

VECTRUS

INVESTOR PRESENTATION

FEBRUARY 2018





SAFE HARBOR STATEMENT

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 (THE "ACT"): CERTAIN MATERIAL PRESENTED HEREIN INCLUDES FORWARD-LOOKING STATEMENTS INTENDED TO QUALIFY FOR THE SAFE HARBOR FROM LIABILITY ESTABLISHED BY THE ACT. THESE FORWARD-LOOKING STATEMENTS INCLUDE, BUT ARE NOT LIMITED TO, STATEMENTS IN 2017 GUIDANCE ABOUT OUR REVENUE, OPERATING MARGIN, NET INCOME, EPS AND NET CASH PROVIDED BY OPERATING ACTIVITIES FOR 2017 AND OTHER ASSUMPTIONS CONTAINED THEREIN FOR PURPOSES OF SUCH GUIDANCE, OUR NEW CREDIT FACILITY, DEBT PAYMENTS, EXPENSE SAVINGS, CONTRACT OPPORTUNITIES, BIDS AND AWARDS, COLLECTIONS, BUSINESS STRATEGY, OUTLOOK, OBJECTIVES, PLANS, INTENTIONS OR GOALS, AND ANY DISCUSSION OF FUTURE OPERATING OR FINANCIAL PERFORMANCE. WHENEVER USED, WORDS SUCH AS "MAY," "WILL," "LIKELY," "ANTICIPATE," "ESTIMATE," "EXPECT," "PROJECT," "INTEND," "PLAN," "BELIEVE," "TARGET," "COULD," "POTENTIAL," "ARE CONSIDERING," "CONTINUE," OR SIMILAR TERMINOLOGY ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS ARE BASED ON THE BELIEFS AND ASSUMPTIONS OF OUR MANAGEMENT BASED ON INFORMATION CURRENTLY AVAILABLE TO MANAGEMENT. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE RESULTS CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS, OUR HISTORICAL EXPERIENCE AND OUR PRESENT EXPECTATIONS OR PROJECTIONS. THESE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO: OUR DEPENDENCE ON A FEW LARGE CONTRACTS FOR A SIGNIFICANT PORTION OF OUR REVENUE; COMPETITION IN OUR INDUSTRY; OUR ABILITY TO SUBMIT PROPOSALS FOR AND/OR WIN POTENTIAL OPPORTUNITIES IN OUR PIPELINE; OUR ABILITY TO RETAIN AND RENEW OUR EXISTING CONTRACTS; PROTESTS OF NEW AWARDS; OUR INTERNATIONAL OPERATIONS, INCLUDING THE ECONOMIC, POLITICAL AND SOCIAL CONDITIONS IN THE COUNTRIES IN WHICH WE CONDUCT OUR BUSINESSES; CHANGES IN U.S. GOVERNMENT MILITARY OPERATIONS, INCLUDING ITS OPERATIONS IN AFGHANISTAN; CHANGES IN, OR DELAYS IN THE COMPLETION OF, U.S. OR INTERNATIONAL GOVERNMENT BUDGETS; GOVERNMENT REGULATIONS AND COMPLIANCE THEREWITH, INCLUDING CHANGES TO THE DEPARTMENT OF DEFENSE PROCUREMENT PROCESS; CHANGES IN TECHNOLOGY; INTELLECTUAL PROPERTY MATTERS; GOVERNMENTAL INVESTIGATIONS, REVIEWS, AUDITS AND COST ADJUSTMENTS; CONTINGENCIES RELATED TO ACTUAL OR ALLEGED ENVIRONMENTAL CONTAMINATION, CLAIMS AND CONCERNS; OUR SUCCESS IN EXPANDING OUR GEOGRAPHIC FOOTPRINT OR BROADENING OUR CUSTOMER BASE, MARKETS AND CAPABILITIES; OUR ABILITY TO REALIZE THE FULL AMOUNTS REFLECTED IN OUR BACKLOG; OUR MAINTAINING OUR GOOD RELATIONSHIP WITH THE U.S. GOVERNMENT; IMPAIRMENT OF GOODWILL; OUR PERFORMANCE OF OUR CONTRACTS AND OUR ABILITY TO CONTROL COSTS; OUR LEVEL OF INDEBTEDNESS; OUR COMPLIANCE WITH THE TERMS OF OUR CREDIT AGREEMENT; SUBCONTRACTOR AND EMPLOYEE PERFORMANCE AND CONDUCT; OUR TEAMING ARRANGEMENTS WITH OTHER CONTRACTORS; ECONOMIC AND CAPITAL MARKETS CONDITIONS; ANY FUTURE ACQUISITIONS, INVESTMENTS OR JOINT VENTURES; OUR ABILITY TO RETAIN AND RECRUIT QUALIFIED PERSONNEL; OUR MAINTENANCE OF SAFE WORK SITES AND EQUIPMENT; OUR COMPLIANCE WITH APPLICABLE ENVIRONMENTAL, HEALTH AND SAFETY REGULATIONS; OUR ABILITY TO MAINTAIN REQUIRED SECURITY CLEARANCES; ANY DISPUTES WITH LABOR UNIONS; COSTS OF OUTCOME OF ANY LEGAL PROCEEDINGS; SECURITY BREACHES AND OTHER DISRUPTIONS TO OUR INFORMATION TECHNOLOGY AND OPERATIONS; CHANGES IN OUR TAX PROVISIONS OR EXPOSURE TO ADDITIONAL INCOME TAX LIABILITIES; CHANGES IN U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; ACCOUNTING ESTIMATES MADE IN CONNECTION WITH OUR CONTRACTS; OUR EXPOSURE TO INTEREST RATE RISK; OUR COMPLIANCE WITH PUBLIC COMPANY ACCOUNTING AND FINANCIAL REPORTING REQUIREMENTS; TIMING OF PAYMENTS BY THE U.S. GOVERNMENT; RISKS AND UNCERTAINTIES RELATING TO THE SPIN-OFF FROM OUR FORMER PARENT; AND OTHER FACTORS SET FORTH IN PART I, ITEM 1A, – "RISK FACTORS," AND ELSEWHERE IN OUR 2016 ANNUAL REPORT ON FORM 10-K AND DESCRIBED FROM TIME TO TIME IN OUR FUTURE REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. WE UNDERTAKE NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE, EXCEPT AS REQUIRED BY LAW.



