SCIENCE APPLICATIONS INTERNATIONAL CORPORATION

Fiscal Year 2024 First Quarter Earnings Call

Supplemental Financial Presentation
June 5, 2023

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In addition, these slides should be read in conjunction with our earnings press release dated June 5, 2023 along with listening to or reading a transcript of the management comments delivered in an earnings conference call held on June 5, 2023.

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Today’s Presenters

NAZZIC KEENE
Chief Executive Officer

PRABU NATARAJAN
Chief Financial Officer

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Building a Differentiated Employee Experience and Culture

1. Developing Our Leaders to Be the Best in Our Industry
2. Upskilling Our Talent to Build a Sustainable Workforce for the Future
3. Fostering a Culture of Growth and Wellbeing
4. Increasing Diversity Representation in Our Leadership
5. Connecting and Resonating with Our Dispersed Workforce

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BUILDING HOMES FOR HEROES

We give back to severely injured veterans and their families by gifting mortgage-free homes and raising funds through the national nonprofit organization

In 2013, SAIC joined forces with Building Homes for Heroes (BHH), which builds and modifies homes and then gifts them — mortgage-free — to veterans and their families. To date, SAIC has helped donate 14 homes to our military heroes and their families and raised $639,000 through BHH. SAIC is proud to support BHH's mission and is committed to supporting our veterans and all those serving in our military. SAIC employees play a big role in our support of BHH and veterans. Before each new home is gifted to a veteran, our employee volunteers help perform final welcome preparations.

DONATE NOW

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FY2024 First Quarter Highlights

3.5% pro-forma organic growth

Adjusted EBITDA margin* of 9.3%, +60 bps Y/Y

Strong FCF * of $76M; ~$175M after normalizing for payroll cycles

Targeting >$1.3B of capital returns to shareholders by FY26

Focus on organic growth, ROIC and capital allocation

**Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures as defined and reconciled in the appendix of this presentation.*

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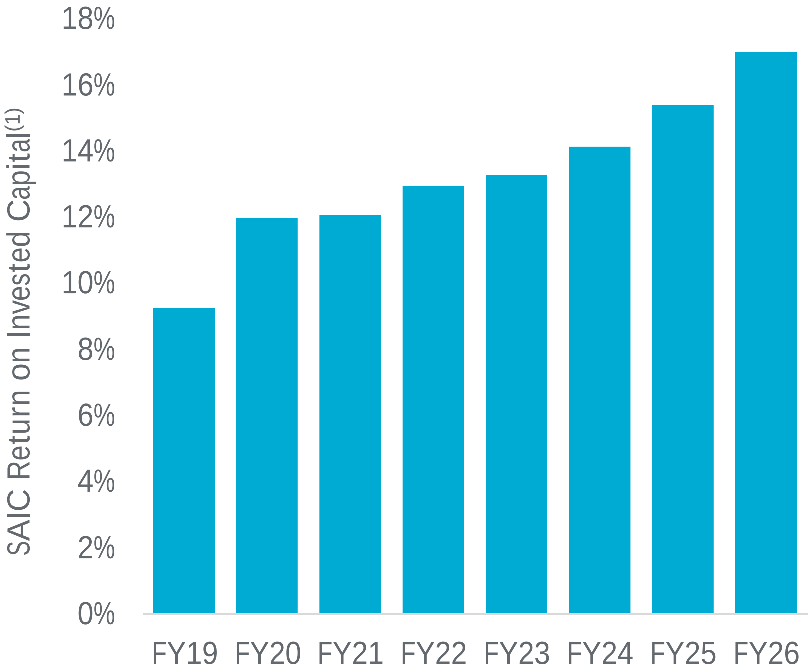
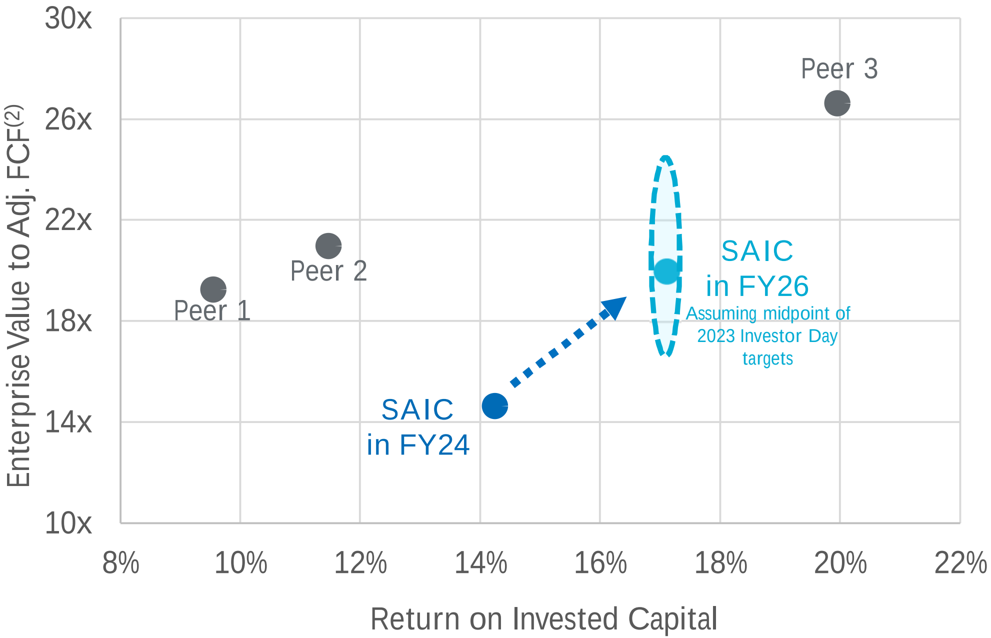
Focused Business Model and Strategy

