

Space Business Review

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

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VIASAT EQUITY OFFERING, ACQUISITION

On November 23, **ViaSat, Inc.** (ViaSat) announced that it closed its underwritten public offering first announced on November 15 of 7.475m shares of common stock, including 975k shares sold pursuant to the full exercise of an underwriter option, at a price of \$69.74 per share. ViaSat plans to use the net proceeds from the offering – approximately \$502.5m – for general corporate purposes, which may include acquisitions. On November 14, ViaSat announced the acquisition of **Arconics**, an Ireland-based aviation software solutions provider that ViaSat had previously partnered with on wireless inflight entertainment services. With its newly expanded aircraft software capabilities, ViaSat plans to provide additional value-added services, including real-time insight, control and agility of aircraft and flight data with highly integrated and customizable tools that leverage ViaSat's high-capacity Ka-band satellite network.

WORLDVIEW-4 LAUNCHES ON ATLAS V

On November 11, **Lockheed Martin Corporation** (Lockheed Martin) successfully launched the **WorldView-4** satellite for **DigitalGlobe, Inc.** (DigitalGlobe) on a **United Launch Alliance Atlas V 401** launch vehicle. The satellite, which was also manufactured by Lockheed Martin, more than doubles DigitalGlobe's capacity for collection of high-resolution commercial satellite imagery and increases the rate at which it builds its 16-year library of time-lapse images.

MDA SELLS ORBITAL RECEIVABLES

MacDonald, Dettwiler and Associates Ltd. (MDA) disclosed in its Q3 2016 financial reports that it entered into a \$400m revolving securitization facility agreement under which it may offer to sell certain orbital incentive receivables from time to time, enabling MDA to receive funds tied to the value of such receivables in advance of scheduled payment dates under customer contracts entered into by its subsidiary, **Space Systems Loral**. MDA's initial drawdown under the facility was on September 30, 2016, involving receivables with a book value of \$61.5m for net proceeds of \$68.8m. The innovative financing, which was arranged by **ING Bank N.V.** (ING), is regarded as the first of its kind in the satellite industry. MDA used the proceeds of the initial drawdown to repay long-term debt and plans to use other proceeds of the facility to fund growth initiatives. Milbank represented ING in this transaction.

SPEEDCAST TO ACQUIRE CAPROCK

On November 1, **Harris Corporation** (Harris) and **SpeedCast International Limited** (SpeedCast) announced a definitive agreement whereby SpeedCast will acquire from Harris 100% of its **CapRock Communications** business for approximately \$425m in cash, advancing SpeedCast's strategic objective of building scale in the maritime and energy satcoms markets. Set to become one of the world's largest purchasers of satellite capacity, the combined company will be more than double SpeedCast's current size, with service to over 6,200 vessels and hundreds of rigs and platforms, as well as other enterprise and government customers, across the globe. The transaction remains subject to regulatory reviews and customary closing conditions and is expected to close in the first quarter of 2017.

PLANETARY RESOURCES RECEIVES €25M

On November 3, **Planetary Resources, Inc.** (Planetary) announced that it entered into an investment and cooperation agreement with the **Government of the Grand Duchy of Luxembourg** (Luxembourg) and the public-law banking institution **Société Nationale de Crédit et d'Investissement** (SNCI) whereby Planetary will receive a direct capital investment of €12m and grants totaling €13m from Luxembourg and SNCI respectively, which the company will use in furtherance of efforts to launch the world's first commercial asteroid mining mission by 2020.

TELESAT CLOSSES REFINANCING DEALS

On November 17, **Telesat Canada** (Telesat) announced that it issued \$500m in aggregate principal amount of 8.875% senior notes due 2024 and entered into a new amended and restated credit agreement providing for term loan borrowings of \$2.43b and revolving credit borrowings of up to \$200m. Telesat plans to use proceeds from the notes offering and borrowings primarily to refinance existing debt, including to redeem its \$900m in 6% senior notes due 2017.

SES PRICES ANOTHER HYBRID BOND

On November 23, **SES S.A.** (SES) announced that it priced its second hybrid bond offering of 2016, a €550m offering of Deeply Subordinated Fixed Rate Resettable Securities with a 5.625% coupon for a yield of 5.75%. As with its earlier offering, which was completed in June, proceeds from this latest offering will be used primarily to refinance wholly-owned subsidiary **O3b Networks, Ltd.**'s \$1.2m of debt; the two offerings together bring SES' total hybrid debt to €1.3b.