



# Investor Presentation

## Q4 Fiscal Year 2021



This presentation reflects information as of October 4, 2021





# Content

1. Cautionary Statements and Disclaimers
2. Introduction, Q4 2021 and FY2021, and FY2022 Initial Targets
3. About Us and Independent Market Studies
4. Additional Financial Data
5. Reconciliation of GAAP to Non-GAAP Financial Measures



# Cautionary Statement Regarding Forward-Looking Statements



Certain information in this presentation contains forward-looking statements, including, but not limited to, information relating to Comtech's future performance and financial condition, plans and objectives of Comtech's management and Comtech's assumptions regarding such future performance, financial condition, and plans and objectives that involve certain significant known and unknown risks and uncertainties and other factors not under Comtech's control which may cause its actual results, future performance and financial condition, and achievement of plans and objectives of Comtech's management to be materially different from the results, performance or other expectations implied by these forward-looking statements. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. Forward-looking statements could be affected by factors including, without limitation: the possibility that the expected synergies and benefits from recent acquisitions will not be fully realized, or will not be realized within the anticipated time periods; the risk that acquired businesses will not be integrated with Comtech successfully; the possibility of disruption from recent acquisitions, making it more difficult to maintain business and operational relationships or retain key personnel; the risk that Comtech will be unsuccessful in implementing a tactical shift in its Government Solutions segment away from bidding on large commodity service contracts and toward pursuing contracts for its niche products with higher margins; the nature and timing of receipt of, and Comtech's performance on, new or existing orders that can cause significant fluctuations in net sales and operating results; the timing and funding of government contracts; adjustments to gross profits on long-term contracts; risks associated with international sales; rapid technological change; evolving industry standards; new product announcements and enhancements; changing customer demands and or procurement strategies; changes in prevailing economic and political conditions; changes in the price of oil in global markets; changes in foreign currency exchange rates; risks associated with legal proceedings, customer claims for indemnification and other similar matters; risks associated with Comtech's obligations under its Credit Facility; risks associated with large contracts; risks associated with the COVID-19 pandemic and related supply chain disruptions; and other factors described in this and Comtech's other filings with the SEC. Comtech does not undertake any duty to update any forward-looking statements contained herein.





# Use of Non-GAAP Financial Measures



In order to provide investors with additional information regarding the Company's financial results, this presentation contains "Non-GAAP financial measures" under the rules of the SEC. The Company's Adjusted EBITDA is a Non-GAAP measure that represents earnings (loss) before income taxes, interest (income) and other, write-off of deferred financing costs, interest expense, amortization of stock-based compensation, amortization of intangible assets, depreciation expense, estimated contract settlement costs, settlement of intellectual property litigation, acquisition plan expenses, restructuring costs, COVID-19 related costs, strategic emerging technology costs (for next-generation satellite technology), facility exit costs and strategic alternatives analysis expenses and other. The Company's definition of Adjusted EBITDA may differ from the definition of EBITDA or Adjusted EBITDA used by other companies and therefore may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA is also a measure frequently requested by the Company's investors and analysts. The Company believes that investors and analysts may use Adjusted EBITDA, along with other information contained in its SEC filings, in assessing the Company's performance and comparability of its results with other companies.

The Company's Non-GAAP financial measures for consolidated operating income, net income and net income per diluted share reflect the GAAP measures as reported, adjusted for certain items as described in the Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation. These Non-GAAP financial measures have limitations as an analytical tool as they exclude the financial impact of transactions necessary to conduct the Company's business, such as the granting of equity compensation awards, and are not intended to be an alternative to financial measures prepared in accordance with GAAP. These measures are adjusted as described in the Reconciliation of GAAP to Non-GAAP section, but these adjustments should not be construed as an inference that all of these adjustments or costs are unusual, infrequent or non-recurring. Non-GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, financial measures determined in accordance with GAAP. Investors are advised to carefully review the GAAP financial results that are disclosed in the Company's SEC filings.

The Company has not quantitatively reconciled its fiscal 2022 Adjusted EBITDA target to the most directly comparable GAAP measure because items such as stock-based compensation, adjustments to the provision for income taxes, amortization of intangibles, interest expense and estimated proxy solicitation costs, which are specific items that impact these measures, have not yet occurred, are out of the Company's control, or cannot be predicted. For example, quantification of stock-based compensation expense requires inputs such as the number of shares granted and market price that are not currently ascertainable. Accordingly, reconciliations to the Non-GAAP forward looking metrics are not available without unreasonable effort and such unavailable reconciling items could significantly impact the Company's financial results.





- We are a leading global provider of next-generation 911 emergency systems and secure wireless communications technologies
- We are known for solving complex problems
- We have over 400+ engineering professionals
- We have generated profits and cash flows and paid dividends 45 quarters in a row
- With approximately \$1.1 billion of backlog and contracts in place, we have strong visibility into the future
- We believe our long-term fundamentals remain strong and we are well-positioned for growth
- President and COO Michael Porcelain to become Chief Executive Officer by December 31, 2021

**Thought  
Leader in Secure  
Wireless  
Communications**

**Innovative  
Solutions for  
Commercial  
and  
Government  
Customers**

**Legacy of  
Complex  
Problem  
Solving**



Note

See Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation for the reconciliation from US GAAP to Adjusted EBITDA, which is a Non-GAAP financial measure.



# Overview of Q4 QTD and YTD FY21 Performance



## Q4 Quarter-to-Date

### Commercial Solutions

Revenue \$99.2M  
Adjusted EBITDA \$20.2M  
Adjusted EBITDA 20.4%

### Government Solutions

Revenue \$46.6M  
Adjusted EBITDA \$2.4M  
Adjusted EBITDA 5.2%

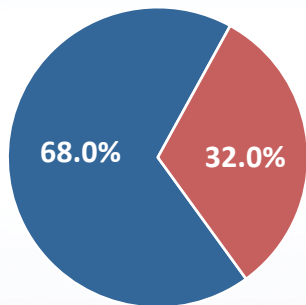
## Year-to-Date

### Commercial Solutions

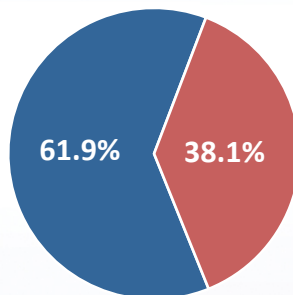
Revenue \$360.1M  
Adjusted EBITDA \$66.3M  
Adjusted EBITDA 18.4%

### Government Solutions

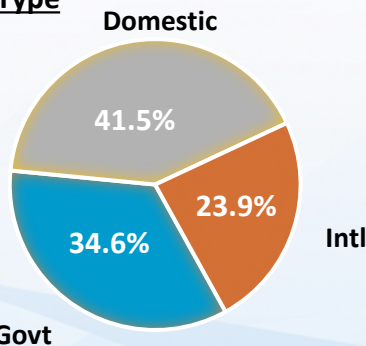
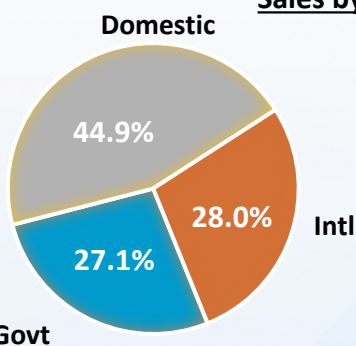
Revenue \$221.5M  
Adjusted EBITDA \$16.3M  
Adjusted EBITDA 7.4%



% of Revenue



Sales by Customer Type



## Q4 Financial Performance

- Q4 FY 2021 Revenue was \$145.8 million
- GAAP Operating Income of \$9.7 million includes:
  - acquisition plan expenses of \$0.5 million,
  - restructuring costs of \$1.6 million,
  - COVID-19 related costs of \$0.5 million,
  - amortization of \$5.3 million,
  - depreciation of \$2.1 million, and
  - stock-based compensation of \$6.8 million
- Adjusted EBITDA<sup>(1)</sup> (non-GAAP) of \$26.4 million or 18.1% of net sales
- GAAP diluted net income per share of \$0.28
- Non-GAAP diluted net income per share<sup>(2)</sup> of \$0.23

- (1) Adjusted EBITDA represents earnings (loss) before income taxes, interest (income) and other, write-off of deferred financing costs, interest expense, amortization of stock-based compensation, amortization of intangibles, depreciation expense, estimated contract settlement costs, settlement of intellectual property litigation, acquisition plan expenses, restructuring costs, COVID-19 related costs, strategic emerging technology costs, facility exit costs and strategic alternatives analysis expenses and other.
- (2) See Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation for the reconciliation of GAAP earnings per diluted share to Non-GAAP earnings per diluted share.



