

PRESS RELEASE**V2X Reports Record Revenue in Fourth Quarter 2024, Driving Strong Year-End Performance****Fourth Quarter Highlights**

- Record revenue of \$1.16 billion, up 11% y/y
- Indo-Pacific revenue growth of 27% y/y driven by increased demand
- Book-to-bill of 1.2x in the quarter and total backlog of \$12.5 billion as of December 31, 2024
- Record net income of \$25.0 million; Adjusted net income¹ of \$42.7 million, up 10% y/y
- Grew adjusted EBITDA¹ \$4.1 million y/y to \$86.2 million, with a margin of 7.4%
- Diluted EPS of \$0.78; Adjusted diluted EPS¹ of \$1.33, up 9% y/y
- Strong year-to-date cash flow from operations of \$254 million
- Achieved net debt reduction of \$210 million and 2.6x net leverage ratio¹

RESTON, Va., February 24, 2025 – V2X, Inc. (NYSE:V VX) announced fourth quarter and full-year 2024 financial results.

“Our growth momentum continued into the fourth quarter with revenue increasing 11% year-over-year, driven by solid growth in all geographies and underscored by 27% growth in the Indo-Pacific region, as the DoD continues to focus on enhancing readiness and deterrence,” said Jeremy Wensinger, President and Chief Executive Officer. “The combination of our unique mission insight, comprehensive full lifecycle capabilities, and 80-year reputation as a trusted partner is yielding results through expansion in key theaters, exceptional financial performance, and recent awards, which achieved a book-to-bill of 1.2x. The leading indicators in our business remain strong with a \$12.5 billion backlog, limited recompetes, and a robust pipeline of new opportunities.”

Mr. Wensinger continued, “Looking ahead, we are excited about the future. We believe our track record of enhancing outcomes and increasing value for customers through innovation, modernization, and improved operational performance can enable the DoD to solve its very real challenge of having to be prepared for today while planning for the threats of tomorrow.”

Mr. Wensinger concluded, “I’d like to recognize the 16,000 plus V2X employees for all their contributions and performance throughout the year and in particular during the fourth quarter. We thank you for all you have done and continue to do for our nation and our company.”

¹ See "Key Performance Indicators and Non-GAAP Financial Measures" for descriptions and reconciliations.

Fourth Quarter 2024 Results

“V2X reported record revenue of \$1.16 billion in the quarter, which represents 11% year-over-year growth,” said Shawn Mural, Senior Vice President and Chief Financial Officer. “We closed the year with strong performance across all financial metrics, driven by double digit topline growth and excellent cash generation.”

“For the quarter, the Company reported operating income of \$51.6 million and adjusted operating income¹ of \$80.6 million. V2X delivered record adjusted EBITDA¹ of \$86.2 million, with a margin of 7.4%. Fourth quarter GAAP diluted EPS was \$0.78. Adjusted diluted EPS¹ for the quarter increased 9% year-over-year to \$1.33.”

“Fourth quarter net cash provided by operating activities was \$223.1 million. Adjusted net cash provided by operating activities¹ increased 122% year-over-year to \$168.2 million.”

“Our continued focus on cash generation and debt reduction yielded notable results with net debt improving \$210 million dollars year-over-year. At the end of the fourth quarter, net debt for V2X was \$874 million. Our commitment to achieve a net leverage ratio at or below 3.0x was a company-wide priority. I’m pleased to report that we demonstrated excellent performance on this front, delivering a net leverage ratio¹ of 2.6x at the end of the fourth quarter, which represents a 0.7x improvement year-over-year.”

“Total backlog as of December 31, 2024, was \$12.5 billion. Funded backlog was \$2.3 billion. Book-to-bill in the quarter was approximately 1.2x.”

Full-Year 2024 Results

“Full-year revenue was \$4.32 billion, up 9% year-over-year. The Company reported full-year operating income of \$159.2 million and adjusted operating income¹ of \$286.2 million. Full-year adjusted EBITDA¹ was \$310.2 million with a margin of 7.2%. Full-year GAAP diluted EPS was \$1.08. Adjusted diluted EPS¹ for 2024 was \$4.34, increasing 16% year-over-year. On a year-to-date basis, net cash provided by operating activities was \$254.2 million. Adjusted net cash provided by operating activities¹ was \$161.0 million.”

