



October 28, 2015

CACI Reports Results for Its Fiscal 2016 First Quarter

Net income of \$33.8 million, up 8.6 percent

Revenue of \$822.4 million

Cash from operations of \$78.5 million

Record backlog of \$10.6 billion, up 21.7 percent

Reiterates FY16 annual guidance

ARLINGTON, Va.--(BUSINESS WIRE)-- CACI International Inc ([NYSE MKT: CACI](#)), a leading information solutions and services provider to the federal government, announced results today for its first fiscal quarter ended September 30, 2015.

CEO Commentary and Outlook

Ken Asbury, CACI's President and CEO, said, "Our performance this quarter was strong, with positive revenue and net income growth and solid cash flow. This is a good start to our FY16 and keeps us on track to achieve organic revenue and net income growth for the full fiscal year. We won key new business and a significant number of recompetes that reflects our continued excellence in program delivery. Our backlog increased almost 22 percent to a record level of \$10.6 billion. These results give us confidence to reiterate our guidance for the full fiscal year. We remain focused on our three-part strategy of winning new business, delivering operational excellence, and deploying our capital for growth to generate long-term value for our shareholders."

First Quarter Results

| (in millions except per-share data) | Q1, FY16 | Q1, FY15 | % Change |
|-------------------------------------|----------|----------|----------|
| Revenue | \$822.4 | \$814.7 | 0.9% |
| Operating income | \$64.5 | \$60.1 | 7.4% |
| Net income attributable to CACI | \$33.8 | \$31.1 | 8.6% |
| Diluted earnings per share | \$1.37 | \$1.29 | 6.3% |

Revenue for the first quarter of Fiscal Year 2016 (FY16) increased slightly compared to the first quarter of Fiscal Year 2015 (FY15), driven by growth on existing contracts, new business, and acquired revenue. The increase in operating income was due primarily to the factors for the increase in revenue and from lower depreciation and amortization expense. Cash provided by operations in the quarter was \$78.5 million.

Additional Financial Metrics

| | Q1, FY16 | Q1, FY15 | % Change |
|---|-------------|-------------|----------|
| Earnings before interest, taxes, depreciation and amortization (EBITDA), a non-GAAP measure (in millions) | \$79.3 | \$77.2 | 2.6% |
| Diluted adjusted earnings per share, a non-GAAP measure | \$1.84 | \$1.81 | 1.8% |
| Days sales outstanding | 58 | 61 | |

First Quarter Awards and Contract Funding Orders

Our contract awards were \$1.9 billion in the first quarter of FY16. Over half of our awards in the quarter were recompeted

business. Some of our awards during the quarter included:

- A \$102 million ceiling, five-year, single award to provide litigation support services and electronic discovery for the Securities and Exchange Commission. This award represents continuing work in our [Investigation and Litigation Support](#) market area.
- A \$90 million ceiling, five-year, single award to enhance and sustain the National Public Warning System for the Federal Emergency Management Agency. This award represents new and continuing work in our [Enterprise IT](#) market area.
- A \$63.5 million, 20-month contract by the Naval Air Warfare Center Aircraft Division (NAWCAD) to continue our support for NAWCAD's Special Communications Mission Solutions Division. This award represents continuing work in our [Communications](#) and [Command and Control](#) market areas.
- A \$50 million, two-year task order to support the U.S. Army Intelligence and Information Warfare Directorate's (I2WD) Innovative Intelligence Solutions program. This award represents continuing business in our [Intelligence Systems and Support](#) market area.

Contract funding orders in the first quarter were \$1.1 billion. Our total backlog at September 30, 2015 was \$10.6 billion, an increase of 21.7 percent, compared with \$8.7 billion at the end of the first quarter of FY15. Funded backlog at September 30, 2015 was \$2.3 billion, an increase of 10.1 percent, compared with \$2.1 billion at September 30, 2014.

First Quarter Highlight

CACI entered into a cooperative research and development agreement with a federal government agency to address the escalating unmanned aircraft systems (UAS) safety challenges that airports are facing nationwide. CACI's proprietary technology detects, identifies, and tracks both UAS and UAS operators who are inadvertently or unlawfully flying in restricted airspace. Our solution will be tested in the airport environment to address the UAS threat and ensure compatibility with existing complex airport communications systems.

