

# Welcome to the Viasat, Inc. 2020 Annual Meeting of Stockholders

## **A. Call the Meeting to Order**

1. *Introduction*
2. *Instructions on Procedures*
3. *Voting*
4. *Opening of the Polls*

## **B. Proposals**

*Proposal No. 1 – Election of Mark Dankberg and Varsha Rao*

*Proposal No. 2 – Ratification of PwC as Independent Auditor for fiscal year 2021*

*Proposal No. 3 – Advisory Vote on Executive Compensation*

*Proposal No. 4 – Amendment and Restatement of the 1996 Equity Participation Plan*

## **C. Completion of Voting**

## **D. Results of Voting**

## **E. Adjournment**

## **F. Presentation and Q&A Period**

# Viasat Annual Meeting of Shareholders

September 3, 2020



# Forward-Looking Statements

This presentation contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements may include, among others, statements that refer to the impact of the novel coronavirus (COVID-19) pandemic on our business; projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future economic conditions and performance; the development, customer acceptance and anticipated performance of technologies, products or services; satellite construction and launch activities; the performance and anticipated benefits of our ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; the expected completion, capacity, service, coverage, service speeds and other features of our satellites, and the timing, cost, economics and other benefits associated therewith; anticipated subscriber growth; plans, objectives and strategies for future operations; the number of in-flight connectivity (IFC) systems expected to be installed under existing contracts with commercial airlines; and other characterizations of future events or circumstances. 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 and adversely include: our ability to realize the anticipated benefits of the ViaSat-2 and ViaSat-3 class satellites and any future satellite we may construct or acquire; unexpected expenses related to our satellite projects; our ability to successfully implement our business plan for our broadband services on our anticipated timeline or at all; risks associated with the construction, launch and operation of satellites, including the effect of any anomaly, operational failure or degradation in satellite performance; the impact of the COVID-19 pandemic on our business, suppliers, consumers, customers, and employees or the overall economy; our ability to realize the anticipated benefits of our acquisitions or strategic partnering arrangements; our ability to successfully develop, introduce and sell new technologies, products and services; audits by the U.S. government; changes in the global business environment and economic conditions; delays in approving U.S. government budgets and cuts in government defense expenditures; our reliance on U.S. government contracts, and on a small number of contracts which account for a significant percentage of our revenues; reduced demand for products and services as a result of continued constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; our reliance on a limited number of third parties to manufacture and supply our products; increased competition; introduction of new technologies and other factors affecting the communications and defense industries generally; the effect of adverse regulatory changes (including changes affecting spectrum availability or permitted uses) on our ability to sell or deploy our products and services; changes in the way others use spectrum; our inability to access additional spectrum, use spectrum for additional purposes, and/or operate satellites at additional orbital locations; competing uses of the same spectrum or orbital locations that we utilize or seek to utilize; the effect of recent changes to U.S. tax laws; our level of indebtedness and ability to comply with applicable debt covenants; our involvement in litigation, including intellectual property claims and litigation to protect our proprietary technology; 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](http://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 update or revise any forward-looking statements for any reason.

## Use of Non-GAAP Financial Information

To supplement Viasat's consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), Viasat uses non-GAAP net income (loss) attributable to Viasat Inc. and Adjusted EBITDA, measures Viasat believes are appropriate to enhance an overall understanding of Viasat's past financial performance and prospects for the future. We believe the non-GAAP results provide useful information to both management and investors by excluding specific expenses that we believe are not indicative of our core operating results. In addition, since we have historically reported non-GAAP results to the investment community, we believe the inclusion of non-GAAP numbers provides consistency in our financial reporting and facilitates comparisons to the Company's historical operating results. Further, these non-GAAP results are among the primary indicators that management uses as a basis for evaluating the operating performance of our segments, allocating resources to such segments, planning and forecasting in future periods. 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 of specific adjustments to GAAP results is provided in Viasat's SEC filings available at [www.sec.gov](http://www.sec.gov).

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# 34 Years of Steady Financial Growth

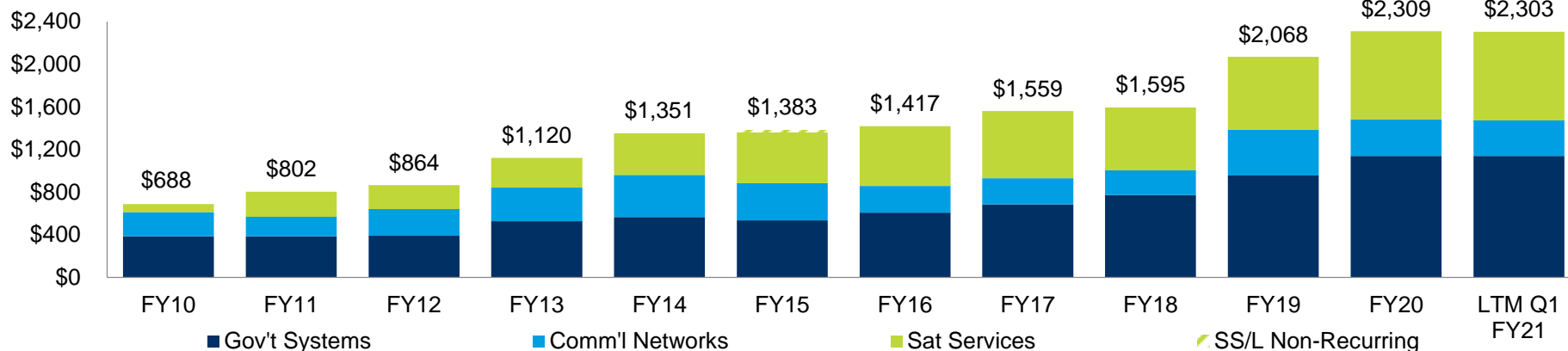
*Recent growth rate among fastest in our history*



# Strong Track Record of Top-line and Adj. EBITDA Growth

## Revenue

(\$ in millions)



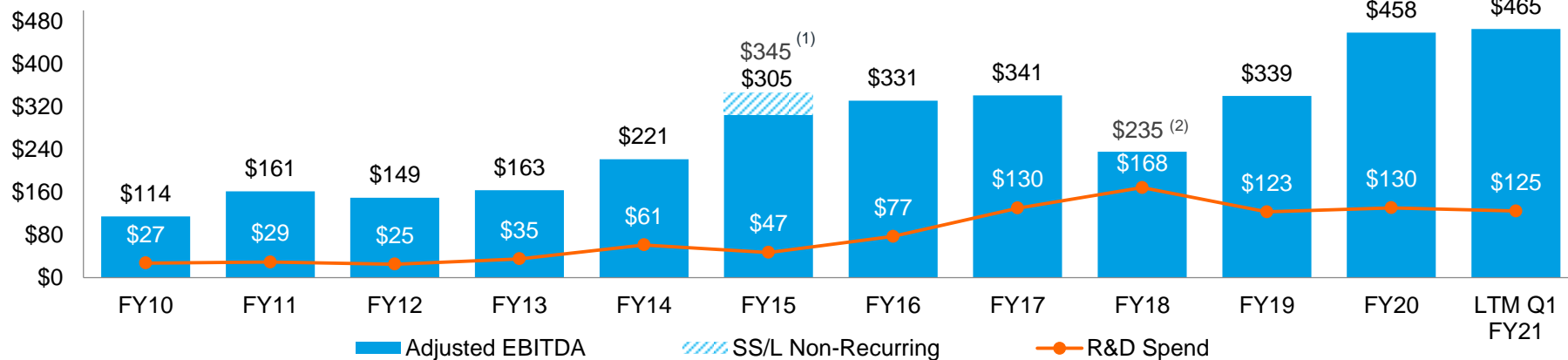
FY10 – FY20  
CAGR

Revenue

~13%

## Adjusted EBITDA and R&D Spend

(\$ in millions)



Adjusted EBITDA

~15%







R&D Spend

~17%



(1) Excludes non-recurring portion relating to payments made by SS/L under settlement agreement  
 (2) Adjusted EBITDA impacted by ViaSat-2 launch, costs of IFC ramping activities, and ViaSat-3 R&D

# FY21 Q1 Financial Highlights

	Q1 FY21	LTM Q1 FY21
Revenues	 <b>\$530M</b> Dn 1% YoY	<b>\$2.3B</b>  Up 6% YoY
Adj EBITDA	 <b>\$105M</b> Up 8% YoY	<b>\$465M</b>  Up 19% YoY
Awards	 <b>\$737M</b> Up 46% YoY	<b>\$2.6B</b>  Up 11% YoY

# Internet from space is already here





22



J.P.Morgan

38



N/A



12  
VIASAT

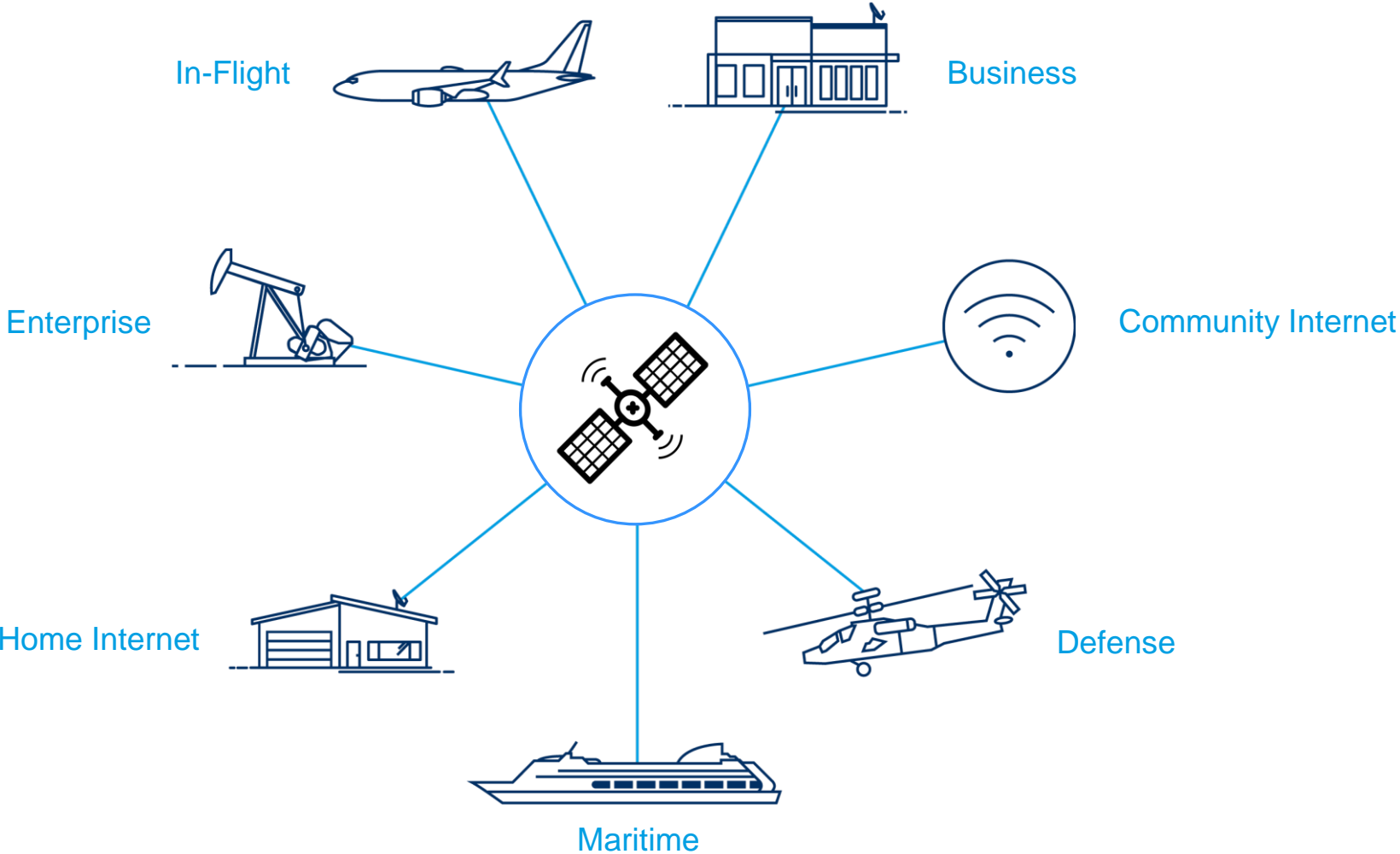
Courtesy of Viasat

The **Change the World** List is Fortune's annual ranking of companies that are using the creative tools of business to meet society's unmet needs



