

FINANCIAL MODELS & RESOURCES

KEYNOTE

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GLEC – Marrakech, April 24 2019





AGENDA

- 1. ABOUT**
- 2. INTERNATIONAL CONTEXT**
- 3. CLASSIC & ALTERNATIVE FUNDING MODELS**
- 4. CONCLUSIONS**



WHO WE ARE, WHAT WE DO



CONSULTING

Business strategy

Due diligence

Public policy

Business operations

Supported
decisions on
\$30b+
investment



RESEARCH

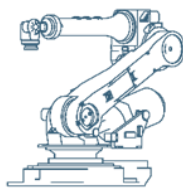
Strategic reports

10-year market forecasts

Proprietary databases

Profiles of leading organizations

Expertise at each level of the
Value Chain/Ecosystem



SUMMITS & TRAINING

High-level programs

Executive-level networking

Business deals

Market insight

Promoting forward thinking, facilitating projects & deals for over
1,000 executives



TEAM

4 offices



>60
multi disciplinary
Experts



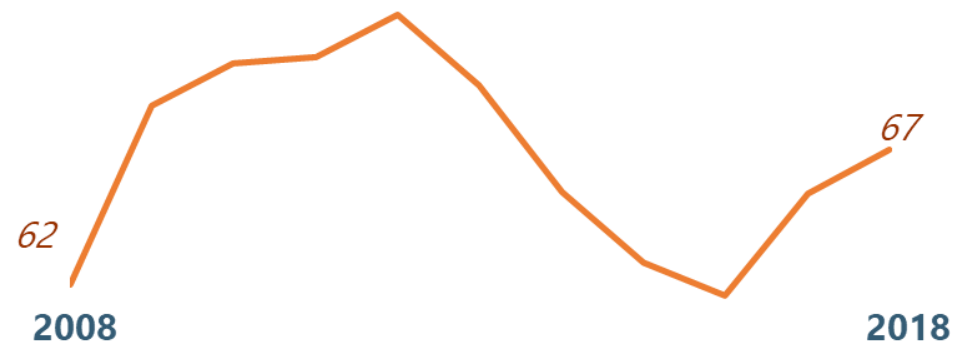


10 Y EVOLUTIONS OF GOVERNMENT INVESTMENT IN SPACE

