

ViaSat, Inc.

FY14 Q3 Results

February 11, 2014

Safe Harbor Disclosure

Forward-Looking Statements

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

GAAP Reconciliation

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

Topics

- FY14 Q3 Highlights
- Financial Summary
- Segment Results
- Outlook & Summary
- Q & A

FY14 Q3 Highlights

- ***Strength across the company***

Strong financial performance

- Q3 and YTD revenue up 16% & 24%
- Q3 and YTD Adjusted EBITDA up 17% & 34%
- \$327m Q3 orders up 23% YoY

- ***Expanding Exede services***

Exede on the ground and in the air

- 620,000 Exede consumer subscribers
- Improvements in consumer unit economics
- Exede-in-the-Air officially launches to strong accolades

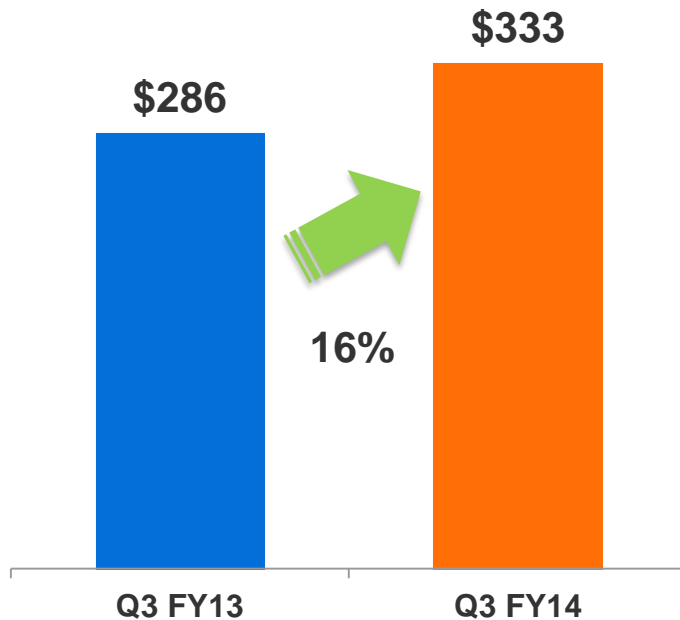
- ***Investments for growth***

Investment highlights

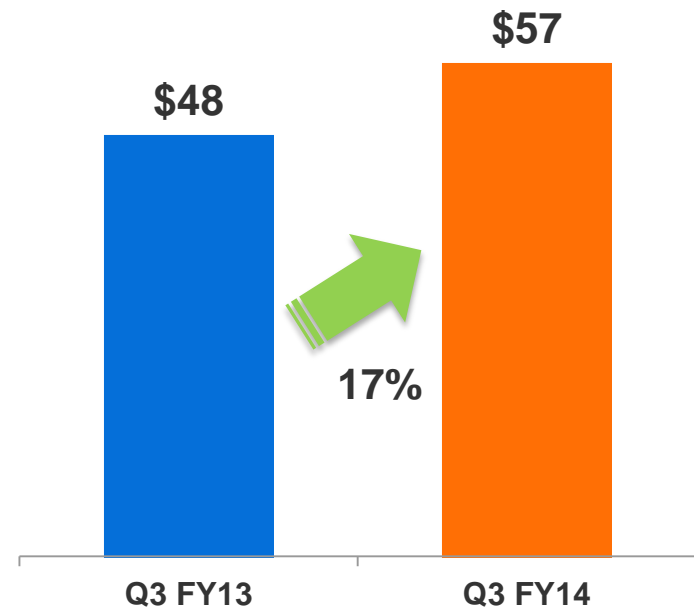
- Excellent Adjusted EBITDA growth in light of higher R&D investments and IP-centric SG&A costs
- Next generation satellites & networks
- Application & market specific investments

