



CUBICTM
Global. Innovative. Trusted.

January 8, 2016
Conference Call

C4ISR offerings bolstered by acquisitions

- GATR Technologies
- TeraLogics

Bradley H. Feldmann

President and Chief Executive Officer

John “Jay” D. Thomas

Executive Vice President and Chief Financial Officer

Michael R. Twyman

Executive Vice President, Communications,
Intelligence and Surveillance Systems, Cubic Global
Defense

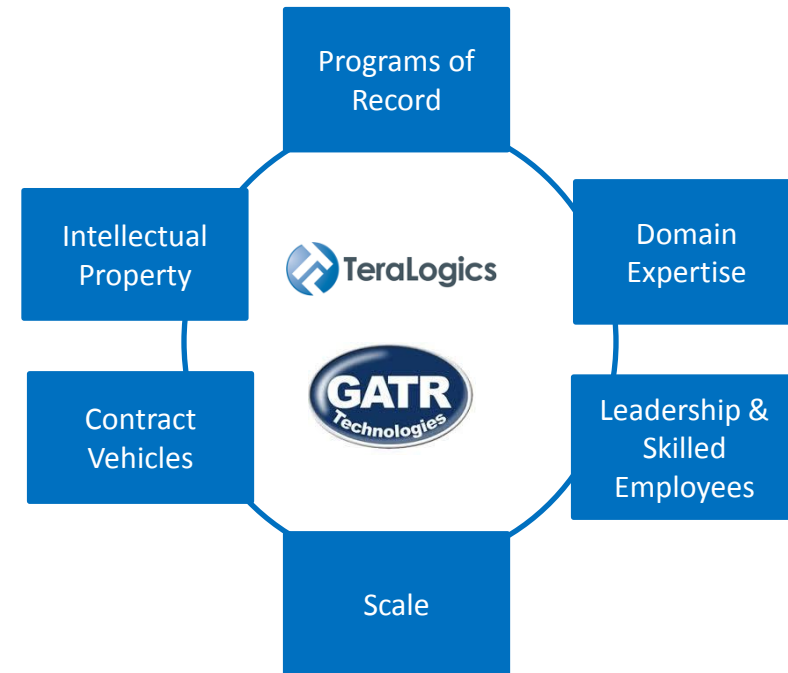
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Strategic Rationale

- **Acquisitions of GATR and TeraLogics expands footprint** in higher-margin, high-growth defense, intelligence, and commercial markets
- **Establishes leadership position** in expeditionary, Satellite Communications (SATCOM) and Intelligence Surveillance Reconnaissance (ISR) Full Motion Video (FMV) solutions
- **Positions Cubic for bidding larger programs** focused on products / systems
- **Strong IP portfolios** – sought after, deployed technology leveraging innovative solutions into market leadership
- **Synergy with Cubic's existing C4ISR solutions** – creating complete end-to-end mission chains
- **Deep customer relationships** on important Programs of Record
- **Product portfolios can be leveraged** across Cubic's worldwide footprint



Cubic Global Defense accelerates portfolio transformation and expands C4ISR offerings

Company Overviews

GATR Technologies



Leading provider of innovative SATCOM solutions with significantly reduced size, weight, power consumption (SWAP) and cost compared to competitors



- ✓ **Patented technology** refined under Small Business Innovative Research program transitioned in Phase III
- ✓ **Strategic contract vehicles** aligned with key Programs of Record
- ✓ **At growth inflection point** with recent selection on Warfighter Information Network-Tactical (WIN-T) Transportable Tactical Command Communications (T2C2)
<http://www.army.mil/article/160186/>

TeraLogics



Leading provider of real-time processing, exploitation, and dissemination of streaming or archived full motion video in the cloud



UNIFIED VIDEO®
life in full motion

- ✓ **Company developed proprietary technology**
- ✓ **Domain expertise in secure video delivery and exploitation**
- ✓ **Important relationships on strategic Intelligence support programs**

