

**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): June 7, 2022

**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
Preferred Stock Purchase Rights	N/A	Nasdaq Global Select Market

**Item 7.01 Regulation FD Disclosure.**

The management of Mercury Systems, Inc. (the “Company”) will present an overview of the Company’s business on June 7, 2022 at the William Blair & Co. 42<sup>nd</sup> Annual Growth Stock Conference. Attached as exhibit 99.1 to this Current Report is a copy of the presentation to be made by the Company at the conference.

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.

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

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Presentation materials dated June 7, 2022</a>
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: June 7, 2022

MERCURY SYSTEMS, INC.

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



mercury

**WILLIAM BLAIR & CO  
42<sup>ND</sup> ANNUAL GROWTH  
STOCK CONFERENCE**

Mike Ruppert  
Executive Vice President & CFO

June 7, 2022

© Mercury Systems, Inc.

## Forward-looking safe harbor statement

This presentation contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the products and services described herein and to fiscal 2022 business performance and beyond and the Company's plans for growth, cost savings 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, inflation, 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 or delays in receiving 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 IMPACT, 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, 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.

### 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.

## Mercury Systems at-a-glance

Innovation That Matters. By and For People Who Matter.

Founded in  
**1981**  
NASDAQ: MRCY

Transformational business model at the intersection of high tech and defense

Making commercial technology profoundly more accessible

Our goal is to provide all processing solutions on every system requiring uncompromised computing

Deployed on 300+ programs – serving defense Primes and critical infrastructure providers

Purpose driven – Innovation That Matters. By and For People Who Matter

3 © Mercury Systems, Inc.

mercury

## Mercury Systems by the numbers

~2,300

Number of team members globally,  
many hold DoD security clearances

4-5x

Research & development relative  
investment compared to our industry

24%

CAGR FY14-FY21  
\$924M FY21 Revenue

26

Global state-of-the-art facilities

300+

Installed base: number of A&D  
programs with Mercury embedded

37%

CAGR FY14-FY21  
\$202M FY21 Adj. EBITDA  
22% margin

40

Years of tech leadership  
in the A&D industry

25+

Prime customers: including virtually  
all leaders in the A&D industry

15

Number of M&A transactions  
completed since FY14

# Mercury solutions deployed on 300+ programs with 25+ primes

Aerospace & Defense Platform and Systems Electronics Content						Primes
	JLTV	Subsurface Fleet	BLACKHAWK	A330 MRTT	Aegis	
C4I						<b>AIRBUS</b> <b>BAE SYSTEMS</b> <b>BOEING</b> <b>GENERAL ATOMICS</b> <b>L3HARRIS</b> <b>LEONARDO</b> <b>LOCKHEED MARTIN</b> <b>NORTHROP GRUMMAN</b> <b>RAYTHEON TECHNOLOGIES</b> <b>SAIC</b> <b>SIERRA NEVADA</b> <b>THALES</b>
	Sensor & Effector Mission Systems	F-16	Reaper/Gorgon Stare	Triton	LTAMDS	
F-35		C-130	Global Hawk	Badger/Buzzard	SEWIP	
Stormbreaker		PGK	MALD-J	Paveway	SM2/3/6	
						
						
						

