

## **News Release**

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#### HII Reports Fourth Quarter and Full Year 2023 Results

- Fourth quarter revenues grew 13% year over year, to a record \$3.2 billion
- Record 2023 revenues of \$11.5 billion, grew 7.3% year over year
- Diluted earnings per share was \$6.90 for the fourth quarter, \$17.07 for 2023
- Net cash provided from operations was \$970 million, and free cash flow<sup>1</sup> was \$692 million in 2023

NEWPORT NEWS, Va. (February 1, 2024) - HII (NYSE:HII) reported fourth quarter 2023 revenues of \$3.2 billion, up 13% from the fourth quarter of 2022, due to higher volumes at all three segments. Operating income in the fourth quarter of 2023 was \$312 million and operating margin was 9.8%, compared to \$105 million and 3.7%, respectively, in the fourth quarter of 2022, primarily due to higher segment operating income<sup>1</sup>. Diluted earnings per share in the quarter was \$6.90, compared to \$3.07 in the fourth quarter of 2022.

For the full year, record revenues of \$11.5 billion increased 7.3% over 2022, due to higher volumes at all three segments. Operating income in 2023 was \$781 million and operating margin was 6.8%, compared to \$565 million and 5.3%, respectively, in 2022. Segment operating income in 2023 was \$842 million and segment operating margin was 7.4%, compared to \$712 million and 6.7%, respectively, in 2022, primarily driven by the sale of a court judgment and the settlement of an insurance claim. Diluted earnings per share for the full year was \$17.07, compared to \$14.44 in 2022.

Net cash provided by operating activities in 2023 was \$970 million and free cash flow<sup>1</sup> was \$692 million, compared to \$766 million and \$494 million, respectively, in 2022.

New contract awards in 2023 were approximately \$12.5 billion, bringing total backlog to approximately \$48.1 billion as of December 31, 2023.

"2023 was a strong year for HII. We continue to invest both in our shipyards and in IRAD to both expand capacity and develop new products and solutions for our customers. Our growth rate for the year of over 7% and our free cash flow generation at almost \$700M illustrate that we are entering a period of accelerated growth and increased free cash flow generation at HII," said Chris Kastner, HII's president and CEO. "Looking ahead, over the next 5 years we expect growth of over 4% and cash generation of \$3.6B. Our expectations are grounded in the assumption we must deliver on our commitments to our customers."

#### **Results of Operations**

	Т	hree Moi	nths	Ended				Year I	Ended			
		Decen	nbe	r 31	_			Decem	ber 31			
(\$ in millions, except per share amounts)		2023		2022	\$	Change	% Change	2023	2022	9	Change	% Change
Sales and service revenues	\$	3,177	\$	2,812	\$	365	13.0 %	\$ 11,454	\$ 10,676	\$	778	7.3 %
Operating income		312		105		207	197.1 %	781	565		216	38.2 %
Operating margin %		9.8 9	6	3.7 9	%		609 bps	6.8 %	5.3 9	%		153 bps
Segment operating income <sup>1</sup>		330		145		185	127.6 %	842	712		130	18.3 %
Segment operating margin % <sup>1</sup>		10.4 9	6	5.2 9	%		523 bps	7.4 %	6.7 9	%		68 bps
Net earnings		274		123		151	122.8 %	681	579		102	17.6 %
Diluted earnings per share	\$	6.90	\$	3.07	\$	3.83	124.8 %	\$ 17.07	\$ 14.44	\$	2.63	18.2 %

<sup>&</sup>lt;sup>1</sup> Non-GAAP measures that exclude non-segment factors affecting operating income. See Exhibit B for definitions and reconciliations.

#### **Segment Operating Results**

Ingalls Shipbuilding

	TI	hree Mo	nth	s Ended					Year	End	ded			
		December 31						December 31						
(\$ in millions)		2023		2022	\$	Change	% Change		2023		2022	\$	Change	% Change
Sales and service revenues	\$	800	\$	658	\$	142	21.6 %	\$	2,752	\$	2,570	\$	182	7.1 %
Segment operating income <sup>1</sup>		169		50		119	238.0 %		362		292		70	24.0 %
Segment operating margin % <sup>1</sup>		21.1 9	6	7.6 %	6		1353 bps		13.2 9	%	11.4 %	6		179 bps

<sup>&</sup>lt;sup>1</sup> Non-GAAP measures. See Exhibit B for definitions and reconciliations.

Ingalls Shipbuilding revenues for the fourth quarter of 2023 were \$800 million, an increase of \$142 million, or 21.6%, from the same period in 2022, primarily driven by higher volumes in surface combatants and amphibious assault ships, partially offset by lower volumes in the Legend class National Security Cutter ("NSC") program.

Ingalls Shipbuilding segment operating income<sup>1</sup> for the fourth quarter of 2023 was \$169 million, an increase of \$119 million from the same period in 2022. Ingalls segment operating margin<sup>1</sup> in the fourth quarter of 2023 was 21.1%, compared to 7.6% in the same period the prior year. These increases were primarily driven by the sale of our court judgment against the Bolivarian Republic of Venezuela, to recover unpaid receivables for the prior repair, refurbishment, and modernization of foreign-built frigates, higher volumes described above, and a contract incentives on Arleigh Burke class (DDG 51) destroyers.

