



Q3 2026 Earnings Call

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October 29, 2026

Cautionary Statement Regarding Forward-looking Statements

Statements in this presentation, as well as other statements we may make from time to time, other than statements of historical fact, constitute "forward-looking statements" 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 "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "guidance," "outlook," "predicts," "potential," "continue," and similar words or phrases or the negative of these words or phrases. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable when made, we cannot guarantee future results, levels of activity, performance, or achievements. There are a number of important factors that could cause our actual results to differ materially from the results anticipated by our forward-looking statements, which include, but are not limited to: our dependence on the U.S. Government for substantially all of our business; significant delays or reductions in appropriations for our programs and/or changes in customer priorities and requirements (including government budgetary constraints, government shutdowns, shifts in defense spending, and changes in customer short-range and long-range plans); our ability to estimate our future contract costs, including cost increases due to inflation, labor challenges, changes in trade policy, or other factors and our efforts to recover or offset such costs and/or changes in estimated contract costs, and perform our contracts effectively; changes in business practices, procurement processes and government regulations, including changes through executive orders, contract terms, or other policies or practices applicable to our industry, and our ability to comply with such requirements; adverse economic conditions in the United States and globally; our level of indebtedness and ability to service our indebtedness; our ability to deliver our products and services at an affordable life cycle cost and compete within our markets; our ability to attract, retain, and train a qualified workforce; subcontractor and supplier performance and the availability and pricing of raw materials and components; our ability to execute our strategic plan, including with respect to share repurchases, dividends, capital expenditures, and strategic acquisitions; investigations, claims, disputes, enforcement actions, litigation (including criminal, civil, and administrative), and/or other legal proceedings, and improper conduct of employees, agents, subcontractors, suppliers, business partners, or joint ventures in which we participate, including the impact on our reputation or ability to do business; changes in key estimates and assumptions regarding our pension and retiree health care costs; security threats, including cybersecurity threats, and related disruptions; natural and environmental disasters and political instability; health epidemics, pandemics and similar outbreaks; and other risk factors discussed in our filings with the SEC. There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business, and we undertake no obligation to update or revise any forward-looking statements. You should not place undue reliance on any forward-looking statements that we may make.

Q3 2026 Highlights

Q3 2026 RESULTS

~11%

Q3 2026 Revenue Growth YoY
Increasing 2026 Revenue
Guidance

AWARDS & VISIBILITY

\$32.4B
Contract
Awards

In Q3 2026

2.4x

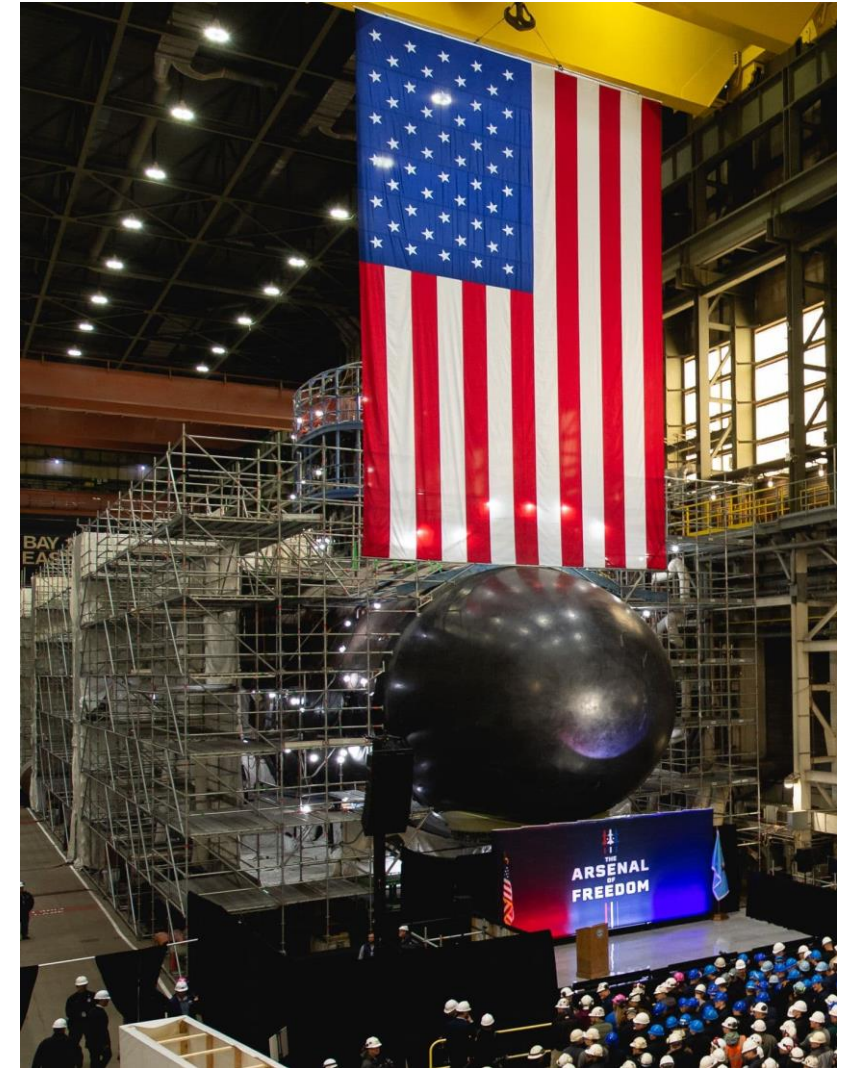
Q3 2026 Mission
Technologies Book-to-Bill

