Huntington Ingalls Industries Investor Day

February 18, 2020

Huntington Ingalls Industries

Safe Harbor / Forward-looking Statements

Statements in this presentation, other than statements of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed in these statements. Factors that may cause such differences include: changes in government and customer priorities and requirements (including government budgetary constraints, shifts in defense spending, and changes in customer short-range and long-range plans); our ability to estimate our future contract costs and perform our contracts effectively; changes in procurement processes and government regulations and our ability to comply with such requirements; our ability to deliver our products and services at an affordable life cycle cost and compete within our markets; natural and environmental disasters and political instability; our ability to execute our strategic plan, including with respect to share repurchases, dividends, capital expenditures, and strategic acquisitions; adverse economic conditions in the United States and globally; changes in key estimates and assumptions regarding our pension and retiree health care costs; security threats, including cyber security threats, and related disruptions; and other risk factors discussed in our filings with the U.S. Securities and Exchange Commission. 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 any forward-looking statements. You should not place undue reliance on any forward-looking statements that we may make. This presentation also contains non-GAAP financial measures and includes a GAAP reconciliation of these financial measures. Non-GAAP financial measures should not be construed as being more important than comparable GAAP measures.

Speakers and Agenda

Mike Petters
President &
Chief Executive Officer

Mitch Waldman
EVP Govt. &
Customer Relations

Jennifer Boykin
EVP & President
Newport News
Shipbuilding

Brian Cuccias
EVP & President
Ingalls Shipbuilding

Andy Green
EVP & President
Technical Solutions

Chris Kastner
EVP &
Chief Financial Officer

8:00 am	**Opening Remarks & Operational Review**	**Mike Petters**
	Washington Update	**Mitch Waldman**
	Newport News Shipbuilding	**Jennifer Boykin**
	Ingalls Shipbuilding	**Brian Cuccias**
	Technical Solutions	**Andy Green**
9:45 am	**BREAK**	
	Financial Update	**Chris Kastner**
	Closing Remarks	**Mike Petters**
	Q&A Panel	**Mike Petters | Chris Kastner**
11:30 am	**Lunch**	

Opening Remarks and Operational Review

Huntington Ingalls Industries Investor Day
February 18, 2020

Mike Petters
President and Chief Executive Officer

Huntington Ingalls Industries

Key Messages for Today

We have established the foundation for shipbuilding success over the next decade

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We are aligning our portfolio with customer requirements that will drive higher revenue and earnings growth

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We have the financial flexibility to pursue critical growth opportunities and return cash to shareholders

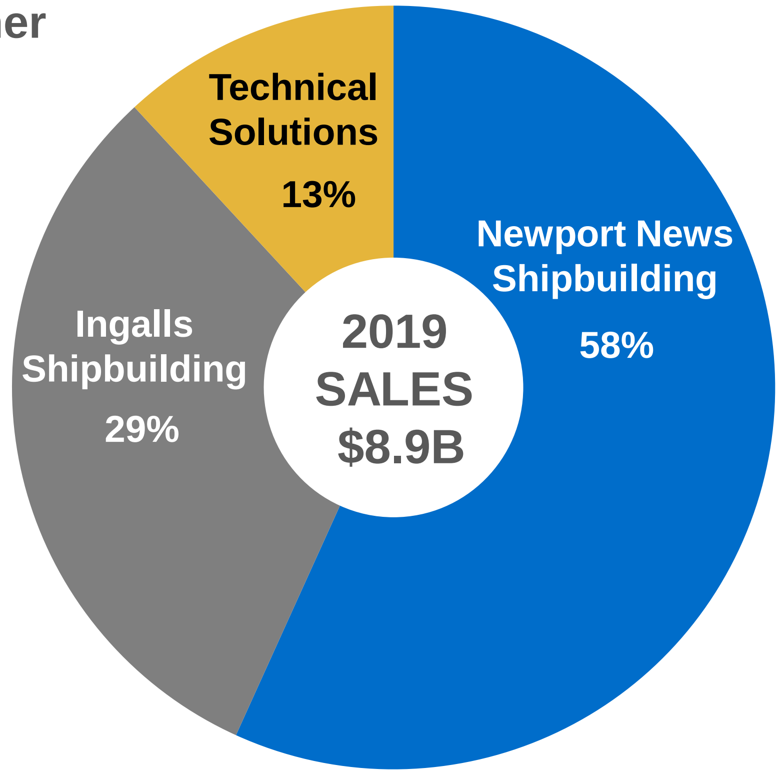
HII at a Glance

America's premier military shipbuilder and U.S. Navy's mission critical partner

- Sole source for nuclear-powered aircraft carrier construction, refueling and inactivation
- One of two builders of Virginia class (VCS) nuclear-powered submarines
- Subcontractor for construction of Columbia class nuclear-powered submarines
- Builder of LPD & LHA-class amphibious ships and National Security Cutters (NSC)
- One of two builders of Arleigh Burke guided missile destroyers (DDG)

Key provider of unmanned systems, defense and federal solutions, nuclear and environmental services, as well as fleet sustainment

- Unmanned systems development, production, operations and sustainment
- Next-generation IT and C5ISR capabilities
- Nuclear and environmental program management services
- Fleet modernization, training and readiness



Company Snapshot			
FY 2019 Revenues:	~$8.9B	Employees:	~42,000
FY 2019 Operating Margin:	8.3%	Engineers / Designers:	~6,800
FY 2019 Cash from Ops.:	$896M	Headquarters:	Newport News, VA
Current Backlog:	~$46B	History:	134 years

Markets, Products & Customers

Markets	Products
Shipbuilding	▪ Construction ▪ RCOH
Fleet Sustainment	▪ Maintenance ▪ Modernization
Unmanned Maritime Systems	▪ Platforms ▪ Systems ▪ Services
Defense & Federal Solutions	▪ Training & Simulation ▪ Advanced Cyber & Engineering ▪ Next-Gen IT & C5ISR
Nuclear & Environmental Services	▪ Site management ▪ Environmental remediation

Primary Customers

Shipbuilding is the core of the business; Technical Solutions customers and platforms create opportunities for growth

Commitments Made, Commitments Kept

2011 – 2015 Commitments & Results

- ✓ Improved operations and achieved benefits of serial production at Ingalls and captured new business
- ✓ Right-sized Ingalls footprint for success
- ✓ Protected and strengthened Newport News Shipbuilding market position – consistent strong performance and new business capture
- ✓ Achieved 9% shipbuilding operating margin target ahead of schedule

Path to 2020 Commitments & Results

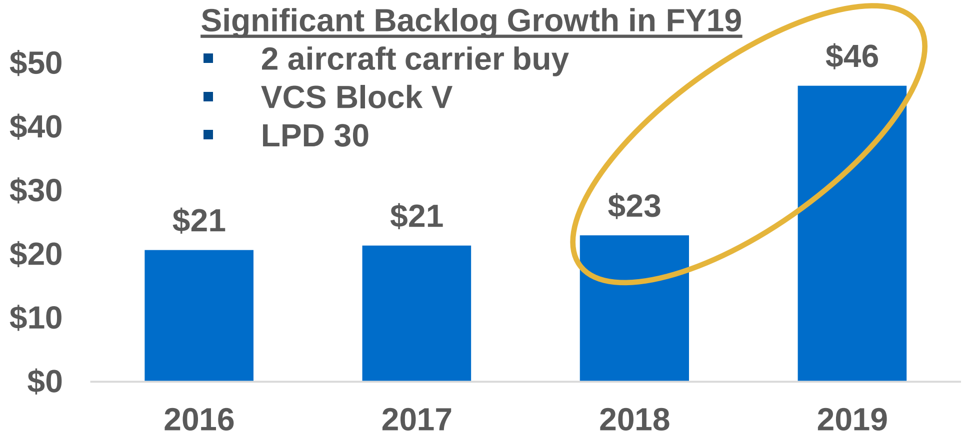
- ✓ Generational investment in shipyards
- ✓ Optimize and expand portfolio with disciplined M&A framework
- ✓ Return substantially all free cash flow to shareholders
  - Distributed ~100% of FCF generated

HII has a strong track record of meeting commitments

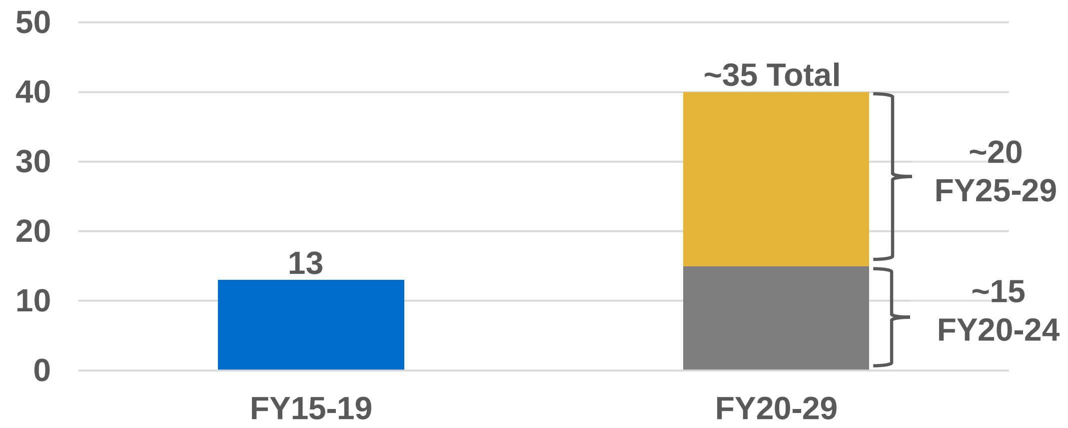
Backlog Provides Unmatched Stability and Visibility

- Focused effort led to capture of key contract awards in a challenging budget environment
- Long-term visibility allows for resource planning optimization
- Generational investment in shipyards enables efficient execution of backlog

Backlog
($B)



Ship Deliveries – New Builds



Record backlog with highly productive shipyards and the world's best shipbuilders

HII Operating System Tenets…the Key to Execution

Success Enablers

- **People**
- **Process**
- **Tools**
- **Material**

Organization / People

Business Processes

Proposal Development / Contract Strategy

Execution Fundamentals

Continuous Improvement

Customer Relationships

- ✓ Ensuring right people in right place at right time
- ✓ Utilizing capital investments to improve efficiency and affordability
- ✓ Capturing and leveraging lessons learned
- ✓ Ensuring contract pricing consistent with margin expectations
- ✓ Management and sustainment of critical suppliers
- ✓ Weekly cross-program discussions and program caucus structure, content and metrics
- ✓ Driving transformation initiatives and continuous improvement across programs
- ✓ On-going customer engagement

Safety, quality, cost and schedule serve as operational pillars for success

Investing Strategically to Meet Customer Needs

Evolving Customer Requirements

Recent HII Investments

- ✓ Shipbuilding
  - ~$1.9B CAPEX Program
- ✓ Unmanned Systems

PROTEUS HYDROID[1]

- ✓ Next Gen IT / C5ISR / Training and Simulation

Camber fulcrum PIVOTAL PERFORMANCE G2

- ✓ Nuclear and Environmental Services

Stoller

Investing via CAPEX and M&A to meet and shape future customer requirements

[1] *Pending close of acquisition.*

Potential M&A Focus Areas

- Unnamed Systems
  - Growing and evolving market
  - Hydroid acquisition closes gaps
- Next-Gen IT, C5ISR, Training & Simulation
  - Growing market where critical mass adds to success
  - Customer requirements appearing in shipbuilding contracts
  - Expanding capabilities will serve broader customer set
- Nuclear & Environmental Services
  - Direct alignment with HII core competencies
  - Continue to leverage joint ventures and partnerships

Required Characteristics

	Capabilities	Customer Access
Shipbuilding		
Fleet Sustainment		
Unmanned Systems	✓	
Defense & Federal Solutions *(Next-Gen IT, C5ISR, Training & Sim)*	✓	✓
Nuclear & Environmental Services	✓	

✓ **Potential M&A Focus**

No Gaps | **Discrete Gaps** | **Gaps**

Expanded portfolio in these areas offer the best opportunity for higher revenue and earnings growth

Market Leadership in Unmanned is Critical

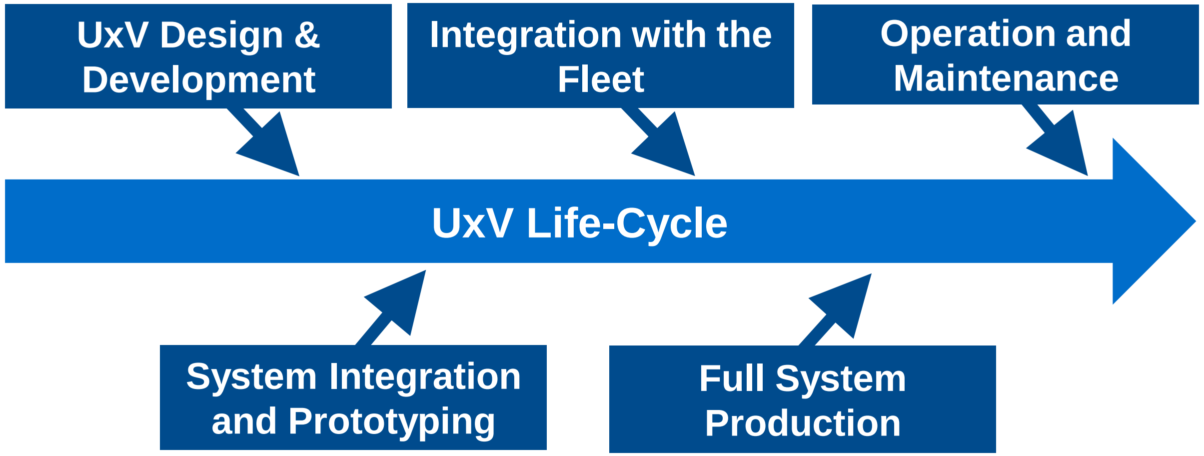
- HII and Hydroid to provide leading end-to-end unmanned system solutions across the market spectrum
- Hydroid expands HII's capabilities, technologies across the UxV life cycle
- Hydroid adds market positions in small and medium, complements HII position in large and XL

REMUS 100

REMUS 6000

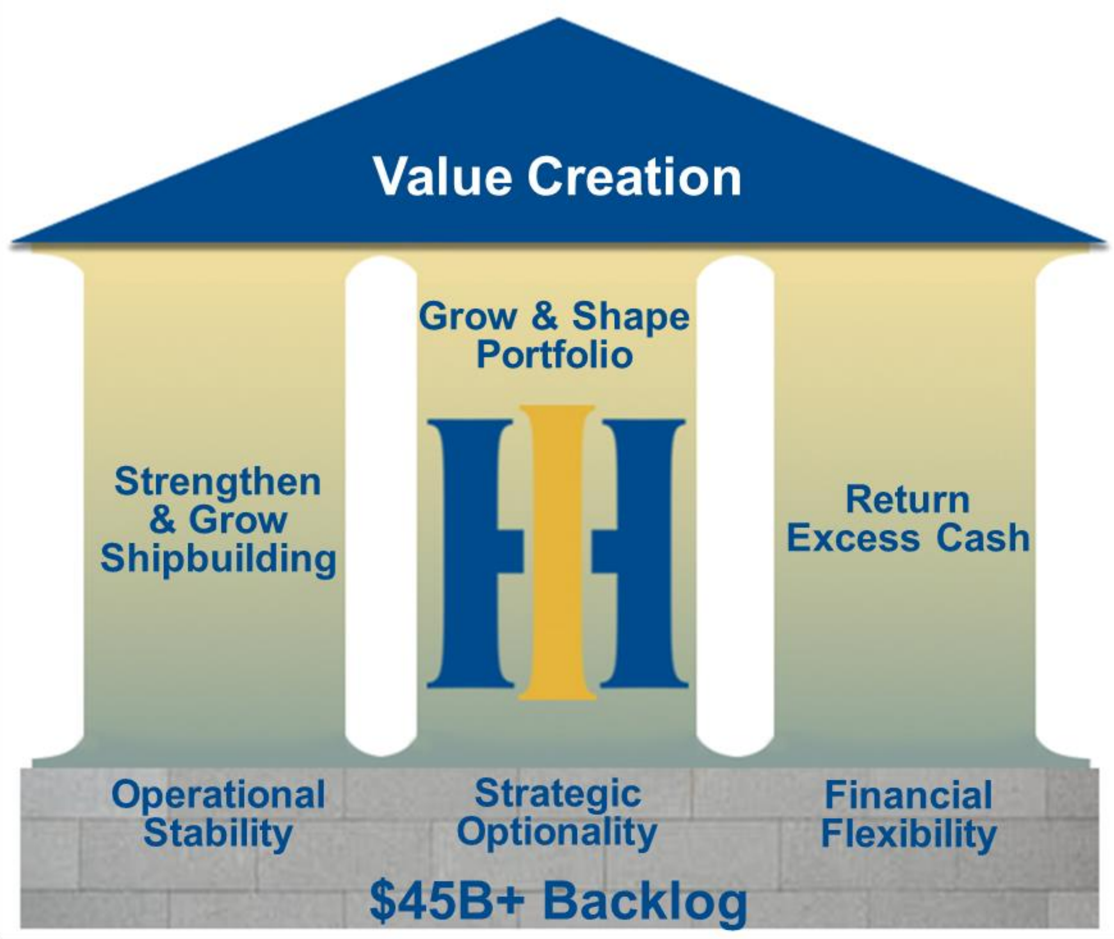
Capability	Hydroid	HII	Combined
Small UUV	✓		✓
Medium UUV	✓		✓
Large UUV	✓	✓	✓
XLUUV		✓	✓
Small USV	✓		✓
Large USV		✓	✓

