LEONARDO DRS






INVESTOR PRESENTATION

July 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, 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 18-19 and should not rely on any single financial measure to evaluate our business.

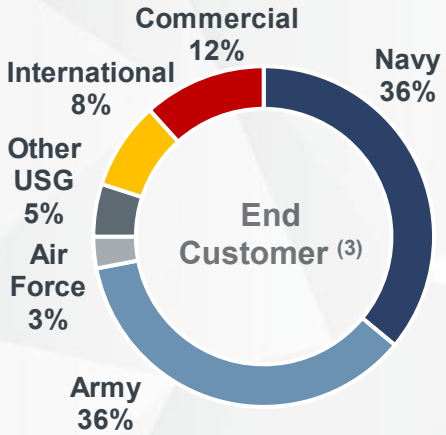
Leonardo DRS at a Glance

Agile and Innovative Critical Defense Technology Provider and Systems Integrator

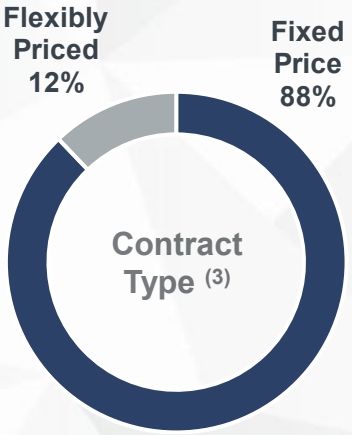
Founded in:	Headquarters:	Employees:	2026 Revenue (1):	2026 Adj. EBITDA (1)(2):	Ticker:
1969	Arlington, VA	~7,300	$3.94 billion	$533 million	DRS Nasdaq

Key Technology Areas

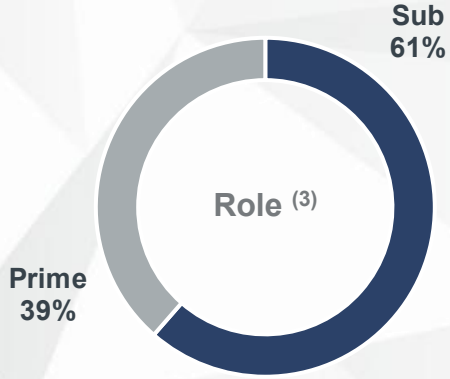
Advanced Sensing



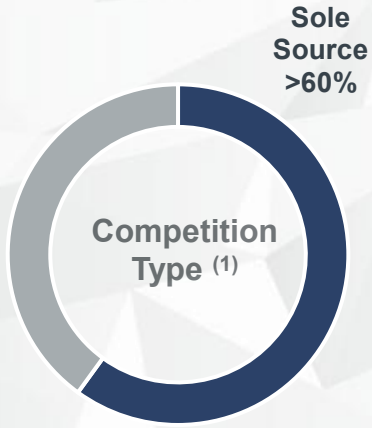
Network Computing



Force Protection



Electric Power & Propulsion



(1) Based on the mid-point of 2026 guidance range
(2) Adjusted EBITDA is a non-GAAP financial measure. The company does not provide a reconciliation of forward-looking Adjusted EBITDA, 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
(3) Based on 2025 revenue

Key Investment Highlights

Well Positioned for Long-Term Growth and Value Creation

Leading market positions aligned to areas of enduring defense **budget priority**

Long-standing reputation as an **agile** and **innovative** critical defense technology provider and systems integrator

Platform-agnostic model results in **differentiated** and **balanced portfolio** of technologies, customers and programs

Strong execution track record and opportunity to drive **organic growth** and **margin expansion**

Robust backlog and multi-pronged growth strategy underpins confidence and **visibility**

Steadily growing **cash flow** and attractive balance sheet enables **value creation** opportunity

Market Drivers and Leonardo DRS Tailwinds

- U.S. federal government remains world's largest buyer of technology with FY27 **Department of War** ("DoW") **request** of **$1.5 trillion***
- Bipartisan support for defense **spending growth** focused on deterring and countering **near-peer threats**
- Global **threat environment** remains **elevated** and rapidly evolving across vectors and domains
- Technology insertion is changing the nature of warfare; enabling sensors, computing and other **electronics** are **increasingly driving overmatch capabilities**
- Majority of business performed under **long-term contracts** resulting in strong **multi-year visibility**



* Inclusive of base appropriations and supplemental funding request

Experienced Management Team



John Baylouny

President &
Chief Executive Officer

John Baylouny is President and Chief Executive Officer for Leonardo DRS. Baylouny was appointed to his current position in 2026.