➤ Key Q3 Contract Awards

- ROMULUS Medium Unmanned Surface Vessel (MUSV)
- Lionfish Small Unmanned Undersea Vehicle (SUUV)
- STINGRAI SOUTHCOM ISR
- Virginia-class Block VI and Columbia-class Build II Submarines
- CVN 82 Long Lead Time Material
- CVN 75, USS *Harry S. Truman*, Refueling and Complex Overhaul¹

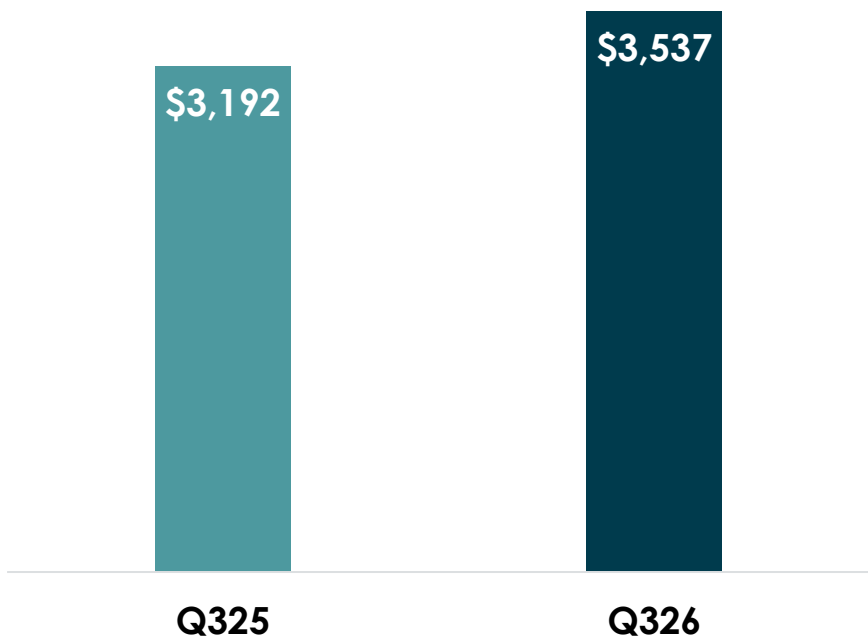
➤ Execution Progress

- CVN 79, *John F. Kennedy*, Achieved Preliminary Acceptance
- Hiring and Retention Continue to Improve
- Distributed Shipbuilding Network Performing Well and Expanding



HII Q3 2026 Revenue

CONSOLIDATED REVENUE (\$M)



+10.8%
YoY revenue growth

REVENUE BY SEGMENT

Three Months Ended September 30			
(\$M)	2025	2026	% Change
Ingalls Shipbuilding	828	876	5.8%
Newport News Shipbuilding	1,617	1,910	18.1%
Mission Technologies	787	792	0.6%
Eliminations	(40)	(41)	-
Total	3,192	3,537	10.8%



