

# 2022 Investor Site Visit

**DYNETICS / HUNTSVILLE**

December 1, 2022



# FORWARD-LOOKING STATEMENTS

Certain statements in this presentation contain or are based on "forward-looking" information within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "targets" and similar words or phrases or conditional verbs such as will, should, would and could. Forward-looking statements in this presentation include, among others, estimates of our future growth and financial and operating performance as well as statements about our strategy, planned investments, capital expenditures, acquisitions, dispositions, technology development, business pipeline and addressable markets. These statements reflect our belief and assumptions as to future events that may not prove to be accurate.

Actual performance and results may differ materially from those results anticipated by our forward-looking statements made in this presentation depending on a variety of factors, including, but not limited to: changes to our reputation and relationships with government agencies; developments in the U.S. government defense budget, including budget reductions, implementation of spending limits or changes in budgetary priorities; delays in the U.S. government budget process or approval of raises to the debt ceiling; delays in the U.S. government contract procurement process or the award of contracts; delays or loss of contracts as a result of competitor protests; changes in U.S. government procurement rules, regulations and practices; changes in interest rates and other market factors out of our control, including general economic and political conditions and the COVID-19 pandemic; our compliance with various U.S. government and other government procurement rules and regulations; governmental reviews, audits and investigations of our Company; our ability to effectively compete for and win contracts with the U.S. government and other customers; our ability to attract, train and retain skilled employees, including our management team, and to obtain security clearances for our employees; the mix of our contracts and our ability to accurately estimate costs associated with our firm-fixed-price and other contracts; our ability to realize as revenues the full amount of our backlog; cybersecurity, data security or other security threats, systems failures or other disruptions of our business; resolution of legal and other disputes with our customers and others or legal or regulatory compliance issues; our ability to effectively acquire businesses and make investments; our ability to maintain relationships with prime contractors, subcontractors and joint venture partners; our ability to manage performance and other risks related to customer contracts, including complex engineering projects; our ability to obtain necessary components and materials to perform our contracts, including semiconductors and related equipment, on reasonable terms or at all; the adequacy of our insurance programs designed to protect us from significant product or other liability claims; our ability to manage risks associated with our international business; exposure to lawsuits and contingencies associated with any acquired businesses; and our ability to execute our business plan and long-term management initiatives effectively and to overcome these and other known and unknown risks that we face. These are only some of the factors that may affect the forward-looking statements contained in this presentation. For further information concerning risks and uncertainties associated with our business, please refer to the filings we make from time to time with the U.S. Securities and Exchange Commission ("SEC"), including the "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Legal Proceedings" sections of our latest Annual report on Form 10-K and quarterly reports on Form 10-Q, all of which may be viewed or obtained through the Investor Relations section of our website at [www.leidos.com](http://www.leidos.com).

All information in this presentation is as of December 1, 2022. The Company expressly disclaims any duty to update the forward-looking statement provided in this presentation to reflect subsequent events, actual results or changes in the Company's expectations. The Company also disclaims any duty to comment upon or correct information that may be contained in reports published by investment analysts or others.

# AGENDA

|                     |                                                                             |                                                        |
|---------------------|-----------------------------------------------------------------------------|--------------------------------------------------------|
| <b>7:25 - 8:00</b>  | <b>Registration and Breakfast</b>                                           | Dynetics Headquarters                                  |
| 8:00 - 8:05         | <b>Stuart Davis</b> , <i>Investor Relations</i>                             | Opening Remarks                                        |
| 8:05 - 8:20         | <b>Roger Krone</b> , <i>Chairman &amp; CEO</i>                              | Dynetics Within the Leidos Portfolio                   |
| 8:20 - 8:45         | <b>Steve Cook</b> , <i>Dynetics Group President</i>                         | Dynetics Overview                                      |
| 8:45 - 9:00         | <b>Dr. Tim Barton</b> , <i>CTO, Dynetics Group</i>                          | Advanced Technologies                                  |
| 9:00 - 9:15         | <b>Larry Barisciano</b> , <i>SVP Weapons Technology &amp; Manufacturing</i> | Force Protection                                       |
| 9:15 - 9:30         | <b>Jonathan Pettus</b> , <i>SVP Aerospace, Defense, &amp; Civil</i>         | Hypersonics                                            |
| 9:30 - 9:45         | Break                                                                       |                                                        |
| 9:45 - 12:15        | <b>Tours</b>                                                                | <b>Air Autonomy</b> (Gilbert Building)                 |
|                     |                                                                             | <b>Common Hypersonic Glide Body</b> (MidCity Building) |
|                     |                                                                             | <b>Enduring IFPC</b> (Chase Building)                  |
| 12:15 - 12:30       | Break                                                                       |                                                        |
| <b>12:30 - 1:15</b> | <b>Lunch and Q&amp;A</b>                                                    |                                                        |
| 1:15 - 1:30         | Airport Shuttle                                                             |                                                        |



# DYNETICS WITHIN THE LEIDOS PORTFOLIO

Roger Krone, Chairman and CEO

# MOTIVATED BY LEIDOS' MISSION, VISION, & VALUES

## MISSION

Make the world...



Safer



Healthier



More Efficient

... through  
technology,  
engineering, and  
science

## VISION

Become the global leader in the development and application of technology to solve our customers' most demanding challenges.

Engage, develop, and empower our diverse and valued people to foster a culture of creativity and growth.

Strengthen our communities through volunteerism, sustainable operations, and the advancement of equality.

## VALUES



INTEGRITY



INCLUSION



INNOVATION



AGILITY



COLLABORATION



COMMITMENT

# STRATEGIC FOCUS

Our business model will continue to differentiate us in the marketplace, and we aim to drive above market revenue, adjusted EBITDA, and cash generation growth based on our:



## Scale

- Largest government technology services provider\*
- Drives differentiation from peers



## Positioning

- Three complementary segments of scale
- Diversified portfolio aligned with the market



## Talented People

- Focus on employee growth and development
- Investing to be an employer of choice



\* By revenue

# DYNETICS — A COMPELLING ASSET BRINGING NEW CAPABILITIES AND CUSTOMERS

## Dynetics:

An Industry-Leading Applied Research & National Security Solutions Company

### Overview



Headquartered in  
**Huntsville, AL**



Founded in **1974**

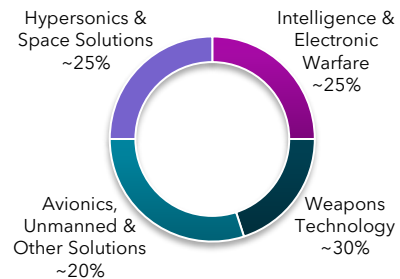


**2,300** employees  
nationwide  
**100%** employee ownership

### Highlights

- Leading provider of high-technology, mission-critical services and solutions to U.S. government customers
- Capabilities in Rapid Prototyping, Agile System Integration/Production, Threat System Analysis/Emulation, contract R&D
- Proven history addressing the nation's most challenging and technologically advanced missions

### Revenue by Capability (CY20E)



### Hypersonics & Space Solutions

Common Hypersonic Glide Body Prime, Long Range Hypersonic Weapon Subcontractor, Universal Stage Adapter Developer



### Intelligence & Electronic Warfare

Unrivaled Threat Knowledge & Weapon System Emulators



### Avionics, Unmanned & Advanced Engineering Solutions

Radar Expertise with Prototype and Test Bed Assets



### Weapons Technology

Unmanned & Counter Unmanned System Technologies, Small Glide Munitions

Taken from December 17, 2019  
Dynetics Conference Call

# DYNETICS WITHIN LEIDOS





# STRATEGIC BENEFITS OF DYNETICS ACQUISITION

## Transaction Provides Three Key Strategic Benefits

**1**

### **Provides Innovative Capabilities in High-Growth Areas**

Addition of Dynetics adds complementary Hypersonic, Space, and Weapons solutions

**2**

### **Rapidly Expands Secure Agile Production Capability**

Collocated secure production, test, and assembly facilities increase ability to offer product-centric solutions

**3**

### **Increases Penetration With Key Customers**

Expands footprint with strategic customers, including Army, DARPA, Defense Intelligence Agency (DIA), FBI, NASA, and SOCOM



*Taken from December 17, 2019  
Dynetics Conference Call*

# EXECUTING ON THE PROMISE OF DYNETICS ACQUISITION

1



## Provides Innovative Capabilities in High-Growth Areas

- Expanded footprint with Hypersonics to development of Thermal Protection System and key hypersonic flight test bed
- Integrating space sensor capabilities and algorithms to programs of record
- Secured prototype phase of potentially large production programs (e. g., IFPC)
- Developing and demonstrating first mobile high energy laser system

2



## Rapidly Expands Secure Agile Production Capability

- Established a Manufacturing Center of Excellence in Huntsville
- Expanded capability for classified manufacturing and prototyping
- Hosting largest Electron Beam Welding facility in Western Hemisphere to support emergent Navy needs
- Established shock, vibration, and component testing capabilities to support CHGB test and assembly

