CACI International Inc

Q1 FY23 Earnings Conference Call

October 27, 2022

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

Jeffrey MacLauchlan
Senior Vice President of Finance

Q1 FY23 Financial Highlights

Revenue **+8%**, organic growth **+4%**

Adjusted EBITDA Margin **10.6%**[1]

Strong free cash flow of **$130 million**[1]

Contract awards of **$3.2 billion**, >80% new business to CACI

Q1 book-to-bill of **2.0x**, trailing twelve months (TTM) book-to-bill **1.3x**

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

External Environment

Market demand remains **strong**

Continued **bipartisan support** for national security and modernization

CR through December 16th but **GFY23 budget** seeing increases as it moves through Congress

- Higher spending in Defense, Intelligence, and Homeland Security
- Higher spending in key addressable areas including Digital Solutions, Enterprise IT, and C4ISR, Cyber, and Space

Confident in our ability to drive long-term **growth**, margin **expansion**, **robust** cash flow, and **shareholder value**

Investing Ahead of Need

Space

Investing in photonics capabilities gained through **LGS** and **SA Photonics** acquisitions

Focused on multi-year, **technology-driven growth** opportunities in Assured Positioning Navigation and Timing (**APNT**) and Laser Remote Sensing (or **LiDAR**)

C4ISR

CACI providing advanced, classified **technology** to the U.S. Space Force

Investments in **software-defined** capabilities **differentiating** CACI in the market

Enterprise IT

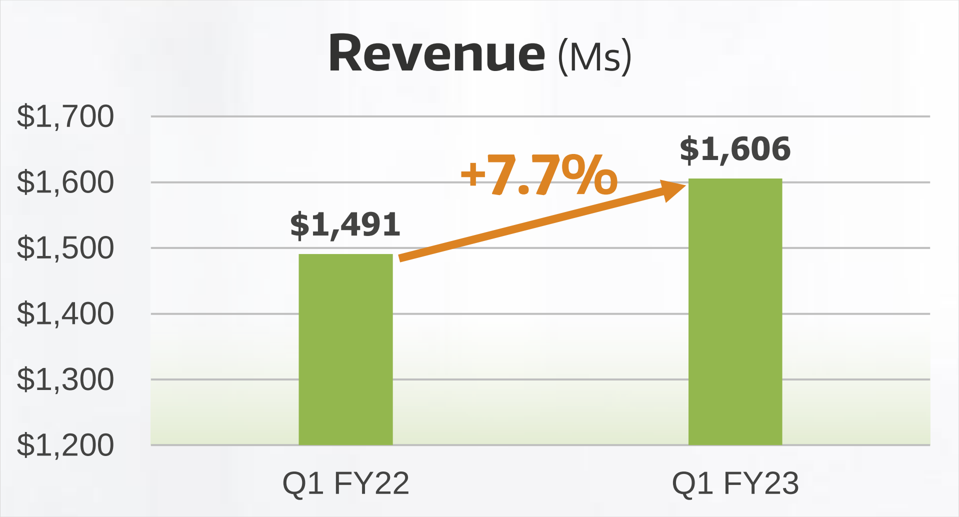
Leveraging **partnerships** with commercial technology providers (e.g., AWS, ServiceNow)

