

Space Business Review

A monthly round-up of space industry developments for the information of our clients and friends.

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IRIDIUM AMENDS CREDIT, ADDS LIQUIDITY

Iridium Communications Inc. (Iridium) announced on its Q2 2017 earnings call that it amended its export credit agency-backed credit facility with a consortium of nine banks led by **Société Générale S.A.** The amendment allows Iridium to defer until Q1 2019 \$100m in payments owed to **Thales Alenia Space** (Thales), manufacturer of the satellites comprising Iridium's **Iridium NEXT** constellation, and to delay until March 31, 2019 \$98m in payments required for a debt service reserve account, but restricts Iridium's use of funds received from **Aireon LLC**, a global-air traffic surveillance company whose payloads are hosted on Iridium NEXT. Together with other adjustments, including suspension of preferred dividends, the amendment is expected to afford Iridium more than \$200m of liquidity, equal to the amount owed to Iridium by Aireon.

GLOBECOMM ACQUIRED BY INVESTORS

On August 9, communications solutions provider **Globecomm Systems Inc.** (Globecomm) announced that an investor group led by **HPS Investment Partners, LLC** and funds managed by **Tennenbaum Capital Partners, LLC** entered into a definitive agreement to acquire Globecomm from its private equity owner **Wasserstein & Co.** (Wasserstein) for an undisclosed sum. Wasserstein acquired Globecomm in December 2013 for \$340m. Based in New York, Globecomm provides network connectivity services, including system design and integration and managed communications services, to government, maritime, media, enterprise, wireless mobile and IoT customers worldwide. The acquisition is expected to close in Q3 2017, subject to customary regulatory approvals.

DIGITALGLOBE SIGNS DAP CONTRACT

On August 15, **DigitalGlobe, Inc.** (DigitalGlobe) announced that the **Australian Department of Defence** signed a contract with DigitalGlobe under the company's Direct Access Program (DAP). The DAP contract establishes a multi-year arrangement whereby the Australian government may access in real-time, for direct tasking and downloading, high-resolution imagery from DigitalGlobe's Earth observation constellation to support defense and intelligence missions. DigitalGlobe expects the contract to produce \$83m in incremental revenue over four years, beginning in January 2018.

SPACEX MISSIONS & DEVELOPMENTS

On August 24, **Space Exploration Technologies Corp.** (SpaceX) successfully launched the **FORMOSAT-5** Earth observation satellite for Taiwan's **National Space Organization** on a **Falcon 9** launch vehicle. On August 14, SpaceX successfully completed its twelfth Commercial Resupply Services mission for the **International Space Station** using a Falcon 9. In other news, media reports indicate that SpaceX raised \$351m as part of a series H financing round, taking the company's valuation up to \$2.1.2b.

ELSE GETS SEED FUNDING, RIDESHARE

On August 8, U.S. and Swiss startup **Elegant Systems Engineering** (ELSE) announced that it contracted with **Spaceflight Industries, Inc.** to secure a place for its first demonstrator nanosat on a 2018 launch of a **Falcon 9** launch vehicle by **Space Exploration Technologies Corp.** After two demonstrator launches, ELSE plans to deploy **Astrocast**, a 64-nanosat LEO system that will provide M2M services globally. ELSE also announced that it raised an additional \$3m from **Airbus Ventures** and 15 unnamed investors to close its seed round with \$6m in total funding.

SES CHANGES PLANS FOR SES-12, SES-14

On August 28, **SES S.A.** (SES) announced a swap of launch vehicles and launch slots for its **SES-14** and **SES-12** satellites, with SES-14 now slated for launch by **Arianespace S.A.** on an **Ariane 5** launch vehicle in early Q1 2018 and **SES-12** set for launch by **Space Exploration Technologies Corp.** on a **Falcon 9** launch vehicle in Q1 2018. SES stated that the swap will advance quality and continuity of service for its customers.

HUGHES TAPS SSL FOR ECHOSTAR XXIV

On August 9, **Hughes Network Systems, LLC** (Hughes) announced that it selected **Space Systems Loral** (SSL) to manufacture the next-generation **Jupiter™ 3** Ultra High Density Satellite, to be designated **EchoStar XXIV**, based on the **SSL 1300** platform. Per SSL, EchoStar XXIV will have an all new architecture that enables highly concentrated capacity in high-use areas. The new satellite will significantly increase capacity for **HughesNet®** satellite Internet and other services and will support expansion across the consumer, enterprise and aeronautical sectors. Scheduled for launch in early 2021, EchoStar XXIV will replace the **SPACEWAY 3** satellite at the 95°W orbital slot for coverage of the Americas. Hughes stated that it will fund the new satellite with existing cash resources.