



## SAIC Announces Third Quarter of Fiscal Year 2024 Results

December 4, 2023

- **Revenues of \$1.90 billion; 10.6% organic growth adjusted for impact of divestitures**
- **Net income of \$93 million; Adjusted EBITDA<sup>(1)</sup> of \$178 million or 9.4% as a % of revenues, an increase of 50 bps year-over-year**
- **Diluted earnings per share of \$1.76; Adjusted diluted earnings per share<sup>(1)</sup> of \$2.27**
- **Cash flows provided by operating activities of \$101 million; Transaction-adjusted free cash flow<sup>(1)</sup> of \$148 million**
- **Company increases revenue and adjusted diluted EPS<sup>(1)</sup> guidance for fiscal year 2024**

RESTON, Va.--(BUSINESS WIRE)-- Science Applications International Corporation (NYSE: SAIC), a premier Fortune 500® technology integrator driving our nation's digital transformation across the defense, space, civilian, and intelligence markets, today announced results for the third quarter ended November 3, 2023.

"It is an honor to lead SAIC at a time of such convergence in protecting this country's national security interests, embracing the ongoing acceleration of technological innovation, and charting this company's course for continued success in the future," said SAIC CEO Toni Townes-Whitley. "To ensure our leadership in the market, SAIC is focused on strategic pivots across four key dimensions of the business: innovation & solutions, go-to-market, culture, and brand. As we move out on this strategy, I'm encouraged by some early signs of success and look forward to sharing our progress against milestones in the coming quarters and years. We believe our financial results in the third quarter demonstrate that we are entering the next phase of our strategy from a position of strength."

### Third Quarter of Fiscal Year 2024: Summary Operating Results

|                                                       | Three Months Ended                      |                   |                     |
|-------------------------------------------------------|-----------------------------------------|-------------------|---------------------|
|                                                       | November 3,<br>2 023                    | Percent<br>change | October 28,<br>2022 |
|                                                       | (in millions, except per share amounts) |                   |                     |
| Revenues                                              | \$ 1,895                                | (1)%              | \$ 1,909            |
| Operating income                                      | 143                                     | 8%                | 133                 |
| Operating income as a percentage of revenues          | 7.5%                                    | 50 bps            | 7.0%                |
| Adjusted operating income <sup>(1)</sup>              | 144                                     | 6%                | 136                 |
| Adjusted operating income as a percentage of revenues | 7.6%                                    | 50 bps            | 7.1%                |
| Net income                                            | 93                                      | 16%               | 80                  |
| EBITDA <sup>(1)</sup>                                 | 177                                     | 5%                | 168                 |
| EBITDA as a percentage of revenues                    | 9.3%                                    | 50 bps            | 8.8%                |
| Adjusted EBITDA <sup>(1)</sup>                        | 178                                     | 5%                | 170                 |
| Adjusted EBITDA as a percentage of revenues           | 9.4%                                    | 50 bps            | 8.9%                |
| Diluted earnings per share                            | \$ 1.76                                 | 21%               | \$ 1.45             |
| Adjusted diluted earnings per share <sup>(1)</sup>    | \$ 2.27                                 | 19%               | \$ 1.90             |
| Net cash provided by operating activities             | \$ 101                                  | (21)%             | \$ 128              |
| Free cash flow <sup>(1)</sup>                         | \$ 97                                   | (20)%             | \$ 122              |
| Transaction-adjusted free cash flow <sup>(1)</sup>    | \$ 148                                  | 21%               | \$ 122              |

<sup>(1)</sup>Non-GAAP measure, see Schedule 5 for information about this measure.

### Third Quarter Summary Results

Revenues for the quarter decreased \$14 million or 1% compared to the same period in the prior year primarily due to the sale of the logistics and supply chain management business (Supply Chain Business) (\$161 million), the deconsolidation of the Forfeiture Support Associates J.V. (FSA) (\$35 million), and contract completions, partially offset by ramp up on existing and new contracts. Adjusting for the impact of the divestiture of the Supply

Chain Business and the deconsolidation of FSA, revenues grew 10.6%.

