

**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): August 4, 2021

**Mercury Systems, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Massachusetts**  
(State or Other Jurisdiction  
of Incorporation)

**000-23599**  
(Commission File Number)

**04-2741391**  
(IRS Employer  
Identification No.)

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

**01810**  
(Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

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

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

**Item 7.01 Regulation FD Disclosure.**

The management of Mercury Systems, Inc. (the "Company") will present an overview of the Company's business on August 4, 2021 at the Jefferies Virtual Industrials 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 August 4, 2021</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: August 4, 2021

MERCURY SYSTEMS, INC.

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

The Mercury logo is displayed in a white, lowercase, sans-serif font against a dark blue background. The background of the entire slide features a blue-tinted image of a young child from behind, pointing towards a sky with clouds and several fighter jets flying in formation. A white geometric frame is overlaid on the image, partially enclosing the child and the sky.

mercury

**JEFFERIES VIRTUAL  
INDUSTRIALS CONFERENCE**

Mark Aslett  
President & CEO

Mike Ruppert  
Executive Vice President & CFO

August 4, 2021

© 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 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 use of the words "may," "will," "could," "should," "would," "plans," "expects," "anticipates," "continue," "estimate," "project," "intend," "likely," "forecast," "probable," "potential," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company's markets, effects of epidemics and pandemics such as COVID, effects of any U.S. federal government shutdown or extended continuing resolution, effects of continued geopolitical unrest and regional conflicts, competition, changes in technology and methods of marketing, delays in completing engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. Government's interpretation of, federal export control or procurement rules and regulations, changes in, or in the interpretation or enforcement of, environmental rules and regulations, market acceptance of the Company's products, shortages in components, production delays or unanticipated expenses due to performance quality issues with outsourced components, inability to fully realize the expected benefits from acquisitions, restructurings and value creation initiatives such as IMPACT, or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, increases in interest rates, changes to industrial security and cyber-security regulations and requirements, changes in tax rates or tax regulations, changes to interest rate swaps or other cash flow hedging arrangements, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended July 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 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

Defense industry's highest Glassdoor employee ratings

3 © Mercury Systems, Inc.

mercury

## Mercury Systems by the numbers

~2,400

Number of team members globally,  
~30% hold DoD security clearances

4-5x

Research & development relative  
investment compared to our industry

\$924M

FY21 Revenue, 28% CAGR FY16-FY21  
~9.4% avg. organic growth FY16-FY21

25

Global state-of-the-art facilities

300+

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

\$202M

FY21 Adj. EBITDA, 22% margin  
29% CAGR FY16-FY21

35+

Years of tech leadership  
in the A&D industry

25+

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

13

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	WIN-T	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 (\$22.4B)\*

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

MARKET SEGMENT	Platform & Mission Mgmt	C4I			Sensor & Effector Mission Systems			
		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		
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	\$2.9B 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.

# 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, AVON Enterprise, Ball Corporation, BWX Technologies, Cortech, Telecommunications Corp, Curtiss-Wright, Decimark, Elbit Systems, HEXO, Hexcel, Honeywell Int'l, Kaman, Kratos Defense & Security Solutions, L3Harris Technologies, Maxar, Moog, Oshkosh, OS Systems, Rada Electronic Industries Ltd., Teledyne Technologies, Teatron, TransDigm Group, Triumph Group, VisSat, 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 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

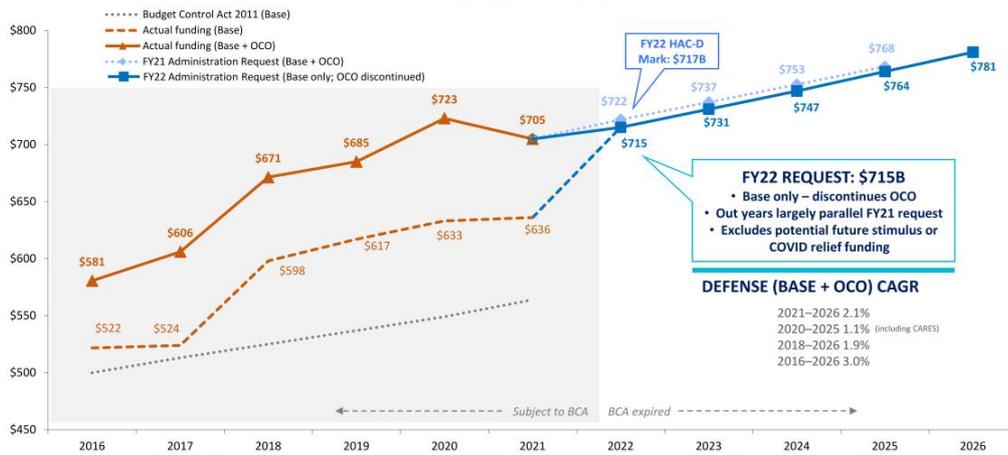
Leverage high-tech commercial investment and innovation; must be tailored for defense purposes. Microelectronics elevated to DoD's #1 technology priority

