CUBIC CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (amounts in thousands, except per share data)

		e Mont March	hs Ended 31,	Six Months Ended March 31,		
	201	.9	2018	2019	2018	
Net sales:						
Products	\$ 222,		\$ 157,445	\$ 404,997	\$ 289,188	
Services	114,		121,141	237,601	237,789	
	337,	339	278,586	642,598	526,977	
Costs and expenses:						
Products	167,		117,093	293,052	208,666	
Services	,	212	78,457	174,997	164,674	
Selling, general and administrative expenses		195	63,773	129,181	125,453	
Research and development		754	14,202	25,766	26,179	
Amortization of purchased intangibles		395	6,484	22,960	13,835	
Restructuring costs		757	256	3,749	1,751	
	343,	880	280,265	649,705	540,558	
Operating loss	(6,	541)	(1,679)	(7,107)	(13,581)	
Other income (expenses):						
Interest and dividend income		413	625	2,647	1,107	
Interest expense		531)	(2,911)	(8,563)	(5,585	
Other income (expense), net	(3,	602)	2,028	(8,355)	1,950	
Loss from continuing operations before income taxes	(13,	261)	(1,937)	(21,378)	(16,109	
Income tax (benefit) provision	(3,	831)	1,409	(1,334)	(1,328	
Loss from continuing operations	(9,	430)	(3,346)	(20,044)	(14,781	
Net income (loss) from discontinued operations		339)	1,335	(1,339)	2,984	
Net loss		769)	(2,011)	(21,383)	(11,797	
Less noncontrolling interest in loss of VIE	(1,	377)		(5,404)		
Net loss attributable to Cubic	\$ (9,	392)	\$ (2,011)	\$ (15,979)	\$ (11,797	
Amounts attributable to Cubic:	. (0)	0.50	• (2.2.1.0)	• (11 < 10)	. (1 1 . . . 1	
Net loss from continuing operations			\$ (3,346)	\$ (14,640)	\$ (14,781	
Net income (loss) from discontinued operations		339)	1,335	(1,339)	2,984	
Net loss attributable to Cubic	<u>\$ (9,</u>	392)	\$ (2,011)	\$ (15,979)	\$ (11,797	
Net income (loss) per share: Basic						
Continuing operations attributable to Cubic	¢ ((0.26)	\$ (0.12)	\$ (0.49)	\$ (0.54	
Discontinued operations			\$ (0.12) \$ 0.05	\$ (0.49) \$ (0.04)	\$ (0.54 \$ 0.11	
Basic earnings per share attributable to Cubic		<u></u>	\$ <u>0.03</u> \$ (0.07)	(0.04) (0.54)	\$ (0.43	
Diluted	¢ //		¢ (0.12)	¢ (0.40)	¢ (0.54	
Continuing operations attributable to Cubic			\$ (0.12)	\$ (0.49) \$ (0.04)	\$ (0.54	
Discontinued operations			\$ 0.05 \$ (0.07)	(0.04)	\$ 0.11 \$ (0.42	
Diluted earnings per share attributable to Cubic	\$ ((0.30)	\$ (0.07)	\$ (0.54)	\$ (0.43	
Dividends per common share	\$ ().14	\$ 0.14	\$ 0.14	\$ 0.14	
Weighted average shares used in per share calculations:						
Basic	31,	150	27,223	29,821	27,215	
Diluted	31,	150	27,223	29,821	27,215	

CONSOLIDATED BALANCE SHEETS (in thousands)

Current assets: \$ 42.483 \$ 42.483 \$ 111.834 Cash and cash equivalents \$ 42.483 \$ 111.834 Cash in consolidated VIE 362 3734 Restricted cash 19.064 17.400 Restricted cash in consolidated VIE 9.967 10.000 Accounts receivable: 159.246 393,691 Long-term contracts 159.246 393,691 Allowance for doubtful accounts 157.552 392,367 Contract assets 296.920 - Recoverable income taxes 5.910 91 Inventories 119.870 84.199 Assets held for sale 12.620 8.177 Other current assets 709.242 668.147 Long-term contracts financing receivables - 6.134 Long-term contracts financing receivables - 1.258 Long-term contracts financing receivables - 1.258 Long-term contracts financing receivables - 1.258 Cong-term contracts financing receivables - 1.258 Cong-term cont		March 31, 2019	September 30, 2018		
Cash and cash equivalents \$ 42,483 \$ 111,834 Cash in consolidated VIE 362 374 Restricted cash in consolidated VIE 9,967 10,000 Accounts receivable: 159,246 933,691 Long-term contracts 159,246 933,691 Allowance for doubtful accounts (1,714) (1,324) Inventories 296,920 - Recoverable income taxes 5,910 91 Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 709,242 668,147 Coal-term contracts financing receivables - 6134 Long-term contracts financing receivables in consolidated VIE - 84,799 Long-term contracts financing receivables in consolidated VIE - 84,924 Long-term contracts financing receivables in consolidated VIE - 12,528 Property, plant and equipment, net 129,367 117,546 Deferred income taxes \$ 1,743,100 \$ 1,733,100 \$ 1,304,883 Other assets \$ 1,733,100 </td <td>ASSETS</td> <td></td> <td></td>	ASSETS				
Cash in consolidated VIE 362 374 Restricted cash in consolidated VIE 9967 10,000 Accounts receivable: 9967 10,000 Accounts receivable: 157,352 393,691 Allowance for doubtful accounts (1,714) (1,324) Contract assets 296,6920 - Recoverable income taxes 5,910 91 Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 709,242 668,147 Total current assets 709,242 668,147 Long-term contracts financing receivables		• • • • • • • •	• • • • • • • • • •		
