First Quarter 2017 Results

SES beyond frontiers

Three months ended 31 March 2017

Betzdorf, Luxembourg

28 April 2017

Q1 2017 Highlights

- Reported revenue +12.2% (+1.0% like for like) and 11.5% growth in net profit
- Results in line with expectations; well placed to deliver sustained growth in all verticals
- Accelerating SES's market-centric strategy with SES Video and SES Networks

Accelerators Driving Return to Revenue Growth

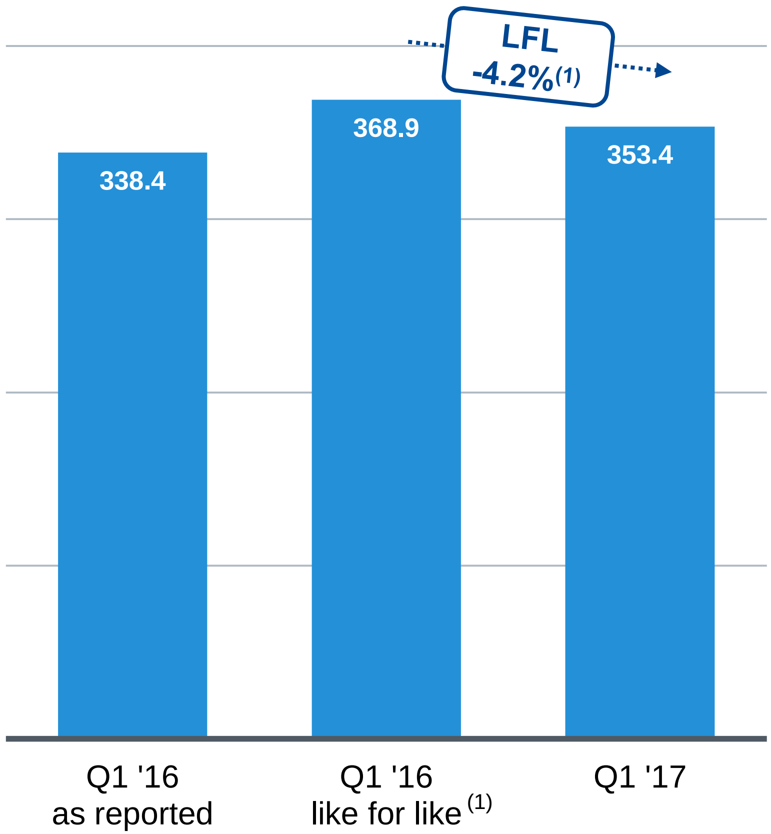
	Q1 2017 EUR million	Change		
		Reported	Like for like[1]	
Video (65%)	353.4	+4.5%	-4.2%	▲ YOY comparison largely impacted by lower periodic/services revenue ▲ Growing in HD and UHD ▲ Expanding globally
Enterprise (13%)	71.7	+19.7%	+0.6%	▲ Accelerating return to growth ▲ Delivering managed solutions
Mobility (9%)	50.5	+126.4%	+63.3%	▲ Significantly growing in aero ▲ Expanding maritime solutions
Government (11%)	59.4	+4.5%	+2.4%	▲ Growing revenue globally ▲ U.S. Government stablising
Other[2]	5.6	n/m	n/m	
Group Total	**540.6**	**+12.2%**	**+1.0%**	

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016
2) Other includes revenue not directly applicable to a particular vertical and revenue contributions from interim missions

Video Outlook Remains Robust

Revenue +4.5% as reported

EUR million

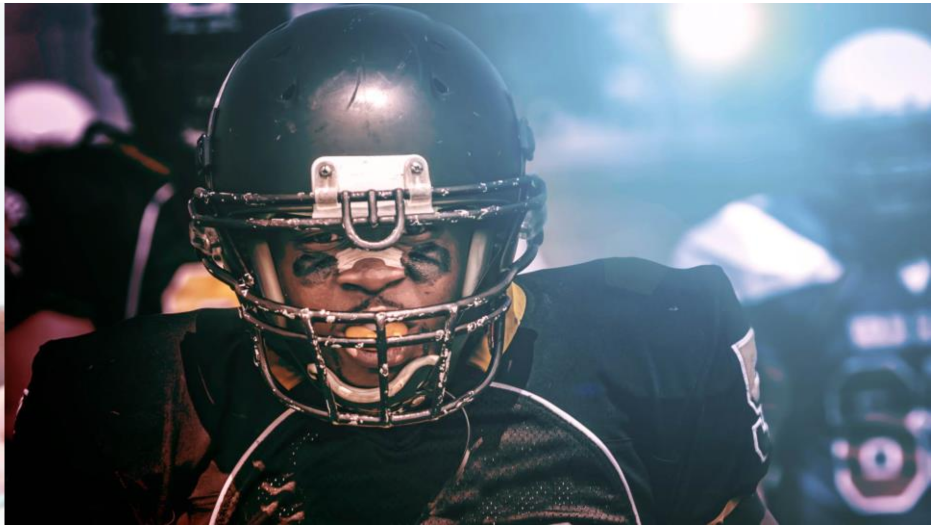


- YOY comparison largely impacted by lower periodic and services revenue in Q1 2017
  - Remaining balance linked to MPEG-4 expansion to 63% of channels in Q1 2017 (Q1 2016: 57%), in line with upgrading viewing experience strategy
- Growing in HD and UHD
  - 6% (YOY) growth in HDTV to 2,496 channels
  - 47% (YOY) growth in commercial UHD to 22 channels; expanding cable trials in the U.S.
- Expanding video neighbourhoods globally
  - International TV +5% (YOY) to 2,905 channels
  - SES-9 (Asia) ramp up in line with expectations
  - SES-10 (Latin America) expanding capacity
- **Re-affirming outlook of stable to slight growth in revenue for FY 2017**

