

# GUIDANCE TO GROWTH

Q4/YEAR-END FY2016  
EARNINGS CALL

SEPTEMBER 21, 2016

analogic 

# Safe Harbor

Any statements about future expectations, plans, and prospects for the Company, including statements containing the words “believes,” “anticipates,” “plans,” “expects,” and similar expressions, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks relating to product development and commercialization, limited demand for the Company’s products, risks associated with competition, uncertainties associated with regulatory agency approvals, competitive pricing pressures, downturns in the economy, the risk of potential intellectual property litigation, acquisition related risks, and other factors discussed in our most recent quarterly or annual report filed with the Securities and Exchange Commission. In addition, the forward-looking statements included in this presentation represent the Company’s views as of the date of this document. While the Company anticipates that subsequent events and developments will cause the Company’s views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the Company’s views as of any later date.

# Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures that are not in accordance with, nor an alternative to, generally accepted accounting principles and may be different from such non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Management uses non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP diluted earnings per share to evaluate the Company's operating performance against past periods and to budget and allocate resources in future periods. These non-GAAP measures also assist management in understanding and evaluating the underlying baseline operating results and trends in the Company's business.

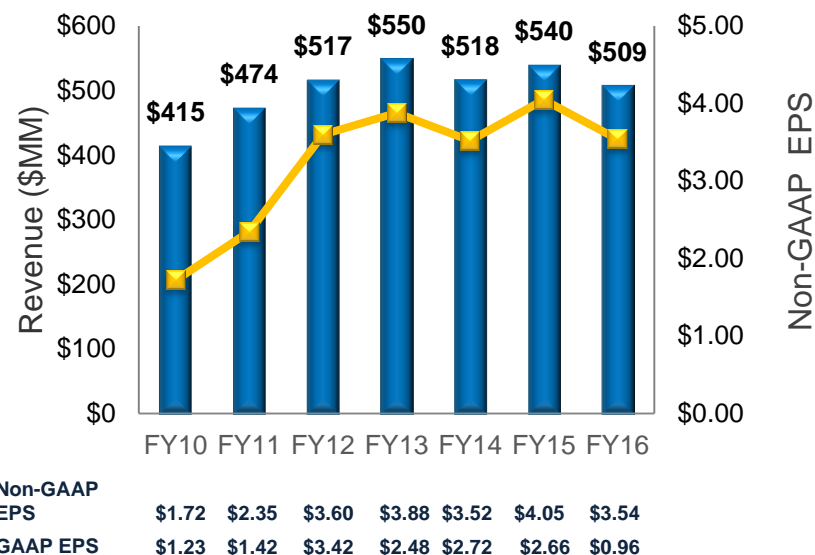
With respect to forwarding looking measures, we provide an outlook for our non-GAAP operating margins and earnings. We do not provide operating margin or earnings outlook on a GAAP basis. Many of the items that we exclude from our Non-GAAP operating margin and earnings calculations, such as amortization of intangibles, acquisition related costs, restructuring expenses, and one-time tax adjustments, are less capable of being controlled or reliably predicted by management. These items could cause our GAAP operating margins and earnings to vary materially from the corresponding Non-GAAP figures presented in our outlook statements.

Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. They are limited in value because they exclude charges that have a material effect on our reported results and, therefore, should not be relied upon as the sole financial measures to evaluate our financial results. The non-GAAP financial measures are meant to supplement, and to be viewed in conjunction with, GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures can be found in the appendix to this presentation and our Fourth Quarter FY2016 press release issued September 21, 2016 available at our website <http://investor.analogic.com>.

# FY16 Financial Highlights

- Revenue \$509M, down 6% on declines in Security and legacy OEM probes
- Non-GAAP\* Gross Margin 46%, up 2.3 pts
  - GAAP Gross Margin 45%, up 2.3 pts
- Non-GAAP\* Operating Margin 12.5%, up 90 bps
  - GAAP Operating Margin 5%, down 2.6 pts
- Non-GAAP\* EPS \$3.54 down \$0.51
  - \$0.37 impacted by higher tax rate
- GAAP EPS \$0.96 down \$1.70
  - \$0.83 related to the BK Matter
  - \$0.51 of restructuring
  - \$0.35 impacted by higher tax rate

Revenue and Non-GAAP EPS\*



\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2016 earnings release available at <http://investor.analogic.com>.

