



NEWS RELEASE

# Vectrus Announces Fourth Quarter and Full-Year 2020 Results

3/2/2021

- Backlog grew 84% yr/yr to a record high of \$5.1 billion
- Improved long-term visibility with \$882 million five-year OMDAC-SWACA recompetes win
- Added key clients and capabilities through two key acquisitions, accelerating converged infrastructure strategy
- Q4 record high adjusted EBITDA margin(1) of 5.0% driven by ongoing performance initiatives
- Q4 revenue of \$355 million; COVID-19 adversely impacted revenue by \$26 million or 7.1% yr/yr; Q4 diluted EPS of \$1.42; Adjusted diluted EPS(1) of \$1.18
- 2020 revenue of \$1.4 billion, COVID-19 adversely impacted revenue by \$63 million or 4.6% yr/yr; 2020 diluted EPS of \$3.14; Adjusted diluted EPS(1) of \$3.07
- Strong 2020 operating cash flow generation of \$51 million excluding CARES Act tax deferrals

COLORADO SPRINGS, Colo., March 2, 2021 /PRNewswire/ -- Vectrus, Inc. (NYSE:VEC) announced fourth quarter and full-year 2020 financial results.

"Our 2020 results reflect the operating and financial resiliency of our business model, the dedication of our team to our clients' missions, and the advancements we're making to lead in the converged infrastructure market," said Chuck Prow, Chief Executive Officer of Vectrus. "Our team did an outstanding job delivering high operational readiness in support of our clients' critical infrastructures and national security missions across the globe despite the challenging environment."

"We ended 2020 on a high note, achieving several important milestones during the fourth quarter," said Prow. "In December, Vectrus was formally announced as the winner of the Operations, Maintenance and Defense of Army Communications ("OMDAC-SWACA") recompetes. OMDAC-SWACA adds \$882 million in backlog to Vectrus over a

five-year period of performance and will represent 30 years of client support associated with this important mission. We are proud of the Army's continued confidence in Vectrus to provide uninterrupted support, reliability, and protection of the largest, most dynamic network ever deployed in combat. We also reported record backlog and adjusted EBITDA margin<sup>1</sup> of \$5.1 billion and 5.0%, respectively. In addition, we reported strong operating cash flows of \$50.9 million excluding the benefit from the CARES Act, a new company high. Finally, on December 31, 2020, Vectrus acquired two companies, Zenetex and HHB, that accelerate our converged infrastructure strategy and enable us to deliver a more integrated and comprehensive suite of solutions to our clients globally."

"Zenetex brings new capabilities including high-end logistics, integrated security, mission-critical readiness services for vital defense aviation programs, while expanding our engineering and digital integration offerings," said Prow. "Importantly, the acquisition brings unique access to new intelligence and foreign military clients, providing key channels for future growth."

Prow continued, "HHB provides integrated solutions that support physical and digital infrastructures within the intelligence community and enhances our capabilities in computer-aided facility management, engineering, design, and planning. The company also provides asset management, logistics, information technology and cybersecurity solutions."

"I am delighted with the new talent, clients, and capabilities that will enhance the diversification of our business. We look forward to leveraging our combined capabilities to accelerate growth and yield greater opportunities for the business," said Prow.

## Fourth Quarter 2020 Results

Fourth quarter 2020 revenue of \$355.3 million was down year on year by 2.7% mainly due to COVID-19 pandemic-related deferrals of \$25.8 million or 7.1%. Revenue was up \$2.9 million sequentially or 0.8%.

Operating income was \$13.7 million or 3.9% margin in the fourth quarter of 2020. Adjusted operating income<sup>1</sup> was \$15.8 million or 4.4% margin. Fourth quarter operating margin was negatively impacted by 10 basis points due to COVID-19 pandemic-related deferrals.

EBITDA<sup>1</sup> was \$15.8 million or 4.5% margin for the fourth quarter 2020. Adjusted EBITDA<sup>1</sup> was \$17.9 million or a record 5.0% margin for the fourth quarter 2020. Fourth quarter 2020 EBITDA margin was negatively impacted by 10 basis points due to COVID-19 pandemic-related deferrals.

