

# Viasat, Inc.

## FY20 Q2 Results

November 7, 2019



# 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; the performance and anticipated benefits of the ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; the impacts on overall coverage area, planned services and financial results of the identified antenna deployment issue on the ViaSat-2 satellite; 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; the number of IFC systems expected to be installed under existing contracts with commercial airlines; 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. Factors that could cause actual results to differ materially include: 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 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 realize the anticipated benefits of our acquisitions or strategic partnering arrangements; 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; introduction of new technologies and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes (including changes affecting spectrum availability or permitted uses) on our ability to sell or deploy our products and services; changes in the way others use spectrum; our inability to access additional spectrum, use spectrum for additional purposes, and/or operate satellites at additional orbital locations; competing uses of the same spectrum or orbital locations that we utilize or seek to utilize; the effect of recent changes to U.S. tax laws; 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; our dependence on a limited number of key employees; and other 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. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. 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 press releases, which are available on the Investor Relations section of our website at [www.viasat.com](http://www.viasat.com).

# Overview

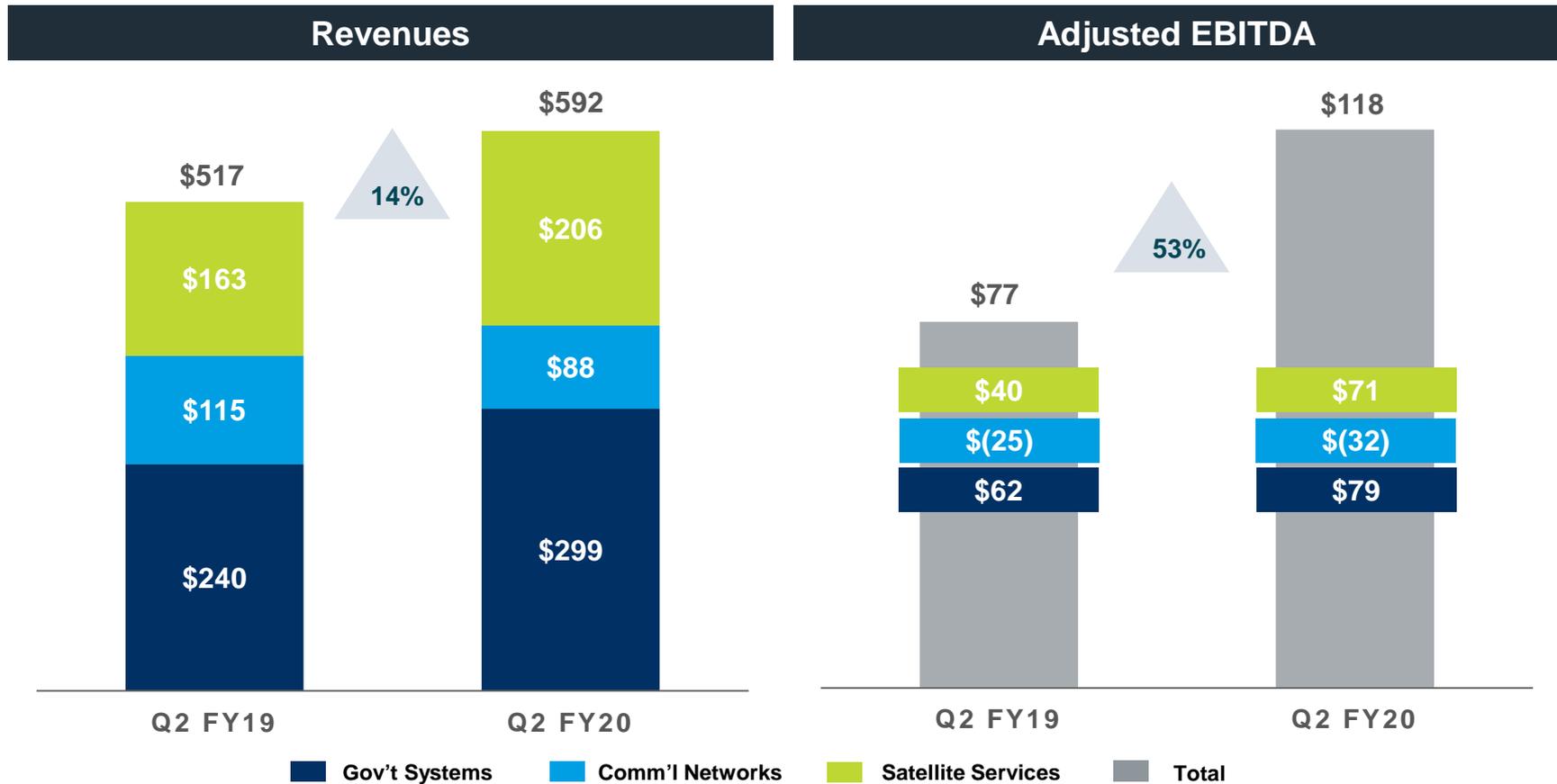
Top Line Growth & Margin Expansion	<ul style="list-style-type: none"><li>&gt; Revenues up 14% and 18% for Q2 and YTD</li><li>&gt; AEBITDA up 53% and 76% for Q2 and YTD</li><li>&gt; AEBITDA margin improvement YoY and QoQ</li></ul>
Continued Financial Momentum	<ul style="list-style-type: none"><li>&gt; Record backlog in Government Systems</li><li>&gt; Sustained residential broadband top-line growth</li><li>&gt; Growing % of commercial air and other service revenues</li></ul>
Competitive Differentiation	<ul style="list-style-type: none"><li>&gt; Vertical integration &amp; technology leadership</li><li>&gt; VS-3 constellation</li><li>&gt; Distribution breadth across diverse markets</li></ul>
Attractive Market Opportunities	<ul style="list-style-type: none"><li>&gt; Enterprise/commercial – IFEC &amp; fixed broadband</li><li>&gt; Government – data links, mobility, security</li><li>&gt; Consumer – fixed broadband, CWF (pre-paid mobile)</li></ul>

