NORTHROP GRUMMAN

JULY 21, 2026

SECOND QUARTER
2026 CONFERENCE CALL

KATHY WARDEN
Chair, Chief Executive Officer
and President

JOHN GREENE
Corporate Vice President
and Chief Financial Officer

Photo: Great American State Fair B-2 flyover

Forward-Looking Statements

NORTHROP GRUMMAN

This presentation and the information we are incorporating by reference, and statements to be made on the earnings conference call, contain or may contain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “will,” “expect,” “anticipate,” “intend,” “may,” “could,” “should,” “plan,” “strategy,” “project,” “forecast,” “achieve,” “believe,” “estimate,” “guidance,” “outlook,” “trends,” “goals,” “confident,” “targeting,” “on track” and similar expressions generally identify these forward-looking statements.

Forward-looking statements include, among other things, statements relating to our future financial condition, results of operations and/or cash flows, including financial guidance, outlook, trends, expectations and other forward-looking statements for 2026 and beyond. Forward-looking statements are based upon assumptions, expectations, plans and projections that we believe to be reasonable when made, but which may change over time. These statements are not guarantees of future performance and inherently involve a wide range of risks and uncertainties that are difficult to predict. Specific risks that could cause actual results to differ materially from those expressed or implied in these forward-looking statements include, but are not limited to, those identified and discussed more fully in the section entitled “Risk Factors” in the Form 10-K for the year ended December 31, 2025, and from time to time in our other filings with the Securities and Exchange Commission (SEC). They include:

Industry and Economic Risks

- our dependence on the U.S. government for a substantial portion of our business
- significant delays or reductions in appropriations and/or for our programs, and U.S. government funding and program support more broadly, including as a result of a prolonged continuing resolution and/or government shutdown, and/or related to the global security environment or other global events
- significant delays or reductions in payments as a result of or related to a breach of the debt ceiling or a prolonged government shutdown
- the use of estimates when accounting for our contracts and the effect of contract cost growth and our efforts to recover or offset such costs and/or changes in estimated contract costs and revenues, including as a result of inflationary pressures, labor shortages, supply chain challenges, changes in trade policies and/or other macroeconomic factors, and risks related to management’s judgments and assumptions in estimating and/or projecting contract revenue and performance which may be inaccurate
- increased competition within our markets and bid protests
- continued pressures from macroeconomic trends, including on costs, schedules, performance and ability to meet expectations

Legal and Regulatory Risks

- investigations, claims, disputes, enforcement actions, litigation (including criminal, civil and administrative) and/or other legal proceedings
- changes in procurement and other laws, SEC, U.S. Department of War (DoW) and other rules and regulations, including changes through executive orders, contract terms and practices applicable to our industry, findings by the U.S. government as to our compliance with such requirements, more aggressive enforcement of such requirements and changes in our customers’ business practices and preferences globally
- the improper conduct of employees, agents, subcontractors, suppliers, business partners or joint ventures in which we participate, including the impact on our reputation and our ability to do business
- environmental matters, unforeseen environmental costs and government and third-party claims
- unanticipated changes in our tax provisions or exposure to additional tax liabilities

Business and Operational Risks

- cyber and other security threats or disruptions faced by us, our customers or our suppliers and other partners, and changes in related regulations
- the performance and viability of our subcontractors and suppliers and the availability and pricing of raw materials, critical minerals and metals, chemicals, parts and components, particularly with inflationary pressures, increased costs, pricing changes, shortages in labor and financial resources, supply chain disruptions, and extended material lead times
- our ability to attract and retain a qualified and talented workforce with the necessary security clearances to meet our performance obligations
- our exposure to additional risks as a result of our international business, including risks related to global security and strategic alliances, geopolitical and economic factors, misconduct, suppliers, laws and regulations
- our ability to innovate, develop new products and technologies, progress and benefit from digital transformation and maintain technologies to meet the needs of our customers
- natural disasters, epidemics, pandemics and similar outbreaks and other significant disruptions
- products and services we provide related to hazardous and high risk operations, including the production and use of such products, which subject us to various environmental, regulatory, financial, reputational and other risks
- our ability appropriately to protect and exploit intellectual property rights

