

# FINANCIAL RESULTS

## FY25 4Q

SUPPLEMENTAL FINANCIAL PRESENTATION  
March 17, 2025

**SAIC**

## 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](http://www.saic.com) or on the SEC’s website at [www.sec.gov](http://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 17, 2025 along with listening to or reading a transcript of the management comments delivered in an earnings conference call held on March 17, 2025.

All information in these slides are as of March 17, 2025. 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.



# SAIC Investment Case

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## TRACK RECORD OF DELIVERING ON COMMITMENTS

Keen focus on consistent execution, transparency with investors, and aligning incentives with shareholder value drives strong track record

## CONSISTENT ORGANIC REVENUE GROWTH

FY22 to FY27 average organic growth of ~3.5% supported by exposure to durable and growing total addressable market

## MARGIN IMPROVEMENT WITH ~10% LONG-TERM TARGET

Strong base of cost-type contracts provides stability while fixed-price and T&M portfolio along with increasing differentiation and Factory solutions drive upside to EBITDA and margins

## COMPOUNDING FREE CASH FLOW PER SHARE GROWTH

Mid-single-digit growth in free cash flow and lowering WASO by 4% - 5% annually expected to drive free cash flow per share of ~\$12 in FY27 from ~\$8 in FY23

## CAPITAL DEPLOYMENT BIASED TO SHARE REPURCHASES

FY25 to FY27 plan assumes \$375M of annual repurchases with additional capacity for incremental repurchases or tuck-in M&A



SAIC integrates **emerging technology** securely and in real time into **mission critical operations** that **modernize** and enable national imperatives.



**~24,000**  
EMPLOYEES



**>6,000**  
VETERANS



**63%**  
HOLD A SECURITY  
CLEARANCE



**20+**  
STRATEGIC  
PARTNERSHIPS

### MISSION IMPACT

- Developed mobile facial and touchless fingerprint tech used to identify illegal immigrants at borders
- Produce 100 MK48 torpedo tail cones per year to support China fight lethality
- Support VA in recovering \$4.5B per year in Medical Care Collection Fund reimbursements
- Provide Black Hawk Trainers generating 12,000 flight hours saving \$50M annually
- Reduce Navy electronic warfare analysts' workload by 99% using AI
- Operate largest DoD and Civilian clouds reducing cost, improving agility and enhancing security
- Supported 9 national security missions and 150+ satellites launches improving geospatial intel
- Deliver cloud-based learning network for 1 million+ USAF / USCG users faster at lower cost
- Trained 25,000 Navy warfighters for carrier global force deployment improving readiness



