

# CACI International Inc Third Quarter Fiscal Year 2016 Conference Call



April 28, 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.



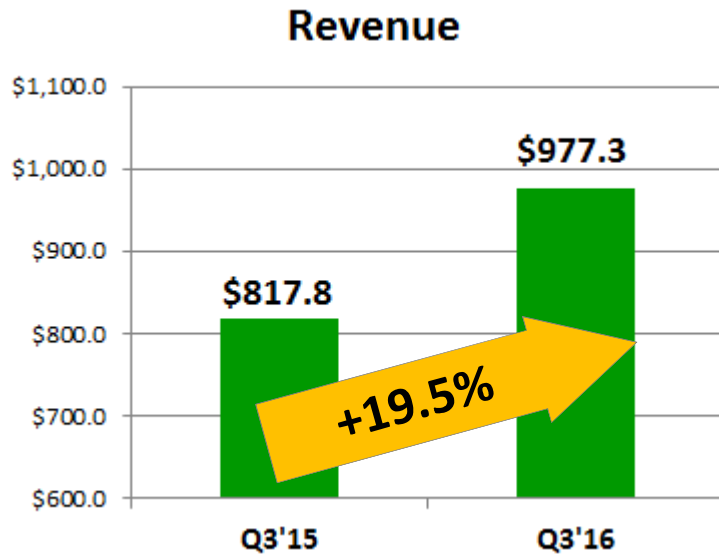
## Third Quarter Highlights

- **Revenue and net income higher due to strong execution and the performance of NSS acquisition**
- **Cash flow, awards, and contract funding orders strong**
- **Narrowing revenue and net income guidance**
- **NSS acquisition is performing above expectations**

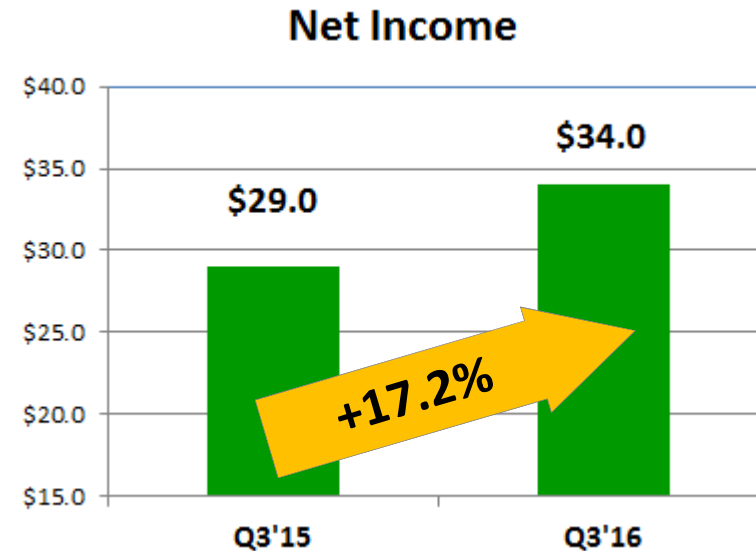
## Current Market Environment & Accomplishments

- **O&M spending lower than a year ago**
- **Pace of outlays is improving**
  - Increase in spending in March
  - CACI awards in the quarter higher than a year ago
- **Accomplishments**
  - Won \$180 million new award to support geospatial intelligence for US SOCOM
  - Revalidated and expanded our CMMI Maturity Level 3 systems and software engineering evaluation for U.S. Operations
  - Partnership with Virginia Tech's Hume Center Cyber and Physical System Security program

# Third Quarter Revenue and Net Income



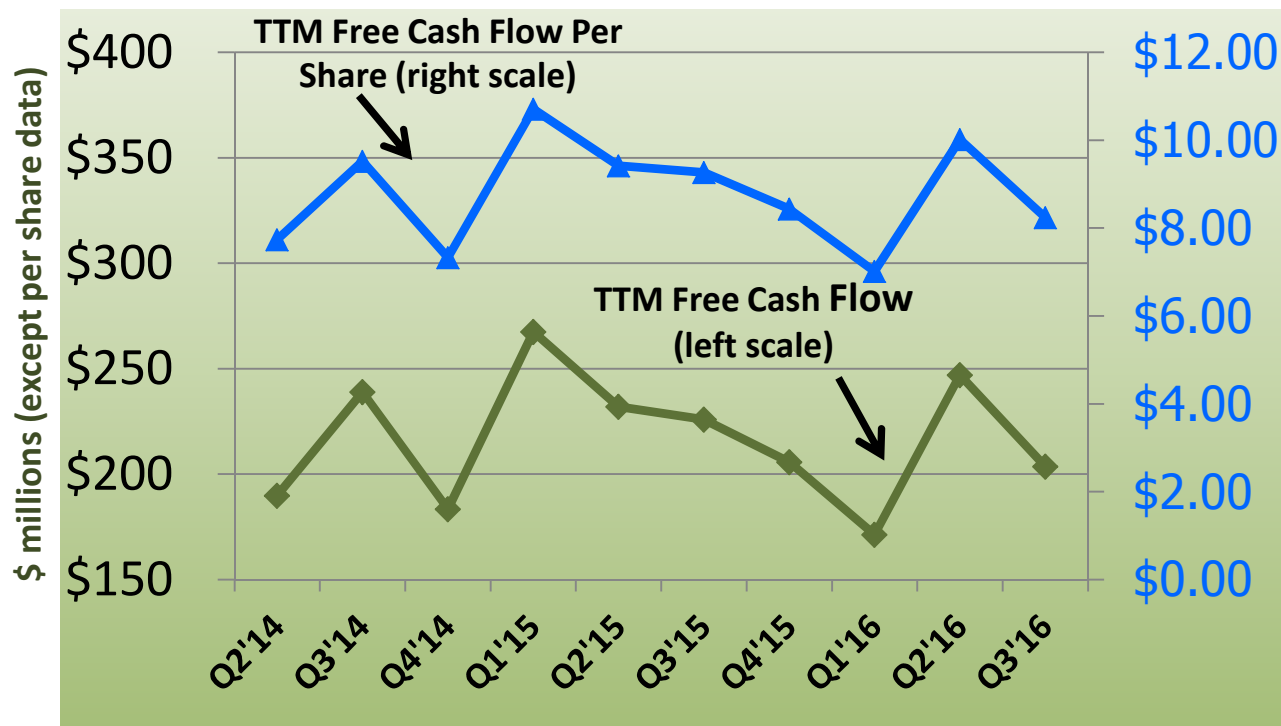
- NSS revenue of \$172 million
- Legacy CACI
  - Performance on programs
  - Contributions from recent business awards