2025 Guidance

Mr. Mural concluded, “The trends in our business remain positive and we believe our strategy to deliver full lifecycle solutions that increase efficiency, reduce costs, modernize capabilities, improve readiness, and strengthen national security provides substantial opportunities for future growth and value creation. For 2025 we are setting the mid-point of our guidance for revenue and Adjusted EBITDA¹ at \$4.44 billion and \$313 million, respectively. This assumes revenue and adjusted EBITDA to be weighted more heavily in the second half of the year. Revenue guidance at the mid-point assumes approximately 4% contribution from recompetes.”

Guidance for 2025 is as follows:

<i>\$ millions, except for per share amounts</i>	2025 Guidance		2025 Mid-Point
Revenue	\$4,375	\$4,500	\$4,438
Adjusted EBITDA ¹	\$305	\$320	\$313
Adjusted Diluted Earnings Per Share ¹	\$4.45	\$4.85	\$4.65
Adjusted Net Cash Provided by Operating Activities ¹	\$150	\$170	\$160

The Company is not providing a quantitative reconciliation with respect to the foregoing forward-looking non-GAAP measures in reliance on the “unreasonable efforts” exception set forth in SEC rules because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated. For example, unusual, one-time, non-ordinary, or non-recurring costs, which relate to M&A, integration and related activities cannot be reasonably estimated. Forward-looking statements are based upon current expectations and are subject to factors that could cause actual results to differ materially from those suggested here, including those factors set forth in the Safe Harbor Statement below.

Fourth Quarter Conference Call

Management will conduct a conference call with analysts and investors at 4:30 p.m. ET on Monday, February 24, 2025. U.S.-based participants may dial in to the conference call at 877-300-8521, while international participants may dial 412-317-6026. A live webcast of the conference call as well as an accompanying slide presentation will be available here: <https://app.webinar.net/W6kmm4z8V9>

A replay of the conference call will be posted on the V2X website shortly after completion of the call and will be available for one year. A telephonic replay will also be available through March 10, 2025, at 844-512-2921 (domestic) or 412-317-6671 (international) with passcode 10195666.

Presentation slides that will be used in conjunction with the conference call will also be made available online in advance on the “investors” section of the company’s website at <https://gov2x.com>. V2X recognizes its website as a key channel of distribution to reach public investors and as a means of disclosing material non-public information to comply with its obligations under the U.S. Securities and Exchange Commission (“SEC”) Regulation FD.

About V2X

V2X builds innovative solutions that integrate physical and digital environments by aligning people, actions, and technology. V2X is embedded in all elements of a critical mission's lifecycle to enhance readiness, optimize

resource management, and boost security. The company provides innovation spanning national security, defense, civilian, and international markets. With a global team of approximately 16,000 professionals, V2X enables mission success by injecting AI and machine learning capabilities to meet today's toughest challenges across all operational domains.

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Safe Harbor Statement

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 (the "Act"): Certain material presented herein includes forward-looking statements intended to qualify for the safe harbor from liability established by the Act. These forward-looking statements include, but are not limited to, all the statements and items listed under "2025 Guidance" above and other assumptions contained therein for purposes of such guidance, other statements about our 2025 performance outlook, revenue, contract opportunities, and any discussion of future operating or financial performance.

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 in this press release, include, but are not limited to our future performance and capabilities; our expectations regarding the pipeline of new opportunities; our belief in our ability to achieve budget efficiencies; future net leverage ratio; and our belief in our ability to achieve our total year guidance.

These forward-looking statements are not guarantees of future performance, conditions, or results, and involve a number of known and unknown risks, uncertainties, assumptions, and other important factors, many of which are outside our management's control, which could cause actual results to differ materially from the results discussed in the forward-looking statements. 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. For a discussion of some of the risks and uncertainties that could cause actual results to differ from such forward-looking statements, see the risks and other factors detailed from time to time in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the SEC.

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.

V2X, INC.

