UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2023.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number (000-21767)

VIASAT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**33-0174996**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

6155 El Camino Real
Carlsbad, California 92009
(760) 476-2200
(Address of principal executive offices and telephone number)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Trading Symbol)	(Name of Each Exchange on which Registered)
Common Stock, par value $0.0001 per share	**VSAT**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant’s common stock, $0.0001 par value, as of January 26, 2024 was 125,320,499.

VIASAT, INC.
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

VIASAT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,621,228	$ 1,348,854
Restricted cash	—	30,532
Short-term investments	30,000	—
Accounts receivable, net	675,846	419,934
Inventories	353,551	268,563
Prepaid expenses and other current assets	1,055,683	176,629
Total current assets	3,736,308	2,244,512
Property, equipment and satellites, net	7,374,342	4,378,283
Operating lease right-of-use assets	408,367	281,757
Other acquired intangible assets, net	2,773,665	201,205
Goodwill	1,613,706	158,542
Other assets	744,267	466,038
Total assets	$ 16,650,655	$ 7,730,337
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 314,611	$ 271,548
Accrued and other liabilities	999,068	647,232
Current portion of long-term debt	62,838	37,939
Total current liabilities	1,376,517	956,719
Senior notes	4,342,617	1,689,186
Other long-term debt	2,879,963	732,315
Non-current operating lease liabilities	383,614	273,006
Other liabilities	2,522,149	218,542
Total liabilities	11,504,860	3,869,768
Commitments and contingencies (Note 10)		
Equity:		
Viasat, Inc. stockholders' equity		
Common stock	13	8
Paid-in capital	4,768,444	2,540,679
Retained earnings	349,695	1,318,336
Accumulated other comprehensive income (loss)	(15,144)	(34,713)
Total Viasat, Inc. stockholders' equity	5,103,008	3,824,310
Noncontrolling interest in subsidiary	42,787	36,259
Total equity	5,145,795	3,860,569
Total liabilities and equity	$ 16,650,655	$ 7,730,337

See accompanying notes to the condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In thousands, except per share data)			
Revenues:				
Product revenues	$ 303,073	$ 249,315	$ 941,174	$ 682,769
Service revenues	825,466	402,129	2,192,571	1,207,290
Total revenues	1,128,539	651,444	3,133,745	1,890,059
Operating expenses:				
Cost of product revenues	252,519	205,177	703,617	528,478
Cost of service revenues	514,757	277,856	1,374,860	814,224
Selling, general and administrative (including satellite impairment and related charges, net – see Note 1 – Basis of Presentation – Property, equipment and satellites)	271,734	162,845	1,640,304	511,661
Independent research and development	41,728	29,444	104,161	96,625
Amortization of acquired intangible assets	91,719	7,433	200,904	22,335
Income (loss) from operations	(43,918)	(31,311)	(890,101)	(83,264)
Other income (expense):				
Interest income	20,921	525	72,596	7,457
Interest expense	(133,537)	(8,747)	(275,633)	(19,258)
Other income, net	—	—	—	1,098
Income (loss) from continuing operations before income taxes	(156,534)	(39,533)	(1,093,138)	(93,967)
(Provision for) benefit from income taxes from continuing operations	34,496	(5,212)	128,106	(59,045)
Equity in income (loss) of unconsolidated affiliate, net	2,689	(13)	3,018	(53)
Net income (loss) from continuing operations	(119,349)	(44,758)	(962,014)	(153,065)
Net income (loss) from discontinued operations, net of tax	—	4,333	—	44,045
Net income (loss)	(119,349)	(40,425)	(962,014)	(109,020)
Less: net income (loss) attributable to noncontrolling interest, net of tax	5,050	1,803	6,627	3,012
Net income (loss) attributable to Viasat, Inc.	$ (124,399)	$ (42,228)	$ (968,641)	$ (112,032)
Income (loss) per share attributable to Viasat, Inc. common stockholders - basic:				
Continuing operations	$ (0.99)	$ (0.61)	$ (8.47)	$ (2.06)
Discontinued operations	—	0.06	—	0.58
Income (loss)	$ (0.99)	$ (0.55)	$ (8.47)	$ (1.48)
Income (loss) per share attributable to Viasat, Inc. common stockholders - diluted:				
Continuing operations	$ (0.99)	$ (0.61)	$ (8.47)	$ (2.06)
Discontinued operations	—	0.06	—	0.58
Income (loss)	$ (0.99)	$ (0.55)	$ (8.47)	$ (1.48)
Shares used in computing basic net income (loss) per share	125,097	76,138	114,317	75,586
Shares used in computing diluted net income (loss) per share	125,097	76,138	114,317	75,586
Comprehensive income (loss):				
Net income (loss)	$ (119,349)	$ (40,425)	$ (962,014)	$ (109,020)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments, net of tax	17,143	24,850	13,563	(17,486)
Unrealized gain (loss) on hedging, net of tax	4,548	—	6,006	—
Other comprehensive income (loss), net of tax	21,691	24,850	19,569	(17,486)
Comprehensive income (loss)	(97,658)	(15,575)	(942,445)	(126,506)
Less: comprehensive income (loss) attributable to noncontrolling interest, net of tax	5,050	1,803	6,627	3,012
Comprehensive income (loss) attributable to Viasat, Inc.	$ (102,708)	$ (17,378)	$ (949,072)	$ (129,518)

See accompanying notes to the condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended	
	December 31, 2023	December 31, 2022
Cash Flows from Continuing and Discontinued Operations	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	$ (962,014)	$ (109,020)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	598,052	307,632
Amortization of intangible assets	246,918	65,848
Stock-based compensation expense	65,669	64,941
Satellite impairment and disposition of fixed assets losses, net	858,010	36,337
Deferred income taxes and other non-cash adjustments	(111,293)	81,847
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of effect of acquisition:		
Accounts receivable	(60,618)	(76,208)
Inventories	(53,929)	(64,474)
Other assets	58,090	8,680
Accounts payable	4,172	55,421
Accrued liabilities	(80,895)	(19,374)
Other liabilities	(105,952)	(34,018)
Net cash provided by (used in) operating activities	456,210	317,612
Cash flows from investing activities:		
Purchase of property, equipment and satellites, and other assets	(1,161,490)	(850,747)
Payment related to acquisition of a business, net of cash acquired	(342,621)	—
Proceeds from sale of short-term investments	134,266	—
Payments to acquire short-term investments	(82,000)	—
Net cash provided by (used in) investing activities	(1,451,845)	(850,747)
Cash flows from financing activities:		
Proceeds from debt borrowings	1,334,683	540,000
Payments on debt borrowings	(48,457)	(93,853)
Payments of debt issuance costs	(50,390)	(1,511)
Proceeds from issuance of common stock under equity plans	10,130	9,626
Purchase of common stock in treasury (immediately retired) related to tax withholdings for stock-based compensation	(11,220)	(15,921)
Repurchase of shares by majority-owned subsidiary	—	(30,000)
Other financing activities	1,339	(2,374)
Net cash provided by (used in) financing activities	1,236,085	405,967
Effect of exchange rate changes on cash	1,392	(1,161)
Net increase (decrease) in cash and cash equivalents and restricted cash	241,842	(128,329)
Cash and cash equivalents and restricted cash at beginning of period	1,379,386	310,459
Cash and cash equivalents at end of period	$ 1,621,228	$ 182,130
Non-cash investing and financing activities:		
Issuance of common stock in connection with acquisition	$ 2,123,455	$ —
Issuance of common stock in satisfaction of certain accrued compensation liabilities	$ 31,173	$ 27,619
Right-of-use assets obtained in exchange for operating lease liabilities	$ 15,727	$ 6,923
Capital expenditures not paid for during the period	$ —	$ 78,642

See accompanying notes to the condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

	Viasat, Inc. Stockholders							
	Common Stock							
	Number of Shares Issued	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiary	Total
	(In thousands, except share data)						
For the Three Months Ended December 31, 2023							
Balance at September 30, 2023	124,481,293	$ 13	$ 4,752,694	$ 474,094	$ (36,835)	$ 37,737	$ 5,227,703
Stock-based compensation	—	—	24,405	—	—	—	24,405
RSU awards vesting, net of shares withheld for taxes which have been retired	838,933	—	(8,655)	—	—	—	(8,655)
Net income (loss)	—	—	—	(124,399)	—	5,050	(119,349)
Other comprehensive income (loss), net of tax	—	—	—	—	21,691	—	21,691
Balance at December 31, 2023	125,320,226	$ 13	$ 4,768,444	$ 349,695	$ (15,144)	$ 42,787	$ 5,145,795
For the Three Months Ended December 31, 2022							
Balance at September 30, 2022	75,585,221	$ 8	$ 2,496,783	$ 163,726	$ (63,957)	$ 31,631	$ 2,628,191
Stock-based compensation	—	—	24,661	—	—	—	24,661
RSU awards vesting, net of shares withheld for taxes which have been retired	787,884	—	(15,089)	—	—	—	(15,089)
Net income (loss)	—	—	—	(42,228)	—	1,803	(40,425)
Other comprehensive income (loss), net of tax	—	—	—	—	24,850	—	24,850
Balance at December 31, 2022	76,373,105	$ 8	$ 2,506,355	$ 121,498	$ (39,107)	$ 33,434	$ 2,622,188

See accompanying notes to the condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(UNAUDITED)

	Viasat, Inc. Stockholders						
	Common Stock						
	Number of Shares Issued	Amount	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Subsidiary	Total
	(In thousands, except share data)						
For the Nine Months Ended December 31, 2023							
Balance at March 31, 2023	76,912,016	$ 8	$ 2,540,679	$ 1,318,336	$ (34,713)	$ 36,259	$ 3,860,569
Exercise of stock options	2,633	—	82	—	—	—	82
Issuance of stock under Employee Stock Purchase Plan	382,062	—	10,048	—	—	—	10,048
Stock-based compensation	—	—	74,232	—	—	—	74,232
Shares issued in settlement of certain accrued employee compensation liabilities	687,851	—	31,173	—	—	—	31,173
RSU awards vesting, net of shares withheld for taxes which have been retired	972,028	—	(11,220)	—	—	—	(11,220)
Shares issued in connection with acquisition of business, net of issuance costs	46,363,636	5	2,123,450	—	—	—	2,123,455
Other noncontrolling interest activity	—	—	—	—	—	(99)	(99)
Net income (loss)	—	—	—	(968,641)	—	6,627	(962,014)
Other comprehensive income (loss), net of tax	—	—	—	—	19,569	—	19,569
Balance at December 31, 2023	125,320,226	$ 13	$ 4,768,444	$ 349,695	$ (15,144)	$ 42,787	$ 5,145,795
For the Nine Months Ended December 31, 2022							
Balance at March 31, 2022	74,428,816	$ 7	$ 2,421,950	$ 233,530	$ (21,621)	$ 48,728	$ 2,682,594
Issuance of stock under Employee Stock Purchase Plan	369,712	—	9,626	—	—	—	9,626
Stock-based compensation	—	—	74,865	—	—	—	74,865
Shares issued in settlement of certain accrued employee compensation liabilities	719,989	1	27,618	—	—	—	27,619
RSU awards vesting, net of shares withheld for taxes which have been retired	854,588	—	(15,921)	—	—	—	(15,921)
Other noncontrolling interest activity	—	—	(11,783)	—	—	(18,306)	(30,089)
Net income (loss)	—	—	—	(112,032)	—	3,012	(109,020)
Other comprehensive income (loss), net of tax	—	—	—	—	(17,486)	—	(17,486)
Balance at December 31, 2022	76,373,105	$ 8	$ 2,506,355	$ 121,498	$ (39,107)	$ 33,434	$ 2,622,188

See accompanying notes to the condensed consolidated financial statements.

Note 1 — Basis of Presentation

The accompanying condensed consolidated balance sheet at December 31, 2023, the condensed consolidated statements of operations and comprehensive income (loss) for the three and nine months ended December 31, 2023 and 2022, the condensed consolidated statements of cash flows for the nine months ended December 31, 2023 and 2022 and the condensed consolidated statements of equity for the three and nine months ended December 31, 2023 and 2022 have been prepared by the management of Viasat, Inc. (also referred to hereafter as the Company or Viasat), and have not been audited. These financial statements have been prepared on the same basis as the audited consolidated financial statements for the fiscal year ended March 31, 2023 and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the Company's results for the periods presented. These financial statements should be read in conjunction with the financial statements and notes thereto for the fiscal year ended March 31, 2023 included in the Company's Annual Report on Form 10-K. Interim operating results are not necessarily indicative of operating results for the full year. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America (GAAP).

The Company's condensed consolidated financial statements include the assets, liabilities and results of operations of Viasat, its wholly owned subsidiaries and its majority-owned subsidiary, TrellisWare Technologies, Inc. (TrellisWare).

All significant intercompany amounts have been eliminated. Investments in entities in which the Company can exercise significant influence, but does not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investment in unconsolidated affiliate in other assets (long-term) on the condensed consolidated balance sheets.

On May 30, 2023, the Company purchased all of the issued and outstanding shares of Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat Holdings and, together with its subsidiaries, Inmarsat) in exchange for approximately $550.7 million in cash and 46.36 million shares of the Company's common stock (the Inmarsat Acquisition). In connection with the closing of the Inmarsat Acquisition, the Company entered into a $616.7 million senior secured term loan facility (the 2023 Term Loan Facility) and a $733.4 million unsecured bridge loan facility (the Bridge Facility), which were fully drawn at closing. On September 28, 2023, the Bridge Facility was replaced with the 7.500% Senior Notes due 2031 (the 2031 Notes). See Note 4 – Acquisition and Note 8 – Senior Notes and Other Long-Term Debt for more information. The Inmarsat Acquisition was accounted for as a purchase and accordingly, the condensed consolidated financial statements include the operating results of Inmarsat from the date of acquisition.

In connection with the closing of the Inmarsat Acquisition, the Company's certificate of incorporation was amended to increase the number of shares of common stock authorized for issuance from 100,000,000 to 200,000,000 as previously approved by the Company's stockholders at a special meeting held on June 21, 2022.

On January 3, 2023, the Company completed the sale of certain assets and liabilities comprising the Company's Link-16 Tactical Data Links business (the Link-16 TDL Business), part of the Company's government systems segment, to L3Harris Technologies, Inc. (L3Harris) in exchange for approximately $1.96 billion in cash, subject to adjustments (the Link-16 TDL Sale). In accordance with the authoritative guidance for discontinued operations (Accounting Standards Codification (ASC) 205-20), the Company determined that the Link-16 TDL Business met held-for-sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, the Company classified the results of the Link-16 TDL Business as discontinued operations in its condensed consolidated statements of operations for the three and nine months ended December 31, 2022. Certain prior period quarterly amounts have been adjusted by an insignificant amount from the amounts previously reported in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, due to the determination that certain contracts could not be novated in connection with the closing of the Link-16 TDL Sale. Unless otherwise noted, discussion within the notes to the condensed consolidated financial statements relates to continuing operations only and excludes the Link-16 TDL Business. See Note 5 — Discontinued Operations for additional information.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ from those estimates. Significant estimates made by management include revenue recognition, stock-based compensation, allowance for doubtful accounts, valuation of goodwill and other intangible assets, patents, orbital slots and other licenses, software development, property, equipment and satellites, long-lived assets, derivatives, contingencies and income taxes including the valuation allowance on deferred tax assets.

Revenue recognition

In accordance with the authoritative guidance for revenue from contracts with customers (ASC 606), the Company applies the five-step model to its contracts with its customers. Under this model the Company (1) identifies the contract with the customer, (2) identifies its performance obligations in the contract, (3) determines the transaction price for the contract, (4) allocates the transaction price to its performance obligations and (5) recognizes revenue when or as it satisfies its performance obligations. These performance obligations generally include the purchase of services (including broadband capacity and the leasing of broadband equipment), the purchase of products, and the development and delivery of complex equipment built to customer specifications under long-term contracts.

Performance obligations

The timing of satisfaction of performance obligations may require judgment. The Company derives a substantial portion of its revenues from contracts with customers for services, primarily consisting of connectivity services. These contracts typically require advance or recurring monthly payments by the customer. The Company’s obligation to provide connectivity services is satisfied over time as the customer simultaneously receives and consumes the benefits provided. The measure of progress over time is based upon either a period of time (e.g., over the estimated contractual term) or usage (e.g., bandwidth used/bytes of data processed). The Company evaluates whether broadband equipment provided to its customers as part of the delivery of connectivity services represents a lease in accordance with the authoritative guidance for leases (ASC 842). As discussed further below under “Leases - Lessor accounting”, for broadband equipment leased to customers in conjunction with the delivery of connectivity services, the Company accounts for the lease and non-lease components of connectivity service arrangements as a single performance obligation as the connectivity services represent the predominant component.

The Company also derives a portion of its revenues from contracts with customers to provide products. Performance obligations to provide products are satisfied at the point in time when control is transferred to the customer. These contracts typically require payment by the customer upon passage of control and determining the point at which control is transferred may require judgment. To identify the point at which control is transferred to the customer, the Company considers indicators that include, but are not limited to, whether (1) the Company has the present right to payment for the asset, (2) the customer has legal title to the asset, (3) physical possession of the asset has been transferred to the customer, (4) the customer has the significant risks and rewards of ownership of the asset, and (5) the customer has accepted the asset. For product revenues, control generally passes to the customer upon delivery of goods to the customer.

The Company's contracts with the U.S. Government typically are subject to the Federal Acquisition Regulation (FAR) and are priced based on estimated or actual costs of producing goods or providing services. The FAR provides guidance on the types of costs that are allowable in establishing prices for goods and services provided under U.S. Government contracts. The pricing for non-U.S. Government contracts is based on the specific negotiations with each customer. Under the typical payment terms of the Company's U.S. Government fixed-price contracts, the customer pays the Company either performance-based payments (PBPs) or progress payments. PBPs are interim payments based on quantifiable measures of performance or on the achievement of specified events or milestones. Progress payments are interim payments based on a percentage of the costs incurred as the work progresses. Because the customer can often retain a portion of the contract price until completion of the contract, the Company's U.S. Government fixed-price contracts generally result in revenue recognized in excess of billings which the Company presents as unbilled accounts receivable on the balance sheet. Amounts billed and due from the Company's customers are classified as receivables on the balance sheet. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For the Company's U.S. Government cost-type contracts, the customer generally pays the Company for its actual costs incurred within a short period of time. For non-U.S. Government contracts, the Company typically receives interim payments as work progresses, although for some contracts, the Company may be entitled to receive an advance payment. The Company recognizes a liability for these advance payments in excess of revenue recognized and presents it as collections in excess of revenues and deferred revenues on the balance sheet. An advance payment is not typically considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect the Company from the other party failing to adequately complete some or all of its obligations under the contract.

Performance obligations related to developing and delivering complex equipment built to customer specifications under long-term contracts are recognized over time as these performance obligations do not create assets with an alternative use to the Company and the Company has an enforceable right to payment for performance to date. To measure the transfer of control, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. The Company generally uses the cost-to-cost measure of progress for its contracts because that best depicts the transfer of control to the customer which occurs as the Company incurs costs on its contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Estimating the total costs at completion of a performance obligation requires management to make estimates related to items such as subcontractor performance, material costs and availability, labor costs and productivity and the costs of overhead. When estimates of total costs to be incurred on a contract exceed total estimates of revenue to be earned, a provision for the entire loss on the contract is recognized in the period the loss is determined.

Contract costs on U.S. Government contracts are subject to audit and review by the Defense Contracting Management Agency (DCMA), the Defense Contract Audit Agency (DCAA), and other U.S. Government agencies, as well as negotiations with U.S. Government representatives. As of December 31, 2023, the DCAA had completed its incurred cost audit for fiscal years 2004, 2016, 2019, 2020 and 2021. The DCMA approved the Company's incurred costs for those fiscal years, with the exception of 2021, which is pending. The DCMA also approved the Company's incurred costs for fiscal years 2005 through 2015, 2017, 2018 and 2022 without further audit based on the determination of low risk. Although the Company has recorded contract revenues subsequent to fiscal year 2020 based upon an estimate of costs that the Company believes will be approved upon final audit or review, the Company does not know the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed the Company's estimates, its profitability would be adversely affected. The Company had $16.6 million and $12.9 million as of December 31, 2023 and March 31, 2023, respectively, in contract-related reserves for its estimate of potential refunds to customers for potential cost adjustments on several multi-year U.S. Government cost reimbursable contracts (see Note 10 — Commitments and Contingencies for more information).

Evaluation of transaction price

The evaluation of transaction price, including the amounts allocated to performance obligations, may require significant judgments. Due to the nature of the work required to be performed on many of the Company's performance obligations, the estimation of total revenue, and, where applicable, the cost at completion, is complex, subject to many variables and requires significant judgment. The Company's contracts may contain award fees, incentive fees, or other provisions, including the potential for significant financing components, that can either increase or decrease the transaction price. These amounts, which are sometimes variable, can be dictated by performance metrics, program milestones or cost targets, the timing of payments, and customer discretion. The Company estimates variable consideration at the amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information (historical, current and forecasted) that is reasonably available to the Company. In the event an agreement includes embedded financing components, the Company recognizes interest expense or interest income on the embedded financing components using the effective interest method. This methodology uses an implied interest rate which reflects the incremental borrowing rate which would be expected to be obtained in a separate financing transaction. The Company has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

If a contract is separated into more than one performance obligation, the total transaction price is allocated to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Estimating standalone selling prices may require judgment. When available, the Company utilizes the observable price of a good or service when the Company sells that good or service separately in similar circumstances and to similar customers. If a standalone selling price is not directly observable, the Company estimates the standalone selling price by considering all information (including market conditions, specific factors, and information about the customer or class of customer) that is reasonably available.

Transaction price allocated to remaining performance obligations

The Company's remaining performance obligations represent the transaction price of firm contracts and orders for which work has not been performed. The Company includes in its remaining performance obligations only those contracts and orders for which it has accepted purchase orders. Remaining performance obligations associated with the Company's subscribers for fixed consumer and business broadband services in its satellite services segment exclude month-to-month service contracts in accordance with a practical expedient and are estimated using a portfolio approach in which the Company reviews all relevant promotional activities and calculates the remaining performance obligation using the average service component for the portfolio and the average time remaining under the contract. The Company's future recurring in-flight connectivity service contracts in its satellite services segment do not have minimum service purchase requirements and therefore are not included in the Company's remaining performance obligations. As of December 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was $3.7 billion, of which the Company expects to recognize approximately half over the next 12 months, with the balance recognized thereafter.

Disaggregation of revenue

The Company operates and manages its business in three reportable segments: satellite services, commercial networks and government systems. Revenue is disaggregated by products and services, customer type, contract type, and geographic area, respectively, as the Company believes this approach best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors.

The following sets forth disaggregated reported revenue by segment and product and services for the three and nine months ended December 31, 2023 and 2022:

	Three Months Ended December 31, 2023			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	$ —	$ 144,525	$ 158,548	$ 303,073
Service revenues	581,429	21,835	222,202	825,466
Total revenues	$ 581,429	$ 166,360	$ 380,750	$ 1,128,539

	Nine Months Ended December 31, 2023			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	$ —	$ 523,517	$ 417,657	$ 941,174
Service revenues	1,565,247	66,636	560,688	2,192,571
Total revenues	$ 1,565,247	$ 590,153	$ 978,345	$ 3,133,745

	Three Months Ended December 31, 2022			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	$ —	$ 147,163	$ 102,152	$ 249,315
Service revenues	302,412	20,060	79,657	402,129
Total revenues	$ 302,412	$ 167,223	$ 181,809	$ 651,444

	Nine Months Ended December 31, 2022			
	Satellite Services	Commercial Networks	Government Systems	Total Revenues
	(In thousands)			
Product revenues	$ —	$ 400,569	$ 282,200	$ 682,769
Service revenues	915,059	59,465	232,766	1,207,290
Total revenues	$ 915,059	$ 460,034	$ 514,966	$ 1,890,059

Revenues from the U.S. Government as an individual customer comprised approximately 17% of total revenues for both the three and nine months ended December 31, 2023, and approximately 15% and 16% of total revenues for the three and nine months ended December 31, 2022, respectively, mainly reported within the government systems segment. Revenues from the Company’s other customers, mainly reported within the commercial networks and satellite services segments, comprised approximately 83% of total revenues for both the three and nine months ended December 31, 2023, and approximately 85% and 84% of total revenues for the three and nine months ended December 31, 2022, respectively.

The Company’s satellite services segment revenues are primarily derived from the Company’s in-flight services, fixed broadband services, maritime services (including narrowband and safety of communication capabilities primarily acquired through the Inmarsat Acquisition), and energy services.

Revenues in the Company’s commercial networks and government systems segments are primarily derived from three types of contracts: fixed-price, cost-reimbursement and time-and-materials contracts. Fixed-price contracts (which require the Company to provide products and services under a contract at a specified price) comprised approximately 91% of the Company’s total revenues for these segments for both the three and nine months ended December 31, 2023, and approximately 90% and 88% of the Company’s total revenues for these segments for the three and nine months ended December 31, 2022, respectively. The remainder of the Company’s revenues in these segments for such periods was derived primarily from cost-reimbursement contracts (under which the Company is reimbursed for all actual costs incurred in performing the contract to the extent such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit) and from time-and-materials contracts (under which the Company is reimbursed for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services).

Historically, a significant portion of the Company’s revenues in its commercial networks and government systems segments has been derived from customer contracts that include the development of products. The development efforts are conducted in direct response to the customer’s specific requirements and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in revenues. Revenues for the Company’s funded development from its customer contracts were approximately 10% and 12% of its total revenues for the three and nine months ended December 31, 2023, respectively, and approximately 15% of its total revenues for both the three and nine months ended December 31, 2022.