Most recently, Baylouny served as the Chief Operating Officer since 2018, where he led enterprise-wide operational excellence initiatives to enhance customer value, streamline operations and align the company's advanced capabilities with evolving defense priorities.

Baylouny is a veteran of Leonardo DRS and has held a variety of positions within the company, including Chief Technology Officer, General Manager of the Land Systems business unit and General Manager of the Advanced ISR business unit. Baylouny has more than 35 years of experience in the defense industry with diverse experience in direct P&L and operational responsibility, general management, product development, program management and product design.



Mike Dippold

EVP &
Chief Financial Officer

Mike Dippold is Executive Vice President and Chief Financial Officer for Leonardo DRS. Dippold was appointed to his current position in 2017.

As the Chief Financial Officer, Dippold is responsible for overseeing Leonardo DRS's financial activities and operations, SEC reporting, tax & treasury functions, as well as economic and business related strategies.

Throughout his near 20 years at the company, Dippold has held a variety of roles of increasing responsibility, including overseeing complex transactions, highlighted by the RADA merger launching Leonardo DRS into the public markets.

Prior to assuming his current position, Dippold served as Senior Vice President, Corporate Controller for DRS Technologies.



Sally Wallace

EVP &
Chief Operating Officer

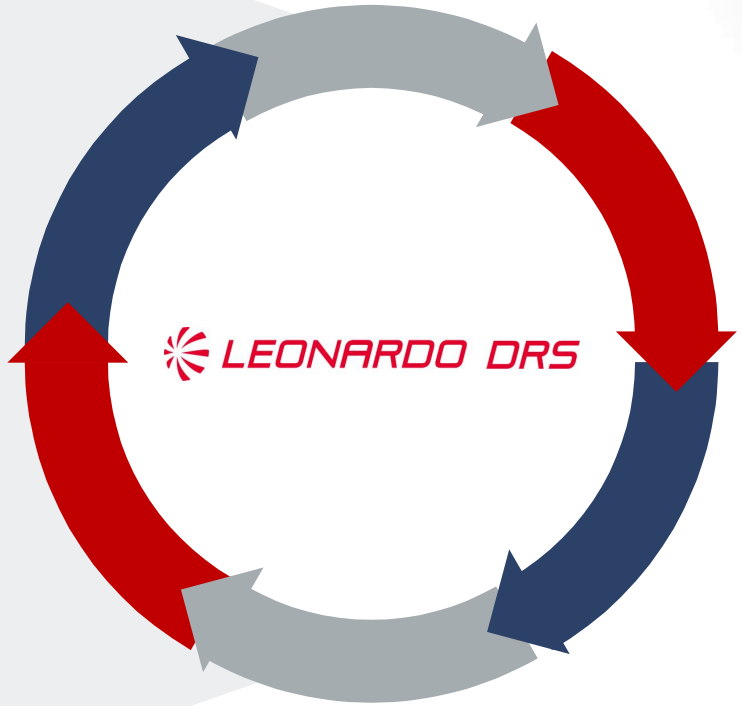
Sally Wallace is Executive Vice President and Chief Operating Officer for Leonardo DRS. Wallace was appointed to her current position in 2026.

Throughout her near 20 years at the company, Wallace has held a variety of roles of increasing responsibility, including most recently as the company's Executive Vice President of Business Operations, a position she held since 2016.

