

# Full Year 2015 Results

Year ended 31 December 2015

26 February 2016



## Robust performance, setting foundations for sustainable growth

	2015 EUR million	Growth as reported	Growth at constant FX <sup>(1)</sup>
Revenue	2,014.5	+5.0%	-3.2%
EBITDA	1,494.2	+4.6%	-3.6%
Profit after tax <sup>(2)</sup>	674.0	+5.0%	n/a
Dividend proposed per A-share	EUR 1.30	+10%	n/a

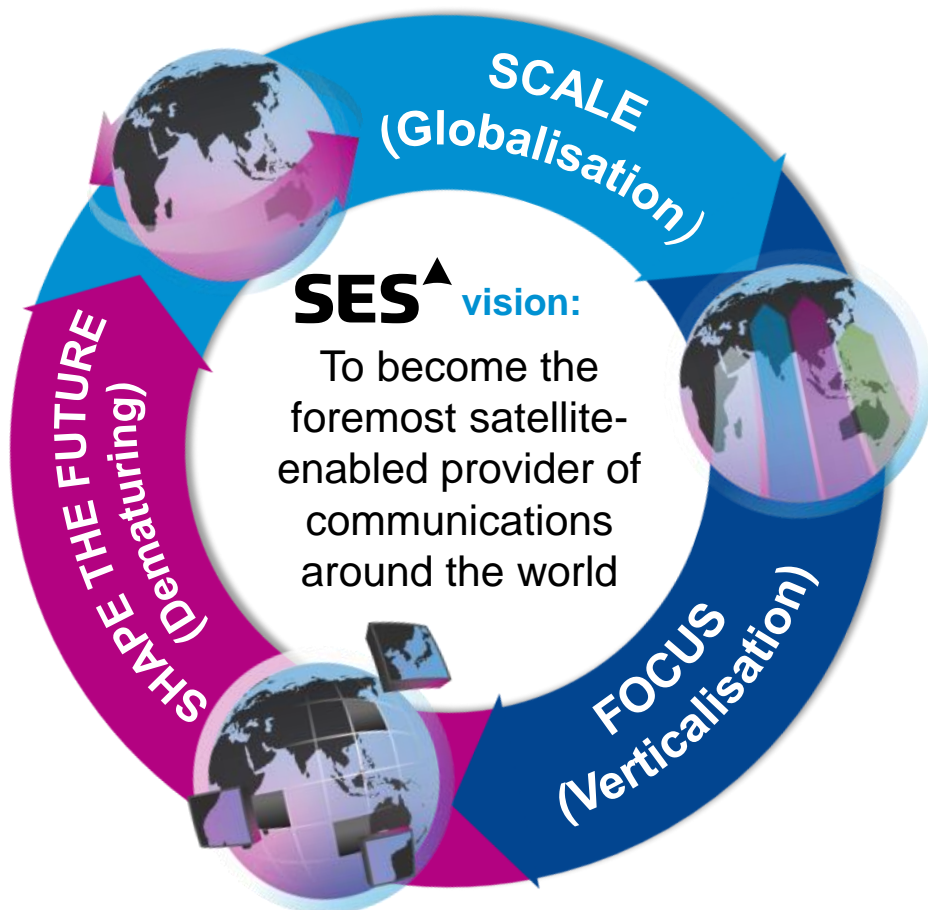
### Execution of differentiated strategy delivering:

- ▲ Solid growth in group revenue and profit after tax
- ▲ Strengthening and growing SES's four market verticals
- ▲ Foundations for sustainable, long-term growth

1) At constant FX refers to the restatement of comparative figures to neutralise currency variations and thus facilitate comparison

2) Profit before share of associates' result and non-controlling interests

# Executing on SES's differentiated strategy



## Globalisation – building scale to deliver global solutions

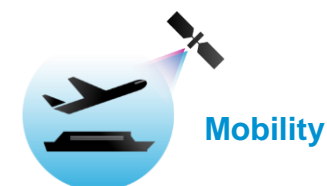
- ▲ Expanding in International
- ▲ Adding to growth in core markets

## Verticalisation – focused, capability driven strategy

- ▲ Focused development of differentiated capabilities in four market verticals

## Dematuring – shaping the future user experience

- ▲ Innovate throughout the emerging digital ecosystem
- ▲ Creating new and differentiated applications across technologies
- ▲ Developing the optimal business model and commercial approach

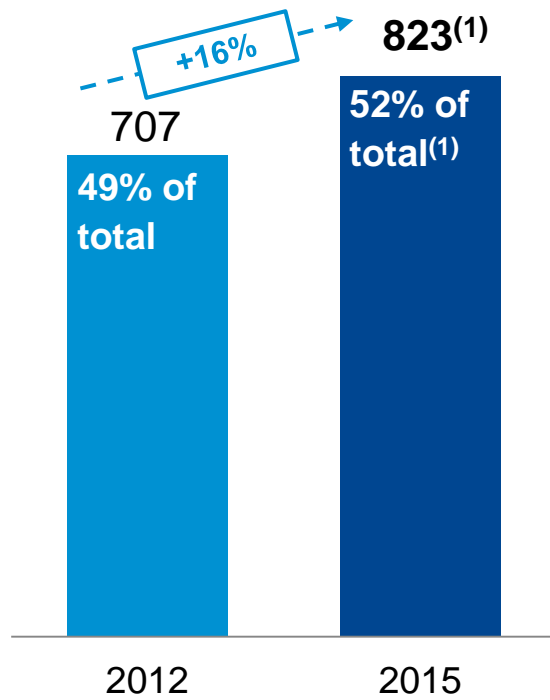




## Expanding in fast-growing emerging markets

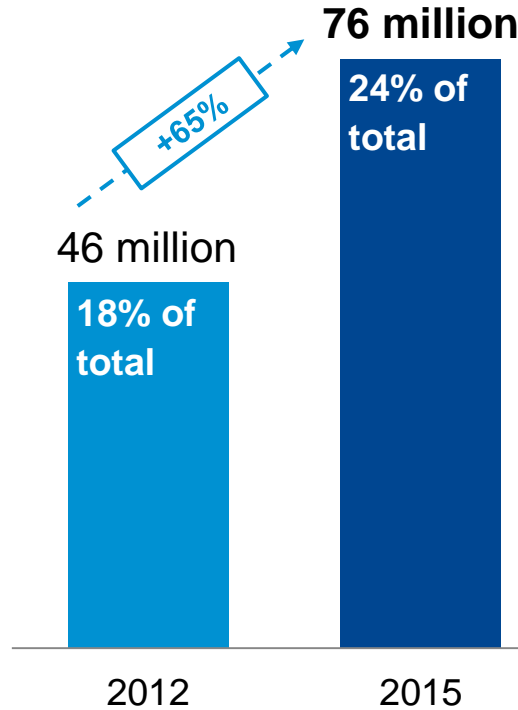
*Available capacity (International)*

36 MHz equivalent



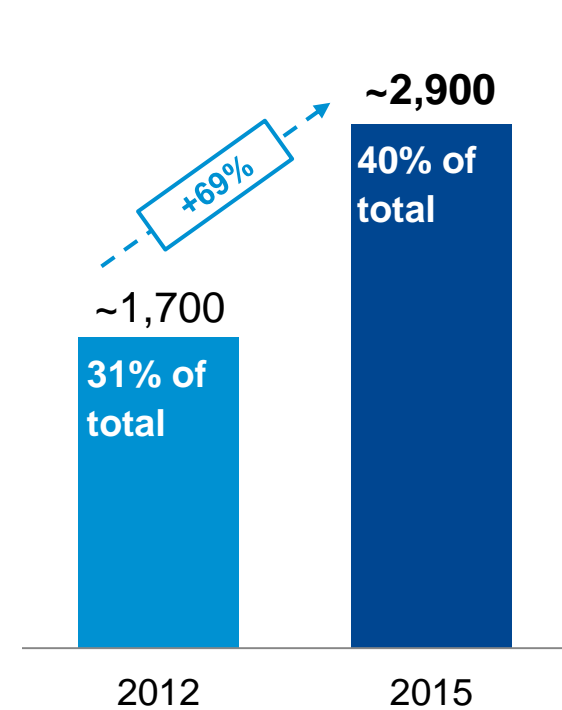
*Technical reach (International)*

TV households



*TV Channels (International)*

Broadcast of SES satellites







- ▲ International now accounts for over 50% of SES's available capacity and 40% of TV channels
- ▲ Growing emerging market capacity by 21% from new satellites launched by end-2017

1) Available capacity including NSS-7 (now transferred to inclined orbit). Excluding NSS-7, available capacity in International grew by 6% to 749 transponders