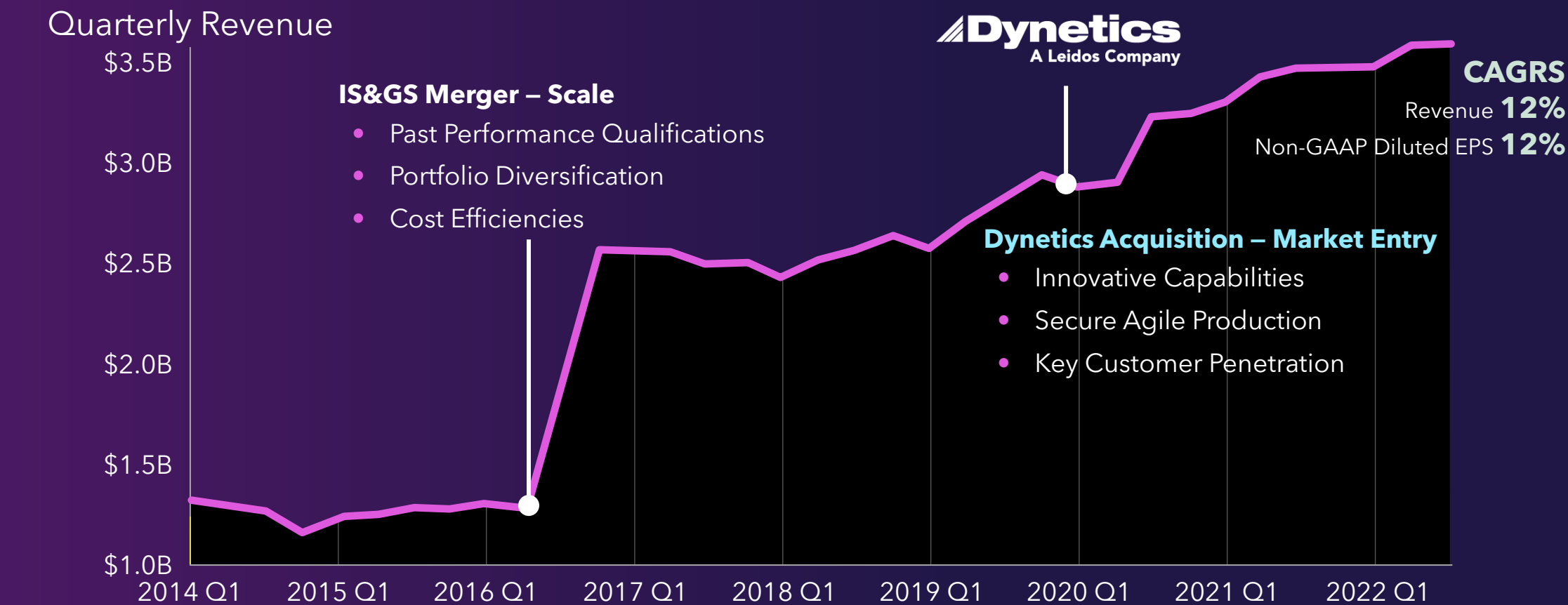
3



## Increases Penetration with Key Customers

- Won key Army programs for Integrated Force Protection and Hypersonics
- Increasing responsive support of key needs for Navy, SDA, NASA, and Air Force customer sets
- Continuing to provide valued expertise to DIA and DARPA customers
- Received \$1.6B in awards enabled by combination of Leidos and Dynetics

# OUR GROWTH ACCELERATED BY STRATEGIC ACQUISITIONS



Notes:  
1) 2014 figures based on February to January FY  
2) A reconciliation of non-GAAP diluted EPS to net income is included in the Appendix

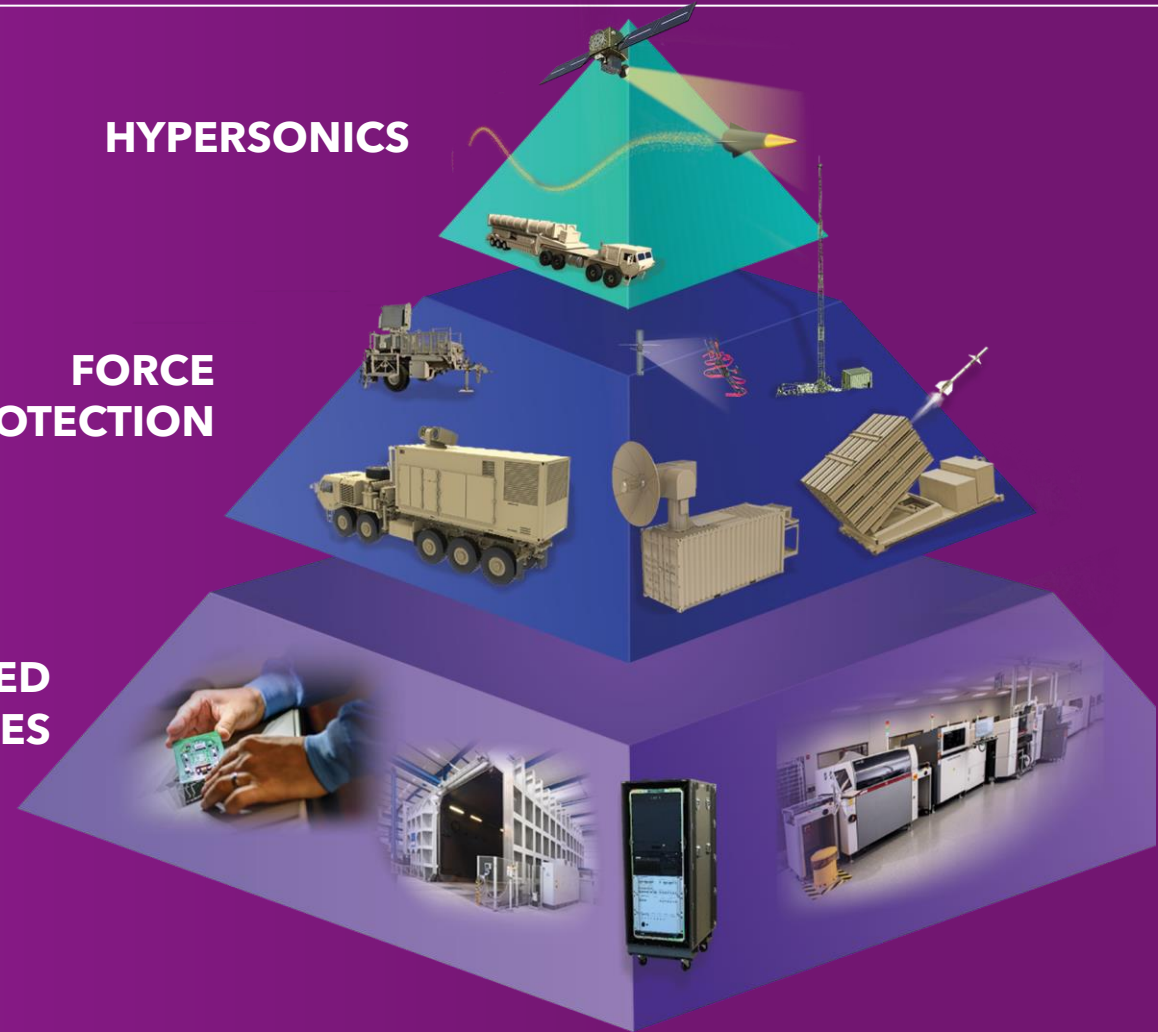
# DYNETICS OVERVIEW

**Steve Cook**  
Dynetics Group President

**ADVANCED  
TECHNOLOGIES**

**FORCE  
PROTECTION**

**HYPERSONICS**





# DYNETICS GROUP OVERVIEW VIDEO

---

[Dynetics Group Overview](#)

