

# Viasat, Inc.

## FY19 Q4 Results

May 23, 2019



# Safe Harbor Disclosure







## Forward-looking statements

This presentation contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. We use words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “seek,” “should,” “target,” “will,” “would,” variations of such words and similar expressions to identify forward-looking statements. In addition, statements that refer to projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; the development, customer acceptance and anticipated performance of technologies, products or services; satellite construction and launch activities, and the entry into a construction contract for the third ViaSat-3 class satellite; the performance and anticipated benefits of the ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; the impacts on overall coverage area, planned services and financial results of the identified antenna deployment issue on the ViaSat-2 satellite; the expected completion, capacity, service, coverage, service speeds and other features of our satellites, and the timing, cost, economics and other benefits associated therewith; anticipated subscriber growth; plans, objectives and strategies for future operations; the number of IFC systems expected to be installed under existing contracts with commercial airlines; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results to differ materially include: our ability to realize the anticipated benefits of the ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; unexpected expenses related to our satellite projects; our ability to successfully implement our business plan for our broadband services on our anticipated timeline or at all; risks associated with the construction, launch and operation of our satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; our ability to realize the anticipated benefits of our acquisitions or strategic partnering arrangements; our ability to successfully develop, introduce and sell new technologies, products and services; audits by the U.S. government; changes in the global business environment and economic conditions; delays in approving U.S. government budgets and cuts in government defense expenditures; our reliance on U.S. government contracts, and on a small number of contracts which account for a significant percentage of our revenues; reduced demand for products and services as a result of continued constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; our reliance on a limited number of third parties to manufacture and supply our products; increased competition; introduction of new technologies and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes (including changes affecting spectrum availability or permitted uses) on our ability to sell or deploy our products and services; changes in the way others use spectrum; our inability to access additional spectrum, use spectrum for additional purposes, and/or operate satellites at additional orbital locations; competing uses of the same spectrum or orbital locations that we utilize or seek to utilize; the effect of recent changes to U.S. tax laws; our level of indebtedness and ability to comply with applicable debt covenants; our involvement in litigation, including intellectual property claims and litigation to protect our proprietary technology; our dependence on a limited number of key employees; and other risk factors contained in our SEC filings available at [www.sec.gov](http://www.sec.gov), including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to revise or update any forward-looking statements for any reason.

## GAAP reconciliation

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

# Financial Highlights

	Q4 FY19	FY19
Revenues	 <b>\$557M</b> Up 27% YoY	<b>\$2.1B</b>  Up 30% YoY
Adj EBITDA	 <b>\$108M</b> Up 95% YoY	<b>\$339M</b>  Up 44% YoY
Awards	 <b>\$612M</b> Up 52% YoY	<b>\$2.4B</b>  Up 42% YoY

# FY19 Execution → FY20 Sustained Momentum

## FY19: Accomplishments

### FY19: Grow Revenue & Earnings

- > Deploy and activate IFC backlog
- > Sustain growth & market expansion in Gov't Systems
- > Grow US residential revenue & Adj EBITDA via subscriber growth & premium service plans
- > Expand & scale additional vertical & geographic markets
- > Complete adaptations and reimbursement for VS-2 antenna performance
- > Continue production of VS-3



