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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**Date of report (Date of earliest event reported): November 3, 2015**

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**Mercury Systems, Inc.**  
(Exact Name of Registrant as Specified in Charter)

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**Massachusetts**  
(State or Other Jurisdiction  
of Incorporation)

**000-23599**  
(Commission File Number)

**04-2741391**  
(IRS Employer  
Identification No.)

**201 Riverneck Road, Chelmsford, Massachusetts 01824**  
(Address of Principal Executive Offices) (Zip Code)

**Registrant's telephone number, including area code: (978) 256-1300**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01 Regulation FD Disclosure.**

The management of Mercury Systems, Inc. (“Mercury”) will present an overview of Mercury’s business on November 3-4, 2015 on a road show hosted by KeyBanc Capital Markets. Attached as Exhibit 99.1 to this Current Report on Form 8-K (the “Report”) is a copy of the slide presentation to be made by Mercury at the road show.

This information is being furnished pursuant to Item 7.01 of this Report and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and will not be incorporated by reference into any registration statement filed by Mercury under the Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference. This Report will not be deemed an admission as to the materiality of any information in this Report that is being disclosed pursuant to Regulation FD.

Please refer to page 2 of Exhibit 99.1 for a discussion of certain forward-looking statements included therein and the risks and uncertainties related thereto, as well as the use of non-GAAP financial measures included therein.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
99.1	Presentation materials dated November 3-4, 2015

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 3, 2015

MERCURY SYSTEMS, INC.

By: /s/ Gerald M. Haines II

Gerald M. Haines II

Executive Vice President, Chief Financial Officer, and Treasurer

## Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
99.1	Presentation materials dated November 3-4, 2015

# KeyBanc Capital Markets KC & Chicago Road Show

**Mark Aslett**  
President and CEO

**Gerry Haines**  
Executive Vice President and CFO

**November 3-4, 2015**



# 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 relating to the products and services described herein. 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 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, changes to export regulations, increases in tax rates, 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, 2015. 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 from continuing operations, and adjusted EPS which are non-GAAP financial measures. Adjusted EBITDA, adjusted income from continuing operations, 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, the presentation of adjusted EBITDA, adjusted income from continuing operations and adjusted EPS is not meant to be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes the adjusted EBITDA, adjusted income from continuing operations, and adjusted EPS financial 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.

# Introducing Mercury Systems

- MRCY on NASDAQ 1998
- High tech company; commercial business model
- Focused on Defense and Intelligence priorities
- Deployed on ~300 programs with 25+ Prime contractors
- FY15 \$235M revenue  
Growth YoY: 13% revenue, 89% Adj. EBITDA, 19% backlog
- FY16 guidance<sup>(1)</sup>:  
Growth YoY: 5% revenue, 10% Adj. EBITDA



Commercial secure and sensor processing subsystems

Notes:

(1) The guidance included herein is from the Company's earnings release and is as of the date of the earnings release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.



# Pioneering a next generation defense electronics company

<b>Proven Management Team</b>	Successful business transformation, double-digit defense revenue growth with improved profitability
<b>Leading Market Position</b>	Pure play defense electronics company embedded on key growth programs aligned to DoD priorities
<b>Aligned with Industry Growth Drivers</b>	Pacific pivot, aging platform modernization, foreign and international military sales, SOF quick reaction capabilities
<b>Next Generation Defense Electronics Business Model</b>	US commercially developed: prime, sensor and platform agnostic capabilities improves affordability, time to market and trust
<b>Innovative Technology Leader</b>	Secure and sensor processing subsystems, software and services for critical Defense and Intelligence applications
<b>Low Risk Organic Growth Strategy</b>	RFM and secure processing content expansion strategy targeting key DoD production programs
<b>Business Platform Built to Scale</b>	Scalable business, engineering and manufacturing platform that facilitates accretive future acquisitions



Mercury's vision is to be the...

Leading high-tech commercial  
provider of more affordable  
secure and sensor processing  
subsystems designed and  
made in the USA



# Acquisitions have transformed the computer company...



...into a pure play provider of defense electronics subsystems

# Defense will likely remain a \$500B+ industry...



## **Political Dysfunction:**

Sequestration-driven cuts and repeated Continuing Resolutions disrupting DoD budget process and spending



## **Crowding Out of Defense Spending and Investment:**

Rising interest rates, healthcare and social spending; MilPer expense growth, aging military platforms' O&M costs rising