Ingalls Shipbuilding 2023 revenues were \$2.8 billion, an increase of \$182 million, or 7.1%, compared to 2022, primarily driven by higher volumes in surface combatants and amphibious assault ships, partially offset by lower volumes in the NSC program.

Ingalls Shipbuilding segment operating income<sup>1</sup> in 2023 was \$362 million, an increase of \$70 million, or 24%, from 2022. Full year 2023 Ingalls segment operating margin<sup>1</sup> was 13.2%, compared to 11.4% in 2022. These increases were primarily driven by the sale of our court judgment against the Bolivarian Republic of Venezuela, to recover unpaid receivables for the prior repair, refurbishment, and modernization of foreign-built frigates, higher volumes described above, and a contract incentive on *Jeremiah Denton* (DDG 129), partially offset by lower risk retirement on *USS Fort Lauderdale* (LPD 28), delivered in 2022, and *Harrisburg* (LPD 30).

Key 2023 Ingalls Shipbuilding milestones:

- Delivered guided missile destroyer *Jack H. Lucas* (DDG 125)
- Delivered National Security Cutter Calhoun (NSC 10)
- Launched and christened amphibious assault ship Bougainville (LHA 8)
- Launched and christened guided missile destroyer *Ted Stevens* (DDG 128)
- Awarded the construction contract for LPD 32
- Awarded contracts for seven Arleigh Burke-class (DDG 51) destroyers

<sup>&</sup>lt;sup>1</sup>Non-GAAP measures. See Exhibit B for definitions and reconciliations.

	1	hree Mo	nth	s Ended				Year	End	ded			
		Decei	mbe	r 31				 Dece	mbe	er 31	_		
(\$ in millions)		2023		2022	- \$	Change	% Change	2023		2022	\$	Change	% Change
Sales and service revenues	\$	1,665	\$	1,584	\$	81	5.1 %	\$ 6,133	\$	5,852	\$	281	4.8 %
Segment operating income <sup>1</sup>		110		80		30	37.5 %	379		357		22	6.2 %
Segment operating margin %1		6.6 %	6	5.1 %	6		156 bps	6.2 9	%	6.1 9	%		8 bps

<sup>&</sup>lt;sup>1</sup> Non-GAAP measures. See Exhibit B for definitions and reconciliations.

Newport News Shipbuilding revenues for the fourth quarter of 2023 were \$1.7 billion, an increase of \$81 million, or 5.1%, from the same period in 2022, primarily driven by higher volumes in aircraft carrier construction and engineering and submarines, partially offset by lower volumes in the refueling and complex overhaul ("RCOH").

Newport News Shipbuilding segment operating income<sup>1</sup> for the fourth quarter of 2023 was \$110 million, an increase of \$30 million from the same period in 2022. Newport News segment operating margin<sup>1</sup> in the fourth quarter of 2023 was 6.6%, compared to 5.1% in the same period last year. The increases were primarily due to higher volumes described above, a revenue adjustment on the RCOH of *USS George Washington* (CVN 73) and revenue and contract adjustments on aircraft carrier programs.

Newport News Shipbuilding 2023 revenues were \$6.1 billion, an increase of \$281 million, or 4.8%, compared to 2022, primarily driven by higher volumes in aircraft carrier construction and engineering, the *Columbia* class (SSBN 826) submarine program, submarine services, and the *Virginia* class (SSN 774) submarine program, partially offset by lower volumes in aircraft carrier RCOH and naval nuclear support services.

Newport News Shipbuilding segment operating income<sup>1</sup> for 2023 was \$379 million, an increase of \$22 million from 2022. Full year 2023 Newport News segment operating margin<sup>1</sup> was 6.2%, compared to 6.1% in 2022. The increases were due to higher volumes described above and a revenue adjustment on the RCOH of *USS George Washington* (CVN 73), partially offset by contract incentives on the *Columbia* class (SSBN 826) submarine program in 2022.

Key 2023 Newport News Shipbuilding milestones:

- Re-delivered USS George Washington (CVN 73)
- Awarded \$568 million subcontract modification to provide long-lead-time material and advance construction activities for Columbia-class submarines
- Awarded \$528 million contract to support maintenance of nuclear-powered aircraft carriers ported in San Diego

<sup>&</sup>lt;sup>1</sup>Non-GAAP measures. See Exhibit B for definitions and reconciliations.

#### Mission Technologies

	TI	nree Mo	nth	s Ended				Year	End	ded			
		Dece	mbe	er 31				Dece	mbe	r 31	_		
(\$ in millions)		2023		2022	\$ (	Change	% Change	2023		2022	\$	Change	% Change
Sales and service revenues	\$	745	\$	602	\$	143	23.8 %	\$ 2,699	\$	2,387	\$	312	13.1 %
Segment operating income <sup>1</sup>		51		15		36	240.0 %	101		63		38	60.3 %
Segment operating margin %1		6.8	6	2.5 9	%		435 bps	3.7 9	6	2.6 %	6		110 bps

<sup>&</sup>lt;sup>1</sup> Non-GAAP measures. See Exhibit B for definitions and reconciliations.