Operating income as a percentage of revenues increased from the comparable prior year period primarily due to improved profitability across our contract portfolio.

Adjusted EBITDA<sup>(1)</sup> as a percentage of revenues for the quarter increased to 9.4% from 8.9% for the same period in the prior year primarily due to improved profitability across our contract portfolio and lower indirect costs.

Diluted earnings per share for the quarter was \$1.76 compared to \$1.45 in the prior year quarter. Adjusted diluted earnings per share<sup>(1)</sup> for the quarter was \$2.27 compared to \$1.90 in the prior year quarter. The weighted-average diluted shares outstanding during the quarter decreased to 53.3 million from 55.5 million during the prior year quarter.

#### **Cash Generation and Capital Deployment**

Cash flows provided by operating activities for the third quarter decreased \$27 million compared to the prior year quarter, primarily due to timing of payroll payments and higher tax payments in the current year, partially offset by timing of vendor payments and other changes in working capital.

Transaction-adjusted free cash flow<sup>(1)</sup> was \$148 million in the third quarter, an increase of \$26 million compared to the prior year quarter, primarily due to increased earnings and improved working capital efficiency.

During the quarter, SAIC deployed \$124 million of capital, consisting of \$101 million of plan share repurchases, \$19 million in cash dividends, and \$4 million of capital expenditures.

#### **Quarterly Dividend Declared**

As previously announced, subsequent to quarter end, the Company's Board of Directors declared a cash dividend of \$0.37 per share of the Company's common stock payable on January 26, 2024 to stockholders of record on January 12, 2024. SAIC intends to continue paying dividends on a quarterly basis, although the declaration of any future dividends will be determined by the Board of Directors each quarter and will depend on earnings, financial condition, capital requirements and other factors.

*<sup>(1)</sup>Non-GAAP measure, see Schedule 5 for information about this measure.*

#### **Backlog and Contract Awards**

Net bookings for the quarter were approximately \$2.5 billion, which reflects a book-to-bill ratio of 1.3 and a trailing twelve months book-to-bill ratio of 0.9. SAIC's estimated backlog at the end of the quarter was approximately \$23.1 billion. Of the total backlog amount, approximately \$4.0 billion was funded.

##### *Notable New Awards:*

**U.S. Space Force:** SAIC was awarded a seven-year, \$575 million contract by the United States Space Force to support its Ground Based Radar Maintenance and Sustainment Services (GMASS). Under the contract, SAIC will provide on-going sustainment and modification of the GMASS Contract-covered systems, including Upgraded Early Warning Radars (UEWR), the Precision Acquisition Vehicle Entry (PAVE) Phased Array Warning System (PAWS), and the Perimeter Acquisition Radar Attack Characterization System (PARCS) radars and all associated systems and equipment. In addition to sustaining operational capabilities, the contract will also utilize an integrated roadmap to highlight incremental opportunities and areas for innovation to promote backlog items and improve operational efficiencies. Through this work, SAIC will help further modernize critical missile warning and space domain awareness radars for key Space Force missions.

##### *Notable Recompete Awards:*

**Naval Information Warfare Center:** SAIC was awarded a \$375 million contract to continue providing Command, Control, Communications, Computers (C4) Intelligence, Surveillance and Reconnaissance (ISR) fielding and integration on land-based vehicle platforms in support to the Naval Information Warfare Center – Atlantic (NIWC LANT). Under the five-year contract, SAIC will support NIWC LANT with production-engineering, integration, installation, logistical and programmatic support required to enable C4ISR fielding and integration on land-based vehicle platforms such as Mine Resistant Ambush Protected (MRAP) and Joint Light Tactical Vehicle (JLTV) across multiple Department of Defense services at both continental U.S. and overseas locations. SAIC has invested in its Charleston facilities to enable the execution of vehicle fielding integration and support missions.

