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): May 7, 2024

Mercury Systems, Inc.

(Exact Name of Registrant as Specified in its Charter)

Massachusetts	**000-23599**	**04-2741391**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

50 Minuteman Road, Andover, Massachusetts	**01810**
(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)

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 2.02. Results of Operations and Financial Condition.

On May 7, 2024, Mercury Systems, Inc. (the "Company") issued a press release and an earnings presentation regarding its financial results for the third quarter ended March 29, 2024. The Company's press release and earnings presentation are attached as exhibits 99.1 and 99.2 to this Current Report on Form 8-K and incorporated by reference herein.

Information in Item 2.02 of this Current Report on Form 8-K and the exhibits 99.1 and 99.2 attached hereto 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, regardless of any general incorporation language in such filing.

Use of Non-GAAP 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 more completely understand its past financial performance and prospects for the future. However, the presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes these non-GAAP 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated May 7, 2024
99.2	Earnings Presentation dated May 7, 2024
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: May 7, 2024	MERCURY SYSTEMS, INC.
	By: /s/ David E. Farnsworth David E. Farnsworth Executive Vice President, Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated May 7, 2024 of Mercury Systems, Inc.
99.2	Earnings Presentation, dated May 7, 2024 of Mercury Systems, Inc.

Exhibit 99.1

Innovation That Matters®

FOR IMMEDIATE RELEASE

Mercury Systems Reports Third Quarter Fiscal 2024 Results

- **Q3 FY24 Bookings of $219.9 million; book-to-bill ratio of 1.06**
- **Q3 FY24 Revenue of $208.3 million; GAAP net loss and adjusted EBITDA ($44.6) million and ($2.4) million, respectively**
- **Record backlog of $1.3 billion; up 17% year-over-year**

ANDOVER, Mass. May 7, 2024 Mercury Systems, Inc. (NASDAQ: MRCY, www.mrcy.com), reported operating results for the third quarter of fiscal year 2024, ended March 29, 2024.

“In the third quarter of fiscal year 2024, we made solid progress in each of our four priority focus areas which included continuing the shift of development to production programs delivering mission-critical processing to the edge; expanding our record backlog to nearly $1.3 billion, up 17% year over year; further leaning our cost structure as we integrate and streamline our operations; and reversing the multi-year trend of growth in working capital, down 8.0% year over year,” said Bill Ballhaus, Mercury’s Chairman and CEO.

“Similar to the first half, the majority of our business continues to perform predictably and consistent with expectations, with what we believe to be transitory impacts largely constrained to one subset of our portfolio. As we continue to make progress this year, we expect to enter FY25 with a clearer path to deliver predictable organic growth, expanding margins, and strong cash flow, and continue to set our sights on delivering above-average industry growth and profitability over the longer term.”

Third Quarter Fiscal 2024 Results

Total Company third quarter fiscal 2024 revenues were $208.3 million, compared to $263.5 million in the third quarter of fiscal 2023.

Total bookings for the third quarter of fiscal 2024 were $219.9 million, yielding a book-to-bill ratio of 1.06 for the quarter.

Total Company GAAP net loss and loss per share for the third quarter of fiscal 2024 was ($44.6) million, and ($0.77), respectively, compared to GAAP net income and earnings per share of $5.2 million, and $0.09, respectively, for the third quarter of fiscal 2023. Adjusted (loss) earnings per share ("adjusted EPS") was ($0.26) per share for the third quarter of fiscal 2024, compared to $0.40 per share in the third quarter of fiscal 2023.

Third quarter fiscal 2024 adjusted EBITDA for the total Company was ($2.4) million, compared to $43.5 million for the third quarter of fiscal 2023.

Cash flows used in operating activities in the third quarter of fiscal 2024 were $17.8 million, compared to $3.2 million in the third quarter of fiscal 2023. Free cash flow, defined as cash flows from operating activities less capital expenditures for property and equipment, was $(25.7) million for the third quarter of fiscal 2024 and $(12.7) million for the third quarter of fiscal 2023.

Backlog

Mercury's total backlog at March 29, 2024 was $1.29 billion, a $190.5 million increase from a year ago. Of the March 29, 2024 total backlog, $761.2 million represents orders expected to be recognized as revenue within the next 12 months.

Business Outlook

This section presents our current expectations and estimates for revenue, given current visibility, on our business outlook for fiscal year 2024. It is possible that actual performance will differ materially from the estimates given, either on the upside or on the downside. Investors should consider all of the risks with respect to these estimates, including those listed in the Safe Harbor Statement below and in the Third Quarter Fiscal 2024 Earnings Presentation and in our periodic filings with the U.S. Securities and Exchange Commission, and make themselves aware of how these risks may impact our actual performance. All references in this press release to the full fiscal 2024 are to the 52-week period ending June 28, 2024.

For the full fiscal year 2024, we continue to expect revenue in the range of $800.0 million to $850.0 million based on our performance through the third quarter. Our demand remains strong and our outlook for bookings is unchanged. We continue to expect bookings to exceed $1 billion for the full fiscal year. Finally, we continue to expect positive free cash flow for full fiscal year 2024.

