



CACI International Inc

Q1 FY24 Earnings Conference Call

October 26, 2023



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



Jeff MacLauchlan
Chief Financial Officer

Value Creation Model



Predictable
organic revenue
growth

*15% revenue growth¹
\$3.1 billion of contract
awards (1.7x B2B)*



**Efficient
management** of
working capital and
capital expenditures

*Strong DSO and
free cash flow²*



Profitability
supportive
of continued
investment

*\$174 million of
Q1 EBITDA²*



**Flexible and
opportunistic**
capital
deployment

*\$150M share
repurchase program*

Free cash flow² per share growth and shareholder value creation

¹ Includes \$100 million of unplanned material revenue.

² See slides at the end of this presentation for definitions and reconciliations of non-GAAP measures.

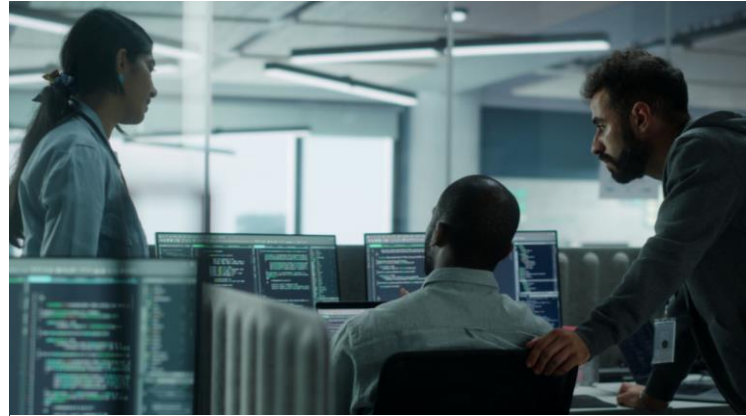
Winning New Work to Address Enduring Priorities



Network Modernization

DoD IC customer

Additional DoD customer,
includes IDT CSfC technology



Software Development @Scale

U.S. Air Force

Open Architectures,
Agile@Scale, DevSecOps



SIGINT, EW, and Electromagnetic Spectrum

Supplying Army POR with
software-defined technology
Software-defined technology
for dismounted soldiers