UUV – unmanned undersea vehicle
USV – unmanned surface vehicle



HII is a market leader and Hydroid adds significant capability and scale to our growing unmanned efforts

2020-2024 Strategic Focus



Driving Growth

- Consistent, predictable long-term shipbuilding growth with repair/maintenance upside opportunities
- Disciplined pursuit of opportunities in high-growth end markets

Managing Risk

- Experienced management team laser-focused on efficient execution of backlog
- Backlog insulates business from DoD budget dynamics
- More mature ship designs reduce execution risk

Generating Strong Returns

- Generate ~$3B of free cash flow FY20-FY24
- Strategic and disciplined M&A to enhance value
- Return excess cash to shareholders

Backlog provides stability & flexibility to pursue critical growth opportunities and return excess cash

HII Investment Thesis

1. Unparalleled visibility created by historic backlog and strong competitive posture
2. Consistent and predictable shipbuilding revenue growth profile
3. Portfolio shaping aligned with growing and evolving customer requirements
4. Improving operational performance that supports significant, sustainable free cash flow generation
5. Capital structure that supports strategic optionality and returning cash to shareholders

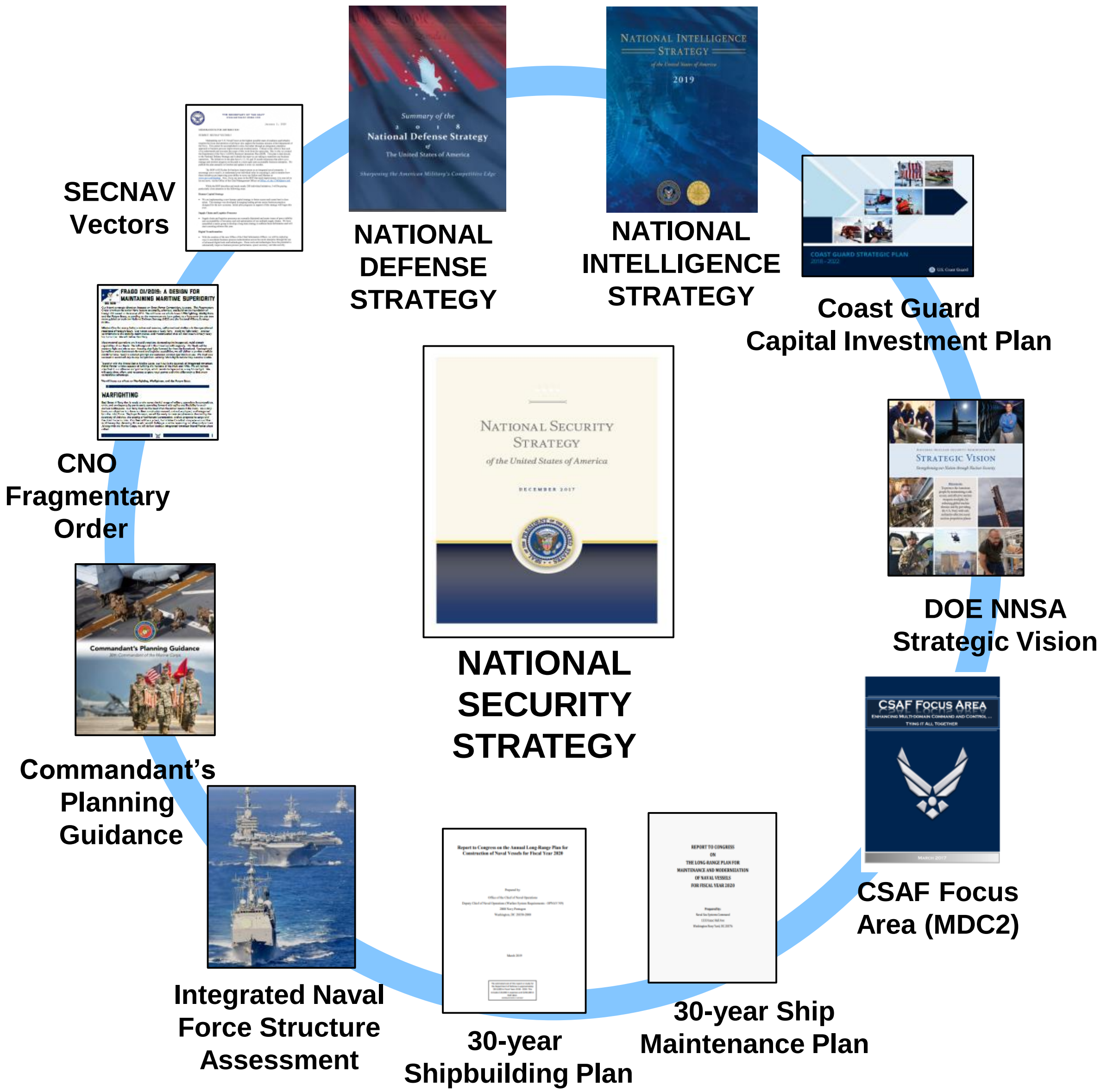
Government & Customer Relations

Huntington Ingalls Industries Investor Day
February 18, 2020

Mitch Waldman
Executive Vice President
Government and Customer Relations

Huntington Ingalls Industries

Customer Strategy & Investment



National Security Strategy
(Pillar 3: Preserve Peace Through Strength)

- Modernize and grow a resilient global force
- Field a ready and trained force
- Modernize a safe and effective strategic nuclear triad
- Sustain a healthy defense industrial base

Modernize and Grow a Resilient Global Force

Navy/Marine Corps

- At least 355 ships by 2030 – an evolving mix
  - Undersea dominance
  - Unmanned, "minimally" manned, autonomous
  - Enhanced lethality
- Resilient networks & sensors

Air Force/Army/Intelligence Community

- C5ISR
- Resilient networks & sensors

More Agile – More Lethal – More Networked

Field a Ready and Trained Force

Navy/Marine Corps

- Ship & depot maintenance
- Experimentation
- Fleet exercises & wargames

Air Force

- Synthetic Training
- Force exercises & wargames




Overmatch the Threat – Deliver Decisive Force

Modernize a Safe and Effective Strategic Nuclear Triad

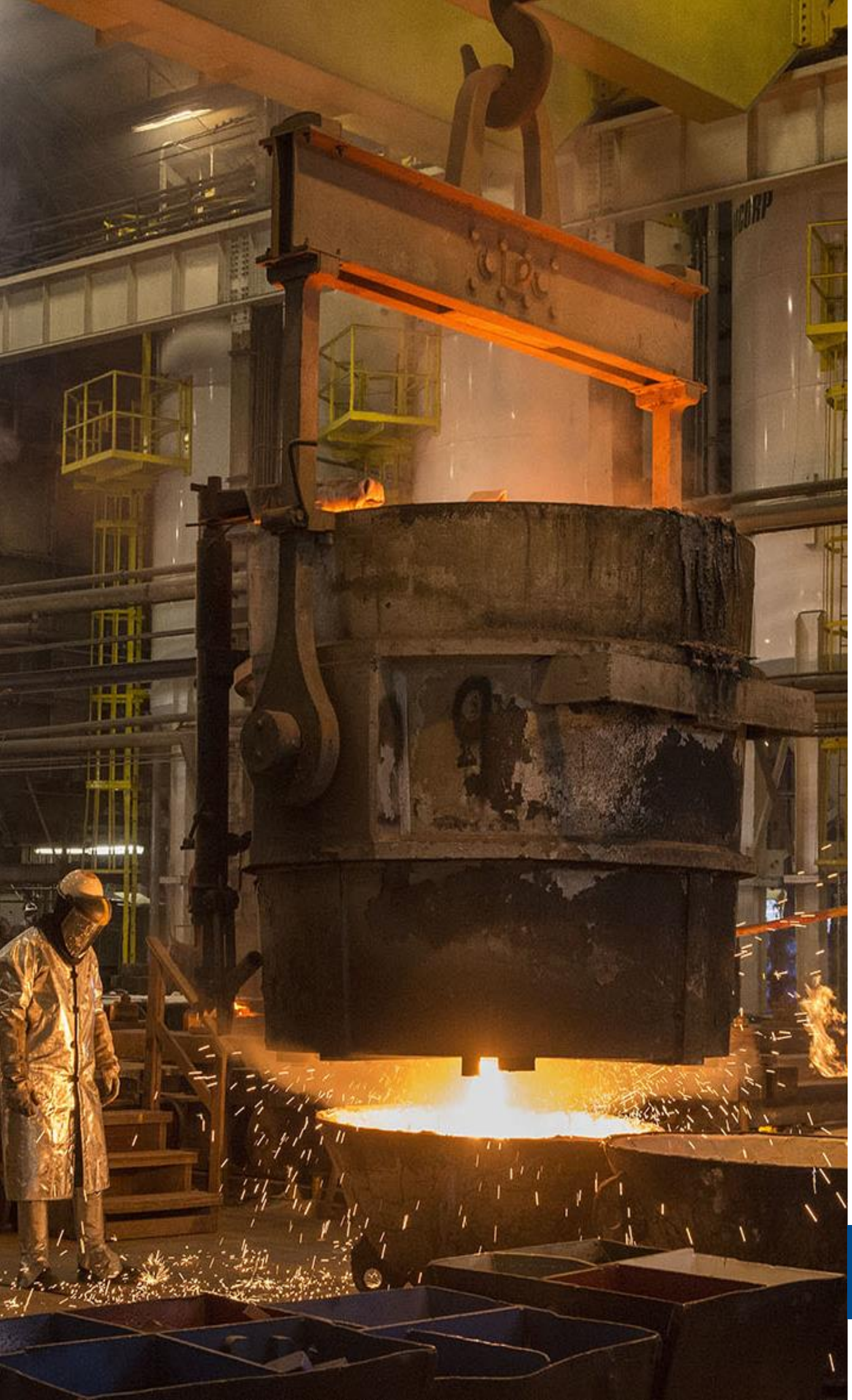
Navy

- Columbia (SSBN-826) Class Ballistic Missile Submarine

DoE

- Modernization & recapitalization of the nuclear security enterprise
- Acceleration of environmental management

High Complexity – Strategic Importance



Sustain a Healthy Defense Industrial Base

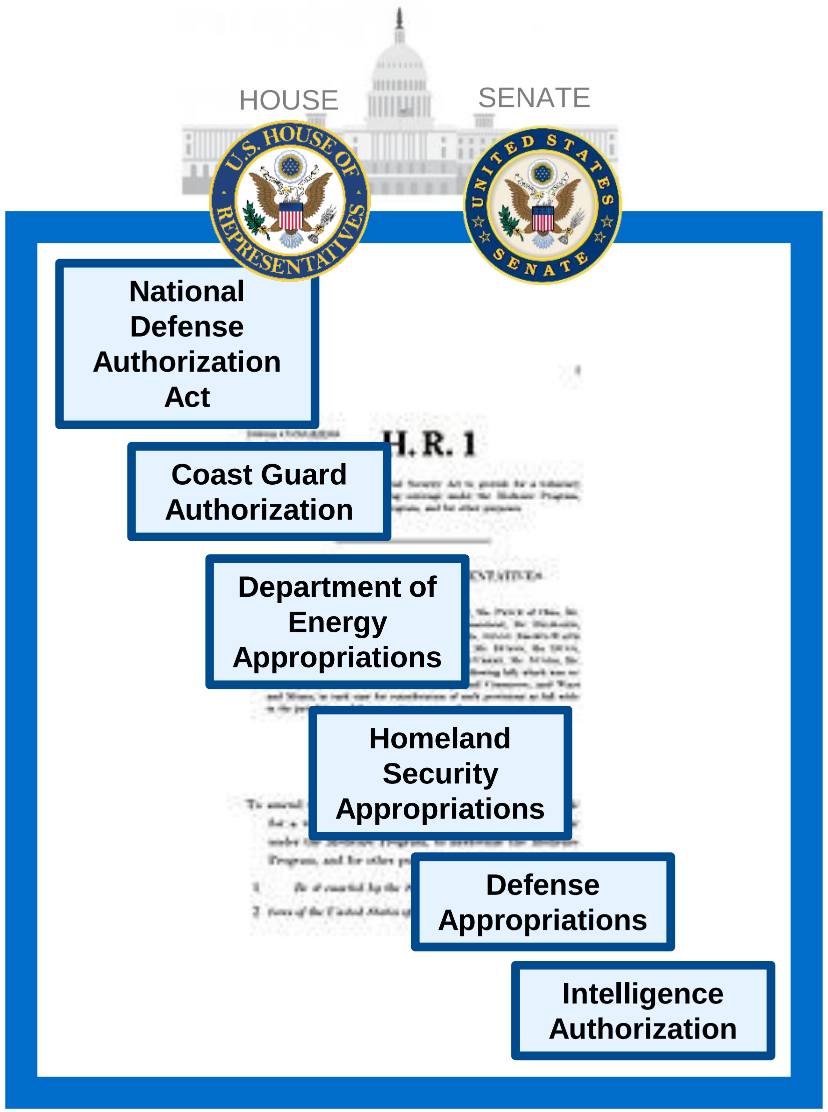
- Executive Order 13806 – Strengthening the Manufacturing and Defense Industrial Base
- DoD comprehensive study on defense industrial base
  - Sequestration impact
  - Significant decline in manufacturing capacity
  - **Complexity of government procurement practices**
  - **Sustainment of critical capability**
  - **Focus on U.S. STEM and trade skills**

Critical Element of US Power & Innovation

Budget Summary

Funding ($ millions)	FY2015 Enacted	FY2020 Enacted	FY2021 Requested
Department of Defense			
Shipbuilding	15,995	23,975	19,900
Ship Depot Maintenance	8,544	10,052	11,200
Unmanned (UUV/USV)	41	645	698
C4I	6,600	10,200	11,900
Department of Homeland Security			
USCG Ships	824	994	1,280
Department of Energy			
NNSA	11,399	16,705	19,771
Defense Environmental Management	6,024	6,255	4,983

Legislative Posture - Observations



- Bi-partisan Budget Act provides defense and non-defense discretionary topline for FY2021
  - Budget sequestration ends in FY2021
- Strong support of fleet capability & capacity
  - 10 USC 5062
  - SHIPS Act of 2018 (part of the FY2018 NDAA)
  - SHIPS Implementation Act introduced
- Preference for predictable and stable requirements & funding
- Industrial base stability & development
- Acquisition reform

Newport News Shipbuilding

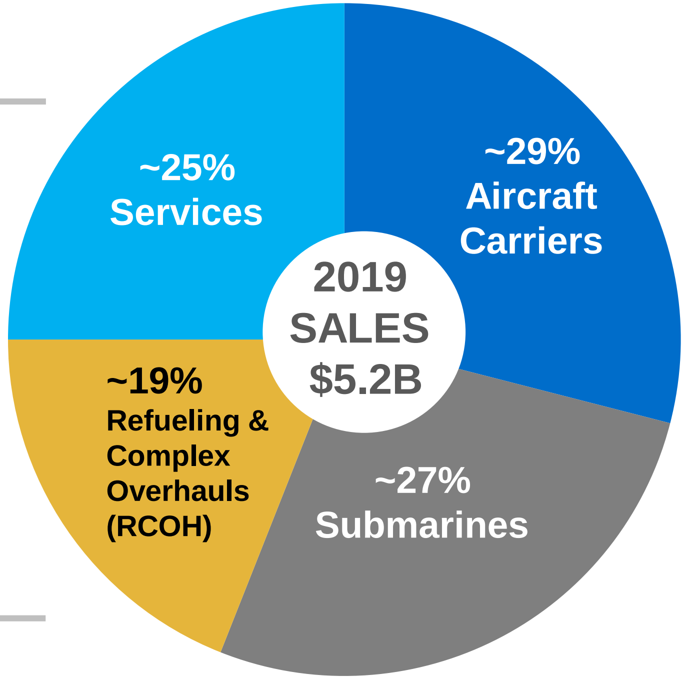
Huntington Ingalls Industries Investor Day
February 18, 2020

Jennifer Boykin
Executive Vice President and
President, Newport News Shipbuilding

Newport News
Shipbuilding
A Division of
Huntington Ingalls Industries

Newport News Shipbuilding at a Glance

- **Newport News Shipbuilding** is the sole designer, builder and refueler of U.S. Navy aircraft carriers and one of two providers of U.S. Navy submarines. We design, build, maintain and inactivate the most advanced ships in the world using our expertise in nuclear propulsion, naval design and manufacturing.
- With approximately **$5 billion in revenues**, a **$34.8 billion backlog** and more than 25,000 employees, we are the largest industrial employer in Virginia and the largest shipbuilding company in the United States.



