

Iridium Communications Inc.

Annual Shareholders Meeting
May 4, 2023





ANNUAL MEETING AGENDA

Chairman's Welcome and Introductions

Bob Niehaus

Call Meeting to Order

Bob Niehaus

Business of Meeting

**Bob Niehaus &
Kathy Morgan**

Closing of Polls

Kathy Morgan

Adjournment of Meeting

Bob Niehaus

CEO Remarks

Matt Desch

Q&A



IRIDIUM'S BOARD OF DIRECTORS



**Robert H.
Niehaus**



**Thomas C.
Canfield**



**Matthew J.
Desch**



**Thomas J.
Fitzpatrick**



**L. Anthony
Frazier**



**Jane L.
Harman**



**Alvin B.
Krongard**



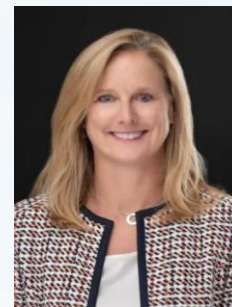
**Suzanne E.
McBride**



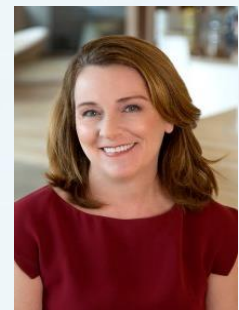
**Eric T.
Olson**



**Parker W.
Rush**



**Kay
Sears**



**Jacquelin E.
Yeaney**



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 Iridium’s expectations with respect to growth in IoT subscribers; capital expenditures; deleveraging and shareholder-friendly activities. 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 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 customer demand for Iridium’s products and services, including demand from the U.S. government; Iridium’s ability to maintain the health, capacity and content of its satellite constellation, and the development of and market for Iridium’s products and services, 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, 2022, filed with the Securities and Exchange Commission (“SEC”) on February 16, 2023, 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. Participants 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, which is a non-GAAP financial measure, as a supplemental measure to help investors evaluate the Company's fundamental operational performance. Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, income (loss) on equity method investments, net, and share-based compensation expenses. The Company considers the loss on early extinguishment of debt to be financing-related costs associated with interest expense or amortization of financing fees, which by definition are excluded from Operational EBITDA. Such charges are incidental to, but not reflective of, the Company's day-to-day operating performance. Operational EBITDA does not represent, and should not be considered, an alternative to U.S. GAAP measurements such as net income or loss. In addition, there is no standardized measurement of Operational EBITDA, and the Company's calculations thereof may not be comparable to similarly titled measures reported by other companies. The Company believes Operational EBITDA 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. As indicated, Operational EBITDA does not include interest expense on borrowed money, the payment of income taxes, amortization of the Company's definite-lived intangible assets, or depreciation expense on the Company's capital assets, which are necessary elements of the Company's operations. 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 (loss), revenues and operating profit, to measure operating performance. Please refer to the schedule below for a reconciliation of consolidated GAAP net income (loss) to Operational EBITDA and Iridium's Investor Relations webpage at www.iridium.com for a discussion and reconciliation of this and other non-GAAP financial measures. We do not provide a forward-looking reconciliation of expected full-year 2023 Operational EBITDA guidance as the amount and significance of special items required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts.



Non-GAAP Financial Measures

Iridium Communications Inc.
Supplemental Reconciliation of GAAP Net Income (Loss) to Operational EBITDA
(In thousands)

	Year Ended December 31,	
	2022	2021
GAAP net income (loss)	8,722	(9,319)
Interest expense, net	65,089	73,906
Income tax (benefit) expense	292	(19,569)
Depreciation and amortization	303,484	305,431
Share-based compensation	43,729	26,879
Loss on extinguishment of debt	1,187	879
Loss on equity method investments	1,496	—
Operational EBITDA ⁽¹⁾	<u>423,999</u>	<u>378,207</u>
Hosted Payload Cash Timing ⁽²⁾	(6,000)	(14,000)
Working Capital ⁽³⁾	(8,000)	(8,000)
Iridium Capital Expenditures ⁽⁴⁾	(68,000)	(45,000)
Net Interest ⁽⁵⁾	(62,000)	(66,000)
Cash Taxes ⁽⁶⁾	—	—
Pro Forma Free Cash Flow	<u>\$ 279,999</u>	<u>\$ 245,207</u>

