

CACI International Inc

Q4 and FY20 Earnings Conference Call

August 13, 2020



Forward-looking Statements

There are statements made herein that 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 risk factors that could cause actual results to be materially different from anticipated results. These risk factors include, but are not limited to, the following: our reliance on U.S. government contracts, which includes general risk around the government contract procurement process (such as bid protest, small business set asides, loss of work due to organizational conflicts of interest, etc.) and termination risks; significant delays or reductions in appropriations for our programs and broader changes in U.S. government funding and spending patterns; legislation that amends or changes discretionary spending levels or budget priorities, such as for homeland security or to address global pandemics like COVID-19; legal, regulatory, and political change from 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, including the impact of global pandemics like COVID-19; 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; competitive factors such as pricing pressures and/or competition to hire and retain employees (particularly those with security clearances); failure to achieve contract awards in connection with re-competes for present business and/or competition for new business; regional and national economic conditions in the United States and globally, including but not limited to: terrorist activities or war, changes in interest rates, currency fluctuations, significant fluctuations in the equity markets, and market speculation regarding our continued independence; our ability to meet contractual performance obligations, including technologically complex obligations dependent on factors not wholly within our control; limited access to certain facilities required for us to perform our work, including during a global pandemic like COVID-19; changes in tax law, the interpretation of associated rules and regulations, or any other events impacting our effective tax rate; changes in technology; 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 ability to achieve the objectives of near term or long-term business plans; the effects of health epidemics, pandemics and similar outbreaks may have material adverse effects on our business, financial position, results of operations and/or cash flows; and other risks described in our Securities and Exchange Commission filings.

On Today's Call



John Mengucci
President and Chief
Executive Officer



Thomas Mutryn
Chief Financial Officer



Greg Bradford
President and Chief
Executive, CACI Limited UK

Strong FY20 Performance

Revenue **+15%** as reported, **+8%** organic

Adjusted EBITDA Margin **+60 bps** to **10.0%**¹

Diluted EPS **+21%**

Robust cash flow from operations (>\$500 million)¹

Record contract awards of \$11.6 billion (>55% new business)

NGA TCS award – \$1.5 billion over 10 years

DHS CBP BEAGLE award – \$1.1 billion over 5 years

Army C5ISR award – \$465 million over 5 years

¹ See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

Deploying Capital for Growth

Acquired Ascent Vision Technology (AVT), a leading **Mission Technology** provider

