



NEWS RELEASE

V2X Announces Fourth Quarter and Full-Year 2022 Results

3/2/2023

On July 5, 2022 ("Closing Date"), Vectrus, Inc. ("Vectrus") completed its merger ("the Merger") with Vertex Aerospace Services Holding Corp. ("Vertex"), thereby forming V2X, Inc. Fourth quarter "reported results" reflect the contributions of Vectrus and Vertex from October 1, 2022, through December 31, 2022. Full year 2022 "reported results" reflect the contributions of Vectrus from January 1, 2022, through December 31, 2022, and Vertex from the Closing Date through December 31, 2022, unless otherwise noted. Comparisons to historical periods are relative to legacy Vectrus results, unless otherwise noted.

Fourth Quarter 2022 Highlights:

- Revenue of \$978.2 million, up 20% y/y on a pro forma basis
- Grew INDOPACOM revenue sevenfold as presence and footprint continues to expand
- Recently awarded two key contracts with Space Command and a National Security client
- Reported operating income of \$31.0 million; adjusted operating income¹ of \$74.5 million
- Adjusted EBITDA¹ of \$79.3 million with a margin¹ of 8.1%
- Diluted EPS of (\$0.35); adjusted diluted EPS¹ of \$0.92
- Repaid \$25.0 million of debt and in February 2023 executed a more efficient credit facility with substantial interest savings and improved liquidity

2023 Guidance:

- Establishing full-year 2023 guidance with revenue growth of 5% and adjusted EBITDA¹ growth of 8% at the mid-point

MCLEAN, Va., March 2, 2023 /PRNewswire/ -- V2X, Inc. (NYSE:V2X) announced fourth quarter and full-year 2022 financial results.

"This was a very successful year, achieving several milestones, including the completion of the merger with Vertex and making significant progress on the integration while driving strong results with high quality uninterrupted service and support to our clients," said Chuck Prow, President and Chief Executive Officer of V2X. "Our teams came together seamlessly, demonstrating agility and outstanding performance, delivering 9% pro forma revenue growth for the full year. Importantly, current demand and leading indicators for our business remain strong with a substantial backlog of over \$12 billion and close to 4.5 years of future revenue already under contract for our top ten programs. With our enhanced and differentiated capabilities, we are providing increased innovation and

technology to our clients' complex mission requirements and believe we have meaningful opportunity for future growth with our expanded addressable market of approximately \$160 billion dollars."

Mr. Prow continued, "We capped off the year with 20% year-over-year pro forma revenue growth in the fourth quarter, driven by new business wins, successful recompetes, and continued expansion on our core programs. Importantly, we demonstrated significant growth in the Pacific or INDOPACOM, as our presence and footprint expands to support increasing mission requirements. Our momentum is continuing this year, and in January 2023 we were awarded a strategically important five-year recompetes contract valued at over \$90 million with a National Security client. I'd like to thank our team for their exceptional performance and dedication, which has resulted in significant growth with this client over the past several years. Adjusted EBITDA margin¹ was 8.1%, due to favorable program performance, strong execution, and the acceleration of program productivity that was expected in 2023. Our integration related activities continue to progress, and we were successful in delivering our expected cost synergies for the quarter. We remain on track to achieve our integration milestones and previously communicated cost synergies."

Mr. Prow concluded, "The significant momentum in our business, a robust backlog exceeding \$12 billion, and limited recompetes risk, provides solid visibility that we believe should drive revenue growth of approximately 5% at the mid-point in 2023. Importantly, over 90% of 2023 revenue is expected to be generated from existing contracts. Furthermore, recompetes are expected to comprise only 2% of revenue. In 2023, we remain focused on delivering on our strategy to drive growth and value creation by providing converged solutions that fuse the digital and physical aspects of our clients' missions. We have much to be excited about and will continue to execute our strategic framework to: Expand the Base, Capture New Markets, Deliver with Excellence, and Enhance Culture."