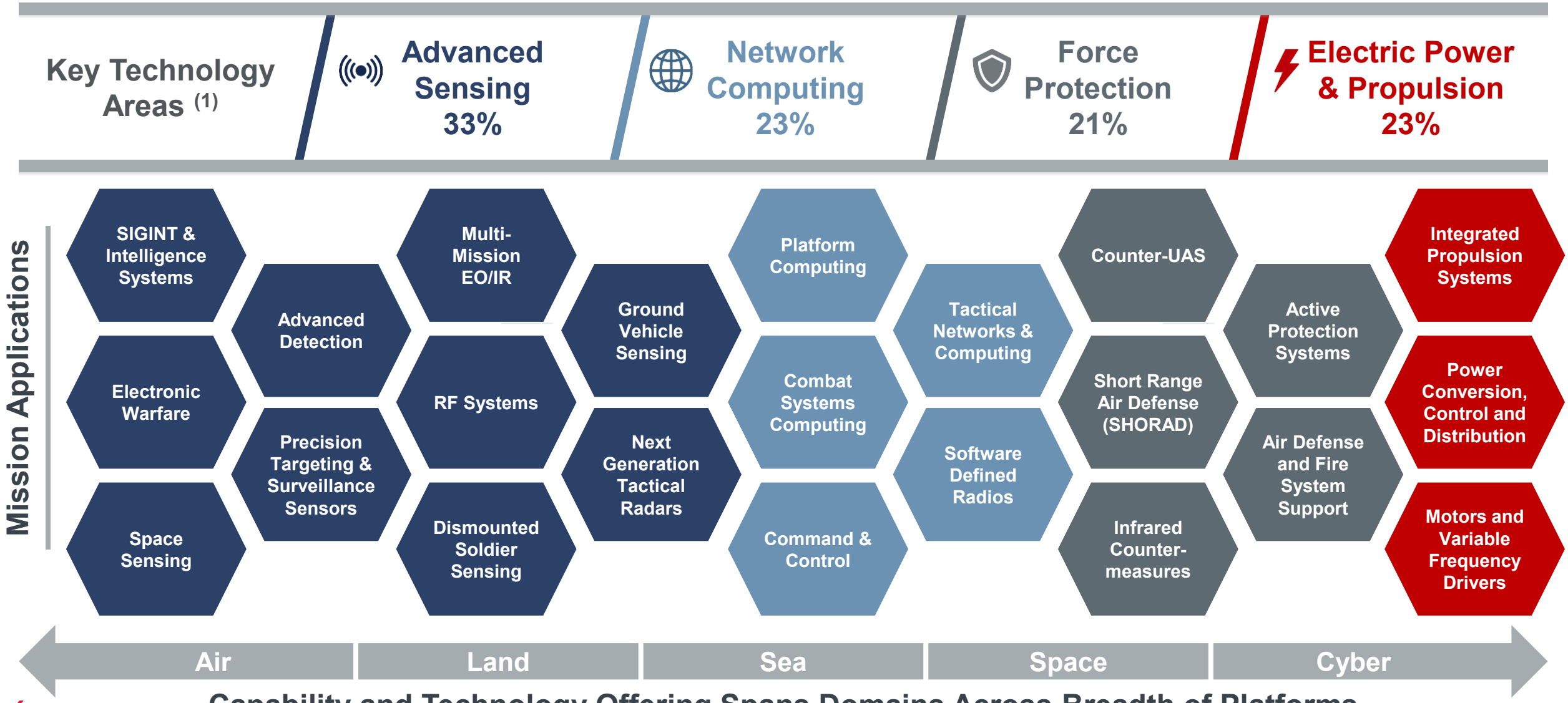
Prior to that, she served as the President of the C4ISR Group, Vice President of Business Operations for the DRS Maritime and Combat Support Systems Group as well as the General Manager of DRS Power and Control Technologies.

Strategic Priorities

- Focus on national security priorities and expanding our market leadership positions
- Leverage our strong technology differentiation, innovation, agility and speed to drive organic growth
- Increase organic investment in research and development and capex to position for incremental long-term growth
- Execute with superior operational excellence and expand profit margin
- Strengthen our engineering and manufacturing talent base
- Deploy capital prudently to drive value creation



Growing Demand for Our Capabilities and Technologies



Capability and Technology Offering Spans Domains Across Breadth of Platforms

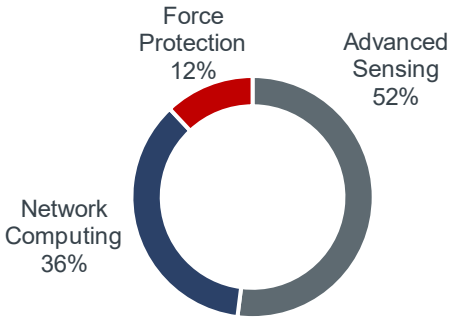
(1) Based on 2025 revenue

Leonardo DRS Operating Segments

Advanced Sensing & Computing (ASC)

Revenue	Adj. EBITDA (1)	Book-to-Bill	Funded Backlog	Business Cycle	Employees	Locations
$2.36B	$316M	1.0x	$2.65B	Medium	4,500	22

