

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: § Chapter 11
§
SPEEDCAST INTERNATIONAL §
LIMITED, et al., § Case No. 20-32243 (MI)
§
Debtors.¹ § (Jointly Administered)
§

**DEBTORS’ THIRD SUPPLEMENTAL WITNESS AND EXHIBIT LIST
FOR DECEMBER 17, 2020 VIDEO/TELEPHONIC HEARING**

SpeedCast International Limited and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “Debtors”), file this third supplemental witness and exhibit list (the “Supplemental Witness and Exhibit List”)² for the video/telephonic hearing (the “Hearing”) to consider the *Second Amended Joint Chapter 11 Plan of SpeedCast International Limited and Its Debtor Affiliates* (ECF No. 992, Exhibit A) (and as may be amended, modified, or supplemented in accordance with the terms thereof, the “Plan”) and the *Disclosure Statement for Amended Joint Chapter 11 Plan of SpeedCast International Limited and Its Debtor Affiliates* (ECF No. 893) (and as may be further amended, the “Disclosure Statement”), and the *Motion of Debtors Pursuant to 11 U.S.C. Section 1121(d) to Further Extend Exclusive Periods* (ECF No. 853), which began on December 17, 2020 at approximately 9:00 a.m. (CST) before the Honorable Marvin Isgur and is scheduled to resume at 1:30 p.m. (CST) on December 22, 2020 or as soon thereafter as counsel may be heard.

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/speedcast>. The Debtors’ service address for the purposes of these chapter 11 cases is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.

² This Supplemental Witness and Exhibit List includes and incorporates all prior witness and exhibit lists filed on behalf of the Debtors related to the Hearing.



WITNESSES

The Debtors may call any of the following witnesses at the Hearing:

1. Carol Flaton, Independent Member of the Special Restructuring Committee;
2. Michael Healy, Chief Restructuring Officer, SpeedCast International Limited;
3. David Mack, Independent Member of the Special Restructuring Committee;
4. P. Joseph Morrow, Vice President of Corporate Restructuring Services, Kurtzman Carson Consultants LLC;
5. Joseph Spytek, President and Chief Commercial Officer, SpeedCast International Limited;
6. Adam Waldman, Executive Director, Moelis & Company LLC;
7. Jared Hendricks, Senior Managing Director, Centerbridge Partners, L.P.;
8. Christopher J. Kearns, Managing Director, Berkeley Research Group, LLC;
9. Bao Truong, Senior Managing Director, Centerbridge Partners, L.P.;
10. Ethan Auerbach, Portfolio Manager, Black Diamond Capital Management;
11. Richard Davis, Managing Partner, ArgoSat Consulting LLC;
12. Any witness called or listed by any other party; and
13. Any rebuttal witnesses.

EXHIBITS

The Debtors may offer into evidence any one or more of the following supplemental exhibits:

DEBTORS EXHIBIT NO.	DESCRIPTION	OFFERED	OBJECTION	ADMITTED	DATE
89A	Amended Declaration of Adam Waldman in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of SpeedCast International and Its Affiliated Debtors (“ Waldman Confirmation Declaration ”) ECF No. 1145, dated 12/17/20				
90A	Amended Exhibit A to Waldman Confirmation Declaration, Contribution Analysis, ECF No. 1146, dated 12/17/20 [<i>filed under seal</i>]				
Dem. 1	Revenue Growth FY20 – FY23 [<i>Demonstrative</i>]				
Dem. 2	Proposal Timeline [<i>Demonstrative</i>]				
71D	Excerpts from Expert Report of Adam B. Waldman, dated 12/10/20 [<i>Demonstrative</i>] [<i>filed under seal</i>]				
110.	Any exhibit designated by any other party				
111.	Any pleading or other document filed with the Court on the docket of the above-captioned chapter 11 cases				
112.	Any exhibit necessary to rebut the evidence or testimony of any witness offered or designated by any other party				

The Debtors reserve the right to amend or supplement this Third Supplemental Witness and Exhibit List and all previously-submitted witness and exhibit lists at any time prior to or during the Hearing.