Restricted cash in consolidated VIE 9,064 17,400 Restricted cash in consolidated VIE 9,997 10,000 Long-term contracts 159,246 933,601 Allowance for doubtful accounts (11,714) (13,22) Contract assets 296,920 — Recoverable income taxes 5,910 91 Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 709,242 668,147 Cong-term contracts receivables — 6134 Long-term contracts financing receivables in consolidated VIE 68,779 — Long-term contracts financing receivables in consolidated VIE — 84,924 Long-term contracts financing receivables in consolidated VIE — 17,546 Deferred income taxes \$1,99,48 333,626 Purchased intaglibles, net 114,192 14,192 Other assets 11,114 810 Total assets \$1,733,100 \$1,304,883 LIABILTITES AND SHAREHOLDERS' EQUITY — 75,941 <					
Restricted cash in consolidated VIE 9,967 10,000 Accounts receivable: 159,246 393,691 Allowance for doubtful accounts (1,714) (1,324) Allowance for doubtful accounts (1,714) (1,324) Tecroverable income taxes 5,910 91 Recoverable income taxes 5,910 91 Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 709,242 668,147 Total current assets 709,242 668,147 Long-term contracts financing receivables — 6,134 Long-term contracts financing receivables 41,758 — Long-term contracts financing receivables — 84,924 Long-term contracts financing receivables 41,758 — Long-term contract financing receivables 12,367 117,546 Derform Quiptiment, net 129,367 117,346 Deform Quiptiment, net 129,367 114,492 Other assets 114 8104 73,342					
Accounts receivable: 159,246 393,691 Long-term contracts 159,246 393,691 Allowance for doubtful accounts (17,14) (1,324) Orntract assets 296,6920 — Recoverable income taxes 19,870 84,199 Inventories 119,870 84,199 Assets held for sale 21,2620 8,177 Other current assets 700,242 668,147 Total current assets 700,242 668,147 Long-term contracts financing receivables 41,758 — Long-term contracts financing receivables 12,367 117,548 Long-term contracts financing receivables 129,367 117,548 Long-term capitalized contract costs - 84,924 Long-term capitalized contract costs - 84,924 Long-term capitalized contract costs - 12,546 333,626 Purchaset in consolidated VIE 129,636 117,548 - Codowill 57,648 333,626 - - Purobasets 129,086 1					
Long-term contracts 159,246 393,661 Allowance for doubtful accounts (1714) (1,324) 157,532 392,367 Contract assets 296,920 - Recoverable income taxes 19,870 84,199 Assets held for sale 12,620 8,177 Other current assets 44,471 43,705 Other current assets 709,242 668,147 Long-term contracts financing receivables - 6,134 Long-term contracts financing receivables - 84,924 Long-term contracts financing receivables - 84,924 Long-term contracts financing receivables - 1,258 Property, plant and equipment, net 192,9367 - Deferred income taxes 4,798 4,713 Goodwill 579,648 33,626 Durchased intangibles, net 184,104 73,533 Other assets 1,733,100 1,304,883 LIABILITIES AND SHAREHOLDERS' EQUITY 114 810 Current liabilities 75,541 - <t< td=""><td></td><td>9,967</td><td>10,000</td></t<>		9,967	10,000		
Allowance for doubtful accounts (1,714) (1,712) (1,712) Contract assets 296,920 — Recoverable income taxes 19,870 84,199 Assets held for sale 12,620 8,177 Other current assets 744,471 43,705 Other current assets 709,242 668,147 Long-term contracts financing receivables — 6,134 Long-term contracts financing receivables — 84,793 Long-term contracts financing receivables — 84,924 Long-term contracts financing receivables — 84,924 Long-term contracts financing receivables — 84,924 Long-term capitalized contract costs — 84,924 Long-term capitalized contract costs — 84,924 Long-term capitalized contract costs — 129,367 117,346 Deferred income taxes 14,798 4,113 33,062 Purchasets in consolidated VIE 144,104 73,033,062 144,290 14,192 Other assets 129,686 125,414 81		150 0 4 6	202 (01		
Contract assets 296,920 Recoverable income taxes 5,910 91 Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 709,242 668,147 Total current assets 709,242 668,147 Long-term contracts financing receivables 6,134 Long-term contracts financing receivables in consolidated VIE 84,924 Long-term contracts financing receivables in consolidated VIE 84,924 Long-term capitalized contract costs 84,924 Deferred income taxes 4,778 Scherter concent costs 12,367 Deferred income taxes 4,798 4,713 Goodwill 579,648 333,626 Other assets in consolidated VIE 114,140 73,533 Other assets in consolidated VIE 114,290 14,192 Total assets \$1,733,100 \$1,304,883 LIABILITIES AND SHAREHOLDERS' EQUITY 209,000 \$ Current liabilities </td <td></td> <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td>		· · · · · · · · · · · · · · · · · · ·			
