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 June 30, 2024.

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 July 26, 2024 was 127,779,170.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

VIASAT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	As of June 30, 2024	As of March 31, 2024
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,811,599	$ 1,901,033
Accounts receivable, net	694,889	678,210
Inventories	329,829	317,878
Prepaid expenses and other current assets	490,784	581,783
Total current assets	3,327,101	3,478,904
Property, equipment and satellites, net	7,531,809	7,557,206
Operating lease right-of-use assets	380,169	393,077
Other acquired intangible assets, net	2,475,492	2,544,467
Goodwill	1,621,473	1,621,763
Other assets	751,825	733,947
Total assets	$ 16,087,869	$ 16,329,364
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 230,882	$ 287,206
Accrued and other liabilities	791,102	950,621
Current portion of long-term debt	57,764	58,054
Total current liabilities	1,079,748	1,295,881
Senior notes	4,367,667	4,354,714
Other long-term debt	2,761,181	2,774,521
Non-current operating lease liabilities	369,342	379,644
Other liabilities	2,422,278	2,452,100
Total liabilities	11,000,216	11,256,860
Commitments and contingencies (Note 9)		
Equity:		
Viasat, Inc. stockholders’ equity		
Common stock	13	13
Paid-in capital	4,845,072	4,797,253
Retained earnings	216,520	249,432
Accumulated other comprehensive income (loss)	(32,251)	(21,268)
Total Viasat, Inc. stockholders’ equity	5,029,354	5,025,430
Noncontrolling interest in subsidiary	58,299	47,074
Total equity	5,087,653	5,072,504
Total liabilities and equity	$ 16,087,869	$ 16,329,364

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended	
	June 30, 2024	June 30, 2023
	(In thousands, except per share data)	
Revenues:		
Product revenues	$ 305,739	$ 236,372
Service revenues	820,721	543,419
Total revenues	1,126,460	779,791
Operating expenses:		
Cost of product revenues	194,158	197,078
Cost of service revenues	516,667	347,833
Selling, general and administrative	251,122	219,581
Independent research and development	38,563	29,004
Amortization of acquired intangible assets	66,215	27,811
Income (loss) from operations	59,735	(41,516)
Other income (expense):		
Interest income	22,792	19,189
Interest expense	(105,776)	(55,939)
Income (loss) before income taxes	(23,249)	(78,266)
(Provision for) benefit from income taxes	(1,184)	533
Equity in income (loss) of unconsolidated affiliate, net	2,746	831
Net income (loss)	(21,687)	(76,902)
Less: net income (loss) attributable to noncontrolling interest, net of tax	11,225	102
Net income (loss) attributable to Viasat, Inc.	$ (32,912)	$ (77,004)
Basic net income (loss) per share attributable to Viasat, Inc. common stockholders:	$ (0.26)	$ (0.83)
Diluted net income (loss) per share attributable to Viasat, Inc. common stockholders:	$ (0.26)	$ (0.83)
Shares used in computing basic net income (loss) per share	126,580	93,106
Shares used in computing diluted net income (loss) per share	126,580	93,106
Comprehensive income (loss):		
Net income (loss)	$ (21,687)	$ (76,902)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments, net of tax	(9,895)	8,527
Unrealized gain (loss) on hedging, net of tax	(1,088)	6,297
Other comprehensive income (loss), net of tax	(10,983)	14,824
Comprehensive income (loss)	(32,670)	(62,078)
Less: comprehensive income (loss) attributable to noncontrolling interest, net of tax	11,225	102
Comprehensive income (loss) attributable to Viasat, Inc.	$ (43,895)	$ (62,180)

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended	
	June 30, 2024	June 30, 2023
	(In thousands)	
Cash flows from operating activities:		
Net income (loss)	$ (21,687)	$ (76,902)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	249,800	132,011
Amortization of intangible assets	81,404	42,568
Stock-based compensation expense	19,182	21,752
Loss on disposition of fixed assets	19,778	9,729
Deferred income taxes and other non-cash adjustments	9,387	(24,203)
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of effect of acquisition:		
Accounts receivable	(26,224)	(739)
Inventories	(11,888)	(34,684)
Other assets	13,581	(39,564)
Accounts payable	(28,529)	41,509
Accrued liabilities	(110,114)	(58,969)
Other liabilities	(43,594)	91,158
Net cash provided by (used in) operating activities	151,096	103,666
Cash flows from investing activities:		
Purchase of property, equipment and satellites, and other assets	(301,019)	(374,926)
Proceeds from insurance claims on satellites	79,500	—
Payment related to acquisition of a business, net of cash acquired	—	(342,621)
Payments to acquire short-term investments	—	(52,000)
Net cash provided by (used in) investing activities	(221,519)	(769,547)
Cash flows from financing activities:		
Payments on debt borrowings	(19,462)	(18,868)
Proceeds from debt borrowings	—	1,334,683
Payments of debt issuance costs	(710)	(34,558)
Proceeds from issuance of common stock under equity plans	—	82
Purchase of common stock in treasury (immediately retired) related to tax withholdings for stock-based compensation	(1,415)	(2,212)
Other financing activities	(866)	(779)
Net cash provided by (used in) financing activities	(22,453)	1,278,348
Effect of exchange rate changes on cash	3,442	617
Net increase (decrease) in cash and cash equivalents and restricted cash	(89,434)	613,084
Cash and cash equivalents and restricted cash at beginning of period	1,901,033	1,379,386
Cash and cash equivalents and restricted cash at end of period	$ 1,811,599	$ 1,992,470
Non-cash investing and financing activities:		
Issuance of common stock in satisfaction of certain accrued employee compensation liabilities	$ 28,063	$ 31,173
Right-of-use assets obtained in exchange for operating lease liabilities	$ 3,060	$ 5,241
Issuance of common stock in connection with acquisition	$ —	$ 2,123,455
Debt issuance costs not paid for	$ —	$ 6,649

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 June 30, 2024							
Balance at March 31, 2024	125,849,088	$ 13	$ 4,797,253	$ 249,432	$ (21,268)	$ 47,074	$ 5,072,504
Stock-based compensation	—	—	21,171	—	—	—	21,171
Shares issued in settlement of certain accrued employee compensation liabilities	1,755,074	—	28,063	—	—	—	28,063
RSU awards vesting, net of shares withheld for taxes which have been retired	134,475	—	(1,415)	—	—	—	(1,415)
Net income (loss)	—	—	—	(32,912)	—	11,225	(21,687)
Other comprehensive income (loss), net of tax	—	—	—	—	(10,983)	—	(10,983)
Balance at June 30, 2024	127,738,637	$ 13	$ 4,845,072	$ 216,520	$ (32,251)	$ 58,299	$ 5,087,653
For the Three Months Ended June 30, 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
Stock-based compensation	—	—	24,882	—	—	—	24,882
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	88,619	—	(2,212)	—	—	—	(2,212)
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	—	—	—	—	—	1	1
Net income (loss)	—	—	—	(77,004)	—	102	(76,902)
Other comprehensive income (loss), net of tax	—	—	—	—	14,824	—	14,824
Balance at June 30, 2023	124,054,755	$ 13	$ 4,718,054	$ 1,241,332	$ (19,889)	$ 36,362	$ 5,975,872

See accompanying notes to the condensed consolidated financial statements.

Note 1 — Basis of Presentation

The accompanying condensed consolidated balance sheet at June 30, 2024, the condensed consolidated statements of operations and comprehensive income (loss) for the three months ended June 30, 2024 and 2023, the condensed consolidated statements of cash flows for the three months ended June 30, 2024 and 2023 and the condensed consolidated statements of equity for the three months ended June 30, 2024 and 2023 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, 2024 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, 2024 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 completed the acquisition of Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat Holdings and, together with its subsidiaries, Inmarsat, and such acquisition, the Inmarsat Acquisition). 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.

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 (Accounting Standards Codification (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. Taxes imposed by governmental authorities on the Company's revenues, such as sales taxes and value added taxes, are excluded from net sales.

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 Contract 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 June 30, 2024, the DCMA had approved the Company’s incurred costs through fiscal year 2022. The DCMA is currently auditing the Company’s fiscal year 2023 incurred cost submission. The Company's cost accounting practices are examined for compliance with the applicable Cost Accounting Standards (CAS). Although the Company has recorded contract revenues subsequent to fiscal year 2022 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 $7.4 million and $16.6 million as of June 30, 2024 and March 31, 2024, 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 9 — 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 communication 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 (IFC) service contracts in its communication services segment do not have minimum service purchase requirements and therefore are not included in the Company's remaining performance obligations. As of June 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $3.6 billion, of which the Company expects to recognize a little less than half over the next 12 months, with the balance recognized thereafter.

Disaggregation of revenue

The Company operates and manages its business in two segments: communication services and defense and advanced technologies. Revenue is disaggregated by products and services, business line, 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. See Note 11 — Segment Information for disaggregation of revenue by business line and additional disaggregated revenue disclosures.

The following sets forth disaggregated reported revenue by segment and products and services for the three months ended June 30, 2024 and 2023:

	Three Months Ended June 30, 2024		
	Communication Services	Defense and Advanced Technologies	Total Revenues
		(In thousands)	
Product revenues	$ 60,176	$ 245,563	$ 305,739
Service revenues	766,611	54,110	820,721
Total revenues	$ 826,787	$ 299,673	$ 1,126,460

	Three Months Ended June 30, 2023		
	Communication Services	Defense and Advanced Technologies	Total Revenues
		(In thousands)	
Product revenues	$ 66,487	$ 169,885	$ 236,372
Service revenues	493,773	49,646	543,419
Total revenues	$ 560,260	$ 219,531	$ 779,791

Revenues from the U.S. Government as an individual customer comprised approximately 16% and 17% of total revenues for the three months ended June 30, 2024 and 2023, respectively. Revenues from the U.S. Government are attributable to each of the communication services segment and defense and advanced technologies segment, with slightly higher revenues from the U.S. Government reported within the Company's communication services segment for the three months ended June 30, 2024 and the Company's defense and advanced technologies segment for the three months ended June 30, 2023.

The Company’s communication services segment revenues are primarily derived from the Company’s aviation services (including IFC services), government satcom services, maritime services (including narrowband and safety of communication capabilities primarily acquired through the Inmarsat Acquisition), fixed broadband services, and energy services, as well as a wide array of advanced satellite and wireless products, networks and terminal solutions that support or enable the provision of fixed and mobile broadband and narrowband services.

The Company’s defense and advanced technologies segment revenues are primarily derived from the Company’s information security and cyber defense, space and mission systems, tactical networking, and advanced technologies and other products and services which are provided to government and commercial customers.

The Company’s revenues are primarily derived from two types of contracts: fixed-price and cost-reimbursement contracts. Fixed-price contracts (which require the Company to provide products and services under a contract at a specified price), comprised approximately 96% and 93% of the Company’s total revenues for the three months ended June 30, 2024 and 2023, respectively, a majority of which are reported in the Company's communication services segment. The remainder of the Company’s revenues 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), which contracts are mainly reported within the Company's defense and advanced technologies segment.

Historically, a significant portion of the Company’s revenues 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 12% and 15% of its total revenues for the three months ended June 30, 2024 and 2023, respectively, mainly reported within the Company's defense and advanced technologies segment.

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 June 30, 2024 and March 31, 2024:

	As of June 30, 2024	As of March 31, 2024
	(In thousands)	
Unbilled accounts receivable	$ 173,967	$ 156,322
Collections in excess of revenues and deferred revenues	277,665	260,264
Deferred revenues, long-term portion	878,053	896,402

Unbilled accounts receivable increased by $17.6 million during the three months ended June 30, 2024, driven primarily by revenue recognized in excess of billings primarily in the Company's defense and advanced technologies segment.

Collections in excess of revenues and deferred revenues increased by $17.4 million during the three months ended June 30, 2024, driven by advances on goods or services received in excess of revenue recognized within both of the Company's segments.

During the three months ended June 30, 2024, the Company recognized revenue of $106.3 million that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2024. During the three months ended June 30, 2023, the Company recognized revenue of $53.8 million that was previously included in the Company's collections in excess of revenues and deferred revenues at March 31, 2023.