##### *Notable Space and Intelligence Community Awards:*

**U.S. Space and Intelligence Community:** During the quarter, SAIC was awarded approximately \$1.1 billion of contract awards by space and intelligence community organizations. These awards represent a combination of new business and recompetes.

##### *Other Notable News:*

**SAIC Announces New Data and AI Features To Improve Government Mission Outcomes:** SAIC launched new offerings for Tenjin and additional features for Koverse. The innovative Tenjin offerings enable organizations to handle and store their complex sensitive data securely from the enterprise to the edge, as well as operationalize Artificial Intelligence (AI) while the additional Koverse features improve and accelerate the capacity for defense and civilian customers to unlock the value of their data.

**SAIC Announces New Zero Trust Edge Capability:** SAIC launched new, purpose-built Zero Trust security capabilities optimized for the government market, which provide a solution to answer the Zero Trust pillars addressing data, identity, devices, networks, applications and workloads. The new Zero Trust security capabilities have been tested and validated on an AWS Snowball Edge and AWS Snow Family device with on-board storage and compute power for select Amazon Web Services (AWS) capabilities. AWS Snowball Edge can support local processing and edge-computing workloads in addition to transferring data between a user's local environment and AWS.

#### **Fiscal Year 2024 Guidance**

The table below summarizes fiscal year 2024 guidance and represents the Company's views as of December 4, 2023.

| CURRENT<br>Fiscal Year | PRIOR<br>Fiscal Year |
|------------------------|----------------------|
|------------------------|----------------------|

|                                                    | 2024 Guidance                  | 2024 Guidance     |
|----------------------------------------------------|--------------------------------|-------------------|
| Revenue                                            | \$7.325B - \$7.350B            | \$7.20B - \$7.25B |
| Adjusted EBITDA Margin <sup>(1)</sup>              | 9.3% - 9.4%                    | 9.3% - 9.4%       |
| Adjusted Diluted EPS <sup>(1)</sup>                | \$7.70 to \$7.90               | \$7.20 to \$7.40  |
| Transaction-Adjusted Free Cash Flow <sup>(1)</sup> | \$460M - \$480M <sup>(2)</sup> | \$460M - \$480M   |

### Webcast Information

SAIC management will discuss operations and financial results in an earnings conference call beginning at 10:00 a.m. Eastern time on December 4, 2023. The conference call will be webcast simultaneously to the public through a link on the Investor Relations section of the SAIC website (<http://investors.saic.com>). We will be providing webcast access only – “dial-in” access is no longer available. Additionally, a supplemental presentation will be available to the public through links to the Investor Relations section of the SAIC website. After the call concludes, an on-demand audio replay of the webcast can be accessed on the Investor Relations website.

### About SAIC

SAIC® is a premier Fortune 500® technology integrator driving our nation’s technology transformation. Our robust portfolio of offerings across the defense, space, civilian and intelligence markets includes secure high-end solutions in engineering, digital, artificial intelligence and mission solutions. Using our expertise and understanding of existing and emerging technologies, we integrate the best components from our own portfolio and our partner ecosystem to deliver innovative, effective and efficient solutions that are critical to achieving our customers’ missions.

We are approximately 24,000 strong; driven by mission, united by purpose, and inspired by opportunities. Headquartered in Reston, Virginia, SAIC has annual revenues of approximately \$6.9 billion. For more information, visit [saic.com](http://saic.com). For ongoing news, please visit our newsroom.

On 4/30/25, this document has been revised to comply with the EOs and all applicable federal, state, and local laws.

### GAAP to Non-GAAP Guidance Reconciliation

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. Because certain deductions for non-GAAP exclusions used to calculate net income may vary significantly based on actual events, 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.

<sup>(1)</sup>Non-GAAP measure, see Schedule 5 for information about this measure.

<sup>(2)</sup>Current transaction-adjusted free cash flow guidance excludes expected cash tax and other payments of approximately \$82M related to the L&SCM sale which will impact cash flows provided by operating activities in the second, third and fourth quarters of fiscal year 2024.

