



# Investor Overview

May 2021

# Safe Harbor Statement

This presentation may contain forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended and the Israeli Securities Law, 1968) regarding Elbit Systems Ltd. and/or its subsidiaries (collectively the Company), to the extent such statements do not relate to historical or current facts. Forward-looking statements are based on management's current expectations, estimates, projections and assumptions about future events. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions about the Company, which are difficult to predict, including projections of the Company's future financial results, its anticipated growth strategies and anticipated trends in its business. Therefore, actual future results, performance and trends may differ materially from these forward-looking statements due to a variety of factors, including, without limitation: scope and length of customer contracts; governmental regulations and approvals; changes in governmental budgeting priorities; general market, political and economic conditions in the countries in which the Company operates or sells, including Israel and the United States among others; changes in global health and macro-economic conditions; differences in anticipated and actual program performance, including the ability to perform under long-term fixed-price contracts; changes in the competitive environment; and the outcome of legal and/or regulatory proceedings. The factors listed above are not all-inclusive, and further information is contained in Elbit Systems Ltd.'s latest annual report on Form 20-F, which is on file with the U.S. Securities and Exchange Commission. All forward-looking statements speak only as of the date of this release. Although the Company believes the expectations reflected in the forward-looking statements contained herein are reasonable, it cannot guarantee future results, level of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The Company does not undertake to update its forward-looking statements.

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Unless otherwise indicated all numbers in this presentation are as of 31 March 2021.

# 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



~\$6bn Market cap - NASDAQ & TASE listed



\$11.8bn order backlog at Q1 21



\$4.7bn revenues in LTM to Q1 21



~17,000 employees



Headquarters in Haifa, Israel



Subsidiaries in numerous countries

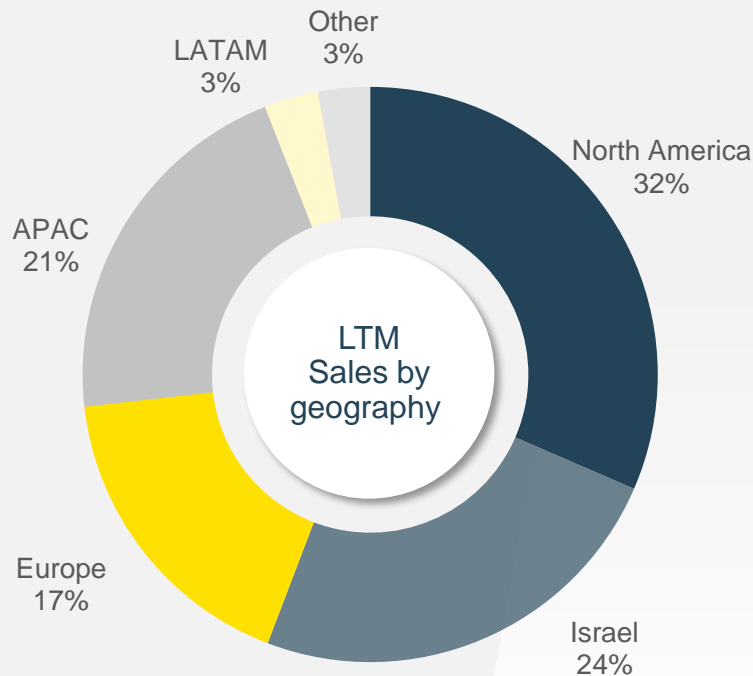
## O U R V I S I O N

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

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Operational imperative to develop and deploy innovative solutions quickly and effectively

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Access to high quality talent pool with significant operational military experience

