



4th Quarter and Full Fiscal Year 2019 Financial Results & American Panel Corporation Acquisition Overview

Mark Aslett
President and CEO

Michael Ruppert
Executive Vice President and CFO

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Conference call:

Dial (877) 303-6977 in the USA and Canada,
(760) 298-5079 in all other countries

Webcast login at www.mrcy.com/investor

Webcast replay available by 7:00 p.m. ET July 30, 2019



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 acquisition described herein and to fiscal 2020 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 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 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.



Introduction

- Favorable defense funding and industry growth environment
- Strategy and business model are working very well
- Growing revenues substantially faster than industry average
- Completed 4 acquisitions in FY19: Germane, GECO, Athena, Syntonic
- Completed \$455M follow-on equity offering – reloaded balance sheet
- Announced agreement to acquire American Panel Corporation
- On track for another year of strong performance in fiscal 2020



Financial highlights

Q4 FY19 vs. Q4 FY18

- Record bookings up 41%
- Record backlog up 40%
- Record revenue up 16%
- Organic revenue⁽¹⁾ up 4%
- GAAP net income up 27%
- Adjusted EBITDA up 1%
- Op cash of \$26M
- FCF 45% adj. EBITDA

FY19 vs. FY18

- Record bookings up 39%
- Record backlog up 40%
- Record revenue up 33%
- Organic revenue⁽¹⁾ up 12%
- Record GAAP net income up 14%
- Record adjusted EBITDA up 27%
- Record Op cash of \$97.5M; up 125%
- Record FCF 49% adj. EBITDA; up 151%

Notes:

(1) Organic revenue represents total company revenue excluding net revenue from acquisitions for the first four full quarters since the entities' acquisition date (which excludes any intercompany transactions). After the completion of four fiscal quarters, acquired businesses are treated as organic for current and comparable historical periods.



Successful M&A and integration strategy

- Including APC, completed 5 acquisitions in the last 12 months for \$228M
- Deployed ~\$800M for 11 acquisitions over last 5 years⁽¹⁾
- 5-year 26% revenue and 46% adj. EBITDA CAGR FY14-FY19
- Strategy for continued long-term shareholder value creation:
 - Adj. EBITDA margins greater than 20%
 - High single-digit, low double-digit organic revenue growth
 - Targeting 20% total company annual revenue growth including acquisitions
- Multiple simultaneous M&A themes in C4I
 - Increase secure rugged server business for C2I
 - Expand mission computing and avionics processing business

Notes:

(1) Includes the acquisition of American Panel Corporation that is expected to close at the end of Q1 FY20.



Agreement to acquire American Panel Corporation (APC)

- Leader in rugged flat panel display solutions for aerospace and defense
- Complements existing safety-certifiable avionics processing capabilities
- Deployed on wide range of next-generation platforms, including Apache attack helicopter, M1A2 Abrams battle tank, F-35, F-15, F-16 and F-18 fighter jets
- \$100M purchase price⁽¹⁾; funded with cash on hand
 - ~11x gross purchase multiple of estimated next twelve months adj. EBITDA⁽²⁾
 - ~10x purchase multiple net of expected tax benefits⁽³⁾
- Combined with CES, RTL, GECO, will create ~\$100M avionics systems business⁽⁴⁾
- Will enable Mercury to compete for larger avionics opportunities, play larger role in military digital convergence and supply chain delayering
- Acquisition expected to close in Q1 FY20

Notes:

(1) Subject to net working capital and net debt adjustments.

(2) Adjusted for estimated costs required to operate the business as a standalone entity.

(3) Pending acquisition of APC is expected to be treated as an asset purchase for tax purposes, resulting in ~\$12M in net present value of tax benefits.

(4) Pro forma for a full year of ownership of APC and GECO.



