



AEROSPACE



MARINE SYSTEMS



COMBAT SYSTEMS



TECHNOLOGIES

GENERAL DYNAMICS

Third-Quarter 2021 Highlights

October 27, 2021









Forward-Looking Statements; Non-GAAP Measures

This presentation contains information about the company's expectations of future performance, including future financial or operating performance. This information constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, and is identified by words such as "forecast" or "outlook". Forward-looking statements are based on management's current expectations, estimates, projections and assumptions. **These statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict.** Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors. Additional information regarding these factors is contained in the company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All forward-looking statements speak only as of the date they were made. General Dynamics does not undertake any obligation to update or publicly release any revisions to any forward-looking statements to reflect events, circumstances or changes in expectations after the date of this presentation.

In addition, this presentation contains non-GAAP financial measures. Reconciliations to comparable GAAP measures and other information relating to these non-GAAP financial measures is included in the Appendix to this presentation beginning on page 10, in our earnings press release, or in filings that we make with the SEC, all of which are available on the investor relations page of our website at <http://investorrelations.gd.com>.

Third Quarter 2021 Financial Highlights

\$ In Millions, Except EPS





| | 3Q21 | vs 3Q20 | vs 2Q21 |
|---------------------------|-----------------|---|--|
| Revenue | \$ 9,568 |  1.5% |  3.8% |
| Operating Earnings | \$ 1,080 |  0.7% |  12.6% |
| Net Earnings | \$ 860 |  3.1% |  16.7% |
| EPS, Diluted | \$ 3.07 |  5.9% |  17.6% |

| | | % Net Income |
|-----------------------------|-----------------|--------------|
| Cash From Operations | \$ 1,471 | 171% |
| Free Cash Flow* | \$ 1,275 | 148% |

| | | |
|----------------------|------------------|---|
| Total Backlog | \$ 88,098 |  8.1% vs 3Q20 |
|----------------------|------------------|---|

Third Quarter 2021 YTD Financial Highlights

\$ In Millions, Except EPS

| | <u>3Q21 YTD</u> | <u>vs 3Q20 YTD</u> |
|-----------------------------|------------------|---|
| Revenue | \$ 28,177 |  2.7% |
| Operating Earnings | \$ 2,977 |  4.8% |
| Net Earnings | \$ 2,305 |  6.5% |
| EPS, Diluted | \$ 8.16 |  8.5% |
| <hr/> | | |
| | | <u>% Net Income</u> |
| Cash From Operations | \$ 2,589 | 112% |
| Free Cash Flow* | \$ 2,087 | 91% |

Aerospace

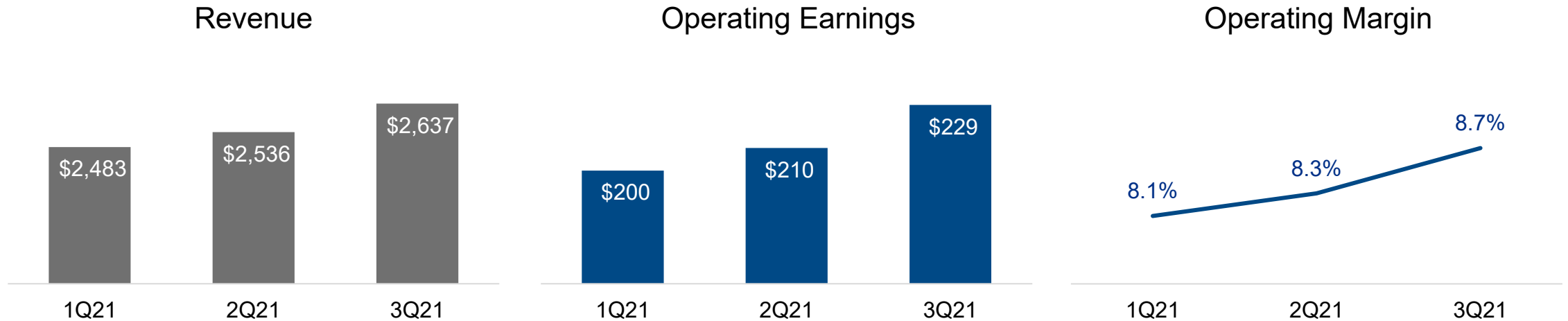
\$ In Millions



- **Strong Sequential Operating Improvement**
 - Aircraft deliveries ramping up as planned
 - Significant growth in services revenue – 11% above 3Q19
- **Significant Backlog Growth on Substantial Order Activity**
 - Aerospace book-to-bill = 1.6x; Gulfstream book-to-bill = 1.7x
 - Highest third-quarter orders since 2008
 - Total Backlog up 22.8% over 3Q20