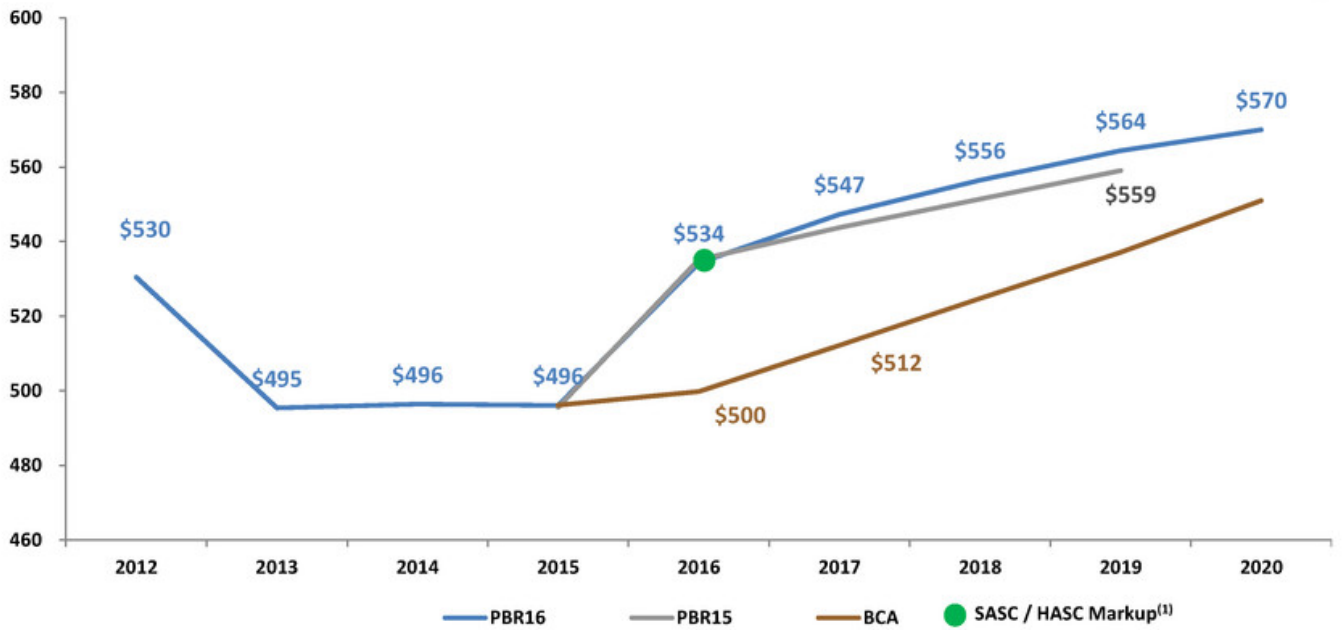
## **Defense Procurement Reform 3.0:**

Firm-fixed-price contracts and less government-funded R&D  
changing economics and competitive dynamics of defense industry

...despite the ongoing political and budget uncertainty

# Long-term Defense budget outlook improving...

Topline Base Budget vs. Budget Control Act (BCA) Caps (\$B)



Short term, Political dysfunction affecting Government FY16

# The Defense industry has cut its capacity to innovate

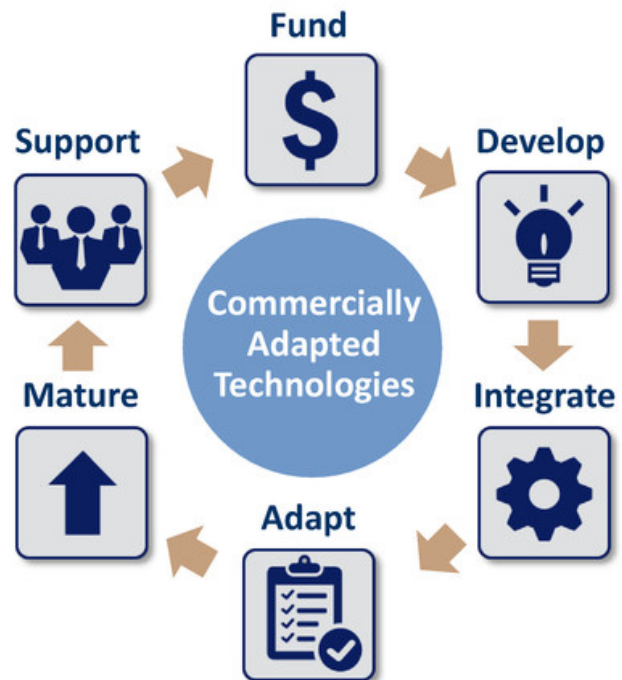
- Government and industry funding less R&D
- Primes do not want to consume IR&D on basic subsystems integration
- Fewer engineers means greater program risk
- Aging workforce - bow wave of retirement eligible engineers in next 5 years
- Companies are partnering and outsourcing more
- Supply chain strategies are evolving as a result

Company	Annual Change in R&D, 2010-2013	Annual Change in Headcount, 2010-2013
Lockheed Martin	9% ▲	13% ▼
Boeing	25% ▼	5% ▲
Raytheon	26% ▼	13% ▼
General Dynamics	5% ▼	7% ▲
Northrop Grumman	16% ▼	18% ▼
UTC	45% ▲	2% ▲
L-3	9% ▲	24% ▼
BAE Systems	19% ▼	18% ▼

## Captive innovation giving way to co-productization

# How we operate as a high-tech commercial company...

- Internal R&D funds the development of modular, reusable open innovations
- Pre-integration improves affordability and time to market
- Rapid customization and adaptation to platform
- Technology and manufacturing maturation lowers cost and reduces risk
- Support rapidly changing commercial technology for a decade or more

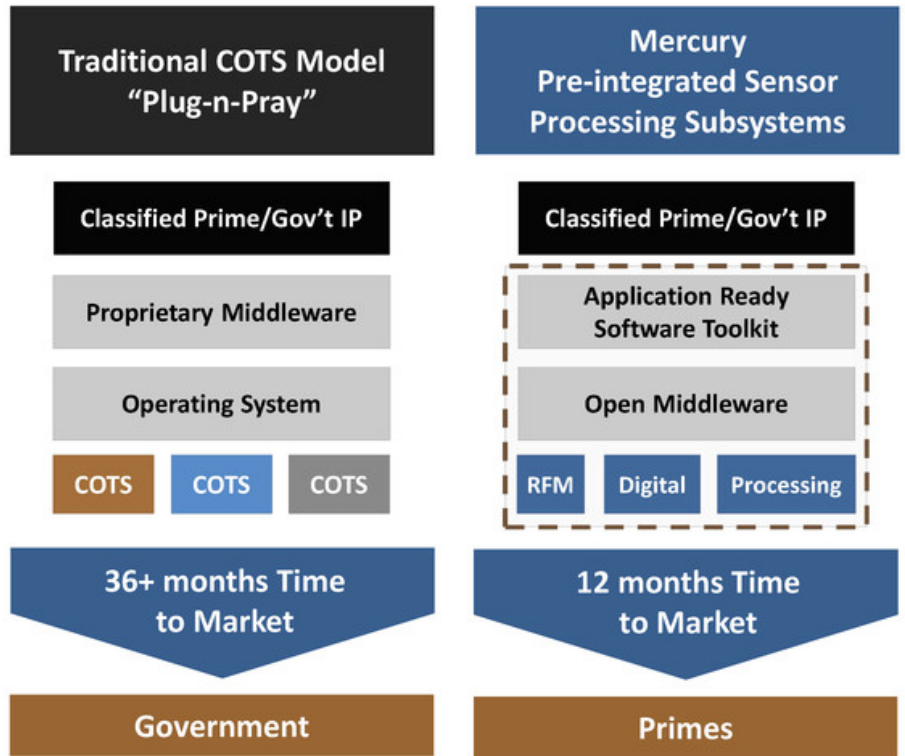


...serving the US defense electronics industry



# Our business model is built for speed, innovation and affordability...

- Traditional COTS board model broken (“Plug-n-Pray”)
  - Product procurement cost low
  - Large hidden integration costs
  - Lower prime IRAD spending
  - COTS lifecycle support difficult
- Defense procurement reform
  - Cost-plus Government-funded integration
  - Under firm fixed price, Prime bears the risk and expense
- Acquired and pre-integrating sensor chain technologies
  - More affordable, lower risk, simplifies supply chain
  - Open architectures and open middleware speeds adoption and improves affordability



