



Science Applications International Corporation (SAIC) **[NYSE: SAIC]**

Cowen and Company 36th Annual Aerospace/Defense & Transportation Conference

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SAIC[®]

Forward-Looking Statements

Certain statements in these slides contain or are based on “forward-looking” information within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect our belief and assumptions as to future events that may not prove to be accurate. Actual performance and results may differ materially from the guidance and other forward-looking statements made in these slides depending on a variety of factors, including: developments in the U.S. government defense budget, including budget reductions, implementation of spending cuts (sequestration) or changes in budgetary priorities; delays in the U.S. government budget process or approval to raise the U.S. debt ceiling; delays in the U.S. government contract procurement process or the award of contracts; delays or loss of contracts as result of competitor protests; changes in U.S. government procurement rules, regulations and practices; our compliance with various U.S. government and other government procurement rules and regulations; governmental reviews, audits and investigations of our company; our ability to effectively compete and win contracts with the U.S. government and other customers; our ability to attract, train and retain skilled employees, including our management team, and to obtain security clearances for our employees; our ability to accurately estimate costs associated with our firm-fixed-price and other contracts; cybersecurity, data security or other security threats, systems failures or other disruptions of our business; resolution of legal and other disputes with our customers and others or legal or regulatory compliance issues; our ability to effectively deploy capital in determining to pay dividends, implement share repurchases or acquire businesses and make investments; our ability to maintain relationships with prime contractors, subcontractors and joint venture partners; our ability to manage performance and other risks related to customer contracts; the adequacy of our insurance programs designed to protect us from significant product, design or other liability claims; our ability to declare future dividends based on our earnings, financial condition, capital requirements and other factors, including compliance with applicable laws and contractual agreements; and our ability to execute our business plan and long-term management initiatives effectively and to overcome these and other known and unknown risks that we face. These are only some of the factors that may affect the forward-looking statements contained in these slides. For further information concerning risks and uncertainties associated with our business, please refer to the filings we make from time to time with the U.S. Securities and Exchange Commission.

In addition, these slides should be read in conjunction with our earnings press release dated December 9, 2014 along with listening to or reading a transcript of the comments of our management delivered in an earnings conference call held on December 9, 2014.

All information in these slides is as of December 9, 2014. We expressly disclaim any duty to update any forward-looking statement provided in these slides to reflect subsequent events, actual results or changes in expectations.

SAIC Overview

- **Leading technology integrator specializing in technical, engineering and enterprise IT services to the U.S. government**
- **46-year history of mission service delivery and customer relationships**
- **Significant scale of about \$4 billion with diversified contract base**
- **Highly skilled workforce of about 13,000 employees**
- **Strong and predictable cash flow**



Investment Highlights

Enduring Customer Relationships and Mission-Oriented

- Focused on serving our customers leveraging both deep mission domain knowledge and the breadth of enabling IT solutions

Full Lifecycle Offerings

- End-to-end services and solutions support entire mission and enterprise lifecycles

Significant Scale and Diversified Contract Base

- One of the largest pure play technical services providers to the U.S. Government; about \$4B in annual revenues, with 90% prime contracts

Technical Experts Led by Experienced Management

- Over 65% of workforce hold a security clearance and work at customer locations

Tailored Operational Model and Competitive Structure

- Efficient corporate structure and effective account management and service lines for critical mission delivery

