



DEUTSCHE BANK LEVERAGED FINANCE CONFERENCE

OCTOBER 3, 2023





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 service revenue growth, Operational EBITDA, capital expenditures, free cash flow, FCF yield and FCF conversion, cash taxes and leverage levels; potential returns to shareholders, including dividends, share buybacks and strategic investments; amount and timing of share repurchases; expected growth and competitive factors in the mobile satellite services segment; contracted U.S. government revenues; the market for, capabilities of, and growth prospects for new products and services, such as Iridium Certus®; the capabilities and benefits of and the market for the Aireon® system; and Aireon’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 margin, growth in subscribers and revenue, levels of demand for mobile satellite services, the market for the Aireon hosted payloads, the ability of Aireon to pay its hosting fees, the development of and demand for new products and services, including Iridium Certus, the Company’s ability to complete its share repurchase programs, 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, 2022, filed with the 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.

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.

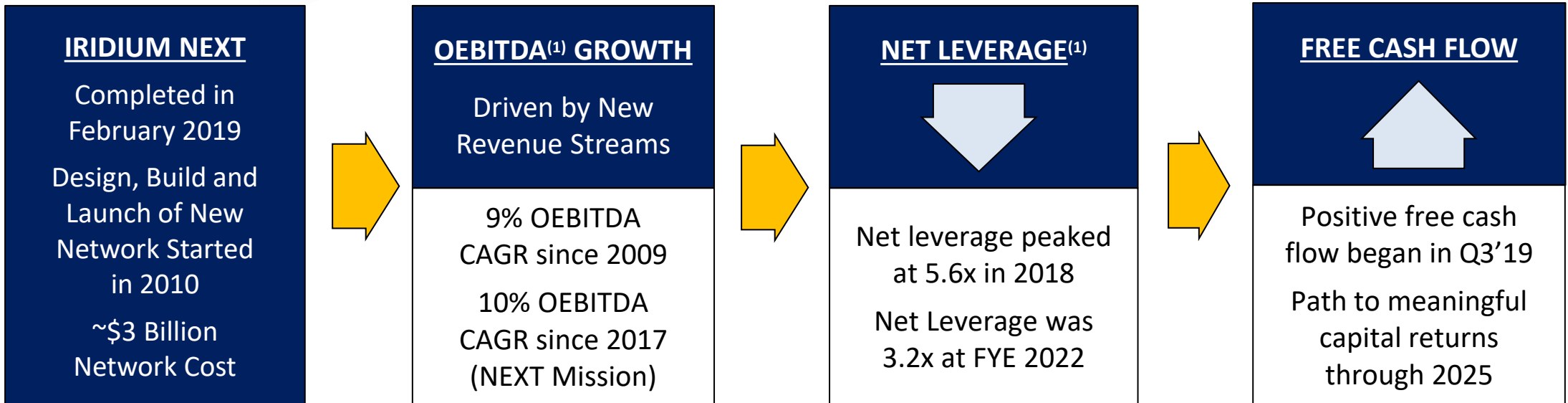


Non-GAAP Financial Measures

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In addition to disclosing financial results that are determined in accordance with U.S. GAAP, the Company provides Operational EBITDA, Operational EBITDA margin and Pro Forma Free Cash Flow, 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, equity income (loss) from investments, net, share-based compensation expenses and, for periods presented through the first quarter of 2020 only, certain expenses associated with the construction of the Company's Iridium NEXT satellite constellation, primarily in-orbit insurance. 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. The Company also presents Operational EBITDA expressed as a percentage of GAAP revenue, or Operational EBITDA margin. In addition, the Company presents Pro Forma Free Cash Flow, which subtracts non-cash hosted payload revenue, pro forma net interest, and normalized capital expenditures, working capital and cash taxes from Operational EBITDA. The Company uses Pro Forma Free Cash Flow to measure the Company's capacity for deleveraging and other shareholder-friendly actions. Operational EBITDA, along with its related measure, Operational EBITDA margin, and Pro Forma Free Cash Flow, do not represent, and should not be considered, alternatives to U.S. GAAP measurements such as net income or loss. In addition, there is no standardized measurement of Operational EBITDA or Pro Forma Free Cash Flow, and the Company's calculations thereof may not be comparable to similarly titled measures reported by other companies. The Company believes Operational EBITDA and Pro Forma Free Cash Flow are useful measures across time in evaluating the Company's 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 and Pro Forma Free Cash Flow are 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. Pro Forma Free Cash Flow further adjusts Operational EBITDA by subtracting pro forma net interest, cash from hosted payloads, and normalized amounts of capital expenditures, working capital and cash taxes. The actual amounts of these pro forma and normalized measures may vary from year to year. Due to these limitations, the Company's management does not view Operational EBITDA or Pro Forma Free Cash Flow in isolation, but also uses other measurements, such as net income (loss), revenues, operating profit and cash flows from operating activities, to measure operating performance. Please refer to the schedule in the Appendix for a reconciliation of consolidated GAAP net loss to Operational EBITDA and Pro Forma Free Cash Flow and Iridium's Investor Relations webpage at www.iridium.com for a discussion and reconciliation of these and other non-GAAP financial measures. We do not provide a forward-looking reconciliation of expected full-year 2022 Operational EBITDA or Pro Forma Free Cash Flow 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.