Contract balances

Contract balances consist of contract assets and contract liabilities. A contract asset, or with respect to the Company, an unbilled accounts receivable, is recorded when revenue is recognized in advance of the Company’s right to bill and receive consideration, typically resulting from sales under long-term contracts. Unbilled accounts receivable are generally expected to be billed and collected within one year. The unbilled accounts receivable will decrease as provided services or delivered products are billed. The Company receives payments from customers based on a billing schedule established in the Company’s contracts.

When consideration is received in advance of the delivery of goods or services, a contract liability, or with respect to the Company, collections in excess of revenues or deferred revenues, is recorded. Reductions in the collections in excess of revenues or deferred revenues will be recorded as the Company satisfies the performance obligations.

The following table presents contract assets and liabilities as of December 31, 2023 and March 31, 2023:

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
Unbilled accounts receivable	$ 148,064	$ 104,889
Collections in excess of revenues and deferred revenues	266,147	132,187
Deferred revenues, long-term portion	905,373	84,747

Unbilled accounts receivable increased by $43.2 million during the nine months ended December 31, 2023, driven by revenue recognized in excess of billings primarily in the Company's government systems segment. The Inmarsat Acquisition (based on preliminary estimates) contributed approximately $16.3 million of unbilled accounts receivable.

Collections in excess of revenues and deferred revenues increased by $134.0 million during the nine months ended December 31, 2023 driven primarily by $141.5 million contributed by the Inmarsat Acquisition (based on preliminary estimates) in the Company's satellite services segment. This increase was partially offset by a $7.5 million decrease during the nine months ended December 31, 2023, driven by revenue recognized in excess of advances received on goods or services primarily in the Company's satellite services segment.

Based on preliminary estimates, the Inmarsat Acquisition contributed approximately $862.5 million of deferred revenues (long-term). This increase was partially offset by a $41.9 million decrease during the nine months ended December 31, 2023, related to amounts reclassified to collections in excess of revenues and deferred revenues in the Company's satellite services segment.

During the three and nine months ended December 31, 2023, the Company recognized revenue of $14.1 million and $91.3 million, respectively, that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2023. During the three and nine months ended December 31, 2022, the Company recognized revenue of $10.7 million and $108.4 million, respectively, that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2022.

Cash equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at the date of purchase, with a significant portion held in U.S. government-backed qualified money-market securities.

Restricted cash

Restricted cash relates to deposits required by certain counterparties as collateral pursuant to outstanding letters of credit. Restricted cash as of December 31, 2023 and March 31, 2023 was zero and $30.5 million, respectively.

In accordance with the authoritative guidance for the statement of cash flows (ASU 230), the following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the condensed consolidated balance sheets that total to the amounts shown in the condensed consolidated statements of cash flows.

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
Cash and cash equivalents	$ 1,621,228	$ 1,348,854
Restricted cash	—	30,532
Total cash and cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 1,621,228	$ 1,379,386

Short-term investments

Short-term investments comprise deposits held with banks, money market funds, certificate of deposits and other short-term, highly liquid investments with an original maturity of between 91 and 120 days.

Property, equipment and satellites

Satellites and other property and equipment, including internally developed software, are recorded at cost or, in the case of certain satellites and other property acquired, the fair value at the date of acquisition, net of accumulated depreciation. Capitalized satellite costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentives expected to be payable to satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction. The Company also constructs earth stations, network operations systems and other assets to support its satellites, and those construction costs, including interest, are capitalized as incurred. At the time satellites are placed in commercial service, the Company estimates the useful life of its satellites for depreciation purposes based upon an analysis of each satellite's performance against the original manufacturer's orbital design life, estimated fuel levels and related consumption rates, as well as historical satellite operating trends. The Company periodically reviews the remaining estimated useful life of its satellites to determine if revisions to estimated useful lives are necessary. Costs incurred for additions to property, equipment and satellites, together with major renewals and betterments, are capitalized and depreciated over the remaining life of the underlying asset. Costs incurred for maintenance, repairs and minor renewals and betterments are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized in operations, which for the periods presented, primarily related to losses incurred for unreturned customer premise equipment (CPE). The Company computes depreciation using the straight-line method over the estimated useful lives of the assets ranging from two to 38 years. Leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the lease term or the life of the improvement.

Costs related to internally developed software for internal uses are capitalized after the preliminary project stage is complete and are amortized over the estimated useful lives of the assets, which are approximately three to seven years. Capitalized costs for internal-use software are included in property, equipment and satellites, net in the Company's condensed consolidated balance sheets.

Interest expense is capitalized on the carrying value of assets under construction, in accordance with the authoritative guidance for the capitalization of interest (ASC 835-20). With respect to the construction of satellites, gateway and networking equipment and other assets under construction, the Company capitalized $45.7 million and $172.6 million of interest expense for the three and nine months ended December 31, 2023, respectively, and $44.0 million and $116.1 million for the three and nine months ended December 31, 2022, respectively.

The Company's complementary fleet of 21 satellites in space spans the Ka-, L- and S- bands. In addition to Viasat's legacy satellite fleet, the closing of the Inmarsat Acquisition added: five additional high-bandwidth Ka-band satellites, eight high-availability L-band satellites (three of which are contingency satellites in orbit but not currently in service), an S-band satellite that supports the European Aviation Network (EAN) to provide in-flight connectivity services to commercial airlines in Europe, and an Inmarsat-6 (I-6) class hybrid Ka-/L-band satellite (the I-6 F1 satellite), with additional satellites under development. In addition to the Company's satellite fleet, the Company has purchased capacity on and has access to additional regional partner satellites. In addition, the Company owns related earth stations and networking equipment for all of its satellites. The Company procures CPE units leased to customers in order to connect to the Company's satellite network as part of the Company's satellite services segment, which are reflected in investing activities and property, equipment and satellites, net in the accompanying condensed consolidated financial statements. The Company depreciates the satellites, earth stations and networking equipment, CPE units and related installation costs over their estimated useful lives. The total cost and accumulated depreciation of CPE units included in property, equipment and satellites, net, as of December 31, 2023 were $585.2 million and $254.3 million, respectively. The total cost and accumulated depreciation of CPE units included in property, equipment and satellites, net, as of March 31, 2023 were $395.4 million and $213.6 million, respectively.

The Company launched the first of its third-generation ViaSat-3 class satellites, ViaSat-3 F1, into orbit on April 30, 2023 and is planning to launch two additional third-generation ViaSat-3 class satellites currently under construction. On July 12, 2023, the Company reported a reflector deployment issue that materially impacted the performance of the ViaSat-3 F1 satellite. The Company and the reflector provider conducted a rigorous review of the development and deployment of the affected reflector to determine its impact and potential remedial measures. In connection with the root cause analysis, the Company determined that while the satellite payload is functional, the Company will recover less than 10% of the planned throughput on the ViaSat-3 F1 satellite.

On August 24, 2023, the Company reported that the I-6 F2 satellite, which was launched on February 18, 2023, suffered a power subsystem anomaly during its orbit raising phase. The Company and Airbus, the satellite's manufacturer, performed a root cause analysis of the anomaly and concluded the satellite would not operate as intended. The Company determined that the full carrying value of the I-6 F2 satellite is not recoverable. The I-6 F2 anomaly does not impact ongoing customer services. The I-6 F1 satellite, which was launched in December 2021, is operational and continues to perform as expected.

As a result of the anomalies that occurred with respect to the ViaSat-3 F1 and I-6 F2 satellites, as well as the impact of integration efforts related to the Inmarsat Acquisition, the Company undertook extensive analysis of its existing integrated satellite fleet and ongoing satellites under construction projects, taking into account its anticipated future capacity needs, projected capital investment profile and access to third party satellites under existing bandwidth arrangements. Based on the impairment analysis performed during the second quarter of fiscal year 2024, as a result of the anomalies experienced in the two satellites and integration impact related to the Inmarsat Acquisition, the Company recorded a reduction to the carrying value of satellites under construction (including capitalized interest) of an insignificant amount during the three months ended December 31, 2023 and approximately $1.6 billion during the nine months ended December 31, 2023 (based on the Company's originally estimated ViaSat-3 F1 satellite output capabilities compared to the anticipated potential and configured capacity of the ViaSat-3 F1 satellite, the full value of the I-6 F2 satellite and the ViaSat-4 satellite program, each a separate asset group), which was partially offset by total insurance claim receivables of approximately $770.0 million. As a result, the Company recorded a net loss of an insignificant amount during the three months ended December 31, 2023 and approximately $905.5 million during the nine months ended December 31, 2023, including liabilities associated with the termination of certain subcontractor agreements, in selling, general and administrative expenses in its satellite services segment in the condensed consolidated statements of operations and comprehensive income (loss). Subsequent to the third quarter of fiscal year 2024, the Company received nearly $260 million in insurance recovery proceeds related to such claims.

Occasionally, the Company may enter into finance lease arrangements for various machinery, equipment, computer-related equipment, software, furniture, fixtures, or satellites. The Company records amortization of assets leased under finance lease arrangements within depreciation expense. The Company's finance leases consist primarily of satellite lifetime Ka-band capacity leases and have remaining terms from one to three years. The Company reports assets obtained under finance leases in property, equipment and satellites, net and the current and non-current portions of its finance lease liabilities in current portion of long-term debt and other long-term debt, respectively (see Note 1 — Basis of Presentation – Leases for more information).

Cloud computing arrangements

The Company enters into certain cloud-based software hosting arrangements that are accounted for as service contracts. Costs incurred for these arrangements are capitalized for application development activities, if material, and immediately expensed for preliminary project activities and postimplementation activities. The Company amortizes the capitalized development costs straight-line over the fixed, non-cancellable term of the associated hosting arrangement plus any reasonably certain renewal periods. The capitalized costs are included in other current assets within the prepaid expenses and other current assets caption, and other assets (long-term) on the Company's consolidated balance sheets.

Leases

Lessee accounting

In accordance with ASC 842, the Company assesses at contract inception whether the contract is, or contains, a lease. Generally, the Company determines that a lease exists when (1) the contract involves the use of a distinct identified asset, (2) the Company obtains the right to substantially all economic benefits from use of the asset, and (3) the Company has the right to direct the use of the asset. A lease is classified as a finance lease when one or more of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset, (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset or (5) the asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease is classified as an operating lease if it does not meet any of these criteria.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability for all leases, except short-term leases with an original term of 12 months or less. The right-of-use asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The right-of-use asset is initially measured at cost, which primarily comprises the initial amount of the lease liability, less any lease incentives received. All right-of-use assets are periodically reviewed for impairment in accordance with standards that apply to long-lived assets. The lease liability is initially measured at the present value of the lease payments, discounted using an estimate of the Company's incremental borrowing rate for a collateralized loan with the same term as the underlying leases.

Lease payments included in the measurement of lease liabilities consist of (1) fixed lease payments for the noncancelable lease term, (2) fixed lease payments for optional renewal periods where it is reasonably certain the renewal option will be exercised, and (3) variable lease payments that depend on an underlying index or rate, based on the index or rate in effect at lease commencement. Certain of the Company's real estate lease agreements require variable lease payments that do not depend on an underlying index or rate established at lease commencement. Such payments and changes in payments based on a rate or index are recognized in operating expenses when incurred.

Lease expense for operating leases consists of the fixed lease payments recognized on a straight-line basis over the lease term plus variable lease payments as incurred. Lease expense for finance leases consists of the depreciation of assets obtained under finance leases on a straight-line basis over the lease term and interest expense on the lease liability based on the discount rate at lease commencement. For both operating and finance leases, lease payments are allocated between a reduction of the lease liability and interest expense.

The Company’s operating leases consist primarily of leases for office space, data centers and satellite ground facilities and have remaining terms that typically range from less than one year to 14 years, some of which include renewal options, and some of which include options to terminate the leases within one year. Certain earth station leases have renewal terms that have been deemed to be reasonably certain to be exercised and as such have been recognized as part of the Company’s right-of-use assets and lease liabilities. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company recognizes right-of-use assets and lease liabilities for such leases in accordance with ASC 842. The Company reports operating lease right-of-use assets in operating lease right-of-use assets and the current and non-current portions of its operating lease liabilities in accrued and other liabilities and non-current operating lease liabilities, respectively.

Lessor accounting

For broadband equipment leased to customers in conjunction with the delivery of connectivity services, the Company has made an accounting policy election not to separate the broadband equipment from the related connectivity services. The connectivity services are the predominant component of these arrangements. The connectivity services are accounted for in accordance with ASC 606. The Company is also a lessor for certain insignificant communications equipment. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

Business combinations

The authoritative guidance for business combinations (ASC 805) requires that all business combinations be accounted for using the purchase method. The purchase price for business combinations is allocated to the estimated fair values of acquired tangible and intangible assets, and assumed liabilities, where applicable. The Company recognizes technology, contracts and customer relationships, orbital slots and spectrum assets, trade names and other as identifiable intangible assets, which are recorded at fair value as of the transaction date. Goodwill is recorded when consideration transferred exceeds the fair value of identifiable assets and liabilities. Measurement-period adjustments to assets acquired and liabilities assumed with a corresponding offset to goodwill are recorded in the period they occur, which may include up to one year from the acquisition date. Contingent consideration is recorded at fair value at the acquisition date.

Patents, orbital slots and other licenses

The Company capitalizes the costs of obtaining or acquiring patents, orbital slots and other licenses. Amortization of intangible assets that have finite lives is provided for by the straight-line method over the shorter of the legal or estimated economic life. Total capitalized costs related to patents of $3.8 million and $3.7 million were included in other assets as of December 31, 2023 and March 31, 2023, respectively. The Company capitalized costs of $107.8 million (including amounts acquired through the Inmarsat Acquisition) and $77.0 million related to acquiring and obtaining orbital slots and other licenses included in other assets as of December 31, 2023 and March 31, 2023, respectively. Accumulated amortization related to these assets was $8.0 million and $6.8 million as of December 31, 2023 and March 31, 2023, respectively. Amortization expense related to these assets was an insignificant amount and $1.2 million for the three and nine months ended December 31, 2023, respectively, and an insignificant amount and $1.1 million for the three and nine months ended December 31, 2022, respectively. If a patent, orbital slot or other license is rejected, abandoned or otherwise invalidated, the unamortized cost is expensed in that period. During the three and nine months ended December 31, 2023 and 2022, the Company did not write off any significant costs due to abandonment or impairment.

Debt issuance costs

Debt issuance costs are amortized and recognized as interest expense using the effective interest rate method, or, when the results are not materially different, on a straight-line basis over the expected term of the related debt. During the nine months ended December 31, 2023 and 2022, the Company capitalized $50.4 million of debt issuance costs and no debt issuance costs, respectively. Unamortized debt issuance costs related to extinguished debt are expensed at the time the debt is extinguished and recorded in loss on extinguishment of debt in the condensed consolidated statements of operations and comprehensive income (loss). Debt issuance costs related to the Company’s revolving credit facilities are recorded in other long-term assets in the condensed consolidated balance sheets in accordance with the authoritative guidance for imputation of interest (ASC 835-30). Debt issuance costs related to the Company’s $700.0 million senior secured term loan facility (the 2022 Term Loan Facility and, together with the 2023 Term Loan Facility, the Viasat Term Loan Facilities), the Company's $616.7 million 2023 Term Loan Facility, the Company's 5.625% Senior Notes due 2025 (the 2025 Notes), the Company’s 5.625% Senior Secured Notes due 2027 (the 2027 Notes), the Company’s 6.500% Senior Notes due 2028 (the 2028 Notes), the 2031 Notes (which include debt issuance costs previously recorded with respect to the Company's former $733.4 million Bridge Facility), and the Company's direct loan facility with the Export-Import Bank of the United States (the Ex-Im Credit Facility and, together with the Viasat Term Loan Facilities, the Viasat Credit Facilities) are recorded as a direct deduction from the carrying amount of the related debt, consistent with debt discounts, in accordance with the authoritative guidance for imputation of interest (ASC 835-30).

Software development

Costs of developing software for sale are charged to independent research and development expense when incurred, until technological feasibility has been established. Software development costs incurred from the time technological feasibility is reached until the product is available for general release to customers are capitalized and reported at the lower of unamortized cost or net realizable value. Once the product is available for general release, the software development costs are amortized based on the ratio of current to future revenue for each product with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product, generally within five years. Capitalized costs, net, of $235.1 million and $222.2 million related to software developed for resale were included in other assets as of December 31, 2023 and March 31, 2023, respectively. The Company capitalized $25.1 million and $56.1 million of costs related to software developed for resale for the three and nine months ended December 31, 2023, respectively. The Company capitalized $15.7 million and $40.3 million of costs related to software developed for resale for the three and nine months ended December 31, 2022, respectively. Amortization expense for capitalized software development costs was $14.7 million and $43.2 million for the three and nine months ended December 31, 2023, respectively, and $14.2 million and $37.1 million for the three and nine months ended December 31, 2022, respectively.

Self-insurance and post-retirement medical benefit liabilities

The Company has self-insurance plans to retain a portion of the exposure for losses related to employee medical benefits and workers' compensation. The self-insurance plans include policies which provide for both specific and aggregate stop-loss limits. The Company utilizes actuarial methods as well as other historical information for the purpose of estimating ultimate costs for a particular plan year. Based on these actuarial methods, along with currently available information and insurance industry statistics, the Company has recorded self-insurance liability for its plans of $7.2 million and $7.9 million as of December 31, 2023 and March 31, 2023, respectively. The Company's estimate, which is subject to inherent variability, is based on average claims experience in the Company's industry and its own experience in terms of frequency and severity of claims, including asserted and unasserted claims incurred but not reported, with no explicit provision for adverse fluctuation from year to year. This variability may lead to ultimate payments being either greater or less than the amounts presented above. Self-insurance liabilities have been classified as a current liability in accrued and other liabilities in accordance with the estimated timing of the projected payments.

As a part of the Inmarsat Acquisition, the Company assumed a post-retirement medical benefit plan for retired employees (and their dependents) who were employed by Inmarsat before January 1, 1998. The plan is self-funded and there are no plan assets from which the costs are paid. The cost of providing these benefits is actuarially determined and accrued over the service period of the active employee groups. The annual increase in Inmarsat's contribution to post-retirement medical liability is capped at the United Kingdom Consumer Price Index +1%.

Indemnification provisions

In the ordinary course of business, the Company includes indemnification provisions in certain of its contracts, generally relating to parties with which the Company has commercial relations. Pursuant to these agreements, the Company will indemnify, hold harmless and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party, including but not limited to losses relating to third-party intellectual property claims. To date, there have not been any material costs incurred in connection with such indemnification clauses. The Company's insurance policies do not necessarily cover the cost of defending indemnification claims or providing indemnification, so if a claim was filed against the Company by any party that the Company has agreed to indemnify, the Company could incur substantial legal costs and damages. A claim would be accrued when a loss is considered probable and the amount can be reasonably estimated. At December 31, 2023 and March 31, 2023, no such amounts were accrued related to the aforementioned provisions.

Noncontrolling interests

A noncontrolling interest represents the equity interest in a subsidiary that is not attributable, either directly or indirectly, to the Company and is reported as equity of the Company, separate from the Company's controlling interest. Revenues, expenses, gains, losses, net income (loss) and other comprehensive income (loss) are reported in the condensed consolidated financial statements at the consolidated amounts, which include the amounts attributable to both the controlling and noncontrolling interest.

On August 15, 2022, TrellisWare, a majority-owned subsidiary of the Company, completed the repurchase of shares of its common stock from participating stockholders for a total purchase price of approximately $30.0 million. The Company did not elect to participate in the share repurchase, and accordingly, the Company's ownership percentage of TrellisWare increased to slightly over 60% as a result of the share repurchase.

The following table summarizes the effect of the change in the Company's percentage ownership interest in TrellisWare on the Company's equity for the three and nine months ended December 31, 2023 and 2022:

	Three Months Ended		Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In thousands)			
Net income (loss) attributable to Viasat, Inc.	$ (124,399)	$ (42,228)	$ (968,641)	$ (112,032)
Transfers to noncontrolling interest	—	—	—	(11,783)
Change from net income (loss) attributable to Viasat, Inc. and transfers from (to) noncontrolling interest	$ (124,399)	$ (42,228)	$ (968,641)	$ (123,815)

Investments in unconsolidated affiliate — equity method

Investments in entities in which the Company can exercise significant influence, but does not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investment in unconsolidated affiliate in other assets (long-term) on the condensed consolidated balance sheets. The Company records its share of the results of such entities within equity in income (loss) of unconsolidated affiliate, net on the condensed consolidated statements of operations and comprehensive income (loss). The Company monitors such investments for other-than-temporary impairment by considering factors including the current economic and market conditions and the operating performance of the entities and records reductions in carrying values when necessary. The fair value of privately held investments is estimated using the best available information as of the valuation date, including current earnings trends, undiscounted cash flows, quoted stock prices of comparable public companies, and other company specific information, including recent financing rounds.

Common stock held in treasury

As of December 31, 2023 and March 31, 2023, the Company had no shares of common stock held in treasury.

During the three months ended December 31, 2023 and 2022, the Company issued 1,284,326 and 1,236,257 shares of common stock, respectively, based on the vesting terms of certain restricted stock unit agreements. During the nine months ended December 31, 2023 and 2022, the Company issued 1,478,822 and 1,324,658 shares of common stock, respectively, based on the vesting terms of certain restricted stock unit agreements. In order for employees to satisfy minimum statutory employee tax withholding requirements related to the issuance of common stock underlying these restricted stock unit agreements, during the three months ended December 31, 2023 and 2022, the Company repurchased 445,393 and 448,373 shares of common stock, respectively, at cost and with a total value of $8.7 million and $15.1 million, respectively. During the nine months ended December 31, 2023 and 2022, the Company repurchased 506,794 and 470,070 shares of common stock, respectively, at cost and with a total value of $11.2 million and $15.9 million, respectively. Although shares withheld for employee withholding taxes are technically not issued, they are treated as common stock repurchases for accounting purposes (with such shares deemed to be repurchased and then immediately retired), as they reduce the number of shares that otherwise would have been issued upon vesting of the restricted stock units. These retired shares remain as authorized stock and are considered to be unissued. The retirement of treasury stock had no impact on the Company's total consolidated stockholders' equity.

Derivatives

As a result of the Inmarsat Acquisition on May 30, 2023 (see Note 4 – Acquisition for more information), the Company assumed interest rate cap contracts to hedge the variable interest rate under the Inmarsat Term Loan Facility (see Note 8 – Senior Notes and Other Long-Term Debt for more information). The interest rate cap contracts provided protection of Compound SOFR up to 2% and covered 99% of the total nominal amount of the Inmarsat Term Loan Facility. At the time of the acquisition, the Company continued to account for the interest rate cap contracts as cash-flow hedges.

The Company does not use this instrument, or these types of instruments in general, for speculative or trading purposes. The Company’s objective is to reduce the risk to earnings and cash flows associated with changes in debt with variable interest rates. Derivative instruments are recognized as either assets or liabilities in the condensed consolidated balance sheets and are measured at fair value. The value of a hedging derivative is classified as a non-current asset or liability if the cash flows are due to be received in greater than 12 months, and as a current asset or liability if the cash flows are due to be received in less than 12 months.

Gains and losses arising from derivative instruments not designated as hedging instruments are recorded in other income (expense) as gains (losses) on derivative instruments. Gains and losses arising from changes in the fair value of derivative instruments which are designated as cash-flow hedging instruments are recorded in accumulated other comprehensive income (loss) as unrealized gains (losses) on derivative instruments until the underlying transaction affects the Company’s earnings, at which time they are then recorded in the same income statement line as the underlying transaction. The Company may designate a hedging derivative with periodic cash settlements and a non-zero fair value at hedge inception as the hedging instrument in a qualifying cash flow hedging relationship. The non-zero fair value of cash flow hedges on the designation date is recognized into income under a systematic and rational method over the life of the hedging instrument and in the same line item on the condensed consolidated statements of operations as the earnings of the hedge item, with the offset recorded to other comprehensive income (loss).

During the three and nine months ended December 31, 2023, the Company recognized a loss of $10.0 million (and related tax benefit of $2.3 million) and a gain of $10.6 million (and related tax expense of $2.9 million), respectively, in other comprehensive income arising from changes in the fair value of the interest rate cap contracts (designated as cash-flow hedging instruments) related to the Inmarsat Term Loan Facility. During the three and nine months ended December 31, 2023, the Company recorded an increase of $16.9 million (and related tax expense of $4.0 million) and a decrease of $1.8 million (and related tax benefit of an insignificant amount), respectively, to other comprehensive income and interest expense, net of the recognition into income of the non-zero hedge inception fair value (based on the nature of the underlying transaction). During the three and nine months ended December 31, 2023, the Company received $14.0 million and $31.8 million in cash respectively, as a result of periodic cash settlements, which are included in operating cash flow in the condensed consolidated statements of cash flows. As of December 31, 2023, the fair value of the Company's interest rate cap contracts was $44.2 million recorded as an other current asset and $4.7 million recorded as an other asset (long-term).

At December 31, 2023 the estimated net amount of unrealized gains or losses related to the interest rate cap contracts that was expected to be reclassified to earnings net of the recognition into income of non-zero hedge inception fair value within the next 12 months was $10.3 million. The interest rate cap contracts outstanding as of December 31, 2023 will mature in February 2025.