# FY16 Segment Highlights

## Medical Imaging, revenue down 1% full year

- Continued growth of private label Highly Ruggedized CT in China
- Mammography growth offsetting MRI softness

## Ultrasound direct up 9%, overall revenue down 2% in the year impacted by expected lower legacy OEM probes

- North America urology/surgery had solid growth in the year
- Strong growth continues in China/Asia
- Commercial sales of bk3500 and Sonic Window, along with Oncura/Telemedicine drove growth in POC
- Initial intro with our general imaging technology partner had early start up challenges

## Security and Detection, revenue down 31% full year

- High speed automatic explosives detection system tender delays in Europe
- Medium speed shipments at lower run rate in the year



Highly Ruggedized CT

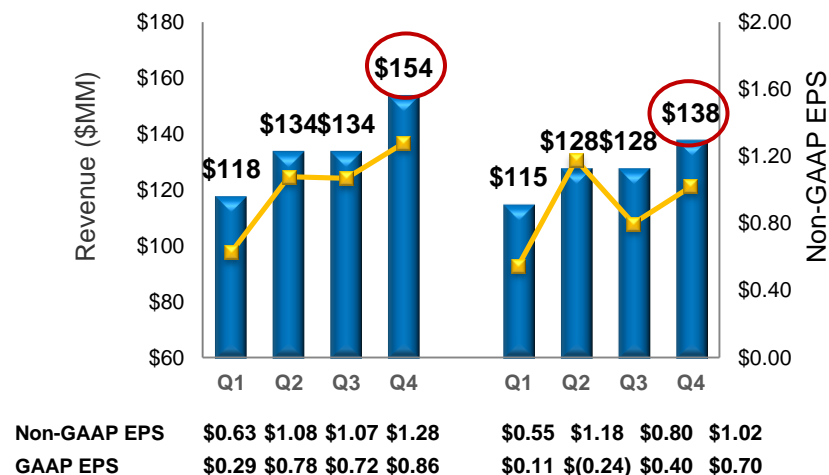


bk3500 for Point of Care

# Q4'16 Financial Highlights

- Revenue \$138M, down 11% on declines in Security and legacy OEM probes
- Non-GAAP\* Gross Margin 47%, up 4.5 pts.
  - GAAP Gross Margin 46%, up 4.5 pts.
- Non-GAAP\* Operating Margin 14.3%, up 40 bps
  - GAAP Operating Margin 10%, flat
- Non-GAAP\* EPS \$1.02, down \$0.26
  - \$0.11 impacted by higher tax rate
- GAAP EPS \$0.70, down \$0.16
  - \$0.07 of restructuring
  - \$0.07 impacted by higher tax rate

