



Fourth Quarter & Full-Year 2023 Results

TRUSTED WHEREVER
THE MISSION LEADS

March 5, 2024

Disclaimers



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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 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

Leveraging diversity to drive business outcomes.

Integrity, Professionalism, Respect, Responsibility



Total Global Employees



*U.S. data only

Transforming to Lead an Evolving Market



2020*



2023

Revenue

\$1.4B

\$4.0B

Adj. EBITDA¹

\$56M

\$294M

Operating Cash Flow

\$64M

\$188M

Backlog

\$5.1B

\$12.8B

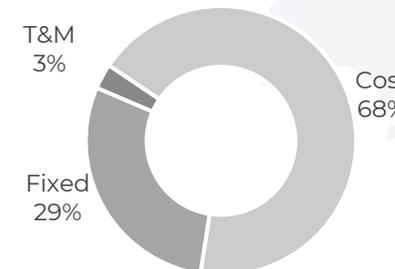
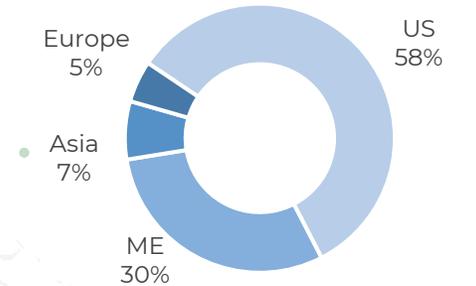
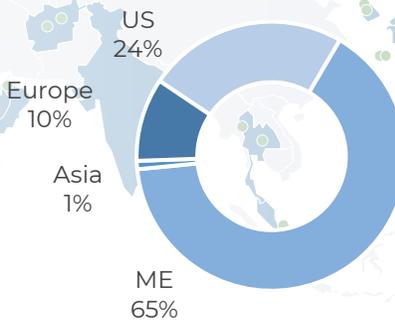
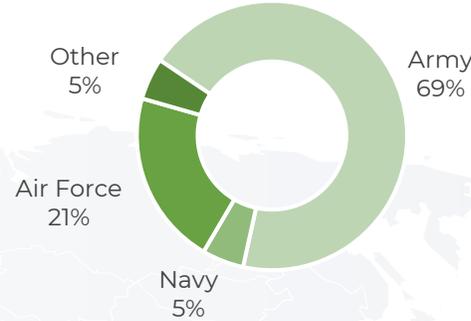
Revenue / Employee

\$150K

\$250K

2020*

2023



¹ See appendix for reconciliation and definitions of non-GAAP measures

*FY 2020 information is standalone Vectrus reporting

Q4'23 and Full-Year Highlights



- ✔ FY'23 revenue +8% y/y to \$4.0B; Q4'23 revenue +6% y/y to \$1.0B
- ✔ INDOPACOM growth of 31% y/y in Q4'23 and 18% in CENTCOM
- ✔ FY'23 Adjusted EBITDA¹ of \$294M; Q4'23 Adjusted EBITDA¹ of \$82M
- ✔ Strong YTD adjusted operating cash flow¹ of \$159M; Record setting days sales outstanding (DSO) of 58 Days
- ✔ Net Leverage Ratio¹ of 3.3x, driven by \$137M y/y reduction in net debt
- ✔ Modernization & Sustainment awards of ~\$70M
- ✔ Successfully designed and fielded a defense platform for a new client
- ✔ ~\$500M+ of notable new wins in CENTCOM including \$100M task order with the Air Force and a substantial Foreign Military Sales win

\$1.04B

Q4'23 Revenue

\$82.1M

Q4'23 Adj. EBITDA¹

\$159M

YTD Adj. Operating Cash Flow¹

\$1.22

Q4'23 Adj. diluted EPS¹

¹ See appendix for reconciliation and definitions of non-GAAP measures

Foreign Military Sales (FMS) Gaining Traction



- ✔ Our multi-year campaign and strategy to grow Foreign Military Sales is gaining traction and yielding favorable results
- ✔ Recently selected to start the transition for our largest FMS opportunity to date
- ✔ The effort is a long-term aviation support & training contract in CENTCOM and was the culmination of over two years of planning and engagement
- ✔ Program is valued at ~\$400M over the next five years
- ✔ Total value of the FMS portfolio is ~\$700M, with accretive margins
- ✔ Continue to invest and pursue FMS opportunities that align to our core capabilities and geographic presence