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

<i>(In thousands, except per share data)</i>	Year Ended December 31,		
	2024	2023	2022
Revenue	\$ 4,322,155	\$ 3,963,126	\$ 2,890,860
Cost of revenue	3,979,193	3,628,271	2,595,848
Selling, general and administrative expenses	183,758	210,439	239,241
Operating income	159,204	124,416	55,771
Loss on extinguishment of debt	(1,998)	(22,298)	—
Interest expense, net	(107,900)	(122,442)	(61,879)
Other expense, net	(10,465)	(4,194)	—
Income (loss) from operations before income taxes	38,841	(24,518)	(6,108)
Income tax expense (benefit)	4,157	(1,945)	8,222
Net income (loss)	\$ 34,684	\$ (22,573)	\$ (14,330)
Earnings (loss) per share			
Basic	\$ 1.10	\$ (0.73)	\$ (0.68)
Diluted	\$ 1.08	\$ (0.73)	\$ (0.68)
Weighted average common shares outstanding – basic	31,485	31,084	20,996
Weighted average common shares outstanding – diluted	31,967	31,084	20,996

V2X, INC.

CONSOLIDATED BALANCE SHEETS

<i>(In thousands, except shares and per share data)</i>	December 31,	
	2024	2023
Assets		
Current assets		
Cash, cash equivalents and restricted cash	\$ 268,321	\$ 72,651
Receivables	710,068	705,995
Inventory, net	50,894	46,981
Prepaid expenses and other current assets	70,937	49,242
Total current assets	1,100,220	874,869
Property, plant, and equipment, net	62,001	85,429
Goodwill	1,656,926	1,656,926
Intangible assets, net	323,068	407,530
Right-of-use assets	37,774	41,215
Other non-current assets	48,854	15,931
Total non-current assets	2,128,623	2,207,031
Total Assets	\$ 3,228,843	\$ 3,081,900
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 547,568	\$ 453,052
Compensation and other employee benefits	166,918	158,088
Short-term debt	20,003	15,361
Other accrued liabilities	261,735	213,700
Total current liabilities	996,224	840,201
Long-term debt, net	1,087,484	1,100,269
Deferred tax liabilities	20,983	11,763
Operating lease liabilities	33,811	34,691
Other non-current liabilities	64,189	104,176
Total non-current liabilities	1,206,467	1,250,899
Total liabilities	2,202,691	2,091,100
Commitments and contingencies (Note 15)		
Shareholders' Equity		
Preferred stock; \$0.01 par value; 10,000,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000,000 shares authorized; 31,560,490 and 31,191,628 shares issued and outstanding as of December 31, 2024 and 2023, respectively	316	312
Additional paid in capital	769,719	762,324
Retained earnings	265,535	230,851
Accumulated other comprehensive loss	(9,418)	(2,687)
Total shareholders' equity	1,026,152	990,800
Total Liabilities and Shareholders' Equity	\$ 3,228,843	\$ 3,081,900

V2X, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year Ended December 31,		
	2024	2023	2022
Operating activities			
Net income (loss)	\$ 34,684	\$ (22,573)	\$ (14,330)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation expense	20,747	22,408	13,472
Amortization of intangible assets	90,821	90,423	48,643
Amortization of cloud computing arrangements	3,314	480	514
Gain from acquisitions, net	(2,193)	—	—
Impairment of non-operating long-lived asset	2,192	—	—
Loss on disposal of property, plant, and equipment	1,450	683	59
Stock-based compensation	15,969	32,843	32,736
Deferred taxes	7,730	(7,509)	(15,554)
Amortization of debt issuance costs	7,380	9,067	7,805
Loss on extinguishment of debt	1,998	22,298	—
Gain on disposition of business	—	(450)	(2,082)
Changes in assets and liabilities:			
Receivables	25,181	19,064	(52,311)
Inventory, net	(3,976)	(311)	(3,600)
Other assets	(38,358)	11,596	14,448
Accounts payable	75,335	43,153	71,837
Compensation and other employee benefits	9,128	(9,901)	42,878
Other liabilities	2,835	(23,303)	(51,020)
Net cash provided by operating activities	254,237	187,968	93,495
Investing activities			
Purchases of capital assets and intangibles	(11,787)	(25,021)	(12,425)
Proceeds from the disposition of assets	76	16	9
Acquisition of businesses, net of cash acquired	(16,939)	—	193,677
Disposition of business	—	1,349	(5,303)
Distributions from (contributions to) joint venture	—	1,007	—
Net cash (used in) provided by investing activities	(28,650)	(22,649)	175,958
Financing activities			
Proceeds from issuance of long-term debt	—	250,000	—
Repayments of long-term debt	(15,327)	(432,603)	(108,400)
Proceeds from revolver	1,266,250	922,750	392,000
Repayments of revolver	(1,266,250)	(922,750)	(472,925)
Proceeds from exercise of stock options	154	34	408
Payment of debt issuance costs	(1,188)	(8,818)	(2,325)
Prepayment premium on early redemption of debt	—	(1,600)	—
Payments of employee withholding taxes on share-based compensation	(8,138)	(18,036)	(1,994)
Net cash used in financing activities	(24,499)	(211,023)	(193,236)
Exchange rate effect on cash	(5,418)	2,288	1,337
Net change in cash, cash equivalents and restricted cash	195,670	(43,416)	77,554
Cash, cash equivalents and restricted cash – beginning of year	72,651	116,067	38,513
Cash, cash equivalents and restricted cash – end of year	\$ 268,321	\$ 72,651	\$ 116,067
Supplemental Disclosure of Cash Flow Information:			
Interest paid	\$ 107,607	\$ 117,482	\$ 54,267
Income taxes paid	\$ 8,819	\$ 8,356	\$ 13,416
Non-cash investing activities:			
Purchase of capital assets on account	\$ 22	\$ 3,043	\$ 2,716
Common stock issued for business acquisition	\$ —	\$ —	\$ 630,636

