



Quarterly Earnings Presentation

Q1 | 2026

May 5, 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 May 5, 2026 (the date of our first 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 start to 2026 with strong execution driving growth and profit expansion

- Healthy customer demand continues to materialize throughout the portfolio
 - Q1 2026 marks the 17th consecutive quarter of a book-to-bill ratio at or above 1.0x, providing enhanced visibility and supporting continued growth
- Organic revenue growth and profitability exceeded internal expectations, reflecting rigorous operational execution
- Free cash outflow improved in Q1, driven by higher profitability and more efficient working capital

2

Clear alignment with customer needs and priorities

- Ongoing global conflicts in Eastern Europe and the Middle East are reinforcing demand for resilient, multi-layered air and missile defense solutions to counter more sophisticated and proliferating threats
- DRS remains well positioned for sustained growth as customer demand accelerates across multi-modal sensing, force protection (including counter UAS), electric power and propulsion and network computing

3

Strategic focus remains on delivering consistent, profitable organic growth

- Disciplined investment in internal research and development and capital expenditure to support continued innovation and increased capacity to meet strong and sustained customer demand
- Well positioned to gain share and capture upside from robust defense investment in priority areas including counter UAS, air defense, space, missiles and naval platforms

4

Raising 2026 guidance across key metrics

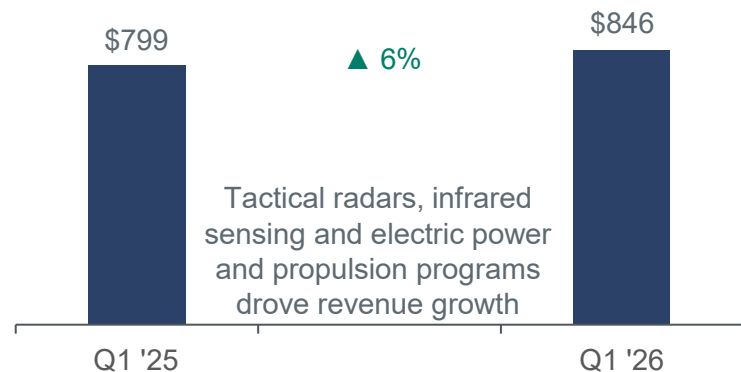
- Strong customer demand reflected in record funded backlog and favorable timing of material receipts support increased confidence in higher organic revenue growth in 2026
- Solid year-to-date program execution and a more favorable mix support a path to increased Adjusted EBITDA and margin expansion
- Continued focus on backlog conversion, disciplined execution and targeted investment to drive sustained growth



Q1 2026 Leonardo DRS Results Summary

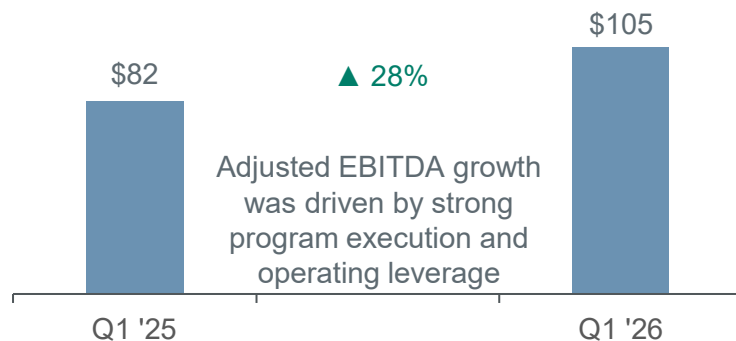
Revenue

(Dollars in millions)