(1) Reconciliation of GAAP net (loss) income to OEBITDA for 2021 and 2022; for illustrative purposes, 2023 OEBITDA is presented as \$460M, consistent with the midpoint of the Company's full-year 2023 guidance as of February 2023

(2) Hosted Payload adjusts OEBITDA for revenue recognition from Aireon and Harris hosting fees in excess of cash received in period

(3) Working Capital timing is expected to result in a net cash use averaging \$5M-\$10M annually; for illustrative purposes, we present this as an \$8M annual use of cash

(4) Booked CapEx excludes capitalized interest, which is included with Pro Forma Net Interest. For illustrative purposes, 2021 is presented as \$45M (consistent with capex guidance at that time), 2022 is presented as actual cash capex including launch expenditures, and 2023 estimated at \$75M of capital expenditures, consistent with current guidance as of February 2023.

(5) Pro Forma Net Interest for all years exclude costs related to repricing and extinguishment of debt and are net of interest income. 2021 net interest reflects the average TLB balance at ~4.1% plus ~\$1M interest income; 2022 reflects the average TLB balance at ~4.1%

(including cap fees) plus ~\$4M interest income; and 2023 represents the average TLB balance at ~5.3% (including cap fees) plus ~\$5M

(6) For illustrative purposes, Cash Taxes are assumed at \$0, reflecting guidance of negligible tax payments through 2024



IRIDIUM BY THE NUMBERS

A unique, global communications provider of highly mobile voice and data services from space



2.05 MILLION

Global Subscribers
as of Q1'23 (3/31/2023)



74% RECURRING

Service Revenue
in full-year 2022



\$721.0 MILLION

in Total Revenue
in full-year 2022



MORE THAN 450

Industry-Leading Partners



RETURNING CAPITAL TO SHAREHOLDERS

Iridium's strong free cash flow has supported significant stock repurchase and the initiation of a quarterly dividend



\$8.7 MILLION

Net Income
in full-year 2022



\$280 MILLION

Pro Forma Free Cash Flow⁽¹⁾
in full-year 2022



\$424 MILLION

Operational EBITDA
in full-year 2022



\$490 MILLION

in Capital Returns⁽²⁾
as of Q1'23 (3/31/2023)

(1) Refer to Iridium's disclosures on Non-GAAP Financial Measures for a reconciliation and explanation of these metrics.

(2) Company announced that its Board of Directors authorized a share repurchase program of up to \$300 million through December 31, 2022 on 2/10/21 and a second share repurchase authorization of up to \$300 million through December 31, 2023 on 3/7/22; a quarterly stock dividend program was initiated in December 2022.

A VERY UNIQUE NETWORK



- Designed for extreme mobility & IoT
- Total earth coverage – no compromises!
- L-band LEO – small antennas & low latency
- Upgraded \$3B network – 25 years of experience



