

# ViaSat, Inc.

## FY17 Q2 Results

November 8, 2016

# Safe Harbor Disclosure

## Forward-Looking Statements

This presentation contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. We use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” variations of such words and similar expressions to identify forward-looking statements. In addition, statements that refer to projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; anticipated performance of products or services; anticipated satellite construction and launch activities; the performance and anticipated benefits of the ViaSat-2 and ViaSat-3 satellites; the expected capacity, service, coverage, service speeds and other features of ViaSat-2 and ViaSat-3, and the timing, cost, economics and other benefits associated therewith; anticipated subscriber growth; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed in any forward-looking statements. Factors that could cause actual results to differ include: our ability to realize the anticipated benefits of the ViaSat-2 and ViaSat-3 satellites; unexpected expenses related to the satellite project; our ability to successfully implement our business plan for our broadband satellite services on our anticipated timeline or at all, including with respect to the ViaSat-2 and ViaSat-3 satellite systems; risks associated with the construction, launch and operation of our satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; negative audits by the U.S. government; changes in the global business environment and economic conditions; delays in approving U.S. government budgets and cuts in government defense expenditures; our reliance on U.S. government contracts, and on a small number of contracts which account for a significant percentage of our revenues; our ability to successfully develop, introduce and sell new technologies, products and services; reduced demand for products and services as a result of continued constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; our reliance on a limited number of third parties to manufacture and supply our products; increased competition and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes on our ability to sell products and services; our level of indebtedness and ability to comply with applicable debt covenants; our involvement in litigation, including intellectual property claims and litigation to protect our proprietary technology; and our dependence on a limited number of key employees. In addition, please refer to the risk factors contained in our SEC filings available at [www.sec.gov](http://www.sec.gov), including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to revise or update any forward-looking statements for any reason.

## GAAP Reconciliation

This presentation includes non-GAAP financial measures to supplement ViaSat’s consolidated financial statements presented on a GAAP basis. We believe these measures are appropriate to enhance an overall understanding of ViaSat’s past financial performance and prospects for the future. However, the presentation of this additional information is not meant to be considered in isolation or as a substitute for measures of financial performance prepared in accordance with GAAP. A reconciliation between the non-GAAP financial information and the most comparable GAAP financial information is provided in our earnings release, which is available on the Investor Relations section of our website at [www.viasat.com](http://www.viasat.com).

# Recent Accomplishments

- Exceptional government growth - record awards, revenue, earnings
- Record-level ARPU, margins, revenue, adjusted EBITDA from ViaSat-1
- Important commercial in-flight Wi-Fi contract wins – major North American airline, as well as European airlines Finnair & SAS
- ViaSat-2 and first two ViaSat-3 class satellites on schedule, offering compelling platform opportunity