Conference Call Information

Management will host a conference call and simultaneous webcast at 5:00 p.m. ET on Tuesday, May 7, 2024, to discuss Mercury's quarterly financial results, business highlights and outlook. In addition, Company representatives may answer questions concerning business and financial developments and trends, the Company's view on earnings forecasts, and other business and financial matters affecting the Company, the responses to which may contain information that has not been previously disclosed.

To attend the conference call or webcast, participants should register online at ir.mrcy.com/events-presentations. Participants are requested to register a day in advance or at a minimum 15 minutes before the start of the call. A replay of the webcast will be available two hours after the call and archived on the same web page for six months.

Use of Non-GAAP 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 earnings per share (“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 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 press release is contained in the attached exhibits.

Mercury Systems – Innovation that Matters®

Mercury Systems is a technology company that delivers mission-critical processing power 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 24 locations worldwide. To learn more, visit mrcy.com. (Nasdaq: MRCY)

Investors and others should note that we announce material financial information using our website (www.mrcy.com), SEC filings, press releases, public conference calls, webcasts, and social media, including Twitter (twitter.com/mrcy) and LinkedIn (www.linkedin.com/company/mercury-systems). Therefore, we encourage investors and others interested in Mercury to review the information we post on the social media and other communication channels listed on our website.

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 under a refreshed Board and leadership team. 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, 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 such as semiconductors, production delays or unanticipated expenses including due to quality issues or manufacturing execution issues, 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 30, 2023 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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MERCURY SYSTEMS, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 29, 2024	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 142,645	$ 71,563
Accounts receivable, net	91,785	124,729
Unbilled receivables and costs in excess of billings, net	325,441	382,558
Inventory	343,015	337,216
Prepaid income taxes	27,967	—
Prepaid expenses and other current assets	20,656	20,952
Total current assets	951,509	937,018
Property and equipment, net	113,907	119,554
Goodwill	938,093	938,093
Intangible assets, net	261,805	298,051
Operating lease right-of-use assets, net	63,329	63,015
Deferred tax asset	44,366	27,099
Other non-current assets	5,169	8,537
Total assets	$ 2,378,178	$ 2,391,367
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 79,906	$ 103,986
Accrued expenses	40,091	28,423
Accrued compensation	16,871	30,419
Income taxes payable	—	13,874
Deferred revenues and customer advances	70,701	56,562
Total current liabilities	207,569	233,264
Income taxes payable	5,166	5,166
Long-term debt	616,500	511,500
Operating lease liabilities	65,473	66,797
Other non-current liabilities	10,677	7,955
Total liabilities	905,385	824,682
Shareholders' equity:		
Preferred stock	—	—
Common stock	579	570
Additional paid-in capital	1,230,666	1,196,847
Retained earnings	230,576	357,439
Accumulated other comprehensive income	10,972	11,829
Total shareholders' equity	1,472,793	1,566,685
Total liabilities and shareholders' equity	$ 2,378,178	$ 2,391,367

MERCURY SYSTEMS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Third Quarters Ended		Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net revenues	$ 208,258	$ 263,479	$ 586,712	$ 720,646
Cost of revenues(1)	167,616	173,190	464,023	471,302
Gross margin	40,642	90,289	122,689	249,344
Operating expenses:				
Selling, general and administrative(1)	43,157	44,626	123,421	128,626
Research and development(1)	21,563	26,516	81,911	81,188
Amortization of intangible assets	11,533	12,809	36,350	40,919
Restructuring and other charges	9,841	2,778	19,389	6,355
Acquisition costs and other related expenses	204	1,606	1,404	5,043
Total operating expenses	86,298	88,335	262,475	262,131
(Loss) income from operations	(45,656)	1,954	(139,786)	(12,787)
Interest income	542	80	674	329
Interest expense	(9,319)	(6,711)	(25,856)	(17,848)
Other expense, net	(2,784)	(613)	(5,706)	(3,412)
Loss before income taxes benefit	(57,217)	(5,290)	(170,674)	(33,718)
Income tax benefit	(12,643)	(10,446)	(43,811)	(13,619)
Net (loss) income	$ (44,574)	$ 5,156	$ (126,863)	$ (20,099)
Basic net (loss) earnings per share	$ (0.77)	$ 0.09	$ (2.20)	$ (0.36)
Diluted net (loss) earnings per share	$ (0.77)	$ 0.09	$ (2.20)	$ (0.36)
Weighted-average shares outstanding:				
Basic	57,698	56,511	57,536	56,310
Diluted	57,698	56,896	57,536	56,310
(1) Includes stock-based compensation expense, allocated as follows:				
Cost of revenues	$ 1,299	$ 630	$ 2,119	$ 1,666
Selling, general and administrative	$ 4,123	$ 7,577	$ 11,626	$ 20,732
Research and development	$ 1,498	$ 1,732	$ 4,678	$ 5,048

