

Q1 2022 RESULTS

**3 MONTHS ENDED
31 MARCH 2022**

5 May 2022

BUSINESS HIGHLIGHTS

Steve Collar, CEO



STRONG EXECUTION UNDERPINS SOLID START TO 2022

SOLID OPERATIONAL AND FINANCIAL PERFORMANCE

Q1 2022 REVENUE (€448M) & EBITDA⁽¹⁾ (€274M) UNDERPIN FY 2022 OUTLOOK

ADJUSTED NET PROFIT +17% YOY

€0.50 DIVIDEND PER A-SHARE (+25% YOY) PAID IN APRIL 2022

DELIVERING ON KEY STRATEGIC VALUE CREATION DRIVERS

SES-17 & O3b mPOWER ON TRACK WITH BACKLOG NOW \$910M

DRS GES ACQUISITION SCALES HIGH VALUE GOVERNMENT BUSINESS

CAPTURING VALUE FROM US C-BAND CLEARING



1) Adjusted EBITDA and Adjusted Net Profit exclude US C-band repurposing (Q1 2022: €7M net expense; Q1 2021: €7M net expense) and other significant special items (Q1 2022: €1M; Q1 2021: €1M). Adjusted Net Profit also excludes Tax on C-band and other significant special items

IMPORTANT VIDEO RENEWALS DELIVERING LONG-TERM VALUE



Solid execution (-6.4% YOY⁽¹⁾, and -4.1% YOY⁽¹⁾ excluding US wholesale) in line with expectations

€3B secured backlog reflecting important renewals & new wins at core neighbourhoods

Leading position in HD with >3,050 channels and signs of more broadcasters transitioning from SD

Ongoing positive trend in our unique HD+ B2C business plus continued recovery in Sports & Events

EXTENDING LONG-TERM PARTNERSHIPS WITH LEADING PAY-TV OPERATORS



“We have a strong, long-term partnership with SES and are pleased to extend that further with this agreement. Satellite delivery has been the foundation of our TV business and it will continue to play an important role in our future.”

Patrick Behar
Chief Business Officer, Sky

SUPPORTING EXPANSION OF HIGH DEFINITION



“Our broadcast channels are central to our business, so we are happy to continue and expand our longstanding partnership with SES to provide reliable, high-quality broadcast to our customers across the UK and Ireland.”

Smone Borkar
Director of Broadcast Engineering Europe, QVC

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

RESILIENT NETWORKS PERFORMANCE, WELL PLACED FOR GROWTH IN FY 2022



Mobility (+9.9% YOY⁽¹⁾) - Cruise and commercial aviation recovering, plus growth in commercial maritime

Government (-5.7% YOY⁽¹⁾) - near-term impact of Afghanistan withdrawal with new wins to drive future revenue

Fixed Data (-2.4% YOY⁽¹⁾) - Telco/MNO expansion and new cloud deals not yet offsetting lower Pacific revenue

SES-17 & O3b mPOWER gross backlog +20% YOY to \$910M⁽²⁾ and growing

LANDMARK PARTNERSHIP EXTENDING REACH FOR INDIA'S LARGEST TELCO



"With additional coverage and capacity offered by satellite communications services, Jio will be able to connect the remotest towns and villages, enterprises, government establishments, and consumers to the new Digital India. We are excited about this new journey combining our massive reach and customer base with SES's innovative leadership and expertise in the satellite industry.."

