

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

---

**FORM 8-K**

---

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): January 28, 2020

---

**OSI SYSTEMS, INC.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

---

**Delaware**  
(STATE OR OTHER JURISDICTION  
OF INCORPORATION)

**000-23125**  
(COMMISSION FILE NUMBER)

**33-0238801**  
(IRS EMPLOYER IDENTIFICATION NO.)

**12525 CHADRON AVENUE  
HAWTHORNE, CA 90250**  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

**(310) 978-0516**  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

N/A  
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u>      | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|---------------------------------|--------------------------|--|
| Common Stock, \$0.001 par value | OSIS                     | The Nasdaq Global Select Market                  |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

**Item 2.02 Results of Operations and Financial Condition.**

On January 28, 2020, we issued a press release announcing our financial results for the quarter ended December 31, 2019. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

We are furnishing the information contained in this Item 2.02 (including Exhibit 99.1). It shall not be deemed to be “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in such filing.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

Exhibit 99.1: Press Release of OSI Systems, Inc., dated January 28, 2020.

Exhibit 104: Cover Page Interactive Data File (embedded within the Inline XBRL document)

---

## EXHIBIT INDEX

| <u>Exhibit<br/>Number</u> | <u>Description</u>  |
|---------------------------|---|
| <a href="#">99.1</a>      | <a href="#">Press Release of OSI Systems, Inc. dated January 28, 2020.</a>  |
| 104                       | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

---

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 28, 2020

OSI SYSTEMS, INC.

By: /s/ Alan Edrick

Alan Edrick  
Chief Financial Officer

## OSI Systems Reports Fiscal 2020 Second Quarter Financial Results

- **Record Q2 Revenues of \$305 Million**
- **Record Q2 Earnings Per Diluted Share**
  - **GAAP EPS of \$1.12**
  - **Non-GAAP EPS of \$1.27**
- **Q2 Book-to-Bill Ratio of 1.1x**

HAWTHORNE, Calif.--(BUSINESS WIRE)--January 28, 2020--OSI Systems, Inc. (the "Company" or "OSI Systems") (NASDAQ: OSIS) today announced financial results for the three and six months ended December 31, 2019.

Deepak Chopra, OSI Systems' Chairman and Chief Executive Officer, stated, "We are pleased with the second quarter performance as we delivered record earnings. With strong second quarter bookings and a robust pipeline of opportunities, we are in a good position as we enter the second half of fiscal 2020."

For the second quarter of fiscal 2020, the Company reported revenues of \$305.3 million, compared to \$303.2 million reported for the second quarter of fiscal 2019. Net income for the second quarter of fiscal 2020 was \$21.0 million, or \$1.12 per diluted share, compared to net income of \$19.1 million, or \$1.03 per diluted share, for the second quarter of fiscal 2019. Non-GAAP net income for the second quarter of fiscal 2020 was \$23.8 million, or \$1.27 per diluted share, compared to non-GAAP net income for the fiscal 2019 second quarter of \$22.1 million, or \$1.19 per diluted share.

For the six months ended December 31, 2019, revenues increased 5% to \$596.2 million, compared with the same period a year ago. Net income for this period was \$41.7 million, or \$2.22 per diluted share, compared with \$28.5 million, or \$1.53 per diluted share, for the same period a year ago. Non-GAAP net income for the six months ended December 31, 2019 was \$41.0 million, or \$2.18 per diluted share, compared with non-GAAP net income of \$37.3 million, or \$2.00 per diluted share, for the comparable prior-year period.

During the quarter ended December 31, 2019, the Company's book-to-bill ratio was 1.1x. As of December 31, 2019, the Company's backlog was \$886 million compared to \$911 million as of June 30, 2019. Operating cash flow during the quarter ended December 31, 2019 was \$34.8 million, and capital expenditures were \$5.6 million.

Mr. Chopra commented, "Our Security division continued its strong momentum with 7% sales growth resulting in record second quarter revenues of \$202 million. We continue to be well positioned in the marketplace as we target significant opportunities globally."