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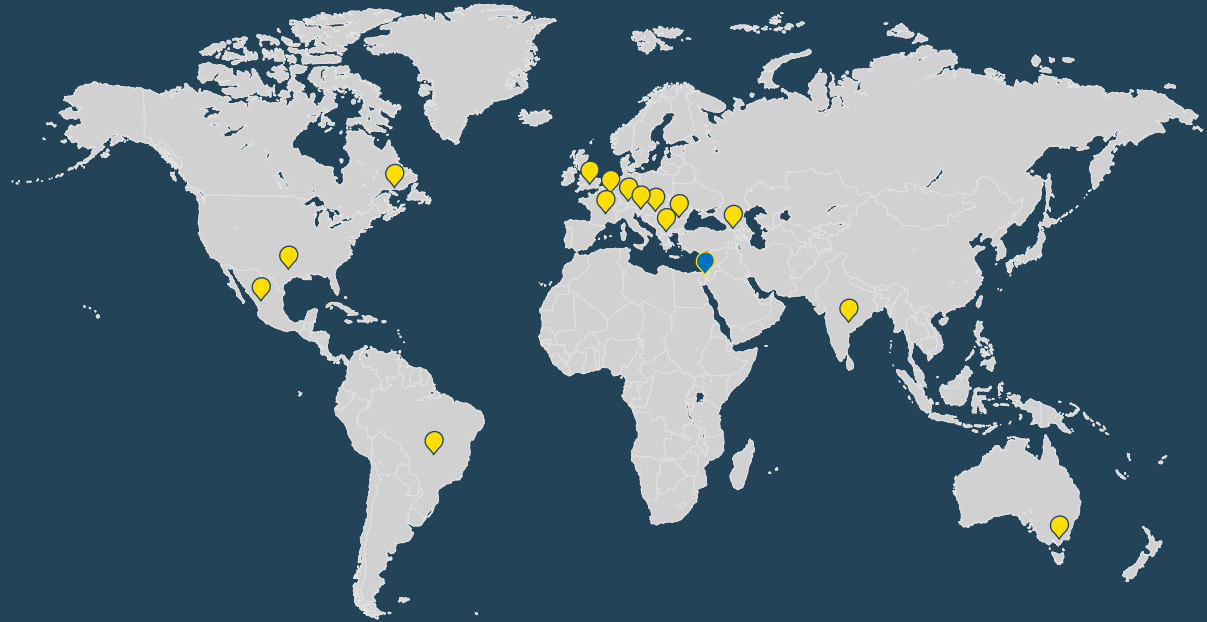


Elbit Systems is the IDF's primary supplier of C4ISR, EW, electro-optics, training systems, avionics, cyber, artillery and unmanned systems

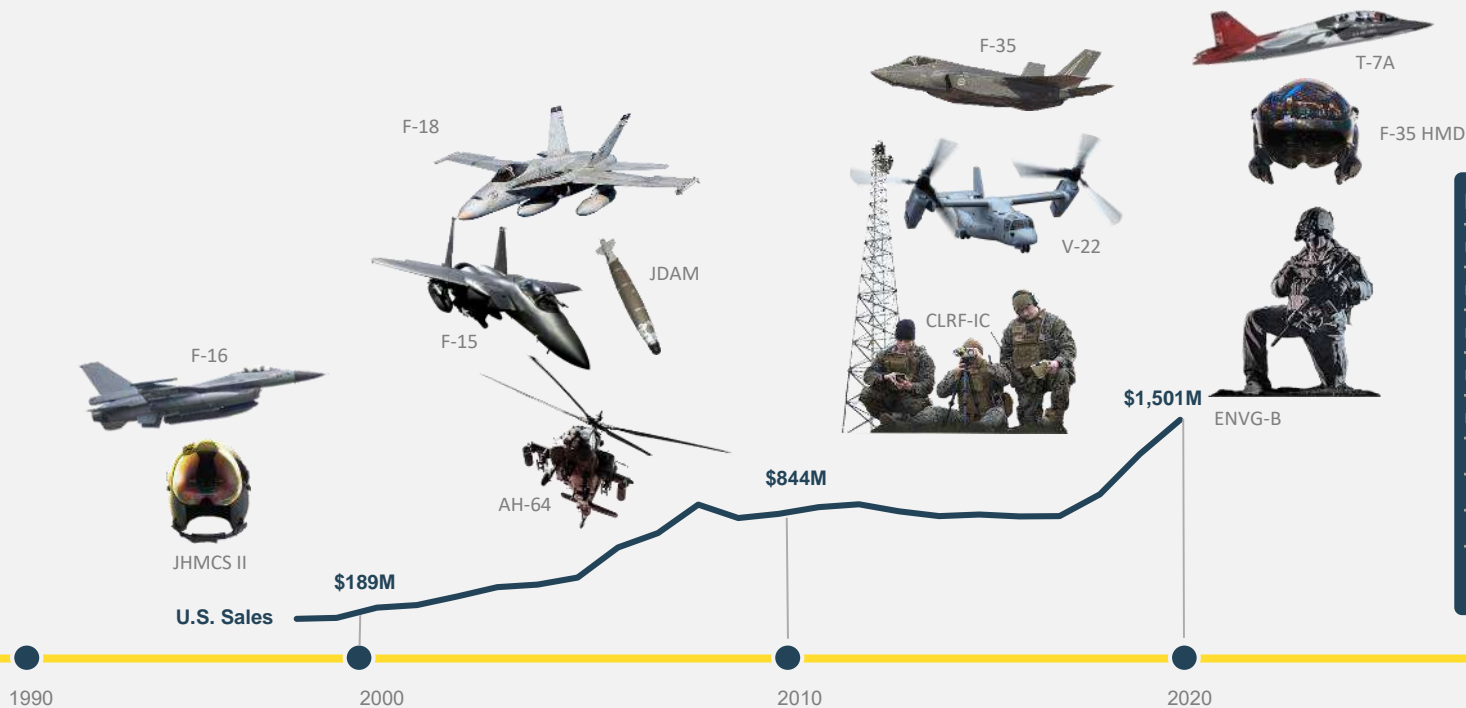
**Elbit Systems** develops supplies and maintains **advanced technological solutions** for the **Israel Defense Force** and Israel's security services **in all domains**, from underwater to space.