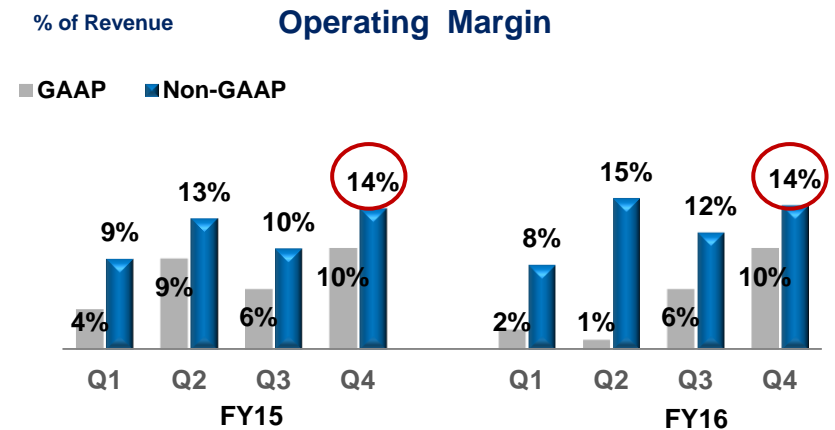
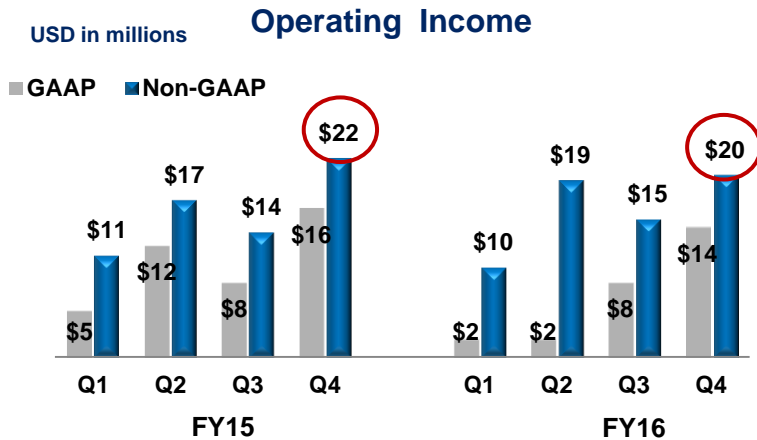
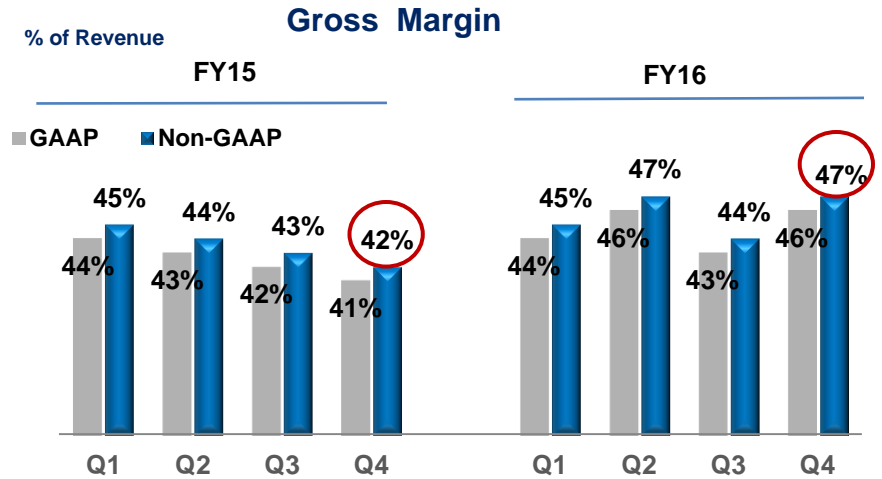
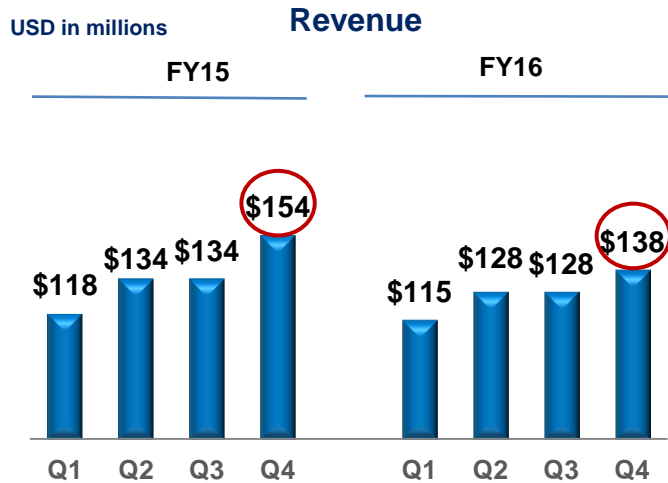
Revenue and Non-GAAP EPS\*



\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2016 earnings release available at <http://investor.analogic.com>.



# Quarterly Performance



\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2016 earnings release available at <http://investor.analogic.com>.

# Q4'16 Financial Results

	GAAP		Non-GAAP	
	Three months ended July 31		Three months ended July 31	
	Q4 FY16	Q4 FY15	Q4 FY16	Q4 FY15
Products	\$ 136.3	\$ 152.5	\$ 136.4	\$ 152.5
Engineering	1.7	2.0	1.7	2.0
<b>Total Revenue</b>	<b>\$ 138.1</b>	<b>\$ 154.5</b>	<b>\$ 138.1</b>	<b>\$ 154.5</b>
Products	63.1	63.8	64.1	64.8
Engineering	0.3	0.3	0.4	0.3
<b>Gross Profit</b>	<b>63.4</b>	<b>64.0</b>	<b>64.4</b>	<b>65.2</b>
<b>Gross Margin</b>	<b>45.9%</b>	<b>41.5%</b>	<b>46.6%</b>	<b>42.2%</b>
Research & Development	16.9	17.5	16.3	16.8
Selling & Marketing	19.0	16.2	17.0	14.5
General & Administrative	12.1	14.7	11.4	12.4
Restructuring	1.4	(0.0)	0.0	0.0
<b>Operating Expenses</b>	<b>49.3</b>	<b>48.3</b>	<b>44.7</b>	<b>43.7</b>
<b>Op Ex % of Revenue</b>	<b>35.7%</b>	<b>31.3%</b>	<b>32.4%</b>	<b>28.3%</b>
<b>Operating Income</b>	<b>14.1</b>	<b>15.7</b>	<b>19.7</b>	<b>21.5</b>
<b>Operating Margin</b>	<b>10.2%</b>	<b>10.2%</b>	<b>14.3%</b>	<b>13.9%</b>
Other Income (Expense)	0.0	0.3	0.0	0.9
<b>Income Before Taxes</b>	<b>14.1</b>	<b>16.0</b>	<b>19.7</b>	<b>22.4</b>
Income Tax Provision (Benefit)	5.3	5.1	7.0	6.3
<b>Effective tax rate</b>	<b>37.8%</b>	<b>32.0%</b>	<b>35.3%</b>	<b>28.2%</b>
<b>Net Income</b>	<b>\$ 8.8</b>	<b>\$ 10.9</b>	<b>\$ 12.8</b>	<b>\$ 16.1</b>
<b>Diluted EPS</b>	<b>\$ 0.70</b>	<b>\$ 0.86</b>	<b>\$ 1.02</b>	<b>\$ 1.28</b>

