

Black Box Corporation Third Quarter Fiscal 2015 Earnings Conference Call

January 27, 2015

Black Box Corporation

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GAAP Reconciliation -This presentation also includes, as a supplement to United States Generally Accepted Accounting Principles ("GAAP"), certain non-GAAP financial measures. These non-GAAP financial measures exclude the impact of certain items and, therefore, have not been calculated in accordance with GAAP. Pursuant to the requirements of the SEC's Regulation G, we provide in our SEC filings additional information regarding these non-GAAP financial measures, including a reconciliation of them to their most comparable GAAP financial measures, management's explanations regarding the use and usefulness of non-GAAP financial measures and the limitations associated with the use of non-GAAP financial measures. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measurements, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Third quarter fiscal 2015 financial summary

Revenue (M)	\$ 253
Operating EPS	\$ 0.44
Cash provided by operating activities (M)	\$ 0.4
Stock repurchase program (M)	\$ (2)
Dividend payments (M)	\$ (2)

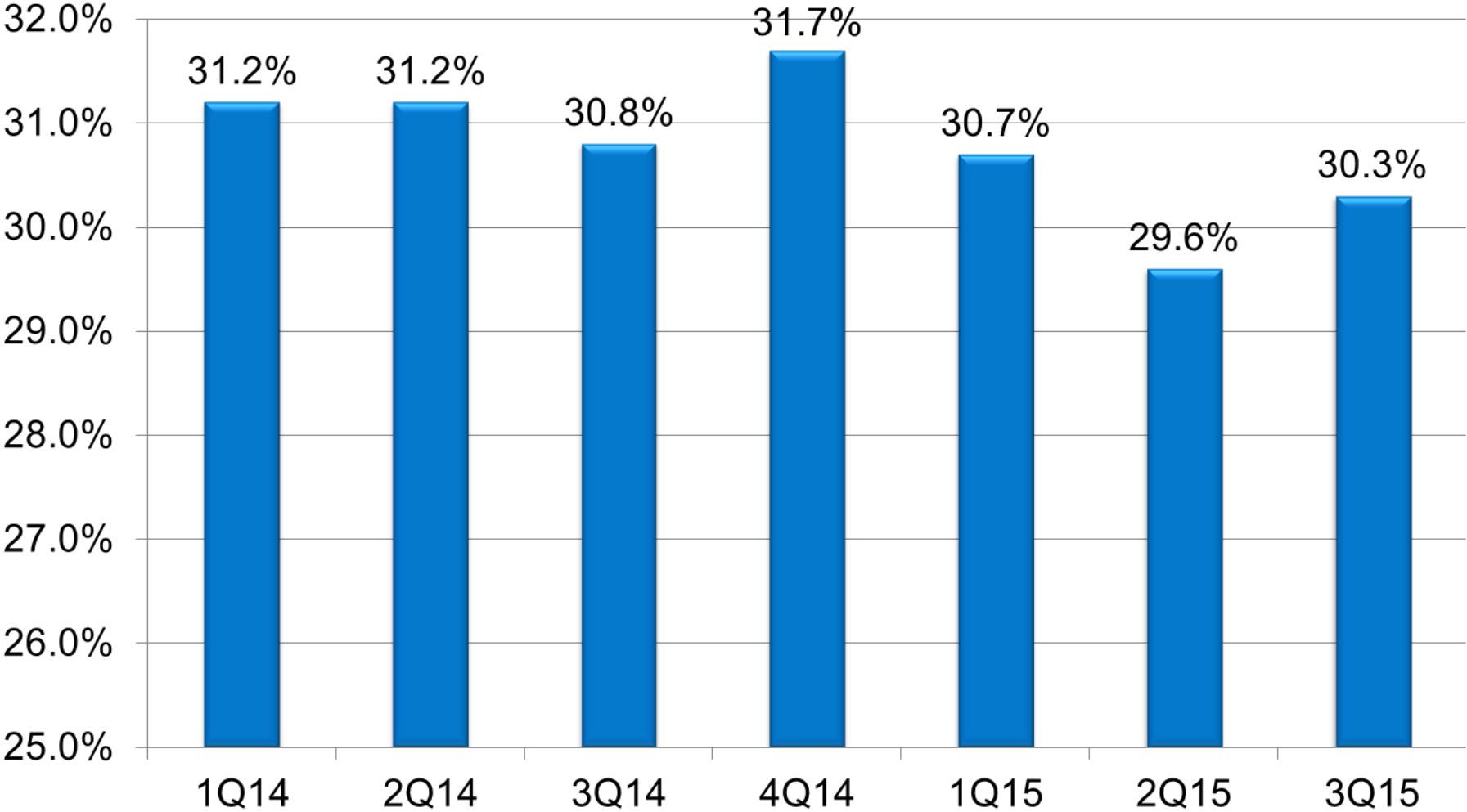
All \$ amounts in millions except per share.