Successful Execution



USAF Enterprise IT as-a-Service (EITaaS) WAVE 1

\$5.7B

CEILING

Next-gen
IT modernization



Large NSA Intel and Cyber Contract

\$2.7B

CEILING

Next-gen intelligence, network
exploitation, and cybersecurity



Spectral Award from US Navy

\$1.2B

CEILING

Next-gen
SIGINT/EW weapon system

Macro Environment

Monitoring GFY '24 budget process

Customer demand remains **high**

CACI **well-aligned** to key customer priorities



Summary

Strong Q1 results, great start to FY24

Healthy demand, CACI well-positioned

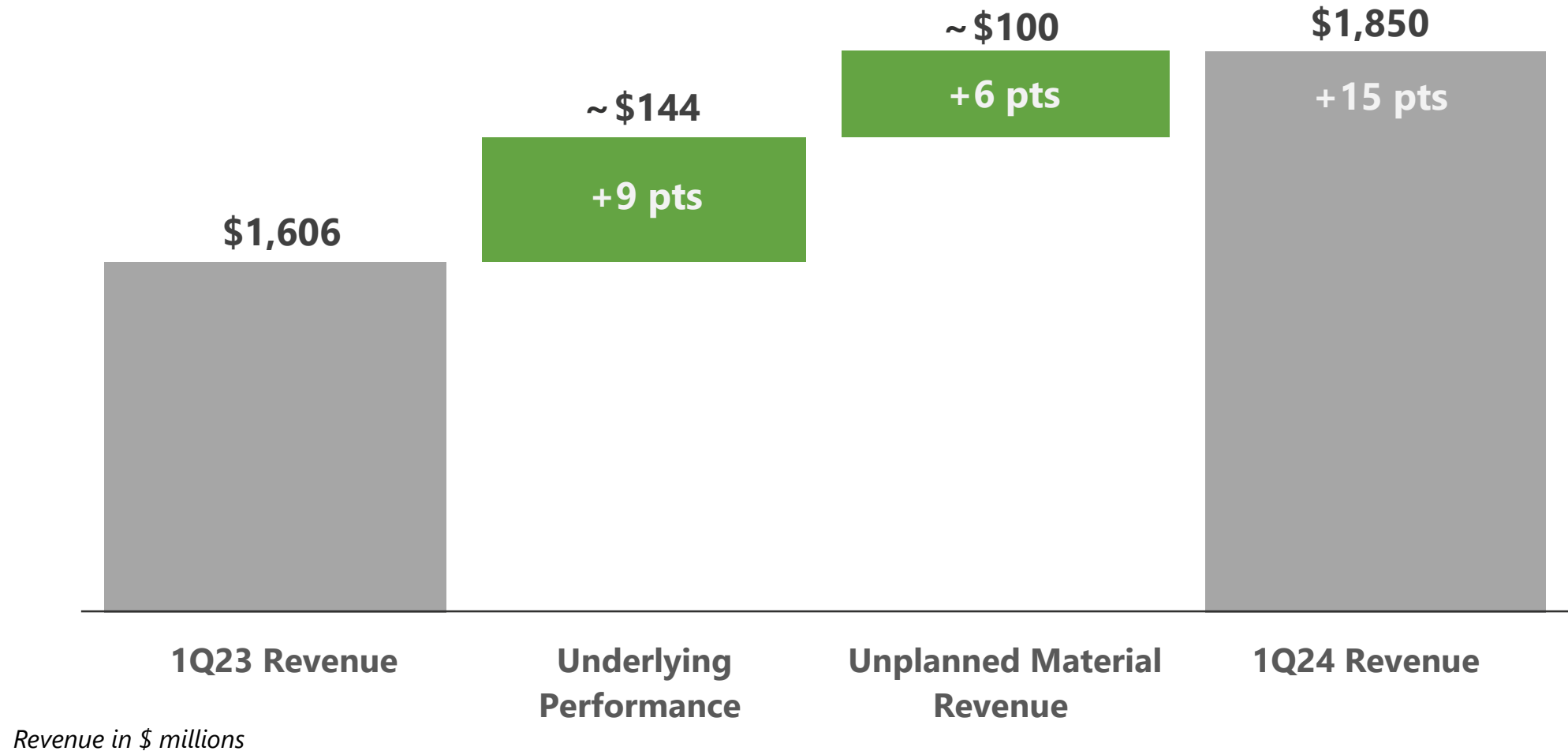
Investing ahead of need and **winning** in the marketplace

Deploying capital to drive **free cash flow per share** and **shareholder value**

Raising FY24 Revenue, Adjusted EPS, and Free Cash Flow guidance



Q1 FY23 to Q1 FY24 Revenue Walk



Q1 Financial Summary



**Strong underlying
EBITDA¹ margin**

- + Ahead of expectations
- 60 bps of impact from unplanned material revenue



**Adjusted EPS¹
unchanged from
prior year**

- Higher interest expense
- + Higher operating income
- + Lower tax provision
- + Lower share count



**Free Cash Flow¹
of \$79 million**

- + DSO of 49 days
- Revenue-driven working capital

Flexible and Opportunistic Capital Deployment



Strategic M&A



**Internal
Investments**



**Capital Returns
to Shareholders**



\$750 million share repurchase program authorization

\$250 million accelerated share repurchase (ASR)

Opportunistically **repurchased additional shares** in open market

(~470k shares, or ~2% of shares outstanding, at average price ~\$319/share)



Strong **balance sheet** (2.3x leverage¹)



Healthy long-term **free cash flow per share growth**



Access to **capital**



Significant optionality to deliver long-term shareholder value

FY24 Guidance

| | | Updated Guidance | Prior Guidance |
|---|---|--------------------------|--------------------------|
| Revenue (millions) | ↑ | \$7,200 – \$7,400 | \$7,000 – \$7,200 |
| Adjusted Net Income ¹ (millions) | ✓ | \$440 – \$465 | \$440 – \$465 |
| Adjusted Diluted EPS ¹ | ↑ | \$19.38 – \$20.48 | \$19.13 – \$20.22 |
| Free Cash Flow ^{1,2} (millions) | ↑ | At least \$410 | At least \$400 |

Revenue growth of ~**7.5%** to ~**10.5%**

~**\$200M** unplanned material revenue

EBITDA \$ expectations **unchanged**

Depreciation and amortization ~**\$146M**

Net interest expense ~**\$100M** to ~**\$105M**

Tax Rate **23%** to **24%**

Diluted shares outstanding ~**22.7M**

Capital expenditures of ~**\$90M**

This guidance represents CACI views as of October 25, 2023. 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 definitions and reconciliations of non-GAAP measures.

² Fiscal year 2024 free cash flow guidance assumes approximately \$75 million in tax payments related to Section 174 of the Tax Cuts and Jobs Act of 2017.