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

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

# FY22 DoD request adds \$10B over FY21 appropriated amount, with a similar 5-year topline outlook as the FY21 request

**Topline Defense Budget Outlook**  
(Discretionary BA, Current \$B)



# 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	C4I (\$22.4B)*			Sensor & Effector Mission Systems (\$16.4B)*				
	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	Thermo-graphic camera with video output	Sound pulses to determine object location	Seekers, HEL, HPM Naval Launched Air Launched
<b>GFY19 ELECTRONICS MARKET (\$B)</b>	<b>\$28.1B</b>	<b>\$37.6B</b>	<b>\$16.4B</b>	<b>\$8.8B</b>	<b>\$10.2B</b>	<b>\$11.6B</b>	<b>\$4.0B</b>	<b>\$5.8B</b>
	4.0%	2.7%	3.9%	4.2%	3.2%	3.5%	5.2%	4.0%
	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR	'19-24 CAGR				
<b>GFY19 TIER 2* MARKET (\$B)</b>	<b>\$7.1B</b>	<b>\$7.7B</b>	<b>\$7.6B</b>	<b>\$5.4B</b>	<b>\$5.3B</b>	<b>\$1.8B</b>	<b>\$1.0B</b>	<b>\$2.9B</b>
	4.8%	3.7%	4.0%	4.3%	3.6%	4.8%	6.0%	4.4%
	'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: RSAdvisors research & analysis, November 2019. Numbers are rounded.

## 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 size, weight and power, along with most advanced packaging and cooling technology.

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

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

Up to a 12x increase in content per system as customers outsource more due to secure computing requirements and as system complexity grows



**C4I Tier 2 market**  
**\$22.4B**  
**4.1% CAGR**



Provide all other computers that need trust, security, safety

**Trusted and Secure Computing**

**SEMS Tier 2 market**  
**\$16.4B**  
**4.6% CAGR**



Move into adjacent submarkets and other system sensors

Up to another 2x higher-margin content increase per system as new trusted microelectronic capabilities enable new applications and performance

**Notes**

Tier 2 includes embedded computing and subsystems with RF content. Includes US Government and Global Defense & Commercial Aerospace Markets  
Source: RSAdvisors research & analysis, November 2019. CAGRs referenced are for periods GPY19-GPY24. Numbers are rounded.

# 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

## Sensor Processing



Sensor Processing
Open Middleware
Security
Displays
Rugged Embedded Comp
Storage
Sensor Interface
Digitization
RF

## Platform & Mission Management



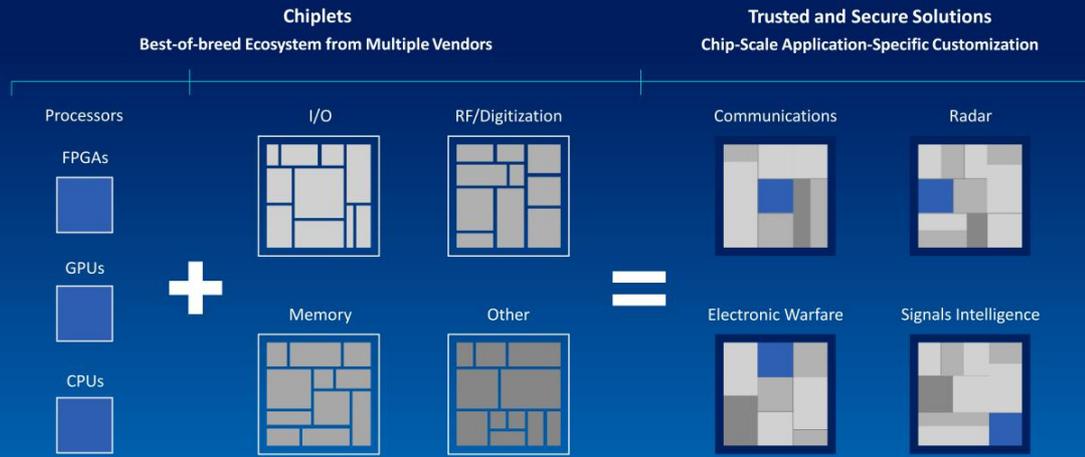
Avionics/Vetronics
Certification
Security
Displays
Mission Computer
Safety
Network Management
Video Switching
PNT/APNT