- Founded in 1886 as Chesapeake Dry Dock and Construction Company
- Built More Than 800 Ships, Both Naval and Commercial

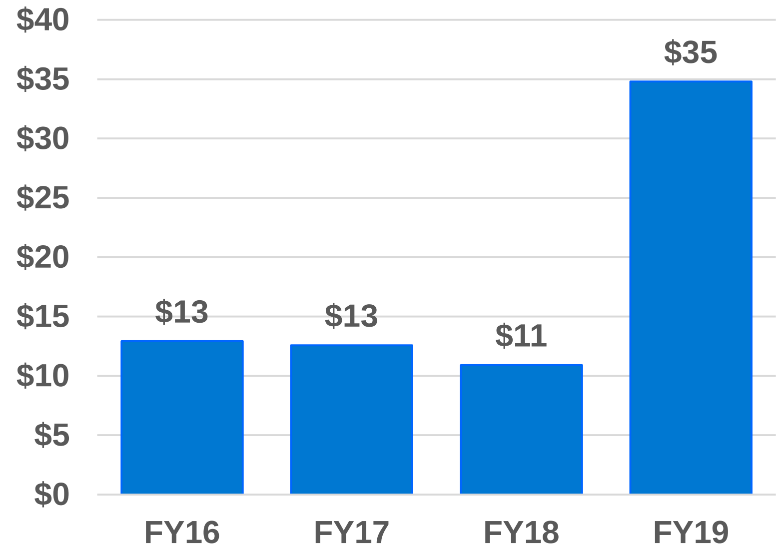
- Located in Newport News, Va.
- More Than 550 Acres
- 2.5 Miles of Waterfront on James River

- 25,000 Shipbuilders On Site
- Many Third, Fourth and Fifth Generation Shipbuilders
- 1000 Master Shipbuilders
- Over 3,700 Military Veterans

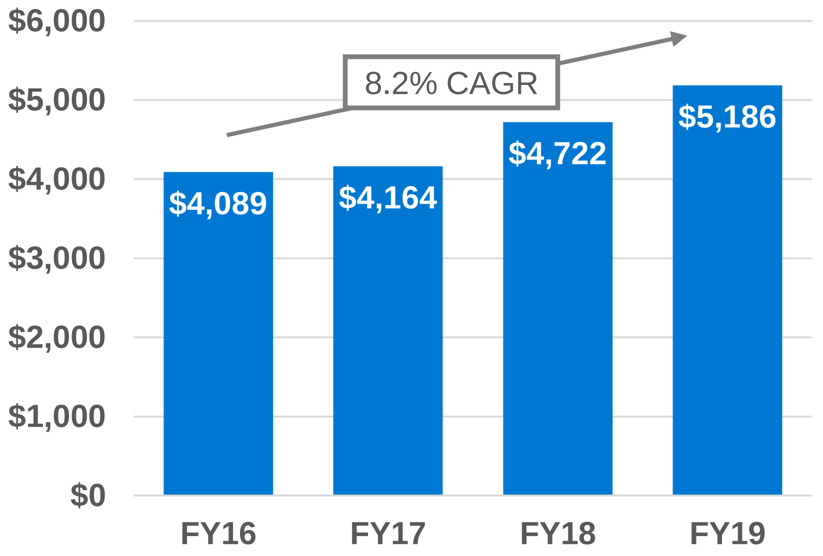
- 2,500 Supplier Businesses
- From Across All 50 States
- Many Support All Program Product Lines

NNS – Financial Update

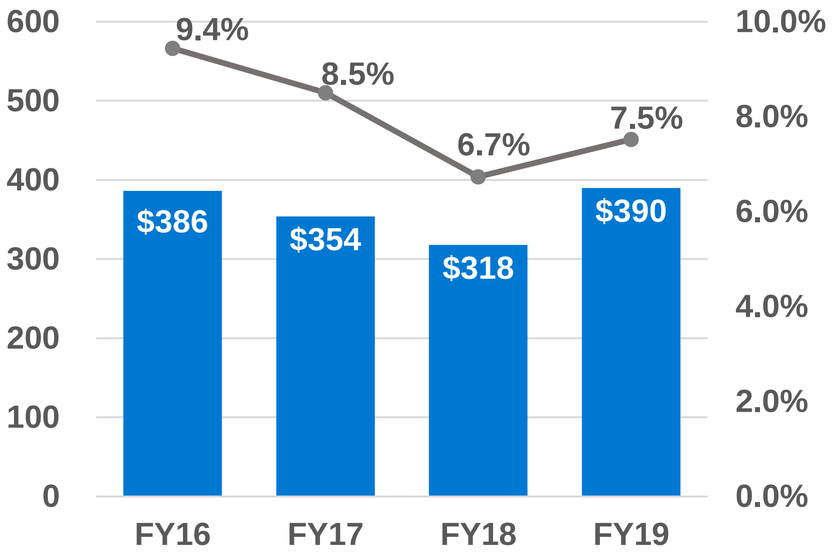
Backlog
($B)



Revenue
($M)



Segment Operating Income & Margin[1]
($M)



- Historic backlog of ~$35B
- Backlog will continue fueling growth at a moderate pace
- Margin returning to more normalized levels

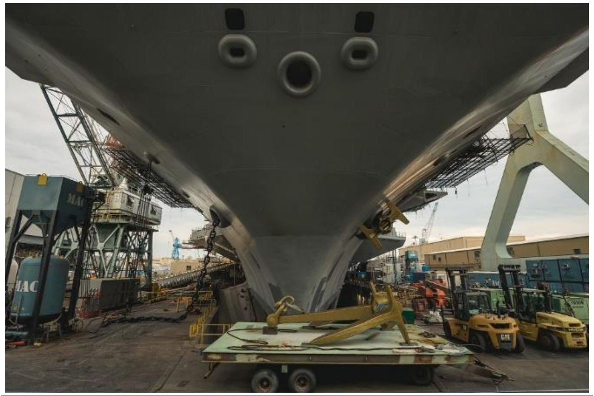
Historic Backlog Provides Unmatched Revenue Visibility and Opportunity for Value Creation Through Strong Execution

[1] *Non-GAAP financial measure. See appendix for definitions and reconciliations to GAAP.*

Our Execution Focus:

Expertise Aligns with Navy's Requirements and the National Defense Strategy

Aircraft Carriers



Refuelings & Inactivations

Submarines

Investing in our Future
Facilities, Technology, People

Defined Standards Enabling Execution with Governance to Check, Verify and Improve

Aircraft Carriers:
Ford Class

CVN 78

- USS *Gerald R. Ford*
- Designed in a 3-D Product Model
- New Technologies, Including 2.5X Power Generation
- $4 Billion Life of Each Ship Cost Reduction
- Delivered May 2017

CVN 79

- *John F. Kennedy*
- Leverage 3-D for Greater Build Efficiency
- 69% Complete Overall
- Launched 2 Months Early
- Fewer Manhours than CVN 78 to date

CVN 80 & 81

- *Enterprise & Doris Miller*
- Two-Ship Contract Reduces Cost
- Provides Stable Work Through 2032
- CVN 80: First Digital Aircraft Carrier

Facility Investments

- New Facilities for Complex Manufacturing
- Pier Enhancements for Future *Ford*-class Life Cycle Work
- Rolling Weather Covers to Improve Workforce Safety and Efficiency

Design it Differently → Build it Differently → Buy it Differently

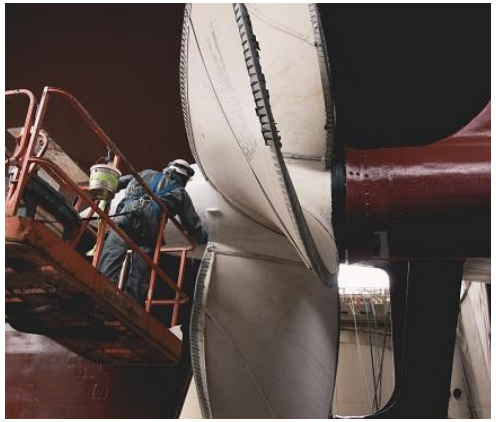
Aircraft Carriers:

Refueling & Complex Overhauls (RCOH) and Carrier Inactivations

“The Refueling and Complex Overhaul of a nuclear-powered aircraft carrier is one of the most challenging engineering and industrial tasks undertaken anywhere by any organization.”

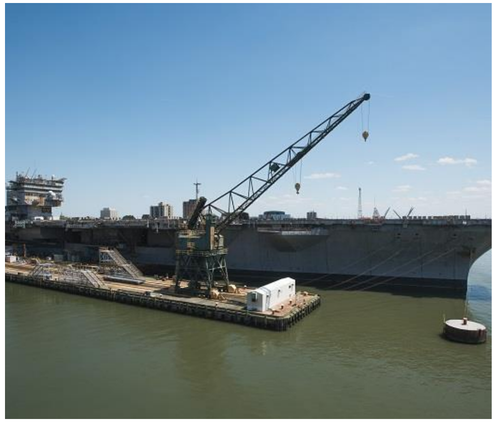
- Rand Corporation

RCOH



- Recapitalizes Centerpiece of Navy’s Fleet for 25 More Years
- Completed 5 of 10 *Nimitz*-Class Carriers with 6th ~ 68% Complete
- Remaining *Nimitz*-class RCOHs Scheduled Through 2032
- Planning and Execution Value: ~ $3.5 Billion Per Ship

Inactivations

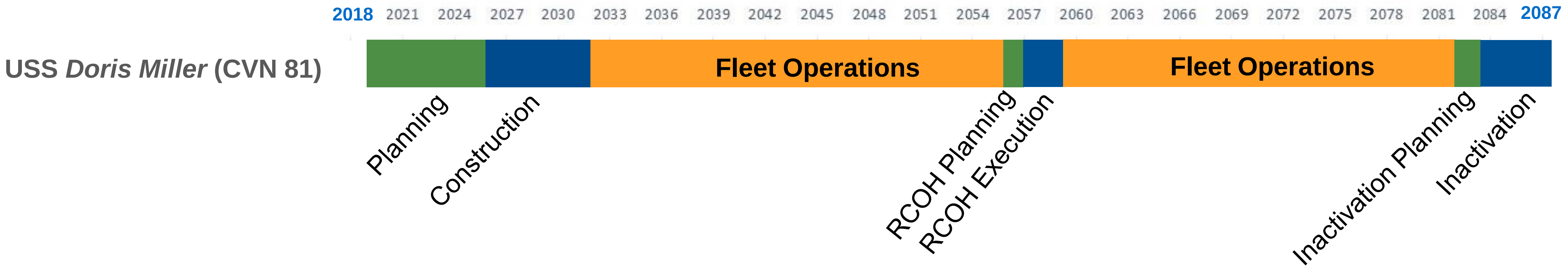


- Finished First Nuclear Aircraft Carrier Inactivation in 2018 for *Enterprise* (CVN 65)
- First of 10 *Nimitz*-Class Inactivations Begins in 2025
- *Nimitz*-Class Inactivations Completed Over ~ 40-Year Period
- Planning and Execution Value: ~ $1 Billion Per Ship

Facility Investments

- New 315-Metric-Ton Gantry Crane Installed and Being Tested to Replace 50-Year Old Crane
- Facility Enhancements to Support Heel-To-Toe *Nimitz* RCOH and Inactivation Requirements

Aircraft Carrier Life Cycle

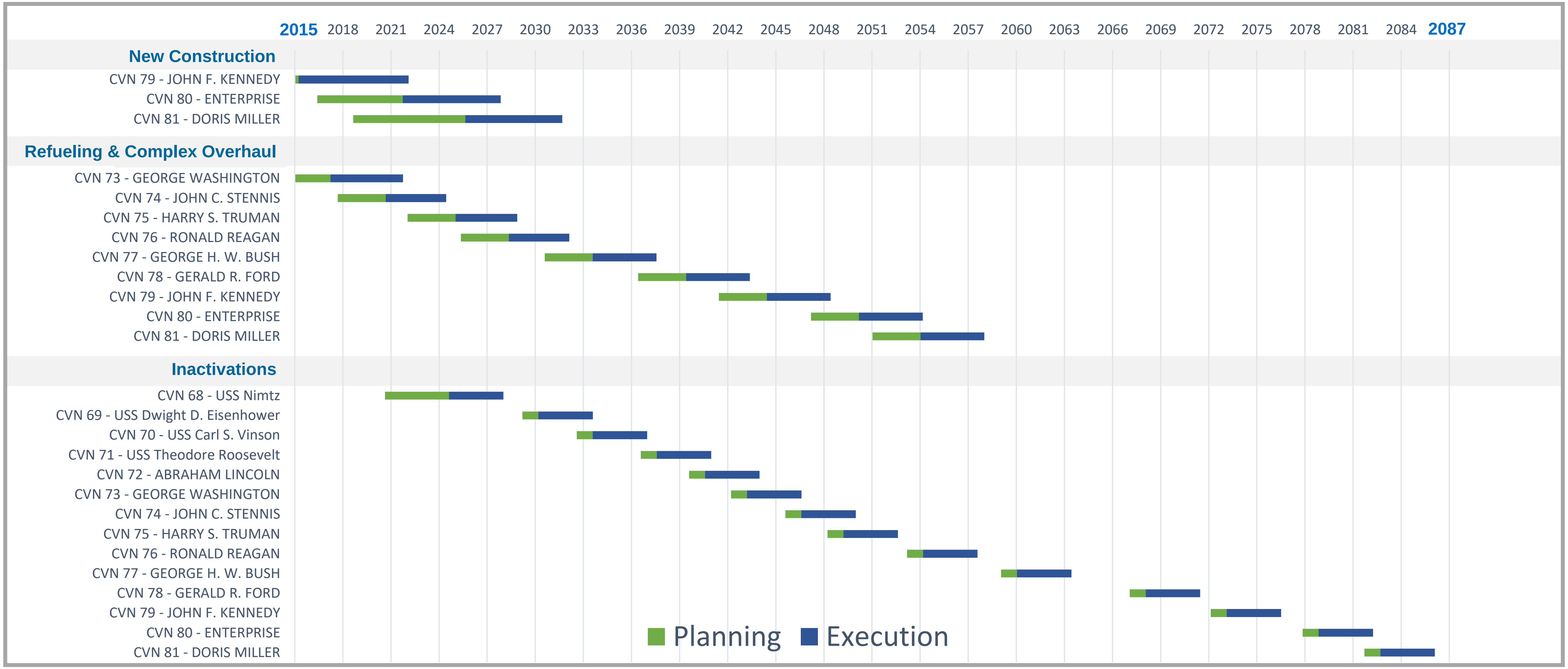


~ $8 Billion Value
(2020 dollars)

~ $3.5 Billion Value
(2020 dollars)

~ $1 Billion Value
(2020 dollars)

Aircraft Carrier Life Cycle



Submarines:
New Construction and Design

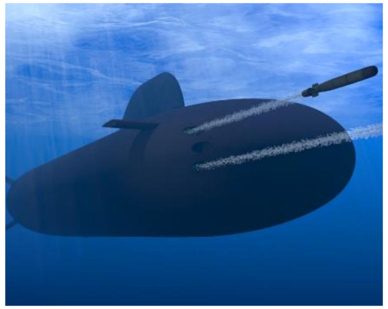
Virginia

- 18 Boats Delivered
- 19 Boats Under Contract Through 2029

Columbia

- 12 Boats Planned – 70% of U.S. Nuclear Triad
- Digital from Inception
- Construction Started 2019
- Lead Ship Delivers 2027

SSN(X)



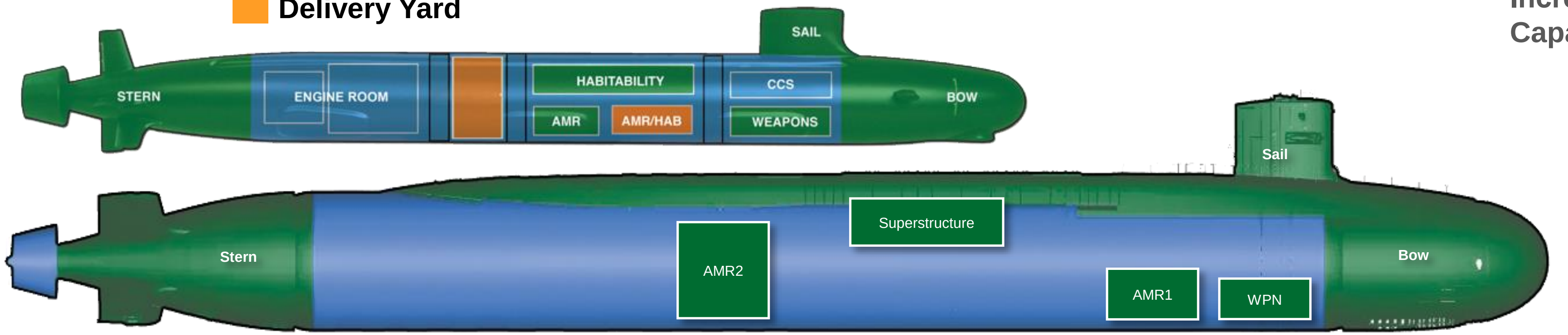
- Design Studies in Support of Navy's Next Generation Fast Attack Submarine