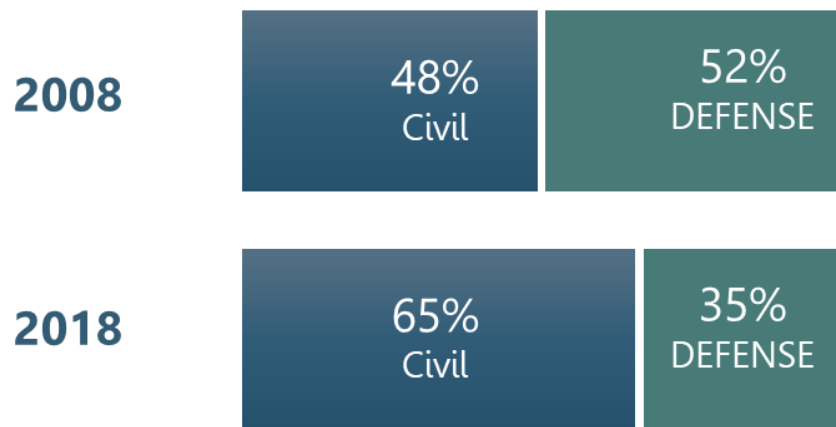
COUNTRIES INVESTING IN SPACE



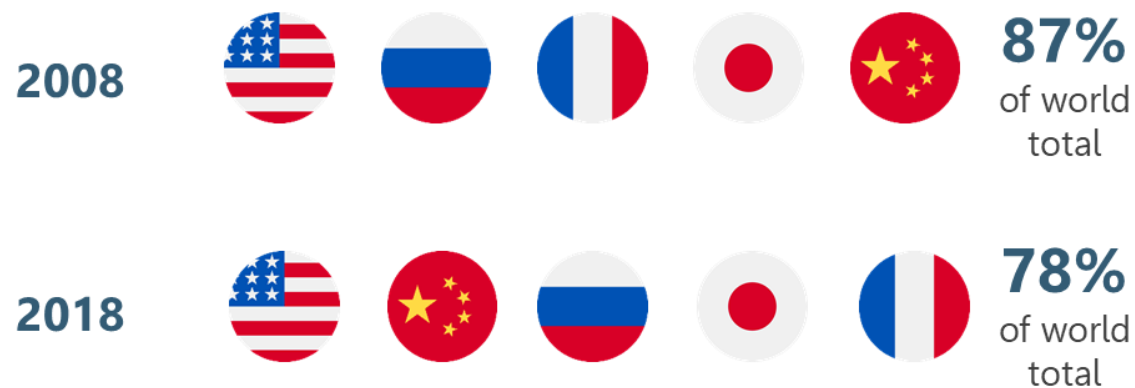
WORDWIDE SPACE EXPENDITURES



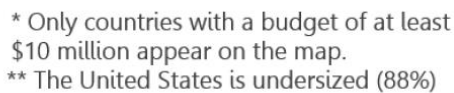
DOMAINS OF INVESTMENTS



TOP 5 BUDGETS



Source: Euroconsult's Research Reports

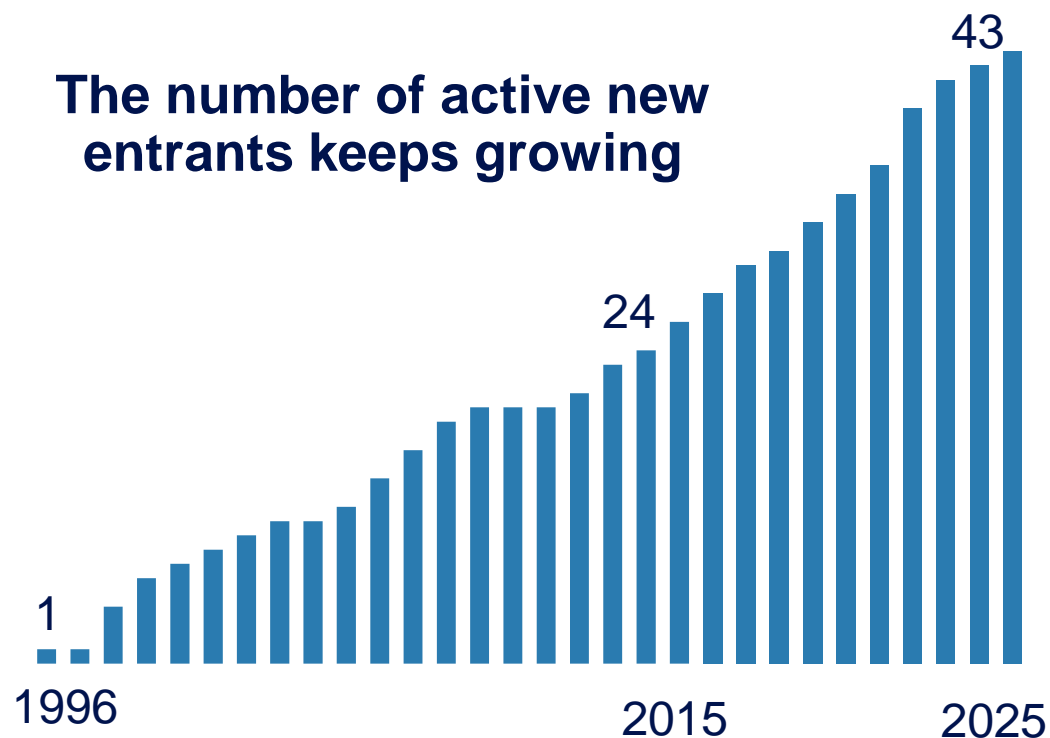


Euroconsult

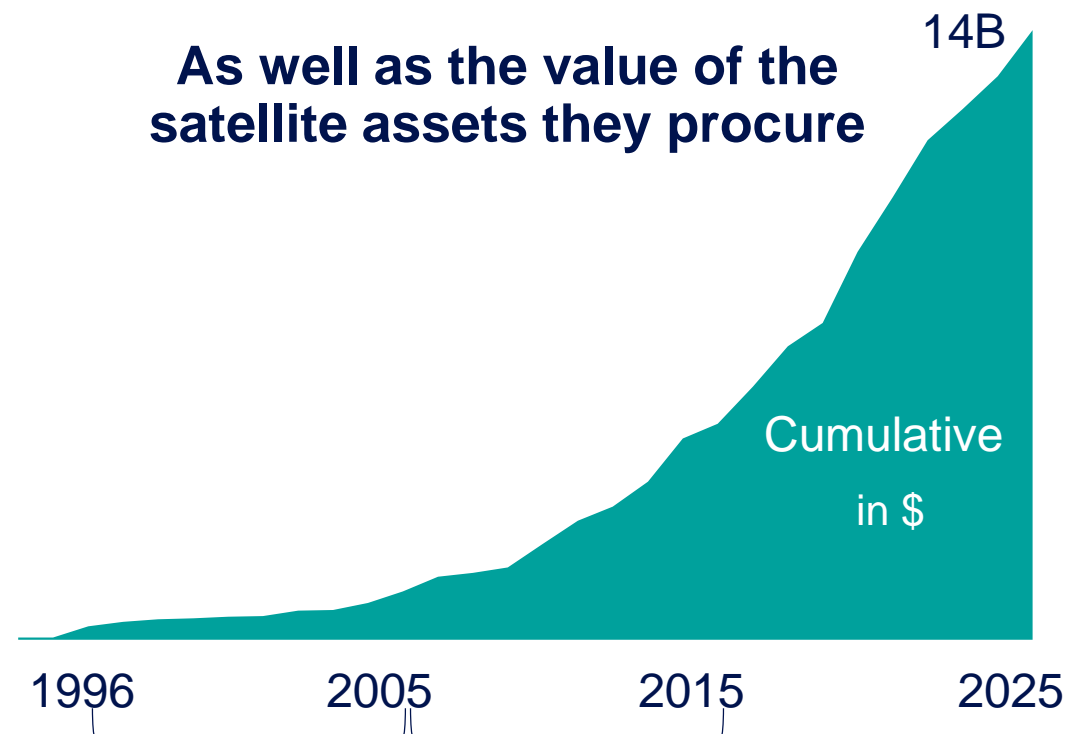


THE RISE OF EMERGING SPACE PROGRAMS

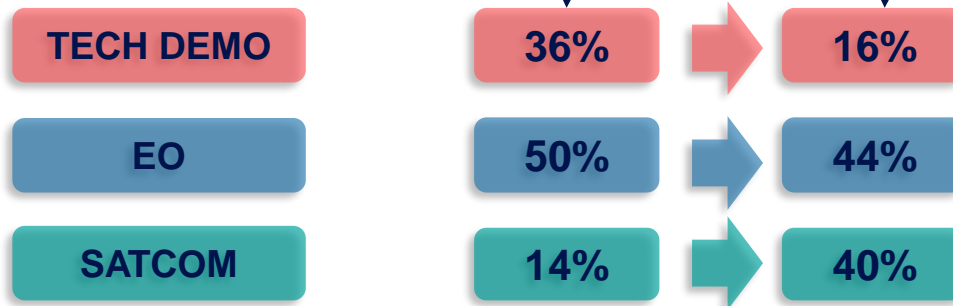
The number of active new entrants keeps growing



