Initiating Coverage:

Viasat Inc. ($VSAT)

Clear Skies Ahead: Viasat Set to Soar in FY2026 and Beyond

Key Take-away: Viasat is an emerging leader in the global satellite communications industry. With its expanding satellite constellation, growing aviation and defense partnerships, and strengthened liquidity position, Viasat is well positioned to capitalize on rising demand across commercial and government markets. We believe that Viasat will continue to scale its global footprint and return to sustainable profitability as it completes its key satellite launches.

Based on Viasat's FY2025 10-K, total revenues were reported at $4.519 billion, meaning total revenue growth from 2023 was up by 76.8%, driven by strong growth in its mobility and government services segments. The company also narrowed its net loss to $574 million, down from $1.068 billion the previous year. With this operational momentum, Viasat shares are positioned to perform well going into the second half of 2025.

Ligado Networks Settlement Eases Near-Term Debt Pressure: On June 13, 2025, Viasat announced a major financial win: a $568 million settlement agreement with Ligado Networks, to be paid out in quarterly installments. In exchange for Viasat dropping its opposition to Ligado in front of the FCC, Viasat receives a much-needed boost in cash flow and will help the company better manage its short-term debt obligations, which have been a consistent challenge. Importantly, this added liquidity means Viasat can reduce its debt without cutting back on critical spending like capital investments or R&D, both of which are essential for its long-term growth.

Renewed Confidence in Viasat-3 Constellation: After facing a major setback in 2023 with the failed antenna deployment on its first ViaSat 3 satellite (F1), Viasat has taken clear steps to recover and move forward. The company successfully completed testing and reintegrated the F1 satellite into its network by July 2024. Looking ahead, Viasat plans to launch two more high-capacity satellites, which are expected to enter commercial service by late 2025, as part of a broader plan to add eight new satellites in total. If these launches stay on schedule, they will significantly expand the company's global coverage and service capacity, creating new opportunities across aviation, enterprise, and government markets.

Valuation: We initiate coverage with a $35.00 PT.

Consortium Research Group
TMT | Communications Tech
July 19th, 2025

Stock Rating:	Overweight
Price Target:	$35.00

Price:	$15.72
Potential Upside:	128.5%
Ticker:	$VSAT

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Company Overview

Company Description: Viasat Inc. is a global satellite communications company serving both commercial and government markets. Founded in 1986, Viasat provides high-speed internet, in-flight Wi-Fi, secure communications, and satellite-based services using a combination of traditional geostationary (GEO) satellites and newer, high-capacity satellite technology. The company expanded its global reach through the 2023 acquisition of Inmarsat, making it one of the most prominent satellite providers worldwide.

Expanding Global Satellite Network: Viasat operates a mix of older and newer satellites, including its legacy geostationary satellites and its next generation ViaSat-3 series, which is currently being launched. The company's 2023 acquisition of Inmarsat gave it access to more mobile satellite services and international licenses, helping it provide fast, secure internet around the world, including on airplanes, ships, and in remote areas. This broad network gives Viasat an edge over newer competitors by offering more reliable coverage and a long track record in the industry.

Commercial and Government Market Diversification: Viasat generates revenue from a diverse customer base, including major commercial airlines and government agencies. In the commercial aviation segment, it provides in-flight Wi-Fi to over 4,000 aircraft, with contracts from airlines such as Etihad Airways, Aeroméxico, and Riyadh Air. On the defense side, Viasat delivers secure satellite systems, encrypted communications, and tactical networking solutions to the U.S. Department of Defense and allied governments, offering multi-year contracts that provide consistent and recurring revenue.

Industry Overview

Rising Demand for Global Connectivity: As internet access becomes a necessity worldwide, there is growing demand for reliable, high-speed connectivity in remote and underserved areas. Satellite networks have become an important solution in this space, especially for delivering broadband to rural communities, ships, and aircraft. Governments, businesses, and consumers are all seeking dependable coverage where traditional cellular infrastructure isn't feasible, which positions the satellite communications industry for long-term global growth.