Facility Investments

- New State-of-the-Art Facilities to Increase Capacity
- New Automation to Increase Efficiency
- Facility Extension and Upgrades for Length and 2/Y Pace
- Upgrades to Enable Concurrent Deliveries
- Foundry Upgrades to Increase Castings' Capacity

Newport News Shipbuilding
General Dynamics Electric Boat
Delivery Yard

Virginia
Columbia



Investing in our Future Through Our Facility

Significant Investments in Physical Plant Infrastructure Since 2016

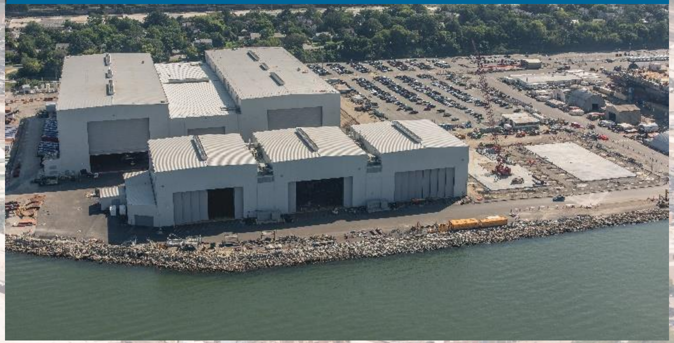
Machine Shop, Foundry & Steel Fabrication Improvements

310-Ton Crane Replacement

Submarine Facility Extension

New Automation to Increase Efficiency

Joint Manufacturing & Assembly Facility (VCS/Columbia/CVN)



Digital Infrastructure

iDS Mobile Experience Trailer

Yardwide Access Points

Investing in our Future Through Technology

Current Integrated Digital Shipbuilding (iDS) Efforts

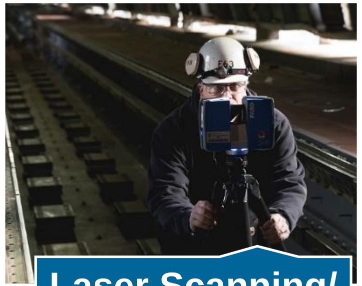
Design and Planning

Build Management

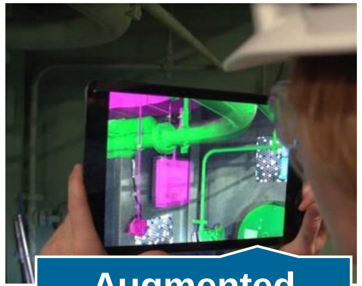
Work Execution

Technology Enablers

Additive Manufacturing



Laser Scanning/ Reality Capture



Augmented Reality

5G Shipyard

Data Analytics

Enables Efficiency, Mobility, Agility and Innovation

Investing in our Future Through People

Pre-K, Elementary Programs:
Future CVN 81 and Columbia-Class Shipbuilders
Employee Volunteer Programs

Ongoing Training for Current Workforce:
Modern Training Tools, Methods and Curriculum for Current Employees

Middle School Programs:
Future CVN 80 and Columbia Shipbuilders
Programs with Local School Systems

Leadership Development for Current Workforce:
The Apprentice School
Future Leader Development
Tuition Reimbursement

High School Programs:
Incoming Workforce
Teacher Internship Programs
School Partnerships
Pre-Apprenticeship Programs

College Programs:
250 interns from 67 Universities
University Partnerships
Diversity Conferences

Summary

- Historic $34.8 billion backlog
- Intensely Focused on the Safety and Well-being of our Workforce
- Growing the Talent of our Skilled and Proud Workforce
- Aggressively Driving Cost Reduction and Continuous Improvement Opportunities
- Investing in our People, Facilities, Technologies

Inflection Point for Long-Term Business: Structured to Generate Long-Term Value

Ingalls Shipbuilding

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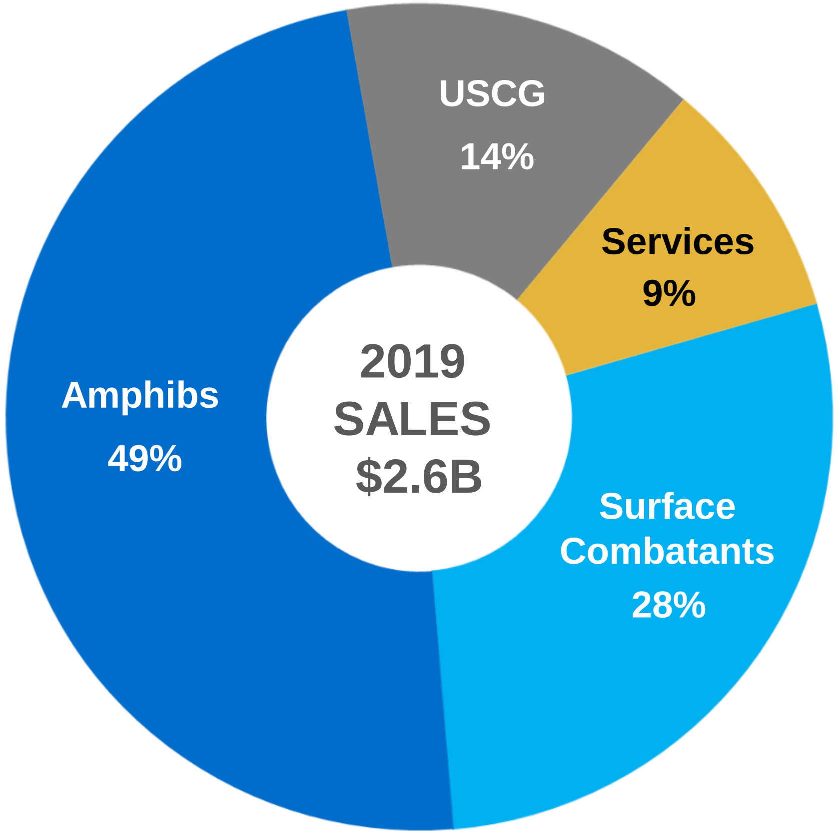
Brian Cuccias
Executive Vice President and
President, Ingalls Shipbuilding

Ingalls Shipbuilding
A Division of
Huntington Ingalls Industries

Ingalls Shipbuilding at a Glance

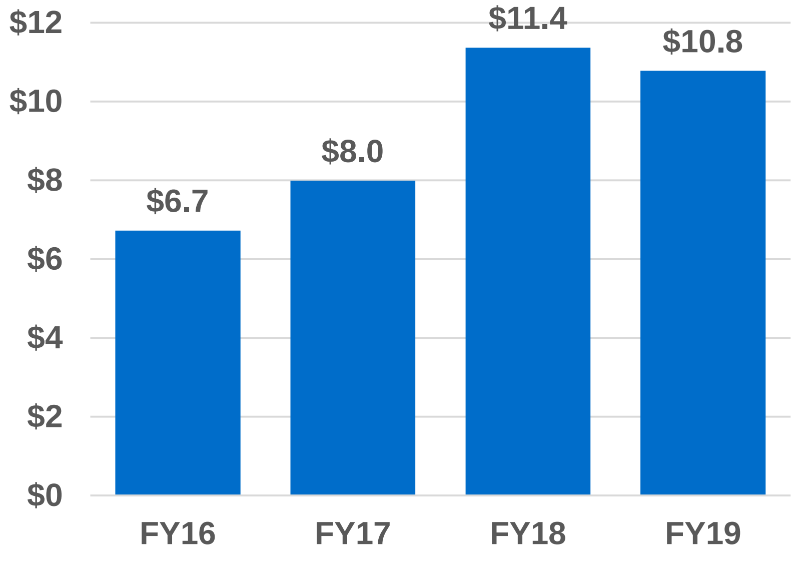
- Currently building four classes…13 hulls under construction
- Sole builder of LHA 6 *America* class large deck amphibious assault ships, LPD 17 *San Antonio* class amphibious transport dock ships and *Legend* class National Security Cutters (NSC)
- One of two builders of record of DDG 51 *Arleigh Burke* class of Aegis guided missile destroyers
- Comprehensive life-cycle services for CG 47, LPD 17 and LCS class ships
- Largest manufacturing employer in Mississippi



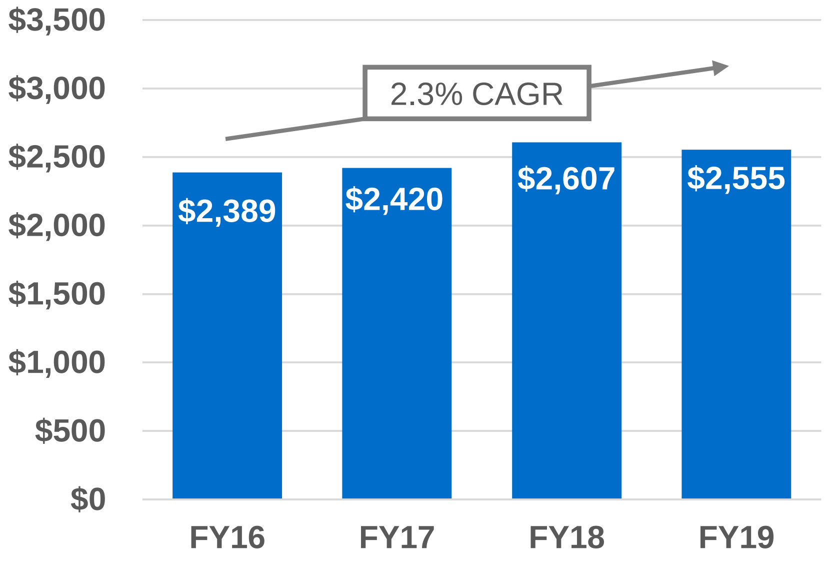
Ingalls Shipbuilding Snapshot			
FY 2019 Revenues:	~$2.6B	Employees:	~11,000
FY 2019 Segment Operating Income:	$235M	Engineers / Designers:	~1,400
FY 2019 Segment Operating Margin:	9.2%	Headquarters:	Pascagoula, MS
Current Backlog:	~$10.8B	History:	81 years

Ingalls – Financial Update

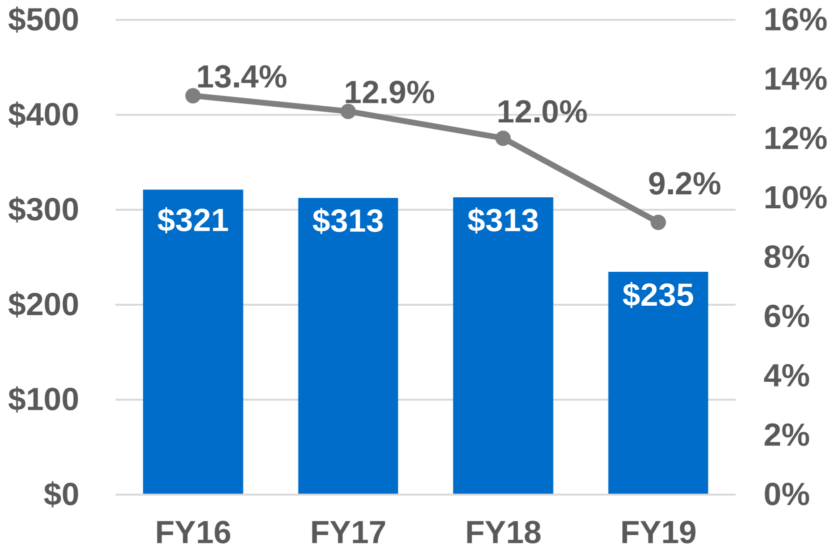
Backlog
($B)



Revenue
($M)



Segment Operating Income & Margin[1]
($M)



- Current backlog of $10.8B
  - Over 4x FY19 revenue
- Significant Contract Awards
  - FY18 - LPD 29, DDG MYP (6 ships), NSC 10 & NSC 11
  - FY19 - LPD 30, CG PYS & LCS PYS

- Backlog will continue fueling growth
- Stable growth in FY20 and beyond

- FY16-FY18 benefitted from one-time events and serial production
- Solid 9% in FY19 and beyond

Backlog provides revenue visibility and opportunity for value creation through strong execution

[1] *Non-GAAP financial measure. See appendix for definitions and reconciliations to GAAP.*

Amphibious Assault Ships – LHA Program

LHA 6 *America* Class

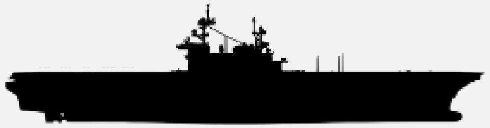
- Cornerstone of amphibious ready groups
- Transports and lands marine expeditionary units
- Built for the Joint Strike Fighter F35B

Length	844 feet
Displacement	44,850 tons

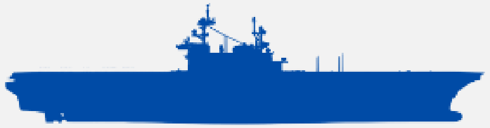
14 large deck amphibious assault ships delivered

- LHA 1 – 5
- LHD 1 – 8
- LHA 6

Two ship backlog



LHA 7



LHA 8

Sole provider of large deck amphibious ships

Amphibious Landing Platform/Dock Ships – LPD Program

LPD 17 *San Antonio* Class

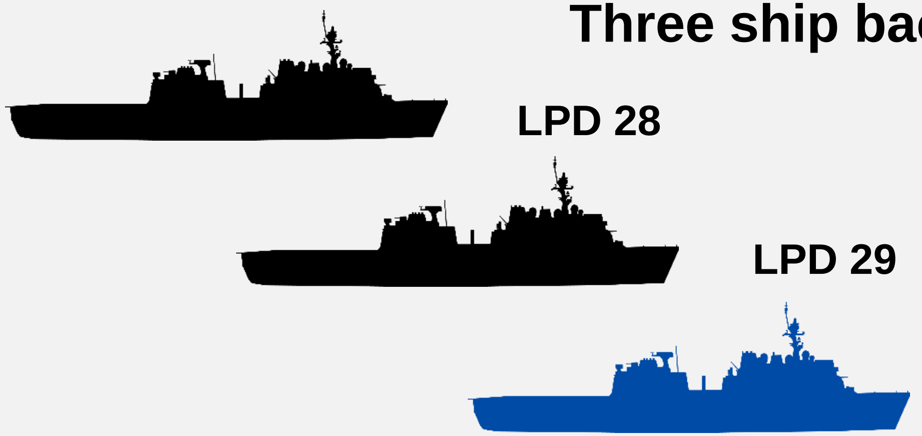
- Transports marines, equipment and supplies
- Expeditionary warfare missions
- Humanitarian assistance and disaster relief missions

Length	684 feet
Displacement	24,900 tons

11 amphibious landing platform / dock ships delivered

- LPD 17 – 27

Three ship backlog



LPD 28

LPD 29

LPD 30 (Flight II)

Versatile hull form for multiple platforms

Surface Combatants – DDG Program

DDG 51 *Arleigh Burke* Class

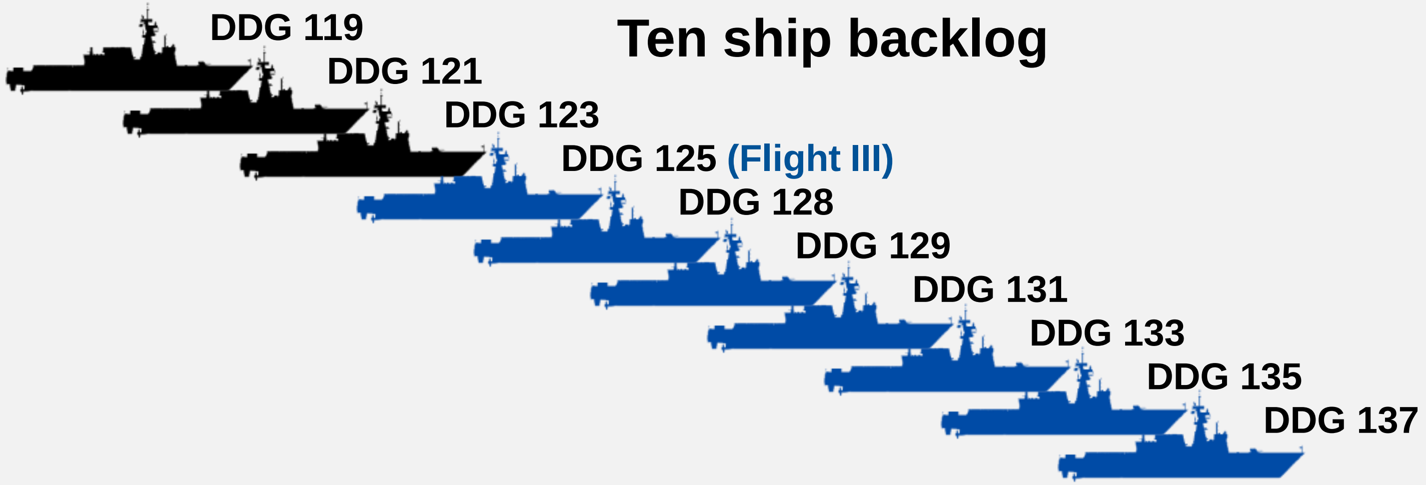
- Multi-mission, guided missile destroyers
- Anti-air, anti-submarine, and anti-surface warfare
- 100,000 total shaft horsepower

