



Quarterly Earnings Presentation

Q3 | 2025

October 29, 2025

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 duration and scope of the government shutdown, 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 2025, and the other statements regarding our financial outlook are expressly made as of October 29, 2025 (the date of our third quarter 2025 earnings press release and conference call). We undertake no obligation 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. GAAP included throughout this presentation, the company has provided information regarding “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Adjusted Net Earnings” and “Adjusted Diluted Earnings Per Share” (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 page 7 and should not rely on any single financial measure to evaluate our business.



Key Messages

1

Third quarter results reflect both healthy, broad-based customer demand and solid revenue growth

- Company received \$1.3 billion in quarterly bookings, which represents a 1.4x book-to-bill ratio in Q3
- Strong year-to-date performance illuminates a clear path to achieving double-digit organic revenue growth for full year 2025
- Total and funded backlog rose to new company records and provide visibility for continuing growth beyond 2025

2

Strategic focus remains on driving innovation and steadfast program execution

- Internal research and development (R&D) investment growth expected to exceed 35% year-over-year
- Unveils SAGEcore, an integrated software platform that brings AI, advanced sensors and edge computing together into a single, deployable solution for use on tactical platforms
- Innovation leadership in counter UAS evident in first place win at recent DoD competition and successful open-water demonstration of maritime mission equipment package for small uncrewed surface vessels (USV)

3

Continue to navigate a dynamic operating environment

- Steadily progressing efforts to strengthen germanium supply with early success across multiple fronts, including recycling and expanding long-term agreements with reliable suppliers
- Limited financial impact on DRS to date from ongoing shutdown but closely monitoring contracting and payment offices for any impacts to bookings or cash collections for the year

4

Revising 2025 guidance to incorporate strong year-to-date performance

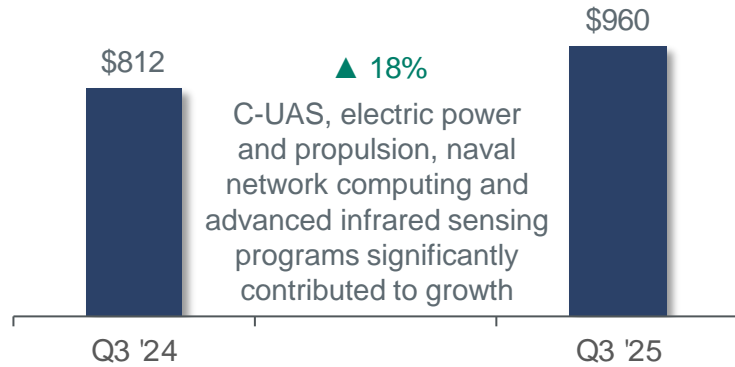
- Raising the lower end of the prior guide for revenue; now expecting double-digit growth across the guide range for full year 2025
- Maintaining Adjusted EBITDA range; implied margin remains impacted by increased internal R&D investment, program mix and less efficient program execution, largely higher materials costs
- Increasing Adjusted Diluted EPS to reflect slightly lower tax rate
- FCF still expected to track towards ~80% of Adjusted Net Earnings



Q3 2025 Leonardo DRS Results Summary

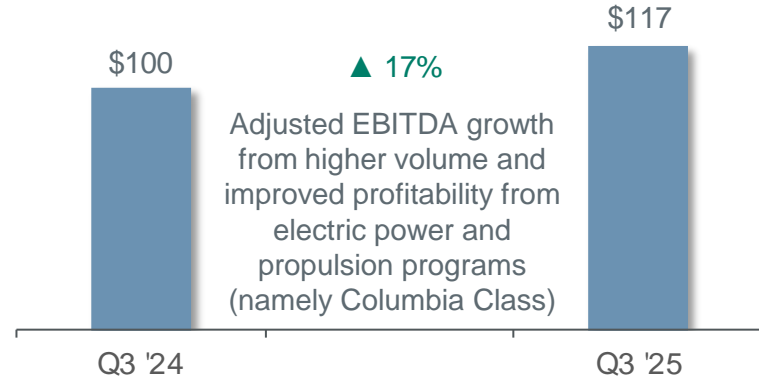
Revenue

(Dollars in millions)