...as customers seek more affordable outsourced subsystems

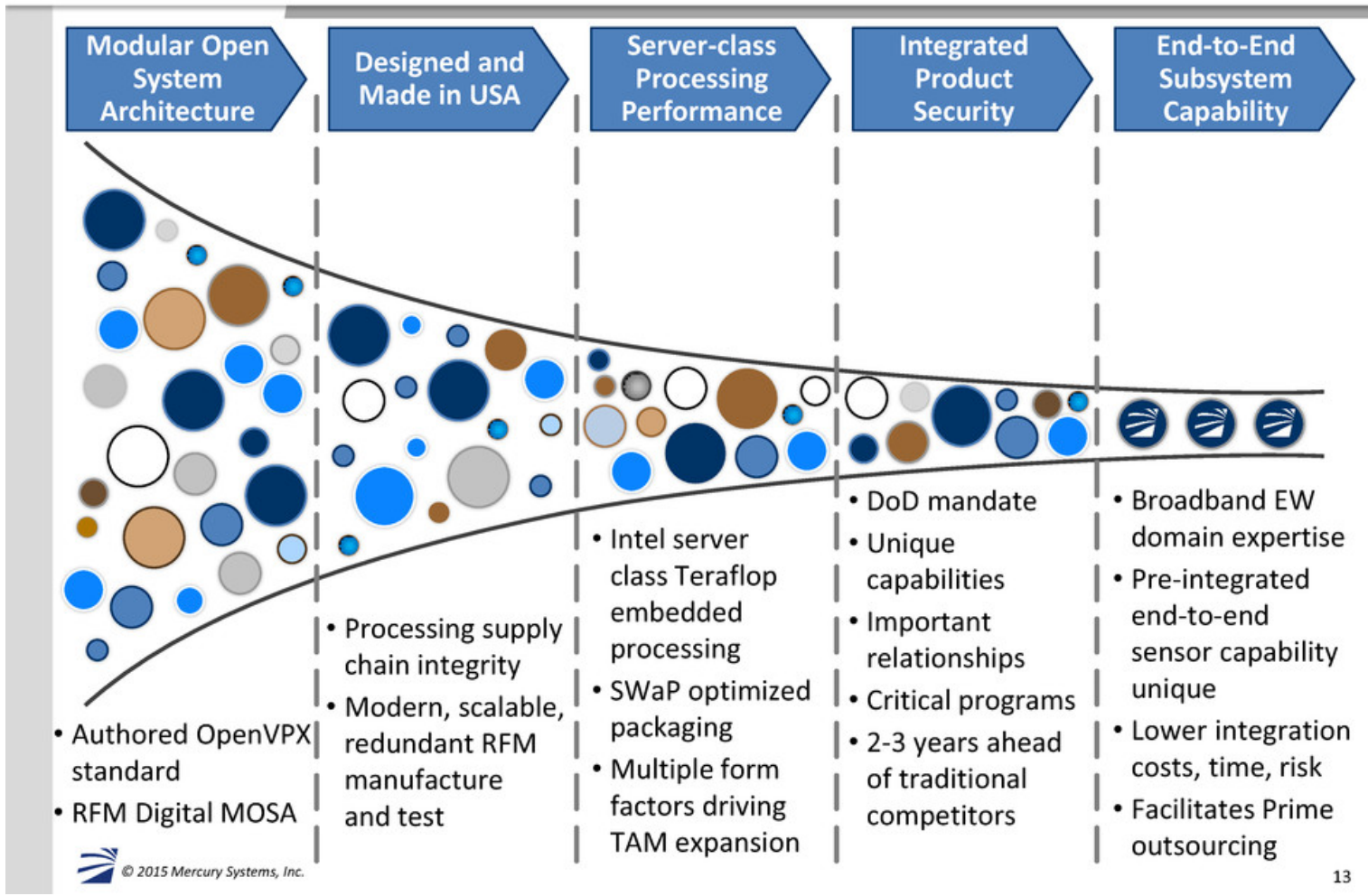


From highly leveraged Teraflop modules and RFM subassemblies...



...to blade servers and pre-integrated sensor processing subsystems

# These factors lead to a unique market position for Mercury



# Mercury has unique and differentiated capabilities today...



## **Pacific Pivot:**

Sensors going long, wide and high. Platforms need improved sensors, autonomy, electronic protection and attack, on-board exploitation



## **Aging Platform Modernization:**

Port customer software to available state-of-the-art open architectures to rapidly and affordably upgrade electronics on aging military platforms



## **International and Foreign Military Sales:**

Upgrade subsystems for export to expand addressable market, grow foreign sales and international customer R&D funding



## **Special Operations Forces Quick Reaction Capability:**

Provide rapid reaction and affordable new capabilities to support anti-terror and other special forces missions globally

...that are aligned to the key industry growth drivers

## Defense industry growth drivers translate into specific...



### **Outsourced Secure Processing Subsystems:**

Expand beyond sensor processing to provide MOSA secure processing subsystems for other onboard mission-critical compute applications



### **RF and Microwave Outsourcing:**

Grow share in integrated RF and microwave assemblies and MOSA RF subsystems by providing customers a better alternative



### **Outsourced Pre-Integrated Sensor Processing Subsystems:**

Provide more affordable pre-integrated MOSA sensor processing subsystems that preserves customer software value-add