MARGIN IMPROVEMENT, CAPITAL DEPLOYMENT DRIVE ROIC



(1) ROIC calculated as adjusted EBITDA less capex and assumes a 21% tax rate divided by invested capital; invested capital is calculated as total assets less cash and non-interest-bearing current liabilities. Prior year periods reflect actual results as reported while future years are based on midpoint on multi-year financial targets.

INCREASED ROIC REPRESENTS KEY DRIVER OF VALUATION UPSIDE



(2) Adjusted free cash flow normalizes SAIC and peer data for the impact of Section 174 and other non-recurring items to improve comparability.

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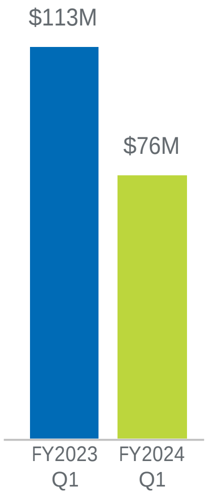
FY2024 Q1 Results(1)

REVENUE

ADJUSTED EBITDA MARGIN(2)(3)

ADJUSTED DILUTED EPS(2)(4)

FREE CASH FLOW(2)



(1) Results of Science Applications International Corporation and its consolidated subsidiaries for the first quarters ended April 29, 2022 and May 5, 2023
(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 $9 million and ($5) million in FY23 Q1 and FY24 Q1, respectively, of acquisition and integration costs, restructuring costs, and gain on divestitures net of transaction costs

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Fiscal Year 2024 Guidance

	PRIOR FISCAL YEAR 2024 GUIDANCE	IMPACT FROM L&SCM IN F1Q24	IMPACT FROM IMPROVED PERFORMANCE	CURRENT FISCAL YEAR 2024 GUIDANCE
Revenue	$7.05B - $7.20B	+$35M	+$15M	$7.125B - $7.225B
Adjusted EBITDA Margin (1)	9.2% - 9.4%	NM	-	9.2% - 9.4%
Adjusted Diluted EPS (1)	$6.80 - $7.00	$0.05	$0.15	$7.00 - $7.20
Free Cash Flow (1)	$460M - $480M	NM	-	$460M - $480M (2)

KEY ASSUMPTIONS

- FY24 adjusted diluted EPS guidance assumes the following:
  - 24% effective tax rate
  - Interest expense of $135M-$145M
  - Intangible amortization of $110M-$120M
- Free cash flow guidance of $460M - $480M excludes expected cash tax and other payments of roughly $82M related to the L&SCM sale which will impact cash flow from operations in F2Q24, F3Q24 and F4Q24

