



# Pro Forma Free Cash Flow\*

(\$ Millions, Except per Share)	2023 Pro Forma Results	2024 Pro Forma Results	2025 Pro Forma Outlook
Operational EBITDA <sup>(1)</sup>	\$463	\$471	\$495
Hosted Payload Cash Timing <sup>(2)</sup>	(\$3)	\$4	\$4
Working Capital <sup>(3)</sup>	(\$10)	(\$10)	(\$10)
Iridium CapEx <sup>(4)</sup>	(\$69)	(\$65)	(\$90)
Net Interest <sup>(5)</sup>	(\$78)	(\$89)	(\$92)
Cash Taxes <sup>(6)</sup>	\$0	(\$5)	(\$6)
<b>Free Cash Flow (FCF)</b>	<b>\$303</b>	<b>\$306</b>	<b>\$301</b>
FCF/Share <sup>(7)</sup>	\$2.40	\$2.67	\$2.76
FCF Yield <sup>(8)</sup>	~6.1%	~9.9%	~9.8%
FCF Conversion (FCF as % of OEBITDA)	~65%	~65%	~61%

\*Footnotes on following slide. See slide 4 for a Cautionary Statement regarding Forward-Looking Statements contained herein. Supplement dated July 24, 2025.

# FOOTNOTES

- (1) See below for the definition of Operational EBITDA, and a reconciliation of GAAP net income to OEBITDA for 2023 and 2024 is on the following page; for illustrative purposes, 2025 OEBITDA is presented as approximately \$495 million, consistent with the midpoint of the Company's full-year 2025 guidance as of July 2025.
- (2) Hosted Payload adjusts OEBITDA for revenue recognition from Aireon and Harris hosting revenue recognition in excess of cash received in 2023, and cash in excess of revenue in 2024 and 2025
- (3) Working Capital timing will vary from year to year. The company expects this to result in a net cash use averaging \$5M-\$10M annually and for illustrative purposes presents this as an \$10M annual use of cash.
- (4) Capitalized interest is excluded from Cash CapEx for all years because it is included with Pro Forma Net Interest.
- (5) Pro Forma Net Interest for 2023 reflects the average debt balance at ~5.5% (including cap fees) plus ~\$5M interest income; 2024 reflects the average debt balance (including cap fees and drawn amount on revolver) at ~5.6% plus ~\$5M interest income; and 2025 reflects the projected average debt balance (including cap fees and drawn amount on revolver) at ~5.2% plus ~\$3M interest income; Refinancing costs are excluded from all applicable years.
- (6) For illustrative purposes, Cash Taxes are assumed at \$0 through 2023, consistent with historical guidance of negligible cash taxes (less than 1% of OEBITDA). Cash taxes for 2024 were \$5 million and cash taxes for 2025 are estimated at \$6 million, consistent with guidance of cash taxes of less than \$10 million per year through 2026.
- (7) Per share data for each year assumes Fully-Diluted Common Shares Outstanding (pro forma for year-end conversions of outstanding Options and RSUs) of ~126M shares for 2023, ~114M shares for 2024, and ~109M shares for 2025.
- (8) Yields are based on Iridium (IRDM) share prices of \$41.16 at 12/31/23; \$29.02 at 12/31/24, and \$30.17 as of 6/30/25 for FY25; less ~\$2 value per share value from Aireon for all periods.

## **\*Non-GAAP Financial Measures**

**Pro forma free cash flow:** The Company uses pro forma free cash flow to evaluate the Company's capacity for deleveraging and other shareholder-friendly actions. Notes 1-8 above detail the elements of the calculation of pro forma free cash flow from OEBITDA. Pro forma free cash flow also excludes costs associated with refinancing. Because pro forma free cash flow includes these and other significant adjustments, its utility as a measure of the Company's capacity for deleveraging and other shareholder-friendly actions has material limitations. Due to these limitations, the Company's management does not view pro forma free cash flow in isolation, but also uses other measurements, such as net cash provided by operating activities, to measure the Company's capacity for deleveraging and other shareholder-friendly actions.

**OEBITDA:** Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, gain(loss) on equity method investments, acquisition and related costs, 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. Management believes 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. A reconciliation of consolidated GAAP net income to Operational EBITDA is on the following page. 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, revenues and operating profit, to measure operating performance. The Company does not provide a forward-looking reconciliation of expected full-year 2025 Operational EBITDA guidance as the amount and significance of certain items, such as share-based compensation, acquisition related costs and gain/loss on equity method investments, that are required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts.



# Reconciliation of GAAP Net Income to OEBITDA

(\$ Millions)	2023	2024
GAAP Net Income	\$15	\$113
Interest Expense, Net	\$90	\$91
Income Tax Expense / (Benefit)	(\$26)	\$12
Depreciation & Amortization	\$320	\$203
Share-based Compensation	\$57	\$63
Loss (Gain) on Equity Method Investments	\$6	(\$15)
Acquisition and related costs	-	\$3
<b>Operational EBITDA (OEBITDA)</b>	<b>\$463</b>	<b>\$471</b>

\* Totals may be off from the sum of the individual items due to rounding

# CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this supplement that are not purely historical facts may constitute forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include 2025 pro forma outlook and certain underlying assumptions. 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, the development of and market for Iridium's products and services, and changes in trade policy, including tariff rates, 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, 2024, filed with the Securities and Exchange Commission ("SEC") on February 13, 2025, 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 differ materially from those expected, estimated or projected. Iridium's forward-looking statements are based on information available to it as of the date of this supplement and speak only as of the date of this supplement, and Iridium undertakes no obligation to update forward-looking statements.