

# ViaSat, Inc.

## FY18 Q2 Results

November 8, 2017

# 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; the development, customer acceptance and anticipated performance of technologies, products or services; satellite construction and launch activities, including the orbit raising, orbital placement, in-orbit testing, transfer of control to us and entry into service of our ViaSat-2 satellite and the timing thereof; the performance and anticipated benefits of our ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; the expected completion, capacity, service, coverage, service speeds and other features of our satellites, 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 materially include: the failure of the ViaSat-2 satellite to successfully complete orbit raising, orbital placement or in-orbit testing; our ability to realize the anticipated benefits of the ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; unexpected expenses related to our satellite projects; our ability to successfully implement our business plan for our broadband satellite services on our anticipated timeline or at all; risks associated with the construction, launch and operation of our satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; our ability to successfully develop, introduce and sell new technologies, products and services; 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; 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).

# Highlights

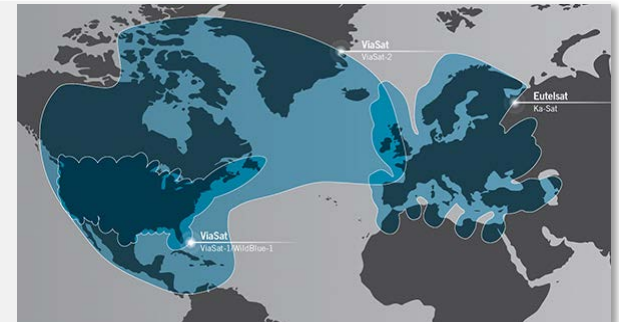
## Gov't Systems Momentum

- 7% revenue growth YoY
- Record Adj EBITDA of \$51m, up 15% YoY
- Solid backlog position near \$700m



