



## Earnings Release

# ELBIT SYSTEMS REPORTS SECOND QUARTER 2024 RESULTS

**Order backlog at \$21.1 billion; Revenues of \$1.6 billion; Non-GAAP net income of \$93 million; GAAP net income of \$78 million; Non-GAAP net EPS of \$2.08; GAAP net EPS of \$1.76**

Haifa, Israel, August 14, 2024 – Elbit Systems Ltd. ("Elbit Systems" or the "Company") (NASDAQ and TASE: ESLT), the international high technology defense company, reported today its consolidated results for the second quarter ended June 30, 2024.

In this release, the Company is providing US-GAAP results as well as non-GAAP financial data, which are intended to provide investors a more comprehensive view of the Company's business results and trends. For a description of the Company's non-GAAP definitions see page 4 below, "Non-GAAP financial data". Unless otherwise stated, all financial data presented is US-GAAP financial data.

### **Management Comment:**

**Bezhalet (Butzi) Machlis, President and CEO of Elbit Systems**, commented:

"Elbit Systems demonstrated a 12% year-over-year increase in revenues in the second quarter. The continuous high demand for our products and solutions reinforces our position as industry leaders. Our long-term investments in technologies, research and development in collaboration with our key customers, and the expansion of our manufacturing capabilities, enable us to meet our commitments to our customers and to drive the continued growth and focus on profitability of the Company, in alignment with our strategic goals. This growth reflects the dedication and commitment of Elbit Systems' employees in Israel and around the world, who contribute every day to the Company's success."

### **Second quarter 2024 results:**

**Revenues** in the second quarter of 2024 were \$1,626.2 million, as compared to \$1,453.9 million in the second quarter of 2023.

Aerospace revenues were similar to the revenues in the second quarter of 2023. C4I and Cyber revenues increased by 11% in the second quarter of 2024, as compared to the second quarter of 2023 mainly due to radio systems sales. ISTAR and EW revenues increased by 9% mainly due to Electronic Warfare and Electro-Optic systems sales in Israel and Asia-Pacific. Land revenues increased by 37% due to the increase in ammunition and munition sales in Israel. Elbit Systems of America revenues increased by 11% due to the increase in Maritime and Warfighter systems.

For distribution of revenues by segments and geographic regions see the tables on page 12.



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**Non-GAAP<sup>(\*)</sup> gross profit** amounted to \$396.2 million (24.4% of revenues) in the second quarter of 2024, as compared to \$379.3 million (26.1% of revenues) in the second quarter of 2023. **GAAP gross profit** in the second quarter of 2024 was \$389.7 million (24.0% of revenues), as compared to \$372.2 million (25.6% of revenues) in the second quarter of 2023.

**Research and development expenses, net** were \$116.8 million (7.2% of revenues) in the second quarter of 2024, as compared to \$93.4 million (6.4% of revenues) in the second quarter of 2023.

**Marketing and selling expenses, net** were \$87.7 million (5.4% of revenues) in the second quarter of 2024, as compared to \$101.7 million (7.0% of revenues) in the second quarter of 2023.

**General and administrative expenses, net** were \$68.7 million (4.2% of revenues) in the second quarter of 2024, as compared to \$75.4 million (5.2% of revenues) in the second quarter of 2023.

**Non-GAAP<sup>(\*)</sup> operating income** was \$130.5 million (8.0% of revenues) in the second quarter of 2024, as compared to \$115.5 million (7.9% of revenues) in the second quarter of 2023. **GAAP operating income** in the second quarter of 2024 was \$116.5 million (7.2% of revenues), as compared to \$101.6 million (7.0% of revenues) in the second quarter of 2023.

**Financial expenses, net** were \$29.1 million in the second quarter of 2024, as compared to \$32.1 million in the second quarter of 2023.

**Taxes on income** were \$11.3 million in the second quarter of 2024, as compared to \$9.2 million in the second quarter of 2023.

**Non-GAAP<sup>(\*)</sup> net income attributable to the Company's shareholders** in the second quarter of 2024 was \$92.7 million (5.7% of revenues), as compared to \$73.5 million (5.1% of revenues) in the second quarter of 2023. **GAAP net income attributable to the Company's shareholders** in the second quarter of 2024 was \$78.4 million (4.8% of revenues), as compared to \$62.4 million (4.3% of revenues) in the second quarter of 2023.

