

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): December 8, 2020

**Mercury Systems, Inc.**  
(Exact Name of Registrant as Specified in 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 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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

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

**Item 7.01 Regulation FD Disclosure.**

The management of Mercury Systems, Inc. (the "Company") will present an overview of the Company's business on December 8, 2020 at the Truist Securities 2020 Industrials and Services Summit. 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 December 8, 2020</a>

**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: December 8, 2020

MERCURY SYSTEMS, INC.

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



# TRUIST SECURITIES 2020 INDUSTRIALS AND SERVICES SUMMIT

Mark Aslett  
President & CEO

Mike Ruppert  
Executive Vice President & CFO

December 8, 2020



## 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 acquisitions described herein and to fiscal 2021 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 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 weaknesses in the Company's markets, effects of epidemics and pandemics such as COVID, effects of any U.S. federal government shutdown or extended continuing resolution, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control 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 to achieve anticipated synergies, increases in interest rates, changes to industrial security and cyber-security regulations and requirements, changes in tax rates or tax regulations, changes in 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 disclosed 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 3, 2020. 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 that reflects 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 costs. 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

**PURPOSE-BUILT**  
Our goal is to provide all processing solutions on every system requiring trusted and secure computing

Deployed on 300+ programs – serving defense Prime contractor outsourcing needs

Defense industry’s highest Glassdoor employee ratings\*



## Mercury Systems by the numbers

1,970+

Number of team members globally,  
>25% hold DoD security clearances

4-5x

Research & development relative  
investment compared to our industry

\$797M

FY20 Revenue, 28% CAGR FY  
~11% avg. organic growth FY

22

Global state-of-the-art facilities

300+

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

\$176M

FY20 Adj. EBITDA \$176M (22  
32% CAGR FY15-FY20

35+

Years of tech leadership in A&D industry

25+

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

11

Number of M&A transaction  
completed last 5 years

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

Aerospace & Defense Platform and Systems Electronics Content					
C4I	JLTV	WIN-T	KC-46	A330 MRTT	Aegis
	F-16	Reaper/Gorgon Stare	Triton	LTAMDS	Aegis
Sensor & Effector Mission Systems	F-35	C-130	Global Hawk	Badger/Buzzard	SEWIP
	Stormbreaker	PGK	MALD-J	Paveway	SM2/3/6

AIRB  
BAE S  
BOEI  
GENE  
ATON  
L3HA  
LEON  
LOCK  
MAR  
NORT  
GRU  
RAYT  
TECH  
SAIC  
SIER  
THAL



## Investment highlights

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

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

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

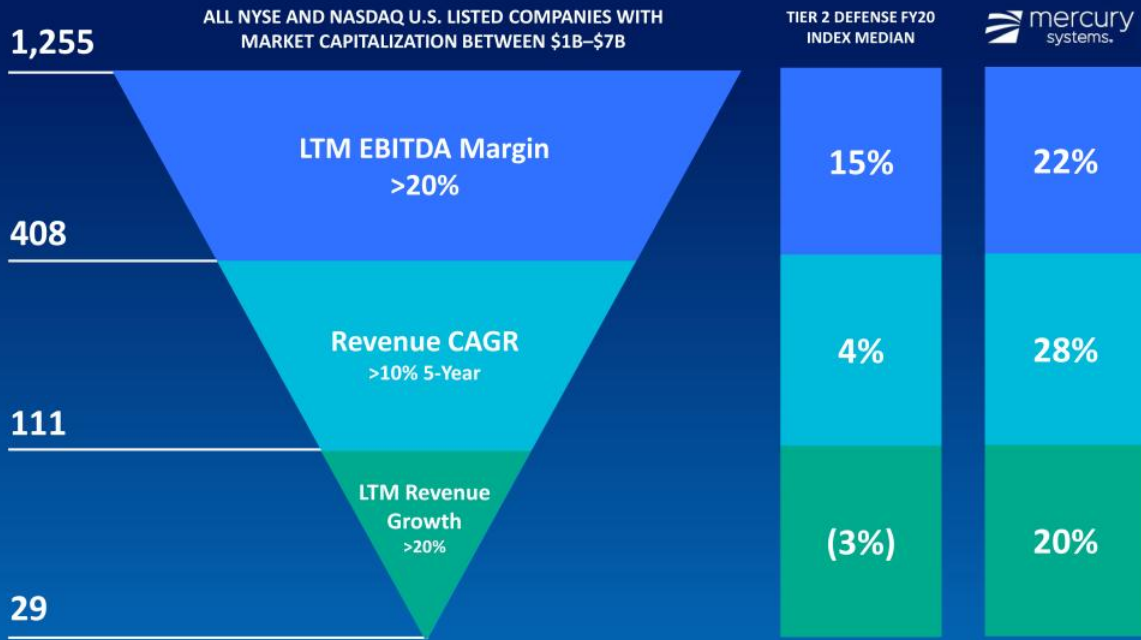
**Low-risk content expansion strategies** delivering above-average organic revenue CAG

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

**Financial performance in top 5%** of similarly sized public companies\*

\*Based on relative performance in LTM EBITDA; 5-year CAGR; and LTM revenue growth

# Mercury's financial profile demonstrates our unique strategy



**Notes**

- Fiscal year figures for Mercury are the trailing four fiscal quarters using information reported in Mercury's 10-Ks, Form 10-Qs and/or most recent release. All other data per FactSet as of December 2, 2020. 5-year CAGR for participants calculated per FactSet as the trailing four fiscal quarters available as of December 2, 2020 and the comparable historical period. Mercury 5-year CAGR calculated as the trailing four fiscal quarters ending fiscal Q1 FY21 compared to the trailing four fiscal quarters ending FY16. Financials represent reported and are not adjusted for acquisition/divestitures.
- TIER 2 DEFENSE INDEX: AAR, Aerojet Rocketdyne, AeroVironment, AXON, Ball Corporation, BWX Technologies, Telecommunications Corp, Cubic, C Wright, Ducommun, Elbit Systems, F Systems, HEICO, Hexcel, Honeywell, Kratos Defense & Security Solutions, Technologies, Maxar, Moog, Oshkosh Systems, Teledyne Technologies, Te TransDigm Group, Triumph Group, Woodward, Inc.

## 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

# 6 highly differentiated capabilities: To invest in any one of these would be significant. We invest in all six.

**Silicon:** We are a leader in adapting commercially developed silicon technology to be purpose-built specifically for aerospace and defense.