Dated: December 21, 2020
Dallas, Texas

Respectfully submitted,

/s/ Paul R. Genender

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*Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on December 21, 2020, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Paul R. Genender

Paul R. Genender

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL LIMITED, et al.,	§	
	§	Case No. 20-32243 (MI)
	§	
Debtors.¹	§	(Jointly Administered)
	§	

**AMENDED DECLARATION OF ADAM WALDMAN IN SUPPORT OF
CONFIRMATION OF SECOND AMENDED JOINT CHAPTER 11 PLAN OF
SPEEDCAST INTERNATIONAL LIMITED AND ITS AFFILIATED DEBTORS**

I, Adam Waldman, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I submit this amended declaration (the “**Declaration**”) in support of the *Debtors’ Memorandum of Law in Support of Confirmation of Second Amended Joint Chapter 11 Plan of Speedcast International Limited and Its Affiliated Debtors* (the “**Brief**”), which is being filed contemporaneously with this Declaration.²

Professional Background and Qualifications

2. I am an Executive Director at Moelis & Company LLC (“**Moelis**”). On February 24, 2020, the Debtors engaged Moelis to serve as a financial advisor and investment banker in connection with the Debtors’ restructuring initiatives. As a result, I, along with other

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/speedcast> (the “**Claims Agent Website**”). The Debtors’ service address for the purposes of these chapter 11 cases is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.

² Capitalized terms used but not otherwise defined in this Declaration shall have the meanings ascribed to such terms in the Brief or the *Second Amended Joint Chapter 11 Plan of SpeedCast International Limited and Its Debtor Affiliates* [ECF No. 992] (as may be amended, modified, or supplemented in accordance with the terms thereof, the “**Plan**”), as applicable.

members of the Moelis team, have become familiar with the Debtors' capital structure, finances, liquidity needs, and business operations.³

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Debtors' operations and finances; personal knowledge gleaned during the course of my engagement with the Debtors; my discussions with the Debtors' senior management, the Debtors' other advisors, or members of the Moelis team; my review of relevant documents; or my views based upon experience, knowledge, and information concerning the Debtors' operations and financial affairs. I am authorized to submit this Declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth herein.

Plan Sponsor Selection Procedures

A. Creation

4. In support of a value-maximizing plan of reorganization, the Debtors and their advisors, including me and my team at Moelis, developed and revised certain procedures (the "**Plan Sponsor Selection Procedures**") to select a plan sponsor under a timeline allowed by the Debtors' projected liquidity and enable the Debtors to successfully exit their chapter 11 cases before the DIP Facility matures on March 15, 2021 (the "**Exit Deadline**"). The Plan Sponsor Selection Procedures were designed to promote a fair, transparent, efficient, competitive, and value-maximizing plan selection process (the "**Plan Sponsor Selection Process**"). To further this goal, the Plan Sponsor Selection Procedures reflect input from various parties, including the official committee of unsecured creditors (the "**Creditors' Committee**") and Centerbridge

³ Additional information regarding my background and qualifications can be found in the *Declaration of Adam Waldman in Support of Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting Liens and Providing Superpriority Administrative Expense Status, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, (V) Scheduling a Final Hearing and (VI) Granting Related Relief* [ECF No. 34], which is fully incorporated herein by reference.

Partners, L.P. (“**Centerbridge**”), and address certain comments included in the objection to the Debtors’ Disclosure Statement filed by Black Diamond Capital Management, L.L.C. (“**Black Diamond**”) on October 16, 2020 [ECF No. 827].

5. In developing the Plan Sponsor Selection Procedures, the Debtors aimed to solicit proposals from potential plan sponsors (each, a “**Plan Sponsor Proposal**,” and the submitting party, a “**Prospective Plan Sponsor**”) and, ultimately, from the Plan Sponsor Proposals received, select an offer that was higher or better than the proposal provided by the Initial Plan Sponsor (the “**Successful Plan Sponsor Proposal**”).

B. Key Terms

6. The Plan Sponsor Selection Procedures provided for a competitive process by which the Debtors could maximize value for all stakeholders in the Debtors’ chapter 11 cases. While the Debtors began the Plan Sponsor Selection Process with Centerbridge as an initial plan sponsor (the “**Initial Plan Sponsor**”),⁴ the Plan Sponsor Selection Procedures provided the Debtors with the ability, in their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law, to accept a subsequent Plan Sponsor Proposal that was higher or better than the proposal provided by the Initial Plan Sponsor.