General and Other Risk Factors

- the adequacy and availability of, and ability to obtain, insurance coverage, customer indemnifications or other liability protections
- the future investment performance of plan assets, gains or losses associated with changes in valuation of marketable securities related to our non-qualified benefit plans, changes in actuarial assumptions associated with our pension and other postretirement benefit plans and legislative or other regulatory actions impacting our pension and postretirement benefit obligations
- changes in business conditions that could impact business investments and/or recorded goodwill or the value of other long-lived assets, and other potential future liabilities

You are urged to consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of forward-looking statements. These forward-looking statements speak only as of the date this presentation is first issued or, in the case of any document incorporated by reference, the date of that document. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

This presentation also contains non-GAAP financial measures. A reconciliation to the nearest GAAP measure and a discussion of the company’s use of these measures are included in this presentation.

Enterprise Summary

NORTHROP GRUMMAN

Robust global demand environment continues to fuel record levels of backlog — **now $105 billion**

Second quarter sales grew to $10.9 billion — **10% sequential / 5% year-over-year growth**

Ten new multi-year agreements in work as a supplier for Tactical Weapons — **capacity in place**

Continue to invest in our business to support our customers — **capex % of sales ~4.5% in '27 & '28[2]**

Increasing 2026 financial guidance for sales and MTM-adjusted EPS[1] — **5% organic growth[2]**

As momentum accelerates, we remain focused on delivering for our customers with speed and precision

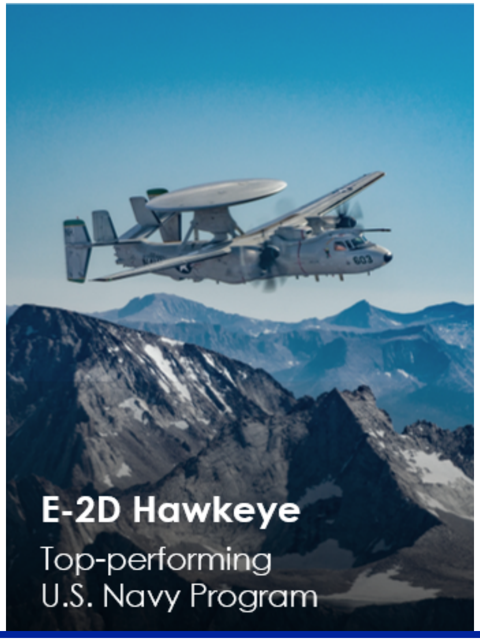
1. Non-GAAP financial measure. See Appendix.
2. See the company's second quarter earnings release for a description of the underlying assumptions, judgments and factors that can affect the company's ability to achieve guidance or meet expectations.

Second Quarter 2026 Financial Highlights

NORTHROP GRUMMAN

Three Months Ended June 30

($M)	2026	2025	▲%
Backlog	**104,692**	89,737	**17%**
Sales	**10,876**	10,351	**5%**
Segment Operating Income[1]	**1,158**	1,219	**(5)%**
Segment Margin Rate[1]	***10.6%***	*11.8%*	***(120) bps***
Diluted EPS	**$7.68**	$8.15	**(6)%**
Capital Expenditures	**(302)**	(231)	**31%**
Adjusted Free Cash Flow[1]	**978**	637	**54%**



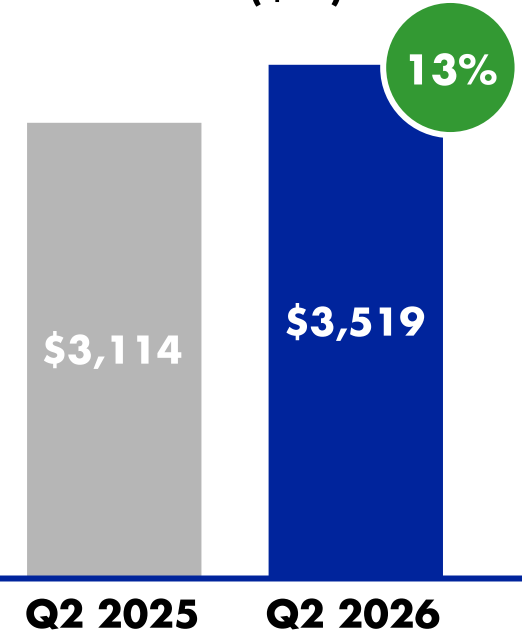
Strong 2nd quarter results — record backlog, accelerating sales growth, and strong cash generation