### Forward-Looking Statements

Certain statements in this release contain or are based on “forward-looking” information within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by words such as “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “guidance,” and similar words or phrases. Forward-looking statements in this release may include, among others, estimates of future revenues, operating income, earnings, earnings per share, charges, total contract value, backlog, outstanding shares and cash flows, as well as statements about future dividends, share repurchases and other capital deployment plans. Such statements are not guarantees of future performance and involve risk, uncertainties and assumptions, and actual results may differ materially from the guidance and other forward-looking statements made in this release as a result of various factors. Risks, uncertainties and assumptions that could cause or contribute to these material differences include those discussed in the “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Legal Proceedings” sections of our Annual Report on Form 10-K, as updated in any subsequent Quarterly Reports on Form 10-Q and other filings with the SEC, which may be viewed or obtained through the Investor Relations section of our website at [www.saic.com](http://www.saic.com) or on the SEC’s website at [www.sec.gov](http://www.sec.gov). Due to such risks, uncertainties and assumptions you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. 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.

### Schedule 1:

#### SCIENCE APPLICATIONS INTERNATIONAL CORPORATION CONDENSED AND CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

|                                              | Three Months Ended                      |                     | Nine Months Ended    |                     |
|----------------------------------------------|-----------------------------------------|---------------------|----------------------|---------------------|
|                                              | November 3,<br>2 023                    | October 28,<br>2022 | November 3,<br>2 023 | October 28,<br>2022 |
|                                              | (in millions, except per share amounts) |                     |                      |                     |
| Revenues                                     | \$ 1,895                                | \$ 1,909            | \$ 5,707             | \$ 5,736            |
| Cost of revenues                             | 1,666                                   | 1,688               | 5,027                | 5,070               |
| Selling, general and administrative expenses | 87                                      | 87                  | 259                  | 272                 |
| Acquisition and integration costs            | —                                       | 1                   | 1                    | 11                  |
| Other operating income                       | (1)                                     | —                   | (242)                | —                   |
| Operating income                             | 143                                     | 133                 | 662                  | 383                 |
| Interest expense                             | 31                                      | 30                  | 97                   | 87                  |
| Other (income) expense, net                  | (2)                                     | 3                   | (7)                  | 6                   |
| Income before income taxes                   | 114                                     | 100                 | 572                  | 290                 |

|                                                     |         |         |         |         |
|-----------------------------------------------------|---------|---------|---------|---------|
| Provision for income taxes                          | (21)    | (20)    | (134)   | (62)    |
| Net income                                          | \$ 93   | \$ 80   | \$ 438  | \$ 228  |
| Net income attributable to non-controlling interest | —       | —       | —       | 2       |
| Net income attributable to common stockholders      | \$ 93   | \$ 80   | \$ 438  | \$ 226  |
| Weighted-average number of shares outstanding:      |         |         |         |         |
| Basic                                               | 52.8    | 55.0    | 53.5    | 55.6    |
| Diluted                                             | 53.3    | 55.5    | 54.0    | 56.0    |
| Earnings per share:                                 |         |         |         |         |
| Basic                                               | \$ 1.79 | \$ 1.45 | \$ 8.19 | \$ 4.06 |
| Diluted                                             | \$ 1.76 | \$ 1.45 | \$ 8.11 | \$ 4.04 |