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

Continuing to Build Market Traction and Differentiation

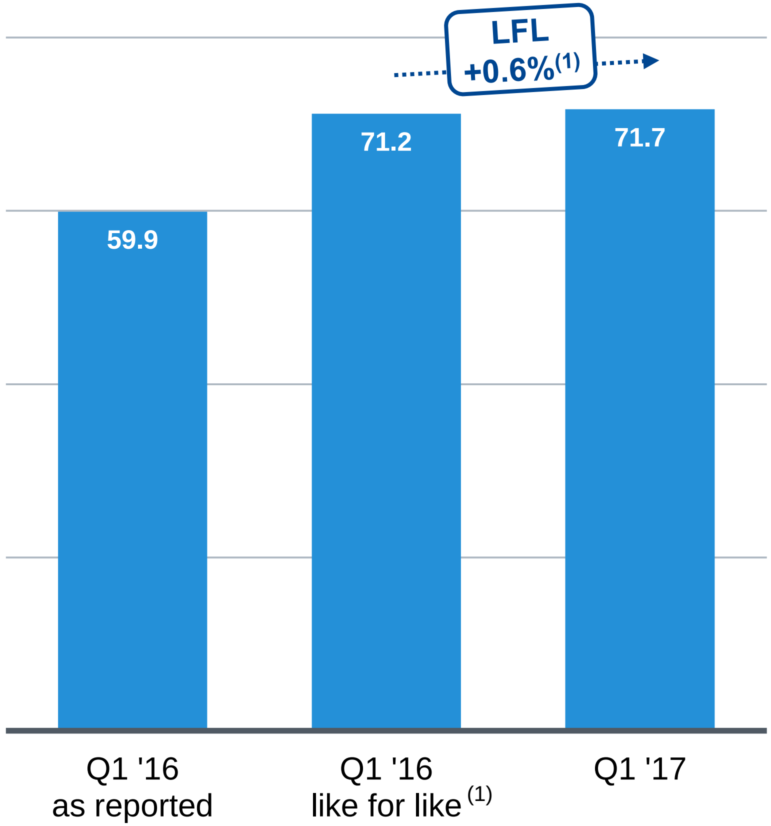
- Long term contract renewal and expansion with Beta Film Ltd.
- Delivering end-to-end services for live sports editing to Israel Premier Football League
- Multi-year contract extension with Sky Deutschland of business continuity services
- Multi-year distribution agreement with VUBIQUITY
- Supporting linear broadcasting requirements for major global VoD platform



Accelerating Return to Growth in Enterprise

Revenue +19.7% as reported

EUR million



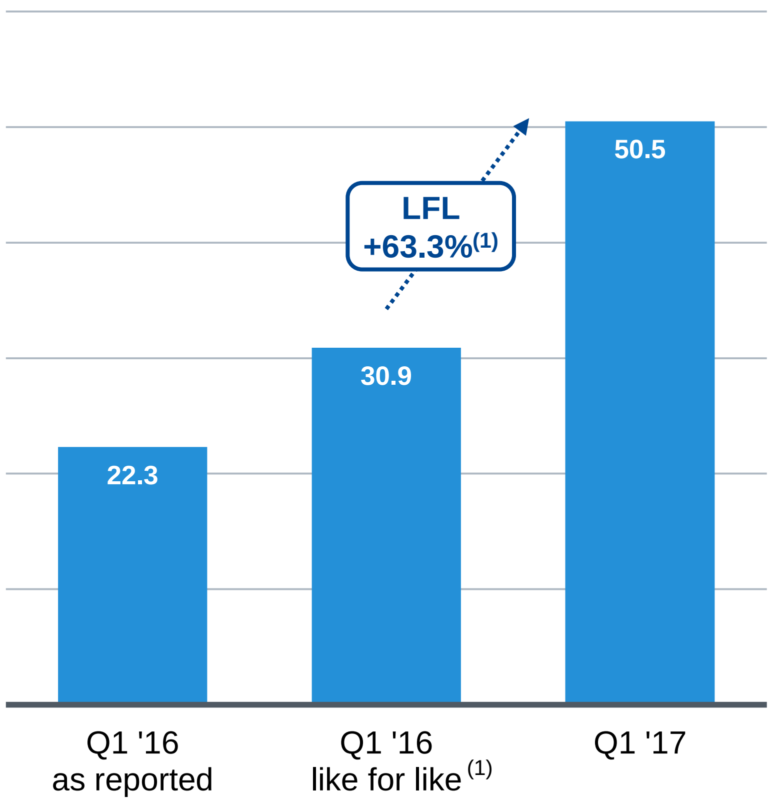
- SES Networks' client expansion accelerating return to growth
  - Palau Telecoms increasing capacity for fifth time in two years (nearly doubling requirement)
  - Delivering more than one gigabit/second of connectivity to two Timor Telecom sites
  - Presta Bist Telecoms increased capacity requirement by 66% (vs. initial contract)
- Positive traction from managed solutions
  - Multi-year capacity agreement with Intersat for Enterprise+ Broadband solutions in Africa
- **Re-affirming outlook of return to growth in revenue for FY 2017**