Growth in Mobility and Aviation Connectivity: One of the fastest-growing segments in the satellite industry is mobility, which includes in-flight Wi-Fi and maritime connectivity. Airlines and shipping companies are increasingly investing in onboard internet to improve customer experience and streamline operations. As passenger expectations shift toward constant connectivity, satellite operators that can deliver fast, seamless service are gaining market share. This trend is expected to accelerate as more aircraft and vessels are outfitted with satellite-enabled systems.

Emergence of Low Earth Orbit (LEO) Networks: Another major shift in the industry is the rapid rise of low Earth orbit (LEO) satellite constellations, led by companies like SpaceX and Amazon. These systems offer faster speeds and lower latency than traditional geostationary satellites, making them attractive for consumer and business use. Although LEO networks require large investments and ongoing maintenance, they have opened new possibilities for connectivity and have made satellite internet more competitive with traditional broadband in some areas. This innovation is reshaping the competitive landscape and driving new investment across the sector.

Peer Comparisons

Comparable Companies					
$mm					
Ticker	**Mkt Cap**	**EV**	**P/E LTM**	**Revenue LTM**	**EBITDA LTM**
Gogo (GOGO-US)	$2,245	$3,009	20.5x	$903	$218
Iridium Communications (IRDM-US)	$3,626	$5,340	29.4x	$875	$494
Globalstar (GSAT-US)	$3,633	$4,044	-45.4x	$261	$135
EchoStar A (SATS-US)	$23,144	$42,127	-12.3x	$15,333	$1,483
Viasat, Inc.	$2,149	$7,663	-3.5x	$4,621	$1,541

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth Rate LF
Gogo (GOGO-US)	13.8x	50.0%	22.4%	17.3%	41.0%
Iridium Communications (IRDM-US)	10.8x	48.1%	49.5%	25.2%	11.0%
Globalstar (GSAT-US)	29.9x	31.6%	36.1%	1.0%	12.0%
EchoStar A (SATS-US)	28.4x	13.4%	9.9%	(2.4%)	(3.6%)
Viasat, Inc.	5.0x	27.1%	31.7%	1.6%	5.5%
High	29.95x	50.0%	49.5%	25.2%	41.0%
75th Percentile	28.40x	48.1%	36.1%	17.3%	12.0%
Average	17.59x	34.0%	29.9%	8.5%	13.2%
Median	13.80x	31.6%	31.7%	1.6%	11.0%
25th Percentile	10.81x	27.1%	22.4%	1.0%	5.5%
Low	4.97x	13.4%	9.9%	-2.4%	-3.6%

General Dynamics Valuation		
Implied Enterprise Value (25th Percentile)	$	16,668
Implied Enterprise Value (Median)	**$**	**21,265**
Implied Enterprise Value (75th Percentile)	$	43,777
Implied Share Price (25th Percentile)	$	15.50
Implied Share Price (Median)	**$**	**45.50**
Implied Share Price (75th Percentile)	$	55.50