# Government Systems Highlights

Record Q2 YTD revenue,  
Adjusted EBITDA  
& awards

**\$323 Million, up 10%**  
**\$ 77 Million, up 24%**  
**\$517 Million, up 45%**

Growth opportunities



Tactical Data Links



Broadband Mobility



Secure Networks

Market recognition



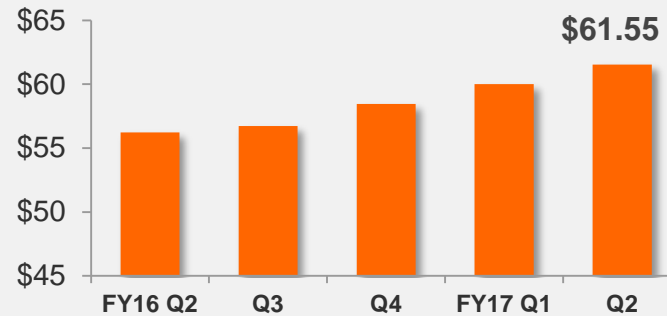
## FROST & SULLIVAN

Communications segment, Top 10 Contractors, Q2, 2019

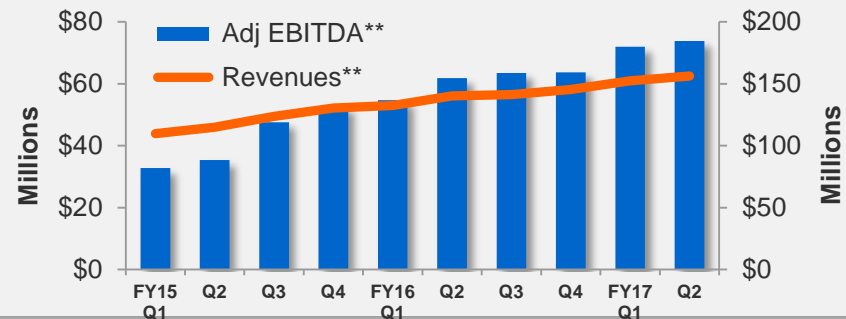
Contractor	Number of Awards	Value (\$ Million)	Average Value (\$ Million)	Leading Technology Area
ViaSat	4	755.4	188.9	Datalinks
	7	742.6	106.1	Radio
Data Link Solutions	2	637.6	318.8	Datalinks
Raytheon	11	483.1	43.9	Cybersecurity
Northrop Grumman	10	414.7	41.5	Networks
General Dynamics	6	255.0	42.5	Radio
Boeing	5	239.9	48.0	Datalinks
Thales	2	212.6	106.3	Radio
Rockwell Collins	8	194.2	24.3	Radio
Vectrus Systems	1	160.2	160.2	Networks
Others (26)	37	731.4	19.8	Datalinks
<b>Total</b>	<b>93</b>	<b>4,826.7</b>	<b>51.9</b>	<b>Datalinks</b>

# Residential Broadband Highlights

**Record-level  
ARPU, up 9% YoY**



**Continued growth  
in Sat Services  
revenue &  
Adjusted EBITDA**



**Driving value from  
ViaSat-1**

- ✓ Capitalize on satellite productivity
- ✓ Enter new vertical & geographic markets
- ✓ Invest in network enhancement technologies
- ✓ Offer new value-added services

