

# ViaSat, Inc.

## FY16 Q4 Results

May 24, 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 activities; the performance and anticipated benefits of the ViaSat-2 satellite; the expected capacity, service, coverage, service speeds and other features of ViaSat-2, 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 satellite; 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 satellite system; risks associated with the construction, launch and operation of ViaSat-2 and our other 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 condensed 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).

# Topics

- Q4 and FY16 Highlights
- Financial Summary
- Segment Discussion
- Strategic Initiatives
- Outlook & Summary
- Q & A

# Q4 and FY16 Highlights

- ***Sustained Satellite Services growth***
- ***Exceptional Government Systems results***
- ***Attractive growth prospects***
- ***Investing in competitive advantage***

## **Strong, profitable growth in Satellite Services and Government Systems**

- Solid revenue growth in both Q4 and fiscal year periods
- Strong Adj EBITDA growth in both periods
- Continued expansion of Adj EBITDA margins

## **Positive forward performance indicators**

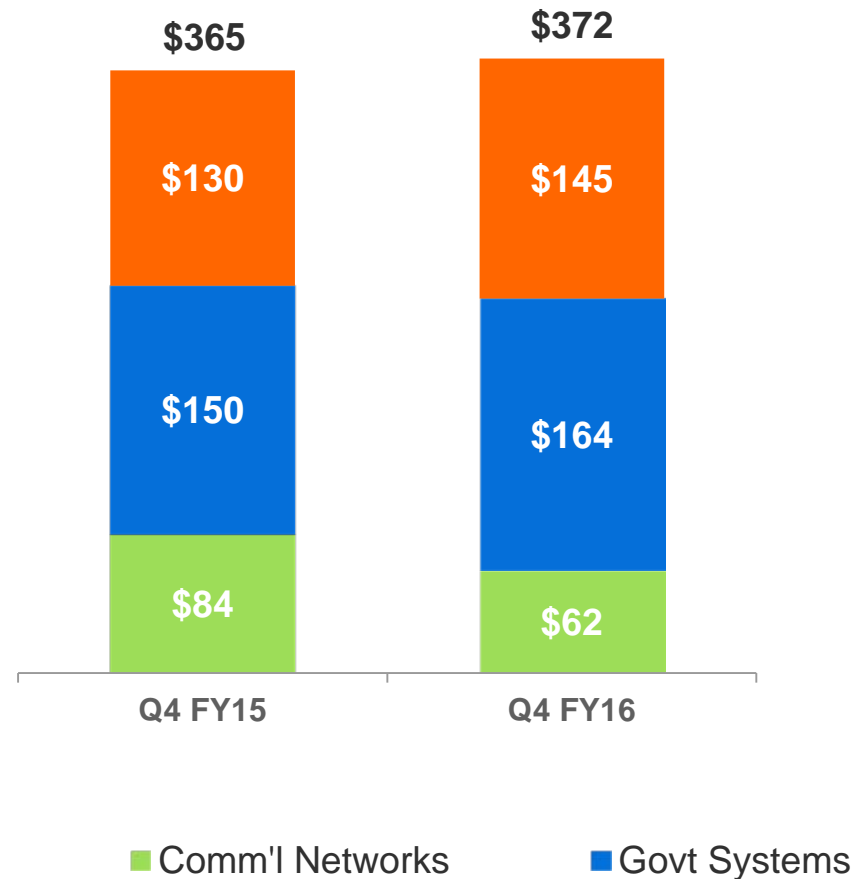
- Gov't: record Q4 orders; FY16 book/bill of 1.2x
- Sat Services: ARPU up 7% YoY; new commercial IFC opportunities
- Commercial: NBNC Co in service; improving operations outlook; VS-3 drives R&D expenses

