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**Science Applications
International Corporation (SAIC)**

**Third Quarter Fiscal Year 2019
Earnings Call**

December 6, 2018

Supplemental Financial Information

Conference Call Information

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Date: December 6, 2018

Time: 4:30 pm 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 December 6, 2018 along with listening to or reading a transcript of the management comments delivered in an earnings conference call held on December 6, 2018.

All information in these slides are as of December 6, 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.

Third Quarter Fiscal Year 2019 Results

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(\$ in millions; except per share data)	FY19 Q3 ⁽¹⁾	FY18 Q3 ⁽¹⁾	Change	
Revenues	\$1,177	\$1,145	2.8%	Internal Growth
Adjusted EBITDA \$ / %⁽²⁾⁽³⁾	\$98 / 8.3%	\$85 / 7.4%	15% /	90 bps
Operating Income \$ / %	\$73 / 6.2%	\$72 / 6.3%	1% /	-10 bps
Diluted EPS	\$1.11	\$0.98	13%	
Adjusted Diluted EPS ⁽²⁾⁽³⁾	\$1.35	\$0.99	36%	
Operating Cash Flow	\$86	\$80		
Free Cash Flow⁽²⁾	\$80	\$72		

- (1) Results of Science Applications International Corporation and its consolidated subsidiaries for the third quarter ended November 2, 2018 and November 3, 2017.
 (2) Adjusted EBITDA, adjusted diluted earnings per share and free cash flow are non-GAAP financial measures as defined and reconciled in the appendix of this presentation.
 (3) Excludes \$14 million dollars of acquisition and integration expenses in FY19 Q3 and \$1 million dollars of restructuring costs in FY18 Q3.

Fiscal Year 2019 YTD Results

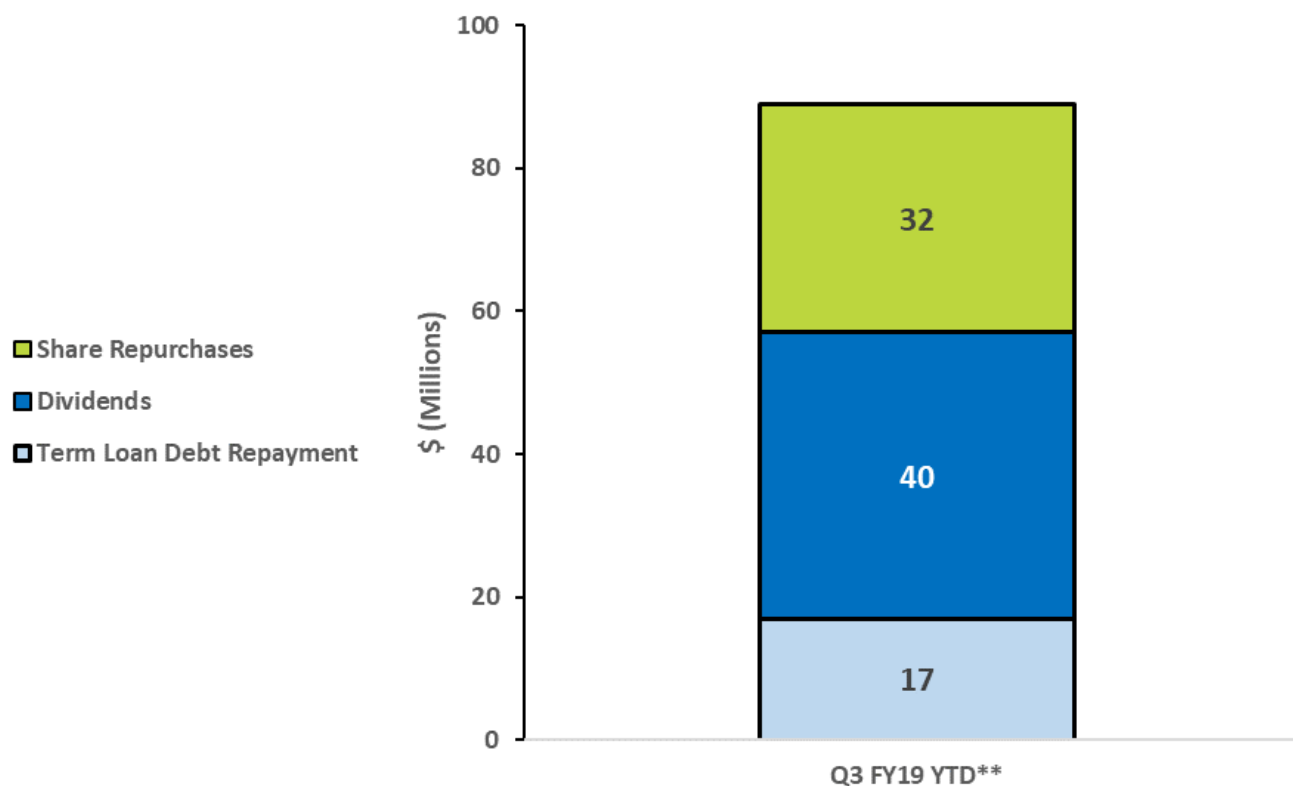
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(\$ in millions; except per share data)	YTD FY19 Q3 ⁽¹⁾	YTD FY18 Q3 ⁽¹⁾	Change	
Revenues	\$3,467	\$3,326	4.2%	Internal Growth
Adjusted EBITDA \$ / %⁽²⁾⁽³⁾	\$258 / 7.4%	\$230 / 6.9%	12% /	50 bps
Operating Income \$ / %	\$213 / 6.1%	\$194 / 5.8%	10% /	30 bps
Diluted EPS	\$3.37	\$2.86	18%	
Adjusted Diluted EPS ⁽²⁾⁽³⁾	\$3.61	\$2.90	24%	
Operating Cash Flow	\$162	\$133		
Free Cash Flow⁽²⁾	\$138	\$118		