# Financial Highlights

	Q2 FY20	YTD Q2 FY20
Revenues	 <b>\$592M</b> Up 14% YoY	<b>\$1.1B</b>  Up 18% YoY
Adj EBITDA	 <b>\$118M</b> Up 53% YoY	<b>\$215M</b>  Up 76% YoY
Awards	 <b>\$692M</b> Dn 6% YoY	<b>\$1.2B</b>  Dn 8% YoY

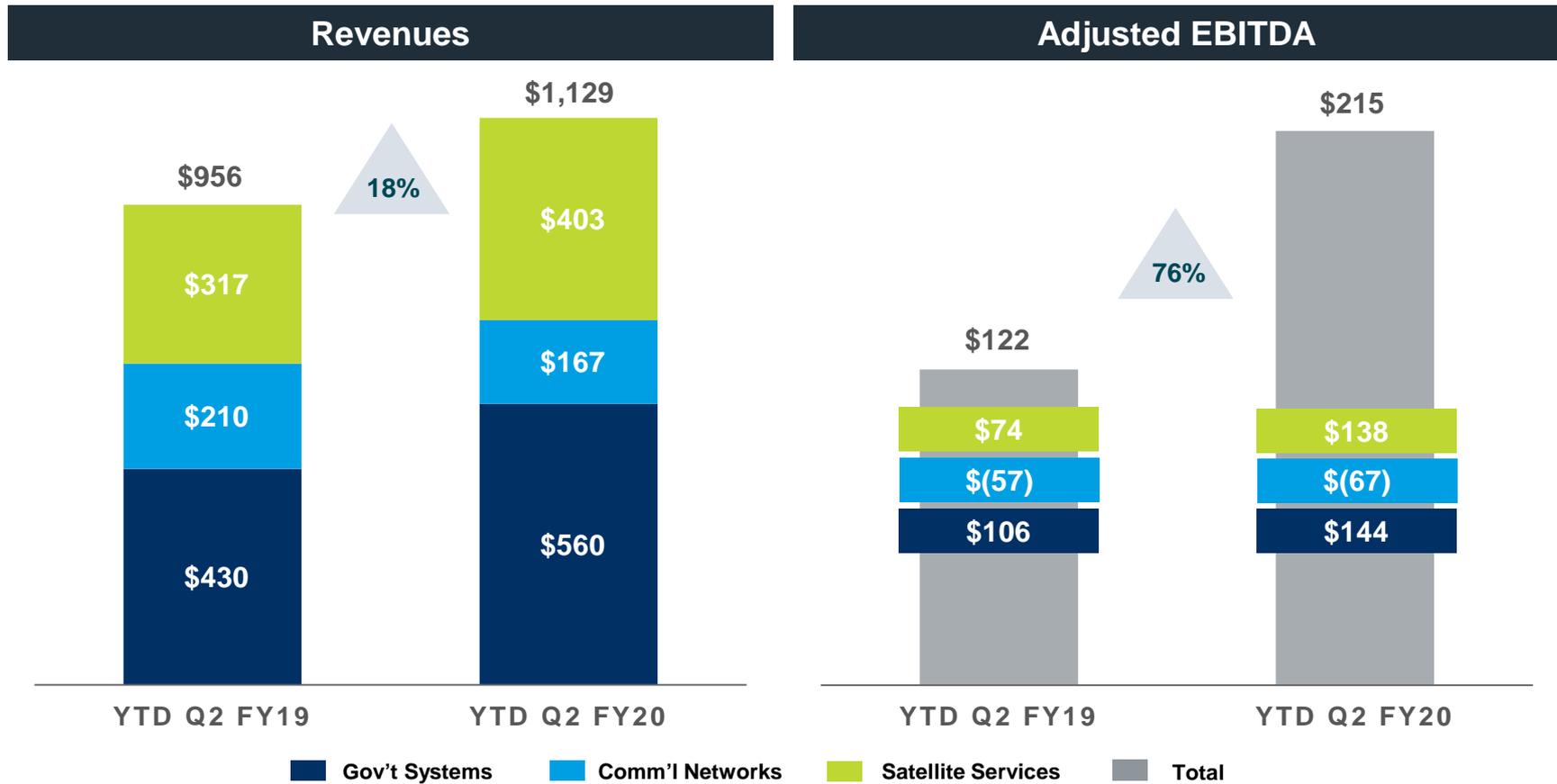
# Financial Results – Q2 FY20

Strong revenue growth in Gov't Systems and Satellite Services  
 AEBITDA reflects margin improvement and higher revenues



# Financial Results – YTD Q2 FY20

Strong revenue growth in Gov't Systems and Satellite Services  
 AEBITDA reflects margin improvement and higher revenues



# Income, Cashflow & Borrowings

## Income

	Q2		YTD Q2	
	FY19	FY20	FY19	FY20
Revenue	\$ 517.5	\$ 592.3	\$ 956.3	\$ 1,129.3
(Loss) income from operations	\$ (21.6)	\$ 18.4	\$ (76.1)	\$ 10.4
Net (loss) income (1)	\$ (25.6)	\$ 3.2	\$ (59.7)	\$ (8.3)
Non-GAAP net (loss) income (1)	\$ (9.0)	\$ 21.0	\$ (26.4)	\$ 27.4
Diluted EPS (1)	\$ (0.43)	\$ 0.05	\$ (1.00)	\$ (0.14)
Non-GAAP diluted EPS (1)	\$ (0.15)	\$ 0.33	\$ (0.44)	\$ 0.44