Key Performance Indicators and Non-GAAP Measures

The primary financial performance measures we use to manage our business and monitor results of operations are revenue trends and operating income trends. Management believes that these financial performance measures are the primary drivers for our earnings and net cash from operating activities. Management evaluates its contracts and business performance by focusing on revenue, and operating income. Operating income represents revenue less both cost of revenue and selling, general and administrative (SG&A) expenses. Cost of revenue consists of labor, subcontracting costs, materials, and an allocation of indirect costs. SG&A expenses consist of indirect labor costs (including wages and salaries for executives and administrative personnel), bid and proposal expenses and other general and administrative expenses not allocated to cost of revenue. Backlog is the estimated amount of future revenues to be recognized under negotiated contracts.

We manage the nature and amount of costs at the program level, which forms the basis for estimating our total costs and profitability. This is consistent with our approach for managing our business, which begins with management's assessing the bidding opportunity for each contract and then managing contract profitability throughout the performance period.

In addition to the key performance measures discussed above, we consider adjusted net income, adjusted diluted earnings per share, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, net leverage ratio and adjusted operating cash flow to be useful to management and investors in evaluating our operating performance, and to provide a tool for evaluating our ongoing operations. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives. We provide this information to our investors in our earnings releases, presentations, and other disclosures.

Adjusted net income, adjusted diluted earnings per share, adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, net leverage ratio, and adjusted net cash provided by (used in) operating activities, however, are not measures of financial performance under GAAP and should not be considered a substitute for financial measures determined in accordance with GAAP. Definitions and reconciliations of these items are provided below.

- *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.
- *Net leverage ratio* is defined as net debt (or total debt less unrestricted cash) divided by trailing twelve-month (TTM) bank EBITDA.

Non-GAAP Tables

(\$K, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue	\$ 1,157,752	\$ 1,040,307	\$ 4,322,155	\$ 3,963,126
Net income (loss)	\$ 25,033	\$ (492)	\$ 34,684	\$ (22,573)
Plus:				
Income tax expense (benefit)	1,261	8,420	4,157	(1,945)
Other expense, net	899	1,859	10,465	4,194
Interest expense, net	24,367	28,497	107,900	122,442
Loss on extinguishment of debt	—	246	1,998	22,298
Operating income	\$ 51,560	\$ 38,530	\$ 159,204	\$ 124,416
Plus:				
Amortization of intangible assets	22,569	22,606	90,821	90,423
M&A, integration and related costs	6,480	15,055	36,124	56,610
Adjusted operating income	\$ 80,610	\$ 76,191	\$ 286,150	\$ 271,449
Plus:				
Depreciation and CCA amortization	5,546	5,875	24,061	22,408
Adjusted EBITDA	\$ 86,156	\$ 82,066	\$ 310,211	\$ 293,857
Adjusted EBITDA margin	7.4 %	7.9 %	7.2 %	7.4 %
Minus:				
Cash interest expense, net	22,704	26,305	100,519	113,375
Income tax expense, as adjusted	12,147	9,101	36,334	35,430
Depreciation and CCA amortization	5,546	5,875	24,061	22,408
Other expense, net, as adjusted	3,092	1,859	10,465	4,194
Adjusted net income	\$ 42,667	\$ 38,926	\$ 138,831	\$ 118,450

