

Q1 2019 RESULTS

THREE MONTHS ENDED 31 MARCH 2019

26 APRIL 2019 (BETZDORF, LUXEMBOURG)



Agenda



Business Highlights

Steve Collar
President & CEO

Video

Ferdinand Kayser
CEO of SES Video

Networks

John-Paul Hemingway
CEO of SES Networks

Financial Review

Andrew Browne
CFO

BUSINESS HIGHLIGHTS

Steve Collar, President & CEO

Highlights

Q1 2019 results in line with expectations and on track to deliver FY 2019

- ▲ Revenue EUR 480.6 million (underlying -3.1%⁽¹⁾ with Video tracking expectations)
- ▲ Sustained growth in Networks (+5.4% YOY) building on double-digit growth in 2018
- ▲ Latest O3b satellites in service early Q3, paving the way for O3b mPOWER

Focus on reshaping organisation around customers yielding results

- ▲ Flattening layers, common approach to Technology and Global Services
- ▲ Bringing together video infrastructure and services, to be completed by Q3 2019




Market-based C-band initiative progressing

- ▲ Ready to implement plan for clearing mid-band spectrum on FCC Report & Order
- ▲ Rapid deployment of 5G across the Continental U.S. while protecting essential services



1) Comparative figures are restated at constant FX to neutralise currency variations. Underlying revenue excludes periodic revenue and other (disclosed separately) that are not directly related to or would distort the underlying business trends

2019 On Track with Financial Outlook

	Q1 2019		
Video	EUR 304.1 million <i>(-7.3% underlying)</i>		On Track for FY 2019 of EUR 1,225 - 1,255 million ⁽¹⁾
Networks	EUR 176.4 million <i>(+5.4% underlying)</i>		On Track for FY 2019 of EUR 740 - 775 million ⁽¹⁾
Group Revenue	EUR 480.5 million <i>(-3.1% underlying)</i>		On Track for FY 2019 of EUR 1,975 - 2,040 million ⁽¹⁾

Also on track to deliver FY 2019 adjusted group EBITDA outlook and Net debt to EBITDA target

¹⁾ Financial outlook assumes EUR/USD FX rate of EUR 1 = USD 1.15, nominal launch schedule and satellite health status. Group revenue includes approximately EUR 10 million of Other revenue

Continued Progress in C-Band Framework for U.S. 5G



**Clears spectrum
quickly to enable U.S.
5G leadership**



**Accelerates GDP
growth and 5G
innovation**



**Protects current TV and
radio broadcasts to 100
million homes**



**Addresses rural U.S. needs
for quality television and
broadband**

- ▲ CBA working with all related parties to facilitate a transparent, fair and agile adoption of 5G in the U.S.
- ▲ Detailed transition plan now ready to execute upon an FCC Report & Order
- ▲ Ability to deliver up to 200 MHz (including guardband) of spectrum for 5G within 36 months with first tranche earlier

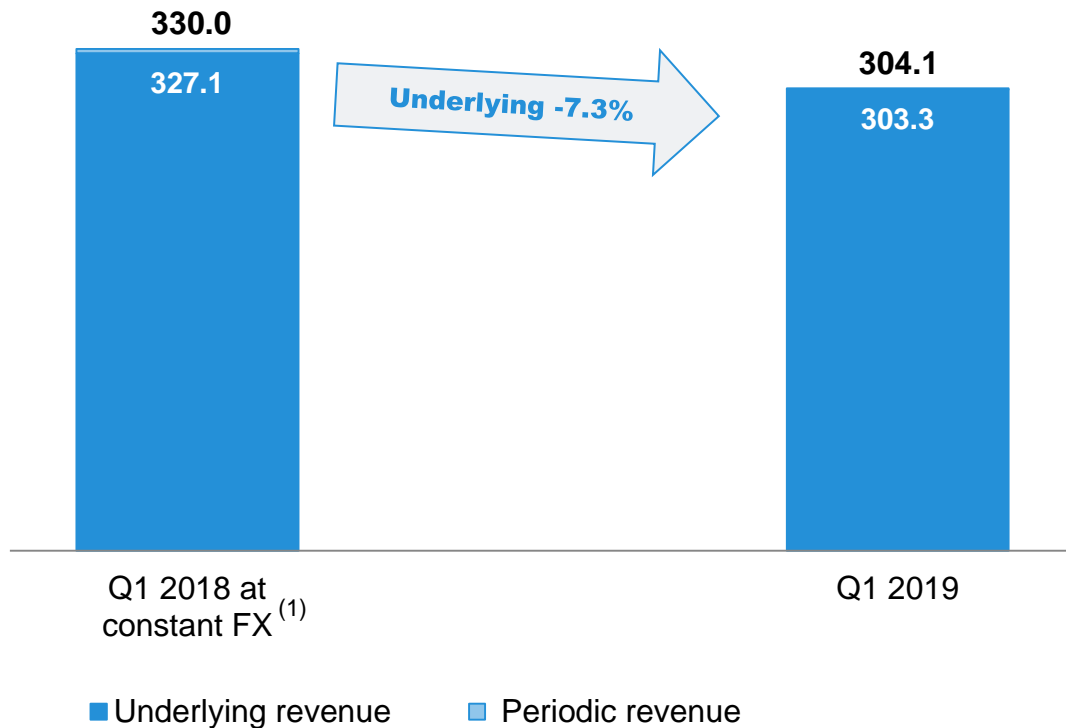
SES VIDEO

Ferdinand Kayser, CEO of SES Video

Video Delivering in Line with Expectations

SES Video revenue

EUR million



- ▲ Delivering improved experience with higher quality
 - +6% (YOY) growth in HD and commercial UHD TV channels
- ▲ Reach growing to 355 million households (+4 million YOY)
 - Over one billion people relying on SES to distribute their video content
- ▲ Expanding International neighbourhoods and reach
 - +18% growth (YOY) in TV channels; +8 million growth (YOY) in reach
- ▲ Combining reach and value-added services adding visibility
 - Reinforcing neighbourhoods with improved value proposition

¹⁾ Q1 2018 : EUR 324.4 million as reported (including periodic revenue)