Army	Navy	DoW
38%	23%	8%

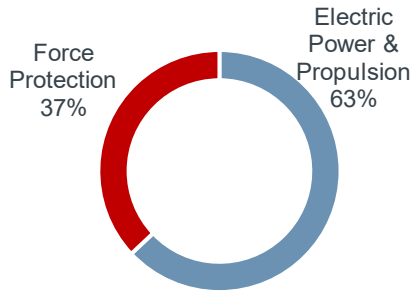


Prime	Sole Source	Fixed Price
45%	>45%	88%

Integrated Mission Systems (IMS)

Revenue	Adj. EBITDA (1)	Book-to-Bill	Funded Backlog	Business Cycle	Employees	Locations
$1.31B	$137M	1.4x	$1.99B	Long	2,500	7

Navy	Army	DoW
60%	33%	6%



Prime	Sole Source	Fixed Price
27%	>80%	88%

Note: Statistics as of December 31, 2025 or full year 2025 and percentages are based on 2025 revenue. DoW revenue percentages exclude Army or Navy revenues and are intended to reflect "other DoW"

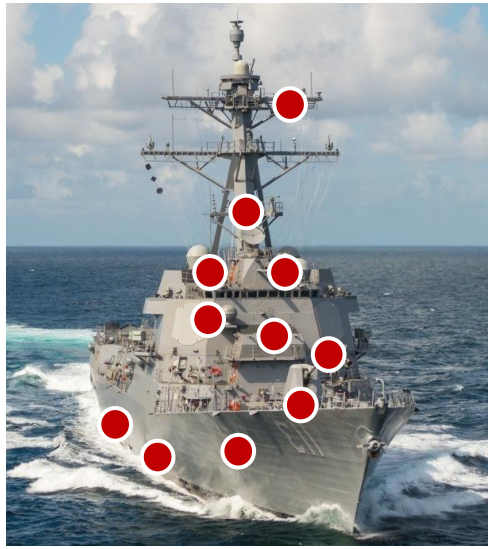
(1) Segment Adjusted EBITDA is a non-GAAP financial measure. See slides 18-19 "Non-GAAP Financial Measures" for definitions and reconciliations of the non-GAAP financial measures to the most comparable financial measures calculated and presented in accordance with GAAP

Representative Platforms with DRS Content

Platform-agnostic Critical Defense Technology Provider

Naval								
	Columbia	Virginia	Arleigh Burke	Ticonderoga	LCS	CVN	LPD	LHA
Ground								
	Bradley	AMPV	Abrams	Stryker	Dismounted	Patriot	XM-30	MPF
Airborne & Space								
	Apache	Seahawk	Reaper	Sea Stallion	Tanker	F-35	Satellites	F-18 Hornet

Diverse Technology Content Across Platforms



- Communications
- Radar Systems
- EW and Radio Components
- SATCOM Antennas
- Nuclear Instrumentation and Controls
- Computing Infrastructure
- Cooling System Components
- Displays and Workstations
- Power Conversion and Distribution Components
- Motor Controllers
- Electric Propulsion
- Self-Protection System Components



- Targeting and Pilotage Infrared Sights
- Degraded Visual Environment Sensor
- Missile Warning
- IR Countermeasures
- Joint Tactical Terminal Software Defined Radio



- 2nd and 3rd Generation HTI Sensors
- Driver's View Enhancement
- Power Electronics
- In-Situ Testing
- Rugged Computing
- Active Protection System