Fully diluted EPS for the fourth quarter of 2020 was \$1.42. Diluted EPS was favorably affected by the recognition of a tax benefit in the period relating to 2018, 2019 and 2020 of \$0.60. Adjusted diluted EPS<sup>1</sup> for the quarter was

\$1.18. Fully diluted EPS and Adjusted diluted EPS<sup>1</sup> were negatively impacted by \$0.10 due to COVID-19 pandemic related deferrals.

## Full-Year 2020 Results

Full-year 2020 revenue was \$1.396 billion up slightly year on year by 1.0%. COVID-19 adversely impacted revenue \$63 million or 4.6% year on year.

Operating income for the year was \$43.5 million or 3.1% margin. Full-year adjusted operating income<sup>1</sup> was \$48.2 million or 3.5% margin. Full-year operating margin was negatively impacted by 20 basis points due to COVID-19 pandemic-related deferrals.

Full-year 2020 EBITDA<sup>1</sup> was \$51.6 million or 3.7% margin. Adjusted EBITDA<sup>1</sup> for the year was \$56.3 million or 4.0%. Full-year EBITDA margin was negatively impacted by 20 basis points due to COVID-19 pandemic-related deferrals.

Full-year diluted EPS was \$3.14. Diluted EPS was favorably affected by the recognition of a tax benefit in the period relating to 2018, 2019 and 2020 of \$0.60. Adjusted diluted EPS<sup>1</sup> for the year was \$3.07 and includes a \$0.22 tax benefit pertaining to 2020. Fully diluted EPS and Adjusted diluted EPS<sup>1</sup> was negatively impacted by \$0.39 due to COVID-19 pandemic-related deferrals.

"We announced a robust end to the year, reporting fourth quarter 2020 adjusted EBITDA margin<sup>1</sup> of 5.0%, the highest level in our company's history. This is a result of our continued focus on automating our core program and support processes, cost efficiencies, supply chain leverage and technology enhancements to modernize our programs and support functions," said Susan Lynch, Senior Vice President and Chief Financial Officer. "Additionally, we reported record operating cash flows. Excluding the impact of the CARES Act, operating cash flow conversion was 140% as compared to adjusted net income<sup>1</sup>. Vectrus continues to generate significant positive cash flows, a testament to the resiliency of our business model."

"During the quarter and in conjunction with our acquisitions, we also negotiated and expanded our credit facility, increasing the amount of funding available under our revolver while improving our covenants. This improved facility is indicative of our strong financial position and the substantial visibility associated with our \$5.1 billion backlog. Our balance sheet remains strong and provides flexibility for the company to pursue organic and inorganic growth opportunities that align with our strategy," said Lynch.

Cash provided by operating activities through December 31, 2020 was \$64.1 million. The company benefitted from the CARES Act tax deferrals by approximately \$13.2 million.

Net debt at December 31, 2020 was \$112.1 million, up from \$35.2 million at December 31, 2019 due to the acquisitions of Zenetex and HHB on December 31, 2020. Total debt at December 31, 2020 was \$179.0 million, up \$108.5 million from \$70.5 million at December 31, 2019. Cash at year-end was \$66.9 million, up \$31.6 million from \$35.3 million at December 31, 2019. Total liquidity on December 31, 2020 was more than \$220 million. Total consolidated indebtedness to consolidated EBITDA<sup>1</sup> (total leverage ratio) was 2.05x.

Total backlog as of December 31, 2020 was \$5.1 billion and funded backlog was \$0.9 billion. The trailing twelve-month book-to-bill was 2.1x as of December 31, 2020.

## Establishing 2021 Guidance

Lynch continued, "In 2021, we will continue to phase in LOGCAP V, integrate our recent acquisitions and continue organic expansion associated with our campaigns and new business pipeline. Additionally, we expect to see the initial benefits from the implementation of our new enterprise IT platform, which is streamlining, modernizing, and automating our core processes. Guidance for 2021 is as follows:

\$ millions, except for EBITDA margins and per share amounts	2021 Guidance	
Revenue	\$1,645	to \$1,715
Adjusted EBITDA Margin <sup>1</sup>	4.6%	to 5.0%
Adjusted Diluted Earnings Per Share <sup>1</sup>	\$3.48	to \$4.08
Net Cash Provided by Operating Activities	\$55.0	to \$65.0

Forward-looking statements are based upon current expectations and are subject to factors that could cause actual results to differ materially from those suggested here, including those factors set forth in the Safe Harbor Statement below.