7. The Debtors also maintain the ability in the Plan Sponsor Selection Procedures to modify or terminate the Plan Sponsor Selection Procedures, to waive terms and conditions set forth therein, to extend any of the applicable dates or deadlines, and to terminate discussion with any or all Prospective Plan Sponsors at any time. The Creditors’ Committee also maintains oversight over modifications to the Plan Sponsor Selection Procedures to ensure that

⁴ On October 10, 2020, the Debtors executed an *Amended and Restated Equity Commitment Agreement* (the “**ECA**” or the “**Initial Plan Sponsor Transaction**”) with Centerbridge. As described in the Plan Sponsor Selection Procedures, the Debtors will proceed with the ECA in the absence of any higher or better Plan Sponsor Proposals.

the Plan Sponsor Selection Process remains fair, competitive, and continues to maximize value for the Debtors and their estates. These modification rights allow the Debtors to exercise their fiduciary duty to maximize value for the Debtors' estates, providing the Debtors with the flexibility to pursue value-enhancing Plan Sponsor Proposals that the Debtors might not have been able to receive without modifying the Plan Sponsor Selection Procedures. For example, in the spirit of running a competitive and value-maximizing process, the Debtors chose to extend the deadline for Plan Sponsor Proposals by two days to allow for the submission of a potential Plan Sponsor Proposal. In my experience, such modification rights are customary in chapter 11 cases in order to guarantee that the Debtors may continue to pursue higher or better bids in their reasonable business judgment and are not prevented from maximizing value.

i. Process for Submitting Proposals

8. The Plan Sponsor Selection Procedures provided for a two-phase process. In the initial phase, the Debtors sought non-binding indications of interest (each an "**Indication of Interest**") from interested parties, to be submitted by October 23, 2020. During the initial phase, once an interested party submitted a non-disclosure agreement satisfactory to the Debtors, assuming no prior confidentiality agreement existed, the interested party received access to a dataroom including a confidential information memorandum, select historical financial data of the Debtors, and a schedule of the Debtors' estimated emergence costs.

9. In the second phase, the Debtors invited all interested parties to submit Plan Sponsor Proposals by November 16, 2020, which was later extended to November 18, 2020. During the second phase, invited parties were provided with more confidential information through the dataroom and were invited to engage in diligence meetings with management and the Debtors' advisors. After the deadline for Plan Sponsor Proposals, the

Debtors were required to notify the Prospective Plan Sponsors whether their Plan Sponsor Proposals met the criteria to qualify for consideration by the Debtors (any such qualifying proposal a “**Qualified Plan Sponsor Proposal**”) by November 20, 2020. Ultimately, the Debtors did not receive any Qualified Plan Sponsor Proposals.

ii. Requirements for Plan Sponsor Proposals

10. Pursuant to the Plan Sponsor Selection Procedures, the Debtors could select a value-maximizing Plan Sponsor Proposal according to criteria that, in my experience, are reasonable, are in the best interests of the Debtors, and are in line with criteria required in similar situations and transactions. Specifically, the Plan Sponsor Selection Procedures provided various requirements for Qualified Plan Sponsor Proposals that are narrowly tailored to the Debtors’ restructuring goals. Among other things, the criteria included:

- A minimum bid of \$505 million for the equity interests in a newly formed parent entity of the Debtors and their non-Debtor affiliates (the “**New Speedcast Equity Interests**”);
- A minimum cash amount of \$350 million; and
- A requirement that any proposal delaying the Debtors’ chapter 11 cases past the Exit Deadline finance the Debtors’ chapter 11 cases after the Exit Deadline.

11. The Debtors required Qualified Plan Sponsor Proposals to offer aggregate consideration of at least \$505 million for the New Speedcast Equity Interests, reflecting a bid increment of \$5 million over the initial bid—or, an increment equal to one percent of the initial bid—in order to set a clear and transparent guidepost to Prospective Plan Sponsors. Based on my experience, the amount of the minimum increment is for purposes of covering the costs the Debtors expected to incur in the event they chose to enter into a transaction other than the one contemplated with the Initial Plan Sponsor.