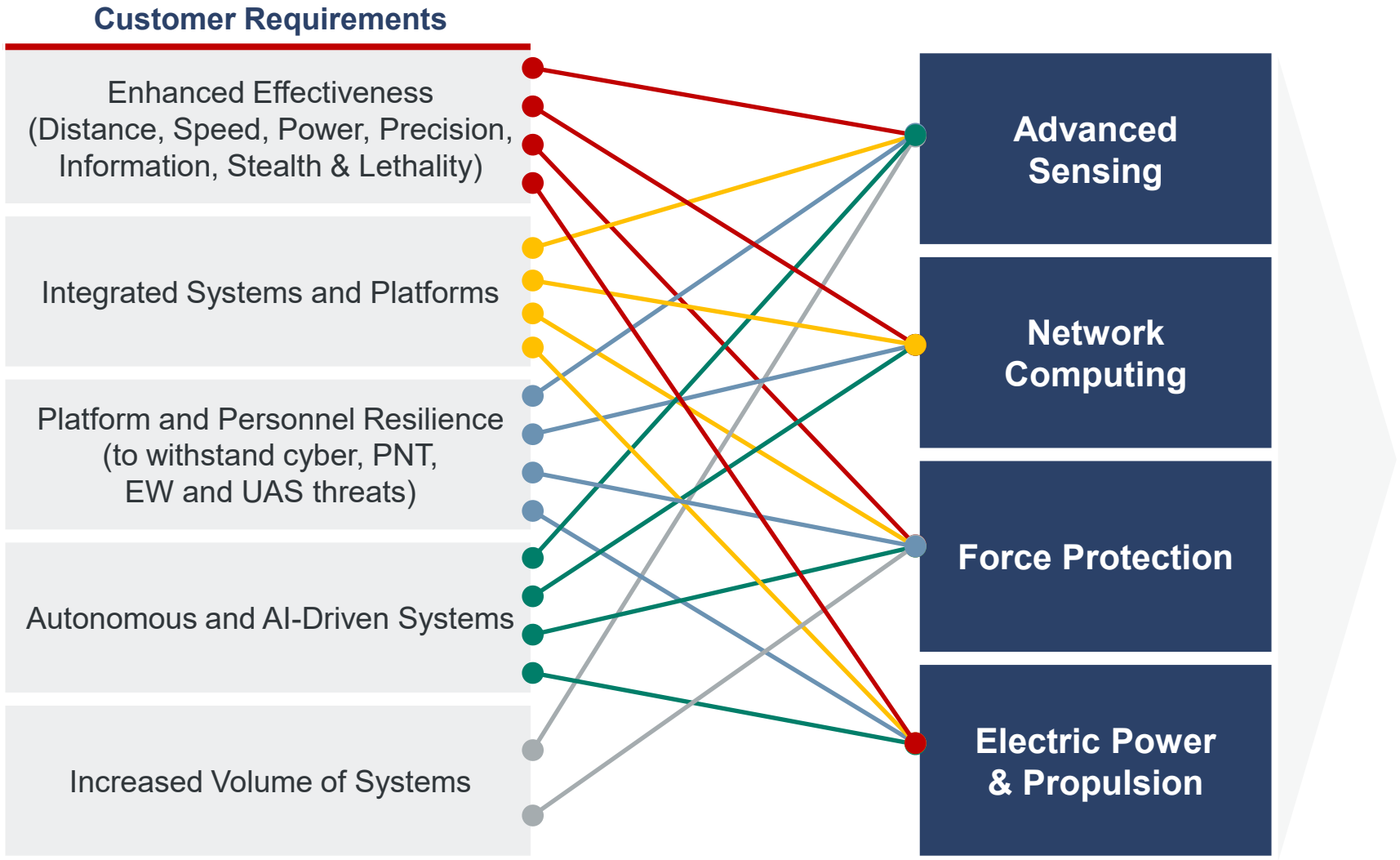
- Integrated Propulsion System
- Switchboard Components
- Electrical Conversion
- Motor Controllers
- Computing Infrastructure



- Night Vision Goggles
- Weapon Sights
- Long-Range Sniper Sight
- Targeting System
- Laser Designators
- EW / SIGINT System