Revenues

	Third Quarter	Guidance Range	Second Quarter
Products	\$ 46		\$ 45
Services	207		204
Total	\$ 253	\$250-255	\$ 249
Maintenance \$	\$ 46		\$ 47
Maintenance %	18%		19%
Backlog	\$ 169		\$ 189

All \$ amounts in millions.

Gross Profit Margin



Financial Results

	<u>Third</u> <u>Quarter</u>	<u>%</u>	<u>Second</u> <u>Quarter</u>	<u>%</u>
Revenues				
Products	\$ 46		\$ 45	
Services	<u>207</u>		<u>204</u>	
Total	\$ 253	100.0%	\$ 249	100.0%
Gross profit	\$ 77	30.3%	\$ 74	29.6%
SG&A	\$ 65	25.7%	\$ 64	25.7%
Adjusted operating income	\$ 13	5.0%	\$ 11	4.3%
Operating EPS	\$ 0.44		\$ 0.37	

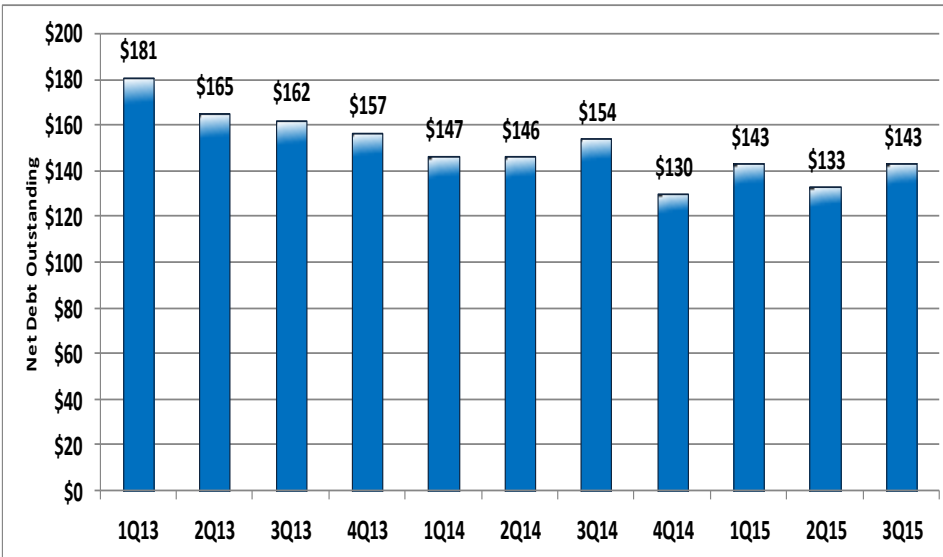
6 All \$ amounts in millions except EPS.

Deployment of cash

	<u>Third Quarter</u>
Cash provided by operating activities	\$ 0.4
Borrowing/(reduction) of long-term debt	\$ 14.6
Stock repurchases	\$ (2.1)
Dividends	\$ (1.5)
Capital expenditures	\$ (2.8)

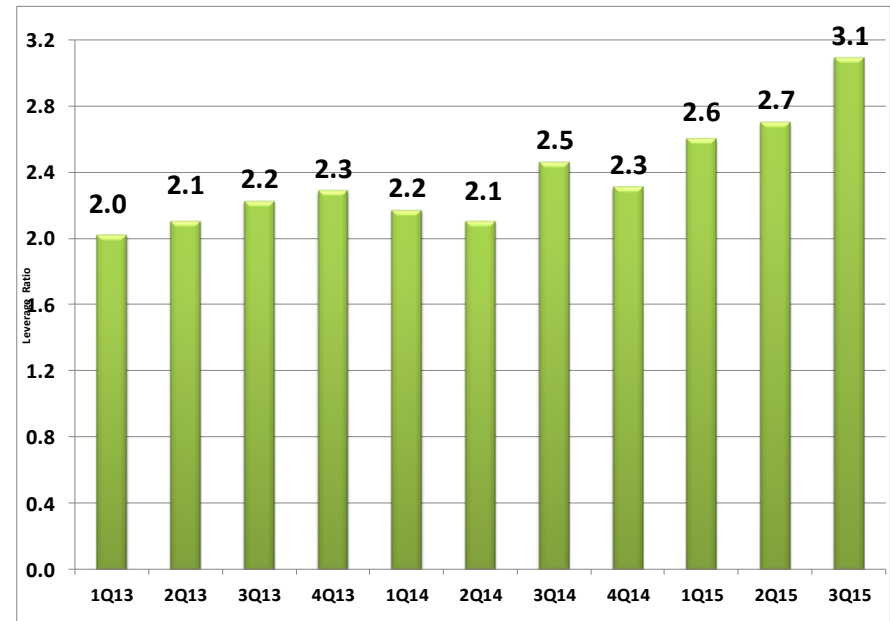
All \$ amounts in millions.

