

# CACI International Inc Fiscal Year 2017 Guidance Conference Call



June 23, 2016

INFORMATION DEPLOYED. SOLUTIONS ADVANCED. MISSIONS ACCOMPLISHED.

**CACI**  
EVER VIGILANT

# 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.



# CACI FY17 Guidance

- **Entering FY17 with:**
  - A large backlog of contracts
  - A healthy pipeline of opportunities
  - Successful integration and performance of NSS
  - Another year of strong cash flow
- **Remain focused on pursuing larger, more complex opportunities where customers are seeking solutions**
- **Two trends in our customers' purchasing behavior to affect FY17 revenue growth:**
  - Purchasing less pass-through materials
  - Procurements made solely on low price

## Current Federal Market Environment

- **More funding and stability than in the past three years**
- **Expect the government to operate under a continuing resolution beginning October 1, 2016**
- **Confident in our ability to navigate market environment**

## Continuing Evolution of CACI

- **Have supported our nation through multiple war efforts**
- **Have begun to strategically position CACI to address more enduring customer priorities**
- **Have invested in technology, solutions, talent, delivery methodology, and business development**
- **Have leveraged cash flow to add capabilities, customer relationships, and past performance qualifications through M&A**
- **CACI now has:**
  - Deeper capabilities
  - Greater alignment to enduring missions
  - Better ability to address emerging customer requirements

## FY16 Highlights

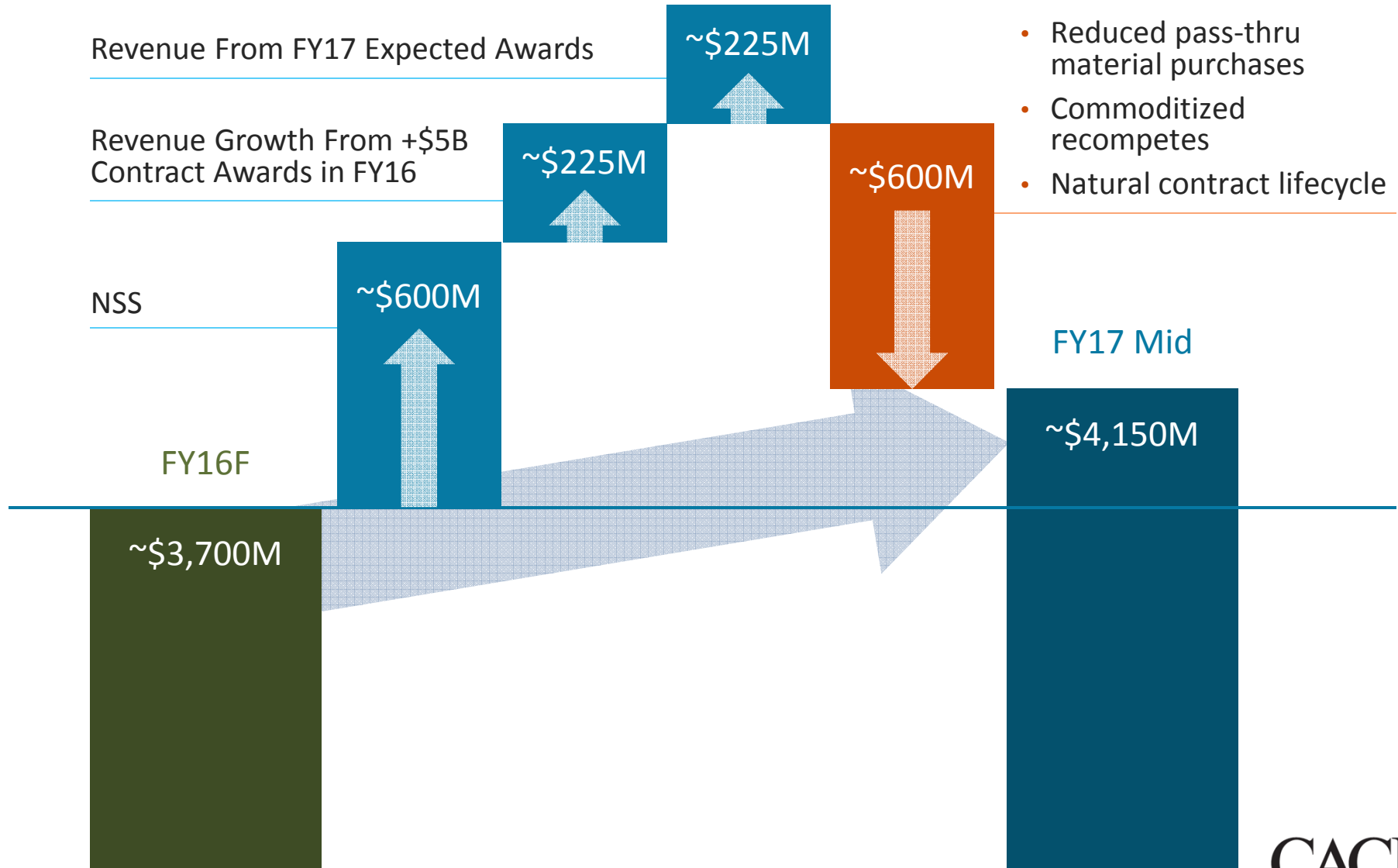
- **National Security Solutions (NSS) integration and performance**
- **Joint Geospatial Analytical Support Services to the U.S. Special Operations Command**
- **Integrated Pay and Personnel-Army**
- **Web Supply Chain Management**
- **CMMI Level 3 and ISO 9001 for our entire U.S. Operations**
- **CMMI Level 5 for Logistics and Material Readiness**