Delivered Important Success for Our Customers in Q1 2019

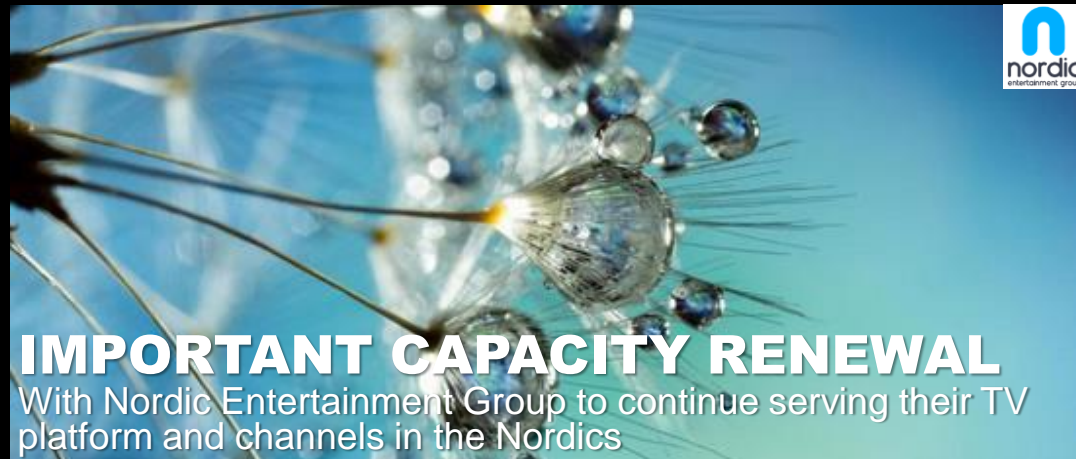


CrownMedia
FAMILY NETWORKS

MULTI-YEAR COMMITMENT
Partner of choice for Crown Media to broadcast Hallmark Channel line up to tens of millions of households in the U.S.



ACCELERATING DIGITAL
Using spot beam across Benin to feed DTT and provide DTH to receive 15 new FTA channels including 3 HD TV channels



nordic
entertainment group

IMPORTANT CAPACITY RENEWAL
With Nordic Entertainment Group to continue serving their TV platform and channels in the Nordics

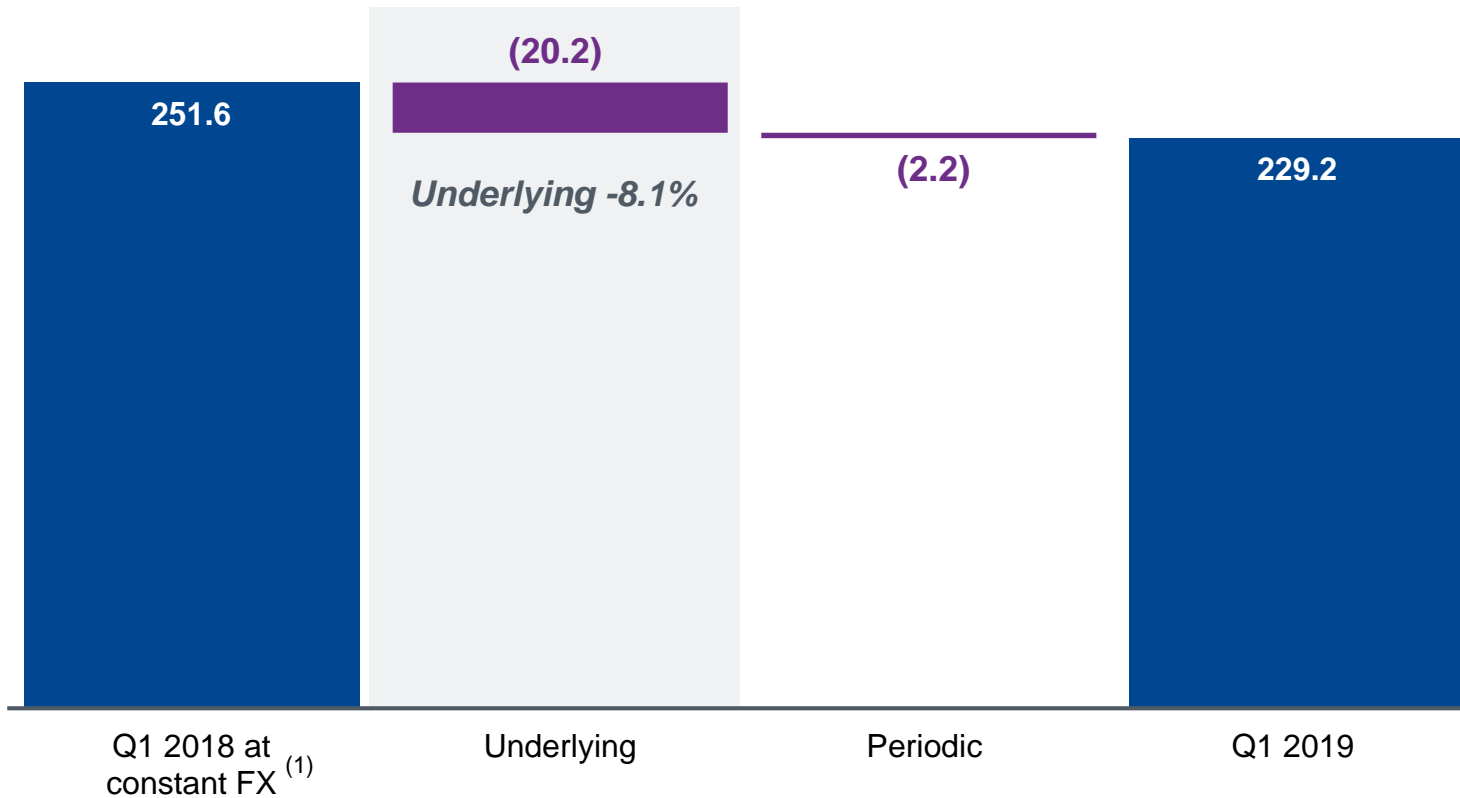


EXTENDING PARTNERSHIP
With MX1 360 fully managed playout selected for the rollout of new TLC Austria channel

Markets Remain Challenging but Substantial Reach Underpins the Value of Our Core Neighbourhoods

Video Distribution revenue walk

EUR million



▲ Underlying revenue -8.1% (YOY)

