



Black Box Corporation Third Quarter Fiscal 2017 Earnings Conference Call

\$ in millions except EPS

Black Box Corporation

Forward-Looking Statements - Any forward-looking statements contained in this presentation are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and speak only as of the date of this presentation. You can identify these forward-looking statements by the fact that they use words such as "should," "anticipate," "estimate," "approximate," "expect," "target," "may," "will," "project," "intend," "plan," "believe" and other words of similar meaning and expression in connection with any discussion of future operating or financial performance. Forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Risk factors are included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and our other filings with the Securities and Exchange Commission (the "SEC"). We can give no assurance that any goal, plan or target set forth in forward-looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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 Summary



Progress on Transformation



Mixed financial results



Improvement in Management Systems



Financial Summary

	<u>3Q17</u>
Revenue	\$ 210
Diluted EPS	\$ 0.09
Operating EPS	\$ 0.24
Cash provided by (used for) operating activities	\$ 9.1
Dividend payments	\$ (1.8)

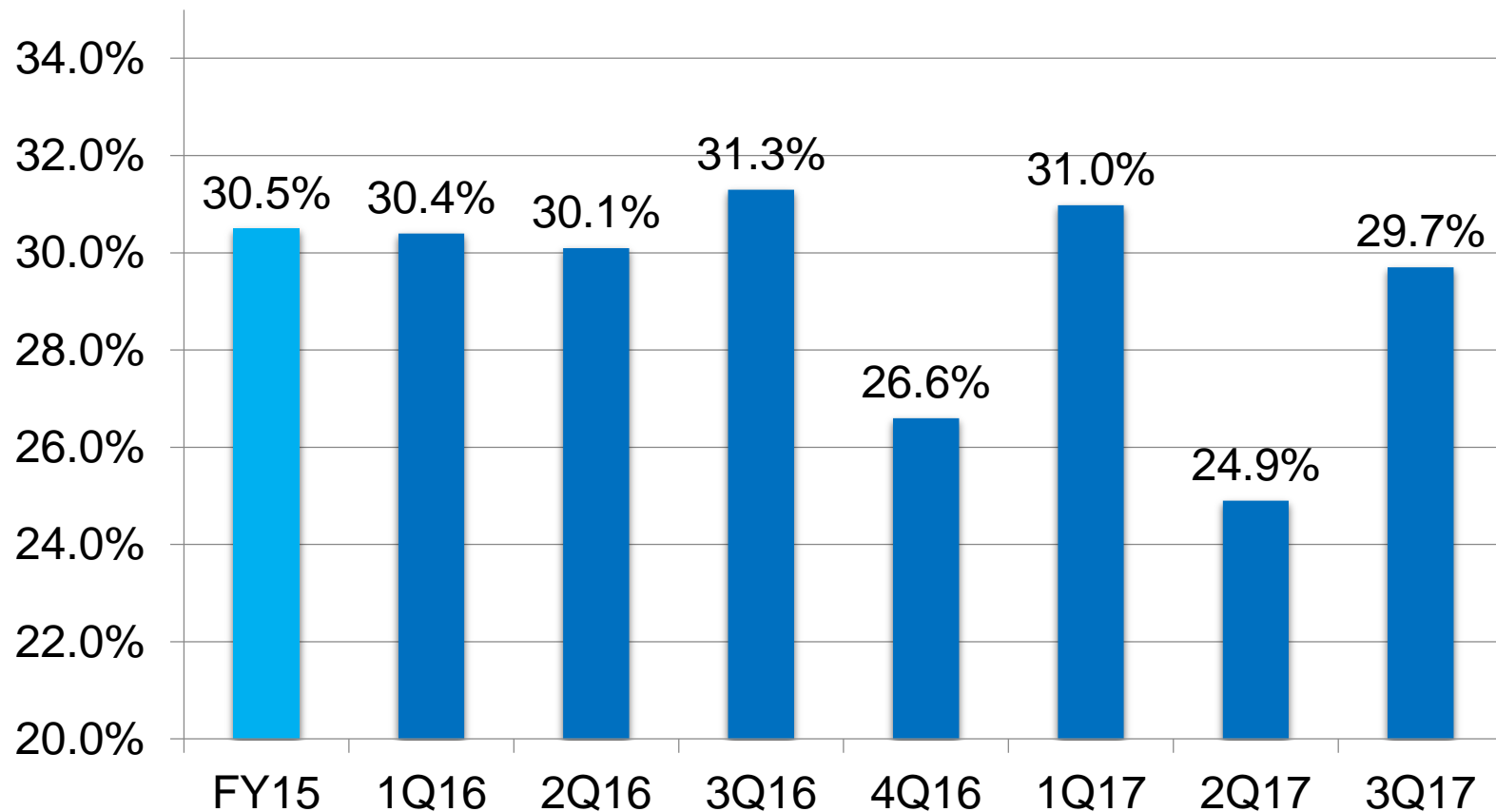


Revenues

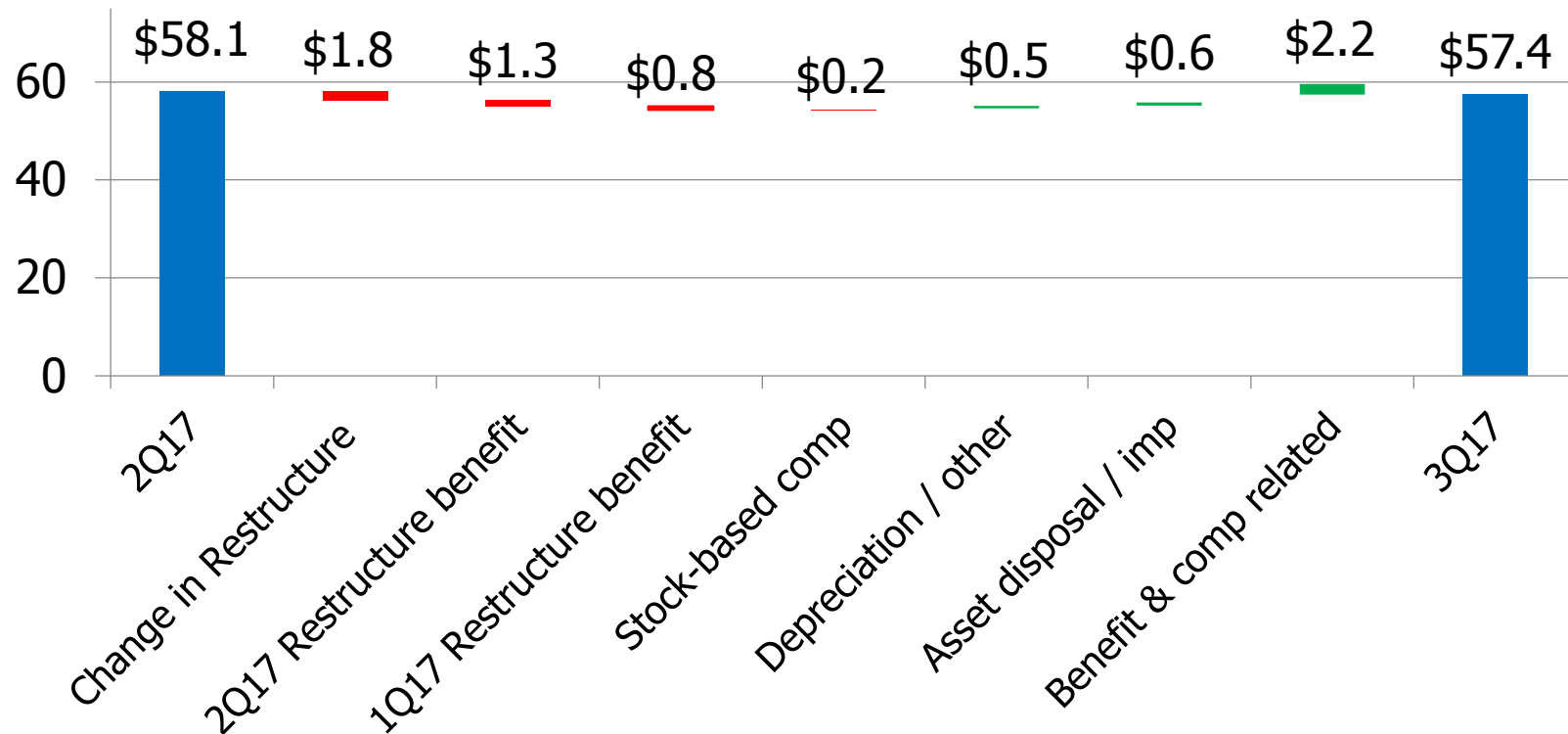
	<u>3Q17</u>	<u>2Q17</u>
Products	\$ 36.1	\$ 42.3
Services	\$174.3	\$176.5
Total	\$210.4	\$218.7
Maintenance \$	\$ 37.5	\$ 37.2
Maintenance %	18%	17%
Backlog	\$171.2	\$183.7