# Target Markets Support Sustained Growth

# Resilient, Diverse Broad Portfolio of Applications

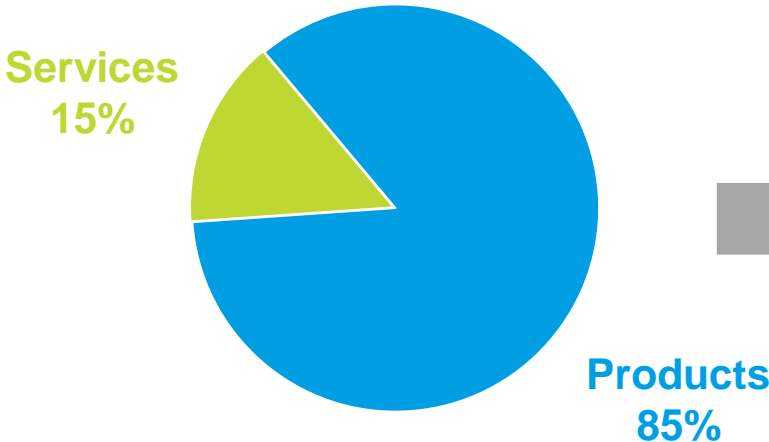


# Diversified Business Model and Broad Customer Base

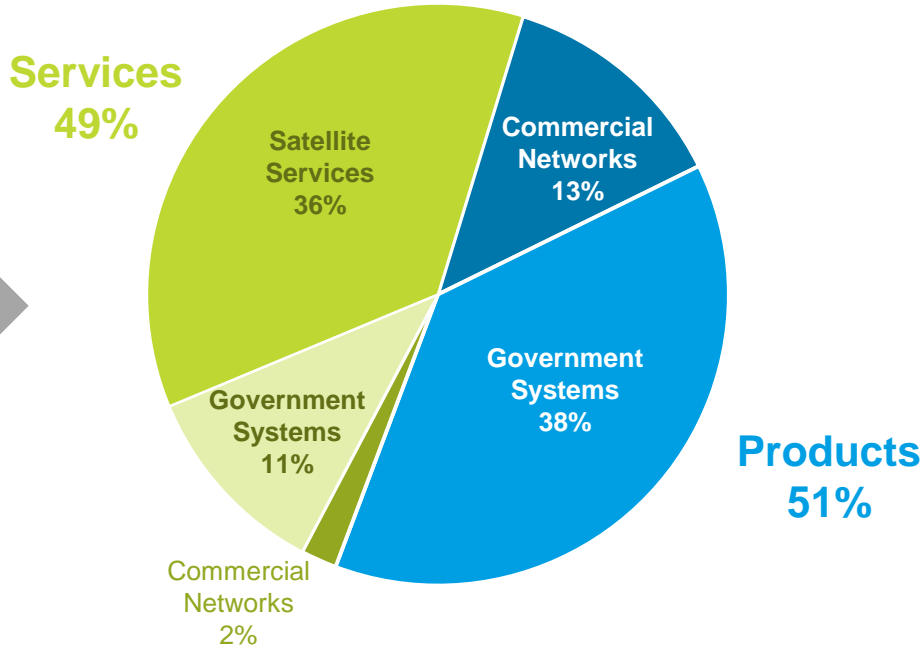
Increasing Mix of Higher-Margin, Subscription Service Revenue

**FY2010**

**FY2020**

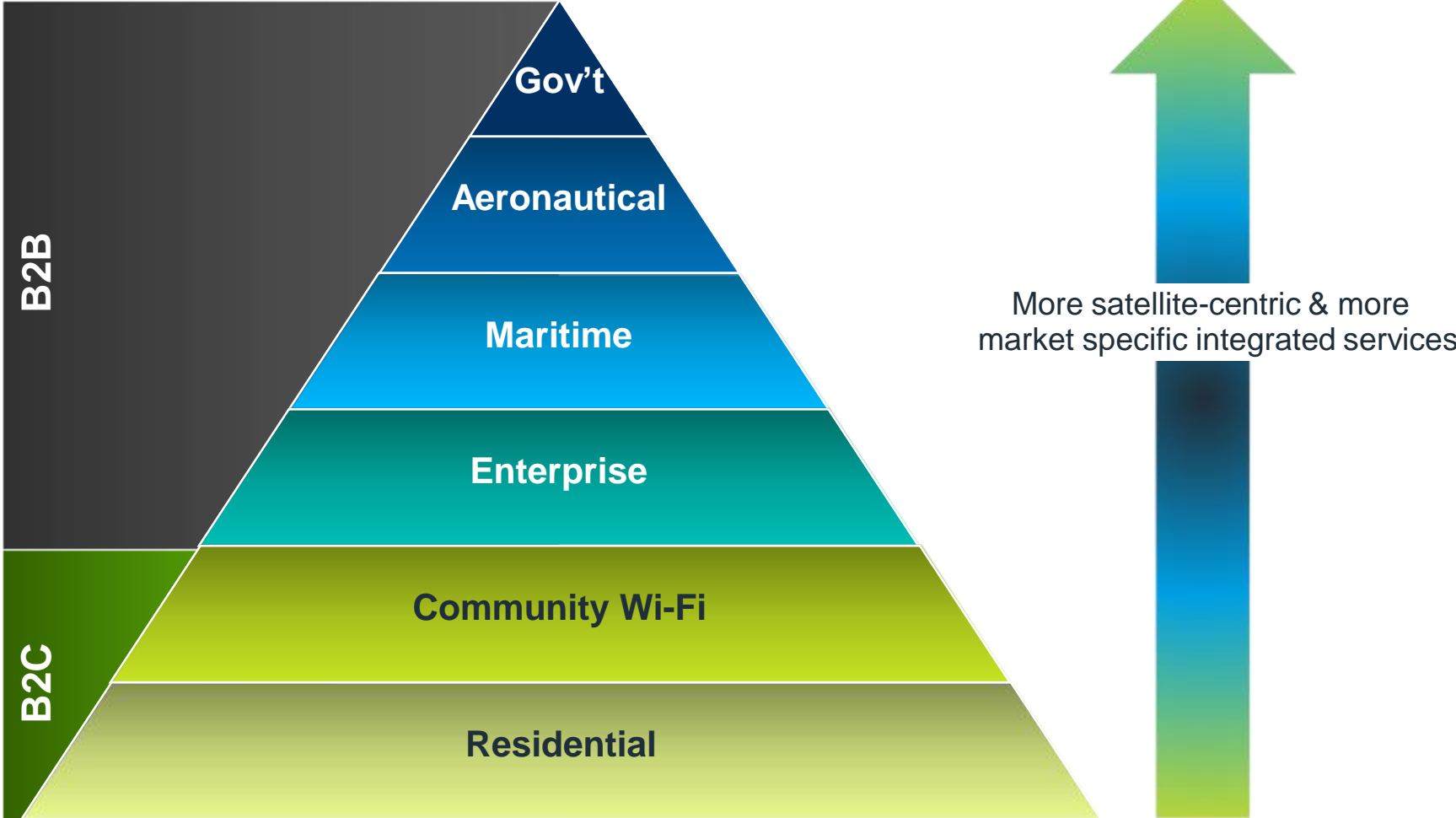


Revenue:  
\$688 million



Revenue:  
\$2.3 billion

# Resilient, Diverse Satellite Broadband Portfolio



# Powerful Government Growth Factors

## Key Drivers



Growing "Near-Peer" Threats



Expanding Defense Missions



DoD Cloud Services & AI

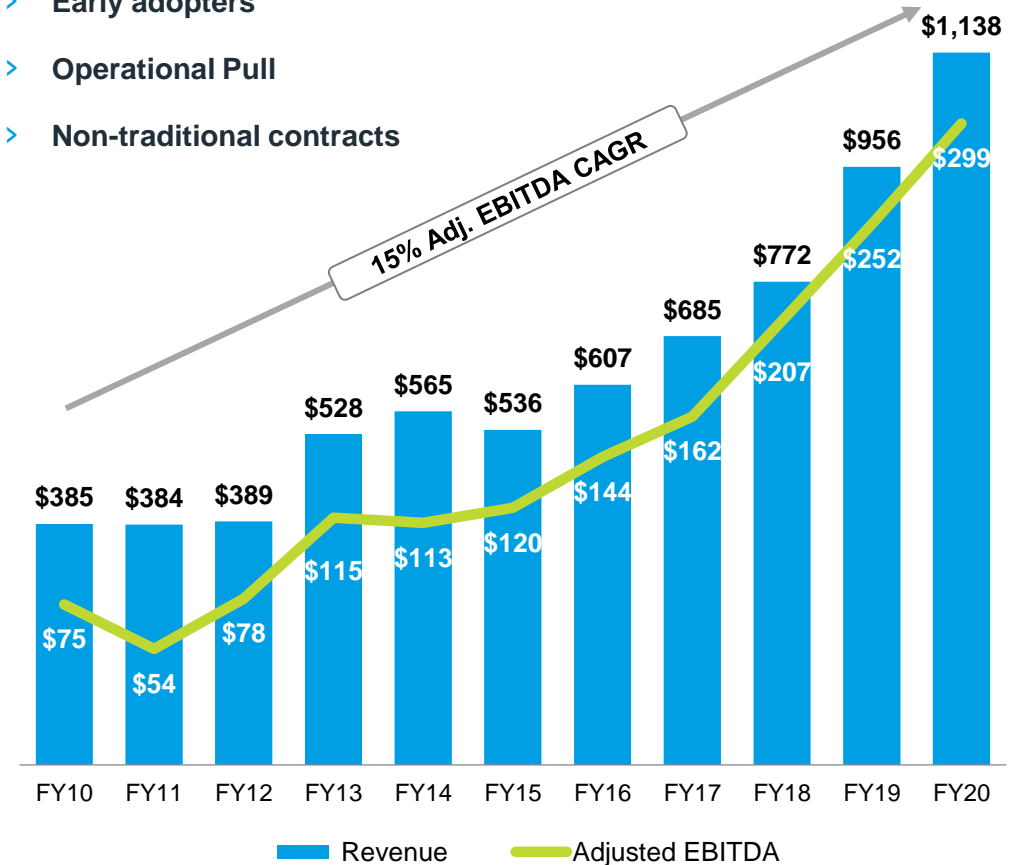


DoD Acquisition Bottlenecks

## Record of Success

(\$ in millions; Government Systems segment)

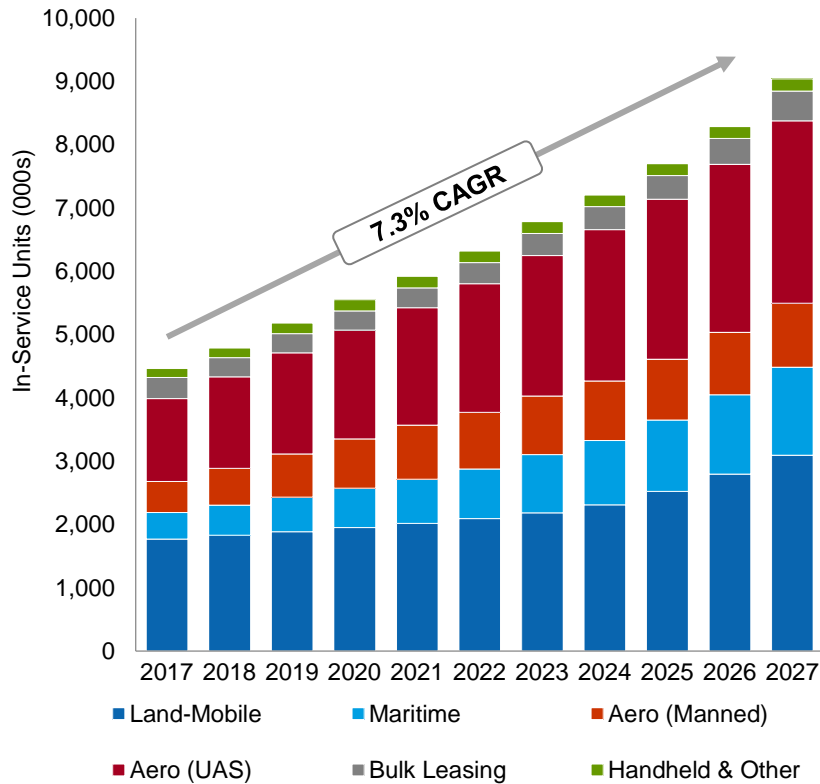
- > Early adopters
- > Operational Pull
- > Non-traditional contracts