## Cashflow

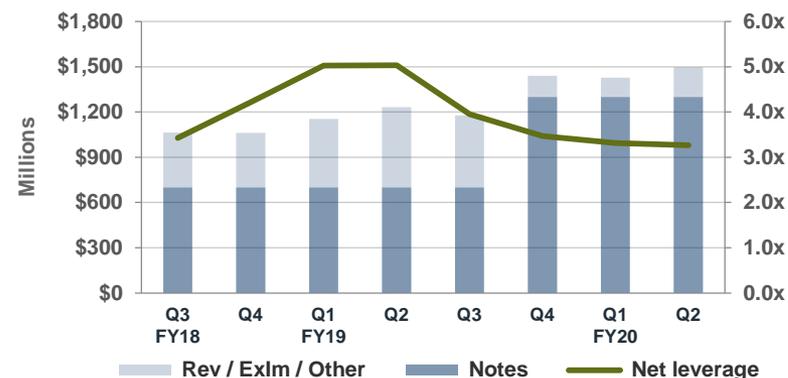
	YTD Q2	
	FY19	FY20
Net (loss) income	\$ (61.1)	\$ (1.7)
Depr / amort / other, net	189.0	\$ 228.2
Working capital change, net	(16.7)	\$ (43.3)
Cashflow from operations	\$ 111.3	\$ 183.3
CapX / investments	(299.1)	(362.7)
Financing activities / FX / other	168.0	4.8
Net change in cash	\$ (19.8)	\$ (174.7)

## Highlights

- >50% of capX & investments funding through cashflow from operations
- Net leverage of 3.3x down from 5.0x YoY, and sequentially flat

- 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.

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



# Government Systems Highlights

- › Q2 record revenue of \$299M up 24%, with AEBITDA up 27%
- › YTD revenue and AEBITDA up 30% and 36%, respectively
- › Quarterly awards of \$418M with \$992M backlog, a new record
- › \$1.1B of un-awarded value under existing IDIQ contracts
- › Network value of expanding Link 16 user base
- › Opportunity to scale Tactical Data Links to Beyond Line of Sight ranges

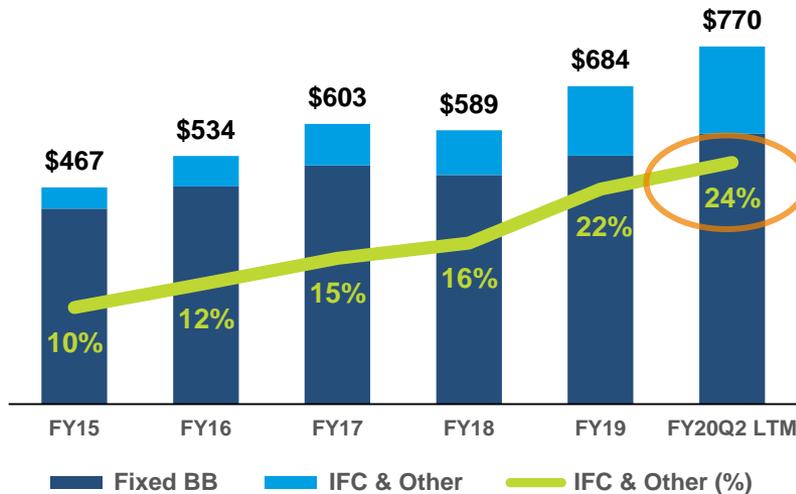


Link-16 Range  
Extension LEO  
SmallSat (rendering)

