



Investor Day

May 14, 2018



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Non-GAAP reconciliations

This presentation includes certain non-GAAP financial measures, including adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted EBITDA margin, adjusted EBITA margin, net leverage, adjusted net income, adjusted diluted EPS and free cash flow. These non-GAAP financial measures are not meant to be considered in isolation or as a substitute for results prepared in accordance with accounting principles generally accepted in the United States (GAAP). Our management team believe these non-GAAP financial measures provide useful supplemental information to investors regarding our financial condition, cash flow and results of operations as they provide another measure of our profitability and ability to service our debt, and are considered important measures by financial analysts covering us and our peers.

There are limitations to the use of the non-GAAP financial measures presented in this presentation. One of the limitations is that they do not reflect complete financial results. We compensate for this limitation by providing a reconciliation between our non-GAAP financial measures and the respective most directly comparable financial measure calculated and presented in accordance with GAAP. Additionally, other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes between companies.

Definitions of the non-GAAP financial measures included in this presentation and reconciliations of the non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP accompanies this presentation and is available at http://assets1.dxc.technology/investor_relations/downloads/Perspecta_Investor_Day_Reconciliations_2018_05_14.pdf

Agenda

Introducing Perspecta

Mike Lawrie
Chairman of the Board

Perspecta overview and strategy

Mac Curtis
President and Chief Executive Officer

Financial highlights and outlook

John Kavanaugh
SVP and Chief Financial Officer

Q&A

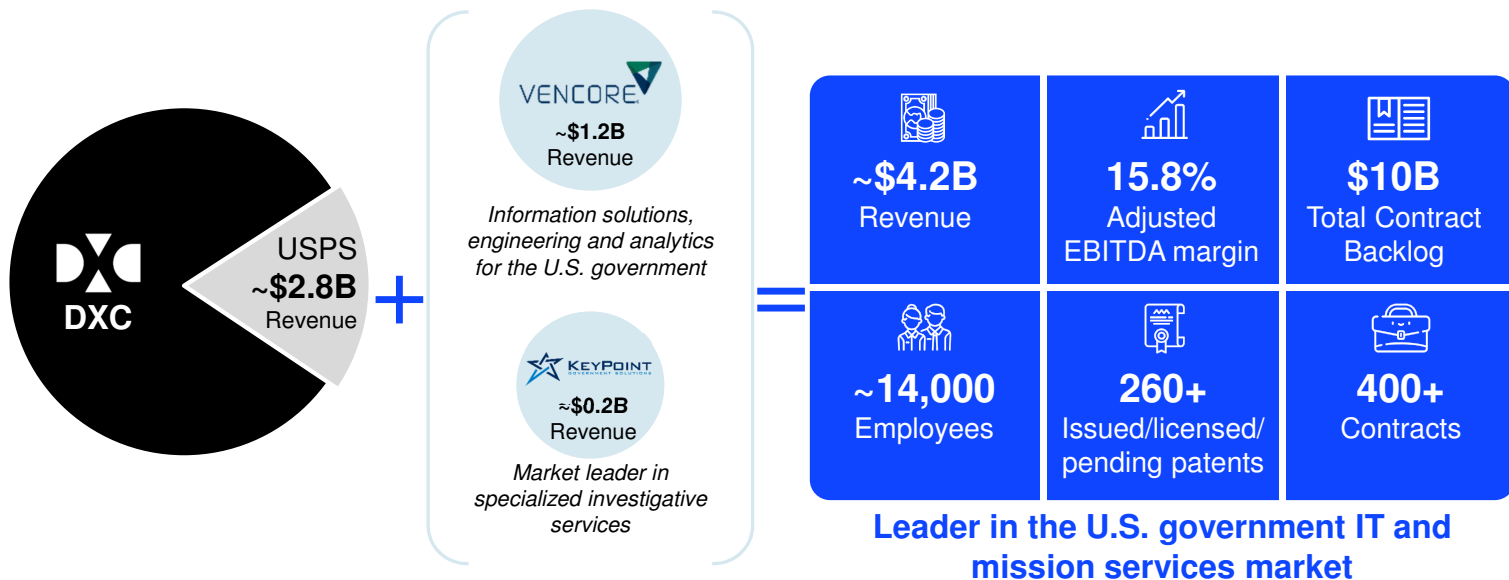