As well as the value of the satellite assets they procure



Scope of investment is also changing over time

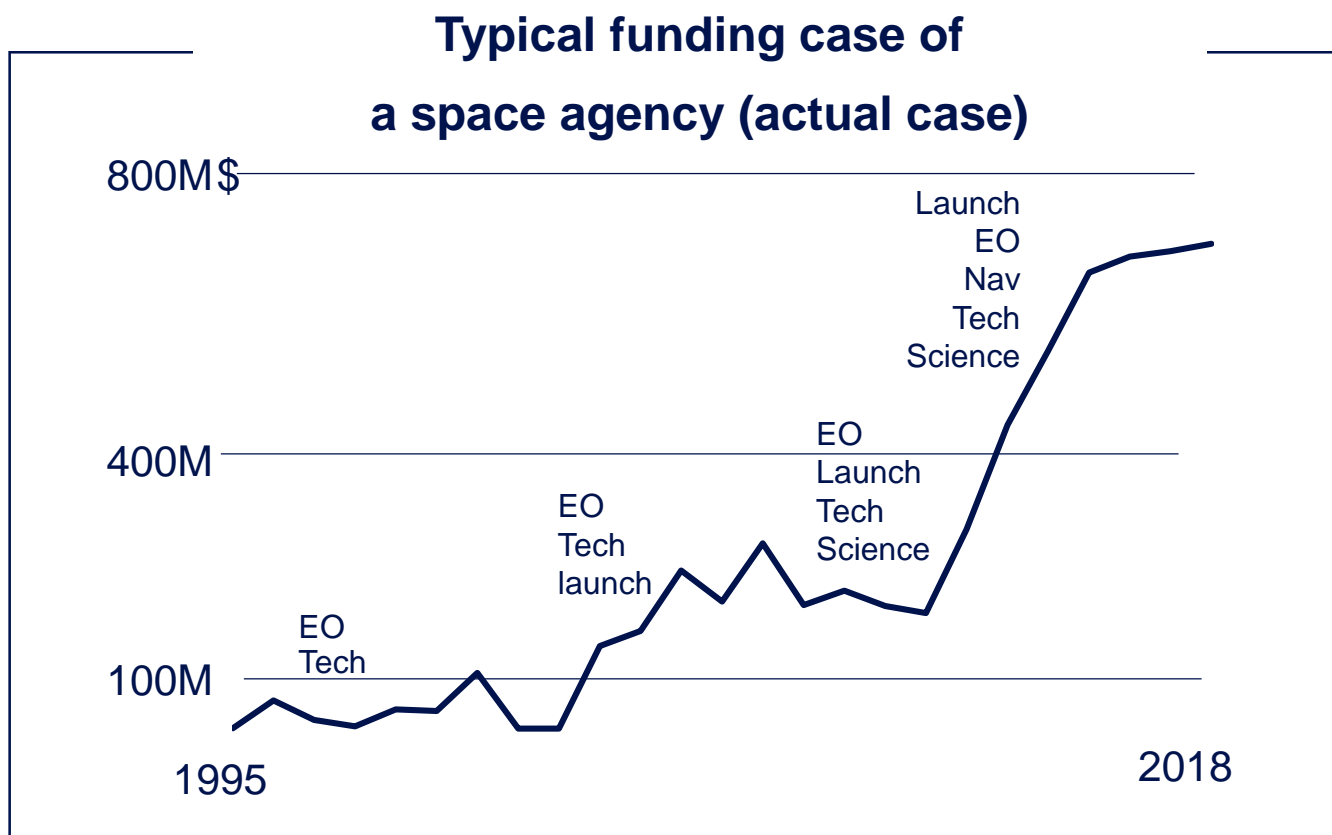


Source: Euroconsult's Research Reports



CLASSICAL FINANCIAL SCHEME // GOVERNMENT ALLOCATIONS

BUILDING UP A SPACE PROGRAM IS **CAPEX INTENSIVE** REQUIRING NATIONAL FINANCIAL COMMITMENT IN **THE VERY LONG TERM**



KEY ACHIEVEMENTS

AFTER 30Y OF INVESTMENT

- 20 satellite launched
- Autonomy in EO/Meteo applications
- Domestic smallsat platform for national missions
- No autonomy in launch vehicle, still representing 40% of annual investment
- Domestic Nav augmentation system
- Science programs in partnerships
- Satcom services via national sat operator

Source: Euroconsult's Research Reports



ALTERNATIVE FINANCIAL MODELS // PPP

KEY CRITERIA OF A PPP (though no one single definition) :

- 1- A public sector project
- 2- Sharing responsibilities and risks with the private sector
- 3- Involving rewards for the private sector
- 4- Long term (infrastructure projects)