Fourth Quarter 2022 Results

- Revenue of \$978.2 million, up 20% y/y on a pro forma basis
- Operating income of \$31.0 million, including merger and integration related costs of \$23.4 million and amortization of acquired intangible assets of \$20.1 million
- Adjusted operating income¹ of \$74.5 million
- Adjusted EBITDA¹ of \$79.3 million with an 8.1% adjusted EBITDA margin¹
- Diluted EPS of (\$0.35) including merger and integration related costs
- Adjusted diluted EPS¹ of \$0.92
- Net debt as of December 31, 2022, of \$1,221 million, representing an \$87 million decrease from the Merger closing on July 5, 2022
- The Company was undrawn on its revolver as of December 31, 2022
- Total backlog as of December 31, 2022, of \$12.3 billion

"Our fourth quarter financial results were strong and provide great traction for V2X leading into 2023," said Susan Lynch, Senior Vice President and Chief Financial Officer. "Pro forma revenue increased 20% year-over-year to \$978.2 million. Revenue growth was driven by continued expansion in INDOPACOM and on LOGCAP, volume associated with rapid response efforts in Europe, and growth associated with new programs including Fort Benning, E-6B, Advanced Helicopter Training System, Navy Test Wing Atlantic, and Global Strike programs. Notably, revenue from INDOPACOM increased sevenfold year-over-year to \$54.4 million, reflecting our additional work throughout the region, including Kwajalein and the Philippines."

Ms. Lynch continued, "In the fourth quarter, V2X leveraged its solid cash position to repay \$25 million of its second lien term loan. Importantly, our strong fundamentals and visibility have allowed V2X to significantly improve its capital structure by refinancing portions of its debt into a lower cost, pro rata credit facility. This new, five-year \$750

million credit facility is expected to generate substantial interest expense savings and drive value for our shareholders. At the end of the fourth quarter, our net consolidated indebtedness to EBITDA¹ (net leverage ratio) was 3.7x, a 0.3x improvement from Merger close. We have been able to reduce our leverage in line with plan and anticipate that our leverage ratio will show further improvement in 2023."

Full-Year 2022 Results

Full-year revenue was \$2.891 billion and pro forma revenue was \$3.670 billion, up 8.8% pro forma year-on-year. The Company reported full-year operating income of \$55.8 million and adjusted operating income¹ of \$187.5 million. Full-year EBITDA¹ was \$201.0 million with a margin of 7.0%. Full year pro forma Adjusted EBITDA¹ was \$278.0 million with a margin of 7.6%. Full-year diluted EPS was (\$0.68), due primarily to Merger and integration related costs, amortization of acquired intangible assets and interest expense. Adjusted diluted EPS¹ for 2022 was \$4.60.

Cash provided by operating activities for the year was \$93.5 million, compared to \$61.3 million in 2021 for legacy Vectrus. Pro forma adjusted operating cash flow for the year was \$85.8 million and excludes \$62 million of Merger related payments and \$8 million of repayments tied to the CARES Act. Lynch continued, "Our ability to generate strong cash flow with low capital intensity is an important attribute of our business."

During the second half of the year, V2X lowered its net debt balance by \$87 million resulting in an ending balance of \$1,220.7 million. Cash at year-end was \$116.1 million up from \$38.5 million at the end of 2021.

Total backlog as of December 31, 2022 was \$12.3 billion and funded backlog was \$2.6 billion. The trailing twelve-month book-to-bill was 1.3x.

2023 Guidance

Ms. Lynch concluded, "Based on our expected continued strong demand trends and operational execution, we are setting the mid-point of our guidance for revenue at \$3.850 billion, representing approximately 5% pro forma growth and Adjusted EBITDA¹ of \$300 million, representing 8% pro forma growth."

Guidance for 2023 is as follows:

\$ millions, except for per share amounts	2023 Guidance		2023 Mid-Point
	Revenue	\$3,800	to \$3,900
Adjusted EBITDA ¹	\$290	to \$310	\$300
Adjusted Diluted Earnings Per Share ¹	\$3.80	to \$4.30	\$4.05
Adjusted Net Cash Provided by Operating Activities ¹	\$115.0	to \$135.0	\$125.0

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 2022 Conference Call

Management will conduct a conference call with analysts and investors at 4:30 p.m. ET on Thursday, March 2, 2023. U.S.-based participants may dial in to the conference call at 877-506-6380, while international participants may dial 412-542-4198. A live webcast of the conference call as well as an accompanying slide presentation will be available

here: <https://app.webinar.net/EZQ7LMALNPo>

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 16, 2023, at 844-512-2921 (domestic) or 412-317-6671 (international) with passcode 10174938.

Presentation slides that will be used in conjunction with the conference call will also be made available online in advance at <https://investors.vectrus.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.

Footnotes:

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

About V2X

V2X is a leading provider of critical mission solutions and support to defense clients globally, formed by the 2022 Merger of Vectrus and Vertex to build on more than 120 combined years of successful mission support. The Company delivers a comprehensive suite of integrated solutions across the operations and logistics, aerospace, training and technology markets to national security, defense, civilian and international clients. Our global team of approximately 14,000 employees brings innovation to every point in the mission lifecycle, from preparation, to operations, to sustainment, as it tackles the most complex challenges with agility, grit, and dedication.