## IFC Expansion Underway

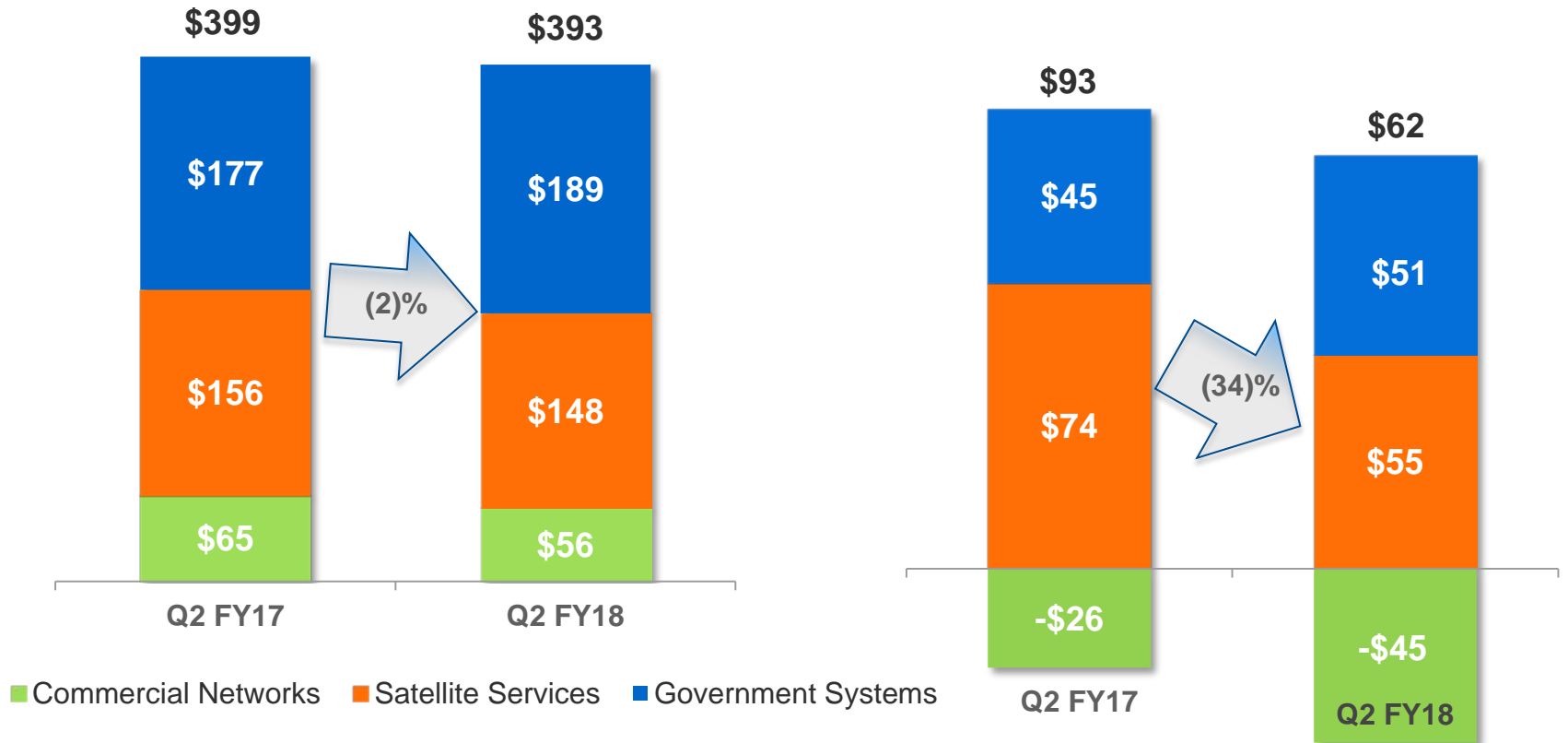
## VS-2 Service Launch Approaching



# Financial Results – Q2 FY18

## Revenues

## Adjusted EBITDA

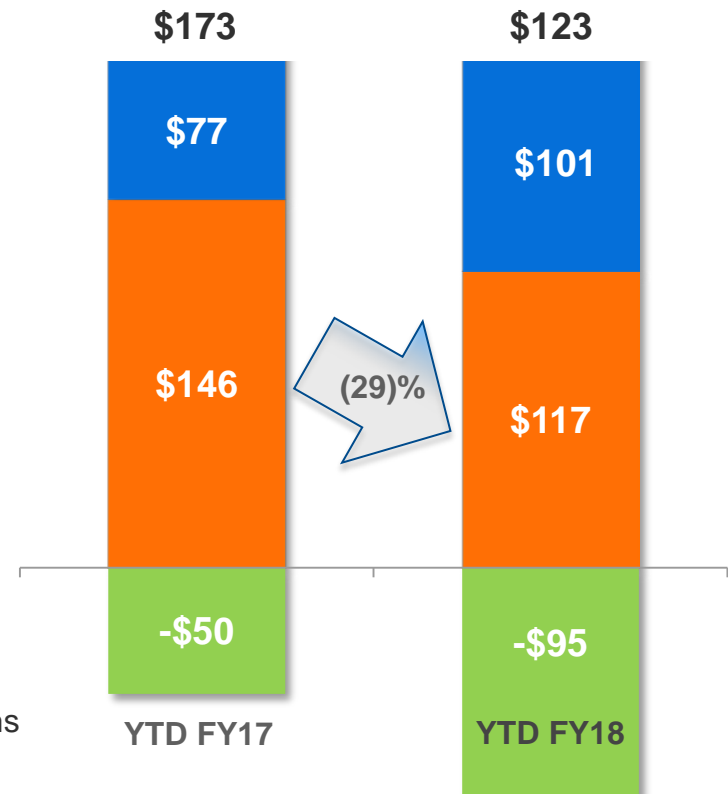
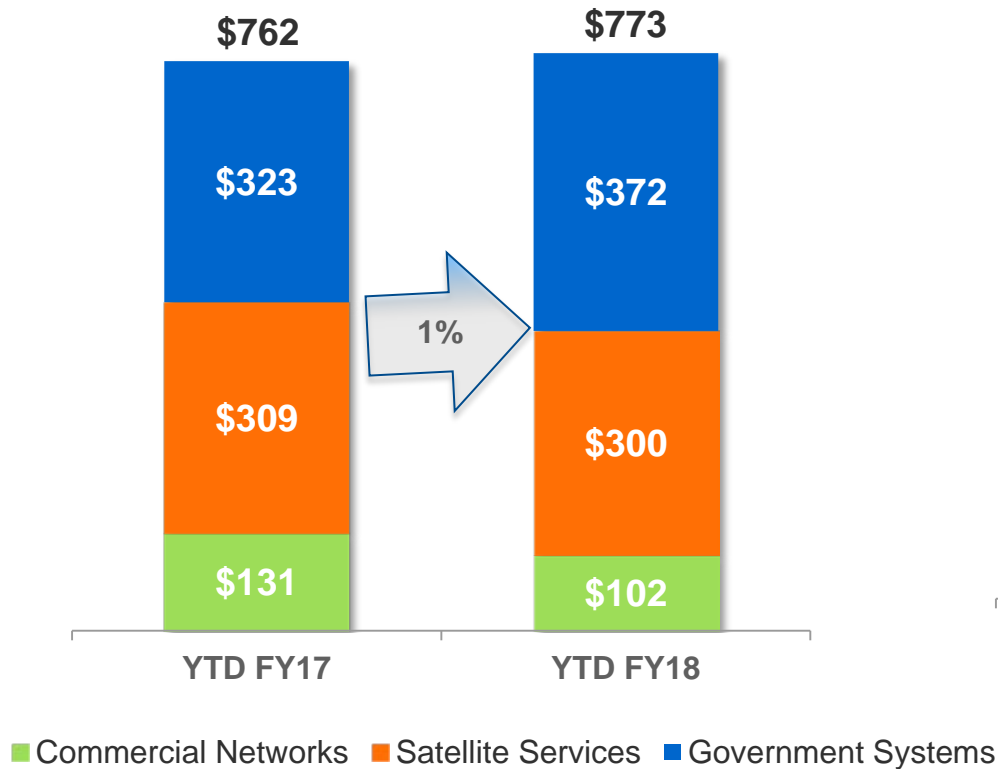