## FY20: Growth Drivers

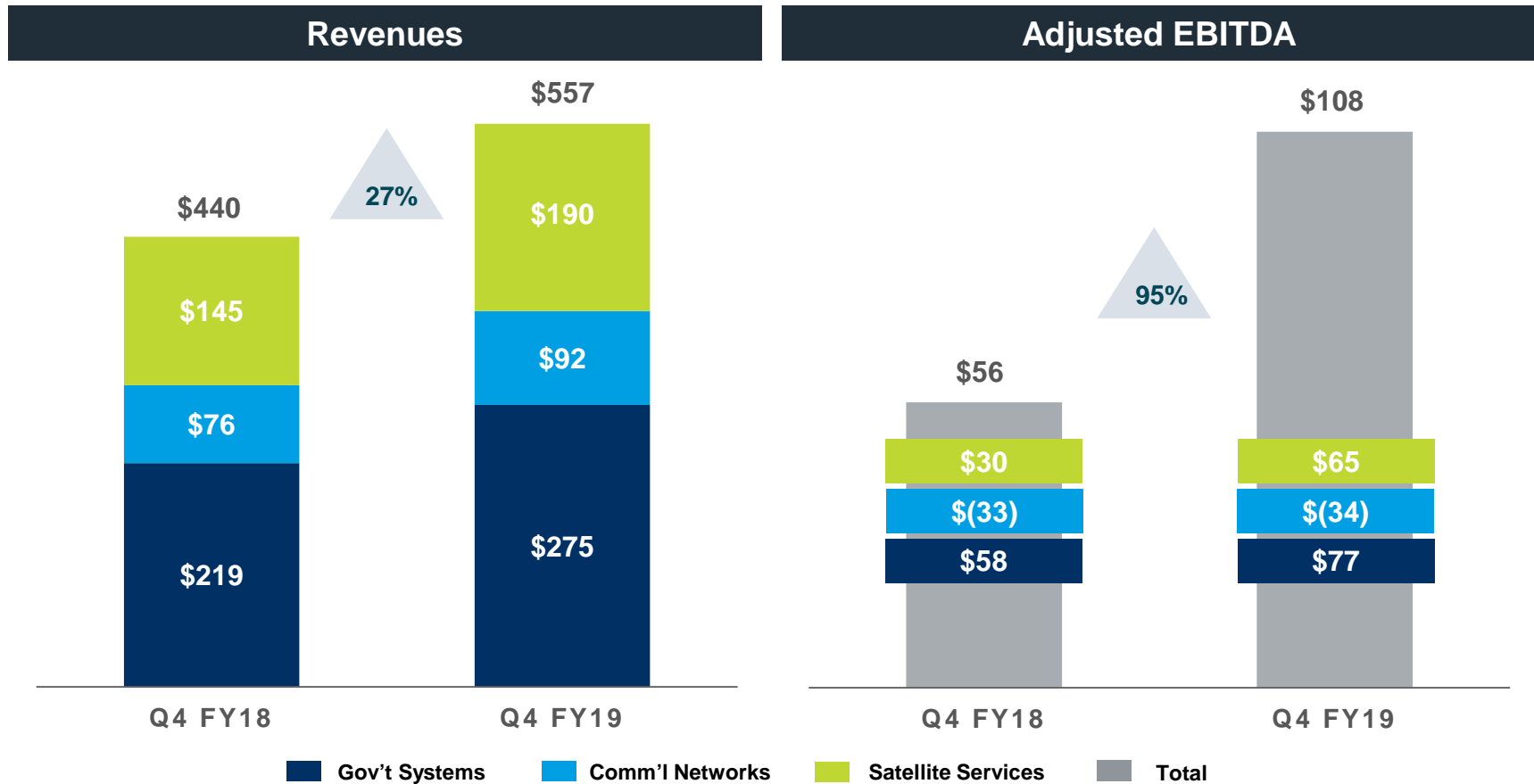
- > IFC service delivery – much larger fleet
- > Additional IFC growth opportunities
- > Continued growth in Gov't product & service offerings and addressable markets
- > Grow US residential revenue and Adj EBITDA
- > Continue development of new satellite services verticals & geographic markets
- > Margin expansion through services growth
- > Continue production of VS-3