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

Sustaining Strong Growth in Mobility

Revenue +126.4% as reported

EUR million



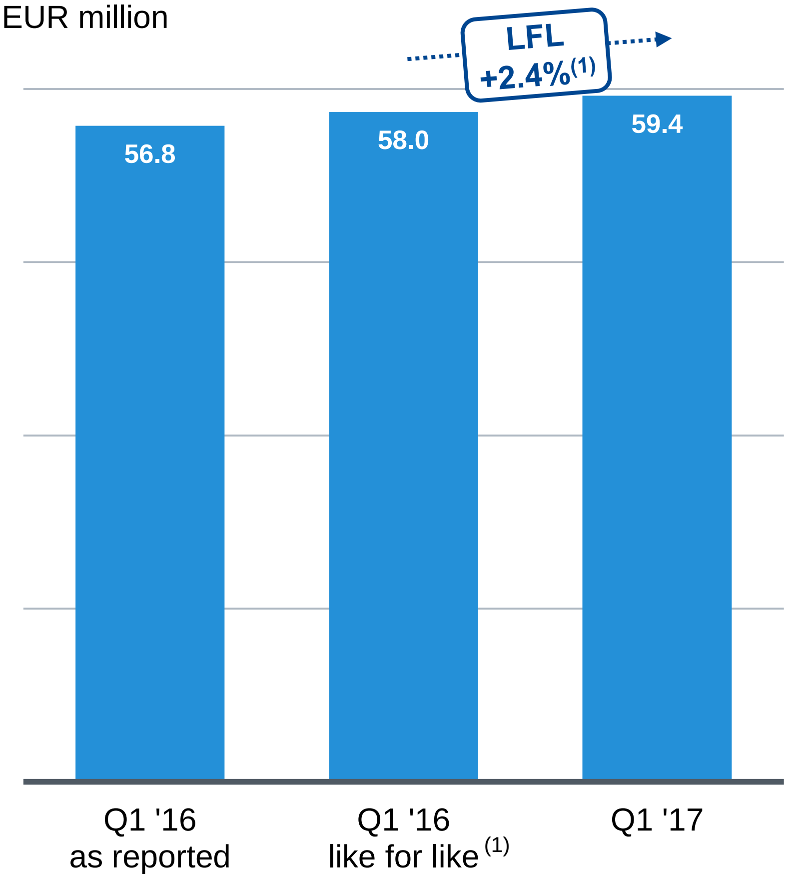
- Growing significantly in aero
  - Global Eagle Entertainment acquired payload on AMC-3 to boost capacity for customers
  - Gogo contracted capacity on 12 transponders plus supporting ground infrastructure for U.S./Canada
- Expanding maritime solutions
  - Satcom Global contracted existing and future HTS capacity and ground network infrastructure
  - Partnering with Gilat to deliver global maritime connectivity solutions
- **Re-affirming outlook of strong growth in revenue for FY 2017**

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

Returning to Growth in Government

Revenue +4.5% as reported

EUR million



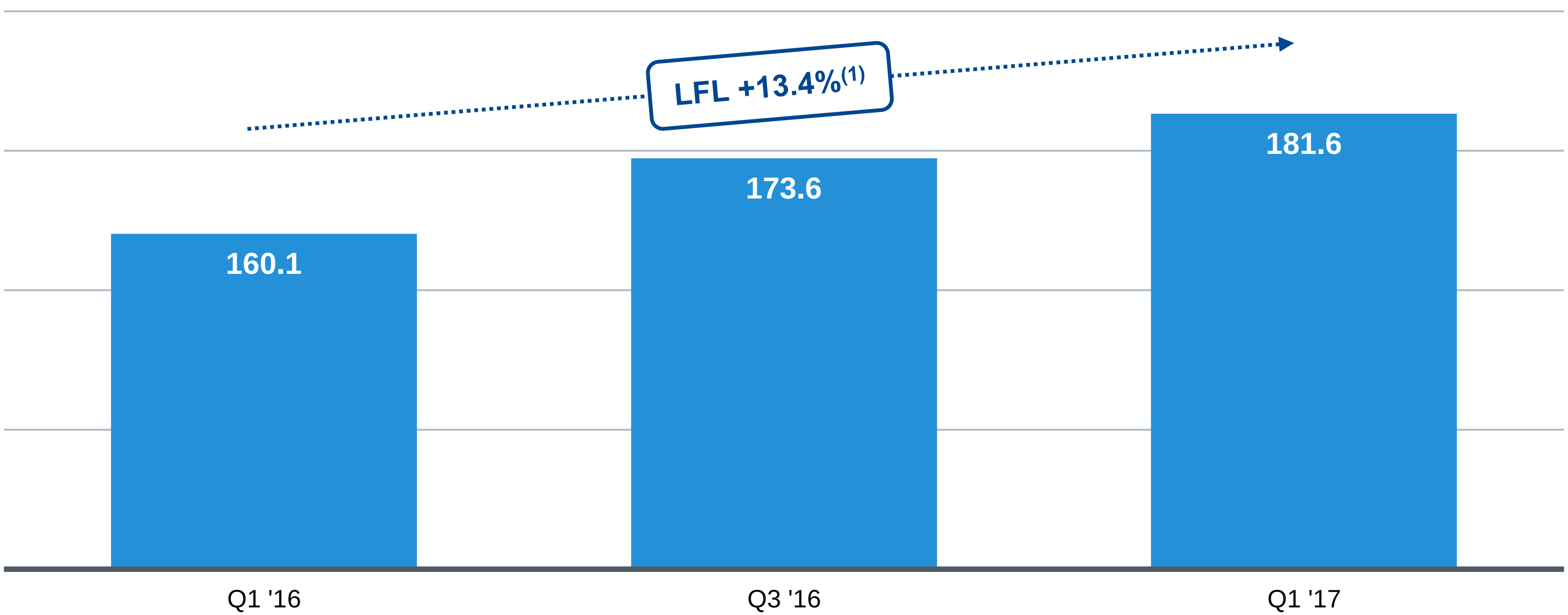
- Growing revenue globally
  - Commencing NATO AGS contract
  - Extending SATMED until 2020
  - Launching additional Government+ products (Rapid Response Vehicle)
- U.S. Government stabilising
  - SES Government Solutions benefiting from increasing stabilisation and differentiation
- **Re-affirming outlook of stable to slight growth in revenue for FY 2017**

