SECOND QUARTER FISCAL YEAR 2026 FINANCIAL RESULTS

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Chairman and CEO

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WEBCAST LOGIN AT WWW.MRCY.COM/INVESTOR

WEBCAST REPLAY AVAILABLE BY 7:00 P.M. ET FEBRUARY 3, 2026

Forward-looking safe harbor statement

This presentation contains certain forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including those relating to the Company's focus on enhanced execution of the Company's strategic plan. You can identify these statements by the words “may,” “will,” “could,” “should,” “would,” “plans,” “expects,” “anticipates,” “continue,” “estimate,” “project,” “intend,” “likely,” “forecast,” “probable,” “potential,” and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include, but are not limited to, continued funding of defense programs, the timing and amounts of such funding, general economic and business conditions, including unforeseen weakness in the Company’s markets, effects of any U.S. federal government shutdown or extended continuing resolution, effects of increasingly volatile geopolitical events and regional conflicts, competition, changes in technology and methods of marketing, delays in or cost increases related to completing development, engineering and manufacturing programs, changes in customer order patterns, changes in product mix, continued success in technological advances and delivering technological innovations, changes in, or in the U.S. government’s interpretation of, federal export control or procurement rules and regulations, including tariffs, changes in, or in the interpretation or enforcement of, environmental rules and regulations, market acceptance of the Company's products, shortages in or delays in receiving components, supply chain delays or volatility for critical components, production delays or unanticipated expenses including due to quality issues or manufacturing execution issues, failure to meet contractual performance specifications, adherence to required manufacturing standards, capacity underutilization, increases in scrap or inventory write-offs, failure to achieve or maintain manufacturing quality certifications, such as AS9100, failure to achieve or maintain qualified business systems, such as those required by the DFARS, adverse findings in government audits or investigations, the impact of supply chain disruption, inflation and labor shortages, among other things, on program execution and the resulting effect on customer satisfaction, inability to fully realize the expected benefits from acquisitions, restructurings, and operational efficiency initiatives or delays in realizing such benefits, challenges in integrating acquired businesses and achieving anticipated synergies, effects of shareholder activism, increases in interest rates, changes to industrial security and cyber-security regulations and requirements and impacts from any cyber or insider threat events, changes in tax rates or tax regulations, changes to interest rate swaps or other cash flow hedging arrangements, changes to generally accepted accounting principles, difficulties in retaining key employees and customers, litigation, unanticipated costs under fixed-price service and system integration engagements, and various other factors beyond our control. These risks and uncertainties also include such additional risk factors as are discussed in the Company's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended June 27, 2025 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

Use of Non-GAAP (Generally Accepted Accounting Principles) Financial Measures
In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, the Company provides adjusted EBITDA, adjusted income, adjusted EPS, and free cash flow, which are non-GAAP financial measures. Adjusted EBITDA, adjusted income, and adjusted EPS exclude certain non-cash and other specified charges. The Company believes these non-GAAP financial measures are useful to help investors better understand its past financial performance and prospects for the future. However, these non-GAAP measures should not be considered in isolation or as a substitute for financial information provided in accordance with GAAP. Management believes these non-GAAP measures assist in providing a more complete understanding of the Company’s underlying operational results and trends, and management uses these measures along with the corresponding GAAP financial measures to manage the Company’s business, to evaluate its performance compared to prior periods and the marketplace, and to establish operational goals. A reconciliation of GAAP to non-GAAP financial results discussed in this presentation is contained in the Appendix hereto.

Today's call

- Opening remarks on business and results
- Update on our four priorities
- Performance expectations for FY26 and beyond
- Q&A

Business and results

- Results support our expectation to deliver robust organic growth, expanding margins, and positive free cash flow.
- Quarterly bookings of $288M and a 1.23 book-to-bill resulting in record backlog approaching $1.5B.
- Q2 revenue of $233M, with record first half revenue up 7.1% year-over-year.
- Q2 adjusted EBITDA of $30M and adjusted EBITDA margin of 12.9% (up 36.3% and 300 basis points respectively, year-over-year).
- Free cash flow of $46M, well ahead of our expectations. Ended Q2 with $335M of cash on hand.
- Solid execution across our broad portfolio of production and development programs.
- Streamlined operating structure enabling increased positive operating leverage.
- Continued progress on free cash flow drivers with net working capital down $61M year-over-year.