Electro-Optical and Infra-Red (EO/IR) imaging technologies

On-board digital video processing using AI and machine learning

Opens two large ISR **market growth** opportunities

Use of precision sensors to automate platform capabilities

Refresh of existing ISR technology across multiple domains

CACI + AVT = **best-in-class** Counter-UAS solution

Strong **leadership**, culture of **innovation**, best-in-class **talent**

Expands CACI customer presence with USAF, USMC, and international customers



FY21 Guidance Consistent with Financial Goals

Total revenue growth of about **7%**, 5.5% organic

Adjusted EBITDA Margin¹ **expansion** of 40 basis points

Double-digit EPS **growth**

Robust cash flow generation

Continued **investment** in high-demand, high-value capabilities to drive growth

¹ See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

Budget and Market Environment

We remain optimistic about CACI's near- and longer-term prospects

Congress following GFY21 framework established by Budget Control Act of 2019

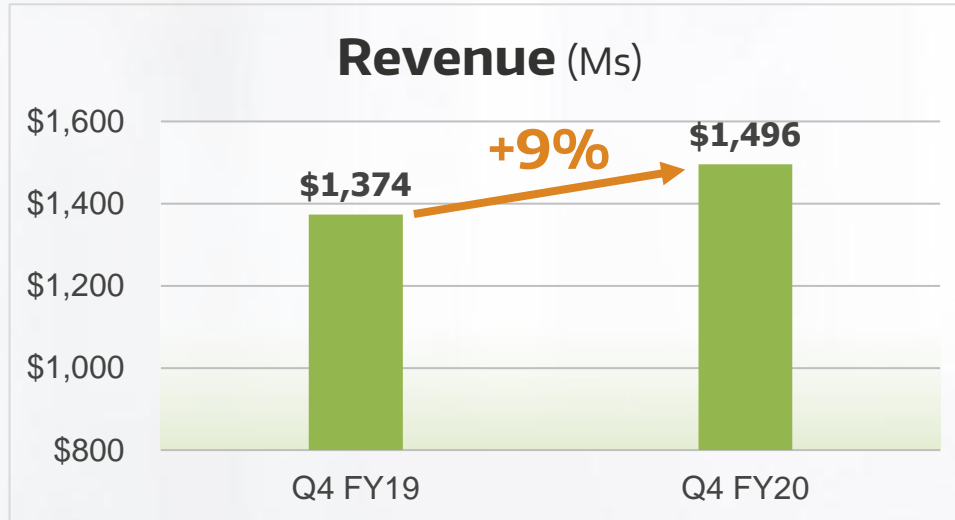
Actively working to advocate for extension of Section 3610 support

Global threat environment remains elevated

Continue to see bipartisan support for defense and national security priorities

Large and growing addressable market >\$230 billion

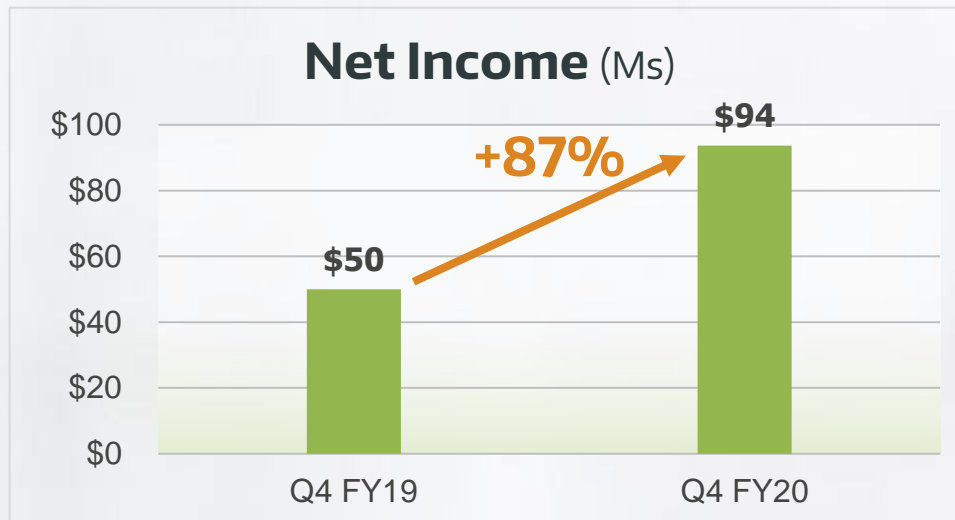
Q4 Revenue and Net Income



Revenue driven by new business **wins**, on-contract **growth**, and acquired revenue