Gross Profit Margin



SG&A



Financial Results

	<u>3Q17</u>	<u>%</u>	<u>2Q17</u>	<u>%</u>
Revenues				
Products	\$ 36.1	17%	\$ 42.3	19%
Services	<u>\$174.3</u>	<u>83%</u>	<u>\$176.5</u>	<u>81%</u>
Total	\$210.4	100%	\$218.7	100%
Gross profit	\$ 62.4	29.7%	\$ 54.4	24.9%
SG&A	\$ 57.4	27.3%	\$ 58.1	26.6%
Operating income	\$ 2.8	1.3%	\$ (6.5)	-3.0%
Diluted EPS	\$ 0.09		\$ (0.40)	
Adjusted operating income	\$ 6.8	3.2%	\$ 8.4	3.8%
Operating EPS	\$ 0.24		\$ 0.31	

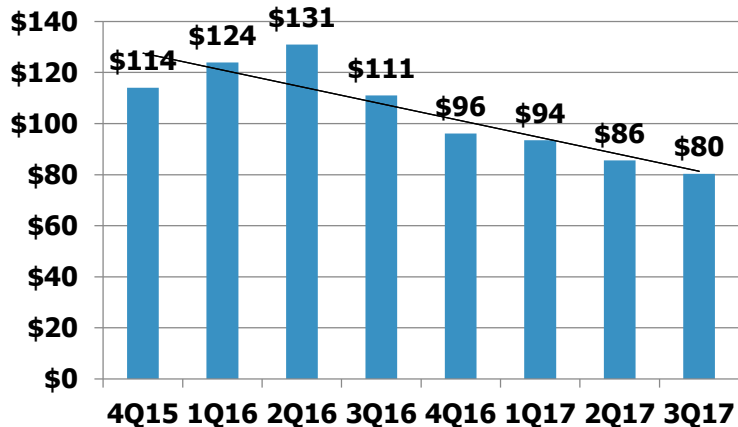


Deployment of Cash

	3Q17	2Q17	3Q16
Cash Flow from Operations	\$ 9.1	\$ 4.8	\$28.8
Capital Expenditures	\$ 2.3	\$ 1.8	\$ 3.6
Debt Repayments	\$ 7.7	\$13.1	\$22.7
Dividends	\$ 1.8	\$ 1.8	\$ 1.7
Stock Repurchases	\$ -	\$ -	\$ 0.0

