

CACI International Inc First Quarter Fiscal Year 2016 Conference Call



October 29, 2015

INFORMATION DEPLOYED. SOLUTIONS ADVANCED. MISSIONS ACCOMPLISHED.

CACI
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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; 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

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First Quarter Performance

- **On track to achieve goal of organic revenue and net income growth in FY16**
- **Reiterating our full year FY16 guidance**
- **Won over \$1.9 billion in contract awards**
- **Cash flow was strong**
- **Backlog at a record level**
- **Positive revenue growth**
- **Net income higher than expected due to timing and performance**

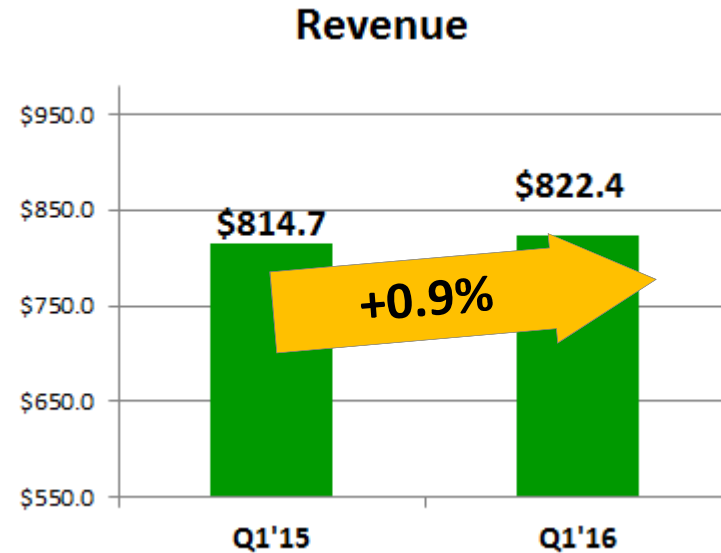
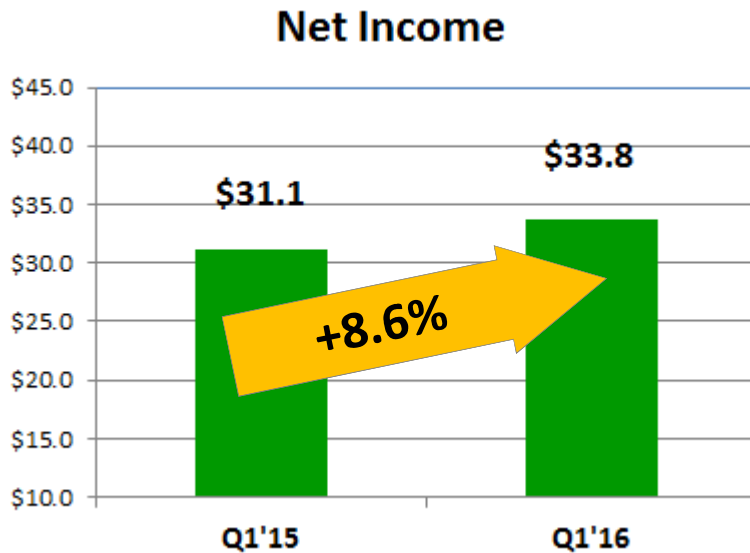
Current Market Environment

- **Normal award activity in the first quarter**
- **Government operating under a CR**
- **Bipartisan budget agreement**
 - Positive development
 - Increased stability for our industry
- **Change in the pace of drawdown from Afghanistan**

New Opportunity Resulting from the Six3 Acquisition

- **Cooperative research and development agreement to test a system CACI developed**
- **Detects, identifies, and tracks unmanned aircraft systems (UAS)—or drones**
- **Responds to the escalating challenges from inadvertent or intentional misuse of UAS around airports**
- **System developed as a result of the specialized capabilities in cyber and digital signal processing we acquired**