...company growth drivers that we are pursuing



# We are deployed on 300+ programs with 25+ Primes

RADAR	F-16	F-35	Triton; NATO AGS Global Hawk	Patriot	AEGIS AEGIS Ashore
					
EW	F-15	AH-64 Apache	Global Hawk	Badger/Buzzard	SEWIP
					
EO/IR – C4I	F-16	Reaper/Gorgon Stare	F-35	P-8	Fury
					

LOCKHEED MARTIN

NORTHROP GRUMMAN

BAE SYSTEMS



BOEING

Raytheon

TELEPHONICS  
A Griffon Company

argon ST

EXELIS

snc  
SIERRA  
NEVADA  
CORPORATION



UTC Aerospace Systems



GENERAL ATOMICS

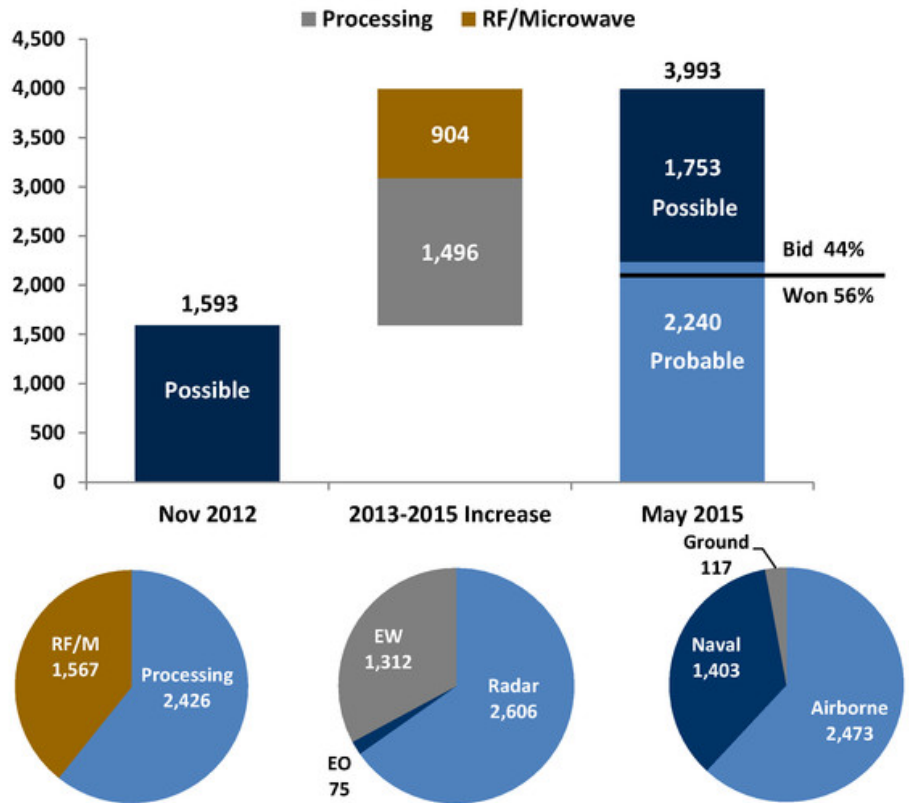


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# Acquisitions and investments driving significant opportunity growth

- Low-risk content expansion growth strategy
- Key production programs
- Total value increased 2.5x to \$4.0B in 2 years
- Converted 1.4x of possible to probable value in 2 years
- After 3 years, RFM now represents ~40% of our opportunity pipeline
- Opportunities driven by Radar (65%) and EW (33%)

## Key Programs Pipeline Value



# Strategy and investments have positioned Mercury well

- Pioneering a next-generation defense electronics business model
- Unique technology and capabilities on key production programs
- Low-risk content expansion growth strategy with demonstrable progress
- Above industry average growth and dramatic improvement in profitability
- Achieved target business model for FY15
- Business platform built to grow and scale through acquisitions





