



RAYMOND JAMES 40TH ANNUAL
INSTITUTIONAL INVESTORS CONFERENCE

MARCH 5, 2019



FORWARD-LOOKING STATEMENTS

Safe Harbor Statement

This presentation contains statements about future events and expectations known as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Iridium Communications Inc. (“Iridium” or the “Company”) has based these statements on its current expectations and the information currently available to it.

Forward-looking statements in this presentation include statements regarding expected equipment revenue, service revenue, Operational EBITDA, Operational EBITDA margin, capital expenditure, free cash flow, cash taxes and leverage levels; expected Iridium® NEXT capabilities and benefits; expected growth in the MSS industry; contracted U.S. government revenues; the market for and capabilities of new products and services, such as Iridium CertusSM broadband; the capabilities and benefits of and the market for the AireonSM system; and the Aireon and Harris hosted payload’s financial impact on Iridium. Other forward-looking statements can be identified by the words “anticipates,” “may,” “can,” “believes,” “expects,” “projects,” “intends,” “likely,” “will,” “to be” and other expressions that are predictions of or indicate future events, trends or prospects. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Iridium to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, uncertainties regarding expected Operational EBITDA, growth in subscribers and revenue, levels of demand for mobile satellite services (MSS), the development of and market for the Aireon and Harris hosted payloads, the ability of Aireon to raise funds to pay its hosting fees, the development and demand for new products and services, including Iridium Certus broadband, and the Company’s ability to maintain the health, capacity and content of its satellite constellation, as well as general industry and economic conditions, and competitive, legal, governmental and technological factors. Other factors that could cause actual results to differ materially from those indicated by the forward-looking statements include those factors listed under the caption “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2018, filed with the SEC on February 28, 2019, as well as other filings Iridium makes with the SEC from time to time. There is no assurance that Iridium’s expectations will be realized. If one or more of these risks or uncertainties materialize, or if Iridium’s underlying assumptions prove incorrect, actual results may vary materially from those expected, estimated or projected.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof unless otherwise indicated. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise.



NON-GAAP FINANCIAL MEASURES

Non-GAAP Financial Measures

In addition to disclosing financial results that are determined in accordance with U.S. GAAP, the Company provides Operational EBITDA and Operational EBITDA margin, which are non-GAAP financial measures, as supplemental measures to help investors evaluate the Company's fundamental operational performance. Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, Iridium NEXT revenue and expenses (for periods prior to the deployment of Iridium NEXT only), loss from investment in Aireon, share-based compensation expenses, the impact of purchase accounting, and non-cash gain from the Boeing transaction. Iridium NEXT revenue and expenses were excluded from Operational EBITDA through 2017. Beginning in 2018, Iridium NEXT revenues and recurring Iridium NEXT expenses (recurring Iridium NEXT expenses are not part of the approximately \$3 billion construction cost of Iridium NEXT (the "Construction Costs")) were no longer excluded in calculating Operational EBITDA. U.S. GAAP requires that certain of the Construction Costs be expensed. These certain Construction Costs, which beginning in 2018 principally consisted of in-orbit insurance, will continue to be excluded from the calculation of Operational EBITDA through the first quarter of 2020. The Company also presents Operational EBITDA expressed as a percentage of GAAP revenue, or Operational EBITDA margin. Operational EBITDA, along with its related measure, Operational EBITDA margin, does not represent, and should not be considered, an alternative to U.S. GAAP measurements such as net income or loss, and the Company's calculations thereof may not be comparable to similarly titled measures reported by other companies. A reconciliation of consolidated GAAP net income to Operational EBITDA is in the attached appendix. By eliminating interest, income taxes, depreciation and amortization, Iridium NEXT revenue and expenses (for periods prior to the deployment of Iridium NEXT only), loss from investment in Aireon, share-based compensation expenses, the impact of purchase accounting, and non-cash gain from the Boeing transaction, the Company believes the result is a useful measure across time in evaluating its fundamental core operating performance. Management also uses Operational EBITDA to manage the business, including in preparing its annual operating budget, debt covenant compliance, financial projections and compensation plans. The Company believes that Operational EBITDA is also useful to investors because similar measures are frequently used by securities analysts, investors and other interested parties in their evaluation of companies in similar industries. However, there is no standardized measurement of Operational EBITDA, and Operational EBITDA as the Company presents it may not be comparable with similarly titled non-GAAP financial measures used by other companies. As indicated, Operational EBITDA does not include interest expense on borrowed money, the payment of income taxes, amortization of the Company's definite-lived intangibles assets, or depreciation expense on the Company's capital assets, which are necessary elements of the Company's operations. It also excludes expenses in connection with the development, deployment and financing of Iridium NEXT and the loss from investment in Aireon. Since Operational EBITDA does not account for these and other expenses, its utility as a measure of the Company's operating performance has material limitations. Due to these limitations, the Company's management does not view Operational EBITDA in isolation, but also uses other measurements, such as net income, revenues and operating profit, to measure operating performance.