Mr. Chopra continued, "Our Optoelectronics and Manufacturing division sustained its strong performance as we leveraged modest fiscal second quarter sales growth to significant year-over-year operating margin expansion driven by a strong mix of revenues and operational execution."

Mr. Chopra concluded, "While this was a challenging quarter for our Healthcare division as reduced revenues led to a significant drop in operating income for that division, our first half fiscal 2020 adjusted operating income increased 7% over the comparable period of the prior year on a non-GAAP basis. Our Healthcare backlog is solid, and we will continue focusing on enhancing our core products and developing new products."

### Fiscal Year 2020 Outlook

The Company is raising its fiscal year 2020 non-GAAP earnings guidance to \$4.63 to \$4.85 per diluted share and is reducing its fiscal year 2020 sales guidance to a range of \$1.205 billion to \$1.240 billion. Actual sales and non-GAAP diluted earnings per share could vary from this guidance due to factors discussed under "Forward-Looking Statements" or other factors.

---

The Company's fiscal 2020 diluted earnings per share guidance is provided on a non-GAAP basis only. The Company does not provide a reconciliation of guidance for non-GAAP diluted EPS to GAAP diluted EPS (the most directly comparable GAAP measure) on a forward-looking basis because the Company is unable to provide a meaningful or accurate compilation of reconciling items and certain information is not available. This is due to the inherent difficulty and complexity in accurately forecasting the timing and amounts of various items included in the calculation of GAAP diluted EPS but excluded in the calculation of non-GAAP diluted EPS, such as acquisition costs and other non-recurring items that have not yet occurred, are out of the Company's control, or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of unavailable information which may be material and therefore could result in GAAP diluted EPS, the corresponding GAAP financial measure, being materially different from projected non-GAAP diluted EPS.

### **Presentation of Non-GAAP Financial Measures**

This earnings release includes a presentation of non-GAAP net income, non-GAAP diluted earnings per share, non-GAAP operating income (loss) by segment and non-GAAP operating margin, all of which are non-GAAP financial measures. The presentation of these non-GAAP figures for the three and six months ended December 31, 2018 and 2019 is provided to allow for the comparison of the underlying performance of the Company, net of restructuring and other charges (including certain legal costs), amortization of intangible assets acquired through business acquisitions and non-cash interest expense primarily related to convertible debt, and their associated tax effects, and the impact of discrete income tax items. Management believes that these non-GAAP financial measures provide (i) enhanced insight into the ongoing operations of the Company, (ii) meaningful information regarding the Company's financial results (excluding amounts management does not view as reflective of ongoing operating results) for purposes of planning, forecasting, and assessing the performance of the Company's businesses, (iii) a meaningful comparison of financial results of the current period against results of past periods, and (iv) financial results that are more comparable to financial results of peer companies than are GAAP figures. Non-GAAP financial measures should not be assessed in isolation or as a substitute for measures of financial performance prepared in accordance with GAAP. These non-GAAP measures may not be the same as measures used by other companies due to possible differences in methods and in the items or events for which adjustments are made.

Reconciliations of GAAP to non-GAAP financial information are provided in the accompanying tables. The financial results calculated in accordance with GAAP and reconciliations from those financial results should be carefully evaluated.

### **Conference Call Information**

The Company will host a conference call and simultaneous webcast beginning at 1:30pm PT (4:30pm ET) today to discuss its results for the second quarter of fiscal 2020. To listen, please visit the Investor Relations section of the OSI Systems website, <http://investors.osi-systems.com/index.cfm> and follow the link that will be posted on the front page. A replay of the webcast will be available beginning shortly after the conclusion of the conference call until February 11, 2020. The replay can either be accessed through the Company's website, [www.osi-systems.com](http://www.osi-systems.com), or by telephonic replay by calling 1-855-859-2056 and entering the conference call identification number 8438418 when prompted for the replay code.