# Commercial Air Highlights

Aircraft flying &  
new awards

**533** Commercial aircraft in service  
**~650** New commercial aircraft awarded

Winning new  
opportunities



North American Carrier

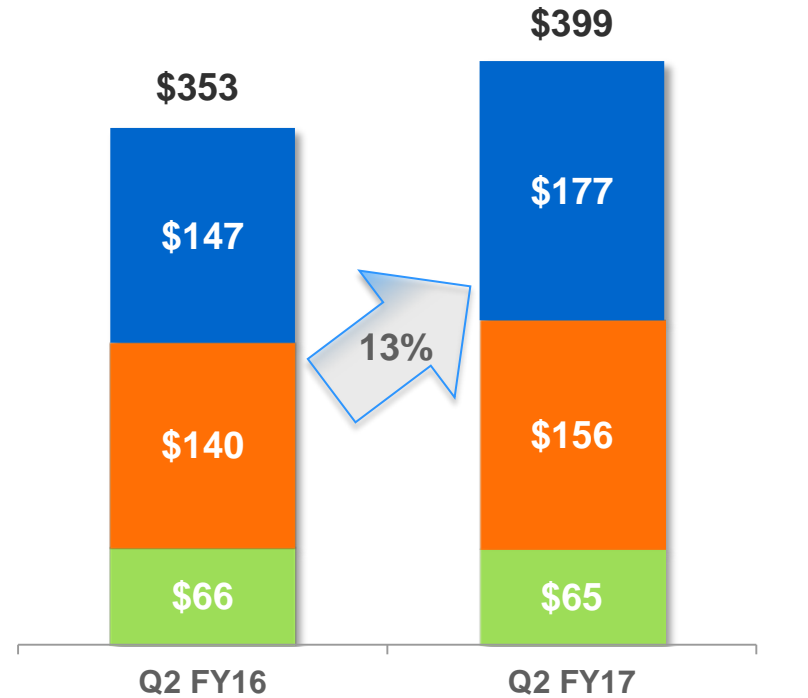
**FINNAIR**  
**SAS**

Bringing high-quality  
in-flight Wi-Fi globally



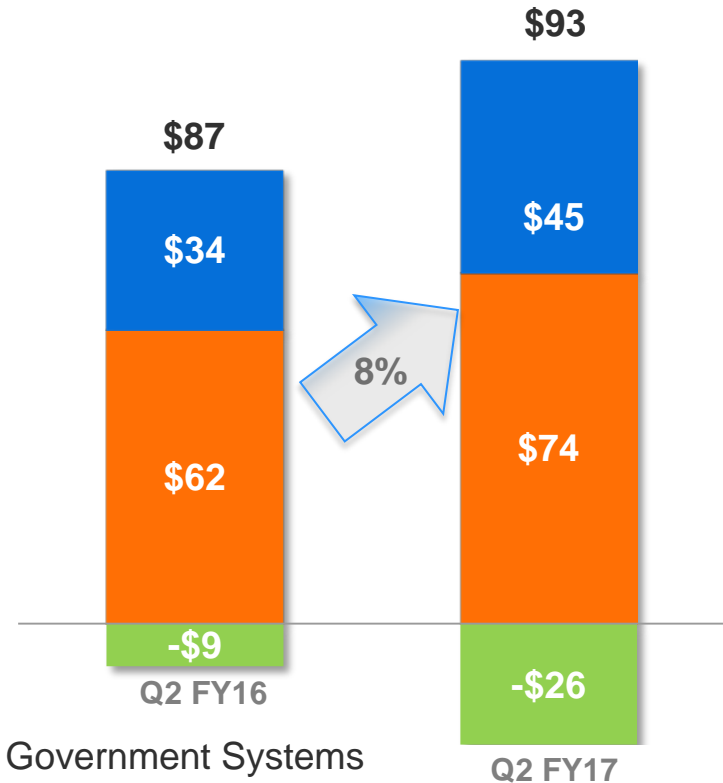
# Financial Results – Q2 FY17

## Revenues



■ Commercial Networks    ■ Satellite Services    ■ Government Systems

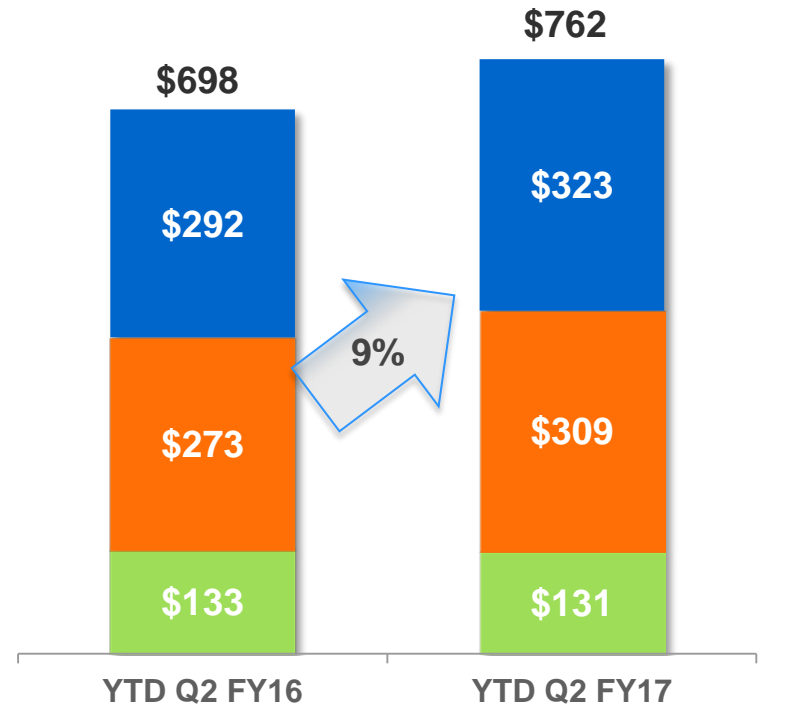
## Adjusted EBITDA



Adj EBITDA growth of 19%, excluding increased R&D investment

# Financial Results – YTD Q2 FY17

## Revenues

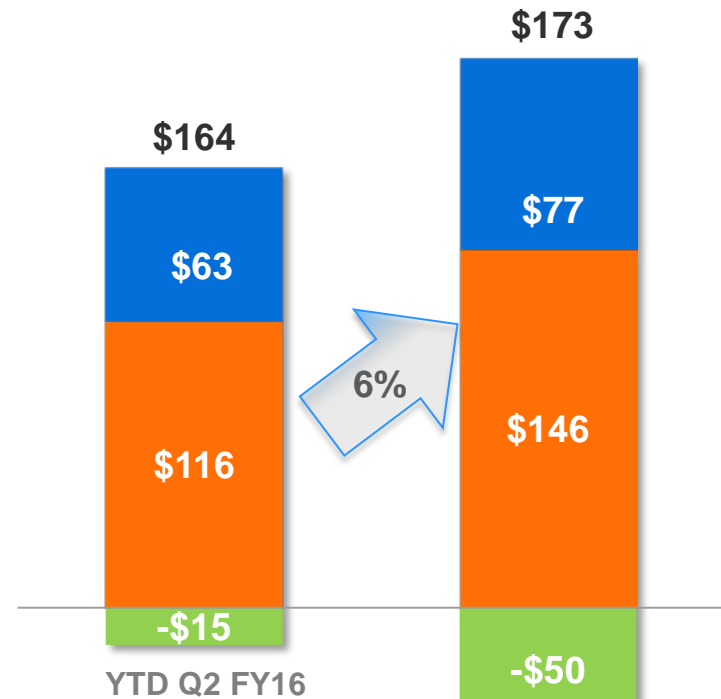


■ Commercial Networks

■ Satellite Services

■ Government Systems

## Adjusted EBITDA



YTD Q2 FY17

Adj EBITDA growth 2x revenue growth, excluding R&D increase



# Income, Cashflow and Borrowings

## Income

	Q2 FY17	Q2 FY16