**Safety:** Design safety-certifiable processing systems up to the highest design assurance levels.

**Security:** Investment in industry-leading embedded security capabilities and secure manufacturing facilities.



**Speed:** Highest performance and densest processing solutions available onboard military platforms.

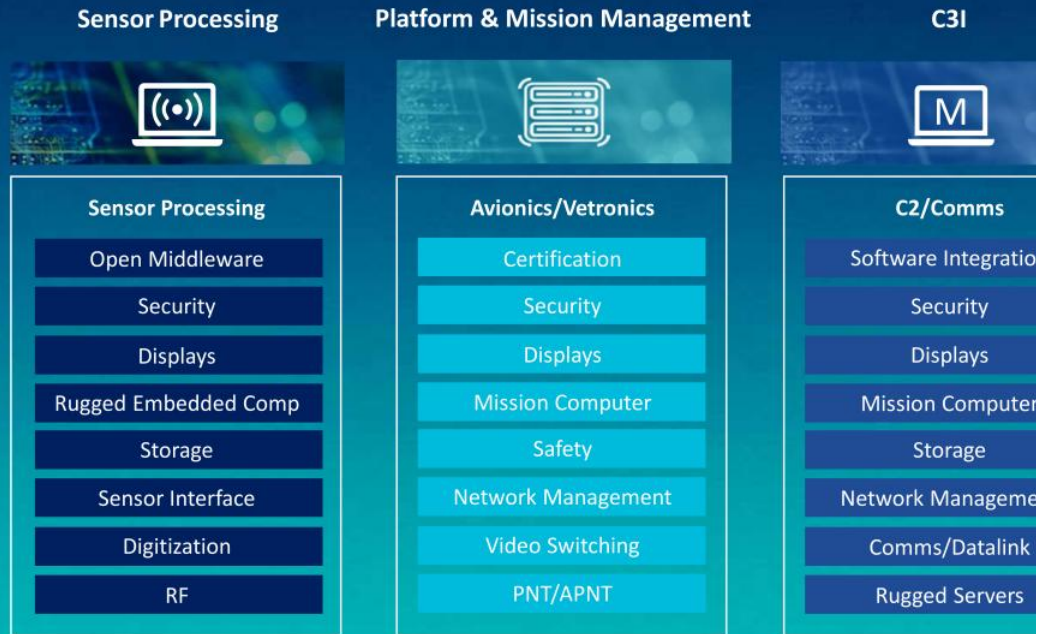
**SWaP:** Everything optimized for weight and power, along with more advanced packaging and cooling technology.

**Software:** Investment in the most advanced open middle and software allowing customers to port their applications on top of mission systems architecture.



# However, our overarching strategy is to provide all types of processing subsystems requiring trusted, secure computing

- Traditional COTS product integration model broken
- Procurement reform has shifted development risk to industry
- Customers burdened with integration risk and cost
- Our approach reduces program risk, meets outsourcing need, delivers at speed of relevance





# This game-changing capability will enable new applications at a rapid pace

## Chiptlets

Best-of-breed Ecosystem from Multiple Vendors

## Trusted and Secure Solutions

Chip-Scale Application-Specific Customization

Processors

FPGAs



GPUs



CPUs



I/O



RF/Digitization



Memory



Other



Communications



Radar



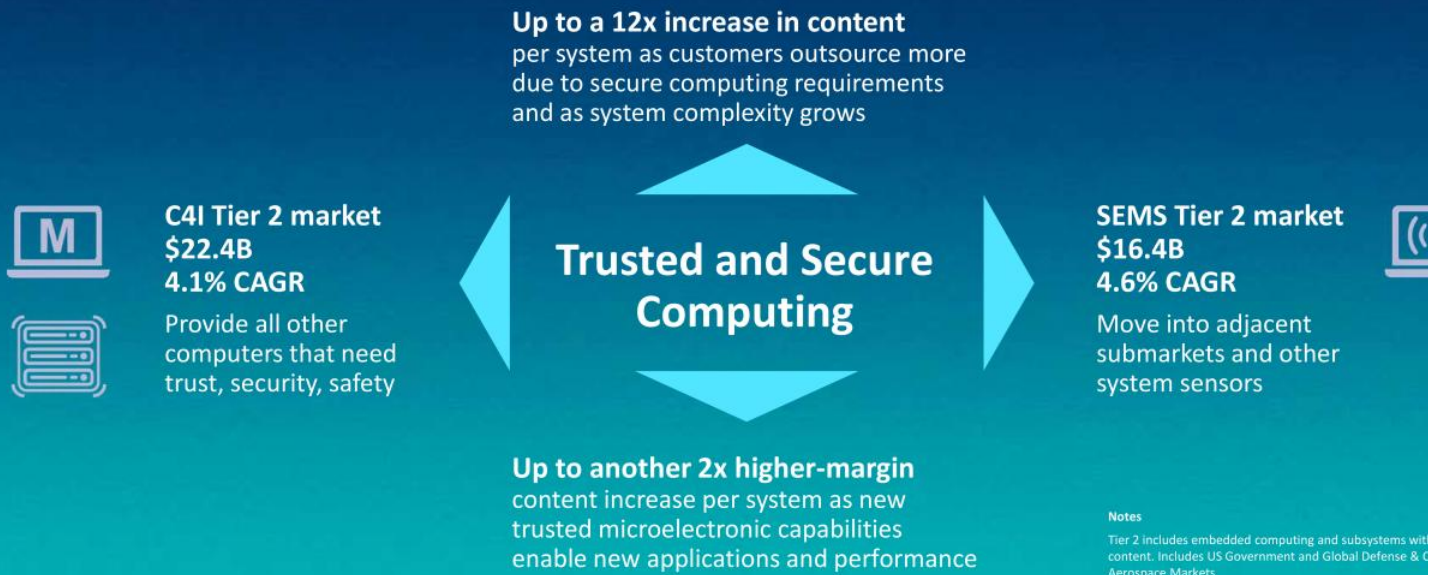
Electronic Warfare



Signals Intelligence



# We are simultaneously expanding our content footprint vertically while horizontally expanding our market access



## Six major trends shaping the defense industry

### 1/ Defense spending pressures

Political uncertainty, COVID-19 stimulus, interest payments, healthcare and social spending remain long-term headwinds; Pressures require prioritization within DoD