Introducing Perspecta

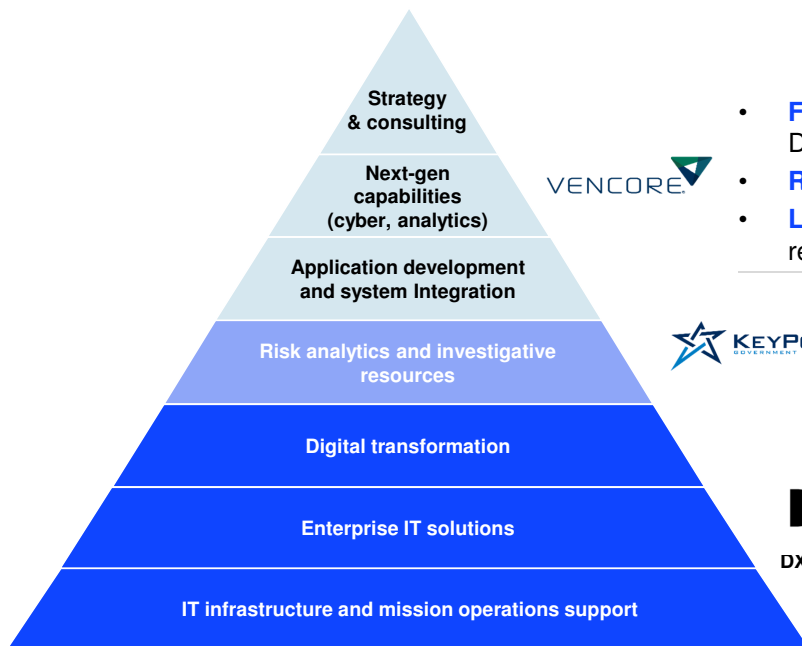
Mike Lawrie
Chairman of the Board



Pure-play government services provider formed through combination of DXC's U.S. Public Sector business with Vencore and KeyPoint



Complementary capabilities to enable government client missions



VENCORE

- **Franchise position** in Intel community and Department of Defense
- **Rich IP and innovation** portfolio
- **Largest recipient** of DARPA grants for cybersecurity applied research

KEYPOINT
GOVERNMENT SOLUTIONS

- **Leading provider** of background investigation services for federal government
- **Proprietary platform** to deliver high volume complex investigations

DXC USPS

- **Strong position** across federal, state, and local markets
- **Compelling offerings** in cloud, applications, IT operations, workplace and mobility
- **Digital transformation** partner of choice for the U.S. government

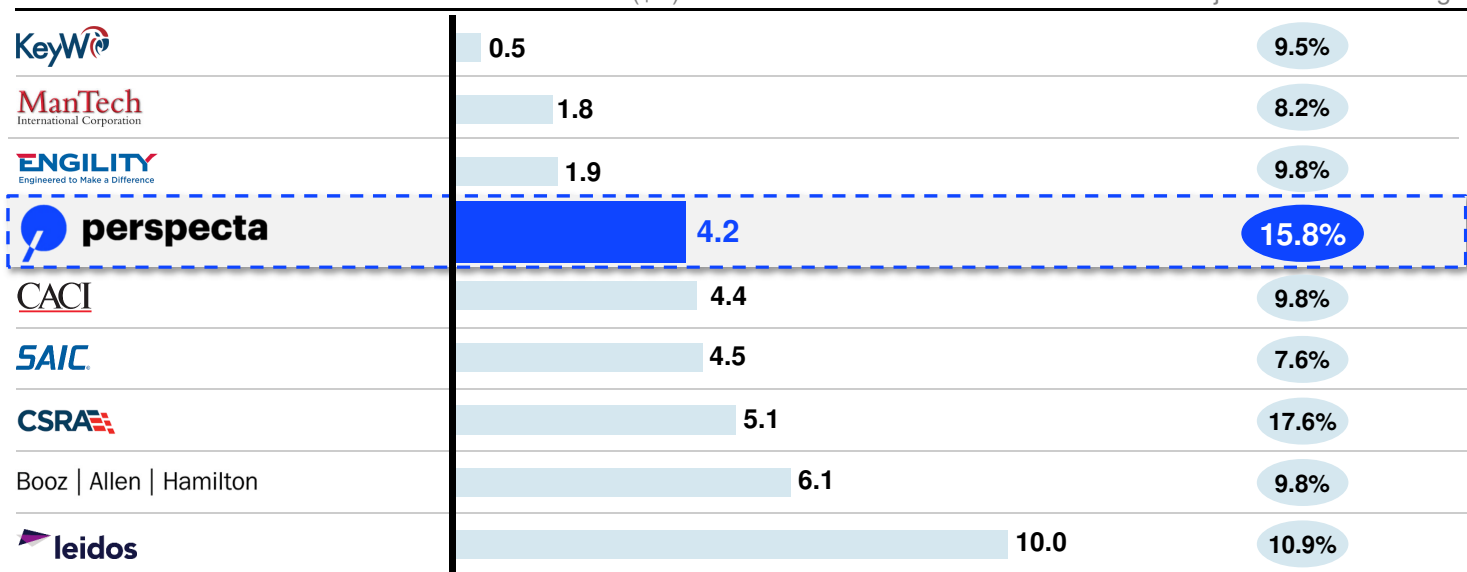
Meaningful scale and compelling financial profile

Significant Scale

LTM Revenues (\$B)

Leading Margins

LTM Adjusted EBITDA Margin



Strong management team and governance



Mac Curtis
CEO

- 25+ years of senior experience in the federal government contracting industry with a proven history of value creation
- CEO roles at Vencore, Vangent, and Pearson Government Solutions



John Kavanaugh
CFO

- Extensive track record of driving operational and financial improvements in public sector markets
- Leadership roles at DXC (CFO of Americas), Xerox, and Northrop Grumman

Perspecta board

Mike Lawrie CEO of DXC Chairman	Mac Curtis CEO of Perspecta	Sanju Bansal Co-founder of MicroStrategy CEO of Hunch Analytics	Sondra Barbour Previously EVP of IS&GS for Lockheed Martin	Lisa Disbrow Previously Under Secretary of US Air Force
Pamela Kimmet Chief HR Officer at Cardinal Health	Ramzi Musallam CEO of Veritas	Philip Nolan Venture Partner at Blue Delta Capital Partners	Biggs Porter Previously CFO of Fluor Corporation	Paul Saleh CFO of DXC