## **Executing on satellite program roadmap**

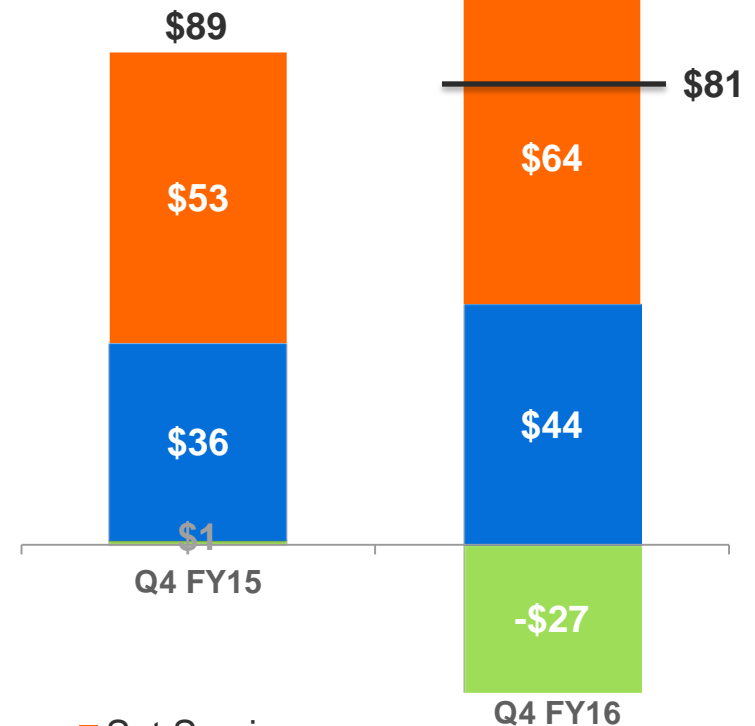
- VS-2 launch window begins in less than 7 months
- VS-3 investment offers exciting growth opportunity

# Financial Summary – Q4 FY16

## Revenues



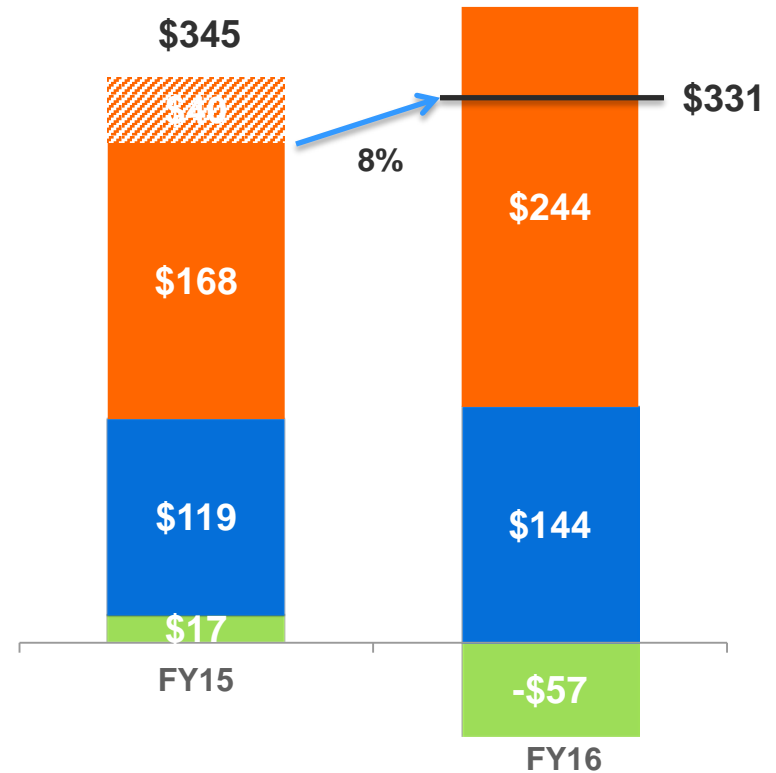
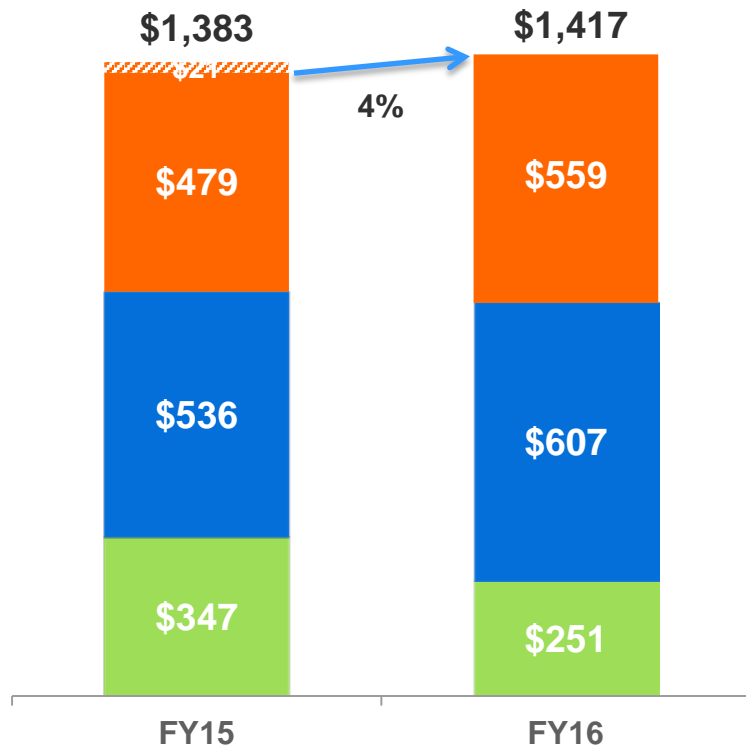
## Adjusted EBITDA