MERCURY SYSTEMS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Third Quarters Ended		Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Cash flows from operating activities:				
Net (loss) income	$ (44,574)	$ 5,156	$ (126,863)	$ (20,099)
Depreciation and amortization	21,754	23,893	66,639	74,827
Other non-cash items, net	27,489	2,629	25,478	3,238
Cash settlement for termination of interest rate swap	—	—	7,403	5,995
Changes in operating assets and liabilities	(22,474)	(34,895)	15,964	(97,825)
Net cash used in operating activities	(17,805)	(3,217)	(11,379)	(33,864)
Cash flows from investing activities:				
Purchases of property and equipment	(7,938)	(9,446)	(23,943)	(29,950)
Other investing activities	—	48	—	150
Net cash used in investing activities	(7,938)	(9,398)	(23,943)	(29,800)
Cash flows from financing activities:				
Proceeds from employee stock plans	—	—	3,163	2,393
Borrowings under credit facilities	—	—	105,000	100,000
Payments under credit facilities	—	—	—	(40,000)
Payments of deferred financing and offering costs	—	—	(1,931)	—
Payments for retirement of common stock	—	—	(15)	(63)
Net cash provided by financing activities	—	—	106,217	62,330
Effect of exchange rate changes on cash and cash equivalents	(258)	112	187	121
Net (decrease) increase in cash and cash equivalents	(26,001)	(12,503)	71,082	(1,213)
Cash and cash equivalents at beginning of period	168,646	76,944	71,563	65,654
Cash and cash equivalents at end of period	$ 142,645	$ 64,441	$ 142,645	$ 64,441

UNAUDITED SUPPLEMENTAL INFORMATION RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In thousands)

Adjusted EBITDA, a non-GAAP measure for reporting financial performance, excludes the impact of certain items and, therefore, has not been calculated in accordance with GAAP. Management believes that exclusion of these items assists in providing a more complete understanding of the Company's underlying 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. The adjustments to calculate this non-GAAP financial measure, and the basis for such adjustments, are outlined below:

Other non-operating adjustments. The Company records other non-operating adjustments such as gains or losses on foreign currency remeasurement, investments and fixed asset sales or disposals among other adjustments. These adjustments may vary from period to period without any direct correlation to underlying operating performance.

Interest income and expense. The Company receives interest income on investments and incurs interest expense on loans, financing leases and other financing arrangements. These amounts may vary from period to period due to changes in cash and debt balances and interest rates driven by general market conditions or other circumstances which may be outside of the normal course of the Company's operations.

Income taxes. The Company's GAAP tax expense can fluctuate materially from period to period due to tax adjustments that are not directly related to underlying operating performance or to the current period of operations.

Depreciation. The Company incurs depreciation expense related to capital assets purchased to support the ongoing operations of the business. These assets are recorded at cost or fair value and are depreciated using the straight-line method over the useful life of the asset. Purchases of such assets may vary significantly from period to period and without any direct correlation to underlying operating performance.

Amortization of intangible assets. The Company incurs amortization of intangible assets primarily as a result of acquired intangible assets such as backlog, customer relationships and completed technologies but also due to licenses, patents and other arrangements. These intangible assets are valued at the time of acquisition or upon receipt of right to use the asset, amortized over the requisite life and generally cannot be changed or influenced by management after acquisition.

Restructuring and other charges. The Company incurs restructuring and other charges in connection with management's decisions to undertake certain actions to realign operating expenses through workforce reductions and the closure of certain Company facilities, businesses and product lines. The Company's adjustments reflected in restructuring and other charges are typically related to acquisitions and organizational redesign programs initiated as part of discrete post-acquisition integration activities. Management believes these items are non-routine and may not be indicative of ongoing operating results.

Impairment of long-lived assets. The Company incurs impairment charges of long-lived assets based on events that may or may not be within the control of management. Management believes these items are outside the normal operations of the Company's business and are not indicative of ongoing operating results.

Acquisition, financing and other third party costs. The Company incurs transaction costs related to acquisition and potential acquisition opportunities, such as legal, accounting, and other third party advisory fees. The Company may also incur third party costs, such as legal, banking, communications, proxy solicitation, and other third party advisory fees in connection with engagements by activist investors or unsolicited acquisition offers. Although the Company may incur such third party costs and other related charges and adjustments, it is not indicative that any transaction will be consummated. Additionally, the Company incurs unused revolver and bank fees associated with maintaining its credit facility as well as non-cash financing expenses associated with obtaining its credit facility. Management believes these items are outside the normal operations of the Company's business and are not indicative of ongoing operating results.

Fair value adjustments from purchase accounting. As a result of applying purchase accounting rules to acquired assets and liabilities, certain fair value adjustments are recorded in the opening balance sheet of acquired companies. These adjustments are then reflected in the Company's income statements in periods subsequent to the acquisition. In addition, the impact of any changes to originally recorded contingent consideration amounts are reflected in the income statements in the period of the change. Management believes these items are outside the normal operations of the Company and are not indicative of ongoing operating results.