Perspecta overview and strategy

Mac Curtis
President and Chief Executive Officer



Government services industry backdrop

Trends in the market



**Improved
budget outlook**



**Mandate for IT –
mission enablement**



**Industry
consolidation**



**Infrastructure
modernization**



**Accelerating
adoption of digital**



**Return to
Best Value**

\$5B

Increase in
Intelligence budget

\$74B

Increase in
Defense budget

14%

Increase in DoD
base budget

\$80B+

Government-
wide IT spend



Power of Perspecta

- 1 Deep mission expertise and customer relationships**
- 2 End-to-end offerings supported by strong innovation engine and IP**
- 3 Aligned to government priorities**
- 4 Talented employee base and experienced management team**
- 5 Meaningful scale and compelling financial profile**
- 6 Positioned for growth**

1 Rich pedigree and deep mission expertise

Rich pedigree



50+ year legacy delivering next-generation solutions to a broad set of federal agencies



Deep intimacy built upon critical mission partnership, in some cases since agency inception



Government's largest investigative services provider with a relationship that spans over a decade



Mission expertise

2.5B

Intrusion attempts prevented per year for the US Navy

1B+

Medicare claims processed per year

#1

Provider of Systems Engineering services for intelligence community

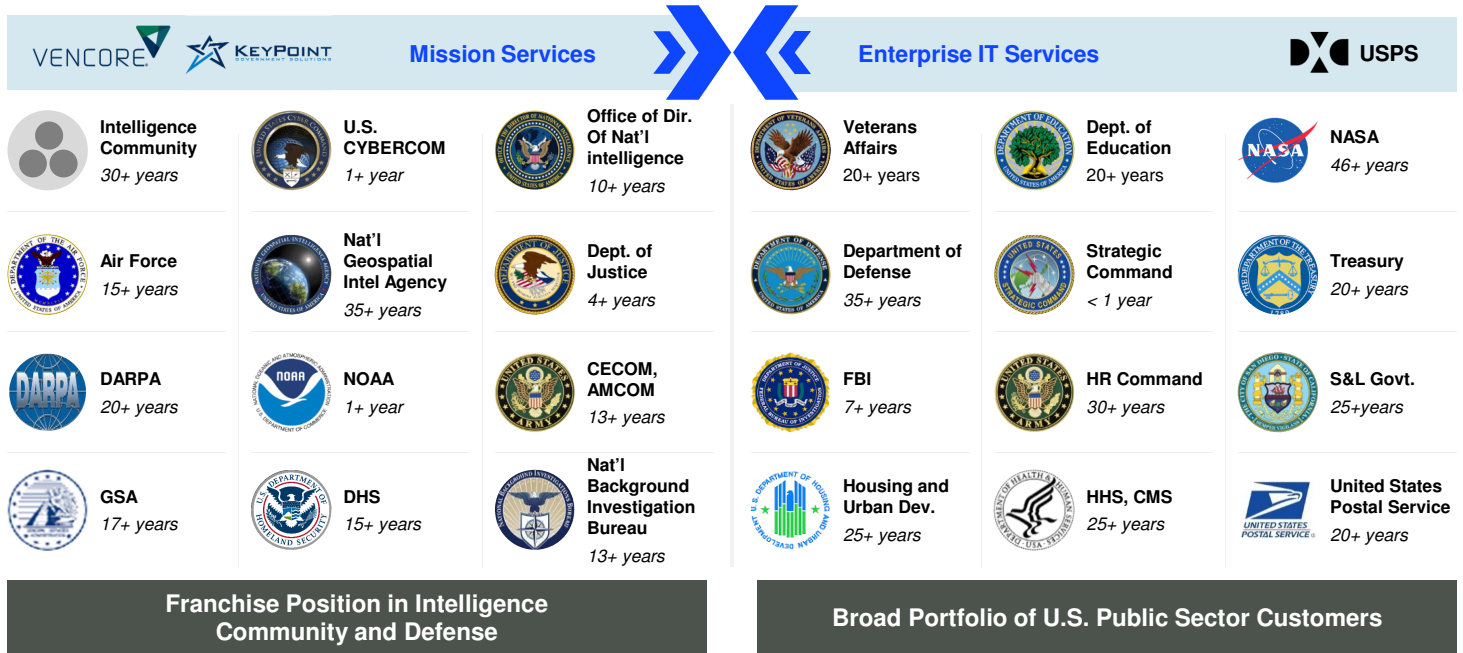
1st

Cloud migration supported in intelligence community

200k+

Background investigations conducted per year

1 Long-standing relationships with minimal client overlap



2 End-to-end portfolio of service offerings and solutions

Supported by a strong innovation engine and broad partner network

Strong Innovation Engine and Extensive IP Portfolio

260+

Issued, licensed, and pending patents

Largest

Contractor for DARPA cybersecurity research

170+

PhDs on staff

50%

Technical research staff who are patent inventors (Bell Labs heritage)