### **About OSI Systems**

OSI Systems is a vertically integrated designer and manufacturer of specialized electronic systems and components for critical applications in the homeland security, healthcare, defense and aerospace industries. The Company combines more than 40 years of electronics engineering and manufacturing experience with offices and production facilities in more than a dozen countries to implement a strategy of expansion into selective end-product markets. For more information on OSI Systems or its subsidiary companies, visit [www.osi-systems.com](http://www.osi-systems.com). News Filter: OSIS-E

---

## Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to the Company's current expectations, beliefs, and projections concerning matters that are not historical facts. Forward-looking statements are not guarantees of future performance and involve uncertainties, risks, assumptions, and contingencies, many of which are outside the Company's control and which may cause actual results to differ materially from those described in or implied by any forward-looking statement. Forward-looking statements include, but are not limited to, information provided regarding expected revenues, earnings, growth, and operational performance in fiscal 2020. The Company could be exposed to a variety of negative consequences as a result of delays related to the award of domestic and international contracts; failure to secure the renewal of key customer contracts; delays in customer programs; delays in revenue recognition related to the timing of customer acceptance; unanticipated impacts of sequestration and other U.S. Government budget control provisions; changes in domestic and foreign government spending and budgetary, procurement and trade policies adverse to the Company's businesses; global economic uncertainty; unfavorable currency exchange rate fluctuations; effect of changes in tax legislation; market acceptance of the Company's new and existing technologies, products, and services; the Company's ability to win new business and convert orders received to sales within the fiscal year; enforcement actions in respect of any noncompliance with laws and regulations, including export control and environmental regulations and the matters that are the subject of some or all of the Company's investigations and compliance reviews; contract and regulatory compliance matters, and actions which, if brought, could result in judgments, settlements, fines, injunctions, debarment, or penalties; and other risks and uncertainties, including, but not limited to, those detailed herein and from time to time in the Company's Securities and Exchange Commission filings, which could have a material and adverse impact on the Company's business, financial condition, and results of operations. For additional information on these and other factors that could cause the Company's future results to differ materially from those in any forward-looking statements, see the section titled "Risk Factors" in the Company's most recently filed Annual Report on Form 10-K and other risks described therein and in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission. Undue reliance should not be placed on forward-looking statements, which are based on currently available information and speak only as of the date on which they are made. The Company assumes no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information, or otherwise, except to the extent it is required to do so under federal securities laws.

### OSI SYSTEMS, INC. AND SUBSIDIARIES

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

|  | Three Months Ended<br>December 31, |            | Six Months Ended<br>December 31, |            |
|--|------------------------------------|------------|----------------------------------|------------|
|  | 2018                               | 2019       | 2018                             | 2019       |
| Revenue:                                       |                                    |            |                                  |            |
| Products                                       | \$ 225,402                         | \$ 223,772 | \$ 407,882                       | \$ 433,533 |
| Services                                       | 77,803                             | 81,570     | 161,572                          | 162,661    |
| Total revenues                                 | 303,205                            | 305,342    | 569,454                          | 596,194    |
| Cost of goods sold:                            |                                    |            |                                  |            |
| Products                                       | 150,131                            | 148,709    | 275,502                          | 295,051    |
| Services                                       | 42,730                             | 45,860     | 87,695                           | 91,159     |
| Total cost of goods sold                       | 192,861                            | 194,569    | 363,197                          | 386,210    |
| Gross profit                                   | 110,344                            | 110,773    | 206,257                          | 209,984    |
| Operating expenses:                            |                                    |            |                                  |            |
| Selling, general and administrative            | 67,097                             | 63,902     | 128,804                          | 126,079    |
| Research and development                       | 12,805                             | 14,881     | 26,558                           | 29,127     |
| Restructuring and other charges (benefit), net | (1,265)                            | (929)      | 2,931                            | (3,028)    |
| Total operating expenses                       | 78,637                             | 77,854     | 158,293                          | 152,178    |
| Income from operations                         | 31,707                             | 32,919     | 47,964                           | 57,806     |
| Interest expense and other, net                | (5,620)                            | (4,844)    | (10,952)                         | (9,580)    |
| Income before income taxes                     | 26,087                             | 28,075     | 37,012                           | 48,226     |
| Provision for income taxes                     | (6,980)                            | (7,089)    | (8,503)                          | (6,497)    |
| Net income                                     | \$ 19,107                          | \$ 20,986  | \$ 28,509                        | \$ 41,729  |
| Diluted earnings per share                     | \$ 1.03                            | \$ 1.12    | \$ 1.53                          | \$ 2.22    |
| Weighted average shares outstanding – diluted  | 18,624                             | 18,682     | 18,679                           | 18,783     |