# SAIC Fiscal Year 2027 Targets



REVENUE

**\$7.95B - \$8.10B**

~5% organic  
revenue growth



EBITDA\*

**~\$770M**

FY27 adj. EBITDA margin\*  
guidance of 9.5% - 9.7%



FREE CASH FLOW\*

**\$550M**

**~\$12/share**

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

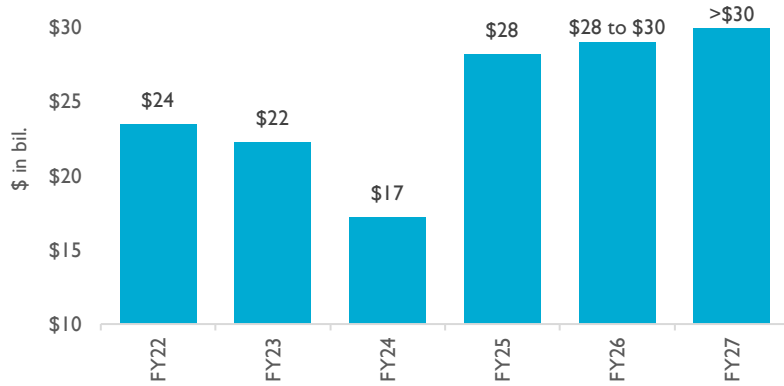


# BID MORE

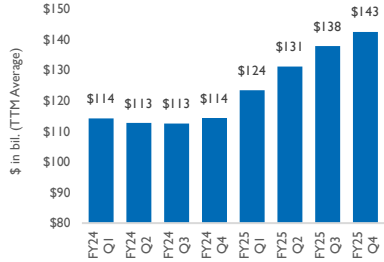
# BID BETTER

# WIN MORE

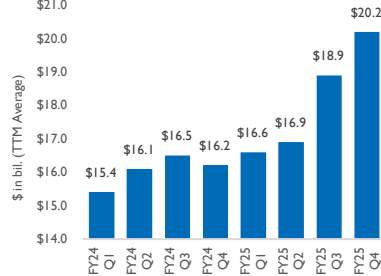
TCV of Submitted Bids\*



Qualified Pipeline\*



Backlog of Submitted Bids\*



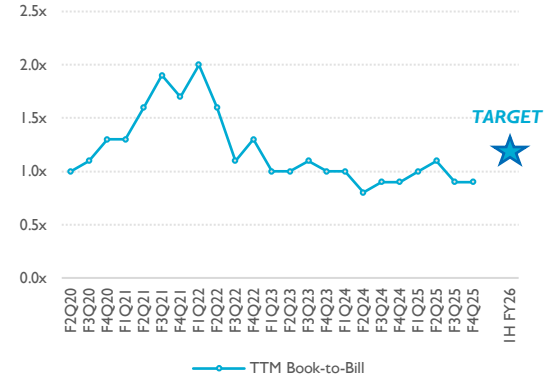
\* Figures are pro-forma for the divestiture of L&SCM and deconsolidation of FSA JV

## Strategic

- Civilian
- Enterprise / Mission IT

## Financial

- Fixed-type Pricing
- Margin Accretive

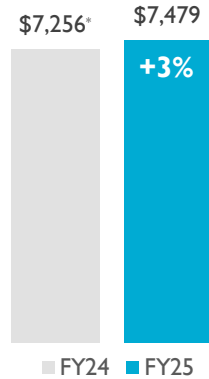


WIN RATE	FY20 to FY21			FY22 to FY24			FY25		
	Recompete	New & On-Contract	Overall	Recompete	New & On-Contract	Overall	Recompete	New & On-Contract	Overall
	At target (Green)	Above target (Blue)	At target (Blue)	Below target (Pink)	At target (Green)	At target (Green)	Below target (Pink)	At target (Green)	At target (Green)



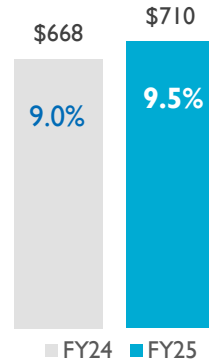
# FY25 RESULTS<sup>(1)</sup>

## REVENUE



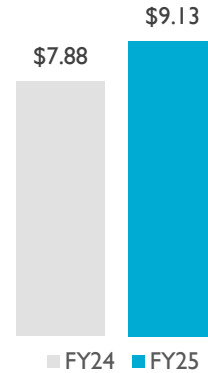
- + **Civilian T-Cloud**
- + **Space GMASS**
- + **Air Force IMDC2**
- + **Army RITS**
  
- **NASA OMES II**
- **Air Force C4ES**
- **Air Force EITAAS**

## ADJUSTED EBITDA<sup>(2)</sup>



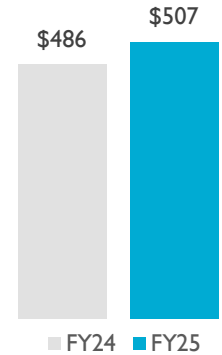
- + **Improved Execution**
- + **Lower Incentive Comp. Expense**
  
- **Higher Internal Investment**

## ADJUSTED DILUTED EPS<sup>(2)</sup>



- + **Lower Tax Rate**
- + **Lower Share Count**
- + **Higher EBITDA**
  
- **Higher Interest Expense**

## FREE CASH FLOW<sup>(2)</sup>



- + **Higher EBITDA**
  
- **Higher Cash Taxes**

\* Excludes revenue related to the divestiture of the Supply Chain Business (\$188M) in FY24

(1) Results of Science Applications International Corporation and its consolidated subsidiaries for the fiscal years ended February 2, 2024 and January 31, 2025