CACI Reiterates Its FY16 Guidance

We are reiterating the FY16 guidance we issued on August 12, 2015. The favorable variance in the first quarter compared to our initial expectations was due primarily to timing related to award fees, performance on various programs, and some product sales. This resulted in recognition of income earlier than planned for this fiscal year. The table below summarizes our FY16 guidance ranges and represents our views as of October 28, 2015:

| | FY 2016 Guidance |
|--|-----------------------------|
| (In millions except for tax rate and earnings per share) | |
| Revenue | \$3,300 - \$3,500 |
| Net income attributable to CACI | \$130 - \$140 |
| Effective corporate tax rate | 38.5% |
| Diluted earnings per share | \$5.24 - \$5.65 |
| Diluted weighted average shares | 24.8 |

Conference Call Information

We have scheduled a conference call for 8:30 AM Eastern Time Thursday, October 29, 2015 during which members of our senior management team will be making a brief presentation focusing on first quarter results and operating trends followed by a question-and-answer session. You can listen to the conference call and view the accompanying exhibits over the Internet by logging on to our homepage, www.caci.com, at the scheduled time, or you may dial 877-303-9143 and enter the confirmation code 30813819. A replay of the call will also be available over the Internet beginning at 1:00 PM Eastern Time Thursday, October 29, 2015 and can be accessed through our homepage (www.caci.com) by clicking on the CACI Investor Info button.

CACI provides information solutions and services in support of national security missions and government transformation for Intelligence, Defense, and Federal Civilian customers. A *Fortune* magazine World's Most Admired Company in the IT Services industry, CACI is a member of the Fortune 1000 Largest Companies, the Russell 2000 Index, and the S&P SmallCap 600 Index. CACI provides dynamic careers for over 16,300 employees in 120 offices worldwide. Visit www.caci.com.

There are statements made herein which do not address historical facts and, therefore, could be interpreted to be forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. The factors that could cause actual results to differ materially from those anticipated include, but are not limited to, the following: regional and national economic conditions

in the United States and globally; terrorist activities or war; changes in interest rates; currency fluctuations; significant fluctuations in the equity markets; changes in our effective tax rate; failure to achieve contract awards in connection with re-competes for present business and/or competition for new business; the risks and uncertainties associated with client interest in and purchases of new products and/or services; continued funding of U.S. government or other public sector projects, based on a change in spending patterns, implementation of spending cuts (sequestration) under the Budget Control Act of 2011; changes in budgetary priorities or in the event of a priority need for funds, such as homeland security; government contract procurement (such as bid protest, small business set asides, loss of work due to organizational conflicts of interest, etc.) and termination risks; the results of government audits and reviews conducted by the Defense Contract Audit Agency, the Defense Contract Management Agency, or other governmental entities with cognizant oversight; individual business decisions of our clients; paradigm shifts in technology; competitive factors such as pricing pressures and/or competition to hire and retain employees (particularly those with security clearances); market speculation regarding our continued independence; material changes in laws or regulations applicable to our businesses, particularly in connection with (i) government contracts for services, (ii) outsourcing of activities that have been performed by the government, and (iii) competition for task orders under Government Wide Acquisition Contracts (GWACs) and/or schedule contracts with the General Services Administration; the ability to successfully integrate the operations of our recent and any future acquisitions; our own ability to achieve the objectives of near term or long range business plans; and other risks described in our Securities and Exchange Commission filings.

CACI-Financial

Selected Financial Data

CACI International Inc

Condensed Consolidated Statements of Operations (Unaudited)