Financial Summary – Q3

Revenues



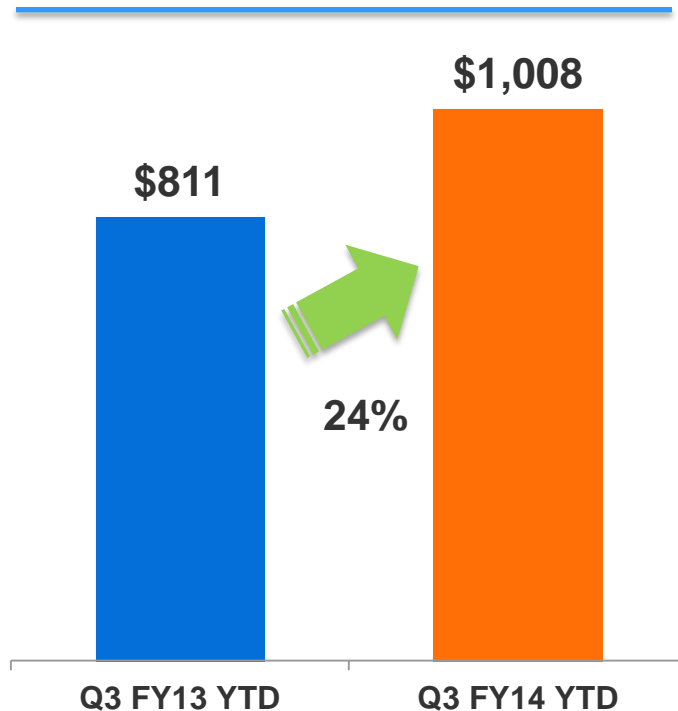
Adjusted EBITDA



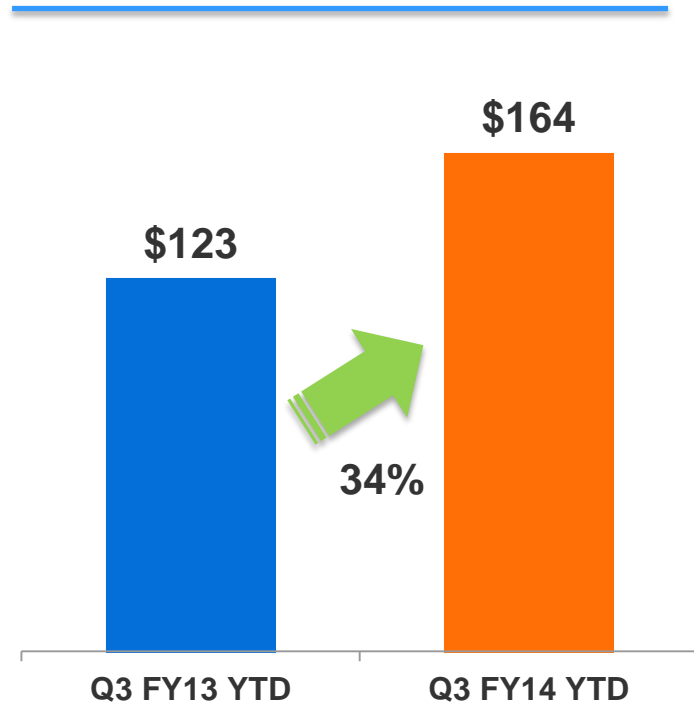
Strong revenue growth & record Adj. EBITDA

Financial Summary – YTD

Revenues



Adjusted EBITDA



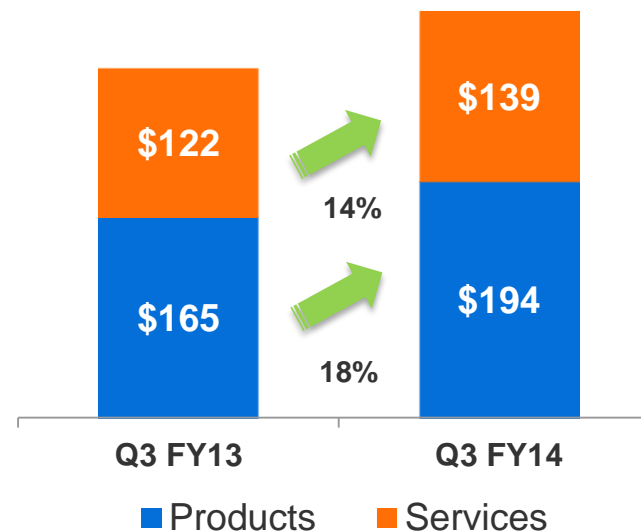
YTD revenues exceed \$1b / margins improving