- NSS net income of \$5.6 million includes:
  - \$1.7 million of intangible amortization and \$3.2 million of pre-tax acquisition expenses
- Legacy CACI net income includes:
  - \$5.7 million of pre-tax acquisition expenses
  - \$3.0 million of additional interest expense

# Continued Strong Cash Flow

- Generated \$54 million in operating cash flow for the quarter; TTM free cash flow of \$204 million
- Days sales outstanding – 64 days versus 61 days in Q3'15
- Net debt/TTM pro forma EBITDA of ~3.9 times



7.6% free cash flow yield per share at \$109 share price

See Charts 14-15 for definitions of non-GAAP measures

## Updated FY16 Guidance

	Current FY16 Guidance	Previous FY16 Guidance
Revenue (millions)	\$3,700 - \$3,800	\$3,700 - \$3,900
Net Income (millions)	\$133 - \$140	\$133 - \$143
Diluted EPS	\$5.37 - \$5.65	\$5.37 - \$5.77
Diluted shares (millions)	24.8	24.8

**FY16 revenue expected to be 11.7% to 14.7% higher than FY15**

**FY16 net income expected to be 5.4% to 10.9% above FY15**

**FY16 diluted EPS expected to be 3.8% to 9.3% above FY15**

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

**This guidance represents our views as of April 27, 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.

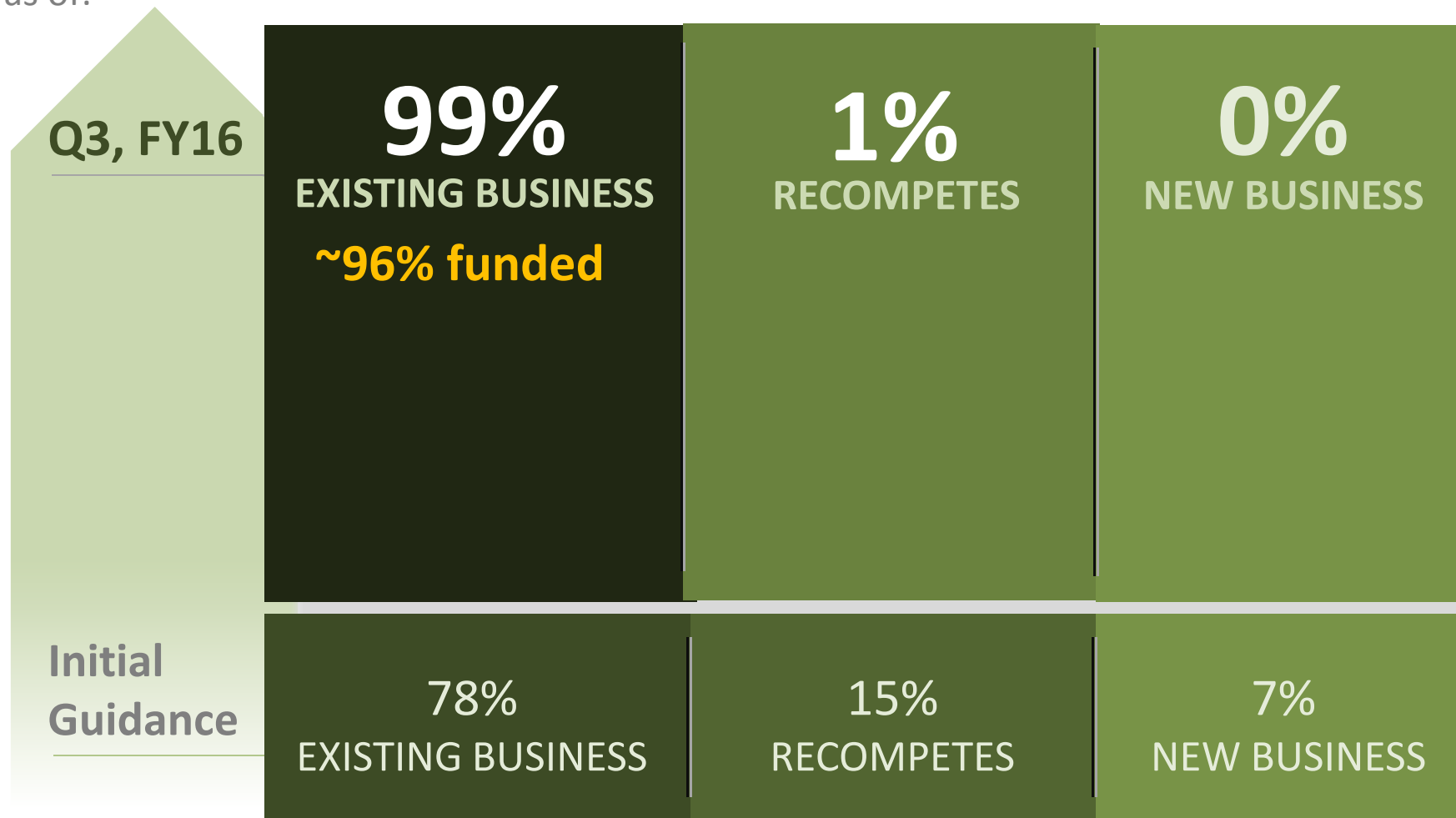
**See Chart 16 for key guidance assumptions**