# Financial Summary – FY16

## Revenues

## Adjusted EBITDA



■ Comm'l Networks   
 ■ Govt Systems   
 ■ Sat Services   
 ■ SSL Non-Recurring

# Income, Cashflow and Borrowings

## Income

	Q4 FY16	Q4 FY15
Revenues	\$ 372.0	\$ 364.8
Income from Operations	7.5	19.7
Net Income <sup>1</sup>	4.4	7.5
Non-GAAP Net Income <sup>1</sup>	14.3	17.3
Diluted EPS <sup>1</sup>	\$0.09	\$0.16
Non-GAAP Diluted EPS <sup>1</sup>	\$0.29	\$0.36

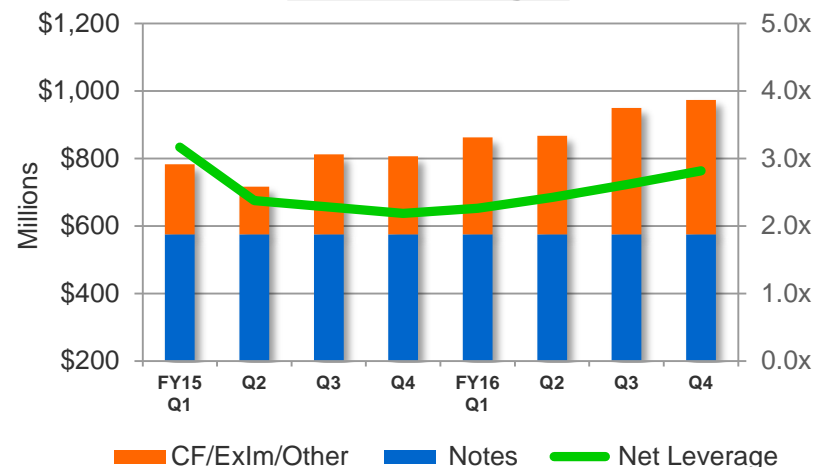
	FY16	FY15
Revenues	\$ 1,417.4	\$ 1,382.5
Income from Operations	41.1	83.1
Net Income <sup>1</sup>	21.7	40.4
Non-GAAP Net Income <sup>1</sup>	61.0	76.1
Diluted EPS <sup>1</sup>	\$0.44	\$0.84
Non-GAAP Diluted EPS <sup>1</sup>	\$1.23	\$1.58

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

## Cashflow

	FY16	FY15
Net income	\$ 21.8	\$ 39.9
Depr / amort / other, net	327.5	310.0
Change in working capital, net	(52.3)	(0.4)
Cashflow from operations	\$ 296.9	\$ 349.5
Capital expenditures & investments	(456.3)	(476.6)
Financing activities	149.2	121.0
Net change in cash	\$ (10.2)	\$ (6.1)