#### UNAUDITED SEGMENT INFORMATION

(in thousands)

| Revenues – by Segment: | Three Months Ended<br>December 31, |      | Six Months Ended<br>December 31, |      |
|------------------------|------------------------------------|------|----------------------------------|------|
|                        | 2018                               | 2019 | 2018                             | 2019 |

|  |                   |                   |                  |                  |
|--|-------------------|-------------------|------------------|------------------|
| Security division  | \$ 188,684        | \$ 202,437        | \$358,644        | \$391,401        |
| Healthcare division  | 51,559            | 41,992            | 89,832           | 82,200           |
| Optoelectronics and Manufacturing division (including intersegment revenues) | 72,019            | 72,806            | 142,973          | 146,444          |
| Intersegment revenues eliminations   | (9,057)           | (11,893)          | (21,995)         | (23,851)         |
| Total  | <u>\$ 303,205</u> | <u>\$ 305,342</u> | <u>\$569,454</u> | <u>\$596,194</u> |

**Operating income (loss) – by Segment:**

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Security division                          | \$ 26,063        | \$ 28,562        | \$ 49,113        | \$ 48,880        |
| Healthcare division                        | 2,209            | 1,294            | 334              | 4,111            |
| Optoelectronics and Manufacturing division | 8,067            | 9,018            | 14,892           | 17,787           |
| Corporate                                  | (4,560)          | (6,080)          | (15,911)         | (13,417)         |
| Eliminations                               | (72)             | 125              | (464)            | 445              |
| Total                                      | <u>\$ 31,707</u> | <u>\$ 32,919</u> | <u>\$ 47,964</u> | <u>\$ 57,806</u> |

---



**OSI SYSTEMS, INC. AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(in thousands)*

|   | <u>June 30, 2019</u> | <u>December 31, 2019</u> |
|---|----------------------|--------------------------|
| <b>Assets</b>                                   |                      |                          |
| Cash and cash equivalents                       | \$ 96,316            | \$ 95,056                |
| Accounts receivable, net                        | 238,440              | 257,385                  |
| Inventories                                     | 273,711              | 252,535                  |
| Other current assets                            | 32,432               | 43,313                   |
| Total current assets                            | 640,899              | 648,289                  |
| Property and equipment, net                     | 127,385              | 129,588                  |
| Goodwill  | 307,108              | 309,429                  |
| Intangible assets, net                          | 132,954              | 127,464                  |
| Other non-current assets                        | 56,518               | 87,156                   |
| Total Assets                                    | \$ 1,264,864         | \$ 1,301,926             |
| <br><b>Liabilities and Stockholders' Equity</b> |                      |                          |
| Bank lines of credit                            | \$ 88,000            | \$ 91,000                |
| Current portion of long-term debt               | 804                  | 837                      |
| Accounts payable and accrued expenses           | 169,718              | 183,288                  |
| Other current liabilities                       | 123,486              | 108,811                  |
| Total current liabilities                       | 382,008              | 383,936                  |
| Long-term debt                                  | 257,752              | 262,326                  |
| Other long-term liabilities                     | 73,377               | 97,948                   |
| Total liabilities                               | 713,137              | 744,210                  |
| Total stockholders' equity                      | 551,727              | 557,716                  |
| Total Liabilities and Stockholders' Equity      | \$ 1,264,864         | \$ 1,301,926             |

