



Baird 2018 Annual Global Industrial Conference

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November 7, 2018



Forward-looking safe harbor statement

This presentation contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those to fiscal 2019 business performance and beyond and the Company's plans for growth and improvement in profitability and cash flow. You can identify these statements by the use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of any U.S. Federal government shutdown or extended continuing resolution, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control or procurement rules and regulations, market acceptance of the Company's products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions and restructurings, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, increases in interest rates, changes to cyber-security regulations and requirements, changes in tax rates or tax regulations, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2018. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Use of Non-GAAP (Generally Accepted Accounting Principles) Financial Measures

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, the Company provides adjusted EBITDA, adjusted income, adjusted EPS, free cash flow, organic revenue and acquired revenue which are non-GAAP financial measures. Adjusted EBITDA, adjusted income, and adjusted EPS exclude certain non-cash and other specified charges. The Company believes these non-GAAP financial measures are useful to help investors better understand its past financial performance and prospects for the future. However, these non-GAAP measures should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes these non-GAAP measures assist in providing a more complete understanding of the Company's underlying operational results and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company's business, to evaluate its performance compared to prior periods and the marketplace, and to establish operational goals. A reconciliation of GAAP to non-GAAP financial results discussed in this presentation is contained in the Appendix hereto.



Pioneering a next generation defense electronics company...

- Proven high-tech commercial business model for A&D
- Secure sensor and safety critical processing subsystems
- Serving defense Prime contractor outsourcing needs
- Deployed on 300+ programs with 25+ Prime contractors
- 24% FY14-18 revenue CAGR
- 51% FY14-18 adj. EBITDA CAGR
- Ranked 27th on *Fortune's* 100 Fastest-Growing Companies list
- Defense industry's highest Glassdoor employee ratings