Source: FactSet and Yahoo Finance

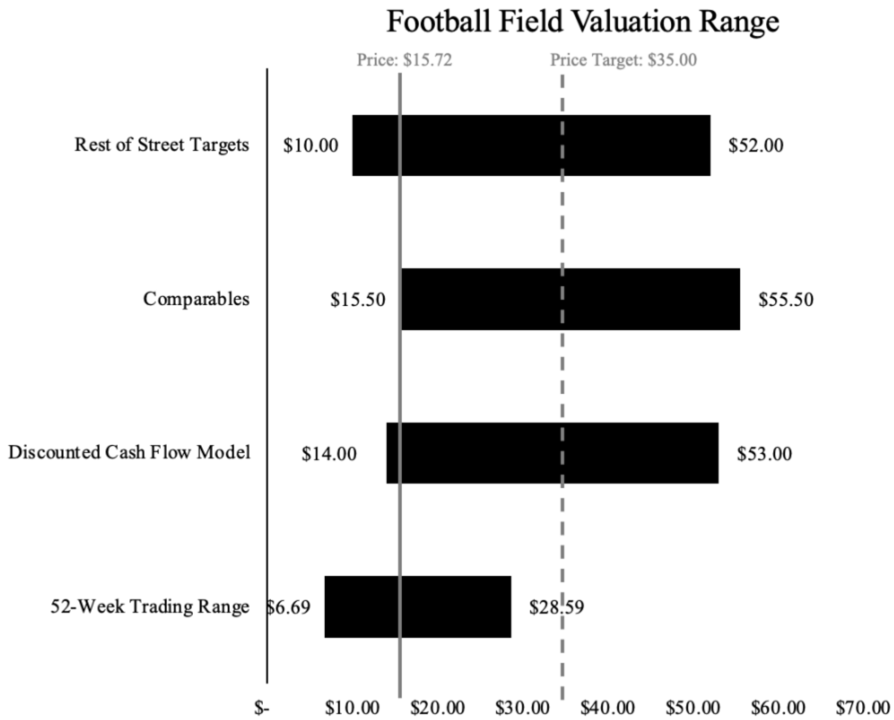
Investment Theses

Aviation and Defense are High-Growth Drivers: Viasat is making clear strides in its aviation and defense verticals, with the Defense & Advanced Technologies segment generating $322 million in revenue, resulting in a 11% YoY increase. On the aviation side, Viasat's connectivity business has achieved 91% passenger satisfaction on available flights, and they now connect 4,030 commercial aircraft (10% increase). As these segments continue to grow and deliver consistent, higher-margin revenue, they are expected to play a key role in driving long-term cash flow and investor confidence into the coming years.

Declining Debt Burden Supports Growing Valuation: Viasat has taken important steps to reduce its large debt load, which currently totals around $7 billion. The recent $568 million settlement with Ligado Networks will significantly improve the company's liquidity and remove short term concerns about default risk. In addition, much of Viasat's outstanding debt, largely tied to its 2023 acquisition of Inmarsat, is expected to be paid down later this year. As capital spending decreases following the completion of the ViaSat-3 satellite constellation, Viasat is positioned to transition from reporting net losses to generating positive cash flow. These improvements should shift investor perception, as the company moves from being viewed as over-leveraged to a more financially stable, cash-generating business.

Price Target & Valuation

Our analysis gives ($VSAT) a price target of $35.00 and an Overweight rating.



Potential Downsides to Our Rating

Satellite Deployment and Technical Risk: Viasat's long-term growth is closely tied to the success of its ViaSat-3 satellite constellation. Although the company has addressed the antenna malfunction on F1, the upcoming launches of F2 and F3 remain critical. Any additional technical failures, delays, or subpar performance could limit Viasat's global coverage goals and delay expected revenue from high-growth segments like aviation, enterprise, and government. These setbacks would also raise investor concerns about the reliability of Viasat's satellite technology.

High Debt Load and Interest Rate Exposure: Although Viasat has improved its short-term liquidity through the Ligado Networks settlement, the company still carries over $7 billion in debt, much of which was taken on to finance the Inmarsat acquisition. Rising interest rates or tightening credit conditions could increase borrowing costs and limit flexibility for future capital expenditures. If expected revenue growth does not materialize quickly, the company may face pressure to restructure or reduce investment in key initiatives, weakening its long-term growth prospects.

Our Price Target: $35.00

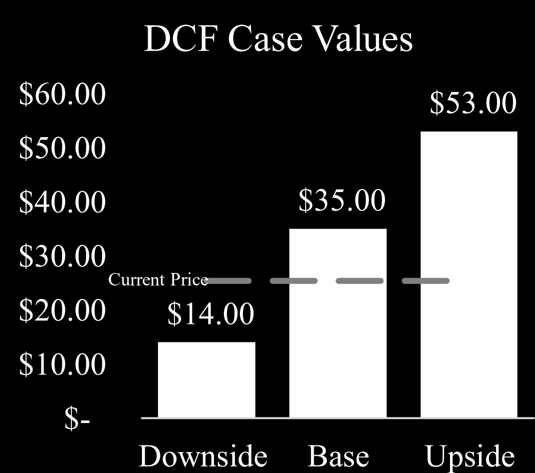
Our PT is based on mid double digit revenue growth driven by new satellite launches, aviation partnerships, and stable defense revenues. Improved cash flow and declining capex post-Viasat-3 support this valuation expansion.

Our Upside Case: $53.00

Our upside case assumes faster adoption in commercial aviation, smoother execution on satellite launches, and accelerated EBIT margin expansion reaching 14% by 2035. This is driven by stronger than expected revenue growth from international markets and reduced capex post satellite deployment.