## Generating growth in three of SES's market verticals

	Revenue (EUR million)		Growth vs. FY 2014	
	2015	2014	Reported	Constant FX
 Video (67%)	1,354.9	1,260.8	+7.5%	+2.2%
 Enterprise (15%)	307.6	324.3	-5.1%	-19.2% <sup>(2)</sup>
 Mobility (3%)	52.9	35.9	+47.4%	+24.5%
 Government (13%)	255.6	215.1	+18.8%	+3.3%
Other <sup>(1)</sup>	43.5	83.0	n/m	n/m
<b>Group total</b>	<b>2,014.5</b>	<b>1,919.1</b>	<b>+5.0%</b>	<b>-3.2%</b>

1) "Other" includes European transponder sales, development and other related revenue. 2014 also included the contribution from ASTRA 1G interim mission (Q4 2014)

2) -11.1% (at constant FX) excluding impact of AMC-15/AMC-16 capacity renewals and planned migration of capacity contracted by ARSAT to own satellite

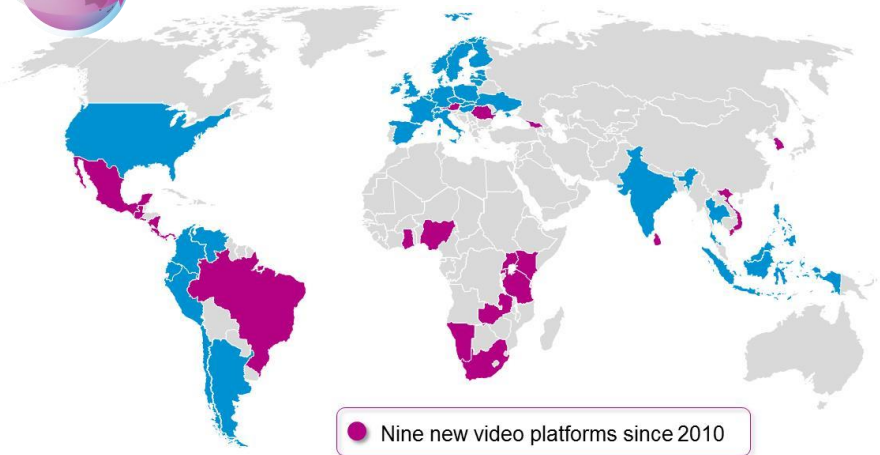


# Video (67% of group revenue)

## Building scale and focused development of Global Video



### Scale



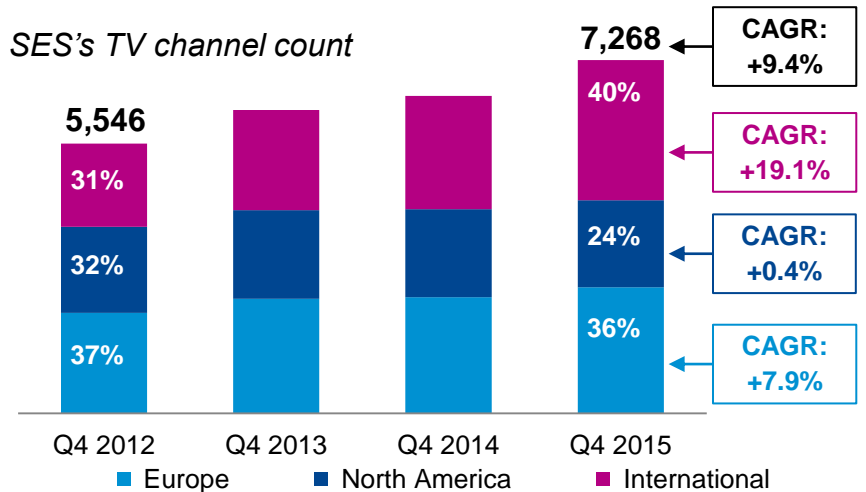
- ▲ Serving eight of the top 10 developed 'in focus' markets
- ▲ Serving the major 'in focus' emerging markets
  - Eight of the top 10 in Latin America
  - Five of the top 10 in Asia Pacific
  - Four of the top 10 in Africa and Middle East
- ▲ Global reach grown to 312 million households
- ▲ 50 pay TV and FTA platforms supported by SES worldwide (2010: 41)



### Focus

- ▲ 11.3% growth (YOY) in TV channels (industry: +2.3%)
  - Market share increased (YOY) from 17.2% to 18.4%

#### SES's TV channel count



- ▲ HD TV channels +18.3% (industry: +12.9%)
  - Market share increased from 24.9% to 25.8%
- ▲ Increasing volume of content managed by SES PS
  - SES PS now managing over 400 TV channels
  - SES PS contract backlog now over EUR 300 million



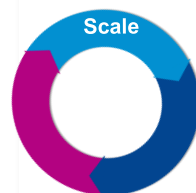
# Video (67% of group revenue) Shaping the future user experience in Video



## Shaping the future

- ▲ Driving the commercial introduction of Ultra HD
  - First to secure commercial UHD channels
  - Largest broadcaster of commercial UHD channels
- ▲ Delivering the best experience across all devices
  - SAT>IP converts satellite signal to 16 connected devices; adopted and supported by over 40 manufacturers
  - Adding complementary NGV capabilities from RR Media
- ▲ Seamless and efficient end-to-end hybrid solutions which combine the complementary strengths of satellite and terrestrial
  - FLUID HUB launched in Q2 2015, providing managed cloud-based management platform for around 20 customers
  - LIQUID VOD, delivering real-time VOD via satellite
  - LUCID OVP, end-to-end service for combining linear TV streaming, catch-up TV and VOD

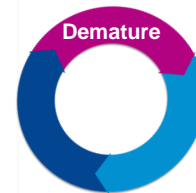
## Key wins in 2015/2016 to date



- ▲ Capacity agreements in Africa (StarTimes, Canal Holdings and Deutsche Welle)
- ▲ Important renewals (e.g. ViaSat) and new growth (e.g. BBC) in Europe for HD
- ▲ Scripps Network renewal and migration to the centre of the North American arc
- ▲ Televisa capacity agreement for C-band transponders for Mexico



- ▲ StarTimes also contracted SES PS to manage DTH distribution
- ▲ HD+ subscribers grew 11% (YOY) to 1.8 million



- ▲ SAT>IP Alliance grown to seven partners
- ▲ Three new products launched by SES PS
- ▲ Fox International, Turner, INSIGHT and others now using FLUID HUB platform
- ▲ Europe's first commercial UHD channel
- ▲ World's first global UHD channel



# Enterprise (15% of group revenue)

## Building scale in Enterprise with major global partnerships



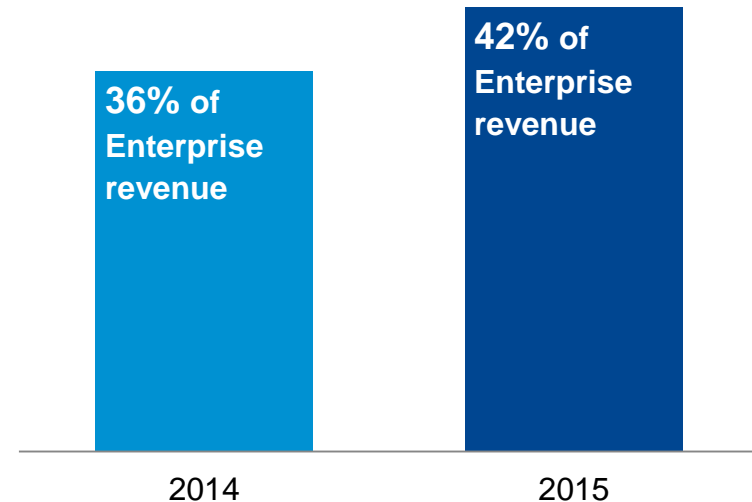
### Scale

- ▲ Global coverage and range of spectrum
  - 52 GEO satellites covering the globe
  - Launching global HTS platform (36 GHz)
  - O3b's MEO constellation (12 satellite constellation<sup>(1)</sup>, with a further eight satellites under procurement)
  - Capacity in Ku-band, C-band and Ka-band
- ▲ 11 SES-managed IP platforms serving Europe, Asia, Latin America and Africa
- ▲ SES reaches over one million simultaneous fixed internet connections



### Focus

- ▲ Global 'Tier One' telcos and service providers now represent over 40% of Enterprise revenue



- ▲ HTS growth drivers and value differentiators
  - O3b (MEO HTS) in operation since September 2014
  - SES GEO HTS in service from 2017/2018

<sup>1)</sup> Nine satellites currently in operation with three satellites as back-up