# Financial Results – Q4 FY19

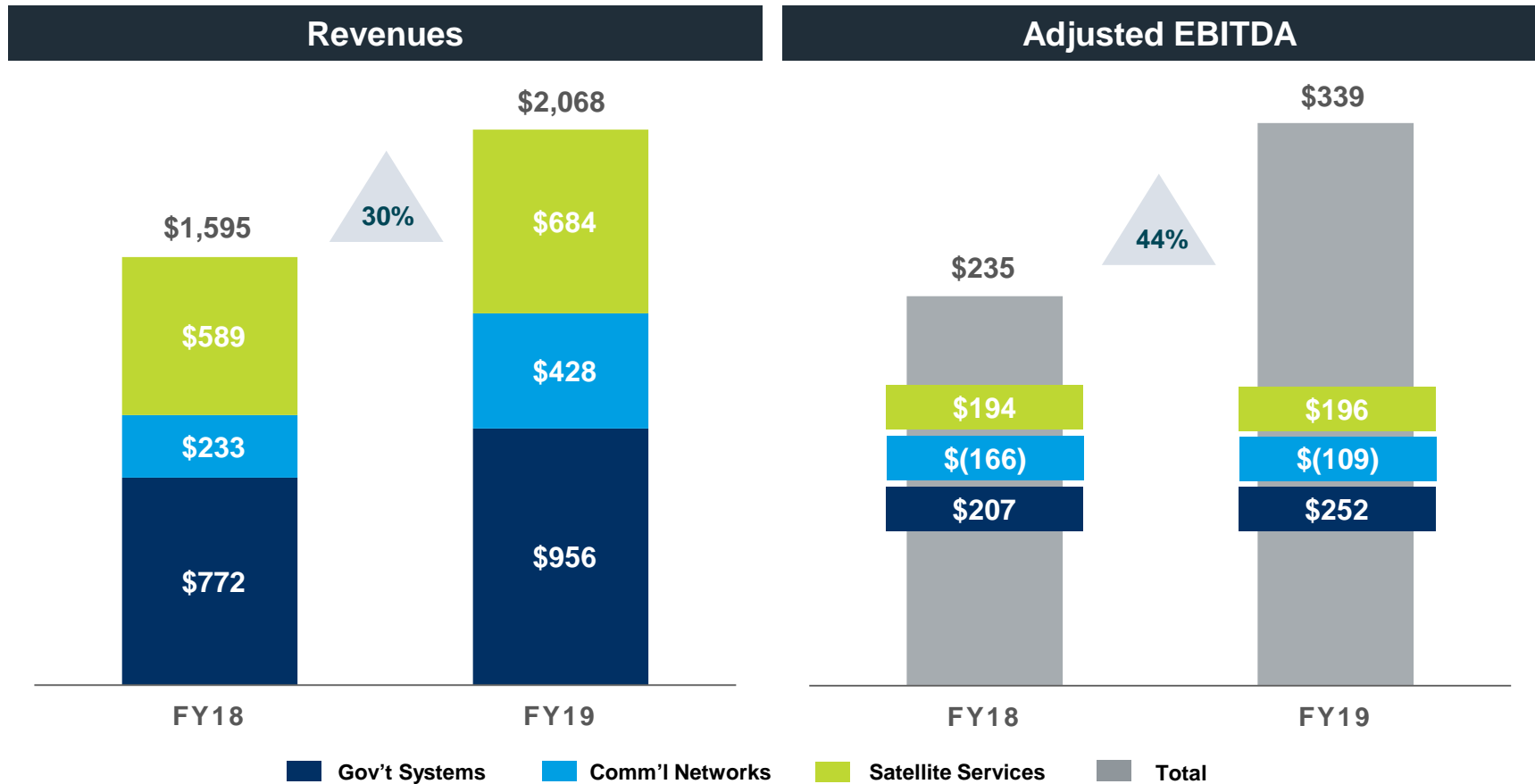
Record revenue with strong growth in all segments

Adj EBITDA reflects higher revenues, improved margins, and lower R&D



# Financial Results – FY19

Record revenue with strong revenue growth in all segments  
Adj EBITDA improved across all segments