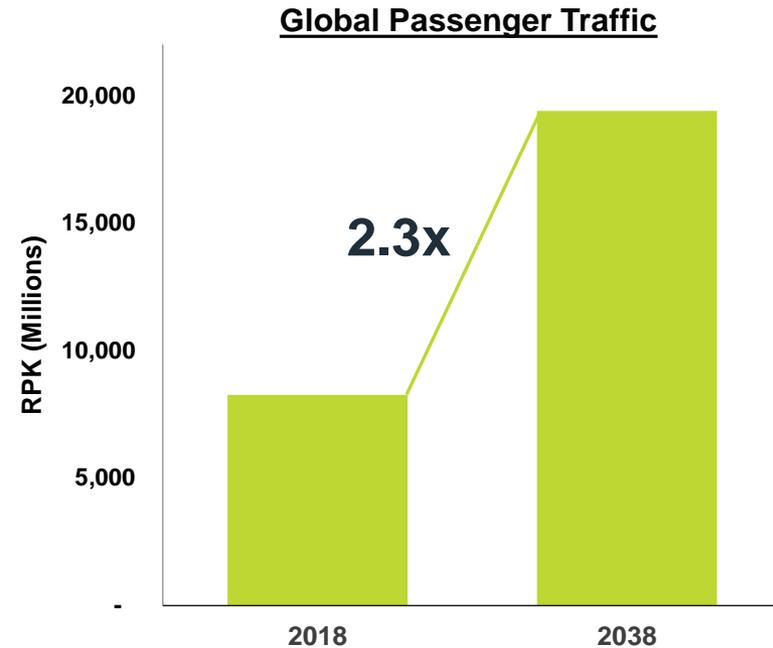
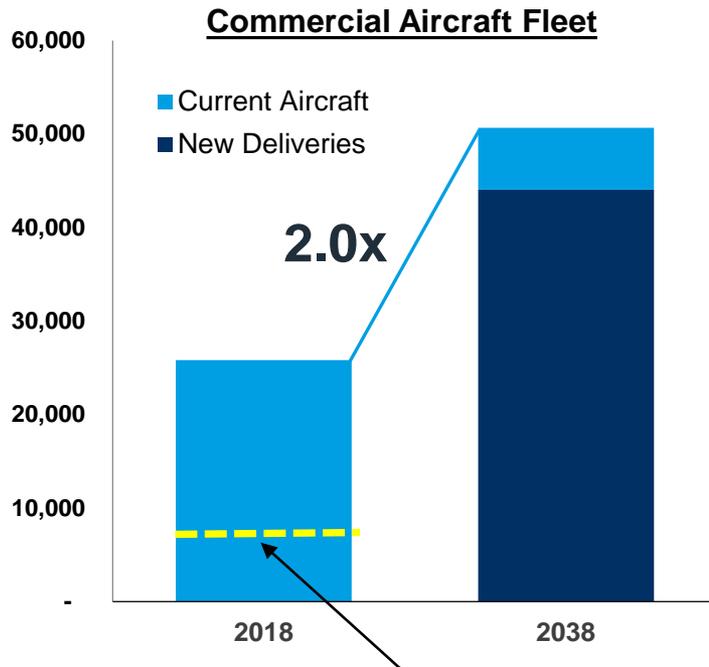
# Satellite Services Highlights

- > Record top-line; seven quarters of sequential growth
- > ARPU of \$86.94, up 17% YoY; slight subscriber increase QoQ
- > ~ 2/3 way through GESAC site installation in Brazil
- > 1,353 tails in service, up 51% YoY (excludes ~85 Boeing 737 MAX)

Satellite Services Segment Revenue (\$M)