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 "2023 Guidance" above and other assumptions contained therein for purposes of such guidance, other statements about our 2023 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.

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, that 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 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 (LOSS) INCOME

(In thousands, except per share data)	Year Ended December 31,		
	2022	2021	2020
Revenue	\$ 2,890,860	\$ 1,783,665	\$ 1,395,529
Cost of revenue	2,595,848	1,623,245	1,271,375
Selling, general and administrative expenses	239,241	98,400	80,679
Operating income	55,771	62,020	43,475
Interest expense, net	(61,879)	(7,985)	(4,793)
(Loss) income from operations before income taxes	(6,108)	54,035	38,682
Income tax expense	8,222	8,307	1,731
Net (loss) income	<u>\$ (14,330)</u>	<u>\$ 45,728</u>	<u>\$ 36,951</u>
(Loss) earnings per share			
Basic	\$ (0.68)	\$ 3.91	\$ 3.19
Diluted	\$ (0.68)	\$ 3.86	\$ 3.14
Weighted average common shares outstanding - basic	20,996	11,705	11,599
Weighted average common shares outstanding - diluted	20,996	11,836	11,751

V2X, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)	December 31,	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 116,067	\$ 38,513
Receivables	728,582	348,605
Prepaid expenses	74,234	21,160
Other current assets	13,049	15,062
Total current assets	<u>931,932</u>	<u>423,340</u>
Property, plant, and equipment, net	78,715	23,758
Goodwill	1,653,822	321,734
Intangible assets, net	497,951	66,582
Right-of-use assets	52,825	43,651
Other non-current assets	17,858	10,394
Total non-current assets	<u>2,301,171</u>	<u>466,119</u>
Total Assets	<u>\$ 3,233,103</u>	<u>\$ 889,459</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 406,706	\$ 212,533
Compensation and other employee benefits	168,038	80,284
Short-term debt	11,850	10,400
Other accrued liabilities	196,538	55,031
Total current liabilities	<u>783,132</u>	<u>358,248</u>
Long-term debt, net	1,262,811	94,246
Deferred tax liabilities	15,813	32,214
Operating lease liabilities	41,083	34,536
Other non-current liabilities	133,185	20,128
Total non-current liabilities	<u>1,452,892</u>	<u>181,124</u>
Total liabilities	<u>2,236,024</u>	<u>539,372</u>
Commitments and contingencies (Note 15)		
Shareholders' Equity		
Preferred stock; \$0.01 par value; 10,000 shares authorized; No shares issued and outstanding	—	—
Common stock; \$0.01 par value; 100,000 shares authorized; 30,470 and 11,738 shares issued and outstanding as of December 31, 2022 and 2021, respectively	305	117
Additional paid in capital	748,877	88,116
Retained earnings	253,424	267,754
Accumulated other comprehensive loss	(5,527)	(5,900)
Total shareholders' equity	<u>997,079</u>	<u>350,087</u>
Total Liabilities and Shareholders' Equity	<u>\$ 3,233,103</u>	<u>\$ 889,459</u>