ASSESSING IMPORTANT GROWTH MARKETS

A growing portfolio of solutions drives critical connections all over the world



**ASSET / FLEET
MANAGEMENT**

**PERSONAL SATELLITE
MESSAGING**

REMOTE SENSING

ENERGY & INDUSTRIAL

HEAVY EQUIPMENT



**SHIPPING &
CONNECTED
VESSELS**

FISHING

SAFETY SERVICES

LEISURE CRAFT

**BUOYS &
WORKBOATS**



**FIRST RESPONSE &
DISASTER RELIEF**

**SAFETY
COMMUNICATIONS**

**TRANSPORTATION &
AUTONOMOUS
VEHICLES**

**BUSINESS
CONTINUITY**



**BUSINESS
AIRCRAFT**

**COMMERCIAL COCKPIT
OPERATIONS**

UAVs

ROTORCRAFT

GENERAL AVIATION



U.S. GOVERNMENT

NGOs

**LOCAL
GOVERNMENTS &
MILITARIES**

**GATEWAY
MANAGEMENT &
SUPPORT
SERVICES**



GROWING OPPORTUNITY WITH CONSUMERS

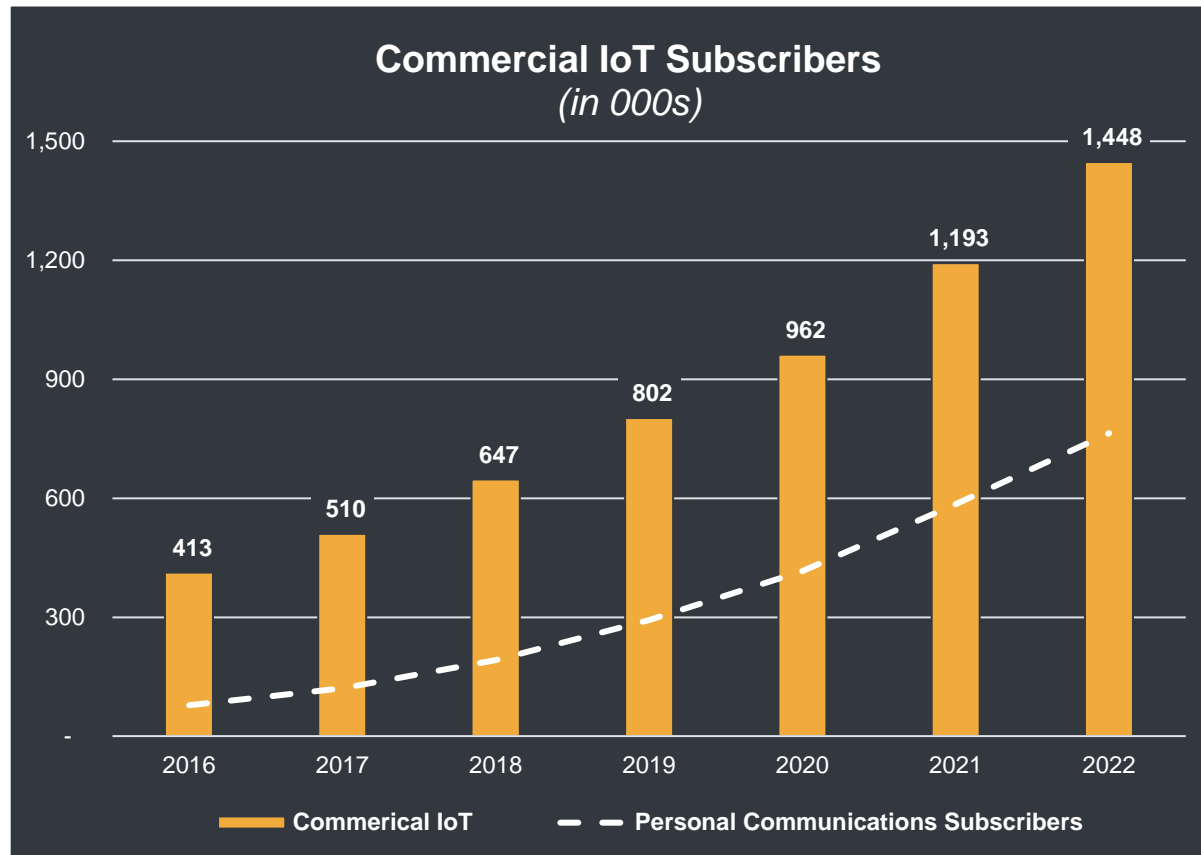
- A new partnership with Qualcomm Technologies integrates Iridium L-band connectivity and safety into smartphones
- A number of smartphone OEMs are integrating this Snapdragon Satellite solution into their premium Android devices
- Testing and certification activities are now underway and the first smartphones with this technology are expected to reach the market in 2H'23





