LEONARDO DRS






Quarterly Earnings Presentation

Q3 | 2026

October 29, 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’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 October 29, 2026 (the date of our third 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

Third quarter delivers strong revenue growth, faster profit growth and meaningful margin expansion

- Organic revenue increased 11% year-over-year, driven by strong demand for DRS's affordable and mission-proven capabilities across tactical radars, power and propulsion and space sensing programs
- Adjusted EBITDA grew 27%, outpacing revenue growth on strong program execution, favorable mix and higher volumes
- Adjusted EBITDA margin expanded 180 basis points, reflecting improved operational efficiency

2

Exceptionally strong bookings reinforce durable demand for DRS's differentiated capabilities

- Q3 bookings increased 25% year-over-year to $1.6B, driving book-to-bill to 1.5x – the strongest since going public four years ago
  - ASC: 1.5x | IMS: 1.5x
- Record funded backlog of $5.6B underscores DRS's central role in helping U.S. and its allies respond to an evolving security landscape
- Record U.S. base defense budget and strong alignment with DRS's portfolio support sustained demand for DRS's solutions

3

DRS invests ahead in capability and capacity to help customers maintain overmatch

- DRS's differentiation was recognized this quarter with a $500M award supporting the DoW's Counter Drone office (JIATF-401) and selection to provide the permanent-magnet electric propulsion system for the Republic of Korea Navy's KDDX destroyer program
- 2026 R&D and capex step-up to 3.5% and 4% of sales, respectively, supports agile innovation and capacity to meet growing demand
- Raft acquisition expected to close in Q4 2026, expanding DRS's multi-domain AI, data fusion and mission software capabilities

4

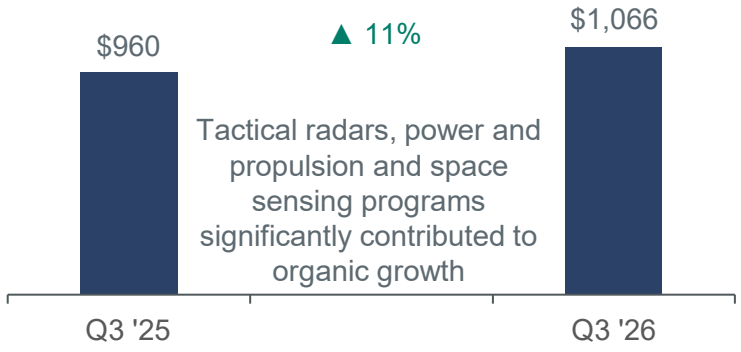
Strong year-to-date execution enables raising full-year 2026 guidance across key metrics

- Raising and tightening organic revenue growth outlook to 8% to 9%, reflecting strong year-to-date performance and improved visibility
- Increasing Adjusted EBITDA and implied margin outlook to reflect operational strength
- Raising Adjusted Diluted EPS outlook on stronger flow-through, with additional benefit from a lower full-year effective tax rate
- FCF still expected to track towards ~75% of Adjusted Net Earnings with continued focus on improved quarterly cash linearity

Q3 2026 Leonardo DRS Results Summary

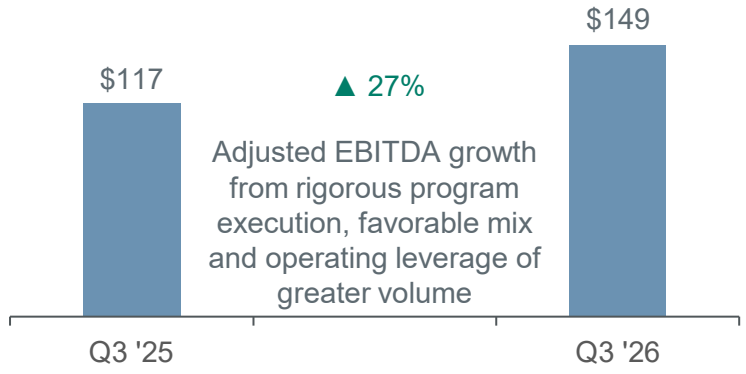
Revenue

(Dollars in millions)



