Mercury Selected to Improve U.S. Defense Supply Chain Resilience for Priority Domestic Microelectronics Technology

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ANDOVER, Mass., July 02, 2025 (GLOBE NEWSWIRE) -- Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com), a technology company that delivers mission-critical processing to the edge, today announced it has been selected by the U.S. Department of Defense (DoD) for funding through its Industrial Base Analysis and Sustainment (IBAS) Program to develop a next-generation RF signal conditioning multi-chip package (MCP). The IBAS Program aims to improve the readiness and competitiveness of the defense industrial base through investments in high-priority domestic technologies and supply chains.

Under a two-year, $8.5 million contract with commercial partner Systems Innovation Engineering, Mercury will develop and demonstrate a new solution designed to enhance the performance and cost of X-band Active Electronically Steered Array (AESA) radars used in air, sea, and ground-based applications. This ultra-compact signal conditioning package will leverage Mercury expertise and innovation in microwave and mixed signal technologies to reduce the size, weight, and power requirements of these integrated assemblies by more than 80% compared to existing hardware. By leveraging state-of-the-art processes, this capability will be more producible, affordability will be improved, and high-volume missions will be enabled.

“This award demonstrates DoD’s confidence in Mercury’s ability to rapidly develop innovative RF solutions that utilize a broad set of our in-house capabilities, spanning engineering design, advanced packaging, and high-volume manufacturing production,” said Ken Hermanny, Mercury’s Senior Vice President of Signal Technologies. “We’re building a first-of-its-kind signal conditioning module optimized for performance and scalable to meet future demands for a wide range of radar programs and customers.”

“This effort exemplifies the power of our processing platform to bring together silicon-to-system innovation from across Mercury,” said Tony Trinh, Senior Director of Advanced Packaging within Mercury’s recently formed Advanced Concepts Group. “By drawing on capabilities from across our enterprise to build an integrated yet configurable, high-performance solution, we are accelerating technology insertion and supporting our customer’s mission with trusted, leading-edge technology.”

“This capability will play a pivotal role in advancing RF sensor performance and readiness to counter the evolving threat landscape we will face in the years ahead,” said John Schofield, who supports the IBAS Program as a Chief Scientist assigned to the U.S. Naval Surface Warfare Center’s Crane Division. “It supports the warfighter by enabling faster, more reliable threat detection, delivered through trusted, U.S.-sourced innovation.”

Mercury Systems – Innovation that matters®
Mercury Systems is a technology company that delivers mission-critical processing to the edge, making advanced technologies profoundly more accessible for today’s most challenging aerospace and defense missions. The Mercury Processing Platform allows customers to tap into innovative capabilities from silicon to system scale, turning data into decisions on timelines that matter. Mercury’s products and solutions are deployed in more than 300 programs and across 35 countries, enabling a broad range of applications in mission computing, sensor processing, command and control, and communications. Mercury is headquartered in Andover, Massachusetts, and has more than 20 locations worldwide. To learn more, visit mrcy.com. (Nasdaq: MRCY)

Forward-Looking Safe Harbor Statement
This press release contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the Company's focus on enhanced execution of the Company's strategic plan. You can identify these statements by 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 geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in or cost increases related to completing development, 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, including tariffs, changes in, or in the interpretation or enforcement of, environmental rules and regulations, market acceptance of the Company's products, shortages in or delays in receiving components, supply chain delays or volatility for critical components, production delays or unanticipated expenses including due to quality issues or manufacturing execution issues, adherence to required manufacturing standards, capacity underutilization, increases in scrap or inventory write-offs, failure to achieve or maintain manufacturing quality certifications, such as AS9100, the impact of supply chain disruption, inflation and labor shortages, among other things, on program execution and the resulting effect on customer satisfaction, inability to fully realize the expected benefits from acquisitions, restructurings, and operational efficiency initiatives or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, effects of shareholder activism, increases in interest rates, changes to industrial security and cyber-security regulations and requirements and impacts from any cyber or insider threat events, changes in tax rates or tax regulations, such as the deductibility of internal research and development, changes to interest rate swaps or other cash flow hedging arrangements, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, litigation, including the dispute arising with the former CEO over his resignation, 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 28, 2024 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. 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.

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