1. Non-GAAP financial measure. See Appendix.

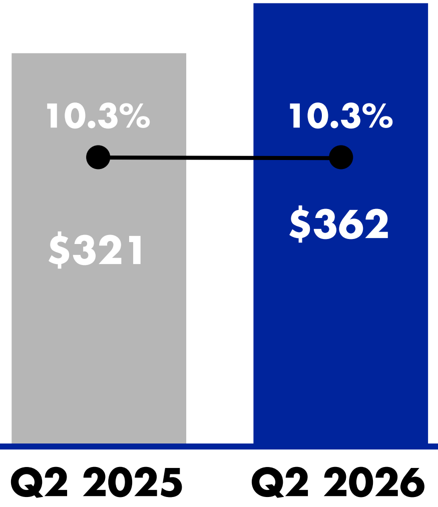
Aeronautics Systems

NORTHROP GRUMMAN

Sales ($M)



Operating Income ($M) and Margin Rate



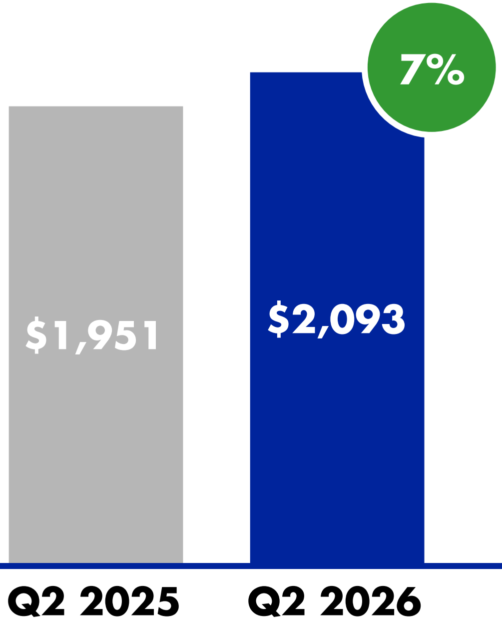
- Sales growth driven by B-21, TACAMO and volume on mature production programs
- Strong performance across mature production and sustainment programs

Agreement to accelerate production capacity on B-21 positions the business for long-term value creation

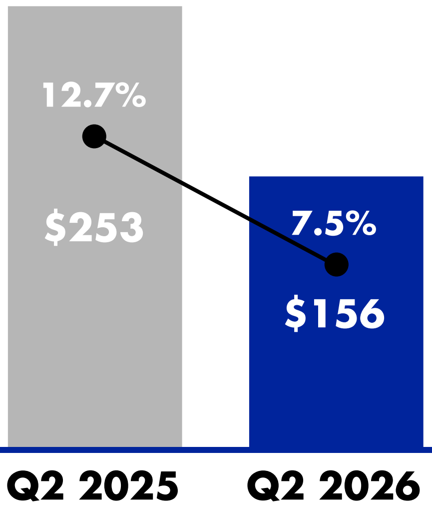
Defense Systems

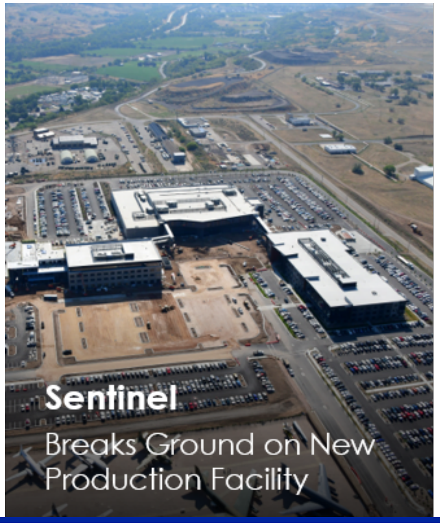
NORTHROP GRUMMAN

Organic Sales[1] ($M)