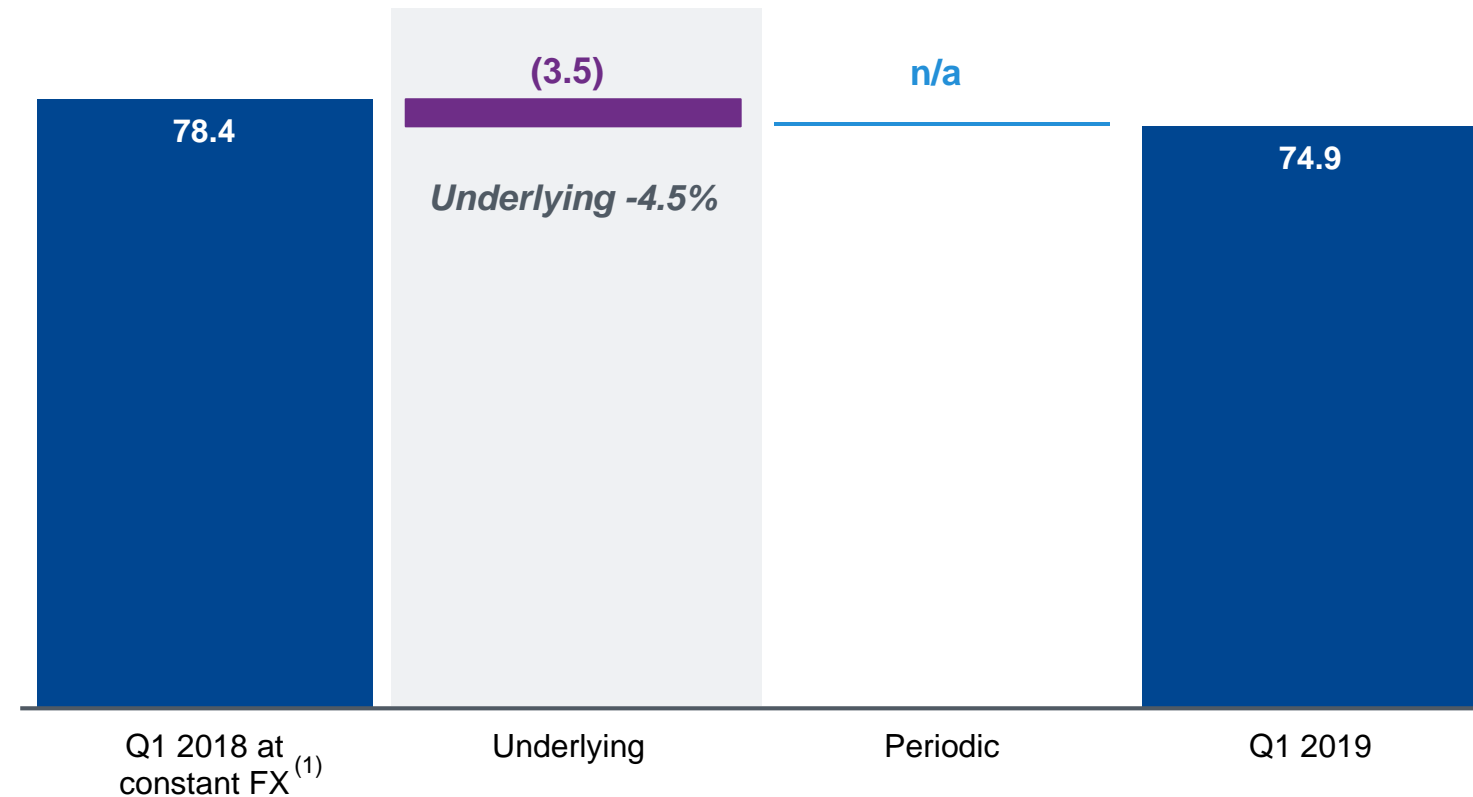
- Reduction in North American wholesale and ongoing SD switch-off in the cable business
- Effect of certain long-term renewals secured in late 2018 and the reversal of some short-term contracts in Q3 2018
- Contribution from new business secured in 2018 not yet fully offsetting the impact of challenges in specific markets

1) Q1 2018: EUR 247.2 million as reported

Refocusing Our Video Services to Deliver Integrated Solutions for Our Customers **SES**[▲]

Video Services revenue walk

EUR million



- ▲ Underlying revenue -4.5% (YOY)
 - HD+ stable
 - Non-renewal of 'legacy' services in MX1 led to lower revenue and offset further customer adoption of MX1 360 and sports & events
- ▲ Progress in the combination of our infrastructure and services to create synergy for our core customers
 - Reinforcing neighbourhoods and value proposition, driving deeper engagement
 - On track to be completed in Q3 2019