Akash Ambani
Director, Jio

DEVELOPING AND DEMONSTRATING NEAR-EARTH COMMUNICATIONS

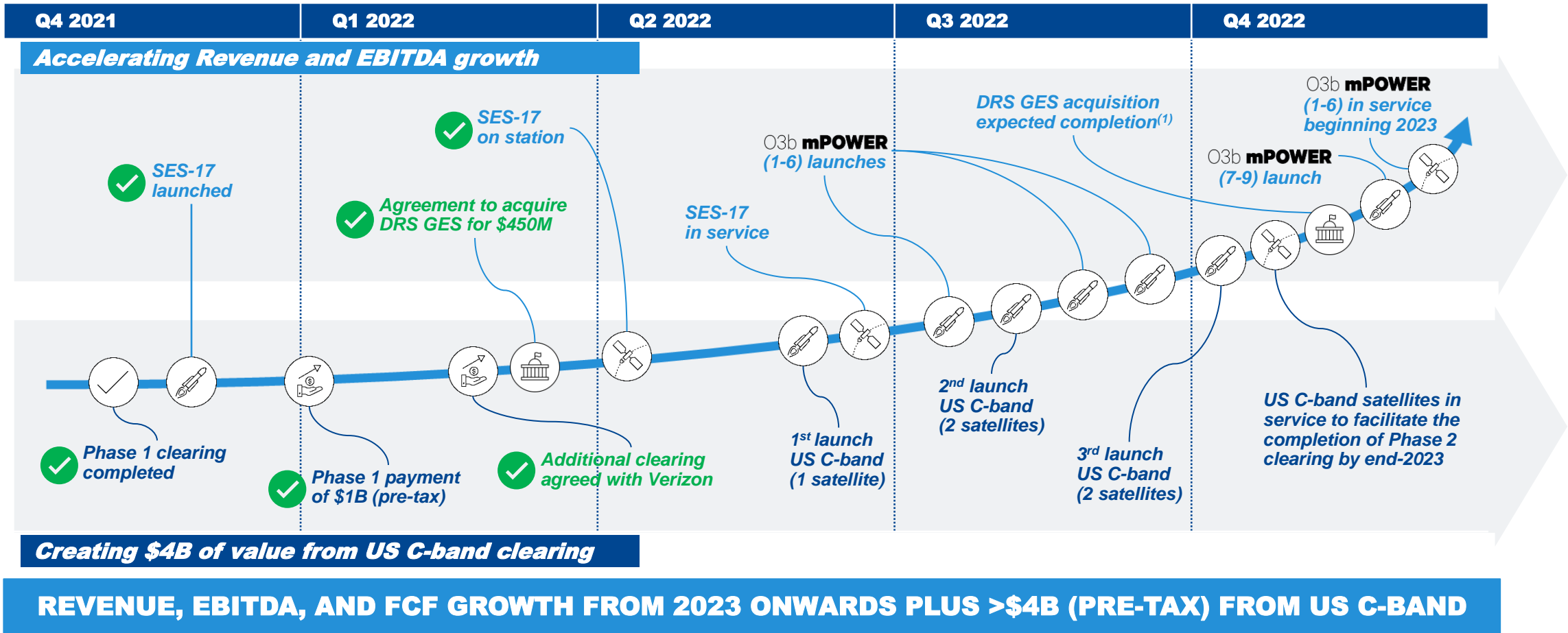


SES GS has been awarded \$29M to begin developing and demonstrating near-Earth space communication services that may support NASA missions. "SES's proposed approach demonstrates commercial radio frequency geostationary orbiting C-band and medium-Earth orbiting Ka-band relay networks for high-and- low-rate SATCOM services to spacecraft in low-Earth orbit for routine missions, contingency operations, launch and ascent, and early operations phase communications."

[NASA press release](#)

1) At constant FX (comparative figures restated at the current period FX) and excluding periodic and other revenue; 2) Fully protected backlog of \$675M

EXECUTING ON KEY STRATEGIC VALUE CREATION DRIVERS



Final launch dates are subject to confirmation by launch providers. 1) Subject to completion of regulatory approvals (expected during H2 2022)

