VECTRUS
SECOND QUARTER 2020 RESULTS

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AUGUST 11, 2020

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, ALL OF THE STATEMENTS AND ITEMS LISTED IN THE TABLES FOR 2H AND 2020 GUIDANCE AND OTHER ASSUMPTIONS CONTAINED THEREIN FOR PURPOSES OF SUCH GUIDANCE, STATEMENTS ABOUT OUR 2020 PERFORMANCE OUTLOOK, FIVE-YEAR GROWTH PLAN, REVENUE, DSO, CONTRACT OPPORTUNITIES, THE IMPACT OF COVID-19, AND ANY DISCUSSION OF FUTURE OPERATING OR FINANCIAL PERFORMANCE.

WHENEVER USED, WORDS SUCH AS "MAY," "ARE CONSIDERING," "WILL," "LIKELY," "ANTICIPATE," "ESTIMATE," "EXPECT," "PROJECT," "INTEND," "PLAN," "BELIEVE," "TARGET," "COULD," "POTENTIAL," "CONTINUE," "GOAL" 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.

THESE FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE, CONDITIONS OR RESULTS, AND INVOLVE A NUMBER OF KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS AND OTHER IMPORTANT FACTORS, MANY OF WHICH ARE OUTSIDE OUR MANAGEMENT’S CONTROL, THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE RESULTS DISCUSSED IN THE FORWARD-LOOKING STATEMENTS. FOR A DISCUSSION OF SOME OF THE RISKS AND IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM SUCH FORWARD-LOOKING STATEMENTS, SEE THE RISKS AND OTHER FACTORS DETAILED FROM TIME TO TIME OUR ANNUAL REPORT ON FORM 10-K, QUARTERLY REPORTS ON FORM 10-Q, AND OTHER FILINGS WITH THE U.S. 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.

Q2'20 Results

- **Solid Q2'20 revenue of $336 million and adjusted diluted EPS[1] of $0.24**
- **Strong Operating Cash Flow of $33.3 million in Q2'20 (+52% yr/yr) including $13 million favorable impact from CARES Act tax deferrals**
- **Three new Navy Program Wins[2] (aggregate value of $554 million):**
  - Isa Air Base (Bahrain): 8-year $210M contract
  - Patuxent River[3]: 8-year $190M contract (joint venture)
  - U.S. Naval Academy[3]: 7-year $154M contract (joint venture)
- **Backlog increased 18% yr/yr to $3.8B**
  - Proforma Total Backlog[4] of $4.0B; TTM Book-to-Bill Ratio: 1.6x
- **LOGCAP V transition continuing but at a slower pace due to COVID-19 related travel and base access restrictions**
- **Priorities for remainder of 2020 and 2021:**
  - LOGCAP startup; program execution; mitigating COVID-19 impact; pipeline expansion; strategic M&A
- **Revising 2020 guidance for revenue, adjusted EBITDA margin, and diluted EPS**
  - Improved profit margins expected to drive EPS growth in the second-half

Q2'20 Revenue: $336M, growth of 1.3%

- **One contract adjustment and one-time closeouts impacted revenue by ($4.2M) or (1.3%)**
- **COVID-19 impact of ($22.3M) or (6.7%)**

Adjusted EBITDA[1]: $6.7M / 2.0% margin

- **One contract adjustment and one-time closeouts impacted EBITDA by ($8.4M) or (240 bps)**
- **COVID-19 impact of ($2.1M) or (30 bps)**

Adjusted diluted EPS[1] of $0.24 impacted by:

- **One contract adjustment and one-time closeouts of ($0.54)**
- **COVID-19 impact of ($0.14)**

[1] See appendix for reconciliation of non-GAAP measures.
[2] The three new Navy Program awards, ISA Air Base, Patuxent River, U.S. Naval Academy are currently under protest.
[3] Navy Joint Ventures, the Patuxent River and U.S. Naval Academy, upon release from protest will be treated as equity method accounting (no revenue will be reported).
[4] Proforma total backlog includes protested awards, K-BOSSS extension, and de-obligation of a subcontract discussed on page 6.

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Q2'20 Contract and Closeout Adjustments

- **Contract Adjustment**

EPS Impact

($0.36)

Issue

- Contract adjustment to a European program. For a number of reasons, both volume and cost, the outcome-based contract is in a loss position.

