

Corporate Profile

Huntington Ingalls Industries is America's largest military shipbuilding company and a provider of professional services to partners in government and industry. For more than a century, HII's Newport News and Ingalls shipbuilding divisions in Virginia and Mississippi have built more ships in more ship classes than any other U.S. naval shipbuilder. HII's Technical Solutions division provides a wide range of professional services through its Fleet Support, Integrated Missions Solutions, Nuclear and Environmental, and Oil and Gas operations. Headquartered in Newport News, Virginia, HII employs nearly 38,000 people operating both domestically and internationally. For more information, visit www.huntingtoningalls.com



Ship's Sponsor Jazania H. O'Neal smashes a bottle of sparkling wine against the bow of the National Security Cutter *Midgett* (WMSL 757). Photo by Andrew Young/HII

Segment Strategy

Newport News Shipbuilding

- Continue solid performance in core Navy programs including CVN 79, CVN 80, VCS Blocks IV and V and CVN 73 RCOH
- Grow core and adjacent Navy business including *Columbia*-class and *Nimitz*-class inactivation

Ingalls Shipbuilding

- Leverage core product lines and capabilities and evaluate complementary product lines and markets
- Compete for future programs by investing to create a competitive advantage in a dynamic environment

Technical Solutions

- Grow organically and inorganically to increase market share and customer base
- Cross-sell capabilities across existing customer base and up-sell capabilities to new customers

Cash Deployment Highlights

- Invested \$133 million in the business during the quarter; \$361 million year to date
- Returned \$74 million to shareholders in the quarter; \$403 million year to date

Key Figures

<i>\$ in millions, except EPS</i>	2017	2016	2015
Operating Metric			
Revenues	\$7,441	\$7,068	\$7,020
Operating Income	\$865	\$858	\$769
Operating Margin	11.6%	12.1%	11.0%
Adjusted Diluted EPS ⁽¹⁾	\$12.14	\$12.14	\$10.55
Shares Outstanding	45.8 mn	47.2 mn	48.3 mn
Free Cash Flow ⁽²⁾	\$453	\$537	\$673

Capital Structure as of December 31, 2017

Cash	\$701
Revolving Credit Facility (\$1.235B Avail)	\$0
Senior Notes due 2025	600
Senior Notes due 2027	600
Other Debt	105
Total Debt	\$1,305

⁽¹⁾Non-GAAP measure that excludes the tax-effected purchase intangible asset impairment charge in 2015; the net-effect of the non-cash goodwill impairment charges in 2015; the tax-effected expense for early extinguishment of debt in 2015 and 2017, the tax expense associated with the 2017 Tax Act and the tax expense related to discretionary pension contributions in 2017.

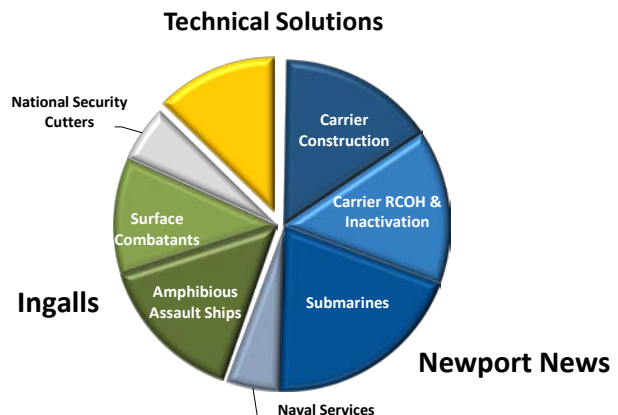
⁽²⁾Non-U.S. GAAP measure. See below for the reconciliation:

	FY 2017	FY 2016	FY 2015
Net cash provided by (used in) operating activities	\$814	\$822	\$861
Less capital expenditures	(382)	(285)	(188)
Grant proceeds for capital expenditures	21	0	0
Free cash flow	\$453	\$537	\$673

Credit Ratings

	S&P	Moody's	Fitch
Corporate Credit Rating	BBB-	Baa3	BBB-
Senior Secured Rating	BBB-	Baa3	BBB-
Senior Unsecured Rating	BBB-	Baa3	BBB-

Revenues by Segment – 2017 (\$7.44 billion)



