

CACI International Inc Fourth Quarter Fiscal Year 2017 Conference Call



August 17, 2017

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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: legal, regulatory, and political change as a result of transitioning to a new presidential administration that could result in economic uncertainty; changes in U.S. federal agencies, current agreements with other nations, foreign events, or any other events which may affect the global economy; 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

John Mengucci

Chief Operating Officer

Tom Mutryn

Chief Financial Officer

DeEtte Gray

President, U.S. Operations

Greg Bradford

Chief Executive Officer, CACI Limited in the UK

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Fourth Quarter and Full Year Highlights

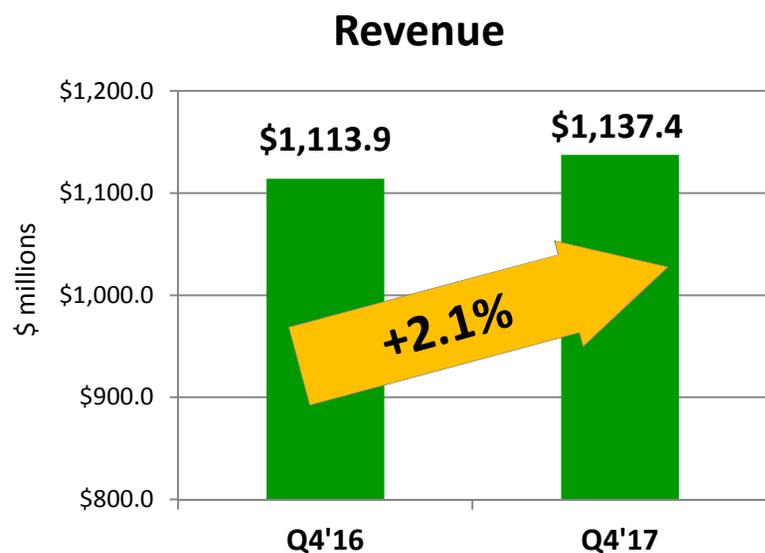
- **Revenue up 2.1% in the quarter; up 16.3% for FY17 to a record \$4.35 billion**
- **Net income up 1.4% in the quarter; up 14.6% for FY17 to \$163.7 million**
- **Record awards of \$6 billion for FY17**
- **Positive organic revenue growth in the second half of FY17**
- **Cash from operations up 21.7% in the quarter; up 15.9% for FY17 to a record \$281.3 million**

Current Market Dynamics

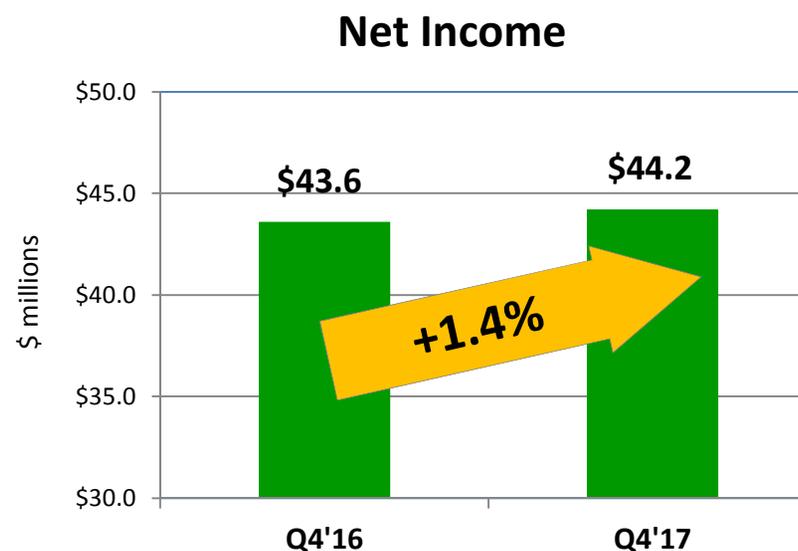
- **Unchanged market environment since our June guidance call**
- **Expect strong awards in the September quarter**
- **Assume that the government's FY18 will start under a continuing resolution**

We remain confident in our ability to win business and deliver in any environment, and produce predictable, profitable growth