### 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/ Defense electronics modernization underway

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

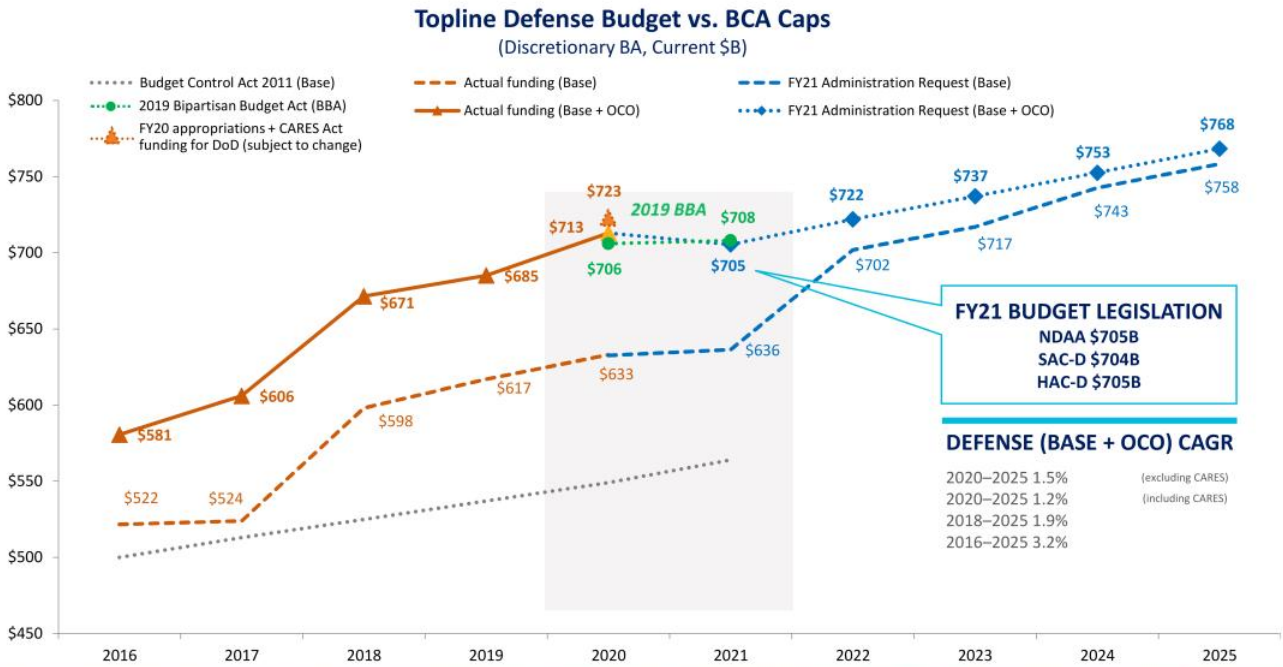
### 5/ Need access to commercial technology

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

# FY21 DoD PBR reflects 2019 BBA topline for FY20-21 and calls for ~1.5% topline budget growth over the FYDP



**Notes**

- FY20 O51 appropri amount \$723B (inc of MILCON emerg requirements and CARES stimulus)
- FY20 O51 appropri amount \$713B (inc ~\$8B of MILCON i requirements in C Budget and BCA C represent the O51 (DoD))
- BBA O51 totals are using O50 cap and ratio

**Sources**  
 BBA 2019, FY21 PBI OMB, FY20 DoD Gr FY18-20 Defense Aj bills, RSAdvisors ret analysis









# The A&D electronics systems market is ~ \$125B annually

## Our total addressable market is now ~\$40B

### Aerospace & Defense Platform and Systems Electronics Content

C4I (\$22.4B)\*

Sensor & Effector Mission Systems (\$16.4B)\*

MARKET SEGMENT	Platform & Mission Mgmt	C2I	Comms	EW	Radar	EO/IR	Acoustics	Weapon
								
	<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>Missil Munit</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	Thermo-graphic camera with video output	Sound pulses to determine object location	Seekers, H Naval Lat Air Laur
<b>GFY19 ELECTRONICS MARKET (\$B)</b>	<b>\$28.1B</b> 4.0%	<b>\$37.6B</b> 2.7%	<b>\$16.4B</b> 3.9%	<b>\$8.8B</b> 4.2%	<b>\$10.2B</b> 3.2%	<b>\$11.6B</b> 3.5%	<b>\$4.0B</b> 5.2%	<b>\$5.8</b> 4.0%
	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR
<b>GFY19 TIER 2* MARKET (\$B)</b>	<b>\$7.1B</b> 4.8%	<b>\$7.7B</b> 3.7%	<b>\$7.6B</b> 4.0%	<b>\$5.4B</b> 4.3%	<b>\$5.3B</b> 3.6%	<b>\$1.8B</b> 4.8%	<b>\$1.0B</b> 6.0%	<b>\$2.5</b> 4.4%
	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR

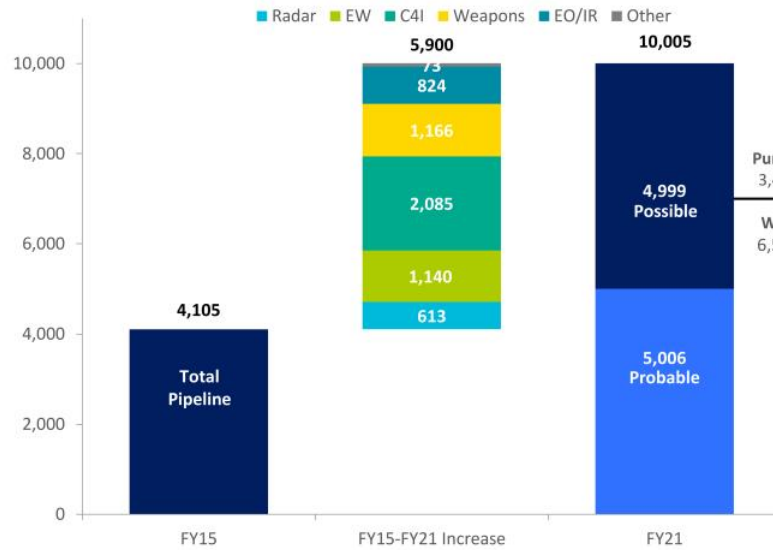
Notes: \*Tier 2 includes embedded computing and subsystems with RF content. Includes US Government and Global Defense & Commercial Aerospace Markets  
Sources: RSAAdvisors research & analysis, November 2019. Numbers are rounded.



# Acquisitions and investments driving significant opportunity growth

- Defense prime contractors outsourcing more
- Outsourced integrated subsystems 74% of top 30 program lifetime value
- Content expansion driving above-average growth
- Defense primes' flight to quality suppliers
- Supply chain delayering and reshoring
- Foreign military and international sales increasing

TOP 30 PROGRAMS & PURSUITS ESTIMATED LIFETIME VALUE (\$M)



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

## Glassdoor current employee ratings validate Mercury's status as a destination employer and acquirer of choice

	Mercury Systems	Glassdoor Average	Proxy Peer Group <sup>(1)</sup>	Tier 2 Defense Company Index <sup>(2)</sup>
Overall Rating	4.7	3.6	3.5	3.6
Culture & Values	4.7	3.4	3.4	3.5
Diversity & Inclusion	4.3	3.6	3.6	3.6
Work-Life Balance	4.2	3.5	3.5	3.6
Senior Management	4.6	3.2	3.1	3.2
Compensation & Benefits	4.5	3.2	3.4	3.5
Career Opportunities	4.5	3.1	3.2	3.4
Recommend to Friend	95%	64%	64%	67%
CEO Approval	99%	73%	80%	78%
Positive Business Outlook	94%	51%	54%	54%

(1) PROXY PEER GROUP: ADTRAN, Astronics Corp., Brooks Automi Inc., Cognex Corp., Comtech Telecommunications Corp., CTI Corp., Diodes Inc., Ducommun VI Inc., Infinera Corp., iRobot O Kratos Defense & Security Solu Inc., MACOM Technology Solut Holdings, Inc., Methode Electr Inc., MKS Instruments, Inc., Ne Inc., OSI Systems, Inc., Ribbon Communications, Inc., Rogers C

(2) TIER 2 DEFENSE INDEX: AAR Co Aerojet Rocketdyne, AeroViron AXON Enterprises, Ball Aerospa BXW Technologies, Comtech Telecom, Cubic Corp, Curtiss W Corp, Ducommun, Elbit System Systems, Harris Corp, Heico, He Honeywell Intl, Kaman, KBR, Kr Defense, L-3 Technologies, Ma MDOG, Oshkosh Defense, OSI Systems, Teledyne Technologie Textron, Transdigm Group, Tri Group, United Technologies, Vi Viasat, Woodward Aerospace.