## Financial Overview

**Gerry Haines**

**Executive Vice President & CFO**

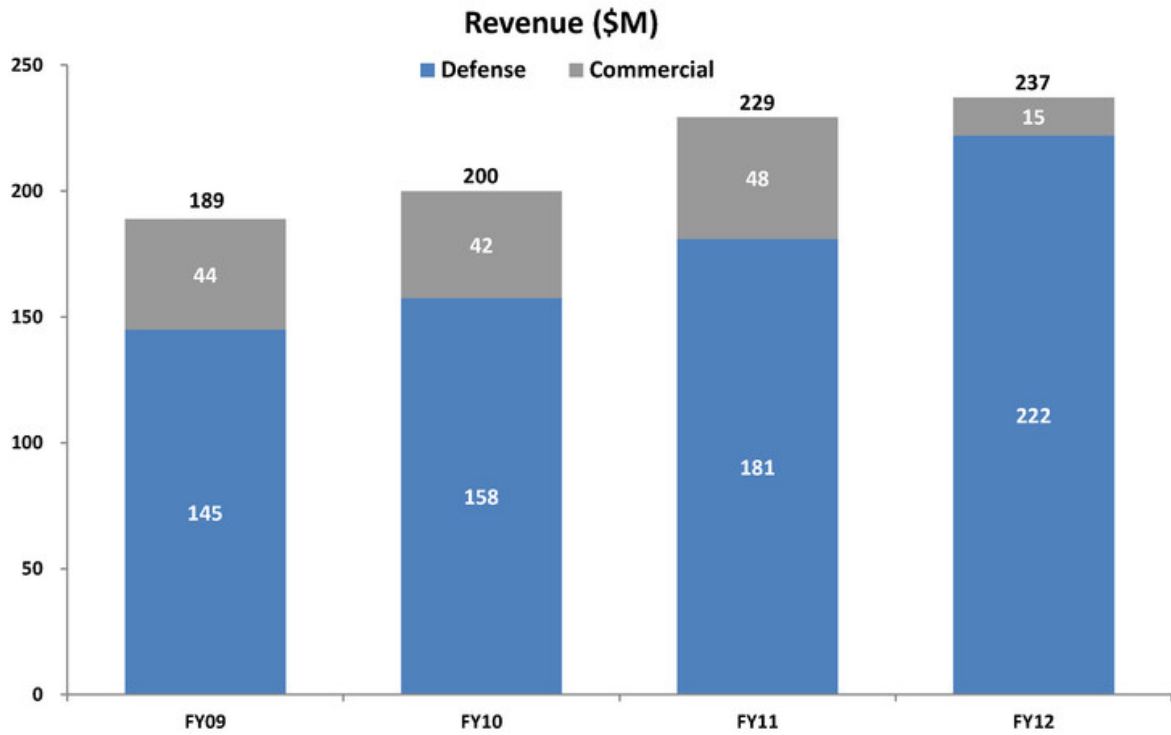


## Mercury's business model and capabilities...

Model Characteristics	Implications and Benefits
Merchant supplier of sensor processing subsystems	COTS product competitors remain but not subsystem
Commercially designed and made in the USA	Few if any competitors meet all new buying criteria
Engineered into military platforms lasting decades	High barriers to entry with annuity revenue stream
Pre-integrated sensor processing subsystems	Primes outsourcing more to reduce total acquired cost
11-13% of revenue on research and development	Value-based innovation. Modular design and reuse
Affordable and innovative platform modernization	DoD going direct to industry to eliminate profit layers

...create a unique opportunity for growth and improved returns

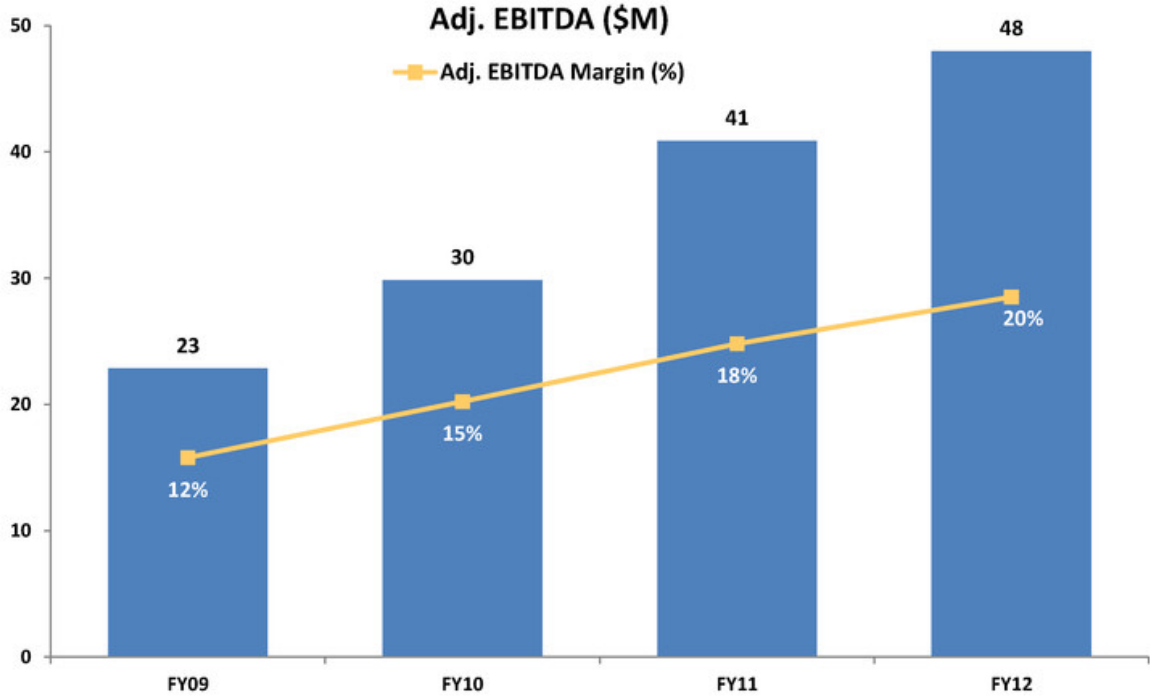
# FY09-FY12 revenue summary by market



Defense revenue CAGR of 15% FY09-FY12

# Adjusted EBITDA CAGR of 28% FY09-FY12

Achieved historic target business model in FY11



**Notes:**

- FY09 figures are as reported in the Company's fiscal 2010 Form 10K. FY10-12 figures are reported in the Company's fiscal 2014 Form 10K.
- Adjusted EBITDA is income from continuing operations, less interest income and expense, income taxes, depreciation, amortization of intangible assets, restructuring and other charges, impairment of long-lived assets, acquisition and financing costs, fair value adjustments from purchase accounting, litigation and settlement expenses and stock-based compensation expense.

# Strong performance in FY15

13% revenue and 89% adjusted EBITDA growth YoY

GAAP (\$M)	FY13	FY14	FY15	FY14-FY15 Change
Bookings	209.7	246.8	268.6	9%
Revenue	194.2	208.7	234.8	13%
Gross Margin %	40%	45%	47%	2 pts
Operating Expenses	103.0	102.1	91.9	(10%)
OpEx less restructuring (% of revenue) <sup>(2)</sup>	49%	46%	38%	(8) pts
Adjusted EPS	0.10	0.38	0.82	0.44
Adjusted EBITDA	9.9	23.5	44.4	89%