Mission Technologies revenues for the fourth quarter of 2023 were \$745 million, an increase of \$143 million from the same period in 2022. The increase was primarily due to growth in C5ISR.

Mission Technologies segment operating income<sup>1</sup> in the fourth quarter of 2023 was \$51 million, compared to \$15 million in the fourth quarter of 2022. Segment operating margin<sup>1</sup> for the fourth quarter of 2023 was 6.8%, compared to 2.5% in the same period the prior year. The increases in segment operating income<sup>1</sup> and segment operating margin<sup>1</sup> were primarily driven by the settlement of a representations and warranties insurance claim related to the acquisition of Hydroid and higher volumes described above, partially offset by performance in Live, Virtual and Constructive Solutions ("LVC") and fleet sustainment.

Mission Technologies 2023 revenues were \$2.7 billion, an increase of \$312 million, or 13.1%, compared to 2022, primarily due to higher volumes in C5ISR and cyber, electronic warfare & space ("CEW&S") contracts.

Mission Technologies segment operating income<sup>1</sup> in 2023 was \$101 million, an increase of \$38 million, or 60.3%, from 2022. Mission Technologies segment operating margin<sup>1</sup> in 2023 was 3.7%, compared to 2.6% in 2022. The increases in segment operating income<sup>1</sup> and segment operating margin<sup>1</sup> were primarily driven by the settlement of a representations and warranties insurance claim related to the acquisition of Hydroid and higher volumes described above, partially offset by a contract loss and lower equity income from the disposition of our investment in an unconsolidated ship repair and specialty fabrication joint venture.

Mission Technologies results included approximately \$109 million of amortization of purchased intangible assets in 2023, compared to approximately \$120 million in 2022. Mission Technologies EBITDA margin<sup>1</sup> for full year 2023 was 8.6%, compared to 8.2% in 2022.

Key 2023 Mission Technologies milestones:

- Awarded \$1.4 billion joint network engineering and emerging operations task order
- Awarded \$347 million contract for Lionfish Small Unmanned Undersea Vehicles
- Awarded \$244 million task order to integrate Minotaur software products into maritime platforms

<sup>&</sup>lt;sup>1</sup>Non-GAAP measures. See Exhibit B for definitions and reconciliations.

### Hll's Financial Outlook<sup>1</sup> includes the following expectations:

- Mid to long term<sup>5</sup> HII revenue growth of 4%+
- Mid to long term<sup>5</sup> shipbuilding revenue<sup>2</sup> growth of approximately 4%
- Mid to long term<sup>5</sup> Mission Technologies revenue growth of approximately 5%
- FY24 shipbuilding revenue<sup>2</sup> between \$8.8 and \$9.1 billion; expect shipbuilding operating margin<sup>2</sup> between 7.6% and 7.8%
- FY24 Mission Technologies revenue between \$2.7 to \$2.75 billion, Mission Technologies segment operating margin<sup>2</sup> between 3.0% and 3.5%; and Mission Technologies EBITDA margin<sup>2</sup> between 8.0% and 8.5%
- FY24 free cash flow<sup>2,3</sup> between \$600 to \$700 million<sup>3</sup>
- FY20-FY24 free cash flow<sup>2,3</sup> of approximately \$3.0 billion<sup>3</sup>
- FY24-FY28 free cash flow<sup>2,3</sup> of approximately \$3.6 billion<sup>3</sup>

	FY24 Outlook <sup>1</sup>
Shipbuilding Revenue <sup>2</sup>	\$8.8B - \$9.1B
Shipbuilding Operating Margin <sup>2</sup>	7.6% - 7.8%
Mission Technologies Revenue	\$2.7B - \$2.75B
Mission Technologies Segment Operating Margin <sup>2</sup>	3.0% - 3.5%
Mission Technologies EBITDA Margin <sup>2</sup>	8.0% - 8.5%
Operating FAS/CAS Adjustment	(\$63M)
Non-current State Income Tax Benefit/Expense <sup>4</sup>	~\$0M
Interest Expense	(\$90M)
Non-operating Retirement Benefit	\$178M
Effective Tax Rate	~21%
Depreciation & Amortization	~\$350M
Capital Expenditures	~5.3% of Sales
Free Cash Flow <sup>2, 3</sup>	\$600M - \$700M

<sup>&</sup>lt;sup>1</sup>The financial outlook, expectations and other forward looking statements provided by the company for 2024 and beyond reflect the company's judgment based on the information available at the time of this release.

<sup>&</sup>lt;sup>2</sup>Non-GAAP measures. See Exhibit B for definitions. In reliance upon Item 10(e)(1)(i)(B) of Regulation S-K, reconciliations of forward-looking GAAP and non-GAAP measures are not provided because we are unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the future occurrence and financial impact of certain elements of GAAP and non-GAAP measures. For the same reasons, we are unable to address the significance of the unavailable information.

<sup>&</sup>lt;sup>3</sup>Outlook is based on current tax law and assumes the provisions requiring capitalization of R&D expenditures for tax purposes are not deferred or repealed.

<sup>&</sup>lt;sup>4</sup>Outlook is based on current tax law. Repeal or deferral of provisions requiring capitalization of R&D expenditures would result in elevated non-current state income tax expense.

<sup>&</sup>lt;sup>5</sup>Mid to long term growth represents our expected compound annual growth rate over five to ten years.