# We have executed on a disciplined and focused M&A strategy

## Aerospace & Defense Platform and Systems Electronics Content

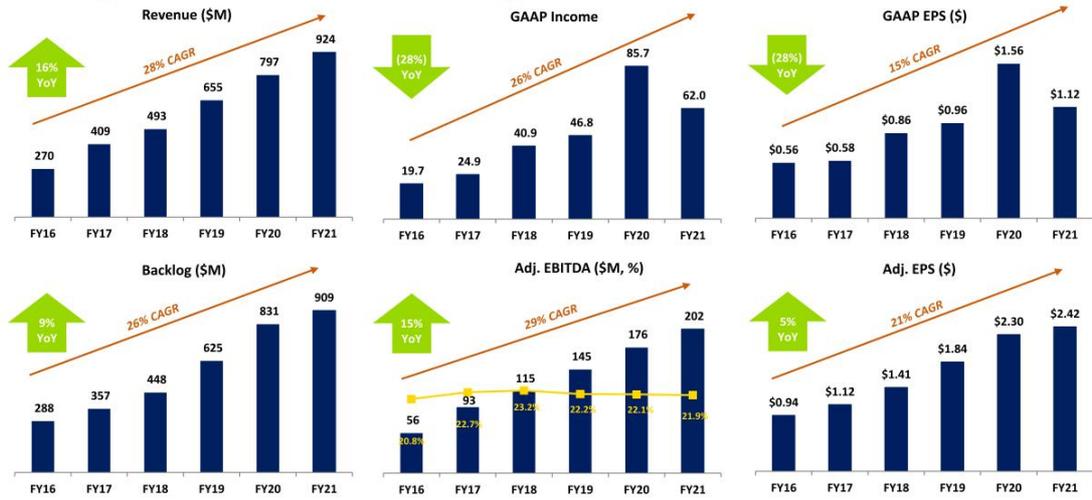
C4I (\$24.0B)\*

Sensor & Effector Mission Systems (\$18.2B)\*

MARKET SEGMENT	Platform & Mission Mgmt	C2I	Comms	EW	Radar	EO/IR	Acoustics	Weapons
	Avionics/Vetronics	Command & Control/Battle Management	Dedicated Communications	Electronic Warfare	Radar	Electro-Optical/Infrared	Acoustics	Missiles/Munitions
ACQUISITIONS						ORGANIC		
GFY21 TIER 2* MARKET (\$B)	\$6.7B 6.3%	\$8.3B 4.5%	\$8.9B 3.7%	\$5.8B 2.6%	\$5.8B 2.6%	\$2.1B 3.4%	\$1.2B 3.7%	\$3.4B 4.1%
	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR

Notes: \*Tier 2 includes embedded computing and subsystems with RF content. Includes US Government and Global Defense & Commercial Aerospace Markets  
Sources: RSAdvisors research & analysis, September 2021. Numbers are rounded.

# Mercury continues to deliver strong financial results



Notes: CAGR figures for the period FY16-FY21. YoY figures for the period FY20 vs. FY21. Numbers are rounded. Per share data is presented on a fully diluted basis. As of Q1 FY19, the Company has revised its definition of adjusted EBITDA to incorporate other non-operating adjustments, net, which includes gains or losses on foreign currency measurement and fixed assets sales and disposals among other adjustments.

# Mercury's financial profile demonstrates our unique strategy



**Notes:**

- Fiscal year figures for Mercury are based on the trailing four fiscal quarters using information reported in Mercury's Form 10-Ks, Form 10-Qs and/or most recent earnings release. All other data per FactSet as of July 15, 2021. 5-year CAGR for market participants calculated per FactSet for the trailing four fiscal quarters available as of July 15, 2021 and the comparable historical period. Mercury 5-year CAGR calculated as the trailing four fiscal quarters ending fiscal Q4 FY21 and fiscal Q4 FY20 for FY21 and FY20, respectively, compared to the trailing four fiscal quarters ending fiscal Q4 FY16 and Q4 FY15, respectively. Financials represent reported results and are not adjusted for acquisitions or divestitures.
- TIER 2 DEFENSE INDEX: AAR, Aerojet Rocketdyne, AeroVironment, AXON Enterprise, Ball Corporation, BWX Technologies, Cortech, Telecommunications Corp, Curtiss-Wright, Decimur, EBT Systems, HEKO, Hexcel, Honeywell Int'l, Kaman, Kratos Defense & Security Solutions, L3Harris Technologies, Masair, Moog, Oshkosh, OSI Systems, Rada Electronic Industries Ltd., Teledyne Technologies, Teatron, TransDigm Group, Triumph Group, ViaSat, Woodward, Inc.