\$80M+

In government funding for applied research



Academic Partners



Massachusetts Institute of Technology



PRINCETON UNIVERSITY



COLUMBIA UNIVERSITY



PURDUE UNIVERSITY

Carnegie Mellon University



GEORGETOWN UNIVERSITY



PennState



TEXAS A&M UNIVERSITY

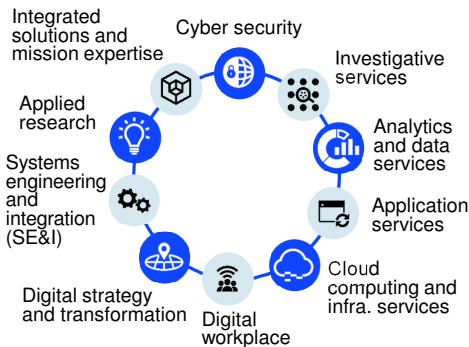


RUTGERS



UNIVERSITY OF MARYLAND

End-to-End Service Offerings and Solutions

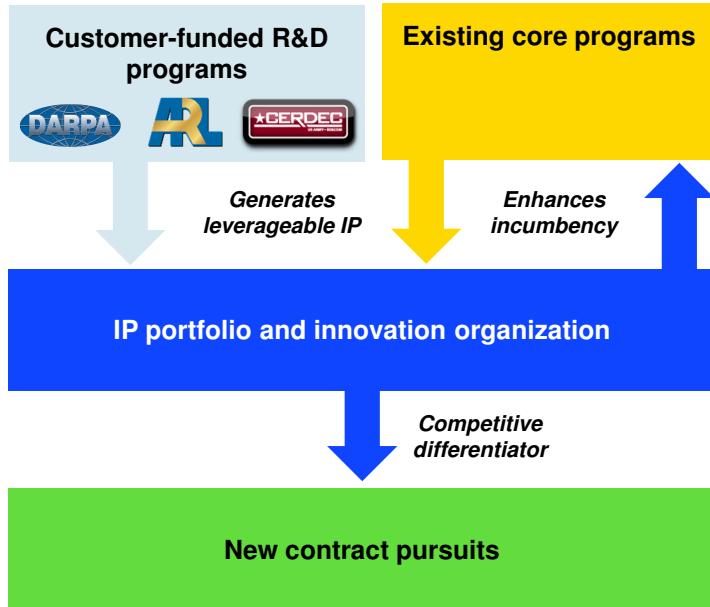


Broad Partner Network



2 Differentiated IP and innovation portfolio

Leading cybersecurity provider for U.S. government



IP Expertise across offerings

- *Cyber Warfare*
- *Multi-INT Operations*
- *Smart Grid Cyber Protection*
- *Quantum Computing*
- *Optical Networking*
- *Digital data solutions*
- *SIGINT Mission Management*
- *Machine Learning*
- *Precision Geolocation*
- *Health360*
- *Smart Data Analytics*
- *Edge-Directed Cyber Protection*

Leader in cybersecurity



Full
lifecycle

- *Engineering*
- *Solutions*
- *Systems integration*
- *Security operations*



Patented
technology

- *Zero-Day Enterprise Security System*
- *SecureSMART*
- *Smartphone security*



Fully
accredited

- *FedRAMP*
- *HIPAA*
- *ITAR*

3 Aligned to government priorities

Enabling the government's most important missions

Government's Key Priorities

Focus on IT infrastructure modernization

Government migration to cloud

Increased focus on cybersecurity

Accelerating digital investment and adoption

Proliferation of data and demand for analytics

Protect against evolving threats



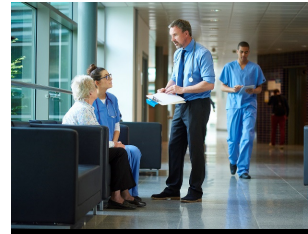
Modernize and operate the largest Intranet in the world for the U.S. Navy and Marine Corps



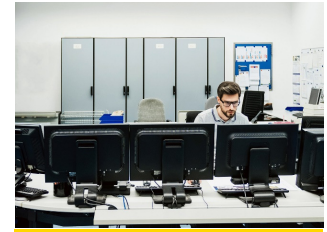
Manage CMS (Centers for Medicare / Medicaid Services) claims processing applications that process 1B+ claims annually



Transition Intelligence Community and other Federal clients to government and commercial clouds



Prevent fraud and abuse in government systems, avoiding over \$8.8B in inappropriate payments



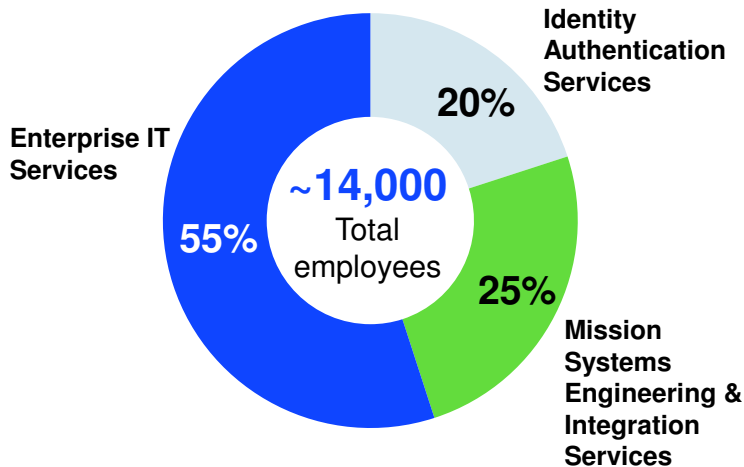
Secure the .MIL and .GOV networks against billions of threats per year