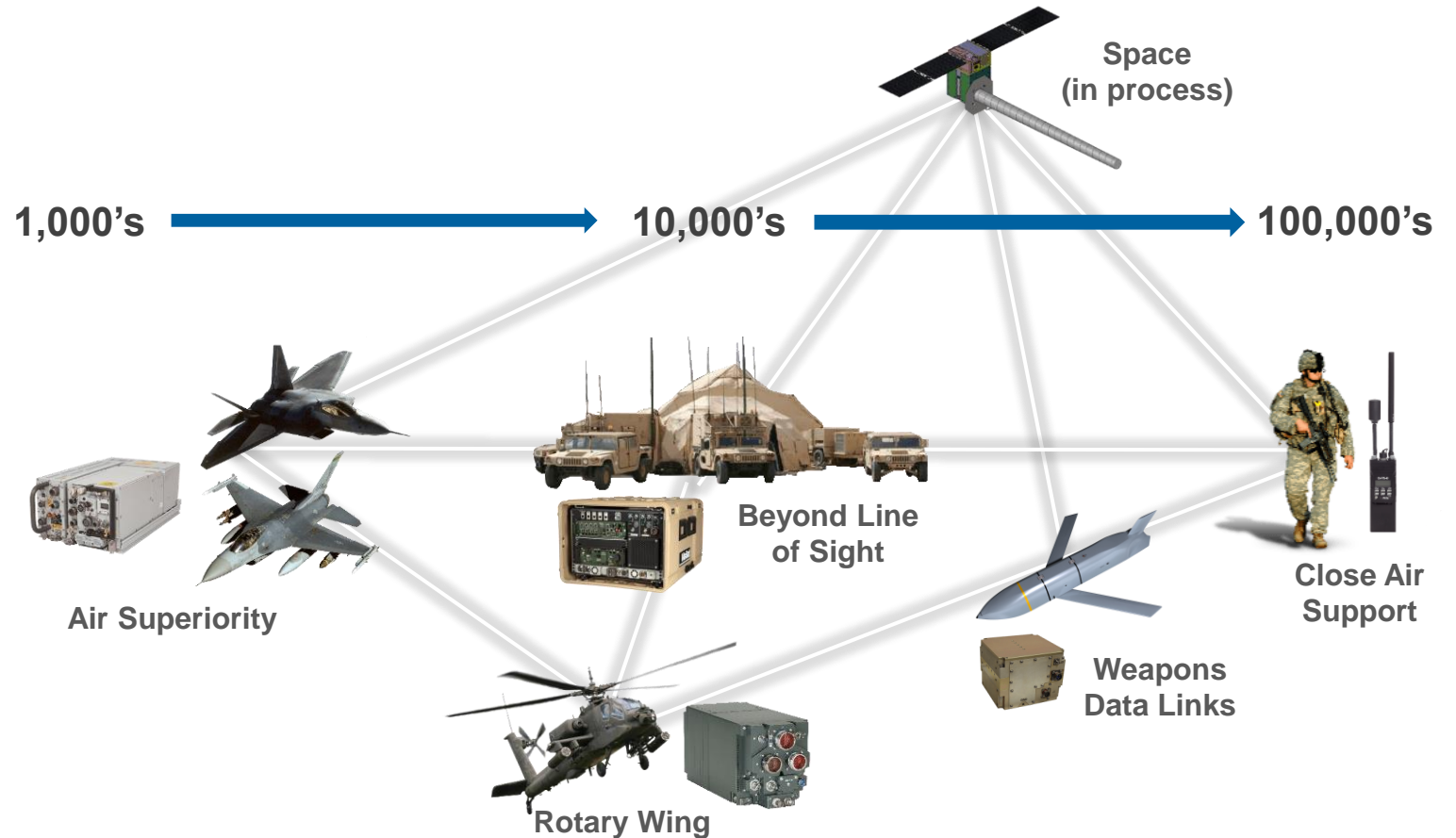
# At the center of unique DoD IoT (Internet of Things) Networks

MetCalf's Law: Value of a network like the square of the participants.

## Growing In-Service Units (Global)

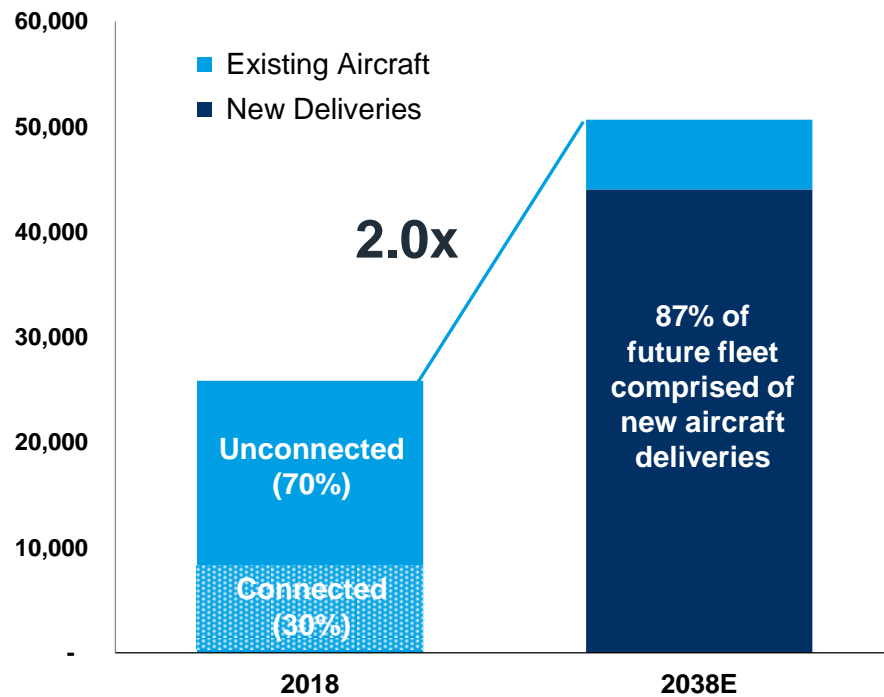


## Link 16 Product Family



# Bandwidth value drives rapid IFC Growth in Big Potential Market

## Commercial Aircraft Fleet to Double (1)

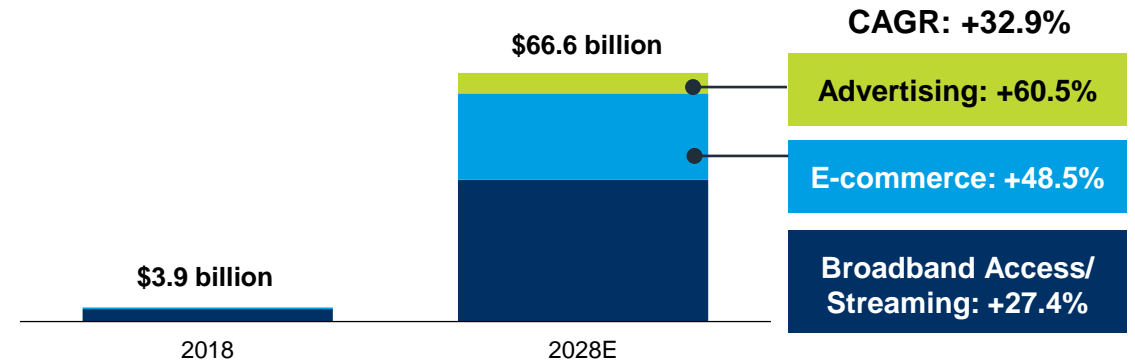


(1) Boeing Commercial Market Outlook 2019 – 2038; Euroconsult Prospects for IFEC, 7<sup>th</sup> Edition

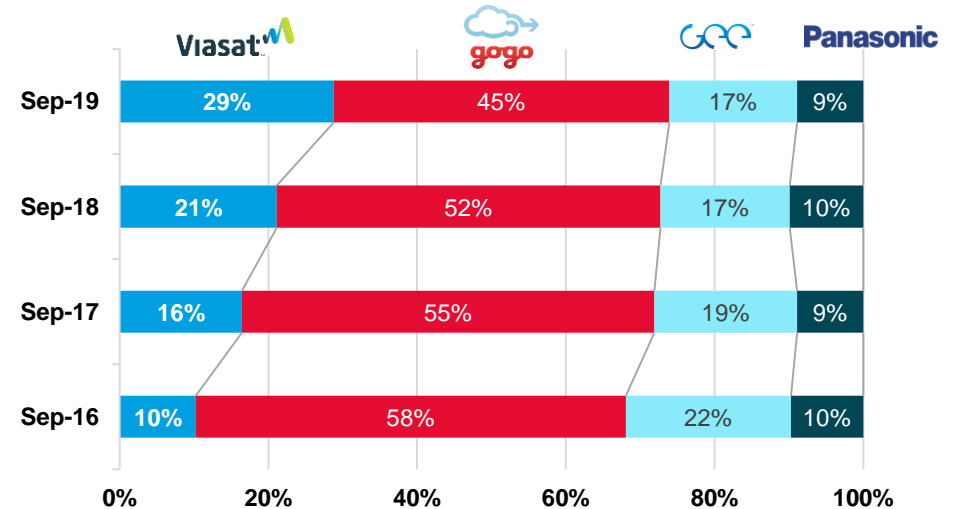
(2) London School of Economics, Sky High Economics study

(3) Viasat's estimate of narrow-body aircraft market size and market share using data from FlightGlobal Fleet Analyzer database, publicly filed documents, earnings call transcripts, press releases, industry announcements and Viasat management estimates