Contract assets $296,920$ $-$ Recoverable income taxes5,91091Inventories119,87084,199Assets held for sale12,6208,177Other current assets12,6208,177Other current assets44,47143,705Other current assets709,242668,147Long-term contracts financing receivables41,758-Long-term contracts financing receivables41,758-Long-term contracts financing receivables41,758-Long-term contracts financing receivables41,758-Long-term capitalized contract costs-84,924Long-term capitalized contract costs-84,924Condvill579,648333,626Purchased intangibles, net184,10473,533Other assets11,481051,733,100Total assets51,733,100\$1,304,883LIABILTIES AND SHAREHOLDERS' EQUITYCurrent liabilities-Current liabilities93,256118,231Contract liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE20,400Short-term borrowings\$209,000\$Trade accounts payable129,686125,414Tade accounts payable129,686125,414Tade accounts payable93,256118,233Accrued compensation and other current liabilities in consolidated VIE93,60Current rotion of long-term debt10,714-Current rotion of lo	Allowance for doubtful accounts				
Recoverable income taxes 5,910 91 Inventories 11,9870 84,199 Assets held for sale 12,620 8,177 Other current assets 44,471 43,705 Other current assets 44,471 43,705 Other current assets		157,532	392,367		
Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 44,471 43,705 Other current assets 709,242 668,147 Long-term contracts financing receivables — 6,134 Long-term contracts financing receivables in consolidated VIE 68,779 — Long-term contracts financing receivables — 84,924 Long-term contracts formating receivables — 84,924 Long-term contracts formating receivables — 84,924 Long-term contract costs — 84,924 Long-term contract costs — 84,924 Long-term contract costs — 12,9367 Roodwill 579,648 33,626 Other assets 14,290 14,192 Other assets 14,290 14,192 Other assets \$ 1,733,100 \$ 1,304,883 LIABIL/TIES AND SHAREHOLDERS' EQUITY Stort-term borrowings \$ 209,000 \$ - Trade accounts payable 156 165 165 Contract fiabilities 78,352 — - <tr< td=""><td>Contract assets</td><td>296,920</td><td>_</td></tr<>	Contract assets	296,920	_		
Inventories 119,870 84,199 Assets held for sale 12,620 8,177 Other current assets 44,471 43,705 Other current assets 709,242 668,147 Total current assets 709,242 668,147 Long-term contracts financing receivables in consolidated VIE 68,779 - Long-term contracts financing receivables in consolidated VIE - 84,924 Long-term capitalized contract costs - - 84,924 Long-term capitalized contract costs - - 12,588 Property, plant and equipment, net 129,367 117,546 Deferred income taxes 4,798 4,713 Goodwill 579,648 333,626 Purchased intangibles, net 14,400 73,533 Other assets 14,290 14,192 Other assets \$ 1,731,100 \$ 1,304,883 LIABILTIES AND SHAREHOLDERS' EQUITY - 78,52 Current liabilities 78,52 - Short-term borrowings \$ 209,000 \$ - Trade accounts payable 156 165 Contra	Recoverable income taxes		91		
Assets held for sale 12,620 8,177 Other current assets 44,471 43,705 Other current assets 44,471 43,705 Income targets in consolidated VIE 43	Inventories		84,199		
Other current assets $44,471$ $43,705$ Other current assets $709,242$ $668,147$ Total current assets $709,242$ $668,147$ Long-term contracts financing receivables in consolidated VIE $41,758$ $-$ Long-term contracts financing receivables in consolidated VIE $68,779$ $-$ Long-term capitalized contract costs $ 84,924$ Long-term capitalized contract costs in consolidated VIE $ 84,924$ Long-term capitalized contract costs in consolidated VIE $ 84,924$ Deferred income taxes $4,798$ $4,713$ $33,026$ Purchased intangibles, net $14,290$ $14,192$ $14,192$ Other assets in consolidated VIE $14,290$ $14,192$ $14,290$ Other assets $$1,733,100$ $$1,304,883$ $$1,733,100$ $$1,304,883$ LIABILTITES AND SHAREHOLDERS' EQUITYTarda accounts payable 156 165 Contract liabilities $78,352$ $ 75,941$ Tacta accounts payable in consolidated VIE 204 $ -$ Trade accounts payable $2,690$ \$ $-$ Total current liabilities $92,256$ $118,233$ $42,290$ $4,129$ Long-term debt $10,714$ $ 75,941$ Accrued compensation and other current liabilities in consolidated VIE $24,090$ $5,866$ Current portion of long-term liabilities $328,339$ $224,095$ $328,339$ Long-term debt $10,714$ $ -$ Total current liabilities<					
Other current assets in consolidated VIE43Total current assets709,242 $\overline{668,147}$ Long-term contracts financing receivables $6,134$ Long-term contracts financing receivables in consolidated VIE $68,779$ Long-term contracts financing receivables in consolidated VIE $84,924$ Long-term capitalized contract costs in consolidated VIE $84,924$ Long-term capitalized contract costs in consolidated VIE $84,924$ Long-term capitalized contract costs in consolidated VIE $11,7546$ Deferred income taxes4,798 $4,713$ GodWill579,648 $333,626$ Purchased intangibles, net114,29014,192Other assets114,29014,192Other assets1,114810Total assets\$1,733,100\$1,304,883LIABILITIES AND SHAREHOLDERS' EQUITY129,686122,414Current liabilities78,352Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances75,941Accrued compensation and other current liabilities in consolidated VIE26908,586Current debt10,714Income taxes payable25,6029,056Other ong-term liabilities in consolidated VIE9,86613Short-term liabilities in consolidated VIE9,86613Long-term debt1,99,995199,793Long-term debt26,602 <td< td=""><td></td><td></td><td></td></td<>					