Eliminate backlog of 700k+ security clearance applications for NBIB (National Backgrounds Investigations Bureau)

4 Talented employee base and experienced management team

Led by experienced team of innovative leaders



2,000+

Lean Six Sigma
certifications

6,550+

Security cleared
professionals

1,000+

Agile certifications

1,600+

Microsoft certifications

260+

Issued/licensed patents

Level 5

CMMI maturity level

90-95%

Recompete win rates

96%

Vencore award fees

5 Significant scale and compelling financial profile

Favorable contract mix, %

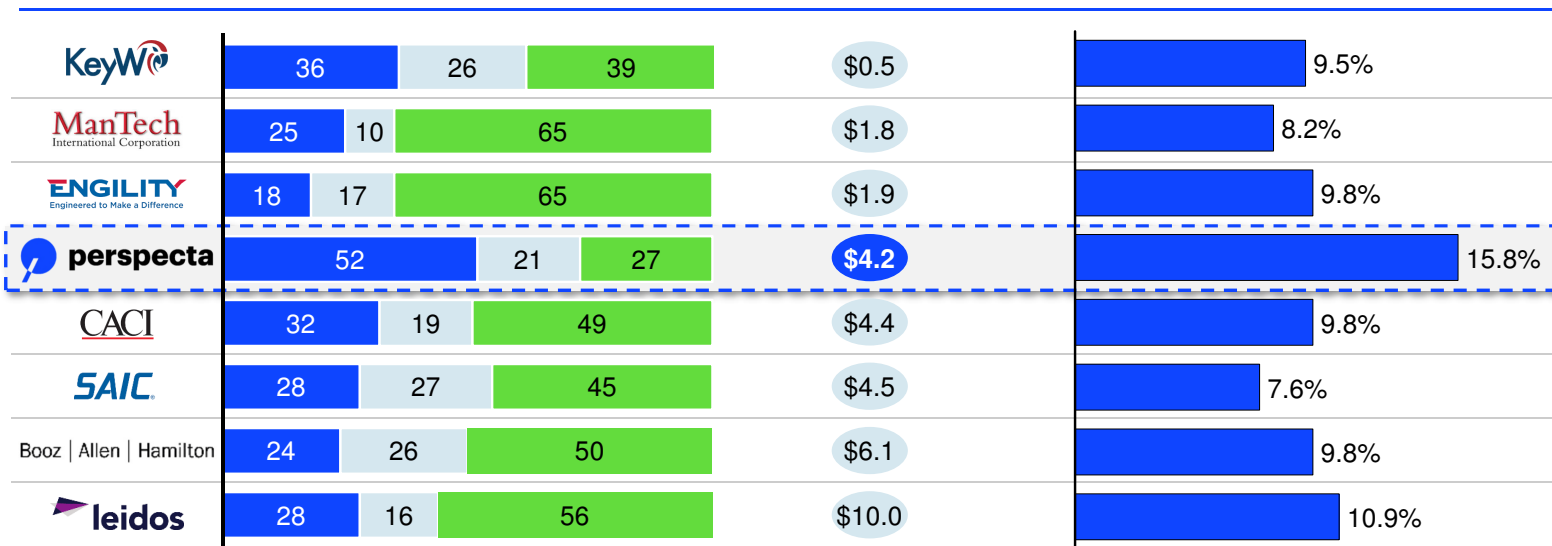
■ Fixed price ■ Time and Materials ■ Cost plus

Significant scale

LTM Revenues (\$B)

Leading margins

LTM Adjusted EBITDA margin



6 Building momentum and laying foundation for growth

Positioned for growth

Strong backlog

\$10B
Existing Backlog

1.3x
Vencore
Book-to-Bill

0.8x
USPS
Book-to-Bill

Strong recompute win rates

90-95%
Recompute win rates

Momentum from recent takeaway wins



TENCAP



DHS CBP
NOC



Sapphire



Chromia



NOAA
SETS



MCEITS

\$500M+
Takeaway wins
since 2017



Significant combined opportunity

Three-year pipeline: ~\$67B

Access new value
pipeline (“third pipeline”)

\$10 - 15B

Improve new business
competitiveness (Pwin)

\$40 - 45B

On contract growth

Protect existing business

\$12B

6 Combination unlocks new opportunities and improves competitiveness

Expanded Opportunity

Combined capabilities provide access to new value pipeline



Increased Win Rate

Robust business development function coupled with breadth of offering enable higher win rate



Department of State Growth

Rationale: Expand into DOS by leveraging high-end cyber security, data analytics and enterprise-wide IT infrastructure support as a single IT platform across DOS world-wide

Representative Program:

Vanguard 2.2.1

Systems Engineering & Integration, application services, IT infrastructure support



DOS

Customer

\$3B

TCV

Combined Capabilities into New Navy Programs

Rationale: Leverage USPS' expertise in enterprise IT systems and Vencore's cyber capabilities and deep understanding of Navy mission to win large Navy IT modernization programs

Representative Program:

Department of the Navy Personnel and Pay Modernization

System architecture design, cyber hardening, development, and O&M



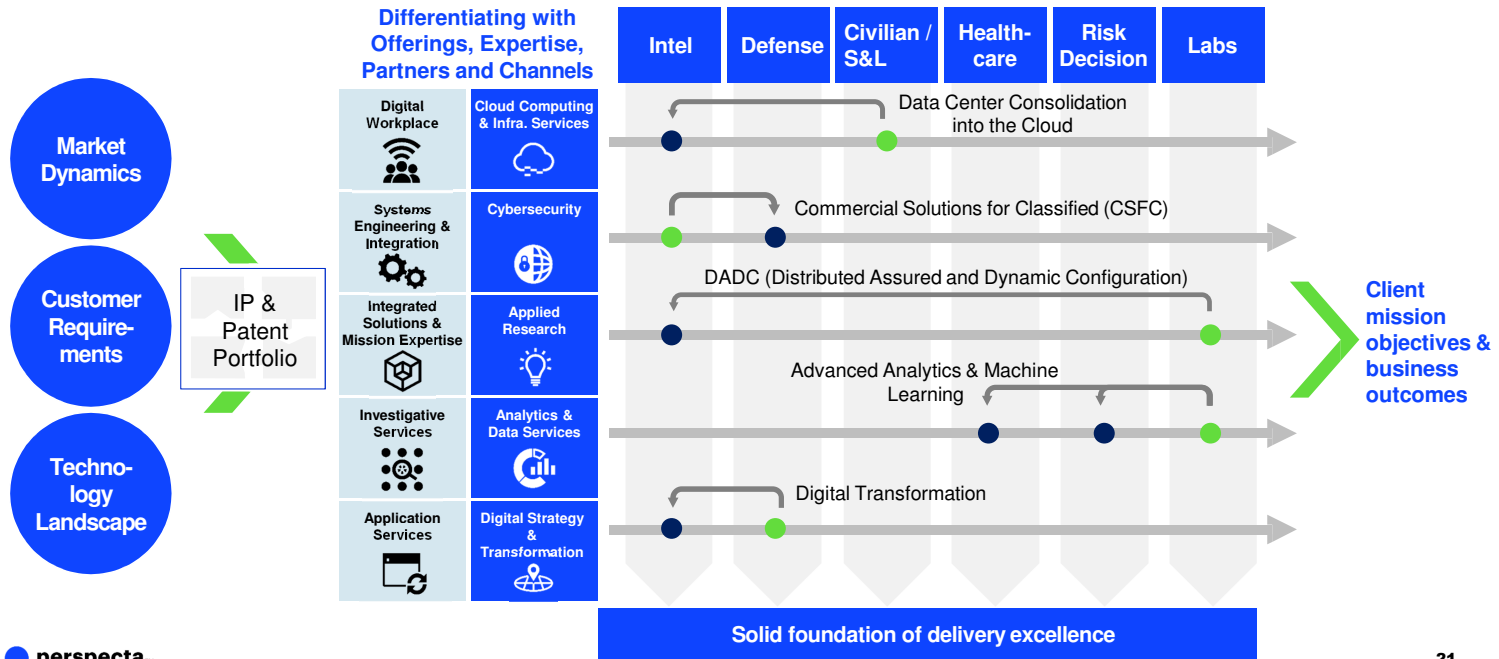
SPAWAR

Customer

\$900M

TCV

6 Go-to-market engine to pursue growth strategy



Power of Perspecta... drives our 3 year financial targets

- 1** Deep mission expertise and customer relationships
- 2** End-to-end offerings supported by strong innovation engine and IP
- 3** Aligned to government priorities
- 4** Talented employee base and experienced management team
- 5** Meaningful scale and compelling financial profile
- 6** Positioned for growth



	FY20- FY22	
Revenue	3-5% CAGR	Accelerate growth and take market share
Adjusted EBITDA Margin	16-17%	Defend our margins
Free Cash Flow	90-100%+ of adjusted net income	Maintain strong cash collections
Adjusted Diluted EPS	8-12%+ CAGR	Accretively allocate capital



Financial highlights and outlook

John Kavanaugh
SVP and Chief Financial Officer



Drivers of value creation

Accelerating
revenue growth

3-5%

FY20-FY22 CAGR

- Leverage core business
- Use IP to expand capabilities
- Capitalize on government's focus on digital transformation

Sustainable
margins

16-17%

Adjusted EBITDA
Margins

- Favorable contract mix
- Workforce optimization and automation
- Merger cost synergies

Strong free
cash flow

90-100%+

Of Adjusted Net
Income

- Working capital efficiency
- Positive tax attributes
- Supports investment in the business

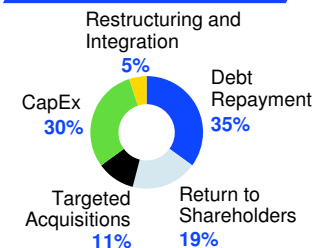
Solid balance
sheet and liquidity

3.0-3.5x

Target Net Leverage

- Prudent maturity ladder
- No near-term refinancing requirement
- \$600M revolving credit facility