## Commercial Aero Broadband-Enabled Revenue Forecast (2)

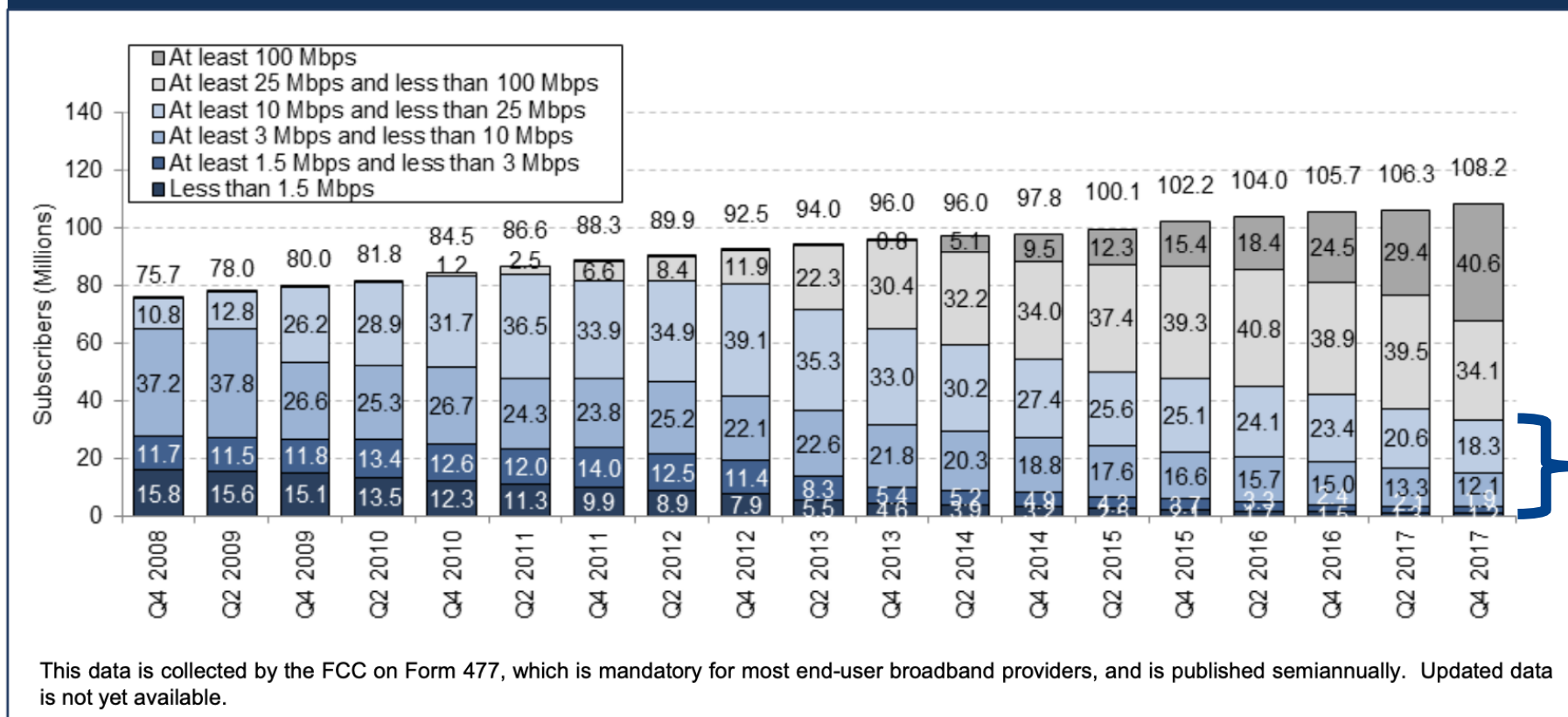


## North American Market Share (3)



# US Broadband Market by Speed

Cable, Satellite, and Telecom: Broadband Subscribers, 2008 to 2017

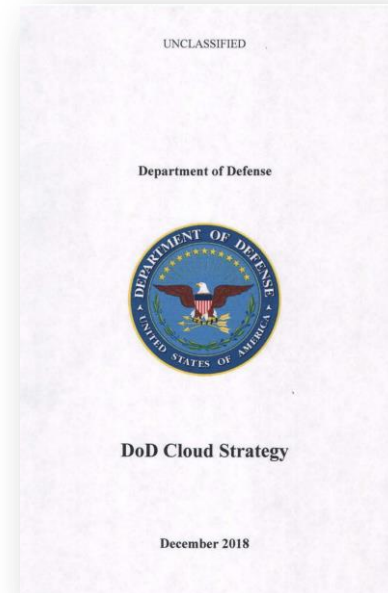


30M below  
25 Mbps

Source: FCC, MoffettNathanson estimates and analysis



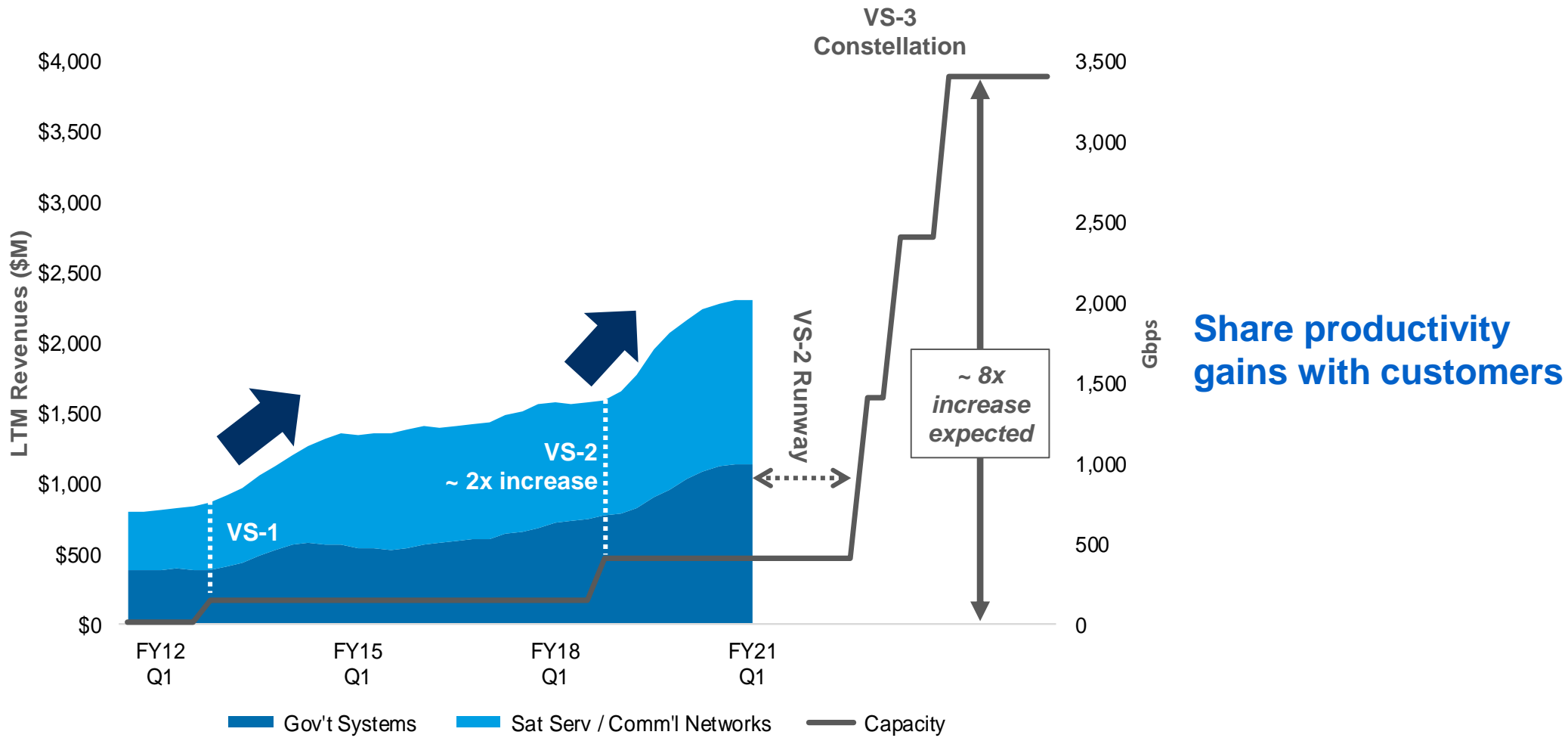
# More market opportunities



Bandwidth = Fuel for Growth



# Bandwidth Fuels Growth & Delivers More Value to Customers



Share productivity gains with customers



(1) Target launch date for the first ViaSat-3 class satellite, however, the current COVID-19 health-related disruptions pose greater risk to both the payload completion schedule and the final spacecraft assembly, integration and test schedule

Productivity isn't everything,  
But in the long run it is almost everything.



Paul Krugman

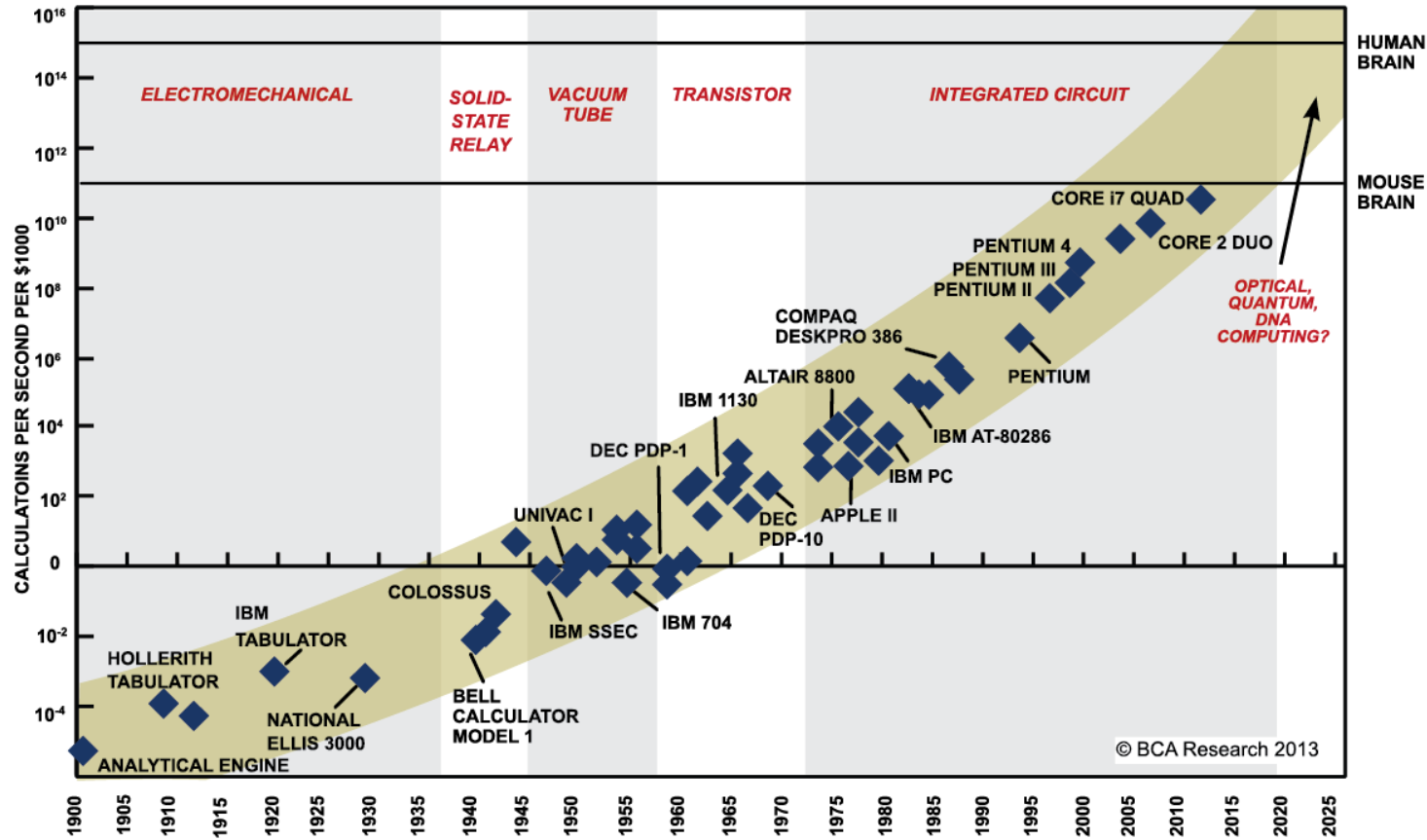
Nobel Prize – Economic Sciences

It's not what you spend that counts.

It's what you get for what you spend!

# Productivity (Moore's Law) Drives Information Technology

Winners lead in productivity via device integration!



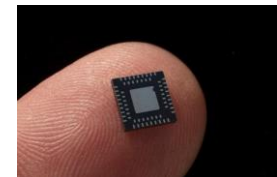
Computing  
(calculations)



Storage  
(Gigabytes)



Transmission  
(Gigabits/sec)



SOURCE: RAY KURZWEIL, "THE SINGULARITY IS NEAR: WHEN HUMANS TRANSCEND BIOLOGY", P.67, THE VIKING PRESS, 2006. DATAPPOINTS BETWEEN 2000 AND 2012 REPRESENT BCA ESTIMATES.

Choose a scalable “architecture”

Not a “point” solution



# Satellite Broadband Productivity

- **Productivity** (More useful bandwidth per \$)
- **Scale** (More total useful bandwidth)

# Productivity

\$

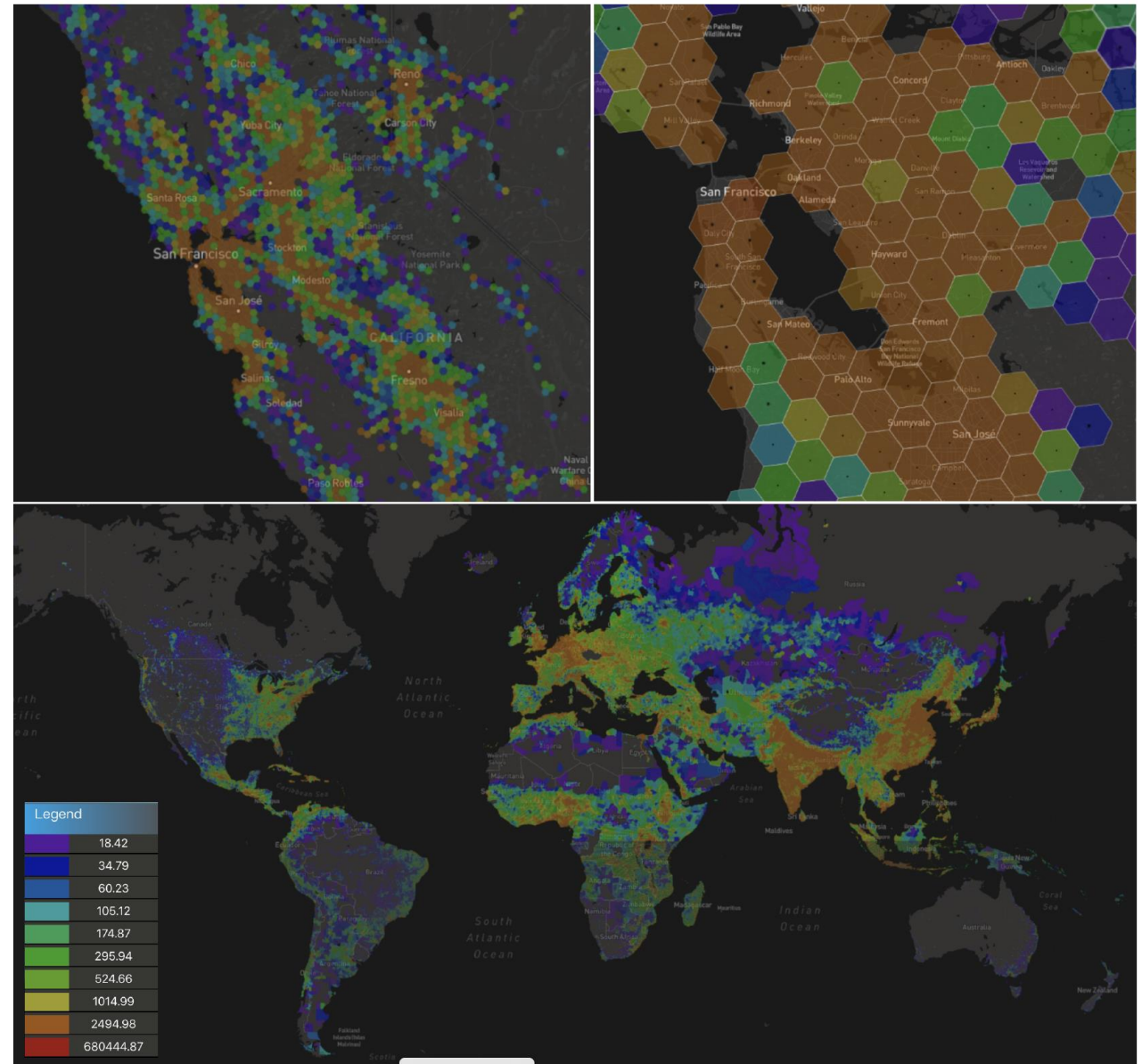
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Useful bandwidth x Useful Life (Month)

