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**Science Applications
International Corporation (SAIC)**

**Fourth Quarter and
Full Fiscal Year 2018 Earnings Call**

March 29, 2018

Supplemental Financial Information

Conference Call Information

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Date: March 29, 2018

Time: 8:00 am ET

Webcast Information: <http://investors.saic.com>

(webcast participation only, no “dial in” access)

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “should,” “expects,” “intends,” “projects,” “plans,” “believes,” “estimates,” “targets,” “anticipates,” and similar expressions identify forward-looking statements in this presentation. Such statements include, but are not limited to, statements about future financial and operating results, plans, objectives, expectations and intentions, and other statements that are not historical facts. These statements are subject to numerous assumptions, risks, and uncertainties, and other factors, many of which are outside the control of SAIC. These factors could cause actual results to differ materially from such forward-looking statements. Risks, uncertainties and assumptions that could cause SAIC’s actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, those described in the “Risk Factors” section of SAIC’s most recent Form 10-K filed with the Securities and Exchange Commission (“SEC”) and updated in any subsequent Quarterly Reports on Form 10-Q and other filings with the SEC. The reports referenced above are available on SAIC’s website at www.saic.com or on the SEC’s website at www.sec.gov. No assurance can be given that the results of events described in forward-looking statements will be achieved and actual results may differ materially from these statements. SAIC disclaims any obligation to update any forward-looking statements provided in this presentation to reflect subsequent events, actual results, or changes in SAIC’s expectations.

In addition, these slides should be read in conjunction with our earnings press release dated March 29, 2018 along with listening to or reading a transcript of the management comments delivered in an earnings conference call held on March 29, 2018.

All information in these slides are as of March 29, 2018. SAIC expressly disclaims any duty to update any forward-looking statement provided in this release to reflect subsequent events, actual results or changes in SAIC’s expectations. SAIC also disclaims any duty to comment upon or correct information that may be contained in reports published by investment analysts or others.

Fourth Quarter Fiscal Year 2018 Results

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(\$ in millions; except per share data)	FY18 Q4 ⁽¹⁾	FY17 Q4 ^{(1), (4)}	Change	
Revenues	\$1,128	\$1,024	10.3%	Internal Growth⁽²⁾
Adjusted EBITDA \$ / %^{(2),(3)}	\$83 / 7.4%	\$71 / 6.9%	17% /	50 bps
Operating Income \$ / %	\$62 / 5.5%	\$59 / 5.8%	5% /	-30 bps
Adjusted Operating Income \$ / %^{(2),(3)}	\$72 / 6.4%	\$59 / 5.8%	22% /	60 bps
Diluted EPS	\$1.16	\$0.77	51%	
Operating Cash Flow	\$84	\$62		
Free Cash Flow⁽²⁾	\$77	\$58		

- (1) Results of Science Applications International Corporation and its consolidated subsidiaries for the fourth quarter ended February 2, 2018 and February 3, 2017.
(2) Internal revenue growth, adjusted EBITDA, adjusted operating income, and free cash flow are non-GAAP financial measures as defined and reconciled in the appendix of this presentation.
(3) Excludes \$10.0 million of restructuring costs in FY18 Q4. There were no restructuring costs in FY17 Q4.
(4) Fiscal 2017 amounts reflect the impact from an immaterial restatement, see Note 1 to our Annual Report on Form 10-K for the year ended February 2, 2018.