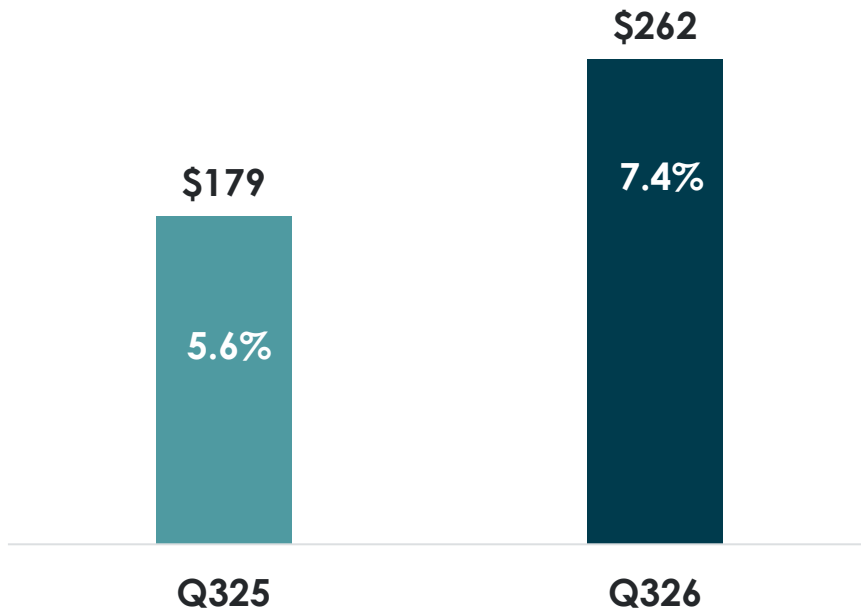
KEY DRIVERS

YoY variance driven primarily by higher submarine and aircraft carrier volumes at Newport News Shipbuilding, and higher amphibious assault ship volumes at Ingalls Shipbuilding.



HII Q3 2026 Segment Operating Income¹

SEGMENT OPERATING INCOME¹ (\$M) & MARGIN¹ %



SEGMENT OPERATING INCOME¹ BY SEGMENT

Three Months Ended September 30			
(\$M)	2025	2026	% Change
Ingalls Shipbuilding	65	59	(9.2%)
Newport News Shipbuilding	80	132	65.0%
Mission Technologies	34	71	108.8%
Total	179	262	46.4%