Recent Operational Highlights

- Delivered guided missile destroyer *Ralph Johnson* (DDG 114)
- Christened guided missile destroyer *Delbert D. Black* (DDG 119) and National Security Cutter *Midgett* (NSC 8)
- Authenticated keel for amphibious transport dock *Fort Lauderdale* (LPD 28) and guided missile destroyer *Lenah H. Sutcliffe Higbee* (DDG 123)
- Awarded a contract worth up to \$468 million to begin integrated product and process development for the U.S. Navy's *Columbia*-class submarines
- Awarded a U.S. Department of Energy contract for the Los Alamos Legacy Cleanup as part of a joint venture
- Awarded a \$60 million contract to overhaul USS *Boise* (SSN 764)
- Awarded a \$1.43 billion construction contract for amphibious transport dock LPD 29



Newport News shipbuilders recently reached a significant construction milestone at the Joint Manufacturing and Assembly Facility, installing a 400-metric ton caisson that will revolutionize the way submarines are constructed. Photo by John Whalen/HII

Leadership

Board of Directors

Thomas B. Fargo	Chairman
Mike Petters	President, CEO and Director
Philip M. Bilden	Director
Augustus Leon Collins	Director
Kirkland H. Donald	Director
Victoria D. Harker	Director
Anastasia Kelly	Director
Tom Schievelbein	Director
John K. Welch	Director
Stephen R. Wilson	Director

Management

Mike Petters, Chief Executive Officer
 Chris Kastner, Chief Financial Officer
 Jennifer Boykin, President, Newport News Shipbuilding
 Brian Cuccias, President, Ingalls Shipbuilding
 Andy Green, President, Technical Solutions

Contact Us

Dwayne Blake
 Vice President, Investor Relations
 (T) 757-380-2104

Christie Thomas
 Director, Investor Relations
 (T) 757-380-7911

Huntington Ingalls Industries
 4101 Washington Ave
 Newport News, VA 23607
 (T)757-380-2000

Investor.relations@hii-co.com
www.ir.huntingtoningalls.com

HII Shipbuilding Capabilities

	2016 Force Structure Assessment (FSA)	HII % Participation
Aircraft Carriers		
Aircraft Carriers	12	100%
Aircraft Carrier RCOH		
Aircraft Carrier Inactivation		
Submarines		
Virginia—Class Submarines	66	50%
Cruise Missile Submarines	4 to 0	Capability
Ballistic Missile Submarines	12	~25%
Surface Combatants		
Large Surface Combatants (DDG-51)	104	~50%
Small Surface Combatants	52	Capability
Amphibious Ships		
Amphibious Ships LHA	38	100%
Amphibious Ships LPD		
Amphibious Ships LXR		Capability
Auxiliaries		
Combat Logistics	32	Capability
Support Vessels	39	Capability
TOTAL FLEET		
	355	

Source: U.S. Navy FY 2016 30-year Force Structure Assessment (FSA) Plan.

The Spin-Off

General Information: The spin-off was a series of transactions by which HII separated from Northrop Grumman Corporation. To complete the spin-off, Northrop Grumman distributed to its stockholders all of the shares of HII common stock. Following the spin-off, HII is a separate company from Northrop Grumman, and Northrop Grumman does not retain any ownership interest in HII.

The Mechanics: The spin-off was completed by way of a pro rata distribution of HII common stock to Northrop Grumman stockholders of record as of 5:00 p.m., Eastern time, on March 30, 2011, the spin-off record date. Each Northrop Grumman stockholder received one share of HII common stock for every six shares of Northrop Grumman common stock held by such stockholder on the record date. No fractional shares of HII common stock were issued.

Transaction Date: March 31, 2011

Where to Find More Information: Find information related to the spin-off at: <http://investor.northropgrumman.com/phoenix.zhtml?c=112386&p=irol-HIISpin-off> or contact Huntington Ingalls Investor Relations.

HII Share Information

Total diluted shares (weighted-average for Q4 2017): 45.4 million
 Stock Performance (quarter ended 12/31/2017):
 Close on 12/29/2017: \$235.70
 High during Q4 2017: \$253.44
 Low during Q4 2017: \$226.65

For questions about your stock certificate/account, change of address or transferring stock, please contact Huntington Ingalls Industries' transfer agent:

Computershare Investor Services
 P.O. Box 505000
 Louisville, KY 40233

(T) 781-575-3400
www.computershare.com