



DEUTSCHE BANK
2018 LEVERAGED FINANCE CONFERENCE

OCTOBER 3, 2018



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, benefits, project cost, and deployment schedule; expected growth in the MSS industry; contracted U.S. government revenues; the market for and capabilities of new products and services, such as Iridium Certus™ broadband; the capabilities and benefits of and the market for, the Aireon™ system; and Aireon's and the 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, overall Iridium NEXT development and costs, potential delays in the Iridium NEXT deployment, 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, 2017, filed with the SEC on February 22, 2018, and the Company's Form 10-Q for the quarter ended June 30, 2018, filed with the SEC on July 31, 2018, 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. 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")) will no longer be 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 will principally consist of in-orbit insurance, will continue to be excluded from the calculation of Operational EBITDA through 2019. 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.



GLOBAL COMMUNICATIONS PROVIDER WITH A PROVEN TRACK RECORD AND AN EXCEPTIONALLY BRIGHT FUTURE



First-Generation network commenced launching in 1997



Iridium® NEXT Launch Campaign



65 Iridium NEXT satellites successfully launched as of July 2018

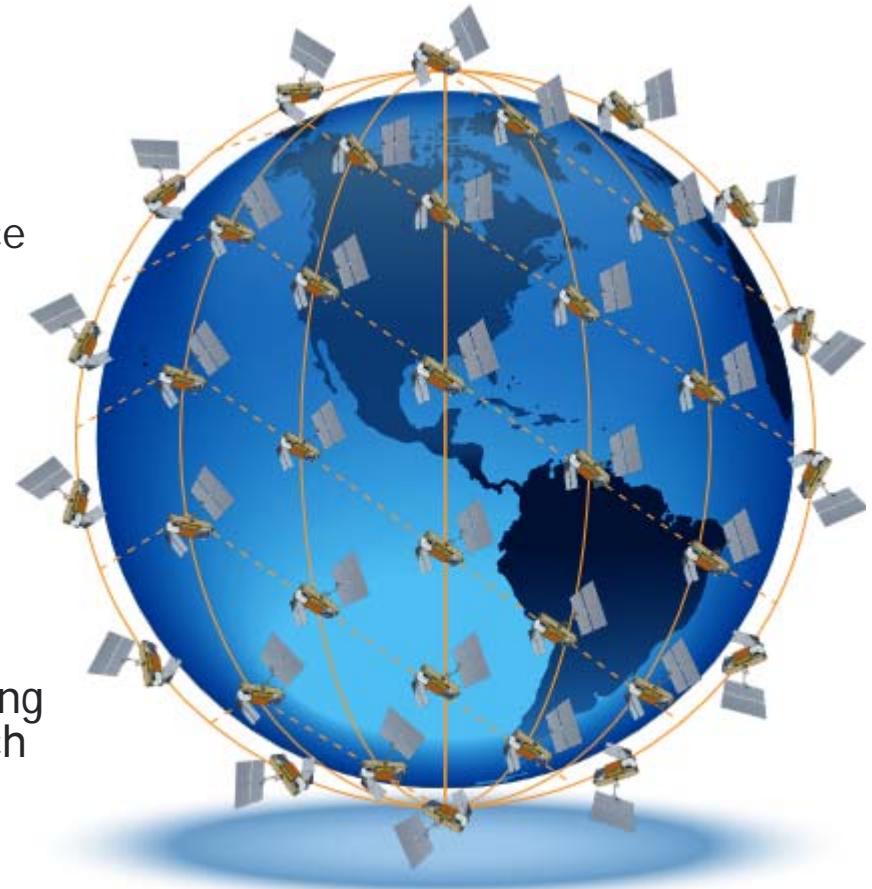
- Global Coverage
- One-of-a-kind Network Architecture (*Unmatched by Competitors*)
- Q2'18 Subscribers: 1,047,000
- 2017 Total Revenue: \$448M
Net Income: \$234M



- Growth Augmented by Newly Addressable Markets
- Hosted Payloads (Over \$1B in Value)
- Iridium CertusSM (\$700M Market Opportunity)
- Iridium Certus IoT

IRIDIUM'S NETWORK ARCHITECTURE PROVIDES 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
 - Engineered for adaptable 2-way communications
- Only communications system with true global coverage
- Cross-linked and overlapping “mesh” architecture delivers superior availability, efficiency and reliability
- 80% of current network traffic is connecting through new Iridium NEXT satellites, which deliver significant improvements in voice quality and transmission speeds