Total current assets $\overline{709.242}$ $\overline{668,147}$ Long-term contracts financing receivables $41,758$ -Long-term contracts financing receivables in consolidated VIE $68,779$ -Long-term capitalized contract costs- $84,924$ Long-term capitalized contract costs in consolidated VIE- 1.258 Property, plant and equipment, net129,367 $117,546$ Dedormed taxes $4,798$ $4,713$ Sodowill $579,644$ $333,626$ Purchased intangibles, net $184,104$ $73,533$ Other assets $142,290$ $14,192$ Other assets $11,114$ 810 Total assets $$1,733,100$ $$1,304,883$ LIABILITIES AND SHAREHOLDERS' EQUITY $$209,000$ $$-$ Current liabilities: $$209,000$ $$-$ Trade accounts payable $129,686$ $125,414$ Trade accounts payable $$1,504,883$ $$1,504,883$ Current liabilities $$32,256$ $$18,233$ Current liabilities $$32,256$ $$18,233$ Current liabilities $$32,256$ $$18,233$ Current net orono and other current liabilities in consolidated VIE $$209,000$ $$-$ Total accounts payable $$209,000$ $$-$ Trade accounts payable $$ $7,9411$ Accrued compensation and other current liabilities $$32,626$ $$328,339$ Long-term debt $$29,056$ $$13$ Accrued compensation and other current liabilities $$24,058$ $$328,339$ Long-term liabilitie					
Long-term contracts receivables—6.134Long-term contracts financing receivables in consolidated VIE68,779—Long-term contracts financing receivables in consolidated VIE—84,924Long-term capitalized contract costs in consolidated VIE—1.258Property, plant and equipment, net129,367117,546Deferred income taxes4,7984,713GodWill579,648333,626Purchased intangibles, net184,10473,533Other assets1,114810Total assets\$ 1,733,100\$ 1,304,883LLABILITIES AND SHAREHOLDERS' EQUITY129,686125,414Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352—Customer advances—75,941Accrued compensation and other current liabilities93,256118,233Accrued compensation and other current liabilities10,714—Total current liabilities10,714—Total current liabilities224,005328,339Long-term liabilities23,6029,056Current payable10,014—Total current liabilities9,86613Shareholders' equity:264,61245,008Current payable13,80,83440,014Accrued compensation and other current liabilities9,866Shareholders' equity:264,61245,008Current liabilities9,86613<			668 1/17		
Long-term contracts financing receivables41,758Long-term capitalized contract costs68,779Long-term capitalized contract costs-84,924Long-term capitalized contract costs-1,258Deferred income taxes4,7984,713Goodwill579,648333,626Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets1,114810Total assets\$ 1,733,100\$ 1,304,883LIABILITIES AND SHAREHOLDERS' EQUITY51,304,883Current liabilities:\$ 1,304,883129,686125,414Trade accounts payable10,866125,414Trade accounts payable in consolidated VIE78,352-Customer advances-75,941Accrued compensation and other current liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE2,6908,586Current liabilities524,058328,339Long-term debt10,714Total current liabilities524,058328,339Long-term liabilities in consolidated VIE9,86613Shareholders' equity:26,461245,008Current primer milabilities in consolidated VIE9,86613Shareholders' equity:26,6029,056Current liabilities in consolidated VIE9,86613Shareholders' equity:26,6029,056Current provin of long-term liabilities in co		109,242	000,147		
Long-term contracts financing receivables in consolidated VIE $68,779$ $-$ Long-term capitalized contract costs $ 84,924$ Long-term capitalized contract costs in consolidated VIE $ 1,258$ Property, plant and equipment, net $129,367$ $117,546$ Deferred income taxes $4,798$ $4,713$ Goodwill $579,648$ $333,626$ Purchased intagibles, net $184,104$ $73,533$ Other assets $14,290$ $14,192$ Other assets $14,290$ $14,192$ Other assets $51,733,100$ §Total assets\$ $1,290$ 8 Current liabilities: s $1,304,883$ Short-term borrowings\$ $209,000$ \$Trade accounts payable in consolidated VIE 156 165 Contract liabilities: $78,352$ $-$ Curson madvances $ 75,941$ Accrued compensation and other current liabilities $93,256$ $118,233$ Accrued compensation and other current liabilities $93,256$ $118,233$ Accrued compensation and other current liabilities $52,602$ $9,056$ Current potion of long-term debt $10,714$ $-$ Total current liabilities $41,290$ $43,486$ Other long-term liabilities $41,290$ $43,486$ Common stock $264,612$ $45,008$ Retained earnings $801,486$ $801,834$ Accrued tother comprehensive loss $(110,156)$ $(110,643)$ Shareholders' equity: $264,612$ $45,008$	Long-term contracts receivables		6,134		