VECTRUS HISTORY & OVERVIEW

70+ YEAR LEGACY

Proven history of deploying resources rapidly and with precision to support the mission success of our clients



- Leading provider of:
 - Facility and Logistics Services
 - Information Technology and Network Communications Services
- Revenue of \$1.2B in 2016
- Deep, long-term customer relationships
- Robust backlog of \$3.1B⁽¹⁾ and healthy new business pipeline
- Global service solutions in 18 countries, with approximately 5,600 current global employees
- Headquartered in Colorado Springs, CO

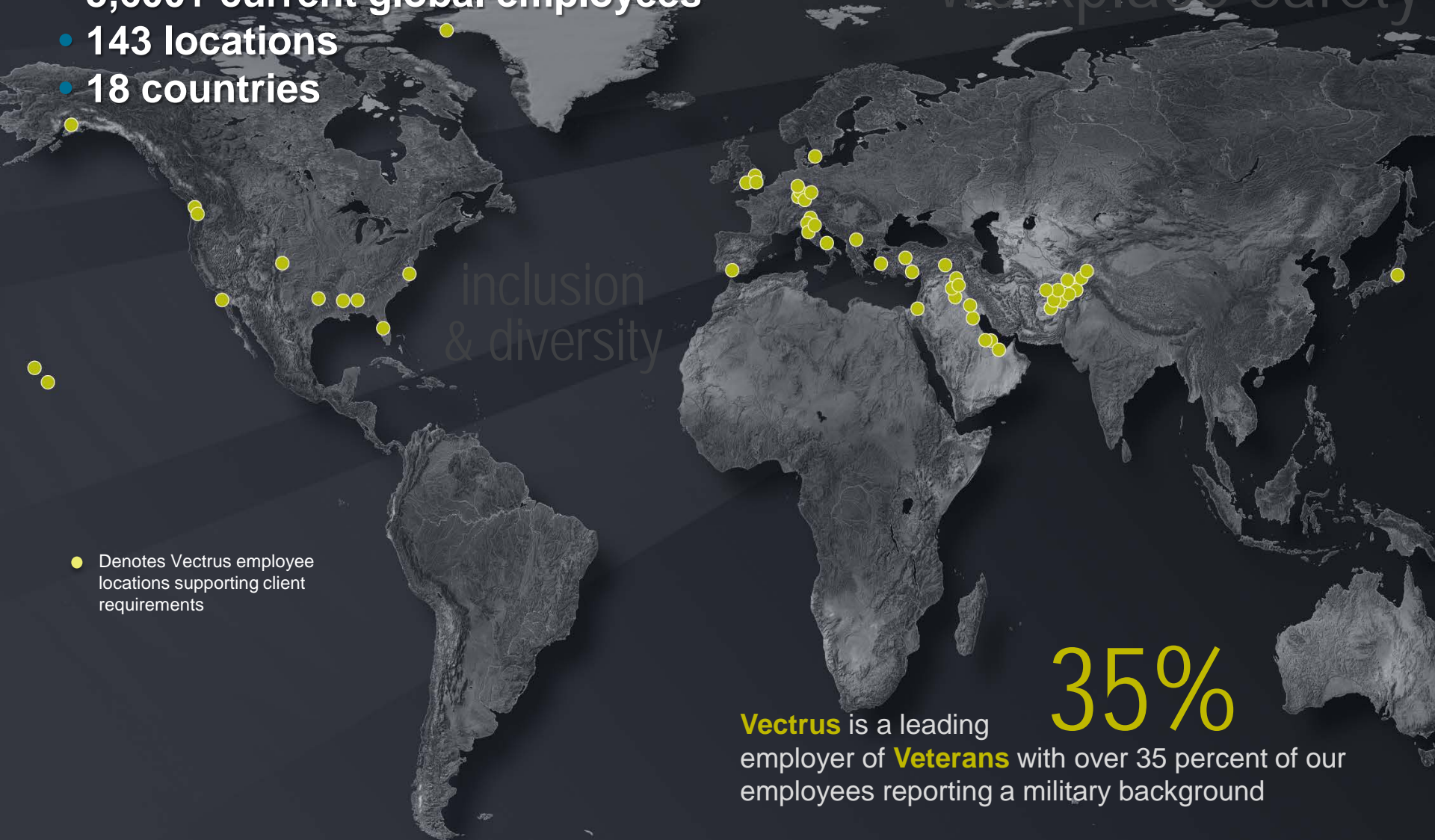
(1) As of September 29, 2017. Total backlog represents firm orders and potential options on multi-year contracts, excluding potential orders under indefinite delivery / indefinite quantity (IDIQ) contracts.



VECTRUS GLOBAL REACH

Global Workforce

- 5,600+ current global employees
- 143 locations
- 18 countries



● Denotes Vectrus employee locations supporting client requirements

35%
Vectrus is a leading employer of **Veterans** with over 35 percent of our employees reporting a military background



RECOGNITION

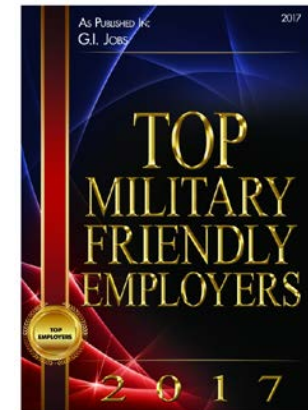


Best For Vets: Employers 2017

2017 rankings of companies that work hard to recruit and support Veterans, service members and their families.

2017 Military Friendly Employers

[Victory Media](#), publisher of *G.I. Jobs*® and *Military Spouse*, recognized [Vectrus, Inc.](#) (NYSE:VEC) with the [2017 Military Friendly® Employer](#) designation. The 2017 list of Military Friendly Employers distinguishes elite companies who promote strong job opportunities, hiring practices and retention programs for transitioning service members seeking civilian employment.





CORE CAPABILITIES



Facility and Logistics Services (78% 2016 Rev)

We keep large facilities and bases running efficiently, effectively, and comprehensively around the globe and around the clock.

- Airfield Management
- Ammunition Management
- Civil Engineering
- Communications
- Emergency Services
- Equipment Maintenance, Repair and Services
- Life Support Activities
- Public Works
- Security
- Transportation Operations
- Warehouse Management and Distribution



IT & Network Communications Services (22% 2016 Rev)

We operate, manage, and maintain communication systems, network security, systems installation, and the full life cycle of IT systems for the US Army, Air Force, and Navy.

