



# IAI Annual Financial Results for 2025

**Breaking Business Performance Record with a current Order Backlog in excess of USD 30 billion**

**Net income in 2025 soared by about 45% to USD 712 million, record-breaking EBITDA, gross profit and sales turnover**

- **Increase in sales** to about USD 7,384 million in 2025 compared with about USD 6,112 million in 2024.
- **45% growth in net income** in 2025 to about USD 712 million compared with net income of about USD 493 million in 2024.
- **37% growth in annual EBITDA** to about USD 1,082 million compared with about USD 792 million last year.
- **Gross profit in 2025** rose by USD 292 million to about USD 1,433 million compared with about USD 1,141 million in 2024.
- **51% rise in annual operating margin** to about USD 751 million compared with about USD 498 million last year.
- **The Company's order backlog leaped to about USD 29 billion** as of December 31, 2025, representing some 4 years of operations, up from USD 25 billion at the end of 2024.
- The Company has some USD 4 billion in free cash flow.

## **Boaz Levy, IAI's CEO**

“A highly complex security reality marked the year 2025 for the State of Israel—a reality that continues to compel us. Even today, as the country remains engaged in security operations across various fronts, IAI is proud to stand at the forefront, supporting the defense establishment and strengthening Israel's position as a technological powerhouse on the international stage.

The financial statements we are presenting today, summarizing the year 2025, reflect an exceptional year in IAI's history: a year of significant growth, rising demand for our diverse advanced systems,

and sustained confidence from our customers around the world, who account for approximately 70% of our total orders.

These excellent results are a direct testament to IAI's engineering and technological capabilities and to the dedication of the thousands of employees who work with professionalism, responsibility, and a deep sense of mission—day and night, even during these turbulent times. Thanks to their commitment and excellence, IAI continues to develop, manufacture, and deliver advanced systems that enhance the security of the State of Israel and the safety of our customers worldwide. I would like to thank them for their meaningful contribution to the company's success. My thanks also extend to the Company's Board of Directors and to the defense establishment for their partnership, guidance, productive cooperation, and high level of achievement. Our deep, longstanding strategic partnership with the defense establishment and the IDF enables us to continue developing advanced technological solutions that provide Israel with a competitive advantage on the battlefield and ensure the protection of the country's citizens.

IAI will continue to invest in innovation, lead technological breakthroughs, and strengthen Israel's capabilities in the face of future security challenges, while upholding professional excellence and national responsibility.”

**Israel Aerospace Industries Ltd., a leader in the Israeli military and commercial homeland defense and aerospace markets, issues its annual consolidated financial statements for the year ended December 31, 2025.**

The Company's **revenues** in 2025 amounted to about USD 7,384 million compared with about USD 6,112 million in 2024, an increase of about USD 1,272 million (about 21%), deriving from increased sales in all of the Company's groups and divisions, mainly in the Systems Missiles & Space Group and the ELTA Group.

**The sales of the Military Groups (\*)** in 2025 increased by about 23% to about USD 6,402 million, up from about USD 5,187 million in 2024, an increase of USD 1,215 million. **The sales of the Aviation Group (\*)** in 2025 increased by 9% to about USD 1,608 million, up from about USD 1,476 million last year, an increase of USD 132 million.

**Sales for exports** in 2025 amounted to about USD 4,880 million (66%) and to the local market reached about USD 2,504 million (34%), compared with USD 4,029 million (66%) and USD 2,083 million (34%) in 2024, respectively.

**Net income** in 2025 grew by 45% to about USD 712 million (about 9.6% of sales), compared to about USD 493 million in 2024, **the highest grossing year in the Company's history**. **Net income of the Military Groups (\*)** in 2025 rose by 49% to about USD 818 million, up from about USD 549 million in 2024, an increase of USD 269 million. Net income of the Aviation Group (\*) in 2025 amounted to about USD 42 million compared with net income of about USD 22 million last year

**EBITDA** in 2025 amounted to about USD 1,082 million, up from about USD 792 million in 2024, representing a 36.6% increase.

**Gross profit** in 2025 amounted to about USD 1,433 million (about 19% of sales), compared with about USD 1,141 million (about 19% of sales) in 2024, an increase of USD 292 million **largely driven by improved sales and profit margins across the Company's entire Groups and Divisions**. **The gross profit of the Military Groups (\*)** in 2025 increased by about 29% to about USD 1,286 million, up from about USD 997 million in 2024, an increase of USD 289 million. The

gross profit of the Aviation Group (\*) in 2025 grew to about USD 152 million (about 9.5% of sales) compared with about USD 116 million (about 8% of sales) in 2024.

**Operating income** in 2025 rose by 51% to about USD 751 million (about 10% of sales), compared with about USD 498 million (about 8% of sales) in 2024, an increase of about USD 253 million, mainly driven by higher gross profit. **The operating income of the Military Groups (\*)** in 2025 totaled about USD 704 million, up from about USD 452 million in 2024, an increase of about USD 252 million. **The operating income of the Aviation Group (\*)** in 2025 amounted to about USD 70 million compared with the operating income of about USD 37 million last year.

**Net financial income** in 2025 amounted to about USD 172 million, up from about USD 129 million in 2024, an increase of about USD 43 million.

**Inhouse R&D expenses** in 2025 totaled about USD 318 million, compared with USD 333 million in 2024 (about 4% and 5% of sales, respectively), a decrease of USD 15 million.

**Net tax expense** – in 2025, the Company recorded net tax expenses of about USD 204 million, compared with about USD 134 million in 2024. **The Company's income is subject to the ordinary corporate tax rate in Israel – 23%, and it is not entitled to any tax benefits under the Israeli Law for the Encouragement of Capital Investments, 1959 as it is a wholly-owned government company. The sale of any interests in the Company, even at a minuscule rate, to a non-government party will render the Company eligible for a reduced corporate income tax rate as per said Law.**

**Order backlog** at the end of 2025 amounted to about USD 29 billion, compared with about USD 25 billion at the end of 2024. 71% of the order backlog is held for sale to foreign customers with wide

geographical dispersal. The order backlog comprises a wide variety of projects and secures 4 years of operations given the current sales volumes.

**Cash flows:** in 2025, the Company continued to benefit from positive cash flows from operating activities totaling about USD 612 million and free cash flows of some USD 4 billion.

## Financial highlights of Q4 2025

**The Company's sales** in Q4 2025 amounted to about USD 2,247 million, up from USD 1,719 million in Q4 2024, an increase of 31%.

**Gross profit** in Q4 2025 totaled USD 479 million (21% of sales), compared with USD 305 million (18% of sales) in Q4 2024.

**Operating income** in Q4 2025 totaled USD 262 million (11.7% of sales), compared with operating income of USD 67 million (4% of sales) in Q4 2024.

**R&D expenses** in Q4 2025 amounted to USD 110 million, compared with USD 121 million in Q4 2024.

**Net financial income** in Q4 2025 amounted to USD 30 million, compared with net financial income of USD 35 million in Q4 2024.

**Net income** in Q4 2025 rose to USD 228 million (10% of sales), compared with net income of USD 77 million (4.5% of sales) in Q4 2024.