▲ GOLD hosted payload



## SES-15 (North America)

- ▲ Growth satellite for 129° West
- ▲ 16 txps, plus 10 GHz HTS payload
- ▲ Serving multiple mobility, data and governmental applications
- ▲ Pre-commitment by GEE
- ▲ WAAS hosted payload



## SES-16/GovSat (Europe/MENA)<sup>(1)</sup>

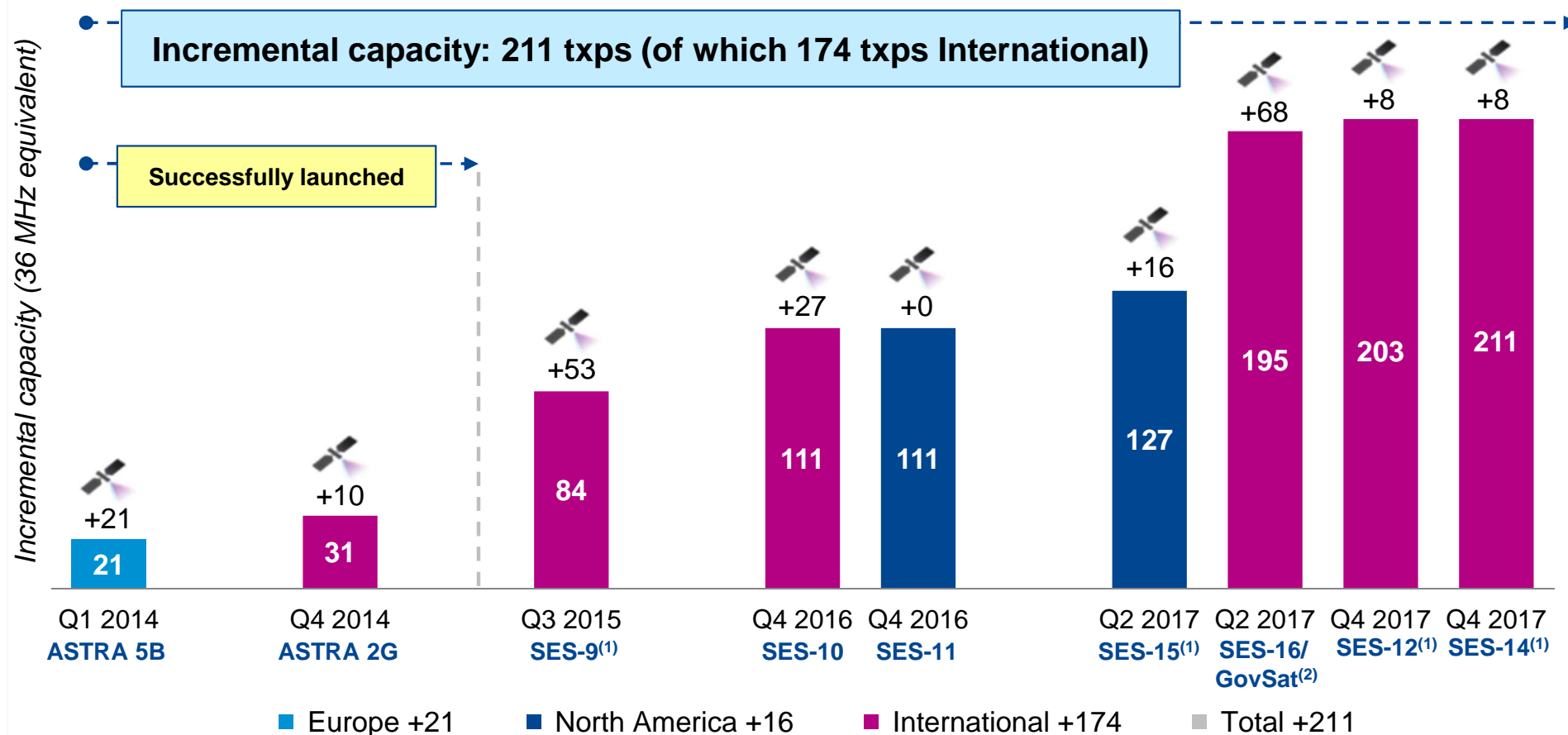
- ▲ Dedicated government satellite
- ▲ 68 txps (X- and military Ka-band)
- ▲ High powered, fully steerable global beams
- ▲ Luxembourg Government to use capacity for NATO obligations