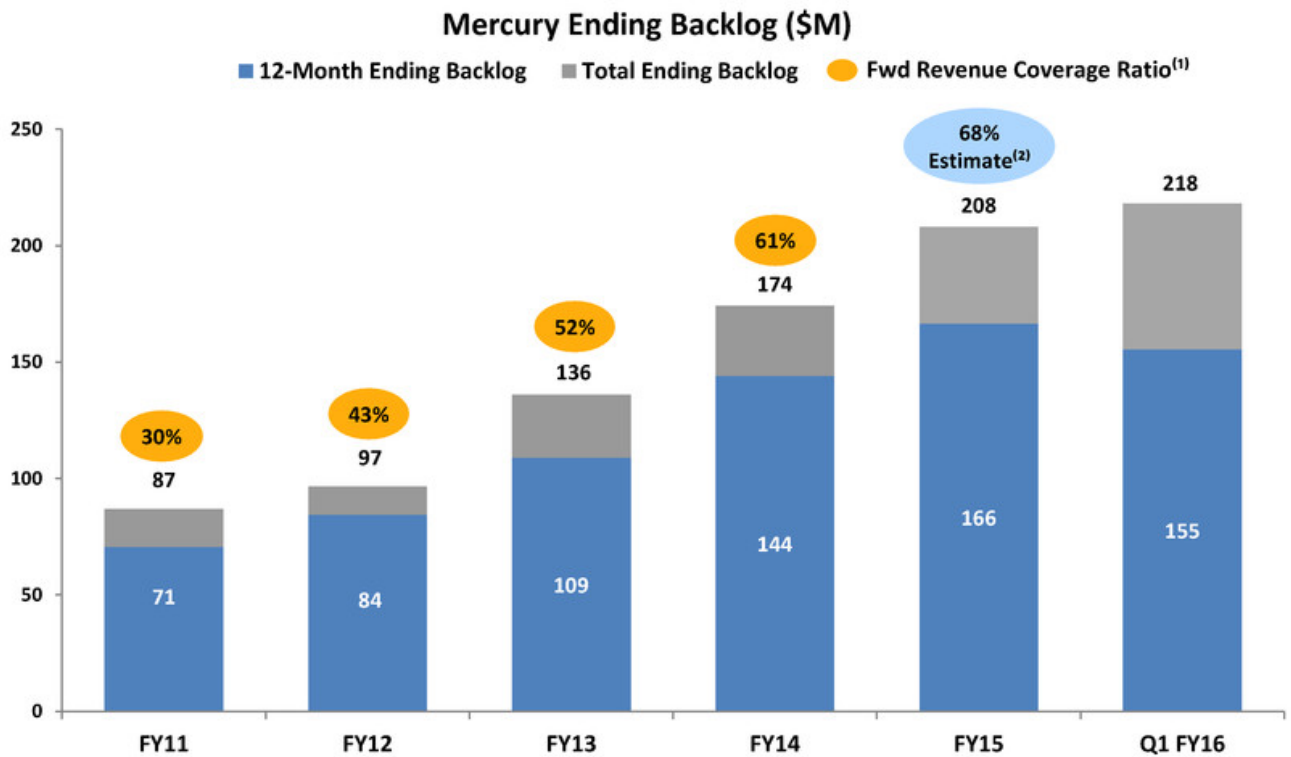
**Notes:**

(1) All numbers based on continuing operations.

(2) Excludes \$7.1M of restructuring and other charges from GAAP operating expenses in FY13, \$5.4M in FY14 and \$3.2M in FY15.

# Record backlog exiting FY15

139% growth since FY11; Revenue coverage more than doubles FY11-FY15



Well positioned for FY16

# Program focus driving substantial growth potential

Mercury's perspective on phase, timing and potential value

EMD L RIP FRP FMS

	FY15	FY16	FY17	Production Years	Probable Bid vs. Won	Expansion		Probable	Possible	
						Process	RFM	Total (\$M)	Total (\$M)	
Aegis	Sensor Processing			FRP: FY14-25	Won	✓		296	523	
	Processing Expansion			FRP: FY19-25	Bid	✓		57	96	
	RFM			FRP: FY16-25	Won/Bid		✓	46	198	
SEWIP	Block 2			FRP: FY16-26	Won		✓	312	442	
	Small Ship			FRP: FY17-26	Won		✓	104	144	
F-35	Existing			LRIP: Up to FY21	Won	✓		49	51	
	Processing			LRIP: FY19-21	Bid	✓		604	1050	
	RFM			LRIP: FY19-21	Bid		✓	94	255	
Buzzard/Badger				FRP: FY14-25	Won		✓	111	167	
Patriot				FRP: FY14-25	Won	✓		70	117	
Gorgon Stare				FRP: FY14-20	Won	✓		39	75	
Others	(Predator/Reaper, F-15 EW, E-2D Hawkeye, F-16 SABR, P-8, SIRFC/AIDEWS, BAMS/Triton, AWACS, Classified)							460	875	
<b>Note:</b> Refer to Appendix for definitions of "Bid", "Won", "Probable" and "Possible". Probable and Possible values exclude FY15 and are as of July 2015. Numbers are rounded.								<b>Total:</b>	<b>\$2,240</b>	<b>\$3,993</b>
								<b>vs. Nov. 2013</b>	<b>1,355</b>	<b>2,045</b>
								<b>% Growth:</b>	<b>65%</b>	<b>95%</b>