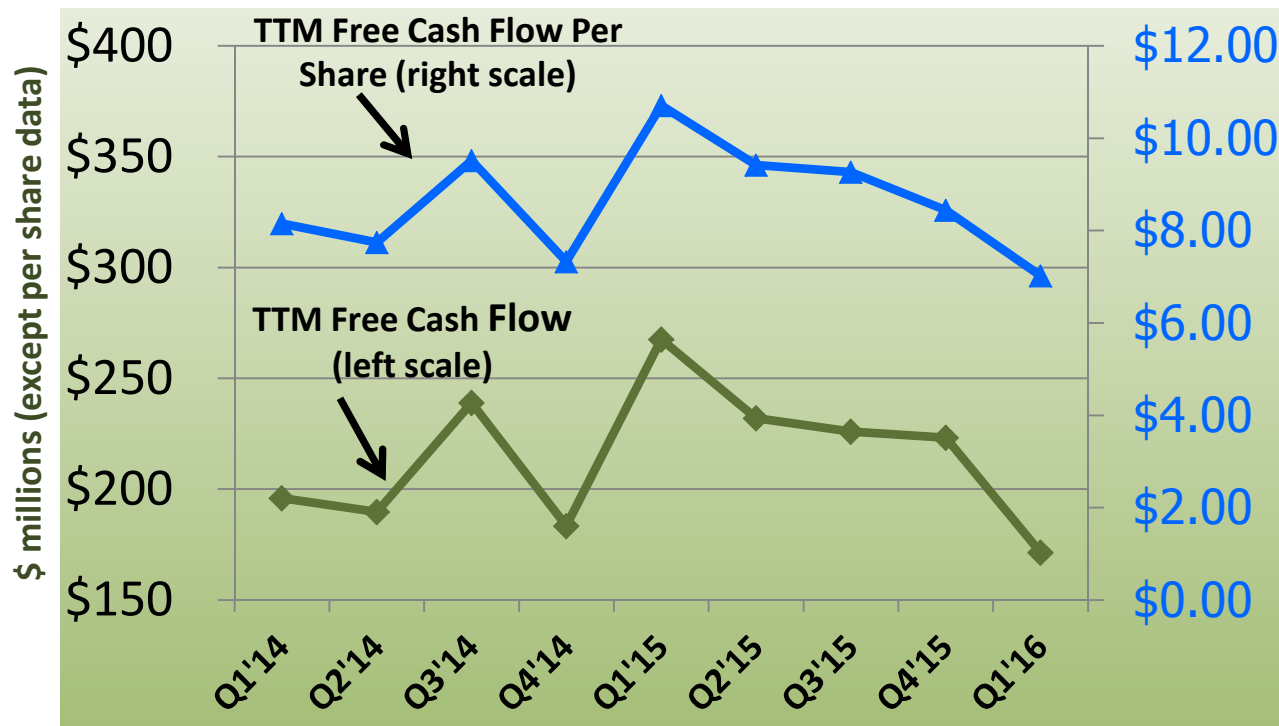
First Quarter Net Income and Revenue



- Strong performance on programs
- Lower D&A expense
- Variance from plan a result of timing due to award fees, performance, and product sales
- Direct labor increase of 4.8%
- Offset by ODCs decreasing 4.1%

Continued Strong Cash Flow

- Days sales outstanding – 58 days versus 60 days in Q4'15
- Generated \$78 million in operating cash flow for the quarter; TTM free cash flow of \$171 million
- Debt of \$994 million; net debt/TTM EBITDA of 3.16 times



8.2% free cash flow yield per share at \$85 share price

See Chart 15 for definitions of non-GAAP measures

FY16 Guidance

	FY16 <u>Guidance</u>
Revenue (millions)	\$3,300 – \$3,500
Net income (millions)	\$130 – \$140
Diluted EPS	\$5.24 – \$5.65
Diluted shares (millions)	24.8

FY16 revenue expected to be 0% to +6% versus FY15

FY16 net income expected to be 3% to 11% above FY15

FY16 diluted EPS expected to be 1% to 9% above FY15

FY16 operating cash flow expected to be greater than \$200 million

This guidance represents our views as of October 28, 2015. 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

Off to a Good Start to FY16

- **Strong performance driven by timing:**
 - Firm fixed price deliverables
 - Product deliveries
 - Award fees
- **Continued to win new and recompete business**
- **Examples of wins:**
 - Support of advanced communications systems for Special Operations Forces
 - Fuse and analyze clinical data to enhance the quality of treatment
 - Enhance reliability, cost-efficiency, and mission success for FEMA's National Public Warning System
 - Provide technical and engineering expertise to the Army in the development of better night vision and infrared capabilities