GAAP Operating Expenses increased \$1.0M driven mainly by \$1.4M in restructuring cost

Non-GAAP Operating Expense up \$1.0M ; incremental Oncura spending offset by lower incentive compensation and lower R&D headcount related expenses

GAAP Other Income decreased due to favorable fx impact offset by charge related to BK matter in prior year

Non-GAAP Other Income decreased due to prior year favorable fx impact

Income tax rate is up due to unfavorable geographic earnings mix

\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2016 earnings release available at <http://investor.analogic.com>.

(Amounts and percentages may not foot due to rounding to millions)

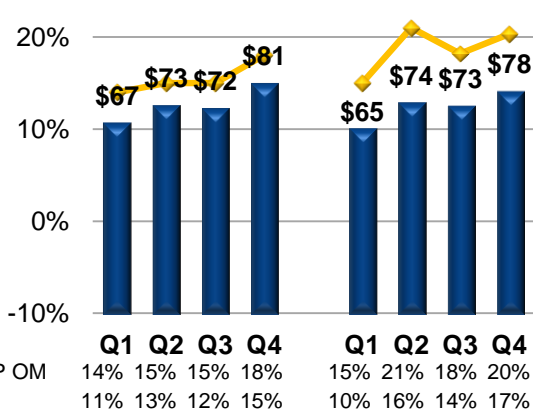


# Operating Performance by Segment

Revenue \$M and Non-GAAP\* Operating Margin Trend

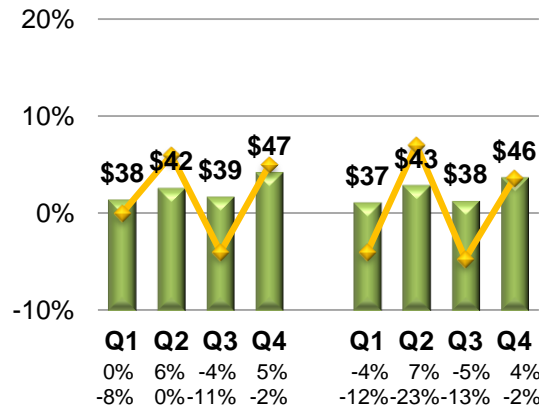
## Medical Imaging

FY15 FY16



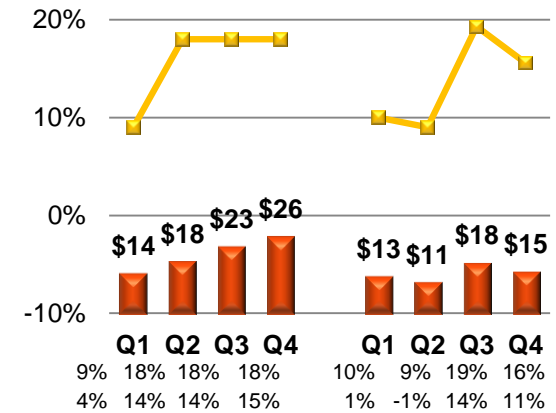
## Ultrasound

FY15 FY16



## Security & Detection

FY15 FY16



— Non-GAAP Operating Margin\*

- **Medical Imaging** down 4%, favorability in CT offset by MRI; non-GAAP operating margin up 3 pts. due to customer mix and improved cost controls
- **Ultrasound** direct revenue up 10%, overall down 4% impacted by expected legacy OEM probes; non-GAAP operating margin down 1.6pts. (up 30 bps excluding Oncura/Telemedicine)
- **Security & Detection** revenue decreased 45% due to lower volume across all product lines; non-GAAP operating margin down 2.6pts.