## Fourth Quarter 2020 Conference Call

Management will conduct a conference call with analysts and investors at 4:30 p.m. ET on Tuesday, March 2, 2021. U.S.-based participants may dial in to the conference call at 877-407-0792, while international participants may dial 201-689-8263. For all other listeners, a live webcast of the conference call will be available on the Vectrus Investor Relations website at <http://investors.vectrus.com> or <https://www.webcaster4.com/Webcast/Page/1431/40096>.

An accompanying slide presentation will also be available on the Vectrus Investor Relations website.

A replay of the conference call will be posted on the Vectrus website shortly after completion of the call and will be available for one year. A telephonic replay will also be available through March 16, 2021, at 844-512-2921 (domestic) or 412-317-6671 (international) with passcode 13716448.

Footnotes:

<sup>1</sup> See "Key Performance Indicators and Non-GAAP Financial Measures" for reconciliation.

## About Vectrus

**Vectrus** is a leading provider of global service solutions with a history in the services market that dates back **more than 70 years**. The company provides **facility and base operations ; supply chain and logistics services ; information technology mission support ; and engineering and digital integration services** primarily to U.S. government customers around the world. Vectrus is differentiated by **operational excellence**, superior program performance, a history of long-term customer relationships and a strong commitment to its clients' mission success. Vectrus is headquartered in Colorado Springs, Colo., and includes about 7,100 employees spanning 148 locations in 26 countries and territories. In 2020, Vectrus generated sales of \$1.4 billion. For more information, visit the company's website at **www.vectrus.com** or connect with Vectrus on **Facebook**, **Twitter**, and **LinkedIn**.

## Safe Harbor Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 (the "Act"): Certain material presented herein includes forward-looking statements intended to qualify for the safe harbor from liability established by the Act. These forward-looking statements include, but are not limited to, all of the statements and items listed in the table in "2021 Guidance" above and other assumptions contained therein for purposes of such guidance, other statements about our 2021 performance outlook, five-year growth plan, revenue, DSO, contract opportunities, the potential impact of COVID-19, and any discussion of future operating or financial performance.

Whenever used, words such as "may," "are considering," "will," "likely," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "could," "potential," "continue," "goal" or similar terminology are forward-looking statements. These statements are based on the beliefs and assumptions of our management based on information currently available to management.

These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our management's control, that could cause actual results to differ materially from the results discussed in

the forward-looking statements. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the risks and other factors detailed from time to time our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the U.S. Securities and Exchange Commission.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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VECTRUS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,

(In thousands, except per share data)	2020	2019	2018
Revenue	\$ 1,395,529	\$ 1,382,525	\$ 1,279,036
Cost of revenue	1,271,375	1,254,560	1,164,609
Selling, general and administrative expenses	80,679	78,316	66,372
Operating income	43,475	49,649	48,055
Interest expense, net	(4,793)	(6,470)	(5,071)
Income from operations before income taxes	38,682	43,179	42,984
Income tax expense	1,731	10,003	7,898
Net income	\$ 36,951	\$ 33,176	\$ 35,086
Earnings per share			

	\$	3.19	\$	2.90	\$	3.13
Basic	\$	3.14	\$	2.86	\$	3.08
Diluted						
Weighted average common shares outstanding - basic		11,599		11,444		11,224
Weighted average common shares outstanding - diluted		11,751		11,612		11,378

VECTRUS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

December 31,

(In thousands, except share information)