A Stark Financial Transformation



(1) Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, Iridium NEXT revenues and expenses, loss from investment in Aireon, share-based compensation expenses, the impact of purchase accounting and non-cash gain from the Boeing transaction. 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. See Non-GAAP Financial Measures slide for further discussion of OEBITDA. See Appendix and definition for reconciliation of Operational EBITDA to Net Income/Loss. Calculations through year-end 2022.

Network Architecture Provides Iridium a Sustainable Competitive Advantage


- A unique Low-Earth Orbit (LEO) constellation sets Iridium apart
 - LEO results in smaller antennas, lower latency and a better customer experience
- Cross-linked, overlapping “mesh” architecture delivers superior availability, efficiency and reliability
 - Only system with true global coverage
- Upgraded Iridium satellites deliver significant improvements in quality and speeds for midband and specialty broadband
- Iridium is largely complementary to planned, new LEO constellations offering commodity broadband



Our Satellite Network Provides a Superior and Differentiated Experience for Customers with True Global Coverage

Update on Credit Facility

Completed full refinancing of credit facility in September 2023, extending maturity runway by ~4 years and further lowering all-in coupon cost

	Credit Facility Terms Prior To Refinancing			Final Terms of 2023 Refinancing	
	Revolving Credit Facility	Term Loan B		Revolving Credit Facility	Term Loan B
Size	\$100 million	\$1,496 million		\$100 million	\$1,500 million
Maturity	November 2024 (~1 year)	November 2026 (~3 years)		September 2028 (5 years)	September 2030 (7 years)
Margin	S+CSA ⁽¹⁾ +325-375 bps	S+CSA ⁽¹⁾ +250		S+250 bps	S+250 bps
OID	N/A	N/A		N/A	99.75

1. Credit Spread Adjustment (CSA) of 10 basis points.

Non-GAAP Financial Measures

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

	Quarter Ended June 30,		Year Ended December 31,	
	2023	2022	2022	2021
GAAP net income (loss)	(30,741)	4,557	8,722	(9,319)
Interest expense, net	18,723	14,780	65,089	73,906
Income tax (benefit) expense	(5,211)	1,242	292	(19,569)
Depreciation and amortization	114,569	75,681	303,484	305,431
Share-based compensation	16,795	9,685	43,729	26,879
Loss on extinguishment of debt	—	—	1,187	879
Loss on equity method investments	1,677	—	1,496	—
Operational EBITDA ⁽¹⁾	115,812	105,945	423,999	378,207
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			\$ 279,999	\$ 245,207

(1) Reconciliation of GAAP net (loss) income to OEBITDA for 2021 and 2022; for illustrative purposes, 2023 OEBITDA is presented as \$460M on a prior slide, consistent with the midpoint of the Company's full-year 2023 guidance as of June 30, 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 July 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 ~5.4% (including cap fees) plus ~\$6M interest income.

(6) For illustrative purposes, Cash Taxes are assumed at \$0, reflecting guidance of negligible tax payments through 2024. Cash taxes are estimated to be less than 1% of OEBITDA.

(7) Most recent per share data based on ~129M Fully-Diluted Common Shares Outstanding (pro forma for 6/30/23 conversion of outstanding Options and RSUs)

(8) Yield for 2021 is based on a \$41.29 share price at 12/31/21 less \$2 value per share value from Aireon; yield for 2022 is based on a \$51.40 closing price on 12/31/22 less \$2 value per share value from Aireon; yield for 2023 assumes \$62.12 closing price on 6/30/23 less \$2 value per share value from Aireon.



IRIDIUM COMMUNICATIONS INC.

