



Earnings Release

ELBIT SYSTEMS REPORTS FIRST QUARTER 2026 RESULTS

Order backlog at \$30.2 billion; Revenues of \$2.19 billion; GAAP net income of \$160.8 million; Non-GAAP net income of \$186.4 million; GAAP net EPS of \$3.34; Non-GAAP net EPS of \$3.87

Haifa, Israel, May 26, 2026 – Elbit Systems Ltd. (NASDAQ: ESLT) (TASE: ESLT) ("Elbit Systems" or the "Company"), the international high technology defense company, reported today its consolidated results for the first quarter ended March 31, 2026.

In this release, the Company is providing US-GAAP results as well as Non-GAAP financial data, which are intended to provide investors with a more comprehensive view of the Company's business results and trends. For a description of the Company's Non-GAAP definitions see page 10 below, "Non-GAAP financial data". Unless otherwise stated, all financial data presented is US-GAAP financial data.

Management Comment:

Bez halel (Butzi) Machlis, President and CEO of Elbit Systems, stated:

"We began 2026 with a strong quarter across all key metrics, including double-digit growth in revenue and profitability, with Non-GAAP operating margins surpassing the 10% mark. Free Cash Flow generation remained very strong during the quarter, with backlog reaching a record level, exceeding \$30 billion for the first time.

Earlier today, we announced a significant European contract win, further strengthening our position as a trusted strategic partner to customers worldwide and reinforcing our ability to support their evolving defense needs and challenges.

Our strategic positioning reflects our evolution into a fully integrated end-to-end defense provider across land, sea and air. With demand rising well above historical levels, we continue to focus on order execution. To meet this demand and support sustainable long-term growth, we are scaling production capacity, increasing the use of automation, robotics and AI, while maintaining strict capital discipline and expanding operational margins. At the same time, we are increasing our investment in R&D and innovation to shape the Company's next-generation offering and strengthen our long-term growth platform."

First quarter 2026 results:

Revenues in the first quarter of 2026 were \$2,188.8 million, as compared to \$1,895.8 million in the first quarter of 2025.

Aerospace revenues increased by 2% in the first quarter of 2026, as compared to the first quarter of 2025, mainly due to project mix. C4I and Cyber revenues increased by 17%, mainly due to sales of radio systems and command and control systems in Europe. ISTAR and EW revenues increased by 17%, mainly due to increased sales of airborne and land High Power Laser and Electronic Warfare systems. Land revenues increased by 27%, mainly due to ammunition and munition sales in Israel and Europe. Elbit Systems of America revenues increased by 5%, mainly due to the increase in sales of Night-Vision Systems, partially offset by the decrease in sales of medical devices.

For distribution of revenues by segments and geographic regions see the tables on page 9.



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GAAP gross profit in the first quarter of 2026 was \$552.1 million (25.2% of revenues), as compared to \$454.3 million (24.0% of revenues) in the first quarter of 2025. **Non-GAAP(*) gross profit** amounted to \$558.7 millions (25.5% of revenues) in the first quarter of 2026, as compared to \$460.6 million (24.3% of revenues) in the first quarter of 2025.

Research and development expenses, net were \$150.4 million (6.9% of revenues) in the first quarter of 2026, as compared to \$114.3 million (6.1% of revenues) in the first quarter of 2025.

Marketing and selling expenses, net were \$100.9 million (4.6% of revenues) in the first quarter of 2026 similar to \$100.9 million (5.3% of revenues) in the first quarter of 2025.

General and administrative expenses, net were \$95.7 million (4.3% of revenues) in the first quarter of 2026, as compared to \$89.4 million (4.7% of revenues) in the first quarter of 2025.

GAAP operating income in the first quarter of 2026 was \$205.1 million (9.4% of revenues), as compared to \$149.7 (7.9% of revenues) in the first quarter of 2025. **Non-GAAP(*) operating income** was \$222.0 million (10.1% of revenues) in the first quarter of 2026, as compared to \$165.1 million (8.7% of revenues) in the first quarter of 2025.

Financial expenses, net were \$32.2 million in the first quarter of 2026, as compared to \$39.0 in the first quarter of 2025. The decrease in financial expenses, net in the first quarter of 2026 was mainly due to a reduction in the average debt.

Taxes on income were \$22.8 million (effective tax rate of 13.0%) in the first quarter of 2026, as compared to \$16.1 million (effective tax rate of 13.9%) in the first quarter of 2025.