## C3I



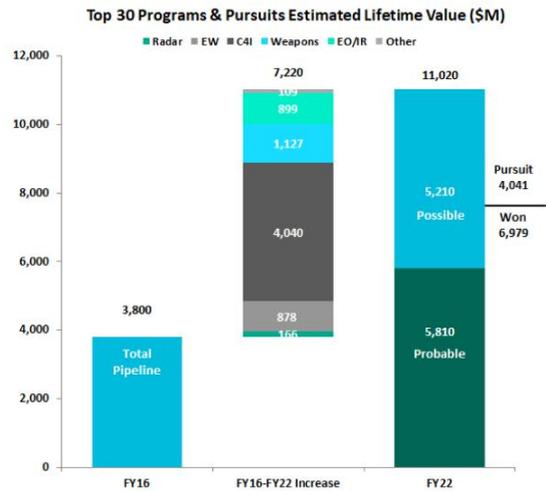
C2/Comms
Software Integration
Security
Displays
Mission Computer
Storage
Network Management
Comms/Datalink
Rugged Servers

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



## Acquisitions and investments driving significant opportunity 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



## 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 process and operating cadence</p>

## 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

13

Total  
Acquisitions

3.5x

Total  
Headcount

2.7x

Facilities

7.8x

Subsystem  
Revenue

Note: Metric is FY21 as a multiple of FY14, except acquisitions.

## **1MPACT»** : a 3-year effort to achieve our full growth and EBITDA potential

- Engaged tier 1 consulting firm to do full company assessment
- Transforming organizational structure and how we do business to scale
- Anticipate \$22M benefit in FY22 resulting from actions taken in Q4 FY21 & Q1 FY22
- Organizational efficiency and scalability, streamlined procurement, facilities optimization, R&D investment efficiency, capital and asset efficiency, scalable processes and systems
- Expect to realize \$30M-\$50M incremental adjusted EBITDA by FY25
- Selectively reinvesting in people, IT and business systems towards future scalability

## 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	4.5	3.5	3.7	3.8
Culture & Values	4.6	3.4	3.6	3.6
Diversity & Inclusion	4.4	3.6	3.6	3.7
Work-Life Balance	4.2	3.4	3.6	3.6
Senior Management	4.5	3.2	3.3	3.3
Compensation & Benefits	4.4	3.2	3.5	3.6
Career Opportunities	4.4	3.1	3.4	3.5
Recommend to Friend	95%	65%	71%	74%
CEO Approval	99%	72%	81%	82%
Positive Business Outlook	91%	51%	65%	64%

(1) PROXY PEER GROUP: Astronics, Belden, Brooks Automation, Cognex, Comtech Telecom, Diodes Inc., Ducommun, FLIR Systems, HEICO, II-VI Inc., Infinera, IRobot, Kratos, Methode Electronics, MDC Instruments, Netgear, NetScout Systems, Novanta, OSI Systems, Ribbon Communications, Rogers

(2) TIER 2 DEFENSE INDEX: AAR, Aerojet Rocketdyne, AeroVironment, AXON Enterprises, Ball Aerospace, BWX Technologies, Comtech Telecom, Cubic, Curtiss-Wright, Ducommun, EBIT Systems, FLIR Systems, HEICO, Hexcel, Honeywell, Kaman, Kratos, L3Harris, Maxar, MOOG, Oshkosh Defense, OSI Systems, Teledyne Technologies, Textron, Transdigm Group, Triumph Group, Viasat, Woodward Aerospace

(3) Source: Glassdoor, Inc., July 15, 2021.