Long-term capitalized contract costs—84,924Long-term capitalized contract costs in consolidated VIE—1.258Property, plant and equipment, net129,367117,546Deferred income taxes4,7984,713Goodwill579,648333,626Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets in consolidated VIE1,114810Total assets\$1,733,100\$1,304,883LIABILITTES AND SHAREHOLDERS' EQUITYShort-term borrowings\$209,000\$ —Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352—Customer advances—75,941Accrued compensation and other current liabilities in consolidated VIE204—Income taxes payable20,600\$.586Current fiabilities524,058328,339Long-term debt10,714——Total current fiabilities524,058328,339Long-term debt10,714—328,339Long-term liabilities524,058328,339Long-term liabilities26,6029,056Other long-term liabilities41,29043,486Other long-term liabilities264,61245,008Shareholders' equity:264,61245,008Common stock264,61245,008Shareholders' equity:36,07836,078Common stock	Long-term contracts financing receivables	· · · · · · · · · · · · · · · · · · ·	_		
Long-term capitalized contract costs in consolidated VIE—1.258Property, plant and equipment, net129,367117,546Deferred income taxes4,7984,713Goodwill579,648333,626Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets14,29014,192Other assets11,304,883ILABILITIES AND SHAREHOLDERS' EQUITY129,686129,686Current liabilities:5129,686125,614Short-term borrowings\$209,000\$Trade accounts payable156165165Contract liabilities78,352Customer advances75,941516Current rabulaties93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Total current portion of long-term debt10,714Total current liabilities524,058328,339328,339Long-term debt189,095199,793209,0059,056Other long-term liabilities41,29043,48613Shareholders' equity:-264,61245,008Common stock264,61245,00813Shareholders' equity-(36,078)(36,078)Shareholders' equity related to Cubic919,884700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189 <td>Long-term contracts financing receivables in consolidated VIE</td> <td>68,779</td> <td></td>	Long-term contracts financing receivables in consolidated VIE	68,779			
Property, plant and equipment, net129,367117,546Deferred income taxes4,7984,713Goodwill579,648333,626Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets in consolidated VIE1,114 $\$10$ Total assets\$1,733,100\$1,304,883LIABILITTIES AND SHAREHOLDERS' EQUITYShort-term borrowings\$209,000Current liabilities:\$1,733,100\$1,304,883Short-term borrowings\$209,000\$ $$ Trade accounts payable126,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352 $-$ Customer advances $-$ 75,941Accrued compensation and other current liabilities in consolidated VIE204 $-$ Income taxes payable2,26618,223Current portion of long-term debt10,714 $-$ Total current liabilities $524,058$ 328,339Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: $-$ 264,61245,008Common stock264,61245,008801,486Retained earnings801,486801,834Accurulated other comprehensive loss(110,156)(110,643)Other long-term liabilities in consolidated VIE23,32524,075Shareholders' equity943,189724,196		—			
Deferred income taxes4,7984,713Goodwill579,648333,626Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets\$1,733,100\$1,304,883LIABILITTES AND SHAREHOLDERS' EQUITY114810Current liabilities:\$1,733,100\$1,304,883Current liabilities:\$209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Current diabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable20408,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:526,0529,056Common stock264,61245,00813Shareholders' equity:Common stock264,61245,00830,733Accural due ther comprehensive loss(110,156)(110,643)Accural due ther comprehensive loss(110,156)(110,643)Accural due ther consolidated VIE23,32524,075Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,325					
Goodwill $579,648$ $333,626$ Purchased intangibles, net184,104 $73,533$ Other assets14,29014,192Other assets in consolidated VIE1,114810Total assets\$1,733,100\$1,304,883LIABILITIES AND SHAREHOLDERS' EQUITYShort-term borrowings\$209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances75,941Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable10,714Total current liabilities524,058328,339Long-term debt10,714Total current liabilities25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE24,058328,339Long-term liabilities25,6029,05613Shareholders' equity:Common stock264,61245,00813Shareholders' equity:Common stock264,61245,008Retained earnings801,486801,834Accrued compensation and other current liabilitiesIncome taxes payable25,6029,056Current liabilitiesCommon stock264,61245,008 <td>Property, plant and equipment, net</td> <td></td> <td></td>	Property, plant and equipment, net				