(3) Source: Glassdoor, Inc., Dec. 2,

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

## Aerospace & Defense Platform and Systems Electronics Content

C4I (\$22.4B)\*

Sensor & Effector Mission Systems (\$16.4B)\*

MARKET SEGMENT	Platform & Mission Mgmt	C2I	Comms	EW	Radar	EO/IR	Acoustics	Weapon
	Avionics/ Vetronics	Command & Control/Battle Management	Dedicated Communications	Electronic Warfare	Radar	Electro-Optical/ Infrared	Acoustics	Missile Munit
ACQUISITIONS						Organic		
GFY19 TIER 2* MARKET (\$B)	\$7.1B 4.8% '19-24 CAGR	\$7.7B 3.7% '19-24 CAGR	\$7.6B 4.0% '19-24 CAGR	\$5.4B 4.3% '19-24 CAGR	\$5.3B 3.6% '19-24 CAGR	\$1.8B 4.8% '19-24 CAGR	\$1.0B 6.0% '19-24 CAGR	\$2.5B 4.4% '19-24 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, November 2019. Numbers are rounded.  
(1) Represents carve-out acquisition from Microsemi Corp.

## Mercury M&A philosophy and value creation blueprint

<p><b>Culture &amp; Values</b></p> <p>Assess cultural fit and rapidly enculturate the acquiree</p>	<p><b>Full Integration</b></p> <p>We believe in full integration – We’re not a holding company</p>	<p><b>Unify Brand</b></p> <p>One Brand – Mercury Systems</p>	<p><b>Combine Like Entities</b></p> <p>Combine like businesses or product lines to gain scale and efficiencies</p>	<p><b>Consolidate Manufacturing</b></p> <p>Invest capital to consolidate and modernize manufacturing facilities</p>
<p><b>Deploy Common Processes &amp; Systems</b></p> <p>Deploy scalable enterprise processes, systems, security, collaboration</p>	<p><b>Invest R&amp;D Leverage G&amp;A</b></p> <p>Raise R&amp;D to accelerate new design wins – Centralize G&amp;A where possible</p>	<p><b>Accelerate Organic Growth</b></p> <p>Strategic account and solution sales model to accelerate organic growth</p>	<p><b>Continuously Improve</b></p> <p>Matrix structure drives clarity, consistency, continuous improvement</p>	<p><b>Deliver Results</b></p> <p>Common business management and operating cadence</p>



## We're a leader in trusted, secure technologies and subsystems

- Innovative growth company at intersection of high tech and defense
- Aligned with dominant industry trends
- Proven transformational business model for A&D industry
- Low-risk content expansion strategies with substantial headroom
- Successful M&A strategy targeting new capabilities and market expansion
- Financial performance in top 5% of similarly sized public companies





**Michael Ruppert**  
**Executive Vice President & CFO**

# **FINANCIAL OVERVIEW**

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# The evolution of Mercury Systems

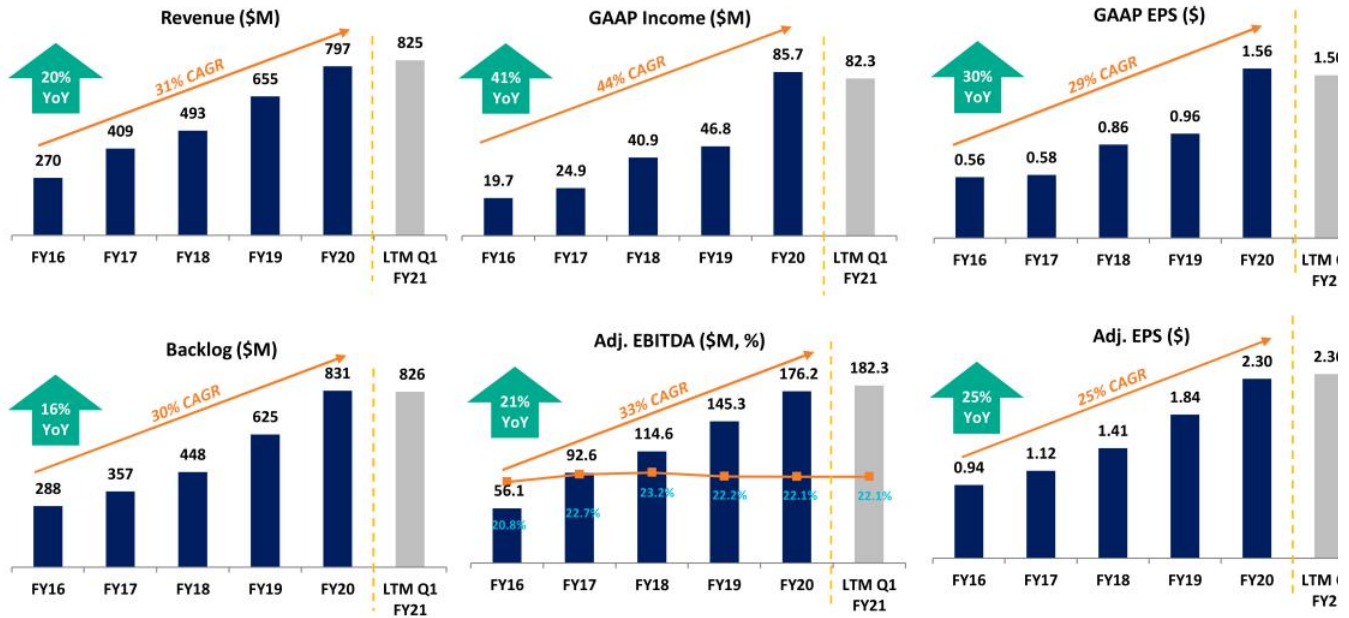
In millions, except percentage and per share data.

		FY15 <sup>(1)</sup>	FY20 <sup>(1)</sup>	Change
Valuation	Market Capitalization <sup>(2)</sup>	\$504	\$4,373	9x
	Enterprise Value <sup>(2)</sup>	\$426	\$4,165	10x
Operational	Revenue <sup>(2)</sup>	\$235	\$797	3x
	Adj. EBITDA <sup>(3)</sup> % Margin	\$44 19%	\$176 22%	4x +320 bps
	Adj. EPS <sup>(3)</sup>	\$0.80	\$2.30	3x
Strategy	Number of Acquisitions <sup>(4)</sup>	N.A.	11	N.M.
	Capital Deployed <sup>(4)</sup>	N.A.	\$804	N.M.