Foreign Military Sales Campaign

Strategy:

- Leverage geographic footprint, partnerships, and capabilities to deliver differentiated solutions

~\$5.0B

Pipeline of Opportunities

Representative countries where V2X has FMS work today:

- | | |
|-------------|----------------|
| ✔ Australia | ✔ Kuwait |
| ✔ Canada | ✔ Malaysia |
| ✔ Denmark | ✔ Saudi Arabia |
| ✔ Japan | ✔ Spain |

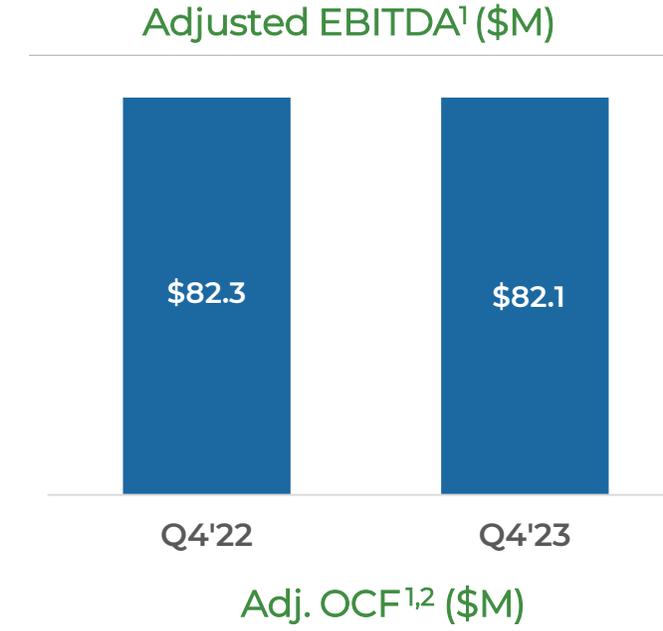
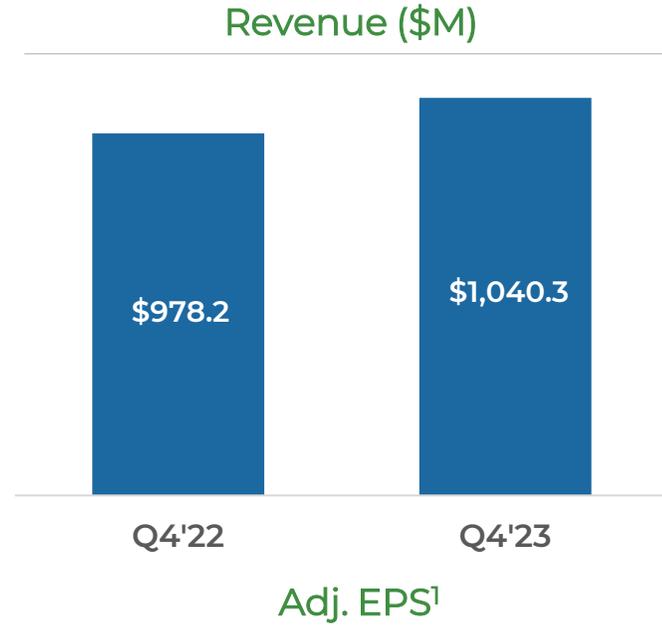
Positive Leading Growth Indicators



1	Backlog	 Provides solid topline visibility	~\$12.8 _B
2	Bids Submitted	 Supports further backlog growth	>\$9.0 _B
3	NTM Pipeline	 Enables future organic revenue growth	~\$14.9 _B
4	Limited Recompetes	 Solidifies revenue base and reduces risk	<5% ¹

1. Based on 2024 revenue guidance midpoint

Q4'23 Financial Results



¹ See appendix for reconciliation and definitions of non-GAAP measures

² Q4'23 adjusted operating cash flow equals net cash provided by operating activities of \$52.8M + \$6.0M of M&A, integration, and related payments + \$17.1M MARPA facility activity

³ Q4'23 adjusted net income (NI) conversion equals adjusted operating cash flow of \$75.9M divided by Q4'23 adjusted NI of \$38.9M