	2020	2019
<b>Assets</b>		
Current assets	\$ 66,949	\$ 35,318
Cash and cash equivalents	1,778	—
Restricted cash	314,959	269,144
Receivables	24,702	16,154
Other current assets	408,388	320,616
Total current assets	22,573	18,844
Property, plant, and equipment, net	339,702	261,983
Goodwill	48,105	14,926
Intangible assets, net	18,718	14,654
Right-of-use assets	6,325	5,366
Other non-current assets	435,423	315,773
Total non-current assets	435,423	315,773
<b>Total Assets</b>	\$ 843,811	\$ 636,389
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		

	\$ 159,586	\$ 148,015
Accounts payable	79,568	53,155
Compensation and other employee benefits	8,600	6,500
Short-term debt	40,657	37,409
Other accrued liabilities	<u>288,411</u>	<u>245,079</u>
Total current liabilities	<u>168,751</u>	<u>63,041</u>
Long-term debt, net	39,386	49,407
Deferred tax liability	42,325	19,997
Other non-current liabilities	<u>250,462</u>	<u>132,445</u>
Total non-current liabilities	<u>250,462</u>	<u>132,445</u>
Total liabilities	<u>538,873</u>	<u>377,524</u>
Shareholders' Equity		
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000,000 shares authorized; 11,624,717 and 11,523,691 shares issued and outstanding as of December 31, 2020 and 2019, respectively	116	115
Additional paid in capital	82,823	78,757
Retained earnings	222,026	185,075
Accumulated other comprehensive loss	(27)	(5,082)
Total shareholders' equity	<u>304,938</u>	<u>258,865</u>
Total Liabilities and Shareholders' Equity	<u>\$ 843,811</u>	<u>\$ 636,389</u>

VECTRUS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,

(In thousands)

2020                      2019                      2018

Operating activities			
	\$	36,951	\$ 33,176
Net income			\$ 35,086
Adjustments to reconcile net income to net cash provided by operating activities:			
		4,097	3,379
Depreciation expense			1,798
		4,029	3,111
Amortization of intangible assets			1,999
		(14)	62
(Gain) loss on disposal of property, plant, and equipment			348
		9,445	8,262
Stock-based compensation			4,096
		386	404
Amortization of debt issuance costs			426
Changes in assets and liabilities:			
		1,000	(21,053)
Receivables			(24,646)
		(7,232)	1,537
Other assets			(8,193)
		(2,680)	(11,733)
Accounts payable			29,960
		(10,665)	(7,173)
Deferred taxes			475
		12,004	9,652
Compensation and other employee benefits			178
		16,760	7,933
Other liabilities			(1,471)
		64,081	27,557
Net cash provided by operating activities			40,056
Investing activities			
		(4,500)	(16,151)
Purchases of capital assets			(10,025)
		84	5,400
Proceeds from the disposition of assets			33
		(133,609)	(45,074)
Acquisition of business, net of cash acquired			(36,855)
		(138,025)	(55,825)
Net cash (used in) investing activities			(46,847)
Financing activities			
		(6,500)	(4,500)
Repayments of long-term debt			(4,000)
		314,000	333,500
Proceeds from revolver			207,000
		(199,000)	(333,500)
Repayments of revolver			(207,000)
		59	3,672
Proceeds from exercise of stock options			1,595
		(830)	—
Payment of debt issuance costs			—
		(1,955)	(1,068)
Payments of employee withholding taxes on share-based compensation			(880)
		105,774	(1,896)
Net cash provided by (used in) financing activities			(3,285)
Exchange rate effect on cash			
		1,579	(663)
			(1,232)

Net change in cash, cash equivalents and restricted cash	33,409	(30,827)	(11,308)
Cash, cash equivalents and restricted cash - beginning of year	35,318	66,145	77,453
Cash, cash equivalents and restricted cash - end of year	\$ 68,727	\$ 35,318	\$ 66,145
Supplemental Disclosure of Cash Flow Information:			
Interest paid	\$ 3,717	\$ 6,229	\$ 4,973
Income taxes paid	\$ 14,520	\$ 4,511	\$ 11,588
Purchase of capital assets on account	\$ 2,226	\$ 556	\$ 1,128

## Key Performance Indicators and Non-GAAP Measures

The primary financial performance measures we use to manage our business and monitor results of operations are revenue trends and operating income trends. Management believes that these financial performance measures are the primary drivers for our earnings and net cash from operating activities. Management evaluates its contracts and business performance by focusing on revenue, operating income and operating margin. Operating income represents revenue less both cost of revenue and selling, general and administrative (SG&A) expenses. Cost of revenue consists of labor, subcontracting costs, materials, and an allocation of indirect costs, which includes service center transaction costs. SG&A expenses consist of indirect labor costs (including wages and salaries for executives and administrative personnel), bid and proposal expenses and other general and administrative expenses not allocated to cost of revenue. We define operating margin as operating income divided by revenue.