## Confidence in our Guidance

# FY16 Planned Revenue

as of:



## NSS Integration

- **NSS is already integrated into our market-aligned US Operations**
- **Combined operations running on the same systems and processes**
- **Enjoying improved competitive position, enhanced combined capabilities, past performance, and effective cost structures**
- **Performing well: achieving financial, synergy, margin, and strategic goals**

## Another Strong Quarter

- **Won \$1.2B of awards a 75% increase over the same quarter last year**
  - ~25% new business to CACI
  - ~35% recompetete
  - ~40% growth on existing contracts
- **Booked \$1.3B of contract funding orders, 37% higher than the same quarter last year**
- **Total backlog stands at \$12.9B, 34% greater than this time last year**

## Pipeline Remains Healthy

- **\$12.3 billion in pending contract awards, ~75% for new business**
- **\$15.6 billion in bids to be submitted over next six months, ~75% for new business**
- **Reflects focus on critical missions in each of our market areas and our large addressable market**

## CEO Closing Comments

- **Pleased with our team's performance year-to-date**
- **CACI Investor Day**
  - June 30<sup>th</sup> in New York City at the NYSE
  - Strategy and operations presentations
  - Demonstrations of compelling solutions
  - More information to come

## Definitions of Non-GAAP Measures

- **Trailing twelve month (TTM) free cash flow is TTM cash flow from operations less TTM capital expenditures.**
- **TTM free cash flow per share is TTM free cash flow divided by TTM diluted share count.**
- **EBITDA is GAAP net income plus net interest expense, income taxes, and depreciation and amortization.**
- **Adjusted net income is GAAP net income plus stock-based compensation expense, depreciation and amortization, amortization of financing costs, and non-cash interest expense, net of related tax effects.**
- **Diluted adjusted earnings per share is adjusted net income divided by diluted weighted-average shares, as reported.**

These non-GAAP measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP.

## Definitions of Non-GAAP Measures (continued)

- **Pro forma adjusted TTM EBITDA is adjusted EBITDA assuming that the NSS acquisition occurred at the beginning of April 2015, adjusted for certain one-time expenses.**

(dollars in thousands)	Pro Forma Q4 FY15 3 Months	Pro Forma FY16 YTD 9 Months	Pro Forma Trailing 12 Months (TTM)
EBITDA <sup>1</sup>	\$ 103,292		\$ 103,292
Pro forma net loss <sup>2</sup>		\$ (343,467)	(343,467)
Plus:			
Income taxes		35,372	35,372
Interest income and expense, net		38,918	38,918
Depreciation and amortization		56,129	56,129
Goodwill impairment <sup>3</sup>		476,223	476,223
Other adjustments		7,271	7,271
Pro forma adjusted EBITDA	\$ 103,292	\$ 270,446	\$ 373,738

Net debt as reported, March 31, 2016   \$   1,450,589  
 Net debt divided by TTM pro forma adjusted EBITDA   3.88 times

<sup>1</sup>As reported in August 12, 2015 earnings release plus NSS estimate

<sup>2</sup>As reported in March 31, 2016 Form 10-Q

<sup>3</sup>As reported in February 1, 2016 Form 8-K/A

These non-GAAP measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP.

## Key Guidance Assumptions

- **Depreciation and amortization of ~ \$65 million**
- **Net interest expense of ~ \$41 million**
- **Effective tax rate of 37.6%**
- **Operating cash flow in excess of \$225 million**