Our Downside Case: $14.00

Our downside case assumes further technical delays with ViaSat-3 F2/F3 satellites, slower international adoption, and prolonged pressure from LEO competitors, thus limiting revenue growth and compressing valuation multiples. In this scenario, higher interest costs and weaker cash generation may force Viasat to scale back R&D and strategic investments, further constraining long-term growth.



Competition from LEO Constellations: The satellite communications industry is undergoing rapid transformation due to the emergence of Low Earth Orbit (LEO) networks, primarily from players like SpaceX's Starlink and Amazon's Project Kuiper. These competitors offer lower latency and faster speeds, which could attract customers away from traditional geostationary (GEO) systems like Viasat's. If LEO adoption accelerates faster than expected, Viasat may struggle to maintain pricing power and market share.

Projections

Income Statement ($mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	4,283,758	4,519,571	4,928,712	5,379,846	5,871,376	11.1%
EBITDA	267,718	1,153,537	1,453,970	1,563,144	1,679,866	84.4%
EBIT	(889,806)	(207,270)	(24,644)	53,798	146,784	116.5%
NOPAT	46,336	(34,759)	(72,506)	(204,276)	(750,332)	178.4%

Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	6.2%	25.5%	29.5%	29.1%	28.6%	23.8%
EBIT Margin	-20.8%	-4.6%	-0.5%	1.0%	2.5%	-4.5%
Revenue Growth	67.6%	5.5%	9.1%	9.2%	9.1%	20.1%
EBIT Growth	474.6%	-76.7%	-88.1%	-318.3%	172.8%	32.9%

Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
EV/Sales	1.4x	1.3x	1.2x	1.1x	1.0x	1.2x
EV/EBITDA	22.1x	5.1x	4.1x	3.8x	3.5x	7.7x
FCF Yield	-44.5%	10.8%	13.8%	15.2%	16.6%	18.1%

About $VSAT

Viasat Inc. ($VSAT), founded in 1986 operates as a operates as a global satellite communications provider. They deliver internet, networking, and cybersecurity solutions across residential, commercial, and government segments. With operations spanning the U.S. and international markets, Viasat stands out for its high-capacity satellite technology, including the ViaSat-3 constellation. Its core mission is to connect underserved regions through affordable, reliable internet access.

Disclosures & Ratings

Consortium Equity Research does not hold any professional relationships with any reported equities. **Overweight** means the analyst team believes the stock price will outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

Viasat, Inc.
Discounted Cash Flow

Active Case:	**2 Base**
Current Share Price	$15.72

DCF Analysis ($mm)

	FY2020 12/31/20	FY2021 12/31/21	FY2022 12/31/22	FY2023 12/31/23	FY2024 12/31/24	FY2025 12/31/2025	FY2026 12/31/26
Stub						0.55	1.55
Discount Period						0.23	0.95
Revenue	2,309,238	1,920,878	2,417,179	2,556,158	4,283,758	4,519,571	4,928,712
Revenue Growth	*0%*	*-17%*	*26%*	*6%*	*68%*	*6%*	*9%*
Communication	0	0	0	1,704,775	3,141,540	3,298,485	3,463,409
Defense	0	0	0	851,383	1,142,218	1,221,086	1,465,303
0.00	0	0	0	0	0	0	0
EBIT	38,421	(45,953)	(109,023)	(154,858)	(889,806)	(207,270)	(24,644)
EBIT Margin	*2%*	*-2%*	*-5%*	*-6%*	*-21%*	*-5%*	*-1%*
Tax Expense	(7,915)	(11,194)	(36,517)	49,418	(139,474)	(941)	(2,464)
Effective Tax Rate	*-21%*	*24%*	*33%*	*-32%*	*16%*	*0%*	*10%*
NOPAT	46,336.00	(34,759.00)	(72,506.00)	(204,276.00)	(750,332.00)	(206,329.00)	(22,179.21)
D&A	342,178	397,102	495,447	500,377	1,157,524	1,360,807	1,478,614
Capex	693,966	827,241	990,310	1,164,317	1,539,385	1,030,182	1,232,178
Changes in NWC	48,822	(142,535)	97,276	(135,974)	384,088	(243,286)	(246,436)
UFCF	(354,274)	(322,363)	(664,645)	(732,242)	(1,516,281)	367,582	470,692
PV of FCF						362,227	442,480