# In-Flight Connectivity Opportunity

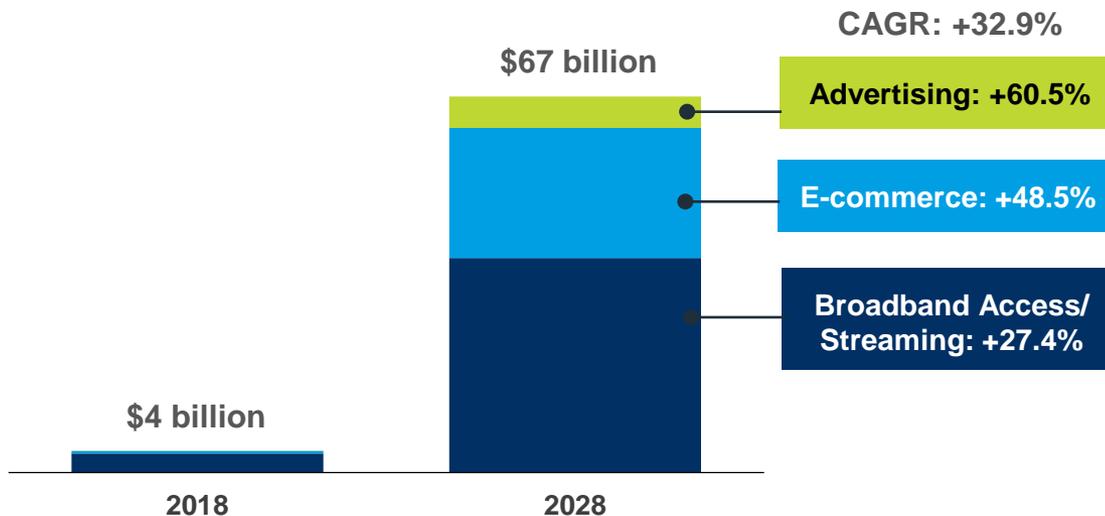


- Only **30%** of the existing commercial aircraft fleet is connected today...
- While the fleet size is expected to **double** over the next 20 years....
- With **87%** of the fleet comprised of new aircraft.

- **4.3 billion** passengers were served by global airlines in 2018
- Passenger traffic (expressed in Revenue Passenger Kilometers) is expected to **more than double** over the next 20 years.

# IFC-Enabled Addressable Market

## Commercial Aero Broadband-Enabled Revenue Forecast

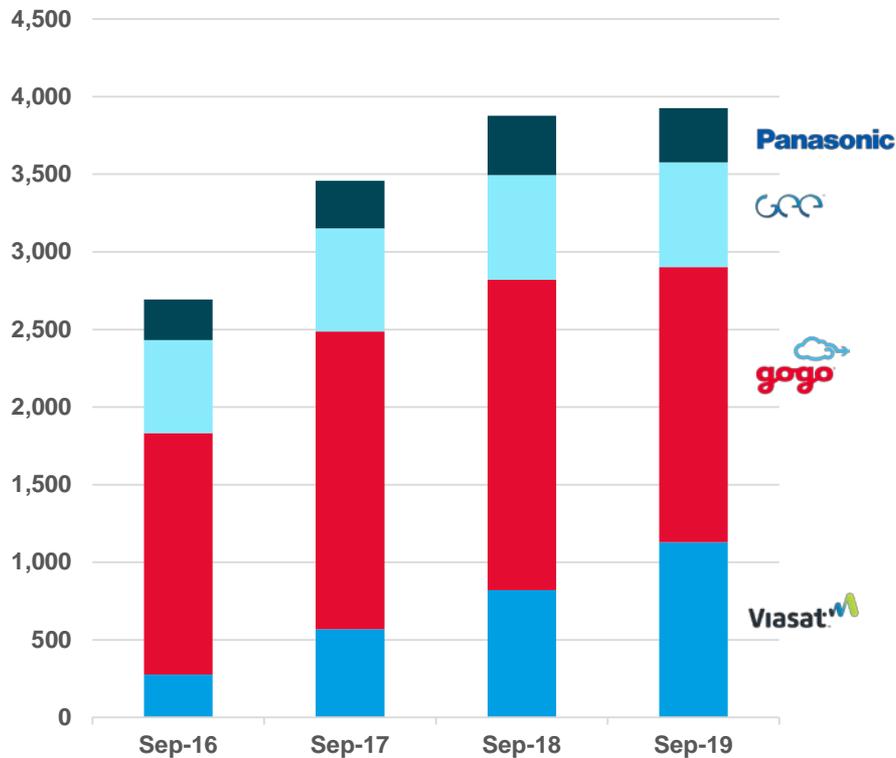


London School of Economics forecasting massive growth in direct and ancillary revenue attributable to IFC-enabled aircraft...