Length	509.5 feet
Displacement	9,300 tons

31 guided missile destroyers delivered

- DDG 51 – 71 Flight I
- DDG 72 – 78 Flight II
- DDG 79 – 117 Flight IIA

Ten ship backlog



Serial production in a competitive environment

National Security Cutters – NSC Program

***Legend* Class National Security Cutter (NSC)**

- Centerpiece of the U. S. Coast Guard's fleet
- Largest, most technologically advanced cutters

Length	418 feet
Displacement	4,600 tons

Eight national security cutters delivered

- NSC 1 – 8

Three ship backlog

NSC 9

NSC 10

NSC 11

Achieving benefits of serial production with minimal design change

Planning Yard and Fleet Services

Fleet Services

- Comprehensive life-cycle services for CG 47, LPD 17 and LCS class
  - Restricted availability services
  - Naval architecture and marine engineering
  - Ship system assessments
  - Maintenance engineering
  - Logistics services
- Locations nationwide and overseas

CG 47 Class Planning Yard

- USS *Ticonderoga* Class post-delivery life-cycle support services
- 35+ years as the Class provider
- Provides support to 22 ships

LPD 17 Class Planning Yard

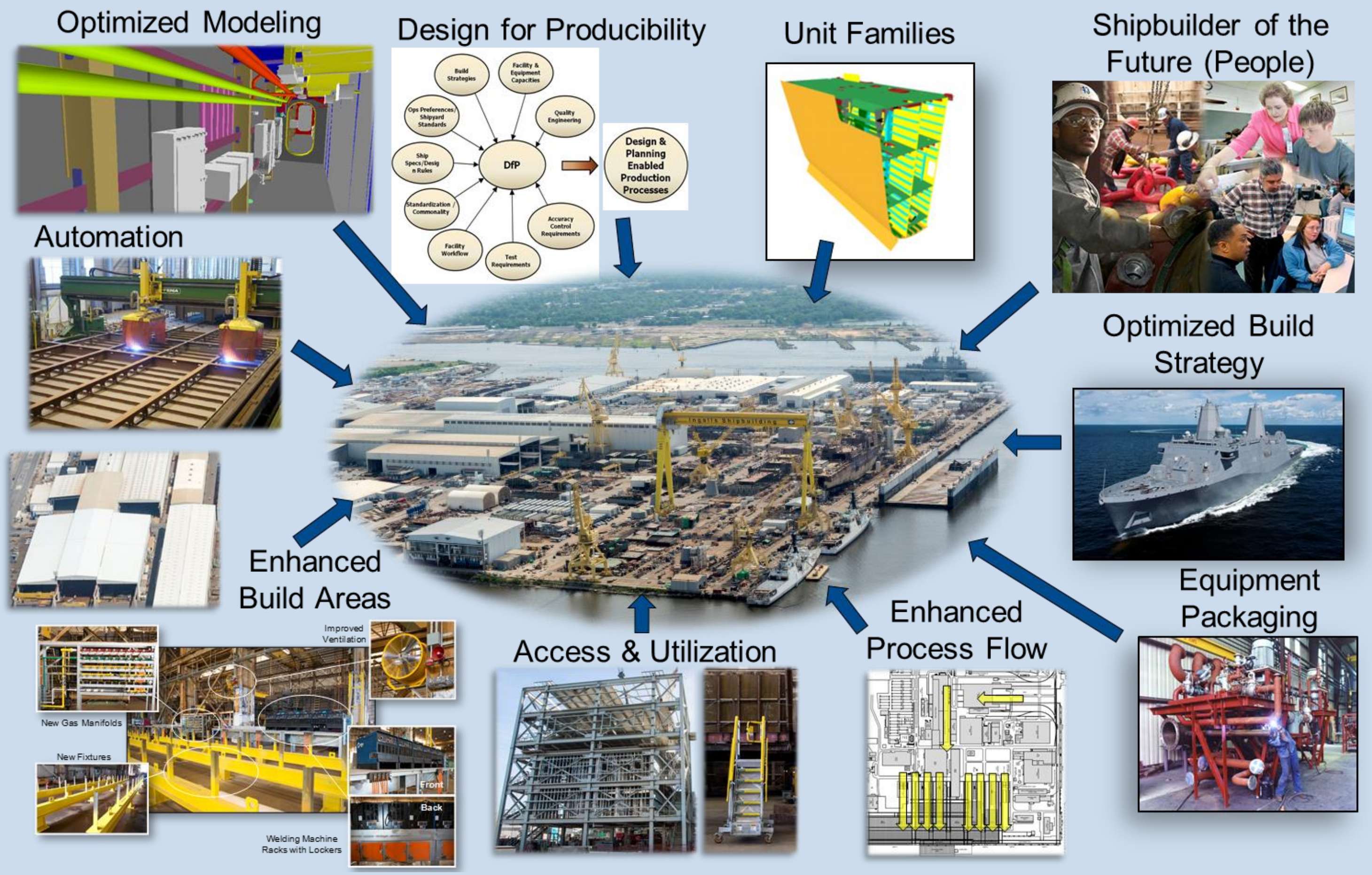
- USS *San Antonio* Class Life Cycle Engineering & Support (LCE&S), including Class planning yard services
- 15+ years as the Class provider
- Provides support to 11 delivered ships

LCS Class Planning Yard

- USS *Freedom* and USS *Independence* Class post-delivery life-cycle support services
- Open competition contract awarded in May 2019
- Provides support to the 19 delivered ships to date
- Includes options over a six-year period

Supporting the customer by providing worldwide services

Investing for the Future (Shipyard of the Future)



- **Increased Capacity**
- **Improved Product Flow**
- **Manufacturing Optimization**
- **Increased Utilization**

Investment in People, Processes and Facilities

Ingalls' New Ship Construction Competitive Wins

LHA 8-14
7 Ships

DDG 125-145+
10-13 Ships

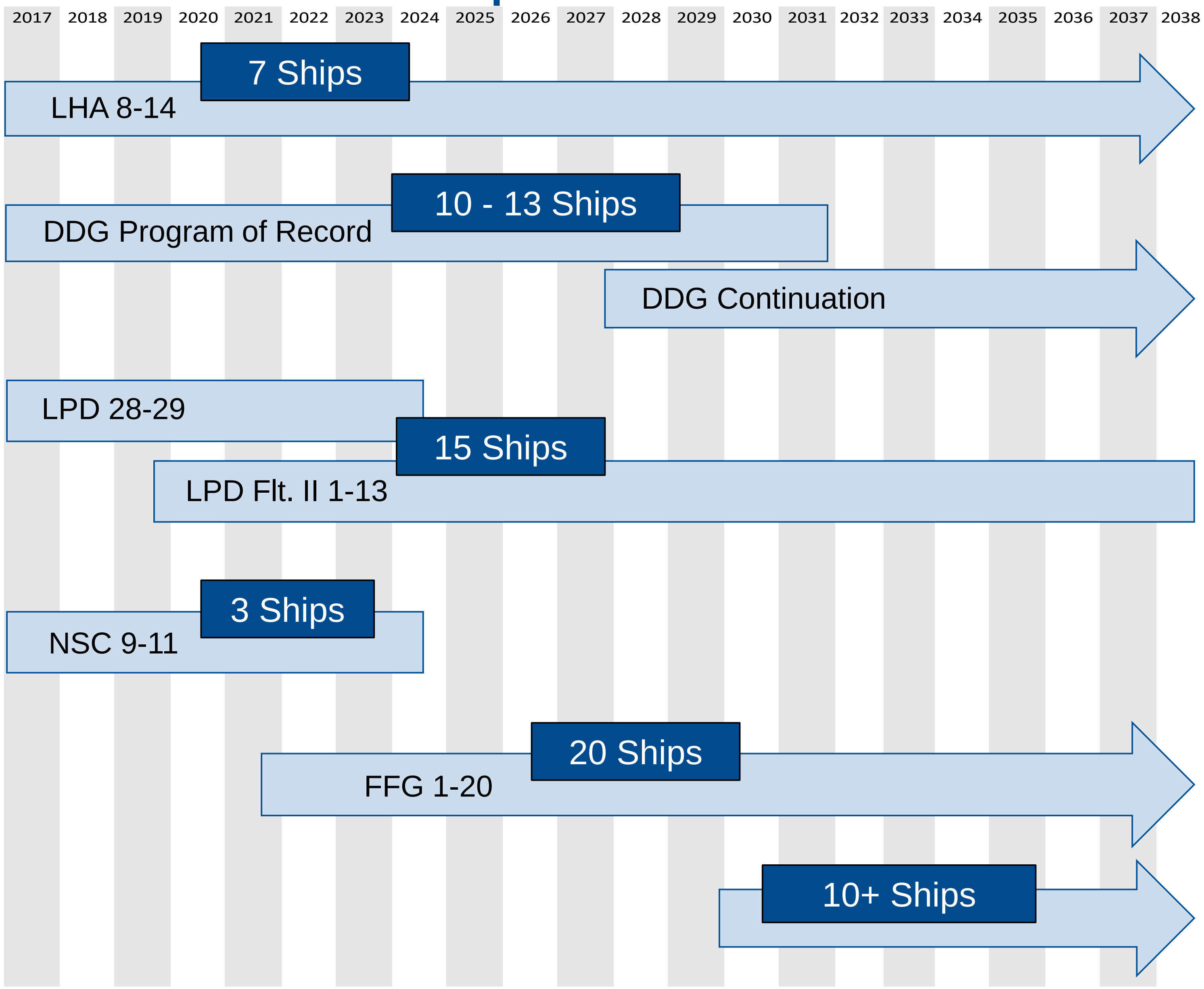
LPD 28-29
2 Ships

LPD FLT II
13 Ships

NSC 9-11
3 Ships

FFG 1-20
20 Ships

SSC/LSC
10+ Ships



Shipyard of the Future Facility (2015)

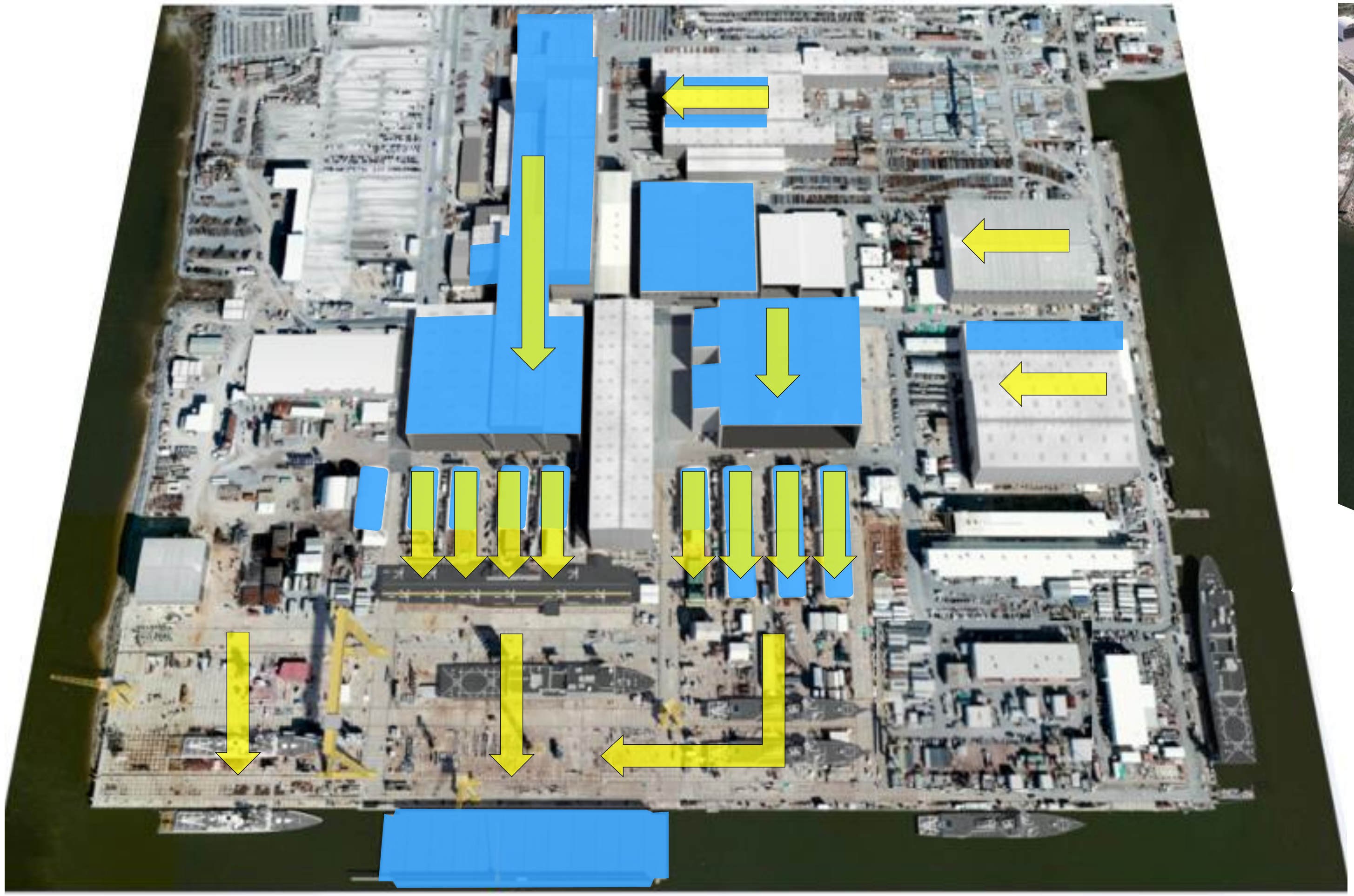
West Bank

East Bank

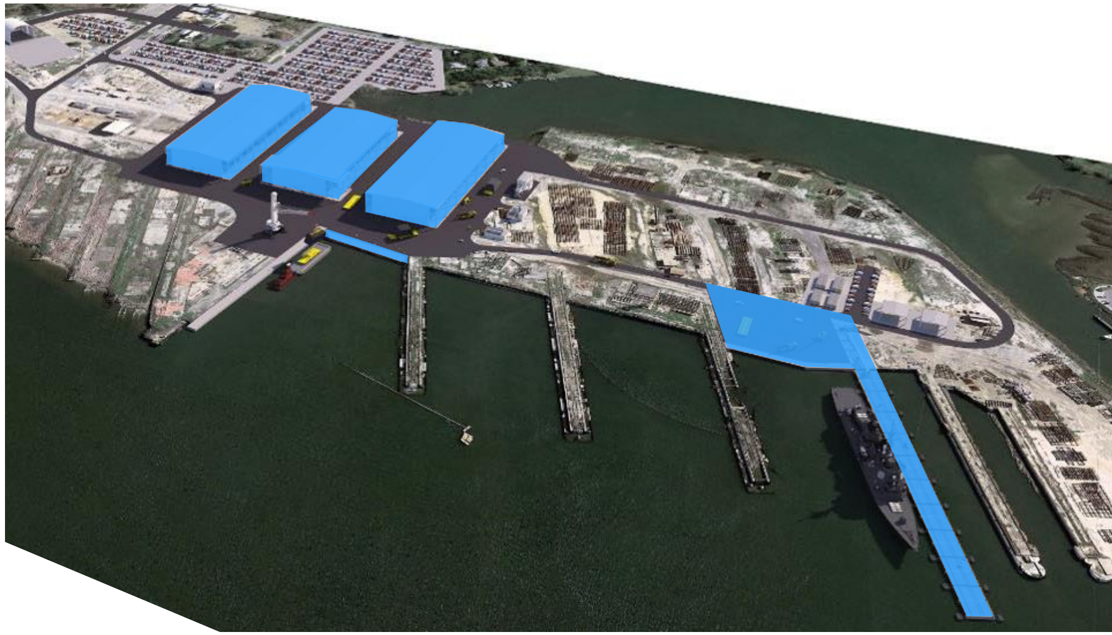
- Flow was not optimized
- Significant work outside
- 2019 summer months averaged over 95º heat index (128º peak)
- Last three years averaged over 80 rain days

Shipyard of the Future Facility (2020)