We manage the nature and amount of costs at the program level, which forms the basis for estimating our total costs and profitability. This is consistent with our approach for managing our business, which begins with management's assessing the bidding opportunity for each contract and then managing contract profitability throughout the performance period.

In addition to the key performance measures discussed above, we consider adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, and organic revenue to be useful to management and investors in evaluating our operating performance, and to provide a tool for evaluating our ongoing operations. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives. We provide this information to our investors in our earnings releases, presentations and other disclosures.

Adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, and organic revenue, however, are not measures of financial performance under GAAP and should not be considered a substitute for operating income, operating margin, net income and diluted earnings per share as determined in accordance with GAAP. Definitions and reconciliations of these items are provided below.

- Adjusted operating income is defined as operating income, adjusted to exclude items that may include, but are not limited to significant charges or credits, and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs that impact current results but are not related to our ongoing operations.
- Adjusted operating margin is defined as adjusted operating income divided by revenue.
- Adjusted net income is defined as net income, adjusted to exclude items that may include, but are not limited to, significant charges or credits, and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs, that impact current results but are not related to our ongoing operations.
- Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted average diluted common shares outstanding.
- EBITDA is defined as operating income, adjusted to exclude depreciation and amortization.
- Adjusted EBITDA is defined as EBITDA, adjusted to exclude items that may include, but are not limited to, significant charges or credits and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs that impact current results but are not related to our ongoing operations.
- EBITDA margin is defined as EBITDA divided by revenue.
- Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.
- Organic revenue is defined as revenue, adjusted to exclude revenue from acquired companies.

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Adjusted Net Income, Adjusted  
Diluted Earnings Per Share  
(Non-GAAP Measures)

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					Three
					Months
					Ended

	Ended December 31, 2020 As Reported	M&A Related Costs	LOGCAP V Pre- Operational Legal Costs	Tax Adjustment Related to Prior Yrs	December 31, 2020 As Reported – Adjusted
(\$ in thousands, except per share data)					
Revenue	\$ 355,317	\$ —	\$ —	\$ —	\$ 355,317
Growth	(2.7) %				(2.7) %
Operating income	13,725	1,960	120	—	15,805
Operating margin	3.9 %				4.4 %
Interest expense, net	(806)	—	—	—	(806)
Income from operations before income taxes	\$ 12,919	\$ 1,960	\$ 120	\$ —	\$ 14,999
Income tax expense/(benefit)	(3,862)	451	28	4,505	1,122
Income tax rate	(29.9) %				7.5 %
Net income	\$ 16,781	\$ 1,509	\$ 92	\$ (4,505)	\$ 13,877
Weighted average common shares outstanding, diluted	11,782				11,782
Diluted earnings per share	\$ 1.42	\$ 0.13	\$ 0.01	\$ (0.38)	\$ 1.18
EBITDA (Non-GAAP Measures)					Three Months Ended
	Three Months Ended		LOGCAP V Pre- Operational Legal Costs	Tax Adjustment Related to Prior Yrs	December 31, 2020 As Reported – Adjusted
(\$ in thousands)					
Operating Income	\$ 13,725	\$ 1,960	\$ 120	\$ —	\$ 15,805

Add:

Depreciation and amortization	2,094	—	—	—	2,094
EBITDA	<u>\$ 15,819</u>	<u>\$ 1,960</u>	<u>\$ 120</u>	<u>\$ —</u>	<u>\$ 17,899</u>
EBITDA Margin	<u>4.5 %</u>				<u>5.0 %</u>

Adjusted Net Income, Adjusted Diluted Earnings Per Share (Non-GAAP Measures)

