

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

	Three Months Ended	
	December 31,	
	2020	2019
Net sales:		
Products	\$ 181,489	\$ 200,604
Services	137,305	128,235
	<u>318,794</u>	<u>328,839</u>
Costs and expenses:		
Products	138,019	166,843
Services	83,430	82,648
Selling, general and administrative expenses	63,660	65,915
Research and development	12,146	8,422
Amortization of purchased intangibles	16,107	10,089
Gain on sale of property, plant and equipment	—	(170)
Restructuring costs	4,135	1,575
	<u>317,497</u>	<u>335,322</u>
Operating income (loss)	1,297	(6,483)
Other income (expenses):		
Interest and dividend income	1,789	2,218
Interest expense	(8,171)	(5,363)
Other income (expense), net	1,296	(127)
Loss from continuing operations before income taxes	(3,789)	(9,755)
Income tax provision	3,489	6,246
Loss from continuing operations	(7,278)	(16,001)
Net loss from discontinued operations	—	(584)
Net loss	(7,278)	(16,585)
Less noncontrolling interest in net income of VIE	5,717	3,990
Net loss attributable to Cubic	<u>\$ (12,995)</u>	<u>\$ (20,575)</u>
Amounts attributable to Cubic:		
Net loss from continuing operations	\$ (12,995)	\$ (19,991)
Net loss from discontinued operations	—	(584)
Net loss attributable to Cubic	<u>\$ (12,995)</u>	<u>\$ (20,575)</u>
Net loss per share:		
Basic		
Continuing operations attributable to Cubic	\$ (0.41)	\$ (0.64)
Discontinued operations	\$ —	\$ (0.02)
Basic earnings per share attributable to Cubic	\$ (0.41)	\$ (0.66)
Diluted		
Continuing operations attributable to Cubic	\$ (0.41)	\$ (0.64)
Discontinued operations	\$ —	\$ (0.02)
Diluted earnings per share attributable to Cubic	\$ (0.41)	\$ (0.66)
Weighted average shares used in per share calculations:		
Basic	31,562	31,273
Diluted	31,562	31,273

CUBIC CORPORATION
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(amounts in thousands)

	December 31,	September 30,
	2020	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 112,451	\$ 128,619
Cash of consolidated VIE	1,337	1,065
Restricted cash	29,610	25,478
Restricted cash of consolidated VIE	3,822	1,822
Accounts receivable:		
Billed	98,116	161,473
Allowance for doubtful accounts	(1,359)	(1,498)
	<u>96,757</u>	<u>159,975</u>
Contract assets	288,256	268,773
Recoverable income taxes	17,707	17,434
Inventories	130,865	127,251
Other current assets	38,389	32,626
Other current assets of consolidated VIE	34	31
Total current assets	<u>719,228</u>	<u>763,074</u>
Long-term contracts financing receivables	65,738	64,642
Long-term contracts financing receivables of consolidated VIE	241,814	221,245
Property, plant and equipment, net	165,576	166,301
Operating lease right-of-use asset	84,646	87,167
Deferred income taxes	5,599	4,790
Goodwill	787,741	784,882
Purchased intangibles, net	194,467	210,361
Other assets	34,789	21,759
Total assets	<u>\$ 2,299,598</u>	<u>\$ 2,324,221</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 207,040	\$ 215,716
Trade accounts payable	106,410	156,953
Trade accounts payable of consolidated VIE	23	49
Contract liabilities	80,429	75,546
Accrued compensation and current liabilities	124,233	126,388
Other current liabilities of consolidated VIE	100	85
Income taxes payable	1,116	799
Current portion of long-term debt	11,250	11,250
Total current liabilities	<u>530,601</u>	<u>586,786</u>
Long-term debt	428,143	430,115
Long-term debt of consolidated VIE	187,688	163,348
Operating lease liability	78,616	80,568
Financing lease liability	10,386	395
Other noncurrent liabilities	67,648	68,939
Other noncurrent liabilities of consolidated VIE	2,638	5,890
Common stock	297,655	295,986
Retained earnings	837,477	850,472
Accumulated other comprehensive loss	(138,296)	(149,603)
Treasury stock at cost - 8,945 shares	(36,078)	(36,078)
Shareholders' equity related to Cubic	<u>960,758</u>	<u>960,777</u>
Noncontrolling interest in VIE	33,120	27,403
Total shareholders' equity	<u>993,878</u>	<u>988,180</u>
Total liabilities and shareholders' equity	<u>\$ 2,299,598</u>	<u>\$ 2,324,221</u>

CUBIC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(amounts in thousands)

	Three Months Ended	
	December 31,	
	2020	2019
Operating Activities:		
Net loss	\$ (7,278)	\$ (16,585)
Net loss from discontinued operations	—	584
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	24,661	16,950
Share-based compensation expense	4,679	4,477
Change in fair value of contingent consideration	(576)	(3,005)
Change in fair value of interest rate swap of consolidated VIE	(3,252)	(4,337)
Deferred income taxes	(1,138)	993
Other items	3,611	4,295
Changes in operating assets and liabilities, net of effects from acquisitions	(42,877)	(50,934)
NET CASH USED IN OPERATING ACTIVITIES FROM CONTINUING OPERATIONS	(22,170)	(47,562)
NET CASH USED IN OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	—	(44)
NET CASH USED IN OPERATING ACTIVITIES	(22,170)	(47,606)
Investing Activities:		
Purchases of property, plant and equipment	(6,664)	(11,833)
Receipt of withheld proceeds from sale of trade receivables	1,842	5,521
NET CASH USED IN INVESTING ACTIVITIES	(4,822)	(6,312)
Financing Activities:		
Proceeds from short-term borrowings	81,858	157,500
Principal payments on short-term borrowings	(90,690)	(126,500)
Principal payments on long-term borrowings	(1,972)	—
Proceeds from long-term borrowings of consolidated VIE	22,534	20,186
Principal payments on finance lease liability	(18)	—
Proceeds from stock issued under employee stock purchase plan	—	1,169
Purchase of common stock	(3,010)	(3,621)
NET CASH PROVIDED BY FINANCING ACTIVITIES	8,702	48,734
Effect of exchange rates on cash	8,526	4,021
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(9,764)	(1,163)
Cash, cash equivalents and restricted cash at the beginning of the period	156,984	95,621
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT THE END OF THE PERIOD	\$ 147,220	\$ 94,458
Supplemental disclosure of non-cash investing and financing activities:		
Withheld proceeds from the sale of trade receivables to be received in fiscal 2021	640	—