Notes

- (1) Trailing four fi  
FY15 and FY20  
Operational fi  
fiscal year and  
results as repr  
Company's Fo  
Qs and/or mo  
release. Histo  
reported, not  
acquisitions.
- (2) Valuation for l  
shares from tt  
Company's FY  
price as of Jun  
Valuation for l  
shares from tt  
Company's Q3  
stock price as
- (3) Non-GAAP, se  
table.
- (4) Acquisitions o  
capital deploy  
FY15-FY20.

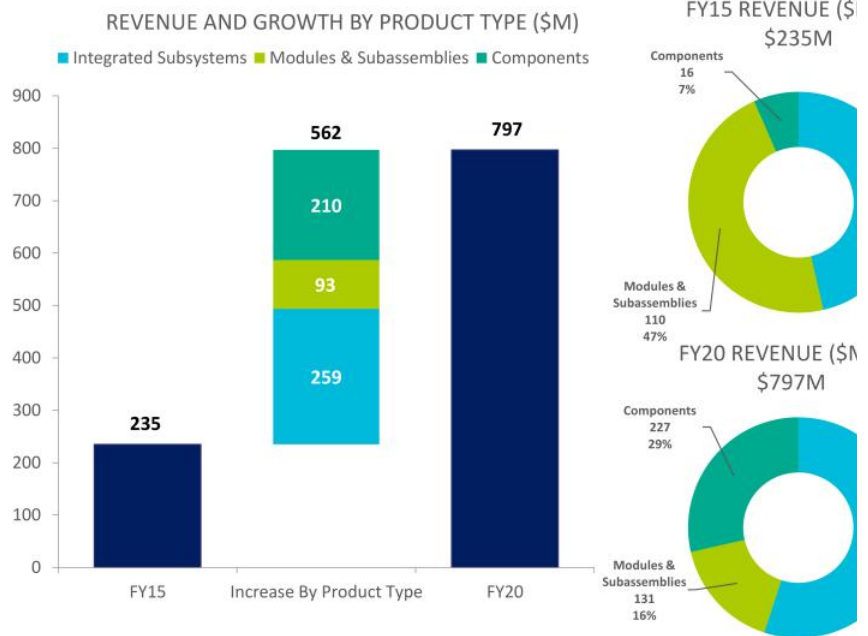
# Mercury continues to deliver strong financial results



Notes: CAGR figures for the period FY16-FY20. YoY figures for the period LTM Q1 FY20 vs. LTM Q1 FY21. Numbers are rounded. Per share data is presented on a fully diluted basis. As of Q3 FY20, 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.

# Content expansion from modules to subsystems

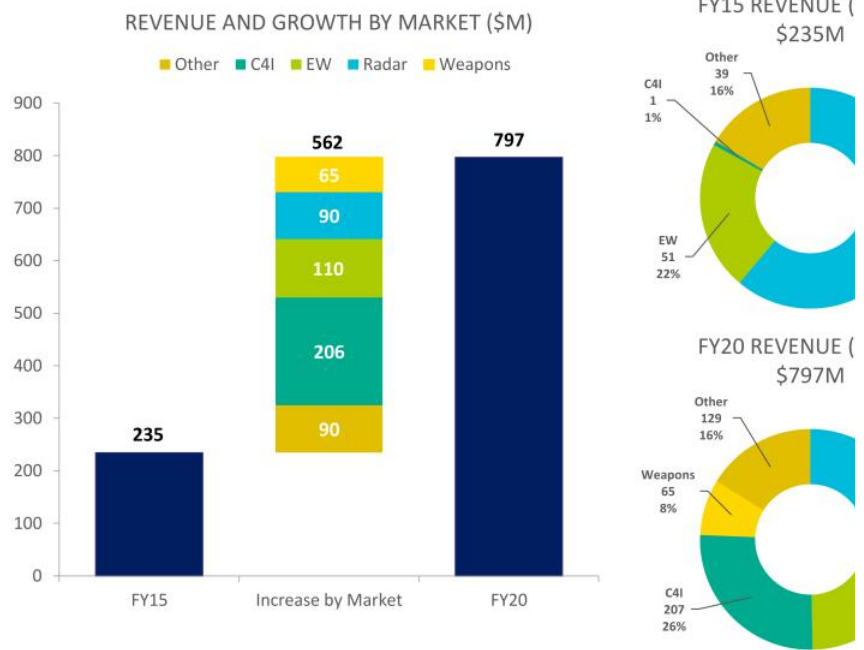
- **Components:**
  - ▶ Expansion via custom microelectronics acquisition from Microsemi
  - ▶ Investment in trusted microelectronics
- **Modules/Subassemblies:**
  - ▶ Down from 47% of revenue in FY15 to 16% in FY20 as shift towards subsystems
- **Subsystems:**
  - ▶ Expansion into \$40B Tier 2 RF & computing market
  - ▶ Subsystems represent 63% of top 30 program lifetime value



Notes: FY15-FY19 fiscal years ended June 30. FY20 fiscal year ended July 3, 2020. FY15-FY20 figures are as reported in the Company's Form 10-Ks and/or Internal Company data. Percent of total may not equal 100% due to other non-categorized revenue. Numbers are rounded. As additional information Company's products by end user, application and/or product grouping is attained, the categorization of these products can vary over time. When this occurs, the Company reclassifies revenue by end user, application and/or product grouping for prior periods.

## Expanding into new markets

- Continued growth in core markets
- Expansion into adjacent markets and leveraging current capabilities
- Additional capabilities drive content expansion
- Broader program and customer base
- Vastly larger addressable market
- Consistently driving above market growth rates



Notes: FY15-FY19 fiscal years ended June 30. FY20 fiscal year ended July 3, 2020. FY15-FY20 figures are as reported in the Company's Form 10-Ks and/or Internal Company data. Percent of total may not equal 100% due to other non-categorized revenue. Numbers are rounded. As additional information Company's products by end user, application and/or product grouping is attained, the categorization of these products can vary over time. When this occurs, the Company reclassifies revenue by end user, application and/or product grouping for prior periods.