FY'23 Financial Results



+8% Revenue

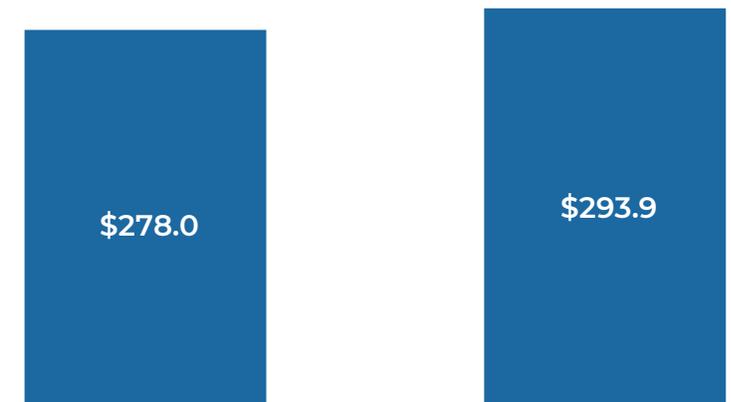
7.4% Adj. EBITDA margin¹

135% Adj. NI Conversion^{1,2}

Revenue (\$M)



Adjusted EBITDA¹ (\$M)



PF'22¹

FY'23

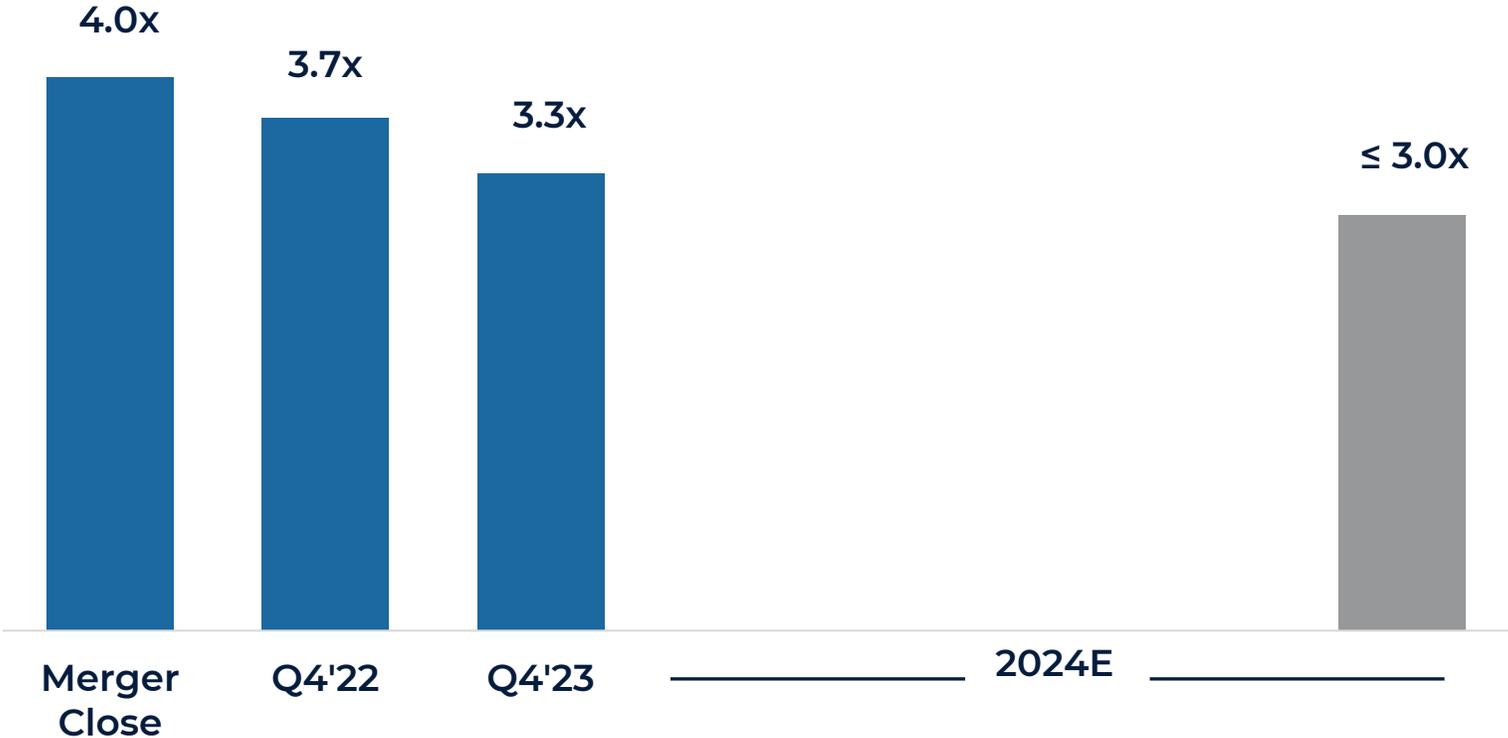
PF'22¹

FY'23

¹ See appendix for reconciliation and definitions of non-GAAP measures

² FY'23 adjusted net income (NI) conversion equals adjusted operating cash flow of \$159.5M divided by FY'23 adjusted NI of \$118.5M; FY'23 adjusted operating cash flow equals net cash provided by operating activities of \$188.0M + \$26.9M of M&A, integration, and related payments + \$13.4M CARES Act - \$68.8M MARPA facility activity

Momentum Achieving Leverage Target



- ✓ Net leverage ratio^{1,2} at 3.3x
- ✓ Net Leverage ratio¹ improved by 0.4x in 2023
- ✓ Driven by net debt reduction of \$137.1M in 2023
- ✓ Mid-term target of 2.0-3.0x net leverage ratio¹

Clear Path to Deleveraging ≤ 3.0x in 2024

¹ See appendix for reconciliation and definitions of non-GAAP measures
² Net leverage ratio of 3.3x equals net debt of \$1,084M divided by trailing twelve-month (TTM) bank EBITDA

2024 Guidance



(\$M, except per share data)	2024 Guidance	2024 Mid-Point
Revenue	\$4,100 - \$4,200	\$4,150
Adjusted EBITDA ¹	\$300 - \$315	\$308
Adjusted Diluted Earnings Per Share ¹	\$3.85 - \$4.20	\$4.03
Adjusted Net Cash Provided by Operating Activities ¹	\$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 traditional profile and H2 weighted