12. The requirement for a Plan Sponsor Proposal to provide a minimum cash amount of \$350 million was likewise reasonable, and it was based on the Debtors' liquidity needs. In order to exit their chapter 11 cases before the Exit Deadline, the Debtors require an influx of cash to pay certain exit fees, including, among others: (i) the full repayment of the DIP Facility in cash; (ii) the payment of all administrative and priority claims, including fees incurred by the Debtors' professional advisors and claims arising under section 503(b)(9) of the Bankruptcy Code; (iii) the provision of cash collateral for letters of credit; (iv) the payment of cure amounts arising under prepetition contracts; (v) payment of certain lease and vendor exit costs; (vi) payment to unsecured trade claims; and (vii) funding of the Litigation Trust. Based on these costs, the Debtors require a minimum of \$350 million in cash, exclusive of the \$150 million minimum recovery to prepetition secured lenders under the Plan. Based on my experience in these proceedings and in similar cases, this requirement did not foreclose competitive Plan Sponsor Proposals.

13. The Debtors also required Plan Sponsor Proposals delaying the chapter 11 cases past the Exit Deadline to provide requisite financing to accommodate the Debtors' liquidity runway. As described above, the Debtors developed the Plan Sponsor Selection Procedures in light of, among other things, the Debtors' need to exit their chapter 11 cases before the Exit Deadline. The Debtors, therefore, implemented a financing requirement in order to retain the flexibility to accept higher or otherwise better offers that do not allow the Debtors to exit their chapter 11 cases before March 15, 2021. This requirement balanced the Debtors' liquidity needs with the Debtors' fiduciary duty to maximize value.

14. The Plan Sponsor Selection Procedures further required that a competing Prospective Plan Sponsor agree to serve as a back-up plan sponsor (the "**Back-Up Plan**

Sponsor”) if its Plan Sponsor Proposal were chosen as the next best Plan Sponsor Proposal after the Successful Plan Sponsor Proposal. In my experience, this is a reasonable and fair requirement. The requirement to serve as Back-Up Plan Sponsor allows the Debtors to retain an exit path out of their chapter 11 cases.

C. Timeline

15. Based on my experience, the Plan Sponsor Selection Procedures are appropriately tailored to allow the Debtors to run a process given their projected liquidity. The Debtors solicited Plan Sponsor Proposals in an efficient manner and on a reasonable timeline to determine, in their reasonable judgment and after consultation with their financial and legal advisors, which of the Qualified Plan Sponsor Proposals provided the most value or otherwise was the best Plan Sponsor Proposal.

16. In developing the procedures and time periods set forth in the Plan Sponsor Selection Procedures, the Debtors balanced the need to provide adequate and appropriate notice to Prospective Plan Sponsors with the need to quickly and efficiently select a Successful Plan Sponsor Proposal to meet the Exit Deadline. Based on my experience, these procedures were reasonable under the Debtors’ circumstances and were similar to procedures I have seen used in other similar circumstances.

17. More specifically, the Debtors and their advisors tailored the timeline to the realities of the Debtors’ liquidity runway and relationships with potential interested parties. One of the Debtors’ primary requirements in selecting a Successful Plan Sponsor Proposal was their need to exit their chapter 11 cases before the Exit Deadline. The Debtors also knew they would need to receive certain regulatory approvals, including licensing approvals in various countries, based on guidance from the Debtors’ counsel, further shortening their time to select a Successful Plan Sponsor Proposal. Accordingly, the structure of the Plan Sponsor Selection

Procedures takes into account this short liquidity runway balanced against the Debtors' prior identification of relevant parties likely to participate in the Plan Sponsor Selection Process, discussed below.

18. The marketing process was meant to—and, ultimately, did—provide sufficient time for the Debtors and Moelis to reach out to interested parties and receive Indications of Interest and Plan Sponsor Proposals while also allowing the Debtors to remain on schedule to emerge from the chapter 11 cases before the Exit Deadline. Months before the Debtors filed the Plan Sponsor Selection Procedures, they had identified the universe of potential interested parties, including certain financing parties, strategic parties, and other parties suggested by the Debtors' lenders. In fact, various parties affirmatively contacted the Debtors and Moelis before the Plan Sponsor Selection Procedures were filed, beginning as early as May 2020. The Debtors began to receive more credible inbound proposals from interested parties beginning in late June and early July 2020 and continued to entertain informal inquiries until the Plan Sponsor Selection Process officially commenced in late September 2020.

