## CACI International Inc Fourth Quarter Fiscal Year 2016 Conference Call



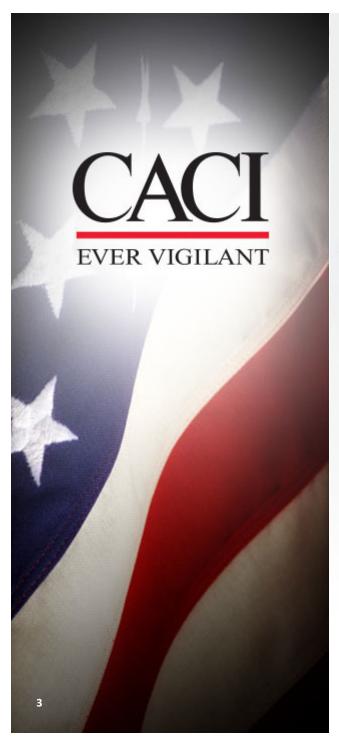
August 18, 2016



#### Forward-looking Statements

There are statements made herein which do not address historical facts and, therefore, could be interpreted to be forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. The factors that could cause actual results to differ materially from those anticipated include, but are not limited to, the following: regional and national economic conditions in the United States and globally; terrorist activities or war; changes in interest rates; currency fluctuations; significant fluctuations in the equity markets; changes in our effective tax rate; failure to achieve contract awards in connection with re-competes for present business and/or competition for new business; the risks and uncertainties associated with client interest in and purchases of new products and/or services; continued funding of U.S. government or other public sector projects, based on a change in spending patterns, implementation of spending cuts (sequestration) under the Budget Control Act of 2011, or any legislation that amends or changes discretionary spending levels under that act; changes in budgetary priorities or in the event of a priority need for funds, such as homeland security; government contract procurement (such as bid protest, small business set asides, loss of work due to organizational conflicts of interest, etc.) and termination risks; the results of government audits and reviews conducted by the Defense Contract Audit Agency, the Defense Contract Management Agency, or other governmental entities with cognizant oversight; individual business decisions of our clients; paradigm shifts in technology; competitive factors such as pricing pressures and/or competition to hire and retain employees (particularly those with security clearances); market speculation regarding our continued independence; material changes in laws or regulations applicable to our businesses, particularly in connection with (i) government contracts for services, (ii) outsourcing of activities that have been performed by the government, and (iii) competition for task orders under Government Wide Acquisition Contracts (GWACs) and/or schedule contracts with the General Services Administration; the ability to successfully integrate the operations of our recent and any future acquisitions; our own ability to achieve the objectives of near term or long range business plans; and other risks described in our Securities and Exchange Commission filings.





#### **Our Participants Today**

#### **Ken Asbury**

President and Chief Executive Officer

#### **Tom Mutryn**

Chief Financial Officer

#### John Mengucci

Chief Operating Officer and President, U.S. Operations

#### **Greg Bradford**

Chief Executive Officer, CACI Limited in the UK

INFORMATION DEPLOYED. SOLUTIONS ADVANCED. MISSIONS ACCOMPLISHED.



#### Fourth Quarter Highlights

- Revenue, net income, and cash flow higher due to strong contract performance and the NSS acquisition
- Awards and contract funding significantly above last year
- Successfully integrated NSS, achieving milestones ahead of schedule
  - Met top line expectations; exceeded profit expectations

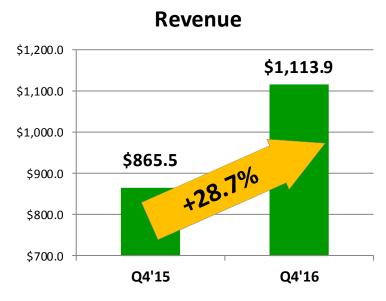


#### **Executing Our Market-based Strategy**

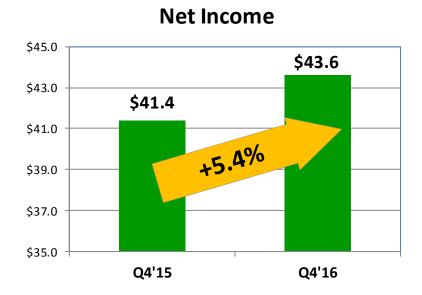
- Won business across all our markets
  - Noteworthy wins in Enterprise IT, Business Systems, Intelligence Systems and Support, and Cyber Security
- Winning larger, enduring, more solution-centric business
- Goals beyond FY17:
  - Grow organic revenue 1% 4% greater than our market
  - Grow EBITDA margins 10 30 basis points per year



