Viasat accelerates key integration milestone

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Company expected to achieve $100 million in annual expense savings as a result of ongoing Inmarsat integration

CARLSBAD, Calif., Nov. 2, 2023 /PRNewswire/ -- Viasat Inc. (NASDAQ: VSAT), a global communications company, today announced that it has reached an important milestone in its integration program following the acquisition of Inmarsat. As part of its ongoing strategy to streamline operations and to better serve its growing customer base, Viasat has completed a rationalization of roles in its global business, to achieve both operational and cost efficiencies.

"Since we completed the acquisition of Inmarsat, our focus has been on accelerating our leading role in global mobile satellite communications by converging our technologies and organizational structures to deliver enhanced products and services to our customers. We will continue working to better unify our go-to-market approach, and maximize operational and capital productivity," said Guru Gowrappan, president of Viasat.

As a result of the role rationalization, Viasat will reduce its global workforce by approximately 800 roles, or about 10%, spread across the business in terms of geographies and divisions. This move is expected to result in annualized run-rate operating expense cost savings of approximately $100 million beginning primarily in FY2025. Separately, this reduction will also contribute to the attainment of the Company's FY2025 capital expenditure target of $1.4 billion to $1.5 billion, including capitalized interest. The Company will incur charges of approximately $45 million to achieve these synergies, which will be incurred predominantly in the second half of FY2024.

"The changes we are announcing today are consistent with our goals to focus our spending toward our biggest growth opportunities and position Viasat for long-term success, while expanding margins and profitability," said Guru. "At the same time, the decision to reduce our workforce is a very difficult one, and not something we take lightly. We would like to express our gratitude to our departing colleagues for their dedication, hard work, and contributions, which have been integral to Viasat's success story," continued Guru.

Viasat confirmed that today's actions enable the company to focus ongoing investments in space and ground technologies and assets that support customers' needs and the company's growth targets for revenue and AEBITDA in FY2024, FY2025, and beyond through increasing emphasis on global mobility across commercial and government markets. The cost reductions support improvements in operating results and reductions in capital spending that are consistent with previously announced plans to reduce debt and leverage and generate free cash flow by the first half of CY2025.

The Company emphasized that following these actions, Viasat continues to operate with a global footprint, with a majority of its employees continuing to be located in the United States and the UK.

Further details are expected to be shared at Viasat's Q2 earnings on November 8, 2023.

Forward-Looking Statements

This press release contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements include, among others, statements that refer to anticipated cost savings and realization of synergies and the timing thereof, the proposed workforce reduction and the amount and timing of associated costs, and expectations for future performance, reductions in capital and operating expenses, free cash flow generation, profitability, growth and results of operations. Readers are cautioned that actual results could differ materially and adversely from those expressed in any forward-looking statements. Factors that could cause actual results to differ include: risks associated with the construction, launch and operation of satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; the ability of Viasat to successfully integrate Inmarsat operations, technologies and employees following the closing of the Inmarsat acquisition; the ability to realize anticipated benefits and synergies of the Inmarsat acquisition, including the expectation of enhancements to Viasat's products and services, greater revenue or growth opportunities, operating efficiencies and cost savings; the ability to ensure continued performance and market growth of Viasat's business; changes in the global business environment and economic conditions; the availability and cost of credit; Viasat's ability to successfully develop, introduce and sell new technologies, products and services; Viasat's reliance on a limited number of third parties to manufacture and supply its products; the risk of litigation or regulatory actions; Viasat's level of indebtedness and ability to comply with applicable debt covenants; and other factors affecting the communications industry generally. In addition, please refer to the risk factors contained in Viasat's SEC filings available at www.sec.gov, including Viasat's 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. Viasat undertakes no obligation to update or revise any forward-looking statements for any reason.

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