# DYNETICS LEADERSHIP TEAM



**Steve Cook**  
President



**Paul Engola**  
Deputy President

## OPERATION LEADERSHIP



**Jonathan Pettus**  
Aerospace, Defense, & Civil



**Larry Barisciano**  
Weapons Technology &  
Manufacturing



**Dr. Artie Mabbett**  
Leidos Innovations  
Center (LInC)



**Paul Engola**  
National Security Space

# OUR PEOPLE



4.1k

EMPLOYEES  
NATIONWIDE



~31%

ADVANCED  
DEGREES



10.4%

MILITARY  
VETERANS



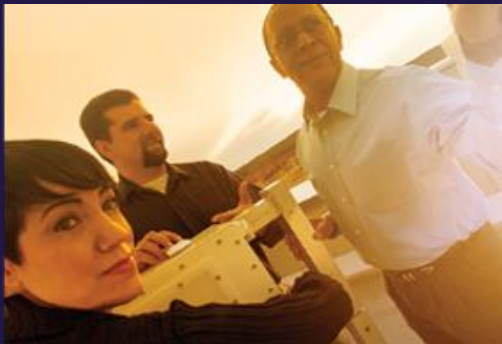
~3.3k

CLEARED  
EMPLOYEES



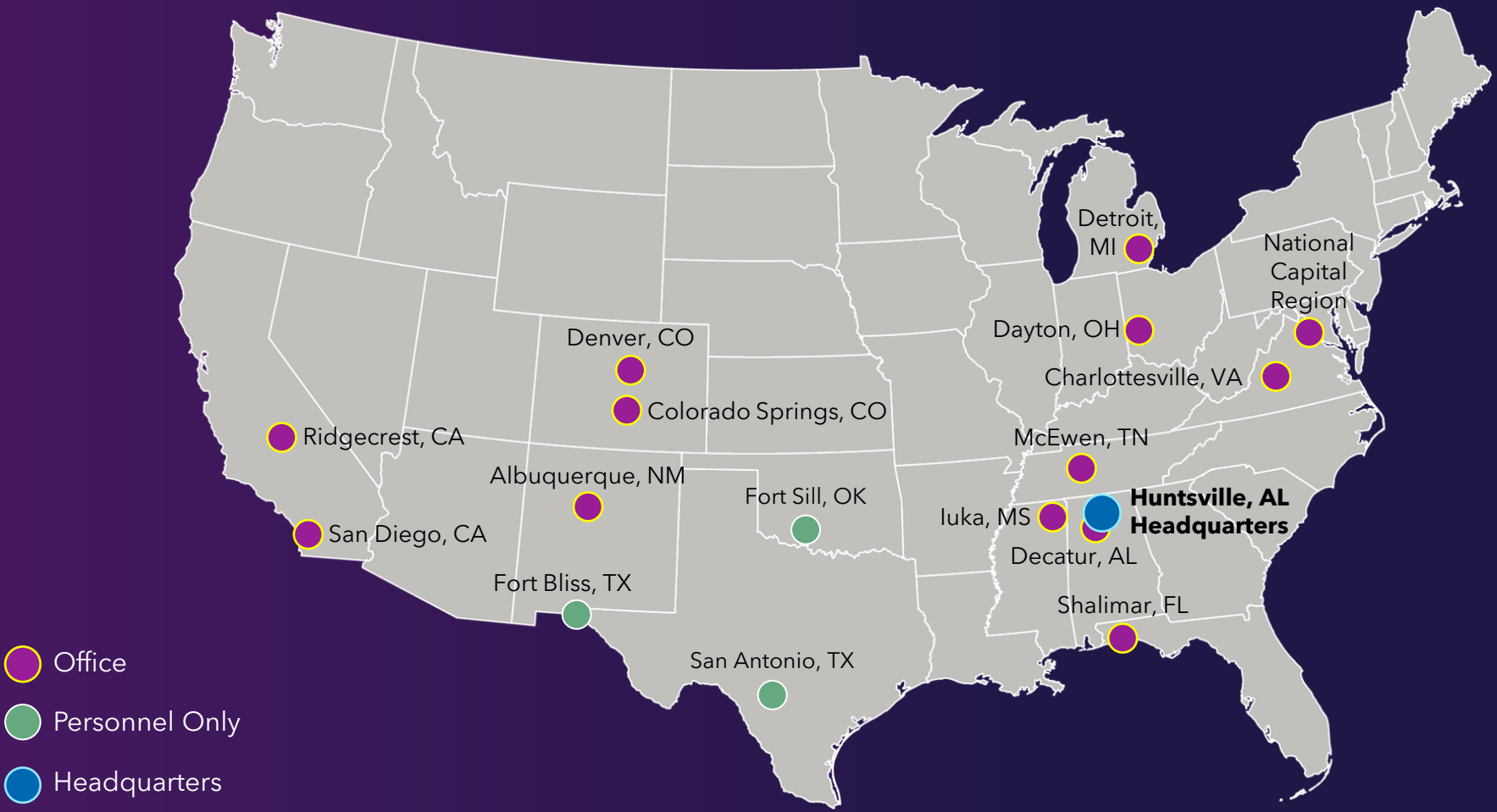
\$300k

TO LOCAL CHARITIES  
AND EDUCATION



\*As of Fall 2022

# A NATIONAL PRESENCE



# DYNETICS IS WELL POSITIONED FOR GREAT POWER COMPETITION

## Government & Customers Needs:

- Innovation
- Speed & agility
- Lower cost of systems
- Fast replenish
- Responsiveness & collaboration



## We Offer:

- Differentiators and resources that small companies lack
- Agility and speed that large companies can't match

## Positioned for Great Power Competition, Addressing:

- Adversary capabilities
- Competitor capabilities
- U.S. gaps
- Impeding processes & procedures



**Dynetics, as part of Leidos, is building customer trust, creating significant opportunity**



# WHY DYNETICS SOLD TO LEIDOS

## Dynetics fits well with the Leidos culture of innovation:

- 50-year history focusing on science and technology innovation
- Legacy of maintaining “ESOP culture” upon successful transition to a publicly traded company
- Customer focused: the tip of the spear – while maintaining balance with employees and shareholders
- Committed to growing in Huntsville, Dayton, and additional other sites as well as other markets
- Long history of moving products from R&D to programs of record



# CREATING A NEW AEROSPACE AND DEFENSE COMPANY

PAST

CURRENT

FUTURE



## GRAFTING 'DNA'

- R&D/S&T with prototyping & manufacturing
- Systems engineering rigor
- Agility, speed, & affordability
- Entrepreneurial mindset
- Deep pool of resources



Capabilities of a thicker integrator, with sustainable competitive advantages, while maintaining our speed, agility, and affordability

# DYNETICS KEY FOCUS AREAS

## HYPERSONICS

Offensive & Defensive Emergent Capability; Time-Critical Survivability

## FORCE PROTECTION

Defend Our Forces & Key Assets

## ADVANCED TECHNOLOGIES

Foundational Crosscutting Innovation for Competitive Advantage

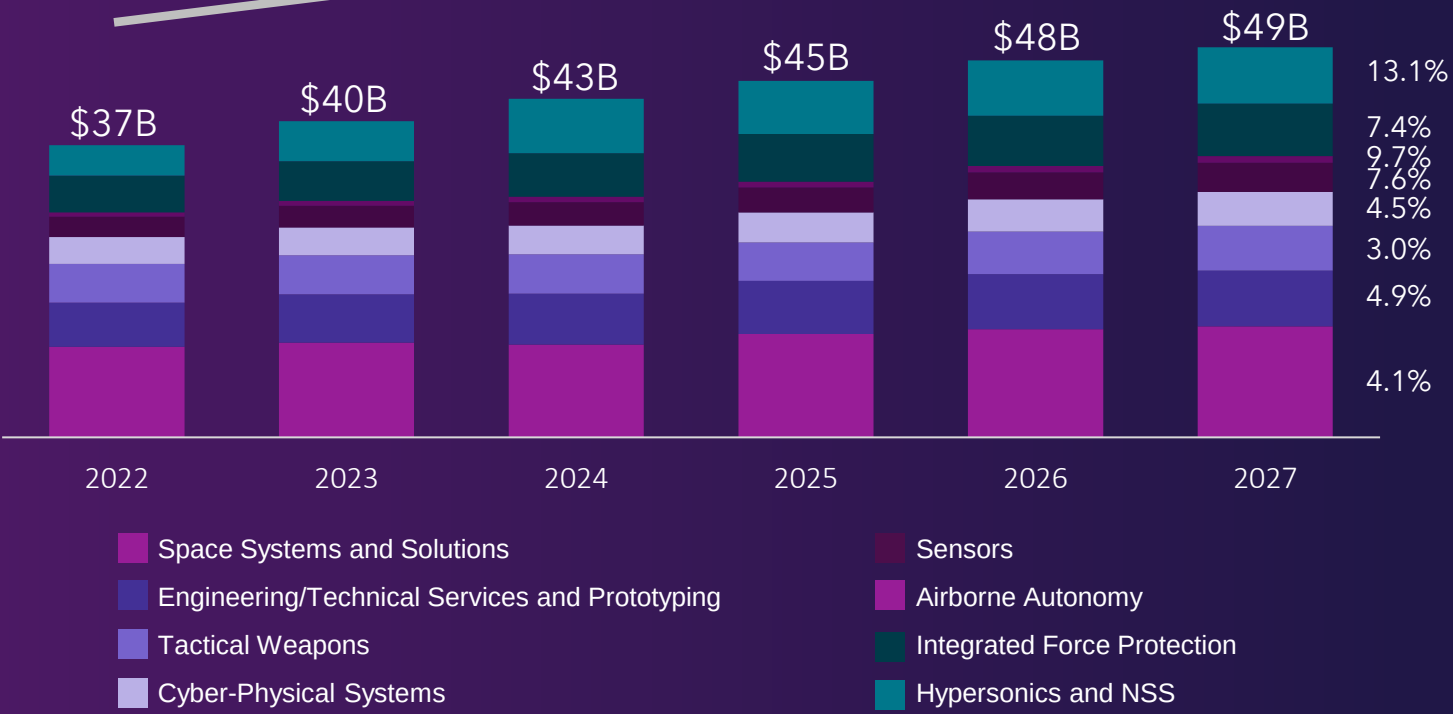


# STRATEGIC FOCUS

Addressable Market

~6.0%

CAGR  
2022 - 2027



## MARKET DRIVERS

- Move to **great power** competition
- Defense **modernization** programs
- Emphasis on **rapid, innovative solutions** for new threats

## GROWTH VECTORS

- Major sources of growth through transition to programs of record:
  - Air Defense Products
  - Hypersonics
  - National Security Space Solutions
- New affordable weapon systems for near-peer threats

Source: Management's estimates

# WHAT SETS DYNETICS APART



Customer intimacy



Speed and agility



Tackling the hard problems



Excellence and innovation in all we do



Partnering for success





# THE POWER OF LEIDOS PLUS DYNETICS

Over \$1.6B in wins were possible only because of the combined strength of Leidos and Dynetics

EXAMPLES:

Space Force Space Development Agency  
Missile Warning/Tracking Space Sensor



NASA Human Landing  
System PDR Design Round 1



U.S. Navy MACH Test Bed  
for Hypersonics



U.S. Army/Navy Thermal Protection  
Systems for the Hypersonic Glide Body



U.S. Army Enduring Indirect Fires  
Protection Capability Prototype



# ADVANCED TECHNOLOGIES

**Dr. Tim Barton**

Dynetics Group  
Chief Technology Officer



# ADVANCED TECHNOLOGIES VIDEO

---

[Advanced Technologies Intro](#)

# DYNETICS GROUP IS ENGAGED IN TOP DEFENSE RDT&E PRIORITIES

## Defense-specific critical technologies

- Hypersonics ▲
- Directed Energy (DE) ▲
- Integrated sensing & cyber ▲

## Effective adoption

- Trusted artificial intelligence (AI) & autonomy ▲
- Integrated network system-of-systems ▲
- Microelectronics ▲
- Space technology ▲
- Renewable energy generation & storage
- Advanced computing & software ▲
- Human-machine interfaces ▲

## Seed areas: Emerging opportunities

- Biotechnology ▲
- Quantum science ▲
- Future generation wireless
- Advanced materials ▲

▲ Primary Dynetics Group Engagements

“To maintain the United States military’s technological advantage, the Department will champion research, science, technology, engineering, and innovation. The demands of the present era call for new operational concepts, increasingly joint operations, and quickly fielding emerging science and technology opportunities.”



