LEONARDO DRS

Quarterly Earnings Presentation

Q2 | 2026

July 30, 2026

Disclaimers

Forward-Looking Statements

In this presentation, when using the terms the "company," "DRS," "we," "us" and "our," unless otherwise indicated or the context otherwise requires, we are referring to Leonardo DRS, Inc. This presentation contains forward-looking statements and cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995. Some of the forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "strives," "targets," "projects," "guidance," "intends," "plans," "estimates," "anticipates" or other comparable terms. Forward-looking statements include, without limitation, all matters that are not historical facts. They appear in a number of places throughout this presentation and include, without limitation, statements regarding our intentions, beliefs, assumptions or current expectations concerning, among other things, financial goals, financial position, results of operations, cash flows, prospects, strategies or expectations, the proposed acquisition of Raft LLC ("Raft"), including the expected timing of completion of the transaction, the satisfaction of closing conditions, the receipt of regulatory approvals, the anticipated benefits of the transaction, the expected impact of the transaction on DRS or Raft LLC's financial results, including expected accretion and tax benefits, the expected financing of the transaction, plans for the integration of the acquired business, and the impact of prevailing economic conditions.

These statements are subject to numerous assumptions, risks, and uncertainties, many of which are outside of our control, and include the risks and uncertainties that are identified in the Risk Factors section in our latest Annual Report on Form 10-K, and in other periodic and current reports we file with the SEC. While the forward-looking statements herein reflect our current expectations, no assurance can be given that the results or events described in such statements will be achieved, and our actual results may differ materially from the results we anticipate. Our guidance for fiscal year 2026 and the other statements regarding our financial outlook are expressly made as of July 30, 2026 (the date of our second quarter 2026 earnings press release and conference call). We undertake no obligation, other than as may be required by law, to revise or update any of these forward-looking statements (whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise) that may arise after the date of this presentation.

Non-GAAP Financial Measures

In addition to the results reported in accordance with U.S. generally accepted accounting principles ("GAAP") included throughout this presentation, the company has provided information regarding "Adjusted EBITDA," "Adjusted EBITDA Margin," "Segment Adjusted EBITDA," "Segment Adjusted EBITDA Margin," "Adjusted Net Earnings," "Adjusted Diluted Earnings Per Share," "Free Cash Flow" and "Free Cash Flow Conversion" (each, a non-GAAP financial measure).

We believe the non-GAAP financial measures presented in this document will help investors understand our financial condition and operating results and assess our future prospects. We believe these non-GAAP financial measures, each of which is discussed in greater detail in the appendix, are important supplemental measures because they exclude unusual or non-recurring items as well as non-cash items that are unrelated to or may not be indicative of our ongoing operating results. Further, when read in conjunction with our GAAP results, these non-GAAP financial measures provide a baseline for analyzing trends in our underlying businesses and can be used by management as a tool to help make financial, operational and planning decisions. Finally, these measures are often used by analysts and other interested parties to evaluate companies in our industry by providing more comparable measures that are less affected by factors such as capital structure.

We recognize that these non-GAAP financial measures have limitations, including that they may be calculated differently by other companies or may be used under different circumstances or for different purposes, thereby affecting their comparability from company to company. In order to compensate for these and the other limitations, management does not consider these measures in isolation from or as alternatives to the comparable financial measures determined in accordance with U.S. GAAP. Readers should review the reconciliations on pages 7-8 and should not rely on any single financial measure to evaluate our business.

Key Messages

1

Excellent second quarter with steady execution driving double-digit growth and significant margin expansion

- Q2 organic revenue growth of 10% year-over-year, reinforces the strength of the company’s differentiated portfolio and strategy
- Adjusted EBITDA growth of 33% and margin expanded by 240 bps, on disciplined execution, favorable mix and volume leverage
- Free Cash Flow improved year-over-year on higher profitability and better working capital efficiency and builds on the trend of improved quarterly linearity despite increased capital investment

2

Robust and resilient demand for DRS’s mission-critical capabilities

- Q2 bookings of $1.1 billion, which represents a 1.2x book-to-bill ratio and further extends the company’s consecutive quarterly bookings trend of demand at or above 1.0x
- Broad-based demand was led by orders for electric power and propulsion, infrared sensing, tactical radars and naval network computing
- Sustained customer demand elevated funded backlog to a new company record, enhancing multi-year visibility into future growth

