

CACI INTERNATIONAL INC

# FY2020

GUIDANCE CALL



June 20, 2019

**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: legal, regulatory, and political change successive presidential administrations 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 potential impact of the announcement or consummation of a proposed transaction and our 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.



**Ken Asbury**  
President and  
Chief Executive Officer



**John Mengucci**  
Newly-Appointed  
President and CEO



**DeEtte Gray**  
President, U.S. Operations



**Thomas Mutryn**  
Chief Financial Officer



**Greg Bradford**  
Chief Executive Officer,  
CACI Limited in the UK

## CEO Transition

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**Ken Asbury** retiring as President and CEO, effective June 30, 2019

**John Mengucci**, COO, newly-appointed President and CEO, effective July 1, 2019

- CACI Chief Operating Officer since 2017
- Joined CACI in 2012 as Chief Operating Officer for U.S. Operations

## Strong Finish to FY19

### Reiterating FY19 guidance

- Organic growth in the mid-2% range
- Adjusted EBITDA margin expansion in excess of 10 to 30 basis point commitment
- Strong cash flow

### Closed **LGS** and **Mastodon** acquisitions

- Strategic investments in key areas of SIGINT, communications, cyber, and electronic warfare
- High-growth, high-margin companies expand CACI addressable market

### Strong contract awards

## Budget and Addressable Market Growth

Defense and other key budget areas showing solid growth prospects

- House version of NDAA currently at \$733B
- Senate version in-line with President's request at \$750B
- Other key budget areas, such as intelligence, also growing

CACI addressable market large and growing

- Estimated at **+\$220B**
- Expected to grow at **~3.5% CAGR** over the next several years

Strength in contract awards demonstrates alignment of capabilities and return on bid & proposal investments

## FY20 Guidance Consistent with Established Goals

### Revenue growth

- Total revenue growth of **12.8%**
- **Organic** revenue growth of **5.5%**, consistent with 1 to 4 percent above addressable market growth

### Margin expansion

- Expected Adjusted EBITDA margin expansion of approximately **90 basis points**
- Expected Adjusted EBITDA margin expansion of approximately **20 basis points** before the benefit from recent acquisitions

### Strong cash flow

Comparisons above based on the midpoints of FY19 and FY20 guidance, as provided on slide 9.

## FY20 Priorities

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### Continue to **successfully execute** our strategy

- Win new business
- Deliver operational excellence
- Deploy capital in support of growth through M&A

### Continue to **focus on growth** broadly

- Grow our capabilities
- Grow our talent base
- Grow our leadership



## FY19 and FY20 Guidance

CACI

### Guidance

	FY20 Guidance	FY19 Guidance
<b>Revenue</b> (millions)	<b>\$5,500 – \$5,700</b>	<b>\$4,900 – \$5,025</b>
<b>Net Income</b> (GAAP millions)	<b>\$295 – \$315</b>	<b>\$262 – \$270</b>
<b>Diluted EPS</b>	<b>\$11.52 – \$12.30</b>	<b>\$10.31 – \$10.63</b>
<b>Operating Cash Flow*</b> (millions)	<b>At least \$400</b>	<b>At least \$350</b>

This guidance represents CACI views as of June 19, 2019. Investors are reminded that actual results may differ from these estimates for reasons described in the Company's Safe Harbor Statement and filings with the SEC.

\*Operating cash flow expectations exclude the impact of the Company's accounts receivables sales facility.

## Key Guidance Assumptions for FY19 and FY20

LGS and Mastodon revenue expected to be **approximately \$150 million** in FY19

Gross profit expected to **increase ~20%** in FY20 over FY19

Indirect costs and selling expenses expected to increase by ~18% in FY20 over FY19, driven by **investments** and the full-year impact of recent acquisitions

