



# First Quarter 2024 Results

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THE MISSION LEADS

May 7, 2024

# 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.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to: our ability to submit proposals for and/or win all potential opportunities in our pipeline; our ability to retain and renew our existing contracts; our ability to compete with other companies in our market; security breaches, cyber-attacks or cyber intrusions, and other disruptions to our information technology and operation; our mix of cost-plus, cost-reimbursable, firm-fixed-price, and time-and-materials contracts; maintaining our reputation and relationship with the U.S. government; protests of new awards; economic, political and social conditions in the countries in which we conduct our business; changes in U.S. or international government defense budgets; government regulations and compliance therewith, including changes to the DoD procurement process; changes in technology; our ability to protect our intellectual property rights; governmental investigations, reviews, audits and cost adjustments; contingencies related to actual or alleged environmental contamination, claims and concerns; delays in completion of the U.S. government budget; our success in extending, deepening, and enhancing our technical capabilities; our success in expanding our geographic footprint or broadening our customer base; our ability to realize the full amounts reflected in our backlog; impairment of goodwill; misconduct of our employees, subcontractors, agents, prime contractors and business partners; our ability to control costs; our level of indebtedness; terms of our credit agreements; inflation and interest rate risk; geopolitical risk, including as a result of recent global hostilities; our subcontractors' performance; economic and capital markets conditions; our ability to maintain safe work sites and equipment; our ability to retain and recruit qualified personnel; our ability to maintain good relationships with our workforce; our teaming relationships with other contractors; changes in our accounting estimates; the adequacy of our insurance coverage; volatility in our stock price; changes in our tax provisions or exposure to additional income tax liabilities; risks and uncertainties relating to integrating and refining internal control systems post-merger; changes in accounting principles generally accepted in the United States (“GAAP”); and other factors described in Part I. “Item 1A Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2023 and described from time to time in our future reports filed with the SEC.

## 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 V2X's 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

*Leveraging diversity to drive business outcomes.*



## V2X Honoring Veterans in the Community



# Q1'24 & Recent Highlights



- ✓ Q1'24 revenue +7% y/y to \$1.01B
- ✓ Middle East growth of 22% and 7% in the Pacific y/y
- ✓ Q1'24 Adjusted EBITDA<sup>1</sup> of \$69.1M or 6.8% margin; Adjusted EPS<sup>1</sup> of \$0.90, +8% y/y
- ✓ Ramping Saudi Aviation Support & Training Contract
- ✓ Secured awards valued at ~\$75M to provide technology solutions for Chemical, Biological, Radiological, & Nuclear hazards
- ✓ Awarded Air Force AFCAP task orders valued at >\$140M to continue providing support services in Romania and Jordan
- ✓ Won position on U.S. Navy's \$2 billion Global Contingency Services Multiple Award Contract III



**\$1.01B**

Q1'24 Revenue



**\$69.1M**

Q1'24 Adj. EBITDA<sup>1</sup>



**\$0.90**

Q1'24 Adj. diluted EPS<sup>1</sup>

<sup>1</sup> See appendix for reconciliation and definitions of non-GAAP measures

Photo source: U.S. Department of Defense, V2X Inc.



# Operationalizing Next Generation Solutions



V2X secured ~\$75 million in awards to operationalize and advance next generation threat detection and response to Chemical, Biological, Radiological, & Nuclear (CBRN) hazards

- Expanded from a prototype to a sole source award
- Includes production, upgrade, and fielding at overseas locations
- CBRN Support to Command and Control (CSC2) is the program of record for the integration of CBRN and force protection sensors to provide integrated early warning of attacks
- V2X is the lead systems integrator for CSC2

This technology enabled solution represents the convergence of our sensor integration, machine learning and data analytics offerings

## V2X CSC2 Solution



CSC2 will link sensors together to develop networked tools that communicate and share information to achieve integration of CBRN capabilities and data across the services

# Expanding Technology on Existing Business



## 5G & Smart Warehousing

The graphic for 5G & Smart Warehousing features a background image of a warehouse interior with a large digital display showing various data points and charts. The text '5G & Smart Warehousing' is overlaid in a bold, sans-serif font.