3

Strategic focus and commitment to delivering consistent, profitable growth

- Disciplined growth in internal R&D and capital expenditures supports innovation and adds capacity to meet strong, durable demand
- Announced the $450 million acquisition of Raft, expanding DRS’s multi-domain AI, data fusion and mission software capabilities
- Well-positioned to gain share and capture upside from robust defense investment in priority areas including air defense, counter-UAS, space, missiles, unmanned systems and naval platforms

4

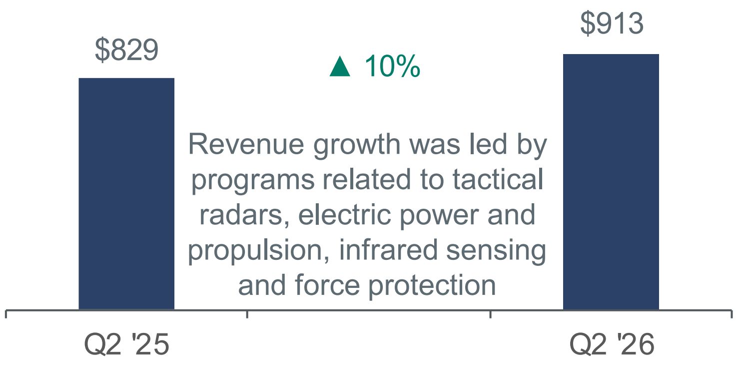
First half momentum enables raising full year 2026 guidance for Adjusted EBITDA and Adjusted Diluted EPS

- Expected conversion of record funded backlog underpins confidence in the 2026 outlook
- Raising the range of Adjusted EBITDA and implied margin to reflect momentum from solid performance
- Revised Adjusted Diluted EPS reflects operational strength, a lower effective tax rate and reduced net interest expense

Q2 2026 Leonardo DRS Results Summary

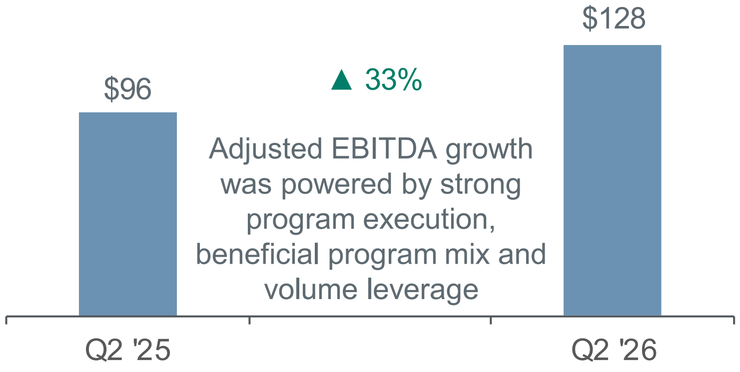
Revenue

(Dollars in millions)



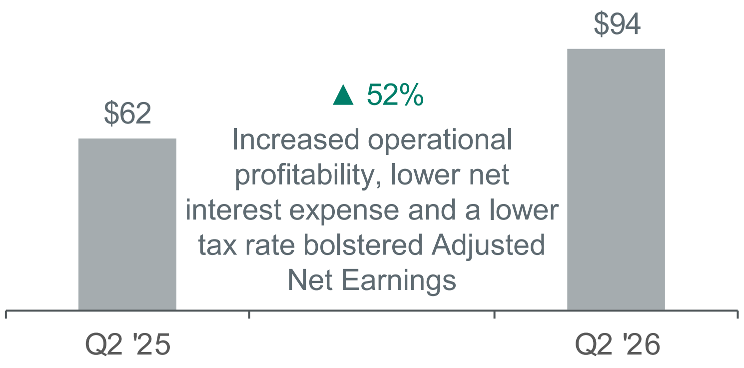
Adjusted EBITDA *

(Dollars in millions)



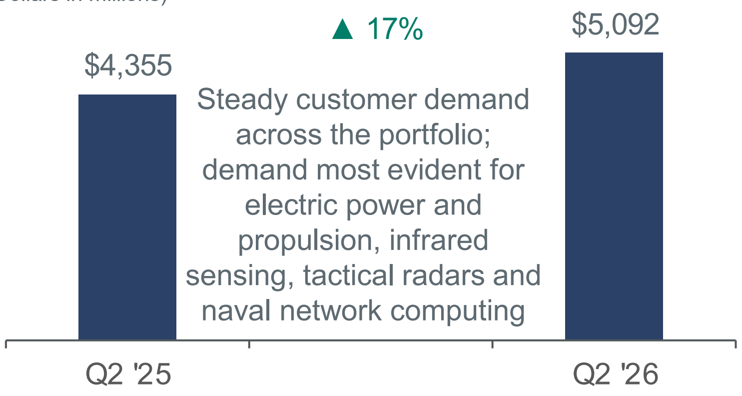
Adjusted Net Earnings *

(Dollars in millions)

