

First Quarter 2023 Results

TRUSTED WHEREVER
THE MISSION LEADS

May 9, 2023

Call Participants



Chuck Prow

President and Chief Executive Officer



Susan Lynch

Senior Vice President and Chief Financial Officer

Disclaimers

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the Securities Act of 1933, as amended (the Securities Act), and the Private Securities Litigation Reform Act of 1995 and, as such, may involve risks and uncertainties. All statements included or incorporated by reference in this presentation, other than statements that are purely historical, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "could," "potential," "continue" or similar terminology. These statements are based on the beliefs and assumptions of the management of the Company based on information currently available to management. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results contemplated by the forward-looking statements.

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Use of Projections

The financial projections, estimates and targets in this presentation are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the V2Xs' control. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial projections, estimates and targets. The inclusion of financial projections, estimates and targets in this presentation should not be regarded as an indication that V2X or its representatives considered or consider the financial projections, estimates and targets to be a reliable prediction of future events.

Use of Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures that are not prepared in accordance with GAAP, including forward-looking measures, which may be different from non-GAAP financial measures used by other companies. These non- GAAP measures, and other measures that are calculated using these non-GAAP measures, are an addition, and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to operating income, net income or any other performance measures derived in accordance with GAAP. We have provided additional information regarding these measures in the Appendix to this presentation. Reconciliations of our forward-looking non-GAAP measures to the closest corresponding GAAP measures are not available without unreasonable efforts due to the uncertainties discussed above, which could have a potentially significant impact on our future results.

V2X for Everyone

Integrity, Professionalism, Respect, Responsibility

At V2X we harness our diversity to positively impact business outcomes

Total global employees: approximately **15,000**

Millennial: **38%**

Gen X: **38%**

*Global Women representation in leadership roles: **25%**

*Global Women representation in technical roles: **17%**

Employees who self-identify as a veteran: **42%**

Employees who self-identify as a person of color: **45%**

Employees who self-identify as a person with a disability: **12%**

Executive Leaders who self-identify as a woman: **28%**

Executive leaders who self-identify as having a disability: **13%**

Supervisors who self-identify as people of color: **58%**

Supervisors who self-identify as a veteran: **50%**

Employees who disclose personal demographic data: **93%**

Note: U.S. data only /// *Global data

Q1'23 Highlights

Strong Q1'23 results

- Revenue of $943.5M; up 12% y/y on a pro forma basis
- Adjusted EBITDA[1] of $68.0M with a margin[1] of 7.2%
- Adjusted diluted EPS[1] of $0.80

Pacific expansion and momentum continuing

- Revenue increased ~300% y/y and 18% sequentially
- Growth driven by enhanced mission requirements, training exercises, and support in the region

Won ~$600M in new business and secured over $250M in recompetes

- $440M Navy Test Wing Pacific new award
- $100M critical cyber security support new award
- $142M NAVAIR PMA Mission Planning Systems recompete award
- $90M National Security Program recompete award

Lowered interest expense through new credit facility

- Introduced new $750M credit facility, to replace higher cost debt; Fixed 30% of term loans through interest rate swaps

Reiterating 2023 guidance

[1] *See appendix for reconciliation of non-GAAP measures.*

Integrating Technology Across the Mission

V2X is integrating technology that is improving mission outcomes and driving growth through new business wins and expansion on existing programs

Naval Test Wing Atlantic

$850M Award
Seven Years
Cost-Plus

Program Overview

- Fixed-wing, rotary and unmanned aircraft
- 35 different aircraft platforms
- 124 total aircraft
- Provide organizational level (O-level) maintenance to rapidly repair and sustain the aircraft to meet the test requirements
- 1,000+ Team Members

Proprietary



Aircraft Maintenance and Management Optimization

- Secure, encrypted, COTS Community cloud-based system engineered specifically to the requirements of U.S. Government Program Continuous Improvement.
- Performs data analytics and provides full transparency and visibility into asset management within a digital environment.