19. As evidenced by the inbounds received from interested parties before the Plan Sponsor Selection Process even began,⁵ the parties likely to submit offers knew of the opportunity, and the Debtors believed these parties therefore would be able to quickly mobilize and submit Indications of Interest and Plan Sponsor Proposals under the Plan Sponsor Selection Procedures. Based on my experience, including my participation in these chapter 11 cases, I do not believe the Debtors would have received any higher or otherwise better Plan Sponsor Proposals with an extended marketing process.

⁵ The inbounds received before the Plan Sponsor Selection Process began include informal discussions with interested parties. Moelis did not believe these inbounds represented credible offers at that stage.

20. For all of the foregoing reasons, the time periods set forth in the Plan Sponsor Selection Procedures are reasonable under the circumstances and provided parties with sufficient time and information to submit Indications of Interest and subsequent Plan Sponsor Proposals.

Plan Sponsor Selection Process

21. Through the Plan Sponsor Selection Process, the Debtors engaged with twenty interested parties, excluding the Initial Plan Sponsor, and fielded three Indications of Interest from two parties. Ultimately, despite the opportunity for numerous parties to submit higher or otherwise better Plan Sponsor Proposals, no party submitted a Plan Sponsor Proposal. Based on my experience, including in these chapter 11 cases, the \$500 million commitment from Centerbridge under the ECA represents the highest value reasonably achieved by the Debtors under the Plan Sponsor Selection Process.

A. Phase I of the Plan Sponsor Selection Procedures

22. The marketing process under the Plan Sponsor Selection Procedures provided sufficient time for the Debtors to solicit Plan Sponsor Proposals. The formal process took place over seven weeks, and, as explained above, the informal process began several months prior to the Plan Sponsor Selection Process. The Plan Sponsor Selection Process formally began in late September 2020, and Moelis has since engaged with twenty parties to gauge interest in submitting a Plan Sponsor Proposal.⁶ The Debtors executed non-disclosure agreements with five parties, and Moelis and the Debtors provided access to the Debtors' dataroom to all of the parties that executed non-disclosure agreements. Moelis and the Debtors prepared due diligence materials that were made available once the non-disclosure agreements

⁶ During the Plan Sponsor Selection Process, Moelis reached out to nineteen parties. Moelis also engaged with one repetition lender who was also previously a DIP lender.

were executed. All parties with an executed non-disclosure agreement had full access to due diligence materials and the dataroom.

23. The Debtors received three total Indications of Interest from two Prospective Plan Sponsors. One of the three Indications of Interest included a credit bid. Both parties were permitted access to Phase II diligence, but ultimately, one Prospective Plan Sponsor withdrew its two Indications of Interest.

B. Phase II of the Plan Sponsor Selection Procedures

24. Once the Debtors approved an Indication of Interest for the second phase of diligence, the submitting party was granted access to additional information in the dataroom. This additional information included: (i) sufficient information on the Debtors' proposed business transformation plans; (ii) redacted customer and supplier information; (iii) historical and forecast divisional financials; (iv) material contracts (redacted, as necessary); (v) a summary of relevant financing arrangements; (vi) the Final ECA; (vii) relevant legal, regulatory, management and operational information; and (viii) a management presentation.

25. All Potential Plan Sponsors had access to the same information as each other and the Initial Plan Sponsor in the second phase dataroom, including the same commercial, financial, and legal documents. The Debtors additionally received several hundred requests for information from the parties with access to the second phase dataroom and responded to approximately 450 requests for further commercial, financial, human resources, legal, tax, technological, and other information. After anonymizing the requests, the Debtors provided the answers to these requests to all parties with access to the dataroom. Over 2,600 documents were uploaded to the dataroom for Potential Plan Sponsors to review.

26. The Debtors also provided 26 management presentations on topics including business overviews, technology, platform and ground architecture, facilities, strategy,

transformation, vertical deep-dives, finance, tax, and human capital.⁷ Parties were given access to senior management including, but not limited to: Joe Spytek, the President and Chief Commercial Officer; Peter Myers, the Chief Financial Officer; Chris Hill, the Chief Technological Officer; Dominic Gyngell, the General Counsel; and John Truschinger, the Chief Administrative Officer. The Debtors' financial and legal advisors also participated in calls to discuss regulatory, compliance, and transaction structuring issues.

27. To allow Prospective Plan Sponsors additional time to submit Plan Sponsor Proposals, the Debtors extended the deadline to submit Plan Sponsor Proposals from November 16 to November 18, 2020.

