



# Investor Overview

March 2024

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Unless otherwise indicated, all numbers in this presentation are as of **31 December 2023**. The Company does not undertake to update this presentation or publish any of the data contained therein in the future.

# Elbit Systems | A Highly Innovative Global Defense Company



**Internationally diversified**  
presence and client base

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**Broad range of market**  
leading **products & technologies** aligned with  
customer priorities

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**Significant investment**  
**in R&D** to generate market  
leading IP

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**Large backlog**  
provides good visibility

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**Integrated and**  
supportive **supply chain**

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**Conservative balance**  
**sheet** management

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**Long-term**  
investment horizon

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Track record  
of **value creating M&A**

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# Elbit Systems at a glance



~\$9bn Market cap\* - NASDAQ & TASE listed



\$17.8 bn order backlog at Q4 23



\$6.0 bn revenues in 2023



~19,000 employees



Headquarters in Haifa, Israel



Subsidiaries in numerous countries

## O U R V I S I O N

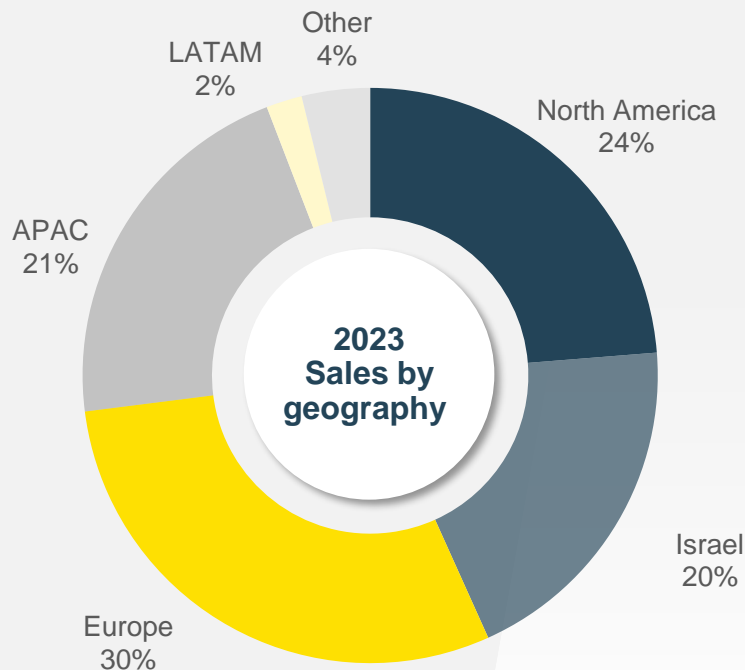
To be a  
world-leading source  
**of innovative,  
technology-based  
systems**

for diverse defense  
and civilian applications

# Geographically balanced customer portfolio

## Our **DIVERSE CLIENT BASE**

reduces exposure to defense budget fluctuations in a single country or geographic region



# Israel's largest defense company



Maintaining Israel's technological edge



Operational imperative to develop and deploy innovative solutions quickly and effectively



Access to high quality talent pool with significant operational military experience



Elbit Systems is the IDF's primary supplier of C4ISR, EW, electro-optics, training systems, avionics, cyber, artillery and unmanned systems

**Elbit Systems** develops supplies and maintains **advanced technological solutions** for the **Israel Defense Forces** and Israel's security services **in all domains**, from underwater to space.

# Broad global footprint

Elbit's global geographical presence **supports revenue growth** through the cycle **and reduces risk**