(Amounts in thousands, except per share amounts)

| | Quarter Ended | | % Change |
|---|---------------|-----------|----------|
| | 9/30/2015 | 9/30/2014 | |
| Revenue | \$822,442 | \$814,726 | 0.9% |
| Costs of revenue | | | |
| Direct costs | 537,424 | 536,604 | 0.2% |
| Indirect costs and selling expenses | 205,700 | 200,827 | 2.4% |
| Depreciation and amortization | 14,811 | 17,236 | -14.1% |
| Total costs of revenue | 757,935 | 754,667 | 0.4% |
| Operating income | 64,507 | 60,059 | 7.4% |
| Interest expense and other, net | 9,182 | 9,080 | 1.1% |
| Income before income taxes | 55,325 | 50,979 | 8.5% |
| Income taxes | 21,523 | 19,722 | 9.1% |
| Net income | 33,802 | 31,257 | 8.1% |
| Noncontrolling interest | - | (127) | |
| Net income attributable to CACI | \$ 33,802 | \$ 31,130 | 8.6% |
| Basic earnings per share | \$ 1.40 | \$ 1.32 | 5.7% |
| Diluted earnings per share | \$ 1.37 | \$ 1.29 | 6.3% |
| Weighted average shares used in per share computations: | | | |
| Basic | 24,208 | 23,565 | |
| Diluted | 24,629 | 24,104 | |

Statement of Operations Data (Unaudited)

| | Quarter Ended | | % Change |
|-------------------------|---------------|-----------|----------|
| | 9/30/2015 | 9/30/2014 | |
| Operating income margin | 7.8% | 7.4% | |
| Tax rate | 38.9% | 38.8% | |
| Net income margin | 4.1% | 3.8% | |
| EBITDA* | \$ 79,269 | \$ 77,247 | 2.6% |
| EBITDA margin | 9.6% | 9.5% | |

| | | | |
|---|-----------|-----------|------|
| Adjusted net income attributable to CACI* | \$ 45,340 | \$ 43,608 | 4.0% |
| Diluted adjusted earnings per share | \$ 1.84 | \$ 1.81 | 1.8% |

*See Reconciliation of Net Income to Earnings before Interest, Taxes, Depreciation and Amortization and to Adjusted Net Income on page 8.

Selected Financial Data (Continued)

CACI International Inc Condensed Consolidated Balance Sheets (Unaudited)

(Amounts in thousands)

| | <u>9/30/2015</u> | <u>6/30/2015</u> |
|--|--------------------|--------------------|
| ASSETS: | | |
| Current assets | | |
| Cash and cash equivalents | \$ 28,999 | \$ 35,364 |
| Accounts receivable, net | 546,964 | 596,155 |
| Prepaid expenses and other current assets | 53,707 | 44,941 |
| Total current assets | <u>629,670</u> | <u>676,460</u> |
| Goodwill and intangible assets, net | 2,383,250 | 2,384,998 |
| Property and equipment, net | 61,290 | 63,689 |
| Other long-term assets | 130,852 | 131,969 |
| Total assets | <u>\$3,205,062</u> | <u>\$3,257,116</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY: | | |
| Current liabilities | | |
| Current portion of long-term debt | \$ 38,965 | \$ 38,965 |
| Accounts payable | 48,392 | 56,840 |
| Accrued compensation and benefits | 178,469 | 185,830 |
| Other accrued expenses and current liabilities | 116,182 | 118,046 |
| Total current liabilities | <u>382,008</u> | <u>399,681</u> |
| Long-term debt, net of current portion | 954,913 | 1,029,335 |
| Other long-term liabilities | 359,189 | 347,828 |
| Total liabilities | <u>1,696,110</u> | <u>1,776,844</u> |
| Shareholders' equity | <u>1,508,952</u> | <u>1,480,272</u> |
| Total liabilities and shareholders' equity | <u>\$3,205,062</u> | <u>\$3,257,116</u> |

Selected Financial Data (Continued)

CACI International Inc Condensed Consolidated Statements of Cash Flows (Unaudited)

