

IRIDIUM COMMUNICATIONS INC.

FORM 8-K (Current report filing)

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Address	1750 TYSONS BOULEVARD SUITE 1400 MCLEAN, VA, 22102
Telephone	301-571-6200
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SIC Code	3669 - Communications Equipment, Not Elsewhere Classified
Industry	Wireless Telecommunications Services
Sector	Telecommunication Services
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): March 9, 2018

Iridium Communications Inc.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-33963
(Commission
File Number)

26-1344998
(I.R.S. Employer
Identification No.)

**1750 Tysons Boulevard
Suite 1400
McLean, VA 22102**
(Address of principal executive offices – Zip Code)

703-287-7400
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 §CRF 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On March 9, 2018, Iridium Communications Inc. (the “Company”) commenced an offering, pursuant to exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), for the issuance of \$360 million in aggregate principal amount of senior notes due 2023 (the “Notes”) in a private placement (the “Offering”).

On July 25, 2017, Iridium Satellite and Thales Alenia Space France (“Thales”) entered into Amendment No. 29 to amend the Full Scale System Development Contract No. ID-10-021 between Iridium Satellite LLC (“Iridium Satellite”), the Company’s indirectly wholly owned subsidiary, and Thales (“FSD Contract”). Pursuant to Amendment No. 29, Iridium Satellite and Thales incorporated certain terms and arrangements into the FSD Contract relating to the deferment of certain milestone payments amounting to \$100,020,612 (“Deferred Milestones”), and set up a mechanism for deferral whereby Iridium Satellite, in consideration of the deferral of its payment obligations in relation to the Deferred Milestones, accepted bills of exchange (“Bills of Exchange”). The Bills of Exchange have a maturity date of March 31, 2019, and each has a face value equal to the value of the corresponding milestone plus interest through the maturity date.

A portion of the proceeds of the Offering will be used to prepay the outstanding Bills of Exchange. Accordingly on March 9, 2018, Iridium Satellite and Thales entered into an agreement to amend the FSD Contract (“Amendment 32”), pursuant to which, Iridium Satellite and Thales will unwind the changes made in Amendment No. 29. The amendment will become effective upon the receipt of proceeds from the Offering and the repayment of all outstanding amounts under the Bills of Exchange with a portion of the proceeds. In addition, a portion of the proceeds of the Offering will be used to pay the deferred milestone payments which were not, as of March 9, 2018, subject to Bills of Exchange.

Item 7.01. Regulation FD Disclosure.

In connection with the Offering, the Company informed potential investors that the Company, Iridium Satellite and certain other subsidiaries of the Company expect to enter into an agreement (the “Supplemental Agreement”) with Société Générale, as BPIAE Agent, and the other lenders under its existing \$1.8 billion credit facility, which the Company originally entered into in October 2010 with a syndicate of bank lenders, and most recently amended and restated in July 2017 by a supplemental agreement (as amended to the date thereof, the “Credit Facility”), and under which Iridium Satellite is the borrower, and the Company and certain of its direct and indirect subsidiaries are guarantors. Pursuant to the Supplemental Agreement, the parties thereto will agree to, among other things, further amend and restate the Credit Facility (the “Credit Facility Amendment”), which will become effective upon the issuance of the Notes. A portion of the proceeds of the Offering will be used to fund approximately \$87.0 million into the debt service reserve account under the Credit Facility.

Pursuant to the terms of the Credit Facility Amendment, the lenders under the Credit Facility will agree to (i) allow the Company to conduct the Offering, (ii) delay a portion of the principal repayments scheduled under the Credit Facility for 2018, 2019 and 2020 into 2023 and 2024 pursuant to an amended repayment installment schedule, (iii) after funding of the debt service reserve account back to \$189.0 million, allow Iridium Satellite to access up to \$87.0 million from the debt service reserve account under the Credit Facility in the future if Iridium Satellite’s projected cash level falls below \$75.0 million, and (iv) adjust Iridium Satellite’s financial covenants, including eliminating current covenants that require Iridium Satellite to receive cash flows from hosted payloads and adding a covenant that requires Iridium Satellite to receive \$200.0 million in hosting fees from Aireon LLC prior to December 2023. Under the Credit Facility Amendment, in the event that (a) Iridium Satellite receives hosting fees from Aireon LLC or (b) Iridium Satellite’s cash balance exceeds \$140.0 million after September 30, 2019 (subject to specified exceptions), Iridium Satellite would be required to use such hosting fees or excess cash (including up to \$200.0 million of hosting fees) to prepay the Credit Facility. In addition, pursuant to the Credit Facility Amendment, if any Notes remain outstanding six months prior to the maturity of the Notes, the maturity of all amounts remaining outstanding under the Credit Facility would be accelerated from September 30, 2024 (which is the date falling seven years after the commencement of principal repayments under the terms of the Credit Facility) to six months prior to the maturity of the Notes.