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

SES Networks on Growth Path

SES Networks (Enterprise, Mobility and Government) like for like revenue[1]

EUR million



- Combining strong Mobility growth with return to growth in Enterprise and Government
- Increasing flexibility and scalability via globally distributed network
- Enhancing SES Networks' complementary go-to-market capabilities; increasing focus on solutions

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

Delivering Profitable Growth and Returns

Returning to sustained and profitable growth in medium term

- 12.2% growth in reported revenue (up 1.0% like for like)[1]
- Delivering growth in all three data-centric verticals
- Net profit increase of 11.5%

Building differentiated capabilities in each market vertical

- 6% growth in HDTV channels and 47% growth in commercial UHD
- Continuing to build market traction and differentiation with MX1
- SES Networks' improved product mix delivering return to growth in Enterprise and Government, complementing strong Mobility growth

Applying a consistent financial framework

- Investing in future growth projects, underpinned with anchor clients
- Net debt to EBITDA 3.05 times
- Reducing depreciation 12.7% (like for like)[1] through innovation

1) At constant FX and assuming RR Media and O3b had been consolidated on 1 January 2016

FINANCIAL REVIEW

Padraig McCarthy, CFO

Financial Highlights

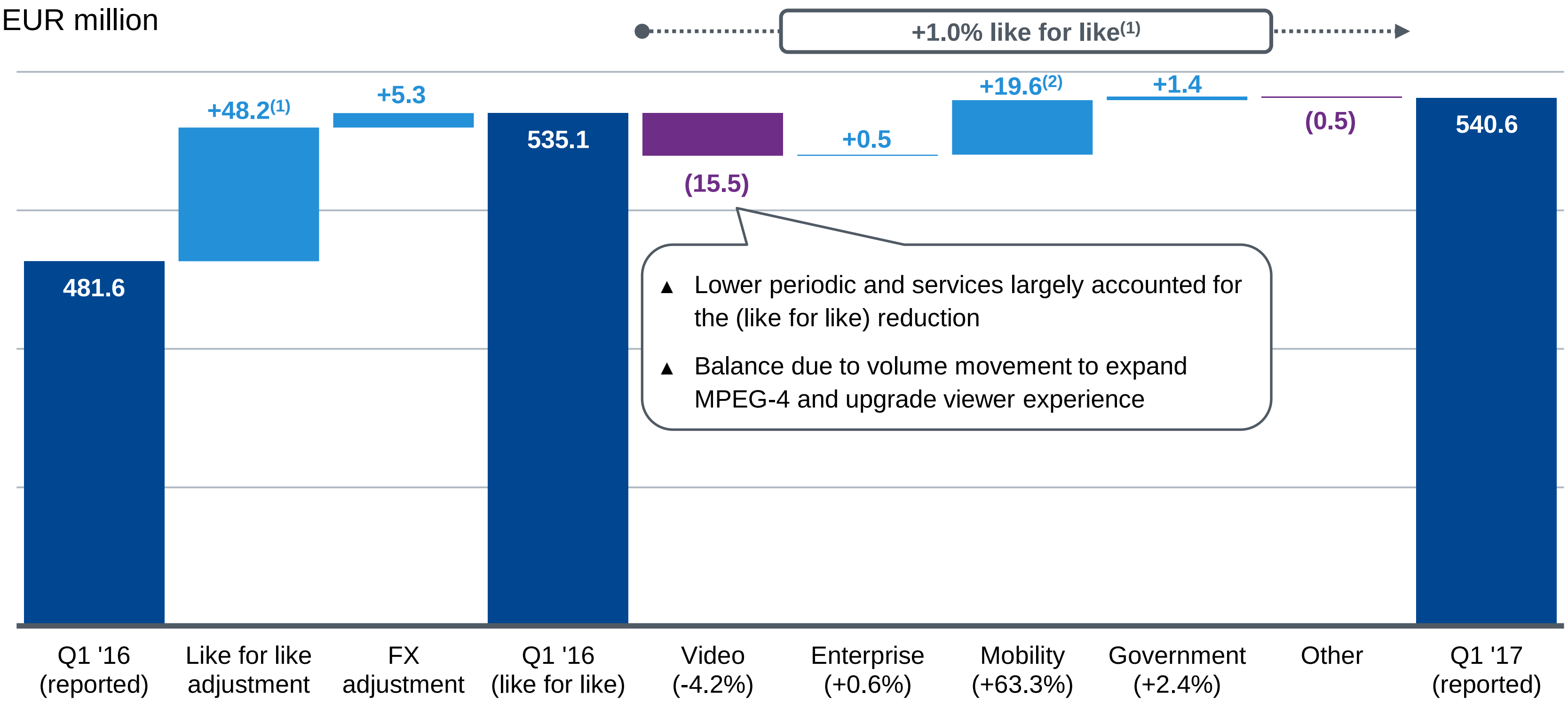
	Q1 2017 EUR million	Q1 2016 EUR million	Change Reported	Like for like[1]
Revenue	540.6	481.6	+12.2%	+1.0%
EBITDA	357.6	356.2	+0.4%	-1.2%
EBITDA margin (as reported)	*66.2%*	*74.0%*		
EBITDA margin (like for like)[1]	*66.2%*	*67.6%*		
Operating profit	186.7	214.2	-12.9%	+8.2%
Operating profit margin (as reported)	*34.5%*	*44.5%*		
Operating profit margin (like for like) [1]	*34.5%*	*32.2%*		
Profit attributable to SES shareholders	128.4	115.1	+11.5%	n/a
Net debt to EBITDA ratio[2]	3.05 times	2.43 times		
Contract backlog	EUR 7.8 billion	EUR 7.6 billion		