## Investment highlights

**Innovative growth company at intersection of high tech and defense**

**Focused on large, growing, well-funded addressable markets**

**Proven transformational business model** investing 4-5x defense industry average in R&D

**Benefiting from** outsourcing, supply chain delayering and “re-shoring”

**Low-risk content expansion strategies** delivering above-average organic revenue CAGR

**Successful M&A and integration strategy** targeting new capabilities and market expansion

## Mercury strategy: A plan to meet market needs at speed

1/

Invest to grow organically

2/

Expand capabilities,  
market access and penetration  
through M&A

3/

Invest in trusted, secure  
Innovation That Matters®

4/

Continuously improve  
operational capability  
and scalability

5/

Attract and retain  
the right talent

## Six major trends shaping the defense industry

### 1/ Defense spending tailwinds

Russia-Ukraine conflict has solidified political commitment to defense investment likely leading to increased domestic and international defense spending over the next 5+ years

### 2/ Challenging global security environment

National Defense Strategy is focused on near-peer threats; Chinese militarization and power projection, resurgent Russia; Drives technology requirements

### 3/ Electronics driving future platform value

Defense electronics are comprising a larger share of military platform cost and value on both new and legacy platforms. Significant system upgrades underway to maintain and extend competitive advantage: Sensor & C4I as well as weapon systems modernization and readiness

### 4/ Investment and innovation challenges

Primes increasing headcount but recruitment challenges and aging workforce; Relatively low IRAD requires focused investment and increased outsourcing

### 5/ Need access to commercial technology

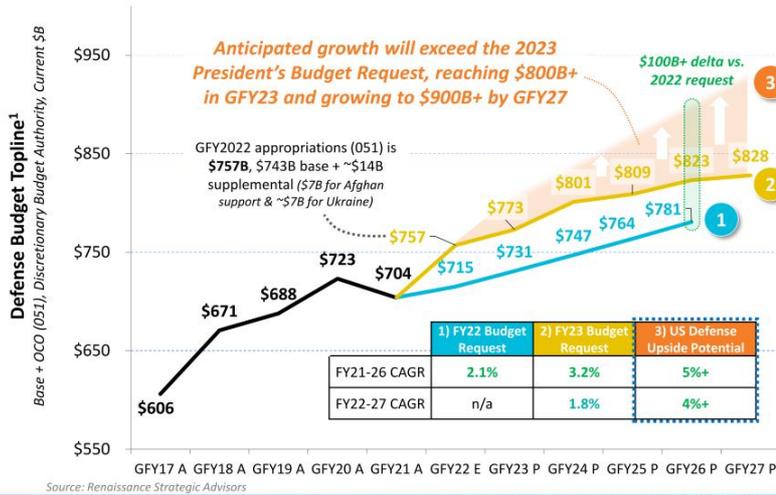
Leverage high-tech commercial investment and innovation; must be tailored for defense purposes. Microelectronics elevated to DoD's #1 technology priority

### 6/ Imperative for U.S.-produced technology

Supply chain globalization vs. need for trust, security and assurance. Need to onshore capacity and capability

# Conversation on defense spending has changed dramatically

Budget outlook has shifted from modest to significant growth, potentially surpassing \$900B by FY27



### Slow FY22 expectations for defense...

- There was broad consensus that the US defense spending was likely to face a flat-to-down outlook by mid-2020s
- Limited support to expend political capital in an environment where the populace was tired of multi-decade counter-insurgency and anti-terror operations
- Despite this dynamic, there was continued investment in next-generation capabilities

### ...have shifted rapidly in recent months

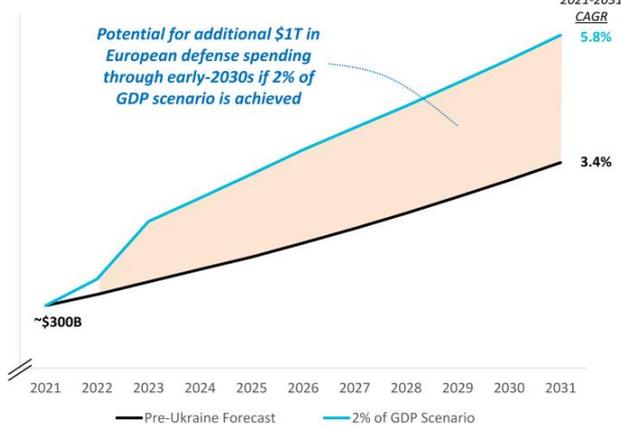
- Prior market views expected flat funding absent an exogenous event—Ukrainian conflict appears to be that event
- Threat of great power competition is no longer ideological, but is playing out (with some unclear implications) in Ukraine
- Longstanding rhetoric on the need to prepare for great power competition may have reached a tipping point