Heidi Shyu

Under Secretary of Defense for Research and Engineering (OUSD(R&E))



### HYPERSONICS

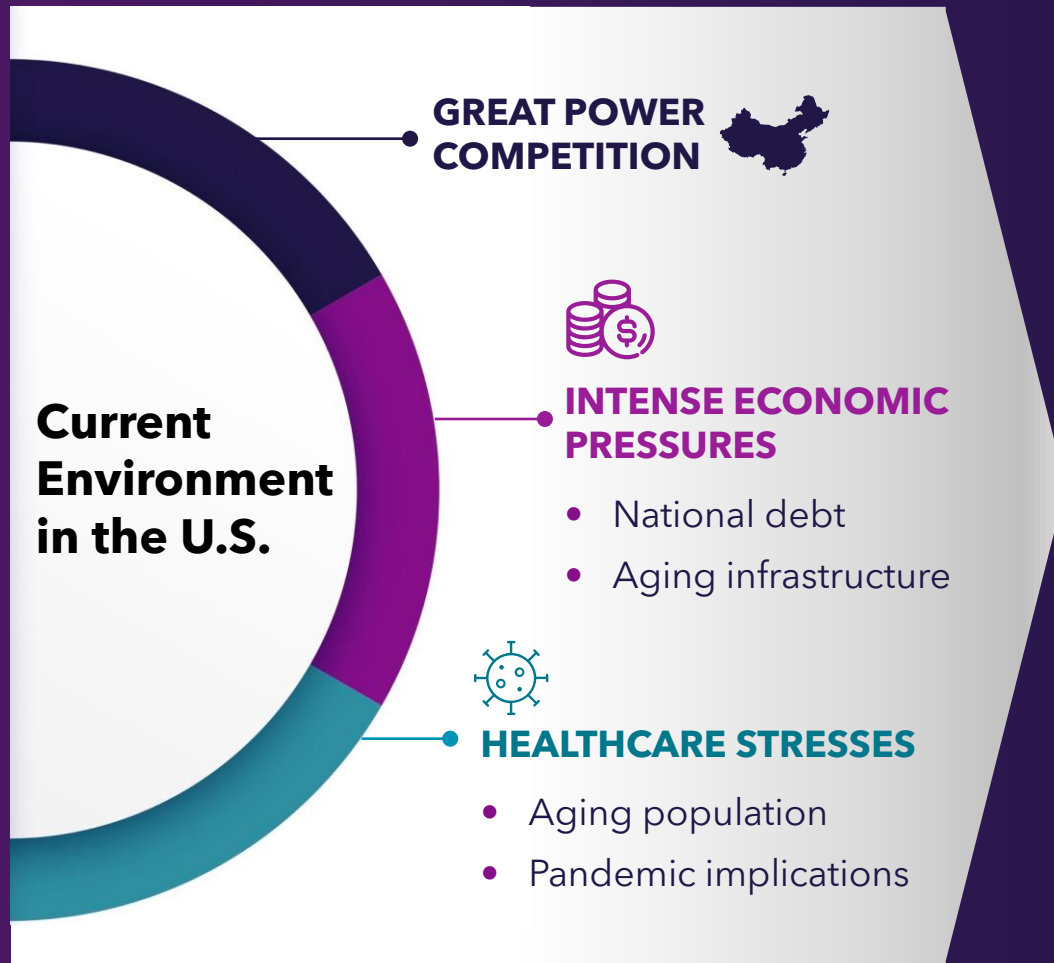
Offensive and Defensive



### INTEGRATED FORCE PROTECTION

Directed Energy (High Energy Laser and High-Power Microwave), Air Defense Launcher, and Sensors

# DEMAND FOR INNOVATION SPEED, SECURITY, AND SCALE – AND AGILITY



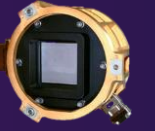
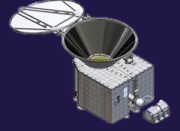
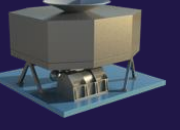
## Customer Needs & Technology Trends

- “Pace” the threat
- Improved mission performance, new missions
- Reduced cost and risk – with speed
- Built-in security and cyber resilience
- Focus on digital engineering & open architectures



# TRANSITIONING THE “VALLEY OF DEATH”

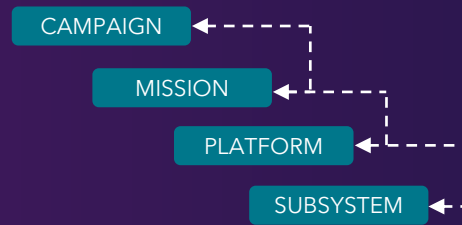
- Investment in technical discrimination
- Leverage rapid acquisition authorities
- Tailored engineering rigor for speed, agility, and affordability
- Prepare for future program phases early
- Customer intimacy and involvement

| EXAMPLE PROGRAMS                             | R&D / S&T                                                                                                                                                                                          | Engineering, Development, Prototypes, & Demonstrations                                                            | Enduring Capabilities                                                                                                                                                    |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | EARLY INVESTMENTS                                                                                                                                                                                  | PROTOTYPES & DEMONSTRATION CAPABILITIES                                                                           | ENDURING CAPABILITIES                                                                                                                                                    |
| <b>Tactical Weapons</b>                      | Concept Demonstrator<br>                                                                                        | Prototype Weapon<br>           | Small Glide Munition (SGM) GBU-69B<br>                                                |
| <b>Counter-Hypersonics Sensor Capability</b> | Sensors and Processing<br>  | WFOV Tranche 0<br>            | WFOV Tranche 1 Payload & Beyond<br>                                                  |
| <b>Air Defense Launcher</b>                  | Multi-Mission and Air Defense Launchers, and Demos<br>                                                        | IFPC Enduring Prototypes<br> | IFPC Enduring Low-Initial Rate Production (LRIP) and Full Rate Production (FRP)<br> |

# EXAMPLES OF OUR DIFFERENTIATING TECHNOLOGIES



## Autonomy

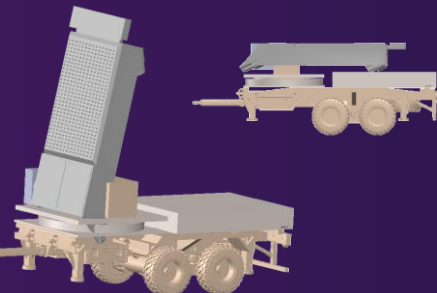


- Improving mission performance
- Reducing cost and risk on current missions
- Enabling new missions

Comprehensive autonomy solutions and proven novel use of artificial intelligence in operational scenarios



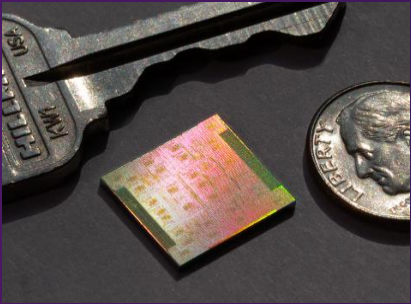
## High-Power Microwave



- Non-kinetic defeat for addressing unmanned aircraft system threats
- Compact and transportable
- Deep magazine
- Rapid setup and minimal training
- Integrates with existing command and control infrastructure

Directed energy solutions to support Integrated Force Protection strategies

# EXAMPLES OF OUR DIFFERENTIATING TECHNOLOGIES



## Advanced Computing and Processing

- Real-time modeling and simulation
- Robust computing & novel packages
- Advanced algorithm development
- System on a chip

Detection, classification, localization, and tracking across a wide variety of sensors and phenomenologies