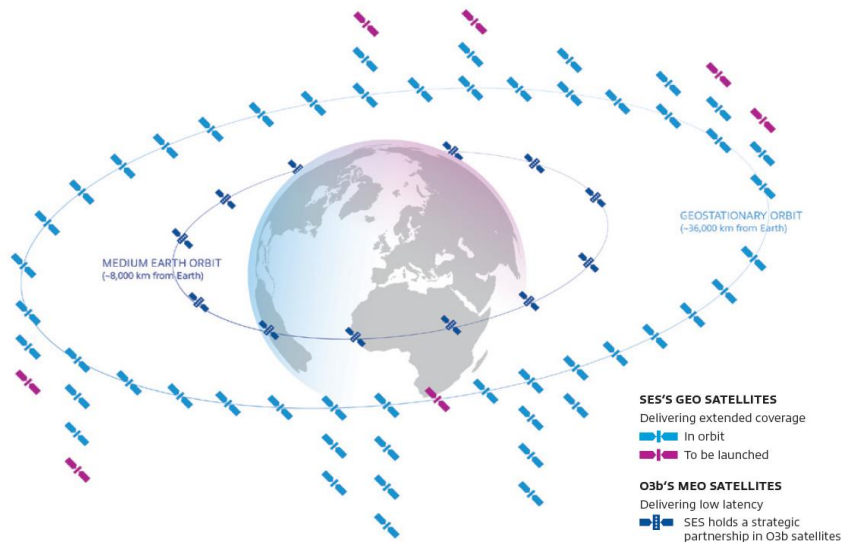
# Enterprise (15% of group revenue)

## Building scale in Enterprise with major global partnerships

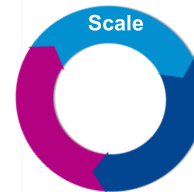


### Shaping the future

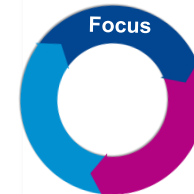
- ▲ Introducing Plus – SES’s new satellite data network
  - Delivering higher throughput at lower cost per bit
  - Providing a global connectivity platform for customers
  - GEO/MEO complementarity



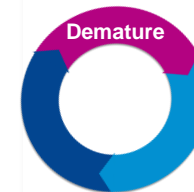
### Key wins in 2015/2016 to date



- ▲ Expanded partnership with Airbus Space and Defence for new Terralink offerings
- ▲ ITC Global using SES to deploy powerful enterprise network for major global oil producer



- ▲ X2nSat doubled capacity for corporate and mission-critical applications
- ▲ SES Techcom partnership with Post Telecom



- ▲ Enterprise+ Broadband in Africa
  - Launched in five countries
  - Up to one Gbps with 99.5% service availability



## Mobility (3% of group revenue)

### Expanding relationships with major global Mobility providers



#### Scale

- ▲ Significant commercial relationships with the major global providers of inflight connectivity:

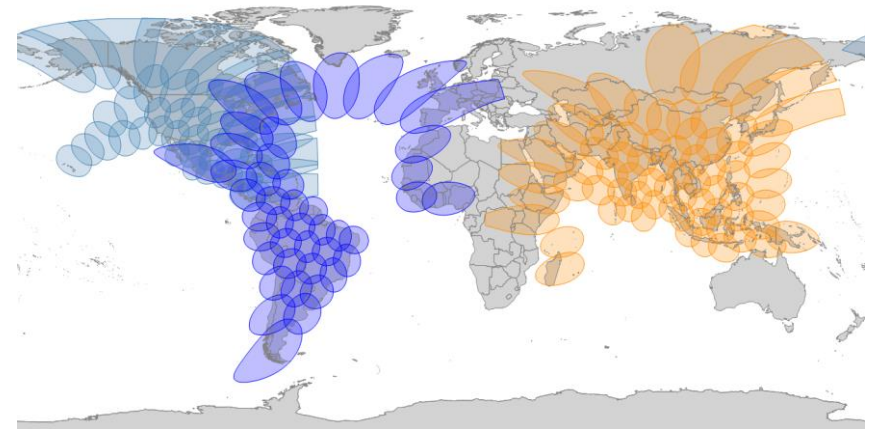


- ▲ Already serving up to 2,000 aircraft per year, carrying up to 300,000 passengers



#### Focus

- ▲ Global HTS platform (36 GHz total capacity)
  - Equivalent to ~250 TPEs from a revenue generation potential
  - Significant pre-commitments from Global Eagle Entertainment, Panasonic and Gogo
- ▲ HTS payloads on wide beam satellites
  - Ability to overlay wide beam capabilities to high throughput connectivity solutions





# Mobility (3% of group revenue)

## Expanding relationships with major global Mobility providers



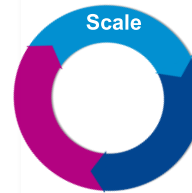
### Shaping the future

- ▲ Introducing Plus – SES’s new satellite data network to support global mobility platforms
  - Delivering higher throughput at lower cost per bit
  - Providing a global connectivity platform for customers
  - GEO/MEO complementarity

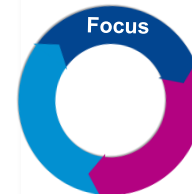


- ▲ Delivering the best experience to each seat

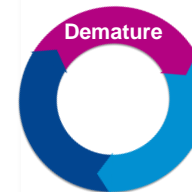
### Key wins in 2015/2016 to date



- ▲ Expanded partnership Global Eagle Entertainment on current fleet and future HTS capacity



- ▲ Major long-term agreements with Gogo and Panasonic for SES-14/ SES-15 HTS/wide beam capacity



- ▲ Multi-year capacity agreement with KVH Industries for maritime connectivity

- ▲ Capacity renewal and expansion agreed with SkyStream to support additional VSAT networks in the maritime and oil & gas industries



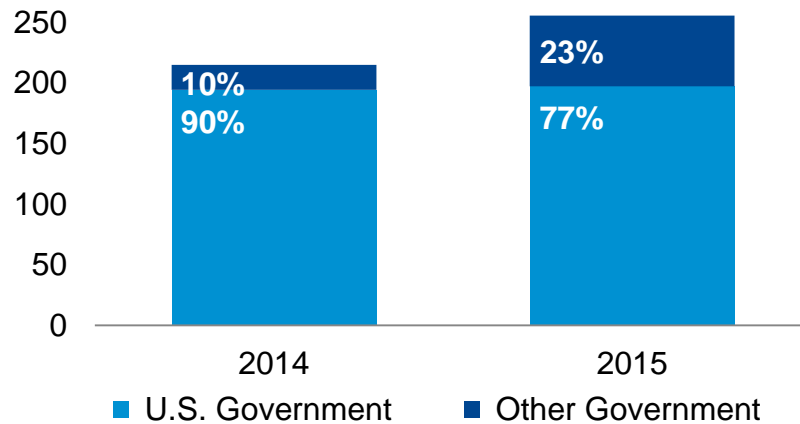
# Government (13% of group revenue) Developing SES's global Government business



## Scale

- ▲ Non-U.S. Government now 23% of Government revenue

EUR million



- ▲ 57 total global government customers
  - Five new government regions served in the last year
- ▲ Serving 13 U.S. Government departments
  - Seven new U.S. Government customers in 2015



## Focus

- ▲ Global HTS platform
- ▲ GEO/MEO complementarity
- ▲ SES-16/GovSat-1 providing dedicated government capacity (X- and military Ka-band)
  - High-powered fully steerable spot beams
  - Coverage over Europe, Middle East and Africa
  - Luxembourg Government also committed to a significant amount of the satellite's capacity
  - Optimally suited to support Luxembourg's contribution to European defence



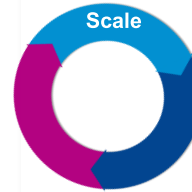
# Government (13% of group revenue) Developing SES's global Government business



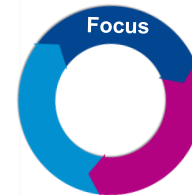
## Shaping the future

- ▲ Introducing Plus – SES's new satellite data network
  - Delivering higher throughput at lower cost per bit
  - Providing a global connectivity platform for customers
  - GEO/MEO complementarity
- ▲ SES GS shaping U.S. Government policy and procurement practices
  - Pathfinder initiatives
  - Hosted payloads
  - Redefining COMSATCOM as critical infrastructure

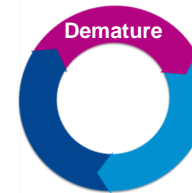
## Key wins in 2015/2016 to date



- ▲ Established LuxGovSat partnership with significant pre-commitment to SES-16/ GovSat-1
- ▲ 12 txps agreement with Canadian regional government
  - Connectivity services across Northern Quebec
  - Triples bandwidth currently available