Organic growth of **8.1%**

COVID-19 negatively impacted Q4 revenue by **\$58 million**



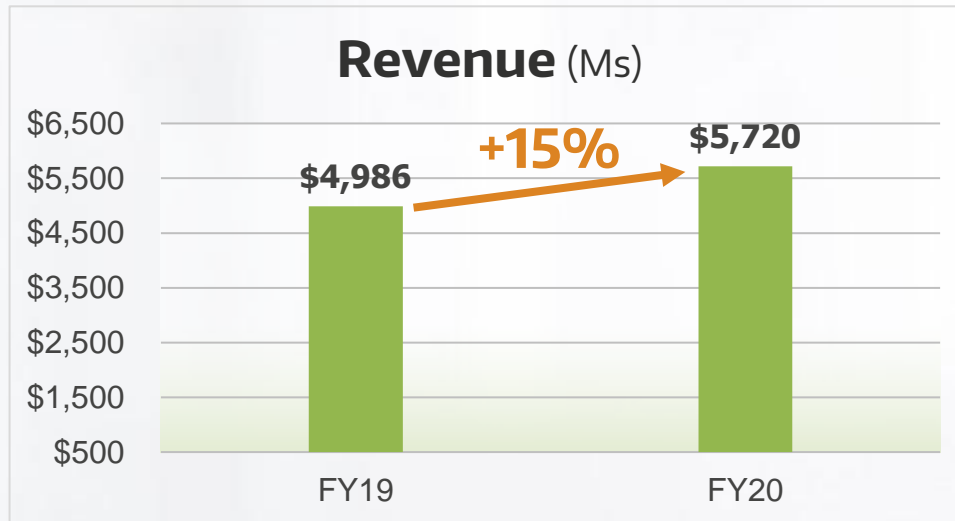
Higher net income driven by higher revenue and operating profit, and lower interest expense, partially offset by higher tax rate

Adjusted EBITDA Margin of **10.9%**¹

COVID-19 negatively impacted Q4 net income by **\$13 million** and operating income by **\$18 million**

¹ See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

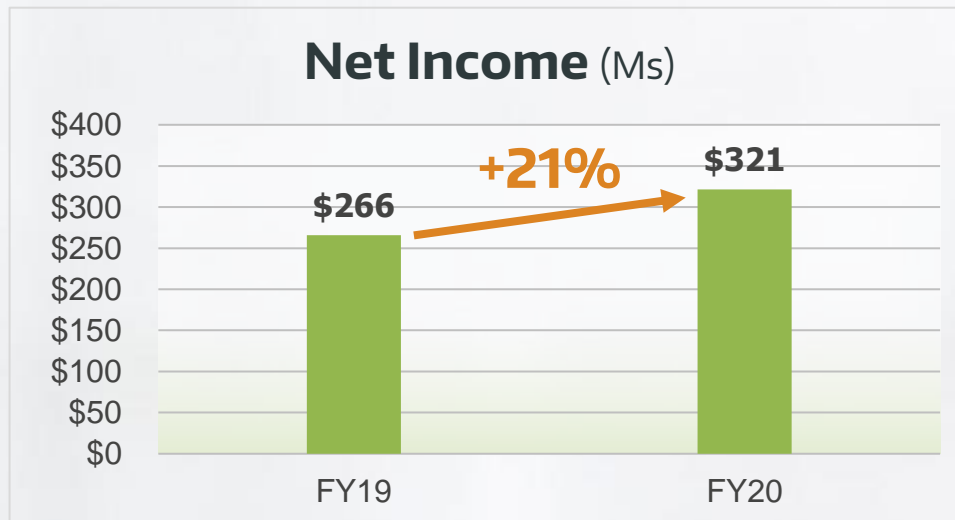
FY20 Revenue and Net Income



Revenue driven by new business **wins** and on-contract **growth**, as well as acquired revenue

Organic growth of **8.0%** up from 2.8% in FY19

COVID-19 negatively impacted FY20 revenue by **\$68 million**



Higher net income driven by higher revenue and operating profit, partially offset by higher interest expense and tax rate

