GENERAL DYNAMICS

1Q19 Highlights

April 24, 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

	1Q19	1Q18	Variance %
Revenue	$9.3B	$7.5B	22.9%
EBITDA*	$1.24B	$1.10B	12.8%
Operating Earnings	$1.01B	$1.01B	0.6%
Net Income**	$745M	$799M	(6.8)%
Earnings per Share**	$2.56	$2.65	(3.4)%
Total Backlog	$69.2B	$62.1B	11.4%

Broad-based Revenue Growth

- Revenue up 22.9% or $1.7B
  - Aerospace rose 22.7% or $415M
  - Defense up 23% or $1.3B
  - Information Technology rose $1B; organic growth of approximately 3%
- Book-to-bill of 1.2x; Defense book-to-bill was 1.1x
  - Orders totaled $10.7B, with particular strength in Aerospace, Information Technology and Marine Systems
  - Estimated potential contract value (IDIQ/Options) at $34B
- Double-digit EBITDA* growth, driven by Information Technology
- Operating margins of 10.9%; 11.5% ex-CSRA amortization

** See Appendix (page 9) regarding this non-GAAP financial measure* *** From continuing operations; EPS is diluted*

Value-Creating Capital Deployment

- Commitment to fund expansion at Marine Systems, consolidation at Information Technology and growth at Aerospace
  - Capital expenditures increased $77M to $181M
  - Full-year 2019 capital expenditures expected to be approximately 3% of revenue
- Returned $400M to shareholders
  - Repurchased 525K shares for $86M; average price @ $164.52
  - 7M shares remaining under authorization
  - In March, increased quarterly dividend by 9.7% to $1.02/share

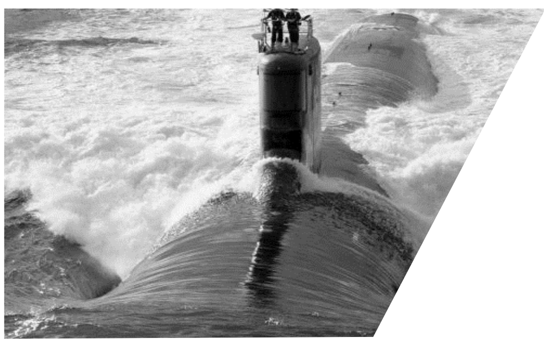
Aerospace Highlights

- Revenue grew 22.7% to $2.2B
  - ✓ Delivered 34 aircraft vs. 26 in 1Q18
  - ✓ Services expanded by over 12%
  - ✓ Services revenue exceeded $500M for 4th consecutive quarter
- Book-to-bill of 1.4x; trailing 4-quarters of nearly 1.1x
  - ✓ Broad-based demand
  - ✓ Notable interest in G500/G600
  - ✓ Healthy increase in G650 backlog
- G650 continues to demonstrate excellence
  - ✓ Set new speed and distance records for longest ever business jet flight
  - ✓ Fleet exceeds 350 aircraft
- End of transition, clear path forward
  - ✓ Seven G500 deliveries in Q1; 17 through 1Q19
  - ✓ G600 certification expected in Q2
  - ✓ Performance and productivity gains continue for the 500/600 nacelle line

Defense Highlights

Combat Systems

- ✓ Revenue up 13.6% to $1.6B
- ✓ Solid FY20 funding proposed for Abrams at $2.2B and Stryker, including SHORAD, at $1B
- ✓ Significant ramp up of M-1 Abrams production
- ✓ Work commenced in earnest on Mobile Protected Firepower
- ✓ Strong demand for missile components and armaments



Marine Systems

- ✓ Revenue up 1.2% to $2.1B
- ✓ Book-to-bill of 1.4x driven largely by $2B Virginia-class Block V funding
- ✓ Backlog up 3% sequentially to $27.4B
- ✓ FY20 budget contains request for a 3rd Virginia-class submarine

Defense Highlights (continued)

Information Technology

- ✓ Revenue rose by over $1B to $2.2B
- ✓ EBITDA margin expanded by 270 basis points to 12.4%
- ✓ Book-to-bill of 1.1x; backlog increased 5% sequentially to $8.4B
- ✓ Ahead of schedule for capturing $200M+ of gross synergies
- ✓ New website (https://www.gdit.com) highlights capabilities of the combined organization

Mission Systems

- ✓ Revenue up 5.5% to $1.2B
- ✓ Book-to-bill of 1.0x
- ✓ Total Backlog and estimated potential contract value increased 28% to $12.5B from 1Q18
- ✓ Generated significant orders under CHS-5 contract for Army's computing and communications equipment
- ✓ Investing in solutions to enhance analytics capabilities

Appendix

Non-GAAP Financial Measures

$ in millions

	2019 First Quarter	2018 First Quarter
Earnings before interest, taxes, depreciation and amortization:		
Net earnings	$ 745	$ 799
Interest, net	117	27
Provision for income tax, net	170	161
Depreciation of property, plant and equipment	114	89
Amortization of intangible and finance lease right-of-use assets	91	20
Earnings before interest, taxes, depreciation and amortization (a)	$ 1,237	$ 1,096

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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