**Schedule 2:**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**  
**CONDENSED AND CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

|                                                      | November 3,<br>2023 | February 3,<br>2023 |
|------------------------------------------------------|---------------------|---------------------|
|                                                      | (in millions)       |                     |
| <b>ASSETS</b>                                        |                     |                     |
| Current assets:                                      |                     |                     |
| Cash and cash equivalents                            | \$ 311              | \$ 109              |
| Receivables, net                                     | 1,010               | 936                 |
| Inventory, prepaid expenses and other current assets | 67                  | 152                 |
| Total current assets                                 | 1,388               | 1,197               |
| Goodwill                                             | 2,851               | 2,911               |
| Intangible assets, net                               | 923                 | 1,009               |
| Property, plant, and equipment, net                  | 89                  | 92                  |
| Operating lease right of use assets                  | 136                 | 158                 |
| Other assets                                         | 271                 | 176                 |
| Total assets                                         | \$ 5,658            | \$ 5,543            |
| <b>LIABILITIES AND EQUITY</b>                        |                     |                     |
| Current liabilities:                                 |                     |                     |
| Accounts payable and accrued liabilities             | \$ 840              | \$ 767              |
| Accrued payroll and employee benefits                | 317                 | 328                 |
| Long-term debt, current portion                      | 69                  | 31                  |
| Total current liabilities                            | 1,226               | 1,126               |
| Long-term debt, net of current portion               | 2,194               | 2,343               |
| Operating lease liabilities                          | 132                 | 152                 |
| Other long-term liabilities                          | 278                 | 218                 |
| Equity:                                              |                     |                     |
| Total common stockholders' equity                    | 1,828               | 1,694               |
| Non-controlling interest                             | —                   | 10                  |
| Total stockholders' equity                           | 1,828               | 1,704               |
| Total liabilities and stockholders' equity           | \$ 5,658            | \$ 5,543            |

**Schedule 3:**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**  
**CONDENSED AND CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

|                                                                                   | Three Months Ended   |                     | Nine Months Ended    |                     |
|-----------------------------------------------------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                                                                   | November 3,<br>2 023 | October 28,<br>2022 | November 3,<br>2 023 | October 28,<br>2022 |
|                                                                                   | (in millions)        |                     |                      |                     |
| Cash flows from operating activities:                                             |                      |                     |                      |                     |
| Net income                                                                        | \$ 93                | \$ 80               | \$ 438               | \$ 228              |
| Adjustments to reconcile net income to net cash provided by operating activities: |                      |                     |                      |                     |
| Depreciation and amortization                                                     | 34                   | 37                  | 106                  | 118                 |
| Amortization of off-market customer contracts                                     | (1)                  | (6)                 | (5)                  | (12)                |
| Amortization of debt issuance costs                                               | —                    | 2                   | 4                    | 8                   |
| Deferred income taxes                                                             | (8)                  | (7)                 | (33)                 | (29)                |