Illustrative Customers



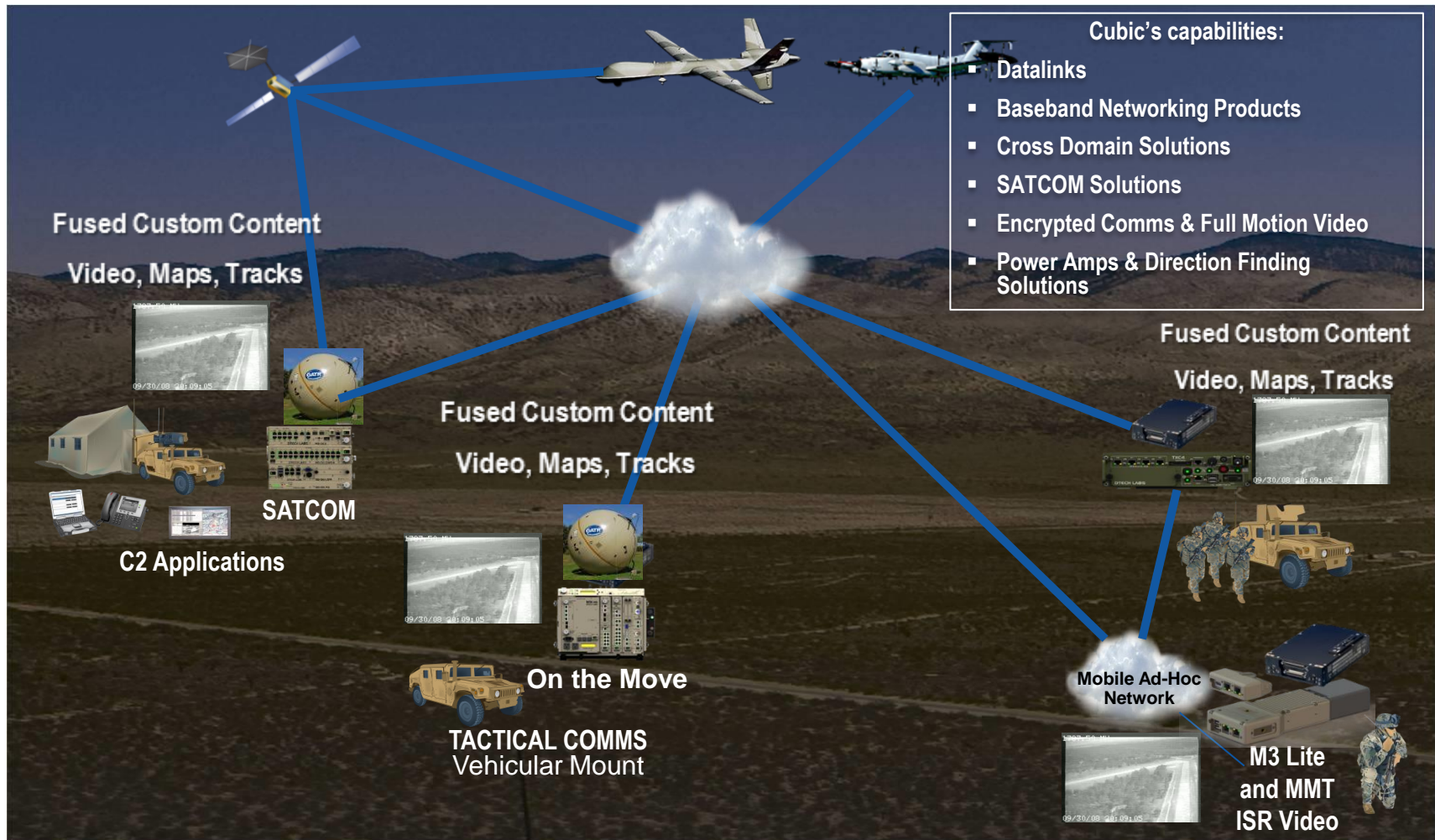
Booz | Allen | Hamilton



Complementary portfolio of capabilities, products and solutions with differentiated technology

Cubic's Suite of C4ISR Solutions: Video Mission Chain – Enabling ISR dissemination

[See the video](#)