# Broad global footprint

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



# The U.S. is our largest market

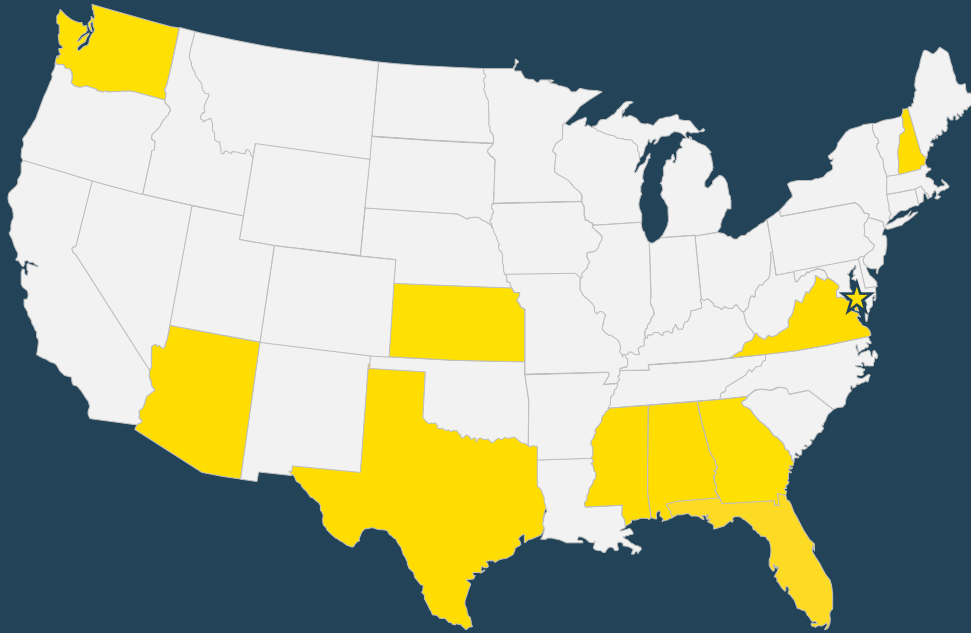


- ### Building the Future
- Missile Warning Systems
  - Air Launched Effects
  - Guided-Munitions
  - Underwater Warfare
  - Future Soldier
    - Augmented Reality
    - Digital Night Vision
    - Tactical Networks
    - Next Generation of Target Acquisition Systems