Operational achievements

- Continuing to invest in trusted domestic manufacturing capabilities
- Focused on working capital and manufacturing operations efficiencies
- Expect to complete West Coast RF manufacturing consolidation H1 FY20
- Completed build-out of Phoenix trusted digital SMT manufacturing facility
- Investing to expand Phoenix trusted custom microelectronics capabilities
- Mercury becoming leading conduit for commercial silicon into defense
- Integration of prior acquisitions progressing well
 - Themis and Germane substantially integrated; business performing well
 - GECCO integration well underway, Athena and Syntonic on track



Favorable growth environment driving improved results

- Pleased with 2 year defense budget deal
- Defense appropriations, authorizations and outlays trending higher
- Estimated LTV of top 30 programs/pursuits grew significantly in last 5 years
- Favorable trends – delayering, flight to quality, outsourcing, taking share
 - FY19 subsystem revenue up 85% year-over-year
- Strongly positioned in well-funded DoD priorities and need for modernization
- Significant design win momentum in Radar, EW, EO/IR, C4I, weapons and space
- Sensor and effector mission systems (SEMS) and C4I revenue growth:
 - Q4 up 17% and 32%, respectively; FY19 up 18% and 110%, respectively



Business outlook and summary

- Expect overall defense spending to increase at low single digit rates
- Continue delivering organic revenue growth higher than industry average rate
- Supplement high level of organic growth with smart, strategic M&A
- Focus on sensor and effector mission systems and C4I markets
- On track for another year of strong performance in fiscal 2020
- Expect to achieve high-end of our target model over time:
 - Drive high-single / low-double digit organic growth supplemented by accretive M&A
 - Invest to develop new technologies, expand and optimize facilities, attract/retain talent
 - Improve margins, on-time delivery and working capital via operational improvements
 - Grow operating expenses below revenue growth rate
 - Fully integrate acquired businesses to generate cost and revenue synergies

Expect double-digit revenue and adj. EBITDA growth, strong cash flow



Q4 FY19 vs. Q4 FY18

<i>In \$ millions, except percentage and per share data</i>	Q4 FY18	Q4 FY19	Change
Bookings Book-to-Bill	\$171.7 1.12	\$241.3 1.36	41%
Backlog 12-Month Backlog	\$447.1 328.5	\$625.4 451.2	40%
Revenue Organic Revenue Growth ⁽¹⁾	\$152.9 16%	\$177.0 4%	16%
Gross Margin	44.7%	45.1%	0.4 pts
Operating Expenses Selling, General & Administrative Research & Development Amortization/Restructuring/Acquisition	\$49.4 25.4 14.9 9.1	\$59.0 30.7 20.3 7.9	19%
GAAP Net Income Effective Tax Rate	\$10.1 39.2%	\$12.8 (1.7%)	27%
GAAP EPS Weighted Average Diluted Shares	\$0.21 47.5	\$0.25 50.7	19%
Adjusted EPS⁽²⁾	\$0.47	\$0.47	-
Adj. EBITDA⁽²⁾ % of revenue	\$37.7 24.6%	\$37.9 21.4%	1%
Operating Cash Flow	\$25.6	\$26.0	2%
Free Cash Flow⁽²⁾	\$21.6	\$17.1	(21%)

Notes:

(1) Organic revenue represents total company revenue excluding net revenue from acquisitions for the first four full quarters since the entities' acquisition date (which excludes any intercompany transactions). After the completion of four fiscal quarters, acquired businesses are treated as organic for current and comparable historical periods.

(2) Non-GAAP, see reconciliation table.



FY19 vs. FY18

<i>In \$ millions, except percentage and per share data</i>	FY18	FY19	Change
Bookings Book-to-Bill	\$563.5 1.14	\$782.9 1.20	39%
Backlog 12-Month Backlog	\$447.1 328.5	\$625.4 451.2	40%
Revenue Organic Revenue Growth ⁽¹⁾	\$493.2 7%	\$654.7 12%	33%
Gross Margin	45.8%	43.7%	(2.1 pts)
Operating Expenses Selling, General & Administrative Research & Development Amortization/Restructuring/Acquisition	\$178.9 88.4 58.8 31.7	\$209.6 110.7 68.9 29.9	17%
GAAP Net Income Effective Tax Rate	\$40.9 4.0%	\$46.8 21.4%	14%
GAAP EPS Weighted Average Diluted Shares	\$0.86 47.5	\$0.96 48.5	12%
Adjusted EPS⁽²⁾	\$1.42	\$1.84	30%
Adj. EBITDA⁽²⁾ % of revenue	\$114.6 23.2%	\$145.3 22.2%	27%
Operating Cash Flow	\$43.3	\$97.5	125%
Free Cash Flow⁽²⁾	\$28.2	\$70.8	151%

Notes:

(1) Organic revenue represents total company revenue excluding net revenue from acquisitions for the first four full quarters since the entities' acquisition date (which excludes any intercompany transactions). After the completion of four fiscal quarters, acquired businesses are treated as organic for current and comparable historical periods.