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.

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 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 $56.6 million of interest expense for the three months ended June 30, 2024, and $56.7 million for the three months ended June 30, 2023.

The Company's complementary fleet of 21 in service or operational satellites spans the Ka-, L- and S- bands, with 11 Ka-band satellites, eight L-band satellites (three of which are contingency L-band satellites that are operational but not currently in service), an S-band satellite that supports the European Aviation Network to provide IFC services to commercial airlines in Europe, and an I-6 class hybrid Ka-/L-band satellite (the I-6 F1 satellite). Subsequent to the quarter end, in late July 2024, the ViaSat-3 F1 satellite completed in-orbit testing and was integrated into the Company's existing satellite fleet covering the Americas. Furthermore, the Company has ten additional geostationary (GEO) and highly-elliptical earth orbit (HEO) satellites under development: two additional high-capacity Ka-band GEO satellites (ViaSat-3 F2 and ViaSat-3 F3), three additional adaptive Ka-band GEO satellites: (GX 7, GX 8 and GX 9), two Ka-band HEO satellite payloads intended to provide polar coverage (GX 10a and GX 10b) and three Inmarsat-8 L-band GEO safety service satellites. 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 communication 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 June 30, 2024 were $554.6 million and $286.5 million, respectively. The total cost and accumulated depreciation of CPE units included in property, equipment and satellites, net, as of March 31, 2024 were $567.5 million and $267.4 million, respectively.

The Company launched the first of its third-generation ViaSat-3 class satellites, ViaSat-3 F1, into orbit on April 30, 2023. 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) and certain related assets of $1.67 billion during fiscal year 2024 (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 recorded in the second quarter of fiscal year 2024. As a result, the Company recorded a net loss of approximately $905.5 million during the second and third quarters of fiscal year 2024, including liabilities associated with the termination of certain subcontractor agreements, in selling, general and administrative expenses in its communication services segment in the condensed consolidated statements of operations and comprehensive income (loss). During the first quarter of fiscal year 2025 and subsequent to the first quarter of fiscal year 2025, the Company received approximately $79.5 million and just over $38 million, respectively, in insurance recovery proceeds related to such claims. To date, the Company has received an aggregate of approximately $626 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 less than one year to two 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.

The Company has entered into several cloud computing arrangements that are hosted services contracts mainly as part of projects related to the continuous transformation of technology, integration and implementation of an ERP system. As of June 30, 2024 and March 31, 2024, gross capitalized implementation costs incurred in cloud computing arrangements was $69.3 million and $63.6 million, respectively. As of June 30, 2024 and March 31, 2024 the related accumulated amortization was $11.2 million and $9.5 million, respectively. The Company recognized amortization of capitalized implementation costs of $1.5 million and an insignificant amount for the three months ended June 30, 2024 and 2023, respectively.

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 $4.0 million and $3.9 million were included in other assets as of June 30, 2024 and March 31, 2024, respectively. The Company capitalized costs of $119.8 million and $117.0 million related to acquiring and obtaining orbital slots and other licenses included in other assets as of June 30, 2024 and March 31, 2024, respectively. Accumulated amortization related to these assets was $8.8 million and $8.4 million as of June 30, 2024 and March 31, 2024, respectively. Amortization expense related to these assets was an insignificant amount for both the three months ended June 30, 2024 and 2023. 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 months ended June 30, 2024 and 2023, 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 three months ended June 30, 2024 and 2023, the Company capitalized no debt issuance costs and $41.2 million of 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). If the terms of a financing obligation are amended and accounted for as a debt modification by the Company, fees incurred directly with the lending institution are capitalized and amortized over the remaining contractual term using the effective interest method. Fees incurred with other parties are expensed as incurred. Debt issuance costs related to the Company's revolving credit facilities (collectively, the 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 senior secured and senior unsecured notes (collectively, the Notes) and senior secured term loan credit facilities (together with the Revolving Credit Facilities, the Credit Facilities) are recorded as a direct deduction from the carrying amount of the related debt, consistent with debt discounts, in accordance with 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. As of June 30, 2024 and March 31, 2024, the Company has $742.7 million and $723.9 million, respectively, of capitalized costs related to software developed for resale. Accumulated amortization related to these assets was $497.6 million and $483.3 million as of June 30, 2024 and March 31, 2024, respectively. The Company capitalized $18.8 million and $16.0 million of costs related to software developed for resale for the three months ended June 30, 2024 and 2023, respectively. Amortization expense for capitalized software development costs was $14.3 million and $14.4 million for the three months ended June 30, 2024 and 2023, 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 $6.6 million and $6.5 million as of June 30, 2024 and March 31, 2024, 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 funded by the Company 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 June 30, 2024 and March 31, 2024, 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.

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 June 30, 2024 and March 31, 2024, the Company had no shares of common stock held in treasury.

During the three months ended June 30, 2024 and 2023, the Company issued 220,113 and 137,469 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 June 30, 2024 and 2023, the Company repurchased 85,638 and 48,850 shares of common stock, respectively, at cost and with a total value of $1.4 million and $2.2 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 (see Note 4 — Acquisition for more information), the Company assumed interest rate cap contracts to hedge the variable interest rate under Inmarsat's senior secured term loan facilities (the Inmarsat Term Loan Facilities) (see Note 7 — Senior Notes and Other Long-Term Debt for more information). The interest rate cap contracts provide protection from Compound SOFR rates over 2%, cover the total nominal amount of the Inmarsat Term Loan Facilities of $1.6 billion and mature in February 2025. At the time of the acquisition, the Company continued to account for the interest rate cap contracts as cash-flow hedges. Upon amendment of the Inmarsat Term Loan Facilities on March 28, 2024 (see Note 7 — Senior Notes and Other Long-Term Debt for more information), the portion of the interest rate cap contracts related to Inmarsat's new $1.3 billion term loan facility (the New Term Loan Facility) continued to be accounted for as cash-flow hedges, as the interest rate cap contracts remain in place with their original maturity date.

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 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 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 months ended June 30, 2024 and 2023, the Company recognized a gain of $3.2 million (and related tax expense of an insignificant amount) and a gain of $12.7 million (and related tax expense of $3.2 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 Facilities. During the three months ended June 30, 2024 and 2023, the Company recorded a decrease of $4.6 million (and related tax benefit of $1.2 million) and a decrease of $4.4 million (and related tax benefit of $1.1 million), 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 months ended June 30, 2024 and 2023, the Company received $14.1 million and $4.2 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 June 30, 2024 and March 31, 2024, the fair value of the Company's interest rate cap contracts was $33.9 million and $44.5 million, respectively and recorded in other current assets.

At June 30, 2024 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 $17.3 million.

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 and performance-based restricted stock units (PSUs) with a market condition (such as a stock price milestone) (market condition PSUs) that vest is recognized regardless of the actual outcome achieved and is recognized on a graded-vesting basis. Expense for PSUs with a performance condition (such as an operational milestone) (performance condition PSUs) that vest is recorded each period based on a probability assessment of the expected outcome of the performance metric with a final adjustment upon measurement at the end of the performance period and is recognized on a graded-vesting basis. The Company accounts for forfeitures as they occur. The Company recognized $19.2 million and $21.8 million of stock-based compensation expense for the three months ended June 30, 2024 and 2023, 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 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 Company adopted the new guidance in the first quarter of fiscal year 2025 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 Company adopted the new guidance in the first quarter of fiscal year 2025 and the guidance did not have a material impact on its 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 the new standard should be applied prospectively, however retrospective application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statement disclosures.

In March 2024, the FASB issued ASU 2024-02, Codification Improvements – Amendments to Remove References to the Concepts Statements. This update contains amendments to the Codification that remove references to various Concepts Statements. The amendments in this update are not intended to result in significant accounting changes for most entities. The amendments in this update are effective for the Company beginning in fiscal year 2026. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements and disclosures.

Note 2 — Composition of Certain Balance Sheet Captions

	As of June 30, 2024	As of March 31, 2024
	(In thousands)	
Accounts receivable, net:		
Billed	$ 546,790	$ 545,081
Unbilled	173,967	156,322
Allowance for doubtful accounts	(25,868)	(23,193)
	$ 694,889	$ 678,210
Inventories:		
Raw materials	$ 100,978	$ 89,778
Work in process	33,153	31,884
Finished goods	195,698	196,216
	$ 329,829	$ 317,878
Prepaid expenses and other current assets:		
Insurance receivable	$ 182,000	$ 261,500
Prepaid expenses	189,525	185,892
Other	119,259	134,391
	$ 490,784	$ 581,783
Property, equipment and satellites, net:		
Equipment and software (estimated useful life of 3-7 years)	$ 3,051,930	$ 2,992,325
CPE leased equipment (estimated useful life of 4-7 years)	554,648	567,548
Furniture and fixtures (estimated useful life of 7 years)	65,338	65,433
Leasehold improvements (estimated useful life of 2-20 years)	211,668	209,162
Buildings (estimated useful life of 12-38 years)	16,649	16,647
Land	20,789	20,787
Construction in progress	1,361,156	1,301,376
Satellites (estimated useful life of 7-17 years)	3,325,299	3,324,458
Satellite Ka-band capacity obtained under finance leases (estimated useful life of 7-11 years)	177,576	177,576
Satellites under construction	2,071,760	1,976,469
	10,856,813	10,651,781
Less: accumulated depreciation and amortization	(3,325,004)	(3,094,575)
	$ 7,531,809	$ 7,557,206
Other acquired intangible assets, net:		
Contracts and customer relationships (weighted average useful life of 11 years)	$ 1,436,728	$ 1,437,738
Orbital slots and spectrum assets (weighted average useful life of 12 years)	1,088,600	1,088,600
Technology (weighted average useful life of 7 years)	248,846	251,889
Trade names (weighted average useful life of 8 years)	116,990	117,280
Other (weighted average useful life of 11 years)	21,739	21,792
	2,912,903	2,917,299
Less: accumulated amortization	(437,411)	(372,832)
	$ 2,475,492	$ 2,544,467
Other assets:		
Deferred income taxes	$ 164,909	$ 163,590
Capitalized software costs, net	245,134	240,597
Patents, orbital slots and other licenses, net	115,036	112,535
Other	226,746	217,225
	$ 751,825	$ 733,947
Accrued and other liabilities:		
Collections in excess of revenues and deferred revenues	$ 277,665	$ 260,264
Accrued employee compensation	85,092	177,854
Accrued vacation	49,576	48,636
Operating lease liabilities	69,808	71,561
Interest payable	75,534	127,098
Other	233,427	265,208
	$ 791,102	$ 950,621
Other liabilities:		
Deferred revenues, long-term portion	$ 878,053	$ 896,402
Deferred income taxes	1,223,012	1,228,270
Other	321,213	327,428
	$ 2,422,278	$ 2,452,100

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 June 30, 2024 and March 31, 2024. The Company had no liabilities measured at fair value on a recurring basis as of both June 30, 2024 and March 31, 2024.

	Fair Value as of June 30, 2024	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Cash equivalents	$ 508,282	$ 508,282	$ —	$ —
Interest rate cap contracts	33,862	—	33,862	—
Total assets measured at fair value on a recurring basis	$ 542,144	$ 508,282	$ 33,862	$ —

	Fair Value as of March 31, 2024	Level 1	Level 2	Level 3
		(In thousands)		
Assets:				
Cash equivalents	$ 474,743	$ 474,743	$ —	$ —
Interest rate cap contracts	44,497	—	44,497	—
Total assets measured at fair value on a recurring basis	$ 519,240	$ 474,743	$ 44,497	$ —

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.

Interest rate cap contracts — The Company assumed interest rate cap contracts to hedge the variable interest rate under the Inmarsat Term Loan Facilities (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).