V2X, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31,

(In thousands)	2022	2021	2020
Operating activities			
Net (loss) income	\$ (14,330)	\$ 45,728	\$ 36,951
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation expense	13,472	6,526	4,097
Amortization of intangible assets	48,643	10,028	4,029
Loss (gain) on disposal of property, plant, and equipment	59	65	(14)
Stock-based compensation	32,736	8,331	9,445
Amortization of debt issuance costs	7,805	912	386
Gain on disposition of business	(2,082)	—	—
Changes in assets and liabilities:			
Receivables	(52,311)	(36,376)	1,000
Prepaid expenses	(3,971)	(5,178)	(3,588)
Other assets	15,333	(7,667)	(3,644)
Accounts payable	71,837	56,985	(2,680)
Deferred taxes	(15,554)	(7,280)	(10,665)
Compensation and other employee benefits	42,878	1,133	12,004
Other liabilities	(51,020)	(11,868)	16,760
Net cash provided by operating activities	93,495	61,339	64,081
Investing activities			
Purchases of capital assets and intangibles	(12,425)	(9,776)	(4,500)
Proceeds from the disposition of assets	9	16	84
Acquisition of business, net of cash acquired	193,677	262	(133,609)
Disposition of business	(5,303)	—	—
Distributions from (contributions to) joint venture	—	(3,145)	—
Net cash provided by (used in) investing activities	175,958	(12,643)	(138,025)
Financing activities			
Repayments of long-term debt	(108,400)	(8,600)	(6,500)
Proceeds from revolver	392,000	529,000	314,000
Repayments of revolver	(472,925)	(594,000)	(199,000)
Proceeds from exercise of stock options	408	379	59
Payment of debt issuance costs	(2,325)	(17)	(830)
Payments of employee withholding taxes on share-based compensation	(1,994)	(2,347)	(1,955)
Net cash (used in) provided by financing activities	(193,236)	(75,585)	105,774
Exchange rate effect on cash	1,337	(3,325)	1,579
Net change in cash, cash equivalents and restricted cash	77,554	(30,214)	33,409
Cash, cash equivalents and restricted cash – beginning of year	38,513	68,727	35,318
Cash, cash equivalents and restricted cash – end of year	\$ 116,067	\$ 38,513	\$ 68,727
Supplemental Disclosure of Cash Flow Information:			
Interest paid	\$ 54,267	\$ 5,801	\$ 3,717
Income taxes paid	\$ 13,416	\$ 9,703	\$ 14,520
Non-cash investing activities:			
Purchase of capital assets on account	\$ 2,716	\$ 277	\$ 2,226
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, operating income, and operating margin. 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, which includes service center transaction 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. We define operating margin as operating income divided by revenue.

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 operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted operating cash flow, and organic revenue 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 operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, adjusted operating cash flow, and organic revenue, however, are not measures of financial performance under GAAP and should not be considered a substitute for operating income, operating margin, net income, and diluted earnings per share as 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, such as M&A, integration and related costs, LOGCAP V pre-operational legal costs, and amortization of acquired intangible assets that impact current results but are not related to our ongoing operations.
- Adjusted operating margin is defined as adjusted operating income 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, such as M&A, integration and related costs, LOGCAP V pre-operational legal costs, and amortization of acquired intangible assets and amortization of debt issuance costs that impact current results but are not related to our ongoing operations.
- Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted average diluted common shares outstanding.
- EBITDA is defined as operating income, adjusted to exclude depreciation and amortization.
- Adjusted EBITDA is defined as EBITDA, adjusted to exclude items that may include, but are not limited to, significant charges or credits and unusual and infrequent non-operating items, such as M&A, integration and related costs, LOGCAP V pre-operational legal costs that impact current results but are not related to our ongoing operations.
- EBITDA margin is defined as EBITDA divided by revenue.
- Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.
- 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.

In this document, the Company presents certain forward-looking non-GAAP metrics. The Company does not provide outlook on a GAAP basis because the items that the Company excludes from GAAP to calculate the comparable non-GAAP measure can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities. Additionally, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on outlook done on a GAAP basis. The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact the Company's fiscal 2023 GAAP results.

Non-GAAP Financial Measures

	Three Months Ended December 31, 2022	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Three Months Ended December 31, 2022 Adjusted
(\$K, except per share data)						
Revenue	\$ 978,167	\$ —	\$ —	\$ —	\$ —	\$ 978,167
Operating income	\$ 31,027	\$ 23,400	\$ 20,046	\$ —	\$ —	\$ 74,473
Operating margin	3.2 %					7.6 %
Interest expense, net	\$ (30,971)	\$ —	\$ —	\$ 3,902	\$ —	\$ (27,069)
(Loss) income from operations before income taxes	\$ 56	\$ 23,400	\$ 20,046	\$ 3,902	\$ —	\$ 47,404
Income tax (benefit) expense	\$ 10,675	\$ 3,645	\$ 3,472	\$ 700	\$ —	\$ 18,492
Income tax rate	19,062.5 %					39.0 %
Net (loss) income	\$ (10,619)	\$ 19,755	\$ 16,574	\$ 3,202	\$ —	\$ 28,912

Weighted average common shares outstanding, diluted ¹	30,465					31,284
Diluted (loss) earnings per share	\$ (0.35)	\$ 0.63	\$ 0.53	\$ 0.10	\$ —	\$ 0.92

EBITDA (Non-GAAP Measures)

(\$K)	Three Months Ended December 31, 2022	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Three Months Ended December 31, 2022 Adjusted
Operating Income	\$ 31,027	\$ 23,400	\$ 20,046	\$ —	\$ —	\$ 74,473
Add:						
Depreciation and Amortization	\$ 24,855	\$ —	\$ (20,046)	\$ —	\$ —	\$ 4,809
EBITDA	\$ 55,882	\$ 23,400	\$ —	\$ —	\$ —	\$ 79,282
EBITDA Margin	5.7 %					8.1 %