¹⁾ Q1 2018: EUR 77.2 million as reported

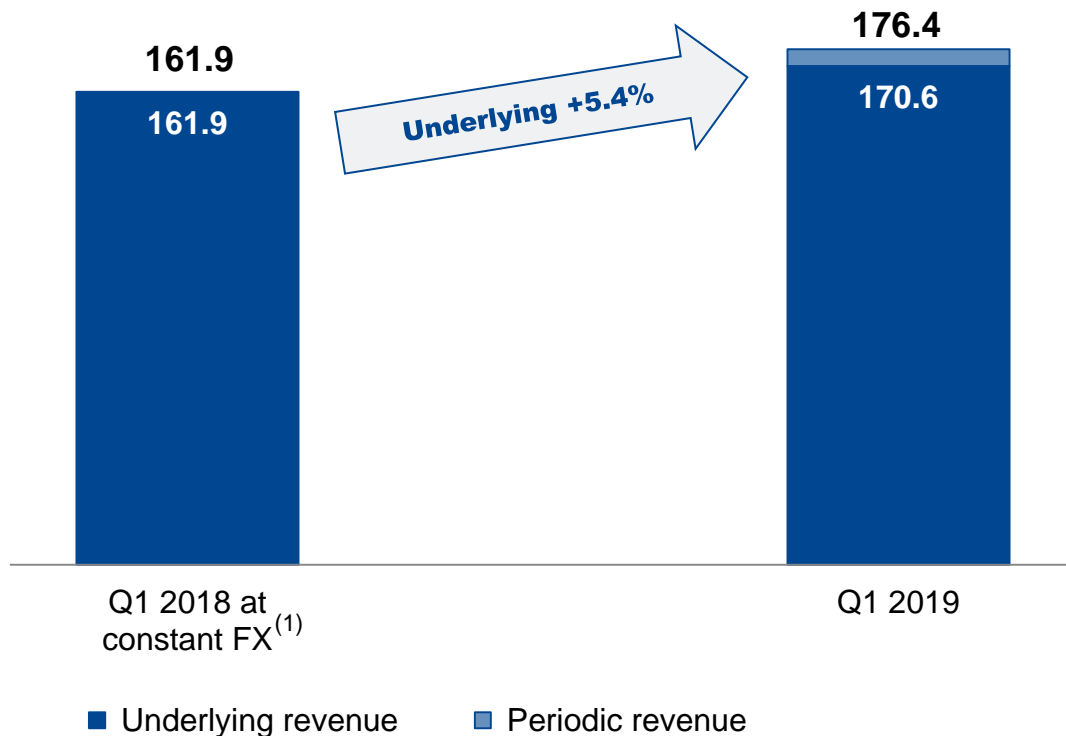
SES NETWORKS

John-Paul Hemingway, CEO of SES Networks

Sustained Growth in Q1 2019, Building on Breakout Year in 2018

SES Networks revenue

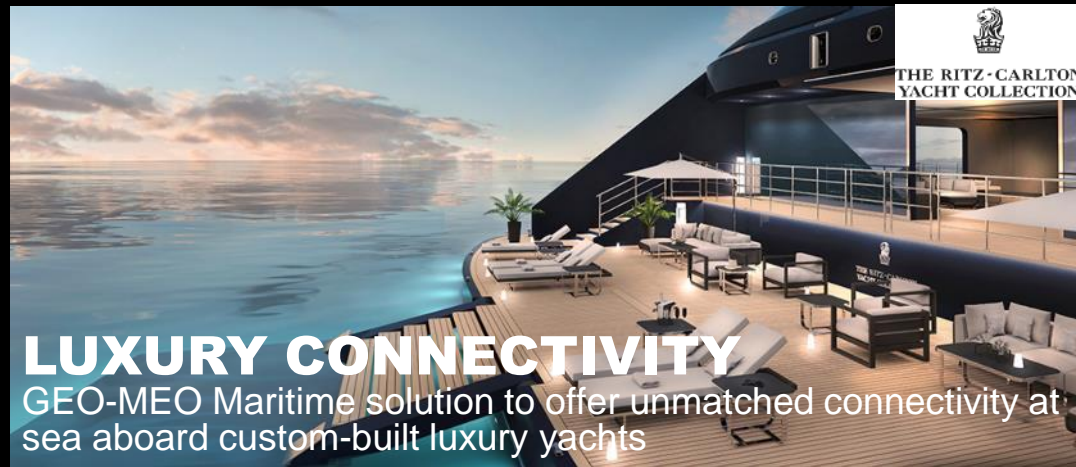
EUR million



- ▲ Expanding across multiple growth segments
 - Government, Aero, Cruise, MNO, Energy
- ▲ New GEO assets to contribute this year
 - With SES-12 and ramp-up of SES-14
- ▲ Finalisation of the first generation of our MEO constellation
 - Final four satellites successfully launched, in service early Q3 2019
- ▲ Increasing readiness towards launch of O3b mPOWER
 - Good progress made across the technology, product and commercial ecosystem

1) Q1 2018: EUR 153.0 million as reported

Delivered Important Success for Our Customers in Q1 2019



THE RITZ-CARLTON YACHT COLLECTION

LUXURY CONNECTIVITY
 GEO-MEO Maritime solution to offer unmatched connectivity at sea aboard custom-built luxury yachts



EMSA

ENHANCE SAFETY AT SEA AND MONITOR POLLUTION
 Remotely Piloted Aircraft Systems supported by end-to-end solutions opening up new ISR governmental applications



TELEGLOBAL
 brings the world closer

CONNECT THE UNCONNECTED
 Leveraging SES-12's HTS performance to connect Indonesia in partnership with Teleglobal and BAKTI