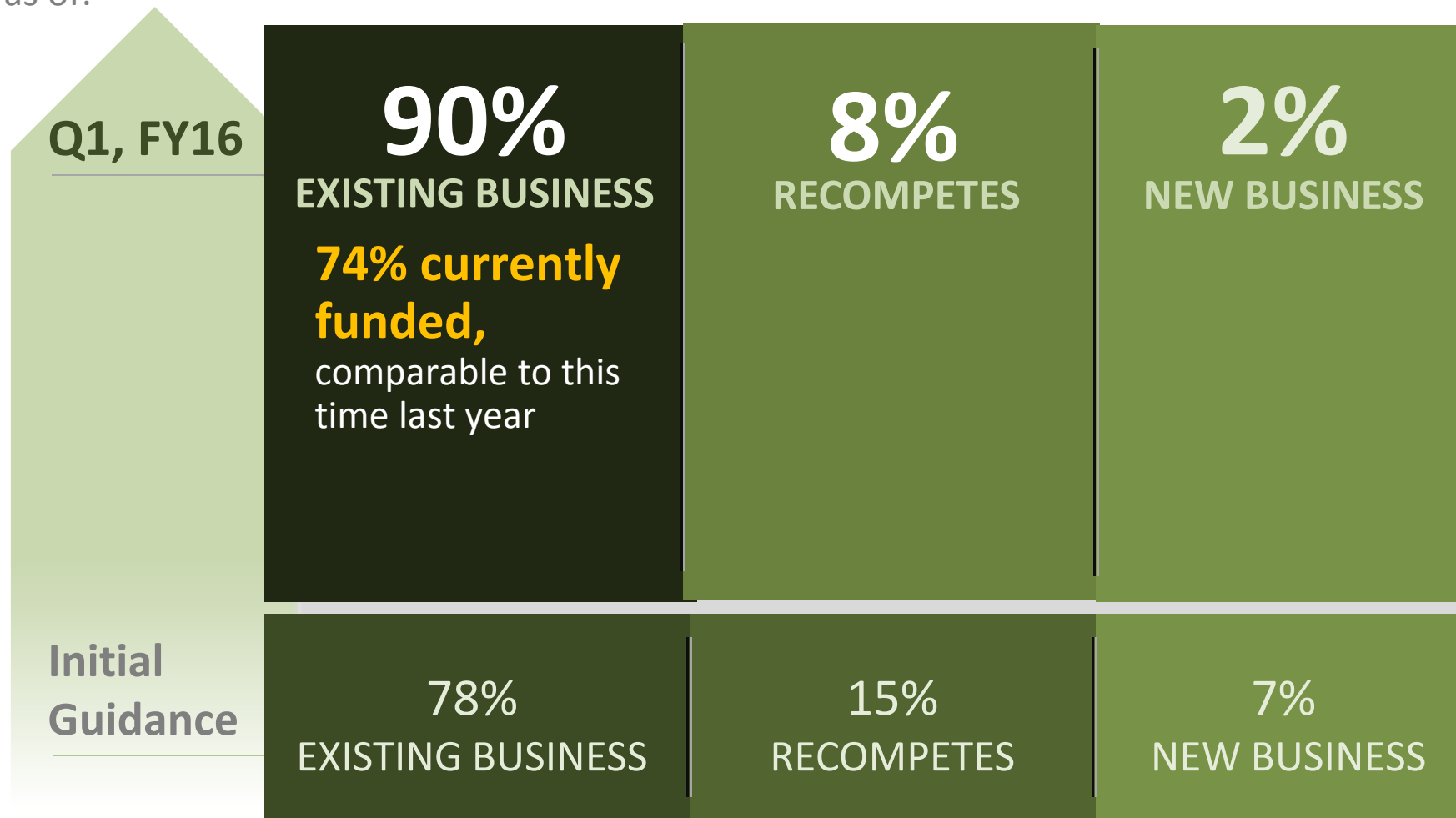
UAS Research and Development Agreement

- **System detects, identifies, and tracks drones**
- **Capable of identifying ground-based operators**
- **Helps protect national airspace from inadvertent or unlawful misuse of drones within 5-mile radius of airports**
- **System will help ensure safe, shared airspace while supporting responsible UAS operations**
- **CACI proprietary technology has wide applicability outside of airports**
 - Protection of infrastructure or events

Confidence in our FY16 Plan

FY16 Planned Revenue

as of:



Solid Leading Indicators

- **\$12 billion in pending contract awards, 40% for new business**
- **\$11 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**

CEO Closing Comments

- **Off to a strong start**
- **On track to achieve organic revenue and net income growth this fiscal year**
- **Will continue to support critical missions and respond to evolving requirements**
- **Focused on our long term strategy**

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.**

Key Guidance Assumptions

- **Direct labor costs now estimated to be between 5% and 8% higher versus FY15**
- **ODCs now estimated to be -4% to -6% less than FY15**
- **Indirect costs and selling expenses now estimated to be 3% to 4% higher than FY15**
- **Depreciation and amortization of ~ \$58 million**
- **Operating margin expected to be slightly greater than 7.5%**
- **Net interest expense of ~ \$34 million**
- **Effective tax rate of 38.5%**
- **Capital expenditures of ~ \$15 million to \$20 million**