#### **About Huntington Ingalls Industries**

HII is a global, all-domain defense provider. HII's mission is to deliver the world's most powerful ships and all-domain solutions in service of the nation, creating the advantage for our customers to protect peace and freedom around the world.

As the nation's largest military shipbuilder, and with a more than 135-year history of advancing U.S. national security, HII delivers critical capabilities extending from ships to unmanned systems, cyber, ISR, Al/ML and synthetic training. Headquartered in Virginia, HII's workforce is over 44,000 strong. For more information, visit HII.com.

#### **Conference Call Information**

HII will webcast its earnings conference call at 9 a.m. Eastern time today. A live audio broadcast of the conference call and supplemental presentation will be available on the investor relations page of the company's website: www.HII.com. A telephone replay of the conference call will be available from noon today through Thursday, February 8th by calling (866) 813-9403 or (929) 458-6194 and using access code 907434.

#### **Cautionary Statement Regarding Forward-Looking Statements**

Statements in this release, other than statements of historical fact, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forwardlooking statements by words such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue," and similar words or phrases or the negative of these words or phrases. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements. Although we believe the expectations reflected in the forward-looking statements are reasonable when made, we cannot guarantee future results, levels of activity, performance, or achievements. There are a number of important factors that could cause our actual results to differ materially from the results anticipated by our forward-looking statements, which include, but are not limited to: changes in government and customer priorities and requirements (including government budgetary constraints. shifts in defense spending, and changes in customer short-range and long-range plans); significant delays in appropriations for our programs and U.S. government funding more broadly; our ability to estimate our future contract costs, including cost increases due to inflation, and perform our contracts effectively; changes in procurement processes and government regulations and our ability to comply with such requirements; our ability to deliver our products and services at an affordable life cycle cost and compete within our markets; natural and environmental disasters and political instability; our ability to execute our strategic plan, including with respect to share repurchases, dividends, capital expenditures and strategic acquisitions; adverse economic conditions in the United States and globally; health epidemics, pandemics and similar outbreaks; our ability to attract, train, and retain a qualified workforce; disruptions impacting global supply, including those resulting from the ongoing conflict between Russia and Ukraine and in the Middle East; changes in key estimates and assumptions regarding our pension and retiree health care costs; security threats, including cyber security threats, and related disruptions; and other risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2023 and our other filings with the U.S. Securities and Exchange Commission. There may be other risks and uncertainties that we are unable to predict at this time or that we currently do not expect to have a material adverse effect on our business, and we undertake no obligation to update or revise any forward-looking statements. You should not place undue reliance on any forward-looking statements that we may make. This release also contains non-GAAP financial measures and includes a GAAP reconciliation of these financial measures. Non-GAAP financial measures should not be construed as being more important than comparable GAAP measures.

**Exhibit A: Financial Statements** 

# HUNTINGTON INGALLS INDUSTRIES, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)

	 Three Mon Decem		Year Ended December 31				
(in millions, except per share amounts)	2023		2022		2023		2022
Sales and service revenues							
Product sales	\$ 2,121	\$	1,956	\$	7,664	\$	7,283
Service revenues	1,056		856		3,790		3,393
Sales and service revenues	 3,177		2,812		11,454		10,676
Cost of sales and service revenues							
Cost of product sales	1,756		1,714		6,467		6,225
Cost of service revenues	930		759		3,341		3,011
Income from operating investments, net	12		1		37		48
Other income and gains, net	120		1		120		1
General and administrative expenses	311		236		1,022		924
Operating income	312		105		781		565
Other income (expense)							
Interest expense	(25)		(23)		(95)		(102)
Non-operating retirement benefit	37		67		148		276
Other, net	8		10		19		(20)
Earnings before income taxes	332		159		853		719
Federal and foreign income tax expense	58		36		172		140
Net earnings	\$ 274	\$	123	\$	681	\$	579
Basic earnings per share	\$ 6.90	\$	3.07	\$	17.07	\$	14.44
Weighted-average common shares outstanding	39.7		40.1		39.9		40.1
Diluted earnings per share	\$ 6.90	\$	3.07	\$	17.07	\$	14.44
Weighted-average diluted shares outstanding	39.7		40.1		39.9		40.1
Dividends declared per share	\$ 1.30	\$	1.24	\$	5.02	\$	4.78
Net earnings from above	\$ 274	\$	123	\$	681	\$	579
Other comprehensive income							
Change in unamortized benefit plan costs	225		497		238		436
Other	_		2		_		_
Tax expense for items of other comprehensive income	 (57)		(128)		(61)		(112)
Other comprehensive income, net of tax	168		371		177		324
Comprehensive income	\$ 442	\$	494	\$	858	\$	903