KEY MODELING CONSIDERATIONS

- Pro-forma revenue growth in the low-to-mid single digits in F2Q and F3Q
- Pro-forma revenue decline in the low single digits in F4Q due to ~$135M headwind from fewer working days; excluding this, pro-forma revenue growth of low single digits
- F1Q24 revenue includes approximately $180M from L&SCM, the sale of which closed on the first day of F2Q24
- Quarterly FCF to be impacted by timing of payroll cycles which decreased F1Q by ~$100M, will increase F2Q by ~$100M, decrease F3Q by ~$100M, and increase F4Q by $100M

(1) 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
(2) Free cash flow guidance excludes expected cash tax and other payments of roughly $82M related to the L&SCM sale which will impact cash flow from operations in F2Q24, F3Q24, and F4Q24

The Company does not provide a reconciliation of forward-looking adjusted diluted EPS to GAAP diluted EPS or adjusted EBITDA margin to GAAP net income due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, including, but not limited to, amortization of acquired intangible assets and acquisition, integration and restructuring costs. As a result, the Company is not able to forecast GAAP diluted EPS or GAAP net income with reasonable certainty. The variability of the above charges may have an unpredictable and potentially significant impact on our future GAAP financial results.

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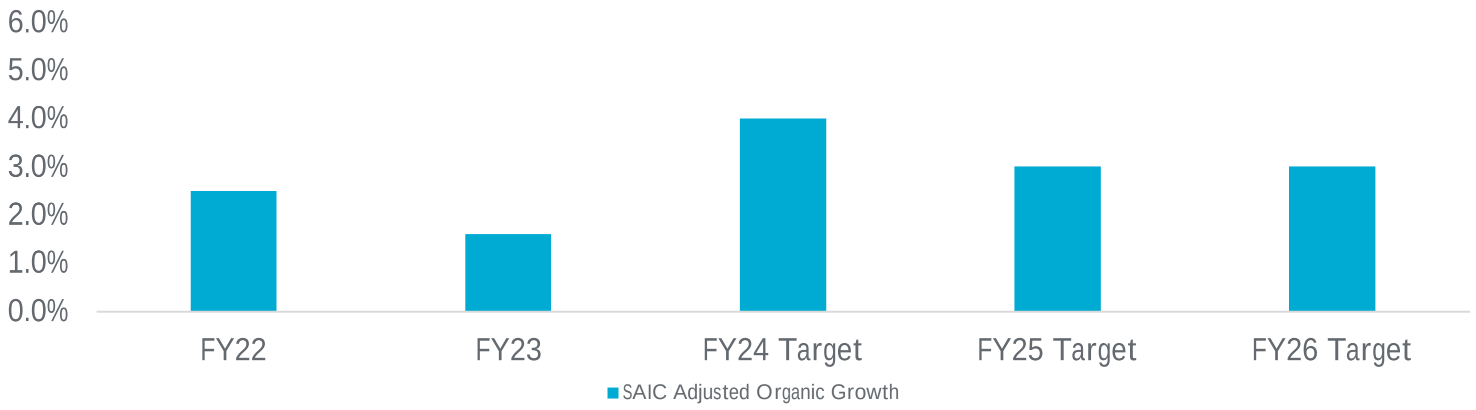
Solid Organic Revenue Growth Expected to Continue



	FY21	FY22	FY22	FY23	FY23	FY24	FY24	FY25	FY25	FY26
Revenues, as Reported	$7,056	$7,394	$7,394	$7,704	$7,704	$7,175[+]	$7,175[+]	$7,200[+]	$7,200[+]	$7,400[+]
Acquired Revenue		($184)		($73)						
Divested Revenue		$25			($650)		($185)			
Working Days Adjustment[**]				($120)	($135)					
Adjusted Pro-forma Revenues	$7,056	$7,235	$7,394	$7,511	$6,919	$7,175[+]	$6,990	$7,200[+]	$7,200[+]	$7,400[+]
Adjusted Organic Revenue y/y*		3%		2%		4%		3%		3%

[+] Revenue figures reflect midpoint of target range
[**] Results reflect four additional working days in FY23 and five fewer working days in FY24
[*] A non-GAAP financial measure; such non-GAAP measure should be considered in addition to, not a substitute for, the corresponding GAAP financial measure