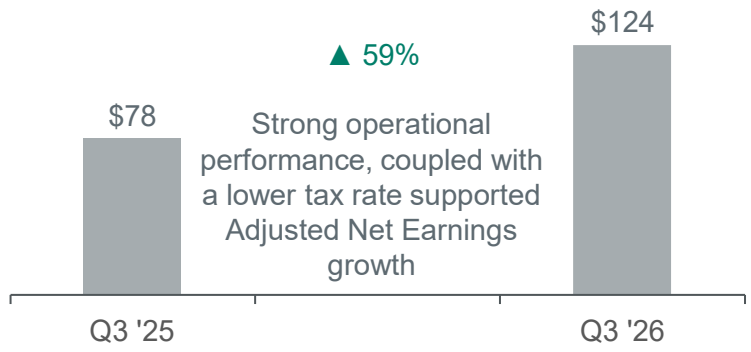
Adjusted EBITDA *

(Dollars in millions)



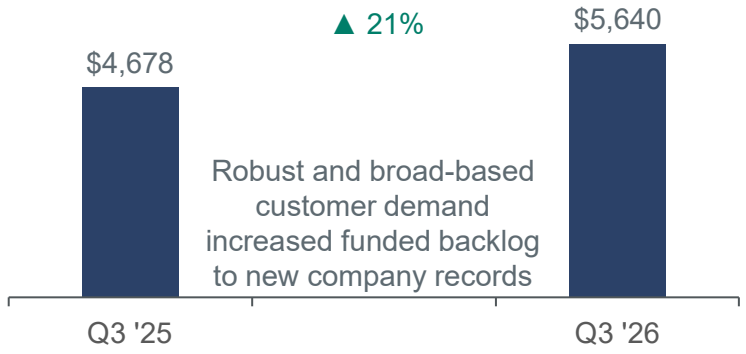
Adjusted Net Earnings *

(Dollars in millions)



Funded Backlog

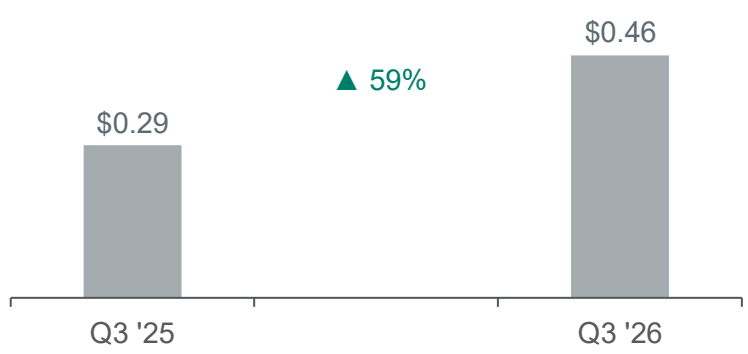
(Dollars in millions)



Adjusted EBITDA Margin *



Adjusted Diluted EPS *

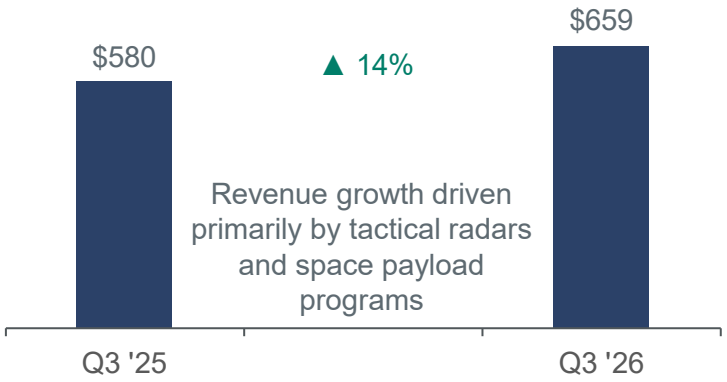


* See slides 7-8 “Non-GAAP Financial Measures” for definitions and reconciliations of the non-GAAP financial measures to the most comparable financial measures calculated and presented in accordance with GAAP