# HUNTINGTON INGALLS INDUSTRIES, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	(\$ in millions)		ember 31, 2023	Dec	ember 31, 2022
Cash and cash equivalents         430         \$467           Accounts receivable, net         461         668           Contract assets         1,337         1,240           Inventored costs, net         186         183           Income taxes receivable         83         50           Property, Plant, and Equipment, net of accumulated depreciation of \$2,467 million as of 2023 and \$3,296         2,746           Property, Plant, and Equipment, an	Assets				
Accounts receivable, net         461         636           Contract assets         1,537         1,240           Inventoried costs, net         186         183           Income taxes receivable         83         50           Property, Plant, and Equipment, net of accumulated depreciation of \$2,467 million as of 2023 and seasons as 2022         3,296         3,198           Property, Plant, and Equipment, net of accumulated depreciation of \$2,467 million as of 2023 and seasons as 2022         3,296         3,198           Ober along lease assets         260         282           Coodwill         2,618         2,618         2,618           Other intangible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2022         391         1,019           Pension plan assets         88         600           Miscellaneous other assets         383         4,013           Total other assets         383         4,913           Total assets         450         3,93         4,913           Labilities and Stockholders' Equity         54         42           Current Liabilities         554         64           Current portion of long-term debt         2,21         2,24         229           Current portion of postretirement plan liabilities	Current Assets				
Contract assets         1,537         1,240           Inventoried costs, net         186         183           Income laxes receivable         183         170           Prepaid expenses and other current assets         2,860         2,746           Total current assets         3,99         3,198           Property, Plant, and Equipment, net of accumulated depreciation of \$2,467 million as of 2023 and \$3,99         3,198           Other Assets         262         282           Goodwill         2,618         2,618           Other intangible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2022         391         1,019           Pension plan assets         88         600         394         1,019           Pension plan assets sets and to see the contract assets of a season of of a sea	Cash and cash equivalents	\$	430	\$	467
Inventoried costs, net   186   183   170   170   180   183   170   170   180   183   170   170   180   183   170   170   180   183   170   170   180	Accounts receivable, net		461		636
Income laxes receivable   183   170   17	Contract assets		1,537		1,240
Prepaid expenses and other current assets         3.9         5.0           Total current assets         2.86         2.766           Property-Plant, and Equipment, net of accumulated depreciation of \$2.467 million as of 2023 and \$3.198         3.198           Other Assets         2.62         2.82           Operating lease assets         2.61         2.618           Other intangible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2022 and \$881 million as of 2023 and \$881 million as of 2022 and \$881 million as of 2023 and \$881 million as of 2024 and 2024 an	Inventoried costs, net		186		183
Total current assets	Income taxes receivable		183		170
Total current assets   2,860   2,746     Property, Plant, and Equipment, net of accumulated depreciation of \$2,467 million as of 2023 and \$2,319 million as of 2022     Other Assets   260   2618   2,618   2,618     Other intangible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2022     Pension plan assets   388   600     Miscellaneous other assets   388   600     Miscellaneous other assets   5,039   4,913     Total accounts payable   554   642     Current Liabilities and Stockholders' Equify   221     Current portion of long-term debt   221   399     Current portion of postetirement plan liabilities   129   134     Current portion of postetirement plan liabilities   129   134     Current portion of workers' compensation liabilities   129   134     Current portion of workers' compensation liabilities   129   134     Current portion of workers' compensation liabilities   129   134     Current portion of postetirement plan liabilities   129   134     Current portion of postetirement plan liabilities   129   134     Current portion of workers' compensation liabilities   129   134     Current portion of workers' compensation liabilities   129   134     Current portion plan liabilities   149   300     Current portion plan liabilities   149   300     Current portion plan liabilities   149   300     Current portion plan liabilities   140   300	Prepaid expenses and other current assets		83		50
\$2,319 million as of 2022         3,198           Other Assets         Conder Assets           Operating lease assets         262         282           Goodwill         2,618         2,618         2,618           Other intengible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2022 and \$881 million as of 2023 and \$881 million as of 2022 and \$881 million as of 2023 and \$881 million as of 2022 and \$881 million as of 2023 and \$881 million			2,880		2,746
Operating lease assets         262         282         Coodwill         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,618         2,619         3,619         3,019         3,019         3,019         3,019         3,019         3,019         3,019         3,019         3,019         3,019         3,013         3,019         3,013         3,013         3,013         3,013         3,013         3,013         3,018<			3,296		3,198
Goodwill         2,618         2,618           Other intangible assets, net of accumulated amortization of \$1,009 million as of 2023 and \$881 million as of 2029         891         1,019           Pension plan assets         388         600           Miscellaneous other assets         380         394           Total other assets         51,039         4,913           Total assets         51,025         1,915           Liabilities and Stockholders' Equity         881         600           Current Liabilities         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         422         229           Current portion of workers' compensation liabilities         303         2,895           Chier current liabilities         3,032         2,895           Contract liabilities         449         330           Total current liabilities         2,214         2,506           Pension plan liabilities         2,14         <	Other Assets				
Other intangible assets, net of accumulated amortization of \$1,009 million as of 2022 and \$881 million as of 2023 and \$881 million as of 2024 and \$	Operating lease assets		262		282
as of 2022*         891         1,019           Pension plan assets         888         600           Miscellaneous other assets         308         394           Total other assets         5,039         4,913           Total assets         5,039         4,913           Current Liabilities and Stockholders' Equity           Current Liabilities           Trade accounts payable         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         449         360           Cother current liabilities         449         360           Contract liabilities         21         21           Long-term debt         2	Goodwill		2,618		2,618
Pension plan assets         888         600           Miscellaneous other assets         380         394           Total other assets         5,039         4,913           Liabilities and Stockholders' Equity         8         1,000           Current Liabilities           Current Loyour Liabilities         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of solstretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         1,063         766           Other current liabilities         1,063         766           Other current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Other postretirement plan liabilities         3,032         2,895           Long-term debt         2,214         2,506           Worker's compensation liabilities         449         463           Long-term debt         2,214         2,606           Worker's compensation liabilities         241         2,606           Worker's compensation liabilities         3,72         2,736			891		1.019
Miscellaneous other assets         380         394           Total other assets         5,039         4,913           Total assets         5,039         4,913           Total assets         5,039         4,913           Liabilities         5         1,085           Toral assets         5         64           Accrued Liabilities         554         642           Current portion of long-term debt         221         39           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         124         229           Contract liabilities         1,063         7,66           Cher current liabilities         1,063         7,66           Cher current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Cher current liabilities         212         2,10           Other postretierment plan liabilities         212         2,14           Composities in plan liabilities         3,032         2,895           Long-term debt         2,214         2,60           Workers' compensation liabilities         3,03         3,60           Long-term debt (ax li	Pension plan assets				
Total other assets         5,039         4,913           Total assets         \$ 11,215         \$ 10,805           Libilities and Stockholders' Equity         Current Liabilities           Trade accounts payable         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         213         399           Current portion of postretirement plan liabilities         124         229           Current portion of workers' compensation liabilities         1,063         766           Current portion of workers' compensation liabilities         1,063         766           Other current liabilities         449         330         766           Other current liabilities         449         330         766           Other current liabilities         449         360         766           Other current liabilities         212         2,244         2,506           Pension plan liabilities         212         2,244         2,506           Pension plan liabilities         3,032         2,895         2,406           Other postretirement plan liabilities         214         2,606         2,244         2,506           Other postretirement plan liabilities         3					
Total assets         \$ 10,857           Liabilities and Stockholders' Equity           Current Liabilities           Trade accounts payable         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         1,063         766           Other current liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         367         418           Long-term operating lease liabilities         367         418           Other long-term liabilities         367         418           Other long-term liabilities         379         366           Other long-term liabilities         7,122         7,368					
Liabilities and Stockholders' Equity           Current Liabilities           Trade accounts payable         382         345           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of postretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         212         214           Workers' compensation liabilities         241         260           Workers' compensation liabilities         367         418           Long-term operating lease liabilities         367         418           Other long-term liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         379         368           Commitment		\$		\$	
Current Labilities           Trade accounts payable         554         642           Accrued employees' compensation         381         395           Current portion of long-term debt         231         399           Current portion of workers' compensation liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         49         380           Other current liabilities         49         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         349         463           Long-term operating lease liabilities         367         418           Other long-term liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies		_	,		
Trade accounts payable         554         642           Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of postretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         330           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         241         260           Workers' compensation liabilities         349         463           Long-term operating lease liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880         50 <td></td> <td></td> <td></td> <td></td> <td></td>					
Accrued employees' compensation         382         345           Current portion of long-term debt         231         399           Current portion of postretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         367         418           Other long-term poperating lease liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         379         366           Stockholders' Equity         367         41         1           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880         30 <t< td=""><td></td><td></td><td>554</td><td></td><td>642</td></t<>			554		642
Current portion of long-term debt         231         399           Current portion of postretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         379         366           Commitments and Contingencies         379         366           Commitments and Contingencies         379         368           Stockholders' Equity         2,045         2,022           Retained earnings         4,755         4,276<			382		345
Current portion of postretirement plan liabilities         129         134           Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         367         418           Other long-term liabilities         379         366           Commitments and Contingencies         379         366           Commitments and Contingencies         379         36           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,27			231		399
Current portion of workers' compensation liabilities         224         229           Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         379         366           Commitments and Contingencies         379         366           Stockholders' Equity         5         1         1           Commitments and Contingencies         379         368           Stockholders' Equity         5         4           Commitments and Contingencies         379         36           Stockholders' Equity         1         1			129		134
Contract liabilities         1,063         766           Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         7,122         7,368           Commitments and Contingencies         5         7,122         7,368           Commitments and Contingencies         5         1         1         1           Additional paid of December 31, 2022, and 53,503,317 issued and 39,618,800         1         1         1           Additional paid-in capital         2,045         2,022         2           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211) </td <td></td> <td></td> <td>224</td> <td></td> <td>229</td>			224		229
Other current liabilities         449         380           Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Common stock stock flexity         7,122         7,368           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 32,203, and 33,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 32,203, and 33,503,317 issued and 39,863,456 outstanding as december 31, 2022, and 32,203,			1,063		766
Total current liabilities         3,032         2,895           Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         5         5           Stockholders' Equity         5         5           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022, and 54,503,503,503,503,503,503,503,503,503,503			449		380
Long-term debt         2,214         2,506           Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         5         5           Stockholders' Equity         5         5           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489			3,032		2,895
Pension plan liabilities         212         214           Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2022, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489					
Other postretirement plan liabilities         241         260           Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies         Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489			-		
Workers' compensation liabilities         449         463           Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	•		241		260
Long-term operating lease liabilities         228         246           Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1         1           Additional paid-in capital         2,045         2,022         2         4,755         4,276           Retained earnings         4,755         4,276         4,276         4,286         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	·		449		463
Deferred tax liabilities         367         418           Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	·		228		246
Other long-term liabilities         379         366           Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,493           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1         1,003         1,003           1	- · · · · · · · · · · · · · · · · · · ·		367		418
Total liabilities         7,122         7,368           Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489			379		366
Commitments and Contingencies           Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	G .		7,122		7,368
Stockholders' Equity           Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022         1         1         1           Additional paid-in capital         2,045         2,022           Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489					
Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of December 31, 2022       1       1       1         Additional paid-in capital       2,045       2,022         Retained earnings       4,755       4,276         Treasury stock       (2,286)       (2,211)         Accumulated other comprehensive loss       (422)       (599)         Total stockholders' equity       4,093       3,489					
Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	Common stock, \$0.01 par value; 150,000,000 shares authorized; 53,595,748 issued and 39,618,880 outstanding as of December 31, 2023, and 53,503,317 issued and 39,863,456 outstanding as of		1		1
Retained earnings         4,755         4,276           Treasury stock         (2,286)         (2,211)           Accumulated other comprehensive loss         (422)         (599)           Total stockholders' equity         4,093         3,489	Additional paid-in capital		2,045		2,022
Treasury stock(2,286)(2,211)Accumulated other comprehensive loss(422)(599)Total stockholders' equity4,0933,489	·				
Accumulated other comprehensive loss (422) (599) Total stockholders' equity 4,093 3,489	· · · · · · · · · · · · · · · · · · ·		(2,286)		(2,211)
Total stockholders' equity 4,093 3,489	•				(599)
A 1101- A 100-	· · · · · · · · · · · · · · · · · · ·		4,093		3,489
	Total liabilities and stockholders' equity	\$	11,215	\$	