(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



# Fiscal Year 2026 Guidance

	CURRENT FISCAL YEAR 2026 GUIDANCE	PRIOR FISCAL YEAR 2026 TARGETS
Revenue	<b>\$7.60B - \$7.75B</b>	<b>\$7.55B - \$7.75B</b>
<i>Pro-Forma Organic Growth</i>	2% - 4%	2% - 4%
Adjusted EBITDA <sup>(1)</sup>	<b>\$715M - \$735M</b>	<b>~\$720M</b>
Adjusted EBITDA % <sup>(1)</sup>	<b>9.4% - 9.6%</b>	<b>9.3% - 9.5%</b>
Adjusted Diluted EPS <sup>(1)</sup>	<b>\$9.10 - \$9.30</b>	<b>\$8.90 - \$9.10</b>
Free Cash Flow <sup>(1)</sup>	<b>\$510M - \$530M</b>	<b>\$510M - \$530M</b>

## KEY ASSUMPTIONS

- ▶ FY26 adjusted diluted EPS guidance assumes the following:
  - 23% effective tax rate
  - Interest expense of ~\$120M recognized as *Interest expense, net* and ~\$15M recognized in *Other (income) expense, net* related to MARPA
  - Intangible amortization of \$110M-\$120M
  - Share count of approximately 47M

## KEY MODELING CONSIDERATIONS

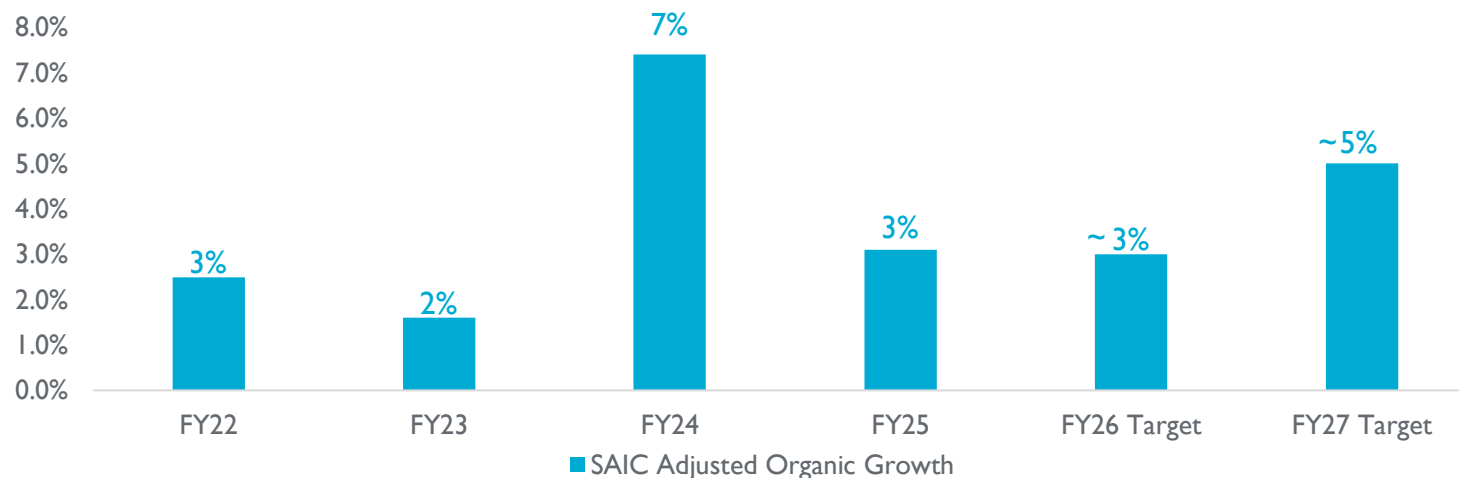
- ▶ 1H FY26 organic revenue growth of 1% to 3%
- ▶ 2H FY26 organic revenue growth of 2% to 4%

(1) Adjusted EBITDA, 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

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.



