

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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Symbol	IRDM
SIC Code	3669 - Communications Equipment, Not Elsewhere Classified
Industry	Wireless Telecommunications Services
Sector	Telecommunication Services
Fiscal Year	12/31

**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 16, 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 21, 2018, Iridium Communications Inc. (the “Company”) issued \$360 million in aggregate principal amount of 10.250% senior notes due 2023 (the “Notes”) in a private placement (the “Offering”) pursuant to exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”).

Purchase Agreement

On March 16, 2018, the Company entered into a purchase agreement (the “Purchase Agreement”) with Deutsche Bank Securities Inc., as representative of the several initial purchasers named therein (collectively, the “Initial Purchasers”), to issue and sell the Notes.

The Purchase Agreement includes customary representations, warranties and covenants by the Company and customary closing conditions. Under the terms of the Purchase Agreement, the Company has agreed to indemnify the Initial Purchasers against certain liabilities.

Indenture

The Notes were issued pursuant to an indenture, dated as of March 21, 2018, between the Company and U.S. Bank National Association, as trustee (the “Indenture”).

The Company will have the option to redeem some or all of the Notes at any time on or after April 15, 2020, at redemption prices set forth in the Indenture, plus accrued and unpaid interest, if any, to the date of redemption. The Company will also have the option to redeem some or all of the Notes at any time prior to April 15, 2020 at a redemption price of 100% of the principal amount of the Notes to be redeemed, plus a “make-whole” premium and accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to April 15, 2020, the Company may redeem up to 40% of the aggregate principal amount of the Notes at a redemption price equal to 110.250% of the principal amount of Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption, with the proceeds from certain equity issuances.

The Indenture governing the Notes contains restrictive covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends on capital stock or redeem, repurchase or retire capital stock or subordinated indebtedness; (iii) make investments; (iv) create liens; (v) sell assets, including capital stock of its restricted subsidiaries; (vi) engage in transactions with affiliates; (vii) create limitations on the ability to pay dividends, make loans, repay indebtedness or transfer property; and (viii) consolidate, merge or transfer assets. These limitations have various exceptions and baskets as set forth in the Indenture, including the incurrence by the Company and its restricted subsidiaries of indebtedness under the Company’s existing \$1.8 billion credit facility, which the Company originally entered into in October 2010 with a syndicate of bank lenders, and which was amended effective March 21, 2018 pursuant to the Company’s previously announced credit facility amendment (the “Credit Facility”).

In the event any restricted subsidiary under the Indenture guarantees any indebtedness of the Company in the form of credit facilities or capital markets indebtedness with an aggregate principal amount of at least \$50 million (other than the Credit Facility), the Company will cause such subsidiary to become a guarantor of the Notes.

Upon certain change of control events, the Company will be required to make an offer to purchase each holder’s Notes at a price equal to 101% of the principal amount of the Notes to be repurchased, plus any accrued and unpaid interest to the repurchase date. The Indenture also contains certain customary events of default.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 above regarding the issuance of the Notes is hereby incorporated by reference into this Item 2.03.

Item 8.01. Other Events.

On March 16, 2018, the Company issued a press release pursuant to Rule 135c under the Securities Act regarding the pricing of 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 21, 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. PRICES OFFERING OF SENIOR UNSECURED NOTES**

MCLEAN, Va., March 16, 2018 — Iridium Communications Inc. (Nasdaq: IRDM) (the “Company”) today announced that it has priced \$360 million in aggregate principal amount of its senior unsecured notes due 2023 (the “Notes”). The Notes will bear interest at 10.250% per annum and will mature on April 15, 2023. Interest will be payable semi-annually on April 15 and October 15 of each year, beginning on October 15, 2018. The closing of the offering of the Notes is expected to occur, subject to certain customary conditions, on March 21, 2018.

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 Iridium Satellite LLC’s bills of exchange issued to 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 and Thales when the applicable milestones have been met and (iii) fund approximately \$87.0 million into the debt service reserve account under Iridium Satellite’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 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 and sold 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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