FINANCIAL HIGHLIGHTS

Sandeep Jalan, CFO



SOLID Q1 2022 PERFORMANCE



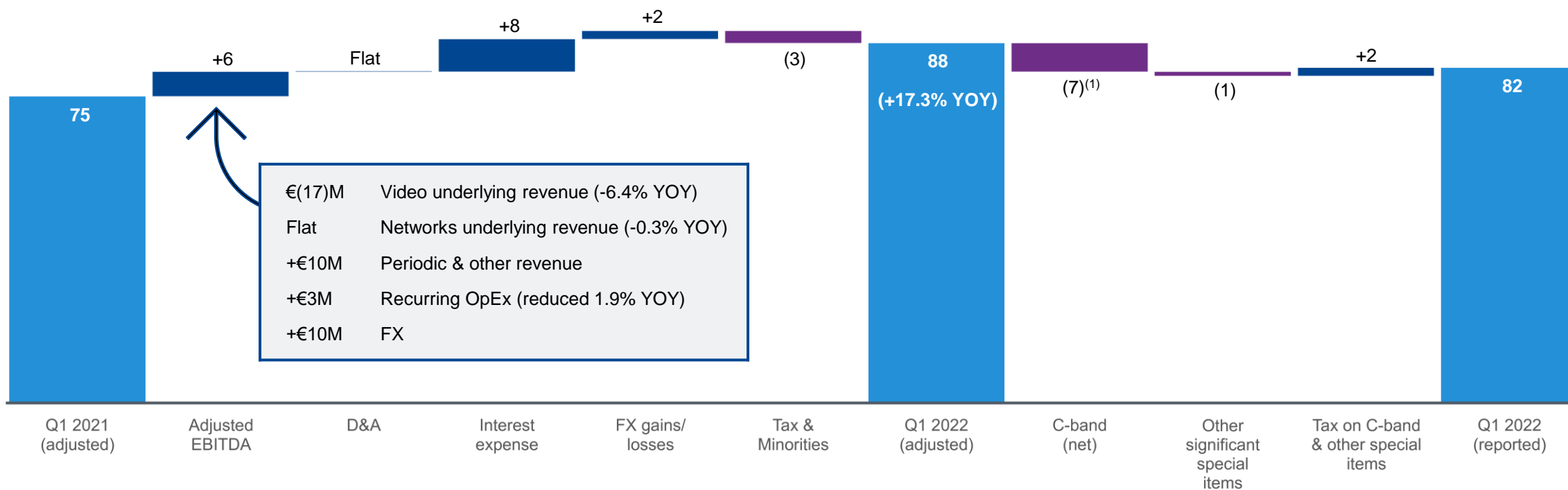
GROUP REVENUE €448M +2.6% YOY (-1.6% YOY constant FX)	ADJUSTED EBITDA⁽¹⁾ €274M +2.4% YOY (-1.5% YOY constant FX)	ADJUSTED EITDA MARGIN⁽¹⁾ 61.3% (Q1 2021: 61.4%)
ADJUSTED NET PROFIT⁽¹⁾ €88M +17.3% YOY	ADJUSTED NET DEBT TO ADJUSTED EBITDA 3.1x (Q1 2021: 3.1x)	FY 2022 REVENUE & ADJUSTED EBITDA⁽²⁾ ON TRACK (Revenue: €1,750-1,810M; EBITDA ⁽¹⁾ : €1,030-1,070M)

1) Adjusted EBITDA and Adjusted Net Profit exclude US C-band repurposing (Q1 2022: €7M net expense; Q1 2021: €7M net expense) and other significant special items (Q1 2022: €1M; Q1 2021: €1M). Adjusted Net Profit also excludes Tax on C-band and other significant items; 2) Financial outlook assumes FX rate of €1=\$1.13, nominal satellite health, and launch schedule