- (1) Results of Science Applications International Corporation and its consolidated subsidiaries for the nine months ended November 2, 2018 and November 3, 2017.
 (2) Adjusted EBITDA, adjusted diluted earnings per share and free cash flow are non-GAAP financial measures as defined and reconciled in the appendix of this presentation.
 (3) Excludes \$14 million dollars of acquisition and integration expenses in YTD FY19 Q3 and \$3 million dollars of restructuring costs in YTD FY18 Q3.

Capital Deployment

Cash From Operations	\$162M
Less Capital Expenditures	<u>\$24M</u>
Free Cash Flow (FCF)*	\$138M



* Non-GAAP measure, see appendix for reconciliation

** Nine months ended November 2, 2018

~64% of Free Cash Flow Deployed through FY19 Q3

Long Term Financial Targets (on average and over time)

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Annual Internal Revenue Growth

Low single-digit growth

Adjusted EBITDA 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
FY20	64	63	64	59	250
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
FY20	6	7	6	7	26
FY19	6	7	6	7	26
FY18	6	7	6	7	26
FY17	7	7	6	7	27

Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	November 2, 2018	November 3, 2017	November 2, 2018	November 3, 2017
	(in millions, except per share amounts)			
Net income	\$ 48	\$ 43	\$ 146	\$ 128
Interest expense	16	11	38	32
Interest income	(1)	—	(2)	—
Provision for income taxes	10	19	31	35
Depreciation and amortization	11	11	31	32
EBITDA⁽¹⁾	84	84	244	227
<i>EBITDA as a percentage of revenues</i>	<i>7.1%</i>	<i>7.3%</i>	<i>7.0%</i>	<i>6.8%</i>
Acquisition and integration costs	14	—	14	—
Restructuring costs	—	1	—	3
Adjusted EBITDA⁽¹⁾	\$ 98	\$ 85	\$ 258	\$ 230
<i>Adjusted EBITDA as a percentage of revenues</i>	<i>8.3%</i>	<i>7.4%</i>	<i>7.4%</i>	<i>6.9%</i>

(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 better understand profitability trends of our business from period to period and provide 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.

Non-GAAP Reconciliation – Adjusted Diluted Earnings per Share

	Three Months Ended		Nine Months Ended	
	November 2, 2018	November 3, 2017	November 2, 2018	November 3, 2017
Diluted earnings per share	\$ 1.11	\$ 0.98	\$ 3.37	\$ 2.86
Acquisition and integration costs, divided by diluted 'weighted-average number of shares outstanding' (WASO)	0.32	—	0.32	—
Tax effect of acquisition and integration costs, divided by diluted WASO	(0.08)	—	(0.08)	—
Net effect of acquisition and integration costs, divided by diluted WASO	0.24	—	0.24	—
Restructuring costs, divided by diluted WASO	—	0.02	—	0.06
Tax effect of restructuring costs, divided by diluted WASO	—	(0.01)	—	(0.02)
Net effect of restructuring costs, divided by diluted WASO	—	0.01	—	0.04
Adjusted diluted earnings per share⁽¹⁾	\$ 1.35	\$ 0.99	\$ 3.61	\$ 2.90

(1) "Adjusted diluted earnings per share" 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 operating income 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

Non-GAAP Reconciliation – Free Cash Flow

	Three Months Ended		Nine Months Ended	
	November 2, 2018	November 3, 2017	November 2, 2018	November 3, 2017
	(in millions)			
Net cash provided by operating activities	\$ 86	\$ 80	\$ 162	\$ 133
Expenditures for property, plant, and equipment	(6)	(8)	(24)	(15)
Free cash flow⁽¹⁾	\$ 80	\$ 72	\$ 138	\$ 118

(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.