Stock-based compensation

In accordance with the authoritative guidance for share-based payments (ASC 718), the Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award. Expense for restricted stock units and stock options is recognized on a straight-line basis over the employee's requisite service period. Expense for market-based performance stock options that vest is recognized regardless of the actual outcome achieved and is recognized on a graded-vesting basis. The Company accounts for forfeitures as they occur. The Company recognized $22.2 million and $65.7 million of stock-based compensation expense for the three and nine months ended December 31, 2023, respectively. The Company recognized $20.4 million and $62.5 million of stock-based compensation expense for the three and nine months ended December 31, 2022, respectively. The Company recognizes excess tax benefits or deficiencies on vesting or settlement of awards as discrete items within income tax benefit or provision within net income (loss) and the related cash flows are classified within operating activities.

Income taxes

Accruals for uncertain tax positions are provided for in accordance with the authoritative guidance for accounting for uncertainty in income taxes (ASC 740). The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The authoritative guidance for accounting for uncertainty in income taxes also provides guidance on derecognition of income tax assets and liabilities, classification of deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

Ordinarily, the Company calculates its provision for income taxes at the end of each interim reporting period on the basis of an estimated annual effective tax rate adjusted for tax items that are discrete to each period.

A deferred income tax asset or liability is established for the expected future tax consequences resulting from differences in the financial reporting and tax bases of assets and liabilities and for the expected future tax benefit to be derived from tax credit and loss carryforwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Recent authoritative guidance

In October 2021, the Financial Accounting Standards Board (FASB) issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021-08 requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with Topic 606 as if the acquirer had originated the contracts. The Company adopted the new guidance prospectively in the first quarter of fiscal year 2024 and applied its provisions to the Inmarsat Acquisition (see Note 4 – Acquisition).

In March 2022, the FASB issued ASU 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer Method. ASU 2022-01 clarifies the accounting and promotes consistency in reporting for hedges where the portfolio layer method is applied. The Company adopted the new guidance in the first quarter of fiscal year 2024 and the guidance did not have a material impact on its consolidated financial statements and disclosures.

In March 2022, the FASB issued ASU 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. ASU 2022-02 eliminates the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors, while enhancing certain disclosure requirements for loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Furthermore, it requires that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, Financial Instruments – Credit Losses – Measured at Amortized Cost. The Company adopted the new guidance prospectively in the first quarter of fiscal year 2024 and the guidance did not have a material impact on its consolidated financial statements and disclosures.

In June 2022, the FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. ASU 2022-03 clarifies that a contractual restriction on the sale of an equity security is not considered in measuring the security's fair value. The standard also requires certain disclosures for equity securities that are subject to contractual restrictions. The new standard will become effective for the

Company beginning in fiscal year 2025. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In September 2022, the FASB issued ASU 2022-04, Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. ASU 2022-04 enhances the transparency of supplier finance programs. In each annual reporting period, the buyer in a supplier finance program is required to disclose information about the key terms of the program, the outstanding confirmed amounts, a rollforward of such amounts, and a description of where those obligations are presented in the balance sheet. In each interim reporting period, the buyer should disclose the outstanding confirmed amounts as of the end of the interim period. The Company adopted the new guidance in the first quarter of fiscal year 2024 (including early adoption of the amendment on the rollforward information) and the guidance did not have a material impact on its consolidated financial statements and disclosures.

In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842) – Common Control Agreements. The amendments in this update that apply to public business entities clarify the accounting for leasehold improvements associated with common control leases. The new standard will become effective for the Company beginning in fiscal year 2025. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In July 2023, the FASB issued ASU 2023-03, Presentation of Financial Statements (Topic 205), Income Statement – Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation – Stock Compensation (Topic 718). This ASU amends various paragraphs in the accounting codification pursuant to the issuance of Commission Staff Accounting Bulletin (SAB) number 120. The ASU provides clarifying guidance related to employee and non-employee share-based payment accounting, including guidance related to spring-loaded awards. ASU 2023-03 is effective upon issuance. The adoption of this guidance upon issuance did not have a material impact on the Company’s consolidated financial statements and disclosures.

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative. This ASU amends certain disclosure and presentation requirements for a variety of topics within the FASB ASC. These amendments will also align the requirements in the ASC with the SEC's regulations. The effective date for each amended topic in the ASC is the date on which the SEC’s removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, and will not be effective if the SEC has not removed the applicable disclosure requirements by June 30, 2027. Early adoption is prohibited. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU requires public entities to enhance disclosures about their reportable segments' significant expenses on an interim and annual basis. The new standard will become effective for the Company's annual disclosures beginning in fiscal year 2025 and for interim disclosures beginning in fiscal year 2026 on a retrospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 enhances income tax disclosures by requiring disclosure of specific categories in the income tax rate reconciliation table and disaggregation of income taxes paid. The new standard will become effective for the Company beginning in fiscal year 2026. Early adoption is permitted and should be applied either prospectively or retrospectively. The Company is currently evaluating the impact of this standard on its consolidated financial statement disclosures.

Note 2 — Composition of Certain Balance Sheet Captions

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
Accounts receivable, net:		
Billed	$ 550,000	$ 327,148
Unbilled	148,064	104,889
Allowance for doubtful accounts	(22,218)	(12,103)
	$ 675,846	$ 419,934
Inventories:		
Raw materials	$ 93,722	$ 68,655
Work in process	40,202	25,347
Finished goods	219,627	174,561
	$ 353,551	$ 268,563
Prepaid expenses and other current assets:		
Insurance receivable	$ 770,000	$ —
Prepaid expenses	154,254	115,701
Other	131,429	60,928
	$ 1,055,683	$ 176,629
Property, equipment and satellites, net:		
Equipment and software (estimated useful life of 3-7 years)	$ 2,644,427	$ 1,917,243
CPE leased equipment (estimated useful life of 4-7 years)	585,205	395,427
Furniture and fixtures (estimated useful life of 7 years)	62,701	58,807
Leasehold improvements (estimated useful life of 2-17 years)	176,658	151,827
Buildings (estimated useful life of 12-38 years)	16,755	12,487
Land	29,498	3,873
Construction in progress	1,324,922	685,646
Satellites (estimated useful life of 7-17 years)	3,349,663	1,056,313
Satellite Ka-band capacity obtained under finance leases (estimated useful life of 7-11 years)	177,576	175,712
Satellites under construction	1,863,690	2,252,908
	10,231,095	6,710,243
Less: accumulated depreciation and amortization	(2,856,753)	(2,331,960)
	$ 7,374,342	$ 4,378,283
Other acquired intangible assets, net:		
Contracts and customer relationships (weighted average useful life of 11 years)	$ 1,478,672	$ 132,563
Orbital slots and spectrum assets (weighted average useful life of 12 years)	1,018,600	8,600
Technology (weighted average useful life of 7 years)	253,414	151,327
Trade name (weighted average useful life of 8 years)	117,390	32,253
Other (weighted average useful life of 5 years)	253,375	21,782
	3,121,451	346,525
Less: accumulated amortization	(347,786)	(145,320)
	$ 2,773,665	$ 201,205
Other assets:		
Deferred income taxes	$ 181,072	$ 23,724
Capitalized software costs, net	235,064	222,155
Patents, orbital slots and other licenses, net	103,584	73,932
Other	224,547	146,227
	$ 744,267	$ 466,038
Accrued and other liabilities:		
Collections in excess of revenues and deferred revenues	$ 266,147	$ 132,187
Accrued employee compensation	170,348	125,349
Accrued vacation	45,595	45,177
Operating lease liabilities	75,002	50,639
Income taxes payable	39,007	113,905
Other	402,969	179,975
	$ 999,068	$ 647,232
Other liabilities:		
Deferred revenues, long-term portion	$ 905,373	$ 84,747
Deferred income taxes	1,292,495	85,989
Other	324,281	47,806
	$ 2,522,149	$ 218,542

Note 3 — Fair Value Measurements

In accordance with the authoritative guidance for financial assets and liabilities measured at fair value on a recurring basis (ASC 820), the Company determines fair value based on the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants, and prioritizes the inputs used to measure fair value from market-based assumptions to entity specific assumptions:

- Level 1 — Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Inputs which reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

The following tables present the Company's hierarchy for its assets measured at fair value on a recurring basis as of December 31, 2023 and March 31, 2023. The Company had no liabilities measured at fair value on a recurring basis as of both December 31, 2023 and March 31, 2023.

	Fair Value as of December 31, 2023	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Cash equivalents	$ 532,112	$ 532,112	$ —	$ —
Short-term investments	30,000	30,000	—	—
Interest rate cap contracts	48,898	—	48,898	—
Total assets measured at fair value on a recurring basis	$ 611,010	$ 562,112	$ 48,898	$ —

	Fair Value as of March 31, 2023	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Cash equivalents	$ 757,600	$ 757,600	$ —	$ —
Total assets measured at fair value on a recurring basis	$ 757,600	$ 757,600	$ —	$ —

The following section describes the valuation methodologies the Company uses to measure financial instruments at fair value:

Cash equivalents — The Company's cash equivalents consist of money market funds, with a significant portion held in U.S. government backed qualified money market securities.

Short-term investments — The Company's short-term investments consist of deposits held with banks, money market funds, certificate of deposits and other short-term, highly liquid investments with an original maturity of between 91 and 120 days.

Interest rate cap contracts — The Company assumed interest rate cap contracts to hedge the variable interest rate under the Inmarsat Term Loan Facility (see Note 1 – Basis of Presentation – Derivatives for more information). The Company's interest rate cap contracts are valued using the forward interest rate curve at each reporting date (Level 2).

Contingencies — In connection with the acquisition of the remaining 51% interest in Euro Broadband Infrastructure Sàrl (EBI) on April 30, 2021, part of the purchase price consideration was determined approximately two years after the closing date, and as a result the Company received €20.0 million, or approximately $22.0 million, in cash and recorded a gain of approximately $18.1 million in the second quarter of fiscal year 2024 in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income (loss). The consideration paid was contingent based on certain outcomes as defined in the acquisition agreement. Each reporting period, the Company estimated the fair value of the contingent consideration based on unobservable inputs and probability weightings using standard valuation techniques (Level 3). The fair value amount was recorded in other current assets within the prepaid expenses and other current assets caption on the Company's condensed consolidated balance sheets as of March 31, 2023 and any change to fair value was recorded in the Company's condensed consolidated statements of operations each reporting period. As of March 31, 2023, and for the three and nine months ended December 31, 2023 and 2022, the Company's fair value estimate, and change in fair value of the contingent consideration were none or immaterial.

Long-term debt — The Company's long-term debt consists of borrowings under the Viasat Credit Facilities and Inmarsat's $2.45 billion senior secured credit facility (the Inmarsat Secured Credit Facility), $700.0 million in aggregate principal amount of 2025 Notes, $600.0 million in aggregate principal amount of 2027 Notes, $400.0 million in aggregate principal amount of 2028 Notes, $733.4 million in aggregate principal amount of 2031 Notes, $2.08 billion in aggregate principal amount of Inmarsat 2026 Notes (together with the 2025 Notes, the 2027 Notes, the 2028 Notes and the 2031 Notes, the Notes) and finance lease obligations reported at the present value of future minimum lease payments with current accrued interest. Long-term debt related to Viasat's $647.5 million revolving credit facility (the Viasat Revolving Credit Facility) and Inmarsat's $700.0 million revolving line of credit under the Inmarsat Secured Credit Facility (the Inmarsat Revolving Credit Facility) is reported at the outstanding principal amount of borrowings, while long-term debt related to the Viasat Credit Facilities, the Inmarsat Term Loan Facility and the Notes is reported at amortized cost. However, for disclosure purposes, the Company is required to measure the fair value of outstanding debt on a recurring basis. The fair value of the Company's long-term debt related to the Viasat Term Loan Facilities, the Viasat Revolving Credit Facility and the Inmarsat Secured Credit Facility approximates its carrying amount due to its variable interest rate, which approximates a market interest rate. As of December 31, 2023 and March 31, 2023, the fair value of the Company's long-term debt related to the Ex-Im Credit Facility was Level 2 and was approximately $38.3 million and $57.1 million, respectively. As of December 31, 2023 and March 31, 2023, the estimated fair value of the Company's outstanding long-term debt related to each series of Notes was Level 2 and was $681.6 million and $661.5 million, respectively, for the 2025 Notes, $580.5 million and $561.7 million, respectively, for the 2027 Notes, and $327.5 million and $292.0 million, respectively, for the 2028 Notes. As of December 31, 2023, the fair value of the Company's long-term debt related to the 2031 Notes and the Inmarsat 2026 Notes was Level 2 and was $572.0 million and $2.05 billion, respectively.

Satellite performance incentive obligations — The Company's contracts with satellite manufacturers require the Company to make monthly in-orbit satellite performance incentive payments with respect to certain satellites in commercial service, including interest, through fiscal year 2028, subject to the continued satisfactory performance of the applicable satellites. The Company records the net present value of these expected future payments as a liability and as a component of the cost of the satellites. However, for disclosure purposes, the Company is required to measure the fair value of outstanding satellite performance incentive obligations on a recurring basis. The fair value of the Company's outstanding satellite performance incentive obligations is estimated to approximate their carrying value based on current rates (Level 2). As of December 31, 2023 and March 31, 2023, the Company's estimated satellite performance incentive obligations relating to certain satellites in commercial service, including accrued interest, were $17.0 million and $20.0 million, respectively.

Note 4 — Acquisition

On May 30, 2023, the Company completed the acquisition of all outstanding shares of Inmarsat Holdings, a privately held leading provider of global mobile satellite communications services. The Inmarsat Acquisition positions the Company as a leading global communications innovator with enhanced scale and scope to connect the world affordably, securely and reliably. The complementary assets and resources of the combined company position the Company to provide advanced new services in mobile and fixed segments, driving greater customer choice in broadband communications and narrowband services (including the Internet of Things (IoT)). These benefits and additional opportunities were among the factors that contributed to a purchase price resulting in the recognition of preliminary estimated goodwill of $969.2 million and $484.6 million which was recognized in the Company's satellite services and government systems segments, respectively. The goodwill recognized was not deductible for U.S. and foreign income tax purposes.

The consideration transferred of approximately $2.7 billion was comprised of $2.1 billion of the fair value of approximately 46.36 million shares of the Company's common stock issued at the closing of the transaction and $550.7 million in cash consideration. In connection with the Inmarsat Acquisition, the Company recorded acquisition-related transaction costs of an insignificant amount and $30.8 million during the three and nine months ended December 31, 2023, respectively, and $9.7 million and $32.0 million for the three and nine months ended December 31, 2022, respectively, included in selling, general and administrative expenses.

The purchase price allocation is preliminary primarily due to the pending finalization of the Company's valuation analysis and review of various tax attributes. The Company allocated the purchase price to tangible and intangible assets acquired and liabilities assumed based on the preliminary estimates of their fair values, which is subject to adjustment for up to one year after the closing of the Inmarsat Acquisition as additional information is obtained. The preliminary purchase price allocation of the acquired assets and assumed liabilities in the Inmarsat Acquisition based on the preliminary estimated fair values as of May 30, 2023, adjusted since the closing of the Inmarsat Acquisition, primarily between property, equipment and satellites, identifiable intangible assets and goodwill, is as follows:

		(In thousands)
Current assets	$	651,679
Property, equipment and satellites		4,164,139
Identifiable intangible assets		2,769,045
Other assets		411,931
Total assets acquired	$	7,996,794
Current liabilities		(592,237)
Long-term debt, excluding short-term portion		(3,519,774)
Other long-term liabilities		(2,659,376)
Total liabilities assumed	$	(6,771,387)
Goodwill		1,453,685
Total consideration transferred	$	2,679,092

Current liabilities and other long-term liabilities include approximately $29.6 million and $248.3 million, respectively, of unfavorable contract liabilities amortized into service revenue over a weighted average estimated useful life of approximately nine years. Estimated amounts assigned to identifiable intangible assets are being amortized on a straight-line basis over their estimated useful lives (which approximates the economic pattern of benefit) and are as follows as of May 30, 2023:

		Estimated Fair Value (In thousands)	Weighted Average Estimated Useful Life (In years)
Orbital slots and spectrum assets	$	1,010,000	12
Customer relationships		1,345,000	11
Technology		100,000	7
Trade name		85,000	8
Other		229,045	4
Total identifiable intangible assets	$	2,769,045	11

The intangible assets acquired in the Inmarsat Acquisition were determined in accordance with the authoritative guidance for business combinations (ASC 805), based on estimated fair values using valuation techniques consistent with the market approach, income approach and/or cost approach to measure fair value.

The condensed consolidated financial statements include the operating results of Inmarsat from the date of acquisition. Since the acquisition date on May 30, 2023, the Company recorded approximately $443.1 million and $1.0 billion in revenue during the three and nine months ended December 31, 2023, respectively, and $24.2 million and $159.3 million of net loss during the three and nine months ended December 31, 2023, respectively, with respect to the Inmarsat business (primarily in the Company's satellite services segment, with a portion included in its government systems segment and an insignificant amount included in its commercial networks segment) in the condensed consolidated statements of operations.

In November 2023, as a part of an important milestone in the Company's integration program following the Inmarsat Acquisition and as part of the Company's ongoing strategy to streamline operations and better serve the Company's growing customer base, the Company completed work on the rationalization of roles in the Company's global business, which is intended to achieve both operational and cost efficiencies. As part of the role rationalization, the Company reduced its global workforce and recorded total costs (primarily related to employee severance payments, benefits and related termination costs) of approximately $45 million during the three and nine months ended December 31, 2023. These one-time costs were recorded within operating expenses in the Company's condensed consolidated statements of operations across all three of the Company's segments, with insignificant amounts remaining to be incurred and paid.

Unaudited Pro Forma Financial Information

The unaudited financial information in the table below summarizes the combined results of operations for the Company and Inmarsat on a pro forma basis, as though the companies had been combined as of the beginning of fiscal year 2023, April 1, 2022. The pro forma information is presented for informational purposes only and may not be indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the related fiscal periods. The pro forma financial information for the three months ended December 31, 2022 and nine months ended December 31, 2023 and December 31, 2022 includes the business combination accounting effects primarily related to the amortization and depreciation changes from acquired intangible and tangible assets, interest expense from the debt issued to finance the acquisition, acquisition-related transaction costs and related tax effects.

	Three Months Ended	Nine Months Ended	
	December 31, 2022	December 31, 2023	December 31, 2022
		(In thousands)	
Total revenues	$ 1,070,021	$ 3,415,480	$ 3,084,753
Net income (loss) attributable to Viasat, Inc.	$ (33,972)	$ (922,451)	$ (297,647)

Note 5 — Discontinued Operations

On October 1, 2022, the Company entered into an Asset Purchase Agreement to sell the Link-16 TDL Business in its government systems segment to L3Harris in exchange for approximately $1.96 billion in cash, subject to adjustments. In accordance with ASC 205-20, the Company determined that the Link-16 TDL Business met held-for sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. On January 3, 2023, the Company completed the Link-16 TDL Sale. Accordingly, the Company classified the results of the Link-16 TDL Business as discontinued operations in its condensed consolidated statements of operations for the three and nine months ended December 31, 2022.

In connection with the closing of the Link-16 TDL Sale on January 3, 2023, the Company and L3Harris entered into certain ancillary commercial agreements, including certain license agreements for the cross-licensing by each party of certain intellectual property rights relating to the Link-16 TDL Business and the Company's retained businesses, a supply agreement with respect to the supply of certain Link-16 and related products following the closing, and certain services agreements for the provision of engineering and support services for the transition of the Link-16 TDL Business following the closing, in each case subject to the terms and conditions set forth therein. The impact of these agreements on the Company's condensed consolidated financial statements was not significant.

The operating results of the discontinued operations only reflect revenues and expenses that are directly attributable to the Link-16 TDL Business that have been eliminated from continuing operations. The following table presents key components of "Net income (loss) from discontinued operations, net of tax" for the three and nine months ended December 31, 2022:

	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2022
	(In thousands)	
Revenues	$ 62,650	$ 247,069
Operating expenses:		
Cost of revenues	41,995	157,355
Other operating expenses	6,878	24,062
Net income (loss) from discontinued operations before income taxes	$ 13,777	$ 65,652
(Provision for) benefit from income taxes	(9,444)	(21,607)
Net income (loss) from discontinued operations, net of tax	$ 4,333	$ 44,045

The cash flows related to discontinued operations have not been segregated and are included in the condensed consolidated statements of cash flows. The following table presents key cash flow and non-cash information related to discontinued operations for the nine months ended December 31, 2022:

	Nine Months Ended December 31, 2022
	(In thousands)
Depreciation	$ 5,909
Amortization of intangible assets	897
Capital expenditures	10,950

Note 6 — Shares Used In Computing Diluted Net Income (Loss) Per Share

The weighted average number of shares used to calculate basic and diluted net loss per share attributable to Viasat, Inc. common stockholders is the same for the three and nine months ended December 31, 2023 and for the three and nine months ended December 31, 2022, as the Company incurred a net loss from continuing operations (excluding income (loss) from continuing operations attributable to the noncontrolling interest) for such periods and inclusion of potentially dilutive weighted average shares of common stock would be antidilutive.

Potentially dilutive weighted average shares excluded from the calculation for the three months ended December 31, 2023 and 2022 consisted of 255,329 shares and 439,578 shares, respectively, related to stock options (other than market-based performance stock options), no shares related to market-based performance stock options, 3,533,492 shares and 2,543,157 shares, respectively, related to restricted stock units and 802,165 shares and 750,549 shares, respectively, related to certain terms of the Viasat 401(k) Profit Sharing Plan and Employee Stock Purchase Plan.

Potentially dilutive weighted average shares excluded from the calculation for the nine months ended December 31, 2023 and 2022 consisted of 248,568 shares and 565,751 shares, respectively, related to stock options (other than market-based performance stock options), no shares related to market-based performance stock options, 2,068,956 shares and 2,661,902 shares, respectively, related to restricted stock units and 610,170 shares and 654,091 shares, respectively, related to certain terms of the Viasat 401(k) Profit Sharing Plan and Employee Stock Purchase Plan.

Note 7 — Goodwill and Acquired Intangible Assets

During the nine months ended December 31, 2023, the increase in the Company’s goodwill primarily related to the Inmarsat Acquisition (see Note 4 — Acquisition for more information) and foreign currency translation effect recorded within all three of the Company's segments. During the nine months ended December 31, 2022, the decrease in the Company’s goodwill relating to its continuing operations primarily related to a foreign currency translation effect recorded within all three of the Company’s segments.

Other acquired intangible assets are amortized using the straight-line method over their estimated useful lives of two to 20 years (which approximates the economic pattern of benefit). Amortization expense related to other acquired intangible assets was $91.7 million and $7.4 million for the three months ended December 31, 2023 and 2022, respectively, and $200.9 million and $22.3 million for the nine months ended December 31, 2023 and 2022, respectively.

The expected amortization expense of amortizable acquired intangible assets may change due to the effects of foreign currency fluctuations as a result of international businesses acquired. The current and expected amortization expense for acquired intangible assets for each of the following periods is as follows:

	Amortization (In thousands)
For the nine months ended December 31, 2023	$ 200,904
Expected for the remainder of fiscal year 2024	$ 91,395
Expected for fiscal year 2025	364,819
Expected for fiscal year 2026	364,667
Expected for fiscal year 2027	295,938
Expected for fiscal year 2028	285,005
Expected for fiscal year 2029	284,260
Thereafter	1,087,581
	$ 2,773,665

Note 8 — Senior Notes and Other Long-Term Debt

Total long-term debt consisted of the following as of December 31, 2023 and March 31, 2023:

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
2031 Notes	$ 733,400	$ —
2028 Notes	400,000	400,000
2027 Notes	600,000	600,000
2025 Notes	700,000	700,000
2022 Term Loan Facility	689,500	694,750
2023 Term Loan Facility	615,158	—
Viasat Revolving Credit Facility	—	—
Ex-Im Credit Facility	39,304	58,957
Inmarsat 2026 Notes	2,075,000	—
Inmarsat Term Loan Facility	1,684,375	—
Inmarsat Revolving Credit Facility	—	—
Finance lease obligations (see Note 1)	29,840	36,405
Total debt	7,566,577	2,490,112
Unamortized discount and debt issuance costs	(281,159)	(30,672)
Less: current portion of long-term debt	62,838	37,939
Total long-term debt	$ 7,222,580	$ 2,421,501

2022 Term Loan Facility

In March 2022, the Company entered into a $700.0 million 2022 Term Loan Facility, which was fully drawn at closing and matures on March 4, 2029. At December 31, 2023, the Company had $689.5 million in principal amount of outstanding borrowings under the 2022 Term Loan Facility.

Borrowings under the 2022 Term Loan Facility are required to be repaid in quarterly installments of $1.75 million each, which commenced on September 30, 2022, followed by a final installment of $654.5 million at maturity. Borrowings under the 2022 Term Loan Facility bear interest, at the Company's option, at either (1) a base rate equal to the greater of the administrative agent's prime rate as announced from time to time, the federal funds effective rate plus 0.50%, and the forward-looking term SOFR rate administered by CME for a one-month interest period plus 1.00%, subject to a floor of 1.50% for the initial term loans, plus an applicable margin of 3.50%, or (2) the forward-looking term SOFR rate administered by CME for the applicable interest period, subject to a floor of 0.50% for the initial term loans, plus an applicable margin of 4.50%. As of December 31, 2023, the effective interest rate on the Company's outstanding borrowings under the 2022 Term Loan Facility was 10.39%. The 2022 Term Loan Facility is required to be guaranteed by certain significant domestic subsidiaries of the Company (as defined in the 2022 Term Loan Facility) and secured by substantially all of the Company's and any such subsidiaries' assets. As of December 31, 2023, none of the Company's subsidiaries guaranteed the 2022 Term Loan Facility.