# Taking market share due to significant investments

Focused on core markets, technologies and scale. Invested \$1.3 billion since FY14 driving outsourcing



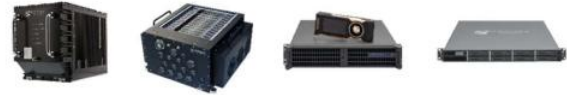
<b>IR&amp;D</b>	~\$390M
<b>Capital Expenditures</b>	~\$140M
<b>Acquisition Investment</b>	~\$800M
<b>Total Investment</b>	<b>~\$1.3B</b>

## Markets C4I and SEMS

### Aerospace & Defense Platform and Systems Electronics Content

Platform & Mission Mgmt	C4I				Sensor & Effector Mission Systems		
	C2I	Comms	EW	Radar	EO/IR	Acoustics	Weapons

## Trusted and Secure Mission-Critical Technologies and Subsystems



## Trusted Domestic Manufacturing and Integration from Chip-scale to Systems

### Defense Microelectronics Activity



- 1U, 2U and custom form factors
- Made in the U.S.A. motherboards
- Composable security features
- MIL-STD 810G/F, 901D, 167-1, 461
- Field-proven, approved design

**Notes**  
All figures are approximate and reflect the period of using information in the Company's Form 10-Qs and/or public announcements. Numbers are rounded.

## LTM Q1 FY21 performance

In \$ millions, except percentage and per share data	LTM Q1 FY20 <sup>(3)(4)</sup>	LTM Q1 FY21 <sup>(3)(4)</sup>	CHANGE
Bookings	\$820.0	\$939.2	15%
Book-to-Bill	1.19	1.14	
Backlog	\$711.8	\$826.1	16%
12-Month Backlog	499.2	516.1	
Revenue	\$688.0	\$824.9	20%
Organic Revenue Growth <sup>(1)</sup>	19%	13%	
Gross Margin	44.0%	44.4%	0.4 pts
Operating Expenses	\$222.7	\$274.2	
Selling, General & Administrative	115.9	135.2	
Research & Development	75.8	104.0	23%
Amortization/Restructuring/Acquisition	30.9	35.0	
GAAP Net Income	\$58.5	\$82.3	41%
Effective Tax Rate	11.5%	13.1%	
GAAP EPS	\$1.15	\$1.50	30%
Weighted Average Diluted Shares			
Adjusted EPS <sup>(2)</sup>	\$1.89	\$2.36	25%
Adj. EBITDA <sup>(2)</sup>	\$150.4	\$182.3	21%
% of revenue	21.9%	22.1%	
Operating Cash Flow	\$101.8	\$113.8	12%
Free Cash Flow <sup>(2)</sup>	\$69.2	\$69.1	N.M.
% of Adjusted EBITDA	46%	38%	

Notes:  
(1) Organic revenue excludes revenue from the first four full quarters of acquired businesses (which excludes any intangible assets acquired in connection with the completion of acquired business combinations as organic for a comparable historical period).  
(2) Non-GAAP, see table.  
(3) Effective as of the first quarter of the Company's fiscal year ended October 31, 2021. The week period ended October 31, 2021 is closest to the week period ended September 30, 2020 in the first quarter of the full fiscal 2020 period ended September 30, 2021 and the first quarter of the full fiscal 2021 period ended October 31, 2021.  
(4) LTM figures are trailing four quarters information re Company's For Qs and/or mos release.

## FY20 vs. FY19

In \$ millions, except percentage and per share data	FY19	FY20 <sup>(3)</sup>	CHANGE
Bookings	\$782.9	\$954.3	
Book-to-Bill	1.20	1.20	22%
Backlog	\$625.4	\$831.1	
12-Month Backlog	451.2	567.7	33%
Revenue	\$654.7	\$796.6	
Organic Revenue Growth <sup>(1)</sup>	12%	14%	22%
Gross Margin	43.7%	44.8%	1.1 pts
Operating Expenses	\$209.6	\$265.8	
Selling, General & Administrative	110.7	132.3	
Research & Development	68.9	98.5	27%
Amortization/Restructuring/Acquisition	29.9	35.0	
GAAP Net Income	\$46.8	\$85.7	
Effective Tax Rate	21.4%	8.8%	83%
GAAP EPS	\$0.96	\$1.56	
Weighted Average Diluted Shares	48.5	55.1	63%
Adjusted EPS <sup>(2)</sup>	\$1.84	\$2.30	25%
Adj. EBITDA <sup>(2)</sup>	\$145.3	\$176.2	
% of revenue	22.2%	22.1%	21%
Operating Cash Flow	\$97.5	\$115.2	18%
Free Cash Flow <sup>(2)</sup>	\$70.8	\$71.9	
% of Adjusted EBITDA	49%	41%	2%

Notes  
(1) Organic revenue from company revenue from the first four full quarters of the first quarter of 2021 excludes any transactions completed during the first quarter of 2021 as organic for comparable historical periods.  
(2) Non-GAAP, see table.  
(3) Effective as of the first quarter of 2021, the Company's fiscal year ended September 30, 2021, changed to the week period ending October 31, 2021. All references in this table to the first quarter of 2020 and the first quarter of 2021 refer to the week period ending September 30, 2020 and the week period ending October 31, 2021, respectively.