Litigation and settlement income and expense. The Company periodically receives income and incurs expenses related to pending claims and litigation and associated legal fees and potential case settlements and/or judgments. Although the Company may incur such costs and other related charges and adjustments, it is not indicative of any particular outcome until the matter is fully resolved. Management believes these items are outside the normal operations of the Company's business, often occur in periods other than the period of activity, and are not indicative of ongoing operating results. The Company periodically receives warranty claims from customers and makes warranty claims towards its vendors and supply chain. Management believes the expenses and gains associated with these recurring warranty items are within the normal operations and operating cycle of the Company's business. Therefore, management deems no adjustments are necessary unless under extraordinary circumstances.

COVID related expenses. The Company incurred costs associated with the COVID pandemic. These costs relate primarily to enhanced compensation and benefits for employees as well as incremental supplies and services to support social distancing and mitigate the spread of COVID. These costs include expanded sick pay related to COVID, overtime, the Mercury Employee COVID Relief Fund, meals and other compensation-related expenses as well as ongoing testing for onsite employees. Management believes these items are outside the normal operations of the Company and are not indicative of ongoing operating results.

Stock-based and other non-cash compensation expense. The Company incurs expense related to stock-based compensation included in its GAAP presentation of cost of revenues, selling, general and administrative expense and research and development expense. The Company also incurs non-cash based compensation in the form of pension related expenses and matching contributions to its defined contribution plan. Although stock-based and other non-cash compensation is an expense of the Company and viewed as a form of compensation, these expenses vary in amount from period to period, and are affected by market forces that are difficult to predict and are not within the control of management, such as the market price and volatility of the Company's shares, risk-free interest rates and the expected term and forfeiture rates of the awards, as well as pension actuarial assumptions. Management believes that exclusion of these expenses allows comparisons of operating results to those of other companies, both public, private or foreign, that disclose non-GAAP financial measures that exclude stock-based compensation and other non-cash compensation.

Mercury uses adjusted EBITDA as an important indicator of the operating performance of its business. Management excludes the above-described items from its internal forecasts and models when establishing internal operating budgets, supplementing the financial results and forecasts reported to the Company's board of directors, determining a portion of bonus compensation for executive officers and other key employees based on operating performance, evaluating short-term and long-term operating trends in the Company's operations, and allocating resources to various initiatives and operational requirements. The Company believes that adjusted EBITDA permits a comparative assessment of its operating performance, relative to its performance based on its GAAP results, while isolating the effects of charges that may vary from period to period without direct correlation to underlying operating performance. The Company believes that these non-GAAP financial adjustments are useful to investors because they allow investors to evaluate the effectiveness of the methodology and information used by management in its financial and operational decision-making. The Company believes that trends in its adjusted EBITDA are valuable indicators of its operating performance.

Adjusted EBITDA is a non-GAAP financial measure and should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. This non-GAAP financial measure may not be computed in the same manner as similarly titled measures used by other companies. The Company expects to continue to incur expenses similar to the adjusted EBITDA financial adjustments described above, and investors should not infer from the Company's presentation of this non-GAAP financial measure that these costs are unusual, infrequent or non-recurring.

The following table reconciles the most directly comparable GAAP financial measure to the non-GAAP financial measure.

	Third Quarters Ended		Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net (loss) income	$ (44,574)	$ 5,156	$ (126,863)	$ (20,099)
Other non-operating adjustments, net	(64)	(337)	(375)	(3)
Interest expense, net	8,777	6,631	25,182	17,519
Income tax benefit	(12,643)	(10,446)	(43,811)	(13,619)
Depreciation	10,221	11,084	30,289	33,908
Amortization of intangible assets	11,533	12,809	36,350	40,919
Restructuring and other charges	9,841	2,778	19,389	6,355
Impairment of long-lived assets	—	—	—	—
Acquisition, financing and other third party costs	778	2,012	2,970	6,185
Fair value adjustments from purchase accounting	177	178	532	179
Litigation and settlement expense, net	2,096	366	3,982	1,741
COVID related expenses	—	1	—	62
Stock-based and other non-cash compensation expense	11,461	13,229	30,607	37,172
Adjusted EBITDA	$ (2,397)	$ 43,461	$ (21,748)	$ 110,319

Free cash flow, a non-GAAP measure for reporting cash flow, is defined as cash provided by operating activities less capital expenditures for property and equipment, which includes capitalized software development costs, and, therefore, has not been calculated in accordance with GAAP. Management believes free cash flow provides investors with an important perspective on cash available for investment and acquisitions after making capital investments required to support ongoing business operations and long-term value creation. The Company believes that trends in its free cash flow are valuable indicators of its operating performance and liquidity.

Free cash flow is a non-GAAP financial measure and should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. This non-GAAP financial measure may not be computed in the same manner as similarly titled measures used by other companies. The Company expects to continue to incur expenditures similar to the free cash flow financial adjustment described above, and investors should not infer from the Company's presentation of this non-GAAP financial measure that these expenditures reflect all of the Company's obligations which require cash.