- Expanding offerings on LOGCAP V through new award to deploy an assured and protected 5G communications solution and smart logistics in the Philippines
- Solution is scalable across the INDOPACOM region, providing protected and secure network infrastructure to support warehouse operations, field deployments and exercises



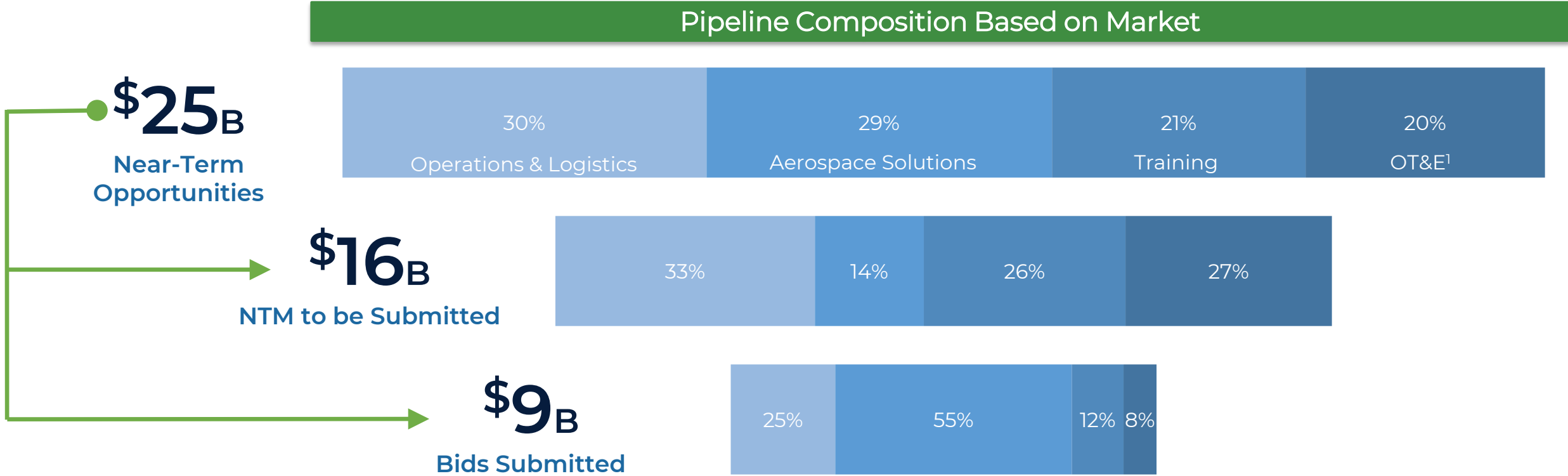
## IESS Integrated Electronic Security

The graphic for IESS Integrated Electronic Security features a background image of a control room with multiple monitors displaying various security feeds and a large digital display showing a keypad. The text 'IESS Integrated Electronic Security' is overlaid in a bold, sans-serif font.

- Awarded new work in the Middle East to enhance the protection of facilities and assets through proprietary integrated electronic security solutions
- Awarded task to provide the initial establishment of this solution and capability in the Philippines
- Solutions are being delivered through existing contracts, which provide higher value content with potential for expansion