## Clear path to maintaining differentiated and attractive financial profile



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# FINANCIAL OVERVIEW

MICHAEL RUPPERT  
EXECUTIVE VICE PRESIDENT & CFO

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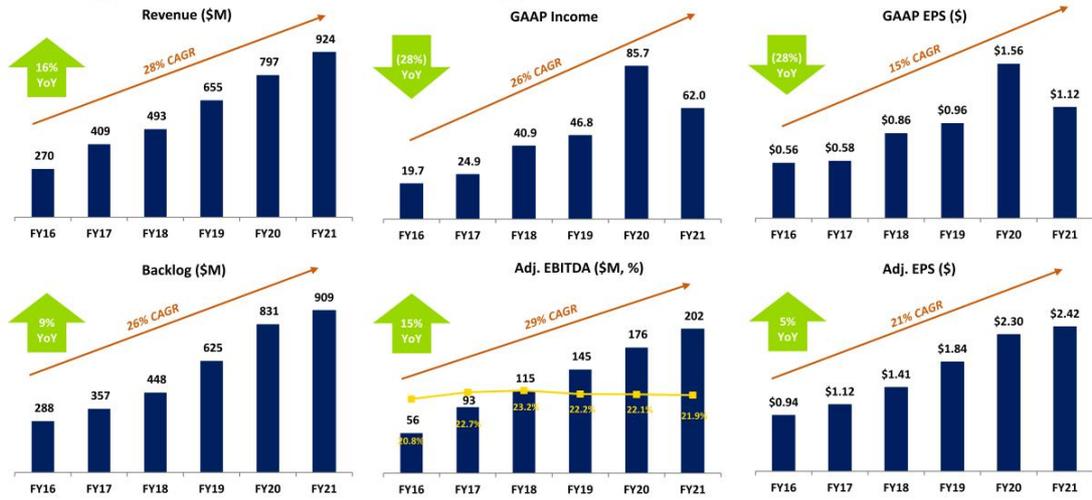
# The evolution of Mercury Systems

*In millions, except percentage and per share data.*

	FY15	FY21	Change	
Valuation	Market Capitalization <sup>(1,2)</sup>	\$504	\$3,722	7x
	Enterprise Value <sup>(1,2)</sup>	\$426	\$3,809	9x
Operational	Revenue <sup>(2)</sup>	\$235	\$924	4x
	Adj. EBITDA <sup>(2)</sup> % Margin	\$44 19%	\$202 22%	5x +330 bps
	Adj. EPS <sup>(2)</sup>	\$0.80	\$2.42	3x
Strategy	Number of Acquisitions <sup>(3)</sup>	N.A.	13	N.M.
	Capital Deployed <sup>(3)</sup>	N.A.	\$1,178	N.M.

**Notes:**  
 (1) Valuation for LTM FY15 based on basic shares from the cover page of the Company's FY15 10-K and stock price as of June 30, 2015. Valuation for LTM FY21 based on basic shares from the cover page of the Company's Q3 FY21 10-Q and stock price as of June 30, 2021.  
 (2) Trailing four fiscal quarters ended FY15 and FY21, respectively. Operational figures are based on fiscal year and fiscal quarter results as reported in the Company's Form 10-Ks, Form 10-Qs and/or most recent earnings releases. Historical results are as reported, not pro forma for acquisitions. As of Q3 FY19, the Company has revised its definition of adjusted EBITDA to incorporate other non-operating adjustments, net, which included gains or losses on foreign currency measurement and fixed assets sales and disposals among other adjustments.  
 (3) Acquisitions completed and capital deployed in acquisitions FY15-FY21.