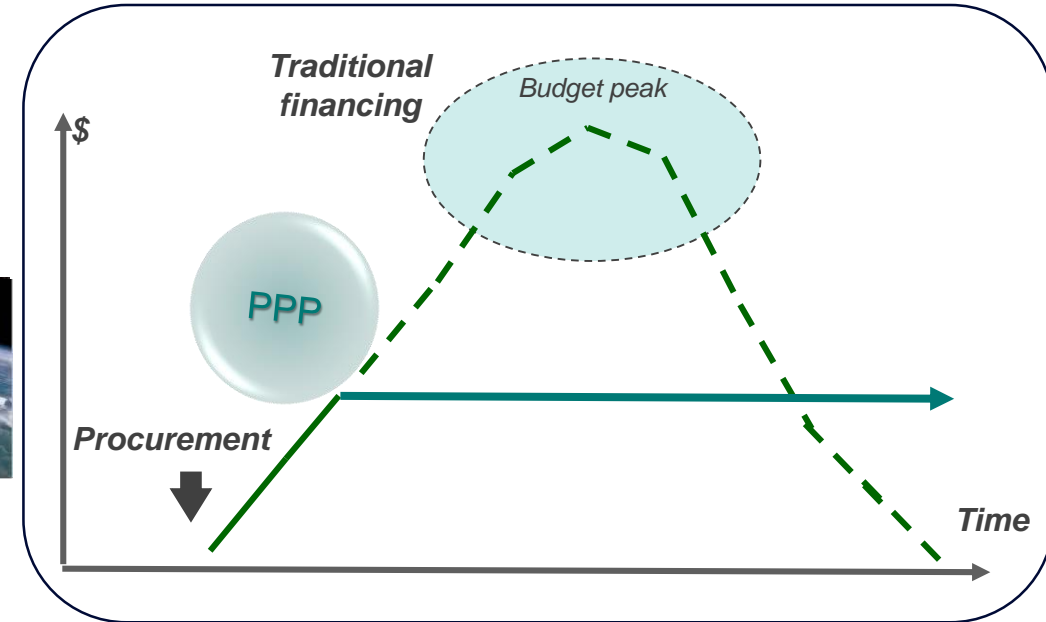
POPULAR IN THE 2000's, LESS SINCE THEN



- Strict budgets control
- Smooth expenditures.
- Service focus, not the infrastructure
- Each party focuses on its strengths



- Transaction costs
- Control & ownership
- Program/contract complexity
- No capability building



Generally applied by governments with pre-existing experience



ALTERNATIVE FINANCIAL MODELS // LOAN & CREDITS

DEVELOPMENT BANKS

- Public institutions providing risk capital to finance projects contributing to economic developments



- Conditions on eligibility (programs & amounts)

VENDOR FINANCING

- The vendor lends money to its customer, who then uses the money to buy the vendor's product or service.



- Nicaragua
- Laos
- Nigeria...



- Angola

- Buyer's long term dependency on the vendor

EXPORT CREDIT

- ECAs support a national exporter by facilitating project's financing with their international customers



- Predominantly used for commercial operators / activity decreasing

Bridge the gap when traditional financial institutions are unwilling to finance

Associated with satellite assets procurement rather than long term program financing

Enable technology transfer & capability building

Very much depending on political relations with the vendor



ALTERNATIVE FINANCIAL MODELS // COMMERCIAL REVENUES

INCREASINGLY POPULAR BUT NOT THAT STRAIGHT FORWARD...

ENABLER

- Complements baseline budget
- Limits dependency on ups & downs funding
- Showcase ROI to government

REQUIREMENTS

- Ability to reach customers (market access)
- In-house sales team or partner agreements
- Competitive solutions (performance, price...)

HISTORICAL AGENCIES GENERATE COMMERCIAL REVENUES FOR MANY YEARS



- Range of commercialization depends case by case: launch services, sat systems, EO data, Coms...
- Often through spin-off commercial venture
- Can represent up to 20-40% of annual funding

NEW ENTRANTS INCREASINGLY LOOKING TO ENTER THE MARKET



- Data or Gbps depending on the assets owned
- Direct marketing proved difficult / time consuming
- Agreements with established space companies for (vendor) for commercial partnership



CONCLUSIONS // TAKE AWAYS

- Government new entrants are procuring **increasingly complex** space systems requiring **large financial commitments**
- Multiple funding models, **no one-fits-all**: always depend on the specific national **context**, type of **program** implemented & **objectives** pursued
- **Combination** of funding schemes often applied over time
- Space is **costly and demanding**: developing a national space program requires **long term vision** and **sustainable funding**

Muchas Gracias

Danke

Merci

谢谢

Shukran

Thank you

Շնորհակալություն

спасибо

Дякую

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