

ViaSat, Inc.

FY16 Q2 Results

November 9, 2015

Safe Harbor Disclosure

Forward-Looking Statements

This presentation contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. We use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” variations of such words and similar expressions to identify forward-looking statements. In addition, statements that refer to projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; anticipated performance of products or services; anticipated satellite construction and launch activities; the performance and anticipated benefits of the ViaSat-2 satellite; the expected capacity, service, coverage, service speeds and other features of ViaSat-2, and the timing, cost, economics and other benefits associated therewith; anticipated subscriber growth; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed in any forward-looking statements. Factors that could cause actual results to differ include: our ability to realize the anticipated benefits of the ViaSat-2 satellite; unexpected expenses related to the satellite project; our ability to successfully implement our business plan for our broadband satellite services on our anticipated timeline or at all, including with respect to the ViaSat-2 satellite system; risks associated with the construction, launch and operation of ViaSat-2 and our other satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; negative audits by the U.S. government; changes in the global business environment and economic conditions; delays in approving U.S. government budgets and cuts in government defense expenditures; our reliance on U.S. government contracts, and on a small number of contracts which account for a significant percentage of our revenues; our ability to successfully develop, introduce and sell new technologies, products and services; reduced demand for products and services as a result of continued constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; our reliance on a limited number of third parties to manufacture and supply our products; increased competition and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes on our ability to sell products and services; our level of indebtedness and ability to comply with applicable debt covenants; our involvement in litigation, including intellectual property claims and litigation to protect our proprietary technology; and our dependence on a limited number of key employees. In addition, please refer to the risk factors contained in our SEC filings available at www.sec.gov, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to revise or update any forward-looking statements for any reason.

GAAP Reconciliation

This presentation includes non-GAAP financial measures to supplement ViaSat’s condensed consolidated financial statements presented on a GAAP basis. We believe these measures are appropriate to enhance an overall understanding of ViaSat’s past financial performance and prospects for the future. However, the presentation of this additional information is not meant to be considered in isolation or as a substitute for measures of financial performance prepared in accordance with GAAP. A reconciliation between the non-GAAP financial information and the most comparable GAAP financial information is provided in our earnings release, which is available on the Investor Relations section of our website at www.viasat.com.

Topics

- FY16 Q2 Highlights
- Financial Summary
- Segment Discussion
- Outlook & Summary
- Q & A

FY16 Q2 Highlights

- ***Steady EBITDA growth***

Solid FY 16 results

- Revenues up 5% and 6% for Q2 & YTD, respectively
- Adjusted EBITDA up 24% and 26% for Q2 & YTD
- Both comparisons exclude non-recurring portion of SSL settlement

- ***Margin expansion***

Steadily improving margins

- Sat Services Adj EBITDA up 75% and 71% for Q2 & YTD, respectively (excl. SSL settlement)
- Continued gains in bandwidth utilization effectiveness
- Exciting gains/opportunities for in-flight Wi-Fi
- Government terminal orders enable services growth