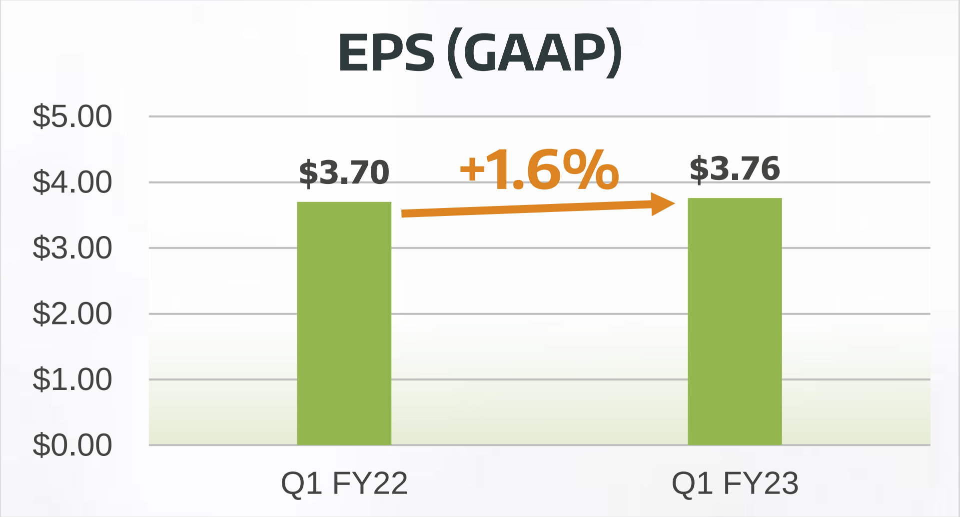
Won **$5.7 billion** Enterprise IT as-a-Service (EITaaS) Wave 1 from U.S. Air Force (approximately $2 billion included in Q1 FY23 contract awards and backlog)

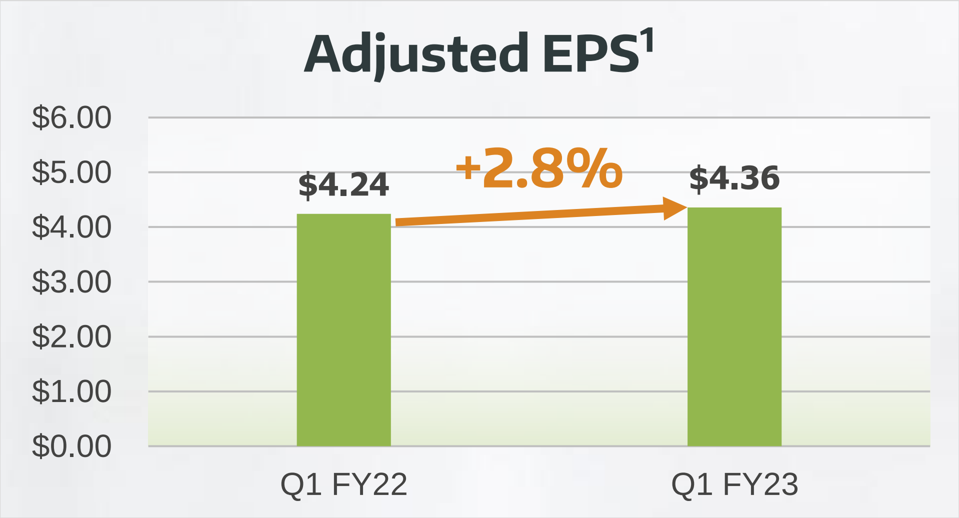
Technology enabling Expertise

Leveraging **technology investments** to engage customers and **differentiate** CACI Expertise