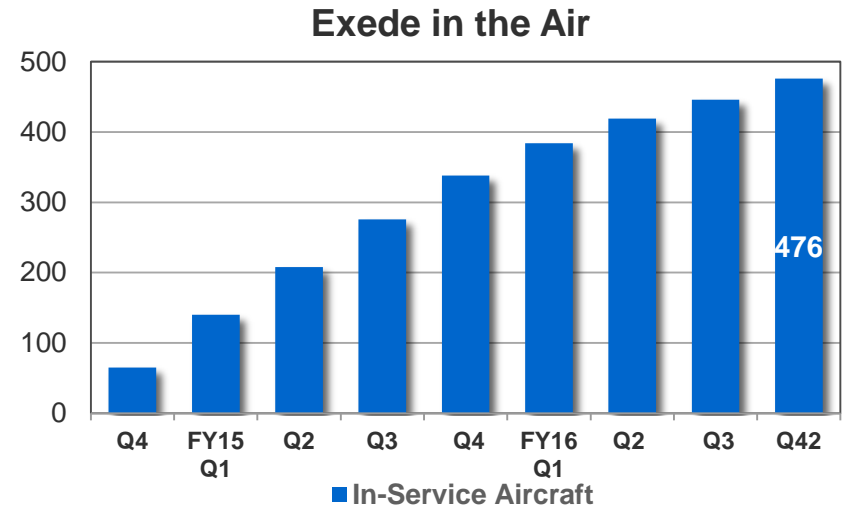
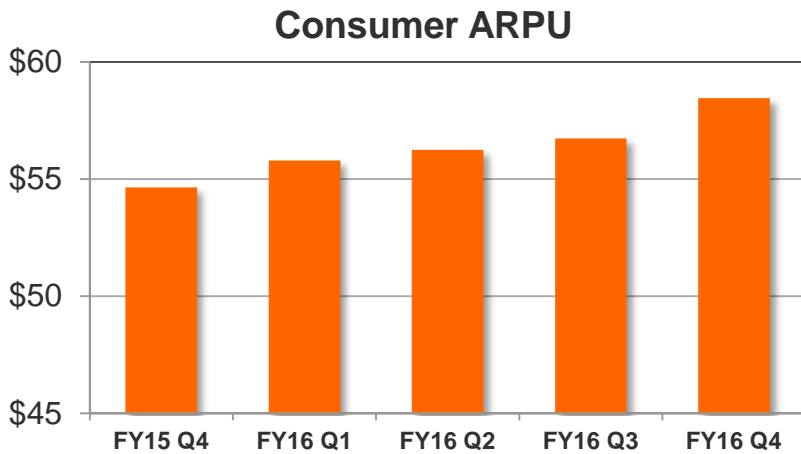
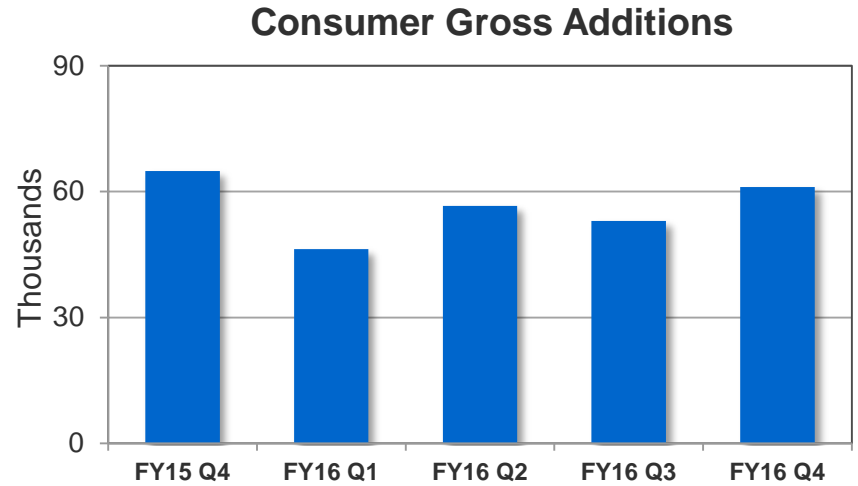
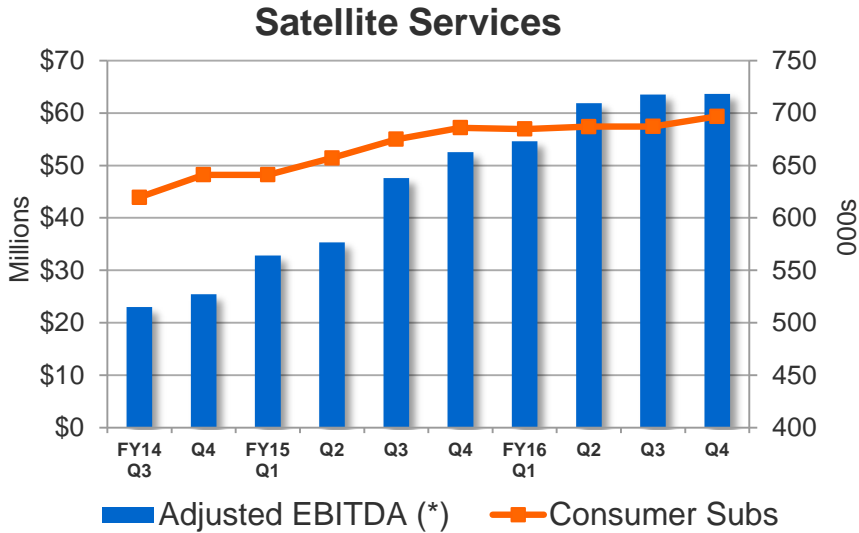
## Net Leverage<sup>2</sup>