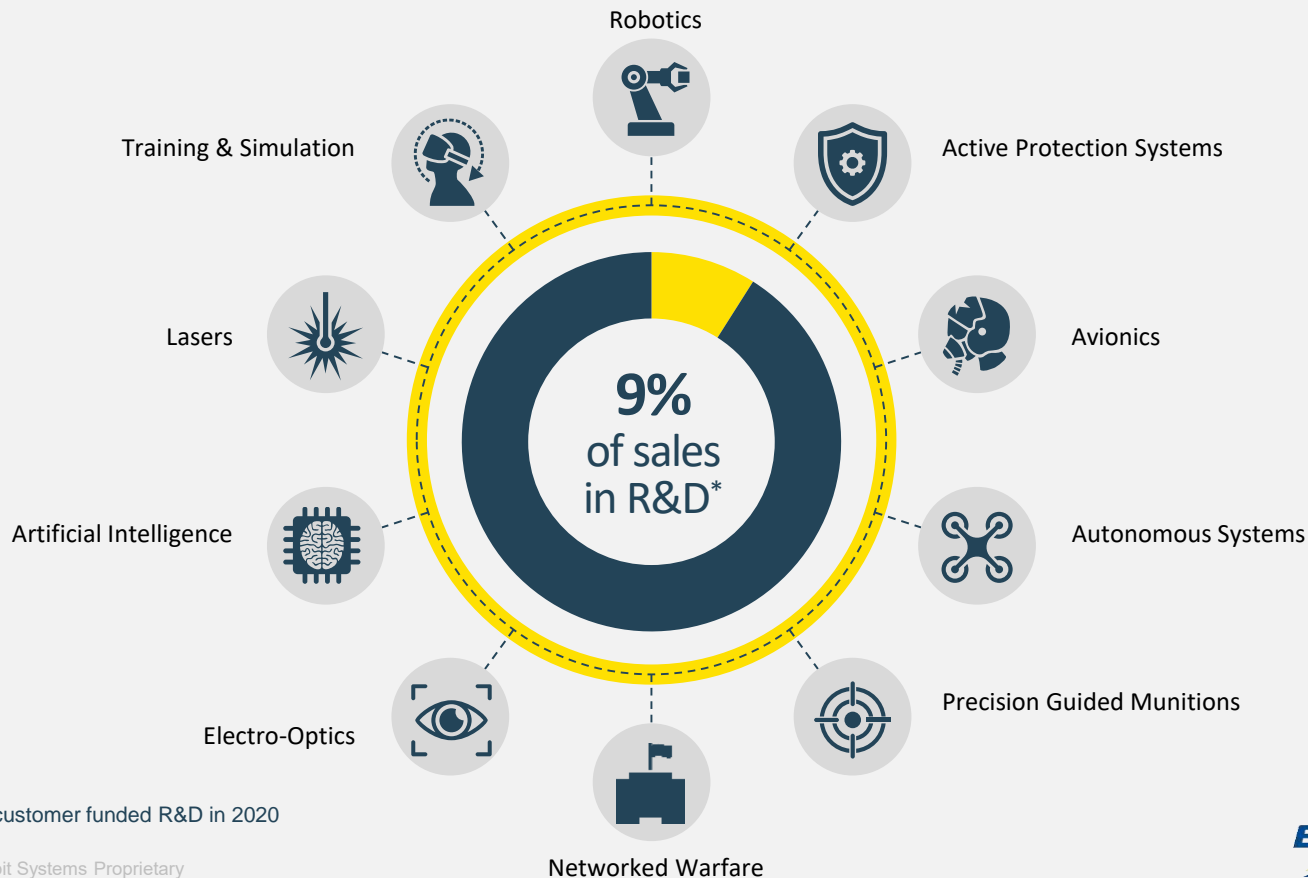
We provide advanced innovative capabilities for defense and commercial customers



- Military and Commercial Avionics
- Electronic Warfare
- Underwater Warfare
- Homeland Security
- Night Vision Systems
- Soldier Systems
- Laser Designators
- Indirect Fires
- Precision Guided Munitions

