



NEWS RELEASE

Vectrus Announces Second Quarter 2020 Results

8/11/2020

- SOLID Q2 REVENUE OF \$336 MILLION +1.3% Y/Y; COVID-19 ADVERSELY IMPACTED REVENUE BY \$22.3 MILLION OR 6.7%

- Q2 DILUTED EPS OF \$0.09; ADJUSTED DILUTED EPS(1) OF \$0.24, EXCLUDING M&A RELATED AND LOGCAP V PRE-OPERATIONAL LEGAL COSTS

- Q2 EARNINGS IMPACTED BY COVID-19 (\$0.14), A CONTRACT ADJUSTMENT (\$0.36) AND ONE-TIME CLOSEOUTS (\$0.18)

- CASH FROM OPERATIONS +52% Y/Y TO \$33 MILLION, INCLUDING \$13 MILLION FAVORABLE IMPACT FROM CARES ACT TAX DEFERRALS

- WON THREE NAVY PROGRAMS
WITH \$554 MILLION AGGREGATE
VALUE, INCLUDING TWO JOINT
VENTURES

- ROBUST BACKLOG OF \$3.8
BILLION, RESULTING IN 1.4X TTM
BOOK-TO-BILL

- REVISED 2020 GUIDANCE
REFLECTS FIRST-HALF RESULTS,
INCREMENTAL COVID-19 IMPACT,
AND DELAYS

Company Release - 8/11/2020 4:05 PM ET

COLORADO SPRINGS, Colo., Aug. 11, 2020 /PRNewswire/ -- Vectrus, Inc. (NYSE: VEC) announced second quarter 2020 financial results for the quarter ended July 3, 2020.

"Second quarter results demonstrated solid top line performance, strong new business awards, and favorable cash flow generation despite the impact of COVID-19. Margin and EPS were adversely impacted by one-time closeouts and a contract adjustment to a European program," said Chuck Prow, president and chief executive officer. "The company is working with the client to resolve this issue prior to the next option period in mid-2021. Our updated guidance reflects the continued impact from COVID-19 on existing programs and the delay of LOGCAP V and other new programs due to host nation and base access restrictions. We expect improved margins to drive EPS growth in the second half of the year."

"During the quarter, we won three new contracts with our Navy client, two of which were in collaboration with a joint venture partner and are in the aggregate valued at \$554 million," said Prow. "Our prospects for growth, supported by our robust backlog and \$10.6 billion pipeline, are unchanged. Our cash flow generation and balance sheet remain strong and we are well positioned for the future. We are maintaining an agile, deliberate posture with respect to COVID-19 with focus on the safety of our clients and team while executing consistently on our programs. I would like to acknowledge the dedication and innovation our entire work force has demonstrated to keep the missions we operate at a high level of readiness throughout the ongoing pandemic for our clients."

Second Quarter 2020 Results

Second quarter 2020 revenue of \$336.1 million increased \$4.5 million or 1.3% compared to second quarter 2019. It is estimated that revenue was adversely impacted by \$22.3 million or 6.7% from the COVID-19 pandemic due to base access restrictions. Revenue was also adversely impacted in the quarter by the previously mentioned contract adjustment and one-time closeouts totaling \$4.2 million or 1.3%.

For the second quarter 2020, operating income was \$2.4 million or 0.7% margin. Excluding M&A related and LOGCAP V pre-operational costs, adjusted operating income¹ was \$4.7 million or 1.4% margin. Adjusted operating income¹ was adversely impacted by the COVID-19 deferral of high-margin revenue due to base access restrictions into future periods of \$2.1 million which had a 30-basis point impact to adjusted operating margin¹. Adjusted operating income¹ was also adversely impacted by the above-mentioned contract adjustment and one-time closeouts of \$8.4 million, which had a 240-basis point impact to adjusted operating margin.