1) Procured by LuxGovSat

# Increasing coverage in emerging markets

Two satellites successfully launched in 2014 with a further seven satellites scheduled by end-2017



**14%** total capacity increase vs. 2013; International +23%

**36 GHz** HTS total capacity (SES-12, SES-14 and SES-15)

1) SES-9, SES-12, SES-14 and SES-15 will be positioned using electric orbit raising, with entry into service some four to six months after launch date  
 2) Procured by LuxGovSat



SES<sup>▲</sup>



# FINANCIAL REVIEW

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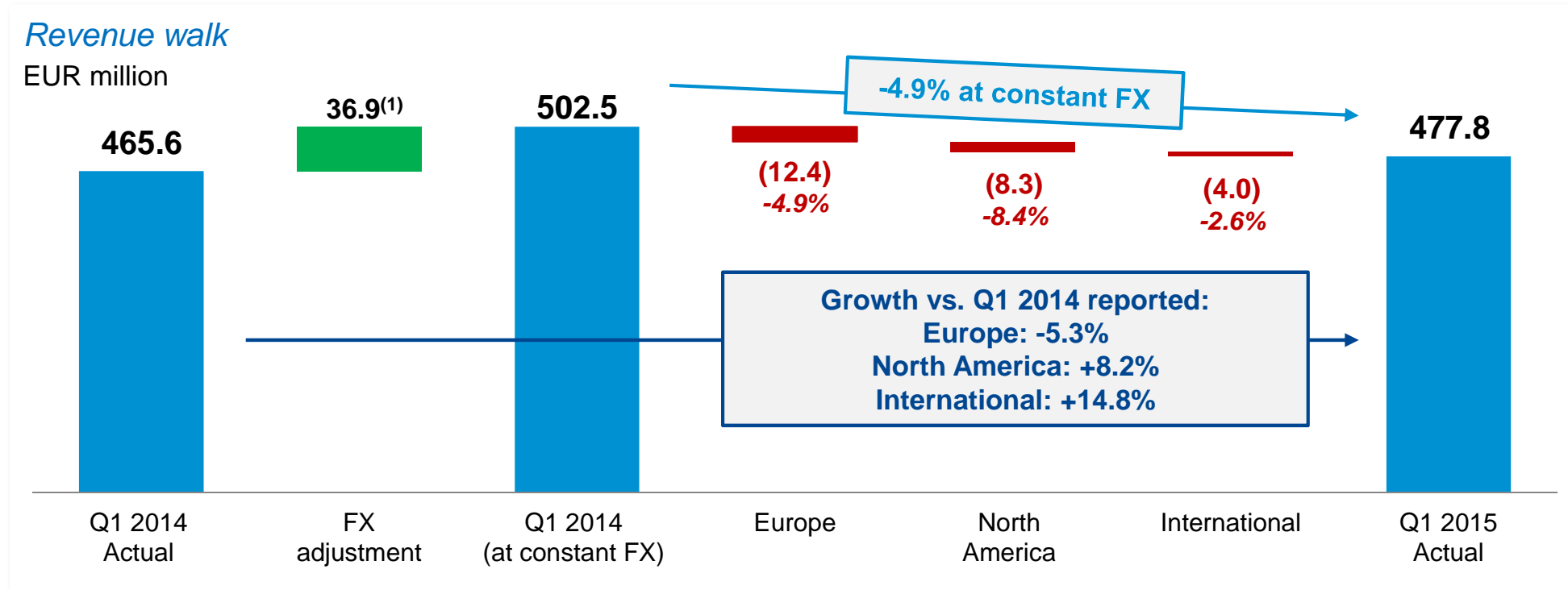
Padraig McCarthy, Chief Financial Officer