	FY2027 12/31/27	FY2028 12/31/28	FY2029 12/31/29	FY2030 12/31/30	FY2031 12/31/31	FY2032 12/31/32	FY2033 12/31/33	FY2034 12/31/34	FY2035 12/31/35
Stub	2.55	3.55	4.55	5.55	6.55	7.55	8.55	9.55	10.55
Discount Period	1.95	2.95	3.95	4.95	5.95	6.95	7.95	8.95	9.95
Revenue	5,379,846	5,871,376	6,400,193	6,961,674	7,549,795	8,157,407	8,776,661	9,399,581	10,018,752
Revenue Growth	*9%*	*9%*	*9%*	*9%*	*8%*	*8%*	*8%*	*7%*	*7%*
Communication	3,644,276	3,842,687	4,060,439	4,299,554	4,562,304	4,851,250	5,169,277	5,519,639	5,906,013
Defense	1,735,570	2,028,689	2,339,754	2,662,121	2,987,491	3,306,157	3,607,384	3,879,942	4,112,739
0.00	0	0	0	0	0	0	0	0	0
EBIT	53,798	146,784	256,008	382,892	528,486	693,380	877,666	1,080,952	1,302,438
EBIT Margin	*1%*	*3%*	*4%*	*6%*	*7%*	*9%*	*10%*	*12%*	*13%*
Tax Expense	6,037	18,267	34,988	57,008	85,145	120,186	162,856	213,788	273,512
Effective Tax Rate	*11%*	*12%*	*14%*	*15%*	*16%*	*17%*	*19%*	*20%*	*21%*
NOPAT	47,761.08	128,517.89	221,020.01	325,883.71	443,340.74	573,193.78	714,810.26	867,163.54	1,028,925.82
D&A	1,509,346	1,533,081	1,546,713	1,547,039	1,530,931	1,495,525	1,438,397	1,357,717	1,252,344
Capex	1,273,230	1,311,274	1,344,041	1,369,129	1,384,129	1,386,759	1,375,010	1,347,273	1,302,438
Changes in NWC	(233,127)	(215,284)	(192,006)	(162,439)	(125,830)	(81,574)	(29,256)	31,332	100,188
UFCF	517,003	565,609	615,699	666,232	715,972	763,533	807,453	846,276	878,645
PV of FCF	455,464	466,962	476,363	483,059	486,491	486,196	481,843	473,265	460,480

Weighted Average Cost of Capital ($mm)	
Market Risk Premium	5.25%
Beta	1.20
Risk Free Rate	4.39%
Cost of Equity	2.29%
Weighted Average Cost of Debt	6.25%
Tax Rate	10.00%
Cost of Debt	4.42%
Total Equity	$2,049
Total Debt	$5,903,447
Equity/Total Capitalization	21.42%
Debt/Total Capitalization	78.58%
WACC	6.71%

Terminal Value Perpetuity Growth Method	
2034 FCF	$878,645
Growth	3.00%
Terminal Value	$23,698,281
PV of Terminal Value	$12,419,781
PV of Projection Period	$5,074,830
PV of Terminal Value	$12,419,781
Implied TEV	$17,494,611
(-) Debt	$7,515,552
(+) Cash	$1,612,105
Implied Equity Value	$11,591,164
Basic Shares Outstanding	130320
Implied Share Price	$88.94
Upside/Downside	465.80%

Implied Exit BF EV/EBIT	13.4x

Terminal Value Exit Multiple Method	
2034 EBIT	$1,302,438
EV/EBIT Exit Multiple	8.0x
Terminal Value	$10,419,502
PV of Terminal Value	$5,460,646
PV of Projection Period	$5,074,830
PV of Terminal Value	$5,460,646
Implied TEV	$10,535,477
(-) Debt	$7,515,552
(+) Cash	$1,612,105
Implied Equity Value	$4,632,030
Diluted Shares Outstanding	130,320
Implied Share Price	$35.54
Upside/Downside	126.1%

Implied PGR	-8.1%

Blended Share Price	
Perpetutity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	$35.54
Upside/Downside	126.10%