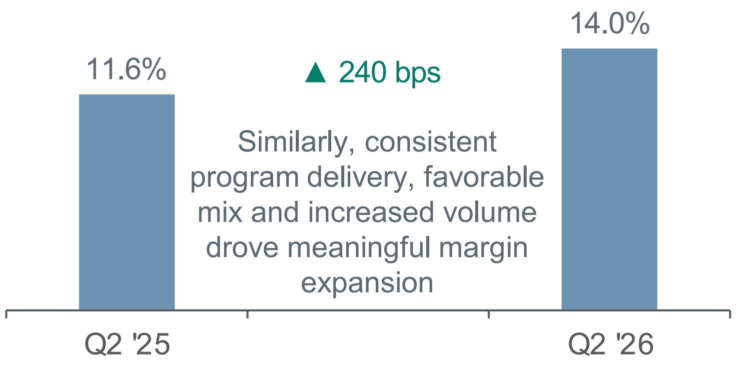


Funded Backlog

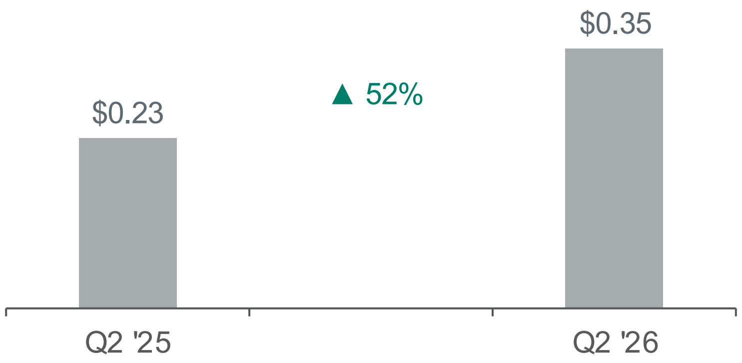
(Dollars in millions)



Adjusted EBITDA Margin *



Adjusted Diluted EPS *

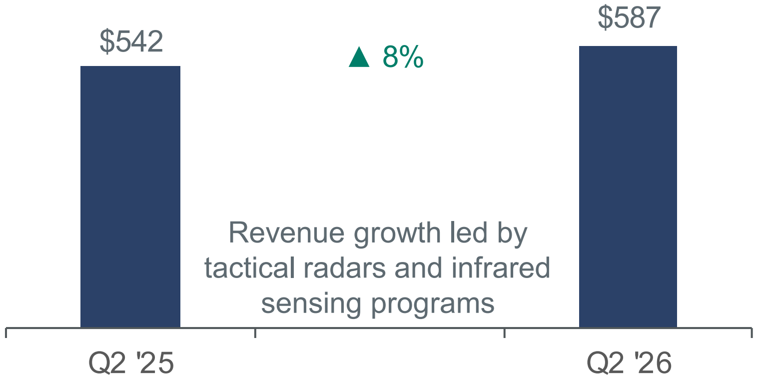


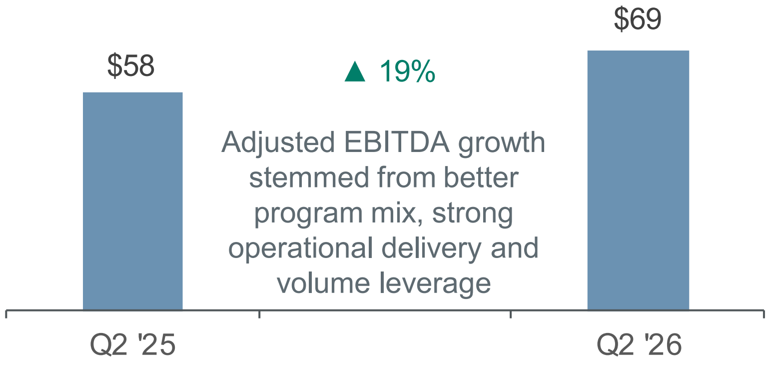
* See slides 7-8 “Non-GAAP Financial Measures” for definitions and reconciliations of the non-GAAP financial measures to the most comparable financial measures calculated and presented in accordance with GAAP