Q1 Financial Summary







Organic revenue growth **+4.3%**, driven by new wins and on-contract growth

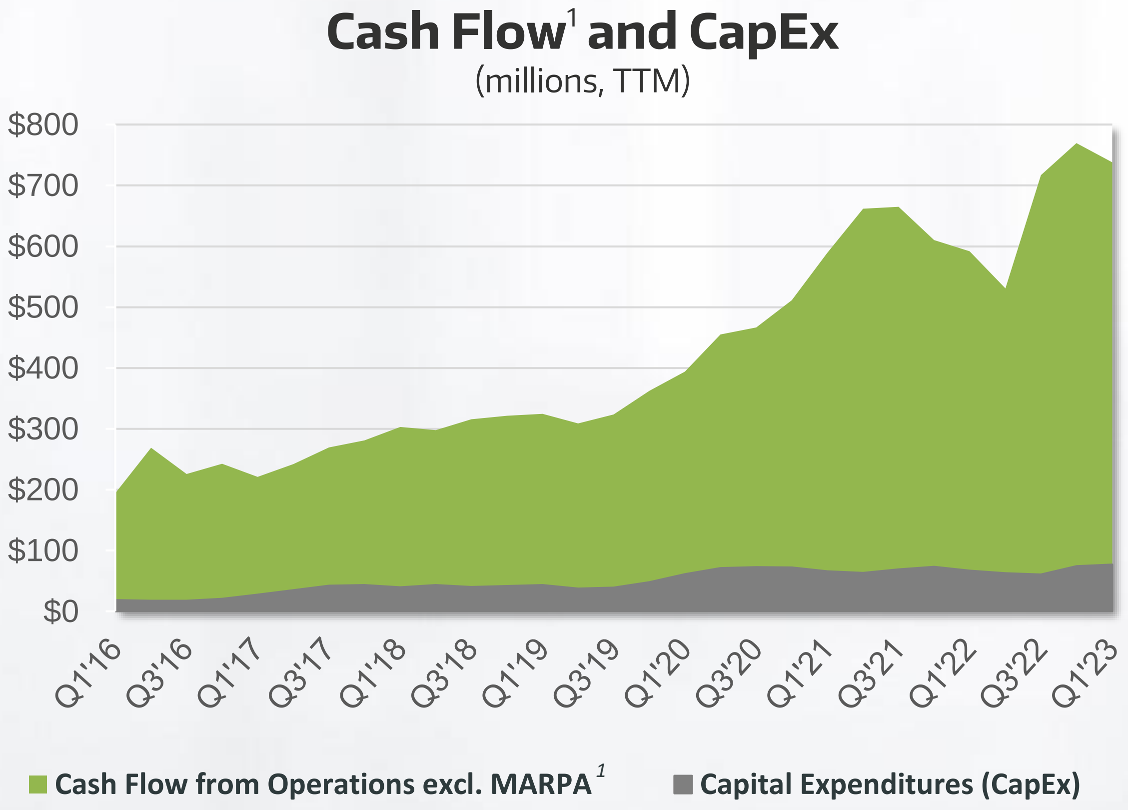
Technology revenue **+10.6%**

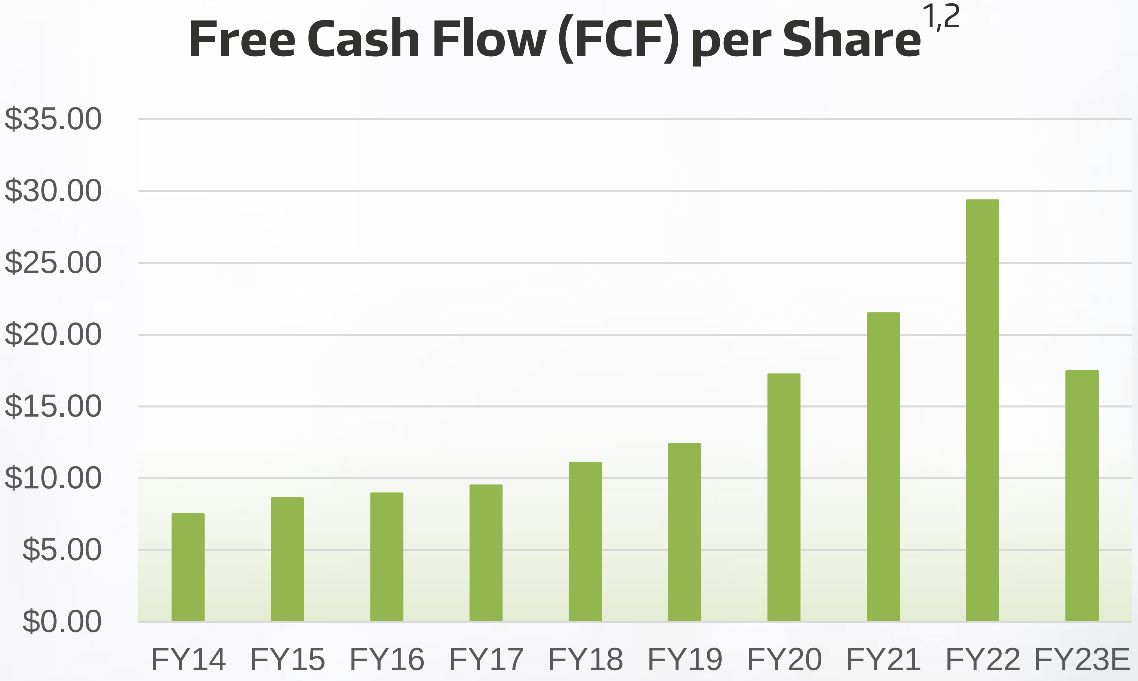
Adjusted EBITDA Margin of **10.6%**[1]