Resolution

- The company is working with the client to resolve this issue prior to the next option period in mid-2021.
- Unclear recoverability of excess cost through remainder of contract term led to program adjustment.

- **One-time Closeouts**

EPS Impact

($0.18)

Description

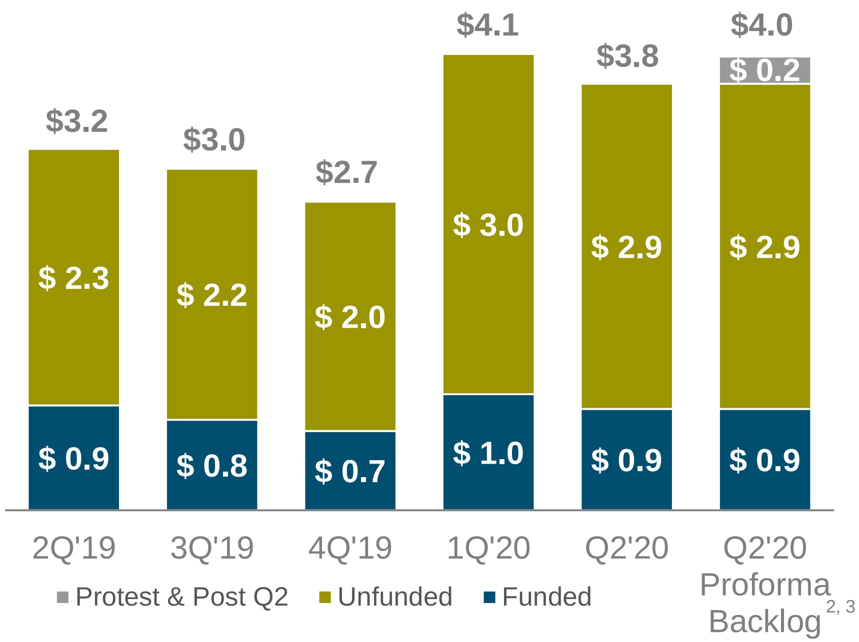
- Resolves one-time historical items to include contract close outs, contract adjustments, and government fiscal year closeouts.

Notable Contract Wins to Date

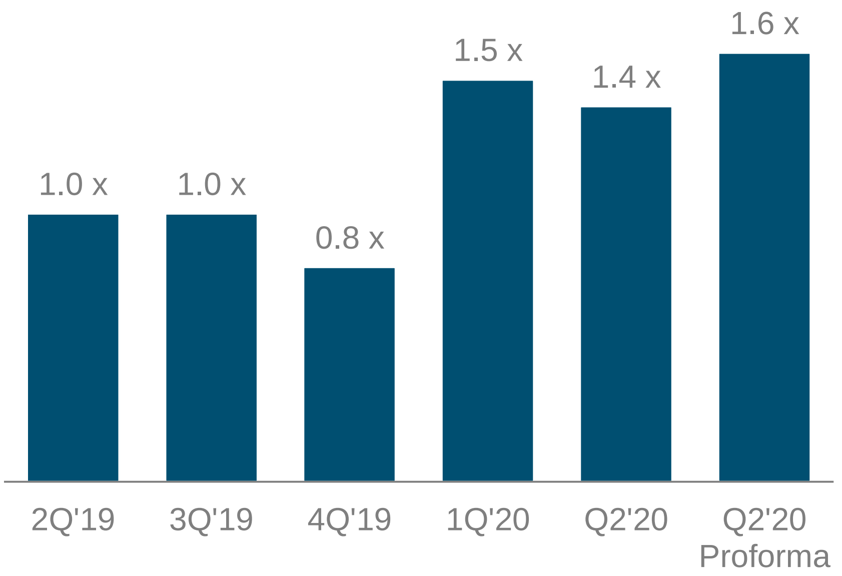
IDIQ Seat **$6.4B**	Position on AFCAP V Contract - $6.4 billion indefinite-delivery/indefinite-quantity (IDIQ) contract vehicle
Awarded **$210M**	8-year firm fixed-price contract for base operations support services at Isa Air Base, Bahrain, and its outlying support sites including the Patriot Battery Site, Riffa, Bahrain
Awarded **$190M**	8-year firm-fixed-price contract for base operating support services at Naval Air Station Patuxent River, Patuxent River, Maryland (joint venture)
Awarded **$154M**	7-year firm-fixed-price contract for base operations support services at Naval Support Activity, Annapolis, Maryland, to include services at the U.S. Naval Academy (joint venture)
Awarded **$45M**	8-year firm-fixed-price contract to provide base operations support services at Naval Support Facility Deveselu, Romania
Awarded **$10M**	5-year firm-fixed-price IDIQ contract for intrusion detection system supplies and services at Edwards Air Force Base, California