Driving performance excellence

- Our focus on performance excellence positively impacted our results primarily in two areas:
  - We recognized ~$4M of net adverse EAC changes across our portfolio, which is in line with recent quarters, reflecting sound execution on our development and production programs.
  - Focus on accelerating customer deliveries led to record first half revenue and the highest first half point-in-time revenue since FY21.
- Progressed on a number of actions to increase capacity, add automation, and consolidate sub-scale sites as part of ongoing efforts to drive scale and efficiency.

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Driving organic growth

- Q2 bookings of $288M resulted in a record backlog approaching $1.5B and a book-to-bill of 1.23.
- Key contract awards received in the quarter included:
  - Scope expansion on a long-standing cost-plus development program supporting modernization efforts within a core missile defense platform, extending our role through additional hardware content.
  - Two key development design wins in exciting growth markets:
    - Major subsystem supporting a leading advanced air mobility manufacturer’s development of its ground control infrastructure.
    - Design award supporting a space-based application with a leading aerospace and defense prime, expanding Mercury's capability set within the fast-growing space market.
  - Multiple follow-on production awards, including incremental quantities on a key U.S. missile franchise, plus additional awards supporting deployed naval platforms and international land-based radar and electronic warfare applications.
  - $20M of follow-on awards that leverage our Common Processing Architecture and include embedded anti-tamper and cybersecurity software from our recent acquisition of Star Lab.
- Continued customer discussions on potential incremental demand across multiple programs, driven by rising global defense budgets and priorities such as Golden Dome.

Expanding margins

- Remain focused on the following drivers in our efforts to achieve targeted adjusted EBITDA margins in the low to mid 20% range:
  - Backlog margin expansion as we convert low-margin backlog and add new bookings aligned with our target margin profile.
  - Ongoing initiatives to further simplify, automate, and optimize our operations.
  - Driving organic growth to realize positive operating leverage.
- Q2 adjusted EBITDA margin of 12.9% was ahead of our expectations and up 300 basis points year-over-year.
- Gross margin of 26.0% was slightly down year-over-year driven by an increased mix of low-margin backlog converted in the quarter.
- Operating expenses were down year-over-year as a result of fully realizing the impact of previously implemented actions to simplify, streamline, and focus our operations.

Driving improved free cash flow conversion and release

- Progress on drivers of free cash flow. Net working capital at approximately $414M, is down $61M year over year.
- Continuous improvement related to program execution, accelerating deliveries, demand planning, and supply chain management will lead to continued reduction in working capital and net debt over time.
- Allocating factory capacity in FY26 to programs with unbilled receivable balances, which drives free cash flow, although with limited revenue impact.

Expectations for FY26 and beyond

- Optimistic about our expected ability to achieve our target profile over time of above market top-line growth, adjusted EBITDA margins in the low to mid 20% range, and FCF conversion of 50%.
- Continue to expect full year FY26 revenue growth of low single-digits.
- Given our Q2 over performance of approximately $30M, we expect Q3 revenue to be down year-over-year absent any additional delivery accelerations, followed by a ramp in Q4.
- Continue to expect full year FY26 adjusted EBITDA margin approaching mid-teens.
  - Expect Q3 adjusted EBITDA margin approaching double digits as we convert low-margin backlog and realize lower operating leverage.
  - Expect Q4 adjusted EBITDA margin to be the highest of the fiscal year.
- Continue to expect free cash flow to be positive in FY26.
  - We expect a free cash outflow in Q3 as we pulled forward approximately $30M of cash receipts into Q2.
- Outlook excludes any further acceleration within or into FY26, or upside stemming from domestic priorities like Golden Dome or increased global defense budgets.

