



# **14<sup>TH</sup> ANNUAL SOUTHWEST IDEAS INVESTOR CONFERENCE**

*NOVEMBER 16, 2022*





# 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, 2021, filed with the SEC on February 17, 2022, and the Company’s Form 10-Q for the quarter ended September 30, 2022, filed with the SEC on October 20, 2022, 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

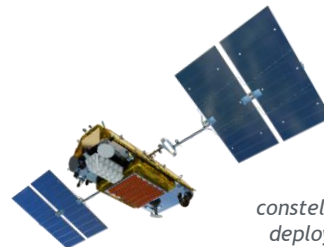
In addition to disclosing financial results that are determined in accordance with U.S. GAAP, the Company provides Operational EBITDA, Operational EBITDA margin and Pro Forma Free Cash Flow, which are non-GAAP financial measures, as supplemental measures to help investors evaluate the Company's fundamental 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](http://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.

# UPGRADED CONSTELLATION SUPPORTS FREE CASH FLOW AND LONG-TERM GROWTH

First-Generation network lasted for 20+ years



Iridium® NEXT Campaign Completed



Upgraded constellation fully deployed in 2019

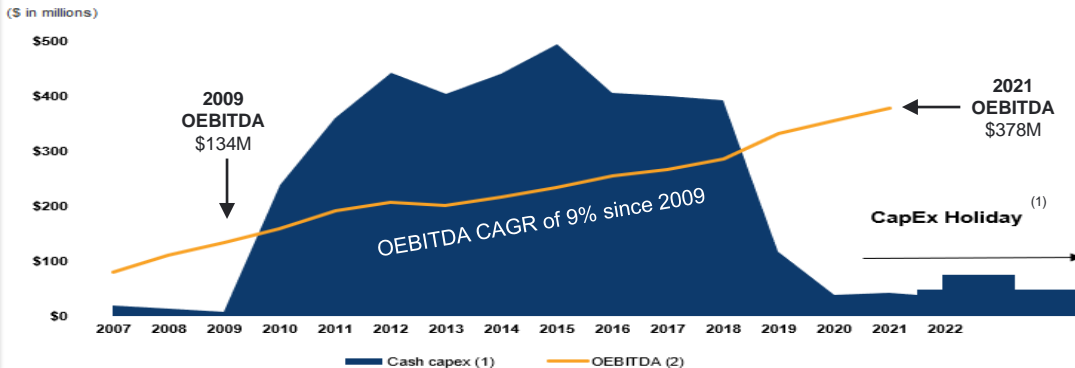
## IRIDIUM NEXT

Completed in February 2019

Design, Build and Launch of New Network Started in 2010

~\$3 Billion Network Cost

Peak Leverage Q1'18



Note: Cash capex adjusted to exclude deferred capex/financing payments. Capex is anticipated to average \$40 million per annum for the rest of the holiday period, excluding costs associated with the planned launch of up to five satellites in 2023.

- (1) Guidance speaks only as of the date it was originally provided (October 20, 2022). Inclusion of guidance herein should not be interpreted as a reaffirmation 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 revenues 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 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.



# 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 complementary to planned, new LEO mega constellations offering commodity broadband