# Revenue and Adjusted EBITDA Trends

(USD in Millions)

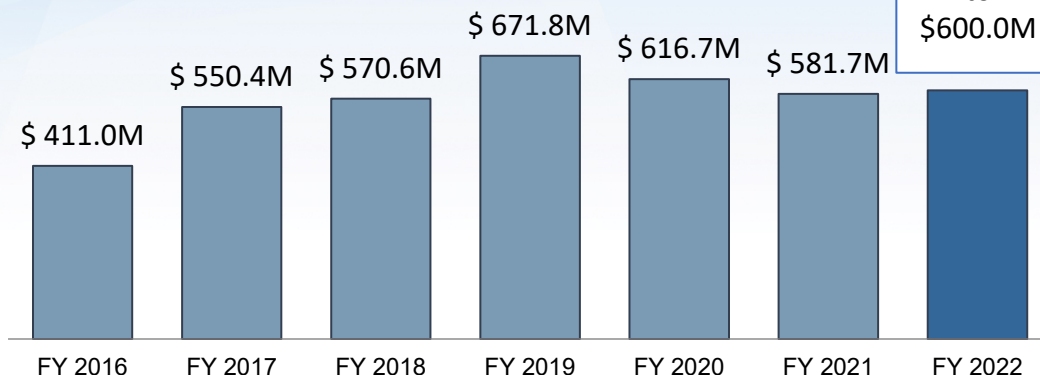


Comtech  
Acquires  
TCS

Impacted by COVID-19

2016 to 2019 CAGR: 17.8%

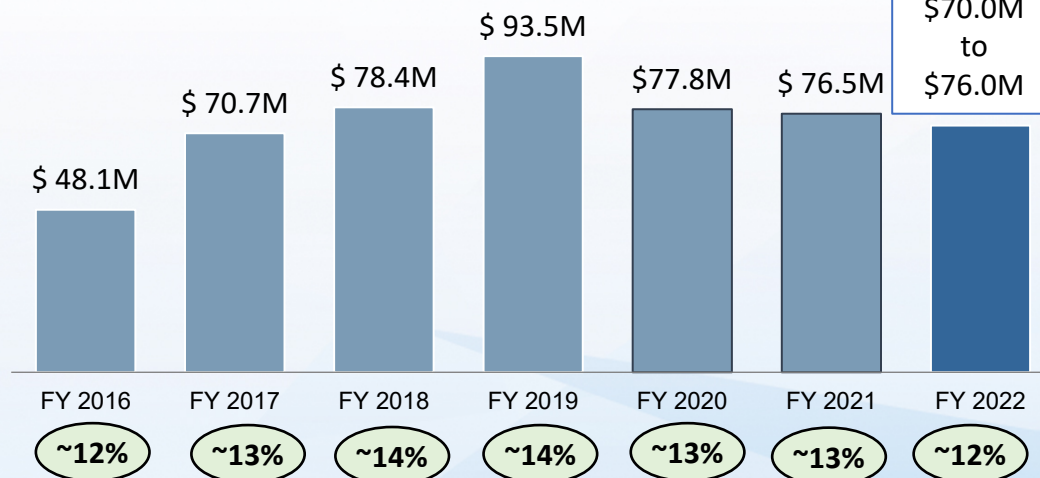
Revenue (2)



- Reflects strong backlog and sales pipeline, offset by impacts of COVID-19 and timing considerations associated with tightening global supply chain constraints
- Reflects the recently completed withdrawal of U.S. troops from Afghanistan and other U.S. government program changes
- Cautiously anticipate that supply chain constraints will ease during the second half of fiscal 2022

2016 to 2019 CAGR: 24.8%

Adjusted EBITDA (2) (3)



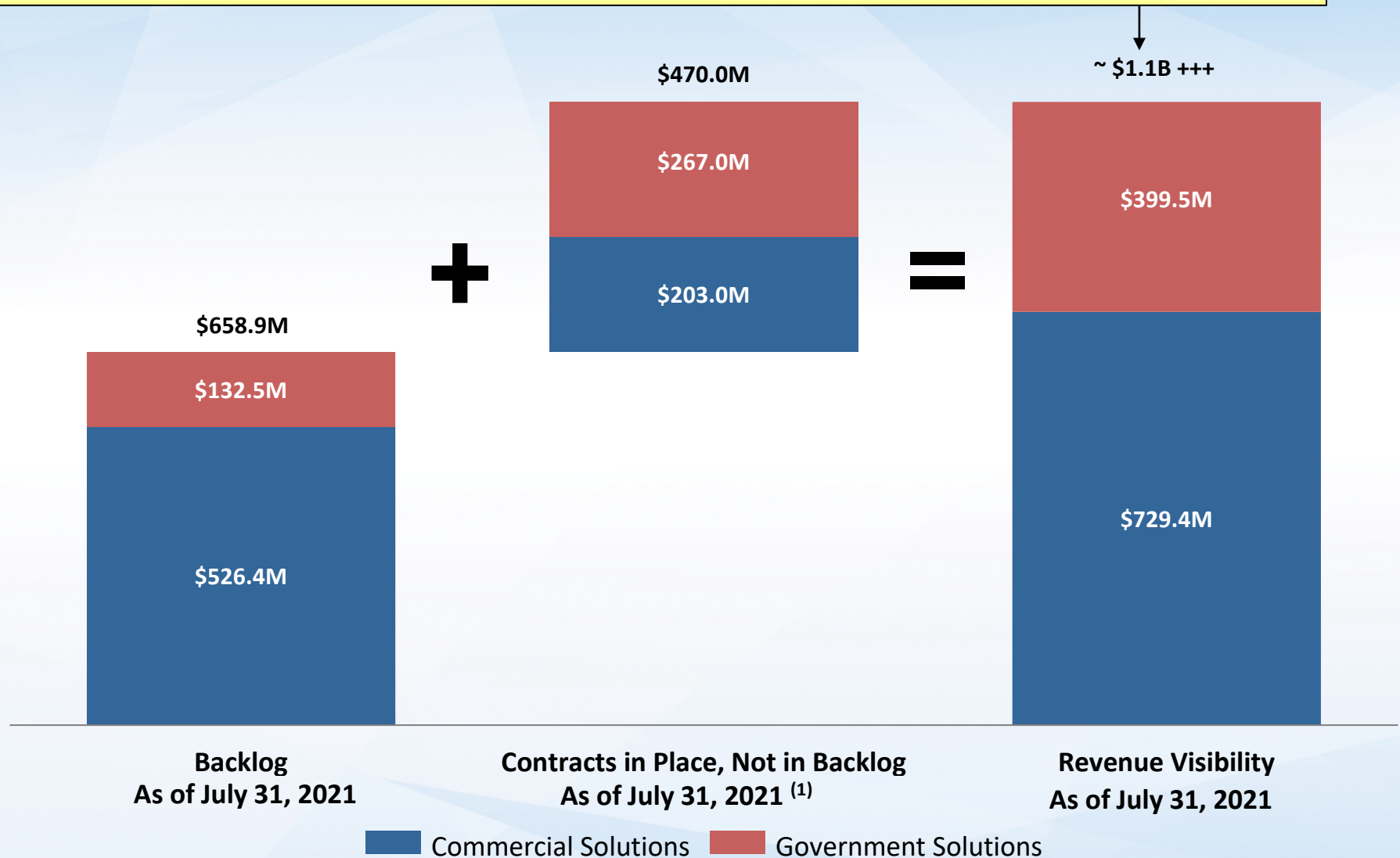
- Satellite networking products, Next Generation 911 systems, important contract awards and demand for new products (COMET™) create strong prospects for future growth
- Continued investments in R&D and marketing to support long-term growth
- Room for improved margins as we focus on efficiencies and greater scale

## Notes

- (1) Comtech's fiscal year end is July 31.
- (2) See Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation for the reconciliation from US GAAP to Adjusted EBITDA.

# We Have Visibility to Over \$1.1 Billion of Future Revenue

Plus potentially “hundreds of millions” associated with a large multi-year agreement for next-generation satellite technology



## Notes

(1) Examples of contracts in place, but not in backlog, include the unfunded portions of the U.S. Marine Corps troposcatter subcontract, U.S. Army GTACS contracts, and Next Generation 911 services contracts, including the states of Arizona, Iowa, South Carolina and Washington, and the Commonwealth of Pennsylvania.







## FY 2022 Targets

\$ millions

**Revenue**

**\$580.0M - \$600.0M**

**Adjusted EBITDA<sup>(1)</sup>**

**\$70.0M - \$76.0M**

## Comments on FY 2022 Targets

- Reflects strong backlog and sales pipeline, offset by impacts of COVID-19, timing considerations associated with tightening global supply chain constraints and recently completed withdrawal of U.S. troops from Afghanistan and other U.S. government program changes
- We expect Commercial Solutions segment net sales to be higher than the amount we achieved in fiscal 2021
- We expect Government Solutions segment net sales to be lower than the amount we achieved in fiscal 2021
- Financial performance is expected to be significantly lower in the first half of fiscal 2022 with quarterly results expected to build sequentially throughout the year, with Q4 being the peak
- Consolidated Q1 fiscal 2022 net sales and Adjusted EBITDA are expected to approximate \$115.0 million and \$3.0 million, respectively
- We expect restructuring costs, greater than normal proxy solicitation related costs, and ongoing higher production, logistic and safety-related costs resulting from COVID-19 . FY 2022 is also likely to be impacted by expenses associated with the appointment of a new CEO
- We expect our gross margin percentage to approximate 36.0% to 37.0%
- Amortization of intangible assets is expected to approximate \$22.0M
- Amortization of stock-based compensation expense is expected to range from approximately \$12.0M to \$14.0M
- Interest expense (including amortization of deferred financing costs) is expected to approximate \$6.5M
- Our effective income tax rate is expected to approximate 22.0%
- Adjusted EBITDA margin is expected to approximate 12.0% when using the midpoints of our 2022 targeted range for Net Sales and Adjusted EBITDA

(1) Adjusted EBITDA represents earnings (loss) before income taxes, interest (income) and other, write-off of deferred financing costs, interest expense, amortization of stock-based compensation, amortization of intangibles, depreciation expense, estimated contract settlement costs, settlement of intellectual property litigation, acquisition plan expenses, restructuring costs, COVID-19 related costs, strategic emerging technology costs, facility exit costs and strategic alternatives analysis expenses and other.