**Non-GAAP<sup>(\*)</sup> diluted net earnings per share attributable to the Company's shareholders** were \$2.08 for the second quarter of 2024, as compared to \$1.65 for the second quarter of 2023. **GAAP diluted earnings per share attributable to the Company's shareholders** in the second quarter of 2024 were \$1.76, as compared to \$1.40 in the second quarter of 2023.

**The Company's order backlog** as of June 30, 2024 totaled \$21.1 billion. Approximately 69% of the current backlog is attributable to orders from outside Israel. Approximately 43% of the backlog is scheduled to be performed during the remainder of 2024 and 2025.

**Cash flow provided by operating activities** in the six months ended June 30, 2024 was \$26.0 million, as compared to cash flow used in operating activities of \$210.7 million in the six months ended June 30, 2023. The cash flow in the six months ended June 30, 2024 was affected mainly by the increase in inventories and trade receivables, which was offset by the increase in contract liabilities.

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\* see page 4



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### **Impact of the “Swords of Iron” War on the Company:**

On October 7, 2023, Hamas terrorists infiltrated Israel’s southern border from the Gaza Strip and conducted a series of brutal attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population and industrial centers located along Israel’s border with the Gaza Strip and in many other parts of Israel. Israel has also been attacked by other terrorist organizations on different fronts, including from Lebanon, which have prompted military responses from Israel. Following the attacks, the State of Israel declared a state of war, which is ongoing.

Since the commencement of hostilities, Elbit Systems has experienced a material increased demand for our products and solutions from the Israel Ministry of Defense (IMOD) compared to the demand levels prior to the war. We have also increased our support to the IMOD, mainly through deliveries of our systems and the dedicated efforts of our employees. At the same time, the Company continues its activities in the international market including through its local subsidiaries. Subject to further developments, which are difficult to predict, the IMOD’s increased demand for the Company’s products and solutions may continue and could generate material additional orders to the Company.

While the vast majority of our facilities in Israel continue to operate uninterrupted, some of our operations have experienced disruptions due to supply chain and operational constraints, the relocation of certain production lines, evacuation of employees and mobilization of our employees for reserve duty. The number of employees mobilized was approximately 6% as of June 30, 2024, and could fluctuate depending on future developments.

Elbit Systems has taken a number of steps to protect the safety and security of our employees, support our increased production, mitigate potential supply chain disruptions and maintain business continuity, among them relocation of production lines from facilities in areas of the country that have been evacuated to other facilities; recruitment of additional employees; increased monitoring of our global supply chain to identify delays, shortages and bottlenecks; reschedule of deliveries to certain of our customers as necessary; and increase of inventories.

The extent of the effects of the war on the Company's performance will depend on future developments of the war that are difficult to predict at this time, including its duration and scope. We continue to monitor the situation closely.



## Earnings Release

### **\* Non-GAAP financial data:**

The following non-GAAP financial data, including Adjusted gross profit, Adjusted operating income, Adjusted net income, and Adjusted diluted earnings per share, 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 and analysts by facilitating more meaningful comparisons of our financial results over time. The non-GAAP adjustments exclude amortization expenses of intangible assets related to acquisitions that occurred mainly in prior periods, capital gains related primarily to the sale of investments, restructuring activities, uncompensated costs related to "Swords of Iron" war, non-cash stock based compensation expenses, revaluations of investments in affiliated companies, non-operating foreign exchange gains or losses, one-time tax expenses, and the effect of tax on each of these items. We present these non-GAAP financial measures because management believes they supplement and/or enhance management's, analysts' and investors' overall understanding of the Company's underlying financial performance and trends and facilitate comparisons among current, past, and future periods.

Specifically, management uses Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders to measure the ongoing gross profit, operating profit and net income performance of the Company because the measure adjusts for more significant non-recurring items, amortization expenses of intangible assets relating to prior acquisitions, and non-cash expense which can fluctuate year to year.

We believe Adjusted gross profit, Adjusted operating income, and Adjusted net income attributable to the Company's shareholders are useful to existing shareholders, potential shareholders and other users of our financial information because they provide measures of the Company's ongoing performance that enable these users to perform trend analysis using comparable data.

Management uses Adjusted diluted earnings per share to evaluate further adjusted net income attributable to the Company's shareholders while considering changes in the number of diluted shares over comparable periods.

We believe adjusted diluted earnings per share is useful to existing shareholders, potential shareholders and other users of our financial information because it also enables these users to evaluate adjusted net income attributable to Company's shareholders on a per-share basis.

The non-GAAP measures used by the Company 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 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. They 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.