Long-term debt — As of June 30, 2024, the Company's long-term debt was comprised of (1) $700.0 million in aggregate principal amount of Viasat's 5.625% Senior Notes due 2025 (the 2025 Notes), $600.0 million in aggregate principal amount of Viasat's 5.625% Senior Secured Notes due 2027 (the 2027 Notes), $400.0 million in aggregate principal amount of Viasat's 6.500% Senior Notes due 2028 (the 2028 Notes), $733.4 million in aggregate principal amount of Viasat's 7.500% Senior Notes due 2031 (the 2031 Notes), $2.08 billion in aggregate principal amount of Inmarsat's 6.750% Senior Secured Notes due 2026 (the Inmarsat 2026 Notes), (2) borrowings under Viasat's $700.0 million senior secured term loan facility (the 2022 Term Loan Facility), borrowings under Viasat's $616.7 million senior secured term loan facility (the 2023 Term Loan Facility), borrowings under the Inmarsat Term Loan Facilities and borrowings under Viasat's direct loan facility with the Export-Import Bank of the United States (the Ex-Im Credit Facility), and (3) finance lease obligations reported at the present value of future minimum lease payments with current accrued interest. Long-term debt related to the Revolving Credit Facilities is reported at the outstanding principal amount of borrowings, while long-term debt related to the Company's other Credit Facilities 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 Company's variable rate Credit Facilities approximates its carrying amount due to its variable interest rate, which approximates a market interest rate. As of June 30, 2024 and March 31, 2024, the fair value of the Company's long-term debt related to the Ex-Im Credit Facility was Level 2 and was approximately $28.8 million and $38.5 million, respectively. As of June 30, 2024 and March 31, 2024, the estimated fair value of the Company's outstanding long-term debt related to each series of Notes was Level 2 and was $679.0 million and $680.8 million, respectively, for the 2025 Notes, $535.5 million and $564.0 million, respectively, for the 2027 Notes, $303.0 million and $307.5 million, respectively, for the 2028 Notes, $484.7 million and $529.9 million, respectively, for the 2031 Notes, and $2.01 billion and $2.04 billion, respectively for the Inmarsat 2026 Notes.

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 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 June 30, 2024 and March 31, 2024, the Company's estimated satellite performance incentive obligations relating to certain satellites in service, including accrued interest, were $14.8 million and $15.9 million, respectively.

Note 4 — Acquisition

In May 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 goodwill of $1.5 billion which was recognized in the Company's communication services segment. 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 zero and $27.4 million during the three months ended June 30, 2024 and 2023, respectively, included in selling, general and administrative expenses.

The purchase price allocation of the acquired assets and assumed liabilities in the Inmarsat Acquisition based on the 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, deferred tax liabilities and goodwill, is as follows:

		(In thousands)
Current assets	$	641,893
Property, equipment and satellites		4,363,049
Identifiable intangible assets		2,570,000
Other assets		388,745
Total assets acquired	$	7,963,687
Current liabilities		(598,296)
Long-term debt, excluding short-term portion		(3,519,774)
Other long-term liabilities		(2,629,406)
Total liabilities assumed	$	(6,747,476)
Goodwill		1,462,881
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. Amounts assigned to identifiable intangible assets are being amortized on a straight-line basis over their determined useful lives (which approximates the economic pattern of benefit) and are as follows as of May 30, 2023:

	Fair Value (In thousands)	Weighted Average Useful Life (In years)
Orbital slots and spectrum assets	$ 1,080,000	12
Customer relationships	1,305,000	11
Technology	100,000	7
Trade names	85,000	8
Total identifiable intangible assets	$ 2,570,000	11

Management determined the fair value of acquired customer relationships by applying the multi-period excess earnings method, which involved the use of significant judgments and assumptions related to revenue growth rates, customer attrition rates, discount rates, and contributory asset charges. Additionally, management determined the fair value of acquired orbital slots and spectrum assets using an avoided cost method, which involved the use of significant judgments and assumptions related to hypothetical lease payments, discount rates, and contributory asset charges.

The intangible assets acquired in the Inmarsat Acquisition were determined in accordance with 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 its acquisition on May 30, 2023. The Company recorded approximately $134.1 million and an insignificant amount of revenue and net income, respectively, from the Inmarsat business during the three months ended June 30, 2023 for the period following the acquisition date, which was recorded in the Company's communication services segment in the condensed consolidated statements of operations.

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 June 30, 2023 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 June 30, 2023 (In thousands)
Total revenues	$ 1,050,226
Net income (loss) attributable to Viasat, Inc.	$ (41,962)

Note 5 — 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 months ended June 30, 2024 and 2023, as the Company incurred a net loss attributable to Viasat, Inc. common stockholders 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 June 30, 2024 and 2023 consisted of 221,949 shares and 209,581 shares, respectively, related to stock options (other than market-based performance stock options), zero and 1,714,844 shares, respectively, related to market-based performance stock options and market condition PSUs, 3,705,569 shares and 2,056,995 shares, respectively, related to restricted stock units (other than PSUs), 72,660 and zero shares, respectively, related to performance condition PSUs, and 1,666,593 shares and 626,271 shares, respectively, related to certain terms of the Viasat 401(k) Profit Sharing Plan and Employee Stock Purchase Plan.

Note 6 — Goodwill and Acquired Intangible Assets

During the three months ended June 30, 2024, the insignificant decrease in the Company's goodwill primarily related to foreign currency translation effect recorded within both of the Company's segments. During the three months ended June 30, 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 both 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 $66.2 million and $27.8 million for the three months ended June 30, 2024 and 2023, respectively.

Note 7 — Senior Notes and Other Long-Term Debt

Total long-term debt consisted of the following as of June 30, 2024 and March 31, 2024:

	As of June 30, 2024	As of March 31, 2024
	(In thousands)	
2031 Notes	$ 733,400	$ 733,400
2028 Notes	400,000	400,000
2027 Notes	600,000	600,000
Inmarsat 2026 Notes	2,075,000	2,075,000
2025 Notes	700,000	700,000
2022 Term Loan Facility	686,000	687,750
2023 Term Loan Facility	612,075	613,617
Inmarsat Term Loan Facilities	1,596,750	1,600,000
Ex-Im Credit Facility	29,478	39,304
Viasat Revolving Credit Facility	—	—
Inmarsat Revolving Credit Facility	—	—
Finance lease obligations (see Note 1)	23,666	26,771
Total debt	7,456,369	7,475,842
Unamortized discount, debt issuance costs and fair value adjustments made in purchase accounting	(269,757)	(288,553)
Less: current portion of long-term debt	57,764	58,054
Total long-term debt	$ 7,128,848	$ 7,129,235

2022 Term Loan Facility

In March 2022, the Company entered into the $700.0 million 2022 Term Loan Facility, which was fully drawn at closing and matures on March 4, 2029. At June 30, 2024, the Company had $686.0 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 June 30, 2024, the effective interest rate on the Company's outstanding borrowings under the 2022 Term Loan Facility was 10.38%. 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 June 30, 2024, 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 June 30, 2024.

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 the $616.7 million 2023 Term Loan Facility, which was fully drawn at closing and matures on May 30, 2030. At June 30, 2024, the Company had $612.1 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 June 30, 2024, the effective interest rate on the Company’s outstanding borrowings under the 2023 Term Loan Facility was 10.92%. 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 June 30, 2024, 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 June 30, 2024.

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.

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 June 30, 2024, the Company had $29.5 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 June 30, 2024.

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.

Viasat Revolving Credit Facility

As of June 30, 2024, Viasat's revolving credit facility (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 June 30, 2024, the Company had no outstanding borrowings under the Viasat Revolving Credit Facility and $59.2 million outstanding under standby letters of credit, leaving borrowing availability under the Viasat Revolving Credit Facility as of June 30, 2024 of $588.3 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 June 30, 2024, 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 June 30, 2024.

Inmarsat Secured Credit Facilities

As of June 30, 2024, the Inmarsat Secured Credit Facilities comprised an aggregate of $1.6 billion of Inmarsat Term Loan Facilities (consisting of the new $1.3 billion New Term Loan Facility and $300.0 million in aggregate principal amount of outstanding borrowings under the prior Inmarsat term loan facility (the Original Term Loan Facility)) and Inmarsat's $550.0 million revolving line of credit (including up to $100.0 million of letters of credit) (the Inmarsat Revolving Credit Facility). As of June 30, 2024, Inmarsat had $1.6 billion in principal amount of outstanding borrowings under the Inmarsat Term Loan Facilities. As of June 30, 2024, the Inmarsat Revolving Credit Facility was undrawn and there were no amounts outstanding under standby letters of credit, leaving borrowing availability under the Inmarsat Revolving Credit Facility as of June 30, 2024 of $550.0 million.

On March 28, 2024, the Inmarsat Secured Credit Facilities were amended to (among other matters): (1) provide for the $1.3 billion New Term Loan Facility, the proceeds of which, together with cash on hand, were used to repay approximately $1.38 billion of the outstanding borrowings under the Original Term Loan Facility, resulting in $300.0 million in principal amount of borrowings remaining outstanding under the Original Term Loan Facility at the closing of the amendment, and (2) replace the prior $700.0 million revolving credit facility maturing in December 2024 with a new $550.0 million (undrawn) Inmarsat Revolving Credit Facility that matures in March 2027 or earlier and due on such date if more than $100.0 million of borrowings are outstanding 91 days prior to the maturity of either the Original Term Loan Facility or the Inmarsat 2026 Notes. The maturity date for the New Term Loan Facility is September 28, 2029. Borrowings under the New Term Loan Facility are required to be repaid in quarterly installments of $3.25 million each, beginning in the quarter ending June 30, 2024, followed by a final installment of $1.23 billion at maturity. As a result of the voluntary prepayments at the closing of the amendment, all quarterly amortization installments with respect to the Original Term Loan Facility have been reduced to $0, with the only remaining scheduled principal repayment being a final installment of $300.0 million at the maturity date on December 12, 2026.

Borrowings under the Inmarsat Secured Credit Facilities: (1) in the case of borrowings denominated in U.S. Dollars, bear interest, at Inmarsat's option, at either (i) the highest of (x) for the Original Term Loan Facility, the greater of the federal funds rate or the overnight banking fund rate for such day plus 0.50% and for the New Term Loan Facility, the federal funds rate plus 0.50%, (y) the forward-looking one-month term SOFR rate plus 1.00% or (z) the administrative agent's prime rate as announced from time to time, or (ii) the forward-looking term SOFR rate for the applicable interest period (subject to, in the case of the New Term Loan Facility, a floor of 0.50% per annum, in the case of the Inmarsat Revolving Credit Facility, a floor of 0.00% per annum and, in the case of the Original Term Loan Facility, a floor of 1.00% per annum), and (2) in the case of borrowings denominated in available currencies other than U.S. Dollars, bear interest based upon the applicable benchmark for such currencies (as described in the Inmarsat Secured Credit Facilities) plus, in all cases, an applicable margin. The applicable margin for the Original Term Loan Facility is 2.50% per annum for base rate loans and 3.50% per annum for SOFR loans. The applicable margin for the New Term Loan Facility is 3.50% per annum for base rate loans and 4.50% per annum for SOFR loans. The applicable margin for borrowings under the Inmarsat Revolving Credit Facility is based on Inmarsat’s total net leverage ratio and ranges between 1.50% and 2.25% per annum for base rate loans and 2.50% and 3.25% per annum for SOFR loans. As of June 30, 2024, the weighted average effective interest rate on the Company's outstanding borrowings under the Inmarsat Term Loan Facilities, including the impact of interest rate cap contracts (see Note 1 — Basis of Presentation – Derivatives for more information), was approximately 9.48%. The Inmarsat Secured Credit Facilities are 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 Facilities contain 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, financial covenants regarding Inmarsat’s total net leverage ratio and interest coverage ratio apply to the Inmarsat Revolving Credit Facility. The borrowers under the Inmarsat Secured Credit Facilities were in compliance with the financial covenants under the Inmarsat Secured Credit Facilities as of June 30, 2024.

Borrowings under the Inmarsat Term Loan Facilities are recorded as current portion of long-term debt and as other long-term debt, net of unamortized discount, unamortized fair value adjustment made in purchase accounting and debt issuance costs, in the Company’s condensed consolidated financial statements. The New Term Loan Facility was issued with an original issue discount of 2.00%.