+46.4%

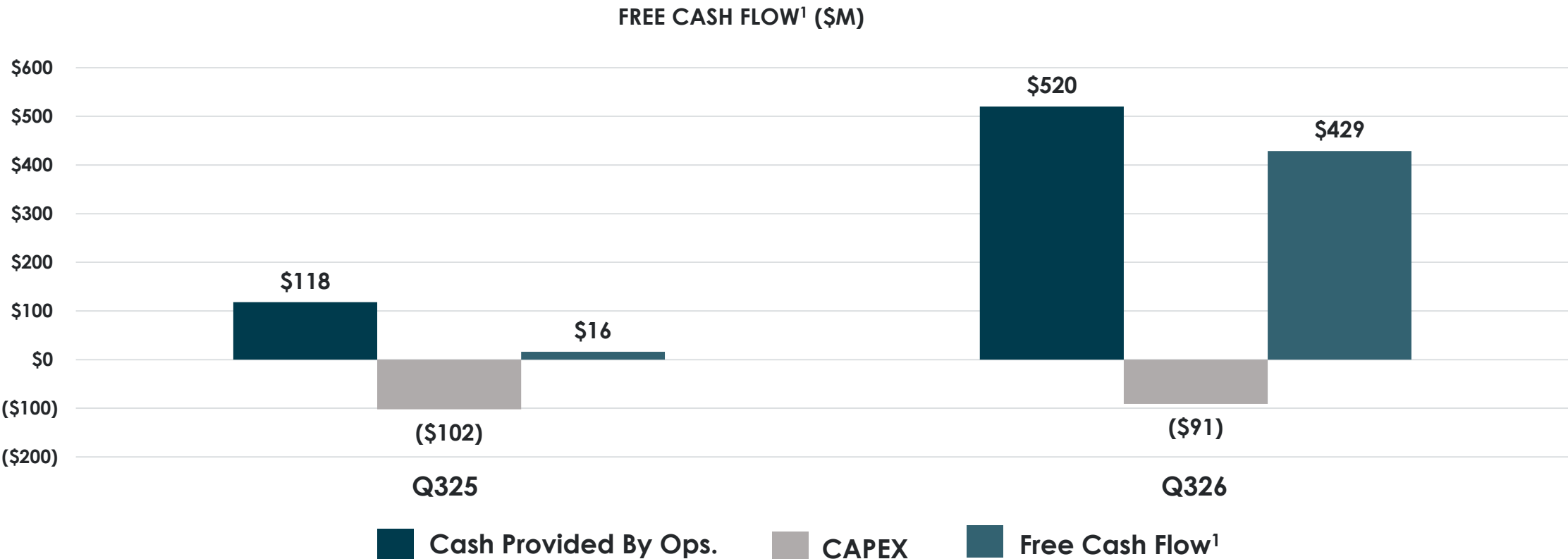
YoY segment operating income¹ growth

➤ KEY DRIVERS

Segment Operating Income¹ growth driven by contract adjustments and incentives in submarines at Newport News Shipbuilding along with volume growth, as well as a successful milestone achievement in Unmanned Systems and higher equity income from nuclear and environmental joint ventures at Mission Technologies.



HII Q3 2026 Capital Deployment



\$2.1B

Liquidity at quarter end;
cash balance of \$387M

\$91M

Net capital expenditures;
2.6% of Q3 2026 revenues

\$54M

Q3 2026 dividends

None

No shares repurchased in the
quarter



¹ Non-GAAP measure. See appendix for definition and reconciliation.

HII Outlook¹

➤ HII Medium Term² Revenue Growth of ~6%

- Shipbuilding medium term² revenue growth of ~6%
 - Additional upside from recently announced frigate and battleship
- Mission Technologies medium term² revenue growth of ~5%

➤ 2026 Expectations

- Shipbuilding revenue of \$10.5B to \$10.7B
- Shipbuilding operating margin³ of 6.0% to 6.5%
- Mission Technologies revenue of \$3.0B to \$3.2B
- Mission Technologies operating margin of ~6%
- Effective tax rate of ~17%

➤ Cumulative FY26 & FY27 Free Cash Flow³ Target of \$1.2B to \$1.3B

FY26 OUTLOOK¹

	FY26 Outlook ¹
Shipbuilding Revenue	\$10.5B - \$10.7B
Shipbuilding Operating Margin ³	6.0% - 6.5%
Mission Technologies Revenue	\$3.0B - \$3.2B
Mission Technologies Segment Operating Margin	~6%
Mission Technologies EBITDA Margin ³	~9%
Operating FAS/CAS Adjustment	(\$40M)
Non-current State Income Tax Expense ⁴	(\$27M)
Interest Expense	(\$100M)
Non-operating Retirement Benefit	\$213M
Effective Tax Rate	~17%
Depreciation & Amortization	~\$330M
Capital Expenditures	~\$500M
Free Cash Flow ³	\$500M - \$600M

¹ The financial outlook, expectations and other forward-looking statements provided by the company for 2026 and beyond reflect the company's judgment based on the information available at the time of this presentation. Please see the "Cautionary Statement Regarding Forward-looking Statements" section in this presentation and the "Forward-Looking Statements and Projections" section in our Quarterly Report on Form 10-Q for factors that may impact the company's ability to meet expectations.

² Medium term growth represents our expected compounded annual growth rate over the next three to five years.

³ Non-GAAP measures. See appendix for definitions. In reliance upon Item 10(e)(1)(i)(B) of Regulation S-K, reconciliations of forward-looking GAAP and non-GAAP measures are not provided because of the unreasonable effort associated with providing such reconciliations due to the variability in the occurrence and the amounts of certain components of GAAP and non-GAAP measures. For the same reasons, we are unable to address the significance of the unavailable information, which could be material to future results.

⁴ Outlook is based on current tax law. Variability exists based on how and when individual states conform to recent federal tax law changes.



Appendix

Non-GAAP Information

This earnings presentation contains non-GAAP (accounting principles generally accepted in the United States of America) financial measures as defined by SEC Regulation G and indicated by a footnote in the text of this presentation. Definitions for the non-GAAP measures, and related reconciliations, are provided below. Because not all companies use identical definitions or calculations, our presentation of these measures may not be comparable to similarly titled measures of other companies.