# Spatial Demand Model

- > Global Grid System (Resolution 6)  
<https://www.discreteglobalgrids.org/>
- > Global Population Model (2020)  
<https://sedac.ciesin.columbia.edu/data/collection/gpw-v4>
- > Average Household Size by Country (2019)  
<https://population.un.org/household/index.html#/countries/>

- > 9.8 Million Hexagonal Cells (~51 km<sup>2</sup> area)
  - > 2.48M cells over land (25%)
- > 7.96 Billion People
  - > 47,000 cells (~2% of land) contain 50% of the pop.
- > 4.21 Average Household Size
- > 1.89 Billion Households



# Demand = People & Economic Activity

50% on ~1% of land

95% on ~ 5% of land



# Satellite – Terrestrial Mobile Analogy

## Spacecraft = Tower

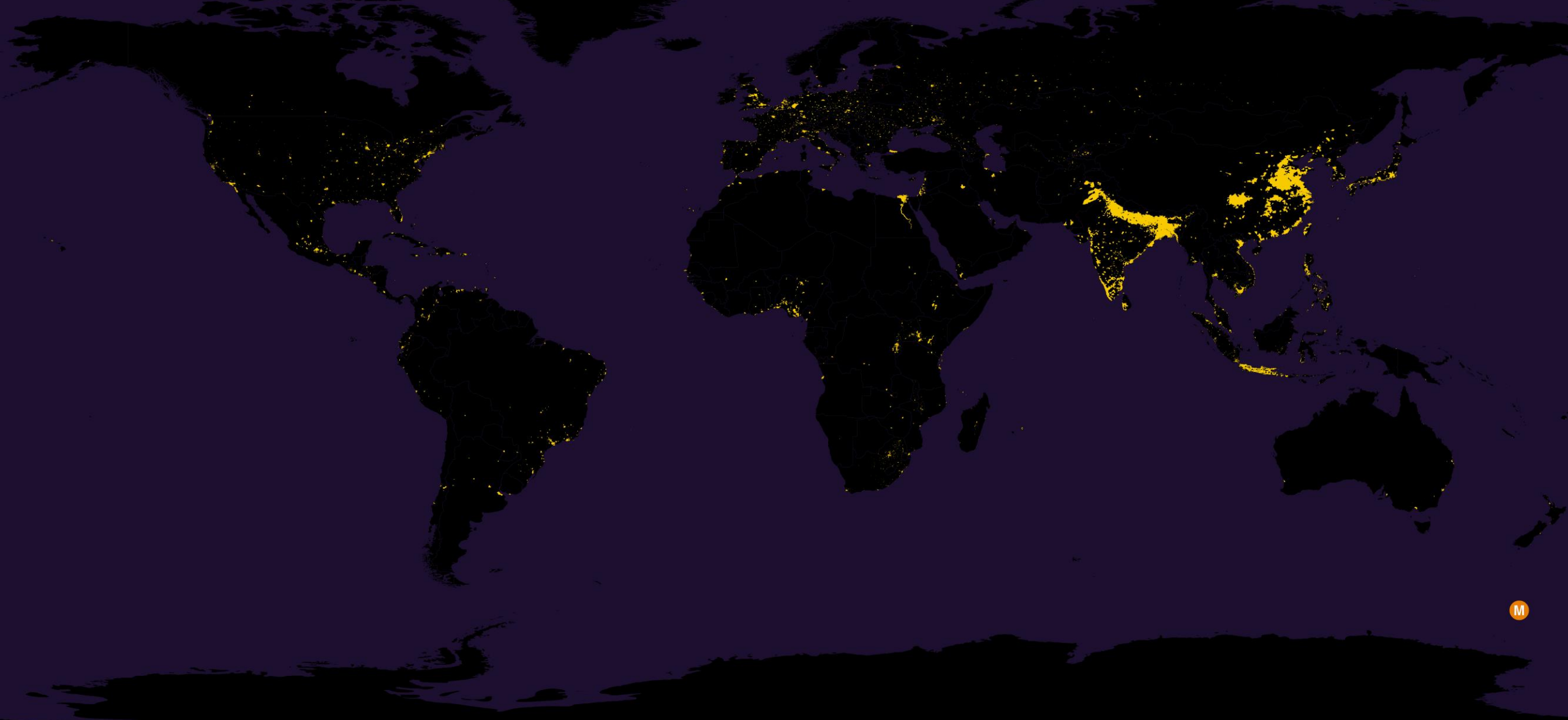
*Just a place to put a network payload*

## Payload = Network

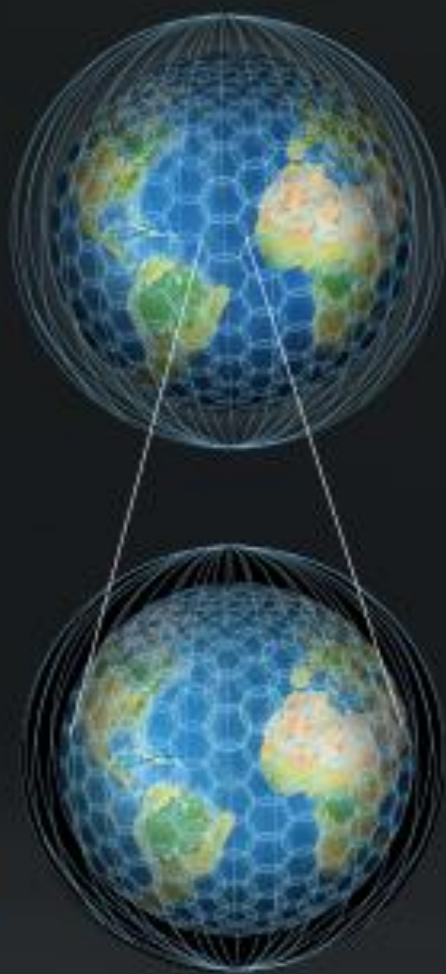
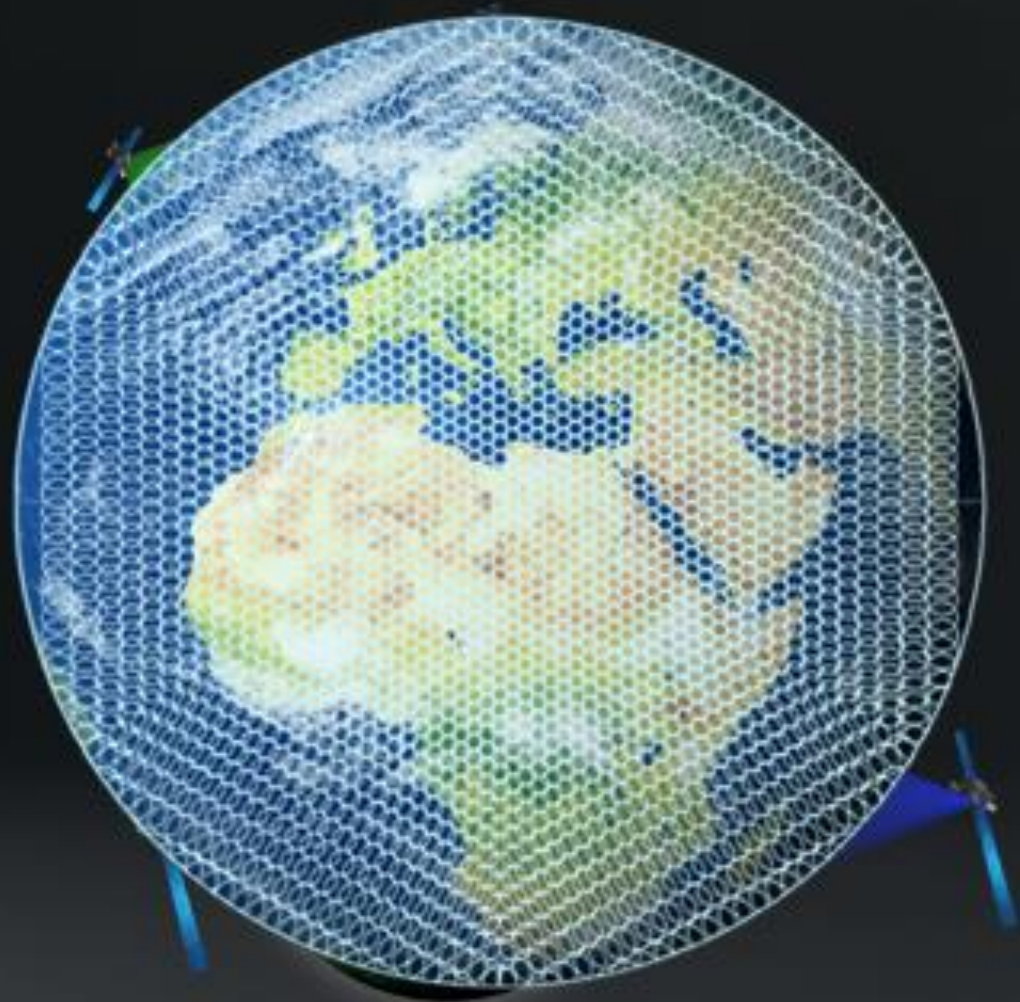
*Payload capability constrained by tower (spacecraft) resources*



How many towers? Where should they go?