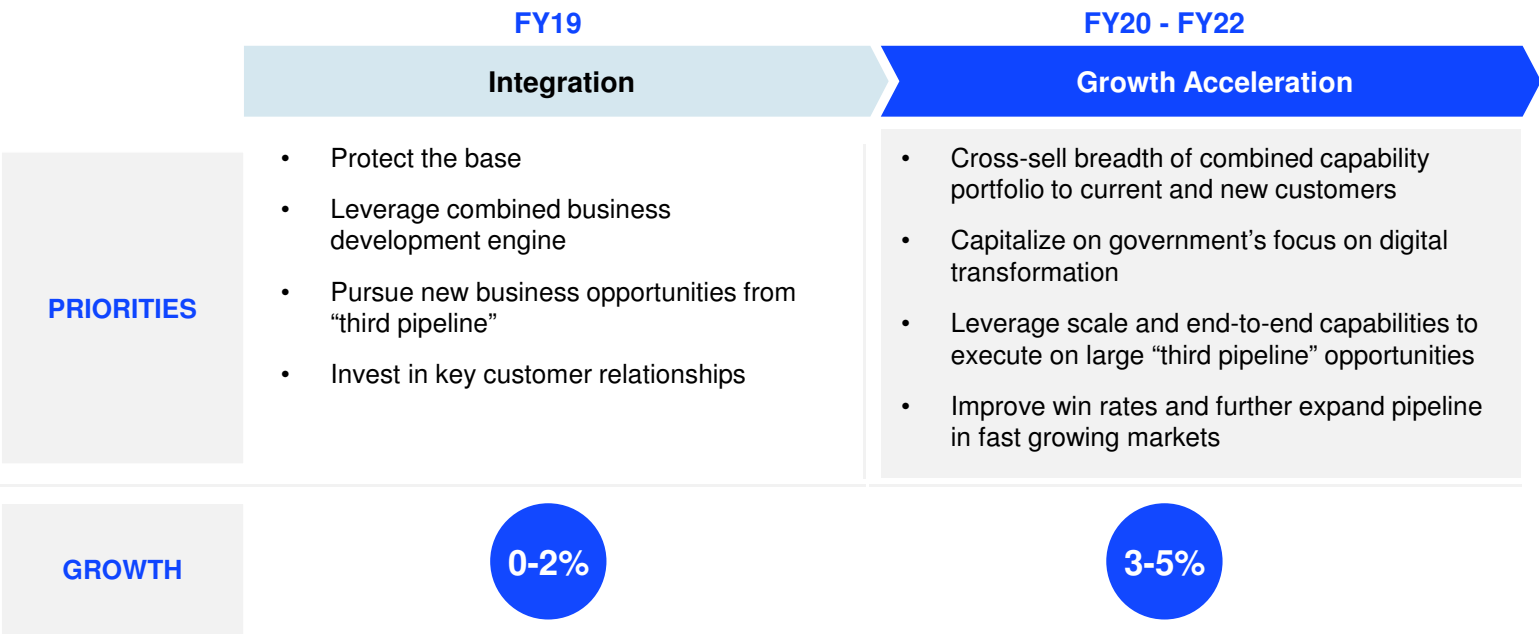
Accretive capital
allocation



- Re-invest in business
- Achieve target leverage
- Return capital to shareholders through dividends and share repurchases
- Selective tuck-in acquisitions

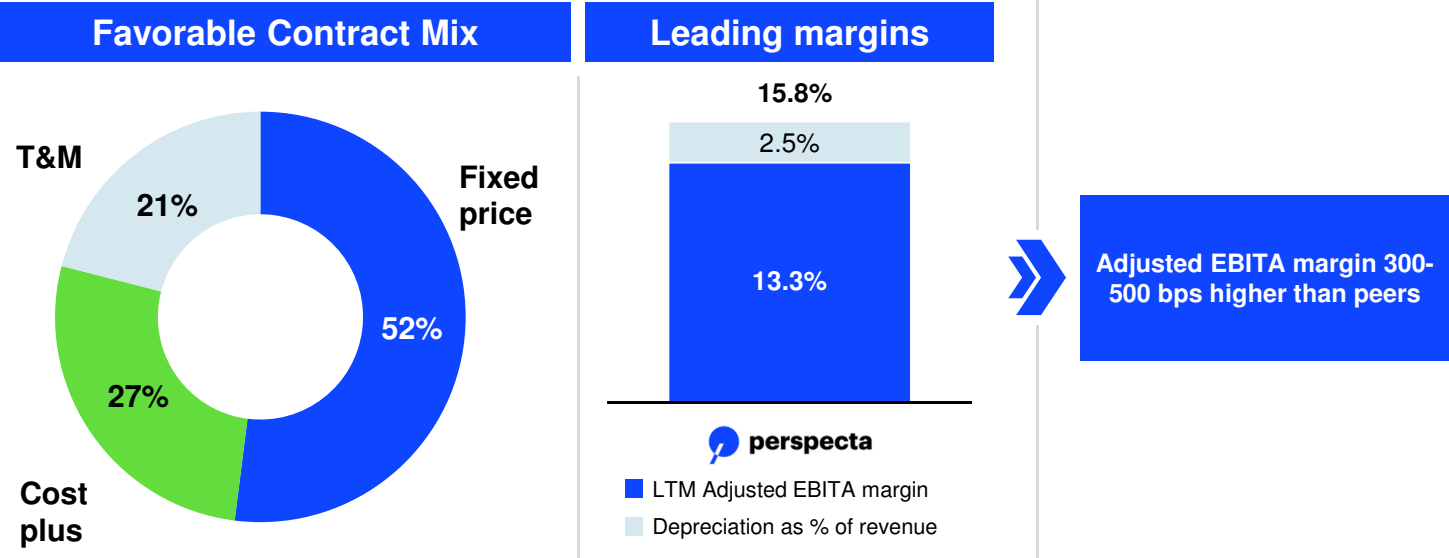
Accelerating revenue growth

Priorities for accelerating growth



Sustainable margins

Leading margins driven by attractive mix of fixed price contracts, superior execution, and focused reinvestment



Sustainable margins

Transforming delivery and realizing synergies to sustain margins

Ongoing delivery transformation

Workforce optimization

- Streamline organization
- Maximize labor utilization
- Shift to low cost delivery locations in U.S.