# About Us

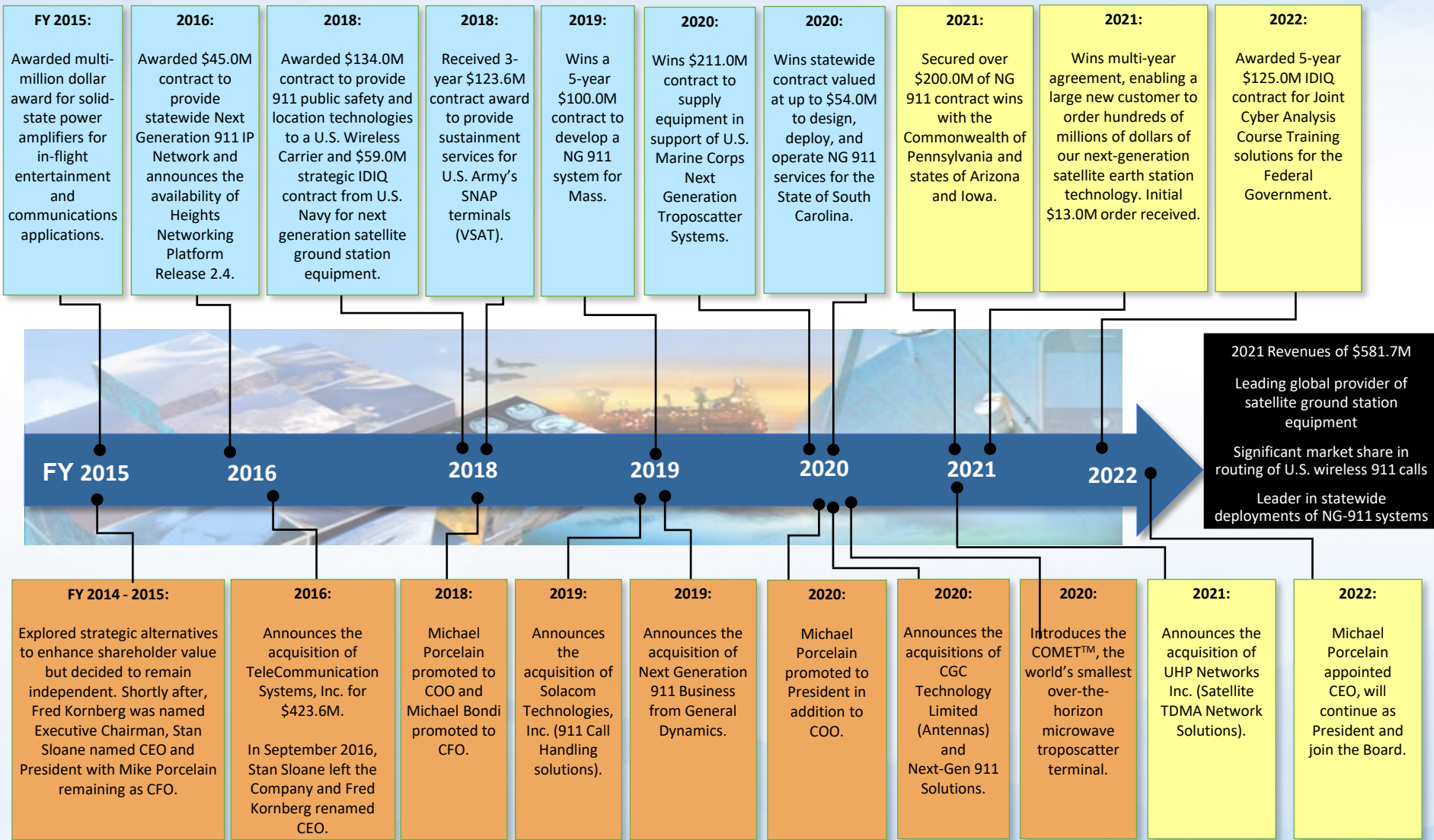




# Comtech Has Been Transformed into a Secure Wireless Technology Leader



Approximately \$372M or 64% of our FY 2021 revenues did not exist in FY 2015



# We Are Well Positioned to Exploit an Inflection Point in the Satcom Industry



We Are a Leading Global Provider of Satellite Ground Station Equipment Including:  
Satellite Modems, Satellite Amplifiers and Satellite Antennas

Accelerating Growth of  
Low-Cost Bandwidth Supply

“One-Stop-Shop” Approach Allows  
Comtech To Maximize Long-Term  
Market Growth Opportunities

Rapidly Growing  
Connectivity Demand



Incumbent GEO & MEO  
Satellite Operators

Complete Solutions Portfolio

Satellite Cellular for 3G/4G/5G

New HTS & VHTS Satellites

Deep, Global Market Access

Government & Defense

Emerging LEO & MEO  
Satellite Systems

R&D and Distribution Scale

Mobility / In-Flight (IFC)

Market dynamics provide excellent backdrop for extending Comtech’s satellite technology leadership

A True Market Leader in Satellite Cellular Backhaul for 3G/4G and 5G  
Large Presence with U.S. Government