28. Despite initial interest, the Debtors ultimately did not receive any Plan Sponsor Proposals. Parties that declined to submit bids stated that, among other reasons for not submitting bids: (i) the parties did not want to submit bids higher than the full value of the Initial Plan Sponsor Transaction; and (ii) the parties did not want to undertake the efforts needed to effectuate the transformation plan under the Debtors' business plan.

29. As described above and based on my experience, through the Plan Sponsor Selection Procedures, the Debtors created a fair and transparent process designed to achieve the highest value under the circumstances for the Debtors and their estates, and created a path to exit their chapter 11 cases by the Exit Deadline. The Plan Sponsor Selection Procedures laid out clear and reasonable standards for the Indications of Interest and Plan Sponsor Proposals that allowed Prospective Plan Sponsors the opportunity to submit competitive Plan Sponsor Proposals that were higher or better than the Initial Plan Sponsor Transaction.

⁷ In comparison, the Initial Plan Sponsor was only provided with seven management presentations, on topics including business updates, strategy updates, transformation progress, and vertical updates.

Government Business Contribution

30. As described in the Contribution Analysis Framework, attached hereto as **Amended Exhibit A**,⁸ members of the Moelis team and I developed a framework to analyze the contribution of the Government Business to Speedcast’s overall enterprise value by conducting two analyses: (i) the Segment Contribution Analysis; and (ii) the Illustrative Value Allocation Analysis (each, an “**Analysis**,” and collectively, the “**Analyses**”). The Analyses compared certain data including, financial metrics, third-party indications of interest, and certain historical transactions to estimate the contribution of the Government Business—i.e., the five wholly-owned subsidiaries of the Debtors, including Ultisat and Globecom—to the overall value of Speedcast. This, in turn, provides a range of the estimated implied value attributable from the Government Business to the prepetition Syndicated Facility Agreement (“**SFA**”) secured claims under the Plan. Although neither method expresses a formal opinion of the value of the Government Business, each acts as a framework through which one could form a proxy for the value of the Government Business.

31. As a result of the Analyses described in this Declaration and Amended Exhibit A, the framework indicates that the Government Business contributes independent value to Speedcast’s overall business, both when comparing projected financial metrics, *see* Am. Ex. A at 1–2, and market indications, *see* Ex. A at 3. Accordingly, the implied value attributable to the prepetition SFA secured claims is less than the recovery offered to SFA secured creditors under the Plan. *See* Am. Ex. A at 4–5.

32. In developing the Analyses to frame the approximate implied value attributable to the SFA secured claims, Moelis relied on data from FTI regarding the DIP

⁸ Capitalized terms used but not otherwise defined in this section of my Declaration shall have the meanings ascribed to such terms in Amended Exhibit A.

forecast, capital leases assumed at emergence, the DIP Facility, prepetition contract cure claims, professional advisor fees, section 503(b)(9) claims, cash collateral for letters of credit, ANZ finance lease, and Inmarsat exit costs (collectively, the “**Priority Claims**”). Moelis also relied on the implied total enterprise value (“**TEV**”) range established in the Valuation Analysis annexed as Exhibit F to the Disclosure Statement.

A. Segment Contribution Analysis

33. To approximate the Government Business’s contribution to the Company as a whole, Moelis considered the financial metrics of both the Government Business and Speedcast’s overall business for the next three years as forecasted by the Debtors’ Projection Model (the “**Business Plan**”), including projected:

- Gross Profit, i.e., revenue less cost of goods sold;
- EBIT, i.e., earnings before interest and taxes or gross profit less operating expenses;
- EBITDA, i.e., earnings before interest, taxes, depreciation, and amortization; and
- Unlevered Free Cash Flow, i.e., EBIT less taxes plus depreciation and amortization, less capex less change in net working capital.

See Am. Ex. A at 1–2.

34. Moelis performed this Analysis both including and excluding anticipated Transformation Plan benefits. *See id.* Across the range of metrics—even when accounting for the anticipated Transformation Plan benefits—the Government Business consistently contributes 20–30% of Speedcast’s revenue and gross profit through 2023. *See id.*

B. Illustrative Value Allocation Analysis

35. The Illustrative Value Allocation Analysis shows a range of implied values attributable to the prepetition SFA secured claims across a range of illustrative EBITDA multiples.