Automation and process improvement

- Increase productivity through automation
- Standardize and digitize processes



External spend management

- Leverage scale to consolidate vendors and renegotiate contracts
- Continue demand management



Realizing cost synergies

G&A

- Consolidate redundant roles; streamline teams
- Standardize and digitize processes
- Achieve best-in-class G&A benchmarks

Facilities

- Rationalize facilities footprint
- Optimize facilities utilization

Policy Alignment

- Harmonize benefits
- Ensure consistent application of corporate policies

\$20M delivery savings in FY19

\$43M gross synergies in FY19

16 – 17% Adjusted EBITDA margin over next three years

Strong free cash flow

EBITDA

- Accelerating revenue growth
- Favorable contract mix
- Improved operating efficiency

Working Capital

- Disciplined receivable management and collections
- More favorable supplier terms
- Targeting 1-2 Days Sales Outstanding improvement

Taxes

- Carry forward of NOLs
- Positive impact of tax reform
- Targeting 26-27% Effective Tax Rate in near term

**Target FCF
90-100%+ of
Adjusted Net
Income**

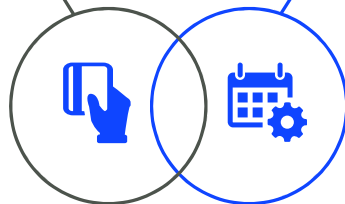
Strong liquidity position

Ample Access to Liquidity

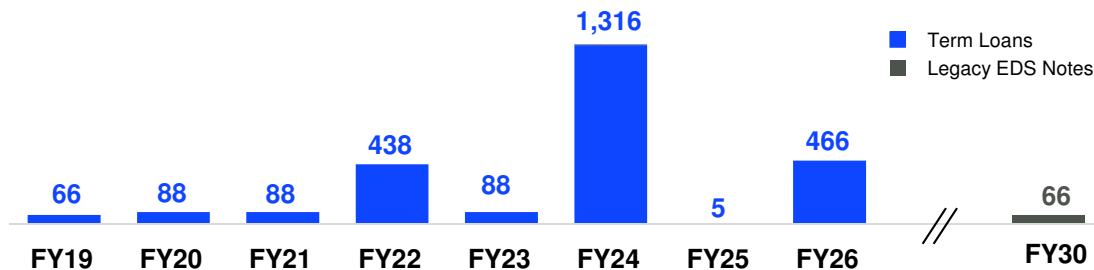
- Strong Free Cash Flow
- Estimated \$160M cash at close
- \$600M Revolving Credit Facility maturing in May 2023
 - Estimated \$550M undrawn at close

Optimized Maturity Schedule

- No near-term refinancing requirements
- Flexible pre-payable debt



Pro Forma Debt Maturity Schedule As of 5/31/2018 (\$M)



Accretive capital allocation

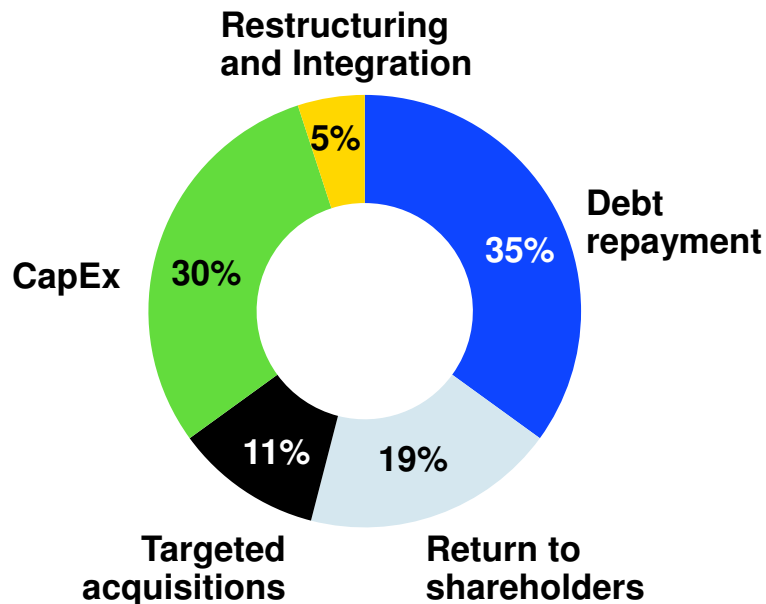
Re-invest in the business

Achieve target leverage

Return capital to shareholders through sustainable dividends and opportunistic share buybacks

Enhance capabilities through tuck-in acquisitions

3-Year Operating Cash Flow Allocation



Financial targets

	FY19	FY20 – FY22
Revenue	\$4.15B - \$4.25B	3 - 5% CAGR
Adjusted EBITDA Margin	16 - 17%	16 - 17%
Free Cash Flow	90%+ of adjusted net income	90 - 100%+ of adjusted net income
Adjusted Diluted EPS	\$1.80 - \$1.95	8 - 12% CAGR