GROWING CONSUMER IOT SUBSCRIBERS

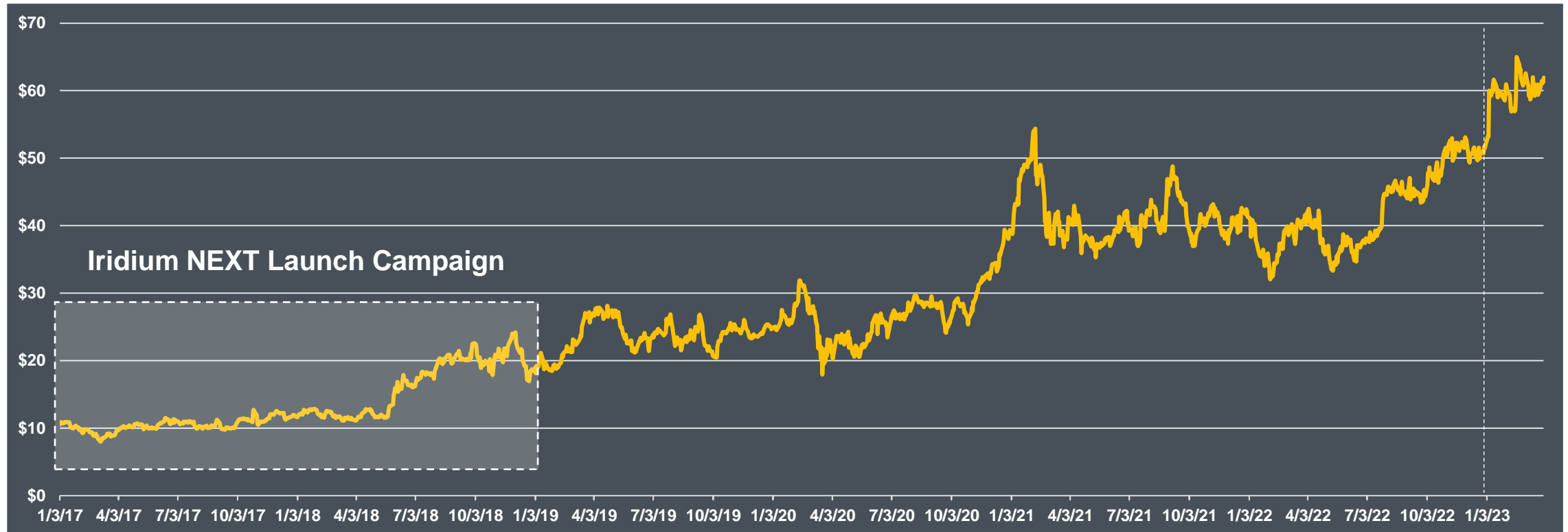
More than 50% of Iridium's IoT subscribers & growing fast





STOCK PERFORMANCE

- **Iridium shares have generated a 5-year CAGR of 34% through 2022**
- 2022 stock appreciation of 24% outperformed major market indexes, including the S&P 400 Mid-Cap and the Russell 1000 index





ESG: INDUSTRY LEADERSHIP ACKNOWLEDGED

Foundational values and community support underpin our success



158 EMPLOYEES ACROSS THE GLOBE PARTICIPATED IN IRIDIUM'S 2022 IMPACT DAY



FOLLOWING THROUGH ON COMMITMENTS

Strong levered free cash flow is already delivering meaningful shareholder returns

Strong Cash Flow Conversion

- Monetizing the new services enabled by our upgraded constellation
- Post-construction CapEx holiday

+

Flexible Allocation of Capital

- Continued deleveraging
- 2.5x – 3.5x target net leverage

=

Maximizing Shareholder Returns

- Path to meaningful capital returns into the future
- Shareholder-friendly activities continue to evolve with dividends



Q & A