*Demonstrates “sell through” model & expanding technology in existing business*

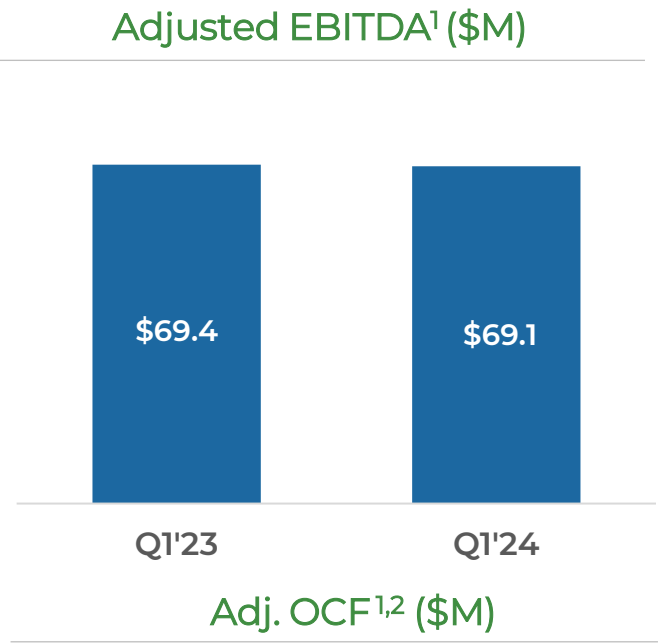
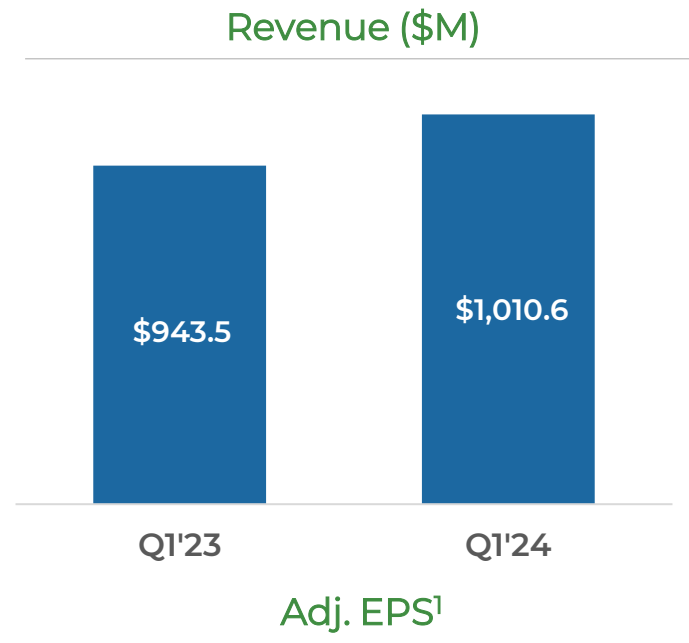
# Robust Pipeline Supports Future Growth



- ✔ \$25 billion near-term pipeline supports future growth with notable awards expected this year
- ✔ Pipeline demonstrates additional client diversification and greater percentage of opportunities tied to higher value and technology solutions