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



# WELL-POSITIONED TO ADDRESS NEEDS OF GLOBAL MOBILE SATELLITE SERVICES SEGMENT

	<b>Iridium's Position</b>	<b>Key Competitors</b>	<b>Iridium's Advantages</b>	<b>Iridium's Growth Strategy</b>
 Land/Mobile	<b>Market leader with premium product offering</b>	Inmarsat Globalstar <i>(Regional)</i> Thuraya <i>(Regional)</i>	<ul style="list-style-type: none"> <li>• True mobility</li> <li>• Global coverage</li> <li>• Reliability</li> </ul>	<ul style="list-style-type: none"> <li>• Robust product portfolio</li> <li>• Attractive handset margins</li> </ul>
 IoT Services	<b>Premium provider with rapid subscriber growth</b>	Orbcomm <i>(Hybrid)</i> Globalstar <i>(Regional)</i> Inmarsat	<ul style="list-style-type: none"> <li>• Global coverage</li> <li>• Low latency</li> <li>• Throughput</li> <li>• Small form factor</li> </ul>	<ul style="list-style-type: none"> <li>• Hardware cost reductions</li> <li>• Complement to terrestrial solutions</li> </ul>
 Maritime	<b>Large addressable market with high value customers</b>	Inmarsat	<ul style="list-style-type: none"> <li>• Global coverage</li> <li>• Low cost</li> <li>• Small antenna</li> </ul>	<ul style="list-style-type: none"> <li>• Safety services, including GMDSS</li> <li>• Value-oriented offerings</li> <li>• Higher throughput</li> </ul>
 Aviation	<b>Market leader in general aviation with broadband growth opportunity</b>	Inmarsat	<ul style="list-style-type: none"> <li>• Global coverage</li> <li>• Low cost</li> <li>• Small device</li> </ul>	<ul style="list-style-type: none"> <li>• Safety services for pilots in cockpit</li> <li>• Leverage global coverage advantage</li> </ul>

# EXPANSIVE DISTRIBUTION NETWORK DRIVES HIGH MARGINS

## 450+ Partner Ecosystem: *An Engine of Innovation*

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

**GENERAL DYNAMICS** **SITA**

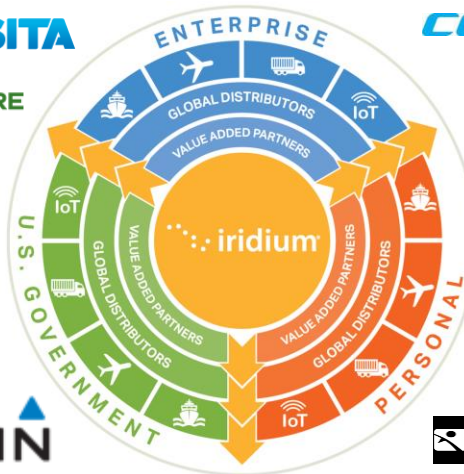
**Rockwell Collins**  **JOHN DEERE**

**THALES** **KOMATSU**

**Honeywell** **KOBELCO**

**CAT** **HITACHI** **CNH**  
Hitachi Construction Machinery

**DOOSAN**  **Trimble** **GARMIN**



**COBHAM** **MARLINK**

**speedcast** **L3 communications**

**KVHI** **marine instruments** **MVS**

**KDDI** **AST** **SKYTRAC**

**TRACE SYSTEMS** **zoleo**

**Roadpost** **BEAM**

**NETWORK INNOVATIONS** **gogo** **COMSAT**



# GROWING END-USER DEVICE PORTFOLIO DRIVES GROWTH



0 Partners

>450 Partners

2001

2021



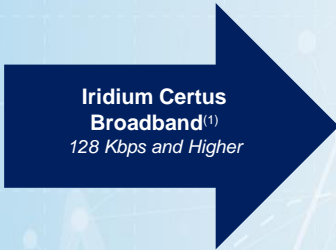


# IRIDIUM CERTUS®: A FLEXIBLE PLATFORM FOR GROWTH

Broadband



**\$43M**  
2021 Service Revenue



**Iridium Certus Broadband<sup>(1)</sup>**  
*128 Kbps and Higher*

Launched Iridium Certus Broadband 2019



*Optimized for Speed*

**20% Revenue Growth (2021)**

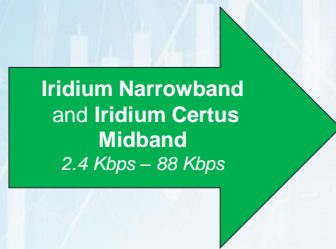
**~\$700M segment occupied by Inmarsat**