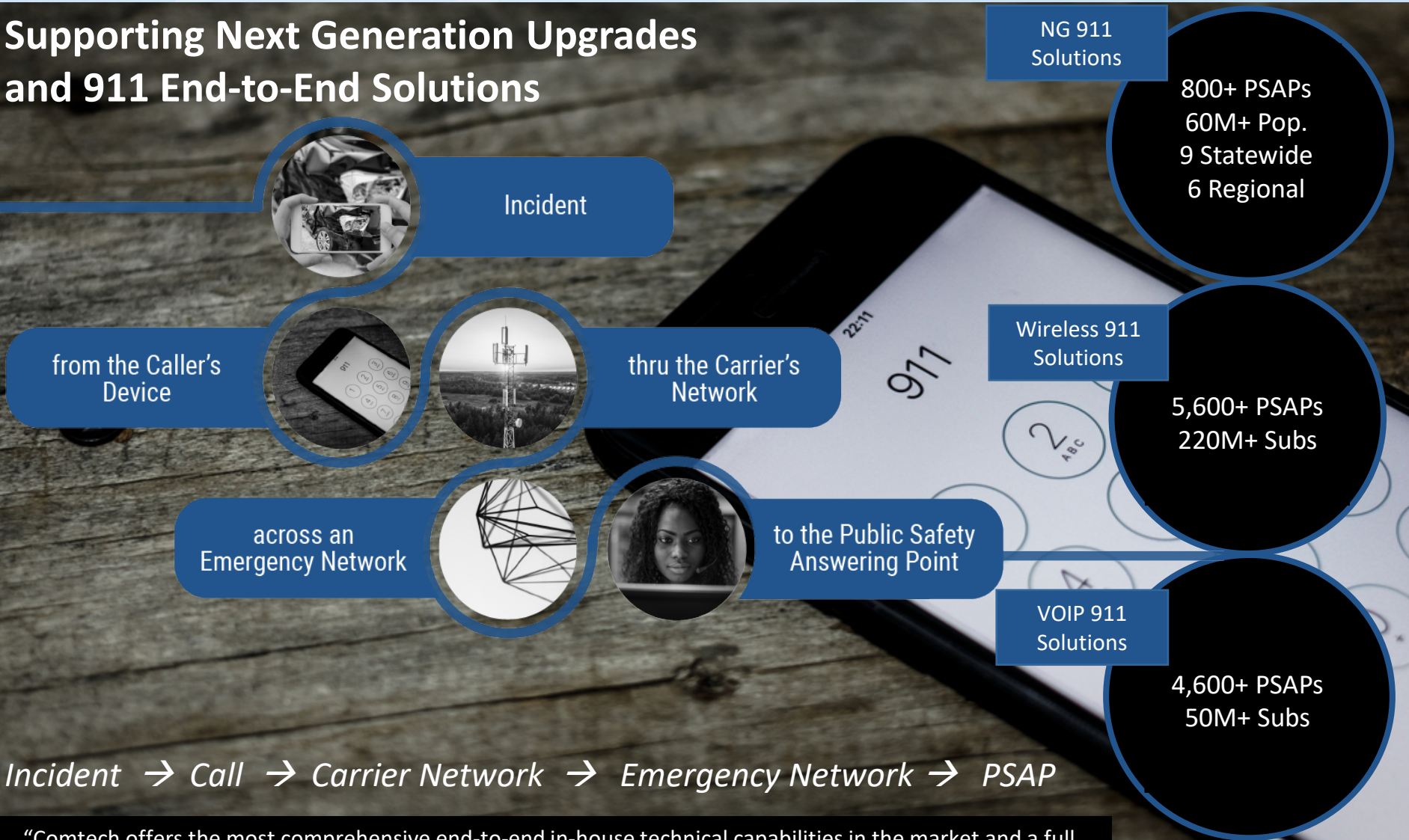




# Comtech Delivers the Most Important Call You Will Ever Make



## Supporting Next Generation Upgrades and 911 End-to-End Solutions



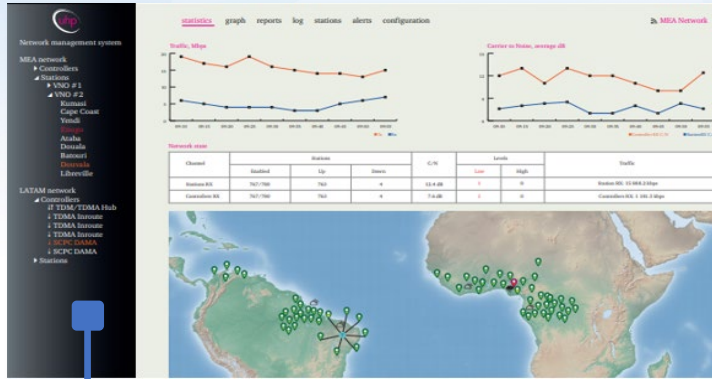
*Incident → Call → Carrier Network → Emergency Network → PSAP*

“Comtech offers the most comprehensive end-to-end in-house technical capabilities in the market and a full portfolio of NG9-1-1 products, services and system integration capabilities.” – Frost & Sullivan

Notes  
(1) Pop. = Population; Subs = Subscribers; PSAPs = Public Safety Answering Points

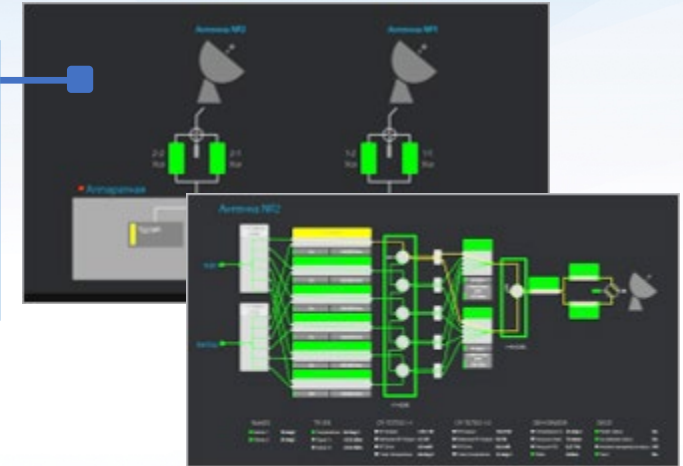


## The Ongoing Proliferation of Connected Devices Requires Network Enhancements for Speed, Accuracy, Safety and Connectivity



Comtech's unique TDMA and SCPC technology, used in VSAT platforms, has software defined network functionality that offers best-in-class support for very large networks.

Comtech's Networking Platform provides distinct advantages for High Throughput Satellites, scaling from tens to thousands of sites.

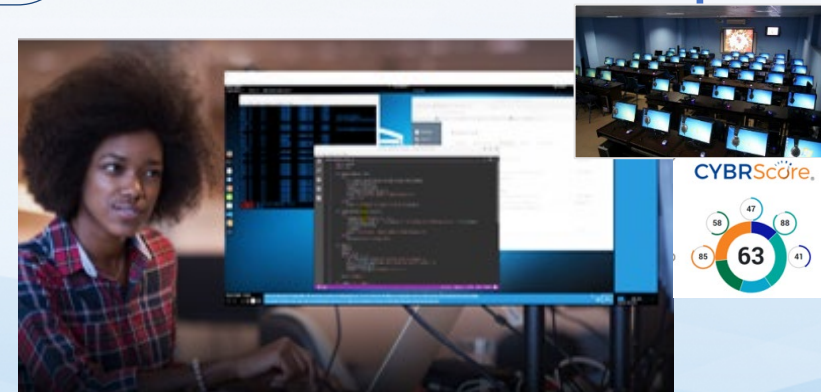


### Proliferation Of Networks

Comtech provides premier cybersecurity training for the U.S. Government and 911 public safety agencies.



Comtech's NG911 and Trusted Location offerings support public safety networks.





# “Hundreds of Millions” Multi-Year Agreement for Next-Gen Satellite Technology



- We anticipate incurring strategic and “start-up” emerging technology costs for next-generation satellite technology.
- Spending will advance our solution offerings to be used on new broadband satellite constellations.
- Thousands of new LEO, MEO and even GEO satellites are expected to be launched over the next few years.
- Satellite constellations will provide internet access across the world and support increasing demand for data transmission.
- Constellations will be supported by equipment that we provide, including ground station equipment, X/Y antennas, modems and amplifiers.
- In Q4 of fiscal 2021, we were awarded a \$13 million multi-year agreement, enabling a large new customer to order hundreds of millions of dollars of our next-generation satellite earth station technology.
- Great strategic win and optimistic on future orders.



# Comtech's Two Segments Have Common Capabilities



We leverage several key competencies, including R&D and engineering, across both segments to deliver superior capabilities to customers

## Commercial Solutions

### Fiscal 2021 Results:

#### Revenue

\$360.1M

61.9% of Total

### Geography / Customer Type

U.S. Government: 14.7%

Domestic: 58.5%

International: 26.8%

### Adjusted EBITDA

\$66.3M

18.4% Adjusted EBITDA Margin

## Customer Examples

verizon

L3HARRIS

INTELSAT

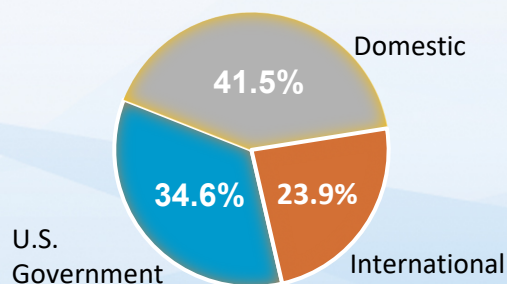


Secure Wireless  
Technology Communications

Market  
Leadership Positions

Shared Relationships  
with Blue-Chip Customers

Fiscal 2021 Customer Type as a %  
of Consolidated Revenue



## Government Solutions

### Fiscal 2021 Results:

#### Revenue

\$221.5M

38.1% of Total

### Geography / Customer Type

U.S. Government: 66.8%

Domestic: 14.1%

International: 19.1%

### Adjusted EBITDA

\$16.3M

7.4% Adjusted EBITDA Margin

## Customer Examples



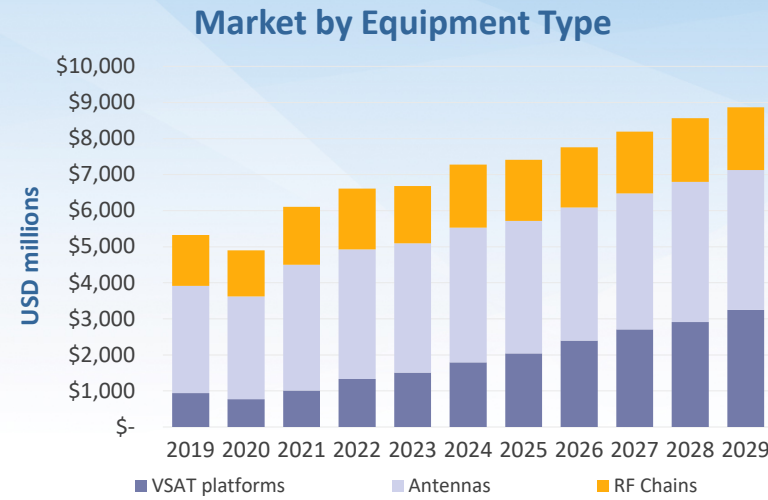
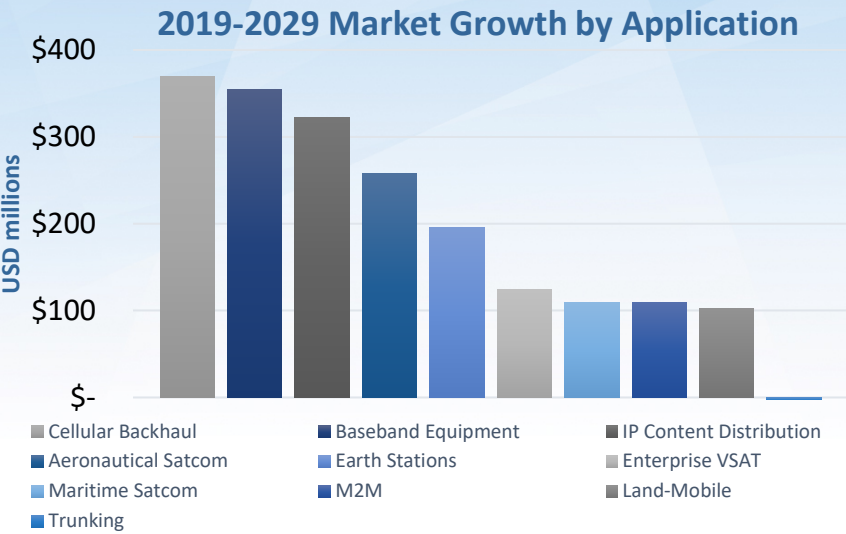
JAXA

BOEING





# The Satellite Ground Station Equipment Market is Expected to Grow



## Comtech Strategic Position

- #1 Provider of SCPC modems.
- Leading provider of SATCOM amplifiers.
- Entered into fixed X/Y satellite antenna market in 2020 via acquisition of CGC.