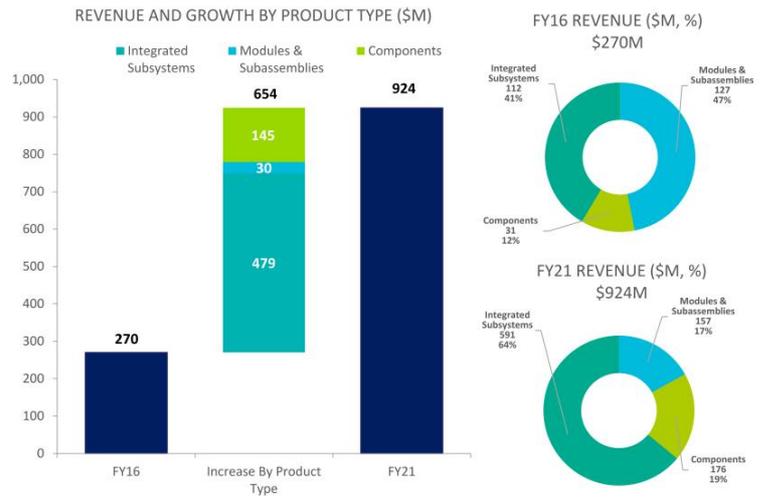
# Mercury continues to deliver strong financial results



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.

## Content expansion from modules to subsystems

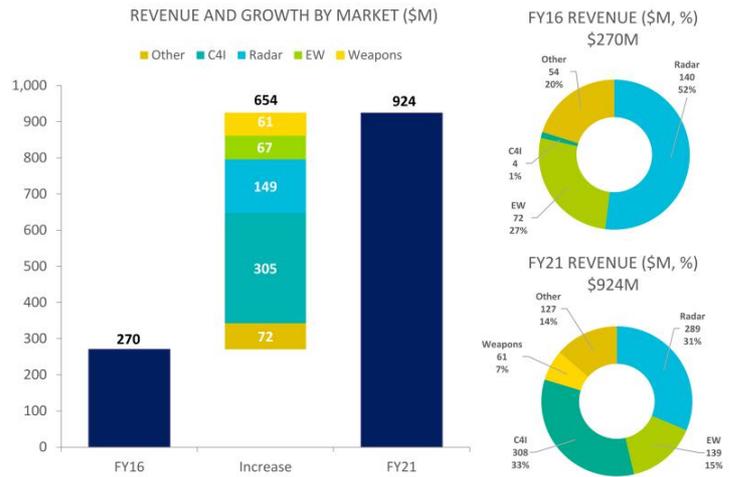
- **Components:**
  - Expansion via custom microelectronics acquisition from Microsemi
  - Investment in trusted microelectronics
- **Modules/Subassemblies:**
  - Down from 47% of revenue in FY16 to 17% in FY21 as shift towards subsystems
- **Subsystems:**
  - Expansion into \$40B Tier 2 RF & computing market
  - Subsystems represent 63% of top 30 program lifetime value



Notes: FY16-FY19 fiscal years ended June 30. FY21 fiscal year ended July 2, 2021. 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. An additional information related to the 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: FY16-FY19 fiscal years ended June 30. FY21 fiscal year ended July 2, 2021. 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. An additional information related to the 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.

Since FY14, we have outspent our industry in R&D, Capex and M&A to make trusted, secure commercial technology profoundly more accessible

~\$502M

R&D

4-5X peers

~\$184M

Capex

2-3X peers

~\$1.2B

M&A

13 acquisitions

~\$1.9B

Total Investment

Notes:

All figures are approximate and reflect the period of FY14-FY21 using information reported in the Company's Form 10-Ks, Form 10-Qs and/or recent public announcements. Numbers are rounded.

## FY21 vs. FY20

In \$ millions, except percentage and per share data	FY20	FY21 <sup>(3)</sup>	CHANGE
Bookings	\$954.3	\$881.2	(8%)
Book-to-Bill	1.20	0.95	
Backlog	\$831.1	\$909.6	9%
12-Month Backlog	567.7	530.0	
Revenue	\$796.6	\$924.0	16%
Organic Revenue Growth <sup>(1)</sup>	14%	5%	
Gross Margin	44.8%	41.7%	(3.1 bps)
Operating Expenses	\$265.8	\$304.2	
Selling, General & Administrative	132.3	134.3	
Research & Development	98.5	113.5	14%
Amortization/Restructuring/Acquisition	35.0	56.4	
GAAP Net Income	\$85.7	\$62.0	(28%)
Effective Tax Rate	8.8%	19.6%	
GAAP EPS	\$1.56	\$1.12	(28%)
Weighted Average Diluted Shares	55.1	55.5	
Adjusted EPS <sup>(2)</sup>	\$2.30	\$2.42	5%
Adj. EBITDA <sup>(2)</sup>	\$176.2	\$201.9	15%
% of revenue	22.1%	21.9%	
Operating Cash Flow	\$115.2	\$97.2	(16%)
Free Cash Flow <sup>(2)</sup>	\$71.9	\$51.6	(28%)
% of Adjusted EBITDA	41%	26%	

Notes

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

(2) Non-GAAP, see reconciliation table.