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.

# Satellite Services Metrics

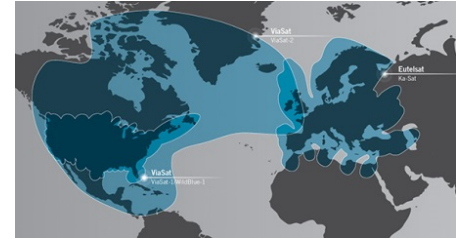


(\*) FY15 Q2 Adj EBITDA excludes \$40m non-recurring impact of Loral settlement.



# Disruptive Business Strategies

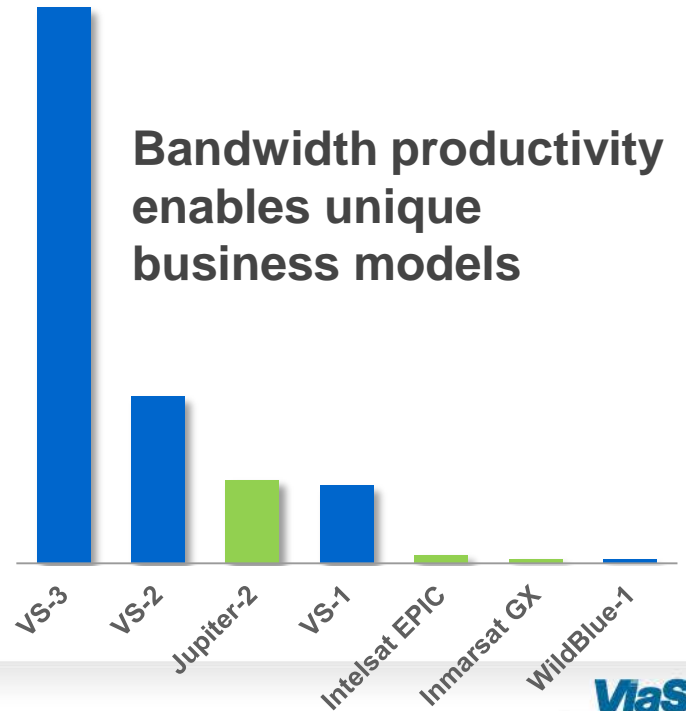
Optimized satellite services processes drove revenue and profits and sets stage for ViaSat-2



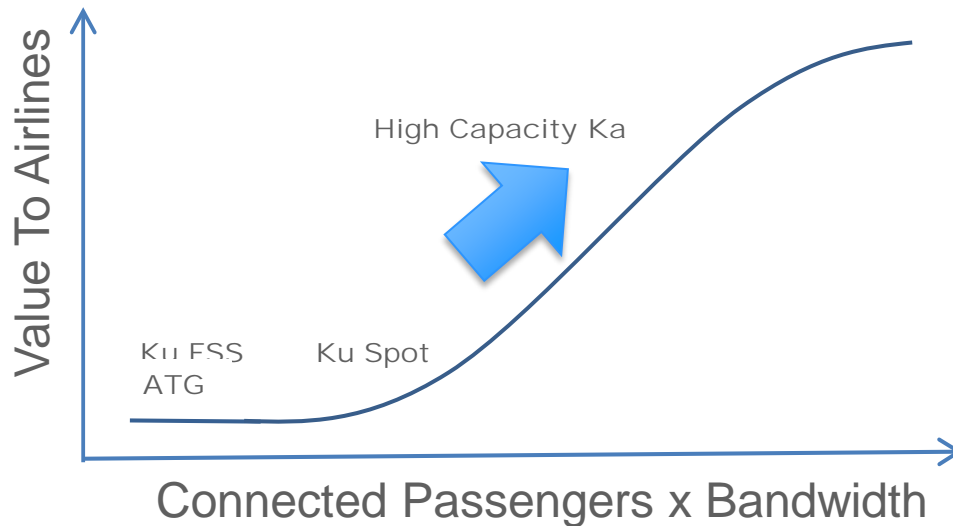
Changing the business models for In-Flight Connectivity



Achieved superior results in challenged defense sector



# In-Flight Connectivity Business Models



Hundreds of connected passengers changes the value proposition to the airline.