Solid Backlog and Book-to-Bill

Backlog[1] (in billions)



Trailing 12-Month Book-to-Bill Ratio



Total Q2'20 Backlog of $3.8 Billion

- Proforma Total Backlog of $4.0 billion
  - Including contracts under protest $0.4B
  - Partial K-BOSSS extension $0.3B, and de-obligation of a subcontract[3] ($0.4B) subsequent to Q2
- Backlog at 2.7x the 2020 revenue mid-point, provides insight into ability to continue generating revenue and cash flow in future periods

TTM Book-to-Bill Ratio is 1.4x

- Proforma TTM Book-to-Bill Ratio of 1.6x based on Proforma Total Backlog

1 Total Backlog represents firm orders and potential options on multi-year contracts, excluding potential orders under IDIQ contracts.
2 Proforma Total Backlog includes protested awards, K-BOSSS extension, and de-obligation of a subcontract. Joint Ventures values included in the backlog are carried at the Vectrus proportionate share of total contract value.
3 Subsequent to the end of the quarter, Vectrus was notified of the intent not to exercise the remaining option years on a subcontract agreement. The Proforma Backlog reflects the reduction of $0.4B related to remaining option periods.

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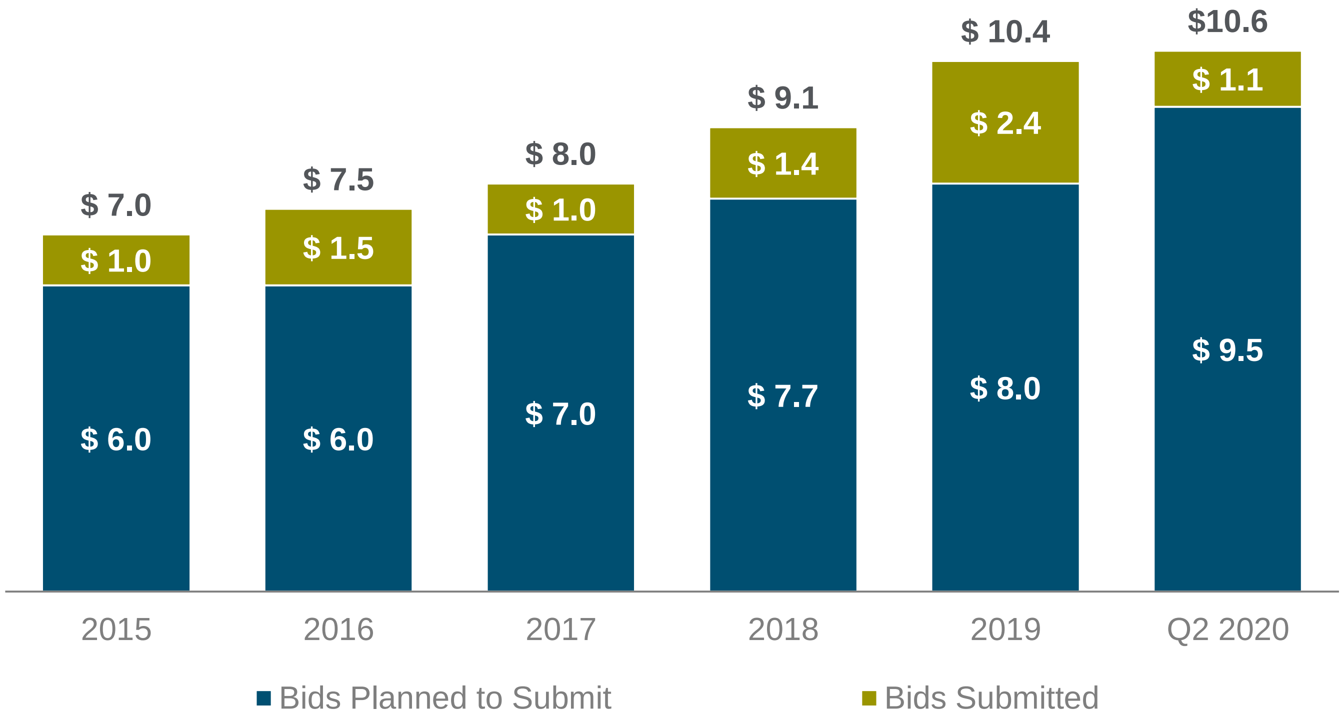
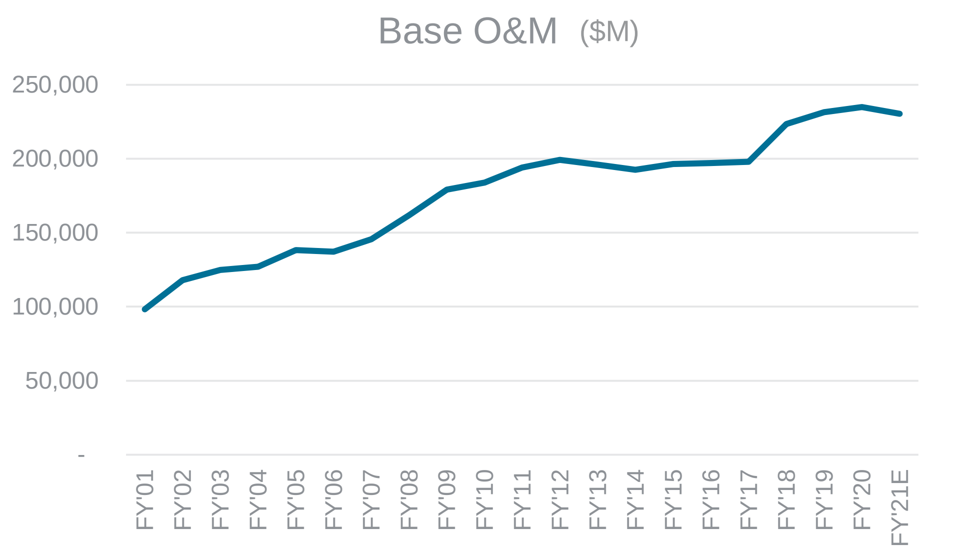
Robust Pipeline of Future Growth

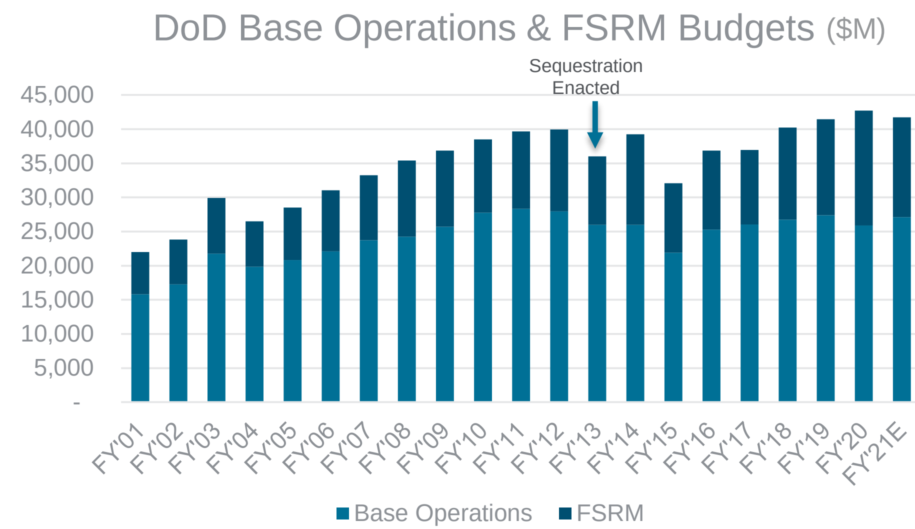
Total qualified pipeline at Q2'20 of $10.6 Billion