Revenues	\$ 399.2	\$ 353.3
Income from Operations	18.4	13.8
Net Income <sup>1</sup>	11.0	4.9
Non-GAAP Net Income <sup>1</sup>	20.3	14.9
Diluted EPS <sup>1</sup>	\$0.22	\$0.10
Non-GAAP Diluted EPS <sup>1</sup>	\$0.40	\$0.30

### YTD

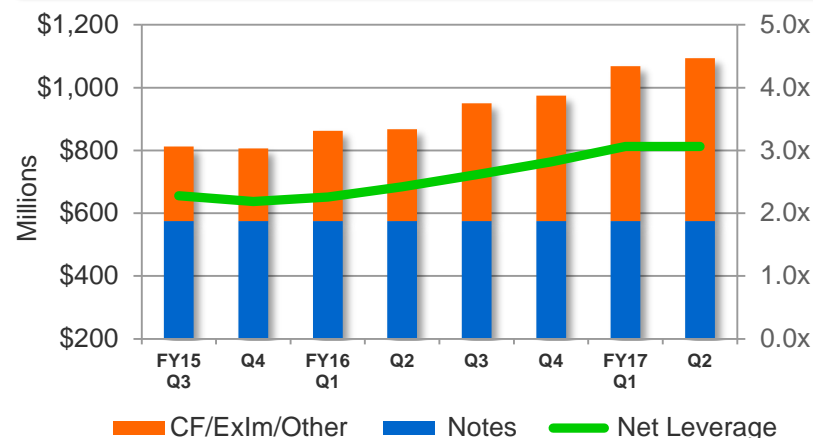
	Q2 FY17	Q2 FY16
Revenues	\$ 762.3	\$ 697.7
Income from Operations	26.2	23.2
Net Income <sup>1</sup>	12.9	7.5
Non-GAAP Net Income <sup>1</sup>	31.6	27.0
Diluted EPS <sup>1</sup>	\$0.26	\$0.15
Non-GAAP Diluted EPS <sup>1</sup>	\$0.63	\$0.55

Note: All dollar amounts in tables are in millions, except per share figures.

## Cashflow

	YTD	
	Q2 FY17	Q2 FY16
Net income	\$ 12.9	\$ 7.4
Depr / amort / other, net	173.4	166.1
Change in working capital, net	5.4	(66.0)
Cashflow from operations	\$ 191.6	\$ 107.5
Capital expenditures & investments	(299.1)	(173.6)
Financing activities	116.7	60.3
Net change in cash	\$ 9.2	\$ (5.9)