¹Basic shares outstanding used to calculate GAAP EPS; Diluted shares outstanding used to calculate Adjusted EPS

Non-GAAP Financial Measures

(\$K, except per share data)	Three Months Ended December 31, 2021	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Three Months Ended December 31, 2021 Adjusted
Revenue	\$ 419,409	\$ —	\$ —	\$ —	\$ —	\$ 419,409
Operating income	\$ 10,017	\$ 1,039	\$ 2,507	\$ —	\$ 4	\$ 13,567
Operating margin	2.4 %					3.2 %
Interest expense, net	\$ (1,845)	\$ —	\$ —	\$ 223	\$ —	\$ (1,622)
(Loss) income from operations before income taxes	\$ 8,172	\$ 1,039	\$ 2,507	\$ 223	\$ 4	\$ 11,945
Income tax (benefit) expense	\$ 685	\$ 87	\$ 210	\$ 19	\$ —	\$ 1,001
Income tax rate	8.4 %					8.4 %
Net (loss) income	\$ 7,487	\$ 952	\$ 2,297	\$ 204	\$ 4	\$ 10,944
Weighted average common shares outstanding, diluted	11,880					11,880
Diluted (loss) earnings per share	\$ 0.63	\$ 0.08	\$ 0.19	\$ 0.02	\$ —	\$ 0.92

EBITDA (Non-GAAP Measures)

(\$K)	Three Months Ended December 31, 2021	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Three Months Ended December 31, 2021 Adjusted
Operating Income	\$ 10,017	\$ 1,039	\$ 2,507	\$ —	\$ 4	\$ 13,567
Add:						
Depreciation and Amortization	\$ 4,245	\$ —	\$ (2,507)	\$ —	\$ —	\$ 1,738
EBITDA	\$ 14,262	\$ 1,039	\$ —	\$ —	\$ 4	\$ 15,305
EBITDA Margin	3.4 %					3.6 %

Non-GAAP Financial Measures

(\$K, except per share data)	Twelve Months Ended December 31, 2022	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Twelve Months Ended December 31, 2022 Adjusted
Revenue	\$ 2,890,860	\$ —	\$ —	\$ —	\$ —	\$ 2,890,860
Operating income	\$ 55,771	\$ 83,124	\$ 48,643	\$ —	\$ —	\$ 187,538
Operating margin	1.9 %					6.5 %
Interest expense, net	\$ (61,879)	\$ —	\$ —	\$ 7,805	\$ —	\$ (54,074)
(Loss) income from operations before income taxes	\$ (6,108)	\$ 83,124	\$ 48,643	\$ 7,805	\$ —	\$ 133,464
Income tax (benefit) expense	\$ 8,222	\$ 16,093	\$ 9,417	\$ 1,511	\$ —	\$ 35,243
Income tax rate	(134.6) %					26.4 %
Net (loss) income	\$ (14,330)	\$ 67,031	\$ 39,226	\$ 6,294	\$ —	\$ 98,221
Weighted average common shares outstanding, diluted ¹	20,996					21,346
Diluted (loss) earnings per share	\$ (0.68)	\$ 3.14	\$ 1.84	\$ 0.29	\$ —	\$ 4.60

EBITDA (Non-GAAP Measures)

(\$K)	Twelve Months Ended December 31, 2022	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Twelve Months Ended December 31, 2022 Adjusted
Operating Income	\$ 55,771	\$ 83,124	\$ 48,643	\$ —	\$ —	\$ 187,538
Add:						
Depreciation and Amortization	\$ 62,115	\$ —	\$ (48,643)	\$ —	\$ —	\$ 13,472
EBITDA	\$ 117,886	\$ 83,124	\$ —	\$ —	\$ —	\$ 201,010
EBITDA Margin	4.1 %					7.0 %

¹Basic shares outstanding used to calculate GAAP EPS; Diluted shares outstanding used to calculate Adjusted EPS