EBITDA¹ was \$4.4 million or 1.3% margin for the second quarter 2020, compared to \$12.6 million or 3.8% margin in the second quarter 2019. Excluding M&A related and LOGCAP V pre-operational legal costs, adjusted EBITDA¹ was \$6.7 million or 2.0% margin for the second quarter 2020, compared to \$13.9 million or 4.2% margin in the second quarter 2019. Adjusted EBITDA¹ was adversely impacted by COVID-19 of \$2.1 million, which had a 30-basis point impact to adjusted EBITDA margin¹. Adjusted EBITDA¹ was also adversely impacted by the above-mentioned adjustments of \$8.4 million, which had a 240-basis point impact.

Second quarter 2020 diluted EPS was \$0.09 compared to \$0.66 in second quarter 2019. Excluding M&A related and LOGCAP V pre-operational costs, adjusted diluted EPS¹ for the second quarter 2020 was \$0.24. Adjusted diluted EPS¹ was adversely impacted due to COVID-19 by \$0.14, and by the above-mentioned adjustments of \$0.54. The tax rate in the second quarter 2020 was a benefit of 2.5% as compared to a tax rate of 22.8% in the second quarter 2019. The company benefited in the quarter from the resolution of a foreign tax matter related to prior periods, which had a positive effect on both diluted EPS and adjusted diluted EPS¹ of \$0.02.

"The combination of one-time closeouts and the adjustment to a European program adversely impacted our second quarter results, and are now behind us," said Susan Lynch, senior vice president and chief financial officer. "We continue to believe our business is resilient and stronger than ever. Vectrus continues to invest in hardening its processes, completing the rollout of its enterprise systems and enhancing our talent to support projected growth. Free cash flow has been strong. Our low leverage ratio and strong cash position provides the Company with \$180 million dollars of liquidity to invest in long-term growth."

Net cash provided by operating activities for the quarter ended July 3, 2020 was \$33.3 million, compared to net cash

provided by operating activities of \$21.8 million in the second quarter of 2019. Cash flow was favorably impacted by approximately \$13 million of CARES Act Federal estimated payments and employee payroll tax deferrals. Days sales outstanding (DSO) was 67 days in the second quarter of 2020.

Net debt at July 3, 2020 was \$4.8 million, down from \$35.2 million at December 31, 2019. Total debt at July 3, 2020 was \$67.5 million, down \$3.0 million from \$70.5 million at December 31, 2019 due to mandatory payments. Cash at quarter-end was \$62.7 million, up from \$35.3 million at December 31, 2019. As of July 3, 2020, the revolver, was undrawn and combined with cash, results in total liquidity of \$180 million. Total consolidated indebtedness to consolidated EBITDA¹ (total leverage ratio) was 1.08x. Net debt to consolidated EBITDA¹ was 0.08x.

Total backlog as of July 3, 2020 was \$3.8 billion and funded backlog was \$0.9 billion. The trailing twelve-month book-to-bill was 1.4x as of July 3, 2020.

Revised 2020 Guidance

Vectrus is revising and narrowing its full-year 2020 guidance ranges for revenue, EBITDA, and diluted EPS to include second quarter results. The outlook for net cash provided by operating activities remains unchanged as a result of the favorable impact of the CARES Act tax deferrals, lower capital expenditure outlook and lower EBITDA projections.

The transition of LOGCAP V and newly won programs have slowed due to COVID-19 as restrictions in both host nation and base access continue to be gating factors to full operational capability. Additionally, protests on new business awards are limiting our ability to conduct transition and phase-in activities.

The COVID-19 pandemic is now estimated to defer 2020 revenue of approximately \$65 million and EBITDA of \$4 million into future periods. While we expect the vast majority of the associated revenue and profit to remain in our backlog, the contribution will be determined by the timing of services performed in future contractual periods. The Company continues to work with its clients to maintain operations and plan a safe return to work in light of the COVID-19 pandemic.