## Solid Organic Revenue Growth Expected to Continue



	FY21	FY22	FY22	FY23	FY23	FY24	FY24	FY25	FY25	FY26	FY27
Revenues, as Reported	\$7,056	\$7,394	\$7,394	\$7,704	\$7,704	\$7,444	\$7,444	\$7,479	\$7,479	\$7,675 <sup>+</sup>	\$8,025 <sup>+</sup>
Acquired Revenue		(\$184)		(\$73)							
Divested Revenue		\$25			(\$637)		(\$188)				
Working Days Adjustment**				(\$120)	(\$135)						
Adjusted Pro-forma Revenues	\$7,056	\$7,235	\$7,394	\$7,511	\$6,932	\$7,444	\$7,256	\$7,479	\$7,479	\$7,675 <sup>+</sup>	\$8,025 <sup>+</sup>
<b>Adjusted Organic Revenue y/y*</b>		<b>3%</b>		<b>2%</b>		<b>7%</b>		<b>3%</b>		<b>2% - 4%</b>	<b>4% - 6%</b>

<sup>+</sup> 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



# Multi-Year Financial Targets

	FY24	FY25A	FY26	FY27
Revenue	<b>\$7.444B</b> (\$7.26B excl. L&SCM)	↑ <b>\$7.479B</b>	↑ <b>\$7.60B - \$7.75B</b>	<b>\$7.95B - \$8.10B</b>
Organic Growth	<b>7.4%</b>	↑ <b>3.1%</b>	<b>2% - 4%</b>	<b>4% - 6%</b>
Adjusted EBITDA %*	<b>9.0%</b>	↑ <b>9.5%</b>	↑ <b>9.4% - 9.6%</b>	↑ <b>9.5% - 9.7%</b>
Adjusted EBITDA	<b>\$668M</b>	↑ <b>\$710M</b>	↑ <b>\$715M - \$735M</b>	↑ <b>~\$770M</b>
Adjusted Diluted EPS*	<b>\$7.88</b>	↑ <b>\$9.13</b>	↑ <b>\$9.10 - \$9.30</b>	↑ <b>\$10.00 - \$10.20</b>
Diluted WASO	<b>53.7M</b>	↑ <b>50.5M</b>	↑ <b>~47M</b>	↑ <b>~45M</b>
<b>Free Cash Flow*</b>	<b>\$486M</b>	↑ <b>\$507M</b>	<b>\$510M - \$530M</b>	<b>\$540M - \$560M</b>
<b>FCF per Share*</b>	<b>\$9.05</b>	↑ <b>\$10.04</b>	↑ <b>~\$11</b>	↑ <b>~\$12</b>
<b>Share Repurchases</b>	<b>\$357M</b>	↑ <b>~\$527M</b>	<b>\$350M - \$400M</b>	<b>\$350M - \$400M</b>
Target Net Leverage**			<b>~3.0x</b>	<b>~3.0x</b>

↑ Represents favorable improvement from prior targets

\* A non-GAAP financial measure; such non-GAAP measure should be considered in addition to, not a substitute for, the corresponding GAAP financial measure.  
 \*\* Target net leverage reflects approximate leverage ratio expected over the course of the multi-year plan.



# 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 <sup>+</sup>	5,000,000	11%	19	190,000	\$69	~\$5.00
December 2016	3,287,313 <sup>+</sup>	5,000,000	11%	38	90,000	\$79	~\$6.50
April 2019	4,623,534 <sup>+</sup>	6,500,000	11%	22	220,000	\$88	~\$8.00
June 2022	8,000,000 <sup>+</sup>	~8,800,000	16%	26	285,000	\$118	~\$9.50
December 2024	<b>\$1.2 BILLION</b> <sup>***</sup>		20%	TBD	TBD	TBD	TBD

\* - expected date of completion, average monthly shares repurchased, and average price of repurchased shares based on current trend