Fourth Quarter Revenue and Net Income



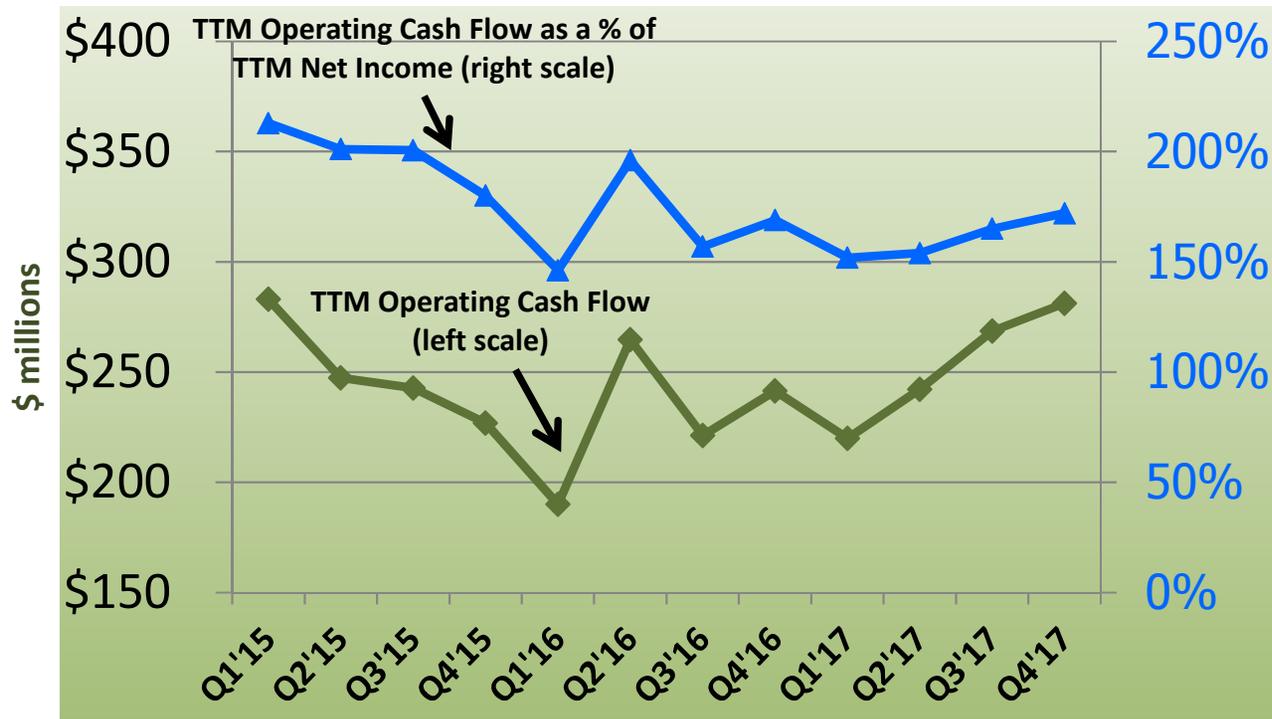
- Organic revenue growth of 2.0% in the quarter



- Strong program performance
- FY17 net income driven by operational performance and lower taxes, partially offset by one-time LTIP and facility expenses

Continued Strong Cash Flow

- Generated \$65 million in operating cash flow for the quarter, 147% of net income; \$281.3 million for the year, 170% of net income
- Net debt of ~\$1.2 billion
- Net debt/TTM adjusted EBITDA of ~3.2 times
- Days sales outstanding – 59 days versus 62 days in Q4'16



See Charts 12-14 for definitions of non-GAAP measures

Reiterating FY18 Guidance

	FY18 Guidance
Revenue (millions)	\$4,350 – \$4,500
Net income (millions)	\$165 – \$173
Diluted EPS	\$6.52 – \$6.84
Diluted shares (millions)	25.3
Operating Cash Flow (millions)	greater than \$280

This guidance represents our views as of August 16, 2017. 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 Fourth Quarter and Fiscal 2017