# European defense spending could expand by nearly \$1T over next decade

Led by Germany, European defense spending could grow significantly over the coming decade

## Preliminary European Defense Spending Scenario Forecasts

2021-2031 (\$B, Current Dollars)



## Discussion

### Pre-invasion:

- European nations were spending a combined total of ~\$300B
- Growth was expected to come from Eastern European nations keen to modernize due to Russian threats
- Select Western European nations such as the UK and France were seeking to recapitalize major platforms

**Outcome likely to be between two scenarios**

### 2% of GDP Scenario:

- More defense spending increases likely (e.g., Finland, Italy)
- If all European NATO nations increased defense spending to at least the meet the 2% target (of total GDP), this would likely add an additional \$80-100B of defense expenditure in Europe annually by the end of the decade

Source: Renaissance Strategic Advisors

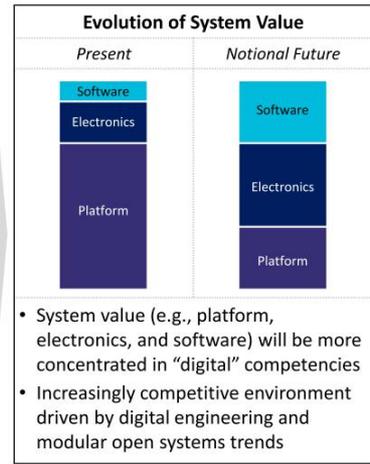
## Future system value is shifting to electronics systems

	Past		Present	
Air	F-4 		F-35 	
	% Electronics: 25%	# of Electronics: ~15	% Electronics: 45%	# of Electronics: 30+
Sea	Oliver Perry Class Frigate 		Zumwalt Class Destroyer 	
	% Electronics: 20%	# of Electronics: ~8	% Electronics: 40%	# of Electronics: 30+
Land	M-60 		M1A2 Abrams 	
	% Electronics: 25%	# of Electronics: 8+	% Electronics: 45%	# of Electronics: 20+

### Indicative Systems



Source: Renaissance Strategic Advisors



# The A&D electronics systems market is ~\$130B annually

## Our total addressable market is now ~\$42B

### Aerospace & Defense Platform and Systems Electronics Content

C4I (\$24.0B)\*

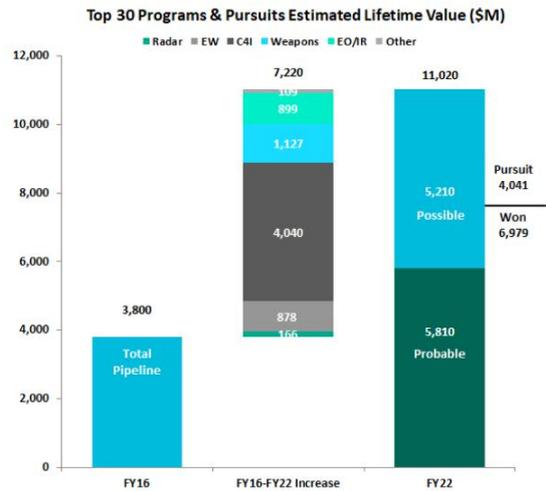
Sensor & Effector Mission Systems (\$18.2B)\*

MARKET SEGMENT	C4I (\$24.0B)*			Sensor & Effector Mission Systems (\$18.2B)*				
	Platform & Mission Mgmt	C2I	Comms	EW	Radar	EO/IR	Acoustics	Weapons
								