Income Statement

Income Statement

	<u>Q3 FY13</u>	<u>Q3 FY14</u>
Revenues	\$ 286.4	\$ 332.6
Cost of revenues	211.4	243.1
SG&A	62.2	69.1
R&D	7.6	15.1
Amortization	4.0	3.7
Income from operations	\$ 1.3	\$ 1.5
Interest expense, net	(10.6)	(9.2)
Debt extinguishment	(26.5)	-
Income tax benefit	15.3	1.7
Minority interest, net	(0.2)	(0.0)
Net Income (Loss)	\$ (20.8)	\$ (6.0)
Diluted EPS	\$ (0.47)	\$ (0.13)
Non-GAAP Net Income	\$ 1.8	\$ 1.6
Non-GAAP Diluted EPS	\$ 0.04	\$ 0.03

Revenue Mix



- Strong growth in both product and service revenues
- Core margins fund increased R&D & IP spending
- Income tax benefit lower due to lower pre-tax loss

Cashflow and Balance Sheet

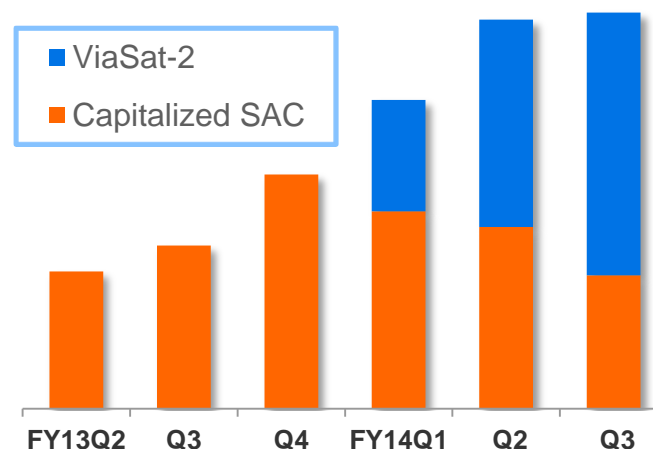
Cashflow

	YTD	
	Q3 FY13	Q3 FY14
Net income	\$ (42.9)	\$ (5.2)
Depreciation / amortization / other, net	129.3	168.7
Change in operating assets / liabilities, net	(37.2)	(28.6)
Cashflow from operations	\$ 49.1	\$ 134.9
Capital expenditures	(139.1)	(280.5)
Financing activities	30.0	81.2
Net change in cash	\$ (59.9)	\$ (64.4)

Balance Sheet

	Q4 FY13	Q3 FY14
Cash and cash equivalents	\$ 105.7	\$ 41.4
Other current assets	439.1	478.4
PP&E / other	1,249.2	1,409.6
Total assets	\$ 1,794.1	\$ 1,929.4
Current liabilities	247.1	269.7
Debt and other liabilities	639.1	721.6
Stockholders equity	907.8	938.1
Total liabilities and stockholder equity	\$ 1,794.1	\$ 1,929.4

SAC & ViaSat-2 Investment

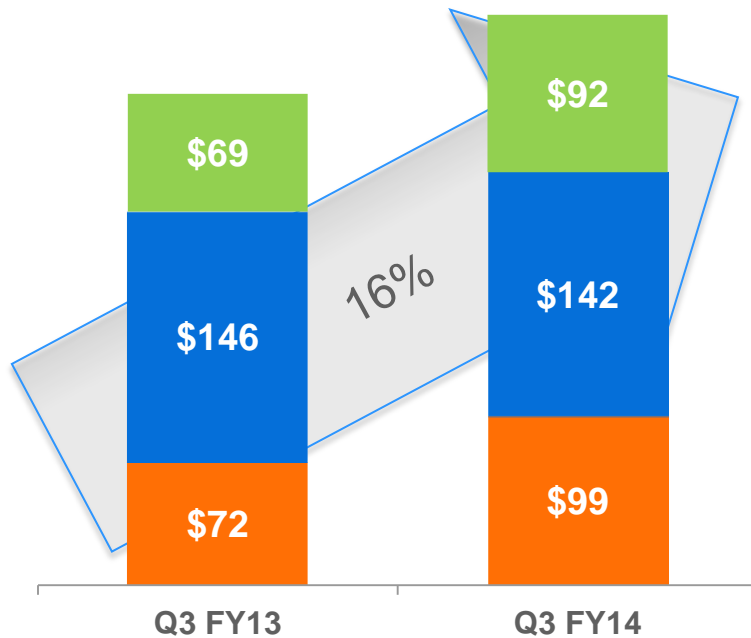


Capitalized SAC figures include equipment cost and capitalized installation.