GAAP EPS and Adjusted EPS **up YoY** on higher revenue and gross profit, and despite higher interest expense

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

Strong Cash Flow





	FY14 to FY19	FY15 to FY20	FY16 to FY21	FY17 to FY22	FY18 to FY23E
5-Year CAGR	*10.6%*	*14.9%*	*19.2%*	*25.3%*	*9.5%*

[1] *Excludes CACI's Master Accounts Receivable Purchase Agreement (MARPA). FY20 includes CARES Act payroll tax deferral benefit of ~$41 million. FY21 includes CARES Act payroll tax deferral benefit of ~$53 million and tax payment of ~$90 million related to certain tax elections. FY22 includes tax benefits of ~$190 million related to certain tax elections and repayment of payroll tax deferral of ~$47 million. FY23E includes estimated net tax payments of ~$25 million related to certain tax elections and repayment of payroll tax deferral of ~$47 million. See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.*

[2] *Assumes Section 174 of the Tax Cuts and Jobs Act of 2017 will be deferred, modified or repealed. CACI currently estimates that, if not deferred, modified or repealed, FY23 operating cash flow would be reduced by approximately $95 million.*

FY23E is based on guidance provided on October 26, 2022. *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.*

Reaffirming FY23 Guidance

	FY23 Guidance
Revenue (millions)	**$6,475 – $6,675**
Adjusted Net Income[1] (millions)	**$420 – $440**
Adjusted Diluted EPS[1]	**$17.65 – $18.49**
Free Cash Flow[1,2] (millions)	**At least $415**

Revenue growth of **~4.5%** to **~7.5%**

Inorganic revenue of **~$180 million** or ~**3 points** of growth

Adjusted EBITDA Margin[1] in the **mid-to-high 10%** range

Interest expense of **~$75 million**

Diluted shares outstanding expected to be **~23.8 million**

Capital expenditures of **~$80 million**

This guidance represents CACI views as of October 26, 2022. *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.*

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Positive Forward Indicators

90%
Existing Business

STRONG
Performance

5%
Recompetes

HIGH
Win Rate

5%
New Business

QUALITY
Pipeline

Strong Q1 FY23 contract awards of **$3.2 billion**
*TTM Book-to-Bill of **1.3x***

Backlog of **$24.9 billion, +4%** YoY

Pipeline of submitted bids: **$10.8 billion**
***>70%** for new business to CACI*

Bids expected to be submitted in the next two quarters: **$16.3 billion**
***>90%** for new business to CACI*

Great Start to FY23

We delivered **strong** revenue **growth**, **margins**, and **cash flow** in Q1

Strong awards, **growing** backlog, and **robust** pipeline of opportunities

Focused on **long-term** growth, margin expansion, robust cash flow, and free cash flow per share growth