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### Reconciliation of GAAP to Non-GAAP Supplemental Financial Data:

(US Dollars in millions, except for per share amounts)

|                                                                        | Six<br>months<br>ended<br>June 30,<br>2024 | Six<br>months<br>ended<br>June 30,<br>2023 | Three<br>months<br>ended<br>June 30,<br>2024 | Three<br>months<br>ended<br>June 30,<br>2023 | Year<br>ended<br>December<br>31, 2023 |
|------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------|
| <b>GAAP gross profit</b>                                               | <b>\$ 763.8</b>                            | <b>\$ 733.7</b>                            | <b>\$ 389.7</b>                              | <b>\$ 372.2</b>                              | <b>\$ 1,483.0</b>                     |
| <u>Adjustments:</u>                                                    |                                            |                                            |                                              |                                              |                                       |
| Amortization of purchased intangible assets(*)                         | 10.6                                       | 13.6                                       | 4.2                                          | 6.6                                          | 27.3                                  |
| Restructuring of a subsidiary's activities                             | —                                          | —                                          | —                                            | —                                            | 17.5                                  |
| Stock based compensation                                               | 0.9                                        | 1.0                                        | 0.5                                          | 0.5                                          | 1.8                                   |
| Uncompensated labor costs related to "Swords of Iron" war              | 4.3                                        | —                                          | 1.8                                          | —                                            | 4.3                                   |
| <b>Non-GAAP gross profit</b>                                           | <b>\$ 779.6</b>                            | <b>\$ 748.3</b>                            | <b>\$ 396.2</b>                              | <b>\$ 379.3</b>                              | <b>\$ 1,533.9</b>                     |
| <i>Percent of revenues</i>                                             | <i>24.5%</i>                               | <i>26.3%</i>                               | <i>24.4%</i>                                 | <i>26.1%</i>                                 | <i>25.7%</i>                          |
| <b>GAAP operating income</b>                                           | <b>\$ 221.8</b>                            | <b>\$ 195.5</b>                            | <b>\$ 116.5</b>                              | <b>\$ 101.6</b>                              | <b>\$ 369.1</b>                       |
| <u>Adjustments:</u>                                                    |                                            |                                            |                                              |                                              |                                       |
| Amortization of purchased intangible assets(*)                         | 18.4                                       | 21.8                                       | 8.1                                          | 10.6                                         | 43.9                                  |
| Restructuring of a subsidiary's activities                             | —                                          | —                                          | —                                            | —                                            | 17.5                                  |
| Stock based compensation                                               | 5.7                                        | 6.8                                        | 3.3                                          | 3.3                                          | 12.1                                  |
| Uncompensated labor costs related to "Swords of Iron" war              | 6.2                                        | —                                          | 2.6                                          | —                                            | 6.1                                   |
| <b>Non-GAAP operating income</b>                                       | <b>\$ 252.1</b>                            | <b>\$ 224.1</b>                            | <b>\$ 130.5</b>                              | <b>\$ 115.5</b>                              | <b>\$ 448.7</b>                       |
| <i>Percent of revenues</i>                                             | <i>7.9%</i>                                | <i>7.9%</i>                                | <i>8.0%</i>                                  | <i>7.9%</i>                                  | <i>7.5%</i>                           |
| <b>GAAP net income attributable to Elbit Systems' shareholders</b>     | <b>\$ 152.0</b>                            | <b>\$ 124.4</b>                            | <b>\$ 78.4</b>                               | <b>\$ 62.4</b>                               | <b>\$ 215.1</b>                       |
| <u>Adjustments:</u>                                                    |                                            |                                            |                                              |                                              |                                       |
| Amortization of purchased intangible assets(*)                         | 18.4                                       | 21.8                                       | 8.1                                          | 10.6                                         | 43.9                                  |
| Restructuring of a subsidiary's activities                             | —                                          | —                                          | —                                            | —                                            | 17.5                                  |
| Stock based compensation                                               | 5.7                                        | 6.8                                        | 3.3                                          | 3.3                                          | 12.1                                  |
| Uncompensated labor costs related to "Swords of Iron" war              | 6.2                                        | —                                          | 2.6                                          | —                                            | 6.1                                   |
| Revaluation of investment measured under fair value option             | 7.4                                        | —                                          | 7.4                                          | —                                            | 3.0                                   |
| Non-operating foreign exchange (gains) losses                          | (12.3)                                     | 2.4                                        | (4.9)                                        | (1.4)                                        | 12.0                                  |
| Tax effect and other tax items, net                                    | (4.0)                                      | (2.8)                                      | (2.2)                                        | (1.4)                                        | (10.9)                                |
| <b>Non-GAAP net income attributable to Elbit Systems' shareholders</b> | <b>\$ 173.4</b>                            | <b>\$ 152.6</b>                            | <b>\$ 92.7</b>                               | <b>\$ 73.5</b>                               | <b>\$ 298.8</b>                       |
| <i>Percent of revenues</i>                                             | <i>5.5%</i>                                | <i>5.4%</i>                                | <i>5.7%</i>                                  | <i>5.1%</i>                                  | <i>5.0%</i>                           |
| <b>GAAP diluted net EPS</b>                                            | <b>\$ 3.41</b>                             | <b>\$ 2.79</b>                             | <b>\$ 1.76</b>                               | <b>\$ 1.40</b>                               | <b>\$ 4.82</b>                        |
| Adjustments, net                                                       | 0.48                                       | 0.63                                       | 0.32                                         | 0.25                                         | 1.88                                  |
| <b>Non-GAAP diluted net EPS</b>                                        | <b>\$ 3.89</b>                             | <b>\$ 3.42</b>                             | <b>\$ 2.08</b>                               | <b>\$ 1.65</b>                               | <b>\$ 6.70</b>                        |