Operating Income ($M) and Margin Rate



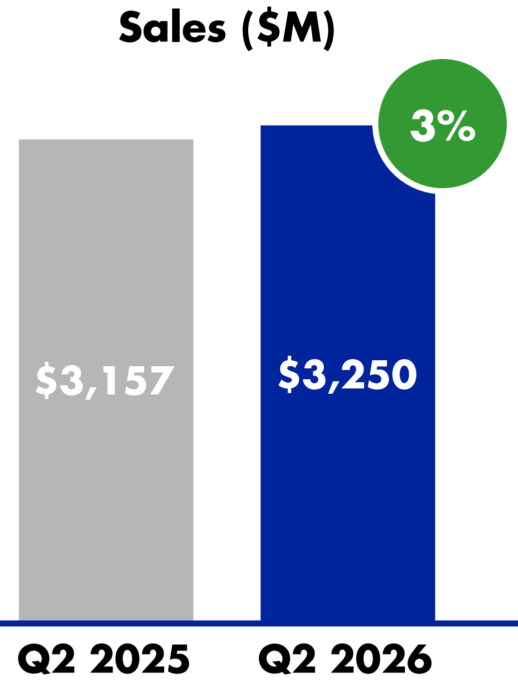


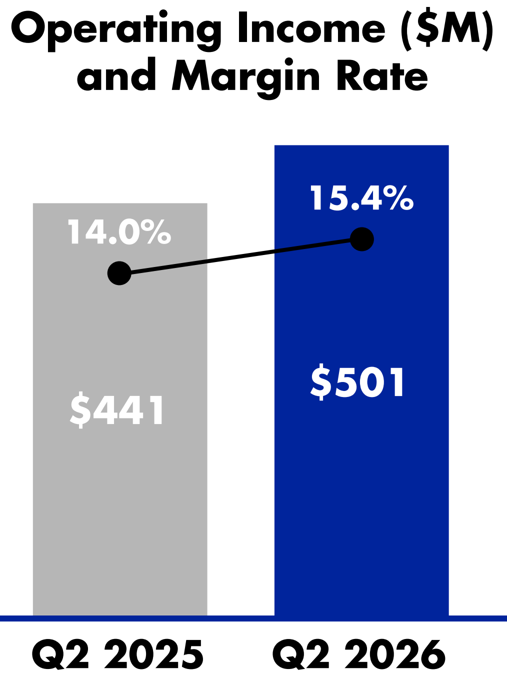
- Sales increase driven by continued ramp on Sentinel and missile defense programs
- Operating income reflects investments in our tactical missile business

Record backlog of $35B and new multi-year agreements for tactical missiles support continued sales growth

1. Non-GAAP financial measure. See Appendix.

Mission Systems





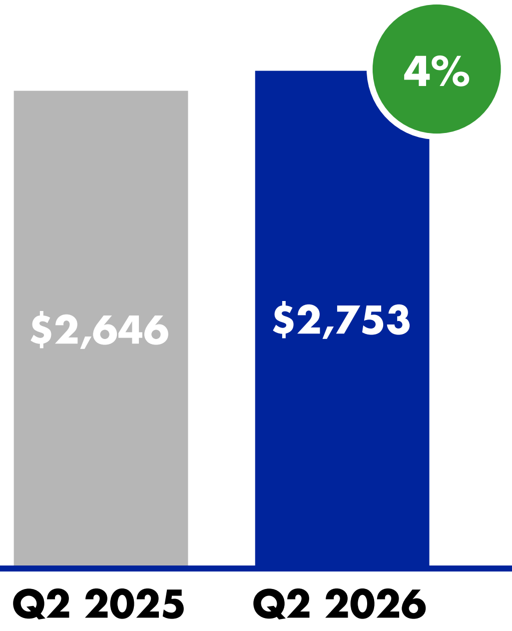
- Diverse portfolio of advanced solutions continues to drive sustained sales growth
- Outstanding execution fueling increased margin outlook