---

**RECONCILIATION OF GAAP TO NON-GAAP  
NET INCOME AND EARNINGS PER SHARE**  
*(in thousands, except earnings per share data)*

|  | Three Months Ended December 31, |                |                  |                | Six Months Ended December 31, |                |                  |                |
|--|---------------------------------|----------------|------------------|----------------|-------------------------------|----------------|------------------|----------------|
|  | 2018                            |                | 2019             |                | 2018                          |                | 2019             |                |
|  | Net income                      | EPS            | Net income       | EPS            | Net income                    | EPS            | Net income       | EPS            |
| GAAP basis                                     | \$ 19,107                       | \$ 1.03        | \$ 20,986        | \$ 1.12        | \$ 28,509                     | \$ 1.53        | \$ 41,729        | \$ 2.22        |
| Restructuring and other charges (benefit), net | (1,265)                         | (0.07)         | (929)            | (0.05)         | 2,931                         | 0.16           | (3,028)          | (0.16)         |
| Amortization of acquired intangible assets     | 4,022                           | 0.22           | 3,566            | 0.19           | 8,190                         | 0.44           | 7,163            | 0.38           |
| Non-cash interest                              | 1,955                           | 0.10           | 2,239            | 0.12           | 3,881                         | 0.21           | 4,402            | 0.23           |
| Tax benefit of above adjustments               | (1,331)                         | (0.07)         | (1,352)          | (0.07)         | (4,231)                       | (0.23)         | (2,373)          | (0.13)         |
| Discrete tax items                             | (392)                           | (0.02)         | (696)            | (0.04)         | (1,934)                       | (0.11)         | (6,910)          | (0.36)         |
| Non-GAAP basis                                 | <u>\$ 22,096</u>                | <u>\$ 1.19</u> | <u>\$ 23,814</u> | <u>\$ 1.27</u> | <u>\$ 37,346</u>              | <u>\$ 2.00</u> | <u>\$ 40,983</u> | <u>\$ 2.18</u> |

**RECONCILIATION OF GAAP TO NON-GAAP  
OPERATING INCOME (LOSS) AND OPERATING MARGIN BY SEGMENT**  
*(in thousands, except percentages)*

|  | Three Months Ended December 31, 2018 |              |                     |              |  |              |  |                         |          |                 |              |
|--|--------------------------------------|--------------|---------------------|--------------|--|--------------|--|-------------------------|----------|-----------------|--------------|
|  | Security Division                    |              | Healthcare Division |              | Optoelectronics and Manufacturing Division |              |  | Corporate / Elimination |          | Total           |              |
|  | \$                                   | % of Sales   | \$                  | % of Sales   | \$   | % of Sales   |  | \$                      | %        | \$              | % of Sales   |
| GAAP basis – operating income (loss)           | \$26,063                             | 13.8%        | \$2,209             | 4.3%         | \$ 8,067                                   | 11.2%        |  | \$ (4,632)              | %        | \$31,707        | 10.5%        |
| Restructuring and other charges (benefit), net | (46)                                 | 0.0%         | 3,335               | 6.5%         | 46   | 0.0%         |  | (4,600)                 | %        | (1,265)         | (0.4%)       |
| Amortization of acquired intangible assets     | 2,818                                | 1.5%         | --                  | --           | 1,205                                      | 1.7%         |  | --                      | %        | 4,023           | 1.3%         |
| Non-GAAP basis– operating income (loss)        | <u>\$28,835</u>                      | <u>15.3%</u> | <u>\$5,544</u>      | <u>10.8%</u> | <u>\$ 9,318</u>                            | <u>12.9%</u> |  | <u>\$ (9,232)</u>       | <u>%</u> | <u>\$34,465</u> | <u>11.4%</u> |