1. OT&E = Operational Technology & Engineered Solutions

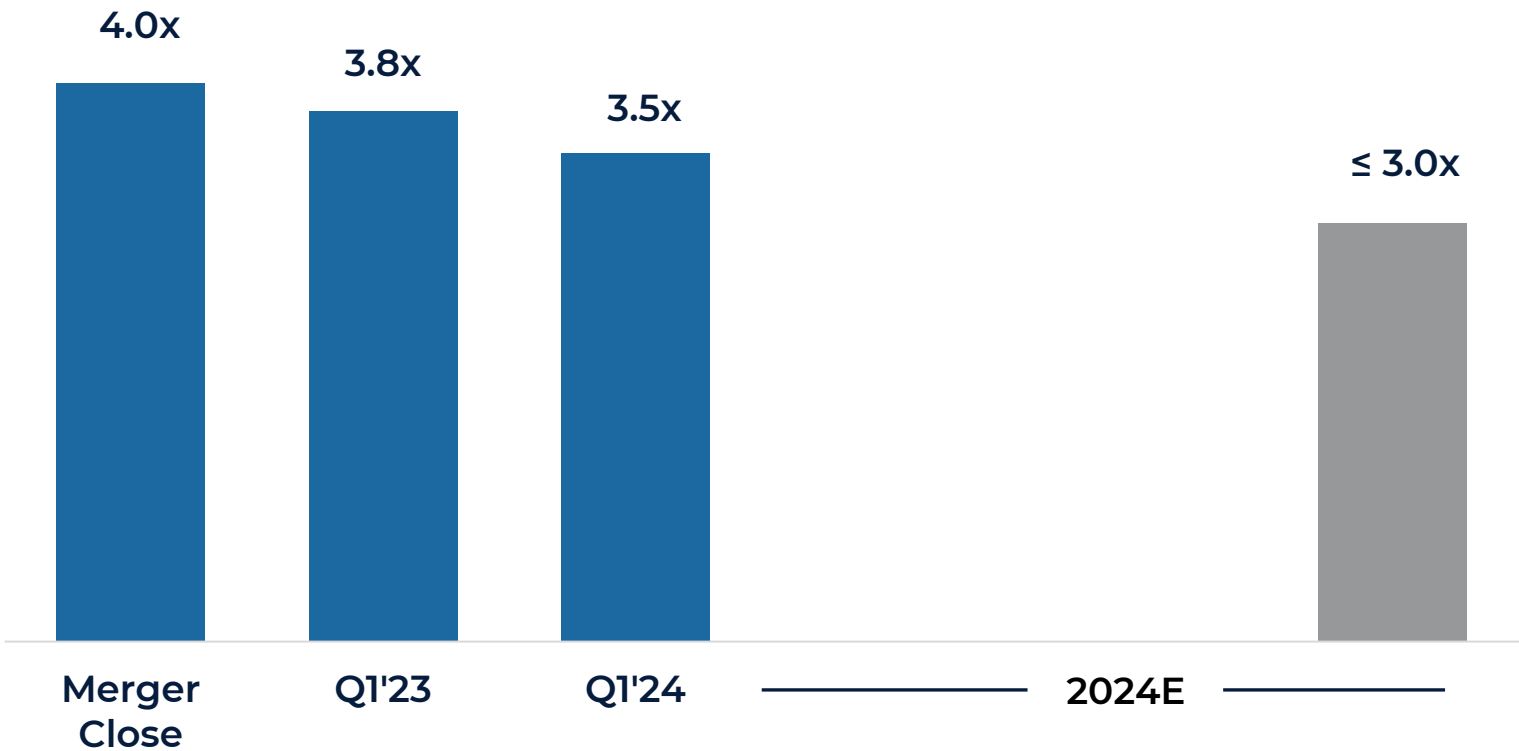
# Q1'24 Financial Results



<sup>1</sup> See appendix for reconciliation and definitions of non-GAAP measures  
<sup>2</sup> Q1'24 adjusted operating cash flow equals net cash used by operating activities of (\$57.2M) + \$5.8M of M&A, integration, and related payments - \$32.1M YTD MARPA facility activity



# Momentum Achieving Leverage Target

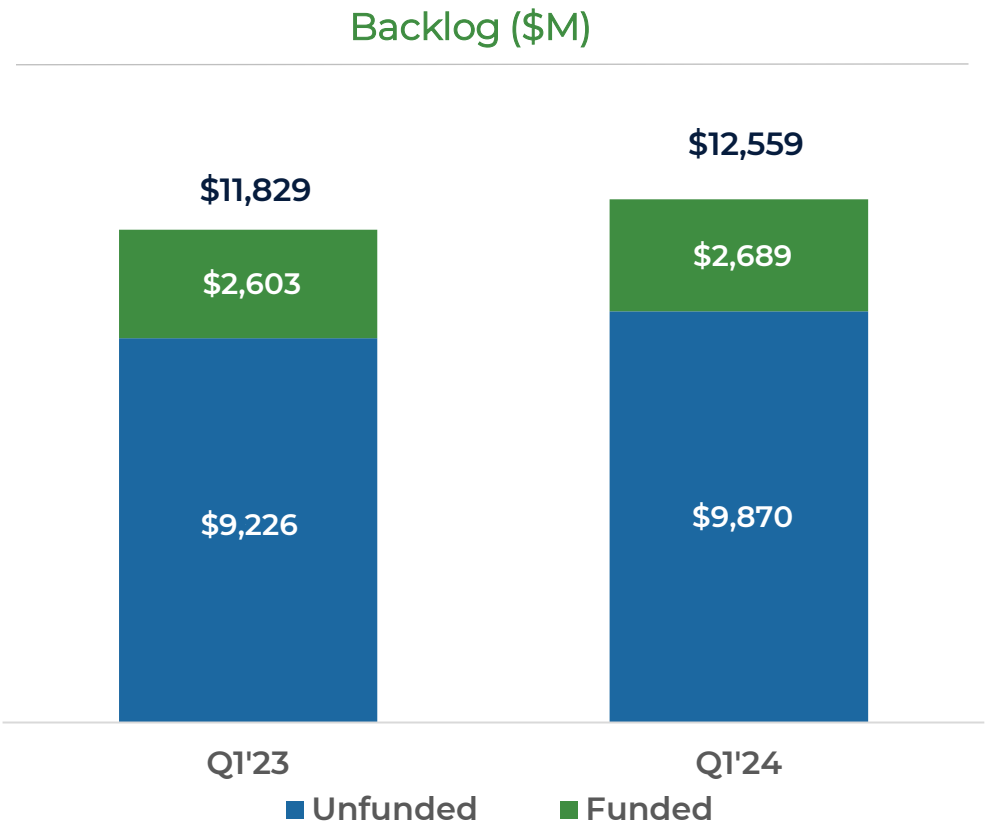


- ✓ Net debt reduction of \$116M from prior year
- ✓ Net Leverage ratio<sup>1,2</sup> of 3.5x improved by 0.3x y/y
- ✓ Cash generation consistent with historical trend
- ✓ Mid-term target of 2.0-3.0x net leverage ratio<sup>1</sup>