# HUNTINGTON INGALLS INDUSTRIES, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Year	Year Ended December 31					
(\$ in millions)	202	23	2022				
Operating Activities							
Net earnings	\$	681	\$ 579				
Adjustments to reconcile to net cash provided by operating activities							
Depreciation		219	218				
Amortization of purchased intangibles		128	140				
Amortization of debt issuance costs		8	8				
Provision for expected credit losses		6	(7)				
Stock-based compensation		34	36				
Deferred income taxes		(113)	2				
Loss (gain) on investments in marketable securities		(23)	25				
Change in							
Accounts receivable		168	(196)				
Contract assets		(297)	70				
Inventoried costs		(3)	(22)				
Prepaid expenses and other assets		(42)	20				
Accounts payable and accruals		264	6				
Retiree benefits		(75)	(127)				
Other non-cash transactions, net		15	14				
Net cash provided by operating activities		970	766				
Investing Activities							
Capital expenditures							
Capital expenditure additions		(292)	(284)				
Grant proceeds for capital expenditures		14	12				
Investment in affiliates		(24)	(5)				
Proceeds from equity method investment		63	6				
Other investing activities, net		3	3				
Net cash used in investing activities		(236)	(268)				
Financing Activities							
Repayment of long-term debt		(480)	(400)				
Proceeds from line of credit borrowings		_	24				
Repayment of line of credit borrowings		_	(24)				
Dividends paid		(200)	(192)				
Repurchases of common stock		(75)	(52)				
Employee taxes on certain share-based payment arrangements		(13)	(14)				
Other financing activities, net		(3)	_				
Net cash used in financing activities		(771)	(658)				
Change in cash and cash equivalents		(37)	(160)				
Cash and cash equivalents, beginning of period		467	627				
Cash and cash equivalents, end of period	\$	430	\$ 467				
Supplemental Cash Flow Disclosure							
Cash paid for income taxes (net of refunds)	\$	330	\$ 127				
Cash paid for interest	\$	101	\$ 100				
Non-Cash Investing and Financing Activities							
Capital expenditures accrued in accounts payable	\$	29	\$ 12				