## Sensors

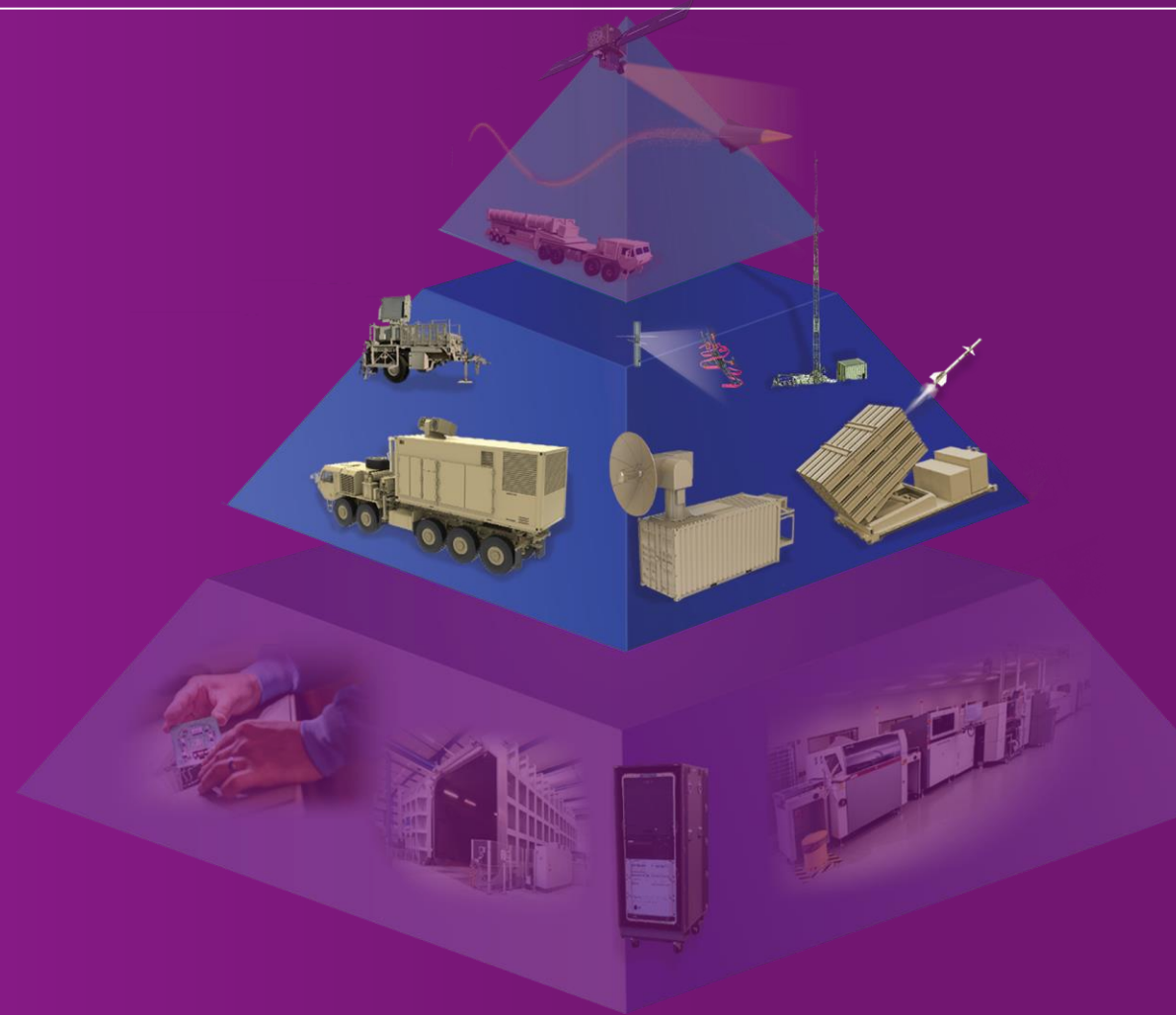
- Persistence and discrimination
- Multi-domain, multi-mission
- RF, EO/IR, acoustic

Advanced technologies, multiple modalities, critical in near-peer conflicts

# FORCE PROTECTION

**Larry Barisciano**

Senior Vice President  
Weapons Technology &  
Manufacturing



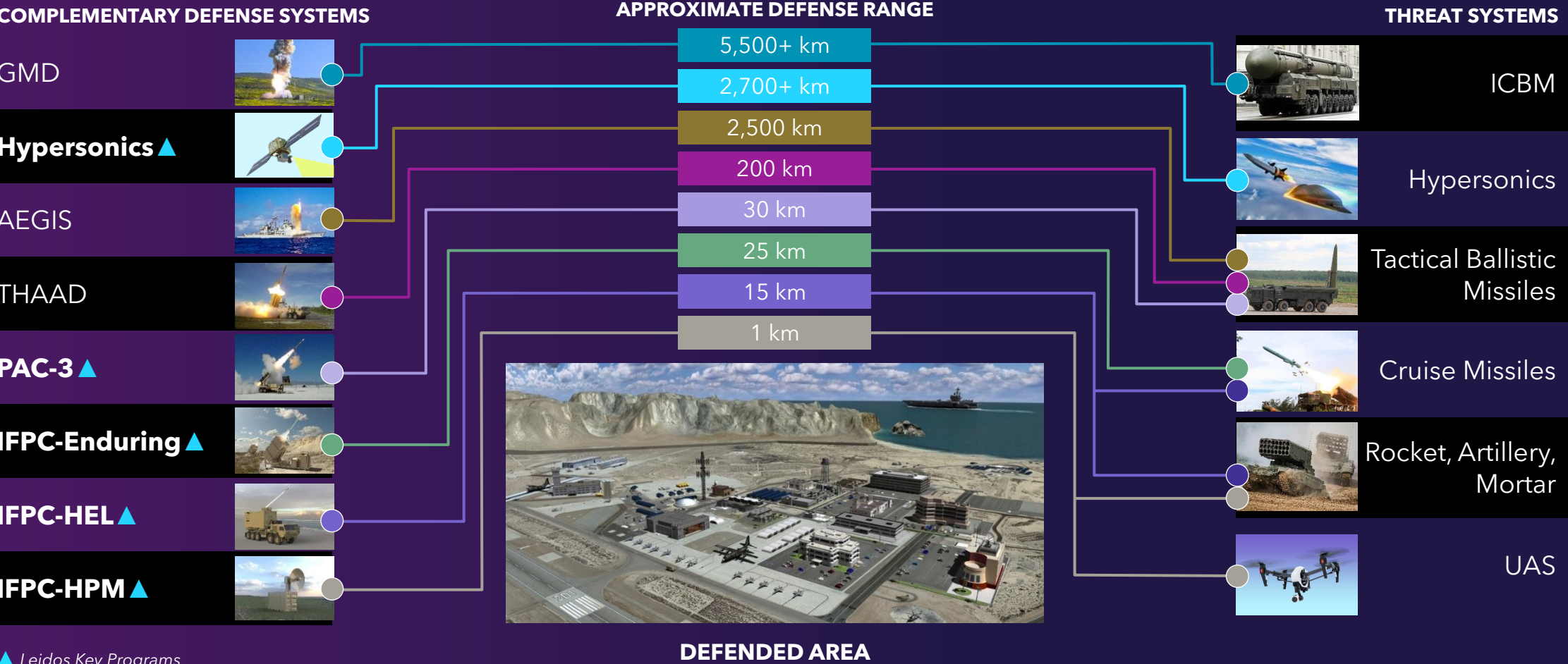
# FORCE PROTECTION VIDEO

---

[Force Protection Intro](#)



# OUR SYSTEMS ARE PROTECTING THE WARFIGHTER AND KEY ASSETS



# KEY PROGRAMS

## IFPC Enduring



**\$180M** Over 27 months

**16** Prototype launchers



### MISSION NEED

Defeat subsonic cruise missiles  
Groups 2-3 unmanned aircraft systems, rockets, artillery, mortars, and other aerial threats

### LEIDOS RESPONSE

Designed an open systems architecture launcher, which allows integration of multiple missiles  
System provides 360-deg coverage and ability to simultaneously engage multiple targets

POSITIONED FOR

**Follow-on LRIP** (96 systems) **and FRP** (300+ systems)

## IFPC-High Energy Laser (HEL)



**\$160M** Over 51 months

**4** Prototypes



### MISSION NEED

Protect against cruise missiles, rockets, artillery, mortars  
Groups 1-3 unmanned aircraft system, rotary and fixed-wing threats

### LEIDOS RESPONSE

Quickly scaled from a 100-kW laser to a 300-kW laser to increase capabilities  
Leveraged ongoing OSD HEL scaling program  
Developed and executing lab demonstration of a 300-kW HEL on an Army HEMTT

POSITIONED FOR

**Build of four prototypes and follow-on production**  
(~70 systems)

# KEY PROGRAMS

## Multi-Domain Radar for a Contested Environment (MuDRaCE)



- \$40M** Base over 36 months for three prototype MELPS systems
- 7** Twelve-month option periods
- \$50M** With first option



### MISSION NEED

Survivable air defense sensor when operating against peer or near-peer adversary

### LEIDOS RESPONSE

Combined Army Long-Range Persistent Surveillance (ALPS) and other sensing technologies with a sensor fusion engine

Developed a system of systems that provides a high-quality, resilient air defense network

POSITIONED FOR  
**Transition to USMC PEO land systems program of record - medium range air defense radar (MRADR)**

## Mobile Force Protection (MFP)



- \$40M** of DARPA customer investment
- 3** Phases; four years through 9/21
- Continued funding for Multi-function X-band radar for CUAS
- Maneuver and Fires Integrated Experiment (MFIEX) Participation 12/22