36. To approximate the illustrative value of the Government Business, Moelis examined historical indications of interests received for the Government Business as part of prior processes and historical acquisitions of the businesses that constitute the Government Business. *See* Am. Ex. A at 3. Project Horn was a sale process for the Government Business that the Speedcast board of directors authorized on a prepetition basis in early 2020, which was conducted by another investment bank. The Financial Sponsor Indication of Interest was likewise a bid for the Government Business in mid-2020, which the Debtors received while Moelis was engaged. The Globecomm and Ultisat acquisitions are components of the Government Business that Speedcast purchased in 2018 and 2017, respectively (collectively, with the Project Horn and Financial Sponsor Indications of Interest, the “**Historical Indications of Value**”).

37. Moelis first developed the range of illustrative EBITDA multiples by extrapolating the EBITDA multiples suggested by each of the Historical Indications of Value. *See id.* The Historical Indications of Value suggest that the Government Business has a value that falls within the 5.0–10.0x range of LTM EBITDA multiples. *See* Am. Ex. A at 3. Moelis then applied the range of illustrative EBITDA multiples to the Government Business’s projected LTM EBITDA, both on January 31, 2021 (the “**Emergence Date**”) and March 15, 2021 (the “**Outside Date**”), to arrive at a range of illustrative implied value of the Government Business. *See* Am. Ex. A at 4–5.

38. To develop a range of approximate implied values attributable to the prepetition SFA secured claims, Moelis next subtracted the calculated illustrative implied value of the Government Business and the Priority Claims from \$460 million, the high-end of the implied TEV range Moelis established for Speedcast's overall business. The remaining value or deficiency indicated the implied amount attributable to the prepetition SFA secured claims. *See* Am. Ex. A at 4–5.

39. As indicated by both the Segment Contribution Analysis and the Historical Indications of Value, the implied value attributable to the prepetition SFA secured claims is less than the recovery available under the Plan in all circumstances considered. *See* Am. Ex. A at 4–5.

Dated: December 17, 2020
New York, New York

/s/ Adam Waldman
Adam Waldman
Executive Director
Moelis & Company LLC

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Amended Exhibit A

Contribution Analysis Framework

FILED UNDER SEAL

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL LIMITED, <i>et al.</i>,	§	
	§	Case No. 20-32243 (MI)
	§	
Debtors.¹	§	(Jointly Administered)
	§	

DEBTORS' EXHIBIT NO. 90A

FILED UNDER SEAL

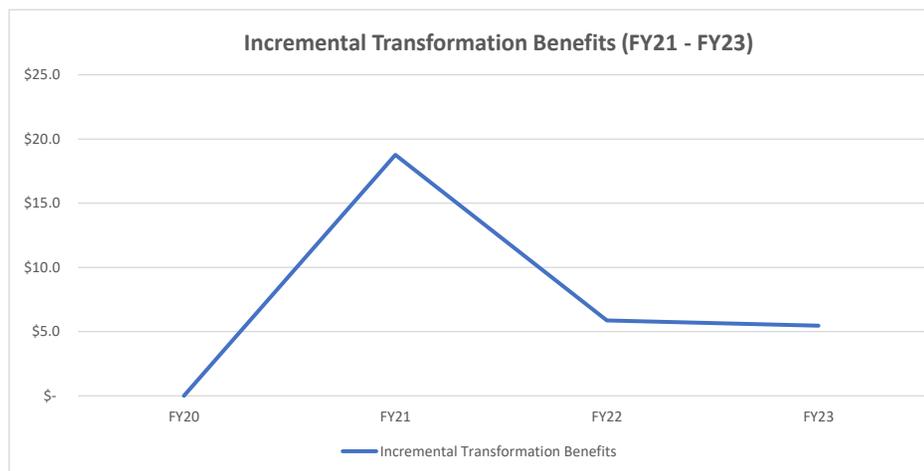
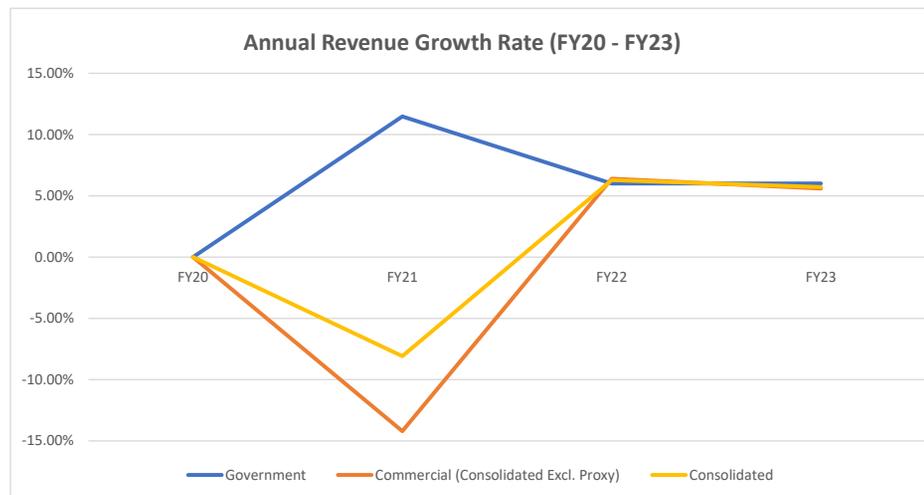
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*Privileged and Confidential
Subject to FRE 408 and Equivalents
Prepared at the Request of Counsel*