Non-GAAP Financial Measures

	Twelve Months Ended December 31, 2021	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Twelve Months Ended December 31, 2021 Adjusted
(\$K, except per share data)						
Revenue	\$ 1,783,665	\$ —	\$ —	\$ —	\$ —	\$ 1,783,665
Operating income	\$ 62,020	\$ 4,323	\$ 10,028	\$ —	\$ 192	\$ 76,563
Operating margin	3.5 %					4.3 %
Interest expense, net	\$ (7,985)	\$ —	\$ —	\$ 912	\$ —	\$ (7,073)
(Loss) income from operations before income taxes	\$ 54,035	\$ 4,323	\$ 10,028	\$ 912	\$ 192	\$ 69,490
Income tax (benefit) expense	\$ 8,307	\$ 665	\$ 1,542	\$ 161	\$ 1,554	\$ 12,229
Income tax rate	15.4 %					17.6 %
Net (loss) income	\$ 45,728	\$ 3,658	\$ 8,486	\$ 751	\$ (1,362)	\$ 57,261
Weighted average common shares outstanding, diluted	11,836					11,836
Diluted (loss) earnings per share	\$ 3.86	\$ 0.31	\$ 0.72	\$ 0.06	\$ (0.12)	\$ 4.84

EBITDA (Non-GAAP Measures)

	Twelve Months Ended December 31, 2021	M&A, Integration and Related Costs	Amortization of Acquired Intangible Assets	Amortization of Debt Issuance Costs	Prior Years' Tax Credits and Other	Twelve Months Ended December 31, 2021 Adjusted
(\$K)						
Operating Income	\$ 62,020	\$ 4,323	\$ 10,028	\$ —	\$ 192	\$ 76,563
Add:						
Depreciation and Amortization	\$ 16,554	\$ —	\$ (10,028)	\$ —	\$ —	\$ 6,526
EBITDA	\$ 78,574	\$ 4,323	\$ —	\$ —	\$ 192	\$ 83,089
EBITDA Margin	4.4 %					4.7 %

	Three Months Ended December 31, 2022 Pro forma	Twelve Months Ended December 31, 2022 Pro Forma
(\$M)		
Pro forma Revenue	\$ 978.2	\$ 3,669.6
Three Months Ended December 31, 2021 Pro Forma		
Pro forma Revenue	\$ 816.3	\$ 3,371.8
Pro forma Revenue \$	\$ 161.9	\$ 297.8
Pro forma Revenue %	19.8 %	8.8 %

SUPPLEMENTAL INFORMATION

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

Revenue by Client

(In thousands)	Year Ended December 31,					
	2022		2021		2020	
	\$	%	\$	%	\$	%
Army	\$ 1,342,406	46 %	\$ 1,134,849	64 %	\$ 965,558	69 %
Navy	713,732	25 %	224,407	13 %	68,748	5 %
Air Force	459,849	16 %	266,291	15 %	299,272	21 %
Other	374,873	13 %	158,118	8 %	61,951	5 %
Total revenue	\$ 2,890,860		\$ 1,783,665		\$ 1,395,529	

Revenue by Contract Type

(In thousands)	Year Ended December 31,					
	2022		2021		2020	
	\$	%	\$	%	\$	%
Cost-plus and cost-reimbursable	\$ 1,625,196	56 %	\$ 1,271,167	71 %	\$ 955,506	68 %

Firm-fixed-price	1,159,743	40 %	452,112	25 %	403,994	29 %
Time and material	105,921	4 %	60,386	4 %	36,029	3 %
Total revenue	<u>\$ 2,890,860</u>		<u>\$ 1,783,665</u>		<u>\$ 1,395,529</u>	

Revenue by Contract Relationship

(In thousands)	Year Ended December 31,					
	2022	%	2021	%	2020	%
Prime contractor	\$ 2,695,067	93 %	\$ 1,663,828	93 %	\$ 1,324,628	95 %
Subcontractor	195,793	7 %	119,837	7 %	70,901	5 %
Total revenue	<u>\$ 2,890,860</u>		<u>\$ 1,783,665</u>		<u>\$ 1,395,529</u>	

Revenue by Geographic Region

(In thousands)	Year Ended December 31,					
	2022	%	2021	%	2020	%
Middle East	\$ 1,024,674	35 %	\$1,000,877	57 %	\$ 902,162	65 %
United States	1,494,255	52 %	578,255	32 %	328,214	24 %
Europe	204,302	7 %	142,606	8 %	155,169	10 %
Asia	167,629	6 %	61,927	3 %	9,984	1 %
Total revenue	<u>\$ 2,890,860</u>		<u>\$ 1,783,665</u>		<u>\$ 1,395,529</u>	

CONTACT:

V2X, Inc.
Mike Smith, CFA
719-637-5773
michael.smith@vectrus.com

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