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Multi-Year Financial Targets

	FY24	FY25	FY26
Revenue	$7.125B - $7.225B	$7.1B - $7.3B	$7.3B - $7.5B
Adjusted EBITDA Margin*	9.2% - 9.4%	9.4% - 9.6%	9.5% - 9.7%
Adjusted Earnings per Share*	$7.00 - $7.20	$7.60 - $7.80	$8.50 - $8.70
Weighted Average Diluted Shares Outstanding	~54M	~51M	~48M
Free Cash Flow*	$460M - $480M	$480M - $500M	$505M - $525M
Free Cash Flow per Share*	~$9	~$10	~$11
Net Leverage*	~3.0x	~3.0x	~3.0x

* *A non-GAAP financial measure. Such non-GAAP measure should be considered in addition to, not a substitute for, the corresponding GAAP financial measure*

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SAIC Historical Share Repurchase Authorizations

AUTHORIZATION DATE	INCREMENTAL SHARES ADDED TO AUTHORIZATION	TOTAL "CURRENT" AUTHORIZATION	REPURCHASE AUTHORIZATION AS % OF DILUTED SHARES	APPROXIMATE MONTHS TO COMPLETE	AVG. SHARES REPURCHASED PER MONTH	AVG. PRICE OF REPURCHASED SHARES	AVG. ANNUALIZED FCF** / SHARE DURING AUTHORIZATION
October 2013	5,000,000	5,000,000	10%	31	160,000	$43	~$4.50
September 2015	3,540,847+	5,000,000	11%	19	190,000	$69	~$5.00
December 2016	3,287,313+	5,000,000	11%	38	90,000	$79	~$6.50
April 2019	4,623,534+	6,500,000	11%	21*	220,000*	$86*	~$8.00
June 2022	8,000,000+	~8,800,000	16%	TBD	TBD	TBD	~$10.00

** - expected date of completion, average monthly shares repurchased, and average price of repurchased shares based on current trend*
*** - excludes impact of MARPA facility*
+ - Per SAIC share repurchase program convention, figures represent incremental increases to initial 5,000,000 share authorization

>20% Increase in Free Cash Flow + Fewer Shares = Increased Shareholder Value

SAIC Historical Backlog and Book-to-Bill

BACKLOG DURATION (YEARS)													
	3.9	4.1	4.0	4.0	4.4	4.4	4.2	4.4	4.4	4.3	4.2	4.0	3.9

FY24 1Q BTB of 1.1x and Total Backlog of ~$24B

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Appendix

Working Days Per Quarter

	Q1	Q2	Q3	Q4	Total
FY24	64	62	63	60	249
FY23	64	62	63	65	254
FY22	64	63	63	60	250
FY21	64	63	63	60	250
FY20	64	63	63	60	250
FY19	64	63	63	60	250

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Payroll Cycles per Quarter

	Q1	Q2	Q3	Q4	Total
FY25	7	6	7	6	26
FY24	7	6	7	6	26
FY23	6	7	6	7	26

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Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

	Three Months Ended			
		May 5, 2023		April 29, 2022
	(in millions)			
Net income	$	**98**	$	74
Interest expense and loss on sale of receivables		**36**		28
Interest income		**(1)**		—
Provision for income taxes		**25**		21
Depreciation and amortization		**36**		41
EBITDA(1)		**194**		164
EBITDA as a percentage of revenues		***9.6 %***		*8.2 %*
Acquisition and integration costs		**—**		9
Restructuring and impairment costs		**1**		—
Gain on divestitures, net of transaction costs		**(6)**		—
Adjusted EBITDA(1)	$	**189**	$	173
Adjusted EBITDA as a percentage of revenues		***9.3 %***		*8.7 %*
Operating income	$	**157**	$	125
Operating income as a percentage of revenues		***7.7 %***		*6.3 %*
Acquisition and integration costs		**—**		9
Restructuring and impairment costs		**1**		—
Gain on divestitures, net of transaction costs		**(6)**		—
Adjusted operating income(1)	$	**152**	$	134
Adjusted operating income as a percentage of revenues		***7.5 %***		*6.7 %*

(1) EBITDA is a performance measure that is calculated by taking net income and excluding interest and loss on sale of receivables, provision for income taxes, and depreciation and amortization. Adjusted EBITDA and adjusted operating income are performance measures that exclude the impact of non-recurring transactions that we do not consider to be indicative of our ongoing operating performance. The acquisition and integration costs relate to the Company's acquisitions. The gain on divestitures includes gain associated with the deconsolidation of FSA. We believe that these performance measures provide management and investors with useful information in assessing trends in our ongoing operating performance and may provide greater visibility in understanding the long-term financial performance of the Company.