The following table reconciles the most directly comparable GAAP financial measure to the non-GAAP financial measure.

	Third Quarters Ended		Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Net cash used in operating activities	$ (17,805)	$ (3,217)	$ (11,379)	$ (33,864)
Purchases of property and equipment	(7,938)	(9,446)	(23,943)	(29,950)
Free cash flow	$ (25,743)	$ (12,663)	$ (35,322)	$ (63,814)

UNAUDITED SUPPLEMENTAL INFORMATION RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In thousands, except per share data)

Adjusted income and adjusted earnings per share (“adjusted EPS”) are non-GAAP measures for reporting financial performance, exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP. Management believes that exclusion of these items assists in providing a more complete understanding of the Company’s underlying results and trends and allows for comparability with its peer company index and industry. These non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies. The Company uses these measures along with the corresponding GAAP financial measures to manage the Company’s business and to evaluate its performance compared to prior periods and the marketplace. The Company defines adjusted income as income before other non-operating adjustments, amortization of intangible assets, restructuring and other charges, impairment of long-lived assets, acquisition, financing and other third party costs, fair value adjustments from purchase accounting, litigation and settlement income and expense, COVID related expenses, and stock-based and other non-cash compensation expense. The impact to income taxes includes the impact to the effective tax rate, current tax provision and deferred tax provision(1). Adjusted EPS expresses adjusted income on a per share basis using weighted average diluted shares outstanding.

The following tables reconcile the most directly comparable GAAP financial measures to the non-GAAP financial measures.

	Third Quarters Ended			
	March 29, 2024		March 31, 2023	
Net (loss) income and (loss) earnings per share	$ (44,574)	$ (0.77)	$ 5,156	$ 0.09
Other non-operating adjustments, net	(64)		(337)	
Amortization of intangible assets	11,533		12,809	
Restructuring and other charges	9,841		2,778	
Impairment of long-lived assets	—		—	
Acquisition, financing and other third party costs	778		2,012	
Fair value adjustments from purchase accounting	177		178	
Litigation and settlement expense, net	2,096		366	
COVID related expenses	—		1	
Stock-based and other non-cash compensation expense	11,461		13,229	
Impact to income taxes(1)	(6,384)		(13,637)	
Adjusted (loss) income and adjusted (loss) earnings per share(2)	$ (15,136)	$ (0.26)	$ 22,555	$ 0.40
Diluted weighted-average shares outstanding		57,698		56,896

(1) Impact to income taxes is calculated by recasting income before income taxes to include the items 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 items.

(2) Loss per share and adjusted loss per share is calculated using basic shares whereas earnings per share and adjusted earnings per share is calculated using diluted shares. There was no impact to the calculation of adjusted earnings per share as a result of this for the third quarter, presented above.

	Nine Months Ended			
	March 29, 2024		March 31, 2023	
Net loss and loss per share	$ (126,863)	$ (2.20)	$ (20,099)	$ (0.36)
Other non-operating adjustments, net	(375)		(3)	
Amortization of intangible assets	36,350		40,919	
Restructuring and other charges	19,389		6,355	
Impairment of long-lived assets	—		—	
Acquisition, financing and other third party costs	2,970		6,185	
Fair value adjustments from purchase accounting	532		179	
Litigation and settlement expense, net	3,982		1,741	
COVID related expenses	—		62	
Stock-based and other non-cash compensation expense	30,607		37,172	
Impact to income taxes(1)	(19,588)		(21,867)	
Adjusted (loss) income and adjusted (loss) earnings per share(2)	$ (52,996)	$ (0.92)	$ 50,644	$ 0.89
Diluted weighted-average shares outstanding		57,536		56,653

(1) Impact to income taxes is calculated by recasting income before income taxes to include the items 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 items.

(2) Loss per share and adjusted loss per share is calculated using basic shares whereas earnings per share and adjusted earnings per share is calculated using diluted shares. There was no impact to the calculation of adjusted earnings per share as a result of this for the nine months ended March 29, 2024.

UNAUDITED SUPPLEMENTAL INFORMATION RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In thousands)

Organic revenue and acquired revenue are non-GAAP measures for reporting financial performance of the Company's business. Management believes this information provides investors with insight as to the Company's ongoing business performance. Organic revenue represents total company revenue excluding net revenue from acquired companies for the first four full quarters since the entities' acquisition date (which excludes intercompany transactions). Acquired revenue represents revenue from acquired companies for the first four full quarters since the entities' acquisition date (which excludes intercompany transactions). After the completion of four full fiscal quarters, acquired revenue is treated as organic for current and comparable historical periods.

The following table reconciles the most directly comparable GAAP financial measure to the non-GAAP financial measure.