Solid Financial Position

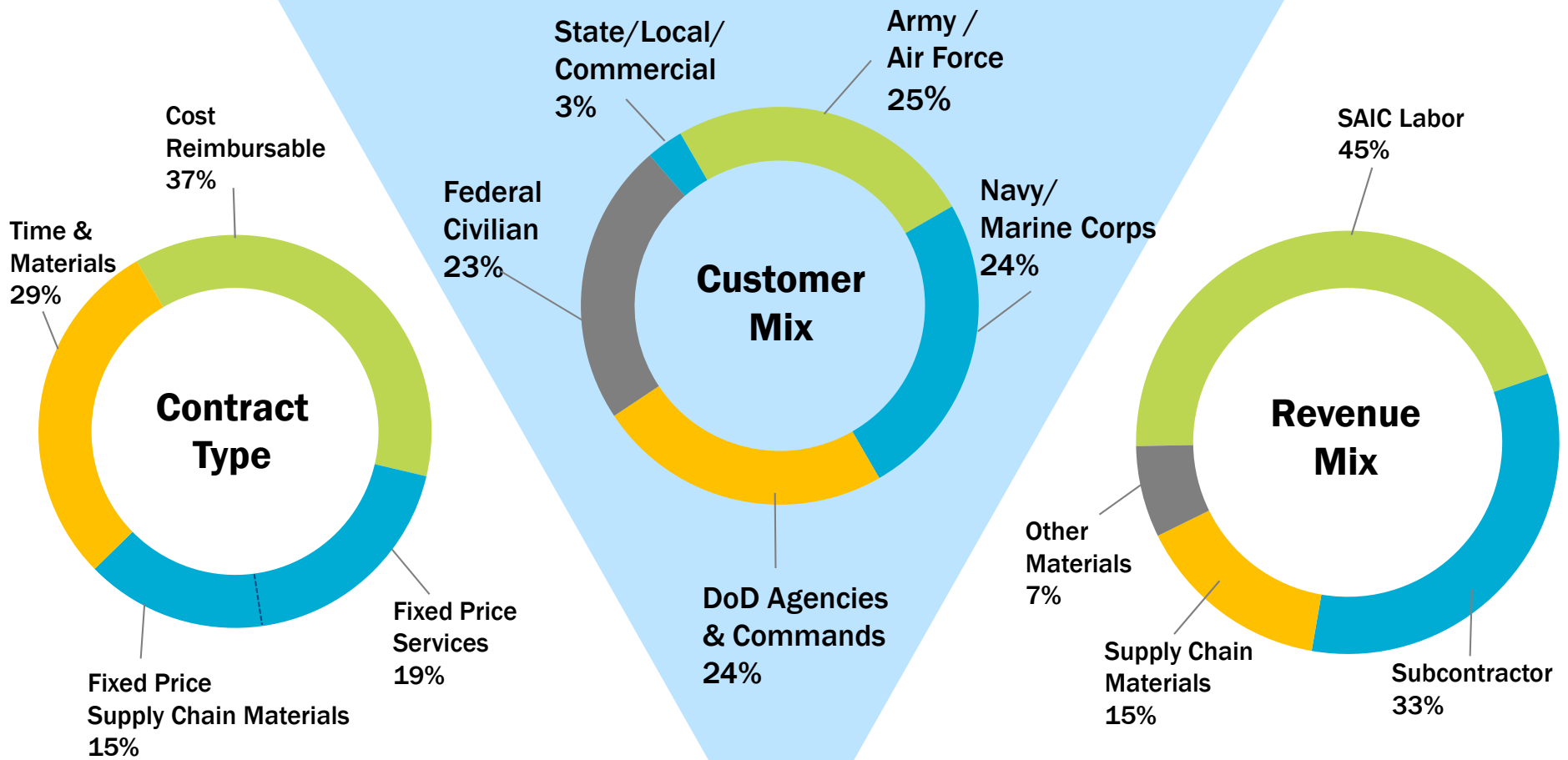
- Strong cash flow generation from recurring revenue base with margin expansion potential