\*\* - excludes impact of MARPA facility

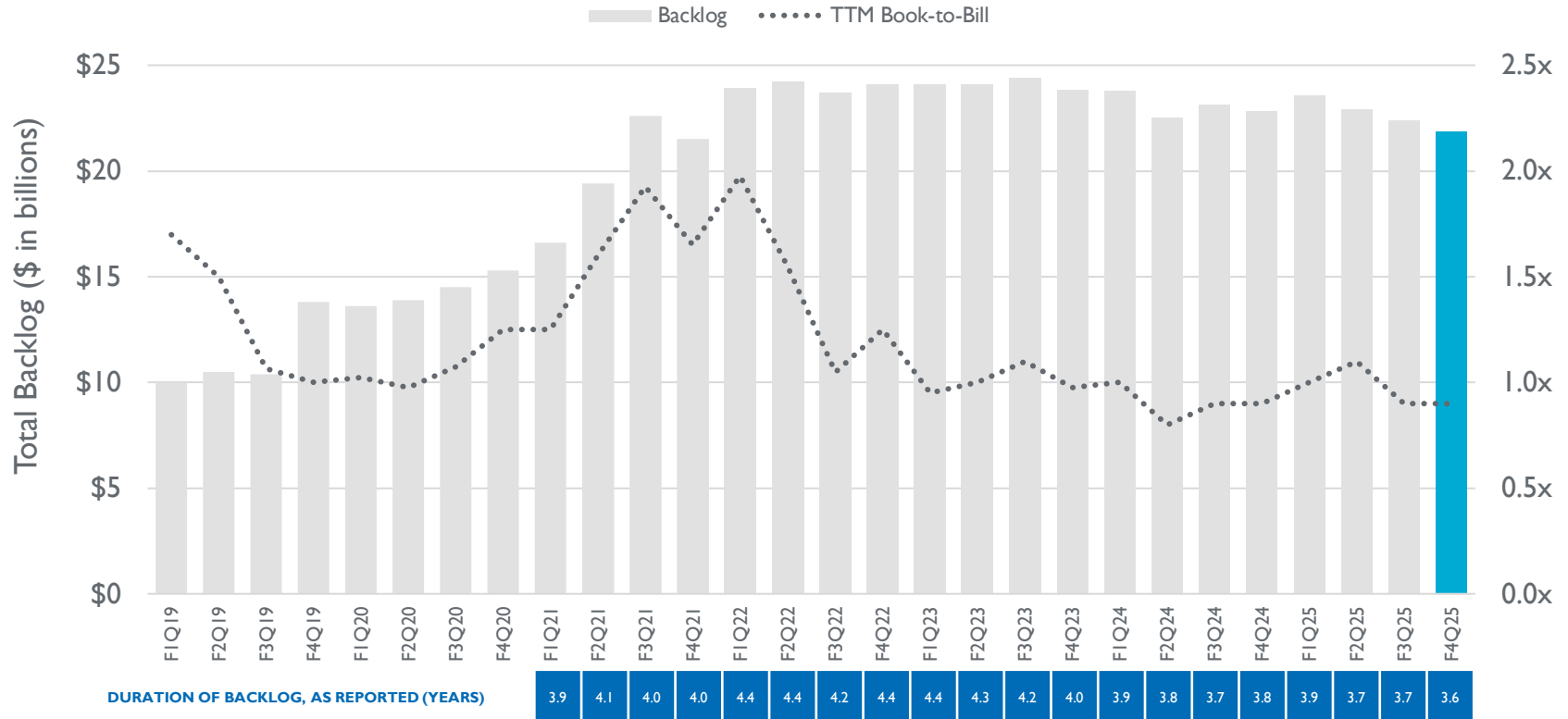
\*\*\* - beginning with the December 2024 authorization, the company changed the format of its authorization from shares to dollars

+ - 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



DURATION OF BACKLOG, INCLUDING SINGLE AWARD IDIQ (YEARS)

~ 5.5

TTM BTB of 0.9x and Total Backlog of ~\$22B



# Appendix

# Working Days Per Quarter

	Q1	Q2	Q3	Q4	Total
FY26	64	62	63	60	249
FY25	64	62	63	60	249
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