- ***Strong near & long term growth opportunities***

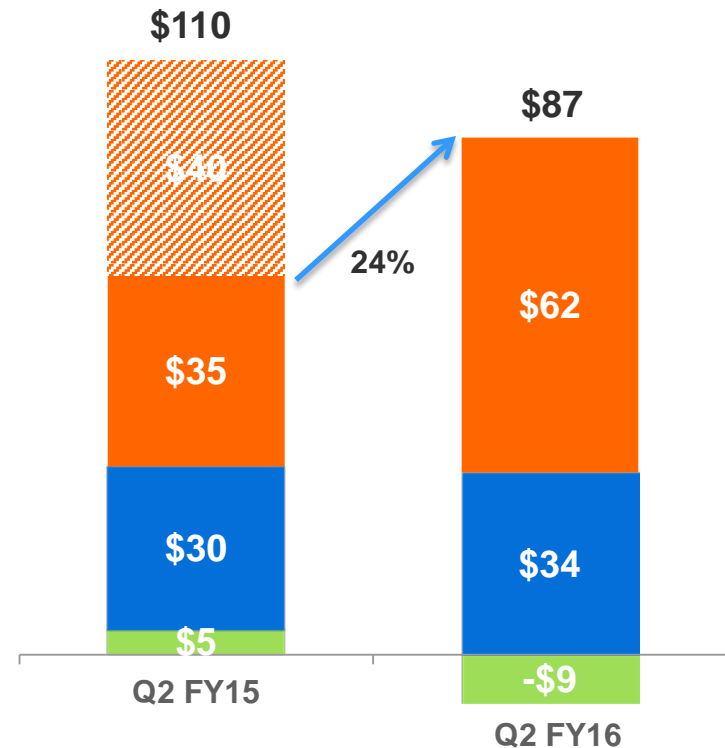
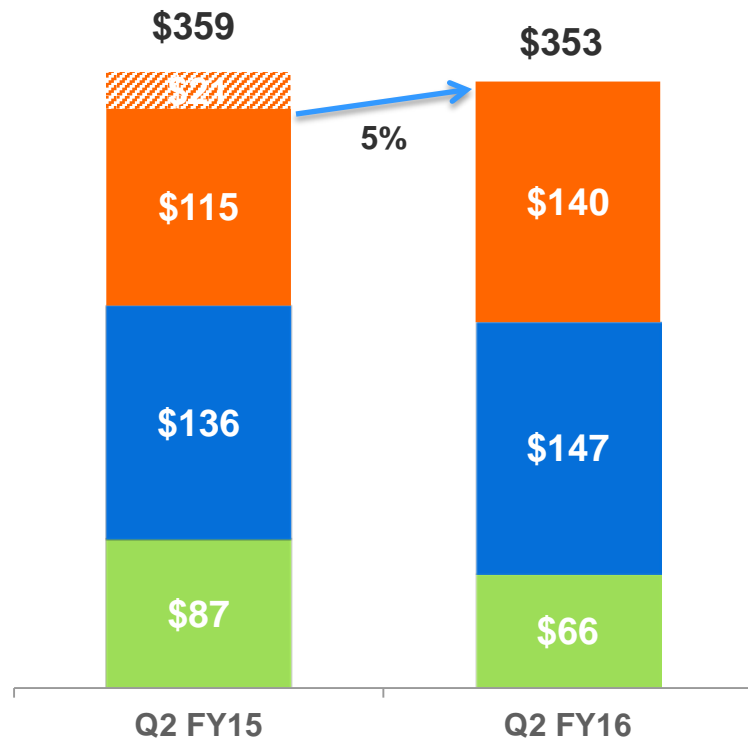
Near & long term growth opportunities

- Bandwidth economic utilization & effectiveness gains
- Strong government orders & outlook
- Global opportunities coalescing around ViaSat-3