Segment Operating Income and Segment Operating Margin. We internally manage our operations by reference to segment operating income and segment operating margin and use these measures to evaluate our core operating performance. We believe that segment operating income and segment operating margin reflect additional ways of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These measures should be considered in addition to, and not as alternatives for, operating income and operating margin or any other performance measure presented in accordance with GAAP.

Segment operating income is defined as operating income for the relevant segment(s) before the Operating FAS/CAS Adjustment and non-current state income taxes.

Segment operating margin is defined as segment operating income as a percentage of sales and service revenues.

Shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin. We use shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin to evaluate our core operating performance. We believe these measures reflect additional ways of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These measures should be considered in addition to, and not as alternatives for, operating income and operating margin or any other performance measure presented in accordance with GAAP.

Shipbuilding operating margin is defined as the combined segment operating income of our Newport News Shipbuilding segment and Ingalls Shipbuilding segment as a percentage of shipbuilding revenue. Shipbuilding revenue is the sum of revenues of our Newport News Shipbuilding segment and Ingalls Shipbuilding segment.

Mission Technologies EBITDA is defined as Mission Technologies segment operating income before interest expense, income taxes, depreciation, and amortization.

Mission Technologies EBITDA margin is defined as Mission Technologies EBITDA as a percentage of Mission Technologies revenues.

Free cash flow. We use free cash flow as a key operating metric in assessing the performance of our business and as a key performance measure in evaluating management performance and determining incentive compensation. We believe free cash flow is an important liquidity measure that may be useful to investors and other users of our financial statements because it provides insight into our current and period-to-period performance and our ability to generate cash from continuing operations. Free cash flow has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, net income as a measure of our performance or net cash provided by operating activities as a measure of our liquidity.

Free cash flow is defined as net cash provided by (used in) operating activities less capital expenditures net of related grant proceeds.

In reliance upon Item 10(e)(1)(i)(B) of Regulation S-K, reconciliations of forward-looking GAAP and non-GAAP measures are not provided because of the unreasonable effort associated with providing such reconciliations due to the variability in the occurrence and the amounts of certain components of GAAP and non-GAAP measures. For the same reasons, we are unable to address the significance of the unavailable information, which could be material to future results.



Non-GAAP Reconciliations

Segment Operating Income & Segment Operating Margin

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
(\$ in millions)	2026	2025	2026	2025
Ingalls revenues	876	828	2,446	2,189
Newport News revenues	1,910	1,617	5,424	4,616
Mission Technologies revenues	792	787	2,300	2,313
Intersegment eliminations	(41)	(40)	(116)	(110)
Sales and Service Revenues	3,537	3,192	10,054	9,008
Operating Income	246	161	611	485
Operating FAS/CAS Adjustment	12	9	29	25
Non-current state income taxes	4	9	18	12
Segment Operating Income	262	179	658	522
<i>As a percentage of sales and service revenues</i>	<i>7.4 %</i>	<i>5.6 %</i>	<i>6.5 %</i>	<i>5.8 %</i>
Ingalls segment operating income	59	65	166	165
<i>As a percentage of Ingalls revenues</i>	<i>6.7 %</i>	<i>7.9 %</i>	<i>6.8 %</i>	<i>7.5 %</i>
Newport News segment operating income	132	80	331	247
<i>As a percentage of Newport News revenues</i>	<i>6.9 %</i>	<i>4.9 %</i>	<i>6.1 %</i>	<i>5.4 %</i>
Mission Technologies segment operating income	71	34	161	110
<i>As a percentage of Mission Technologies revenues</i>	<i>9.0 %</i>	<i>4.3 %</i>	<i>7.0 %</i>	<i>4.8 %</i>

Non-GAAP Reconciliations

Shipbuilding Operating Margin

(\$ in millions)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2026	2025	2026	2025
Sales and service revenues	3,537	3,192	10,054	9,008
Mission Technologies	(792)	(787)	(2,300)	(2,313)
Intersegment eliminations	41	40	116	110
Shipbuilding Revenues	2,786	2,445	7,870	6,805
Operating Income	246	161	611	485
Operating FAS/CAS Adjustment	12	9	29	25
Non-current state income taxes	4	9	18	12
Segment Operating Income	262	179	658	522
Mission Technologies	(71)	(34)	(161)	(110)
Shipbuilding operating income	191	145	497	412
As a percentage of shipbuilding revenues	6.9 %	5.9 %	6.3 %	6.1 %