- Communications
- Engineering and Design
- Management and Service Support
- Network and Cybersecurity
- Systems Installation and Activation



VECTRUS STRATEGY

Vectrus will **drive growth** through strategic imperatives aligned to our three core strategies.

● ENHANCE PROGRAM EXECUTION AND EXPAND THE BASE

Benefit: Strengthened methods and approaches, resulting in the delivery of higher value, high impact services to our clients, while growing in, and around, our base

Enhance Foundation

Expand Portfolio

Vectrus will be an innovator and leader in the convergence of our clients' physical and digital infrastructure and supply chains

Add More Value

● INFUSE TECHNOLOGY INTO CURRENT FACILITIES & LOGISTICS SERVICES (F&LS) BUSINESS

Benefit: Integrated solutions that improve efficiency, reduce downtime, and drive cost savings for clients while delivering higher margins to Vectrus

● EXPAND IT CAPABILITIES TO BECOME A FULL LIFECYCLE PROVIDER

Benefit: Mature portfolio of capabilities available to sell across current and future client set

● EXPAND SERVICE OFFERING AND OPTIMIZE BUSINESS MODEL

Benefit: Stronger competitive position when going to market that drives revenue and margin growth



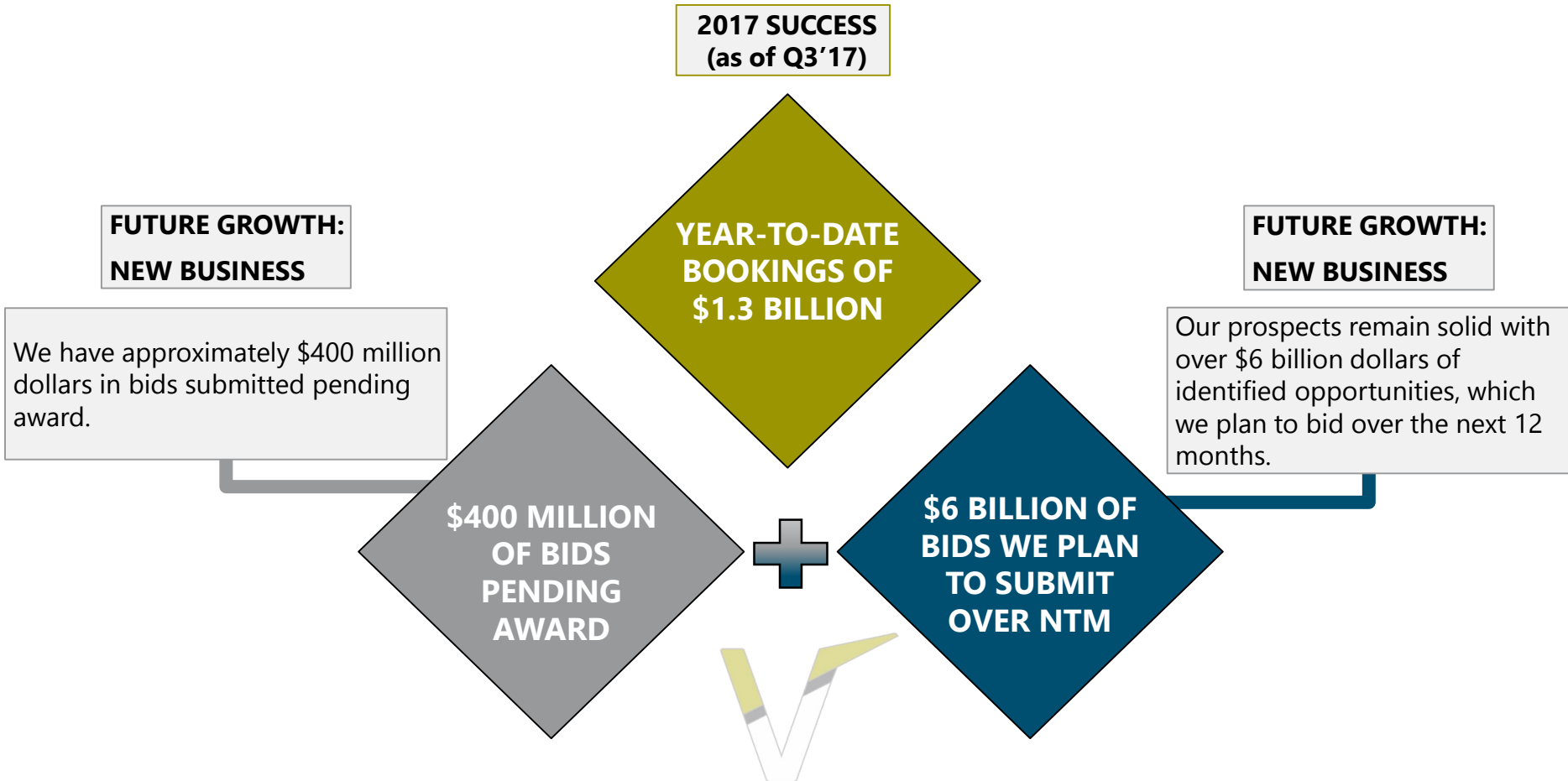
AWARDS AND NEW BUSINESS