1) At constant FX and assuming RR Media and O3b had been consolidated from 1 January 2016
2) Based on rating agency methodology (hybrid bonds as 50% debt/50% equity). IFRS (hybrid bonds as 100% equity) net debt to EBITDA ratio was 2.60 times at 31 March 2017

Like for Like Revenue Growth of 1.0% (+12.2% as Reported)

Revenue walk

EUR million



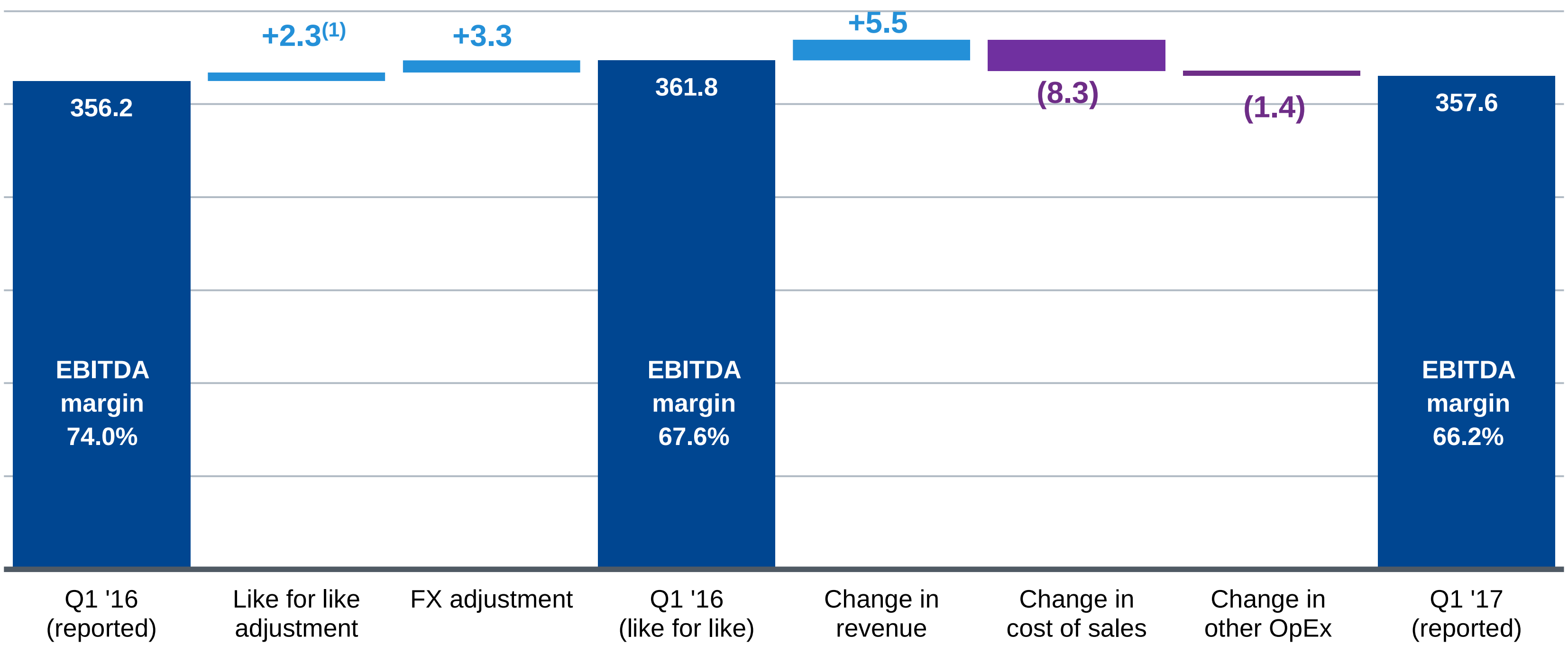
- Video comparison (YOY) mainly impacted by lower periodic and services revenue in Q1 ‘17
- Strong Mobility growth, complementing return to growth in Enterprise and Government

1) Assuming RR Media and O3b had been consolidated from 1 January 2016
2) Includes around EUR 17 million upfront revenue from agreement with Global Eagle Entertainment for AMC-3

Like for Like EBITDA 1.2% Lower (+0.4% as Reported)