This is the GEO vs LEO Issue



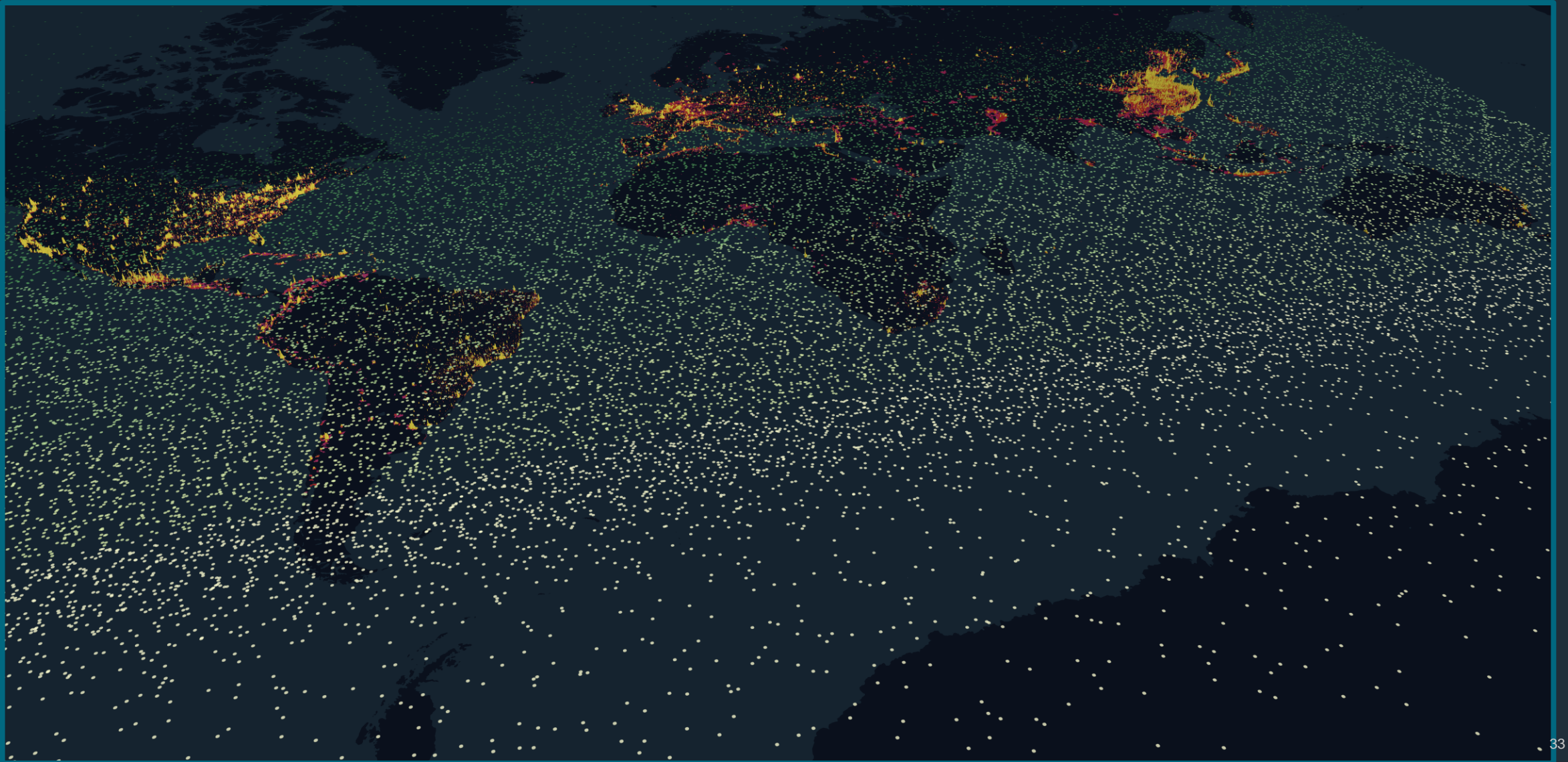
# Field of View

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Coverage  
Flexibility



~95% of Mega-Constellation “Towers” see low or no demand dictated by orbit selection.



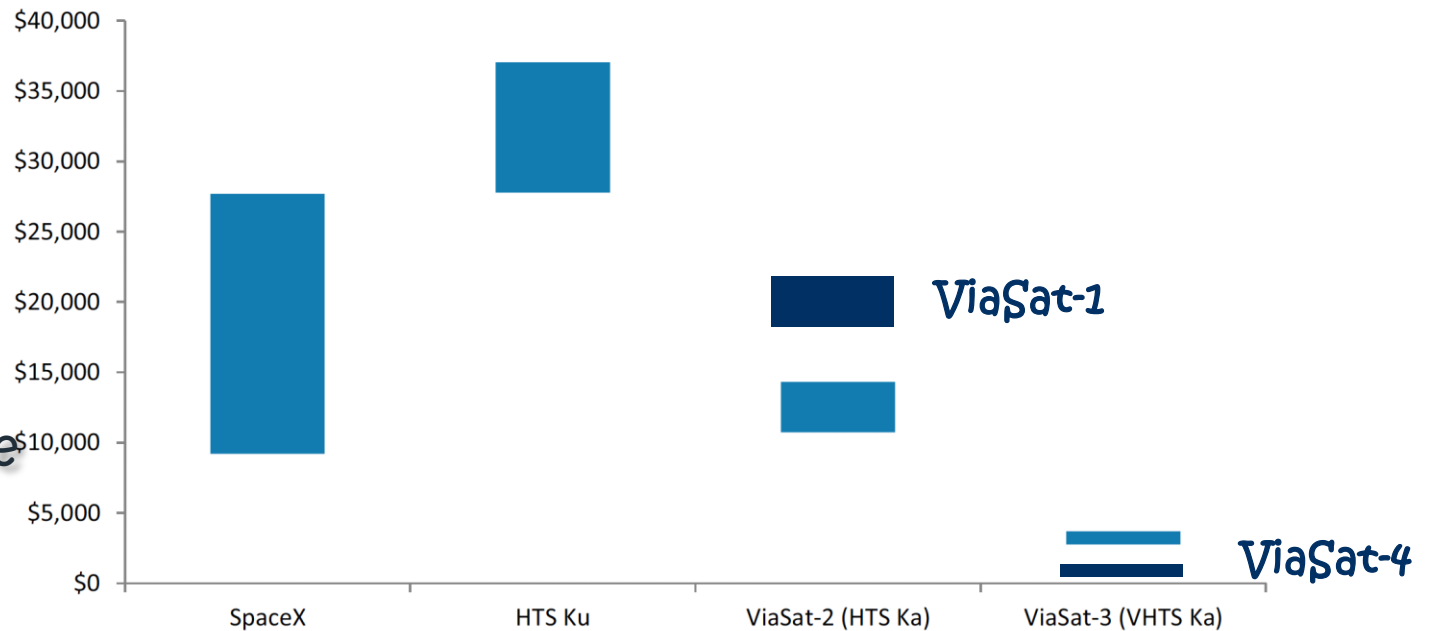
# Analyst Estimates of Space Broadband Productivity

Morgan Stanley | RESEARCH

FOUNDATION

**Exhibit 6:** LEOs Will Likely Struggle Competing Against Next-Gen VHTS Satellites

**Cost per Gbps-months** (Lower cost is better)



Saleable Capacity

The nature of LEO constellations means that less than 5% of their capacity may be saleable vs 100%+ for VHTS GEOs: Given their constant low orbits, LEO constellations

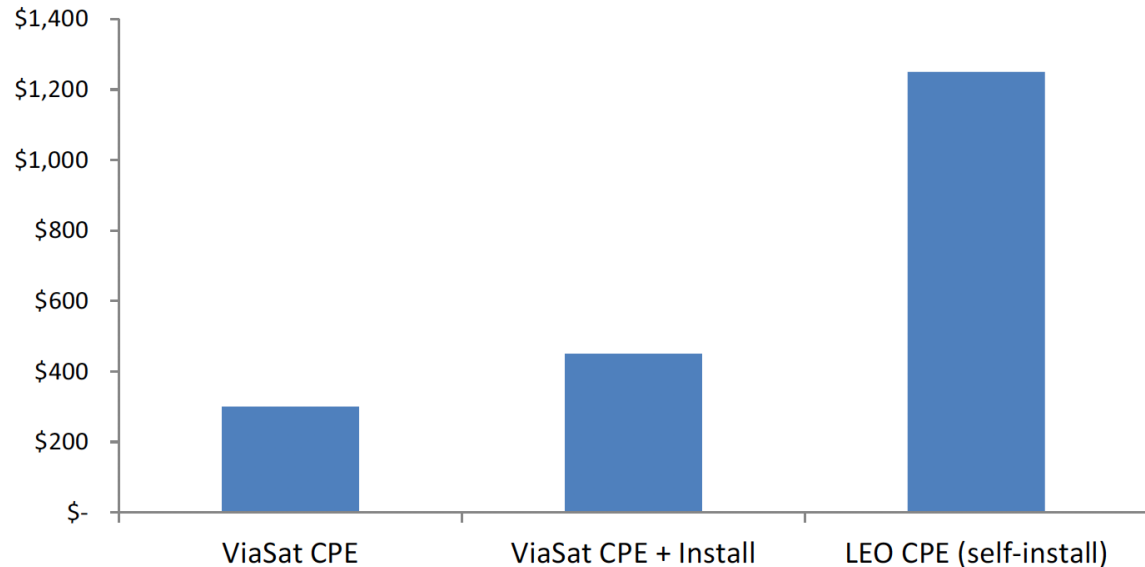
- Lower LEO productivity due to:
  - Short life of each low cost satellite
  - Very low useful bandwidth

Source: Company Data; Note: LEO utilization assumed at 5-15% with 5 year useful life vs GEO at 75-100% with 15 year useful life; Costs do not include user terminals; SpaceX based on initial constellation of ~12k satellites costing ~\$20B

# Viasat total system productivity is better, too!

**Exhibit 9:** LEO Terminals Cost Substantially More Than GEO...

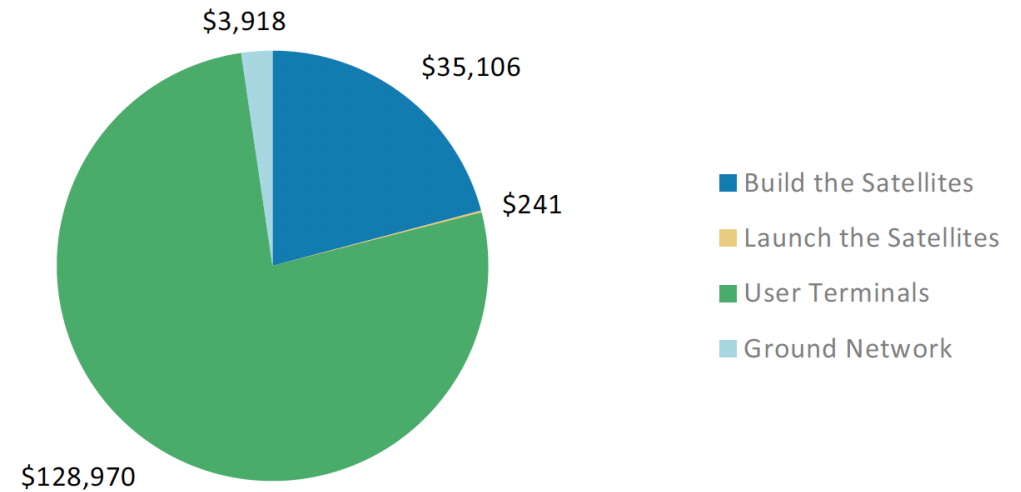
**GEO vs LEO User Terminal Costs**



Source: Company Data, Morgan Stanley Research

**Exhibit 10:** ...Driving the Vast Majority of Capex Over Time

**STARLINK: COST TO BUILD THE NETWORK (\$MM)**



Source: Morgan Stanley Research, Aviation Week, Bloomberg, CNBC, CNN, FCC, Space Flight Now, Space News, Space.com, TED, TMF Associates, ViaSatellite

Same or better capability at far lower cost

# How semi-conductor integration drives ViaSat satellite productivity

# ViaSat-1 the first 100 Gbps Satellite – Conventional Payload

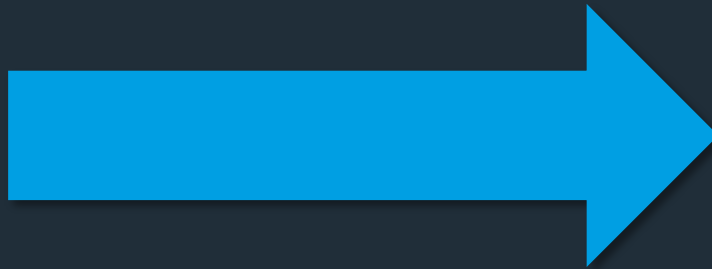
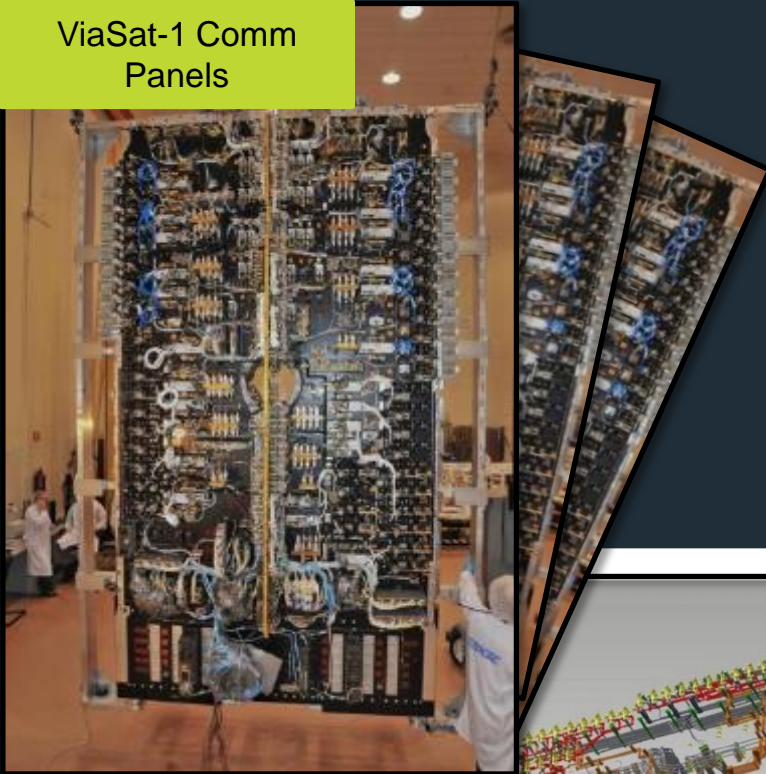