Competitive differentiation through development of next-gen technologies

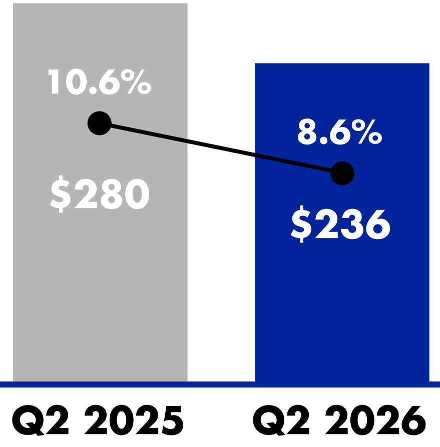
Space Systems

NORTHROP GRUMMAN

Sales ($M)



Operating Income ($M) and Margin Rate

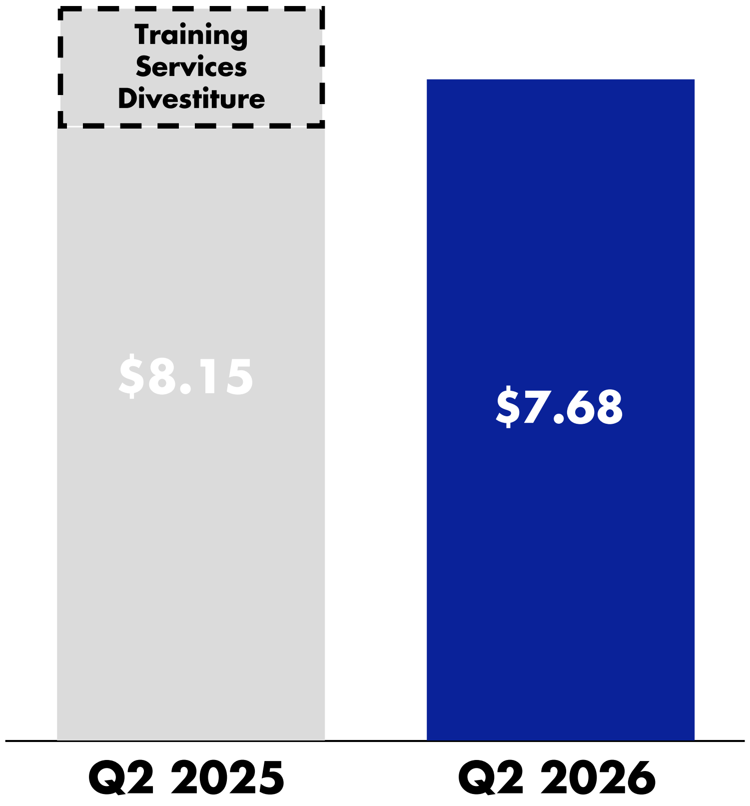


- Space business driven by work on National Security Space programs
- Progressed on the root-cause investigation on GEM 63XL, expect second half margins greater than 11%

Leader in developing innovative solutions in rapidly growing National Security Space arena

Q2 Diluted EPS Bridge

NORTHROP GRUMMAN



Q2 2025	$8.15
Training Services Divestiture[1]	(1.04)
Segment Performance	(0.26)
Federal Tax Rate	0.77
Marketable Securities	0.20
Net Pension[2] and Other	(0.14)
Q2 2026	**$7.68**

Year-over-year EPS growth adjusted for Training Services divestiture

1. Gain on sale of Training Services business includes federal and state tax impact.
2. Net Pension tax effected on a 21% federal statutory tax rate and a 5.25% blended state tax rate.

Note: Year over year benefit from share reduction embedded in individual items, tax effected at 21%.

2026 Company Level Guidance[1]

($M), except per share amounts	As of 7/21/2026
Sales	**$43,750 – $44,250** Prior: $43,500 - $44,000
Segment operating income[2]	**$4,850 – $5,000**
MTM-adjusted EPS[2]	**$28.60 – $29.10** Prior: $27.40 — $27.90
Adjusted free cash flow[2]	**$3,100 – $3,500**

Raising sales guidance by $250M and MTM-adjusted EPS[2] guidance by $1.20

1. See the company's second quarter earnings release for a description of the underlying assumptions, judgments and factors that can affect the company's ability to achieve guidance or meet expectations.
2. Non-GAAP financial measure. See Appendix.