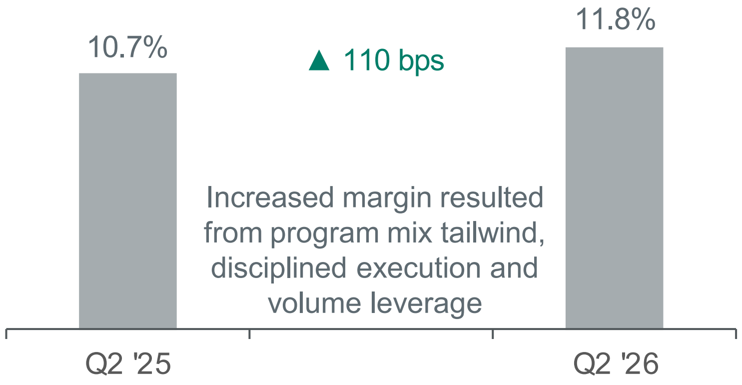
Q2 2026 Segment Results Summary

Revenue	Segment Adjusted EBITDA *	Segment Adjusted EBITDA Margin *
(Dollars in millions)	(Dollars in millions)	

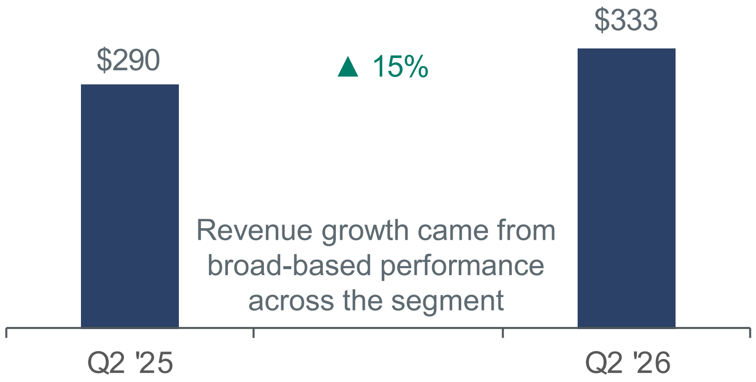
Advanced Sensing and Computing (ASC)

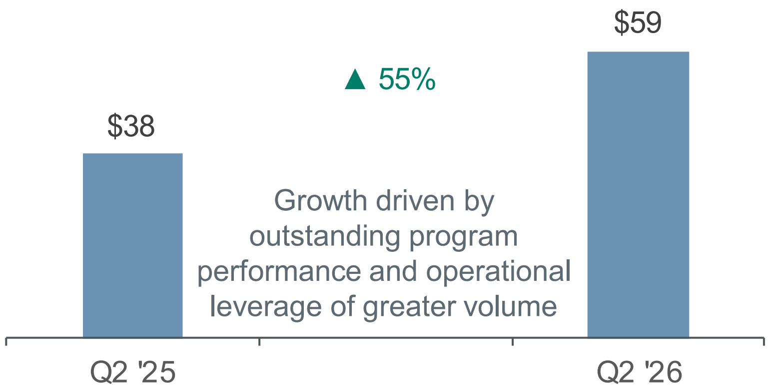


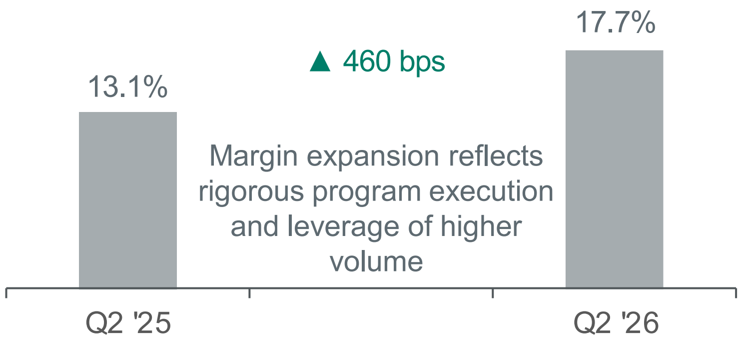




Integrated Mission Systems (IMS)







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Increasing 2026 Adjusted EBITDA and Adjusted Diluted EPS Guidance

Delivering Healthy Organic Revenue and Adjusted EBITDA Margin Expansion

Revenue

- Robust first half performance coupled with growing funded backlog offers solid visibility into the revenue range
- Timing and level of material receipts and labor execution progress remain the primary factors influencing revenue

Adjusted EBITDA

- Margin improvement expected to result from execution discipline, favorable mix and operational leverage from higher volume

Adjusted Diluted EPS

- Assumption for diluted shares outstanding unchanged
- Benefits of stronger operational profitability, a lower effective tax rate and reduced net interest expense are reflected in the revised guide