Narrowband and Midband



**\$176M**  
2021 Service Revenue

**\$111M**  
2021 Service Revenue



**Iridium Narrowband and Iridium Certus Midband**  
*2.4 Kbps – 88 Kbps*

Launched Iridium Certus Midband 2021



*Optimized for Size, Cost, Power*

**Strong Contributor to Growth Beginning in 2022**

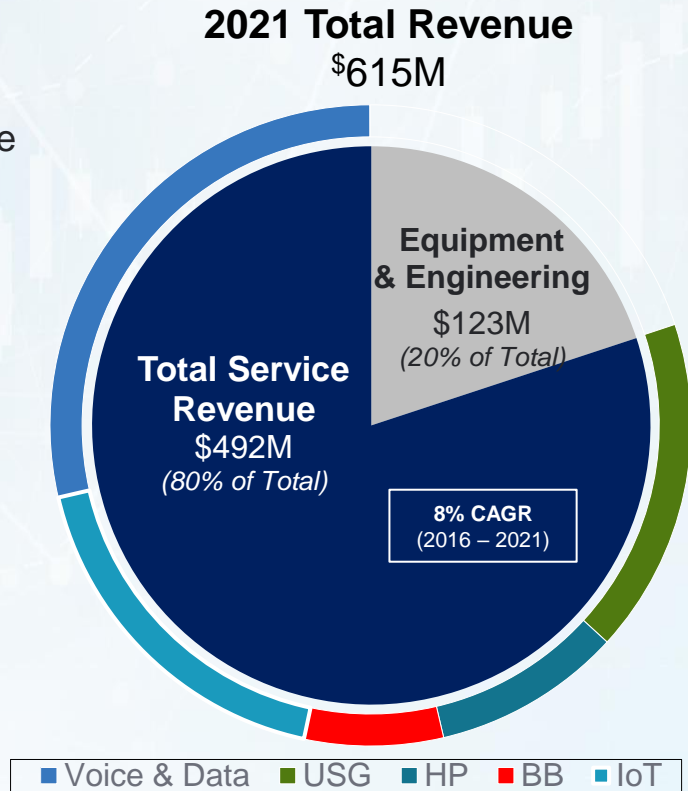
**Multi-billion dollar segment – Iridium is very well positioned!**

(1) The Iridium network is capable of supporting speeds up to 1408 Kbps. Future development of Iridium Certus 1400 service is dependent on market demand. Currently, Iridium Certus is available up to 704 Kbps.



# 80% OF REVENUE IS RECURRING IN NATURE

- Total Service Revenue is recurring and highly predictable
  - Primary driver of future Total Revenue and OEBITDA growth
  - Commercial Voice & Data revenue is largest component at \$175.6M
  - Commercial IoT has the most subscribers at 1,193,000 (22% 10-year CAGR)
  - Iridium signed a 7-year \$738.5M contract with the U.S. government in 2019
- Equipment margin between 35–40%
- Engineering revenues driven by episodic government projects





# DIVERSIFIED BUSINESS LINES PROVIDE MULTIPLE GROWTH DRIVERS

Recurring Revenue	2021(A)	2020(A)	Y/Y Change	Revenue Characteristics
<b>Commercial Services</b>	<b>\$388M</b>	<b>\$362M</b>	<b>+ 7%</b>	
Commercial Voice	\$176M	\$169M	+ 4%	Highly defensible base. Recent trends in PTT & Iridium GO! <sup>®</sup> lead us to believe growth will increase to mid single-digit (Iridium Certus Midband also opens new capabilities)
Commercial IoT	\$111M	\$97M	+ 14%	Y/Y double-digit subscriber growth; Iridium Certus 9770 partner ecosystem potential and volume to open new horizons post-2021
Broadband	\$43M	\$36M	+ 20%	Broadband connections above 128 kbps provided by Iridium Certus and Iridium OpenPort
Hosted Payload	\$48M	\$51M	- 6%	Contractual annual revenue run rate of ~\$47M; One-time data settlement realized in 2020
Other Data Services	\$11M	\$10M	+ 9%	Primarily Satellite Timing & Location (STL) and licensing revenue
<b>U.S. Government</b>	<b>\$104M</b>	<b>\$101M</b>	<b>+ 3%</b>	7-year \$738.5M contract renewal with U.S. government announced in September 2019
<b>Total Service Revenue</b>	<b>\$492M</b>	<b>\$463M</b>	<b>+ 6%</b>	