# Government Systems Strategy

MIDS-LVT, STT and MIDS JTRS  
Terminals provide secure  
communications and positive  
friendly ID

## Link 16 Case Study Example

MIDS-LVT

MIDS-LVT 2

MIDS-JTRS

STT

BATS-D

### The World's First Handheld Link 16 Radio

Full Link 16 Functionality in an Ultra-  
Compact, Rugged Form Factor



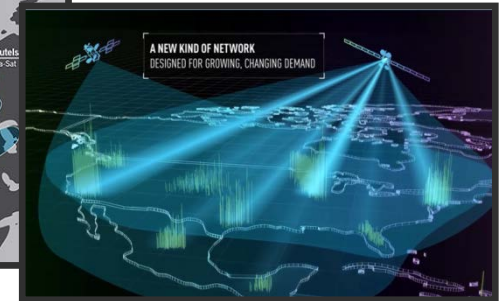
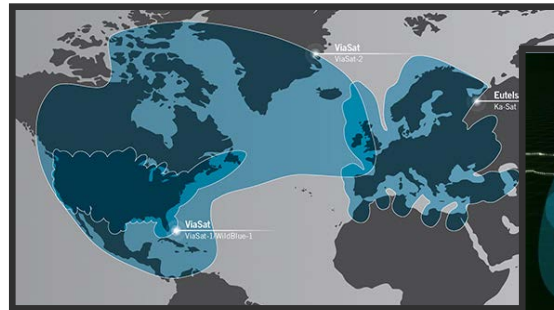
# ViaSat-2 Launch Approaching



Boeing 702HP Satellite

- Launch as early as 7 months from now
- Highly reliable Arianespace launch vehicle
- Payload module testing completed
- Payload and bus module mated

- Expanded coverage
- Bridge to Europe
- Higher capacity density
- Flexibility to better fit demand



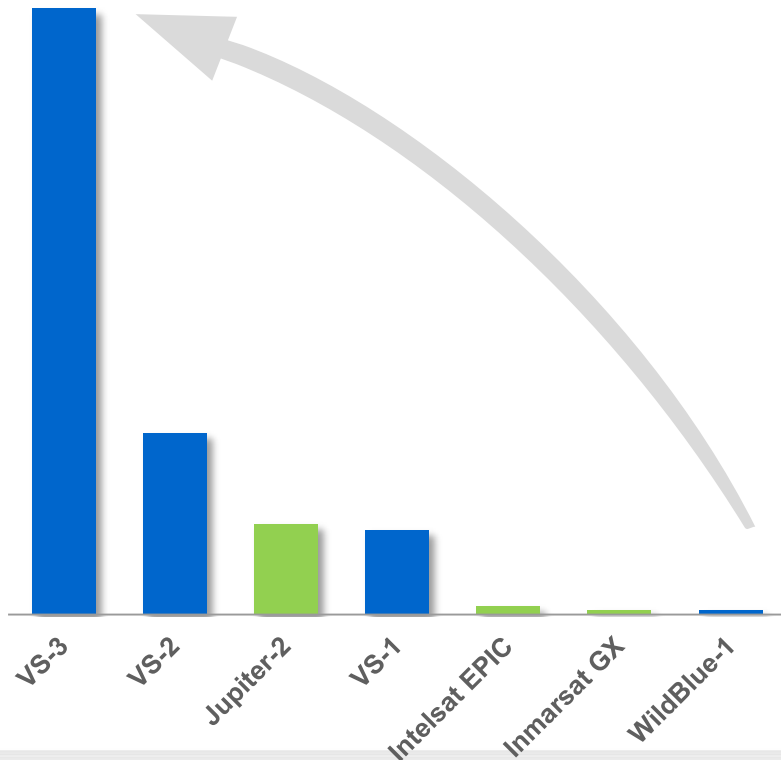
- Attractive new markets
- Bandwidth intensive
- Flexible coverage