(\$K, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Diluted earnings (loss) per share	\$ 0.78	\$ (0.02)	\$ 1.08	\$ (0.73)
Plus:				
M&A, integration and related costs	0.12	0.45	0.87	1.42
Amortization of intangible assets	0.47	0.68	2.18	2.26
Amortization of debt issuance costs and				
Loss on extinguishment of debt	0.03	0.11	0.23	0.79
FMV land impairment	\$ (0.00)	-	0.05	-
Gain on acquisition, net	\$ (0.07)	-	\$ (0.07)	-
Adjusted diluted earnings per share	\$ 1.33	\$ 1.22	\$ 4.34	\$ 3.74
Average shares outstanding:				
Basic, as reported	31,558	31,192	31,485	31,084
Diluted, as reported	32,043	31,192	31,967	31,084
Adjusted diluted	32,043	31,822	31,967	31,567

(\$K)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net cash provided by operating activities	223,134	52,793	254,237	187,968
Plus:				
M&A, integration, CARES Act, and related payments	17,490	6,009	42,534	40,257
MARPA facility activity	(72,440)	17,066	(135,788)	(68,766)
Adjusted operating cash flow	168,183	75,868	160,982	159,459

(\$K)	TTM	
	December 31, 2024	
Net income (loss)	\$	34,684
Plus:		
Interest expense, net		107,900
Income tax expense		4,157
Depreciation and amortization		114,882
Additional permitted add-backs ¹		71,284
TTM Bank EBITDA	\$	332,908

(\$K, except ratio)	Period Ending	
	December 31, 2024	
Total debt	\$	1,138,833
Cash, cash equivalents and restricted cash	\$	268,321
Less:		
Restricted cash		(3,148)
Cash and cash equivalents	\$	265,173
Net debt	\$	873,660
TTM bank EBITDA	\$	332,908
Net leverage ratio		2.62x

¹Additional permitted add-backs includes among other items, non-cash losses like loss on extinguishment of debt and/or lease impairments, stock compensation, transaction and integration related costs, and pro forma cost savings.

SUPPLEMENTAL INFORMATION

Revenue by customer, contract type, contract relationship, and geographic region for the periods presented below was as follows:

Revenue by Customer

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Army	\$ 1,837,843	\$ 1,633,525	\$ 1,342,406
Navy	1,441,355	1,233,463	713,732
Air Force	481,265	538,698	459,849
Other	561,692	557,440	374,873
Total revenue	<u>\$ 4,322,155</u>	<u>\$ 3,963,126</u>	<u>\$ 2,890,860</u>

Revenue by Contract Type

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Cost-plus and cost-reimbursable	\$ 2,531,792	\$ 2,209,241	\$ 1,625,196
Firm-fixed-price	1,675,603	1,626,262	1,159,743
Time-and-materials	114,760	127,623	105,921
Total revenue	<u>\$ 4,322,155</u>	<u>\$ 3,963,126</u>	<u>\$ 2,890,860</u>

Revenue by Contract Relationship

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Prime contractor	\$ 4,049,543	\$ 3,726,199	\$ 2,695,067
Subcontractor	272,612	236,927	195,793
Total revenue	<u>\$ 4,322,155</u>	<u>\$ 3,963,126</u>	<u>\$ 2,890,860</u>

Revenue by Geographic Region

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
United States	\$ 2,388,598	\$ 2,286,052	\$ 1,494,255
Middle East	1,399,436	1,193,598	1,024,674
Asia	326,961	264,346	167,629
Europe	207,160	219,130	204,302
Total revenue	<u>\$ 4,322,155</u>	<u>\$ 3,963,126</u>	<u>\$ 2,890,860</u>

Source: V2X, Inc.