Marine Systems

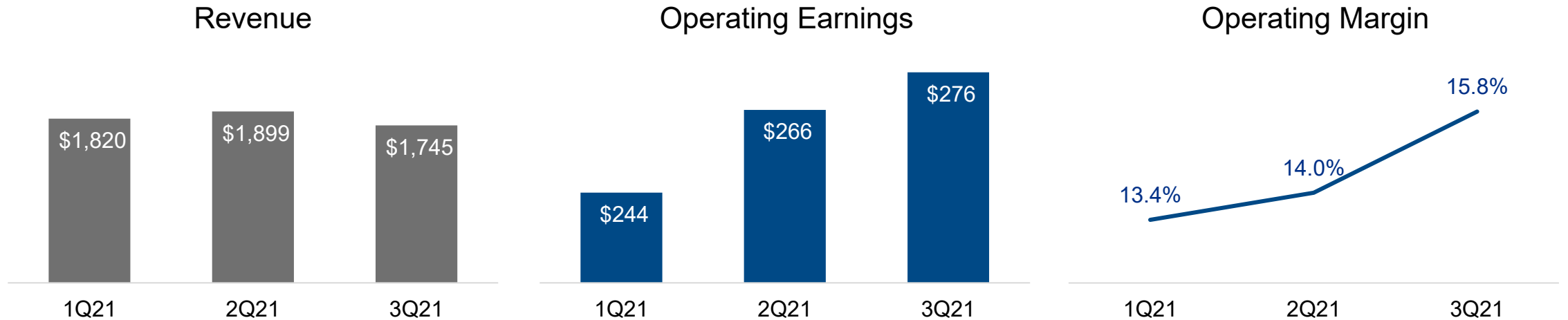
\$ In Millions



- Strong, Sustained Revenue Growth
 - 9.6% increase over 3Q20; 7.5% year-to-date
 - 16 consecutive quarters of year-over-year revenue growth
- Improving Operating Performance
 - Solid sequential margin improvement
- Total Backlog Up 12.8% Over 3Q20

Combat Systems

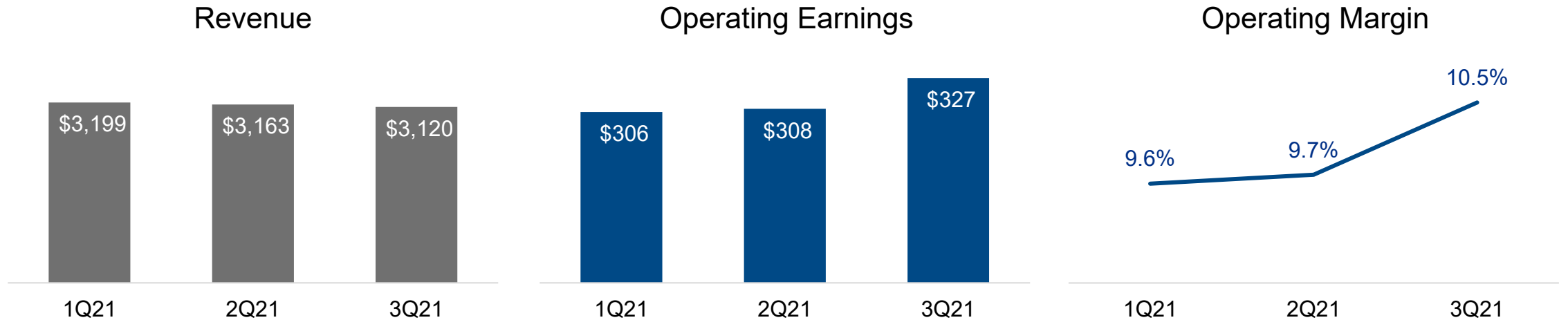
\$ In Millions



- Revenue Increased Year-Over-Year in 17 of the Past 20 Quarters
- Strong Operating Performance Continues
 - Earnings up sequentially, quarter-over-quarter, and year-to-date
 - Margins expanded against all comparable periods

Technologies

\$ In Millions



- Revenue Impacted by Supply Chain Delays
 - GDIT up 1.4% over 3Q20; 5.3% year-to-date
 - Mission Systems working to overcome chip shortage
- Strong Operating Performance Despite Revenue Pressures
 - Earnings up sequentially, quarter-over-quarter, and year-to-date
 - Margins expanded against all comparable periods; EBITDA* margins of 14.4% vs 13.3% in 3Q20
- Order Capture Continues to be Solid in Challenging Environment
 - Technologies book-to-bill = 1.0x; GDIT book-to-bill = 1.1x
 - Submitted GDIT bids pending adjudication = \$31.5B (>2x 3Q20 level)

Appendix

Non-GAAP Financial Measure – EBITDA

| (\$ in millions) | Third Quarter | | Nine Months | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Earnings before interest, taxes, depreciation and amortization: | | | | |
| Net earnings | \$ 860 | \$ 834 | \$ 2,305 | \$ 2,165 |
| Interest, net | 99 | 118 | 331 | 357 |
| Provision for income tax, net | 155 | 144 | 436 | 388 |
| Depreciation of property, plant and equipment | 128 | 122 | 408 | 376 |
| Amortization of intangible and finance lease right-of-use assets | 83 | 90 | 242 | 267 |
| Earnings before interest, taxes, depreciation and amortization * | <u>\$ 1,325</u> | <u>\$ 1,308</u> | <u>\$ 3,722</u> | <u>\$ 3,553</u> |

* We believe earnings before interest, taxes, depreciation and amortization (EBITDA) is a useful measure for investors because it provides another measure of our profitability and our ability to service our debt. We calculate EBITDA by adding back interest, taxes, depreciation and amortization to net earnings.

Non-GAAP Financial Measure – Technologies EBITDA

| (\$ in millions) | Third Quarter | | Nine Months | |
|--|---------------|---------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Earnings before interest, taxes, depreciation and amortization: | | | | |
| Operating earnings | \$ 327 | \$ 314 | \$ 941 | \$ 859 |
| Other, net | 24 | 15 | 71 | 55 |
| Depreciation of property, plant and equipment | 36 | 29 | 110 | 97 |
| Amortization of intangible and finance lease right-of-use assets | 63 | 74 | 188 | 223 |
| Earnings before interest, taxes, depreciation and amortization * | <u>\$ 450</u> | <u>\$ 432</u> | <u>\$ 1,310</u> | <u>\$ 1,234</u> |

* We believe the Technologies segment's earnings before interest, taxes, depreciation and amortization (EBITDA) is a useful measure for investors because it provides another measure of the segment's operating performance. We calculate the Technologies segment's EBITDA by adding other income, depreciation and amortization to operating earnings.

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