The 2022 Term Loan Facility contains covenants that restrict, among other things, the ability of Company and its restricted subsidiaries to incur additional debt, grant liens, sell assets, make investments, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the 2022 Term Loan Facility as of December 31, 2023.

Borrowings under the 2022 Term Loan Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount and debt issuance costs, in the Company's condensed consolidated financial statements. The 2022 Term Loan Facility was issued with an original issue discount of 2.00%, or $14.0 million. The original issue discount and deferred financing cost associated with the issuance of the borrowings under the 2022 Term Loan Facility are amortized to interest expense on a straight-line basis over the term of the 2022 Term Loan Facility, the results of which are not materially different from the effective interest rate basis.

2023 Term Loan Facility

In connection with the closing of the Inmarsat Acquisition, on May 30, 2023, the Company entered into a $616.7 million 2023 Term Loan Facility, which was fully drawn at closing and matures on May 30, 2030. At December 31, 2023, the Company had $615.2 million in principal amount of outstanding borrowings under the 2023 Term Loan Facility.

Borrowings under the 2023 Term Loan Facility are required to be repaid in quarterly installments of $1.5 million each, which commenced on December 31, 2023, followed by a final installment of $576.6 million at maturity. Borrowings under the 2023 Term Loan Facility bear interest, at the Company's option, at either (1) a base rate equal to the greater of the administrative agent's prime rate as announced from time to time, the federal funds effective rate plus 0.50%, and the forward-looking term SOFR rate administered by CME for a one-month interest period plus 1.00%, subject to a floor of 1.50% for the initial term loans, plus an applicable margin of 3.50%, or (2) the forward-looking term SOFR rate administered by CME for the applicable interest period, subject to a floor of 0.50% for the initial term loans, plus an applicable margin of 4.50%, plus a credit spread adjustment ranging from 0.11% to 0.43%. As of December 31, 2023, the effective interest rate on the Company's outstanding borrowings under the 2023 Term Loan Facility was 10.94%. The 2023 Term Loan Facility is required to be guaranteed by certain significant domestic subsidiaries of the Company (as defined in the 2023 Term Loan Facility) and secured by substantially all of the Company's assets and any such subsidiaries' assets. As of December 31, 2023, none of the Company's subsidiaries guaranteed the 2023 Term Loan Facility.

The 2023 Term Loan Facility contains covenants that restrict, among other things, the ability of Company and its restricted subsidiaries to incur additional debt, grant liens, sell assets, make investments, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the 2023 Term Loan Facility as of December 31, 2023.

Borrowings under the 2023 Term Loan Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount and debt issuance costs, in the Company's condensed consolidated financial statements. The 2023 Term Loan Facility was issued with an original issue discount of 2.50%, or $15.4 million. The original issue discount and deferred financing cost associated with the issuance of the borrowings under the 2023 Term Loan Facility are amortized to interest expense on a straight-line basis over the term of the 2023 Term Loan Facility, the results of which are not materially different from the effective interest rate basis.

Bridge Facility

In connection with the closing of the Inmarsat Acquisition, on May 30, 2023, the Company entered into a $733.4 million unsecured Bridge Facility, which was fully drawn at closing and had an initial maturity date of May 30, 2024 (automatically converting to a term loan if not repaid by such date). On September 28, 2023, the Company replaced the Bridge Facility with the 2031 Notes, in the same principal amount and at the same interest rate.

Viasat Revolving Credit Facility

As of December 31, 2023, the Viasat Revolving Credit Facility provided a $647.5 million revolving line of credit (including up to $150.0 million of letters of credit), with a maturity date of the earliest of (A) August 24, 2028 and (B) the springing maturity date (as defined in the Viasat Revolving Credit Agreement, which is effectively 91 days prior to the maturity date of certain material debt for borrowed money of Viasat and its subsidiaries to the extent certain conditions have not been satisfied as of such date). At December 31, 2023, the Company had no outstanding borrowings under the Viasat Revolving Credit Facility and $55.3 million outstanding under standby letters of credit, leaving borrowing availability under the Viasat Revolving Credit Facility as of December 31, 2023 of $592.2 million.

Borrowings under the Viasat Revolving Credit Facility bear interest, at the Company's option, at either (1) the highest of the federal funds rate plus 0.50%, forward-looking term SOFR (as defined in the definitive credit agreement governing the Viasat Revolving Credit Facility) for an interest period of one month plus 1.00%, or the administrative agent's prime rate as announced from time to time, or (2) forward-looking term SOFR (not to be less than 0.00% per annum), plus, in the case of each of (1) and (2), an applicable margin that is based on the Company's total leverage ratio. The Company has capitalized certain amounts of interest expense on the Viasat Revolving Credit Facility in connection with the construction of various assets during the construction period. The Viasat Revolving Credit Facility is required to be guaranteed by certain significant domestic subsidiaries of the Company (as defined in the Viasat Revolving Credit Facility) and secured by substantially all of the Company's and any such subsidiaries' assets. As of December 31, 2023, none of the Company's subsidiaries guaranteed the Viasat Revolving Credit Facility.

The Viasat Revolving Credit Facility contains financial covenants regarding a maximum total leverage ratio and a minimum interest coverage ratio. In addition, the Viasat Revolving Credit Facility contains covenants that restrict, among other things, the Company's ability to incur additional debt, grant liens, sell assets, make investments and acquisitions, make capital expenditures, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the Viasat Revolving Credit Facility as of December 31, 2023.

Ex-Im Credit Facility

The Ex-Im Credit Facility originally provided a $362.4 million senior secured direct loan facility, which was fully drawn. Of the $362.4 million in principal amount of borrowings made under the Ex-Im Credit Facility, $321.2 million was used to finance up to 85% of the costs of construction, launch and insurance of the ViaSat-2 satellite and related goods and services (including costs incurred on or after September 18, 2012), with the remaining $41.2 million used to finance the total exposure fees incurred under the Ex-Im Credit Facility (which included all previously accrued completion exposure fees). As of December 31, 2023, the Company had $39.3 million in principal amount of outstanding borrowings under the Ex-Im Credit Facility.

Borrowings under the Ex-Im Credit Facility bear interest at a fixed rate of 2.38%, payable semi-annually in arrears. The effective interest rate on the Company's outstanding borrowings under the Ex-Im Credit Facility, which takes into account timing and amount of borrowings and payments, exposure fees, debt issuance costs and other fees, is 4.54%. Borrowings under the Ex-Im Credit Facility are required to be repaid in 16 semi-annual principal installments, which commenced on April 15, 2018, with a maturity date of October 15, 2025. The Ex-Im Credit Facility is guaranteed by Viasat and is secured by first-priority liens on the ViaSat-2 satellite and related assets, as well as a pledge of the capital stock of the borrower under the facility.

The Ex-Im Credit Facility contains financial covenants regarding Viasat's maximum total leverage ratio and minimum interest coverage ratio. In addition, the Ex-Im Credit Facility contains covenants that restrict, among other things, the Company's ability to sell assets, make investments and acquisitions, make capital expenditures, grant liens, pay dividends and make certain other restricted payments. The Company was in compliance with its financial covenants under the Ex-Im Credit Facility as of December 31, 2023.

Borrowings under the Ex-Im Credit Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount and debt issuance costs, in the Company's condensed consolidated financial statements. The discount of $42.3 million (consisting of the initial $6.0 million pre-exposure fee, $35.3 million of completion exposure fees, and other customary fees) and deferred financing cost associated with the issuance of the borrowings under the Ex-Im Credit Facility are amortized to interest expense on an effective interest rate basis over the weighted average term of the Ex-Im Credit Facility and in accordance with the related payment obligations.

In September 2023, the Company amended the Ex-Im Credit Facility to provide additional covenant flexibility.

Inmarsat Secured Credit Facility

As of December 31, 2023, the Inmarsat Secured Credit Facility comprised the $1.75 billion Inmarsat Term Loan Facility and the $700.0 million Inmarsat Revolving Credit Facility. As of December 31, 2023, Inmarsat had $1.68 billion in principal amount of outstanding borrowings under the Inmarsat Term Loan Facility and the Inmarsat Revolving Credit Facility was undrawn. The maturity date for the Inmarsat Term Loan Facility is December 12, 2026, and the maturity date for the Inmarsat Revolving Credit Facility is December 12, 2024. The Inmarsat Term Loan Facility is repayable in quarterly installments of $4.4 million, followed by a final installment on the maturity date.

Borrowings (other than borrowings denominated in Sterling) under the Inmarsat Secured Credit Facility bear interest, at Inmarsat's option, at either (x) the highest of (i) the greater of the federal funds rate or the overnight banking fund rate for such day plus 0.50%, (ii) the forward-looking one-month term SOFR rate plus 1.00% or (iii) the administrative agent's prime rate as announced from time to time, or (y) the forward-looking term SOFR rate for the applicable interest period (subject to, in the case of the Inmarsat Term Loan Facility, a floor of 1.00% per annum and, in the case of the Inmarsat Revolving Credit Facility, a floor of 0.00% per annum), and borrowings denominated in Sterling under the Inmarsat Secured Credit Facility bear interest at Sterling Overnight Index Average (SONIA) (subject to, in the case of the Inmarsat Term Loan Facility, a floor of 1.00% per annum and, in the case of the Inmarsat Revolving Credit Facility, a floor of 0.00% per annum) plus, in all cases, an applicable margin. The applicable margin for the Inmarsat Term Loan Facility is 2.50% per annum for base rate loans and 3.50% per annum for SOFR loans. The applicable margin for borrowings under the Inmarsat Revolving Credit Facility is based on Inmarsat's senior secured first lien net leverage ratio. As of December 31, 2023, the weighted average effective interest rate on the Company's outstanding borrowings under the Inmarsat Term Loan Facility, including the impact of interest rate cap contracts (see Note 1 — Basis of Presentation – Derivatives for more information), was approximately 9.66%. The Inmarsat Secured Credit Facility is required to be guaranteed by certain material Inmarsat subsidiaries and secured by substantially all of the assets of the Inmarsat borrowers and subsidiary guarantors.

The Inmarsat Secured Credit Facility contains covenants that restrict, among other things, Inmarsat's ability to incur additional debt, grant liens, sell assets, make investments and acquisitions, pay dividends and make certain other restricted payments. In addition, a financial covenant regarding Inmarsat's senior secured first lien leverage ratio applies in the event borrowings under the Inmarsat Revolving Credit Facility exceed the greater of $280.0 million and 40% of the revolving credit commitment thereunder. The borrowers under the Inmarsat Secured Credit Facility were in compliance with the financial covenants under the Inmarsat Secured Credit Facility as of December 31, 2023.

Borrowings under the Inmarsat Term Loan Facility are recorded as current portion of long-term debt and as other long-term debt, net of unamortized fair value adjustment made in purchase accounting, in the Company's condensed consolidated financial statements.

Senior Notes

Senior Notes due 2031

On September 28, 2023, the Company issued $733.4 million in principal amount of 2031 Notes in a private placement to institutional buyers to replace the Bridge Facility. The 2031 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company's condensed consolidated financial statements. The 2031 Notes bear interest at the rate of 7.500% per year, payable semi-annually in cash in arrears, which interest payments will commence in May 2024. Debt issuance costs associated with the issuance of the 2031 Notes are amortized to interest expense on a straight-line basis over the term of the 2031 Notes, the results of which are not materially different from the effective interest rate basis.

The 2031 Notes are required to be guaranteed on an unsecured senior basis by each of the Company's existing and future subsidiaries that guarantees the Viasat Revolving Credit Facility. As of December 31, 2023, none of the Company's subsidiaries guaranteed the 2031 Notes. The 2031 Notes are the Company's general senior unsecured obligations and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The 2031 Notes are effectively junior in right of payment to the Company's existing and future secured debt, including under the Credit Facilities and the 2027 Notes (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2031 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2031 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

Prior to May 30, 2026, the Company may redeem up to 40% of the 2031 Notes at a redemption price of 107.500% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the redemption date, from the net cash proceeds of specified equity offerings. The Company may also redeem the 2031 Notes prior to May 30, 2026, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus a “make whole” premium and any accrued and unpaid interest, if any, thereon to the redemption date. The 2031 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on May 30, 2026 at a redemption price of 103.750%, during the 12 months beginning on May 30, 2027 at a redemption price of 101.875%, and at any time on or after May 30, 2028 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2031 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder’s 2031 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2031 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Senior Notes due 2028

In June 2020, the Company issued $400.0 million in principal amount of 2028 Notes in a private placement to institutional buyers. The 2028 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company’s condensed consolidated financial statements. The 2028 Notes bear interest at the rate of 6.500% per year, payable semi-annually in cash in arrears, which interest payments commenced in January 2021. Debt issuance costs associated with the issuance of the 2028 Notes are amortized to interest expense on a straight-line basis over the term of the 2028 Notes, the results of which are not materially different from the effective interest rate basis.

The 2028 Notes are required to be guaranteed on an unsecured senior basis by each of the Company’s existing and future subsidiaries that guarantees the Viasat Revolving Credit Facility. As of December 31, 2023, none of the Company’s subsidiaries guaranteed the 2028 Notes. The 2028 Notes are the Company’s general senior unsecured obligations and rank equally in right of payment with all of the Company’s existing and future unsecured unsubordinated debt. The 2028 Notes are effectively junior in right of payment to the Company’s existing and future secured debt, including under the Credit Facilities and the 2027 Notes (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company’s subsidiaries that do not guarantee the 2028 Notes, and are senior in right of payment to all of the Company’s existing and future subordinated indebtedness.

The indenture governing the 2028 Notes limits, among other things, the Company’s and its restricted subsidiaries’ ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company’s satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

The 2028 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on July 15, 2023 at a redemption price of 103.250%, during the 12 months beginning on July 15, 2024 at a redemption price of 101.625%, and at any time on or after July 15, 2025 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2028 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder’s 2028 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2028 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Senior Secured Notes due 2027

In March 2019, the Company issued $600.0 million in principal amount of 2027 Notes in a private placement to institutional buyers. The 2027 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company’s condensed consolidated financial statements. The 2027 Notes bear interest at the rate of 5.625% per year, payable semi-annually in cash in arrears, which interest payments commenced in October 2019. Debt issuance costs associated with the issuance of the 2027 Notes are amortized to interest expense on a straight-line basis over the term of the 2027 Notes, the results of which are not materially different from the effective interest rate basis.

The 2027 Notes are required to be guaranteed on a senior secured basis by each of the Company's existing and future subsidiaries that guarantees the Viasat Revolving Credit Facility. As of December 31, 2023, none of the Company's subsidiaries guaranteed the 2027 Notes. The 2027 Notes are secured, equally and ratably with the 2022 Term Loan Facility, the 2023 Term Loan Facility, the Viasat Revolving Credit Facility and any future parity lien debt, by liens on substantially all of the Company's and such subsidiaries' assets.

The 2027 Notes are the Company's general senior secured obligations and rank equally in right of payment with all of its existing and future unsubordinated debt. The 2027 Notes are effectively senior to all of the Company's existing and future unsecured debt (including the 2025 Notes, the 2028 Notes and the 2031 Notes) as well as to all of any permitted junior lien debt that may be incurred in the future, in each case to the extent of the value of the assets securing the 2027 Notes. The 2027 Notes are effectively subordinated to any obligations that are secured by liens on assets that do not constitute a part of the collateral securing the 2027 Notes (such as the Inmarsat 2026 Notes), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2027 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2027 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

The 2027 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on April 15, 2023 at a redemption price of 101.406%, and at any time on or after April 15, 2024 at a redemption price of 100%, in each case plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2027 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder's 2027 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2027 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Senior Notes due 2025

In September 2017, the Company issued $700.0 million in principal amount of 2025 Notes in a private placement to institutional buyers. The 2025 Notes were issued at face value and are recorded as long-term debt, net of debt issuance costs, in the Company's condensed consolidated financial statements. The 2025 Notes bear interest at the rate of 5.625% per year, payable semi-annually in cash in arrears, which interest payments commenced in March 2018. Debt issuance costs associated with the issuance of the 2025 Notes are amortized to interest expense on a straight-line basis over the term of the 2025 Notes, the results of which are not materially different from the effective interest rate basis.

The 2025 Notes are required to be guaranteed on an unsecured senior basis by each of the Company's existing and future subsidiaries that guarantees the Viasat Revolving Credit Facility. As of December 31, 2023, none of the Company's subsidiaries guaranteed the 2025 Notes. The 2025 Notes are the Company's general senior unsecured obligations and rank equally in right of payment with all of the Company's existing and future unsecured unsubordinated debt. The 2025 Notes are effectively junior in right of payment to the Company's existing and future secured debt, including under the Credit Facilities and the 2027 Notes (to the extent of the value of the assets securing such debt), are structurally subordinated to all existing and future liabilities (including trade payables) of the Company's subsidiaries that do not guarantee the 2025 Notes, and are senior in right of payment to all of the Company's existing and future subordinated indebtedness.

The indenture governing the 2025 Notes limits, among other things, the Company's and its restricted subsidiaries' ability to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; reduce the Company's satellite insurance; and consolidate or merge with, or sell substantially all of their assets to, another person.

The 2025 Notes may be redeemed, in whole or in part, at any time at a redemption price of 100%, plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control triggering event occurs (as defined in the indenture governing the 2025 Notes), each holder will have the right to require the Company to repurchase all or any part of such holder’s 2025 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the 2025 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Inmarsat Senior Secured Notes due 2026

In October 2019, certain subsidiaries of Inmarsat Holdings issued $2.08 billion in principal amount of Inmarsat 2026 Notes in a private placement to institutional buyers. The Inmarsat 2026 Notes bear interest at the rate of 6.750% per year, payable semi-annually in cash in arrears.

The Inmarsat 2026 Notes are secured by pari passu first priority liens on the collateral securing the Inmarsat Secured Credit Facility, and are required to be guaranteed on a senior secured basis by restricted subsidiaries of Inmarsat Holdings that guarantee or are borrowers under Inmarsat’s senior secured indebtedness, subject to exceptions. The Inmarsat 2026 Notes are required to be guaranteed by the subsidiaries guaranteeing the Inmarsat Secured Credit Facility.

The indenture governing the Inmarsat 2026 Notes limits, among other things, the ability of the issuers and their restricted subsidiaries to: incur, assume or guarantee additional debt; issue redeemable stock and preferred stock; pay dividends, make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase subordinated debt; make loans and investments; grant or incur liens; restrict dividends, loans or asset transfers from restricted subsidiaries; sell or otherwise dispose of assets; enter into transactions with affiliates; and consolidate or merge with, or sell substantially all of their assets to, another person.

The Inmarsat 2026 Notes may be redeemed, in whole or in part, at any time during the 12 months beginning on October 1, 2023 at a redemption price of 101.688%, and at any time on or after October 1, 2024 at a redemption price of 100%, in each case, plus accrued and unpaid interest, if any, thereon to the redemption date.

In the event a change of control occurs (as defined in the indenture governing the Inmarsat 2026 Notes), each holder will have the right to require Inmarsat to repurchase all or any part of such holder’s Inmarsat 2026 Notes at a purchase price in cash equal to 101% of the aggregate principal amount of the Inmarsat 2026 Notes repurchased, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). The consummation of the Inmarsat Acquisition did not give rise to a “change of control” under the indenture governing the Inmarsat 2026 Notes.

The Inmarsat 2026 Notes are recorded as other long-term debt, net of unamortized fair value adjustment made in purchase accounting, in the Company’s condensed consolidated financial statements.

Note 9 — Related-Party Transactions

In the normal course of business, the Company engages in transactions with its equity method investments (Navarino UK and JSAT Mobile), which are considered related-party transactions. The Company recognized revenue from Navarino UK and JSAT Mobile for the three and nine months ended December 31, 2023 of $17.3 million and $42.6 million, respectively. The Company received cash of $18.0 million and $43.1 million from Navarino UK and JSAT Mobile for the three and nine months ended December 31, 2023, respectively. Accounts receivable from Navarino UK and JSAT Mobile as of December 31, 2023 was $11.7 million.

Note 10 — Commitments and Contingencies

From time to time, the Company enters into satellite construction agreements as well as various other satellite-related purchase commitments, including with respect to the provision of launch services, operation of its satellites and satellite insurance. See Note 13 – Commitments to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended March 31, 2023 for information regarding the Company’s future minimum payments under its satellite construction contracts and other satellite-related purchase commitments.

Periodically, the Company is involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including government investigations and claims, and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters. Such matters could result in fines; penalties, compensatory, treble or other damages; or non-monetary relief. A violation of government contract laws and regulations could also result in the termination of its government contracts or debarment from bidding on future government contracts. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of its current pending matters will not have a material adverse effect on its business, financial condition, results of operations or liquidity.

The Company has contracts with various U.S. Government agencies. Accordingly, the Company is routinely subject to audit and review by the DCMA, the DCAA and other U.S. Government agencies of its performance on government contracts, indirect rates and pricing practices, accounting and management internal control business systems, and compliance with applicable contracting and procurement laws, regulations and standards. An adverse outcome to a review or audit or other failure to comply with applicable contracting and procurement laws, regulations and standards could result in material civil and criminal penalties and administrative sanctions being imposed on the Company, which may include termination of contracts, forfeiture of profits, triggering of price reduction clauses, suspension of payments, significant customer refunds, fines and suspension, or a prohibition on doing business with U.S. Government agencies. In addition, if the Company fails to obtain an “adequate” determination of its various accounting and management internal control business systems from applicable U.S. Government agencies or if allegations of impropriety are made against it, the Company could suffer serious harm to its business or its reputation, including its ability to bid on new contracts or receive contract renewals and its competitive position in the bidding process. As of December 31, 2023, the DCAA had completed its incurred cost audit for fiscal years 2004, 2016, 2019, 2020 and 2021. The DCMA approved the Company’s incurred costs for those fiscal years with the exception of 2021, which is pending. The DCMA also approved the Company’s incurred costs for fiscal years 2005 through 2015, 2017, 2018 and 2022 without further audit based on the determination of low risk. Although the Company has recorded contract revenues subsequent to fiscal year 2020 based upon an estimate of costs that the Company believes will be approved upon final audit or review, the Company does not know the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed the Company’s estimates, its profitability would be adversely affected. The Company had $16.6 million and $12.9 million as of December 31, 2023 and March 31, 2023, respectively, in contract-related reserves for its estimate of potential refunds to customers for potential cost adjustments on several multi-year U.S. Government cost reimbursable contracts. This reserve is classified as either an element of accrued liabilities or as a reduction of unbilled accounts receivable based on the status of the related contracts.

On July 8, 2022, Cisco Systems, Inc. (Cisco), which previously acquired Acacia Communications, Inc. (Acacia), paid the Company $62.2 million in full satisfaction of the July 2019 judgment previously entered against Acacia related to Acacia's breach of contract and misuse of the Company's soft decision forward error correction technology. For the three and six months ended September 30, 2022, the Company recorded $55.8 million as product revenues in the Company's commercial networks segment and $6.4 million as interest income with respect to this payment. On May 8, 2023, Cisco paid the Company an additional $97.5 million under protest, pursuant to a judgment entered against Acacia on May 4, 2023 also related to Acacia's continued use of the Company's soft decision forward error correction technology. The 2023 judgment obligated Acacia to make contractual royalty payments to the Company based on the quarterly sales of certain of its products. Acacia appealed the May 2023 judgment and on September 29, 2023, the Company and Acacia settled all pending litigation between them. As a result, in the second quarter of fiscal year 2024 the Company recorded $99.9 million as product revenues in the Company's commercial networks segment and $7.2 million as interest income. Additionally, the Company may receive ongoing licensing and royalty payments under the settlement agreement.

Note 11 — Income Taxes

For the three and nine months ended December 31, 2023, the Company recorded an income tax benefit of $34.5 million and $128.1 million, respectively, resulting in effective tax rates of 22% and 12%, respectively. The effective tax rate for the three months ended December 31, 2023 did not differ significantly from the U.S. statutory rate despite a valuation allowance recorded against the Company's U.S. net deferred tax assets primarily due to the impacts of Inmarsat purchase price allocation adjustments recorded in the third quarter of fiscal year 2024. While the effective tax rate for the three months ended December 31, 2023 did not significantly differ from the U.S. statutory rate, the effective tax rate for the nine months ended December 31, 2023 differed from the U.S. statutory rate primarily due to a valuation allowance recorded against the Company's U.S. net deferred tax assets during the second quarter of fiscal year 2024.

For the three and nine months ended December 31, 2022, the Company recorded an income tax provision of $5.2 million and $59.0 million, respectively, resulting in effective tax rates of negative 13% and negative 63%, respectively. The effective tax rates for such periods differed from the U.S. statutory rate primarily due to the expense for tax deficiencies upon settlement of stock-based compensation during the periods and, in the nine months ended December 31, 2022, due to the establishment of a valuation allowance on the deferred tax asset for California Research and Development (R&D) tax credits that was partially offset by the benefit of federal R&D tax credits.

During the second quarter of fiscal year 2024, in evaluating the Company's ability to realize its U.S. net deferred tax assets, the Company considered all available positive and negative evidence, including but not limited to operating results, forecasted ranges of future taxable income, and its recent satellite anomalies. ASC 740 places more weight on the objectively verifiable evidence of current pre-tax losses and recent events than forecasts of future profitability. Therefore, the Company determined it is more likely than not that its U.S. net deferred tax assets will not be realized. As a result, the Company's tax benefit for the nine months ended December 31, 2023 was reduced by a valuation allowance recorded against its U.S. losses for the periods.