(3) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day of June. All references in this presentation to the fourth quarter of fiscal 2020 and full fiscal 2020 are to the quarter and the 53-week period ended July 3, 2020, and to the fourth quarter of fiscal 2021 and full fiscal 2021 are to the quarter and 52-week period ended July 2, 2021.

## 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
POC	Platform/Mission, C2I	Dec-2020	\$310	\$160 <sup>(5)</sup>	Revolver Cash on Hand
Pentek	EW/SIGINT	May-2021	\$65	\$200 <sup>(6)</sup>	Revolver Cash on Hand

**Total Capital Deployed: \$1,179M**

Source: Company filings, Company investor presentations  
 (1) Represents carve-out acquisition from Microsemi Corp.  
 (2) On June 27, 2017, Mercury amended its senior secured credit facility, increasing and extending the revolving credit facility and utilizing the January 2017 equity offering proceeds to repay the remaining principal on the existing term loan.  
 (3) Reflects repayment of debt with proceeds from the May 2019 common stock offering.  
 (4) Reflects acquisition of American Panel Corporation (APC) on September 23, 2019 with proceeds from the May 2019 common stock offering.  
 (5) Acquisition of POC on December 30, 2020 funded with \$150M of cash on hand and \$160M draw on revolver.  
 (6) Acquisition of Pentek on May 27, 2021 funded with \$25M of cash on hand and \$40M draw on revolver.

## 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

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APPENDIX

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## Balance sheet

(In \$ millions) <sup>(1)</sup>	As of				
	7/3/20	10/2/20	1/1/21	4/2/21	7/2/21
<b>ASSETS</b>					
Cash & cash equivalents	\$226.8	\$239.1	\$109.1	\$121.9	\$113.8
Restricted cash	-	-	61.6	-	-
Accounts receivable, net	210.7	207.8	240.2	264.0	291.7
Inventory, net	178.1	206.0	218.4	226.8	221.6
PP&E, net	87.7	94.7	125.4	128.3	128.5
Goodwill and intangibles, net	822.8	815.3	1,093.6	1,077.3	1,112.5
Other	84.6	90.2	100.8	85.0	87.0
<b>TOTAL ASSETS</b>	<b>\$1,610.7</b>	<b>\$1,653.2</b>	<b>\$1,949.2</b>	<b>\$1,903.3</b>	<b>\$1,955.1</b>
<b>LIABILITIES AND S/E</b>					
AP and accrued expenses	\$107.0	\$119.7	\$116.8	\$131.3	\$120.7
Deferred consideration	-	-	61.6	-	-
Other liabilities	118.9	125.6	180.1	158.0	150.9
Debt	-	-	160.0	160.0	200.0
<b>Total liabilities</b>	<b>225.9</b>	<b>245.3</b>	<b>518.5</b>	<b>449.3</b>	<b>471.0</b>
<b>Stockholders' equity</b>	<b>1,384.8</b>	<b>1,407.9</b>	<b>1,430.6</b>	<b>1,454.0</b>	<b>1,484.1</b>
<b>TOTAL LIABILITIES AND S/E</b>	<b>\$1,610.7</b>	<b>\$1,653.2</b>	<b>\$1,949.2</b>	<b>\$1,903.3</b>	<b>\$1,955.1</b>

Notes  
 (1) Rounded amounts used.