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 $733.4 million unsecured bridge loan facility that was entered into in connection with the closing of the Inmarsat Acquisition on May 30, 2023. 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 commenced at the end of 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 June 30, 2024, 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 June 30, 2024, 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, 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 June 30, 2024, 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 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 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. In July 2024, subsequent to quarter end, the Company repurchased $50.5 million in aggregate principal amount of 2025 Notes in open market transactions. 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 June 30, 2024, 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. In July 2024, subsequent to quarter end, Inmarsat repurchased $101.7 million in aggregate principal amount of Inmarsat 2026 Notes in open market transactions. 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 Facilities, 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 Facilities.

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 8 — 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 months ended June 30, 2024 and 2023 of $16.8 million and $6.1 million, respectively. The Company received cash of $19.3 million and $5.9 million from Navarino UK and JSAT Mobile for the three months ended June 30, 2024 and 2023, respectively. Accounts receivable from Navarino UK and JSAT Mobile as of June 30, 2024 and March 31, 2024 was $9.6 million and $13.2 million, respectively.

Note 9 — 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 14 — Commitments to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended March 31, 2024 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 June 30, 2024, the DCMA had approved the Company's incurred costs through fiscal year 2022. The DCMA is currently auditing the Company's fiscal year 2023 incurred cost submission. The Company's cost accounting practices are examined for compliance with the applicable CAS. Although the Company has recorded contract revenues subsequent to fiscal year 2022 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 $7.4 million and $16.6 million as of June 30, 2024 and March 31, 2024, 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.

In September 2023, the Company settled certain pending litigation. Under the terms of the settlement and licensing agreement, the Company receives certain payments, which may vary based on sales of licensed products. In April 2024, the Company received a payment of approximately $41.7 million, which was recognized as product revenue for the three months ended June 30, 2024 in the Company’s defense and advanced technologies segment. The Company may from time to time receive additional licensing and royalty payments under the settlement and licensing agreement.

Note 10 — Income Taxes

For the three months ended June 30, 2024, the Company recorded an income tax provision of $1.2 million resulting in an effective tax rate of negative 5%. The effective tax rate for the period differed from the U.S. statutory rate primarily due to a U.S. valuation allowance and foreign tax rate differences.

For the three months ended June 30, 2023, the Company recorded an income tax benefit of an insignificant amount, resulting in effective tax rate of 1%. The effective tax rate for the period differed from the U.S. statutory rate primarily due to the benefit of federal R&D tax credits offset by expense for non-deductible transaction costs related to the Inmarsat Acquisition.

The Company's total valuation allowance decreased from $353.6 million at March 31, 2024 to $352.9 million at June 30, 2024 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 months ended June 30, 2024, the Company’s gross unrecognized tax benefits increased by an insignificant amount and interest and penalties decreased by $1.1 million. Of the total $186.4 million gross unrecognized tax benefits at June 30, 2024, $16.2 million would reduce the Company's annual effective tax rate if recognized based on the Company's valuation allowance position at June 30, 2024.

Note 11 — Segment Information

The Company reports its results in two separate segments consisting of communications services and defense and advanced technologies. 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. Due to the resegmentation that was implemented commencing with the first quarter of fiscal year 2025, prior period segment amounts have been recast to conform to the current segment presentation.

The Company’s reportable segments (communication services and defense and advanced technologies) have been determined based upon their market and economic characteristics while also giving consideration to the structure and management of various business lines. The reportable segments are primarily determined based upon industry categories and core competencies relating to product or service end market distribution, operations, and servicing and distinguished by the type of customer and, to a lesser extent, the related contractual requirements.

The Company’s communication services segment provides a wide range of broadband and narrowband communications solutions across government and commercial mobility markets, as well as for fixed and residential broadband customers. In addition, this segment includes the development and sale of a wide array of advanced satellite and wireless products, and networks and terminal solutions that support or enable the provision of fixed and mobile broadband and narrowband services.

The Company’s defense and advanced technologies segment develops and offers a diverse array of resilient, vertically integrated solutions to government and commercial customers, leveraging the Company’s technical competencies in encryption, cyber security, tactical gateway, modems and waveforms. The more regulated government environment for defense , encryption and other products is subject to unique contractual requirements and possesses economic characteristics that differ from the communication services segment.

Segment revenues and operating profits (losses) for the three months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended	
	June 30, 2024	June 30, 2023
	(In thousands)	
Revenues:		
Communication services		
Aviation services	$ 257,155	$ 151,112
Government satcom services	183,873	82,624
Maritime services	123,947	45,345
Fixed services and other services	201,636	214,692
Total services	766,611	493,773
Total products	60,176	66,487
Total communication services revenues	826,787	560,260
Defense and advanced technologies		
Total services	54,110	49,646
Information security and cyber defense products	55,507	56,676
Space and mission systems products	73,306	72,387
Tactical networking products	71,410	37,384
Advanced technologies and other products	45,340	3,438
Total products	245,563	169,885
Total defense and advanced technologies revenues	299,673	219,531
Elimination of intersegment revenues	—	—
Total revenues	$ 1,126,460	$ 779,791
Operating profits (losses):		
Communication services	$ 41,939	$ (9,943)
Defense and advanced technologies	84,011	(3,762)
Elimination of intersegment operating profits (losses)	—	—
Segment operating profit (loss) before corporate and amortization of acquired intangible assets	125,950	(13,705)
Corporate	—	—
Amortization of acquired intangible assets	(66,215)	(27,811)
Income (loss) from operations	$ 59,735	$ (41,516)

Assets identifiable to segments include accounts receivable, unbilled accounts receivable, inventory, acquired intangible assets and goodwill, which identification is consistent with the information provided to the Company's chief operating decision maker for purposes of evaluating segment performance or allocating resources. Segment assets as of June 30, 2024 and March 31, 2024 were as follows:

	As of June 30, 2024	As of March 31, 2024
	(In thousands)	
Segment assets:		
Communication services	$ 4,752,423	$ 4,819,535
Defense and advanced technologies	367,759	341,450
Total segment assets	5,120,182	5,160,985
Corporate assets	10,967,687	11,168,379
Total assets	$ 16,087,869	$ 16,329,364

Other acquired intangible assets, net and goodwill included in segment assets as of June 30, 2024 and March 31, 2024 were as follows:

	Other Acquired Intangible Assets, Net		Goodwill	
	As of June 30, 2024	As of March 31, 2024	As of June 30, 2024	As of March 31, 2024
	(In thousands)			
Communication services	$ 2,475,492	$ 2,544,315	$ 1,581,631	$ 1,581,937
Defense and advanced technologies	—	152	39,842	39,826
Total	$ 2,475,492	$ 2,544,467	$ 1,621,473	$ 1,621,763

Depreciation and amortization of intangible assets allocated to segments for the three months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended	
	June 30, 2024	June 30, 2023
	(In thousands)	
Communication services	$ 249,133	$ 134,783
Defense and advanced technologies	15,856	11,985
Corporate (1)	66,215	27,811
Total depreciation and amortization of intangible assets	$ 331,204	$ 174,579

(1) Corporate amounts include the amortization of acquired intangible assets as they are not considered part of management's evaluation of segment performance.

Revenues by geographic area for the three months ended June 30, 2024 and 2023 were as follows:

	Three Months Ended	
	June 30, 2024	June 30, 2023
	(In thousands)	
U.S. customers	$ 776,495	$ 593,162
Non-U.S. customers (each country individually insignificant)	349,965	186,629
Total revenues	$ 1,126,460	$ 779,791

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

Note 12 — Subsequent Events

In July 2024, subsequent to quarter end, the Company and Inmarsat repurchased $152.2 million in aggregate principal amount of the Company's and Inmarsat's outstanding notes in open market transactions, consisting of approximately $101.7 million of Inmarsat 2026 Notes and $50.5 million of 2025 Notes.

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 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 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 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: our ability to realize the anticipated benefits of any existing or future satellite; unexpected expenses related to our satellite projects; risks associated with the construction, launch and operation of satellites, including the effect of any anomaly, launch, operational or deployment failure or degradation in satellite performance; capacity constraints in our business in the lead-up to the commencement of service on new satellites; increasing levels of competition in our target markets; our ability to successfully implement our business plan on our anticipated timeline or at all; risks that the Inmarsat Acquisition (as defined below) disrupts current plans and operations or diverts management's attention from our business; 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); 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; 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, 2024 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 current and future customers worldwide. Our end-to-end multi-band platform of satellites, ground infrastructure and user terminals enables us to provide a wide array of cost-effective, high-quality broadband, narrowband and other connectivity solutions to aviation, maritime, enterprise, consumer, 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 and command and control products and services; satellite communication products and services across various frequency bands; and cybersecurity and information assurance products and services. 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.

In May 2024, certain organizational changes were made that impacted our internal reporting and reportable segments. Established during the first quarter of fiscal year 2025, we conduct our business through two reportable segments: communication services and defense and advanced technologies, which replaced our prior three reportable segments (see Note 11 — Segment Information to our condensed consolidated financial statements for additional information). This new segment reporting structure better reflects our strategy following the Inmarsat Acquisition, diverse global end markets, and certain organizational changes, that allow us to better assess the operational performance of and allocate resources to our multiple business lines. Viasat, Inc. (Viasat) was incorporated in California in 1986, and reincorporated as a Delaware corporation in 1996.

Inmarsat Acquisition

On May 30, 2023, we completed the acquisition of Connect Topco Limited, a private company limited by shares and incorporated in Guernsey (Inmarsat Holdings and, together with its subsidiaries, Inmarsat, and such acquisition, the Inmarsat Acquisition). The assets and results of operations of Inmarsat are included in our communication services segment for the period following the closing of the Inmarsat Acquisition on May 30, 2023.

Communication Services

Our communication services segment provides a wide range of broadband and narrowband communications solutions across government and commercial mobility markets, as well as for fixed and residential broadband customers. In addition, this segment includes the development and sale of a wide array of advanced satellite and wireless products and terminals that support or enable the provision of fixed and mobile broadband and narrowband 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 following are the primary business lines in our communication services segment:

- Aviation, which includes industry-leading IFC services and wireless in-flight entertainment (W-IFE) services for commercial aircraft and private jets, narrowband safety services, and complementary aviation software services (such as cockpit, data safety and surveillance). As of June 30, 2024, we had our IFC systems installed and in service on approximately 3,810 commercial aircraft of which approximately 60 were inactive at quarter end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,460 additional commercial aircraft will be put into service with our IFC systems under existing customer agreements with commercial airlines. However, due to the nature of commercial airline contracts and other factors such as OEM delays, there can be no assurance that anticipated IFC services will be activated on all such additional commercial aircraft.
- Government satcom, which includes various broadband and narrowband products and services for both fixed and mobile communications that provide military and government users with secure, high-speed, real-time broadband and multimedia connectivity in key regions of the world, as well as tactical line-of-sight and beyond-line-of-sight communications, Intelligence Surveillance and Reconnaissance (ISR) services and L-band Advanced Communications Element (LACE) terminals.
- Maritime, which includes high-quality, resilient satellite-based broadband and narrowband communications services around the globe to commercial shipping fleets, offshore service vessel operators and commercial fishing companies, as well as NexusWave, a fully managed multi-layer connectivity service for merchant shipping companies that we expect to launch later this year.
- Fixed services and other, which include high-speed, high-quality, reliable fixed broadband internet services to businesses and residential users (primarily in the United States as well as in various countries in Europe and Latin America), enterprise connectivity solutions, Internet-of-Things (IoT) and other narrowband services (such as L-band managed services that enable real-time machine-to-machine (M2M) position or high-value asset tracking), energy services, and prepaid internet services that provide innovative, affordable, satellite-based connectivity in communities that have little or no access to the internet. As of June 30, 2024, our U.S. fixed broadband business had approximately 257,000 subscribers with an average monthly revenue per user of $115.