Offering an outstanding value proposition to all stakeholders

We Are Providing Full Lifecycle Services & Solutions



Revenue Profile*



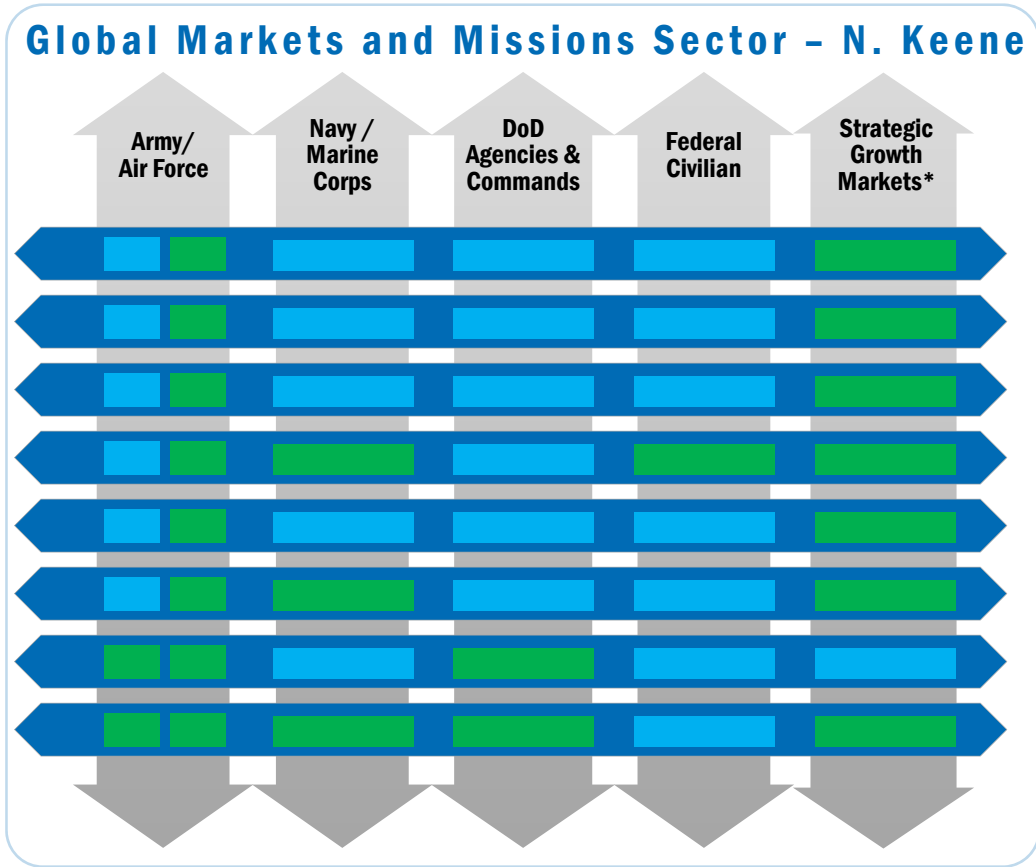
~ 90% Prime Contractor; ~ 85% IDIQ Revenue

*as of FY2015 Q3 YTD (Oct 31, 2015)