Naval Test Wing Pacific[1]

$440M Award
Seven Years
Cost-Plus

Program Overview

- Fixed-wing and rotary aircraft
- 14 different aircraft platforms
- 46 total aircraft
- Provide flightline maintenance, logistics, and technical support for two test and evaluation squadrons
- 400+ Team Members

[1] *Contract currently under protest*

Expanding Cyber Capabilities Across the Globe

- Today, V2X operates the largest cyber center for the U.S. Army outside of the United States, defending all U.S. Army networks throughout the CENTCOM area of responsibility
  - V2X also provides a full range of Enterprise IT and Cyber Defense support services to the U.S. Army Europe, U.S. Air Forces in Europe, U.S. European Command, and U.S. Africa Command areas of responsibility, as well as to the U.S. Navy worldwide
- V2X was recently awarded a new ~$100 million three-year contract[1] to provide critical cyber support services for a government client across the United States
- This award leveraged our strong capabilities and 40-year track record in cyber and mission IT
- Within the cyber, mission IT, and critical communications domain, V2X now has annual revenue of ~$350 million with 1,800 highly skilled personnel across 17 countries

V2X cyber capabilities include

- Network Operations (NOC) and Cybersecurity Operations Center (SOC) support
- Cyber event analysis and response
- IT and cyber defense integration
- Installation, operation, maintenance, and modernization of network and cybersecurity devices and software
- End-to-end cyber and network engineering support
- Build, defend, operate and modernize
- Internet of Things (IoT) protection

[1] *Contract currently under protest*

Recognized by NASA for Critical Support

- The V2X team was recently awarded the NASA “Supernova” award for excellence in safety and was also awarded the Director’s award for support to the Artemis program
- V2X has been supporting NASA's Neutral Buoyancy Laboratory (NBL) since 2003
  - The NBL is a 6.2-million-gallon instrumented pool at NASA Johnson Space Center where astronauts learn to work in space and train for missions
- The NBL Operations Contract is a complex O&M program providing mission critical facilities and support to human spaceflight programs
  - V2X provides all resources necessary to operate and maintain NASA’s NBL and the Logistics and Mockup Facility, including sustaining engineering and fabrication of Space Craft Mockups
  - V2X supports engineering evaluations and tests related to new Extravehicular Activity, scenarios/tasks new flight hardware, and facilitates astronaut and flight controller training operations
- Today, V2X is transforming the facility to support NASA as it prepares to send astronauts back to the Moon for its Artemis program
- We are leveraging the combined capabilities of V2X and executing a new business campaign with the goal of expanding our work with NASA







Pacific Expansion and Momentum Continuing

- Pacific revenue increased to $64M in Q1'23, driven by expansion of existing programs and exercises in the region
- The Kwajalein task order became fully operational in April 2022 and is currently at full run rate
  - Kwajalein provides a significant footprint in the Pacific from which V2X is growing
- V2X is supporting various exercises in the region as part of Talisman Sabre (Australia) and Balikatan/Salaknib (Philippines)
  - These efforts are expected to be completed in the second quarter
  - There are additional smaller exercises that we expect will occur through the remainder of the year
- V2X is well positioned to support its clients' enhanced investments focused on the Indo-Pacific region
  - We are bringing the full suite of V2X capabilities to meet our clients' priorities, including modernization; improving logistics, maintenance, and pre-positioning; exercises and training; upgrading infrastructure and IT

PACIFIC DETERRENCE INITIATIVE

~$35B

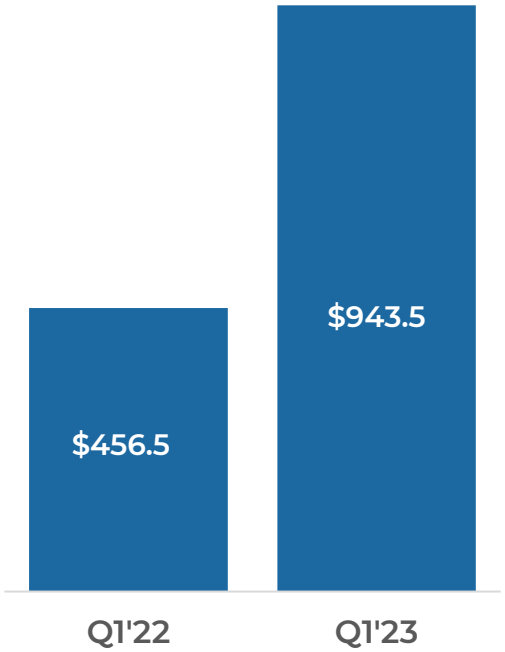
- DoD GFY'24 budget released in March requests $9.1B for The Pacific Deterrence Initiative (PDI)
- Budget estimates ~$35B of investment over the next five years