	Third Quarters Ended		Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
Organic revenue	$ 208,258	$ 263,479	$ 586,712	$ 720,646
Acquired revenue	—	—	—	—
Net revenues	$ 208,258	$ 263,479	$ 586,712	$ 720,646

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THIRD QUARTER FISCAL YEAR 2024 FINANCIAL RESULTS

Bill Ballhaus
Chairman and CEO

David Farnsworth
Executive Vice President and CFO

May 7, 2024, 5:00 pm ET

Webcast login at www.mrcy.com/investor
Webcast replay available by 7:00 p.m. ET May 7, 2024

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 Company's focus on enhanced execution of the Company's strategic plan under a refreshed Board and leadership team. 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, 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 such as semiconductors, production delays or unanticipated expenses including due to quality issues or manufacturing execution issues, 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 30, 2023 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.

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.

Today's call

- Opening remarks on business and results
- Update on our four focus areas
- Expectations for performance for FY24 and beyond
- Q&A

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Business and results

- Optimistic about our strategic positioning, business model, and outlook.
- Q2 election to pause transition of Common Processing Architecture to full-rate production impacted results, as expected.
- Significant advancements resolving Common Processing Architecture technical production challenges; now progressing toward full-rate production.
- Challenges that we believe to be transitory persist while we continue to make progress on our four priority focus areas.
- Continued progress on challenged programs, backlog growth, and reduction in working capital.
- We believe FY24 is a transition year and look forward to entering FY25 with a clear path to predictable, profitable organic growth with strong free cash flow.

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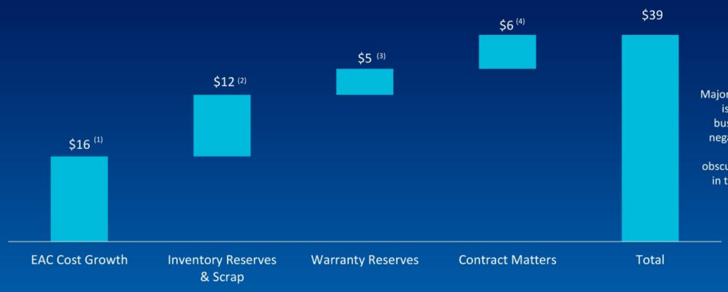
Enhancing execution to deliver predictable performance

Working to mitigate impact of select items on revenue and pre-tax earnings



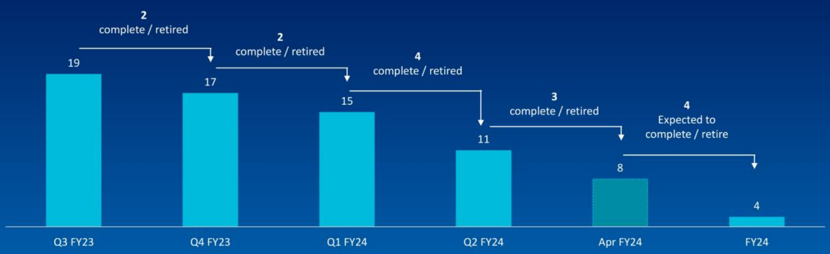
Majority of select items isolated to ~20% of business, resulting in negative gross margin contribution and obscuring performance in the majority of the business

(1) EAC cost growth is a negative adjustment to revenue that represents a reduction in gross margin and other GAAP and non-GAAP earnings including loss before income taxes benefit, and adjusted EBITDA.
(2) Represents inventory reserves & scrap activity in quarter above the FY23 quarterly average balance. Represents a reduction in gross margin and other GAAP and non-GAAP earnings including loss before income taxes benefit and adjusted EBITDA.
(3) Represents warranty reserve expense for the potential repair and rework of some previously delivered common processing architecture products. Represents a reduction in gross margin and other GAAP and non-GAAP earnings including loss before income taxes benefit and adjusted EBITDA.
(4) Represents contract settlement reserves associated with such potential settlements in quarter. Represents an increase to SG&A expense in quarter.

Continued progress on risk drivers

Significant progress resolving technical challenges associated with Common Processing Architecture

Making progress on challenged programs(1)



Note
(1) Represents the number of remaining challenged programs as of the end of each respective fiscal period.

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Building a thriving organic growth engine

- Strong book-to-bill despite self-imposed pause in Common Processing Architecture transition.
- Record backlog of nearly $1.3bn, up 17% year-over-year, representing strong demand.
- ~80% of firm fixed price bookings production-related.
- Continuing to secure awards on marquee programs, such as SCAR, Buzzard, and PWSA Tranche 2 Tracking Layer.
- Significantly improved development program management and launch processes with focus on cost, schedule and performance targets.
- Demand remains strong and Mercury continues to play a key role in our customers' most critical franchise programs.

Addressing our cost structure to expand margins

- Margins impacted by what we believe to be transitory items and negative operating leverage.
- Focused development program execution and mix shift to production.
- Cost rationalization efforts of $44 million to date, of which $24-$26 million expected in FY24, with upside from recent organizational changes.
- Moving to product / solution structure to optimize investment and go-to-market posture.
- Recent organizational alignment expected to drive additional savings and accelerate operating leverage.