(Amounts in thousands)

| | Three Months Ended | |
|--|---------------------------|------------------|
| | 9/30/2015 | 9/30/2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 33,802 | \$ 31,257 |
| Reconciliation of net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 14,811 | 17,236 |
| Amortization of deferred financing costs | 577 | 691 |
| Stock-based compensation expense | 3,638 | 2,620 |

| | | |
|--|---------------|----------------|
| Provision for deferred income taxes | 7,885 | 9,139 |
| Undistributed loss (earnings) of unconsolidated ventures | 49 | (79) |
| Changes in operating assets and liabilities, net of effect of business acquisitions: | | |
| Accounts receivable, net | 48,190 | 47,117 |
| Prepaid expenses and other assets | (10,869) | 977 |
| Accounts payable and accrued expenses | (9,945) | 1,986 |
| Accrued compensation and benefits | (6,949) | (1,068) |
| Income taxes receivable and payable | (785) | 3,666 |
| Other liabilities | (1,931) | (1,810) |
| Net cash provided by operating activities | <u>78,473</u> | <u>111,732</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|--|----------------|----------------|
| Capital expenditures | (4,479) | (3,361) |
| Purchase of business, net of cash acquired | (2,767) | - |
| Other | (765) | 1,125 |
| Net cash used in investing activities | <u>(8,011)</u> | <u>(2,236)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | | |
|--|------------------|------------------|
| Net payments under credit facilities | (74,741) | (70,391) |
| Proceeds from employee stock purchase plans | 801 | 932 |
| Repurchases of common stock | (794) | (925) |
| Payment of taxes for equity transactions | (2,340) | (5,883) |
| Other | 834 | 2,991 |
| Net cash used in financing activities | <u>(76,240)</u> | <u>(73,276)</u> |
| Effect of exchange rate changes on cash and cash equivalents | (587) | (689) |
| Net (decrease) increase in cash and cash equivalents | (6,365) | 35,531 |
| Cash and cash equivalents, beginning of period | 35,364 | 64,461 |
| Cash and cash equivalents, end of period | <u>\$ 28,999</u> | <u>\$ 99,992</u> |

Selected Financial Data (Continued)

Revenue by Customer Type (Unaudited)

Quarter Ended

| (dollars in thousands) | 9/30/2015 | | 9/30/2014 | | \$ Change | % Change |
|---------------------------|------------------|---------------|------------------|---------------|-----------------|-------------|
| Department of Defense | \$543,519 | 66.1% | \$554,298 | 68.0% | \$ (10,779) | -1.9% |
| Federal Civilian Agencies | 225,423 | 27.4% | 208,245 | 25.6% | 17,178 | 8.2% |
| Commercial and other | 53,500 | 6.5% | 52,183 | 6.4% | 1,317 | 2.5% |
| Total | <u>\$822,442</u> | <u>100.0%</u> | <u>\$814,726</u> | <u>100.0%</u> | <u>\$ 7,716</u> | <u>0.9%</u> |

Revenue by Contract Type (Unaudited)

Quarter Ended

| (dollars in thousands) | 9/30/2015 | | 9/30/2014 | | \$ Change | % Change |
|------------------------|------------------|---------------|------------------|---------------|-----------------|-------------|
| Cost reimbursable | \$387,998 | 47.2% | \$374,143 | 45.9% | 13,855 | 3.7% |
| Fixed price | 289,301 | 35.2% | 292,110 | 35.9% | (2,809) | -1.0% |
| Time and materials | 145,143 | 17.6% | 148,473 | 18.2% | \$ (3,330) | -2.2% |
| Total | <u>\$822,442</u> | <u>100.0%</u> | <u>\$814,726</u> | <u>100.0%</u> | <u>\$ 7,716</u> | <u>0.9%</u> |

Revenue Received as a Prime versus Subcontractor (Unaudited)

Quarter Ended

| (dollars in thousands) | 9/30/2015 | | 9/30/2014 | | \$ Change | % Change |
|------------------------|------------------|---------------|------------------|---------------|-----------------|-------------|
| Prime | \$742,578 | 90.3% | \$725,979 | 89.1% | \$ 16,599 | 2.3% |
| Subcontractor | 79,864 | 9.7% | 88,747 | 10.9% | (8,883) | -10.0% |
| Total | <u>\$822,442</u> | <u>100.0%</u> | <u>\$814,726</u> | <u>100.0%</u> | <u>\$ 7,716</u> | <u>0.9%</u> |

Contract Funding Orders Received (Unaudited)

| (dollars in thousands) | Quarter Ended | | | |
|-------------------------|---------------|-------------|-------------|----------|
| | 9/30/2015 | 9/30/2014 | \$ Change | % Change |
| Contract Funding Orders | \$1,128,476 | \$1,349,896 | \$(221,420) | -16.4% |