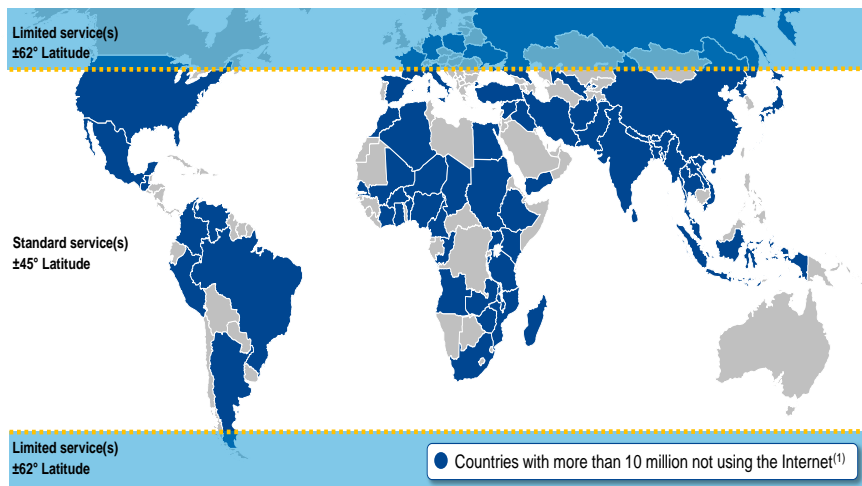
- ▲ End-to-end defence network in Niger
- ▲ WAAS hosted payload
  - 14-year contract, including construction



- ▲ GOLD hosted payload
  - Five year contract, including construction
- ▲ SES GS secured contract with NOAA to deliver O3b connectivity



## Scale



- ▲ Up to 190 Gbps of total throughput
- ▲ Low latency of <150 milliseconds
- ▲ More than 40 customers across 31 countries, and growing



## Focus

- ▲ Efficient, scalable constellation
- ▲ Vertical focus:











- ▲ Market penetration
- ▲ Secured spectrum
- ▲ Operational system
- ▲ Scalability

<sup>1)</sup> Source: World Bank



## Shaping the future

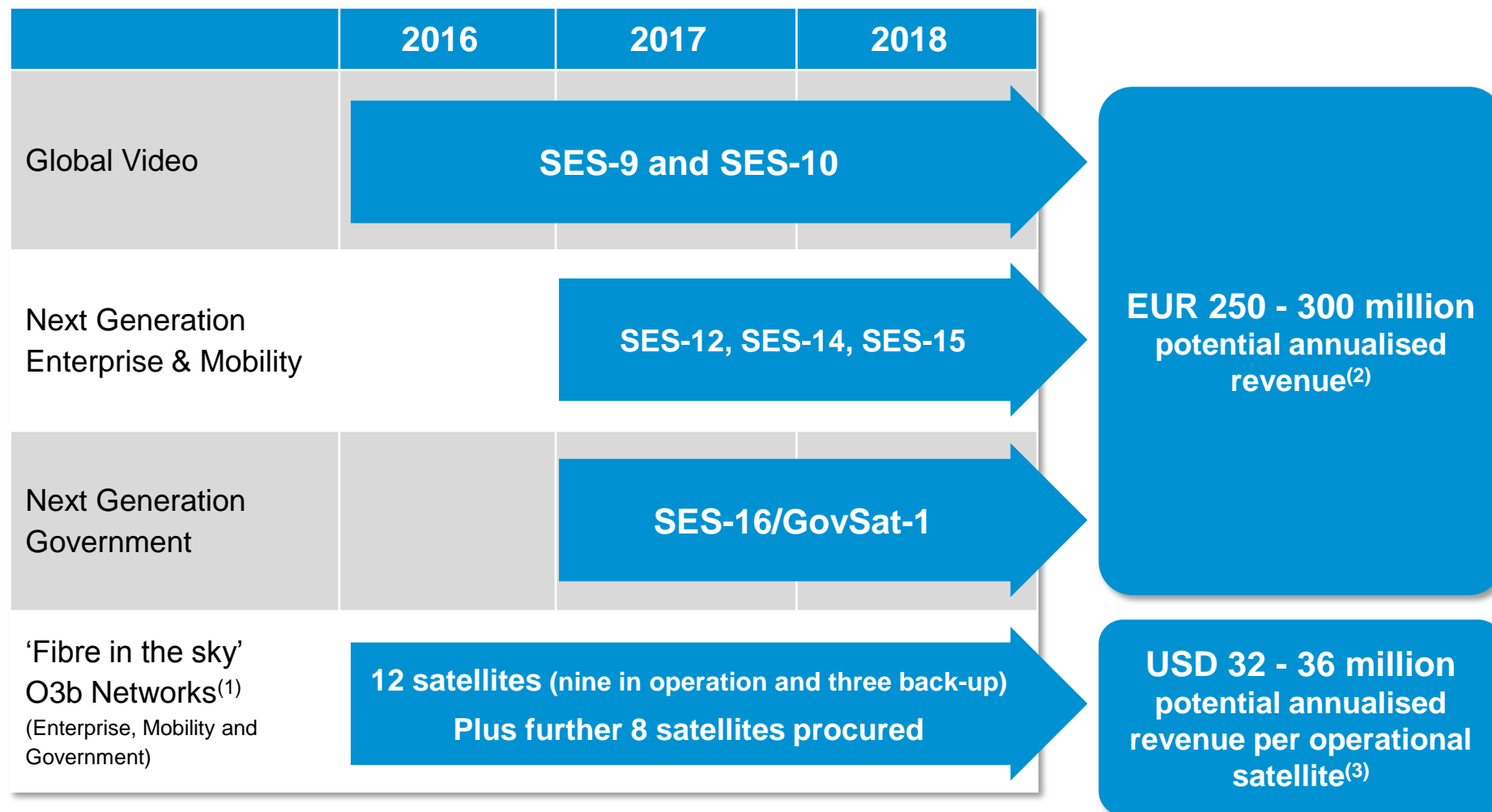
- ▲ Growing need for Enterprise services and mobile backhaul across large, unconnected areas
- ▲ Crystal clear voice and HD video backhaul
- ▲ Ultra-fast response times
- ▲ Seamless use of cloud-based applications



## Key wins in 2015/2016 to date

- ▲ Fastest growing satellite network in terms of capacity contracted
- ▲ Largest provider of connectivity in the Pacific
- ▲ Expanding customer base, including:
  - Bharti Airtel
  - RigNet
  - SpeedCast
  - U.S. NOAA
- ▲ Over 50% of customers have already upgraded their service commitments

# Setting the foundations for sustainable growth



1) SES has a 49% interest in O3b Networks on a fully diluted basis

2) Annualised incremental revenue when at an average "steady-state" utilisation of around 75% (Based on FX rate of EUR 1: U.S. Dollar 1.10)

3) Source: O3b (from SES Investor Day in June 2015)



## SES well placed to capture increasing global demand

Global Video	<b>+53%<sup>(1)</sup></b>	Growth in HD TV across Europe and North America (2015-2019)	<b>~6,500<sup>(1)</sup></b>	TV channels added in emerging markets (2015-2019)
Next Generation Enterprise & Mobility	<b>+32%<sup>(2)</sup></b>	Growth in global data traffic (2015-2019)	<b>Over 10,000<sup>(3)</sup></b>	Aircraft equipped with FSS in-service units by 2019
Next Generation Government	<b>+8.5% CAGR<sup>(2)</sup></b>	Growth in Unmanned Aerial Surveillance airframes (2015-2024)	<b>USD 590 billion<sup>(4)</sup></b>	U.S. Department of Defense spending by 2019
'Fibre in the sky' O3b Networks (Enterprise, Mobility and Government)	<b>Up to 20%<sup>(5)</sup></b>	Proportion of data applications that are latency sensitive	<b>Over 12 billion<sup>(6)</sup></b>	Mobile connected devices by 2020

1) Source: Euroconsult

2) Source: NSR

3) Source: Cisco VNI

4) Source: U.S. Congressional Budget Office

5) Source: NSR, SES estimates

6) Source: GSMA

# ACQUISITION OF RR MEDIA

---

Christophe De Hauwer, Chief Development Officer



# Acquiring RR Media for USD 242 million

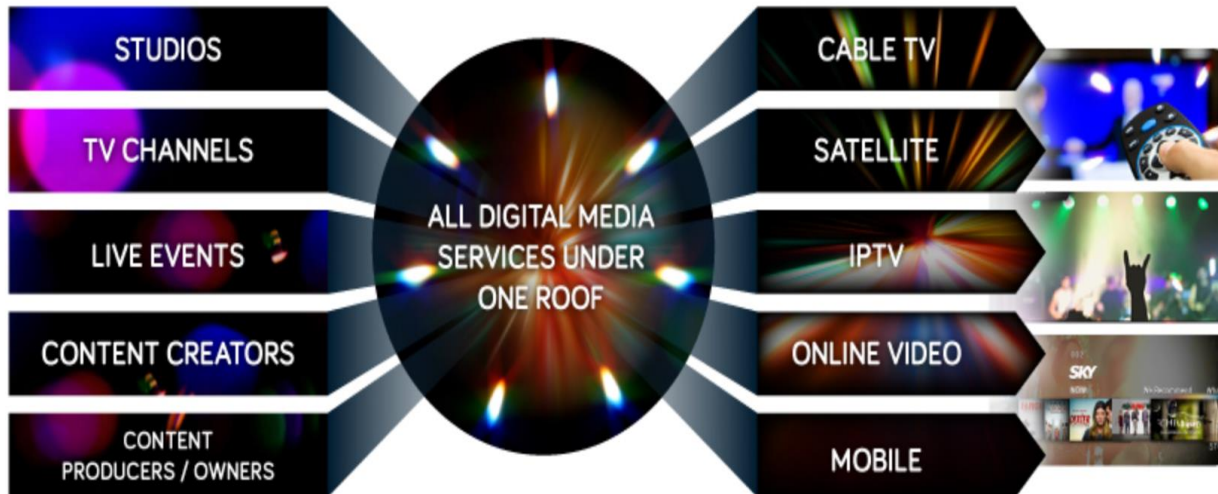
*Combining the complementary strengths of satellite and terrestrial networks*