#### Exhibit B: Non-GAAP Measures Definitions & Reconciliations

We make reference to "segment operating income," "segment operating margin," "shipbuilding revenue," "shipbuilding operating margin," "Mission Technologies EBITDA", "Mission Technologies EBITDA margin" and "free cash flow."

We internally manage our operations by reference to segment operating income and segment operating margin, which are not recognized measures under GAAP. When analyzing our operating performance, investors should use segment operating income and segment operating margin in addition to, and not as alternatives for, operating income and operating margin or any other performance measure presented in accordance with GAAP. They are measures that we use to evaluate our core operating performance. We believe that segment operating income and segment operating margin reflect additional ways of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. We believe these measures are used by investors and are a useful indicator to measure our performance. Because not all companies use identical calculations, our presentation of segment operating income and segment operating margin may not be comparable to similarly titled measures of other companies.

Shipbuilding revenue, shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin are not measures recognized under GAAP. They are measures that we use to evaluate our core operating performance. When analyzing our operating performance, investors should use shipbuilding revenue, shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin in addition to, and not as alternatives for, operating income and operating margin or any other performance measure presented in accordance with GAAP. We believe that shipbuilding revenue, shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. We believe these measures are used by investors and are a useful indicator to measure our performance. Because not all companies use identical calculations, our presentation of shipbuilding revenue, shipbuilding operating margin, Mission Technologies EBITDA and Mission Technologies EBITDA margin may not be comparable to similarly titled measures of other companies.