¹ See appendix for reconciliation and definitions of non-GAAP measures

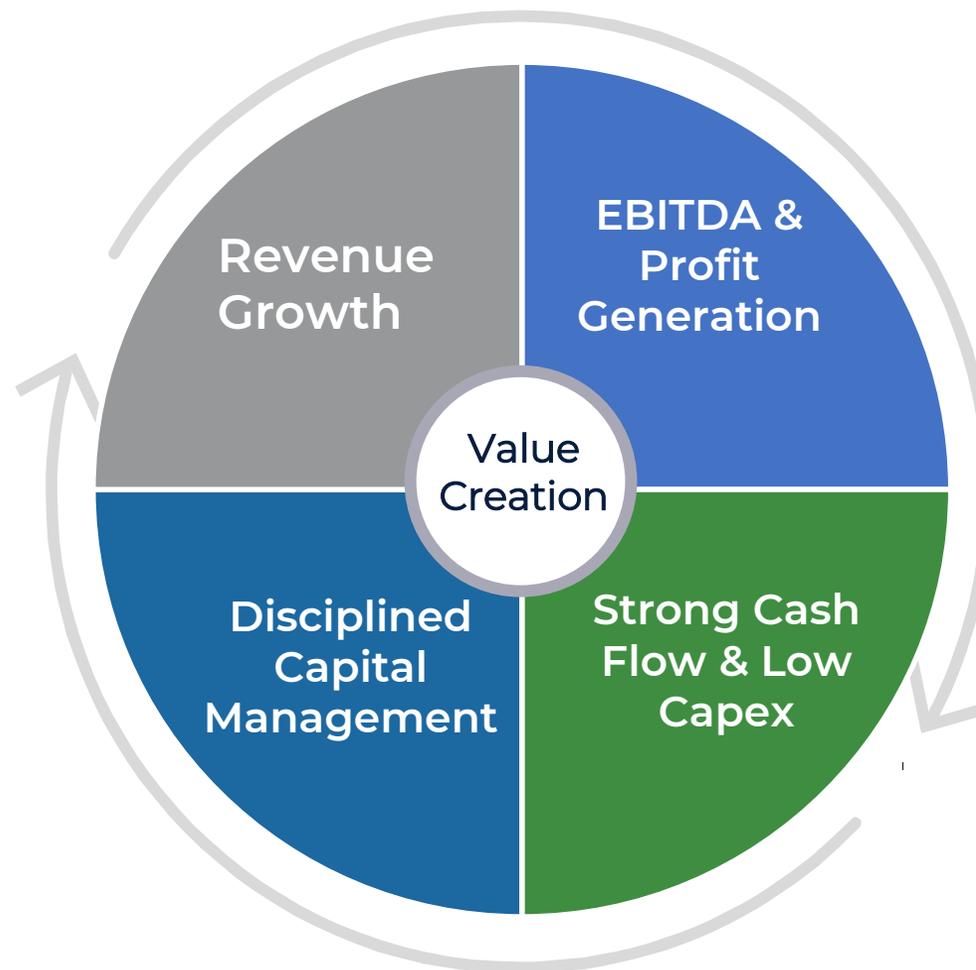
Creating Value for Shareholders



V2X Value Creation Flywheel generates shareholder value through profitable growth, strong operating cash flow, low capex, and disciplined capital management

- ✓ Continued conversion of backlog into revenue
- ✓ Drive additional growth through the execution of our Expand the Base and Capture New Markets strategies

- ✓ Strong free cash flow generation enables continued debt paydown and lower interest expense
- ✓ Balance sheet improvement and lower overall cost of capital



- ✓ Generate EBITDA¹ and profit growth from execution of current backlog
- ✓ Margin improvement through program performance, technology insertion, and campaigns

- ✓ Convert over 100% of adj. net income¹ into operating cash flow
- ✓ Drive operational excellence in cash conversion cycle
- ✓ Maintain low capex profile

Strong reoccurring cash flow is a key attribute of V2X

¹ 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.

- **Pro forma (PF) revenue** is defined as the combined revenue results of our operations as if the Vectrus and Vertex merger had occurred on January 1, 2021.
- **Pro forma (PF) adjusted EBITDA** is defined as the combined adjusted EBITDA results of our operations as if the Vectrus and Vertex 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 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		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenue	\$ 1,040,307	\$ 978,167	\$ 3,963,126	\$ 2,890,860
Net income (loss)	\$ (492)	\$ (10,619)	\$ (22,573)	\$ (14,330)
Plus:				
Income tax expense (benefit)	8,420	10,675	(1,945)	8,222
Other expense, net	1,859	—	4,194	—
Interest expense, net	28,497	30,971	122,442	61,879
Loss on extinguishment of debt	246	—	22,298	—
Amortization of intangible assets	22,606	20,046	90,423	48,643
M&A, integration and related costs	15,055	26,379	56,610	87,108
Adjusted operating income	\$ 76,191	\$ 77,452	\$ 271,449	\$ 191,522
Plus:				
Depreciation expense	5,875	4,809	22,408	13,472
Adjusted EBITDA	\$ 82,066	\$ 82,261	\$ 293,857	\$ 204,994
Adjusted EBITDA margin	7.9 %	8.4 %	7.4 %	7.1 %
Minus:				
Cash interest expense, net	26,305	27,069	113,375	54,074
Income tax expense, as adjusted	9,101	19,654	35,430	36,295
Depreciation expense	5,875	4,809	22,408	13,472
Other expense, net	1,859	—	4,194	—
Adjusted net income	\$ 38,926	\$ 30,729	\$ 118,450	\$ 101,153

(\$K, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Diluted earnings (loss) per share	\$ (0.02)	\$ (0.35)	\$ (0.73)	\$ (0.68)
Plus:				
M&A, integration and related costs	0.45	0.69	1.42	3.28
Amortization of intangible assets	0.68	0.53	2.26	1.84
Amortization of debt issuance costs and Loss on extinguishment of debt	0.11	0.10	0.79	0.29
Adjusted diluted earnings per share	\$ 1.22	\$ 0.97	\$ 3.74	\$ 4.73
Average shares outstanding:				
Basic, as reported	31,192	30,465	31,084	20,996
Diluted, as reported	31,192	30,465	31,084	20,996
Adjusted diluted	31,822	31,284	31,567	21,346



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