Depreciation and amortization of **~\$108 million** in FY20

Capital spending of **~\$55 million** in FY20

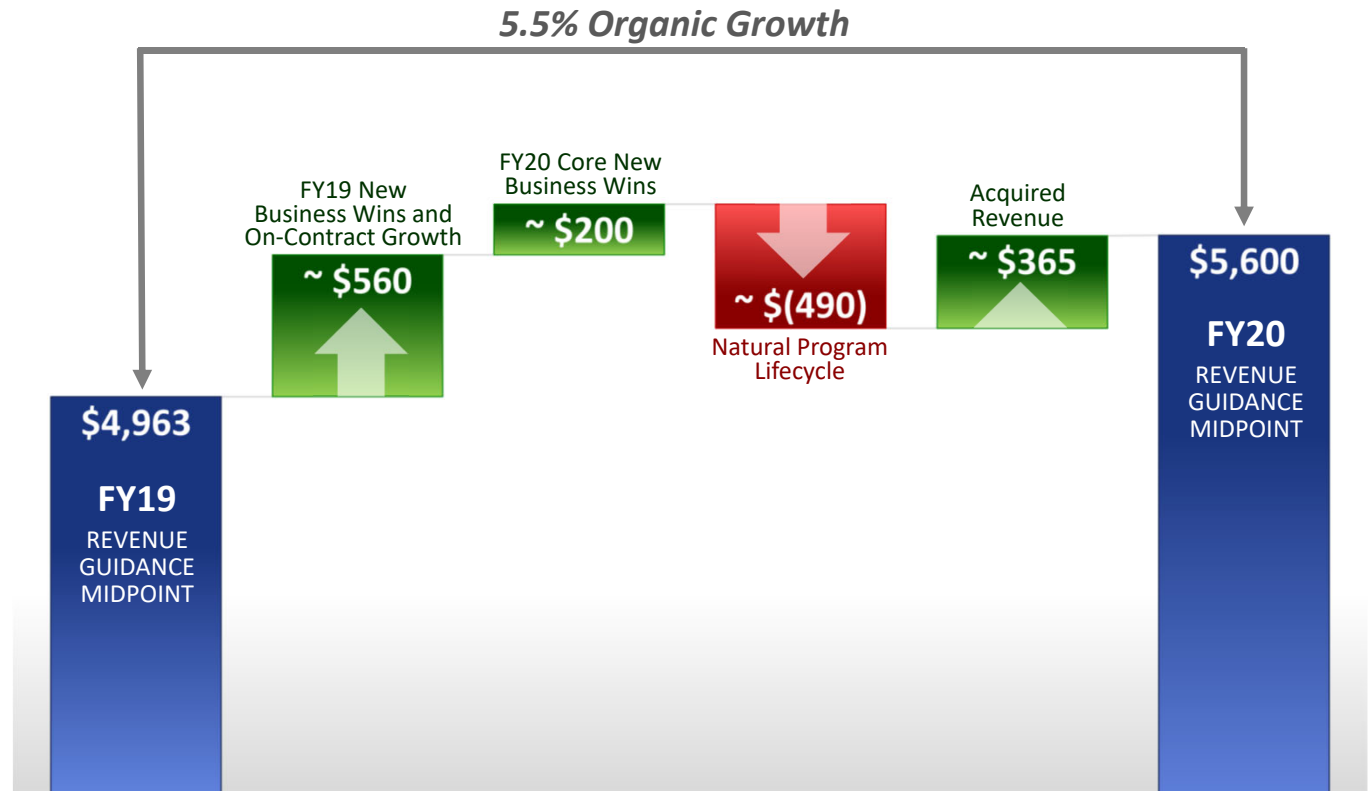
Net interest of **~\$70 million** in FY20

Effective tax rate expected to be **19.9%** in FY19 and approximately **23%**<sup>1</sup> in FY20

Diluted shares expected to be **25.4 million** in FY19 and **25.6 million** in FY20

<sup>1</sup>CACI first half fiscal 2020 effective tax rate (ETR) expected to be lower than the full-year ETR due to stock compensation-related accounting, timing of award vesting, and stock performance.

# FY20 Revenue Guidance Bridge



Note: Dollar amounts in millions. Figures are estimates and may not add due to rounding.

CACI FY20

## Revenue Profile

**83%**

EXISTING BUSINESS

# Positive Forward Indicators

**STRONG**

Performance

**12%**

RECOMPETES

**HIGH**

Win Rate

**5%**

NEW BUSINESS

**QUALITY**

Pipeline

Pipeline of submitted bids totals **\$7.4 billion**  
*~60% for new business to CACI*

Bids expected to be submitted in the next  
two quarters total **\$23.3 billion**  
*~80% for new business to CACI*

## Delivering Results, Meeting Commitments

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Successfully **executing** our strategy

Delivering **increased** revenue and profitability in fiscal year 2019

Accelerating **organic growth** and further **margin expansion** in fiscal year 2020

**Robust** cash generation to pursue additional growth or pay down debt

Confident in our ability to deliver **value** to customers and shareholders

## DEFINITIONS

### **Non-GAAP Measures**

The Company defines net cash provided by operating activities excluding CACI's Master Accounts Receivable Purchase Agreement (MARPA facility) as net cash provided by operating activities calculated in accordance with GAAP, adjusted to exclude net cash received from CACI's MARPA facility for the sale of certain designated eligible U.S. government receivables. Under the MARPA facility, the Company can sell eligible receivables, including certain billed and unbilled receivables up to a maximum amount of \$200.0 million. The Company uses net cash provided by operating activities excluding MARPA facility to allow investors to more easily compare current period results to prior period results and to results of our peers.

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

DEFINITIONS

**Non-GAAP  
Measures**

**Reconciliation of Net Cash Provided by Operating Activities to Net  
Cash Provided by Operating Activities Excluding MARPA Facility**

(dollars in thousands)

Net cash provided by operating activities

Less:

Cash from MARPA Facility

Net cash provided by operating activities excluding MARPA facility

<b>Quarter Ended 3/31/2019</b>	<b>Nine Months Ended 3/31/2019</b>
\$ 313,301	\$ 452,841
(200,000)	(200,000)
\$ 113,301	\$ 252,841

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