...to address the industry's challenges and opportunities

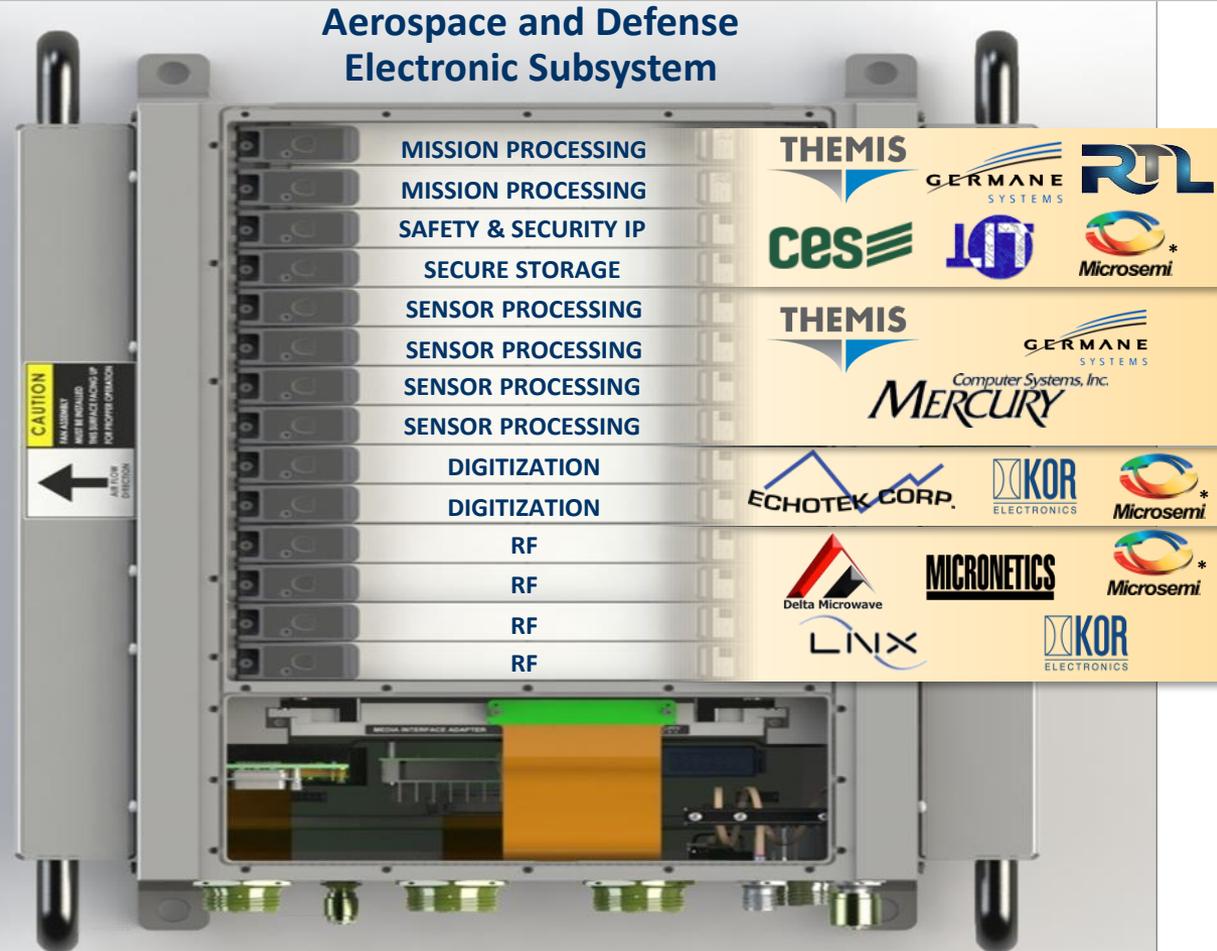


Strategy delivering above average growth and profitability



Acquisitions have transformed Mercury into a commercial...

- Acquired capabilities significantly expanded addressable market
- Moved up the value chain
- Model facilitates greater customer outsourcing
- Accelerates customer supply chain transformation
- Disintermediate traditional product-level competitors
- Low-risk, content expansion organic growth strategy
- Future M&A opportunities