## Net Leverage<sup>2</sup>

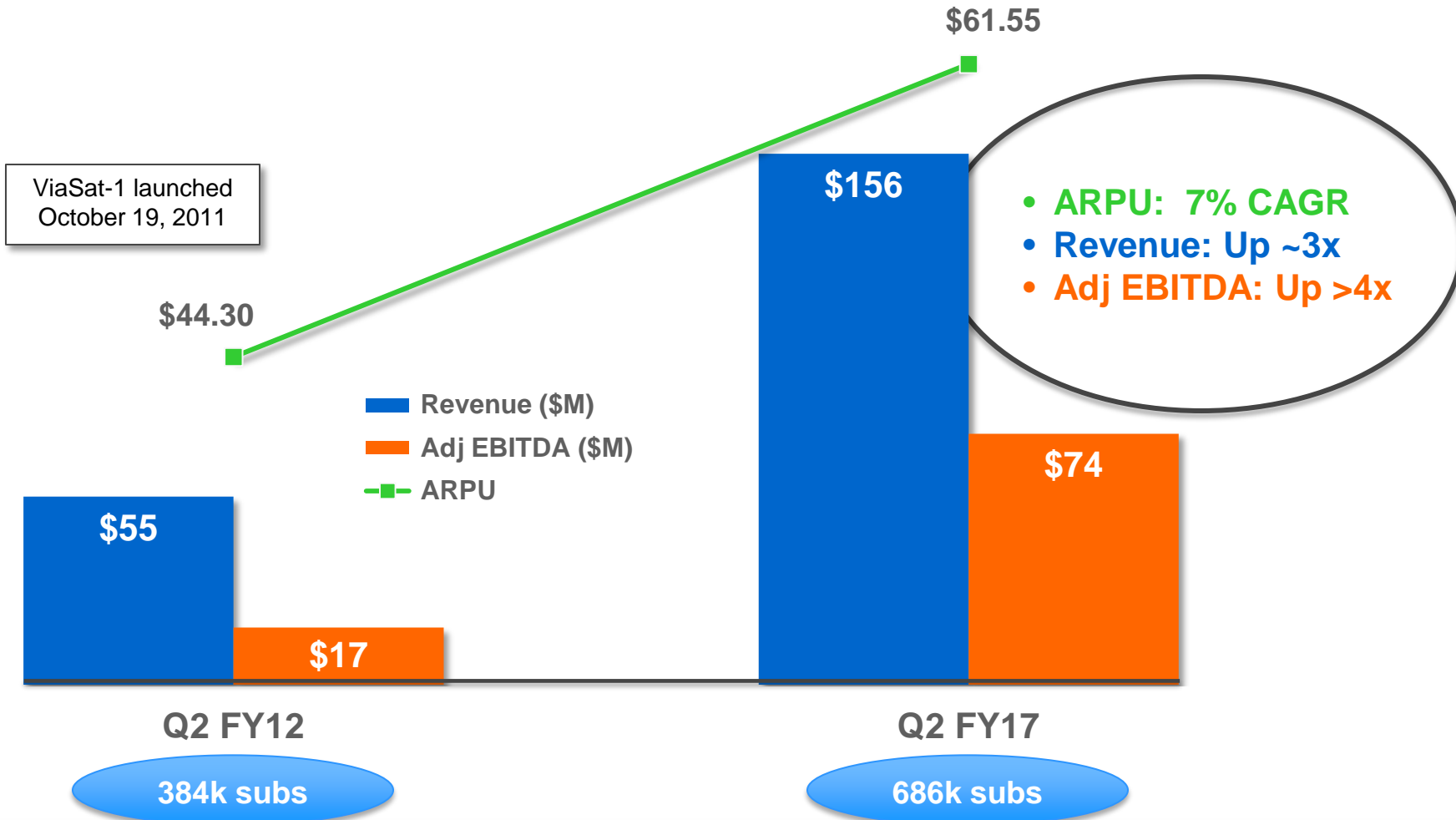


1) Attributable to ViaSat, Inc. common stockholders.

2) Net Leverage Ratio defined as principal amount of Total Debt less Cash, divided by TTM Adjusted EBITDA.