ENDURING

HIGH-VALUE SOLUTIONS

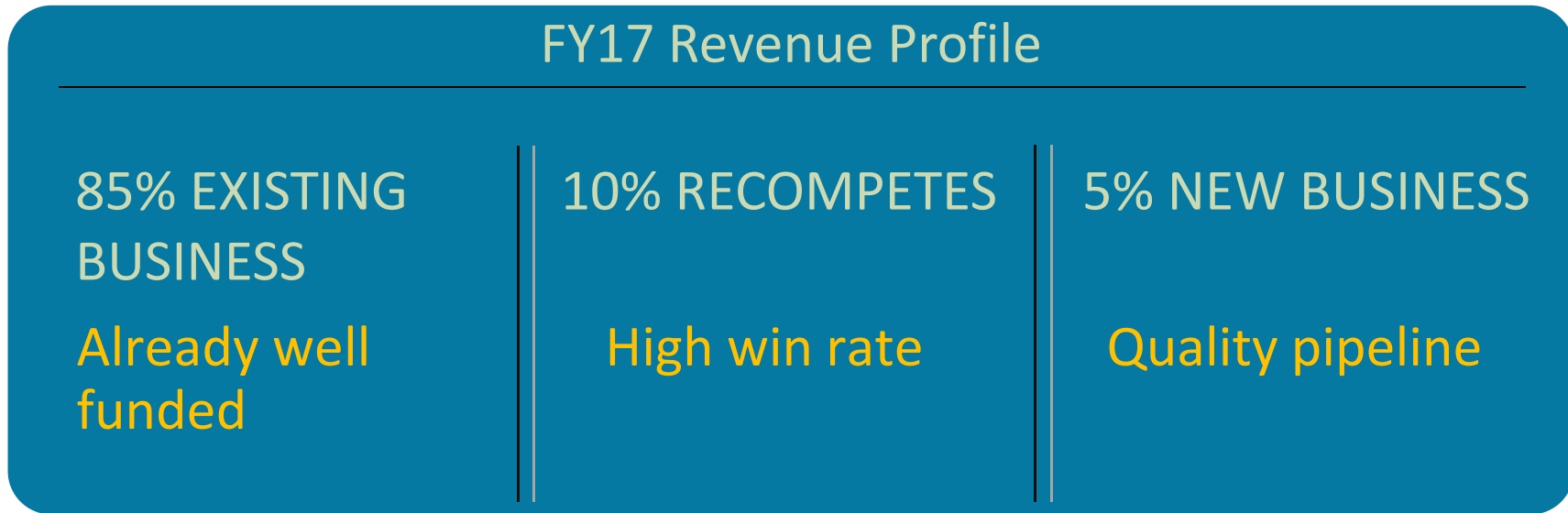
**CACI**  
EVER VIGILANT

# FY17 Revenue Growth





## Forward Indicators are Strong



Record backlog of \$12.9B as of Q3 fiscal '16

Pipeline of submitted bids totals more than \$10B

*~70% for new business to CACI*

Bids expected to be submitted in the next two quarters totals more than \$26B

*~70% for new business to CACI*

## Reiterating FY16 Guidance

	<b>FY16</b> <u>Guidance</u>
<b>Revenue (millions)</b>	<b>\$3,700 – \$3,800</b>
<b>Net income (millions)</b>	<b>\$133 – \$140</b>
<b>Diluted EPS</b>	<b>\$5.37 – \$5.65</b>
<b>Diluted shares (millions)</b>	<b>24.8</b>

**FY16 revenue expected to be 12% to 15% higher than FY15**

**FY16 net income expected to be 5% to 11% above FY15**

**FY16 diluted EPS expected to be 4% to 9% above FY15**

**FY16 operating cash flow expected to be greater than \$225 million**

**This guidance represents our views as of June 22, 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.

## FY17 Guidance

	<b>FY17</b>
	<u>Guidance</u>
<b>Revenue (millions)</b>	<b>\$4,050 – \$4,250</b>
<b>Net income (millions)</b>	<b>\$150 – \$160</b>
<b>Diluted EPS</b>	<b>\$6.02 – \$6.43</b>
<b>Diluted shares (millions)</b>	<b>24.9</b>

**FY17 revenue expected to be 8% to 13% above FY16 guidance midpoint**

**FY17 net income expected to be 10% to 17% above FY16 guidance midpoint**

**FY17 diluted EPS expected to be 9% to 17% above FY16 guidance midpoint**

**FY17 operating cash flow expected to be greater than \$240 million**

**This guidance represents our views as of June 22, 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.

## FY17 Guidance

- **NSS adding ~ \$600 million of revenue with a net income margin of 2.7 to 2.8%, excluding one-time acquisition expenses and including amortization and interest**