- ▲ RR Media is a leading provider of global digital media services
- ▲ On completion, RR Media will merge with SES Platform Services

Content Producers/owners

Platform operators

End users



Over **1,000** media customers globally

Over **350** hours of premium sports & live events daily

Over **4,000** hours of online video and VOD daily

Over **24,000** hours of broadcast content daily



## Complementing SES's differentiated strategy



### Globalisation

Building scale to serve rapidly increasing demand for global solutions

- ▲ Creating a world-leading media solutions provider
- ▲ Growing SES's annualised group revenue by ~7%
- ▲ Expanding mix of global and local media customers



### Verticalisation

Focused development of differentiated capabilities in four market verticals

- ▲ Excellence in conventional, cost-efficient services
- ▲ State-of-the-art content management and playout
- ▲ Seamless end-to-end solutions capabilities



### Dematuring

Shaping the future user experience, entrenching satellite in the ecosystem

- ▲ Delivering premium content to all devices
- ▲ Optimised combination of satellite, fibre and the Internet
- ▲ Added innovation capabilities (e.g. SolaRR and RR Lab)



## Acquisition delivering attractive return on investment

---

- ▲ SES will pay a consideration of USD 13.291 per share to acquire 100% interest in RR Media
  - Represents an enterprise value of USD 242 million
  - Corresponds to multiple of less than 9.5 times 2016 expected EBITDA
  - Generates an IRR in excess of SES's minimum hurdle rate for services investments
  - Earnings accretive from first year
- ▲ Acquisition funded from group's existing financial resources
- ▲ FY 2015 revenue expected to be around USD 140 million<sup>(1)</sup>
- ▲ FY 2016 revenue expected to be between USD 160 million and USD 170 million<sup>(1)</sup>
  - Including full year benefit of two acquisitions completed during 2015
- ▲ Acquisition is subject to regulatory approvals, expected to be completed in Q2/Q3 2016

1) Source: RR Media Q3 2015 results announcement (24 November 2015)

# FINANCIAL REVIEW

---





Padraig McCarthy, Chief Financial Officer

## Financial highlights

	2015 EUR million	2014 EUR million	Growth as reported	Growth at constant FX
Revenue	2,014.5	1,919.1	+5.0%	-3.2%
EBITDA	1,494.2	1,428.0	+4.6%	-3.6%
EBITDA margin	74.2%	74.4%	-20 bps	-30 bps
Profit after tax	674.0	642.4	+5.0%	n/a
Profit after tax margin	33.5%	33.5%	-	n/a
Profit of the group	544.9	600.8	-9.3%	n/a
Net operating cash flow	1,450.6	1,239.5	+17.0%	n/a
Net Debt/EBITDA ratio	2.54 times	2.77 times		
Contract backlog	EUR 7.4 billion	EUR 7.3 billion		



## Generating growth in three of SES's market verticals

	Revenue (EUR million)		Growth vs. FY 2014	
	2015	2014	Reported	Constant FX
 Video (67%)	1,354.9	1,260.8	+7.5%	+2.2%
 Enterprise (15%)	307.6	324.3	-5.1%	-19.2% <sup>(2)</sup>
 Mobility (3%)	52.9	35.9	+47.4%	+24.5%
 Government (13%)	255.6	215.1	+18.8%	+3.3%
Other <sup>(1)</sup>	43.5	83.0	n/m	n/m
<b>Group total</b>	<b>2,014.5</b>	<b>1,919.1</b>	<b>+5.0%</b>	<b>-3.2%</b>

1) "Other" includes European transponder sales, development and other related revenue. 2014 also included the contribution from ASTRA 1G interim mission (Q4 2014)

2) -11.1% (at constant FX) excluding impact of AMC-15/AMC-16 capacity renewals and planned migration of capacity contracted by ARSAT to own satellite



## Fleet utilisation increased

36 MHz equivalent <sup>(1)</sup>	Available transponders	Utilised transponders	% Utilised
At 31 December 2014	1,534	1,115	72.7%
NSS-7 transfer to inclined orbit	(74)	(28)	
ARSAT migration	(16)	(16)	
Fleet additions and new business (net)	58	22	
<b>At 31 December 2015</b>	<b>1,502</b>	<b>1,093</b>	<b>72.8%</b>

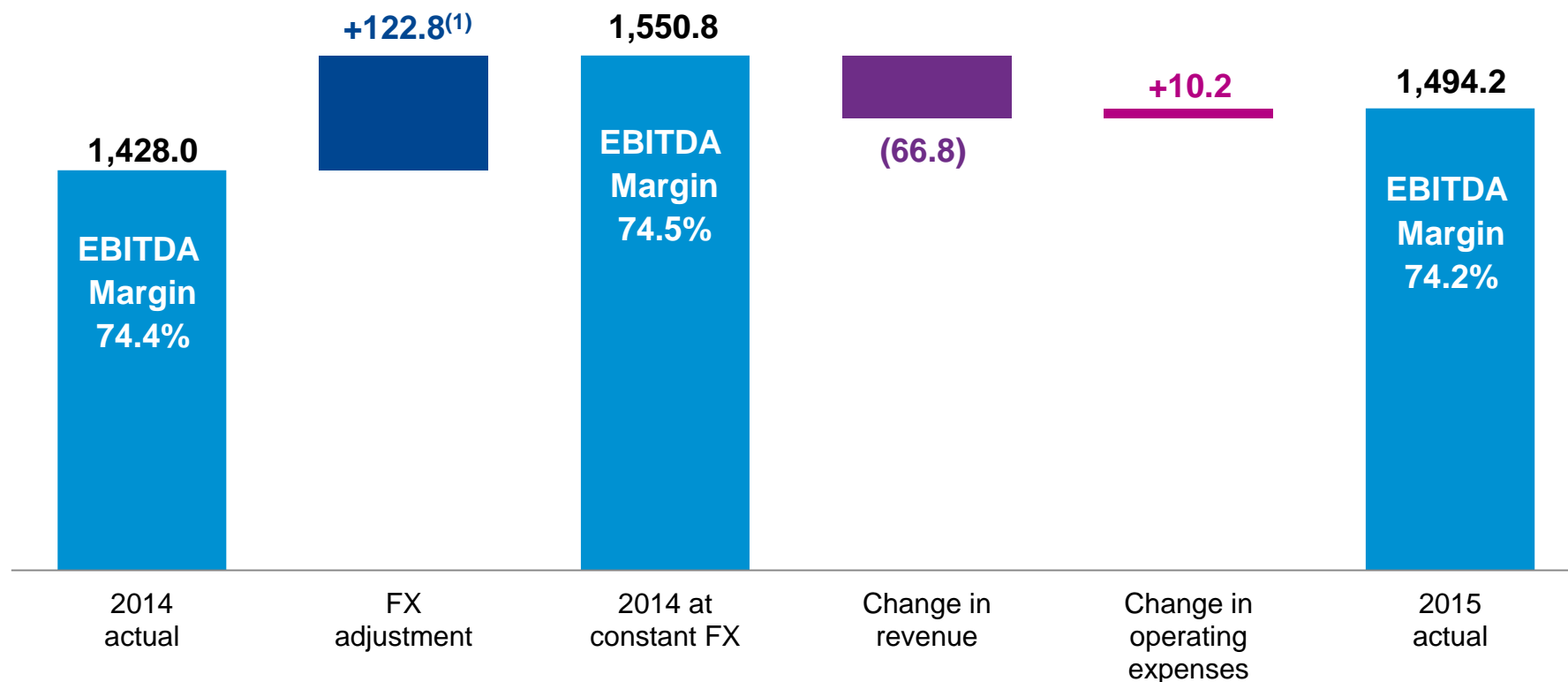
- ▲ Net increase of 22 utilised txps from additions and new business
- ▲ Average revenue per utilised transponder remained stable