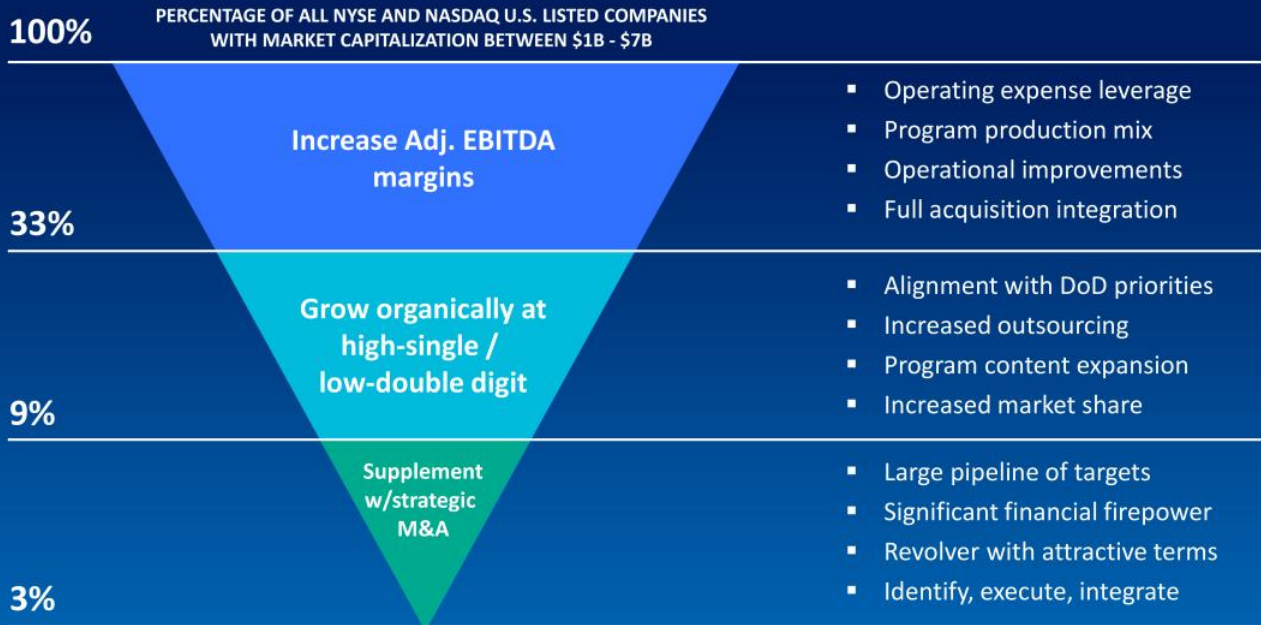
## Mercury recent acquisition history

Company	Expansion Primary Theme	Closing Date	Purchase Price (\$M)	Ending Debt Balance	Funding
LIT	Security	Dec-2015	\$ 10	\$ 0	Cash on Hand
Microsemi <sup>(1)</sup>	Weapons, EW, Security	May-2016	\$ 300	-	Term Loan Cash on Hand
April 2016 Equity Offering			(\$ 93)	\$ 200	Equity Offering
CES	Platform/Mission, Comm's	Nov-2016	\$ 39	\$ 190	Cash on Hand
January 2017 Equity Offering			(\$ 216)	\$ 0 <sup>(2)</sup>	Equity Offering
Delta Microwave	EW, Space	Apr-2017	\$ 41	\$ 0 <sup>(2)</sup>	Cash on Hand
RTL	Platform/Mission	Jul-2017	\$ 6	\$ 0	Cash on Hand
Themis	C2I, Comm's	Feb-2018	\$ 180	\$ 195	Revolver
Germane Systems	C2I, Acoustics	Jul-2018	\$ 45	\$ 240	Revolver
GECO	Platform/Mission	Jan-2019	\$ 37	\$ 277	Revolver
Athena	Security	Apr-2019	\$ 46	\$ 325	Revolver
Syntonic Microwave	EW	Apr-2019			
May 2019 Equity Offering			(\$ 455)	\$ 0 <sup>(3)</sup>	Equity Offering
APC	Platform/Mission, Vectronics	Sep-2019	\$ 100	\$ 0 <sup>(4)</sup>	Cash on Hand

**Total Capital Deployed: \$804M**

Source: Company financial investor presentations  
 (1) Represents carve from Microsemi  
 (2) On June 27, 2017, amended its senior credit facility, in extending the term facility and utilizing 2017 equity offering to repay the remaining balance of the existing term  
 (3) Reflects repayment proceeds from common stock offering  
 (4) Reflects acquisition Panel Corporation, September 23, 2019, proceeds from common stock offering

# Committed 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



# APPENDIX

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## Balance sheet

(In \$ millions) <sup>(1)</sup>	As of				
	9/27/19	12/27/19	3/27/20	7/3/20	10/2/20
<b>ASSETS</b>					
Cash & cash equivalents	\$161.3	\$182.0	\$407.1	\$226.8	\$239.1
Accounts receivable, net	177.5	193.4	214.0	210.7	207.8
Inventory, net	148.5	153.6	161.9	178.1	206.0
PP&E, net	65.9	72.7	78.7	87.7	94.7
Goodwill and intangibles, net	847.4	839.2	831.4	822.8	815.3
Other	73.3	71.7	78.5	84.6	90.2
<b>TOTAL ASSETS</b>	<b>\$1,473.9</b>	<b>\$1,512.6</b>	<b>\$1,771.6</b>	<b>\$1,610.7</b>	<b>\$1,653.2</b>
<b>LIABILITIES AND S/E</b>					
AP and accrued expenses	\$84.8	\$91.3	\$109.6	\$107.0	\$119.7
Other liabilities	93.7	104.3	112.6	118.9	125.6
Debt	-	-	200.0	-	-
<b>Total liabilities</b>	<b>178.5</b>	<b>195.6</b>	<b>422.2</b>	<b>225.9</b>	<b>245.3</b>
<b>Stockholders' equity</b>	<b>1,295.3</b>	<b>1,317.1</b>	<b>1,349.4</b>	<b>1,384.8</b>	<b>1,407.9</b>
<b>TOTAL LIABILITIES AND S/E</b>	<b>\$1,473.9</b>	<b>\$1,512.6</b>	<b>\$1,771.6</b>	<b>\$1,610.7</b>	<b>\$1,653.2</b>

Notes  
(1) Rounded amounts

## Cash flow summary

(In \$ millions) <sup>(1)</sup>	For the Fiscal Quarters Ended				
	9/27/19	12/27/19	3/27/20	7/3/20	10/2/20
<b>Net Income</b>	<b>\$19.2</b>	<b>\$15.7</b>	<b>\$23.6</b>	<b>\$27.2</b>	<b>\$15.8</b>
Depreciation and amortization	11.4	12.5	12.7	12.8	13.0
Gain on investment	-	-	(3.8)	(2.0)	-
Other non-cash items, net	6.4	7.6	8.5	6.8	4.5
<b>Changes in Operating Assets and Liabilities</b>					
Accounts receivable, unbilled receivables, and costs in excess of billings	2.2	(15.7)	(20.7)	3.2	3.5
Inventory	0.4	(5.7)	(8.2)	(18.1)	(27.8)
Accounts payable and accrued expenses	(6.3)	5.8	18.4	(4.4)	10.8
Other	(9.0)	11.8	(0.4)	3.2	3.1
	<b>(12.8)</b>	<b>(3.8)</b>	<b>(10.9)</b>	<b>(16.1)</b>	<b>(10.4)</b>
<b>Operating Cash Flow</b>	<b>24.3</b>	<b>32.1</b>	<b>30.1</b>	<b>28.7</b>	<b>22.9</b>
Capital expenditures	(9.6)	(11.3)	(10.9)	(11.5)	(11.0)
<b>Free Cash Flow<sup>(2)</sup></b>	<b>\$14.7</b>	<b>\$20.7</b>	<b>\$19.2</b>	<b>\$17.2</b>	<b>\$12.0</b>
<i>Free Cash Flow<sup>(2)</sup> / Adjusted EBITDA<sup>(2)</sup></i>	<i>40%</i>	<i>48%</i>	<i>41%</i>	<i>35%</i>	<i>28%</i>
<i>Free Cash Flow<sup>(2)</sup> / GAAP Net Income</i>	<i>76%</i>	<i>132%</i>	<i>82%</i>	<i>63%</i>	<i>76%</i>