Free cash flow is not a measure recognized under GAAP. Free cash flow has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for net earnings as a measure of our performance or net cash provided or used by operating activities as a measure of our liquidity. We believe free cash flow is an important measure for our investors because it provides them insight into our current and period-to-period performance and our ability to generate cash from continuing operations. We also use free cash flow as a key operating metric in assessing the performance of our business and as a key performance measure in evaluating management performance and determining incentive compensation. Free cash flow may not be comparable to similarly titled measures of other companies.

In reliance upon Item 10(e)(1)(i)(B) of Regulation S-K, reconciliations of forward-looking GAAP and non-GAAP measures are not provided because of the unreasonable effort associated with providing such reconciliations due to the variability in the occurrence and the amounts of certain components of GAAP and non-GAAP measures. For the same reasons, we are unable to address the significance of the unavailable information, which could be material to future results.

**Segment operating income** is defined as operating income for the relevant segment(s) before the Operating FAS/CAS Adjustment and non-current state income taxes.

**Segment operating margin** is defined as segment operating income as a percentage of sales and service revenues.

**Shipbuilding revenue** is defined as the combined sales and service revenues from our Newport News Shipbuilding segment and Ingalls Shipbuilding segment.

**Shipbuilding operating margin** is defined as the combined segment operating income of our Newport News Shipbuilding segment and Ingalls Shipbuilding segment as a percentage of shipbuilding revenue.

**Mission Technologies EBITDA** is defined as Mission Technologies segment operating income before interest expense, income taxes, depreciation, and amortization.

**Mission Technologies EBITDA margin** is defined as Mission Technologies EBITDA as a percentage of Mission Technologies revenues.

**Free cash flow** is defined as net cash provided by (used in) operating activities less capital expenditures net of related grant proceeds.

**Operating FAS/CAS Adjustment** is defined as the difference between the service cost component of our pension and other postretirement expense determined in accordance with GAAP (FAS) and our pension and other postretirement expense under U.S. Cost Accounting Standards (CAS).

**Non-current state income taxes** are defined as deferred state income taxes, which reflect the change in deferred state tax assets and liabilities and the tax expense or benefit associated with changes in state uncertain tax positions in the relevant period. These amounts are recorded within operating income. Current period state income tax expense is charged to contract costs and included in cost of sales and service revenues in segment operating income.

Certain of the financial measures we present are adjusted for the Operating FAS/CAS Adjustment and non-current state income taxes to reflect the company's performance based upon the pension costs and state tax expense charged to our contracts under CAS. We use these adjusted measures as internal measures of operating performance and for performance-based compensation decisions.

#### **Reconciliations of Segment Operating Income and Segment Operating Margin**

	Three Mor	 	Year Ended December 31				
(\$ in millions)	2023	2022		2023		2022	
Ingalls revenues	\$ 800	\$ 658	\$	2,752	\$	2,570	
Newport News revenues	1,665	1,584		6,133		5,852	
Mission Technologies revenues	745	602		2,699		2,387	
Intersegment eliminations	(33)	(32)		(130)		(133)	
Sales and Service Revenues	 3,177	2,812		11,454		10,676	
Operating Income	312	105		781		565	
Operating FAS/CAS Adjustment	17	37		72		145	
Non-current state income taxes	1	3		(11)		2	
Segment Operating Income	 330	145		842		712	
As a percentage of sales and service revenues	10.4 %	5.2 %		7.4 %		6.7 %	
Ingalls segment operating income	169	50		362		292	
As a percentage of Ingalls revenues	21.1 %	7.6 %		13.2 %		11.4 %	
Newport News segment operating income	110	80		379		357	
As a percentage of Newport News revenues	6.6 %	5.1 %		6.2 %		6.1 %	
Mission Technologies segment operating income	51	15		101		63	
As a percentage of Mission Technologies revenues	6.8 %	2.5 %		3.7 %		2.6 %	

#### **Reconciliation of Free Cash Flow**

	TI	hree Mon Decem		Year Ended December 31				
(\$ in millions)	2	2023	- 2	2022		2023		2022
Net cash provided by operating activities	\$	562	\$	601	\$	970	\$	766
Less capital expenditures:								
Capital expenditure additions		(128)		(105)		(292)		(284)
Grant proceeds for capital expenditures		_		12		14		12
Free cash flow	\$	434	\$	508	\$	692	\$	494

### Reconciliation of Mission Technologies EBITDA and EBITDA Margin

		Three Mor	nths Er	nded	Year Ended				
	December 31					December 31			
(\$ in millions)		2023		2022		2023		2022	
Mission Technologies sales and service revenues	\$	745	\$	602	\$	2,699	\$	2,387	
Mission Technologies segment operating income	\$	51	\$	15	\$	101	\$	63	
Mission Technologies depreciation expense		3		2		11		10	
Mission Technologies amortization expense		27		30		109		120	
Mission Technologies state tax expense		2		(7)		11		2	
Mission Technologies EBITDA	\$	83	\$	40	\$	232	\$	195	
Mission Technologies EBITDA margin		11.1 %		6.6 %		8.6 %	ı	8.2 %	