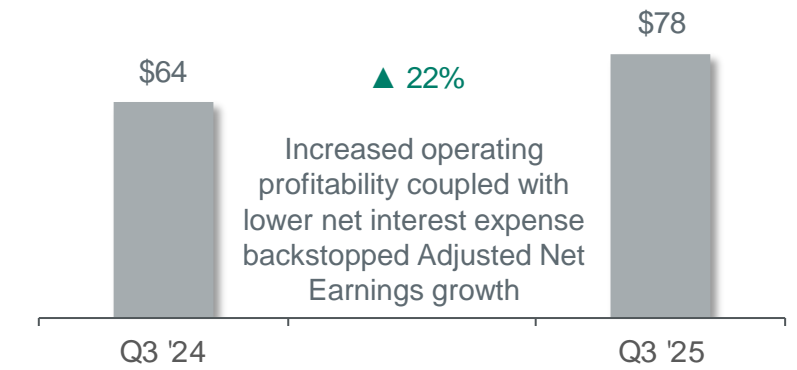
Adjusted EBITDA *

(Dollars in millions)



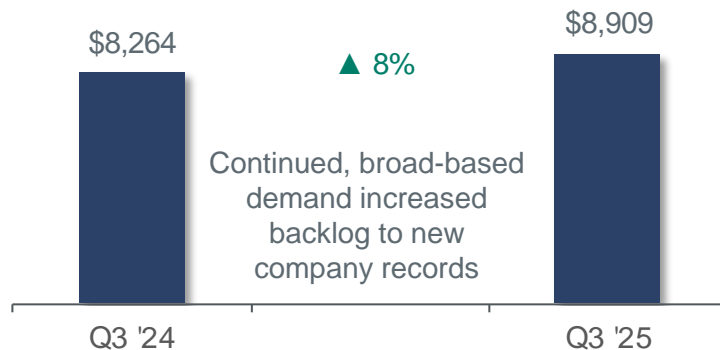
Adjusted Net Earnings *

(Dollars in millions)

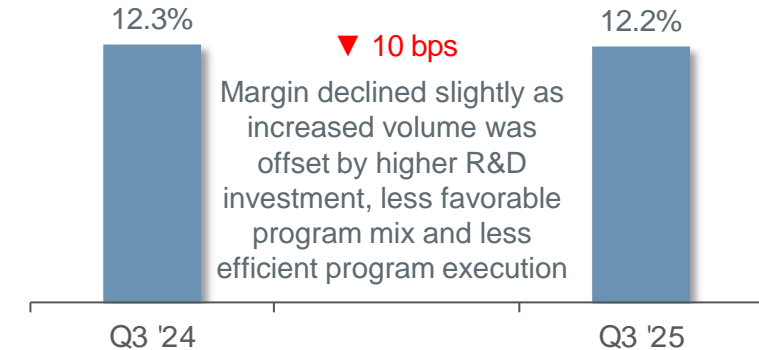


Total Backlog

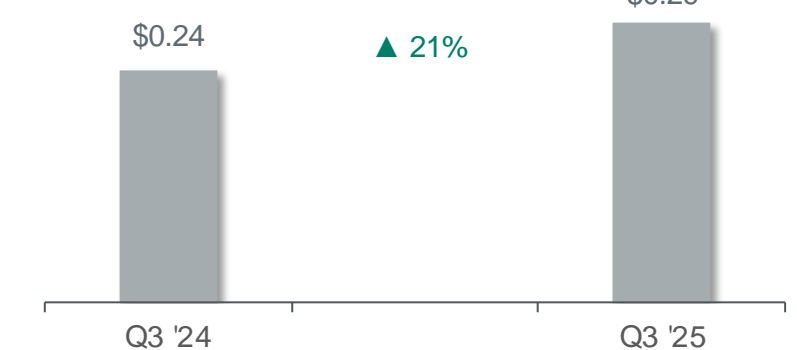
(Dollars in millions)



Adjusted EBITDA Margin *



Adjusted Diluted EPS *



* See slide 7 "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 2025 Segment Results Summary

Revenue

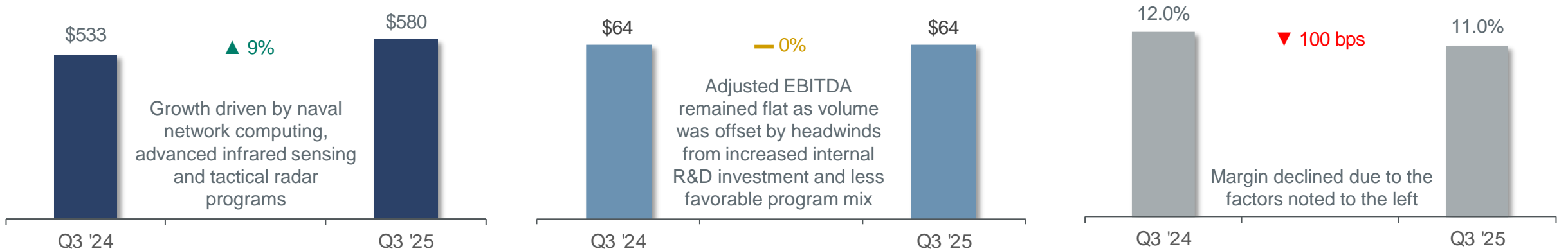
(Dollars in millions)