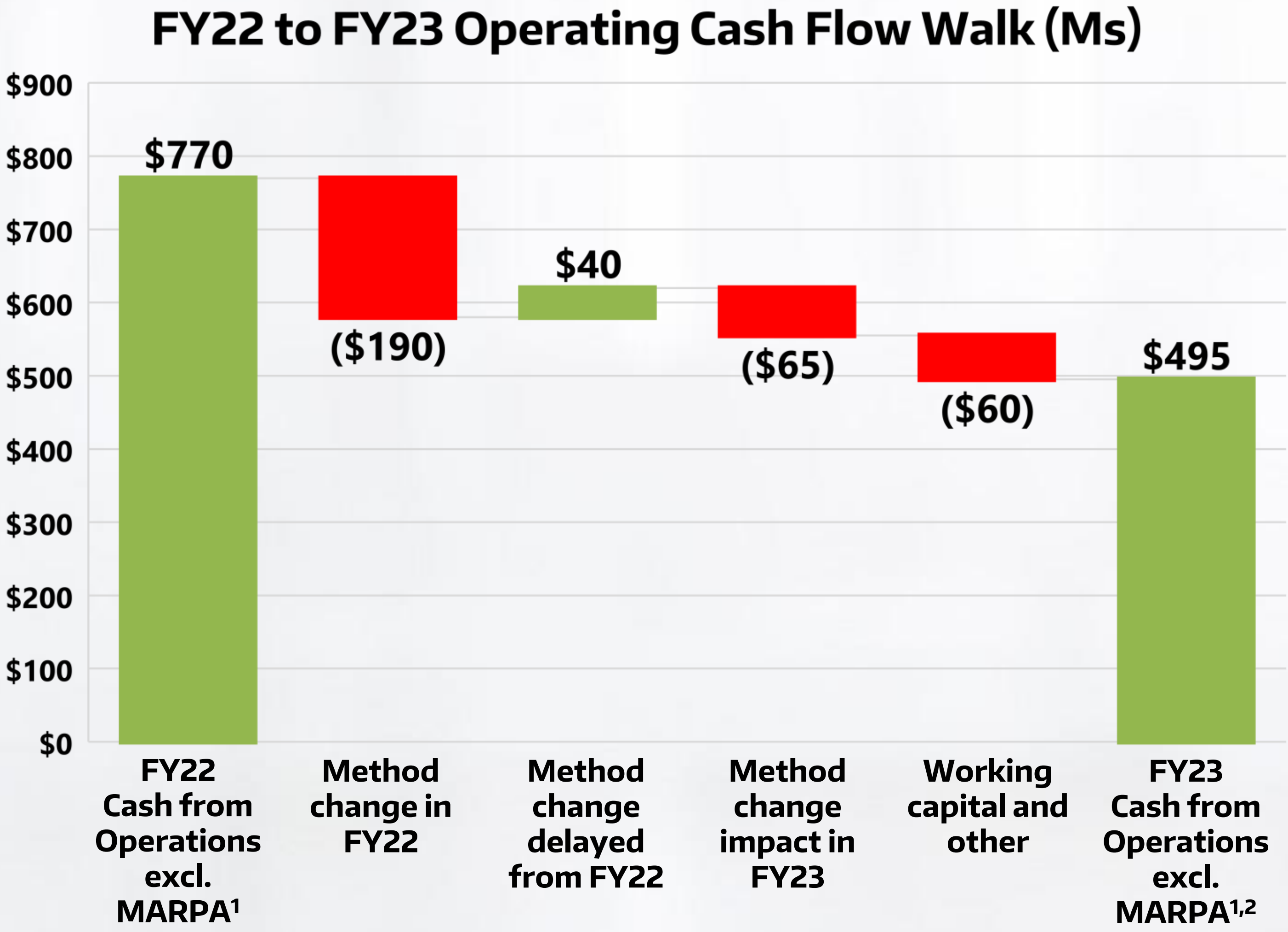
Successfully **investing** ahead of need to drive **growth** and **differentiation**