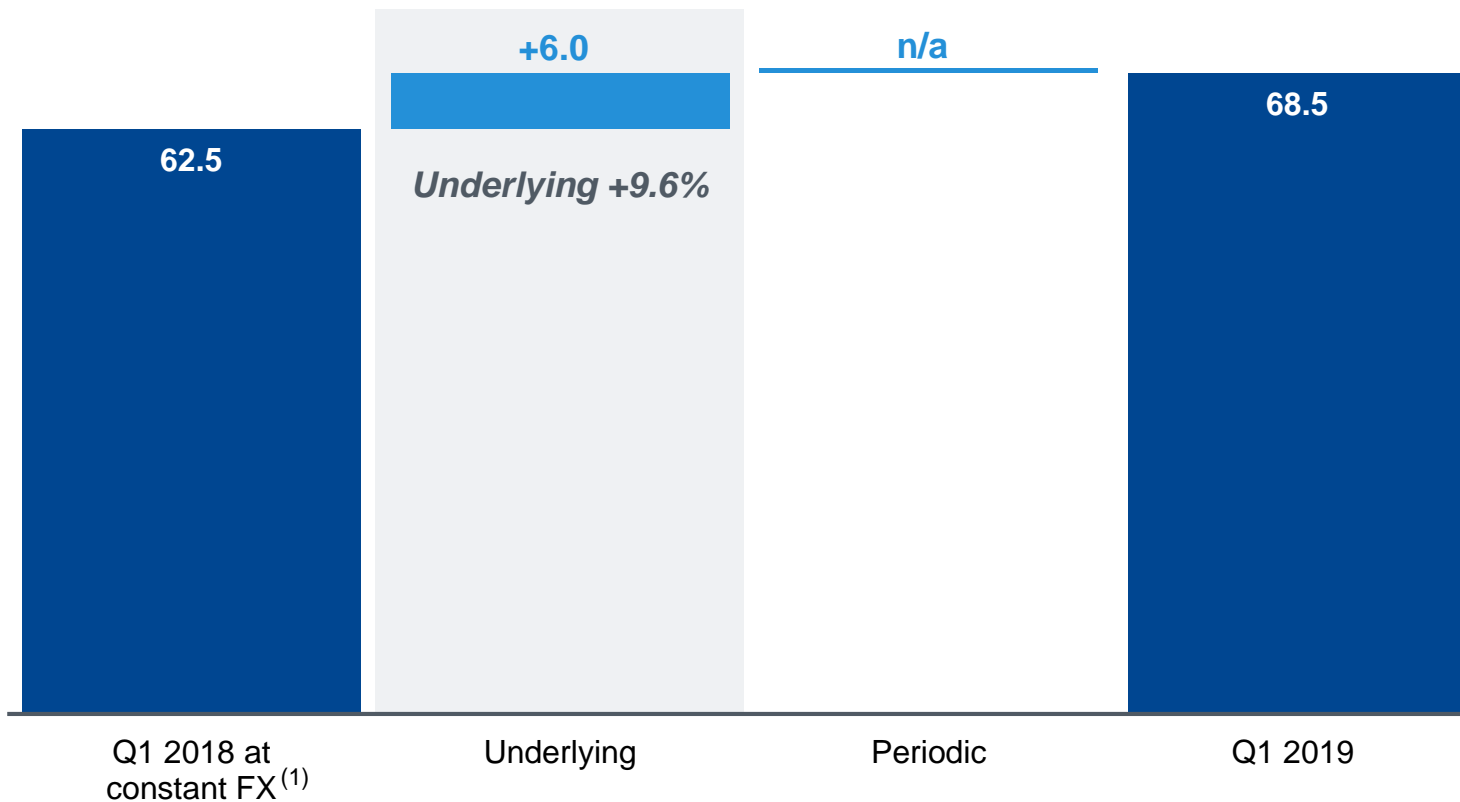
R

ENABLE DIGITISATION WITH CLOUD APPLICATIONS
 Delivering fibre-like connectivity to a gold mine in Mali

Unique Government Solutions Driving Growth

Government revenue walk

EUR million



▲ Underlying revenue +9.6% (YOY)

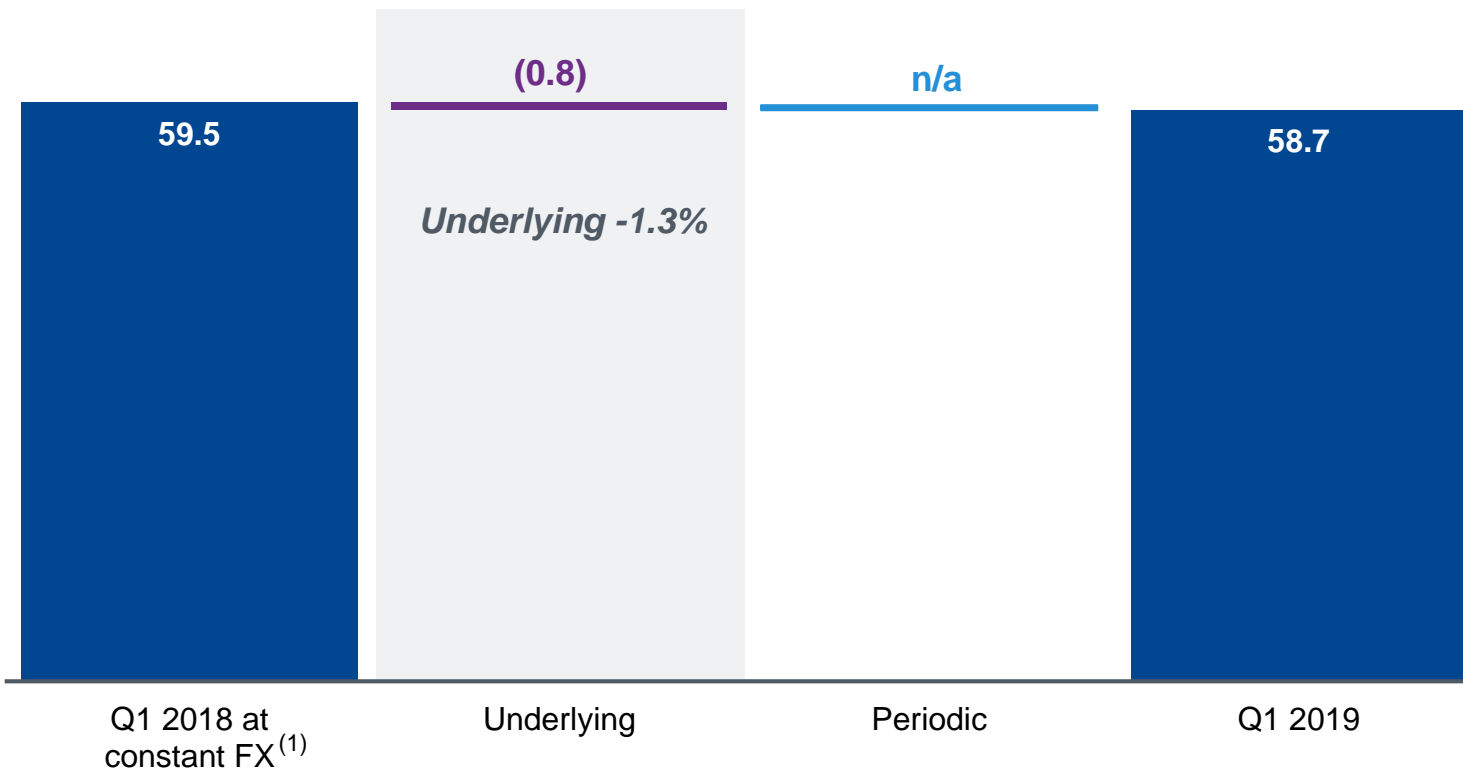
- U.S. Government growth supported by both new MEO missions and GEO-enabled network solutions
- Strong growth in Global Government across the portfolio including humanitarian and peacekeeping operations, institutional projects and GovSat-1 contribution

1) Q1 2018: EUR 59.4 million as reported

Fixed Data Performing Robustly in a Challenging Market

Fixed Data revenue walk

EUR million



▲ Underlying revenue -1.3% (YOY)

