GENERAL DYNAMICS

3Q19 Highlights

October 23, 2019

Forward-Looking Statements

This presentation contains information about the company's expectations of future performance, including future financial or operating performance. This information constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, and is identified by words such as "forecast" or "outlook". Forward-looking statements are based on management's current expectations, estimates, projections and assumptions. **These statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict.** Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors. Additional information regarding these factors is contained in the company's filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. All forward-looking statements speak only as of the date they were made. General Dynamics does not undertake any obligation to update or publicly release any revisions to any forward-looking statements to reflect events, circumstances or changes in expectations after the date of this presentation.

Financial Highlights

($ in millions, except for EPS)	3Q19	3Q18	% Change
Revenue	$9,761	$9,094	7.3%
Operating Earnings	$1,216	$1,135	7.1%
Earnings from Cont. Ops.	$913	$864	5.7%
Earnings per Share*	$3.14	$2.89	8.7%
EBITDA**	$1,414	$1,352	4.6%

Solid Performance Created by Delivering Value to the Customer

- Revenue up 7.3% or $667M, YTD up 10.7% or $2.8B
  - Aerospace up 22.8% or $464M
  - Defense Segments delivered 5% organic growth
- Operating performance reflects focus on execution
  - Operating earnings up 11.6% sequentially on 2.2% revenue growth
  - Aerospace sequential improvement driven by operating efficiencies

** EPS is diluted from Cont. Ops.*

*** See Appendix (page 10) regarding this non-GAAP financial measure*

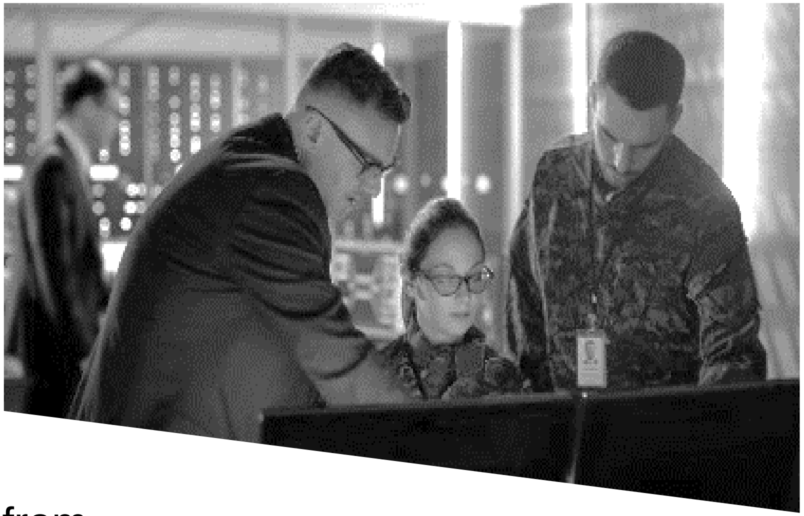
Aerospace

- Revenue up 22.8% to $2.5B, YTD up 19.5% to $6.9B
  - ✓ Delivered 38 aircraft vs. 27 in 3Q18
- Operating margins expanded 30 bps sequentially to 15.8%
  - ✓ Margins without pre-owned aircraft sales hit 16.4%
  - ✓ Ongoing focus to match cost with output
- First G600 delivery in August
  - ✓ Four delivered within 90 days of certification
- Launch of the G700 expands Gulfstream product line
  - ✓ Largest cabin volume for any business jet
  - ✓ Compelling range of 7,500 nm at Mach 0.85
  - ✓ First flight anticipated shortly
  - ✓ First customer deliveries anticipated in 2022
- Expanded service capability for growing global fleet
  - ✓ Opened additional MRO facilities in Appleton, WI and Savannah, GA
  - ✓ Received approval to open new hangar and renovated FBO at Teterboro, NJ

Combat Systems

- Revenue up 14.2% to $1.7B; YTD up 12.0% to $5.0B
- Margins up 60 bps sequentially to 15.2%
- Book-to-bill of 1.3x; funded backlog tops two years of revenue
- Awarded $1.3B from Canada for 360 armored combat support vehicles (ACSV)
- Submitted proposal for U.S. Army's Optionally Manned Fighting Vehicle (OMFV), the Bradley replacement
- Awarded $70M for Navy's F-35 Joint Strike Fighter gun systems
- Solid demand for munitions and ordnance
- $2B contract negotiation with Spain to provide first batch of 348 Piranha V Based 8x8 wheeled vehicles
- U.S. delivered first vehicles of 60-Stryker order to Thailand as part of army's modernization and M-113 replacement

Information Technology



- Revenue of $2.1B down as a result of divestitures and program timing
- Cash Flow YTD a robust 150% of Net Income
- Continued YTD win rate of 75%; recompete rate of 91%
- Book-to-bill for Q3 and YTD of 1.2x underscores strength of combined business
- Total Estimated Contract Value rose to $27.2B from $26.8B in 2Q19
- Awarded share of $2.5B IDIQ for Navy C4ISR installation services
- Awarded $280M in potential contract value for VA claims processing using AI
- Integration ahead of schedule, demonstrating ability to improve operating efficiencies
  - Footprint consolidation of more than 1 million square feet
  - Continued improvement of indirect-to-direct headcount ratio
  - Improved employee mobility and staffing capabilities

Mission Systems

- Revenue up 5.2% to $3.7B YTD
- Margins up 60 bps to 15.2% in Q3
- Book-to-bill of 1.2x; YTD book-to-bill somewhat above 1.0x
- Awarded $295M potential for the Prophet Enhanced Communications System
- Awarded $65M for Strategic Submarine Weapon System Fire Control
- Awarded $45M contract for mine detecting Knifefish UUV production

- Recent certification from NSA for new TACLANE-Nano encryptor
  - Selected to join the Northrop Grumman team for Ground Based Strategic Deterrent (GBSD) proposal

Marine Systems

- Revenue up 11.6% to $2.2B; YTD up 6.7% to $6.6B
- Margins up 100 basis points to 9.4% in Q3
- Awarded $1.6B for ESB 6 and 7 support ships, and option for ESB 8
- Awarded $175M for engineering, design and support for operational strategic and attack submarines, including options the total is $1B
- Awarded $110M for planned maintenance of the USS Kearsarge, a Wasp-class amphibious assault ship services
- Completed construction of the Virginia Payload Module Special Fixture building at Quonset Point, RI, to support construction of the newest version of Virginia Class

Appendix

Non-GAAP Financial Measures

$ in millions

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Earnings before interest, taxes, depreciation and amortization:				
Earnings from continuing operations	**$ 913**	$ 864	**$ 2,464**	$ 2,449
Interest, net	**114**	114	**350**	244
Provision for income tax, net	**177**	159	**524**	504
Depreciation of property, plant and equipment	**120**	109	**352**	315
Amortization of intangible and finance lease right-of-use assets	**90**	106	**273**	227
Earnings before interest, taxes, depreciation and amortization (a)	**$ 1,414**	$ 1,352	**$ 3,963**	$ 3,739

a) We believe earnings before interest, taxes, depreciation and amortization (EBITDA) is a useful measure for investors because it provides another measure of our profitability and our ability to service our debt. We calculate EBITDA by adding back interest, taxes, depreciation and amortization to earnings from continuing operations. The most directly comparable GAAP measure to EBITDA is earnings from continuing operations.

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