During the second quarter of fiscal year 2023, the Company determined it is more likely than not that a majority of its California R&D tax credits will not be realized due to reduced taxable income apportioned to California in connection with the Link-16 TDL Sale. As a result, during the second quarter of fiscal year 2023, the Company recorded a valuation allowance of $69.0 million against its R&D tax credit carryforwards.

The Company's total valuation allowance increased from $150.0 million at March 31, 2023 to $285.1 million at December 31, 2023 relating to carryforwards for federal, state, and foreign net operating losses, federal and state R&D tax credits, and foreign tax credits.

For the three and nine months ended December 31, 2023, the Company's gross unrecognized tax benefits decreased by $28.3 million and increased by $49.6 million, respectively, and interest and penalties decreased by $7.6 million and increased by $10.1 million, respectively. Of the total increases for the nine months ended December 31, 2023, gross unrecognized tax benefits of $51.6 million and interest and penalties of $14.9 million were recorded through goodwill as part of the purchase accounting for the Inmarsat Acquisition. Of the total $179.3 million gross unrecognized tax benefits at December 31, 2023, $14.5 million would reduce the Company's annual effective tax rate if recognized based on the Company's valuation allowance position at December 31, 2023. Along with the other acquired tax attributes and positions, the unrecognized tax benefits are subject to adjustments during the measurement period, which may be up to one year from the acquisition date.

Note 12 — Segment Information

The Company's reportable segments (satellite services, commercial networks and government systems) are primarily distinguished by the type of customer and the related contractual requirements. The Company's satellite services segment provides satellite-based broadband and related services to commercial airlines and other aircraft, residential customers and enterprises, maritime vessels (acquired through the Inmarsat Acquisition) and other mobile broadband customers, and Prepaid Internet users. The Company's commercial networks segment develops and offers advanced satellite and wireless broadband platforms, ground networking equipment, radio frequency and advanced microwave solutions, Application-Specific Integrated Circuit (ASIC) chip design, satellite payload development and space-to-earth connectivity systems, some of which are ultimately used by the Company's satellite services segment. The Company's government systems segment provides global mobile broadband services and narrowband products and services (acquired through the Inmarsat Acquisition) to military and government users and develops and offers network-centric, internet protocol-based fixed and mobile secure communications products and solutions. The more regulated government environment is subject to unique contractual requirements and possesses economic characteristics which differ from the satellite services and commercial networks segments. The Company's segments are determined consistent with the way management currently organizes and evaluates financial information internally for making operating decisions and assessing performance.

As described in Note 1 — Basis of Presentation and Note 5 — Discontinued Operations, on October 1, 2022, the Company entered into an Asset Purchase Agreement to sell certain assets and assign certain liabilities comprising the Link-16 TDL Business to L3Harris. In accordance with ASC 205-20, the Company determined that the Link-16 TDL Business met held-for-sale and discontinued operations accounting criteria at the end of the second quarter of fiscal year 2023. Accordingly, the segment information for the periods prior to the measurement date of a discontinued operation that is part of a reportable segment is required to be restated to reflect the discontinued operation classification. However, the discontinued operations have been excluded from segment results for all periods presented. Further, as the discontinued operation is part of a reportable segment but not the entire reportable segment, the costs previously allocated to a discontinued operation have been reasonably reallocated to the remaining operating segments. Therefore, certain corporate and other indirect costs previously allocated to the Link-16 TDL Business have been allocated across all three segments for the periods presented. On January 3, 2023, the Company completed the Link-16 TDL Sale. See Note 5 — Discontinued Operations for additional information.

Segment revenues and operating profits (losses) for the three and nine months ended December 31, 2023 and 2022 were as follows:

	Three Months Ended		Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In thousands)			
Revenues:				
Satellite services				
Product	$ —	$ —	$ —	$ —
Service	581,429	302,412	1,565,247	915,059
Total	581,429	302,412	1,565,247	915,059
Commercial networks				
Product	144,525	147,163	523,517	400,569
Service	21,835	20,060	66,636	59,465
Total	166,360	167,223	590,153	460,034
Government systems				
Product	158,548	102,152	417,657	282,200
Service	222,202	79,657	560,688	232,766
Total	380,750	181,809	978,345	514,966
Elimination of intersegment revenues	—	—	—	—
Total revenues	$ 1,128,539	$ 651,444	$ 3,133,745	$ 1,890,059
Operating profits (losses):				
Satellite services	$ 41,115	$ (8,421)	$ (779,493)	$ (13,142)
Commercial networks	(70,343)	(40,266)	(73,972)	(90,442)
Government systems	77,029	24,809	164,268	42,655
Elimination of intersegment operating profits (losses)	—	—	—	—
Segment operating profit (loss) before corporate and amortization of acquired intangible assets	47,801	(23,878)	(689,197)	(60,929)
Corporate	—	—	—	—
Amortization of acquired intangible assets	(91,719)	(7,433)	(200,904)	(22,335)
Income (loss) from operations	$ (43,918)	$ (31,311)	$ (890,101)	$ (83,264)

Assets identifiable to segments include: accounts receivable, unbilled accounts receivable, inventory, acquired intangible assets and goodwill. The Company's property and equipment, including its satellites, earth stations and other networking equipment, are assigned to corporate assets as they are available for use by the various segments throughout their estimated useful lives. Segment assets as of December 31, 2023 and March 31, 2023 were as follows:

	As of December 31, 2023	As of March 31, 2023
	(In thousands)	
Segment assets:		
Satellite services	$ 3,729,631	$ 424,881
Commercial networks	404,705	328,828
Government systems	1,281,096	293,780
Total segment assets	5,415,432	1,047,489
Corporate assets	11,235,223	6,682,848
Total assets	$ 16,650,655	$ 7,730,337

Other acquired intangible assets, net and goodwill included in segment assets as of December 31, 2023 and March 31, 2023 were as follows:

	Other Acquired Intangible Assets, Net		Goodwill	
	As of December 31, 2023	As of March 31, 2023	As of December 31, 2023	As of March 31, 2023
	(In thousands)			
Satellite services	$ 2,375,977	$ 200,097	$ 1,050,740	$ 80,589
Commercial networks	—	—	41,188	41,014
Government systems	397,688	1,108	521,778	36,939
Total	$ 2,773,665	$ 201,205	$ 1,613,706	$ 158,542

Amortization of acquired intangible assets by segment for the three and nine months ended December 31, 2023 and 2022 was as follows:

	Three Months Ended		Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(In thousands)			
Satellite services	$ 80,328	$ 7,142	$ 179,151	$ 21,458
Commercial networks	—	—	—	—
Government systems	11,391	291	21,753	877
Total amortization of acquired intangible assets	$ 91,719	$ 7,433	$ 200,904	$ 22,335

Revenues by geographic area for the three and nine months ended December 31, 2023 and 2022 were as follows:

	Three Months Ended December 31, 2023	Nine Months Ended December 31, 2023
	(In thousands)	
U.S. customers	$ 769,135	$ 2,239,718
Non-U.S. customers (each country individually insignificant)	359,404	894,027
Total revenues	$ 1,128,539	$ 3,133,745

	Three Months Ended December 31, 2022	Nine Months Ended December 31, 2022
	(In thousands)	
U.S. customers	$ 542,702	$ 1,590,535
Non-U.S. customers (each country individually insignificant)	108,742	299,524
Total revenues	$ 651,444	$ 1,890,059

The Company distinguishes revenues from external customers by geographic area based on customer location.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” 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 regarding the expected benefits, synergies, growth opportunities and other financial and operating benefits of the Inmarsat Acquisition (as defined below), and the expected charges and costs resulting from associated integration efforts; 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; the construction, completion, testing, launch, commencement of commercial service, expected performance and benefits of satellites (including future satellites planned or under construction) and the timing thereof; the extent and impact of anomalies on the ViaSat-3 F1 and Inmarsat-6 (I-6) F2 satellites, the anticipated functionality or performance of such satellites and any potential remedial or mitigating measures that may be undertaken or insurance proceeds that may be recoverable in connection therewith; the expected capacity, 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; international growth opportunities; the number of additional aircraft under existing contracts with commercial airlines anticipated to be put into service with our in-flight connectivity (IFC) systems; 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: risks that the Inmarsat Acquisition disrupts current plans and operations or diverts management's attention from our business; the effect of the Inmarsat Acquisition on our ability to retain and hire key personnel and maintain relationships with our customers, suppliers and others with whom we do business; our ability to successfully integrate the operations, technologies and employees of Inmarsat (as defined herein); the ability to realize anticipated benefits and synergies of the Inmarsat Acquisition and our other acquisitions, including the expectation of enhancements to our products and services, greater revenue or growth opportunities, and the realization of operating efficiencies and cost savings (including the timing and amount thereof); the ability to ensure continued performance and market growth of our business following the closing of the Inmarsat Acquisition; our ability to realize the anticipated benefits of any existing or future satellite; 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; capacity constraints in our business in the lead-up to the launch of services on our ViaSat-3 satellites; risks associated with the construction, launch and operation of 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; 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 changes to global 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 factors identified under the heading “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 (as updated by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023) and under the heading “Risk Factors” in Part II, Item 1A of this report, elsewhere in this report and our other filings with the Securities and Exchange Commission (the SEC). Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

Company Overview

We are an innovative, global provider of communications technologies and services, focused on making connectivity accessible, available and secure for all. Our end-to-end platform of satellites, ground infrastructure and user terminals enables us to provide cost-effective, high-speed, high-quality broadband and other connectivity solutions to enterprises, consumers, military and government users around the globe, whether on the ground, in the air or at sea. In addition, our government business includes a portfolio of communications gateways; situational awareness products and services; satellite communication products and services, across using various frequency bands; cybersecurity and information assurance products and services; and tactical data link solutions. We believe that our diversification strategy— anchored in a broad portfolio of customer-centric products and services and supported by our fleet of broadband and narrowband satellites—our vertical integration and our ability to effectively cross-deploy technologies between government and commercial applications and segments as well as across different geographic markets, provide us with a strong foundation to sustain and enhance our leadership in advanced communications and networking technologies. Viasat, Inc. was incorporated in California in 1986, and reincorporated as a Delaware corporation in 1996.

We conduct our business through three segments: satellite services, commercial networks and government systems.

Inmarsat Acquisition

On May 30, 2023, we purchased all of the issued and outstanding shares of Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat Holdings and, together with its subsidiaries, Inmarsat), in exchange for approximately $550.7 million in cash and 46.36 million shares of our common stock (the Inmarsat Acquisition). In connection with the closing of the Inmarsat Acquisition, we entered into a $616.7 million senior secured term loan facility (the 2023 Term Loan Facility) and a $733.4 million unsecured bridge loan facility (the Bridge Facility), which were fully drawn at closing. On September 28, 2023, we replaced the Bridge Facility with the 7.500% Senior Notes due 2031, in the same principal amount and at the same interest rate.

Sale of Link-16 TDL Business

On January 3, 2023, we completed the sale of certain assets and liabilities comprising our Link-16 Tactical Data Links business (the Link-16 TDL Business) to L3Harris Technologies, Inc. (L3Harris) in exchange for approximately $1.96 billion in cash, subject to certain adjustments (the Link-16 TDL Sale). Unless otherwise noted, discussion throughout this Quarterly Report on Form 10-Q relates to our continuing operations only and excludes the Link-16 TDL Business. See Note 5 — Discontinued Operations to our condensed consolidated financial statements for additional information.

Satellite Services

Our satellite services segment uses our proprietary technology platform to provide both high-speed broadband and narrowband services via satellite around the globe for use in commercial applications.

Our complementary fleet of 21 satellites in space spans the Ka-, L- and S- bands. In addition to Viasat's legacy satellite fleet, the closing of the Inmarsat Acquisition added: five additional high-bandwidth Ka-band satellites, eight high-availability L-band satellites (three of which are contingency satellites in orbit but not currently in service), an S-band satellite that supports the European Aviation Network (EAN) to provide IFC services to commercial airlines in Europe, and an I-6 class hybrid Ka-/L-band satellite (the I-6 F1 satellite), with additional satellites under development. Our expanded satellite fleet enables us to provide near global coverage (including strong oceanic coverage and polar reach) with greater redundancy and resiliency. We launched the first of our third-generation ViaSat-3 class satellites, ViaSat-3 F1, into orbit on April 30, 2023. On July 12, 2023, we reported a reflector deployment issue that materially impacted the performance of the ViaSat-3 F1 satellite, and on August 24, 2023, we reported the I-6 F2 satellite suffered a power subsystem anomaly during its orbit raising phase, and concluded that the satellite would not operate as intended (see Note 1 — Basis of Presentation — Property, equipment and satellites to our condensed consolidated financial statements for more information).

The primary services offered by our satellite services segment are comprised of:

- In-flight services, which provide industry-leading IFC services and wireless in-flight entertainment services, as well as cockpit, data safety, surveillance, electronic flightbag and other aviation software services. As of December 31, 2023, we had our IFC systems installed and in service on approximately 3,540 commercial aircraft of which approximately 40 were inactive at quarter end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,430 additional commercial aircraft under existing customer agreements with commercial airlines will be put into service with our IFC systems. However, the timing of installation and entry into service of IFC systems on additional aircraft under existing customer agreements may be delayed as a result of the lingering impacts of the COVID-19 pandemic on the global airline industry. Additionally, due to the nature of commercial airline contracts, there can be no assurance that anticipated IFC services will be activated on all such additional commercial aircraft.

- Fixed broadband services, which provide consumers and businesses with high-speed, high-quality broadband internet access and Voice over Internet Protocol services, primarily in the United States as well as in various countries in Europe and Latin America.
- Maritime services (acquired through the Inmarsat Acquisition), which offer satellite-based Ka-band high-speed broadband and L-band narrowband communications services, including safety services, to seagoing vessels (such as commercial shipping vessels, energy offshore vessels, cruise ships, consumer ferries and yachts).
- Prepaid Internet services, which offer innovative, affordable, satellite-based connectivity in communities that have little or no access to the internet. These services help foster digital inclusion by enabling millions of people to connect to affordable, high-quality internet services via a centralized terminal connected to the internet via satellite, that is then used to provide community hotspots, home broadband and mobile broadband. We provide Prepaid Internet services in multiple regions in Mexico and Brazil.
- Other broadband and narrowband services, which include high-speed, satellite-based internet, Internet-of-Things (IoT), telemetry, push-to-talk communications and L-band satellite phone services, as well as L-band managed services that enable real-time machine-to-machine (M2M) position tracking, management of remote assets and operations, and visibility into critical areas of the supply chain.
- Energy services, which include ultra-secure solutions spanning global IP connectivity, bandwidth-optimized over-the-top applications, industrial IoT, big data enablement and industry-leading machine learning analytics.

The assets and results of operations of Inmarsat's commercial business are primarily included in our satellite services segment (with an insignificant amount included in our commercial networks segment and Inmarsat's government business included in our government systems segment) for the period following the closing of the Inmarsat Acquisition on May 30, 2023.

Commercial Networks

Our commercial networks segment develops and sells a wide array of advanced satellite and wireless products, antenna systems and network and terminal solutions that support or enable the provision of high-speed fixed and mobile broadband services. We design, develop and produce space system solutions for multiple orbital regimes, including geostationary (GEO), medium earth orbit (MEO) and low earth orbit (LEO). The primary products, systems, solutions and services offered by our commercial networks segment are comprised of:

- Mobile broadband satellite communication systems, designed for use in aircraft, land-mobile and seagoing vessels.
- Fixed broadband satellite communication systems, including next-generation satellite network infrastructure, ground terminals and design and implementation for customer communication systems.
- Antenna systems, including state-of-the-art ground and airborne terminals, antennas and gateways for terrestrial and satellite customer applications, mobile satellite communication, Ka-band earth stations and other multi-band/multi-function antennas.
- Space systems design and satellite networking development, including the design and development of the architecture of high-capacity Ka-band geosynchronous satellites and associated payload technologies (both for our own satellite fleet as well as for third parties) and special purpose LEO and MEO satellites and other small satellite platforms, as well as semiconductor design for application-specific integrated circuit and monolithic microwave integrated circuit chips. Satellite networking development includes specialized design and technology services covering all aspects of satellite communication system architecture, networks and technology.

Government Systems

Our government systems segment offers a broad array of products and services, including:

- Government mobile broadband products and services, which provide military and government users with high-speed, real-time, broadband and multimedia connectivity in key regions of the world, as well as line-of-sight and beyond-line-of-sight Intelligence Surveillance and Reconnaissance (ISR) missions.

- Government narrowband products and services (primarily provided by Inmarsat prior to the Inmarsat Acquisition), which provide military and government users with L-band narrowband products and services such as Tactical Beyond Line of Sight (L-TAC) communications, L-band airborne ISR services and L-band Advanced Communications Element (LACE) terminals.
- Government satellite communication systems, which offer an array of portable, mobile and fixed broadband modems, terminals, network access control systems and antenna systems, and include products designed for manpacks, aircraft, unmanned aerial vehicles, seagoing vessels, ground-mobile vehicles, space-based systems and fixed applications.
- Secure networking, cybersecurity and information assurance products and services, which provide advanced, high-speed IP-based "Type 1" and High Assurance Internet Protocol Encryption (HAIPE®)-compliant encryption solutions that enable military and government users to communicate information securely, and that protect the integrity of data stored on computers and storage devices.
- Tactical data link solutions, which continue to provide certain solutions in the tactical data link space, including our Move Out/Jump Off tactical gateway family of products and simulation environments via our radio frequency generators which test our customers' tactical data links. On January 3, 2023 we sold the remainder of our Link-16 TDL Business to L3Harris. See Note 5 — Discontinued Operations to our condensed consolidated financial statements for additional information.

Factors and Trends Affecting our Results of Operations

For a summary of factors and trends affecting our results of operations, see Part II, Item 7, "Factors and Trends Affecting our Results of Operations" in our Annual Report on Form 10-K for the year ended March 31, 2023.

Sources of Revenues

Our satellite services segment revenues are primarily derived from our in-flight services, fixed broadband services, maritime services (including narrowband and safety of communication capabilities primarily acquired through the Inmarsat Acquisition), and energy services.

Revenues in our commercial networks and government systems segments are primarily derived from three types of contracts: fixed-price contracts (which require us to provide products and services under a contract at a specified price), cost-reimbursement contracts (under which we are reimbursed for all actual costs incurred in performing the contract to the extent such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit), and time-and-materials contracts (which reimburse us for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services).

Historically, a significant portion of our revenues in our commercial networks and government systems segments has been derived from customer contracts that include the development of products. The development efforts are conducted in direct response to the customer's specific requirements and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in revenues. See Note 1 — Basis of Presentation to our condensed consolidated financial statements for additional information.

To date, our ability to grow and maintain our revenues in our commercial networks and government systems segments has depended on our ability to identify and target markets where the customer places a high priority on the technology solution, and our ability to obtain additional sizable contract awards. Due to the nature of this process, it is difficult to predict the probability and timing of obtaining awards in these markets.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We consider the policies discussed below to be critical to an understanding of our financial statements because their application places the most significant demands on management's judgment, with financial reporting results relying on estimation about the effect of matters that are inherently uncertain. We describe the specific risks for these critical accounting policies in the following paragraphs. For all of these policies, we caution that future events rarely develop exactly as forecast, and even the best estimates routinely require adjustment.

Revenue recognition

We apply the five-step revenue recognition model under Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (commonly referred to as ASC 606) to our contracts with our customers. Under this model, we (1) identify the contract with the customer, (2) identify our performance obligations in the contract, (3) determine the transaction price for the contract, (4) allocate the transaction price to our performance obligations and (5) recognize revenue when or as we satisfy our performance obligations. These performance obligations generally include the purchase of services (including broadband capacity and the leasing of broadband equipment), the purchase of products, and the development and delivery of complex equipment built to customer specifications under long-term contracts.

The timing of satisfaction of performance obligations may require judgment. We derive a substantial portion of our revenues from contracts with customers for services, primarily consisting of connectivity services. These contracts typically require advance or recurring monthly payments by the customer. Our obligation to provide connectivity services is satisfied over time as the customer simultaneously receives and consumes the benefits provided. The measure of progress over time is based upon either a period of time (e.g., over the estimated contractual term) or usage (e.g., bandwidth used/bytes of data processed). We evaluate whether broadband equipment provided to our customer as part of the delivery of connectivity services represents a lease in accordance with the authoritative guidance for leases (ASC 842). As discussed in Note 1 – Basis of Presentation – Leases to our condensed consolidated financial statements, for broadband equipment leased to customers in conjunction with the delivery of connectivity services, we account for the lease and non-lease components of connectivity services arrangement as a single performance obligation as the connectivity services represent the predominant component.

We also derive a portion of our revenues from contracts with customers to provide products. Performance obligations to provide products are satisfied at the point in time when control is transferred to the customer. These contracts typically require payment by the customer upon passage of control and determining the point at which control is transferred may require judgment. To identify the point at which control is transferred to the customer, we consider indicators that include, but are not limited to, whether (1) we have the present right to payment for the asset, (2) the customer has legal title to the asset, (3) physical possession of the asset has been transferred to the customer, (4) the customer has the significant risks and rewards of ownership of the asset, and (5) the customer has accepted the asset. For product revenues, control generally passes to the customer upon delivery of goods to the customer.

Our contracts with the U.S. Government typically are subject to the Federal Acquisition Regulation (FAR) and are priced based on estimated or actual costs of producing goods or providing services. The FAR provides guidance on the types of costs that are allowable in establishing prices for goods and services provided under U.S. Government contracts. The pricing for non-U.S. Government contracts is based on the specific negotiations with each customer. Under the typical payment terms of our U.S. Government fixed-price contracts, the customer pays us either performance-based payments (PBPs) or progress payments. PBPs are interim payments based on quantifiable measures of performance or on the achievement of specified events or milestones. Progress payments are interim payments based on a percentage of the costs incurred as the work progresses. Because the customer can often retain a portion of the contract price until completion of the contract, our U.S. Government fixed-price contracts generally result in revenue recognized in excess of billings which we present as unbilled accounts receivable on the balance sheet. Amounts billed and due from our customers are classified as receivables on the balance sheet. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For our U.S. Government cost-type contracts, the customer generally pays us for our actual costs incurred within a short period of time. For non-U.S. Government contracts, we typically receive interim payments as work progresses, although for some contracts, we may be entitled to receive an advance payment. We recognize a liability for these advance payments in excess of revenue recognized and present it as collections in excess of revenues and deferred revenues on the balance sheet. An advance payment is not typically considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

Performance obligations related to developing and delivering complex equipment built to customer specifications under long-term contracts are recognized over time as these performance obligations do not create assets with an alternative use to us and we have an enforceable right to payment for performance to date. To measure the transfer of control, revenue is recognized based on the extent of progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the products or services to be provided. We generally use the cost-to-cost measure of progress for our contracts because that best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Estimating the total costs at completion of a performance obligation requires management to make estimates related to items such as subcontractor performance, material costs and availability, labor costs and productivity and the costs of overhead. When estimates of total costs to be incurred on a contract exceed total estimates of revenue to be earned, a provision for the entire loss on the contract is recognized in the period the loss is determined. A one percent variance in our future cost estimates on open fixed-price contracts as of December 31, 2023 would change our income (loss) before income taxes by an insignificant amount.

The evaluation of transaction price, including the amounts allocated to performance obligations, may require significant judgments. Due to the nature of the work required to be performed on many of our performance obligations, the estimation of total revenue, and where applicable the cost at completion, is complex, subject to many variables and requires significant judgment. Our contracts may contain award fees, incentive fees, or other provisions, including the potential for significant financing components, that can either increase or decrease the transaction price. These amounts, which are sometimes variable, can be dictated by performance metrics, program milestones or cost targets, the timing of payments, and customer discretion. We estimate variable consideration at the amount to which we expect to be entitled. We include estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of our anticipated performance and all information (historical, current and forecasted) that is reasonably available to us. In the event an agreement includes embedded financing components, we recognize interest expense or interest income on the embedded financing components using the effective interest method. This methodology uses an implied interest rate which reflects the incremental borrowing rate which would be expected to be obtained in a separate financing transaction. We have elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

If a contract is separated into more than one performance obligation, the total transaction price is allocated to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. Estimating standalone selling prices may require judgment. When available, we utilize the observable price of a good or service when we sell that good or service separately in similar circumstances and to similar customers. If a standalone selling price is not directly observable, we estimate the standalone selling price by considering all information (including market conditions, specific factors, and information about the customer or class of customer) that is reasonably available.

Property, equipment and satellites

Property, equipment and satellites, net includes our owned and leased satellites and the associated earth stations and networking equipment, as well as the customer premise equipment units which are leased to customers as part of our satellite services segment.

Satellites and other property and equipment are recorded at cost or in the case of certain satellites and other property acquired, the fair value at the date of acquisition, net of accumulated depreciation. Capitalized satellite costs consist primarily of the costs of satellite construction and launch, including launch insurance and insurance during the period of in-orbit testing, the net present value of performance incentive payments expected to be payable to the satellite manufacturers (dependent on the continued satisfactory performance of the satellites), costs directly associated with the monitoring and support of satellite construction, and interest costs incurred during the period of satellite construction. We also construct earth stations, network operations systems and other assets to support our satellites, and those construction costs, including interest, are capitalized as incurred. At the time satellites are placed in commercial service, we estimate the useful life of our satellites for depreciation purposes based upon an analysis of each satellite’s performance against the original manufacturer’s orbital design life, estimated fuel levels and related consumption rates, as well as historical satellite operating trends. We periodically review the remaining estimated useful life of our satellites to determine if revisions to the estimated useful lives are necessary.