2026 Segment Guidance[1]

	As of 7/21/2026	
	Sales ($B)	**OM Rate %**
Aeronautics Systems	**~$14** Prior: Mid $13	**Mid to High 9%** Prior: Low to Mid 9%
Defense Systems	**Mid to High $8**	**~10%**
Mission Systems	**High $12**	**~15%** Prior: High 14%
Space Systems	**~$11**	**Low 10%** Prior: ~11%
Intersegment Eliminations	**~($2.7)** Prior: ~($2.4)	**Mid 13%** Prior: High 13%

Updated segment guidance reflects building momentum

1. See the company's second quarter earnings release for a description of the underlying assumptions, judgments and factors that can affect the company's ability to achieve guidance or meet expectations.

Momentum continues to build...

NORTHROP GRUMMAN

- Purpose built portfolio with strategic alignment to global defense priorities
- Enduring demand and record backlog position the company for accelerating growth
- Consistent strong financial performance
- Industry leading capital investments in defense industrial base enables long-term value creation
- Delivering new innovations & capacity with speed to meet the evolving needs of the warfighter

Appendix

2026 Supplemental Guidance[1]

NORTHROP GRUMMAN

($M)	As of 7/21/2026
Total Net FAS/CAS pension adjustment[2]	**~$700**
Unallocated corporate expense:	
Intangible asset amortization and PP&E step-up depreciation	**~$(65)**
Other items	**~$(280)**
Operating income	**$4,540 – $4,690**
Interest expense	**~$(620)**
Effective tax rate %	**Mid 14%** Prior: Low to Mid 17%
Weighted-average diluted shares outstanding, in millions	**Mid 142**
Capital expenditures	**~$1,850**

1. See the company's second quarter earnings release for a description of the underlying assumptions, judgments and factors that can affect the company's ability to achieve guidance or meet expectations.
2. Total Net FAS/CAS pension adjustment is presented as a single amount and includes $245 million of expected CAS pension expense and $210 million of FAS pension service expense, both of which are reflected in operating income. Non-operating FAS pension benefit of $665 million is reflected below operating income, and the total net FAS/CAS pension adjustment is $700 million.

2026 Working Days

NORTHROP GRUMMAN

Number of Days in Reporting Period[1]	2026	2025
First Quarter	**61**	62
Second Quarter	**64**	64
Third Quarter	**63**	63
Fourth Quarter	**63**	62
Full Year	**251**	251

1. Quarterly information is labeled using a calendar convention; that is, first quarter is consistently labeled as ending on March 31, second quarter as ending on June 30 and third quarter as ending on September 30. It is the company's long-standing practice to establish actual interim closing dates using a "fiscal" calendar, in which we close our books on a Friday near these quarter-end dates in order to normalize the potentially disruptive effects of quarterly closings on business processes. This practice is only used at interim periods within a reporting year.

Non-GAAP Definitions

NORTHROP GRUMMAN

Non-GAAP Financial Measures Disclosure: This presentation contains non-GAAP (accounting principles generally accepted in the United States of America) financial measures, as defined by SEC Regulation G and indicated by a footnote in this presentation. Definitions for the non-GAAP measures are provided below and reconciliations are provided in this presentation, except that reconciliations of forward-looking non-GAAP measures are not provided because the company is unable to provide such reconciliations without unreasonable effort due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of certain items, including, but not limited to, the impact of any mark-to-market pension adjustment. Other companies may define these measures differently or may utilize different non-GAAP measures.

MTM-adjusted EPS: Diluted earnings per share excluding the per share impact of MTM benefit (expense) and related tax impacts. This measure may be useful to investors and other users of our financial statements as a supplemental measure in evaluating the company’s underlying financial performance by presenting the company’s diluted earnings per share results before the non-operational impact of pension and OPB actuarial gains and losses.