More than **2,700** employees in facilities across the US

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



\* ~8% self funded and ~1% customer funded R&D in 2020

# ..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

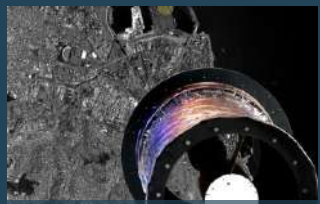


Tactical Radios



Artillery Systems

# Areas of operations



AIR & SPACE



LAND



NAVAL



HOMELAND SECURITY



CYBER

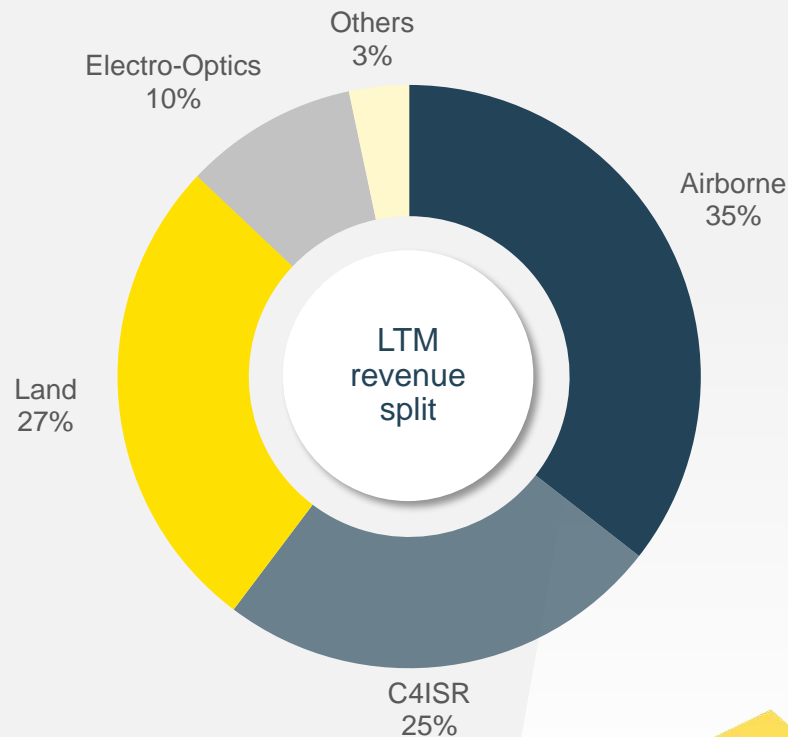


UNMANNED
















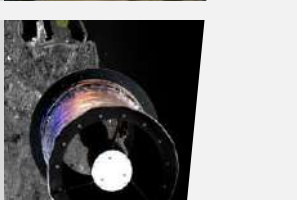


COMMERCIAL

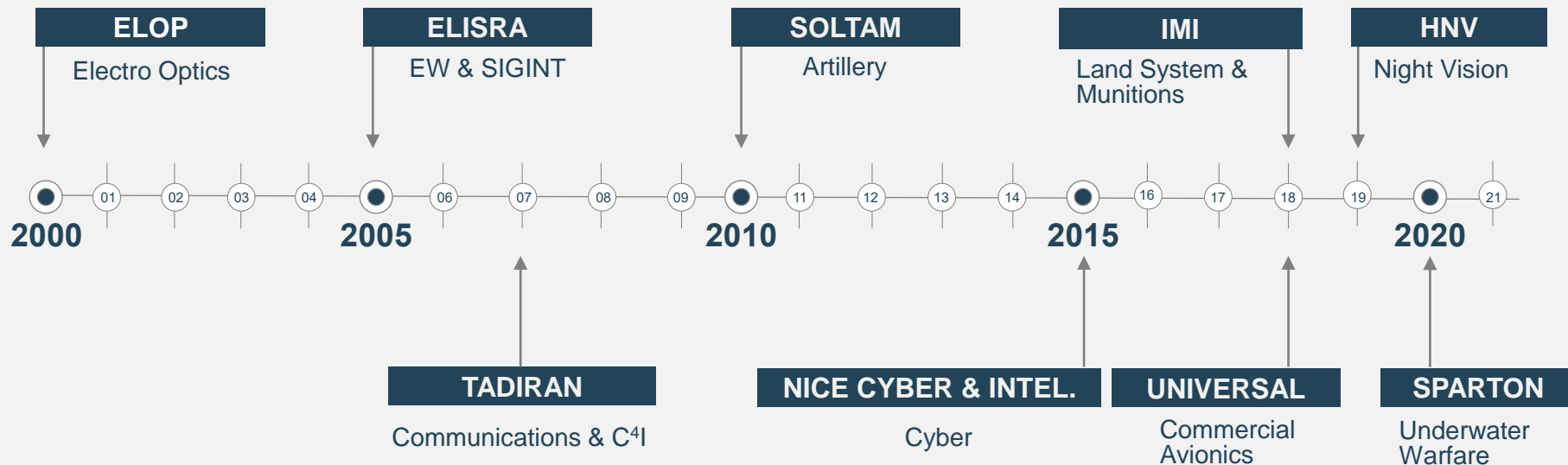
Broad product portfolio provides solutions to **multiple domains and markets**