# Comtech is a Leader in the 911 NextGen Public Safety Market



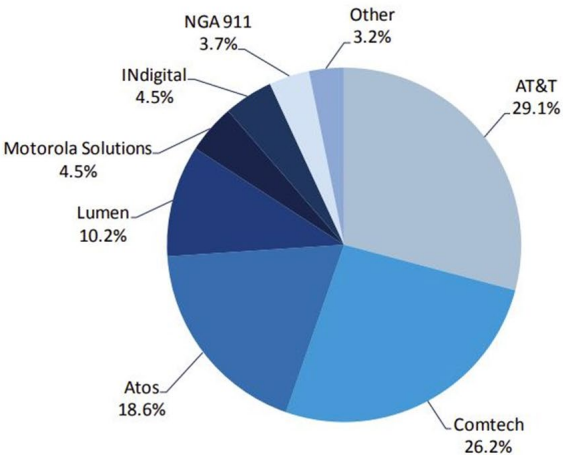
## NG911 Primary Contract Holders Market Share (YE 2020)



Market share is based on population covered by primary NG911 contracts.

**NG9-1-1  
Primary  
Contract  
Holders**

US, 2020



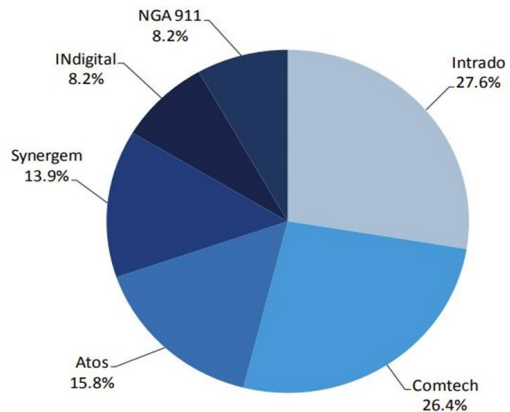
## NGCS Market Share (YE 2020)



Frost & Sullivan NGCS provider market share estimates are based on the addressable population of closed NGCS contracts (direct or as a subcontractor) through YE 2020.

**NGCS Provider  
Market Share**

US, 2020

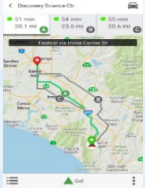


\*NGCS market share includes regional providers for the state of California

Source: Frost & Sullivan



Software for Cellular 911 Call Routing and Next Generation 911



Software that Generates the Triangle & Dot for Advanced Location Mapping



## Comtech Strategic Position

- Frost & Sullivan names Comtech as the fastest growing NG911 provider in the U.S.
- Key NG-911 wins: Massachusetts, Pennsylvania, South Carolina, Arizona, Iowa, Washington, Maine, Ohio.
- Comtech also has a small but growing market share in the call handling market.

Source: Frost & Sullivan





# Comtech Has A Proven Track Record of Successful Acquisitions



Acquisition Close Date Purch Price	Extensive Acquisition Experience with Successful Integrations	
	Recent Successful Transactions	Rationale and Highlights
Feb 2016 \$423.6M	TCS is a leading provider of 911 public safety services, trusted location and satellite-based mission critical solutions	✓ Entry into the 911 public safety and location markets and significantly strengthened our U.S. Government business, created scale and diversified earnings
Feb 2019 \$31.5M	Solacom is a leading provider of Next Generation 911 solutions for public safety agencies	✓ Further expanded presence in growing 911 public safety market and increased recurring revenues
Apr 2019 \$11.0M	GD NG-911 offers a 911 emergency communications system to state and local government clients	✓ Helped secure a five-year \$100.0M contract to develop and maintain a cloud-based NG-911 platform for a northeastern state in the U.S.
Jan 2020 \$23.7M	CGC is a leading provider of high precision full motion fixed and mobile X/Y satellite tracking antenna and radomes	✓ Addresses customer requirements for expected growth in LEO and MEO satellite constellations
Feb 2020 \$1.2M	NG-911, Inc. is a pioneer of Next Generation 911 solutions for public safety in the Midwest	✓ Allows us to cost-effectively expand sales of our industry leading Solacom Guardian call management solutions
Mar 2021 \$38.0M	UHP is a leading provider of innovative and disruptive satellite ground station technology solutions	✓ Expands our product line in the satellite ground station market, with its growing need for reliable, high-capacity satellite equipment, particularly in the VSAT market

# We Believe the Future is Bright for Many Years to Come



**Market Leadership Positions**

**Commitment to Innovation and Engineering**

**Strong Visibility with Growing Markets**

**History of Long-Term Capital Return to Stockholders**

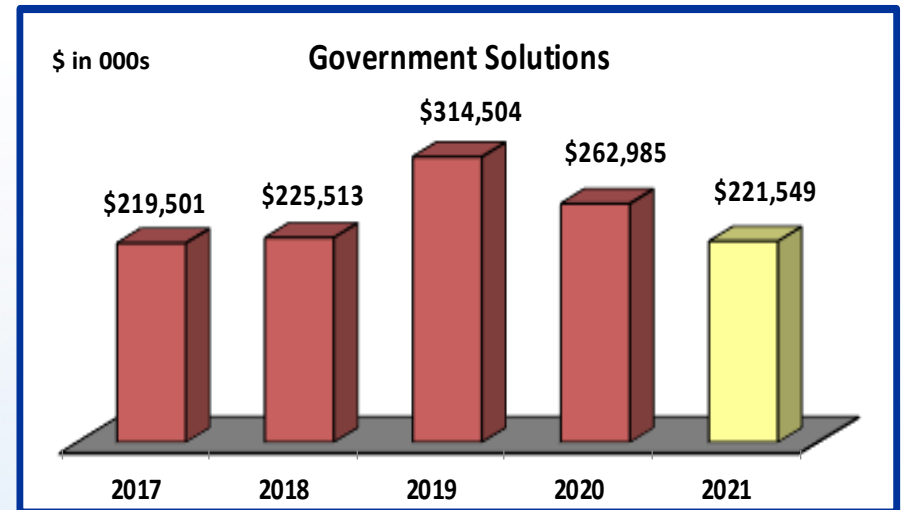
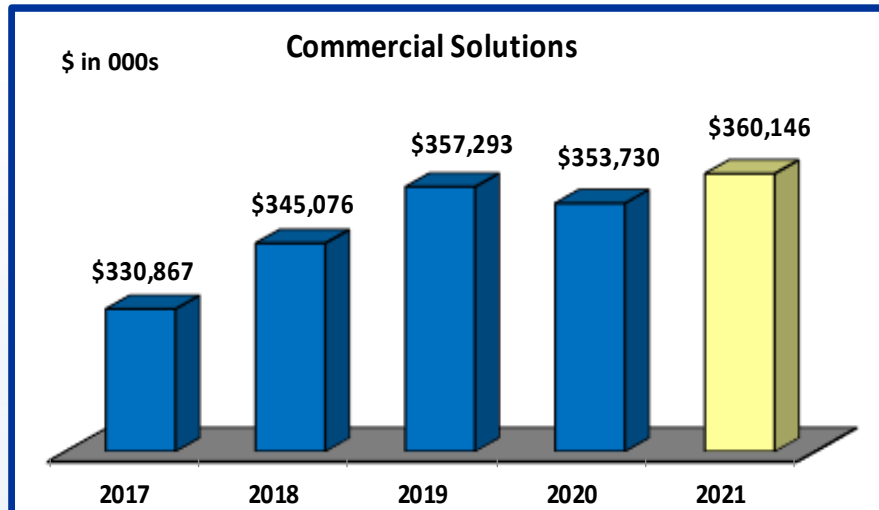
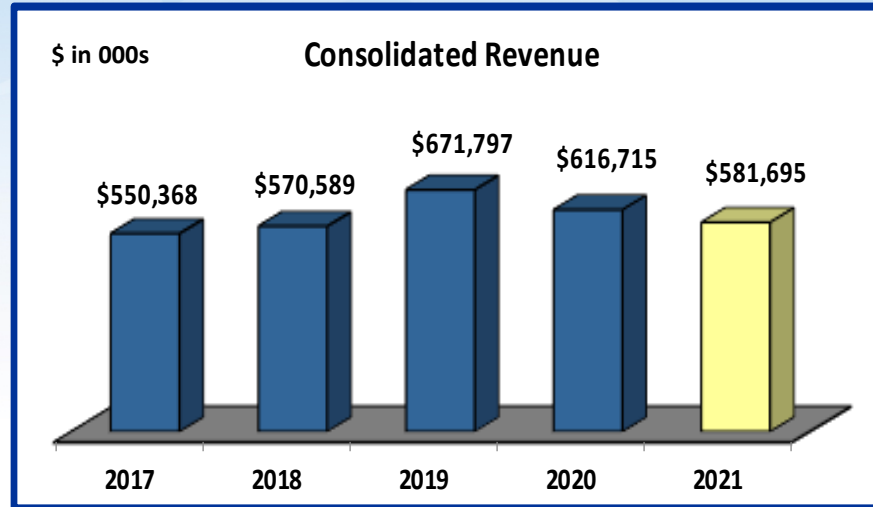
**Experienced Management Team**



# Additional Financial Data



# Historical Revenue Results



#### Note

(1) Comtech's fiscal year end is July 31.