NON-GAAP FINANCIAL MEASURES

Iridium Communications Inc.

Reconciliation of GAAP Net Income to Operational EBITDA
(\$ in thousands)

	For the Year Ended December 31,				
	2014	2015	2016	2017	2018
GAAP net income	\$ 74,989	\$ 7,123	\$ 111,032	\$ 233,856	\$ (13,384)
Impairment of goodwill	-	87,039	-	-	-
Adjusted net income	74,989	94,162	111,032	233,856	(13,384)
Interest income, net	(3,640)	(3,069)	(2,934)	(4,328)	62,441
Income taxes	41,463	65,992	67,133	(114,284)	(7,265)
Depreciation and amortization	72,769	51,834	49,394	122,266	218,207
EBITDA	185,581	208,919	224,625	237,510	259,999
Iridium NEXT expenses, net	18,064	17,296	16,732	23,316	27,606
Loss from investment in Aireon	4,296	-	-	-	-
Share-based compensation	9,559	8,602	13,689	15,806	14,408
Purchase accounting adjustments	(1,000)	(775)	(825)	-	-
Gain on Boeing transaction	-	-	-	(11,003)	-
Operational EBITDA	\$ 216,500	\$ 234,042	\$ 254,221	\$ 265,629	\$ 302,013

A STARK FINANCIAL TRANSFORMATION IS UNDERWAY



First-Generation network launched in 1990s lasted for 20+ years



**Iridium NEXT®
Campaign Completed**



Upgraded constellation fully deployed on February 5, 2019

Business Fundamentals

- Global Coverage
- One-of-a-kind Network Architecture (Unmatched by Competitors)
- Proven Track Record
 - ✓ >9% organic OEBITDA CAGR (2009 - 2018) to approximately \$300M
 - ✓ >1.1 million active users, including IoT (650k); Handsets (350k); Maritime vessels (10k)
 - ✓ Established, embedded U.S. DoD relationship for 15+ years
- Completed ~\$3B Iridium NEXT mission