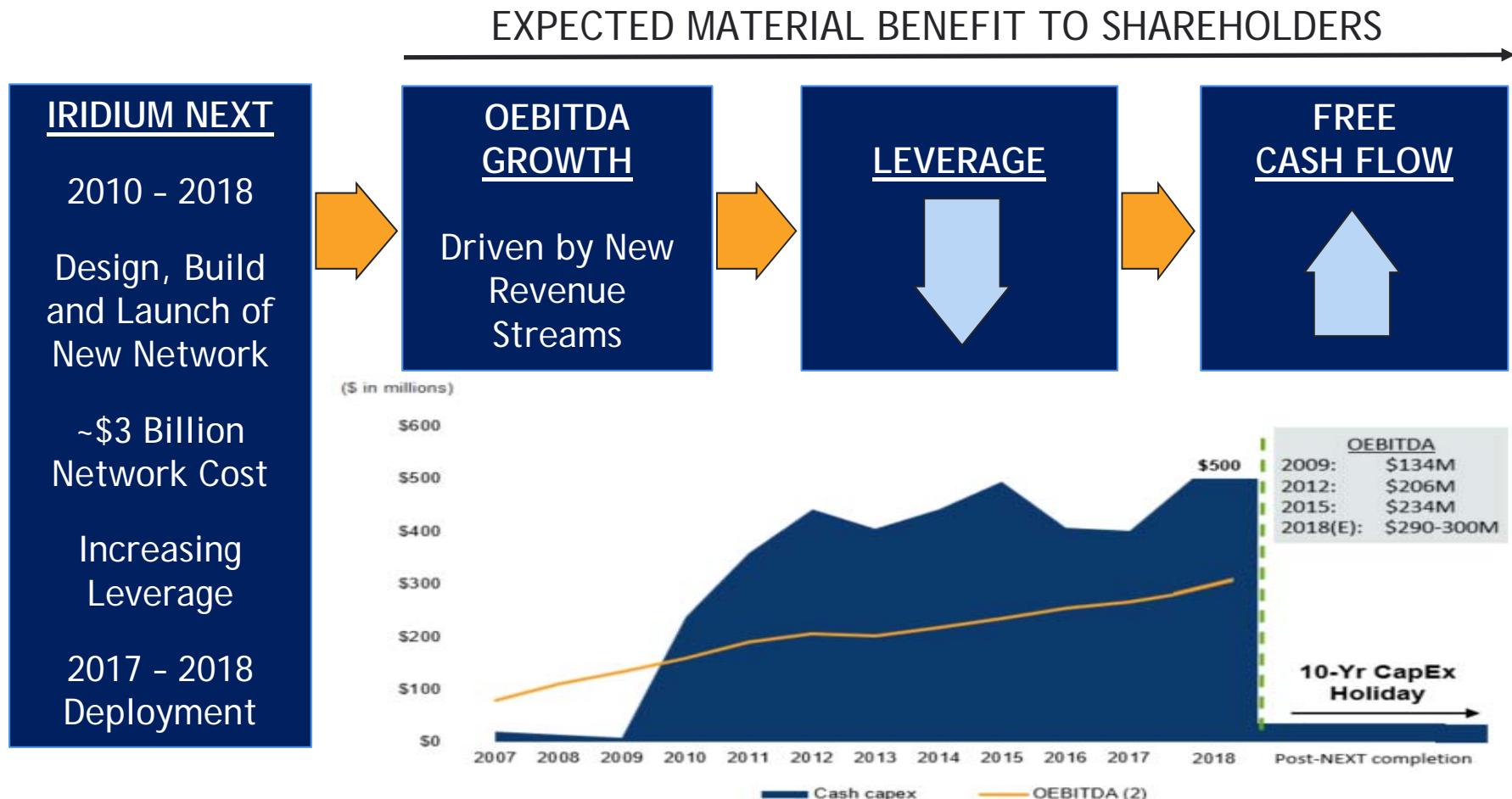
Our satellite network provides a superior and differentiated experience for customers with 100% global coverage

IRIDIUM NEXT

- \$3 billion capital program
- 66 new operational satellites plus 9 in-orbit spares
- Higher data speeds and greater network capacity
- New revenue from broadband services and hosted payloads
- Planned network completion in 2018
- Seven launches with SpaceX carrying 10 Iridium NEXT satellites on each Falcon 9 rocket; one rideshare delivering 5 Iridium NEXT satellites
- Completed seven successful launches since January 2017 and anticipate final launch by year-end 2018