|                                                                                                                    |        |       |        |       |
|--------------------------------------------------------------------------------------------------------------------|--------|-------|--------|-------|
| Stock-based compensation expense                                                                                   | 15     | 12    | 42     | 35    |
| Gain on sale of long-lived assets                                                                                  | —      | —     | (3)    | —     |
| Gain on divestitures                                                                                               | —      | —     | (247)  | —     |
| Increase (decrease) resulting from changes in operating assets and liabilities, net of the effect of divestitures: |        |       |        |       |
| Receivables                                                                                                        | (52)   | (23)  | (142)  | (44)  |
| Inventory, prepaid expenses and other current assets                                                               | 5      | —     | 13     | 7     |
| Other assets                                                                                                       | 8      | —     | 5      | 5     |
| Accounts payable and accrued liabilities                                                                           | 68     | (50)  | 120    | (21)  |
| Accrued payroll and employee benefits                                                                              | (13)   | 59    | (4)    | 32    |
| Income taxes payable                                                                                               | (53)   | 23    | 21     | 59    |
| Operating lease assets and liabilities, net                                                                        | (1)    | (1)   | (3)    | (1)   |
| Other long-term liabilities                                                                                        | 6      | 2     | 21     | 2     |
| Net cash provided by operating activities                                                                          | 101    | 128   | 333    | 387   |
| Cash flows from investing activities:                                                                              |        |       |        |       |
| Expenditures for property, plant, and equipment                                                                    | (4)    | (6)   | (16)   | (18)  |
| Purchases of marketable securities                                                                                 | (1)    | (1)   | (6)    | (5)   |
| Sales of marketable securities                                                                                     | 1      | 1     | 5      | 3     |
| Proceeds from sale of long-lived assets                                                                            | —      | —     | 3      | —     |
| Proceeds from divestitures                                                                                         | 1      | —     | 356    | —     |
| Cash divested upon deconsolidation of joint venture                                                                | —      | —     | (8)    | —     |
| Other                                                                                                              | (7)    | —     | (10)   | (3)   |
| Net cash (used in) provided by investing activities                                                                | (10)   | (6)   | 324    | (23)  |
| Cash flows from financing activities:                                                                              |        |       |        |       |
| Dividend payments to stockholders                                                                                  | (19)   | (21)  | (60)   | (63)  |
| Principal payments on borrowings                                                                                   | (15)   | (205) | (275)  | (780) |
| Issuances of stock                                                                                                 | 5      | 4     | 13     | 12    |
| Stock repurchased and retired or withheld for taxes on equity awards                                               | (103)  | (60)  | (293)  | (208) |
| Proceeds from borrowings                                                                                           | —      | 115   | 160    | 630   |
| Debt issuance costs                                                                                                | —      | (1)   | —      | (6)   |
| Distributions to non-controlling interest                                                                          | —      | —     | —      | (2)   |
| Net cash used in financing activities                                                                              | (132)  | (168) | (455)  | (417) |
| Net (decrease) increase in cash, cash equivalents and restricted cash                                              | (41)   | (46)  | 202    | (53)  |
| Cash, cash equivalents and restricted cash at beginning of period                                                  | 361    | 108   | 118    | 115   |
| Cash, cash equivalents and restricted cash at end of period                                                        | \$ 320 | \$ 62 | \$ 320 | \$ 62 |

**Schedule 4:**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**  
**BACKLOG**  
(Unaudited)

The estimated value of our total backlog as of the dates presented was:

|                             | November 3,<br>2 023 | August 4,<br>2023 | February 3,<br>2023 |
|-----------------------------|----------------------|-------------------|---------------------|
|                             | (in millions)        |                   |                     |
| Funded backlog              | \$ 4,036             | \$ 3,716          | \$ 3,554            |
| Negotiated unfunded backlog | 19,102               | 18,808            | 20,248              |
| Total backlog               | \$ 23,138            | \$ 22,524         | \$ 23,802           |

*Backlog represents the estimated amount of future revenues to be recognized under negotiated contracts and task orders as work is performed and excludes contract awards which have been protested by competitors until the protest is resolved in our favor. SAIC segregates backlog into two categories, funded backlog and negotiated unfunded backlog. Funded backlog for contracts with government agencies primarily represents contracts for which funding is appropriated less revenues previously recognized on these contracts, and does not include the unfunded portion of contracts where funding is incrementally appropriated or authorized by the U.S. government and other customers even though the contract may call for performance over a number of years. Funded backlog for contracts with non-government agencies represents the estimated value of contracts which may cover multiple future years under which SAIC is obligated to perform, less revenues previously recognized on these contracts. Negotiated unfunded backlog represents the estimated future revenues to be earned from negotiated contracts for which funding has not been appropriated or authorized, and unexercised priced contract options. Negotiated unfunded backlog does not include any estimate of future potential task orders expected to be awarded under indefinite delivery, indefinite quantity (IDIQ), U.S. General Services Administration (GSA) schedules or other master agreement contract vehicles, with the exception of certain IDIQ contracts where task orders are not competitively awarded and separately priced but instead are used as a funding mechanism, and where there is a basis for estimating future revenues and funding on future anticipated task orders.*

**Schedule 5:**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

This schedule describes the non-GAAP financial measures included in this earnings release. While we believe that these non-GAAP financial measures may be useful in evaluating our financial information, they should be considered as supplemental in nature and not as a substitute for financial information prepared in accordance with GAAP. Reconciliations, definitions, and how we believe these measures are useful to management and investors are provided below. Other companies may define similar measures differently.