Key efforts include:

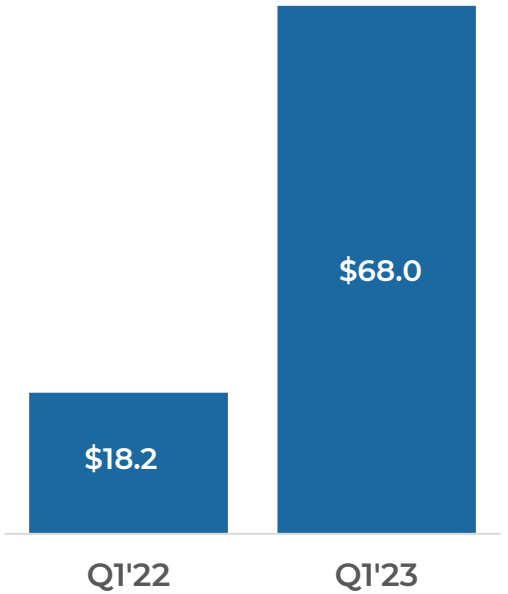
- Modernizing strengthening DoD's presence
- Improving logistics, maintenance, and pre-positioning
- Exercises, training, and experimentation
- Improving infrastructure
- Building defense capabilities of allies
- Improving capabilities available to the U.S. Indo-Pacific Command

Q1’23 Financial Results

Revenue ($M)



Adjusted EBITDA[1] ($M)



Adj. Diluted EPS[1]



Q1’23 Adj. Diluted EPS impacted y/y by:

- ($0.67) higher cash interest expense

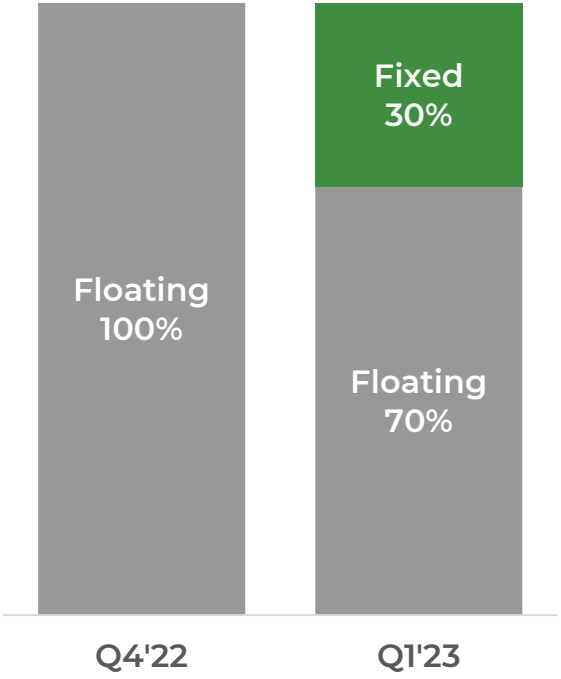
[1] *See appendix for reconciliation of non-GAAP measures.*

Cash Flow and Liquidity

Debt & Net Debt ($M)



Increased Fixed Rate Debt



- Q1'23 Adjusted operating cash flow[1] use of $23.4 million, in line with seasonal pattern
  - Includes add backs of $13.4million of CARES Act payments and $1.7 million of M&A, Integration, and Related activities
- Converted 30% of variable-rate debt into fixed rate-debt through interest rate swaps
- Strong liquidity with $300M of revolver capacity and over $60M of cash on balance sheet
- Net leverage ratio[2] at 3.8x, expected to show further improvements in 2023

[1] *Defined as Net Cash Used in Operating Activities + $13.4M of CARES Act + $1.7M of M&A, Integration, and Related payments.*

[2] *Calculated utilizing bank EBITDA.*

Reiterating 2023 Guidance

($M, except per share data)	*2023 Guidance*	*2023 Mid-Point*
Revenue	*$3,800 - $3,900*	*$3,850*
Adjusted EBITDA[1]	*$290 - $310*	*$300*
Adjusted Diluted Earnings Per Share[1]	*$3.80- $4.30*	*$4.05*
Adjusted Net Cash Provided by Operating Activities[1]	*$115 - $135*	*$125*