GAAP net income attributable to the Company's shareholders in the first quarter of 2026 was \$160.8 million (7.3% of revenues), as compared to \$107.1 million (5.6% of revenues) in the first quarter of 2025. The increase in net income attributable to the Company's shareholders in the first quarter of 2026 was in line with the increase in the Company's activity and order backlog. **Non-GAAP(*) net income attributable to the Company's shareholders** in the first quarter of 2026 was \$186.4 million (8.5% of revenues), as compared to \$117.2 million (6.2% of revenues) in the first quarter of 2025.

GAAP diluted earnings per share attributable to the Company's shareholders in the first quarter of 2026 were \$3.34, as compared to \$2.35 in the first quarter of 2025. **Non-GAAP(*) diluted net earnings per share attributable to the Company's shareholders** were \$3.87 for the first quarter of 2026, as compared to \$2.57 for the first quarter of 2025.

The Company's order backlog as of March 31, 2026 totaled \$30.2 billion. The increase in backlog during the quarter came mainly from Israel and Asia. Approximately 71% of the current backlog is attributable to orders outside of Israel. Approximately 49% of the order backlog is scheduled to be performed during the remainder of 2026 and 2027.

Cash flow provided by operating activities in the first quarter of 2026 was \$281.0 million, as compared to cash flow provided by operating activities of \$183.6 million in the first quarter of 2025. The cash flow in the first quarter of 2026 was affected mainly by the strong increase in net income and an increase in contract liabilities.

* see page 10



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Impact of the recent conflicts in the Middle East on the Company:

The war which began on October 7, 2023, continued throughout most of 2025, with ceasefires agreed to between Israel and Lebanon involving the conflict with Hezbollah in November 2024, and, after an intensified period of conflict that lasted 12 days, a ceasefire was declared with Iran in June 2025. A ceasefire with Hamas was agreed to in January 2025, and a subsequent ceasefire with Hamas was agreed to in October 2025. On February 28, 2026, the U.S. and Israel launched a joint attack on Iran named “Operation Epic Fury” by the U.S., and “Operation Roaring Lion” by Israel, targeting key Iranian officials and targets. Iran launched attacks against Israel and at U.S. military bases across the region, including strikes in Bahrain, Qatar, Saudi Arabia, the United Arab Emirates, Kuwait and Jordan. On March 2, 2026 Hezbollah launched an attack on Israel. After an intensified period of conflict that lasted 40 days, a two-week ceasefire between the United States and Iran, which was subsequently extended, took effect on April 8, 2026, and a separate ten-day cessation of hostilities between Israel and Lebanon, which was subsequently extended, began on April 16, 2026. The current situation remains uncertain, including in light of violations of the cessation of hostilities.

Since the commencement of the war and the escalation of conflicts in the Middle East, Elbit Systems has experienced a continued material increase in the demand for its products and solutions from the Israel Ministry of Defense (IMOD) compared to the demand levels prior to the war. Such increased demand may continue and could generate material additional orders to the Company.

As a result of the war and the other conflicts in the Middle East, some of Elbit Systems' operations have experienced disruptions due to supply chain and operational constraints, including among others increases in transportation costs and delays due to factors such as the Houthi movement attacks on shipping in the Red Sea, material and component shortages and elevated prices, employee call-ups for reserve duty, limitations imposed by some countries on engagement with Israel and attacks on some of Elbit Systems' global facilities by anti-Israeli organizations.

Elbit Systems has taken various steps to protect its employees worldwide, to support increased production, to increase raw material and component inventories, to mitigate supply chain disruptions and to maintain business continuity. Following the ceasefire agreements described above, these operational effects on the Company have been reduced, however, such effects on the Company's performance could increase again, depending on future developments that are difficult to predict at this time, including the duration and scope of these conflicts and the continuity and stability of the ceasefire arrangements.



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Recent Events:

On April 6, 2026, the Company announced, further to its announcement from December 16, 2025, that as part of an agreement between the Israeli Ministry of Defense and the Hellenic Ministry of National Defense, it was awarded a contract worth approximately \$750 million (€650 million) to supply Precise & Universal Launching System (PULS) artillery rocket systems to the Hellenic Armed Forces. The contract will be performed over a period of 4 years and will include an additional ten-year period of follow-on support.

On April 22, 2026, the Company announced that during Operation “Roaring Lion”, the Company was awarded several contracts in an aggregate amount of approximately \$200 million for the supply of advanced airborne munitions to the Israel Ministry of Defense (IMOD).

On May 12, 2026, the Company announced that its U.S. subsidiary, Elbit Systems of America – Night Vision LLC (“Elbit Systems of America”), received a delivery order valued at approximately \$212 million, for the continued production of the Enhanced Night Vision Goggle - Binocular (ENVG-B) systems for the U.S. Army. Deliveries under the award will take place through 2028.