\* Non-GAAP operating margin/income figures exclude certain charges; please refer to the non-GAAP reconciliation table in the back of this presentation and in Analogic's Q4 FY 2016 earnings release available at <http://investor.analogic.com>.

# Twelve months FY 2016 Financial Results

	GAAP		Non-GAAP	
	Twelve months ended July 31		Twelve months ended July 31	
	FY16	FY15	FY16	FY15
Products	\$ 502.8	\$ 531.2	\$ 503.2	\$ 531.3
Engineering	6.1	9.1	\$ 6.1	\$ 9.1
<b>Total Revenue</b>	<b>\$ 508.8</b>	<b>\$ 540.3</b>	<b>\$ 509.3</b>	<b>\$ 540.5</b>
Products	227.1	228.2	231.3	232.4
Engineering	0.9	1.3	1.0	1.5
<b>Gross Profit</b>	<b>228.1</b>	<b>229.5</b>	<b>232.3</b>	<b>233.9</b>
<b>Gross Margin</b>	<b>44.8%</b>	<b>42.5%</b>	<b>45.6%</b>	<b>43.3%</b>
Research & Development	67.1	68.5	64.9	65.8
Selling & Marketing	65.3	63.5	58.3	56.5
General & Administrative	60.8	57.3	45.6	48.9
Restructuring	9.6	(0.4)	0.0	-
<b>Operating Expenses</b>	<b>202.9</b>	<b>188.9</b>	<b>168.8</b>	<b>171.2</b>
<b>Op Ex % of Revenue</b>	<b>39.9%</b>	<b>35.0%</b>	<b>33.1%</b>	<b>31.7%</b>
<b>Operating Income</b>	<b>25.2</b>	<b>40.6</b>	<b>63.5</b>	<b>62.7</b>
<b>Operating Margin</b>	<b>5.0%</b>	<b>7.5%</b>	<b>12.5%</b>	<b>11.6%</b>
Other Income (Expense)	(4.9)	0.4	(1.7)	1.0
<b>Income Before Taxes</b>	<b>20.3</b>	<b>41.0</b>	<b>61.8</b>	<b>63.8</b>
Income Tax Provision (Benefit)	8.2	7.6	17.1	12.7
<b>Effective tax rate</b>	<b>40.3%</b>	<b>18.4%</b>	<b>27.6%</b>	<b>20.0%</b>
<b>Net Income</b>	<b>\$ 12.1</b>	<b>\$ 33.5</b>	<b>\$ 44.7</b>	<b>\$ 51.0</b>
<b>Diluted EPS</b>	<b>\$ 0.96</b>	<b>\$ 2.66</b>	<b>\$ 3.54</b>	<b>\$ 4.05</b>

GAAP Operating Expense increased \$14M due to \$8.9M for the BK Distributor matter and \$10M for restructuring offset by lower incentive compensation and reduction in R&D headcount related expenses

Non-GAAP Operating Expense down \$2.4M, driven by reductions in incentive compensation and R&D headcount related expenses offset by incremental spending from Oncura/Telemedicine

GAAP Other Expense increased due to the BK Distributor matter and unfavorable currency effects on non-cash charges related to balance sheet items

Non-GAAP Other Expense increased due to unfavorable currency effects on non-cash charges related to balance sheet items

GAAP Income Tax rate is up due to geographic mix of earnings and discrete tax benefits in FY15 as well as tax impact of BK matter

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# Working Capital and Cash Flow

## \$15M Payment for BK Matter in Q4

(Unaudited - in millions)

	Q4 FY16	Q3 FY16	Q2 FY16	Q1 FY16	Q4 FY15
<b>Cash and Investments</b>	\$ 118.7	128.1	120.1	130.5	\$ 123.8
Accounts receivable	112.4	95.3	95.2	93.8	119.3
Inventories	145.5	153.5	149.7	144.6	132.7
Other Working Capital, Net	(66.3)	(69.9)	(63.8)	(50.9)	(59.0)
<b>Non-Cash Working Capital</b>	<b>191.6</b>	<b>178.8</b>	<b>181.1</b>	<b>187.6</b>	<b>193.0</b>
<b>Net Working Capital</b>	<b>\$ 310.3</b>	<b>307.0</b>	<b>301.2</b>	<b>318.1</b>	<b>\$ 316.8</b>

