



## Press release

### **SES Announces Next Phase of Strategic Transformation**

**Company to explore the creation of pure-play market verticals through the potential separation of its data business within SES**

**‘Simplify and Amplify’ will drive focus on company’s core strengths, simplify its operations and facilitate innovation for future growth**

Luxembourg, 2 March 2020 – SES is launching a comprehensive programme to position itself for future growth and deliver maximum value to current and future customers and stakeholders.

The programme, called Simplify and Amplify and executed throughout 2020, comprises a series of strategic actions to enable SES to best deliver against its declared purpose of doing the extraordinary in space to deliver amazing experiences everywhere on Earth. It is the next phase in a process that began in 2017 when SES first established distinct units for its video and data businesses.

SES sees enormous opportunities in its core markets given the changing dynamics of the video and data industries, and this programme is designed to position SES as the leader in global content connectivity solutions—operating as an efficient, high-performance partner that is simpler to do business with, and strengthening its position as the partner of choice for the world’s leading broadcasters, governments, telcos, cloud solutions providers, and comms-on-the-move customers.

The programme comprises four major initiatives:

- **Create Pure-Play Verticals:** SES will investigate the creation of two ‘pure-play’ market verticals through the potential separation of its Networks business within SES in order to drive strategic and operational focus, provide increased external visibility and to appropriately configure SES’s overall business for the future. Consideration will include an analysis of a separate capital structure for the Networks business, potentially providing it access to external capital to accelerate growth and build on the unique value proposition that has been established in the market. This structure also would facilitate a sharp focus on the cash generating and value sustaining priorities within SES’s market-leading video business, leveraging its premier direct-to-home (DTH) neighbourhoods and superior global reach.

As a result of the recent adoption by the U.S. Federal Communications Commission (FCC) of its order regarding the repurposing of part of the C-Band spectrum, SES is putting in to place a dedicated team to execute on the most complex and demanding spectrum repurposing ever contemplated. This team will leverage the company’s in-house expertise to ensure a seamless process that meets the critical needs of its current customers as well as the FCC’s desire to enable 5G leadership for the United States on an accelerated timeline. This is a transformational opportunity to protect SES’s neighbourhoods and current customers, support the nearly 120 million U.S. households that rely on the C-Band for their cable and broadcast programming, and create shareholder value for SES.



- **Focus on Core Strengths:** The markets in which SES operates have become both more resource intensive and the subject of technological disruption. SES will focus its capabilities and offerings across each of its markets on profitable segments that play to the group's core strengths, doubling down where it makes sense to do so, while exiting, reducing exposure to, or establishing alliances and partnerships to serve, other market segments. This will result in a stronger, more focused SES with world-leading products and solutions in the areas where it excels.
- **Simplify Operations:** SES expects to realign its resources to support the above initiatives, to simplify operations, to maximise efficiency, and to make SES easier to do business with. Activities will include the consolidation and reorganisation of some functions to reflect any changes in business scope and structure. In addition, the company plans a comprehensive review of its global footprint. Overall it is expected that SES will generate EBITDA optimisation ramping to EUR 40-50 million annually from 2021 as a result of this focus on core strengths and simplification of its business.
- **Innovate for the Future:** SES will deepen its commitment to innovation to drive the customer solutions demanded in the market today and in the future. SES has led the industry in the development of low-latency NGSO and now multi-orbit architectures along with the integration of network functions and automation. This further commitment to innovation will broaden SES's leadership in cloud integration through the development of a "cloud practice" focused on creating and driving cloud scale across all target market segments. In addition, the company intends to establish an innovation hub to co-create and incubate solutions together with customers and partners, and develop new technologies and business models through corporate venturing.

“Our vision is content and connectivity everywhere, and we are positioning SES to realise this vision and deliver growth and value for our customers in their fast-changing markets,” said Steve Collar, CEO of SES. “This next phase of our strategic transformation is designed to ensure that we prepare SES for an exciting future while delivering on our commitments to customers and to the market today. In so doing, we will make SES a simpler organisation to do business with and deliver substantial value to all of our stakeholders.”

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**About SES**

SES has a bold vision to deliver amazing experiences everywhere on earth by distributing the highest quality video content and providing seamless connectivity around the world. As the leader in global



content connectivity solutions, SES operates the world's only multi-orbit constellation of satellites with the unique combination of global coverage and high performance, including the commercially-proven, low-latency Medium Earth Orbit O3b system. By leveraging a vast and intelligent, cloud-enabled network, SES is able to deliver high-quality connectivity solutions anywhere on land, at sea or in the air, and is a trusted partner to the world's leading telecommunications companies, mobile network operators, governments, connectivity and cloud service providers, broadcasters, video platform operators and content owners. SES's video network carries over 8,300 channels and has an unparalleled reach of over 355 million households, delivering managed media services for both linear and non-linear content. The company is listed on Paris and Luxembourg stock exchanges (Ticker: SESG). Further information is available at: [www.ses.com](http://www.ses.com).