# Payroll Cycles per Quarter

	Q1	Q2	Q3	Q4	Total
FY26	7	6	7	6	26
FY25	7	6	7	6	26
FY24	7	6	7	6	26



# Non-GAAP Reconciliation – EBITDA and Adjusted EBITDA

## EBITDA and Adjusted EBITDA

	Three Months Ended		Year Ended	
	January 31, 2025	February 2, 2024	January 31, 2025	February 2, 2024
	(in millions)			
<b>Revenues</b>	<b>\$ 1,838</b>	<b>\$ 1,737</b>	<b>\$ 7,479</b>	<b>\$ 7,444</b>
<b>Net income</b>	<b>98</b>	<b>39</b>	<b>362</b>	<b>477</b>
Interest expense, net and loss on sale of receivables	<b>32</b>	<b>34</b>	<b>140</b>	<b>129</b>
Provision for income taxes	<b>9</b>	<b>9</b>	<b>66</b>	<b>143</b>
Depreciation and amortization	<b>36</b>	<b>36</b>	<b>140</b>	<b>142</b>
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 175</b>	<b>\$ 118</b>	<b>\$ 708</b>	<b>\$ 891</b>
<i>EBITDA as a percentage of revenues</i>	<i>9.5 %</i>	<i>6.8 %</i>	<i>9.5 %</i>	<i>12.0 %</i>
Acquisition and integration costs	<b>—</b>	<b>—</b>	<b>(2)</b>	<b>1</b>
Restructuring and impairment costs	<b>4</b>	<b>15</b>	<b>8</b>	<b>23</b>
Depreciation included in restructuring and impairment costs	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
Recovery of acquisition and integration costs and restructuring and impairment costs	<b>(1)</b>	<b>(5)</b>	<b>(3)</b>	<b>(6)</b>
Gain on divestitures, net of transaction costs	<b>—</b>	<b>—</b>	<b>—</b>	<b>(240)</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 177</b>	<b>\$ 127</b>	<b>\$ 710</b>	<b>\$ 668</b>
<i>Adjusted EBITDA as a percentage of revenues</i>	<i>9.6 %</i>	<i>7.3 %</i>	<i>9.5 %</i>	<i>9.0 %</i>

(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 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.



# Non-GAAP Reconciliation – Adjusted Operating Income

## Adjusted Operating Income

### Three Months Ended January 31, 2025

	GAAP results	Restructuring and impairment costs	Depreciation included in restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Depreciation of property, plant, and equipment	Amortization of intangible assets	Non-GAAP results <sup>(1)</sup>	Non-GAAP operating margin <sup>(1)</sup>
	(in millions)							
Defense and Intelligence	\$ 96	\$ —	\$ —	\$ —	\$ 1	\$ 16	\$ 113	8.3 %
Civilian	63	—	—	—	—	12	75	15.7 %
Corporate	(21)	4	(1)	(1)	7	—	(12)	NM
<b>Total</b>	<b>\$ 138</b>	<b>\$ 4</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>\$ 8</b>	<b>\$ 28</b>	<b>\$ 176</b>	<b>9.6 %</b>

### Three Months Ended February 2, 2024

	GAAP results	Restructuring and impairment costs	Depreciation included in restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Depreciation of property, plant, and equipment	Amortization of intangible assets	Non-GAAP results <sup>(1)</sup>	Non-GAAP operating margin <sup>(1)</sup>
	(in millions)							
Defense and Intelligence	\$ 100	\$ —	\$ —	\$ —	\$ —	\$ 17	\$ 117	8.7 %
Civilian	19	—	—	—	—	12	31	8.1 %
Corporate	(40)	15	(1)	(5)	7	—	(24)	NM
<b>Total</b>	<b>\$ 79</b>	<b>\$ 15</b>	<b>\$ (1)</b>	<b>\$ (5)</b>	<b>\$ 7</b>	<b>\$ 29</b>	<b>\$ 124</b>	<b>7.1 %</b>

(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 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.