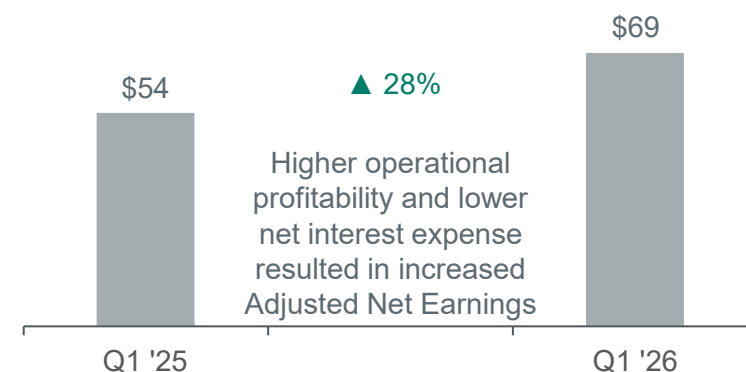
Adjusted EBITDA *

(Dollars in millions)



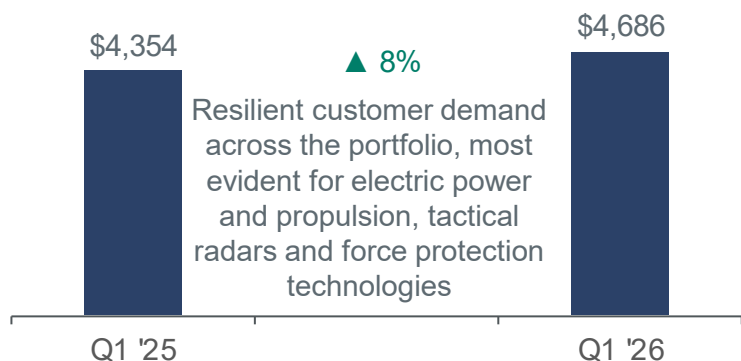
Adjusted Net Earnings *

(Dollars in millions)



Funded Backlog

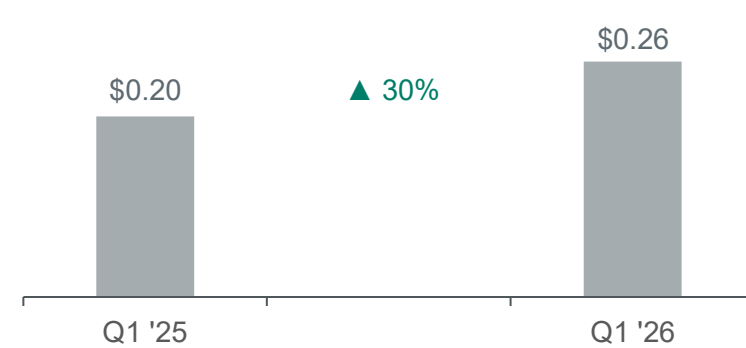
(Dollars in millions)