#### Fourth Quarter Revenue and Net Income



- Strong performance from core CACI and NSS
- NSS revenue of \$255 million



- CACI net income includes:
  - \$0.2 million of certain excess tax benefits in the quarter
- NSS net income of \$13.1 million includes:
  - \$1.6 million of after-tax intangible amortization



# Adoption of New Accounting Rule Regarding Share-based Payments

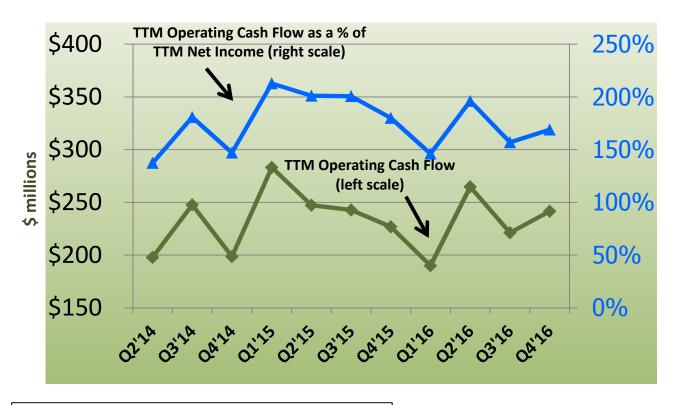
	Quarter ended									
(Amounts in thousands, except per share amounts)	9/3	0/2015	<u>12</u>	2/31/2015	3	/31/2016	<u>6</u>	<u>/30/2016</u>		
Revenue	\$ 82	22,442	\$	830,437	\$	977,274	\$ 1	,113,900		
Income from operations	\$ (	64,508	\$	55,482	\$	63,676	\$	81,084		
Income taxes <sup>1</sup>	\$ 2	20,693	\$	16,851	\$	18,445	\$	24,824		
Net income attributable to CACI <sup>1</sup>	\$ 3	34,632	\$	30,452	\$	34,116	\$	43,599		
Basic earnings per share <sup>1</sup>	\$	1.43	\$	1.26	\$	1.41	\$	1.79		
Diluted earnings per share <sup>1</sup>	\$	1.40	\$	1.23	\$	1.38	\$	1.75		
Weighted-average shares used in per share	e con	nputation	s:							
Basic		24,208		24,246		24,277		24,319		
Diluted <sup>1</sup>		24,721		24,786		24,801		24,900		

<sup>&</sup>lt;sup>1</sup> Quarterly FY16 balances have been adjusted to reflect the adoption of ASU 2016-09 as of the beginning of the fiscal year.



#### **Continued Strong Cash Flow**

- Generated \$53 million in operating cash flow for the quarter; \$243 million for FY16
- Days sales outstanding 62 days versus 64 days in Q3'16
- Net debt/TTM pro forma EBITDA of ~3.8 times



See Charts 14-17 for definitions of non-GAAP measures



#### Reiterating FY17 Guidance

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Guidance

Revenue (millions)
Net income (millions)
Diluted EPS
Diluted shares (millions)

\$4,050 - \$4,250 \$150 - \$160 \$6.02 - \$6.43

24.9

FY17 revenue expected to be 8% to 14% above FY16 revenue
FY17 net income expected to be 5% to 12% above FY16 net income
FY17 diluted EPS expected to be 4.6% to 11.7% above FY16 diluted EPS
FY17 operating cash flow expected to be greater than \$240 million

**This guidance represents our views as of August 17, 2016.** Investors are reminded that actual results may differ from these estimates for reasons described in our Safe Harbor Statement and our filings with the SEC.



#### Successful FY16

- **NSS** integration and performance
- Over \$5.3 billion of contract awards, highlights include:
  - \$102 million single-award with the Securities and Exchange
  - \$199 million single-award with the U.S. Department of **Agriculture**
  - \$22.3 billion IDIQ with the Department of Veterans Affairs
  - \$809 million IDIQ with the Naval Supply Systems Command
  - \$460 million IDIQ with the U.S. Cyber Command
  - \$360 million in previously unannounced Intelligence contracts
- Over \$4 billion in funding orders



### Quality and Efficient Delivery

- CMMI Level 3 for all of U.S. Operations
- ISO 9001 Quality Management Credential
- Quality and Efficient Delivery
- IPPS-Army Outperforms



#### Forward Indicators are Strong

# 86% EXISTING BUSINESS Already well funded FY17 Revenue Profile 4% NEW BUSINESS Quality pipeline

Backlog of \$11.0 billion as of June 30, 2016

Pipeline of submitted bids totals more than \$12 billion

~75% for new business to CACI

Bids expected to be submitted in the next two quarters totals more than \$23 billion