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

# THIRD QUARTER 2022 FINANCIAL PERFORMANCE

	Q3'22 Financial Results (\$M)	Year-Over-Year Growth (%)
Total Service Revenue	\$139.0	9%
<i>Commercial Revenue</i>	\$112.5	10%
<i>Government Revenue</i>	\$26.5	2%
Equipment Revenue	\$28.0	4%
Engineering & Support Revenue	\$17.1	129%
<b>Total Revenue</b>	<b>\$184.1</b>	<b>14%</b>
<b>Operational Earnings</b>		
OEBITDA <sup>(1)</sup>	\$107.8	8%
OEBITDA Margin	59%	vs. 62%
Total Subscribers	1,973,000	17%

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

(1) Operational EBITDA represents earnings before interest, income taxes, depreciation and amortization, 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.

# COMMERCIAL IOT REMAINS AN ATTRACTIVE AND RAPIDLY GROWING MARKET SEGMENT

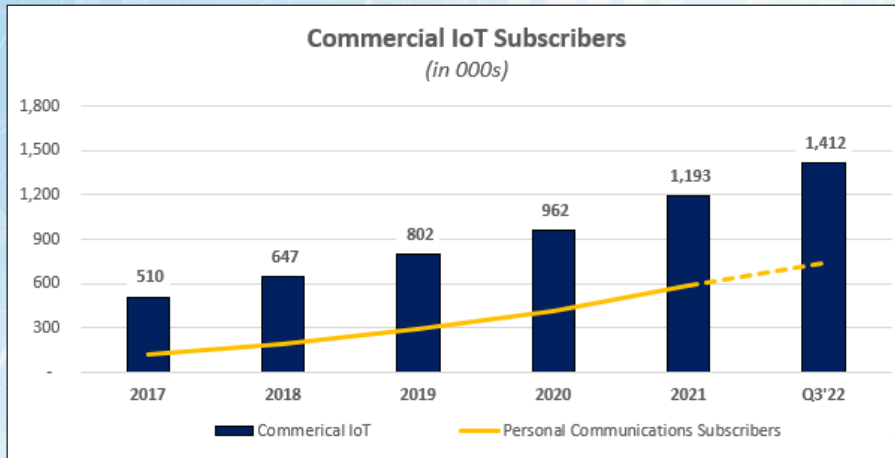
**IoT data supports real-time transmission of information used for safety, security and high-value asset management**

- Government
- Oil, Gas & Utilities
- Regulated Markets (Fisheries)
- High-Value Goods (Transport & Tracking)
- Emerging Consumer Applications



# PERSONAL COMMUNICATIONS DEVICES ARE DRIVING IOT REVENUE & SUBSCRIBER GROWTH

Personal satellite communications has generated revenue CAGR of >50% since 2017





# 2022 FINANCIAL GUIDANCE<sup>(1)</sup>

<b>Metrics</b>	<b>2022</b>
<b>Total Service Revenue</b>	Growth of between 8% and 9%
<b>Operational EBITDA (OEBITDA)</b>	Approximately \$420 million
<b>Cash Taxes</b>	Negligible through approximately 2024
<b>Net Leverage<sup>(2)</sup></b>	Between 2.5 and 3.5 times OEBITDA at the end of 2023

(1) *Guidance speaks only as of the date it was originally provided (October 20, 2022). Inclusion of guidance herein should not be interpreted as a reaffirmation by Iridium of its guidance. Iridium undertakes no obligation to update its guidance after the date it was originally provided.*

(2) *Guidance at year-end 2023 assumes the full effect of Iridium's total \$600 million in authorized share repurchases.*



# HOSTED PAYLOADS

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## Delivering the only real-time aircraft surveillance service – an annual addressable market opportunity conservatively sized at \$700–800M<sup>(1)</sup>

- Aireon has signed over 20 data service agreements with Air Navigation Service Providers (ANSPs), which cover more than 40 countries
- Approximately 50% of world's airspace contracted to use Aireon data
- Aireon's six equity investors include some of the largest ANSPs in the world
- Aireon is focused on providing aircraft surveillance and data analytics services to support the efficient routing of air traffic and enhance safety in global airspace.