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

Q1 2026 Segment Results Summary

Revenue

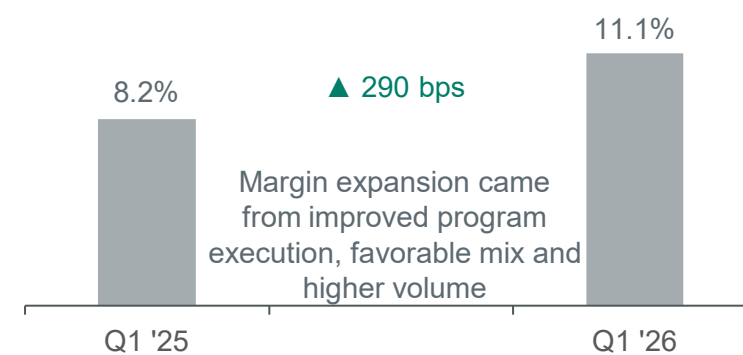
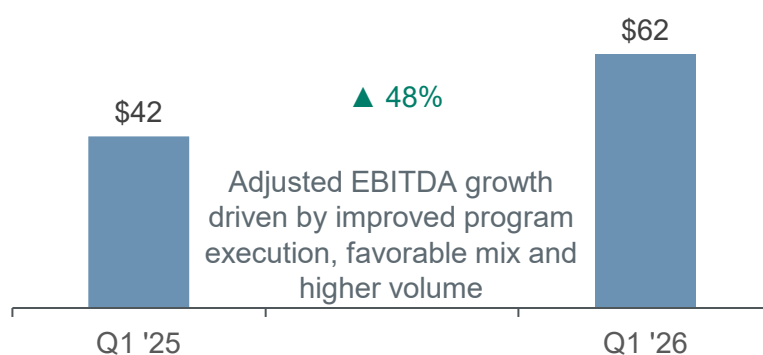
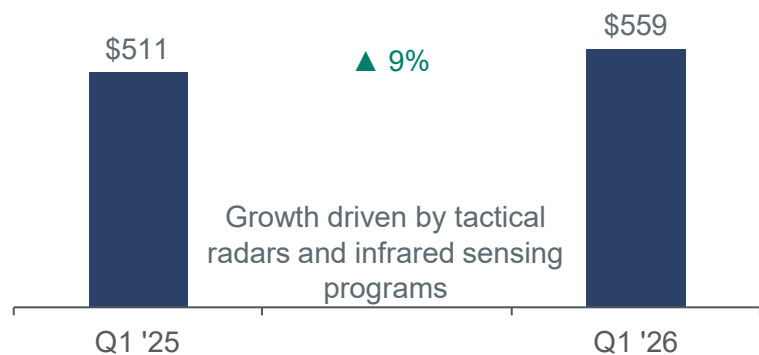
(Dollars in millions)

Segment Adjusted EBITDA *

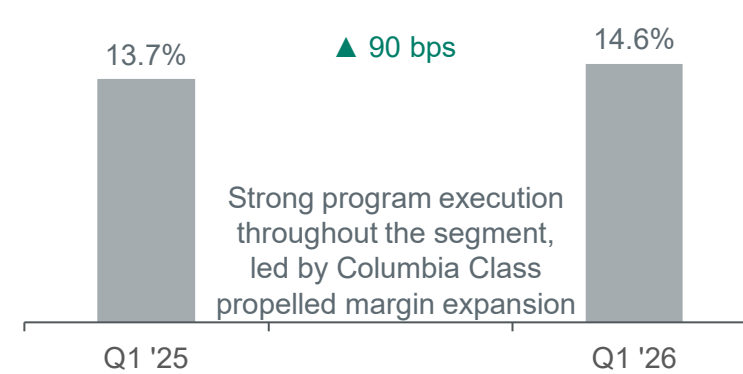
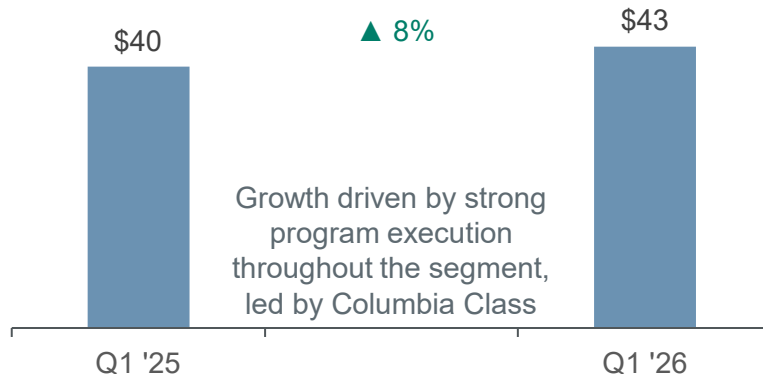
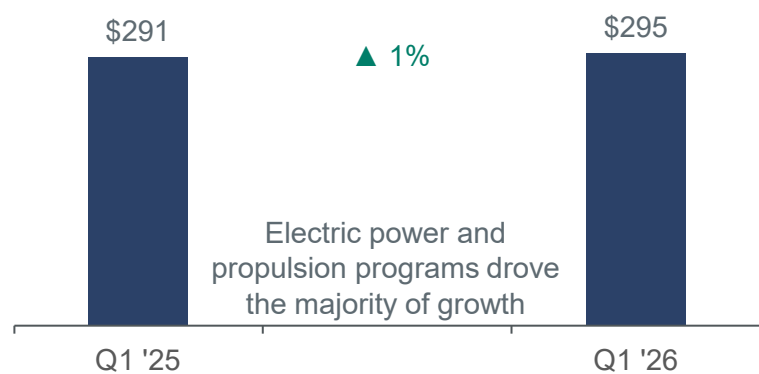
(Dollars in millions)