Purchased intangibles, net184,10473,533Other assets14,29014,192Other assets in consolidated VIE1,114810Total assets\$ 1,733,100\$ 1,304,883LIABILITTES AND SHAREHOLDERS' EQUITY2Current liabilities:129,686129,686Short-term borrowings\$ 209,000\$Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances75,941Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable10,714Total current liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities2524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,866113Shareholders' equity:264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196 <td>Deferred income taxes</td> <td>4,798</td> <td>4,713</td>	Deferred income taxes	4,798	4,713		
Other assets14,29014,192Other assets in consolidated VIE1,114810Total assets\$1,733,100\$1,304,883LIABILITIES AND SHAREHOLDERS' EQUITYCurrent liabilities:Short-term borrowings\$209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances78,352Customer advances93,256118,233Accrued compensation and other current liabilities in consolidated VIE2,040Income taxes payable2,6908,586Current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:264,61245,008Common stock264,61245,008Retained earnings801,486801,834Accurual ted other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity23,32524,075Cottal shareholders' equity23,32524,075Cottal shareholders' equity23,32524,075Total shareholders' equity724,196724,196Common stock26	Goodwill	579,648	333,626		
Other assets14,29014,192Other assets in consolidated VIE1,114810Total assets\$1,733,100\$1,304,883LIABILITIES AND SHAREHOLDERS' EQUITYCurrent liabilities:Short-term borrowings\$209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances78,352Customer advances93,256118,233Accrued compensation and other current liabilities in consolidated VIE2,040Income taxes payable2,6908,586Current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:264,61245,008Common stock264,61245,008Retained earnings801,486801,834Accurual ted other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity23,32524,075Cottal shareholders' equity23,32524,075Cottal shareholders' equity23,32524,075Total shareholders' equity724,196724,196Common stock26	Purchased intangibles, net	184,104	73,533		
Other assets in consolidated VIE1,114810Total assets\$ 1,733,100\$ 1,304,883LIABILITIES AND SHAREHOLDERS' EQUITYCurrent liabilities:Short-term borrowings\$ 209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Current opensation and other current liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,866Shareholders' equity:22Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196	Other assets	14,290	14,192		
Total assets $$ 1,733,100$ $$ 1,304,883$ LIABILITIES AND SHAREHOLDERS' EQUITYCurrent liabilities: Short-term borrowings $$ 209,000$ $$$ Trade accounts payableTrade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities $78,352$ $$ Customer advances $$ 75,941 $75,941$ Accrued compensation and other current liabilities in consolidated VIE 204 $$ Income taxes payable $2,690$ $8,586$ Current portion of long-term debt $10,714$ $$ Total current liabilities $524,058$ $328,339$ Long-term debt $189,095$ 199,793Long-term debt $25,602$ $9,056$ Other long-term liabilities in consolidated VIE $264,612$ $45,008$ Retained earnings $801,486$ $801,486$ Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost $(36,078)$ $(36,078)$ Shareholders' equity related to Cubic $919,864$ $700,121$ Noncontrolling interest in consolidated VIE $23,325$ $24,075$ Total shareholders' equity $943,189$ $724,196$	Other assets in consolidated VIE	1,114	810		
Current liabilities: Short-term borrowings\$ 209,000\$ 129,686Trade accounts payable in consolidated VIE126165Contract liabilities78,352Customer advances75,941Accrued compensation and other current liabilities in consolidated VIE93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:	Total assets				
Current liabilities: Short-term borrowings\$ 209,000\$ 129,686Trade accounts payable in consolidated VIE126165Contract liabilities78,352Customer advances75,941Accrued compensation and other current liabilities in consolidated VIE93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:	LIADU ITIES AND SUADELIOI DEDS' EQUITY				
Short-term borrowings\$ 209,000\$Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352Customer advances-75,941Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Treasury stock at cost21,196724,196					
Trade accounts payable129,686125,414Trade accounts payable in consolidated VIE156165Contract liabilities78,352-Customer advances-75,941Accrued compensation and other current liabilities in consolidated VIE204-Income taxes payable2,6908,586Current portion of long-term debt10,714-Total current liabilities524,058328,339Long-term debt25,6029,056Other long-term liabilities041,29043,486Other long-term liabilities9,86613Shareholders' equity:264,61245,008Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196		¢ 2 00,000	¢		