# Non-GAAP Reconciliation – Adjusted Operating Income

## Adjusted Operating Income

Year Ended January 31, 2025										
	GAAP results	Acquisition and integration costs	Restructuring and impairment costs	Depreciation included in restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Depreciation of property, plant, and equipment	Amortization of intangible assets	Non-GAAP results <sup>(1)</sup>	Non-GAAP operating margin <sup>(1)</sup>	
	(in millions)									
Defense and Intelligence	\$ 440	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ 67	\$ 509	8.9 %	
Civilian	168	—	—	—	—	—	48	216	12.3 %	
Corporate	(45)	(2)	8	(1)	(3)	23	—	(20)	NM	
<b>Total</b>	<b>\$ 563</b>	<b>\$ (2)</b>	<b>\$ 8</b>	<b>\$ (1)</b>	<b>\$ (3)</b>	<b>\$ 25</b>	<b>\$ 115</b>	<b>\$ 705</b>	<b>9.4 %</b>	

Year Ended February 2, 2024											
	GAAP results	Acquisition and integration costs	Restructuring and impairment costs	Depreciation included in restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Depreciation of property, plant, and equipment	Amortization of intangible assets	Gain on divestitures, net of transaction costs	Non-GAAP results <sup>(1)</sup>	Non-GAAP operating margin <sup>(1)</sup>	
	(in millions)										
Defense and Intelligence	\$ 436	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ 67	\$ —	\$ 504	8.7 %	
Civilian	158	—	—	—	—	—	48	—	206	12.7 %	
Corporate	147	1	23	(1)	(6)	25	—	(240)	(51)	NM	
<b>Total</b>	<b>\$ 741</b>	<b>\$ 1</b>	<b>\$ 23</b>	<b>\$ (1)</b>	<b>\$ (6)</b>	<b>\$ 26</b>	<b>\$ 115</b>	<b>\$ (240)</b>	<b>\$ 659</b>	<b>8.9 %</b>	

(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 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.



# Non-GAAP Reconciliation – Adjusted Diluted Earnings per Share

## Adjusted Diluted Earnings Per Share

Three Months Ended January 31, 2025						
	As Reported	Restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Amortization of intangible assets	Non-GAAP results <sup>(1)</sup>	
(in millions, except per share amounts)						
Income before income taxes	\$ 107	\$ 4	\$ (1)	\$ 28	\$	138
Income tax expense	(9)	(1)	—	(2)		(12)
Net income	\$ 98	\$ 3	\$ (1)	\$ 26	\$	126
Diluted EPS	\$ 2.00	\$ 0.06	\$ (0.02)	\$ 0.53	\$	2.57

Three Months Ended February 2, 2024						
	As Reported	Restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Amortization of intangible assets	Gain on divestitures, net of transaction costs	Non-GAAP results <sup>(1)</sup>
(in millions, except per share amounts)						
Income before income taxes	\$ 48	\$ 15	\$ (5)	\$ 29	\$ —	\$ 87
Income tax expense	(9)	(1)	1	(5)	2	(12)
Net Income	\$ 39	\$ 14	\$ (4)	\$ 24	\$ 2	\$ 75
Diluted EPS	\$ 0.74	\$ 0.27	\$ (0.08)	\$ 0.46	\$ 0.04	\$ 1.43

(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 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.



# Non-GAAP Reconciliation – Adjusted Diluted Earnings per Share

## Adjusted Diluted Earnings Per Share

Year Ended January 31, 2025							
As Reported	Acquisition and integration costs	Restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Amortization of intangible assets	Non-GAAP results <sup>(1)</sup>		
(in millions, except per share amounts)							
Income before income taxes	\$ 428	\$ (2)	\$ 8	\$ (3)	\$ 115	\$ 546	
Income tax expense	(66)	—	(1)	—	(18)	(85)	
<b>Net income</b>	<b>\$ 362</b>	<b>\$ (2)</b>	<b>\$ 7</b>	<b>\$ (3)</b>	<b>\$ 97</b>	<b>\$ 461</b>	
<b>Diluted EPS</b>	<b>\$ 7.17</b>	<b>\$ (0.04)</b>	<b>\$ 0.14</b>	<b>\$ (0.06)</b>	<b>\$ 1.92</b>	<b>\$ 9.13</b>	

