

FOR IMMEDIATE RELEASE

## **Speedcast International Limited Announces Pricing of \$175 million Incremental Term Loan**

**Sydney, Australia, 27 September 2018** – [Speedcast International Limited](#) (ASX: SDA) (“Speedcast”), the world’s most trusted provider of remote communication and IT solutions, today announced it has successfully priced the US\$175 million incremental term loan add-on (the “Incremental Term Loan”) to its existing US\$425 million US Term Loan B facility (due 2025) (the “Existing Term Loan”). The Incremental Term Loan and the Existing Term Loan will have the same terms, including interest margin, and will be priced at LIBOR plus 2.75% p.a., which is a 0.25% p.a. increase on the current interest margin under the Existing Term Loan.

“This incremental term loan add-on builds on Speedcast’s strong relationships with institutional lenders in the US Term Loan B market.” said Clive Cuthell, Chief Financial Officer, Speedcast. “The acquisition of Globecom is a strong fit with Speedcast’s strategy to consolidate our industry and build competitive advantages based on scale and capabilities. The incremental debt will be used to complete this synergistic acquisition and enhance our liquidity position.”

Speedcast intends to use the proceeds from the Incremental Term Loan to fund the acquisition of Globecom Systems Inc. for approximately US\$135 million<sup>1</sup>, to pay fees and transaction expenses and to repay a portion of the loans outstanding under its Revolving Credit Facility (“RCF”), enhancing Speedcast’s liquidity position. The Incremental Term Loan will be borrowed on completion of the acquisition which is expected to occur in Q4 2018, subject to customary closing conditions, including regulatory approvals.

The following table sets out a summary of the key terms of Speedcast’s 7 year Senior Secured Credit Facility on completion of the acquisition and the Incremental Term Loan:

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<sup>1</sup> The estimated purchase price of US\$135 million is net of proceeds from the sale and leaseback of Globecom’s Haupage facility and other estimated purchase price adjustments.

<b>Term</b>	<b>Description</b>
<b>Term Loan Facility</b>	
Facility Size	US\$600 million
Term	7 years (due 2025)
Interest Rate	LIBOR plus 2.75% p.a.
Amortisation of principal	1% p.a.
Early repayment	At Speedcast's option
Financial covenant	None
<b>Revolving Credit Facility</b>	
Facility Limit	US\$100 million
Term	5 years (due 2023)
Interest Rate	LIBOR plus 2.50% p.a. (current rate subject to a grid which reduces when first lien net leverage <sup>2</sup> is < 3.0x)
Financial Covenant	When RCF drawings are > 35% of the RCF Facility Limit, maximum first lien net leverage <sup>2</sup> 4.0x

Speedcast has entered into interest rate swap agreements in respect of 75% of the Existing Term Loan to fix the interest rate payable on the term loans for a period of five years. On completion of the Incremental Term Loan, Speedcast intends to enter into similar arrangements to proactively manage its interest rate risk.

Credit Suisse acted as Sole Lead Arranger and Sole Bookrunner on the Incremental Term Loan.

<sup>2</sup> Net leverage means the ratio of Net Debt to Consolidated EBITDA (as defined in the credit facility agreement, including the full twelve month pro forma impact of acquisitions and identified synergies).

## **About Speedcast International Limited**

Speedcast International Ltd (ASX: SDA) is the largest provider of remote communications and IT services in the world. Speedcast's fully-managed service is delivered via a leading global, multi-access technology, multi-band and multi-orbit network of 70+ satellites and an interconnecting global terrestrial network, bolstered by extensive on-the-ground local support from 40+ countries. This global "network of networks" allows customers to fully rely on the most robust, integrated infrastructure available in the market for their mission critical applications. Speedcast is uniquely positioned as a strategic business partner, tailoring communications, IT and digital solutions to meet unique customer needs and enable business transformation. Speedcast extends its managed services through differentiated technology offerings including cyber-security, crew welfare, content solutions, data and voice applications, and network systems integration services. With a passionate customer focus and a strong safety culture, Speedcast serves more than 2,000 customers in more than 140 countries in sectors such as Maritime, Energy, Mining, Enterprise, Media, Cruise, NGOs and Government. Learn more at [www.speedcast.com](http://www.speedcast.com).

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