GENERAL DYNAMICS

First-Quarter 2021 Highlights

April 28, 2021

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, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. 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)	Three Months 1Q21	Three Months 1Q20	Variance $	Variance %
Revenue	$9,389	$8,749	$640	7.3%
Operating Earnings	$938	$934	$4	0.4%
Operating Margin	10.0%	10.7%	- 70 bps	
Net Earnings	$708	$706	$2	0.3%
EPS, Diluted	$2.48	$2.43	$0.05	2.1%
Cash from Operations	$3	($666)	$669	
Free Cash Flow *	($131)	($851)	$720	

Good Growth in Revenue; Contributions from all Segments

** See Appendix (page 9) regarding this non-GAAP financial measure*

Aerospace

($ in millions)	Three Months 1Q21	1Q20	Variance $	%
Revenue	$1,887	$1,691	$196	11.6%
Operating Earnings	$220	$240	($20)	(8.3%)
Operating Margin	11.7%	14.2%	-250 bps	

- **1.3x Book-to-Bill**
  - Gulfstream book-to-bill 1.34x
  - Broad customer, geographic and model mix
  - Evidence of continued strong demand
- **Operating Margins In-Line with Consensus**
- **Flight Test Program for the G700 Doing Well**

Good Order Quarter

Marine Systems

	Three Months		Variance	
($ in millions)	**1Q21**	**1Q20**	**$**	**%**
Revenue	$2,483	$2,246	$237	10.6%
Operating Earnings	$200	$184	$16	8.7%
Operating Margin	8.1%	8.2%	-10 bps	

- **Revenue Increased 10.6% primarily from:**
  - Virginia Block V and Columbia construction
  - T-AO and ESB construction
- **Awarded $1.9 billion for Construction of the 10th Virginia Block V**

Backlog Contains Visible Growth

Combat Systems

($ in millions)	Three Months		Variance	
	1Q21	**1Q20**	**$**	**%**
Revenue	$1,820	$1,708	$112	6.6%
Operating Earnings	$244	$223	$21	9.4%
Operating Margin	13.4%	13.1%	+30 bps	

- **Across the Board Growth in Revenue**
  - Growth both domestically and outside the U.S.
  - Highest Q1 revenue in a decade
- **Focus on Operating Excellence Leading to Improved Margins**

Strong Operating Leverage

Technologies

($ in millions)	Three Months		Variance	
	1Q21	1Q20	$	%
Revenue	$3,199	$3,104	$95	3.1%
Operating Earnings	$306	$298	$8	2.7%
Operating Margin	9.6%	9.6%	-	
EBITDA *	$427	$426	$1	0.2%
EBITDA Margin *	13.3%	13.7%	-40 bps	

- **Organic Revenue Growth of 5.3%**
  - Information Technology grew 5% sequentially and-year-over-year
  - Strong ramp-up of new programs
- **Operating Earnings**
  - Continued strong operating earnings and EBITDA performance despite COVID-19 reimbursement without fee under CARES Act
  - Good margin performance from products business
- **Book-to-Bill over 1.1x**
  - 2.7% sequential backlog growth

Solid Revenue Growth

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

Appendix

Non-GAAP Financial Measures

($ in millions)	First Quarter 2021	2020
Earnings before interest, taxes, depreciation and amortization:		
Net earnings	**$ 708**	$ 706
Interest, net	**123**	107
Provision for income tax, net	**137**	142
Depreciation of property, plant and equipment	**136**	122
Amortization of intangible and finance lease right-of-use assets	**79**	90
Earnings before interest, taxes, depreciation and amortization *	**$ 1,183**	$ 1,167
Free cash flow from operations:		
Net cash provided (used) by operating activities	**$ 3**	$ (666)
Capital expenditures	**(134)**	(185)
Free cash flow from operations **	**$ (131)**	**$ (851)**

* 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 net earnings. The most directly comparable GAAP measure to EBITDA is net earnings.

** We believe free cash flow from operations is a useful measure for investors because it portrays our ability to generate cash from our businesses for purposes such as repaying maturing debt, funding business acquisitions, repurchasing our common stock and paying dividends. We use free cash flow from operations to assess the quality of our earnings and as a key performance measure in evaluating management. The most directly comparable GAAP measure to free cash flow from operations is net cash provided (used) by operating activities.

Non-GAAP Financial Measures – Technologies

($ in millions)	First Quarter 2021	First Quarter 2020
Earnings before interest, taxes, depreciation and amortization:		
Operating earnings	**$ 306**	$ 298
Other, net	**23**	20
Depreciation of property, plant and equipment	**35**	33
Amortization of intangible and finance lease right-of-use assets	**63**	75
Earnings before interest, taxes, depreciation and amortization *	**$ 427**	$ 426

* We believe the Technologies segment's earnings before interest, taxes, depreciation and amortization (EBITDA) is a useful measure for investors because it provides another measure of the segment's operating performance. We calculate the Technologies segment's EBITDA by adding other income, depreciation and amortization to operating earnings. The most directly comparable GAAP measure to the Technologies segment's EBITDA is operating earnings.

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