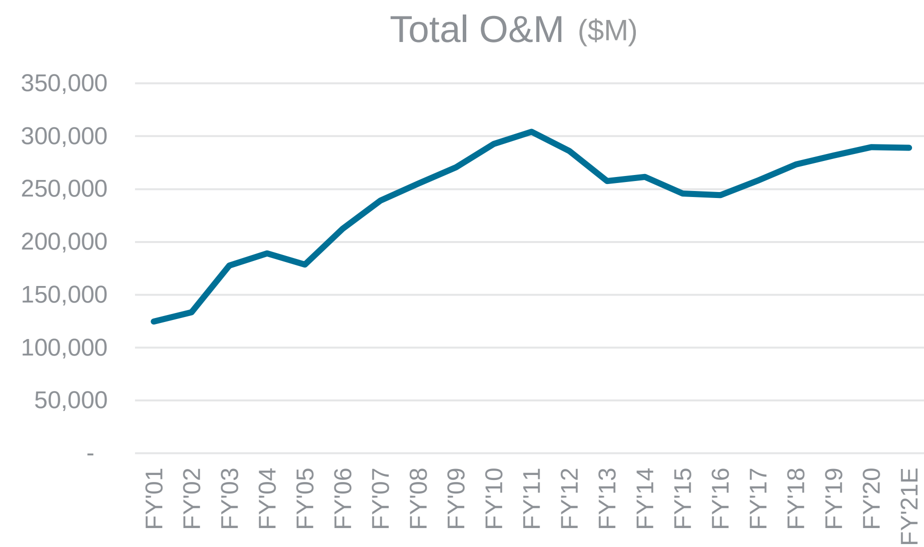
- Current pipeline represents 20% growth from Q2 2019
- Includes $1.1 billion of submitted bids and $9.5 billion of bids planned to be submitted in the next twelve months



Well Positioned for Market Share Growth in DoD O&M and Base Operations Budget







Well Positioned Within DoD Funding Areas

- Over 90% of VEC's prime contracts are funded through the DoD's Operations & Maintenance (O&M) budget
- Within the ~$290B O&M budget, Base Operations & Facilities Sustainment accounts for +$40B
- Funding is necessary to keep DoD facilities in good working order, while providing personnel and infrastructure support to sustain mission capability and quality-of-life
- We believe our funding sources are vital to DoD mission operations and the company is well positioned to continue capturing growth within this large budget

Budgetary data from DoD Comptroller (https://comptroller.defense.gov/Budget-Materials/)

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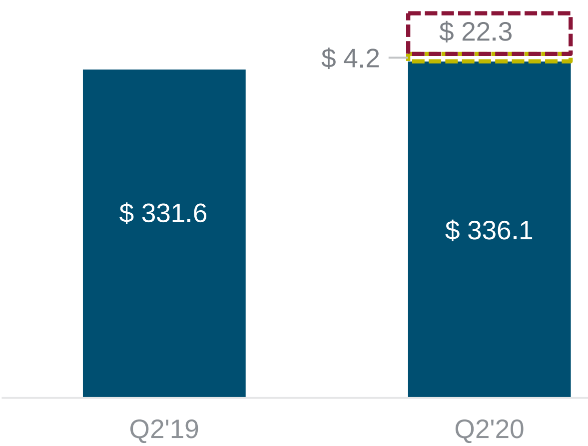
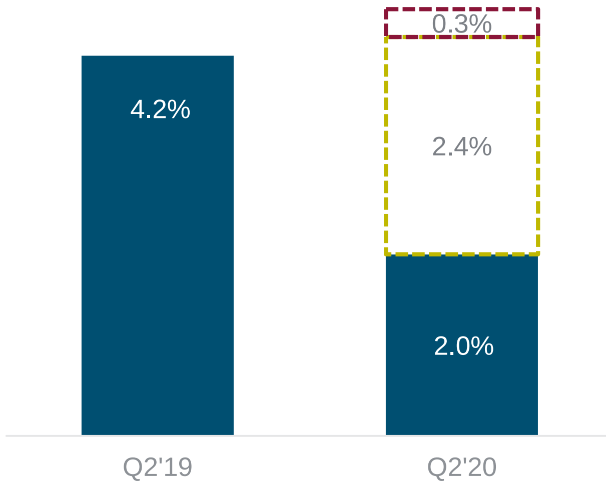
Q2'20 Financial Results