Financial Summary – Q2 FY16

Revenues

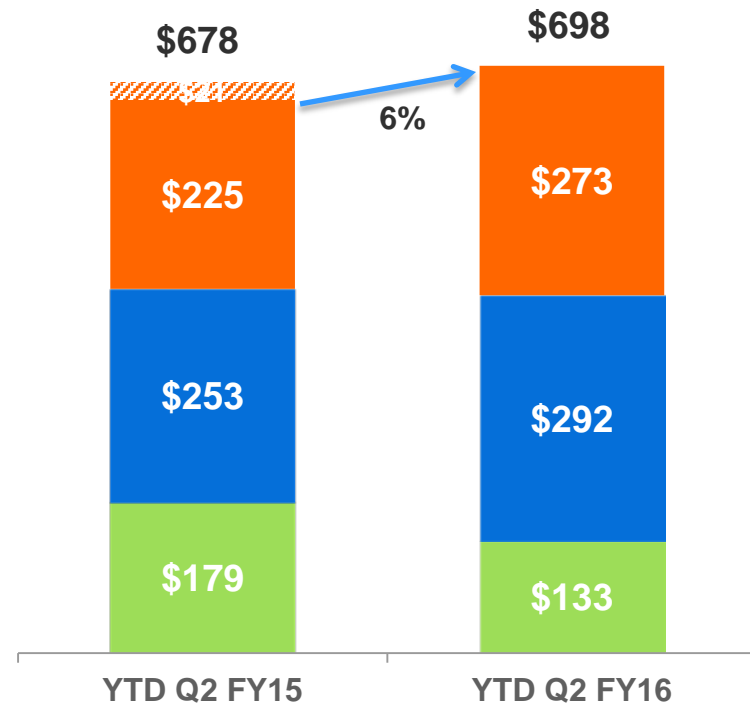
Adjusted EBITDA



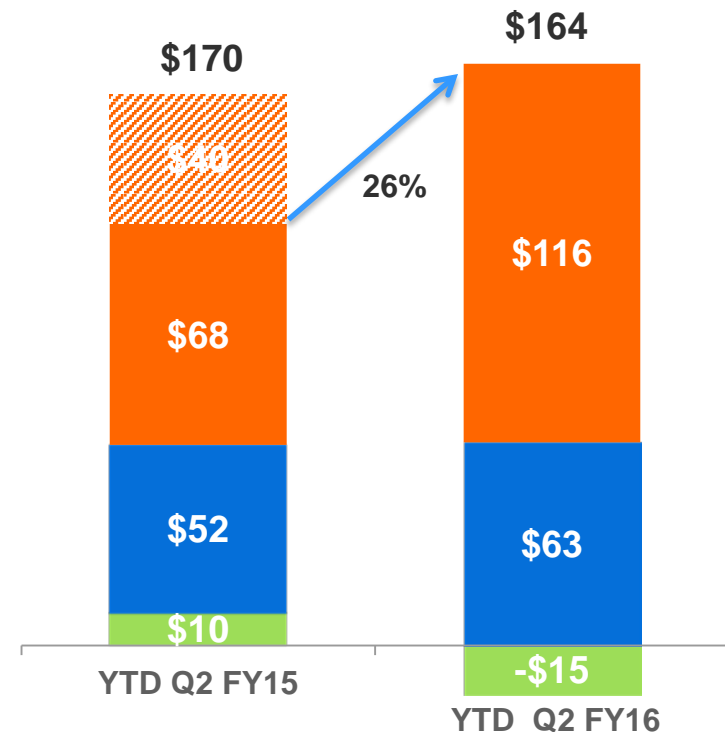
■ Comm'l Networks
 ■ Govt Systems
 ■ Sat Services
 ■ SSL Non-Recurring

Financial Summary – YTD Q2 FY16

Revenues



Adjusted EBITDA



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

Income Statement Summary

Income Metrics

	<u>Q2 FY16</u>	<u>Q2 FY15</u>
Revenues	\$ 353.3	\$ 358.8
Income from operations	13.8	46.5
Interest expense, net	(6.1)	(8.0)
Income tax provision	(2.8)	(14.5)
Minority interest, net	(0.0)	0.0
Net Income	\$ 4.9	\$ 24.0
Non-GAAP Net Income	\$ 14.9	\$ 32.4
Adjusted EBITDA	\$ 86.5	\$ 109.7
Diluted EPS	\$ 0.10	\$ 0.50
Non-GAAP Diluted EPS	\$ 0.30	\$ 0.68
Diluted common equiv shares	49.1	48.0

Adj EBITDA to Non-GAAP Net Income

	<u>Q2 FY16</u>	<u>Q2 FY15</u>
Adjusted EBITDA	\$ 86.5	\$ 109.7
- Depr, amort and stock comp	(72.7)	(63.3)
- Interest expense, net	(6.1)	(8.0)
- Income tax provision	(2.8)	(14.5)
Net Income	\$ 4.9	\$ 23.9
+ Amort of acquired intangibles	4.6	4.7
+ Stock comp	11.6	9.1
- Inc. tax effect non-GAAP addback	(6.2)	(5.2)
Non-GAAP Net Income	\$ 14.9	\$ 32.4

