

## LEIDOS AT A GLANCE

# Q1 2021 Earnings Summary

Making the world safer, healthier and more efficient

## Strategic Priorities

**Leveraging our scale** to increase profitability and cash generation

**Executing on our growth** strategy to expand our portfolio of solutions and broaden our customer base

**Continuing to lead** in the integration and application of information technology, engineering, and science

## Driving Strong Financial Results

**\$3.32B**

REVENUES ▲ 14.7% yoy

**11.7%**

ADJUSTED EBITDA MARGIN

**\$1.42**

DILUTED EPS

**\$1.73**

NON-GAAP DILUTED EPS

## New Business Highlights

**\$3.8B**

TOTAL Q1 NET BOOKINGS

**1.2**

BOOK-TO-BILL RATIO

### DEPARTMENT OF DEFENSE

MILITARY AND FAMILY LIFE COUNSELING

TOTAL POTENTIAL VALUE OF \$1B

Leidos will provide face-to-face non-medical counseling, consultation and outreach services at approximately 100 U.S. military installations or nearby civilian communities. Leidos will also provide management and logistical support for counselors to provide services in accordance with established performance measures.

### U.S. CUSTOMS AND BORDER PROTECTION

MULTI-ENERGY PORTAL SYSTEMS SUPPORT

TOTAL POTENTIAL VALUE OF \$480M

Leidos will provide Multi-Energy Portal (MEP) systems for non-intrusive inspection of commercial vehicles at land and sea ports of entry. Leidos will integrate, deploy and train CBP staff to use its VACIS® MEP with low-energy backscatter and high-energy transmission cargo inspection system.

### DEPARTMENT OF THE NAVY

NAVAL ARRAY TECHNICAL SUPPORT CENTER SERVICES

TOTAL POTENTIAL VALUE OF \$149M

Awarded a prime contract to provide engineering, technical and management services for the Naval Array Technical Support Center. Leidos will perform tasks for the U.S. Navy's Sensors and SONAR Systems Department. Leidos will be responsible for production engineering, technical and logistics support of the Navy and foreign governments' towed-array assets.

## DRIVING REVENUE GROWTH ACROSS ALL BUSINESS SEGMENTS

### DEFENSE SOLUTIONS



**\$1,958M**

▲ 14.8% yoy

### CIVIL



**\$766M**

▲ 17.1% yoy

### HEALTH



**\$591M**

▲ 11.5% yoy

## 2021 REVISED GUIDANCE

**\$13.7B - \$14.1B**

REVENUE

(previous guidance: no change)

**10.5% - 10.7%**

ADJUSTED EBITDA MARGINS

(previous guidance: 10.3% - 10.5%)

**\$6.35 - \$6.65**

NON-GAAP DILUTED EPS

(previous guidance: \$6.15 - \$6.45)

**≥\$875M**

CASH FLOWS PROVIDED BY

OPERATING ACTIVITIES

(previous guidance: ≥\$850M)

Leidos does not provide a reconciliation of forward-looking adjusted EBITDA margins (non-GAAP) or non-GAAP diluted EPS 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 projected net income may vary significantly based on actual events, Leidos is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income at this time. The amounts of these deductions may be material and, therefore, could result in projected GAAP net income and diluted EPS being materially less than projected adjusted EBITDA margins (non-GAAP) and non-GAAP diluted EPS.

**LEIDOS HOLDINGS, INC.**  
**UNAUDITED NON-GAAP FINANCIAL MEASURES [CONTINUED]**

(in millions, except per share amounts)

The following tables present the reconciliation of the non-GAAP measures identified above to the most directly comparable GAAP measures:

<b>Three Months Ended April 2, 2021</b>				
	<b>As reported</b>	Acquisition, integration and restructuring costs	Amortization of acquired intangibles	<b>Non-GAAP results</b>
Operating income	<b>\$308</b>	\$5	\$54	<b>\$367</b>
Non-operating expense, net	<b>(46)</b>	—	—	<b>(46)</b>
Income before income taxes	<b>262</b>	5	54	<b>321</b>
Income tax expense <sup>(1)</sup>	<b>(57)</b>	(1)	(14)	<b>(72)</b>
Net income attributable to Leidos common stockholders	<b>\$205</b>	\$4	\$40	<b>\$249</b>
Diluted EPS attributable to Leidos common stockholders	<b>\$1.42</b>	\$0.03	\$0.28	<b>\$1.73</b>
Diluted shares	<b>144</b>	144	144	<b>144</b>

<sup>(1)</sup> Calculation uses an estimated statutory tax rate on non-GAAP adjustments.

<b>Three Months Ended April 2, 2021</b>				
	<b>As reported</b>	Acquisition, integration and restructuring costs	Amortization of acquired intangibles	<b>Non-GAAP results</b>
Income before income taxes	<b>\$262</b>	\$5	\$54	<b>\$321</b>
Depreciation expense	<b>22</b>	—	—	<b>22</b>
Amortization of intangibles	<b>55</b>	—	(54)	<b>1</b>
Interest expense, net	<b>45</b>	—	—	<b>45</b>
EBITDA	<b>\$384</b>	\$5	\$—	<b>\$389</b>
EBITDA margin	11.6%			11.7%