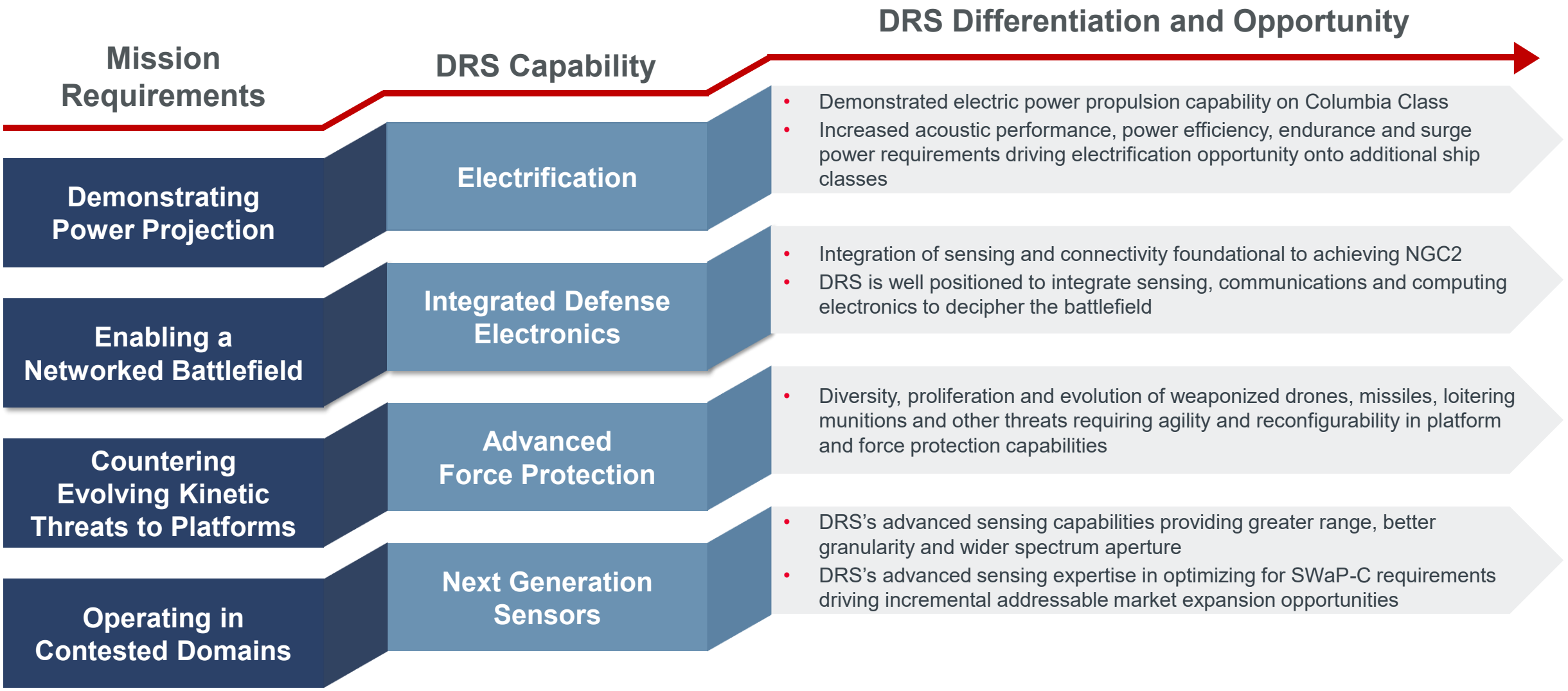
Note: Technology content displayed on this page is illustrative of the company's diverse portfolio but does not reflect its holistic offering

DRS is Well Positioned to Address Evolving Customer Requirements



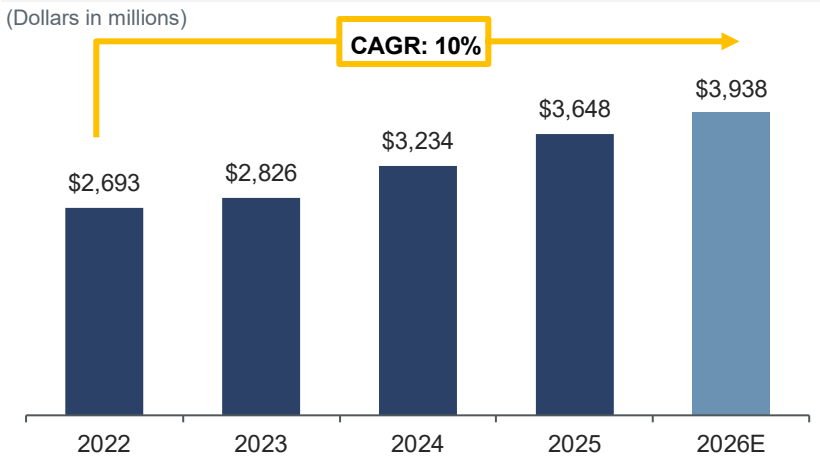
DRS capabilities and investments are helping our customers maintain their competitive edge