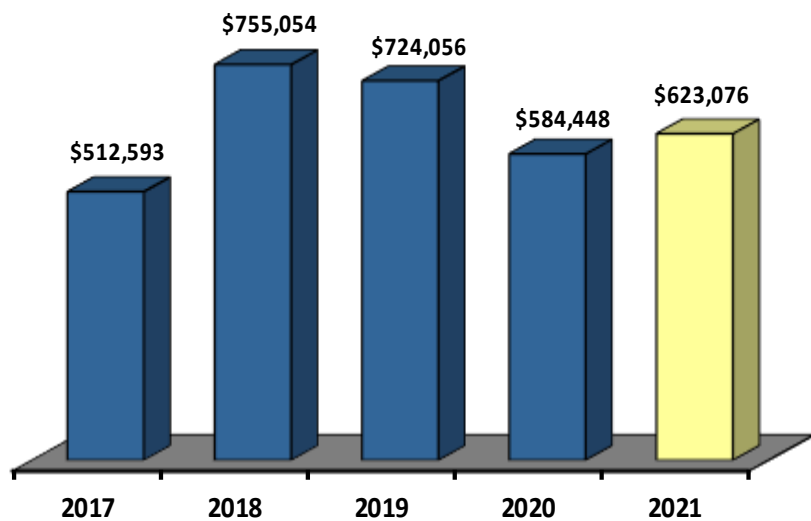


# Historical Bookings & Backlog



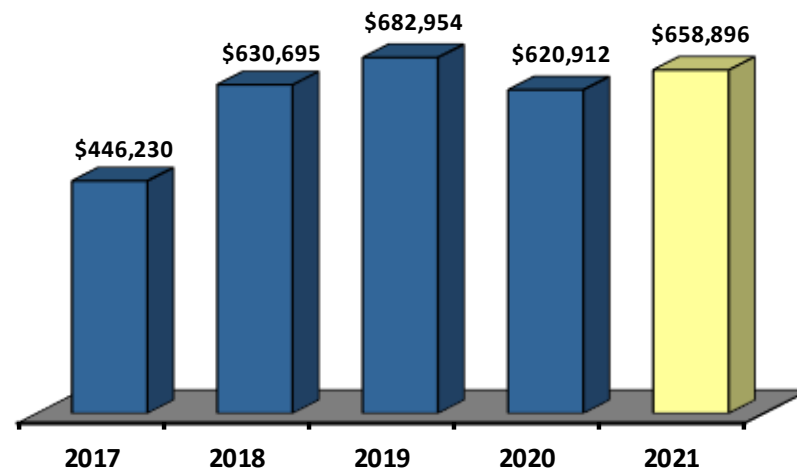
## Bookings

\$ in 000s



## Total Backlog <sup>(2)</sup>

\$ in 000s



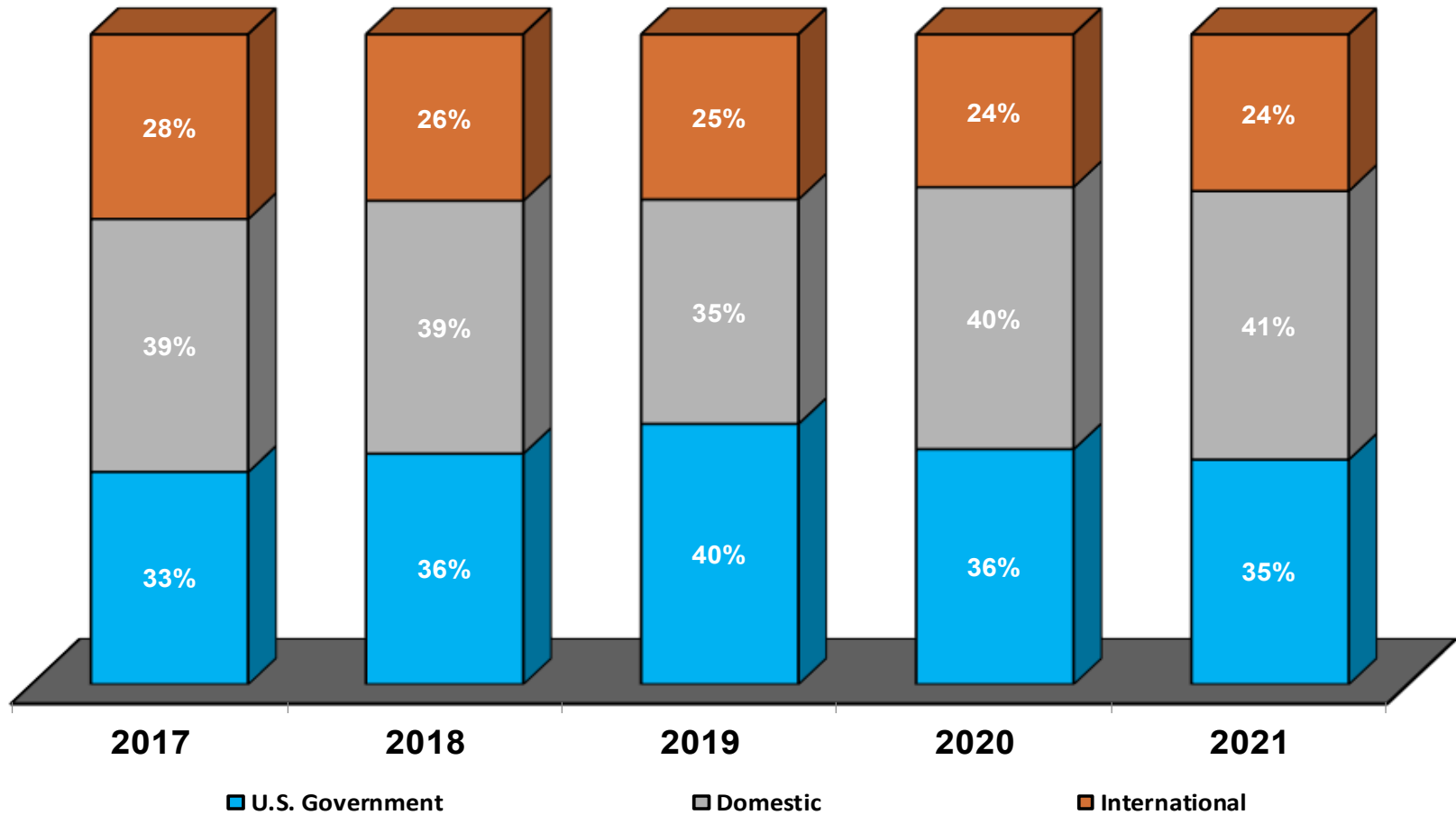
Excludes several "hundreds of millions" of potential orders associated with large multi-year agreement for next-generation satellite technology

### Note

- (1) Comtech's fiscal year end is July 31.
- (2) See slide 8 for additional information related to funded backlog and unfunded portions of contracts in place.



# Our Customer Base



## Notes

- (1) Comtech's fiscal year end is July 31.
- (2) Totals may not foot due to rounding.





# Historical Balance Sheet Trends



## Balance Sheet

\$ in 000s	Jul. 31, <u>2017</u>	Jul. 31, <u>2018</u>	Jul. 31, <u>2019</u>	Jul. 31, <u>2020</u>	Oct. 31, <u>2020</u>	Jan. 31, <u>2021</u>	Apr. 30, <u>2021</u>	Jul. 31, <u>2021</u>
Cash and Cash Equivalents	\$ 41,844	\$ 43,484	\$ 45,576	\$ 47,878	\$ 32,468	\$ 30,934	\$ 39,198	\$ 30,861
Working Capital	96,833	114,477	134,967	117,385	104,995	102,209	93,584	83,935
Total Assets	832,063	845,157	887,711	929,647	918,511	946,595	998,592	993,111
Current and Long-Term Debt <sup>(1)</sup>	\$ 195,802	\$ 167,899	\$ 165,000	\$ 149,500	\$ 217,000	\$ 208,000	\$ 215,000	\$ 201,000
Stockholders' Equity	480,150	505,684	535,082	549,299	460,152	463,284	491,622	500,719
Total Capitalization	<u>\$ 675,952</u>	<u>\$ 673,583</u>	<u>\$ 700,082</u>	<u>\$ 698,799</u>	<u>\$ 677,152</u>	<u>\$ 671,284</u>	<u>\$ 706,622</u>	<u>\$ 701,719</u>

### Notes

- (1) As defined in our Credit Facility, as amended. Fiscal 2017 and 2018 include capital lease obligations. Excludes insignificant amounts of finance lease obligations.  
 (2) Comtech's fiscal year end is July 31.