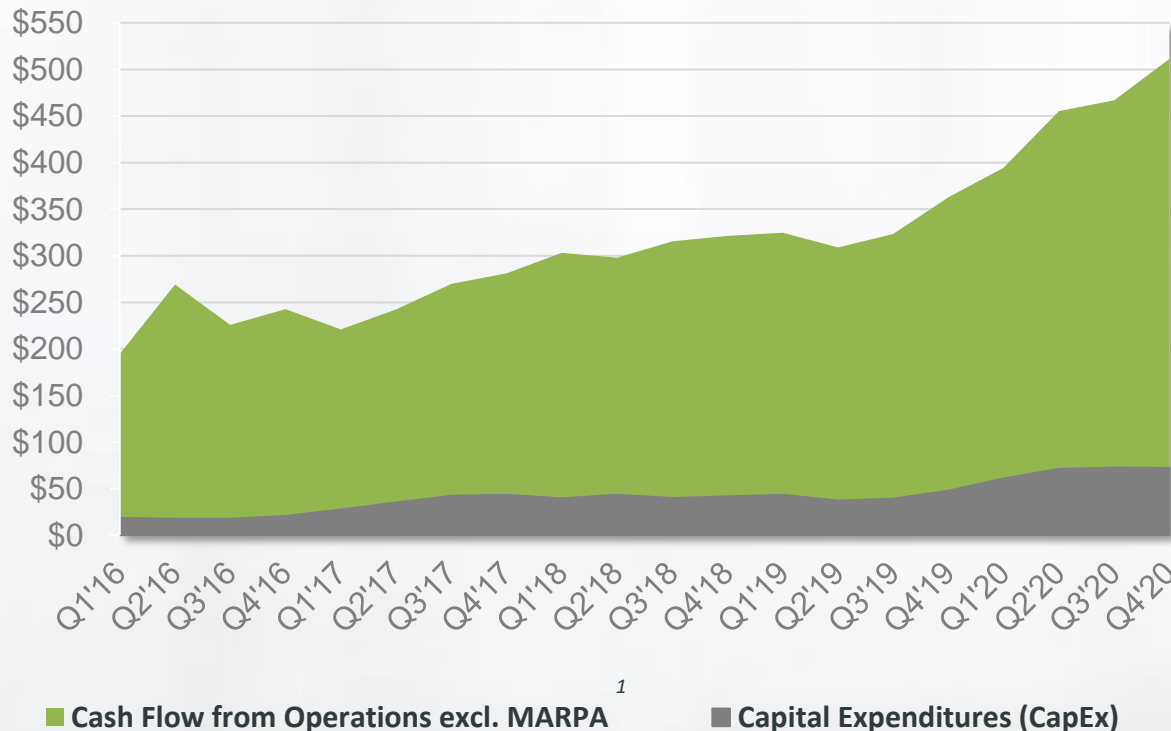
Adjusted EBITDA Margin of **10.0%**¹

COVID-19 negatively impacted FY20 net income by about **\$18 million** and operating income by **\$24 million**

¹ See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

Strong Cash Flow

Cash Flow¹ and CapEx
(millions, TTM)



- FY20 net cash provided by operating activities excluding MARPA of **\$511 million¹**, up 41% year-over-year
- Days Sales Outstanding of **57 days¹**
- Leverage of **2.3x²**
- **Strong cash flow** and borrowing capacity provides ample **capital for continued investment** and available **liquidity** for unforeseen events

¹ Excludes CACI's Master Accounts Receivable Purchase Agreement (MARPA); See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

² Net debt to trailing-twelve-months (TTM) Adjusted EBITDA as of June 30, 2020. Does not include acquisition of AVT.

AVT Transaction Information

In FY21, AVT expected to add **\$50 million in revenue** and **\$20 million in Adjusted EBITDA**¹ (excluding one-time transaction-related expenses)

Accretive on a GAAP basis, nicely accretive excluding non-cash intangible amortization and one-time expenses

Purchase price of **\$350 million**, funded by revolving credit facility

Expect to realize tax asset of **~\$40 million** on a net present value basis

Net of tax asset, paid about 12x NTM Adjusted EBITDA

Leverage of **2.8x**² post closing



¹ See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures

² Assuming full trailing twelve month (TTM) contribution from AVT acquisition.