Evolving Mission Requirements Driving Leonardo DRS Capability Demand

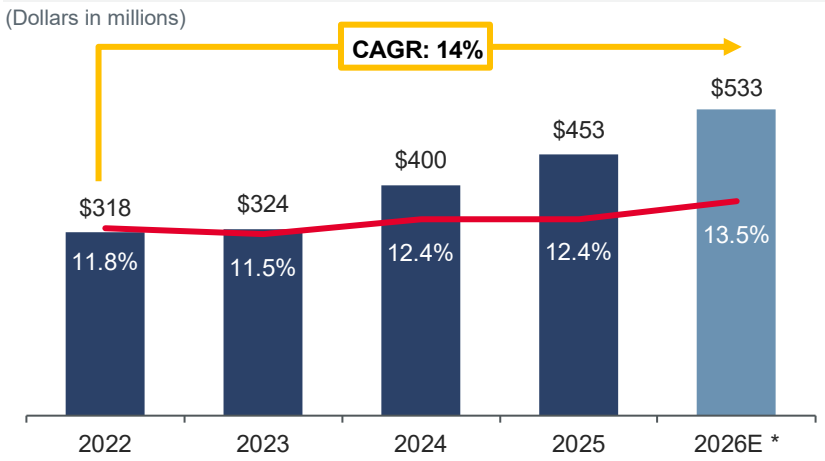


Solid Financial Track Record and Growth Opportunity

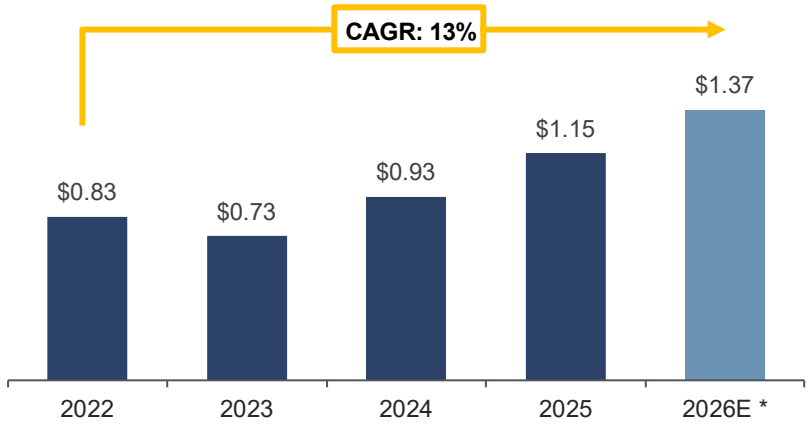
Revenue



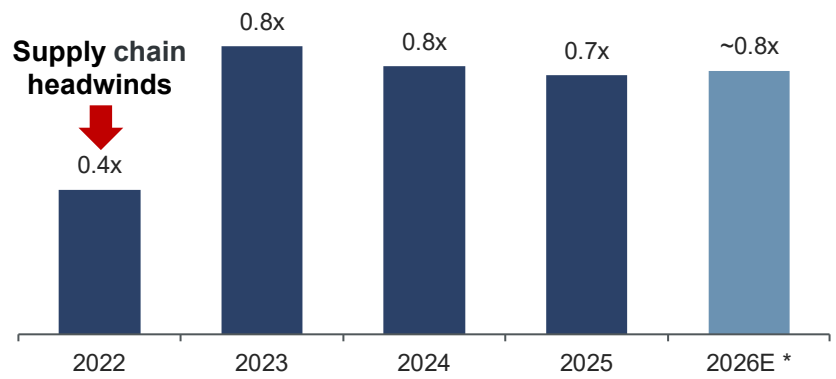
Adjusted EBITDA and Margin (1)



Adjusted Diluted EPS (1)



FCF Conversion (of Adj. Net Earnings) (1)



- **Diverse program portfolio** with no single program comprising over 10% of revenue
- **Well-aligned to customer priorities** and Columbia Class (company's largest program) is a top priority for the DoW
- **Strong revenue visibility** driven by limited near-term recompete risk and >60% of revenue derived from sole source positions
- Increased investment in **company funded research and development** and **capital expenditures** to provide enhanced capability and capacity
- **Steady margin improvement** through program transitions to full rate production, program efficiencies and operating leverage from growth

Note: Historical periods are not pro forma for divestitures or acquisitions. 2026E figures represent the mid-point of the guidance range

(1) See slides 18-19 "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

*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

Q2 2026 Financial Highlights

Revenue	Bookings
$913 million	**$1.1 billion**
▲ 10%	1.2x Book-to-Bill

Adjusted EBITDA (1)	Funded Backlog
$128 million	**$5.1 billion**
14.0% Margin	▲ 17%

Adjusted Diluted EPS (1)	Free Cash Flow (1)
$0.35	**$6 million**
▲ 52%	



(1) See slides 18-19 “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 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%*

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For More Information:

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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,” “Adjusted Net Earnings,” “Adjusted Diluted Earnings Per Share,” “Free Cash Flow” and “Free Cash Flow Conversion” (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, other one-time non-operational events (which include non-service pension expense, legal liability accrual reversals, executive transition costs, COVID-19 response costs and foreign exchange impacts) and gain on sale of dispositions, then in the case of Adjusted EBITDA Margin dividing Adjusted EBITDA by revenues.

