

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

FORM 8-K

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

Date of report (Date of earliest event reported): September 27, 2021

Mercury Systems, Inc.

(Exact Name of Registrant as Specified in its Charter)

Massachusetts
(State or Other Jurisdiction
of Incorporation)

000-23599
(Commission File Number)

04-2741391
(IRS Employer
Identification No.)

50 Minuteman Road, Andover, Massachusetts
(Address of Principal Executive Offices)

01810
(Zip Code)

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

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

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	MRCY	Nasdaq Global Select Market

Item 7.01 Regulation FD Disclosure.

On September 27, 2021, Mercury Systems, Inc. (the “Company”) issued a press release announcing that it has signed a definitive agreement to acquire Avalex Technologies Corporation (“Avalex”). Based in Gulf Breeze, Florida, Avalex is a provider of mission-critical avionics, including rugged displays, integrated communications management systems, digital video recorders, and warning systems. Pursuant to the terms of the agreement, the Company will acquire Avalex for an all-cash purchase price of \$155 million, subject to net working capital and net debt adjustments. The Company’s press release is furnished as exhibit 99.1 hereto.

The information provided in Item 7.01 of this Current Report on Form 8-K and in the attached exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. This Current 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated September 27, 2021, of Mercury Systems, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: September 27, 2021

MERCURY SYSTEMS, INC.

By: /s/ Michael D. Ruppert
Michael D. Ruppert
Executive Vice President, Chief Financial Officer, and Treasurer



FOR IMMEDIATE RELEASE

Mercury Systems to acquire Avalex Technologies Corporation

- **Continues to scale Mercury's global avionics and mission systems business**
- **Complementary capabilities enhance position at forefront of military digital convergence**
- **Strong growth profile driven by platform modernization, supply chain delayering, innovative products**
- **Advances Mercury's display offerings to include integrated smart displays**
- **Broadens mission processing capabilities, adding communications management**

ANDOVER, Mass. – Sept. 27, 2021 – Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com), a leader in trusted, secure mission-critical technologies for aerospace and defense, today announced that it has signed a definitive agreement to acquire Avalex Technologies Corporation (“Avalex”). Based in Gulf Breeze, Fla., Avalex is a provider of mission-critical avionics, including rugged displays, integrated communications management systems, digital video recorders, and warning systems.

Pursuant to the terms of the agreement, Mercury will acquire Avalex for all cash, subject to net working capital and net debt adjustments. The acquisition is expected to be treated as an asset sale for tax purposes. The acquisition and associated transaction expenses are expected to be funded through a combination of cash on hand and Mercury's existing revolving credit facility.

Avalex is currently expected to generate approximately \$40 million in revenue for the twelve months ending December 31, 2022, with adjusted EBITDA margins of approximately 25%. The acquisition is expected to be immediately accretive to adjusted EPS.

“Avalex's product and technology portfolio is highly complementary to Mercury's existing offering,” said Mark Aslett, Mercury's president and chief executive officer. “With deep expertise in integrated displays, digital video recorders, and communications management, their suite of innovative avionics solutions uniquely position the Company to address and enable the growing demand for digitally converged solutions in the C4I and platform/mission management markets. Like our previous acquisition of Physical Optics Corporation, Avalex is also experiencing accelerated growth due to their strong product offerings and supply chain delayering by the Government. Finally, we see strong alignment in our strategies and vision, as well as our cultures, values, and commitment to innovation.”

“Mercury is building an impressive business in the platform and mission management domain, and I believe Avalex will be an excellent complement to their portfolio,” said Tad Ihns, chief executive officer

of Avalex. "Together we will be able to deliver one of the widest and most advanced portfolios of mission subsystems to a broader set of customers. We look forward to joining the Mercury team."

The acquisition is subject to customary closing conditions, including approval pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976. The transaction is currently expected to close during Mercury's fiscal 2022 second quarter ending December 31, 2021.

Mercury envisions, creates and delivers innovative technology solutions purpose-built to meet its customers' most pressing high-tech needs. For more information, visit mrcy.com or contact Mercury at (866) 627-6951 or info@mrcy.com.

Mercury Systems – Innovation That Matters®

Mercury Systems is a leading technology company serving the aerospace and defense industry, positioned at the intersection of high-tech and defense. Headquartered in Andover, Mass., the Company delivers solutions that power a broad range of aerospace and defense programs, optimized for mission success in some of the most challenging and demanding environments. The Company envisions, creates and delivers innovative technology solutions purpose-built to meet customers' most-pressing high-tech needs, including those specific to the defense community. To learn more, visit mrcy.com, or follow us on Twitter.

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 acquisition described herein and to fiscal 2022 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 epidemics and pandemics such as COVID, 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, changes in, or in the interpretation or enforcement of, environmental 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, restructurings and value creation initiatives such as 1MPACT, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, increases in interest rates, changes to industrial security and cyber-security regulations and requirements, changes in tax rates or tax regulations, changes to interest rate swaps or other cash flow hedging arrangements, 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 July 2, 2021. 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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CONTACT

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