PRE-AIREON GLOBAL  
SURVEILLANCE  
COVERAGE  
30%



AIREON GLOBAL  
COVERAGE  
100%

(1) Assumes a return of air traffic to levels prior to COVID-19.

# SPACE-BASED ADS-B TECHNOLOGY



**Aireon® services leverage existing aircraft ADS-B(\*) equipment to address a global ICAO mandate for commercial aircraft tracking**

- Starting in 2020, the United States and Europe require that commercial aircraft to broadcast certain flight data via ADS-B



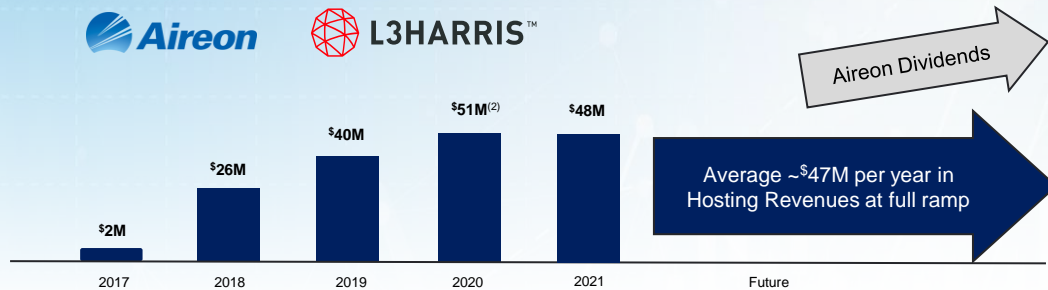
(\*) Automatic Dependent Surveillance-Broadcast (ADS-B)

Aireon services can reduce airline operating costs and emissions, reduce Air Traffic Control infrastructure costs and enhance airspace flexibility and aviation safety

## One Week of Aireon ADS-B Messages



# HOSTED PAYLOAD: HISTORICAL PERFORMANCE & FUTURE PROSPECTS<sup>(1)</sup>



- Expect Aireon to pay material dividends
- Eventually Aireon annual dividends are projected to exceed Aireon hosting revenues
- Iridium will own approximately 27% of Aireon post-redemption of \$120M equity
- Aireon total addressable market size between \$700M – 800M was likely conservative. EBITDA margins projected to exceed Iridium's over the long term

(1) Assumes a return of air traffic to levels prior to COVID-19.

(2) One-time data settlement realized in 2020.

