

Viasat boosts satellite Internet footprint globally with completion of Inmarsat acquisition

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Viasat, based in Carlsbad, California, has completed its \$6.1 billion acquisition of London-based Inmarsat on Wednesday —accelerating the

company's bid to become a global supplier of satellite broadband for aircraft, ships, governments and hard-to-reach residences.

The combined company operates 19 [communications satellites](#) worldwide, with more in the pipeline. That compares to Viasat's fleet of five satellites that are focused mostly on the Americas.

Combined, the companies have 8,000 employees and an estimated \$4.1 billion in annual revenue. The deal is expected to boost Viasat's earnings immediately.

"The combination of our companies brings together the people, technology, innovation, network assets, spectrum resources and global partnerships needed to help connect the world more affordably, securely and reliably," said Viasat Chief Executive Mark Dankberg in a statement.

The merger also bulks up Viasat to withstand a wave of new competition in space-based Internet—led by SpaceX's Starlink fleet but also including Amazon, OneWeb and others.

These deep-pocketed new entrants are launching swarms of small satellites orbiting closer to Earth. They aim to deliver fast speeds with minimal transmission delay—overcoming the financial and technical roadblocks that have doomed previous attempts to operate low-Earth orbit Internet systems. Starlink said in a Twitter post that it now has 1.5 million customers worldwide, up from 250,000 in March 2022.

Viasat and Inmarsat are punching back with powerful, higher orbit satellites—including the terabit-class Viasat-3 fleet, which can dynamically steer bandwidth to where there's the most demand. The first of three Viasat-3 satellites launched April 30 from the Kennedy Space Center in Florida. Inmarsat launched a new I-6 [broadband satellite](#) in

February and has five more planned by 2025.

Both Viasat and Inmarsat have a solid foothold in supplying commercial airlines with in-flight Wi-Fi—with customers including Delta, American, United, JetBlue and Southwest airlines. Viasat also supplies connectivity to government aircraft including Air Force One.

Inmarsat also has deep roots in maritime shipping market and with governments worldwide.

The deal, first announced in November 2021, cleared the final anti-monopoly regulatory review in the U.S. and Europe over the past couple of weeks.

Viasat paid \$551 million in cash and issued 46.36 million shares of common stock for Inmarsat. Viasat also assumed \$3.4 billion in Inmarsat debt.

Inmarsat shareholders now own about 37.6% of Viasat's common stock. The cash portion of the purchase price was reduced from \$850 million to \$551 million after Inmarsat paid a \$299 million special dividend to its shareholders in April 2022.

Viasat was able to lock in financing in the fall of 2021 when the deal was announced—thus benefiting from a better interest rate environment than today.

Viasat's corporate headquarters will remain in Carlsbad. Its new global international business headquarters will be in London.

Dankberg will serve as CEO and chairman of the combined company, with Viasat's Guru Gowrappan continuing in the role of president.

"This combination broadens the global fixed and [mobile services](#) available to customers in an industry-defining moment," said Gowrappan.

Inmarsat Chief Executive Rajeev Suri and Chairman Andy Sukawaty will join Viasat's board of directors.

Viasat's shares lost 2.6% Wednesday to close at \$44.61 on the Nasdaq exchange.

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