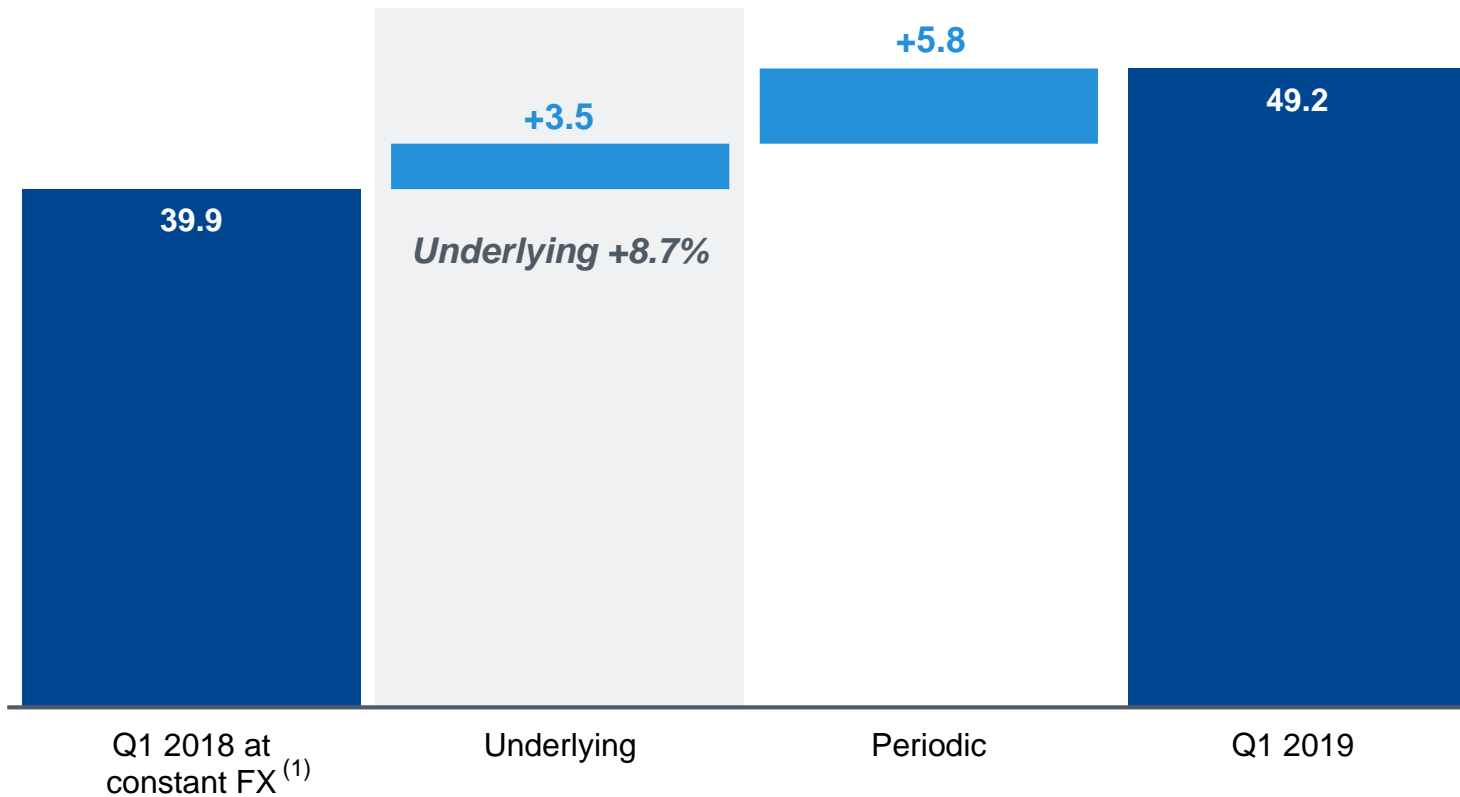
- Growing in the Americas supported by new Telcos, MNO and Energy services
- Lower wholesale capacity and equipment revenue in EMEA and Asia-Pacific not yet offset by customer upgrades and new business that will drive future growth

1) Q1 2018: EUR 56.2 million as reported

Further Significant Expansion in Aero and Cruise

Mobility revenue walk

EUR million



▲ Underlying revenue +8.7% (YOY)

- Strong growth in Aero with SES-15 enabling Aero Service Providers to support North and Latin American airlines, as well as the expansion of SES' Ka-based aero network
- Growing in Maritime driven by continued expansion of existing and new cruise clients with SES now serving 4 of the top 5 global cruise operators

1) Q1 2018: EUR 37.4 million as reported

FINANCIAL REVIEW

Andrew Browne, CFO

Financial Highlights

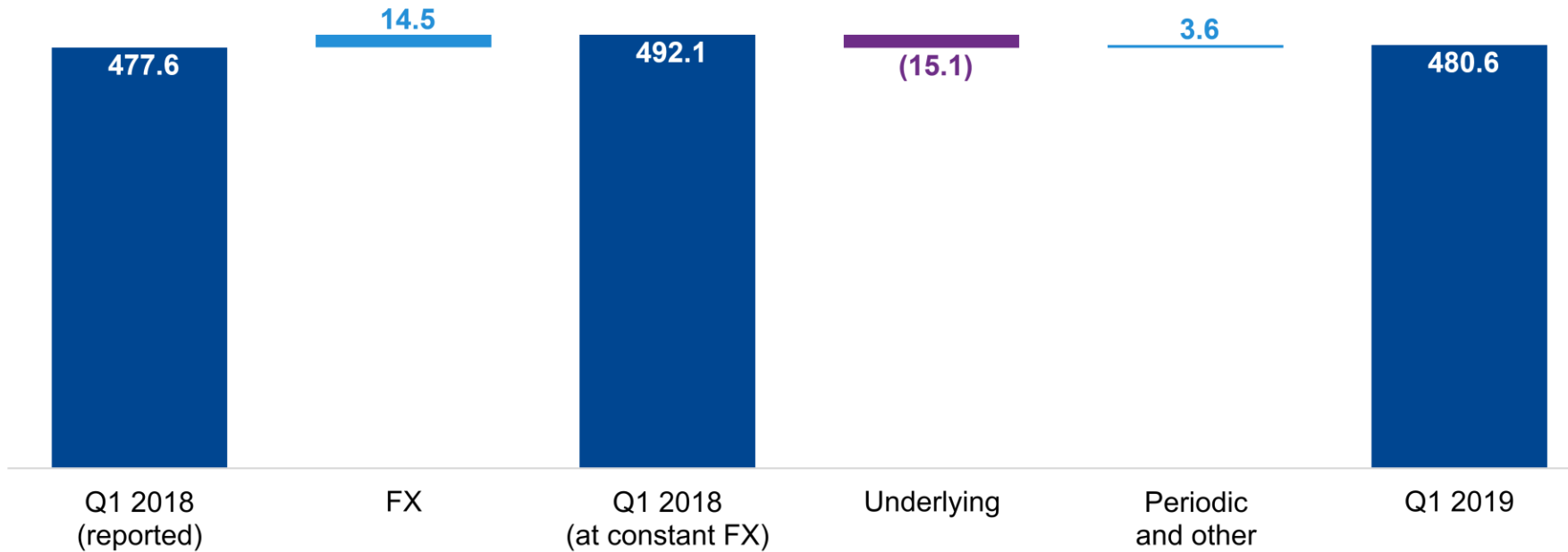
- ▲ **Revenue of EUR 480.6 million** with underlying revenue⁽¹⁾ down 3.1% (YOY)
 - Group revenue +0.6% as reported and -2.3% at constant FX including periodic and other revenue
- ▲ **EBITDA of EUR 290.1 million** (-4.7% as reported and -7.0% at constant FX compared with Q1 2018)
 - EBITDA margin of 60.4% (Q1 2018 : 63.7%); or 62.1% excluding EUR 8.3 million restructuring charge related to optimisation programme
- ▲ **Net profit attributable to SES shareholders of EUR 72.2 million** (Q1 2018: EUR 98.2 million)
 - Year-on-year comparison driven by operating profit development with Q1 2019 at EUR 113.2 million (Q1 2018: EUR 138.8 million)
- ▲ **Free Cash Flow before financing activities at EUR 84.3 million**
 - Investing activities reduced by 31.7% (YOY)
- ▲ **Net debt to EBITDA ratio 3.40x**, compared with 3.41x at Q1 2018
 - Expected to be at or below 3.3x by end of 2019 in line with SES' commitment to investment grade status
- ▲ **Financial Outlook** remains unchanged