C4ISR solutions for warfighters on the move

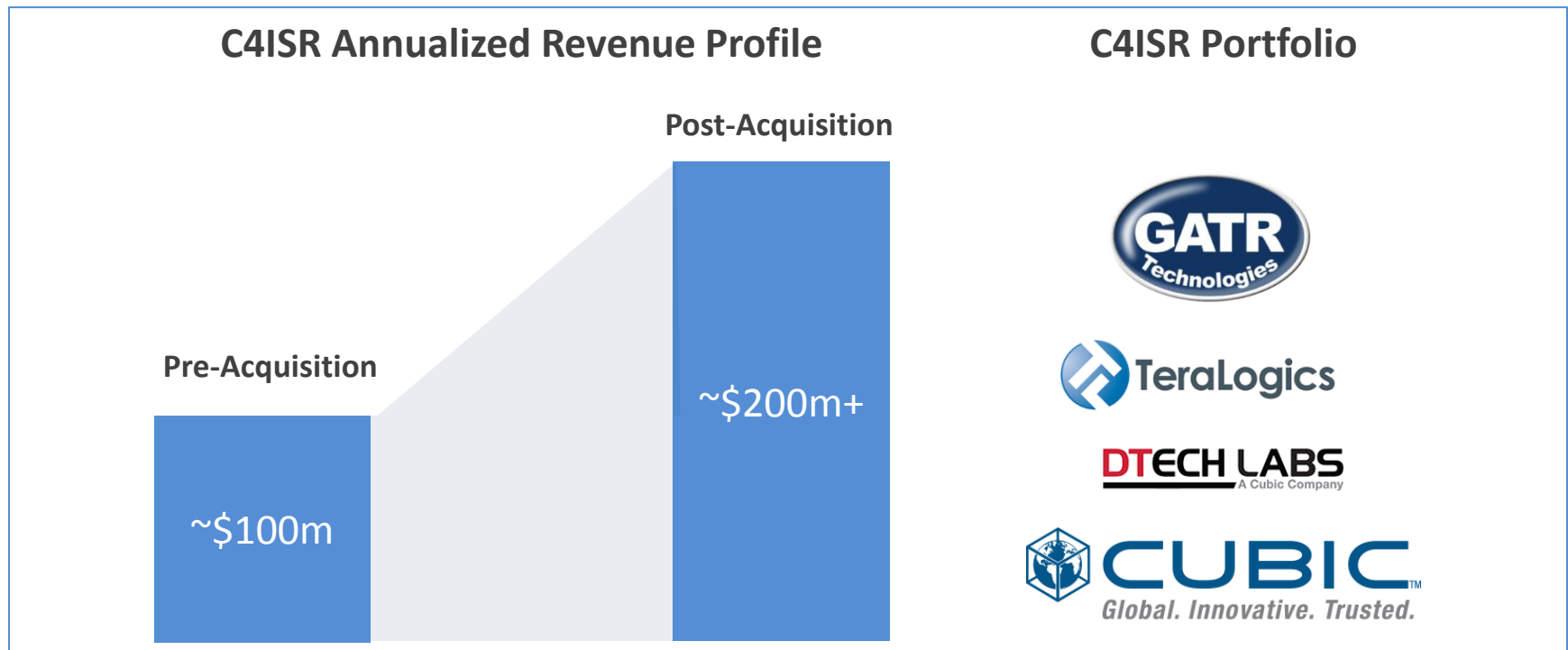
Transaction Summary

Transactions	<ul style="list-style-type: none"> Cubic Corporation acquired TeraLogics LLC and announced the acquisition of GATR Technologies, Inc.
Purchase Price	<p>GATR Technologies, Inc.</p> <ul style="list-style-type: none"> \$232.5 million comprised of cash and earn out Annualized forward revenue of \$75.0 - \$85.0 million Valuation multiple of 12.5x - 13.0x annualized forward adj. EBITDA net of the present value of tax benefits <p>TeraLogics LLC</p> <ul style="list-style-type: none"> \$39.0 million comprised of cash and earn out Annualized forward revenue of \$16.0 - \$18.0 million Valuation multiple of 6.0x – 6.5x 2016 adjusted EBITDA net of the present value of tax benefits
Financing	<ul style="list-style-type: none"> Purchase price to be funded by borrowings under an amended and expanded revolving credit facility and fixed-rate long term debt Financing commitments in place to complete transaction Expected pro forma Debt / LTM adjusted EBITDA of ~4.0x at close
Accretion	<ul style="list-style-type: none"> Cubic's investments in its C4ISR portfolio, including DTECH, GATR, and TeraLogics, are anticipated to be EPS accretive in fiscal year 2017
Timetable	<ul style="list-style-type: none"> GATR Technologies, Inc. closing expected in fiscal year Q2 2016 TeraLogics LLC closed on December 18, 2015
Conditions	<ul style="list-style-type: none"> GATR Technologies, Inc. subject to customary regulatory approvals (Hart-Scott-Rodino)

*C4ISR net portfolio investment at reasonable aggregate transaction pricing: <10.0x adjusted EBITDA**

Accelerating Growth in C4ISR

- Near Term Strategic Goal: Build \$200 million C4ISR business
 - Critical mass achieved in C4ISR strategy
 - Synergistic C4ISR portfolio focused on leading positions in expeditionary communications & ISR dissemination



Expected adjusted EBITDA margins on the C4ISR portfolio in the high teens

Compelling Combination – Enhancing Value

- Accelerates transformation in Cubic Global Defense to focus on higher margins, higher growth products and solutions
- Creates critical mass in our communications business – better positioned to compete for larger programs
 - Leverage historic investments in communications business
 - Injects new intellectual property, domain expertise, and leadership in to the our C4ISR strategy
 - Provides greater access to important contract vehicles and Programs of Record
 - SDN (SOCOM)
 - WIN-T (ARMY)
 - HBSI (USMC)
- Complementary capabilities that yield cost-effective solutions that uniquely benefit the warfighter
- Strong leadership and highly skilled employees with shared values and culture of innovation and customer-focus
- OneCubic enhances our ability to accelerate cost-effective growth by leveraging our infrastructure and worldwide footprint



Summary

- Significant step forward in Cubic's strategic plan to improve shareholder returns
- Seasoned leadership team in place to successfully execute and grow business
- Differentiated technologies and capabilities position Cubic to be a market-leading provider of products / systems for C4ISR
- Will leverage our position to pursue large, long-term programs
- Materially enhances the long-term profitability of CGD Systems business
- Post transaction Cubic will have a low net debt position and continued flexibility to pursue other strategic goals