Adj EBITDA impacted by higher R&D & SSL settlement completion

# Financial Results – YTD Q2 FY18

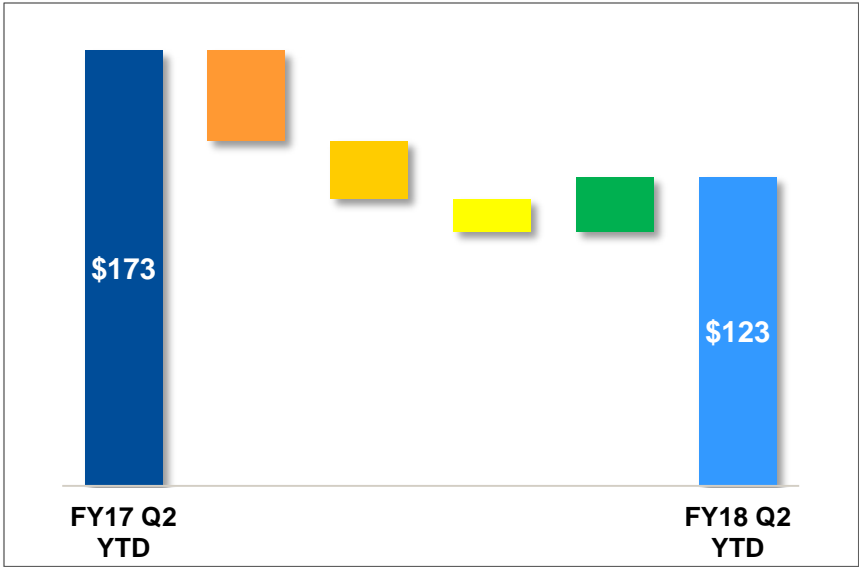
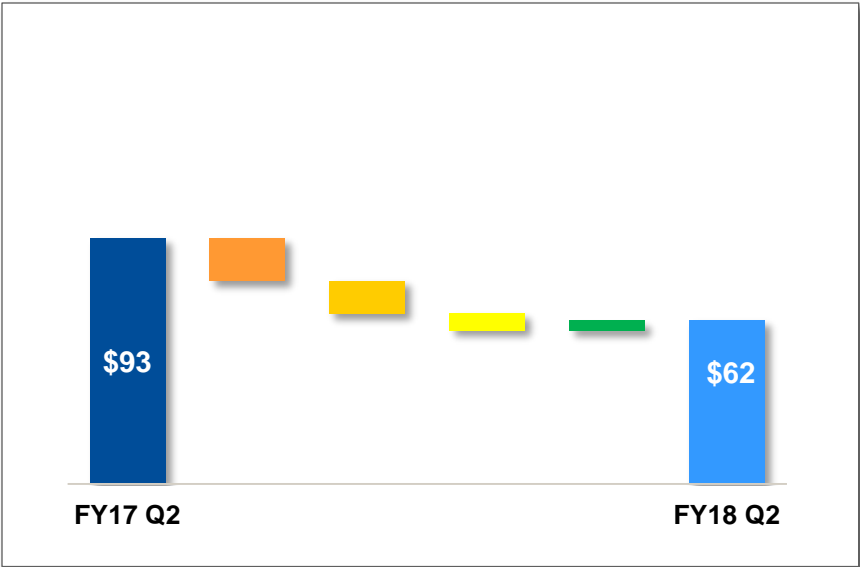
## Revenues