**Three Months Ended December 31, 2019**

|  | Security Division |                   | Healthcare Division |                   | Optoelectronics and Manufacturing Division |                   | Corporate / Elimination | Total           |                   |
|--|-------------------|-------------------|---------------------|-------------------|--|-------------------|-------------------------|-----------------|-------------------|
|  |                   | <u>% of Sales</u> |                     | <u>% of Sales</u> |  | <u>% of Sales</u> |                         |                 | <u>% of Sales</u> |
| GAAP basis – operating income (loss)           | \$28,562          | 14.1%             | \$1,294             | 3.1%              | \$ 9,018                                   | 12.4%             | \$ (5,955)              | \$32,919        | 10.8%             |
| Restructuring and other charges (benefit), net | 405               | 0.2%              | --                  | --                | 30   | 0.0%              | (1,364)                 | (929)           | (0.4%)            |
| Amortization of acquired intangible assets     | 2,792             | 1.4%              | --                  | --                | 774  | 1.1%              | --                      | 3,566           | 1.2%              |
| Non-GAAP basis– operating income (loss)        | <u>\$31,759</u>   | <u>15.7%</u>      | <u>\$1,294</u>      | <u>3.1%</u>       | <u>\$ 9,822</u>                            | <u>13.5%</u>      | <u>\$ (7,319)</u>       | <u>\$35,556</u> | <u>11.6%</u>      |

**Six Months Ended December 31, 2018**

|  | Security Division |                   | Healthcare Division |                   | Optoelectronics and Manufacturing Division |                   | Corporate / Elimination | Total           |                   |
|--|-------------------|-------------------|---------------------|-------------------|--|-------------------|-------------------------|-----------------|-------------------|
|  |                   | <u>% of Sales</u> |                     | <u>% of Sales</u> |  | <u>% of Sales</u> |                         |                 | <u>% of Sales</u> |
| GAAP basis – operating income (loss)           | \$49,113          | 13.7%             | \$ 334              | 0.4%              | \$ 14,892                                  | 10.4%             | \$ (16,375)             | \$47,964        | 8.4%              |
| Restructuring and other charges (benefit), net | --                | --                | 3,526               | 3.9%              | 420  | 0.3%              | (1,015)                 | 2,931           | 0.5%              |
| Amortization of acquired intangible assets     | 5,916             | 1.6%              | --                  | --                | 2,274                                      | 1.6%              | --                      | 8,190           | 1.5%              |
| Non-GAAP basis– operating income (loss)        | <u>\$55,029</u>   | <u>15.3%</u>      | <u>\$3,860</u>      | <u>4.3%</u>       | <u>\$ 17,586</u>                           | <u>12.3%</u>      | <u>\$ (17,390)</u>      | <u>\$59,085</u> | <u>10.4%</u>      |

**Six Months Ended December 31, 2019**

|  | Security Division |                   | Healthcare Division |                   | Optoelectronics and Manufacturing Division |                   | Corporate / Elimination | Total           |                   |
|--|-------------------|-------------------|---------------------|-------------------|--|-------------------|-------------------------|-----------------|-------------------|
|  |                   | <u>% of Sales</u> |                     | <u>% of Sales</u> |  | <u>% of Sales</u> |                         |                 | <u>% of Sales</u> |
| GAAP basis – operating income (loss)           | \$48,880          | 12.5%             | \$4,111             | 5.0%              | \$ 17,787                                  | 12.1%             | \$ (12,972)             | \$57,806        | 9.7%              |
| Restructuring and other charges (benefit), net | 405               | 0.1%              | --                  | --                | 17   | 0.0%              | (3,450)                 | (3,028)         | (0.5%)            |
| Amortization of acquired intangible assets     | 5,592             | 1.4%              | --                  | --                | 1,571                                      | 1.1%              | --                      | 7,163           | 1.2%              |
| Non-GAAP basis– operating income (loss)        | <u>\$54,877</u>   | <u>14.0%</u>      | <u>\$4,111</u>      | <u>5.0%</u>       | <u>\$ 19,375</u>                           | <u>13.2%</u>      | <u>\$ (16,422)</u>      | <u>\$61,941</u> | <u>10.4%</u>      |

**Contacts**

**OSI Systems, Inc.**

Ajay Vashishat

Vice President, Business Development

Tel: (310) 349-2237

avashishat@osi-systems.com