YEAR-ON-YEAR GROWTH IN ADJUSTED NET PROFIT

Adjusted Net Profit increased to €88M

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

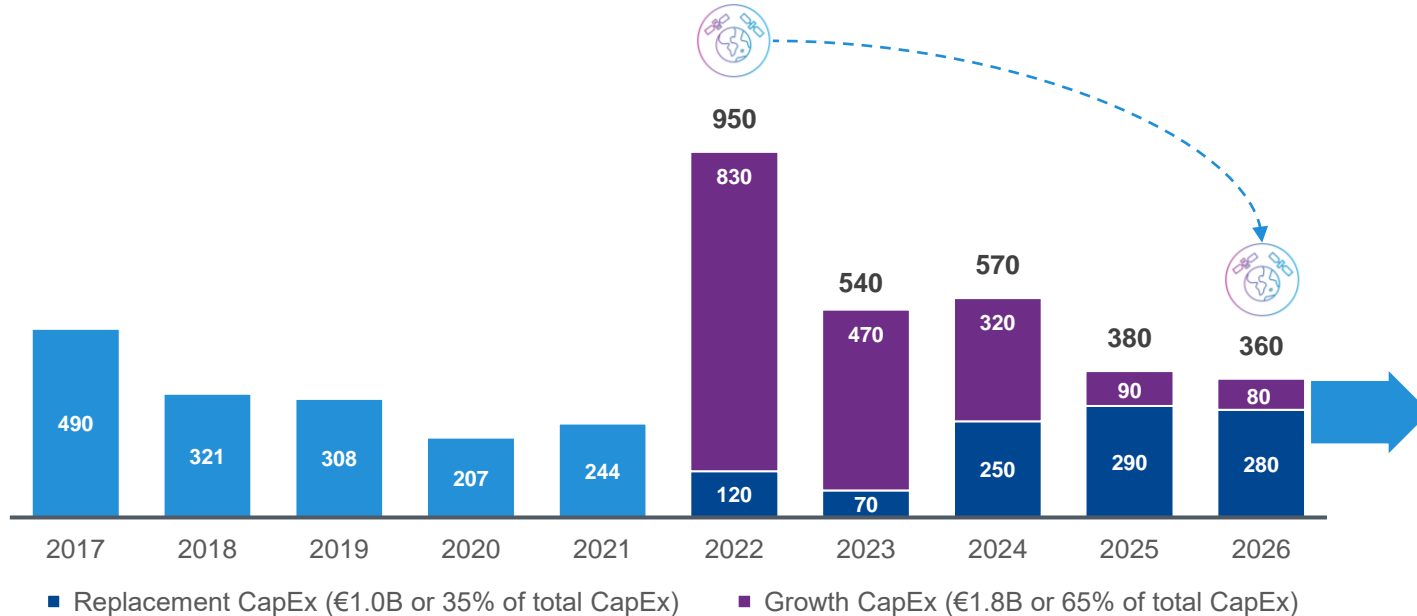


¹⁾ Comprising US C-band reimbursement income of €2M (Q1 2021: €27M) and US C-band operating expenses of €9M (Q1 2021: €34M)

CAPEX FORECAST UNCHANGED, SUPPORTS LONG-TERM GROWTH & CASH GENERATION

Meaningfully lower CapEx profile post 2022 growth investment peak

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



▲ Growth CapEx (SES-17 & O3b mPOWER) supporting profitable growth from 2023

- SES-17 expected to be in service by mid-2022 and O3b mPOWER (1-6) expected by end-2022

▲ Average replacement CapEx of €200M

- Benefit of future fleet optimisation, such as at 19.2°E where CapEx needs reduced by >50%

▲ Lower total CapEx post 2022 peak with 2025 and 2026 CapEx not exceeding €380M

- Reflecting completion of major growth investment and a substantial portion of replacement needs

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 = \$1.13 and excludes repurposing of US C-band

CONCLUSION

Steve Collar, CEO



DRIVING SUSTAINED PROFITABLE GROWTH AND VALUE CREATION

	2022 ⁽¹⁾	FROM 2023 ⁽²⁾
Video	Mid-single digit decrease	Flattening the curve to low-single digit average decline
Networks	Low- to mid-single digit growth	Accelerating to high-single/low-double digit average growth
Group revenue	€1,750-1,810M	Low- to mid-single digit average growth
Adjusted EBITDA	€1,030-1,070M	Low- to mid-single digit average growth
CapEx⁽³⁾	€950M	Average of €460M over 2023-2026
Dividend	€0.50 per A-share	Stable to progressive policy
	\$977M⁽⁴⁾ US C-band payment received	FCF growth from 2023 plus further \$3B⁽⁴⁾ from US C-band

1) All numbers shown at FX rate of €1=\$1.13. Financial outlook also assumes nominal satellite health and launch schedule; 2) All growth rates are shown at constant FX; 3) Excluding C-band; 4) Pre-tax (tax expected to be 18-19%)

**ADDITIONAL
INFORMATION**

COMMITMENT TO DISCIPLINED FINANCIAL POLICY AND SHAREHOLDER VALUE CREATION

	OUR POLICY	OUTLOOK
DISCIPLINED INVESTMENT	<ul style="list-style-type: none"> ▲ Replacement CapEx to sustain profitable portfolio of business ▲ Disciplined value-accretive growth investment ▲ IRR hurdle rate >10% (post-tax) over the investment horizon 	<ul style="list-style-type: none"> ▲ €950M investment in 2022, primarily growth ▲ Followed by lower annual CapEx of €460M (2023-2026)
MAINTAIN STRONG BALANCE SHEET	<ul style="list-style-type: none"> ▲ 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 	<ul style="list-style-type: none"> ▲ Adjusted Net Debt to Adjusted EBITDA below 3.3x
CASH RETURN TO SHAREHOLDERS	<ul style="list-style-type: none"> ▲ Maintain minimum base dividend of €0.50 per A-share with a stable to progressive policy 	<ul style="list-style-type: none"> ▲ 2021 dividend of €0.50 per A-share (+25% YOY) paid on 21 April 2022
UTILISING EXCESS CASH	<ul style="list-style-type: none"> ▲ Utilise any excess cash in the most optimal way for the benefit of shareholders 	<ul style="list-style-type: none"> ▲ 1st C-band payment (\$1B pre-tax of 18-19%), received in early January 2022, fully utilised to strengthen the Balance Sheet ▲ 2nd C-band payment (\$3B pre-tax of 18-19%), linked to 5 December 2023 clearing milestone, to be used for a mix between return to shareholders, strong balance sheet, and any disciplined value-accretive investment