**EBITDA, Adjusted EBITDA and Adjusted Operating Income**

|                                                                                                   | Three Months Ended   |                     | Nine Months Ended    |                     |
|---------------------------------------------------------------------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                                                                                   | November 3,<br>2 023 | October 28,<br>2022 | November 3,<br>2 023 | October 28,<br>2022 |
|                                                                                                   | (in millions)        |                     |                      |                     |
| <b>Net income</b>                                                                                 | \$ 93                | \$ 80               | \$ 438               | \$ 228              |
| Interest expense and loss on sale of receivables                                                  | 33                   | 32                  | 104                  | 91                  |
| Interest income                                                                                   | (4)                  | (1)                 | (9)                  | (1)                 |
| Provision for income taxes                                                                        | 21                   | 20                  | 134                  | 62                  |
| Depreciation and amortization                                                                     | 34                   | 37                  | 106                  | 118                 |
| <b>EBITDA<sup>(1)</sup></b>                                                                       | <b>177</b>           | <b>168</b>          | <b>773</b>           | <b>498</b>          |
| <i>EBITDA as a percentage of revenues</i>                                                         | <b>9.3%</b>          | <b>8.8%</b>         | <b>13.5%</b>         | <b>8.7%</b>         |
| Acquisition and integration costs                                                                 | —                    | 1                   | 1                    | 11                  |
| Restructuring and impairment costs                                                                | 2                    | 5                   | 8                    | 7                   |
| Depreciation included in acquisition and integration costs and restructuring and impairment costs | —                    | (1)                 | —                    | (1)                 |
| Recovery of acquisition and integration costs and restructuring costs                             | (1)                  | (3)                 | (1)                  | (6)                 |
| Gain on divestitures, net of transaction costs                                                    | —                    | —                   | (240)                | —                   |
| <b>Adjusted EBITDA<sup>(1)</sup></b>                                                              | <b>\$ 178</b>        | <b>\$ 170</b>       | <b>\$ 541</b>        | <b>\$ 509</b>       |
| <i>Adjusted EBITDA as a percentage of revenues</i>                                                | <b>9.4%</b>          | <b>8.9%</b>         | <b>9.5%</b>          | <b>8.9%</b>         |
| <b>Operating income</b>                                                                           | <b>\$ 143</b>        | <b>\$ 133</b>       | <b>\$ 662</b>        | <b>\$ 383</b>       |
| <i>Operating income as a percentage of revenues</i>                                               | <b>7.5%</b>          | <b>7.0%</b>         | <b>11.6%</b>         | <b>6.7%</b>         |
| Acquisition and integration costs                                                                 | —                    | 1                   | 1                    | 11                  |
| Restructuring and impairment costs                                                                | 2                    | 5                   | 8                    | 7                   |
| Recovery of acquisition and integration costs and restructuring costs                             | (1)                  | (3)                 | (1)                  | (6)                 |
| Gain on divestitures, net of transaction costs                                                    | —                    | —                   | (240)                | —                   |
| <b>Adjusted operating income<sup>(1)</sup></b>                                                    | <b>\$ 144</b>        | <b>\$ 136</b>       | <b>\$ 430</b>        | <b>\$ 395</b>       |
| <i>Adjusted operating income as a percentage of revenues</i>                                      | <b>7.6%</b>          | <b>7.1%</b>         | <b>7.5%</b>          | <b>6.9%</b>         |

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 gains associated with the deconsolidation of FSA and the sale of the logistics and supply chain management business, net of transaction costs. 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.

<sup>(1)</sup> Non-GAAP measure, see above for definition.