- Awarded one year extension on K-BOSSS with option periods to potentially extend support through March 2019
- Awarded \$115 million OPMAS-E re-compete contract, which has a potential period of performance through January 2022
 - Extends our 10-plus years of performance and adds to our ~30 years supporting the Army IT program
- Awarded \$278 million Maxwell Base Operations Support re-compete contract, which has a potential period of performance through March 2024
- Awarded \$97 million Keesler Air Force Base Operations Support Services contract, which has a potential performance period through May 2024
- Awarded the Range Support Services (RSS) II subcontract adding annual revenue in excess of \$20 million through March 2034
- Awarded \$14 million task order with the U.S. Air Force for logistics support in Afghanistan, which has a potential period of performance through March 2021
 - We were also awarded another Air Force task order for operations, maintenance, and repair services in Kuwait



AWARDS AND NEW BUSINESS⁽¹⁾

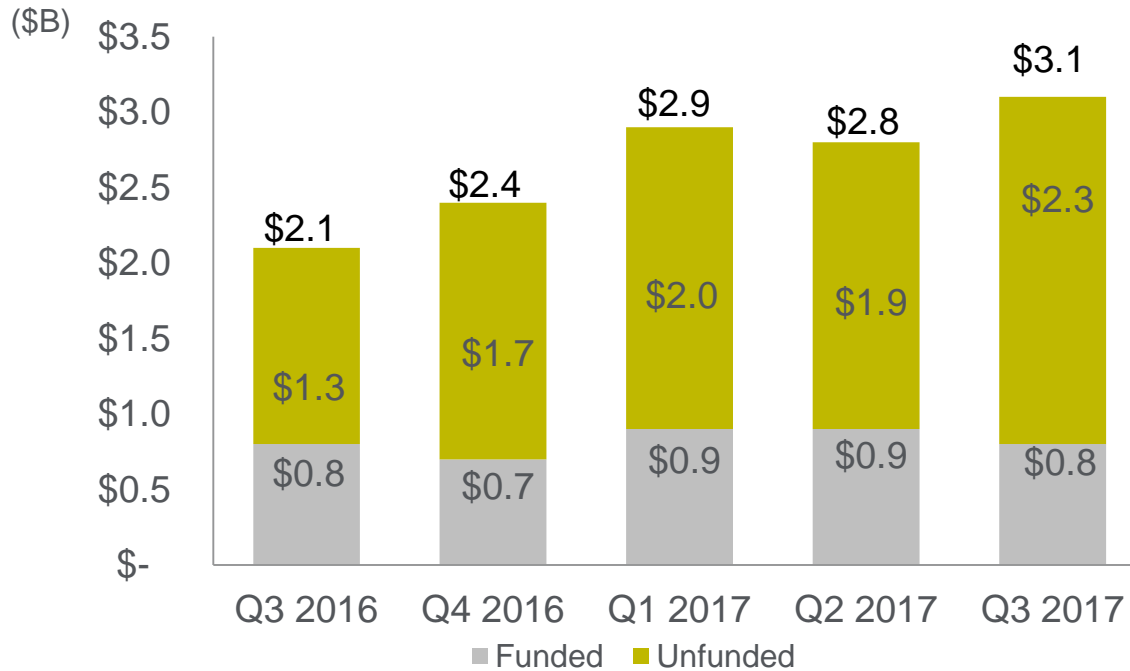
2017 awards have been solid and our pipeline of opportunities supports future growth



(1) Last provided in Vectrus Third Quarter 2017 Earnings Presentation on November 7, 2017.