	<b>Avionics/Vetronics</b>	<b>Command &amp; Control/Battle Management</b>	<b>Dedicated Communications</b>	<b>Electronic Warfare</b>	<b>Radar</b>	<b>Electro-Optical/Infrared</b>	<b>Acoustics</b>	<b>Missiles/Munitions</b>
<b>DEFINITION</b>	Control & operation of platform & mission systems	Processing & exploitation of information	Dissemination of information	Offensive / defensive exploitation of EM spectrum	Use of RF signal to detect, track, ID	Thermographic camera with video output	Sound pulses to determine object location	Seekers, HEL, HPM Naval Launched Air Launched
<b>GFY21 ELECTRONICS MARKET (\$B)</b>	<b>\$26.1B</b>	<b>\$40.1B</b>	<b>\$19.1B</b>	<b>\$9.3B</b>	<b>\$10.9B</b>	<b>\$13.1B</b>	<b>\$4.6B</b>	<b>\$6.8B</b>
	5.5%	3.5%	3.4%	2.2%	2.1%	2.2%	3.0%	3.7%
	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR				
<b>GFY21 TIER 2* MARKET (\$B)</b>	<b>\$6.7B</b>	<b>\$8.3B</b>	<b>\$8.9B</b>	<b>\$5.8B</b>	<b>\$5.8B</b>	<b>\$2.1B</b>	<b>\$1.2B</b>	<b>\$3.4B</b>
	6.3%	4.5%	3.7%	2.6%	2.6%	3.4%	3.7%	4.1%
	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR	'21-26 CAGR				

Notes: \*Tier 2 includes embedded computing and subsystems with RF content. Includes US Government and Global Defense & Commercial Aerospace Markets  
Sources: RSAdvisors research & analysis, September 2021. Numbers are rounded.

## Acquisitions and investments driving significant opportunity for growth, which in turn is driving strong results

- Total potential value grew >2.9x to \$11B in 6 years
- Significant Radar, EW, C4I, weapons and EO/IR opportunity pipeline
- Acquisitions bring new programs and capabilities
- Larger, more diversified, program base reduces risk
- Content expansion driving above-average growth
- Outsourced integrated subsystems 54% of top 30 program lifetime value



Note: Probable and Possible values are as of the beginning of the referenced fiscal year. Numbers are rounded.

## Since FY14, we have achieved significant growth and scale

### FINANCIAL METRIC

4.4x

Total  
Revenue

3.2x

IR&D  
Spend

9.2x

Adjusted  
EBITDA

6.9x

Operating  
Cash Flow

### OPERATIONAL METRIC

15

Total  
Acquisitions

3.6x

Total  
Headcount

3.1x

Facilities

7.5x

Subsystem  
Revenue

Note: Metrics are FY21 as a multiple of FY14, except acquisitions, headcount, and facilities, which are as of April 1, 2022.

## 1IMPACT: a 4-year effort to achieve full growth and adj. EBITDA potential

- Proactively launched 1IMPACT to lay foundation for next phase of value creation at scale
- Anticipating \$27M net benefit related to actions taken and planned in FY22
- 1IMPACT helping to overcome financial impacts of industry headwinds
- On track to realize \$30M-\$50M adj. EBITDA by FY25 with upside potential
- Targeting working capital improvement, asset efficiency and margin expansion
- Focused on: Organizational efficiency and scalability, procurement and supply chain, facilities optimization, scalable processes and systems, R&D investment efficiency

## Clear path to maintaining differentiated and attractive financial profile



## Strategy and business model delivering financial performance well above industry average

- Track record of strong organic growth, profitability and strategic M&A
- Significant investment over last 5 years is competitive differentiator
- Poised for continued organic growth and margin expansion
- Well-positioned for future M&A with strong pipeline and financial flexibility
- Clear strategy to continue to maintain unique financial profile

THANK YOU.