West Bank



East Bank



- Final stages of completion
- Improved product flow
- Increased utilization
- Added 1,000,000 sq. ft. of cover

Shipyard of the Future Projects

Rolling Covers – Bay 1

CSA III

Thin Panel Line

Rolling Covers – Track 6

East Bank Revitalization

Dry Dock

Increased
Cover

Increased
Capacity & Cover

Improved
Flow & Utilization

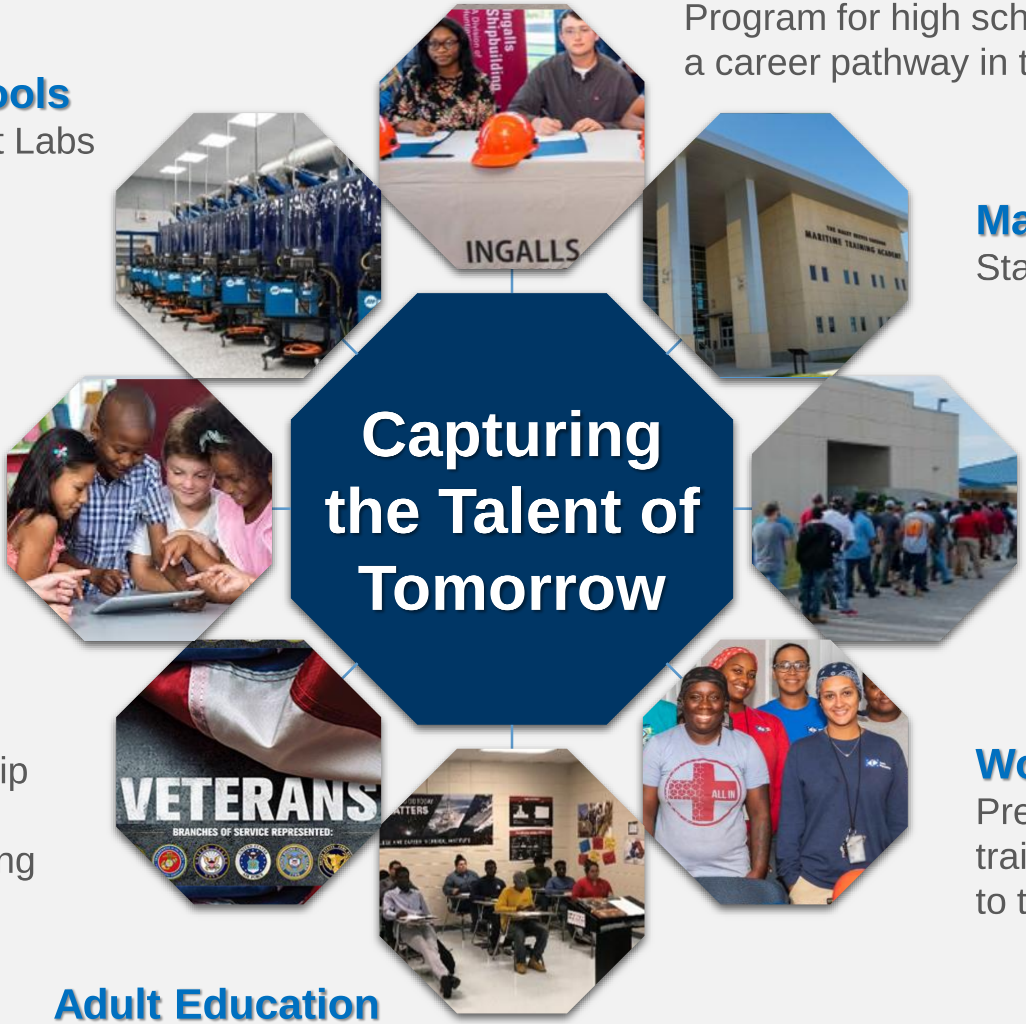
Shipbuilder of the Future – Innovating Workforce Development

Partnering with Local High Schools
Talent Development Labs

Shipbuilder Academy
Program for high school seniors to develop a career pathway in the maritime industry

Maritime Training Academy
State of the art apprentice school

Early Education
K-4 development
Discovery days
STEM



Hiring Events
Changing the way we outreach to the community – on-site/on-the-spot offers

Veterans
Veterans offer leadership qualities of successful individuals in shipbuilding

Women in Construction
Pre-apprenticeship job training program designed to train women

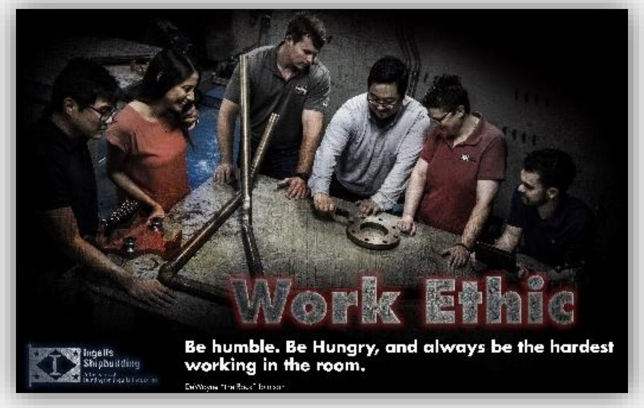
Adult Education
Educational training program for the unemployed and underemployed

Shipbuilder of the Future – High School Partnerships

- State of the art facilities and equipment to meet industry standards
- Superior technical training
- Trade leadership mentoring students

Soft Skills Curriculum

Decision Making
Perseverance
Grit
Employability
Determination
Financial Responsibility
Ownership
Communication



Summary

- Ingalls has the talent, experience and capacity to meet the nation's needs today and in the future
- Shipyard of the Future investments are essentially complete and in operation today
- Workforce development initiatives are revolutionizing the pipeline for future shipbuilders
- Recent competitive wins have created a steady, long term backlog and have positioned Ingalls for future growth opportunities

Technical Solutions

Huntington Ingalls Industries Investor Day
February 18, 2020

Andy Green
Executive Vice President and
President, Technical Solutions Division

Huntington Ingalls Industries

Technical Solutions at a Glance

Professional services provider for government and commercial partners, supporting national security missions around the globe.

~ 6,000 employees located in 45 states and 16 countries

20% with 10+ years of service	53% with security clearances	~ 1,000 engineers and scientists

Broad capabilities portfolio:

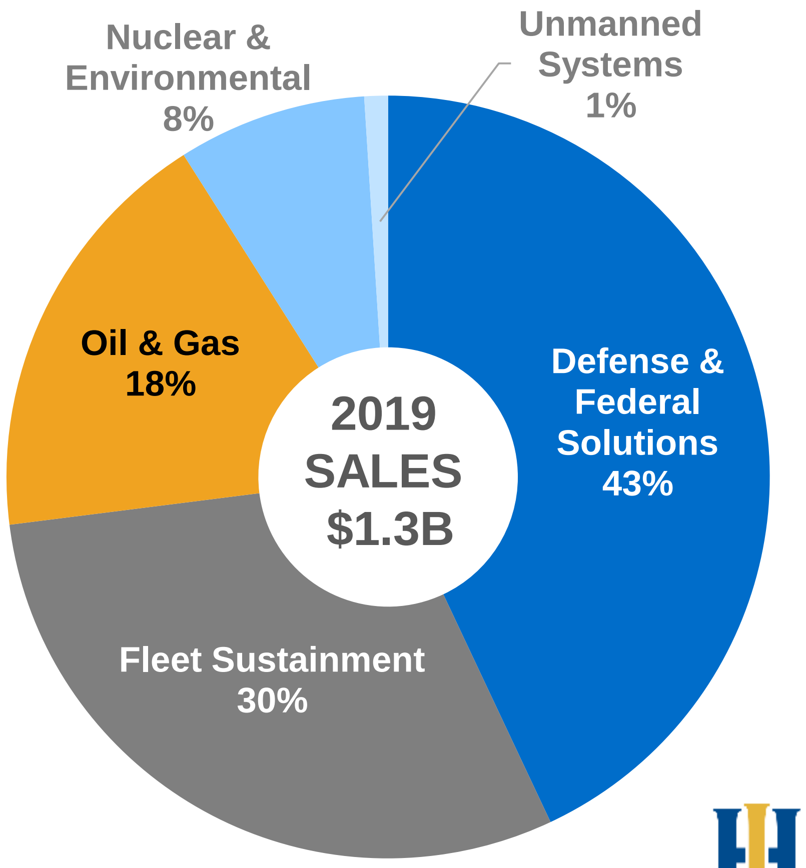
- Unmanned Systems
- Defense & Federal Solutions
- Nuclear & Environmental Services
- Fleet Sustainment

Customers include:

- U.S. Department of Defense
- Federal civilian agencies
- Australian Department of Defence
- Other commercial organizations

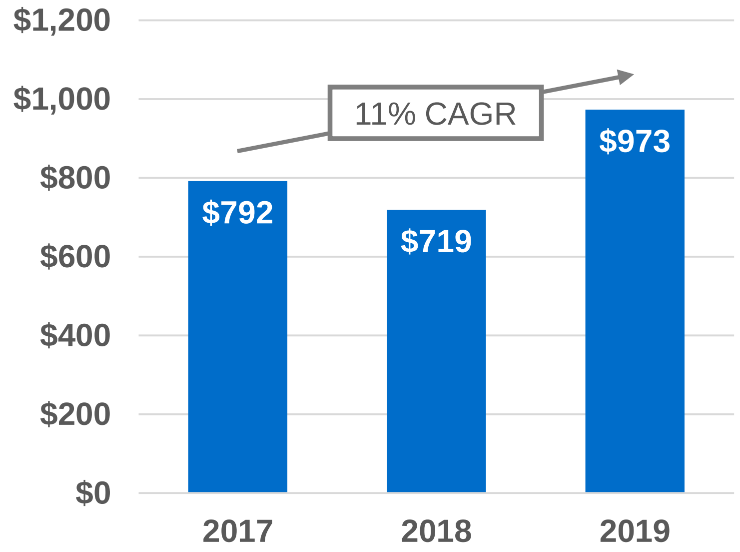
Contract vehicles include:

- OASIS
- SeaPort-e
- SAF/CDM
- SWMS
- DHS Eagle II
- GSA Alliant II
- TSA III
- DIA SIA 3

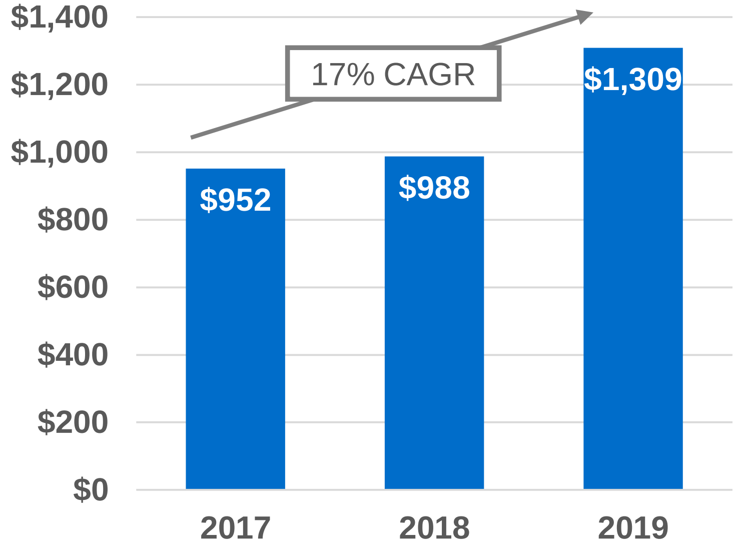


Financial Update

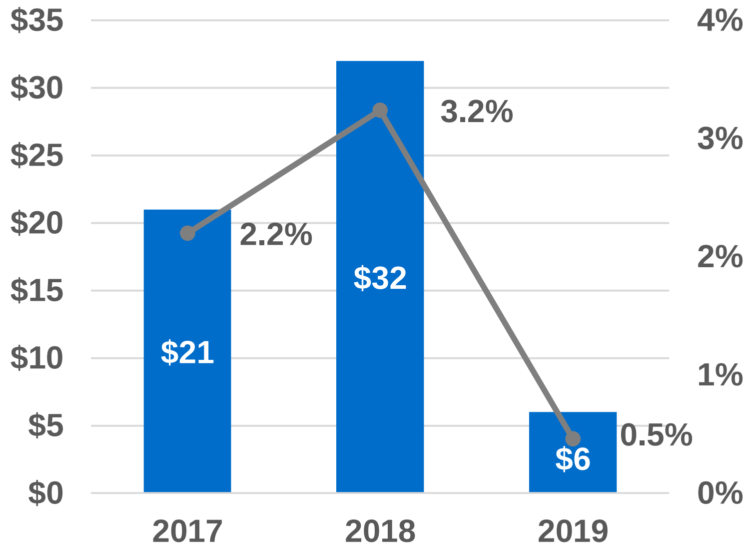
Backlog
($M)



Revenue
($M)



Segment Operating Income & Margin[1]
($M)



- Strong backlog of $973M with awards of $1.4B for 2019
- Book-to-bill: 1.1x

- Historic revenue levels, exceeding $1.3B in 2019

- Segment operating income dips in 2019 due primarily to goodwill impairment

Historic revenue in 2019; well-positioned for growth with strong backlog

[1] *Non-GAAP financial measures. See appendix for definitions and reconciliations to GAAP.*

History of Technical Solutions

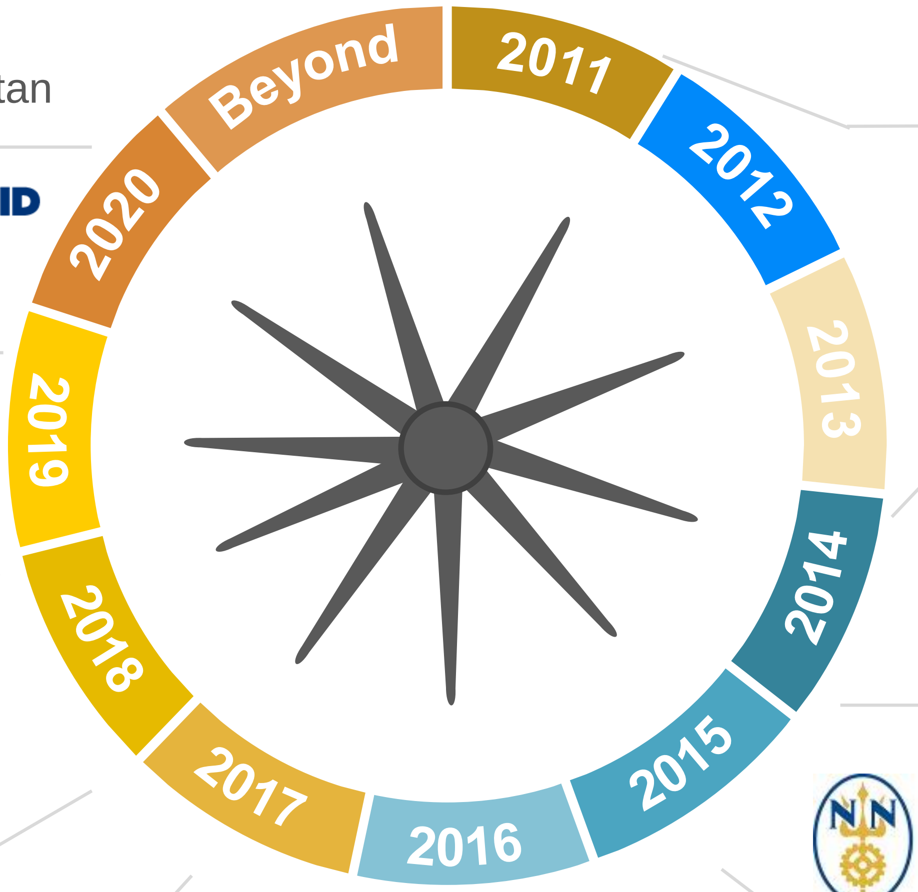
Pending ship repair partnership with Titan

Pending Hydroid acquisition strengthens HII's position as a leader in unmanned maritime systems

Fulcrum acquired, providing intelligence, engineering, software development, ISR operations

G2 acquired, providing high-end cybersecurity capabilities

Boeing partnership to develop Navy's XLUUV, establishes HII as a leader in unmanned maritime systems



Camber acquired;
Technical Solutions division formed

Huntington Ingalls Industries formed

S.M. Stoller acquired, providing nuclear and environmental services

Leveraging HII capabilities in the energy market

Engineering Solutions Division of The Columbia Group acquired, establishing deep HII expertise in unmanned undersea vehicles