Trade accounts payable in consolidated VIE156165Contract liabilities78,352-Customer advances-75,941Accrued compensation and other current liabilities in consolidated VIE93,256118,233Accrued compensation and other current liabilities in consolidated VIE204-Income taxes payable2,6908,586Current portion of long-term debt10,714-Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,866Shareholders' equity:2-Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost3(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncortolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Contract liabilities78,352Customer advances-75,941Accrued compensation and other current liabilities in consolidated VIE93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities $524,058$ $328,339$ Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:22Common stock264,61245,008801,486Retained earnings801,486801,83434,466Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost $(36,078)$ $(36,078)$ Shareholders' equity related to Cubic919,864700,121Noncortolling interest in consolidated VIE $23,325$ $24,075$ Total shareholders' equity943,189724,196					
Customer advances—75,941Accrued compensation and other current liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE204—Income taxes payable2,6908,586Current portion of long-term debt10,714—Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:———Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Accrued compensation and other current liabilities93,256118,233Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt in consolidated VIE25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock264,61245,008Retained earnings Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196		78,352			
Accrued compensation and other current liabilities in consolidated VIE204Income taxes payable2,6908,586Current portion of long-term debt10,714—Total current liabilities524,058328,339Long-term debt189,095199,793Long-term debt25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock Retained earnings264,61245,008Accumulated other comprehensive loss Treasury stock at cost(110,156)(110,643)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Income taxes payable $2,690$ $8,586$ Current portion of long-term debt $10,714$ —Total current liabilities $524,058$ $328,339$ Long-term debt $189,095$ $199,793$ Long-term debt in consolidated VIE $25,602$ $9,056$ Other long-term liabilities $41,290$ $43,486$ Other long-term liabilities in consolidated VIE $9,866$ 13 Shareholders' equity: $Common$ stock $264,612$ $45,008$ Retained earnings $801,486$ $801,834$ Accumulated other comprehensive loss $(110,156)$ $(110,643)$ Treasury stock at cost $(36,078)$ $(36,078)$ Shareholders' equity related to Cubic $919,864$ $700,121$ Noncontrolling interest in consolidated VIE $23,325$ $24,075$ Total shareholders' equity $943,189$ $724,196$			118,233		
Current portion of long-term debt $10,714$ $-$ Total current liabilities $524,058$ $328,339$ Long-term debt $189,095$ $199,793$ Long-term debt in consolidated VIE $25,602$ $9,056$ Other long-term liabilities $41,290$ $43,486$ Other long-term liabilities in consolidated VIE $9,866$ 13 Shareholders' equity: $264,612$ $45,008$ Retained earnings $801,486$ $801,834$ Accumulated other comprehensive loss $(110,156)$ $(110,643)$ Treasury stock at cost $(36,078)$ $(36,078)$ Shareholders' equity related to Cubic $919,864$ $700,121$ Noncontrolling interest in consolidated VIE $23,325$ $24,075$ Total shareholders' equity $943,189$ $724,196$	Accrued compensation and other current liabilities in consolidated VIE				
Total current liabilities $\overline{524,058}$ $\overline{328,339}$ Long-term debt189,095199,793Long-term debt in consolidated VIE25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196		· · · · ·	8,586		
Long-term debt189,095199,793Long-term debt in consolidated VIE25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196	Current portion of long-term debt				
Long-term debt in consolidated VIE25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:00Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196	Total current liabilities	524,058	328,339		
Long-term debt in consolidated VIE25,6029,056Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity:00Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196	Long-term debt	189 095	199 793		
Other long-term liabilities41,29043,486Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196	Long-term debt in consolidated VIE				
Other long-term liabilities in consolidated VIE9,86613Shareholders' equity: Common stock264,61245,008Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Common stock 264,612 45,008 Retained earnings 801,486 801,834 Accumulated other comprehensive loss (110,156) (110,643) Treasury stock at cost (36,078) (36,078) Shareholders' equity related to Cubic 919,864 700,121 Noncontrolling interest in consolidated VIE 23,325 24,075 Total shareholders' equity 943,189 724,196	Other long-term liabilities in consolidated VIE				