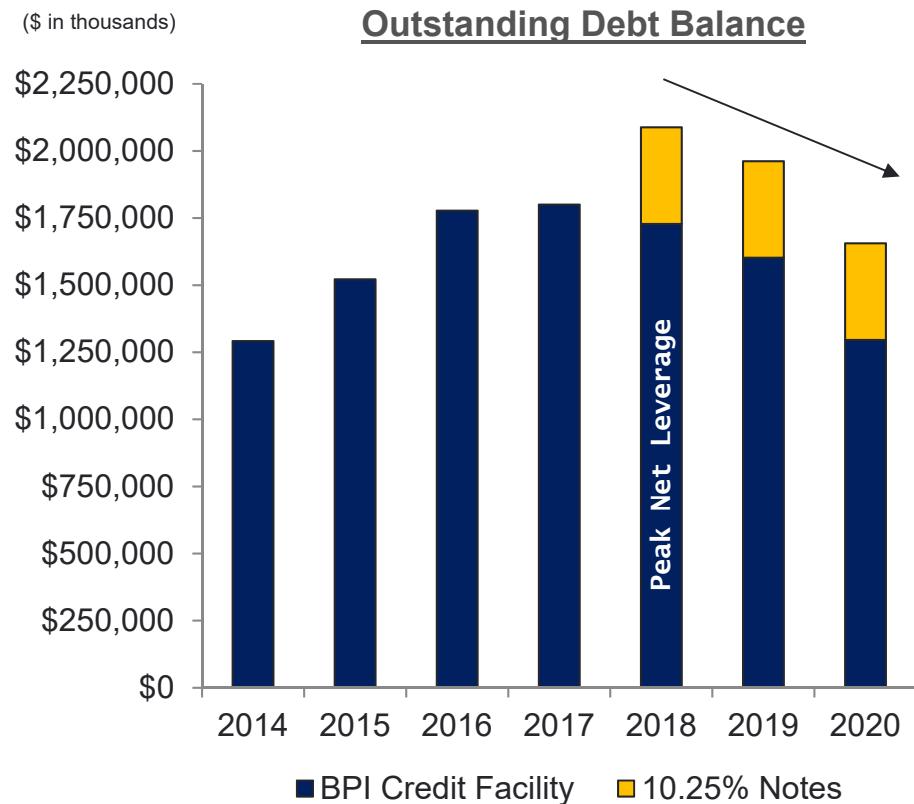
IRIDIUM NEXT INVESTMENT POISED TO ENHANCE SHAREHOLDER VALUE⁽¹⁾



NET LEVERAGE IMPROVES WITH SCHEDULED SEMI-ANNUAL PRINCIPAL REPAYMENTS

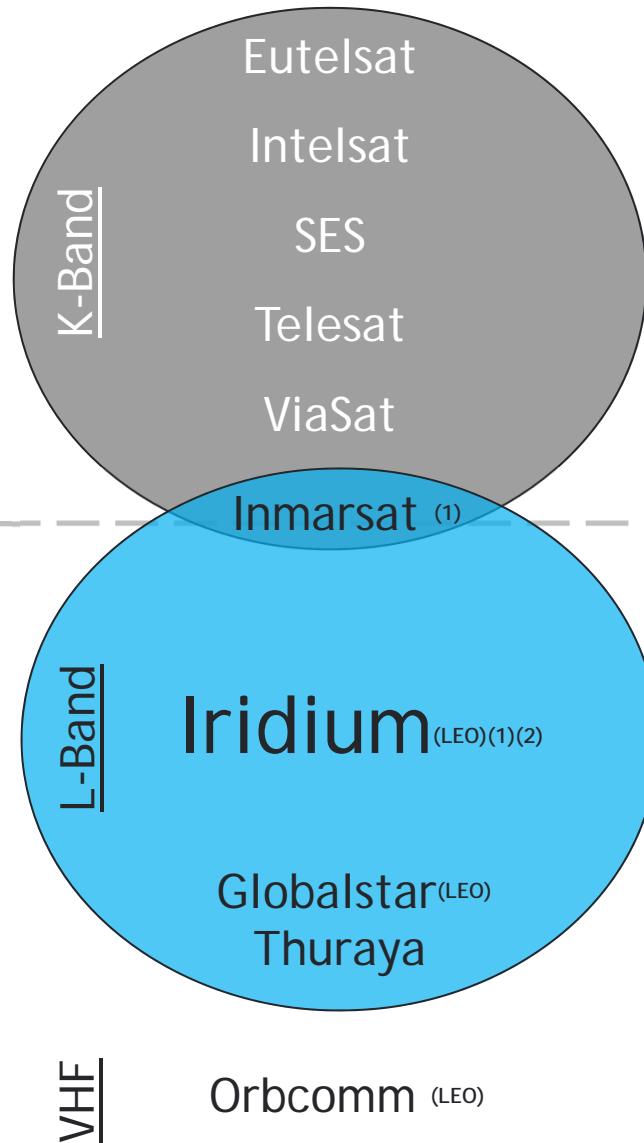
Net leverage expected to fall to ~4.5x OEBITDA in 2019 from a peak of 6.0x in 2018⁽¹⁾