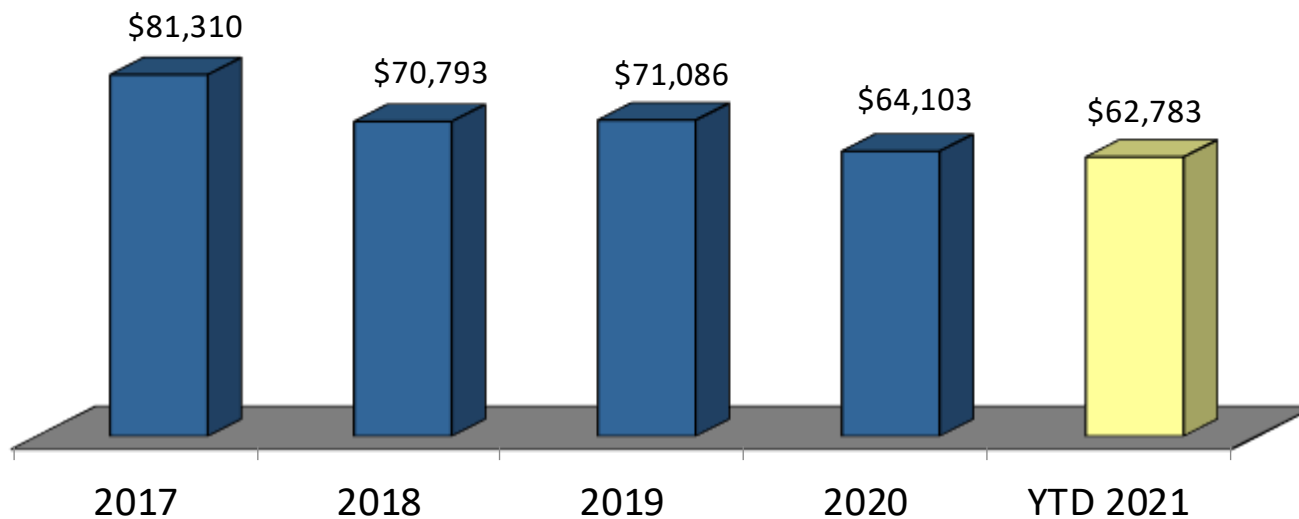


# Historical Research and Development Expense



## Research and Development Expense

\$ in 000s



### Notes

- (1) Research and development expense includes company-funded and customer-funded.
- (2) Comtech's fiscal year end is July 31.





# Recent Quarterly Operating Results



\$ in 000s	Q4 <u>2020</u>	Q1 <u>2021</u>	Q2 <u>2021</u>	Q3 <u>2021</u>	Q4 <u>2021</u>
<b><u>Revenue</u></b>					
Commercial Solutions	\$ 84,983	\$ 81,802	\$ 87,825	\$ 91,364	\$ 99,154
Government Solutions	64,690	53,416	73,467	48,012	46,655
<b>Total Revenue</b>	<b>\$ 149,673</b>	<b>\$ 135,218</b>	<b>\$ 161,292</b>	<b>\$ 139,376</b>	<b>\$ 145,809</b>
<b>Net Income (Loss)</b>	<b>\$ 1,126</b>	<b>\$ (85,840)</b>	<b>\$ 4,205</b>	<b>\$ 792</b>	<b>\$ 7,363</b>
<b>Adjusted EBITDA</b>	<b>\$ 23,532</b>	<b>\$ 14,284</b>	<b>\$ 18,059</b>	<b>\$ 17,730</b>	<b>\$ 26,446</b>
<b><u>% of Revenue</u></b>					
GAAP Gross Profit	33.2%	37.1%	34.5%	38.0%	37.8%
Adjusted EBITDA <sup>(2)</sup>	15.7%	10.6%	11.2%	12.7%	18.1%

## Notes

(1) Comtech reported an operating loss of \$85.7M and a net loss of \$85.8M, respectively, for the 3 months ended October 31, 2020 (Q1 2021).

(2) See Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation for the reconciliation of reported Net Income to Adjusted EBITDA.

(3) Comtech's fiscal year end is July 31.



# Historical Annual Operating Results



\$ in 000s	Impacted by COVID-19				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b><u>Revenue</u></b>					
Commercial Solutions	\$ 330,867	\$ 345,076	\$ 357,293	\$ 353,730	\$ 360,146
Government Solutions	219,501	225,513	314,504	262,985	221,549
<b>Total Revenue</b>	<b>\$ 550,368</b>	<b>\$ 570,589</b>	<b>\$ 671,797</b>	<b>\$ 616,715</b>	<b>\$ 581,695</b>
<b>Net Income (Loss)</b>	<b>\$ 15,827</b>	<b>\$ 29,769</b>	<b>\$ 25,041</b>	<b>\$ 7,020</b>	<b>\$ (73,480)</b>
<b>Adjusted EBITDA</b>	<b>\$ 70,705</b>	<b>\$ 78,374</b>	<b>\$ 93,472</b>	<b>\$ 77,803</b>	<b>\$ 76,519</b>
<b><u>% of Revenue</u></b>					
GAAP Gross Profit	39.6%	39.2%	36.8%	36.8%	36.8%
GAAP R&D Expenses	9.9%	9.4%	8.4%	8.5%	8.4%
Adjusted EBITDA <sup>(1)</sup>	12.8%	13.7%	13.9%	12.6%	13.2%

## Notes

(1) See Reconciliation of GAAP to Non-GAAP Financial Measures section of this presentation for the reconciliation of reported Net Income (Loss) to Adjusted EBITDA.

(2) Comtech's fiscal year end is July 31.





# Market Data





## General Market Information

**Nasdaq Symbol: CMTL**

**Institutional Holders<sup>(2)</sup>: 217**

**52-Week Range<sup>(1)</sup>: \$13.20 - \$30.01**

**Analyst Coverage: 6**

**Source: Nasdaq**

## Analysts

Institution	Analyst Name
Citibank N.A.	Asiya Merchant
Jefferies Group LLC	George Notter
Noble Capital Markets	Joe Gomes
Northland Capital Markets	Michael Latimore
Quilty Analytics	Chris Quilty
Singular Research LLC	Chris Sakai

### Notes

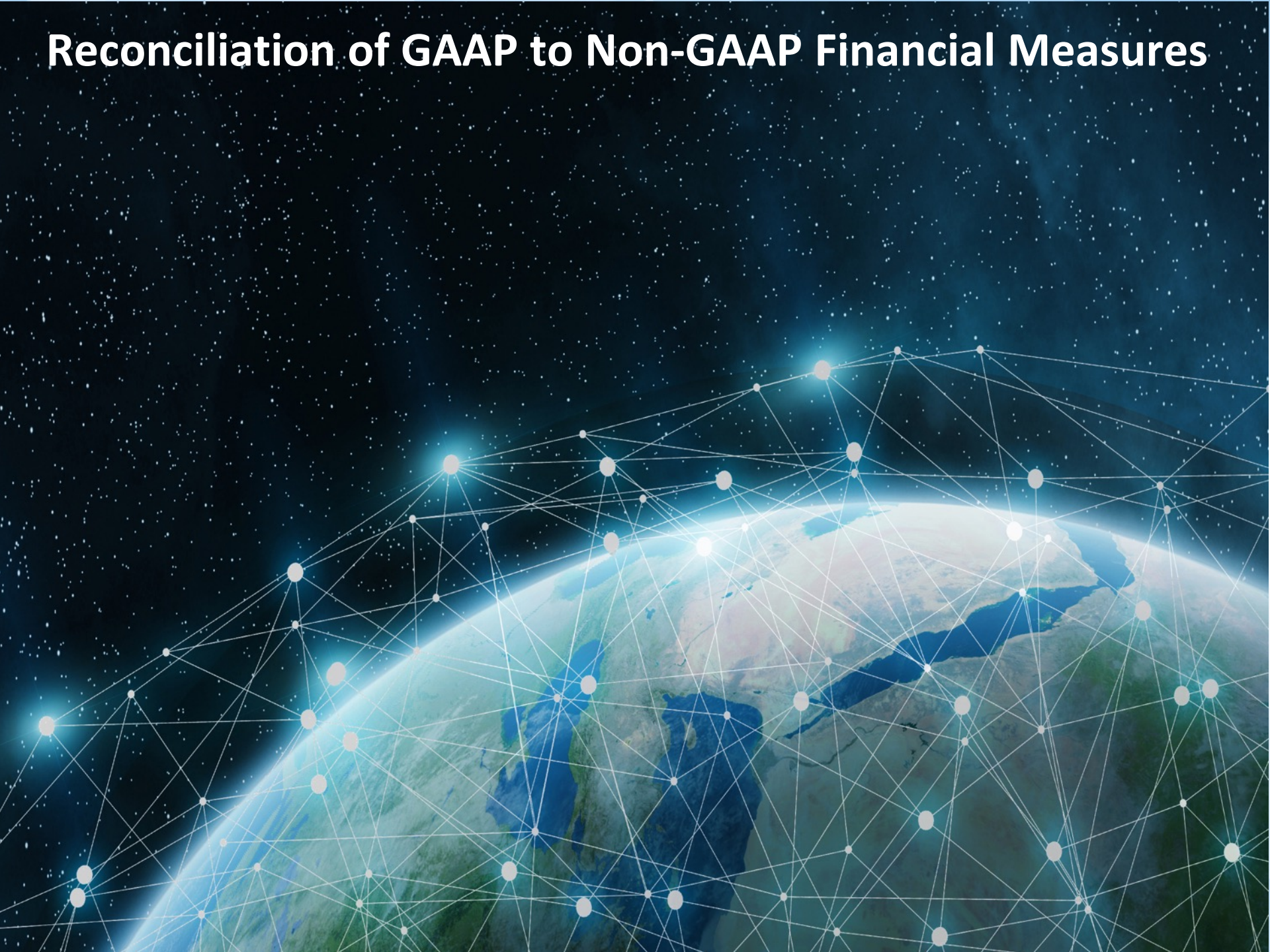
(1) 52-week range indicates the high and low closing prices during the period of August 1, 2020 through July 31, 2021.