Leases

In accordance with ASC 842, we assess at contract inception whether the contract is, or contains, a lease. Generally, we determine that a lease exists when (1) the contract involves the use of a distinct identified asset, (2) we obtain the right to substantially all economic benefits from use of the asset, and (3) we have the right to direct the use of the asset. A lease is classified as a finance lease when one or more of the following criteria are met: (1) the lease transfers ownership of the asset by the end of the lease term, (2) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (3) the lease term is for a major part of the remaining useful life of the asset, (4) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset or (5) the asset is of such a specialized nature that it is expected to have no alternative use to the lessor at the end of the lease term. A lease is classified as an operating lease if it does not meet any of these criteria.

At the lease commencement date, we recognize a right-of-use asset and a lease liability for all leases, except short-term leases with an original term of 12 months or less. The right-of-use asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The right-of-use asset is initially measured at cost, which primarily comprises the initial amount of the lease liability, less any lease incentives received. All right-of-use assets are periodically reviewed for impairment in accordance with standards that apply to long-lived assets. The lease liability is initially measured at the present value of the lease payments, discounted using an estimate of our incremental borrowing rate for a collateralized loan with the same term as the underlying leases.

Lease payments included in the measurement of lease liabilities consist of (1) fixed lease payments for the noncancelable lease term, (2) fixed lease payments for optional renewal periods where it is reasonably certain the renewal option will be exercised, and (3) variable lease payments that depend on an underlying index or rate, based on the index or rate in effect at lease commencement. Certain of our real estate lease agreements require variable lease payments that do not depend on an underlying index or rate established at lease commencement. Such payments and changes in payments based on a rate or index are recognized in operating expenses when incurred.

Lease expense for operating leases consists of the fixed lease payments recognized on a straight-line basis over the lease term plus variable lease payments as incurred. Lease expense for finance leases consists of the depreciation of assets obtained under finance leases on a straight-line basis over the lease term and interest expense on the lease liability based on the discount rate at lease commencement. For both operating and finance leases, lease payments are allocated between a reduction of the lease liability and interest expense.

For broadband equipment leased to customers in conjunction with the delivery of connectivity services, we have made an accounting policy election not to separate the broadband equipment from the related connectivity services. The connectivity services are the predominant component of these arrangements. The connectivity services are accounted for in accordance ASC 606. We are also a lessor for certain insignificant communications equipment. These leases meet the criteria for operating lease classification. Lease income associated with these leases is not material.

Business combinations

The purchase price for business combinations is allocated to the estimated fair values of acquired tangible and intangible assets, and assumed liabilities, where applicable. Additionally, we recognize technology, contracts and customer relationships, orbital slots and spectrum assets, trade names and other as identifiable intangible assets, which are recorded at fair value as of the transaction date. Goodwill is recorded when consideration transferred exceeds the fair value of identifiable assets and liabilities. Measurement-period adjustments to assets acquired and liabilities assumed with a corresponding offset to goodwill are recorded in the period they occur, which may include up to one year from the acquisition date. Contingent consideration is recorded at fair value at the acquisition date.

Impairment of long-lived and other long-term assets (property, equipment and satellites, and other assets, including goodwill)

In accordance with the authoritative guidance for impairment or disposal of long-lived assets (ASC 360), we assess potential impairments to our long-lived assets, including property, equipment and satellites and other assets, when there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. We recognize an impairment loss when the undiscounted cash flows expected to be generated by an asset (or group of assets) are less than the asset's carrying value. Any required impairment loss would be measured as the amount by which the asset's carrying value exceeds its fair value, and would be recorded as a reduction in the carrying value of the related asset and charged to results of operations. Except for the impairment related to certain of our satellites under construction and satellite programs (discussed in Note 1 — Basis of Presentation – Property, equipment and satellites above), no material impairments were recorded for the three and nine months ended December 31, 2023 and 2022.

We account for our goodwill under the authoritative guidance for goodwill and other intangible assets (ASC 350) and the provisions of ASU 2017-04, Simplifying the Test for Goodwill Impairment, which we early adopted in fiscal year 2020. Current authoritative guidance allows us to first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test. If, after completing the qualitative assessment, we determine that it is more likely than not that the estimated fair value is greater than the carrying value, we conclude that no impairment exists. Alternatively, if we determine in the qualitative assessment that it is more likely than not that the fair value is less than its carrying value, then we perform a quantitative goodwill impairment test to identify both the existence of an impairment and the amount of impairment loss, by comparing the fair value of the reporting unit with its carrying amount, including goodwill. If the estimated fair value of the reporting unit is less than the carrying value, then a goodwill impairment charge will be recognized in the amount by which the carrying amount exceeds the fair value, limited to the total amount of goodwill allocated to that reporting unit. We test goodwill for impairment during the fourth quarter every fiscal year and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

In accordance with ASC 350, we assess qualitative factors to determine whether goodwill is impaired. The qualitative analysis includes assessing the impact of changes in certain factors including: (1) changes in forecasted operating results and comparing actual results to projections, (2) changes in the industry or our competitive environment since the acquisition date, (3) changes in the overall economy, our market share and market interest rates since the acquisition date, (4) trends in the stock price and related market capitalization and enterprise values, (5) trends in peer companies' total enterprise value metrics, and (6) additional factors such as management turnover, changes in regulation and changes in litigation matters.

Based on our qualitative and quantitative assessments performed during the fourth quarter of fiscal year 2023, we concluded that it was more likely than not that the estimated fair value of our reporting units exceeded their carrying value as of March 31, 2023.

Income taxes and valuation allowance on deferred tax assets

Management evaluates the realizability of our deferred tax assets and assesses the need for a valuation allowance on a quarterly basis to determine if the weight of available evidence suggests that an additional valuation allowance is needed. In accordance with the authoritative guidance for income taxes (ASC 740), net deferred tax assets are reduced by a valuation allowance if, based on all the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the event that our estimate of taxable income is less than that required to utilize the full amount of any deferred tax asset, a valuation allowance is established, which would cause a decrease to income in the period such determination is made.

Our analysis of the need for a valuation allowance on deferred tax assets considered historical as well as forecasted future operating results. In addition, our evaluation considered other factors, including our contractual backlog, our history of positive earnings, current earnings trends assuming our satellite services segment continues to grow, taxable income adjusted for certain items, and forecasted income by jurisdiction. We also considered the period over which these net deferred tax assets can be realized and our history of not having federal tax loss carryforwards expire unused. Additionally, in our analysis, we also considered the fact that ASC 740 places more weight on the objectively verifiable evidence of current pre-tax losses and recent events than forecasts of future profitability.

Accruals for uncertain tax positions are provided for in accordance with the authoritative guidance for accounting for uncertainty in income taxes (ASC 740). Under the authoritative guidance, we may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The authoritative guidance addresses the derecognition of income tax assets and liabilities, classification of deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and income tax disclosures.

We are subject to income taxes in the United States and numerous foreign jurisdictions. In the ordinary course of business, there are calculations and transactions where the ultimate tax determination is uncertain. In addition, changes in tax laws and regulations as well as adverse judicial rulings could adversely affect the income tax provision. We believe we have adequately provided for income tax issues not yet resolved with federal, state and foreign tax authorities. However, if these provided amounts prove to be more than what is necessary, the reversal of the reserves would result in tax benefits being recognized in the period in which we determine that provision for the liabilities is no longer necessary. If an ultimate tax assessment exceeds our estimate of tax liabilities, an additional charge to expense would result.

Results of Operations

The following table presents, as a percentage of total revenues, income statement data of our continuing operations for the periods indicated:

	Three Months Ended		Nine Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenues:	100 %	100 %	100 %	100 %
Product revenues	27	38	30	36
Service revenues	73	62	70	64
Operating expenses:				
Cost of product revenues	22	31	22	28
Cost of service revenues	46	43	44	43
Selling, general and administrative	24	25	52	27
Independent research and development	4	5	3	5
Amortization of acquired intangible assets	8	1	6	1
Income (loss) from continuing operations	(4)	(5)	(28)	(4)
Interest (expense) income, net	(10)	(1)	(6)	(1)
Income (loss) from continuing operations before income taxes	(14)	(6)	(35)	(5)
(Provision for) benefit from income taxes from continuing operations	3	(1)	4	(3)
Net income (loss) from continuing operations	(11)	(7)	(31)	(8)
Net income (loss) from discontinued operations, net of tax	—	1	—	2
Net income (loss) attributable to Viasat, Inc.	(11)	(6)	(31)	(6)

Three Months Ended December 31, 2023 vs. Three Months Ended December 31, 2022

Revenues

	Three Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Product revenues	$ 303.1	$ 249.3	$ 53.8	22 %
Service revenues	825.5	402.1	423.3	105 %
Total revenues	$ 1,128.5	$ 651.4	$ 477.1	73 %

Our total revenues increased by $477.1 million as a result of a $423.3 million increase in service revenues and a $53.8 million increase in product revenues, including a full quarter of contribution from the Inmarsat Acquisition. The service revenue increase was driven by increases of $279.0 million in our satellite services segment, $142.5 million in our government systems segment and $1.8 million in our commercial networks segment. The product revenue increase was driven primarily by a $56.4 million increase in our government systems segment, partially offset by a $2.6 million decrease in our commercial networks segment.

Cost of revenues

	Three Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Cost of product revenues	$ 252.5	$ 205.2	$ 47.3	23 %
Cost of service revenues	514.8	277.9	236.9	85 %
Total cost of revenues	$ 767.3	$ 483.0	$ 284.2	59 %

Cost of revenues increased by $284.2 million due to increases of $236.9 million in cost of service revenues and a $47.3 million in cost of product revenues. The cost of service revenues increase was primarily due to increased service revenues, mainly from our satellite services and government systems segments, causing a $292.5 million increase in cost of service revenues on a constant margin basis. The increase in cost of service revenues was partially offset by higher margins within our government systems and satellite services segments. The cost of product revenues increase was primarily due to increased product revenues, mainly from our government systems segment, causing a $44.2 million increase in cost of product revenues on a constant margin basis. The increase in cost of product revenues was also due to lower margins, primarily in our commercial networks and government systems segments.

Selling, general and administrative expenses

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Selling, general and administrative	$ 271.7	$ 162.8	$ 108.9	67 %

The $108.9 million increase in selling, general and administrative (SG&A) expenses was driven primarily by an increase in support costs of $83.9 million, reflected across all three of our segments, including a full quarter of contribution from the Inmarsat Acquisition. The increase in SG&A expenses was also driven by $19.9 million in higher selling costs, reflected primarily in our satellite services and government systems segments. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, acquisition and transaction related expenses, facilities, finance, contract administration and general management.

Independent research and development

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Independent research and development	$ 41.7	$ 29.4	$ 12.3	42 %

The $12.3 million increase in independent research and development (IR&D) expenses was mainly the result of increases of $6.7 million in IR&D efforts in our government systems segment (primarily related to tactical satcom radio products and a full quarter of contribution from the Inmarsat Acquisition) and $5.6 million in our commercial networks segment (primarily related to a full quarter of contribution from the Inmarsat Acquisition and mobile broadband satellite communication systems for commercial airline platforms).

Amortization of acquired intangible assets

We amortize our acquired intangible assets from prior acquisitions over their estimated useful lives, which range from two to 20 years. The $84.3 million increase in amortization of acquired intangible assets in the third quarter of fiscal year 2024 compared to the prior year period was primarily related to the amortization of new intangibles acquired as a result of the Inmarsat Acquisition in May 2023. The current and expected amortization for acquired intangible assets for each of the following periods is as follows:

	Amortization (In thousands)
For the nine months ended December 31, 2023	$ 200,904
Expected for the remainder of fiscal year 2024	$ 91,395
Expected for fiscal year 2025	364,819
Expected for fiscal year 2026	364,667
Expected for fiscal year 2027	295,938
Expected for fiscal year 2028	285,005
Expected for fiscal year 2029	284,260
Thereafter	1,087,581
	$ 2,773,665

Interest income

The $20.4 million increase in interest income for the three months ended December 31, 2023 compared to the prior year period was primarily due to the interest earned on the invested portion of the cash related to proceeds of approximately $1.9 billion received from L3Harris in the Link-16 TDL Sale as well as cash acquired as part of the Inmarsat Acquisition.

Interest expense

The $124.8 million increase in interest expense for the three months ended December 31, 2023 compared to the prior year period was primarily the result of the effects of increased interest expense arising from our increased level of indebtedness following the closing of the Inmarsat Acquisition on May 30, 2023.

Income taxes

For the three months ended December 31, 2023, we recorded an income tax benefit of $34.5 million, resulting in an effective tax rate of 22%. The effective tax rate for the period did not differ significantly from the U.S. statutory rate despite a valuation allowance recorded against our U.S. net deferred tax assets primarily due to the impacts of Inmarsat purchase price allocation adjustments recorded in the quarter. For the three months ended December 31, 2022, we recorded an income tax provision of $5.2 million, resulting in an effective tax rate of negative 13%. The effective tax rate for the period differed from the U.S. statutory rate due primarily to the expense for tax deficiencies upon settlement of stock-based compensation during the period.

Segment Results for the Three Months Ended December 31, 2023 vs. Three Months Ended December 31, 2022

Satellite services segment

Revenues

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ —	$ —	$ —	— %
Segment service revenues	581.4	302.4	279.0	92 %
Total segment revenues	$ 581.4	$ 302.4	$ 279.0	92 %

The increase of $279.0 million in our satellite services segment revenues for the three months ended December 31, 2023 compared to the prior year period was primarily due to the Inmarsat Acquisition in May 2023 and an increase in our in-flight services business. The Inmarsat Acquisition contributed approximately $281.5 million of service revenues (nearly half from maritime services) in our satellite services segment in the third quarter of fiscal year 2024. Our in-flight services business service revenue increased $84.3 million as the number of commercial aircraft receiving our in-flight services through our IFC systems and passenger air traffic both continued to increase. The increase in our satellite services segment revenues was partially offset by lower fixed broadband revenues in the United States as we continued to allocate a greater proportion of our bandwidth to our IFC business due to bandwidth constraints.

Segment operating profit (loss)

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment operating profit (loss)	$ 41.1	$ (8.4)	$ 49.5	588 %
Percentage of segment revenues	7 %	(3)%		

The change in our satellite services segment operating loss to an operating profit was primarily due to increased earnings contributions of $107.9 million, mainly due to an increase in revenues from the Inmarsat Acquisition in May 2023 and improved margins from our in-flight services business as it continued to scale. The increase in earnings contributions was partially offset by higher SG&A costs of $58.3 million, of which $45.1 million related to the Inmarsat Acquisition.

Commercial networks segment

Revenues

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 144.5	$ 147.2	$ (2.6)	(2)%
Segment service revenues	21.8	20.1	1.8	9%
Total segment revenues	$ 166.4	$ 167.2	$ (0.9)	(1)%

Our commercial networks segment revenues decreased by an insignificant amount due to a $2.6 million decrease in product revenues, partially offset by a $1.8 million increase in service revenues. The decrease in product revenues was primarily driven by a decrease of $3.8 million in mobile broadband satellite communication systems products, related to lower IFC terminal shipments, and a $3.0 million decrease in antenna systems products. The decrease in product revenues was partially offset by a $4.3 million increase in satellite networking development programs products. The increase in service revenues was primarily driven by increases in mobile broadband satellite communication systems services.

Segment operating profit (loss)

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar (Increase) Decrease	Percentage (Increase) Decrease
Segment operating profit (loss)	$ (70.3)	$ (40.3)	$ (30.1)	(75)%
Percentage of segment revenues	(42)%	(24)%		

The increase in our commercial networks segment operating loss was primarily due to lower earnings contributions of $12.7 million, higher SG&A costs of $11.7 million and an increase in IR&D expenses of $5.6 million (primarily related to a full quarter of contribution from the Inmarsat Acquisition and mobile broadband satellite communication systems for commercial airline platforms).

Government systems segment

Revenues

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 158.5	$ 102.2	$ 56.4	55%
Segment service revenues	222.2	79.7	142.5	179%
Total segment revenues	$ 380.8	$ 181.8	$ 198.9	109%

Our government systems segment revenues increased by $198.9 million due to a $142.5 million increase in service revenues, and a $56.4 million increase in product revenues. The service revenue increase was primarily due to the Inmarsat Acquisition in May 2023 and a $4.0 million increase in government mobile broadband services. The Inmarsat Acquisition contributed approximately $135.9 million of service revenues in our government systems segment in the third quarter of fiscal year 2024. The product revenue increase was primarily driven by a $25.4 million increase in cybersecurity and information assurance products, $19.4 million due to the Inmarsat Acquisition, and $15.8 million in tactical satcom radio products.

Segment operating profit (loss)

(In millions, except percentages)	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment operating profit (loss)	$ 77.0	$ 24.8	$ 52.2	210%
Percentage of segment revenues	20%	14%		

The $52.2 million increase in our government systems segment operating profit was primarily driven by increased earnings contributions of $97.7 million, primarily due to increased revenues from the Inmarsat Acquisition in May 2023. The increase in operating profit was partially offset by a $38.8 million increase in SG&A costs, of which $28.1 million related to the Inmarsat Acquisition and $6.7 million to IR&D costs (primarily related to tactical satcom radio products and a full quarter of contribution from the Inmarsat Acquisition).

Nine Months Ended December 31, 2023 vs. Nine Months Ended December 31, 2022

Revenues

	Nine Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Product revenues	$ 941.2	$ 682.8	$ 258.4	38 %
Service revenues	2,192.6	1,207.3	985.3	82 %
Total revenues	$ 3,133.7	$ 1,890.1	$ 1,243.7	66 %

Our total revenues grew by $1,243.7 million as a result of a $985.3 million increase in service revenues and a $258.4 million increase in product revenues, including seven months of contribution from the Inmarsat Acquisition. The service revenue increase was due to increases of $650.2 million in our satellite services segment, $327.9 million in our government systems segment, and $7.2 million in our commercial networks segment. The increase in product revenue was driven primarily by a $135.5 million increase in our government systems segment and a $122.9 million increase in our commercial networks segment.

Cost of revenues

	Nine Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Cost of product revenues	$ 703.6	$ 528.5	$ 175.1	33 %
Cost of service revenues	1,374.9	814.2	560.6	69 %
Total cost of revenues	$ 2,078.5	$ 1,342.7	$ 735.8	55 %

Cost of revenues increased by $735.8 million due to increases of $560.6 million in cost of service revenues and $175.1 million in cost of product revenues. The cost of service revenues increase was primarily due to increased service revenues across each of our segments, causing a $664.5 million increase in cost of service revenues on a constant margin basis. The increase in cost of service revenues was partially offset by higher margins, primarily driven by our government systems and satellite services segments. The cost of product revenues increase was primarily due to increased product revenues, mainly from our government systems and commercial networks segments, causing a $180.6 million increase in cost of product revenues on a constant margin basis, prior to the effects of product revenues related to the Acacia litigation (see Note 10 — Commitments and Contingencies to our condensed consolidated financial statements for more information). The increase in cost of product revenues was partially offset by higher margins, primarily driven by our government systems segment.

Selling, general and administrative expenses

	Nine Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Selling, general and administrative	$ 1,640.3	$ 511.7	$ 1,128.6	221 %

The $1,128.6 million increase in SG&A expenses was driven primarily by a net loss of approximately $905.5 million related to satellite impairment, including liabilities associated with the termination of certain subcontractor agreements, net of estimated insurance claim receivables recorded in our satellite service segment. See Note 1 — Basis of Presentation — Property, equipment and satellites to our condensed consolidated financial statements for more information. Additionally, we experienced an increase in support costs of $183.5 million, reflected across all three of our segments, including seven months of contribution from the Inmarsat Acquisition. The increase in SG&A expenses was also driven by $42.3 million in higher selling costs, reflected primarily in our satellite services and government systems segments. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, acquisition and transaction related expenses, facilities, finance, contract administration and general management.

Independent research and development

(In millions, except percentages)	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Independent research and development	$ 104.2	$ 96.6	$ 7.5	8 %

The $7.5 million increase in IR&D expenses was mainly the result of a $12.0 million increase in our government systems segment (primarily related to seven months of contribution from the Inmarsat Acquisition, information assurance projects and tactical satcom radio products). This overall increase was partially offset by a $4.4 million decrease in IR&D efforts in our commercial networks segment (primarily related to next-generation consumer broadband integrated technologies and next-generation satellite payload technologies). The decrease in our commercial networks segment was partially offset by an increase in IR&D expenses related to seven months of contribution from the Inmarsat Acquisition and mobile broadband satellite communication systems for commercial airline platforms.

Amortization of acquired intangible assets

We amortize our acquired intangible assets from prior acquisitions over their estimated useful lives, which range from two to 20 years. The $178.6 million increase in amortization of acquired intangible assets in the first nine months of fiscal year 2024 compared to the prior year period was primarily related to the amortization of new intangibles acquired as a result of the Inmarsat Acquisition in May 2023. The current and expected amortization for acquired intangible assets for each of the following periods is as follows:

	Amortization (In thousands)
For the nine months ended December 31, 2023	$ 200,904
Expected for the remainder of fiscal year 2024	$ 91,395
Expected for fiscal year 2025	364,819
Expected for fiscal year 2026	364,667
Expected for fiscal year 2027	295,938
Expected for fiscal year 2028	285,005
Expected for fiscal year 2029	284,260
Thereafter	1,087,581
	$ 2,773,665

Interest income

The $65.1 million increase in interest income for the nine months ended December 31, 2023 compared to the prior year period was primarily due to the interest earned on the invested portion of the cash related to proceeds of approximately $1.9 billion received from L3Harris in the Link-16 TDL Sale as well as cash acquired as part of the Inmarsat Acquisition.

Interest expense

The $256.4 million increase in interest expense for the nine months ended December 31, 2023 compared to the prior year period was primarily the result of the effects of increased interest expense arising from our increased level of indebtedness following the closing of the Inmarsat Acquisition on May 30, 2023. The increase in interest expense was partially offset by an increase in the amount of interest capitalized during the first nine months of fiscal year 2024 compared to the prior year period.

Income taxes

For the nine months ended December 31, 2023, we recorded an income tax benefit of $128.1 million, resulting in an effective tax rate of 12%. The effective tax rate for the period differed from the U.S. statutory rate primarily due to a valuation allowance recorded against our U.S. net deferred tax assets. For the nine months ended December 31, 2022, we recorded an income tax provision of $59.0 million, resulting in an effective tax rate of negative 63%. The effective tax rate for the period differed from the U.S. statutory rate due primarily to the establishment of a valuation allowance on the deferred tax asset for California R&D tax credits that was partially offset by the benefit of federal R&D tax credits, and the expense for tax deficiencies upon settlement of stock-based compensation during the period.

Segment Results for the Nine Months Ended December 31, 2023 vs. Nine Months Ended December 31, 2022

Satellite services segment

Revenues

	Nine Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	Increase (Decrease)	Increase (Decrease)
Segment product revenues	$ —	$ —	$ —	— %
Segment service revenues	1,565.2	915.1	650.2	71 %
Total segment revenues	$ 1,565.2	$ 915.1	$ 650.2	71 %

The increase of $650.2 million in our satellite services segment revenues for the nine months ended December 31, 2023 compared to the prior year period was primarily due to the Inmarsat Acquisition in May 2023 and an increase in our in-flight services business. The Inmarsat Acquisition contributed approximately $644.8 million of service revenues (nearly half from maritime services) in our satellite services segment in the nine months ended December 31, 2023. Our in-flight services business service revenue increased $217.9 million as the number of commercial aircraft receiving our in-flight services through IFC systems and passenger air traffic both continued to increase. The increase in our satellite services segment revenues was partially offset by lower fixed broadband revenues in the United States as we continued to allocate a greater proportion of our bandwidth to our IFC business due to bandwidth constraints.

Segment operating profit (loss)

	Nine Months Ended		Dollar	Percentage
(In millions, except percentages)	December 31, 2023	December 31, 2022	(Increase) Decrease	(Increase) Decrease
Segment operating profit (loss)	$ (779.5)	$ (13.1)	$ (766.4)	(5,831)%
Percentage of segment revenues	(50)%	(1)%		

The increase in our satellite services segment operating loss is primarily due to the recording of satellite impairment and related charges, net of estimated insurance claim receivables of approximately $905.5 million in the current year period, as described above, as well as higher SG&A costs of $98.8 million, mostly related to the Inmarsat Acquisition, partially offset by increased earnings contributions of $238.0 million, mainly due to an increase in revenues from the Inmarsat Acquisition in May 2023 and improved margins from our in-flight services business as it continued to scale.

Commercial networks segment

Revenues

(In millions, except percentages)	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 523.5	$ 400.6	$ 122.9	31 %
Segment service revenues	66.6	59.5	7.2	12 %
Total segment revenues	$ 590.2	$ 460.0	$ 130.1	28 %

Our commercial networks segment revenues increased by $130.1 million, due to a $122.9 million increase in product revenues and a $7.2 million increase in service revenues. The increase in product revenues was primarily the result of an increase in revenues recognized as a result of settlement payments from the Acacia litigation (see Note 10 — Commitments and Contingencies to our condensed consolidated financial statements for more information). The increase in product revenues was also driven by increases of $30.6 million in mobile broadband satellite communication systems products related to higher IFC terminal shipments, $30.4 million in antenna systems products, and $14.0 million in satellite payload technology development programs. The increase in service revenues was primarily driven by increases in mobile broadband satellite communication systems services.