Segment operating income and segment operating margin rate: Segment operating income and segment operating margin rate (segment operating income divided by sales) reflect the combined operating income of our four segments less the operating income associated with intersegment sales. Segment operating income includes pension expense allocated to our sectors under FAR and CAS and excludes FAS pension service expense and unallocated corporate items. These measures may be useful to investors and other users of our financial statements as supplemental measures in evaluating the financial performance and operational trends of our sectors. These measures should not be considered in isolation or as alternatives to operating results presented in accordance with GAAP.

Organic sales: Total sales excluding sales attributable to the company’s former training services business. This measure may be useful to investors and other users of our financial statements as a supplemental measure in evaluating the company’s underlying sales growth as well as in understanding our ongoing business and future sales trends by presenting the company’s sales adjusted for the impact of the divestiture.

Adjusted free cash flow: Net cash provided by or used in operating activities, less capital expenditures, plus proceeds from the sale of equipment to a customer (not otherwise included in net cash provided by or used in operating activities) and the after-tax impact of discretionary pension contributions. Adjusted free cash flow includes proceeds from the sale of equipment to a customer, if any, as such proceeds were generated in a customer sales transaction. It also includes the after-tax impact of discretionary pension contributions, if any, for consistency and comparability of financial performance. This measure may not be defined and calculated by other companies in the same manner. We use adjusted free cash flow as a key factor in our planning for, and consideration of, acquisitions, the payment of dividends and stock repurchases. This non-GAAP measure may be useful to investors and other users of our financial statements as a supplemental measure of our cash performance, but should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to operating cash flows presented in accordance with GAAP. During the six months ended June 30, 2026 and 2025, the company received no proceeds from the sale of equipment to a customer and made no discretionary pension contributions.

Non-GAAP Reconciliations

NORTHROP GRUMMAN

Segment Operating Income and Margin Rate

($M)	Three Months Ended June 30 2026	Three Months Ended June 30 2025	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Total sales	**$10,876**	$10,351	**$20,757**	$19,819
Operating income	**$1,096**	$1,425	**$2,085**	$1,998
Operating margin rate	**10.1%**	13.8%	**10.0%**	10.1%
Reconciliation to segment operating income:				
FAS/CAS operating adjustment	**$(7)**	$(63)	**$(14)**	$(126)
Unallocated corporate expense:				
Gain on sale of business	**—**	(231)	**—**	(231)
Training services divestiture – unallowable state taxes and transaction costs	**—**	19	**—**	20
Intangible asset amortization and PP&E step-up depreciation	**17**	21	**38**	42
Other unallocated corporate expense	**52**	48	**121**	84
Unallocated corporate expense (income)	**$69**	$(143)	**$159**	$(85)
Segment operating income	**$1,158**	$1,219	**$2,230**	$1,787
Segment operating margin rate	**10.6%**	11.8%	**10.7%**	9.0%

Non-GAAP Reconciliations

NORTHROP GRUMMAN

Adjusted free cash flow

($M)	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Net cash provided by operating activities	**$1,280**	$868	$(376)	**$(697)**
Capital expenditures	**(302)**	(231)	(469)	**(487)**
Adjusted free cash flow	**$978**	**$637**	**$(845)**	**$(1,184)**

Non-GAAP Reconciliations

NORTHROP GRUMMAN

Organic Sales

Total Company

($M)	Three Months Ended June 30 2026	Three Months Ended June 30 2025	% Change	Six Months Ended June 30 2026	Six Months Ended June 30 2025	% Change
Sales	**$10,876**	$10,351	**5%**	**$20,757**	$19,819	**5%**
Less: Training services sales	—	(40)		—	(112)	
Organic Sales	**$10,876**	$10,311	**5%**	**$20,757**	$19,707	**5%**

Defense Systems

($M)	Three Months Ended June 30 2026	Three Months Ended June 30 2025	% Change	Six Months Ended June 30 2026	Six Months Ended June 30 2025	% Change
Sales	**$2,093**	$1,991	**5%**	**$3,992**	$3,796	**5%**
Less: Training services sales	—	(40)		—	(112)	
Organic Sales	**$2,093**	$1,951	**7%**	**$3,992**	$3,684	**8%**

NORTHROP GRUMMAN