On May 20, 2026, the Company announced that S&P Global Ratings Maalot Ltd., an Israeli rating agency (“S&P Global Ratings”), issued its rating report regarding Elbit Systems (the “Rating Report”). In its Rating Report, S&P Global Ratings raised its long term rating to “ilAAA” (on local scaling) with a stable outlook regarding the Company's Series B, C and D Notes, and reaffirmed its short term rating of “ilA-1+” (on local scaling).

On May 26, 2026, the Company announced that it has been awarded a contract valued at approximately \$1.4 billion by a European customer for extensive military modernization programs. The contract will be performed over a period of five years.

Dividend:

The Board of Directors declared a dividend of \$1.00 per share. The dividend’s record date is June 23, 2026. The dividend will be paid on July 6, 2026, after deduction of withholding tax, at the rate of 16.8%.

Conference Call:

The Company will be hosting a conference call today, Tuesday, May 26, 2026, 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 9:00 am Eastern Time; 6:00 am Pacific Time; 4:00 pm 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).**



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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 \$2,188.8 million in revenues for the three months ended March 31, 2026 and an order backlog of \$30.2 billion as of such date.

For additional information, visit: <https://elbitsystems.com/>, follow us on [X](#) 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

Company Contact:

Dr. Yaacov (Kobi) Kagan, EVP & Chief Financial Officer

Tel: +972-77-2946663

kobi.kagan@elbitsystems.com

Daniella Finn, VP, Investor Relations

Tel: +972-77-2948984

daniella.finn@elbitsystems.com

Dalia Bodinger, VP, Communications & Brand

Tel: +972-77-2947602

dalia.bodinger@elbitsystems.com

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 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 press 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)



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ELBIT SYSTEMS LTD. CONSOLIDATED BALANCE SHEETS (US Dollars in thousands)

	As of March 31, 2026	As of December 31, 2025
<u>Assets</u>		
Cash and cash equivalents	\$ 155,248	\$ 635,141
Short-term bank deposits	770,017	180,604
Trade and unbilled receivables and contract assets, net	3,621,957	3,332,249
Other receivables and prepaid expenses	517,459	457,385
Inventories, net	3,241,557	3,129,756
Total current assets	<u>8,306,238</u>	<u>7,735,135</u>
Investments in affiliated companies and other companies	131,266	126,900
Long-term trade and unbilled receivables and contract assets	657,829	719,078
Long-term bank deposits and other receivables	89,132	51,601
Deferred income taxes, net	89,325	86,679
Severance pay fund	223,039	222,555
Total	<u>1,190,591</u>	<u>1,206,813</u>
Operating lease right of use assets	503,556	515,620
Property, plant and equipment, net	1,417,393	1,382,120
Goodwill and other intangible assets, net	1,814,093	1,821,830
Total assets	<u>\$ 13,231,871</u>	<u>\$ 12,661,518</u>
<u>Liabilities and Equity</u>		
Short-term bank credit and loans	\$ —	\$ 50,532
Current maturities of long-term loans and Series B, C and D Notes	83,837	83,452
Operating lease liabilities	95,432	98,464
Trade payables	1,562,479	1,511,671
Other payables and accrued expenses	1,590,377	1,549,139
Contract liabilities	2,575,599	2,683,180
Total current liabilities	<u>5,907,724</u>	<u>5,976,438</u>
Long-term loans, net of current maturities	9,153	18,000
Series B, C and D Notes, net of current maturities	239,104	237,625
Employee benefit liabilities	489,467	487,760
Deferred income taxes and tax liabilities, net	131,186	137,662
Contract liabilities	1,506,169	934,256
Operating lease liabilities	467,586	476,737
Other long-term liabilities	221,278	263,067
Total long-term liabilities	<u>3,063,943</u>	<u>2,555,107</u>
Elbit Systems Ltd.'s equity	4,260,189	4,129,598
Non-controlling interests	15	375
Total equity	<u>4,260,204</u>	<u>4,129,973</u>
Total liabilities and equity	<u>\$ 13,231,871</u>	<u>\$ 12,661,518</u>