# ViaSat-1 payload communications electronics

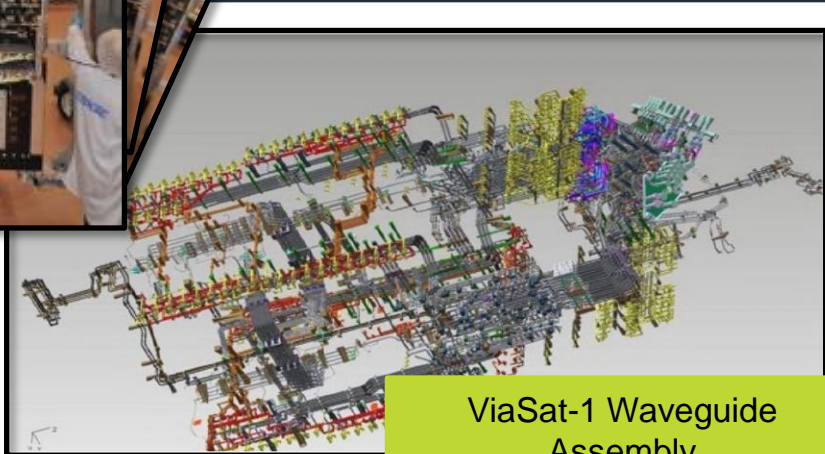


# ViaSat-3 State of the art chip design & integration

ViaSat-1 Comm Panels



ViaSat-3 Comm Module

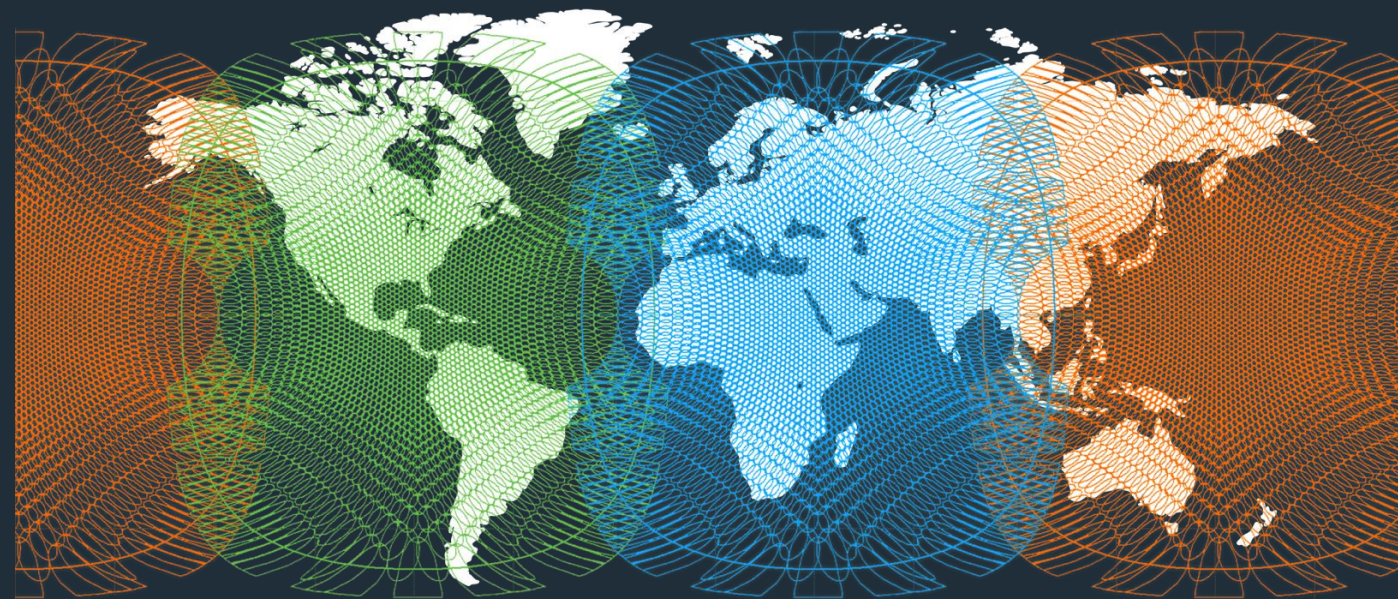


ViaSat-1 Waveguide Assembly

Each ViaSat-3 has nearly ~10x the bandwidth of ViaSat-1



# ViaSat-3

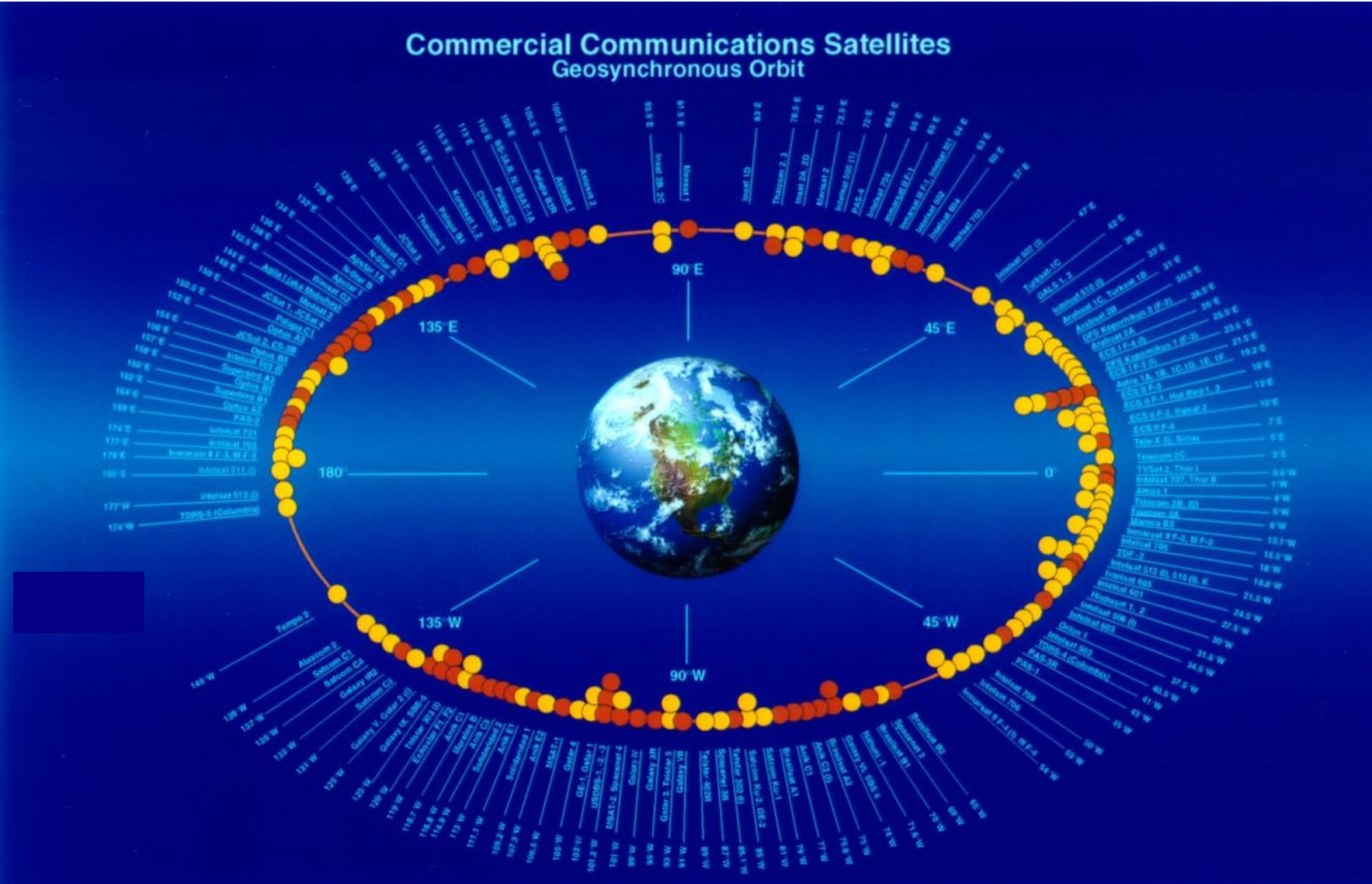


More integration gains still to come

VIS-4 & beyond

# GEO Broadband is VERY scalable!

As many towers as we need. In the right places to aim bandwidth where there's demand.

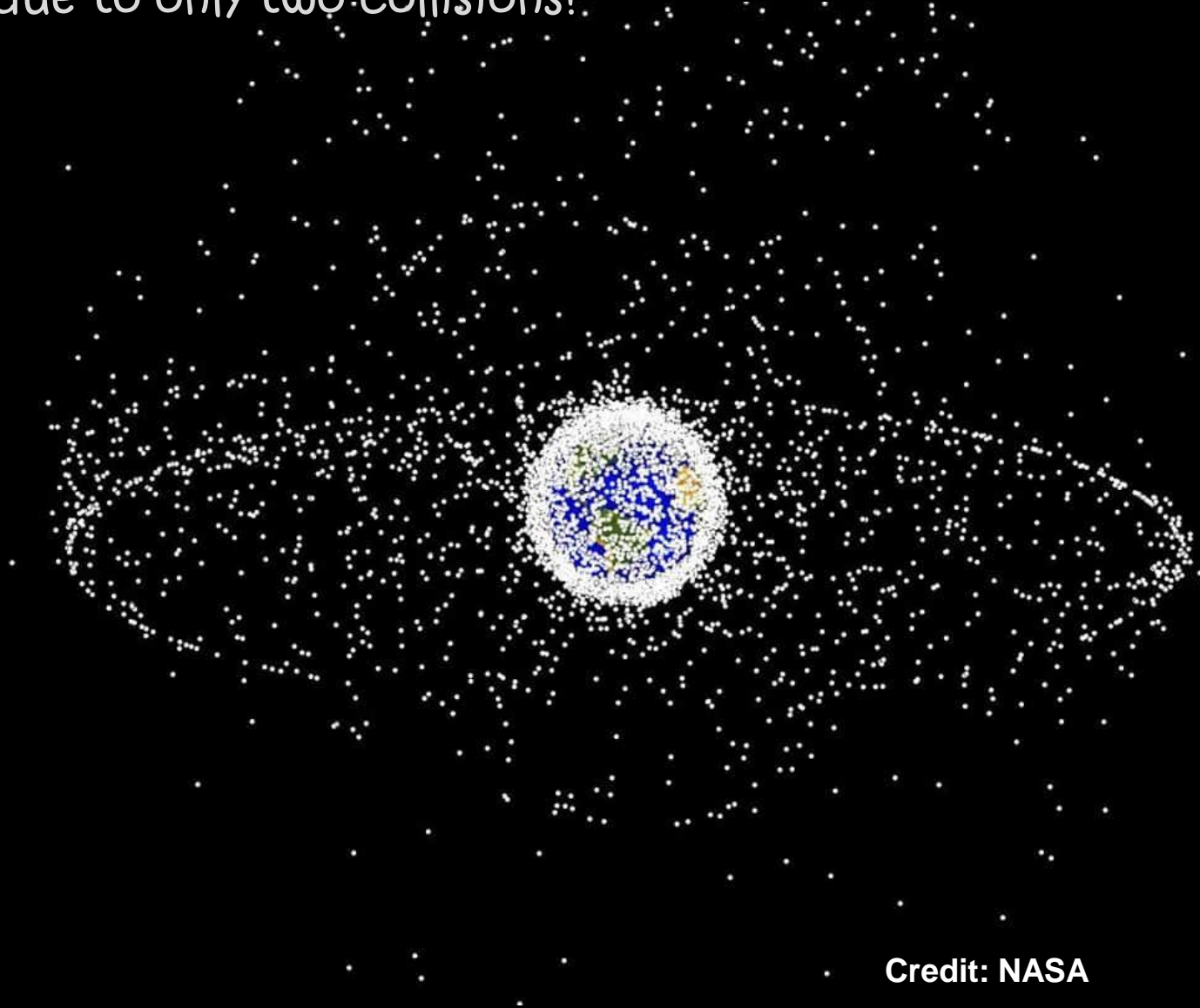


Looming regulatory issues will have a big impact

# Orbital Debris = Expired & failed satellites, rocket parts, fragments

Hundreds of thousands of tracked items

~25% due to only two collisions!