(\*) While amortization of acquired intangible assets is excluded from the measures, the revenue of the acquired companies is reflected in the measures and the acquired assets contribute to revenue generation.



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### Recent Events:

**On June 10, 2024**, the Company announced that S&P Global Ratings Maalot Ltd., an Israeli rating agency (“Maalot”), issued its rating report regarding Elbit Systems (the “Rating Report”). In its Rating Report, Maalot reaffirmed its long term rating of “ilAA” (on local scaling) with a stable outlook regarding the Company's Series B, C and D Notes, and its short term rating of “ilA-1+” (on local scaling) regarding the Company's Commercial Paper.

**On July 29, 2024**, the Company announced that it was awarded a contract worth approximately \$190 million to supply its Iron Sting laser and GPS-guided mortar munition to the Israeli Ministry of Defense. The contract will be performed over a period of two years.

**On August 1, 2024**, the Company announced that it was awarded a contract in an amount of approximately \$340 million for the supply of ammunition to the Israeli Ministry of Defense (IMOD). The contract will be performed over a period of ten years. Elbit Systems will establish a manufacturing facility to produce the ammunition.

**On August 6, 2024**, the Company announced that it was awarded a contract worth approximately \$270 million to supply rocket artillery to an international customer. The contract will be performed over a period of four years.

**On August 8, 2024**, the Company announced that it was awarded a contract worth approximately \$130 million to supply Iron Fist Active Protection Systems to BAE Systems Hägglunds. The systems will be installed on the CV90 Infantry Fighting Vehicle as part of a project of a European country. The contract will be performed over a period of five and a half years.



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### **Dividend:**

The Board of Directors declared a dividend of \$0.50 per share. The dividend's record date is October 15, 2024. The dividend will be paid on October 28, 2024, after deduction of withholding tax, at the rate of 16.8%.

### **Conference Call:**

The Company will be hosting a conference call today, Wednesday, August 14, 2024, at 9:00 a.m. Eastern Time. On the call, management will review and discuss the results and will be available to answer questions.

To participate, please call one of the teleconferencing numbers that follow. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

**US Dial-in Number: 1-866-744-5399**  
**Canada Dial-in Number: 1-866-485-2399**  
**Israel Dial-in Number: 03-918-0644**  
**International Dial-in Number: 972-3-918-0644**

**at 9:00am Eastern Time; 6:00am Pacific Time; 4:00pm Israel Time**

The conference call will also be broadcast live on Elbit Systems' website at <https://www.elbitsystems.com>. An online replay will be available from 24 hours after the call ends.

Alternatively, for two days following the call, investors will be able to dial a replay number to listen to the call. The dial-in numbers are: **1-888-782-4291 (US and Canada) or +972-3-925-5900 (Israel and International).**

### **About Elbit Systems**

Elbit Systems is a leading global defense technology company, delivering advanced solutions for a secure and safer world. Elbit Systems develops, manufactures, integrates and sustains a range of next-generation solutions across multiple domains.

Driven by its agile, collaborative culture, and leveraging Israel's technology ecosystem, Elbit Systems enables customers to address rapidly evolving battlefield challenges and overcome threats.

Elbit Systems employs over 20,000 people in dozens of countries across five continents. The Company reported as of June 30, 2024 approximately \$1.6 billion in revenues and an order backlog of approximately \$21.1 billion. For additional information, visit: <https://elbitsystems.com/>, follow us on [Twitter](#) or visit our official [Facebook](#), [Youtube](#) and [LinkedIn](#) channels.