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Non-GAAP Reconciliation – Adjusted Diluted Earnings per Share

	Three Months Ended	
	May 5, 2023	April 29, 2022
Diluted earnings per share	**$ 1.79**	$ 1.29
Acquisition and integration costs and restructuring and impairment costs, divided by diluted 'weighted-average number of shares outstanding' (WASO)	**0.02**	0.16
Tax effect of acquisition and integration costs and restructuring and impairment costs, divided by diluted WASO	**—**	(0.03)
Net effect of acquisition and integration costs and restructuring and impairment costs, divided by diluted WASO	**0.02**	0.13
Amortization of intangible assets, divided by diluted WASO	**0.53**	0.58
Tax effect of amortization of intangible assets, divided by diluted WASO	**(0.11)**	(0.12)
Net effect of amortization of intangible assets, divided by diluted WASO	**0.42**	0.46
Gain on divestitures, net of transaction costs, divided by diluted WASO	**(0.11)**	—
Tax effect of gain on divestitures, net of transaction costs, divided by diluted WASO	**0.02**	—
Net effect of gain on divestitures, net of transaction costs, divided by diluted WASO	**(0.09)**	—
Adjusted diluted earnings per share[(1)]	**$ 2.14**	$ 1.88

(1) Adjusted diluted earnings per share is a performance measure that excludes the impact of non-recurring transactions that we do not consider to be indicative of our ongoing operating performance. The acquisition and integration costs relate to the Company's acquisitions. The gain on divestitures includes gain associated with the deconsolidation of FSA. Adjusted diluted earnings per share also excludes amortization of intangible assets because we do not have a history of significant acquisition activity, we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and the related amortization term are unique to each acquisition. We believe that this performance measure provides management and investors with useful information in assessing trends in our ongoing operating performance and may provide greater visibility in understanding the long-term financial performance of the Company.

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Non-GAAP Reconciliation – Free Cash Flow

	Three Months Ended	
	May 5, 2023	April 29, 2022
	(in millions)	
Net cash provided by operating activities	**$ 82**	$ 118
Expenditures for property, plant, and equipment	**(6)**	(5)
Cash used (provided) by MARPA Facility	—	—
Free cash flow[(1)]	**$ 76**	$ 113

(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. Free cash flow is calculated by taking cash flows provided by operating activities less expenditures for property, plant, and equipment and less cash flows from our Master Accounts Receivable Purchasing Agreement (MARPA Facility) for the sale of certain designated eligible U.S. government receivables. Under the MARPA, the Company can sell eligible receivables up to a maximum amount of $300 million.

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Non-GAAP Reconciliation – FY24 Free Cash Flow Guidance

	FY24 Guidance (in millions)
Net cash provided by operating activities	**$410 to $430**
Expenditures for property, plant, and equipment	Approximately $30
Free cash flow[(1)]	**$380 to $400**
L&SCM divestiture transaction fees	Approximately $7
L&SCM divestiture cash taxes	Approximately $75
Transaction-adjusted free cash flow[(1)]	**$460 to $480**

(1) Free cash flow is calculated by taking cash flows provided by operating activities less expenditures for property, plant, and equipment and less cash flows from our Master Accounts Receivable Purchasing Agreement (MARPA Facility) for the sale of certain designated eligible U.S. government receivables. Under the MARPA Facility, the Company can sell eligible receivables up to a maximum amount of $300 million. Transaction-adjusted free cash flow excludes cash taxes, transaction fees, and other costs related to the divestiture of the Logistics and Supply Chain Management business from free cash flow as previously defined. We believe that free cash flow and transaction-adjusted free cash flow provides management and investors with useful information in assessing trends in our cash flows and in comparing them to other peer companies, many of whom present similar non-GAAP liquidity measures. These measures should not be considered as a measure of residual cash flow available for discretionary purposes.