Defense and Advanced Technologies

Our defense and advanced technologies segment provides a diverse array of resilient, vertically integrated solutions to government and commercial customers, leveraging our core technical competencies in encryption, cyber security, tactical gateways, modems and waveforms. The following are the primary business lines in our defense and advanced technologies segment:

- Information security and cyber defense, which comprise a variety of high-quality networking, cybersecurity and information assurance products and services that 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 and include our MOJO expeditionary tactical gateway family of products.
- Space and mission systems, which includes specialized design and technology services covering all aspects of satellite communication system architecture, networks and technology, including state-of-the-art government satellite communication systems, mobile and fixed broadband modems, ground and airborne terminals, antennas and gateways for terrestrial and satellite customer applications, Ka-band earth stations and other multi-band/multi-function antennas, as well as products designed for manpacks, aircraft, unmanned aerial vehicles, seagoing vessels, ground-mobile vehicles, space-based systems and fixed applications. Space and mission systems also includes the design and development of the architecture of high-capacity Ka-band GEO satellites and the associated satellite payload and antenna 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.
- Tactical networking, including the provision of resilient communications designed for on-the-move or on-the-pause operations in a multi-domain battlespace with friendly force tracking and narrowband solutions. Tactical networking includes the products and services offered by TrellisWare.
- Advanced technologies and other, which includes commercial communication satellite product development, orchestration of sovereign and multi-orbit solutions, products focused on emerging growth markets (such as direct-to-device) and intellectual property licensing revenues.

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, 2024.

Sources of Revenues

Our communication services segment revenues are primarily derived from aviation services (including IFC services), government satcom services, maritime services (including narrowband and safety of communication capabilities primarily acquired through the Inmarsat Acquisition), fixed broadband services, and energy services, as well as a wide array of advanced satellite and wireless products, networks and terminal solutions that support or enable the provision of fixed and mobile broadband and narrowband services.

Our defense and advanced technologies segment revenues are primarily derived from our information security and cyber defense, space and mission systems, tactical networking, and advanced technologies and other, products and services, which are provided to government and commercial customers.

Our revenues are primarily derived from two types of contracts: fixed-price and cost-reimbursement contracts. Fixed-price contracts (which require us to provide products and services under a contract at a specified price) comprised approximately 96% and 93% of our total revenues for the three months ended June 30, 2024 and 2023, respectively, a majority of which are reported in our communication services segment. The remainder of our revenues for such periods was derived primarily from 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), which contracts are mainly reported within our defense and advanced technologies segment.

Historically, a significant portion of our revenues has been derived from customer contracts that include the development of products, mainly reported within the defense and advanced technologies segment. 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 each of communication services and defense and advanced technologies 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. Taxes imposed by governmental authorities on our revenues, such as sales taxes and value added taxes, are excluded from net sales.

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 customers as part of the delivery of connectivity services represents a lease in accordance with the authoritative guidance for leases (Accounting Standards Codification (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 service arrangements 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 June 30, 2024 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 communication 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 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 months ended June 30, 2024 and 2023.

We account for our goodwill under the authoritative guidance for goodwill and other intangible assets (ASC 350). 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 assessment performed during the fourth quarter of fiscal year 2024, we concluded that it was more likely than not that the estimated fair value of each of our reporting units exceeded their related carrying value as of March 31, 2024.

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, the reversal of temporary differences, taxable income in prior carryback years (if permitted), and the availability of tax planning strategies. 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 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 for the periods indicated:

	Three Months Ended	
	June 30, 2024	June 30, 2023
Revenues:	100 %	100 %
Product revenues	27	30
Service revenues	73	70
Operating expenses:		
Cost of product revenues	17	25
Cost of service revenues	46	45
Selling, general and administrative	22	28
Independent research and development	3	4
Amortization of acquired intangible assets	6	4
Income (loss) from operations	5	(5)
Interest (expense) income, net	(7)	(5)
Income (loss) before income taxes	(2)	(10)
(Provision for) benefit from income taxes	—	—
Net income (loss)	(2)	(10)
Net income (loss) attributable to Viasat, Inc.	(3)	(10)

Three Months Ended June 30, 2024 vs. Three Months Ended June 30, 2023

Revenues

(In millions, except percentages)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Product revenues	$ 305.7	$ 236.4	$ 69.4	29 %
Service revenues	820.7	543.4	277.3	51 %
Total revenues	$ 1,126.5	$ 779.8	$ 346.7	44 %

Our total revenues grew by $346.7 million as a result of a $277.3 million increase in service revenues and a $69.4 million increase in product revenues, including a full quarter of contribution from the Inmarsat Acquisition compared to only one month of contribution in the prior year period. The service revenue increase was driven by increases of $272.8 million in our communication services segment and $4.5 million in our defense and advanced technologies segment. The increase in product revenue was driven primarily by a $75.7 million increase in our defense and advanced technologies segment, partially offset by a $6.3 million decrease in our communication services segment.

Cost of revenues

(In millions, except percentages)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Cost of product revenues	$ 194.2	$ 197.1	$ (2.9)	(1)%
Cost of service revenues	516.7	347.8	168.8	49 %
Total cost of revenues	$ 710.8	$ 544.9	$ 165.9	30 %

Cost of revenues increased by $165.9 million due to an increase of $168.8 million in cost of service revenues, partially offset by a $2.9 million decrease in cost of product revenues. The cost of service revenues increase was primarily due to increased service revenues in our communication services segment, causing a $177.5 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 within our communication services segment. The cost of product revenues decrease relative to product revenue growth was primarily due to the mix of our product revenues. In the current year period, we had a higher percent of intellectual property royalty and licensing revenues that had relatively low costs of product revenues (see Note 9 — Commitments and Contingencies to our condensed consolidated financial statements for more information).

Selling, general and administrative expenses

	Three Months Ended		Dollar	Percentage
(In millions, except percentages)	June 30, 2024	June 30, 2023	Increase (Decrease)	Increase (Decrease)
Selling, general and administrative	$ 251.1	$ 219.6	$ 31.5	14 %

The $31.5 million increase in selling, general and administrative (SG&A) expenses was driven primarily by an increase in support costs of $26.8 million, primarily reflected in our communication services segment. The increase in SG&A expenses was also driven by $4.7 million of higher selling costs, primarily reflected in our communication services segment. 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

	Three Months Ended		Dollar	Percentage
(In millions, except percentages)	June 30, 2024	June 30, 2023	Increase (Decrease)	Increase (Decrease)
Independent research and development	$ 38.6	$ 29.0	$ 9.6	33 %

The $9.6 million increase in independent research and development (IR&D) expenses was mainly the result of increases of $6.0 million in IR&D efforts in our communication services segment (primarily related to mobile broadband satellite communication systems for commercial airline platforms) and $3.6 million in our defense and advanced technologies segment (primarily related to tactical terrestrial networking products).

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 $38.4 million increase in amortization of acquired intangible assets in the first quarter of fiscal year 2025 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.

Interest income

The $3.6 million increase in interest income for the three months ended June 30, 2024 compared to the prior year period was primarily due to interest earned on cash acquired as part of the Inmarsat Acquisition.

Interest expense

The $49.8 million increase in interest expense for the three months ended June 30, 2024 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 June 30, 2024, we recorded an income tax provision of $1.2 million, resulting in an effective tax rate of negative 5%. The effective tax rate for the period differed from the U.S. statutory rate primarily due to a U.S. valuation allowance and foreign tax rate differences. For the three months ended June 30, 2023, we recorded an income tax benefit of an insignificant amount resulting in an effective tax rate of 1%. The effective tax rate for the period differed from the U.S. statutory rate due primarily to the benefit of federal R&D tax credits offset by expense for non-deductible transaction costs related to the Inmarsat Acquisition.

Segment Results for the Three Months Ended June 30, 2024 vs. Three Months Ended June 30, 2023

Communication services segment

Revenues

(In millions, except percentages)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 60.2	$ 66.5	$ (6.3)	(9)%
Segment service revenues	766.6	493.8	272.8	55%
Total segment revenues	$ 826.8	$ 560.3	$ 266.5	48%

Our communication services segment revenues increased by $266.5 million due to a $272.8 million increase in service revenues, partially offset by a $6.3 million decrease in product revenues. The increase in segment service revenues for the three months ended June 30, 2024 compared to the prior year period was primarily due to the Inmarsat Acquisition in May 2023. The Inmarsat Acquisition contributed approximately $298.6 million to the increase in service revenues in our communication services segment due to a full quarter of contribution compared to only one month in the prior period. The inclusion of a full quarter of contributions from Inmarsat and growth in aviation services was partially offset by an expected decrease in revenues from fixed services and other compared to the prior year period. We continue to allocate a greater proportion of our bandwidth to our IFC business in preference to our U.S. fixed services business due to bandwidth constraints. The decrease in segment product revenues was primarily driven by a $10.8 million decrease in aviation products, partially offset by a $3.2 million increase in fixed and other products driven by enterprise and energy.

Segment operating profit (loss)

(In millions, except percentages)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment operating profit (loss)	$ 41.9	$ (9.9)	$ 51.9	522%
Percentage of segment revenues	5%	(2)%		

The change in our communication services segment operating loss to an operating profit was primarily due to increased earnings contributions of $92.2 million, mainly due to an increase in revenues from the Inmarsat Acquisition in May 2023 and improved margins from aviation and government satcom as our aviation services continued to scale. The increase in earnings contributions was partially offset by higher SG&A costs of $34.3 million, primarily related to a full quarter of Inmarsat SG&A costs in the current year period compared to one month of SG&A costs in the prior year period, and higher IR&D costs of $6.0 million (primarily related to mobile broadband satellite communication systems for commercial airline platforms).

Defense and advanced technologies segment

Revenues

(In millions, except percentages)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Dollar Increase (Decrease)	Percentage Increase (Decrease)
Segment product revenues	$ 245.6	$ 169.9	$ 75.7	45%
Segment service revenues	54.1	49.6	4.5	9%
Total segment revenues	$ 299.7	$ 219.5	$ 80.1	37%

Our defense and advanced technologies segment revenues increased by $80.1 million due to a $75.7 million increase in product revenues and a $4.5 million increase in service revenues. The increase in product revenues was primarily the result of $41.7 million of contributions from certain licensing agreements in advanced technologies and other (see Note 9 — Commitments and Contingencies to our condensed consolidated financial statements for more information). The increase in product revenues was also driven by an increase in tactical networking products due to an increase of $37.3 million in tactical terrestrial networking products, partially offset by a decrease of $3.5 million in government satellite communication systems. The increase in service revenues was primarily driven by increases of $2.3 million in tactical terrestrial networking services and $2.1 million in space and mission systems.

Segment operating profit (loss)

	Three Months Ended		Dollar	Percentage
(In millions, except percentages)	June 30, 2024	June 30, 2023	Increase (Decrease)	Increase (Decrease)
Segment operating profit (loss)	$ 84.0	$ (3.8)	$ 87.8	2333 %
Percentage of segment revenues	28 %	(2)%		

The change in our defense and advanced technologies segment operating loss to an operating profit was primarily due to increased earnings contributions of $88.6 million driven by revenue flow through related to contributions from certain licensing agreements in advanced technologies and other (see Note 9 — Commitments and Contingencies to our condensed consolidated financial statements for more information) as well as earnings contributions from tactical terrestrial networking products in tactical networking. Additionally, the change to operating profit was impacted by lower SG&A costs of $2.8 million, partially offset by an increase in IR&D expenses of $3.6 million (primarily related to tactical terrestrial networking products).

Backlog

Our firm and funded backlog as of June 30, 2024 is reflected in the table below.

	As of June 30, 2024 (In millions)
Firm backlog	
Communication services	$ 2,927.8
Defense and advanced technologies	711.8
Total	$ 3,639.6
Funded backlog	
Communication services	$ 2,921.5
Defense and advanced technologies	581.3
Total	$ 3,502.8

The firm backlog does not include contract options. As of June 30, 2024, a little less than 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 communication 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 June 30, 2024, our IFC systems were installed and in service on approximately 3,810 commercial aircraft of which approximately 60 were inactive at quarter end (mostly due to standard aircraft maintenance). We anticipate that approximately 1,460 additional commercial aircraft will be put into service with our IFC systems under existing customer agreements with commercial airlines. Due to the nature of commercial airline contracts and other factors such as OEM delays, there can be no assurance that all anticipated purchase orders and requests will be placed or that anticipated IFC services will be activated on all such additional commercial aircraft.