# Financial highlights

	Q1 2015 EUR million	Q1 2014 EUR million	Growth vs. reported	Growth at constant FX
Revenue	477.8	465.6	+2.6%	-4.9%
EBITDA	356.1	345.0	+3.2%	-4.6%
EBITDA margin	74.5%	74.1%	+40 bps	+20 bps
Profit of the group	131.0	150.2	-12.7%	n/a
Contract backlog	EUR 7.4 billion	EUR 7.4 billion		
Net Debt/EBITDA	2.76 times	2.66 times		

**EBITDA benefiting from stronger USD and improved margins**

# Revenue up 2.6% (-4.9% at constant FX)



- ▲ Europe positive excluding sale of transponders to Eutelsat in Q1 2014
- ▲ North America lower principally due to AMC-15/-16 capacity renewal agreements with EchoStar
- ▲ Growth from new International contracts offset by ARSAT migration and U.S. Government non-renewals

**Revenue flat adjusting for txps sales and AMC-15/-16 renewal agreements**

1) 7.9% translation uplift with U.S. Dollar strengthening by 15.6% vs. EUR. Q1 2014 average FX rate of EUR 1: USD 1.1562 (Q1 2014: EUR 1: USD 1.3706)

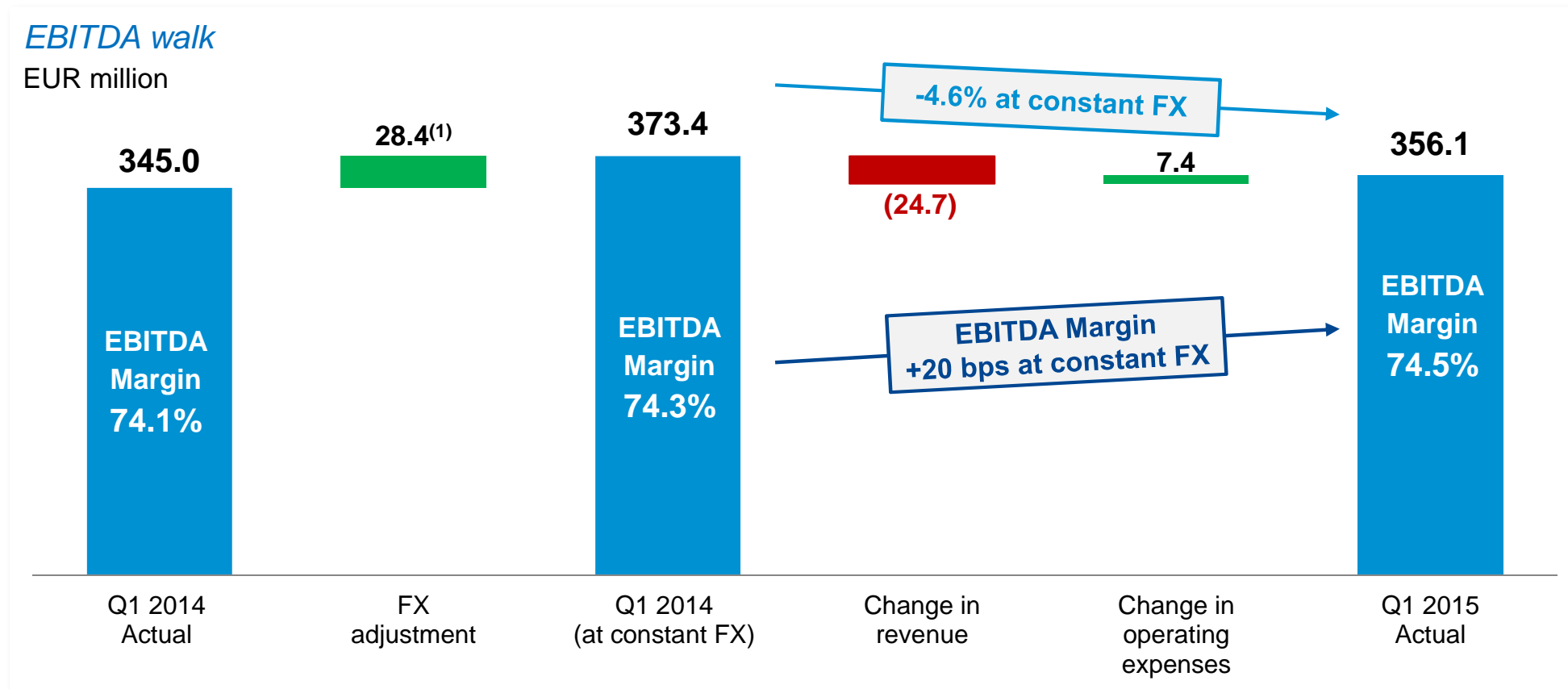
# Utilisation impacted by fleet movements