Cashflow and Borrowings

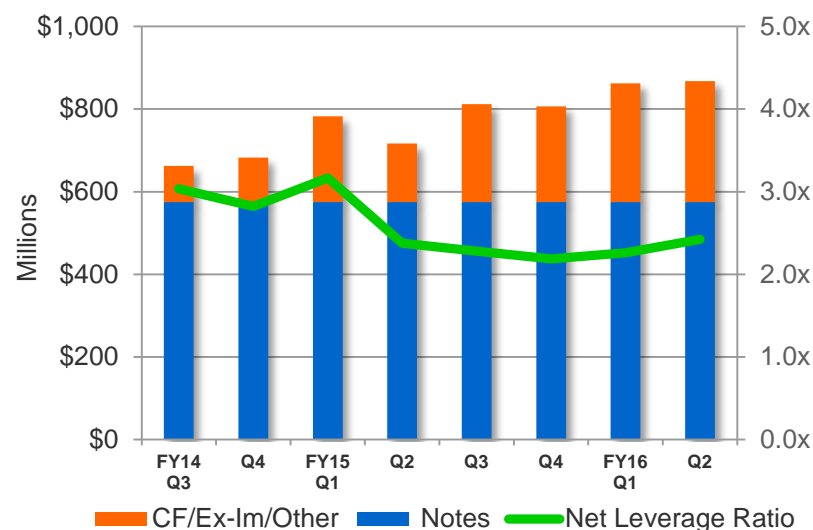
Cashflow

	YTD	
	Q2 FY16	Q2 FY15
Net income	\$ 7.4	\$ 17.7
Depr / amort / other, net	166.1	155.5
Change in working capital, net	(66.0)	(14.7)
Cashflow from operations	\$ 107.5	\$ 158.5
Capital expenditures & investments	(173.6)	(217.9)
Financing activities	60.3	43.0
Net change in cash	\$ (5.9)	\$ (16.4)