# USA | A Strong Presence in a Strategic Market



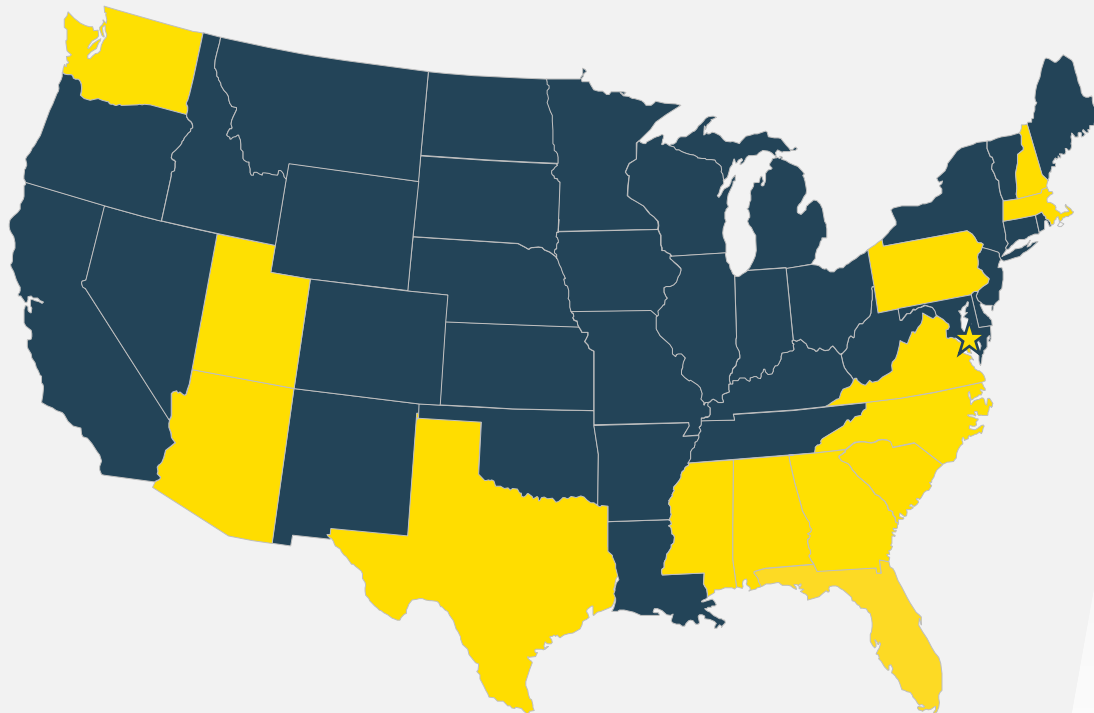
**\$1.5Bn**  
Revenues



**3,600**  
Employees














**14**  
States

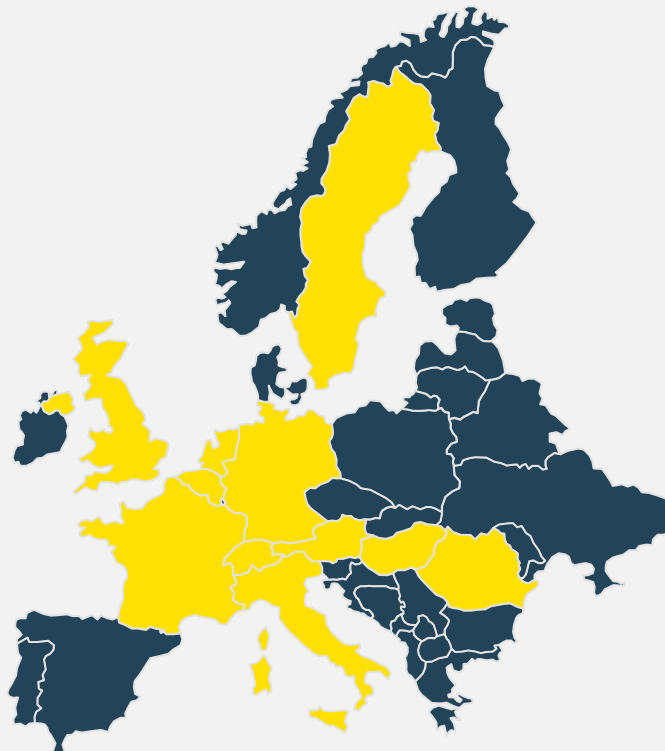


Elbit Systems is an integral part of the US Defense industrial base



# Strong Positions across Europe support organic growth

-  Austria
-  Belgium
-  France
-  Germany
-  Hungary
-  Italy
-  Netherlands
-  Romania
-  Sweden
-  Switzerland
-  United Kingdom



European subsidiaries employ hundreds of local employees and support domestic suppliers

# Sustained R&D investment and technology development...



# ..to develop and maintain market leading positions

Elbit Systems  
is a **top three**  
**global player**  
in multiple  
markets  
including:



DIRCM



Helicopter & Fixed-Wing HMD



Electronic Warfare



Laser Systems



Command and Control



Imaging Systems



Active Protection Systems

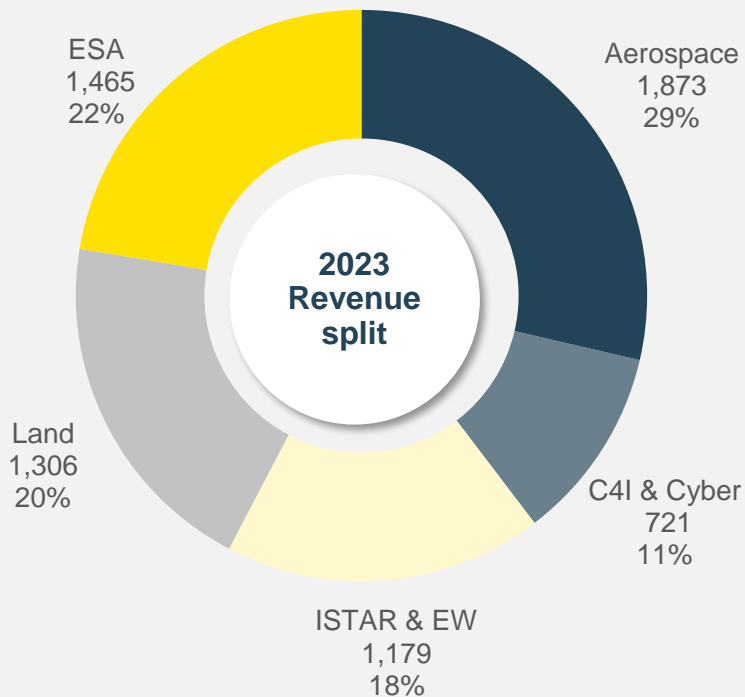


Tactical Radios

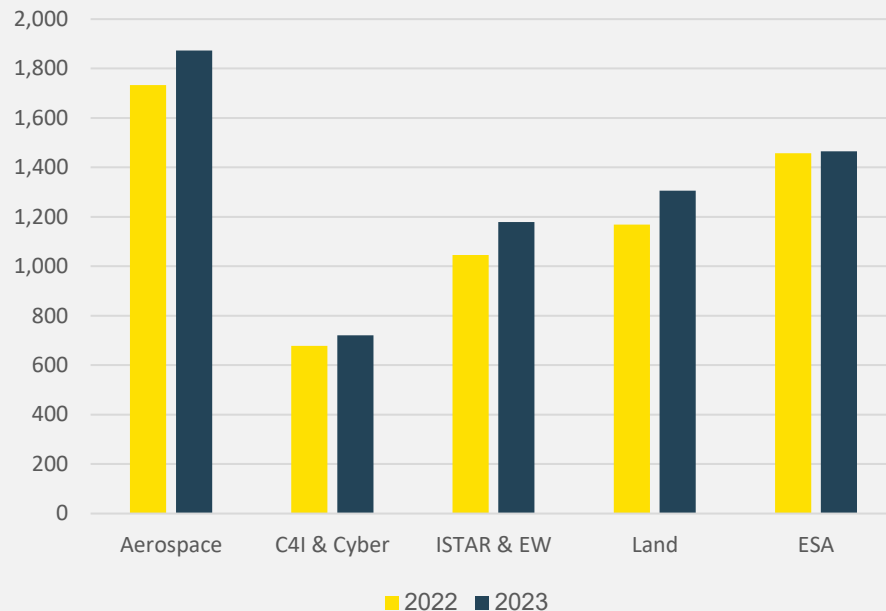


Artillery Systems

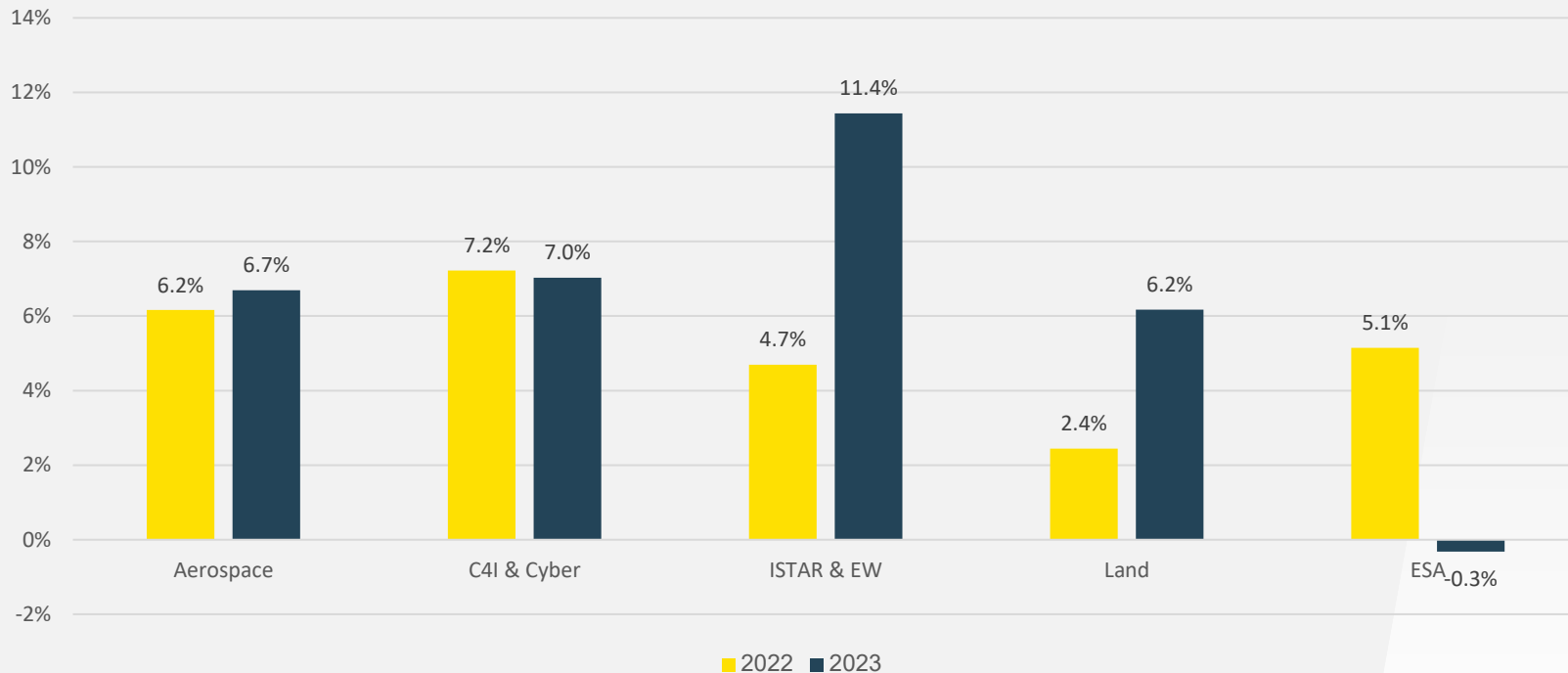
# Business Segments | Annual Revenues (\$m)