## Q2 FY16 guidance (as of October 27th)

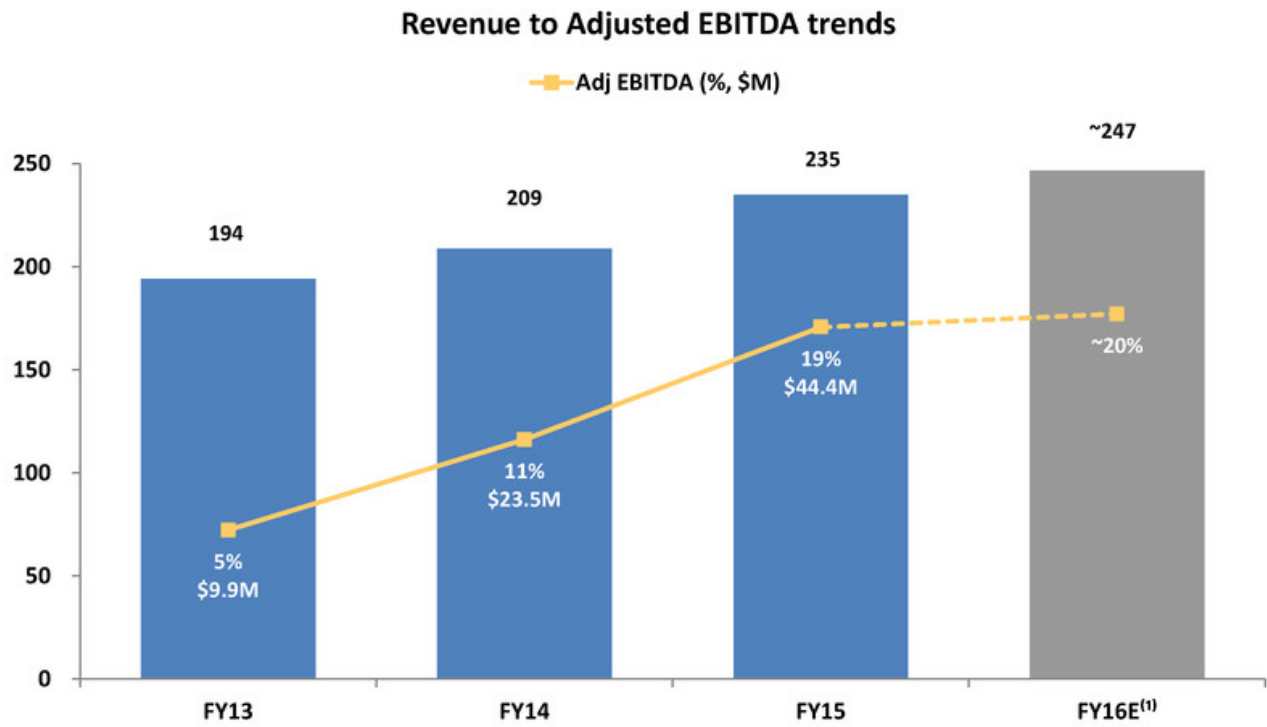
	Q2 FY15	Quarter Ending December 31, 2015 <sup>(1)</sup>		YoY Change
	Actual	Low	High	
<b>Revenue</b>	<b>\$57</b>	<b>\$58</b>	<b>\$61</b>	<b>2% - 7%</b>
<b>Adjusted EPS</b>	<b>\$0.20</b>	<b>\$0.15</b>	<b>\$0.18</b>	<b>(\$0.05) to (\$0.02)</b>
<b>Adjusted EBITDA</b>	<b>\$10.7</b>	<b>\$10.0</b>	<b>\$11.5</b>	<b>(7%) - 7%</b>
<b><u>Adj EBITDA Adjustments:</u></b>				
<b>Income (loss) from continuing operations</b>	<b>2.9</b>			
Interest expense, net	-			
Tax provision (benefit)	<b>1.0</b>	ETR ~39%	ETR ~39%	
Depreciation	<b>1.6</b>			
Amortization of intangible assets	<b>1.8</b>	1.6	1.6	
Restructuring and other charges	<b>1.2</b>			
Impairment of long-lived assets	-			
Acquisition and financing costs	-			
Fair value adjustments from purchase accounting	-			
Litigation and settlement expenses	-			
Stock-based compensation expense	<b>2.2</b>	2.6	2.6	
<b>Adjusted EBITDA</b>	<b>\$10.7</b>	<b>\$10.0</b>	<b>\$11.5</b>	<b>(7%) - 7%</b>

**Notes:**

(1) The guidance included herein is from the Company's earnings release and is as of the date of the earnings release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.



# Strong revenue growth and operating leverage



Est. 5% revenue increase yields 10% Adj. EBITDA increase for FY16

**Notes:**

(1) The guidance included herein is from the Company's earnings release and is as of the date of the earnings release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

# Achievement of target business model for FY15

GAAP	FY15	FY16E <sup>(1)</sup>	Current Target Business Model
Revenue	100%	100%	100%
Gross Margin	47%	Target Range	45-50%
SG&A	21%	~21%	Low 20's
R&D	14%	~14%	11-13%
Amortization	3%	~3%	2-3%
Adjusted EBITDA	19%	~19-20%	18-22%

**Notes:**  
 (1) The guidance included herein is from the Company's earnings release and is as of the date of the earnings release. The Company is neither reconfirming such guidance as of the date of this presentation nor assuming any obligations to update or revise such guidance.

# Solid balance sheet with zero debt

Ample liquidity, unused \$200M credit facility, \$500M Universal Shelf

(In millions)	FY14 Actual	FY15 Actual	Q1 FY16 Actual
<b>ASSETS</b>			
Cash & cash equivalents	47.3	77.6	79.1
Accounts receivable, net	59.7	53.8	66.4
Inventory, net	31.7	32.0	34.7
PP&E, net	14.1	13.2	13.5
Goodwill and intangibles, net	193.1	186.1	184.6
Other	21.6	27.3	23.1
Assets of discontinued operations <sup>(1)</sup>	6.2	0.0	0.0
<b>TOTAL ASSETS</b>	<b>373.7</b>	<b>390.0</b>	<b>401.4</b>
<b>LIABILITIES AND S/E</b>			
AP and other liabilities	44.2	39.9	48.8
Debt	0.0	0.0	0.0
Liabilities of discontinued operations <sup>(1)</sup>	2.4	0.0	0.0
<b>Total liabilities</b>	<b>46.6</b>	<b>39.9</b>	<b>48.8</b>
<b>Stockholders' equity</b>	<b>327.1</b>	<b>350.1</b>	<b>352.6</b>
<b>TOTAL LIABILITIES AND S/E</b>	<b>373.7</b>	<b>390.0</b>	<b>401.4</b>

Notes:

(1) Discontinued operations numbers are MIS.