### MISSION NEED

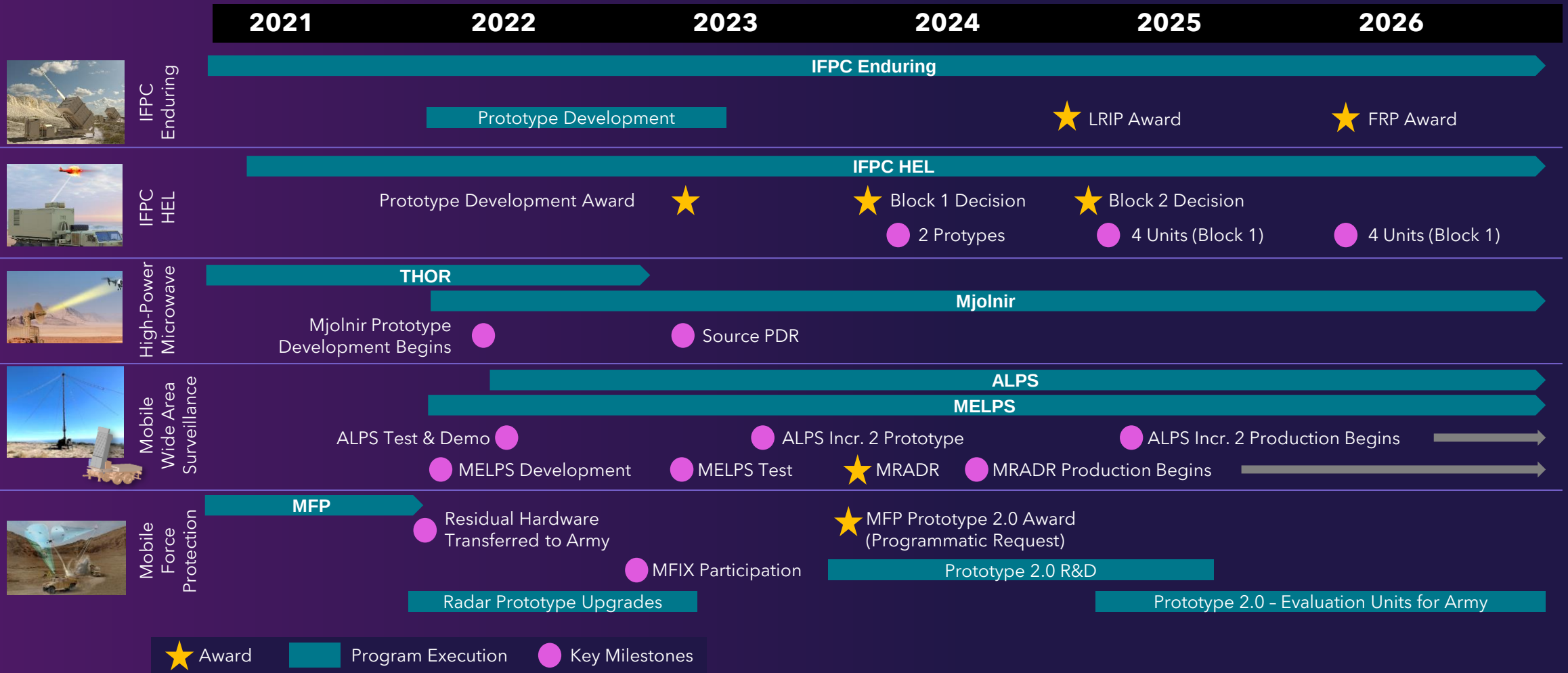
Protect high-value assets from small UAS threats with low collateral damage, on the move or stationary

### LEIDOS RESPONSE

- Rapidly prototyped three end-to-end kill chains
- Added autonomy to reduce operator workload
- Invented a new AESA radar leveraging leading-edge commercial off-the-shelf (COTS) technology

POSITIONED FOR  
**End-to-end demonstration of Leidos combined capabilities in sensing, autonomy, UAS integration, and flight operations**

# MAJOR MILESTONES – FORCE PROTECTION

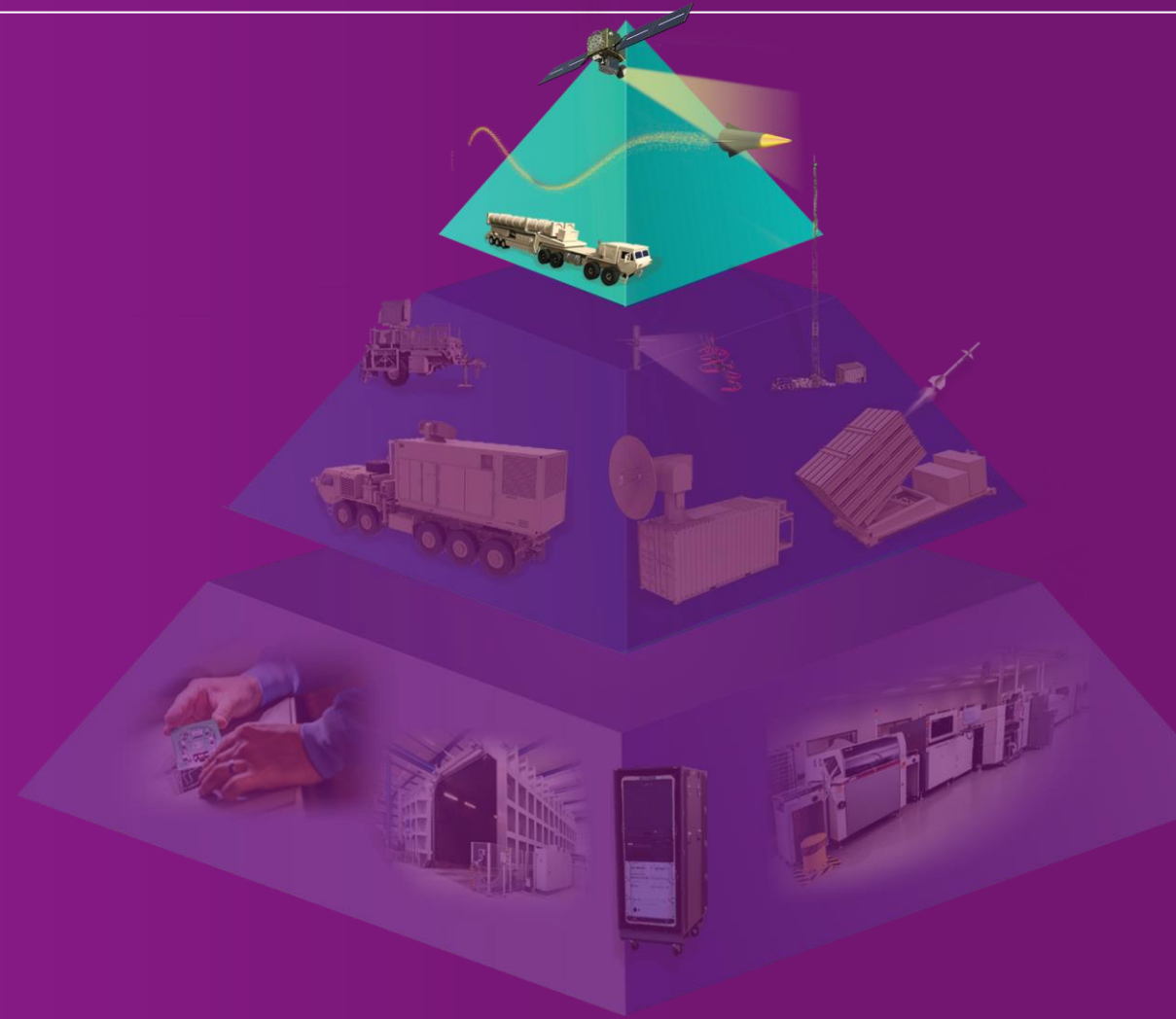


# HYPERSONICS

**Jonathan Pettus**

Senior Vice President

Aerospace, Defense, & Civil





# HYPERSONICS VIDEO

---

[Hypersonics Intro](#)

# ADDRESSING OFFENSIVE & DEFENSIVE HYPERSONIC NEEDS

“The United States and China are engaged in an arms race to develop the most lethal hypersonic weapons.”

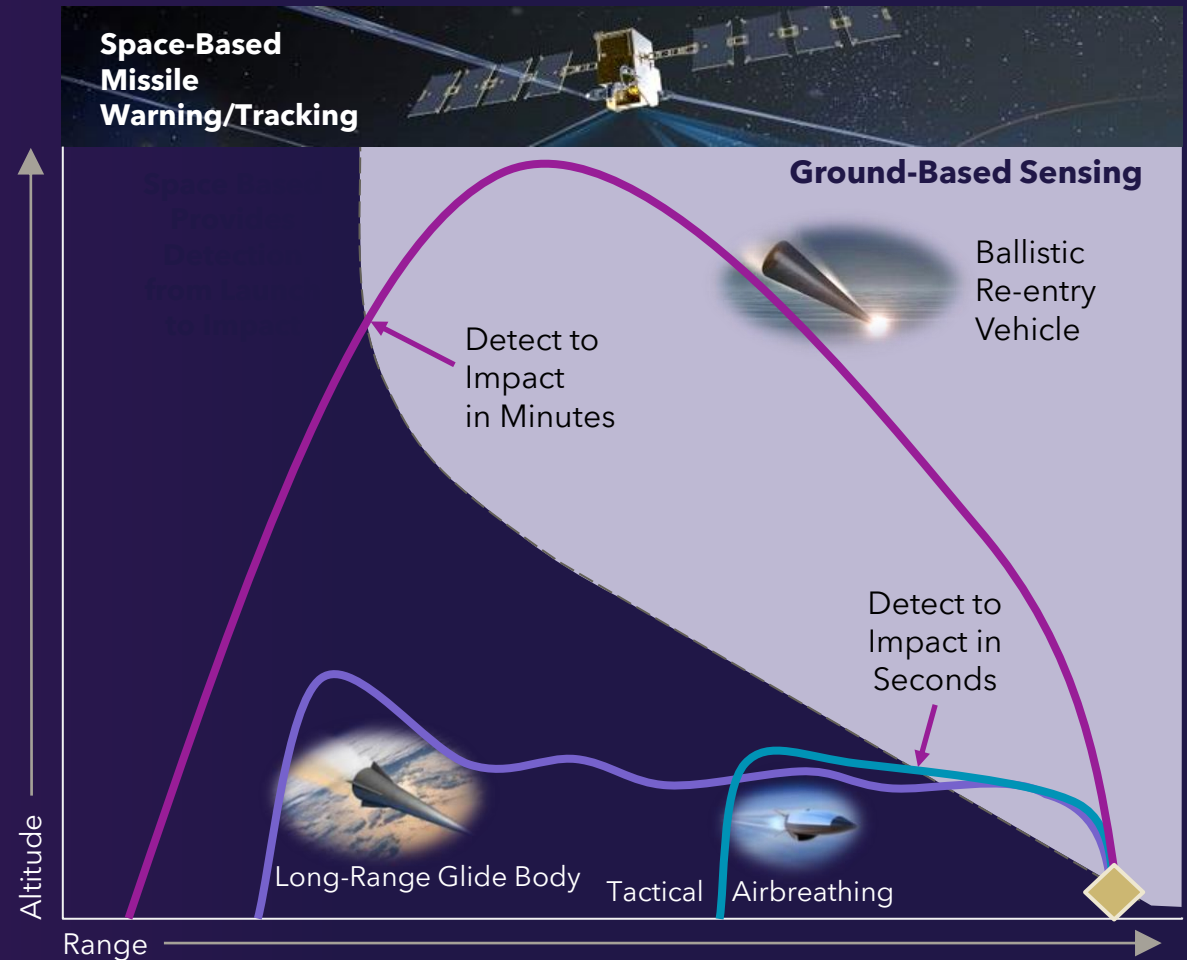
*Frank Kendall*  
U.S. Secretary of the Air Force