(2) Non-GAAP, see reconciliation table.



Balance sheet

(In \$ millions) ⁽¹⁾	As of				
	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
<u>ASSETS</u>					
Cash & cash equivalents	\$66.5	\$72.9	\$93.9	\$112.5	\$257.9
Accounts receivable, net	143.8	153.9	168.3	170.7	176.2
Inventory, net	108.6	121.2	126.4	131.7	137.1
PP&E, net	51.0	50.8	53.1	55.9	60.0
Goodwill and intangibles, net	675.3	704.2	696.3	724.3	768.3
Other	19.3	24.0	18.6	17.3	17.4
TOTAL ASSETS	\$1,064.5	\$1,127.0	\$1,156.6	\$1,212.4	\$1,417.0
<u>LIABILITIES AND S/E</u>					
AP and accrued expenses	\$59.1	\$61.2	\$70.7	\$83.1	\$86.7
Other liabilities	38.5	49.2	49.9	40.4	45.5
Debt ⁽¹⁾	195.0	240.0	240.0	276.5	-
Total liabilities	292.6	350.4	360.6	400.0	132.2
Stockholders' equity	771.9	776.6	796.1	812.4	1,284.7
TOTAL LIABILITIES AND S/E	\$1,064.5	\$1,127.0	\$1,156.6	\$1,212.4	\$1,417.0

Notes:

(1) In Q4 FY19, Mercury paid all outstanding debt on its revolving credit facility.



Cash flow summary

(In \$ millions) ⁽¹⁾	FY18	For the Fiscal Quarters Ended				FY19
		9/30/18	12/31/18	3/31/19	6/30/19	
Net Income	\$40.9	\$7.5	\$12.4	\$14.1	\$12.8	\$46.8
Depreciation and amortization	42.3	11.5	11.7	11.6	11.6	46.4
Termination of interest rate swap	-	-	-	-	5.4	5.4
Other non-cash items, net	14.0	5.5	4.6	6.3	5.1	21.6
<u>Change in Working Capital</u>						
Accounts receivable, unbilled receivables, and costs in excess of billings	(22.8)	(5.9)	(15.0)	(1.2)	(6.0)	(28.1)
Inventory	(16.2)	(4.6)	(4.9)	(4.0)	(3.3)	(17.1)
Accounts payable and accrued expenses	(5.3)	(2.0)	9.2	8.0	2.7	17.9
Other	(9.5)	8.0	7.3	(8.6)	(2.2)	4.5
Changes in Operating Assets and Liabilities	(53.8)	(4.5)	(3.4)	(5.8)	(9.0)	(22.7)
Operating Cash Flow	43.3	20.0	25.3	26.2	26.0	97.5
Capital expenditures	(15.1)	(3.7)	(7.1)	(7.1)	(8.8)	(26.7)
Free Cash Flow⁽²⁾	\$28.2	\$16.3	\$18.2	\$19.2	\$17.1	\$70.8
<i>Free Cash Flow⁽²⁾ / Adjusted EBITDA⁽²⁾</i>	<i>24%</i>	<i>52%</i>	<i>49%</i>	<i>49%</i>	<i>45%</i>	<i>49%</i>
<i>Free Cash Flow⁽²⁾ / GAAP Net Income</i>	<i>69%</i>	<i>218%</i>	<i>147%</i>	<i>136%</i>	<i>134%</i>	<i>151%</i>

Notes:

(1) Rounded amounts used.

(2) Non-GAAP, see reconciliation table.