FY21 Guidance

FY21 Guidance

Revenue
(millions)

\$6,000 – \$6,200

Net Income
(millions)

\$347 – \$367

Diluted EPS

\$13.50 – \$14.28

Operating Cash Flow¹
(millions)

At least \$580

Organic revenue growth of about **5.5%**

Adj. EBITDA Margin of **~10.4%**

Diluted shares outstanding expected to be **25.7 million**

Capital expenditures of **~\$70 million**

Guidance assumes impact of COVID-19 through **Q2 FY21**

This guidance represents CACI views as of August 12, 2020. 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.

(1) See slides at the end of this presentation for additional information.

FY21 Guidance Assumptions

Depreciation and amortization expected to be **~\$130 million**

Net interest expense expected to be **~\$44 million**

Tax rate expected to be **~22%** for full year, with lower tax rate in Q2 due to impact of stock award vesting

Expect typical quarterly **sequential increase** in revenue and profitability

COVID-19 revenue impact of **\$100 million to \$150 million** and net income impact of **\$20 million to \$30 million** through December 31, 2020, with CARES Act Section 3610 support extended through December

Positive Forward Indicators for FY21

83%

Existing Business

STRONG

Performance

Record FY20 contract awards of **\$11.6 billion**

TTM Book-to-Bill of 2.0x

11%

Recompetes

HIGH

Win Rate

Record backlog of **\$21.6 billion**,
+28% YoY

Pipeline of submitted bids totals
\$9.0 billion

>80% for new business to CACI

6%

New Business

QUALITY

Pipeline

Bids expected to be submitted in the
next two quarters total **\$13.7 billion**

>70% for new business to CACI

Delivering Results and Meeting Commitments

Delivered **exceptional financial performance** in FY20 while navigating COVID-19

- Increased organic revenue growth

- Continued margin expansion

- Robust cash flow

- Record contract awards and backlog

Expect **FY21** to be another year of healthy revenue **growth**, margin **expansion**, and **robust** cash flow

Talented employees committed to delivering expertise and innovative technology to customers in support of national security and modernization priorities

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

Definitions of Non-GAAP Measures

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

The Company views Adjusted EBITDA and Adjusted EBITDA margin, both 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 expense, including depreciation within direct costs, 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. Adjusted EBITDA margin is adjusted EBITDA divided by revenue.

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

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

(dollars in thousands)

Net cash provided by operating activities

Cash used (provided) by MARPA

Net cash provided by operating activities excluding MARPA

Quarter Ended 6/30/2020	Quarter Ended 6/30/2019	Twelve Months Ended 6/30/2020	Twelve Months Ended 6/30/2019
\$ 160,880	\$ 102,456	\$ 518,705	\$ 555,297
(6,501)	7,473	(7,473)	(192,527)
\$ 154,379	\$ 109,929	\$ 511,232	\$ 362,770

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

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

(dollars in thousands)

Net income

Plus:

Income taxes

Interest income and expense, net

Depreciation and amortization expense,
including depreciation within direct costs

Earnout adjustments

Adjusted EBITDA

Quarter Ended

6/30/2020	6/30/2019	% Change
\$ 93,731	\$ 50,030	87.3%
29,498	12,881	129.0%
10,447	18,185	-42.6%
29,264	27,691	5.7%
-	700	-100.0%
\$ 162,940	\$ 109,487	48.8%

Twelve Months Ended

6/30/2020	6/30/2019	% Change
\$ 321,480	\$ 265,604	21.0%
80,157	62,305	28.7%
56,059	49,958	12.2%
112,889	88,603	27.4%
3,000	1,000	200.0%
\$ 573,585	\$ 467,470	22.7%

(dollars in thousands)

Revenue, as reported

Adjusted EBITDA

Adjusted EBITDA margin

Quarter Ended

6/30/2020	6/30/2019	% Change
\$ 1,495,581	\$ 1,373,878	8.9%
162,940	109,487	48.8%
10.9%	8.0%	

Twelve Months Ended

6/30/2020	6/30/2019	% Change
\$ 5,720,042	\$ 4,986,341	14.7%
573,585	467,470	22.7%
10.0%	9.4%	

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