SAIC Operating Model

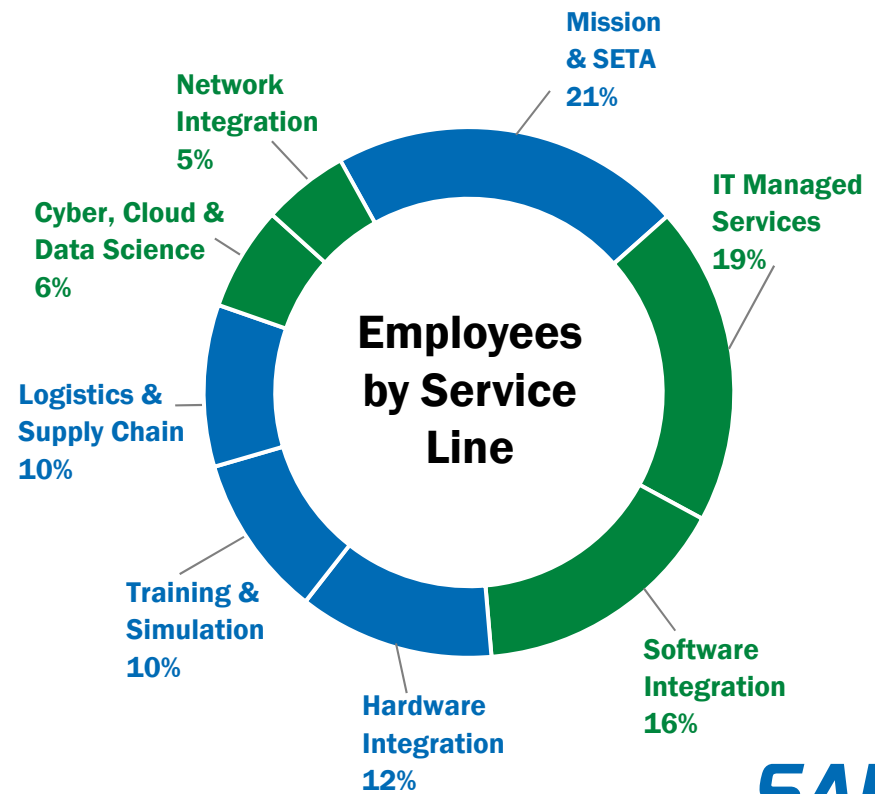
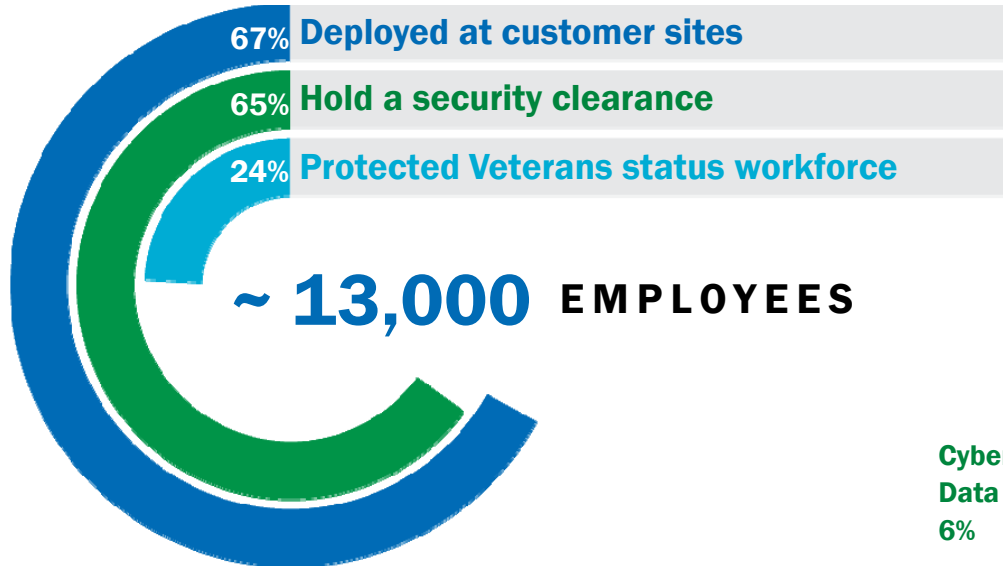
Services and Solutions Sector – D. Wagoner



- ### BENEFITS
- Strategic Market Alignment
 - Customer Account Development
 - Enterprise Entrepreneurship
 - Efficient Resource Deployment
 - Service Offering Investments



Employee Demographics



Long Term Financial Targets (on average and over time)