Credit: NASA

# Space Debris Regulation

- > Collisions in space create debris that can cause more collisions.
- > More satellites => more global risk (occupies scarce space real estate).
- > Spacecraft reliability critical. Early mega-constellation reliability at issue.
- > New regulatory rules proposed.
- > Space is shared! Global impact from any one nation.
- > Adoption would likely impact mega-constellations.

# Mega-Constellation Challenges

Economic Productivity

Space safety regulation

# It's NOT rocket science – it's network architecture

- Satellites (towers) in view of demand
- Fewer satellites & payloads with more bandwidth
- Space safety (avoid failed satellites, collisions)





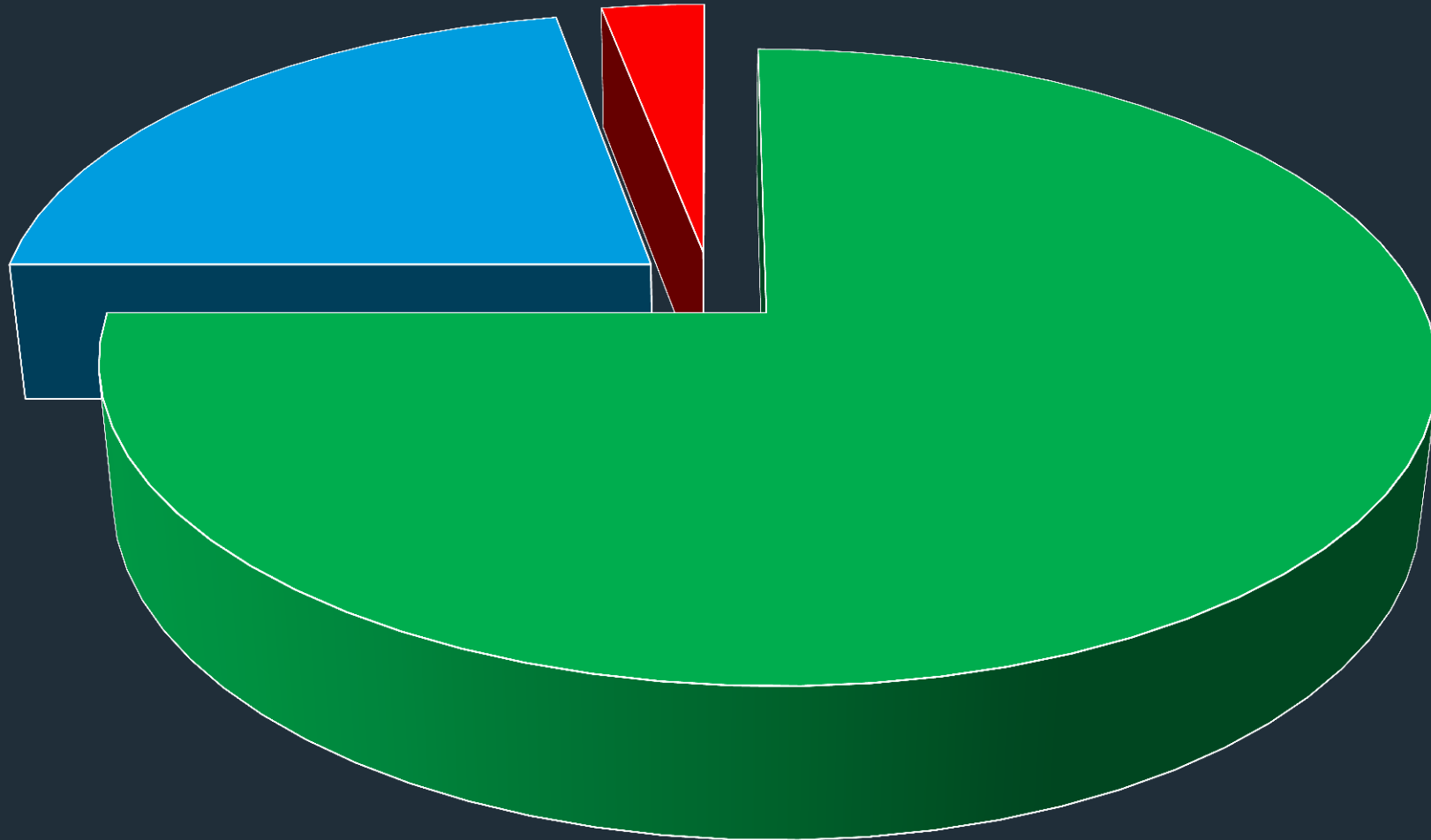
But, what about latency?

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”Hybrid” networks

- GEO satellite for speed & ~95%+ of the bandwidth
- Terrestrial (wired or wireless) or LEO satellite for low latency

## Internet Traffic By Type



■ Streaming Video ■ Web, Apps, Communication ■ Gaming

# Viasat LEO License Filing

- Very high capacity / satellite
- Fewer, more reliable satellites
- Leverage ground network

Market diversity enhances profitability & resilience

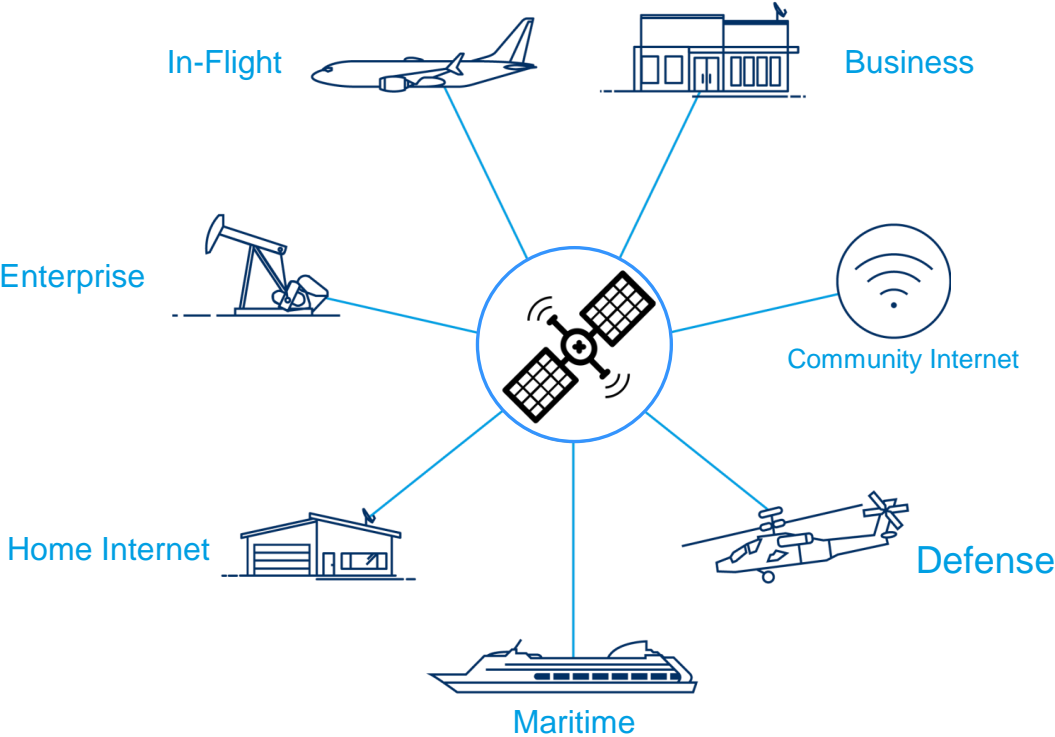
# Synergy, Efficiency, Margins

- > Performance depends on response to PEAK demand (Busy hours)
  - Residential evening hours (Streaming Video)
  - In Flight Connectivity (Connections at busy airports)
  - Government demand based on unpredictable world events
- > Locations of peak demands change dynamically
- > BIG productivity gains from counter-cyclical demand & location
- > Satellite field of view (tower locations), dynamic "beam forming" to move bandwidth



# Resilient, Diverse Broad Portfolio of Applications

## Vertical markets & partnerships



## Global markets & partnerships



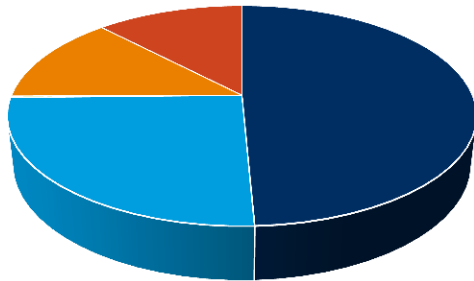
What success looks like



# Diversified Growth Portfolio

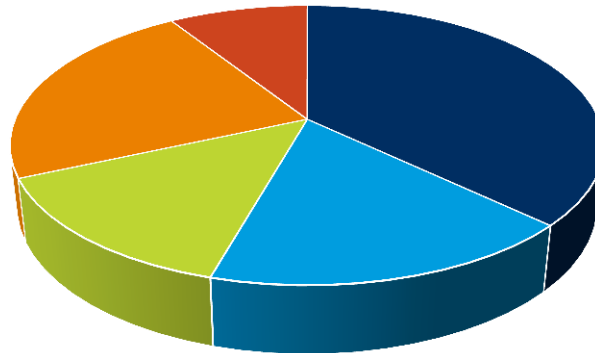
- One example of allocating bandwidth resources among very large markets
- Markets benefit from extensive domain expertise & resources (#1 or #2 in most segments)
- Large markets where LEO has little or NO coverage!
- Very low penetration into each market
- Diversity = resilience (competition, world events)

Revenue Today



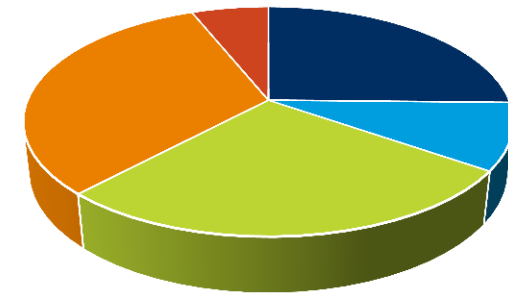
- Government
- Fixed Service
- International
- Mobility
- Space Ground Networks

Revenues ~3 years after  
1<sup>st</sup> V-3 in service



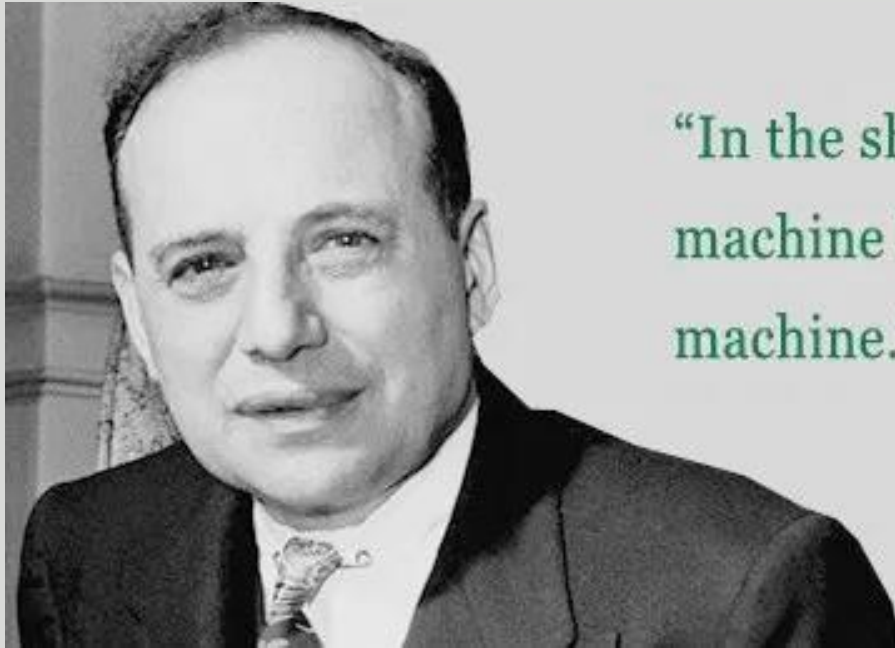
- Government
- Fixed Service
- International
- Mobility
- Space Ground Networks

Example of Sources of Growth



- Government
- Fixed Service
- International
- Mobility
- Space Ground Networks





“In the short run, the market is a voting machine but in the long run, it is a weighing machine.”

~Benjamin Graham



THANKS  
FOR LISTENING

# Questions?