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

Raising 2026 Guidance Across Key Metrics

Driving Healthy Organic Revenue and Adjusted EBITDA Margin Expansion

Revenue	<ul style="list-style-type: none"> Strong backlog-driven visibility into revenue range Timing and level of material receipts and labor execution progress remain the primary factors influencing revenue
Adjusted EBITDA	<ul style="list-style-type: none"> Margin improvement is expected to be driven by continued improvements in Columbia Class program profitability, favorable program mix and operational leverage from higher volume
Adjusted Diluted EPS	<ul style="list-style-type: none"> Assumptions for effective tax rate and diluted shares outstanding remain unchanged from prior guidance The benefit of stronger operational profitability and lower net interest expense is reflected in the revised guidance
Other Modeling Items	<ul style="list-style-type: none"> Now targeting approximately 75% Free Cash Flow Conversion of Adjusted Net Earnings Consistent with prior years, second half expected to drive greater contribution across metrics

(In millions, except per share amounts)

	2026 Guidance	Prior
Revenue	\$3,900 - \$3,975	\$3,850 - \$3,950
<i>% Δ from 2025</i>	7% - 9%	6% - 8%
Adjusted EBITDA *	\$515 - \$530	\$505 - \$525
<i>% Δ from 2025</i>	14% - 17%	11% - 16%
<i>Tax Rate</i>	18.5%	18.5%
<i>Diluted Shares Outstanding</i>	269	269
Adjusted Diluted EPS *	\$1.26 - \$1.30	\$1.20 - \$1.26
<i>% Δ from 2025</i>	10% - 13%	4% - 10%



* 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, 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	
	March 31,	
	2025	2026
Net earnings	\$50	\$62
Income tax provision	8	15
Interest expense, net	1	0
Amortization of intangibles	5	5
Depreciation	18	19
Other one-time non-operational events	0	4
Adjusted EBITDA	\$82	\$105
<i>Adjusted EBITDA Margin</i>	<i>10.3%</i>	<i>12.4%</i>

(Dollars in millions)

Advanced Sensing & Computing (ASC)	Three Months Ended	
	March 31,	
	2025	2026
Operating earnings	\$25	\$40
Amortization of intangibles	5	5
Depreciation	12	13
Other one-time non-operational events	0	4
Segment Adjusted EBITDA	\$42	\$62
<i>Segment Adjusted EBITDA Margin</i>	<i>8.2%</i>	<i>11.1%</i>

(Dollars in millions)

Integrated Mission Systems (IMS)	Three Months Ended	
	March 31,	
	2025	2026
Operating earnings	\$34	\$37
Depreciation	6	6
Segment Adjusted EBITDA	\$40	\$43
<i>Segment Adjusted EBITDA Margin</i>	<i>13.7%</i>	<i>14.6%</i>




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	
	March 31,	
	2025	2026
Net earnings	\$50	\$62
Amortization of intangibles	5	5
Other one-time non-operational events	0	4
Tax effect of adjustments ⁽¹⁾	(1)	(2)
Adjusted Net Earnings	\$54	\$69
Diluted WASO	268.775	268.670
Diluted earnings per share	\$0.19	\$0.23
Adjusted Diluted EPS	\$0.20	\$0.26

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