					Three Months Ended December 31, 2019 As Reported
	Three Months Ended December 31, 2019 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Tax Adjustment Related to Prior Yrs	Three Months Ended December 31, 2019 As Reported – Adjusted
Revenue	<u>\$ 365,157</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 365,156</u>
Operating income	15,649	(11)	390	—	16,028
Operating margin	4.3 %				4.4 %
Interest expense, net	(1,659)	—	—	—	(1,659)
Income from operations before income taxes	<u>\$ 13,990</u>	<u>\$ (11)</u>	<u>\$ 390</u>	<u>\$ —</u>	<u>\$ 14,369</u>
Income tax expense	3,345	(3)	93	—	3,435
Income tax rate	23.9 %				23.9 %
Net income	<u>\$ 10,644</u>	<u>\$ (8)</u>	<u>\$ 297</u>	<u>\$ —</u>	<u>\$ 10,934</u>
Weighted average common shares outstanding, diluted	11,728				11,728
Diluted earnings per share	<u>\$ 0.91</u>	<u>\$ —</u>	<u>\$ 0.03</u>	<u>\$ —</u>	<u>\$ 0.93</u>

EBITDA (Non-GAAP Measures)

	Three Months Ended December 31, 2019 As Reported	M&A Related Costs	LOGCAP V Pre- Operational Legal Costs	Tax Adjustment Related to Prior Yrs	Three Months Ended December 31, 2019 As Reported – Adjusted
(\$ in thousands)					
Operating Income	15,649	(11)	\$ 390	\$ —	\$ 16,028
Add:					
Depreciation and amortization	1,992	—	—	—	1,992
EBITDA	\$ 17,641	\$ (11)	\$ 390	\$ —	\$ 18,020
EBITDA Margin	4.8 %				4.9 %

Adjusted Net Income, Adjusted  
Diluted Earnings Per Share  
(Non-GAAP Measures)

	Year Ended December 31, 2020 As Reported	M&A Related Costs	LOGCAP V Pre- Operational Legal Costs	Tax Adjustment Related to Prior Yrs	Year Ended December 31, 2020 As Reported – Adjusted
(\$ in thousands, except per share data)					
Revenue	\$ 1,395,529	\$ —	\$ —	\$ —	\$ 1,395,529
Operating income	43,475	4,367	345	—	48,187
Operating margin	3.1 %				3.5 %
Interest expense, net	(4,793)	—	—	—	(4,793)
Income from operations before income					

taxes	\$ 38,682	\$ 4,367	\$ 345	\$ —	\$ 43,394
Income tax expense	1,731	1,004	76	4,505	7,316
Income tax rate	4.5 %				16.9 %
Net income	\$ 36,951	\$ 3,363	\$ 269	\$ (4,505)	\$ 36,078
Weighted average common shares outstanding, diluted	11,751				11,751
Diluted earnings per share	\$ 3.14	\$ 0.29	\$ 0.02	\$ (0.38)	\$ 3.07
<b>EBITDA (Non-GAAP Measures)</b>					
					Year Ended
	Year Ended		LOGCAP V	Tax	December
	December	M&A	Pre-	Adjustment	31, 2020 As
	31, 2020 As	Related	Operational	Related to	Reported -
(\$ in thousands)	Reported	Costs	Legal Costs	Prior Yrs	Adjusted
Operating Income	\$ 43,475	\$ 4,367	\$ 345	\$ —	\$ 48,187
Add:					
Depreciation and amortization	8,126	—	—	—	8,126
EBITDA	\$ 51,601	\$ 4,367	\$ 345	\$ —	\$ 56,313
EBITDA Margin	3.7 %				4.0 %
<b>Adjusted Net Income, Adjusted Diluted Earnings Per Share (Non-GAAP Measures)</b>					
					Year Ended
	Year Ended		LOGCAP V	Tax	December
	December	M&A	Pre-	Adjustment	31, 2019 As
	31, 2019 As	Related	Operational	Related to	Reported -
(\$ in thousands, except per share data)	Reported	Costs	Legal Costs	Prior Yrs	Adjusted