### Cash Flow

(Unaudited - in millions)

	Q4 FY16	Q3 FY16	Q2 FY16	Q1 FY16	Q4 FY15
Operating Cash Flow from operations	\$ (1.9)	\$ 16.0	\$ 5.2	\$ 13.7	\$ 12.6
Capital Spending	3.5	5.1	1.7	2.8	2.8
<b>Free cash flow*</b>	<b>(5.4)</b>	<b>10.9</b>	<b>3.5</b>	<b>10.9</b>	<b>9.8</b>
Stock repurchased and dividends paid	3.2	5.8	4.9	4.9	4.9
<b>Cash flow after stock repurchase and dividends</b>	<b>\$ (8.5)</b>	<b>\$ 5.1</b>	<b>\$ (1.4)</b>	<b>\$ 6.0</b>	<b>\$ 5.0</b>

- **Accounts receivable** up sequentially due to timing and volume of year end shipments
- **Inventory** down sequentially due to higher volume of year end shipments and up year on year to support transfers to China
- **Operating cash flow** of \$33M in FY16, **Free cash** flow of \$20M in FY16; Reflects \$15M BK Matter Payment
- **Capital Expenditures** of \$13M in FY16 as compared to \$10M in FY15

(Amounts may not foot due to rounding to millions)

# FY 2017 Outlook

*Ultrasound Accelerating, Security Returns to Strong Growth, Medical Imaging Stable*

## **Ultrasound: Mid teens revenue growth with improving operating margins to the mid-single digits**

- Direct Ultrasound strong double digit growth driven by surgery and new products in point of care
- Legacy OEM probes steady at ~\$12 million annually, YoY comparison annualizes in 2H
- General imaging technology partner production ramp delays, picking back up in 2H

## **Medical Imaging: Roughly flat revenues with continued high teens operating margins**

- Highly Ruggedized CT system growth in China driven by the launch of our premium version later this year
- Core imaging subsystems continue to drive profitability

## **Security and Detection: Return to double digit revenue growth with mid-teens operating margin**

- Solid growth outlook with strong backlog from International high speed tenders
- Improving revenue run rate for US TSA medium speed market
- Checkpoint CT, with new ConneCT, and Rapid DNA are potential upsides

For FY17 we expect mid-single digit revenue growth throughout the year with continued non-GAAP operating margin expansion targeting approximately 1 point resulting in non-GAAP diluted EPS growth of 10% -14%.

# Long Term 3-Year Outlook

*Accelerating Ultrasound Growth with Strong Security, along with Stable Medical Imaging*

- **Continued upper single digit revenue growth**
  - Direct ultrasound expects strong double digit trajectory and accelerating margins
  - Medical imaging continues improvement to low single digit growth on continued expansion in emerging markets and Ruggedized CT systems
  - Security checked baggage solid growth with significant opportunities in checkpoint CT and further upside in Rapid DNA
- **Continued non-GAAP operating margin expansion into the mid-teens**
- **Double digit non-GAAP EPS growth**

# Appendix

# Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	Three Months Ended		Twelve Months Ended	
	July 31, 2016	July 31, 2015	July 31, 2016	July 31, 2015
<b>GAAP Income From Operations</b>	\$ 14,090	\$ 15,703	\$ 25,213	\$ 40,599
Share-based compensation expense	1,720	2,530	8,797	10,939
Acquisition-related revenues and expenses	2,360	2,330	9,376	9,164
BK Medical distributor matter inquiry related costs	195	974	10,468	2,377
Restructuring	1,372	(37)	9,641	(354)
<b>Non-GAAP Income From Operations</b>	<u>\$ 19,737</u>	<u>\$ 21,500</u>	<u>\$ 63,494</u>	<u>\$ 62,725</u>
Percentage of Total Net Revenue	14.3%	13.9%	12%	11.6%
<b>GAAP Other Income (Expense), net</b>	\$ 3	\$ 285	\$ (4,897)	\$ 434
BK Medical distributor matter inquiry related costs	-	599	3,211	599
<b>Non-GAAP Other Income (Expense), net</b>	<u>\$ 3</u>	<u>\$ 884</u>	<u>\$ (1,686)</u>	<u>\$ 1,033</u>
Percentage of Total Net Revenue	0.0%	0.6%	-0.3%	0.2%
<b>GAAP Net Income</b>	\$ 8,767	\$ 10,873	\$ 12,127	\$ 33,481
Share-based compensation expense	1,121	1,790	6,029	7,687
Acquisition related revenues, expenses and loss	1,898	1,976	7,567	7,741
BK Medical distributor matter inquiry related costs	133	1,457	12,820	2,350
Restructuring	858	(24)	6,185	(224)
<b>Non-GAAP Net Income</b>	<u>\$ 12,776</u>	<u>\$ 16,072</u>	<u>\$ 44,728</u>	<u>\$ 51,035</u>
Percentage of Total Net Revenue	9.3%	10.4%	8.8%	9.4%
<b>GAAP Diluted Net Income Per Share</b>	\$ 0.70	\$ 0.86	\$ 0.96	\$ 2.66
Effect of non-GAAP adjustments	0.32	0.41	2.58	1.39
<b>Non-GAAP Diluted Net Income Per Share</b>	<u>\$ 1.02</u>	<u>\$ 1.28</u>	<u>\$ 3.54</u>	<u>\$ 4.05</u>