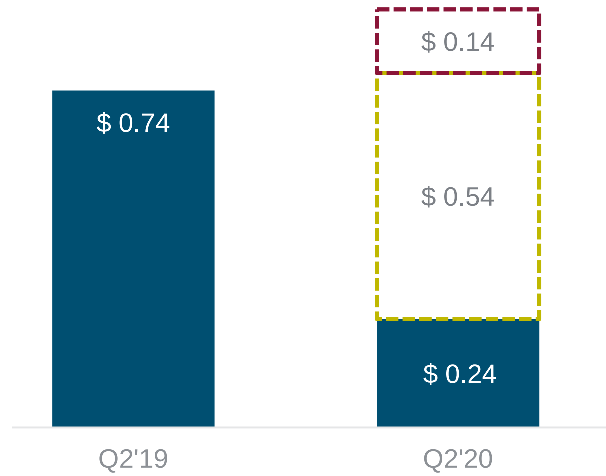
Revenue ($M)



EBITDA[1] Margin



Diluted[1] EPS



Adjusted results[1]

Contract adjustment and one-time closeouts

COVID-19 impact

- Revenue increased by $4.5 million, or 1.3%, compared to Q2'19
- Contract and one-time closeout adjustments impact of ($4.2) million or (1.3%)
- COVID-19 impact of ($22.3) million or (6.7%)

- Adj. EBITDA[1] margin of 2.0%
- Contract and one-time closeout adjustments impact of (240 bps)
- COVID-19 impact of (30 bps)

- Adj. diluted[1] EPS of $0.24
- Contract and one-time closeout adjustments impact of ($0.54)
- COVID-19 impact of ($0.14)

[1] See appendix for reconciliation of non-GAAP measures.

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Liquidity

$millions	First Half 2019	First Half 2020	$ yr/yr change	% yr/yr change
YTD Net Cash Provided by (Used in) Operating Activities	$15.5	$34.4	$18.9	122%
Cash	$70.3	$62.7	($7.6)	(11%)
Receivables	$237.2	$260.3	$23.1	10%
Debt	$73.0	$67.5	($5.5)	(8%)
Net Debt[1]	$2.7	$4.8	$2.1	78%
Leverage Ratio (x)	1.17x	1.08x	N/A	(8%)

1 Net Debt = Debt - Cash

- YTD Cash Flow from Operations of $34.4 million, including $13 million CARES Act tax deferrals
- Revolver undrawn at quarter end combined with cash, results in total liquidity of $180 million
- Net debt of $4.8 million
- Strong balance sheet and financial position

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Second-Half 2020 Guidance

$millions, Unless Otherwise Stated	2H 2019 Actual	2H 2020 Mid-point	2H 2020 Guidance
Revenue	$725	$707	$697— $717
Adjusted EBITDA Margin (%)	4.5%	4.9 %	4.8 % — 5.0%
Adjusted Diluted Earnings Per Share	$1.65	$1.77	$1.70 — $1.84
Net Cash Provided by Operating Activities	$12.1	$15.6	$10.6 — $20.6

2H 2020 guidance assumptions include:

- COVID-19 impact $40 million of deferred revenue and $0.13 EPS
- SG&A aligned to revised volume expectations
- Capital expenditures approximately $3.0 million
- Depreciation and amortization approximately $4.1 million
- Mandatory debt payments $3.5 million
- Interest expense approximately $2.8 million
- Estimated tax rate of 25% (23% full-year)
- Diluted EPS assumes 11.8 million weighted average diluted shares outstanding at December 31, 2020
- Net cash provided by operating activities includes minimal impact from CARES Act tax deferral

Revised Full-Year 2020 Guidance

$millions, Unless Otherwise Stated	2019 Actual	(Prior) 2020 Guidance	(Revised) 2020 Guidance
Revenue	$1,383	$1,475 — $1,525	$1,385 — $1,405
Adjusted EBITDA Margin (%)	4.3%	4.6 % — 4.8 %	4.0 % — 4.1 %
Adjusted Diluted Earnings Per Share	$3.08	$3.48 — $3.81	$2.68 — $2.82
Net Cash Provided by Operating Activities	$27.6	$45.0 — $55.0	$45.0 — $55.0