Technical Solutions Overview

Market	Expertise	Differentiator
 **Unmanned Systems**	▪ Design, engineering, fabrication and operation of UUVs ▪ UUV platform sustainment and maintenance ▪ Autonomy software engineering	▪ Long history of undersea system and platform development for USN ▪ Strong positions on key unmanned programs
 **Defense & Federal Solutions**	▪ Next-generation IT ▪ C5ISR ▪ Military training and simulation ▪ Mission support services ▪ Logistics management	▪ Strong past performance and deep relationships ▪ Access to key GWAC/MACs contract vehicles ▪ Unique technical capabilities
 **Nuclear & Environmental Services**	▪ Management and operations of Department of Energy nuclear sites ▪ Execution of complex environmental remediation projects ▪ Decommissioning commercial nuclear sites	▪ Disciplined nuclear operations capability ▪ Decades of excellence in the most complex operations
 **Fleet Sustainment**	▪ Shipboard maintenance and modernization teams ▪ Advanced naval supply logistics and warehousing services ▪ Naval operational training and support	▪ Decades of excellent performance on long-term contracts ▪ Perform work on over 80% of fleet each year

Strategic Growth and Sustainment

Unmanned	Defense & Intelligence	Nuclear & Environmental

Unmanned

Unmanned Maritime Systems:

- Essential to Navy's distributed maritime operations concept
- Undersea, surface vessels, and payloads
- Expected to complement manned fleet to address growing threats

✓ Leading position on multiple critical UUV programs

Defense & Intelligence

C5ISR Services:

- Multi-domain ISR (including ISR as-a-Service); joint planning and operations

✓ Contractor-owned/operated UAVs and sensors; U-2 ISR mission planning; support in all six geographic combatant commands

Next-Generation IT:

- Cyber operations; advanced platforms and analytics; scalability, security, and resiliency

✓ Joint defensive platform development; analytics for DoD information network; wrote federal cyber standards

Training & Simulation:

- Blended reality, distributed training, and secure training architectures

✓ Simulation center operations; simulator development and modernization

Nuclear & Environmental

Department of Energy:

- Nuclear lab operations, site management, decontamination

✓ Operate LANL, SRNL, and NNSS; current cleanup at LANL

Commercial Nuclear:

- Domestic commercial nuclear power plant sites require decommissioning

✓ One of only a few companies worldwide positioned to compete

HII Capabilities: Intelligence Lifecycle Support

Intelligence Analysis

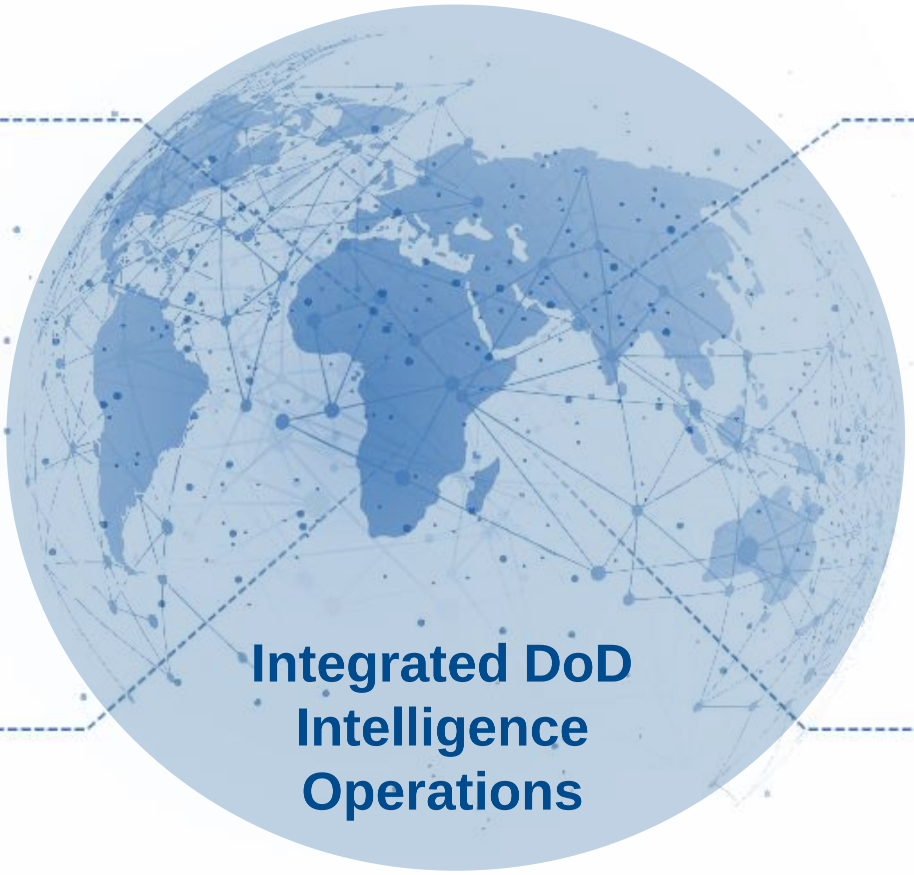
Real-time data analytics, reporting, training support

Camber fulcrum

IT & Cyber

Satellite operations, systems infrastructure, integration, security

G2 fulcrum



ISR Support

Mission planning, platform and sensor operations

Camber fulcrum

Unmanned Systems

Design, manufacture, operate, maintain systems and infrastructure

PROTEUS HYDROID[1]

Orca XLUUV

Well-positioned to secure large prime opportunities

[1] *Pending close of transaction.*

HII Capabilities: Leveraging NNS and Stoller Across DOE

Strong DoE presence with significant growth potential

Pipeline for Sustainment and Growth

Qualified Opportunities	$10.7B	YoY revenue organic growth rate[1]:	12.4%
Submissions	$1.6B	New work win rate:	46%
Awards	$1.4B	Re-compete win rate:	78%
Total Backlog	$973M	Book to Bill Ratio:	1.1x

[1] *2019 YoY revenue growth rate excluding acquisitions of G2 and Fulcrum*

Summary

- ✓ Well-positioned to capitalize on strong growth opportunities in unmanned systems, C5ISR, training and simulation, and nuclear services.
- ✓ Unique blend of technical capabilities, customer relationships, and program execution expertise.
- ✓ Organic growth will be augmented by disciplined acquisitions, providing additional capability, and improving overall competitive position.
- ✓ Execution and sustainment of the base business remains a top priority.

Huntington Ingalls Industries

Financial Review

Huntington Ingalls Industries Investor Day
February 18, 2020

Chris Kastner
Executive Vice President and
Chief Financial Officer

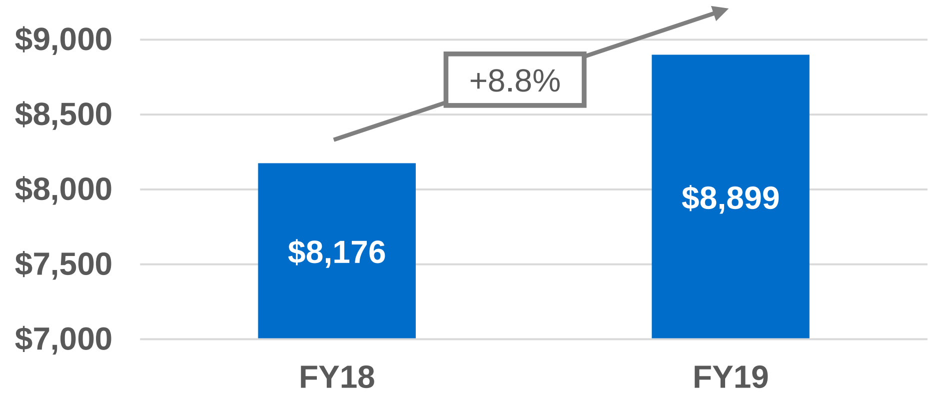
Huntington Ingalls Industries

Fiscal 2019 Results

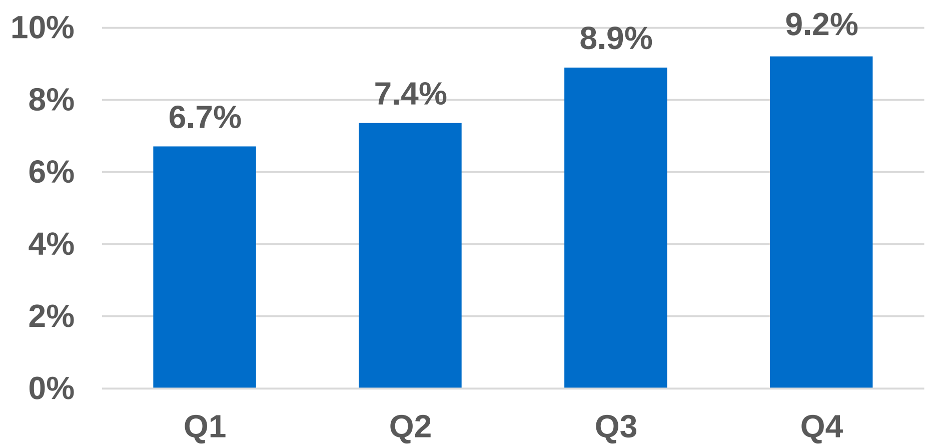
- Revenue growth of 8.8%
  - Shipbuilding grew 5.6% YoY
  - Technical Solutions grew 32.5% YoY; 12.4% organically
- 8.1% shipbuilding operating margin[2] exceeded mid-point of target
- Generated $460M of free cash flow[2]
  - Distributed $363M via dividends and share repurchases[1]
- Ended the year with $46B in backlog

Consolidated Revenues

($M)



2019 Shipbuilding Operating Margin[2]



Strong execution in 2019 with positive operating momentum heading into FY20

[1] *Share repurchases at cost, excludes $48 million purchased in 2018 but not settled for cash until 2019.*

[2] *Non-GAAP financial measure. See appendix for definition and reconciliation to GAAP.*

Successfully Executing the *Path to 2020* Strategy

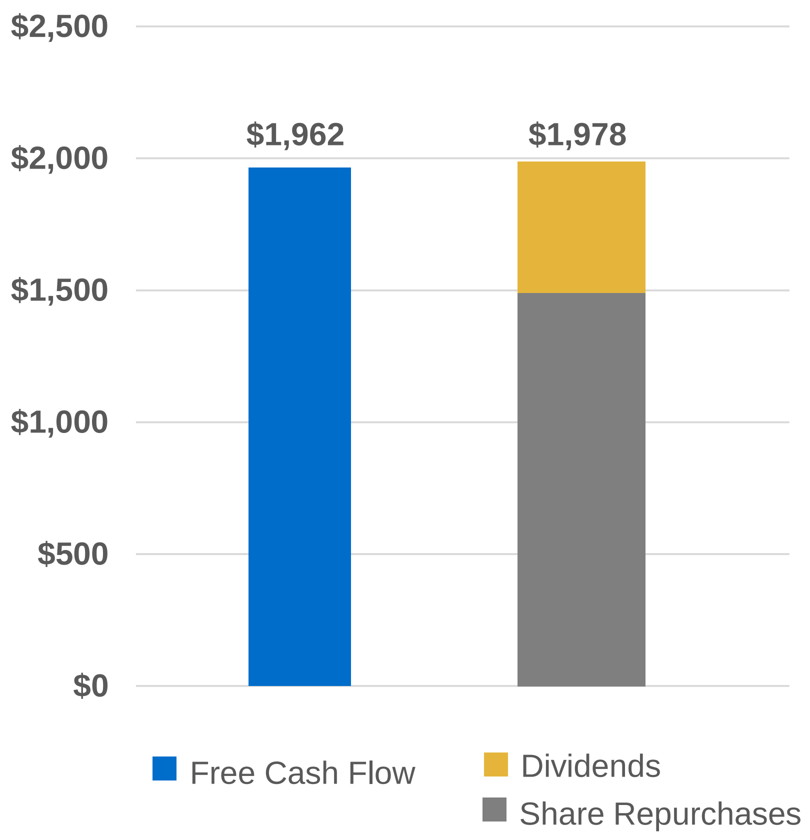
Commitments Made

- Invest ~$1.9B in shipyards 2016-20
- Return substantially all free cash flow to shareholders
  - Minimum 10% annual dividend increase
  - Execute share repurchase program
- Optimize and expand services portfolio with disciplined framework

Results to Date (FY16-19)

- ✓ ~$1.5B invested to date; complete investment in FY20
- ✓ Returned ~100% of free cash flow generated
  - Annual dividend increases have averaged ~20%
  - $1.5B in share repurchases completed
- ✓ Actively shaping Technical Solutions portfolio

FY16-19 Free Cash Flow[1] Generation & Deployment
($M)

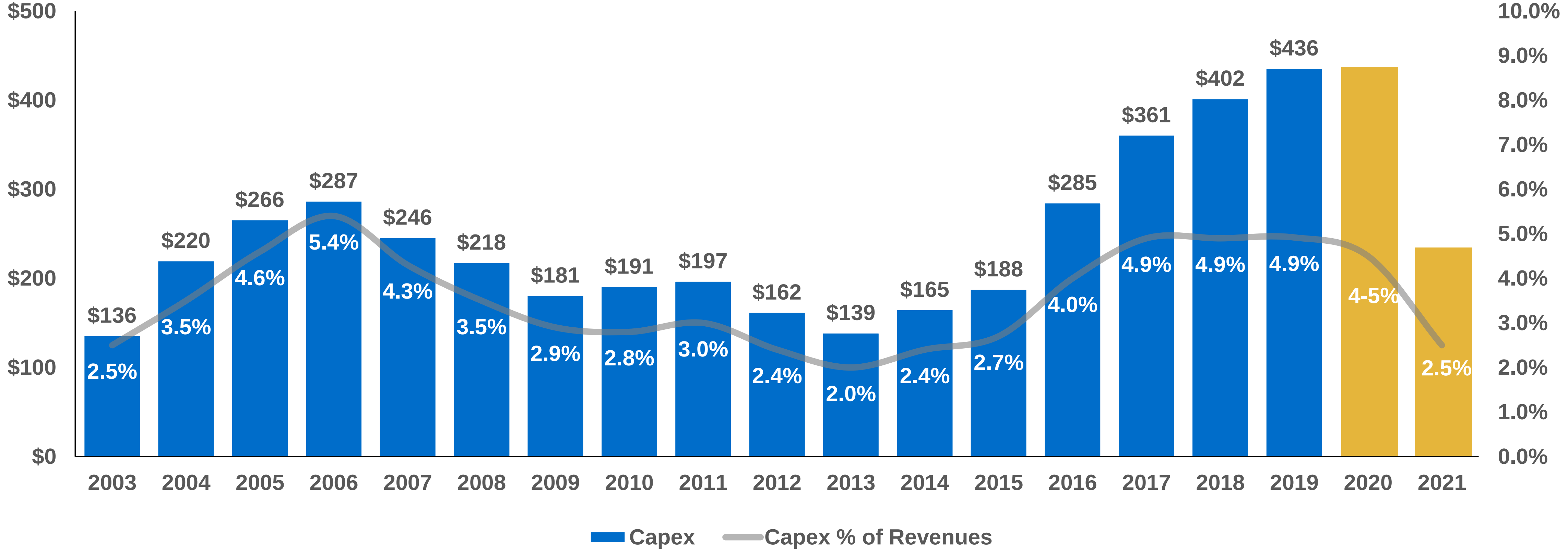


[1] Non-GAAP financial measure. See appendix for definition and reconciliation to GAAP.