### **Attachments:**

Consolidated balance sheets  
Consolidated statements of income  
Consolidated statements of cash flows  
Consolidated revenue distribution by geographical regions and by segments



## Earnings Release

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This press release 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; including the duration and scope of the current war in Israel, and the potential impact on our operations; 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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*(FINANCIAL TABLES TO FOLLOW)*





## Earnings Release

### **ELBIT SYSTEMS LTD.** **CONSOLIDATED BALANCE SHEETS** (In thousands of US Dollars)

|                                                                   | As of<br>June 30, 2024 | As of<br>December 31, 2023 |
|-------------------------------------------------------------------|------------------------|----------------------------|
| <b>Assets</b>                                                     |                        |                            |
| Cash and cash equivalents                                         | \$ 120,662             | \$ 197,429                 |
| Short-term bank deposits                                          | 18,160                 | 10,518                     |
| Trade and unbilled receivables and contract assets, net           | 2,941,362              | 2,716,762                  |
| Other receivables and prepaid expenses                            | 317,340                | 285,352                    |
| Inventories, net                                                  | 2,698,651              | 2,298,019                  |
| Total current assets                                              | <u>6,096,175</u>       | <u>5,508,080</u>           |
| Investments in affiliated companies and other companies           | 145,727                | 145,350                    |
| Long-term trade and unbilled receivables and contract assets      | 415,603                | 364,719                    |
| Long-term bank deposits and other receivables                     | 80,777                 | 87,648                     |
| Deferred income taxes, net                                        | 23,602                 | 23,423                     |
| Severance pay fund                                                | 195,129                | 206,943                    |
| Total                                                             | <u>860,838</u>         | <u>828,083</u>             |
| Operating lease right of use assets                               | 526,099                | 425,884                    |
| Property, plant and equipment, net                                | 1,173,176              | 1,087,950                  |
| Goodwill and other intangible assets, net                         | 1,863,299              | 1,889,585                  |
| Total assets                                                      | <u>\$ 10,519,587</u>   | <u>\$ 9,739,582</u>        |
| <b>Liabilities and Equity</b>                                     |                        |                            |
| Short-term bank credit and loans                                  | \$ 704,285             | \$ 576,594                 |
| Current maturities of long-term loans and Series B, C and D Notes | 73,364                 | 75,286                     |
| Operating lease liabilities                                       | 72,488                 | 67,390                     |
| Trade payables                                                    | 1,276,826              | 1,254,126                  |
| Other payables and accrued expenses                               | 1,222,019              | 1,194,347                  |
| Contract liabilities                                              | 2,058,219              | 1,656,103                  |
| Total current liabilities                                         | <u>5,407,201</u>       | <u>4,823,846</u>           |
| Long-term loans, net of current maturities                        | 28,330                 | 41,227                     |
| Series B, C and D Notes, net of current maturities                | 272,157                | 342,847                    |
| Employee benefit liabilities                                      | 485,364                | 510,416                    |
| Deferred income taxes and tax liabilities, net                    | 56,967                 | 55,240                     |
| Contract liabilities                                              | 510,379                | 354,319                    |
| Operating lease liabilities                                       | 449,815                | 363,100                    |
| Other long-term liabilities                                       | 285,092                | 298,296                    |
| Total long-term liabilities                                       | <u>2,088,104</u>       | <u>1,965,445</u>           |
| Elbit Systems Ltd.'s equity                                       | 3,021,235              | 2,947,503                  |
| Non-controlling interests                                         | 3,047                  | 2,788                      |
| Total equity                                                      | <u>3,024,282</u>       | <u>2,950,291</u>           |
| Total liabilities and equity                                      | <u>\$ 10,519,587</u>   | <u>\$ 9,739,582</u>        |



## Earnings Release

### ELBIT SYSTEMS LTD. **CONSOLIDATED STATEMENTS OF INCOME** (In thousands of US Dollars, except for share and per share amounts)