2020 guidance assumptions include:

- Reflects first-half results and timing of LOGCAP V second-half phase-in
- COVID-19 full-year estimated impact of $65 million in deferred revenue and $0.29 diluted EPS
- Capital expenditures reduced to ~$5.0 million
- Depreciation and amortization reduced to $8.1 million
- Mandatory debt payments $6.5 million
- Interest expense approximately $5.6 million
- Estimated tax rate of 23%
- Diluted EPS assumes 11.8 million weighted average diluted shares outstanding at December 31, 2020
- Net cash provided by operating activities includes $14.5 million related to CARES Act tax deferrals

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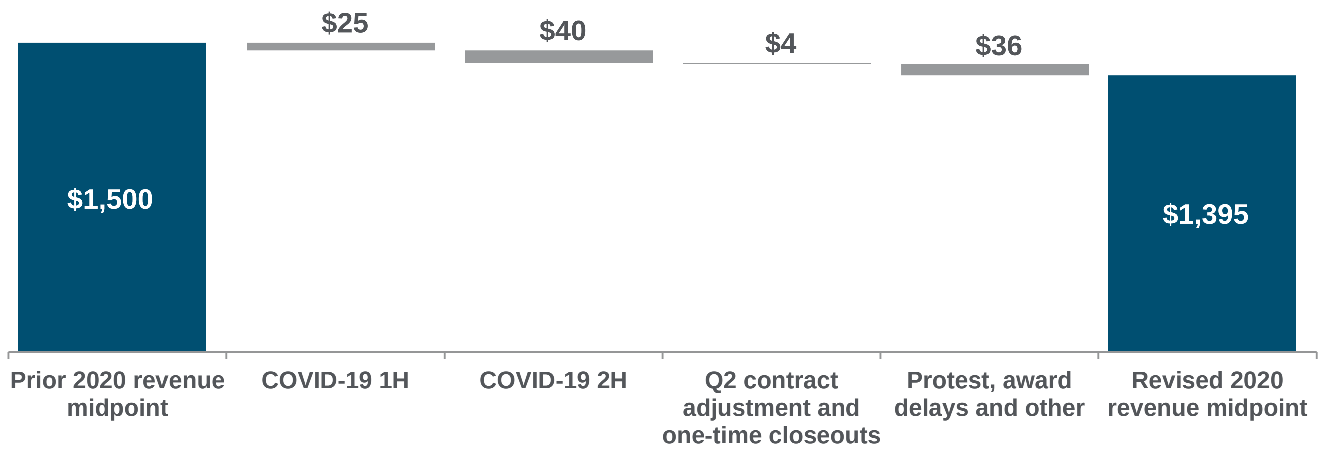
2020 Revenue & EPS Guidance Reconciliation



[1] *See appendix for reconciliation of non-GAAP measures.*

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APPENDIX

Reconciliation Of Non-GAAP Measures

The primary financial performance measures we use to manage our business and monitor results of operations are revenue trends and operating income trends. In addition, we consider adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, Adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, to be useful to management and investors in evaluating our operating performance for the periods presented, and to provide a tool for evaluating our ongoing operations. This information can assist investors in assessing our financial performance and measures our ability to generate capital for deployment among competing strategic alternatives and initiatives.

Adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, EBITDA, adjusted EBITDA, EBITDA margin, adjusted EBITDA margin, however, are not measures of financial performance under generally accepted accounting principles in the United States of America (GAAP) and should not be considered a substitute for net income and diluted earnings per share as determined in accordance with GAAP. Definitions and reconciliations of these items are provided below.

“Adjusted operating income” is defined as operating income, adjusted to exclude items that may include, but are not limited to significant charges or credits, and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs, that impact current results but are not related to our ongoing operations.

"Adjusted operating margin" is defined as adjusted operating income divided by revenue.

"Adjusted net income” is defined as net income, adjusted to exclude items that may include, but are not limited to, significant charges or credits, and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs, that impact current results but are not related to our ongoing operations.