<sup>1)</sup> Excluding satellites in inclined operation, for which pricing is lower than station-kept operations

# EBITDA up 4.6% (-3.6% at constant FX)

## EBITDA walk

EUR million



1) 8.6% translation uplift with U.S. Dollar strengthening by 16.5% compared to EUR

## Continuing to deliver strong margins and differentiated services

	Revenue			EBITDA margin	
	2015 EUR million	Growth as reported	Growth at constant FX	2015	2014 at constant FX
Infrastructure	1,727.3	+5.1%	-3.4%	84.0%	84.2%
Services	526.3	+15.5%	+6.3%	16.6%	16.3%
Elimination/Unallocated <sup>(1)</sup>	(239.1)	+32.9%	+18.7%	-	-
<b>Group total</b>	<b>2,014.5</b>	<b>+5.0%</b>	<b>-3.2%</b>	<b>74.2%</b>	<b>74.5%</b>

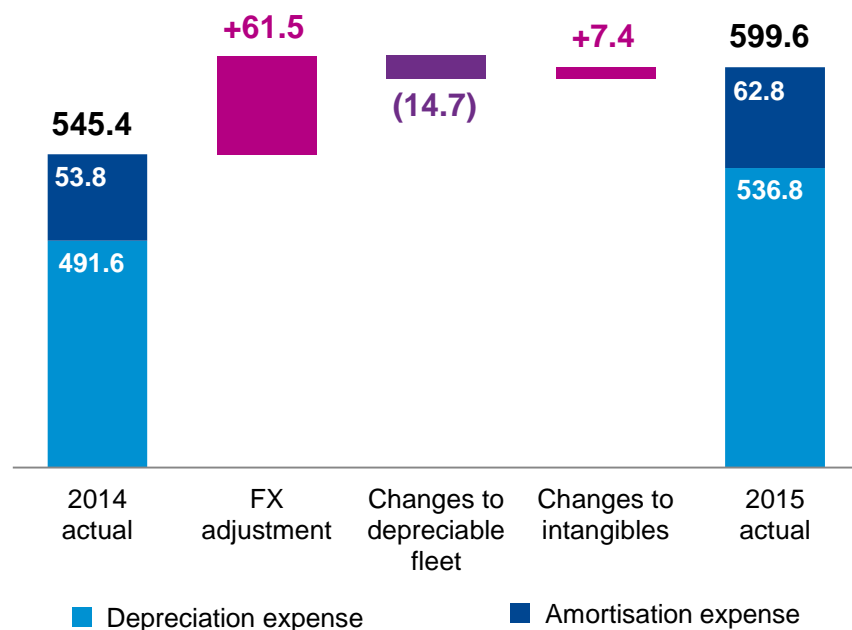
- ▲ Robust individual segment and combined EBITDA margin performance
- ▲ Increasing complementarity of services delivering 18.7% growth in “pull through” revenue

<sup>1)</sup> Revenue elimination refers mainly to “pull through” capacity provided by Infrastructure to Services

## Other items contributing to net profit of EUR 544.9 million

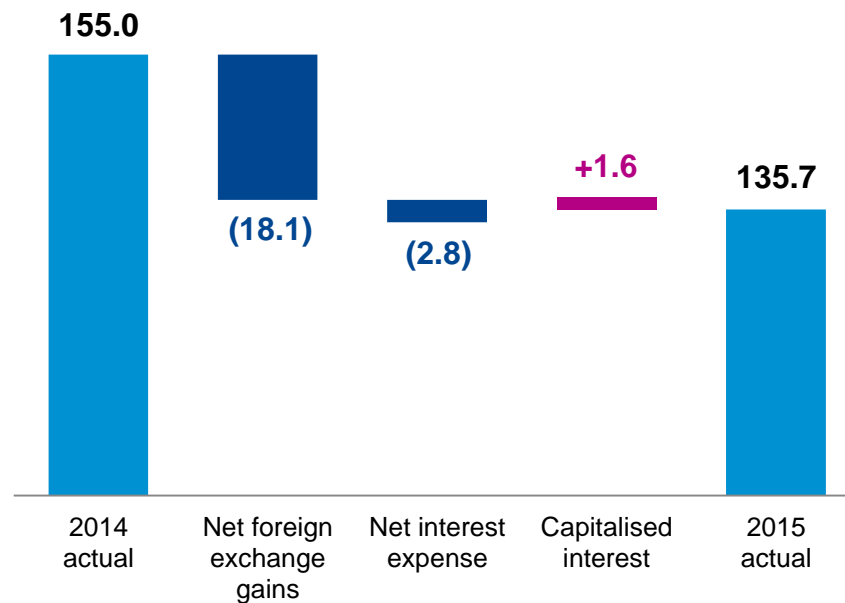
### Depreciation and amortisation walk

EUR million



### Net financing costs walk

EUR million



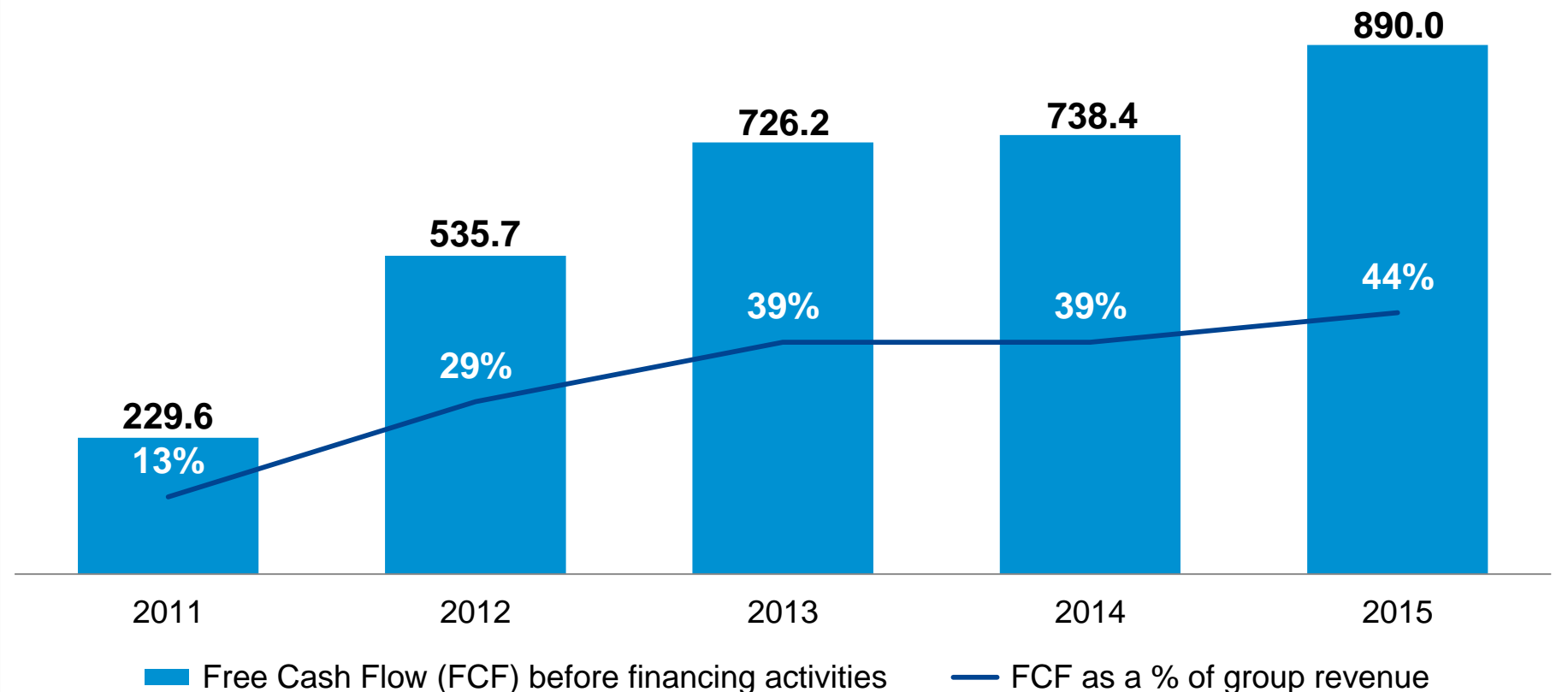
▲ Effective tax rate was 11.2% (2014: 11.7%)

▲ Share of associates' loss EUR 126.7 million, principally relating to O3b Networks