mercury

mercy.com

FOLLOW US ON SOCIAL



mercury

APPENDIX

---

## Balance sheet

(In \$ millions) <sup>(1)</sup>	4/2/21	7/2/21	As of 10/1/21	12/31/21	4/1/22
<b>ASSETS</b>					
Cash & cash equivalents	\$121.9	\$113.8	\$95.8	\$105.2	\$91.7
Accounts receivable, net	264.0	291.7	301.2	320.1	367.1
Inventory, net	226.8	221.6	234.4	251.3	259.6
PP&E, net	128.3	128.5	128.7	127.4	125.7
Goodwill and intangibles, net	1,077.3	1,112.5	1,102.5	1,318.4	1,303.2
Other	85.0	87.0	102.5	108.4	112.5
<b>TOTAL ASSETS</b>	<b>\$1,903.3</b>	<b>\$1,955.1</b>	<b>\$1,965.1</b>	<b>\$2,230.8</b>	<b>\$2,259.8</b>
<b>LIABILITIES AND S/E</b>					
AP and accrued expenses	\$131.3	\$120.1	\$144.2	\$136.9	\$162.0
Other liabilities	158.0	150.9	141.4	155.3	145.9
Debt	160.0	200.0	200.0	451.5	451.5
<b>Total liabilities</b>	<b>449.3</b>	<b>471.0</b>	<b>485.6</b>	<b>743.7</b>	<b>759.4</b>
<b>Stockholders' equity</b>	<b>1,454.0</b>	<b>1,484.1</b>	<b>1,479.5</b>	<b>1,487.1</b>	<b>1,500.4</b>
<b>TOTAL LIABILITIES AND S/E</b>	<b>\$1,903.3</b>	<b>\$1,955.1</b>	<b>\$1,965.1</b>	<b>\$2,230.8</b>	<b>\$2,259.8</b>

Notes  
(1) Rounded amounts used.

## Cash flow summary

(In \$ millions) <sup>(1)</sup>	For the Fiscal Quarters Ended				
	4/2/21	7/2/21	10/1/21	12/31/21	4/1/22
<b>Net Income (Loss)</b>	<b>\$15.6</b>	<b>\$17.9</b>	<b>(\$7.1)</b>	<b>(\$2.6)</b>	<b>\$4.1</b>
Depreciation and amortization	20.0	20.8	21.5	24.1	24.5
Other non-cash items, net	5.7	12.3	5.8	5.8	8.4
<b>Changes in Operating Assets and Liabilities</b>					
Accounts receivable, unbilled receivables, and costs in excess of billings	(21.5)	(23.6)	(9.4)	(8.5)	(47.3)
Inventory	(8.4)	10.1	(12.8)	(7.6)	(8.0)
Accounts payable and accrued expenses	5.1	(9.5)	21.7	(8.4)	32.3
Other	6.7	(0.8)	(21.7)	4.1	(18.3)
	<b>(18.1)</b>	<b>(23.8)</b>	<b>(22.2)</b>	<b>(20.4)</b>	<b>(41.2)</b>
<b>Operating Cash Flow</b>	<b>23.2</b>	<b>27.2</b>	<b>(2.0)</b>	<b>6.8</b>	<b>(4.3)</b>
Capital expenditures	(10.0)	(10.9)	(5.4)	(8.0)	(6.1)
<b>Free Cash Flow<sup>(2)</sup></b>	<b>\$13.2</b>	<b>\$16.3</b>	<b>(\$7.4)</b>	<b>(\$1.2)</b>	<b>(\$10.3)</b>
<i>Free Cash Flow<sup>(2)</sup> / Adjusted EBITDA<sup>(2)</sup></i>	<i>24%</i>	<i>28%</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>
<i>Free Cash Flow<sup>(2)</sup> / GAAP Net Income</i>	<i>85%</i>	<i>91%</i>	<i>N.A.</i>	<i>N.A.</i>	<i>N.A.</i>

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

## Adjusted EPS reconciliation

(In thousands, except per share data) <sup>(2)</sup>	Q3 FY21	Q3 FY22	LTM Q3 FY21	LTM Q3 FY22
Earnings (loss) per share <sup>(1)</sup>	\$ 0.28	\$ 0.07	\$ 1.29	\$ 0.21
<b>Net income (loss)</b>	<b>\$ 15,635</b>	<b>\$ 4,139</b>	<b>\$ 71,343</b>	<b>\$ 12,285</b>
Other non-operating adjustments, net	(775)	938	(3,210)	1,817
Amortization of intangible assets	12,717	16,077	35,792	58,893
Restructuring and other charges	(4)	6,348	2,234	29,402
Impairment of long-lived assets	-	-	-	-
Acquisition, financing and other third party costs	3,260	3,497	7,706	10,775
Fair value adjustments from purchase accounting	182	16	783	(2,187)
Litigation and settlement expense, net	312	320	1,065	1,074
COVID related expenses	2,745	182	10,569	2,209
Stock-based and other non-cash compensation expense	7,565	8,935	30,011	33,253
Impact to income taxes <sup>(3)</sup>	(6,187)	(8,248)	(22,779)	(30,432)
<b>Adjusted income</b>	<b>\$ 35,450</b>	<b>\$ 32,204</b>	<b>\$ 133,514</b>	<b>\$ 117,089</b>
<b>Adjusted earnings per share<sup>(1)</sup></b>	<b>\$ 0.64</b>	<b>\$ 0.57</b>	<b>\$ 2.41</b>	<b>\$ 2.10</b>
Weighted-average shares outstanding:				
Basic	55,146	55,590		
Diluted	55,526	56,027		

