



EUTELSAT GROUP

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EUTELSAT AND ONEWEB COMBINATION HERALDS NEW ERA IN SPACE CONNECTIVITY AS WORLD'S FIRST GEO-LEO OPERATOR

Eutelsat Group becomes the first GEO-LEO integrated satellite group, transforming space communications and addressing the fast-growing connectivity market.

PARIS, 28 SEPTEMBER 2023: Eutelsat Communications SA (Euronext Paris: ETL) (the “**Company**”), one of the world's leading satellite operators, announced the completion of its all-share combination with OneWeb, the global low Earth orbit (LEO) satellite communications network, following the

approval today at the Ordinary and Extraordinary General Meeting of Eutelsat shareholders. This combination forms Eutelsat Group.

The Company remains headquartered in Paris. OneWeb will be a subsidiary operating commercially as Eutelsat OneWeb with its centre of operations remaining in London. The Company remains listed on the Euronext Paris Stock Exchange and has applied for standard listing on the London Stock Exchange.

The newly formed Eutelsat Group is strategically positioned to be a global leader in space communications. Eutelsat's powerful GEO fleet will combine network density and high throughput with the low latency and ubiquity of OneWeb's LEO constellation to offer customers global, fully integrated connectivity services. This combination confirms Eutelsat as a pioneer in the space industry and a leader in space technology innovation, showcasing its continuous commitment to pushing the boundaries of the satellite landscape.

With OneWeb's network already active and set to be globally operational by end of 2023, the combined GEO-LEO service will open up new markets and applications for customers, including Fixed Connectivity (Backhaul, Corporate networks), Government Services and Mobile Connectivity (Maritime and Inflight). Broadcast and video services will remain integral to Eutelsat Group's business and continue to deliver unparalleled and innovative services for customers, including new IP native video services, at the convergence of broadband and broadcast.

The combined entity is expected to grow at a double-digit revenue CAGR over the medium to long-term, reaching c. €2bn in 2027. Adjusted EBITDA for the combined entity is expected to grow at a double digit CAGR over the same period, outpacing revenue growth.

Dominique D'Hinnin, Chairman of the Board of Directors, said: *"This is an historic moment for the satellite industry. We are bringing together two businesses that are at the forefront of delivering integrated, seamless and reliable connectivity to customers worldwide.*

"We will be moving fast to accelerate the growth of the combined business. With the support of strategic shareholders of both entities, we are confident of maximising financial performance and operational excellence, while capitalising

on the high-return investment of next generation satellites.

“I would like to pay tribute to all colleagues who have ensured we can successfully deliver this combination. We are ready to provide connectivity and services that will support economic and social development globally as a trusted partner for multi-orbit connectivity.”

Sunil Bharti Mittal, Vice-Président (Co-Chair) of the Board of Directors, commented: *“This exciting combination will be transformative for communities and businesses worldwide, utilising the unique blend of GEO and LEO technologies. This is a major milestone for us, our partners, and the customers we serve. The business combines compelling strategy, technology, and talent to deliver across several markets and verticals and together we are well-positioned to deliver value for all our shareholders.*

“Closing the digital divide is a critical mission for Eutelsat Group and the combination of these two businesses, which have each pursued this goal separately, accelerates our progress. I want to thank everyone who has made today possible. Because of the work of our colleagues, we have created a company which will bring connectivity to more people around the world and help close the digital divide.”

Eva Berneke, Chief Executive Officer, added: *“Eutelsat Group is the only GEO-LEO operator in satellite communications that can offer a ubiquitous connectivity service. Global connectivity is an important and exciting challenge to deliver upon. We can address a wider range of customer requirements and provide hybrid connectivity services where they are required worldwide, all with industry leading resilience. As we continue our track record of innovation to develop future generations of satellite technology, we can unlock significant value both for customers and shareholders. The Eutelsat-OneWeb combination has given us the scale, financial strength, and business proposition to capitalise on the significant opportunity.”*

About Eutelsat Group

Eutelsat Group is a global leader in satellite communications, delivering connectivity and broadcast services worldwide. The Group was formed

through the combination of Eutelsat and OneWeb in 2023, becoming the first fully integrated GEO-LEO satellite operator with a fleet of 37 Geostationary satellites and a Low Orbit earth constellation of more than 600 satellites.

The Group addresses the needs of customers in four key verticals of Video, where it distributes more than 6,500 television channels, and the high-growth connectivity markets of Mobile Connectivity, Fixed Connectivity, and Government Services.

Eutelsat Group's unique suite of in-orbit and on-ground assets enables it to deliver integrated solutions to meet the needs of global customers. The Company is headquartered in Paris and Eutelsat Group employs more than 1,700 from 50 different nationalities. The Group is committed to delivering safe, resilient, and environmentally sustainable connectivity to help bridge the digital divide. The Company is listed on the Euronext Paris Stock Exchange (ticker: ETL).

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Notes: Details of the deal

Financials

Revenues of Eutelsat Group are expected to grow at a double-digit revenue CAGR over the medium to long-term, reaching €1.32-1.42bn in FY 2024, €1.55-1.75bn in FY 2025, and c. €2.0bn in FY 2027. Adjusted EBITDA for Eutelsat Group is expected to grow at a double digit CAGR over the same period, outpacing revenues growth, rising from a range of €725m to €825m in FY 2024 to €900m to €1.1bn in FY 2025, and c. €1.4bn in FY 2027.

After synergies, the capex of Eutelsat Group is estimated to be at €725m to

€875m per annum on average, over the period FY 2024 to FY 2030, with a front-end loaded profile. Beyond 2030, capex is expected to decrease significantly, as the upgrade, replacement and maintenance of the fleet will be gradual, due to the deployment of innovative intelligent software, rather than generational.

The strong cash flow generation of the existing GEO business will provide both visibility and funding to develop OneWeb's LEO fleet at lower risk, which has seen robust demand with the order book close to \$1bn. Combined adjusted EBITDA minus capex is expected to return in positive territory by FY 2025 or FY 2026, depending on the capex phasing of OneWeb's LEO Gen 2 satellites. As previously announced, the Company has suspended the dividend for three fiscal years with cash flow focused on the deployment of the Gen 2 constellation while maintaining a strong balance sheet.

The combination of Eutelsat and OneWeb is forecast to generate substantial value, tapping into significant revenue, cost, and capex synergies. Taken together these synergies equate to over €1.5bn potential value-creation after tax net of implementation costs.

Leverage, which stands at c. 4x net debt / adjusted EBITDA pro forma end of June 2023, is expected to be reduced on the back of strong adjusted EBITDA growth, backed by a disciplined financial policy, with an objective of leverage of c. 3x in the medium term.

Ownership structure and Governance

The Company has a balanced ownership structure with a substantial free float, alongside anchor public shareholders and supportive private investors. The Board of Directors consists of 15 members including ten independent directors. Seven directors, in addition to the CEO of Eutelsat, have been proposed by Eutelsat and its key shareholders and seven directors have been proposed by OneWeb and its key shareholders.

Dominique D'Hinnin continues in his role as Chairman and Sunil Bharti Mittal, previously Executive Chairman of OneWeb, will become Vice-Président (Co-Chair). Eva Berneke continues to be the CEO.

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combination.

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