## Generating strong cash flows

*Free cash flow before financing activities*

EUR million



## Financial framework supporting strong value creation

	2015	2014	
NOCF/EBITDA ratio	97%	87%	+10 pps
Net operating cash flow (NOCF)	1,450.6	1,239.5	+17.0%
Net Debt/EBITDA ratio	2.54 times	2.77 times	-0.2 times
Weighted average interest rate <sup>(1)</sup>	3.78%	3.84%	-6 bps
Profit after tax margin	33.5%	33.5%	Unch.
Return on equity <sup>(2)</sup>	22%	25%	
Return on invested capital <sup>(3)</sup>	10%	10%	

▲ Proposed dividend of EUR 1.30 per A-share, representing 10% increase on prior year

1) Excluding loan origination costs and commitment fees

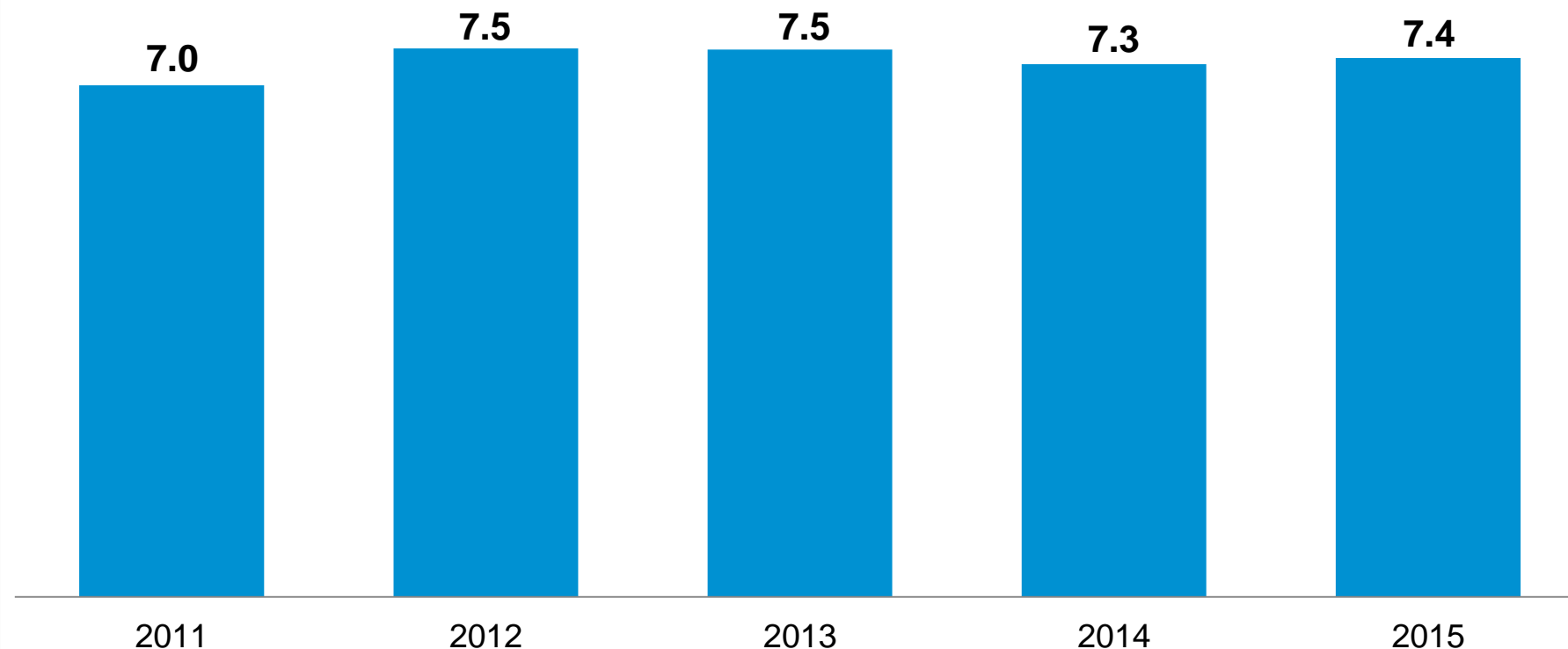
2) NOPAT / Equity

3) NOPAT / Equity plus Debt

## Maintaining a substantial pipeline of long-term income

### SES's fully protected contract backlog

EUR billion

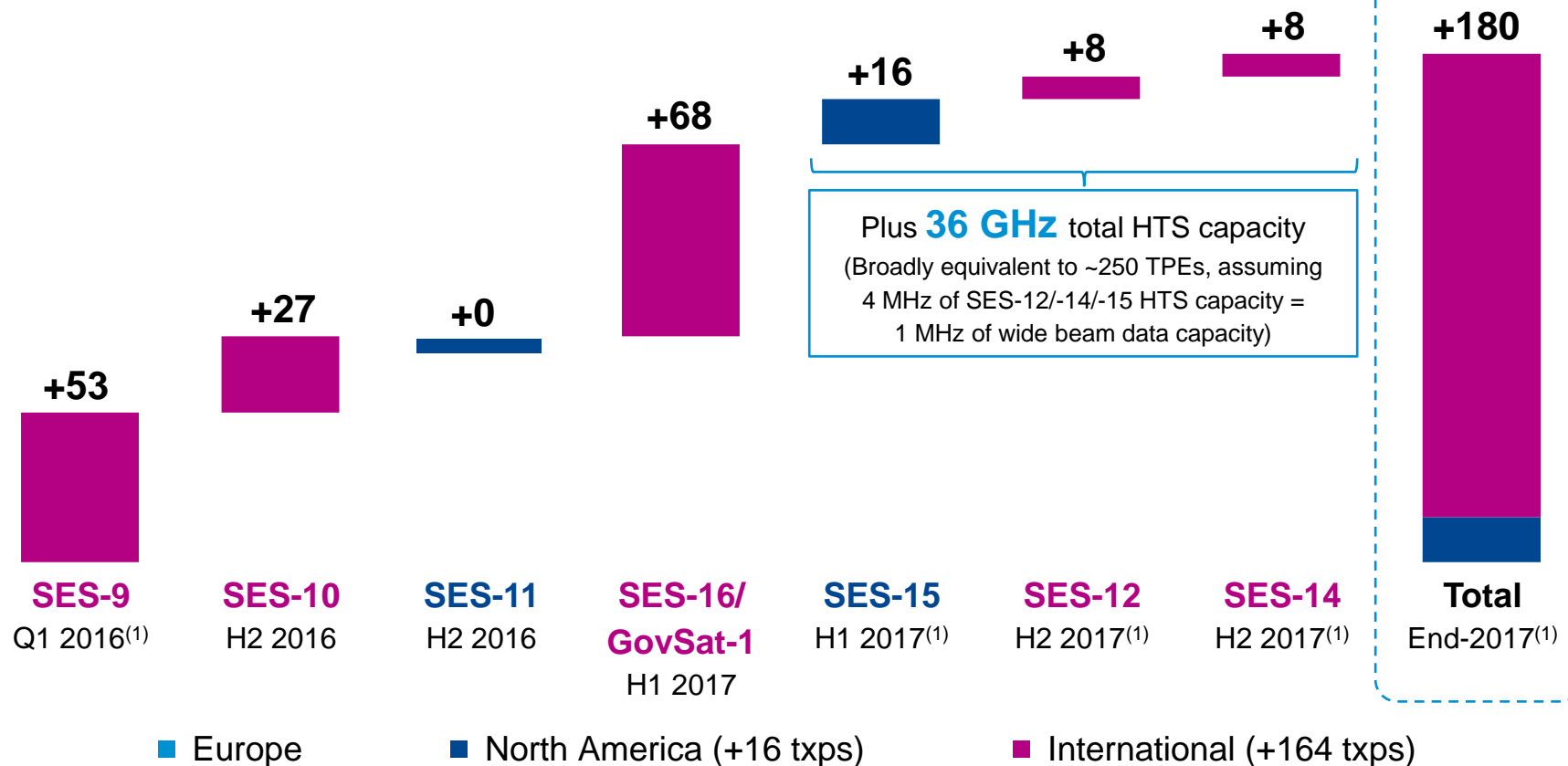


▲ Weighted average remaining contract length unchanged at over eight years

# Growing Emerging Market capacity by 21%, total capacity by 12%

*Adding significant new capacity to serve anchor customers in fast-growing opportunities and markets*

Incremental transponders (36 MHz equivalent)