<i>Fleet utilisation (36 MHz equivalent)<sup>(1)</sup></i>	31 March 2015	31 March 2014
Europe utilised	293	279
Europe available	366	347
<b>Europe utilisation rate</b>	<b>80.1%</b>	<b>80.4%</b>
North America utilised	254	271
North America available	379	379
<b>North America utilisation rate</b>	<b>67.0%</b>	<b>71.5%</b>
International utilised	524	548
International available	755	789
<b>International utilisation rate</b>	<b>69.4%</b>	<b>69.5%</b>
Group utilised	1,071	1,098
Group available	1,500	1,515
<b>Group utilisation rate</b>	<b>71.4%</b>	<b>72.5%</b>

▲ Available txps down net 15 overall; -74 due to NSS-7 being placed in inclined orbit offset by the repositioning of NSS-806 (+40) and ASTRA 5B's entry into service in Q2 2014 (+19)

▲ Utilised txps down net 27; of which -28 due to NSS-7 although the satellite continues to generate revenue

# EBITDA up 3.2% (-4.6% at constant FX)



- ▲ Lower revenue partially mitigated by lower cost
- ▲ On-going cost management and operational optimisation improving EBITDA margin to 74.5%

1) 8.2% translation uplift with U.S. Dollar strengthening by 15.6% vs. EUR. Q1 2014 average FX rate of EUR 1: USD 1.1562 (Q1 2014: EUR 1: USD 1.3706)

# Infrastructure and Services revenue

## Revenue and EBITDA margins by segment

	Revenue (EUR million)				EBITDA margin (%)	
	Q1 2015 Actual	Q1 2014 at constant FX	Growth at constant FX	Growth vs. reported	Q1 2015 Actual	Q1 2014 at constant FX
Infrastructure	407.6	438.1	-7.0%	+0.5%	84.8	83.2
Services	120.8	115.9	+4.2%	+13.9%	16.4	13.5
Elimination/ Unallocated <sup>(1)</sup>	(50.6)	(51.5)	-1.7%	+10.2%	-	-
<b>Total</b>	<b>477.8</b>	<b>502.5</b>	<b>-4.9%</b>	<b>+2.6%</b>	<b>74.5</b>	<b>74.3</b>

- ▲ Lower Infrastructure revenue partially mitigated by continued growth in Services
- ▲ Infrastructure and Services margins both improved to 84.8% and 16.4% respectively