BACKLOG⁽¹⁾



- Total backlog \$3,058 million as of September 29, 2017
 - Funded backlog \$824 million
 - Unfunded backlog \$2,234 million

(1) Total backlog represents firm orders and potential options on multi-year contracts, excluding potential orders under IDIQ contracts. Backlog also excludes contracts awarded to Vectrus but currently in protest with the GAO or the Federal Court of Claims.



2017 FINANCIAL RESULTS

	Three Months Ended			Nine Months Ended		
	Q3 2017	Q3 2016	vs 2016	Q3 2017	Q3 2016	vs 2016
(in millions except Operating Margin and Diluted Earnings Per Share)						
Revenue	\$ 269.6	\$ 283.8	\$ (14.2)	\$ 819.0	\$ 902.4	\$ (83.4)
Operating Income	\$ 10.1	\$ 11.2	\$ (1.1)	\$ 30.9	\$ 34.3	\$ (3.3)
Operating Margin	3.7 %	3.9 %	(0.2)%	3.8 %	3.8 %	0.0%
Net Income	\$ 5.8	\$ 6.6	\$ (0.8)	\$ 17.9	\$ 19.2	\$ (1.3)
Diluted Earnings Per Share	\$ 0.51	\$ 0.60	\$ (0.09)	\$ 1.61	\$ 1.76	\$ (0.15)
Net Cash Provided by Operating Activities				\$ 22.4	\$ 33.5	\$ (11.1)



2017 GUIDANCE SUMMARY⁽¹⁾

(in millions except Operating Margin and Diluted Earnings Per Share)	2017 Guidance	2017 Mid	2016	Var to 2017 Mid	%Var
Revenue	\$ 1,080 to \$ 1,100	\$ 1,090	\$ 1,191	\$ (101)	(8.4)%
Operating Margin	3.50 % to 3.70 %	3.60 %	3.6 %	0 bps	
Net Income	\$ 21.1 to \$ 23.0	\$ 22.0	\$ 23.7	\$ (1.7)	(7.3)%
Diluted EPS	\$ 1.87 to \$ 2.03	\$ 1.95	\$ 2.16	\$ (0.21)	(9.7)%
Net Cash Provided by Operating Activities	\$ 24.0 to \$ 30.0	\$ 27.0	\$ 36.6	\$ (9.6)	(26.2)%

2017 guidance assumptions:

- Capital expenditures approximately \$2.0 million
- Depreciation and amortization approximately \$2.3 million
- 2017 mandatory debt payments \$11.5 million
- Interest expense approximately \$5.1 million
- Estimated tax rate of 35.5%
- Diluted EPS assumes 11.3 million weighted average diluted shares outstanding at December 31, 2017

(1) Last provided in Vectrus Third Quarter 2017 Earnings Presentation on November 7, 2017.



VECTRUS ACQUISITION OF SENTEL

SENTEL is a mission-focused business with expertise in specialized disciplines including Engineering and Advanced Technology Solutions, Intelligence Mission Support, and Logistics and Supply Chain Management (est. 1986). Fiscal 2017 revenue was \$107 million.



Logistics

Provides a wide range of services to address logistical planning through the execution of sustainment operations.

- Initial Distribution
- Storage Warehousing
- Asset Management
- Management & Redistribution Support
- Disposal Operations

In February 2016, SENTEL was awarded the largest task order in its history to provide logistics support for the Logistics Readiness Center at Fort Bragg.



Mission Support

Provides multidisciplinary mission support across various clients, primarily the intelligence community.

- Worldwide secure construction design and oversight
- Multi-level secure network design and certification
- Multi-source intelligence-related services
- Horizontally integrated security and engineering techniques

In September 2016, SENTEL won its largest intel contract as a prime to provide Worldwide Logistics Management Services.



Engineering & IT

Develops solutions designed for spectrum management systems, sensor networks, border surveillance systems, perimeter surveillance systems.

- Systems Integration
- Electromagnetic Effects
- Engineering
- Data Analysis
- Software Engineering
- Secure Network Solutions

SENTEL has a legacy in electromagnetic effects, ensuring that all components (platforms, systems, subsystems, equipment) on a ship/aircraft can operate without interference. Also provides various IT support and software engineering to DoD & Federal Civilian clients.