FY20 annual guidance

<i>In \$ millions, except percentage and per share data</i>	FY19⁽¹⁾	FY20⁽²⁾⁽⁵⁾	Change
Revenue	\$654.7	\$740.0 - \$760.0	13% - 16%
Gross Margin	43.7%	43.6% - 44.2%	(0.1) - 0.5 pts
Operating Expenses	\$209.6	\$235.2 - \$240.2	12% - 15%
GAAP Net Income Effective tax rate ⁽³⁾	\$46.8 21.4%	\$66.5 - \$72.4 26%	42% - 55%
GAAP EPS Weighted-average diluted shares outstanding	\$0.96 48.5	\$1.20 - \$1.31 55.2	25% - 36%
Adjusted EPS⁽⁴⁾	\$1.84	\$1.97 - \$2.08	7% - 13%
Adj. EBITDA⁽⁴⁾ % of revenue	\$145.3 22.2%	\$160.5 - \$168.5 21.7-22.2%	10% - 16%

Notes:

(1) FY19 figures are as reported in the Company's earnings release dated July 30, 2019.

(2) The guidance included herein is from the Company's earnings release dated July 30, 2019. For purposes of modeling and guidance, we have assumed no incremental restructuring, acquisition, other non-operating adjustments or non-recurring financing-related expenses. Excludes pending acquisition of American Panel Corp.

(3) The effective tax rate in the guidance included herein excludes discrete items.

(4) Non-GAAP, see reconciliation table.

(5) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day in June. All references in this press release to the first quarter of fiscal 2020 are to the quarter ending September 27, 2019 and to fiscal 2020 are to the fiscal year ending June 26, 2020.



Q1 FY20 guidance

<i>In \$ millions, except percentage and per share data</i>	Q1 FY19⁽¹⁾	Q1 FY20⁽²⁾⁽⁵⁾	Change
Revenue	\$144.1	\$160.0 - \$170.0	11% - 18%
Gross Margin	42.8%	43.5%	0.7 pts
Operating Expenses	\$47.8	\$54.5 - \$56.8	14% - 19%
GAAP Net Income Effective tax rate ⁽³⁾	\$7.5 30%	\$11.5 - \$13.0 26%	54% - 74%
GAAP EPS Weighted-average diluted shares outstanding	\$0.16 47.7	\$0.21 - \$0.24 55.1	31% - 50%
Adjusted EPS⁽⁴⁾	\$0.39	\$0.39 - \$0.42	0% - 8%
Adj. EBITDA⁽⁴⁾ % of revenue	\$31.6 22.0%	\$32.0 - \$34.0 20.0%	1% - 8%

Notes:

(1) Q1 FY19 figures are as reported in the Company's earnings release dated October 30, 2018.

(2) The guidance included herein is from the Company's earnings release dated July 30, 2019. For purposes of modeling and guidance, we have assumed no incremental restructuring, acquisition, other non-operating adjustments or non-recurring financing-related expenses. Excludes pending acquisition of American Panel Corp.

(3) The effective tax rate in the guidance included herein excludes discrete items.

(4) Non-GAAP, see reconciliation table.

(5) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day in June. All references in this press release to the first quarter of fiscal 2020 are to the quarter ending September 27, 2019 and to fiscal 2020 are to the fiscal year ending June 26, 2020.



Summary

- Solid fourth quarter results capping a strong fiscal year performance
- Record annual bookings of \$783 million with 1.20 book-to-bill
- Record fiscal year revenue increases 33% year over year; 12% organic
- Record annual operating and free cash flow generation
- Completed acquisitions of Germane, GECO, Athena, Syntonic; expect to close APC acquisition within Q1 FY20
- Net proceeds of \$455 million received through follow-on offering
- Investing in business while still expecting continued growth and profitability in FY20