EBITDA walk

EUR million



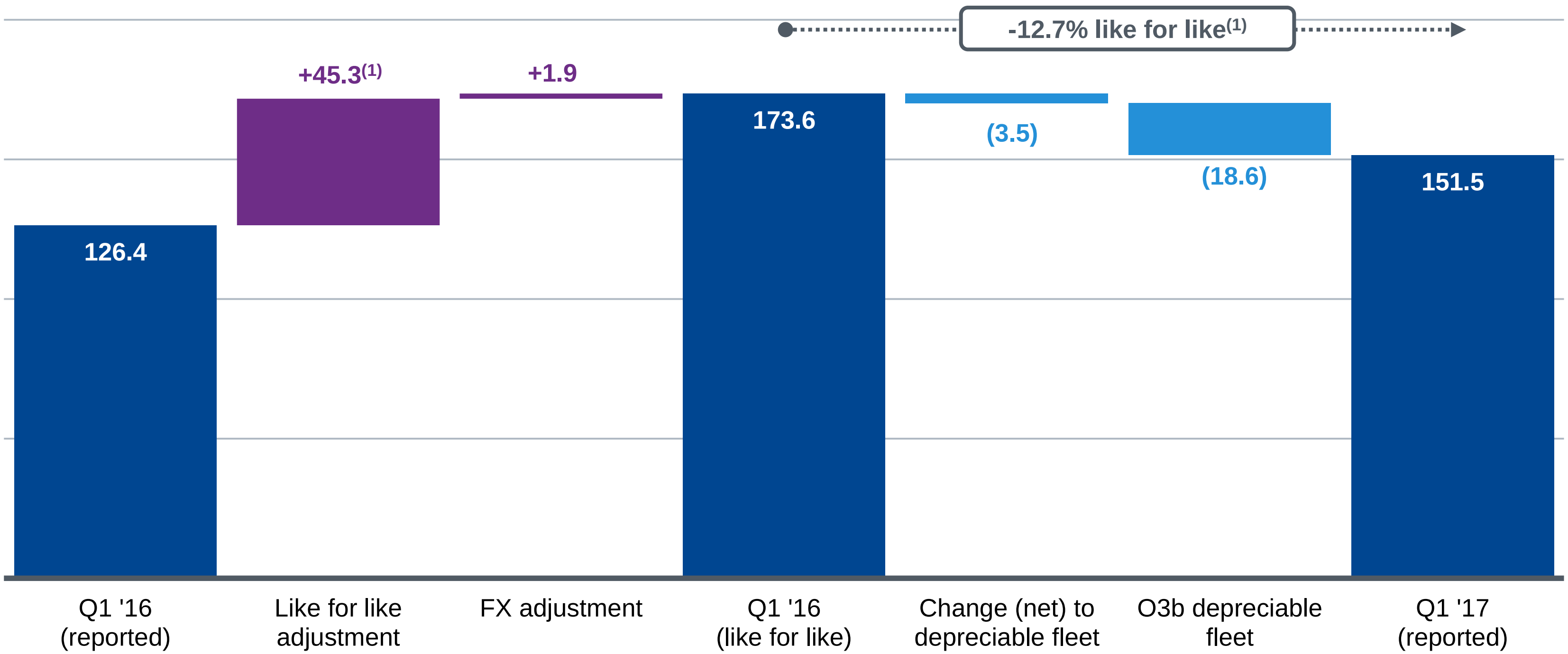
- OpEx increase mainly due to higher variable costs associated with O3b and HD+

1) Assuming RR Media and O3b had been consolidated from 1 January 2016

Like for Like Depreciation 12.7% Lower (+19.9% as Reported)

Depreciation walk

EUR million

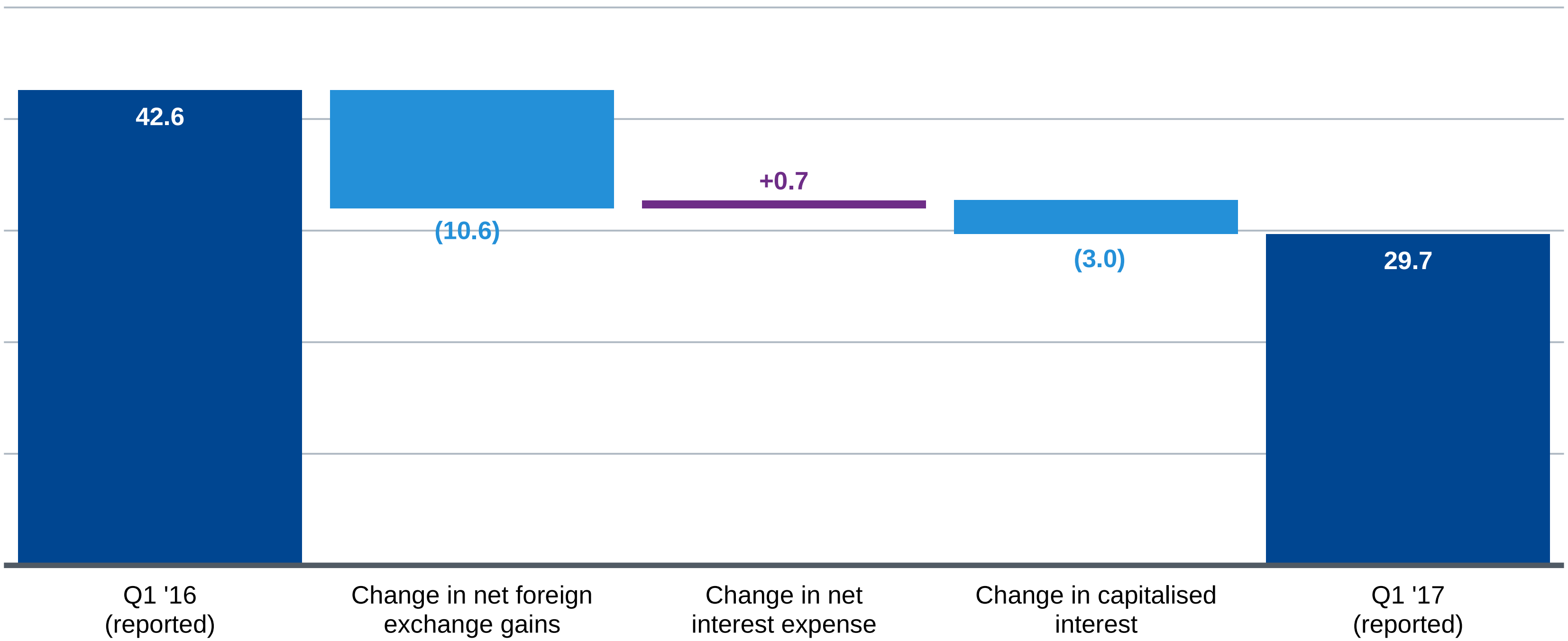


- Amortisation expense of EUR 19.4 million (Q1 2016: EUR 15.6 million)
- Operating profit margin improved from 32.2%, like for like[1], to 34.5% in Q1 2017