# Income, Cashflow & Borrowings

## Income

	Q4		Fiscal Year	
	FY18	FY19	FY18	FY19
Revenue	\$ 439.7	\$ 557.2	\$ 1,594.6	\$ 2,068.3
(Loss) income from operations	\$ (33.1)	\$ 9.4	\$ (92.2)	\$ (60.6)
Net (loss) income (1)	\$ (19.9)	\$ 2.5	\$ (67.3)	\$ (67.6)
Non-GAAP net (loss) income (1)	\$ (3.1)	\$ 20.4	\$ 2.2	\$ 0.9
Diluted EPS (1)	\$ (0.34)	\$ 0.04	\$ (1.15)	\$ (1.13)
Non-GAAP diluted EPS (1)	\$ (0.05)	\$ 0.33	\$ 0.04	\$ 0.01

## Cashflow

	Fiscal Year	
	FY18	FY19
Net (loss) income	\$ (68.3)	\$ (66.5)
Depr / amort / other, net	337.7	\$ 414.8
Working capital change, net	89.2	\$ (20.8)
Cashflow from operations	\$ 358.6	\$ 327.6
CapX / investments	(584.5)	(489.4)
Financing activities / FX / other	167.2	352.1
Net change in cash	\$ (58.7)	\$ 190.3

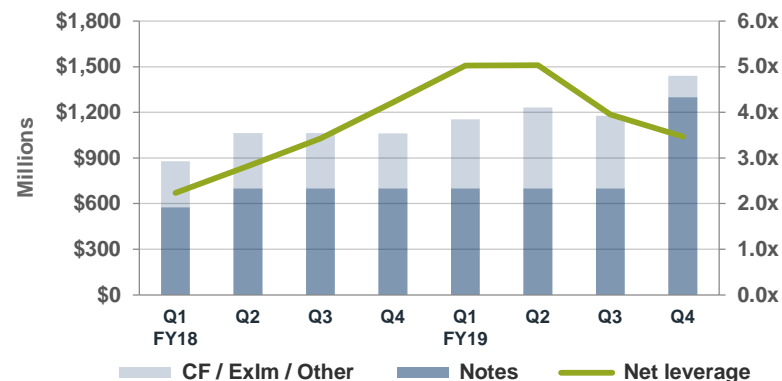
## Highlights

- Net leverage decreased to 3.5x due to strong AEBITDA growth
- Termed out revolver balance with \$600M secured bond offering (8yr / 5.625% fixed)
- \$942M of liquidity

1) Attributable to Viasat, Inc. common stockholders.

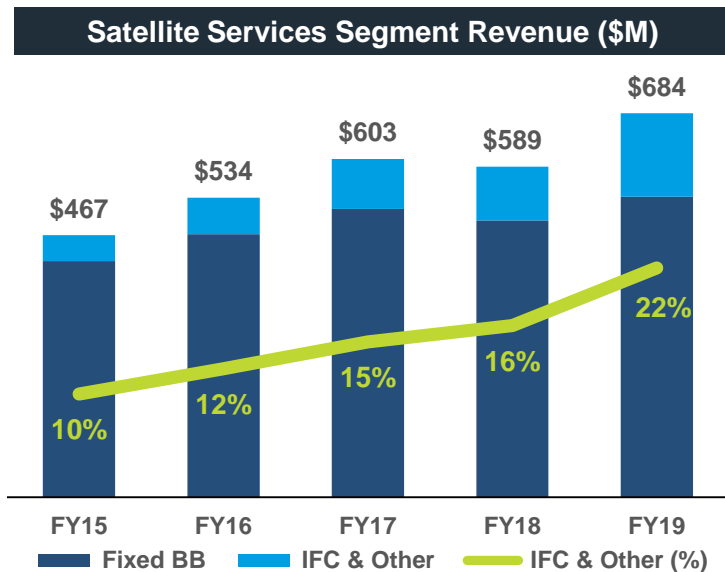
2) Net leverage ratio defined as principal amount of total debt less cash, divided by TTM Adjusted EBITDA.