# Maximizing Productivity

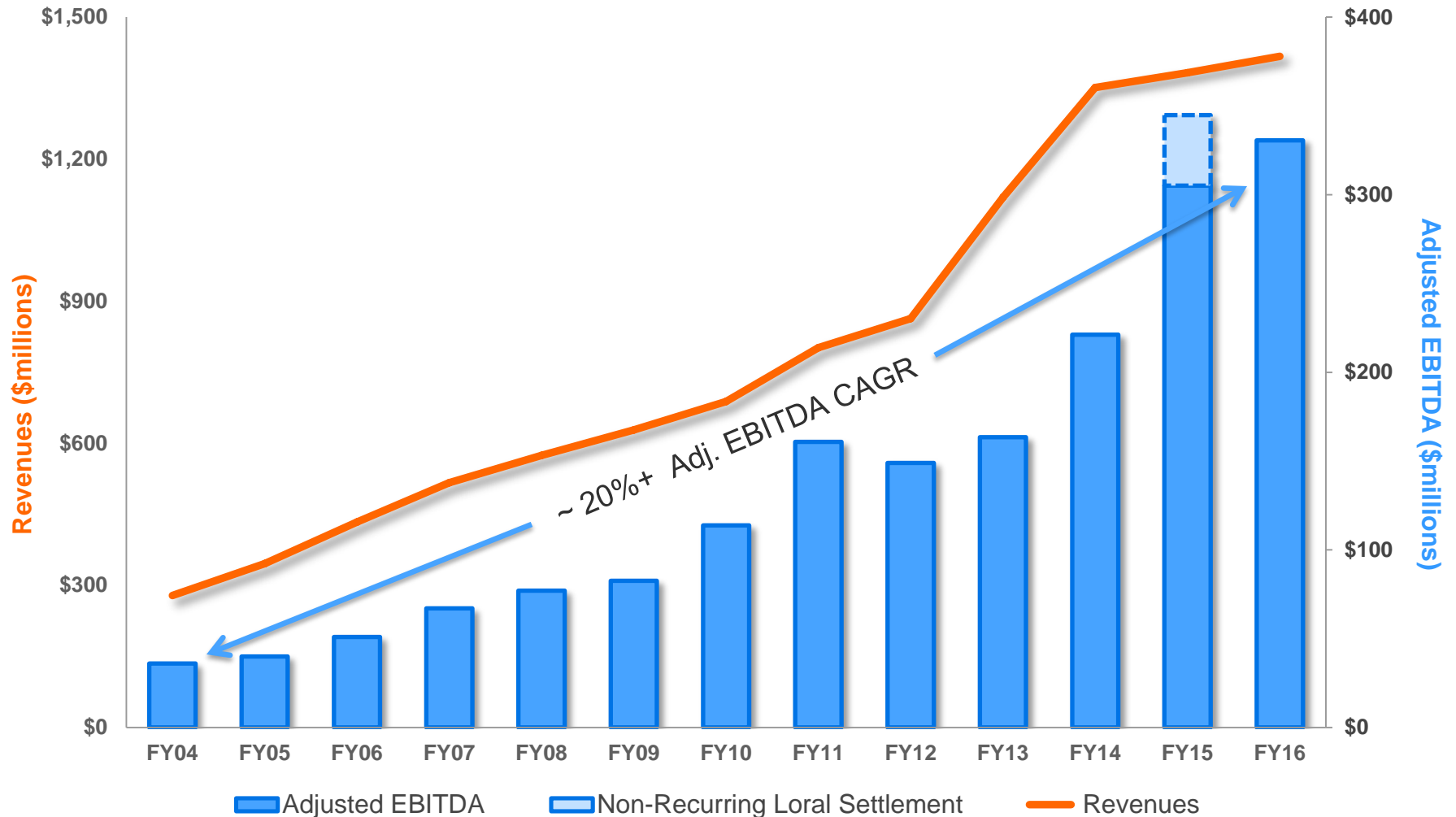
*R&D investments and vertical integration....*

Satellite Capacity (Gbps)



*....drive massive improvements in satellite bandwidth and network productivity.*

# Outlook & Summary





# Q & A