

Edgar Filing: VIASAT INC - Form 10-Q

(Address of principal executive offices and telephone number)

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, 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 October 26, 2018 was 59,650,229.

VIASAT, INC.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

VIASAT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	As of	As of
	September 30,	March 31,
	2018	2018
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$44,458	\$71,446
Restricted cash	7,169	—
Accounts receivable, net	268,803	267,665
Inventories	232,078	196,307
Prepaid expenses and other current assets	233,258	77,135
Total current assets	785,766	612,553
Satellites, net	1,124,074	1,239,987
Property and equipment, net	826,299	722,488
Other acquired intangible assets, net	26,072	31,862
Goodwill	122,676	121,085
Other assets	744,740	686,134
Total assets	\$3,629,627	\$3,414,109
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$165,317	\$157,481
Accrued liabilities	250,407	263,676
Current portion of long-term debt	47,702	45,300
Total current liabilities	463,426	466,457
Senior notes	691,497	690,886
Other long-term debt	460,101	287,519
Other liabilities	130,266	121,240
Total liabilities	1,745,290	1,566,102
Commitments and contingencies (Note 8)		
Equity:		
Viasat, Inc. stockholders' equity		
Common stock	6	6
Paid-in capital	1,614,224	1,535,635
Retained earnings	252,107	285,960

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Accumulated other comprehensive income	8,376	15,565
Total Viasat, Inc. stockholders' equity	1,874,713	1,837,166
Noncontrolling interest in subsidiaries	9,624	10,841
Total equity	1,884,337	1,848,007
Total liabilities and equity	\$3,629,627	\$3,414,109

See accompanying notes to the condensed consolidated financial statements.

VIASAT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME (LOSS)

(UNAUDITED)

	Three Months Ended		Six Months Ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	(In thousands, except per share data)			
Revenues:				
Product revenues	\$280,435	\$ 181,783	\$498,564	\$ 347,901
Service revenues	237,039	211,291	457,779	425,217
Total revenues	517,474	393,074	956,343	773,118
Operating expenses:				
Cost of product revenues	216,900	133,850	390,348	256,495
Cost of service revenues	175,230	135,412	346,662	273,263
Selling, general and administrative	113,120	90,084	225,762	179,257
Independent research and development	31,360	46,268	64,733	91,333
Amortization of acquired intangible assets	2,435	3,320	4,888	6,580
Loss from operations	(21,571)	(15,860)	(76,050)	(33,810)
Other income (expense):				
Interest income	29	177	65	270
Interest expense	(14,074)	(197)	(25,398)	(253)
Loss on extinguishment of debt	—	(10,217)	—	(10,217)
Loss before income taxes	(35,616)	(26,097)	(101,383)	(44,010)
Benefit from income taxes	9,704	11,464	38,909	20,644
Equity in income of unconsolidated affiliate, net	314	741	1,379	228
Net loss	(25,598)	(13,892)	(61,095)	(23,138)
Less: net income (loss) attributable to noncontrolling interests, net of tax	126	(203)	(1,361)	(410)
Net loss attributable to Viasat, Inc.	\$(25,724)	\$(13,689)	\$(59,734)	\$(22,728)
Basic net loss per share attributable to Viasat, Inc. common stockholders	\$(0.43)	\$(0.24)	\$(1.00)	\$(0.39)
Diluted net loss per share attributable to Viasat, Inc. common stockholders	\$(0.43)	\$(0.24)	\$(1.00)	\$(0.39)
Shares used in computing basic net loss per share	59,734	58,229	59,470	58,039
Shares used in computing diluted net loss per share	59,734	58,229	59,470	58,039
Comprehensive income (loss):				
Net loss	\$(25,598)	\$(13,892)	\$(61,095)	\$(23,138)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on hedging, net of tax	38	17	(288)	109
Foreign currency translation adjustments, net of tax	(7,104)	6,321	(6,901)	9,846
Other comprehensive (loss) income, net of tax	(7,066)	6,338	(7,189)	9,955
Comprehensive loss	(32,664)	(7,554)	(68,284)	