|                                                                              | Six months<br>ended June 30,<br>2024 | Six months<br>ended June 30,<br>2023 | Three months<br>ended June 30,<br>2024 | Three months<br>ended June 30,<br>2023 | Year ended<br>December 31,<br>2023 |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|----------------------------------------|----------------------------------------|------------------------------------|
| Revenues                                                                     | \$ 3,180,108                         | \$ 2,847,383                         | \$ 1,626,157                           | \$ 1,453,895                           | \$ 5,974,744                       |
| Cost of revenues                                                             | 2,416,274                            | 2,113,711                            | 1,236,472                              | 1,081,739                              | 4,491,790                          |
| Gross profit                                                                 | 763,834                              | 733,672                              | 389,685                                | 372,156                                | 1,482,954                          |
| <b>Operating expenses:</b>                                                   |                                      |                                      |                                        |                                        |                                    |
| Research and development, net                                                | 215,320                              | 203,750                              | 116,799                                | 93,432                                 | 424,420                            |
| Marketing and selling, net                                                   | 176,795                              | 181,878                              | 87,713                                 | 101,718                                | 359,141                            |
| General and administrative, net                                              | 149,872                              | 152,564                              | 68,690                                 | 75,424                                 | 330,285                            |
| Total operating expenses                                                     | 541,987                              | 538,192                              | 273,202                                | 270,574                                | 1,113,846                          |
| Operating income                                                             | 221,847                              | 195,480                              | 116,483                                | 101,582                                | 369,108                            |
| Financial expenses, net                                                      | (60,266)                             | (56,269)                             | (29,081)                               | (32,057)                               | (137,827)                          |
| Other income (expenses), net                                                 | 3,267                                | (3,524)                              | (2,029)                                | (1,678)                                | (4,787)                            |
| Income before income taxes                                                   | 164,848                              | 135,687                              | 85,373                                 | 67,847                                 | 226,494                            |
| Taxes on income                                                              | (22,859)                             | (17,943)                             | (11,261)                               | (9,248)                                | (22,913)                           |
| Income after taxes on income                                                 | 141,989                              | 117,744                              | 74,112                                 | 58,599                                 | 203,581                            |
| Equity in net earnings of affiliated companies                               | 10,341                               | 6,852                                | 4,492                                  | 3,824                                  | 12,275                             |
| Net income                                                                   | \$ 152,330                           | \$ 124,596                           | \$ 78,604                              | \$ 62,423                              | \$ 215,856                         |
| Less: net income attributable to non-controlling interests                   | (292)                                | (176)                                | (239)                                  | (72)                                   | (725)                              |
| <b>Net income attributable to Elbit Systems Ltd.'s shareholders</b>          | <b>\$ 152,038</b>                    | <b>\$ 124,420</b>                    | <b>\$ 78,365</b>                       | <b>\$ 62,351</b>                       | <b>\$ 215,131</b>                  |
| <b>Earnings per share attributable to Elbit Systems Ltd.'s shareholders:</b> |                                      |                                      |                                        |                                        |                                    |
| Basic net earnings per share                                                 | \$ 3.42                              | \$ 2.81                              | \$ 1.76                                | \$ 1.41                                | \$ 4.85                            |
| Diluted net earnings per share                                               | \$ 3.41                              | \$ 2.79                              | \$ 1.76                                | \$ 1.40                                | \$ 4.82                            |
| <b>Weighted average number of shares used in computation of:</b>             |                                      |                                      |                                        |                                        |                                    |
| Basic earnings per share (in thousands)                                      | 44,469                               | 44,346                               | 44,476                                 | 44,348                                 | 44,375                             |
| Diluted earnings per share (in thousands)                                    | 44,641                               | 44,548                               | 44,623                                 | 44,637                                 | 44,592                             |



## Earnings Release

### ELBIT SYSTEMS LTD. CONSOLIDATED STATEMENTS OF CASH FLOW

(In thousands of US Dollars)