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

	Three months ended March 31, 2026	Three months ended March 31, 2025	Year ended December 31, 2025
Revenues	\$ 2,188,846	\$ 1,895,801	\$ 7,938,627
Cost of revenues	1,636,787	1,441,493	6,003,374
Gross profit	552,059	454,308	1,935,253
<u>Operating expenses:</u>			
Research and development, net	150,386	114,269	517,142
Marketing and selling, net	100,860	100,883	399,437
General and administrative, net	95,683	89,449	347,250
Total operating expenses	346,929	304,601	1,263,829
Operating income	205,130	149,707	671,424
Financial expenses, net	(32,188)	(38,957)	(138,618)
Other income, net	1,718	4,946	29,109
Income before income taxes	174,660	115,696	561,915
Taxes on income	(22,765)	(16,060)	(55,539)
	151,895	99,636	506,376
Equity in net earnings of affiliated companies	8,960	7,732	29,243
Net income	\$ 160,855	\$ 107,368	\$ 535,619
Less: net income attributable to non-controlling interests	(64)	(285)	(1,280)
Net income attributable to Elbit Systems Ltd.'s shareholders	\$ 160,791	\$ 107,083	\$ 534,339
<u>Earnings per share attributable to Elbit Systems Ltd.'s</u>			
Basic net earnings per share	\$ 3.46	\$ 2.40	\$ 11.69
Diluted net earnings per share	\$ 3.34	\$ 2.35	\$ 11.39
<u>Weighted average number of shares used in computation of:</u>			
Basic earnings per share (in thousands)	46,479	44,592	45,710
Diluted earnings per share (in thousands)	48,124	45,546	46,918



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ELBIT SYSTEMS LTD. **CONSOLIDATED STATEMENTS OF CASH FLOW** (US Dollars in thousands)

	Three months ended March 31, 2026	Three months ended March 31, 2025	Year ended December 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 160,855	\$ 107,368	\$ 535,619
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	45,818	41,876	171,434
Stock-based compensation	6,893	5,737	26,391
Amortization of Series B, C and D related issuance costs, net	86	110	394
Deferred income taxes and reserve, net	(9,122)	(758)	(14,687)
Loss on sale of property, plant and equipment	223	276	2,893
Loss (gain) on sale of investment, remeasurement of investment held under fair value method	—	50	(4,518)
Equity in net earnings of affiliated companies, net of dividend received ⁽¹⁾	(3,989)	(5,078)	(10,190)
<u>Changes in operating assets and liabilities, net of amounts acquired:</u>			
Increase in trade and unbilled receivables and prepaid expenses	(326,036)	(131,916)	(659,951)
Increase in inventories, net	(111,801)	(91,800)	(357,926)
Increase in trade payables, other payables and accrued expenses	56,596	100,040	463,913
Severance, pension and termination indemnities, net	(2,807)	(10,129)	(26,328)
Increase in contract liabilities	464,333	167,799	651,334
Net cash provided by operating activities	<u>281,049</u>	<u>183,575</u>	<u>778,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and other assets, net of investment grants and evacuation grants	(71,160)	(22,670)	(225,568)
Investments in affiliated companies and other companies, net	(1,917)	(50)	(2,288)
Proceeds from sale of property, plant and equipment	434	371	1,133
Proceeds from sale of investments	—	—	15,000
Investment in short-term deposits, net	(589,904)	(340,153)	(178,962)
Proceeds from sale of (investment in) long-term deposits, net	686	159	(31)
Net cash used in investing activities	<u>(661,861)</u>	<u>(362,343)</u>	<u>(390,716)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares and exercise of options	33	37	573,064
Repayment of commercial paper	(48,409)	(40,036)	(301,591)
Repayment of long-term bank loans	(8,527)	(7,288)	(11,423)
Repayment of Series B, C and D Notes	—	—	(67,496)
Dividends paid	(35,336)	(22,273)	(111,693)
Change in short-term bank credit and loans and other, net	(6,842)	96,657	(98,733)
Net cash provided by (used in) financing activities	<u>(99,081)</u>	<u>27,097</u>	<u>(17,872)</u>
Net increase (decrease) in cash and cash equivalents	(479,893)	(151,671)	369,790
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	\$ 635,141	\$ 265,351	\$ 265,351
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 155,248	\$ 113,680	\$ 635,141
^(*) Dividend received from affiliated companies	<u>\$ 4,971</u>	<u>\$ 2,654</u>	<u>\$ 19,053</u>



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ELBIT SYSTEMS LTD. DISTRIBUTION OF REVENUES (US Dollars in millions)

Consolidated revenues by geographical regions:

	Three months ended March 31, 2026		Three months ended March 31, 2025		Year ended December 31, 2025	
	\$	%	\$	%	\$	%
Israel	\$ 817.9	37.4	\$ 609.1	32.1	\$ 2,556.4	32.2
North America	433.7	19.8	393.1	20.7	1,659.3	20.9
Europe	512.3	23.4	456.8	24.1	2,139.5	27.0
Asia-Pacific	341.8	15.6	343.3	18.1	1,243.7	15.7
Latin America	33.0	1.5	28.1	1.5	99.0	1.2
Other countries	50.1	2.3	65.4	3.5	240.7	3.0
Total revenue	\$ 2,188.8	100.0	\$ 1,895.8	100.0	\$ 7,938.6	100.0