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



# Satellite Services Highlights

- › Sequential growth in fixed residential broadband revenues
- › ARPU of \$81.99, up 15% YoY; slight subscriber increase QoQ
- › IFC leading steady diversification in satellite services revenue
- › Community Wi-Fi growing and creating partnering opportunities
- › Expanding footprints and distribution in Americas and Europe



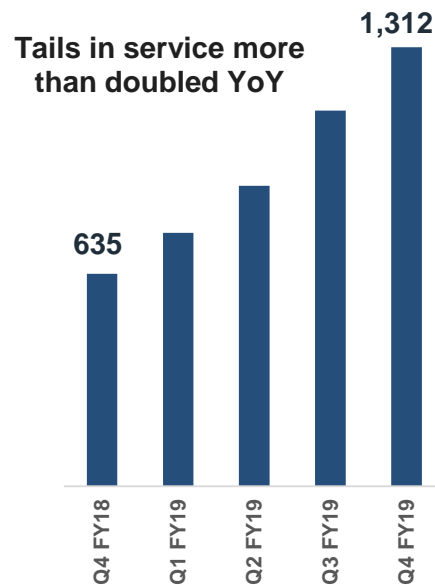
IFC and other services driving continuing diversification





# In-Flight Connectivity Highlights

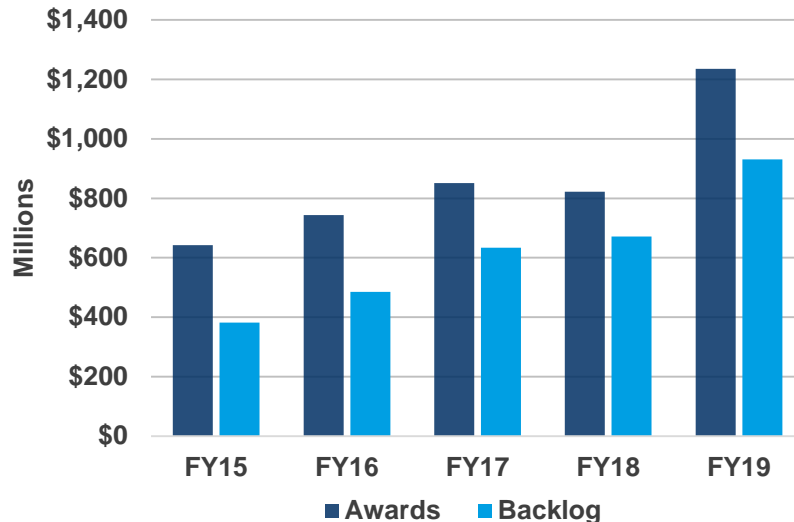
- 1,312 tails in service, with 189 aircraft added in Q4
- Additional ~490 aircraft under contract → approaching 2,000 milestone
- Promising growth opportunities with new and existing customers
- Hybrid Ku/Ka-band terminal introduced for wide-body aircraft market



1) Global wide-body fleet by year 2037 (Boeing 2018 - 2037 Commercial Market Outlook).

# Government Systems Highlights

- Record quarterly and annual revenue; \$956M for FY19 (up 24% YoY)
- Record quarterly Adj EBITDA of \$77M (up 32% YoY)
- Awards of \$327M in Q4, with \$1.2B for FY19 (up 50% YoY)
- Expanding addressable markets & new products/services drive growth
- Exciting space systems opportunities
- IDIQ contracts & AMSS contract options represent ~\$1B opportunity



Over **1,400**  
KOR-24A  
STTs fielded



Delivered **1,000<sup>th</sup>**  
production unit  
of BATS-D  
Link 16 radio

# FY 20 Outlook and Key Drivers

- › Significant growth momentum carried into FY20
- › Attractive YoY revenue & Adj EBITDA growth opportunities
- › Fixed broadband revenue run rate >15% FY19 start
- › IFC fleet >2x FY19 start, plus expanded services
- › Satellite Services = high fixed costs & low variable costs
- › 1.3:1 FY19 Government book-to-bill, plus IDIQ awards
- › Expanding Gov't Systems & Comm'l Networks opportunities

***Expect attractive revenue, AEBITDA,  
and margin growth in FY20***

# Q & A