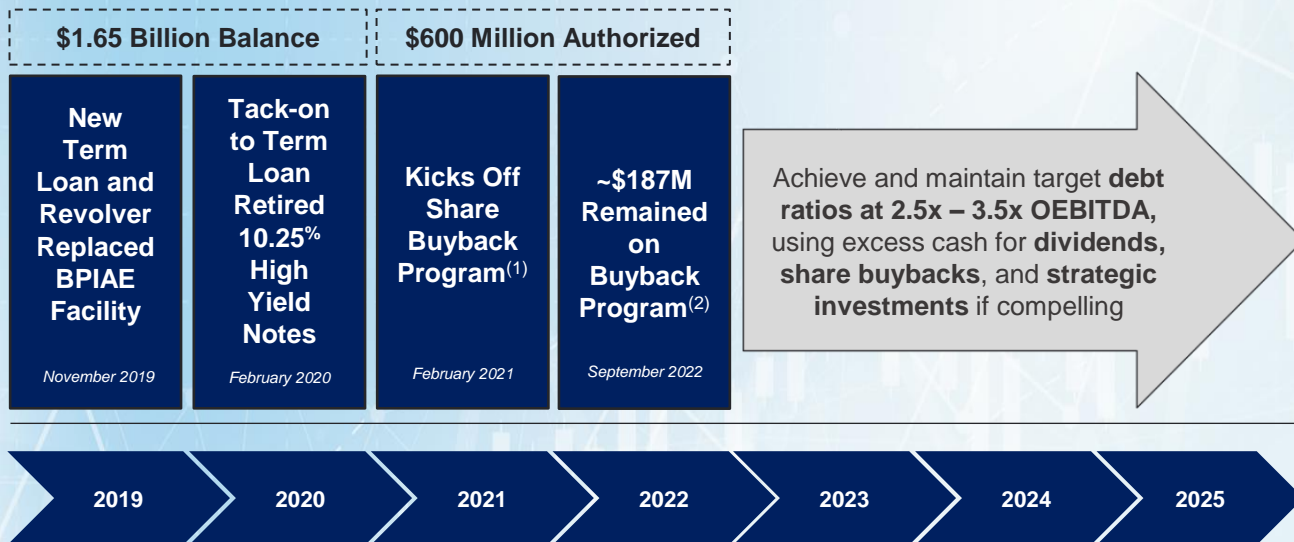


# **CAPITAL STRUCTURE & FREE CASH FLOW**

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# IRIDIUM CAPITAL STRUCTURE ROAD MAP



(1) On February 10, 2021, the Company announced that its Board of Directors had authorized a share repurchase program of up to \$300 million through December 31, 2022.  
(2) On March 7, 2022, the Company announced that its Board of Directors had authorized a second share repurchase program of up to \$300 million through December 31, 2023. On July 26, 2022, the Company disclosed approximately \$256 million remained of the total \$600 million authorized for share repurchase, inclusive of activity through September 30, 2022.

# INVESTMENT HIGHLIGHTS

## Strong levered free cash flow with expectations for meaningful shareholder returns



### Strong Cash Flow Conversion

- Monetizing new capabilities enabled by upgraded constellation
- Post-construction CapEx holiday

+



### Flexible Allocation of Capital

- Continued deleveraging
- 2.5x – 3.5x target net leverage by end of 2023 <sup>(1)</sup>

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### Maximizing Shareholder Returns

- Path to meaningful capital returns through 2025
- Share repurchase authorization through 2023

<sup>(1)</sup> Guidance speaks only as of the date it was originally provided (October 20, 2022). Inclusion of guidance herein should not be interpreted as a reaffirmation by Iridium of its guidance. Iridium undertakes no obligation to update its guidance after the date it was originally provided.



## PRO FORMA FREE CASH FLOW 2021 & 2022<sup>(\*)</sup>

(\$ Millions, Except per Share)	2021 Pro Forma Results	2022 Pro Forma Outlook	YoY %
Operational EBITDA <sup>(1)</sup>	\$378	\$420	+11%
Hosted Payload Cash Timing <sup>(2)</sup>	(\$14)	(\$6)	
Working Capital <sup>(3)</sup>	(\$8)	(\$8)	
Iridium CapEx <sup>(4)</sup>	(\$45)	(\$75)	
Net Interest <sup>(5)</sup>	(\$66)	(\$67)	
Cash Taxes <sup>(6)</sup>	\$0	\$0	
<b>Free Cash Flow (FCF)</b>	<b>\$245</b>	<b>\$264</b>	<b>+8%</b>
FCF/Share <sup>(7)</sup>	\$1.81	\$2.03	+12%
FCF Yield <sup>(8)</sup>	~4.6%	~4.8%	
FCF Conversion	~65%	~63%	

<sup>(\*)</sup> See Appendix for further discussion of this non-GAAP measure and footnotes to this slide.





# WELL-POSITIONED FOR LONG-TERM GROWTH AND SHAREHOLDER RETURNS

- Unique network architecture and L-band spectrum sustain position in a highly technical communications market
- Strong business fundamentals and new revenue streams drive top- and bottom-line growth
  - ~80% of total 2021 revenue is recurring service revenue
- Poised for revenue growth with new satellite network and fastest broadband L-band service in industry
- Global ecosystem of distribution partners drives subscriber growth and margin expansion in wholesale business
- Capex holiday creates growing free cash flow and potential benefit for shareholders



**Q&A**



# APPENDIX

# NON-GAAP FINANCIAL MEASURES

Iridium Communications Inc.