Non-GAAP Reconciliations

Free Cash Flow

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
<i>(\$ in millions)</i>	2026	2025	2026	2025
Net cash provided by operating activities	520	118	99	546
Less capital expenditures:				
Capital expenditure additions	(95)	(105)	(288)	(268)
Grant proceeds for capital expenditures	4	3	7	6
Free cash flow	429	16	(182)	284

Non-GAAP Reconciliations

Mission Technologies EBITDA & EBITDA Margin

(\$ in millions)	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2026	2025	2026	2025
Mission Technologies sales and service revenues	792	787	2,300	2,313
Mission Technologies segment operating income	71	34	161	110
Mission Technologies depreciation expense	3	3	9	9
Mission Technologies amortization expense	18	22	53	67
Mission Technologies state tax expense	2	2	6	6
Mission Technologies EBITDA	94	61	229	192
Mission Technologies EBITDA margin	11.9 %	7.8 %	10.0 %	8.3 %

Pension Outlook

(\$ in millions)	2025	2026 ³	2027 ³
Pension Discount Rate	5.98%	5.72% Change from prior est. N/A	6.90% Change from prior est. 118 Bps
Expected Long-Term Return on Assets		7.90% N/A	
Actual Return on Assets	10.7%	1.7% ⁴ through 9/30/26	
CAS Recoveries Over/(Under) Cash Contributions ^{1,2}	\$1	(\$3) \$1	(\$1) N/A
FAS Benefit ¹	\$100	\$123 N/A	\$62 (\$65)
CAS Expense ¹	\$55	\$50 \$4	\$48 N/A
FAS/CAS Adjustment ¹	\$155	\$173 \$4	\$110 (\$65)
Operating FAS/CAS Adjustment ¹	(\$35)	(\$40) \$4	(\$40) (\$1)
Non-Operating Retirement Benefit ¹	\$190	\$213 N/A	\$150 (\$64)
Pension and Postretirement Benefits Cash Contributions ²	\$54	\$53 \$3	\$49 N/A

¹ Includes pension & other postretirement benefits.

² 2026 projected cash contributions of \$53 million include \$15 million of discretionary pension contributions (\$2 million qualified; \$13 million non-qualified) and \$38 million of post retirement benefits contributions. 2027 projected cash contributions of \$49 million include \$15 million of discretionary pension contributions (\$2 million qualified; \$13 million non-qualified) and \$34 million of post retirement benefits contributions.

³ Projected and subject to change.

⁴ Asset Returns and Discount Rate based on September 30, 2026 estimates.



2027 Net Pension & PRB Income Sensitivities (\$M)

		2026 Actual Asset Return ¹				
Discount Rate Movement ²	FAS ⁽³⁾	0.0%	2.0%	3.8%	5.0%	7.0%
	-75 bps	(19)	7	29	44	67
	-25 bps	12	36	57	66	77
	0 bps	25	49	60	66	77
	+25 bps	37	50	59	66	76
	+75 bps	39	49	59	66	80
	+118 bps	39	50	62	70	85
	+150 bps	42	56	69	78	92
	+175 bps	45	60	72	81	95
CAS ³		0.0%	2.0%	3.8%	5.0%	7.0%
		49	49	48	48	48

Recent asset experience and a revised pension asset allocation drives lower 2027 FAS income than previously projected while CAS expense remains relatively flat.

¹ Assumed 2026 asset return for qualified pension plans. Year-to-date returns of 1.7% and assumes expected long-term return for the remainder of the year.

² Increase in discount rate of 118 bps from prior Outlook, dated 2/5/26. As of 9/30/2026, the composite FAS discount rate is 6.90% for pension and 6.65% for other postretirement benefit plans.

³ Due to the adoption of safe harbor under CAS and the current level of funding relief, interest rate movement has little impact on 2027 CAS expense. CAS expense is primarily attributable to the unfunded other postretirement benefit plans and the non-qualified pension plan. Therefore, changes in the 2026 asset return for qualified pension plans has minimal impact to CAS expense.