Revenue	\$ 1,382,525	\$ —	\$ —	\$ —	\$ 1,382,525
Operating income	49,649	2,121	1,166	—	52,936
Operating margin	3.6 %				3.8 %
Interest expense, net	(6,470)	—	—	—	(6,470)
Income from operations before income taxes	\$ 43,179	\$ 2,121	\$ 1,166	\$ —	\$ 46,466
Income tax expense	10,003	490	269	—	10,762
Income tax rate	23.2 %				23.2 %
Net income	\$ 33,176	\$ 1,631	\$ 897	\$ —	\$ 35,704
Weighted average common shares outstanding, diluted	11,612				11,612
Diluted earnings per share	\$ 2.86	\$ 0.14	\$ 0.08	\$ —	\$ 3.07
<b>EBITDA (Non-GAAP Measures)</b>					
					Year Ended
	Year Ended		LOGCAP V	Tax	December
	December	M&A	Pre-	Adjustment	31, 2019 As
	31, 2019 As	Related	Operational	Related to	Reported -
	Reported	Costs	Legal Costs	Prior Yrs	Adjusted
(\$ in thousands)					
Operating Income	\$ 49,649	\$ 2,121	\$ 1,166	\$ —	\$ 52,936
Add:					
Depreciation and amortization	6,490	—	—	—	6,490
EBITDA	\$ 56,139	\$ 2,121	\$ 1,166	\$ —	\$ 59,426
EBITDA Margin	4.1 %				4.3 %

(In thousands)	Year Ended December 31, 2020 As Reported	Six Months Ended July 3, 2020 Advantor	Year Ended December 31, 2020 As Reported - Organic
Revenue	\$ 1,395,529	\$ 21,473	\$ 1,374,056

  

(\$ In thousands)	Year Ended December 31, 2019 As Reported	Six Months Ended June 28, 2019 Advantor	Year Ended December 31, 2019 As Reported - Organic
Revenue	\$ 1,382,525	\$ —	\$ 1,382,525
Organic Revenue \$			\$ (8,469)
Organic Revenue %			(0.6) %

## SUPPLEMENTAL INFORMATION

Revenue by client branch, contract type, contract relationship, and geographic region for the periods presented below was as follows:

### Revenue by Client

(In thousands)	Year Ended December 31,					
	2020	%	2019	%	2018	%
Army	\$ 965,558	69 %	\$ 958,582	69 %	\$ 934,427	73 %
Air Force	299,272	21 %	306,767	22 %	259,511	20 %
Navy	68,748	5 %	56,236	4 %	38,534	3 %
Other	61,951	5 %	60,940	5 %	46,564	4 %
Total revenue	\$ 1,395,529		\$ 1,382,525		\$ 1,279,036	

### Revenue by Contract Type

(In thousands)	Year Ended December 31,					
	2020	%	2019	%	2018	%
Cost-plus and cost-reimbursable <sup>1</sup>	\$ 991,535	71 %	\$ 1,048,015	76 %	\$ 995,415	78 %
Firm-fixed-price	403,994	29 %	334,510	24 %	283,621	22 %
Total revenue	\$ 1,395,529		\$ 1,382,525		\$ 1,279,036	

<sup>1</sup> Includes time and material contracts

### Revenue by Contract Relationship

(In thousands)	Year Ended December 31,					
	2020	%	2019	%	2018	%
Prime contractor	\$ 1,324,628	95 %	\$ 1,312,928	95 %	\$ 1,200,726	94 %
Subcontractor	70,901	5 %	69,597	5 %	78,310	6 %
Total revenue	\$ 1,395,529		\$ 1,382,525		\$ 1,279,036	

### Revenue by Geographic Region

(In thousands)	Year Ended December 31,					
	2020	%	2019	%	2018	%
Middle East	\$ 906,470	65 %	\$ 939,685	68 %	\$ 889,620	70 %
United States	334,128	24 %	304,925	22 %	269,482	21 %
Europe	154,931	11 %	137,915	10 %	119,934	9 %
Total revenue	\$ 1,395,529		\$ 1,382,525		\$ 1,279,036	

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