Liquidity

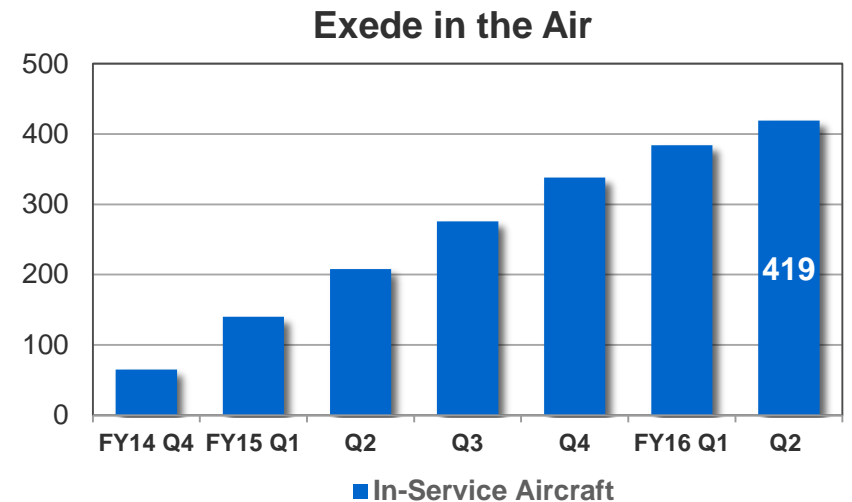
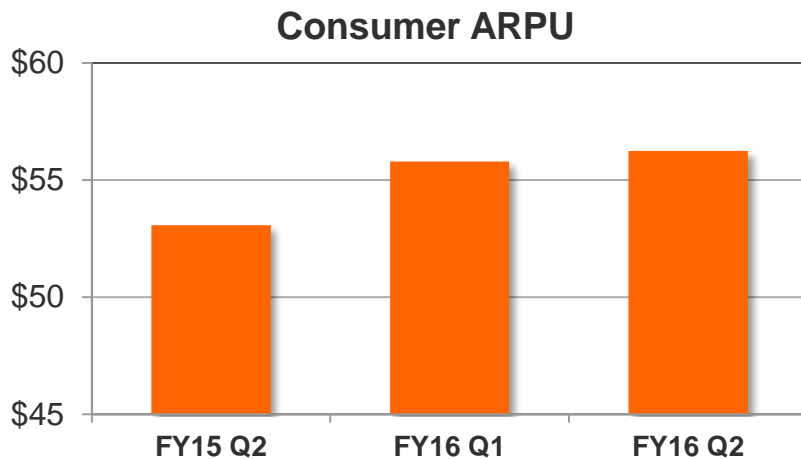
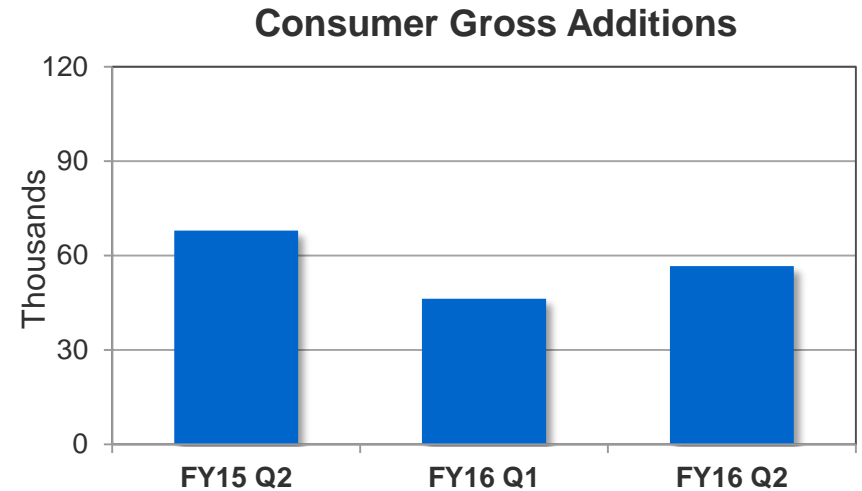
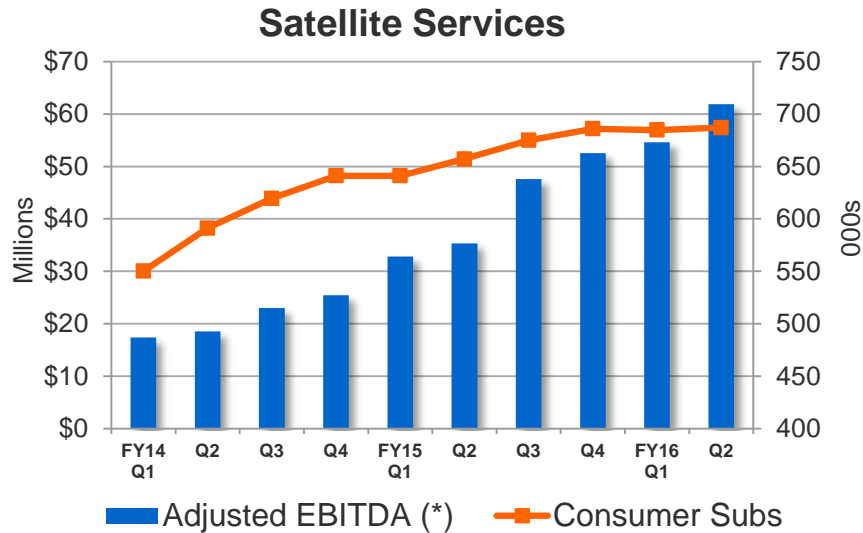
- \$165m outstanding on revolver
- \$127m outstanding on Ex-Im loan
- Liquidity of \$528m, excluding \$162m of Ex-Im commitments associated with future VS-2 expenditures

Net Leverage



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

Satellite Services Metrics



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

Evolving In-Flight Wi-Fi

➤ First E-190 installs

➤ Amazon coming to JetBlue

➤ "Prime" on Virgin A320

➤ Netflix drives engagement

jetBlue
AIRWAYS®



amazon Prime



Fly-Fi®



Reed Hastings @reedhastings · Oct 14

"JetBlue will have free satellite WiFi on every flight by fall 2016"

[engadget.com/2015/10/14/jet ...](http://engadget.com/2015/10/14/jet...)