Our total new awards which exclude future revenue under recurring consumer commitment arrangements were approximately $1.2 billion and $803.0 million for the three months ended June 30, 2024 and 2023, 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 June 30, 2024, we had $1.8 billion in cash and cash equivalents, $2.2 billion in working capital, no outstanding borrowings and borrowing availability of $588.3 million under our $647.5 million revolving credit facility (the Viasat Revolving Credit Facility), and no outstanding borrowings and borrowing availability of $550.0 million under Inmarsat's $550.0 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, 2024, we had $1.9 billion in cash and cash equivalents, $2.2 billion in working capital, no outstanding borrowings and borrowing availability of $591.5 million under the Viasat Revolving Credit Facility, and no outstanding borrowings and borrowing availability of $550.0 million under the Inmarsat 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 communication services and defense and advanced technologies 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, and the nature and timing of orders. In particular:

- The cash needs of our communication 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), IR&D expenditures, investments in joint ventures, strategic partnering arrangements and network expansion activities, investments to obtain Supplemental Type Certificates to enable the retrofit installation of our IFC and W-IFE equipment and investments in platforms and software to support services and entry into new markets, as well as the quality of customer, type of contract, mix of contracts in backlog and payment terms, and timing and amount of recoveries under satellite insurance claims.
- In our defense and advanced technologies 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), 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.

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 sale of Link-16 tactical data link business that was completed in January 2023 for approximately $1.96 billion in cash, as well as divestitures of non-core assets or businesses.

We may, from time to time, seek to retire, prepay or repurchase our outstanding debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material. In July 2024, subsequent to quarter end, we repurchased $152.2 million in aggregate principal amount of our outstanding notes in open market transactions, consisting of approximately $101.7 million of Inmarsat 2026 Notes and $50.5 million of 2025 Notes.

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 three months of fiscal year 2025 was $151.1 million compared to $103.7 million in the prior year period. This $47.4 million increase was driven by our operating results (net income (loss) adjusted for depreciation, amortization and other non-cash charges) which resulted in $252.9 million of higher cash provided by operating activities year-over-year, partially offset by a $205.5 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 three months of fiscal year 2025 when compared to the prior year period was primarily due to the timing of deferred revenue recognized under certain long-term contracts in our defense and advanced technologies segment and under certain long-term contracts acquired through the Inmarsat Acquisition in our communication services segment. Cash paid for income taxes, net, during the first three months of fiscal year 2025 and 2024 were $32.4 million and $3.8 million, respectively. Cash paid for interest (net of amounts capitalized) during the first three months of fiscal year 2025 and 2024 were $116.4 million and $11.5 million, respectively.

Cash used in investing activities for the first three months of fiscal year 2025 was approximately $221.5 million compared to $769.5 million in the prior year period. This $548.0 million decrease 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, $79.5 million of cash receipts related to satellite insurance claim proceeds received during the first quarter of fiscal year 2025, and a decrease in cash used for capital expenditures of approximately $73.9 million.

Cash used in financing activities for the first three months of fiscal year 2025 was approximately $22.5 million compared to cash provided by financing activities of $1.3 billion for the prior year period. Cash used in financing activities for the first three months of fiscal year 2025 was primarily comprised of debt repayments of approximately $19.5 million. Cash provided by financing activities in the first three months of fiscal year 2024 was primarily comprised of proceeds from debt borrowings of $1.3 billion in the first quarter of fiscal year 2024. See Note 7 — Senior Notes and Other Long-Term Debt for further information.

Satellite-related activities

Our complementary fleet of 21 in service or operational satellites spans the Ka-, L- and S- bands, with 11 Ka-band satellites, eight L-band satellites (three of which are contingency L-band satellites that are operational but not currently in service), an S-band satellite that supports the European Aviation Network to provide IFC services to commercial airlines in Europe, and an I-6 class hybrid Ka-/L-band satellite (the I-6 F1 satellite). Subsequent to the quarter end, in late July 2024, the ViaSat-3 F1 satellite completed in-orbit testing and was integrated into our existing satellite fleet covering the Americas. Furthermore, we have ten additional geostationary (GEO) and highly-elliptical earth orbit (HEO) satellites under development: two additional high-capacity Ka-band GEO satellites (ViaSat-3 F2 and ViaSat-3 F3), three additional adaptive Ka-band GEO satellites (GX 7, GX 8 and GX 9), two Ka-band HEO satellite payloads intended to provide polar coverage (GX 10a and GX 10b) and three Inmarsat-8 L-band GEO safety service satellites. Our deep satellite fleet enables us to provide a wide array of high-quality broadband and narrowband services with near global coverage (including strong oceanic coverage) 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).

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 14 — Commitments to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 31, 2024 for information regarding our future minimum payments under our satellite construction contracts and other satellite-related purchase commitments (including satellite performance incentive obligations) for the next five fiscal years and thereafter, as well as purchase commitments including satellite-related agreements under the contractual obligations table below.. 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 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 service in the fourth quarter of fiscal year 2018, this resulted in additional operating costs 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 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 services on future satellites, including our ViaSat-3 constellation, 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 communication 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 service on new satellites, such as the capacity constraints we experienced during fiscal years 2023 and 2024.

Long-term debt

As of June 30, 2024, the aggregate principal amount of our total outstanding indebtedness was $7.5 billion, which was comprised of (1) $700.0 million in aggregate principal amount of Viasat's 5.625% Senior Notes due 2025, $600.0 million in aggregate principal amount of Viasat's 5.625% Senior Secured Notes due 2027, $400.0 million in aggregate principal amount of Viasat's 6.500% Senior Notes due 2028, $733.4 million in aggregate principal amount of Viasat's 7.500% Senior Notes due 2031 (the 2031 Notes) and $2.08 billion in aggregate principal amount of Inmarsat's 6.750% Senior Secured Notes due 2026, (2) $686.0 million in principal amount of outstanding borrowings under Viasat's $700.0 million senior secured term loan facility (the 2022 Term Loan Facility), $612.1 million in principal amount of outstanding borrowings under Viasat's $616.7 million senior secured term loan facility (the 2023 Term Loan Facility), $1.6 billion in principal amount of outstanding borrowings under Inmarsat's $1.6 billion senior secured term loan facilities (the Inmarsat Term Loan Facilities), no outstanding borrowings under the Revolving Credit Facilities, and $29.5 million in principal amount of outstanding borrowings under Viasat's direct loan facility with the Export-Import Bank of the United States (the Ex-Im Credit Facility), and (3) $23.7 million of finance lease obligations. For information regarding our outstanding indebtedness, refer to Note 7 — 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, 2024, 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 June 30, 2024:

(In thousands, including interest where applicable)	Next 12 months	Thereafter
Operating leases	$ 118,653	$ 842,282
Senior notes and other long-term debt (1) (2)	635,696	9,234,699
Purchase commitments including satellite-related agreements	1,107,124	1,050,159
Total	$ 1,861,473	$ 11,127,140

(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 June 30, 2024 until the applicable maturity date, net of interest rate cap contracts (maturing in February 2025) set up to hedge the variable

interest rates under the Inmarsat Term Loan Facilities. The interest rate cap contracts provide protection from Compound SOFR rates over 2% and covered the total nominal amount of the Inmarsat Term Loan Facilities of $1.6 billion.

(2) In July 2024, subsequent to quarter end, in an open market transaction, we repurchased $152.2 million in aggregate principal amount of our outstanding notes in open market transactions, consisting of approximately $101.7 million of Inmarsat 2026 Notes and $50.5 million of 2025 Notes (see Note 12 — Subsequent Events to our condensed consolidated financial statements for additional information).

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 $2.4 billion and $2.5 billion of “other liabilities” as of June 30, 2024 and March 31, 2024, 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 June 30, 2024 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, 2024.

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, accounts receivable, accounts payable and short-term and long-term obligations (including Viasat's and Inmarsat's senior secured credit facilities (collectively, the Credit Facilities) and our senior unsecured and senior secured notes (collectively, 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. 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 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 June 30, 2024, the effective interest rate on our outstanding borrowings under the 2022 Term Loan Facility was 10.38%, and under the 2023 Term Loan Facility was 10.92%. As of June 30, 2024, the weighted average effective interest rate under the Inmarsat Term Loan Facilities was approximately 9.48%. As of June 30, 2024, the effective interest rate that would have been applied to any new SOFR-based borrowings under the Viasat Revolving Credit Facility was approximately 7.64%, and under the Inmarsat Revolving Credit Facility was approximately 8.33%. As of June 30, 2024, 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 Facilities remained constant over a year and we continued to have no outstanding borrowings under the Revolving Credit Facilities, a 10% 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 Facilities, by approximately $18.1 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 Facilities. The interest rate cap contracts provide protection from Compound SOFR rates over 2% and covered the total nominal amount of the Inmarsat Term Loan Facilities of $1.6 billion. As of June 30, 2024, 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 $10.8 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 and $5.5 million for the three months ended June 30, 2024 and 2023, 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.

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 June 30, 2024, 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 June 30, 2024.

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, 2024.

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, 2024, 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, 2024 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

On June 1, 2024, John Stenbit, a member of our board of directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) for the sale of up to 5,000 shares of our common stock (to be acquired upon the exercise of options if certain price thresholds are met) from August 31, 2024 until September 5, 2024.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.1**	Viasat, Inc. 1996 Equity Participation Plan Performance-based Restricted Stock Unit Award Agreement — Financial Performance					X
10.2**	Viasat, Inc. 1996 Equity Participation Plan Performance-based Restricted Stock Unit Award Agreement — Relative Total Shareholder Return					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.

August 9, 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 10.1

VIASAT, INC.
1996 EQUITY PARTICIPATION PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT –
FINANCIAL PERFORMANCE

Grant Date:

Target Number of PSUs: _______ Performance-Based Restricted Stock Units (“***PSUs***”)

Maximum Number of PSUs: _______ PSUs

Name:

Signature:

ACCEPTANCE OF PSU AWARD:

By signing where indicated above, you agree to be bound by the terms and conditions of this Performance-Based Restricted Stock Unit 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 PSUs 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.

TERMS AND CONDITIONS OF PSU AWARD:

1. Grant. Effective on the Grant Date, you have been granted the number of PSUs indicated above providing you the right to receive Common Stock of Viasat, Inc., a Delaware corporation (the "***Company***"), in accordance with the provisions of this Agreement and the provisions of the Plan.

2. Forfeiture Upon Termination. Except as provided in the Vesting Schedule (as defined below), until vested, the PSUs will be subject to forfeiture in the event of the termination of your employment or service with the Company and all of its Subsidiaries for any reason, whether such termination is occasioned by you, by the Company or any of its Subsidiaries, with or without cause or by mutual agreement ("***Termination of Employment***").

3. Transferability. Until vested and issued upon settlement, neither the PSUs nor any right or interest therein is transferable by you except by will or the laws of descent and distribution. Until Common Stock is issued upon settlement of the PSUs, you will not be deemed for any purpose to be, or have rights as, a Company shareholder by virtue of this award. You are not entitled to vote any shares of Common Stock by virtue of this award unless and until such shares of Common Stock have been issued to you upon settlement of the PSUs.

4. Vesting. The PSUs will vest in accordance with the "Vesting Schedule" attached hereto as Exhibit A.

5. Payment. Within ten days following the vesting of the PSUs in accordance with the Vesting Schedule, you will be issued shares of Common Stock equal to the number of vested PSUs in settlement of the PSUs (subject to the withholding requirements described in Section 6 below, as applicable).