1) Comparative figures are restated at constant FX to neutralise currency variations. Underlying revenue excludes periodic revenue and other (disclosed separately) that are not directly related to or would distort the underlying business trends

Revenue in Line with Expectations

Revenue walk

EUR million

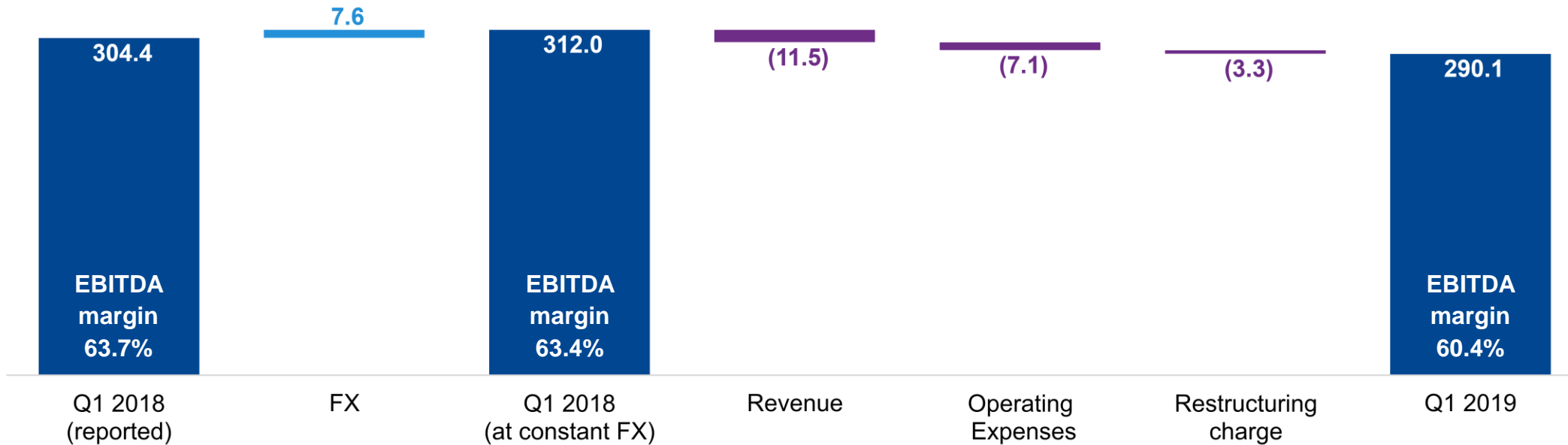


- ▲ Underlying revenue down EUR 15.1 million (or 3.1%) at constant FX compared with the prior year
- ▲ Strong growth in Networks, building on double-digit growth in 2018, with Video performing in line with expectations

EBITDA Development Reflects Business Transformation

EBITDA walk

EUR million



- ▲ Change in recurring OpEx (EUR 7.1 million) principally reflects investment in expanding capabilities across the Networks' business
- ▲ Restructuring charge of EUR 8.3 million booked in Q1 2019 related to ongoing optimisation initiatives (Q1 2018: EUR 5.0 million)
- ▲ EBITDA margin 62.1% excluding restructuring charges (Q1 2018: 64.8% on the same basis)