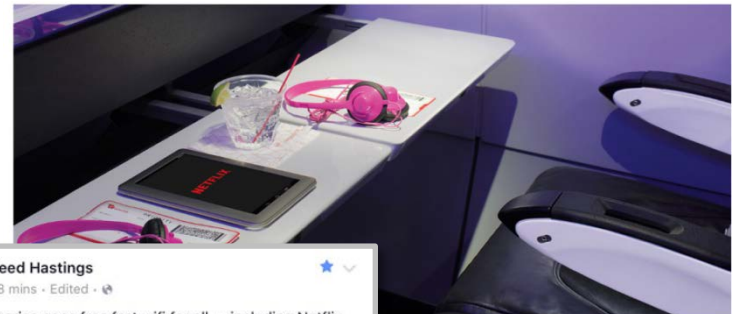
Featured Fly-Fi Partners

Time Inc.

HarperCollins Publishers



In-flight Satellite WiFi from ViaSat*



Reed Hastings

38 mins · Edited · 🌐

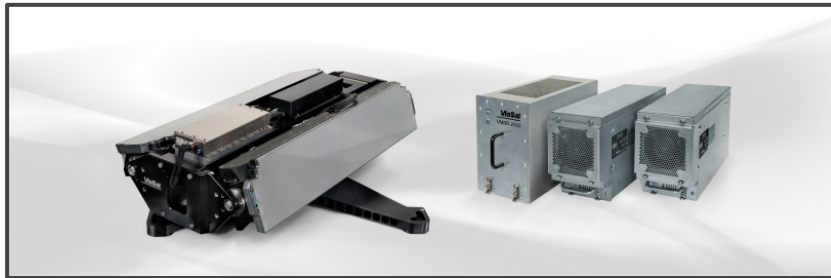
Virgin America goes free fast wifi for all -- including Netflix streaming. In celebration, they paint a plane! Send me a photo if you fly this colorful jet.