In addition, guidance for capital expenditures has been reduced from \$7.0 million to \$5.0 million, depreciation and amortization has been reduced from \$8.4 million to \$8.1 million. Mandatory debt payments of \$6.5 million, interest expense of \$5.6 million, tax rate of 23%, and weighted average diluted shares outstanding of 11.8 million at December 31, 2020 remain unchanged.

\$ millions, except for EBITDA margins and per share amounts	Revised 2020 Guidance		Prior 2020 Guidance	
Revenue	\$1,385	to	\$1,405	\$1,475 to \$1,525
EBITDA Margin	3.8%	to	3.9%	4.6% to 4.8%
Adjusted EBITDA Margin*	4.0%	to	4.1%	4.6% to 4.8%
Diluted Earnings Per Share	\$2.53	to	\$2.67	\$3.48 to \$3.81
Adjusted Diluted Earnings Per Share*	\$2.68	to	\$2.82	\$3.48 to \$3.81
Net Cash Provided by Operating Activities	\$45.0	to	\$55.0	\$45.0 to \$55.0

* Adjusted EBITDA margin¹ and Adjusted Diluted Earnings Per Share¹, excludes any M&A related costs and LOGCAP V pre-operational legal costs.

The Company notes that 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.

Second Quarter 2020 Conference Call

Management will conduct a conference call with analysts and investors at 4:30 p.m. ET on Tuesday, August 11, 2020. 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>. 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 August 25, 2020, at 844-512-2921 (domestic) or 412-317-6671 (international) with passcode 13707461.

Footnotes:

¹ 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 technology 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 7,200 employees spanning 148 locations in 26 countries and territories across four continents. In 2019, Vectrus generated sales of \$1.4 billion. To learn about career opportunities at Vectrus, visit www.vectrus.com/careers. 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 "Revised 2020 Guidance" above and other assumptions contained therein for purposes of such guidance, other statements about our 2020 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 (UNAUDITED)

	Three Months Ended		Six Months Ended	
	July 3,	June 28,	July 3,	June 28,
(In thousands, except per share data)	2020	2019	2020	2019
Revenue	\$ 336,063	\$ 331,589	\$ 687,797	\$ 657,495
Cost of revenue	311,817	300,553	631,510	596,149
Selling, general, and administrative expenses	21,816	19,843	41,374	39,762
Operating income	2,430	11,193	14,913	21,584
Interest expense, net	(1,346)	(1,329)	(3,048)	(2,904)
Income from operations before income taxes	1,084	9,864	11,865	18,680
Income tax expense	(27)	2,247	2,086	3,989
Net income	\$ 1,111	\$ 7,617	\$ 9,779	\$ 14,691
Earnings per share				
Basic	\$0.10	\$0.66	\$0.84	\$1.29
Diluted	\$0.09	\$0.66	\$0.83	\$1.28
Weighted average common shares outstanding - basic	11,607	11,455	11,575	11,376

Weighted average common shares outstanding - diluted	11,745	11,605	11,742	11,512
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VECTRUS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	July 3,	December 31,
(In thousands, except share information)	2020	2019
Assets	(unaudited)	
Current assets		
Cash	\$ 62,719	\$ 35,318
Receivables	260,295	269,144
Other current assets	21,980	16,154
Total current assets	344,994	320,616
Property, plant, and equipment, net	19,107	18,844
Goodwill	262,130	261,983
Intangible assets, net	12,905	14,926
Right-of-use assets	11,259	14,654
Other non-current assets	7,386	5,366
Total non-current assets	312,787	315,773
Total Assets	\$ 657,781	\$ 636,389
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 142,138	\$ 148,015
Compensation and other employee benefits	60,417	53,155
Short-term debt	7,500	6,500
Other accrued liabilities	45,655	37,409