Driving free cash flow release and improved conversion

- Continued reduction in net working capital balances.
- Inventory – 13% reduction in raw and 45% increase in WIP year-over-year reflecting progress toward cash.
- Unbilled receivables – record billings on over-time revenue contracts last two quarters, offset by new program wins.
- Increase in production awards expected to drive reductions in inventory.

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Expectations for FY24 and beyond

- Continue to target above-average industry growth, mid-20 percent adjusted EBITDA margins.
- Maintaining focus on transitioning development programs to production, especially our common processing architecture, and releasing net working capital.
- Demand remains strong, continue to expect FY24 bookings to exceed $1 billion.
- Continue to expect $800 million to $850 million in FY24 revenue.
- Outlook for positive full fiscal year free cash flow remains unchanged.
- Focused on entering FY25 with a clear path to organic growth, expanding margins, and strong free cash flow.

Q3 FY24 vs. Q3 FY23

In $ millions, except percentage and per share data	Q3 FY24[2]	Q3 FY23[2]	CHANGE
Bookings Book-to-Bill	$219.9 1.06	$245.0 0.93	(10%)
Backlog 12-Month Backlog	$1,289.8 761.2	$1,099.2 695.0	17%
Revenue	$208.3	$263.5	(21%)
Gross Margin	19.5%	34.3%	(1,480) bps
Operating Expenses Selling, General & Administrative Research & Development Amortization/Restructuring/Acquisition	$86.3 43.2 21.6 21.5	$88.3 44.6 26.5 17.2	(2%)
GAAP Net (Loss) Income	($44.6)	$5.2	N.A.
GAAP (Loss) Earnings Per Share Weighted Average Diluted Shares	($0.77) 57.7	$0.09 56.9	N.A.
Adjusted EPS[1]	($0.26)	$0.40	N.A.
Adj. EBITDA[1] % of revenue	($2.4) N.A.	$43.5 15.5%	N.A.
Operating Cash Flow	($17.8)	($3.2)	N.A.
Free Cash Flow[1] % of Adjusted EBITDA	($25.7) N.A.	($12.7) N.A.	N.A.

Notes
(1) Non-GAAP, see reconciliation table.
(2) All references in this presentation to the third quarter of fiscal 2024 are to the quarter ended March 29, 2024 . All references to the third quarter of fiscal 2023 are to the quarter ended March 31, 2023.

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Balance sheet

(In $ millions)[1]	As of 3/31/23	6/30/23	9/29/23	12/29/23	3/29/24
ASSETS					
Cash & cash equivalents	$64.4	$71.6	$89.4	$168.6	$142.6
Accounts receivable, net	502.3	507.3	480.0	433.7	417.2
Inventory, net	342.8	337.2	363.0	354.2	343.0
PP&E, net	119.5	119.6	117.2	114.4	113.9
Goodwill and intangibles, net	1,248.7	1,236.1	1,223.6	1,211.4	1,199.9
Other	106.2	119.6	127.6	154.0	161.6
TOTAL ASSETS	**$2,383.9**	**$2,391.4**	**$2,400.8**	**$2,436.3**	**$2,378.1**
LIABILITIES AND S/E					
AP and accrued expenses	$170.4	$162.8	$147.2	$144.7	$136.9
Other liabilities	141.1	150.4	136.3	170.6	151.9
Debt	511.5	511.5	576.5	616.5	616.5
Total liabilities	**823.0**	**824.7**	**860.0**	**931.8**	**905.3**
Stockholders' equity	**1,560.9**	**1,566.7**	**1,540.8**	**1,504.5**	**1,472.8**
TOTAL LIABILITIES AND S/E	**$2,383.9**	**$2,391.4**	**$2,400.8**	**$2,436.3**	**$2,378.1**

Notes
(1) Rounded amounts used.

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Cash flow summary

(In $ millions)[1]	For the Fiscal Quarters Ended 3/31/23	6/30/23	9/29/23	12/29/23	3/29/24
Net (Loss) Income	**$5.2**	**($8.2)**	**($36.7)**	**($45.6)**	**($44.6)**
Depreciation and amortization	23.9	22.5	22.7	22.2	21.8
Other non-cash items, net	2.6	(20.2)	(3.7)	1.6	27.5
Cash settlement for termination of interest rate swap	-	-	7.4	-	-
Changes in Operating Assets and Liabilities					
Accounts receivable, unbilled receivables, and costs in excess of billings	(22.8)	(5.0)	27.0	42.7	8.6
Inventory	(29.8)	6.0	(27.6)	12.1	8.5
Accounts payable and accrued expenses	17.0	(5.0)	(13.0)	(5.2)	(7.7)
Other	0.7	22.6	(15.2)	17.6	(31.9)
	(34.9)	**18.6**	**(28.8)**	**67.2**	**(22.5)**
Operating Cash Flow	**(3.2)**	**12.6**	**(39.1)**	**45.5**	**(17.8)**
Capital expenditures	(9.4)	**(8.8)**	**(8.0)**	**(8.0)**	**(7.9)**
Free Cash Flow[2]	**($12.7)**	**$3.8**	**($47.1)**	**$37.5**	**($25.7)**
Free Cash Flow[2] / Adjusted EBITDA[2]	***N.A.***	***17%***	***N.A.***	***N.A.***	***N.A.***
Free Cash Flow[2] / GAAP Net (Loss) Income	***N.A.***	***N.A.***	***N.A.***	***N.A.***	***N.A.***

Notes
(1) Rounded amounts used.
(2) Non-GAAP, see reconciliation table.