"Adjusted diluted earnings per share" is defined as adjusted net income divided by the weighted average diluted common shares outstanding.

"EBITDA" is defined as operating income, adjusted to exclude depreciation and amortization.

"Adjusted EBITDA” is defined as EBITDA, adjusted to exclude items that may include, but are not limited to, significant charges or credits and unusual and infrequent non-operating items, such as M&A transaction and LOGCAP V pre-operational legal costs, that impact current results but are not related to our ongoing operations..

"EBITDA margin" is defined as EBITDA divided by revenue.

"Adjusted EBITDA margin" is defined as Adjusted EBITDA divided by revenue.

Reconciliation Of Non-GAAP Measures

Adjusted Net Income, Adjusted Diluted Earnings Per Share (Non-GAAP Measures)

($ in thousands, except per share data)	Three Months Ended July 3, 2020 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended July 3, 2020 As Reported - Adjusted
Revenue	$ 336,063	$ —	$ —	$ 336,063
Growth	1.3 %			1.3 %
Growth, organic	(1.8)%			(1.8)%
Operating income	$ 2,430	$ 2,193	$ 46	$ 4,669
Operating margin	0.7 %			1.4 %
Interest expense, net	$ (1,346)			$ (1,346)
Income from operations before income taxes	$ 1,084	$ 2,193	$ 46	$ 3,323
Income tax expense	$ (27)	$ 504	$ 11	$ 488
Income tax rate	(2.5)%	23.0%	23.0%	14.7 %
Net income	$ 1,111	$ 1,689	$ 35	$ 2,835
Weighted average common shares outstanding, diluted	11,745			11,745
Diluted earnings per share	$ 0.09	$ 0.14	$ 0.00	$ 0.24

EBITDA (Non-GAAP Measures)

($ in thousands)	Three Months Ended July 3, 2020 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended July 3, 2020 As Reported - Adjusted
Operating Income	$ 2,430	$ 2,193	$ 46	$ 4,669
Add:				
Depreciation and Amortization	$ 1,988	$ —	$ —	$ 1,988
EBITDA	$ 4,418	$ 2,193	$ 46	$ 6,657
EBITDA Margin	1.3 %			2.0 %

Reconciliation Of Non-GAAP Measures

Adjusted Net Income, Adjusted Diluted Earnings Per Share (Non-GAAP Measures)

($ in thousands, except per share data)	Three Months Ended June 28, 2019 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended June 28, 2019 As Reported - Adjusted
Revenue	$ 331,589			$ 331,589
Operating income	$ 11,193	$ 667	$ 579	$ 12,439
Operating margin	3.4 %			3.8 %
Interest expense, net	$ (1,329)			$ (1,329)
Income from operations before income taxes	$ 9,864	$ 667	$ 579	$ 11,110
Income tax expense	$ 2,247	$ 152	$ 132	$ 2,531
Income tax rate	22.8 %			22.8 %
Net income	$ 7,617	$ 515	$ 447	$ 8,579
Weighted average common shares outstanding, diluted	11,605			11,605
Diluted earnings per share	$ 0.66			$ 0.74

EBITDA (Non-GAAP Measures)

($ in thousands)	Three Months Ended June 28, 2019 As Reported	M&A Related Costs	LOGCAP V Pre-Operational Legal Costs	Three Months Ended June 28, 2019 As Reported - Adjusted
Operating Income	$ 11,193	$ 667	$ 579	$ 12,439
Add:				
Depreciation and Amortization	$ 1,456			$ 1,456
EBITDA	$ 12,649	$ 667	$ 579	$ 13,895
EBITDA Margin	3.8 %			4.2 %

Reconciliation Of Non-GAAP Measures

(In thousands)	Three Months Ended July 3, 2020 As Reported	Three Months Ended July 3, 2020 Advantor	Three Months Ended July 3, 2020 As Reported - Organic
Revenue	336,063	10,287	325,776

	Three Months Ended June 28, 2019 As Reported	Three Months Ended June 28, 2019 Advantor	Three Months Ended June 28, 2019 As Reported - Organic
Revenue	331,589	-	331,589
Organic Revenue $			(5,813)
Organic Revenue %			-1.8%

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