~70% for new business to CACI

#### **CEO Closing Comments**

- Pleased with CACI's position in our addressable market
- FY16 provides solid foundation going forward
- **Reiterating FY17 guidance**
- Ninth Annual National Security Symposium on September 22<sup>nd</sup>



#### **Definitions of Non-GAAP Measures**

# Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

Adjusted EBITDA is GAAP net income attributable to CACI plus interest expense, income taxes, depreciation and amortization, and earnout adjustments

Quarter Ended

(dollars in thousands)

Net income attributable to CACI, as reported

Plus:

Income taxes

Interest expense

Depreciation and amortization Earnout adjustments

Adjusted EBITDA

	(	yuai	rter Enae	ea		I weive Months Ended						
6/3	30/2016	6/3	30/2015	<b>%</b>	Change	6/	30/2016	6/	30/2015	<b>%</b>	Change	
\$	43,599	\$	41,384		5.4%	\$	142,799	\$	126,195		13.2%	
	24,824		25,128		-1.2%		80,813		75,327		7.3%	
	12,636		8,869		42.5%		41,342		35,632		16.0%	
	18,639		15,985		16.6%		64,752		66,083		-2.0%	
	359		-				659		-			
\$	56,458	\$	49,982		13.0%	\$	187,566	\$	177,042		5.9%	

Twolyn Months Ended



### Definitions of Non-GAAP Measures Adjusted Net Income Attributable to CACI

Adjusted net income is GAAP net income attributable to CACI plus stock-based compensation expense, depreciation and amortization, amortization of financing costs, and earnout adjustments, net of related tax effects

(	dollars	in	thousands)	
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Net income attributable to CACI, as reported

#### Plus:

Stock-based compensation Depreciation and amortization Amortization of financing costs Earnout adjustments

#### Less:

Related tax effect
Adjusted net income attributable
to CACI

#### Quarter Ended Twelve Months Ended

6/3	30/2016	6/3	30/2015	% Change	6/30/2016	6/30/2015	%	Change
\$	43,599	\$	41,384	5.4%	\$ 142,799	\$ 126,195		13.2%
	4,590		4,021	14.2%	17,919	14,072		27.3%
	18,639		15,985	16.6%	64,752	66,083		-2.0%
	1,133		577	96.4%	3,234	2,639		22.5%
	359		-		659	-		
	(9,729)		(8,100)	20.1%	(34,067)	(32,584)		4.6%
\$	58,591	\$	53,867	8.8%	\$ 195,296	\$ 176,405		10.7%



## Definitions of Non-GAAP Measures Diluted Adjusted Earnings Per Share

Diluted adjusted earnings per share is adjusted net income attributable to CACI divided by diluted weighted-average shares, as reported

(shares in thousands)
Adjusted Net income attributable
to CACI
Diluted weighted average shares,
as reported
Diluted earnings per share, as reported
Diluted adjusted earnings per share

Quarter Ended								Twelve Months Ended						
	6/3	30/2016	6/3	30/2015	<b>%</b>	Change	6/	30/2016	6/	30/2015	%	Change		
	\$	58,591	\$	53,867		8.8%	\$	195,296	\$	176,405		10.7%		
		24,900		24,613				24,802		24,388				
ı	\$	1.75	\$	1.68		4.1%	\$	5.76	\$	5.17		11.3%		
	\$	2.35	\$	2.19		7.5%	\$	7.87	\$	7.23		8.9%		



### Definitions of Non-GAAP Measures Pro Forma Adjusted EBITDA

Pro forma Adjusted TTM EBITDA is Adjusted EBITDA assuming that the NSS acquisition occurred at the beginning of July 2015, adjusted for certain non-recurring expenses and goodwill impairment

	FY16
(Amounts in thousands)	TTM
Pro forma net loss <sup>1</sup>	(300,363)
Plus:	
Income taxes	58,174
Interest income and expense, net	51,547
Depreciation and amortization	77,319
EBITDA	(113,323)
Goodwill impairment <sup>2</sup>	476,223
Other adjustments	8,310
Pro forma adjusted EBITDA	\$ 371,210

Net debt as of June 30, 2016 1,406,961

Net debt divided by TTM pro forma adjusted EBITDA 3.79 times



<sup>&</sup>lt;sup>1</sup>As reported in the FY16 Form 10-K

<sup>&</sup>lt;sup>2</sup>As reported in February 1, 2016 Form 8-K/A and the FY16 Form 10-K