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.

## Adjusted EBITDA reconciliation

(In thousands) <sup>(1)</sup>	Q3 FY21	Q3 FY22	LTM Q3 FY21	LTM Q3 FY22
<b>Net Income (loss)</b>	<b>\$ 15,635</b>	<b>\$ 4,139</b>	<b>\$ 71,343</b>	<b>\$ 12,285</b>
Other non-operating adjustments, net	(775)	938	(3,210)	1,817
Interest expense (income), net	515	1,554	1,210	3,816
Income tax (benefit) provision	5,362	2,102	11,759	4,642
Depreciation	7,243	8,388	23,200	31,970
Amortization of intangible assets	12,717	16,077	35,792	58,893
Restructuring and other charges	(4)	6,348	2,234	29,402
Impairment of long-lived assets	-	-	-	-
Acquisition and financing costs	3,260	3,497	7,706	10,775
Fair value adjustments from purchase accounting	182	16	783	(2,187)
Litigation and settlement expense, net	312	320	1,065	1,074
COVID related expenses	2,745	182	10,569	2,209
Stock-based and other non-cash compensation expense	7,565	8,935	30,011	33,253
<b>Adjusted EBITDA</b>	<b>\$ 54,757</b>	<b>\$ 52,496</b>	<b>\$ 192,462</b>	<b>\$ 187,949</b>

Notes  
 (1) Rounded amounts used.

## Free cash flow reconciliation

(In thousands)	Q3 FY21	Q3 FY22	LTM Q3 FY21	LTM Q3 FY22
Cash provided by (used in) operating activities	\$ 23,185	\$ (4,252)	\$ 98,779	\$ 27,760
Purchases of property and equipment	(9,955)	(6,072)	(46,214)	(30,367)
<b>Free cash flow</b>	<b>\$ 13,230</b>	<b>\$ (10,324)</b>	<b>\$ 52,565</b>	<b>\$ (2,607)</b>

## Organic revenue reconciliation

(In thousands)	Q3 FY21	Q3 FY22	LTM Q3 FY21	LTM Q3 FY22
Organic revenue <sup>(1)</sup>	\$ 256,857	\$ 233,747	\$ 890,314	\$ 810,347
Acquired revenue	-	19,328	217	138,963
<b>Net revenues</b>	<b>\$ 256,857</b>	<b>\$ 253,075</b>	<b>\$ 890,531</b>	<b>\$ 949,310</b>

**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.

## Glossary

<b>API</b>	Application Programming Interface
<b>BCA</b>	Budget Control Act
<b>C4I</b>	Command, Control, Communications, Computers
<b>COTS</b>	Commercial off-the Shelf
<b>CPU</b>	Central Processing Unit
<b>EO/IR</b>	Electro-optical / Infrared
<b>EW</b>	Electronic Warfare
<b>FPGA</b>	Field Programmable Gate Array
<b>GPU</b>	Graphics Processing Unit
<b>I/O</b>	Input/Output
<b>IP</b>	Intellectual Property
<b>IRAD</b>	Internal Research And Development
<b>NTCD</b>	Non-traditional Defense Contractor
<b>OTA</b>	Other Transaction Authority
<b>PBR</b>	President's Budget Request
<b>R&amp;D</b>	Research & Development
<b>RF</b>	Radio Frequency
<b>SEMS</b>	Sensor and Effector Mission Systems