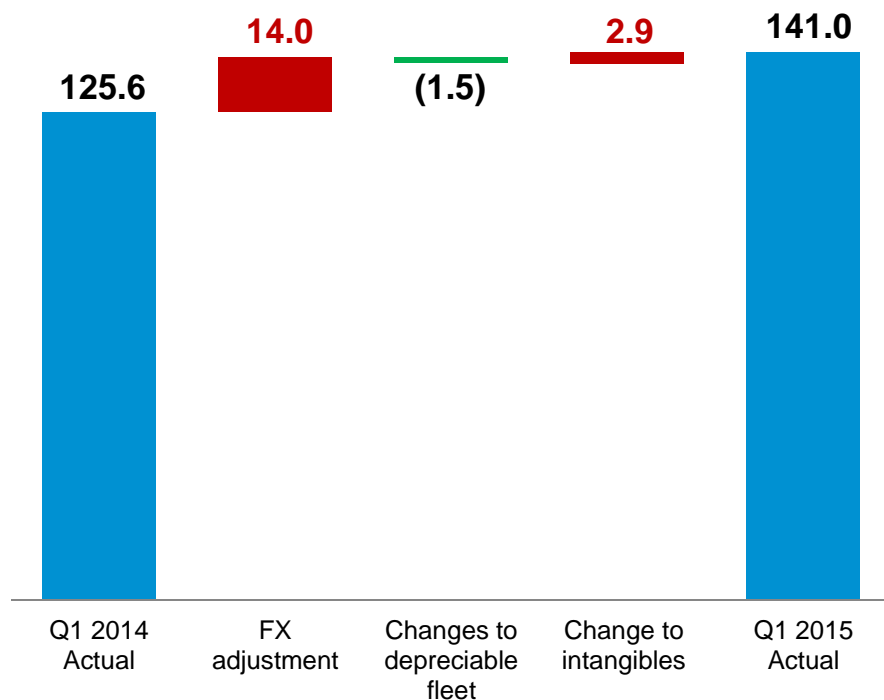
1) Revenue elimination refers mainly to "pull-through" capacity provided by Infrastructure to Services; EBITDA impact represents unallocated corporate expenses



# Other items contributing to Net Profit

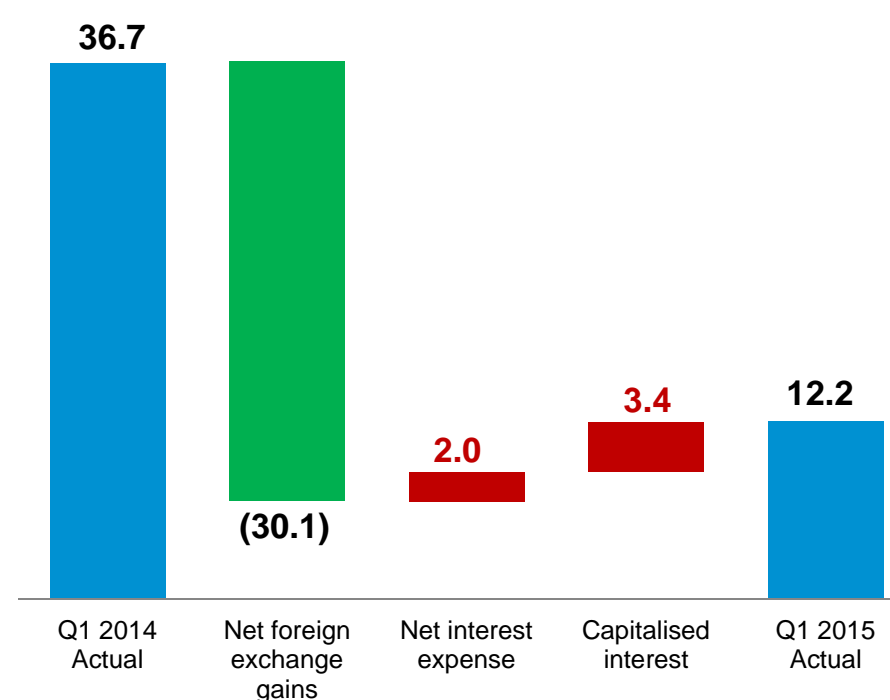
## Depreciation & Amortisation expense walk