# ViaSat-1: Fifth Anniversary

## Satellite Services Segment



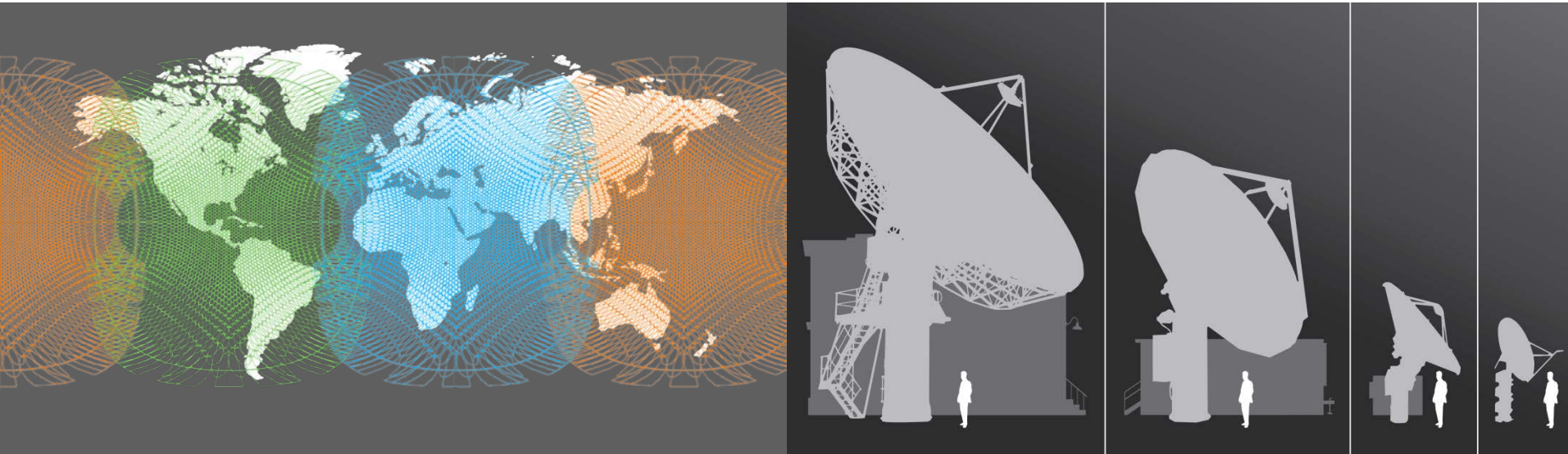
# Satellite Platform Update

## Schedule Update

- **ViaSat-2:** Environmental testing complete; expect to ship Dec 2016, scheduled Mar/Apr 2017 launch
- **ViaSat-3:** About 1 year since start; pre-flight HW testing underway; complete spacecraft PDR mid-Nov 2016

## Technical Update

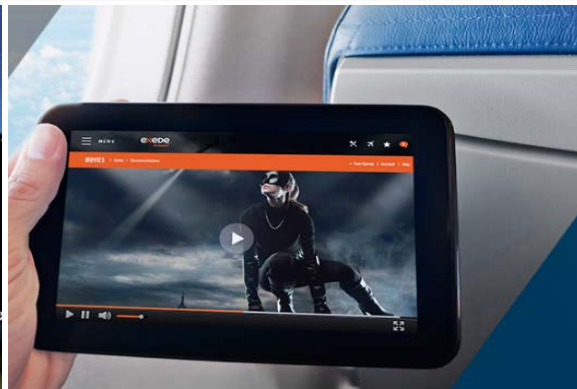
- **Satellite platform:** Progress on payload maturity; pre-flight models running in labs; Boeing on track with sat platform design & development
- **Ground infrastructure:** Advance to smaller gateway footprint → cloud



# Outlook and Key Drivers



**Satellite Services**



**Commercial Networks**



**Government Systems**

Pre-VS 2

- ARPU trends positive
- Relatively flat subscribers
- Relatively flat / lower SAC
- Relatively steady churn

- Opportunities for revenue growth
- Elevated R&D for VS-3 and STCs

- Continued service and product revenue growth
- Increasing services mix
- More opportunities for backlog expansion

Post-VS 2

- ARPU trends positive
- Faster subscriber growth
- Higher SAC
- Steady churn + migrations
- Commercial air accelerates
- New verticals & geographies

- Increasing opportunities for product revenue growth
- VS-3 network R&D investments stabilize relative to overall business

- Greater opportunities for revenue growth, earnings growth, and backlog growth
- Increasing services mix

# Q & A