Milbank

Space Business Review

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

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DISH CLOSES $1B BOND OFFERING

On March 20, DISH Network Corporation (DISH) announced the closing of its private placement, originally announced on March 10, of $1b principal amount of 2.375% convertible notes due 2024. This latest notes issuance and sale marks the company's third bond offering of one billion USD or more in less than a year. DISH intends to use proceeds from the notes for general corporate purposes and to fund potential spectrum and wireless-related strategic transactions.

ROCKET LAB RAISES ADDITIONAL $75M

On March 22, small launch vehicle services company Rocket Lab Ltd. (Rocket) announced that it closed a $75m Series D financing round, led by new investors Data Collective, Promus Ventures and another new undisclosed investor and including participation from existing investors Khosla Ventures, Bessemer Venture Partners and K1W1. The additional $75m brings to $148m the total amount of funding raised by Rocket to date. Rocket plans to use the Series D proceeds to scale up production of its Electron launch vehicle. Rocket's target customers are small satellite companies that provide crop monitoring, natural disaster prediction, Internet, weather reporting, maritime data and search and rescue services. Rocket also announced in March that it is in discussions with Lockheed Martin for additional investment. Lockheed Martin was an early investor in Rocket, participating in the company's 2015 Series B financing round.

KYMETA ADDS, EXPANDS PARTNERSHIPS

On March 7, Intelsat S.A. (Intelsat) announced that it acquired an equity stake in Kymeta Corporation (Kymeta). Intelsat and Kymeta are partnering together on KĀLO™, an innovative satellite service that will leverage Intelsat's global high-throughput network to provide an end-to-end connectivity solution for customers and sectors that are currently unserved or underserved by terrestrial networks, including market verticals such as rail, energy, emergency response, buses and connected car. Also on March 7, Kymeta and SKY Perfect JSAT Corporation (JSAT) announced that they signed a strategic agreement whereby JSAT will invest in Kymeta and will use Kymeta's mTenna™ technology to develop new satellite service use cases for customers in Japan, including in the transportation, emergency response, disaster recovery, media and enterprise sectors.

VIRGIN ANNOUNCES NEW COMPANY

On March 2, Virgin Galactic, LLC (Virgin Galactic) announced the establishment of Virgin Orbit, a new company formed from Virgin Galactic's LauncherOne team that will focus on providing launch services for small satellites. Virgin Orbit is the third company in the Virgin Group Ltd.'s commercial space portfolio, Galactic Ventures; the other two companies, Virgin Galactic and The Spaceship Company, will continue to provide commercial human spaceflight services and advanced aerospace design, manufacturing and testing services, respectively. Virgin Orbit will operate from a manufacturing facility in Long Beach, California; it plans to conduct launch operations using Virgin Galactic's 747-400 aircraft.

HISTORIC MONTH FOR SPACEX, INDUSTRY

On March 31, Space Exploration Technologies Corp. (SpaceX) launched the SES-10 satellite for SES S.A. on a Falcon 9 launch vehicle with a flight proven booster, marking the first ever such launch. Reusability of orbital class rockets is expected to result in cost savings and additional launch opportunities for satellite operators and higher margins for launch services providers. Built by Airbus Defence and Space based on the Eurostar E3000 satellite platform, SES-10 will provide DTH, maritime and data services to users across Latin America and the Caribbean from the 67°W orbital position. Earlier this month, on March 16, SpaceX launched the EchoStar XXIII satellite for EchoStar Corporation on a Falcon 9 launch vehicle. EchoStar XXIII was manufactured by Space Systems Loral based on the SSL 1300 satellite platform; it will provide DTH services to users in Brazil from the 45°W orbital location. SpaceX did not attempt to land the Falcon 9's first stage after this launch due to mission requirements.

MARCH LAUNCH SERVICES ORDERS

On March 7, Eutelsat Communications S.A. (Eutelsat) announced that it entered into a contract with Blue Origin, LLC (Blue Origin) for the launch of a currently undetermined Eutelsat geostationary satellite on Blue Origin's New Glenn launch vehicle in 2021 or 2022. The agreement makes Eutelsat the first customer for New Glenn, which is expected to commence flights in 2020. As New Glenn will be compatible with almost all Eutelsat satellites, Eutelsat will have allocation flexibility until as late as 12 months in advance of launch.