Generational Capital Investment Cycle Concludes in FY20

Capital Expenditures

($M)



Facilities fully modernized for the future….declining expenditures drive higher free cash flow

Sharpening our Strategic Focus

Capabilities Added		Resulting Strategic Benefits
Stoller	Nuclear & Environmental Services	✓ Enabled key DoE wins
PROTEUS	Unmanned Maritime Systems	✓ Established HII in critical emerging naval market
Camber G2 fulcrum PIVOTAL PERFORMANCE	**Defense & Federal Solutions** ·Training & Simulation ·Next-gen IT ·Cyber operations ·C5ISR services ·Next-gen IT	✓ Enhanced HII position in multiple high-growth focus areas ✓ Added additional capabilities to cyber offerings ✓ Added additional capabilities to C5ISR offerings

In Process

HYDROID[1]	Unmanned Maritime Systems	✓ Expanding capabilities and scale in critical naval market
San Diego Shipyard[1]	Fleet Sustainment	✓ Optimizing ownership structure for all stakeholders

Refinement

UniversalPegasus INTERNATIONAL	Energy Services	✓ Refocusing strategy; exiting oil & gas business

Strengthening core capabilities and enhancing positioning through strategic partnerships and acquisitions

[1] *Pending close of transaction.*

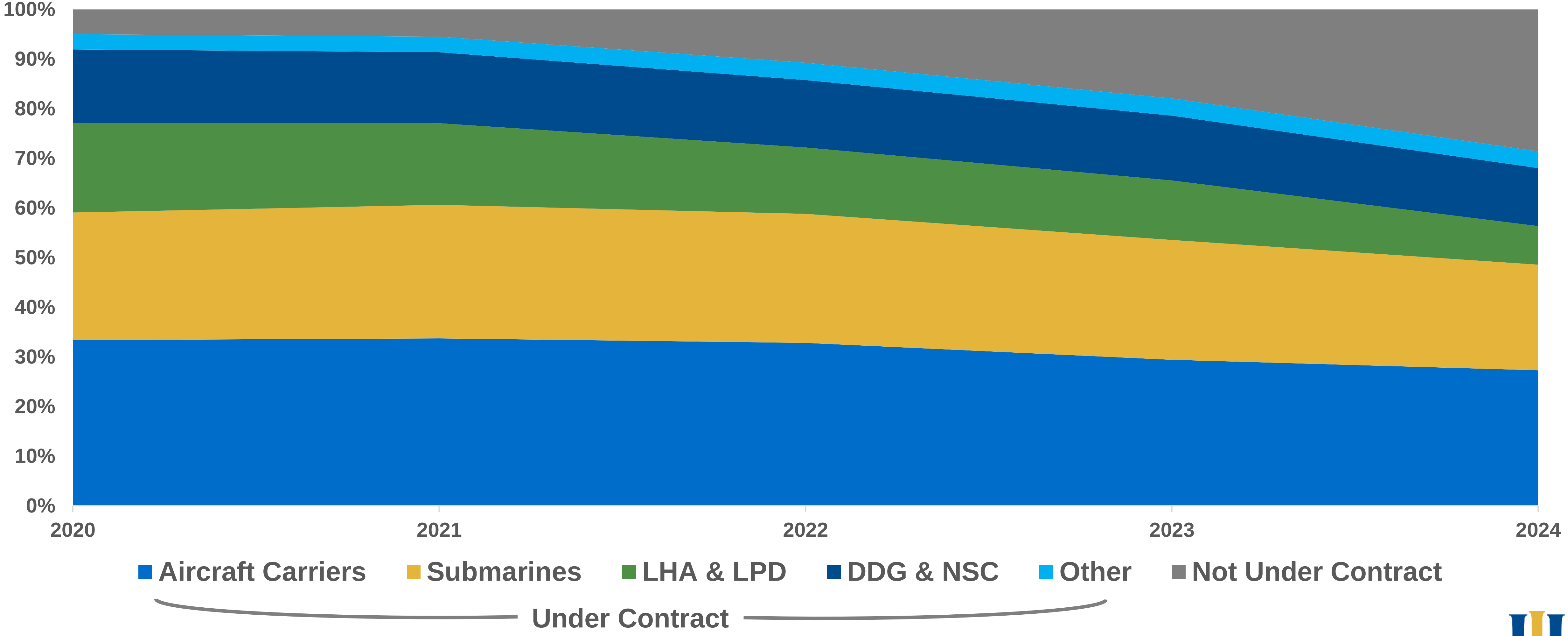
The Future:
Key Financial Considerations

- Unprecedented visibility in revenue and growth profile
- Improving segment operating margins
- Expanding free cash flow driven by growth, improving margins and lower capital expenditures
- Strong balance sheet supports:
    - Customer requirements
    - Shareholder distributions
    - Strategic flexibility

Business is well positioned for future value creation

Record Backlog Provides Significant Visibility and Stability

Over 85% of expected FY20 to FY24 shipbuilding revenue already under contract[1]



[1] *Assumes first Columbia contract (2 boats) and LPD 31 are under contract within FY20 to FY24 timeframe*

Technical Solutions
Focused on higher growth and higher margin markets

	FY20[1]-FY24 Revenue CAGR
Unmanned Systems	7-8%
Defense & Federal Solutions	5-6%
Fleet Sustainment	~2%
Nuclear & Environmental Services	- (Equity Income)
Technical Solutions	**4-5%**

Post strategic actions Technical Solutions generates revenues of ~$1B in FY20

7-9% EBITDA margin expands to 8-10% by FY24

5-7% return on sales expands to 6-8% by FY24

Technical Solutions will continue to grow organically and through M&A

[1] *FY20 revenue baseline excludes UniversalPegasus International and San Diego Shipyard results and assumes the closing of the Hydroid acquisition in the first quarter of 2020.*

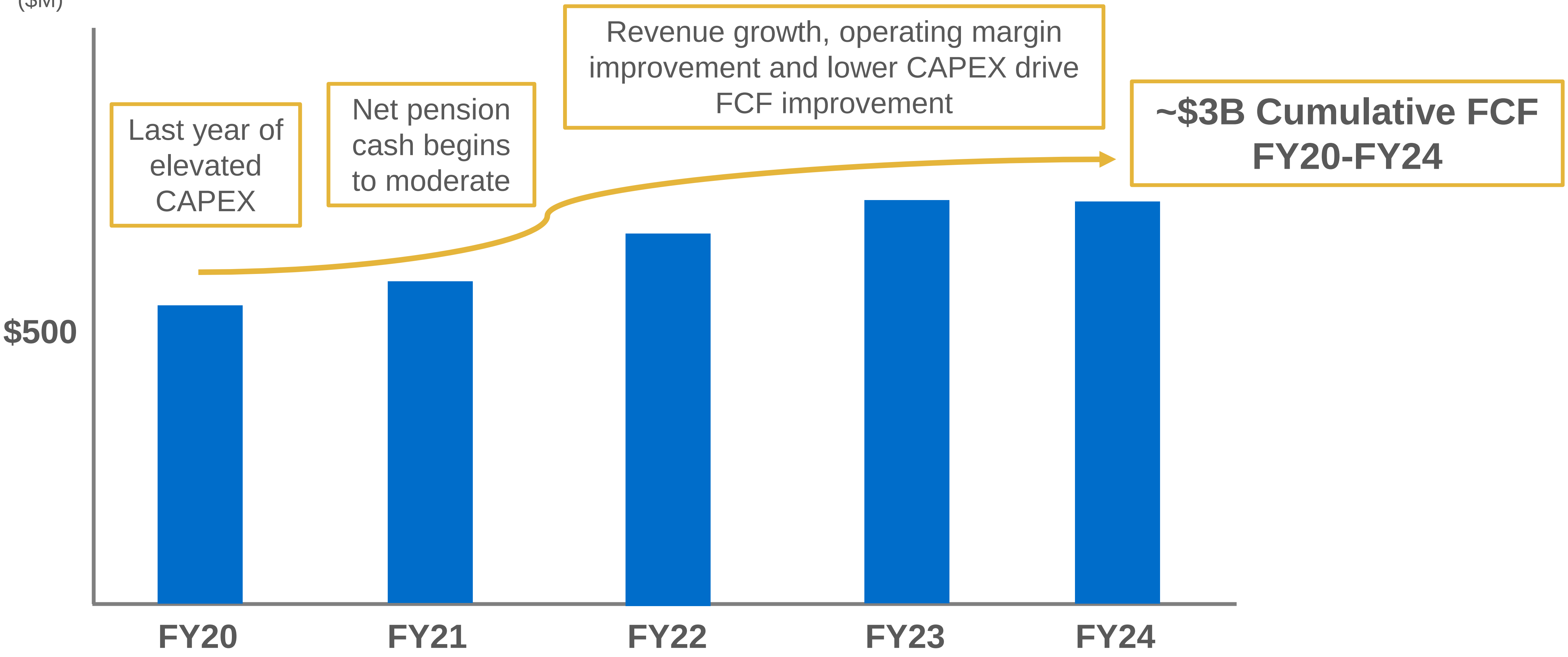
Segment Operating Income Poised to Grow

- **Shipbuilding Revenue Growth**
- **Shipbuilding Portfolio Maturity**
- **TS Growth and Focus**

[1] Non-GAAP financial measure. See appendix for definition and reconciliation to GAAP.
[2] Adjusted Segment Operating Income, which excludes the impact of 2019 goodwill impairment

Free Cash Flow Ramps

Notional Annual Free Cash Flow[1] Generation
($M)



Robust free cash flow growth

[1] *Non-GAAP financial measure. See appendix for definition and reconciliation to GAAP.*

Capital Allocation Supports Value Creation

Maintain Our Shipyards

Continue Dividend Growth

- Target ~30% pension adj. payout ratio by end of 2024

Strategically Shape Portfolio

- Returns exceed cost of capital
- Cash/EPS accretive in 2nd year

Excess Cash to Share Repurchases

- $1.2B remains on repurchase authorization through FY24
- Committed to distribute substantially all FCF FY16-FY20

Committed To Investment Grade

We can execute all capital allocation priorities

FY20-24 Outlook

- Significant revenue stability and visibility
  - Over 85% of expected shipbuilding revenue is under contract
  - Long-term shipbuilding revenue CAGR of 3% with opportunity for near-term upside (3-5% YoY growth in 2020)
  - Technical Solutions revenue CAGR of 4-5%
- Margin stability
  - Segment operating income[1] CAGR of 4-6%
  - Shipbuilding operating margin[1] of 9% in 2020, averaging 9% thereafter
- Free cash flow[1] generation of ~$3B
  - Weighted toward latter years with USS *George Washington* (CVN 73) re-delivery & *John F. Kennedy* (CVN 79) delivery
- Strong balance sheet
- Value creating capital allocation
  - Supports strategic optionality and returning excess cash

Poised for long-term value creation

[1] *Non-GAAP financial measure. See appendix for definition and reconciliation to GAAP.*

Closing Remarks

Huntington Ingalls Industries Investor Day
February 18, 2020

Mike Petters
President and Chief Executive Officer

Huntington Ingalls Industries

Closing Thoughts – We are Focused on Value Creation

We have established the foundation for shipbuilding success over the next decade	✓ $46B Backlog ✓ 3% Revenue growth w/near-term upside ✓ Improving operational performance
We are aligning our portfolio with customer requirements that will drive higher revenue and earnings growth	✓ Acquisition of Hydroid ✓ Repositioning of San Diego Shipyard ✓ Exiting Oil & Gas
We have the financial flexibility to pursue critical growth opportunities and return cash to shareholders	✓ Strong balance sheet ✓ CAPEX back to 2.5% of sales in 2021 ✓ ~$3B FCF generated from 2020-2024

HII is poised to drive growth and generate strong returns while prudently managing risk

Q&A

Mike Petters
President & CEO

Chris Kastner
EVP & CFO

Huntington Ingalls Industries

Appendix

Huntington Ingalls Industries

Acronyms

- C5ISR - Command, Control, Communications, Computers, Combat systems, Intelligence, Surveillance and Reconnaissance
- CNO - Chief of Naval Operations
- CSAF - Chief of Staff of the Air Force
- CG - Hull classification symbol for guided missile cruiser
- CVN - Hull classification symbol for nuclear powered aircraft carrier
- DDG - Hull classification symbol for guided missile destroyer
- DOD - Department of Defense
- DOE - Department of Energy
- GWAC/MACs - Government-wide acquisition contracts/Multi-agency contracts
- iDS - Integrated digital shipbuilding
- LANL - Los Alamos National Laboratory
- LCS - Littoral combat ship
- LHA - Hull classification symbol for landing helicopter assault ship
- LHD - Hull classification symbol for landing helicopter dock ship
- LPD - Hull classification symbol for landing platform dock
- NNS - Newport News Shipbuilding
- NNSA - National Nuclear Security Administration
- NNSS - Nevada National Security Site
- NSC - National Security Cutters
- RCOH - Refueling and Complex Overhaul
- ROS - Return on Sales
- SECNAV - Secretary of the Navy
- SRNL - Savanah River National Laboratory
- TS - Technical Solutions
- USV - Unmanned Surface Vehicles
- UUV - Unmanned Underwater Vehicles
- VCS - *Virginia*-class submarine
- XLUUV - Extra large unmanned undersea vehicle

Non-GAAP Measures Definitions

We make reference to “segment operating income,” “segment operating margin,” “adjusted segment operating income,” “shipbuilding operating margin,” and “free cash flow.”

We internally manage our operations by reference to segment operating income and segment operating margin, which are not recognized measures under GAAP. When analyzing our operating performance, investors should use segment operating income and segment operating margin in addition to, and not as alternatives for, operating income and operating margin or any other performance measure presented in accordance with GAAP. They are measures that we use to evaluate our core operating performance. We believe that segment operating income and segment operating margin reflect an additional way 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. We believe these measures are used by investors and are a useful indicator to measure our performance. Because not all companies use identical calculations, our presentation of segment operating income and segment operating margin may not be comparable to similarly titled measures of other companies.

Adjusted segment operating income is not a measure recognized under GAAP. It should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. We believe this measure is useful to investors because it excludes items that do not reflect our core operating performance. It may not be comparable to similarly titled measures of other companies.

Shipbuilding operating margin is not a measure recognized under GAAP. It should be considered supplemental to and not a substitute for financial information prepared in accordance with GAAP. It may not be comparable to similarly titled measures of other companies.

Free cash flow is not a measure recognized under GAAP. Free cash flow has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, analysis of our results as reported under GAAP. We believe free cash flow is an important measure for our investors because it provides them insight into our current and period-to-period performance and our ability to generate cash from continuing operations. We also 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. Free cash flow may not be comparable to similarly titled measures of other companies.

Non-GAAP Measures Definitions Cont'd

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.

Adjusted segment operating income is defined as segment operating income adjusted for the impact of the goodwill impairment in the fourth quarter of 2019.

Shipbuilding operating margin is defined as the combined segment operating margin of our Newport News Shipbuilding segment and Ingalls Shipbuilding segment as a percentage of combined sales and service revenues from our Newport News Shipbuilding segment and Ingalls Shipbuilding segment.

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

Non-GAAP Reconciliations – Segment Operating Income & Segment Operating Margin

	Year Ended December 31			
($ in millions)	2019	2018	2017	2016
Ingalls revenues	$ 2,555	$ 2,607	$ 2,420	$ 2,389
Newport News revenues	5,186	4,722	4,164	4,089
Technical Solutions revenues	1,309	988	952	691
Intersegment eliminations	(151)	(141)	(95)	(101)
Sales and Service Revenues	8,899	8,176	7,441	7,068
Operating Income	736	951	881	876
Operating FAS/CAS Adjustment	(124)	(290)	(205)	(163)
Non-current state income taxes	19	2	12	2
Segment Operating Income	631	663	688	715
As a percentage of sales and service revenues	*7.1 %*	*8.1 %*	*9.2 %*	*10.1 %*
Ingalls segment operating income	235	313	313	321
As a percentage of Ingalls revenues	*9.2 %*	*12.0 %*	*12.9 %*	*13.4 %*
Newport News segment operating income	390	318	354	386
As a percentage of Newport News revenues	*7.5 %*	*6.7 %*	*8.5 %*	*9.4 %*
Technical Solutions segment operating income	6	32	21	8
As a percentage of Technical Solutions revenues	*0.5 %*	*3.2 %*	*2.2 %*	*1.2 %*

Non-GAAP Reconciliations – Adjusted Segment Operating Income

($ in millions)	Three Months Ended December 31 2019	Three Months Ended December 31 2018	Year Ended December 31 2019	Year Ended December 31 2018
Operating income	186	213	736	951
As a percentage of sales and service revenues	*7.7 %*	*9.7 %*	*8.3 %*	*11.6 %*
Non-segment factors affecting operating income:				
Operating FAS/CAS adjustment	(30)	(72)	(124)	(290)
Non-current state income taxes	17	7	19	2
Segment Operating Income	173	148	631	663
As a percentage of sales and service revenues	*7.2 %*	*6.7 %*	*7.1 %*	*8.1 %*
Ingalls segment operating income	59	84	235	313
As a percentage of Ingalls revenues	*8.4 %*	*12.0 %*	*9.2 %*	*12.0 %*
Newport News segment operating income	133	57	390	318
As a percentage of Newport News revenues	*9.6 %*	*4.5 %*	*7.5 %*	*6.7 %*
Technical Solutions segment operating Income (loss)	(19)	7.0	6	32
Adjustment for goodwill impairment	29	-	29	-
Adjusted Technical Solutions segment operating Income (loss)	10	7	35	32
As a percentage of Technical Solutions revenues	*2.7 %*	*2.6 %*	*2.7 %*	*3.2 %*
Adjusted Segment Operating Income	202	148	660	663

Non-GAAP Reconciliations – Shipbuilding Operating Margin

	Three Months Ended			
	March 31	**June 30**	**September 30**	**December 31**
($ in millions)	**2019**	**2019**	**2019**	**2019**
Sales and service revenues	2,080	2,188	2,219	2,412
Less Technical Solutions revenues	257	336	347	369
Intersegment eliminations	26	37	39	49
Shipbuilding Revenues	1,849	1,889	1,911	2,092
Operating Income	161	175	214	186
Operating FAS/CAS Adjustment	(34)	(37)	(23)	(30)
Non-current state income taxes	2	-	-	17
Segment Operating Income	129	138	191	173
Less Technical Solutions Segment Operating Income (Loss)	5	(1)	21	(19)
Shipbuilding Operating Income	124	139	170	192
As a percentage of Shipbuilding revenues	6.7%	7.4%	8.9%	9.2%

Non-GAAP Reconciliations – Free Cash Flow

($ in millions)	Year Ended December 31 2019	2018	2017	2016
Net cash provided by (used in) operating activities	896	914	814	822
Less capital expenditures:				
Capital expenditure additions	(530)	(463)	(382)	(285)
Grant proceeds for capital expenditures	94	61	21	-
Free cash flow	460	512	453	537

Huntington Ingalls Industries

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