- The BPI facility helped fund Iridium NEXT and was fully-drawn in February 2017
- In April 2018, Iridium began making semi-annual principal repayments on the BPI facility
- In March 2018, Iridium issued \$360M of 10.25% Senior Unsecured Notes (5-year, NC2)
- Cash and cash equivalents totaled \$376M in Q2'18



(1) Guidance speaks only as of the date it was originally provided (July 31, 2018). 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

SATELLITE SPECTRUM AND ARCHITECTURE DEFINE CAPABILITIES



Spectrum: Ka/Ku-band (Higher Throughput)

- More susceptible to rain fade

Usage: TV Broadcasting, Broadband

Orbit: Geostationary (GEO)

- 22,000 miles above the earth
- Requires large, fixed antenna

Other: Significant new capacity being added

Fixed Placement, Bent-Pipe Architecture

Spectrum: L-band/VHF (Lower Throughput)

- Less prone to rain fade than K-band
- Relied upon for safety services and mission-critical communications⁽¹⁾

Usage: Voice/Data Communications

Orbit: Predominately low-earth-orbit (LEO)

- ~500 miles above the earth (LEO)
- Smaller antennas (LEO)
- Less intense radiation

Other: Iridium uses cross-linked architecture to provide real-time, global coverage⁽²⁾

EXPANSIVE DISTRIBUTION NETWORK ENHANCES MARKET REACH

- Wholesale distribution model lowers costs and risks
- Extensive channel of hundreds of distribution partners
- Partners develop specialty products for their customer segments
- Hundreds of applications targeting key vertical markets



Examples of Iridium's 400+ Partners



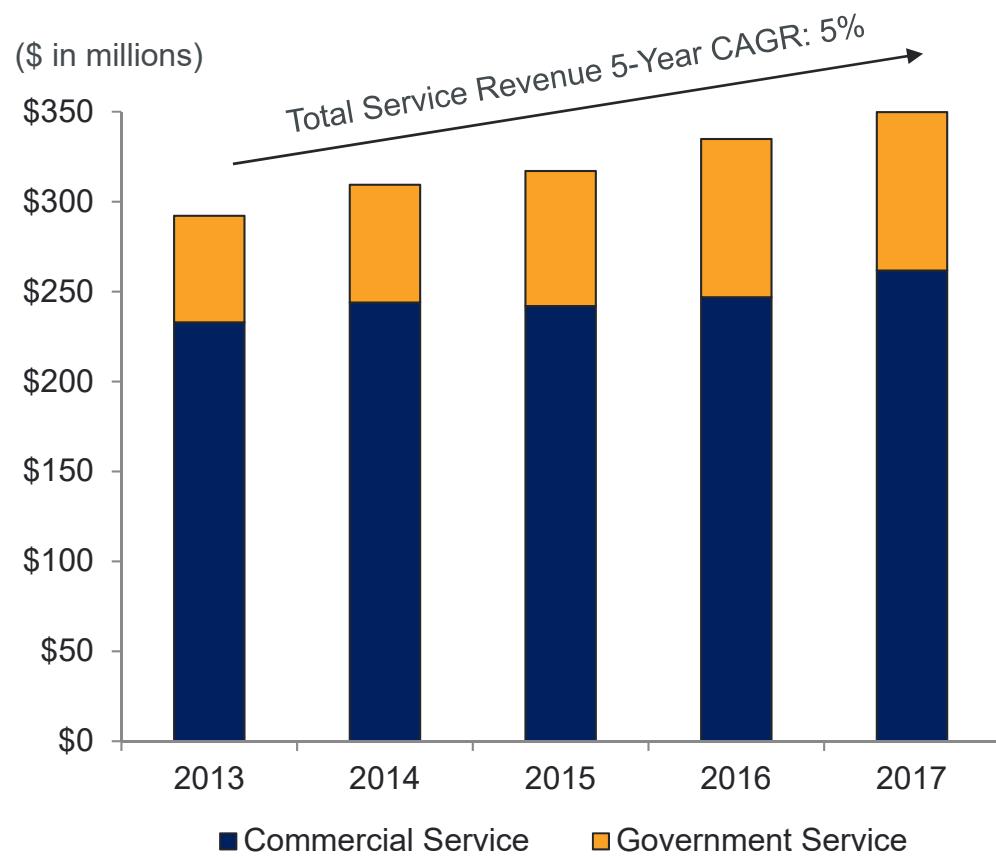


FINANCIAL OVERVIEW

FOUNDATION OF HIGH-QUALITY SERVICE REVENUE

An established track record of recurring service revenue

- A growing base of commercial service revenue
- Voice leadership and steady growth in IoT data services
- Commercial IoT represented 28% of commercial service revenue and added 97,000 net new subscribers in 2017
- Hosted payload and other data services⁽¹⁾ contributed \$9.9M to commercial service revenue in 2017
- Five-year fixed-price service contract with U.S. Government runs through October 2018