Appendix

Adjusted EPS reconciliation

(In thousands, except per share data)	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19	Q1 FY20 ⁽²⁾⁽⁴⁾		FY20 ⁽²⁾⁽⁴⁾	
																Low	High	Low	High
Earnings per share⁽¹⁾	\$ 0.10	\$ 0.13	\$ 0.16	\$ 0.19	\$ 0.58	\$ 0.38	\$ 0.19	\$ 0.08	\$ 0.21	\$ 0.86	\$ 0.16	\$ 0.26	\$ 0.29	\$ 0.25	\$ 0.96	\$ 0.21	\$ 0.24	\$ 1.20	\$ 1.31
Net Income	\$3,819	\$ 5,204	\$ 7,048	\$ 8,804	\$24,875	\$17,953	\$ 9,133	\$ 3,696	\$10,101	\$40,883	\$ 7,479	\$12,383	\$14,109	\$12,804	\$46,775	\$11,500	\$13,000	\$ 66,500	\$ 72,400
Amortization of intangible assets	4,602	4,888	4,732	5,458	19,680	5,637	5,827	7,104	7,436	26,004	7,181	6,939	6,786	7,008	27,914	7,000	7,000	27,600	27,600
Restructuring and other charges	297	69	459	1,127	1,952	95	313	1,384	1,367	3,159	504	23	46	(13)	560	-	-	-	-
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition and financing costs	553	1,114	569	153	2,389	854	1,366	1,909	799	4,928	1,043	762	787	7,036	9,628	900	900	3,500	3,500
Fair value adjustments from purchase accounting	2,077	870	270	462	3,679	509	84	539	860	1,992	620	-	93	-	713	-	-	-	-
Litigation and settlement expense (income), net	-	100	-	17	117	-	-	-	-	-	-	179	146	19	344	-	-	-	-
Stock-based and other non-cash compensation expense	3,632	4,093	3,715	3,901	15,341	4,696	4,941	3,669	4,309	17,615	4,743	5,338	4,914	4,626	19,621	5,400	5,400	24,100	24,100
Impact to income taxes ⁽³⁾	(6,085)	(4,441)	(3,576)	(4,500)	(18,602)	(11,951)	(8,615)	(4,082)	(2,621)	(27,269)	(3,073)	(3,009)	(2,850)	(7,620)	(16,552)	(3,300)	(3,300)	(13,000)	(13,000)
Adjusted income	\$ 8,895	\$ 11,897	\$ 13,217	\$ 15,422	\$ 49,431	\$ 17,793	\$ 13,049	\$ 14,219	\$ 22,251	\$ 67,312	\$ 18,497	\$ 22,615	\$ 24,031	\$ 23,860	\$ 89,003	\$ 21,500	\$ 23,000	\$ 108,700	\$ 114,600
Adjusted earnings per share⁽¹⁾	\$ 0.22	\$ 0.30	\$ 0.29	\$ 0.32	\$ 1.15	\$ 0.37	\$ 0.28	\$ 0.30	\$ 0.47	\$ 1.42	\$ 0.39	\$ 0.47	\$ 0.50	\$ 0.47	\$ 1.84	\$ 0.39	\$ 0.42	\$ 1.97	\$ 2.08
Weighted-average shares outstanding:																			
Basic	38,865	39,151	43,773	46,211	41,986	46,504	46,752	46,844	46,873	46,719	47,048	47,189	47,258	49,835	47,831				
Diluted	39,865	39,985	44,814	47,472	43,018	47,489	47,447	47,532	47,521	47,471	47,697	47,705	47,958	50,655	48,500	55,100	55,100	55,200	55,200

Notes:

(1) Per share information is presented on a fully diluted basis.

(2) Rounded amounts used.

(3) Impact to income taxes is calculated by recasting income before income taxes to include the add-backs involved in determining adjusted income and recalculating the income tax provision using this adjusted income from operations before income taxes. The recalculation also adjusts for any discrete tax expense or benefit related to the add-backs.

(4) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day in June. All references in this press release to the first quarter of fiscal 2020 are to the quarter ending September 27, 2019 and to fiscal 2020 are to the fiscal year ending June 26, 2020.