Annual organic revenue growth

Low single-digit growth

Target operating margin

**10 to 20 bps annual improvement,
on average, starting in the low 6% range**

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

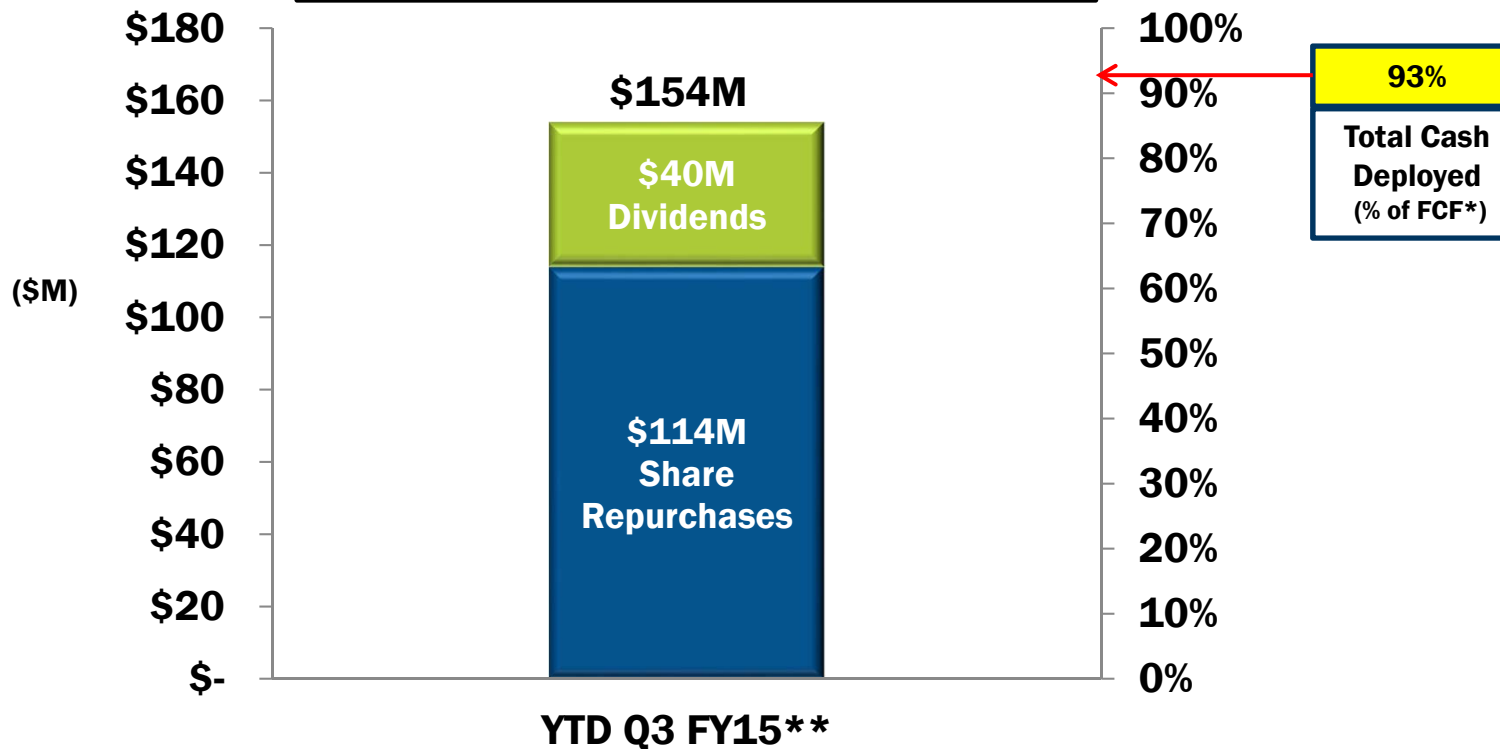
**Return of capital in excess of operating needs,
absent expected higher return capital
deployment opportunities**

Leverage (debt to EBITDA)

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

FY15 Capital Deployment

Cash From Operations	\$181M
Less Capital Expenditures	(\$15M)
Free Cash Flow (FCF)*	\$166M



■ Share Repurchases*** ■ Dividends

*See Appendix for Non-GAAP Measures

**As of October 31, 2014

*** Reflects share repurchases under the Company's previously announced share repurchase program. The Company also repurchases shares for tax withholdings on equity awards

SAIC – Creating Shareholder Value

Value Proposition Principles

- **Understood and executed at every level of the enterprise**
- **Explicit and disciplined in how we deliver value**
- **Tangible metrics that measure our progress**
- **Well-aligned incentives that drive behavior throughout the enterprise**
- **Transparency with investors to provide visibility into business**

Organizational Alignment

Say What We Do

Do What We Say

Transparency of Mission

Make Our Value Proposition Clear

Grow shareholder value through transparency and strong results

The graphic features a dark blue background with a light blue diagonal line. On the right side, there is a stylized globe composed of a network of blue and green dots connected by thin lines. A light green horizontal bar is positioned at the bottom of the graphic.

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