Notes:  
(1) Rounded amounts  
(2) Non-GAAP, see reconciliation 1

## Q1 FY21 vs. Q1 FY20

In \$ millions, except percentage and per share data	Q1 FY20 <sup>(3)(4)</sup>	Q1 FY21 <sup>(3)(5)</sup>	CHANGE
Bookings	\$215.7	\$200.7	(7%)
Book-to-Bill	1.22	0.98	
Backlog	\$711.8	\$826.1	16%
12-Month Backlog	499.2	516.1	
Revenue	\$177.3	\$205.6	16%
Organic Revenue Growth <sup>(1)</sup>	17%	12%	
Gross Margin	44.2%	42.9%	(1.3) pts
Operating Expenses	\$60.9	\$69.3	
Selling, General & Administrative	30.0	32.9	
Research & Development	21.9	27.4	14%
Amortization/Restructuring/Acquisition	9.1	9.0	
GAAP Net Income	\$19.2	\$15.8	(18%)
Effective Tax Rate	(12%)	12%	
GAAP EPS	\$0.35	\$0.29	(17%)
Weighted Average Diluted Shares	55.1	55.3	
Adjusted EPS <sup>(2)</sup>	\$0.45	\$0.51	13%
Adj. EBITDA <sup>(2)</sup>	\$36.7	\$42.8	16%
% of revenue	20.7%	20.8%	
Operating Cash Flow	\$24.3	\$22.9	(6%)
Free Cash Flow <sup>(2)</sup>	\$14.7	\$12.0	(19%)
% of Adjusted EBITDA	40%	28%	

Notes

(1) Organic revenue is defined as revenue from the first four fiscal quarters of the entities' fiscal year (which exclude intercompany revenue). After the completion of fiscal quarters, businesses are organic for current fiscal quarters. For comparable historical periods, see Non-GAAP, see table.

(2) Effective as of January 1, 2021, Company's fiscal year ended on Friday closest to June 30. All references to fiscal 2020 are to the quarter ended September 27, 2020 and full fiscal 2020 are to the period ended June 2, 2021.

(3) The first quarter ended and 52-week period ended June 2, 2021.

(4) The first quarter included \$6.6M share, of discontinued operations.

(5) The first quarter included \$2.5M per share, of discontinued operations.



## Adjusted EPS reconciliation

(In thousands, except per share data)	Q1 FY20	Q1 FY21	LTM Q1 FY20	LTM Q1 FY21
<b>Earnings per share<sup>(1)</sup></b>	<b>\$ 0.35</b>	<b>\$ 0.29</b>	<b>\$ 1.15</b>	<b>\$ 1.50</b>
<b>Net Income</b>	<b>\$ 19,247</b>	<b>\$ 15,798</b>	<b>\$ 58,543</b>	<b>\$ 82,263</b>
Other non-operating adjustments, net <sup>(2)</sup>	301	(182)	300	(6,119)
Amortization of intangible assets	7,019	7,731	27,752	31,272
Restructuring and other charges	648	1,297	704	2,454
Impairment of long-lived assets	-	-	-	-
Acquisition and financing costs	2,236	841	10,821	4,250
Fair value adjustments from purchase accounting	-	-	93	1,801
Litigation and settlement expense, net	313	187	657	818
COVID related expenses <sup>(3)</sup>	-	2,319	-	4,912
Stock-based and other non-cash compensation expense	5,776	7,367	20,654	28,563
Impact to income taxes <sup>(4)</sup>	(10,925)	(7,024)	(24,390)	(19,733)
<b>Adjusted income</b>	<b>\$ 24,615</b>	<b>\$ 28,334</b>	<b>\$ 95,134</b>	<b>\$ 130,481</b>
<b>Adjusted earnings per share<sup>(1)</sup></b>	<b>\$ 0.45</b>	<b>\$ 0.51</b>	<b>\$ 1.89</b>	<b>\$ 2.36</b>
Weighted-average shares outstanding:				
Basic	54,388	54,883		
Diluted	55,078	55,339		

### Notes

- (1) Per share information is presented on a fully diluted basis.
- (2) Effective as of the third quarter of fiscal 2020, the Company has revised its definition of adjusted income and adjusted earnings per share to incorporate other non-operating adjustments, which includes gains or losses on foreign currency remeasurement, investments and fixed asset sales or disposals among other adjustments. Adjusted EPS for prior periods has been recast for comparative purposes.
- (3) Effective as of the third quarter of fiscal 2020, the Company has added back incremental COVID related expenses.
- (4) 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.
- (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 of June. All references in this presentation to the second quarter of fiscal 2020 and full fiscal 2020 are to the quarter ended December 27, 2019 and full fiscal 2020 are to the 53-week period ended July 3, 2020, and to the second quarter of fiscal 2021 and full fiscal 2021 are to the quarter ended January 1, 2021 and 52-week period ending July 2, 2021.

## Adjusted EBITDA reconciliation

(In thousands)	Q1 FY20	Q1 FY21	LTM Q1 FY20	LTM Q1 FY21
<b>Net Income</b>	<b>\$ 19,247</b>	<b>\$ 15,798</b>	<b>\$ 58,543</b>	<b>\$ 82,263</b>
Other non-operating adjustments, net	301	(182)	300	(6,119)
Interest (income) expense, net	(1,187)	(72)	4,797	(30)
Income tax (benefit) provision	(2,018)	2,198	7,605	12,437
Depreciation	4,362	5,266	18,475	19,674
Amortization of intangible assets	7,019	7,731	27,752	31,272
Restructuring and other charges	648	1,297	704	2,454
Impairment of long-lived assets	-	-	-	-
Acquisition and financing costs	2,236	841	10,821	4,250
Fair value adjustments from purchase accounting	-	-	93	1,801
Litigation and settlement expense, net	313	187	657	818
COVID related expenses <sup>(2)</sup>	-	2,319	-	4,912
Stock-based and other non-cash compensation expense	5,776	7,367	20,654	28,563
<b>Adjusted EBITDA</b>	<b>\$ 36,697</b>	<b>\$ 42,750</b>	<b>\$ 150,401</b>	<b>\$ 182,295</b>

### Notes

(1) 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 of June. All references in this presentation to the second quarter of fiscal 2020 and full fiscal 2020 are to the quarter ended December 27, 2019 and full fiscal 2020 are to the 53-week period ended July 3, 2020, and to the second quarter of fiscal 2021 and full fiscal 2021 are to the quarter ended January 1, 2021 and 52-week period ending July 2, 2021.

(2) Effective as of the third quarter of fiscal 2020, the Company has added back incremental COVID related expenses.

## Free cash flow reconciliation

(In thousands)	Q1 FY20	Q1 FY21	LTM Q1 FY20	LTM Q1 FY21
Cash provided by operating activities	\$ 24,310	\$ 22,929	\$ 101,798	\$ 113,805
Purchases of property and equipment	(9,595)	(10,978)	(32,559)	(44,677)
<b>Free cash flow</b>	<b>\$ 14,715</b>	<b>\$ 11,951</b>	<b>\$ 69,239</b>	<b>\$ 69,128</b>

## Organic revenue reconciliation

(In thousands)	Q1 FY20	Q1 FY21	LTM Q1 FY20	LTM Q1 FY21
Organic revenue <sup>(1)</sup>	\$ 176,361	\$ 196,785	\$ 682,508	\$ 771,304
Acquired revenue	943	8,836	5,484	53,623
<b>Net revenues</b>	<b>\$ 177,304</b>	<b>\$ 205,621</b>	<b>\$ 687,992</b>	<b>\$ 824,927</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