## Revenues by segment



# Business Segments | Annual Operating Income



# Aerospace

**Aerospace** provides products and systems for airborne platforms, unmanned aerial solutions, precision guided munition sensors, aerostructures, training and simulators systems as well as commercial aviation systems.



Military Fixed-wing & Helicopter systems



Training Solutions & Support



Commercial Aviation Systems & Aerostructures



Unmanned Aircraft Systems

# C<sup>4</sup>I and Cyber

C<sup>4</sup>I and Cyber provides C<sup>4</sup>ISR systems, data links and radio communication systems and equipment, cyber intelligence solutions, autonomous solutions and homeland security solutions.



Communications



Network combat systems (C<sup>4</sup>I)



Robotics & Autonomy



Cyber Intelligence

# ISTAR and EW

**ISTAR and EW** provides a wide range of electro-optic and laser systems and products and also provides a wide range of electronic warfare (EW) and signal intelligence systems.



Optronics & Laser Systems



Electronic Warfare, Signal Intelligence and Radar Systems



Naval Combat Management and Sonar Systems



# Land

**Land** provides land-based systems and products for armored and other military vehicles, artillery and mortar systems, munitions for land, air and sea applications including PGM, armored vehicle and other platforms' survivability and protection systems.



Indirect Fire Systems



Active Protections Systems



Turrets and Weapon Systems



Ammunition and Munition Systems

# Elbit Systems of America

**Elbit Systems of America** provides products, system solutions, and support services focused on the defense, homeland security, law enforcement, commercial aviation, and medical instrumentation markets. Most of ESA's revenues are from the U.S. government, its allies, or large prime U.S. defense contractors.



EW solutions



Maritime Solutions



Next Gen warfighter systems



Commercial and Military Avionics



Ground combat vehicle systems



Next Gen precision fires



Expeditionary and survivable C<sup>4</sup>I



Border Security



Medical Systems

# Generating synergies across segments | Aerial Solutions



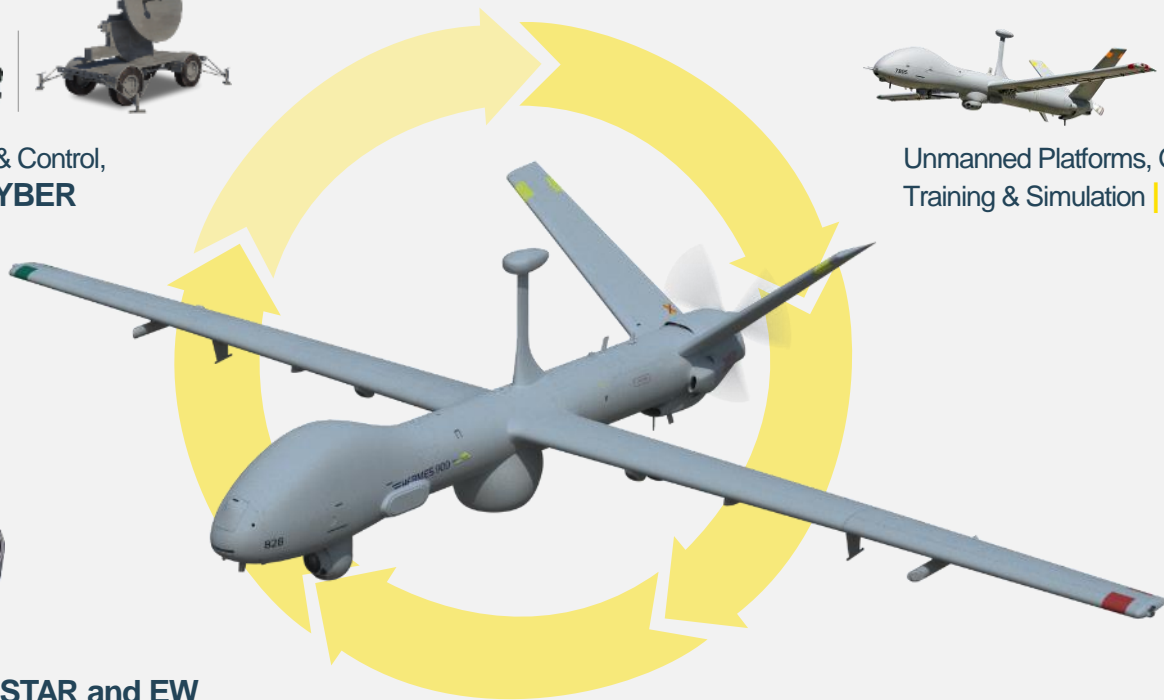
Communications, Command & Control,  
Cyber Security | **C4I and CYBER**