Segment operating profit (loss)

(In millions, except percentages)	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022	Dollar (Increase) Decrease	Percentage (Increase) Decrease
Segment operating profit (loss)	$ (74.0)	$ (90.4)	$ 16.5	18 %
Percentage of segment revenues	(13)%	(20)%		

The $16.5 million decrease in our commercial networks operating loss was driven primarily by an increase in earnings contributions of $40.0 million and a decrease of $4.4 million in IR&D expenses (primarily related to next-generation consumer broadband integrated networking technologies and next-generation satellite payload technologies, partially offset by an increase in IR&D expenses related to mobile broadband satellite communication systems for commercial airline platforms and seven months of contribution from the Inmarsat Acquisition). The decrease in commercial networks segment operating loss was partially offset by higher SG&A costs of $27.9 million.

Government systems segment

Revenues

(In millions, except percentages)	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 417.7	$ 282.2	$ 135.5	48 %
Segment service revenues	560.7	232.8	327.9	141 %
Total segment revenues	$ 978.3	$ 515.0	$ 463.4	90 %

Our government systems segment revenues increased by $463.4 million due to increases of $327.9 million in service revenues and $135.5 million in product revenues. The service revenue increase was primarily due to the Inmarsat Acquisition in May 2023 and increases of $14.9 million in government mobile broadband services, $5.9 million in tactical data link solutions, and $3.5 million in tactical satcom radio services. The Inmarsat Acquisition contributed approximately $303.0 million of service revenues in our government systems segment following the closing of the acquisition. The product revenue increase was primarily driven by a $86.6 million increase in cybersecurity and information assurance products and $38.7 million increase due to the Inmarsat Acquisition.

Segment operating profit (loss)

(In millions, except percentages)	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2022	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment operating profit (loss)	$ 164.3	$ 42.7	$ 121.6	285 %
Percentage of segment revenues	17 %	8 %		

The $121.6 million increase in our government systems segment operating profit was primarily driven by higher earnings contributions of $230.0 million, primarily due to increased revenues from the Inmarsat Acquisition in May 2023. The increase in operating profit was partially offset by a $96.4 million increase in SG&A costs, of which $67.1 million related to the Inmarsat Acquisition and $12.0 million increase in IR&D expenses (primarily related to seven months of contribution from the Inmarsat Acquisition, information assurance projects and tactical satcom radio products).

Backlog

Our firm and funded backlog as of December 31, 2023 is reflected in the table below.

	As of December 31, 2023 (In millions)
Firm backlog	
Satellite services segment	$ 1,844.1
Commercial networks segment	635.8
Government systems segment	1,242.3
Total	$ 3,722.2
Funded backlog	
Satellite services segment	$ 1,844.1
Commercial networks segment	597.0
Government systems segment	1,130.8
Total	$ 3,571.9

The firm backlog does not include contract options. As of December 31, 2023, approximately half of the firm backlog is expected to be delivered during the next 12 months, with the balance delivered thereafter. We include in our backlog only those orders for which we have accepted purchase orders, and not anticipated purchase orders and requests. In our satellite services segment, our backlog includes fixed broadband service revenues under our subscriber agreements, but does not include future recurring IFC service revenues under our agreements with commercial airlines. As of December 31, 2023, our IFC systems were installed and in service on approximately 3,540 commercial aircraft of which approximately 40 were inactive at quarter end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,430 additional commercial aircraft under existing customer agreements with commercial airlines will be put into service with our IFC systems. However, the timing of installation and entry into service of IFC systems on additional aircraft under existing customer agreements may be delayed as a result of the lingering impacts of the COVID-19 pandemic on the global airline industry. Accordingly, there can be no assurance that all anticipated purchase orders and requests will be placed or that anticipated IFC services will be activated.

Our total new awards which exclude future revenue under recurring consumer commitment arrangements were approximately $1.2 billion and $3.0 billion for the three and nine months ended December 31, 2023, respectively, compared to approximately $617.1 million (of which $40.0 million was attributable to discontinued operations related to the Link-16 TDL Business) and $2.5 billion (of which $384.5 million was attributable to discontinued operations related to the Link-16 TDL Business) for the three and nine months ended December 31, 2022, respectively.

Backlog is not necessarily indicative of future sales. A majority of our contracts can be terminated at the convenience of the customer. Orders are often made substantially in advance of delivery, and our contracts typically provide that orders may be terminated with limited or no penalties. In addition, purchase orders may present product specifications that would require us to complete additional product development. A failure to develop products meeting such specifications could lead to a termination of the related contract.

Firm backlog amounts are comprised of funded and unfunded components. Funded backlog represents the sum of contract amounts for which funds have been specifically obligated by customers to contracts. Unfunded backlog represents future amounts that customers may obligate over the specified contract performance periods. Our customers allocate funds for expenditures on long-term contracts on a periodic basis. Our ability to realize revenues from contracts in backlog is dependent upon adequate funding for such contracts. Although we do not control the funding of our contracts, our experience indicates that actual contract funding has ultimately been approximately equal to the aggregate amounts of the contracts.

Liquidity and Capital Resources

Overview

We have financed our operations to date primarily with cash flows from operations, bank line of credit financing, debt financing, export credit agency financing and equity financing. At December 31, 2023, we had $1.6 billion in cash and cash equivalents, $2.4 billion in working capital, no outstanding borrowings and borrowing availability of $592.2 million under Viasat's $647.5 million revolving credit facility (the Viasat Revolving Credit Facility), and no outstanding borrowings and borrowing availability of $700.0 million under Inmarsat's $700.0 million revolving line of credit (the Inmarsat Revolving Credit Facility and, together with the Viasat Revolving Credit Facility, the Revolving Credit Facilities). At March 31, 2023, we had $1.4 billion in cash and cash equivalents and restricted cash, $1.3 billion in working capital, and no outstanding borrowings and borrowing availability of $657.4 million under the Viasat Revolving Credit Facility. We invest our cash in excess of current operating requirements in short-term, highly liquid bank money market funds primarily investing in U.S. government-backed securities and treasuries.

The general cash needs of our satellite services, commercial networks and government systems segments can vary significantly and our future capital requirements will depend upon many factors, including cash required for our satellite projects and any future broadband satellite projects we may engage in, expansion of our IR&D and marketing efforts, the nature and timing of orders and integration-related costs related to the Inmarsat Acquisition. In particular:

- The cash needs of our satellite services segment tend to be driven by the timing and amount of capital expenditures (e.g., payments under satellite construction and launch contracts and investments in ground infrastructure roll-out), investments in joint ventures, strategic partnering arrangements and network expansion activities, as well as the quality of customer, type of contract and payment terms, and timing and amount of recoveries under satellite insurance claims.
- In our commercial networks segment, cash needs tend to be driven primarily by the type and mix of contracts in backlog, the nature and quality of customers, the timing and amount of investments in IR&D activities (including with respect to next-generation satellite payload technologies) and the payment terms of customers (including whether advance payments are made or customer financing is required).
- In our government systems segment, the primary factors determining cash needs tend to be the type and mix of contracts in backlog (e.g., product or service, development or production) and timing of payments (including restrictions on the timing of cash payments under U.S. Government procurement regulations). Other factors affecting the cash needs of our commercial networks and government systems segments include contract duration and program performance. For example, if a program is performing well and meeting its contractual requirements, then its cash flow requirements are usually lower.

Additionally, we will continue to evaluate other possible acquisitions of, or investments in complementary businesses, products and technologies which may require the use of cash or additional financing.

In November 2023, we announced an important milestone in our integration program following our Inmarsat Acquisition. As part of our ongoing strategy to streamline operations and better serve our growing customer base, we completed our work on the rationalization of roles in our global business, which is intended to achieve both operational and cost efficiencies. As part of the role rationalization, we reduced our global workforce by approximately 800 positions, or approximately 10%, and recorded total costs (primarily related to employee severance payments, benefits and related termination costs) of approximately $45 million during the three and nine months ended December 2023. These one-time costs were recorded within operating expenses in our condensed consolidated statements of operations across all three of our segments, with insignificant amounts remaining to be incurred and paid.

To further enhance our liquidity position or to finance the construction and launch of any future satellites, acquisitions, strategic partnering arrangements, joint ventures or other business investment initiatives, we may obtain additional financing, which could consist of debt, convertible debt or equity financing from public and/or private credit and capital markets. From time to time, we file universal shelf registration statements with the SEC for the future sale of an unlimited amount of common stock, preferred stock, debt securities, depositary shares and warrants, which securities may be offered from time to time, separately or together, directly by us, by selling security holders, or through underwriters, dealers or agents at amounts, prices, interest rates and other terms to be determined at the time of the offering. Additionally, we consider strategic divestitures from time to time, such as the Link-16 TDL Sale that was completed in January 2023 for approximately $1.96 billion in cash, subject to adjustments.

Although we can give no assurances concerning our future liquidity, we believe that we have adequate sources of funding to meet our anticipated operating requirements for the next 12 months, which include, but are not limited to, cash on hand, borrowing capacity, and cash expected to be provided by operating activities.

Cash flows

Cash provided by operating activities for the first nine months of fiscal year 2024 was $456.2 million compared to $317.6 million in the prior year period. This $138.6 million increase was driven by our operating results (net income (loss) adjusted for depreciation, amortization and other non-cash charges) which resulted in $247.8 million of higher cash provided by operating activities year-over-year, partially offset by a $109.2 million year-over-year increase in cash used to fund net operating assets. The increase in cash used to fund net operating assets during the first nine months of fiscal year 2024 when compared to the prior year period was primarily due to timing of payments related to our accounts payables and accrued liabilities, and the timing of deferred revenue recognized under certain long-term contracts acquired through the Inmarsat Acquisition in our satellite services segment.

Cash used in investing activities for the first nine months of fiscal year 2024 was approximately $1.5 billion compared to $850.7 million in the prior year period. This $601.1 million increase in cash used in investing activities year-over-year reflects $342.6 million in cash (net of cash acquired) used for the Inmarsat Acquisition in the first quarter of fiscal year 2024 and an increase in cash used for capital expenditures of approximately $324.6 million (including cash used for Inmarsat capital expenditures since the date of acquisition).

Cash provided by financing activities for the first nine months of fiscal year 2024 was approximately $1.2 billion compared to $406.0 million for the prior year period. This $830.1 million increase in cash provided by financing activities year-over-year was mainly due to an increase in proceeds from debt borrowings of approximately $794.7 million (see Note 8 — Senior Notes and Other Long-Term Debt for further information).

Satellite-related activities

We expect to continue to invest in IR&D as we continue our focus on leadership and innovation in satellite and space technologies, including for the development of any new generation satellite designs and next-generation satellite network solutions. The level of our investment in a given fiscal year will depend on a variety of factors, including the stage of development of our satellite projects, new market opportunities and our overall operating performance.

As we continue to build and expand our global network and satellite fleet, from time to time we enter into satellite construction agreements for the construction and purchase of additional satellites and (depending on the satellite design) the integration of our payload and technologies into the satellites. See Note 13 — Commitments to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2023 for information regarding our future minimum payments under our satellite construction contracts and other satellite-related purchase commitments (including satellite performance incentive obligations relating to the ViaSat-1 and ViaSat-2 satellites) for the next five fiscal years and thereafter, as well as purchase commitments including satellite-related agreements under the contractual obligations table below (which also includes future payment obligations assumed through the Inmarsat Acquisition). The total project cost to bring a new satellite into service will depend, among other things, on the scope and timing of the earth station infrastructure roll-out and the method used to procure fiber or other access to the earth station infrastructure. Our total cash funding of a satellite project may be reduced through third-party agreements, such as potential joint service offerings and other strategic partnering arrangements.

In connection with the launch of any new satellite and the commencement of commercial service on the satellite, we expect to incur additional operating costs that negatively impact our financial results. For example, when ViaSat-2 was placed in commercial service in the fourth quarter of fiscal year 2018, this resulted in additional operating costs in our satellite services segment during the ramp-up period prior to service launch and in the fiscal year following service launch. These increased operating costs included depreciation, amortization of capitalized software development, earth station connectivity, marketing and advertising costs, logistics, customer care and various support systems. In addition, interest expense increased during fiscal year 2019 as we no longer capitalized the interest expense relating to the debt incurred for the construction of ViaSat-2 and the related gateway and networking equipment once the satellite was in commercial service. As services using the new satellite scaled, however, our revenue base for broadband services expanded and we gained operating cost efficiencies, which together yielded incremental segment earnings contributions. We anticipate that we will incur a similar cycle of increased operating costs and constrained bandwidth supply as we prepare for and launch commercial services on future satellites, followed by increases in revenue base and in scale. However, there can be no assurance that we will be successful in significantly increasing revenues or achieving or maintaining operating profit in our satellite services segment, and any such gains may also be offset by investments in our global business. In addition, we may experience capacity constraints on our existing satellites in the lead-up to the commencement of commercial service on new satellites, such as the capacity constraints we experienced during fiscal years 2023 and 2024.

Long-term debt

As of December 31, 2023, the aggregate principal amount of our total outstanding indebtedness was $7.6 billion, which was comprised of (1) $700.0 million in principal amount of Viasat's 5.625% Senior Notes due 2025, $600.0 million in principal amount of Viasat's 5.625% Senior Secured Notes due 2027, $400.0 million in principal amount of Viasat's 6.500% Senior Notes due 2028, $733.4 million in principal amount of Viasat's 7.500% Senior Notes due 2031 and $2.08 billion in principal amount of Inmarsat's 6.750% Senior Secured Notes due 2026 (collectively, the Notes), (2) $689.5 million in principal amount of outstanding borrowings under our $700.0 million senior secured term loan facility (the 2022 Term Loan Facility), $615.2 million in principal amount of outstanding borrowings under our 2023 Term Loan Facility, $1.68 billion in principal amount of outstanding borrowings under Inmarsat's $1.75 billion senior secured term loan facility (the Inmarsat Term Loan Facility and, together with the Inmarsat Revolving Credit Facility, the Inmarsat Secured Credit Facility), no outstanding borrowings under our Revolving Credit Facilities, and $39.3 million in principal amount of outstanding borrowings under our direct loan facility with the Export-Import Bank of the United States (the Ex-Im Credit Facility) (collectively, the Credit Facilities), and (3) $29.8 million of finance lease obligations. For information regarding our outstanding indebtedness, refer to Note 8 – Senior Notes and Other Long-Term Debt to our condensed consolidated financial statements.

Capital Expenditures and IR&D Investments

For a discussion of our capital expenditures and IR&D investments, see Part II, Item 7, “Liquidity and Capital Resources – Capital Expenditures and IR&D Investments” in our Annual Report on Form 10-K for the year ended March 31, 2023, as well as Note 4 – Acquisition, related to the Inmarsat Acquisition, and Note 1 – Basis of Presentation – Property, equipment and satellites, related to satellite impairment, to our condensed consolidated financial statements for more information.

Contractual Obligations

The following table sets forth a summary of certain material cash requirements for known contractual obligations and commitments at December 31, 2023:

(In thousands, including interest where applicable)	Next 12 months	Thereafter
Operating leases	$ 104,620	$ 822,145
Senior Notes and Other Long-Term Debt (1)	591,961	9,292,516
Purchase commitments including satellite-related agreements	1,497,935	1,005,058
Total	$ 2,194,516	$ 11,119,719

(1) To the extent that the interest rate on any long-term debt is variable, amounts reflected represent estimated interest payments on the applicable current outstanding balance based on the interest rate at December 31, 2023 until the applicable maturity date, net of interest rate cap contracts set up to hedge the variable interest rates under the Inmarsat Term Loan Facility. The interest rate cap contracts provide protection of Compound SOFR up to 2% and cover 99% of the total nominal amount of the Inmarsat Term Loan Facility.

We purchase components from a variety of suppliers and use several subcontractors and contract manufacturers to provide design and manufacturing services for our products. During the normal course of business, we enter into agreements with subcontractors, contract manufacturers and suppliers that either allow them to procure inventory based upon criteria defined by us or that establish the parameters defining our requirements. We also enter into agreements and purchase commitments with suppliers for the construction, launch, and operation of our satellites. In certain instances, these agreements allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to firm orders being placed. Consequently, only a portion of our reported purchase commitments arising from these agreements are firm, non-cancelable and unconditional commitments. We may also cancel, reschedule or adjust our requirements based on business needs after firm orders are placed at a cost, which may be material.

Our condensed consolidated balance sheets included $2.5 billion and $218.5 million of “other liabilities” as of December 31, 2023 and March 31, 2023, respectively, which primarily consisted of deferred income taxes and the long-term portion of deferred revenues. These remaining liabilities have been excluded from the above table as the timing and/or the amount of any cash payment is uncertain.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements at December 31, 2023 as defined in Regulation S-K Item 303(b) other than as discussed under “Contractual Obligations” above or disclosed in the notes to our condensed consolidated financial statements included in this report or in our Annual Report on Form 10-K for the year ended March 31, 2023.

Recent Authoritative Guidance

For information regarding recently adopted and issued accounting pronouncements, see Note 1 — Basis of Presentation to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our financial instruments consist of cash and cash equivalents, restricted cash, short-term investments, accounts receivable, accounts payable and short-term and long-term obligations (including the Credit Facilities and the Notes), and interest rate cap contracts. We consider investments in highly liquid instruments purchased with a remaining maturity of three months or less at the date of purchase to be cash equivalents. As of December 31, 2023, we held $30.0 million in short-term investments. Our indebtedness for borrowed money comprises borrowings under our Credit Facilities and the aggregate principal amount outstanding under our Notes. The Notes and borrowings under our Ex-Im Credit Facility bear interest at a fixed rate and therefore our exposure to market risk for changes in interest rates relates primarily to borrowings under our remaining Credit Facilities, cash equivalents, short-term investments and short-term obligations.

The primary objectives of our investment activities are to preserve principal and maximize the income we receive from our investments without significantly increasing risk. To minimize this risk, we maintain a significant amount of our cash balance in money market accounts, with a significant portion held in U.S. government-backed qualified money-market securities. In general, money market accounts are not subject to interest rate risk because the interest paid on such funds fluctuates with the prevailing interest rate. Our cash and cash equivalents earn interest at variable rates. Our interest income has been and may continue to be negatively impacted by low market interest rates. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Because our investment policy restricts us to invest in conservative, interest-bearing investments and because our business strategy does not rely on generating material returns from our investment portfolio, we do not expect our market risk exposure on our investment portfolio to be material. Due to the short-term nature of our investment portfolio, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

Our primary interest rate under our variable rate Credit Facilities is the forward-looking term SOFR rate plus an applicable margin. As of December 31, 2023, the effective interest rate on our outstanding borrowings under the 2022 Term Loan Facility was 10.39%, under the 2023 Term Loan Facility was 10.94%, and under the Inmarsat Term Loan Facility was approximately 9.66%. As of December 31, 2023, the effective interest rate that would have been applied to any new SOFR-based borrowings under the Viasat Revolving Credit Facility was approximately 7.85%, and under the Inmarsat Revolving Credit Facility was approximately 8.36%. As of December 31, 2023, we had no outstanding borrowings under our Revolving Credit Facilities. Accordingly, assuming the outstanding balance under the 2022 Term Loan Facility, the 2023 Term Loan Facility and the Inmarsat Term Loan Facility remained constant over a year and we continued to have no outstanding borrowings under the Revolving Credit Facilities, a 50 basis point increase in the interest rates would increase interest incurred, prior to effects of capitalized interest but taking into account Inmarsat's interest rate cap contracts with respect to the Inmarsat Term Loan Facility, by approximately $6.8 million over a 12-month period.

We have entered into interest rate cap contracts to hedge the variable interest rates under the Inmarsat Term Loan Facility. The interest rate cap contracts provide protection of Compound SOFR up to 2% and cover 99% of the total nominal amount of the Inmarsat Term Loan Facility. As of December 31, 2023, a 100 basis point increase or decrease in interest rates would increase or decrease the carrying and fair values of the interest rate cap contract by approximately $18.0 million.

Foreign Exchange Risk

We generally conduct our business in U.S. dollars. However, as our international business is conducted in a variety of foreign currencies, we are exposed to fluctuations in foreign currency exchange rates. A five percent variance in foreign currencies in which our international business is conducted would change our income (loss) before income taxes by an insignificant amount for both the three and nine months ended December 31, 2023 and an insignificant amount and $1.6 million for the three and nine months ended December 31, 2022, respectively. Our objective in managing our exposure to foreign currency risk is to reduce earnings and cash flow volatility associated with foreign exchange rate fluctuations. Accordingly, from time to time, we may enter into foreign currency forward contracts to mitigate risks associated with foreign currency denominated assets, liabilities, commitments and anticipated foreign currency transactions.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance of achieving the objective that information in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified and pursuant to the requirements of the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

On May 30, 2023, the Inmarsat Acquisition was completed. SEC guidance permits management to omit an assessment of an acquired business’ internal control over financial reporting from management's assessment of internal control over financial reporting and disclosure controls and procedures for a period not to exceed one year from the date of the acquisition. Management has begun integrating Inmarsat into our existing control procedures. Integration activities relating to the Inmarsat Acquisition may lead us to modify certain controls in future periods.

As required by SEC Rule 13a-15(b), we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2023, the end of the period covered by this report. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2023.

During the period covered by this report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Periodically, we are involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including government investigations and claims, and other claims and proceedings with respect to intellectual property, breach of contract, labor and employment, tax and other matters. Such matters could result in fines; penalties, compensatory, treble or other damages; or non-monetary relief. A violation of government contract laws and regulations could also result in the termination of our government contracts or debarment from bidding on future government contracts. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, we believe that the resolution of our current pending matters will not have a material adverse effect on our business, financial condition, results of operations or liquidity. Regardless of the outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources and other factors. In addition, it is possible that an unfavorable resolution of one or more such proceedings could in the future materially and adversely affect our business, financial condition, results of operations or liquidity in a particular period. For further information on the risks we face from existing and future claims, suits, investigations and proceedings, see “Risk Factors” in Part I, Item 1A in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 as supplemented by the factors discussed in Part II, Item 1A, "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, which factors could materially affect our business, financial condition, liquidity or future results. There have been no material changes to the risk factors described in the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 and such Quarterly Report on Form 10-Q. The risks described in our reports on Forms 10-K and 10-Q are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, liquidity or future results.

Item 5. Other Information

During the three months ended December 31, 2023, no director or officer, as defined in Rule 16a-1(f), adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non Rule 10b5-1 trading arrangement” as defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Bylaws of Viasat, Inc.	10-Q	000-21767	3.1	11/09/2023	
4.1	Third Supplemental Indenture, dated as of November 15, 2023, among Connect Finco SARL, Connect U.S. FINCO LLC, the guarantors party thereto and Wilmington Trust, National Association, as trustee					X
10.1**	Viasat, Inc. 1996 Equity Participation Plan Performance Stock Option Agreement					X
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbases Document					X
104	Cover Page (formatted as inline XBRL and contained in Exhibit 101)					X

* The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of Viasat under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

** Indicates management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIASAT, INC.

February 8, 2024

/s/ MARK DANKBERG

Mark Dankberg
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

/s/ SHAWN DUFFY

Shawn Duffy
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 4.1

THIRD SUPPLEMENTAL INDENTURE

This Third Supplemental Indenture (this "Supplemental Indenture"), dated as of November 15, 2023, among Connect Finco SARL (the "Luxembourg Issuer"), Connect U.S. Finco LLC (the "U.S. Issuer" and together with the Luxembourg Issuer, the "Issuers"), the Guarantors listed on the signature pages hereto (the "Guarantors") and Wilmington Trust, National Association, as trustee (the "Trustee") and as notes collateral agent (the "Notes Collateral Agent").

W I T N E S S E T H

WHEREAS, the Issuers, Guarantors, Trustee and Notes Collateral Agent have entered into an Indenture, dated as of October 7, 2019, as amended by the first supplemental indenture, dated as of February 18, 2020, and as further amended by the second supplemental indenture, dated as of May 1, 2020 (collectively, the "Indenture");

WHEREAS, the Issuers desire to amend and supplement the Indenture as contemplated by Article 2 of this Supplemental Indenture;

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuers, any Guarantor, the Trustee and the Notes Collateral Agent may amend or supplement the Indenture without the consent of any Holder (as defined in the Indenture), subject to Section 9.06 of the Indenture;

WHEREAS, this Supplemental Indenture is authorized pursuant to Section 9.01(1) and (13) of the Indenture;

WHEREAS, the Issuers have, pursuant to Sections 9.06 and 12.04 of the Indenture, furnished the Trustee and Notes Collateral Agent with an Officers' Certificate and an Opinion of Counsel complying with the requirements of Section 12.05 of the Indenture;

WHEREAS, the Trustee and Notes Collateral Agent is authorized to execute and deliver this Supplemental Indenture; and

WHEREAS, all acts and things prescribed by the Indenture, by law and by Articles of Incorporation and the Bylaws (or comparable constituent documents) of the Issuers, Guarantors, and of the Trustee and the Notes Collateral Agent necessary to make this Supplemental Indenture a valid instrument legally binding on the Issuer, Guarantors, Trustee and Notes Collateral Agent, in accordance with its terms, have been duly done and performed.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

ARTICLE 1

Section 1.01.Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

Section 1.02.Relation to Indenture. This Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of, the Indenture for any and all purposes.

Section 1.03.Execution and Delivery. This Supplemental Indenture shall become effective immediately upon its execution and delivery by the Issuers, Guarantors, Trustee and Notes Collateral Agent.

ARTICLE 2

Section 2.01.Amendments. The Indenture shall be amended to give effect to the following amendments.