Q3 2026 Segment Results Summary

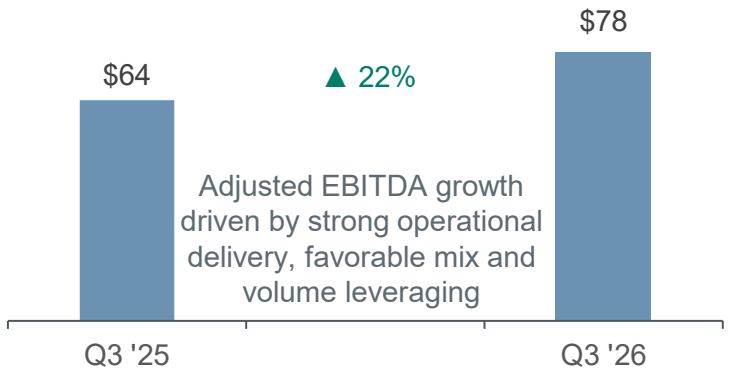
Revenue

(Dollars in millions)



Segment Adjusted EBITDA *

(Dollars in millions)

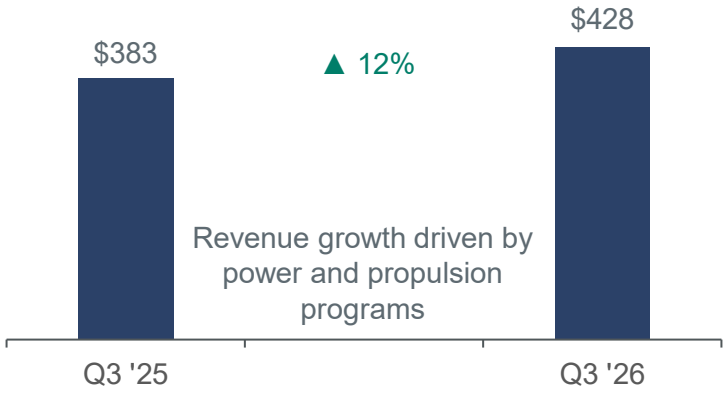


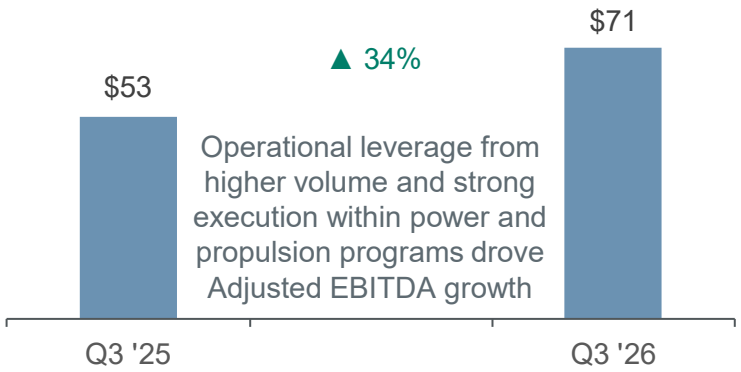
Segment Adjusted EBITDA Margin *

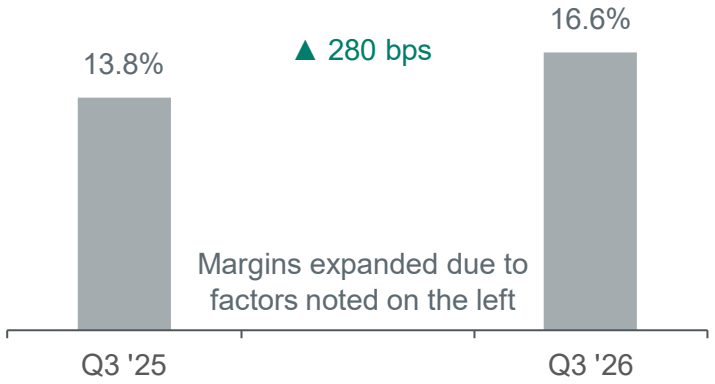


Advanced Sensing and Computing (ASC)