Unmanned Platforms, Ground Control Stations,  
Training & Simulation | **Aerospace**



Electro Optic Payloads,  
EW and SIGINT systems | **ISTAR and EW**



# Generating synergies across segments | Ground Solutions



Turrets & weapon systems, Ammunition, Active Protection Systems | **Land**



Surveillance, Target Designators, Fire Control and Electro Optic Systems | **ISTAR and EW**



Tactical Unmanned Aerial Solutions, Training & Simulation | **Aerospace**



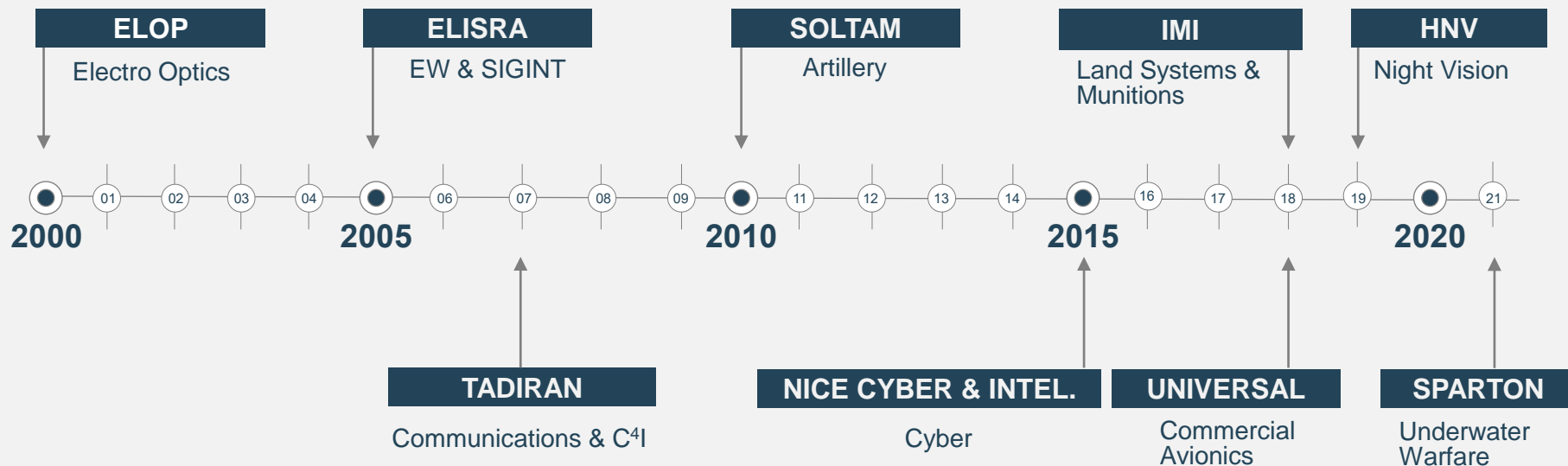
Combat Vehicle Systems, Mortars, C4I, Target Designators, next gen warfighter systems | **Elbit Systems of America**



Radios & communications Systems, Command and Control, Autonomy & Robotics | **C4I and CYBER**



# Value creating M&A | Major acquisitions



Multiple bolt on acquisitions since 2000 to acquire technologies and market positions

# Corporate Responsibility | Environmental - Social – Governance

## Caring for our communities



- We promote technological education around the world, especially among female students and youth from challenging backgrounds
- Over 5,000 of our employees volunteered in their communities in 2023
- We support our warfighters, veterans and their families

## Protecting the environment



- We are working to reduce our environmental footprint by reducing consumption of water, energy and paper, waste generation & emissions
- Our technologies help monitor the environment
- We participated in the 2023 Carbon Disclosure Project