[Hypersonic weapons enable] “responsive, long-range, strike options against distant, defended, and/or time-critical threats when other forces are unavailable, denied access, or not preferred.”

*General John Hyten*  
Former Vice Chairman of the Joint Chiefs of Staff and former Commander of U.S. Strategic Command

“You have to prevent launch to the extent you can, and then intercept those that are viable launch opportunities... to do kinetic defeat as part of a comprehensive strategy for defense against hypersonics.”

*Mike White*  
Principal Director for Hypersonics, Office of the Director of Defense Research and Engineering



# KEY PROGRAMS

## Conventional Prompt Strike/ Long-Range Hypersonic Weapon, Common Hypersonic Glide Body



**\$960M** Awarded for CHGB  
Production and  
TPS Integration

**14** Glide Bodies



### MISSION NEED

Enable responsive, long-range strike options against distant, defended, and/or time-critical threats

Challenge detection and defense due to speed, maneuverability, and low altitude of flight

### LEIDOS RESPONSE

Transitioned Sandia National Lab design into a production-ready Technical Data Package

Deliver CHGB for Army Long-Range Hypersonic Weapon and Navy Conventional Prompt Strike Program

POSITIONED FOR

**LRIP leading to program of record**

## MACH-Test Bed



**\$100M** Initial award

**36** Technologies evaluated per year



### MISSION NEED

Overcome hypersonics “valley of death” by providing test and prototyping services that enable rapid testing and data analysis of new hypersonic technologies

### LEIDOS RESPONSE

Assemble best-of-breed technology team positioned for rapid advancement of U.S. hypersonic AUR capability

Partnering with multiple low-cost commercial launch providers

Prototyping, design, and digital engineering framework

POSITIONED FOR

**Advanced hypersonics technology development and integration** (up to 12 flights per year)

# KEY PROGRAMS

## Hypersonic Missile Warning and Tracking Wide Field of View (WFOV)



**\$280M** Award for demo and prototype constellation

**18** WFOV Payloads



### MISSION NEED

Detect and track conventional and hypersonic missiles

Close kill chains precisely at a currently unattainable pace

Tech refresh every 2 to 3 years (tranches) to counter evolving threats

### LEIDOS RESPONSE

Unique staring optical sensor with state-of-the-art sensitivity

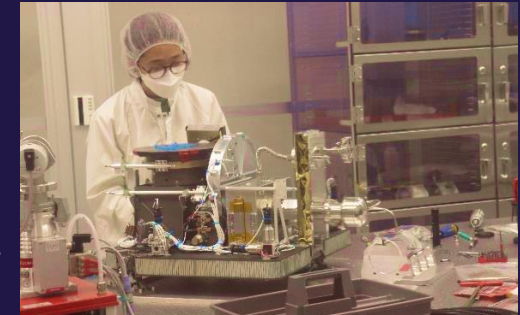
Deliver initial tranche of 4 LEO WFOV payloads to integrator for early 2023 launch