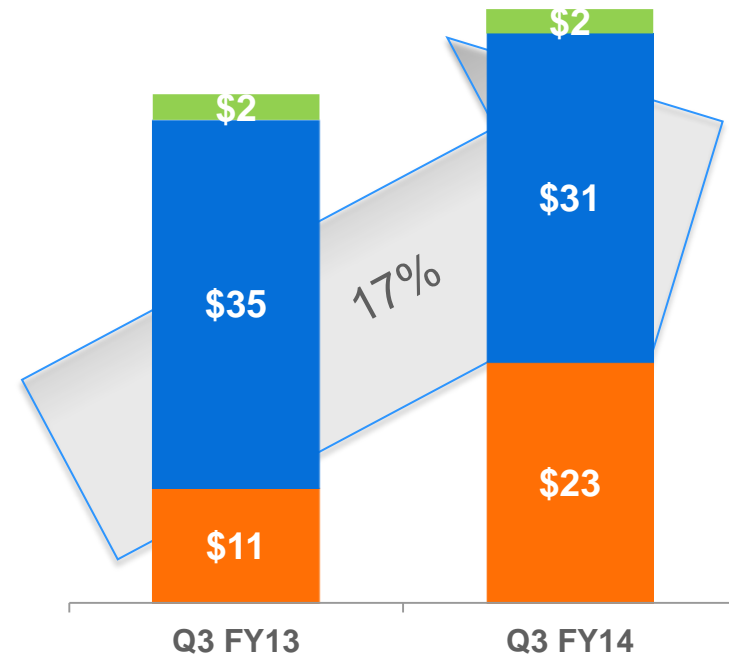
- Operating cashflow up 175% for YTD period
- ViaSat-2 construction payments of \$94m YTD
- Cash costs per gross subscriber addition decreasing

Segment Results

Revenues



Adjusted EBITDA



■ Satellite Services

■ Government Systems

■ Commercial Networks

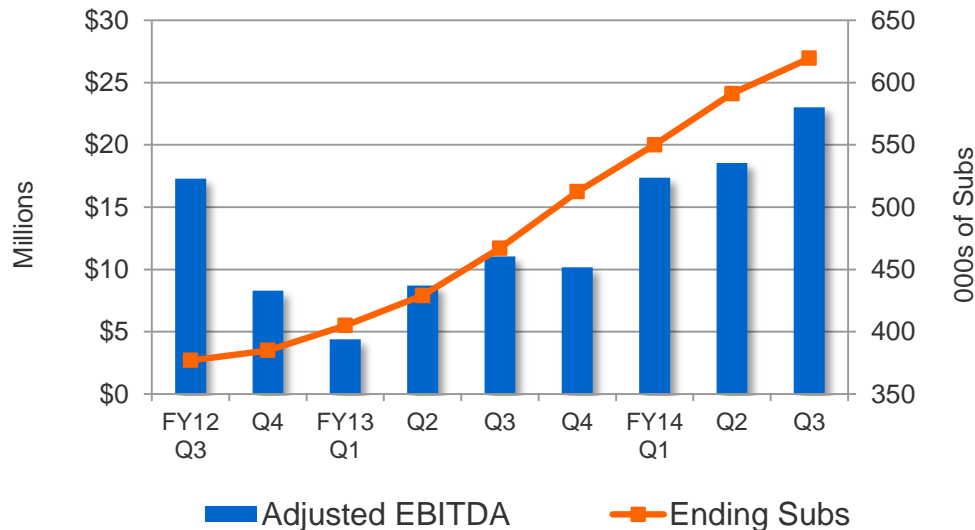
Strength from our diverse product & services mix

Satellite Services

Dollars in Thousands

	<u>Q3 FY13</u>	<u>Q3 FY14</u>
Product Revenues	\$ 653	\$ 11
Service Revenues	71,097	98,637
Total Revenues	\$ 71,750	\$ 98,648
Operating Earnings (Losses)	\$ (18,356)	\$ (9,761)
Adjusted EBITDA	\$ 11,047	\$ 23,025