- **Contract awards of \$1.1 billion drive a TTM book-to-bill of 1.4 times for FY17; 60% for new business to CACI**
- **Sixth consecutive quarter with awards over \$1 billion**
- **Backlog of \$11.2 billion, well over 2 years of revenue at FY17 levels**
- **ISO 27001 certification affirms the security of our IT infrastructure**
- **Amazon Web Services Public Sector Program recognizes our cloud credentials**

Forward Indicators are Strong



Pipeline of submitted bids totals more than \$8.4 billion

~74% for new business to CACI

SOF GLSS bid removed from pending awards total

Bids expected to be submitted in the next two quarters totals more than \$6.2 billion

~80% for new business to CACI

CEO Closing Comments

- **CACI today and where we're headed**

- Long-term growth targets set
- Market alignment drives greater focus on high-demand areas of our addressable market
- Enhanced business development organization
- Winning larger contracts with a focus on solution content
- Our operations providing enhanced value to our customers
- Added capabilities and past performance credentials through strategic acquisitions

We have built a strong foundation allowing us to deliver on our long-term goals in FY18 and beyond

Definitions of Non-GAAP Measures

The Company views Adjusted EBITDA and Adjusted Net Income, all of which are defined as non-GAAP measures, as important indicators of performance, consistent with the manner in which management measures and forecasts the Company's performance. Adjusted EBITDA is a commonly used non-GAAP measure when comparing our results with those of other companies. We define Adjusted EBITDA as GAAP net income plus net interest expense, income taxes, depreciation and amortization, and earnout adjustments. We consider Adjusted EBITDA to be a useful metric for management and investors to evaluate and compare the ongoing operating performance of our business on a consistent basis across reporting periods, as it eliminates the effect of non-cash items such as depreciation of tangible assets, amortization of intangible assets primarily recognized in business combinations, as well as the effect of earnout gains and losses, which we do not believe are indicative of our core operating performance. We define Adjusted Net Income as GAAP net income plus stock-based compensation expense, depreciation and amortization, amortization of financing costs, and earnout adjustments, net of related tax effects. We believe Adjusted Net Income is an important measure of long-term value and is used by investors to measure our performance. This measure assists management and investors in further understanding our results and trends from period-to-period by removing certain non-cash items that do not impact the cash flow performance of our business. Adjusted EBITDA and Adjusted Net Income as defined by us may not be computed in the same manner as similarly titled measures used by other companies. 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

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

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

	Quarter Ended			Twelve Months Ended		
	6/30/2017	6/30/2016	% Change	6/30/2017	6/30/2016	% Change
(dollars in thousands)						
Net income	\$ 44,231	\$ 43,599	1.4%	\$ 163,671	\$ 142,799	14.6%
Plus:						
Income taxes	24,142	24,824	-2.7%	84,948	80,813	5.1%
Interest income and expense, net	11,721	12,636	-7.2%	48,809	41,342	18.1%
Depreciation and amortization	17,862	18,639	-4.2%	71,760	64,752	10.8%
Earnout adjustments	(599)	359	-266.9%	716	659	8.6%
Adjusted EBITDA	\$ 97,357	\$ 100,057	-2.7%	\$ 369,904	\$ 330,365	12.0%

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

Adjusted Net Income

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

(dollars in thousands)	Quarter Ended			Twelve Months Ended		
	6/30/2017	6/30/2016	% Change	6/30/2017	6/30/2016	% Change
Net income	\$ 44,231	\$ 43,599	1.4%	\$ 163,671	\$ 142,799	14.6%
Plus:						
Stock-based compensation	5,831	4,590	27.0%	21,945	17,919	22.5%
Depreciation and amortization	17,862	18,639	-4.2%	71,760	64,752	10.8%
Amortization of financing costs	1,113	1,133	-1.8%	4,484	3,234	38.7%
Earn-out adjustments	(599)	359	-266.9%	716	659	8.6%
Less:						
Related tax effect	(9,527)	(9,729)	-2.1%	(38,924)	(34,067)	14.3%
Adjusted net income	\$ 58,911	\$ 58,591	0.5%	\$ 223,652	\$ 195,296	14.5%

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