Segment Adjusted EBITDA is defined as operating earnings before amortization of acquired intangible assets, depreciation, deal-related transaction costs, restructuring costs and other one-time non-operational events.

(Dollars in millions)

	Twelve Months Ended December 31,				Three Months Ended June 30,	
	2022	2023	2024	2025	2025	2026
Net earnings	**$405**	**$168**	**$213**	**$278**	**$54**	**$86**
Income tax provision	120	24	51	58	13	14
Interest (income) expense, net	34	36	21	8	2	(2)
Amortization of intangibles	10	22	22	22	6	6
Depreciation	55	63	69	71	17	20
Deal related transaction costs	43	7	7	0	0	0
Restructuring costs	3	11	8	2	0	0
Other one-time non-operational events	2	(7)	9	14	4	4
Gain on sale of dispositions	(354)	0	0	0	0	0
Adjusted EBITDA	**$318**	**$324**	**$400**	**$453**	**$96**	**$128**
Adjusted EBITDA Margin	*11.8%*	*11.5%*	*12.4%*	*12.4%*	*11.6%*	*14.0%*

(Dollars in millions)

	Twelve Months Ended December 31, 2025	
	ASC	IMS
Operating earnings	**$240**	**$115**
Amortization of intangibles	22	0
Depreciation	49	22
Restructuring costs	2	0
Other one-time non-operational events	3	0
Segment Adjusted EBITDA	**$316**	**$137**

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, other one-time non-operational events (which include non-service pension expense, legal liability accrual reversals, executive transition costs, COVID-19 response costs and foreign exchange impacts), gain on sale of dispositions (net of taxes) 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).

Free Cash Flow and **Free Cash Flow Conversion** are defined as the sum of the cash flows provided by (used in) operating activities, transaction related expenditures (net of tax), tax payments on disposals, capital expenditures, proceeds from sale of assets and dividends from investments, then in the case of Free Cash Flow Conversion, dividing Free Cash Flow by Adjusted Net Earnings.

(In millions, except per share amounts)

	Twelve Months Ended December 31,				Three Months Ended June 30,	
	2022	2023	2024	2025	2025	2026
Net earnings	**$405**	**$168**	**$213**	**$278**	**$54**	**$86**
Amortization of intangibles	10	22	22	22	6	6
Deal related transaction costs	43	7	7	0	0	0
Restructuring costs	3	11	8	2	0	0
Other one-time non-operational events	2	(7)	9	14	4	4
Gain on sale of dispositions, net of taxes	(275)	0	0	0	0	0
Tax effect of adjustments [1]	(9)	(7)	(10)	(8)	(2)	(2)
Adjusted Net Earnings	**$179**	**$194**	**$249**	**$308**	**$62**	**$94**
Diluted WASO	215.133	264.175	267.733	268.726	269.025	268.935
Diluted earnings per share	**$1.88**	**$0.64**	**$0.80**	**$1.03**	**$0.20**	**$0.32**
Adjusted Diluted EPS	**$0.83**	**$0.73**	**$0.93**	**$1.15**	**$0.23**	**$0.35**

(Dollars in millions)

	Twelve Months Ended December 31,				Three Months Ended June 30,	
	2022	2023	2024	2025	2025	2026
Net cash provided by (used in) operating activities	**$33**	**$205**	**$271**	**$366**	**($28)**	**$35**
Transaction related expenditures, net of tax	25	13	3	0	0	0
Tax payment on disposals	78	0	0	0	0	0
Capital expenditures	(65)	(60)	(85)	(139)	(28)	(29)
Proceeds from sales of assets	0	1	1	0	0	0
Dividends from investments	3	0	0	0	0	0
Free Cash Flow	**$74**	**$159**	**$190**	**$227**	**($56)**	**$6**
Adjusted Net Earnings	$179	$194	$249	$308		
Conversion of Adjusted Net Earnings	0.4x	0.8x	0.8x	0.7x		

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