(2) As of October 1, 2021.





# Reconciliation of GAAP to Non-GAAP Financial Measures





# Reconciliation of CMTL GAAP to Non-GAAP Financial Measures



<b>Adjusted EBITDA</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
Reported net income (loss)	\$ 6,388	\$ 3,495	\$ (3,989)	\$ 1,126	\$ (85,840)	\$ 4,205	\$ 792	\$ 7,363
Income tax expense (benefit)	1,145	1,117	(759)	787	(2,239)	(155)	316	578
Net interest expense & other	1,727	1,622	1,612	903	2,363	1,352	1,242	1,725
Stock-based compensation expense	879	1,238	981	6,177	699	1,287	1,204	6,793
Depreciation and amortization	7,857	7,950	8,167	8,182	8,118	7,252	7,584	7,445
Estimated contract settlement costs	230	(262)	476	-	-	-	-	-
Acquisition plan expenses	2,389	6,025	5,983	6,357	91,183	3,357	5,267	485
Restructuring costs	-	-	-	-	-	601	594	1,587
COVID-19 related costs	-	-	-	-	-	160	416	470
Strategic emerging technology costs	-	-	-	-	-	-	315	-
Adjusted EBITDA	\$ 20,615	\$ 21,185	\$ 12,471	\$ 23,532	\$ 14,284	\$ 18,059	\$ 17,730	\$ 26,446

<b>Operating Income</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
Operating income (loss)	\$ 9,260	\$ 6,234	\$ (3,136)	\$ 2,816	\$ (85,716)	\$ 5,402	\$ 2,350	\$ 9,666
Acquisition plan expenses	2,389	6,025	5,983	6,357	91,183	3,357	5,267	485
Restructuring costs	-	-	-	-	-	601	594	1,587
COVID-19 related costs	-	-	-	-	-	160	416	470
Strategic emerging technology costs	-	-	-	-	-	-	315	-
Estimated contract settlement costs	230	(262)	476	-	-	-	-	-
Adjusted operating income	\$ 11,879	\$ 11,997	\$ 3,323	\$ 9,173	\$ 5,467	\$ 9,520	\$ 8,942	\$ 12,208

<b>Net Income (loss)</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
Net income (loss)	\$ 6,388	\$ 3,495	\$ (3,989)	\$ 1,126	\$ (85,840)	\$ 4,205	\$ 792	\$ 7,363
Acquisition plan expenses	1,840	4,639	4,128	4,005	88,270	2,786	4,661	(3,106)
Restructuring costs	-	-	-	-	-	499	526	1,074
COVID-19 related costs	-	-	-	-	-	133	368	337
Strategic emerging technology costs	-	-	-	-	-	-	279	(24)
Estimated contract settlement costs	177	(202)	328	-	-	-	-	-
Interest expense ("ticking fee")	-	-	-	-	1,016	-	-	(133)
Net discrete tax (benefit) expense	(588)	57	713	79	246	(843)	189	697
Adjusted net income	\$ 7,817	\$ 7,989	\$ 1,180	\$ 5,210	\$ 3,692	\$ 6,780	\$ 6,815	\$ 6,208

## Notes

- (1) See statement regarding the use of Non-GAAP financial measures in the front and on the last slide of this presentation.
- (2) Dollar amounts in thousands. Comtech's fiscal year end is July 31.



# Reconciliation of CMTL GAAP to Non-GAAP Financial Measures



<b>Adjusted EBITDA</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Reported net income (loss)	\$ 15,827	\$ 29,769	\$ 25,041	\$ 7,020	\$ (73,480)
Income tax expense (benefit)	9,654	(5,143)	3,869	2,290	(1,500)
Write-off of deferred financing costs	-	-	3,217	-	-
Net interest expense & other	11,561	10,449	9,280	5,864	6,682
Stock-based compensation expense	8,506	8,569	11,427	9,275	9,983
Depreciation and amortization	37,177	34,730	30,247	32,156	30,399
Estimated contract settlement costs	-	-	6,351	444	-
Settlement of intellectual property litigation	(12,020)	-	(3,204)	-	-
Acquisition plan expenses	-	-	5,871	20,754	100,292
Restructuring costs	-	-	-	-	2,782
COVID-19 related costs	-	-	-	-	1,046
Strategic emerging technology costs	-	-	-	-	315
Facility exit costs	-	-	1,373	-	-
<b>Adjusted EBITDA</b>	<b>\$ 70,705</b>	<b>\$ 78,374</b>	<b>\$ 93,472</b>	<b>\$ 77,803</b>	<b>\$ 76,519</b>

<b>Earnings (Loss) per Diluted Share</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
GAAP earnings (loss) per diluted share	\$ 0.67	\$ 1.24	\$ 1.03	\$ 0.28	\$ (2.86)
Acquisition plan expenses	-	-	0.19	0.53	3.60
Estimated contract settlement costs	-	-	0.20	0.01	-
Net discrete tax benefit (including Tax Reform)	-	(0.49)	(0.12)	(0.05)	(0.06)
Restructuring costs	-	-	-	-	0.08
COVID-19 related costs	-	-	-	-	0.03
Strategic emerging technology costs	-	-	-	-	0.01
Interest expense	-	-	-	-	0.04
Settlement of intellectual property litigation	(0.33)	-	(0.10)	-	-
Write-off of deferred financing costs	-	-	0.10	-	-
Facility exit costs	-	-	0.04	-	-
<b>Non-GAAP earnings per diluted share</b>	<b>\$ 0.34</b>	<b>\$ 0.75</b>	<b>\$ 1.34</b>	<b>\$ 0.77</b>	<b>\$ 0.86</b>

## Notes

- (1) See statement regarding the use of Non-GAAP financial measures in the front and on the last slide of this presentation.
- (2) Dollar amounts in thousands, except per share information. Comtech's fiscal year end is July 31.
- (3) Totals may not foot due to rounding.



# Reconciliation of CMTL GAAP to Non-GAAP Financial Measures



<u>Earnings (Loss) per Diluted Share</u>	<u>Q1</u> <u>2020</u>	<u>Q2</u> <u>2020</u>	<u>Q3</u> <u>2020</u>	<u>Q4</u> <u>2020</u>	<u>FY</u> <u>2020</u>	<u>Q1</u> <u>2021</u>	<u>Q2</u> <u>2021</u>	<u>Q3</u> <u>2021</u>	<u>Q4</u> <u>2021</u>	<u>FY</u> <u>2021</u>
GAAP earnings (loss) per diluted share	\$ 0.26	\$ 0.14	\$ (0.16)	\$ 0.04	\$ 0.28	\$ (3.39)	\$ 0.17	\$ 0.03	\$ 0.28	\$ (2.86)
Acquisition plan expenses	0.07	0.19	0.16	0.16	0.53	3.49	0.11	0.18	(0.12)	3.60
Restructuring costs	-	-	-	-	-	-	0.02	0.02	0.04	0.08
COVID-19 related costs	-	-	-	-	-	-	0.01	0.01	0.01	0.03
Strategic emerging technology costs	-	-	-	-	-	-	-	0.01	-	0.01
Interest expense ("ticking fee")	-	-	-	-	-	0.04	-	-	(0.01)	0.04
Estimated contract settlement costs	0.01	(0.01)	0.01	-	0.01	-	-	-	-	-
Net discrete tax (benefit) expense	(0.02)	-	0.03	-	(0.05)	0.01	(0.03)	0.01	0.03	(0.06)
Non-GAAP earnings per diluted share	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.05</u>	<u>\$ 0.21</u>	<u>\$ 0.77</u>	<u>\$ 0.15</u>	<u>\$ 0.27</u>	<u>\$ 0.26</u>	<u>\$ 0.23</u>	<u>\$ 0.86</u>

## Notes

- (1) See statement regarding the use of Non-GAAP financial measures in the front of this presentation.
- (2) Dollar amounts in thousands, except per share information. Comtech's fiscal year end is July 31.
- (3) Totals may not foot due to rounding.
- (4) Non-GAAP net income and EPS reflect non-GAAP provisions for income taxes based on full year results, as adjusted for the non-GAAP reconciling items included in the tables above. The Company evaluates its non-GAAP effective income tax rate on an ongoing basis, and it can change from time to time. The Company's non-GAAP effective income tax rate can differ materially from its GAAP effective income tax effective rate.