(a) The following definition in Section 1.01 of the Indenture is amended and restated in its entirety:

"*IFRS*" means the International Financial Reporting Standards of the International Accounting Standards Board, as adopted by the European Union. At any time after the Issue Date, the Company may elect to apply GAAP accounting principles in lieu of IFRS and, upon any such election, references herein to IFRS shall thereafter be construed to mean GAAP (except as otherwise provided in this Indenture); *provided* that any such election, once made, shall be irrevocable; *provided, further*, any calculation or determination in this Indenture that requires the application of IFRS for periods that include fiscal quarters ended prior to the Company's election to apply GAAP shall remain as previously calculated or determined in accordance with IFRS. The Company shall give notice of any such election made in accordance with this definition to the Trustee. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. If there occurs a change in IFRS or GAAP, as the case may be, and such change would cause a change in the method of calculation of any standards, terms or measures (including all computations of amounts and ratios) used in this Indenture (an "*Accounting Change*"), then the Company may elect that such standards, terms or measures shall be calculated as if such Accounting Change had not occurred.

(b) The following definition is added to Section 1.01 of the Indenture:

"*GAAP*" means generally accepted accounting principles in the United States, which are in effect from time to time.

ARTICLE 3

Section 3.01.Governing Law. THIS SUPPLEMENTAL INDENTURE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENTAL INDENTURE, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 3.02.Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent one and the same agreement. This Supplemental Indenture may be executed in multiple counterparts which, when taken together, shall constitute one instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile, PDF or other electronic transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture and signature pages for all purposes. Signatures of the parties hereto transmitted by facsimile, PDF or other electronic transmission shall be deemed to be their original signatures for all purposes.

Section 3.03.Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 3.04.The Trustee and the Notes Collateral Agent. Neither the Trustee nor the Notes Collateral Agent shall be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein.

Section 3.05.Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder shall be bound hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

CONNECT FINCO SARL, as Issuer

By: /s/ Jacques De Patoul
Name: Jacques De Patoul
Title: Manager

CONNECT U.S. FINCO LLC, as Issuer

By: /s/ Robert James Blair
Name: Robert James Blair
Title: President

CONNECT BIDCO LIMITED, as Guarantor

By: /s/Elizabeth Palmer
Name: Elizabeth Palmer
Title: Director

CONNECT MIDCO LIMITED, as Guarantor

By: /s/ Elizabeth Palmer
Name: Elizabeth Palmer
Title: Director

[*Signature Page – Third Supplemental Indenture*]

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee and as Notes Collateral Agent

By: /s/ Latoya S. Elvin

Name: Latoya S. Elvin

Title: Vice President

[*Signature Page – Third Supplemental Indenture*]

Exhibit 10.1

VIASAT, INC.
1996 EQUITY PARTICIPATION PLAN
PERFORMANCE STOCK OPTION AGREEMENT

Grant: _____ "Target" Number of Options

_____ "Maximum" Number of Options

Name:

Grant Date:

Signature:

Exercise Price Per Share: $

Expiration Date:

Type of Option: Non-Qualified Stock Option

ACCEPTANCE OF AWARD:

By signing where indicated above, you agree to be bound by the terms and conditions of this Performance Stock Option Award Agreement (the "***Agreement***") and the 1996 Equity Participation Plan of Viasat, Inc. (as amended from time to time, the "***Plan***"). You acknowledge that you have reviewed and fully understand all of the provisions of this Agreement and the Plan, and have had the opportunity to obtain advice of counsel prior to accepting the grant of Options pursuant to this Agreement. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Compensation and Human Resources Committee of the Board (the "***Committee***") upon any questions relating to this Agreement and the Plan.

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TERMS AND CONDITIONS OF OPTION AWARD:

1. Grant of Option.

(a) Grant of Option. In consideration of your past and/or continued employment with or service to Viasat, Inc. (the "***Company***") or a Subsidiary and for other good and valuable consideration, effective as of the Grant Date, the Company grants to you the Option to purchase any part or all of an aggregate of the number of shares of Common Stock set forth in this Agreement, and upon the terms and conditions set forth in the Plan and this Agreement. For the avoidance of doubt, the Option covers the "Maximum" Number of Options set forth in this Agreement, subject to the vesting and forfeiture provisions contained herein. The Option is a Non-Qualified Stock Option.

(b) Exercise Price. The exercise price of the shares of Common Stock subject to the Option shall be as set forth on the first page of this Agreement, without commission or other charge.

2. Vesting and Exercisability.

(a) Vesting and Exercisability. Subject to Sections 2(b), and 8, the Option shall become vested and exercisable in such amounts and at such times as are set forth in Exhibit A.

(b) Expiration of Option. Subject to Section 10.3 of the Plan, the Option may not be exercised to any extent by anyone after the first to occur of the following events:

(i) The expiration of six years from the Grant Date;

(ii) The expiration of three months following the date of your Termination of Service (as defined below), unless such termination occurs by reason of your death, Permanent Disability (as defined below) or discharge for Cause (as defined below), or you die within said three-month period;

(iii) The expiration of one year following the date of your Termination of Service if your termination is by reason of your death or Permanent Disability (as defined below) or you die within the three-month period following your Termination of Service; or

(iv) The date of your Termination of Service as a result of your discharge for Cause.

For purposes of this Agreement, "***Cause***," unless otherwise defined in an employment, services, severance, change in control or other compensation agreement between you and the Company or any Subsidiary, shall mean your substantial failure to perform duties as an Employee, Director or consultant, dishonesty, fraud, gross negligence or misconduct against the Company or any Subsidiary or affiliate, unauthorized use or disclosure of confidential information or trade secrets of the Company or any Subsidiary or affiliate, or conviction of, or plea of nolo contendere to, a crime punishable by law (except misdemeanor violations), in each case as determined by the Committee, and its determination shall be final and binding.

For purposes of this Agreement, "***Termination of Service***" means the last to occur of your Termination of Consultancy, Termination of Directorship or Termination of Employment, as applicable. You shall not be deemed to have a Termination of Service merely because of a change in the capacity in which you render service to the Company or any Subsidiary (i.e., you are an Employee and become a consultant) or a change in the entity for which you render such service (i.e., an Employee of the Company

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becomes an Employee of a Subsidiary), unless following such change in capacity or service you are no longer serving as an Employee, Director or consultant of the Company or any Subsidiary.

For purposes of this Agreement, "***Permanent Disability***" means that you are unable to perform your duties by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or is expected to last for a continuous period of at least twelve (12) months, as reasonably determined by the Committee, in its discretion.

3. Exercise of Option.

(a) Partial Exercise. Subject to Section 2(a), any vested and exercisable portion of the Option or the entire Option, if then wholly vested and exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2(b); *provided*, *however*, that each partial exercise shall be for not less than one share of Common Stock and shall be for whole shares only.

(b) Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other person or entity designated by the Company) of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2(b):

(i) An Exercise Notice signed or electronically accepted by you or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice in such form as is prescribed by the Committee and complying with all applicable rules established by the Committee; and

(ii) Subject to Section 5.2(d) of the Plan, the receipt by the Company of full payment for the shares of Common Stock with respect to which the Option or portion thereof is exercised, which may be in one of the following forms of consideration:

(A) By cash or check payable to the Company; or

(B) With the consent of the Committee, by delivery of shares of Common Stock then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(C) With the consent of the Committee such payment may be made, in whole or in part, through the delivery of shares of Common Stock owned by you, duly endorsed for transfer to the Company with a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof and held by you for such period of time (if any) as may be necessary to avoid adverse accounting consequences; or

(D) Through the delivery of a notice that you have placed a market sell order with a broker with respect to shares of Common Stock then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided,* that payment of such proceeds is made to the Company upon settlement of such sale; or

(E) With the consent of the Committee, through the delivery of property of any kind which constitutes good and valuable consideration; or

(F) Subject to any applicable laws, any combination of the consideration provided in the foregoing paragraphs (A) through (E); and

(iii) Such representations and documents as the Committee, in its absolute discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal or state securities laws or regulations. The Committee or Board may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share certificates and book entries and issuing stop-transfer notices to agents and registrars; and

(iv) The receipt by the Company of payment of any applicable withholding tax, which may be in the form of consideration permitted under Section 3(b)(ii), subject to Section 3(d) below and Section 10.4 of the Plan; and

(v) In the event the Option or portion thereof shall be exercised by any person or persons other than you, appropriate proof of the right of such person or persons to exercise the Option.

Notwithstanding any of the foregoing, the Committee shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time.

(c) Rights as Stockholder; Issuance of Shares. Neither you nor any person claiming under or through you shall be, nor have any of the rights or privileges of, a stockholder of the Company in respect of any shares purchasable upon the exercise of any part of the Option unless and until certificates representing such shares have been issued by the Company or book entries evidencing such shares have been made by the Company. The issuance of shares of Common Stock pursuant to exercise of the Option is subject to the conditions set forth in Section 5.3 of the Plan.

(d) Tax Withholding.

(i) The Company has the authority to deduct or withhold, or require you to remit to the Company, an amount sufficient to satisfy applicable Federal, state, local and foreign taxes (including any FICA obligation) required by law to be withheld with respect to any taxable event arising from the vesting of the Option, the exercise of the Option and/or receipt of the shares of Common Stock upon exercise of the Option.

(ii) The Company may refuse to honor the exercise of the Option and/or refuse to issue any Common Stock upon exercise of your Option to you until your tax withholding obligations are satisfied. To the maximum extent permitted by law, the Company has the right to retain without notice from shares issuable under this Agreement or from salary payable to you, shares or cash having a value sufficient to satisfy your tax withholding obligation.

4. Option Not Transferable.

(a) The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or pursuant to a QDRO, unless and until the shares underlying the Option have been issued, and all restrictions applicable to such shares have lapsed. Neither the Option nor any interest or right therein shall be liable for the debts, contracts or engagements of you or your successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) During your lifetime, only you may exercise the Option or any portion thereof, unless it has been disposed of pursuant to a QDRO. After your death, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2(b), be exercised by your personal representative or by any person empowered to do so under your will or under the then applicable laws of descent and distribution.

5. Restrictive Legends and Stop-Transfer Orders.

(a) Shares issued upon the exercise of the Option shall be issued to you, at the sole discretion of the Committee, in either (i) uncertificated form, with the shares recorded in your name in the books and records of the Company's transfer agent with appropriate notations regarding any restrictions imposed pursuant to this Agreement, or (ii) certificate form. The share certificate or certificates or book entry evidencing the shares of Common Stock purchased hereunder shall be endorsed with any legends that may be required by state or federal securities laws.

(b) You agree that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required: (i) to transfer on its books any shares of Common Stock that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such shares of Common Stock or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

6. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal executive office, and any notice to be given to you shall be addressed to you at the most recent address in the Company's payroll records. By a notice given pursuant to this Section 6, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to you shall, if you are then deceased, be given to the person entitled to exercise the Option pursuant to Section 4(b) by written notice under this Section 6. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

7. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

8. Conformity to Securities Laws. You acknowledge that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

9. Amendments. This Agreement may not be modified, amended or terminated except by a written instrument, signed or electronically accepted by you or such other person as may be permitted to exercise the Option pursuant to Section 4(b) and by a duly authorized representative of the Company.

10. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon you and your heirs, executors, administrators, successors and assigns.

11. Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if you are subject to Section 16 of the Exchange Act, the Plan, the Option and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

12. Entire Agreement. The Plan and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and you with respect to the subject matter hereof.

13. No Effect on Employment. Nothing in the Plan or this Agreement shall be interpreted to interfere with or limit in any way the right of the Company or any Subsidiary to terminate your employment or services at any time, nor confer upon you the right to continue in the employ or service of the Company or any Subsidiary.

14. Plan Governs. This Option award is granted under and governed by the terms and conditions of the Plan. You acknowledge and agree that the Plan has been introduced voluntarily by the Company and in accordance with its terms it may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of Options under the Plan is a one-time benefit and does not create any contractual or other right to receive an award of Options or benefits in lieu of Options in the future. Future awards of Options, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of the award, the number of shares and vesting provisions. By execution of this Agreement, you consent to the provisions of the Plan and this Agreement. Defined terms used herein shall have the meaning set forth in the Plan, unless otherwise defined herein.

15. Governing Law and Venue.

(a) The Option grant and the provisions of this Agreement are governed by, and subject to, the laws of the State of California, without regard to the conflict of law provisions, as provided in the Plan.

(b) For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of San Diego County, California, or the federal courts for the United States for the Southern District of California, and no other courts, where this grant is made and/or to be performed.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an

on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other Grantee.

20. Clawback Provisions. This Option award (including, without limitation, any proceeds, gains or other economic benefit actually or constructively received by you upon receipt or exercise of this Option award or upon the receipt or resale of any shares of Common Stock underlying this Option award) shall be subject to the provisions of any clawback policy implemented by the Company, including, without limitation, any clawback policy adopted to comply with applicable law (including the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder), as and to the extent set forth in such clawback policy or the applicable award agreement. No recovery of compensation under such a clawback policy will be an event giving rise to a right for you to resign for “good reason” (or similar term) under this Option award or any other agreement with the Company or any affiliate.

EXHIBIT A

VESTING AND EXERCISABILITY SCHEDULE

Capitalized terms used in this Exhibit A and not defined in Section 5 below shall have the meanings given them in the Agreement to which this Exhibit A is attached.

1. Options Must Be Vested and Exercisable. You shall be able to exercise your Options but only to the extent such Options have both (a) become Performance-Vested Options (as defined below) pursuant to the performance vesting in Section 3, and (b) Time-Vested Options (as defined below) pursuant to the time-based vesting in Section 2.

2. Time-Based Vesting. Subject to the conditions and limitations on exercisability of the Option award set forth in Section 3 below, such percentage of the Performance-Vested Options shall also be considered "***Time-Vested Options***" as is determined pursuant to this Section 2:

(a) Time-Based Vesting. Subject to clauses 2(b) and 2(c) below, one-third (1/3rd) of those Options that become Performance-Vested Options, if any, shall become Time-Vested Options on each of the first three anniversaries of the Grant Date (each, an "***Annual Vesting Date***"), subject to your continued employment or service with the Company or a Subsidiary through each applicable Annual Vesting Date; *provided*, *however*, in the event a Stock Price Hurdle is first achieved or exceeded on or after the first Annual Vesting Date but prior to the second and/or third Annual Vesting Dates, any Options that become Performance-Vested Options as a result of achieving or exceeding such Stock Price Hurdle that would have become Time-Vested Options under the foregoing vesting schedule prior to the date they become Performance-Vested Options will become Time-Vested Options on the first Annual Vesting Date following the date such Options first become Performance-Vested Options. For example, if the "Threshold" Stock Price Hurdle ($[____]) is achieved prior to the first Annual Vesting Date, a number of Options equal to seventy percent (70%) of the "Target" Number of Options will become Performance-Vested Options and will become Time-Vested Options in three (3) equal installments on each of the three Annual Vesting Dates. If, after the first Annual Vesting Date but prior to the second Annual Vesting Date, the "Target" Stock Price Hurdle is achieved ($[____]), an additional number of Options equal to thirty percent (30%) of the "Target" Number of Options will become Performance-Vested Options for a cumulative Performance-Vested Options percentage of one hundred percent (100%), an additional one-third of the Performance-Vested Options earned by achieving the "Threshold" Stock Price Hurdle ($[____]) will become Time-Vested Options on the second Annual Vesting Date, and two-thirds of the incremental Performance-Vested Options earned by achieving the "Target" Stock Price Hurdle ($[____]) will become Time-Vested Options on the second Annual Vesting Date, subject to your continued employment or service with the Company or a Subsidiary through such Annual Vesting Date.

(b) Effect of Termination Due to Death or Permanent Disability. Notwithstanding Section 2(a) above, in the event of your Termination of Service as a result of your death or Permanent Disability, one hundred percent (100%) of the Options that are Performance-Vested Options (calculated as of the Annual Vesting Date immediately preceding the date of your Termination of Service or, if such Termination of Service occurs following a Change in Control, as of the date of such Change in Control), if any, shall become Time-Vested Options and shall be vested and exercisable on the date of your Termination of Service.

(c) Effect of Other Terminations. Notwithstanding Section 2(a) above, in the event of your Termination of Service for any reason other than your death or Permanent Disability, such percentage of the Performance-Vested Options (calculated as of the Annual Vesting Date immediately preceding the date of your Termination of Service or, if such Termination of Service occurs following a Change in Control, as of the date of such Change in Control), if any, as were Time-Vested Options pursuant to this Section 2 as of the date of your Termination of Service shall be vested and exercisable on the date of your

Termination of Service and no additional Options shall become Time-Vested Options or Performance-Vested Options thereafter; *provided*, *however*, that the Option shall be subject to any accelerated vesting as may be provided in any employment, services, severance, change in control or other compensation agreement between you and the Company, which accelerated vesting shall increase only the percentage of Time-Vested Options (but not, for clarity, the percentage of Performance-Vested Options), if any, under this Agreement; *provided*, *further*, that, to the extent any such agreement between you and the Company provides for accelerated vesting upon your termination without "cause" or resignation for "good reason" (each as defined in any such agreement), such accelerated vesting shall only apply to the extent (i) your termination without "cause" occurs on or after the Grant Date, or (ii) the circumstances giving rise to "good reason" first occur on or after the Grant Date; and *provided, further,* that, in addition to the foregoing, to the extent any such agreement between you and the Company provides for accelerated vesting upon your termination without "cause" or resignation for "good reason" following a "change in control" (each as defined in any such agreement), such accelerated vesting shall only apply to the extent a "change in control" occurs on or after the Grant Date and will not apply to any "change in control" that occurred prior to the Grant Date (including, without limitation, the consummation of the transactions contemplated by that certain Share Purchase Agreement relating to Connect Topco Limited, between the Investor Sellers, the Management Sellers, the Optionholder Sellers, and the Company, dated November 8, 2021). Any employment, services, severance, change in control or other compensation agreement between you and the Company is hereby amended to be consistent with the foregoing.

3. Performance Vesting. Subject to the time-vesting provisions of Section 2 above and clauses (a), (b) and (c) below, the Option shall be eligible to become "***Performance-Vested Options***" based on the Company's Stock Price during the Performance Period as follows:

(a) As of each Annual Vesting Date, if the Stock Price during the portion of the Performance Period through such Annual Vesting Date equals or exceeds a Stock Price Hurdle set forth in column (a) in the table below (each such hurdle, a "***Stock Price Hurdle***"), such number of Options shall become Performance-Vested Options as of such Annual Vesting Date as is determined by multiplying (i) the Stock Price Achievement Percentage set forth opposite the highest Stock Price Hurdle achieved during such period under column (b) in the table below by (ii) the "Target" Number of Options. In no event will any portion of the Option become Performance-Vested Options unless and until the "Threshold" Stock Price Hurdle is achieved. Any portion of the Option that becomes Performance-Vested Options during the Performance Period shall only become exercisable to the extent such Performance-Vested Options also become Time-Vested Options. In the event of a change in capitalization or other adjustment event contemplated by Section 10.3 of the Plan, the Stock Price Hurdles shall be equitably adjusted.

Achievement	**Stock Price Hurdle (a)**	**Stock Price Achievement Percentage (b)**
Below Threshold	Less than $[____]	0%
Threshold	$[____]	70%
Target	$[____]	100%
Maximum	$[____]	250%

In the event that the Stock Price is above the "Threshold" Stock Price Hurdle but falls between two Stock Price Hurdles, the number of Options that will be considered Performance-Vested Options will be determined by linear interpolation between performance levels.

(b) (i) Notwithstanding anything to the contrary in this Exhibit A, the portion of the Option that are considered Performance-Vested Options as a result of achieving or exceeding any Stock Price Hurdle as of any Annual Vesting Date or upon a Change in Control shall be inclusive of (and shall not duplicate) any portion of the Option that has previously become Performance-Vested Options on any prior Annual Vesting Date, such that in no event shall the number of Options that are considered Performance-Vested Options as of any Annual Vesting Date or upon a Change in Control exceed (i) the Stock Price Achievement Percentage determined in accordance with the table above as of such Annual Vesting Date as determined under Section 3(a) above (or as determined under Section 3(c) in the event of a Change in Control) multiplied by (ii) the "Target" Number of Options. For example, if the "Threshold" Stock Price Hurdle ($[____]) is achieved, a number of Options equal to seventy percent (70%) of the "Target" Number of Options will become Performance-Vested Options, and if the "Target" Stock Price Hurdle ($[____]) is later achieved, an additional number of Options equal to thirty percent (30%) of the "Target" Number of Options will become Performance-Vested Options, for a cumulative performance-vested percentage of one hundred percent (100%) at the time the "Target" Stock Price Hurdle is achieved.

(ii) For the avoidance of doubt, (A) each Stock Price Hurdle (or any achievement level between Stock Price Hurdles) may be achieved only once during the Performance Period and (B) more than one Stock Price Hurdle (or any achievement level between Stock Price Hurdles) may be achieved on a particular date. For example, if the "Target" Stock Price Hurdle is achieved but the Stock Price drops below the "Target" Stock Price Hurdle ($[____]) and again exceeds the "Target" Stock Price Hurdle ($[____]) at a later date, no additional portion of the Option will become Performance-Vested Options because a number of Options equal to (i) one hundred percent (100%) multiplied by (ii) the "Target" Number of Options have already become Performance-Vested Options.

(c) (i) Notwithstanding Sections 3(a) and 3(b) above, in the event of a Change in Control on or after the Grant Date and prior to October 9, [insert grant year + 3], the number of Performance-Vested Options shall be determined as of immediately prior to such Change in Control and shall be determined by multiplying (A) the "Target" Number of Options subject to this Agreement by (B) the greater of (1) one hundred percent (100%) or (2) the Stock Price Achievement Percentage determined as of the date of the Change in Control based on the Stock Price on such date. In the event that the Stock Price achieved in connection with a Change in Control is above the "Target" Stock Price Hurdle but falls between the "Target" and "Maximum" Stock Price Hurdles, the "Stock Price Achievement Percentage" for purposes of the preceding sentence will be determined by linear interpolation between performance levels.

(ii) In the event of a Change in Control on or after the Grant Date but prior to the date on which all of the Performance-Vested Options have also become Time-Vested Options pursuant to Section 2 above, you shall continue to be eligible to vest in such Performance-Vested Options pursuant to Section 2 following the date of such Change in Control.

4. Forfeiture. Any portion of this Option award and any Options which do not become (or are no longer eligible to become) Time-Vested Options and/or Performance-Vested Options as a result of your Termination of Service prior to the third anniversary of the Grant Date or as a result of less than the "Maximum" Number of Options subject to this Option award becoming Performance-Vested Options during the Performance Period shall automatically and without further action be cancelled and forfeited by you on the date of your Termination of Service or the end of the Performance Period, as applicable, and you shall have no further right or interest in or with respect to such portion of this Option award. In no event will more than the "Maximum" Number of Options subject to this Option award vest and become exercisable pursuant to this Exhibit A.

5. Definitions. For purposes of this Exhibit A, the following terms shall have the meanings given below:

(a) "***Change in Control***" shall mean and include each of the following:

(i) A transaction or series of transactions (other than an offering of the Company's Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any "person" or related "group" of "persons" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a "person" that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than forty percent (40%) of the total combined voting power of the Company's securities outstanding immediately after such acquisition;

(ii) The individuals who, as of the Grant Date are members of the Board (the "***Incumbent Board***"), cease for any reason to constitute at least two-thirds of the members of the Board; *provided*, *however*, that if the election, or nomination for election by the Company's common stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this definition, be considered as a member of the Incumbent Board; *provided*, *further*, *however*, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "***Proxy Contest***") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(iii) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(A) Which results in the Company's voting securities outstanding immediately before the transactioı continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "***Successor Entity***")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(B) After which no person or group beneficially owns voting securities representing forty percent (40%) or more of the combined voting power of the Successor Entity; *provided*, *however*, that no person or group shall be treated for purposes of this Section 4(b)(iii)(B) as beneficially owning forty percent (40%) or more of combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

The Board shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control of the Company has occurred pursuant to the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto.

(b) "***Performance Period***" means the period beginning on November 1, [insert grant year] and ending on the earlier to occur of (i) October 9, [insert grant year + 3], or (ii) the date of a Change in Control occurring after the Grant Date.

(c) "***Stock Price***" means, as of any given date, the forty-five (45) calendar day trailing average market closing price of the Company's Common Stock ending on and including such date; *provided*, *however*, in the event of a Change in Control, the "***Stock Price***" shall mean the price per share of the Company's Common Stock paid by the acquirer in the Change in Control transaction or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquirer or its affiliate, then Stock Price shall mean the value of the consideration paid per share of Common Stock based on the average of the closing trading prices of a share of such acquirer stock on the principal exchange on which such shares are then traded for each trading day during the five consecutive trading days ending on and including the date on which a Change in Control occurs, unless otherwise determined by the Committee in connection with valuing any shares that are not publicly traded; *provided*, *further*, that, for purposes of determining the Stock Price as a result of a Change in Control, the Stock Price in the event of a Change in Control shall be measured without regard to the forty-five (45) calendar day period described above.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Dankberg, Chief Executive Officer of Viasat, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viasat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2024

/s/ MARK DANKBERG
Mark Dankberg
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Shawn Duffy, Chief Financial Officer of Viasat, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Viasat, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 8, 2024

/s/ SHAWN DUFFY
Shawn Duffy
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Viasat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

a) the accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 8, 2024

/s/ MARK DANKBERG
Mark Dankberg
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Viasat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

a) the accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended December 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 8, 2024

/s/ SHAWN DUFFY
Shawn Duffy
Chief Financial Officer