Direct Costs by Category (Unaudited)

| (dollars in thousands) | Quarter Ended | | | | | |
|------------------------|---------------|--------|-----------|--------|-----------|----------|
| | 9/30/2015 | | 9/30/2014 | | \$ Change | % Change |
| Direct labor | \$270,464 | 50.3% | \$258,119 | 48.1% | \$ 12,345 | 4.8% |
| Other direct costs | 266,960 | 49.7% | 278,485 | 51.9% | (11,525) | -4.1% |
| Total direct costs | \$537,424 | 100.0% | \$536,604 | 100.0% | \$ 820 | 0.2% |

Selected Financial Data (Continued)

**Reconciliation of Net Income to Earnings Before Interest, Taxes, Depreciation
and Amortization (EBITDA) and to Adjusted Net Income
(Unaudited)**

The Company views EBITDA, EBITDA margin, Adjusted Net Income and Diluted Adjusted Earnings Per Share as important indicators of performance, consistent with the manner in which management measures and forecasts the Company's performance. EBITDA is a commonly used non-GAAP measure when comparing our results with those of other companies. We believe Adjusted Net Income is a significant driver of long-term value and is used by investors to measure our performance. This measure in particular assists readers in further understanding our results and trends from period-to-period by removing certain non-cash items that do not impact the cash flow performance of our business. EBITDA is defined by us as GAAP net income attributable to CACI plus net interest expense, income taxes, and depreciation and amortization. EBITDA margin is EBITDA divided by revenue. Adjusted Net Income is defined by us as GAAP net income attributable to CACI plus stock-based compensation expense, depreciation and amortization, amortization of financing costs, and non-cash interest expense, net of related tax effects. Diluted Adjusted Earnings Per Share is Adjusted Net Income divided by diluted weighted-average shares, as reported. EBITDA and Adjusted Net Income as defined by us may not be computed in the same manner as similarly titled measures used by other companies. These non-GAAP measures should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP.

| (dollars in thousands) | Quarter Ended | | |
|---------------------------------|---------------|-----------|----------|
| | 9/30/2015 | 9/30/2014 | % Change |
| Net income attributable to CACI | \$ 33,802 | \$ 31,130 | 8.6% |
| Plus: | | | |
| Income taxes | 21,523 | 19,722 | 9.1% |
| Interest expense, net | 9,133 | 9,159 | -0.3% |
| Depreciation and amortization | 14,811 | 17,236 | -14.1% |
| EBITDA | \$ 79,269 | \$ 77,247 | 2.6% |

| (dollars in thousands) | Quarter Ended | | |
|------------------------|---------------|-----------|----------|
| | 9/30/2015 | 9/30/2014 | % Change |
| Revenue, as reported | \$822,442 | \$814,726 | 0.9% |
| EBITDA | \$ 79,269 | \$ 77,247 | 2.6% |
| EBITDA margin | 9.6% | 9.5% | |

| (dollars in thousands) | Quarter Ended | | |
|---------------------------------|---------------|-----------|----------|
| | 9/30/2015 | 9/30/2014 | % Change |
| Net income attributable to CACI | \$ 33,802 | \$ 31,130 | 8.6% |
| Plus: | | | |
| Stock-based compensation | 3,638 | 2,620 | 38.9% |
| Depreciation and amortization | 14,811 | 17,236 | -14.1% |

| | | | |
|--|------------------|------------------|-------------|
| Amortization of financing costs | 577 | 691 | -16.5% |
| Less: | | | |
| Related tax effect | (7,488) | (8,069) | -7.2% |
| Adjusted net income attributable to CACI | <u>\$ 45,340</u> | <u>\$ 43,608</u> | <u>4.0%</u> |

| | Quarter Ended | | |
|--|----------------------|------------------|-----------------|
| (shares in thousands) | 9/30/2015 | 9/30/2014 | % Change |
| Diluted weighted average shares, as reported | 24,629 | 24,104 | |
| Diluted earnings per share | \$ 1.37 | \$ 1.29 | 6.3% |
| Diluted adjusted earnings per share | \$ 1.84 | \$ 1.81 | 1.8% |

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