...provider of secure sensor and safety-critical processing subsystems



We are deployed on 300+ programs with 25+ Primes

Aerospace & Defense Platform and Systems Electronics Content

C4I	JLTV	WIN-T	KC-46	A330 MRTT	Aegis
					
Sensor & Effector Mission Systems	F-16	Reaper/Gorgon Stare	Triton	Patriot	Aegis
					
	F-15	C-130	Global Hawk	Badger/Buzzard	SEWIP
					
Stormbreaker	PGK	MALD-J	Paveway	SM2/3/6	
					

snc SIERRA NEVADA CORPORATION

Raytheon

NORTHROP GRUMMAN

DRS

BAE SYSTEMS

AIRBUS

SAIC

LOCKHEED MARTIN



communications



GENERAL DYNAMICS

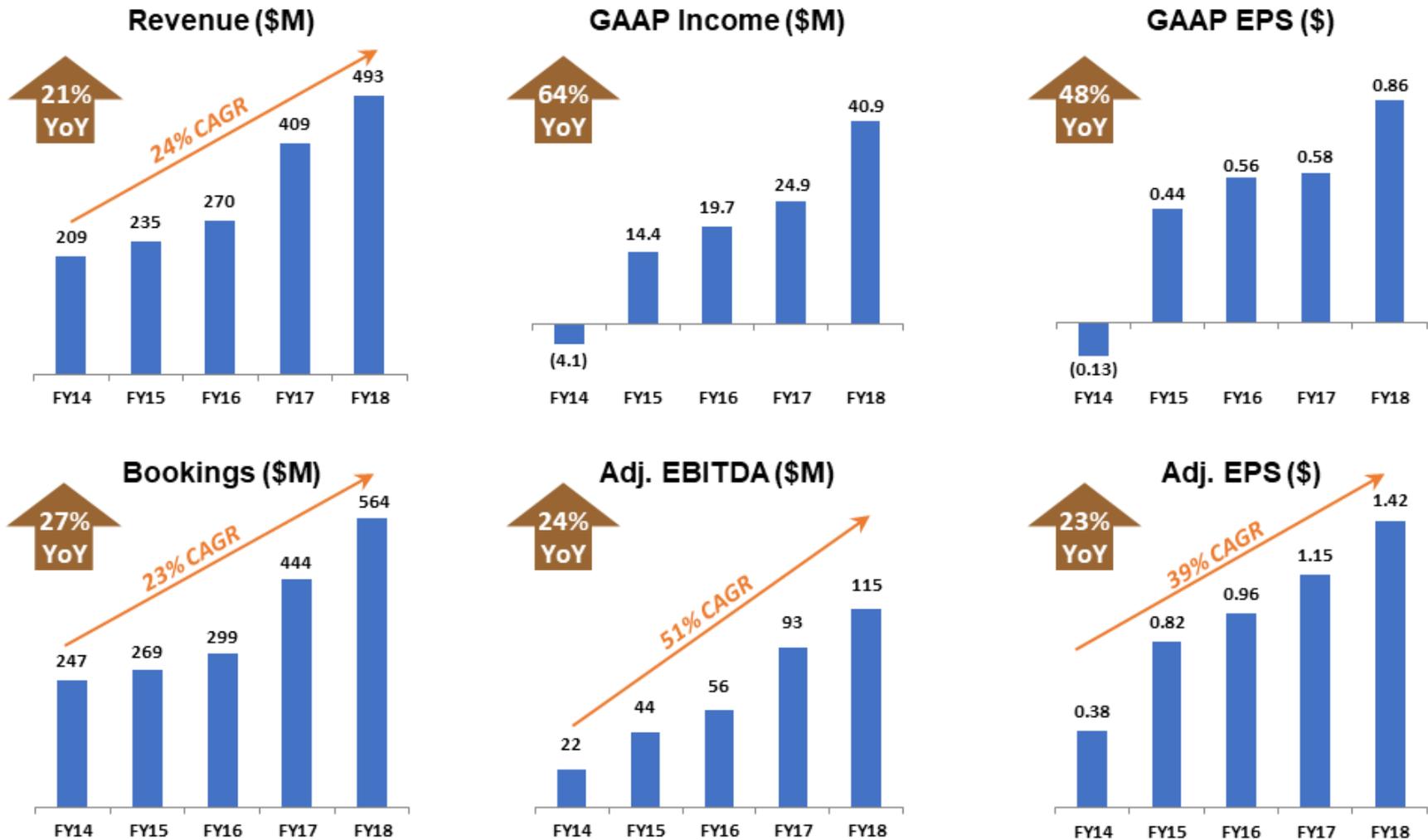
THALES



BOEING

HARRIS

Mercury continues to deliver strong financial results



Notes: For the fiscal year ended June 30, 2018. Bookings as reported in the Company's earnings announcement on July 31, 2018. Other figures as reported in the Company's Form 10-K for the fiscal year ended June 30, 2018. CAGR figures for the period FY2014-2018. See reconciliation of GAAP to non-GAAP financial measures tables in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Form 10-K. Numbers are rounded. Per share data is presented on a fully diluted basis. As of Q1 FY19, the Company has revised its definition of adjusted EBITDA to incorporate other non-operating adjustments, net, which includes gains or losses on foreign currency measurement and fixed assets sales and disposals among other adjustments.

Mercury's financial profile demonstrates our unique strategy

of Companies

1028

ALL NYSE AND NASDAQ COMPANIES WITH MARKET
CAPITALIZATION BETWEEN \$750mm - \$3bn
LTM based on most recently reported quarters

TIER 2 DEFENSE INDEX
LTM based on most
recently reported
quarters



EBITDA Margin
>20%

19%

EBITDA Margin
LTM

23%

EBITDA Margin
LTM

289

Revenue CAGR
>10% 5-Year

2%

5-Year CAGR

22%

5-Year CAGR

95

LTM
Revenue
Growth
>20%

7%

LTM

24%

LTM

8

Notes:

- Mercury LTM figures are based on the trailing four fiscal quarters using information reported in the Company's Form 10-Ks, Form 10-Qs and/or most recent earnings release.
- Source: FactSet; market data for most recently reported quarters as of October 29, 2018.
- Financials represent reported results and are not adjusted for acquisitions or divestitures.
- NASDAQ companies represent those that are U.S. listed.
- 5-Year CAGR calculated with 9/30/2013 LTM revenue and 9/30/2018 LTM revenue
- TIER 2 DEFENSE INDEX: AAR Corporation, Aerojet Rocketdyne, AeroVironment, AXON Enterprises, Ball Aerospace, BWX Technologies, Comtech Telecom, Cubic Corp, Curtiss Wright Corp, Ducommun, Esterline Technologies, Elbit Systems, FireEye, FLIR Systems, Harris Corp, Heico, Hexcel, Honeywell Intl, Kaman, KBR, Kratos Defense, L-3 Communications, MDA, Mercury Systems, MOOG, Oshkosh Truck, OSI Systems, Rockwell Collins, Sparton, Teledyne Technologies, Textron, Transdigm Group, Triumph Group, United Technologies, Vectrus, Viasat Inc, VSE Corporation, Woodward Aerospace.