Year Ended February 2, 2024							
As Reported	Acquisition and integration costs	Restructuring and impairment costs	Recovery of acquisition and integration costs and restructuring and impairment costs	Amortization of intangible assets	Gain on divestitures, net of transaction costs	Non-GAAP results <sup>(1)</sup>	
(in millions, except per share amounts)							
Income before income taxes	\$ 620	\$ 1	\$ 23	\$ (6)	\$ 115	\$ (240)	\$ 513
Income tax expense	(143)	—	(2)	1	(21)	75	(90)
<b>Net Income</b>	<b>\$ 477</b>	<b>\$ 1</b>	<b>\$ 21</b>	<b>\$ (5)</b>	<b>\$ 94</b>	<b>\$ (165)</b>	<b>\$ 423</b>
<b>Diluted EPS</b>	<b>\$ 8.88</b>	<b>\$ 0.02</b>	<b>\$ 0.39</b>	<b>\$ (0.09)</b>	<b>\$ 1.75</b>	<b>\$ (3.07)</b>	<b>\$ 7.88</b>

(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 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.



# Non-GAAP Reconciliation – Free Cash Flow

## Free Cash Flow

	Three Months Ended		Year Ended	
	January 31, 2025	February 2, 2024	January 31, 2025	February 2, 2024
	(in millions)			
<b>Net cash provided by operating activities</b>	<b>\$ 115</b>	<b>\$ 63</b>	<b>\$ 494</b>	<b>\$ 396</b>
Expenditures for property, plant, and equipment	(15)	(11)	(36)	(27)
Cash used (provided) by MARPA Facility	136	45	41	45
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ 236</b>	<b>\$ 97</b>	<b>\$ 499</b>	<b>\$ 414</b>
L&SCM divestiture transaction fees	—	—	—	7
L&SCM divestiture cash taxes	—	18	—	74
L&SCM divestiture transition services	—	4	8	(9)
<b>Transaction-adjusted free cash flow<sup>(1)</sup></b>	<b>\$ 236</b>	<b>\$ 119</b>	<b>\$ 507</b>	<b>\$ 486</b>

	FY26 Guidance
	(in millions)
<b>Net cash provided by operating activities</b>	<b>\$545M to \$565M</b>
Expenditures for property, plant, and equipment	Approximately \$35M
<b>Free cash flow<sup>(1)</sup></b>	<b>\$510M to \$530M</b>

(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.



# Unaudited Historical Segment Financials

	Three Months Ended				Twelve Months Ended		
	May 5, 2023	August 4, 2023	November 3, 2023	February 2, 2024	February 2, 2024	February 3, 2023	
Defense and Intelligence	\$ 1,597	\$ 1,389	\$ 1,479	\$ 1,352	\$ 5,817	\$ 5,876	
Civilian	431	395	416	385	1,627	1,828	
<b>Total</b>	<b>\$ 2,028</b>	<b>\$ 1,784</b>	<b>\$ 1,895</b>	<b>\$ 1,737</b>	<b>\$ 7,444</b>	<b>\$ 7,704</b>	

The following table presents operating income for fiscal 2024 and twelve months ended fiscal 2023 under the new segment structure (in millions):

	Three Months Ended				Twelve Months Ended		
	May 5, 2023	August 4, 2023	November 3, 2023	February 2, 2024	February 2, 2024	February 3, 2023	
Defense and Intelligence	\$ 124	\$ 106	\$ 106	\$ 100	\$ 436	\$ 438	
Civilian	42	43	54	19	158	167	
Corporate	(9)	213	(17)	(40)	147	(104)	
<b>Total</b>	<b>\$ 157</b>	<b>\$ 362</b>	<b>\$ 143</b>	<b>\$ 79</b>	<b>\$ 741</b>	<b>\$ 501</b>	
<b>Operating income margin</b>							
Defense and Intelligence	7.8 %	7.6 %	7.2 %	7.4 %	7.5 %	7.5 %	
Civilian	9.7 %	10.9 %	13.0 %	4.9 %	9.7 %	9.1 %	
<b>Total operating income margin</b>	<b>7.7 %</b>	<b>20.3 %</b>	<b>7.5 %</b>	<b>4.5 %</b>	<b>10.0 %</b>	<b>6.5 %</b>	

(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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