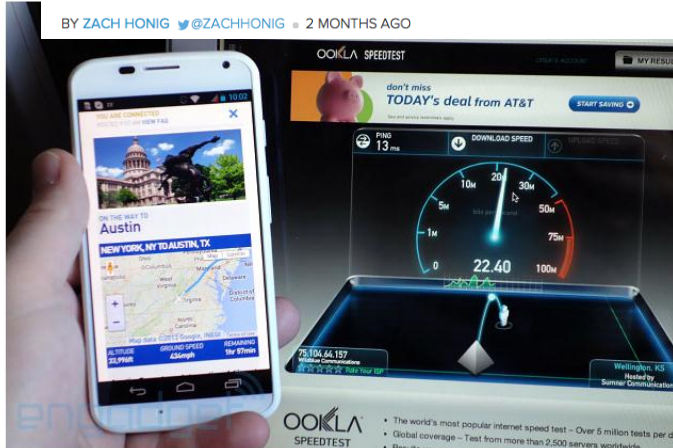
- Revenue up 37% YoY
- Adjusted EBITDA up 108% YoY
- 79,000 gross adds / 28,500 net adds
- Adverse churn trend reversed
- Process improvements yielding gains in subscriber unit economics



Disrupting In Flight WiFi

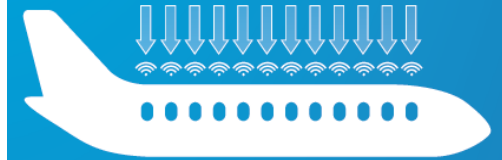
Onboard JetBlue's first Fly-Fi flight, with the fastest internet in the air

BY ZACH HONIG @ZACHHONIG 2 MONTHS AGO



“Without question, Ka-band satellite WiFi is the future. This has blown away everything else I have ever used... The future is now!” – Jason Rabinowitz @ AirlineFlyer

12 Mbps TO EACH PASSENGER



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“Aviation geeks wowed by JetBlue's new Fly-Fi service... More than 60 devices were used on this morning's JetBlue FlyFi flight and everyone agrees the service was ‘the best thing in the sky’ -- Mary Kirby (Runway Girl Network)

Commercial Networks

Dollars in Thousands

	Q3 FY13	Q3 FY14
Product Revenues	\$ 64,241	\$ 87,845
Service Revenues	4,411	4,014
Total Revenues	\$ 68,652	\$ 91,859
Operating Earnings (Losses)	\$ (3,399)	\$ (6,528)
Adjusted EBITDA	\$ 2,445	\$ 2,331

- Revenue up 34% YoY
- Strong consumer broadband and mobile terminal sales
- NBNCo program in full gear
- More activity in aero market
- Growing, though lumpy, potential for international networks

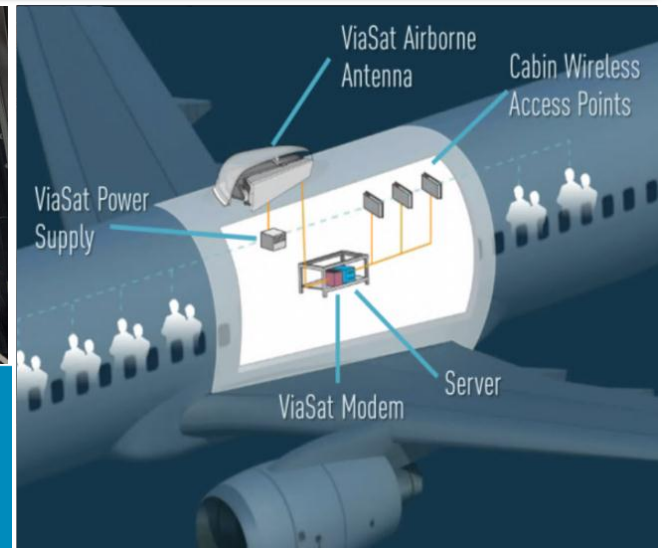
NBNCo



First gateway installation



NEARLY **500** AIRCRAFT
UNDER CONTRACT



Government Systems

Dollars in Thousands

	Q3 FY13	Q3 FY14
Product Revenues	\$ 99,800	\$ 105,990
Service Revenues	46,240	36,058
Total Revenues	\$ 146,040	\$ 142,048
Operating Earnings (Losses)	\$ 26,981	\$ 21,465
Adjusted EBITDA	\$ 35,087	\$ 31,355