# Business Lines

<p><b>Airborne Systems</b></p>	<p>Helicopter &amp; Fixed-Wing HMD</p>		<p>Avionics &amp; Aircraft Upgrades</p>		<p>Electronic Warfare</p>		<p>Training &amp; Simulation</p>	
<p><b>C4ISR</b></p>	<p>Command &amp; Control Systems</p>		<p>Advanced Comm's &amp; Networks,</p>		<p>Naval and Maritime</p>		<p>Unmanned Systems for Intelligence Operations</p>	
<p><b>Land</b></p>	<p>Combat Vehicle Systems</p>		<p>Artillery Systems</p>		<p>Unmanned Ground Platforms</p>		<p>Active Protection Systems</p>	
<p><b>Electro Optics</b></p>	<p>Visual and Thermal Imaging</p>		<p>Lasers &amp; EO Counter Measures</p>		<p>Integrated Payloads</p>		<p>Space &amp; Airborne ISR</p>	

# Value creating M&A | Major acquisitions



Multiple bolt-on acquisitions since 2000 to acquire technologies or 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
- 5,100 of our employees volunteered in their communities in 2020, supporting the less fortunate and those impacted by the COVID-19 pandemic
- 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 2020 Carbon Disclosure Project

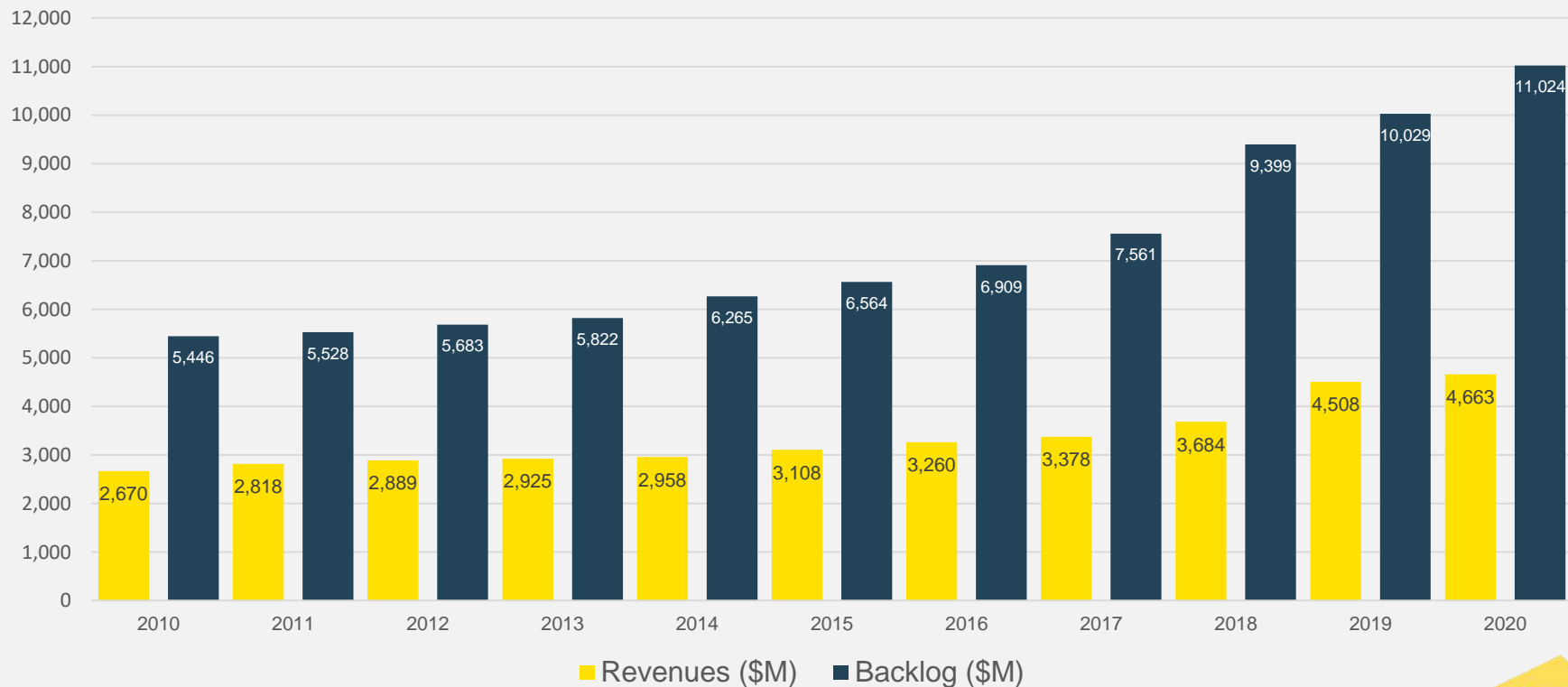
## Corporate Governance, Ethics and Anti-Corruption



- 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 highest "Platinum+" rating, 14<sup>th</sup> year in a row



# Revenues & backlog | Growth through the cycle





# Historic Financials

						Three Months	
	2017	2018	2019	2020	3M 20	3M 21	
<b>Sales (\$M)</b>	3,378	3,684	4,508	4,663	1,071	1,118	
<b>Non-GAAP Op. Profit (\$M)</b>	353.0	340.7	379.7	390.1	90.4	92.9	
<b>Non-GAAP Op. margin (%)</b>	10.5%	9.2%	8.4%	8.4%	8.4%	8.3%	