## Cash flow summary

(In \$ millions) <sup>(1)</sup>	FY20	For the Fiscal Quarters Ended				FY21
		10/2/20	1/1/21	4/2/21	7/2/21	
<b>Net Income</b>	<b>\$85.7</b>	<b>\$15.8</b>	<b>\$12.7</b>	<b>\$15.6</b>	<b>\$17.9</b>	<b>\$62.1</b>
Depreciation and amortization	49.3	13.0	13.3	20.0	20.8	67.0
(Gain)/Loss on investment	(5.8)	-	0.4	-	-	0.4
Other non-cash items, net	29.4	4.5	8.0	5.7	12.3	30.7
<b>Changes in Operating Assets and Liabilities</b>						
Accounts receivable, unbilled receivables, and costs in excess of billings	(31.1)	3.5	(10.3)	(21.5)	(23.6)	(51.9)
Inventory	(31.6)	(27.8)	(1.4)	(8.4)	10.2	(27.4)
Accounts payable and accrued expenses	13.6	10.8	(12.7)	5.1	(9.8)	(6.3)
Other	5.7	3.1	14.0	6.7	(0.6)	22.9
	<b>(43.4)</b>	<b>(10.4)</b>	<b>(10.4)</b>	<b>(18.1)</b>	<b>(23.8)</b>	<b>(62.8)</b>
<b>Operating Cash Flow</b>	<b>115.2</b>	<b>22.9</b>	<b>23.9</b>	<b>23.2</b>	<b>27.2</b>	<b>97.2</b>
Capital expenditures	(43.3)	(11.0)	(13.8)	(10.0)	(10.9)	(45.6)
<b>Free Cash Flow<sup>(2)</sup></b>	<b>\$71.9</b>	<b>\$12.0</b>	<b>\$10.2</b>	<b>\$13.2</b>	<b>\$16.3</b>	<b>\$51.6</b>
<i>Free Cash Flow<sup>(2)</sup> / Adjusted EBITDA<sup>(2)</sup></i>	<i>41%</i>	<i>28%</i>	<i>22%</i>	<i>24%</i>	<i>28%</i>	<i>26%</i>
<i>Free Cash Flow<sup>(2)</sup> / GAAP Net Income</i>	<i>84%</i>	<i>76%</i>	<i>80%</i>	<i>85%</i>	<i>91%</i>	<i>83%</i>

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

## Q4 FY21 vs. Q4 FY20

In \$ millions, except percentage and per share data	Q4 FY20 <sup>(3)</sup>	Q4 FY21 <sup>(3)</sup>	CHANGE
Bookings	\$278.6	\$260.2	(7%)
Book-to-Bill	1.28	1.04	
Backlog	\$831.1	\$909.6	9%
12-Month Backlog	567.7	530.0	
Revenue	\$217.4	\$250.8	15%
Organic Revenue Growth <sup>(1)</sup>	17%	(3%)	
Gross Margin	44.4%	41.0%	(3.4 bps)
Operating Expenses	\$70.2	\$80.4	
Selling, General & Administrative	35.5	31.6	15%
Research & Development	27.0	27.7	
Amortization/Restructuring/Acquisition	7.7	21.1	
GAAP Net Income	\$27.2	\$17.9	(34%)
Effective Tax Rate	(0.9)%	14.9%	
GAAP EPS	\$0.49	\$0.32	(35%)
Weighted Average Diluted Shares	55.3	55.6	
Adjusted EPS <sup>(2)</sup>	\$0.72	\$0.73	1%
Adj. EBITDA <sup>(2)</sup>	\$49.6	\$59.1	19%
% of revenue	22.8%	23.5%	
Operating Cash Flow	\$28.7	\$27.2	(5%)
Free Cash Flow <sup>(2)</sup>	\$17.2	\$16.3	(5%)
% of Adjusted EBITDA	35%	28%	

Notes

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

(2) Non-GAAP, see reconciliation table.

(3) Effective as of July 1, 2019, the Company's fiscal year has changed to the 52-week or 53-week period ending on the Friday closest to the last day of June. All references in this presentation to the fourth quarter of fiscal 2020 and full fiscal 2020 are to the quarter and the 53-week period ended July 3, 2020, and to the fourth quarter of fiscal 2021 and full fiscal 2021 are to the quarter and 52-week period ended July 2, 2021.