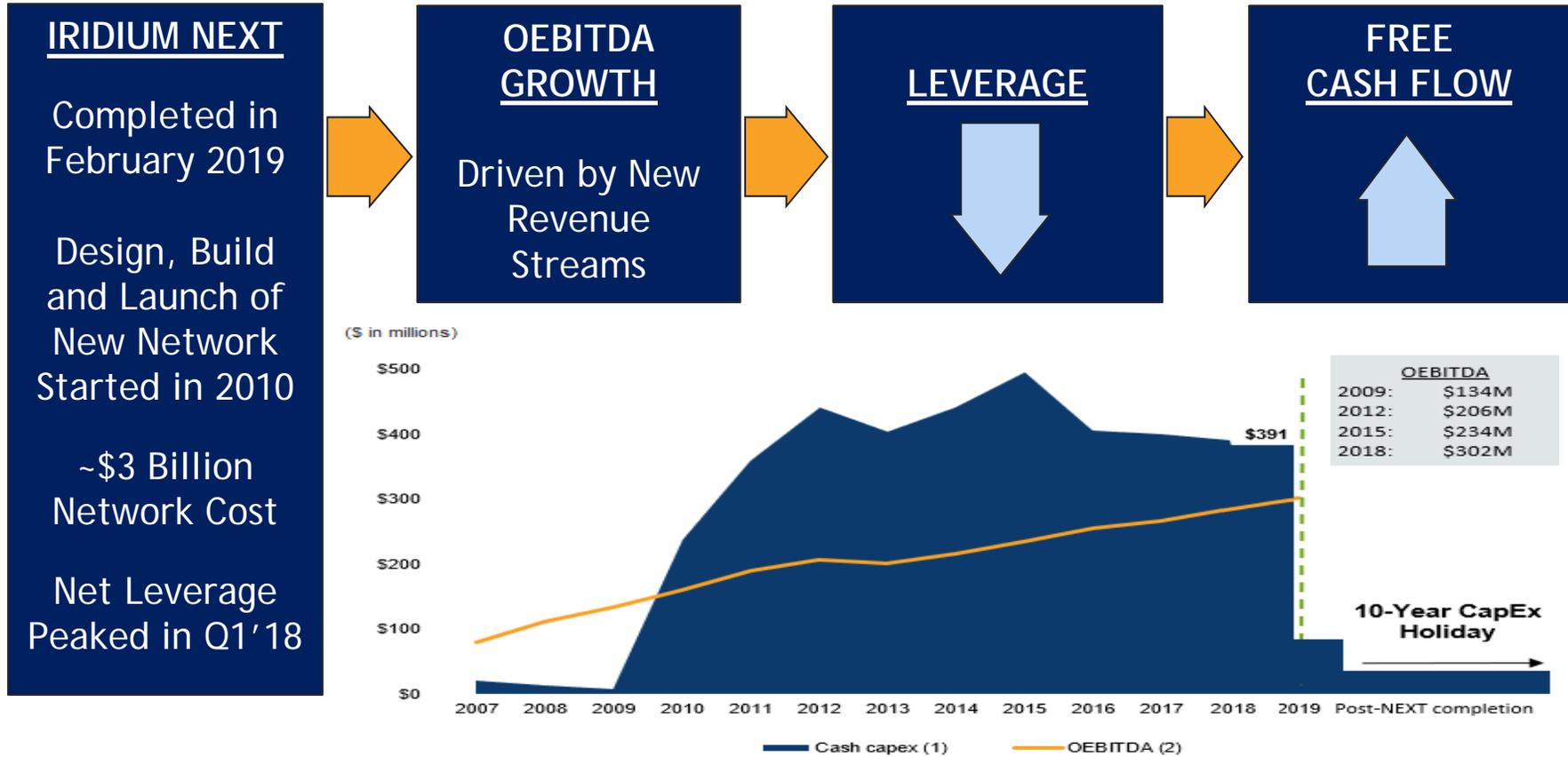
The Iridium-NEXT Era



- Positioned for significant free cash flow post-Iridium NEXT “capex holiday”
 - ✓ Growth Augmented by Newly Addressable Markets
 - ✓ Hosted Payloads (Over \$1B in Value)
 - ✓ Iridium CertusSM Broadband (\$700M Market Opportunity)
 - ✓ Iridium Certus Narrowband (Telephony & IoT)

UPGRADED CONSTELLATION SUPPORTS LONG-TERM GROWTH⁽¹⁾

EXPECTED MATERIAL BENEFIT TO SHAREHOLDERS



Note: Cash capex adjusted to exclude deferred capex / financing payments.

- (1) Guidance speaks only as of the date it was originally provided (February 28, 2019). Inclusion of guidance herein should not be interpreted as a re-affirmation by Iridium of its guidance. Iridium undertakes no obligation to update its guidance after the date it was originally provided
- (2) Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, Iridium NEXT revenue and expenses (for periods prior to the deployment of Iridium NEXT only), loss from investment in Aireon, share-based compensation expenses, the impact of purchase accounting, and non-cash gain from the Boeing transaction; See OEBITDA reconciliation.



KEY GROWTH AREAS FOR 2019 AND BEYOND



**U.S.
Government**



IoT



**Maritime
& Aviation**



**New
Products**

Iridium NEXT Enables



**AireonSM &
Harris
Hosting**



**Iridium
Certus
(Broadband)**



Enhancing an Already Strong Foundation



INVESTMENT HIGHLIGHTS



Superior Operating Performance

- OEBITDA CAGR >9% since 2009
- Monetizing new capabilities enabled by upgraded constellation
- Capitalizing on IoT opportunities



Strong Cash Flow Conversion

- 10+ year CapEx holiday
- Negligible cash taxes through 2023 and gradual step-up thereafter due to NOLs



Flexible Allocation of Capital

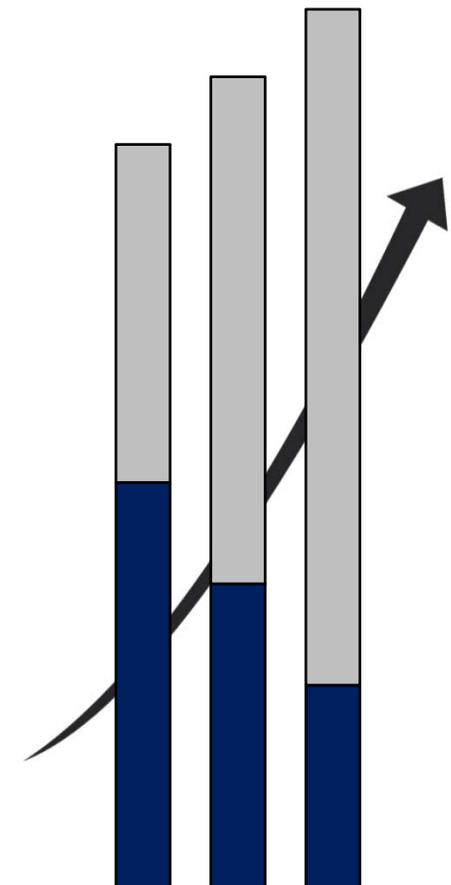
- Continued deleveraging
- Return capital to shareholders
- 2.5x – 3.5x target net leverage



Maximizing Shareholder Returns

Path to ~\$2B in capital returns through 2025

- ~70% of current market cap⁽²⁾ *pro forma for conversion of preferred*



Equity Net Debt

Rare combination of Growth and Levered Free Cash Flow

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(2) Market capitalization as of 2/28/19.



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