Flexible and opportunistic capital deployment to deliver **long-term shareholder value**

Talented, innovative, committed employees driving customer and CACI success

Appendix

FY23 Cash Flow



	Ms
FY22 Cash from Operations excl. MARPA [1]	**$770**
Method change in FY22	($190)
Method change delayed from FY22	$40
Method change impact in FY23	($65)
Working capital and other	($60)
FY23 Cash from Operations excl. MARPA [1,2]	**$495**
FY23 Capital expenditures	$80
FY23 Free Cash Flow [1,2]	**$415**

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

[2] *Assumes Section 174 of the Tax Cuts and Jobs Act of 2017 will be deferred, modified or repealed. CACI currently estimates that, if not deferred, modified or repealed, FY23 operating cash flow would be reduced by approximately $95 million.*

This guidance represents CACI views as of October 26, 2022. *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.*

Definitions of Non-GAAP Measures

Adjusted net income and Adjusted diluted EPS are non-GAAP performance measures. We define Adjusted net income and Adjusted diluted EPS as GAAP net income and GAAP diluted EPS, respectively, excluding intangible amortization expense and the related tax impact as we do not consider intangible amortization expense to be indicative of our core operating performance. We believe that these performance measures provide management and investors with useful information in assessing trends in our ongoing operating performance, provide greater visibility in understanding the long-term financial performance of the Company, and allow investors to more easily compare our results 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. A reconciliation of Adjusted EBITDA Margin to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict specific quantifications of the amounts that would be required to reconcile such measures. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors.

The Company defines Net cash provided by operating activities excluding MARPA, a non-GAAP measure, as net cash provided by operating activities calculated in accordance with GAAP, adjusted to exclude cash flows from CACI's Master Accounts Receivable Purchase Agreement (MARPA) for the sale of certain designated eligible U.S. government receivables up to a maximum amount of $200.0 million. Free cash flow is a non-GAAP liquidity measure and may not be comparable to similarly titled measures used by other companies. The Company defines Free cash flow as Net cash provided by operating activities excluding MARPA, less payments for capital expenditures. The Company uses these non-GAAP measures to assess our ability to generate cash from our business operations and plan for future operating and capital actions. We believe these measures allow investors to more easily compare current period results to prior period results and to results of our peers. Free cash flow does not represent residual cash flows available for discretionary purposes and should not be used as a substitute for cash flow measures prepared in accordance with GAAP.

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

Reconciliation of Net Income to Adjusted Net Income and Diluted EPS to Adjusted Diluted EPS (Unaudited)

(in thousands, except per share data)

	Three Months Ended				
	9/30/2022		9/30/2021		% Change
Net income, as reported	$	89,125	$	88,109	1.2%
Intangible amortization expense		19,114		17,593	8.6%
Tax effect of intangible amortization[1]		(4,950)		(4,626)	7.0%
Adjusted net income	$	103,289	$	101,076	2.2%

	Three Months Ended				
	9/30/2022		9/30/2021		% Change
Diluted EPS, as reported	$	3.76	$	3.70	1.6%
Intangible amortization expense		0.81		0.74	9.5%
Tax effect of intangible amortization[1]		(0.21)		(0.20)	5.0%
Adjusted diluted EPS	$	4.36	$	4.24	2.8%

(in millions, except per share data)

	FY23 Guidance Range				
	Low End			High End	
Net income, as reported	$	364	---	$	384
Intangible amortization expense		75	---		75
Tax effect of intangible amortization[1]		(19)	---		(19)
Adjusted net income	$	420	---	$	440

	FY23 Guidance Range				
	Low End			High End	
Diluted EPS, as reported	$	15.29	---	$	16.13
Intangible amortization expense		3.15	---		3.15
Tax effect of intangible amortization[1]		(0.80)	---		(0.80)
Adjusted diluted EPS	$	17.65	---	$	18.49