Spotify

The New York Times

Government Systems



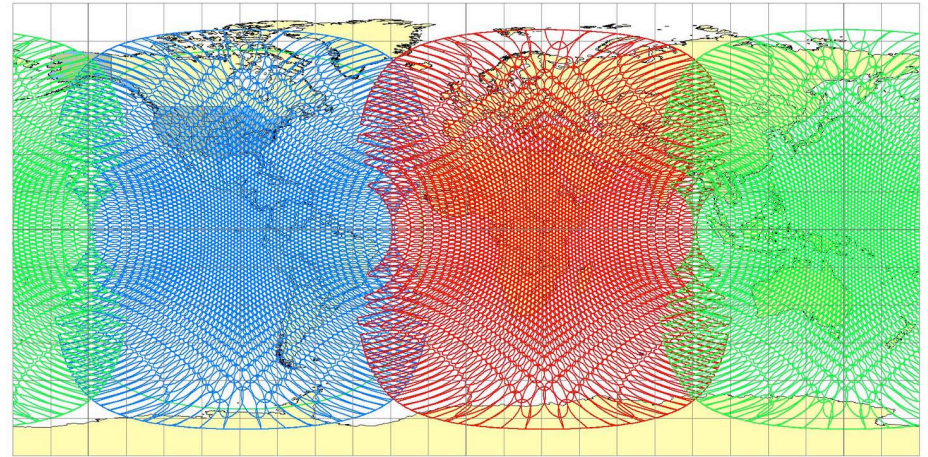
ViaSat Ku/Ka Terminal



Small Tactical Terminal

ViaSat-3 Objectives

Representative 3 Satellite Constellation



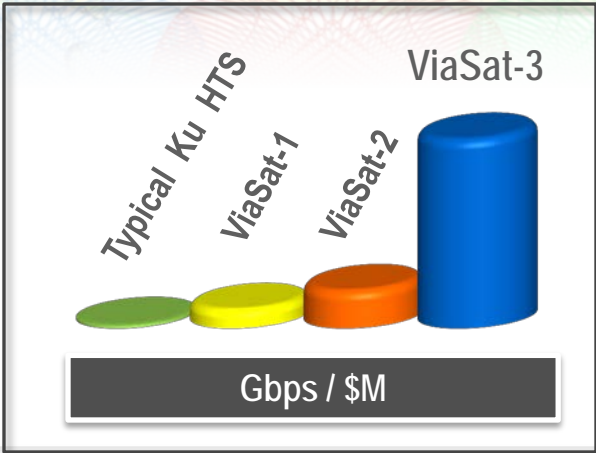
Global
ViaSat-3



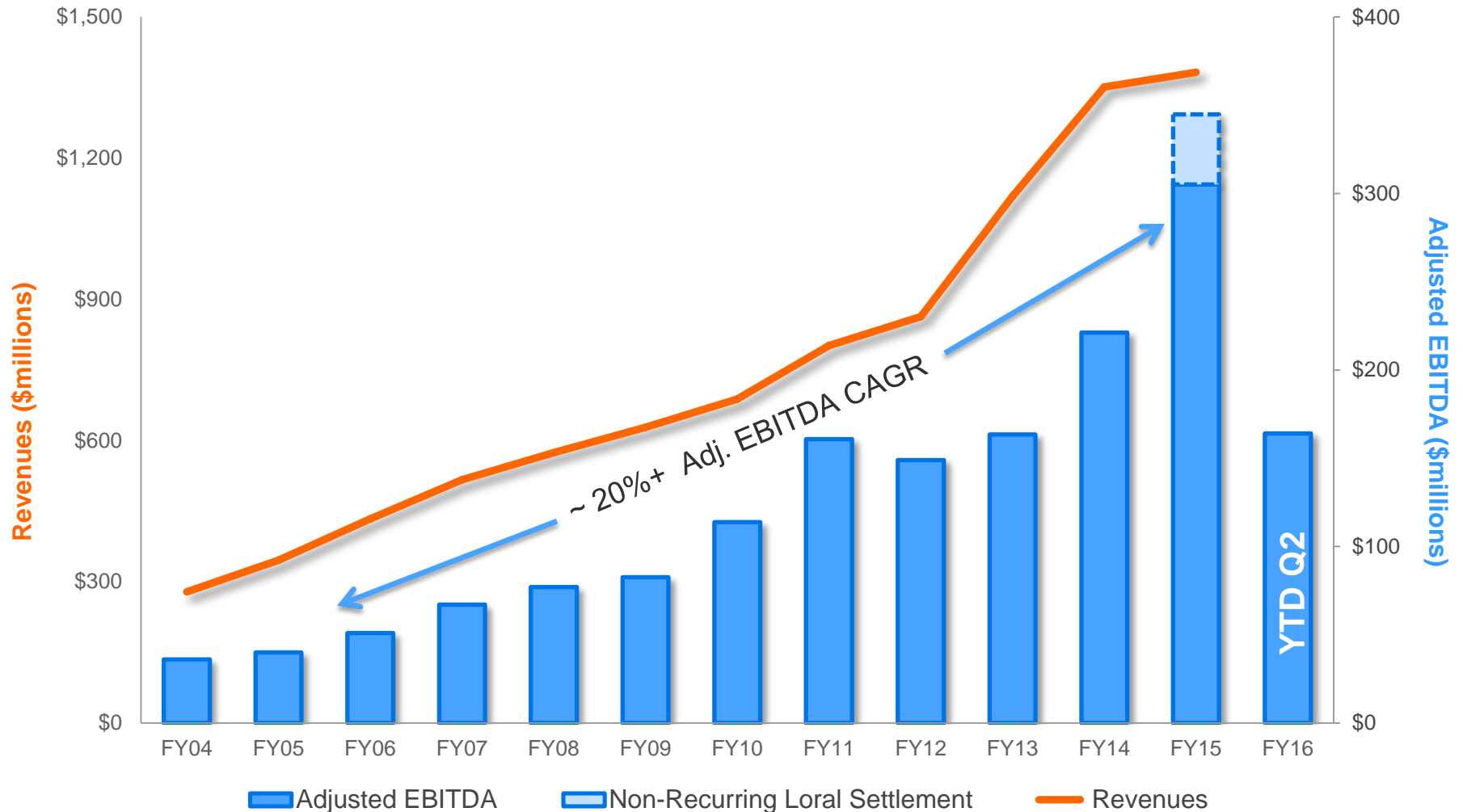
Regional
ViaSat-2



Domestic
ViaSat-1



Outlook & Summary



Q & A