## Adjusted EBITDA



Adj EBITDA impacted by higher R&D & SSL settlement completion

# Adj EBITDA Reconciliation



- Increased R&D Investment
- VS-2 & Comm'l Mobility Ramping
- Conclusion of SS/L Settlement Payments
- Growth of Base Business

# Income, Cashflow and Borrowings

## Income

	YTD	
	Q2 FY18	Q2 FY17
Revenues	\$ 773.1	\$ 762.3
(Loss) income from operations	(33.8)	26.2
Net (loss) income <sup>1</sup>	(22.7)	12.9
Non-GAAP net income <sup>1</sup>	7.8	31.6
Diluted EPS <sup>1</sup>	(\$0.39)	\$0.26
Non-GAAP diluted EPS <sup>1</sup>	\$0.13	\$0.63

## Cashflow

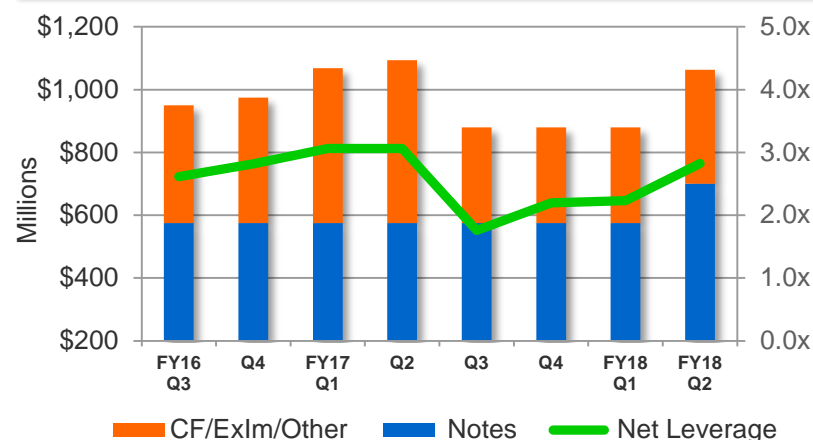
	YTD	
	Q2 FY18	Q2 FY17
Net (loss) income	\$ (23.1)	\$ 12.9
Depr / amort / other, net	167.3	173.4
Change in working capital, net	41.7	5.4
Cashflow from operations	\$ 185.8	\$ 191.6
Capital expenditures & investments	(243.6)	(299.1)
Financing activities / FX / other	170.4	116.7
Net change in cash	\$ 112.6	\$ 9.2

## Note Refi

- Refinanced 6.875% Notes due 2020
- 5.625% coupon issued at par
- 8 year Notes due 2025
- Upsized from \$600 million to \$700 million
- \$1.0 billion of liquidity

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

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



1) Attributable to ViaSat, Inc. common stockholders.