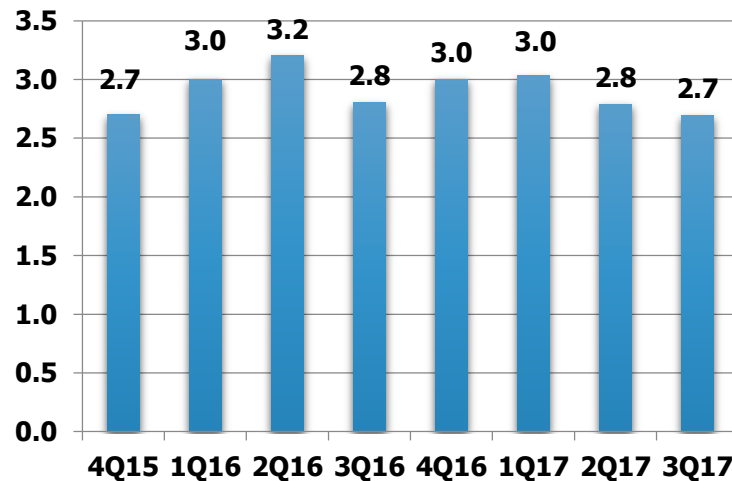


Long Term Debt

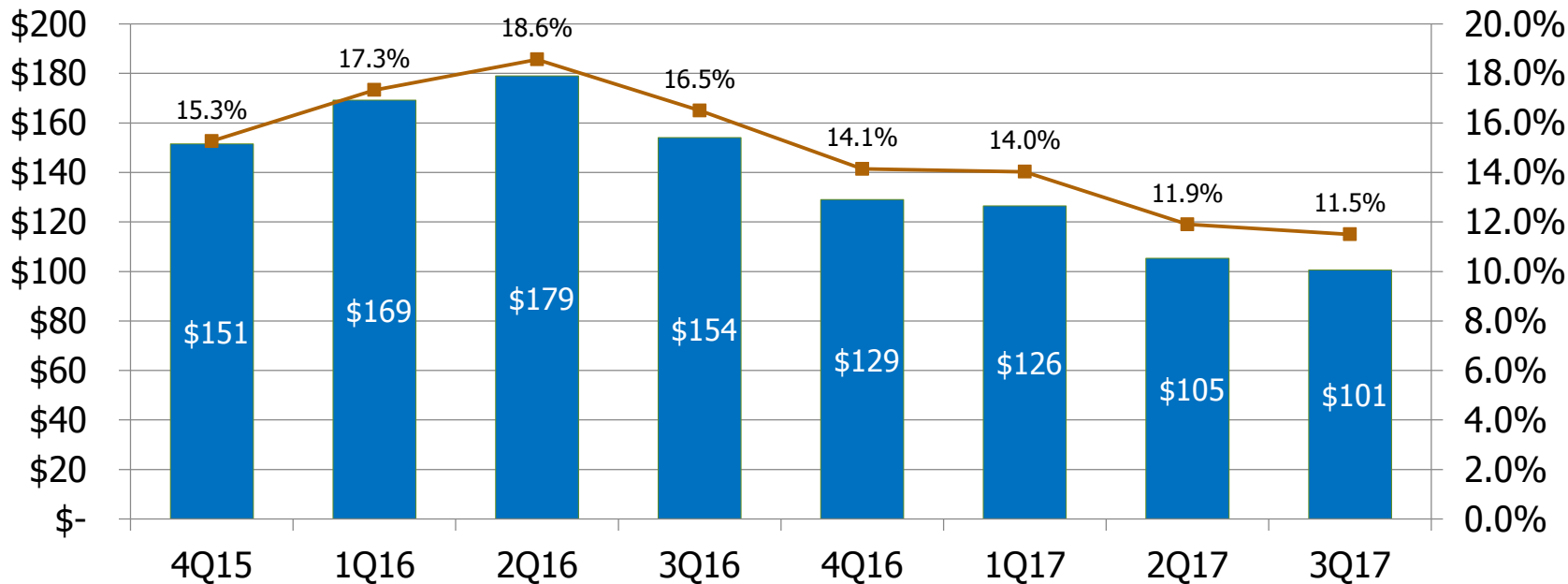


Net Debt Outstanding

Leverage Ratio



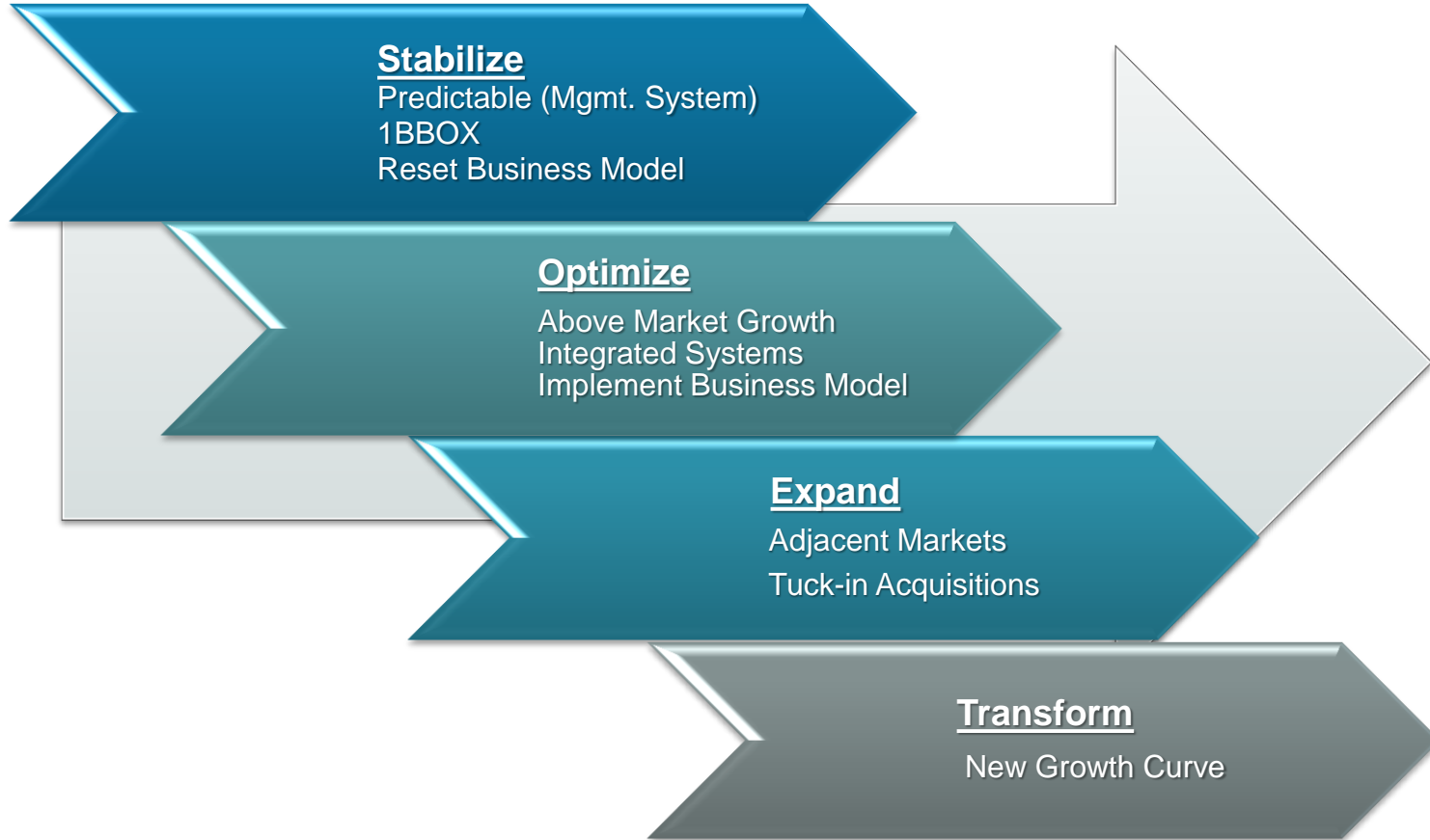
Working Capital



	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Working Capital	\$151	\$169	\$179	\$154	\$129	\$126	\$105	\$101
Trailing-12 Revenue	\$992	\$976	\$964	\$934	\$913	\$902	\$883	\$872
WC/Trailing-12 Rev	15.3%	17.3%	18.6%	16.5%	14.1%	14.0%	11.9%	11.5%



Transformation Roadmap



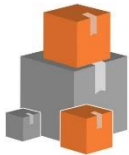
Balance Sheet Improvements



Debt Reduction



Free Cash Flow



Net Inventory



Improvement of Working Capital



Priorities

Execute



Focus on operation transformation

Create market focused sales organization

Unite divisions to leverage size and scale

Cash



Improve Working Capital efficiency to generate cash

Simplify



Size cost structure to the revenue stream

Reduce investments in declining markets

Reduce the number of ERP systems and entities

Grow



Position for FY18 Growth



Vision Poster

A light blue circuit graphic with three lines extending from the left and right sides of the 'OUR VISION' box, ending in small circles.

OUR VISION

To be *the* trusted digital partner

A light blue circuit graphic with two lines extending from the left and right sides of the 'OUR GOALS' box, ending in small circles.

OUR GOALS

- » Provide best-in-class products and services
- » Enable digital convergence of disparate platforms
- » Create innovative solutions through expanded strategic relationships



Questions