(1) *Calculation uses an assumed full year statutory tax rate of 25.9% and 26.3% on non-GAAP tax deductible adjustments for September 30, 2022 and 2021, respectively.*

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Reconciliation of Net Income to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) (Unaudited)

CACI EVER VIGILANT 60 1962-2022

(in thousands)	Three Months Ended 9/30/2022	Three Months Ended 9/30/2021	% Change
Net income	$ 89,125	$ 88,109	1.2%
Plus:			
Income taxes	27,485	28,522	-3.6%
Interest income and expense, net	16,193	10,398	55.7%
Depreciation and amortization expense, including amounts within direct costs	37,231	33,911	9.8%
Adjusted EBITDA	$ 170,034	$ 160,940	5.7%

(in thousands)	Three Months Ended 9/30/2022	Three Months Ended 9/30/2021	% Change
Revenues, as reported	$ 1,605,759	$ 1,490,898	7.7%
Adjusted EBITDA	170,034	160,940	5.7%
Adjusted EBITDA margin	10.6%	10.8%	

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

Reconciliation of Net Cash Provided by Operating Activities to Net Cash Provided by Operating Activities Excluding MARPA and to Free Cash Flow (Unaudited)

(in thousands)	Three Months Ended 9/30/2022	Three Months Ended 9/30/2021
Net cash provided by operating activities	$ 144,843	$ 185,953
Cash used in (provided by) MARPA	(1,904)	(11,489)
Net cash provided by operating activities excluding MARPA	142,939	174,464
Capital expenditures	(12,771)	(10,203)
Free cash flow	$ 130,168	$ 164,261

(in millions)	FY23 Guidance
Net cash provided by operating activities	$ 495
Cash used in (provided by) MARPA	-
Net cash provided by operating activities excluding MARPA	495
Capital expenditures	(80)
Free cash flow	$ 415

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Reconciliation of Net Cash Provided by Operating Activities to Net Cash Provided by Operating Activities Excluding MARPA, to Free Cash Flow, and to Free Cash Flow per share (Unaudited)

CACI EVER VIGILANT 60 1962-2022

	Twelve Months Ended									
(in thousands, except per share data)	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023 (E)
Net cash provided by operating activities	$ 203,470	$ 226,862	$ 242,577	$ 281,250	$ 321,460	$ 555,297	$ 518,705	$ 592,215	$ 745,554	$ 495,000
Cash used in (provided by) MARPA	-	-	-	-	-	(192,527)	(7,473)	17,973	24,242	-
Net cash provided by operating activities excluding MARPA[1]	203,470	226,862	242,577	281,250	321,460	362,770	511,232	610,188	769,796	495,000
Capital expenditures	(15,279)	(17,444)	(20,835)	(43,268)	(41,594)	(47,902)	(72,303)	(73,129)	(74,564)	(80,000)
Free cash flow	$ 188,191	$ 209,418	$ 221,742	$ 237,982	$ 279,866	$ 314,868	$ 438,929	$ 537,059	$ 695,232	$ 415,000
Diluted weighted average shares outstanding	25,155	24,388	24,802	25,069	25,255	25,395	25,485	24,992	23,677	23,800
Free cash flow per share	$ 7.48	$ 8.59	$ 8.94	$ 9.49	$ 11.08	$ 12.40	$ 17.22	$ 21.49	$ 29.36	$ 17.44
					5-Year CAGR	***10.6%***	***14.9%***	***19.2%***	***25.3%***	***9.5%***

Note: 6/30/2023 (E) reflects estimate for fiscal year 2023 based on financial guidance provided. 6/30/2023 (E) also assumes Section 174 of the Tax Cuts and Jobs Act of 2017 will be deferred, modified or repealed. CACI currently estimates that, if not deferred, modified or repealed, FY23 operating cash flow would be reduced by approximately $95 million.

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