1) Assuming RR Media and O3b had been consolidated from 1 January 2016

Net Profit up 11.5% to EUR 128.4 million

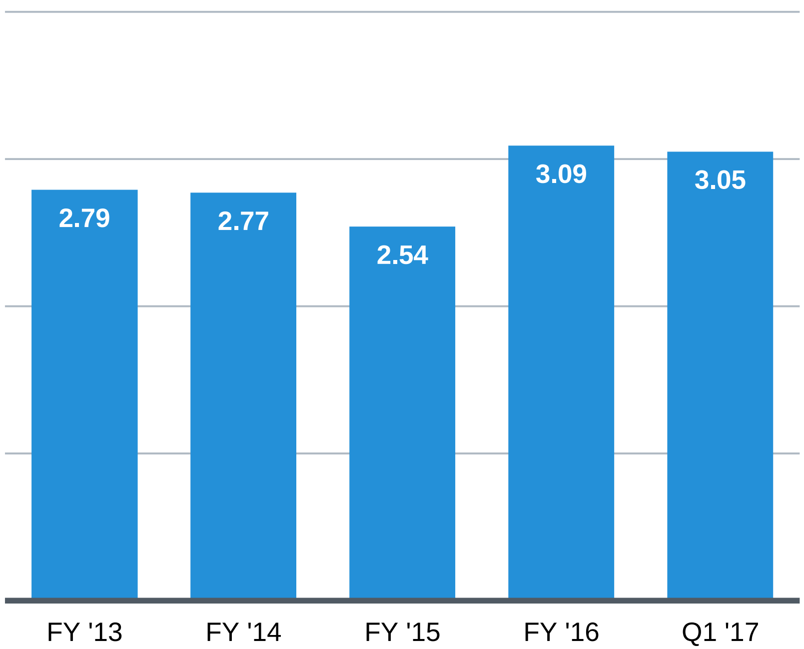
Net Financing Costs walk
EUR million



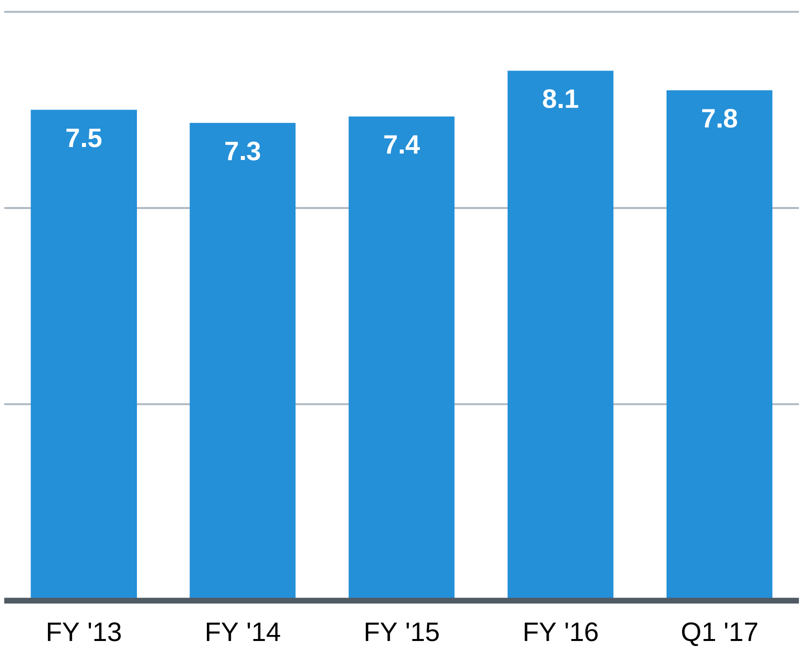
- Effective tax rate of 17.7% (Q1 2016: 16.1%)
- Share of associates' results nil (Q1 2016: EUR 28.3 million loss) reflecting O3b consolidation

Balance Sheet and Contract Backlog Remain Strong

Net debt to EBITDA ratio
Times[(1)]



Fully protected contract backlog
EUR billion (as reported)



- Net debt to EBITDA in line with financial framework
- Substantial contract backlog underpins future growth acceleration

1) Based on rating agency methodology (hybrid bonds as 50% debt/50% equity) and includes last 12 months EBITDA from O3b and RR Media

Financial Outlook Re-affirmed

Well positioned to deliver sustained revenue growth(1)	▲ Video/Government stable to slight growth in 2017, low growth medium term ▲ Returning to growth in Enterprise and strong growth in Mobility from 2017 ▲ Up to EUR 750 million from GEO-MEO growth investments at 'steady-state'(3) ▲ Substantial contract backlog of EUR 7.8 billion (as at Q1 2017)
Improving EBITDA and Operating profit margins(1)	▲ EBITDA margin broadly stable for 2017/2018, improving in medium term ▲ Operating profit margin significantly improving to over 40% in medium term
Increasing Return on Invested Capital(1,2)	▲ Increasing to over 10% medium term
CapEx profile (2017-2021) unchanged	▲ EUR 810 million for FY 2017 and EUR 560 million for FY 2018 ▲ ~50% of 2017-2021 CapEx currently uncommitted