Adjusted EBITDA *

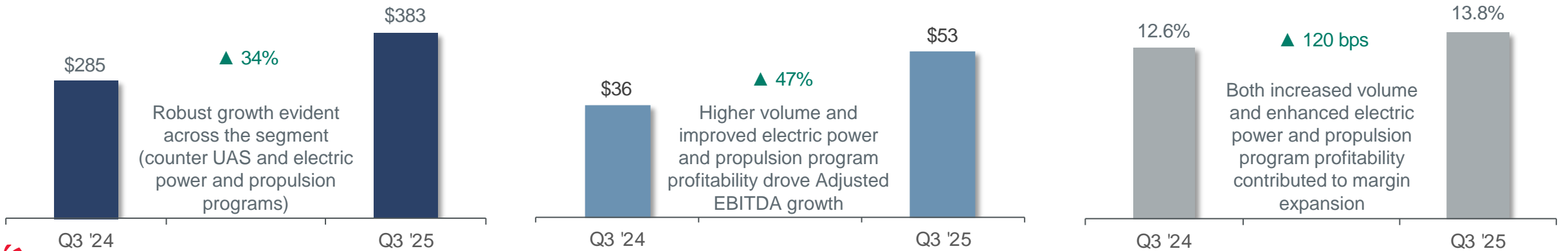
(Dollars in millions)

Adjusted EBITDA Margin *

Advanced Sensing and Computing (ASC)



Integrated Mission Systems (IMS)



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Revised 2025 Guidance

Focused on Driving Continued Healthy Organic Revenue and Adjusted EBITDA Growth

Revenue

- Sustained year-to-date momentum provides visibility and confidence in achieving the revised revenue range
- Variability in revenue output subject to the pace of material receipts and progress of labor inputs

Adjusted EBITDA

- Maintaining the range for Adjusted EBITDA
- Focused on program execution and strengthening supply of critical raw materials (germanium)

Adjusted Diluted EPS

- Raising the range of Adjusted Diluted EPS on reduced forecasted effective tax rate to 18% for the year
- Diluted shares outstanding expected to remain consistent with prior assumptions

Other Modeling Items

- Targeting approximately 80% Free Cash Flow Conversion of Adjusted Net Earnings
- Q4 expected to contribute significantly to full year revenue, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow

(In millions, except per share amounts)

	Current	Prior
Revenue	\$3,550 - \$3,600	\$3,525 - \$3,600
<i>% Δ from 2024</i>	10% - 11%	9% - 11%
Adjusted EBITDA *	\$437 - \$453	\$437 - \$453
<i>% Δ from 2024</i>	9% - 13%	9% - 13%
<i>Tax Rate</i>	18%	19%
<i>Diluted Shares Outstanding</i>	269	269
Adjusted Diluted EPS *	\$1.07 - \$1.12	\$1.06 - \$1.11
<i>% Δ from 2024</i>	15% - 20%	14% - 19%



* 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,” “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, 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 and foreign exchange impacts), then in the case of Adjusted EBITDA Margin dividing Adjusted EBITDA by revenues.


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 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).

(Dollars in millions)

	Three Months Ended	
	September 30,	
	2024	2025
Net earnings	\$57	\$72
Income tax provision	12	15
Interest expense, net	5	4
Amortization of intangibles	6	5
Depreciation	17	18
Deal related transaction costs	1	0
Restructuring costs	0	1
Other one-time non-operational events	2	2
Adjusted EBITDA	\$100	\$117
<i>Adjusted EBITDA Margin</i>	<i>12.3%</i>	<i>12.2%</i>

(In millions, except per share amounts)

	Three Months Ended	
	September 30,	
	2024	2025
Net earnings	\$57	\$72
Amortization of intangibles	6	5
Deal related transaction costs	1	0
Restructuring costs	0	1
Other one-time non-operational events	2	2
Tax effect of adjustments ⁽¹⁾	(2)	(2)
Adjusted Net Earnings	\$64	\$78
Diluted WASO	268.299	268.426
Diluted earnings per share	\$0.21	\$0.26
Adjusted Diluted EPS	\$0.24	\$0.29

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