|                                                                                                  | Six months<br>ended June 30,<br>2024 | Six months<br>ended June 30,<br>2023 | Year ended<br>December 31,<br>2023 |
|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                      |                                      |                                      |                                    |
| Net income                                                                                       | \$ 152,330                           | \$ 124,596                           | \$ 215,856                         |
| Adjustments to reconcile net income to net cash provided by operating activities:                |                                      |                                      |                                    |
| Depreciation and amortization                                                                    | 78,122                               | 80,735                               | 164,799                            |
| Stock-based compensation                                                                         | 5,705                                | 6,761                                | 12,141                             |
| Amortization of series B, C and D related issuance costs, net                                    | 248                                  | 311                                  | 579                                |
| Deferred income taxes and reserve, net                                                           | 6,045                                | (448)                                | (13,165)                           |
| Gain on sale of property, plant and equipment                                                    | (317)                                | (232)                                | (651)                              |
| Loss on sale of investment, remeasurement of investments held under fair value method            | 7,834                                | —                                    | 4,990                              |
| Equity in net (earnings) losses of affiliated companies, net of dividend received <sup>(*)</sup> | (4,999)                              | (1,808)                              | 10,046                             |
| <u>Changes in operating assets and liabilities, net of amounts acquired:</u>                     |                                      |                                      |                                    |
| Increase in trade and unbilled receivables and prepaid expenses                                  | (300,943)                            | (109,320)                            | (96,594)                           |
| Increase in inventories, net                                                                     | (405,263)                            | (269,281)                            | (351,594)                          |
| Increase (decrease) in trade payables and other payables and accrued expenses                    | (47,845)                             | (43,738)                             | 175,446                            |
| Severance, pension and termination indemnities, net                                              | (23,272)                             | (13,337)                             | (24,331)                           |
| Increase in contract liabilities                                                                 | 558,352                              | 15,032                               | 16,187                             |
| Net cash (used in) provided by operating activities                                              | 25,997                               | (210,729)                            | 113,709                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                      |                                      |                                      |                                    |
| Purchase of property, plant and equipment and other assets                                       | (115,528)                            | (97,237)                             | (187,037)                          |
| Acquisition of subsidiaries, net of cash assumed                                                 | —                                    | (10,380)                             | (10,380)                           |
| Investments in affiliated companies and other companies, net                                     | (1,098)                              | (1,035)                              | (5,416)                            |
| Proceeds from sale of property, plant and equipment                                              | 4,362                                | 590                                  | 1,466                              |
| Proceeds from sale of a subsidiary and an investment                                             | 7,376                                | —                                    | 151                                |
| Investment in short-term deposits, net                                                           | (7,591)                              | (25,584)                             | (9,467)                            |
| Investment in long-term deposits, net                                                            | (441)                                | 83                                   | 83                                 |
| Net cash used in investing activities                                                            | (112,920)                            | (133,563)                            | (210,600)                          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                      |                                      |                                      |                                    |
| Issuance of shares                                                                               | 6                                    | 1                                    | 30                                 |
| Issuance of commercial paper                                                                     | 36,380                               | —                                    | 313,620                            |
| Repayment of long-term loans                                                                     | (11,203)                             | (226,118)                            | (246,231)                          |
| Proceeds from long-term bank loans                                                               | —                                    | —                                    | 20,000                             |
| Repayment of Series B, C and D Notes                                                             | (61,862)                             | (62,434)                             | (62,434)                           |
| Dividends paid <sup>(**)</sup>                                                                   | (44,473)                             | (44,857)                             | (89,248)                           |
| Change in short-term bank credit and loans, net                                                  | 91,308                               | 578,272                              | 147,475                            |
| Net cash provided by financing activities                                                        | 10,156                               | 244,864                              | 83,212                             |
| Net decrease in cash and cash equivalents                                                        | (76,767)                             | (99,428)                             | (13,679)                           |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                                  | <b>\$ 197,429</b>                    | <b>\$ 211,108</b>                    | <b>\$ 211,108</b>                  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                                        | <b>\$ 120,662</b>                    | <b>\$ 111,680</b>                    | <b>\$ 197,429</b>                  |
| <b><sup>(*)</sup> Dividend received from affiliated companies and partnerships</b>               | <b>\$ 5,342</b>                      | <b>\$ 5,044</b>                      | <b>\$ 22,321</b>                   |

<sup>(\*\*)</sup> Dividends paid during 2023 included approximately \$0.5 million dividends paid by subsidiaries to non-controlling interests.



## Earnings Release

### ELBIT SYSTEMS LTD. DISTRIBUTION OF REVENUES

(In millions of US Dollars)

#### Consolidated revenues by geographical regions:

|                      | Six months ended June 30, 2024 |       | Six months ended June 30, 2023 |       | Three months ended June 30, 2024 |       | Three months ended June 30, 2023 |       | Year ended December 31, 2023 |       |
|----------------------|--------------------------------|-------|--------------------------------|-------|----------------------------------|-------|----------------------------------|-------|------------------------------|-------|
|                      | \$                             | %     | \$                             | %     | \$                               | %     | \$                               | %     | \$                           | %     |
| Israel               | 896.0                          | 28.2  | 499.9                          | 17.6  | 444.0                            | 27.3  | 244.5                            | 16.8  | 1,167.2                      | 19.5  |
| North America        | 695.6                          | 21.9  | 690.0                          | 24.2  | 368.4                            | 22.7  | 337.7                            | 23.2  | 1,417.7                      | 23.7  |
| Europe               | 857.3                          | 27.0  | 832.9                          | 29.3  | 472.5                            | 29.1  | 464.1                            | 31.9  | 1,776.4                      | 29.7  |
| Asia-Pacific         | 542.8                          | 17.1  | 653.9                          | 23.0  | 235.7                            | 14.5  | 315.3                            | 21.7  | 1,263.8                      | 21.2  |
| Latin America        | 73.9                           | 2.3   | 58.2                           | 2.0   | 39.7                             | 2.4   | 28.0                             | 1.9   | 120.7                        | 2.0   |
| Other countries      | 114.5                          | 3.5   | 112.5                          | 3.9   | 65.9                             | 4.0   | 64.3                             | 4.5   | 228.9                        | 3.9   |
| <b>Total revenue</b> | <b>\$ 3,180.1</b>              | 100.0 | <b>\$ 2,847.4</b>              | 100.0 | <b>\$ 1,626.2</b>                | 100.0 | <b>\$ 1,453.9</b>                | 100.0 | <b>\$ 5,974.7</b>            | 100.0 |