2023 guidance assumptions include:

- Depreciation and amortization ~ $107.5 million
  - Amortization of acquired intangible assets ~ $90.4 million
- Cash interest expense ~ $123 million
  - Non-cash amortization of debt issuance costs ~$30 million[2]
- Adj. tax rate of ~ 21%
- Diluted EPS assumes 31.2 million weighted average diluted shares outstanding
- Capital Expenditures ~ $28M

[1] *See appendix for reconciliation of non-GAAP measures.*
[2] *Includes $22M associated with extinguishment of debt financing costs from the prior facility.*

Key Takeaways... Investing with V2X

1. Well-Aligned with U.S. Federal Budget Priorities in Growing End Markets
2. Long-Standing Relationships with Diverse Client Base
3. Significant Contract Backlog Drives Highly Visible Revenue Profile
4. Scaled Platform Providing Full Life Cycle of Mission Critical Solutions
5. Unlocked Growth Potential from Expanded Addressable Market
6. Attractive Financial Profile with Strong Cash Flow

Appendix

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Reconciliation Of Non-GAAP Measures/Non-GAAP Definitions

This presentation includes certain non-GAAP financial measures, including adjusted net income, adjusted diluted earnings per share, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, pro forma revenue and adjusted operating cash flow. These financial measures are not prepared in accordance with accounting principles generally accepted in the United States and may be different from non-GAAP financial measures used by other companies. V2X believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These non-GAAP measures with comparable names should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP.

- **Pro forma revenue** is defined as the combined results of our operations for the three months ended March 31, 2023 and April 1, 2022 as if the Merger had occurred on January 1, 2021.
- **Adjusted operating income** is defined as operating income, adjusted to exclude items that may include, but are not limited to, significant charges or credits, and unusual and infrequent non-operating items that impact current results but are not related to our ongoing operations, such as M&A, integration, and related costs.
- **Adjusted EBITDA** is defined as operating income, adjusted to exclude depreciation and amortization of intangible assets, and items that may include, but are not limited to, significant charges or credits, and unusual and infrequent non-operating items that impact current results but are not related to our ongoing operations, such as M&A, integration and related costs.
- **Adjusted EBITDA margin** is defined as adjusted EBITDA divided by revenue.
- **Adjusted net income** is defined as net income, adjusted to exclude items that may include, but are not limited to, significant charges or credits, and unusual and infrequent non-operating items that impact current results but are not related to our ongoing operations, such as M&A, integration and related costs, amortization of acquired intangible assets, amortization of debt issuance costs, and loss on extinguishment of debt.
- **Adjusted diluted earnings per share** is defined as adjusted net income divided by the weighted average diluted common shares outstanding.
- **Cash interest expense, net** is defined as interest expense, net adjusted to exclude amortization of debt issuance costs.
- **Adjusted operating cash flow** is defined as net cash provided by (or used in) operating activities adjusted to exclude infrequent non-operating items, such as M&A payments and related costs.

Reconciliation Of Non-GAAP Measures

($K, except per share data)	Three Months Ended	
	April 1, 2022	March 31, 2023
Revenue	$ 456,471	$ 943,460
Operating income	$ 5,237	$ 30,579
Plus:		
Depreciation expense	1,591	5,412
Amortization of intangible assets	2,301	22,606
M&A, integration and related costs	9,068	9,415
Adjusted EBITDA	$ 18,197	$ 68,012
Adjusted EBITDA margin	4.0 %	7.2 %
Minus:		
Cash interest expense, net	1,477	29,231
Income tax (benefit) expense, as adjusted	2,981	8,245
Depreciation expense	1,591	5,412
Adjusted net income	$ 12,148	$ 25,124

($K, except per share data)	Three Months Ended	
	April 1, 2022	March 31, 2023
Diluted (loss) earnings per share	$ 0.24	$ (0.57)
Plus:		
M&A, integration and related costs	0.61	0.23
Amortization of intangible assets	0.16	0.54
Amortization of debt issuance costs and Loss on extinguishment of debt	0.01	0.60
Adjusted diluted earnings per share	$ 1.02	$ 0.80
Average shares outstanding		
Basic, as reported	11,759	30,927
Diluted, as reported	11,902	30,927
Adjusted diluted	11,902	31,334



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