GAAP Op. Profit (\$M)	324.4	292.8	321.6	325.7	80.4	83.8	
GAAP Op. margin (%)	9.6%	7.9%	7.1%	7.0%	7.5%	7.5%	
<b>Non-GAAP EPS (\$)</b>	6.41	6.25	6.79	7.20	1.63	1.72	
GAAP EPS (\$)	5.59	4.83	5.20	5.38	1.44	1.64	
DPS (\$)	1.76	1.76	1.76	1.67	0.35	0.44	
Operating cash Flow (\$M)	101	192	(53)	279	(9.9)	(13.1)	
<b>Backlog (\$M)</b>	7,561	9,399	10,029	11,024	10,790	11,797	

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

# Appendix

## Non-GAAP Financial Data

Non-GAAP financial data 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 by facilitating more meaningful comparisons of our financial results over time. Such non-GAAP information is used by our management to make strategic decisions, forecast future results and evaluate our current performance. However, 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.

The non-GAAP financial data below includes reconciliation adjustments regarding non-GAAP gross profit, operating income, net income and diluted EPS. In arriving at non-GAAP presentations, companies generally factor out items such as those that have a non-recurring impact on the income statements, various non-cash items, including significant exchange rate differences, significant effects of retroactive tax legislation, changes in accounting guidance and other items and financial transactions not considered to be part of regular ongoing business, which, in management's judgment, are items that are considered to be outside the review of core operating results. In our non-GAAP presentation, we made certain adjustments as indicated in the table below.