**Schedule 5 (continued):**

**SCIENCE APPLICATIONS INTERNATIONAL CORPORATION**  
**NON-GAAP FINANCIAL MEASURES**  
(Unaudited)

**Adjusted Diluted Earnings Per Share**

|                                   | Three Months Ended   |                     | Nine Months Ended    |                     |
|-----------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                   | November 3,<br>2 023 | October 28,<br>2022 | November 3,<br>2 023 | October 28,<br>2022 |
| <b>Diluted earnings per share</b> | <b>\$ 1.76</b>       | <b>\$ 1.45</b>      | <b>\$ 8.11</b>       | <b>\$ 4.04</b>      |

Acquisition and integration costs and restructuring and impairment costs, divided by diluted 'weighted-average number of shares outstanding' (WASO)

0.01                      0.05                      0.15                      0.21

|                                                                                                                 |                |                |                |                |
|-----------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Tax effect of acquisition and integration costs and restructuring and impairment costs, divided by diluted WASO | —              | (0.01)         | (0.02)         | (0.04)         |
| Net effect of acquisition and integration costs and restructuring and impairment costs, divided by diluted WASO | 0.01           | 0.04           | 0.13           | 0.17           |
| Amortization of intangible assets, divided by diluted WASO                                                      | 0.53           | 0.52           | 1.59           | 1.68           |
| Tax effect of amortization of intangible assets, divided by diluted WASO                                        | (0.09)         | (0.11)         | (0.29)         | (0.36)         |
| Net effect of amortization of intangible assets, divided by diluted WASO                                        | 0.44           | 0.41           | 1.30           | 1.32           |
| Gain on divestitures, net of transaction costs, divided by diluted WASO                                         | —              | —              | (4.44)         | —              |
| Tax effect of gain on divestitures, net of transaction costs, divided by diluted WASO                           | 0.06           | —              | 1.35           | —              |
| Net effect of gain on divestitures, net of transaction costs, divided by diluted WASO                           | 0.06           | —              | (3.09)         | —              |
| <b>Adjusted diluted earnings per share<sup>(1)</sup></b>                                                        | <b>\$ 2.27</b> | <b>\$ 1.90</b> | <b>\$ 6.45</b> | <b>\$ 5.53</b> |

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 gains associated with the deconsolidation of FSA and the sale of the logistics and supply chain management business, net of transaction costs. 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.

<sup>(1)</sup> Non-GAAP measure, see above for definition.

#### Schedule 5 (continued):

### SCIENCE APPLICATIONS INTERNATIONAL CORPORATION NON-GAAP FINANCIAL MEASURES (Unaudited)

#### Free Cash Flow and Transaction-Adjusted Free Cash Flow

|                                                          | Three Months Ended   |                     | Nine Months Ended    |                     |
|----------------------------------------------------------|----------------------|---------------------|----------------------|---------------------|
|                                                          | November 3,<br>2 023 | October 28,<br>2022 | November 3,<br>2 023 | October 28,<br>2022 |
|                                                          | (in millions)        |                     |                      |                     |
| <b>Net cash provided by operating activities</b>         | <b>\$ 101</b>        | <b>\$ 128</b>       | <b>\$ 333</b>        | <b>\$ 387</b>       |
| Expenditures for property, plant, and equipment          | (4)                  | (6)                 | (16)                 | (18)                |
| Cash used (provided) by MARPA Facility                   | —                    | —                   | —                    | (60)                |
| <b>Free cash flow<sup>(1)</sup></b>                      | <b>\$ 97</b>         | <b>\$ 122</b>       | <b>\$ 317</b>        | <b>\$ 309</b>       |
| L&SCM divestiture transaction fees                       | —                    | —                   | 7                    | —                   |
| L&SCM divestiture cash taxes                             | 56                   | —                   | 56                   | —                   |
| L&SCM divestiture transition services                    | (5)                  | —                   | (13)                 | —                   |
| <b>Transaction-adjusted free cash flow<sup>(1)</sup></b> | <b>\$ 148</b>        | <b>\$ 122</b>       | <b>\$ 367</b>        | <b>\$ 309</b>       |

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

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.*

<sup>(1)</sup>Non-GAAP measure, see above for definition.



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