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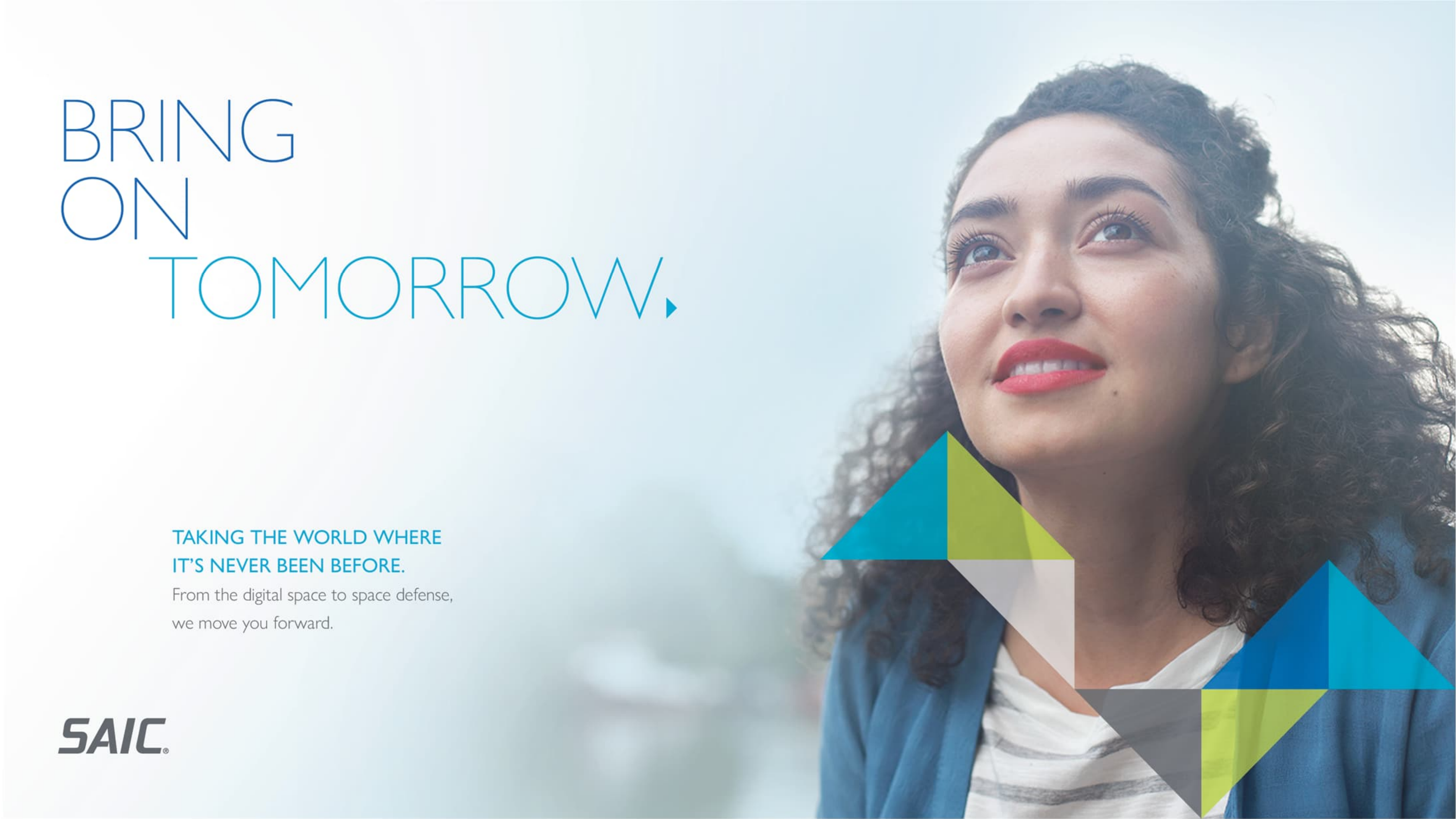
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