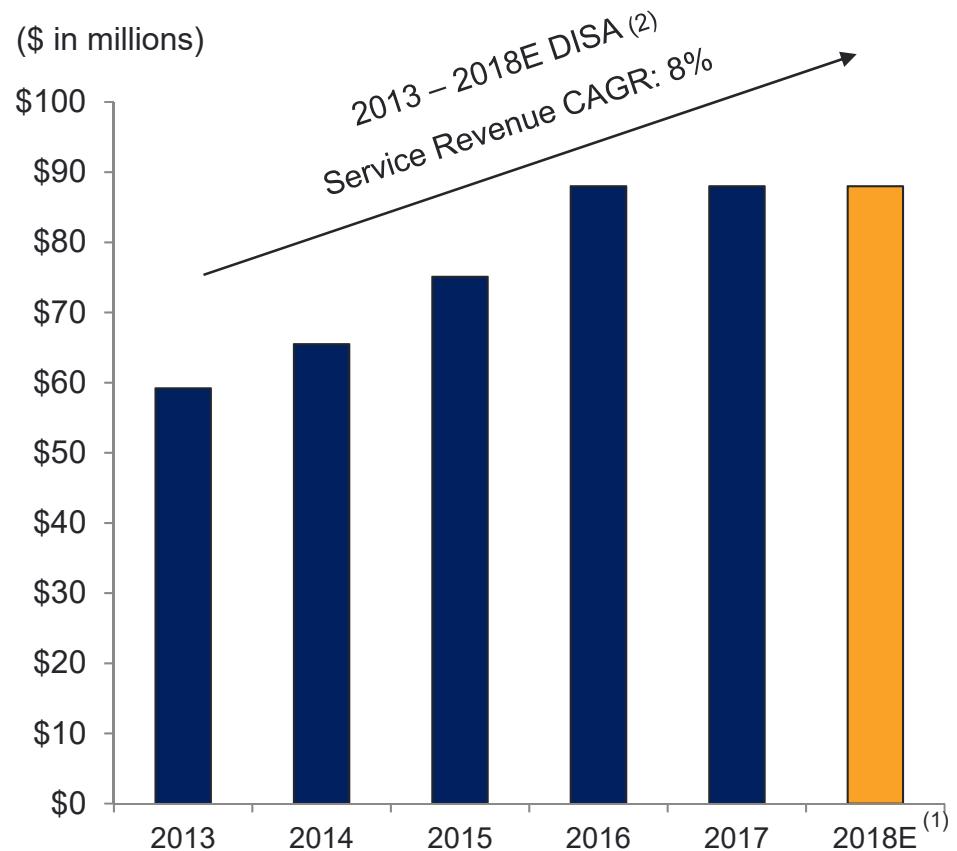


(1) Includes non-subscriber based revenue

STRONG RELATIONSHIP WITH U.S. GOVERNMENT

The U.S. Government (USG) was Iridium's first customer and remains its largest, growing subscribers 19% in 2017

- 15-year relationship under DISA EMSS program
- Unique, global capabilities
- Serves all DoD branches and USG agencies
- Five-year, \$400 million, fixed-price contract provides service revenue visibility through 2018
- EMSS contract renewal expected by April 2019. New services related to Iridium Certus could provide service revenue upside



(1) Assumes renewal or extension of DoD contract at same rate by Q4'18

(2) Reflects revenue growth only from DISA fixed-priced contract



Q2'18 FINANCIAL PERFORMANCE

	Q2'18 Financial Results (\$M)	Year-Over-Year Growth (%)
Total Service Revenue	\$104.0	20%
<i>Commercial Revenue</i>	\$82.0	27%
<i>Government Revenue</i>	\$22.0	<i>Flat</i>
Equipment Revenue	\$25.9	37%
Engineering & Support Revenue	\$5.1	(17%)
Total Revenue	\$134.9	21%
<hr/>		
OEBITDA	\$78.7	20%
OEBITDA Margin	58%	vs. 59%
Total Subscribers	1,047,000	15%