Q2 FY26 vs. Q2 FY25

$ millions, except percentage and per share data	Q2 FY26[2]	Q2 FY25[2]	CHANGE
Bookings Book-to-Bill	$287.5 1.23	$242.4 1.09	19%
Backlog 12-Month Backlog	$1,473.5 807.1	$1,354.9 789.9	9%
Revenue	$232.9	$223.1	4%
Gross Margin	26.0%	27.3%	-130 bps
Operating Expenses Selling, General & Administrative Research & Development Amortization/Restructuring/Acquisition	$71.5 42.1 15.4 14.0	$73.2 40.5 21.4 11.3	(2%)
GAAP Net Loss	($15.1)	($17.6)	N.A.
GAAP Net Loss Per Share Weighted Average Diluted Shares	($0.26) 59.4	($0.30) 58.6	N.A.
Adjusted EPS[1]	$0.16	$0.07	129%
Adj. EBITDA[1] % of revenue	$30.0 12.9%	$22.0 9.9%	36%
Operating Cash Flow	$51.6	$85.5	(40%)
Free Cash Flow[1] % of Adjusted EBITDA	$45.7 152.3%	$81.9 372.3%	(44%)

Notes

1. Non-GAAP, see reconciliation table.
2. All references in this presentation to the second quarter of fiscal 2026 are to the quarter ended December 26, 2025. All references in this presentation to the second quarter of fiscal 2025 are to the quarter ended December 27, 2024.

Balance sheet

(In $ millions)[1]	As of 12/27/24	3/28/25	6/27/25	9/26/25	12/26/25
ASSETS					
Cash & cash equivalents	$242.6	$269.8	$309.1	$304.7	$335.0
Accounts receivable and unbilled receivables, net	383.1	374.7	388.1	367.5	379.8
Inventory, net	344.4	352.7	332.9	340.2	349.6
PP&E, net	111.5	107.5	101.4	102.6	102.0
Goodwill and intangibles, net	1,164.2	1,154.1	1,148.7	1,138.5	1,131.3
Other	155.7	155.6	154.6	204.1	204.4
TOTAL ASSETS	**$2,401.5**	**$2,414.4**	**$2,434.8**	**$2,457.6**	**$2,502.1**
LIABILITIES AND S/E					
AP and accrued expenses	$137.3	$154.1	$173.6	$196.7	$246.1
Deferred revenues and customer advances	136.0	142.5	126.8	125.5	136.9
Other liabilities	76.4	75.2	69.4	68.9	67.6
Debt	591.5	591.5	591.5	591.5	591.5
Total liabilities	**941.2**	**963.3**	**961.3**	**982.6**	**1,042.1**
Stockholders' equity	**1,460.3**	**1,451.1**	**1,473.5**	**1,475.0**	**1,460.0**
TOTAL LIABILITIES AND S/E	**$2,401.5**	**$2,414.4**	**$2,434.8**	**$2,457.6**	**$2,502.1**

Notes

1. Rounded amounts used.

Cash flow summary

(In $ millions)[1]	For the Fiscal Quarters Ended 12/27/24	3/28/25	6/27/25	9/26/25	12/26/25
Net (loss) income	**($17.6)**	**($19.2)**	**$16.4**	**($12.5)**	**($15.1)**
Depreciation and amortization	20.9	19.9	20.0	18.9	18.3
Other non-cash items, net	5.1	9.0	6.9	12.7	12.5
Changes in Operating Assets and Liabilities					
Accounts receivable, unbilled receivables, and costs in excess of billings	37.6	9.3	(10.8)	20.1	(12.0)
Inventory	(7.9)	(7.3)	12.0	(12.1)	(11.6)
Accounts payable and accrued expenses	7.2	14.5	13.4	20.9	46.1
Other	40.2	3.8	(19.8)	(45.8)	13.4
	77.1	**20.2**	**(5.2)**	**(16.9)**	**35.9**
Operating Cash Flow	**85.5**	**30.0**	**38.1**	**2.2**	**51.6**
Capital expenditures	**(3.6)**	**(5.9)**	**(4.1)**	**(6.6)**	**(5.9)**
Free Cash Flow[2]	**$81.9**	**$24.1**	**$34.0**	**($4.4)**	**$45.7**
Free Cash Flow[2] / Adjusted EBITDA[2]	***372.3%***	***97.6%***	***66.3%***	***N/A***	***152.3%***
Free Cash Flow[2] / GAAP Net (Loss) Income	***N.A.***	***N.A.***	***208%***	***N.A.***	***N.A.***