Fiscal Year 2018 Results

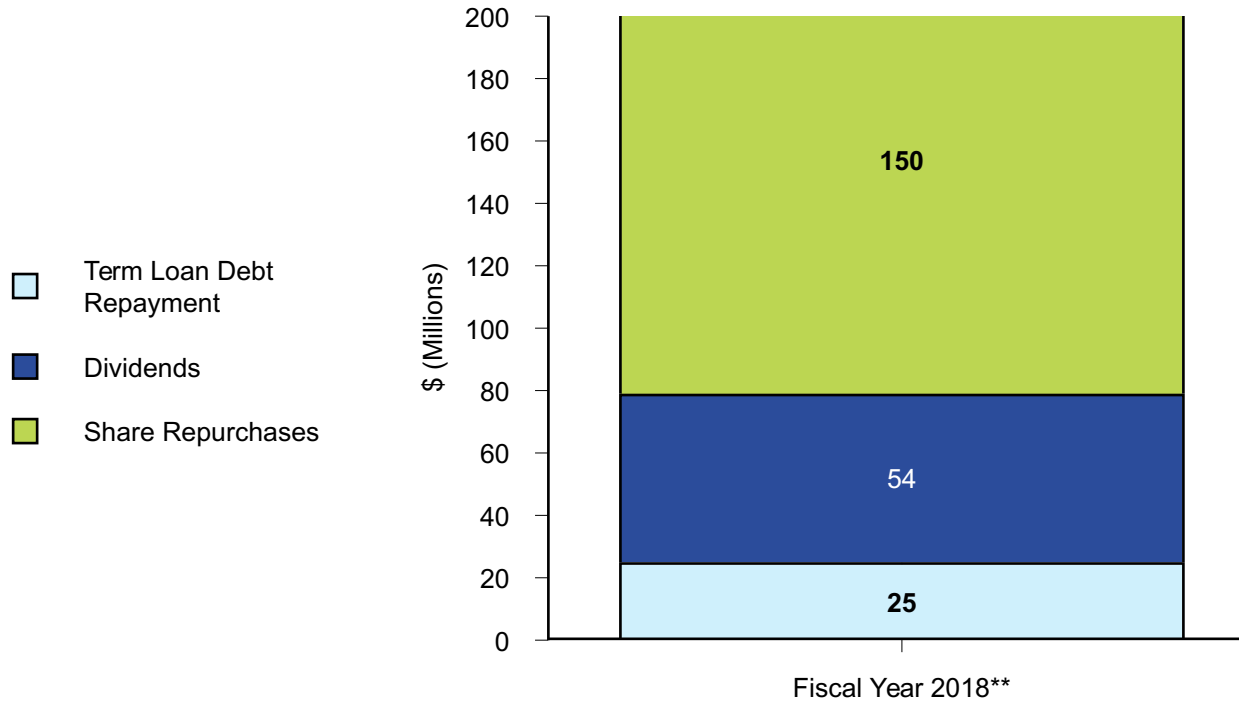
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(\$ in millions; except per share data)	YTD FY18 Q4 ⁽¹⁾	YTD FY17 Q4 ^{(1), (4)}	Change	
Revenues	\$4,454	\$4,442	2.5 %	Internal Growth⁽²⁾
Adjusted EBITDA \$ / %^{(2),(3)}	\$313 / 7.0%	\$322 / 7.2%	(3)% /	-20 bps
Operating Income \$ / %	\$256 / 5.7%	\$263 / 5.9%	(3)% /	-20 bps
Adjusted Operating Income \$ / %^{(2),(3)}	\$269 / 6.0%	\$273 / 6.1%	(1)% /	-10 bps
Diluted EPS	\$4.02	\$3.12	29 %	
Operating Cash Flow	\$217	\$273		
Free Cash Flow⁽²⁾	\$195	\$258		

- (1) Results of Science Applications International Corporation and its consolidated subsidiaries for the twelve months ended February 2, 2018 and February 3, 2017.
- (2) Internal revenue growth, adjusted EBITDA, adjusted operating income, and free cash flow are non-GAAP financial measures as defined and reconciled in the appendix of this presentation.
- (3) Excludes \$13 million in restructuring costs in FY18 Q4 YTD. Excludes \$10 million of acquisition and integration costs in FY17 Q4 YTD.
- (4) Fiscal 2017 amounts reflect the impact from an immaterial restatement, see Note 1 to our Annual Report on Form 10-K for the year ended February 2, 2018.

Capital Deployment

Cash From Operations	\$217M
Less Capital Expenditures	<u>\$22M</u>
Free Cash Flow (FCF)*	\$195M



* Non-GAAP measure, see appendix for reconciliation

** Twelve months ended February 2, 2018

~117% of Free Cash Flow Deployed in FY18

Long Term Financial Targets (on average and over time)

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Annual Internal Revenue Growth

Low single-digit growth

Operating Margin

10 to 20 bps annual improvement

**Maximize cash flow generation,
free cash flow to exceed net income**

**Return of capital in excess of operating needs, absent
expected higher return capital deployment opportunities**

Leverage (debt to EBITDA)

**Financial leverage appropriate for SAIC's investment
requirements and cash generating characteristics**

Our forward guidance practice is limited to these long-term targets

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Appendix

Working Days per Quarter

	Q1	Q2	Q3	Q4	Total
FY19	64	63	64	59	250
FY18	64	63	64	59	250
FY17	69*	63	64	59	255

* FY17 contained an extra week (53 weeks) in the first quarter

Pay Periods Paid

	Q1	Q2	Q3	Q4	Total
FY19	6	7	6	7	26
FY18	6	7	6	7	26
FY17	7	7	6	7	27

Non-GAAP Reconciliation – Internal Revenue Growth

Prior year period's revenues, as reported ⁽²⁾
Prior year period's revenues performed by former Parent
Estimated impact of 53rd week
Revenues of acquired business for the pre-acquisition prior year period
Prior year period's revenues, as adjusted ⁽²⁾
Current year period's revenues, as reported
Internal revenue growth ⁽¹⁾
<i>Internal revenue growth⁽¹⁾ percentage</i>

Three Months Ended ⁽²⁾	Year Ended ⁽²⁾
February 2, 2018	
(in millions)	
\$ 1,024	\$ 4,442
(1)	(9)
—	(88)
—	—
1,023	4,345
1,128	4,454
\$ 105	\$ 109
10.3%	2.5%

(1) "Internal revenue growth" (or internal revenue contraction, if negative) is a non-GAAP financial measure that is reconciled in this schedule to the most directly comparable GAAP financial measures. This non-GAAP financial measure provides investors with greater visibility into revenue but is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with SAIC's condensed and consolidated financial statements prepared in accordance with GAAP. The methods used to calculate this non-GAAP financial measure may differ from the methods used by other companies and so similarly titled non-GAAP financial measures presented by other companies may not be comparable to those provided in this schedule.