#### Consolidated revenues by segments:

|                                                                              | Six months ended June 30, 2024 | Six months ended June 30, 2023 | Three months ended June 30, 2024 | Three months ended June 30, 2023 | Year ended December 31, 2023 |
|------------------------------------------------------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|------------------------------|
| <u>Aerospace</u>                                                             |                                |                                |                                  |                                  |                              |
| External customers                                                           | \$ 782.2                       | \$ 784.1                       | \$ 414.7                         | \$ 421.9                         | \$ 1,613.2                   |
| Intersegment revenue                                                         | 120.9                          | 123.7                          | 66.5                             | 65.1                             | 260.1                        |
| <b>Total</b>                                                                 | <b>903.1</b>                   | <b>907.8</b>                   | <b>481.2</b>                     | <b>487.0</b>                     | <b>1,873.3</b>               |
| <u>C4I and Cyber</u>                                                         |                                |                                |                                  |                                  |                              |
| External customers                                                           | 359.6                          | 318.9                          | 175.1                            | 157.1                            | 668.4                        |
| Intersegment revenue                                                         | 25.1                           | 25.5                           | 12.6                             | 11.6                             | 52.7                         |
| <b>Total</b>                                                                 | <b>384.7</b>                   | <b>344.4</b>                   | <b>187.7</b>                     | <b>168.7</b>                     | <b>721.1</b>                 |
| <u>ISTAR and EW</u>                                                          |                                |                                |                                  |                                  |                              |
| External customers                                                           | 561.6                          | 492.7                          | 264.4                            | 243.4                            | 996.9                        |
| Intersegment revenue                                                         | 103.3                          | 94.7                           | 54.4                             | 49.3                             | 182.5                        |
| <b>Total</b>                                                                 | <b>664.9</b>                   | <b>587.4</b>                   | <b>318.8</b>                     | <b>292.7</b>                     | <b>1,179.4</b>               |
| <u>Land</u>                                                                  |                                |                                |                                  |                                  |                              |
| External customers                                                           | 741.4                          | 554.7                          | 380.7                            | 276.2                            | 1,241.0                      |
| Intersegment revenue                                                         | 41.4                           | 40.8                           | 22.0                             | 17.9                             | 65.2                         |
| <b>Total</b>                                                                 | <b>782.8</b>                   | <b>595.5</b>                   | <b>402.7</b>                     | <b>294.1</b>                     | <b>1,306.2</b>               |
| <u>ESA</u>                                                                   |                                |                                |                                  |                                  |                              |
| External customers                                                           | 735.3                          | 697.0                          | 391.3                            | 355.3                            | 1,455.2                      |
| Intersegment revenue                                                         | 1.7                            | 3.7                            | 1.6                              | —                                | 9.7                          |
| <b>Total</b>                                                                 | <b>737.0</b>                   | <b>700.7</b>                   | <b>392.9</b>                     | <b>355.3</b>                     | <b>1,464.9</b>               |
| <u>Revenues</u>                                                              |                                |                                |                                  |                                  |                              |
| Total revenues (external customers and intersegment) for reportable segments | 3,472.5                        | 3,135.8                        | 1,783.3                          | 1,597.8                          | 6,544.9                      |
| Less - intersegment revenue                                                  | (292.4)                        | (288.4)                        | (157.1)                          | (143.9)                          | (570.2)                      |
| <b>Total revenues</b>                                                        | <b>\$ 3,180.1</b>              | <b>\$ 2,847.4</b>              | <b>\$ 1,626.2</b>                | <b>\$ 1,453.9</b>                | <b>\$ 5,974.7</b>            |