## Supplemental Reconciliation of GAAP Net Loss to Operational EBITDA and Pro Forma Free Cash Flow (In thousands)

	Three Months Ended September 30,		Year Ended December 31,		% Change
	2021	2020	2021	2020	
GAAP net loss	\$ 2,149	\$ (2,085)	\$ (9,319)	\$ (56,054)	
Interest expense, net	17,632	17,614	73,906	94,271	
Income tax (benefit) expense	(2,053)	(1,460)	(19,569)	(32,910)	
Depreciation and amortization	76,397	77,688	305,431	303,174	
Iridium NEXT expenses, net	-	-	-	149	
Share-based compensation	13,716	7,558	26,879	16,714	
Loss on extinguishment of debt	-	879	879	30,209	
Operational EBITDA <sup>(1)</sup>	\$ 107,841	\$ 100,194	\$ 378,207	\$ 355,553	6.4%
Hosted Payload Cash Timing <sup>(2)</sup>			(14,000)	(22,000)	
Working Capital <sup>(3)</sup>			(8,000)	(8,000)	
Iridium Capital Expenditures <sup>(4)</sup>			(45,000)	(35,000)	
Net Interest <sup>(5)</sup>			(66,000)	(89,000)	
Cash Taxes <sup>(6)</sup>			-	-	
Pro Forma Free Cash Flow			\$ 245,207	\$ 201,553	21.7%

(1) Reconciliation of GAAP net loss to OEBITDA for 2020 and 2021; for illustrative purposes, on a prior slide 2022 OEBITDA is presented as \$415M consistent with the midpoint of the Company's full-year 2022 guidance as of July 2022

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

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

(4) Booked Capital Expenditures excludes capitalized interest, which is included with Pro Forma Net Interest, and for illustrative purposes, 2021 capex is presented as an average of \$45M per year, and 2020 is presented as an average of \$35M per year; on a prior slide, 2022 Capex is presented as an average of \$45M per year plus \$30M of non-recurring capital expenditures (largely attributable to 2022 portion of launch expenditures)

(5) Pro Forma Net Interest for 2020 includes \$1.65B TLB at ~5.5% over 12-months and ~\$1M interest income and 2021 reflects average balance on TLB at ~4.1% over 12-months and ~\$1M interest income; and on a prior slide 2022 reflects average balance on TLB at ~4.2% (including cap fees) over 12-months plus ~\$1M interest income; all years exclude costs related to repricing and extinguishment of debt

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



# FOOTNOTES TO PRO FORMA FREE CASH FLOW SLIDE

- (1) See below for the definition of Operational EBITDA; a reconciliation of GAAP net loss to OEBITDA for 2020 and 2021 is on the following page; for illustrative purposes, 2022 OEBITDA is presented as \$420M; consistent with the Company's full-year 2022 guidance as of October 2022
- (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, and for illustrative purposes, 2020 is presented as an average of \$35M per year, 2021 as an average of \$45M per year, and 2022 as an average of \$45M per year plus up to \$30M of non-recurring capital expenditures (largely attributable to 2022 portion of launch expenditures)
- (5) Pro Forma Net Interest for 2020 includes \$1.65B TLB at ~5.5% over 12-months and ~\$1M interest income; 2021 reflects average balance on TLB at ~4.1% over 12-months and ~\$1M interest income; and 2022 reflects average balance on TLB at ~4.2% (including cap fees) over 12-months plus ~\$1M interest income; all years exclude costs related to repricing and extinguishment of debt
- (6) For illustrative purposes, Cash Taxes are assumed at \$0, reflecting guidance of negligible tax payments through 2024
- (7) Most recent per share data based on ~130M Fully-Diluted Common Shares Outstanding (pro forma for 9/30/22 conversion of outstanding Options and RSUs)
- (8) Yield for 2020 is based on a \$39.33 share price at 12/31/20 less ~\$2 value per share from Aireon; yield for 2021 assumes \$41.29 closing price on 12/31/21 less ~\$2 value per share from Aireon; yield for 2022 assumes \$44.37 closing price on 9/30/22 less ~\$2 value per share from Aireon

## **\*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.



# **IRIDIUM COMMUNICATIONS INC.**