# Poised for profitable growth

- Growth and profitability accelerated in FY15
- Business fully integrated, yielding strong operating leverage
- Strategy, operational discipline, provide platform for profitable growth
- Well-funded production programs aligned with DoD priorities
- Record backlog drives achievement of target business model for FY16
- Solid balance sheet with zero debt facilitates future M&A



# Appendix



# Adjusted EPS reconciliation

(000's)	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16
Diluted net earnings (loss) per share <sup>(1)</sup>	\$ (0.46)	\$ (0.13)	\$ 0.02	\$ 0.09	\$ 0.14	\$ 0.18	\$ 0.44	\$ 0.06
Income (loss) from continuing operations	\$ (13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960
Amortization of intangible assets	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713
Restructuring and other charges	7,060	5,443	1,268	1,162	27	718	3,175	338
Impairment of long-lived assets	-	-	-	-	-	-	-	-
Acquisition and financing costs	318	-	-	-	200	251	451	2,298
Fair value adjustments from purchase accounting	2,293	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-
Stock-based compensation expense	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702
Impact to income taxes	(8,776)	(5,772)	(1,956)	(1,658)	(1,088)	(2,031)	(6,733)	(2,570)
Adjusted income from continuing operations	\$ 3,189	\$ 11,926	\$ 4,342	\$ 6,408	\$ 7,447	\$ 8,773	\$ 26,970	\$ 6,441
Diluted adjusted net earnings per share <sup>(1)</sup>	\$ 0.10	\$ 0.38	\$ 0.13	\$ 0.20	\$ 0.22	\$ 0.26	\$ 0.82	\$ 0.19
Weighted-average shares outstanding:								
Basic	30,128	31,000	31,635	32,052	32,298	32,436	32,114	32,778
Diluted	30,492	31,729	32,481	32,686	33,233	33,330	32,939	33,616

Notes:

(1) Numbers shown are in cents.



# Adjusted EBITDA reconciliation

(000's)	FY09	FY10	FY11	FY12	FY13	FY14	Q1 FY15	Q2 FY15	Q3 FY15	Q4 FY15	FY15	Q1 FY16
Income (loss) from continuing operations	\$ 7,909	\$ 28,069	\$ 18,507	\$ 22,323	\$ (13,782)	\$ (4,072)	\$ 717	\$ 2,886	\$ 4,694	\$ 6,132	\$ 14,429	\$ 1,960
Interest expense (income), net	492	(151)	45	27	31	40	5	4	1	3	13	(22)
Tax provision (benefit)	109	(9,377)	8,060	8,991	(10,501)	(1,841)	-	1,047	1,469	1,850	4,366	1,264
Depreciation	5,640	5,147	6,364	7,837	8,445	7,625	1,700	1,590	1,510	1,532	6,332	1,588
Amortization of intangible assets	2,414	1,710	1,984	3,551	8,222	7,328	1,762	1,762	1,744	1,740	7,008	1,713
Restructuring and other charges	1,712	231	-	2,712	7,060	5,443	1,268	1,162	27	718	3,175	338
Impairment of long-lived assets	-	211	150	-	-	-	-	-	-	-	-	-
Acquisition and financing costs	-	-	412	1,219	318	-	-	-	200	251	451	2,298
Fair value adjustments from purchase accounting	-	-	(219)	(5,238)	2,293	-	-	-	-	-	-	-
Litigation and settlement expenses	-	-	-	-	-	-	-	-	-	-	-	-
Stock-based compensation expense	4,582	4,016	5,580	6,572	7,854	8,999	2,551	2,256	1,870	1,963	8,640	2,702
Adjusted EBITDA	\$ 22,858	\$ 29,856	\$ 40,883	\$ 47,994	\$ 9,940	\$ 23,522	\$ 8,003	\$ 10,707	\$ 11,515	\$ 14,189	\$ 44,414	\$ 11,841

# Glossary

<b>AEGIS</b>	Aegis Ballistic Missile Defense System	<b>EO/IR</b>	Electro-optical / Infrared	<b>O&amp;M</b>	Operations & Maintenance
<b>AESA</b>	Active Electronically Scanned Array	<b>EW</b>	Electronic Warfare	<b>OpenVPX</b>	System-level specification for VPX, initiated by Mercury
<b>AGS</b>	Alliance Ground Surveillance	<b>FAR</b>	Federal Acquisition Regulation	<b>PoR</b>	Program of Record
<b>AIDEWS</b>	Advanced Integrated Defensive Electronic Warfare Suite	<b>FMS</b>	Foreign Military Sales	<b>RF</b>	Radio Frequency
<b>AMC</b>	Advanced Microelectronics Center	<b>FRP</b>	Full Rate Production	<b>SABR</b>	Scalable Agile Beam Radar
<b>AS9100</b>	Widely adopted and standardized quality management system for aerospace industry	<b>IDIQ</b>	Indefinite Quantity / Indefinite Delivery	<b>SEWIP</b>	Surface Electronic Warfare Improvement Program
<b>ATCA</b>	Advanced Telecommunications Architecture	<b>IMA</b>	Integrated Microwave Assembly	<b>SIGINT</b>	Signals Intelligence
<b>BAMS</b>	Broad Area Maritime Surveillance	<b>LRIP</b>	Low-Rate Initial Production	<b>SIRFC</b>	Suite of Integrated RF Countermeasures
<b>C4ISR</b>	Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance	<b>MCE</b>	Mercury Commercial Electronics	<b>SOF</b>	Special Operations Forces
<b>COTS</b>	Commercial off-the Shelf	<b>MDS</b>	Mercury Defense Systems	<b>SWaP</b>	Size Weight and Power
<b>DRFM</b>	Digital Radio Frequency Memory	<b>MILPER</b>	Military Personnel	<b>TAM</b>	Total Addressable Market
<b>EMD</b>	Engineering and Manufacturing Development	<b>MOSA</b>	Modular Open Systems Architecture		

# Sales-related definitions

Design Win	A design win means that the customer has selected us to provide services, products, or intellectual property for a program of record or equivalent. In addition, the customer has won the program and we have an initial purchase order from the customer.
Bid	We have a Design Win with a prime contractor who is bidding to win a program of record, or we are bidding to win content on a program of record that has been awarded to a prime contractor.
Won	We have a Design Win with a prime contractor for a program of record, and the prime contractor has won the program and received its contractual award.
Possible	Possible value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Possible value is the highest outcome we believe to be reasonable given a range of potential outcomes based upon available information and our current set of assumptions.
Probable	Probable value is a projection based upon our current information and assumptions regarding the system configuration, systems or units utilized per platform or installation, current and potential future Design Wins, our average sales price for current and/or future content, the number of platforms, spares, and potential retrofits, as well as the potential for foreign military sales - all of which could change materially as and when new information becomes available or assumptions are revised. Probable value is the outcome we believe to be most likely given a range of potential outcomes based upon available information and our current set of assumptions.