Consolidated revenues by segments:

	Three months ended March 31, 2026	Three months ended March 31, 2025	Year ended December 31, 2025
<u>Aerospace</u>			
External customers	\$ 454.8	\$ 448.0	\$ 1,820.9
Intersegment revenue	61.8	56.3	246.1
Total	516.6	504.3	2,067.0
<u>C4I and Cyber</u>			
External customers	242.1	204.2	866.2
Intersegment revenue	14.6	15.8	64.7
Total	256.7	220.0	930.9
<u>ISTAR and EW</u>			
External customers	371.8	303.5	1,323.5
Intersegment revenue	51.3	57.5	202.3
Total	423.1	361.0	1,525.8
<u>Land</u>			
External customers	699.0	539.2	2,250.3
Intersegment revenue	15.6	21.6	68.4
Total	714.6	560.8	2,318.7
<u>ESA</u>			
External customers	421.1	400.9	1,677.7
Intersegment revenue	2.8	3.3	16.4
Total	423.9	404.2	1,694.1
<u>Revenues</u>			
Total revenues (external customers and intersegment) for reportable segments	2,334.9	2,050.3	8,536.5
Less - intersegment revenue	(146.1)	(154.5)	(597.9)
Total revenues	\$ 2,188.8	\$ 1,895.8	\$ 7,938.6



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Non-GAAP financial data:

The following Non-GAAP financial data, including Non-GAAP gross profit, Non-GAAP operating income, Non-GAAP net income attributable to the Company's shareholders, 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, Non-identified costs in respect to special circumstances, 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 Non-GAAP gross profit, Non-GAAP operating income, and Non-GAAP 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 Non-GAAP gross profit, Non-GAAP operating income, and Non-GAAP 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 Non-GAAP diluted net earnings per share attributed to Company's shareholders 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 Non-GAAP diluted net earnings per share attributable to Company's shareholders 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)

	Three months ended March 31, 2026	Three months ended March 31, 2025	Year ended December 31, 2025
GAAP gross profit	\$ 552.1	\$ 454.3	\$ 1,935.3
<u>Adjustments:</u>			
Amortization of purchased intangible assets(*)	3.9	4.0	16.2
Stock based compensation	1.0	0.9	4.0
Non-identified costs in respect to special circumstances	1.7	1.4	6.3
Non-GAAP gross profit	\$ 558.7	\$ 460.6	\$ 1,961.8
<i>Percent of revenues</i>	<i>25.5%</i>	<i>24.3%</i>	<i>24.7%</i>

GAAP operating income	\$ 205.1	\$ 149.7	\$ 671.4
<u>Adjustments:</u>			
Amortization of purchased intangible assets(*)	7.5	7.7	31.0
Stock based compensation	6.9	5.7	26.4
Non-identified costs in respect to special circumstances	2.5	2.0	9.0
Non-GAAP operating income	\$ 222.0	\$ 165.1	\$ 737.8
<i>Percent of revenues</i>	<i>10.1%</i>	<i>8.7%</i>	<i>9.3%</i>

GAAP net income attributable to Elbit Systems' shareholders	\$ 160.8	\$ 107.1	\$ 534.3
<u>Adjustments:</u>			
Amortization of purchased intangible assets(*)	7.5	7.7	31.0
Stock based compensation	6.9	5.7	26.4
Non-identified costs in respect to special circumstances	2.5	2.0	9.0
Capital gain	—	—	(13.7)
Revaluation of investment measured under fair value option	—	—	(4.5)
Non-operating foreign exchange (gains) losses	8.6	(4.1)	18.5
Tax effect and other tax items, net	0.1	(1.2)	(3.0)
Non-GAAP net income attributable to Elbit Systems' shareholders	\$ 186.4	\$ 117.2	\$ 598.0
<i>Percent of revenues</i>	<i>8.5%</i>	<i>6.2%</i>	<i>7.5%</i>

GAAP diluted net EPS attributable to Elbit Systems' shareholders	\$ 3.34	\$ 2.35	\$ 11.39
Adjustments, net	0.53	0.22	1.36
Non-GAAP diluted net EPS attributable to Elbit Systems' shareholders	\$ 3.87	\$ 2.57	\$ 12.75

(*) 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.