



## Kratos Applauds Focus on Reinvestment to Strengthen Defense Readiness

January 8, 2026

SAN DIEGO, Jan. 08, 2026 (GLOBE NEWSWIRE) -- Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS), a leader in defense, national security and global markets, today expressed strong support for President Trump's announcement of policies that prioritize reinvestment in national defense capabilities over stock buybacks by defense contractors.

Kratos has long operated under a fundamentally different capital allocation philosophy than much of the publicly traded defense market. The company does not have a practice of conducting stock buybacks or paying dividends, choosing instead to reinvest capital directly into the development, production, and fielding of affordable, mission-ready technologies for the warfighter.

"At Kratos, every dollar we earn is viewed through the lens of readiness and capability," said **Eric DeMarco, President and CEO of Kratos**. "Since our inception as a defense company, we have aggressively self-funded development to be first-to-market with relevant systems that can be affordably produced in large quantities to deter and, if necessary, defeat our adversaries, and we have reinvested in people, facilities, inventory, and real technologies that can be delivered at speed and scale to support today's and tomorrow's warfighter."

Kratos' reinvestment-first approach has enabled the company to self-fund and be first-to-market with critical capabilities across unmanned systems, hypersonics, propulsion, space, and defense electronics—taking on development and production risk ahead of customer funding or becoming formal programs of record. This model supports faster innovation cycles, strengthens the U.S. defense industrial base, and helps ensure that advanced capabilities are available when needed, not years later.

The company's strategy aligns with growing emphasis across government and the Department of War on accelerating both production and acquisition, expanding industrial capacity, delivering affordable systems in quantity, and ensuring readiness and lethality for the warfighter. By maintaining inventory on the shelf, investing in infrastructure, and scaling production-ready technologies, Kratos continues to demonstrate how disciplined reinvestment can translate directly into operational advantage.

**DeMarco** added, "Our mission is not financial engineering, but delivering value to all Kratos stakeholders, including most importantly the warfighter, and delivering capability now – affordable, scalable, and real – so the United States and its allies are prepared. That is where we believe defense capital should go."

Learn more at [www.kratosdefense.com](http://www.kratosdefense.com).

### About Kratos Defense & Security Solutions

Kratos Defense & Security Solutions, Inc. (NASDAQ: KTOS) is a technology, products, system and software company addressing the defense, national security, and commercial markets. Kratos makes true internally funded research, development, capital and other investments, to rapidly develop, produce and field solutions that address our customers' mission critical needs and requirements. At Kratos, affordability is a technology, and we seek to utilize proven, leading edge approaches and technology, not unproven bleeding edge approaches or technology, with Kratos' approach designed to reduce cost, schedule and risk, enabling us to be first to market with cost effective solutions. We believe that Kratos is known as an innovative disruptive change agent in the industry, a company that is an expert in designing products and systems up front for successful rapid, large quantity, low-cost future manufacturing which is a value add competitive differentiator for our large traditional prime system integrator partners and also to our government and commercial customers. Kratos intends to pursue program and contract opportunities as the prime or lead contractor when we believe that our probability of win (PWin) is high and any investment required by Kratos is within our capital resource comfort level. We intend to partner and team with a large, traditional system integrator when our assessment of PWin is greater or required investment is beyond Kratos' comfort level. Kratos' primary business areas include virtualized ground systems for satellites and space vehicles including software for command & control (C2) and telemetry, tracking and control (TT&C), jet powered unmanned aerial drone systems, advanced vehicles and rocket systems, propulsion systems for drones, missiles, loitering munitions, supersonic systems, space craft and launch systems, C5ISR and microwave electronic products for missile, radar, missile defense, space, satellite, counter UAS, directed energy, communication and other systems, and virtual & augmented reality training systems for the warfighter. For more information, visit [www.KratosDefense.com](http://www.KratosDefense.com).

### Notice Regarding Forward-Looking Statements

Certain statements in this press release may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of the management of Kratos and are subject to significant risks and uncertainty. Investors are cautioned not to place undue reliance on any such forward-looking statements. All such forward-looking statements speak only as of the date they are made, and Kratos undertakes no obligation to update or revise these statements, whether as a result of new information, future events or otherwise. Although Kratos believes that the expectations reflected in these forward-looking statements are reasonable, these statements involve many risks and uncertainties that may cause actual results to differ materially from what may be expressed or implied in these forward-looking statements. For a further discussion of risks and uncertainties that could cause

actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of Kratos in general, see the risk disclosures in the Annual Report on Form 10-K of Kratos for the year ended December 29, 2024, and in subsequent reports on Forms 10-Q and 8-K and other filings made with the SEC by Kratos.

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Source: Kratos Defense & Security Solutions, Inc.