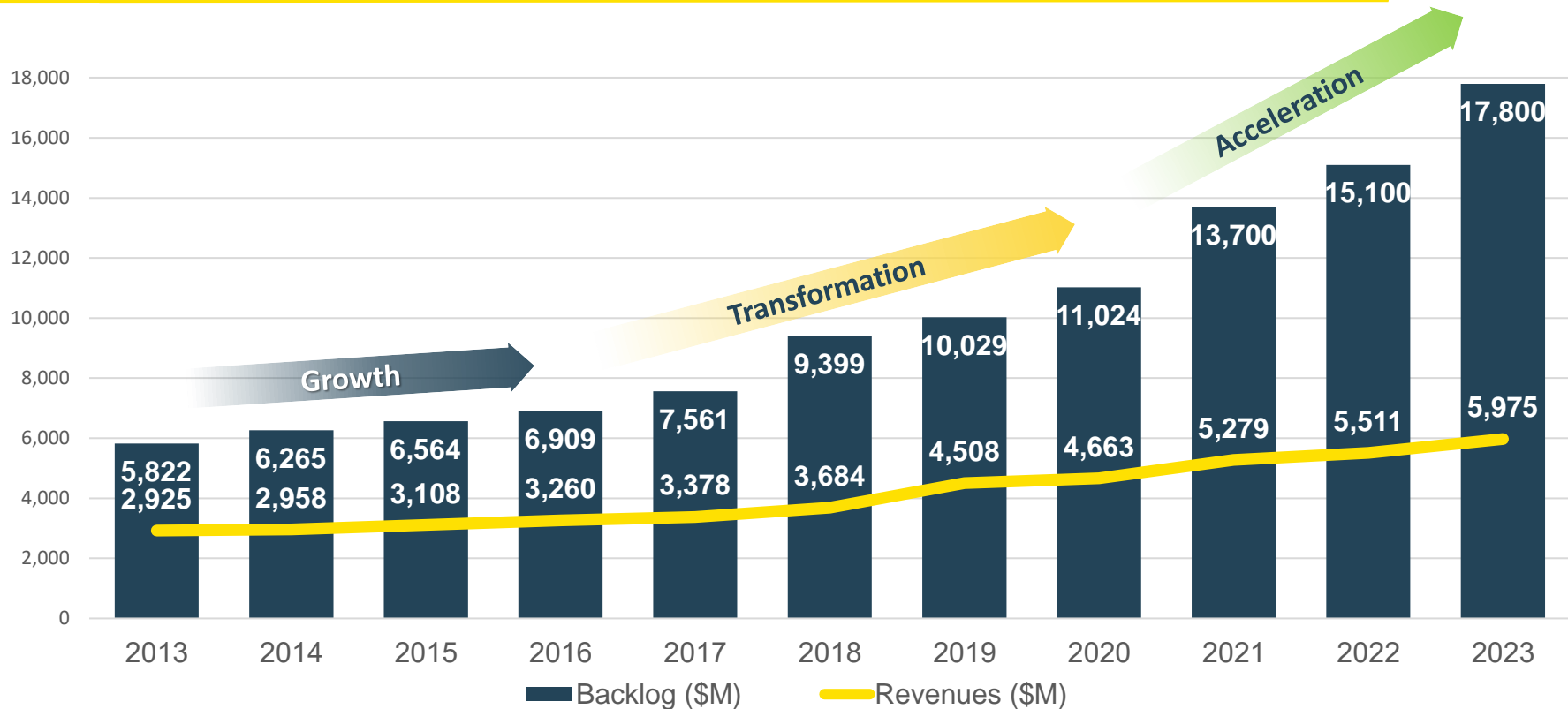
## Corporate Governance, Ethics and Anti-Corruption



- We conduct our activities based on a firm commitment to ethical and corporate governance best practices
- Our company-wide ethics compliance program incorporates a range of policies and procedures including a zero tolerance for corruption policy
- We were awarded Maala's "Platinum" rating in 2023. Elbit Systems of America was recognized by Ethisphere as one of the World's Most Ethical Companies.