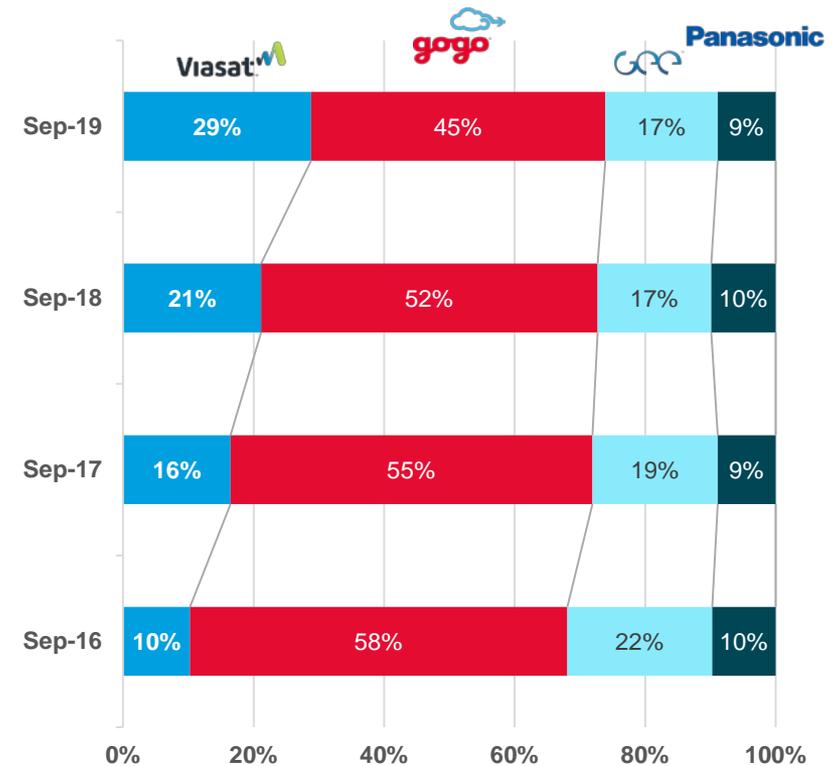
Viasat delivers an IFC platform that can unlock this value for all stakeholders – the passengers, the airlines, and advertising and e-commerce partners.

# Market Share – Narrow-body North America

IFC Equipped Aircraft<sup>1</sup>



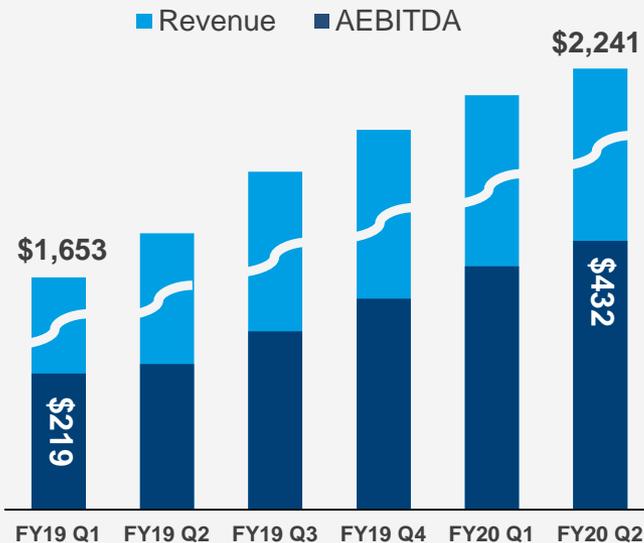
Market Share<sup>1</sup>



(1) Viasat's estimate of market size and market share using data from FlightGlobal Fleet Analyzer database, publicly filed documents, earnings call transcripts, press releases, industry announcements and Viasat management estimates.

# Outlook and Key Drivers

Trailing Twelve Months (\$millions)



Last 6 quarters TTM

Revenue up 36%

AEBITDA up 97%

- > Growth momentum continuing
- > Govt' Systems in early stages of long-term growth cycle
- > Satellite Services = high fixed costs & low variable costs
- > Continuing diversification with IFC and other services revenue
- > Prudent success-based investments in global growth

***Expect attractive YoY revenue, AEBITDA and margin growth***

# Q & A