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

# Gov't Systems Sustained Growth

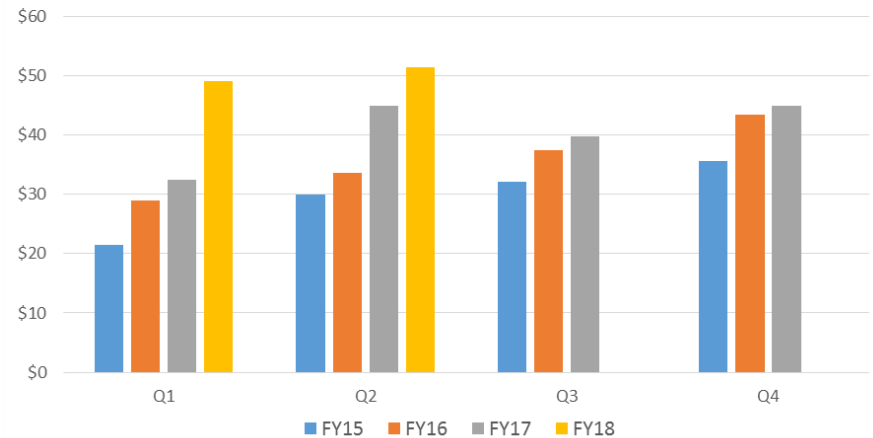
YTD Q2 FY18

Backlog	<b>\$689</b> million, <b>1X</b> revenue (LTM)
Revenue	<b>\$372</b> million, up <b>15%</b> YoY
Adj EBITDA	<b>\$101</b> million, up <b>30%</b> YoY

Revenues by Quarter



Adj EBITDA by Quarter





# In-Flight Connectivity Update



North America



Europe



Australia



**576** aircraft in service on **3** continents  
**833** add'l aircraft under contract (end of Q2)

# Consumer Broadband Highlights

- Record-level ARPU of \$67.35, up 9% YoY
- Bandwidth constrained, not *demand* constrained
- Trialing new Unlimited Data plans

**NEW!**  
**UNLIMITED DATA PLANS!**

- » Fastest Residential Satellite Internet in the U.S.
- » Free Standard Installation, usually within 3 days
- » 3-year Price Lock Guarantee

After 150 GB of data usage, we may prioritize your data behind other customers during network congestion.

*See plans available where you live now!*

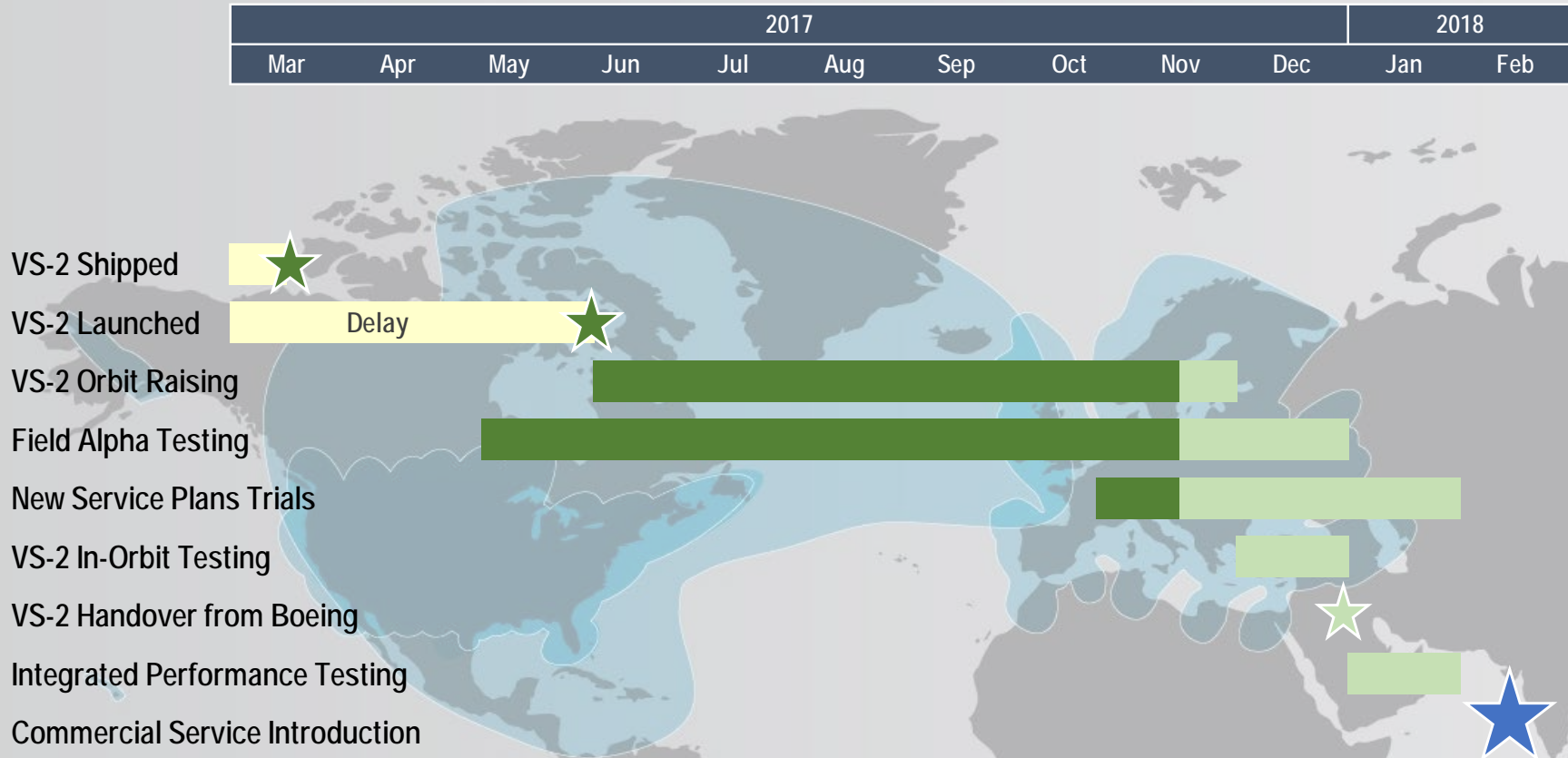
Enter your ZIP Code to find the best deals in your area