Integrated Mission Systems (IMS)







* 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

Increasing 2026 Revenue, Adjusted EBITDA and Adjusted Diluted EPS Guidance

Delivering Healthy Organic Revenue and Robust Adjusted EBITDA Growth

Revenue	• Strong performance year-to-date, coupled with expected conversion of record funded backlog, provides visibility and confidence in achieving the revised revenue range • Timing and level of material receipts and labor execution progress remain the primary factors influencing revenue
Adjusted EBITDA	• Raising and narrowing the range for Adjusted EBITDA • Margin improvement expected to result from strong program execution, favorable mix and benefits of higher volume
Adjusted Diluted EPS	• Raising and narrowing the Adjusted Diluted EPS range to reflect strong operational profitability and a reduced full-year effective tax rate forecast of 13% • Diluted shares outstanding expected to remain consistent with prior assumptions
Other Modeling Items	• Targeting approximately 75% Free Cash Flow Conversion of Adjusted Net Earnings • Q4 to meaningfully support full-year revenue, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow • Pending acquisition not incorporated into guidance

(In millions, except per share amounts)

	2026 Guidance	Prior
Revenue	$3,950 - $3,985	$3,900 - $3,975
% Δ from 2025	*8% - 9%*	*7% - 9%*
Adjusted EBITDA *	$545 - $555	$525 - $540
% Δ from 2025	*20% - 23%*	*16% - 19%*
Tax Rate	*13.0%*	*16.5%*
Diluted Shares Outstanding	*269*	*269*
Adjusted Diluted EPS *	$1.50 - $1.53	$1.34 - $1.39
% Δ from 2025	*30% - 33%*	*17% - 21%*

* 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 September 30,	
	2025	2026
Net earnings	**$72**	**$115**
Income tax provision	15	1
Interest (income) expense, net	4	(1)
Amortization of intangibles	5	5
Depreciation	18	22
Deal-related transaction costs	0	4
Restructuring costs	1	0
Other one-time non-operational events	2	3
Adjusted EBITDA	**$117**	**$149**
Adjusted EBITDA Margin	*12.2%*	*14.0%*

(Dollars in millions)

Advanced Sensing and Computing (ASC)	Three Months Ended September 30,	
	2025	2026
Operating earnings	**$45**	**$57**
Amortization of intangibles	5	5
Depreciation	12	15
Restructuring costs	1	0
Other one-time non-operational events	1	1
Segment Adjusted EBITDA	**$64**	**$78**
Segment Adjusted EBITDA Margin	*11.0%*	*11.8%*

(Dollars in millions)

Integrated Mission Systems (IMS)	Three Months Ended September 30,	
	2025	2026
Operating earnings	**$48**	**$64**
Depreciation	6	7
Other one-time non-operational events	(1)	0
Segment Adjusted EBITDA	**$53**	**$71**
Segment Adjusted EBITDA Margin	*13.8%*	*16.6%*

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 September 30,	
	2025	2026
Net earnings	**$72**	**$115**
Amortization of intangibles	5	5
Deal-related transaction costs	0	4
Restructuring costs	1	0
Other one-time non-operational events	2	3
Tax effect of adjustments [1]	(2)	(3)
Adjusted Net Earnings	**$78**	**$124**
Diluted WASO	268.426	268.275
Diluted earnings per share	**$0.26**	**$0.43**
Adjusted Diluted EPS	**$0.29**	**$0.46**

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