Other Modeling Items

- Targeting approximately 75% Free Cash Flow Conversion of Adjusted Net Earnings
- Consistent with prior years, greater second half contribution across metrics expected
- Pending acquisition not incorporated into guidance

(In millions, except per share amounts)

	2026 Guidance	Prior
Revenue	$3,900 - $3,975	$3,900 - $3,975
% Δ from 2025	*7% - 9%*	*7% - 9%*
Adjusted EBITDA *	$525 - $540	$515 - $530
% Δ from 2025	*16% - 19%*	*14% - 17%*
Tax Rate	*16.5%*	*18.5%*
Diluted Shares Outstanding	*269*	*269*
Adjusted Diluted EPS *	$1.34 - $1.39	$1.26 - $1.30
% Δ from 2025	*17% - 21%*	*10% - 13%*

* The company does not provide a reconciliation of forward-looking Adjusted EBITDA and Adjusted Diluted EPS, due to the inherent difficulty in forecasting and quantifying the non-GAAP exclusions that are necessary for such reconciliation without unreasonable effort. Material changes to any one of these items could have a significant effect on future GAAP results

Non-GAAP Financial Measures

Definitions and Reconciliations

In addition to the results reported in accordance with U.S. GAAP included throughout this presentation, the company has provided information regarding “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Segment Adjusted EBITDA,” “Segment Adjusted EBITDA Margin,” “Adjusted Net Earnings” and “Adjusted Diluted Earnings Per Share” (each, a non-GAAP financial measure).

Adjusted EBITDA and **Adjusted EBITDA Margin** are defined as net earnings before income taxes, net interest expense, amortization of acquired intangible assets, depreciation, deal-related transaction costs, restructuring costs and other one-time non-operational events (which include non-service pension expense, legal liability accrual reversals, executive transition costs and foreign exchange impacts), then in the case of Adjusted EBITDA Margin dividing Adjusted EBITDA by revenues.

Segment Adjusted EBITDA and **Segment Adjusted EBITDA Margin** are defined as operating earnings before amortization of acquired intangible assets, depreciation, deal-related transaction costs, restructuring costs and other one-time non-operational events, then in the case of Segment Adjusted EBITDA Margin dividing Segment Adjusted EBITDA by revenues.

(Dollars in millions)

	Three Months Ended June 30,	
	2025	2026
Net earnings	**$54**	**$86**
Income tax provision	13	14
Interest (income) expense, net	2	(2)
Amortization of intangibles	6	6
Depreciation	17	20
Other one-time non-operational events	4	4
Adjusted EBITDA	**$96**	**$128**
Adjusted EBITDA Margin	*11.6%*	*14.0%*

(Dollars in millions)

Advanced Sensing & Computing (ASC)	Three Months Ended June 30,	
	2025	2026
Operating earnings	**$37**	**$49**
Amortization of intangibles	6	6
Depreciation	12	14
Other one-time non-operational events	3	0
Segment Adjusted EBITDA	**$58**	**$69**
Segment Adjusted EBITDA Margin	*10.7%*	*11.8%*

(Dollars in millions)

Integrated Mission Systems (IMS)	Three Months Ended June 30,	
	2025	2026
Operating earnings	**$33**	**$53**
Depreciation	5	6
Segment Adjusted EBITDA	**$38**	**$59**
Segment Adjusted EBITDA Margin	*13.1%*	*17.7%*

Non-GAAP Financial Measures (Continued)

Definitions and Reconciliations

Adjusted Net Earnings and **Adjusted Diluted EPS** are defined as net earnings excluding amortization of acquired intangible assets, deal-related transaction costs, restructuring costs and other one-time non-operational events (which include non-service pension expense, legal liability accrual reversals, executive transition costs, and foreign exchange impacts), and the related tax impacts, then in the case of Adjusted Diluted EPS dividing Adjusted Net Earnings by the diluted weighted average number of shares outstanding (WASO).

(In millions, except per share amounts)

	Three Months Ended June 30,	
	2025	2026
Net earnings	**$54**	**$86**
Amortization of intangibles	6	6
Other one-time non-operational events	4	4
Tax effect of adjustments [(1)]	(2)	(2)
Adjusted Net Earnings	**$62**	**$94**
Diluted WASO	269.025	268.935
Diluted earnings per share	**$0.20**	**$0.32**
Adjusted Diluted EPS	**$0.23**	**$0.35**

(1) Calculation uses an estimated statutory tax rate on non-GAAP adjustments