Develop and deliver 14 payloads for Tranche 1 operational capability in 2025

POSITIONED FOR

**Tranche 2 & beyond refresh growing to  
tens of payloads per year**

Sensor  
Assembly



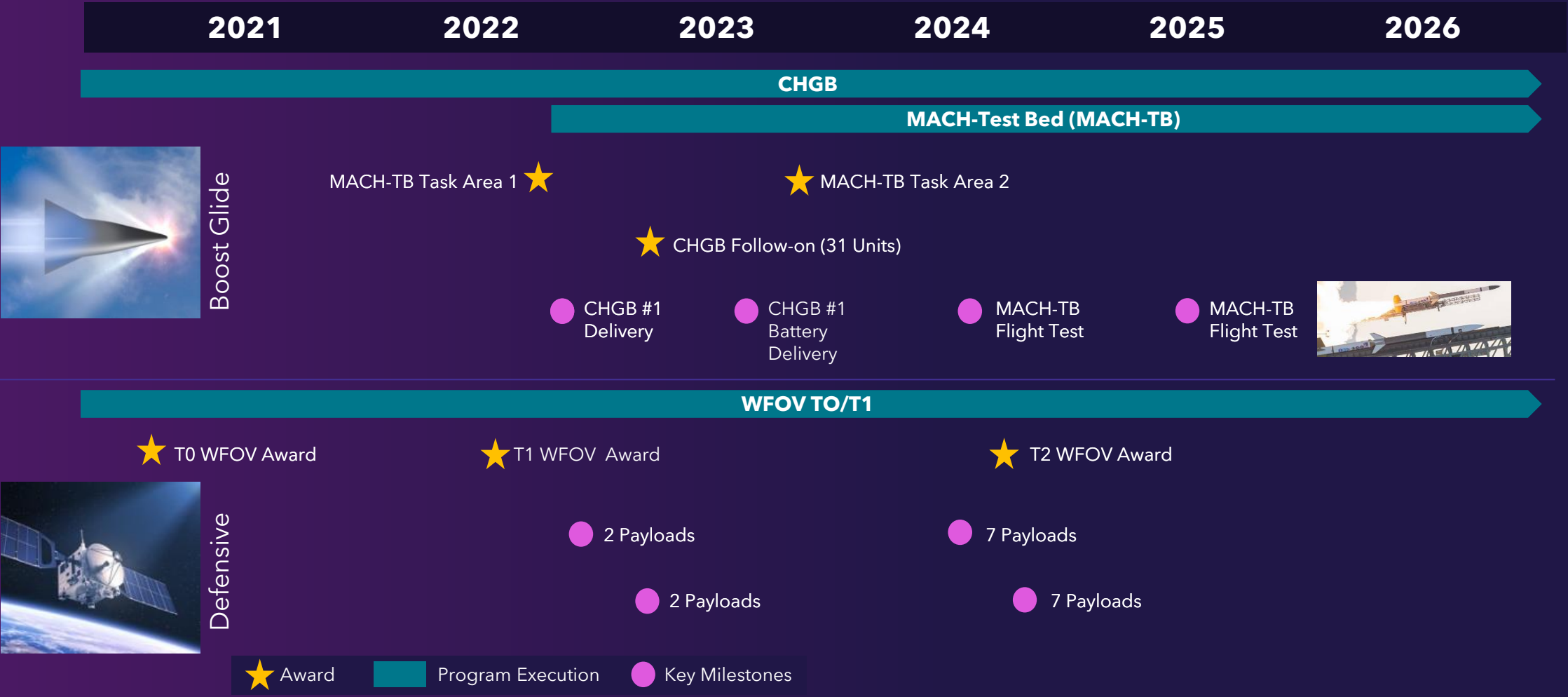
Electronics Control  
Module Assembly



Sensor With  
Thermal Enclosure



# MAJOR MILESTONES – HYPERSONONICS





# THE DYNETICS GROUP ... TAKING ON KEY NATIONAL CHALLENGES





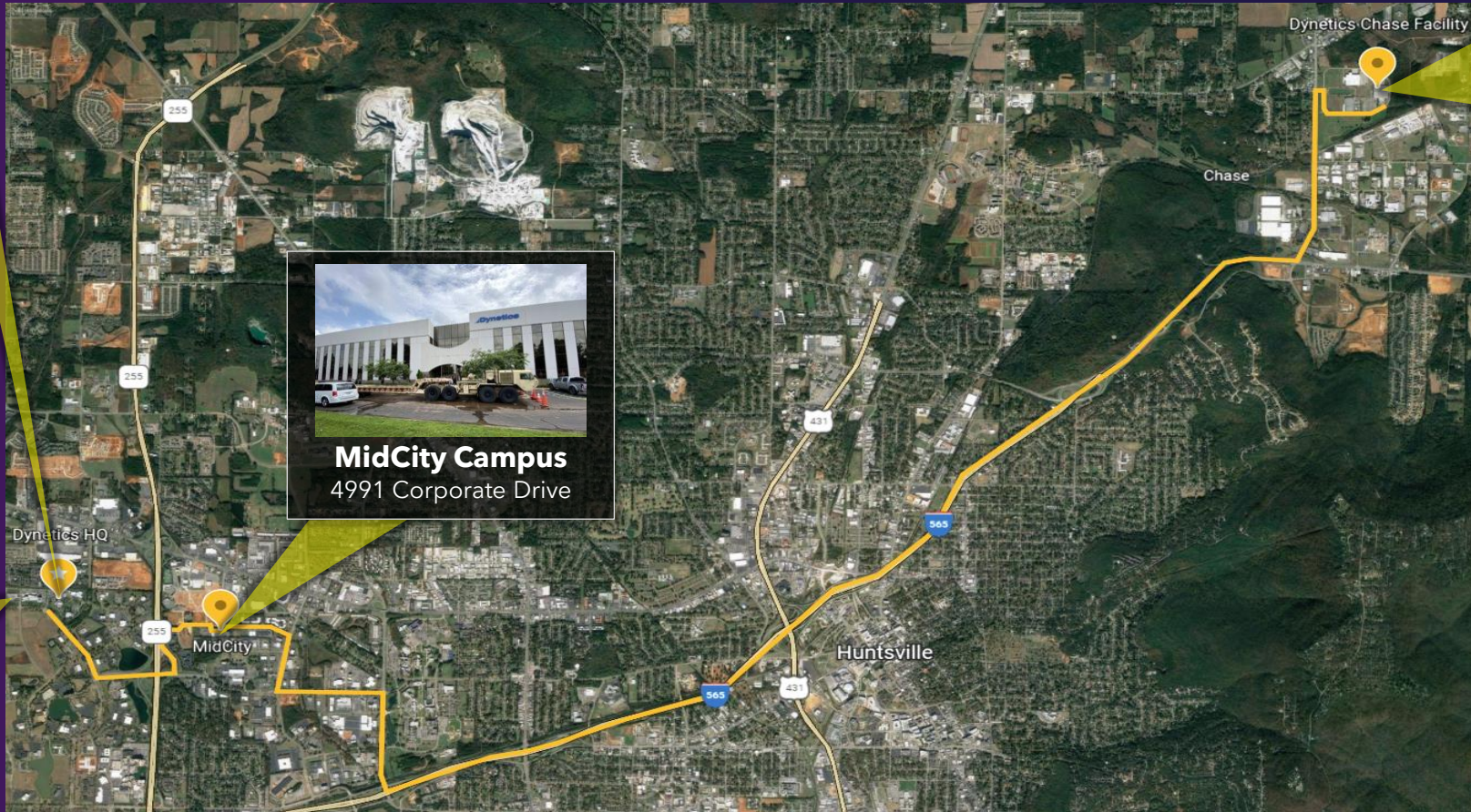
# LOCATIONS



**Dynetics Headquarters**  
1002 Explorer Boulevard



**Dr. Stephen M. Gilbert  
Advanced  
Manufacturing Facility**  
1006 Explorer Boulevard



**MidCity Campus**  
4991 Corporate Drive



**Dynetics Chase  
Facility**  
130 Vintage Drive

# TOUR LOGISTICS

---

- Shuttle is parked in front of the building and leaves in 15 minutes
- Gilbert Building groups will be identified on the back of your badge; Group A and B
- At the last stop (Chase Building), we will have a Q&A session during lunch with all presenters and tour guides; table assignments are identified on the back of your badges
- At the conclusion of the Q&A, the shuttle will take passengers to the airport, and a separate shuttle will return passengers to this facility or the hotel
- Photography is prohibited on the tour; cell phones and other electronic devices should remain on the shuttle



# THE DYNETICS GROUP ... TAKING ON KEY NATIONAL CHALLENGES





# APPENDIX

Non-GAAP Reconciliations

List of Acronyms



# NON-GAAP FINANCIAL MEASURES

Non-GAAP net income and non-GAAP diluted EPS are not measures of financial performance under generally accepted accounting principles in the U.S. ("GAAP") and, accordingly, should not be considered in isolation and should be read in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

Management believes that non-GAAP net income and non-GAAP diluted EPS provide other measures of Leidos' results of operations and financial condition, including its ability to comply with financial covenants. Non-GAAP net income and non-GAAP diluted EPS are frequently used by financial analysts covering Leidos and its peers. Leidos' computation of its non-GAAP measures may not be comparable to similarly titled measures reported by other companies, thus limiting their use for comparability.

Non-GAAP net income is computed by excluding the following discrete items and the related tax impacts from net income:

- Acquisition, integration and restructuring costs
- Amortization of acquired intangible assets
- Acquisition related financing costs
- Loss on debt modification
- Amortization of equity method investment
- Gain on sale of business

Non-GAAP diluted earnings per share is computed by dividing non-GAAP net income by full diluted share count.

# NON-GAAP FINANCIAL MEASURES RECONCILIATION

|                                                                       | 2014 Q1       | 2022 Q3       |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Net income</b>                                                     | <b>45</b>     | <b>164</b>    |
| Less: net income attributable to non-controlling interest             | -             | 2             |
| <b>Net income attributable to Leidos common stockholders</b>          | <b>45</b>     | <b>162</b>    |
| Acquisition, integration and restructuring costs                      | 1             | 3             |
| Acquisition related financg costs                                     | -             | -             |
| Other tax adjustments                                                 | -             | -             |
| <b>Non-GAAP Net income attributable to Leidos common stockholders</b> | <b>46</b>     | <b>219</b>    |
| <b>Adjusted EBITDA</b>                                                | <b>66</b>     | <b>372</b>    |
| Diluted shares                                                        | 78            | 138           |
| Diluted Earnings per Share                                            | \$0.57        | \$1.17        |
| <b>Non-GAAP Diluted Earnings per Share</b>                            | <b>\$0.59</b> | <b>\$1.59</b> |

# ACRONYM LIST

|                  |                                                                 |
|------------------|-----------------------------------------------------------------|
| <b>AESA</b>      | Active Electronically Scanned Array                             |
| <b>AI</b>        | Artificial Intelligence                                         |
| <b>ALPS</b>      | Army Long-Range Persistent Surveillance                         |
| <b>AUR</b>       | All Up Round                                                    |
| <b>CAGR</b>      | Compound Annual Growth Rate                                     |
| <b>CHGB</b>      | Common Hypersonic Glide Body                                    |
| <b>CPS</b>       | Conventional Prompt Strike                                      |
| <b>CUAS</b>      | Counter-Unmanned Aircraft System                                |
| <b>DE</b>        | Directed Energy                                                 |
| <b>DARPA</b>     | Defense Advanced Research Projects Agency                       |
| <b>DIA</b>       | Defense Intelligence Agency                                     |
| <b>DNA</b>       | Deoxyribonucleic Acid                                           |
| <b>DoD</b>       | Department of Defense                                           |
| <b>EO/IR</b>     | Electro-optical/Infrared                                        |
| <b>EPS</b>       | Earnings per Share                                              |
| <b>ESOP</b>      | Employee Stock Ownership Plan                                   |
| <b>FBI</b>       | Federal Bureau of Investigations                                |
| <b>FRP</b>       | Full Rate Production                                            |
| <b>GMD</b>       | Ground-Based Midcourse Defense                                  |
| <b>HEL</b>       | High Energy Laser                                               |
| <b>HEMTT</b>     | Heavy Expanded Mobility Tactical Truck                          |
| <b>HPM</b>       | High-Power Microwave                                            |
| <b>ICBM</b>      | Intercontinental Ballistic Missile                              |
| <b>IFPC</b>      | Indirect Fire Protection Capability                             |
| <b>IP</b>        | Intellectual Property                                           |
| <b>IS&amp;GS</b> | Lockheed Martin Information Systems & Global Solutions business |

|                       |                                                        |
|-----------------------|--------------------------------------------------------|
| <b>LEO</b>            | Low Earth Orbit                                        |
| <b>LIInC</b>          | Leidos Innovation Center                               |
| <b>LRHW</b>           | Long Range Hypersonic Weapon                           |
| <b>LRIP</b>           | Low-Rate Initial Production                            |
| <b>MACH</b>           | Multi-Service Advanced Capability Hypersonics          |
| <b>MACH-TB</b>        | Multi-Service Advanced Capability Hypersonics Test Bed |
| <b>MFIX</b>           | Maneuver and Fires Integrated Experiment               |
| <b>MFP</b>            | Mobile Force Protection                                |
| <b>MRADR</b>          | Medium Range Air Defense Radar                         |
| <b>MuDRaCE</b>        | Multi-Domain Radar for a Contested Environment         |
| <b>NASA</b>           | National Aeronautics and Space Administration          |
| <b>NSS</b>            | National Security Space                                |
| <b>OSD</b>            | Office of the Secretary of Defense                     |
| <b>PAC-3</b>          | PATRIOT Advanced Capability-3                          |
| <b>PDR</b>            | Preliminary Design Review                              |
| <b>PEO</b>            | Program Executive Office                               |
| <b>R&amp;D</b>        | Research and Development                               |
| <b>R&amp;DT&amp;E</b> | Research, Development, Test, and Evaluation            |
| <b>RF</b>             | Radio Frequency                                        |
| <b>SDA</b>            | Space Development Agency                               |
| <b>SOCOM</b>          | Special Operations Command                             |
| <b>S&amp;T</b>        | Science and Technology                                 |
| <b>THAAD</b>          | Terminal High Altitude Area Defense                    |
| <b>TPS</b>            | Thermal Protection System                              |
| <b>UAS</b>            | Unmanned Aircraft System                               |
| <b>USMC</b>           | United State Marine Corps                              |
| <b>WFOV</b>           | Wide Field of View                                     |

