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EUTELSAT COMMUNICATIONS FULL YEAR 2018-19 RESULTS

- Revenues of €1,321 million with Operating Verticals at €1,313 million, down 3.1% like-for-like
- EBITDA margin of 78.4% at constant currency
- Attainment of targeted Net Debt / EBITDA ratio, at 2.98x
- Discretionary Free Cash Flow up 9.6%; three-year objective exceeded a year ahead of schedule
- Dividend per share for FY 2019 of €1.27, 1.4 times covered by DFCF
- New DFCF objective of c.€500 million in FY2021-22
- Share buyback program of at least €100 million over the next three years

Paris, 31 July 2019 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), chaired by Dominique D’Hinnin, reviewed the financial results for the year ended 30 June 2019.

Rodolphe Belmer Chief Executive Officer of Eutelsat Communications, said: *“On the operational front, the past year was notable once again for the resilience of core Broadcast, supported by rising channel count and HD penetration. The successful launch of EUTELSAT 7C will bring incremental capacity to the dynamic African market. In Fixed Broadband, our Konnect Africa operations are now up and running and our new distribution strategy in Europe is starting to bear fruit. In Mobile Connectivity, we have carved a strong foothold in the maritime segment with some major commercial wins.*

In the context of a challenged operating environment which continues to weigh on the revenues of our core businesses, the effective execution of our financial strategy has enabled us once again to meet or exceed all our other financial objectives with, notably, a record level of EBITDA margin supported by the successful completion of our LEAP 1 cost-savings plan, and the attainment of our Net debt / EBITDA target. By leveraging all elements of cash-generation, we produced a further strong rise in Discretionary Free-Cash-Flow, enabling us to exceed our target a year early.

Our efforts remain focused on maximising cash generation, with the two recent successful bond issuances reducing interest by circa €34 million per annum, the reduction of over €70 million in our annual tax burden, and a follow-on cost-savings program aimed at generating additional savings of €20 to 25 million by FY 2021-22. We are setting a new Discretionary free cash flow target with an objective of circa €500 million in FY 2021-22, and enhancing our remuneration policy by maintaining our dividend at 1.27 euros per share and committing to a share buyback program of at least €100 million by end-June 22.”

HIGHLIGHTS

- With the exception of topline, all financial objectives set at the beginning of the year achieved or exceeded:
 - EBITDA margin of 78.4% at constant currency;
 - Cash Capex of €323 million, well within our €400 million envelope;
 - Discretionary Free-Cash-Flow up 10% at constant currency and excluding the EUTELSAT 25B disposal,

coming on top of a 12% rise last year. Three-year objective of mid-single digit CAGR exceeded a year ahead of schedule;

- Net debt / EBITDA target reached at 2.98x versus 3.01x a year ago.

- Return to slight sequential progression for the Operating Vertical revenues in the Fourth Quarter.
- Several operational achievements to underpin future performance:
 - Resilience of core Broadcast, supported by progression in channel count and HD penetration;
 - Several new DTH platforms added during the year;
 - Successful launch of EUTELSAT 7C, bringing incremental capacity to video markets in Africa;
 - Launch of Eutelsat CIRRUS hybrid satellite-OTT turnkey delivery solution;
 - Inflexion in European Broadband, with Preferred Partnership Programme starting to bear fruit;
 - Konnect Africa operations up and running with direct distribution in place in the Democratic Republic of Congo and extension to other countries planned in the near term;
 - Multi-year, multi-transponder commercial wins in maritime Mobility with Speedcast and Marlink.

- Ongoing measures to maximise cash generation:
 - Two successful bond issuances reducing pre-tax cash interest by some €34 million per annum at run-rate and extending debt maturity;
 - Disposal of the interest in a non-core asset, EUTELSAT 25B for a consideration of €135 million;
 - Ongoing Capex optimization, with anticipated replacement of HOTBIRD constellation at significant cost reduction.

- Reduction of €74 million in FY 2018-19 tax burden following the change in French tax territoriality treatment.
- Completion of LEAP 1 cost-savings program with €32 million in

opex savings against €30 million target; follow-on 'LEAP 2' program targeting further savings of €20 to 25 million by FY 2021-22.

- New Discretionary free cash flow target of around €500 million in FY 2021-22.
- Enhanced shareholder remuneration policy with a dividend maintained at 1.27 euros per share and the launch of a share buyback program of at least €100 million by end-June 22.

[Read the full press release on Full Year 2018-19 results](#)

About Eutelsat Communications

Founded in 1977, Eutelsat Communications is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across Video, Data, Government, Fixed and Mobile Broadband markets to communicate effectively to their customers, irrespective of their location. Over 7,000 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Headquartered in Paris, with offices and teleports around the globe, Eutelsat assembles 1,000 men and women from 46 countries who are dedicated to delivering the highest quality of service.

Eutelsat Communications is listed on the Euronext Paris Stock Exchange (ticker: ETL).

For more about Eutelsat go to www.eutelsat.com

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