(Amounts may not foot due to rounding to millions)



# Non-GAAP Statement of Operations Reconciliation

(In thousands, except per share data)

	31-Oct-14	31-Jan-15	30-Apr-15	31-Jul-15	31-Oct-15	31-Jan-06	30-Apr-16	31-Jul-16
<b>GAAP Income From Operations</b>	\$ 4,957	\$ 12,301	\$ 7,637	\$ 15,703	\$ 1,988	\$ 1,509	\$ 7,626	\$ 14,090
Share-based compensation expense	2,592	2,424	3,393	2,530	2,382	1,760	2,934	1,720
BK Medical distributor matter inquiry related costs	770	376	258	974	26	10,208	39	195
Restructuring	(58)	(152)	(107)	(37)	3,283	3,147	1,839	1,372
Acquisition-related revenues and expenses	2,290	2,257	2,287	2,330	2,061	2,492	2,462	2,360
<b>Non-GAAP Income From Operations</b>	<b>\$ 10,550</b>	<b>\$ 17,205</b>	<b>\$ 13,468</b>	<b>\$ 21,500</b>	<b>\$ 9,740</b>	<b>\$ 19,116</b>	<b>\$ 14,900</b>	<b>\$ 19,737</b>
Percentage of Total Net Revenue	9%	13%	10%	14%	8%	15%	12%	14%
<b>GAAP Other Income (Expense), net</b>	\$ 118	\$ (169)	\$ 201	\$ 285	\$ (458)	\$ (3,507)	\$ (934)	\$ 3
BK Medical distributor matter inquiry related costs	-	-	-	599	-	3,211	-	-
<b>Non-GAAP Other Income (Expense), net</b>	<b>\$ 118</b>	<b>\$ (169)</b>	<b>\$ 201</b>	<b>\$ 884</b>	<b>\$ (458)</b>	<b>\$ (296)</b>	<b>\$ (934)</b>	<b>\$ 3</b>
Percentage of Total Net Revenue	0%	0%	0%	1%	0%	0%	-1%	0%
<b>GAAP Net Income (Loss)</b>	\$ 3,654	\$ 9,830	\$ 9,124	\$ 10,873	\$ 1,376	\$ (2,985)	\$ 4,970	\$ 8,767
Share-based compensation expense	1,821	1,710	2,366	1,790	1,684	1,228	1,996	1,121
BK Medical distributor matter inquiry related costs	489	239	165	1,457	17	12,640	30	133
Restructuring	(37)	(96)	(68)	(24)	2,171	2,010	1,146	858
Acquisition related revenues, expenses and loss	1,938	1,903	1,924	1,976	1,722	1,989	1,958	1,898
<b>Non-GAAP Net Income</b>	<b>\$ 7,865</b>	<b>\$ 13,586</b>	<b>\$ 13,511</b>	<b>\$ 16,072</b>	<b>\$ 6,969</b>	<b>\$ 14,882</b>	<b>\$ 10,100</b>	<b>\$ 12,777</b>
Percentage of Total Net Revenue	7%	10%	10%	10%	6%	12%	8%	9%
<b>GAAP Diluted Net Income (Loss) Per Share</b>	\$ 0.29	\$ 0.78	\$ 0.72	\$ 0.86	\$ 0.11	\$ (0.24)	\$ 0.40	\$ 0.70
Effect of non-GAAP adjustments	0.34	0.30	0.35	0.42	0.44	1.43	0.40	0.32
<b>Non-GAAP Diluted Net Income Per Share</b>	<b>\$ 0.63</b>	<b>\$ 1.08</b>	<b>\$ 1.07</b>	<b>\$ 1.28</b>	<b>\$ 0.55</b>	<b>\$ 1.18</b>	<b>\$ 0.80</b>	<b>\$ 1.02</b>