(2) Fiscal 2017 amounts reflect the impact from an immaterial restatement, see Note 1 to our Annual Report on Form 10-K for the year ended February 2, 2018.

Non-GAAP Reconciliation – Adjusted EBITDA

	Three Months Ended		Year Ended	
	February 2, 2018	February 3, 2017 ⁽²⁾	February 2, 2018	February 3, 2017 ⁽²⁾
	(in millions)			
Net income	51	35	179	143
Interest expense	12	11	44	52
Interest income	(1)	—	(1)	—
Provision for income taxes	—	14	35	69
Depreciation and amortization	12	11	44	50
EBITDA⁽¹⁾	74	71	301	314
<i>EBITDA as a percentage of revenues</i>	6.6%	6.9%	6.8%	7.1%
Restructuring costs	10	—	13	—
Acquisition and integration costs	—	—	—	10
Depreciation included in restructuring costs and acquisition and integration costs	(1)	—	(1)	(2)
Adjusted EBITDA⁽¹⁾	\$ 83	\$ 71	\$ 313	\$ 322
<i>Adjusted EBITDA as a percentage of revenues</i>	7.4%	6.9%	7.0%	7.2%

(1) “EBITDA” and “Adjusted EBITDA” are non-GAAP financial measures that are reconciled in this schedule to the most directly comparable GAAP financial measures. These non-GAAP financial measures help investors to better understand profitability trends of our business from period to period and provides useful information on how successfully we operate in our markets but are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with SAIC’s condensed and consolidated financial statements prepared in accordance with GAAP. The methods used to calculate these non-GAAP financial measures may differ from the methods used by other companies and so similarly titled non-GAAP financial measures presented by other companies may not be comparable to those provided in this schedule.

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Non-GAAP Reconciliation – Adjusted Operating Income

	Three Months Ended		Year Ended	
	February 2, 2018	February 3, 2017 ⁽²⁾	February 2, 2018	February 3, 2017 ⁽²⁾
	(in millions)			
Operating income	62	59	256	263
<i>Operating income as a percentage of revenues</i>	<i>5.5%</i>	<i>5.8%</i>	<i>5.7%</i>	<i>5.9%</i>
Restructuring costs	10	—	13	—
Acquisition and integration costs	—	—	—	10
Adjusted operating income⁽¹⁾	\$ 72	\$ 59	\$ 269	\$ 273
<i>Adjusted operating income as a percentage of revenues</i>	<i>6.4%</i>	<i>5.8%</i>	<i>6.0%</i>	<i>6.1%</i>

(1) “Adjusted Operating Income” is a non-GAAP financial measure that is reconciled in this schedule to the most directly comparable GAAP financial measure. This non-GAAP financial measure provides investors with greater visibility into operating income but is not meant to be considered in isolation or as a substitute for a comparable GAAP measure and should be read only in conjunction with SAIC’s condensed and consolidated financial statements prepared in accordance with GAAP. The methods used to calculate this non-GAAP financial measure may differ from the methods used by other companies, and similarly titled non-GAAP financial measures presented by other companies may not be comparable.

(2) Fiscal 2017 amounts reflect the impact from an immaterial restatement, see Note 1 to our Annual Report on Form 10-K for the year ended February 2, 2018.

Non-GAAP Reconciliation – Free Cash Flow

Net cash provided by operating activities
Expenditures for property, plant, and equipment
Free cash flow⁽¹⁾

Three Months Ended		Year Ended	
February 2, 2018	February 3, 2017 ⁽²⁾	February 2, 2018	February 3, 2017 ⁽²⁾
(in millions)			
84	62	217	273
(7)	(4)	(22)	(15)
77	58	195	258

(1) “Free cash flow” is a non-GAAP financial measure that is reconciled in this schedule to the most directly comparable GAAP financial measures. This non-GAAP financial measure provides investors with greater visibility into cash flows provided by operating activities, but is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with SAIC’s consolidated financial statements prepared in accordance with GAAP. The methods used to calculate this non-GAAP financial measure may differ from the methods used by other companies and so similarly titled non-GAAP financial measures presented by other companies may not be comparable to those provided in this schedule.

(2) Fiscal 2017 amounts reflect the impact from an immaterial restatement, see Note 1 to our Annual Report on Form 10-K for the year ended February 2, 2018.