ALTERNATIVE PERFORMANCE MEASURES (APMs)

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 2021	Q1 2022
Adjusted EBITDA	268	274
US C-band repurposing income	27	2
US C-band operating expenses	(34)	(9)
Other significant special items	(1)	(1)
EBITDA (as reported)	260	266

€M	Q1 2021	Q1 2022
Adjusted Net Profit	75	88
US C-band repurposing income	27	2
US C-band operating expenses	(34)	(9)
Other significant special items	(1)	(1)
Tax on material, exceptional items	2	2
Net profit (as reported)	69	82

€M	Q1 2021	Q1 2022
Total borrowings	3,425	3,601
Cash & cash equivalents	(589)	(747)
Net debt (as reported)	2,836	2,854
50% of SES' hybrid bonds	650	588
Adjusted Net Debt (A)	3,486	3,442
12-month rolling Adjusted EBITDA (B)	1,132	1,098
Adjusted Net Debt to Adjusted EBITDA (A / B)	3.1x	3.1x

ESG - OUR HORIZON STRATEGY

SUSTAINABLE SPACE MEETS SUSTAINABLE EARTH

 SUSTAINABLE SPACE Lead, collaborate, and innovate for sustainable space	 CLIMATE ACTION Take bold climate action by setting targets and innovating for the planet	 DIVERSITY & INCLUSION Make the space industry more diverse and inclusive, starting with SES	 CRITICAL HUMAN NEEDS Empower communities to thrive with services to support critical human needs
OUR RESPONSIBILITY:			
Innovate to reduce our footprint from launch to decommissioning	Reduce Green House Gas emissions across operations and our supply chain	Build a more diverse and inclusive workforce across all levels of our business	Develop partnerships and innovate to increase access to education, health, and information services
OUR OPPORTUNITY:			
Advocate best practice approaches to ensuring industry-wide responsible use of space	Provide solutions to combat environmental challenges through satellite connectivity	Increase diversity and inclusion in the space industry through targeted actions and investments	Expand reliable access to content and connectivity to build sustainable communities
OUR TARGETS:			
<ul style="list-style-type: none"> By 2030, complete life cycle assessments on all products and fully understand the impact that our product and services have on earth and in space Explore partnerships to develop innovative solutions and new technologies for space sustainability By 2024, become certified by the upcoming WEF Space Sustainability Rating 	<ul style="list-style-type: none"> By no later than 2050, reach NetZero emissions In 2022, begin developing targets aligned with the SBTi for submission and validation by no later than 2024 	<ul style="list-style-type: none"> Increase gender diversity of people managers and executives in SES by 50% in 5 years By 2025, implement a supplier and customer sustainability rating and diversity programme, empowering a pool of sustainable suppliers In 2022, SES will develop a plan to build on our STEM and ICT outreach in order to expand our impact on students from underrepresented groups 	<ul style="list-style-type: none"> In 2022, conduct intense stakeholder outreach to understand where our products and services can intentionally and meaningfully impact human needs aligned with, and in collaboration with, stakeholders and the UN SDGs

Our ESG strategy and targets are strongly correlated to 11 of the 17 UN Sustainable Development Goals:



Disclaimer

This presentation does not, in any jurisdiction, including without limitation in the US, constitute or form part of, and should not be construed as, any offer for sale of, or solicitation of any offer to buy, or any investment advice in connection with, any securities of SES, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

No representation or warranty, express or implied, is or will be made by SES, its directors, officers or advisors, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this presentation, and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, none of SES, or its directors, officers or advisors accept any liability whatsoever for any loss however arising, directly or indirectly, from use of this presentation or its contents or otherwise arising in connection therewith.

This presentation includes “forward-looking statements”. All statements other than statements of historical fact included in this presentation, including without limitation those regarding SES’ financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to SES products and services), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of SES to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding SES and its subsidiaries and affiliates, present and future business strategies, and the environment in which SES will operate in the future, and such assumptions may or may not prove to be correct. These forward-looking statements speak only as at the date of this presentation. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will occur or continue in the future. SES, and its directors, officers and advisors do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Richard Whiteing
Investor Relations

Richard.Whiteing@ses.com

T +352 710 725 261

Joana Gomes
Investor Relations

Joana.Gomes@ses.com

T +352 710 725 6467

Michelle Suc
Investor Relations

Michelle.Suc@ses.com

T +352 710 725 403

Connect with us