(Amounts may not foot due to rounding to millions)

# Non-GAAP Segment Financial Reconciliation

(in thousands, except per share data)

	Three Months Ended							
	31-Oct-14	31-Jan-15	30-Apr-15	31-Jul-15	31-Oct-15	31-Jan-16	30-Apr-16	31-Jul-16
<b>Medical Imaging</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ 7,395	\$ 9,449	\$ 8,544	\$ 12,516	\$ 6,249	\$ 11,636	\$ 10,198	\$ 13,403
Share-based compensation expense	1,165	1,077	1,660	1,008	1,054	708	1,394	779
Restructuring	(29)	(94)	(66)	(23)	1,975	1,830	920	903
Acquisition related expenses	767	744	750	750	749	981	774	745
<b>Non-GAAP Income From Operations</b>	<b>\$ 9,298</b>	<b>\$ 11,176</b>	<b>\$ 10,889</b>	<b>\$ 14,250</b>	<b>\$ 10,027</b>	<b>\$ 15,155</b>	<b>\$ 13,285</b>	<b>\$ 15,829</b>
Percentage of Total Net Revenue	14%	15%	15%	18%	15%	21%	18%	20%
<b>Ultrasound</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ (2,992)	\$ 196	\$ (4,248)	\$ (830)	\$ (4,421)	\$ (9,938)	\$ (4,938)	\$ (860)
Share-based compensation expense	765	710	913	802	744	522	830	513
BK Medical distributor matter inquiry related costs	770	376	258	974	26	10,208	39	195
Restructuring	(20)	(30)	(21)	(7)	735	786	652	207
Acquisition related revenues and expenses	1,512	1,443	1,499	1,500	1,278	1,410	1,647	1,441
Contingent Consideration								141
<b>Non-GAAP Income (Loss) From Operations</b>	<b>\$ 35</b>	<b>\$ 2,695</b>	<b>\$ (1,600)</b>	<b>\$ 2,439</b>	<b>\$ (1,639)</b>	<b>\$ 2,987</b>	<b>\$ (1,770)</b>	<b>\$ 1,636</b>
Percentage of Total Net Revenue	0%	6%	-4%	5%	-4%	7%	-5%	4%
<b>Security and Detection</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ 554	\$ 2,656	\$ 3,341	\$ 4,017	\$ 160	\$ (189)	\$ 2,366	\$ 1,547
Share-based compensation expense	662	637	819	720	584	530	711	428
Restructuring	(9)	(28)	(19)	(7)	573	531	267	262
Acquisition related expenses	11	70	38	81	35	102	42	33
<b>Non-GAAP Income (Loss) From Operations</b>	<b>\$ 1,218</b>	<b>\$ 3,335</b>	<b>\$ 4,179</b>	<b>\$ 4,811</b>	<b>\$ 1,352</b>	<b>\$ 974</b>	<b>\$ 3,386</b>	<b>\$ 2,271</b>
Percentage of Total Net Revenue	9%	18%	18%	18%	10%	9%	19%	16%
<b>Analogic</b>								
<b>GAAP Income (Loss) from Operations</b>	\$ 4,957	\$ 12,301	\$ 7,637	\$ 15,703	\$ 1,988	\$ 1,509	\$ 7,626	\$ 14,090
Share-based compensation expense	2,592	2,424	3,393	2,530	2,382	1,760	2,935	1,720
BK Medical distributor matter inquiry related costs	770	376	258	974	26	10,208	39	195
Restructuring	(58)	(152)	(107)	(37)	3,283	3,147	1,839	1,372
Acquisition related gains and expenses	2,290	2,257	2,287	2,330	2,062	2,492	2,463	2,219
Contingent Consideration								141
<b>Non-GAAP Income From Operations</b>	<b>\$ 10,551</b>	<b>\$ 17,206</b>	<b>\$ 13,468</b>	<b>\$ 21,500</b>	<b>\$ 9,741</b>	<b>\$ 19,116</b>	<b>\$ 14,902</b>	<b>\$ 19,737</b>
Percentage of Total Net Revenue	9%	13%	10%	14%	8%	15%	12%	14%

(Amounts may not foot due to rounding to millions)

Thank You