Positive Forward Indicators

~89%

Existing Business

STRONG

Performance

~7%

Recompetes

HIGH

Win Rate

~4%

New Business

QUALITY

Pipeline

Q1 FY23 contract awards of **\$3.1 billion**

Q1 Book-to-Bill of 1.7x

Weighted average duration >6 years

Backlog of **\$27 billion**, +7% YoY

~4 years of annualized revenue

Pipeline of submitted bids: **\$11 billion**

~65% for new business

Bids expected to be submitted in the next two quarters: **\$10 billion**

>80% for new business

Executing Our Strategy

FY24 off to a great start

Winning high-value, enduring work

Flexible and opportunistic **capital deployment**

Driving **growth in free cash flow per share**
and **shareholder value**

Numerous awards recognizing CACI as a
“**best places to work**”

Talented, innovative, committed employees
driving customer and CACI success



Appendix

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 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 EBITDA and 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. EBITDA is a commonly used non-GAAP measure when comparing our results with those of other companies. We define EBITDA as GAAP net income plus net interest expense, income taxes, and depreciation and amortization expense (including depreciation within direct costs). We consider 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, which we do not believe are indicative of our operating performance. EBITDA margin is divided by revenue.

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 | | |
|--|--------------------|------------|----------|
| | 9/30/2023 | 9/30/2022 | % Change |
| Net income, as reported | \$ 86,047 | \$ 89,125 | -3.5% |
| Intangible amortization expense | 18,366 | 19,114 | -3.9% |
| Tax effect of intangible amortization ¹ | (4,684) | (4,950) | -5.4% |
| Adjusted net income | \$ 99,729 | \$ 103,289 | -3.4% |

| | Three Months Ended | | |
|--|--------------------|-----------|----------|
| | 9/30/2023 | 9/30/2022 | % Change |
| Diluted EPS, as reported | \$ 3.76 | \$ 3.76 | 0.0% |
| Intangible amortization expense | 0.80 | 0.81 | -1.2% |
| Tax effect of intangible amortization ¹ | (0.20) | (0.21) | -4.8% |
| Adjusted diluted EPS | \$ 4.36 | \$ 4.36 | 0.0% |

(in millions, except per share data)

| | FY24 Guidance Range | | |
|--|---------------------|-----|----------|
| | Low End | | High End |
| Net income, as reported | \$ 386 | --- | \$ 411 |
| Intangible amortization expense | 72 | --- | 72 |
| Tax effect of intangible amortization ¹ | (18) | --- | (18) |
| Adjusted net income | \$ 440 | --- | \$ 465 |

| | FY24 Guidance Range | | |
|--|---------------------|-----|----------|
| | Low End | | High End |
| Diluted EPS, as reported | \$ 17.00 | --- | \$ 18.10 |
| Intangible amortization expense | 3.17 | --- | 3.17 |
| Tax effect of intangible amortization ¹ | (0.79) | --- | (0.79) |
| Adjusted diluted EPS | \$ 19.38 | --- | \$ 20.48 |

(1) Calculation uses an assumed full year statutory tax rate of 25.5% and 25.9% on non-GAAP tax deductible adjustments for September 30, 2023 and 2022, respectively.

Note: Numbers may not sum due to rounding.

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

| Three Months Ended | | | |
|---|------------|------------|----------|
| (in thousands) | 9/30/2023 | 9/30/2022 | % Change |
| Net income | \$ 86,047 | \$ 89,125 | -3.5% |
| Plus: | | | |
| Income taxes | 25,731 | 27,485 | -6.4% |
| Interest income and expense, net | 25,571 | 16,193 | 57.9% |
| Depreciation and amortization expense, including amounts within direct costs | 36,889 | 37,231 | -0.9% |
| EBITDA | \$ 174,238 | \$ 170,034 | 2.5% |

| Three Months Ended | | | |
|-----------------------|--------------|--------------|----------|
| (in thousands) | 9/30/2023 | 9/30/2022 | % Change |
| Revenues, as reported | \$ 1,850,147 | \$ 1,605,759 | 15.2% |
| EBITDA | 174,238 | 170,034 | 2.5% |
| EBITDA margin | 9.4% | 10.6% | |

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

| | Three Months Ended | |
|---|--------------------|------------|
| | 9/30/2023 | 9/30/2022 |
| (in thousands) | | |
| Net cash provided by operating activities | \$ 70,088 | \$ 144,843 |
| Cash used in (provided by) MARPA | 23,167 | (1,904) |
| Net cash provided by operating activities excluding MARPA | 93,255 | 142,939 |
| Capital expenditures | (13,991) | (12,771) |
| Free cash flow | \$ 79,264 | \$ 130,168 |
| | | |
| | FY24 Guidance | |
| | Current | Prior |
| (in millions) | | |
| Net cash provided by operating activities | \$ 500 | \$ 490 |
| Cash used in (provided by) MARPA | - | - |
| Net cash provided by operating activities excluding MARPA | 500 | 490 |
| Capital expenditures | (90) | (90) |
| Free cash flow | \$ 410 | \$ 400 |