Adjusted EBITDA reconciliation

(In thousands)																Q1 FY20 ⁽²⁾⁽³⁾		FY20 ⁽²⁾⁽³⁾	
	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19	Low	High	Low	High
Net Income	\$ 3,819	\$ 5,204	\$ 7,048	\$ 8,804	\$24,875	\$17,953	\$ 9,133	\$ 3,696	\$10,101	\$ 40,883	\$ 7,479	\$12,383	\$14,109	\$12,804	\$ 46,775	\$11,500	\$13,000	\$ 66,500	\$ 72,400
Other non-operating adjustments, net ⁽¹⁾	(732)	(129)	(378)	(107)	(1,346)	222	(326)	(694)	3	(795)	365	(18)	(502)	519	364	-	-	-	-
Interest expense (income), net	1,782	1,888	1,756	1,680	7,106	(16)	104	999	1,731	2,818	2,193	2,125	2,268	1,591	8,177	(1,400)	(1,400)	(5,600)	(5,600)
Income Taxes	(1,259)	1,779	3,170	2,503	6,193	(8,381)	1,335	2,209	6,527	1,690	3,129	4,483	5,357	(217)	12,752	4,000	4,600	23,300	25,500
Depreciation	2,718	2,966	3,233	3,672	12,589	3,700	3,775	4,277	4,521	16,273	4,365	4,769	4,790	4,554	18,478	4,600	4,500	21,100	21,000
Amortization of intangible assets	4,602	4,888	4,732	5,458	19,680	5,637	5,827	7,104	7,436	26,004	7,181	6,939	6,786	7,008	27,914	7,000	7,000	27,600	27,600
Restructuring and other charges	297	69	459	1,127	1,952	95	313	1,384	1,367	3,159	504	23	46	(13)	560	-	-	-	-
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition and financing costs	553	1,114	569	153	2,389	854	1,366	1,909	799	4,928	1,043	762	787	7,036	9,628	900	900	3,500	3,500
Fair value adjustments from purchase accounting	2,077	870	270	462	3,679	509	84	539	860	1,992	620	-	93	-	713	-	-	-	-
Litigation and settlement expense (income), net	-	100	-	17	117	-	-	-	-	-	-	179	146	19	344	-	-	-	-
Stock-based and other non-cash compensation expense	3,632	4,093	3,715	3,901	15,341	4,696	4,941	3,669	4,309	17,615	4,743	5,338	4,914	4,626	19,621	5,400	5,400	24,100	24,100
Adjusted EBITDA	\$ 17,489	\$ 22,842	\$ 24,574	\$ 27,670	\$ 92,575	\$ 25,269	\$ 26,552	\$ 25,092	\$ 37,654	\$ 114,567	\$ 31,622	\$ 36,983	\$ 38,794	\$ 37,927	\$ 145,326	\$ 32,000	\$ 34,000	\$ 160,500	\$ 168,500

Notes:

(1) As of July 1, 2018, the Company has revised its definition of adjusted EBITDA to incorporate other non-operating adjustments, net, which includes gains or losses on foreign currency remeasurement and fixed assets sales and disposals among other adjustments. Adjusted EBITDA for prior periods has been recast for comparative purposes.

(2) Rounded amounts used.

(3) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day in June. All references in this press release to the first quarter of fiscal 2020 are to the quarter ending September 27, 2019 and to fiscal 2020 are to the fiscal year ending June 26, 2020.



Free cash flow reconciliation

(In thousands)	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
Cash provided by operating activities	\$ 10,283	\$ 14,238	\$ 24,889	\$ 9,736	\$59,146	\$ 8,028	\$ 8,779	\$ 873	\$ 25,641	\$43,321	\$ 20,029	\$ 25,301	\$ 26,218	\$ 25,969	\$97,517
Purchases of property and equipment	(6,050)	(7,703)	(13,036)	(6,055)	(32,844)	(3,628)	(3,964)	(3,475)	(4,039)	(15,106)	(3,727)	(7,075)	(7,060)	(8,829)	(26,691)
Free cash flow	\$ 4,233	\$ 6,535	\$ 11,853	\$ 3,681	\$26,302	\$ 4,400	\$ 4,815	\$ (2,602)	\$ 21,602	\$28,215	\$ 16,302	\$ 18,226	\$ 19,158	\$ 17,140	\$70,826



Organic revenue reconciliation

(In thousands)	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY17	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
Organic revenue	\$ 63,339	\$ 68,072	\$ 75,080	\$ 71,208	\$277,699	\$ 93,498	\$ 104,957	\$ 100,625	\$ 134,358	\$433,438	\$ 112,801	\$ 130,326	\$ 139,812	\$ 158,548	\$541,487
Acquired revenue ⁽¹⁾	24,310	29,942	32,237	44,400	130,889	12,571	12,955	15,711	18,509	59,746	31,255	28,763	34,824	18,415	113,257
Net revenues	\$ 87,649	\$ 98,014	\$ 107,317	\$ 115,608	\$408,588	\$ 106,069	\$ 117,912	\$ 116,336	\$ 152,867	\$493,184	\$ 144,056	\$ 159,089	\$ 174,636	\$176,963	\$654,744

Notes:

(1) Acquired revenue for all preceding periods presented has not been recast for comparative purposes.