EUR million



## Net financing costs walk

EUR million

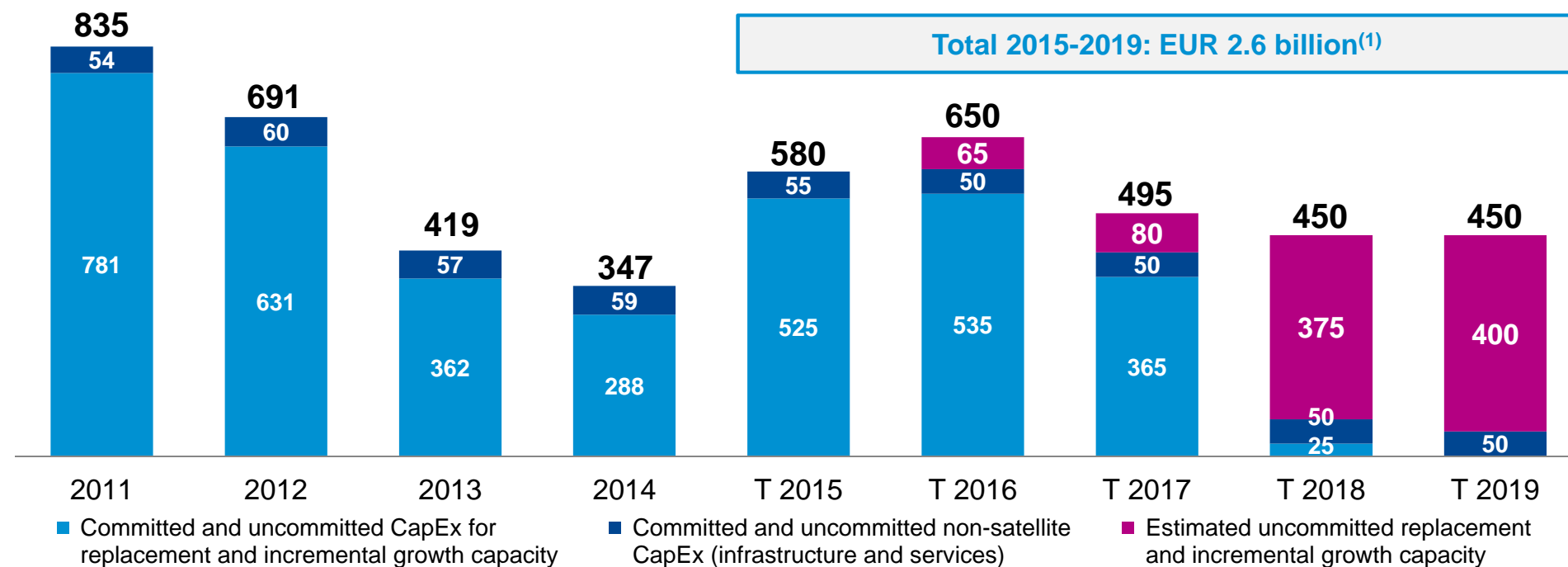


- ▲ Effective tax rate of 19.6% impacted by tax on net foreign exchange gains
- ▲ Share of associates' loss EUR 31.2 million (Q1 2014: 4.9 million loss) principally relating to O3b

# Lowering replacement CapEx; accelerating growth

## Capital expenditure profile

EUR million



- ▲ End of pronounced replacement cycle and increased efficiency reducing total CapEx for 2014 and 2015
- ▲ Three new growth-oriented procurements since end-2014 (SES-14, SES-15 and SES-16/GovSat)
- ▲ 2016-2019 uncommitted programme includes up to three potential replacement/growth satellites
- ▲ Strong track record of generating satellite IRRs above SES's 10% hurdle rate for infrastructure projects

1) Based on EUR 1: USD 1.20; including capitalised interest, and excluding financial or intangible investments

# Growth outlook re-iterated

	Revenue	EBITDA
2015 growth <sup>(1)</sup>	Up to 1%	Up to 1%
2014-2016 CAGR <sup>(1)</sup>	3.5%	3.5%

▲ 2015 a year of continued building for future growth:

- Revenue and EBITDA growth driven by commercialisation of existing capacity
- Lower level of outright transponder sales compared with 2014
- EBITDA margin over 82% for infrastructure; services between 14%-18%
- Depreciation (excl. Amortisation) EUR 500-530 million<sup>(2)</sup>
- Effective tax rate within range of 13%-18%
- Share of associates' loss (principally O3b) expected to be around EUR 100 million<sup>(2)</sup>
- Net Debt/EBITDA ratio maintained below 3.3 times

1) At constant FX, assuming no changes to current satellite launch schedule or fleet health status

2) Based on EUR 1: USD 1.20

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