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

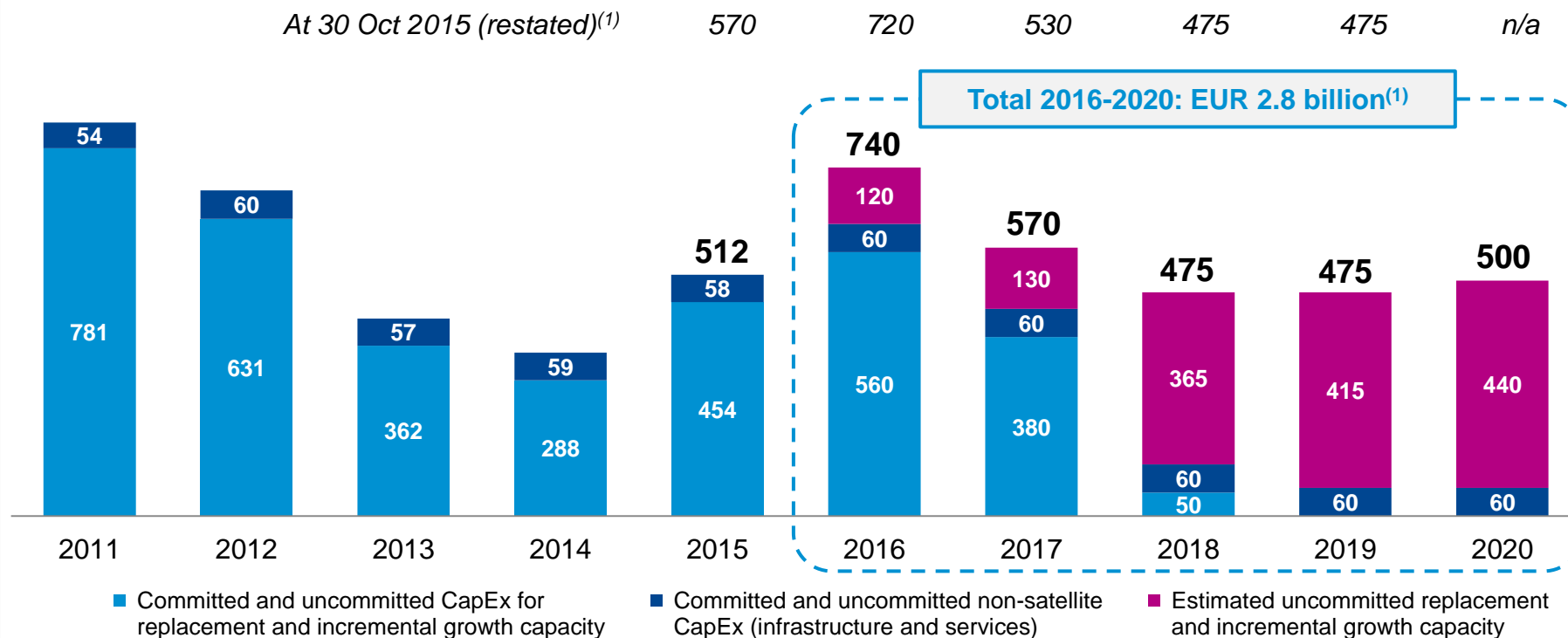
2) Procured by LuxGovSat



# Re-investing cash flow into important growth capacity

## SES's future capital expenditure profile

EUR million



▲ Fully funded CapEx profile and global anchor clients underpin growth drivers

<sup>1)</sup> Based on FX rate of EUR 1: U.S. Dollar 1.10. Including capitalised interest, and excluding financial or intangible investments

## Financial guidance

	FY 2016 <sup>(1)</sup>
Revenue	EUR 2,010 million to EUR 2,050 million (exc. RR Media)
EBITDA margin (group)	Between 73.5% and 74.0% (exc. RR Media)
Depreciation	Between EUR 510 million to EUR 540 million
Effective tax rate	Between 13% and 18%
Share of associates' result	Loss of between EUR 95 million and EUR 110 million
Net Debt to EBITDA	Managed below 3.3 times

- ▲ RR Media expected to generate USD 160 million to USD 170 million of revenue in FY 2016<sup>(2)</sup>
- ▲ EUR 250 million to EUR 300 million annualised revenue<sup>(3)</sup> from new capacity launched from seven new satellites by the end-2017 (equivalent of up to 15% of FY 2015 revenue)

1) Based on FX rate of EUR 1: U.S. Dollar 1.10, assuming nominal satellite health and launch schedule

2) Acquisition subject to regulatory approvals, expected to be completed in Q2/Q3 2016

3) Annualised incremental revenue when at an average "steady-state" utilisation of around 75% (Based on FX rate of EUR 1: U.S. Dollar 1.10)

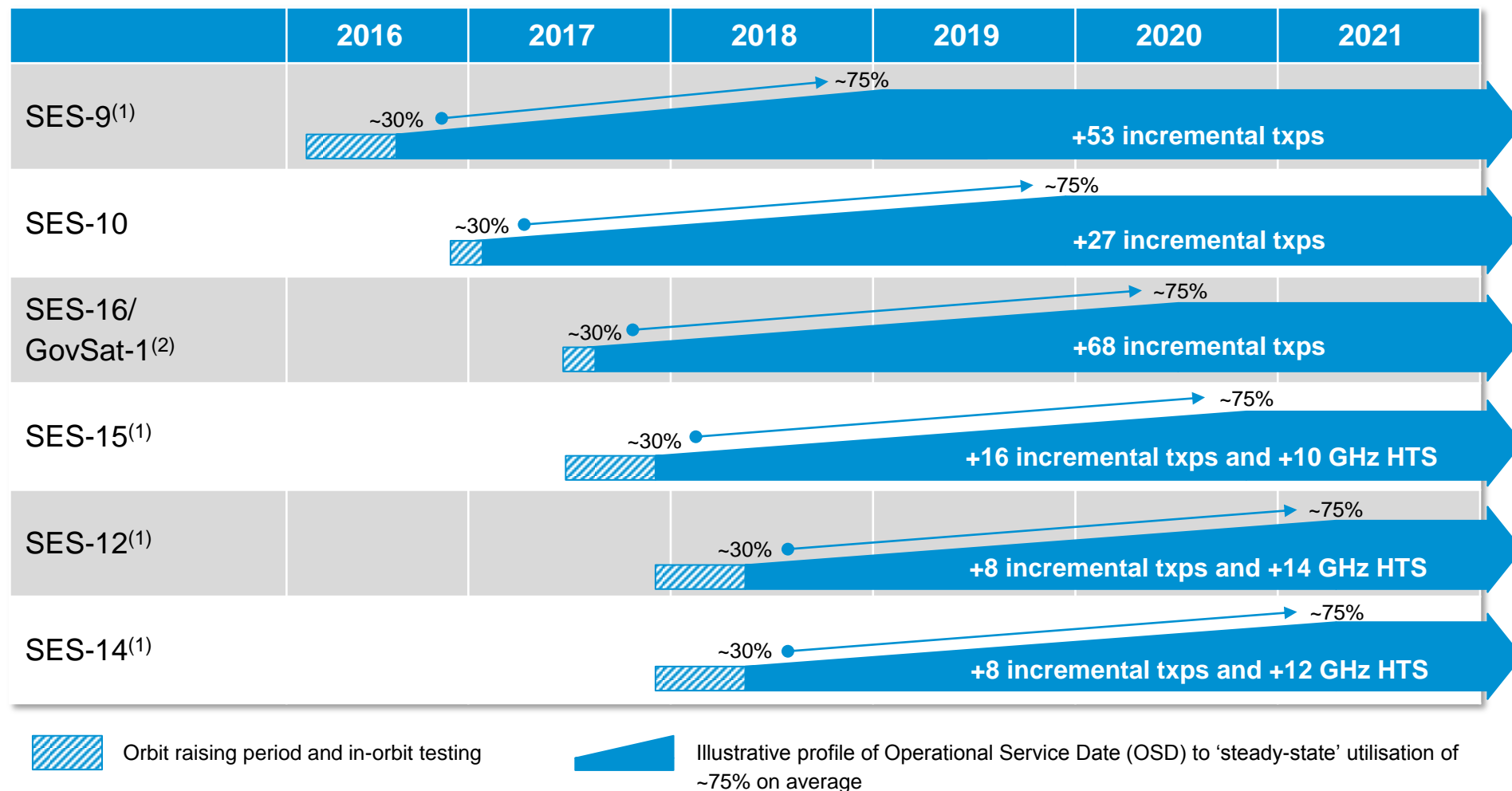
# Appendix

---

## Revenue by geography

	FY 2015 EUR million	Growth as reported	Growth at constant FX	
Europe	1,034.5	+1.6%	+1.7%	▲ European video growth, partly offset by lower outright sales of European transponders
North America	389.5	+14.0%	-4.3%	▲ Impact of AMC-15/AMC-16 capacity renewals with EchoStar at the end of 2014
International	590.5	+5.5%	-10.2%	▲ Impact of planned ARSAT migration, offsetting new long-term business across emerging markets
<b>Group total</b>	<b>2,014.5</b>	<b>+5.0%</b>	<b>-3.2%</b>	

# Future satellite growth capacity



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

## Disclaimer

---

- ▲ This presentation does not, in any jurisdiction, including without limitation in the U.S., 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’s 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 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.