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

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APPENDIX

Adjusted EPS reconciliation

(In thousands, except per share data)[2]	Q2 FY25	Q2 FY26	LTM Q2 FY25	LTM Q2 FY26
Loss per share[1]	**($0.30)**	**($0.26)**	**($1.56)**	**($0.53)**
Net Loss	**($17,579)**	**($15,095)**	**($90,455)**	**($30,410)**
Other non-operating adjustments, net	2,549	(299)	533	(8,107)
Amortization of intangible assets	11,154	9,694	45,233	40,413
Restructuring and other charges	40	4,055	18,922	10,555
Impairment of long-lived assets	—	—	—	—
Acquisition, financing and other third party costs	1,109	1,514	5,618	6,029
Fair value adjustments from purchase accounting	178	131	710	524
Litigation and settlement expense, net	2,087	2,287	6,522	19,040
Stock-based and other non-cash compensation expense	11,424	15,285	44,095	47,902
Impact to income taxes[3]	(7,022)	(8,135)	(26,692)	(29,467)
Adjusted income	**$3,940**	**$9,437**	**$4,486**	**$56,479**
Adjusted earnings (loss) per share[1][5]	**$0.07**	**$0.16**	**$0.08**	**$0.95**
Weighted-average shares outstanding:				
Basic	58,561	59,415		
Diluted	58,843	60,523		

Notes

1. Per share information is presented on a fully diluted basis.
2. Rounded amounts used.
3. Impact to income taxes is calculated by recasting income before income taxes to include the items involved in determining adjusted income and recalculating the income tax provision using this adjusted income from operations before income taxes. The recalculation also adjusts for any discrete tax expense or benefit related to the items.
4. All references in this presentation to the second quarter of fiscal 2026 and LTM Q2 FY26 are to the quarter ended December 26, 2025, and the four-quarter period ended December 26, 2025. All references in this presentation to the second quarter of fiscal 2025 and LTM Q2 FY25 are to the quarter ended December 27, 2024, and the four-quarter period ended December 27, 2024.
5. Earnings per share and Adjusted earnings per share is calculated using diluted shares whereas loss per share and adjusted loss per share is calculated using basic shares. There was a $0.01 impact and no impact to the calculation of adjusted earnings per share as a result of this for the second quarters ended December 26, 2025, and December 27, 2024, respectively.

Adjusted EBITDA reconciliation

(In thousands)[1][2]	Q2 FY25	Q2 FY26	LTM Q2 FY25	LTM Q2 FY26
Net loss	**($17,579)**	**($15,095)**	**($90,455)**	**($30,410)**
Other non-operating adjustments, net	2,549	(299)	533	(8,107)
Interest expense, net	8,024	6,201	33,797	25,497
Income tax benefit	(6,725)	(2,364)	(32,786)	(6,586)
Depreciation	9,768	8,606	40,054	36,685
Amortization of intangible assets	11,154	9,694	45,233	40,413
Restructuring and other charges	40	4,055	18,922	10,555
Impairment of long-lived assets	—	—	—	—
Acquisition, financing and other third party costs	1,109	1,514	5,618	6,029
Fair value adjustments from purchase accounting	178	131	710	524
Litigation and settlement expense, net	2,087	2,287	6,522	19,040
Stock-based and other non-cash compensation expense	11,424	15,285	44,095	47,902
Adjusted EBITDA	**$22,029**	**$30,015**	**$72,243**	**$141,542**

Notes

1. Rounded amounts used.
2. All references in this presentation to the second quarter of fiscal 2026 and LTM Q2 FY26 are to the quarter ended December 26, 2025, and the four-quarter period ended December 26, 2025. All references in this presentation to the second quarter of fiscal 2025 and LTM Q2 FY25 are to the quarter ended December 27, 2024, and the four-quarter period ended December 27, 2024.

Free cash flow reconciliation

(In thousands)[1]	Q2 FY25	Q2 FY26	LTM Q2 FY25	LTM Q2 FY26
Cash provided by operating activities	**$85,462**	**$51,611**	**$124,758**	**$121,842**
Purchases of property and equipment	(3,555)	(5,902)	(28,077)	(22,462)
Free cash flow	**$81,907**	**$45,709**	**$96,681**	**$99,380**

Notes
1. Rounded amounts used.