ZIP Code

NEW! UNLIMITED DATA PLANS		
BRONZE 12	SILVER 25	GOLD 30
UP TO 12 Mbps DOWNLOAD SPEED	UP TO 25 Mbps DOWNLOAD SPEED	UP TO 30 Mbps DOWNLOAD SPEED
Unlimited Data	Unlimited Data	Unlimited Data
 Video Streaming at Small Screen Quality Optimized for 360p	 Video Streaming at DVD Quality Optimized for 480p	 Video Streaming at HD Quality Optimized for 720p
INCLUDES Built-In WiFi	INCLUDES Built-In WiFi	INCLUDES Built-In WiFi
\$50/mo <small>\$70/mo after 3 months</small>	\$70/mo <small>\$100/mo after 3 months</small>	\$100/mo <small>\$150/mo after 3 months</small>

After 150GB of data usage, we may prioritize your data behind other customers during network congestion.

# ViaSat-2 Service Update

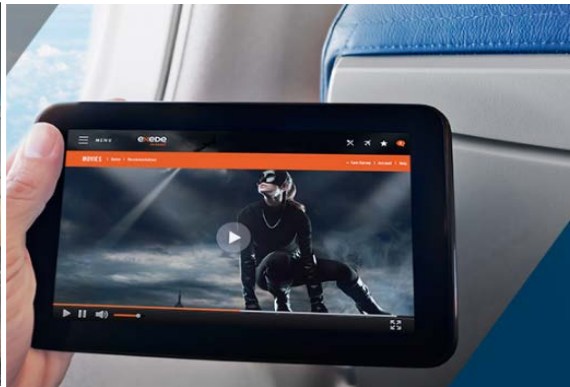


# Outlook and Key Drivers



## Government Systems

- Strong execution
- Growing backlog and increasing market share
- Continued growth opportunities & momentum
  - Broadband service
  - Tactical data links
  - Cyber security



## Commercial Networks

- Growth in IFC terminal sales
- Strong backlog
- Increasing opportunities & momentum
- Moderating R&D investment in satellite programs by end of FY18
- Continued R&D investment in retro-fit and line-fit STCs



## Satellite Services

- Conclusion of SS/L VS-1 payments
- Constrained bandwidth in CY17
  - In-flight connectivity
  - Gov't mobile broadband
- Fixed costs of VS-2 infrastructure
- Variable expenses and SAC from subscriber growth

# Q & A