1) On a like for like basis, assuming RR Media and O3b had been consolidated on 1 January 2016. On this basis, Full Year 2016 EBITDA margin of 66.7% and Full Year 2016 Operating profit margin (before gain on deemed disposal of equity interest) of 33.3%
2) Calculated as Net Operating Profit After Tax (NOPAT) divided by average of opening and closing shareholders' equity plus Net Debt
3) Annualised revenue from recently added and forthcoming GEO-MEO investments which are expected to be launched by end-2019

APPENDIX

Future Satellite Capacity

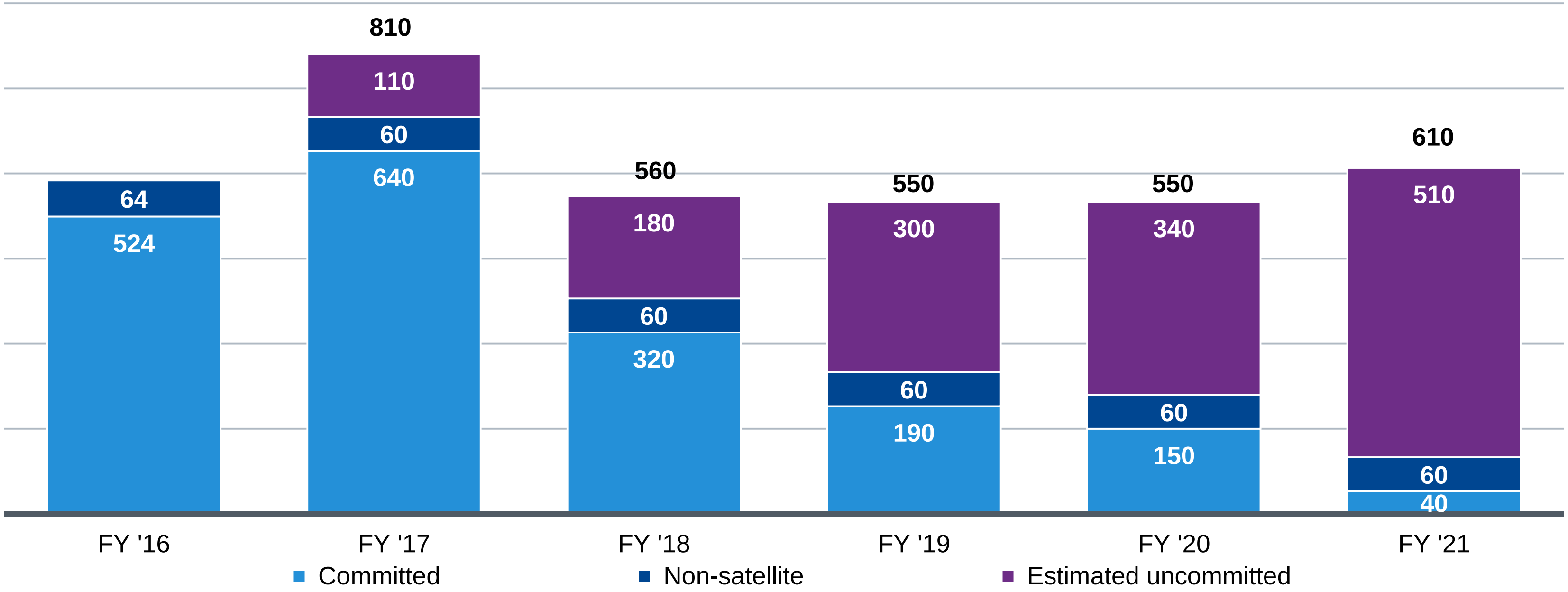
	Launch date	Payload type	Incremental txps[3]	HTS capacity (GHz)	Launch provider
SES-10	Launched March 2017 (OSD by end-May 2017)	Shaped	27	-	SpaceX
SES-11	H2 2017	Shaped	-	-	SpaceX
SES-12[1]	H2 2017	Shaped/HTS	8	14	Ariane
SES-14[1]	H2 2017	Shaped/HTS	8	12	SpaceX
SES-15[1]	Q2 2017	Shaped/HTS	16	10	Ariane
SES-16/GovSat-1[2]	H2 2017	Fully steerable	68	-	SpaceX
O3b (satellites 13-16)	H1 2018	HTS			
O3b (satellites 17-20)	H2 2019	HTS			
SES-17	2020	HTS			

1) 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
3) 36 MHz equivalent
"OSD" refers to Operational Service Date

Future Capital Expenditure Profile

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

EUR million



- Expanding global network, with long term anchor customers secured before procurement
- ~50% of 2017-2021 CapEx is currently uncommitted
- Future CapEx efficiency potential via innovation and unique GEO-MEO combination

1) Including payload, launch, capitalised interest and excluding financial or intangible investments (based on FX rate of EUR 1: USD 1.10)

Operating Profit

EUR million	Q1 2017	Q1 2016	
		Reported	Like for like[(1)]
Revenue	540.6	481.6	535.1
Operating expenses	(183.0)	(125.4)	(173.3)
EBITDA	357.6	356.2	361.8
Depreciation	(151.5)	(126.4)	(173.6)
Amortisation	(19.4)	(15.6)	(15.7)
Operating profit	186.7	214.2	172.5
EBITDA margin	***66.2%***	***74.0%***	***67.6%***
Operating profit margin	***34.5%***	***44.5%***	***32.2%***

1) At constant FX and assuming RR Media and O3b had been consolidated from 1 January 2016

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