Total current liabilities	255,710	245,079
Long-term debt, net	59,234	63,041
Deferred tax liability	46,473	49,407
Other non-current liabilities	26,929	19,997
Total non-current liabilities	132,636	132,445
Total liabilities	388,346	377,524
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; 11,619,544 and 11,523,691 shares issued and outstanding as of July 3, 2020 and December 31, 2019, respectively	116	115
Additional paid in capital	79,944	78,757
Retained earnings	194,854	185,075
Accumulated other comprehensive loss	(5,479)	(5,082)
Total shareholders' equity	269,435	258,865
Total Liabilities and Shareholders' Equity	\$ 657,781	\$ 636,389

VECTRUS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended	
	July 3, 2020	June 28, 2019
(In thousands)		
Operating activities		
Net income	\$ 9,779	\$ 14,691
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	1,971	1,538

Amortization of intangible assets	2,028	1,277
Loss on disposal of property, plant, and equipment	—	2
Stock-based compensation	5,411	4,031
Amortization of debt issuance costs	193	201
Changes in assets and liabilities:		
Receivables	9,429	(224)
Other assets	(7,938)	(7,128)
Accounts payable	(6,021)	2,038
Deferred taxes	(2,735)	(2,579)
Compensation and other employee benefits	7,037	3,324
Other liabilities	15,252	(1,721)
Net cash provided by operating activities	34,406	15,450
Investing activities		
Purchases of capital assets and intangibles	(2,246)	(11,739)
Net cash (used in) investing activities	(2,246)	(11,739)
Financing activities		
Repayments of long-term debt	(3,000)	(2,000)
Proceeds from revolver	144,000	98,000
Repayments of revolver	(144,000)	(98,000)
Proceeds from exercise of stock options	59	3,467
Payments of employee withholding taxes on share-based compensation	(1,873)	(768)
Net cash (used in) provided by financing activities	(4,814)	699
Exchange rate effect on cash	55	(226)
Net change in cash	27,401	4,184
Cash-beginning of year	35,318	66,145
Cash-end of period	\$ 62,719	\$ 70,329
Supplemental disclosure of cash flow information:		
Interest paid	\$ 2,527	\$ 2,818
Income taxes paid	\$ 70	\$ 4,198

Non-cash investing activities:

Purchase of capital assets on account	\$ 447	\$ 301
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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.

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

(\$ in thousands, except per share data)

	Three Months Ended July 3, 2020 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended July 3, 2020 As Reported - Adjusted
Revenue	\$ 336,063	\$ —	\$ —	\$ 336,063
Growth	1.3	%		1.3
Growth, organic	(1.8)	%		(1.8)
Operating income	2,430	2,193	46	4,669
Operating margin	0.7	%		1.4
Interest expense, net	(1,346)	—	—	(1,346)

Income from operations before income taxes	\$ 1,084	\$ 2,193	\$ 46	\$ 3,323
Income tax expense	(27)	504	11	488
Income tax rate	(2.5)	% 23.0	% 23.0	% 14.7
Net income	\$ 1,111	\$ 1,689	\$ 35	\$ 2,835
Weighted average common shares outstanding, diluted	11,745			11,745
Diluted earnings per share	\$ 0.09	\$ 0.14	\$ —	\$ 0.24
EBITDA (Non-GAAP Measures)				
(\$ in thousands)	Three Months Ended July 3, 2020 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended July 3, 2020 As Reported - Adjusted
Operating Income	\$ 2,430	\$ 2,193	\$ 46	\$ 4,669
Add:				
Depreciation and amortization	1,988	—	—	1,988
EBITDA	\$ 4,418	\$ 2,193	\$ 46	\$ 6,657
EBITDA Margin	1.3	%		2.0
Adjusted Net Income, Adjusted Diluted Earnings Per Share (Non-GAAP Measures)				
(\$ in thousands, except per share data)	Three Months Ended June 28, 2019 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended June 28, 2019 As Reported - Adjusted
Revenue	\$ 331,589	\$ —	\$ —	\$ 331,589
Operating income	11,193	667	579	12,439
Operating margin	3.4	%		3.8
Interest expense, net	(1,329)	—	—	(1,329)
Income from operations before income taxes	\$ 9,864	\$ 667	\$ 579	\$ 11,110
Income tax expense	2,247	152	132	2,531