Long Term Debt

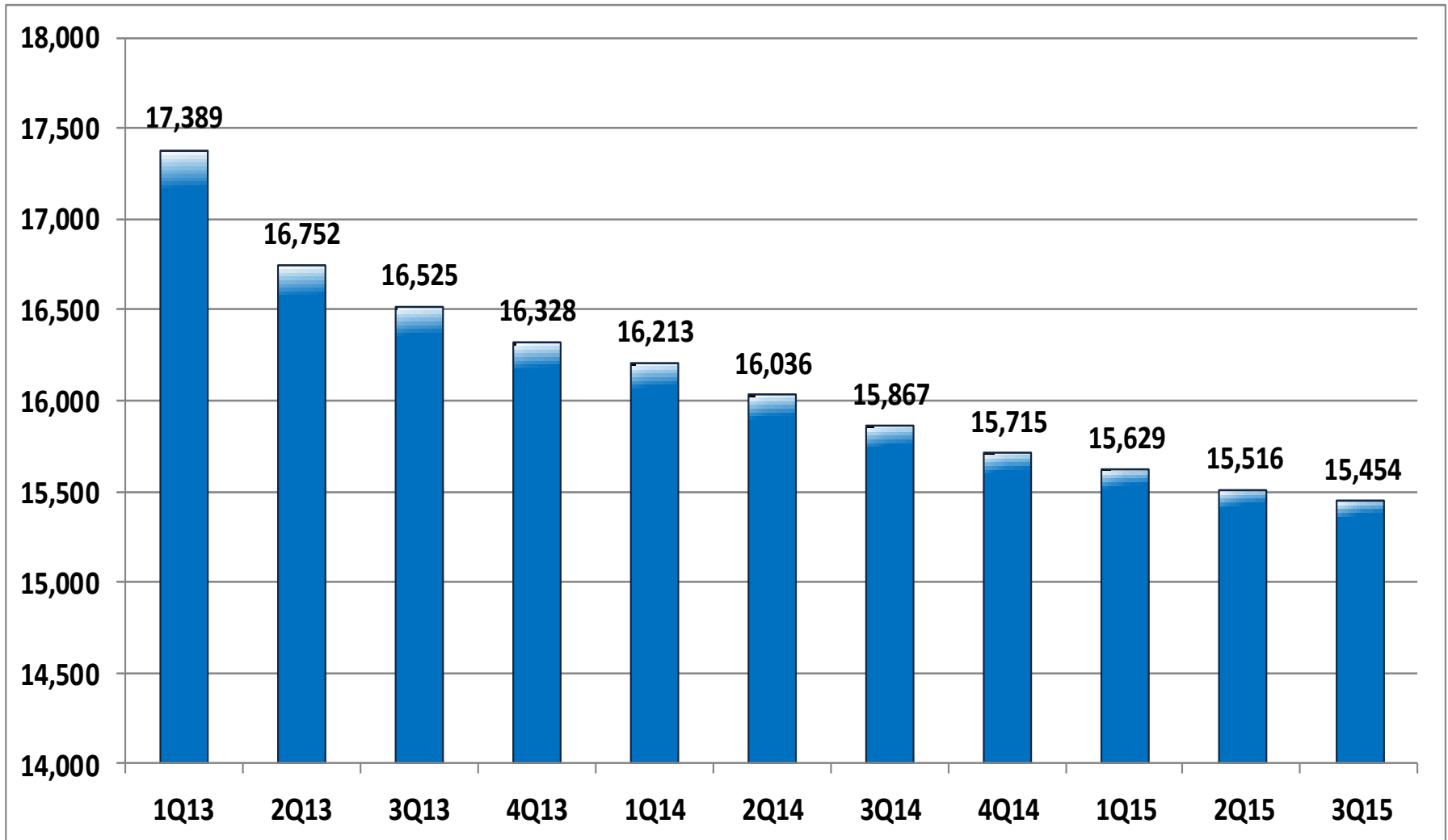


Net Debt Outstanding

Leverage Ratio



Diluted Shares Outstanding



Guidance

	<u>Fourth Quarter</u>	<u>FY15</u>
Revenue (M)	\$244 - 249	\$991 - 996
Organic growth rate	~ 3%	~ 3%
Gross profit margin	~ 30.5%	~ 30.5%
Operating EPS	\$0.44 - 0.49	\$1.65 - 1.70
Stock-based compensation (M)	\$ 1.4	\$ 6.4
Interest (M)	\$ 1.3	\$ 5.5
Operational income tax rate	39.0%	39.0%
Diluted shares outstanding (M)	15.5	15.5
Capital expenditures (M)	\$ 2.0	\$ 8.0 - 9.0

¹⁰ All \$ amounts in millions except per share.

Summary

- Revenue growth is number one priority
- Revenue growth will contribute to increase in Gross Profit dollars
- Operating Expenses will balance continued investments and Operating Margin expansion

Questions