The information contained in this Item 7.01 is not filed for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and is not deemed incorporated by reference by any general statements incorporating by reference this report or future filings into any filing under the Securities Act or the Exchange Act, except to the extent the Company specifically incorporates the information by reference. By including this Item 7.01 disclosure in the filing of this Current Report on Form 8-K and furnishing this information, we make no admission as to the materiality of any information in this report.

Item 8.01. Other Events.

On March 9, 2018, the Company issued a press release pursuant to Rule 135c under the Securities Act regarding the Offering. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 9, 2018

Iridium Communications Inc.

By: /s/ Thomas J. Fitzpatrick

Name: Thomas J. Fitzpatrick

Title: Chief Financial Officer

PRESS RELEASE*For Immediate Release***IRIDIUM COMMUNICATIONS INC. ANNOUNCES PROPOSED PRIVATE OFFERING**

MCLEAN, Va., March 9, 2018 — Iridium Communications Inc. (Nasdaq: IRDM) (the “Company”) today announced the commencement of a private offering of \$360 million in aggregate principal amount of senior notes due 2023 (the “Notes”).

The Company plans to use the net proceeds of the offering to (i) make approximately \$59.9 million of deferred payment obligations by repaying all amounts outstanding under the Company’s bills of exchange with Thales Alenia Space France (“Thales”), including interest and insurance, (ii) make approximately \$44.4 million of milestone payments to Thales under the Full Scale System Development Contract No. ID-10-021 between Iridium Satellite LLC and Thales when the applicable milestones have been met and (iii) fund approximately \$87.0 million into the debt service reserve account under the Company’s existing \$1.8 billion credit facility (the “Credit Facility”). Any remaining proceeds will be used for general corporate purposes, including fees and expenses relating to the amendment to the Credit Facility that will become effective upon the issuance of the Notes.

The Notes proposed to be offered will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws and may not be offered or sold in the United States or to any U.S. persons absent registration under the Securities Act, or pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes will be offered only to persons reasonably believed to be “qualified institutional buyers” under Rule 144A of the Securities Act or, outside the United States, to persons other than “U.S. persons” in compliance with Regulation S under the Securities Act.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Notes, nor shall there be any offer, solicitation or sale of any Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Company gives no assurance that the proposed offering can be completed on any terms.

About Iridium Communications Inc.

Iridium is the only mobile voice and data satellite communications network that spans the entire globe. Iridium enables connections between people, organizations and assets to and from anywhere, in real time. Together with its ecosystem of partner companies, Iridium delivers an innovative and rich portfolio of reliable solutions for markets that require truly global communications. The company has a major development program underway for its next-generation network — Iridium NEXT. Iridium Communications Inc. is headquartered in McLean, Va., U.S.A., and its common stock trades on the NASDAQ Global Select Market under the ticker symbol IRDM. For more information about Iridium products, services and partner solutions, visit www.iridium.com.

Forward-Looking Statements

Statements in this press release 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 statements regarding Iridium’s expectations with respect to the consummation of the offering of its Notes and the effectiveness of its agreement with its credit facility lenders to solidify its liquidity position and the use of proceeds of the Notes. 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 demand for the Notes, 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 Securities and Exchange Commission (“SEC”) on February 22, 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. Iridium’s forward-looking statements are based on information available to it as of the date of this press release and speak only as of the date of this press release, and Iridium undertakes no obligation to update forward-looking statements.

Investor Contact

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