These non-GAAP measures 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 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,				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
<b>GAAP gross profit</b>	<b>1,003.1</b>	<b>976.2</b>	<b>1,136.5</b>	<b>1,165.1</b>	<b>289.4</b>	<b>281.3</b>
<u>Adjustments:</u>						
Amortization of purchased intangible assets	22.2	19.1	22.0	22.7	6.0	4.9
Covid-19 related expenses and write-offs	—	—	—	56.0	—	—
Expenses related to acquisitions	—	66.6	55.0	—	—	—
Impairment of long-lived assets	—	—	—	3.4	—	—
<b>Non-GAAP gross profit</b>	<b>1,025.3</b>	<b>1,061.9</b>	<b>1,213.5</b>	<b>1,247.2</b>	<b>295.4</b>	<b>286.2</b>
<i>Percent of revenues</i>	<i>30.4%</i>	<i>28.8%</i>	<i>26.9%</i>	<i>26.7%</i>	<i>27.6%</i>	<i>25.6%</i>
<b>GAAP operating income</b>	<b>324.4</b>	<b>292.8</b>	<b>321.6</b>	<b>325.7</b>	<b>80.4</b>	<b>83.8</b>
<u>Adjustments:</u>						
Amortization of purchased intangible assets	28.6	26.5	36.1	39.4	10.0	9.1
Covid-19 related expenses and write-offs	—	—	—	56.6	—	—
Expenses related to acquisitions	—	66.8	55.0	—	—	—
Impairment of long-lived assets	—	—	—	3.4	—	—
Gain from change in holdings	—	(45.4)	(1.2)	—	—	—
Capital gain	—	—	(31.8)	(35.0)	—	—
<b>Non-GAAP operating income</b>	<b>353.0</b>	<b>340.7</b>	<b>379.7</b>	<b>390.1</b>	<b>90.4</b>	<b>92.9</b>
<i>Percent of revenues</i>	<i>10.5%</i>	<i>9.2%</i>	<i>8.4%</i>	<i>8.4%</i>	<i>8.4%</i>	<i>8.3%</i>

## 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,				Three Months Ended March 31,	
	2017	2018	2019	2020	2020	2021
<b>GAAP net income attributable to Elbit Systems' shareholders</b>	<b>239.1</b>	<b>206.7</b>	<b>227.9</b>	<b>237.7</b>	<b>63.6</b>	<b>72.5</b>
Adjustments:						
Amortization of purchased intangible assets	28.6	26.5	36.1	39.4	10.0	9.1
Covid-19 related expenses and write-offs	—	—	—	56.6	—	—
Expenses related to acquisitions	—	66.8	55.0	—	—	—
Gain from changes in holdings	—	(45.4)	(1.2)	—	—	—
Capital gain	—	—	(31.8)	(35.0)	—	—
Revaluation of investment measured under fair value option	—	—	(8.3)	(20.8)	(3.2)	—
Impairment of investments and long-lived assets	—	17.6	3.7	7.9	—	—
Non-operating foreign exchange losses	—	3.4	24.6	33.4	2.9	(4.2)
Tax effect and other tax items, net	6.2	(8.1)	(8.2)	(0.7)	(1.3)	(1.2)
<b>Non-GAAP net income attributable to Elbit Systems' shareholders</b>	<b>273.9</b>	<b>267.5</b>	<b>297.8</b>	<b>318.5</b>	<b>72.0</b>	<b>76.2</b>
<i>Percent of revenues</i>	<i>8.1%</i>	<i>7.3%</i>	<i>6.6%</i>	<i>6.8%</i>	<i>6.7%</i>	<i>6.8%</i>
<b>GAAP diluted net EPS</b>	<b>5.59</b>	<b>4.83</b>	<b>5.20</b>	<b>5.38</b>	<b>1.44</b>	<b>1.64</b>
Adjustments, net	0.82	1.42	1.59	1.82	0.19	0.08
<b>Non-GAAP diluted net EPS</b>	<b>6.41</b>	<b>6.25</b>	<b>6.79</b>	<b>7.20</b>	<b>1.63</b>	<b>1.72</b>



# THANK YOU

## INVESTOR CONTACTS

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