- **Expect -3% to -5% organic revenue growth for the year, with most in the first half of FY17, as a result of customer purchasing behavior**
- **Expect higher first quarter revenue, driven by NSS, partially offset by reduction in core business**
- **Expect first quarter net income to be below \$30 million**
- **FY17 profitability on some firm fixed price programs will be less than FY16 due to normal phasing of work**
- **A number of programs are transitioning from firm fixed price to cost plus, resulting in lower profitability for those programs**
- **Profit contributions from on-contract growth and new business**

## Key Guidance Assumptions

- **Gross profit to range between 33% and 34%**
- **Indirect costs and selling expenses 12% to 14% higher than expected in FY16 (driven by additional seven months of NSS)**
- **Depreciation and amortization of ~ \$66 million**
- **Net interest expense of ~ \$50 million**
- **Effective tax rate of 38.0%**
- **Capital expenditures of ~ \$30 million**
- **Seasonal percentage decrease of revenue between Q4'16 and Q1'17 to be similar to the average of the last three years**

## Looking Ahead to FY17

- **Expecting double digit revenue and net income growth**
- **Expecting strong cash flow**
- **Starting with large backlog and healthy pipeline of enduring opportunities**
- **Building on \$5+ billion in contract awards in FY16**
- **Focusing on winning business with predictable, profitable growth**