# Order Backlog & Revenues | From Growth to Transformation



## 2012-2016

Backlog: 5% CAGR | Revenue: 3% CAGR

## 2016-2020

Backlog: 12% CAGR | Revenue: 9% CAGR

## 2020-2023

Backlog: 17% CAGR | Revenue: 9% CAGR

# Historic Financials

|                                  | 2019          | 2020          | 2021          | 2022          | 2023          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sales (\$M)</b>               | <b>4,508</b>  | <b>4,663</b>  | <b>5,279</b>  | <b>5,511</b>  | <b>5,975</b>  |
| <b>Non-GAAP Op. Profit (\$M)</b> | <b>379.7</b>  | <b>390.1</b>  | <b>450.8</b>  | <b>367.1</b>  | <b>448.7</b>  |
| <b>Non-GAAP Op. margin (%)</b>   | <b>8.4%</b>   | <b>8.4%</b>   | <b>8.5%</b>   | <b>6.7%</b>   | <b>7.5%</b>   |
| GAAP Op. Profit (\$M)            | 321.6         | 325.7         | 418.5         | 367.5         | 369.1         |
| GAAP Op. margin (%)              | 7.1%          | 7.0%          | 7.9%          | 6.7%          | 6.2%          |
| <b>Non-GAAP EPS (\$)</b>         | <b>6.79</b>   | <b>7.20</b>   | <b>8.30</b>   | <b>6.03</b>   | <b>6.70</b>   |
| GAAP EPS (\$)                    | 5.20          | 5.38          | 6.20          | 6.18          | 4.82          |
| DPS (\$)                         | 1.76          | 1.67          | 1.86          | 2.00          | 2.00          |
| Operating cash Flow (\$M)        | (53)          | 279           | 417           | 240           | 114           |
| <b>Backlog (\$M)</b>             | <b>10,000</b> | <b>11,000</b> | <b>13,700</b> | <b>15,100</b> | <b>17,800</b> |

\*For non-GAAP reconciliations reference the appendix to this presentation and Elbit Systems' investor relations website



# Appendices

## Non-GAAP Financial Data

Non-GAAP financial data, including Adjusted gross profit, Adjusted operating income, Adjusted net income, and Adjusted diluted earnings per share, is presented to enable investors to have additional information on our business performance as well as a further basis for periodical comparisons and trends relating to our financial results. We believe such data provides useful information to investors and analysts by facilitating more meaningful comparisons of our financial results over time. The non-GAAP adjustments exclude amortization expenses of intangible assets related to acquisitions that occurred mainly in prior periods, capital gains related primarily to the sale of investments, Covid-19 related expenses, revaluations of investments in affiliated companies, non-operating foreign exchange gains or losses, one-time tax expenses, and the effect of tax on each of these items. We present these non-GAAP financial measures because management believes they supplement and/or enhance management's, analysts' and investors' overall understanding of the Company's underlying financial performance and trends and facilitate comparisons among current, past, and future periods.

Specifically, management uses Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders to measure the ongoing gross profit, operating profit and net income performance of the Company because the measure adjusts for more significant non-recurring items, amortization expenses of intangible assets relating to prior acquisitions, and non-cash expense which can fluctuate year to year. We believe Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders are useful to existing shareholders, potential shareholders and other users of our financial information because they provide measures of the Company's ongoing performance that enable these users to perform trend analysis using comparable data.

Management uses Adjusted diluted earnings per share to evaluate further adjusted net income attributable to the Company's shareholders while considering changes in the number of diluted shares over comparable periods. We believe Adjusted diluted earnings per share is useful to existing shareholders, potential shareholders and other users of our financial information because it also enables these users to evaluate adjusted net income attributable to Company's shareholders on a per-share basis.

The non-GAAP measures used by the Company are not based on any comprehensive set of accounting rules or principles. We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations, as determined in accordance with GAAP, and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

Investors are cautioned that, unlike financial measures prepared in accordance with GAAP, non-GAAP measures may not be comparable with the calculation of similar measures for other companies. They should consider non-GAAP financial measures in addition to, and not as replacements for or superior to, measures of financial performance prepared in accordance with GAAP.

# Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data

(US Dollars in millions, except for share and per share amount)

