



## Comtech Telecommunications Corp. Enters Into New \$550.0 Million Credit Facility

November 5, 2018

MELVILLE, N.Y.--(BUSINESS WIRE)--Nov. 5, 2018-- November 5, 2018--Comtech Telecommunications Corp. ("Comtech") (NASDAQ:CMTL) announced today that it entered into a new \$550.0 million credit facility (the "Credit Facility") with a syndicate of lenders on October 31, 2018. The Credit Facility consists of a senior secured revolving loan facility with a borrowing limit of \$300.0 million and an accordion feature allowing the Company to borrow up to an additional \$250.0 million, plus additional amounts subject to pro forma covenant compliance. The Credit Facility will be used for general corporate purposes, including supporting the Company's growth strategies. The Company's prior credit facility was refinanced in full.

The new Credit Facility has a five-year term which expires in October 2023 and provides for, among other things:

- Significant increase in balance sheet flexibility;
- No scheduled payments of principal until maturity;
- Maximum Secured Leverage Ratio covenant of 3.75x, with no step downs;
- Minimum Interest Expense Coverage Ratio covenant of 3.25x;
- Reduced interest rates of approximately 25 basis points as compared to its prior facility based on the Company's Secured Leverage Ratio as of July 31, 2018; and
- Elimination or relaxation of many restrictive covenants in the Company's prior facility.

These and other changes are more fully described in the Company's Form 8-K filed with the Securities and Exchange Commission ("SEC") today.

Fred Kornberg, Chairman and Chief Executive Officer of Comtech, said, "We are very pleased with our new Credit Facility which provides us significantly better terms and enhanced balance sheet flexibility. We thank our banking partners for supporting Comtech as we pursue our long-term business strategies."

As of July 31, 2018, the Company's total debt outstanding under its prior facility was \$168.7 million, its Secured Leverage Ratio and Leverage Ratio were 2.19x and its Interest Expense Coverage Ratio was 10.3x. Deferred financing costs of approximately \$3.2 million, primarily associated with the term loan portion of the Company's prior facility, will be expensed during the Company's first quarter of fiscal 2019, which ended October 31, 2018.

Comtech Telecommunications Corp. designs, develops, produces, and markets innovative products, systems and services for advanced communications solutions. The Company sells products to a diverse customer base in the global commercial and government communications markets.

Certain information in this press release contains statements that are forward-looking in nature and involve certain significant risks and uncertainties. Actual results could differ materially from such forward-looking information. The Company's SEC filings identify many such risks and uncertainties. Any forward-looking information in this press release is qualified in its entirety by the risks and uncertainties described in such SEC filings.

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