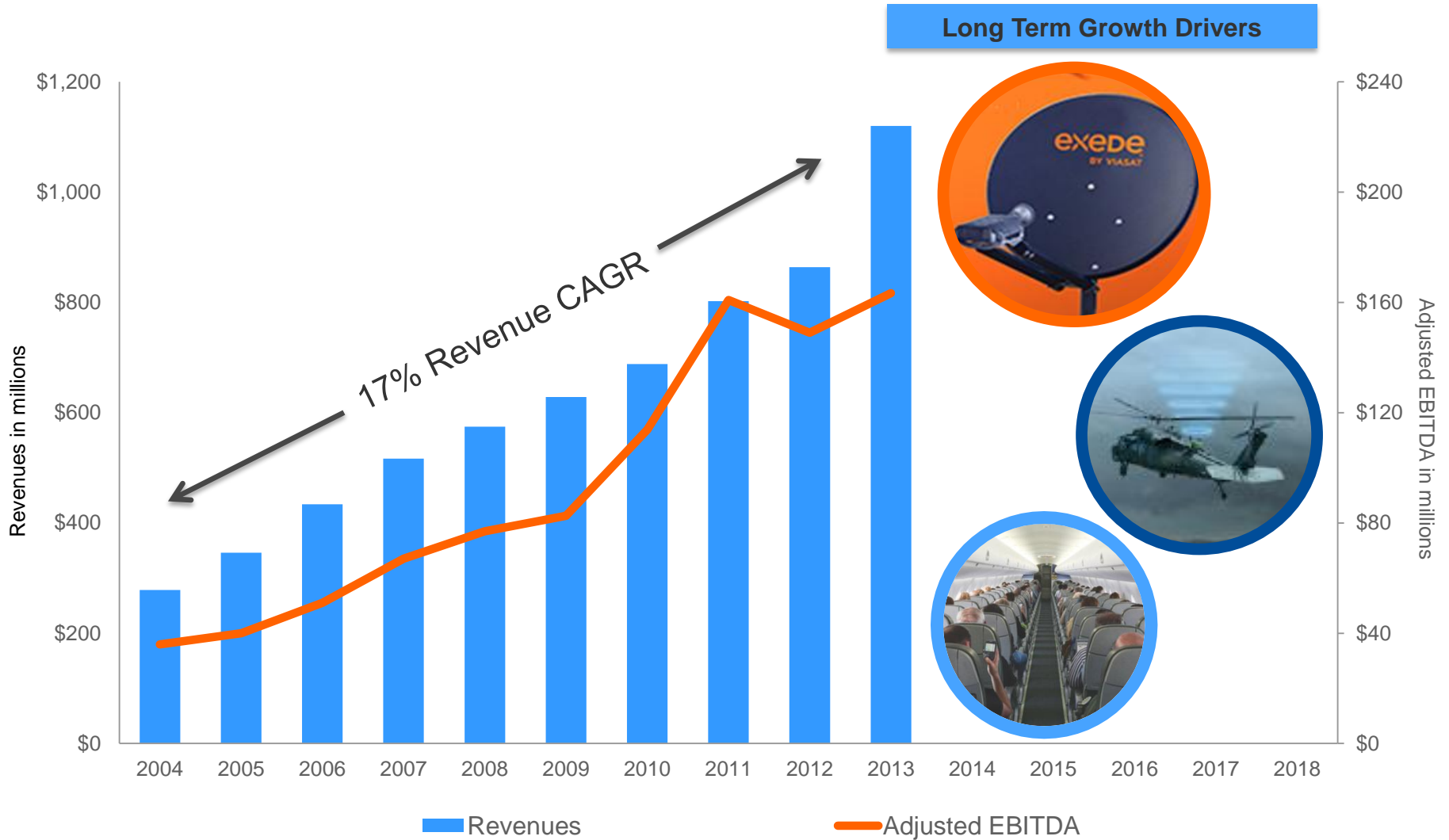
- Broad strength, still led by mobile / satellite
- Services revenues lower due to BFT bandwidth contract completion
- Good product growth YoY, particularly in information assurance and data links
- Continuing R&D investments to capitalize on market opportunities

Worldwide network
makes missions fly



Small Tactical
Terminal KOR-24

Growth Outlook



Q & A