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APPENDIX
14

Adjusted EPS reconciliation

(In thousands, except per share data)[2]	Q3 FY23	Q3 FY24	LTM Q3 FY23	LTM Q3 FY24
Income (loss) per share[1]	**$ 0.09**	**$ (0.77)**	**$ (0.06)**	**$ (2.35)**
Net Income (Loss)	**$ 5,156**	**$(44,574)**	**$ (3,184)**	**$ (135,099)**
Other non-operating adjustments, net	(337)	(64)	1,348	(1,961)
Amortization of intangible assets	12,809	11,533	55,373	48,983
Restructuring and other charges	2,778	9,841	11,376	20,015
Impairment of long-lived assets	-	-	-	-
Acquisition, financing and other third party costs	2,012	778	10,548	6,804
Fair value adjustments from purchase accounting	178	177	(115)	709
Litigation and settlement expense, net	366	2,096	2,447	2,736
COVID related expenses	1	-	112	5
Stock-based and other non-cash compensation expense	13,229	11,461	49,231	36,466
Impact to income taxes[3]	(13,637)	(6,384)	(30,955)	(25,497)
Adjusted income (loss)	**$ 22,555**	**$(15,136)**	**$ 96,181**	**$ (46,839)**
Adjusted earnings (loss) per share[1][5]	**$ 0.40**	**$ (0.26)**	**$ 1.71**	**$ (0.81)**
Weighted-average shares outstanding:				
Basic	56,511	57,698		
Diluted	56,896	57,698		

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 items 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 items.
(4) All references in this presentation to the third quarter of fiscal 2024 and LTM Q3 FY24 are to the quarter ended March 29, 2024, and the four-quarter period ended March 29, 2024. All references to the third quarter of fiscal 2023 and LTM Q3 FY23 are to the quarter ended March 31, 2023, and the four-quarter period ended March 31, 2023.
(5) Earnings per share and Adjusted earnings per share is calculated using diluted shares whereas loss per share and adjusted loss per share is calculated using basic shares. There was no impact to the calculation of adjusted earnings per share as a result of this for the third quarter ended March 29, 2024.

Adjusted EBITDA reconciliation

(In thousands)(1)(2)	Q3 FY23	Q3 FY24	LTM Q3 FY23	LTM Q3 FY24
Net Income (Loss)	$ 5,156	$(44,574)	$ (3,184)	$ (135,099)
Other non-operating adjustments, net	(337)	(64)	1,348	(1,961)
Interest expense, net	6,631	8,777	19,953	31,769
Income tax (benefit) provision	(10,446)	(12,643)	(8,005)	(50,399)
Depreciation	11,084	10,221	42,850	40,158
Amortization of intangible assets	12,809	11,533	55,373	48,983
Restructuring and other charges	2,778	9,841	11,376	20,015
Impairment of long-lived assets	-	-	-	-
Acquisition, financing and other third party costs	2,012	778	10,548	6,804
Fair value adjustments from purchase accounting	178	177	(115)	709
Litigation and settlement expense, net	366	2,096	2,447	2,736
COVID related expenses	1	-	112	5
Stock-based and other non-cash compensation expense	13,229	11,461	49,231	36,466
Adjusted EBITDA	$43,461	$ (2,397)	$ 181,934	$ 186

Notes
(1) Rounded amounts used.
(2) All references in this presentation to the third quarter of fiscal 2024 and LTM Q3 FY24 are to the quarter ended March 29, 2024, and the four-quarter period ended March 29, 2024. All references to the third quarter of fiscal 2023 and LTM Q3 FY23 are to the quarter ended March 31, 2023, and the four-quarter period ended March 31, 2023.

Free cash flow reconciliation

(In thousands)	Q3 FY23	Q3 FY24	LTM Q3 FY23	LTM Q3 FY24
Cash provided by (used in) operating	**$ (3,217)**	**$ (17,805)**	**$ (53,299)**	**$ 1,231**
Purchases of property and equipment	(9,446)	(7,938)	(38,130)	(32,789)
Free cash flow	**$ (12,663)**	**$ (25,743)**	**$ (91,429)**	**$ (31,558)**

Organic revenue reconciliation

(In thousands)	Q3 FY23	Q3 FY24	LTM Q3 FY23	LTM Q3 FY24
Organic revenue(1)	**$ 263,479**	**$ 208,258**	**$ 1,010,375**	**$ 839,948**
Acquired revenue	-	-	-	-
Net revenues	**$ 263,479**	**$ 208,258**	**$ 1,010,375**	**$ 839,948**

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.