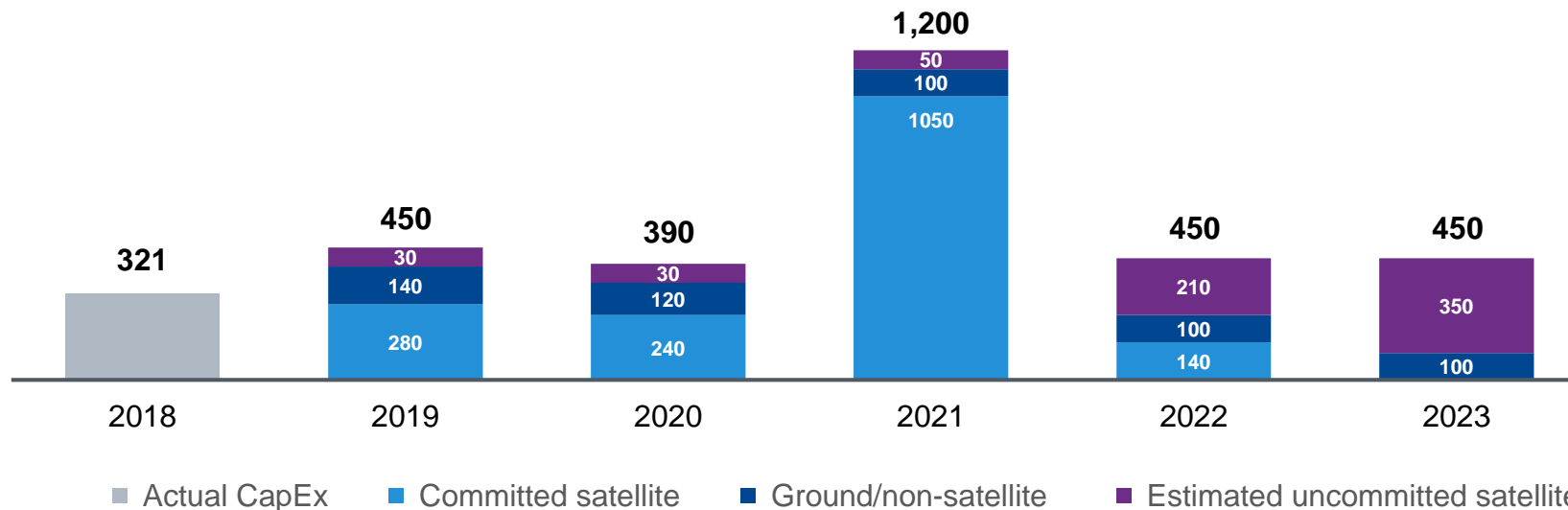
Net Profit of EUR 72.2 million

EUR million	Q1 2019	Q1 2018	
EBITDA	290.1	304.4	
Depreciation and amortisation expense	(176.9)	(165.6)	← EUR 5.0 million higher at constant FX, reflecting new capacity brought into commercial service
Operating profit	113.2	138.8	
- <i>Operating profit margin</i>	23.6%	29.1%	← Q1 2019 operating profit margin of 25.3% excluding restructuring charge
Net financing costs	(37.8)	(35.9)	← Lower net interest expense offset by lower capitalised interest than Q1 2018
Income tax benefit/(expense)	(7.2)	+10.1	
- <i>Effective tax rate</i>	9.6%	-9.8%	← YOY comparison affected by one-off impact associated with the recognition of a deferred tax asset in Q1 2018 and its corresponding impact on non-controlling interests
Non-controlling interests	4.0	(14.8)	
Net profit attributable to SES shareholders	72.2	98.2	

CapEx Profile Unchanged

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

EUR million



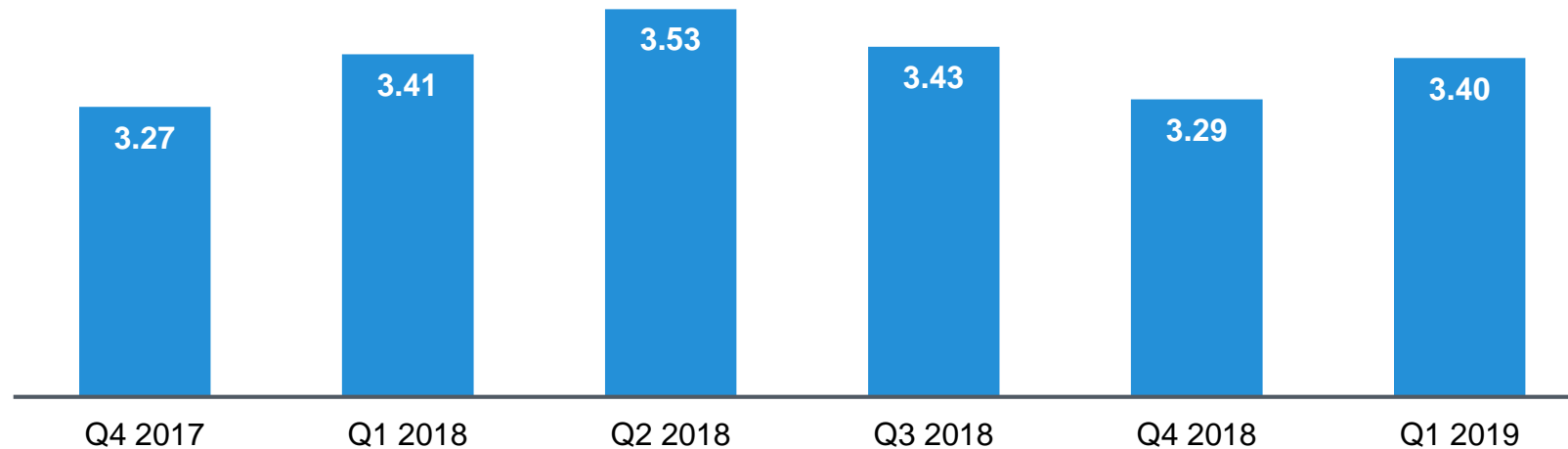
- ▲ Average CapEx investment of EUR 590 million over the next 5 years (2019-2023) including O3b mPOWER and SES-17 (in 2021)
- ▲ CapEx in 4 of the next 5 years of EUR 450 million or lower (nearly 10% lower than the average for 2014-2018 of EUR 490 million)

1) 2019-2023 assumes EUR/USD FX rate of EUR 1 = USD 1.15. CapEx includes payload, launcher, insurance and intangible investments (not previously included) but excludes capitalised interest (previously included) and financial investments

Leverage Development in Line with Expectations

Net debt to EBITDA

Times⁽¹⁾



- ▲ Repayment of USD 500 million bond successfully refinanced with no senior debt maturities now before March 2020
- ▲ Free cash flow before financing activities at EUR 84.3 million with 31.7% reduction in net cash absorbed by investing activities
- ▲ Net debt to EBITDA ratio expected to be at or below 3.3x at the end of 2019, in line with SES' commitment to investment grade

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

Financial Outlook Unchanged

	FY 2019	FY 2020
<i>Financial outlook assumes EUR/USD FX rate of EUR 1 = USD 1.15, nominal launch schedule and satellite health status</i>		
Video revenue	EUR 1,225 – 1,255 million	EUR 1,200 – 1,250 million
Networks revenue	EUR 740 – 775 million	EUR 850 – 900 million
Group revenue ⁽¹⁾	EUR 1,975 – 2,040 million	EUR 2,060 – 2,160 million
Group EBITDA	EUR 1,220 – 1,265 million ⁽²⁾	EUR 1,260 – 1,340 million

1) Group revenue includes approximately EUR 10 million of Other revenue

2) Group EBITDA excluding a restructuring charge of EUR 25 - 30 million

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