2018 guidance includes Total Service Revenue growth of approximately 12 – 14% and OEBITDA between \$290M and \$300M ⁽¹⁾

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KEY GROWTH AREAS INTO 2018 AND BEYOND



**U.S.
Government**



IoT



**Maritime
& Aviation**



**New
Products**





HOSTED PAYLOADS & IRIDIUM CERTUS

THE AIREON OPPORTUNITY



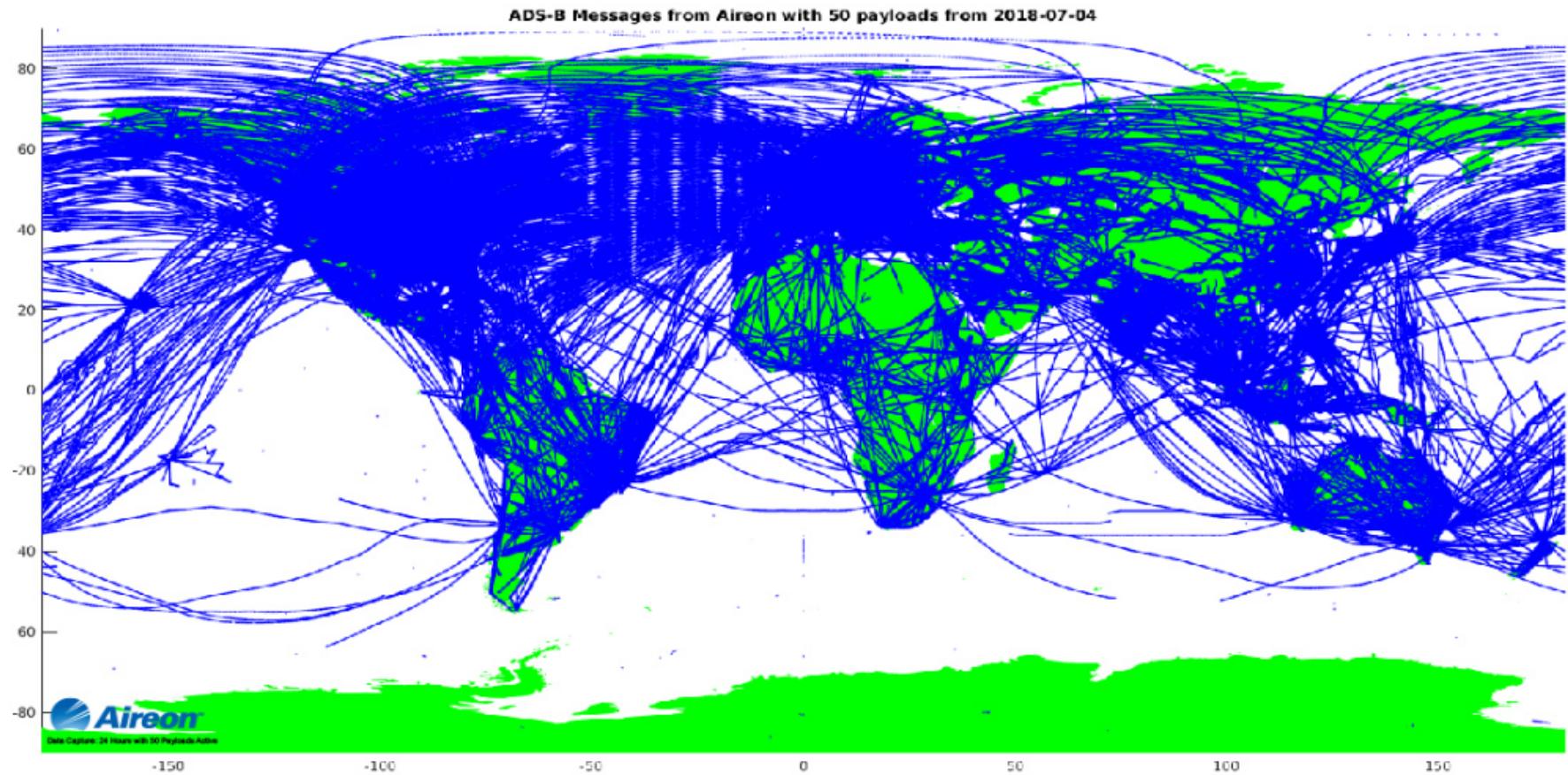
Positioned to deliver real-time aircraft surveillance – an annual addressable market opportunity approaching \$750M

- Aireon has signed 11 long-term data service agreements with ANSPs
- Aireon has signed Memorandums of Agreement covering more than 30 countries
- Aireon's six equity investors include some of the largest ANSPs in the world