Common stock 264,612 45,008 Retained earnings 801,486 801,834 Accumulated other comprehensive loss (110,156) (110,643) Treasury stock at cost (36,078) (36,078) Shareholders' equity related to Cubic 919,864 700,121 Noncontrolling interest in consolidated VIE 23,325 24,075 Total shareholders' equity 943,189 724,196					
Retained earnings801,486801,834Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196		264 612	45 008		
Accumulated other comprehensive loss(110,156)(110,643)Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Treasury stock at cost(36,078)(36,078)Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Shareholders' equity related to Cubic919,864700,121Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Noncontrolling interest in consolidated VIE23,32524,075Total shareholders' equity943,189724,196					
Total shareholders' equity 943,189 724,196					
Total liabilities and shareholders' equity $\$ 1,733,100$ $\$ 1,304,883$			/24,196		
	Total liabilities and shareholders' equity	\$ 1,733,100	\$ 1,304,883		

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands	5)							
		Three Months Ended			Six Months Ended			
		March 31, 2019 2018		March 2019		h 31	h 31, 2018	
Operating Activities:		2017		2010		2017		2010
Net loss	\$	(10,769)	\$	(2,011)	\$	(21,383)	\$	(11,797)
Net (income) loss from discontinued operations		1,339		(1,335)		1,339		(2,984)
Adjustments to reconcile net loss to net cash provided by								
(used in) operating activities:								
Depreciation and amortization		17,587		11,058		33,598		23,491
Share-based compensation expense		3,638		870		6,358		2,497
Change in fair value of contingent consideration		241		154		670		452
Loss on disposal of assets Deferred income taxes		(5,825)		(1,474) (185)		(5,825)		(1,474) (185)
Changes in operating assets and liabilities, net of effects		(3,823)		(185)		(3,823)		(105)
from acquisitions:		(28,754)		5,417		(98,467)		(9,021)
NET CASH PROVIDED BY (USED IN) CONTINUING		(20,754)		5,717		(70,407)		(),021)
OPERATING ACTIVITIES		(22,543)		12,494		(83,710)		979
NET CASH PROVIDED BY OPERATING ACTIVITIES		(22,313)		12,171		(05,710)		,,,,
FROM DISCONTINUED OPERATIONS		_		21,556				6,133
NET CASH PROVIDED BY (USED IN) OPERATING				,				-,
ACTIVITIES		(22,543)		34,050		(83,710)		7,112
	_							
Investing Activities:								
Acquisition of businesses, net of cash acquired		(148,704)		(4,884)		(395,854)		(9,534)
Purchases of property, plant and equipment		(10,132)		(5,468)		(22,177)		(11,786)
Proceeds from sale of assets		—		2,400				2,400
Purchase of non-marketable debt and equity securities		(150.026)		(579)		(410.021)		(1,250)
NET CASH USED IN INVESTING ACTIVITIES		(158,836)		(8,531)		(418,031)		(20, 170)
Einemaine Activities								
Financing Activities: Proceeds from short-term borrowings		242,500		37,120		614,500		119,120
Principal payments on short-term borrowings		(98,000)		(48,120)		(405,500)		(97,120)
Proceeds from long-term borrowings in consolidated VIE		9,700		(40,120)		15,498		(97,120)
Proceeds from stock issued under employee stock purchase		9,700				15,470		
plan		783		798		783		798
Purchase of common stock				(68)		(3,419)		(2,324)
Dividends paid		(4,205)		(3,676)		(4,205)		(3,676)
Contingent consideration payments related to acquisitions of								
businesses		(385)				(820)		(656)
Proceeds from equity offering, net		—			_	215,832		—
NET CASH PROVIDED BY (USED IN) FINANCING								
ACTIVITIES		150,393		(13,946)		432,669		16,142
		((22))		(1, 200)		1 2 4 0		(520)
Effect of exchange rates on cash		(622)		(1,209)		1,340		(532)
NET INCREASE (DECREASE) IN CASH AND CASH								
EQUIVALENTS		(31,608)		10,364		(67,732)		2,552
EQUIVALENTS		(31,000)		10,504		(07,752)		2,332
Cash and cash equivalents at the beginning of the period		103,484		60,765		139,608		68,577
cush and cush equivalents at the beginning of the period		105,101		00,700		100,000		00,011
CASH AND CASH EQUIVALENTS AT THE END OF THE								
PERIOD	\$	71,876	\$	71,129	\$	71,876	\$	71,129
Supplemental disclosure of non-cash investing and financing								
activities:								
Receivable recognized in connection with the acquisition of								
Trafficware, net	\$		\$	—	\$	1,588	\$	
Receivable recognized in connection with the acquisition of	¢	4.40	¢		¢	4.40	¢	
GRIDSMART, net	\$	442	\$		\$	442	\$	
Receivable recognized in connection with the acquisition of	¢	166	¢		¢	166	\$	
Nuvotronics, net Liability incurred to acquire Nuvotronics, net	\$ \$	166 4,900	\$ \$		\$ \$	166 4,900	\$ \$	
Endomity incurred to acquire indivolutionics, net	φ	4,700	φ		φ	4,200	φ	