*Clear Path to Deleveraging ≤ 3.0x in 2024*

<sup>1</sup> See appendix for reconciliation and definitions of non-GAAP measures  
<sup>2</sup> Net leverage ratio of 3.5x equals net debt of \$1,173M divided by trailing twelve-month (TTM) bank EBITDA

# Backlog Providing Solid Visibility



- ✓ Total backlog up 6% y/y
- ✓ Solid visibility with 3.0x revenue coverage based on guidance mid-point
- ✓ Backlog does not include the full value of the foreign military sales award or the F-5 Adversary Aircraft program

# Reaffirming 2024 Guidance



(\$M, except per share data)	2024 Guidance	2024 Mid-Point
Revenue	\$4,100 - \$4,200	\$4,150
Adjusted EBITDA <sup>1</sup>	\$300 - \$315	\$308
Adjusted Diluted Earnings Per Share <sup>1</sup>	\$3.85 - \$4.20	\$4.03
Adjusted Net Cash Provided by Operating Activities <sup>1</sup>	\$145 - \$165	\$155

## 2024 guidance assumptions include:

- Cash interest expense and other expense ~ \$116 million
- Depreciation and amortization ~ \$113 million
  - Amortization of acquired intangible assets ~ \$89 million
- Adj. tax rate of ~ 23%
- Diluted EPS assumes ~ 32.1 million weighted average diluted shares
- Capital Expenditures ~ \$30M
- Net leverage ratio ≤ 3.0x
- Revenue and adjusted EBITDA increase sequentially (H1 < H2)
- Cash flow in-line with historical pattern and H2 weighted

<sup>1</sup> See appendix for reconciliation and definitions of non-GAAP measures





# Appendix

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# Key Performance Indicators and Non-GAAP Measures



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 net cash provided by (used in) operating activities. 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.

- **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 net cash provided by (used in) operating activities or 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.
- **Adjusted net income (NI) conversion** is defined as adjusted operating cash flow divided by adjusted net income.
- **Net leverage ratio** is defined as net debt (or total debt less unrestricted cash) divided by trailing twelve-month (TTM) bank EBITDA.

# Reconciliation Of Non-GAAP Measures



(\$K, except per share data)	Three Months Ended	
	March 29, 2024	March 31, 2023
<b>Revenue</b>	\$ 1,010,564	\$ 943,460
<b>Net income (loss)</b>	\$ 1,144	\$ (17,480)
Plus:		
Income tax expense (benefit)	(20)	(5,737)
Other expense, net	1,633	-
Interest expense, net	27,574	31,744
Loss on extinguishment of debt	-	22,052
Amortization of intangible assets	22,539	22,606
M&A, integration and related costs	9,981	10,767
<b>Adjusted operating income</b>	<b>\$ 62,851</b>	<b>\$ 63,952</b>
Plus:		
Depreciation expense	6,243	5,412
<b>Adjusted EBITDA</b>	<b>\$ 69,094</b>	<b>\$ 69,364</b>
<b>Adjusted EBITDA margin</b>	<b>6.8 %</b>	<b>7.4 %</b>
Minus:		
Cash interest expense, net	25,414	29,231
Income tax expense, as adjusted	7,155	8,580
Depreciation expense	6,243	5,412
Other expense, net	1,633	-
<b>Adjusted net income</b>	<b>\$ 28,649</b>	<b>\$ 26,141</b>
(\$K, except per share data)	Three Months Ended	
	March 29, 2024	March 31, 2023
<b>Diluted earnings (loss) per share</b>	\$ 0.04	\$ (0.57)
Plus:		
M&A, integration and related costs	0.25	0.26
Amortization of intangible assets	0.56	0.54
Amortization of debt issuance costs and		
Loss on extinguishment of debt	0.05	0.60
<b>Adjusted diluted earnings per share</b>	<b>\$ 0.90</b>	<b>\$ 0.83</b>
<b>Average shares outstanding:</b>		
Basic, as reported	31,351	30,927
Diluted, as reported	31,794	30,927
Adjusted diluted	31,794	31,334





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