Aireon services will reduce airline operating costs and emissions, reduce ATC infrastructure costs and enhance airspace flexibility and aviation safety

Aireon ADS-B messages from 50 operational payloads aggregated over a 24-hour period



COMPONENTS OF IRIDIUM'S HOSTED PAYLOAD ⁽¹⁾⁽²⁾

AIREON

Primary hosted payload on Iridium NEXT facilitating aircraft tracking and surveillance

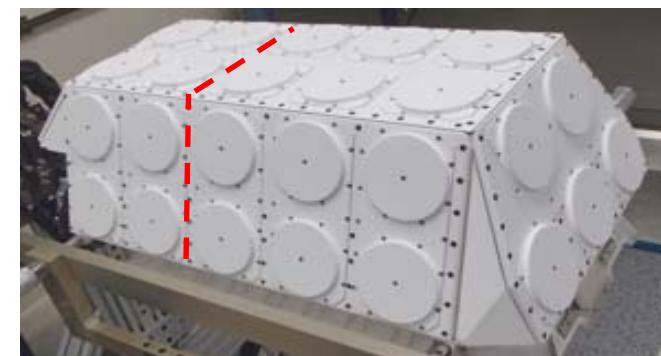
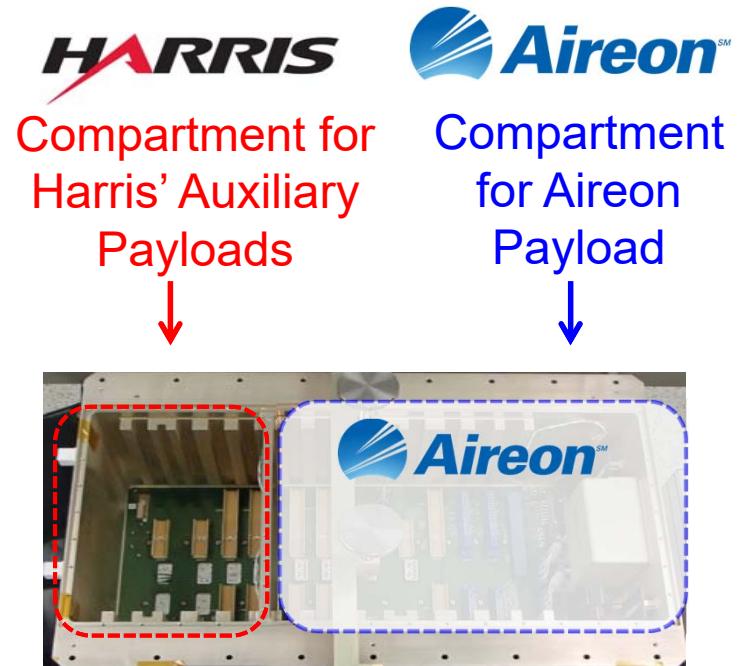
- ~\$39 million annual revenue contribution from Aireon's hosting & data services in 2019 and beyond

Hosting Fees . . . \$200M over 12.5 yrs . . .	\$16M/year
Data Services	\$23M/year
Stock Redemption	\$120M
Significant Retained Ownership Interest:	22%

HARRIS

Manufactured the hosted payload and has marketed auxiliary payloads for additional revenue

- ~\$8 million annual revenue contribution from Harris in 2019 and beyond



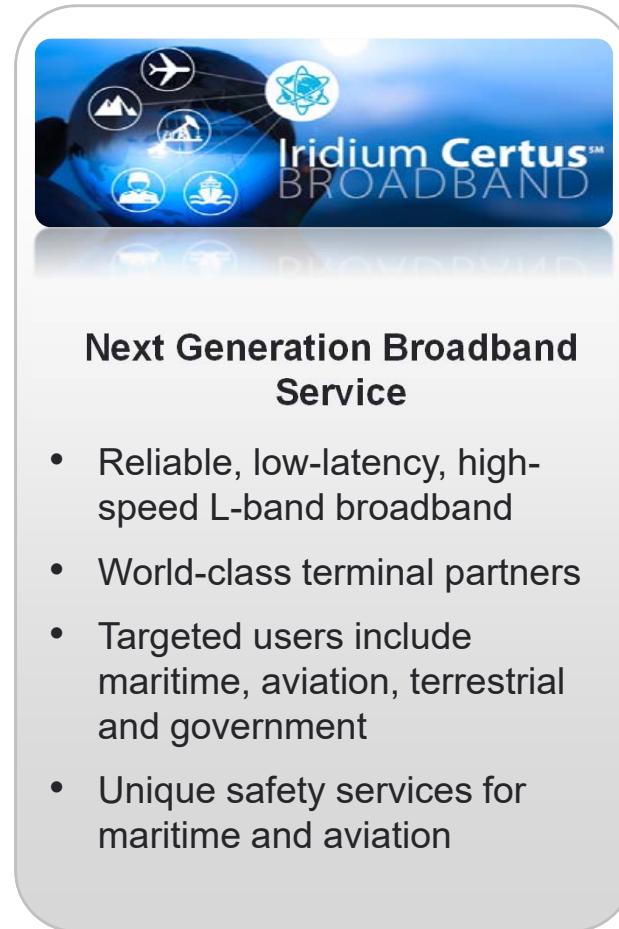
(1) Assumes substantial completion of Iridium NEXT in 2018