6. Withholding.

(a) 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 PSUs and/or receipt of the shares of Common Stock upon settlement of the PSUs. At any time not less than five business days before any such tax withholding obligation arises, you may satisfy your tax obligation, in whole or in part, by either: (i) electing to have the Company withhold from your salary or other cash compensation payable to you or shares of Common Stock otherwise to be delivered upon settlement of the PSUs with a Fair Market Value equal to the minimum amount of the tax withholding obligation, or (ii) paying the amount of the tax withholding obligation directly to the Company in cash. **Unless you choose to satisfy your tax withholding obligation in accordance with subsection (ii) above, your tax withholding obligation will be automatically satisfied in accordance with subsection (i) above. The Committee or the Board will have the right to disapprove an election to pay your tax withholding obligation under subsection (ii) in its sole discretion.**

(b) **In the event your tax withholding obligation will be satisfied under subsection (i) of Section 6(a) above, then the Company, upon approval of the Committee or the Board, may elect (in lieu of withholding shares) to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on your behalf (pursuant to this authorization) a whole number of shares from those shares of Common Stock issuable to you upon settlement of the PSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy your tax withholding obligation. Your acceptance of this PSU award constitutes your instruction and authorization to the Company and such brokerage firm to complete the transactions described in the previous sentence, as applicable**. Such shares will be sold on the day the tax withholding obligation arises or as soon thereafter as practicable. The shares may be sold as part of a block trade with other participants of the Plan in which all participants receive an average price. You will be responsible for all broker's fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent permissible under Section 409A of the Code, and to the extent the proceeds of such sale exceed your tax withholding obligation, the Company agrees to pay such excess in cash to you as soon as practicable. You acknowledge that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy your tax withholding obligation.

(c) The Company may refuse to issue any Common Stock in settlement of your PSUs 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 the PSUs or from salary payable to you, shares or cash having a value sufficient to satisfy your tax withholding obligation.

7. No Effect on Employment. Nothing in the Plan or this Agreement will 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.

8. Plan Governs. This PSU 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 PSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive an award of PSUs or benefits in lieu of PSUs in the future. Future awards of PSUs, 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 will have the meaning set forth in the Plan, unless otherwise defined herein.

9. Amendment. The Committee may amend, terminate or revoke this Agreement in any respect to the extent determined necessary or desirable by the Committee in its discretion to comply with the requirements of Section 409A of the Code and the Treasury Regulations or other guidance issued thereunder. You expressly understand and agree that no additional consent from you will be required in connection with such amendment, termination or revocation.

10. Section 409A. To the extent applicable, this Agreement and the PSUs will be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. This PSU award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder under the "short-term deferral" exception set forth in Treasury Regulation Section 1.409A-1(b)(4) (and, accordingly, the shares of Common Stock issuable hereunder shall be distributed to you within the time period required under such "short-term deferral" exception). For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), each payment that you may be eligible to receive under this Agreement will be treated as a separate and distinct payment.

11. Governing Law and Venue.

(a) The PSU 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.

12. 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.

13. 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 will nevertheless be binding and enforceable.

14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the PSUs 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.

15. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement will 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.

EXHIBIT A: VESTING SCHEDULE OF PSU AWARD

Capitalized terms used in this Exhibit A and not defined in Section 4 below will have the meanings given them in the Agreement to which this Exhibit A is attached.

1. Performance Vesting. Subject to Section 2 below, such number of PSUs will be considered "***Vesting Eligible PSUs***" based on the Company's CapEx, Free Cash Flow and Revenue performance for the Performance Period as determined under Section 1(a) below. Subject to Section 2 below, the Vesting Eligible PSUs will be eligible to vest as provided in Section 1(b), subject to your continued employment or service with the Company or a Subsidiary through the applicable "***Vesting Date***."

(a) Determination of Vesting Eligible Shares.

(i) Measurement Date Occurs On March 31, [insert grant year + 1]. In the event the Measurement Date is March 31, [insert grant year + 1], such number of PSUs will become "***Vesting Eligible PSUs***" on the Certification Date as is equal to the sum of the following:

A. A number of PSUs determined by multiplying (i) the "Target Number of PSUs" subject to this Agreement, by (ii) thirty-three and one-third percent (33 1/3%), by (iii) the CapEx Performance Multiplier determined as of the Measurement Date (rounded to the nearest whole share); plus

B. A number of PSUs determined by multiplying (i) the "Target Number of PSUs" subject to this Agreement, by (ii) thirty-three and one-third percent (33 1/3%), by (iii) the Free Cash Flow Performance Multiplier determined as of the Measurement Date (rounded to the nearest whole share); plus

C. A number of PSUs determined by multiplying (i) the "Target Number of PSUs" subject to this Agreement, by (ii) thirty-three and one-third percent (33 1/3%), by (iii) the Revenue Performance Multiplier determined as of the Measurement Date (rounded to the nearest whole share).

(ii) Measurement Date Occurs As a Result of Change in Control. Notwithstanding Section 1(a)(i) above, in the event of a Change in Control prior to March 31, [insert grant year + 1], such number of PSUs will become "***Vesting Eligible PSUs***" on the date of such Change in Control as is equal to (A) the "Target Number of PSUs" subject to this Agreement, multiplied by (B) the greater of (1) one hundred percent (100%) or (2) the number of Vesting Eligible PSUs determined as of the date of the Change in Control in accordance with Section 1(a)(i) above as of the Measurement Date based on the Company's CapEx, Free Cash Flow and Revenue performance for the Performance Period through the date of such Change in Control (with the performance goals for each of CapEx, Free Cash Flow and Revenue prorated to reflect the portion of the Performance Period that has elapsed prior to the date of such Change in Control and achievement measured against such prorated goals), as determined by the Committee and certified prior to such Change in Control. Subject to Section 2 below, the "***Vesting Eligible PSUs***" will remain eligible to vest following such Change in Control in three substantially equal installments on the Vesting Dates pursuant to Section 1(b), subject to your continued employment or service with the Company or a Subsidiary (or any successor thereof) through each such date.

(b) Time-Vesting. The Vesting Eligible PSUs determined under Section 1(a) will vest in three substantially equal installments on each of the first three anniversaries of the Grant Date (each a "***Vesting Date***"), subject to your continued employment or service with the Company or a Subsidiary through each such date.

2. Effect of Termination of Employment.

(a) Effect of Termination Due to Death or Permanent Disability.

(i) In the event of your Termination of Employment as a result of your death or Permanent Disability prior to March 31, [insert grant year + 1] and prior to a Change in Control, you will remain eligible to vest in the Vesting Eligible PSUs (as determined pursuant to Section 1) on the Certification Date.

(ii) In the event of your Termination of Employment as a result of your death or Permanent Disability on or after the Measurement Date but prior to the final Vesting Date, you will vest in the remaining unvested Vesting Eligible PSUs on the date of your Termination of Employment (or, if later, the Certification Date).

(c) Effect of Other Terminations.

(i) In the event of your Termination of Employment for any reason other than your death or Permanent Disability prior to March 31, [insert grant year + 1] and prior to a Change in Control, any unvested PSUs will be forfeited; *provided*, *however*, that the PSUs will be subject to any time-based accelerated vesting as may be provided in any employment or severance agreement between you and the Company, and in the event any such time-based accelerated vesting applies, you will remain eligible to vest on the Certification Date in such portion of the Vesting Eligible PSUs (as determined pursuant to Section 1) as would have otherwise vested on the Vesting Date(s) under Section 1(b) during any time period covered by such time-based accelerated vesting had you remained in continuous employment or service during such time period.

(ii) In the event of your Termination of Employment for any reason other than your death or Permanent Disability on or after the Measurement Date but prior to the final Vesting Date, any unvested PSUs will be forfeited; *provided*, *however*, that the Vesting Eligible PSUs will be subject to any time-based accelerated vesting as may be provided in any employment or severance agreement between you and the Company (and any such unvested Vesting Eligible PSUs that vest on an accelerated basis will vest on the date of your Termination of Employment (or, if later, the Certification Date)).

(iii)Notwithstanding 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" (each as defined in any such agreement), such accelerated vesting will 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, 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 will 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. Forfeiture. Subject to Section 2 above, any portion of this PSU award that does not vest (or remain eligible to vest) as a result of your Termination of Employment or as a result of less than the "Maximum Number of PSUs" subject to this award becoming Vesting Eligible PSUs on the Certification Date will automatically and without further action be cancelled and forfeited by you on the date of your Termination of Employment or the Certification Date, as applicable, and you will have no further right or interest in or with respect to such portion of this PSU award. In no event will more than the "Maximum

Number of PSUs" subject to this award vest and become exercisable pursuant to this Exhibit A.

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

(a) "***CapEx*** is defined as capital expenditure as reported in the Company's year-end financial statements, excluding material effect of currency fluctuations, including the effect of acquisitions and divestitures, other material non-recurring events, or material changes in GAAP.

(b) The "***CapEx Performance Multiplier***" means, for the Performance Period, the performance multiplier determined pursuant to the chart below based on the Company's CapEx for the Performance Period. If the Company achieves CapEx that falls between the foregoing levels, the CapEx Performance Multiplier will be determined by linear interpolation between the applicable levels.

CapEx for the Performance Period (millions)	**CapEx Performance Multiplier**
At or below $[____]	175%
$[____]	100%
$[____]	50%
At or above $[____]	0%

(c) "***Certification Date***" means the date on which the Committee certifies the CapEx Performance Multiplier, the Revenue Performance Multiplier and the Free Cash Flow Multiplier for the Performance Period, which certification will occur within sixty days following the Measurement Date; *provided*, *however*, that in the event the Measurement Date is the date of a Change in Control, the Certification Date will be the date of such Change in Control.

(d) "***Change in Control***" means and includes each of the following occurring on or after the Grant Date:

(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 transaction 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(c)(iii)(B) as beneficially owning 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.

(e) "***Free Cash Flow***" means the Company's free cash flow as reported in the Company's annual financial statements for the year-end financial statements, excluding material effect of currency fluctuations, including the effect of acquisitions and divestitures, or material changes in GAAP or taxes, financing activities, ViaSat-3 insurance claims, or other material nonrecurring events based on the actual results.

(f) The "***Free Cash Flow Performance Multiplier***" means, for the Performance Period, the performance multiplier determined pursuant to the chart below based on the Company's Free Cash Flow for the Performance Period. If the Company achieves Free Cash Flow that falls between the foregoing levels, the Free Cash Flow Performance Multiplier will be determined by linear interpolation between the applicable levels.

Free Cash Flow for the Performance Period (millions)	**Free Cash Flow Performance Multiplier**
At or above $[____]	175%
$[____]	100%
$[____]	50%
At or below $[____]	0%

(g) "***Measurement Date***" means the first to occur of (a) March 31, [insert grant year + 1], or (b) the date on which a Change in Control occurs.

(h) "***Performance Period***" means the period beginning on April 1, [insert grant year] and ending on the Measurement Date.

(i) "***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.

(j) "***Revenue***" means the Company's revenue recorded on the year-end financial statements, excluding material effect of currency fluctuations, including the effect of acquisitions and divestitures, or other material non-recurring events, including material changes in GAAP.

(k) The "***Revenue Performance Multiplier***" means, for the Performance Period, the performance multiplier determined pursuant to the chart below based on the Company's Revenue for the Performance Period. If the Company achieves Revenue that falls between the foregoing levels, the Revenue Performance Multiplier will be determined by linear interpolation between the applicable levels.

Revenue for the Performance Period (millions)	**Revenue Performance Multiplier**
At or above $[____]	175%
$[____]	100%
$[____]	50%
At or below $[____]	0%

Exhibit 10.2

VIASAT, INC.
1996 EQUITY PARTICIPATION PLAN
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT –
RELATIVE TOTAL SHAREHOLDER RETURN

Grant Date:

Target Number of PSUs: _______ Performance-Based Restricted Stock Units ("***PSUs***")

Maximum Number of PSUs: _______ PSUs

Name:

Signature:

ACCEPTANCE OF PSU AWARD:

By signing where indicated above, you agree to be bound by the terms and conditions of this Performance-Based Restricted Stock Unit 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 PSUs 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.

TERMS AND CONDITIONS OF PSU AWARD:

1. Grant. Effective on the Grant Date, you have been granted the number of PSUs indicated above providing you the right to receive Common Stock of Viasat, Inc., a Delaware corporation (the "***Company***"), in accordance with the provisions of this Agreement and the provisions of the Plan.

2. Forfeiture Upon Termination. Except as provided in the Vesting Schedule (as defined below), until vested, the PSUs will be subject to forfeiture in the event of the termination of your employment or service with the Company and all of its Subsidiaries for any reason, whether such termination is occasioned by you, by the Company or any of its Subsidiaries, with or without cause or by mutual agreement ("***Termination of Employment***").