Revenue				
	FY20	FY21	FY22	FY23
Cruise	73.0	77.2	98.1	109.9
Commercial Maritime	83.0	50.0	51.3	53.0
Energy	144.4	116.3	112.8	116.6
EEM	117.3	114.9	119.0	123.2
Government	130.7	145.7	154.4	163.7
Commercial (Consolidated Excl. Proxy)	417.7	358.4	381.3	402.7
Consolidated	548.4	504.1	535.8	566.4

Revenue Growth				
	FY20	FY21	FY22	FY23
Cruise		5.7%	27.1%	12.0%
Commercial Maritime		(39.7)%	2.6%	3.2%
Energy		(19.4)%	(3.0)%	3.4%
EEM		(2.1)%	3.6%	3.5%
Government		11.5%	6.0%	6.0%
Commercial (Consolidated Excl. Proxy)		(14.2)%	6.4%	5.6%
Consolidated		(8.1)%	6.3%	5.7%

Transformation Benefits		18.8	24.6	30.1
Incremental Transformation Benefits		18.8	5.9	5.5



Proposal Timeline



Date	Description
August 5, 2020	Centerbridge Initial ECA proposal (DX 21.04)
August 12, 2020	Debtors/Centerbridge execute the ECA and file the Initial ECA Motion (DX 17, DX 18)
August 13, 2020	Black Diamond sends proposal (DX 21.05)
August 24, 2020	Black Diamond sends executed ECA (DX 21.09)
August 25, 2020	Centerbridge sends revised proposal (DX 21.10)
August 26, 2020	Debtors advise Black Diamond that they will withdraw the Initial ECA (withdrawn August 31, ECF No. 646)
August 31, 2020	Black Diamond sends proposal (DX 21.13)
September 2, 2020	Centerbridge sends increase to August 25 proposal (DX 21.15)
September 3, 2020	Black Diamond sends update to August 31 proposal including governance term sheet (DX 21.16)
September 7, 2020	Black Diamond sends proposal with new proposed DIP (DX 21.18)
September 11, 2020	Centerbridge sends increase to September 2 proposal
September 16, 2020	Centerbridge sends Amended ECA (DX 21.23)
September 23, 2020	Black Diamond sends proposal (DX 21.26)
October 10, 2020	Amended ECA with Centerbridge and filed Plan with PSSP
October 23, 2020	Black Diamond sends two non-binding IOIs to get into second round diligence (DX 21.29, DX 21.30)
October 28, 2020	Black Diamond sends update to non-binding IOI (DX 21.32)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
SPEEDCAST INTERNATIONAL	§	
LIMITED, <i>et al.</i>,	§	Case No. 20-32243 (MI)
	§	
Debtors.¹	§	(Jointly Administered)
	§	

**DEBTORS' DEMONSTRATIVE
EXHIBIT NO. 71D**

FILED UNDER SEAL

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <http://www.kcellc.net/speedcast>. The Debtors' service address for the purposes of these chapter 11 cases is 4400 S. Sam Houston Parkway East, Houston, Texas 77048.