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IRIDIUM CERTUS BROADBAND

Significantly expands addressable market and service revenue profile for Iridium

- New, faster user terminals take advantage of Iridium NEXT's capabilities
- Speeds up to 1.4 Mbps will be available
- \$100 million near-term revenue opportunity in maritime, aviation and land/mobile
- World class partners producing terminals using Iridium's core technology modules
- Mobile satellite services industry expected to grow from ~\$2 billion in 2015 to over \$5 billion in 2025⁽¹⁾ – broadband is a big piece



The image shows a promotional graphic for Iridium Certus Broadband. At the top, there is a blue banner with the Iridium Certus logo and the words "BROADBAND". Below the banner, the text "Next Generation Broadband Service" is displayed. A bulleted list follows, detailing the service's features: reliable, low-latency, high-speed L-band broadband; world-class terminal partners; targeted users including maritime, aviation, terrestrial, and government; and unique safety services for maritime and aviation.

**Iridium Certus™
BROADBAND**

**Next Generation Broadband
Service**

- Reliable, low-latency, high-speed L-band broadband
- World-class terminal partners
- Targeted users include maritime, aviation, terrestrial and government
- Unique safety services for maritime and aviation

(1) Sourced from Northern Sky Research (2014)

ANNOUNCED IRIDIUM CERTUS PARTNERS



EQUIPMENT MANUFACTURERS

COBHAM
THALES



Rockwell Collins



SERVICE PROVIDERS

Land/Mobile	Maritime	Aviation



WHY SHOULD INVESTORS BE OPTIMISTIC?

Outlook	2019 ⁽¹⁾⁽²⁾
Total Service Revenue	Approximately \$440 million in 2019
OEBITDA Margin	Approximately 60% in 2019
Cash Taxes	Negligible through approximately 2020
Capex	Average ~\$35 million for approximately 10 years
Leverage	Peak net leverage of approximately 6.0x OEBITDA in 2018 Net leverage of approximately 4.5x OEBITDA in 2019
Aireon	Significant value realized plus upside potential through equity (retained interest)

Dramatic change to free cash flow profile supports long-term value creation

Potential for numerous strategic and financial options that could materially benefit equity

(1) Assumes completion of Iridium NEXT in 2018

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IRIDIUM COMMUNICATIONS INC.

Appendix





NON-GAAP FINANCIAL MEASURES

Iridium Communications Inc.
Reconciliation of GAAP Net Income to Operational EBITDA
(\$ in thousands*)*

	For the Year Ended December 31,				
	2013	2014	2015	2016	2017
GAAP net income	\$ 62,517	\$ 74,989	\$ 7,123	\$ 111,032	\$ 233,856
Impairment of goodwill	-	-	87,039	-	-
Adjusted net income	<u>62,517</u>	<u>74,989</u>	<u>94,162</u>	<u>111,032</u>	<u>233,856</u>
Interest income, net	(2,276)	(3,640)	(3,069)	(2,934)	(4,328)
Income taxes	47,948	41,463	65,992	67,133	(114,284)
Depreciation and amortization	74,980	72,769	51,834	49,394	122,266
EBITDA	<u>183,169</u>	<u>185,581</u>	<u>208,919</u>	<u>224,625</u>	<u>237,510</u>
Iridium NEXT expenses, net	8,064	18,064	17,296	16,732	23,316
Loss from investment in Aireon	3,332	4,296	-	-	-
Share-based compensation	6,715	9,559	8,602	13,689	15,806
Purchase accounting adjustments	(194)	(1,000)	(775)	(825)	(11,003)
Gain on Boeing transaction	-	-	-	-	<u>(11,003)</u>
Operational EBITDA	<u>\$ 201,086</u>	<u>\$ 216,500</u>	<u>\$ 234,042</u>	<u>\$ 254,221</u>	<u>\$ 265,629</u>