## Adjusted EPS reconciliation

(In thousands, except per share data) <sup>(2)</sup>	Q4 FY20	Q4 FY21	FY20 <sup>(4)</sup>	FY21 <sup>(4)</sup>
<b>Earnings (loss) per share<sup>(1)</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.32</b>	<b>\$ 1.56</b>	<b>\$ 1.12</b>
<b>Net Income (loss)</b>	<b>\$ 27,224</b>	<b>\$ 17,925</b>	<b>\$ 85,712</b>	<b>\$ 62,044</b>
Other non-operating adjustments, net	(2,250)	236	(5,636)	(724)
Amortization of intangible assets	7,701	13,080	30,560	41,171
Restructuring and other charges	(10)	6,978	1,805	9,222
Impairment of long-lived assets	-	-	-	-
Acquisition and financing costs	636	1,530	5,645	8,600
Fair value adjustments from purchase accounting	601	(472)	1,801	(290)
Litigation and settlement expense, net	315	(128)	944	622
COVID related expenses	2,196	1,570	2,593	9,943
Stock-based and other non-cash compensation expense	7,640	6,853	26,972	29,224
Impact to income taxes <sup>(3)</sup>	(4,293)	(7,211)	(23,634)	(25,697)
<b>Adjusted income</b>	<b>\$ 39,760</b>	<b>\$ 40,361</b>	<b>\$ 126,762</b>	<b>\$ 134,115</b>
<b>Adjusted earnings per share<sup>(1)</sup></b>	<b>\$ 0.72</b>	<b>\$ 0.73</b>	<b>\$ 2.30</b>	<b>\$ 2.42</b>
Weighted-average shares outstanding:				
Basic	54,637	55,180	54,546	55,070
Diluted	55,259	55,598	55,115	55,474

Notes

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

(2) Rounded amounts used.

(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 recalculating 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 fourth quarter of fiscal 2021 and full fiscal 2021 are to the quarter and the 53-week period ended July 2, 2021, and to the first quarter of fiscal 2022 and full fiscal 2022 are to the quarter ending October 1, 2021, and 52-week period ending July 1, 2022.

## Adjusted EBITDA reconciliation

(In thousands) <sup>(1)(2)</sup>	Q4 FY20	Q4 FY21	FY20	FY21
<b>Net Income (loss)</b>	<b>\$ 27,224</b>	<b>\$ 17,925</b>	<b>\$ 85,712</b>	<b>\$ 62,044</b>
Other non-operating adjustments, net	(2,250)	236	(5,636)	(724)
Interest expense (income), net	754	587	(1,145)	1,043
Income tax (benefit) provision	(234)	3,136	8,221	15,129
Depreciation	5,050	7,762	18,770	25,912
Amortization of intangible assets	7,701	13,080	30,560	41,171
Restructuring and other charges	(10)	6,978	1,805	9,222
Impairment of long-lived assets	-	-	-	-
Acquisition and financing costs	636	1,530	5,645	8,600
Fair value adjustments from purchase accounting	601	(472)	1,801	(290)
Litigation and settlement expense, net	315	(128)	944	622
COVID related expenses	2,196	1,570	2,593	9,943
Stock-based and other non-cash compensation expense	7,640	6,853	26,972	29,224
<b>Adjusted EBITDA</b>	<b>\$ 49,623</b>	<b>\$ 59,057</b>	<b>\$ 176,242</b>	<b>\$ 201,896</b>

Notes:  
(1) Rounded amounts used.  
(2) 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 fourth quarter of fiscal 2021 and full fiscal 2021 are to the quarter and the 53-week period ended July 2, 2021, and to the first quarter of fiscal 2022 and full fiscal 2022 are to the quarter ending October 1, 2021 and 52-week period ending July 1, 2022.

## Free cash flow reconciliation

(In thousands)	Q4 FY20	Q4 FY21	FY20	FY21
Cash provided by operating activities	\$ 28,726	\$ 27,194	\$ 115,184	\$ 97,247
Purchases of property and equipment	(11,506)	(10,891)	(43,294)	(45,599)
<b>Free cash flow</b>	<b>\$ 17,220</b>	<b>\$ 16,303</b>	<b>\$ 71,890</b>	<b>\$ 51,648</b>

## Organic revenue reconciliation

(In thousands)	Q4 FY20	Q4 FY21	FY20	FY21
Organic revenue <sup>(1)</sup>	\$ 217,377	\$ 210,011	\$ 795,667	\$ 835,620
Acquired revenue	-	40,831	943	88,376
<b>Net revenues</b>	<b>\$ 217,377</b>	<b>\$ 250,842</b>	<b>\$ 796,610</b>	<b>\$ 923,996</b>

Notes  
 (1) Organic revenue represents total company revenue excluding net revenue from acquisitions for the first four full quarters since the earliest 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