|   | Year Ended December 31, |                |                |                |                |
|---|-------------------------|----------------|----------------|----------------|----------------|
|   | 2019                    | 2020           | 2021           | 2022           | 2023           |
| <b>GAAP gross profit</b>                                  | <b>1,136.5</b>          | <b>1,165.1</b> | <b>1,358.0</b> | <b>1,373.3</b> | <b>1,483.0</b> |
| <b>Adjustments:</b>                                       |                         |                |                |                |                |
| Amortization of purchased intangible assets (*)           | 22.0                    | 22.7           | 26.7           | 31.7           | 27.3           |
| Restructuring of a subsidiary's activities                | —                       | —              | —              | —              | 17.5           |
| Stock based compensation (**)                             | —                       | —              | —              | 1.6            | 1.8            |
| Uncompensated labor costs related to "Swords of Iron" war | —                       | —              | —              | —              | 4.3            |
| Covid-19 related expenses and write-offs                  | —                       | 56.0           | —              | —              | —              |
| Expenses related to acquisitions                          | 55.0                    | —              | —              | —              | —              |
| Impairment of long-lived assets                           | —                       | 3.4            | —              | —              | —              |
| <b>Non-GAAP gross profit</b>                              | <b>1,213.5</b>          | <b>1,247.2</b> | <b>1,384.7</b> | <b>1,406.6</b> | <b>1,533.9</b> |
| <i>Percent of revenues</i>                                | <i>26.9%</i>            | <i>26.7%</i>   | <i>26.2%</i>   | <i>25.5%</i>   | <i>25.7%</i>   |
| <b>GAAP operating income</b>                              | <b>321.6</b>            | <b>325.7</b>   | <b>418.5</b>   | <b>367.5</b>   | <b>369.1</b>   |
| <b>Adjustments:</b>                                       |                         |                |                |                |                |
| Amortization of purchased intangible assets (*)           | 36.1                    | 39.4           | 47.0           | 49.2           | 43.9           |
| Restructuring of a subsidiary's activities                | —                       | —              | —              | —              | 17.5           |
| Stock based compensation (**)                             | —                       | —              | —              | 10.5           | 12.1           |
| Covid-19 related expenses and write-offs                  | —                       | 56.6           | —              | —              | —              |
| Expenses related to acquisitions                          | 55.0                    | —              | —              | —              | —              |
| Impairment of long-lived assets                           | —                       | 3.4            | —              | —              | —              |
| Gain from change in holdings                              | (1.2)                   | —              | —              | —              | —              |
| Capital gain  | (31.8)                  | (35.0)         | (14.7)         | (31.5)         | —              |
| Uncompensated labor costs related to "Swords of Iron" war | —                       | —              | —              | —              | 6.1            |
| Non-recurring grant                                       | —                       | —              | —              | (28.6)         | —              |
| <b>Non-GAAP operating income</b>                          | <b>379.7</b>            | <b>390.1</b>   | <b>450.8</b>   | <b>367.1</b>   | <b>448.7</b>   |
| <i>Percent of revenues</i>                                | <i>8.4%</i>             | <i>8.4%</i>    | <i>8.5%</i>    | <i>6.7%</i>    | <i>7.5%</i>    |

(\*) While amortization of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation.

(\*\*) For consistency, the Company adjusted its stock-based compensation expenses in previous periods.

# Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data

(US Dollars in millions, except for share and per share amount)

|  | Year Ended December 31, |              |              |              |              |
|--|-------------------------|--------------|--------------|--------------|--------------|
|  | 2019                    | 2020         | 2021         | 2022         | 2023         |
| <b>GAAP net income attributable to Elbit Systems' shareholders</b>     | <b>227.9</b>            | <b>237.7</b> | <b>274.4</b> | <b>275.4</b> | <b>185.1</b> |
| Adjustments:   |                         |              |              |              |              |
| Amortization of purchased intangible assets (*)                        | 36.1                    | 39.4         | 47.0         | 49.2         | 32.7         |
| Restructuring of a subsidiary's activities                             | —                       | —            | —            | —            | 17.5         |
| Stock based compensation (**)  | —                       | —            | —            | 10.5         | 12.1         |
| Covid-19 related expenses and write-offs                               | —                       | 56.6         | —            | —            | —            |
| Expenses related to acquisitions                                       | 55.0                    | —            | —            | —            | —            |
| Gain from changes in holdings  | (1.2)                   | —            | —            | —            | —            |
| Capital gain   | (31.8)                  | (35.0)       | (24.9)       | (20.5)       | —            |
| Revaluation of investment measured under fair value option             | (8.3)                   | (20.8)       | (17.3)       | 10.2         | 3.0          |
| Impairment of investments and long-lived assets                        | 3.7                     | 7.9          | —            | —            | —            |
| Non-operating foreign exchange (gains) losses                          | 24.6                    | 33.4         | 10.6         | (10.5)       | 5.7          |
| Uncompensated labor costs related to "Swords of Iron" war              | —                       | —            | —            | —            | 6.1          |
| Non-recurring grant  | —                       | —            | —            | (28.6)       | —            |
| Tax effect and other tax items, net                                    | (8.2)                   | (0.7)        | 77.8         | (6.3)        | 10.9         |
| <b>Non-GAAP net income attributable to Elbit Systems' shareholders</b> | <b>297.8</b>            | <b>318.5</b> | <b>367.6</b> | <b>279.4</b> | <b>298.8</b> |
| <i>Percent of revenues</i>   | <i>6.6%</i>             | <i>6.8%</i>  | <i>7.0%</i>  | <i>5.1%</i>  | <i>5.0%</i>  |
| <b>GAAP diluted net EPS</b>  | <b>5.20</b>             | <b>5.38</b>  | <b>6.20</b>  | <b>6.18</b>  | <b>4.82</b>  |
| Adjustments, net   | 1.59                    | 1.82         | 2.10         | 0.09         | 1.88         |
| <b>Non-GAAP diluted net EPS</b>  | <b>6.79</b>             | <b>7.20</b>  | <b>8.30</b>  | <b>6.27</b>  | <b>6.70</b>  |

(\*) While amortization of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation.

(\*\*) For consistency, the Company adjusted its stock-based compensation expenses in previous periods.



# THANK YOU

## INVESTOR CONTACTS

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