Income tax rate	22.8	%		22.8	%	
Net income	\$ 7,617		\$ 515	\$ 447	\$ 8,579	
Weighted average common shares outstanding, diluted	11,605				11,605	
Diluted earnings per share	\$ 0.66				\$ 0.74	
EBITDA (Non-GAAP Measures)						
(\$ in thousands)			Three Months Ended June 28, 2019 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended June 28, 2019 As Reported - Adjusted
Operating Income	11,193		667	\$ 579	\$ 12,439	
Add:						
Depreciation and amortization	1,456		—	—	1,456	
EBITDA	\$ 12,649		\$ 667	\$ 579	\$ 13,895	
EBITDA Margin	3.8	%			4.2	%

(In thousands)	Three Months Ended July 3, 2020 As Reported	Three Months Ended July 3, 2020 Advantor	Three Months Ended July 3, 2020 As Reported - Organic	
Revenue	\$ 336,063	\$ 10,287	\$ 325,776	
(\$ In thousands)	Three Months Ended June 28, 2019 As Reported	Three Months Ended June 28, 2019 Advantor	Three Months Ended June 28, 2019 As Reported - Organic	
Revenue	\$ 331,589	\$ —	\$ 331,589	
Organic Revenue \$			\$ (5,813)	
Organic Revenue %			(1.8)	%

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)	Three Months Ended				Six Months Ended			
	July 3, 2020	% of Total	June 28, 2019	% of Total	July 3, 2020	% of Total	June 28, 2019	% of Total
Army	\$227,351	68 %	\$ 225,867	68 %	\$474,906	69 %	\$ 452,559	69 %
Air Force	78,321	23 %	72,593	22 %	151,663	22 %	140,524	21 %
Navy	14,542	4 %	16,796	5 %	29,779	4 %	31,884	5 %
Other	15,849	5 %	16,333	5 %	31,449	5 %	32,528	5 %
Total revenue	\$336,063		\$ 331,589		\$687,797		\$ 657,495	

Revenue by Contract Type

(\$ In thousands)	Three Months Ended				Six Months Ended			
	July 3, 2020	% of Total	June 28, 2019	% of Total	July 3, 2020	% of Total	June 28, 2019	% of Total
Cost-plus and cost-reimbursable ¹	\$242,740	72 %	\$ 256,737	77 %	\$499,059	73 %	\$ 508,193	77 %
Firm-fixed-price	93,323	28 %	74,852	23 %	188,738	27 %	149,302	23 %
Total revenue	\$336,063		\$ 331,589		\$687,797		\$ 657,495	

¹ Includes time and material contracts

Revenue by Contract Relationship

(\$ In thousands)	Three Months Ended				Six Months Ended			
	July 3, 2020	% of Total	June 28, 2019	% of Total	July 3, 2020	% of Total	June 28, 2019	% of Total
Prime contractor	\$314,345	94 %	\$ 312,732	94 %	\$647,738	94 %	\$ 619,790	94 %
Subcontractor	21,718	6 %	18,857	6 %	40,059	6 %	37,705	6 %
Total revenue	\$336,063		\$ 331,589		\$687,797		\$ 657,495	

Revenue by Geographic Region

(\$ In thousands)	Three Months Ended				Six Months Ended			
	July 3, 2020	% of Total	June 28, 2019	% of Total	July 3, 2020	% of Total	June 28, 2019	% of Total
Middle East	\$216,763	65 %	\$ 223,588	67 %	\$454,700	66 %	\$ 450,004	68 %
United States	83,770	25 %	72,376	22 %	165,239	24 %	143,764	22 %
Europe	35,530	10 %	35,625	11 %	67,858	10 %	63,727	10 %
Total revenue	\$336,063		\$ 331,589		\$687,797		\$ 657,495	

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