3. Transferability. Until vested and issued upon settlement, neither the PSUs nor any right or interest therein is transferable by you except by will or the laws of descent and distribution. Until Common Stock is issued upon settlement of the PSUs, you will not be deemed for any purpose to be, or have rights as, a Company shareholder by virtue of this award. You are not entitled to vote any shares of Common Stock by virtue of this award unless and until such shares of Common Stock have been issued to you upon settlement of the PSUs.

4. Vesting. The PSUs will vest in accordance with the "Vesting Schedule" attached hereto as Exhibit A.

5. Payment. You will be issued shares of Common Stock equal to the number of vested PSUs in settlement of the PSUs (subject to the withholding requirements described in Section 6 below, as applicable) (a) if the Measurement Date occurs on May 31, [insert grant year + 3], within ten days following the Certification Date, or (b) if the Measurement Date occurs as a result of a Change in Control, within ten days following the vesting of the PSUs in accordance with the Vesting Schedule.

6. Withholding.

(a) 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 PSUs and/or receipt of the shares of Common Stock upon settlement of the PSUs. At any time not less than five business days before any such tax withholding obligation arises, you may satisfy your tax obligation, in whole or in part, by either: (i) electing to have the Company withhold from your salary or other cash compensation payable to you or shares of Common Stock otherwise to be delivered upon settlement of the PSUs with a Fair Market Value equal to the minimum amount of the tax withholding obligation, or (ii) paying the amount of the tax withholding obligation directly to the Company in cash. **Unless you choose to satisfy your tax withholding obligation in accordance with subsection (ii) above, your tax withholding obligation will be automatically satisfied in accordance with subsection (i) above. The Committee or the Board will have the right to disapprove an election to pay your tax withholding obligation under subsection (ii) in its sole discretion.**

(b) **In the event your tax withholding obligation will be satisfied under subsection (i) of Section 6(a) above, then the Company, upon approval of the Committee or the Board, may elect (in lieu of withholding shares) to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on your behalf (pursuant to this authorization) a whole number of shares from those shares of Common Stock issuable to you upon settlement of the PSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy your tax withholding obligation. Your acceptance of this PSU award constitutes your instruction and authorization to the Company and such brokerage firm to complete the transactions described in the previous sentence, as applicable**. Such shares will be sold on the day the tax withholding obligation arises or as soon thereafter as practicable. The shares may be sold as part of a block trade with other participants of the Plan in which all participants receive an average price. You will be responsible for all broker's fees and other costs of sale, and you agree to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent permissible under Section 409A of the Code, and to the extent the proceeds of such sale exceed your tax withholding obligation, the Company agrees to pay such excess in cash to you as soon as practicable. You acknowledge that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy your tax withholding obligation.

(c) The Company may refuse to issue any Common Stock in settlement of your PSUs 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 the PSUs or from salary payable to you, shares or cash having a value sufficient to satisfy your tax withholding obligation.

7. No Effect on Employment. Nothing in the Plan or this Agreement will 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.

8. Plan Governs. This PSU 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 PSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive an award of PSUs or benefits in lieu of PSUs in the future. Future awards of PSUs, 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 will have the meaning set forth in the Plan, unless otherwise defined herein.

9. Amendment. The Committee may amend, terminate or revoke this Agreement in any respect to the extent determined necessary or desirable by the Committee in its discretion to comply with the requirements of Section 409A of the Code and the Treasury Regulations or other guidance issued thereunder. You expressly understand and agree that no additional consent from you will be required in connection with such amendment, termination or revocation.

10. Section 409A. To the extent applicable, this Agreement and the PSUs will be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. This PSU award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder under the "short-term deferral" exception set forth in Treasury Regulation Section 1.409A-1(b)(4) (and, accordingly, the shares of Common Stock issuable hereunder shall be distributed to you within the time period required under such "short-term deferral" exception). For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), each payment that you may be eligible to receive under this Agreement will be treated as a separate and distinct payment.

11. Governing Law and Venue.

(a) The PSU 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.

12. 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.

13. 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 will nevertheless be binding and enforceable.

14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the PSUs 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.

15. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement will 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.

EXHIBIT A: VESTING SCHEDULE OF PSU AWARD

Capitalized terms used in this Exhibit A and not defined in Section 4 below will have the meanings given them in the Agreement to which this Exhibit A is attached.

1. Performance Vesting. Subject to Section 2 below, you will be eligible to vest in the PSUs based on the Company's Relative TSR Ranking for the Performance Period as follows:

(a) Measurement Date Occurs On May 31, [insert grant year + 3]. In the event the Measurement Date is May 31, [insert grant year + 3], you will vest in such number of PSUs on the Certification Date as is determined by multiplying (i) the "Target Number of PSUs" subject to this Agreement, by (ii) the TSR Performance Multiplier determined as of the Measurement Date (rounded to the nearest whole share), subject to your continued employment or service with the Company or a Subsidiary through the Measurement Date.

(b) Measurement Date Occurs As a Result of Change in Control.

(i) Notwithstanding Section 1(a) above, in the event of a Change in Control prior to May 31, [insert grant year + 3], such number of PSUs will become "***Vesting Eligible PSUs***" on the date of such Change in Control as is determined by multiplying (A) the "Target Number of PSUs" subject to this Agreement, multiplied by (B) the greater of (1) one hundred percent (100%) or (2) the TSR Performance Multiplier as of the Measurement Date, as determined by the Committee prior to such Change in Control. Subject to Section 2 below, the "Vesting Eligible PSUs" will remain eligible to vest following such Change in Control on May 31, [insert grant year + 3], subject to your continued employment or service with the Company or a Subsidiary (or any successor thereof) through such date.

(ii) In the event of a Change in Control on or after May 31, [insert grant year + 3], if the Certification Date has not yet occurred prior to the date of such Change in Control, such number of PSUs will vest as of the date of the Change in Control as is determined by multiplying equal to (A) the "Target Number of PSUs" subject to this Agreement, multiplied by (B) the TSR Performance Multiplier as of the Measurement Date.

2. Effect of Termination of Employment.

(a) Effect of Termination Due to Death or Permanent Disability.

(i) In the event of your Termination of Employment as a result of your death or Permanent Disability prior to May 31, [insert grant year + 3] and prior to a Change in Control, you will remain eligible to vest on the Certification Date in such portion of the PSUs as are determined to vest on the Certification Date based on the Company's Relative TSR Ranking for the Performance Period.

(ii) In the event of your Termination of Employment as a result of your death or Permanent Disability on or after the date of a Change in Control but prior to May 31, [insert grant year + 3], you will vest in the remaining Vesting Eligible PSUs on the date of your Termination of Employment.

(b) Effect of Other Terminations.

(i) In the event of your Termination of Employment for any reason other than your death or Permanent Disability prior to May 31, [insert grant year + 3] and prior to a Change in Control, any unvested PSUs will be forfeited; *provided*, *however*, that the PSUs will be subject to any time-based accelerated vesting as may be provided in any employment or severance agreement between you and the Company, and in the event any such accelerated vesting applies and the Measurement Date would otherwise occur under Section 1(a) during the period covered by such time-based accelerated vesting, you will remain eligible to vest on the Certification Date in such portion of the PSUs as are determined to vest on the Certification Date based on the Company's Relative TSR Ranking for the Performance Period.

(ii) In the event of your Termination of Employment for any reason other than your death or Permanent Disability on or after the date of a Change in Control but prior to May 31, [insert grant year + 3], any unvested PSUs will be forfeited; *provided*, *however*, that the Vesting Eligible PSUs will be subject to any time-based accelerated vesting as may be provided in any employment or severance agreement between you and the Company (and any such unvested Vesting Eligible PSUs that vest on an accelerated basis will vest on the date of your Termination of Employment).

(i) Notwithstanding 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" (each as defined in any such agreement), such accelerated vesting will 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, 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 will 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. Forfeiture. Subject to Section 2 above, any portion of this PSU award that does not vest (or remain eligible to vest) as a result of your Termination of Employment or as a result of less than the "Maximum Number of PSUs" subject to this award vesting (or remaining eligible to vest) by reason of the TSR Performance Multiplier being less than 175% will automatically and without further action be cancelled and forfeited by you on the date of your Termination of Employment or the Certification Date, as applicable, and you will have no further right or interest in or with respect to such portion of this PSU award. In no event will more than the "Maximum Number of PSUs" subject to this award vest pursuant to this Exhibit A.

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

(a) "***Beginning Market Value***" means, for each of the Company and the Peer Companies for the Performance Period, the average of the closing price per share of the company's stock for the twenty consecutive trading days beginning with and including the first day of the Performance Period (or, if the first day of the Performance Period is not a trading day, the immediately preceding trading day) as published in *The Wall Street Journal* or such other authoritative source as the Committee may determine.

(b) "***Certification Date***" means the date on which the Committee certifies the TSR Performance Multiplier, which certification will occur no later than thirty days following the Measurement Date; *provided*, *however*, that in the event the Measurement Date is the date of a Change in Control, the Certification Date will be the date of such Change in Control (or, if such date is not a trading day, the immediately preceding trading day).

(c) "***Change in Control***" means and includes each of the following occurring on or after the Grant Date:

(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 transaction 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(c)(iii)(B) as beneficially owning 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.

(d) "***Ending Market Value***" means, for each of the Company and the Peer Companies for the Performance Period, (i) in the event the Measurement Date is May 31, [insert grant year + 3], the average of the closing price per share of the company's stock for the last twenty consecutive trading days ending with and including the Measurement Date, or (ii) in the event the Measurement Date is the date of a Change in Control, the closing price per share of the company's stock on the Measurement Date (or if the Measurement Date is not a trading day, the immediately preceding trading day) as published in *The Wall Street Journal* or such other authoritative source as the Committee may determine.

(e) "***Measurement Date***" means the first to occur of (a) May 31, [insert grant year +

3], or (b) the date on which a Change in Control occurs (or, in each case, if such date is not a trading day, the immediately preceding trading day).

(f) "***Peer Companies***" means those companies included in the Russell 3000 Index on the first day of the Performance Period (or if the first day of the Performance Period is not a trading day, the immediately preceding trading day) and which remain publicly-traded and listed on a national securities exchange through the last day of the Performance Period (or if the last day of the Performance Period is not a trading day, the immediately preceding trading day).

(g) "***Performance Period***" means the period beginning on June 1, [insert grant year] and ending on the Measurement Date.

(h) **"*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.

(i) "***Relative TSR Ranking***" means the Company's TSR relative to the TSRs of the Peer Companies. The Company's Relative TSR Ranking will be determined by ranking the Company and the Peer Companies from highest to lowest according to their respective TSRs. After this ranking, the percentile performance of the Company relative to the Peer Companies will be determined as follows:

$$P = 1 – ((R-1)/(N-1))$$

Where: "P" represents the Company's percentile performance, which will be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

"N" represents the number of Peer Companies.

"R" represents the Company's ranking among the Peer Companies.

(j) "***TSR***" means, with respect to the Performance Period, the total value delivered to stockholders of the Company (or of a Peer Company, as applicable), as measured by the change in the price of the Common Stock of the Company (or common stock of a Peer Company, as applicable) over the Performance Period (positive or negative) from the Beginning Market Value for the Performance Period to the Ending Market Value for such Performance Period, plus dividends paid over the Performance Period assuming dividends are reinvested based on the price of the Common Stock of the Company (or common stock of a Peer Company, as applicable) on the last trading day of the month during which the ex-dividend date occurs.

(k) The "***TSR Performance Multiplier***" means, for the Performance Period, the performance multiplier determined pursuant to the chart below based on the Company's Relative TSR Ranking. If the Company achieves a Relative TSR Ranking that falls between the foregoing levels, the Performance Multiplier will be determined by linear interpolation between the applicable levels.

Relative TSR Ranking Relative to the Russell 3000 for the Performance Period	**TSR Performance Multiplier**
At or above the 90th Percentile	175%
At the 50th Percentile	100%
At or Below the 25th Percentile	0%

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: August 9, 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: August 9, 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 June 30, 2024 (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: August 9, 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 June 30, 2024 (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: August 9, 2024

/s/ SHAWN DUFFY
Shawn Duffy
Chief Financial Officer