

DEAR FELLOW STOCKHOLDERS,

Five years ago, SAIC began anew as an independent company with a rich, 50-year legacy. Our heritage is one of consistent delivery of sustained value and a trusted technology integrator known for advancing our nation's mission. Fiscal year 2019 was no exception as we made significant progress on our Ingenuity 2025 long-term strategy, closed on our game-changing Engility acquisition, and delivered our second-consecutive year of organic revenue growth.

We are proud of our accomplishments in FY19 and the foundation we have built to position us for success in FY20 and beyond.

PERFORMANCE

Throughout the year, we met or exceeded our goals. SAIC grew revenue by 2.6 percent, booked \$4.66 billion in contracts, delivered strong adjusted EBITDA margins of 7.6 percent for the year—up 60 basis points from last year—and generated over \$240 million of free cash flow after adjusting for the non-recurring costs of the Engility acquisition and impact from the government shutdown. We delivered shareholder value with a balanced approach to capital deployment through debt repayment, dividends, share repurchases, and mergers and acquisitions.

Near the end of our fiscal year, we faced the longest partial federal government shutdown in our nation's history, and we took action to ensure that our impacted employees remained on the payroll. Retaining and attracting the best talent in our industry is critical to our success, and we wanted to show our commitment to our team members on the frontlines who distinguish SAIC from our competitors through their expertise and ingenuity.

LEFT:

Anthony J. Moraco
Chief Executive Officer

RIGHT:

Nazzic S. Keene
Chief Executive Officer-Elect

“I am very proud of our achievements and most grateful for the diverse and talented team members I’ve worked with during my years at SAIC.”

– Anthony Moraco

FY19 OPERATIONS: DRIVEN BY MISSION

Financial performance based on
strong contract execution



ACCELERATED STRATEGY

In FY19, we completed the acquisition of Engility Holdings, Inc. Our combined strength, exceptional talent, and breadth of services provide industry-leading benefits to our employees, customers, technology partners, and shareholders. This acquisition accelerates SAIC’s strategy of creating market segment scale in strategic business areas, particularly the national interest areas of space and intelligence.

Through the Engility acquisition, we brought our total cleared personnel to 14,000, an important discriminator as we pursue larger opportunities in the national security arena. With our greater customer access and more competitive and differentiated solutions, we are confident in our strategy and ability to convert opportunities to revenue growth, capture value from synergies, and substantially increase our profit margins and cash flow generation.

LOOKING AHEAD

We began this company five years ago with a strong foundation of leadership and culture of innovation. As I transition my CEO responsibilities to Nazzic Keene, I am extremely confident in her leadership to drive SAIC’s growth as a market-leading technology integrator. I am very proud of our achievements and most grateful for the diverse and talented team members I’ve worked with during my years at SAIC. Their determination, creativity, and commitment to serving our customers impress and inspire me every day. SAIC is a great company doing great things, and is built on a foundation of integrity, ingenuity, and success—and I look forward to its even brighter future.



Anthony J. Moraco
CHIEF EXECUTIVE OFFICER

OUR PEOPLE: UNITED BY PURPOSE

SAIC employees have given back to our communities over the years

10,000,000+

MEALS FOR
NEIGHBORS IN NEED

**HUNDREDS OF
THOUSANDS**

OF BACK-TO-SCHOOL SUPPLIES

\$250,000+

RAISED FOR HOMES FOR
WOUNDED VETERANS

THOUSANDS

OF STUDENTS INSPIRED TO
PURSUE STEM CAREERS

* After adjusting for the non-recurring costs of the Engility acquisition and impact from the government shutdown

FROM CEO-ELECT NAZZIC KEENE

I am honored and humbled by Tony and the Board's confidence to lead this great company. I want to personally thank Tony for being a strong mentor and for his vision and leadership in ensuring we have an effective and seamless CEO transition.

Following the completion of the Engility acquisition, we begin FY20 with 23,000 employees strong and as one of the largest pure-play government technology integrators in the market. Our increased capacity and capabilities enable us not only to invest more in attracting the best talent, but also in technologies and other areas of growth to support our customers.

I am proud of all our team members' strong dedication to ensuring our customers are ready for the opportunities and challenges they face today and in the future—as well as their passion to give back to our local communities. Our team is driven by mission, united by purpose, and inspired by opportunities.

As we enter FY20 as a stronger company with even greater vigor in executing our Ingenuity 2025 long-term strategy, I'm confident that we are better equipped than ever to deliver sustained profitable growth and drive shareholder value.

In FY20, we will continue to build a strong, balanced pipeline that will further enable us to protect our base while pursuing new business and programs where SAIC has clear, differentiated offerings and solutions. We will leverage our expertise and strengths in areas of strategic importance, such as IT modernization, cybersecurity, data analytics, readiness and training, space systems, intelligence, and digital engineering.

With the newly strengthened breadth of capabilities, exceptional leadership, and the strongest talent in the industry, SAIC is well-positioned to lead the markets we choose to serve and make a significant impact for all our stakeholders.

We look forward to our next chapter with renewed purpose and excitement, knowing we can make an even more profound difference to our customers' missions.



Nazzic S. Keene
CHIEF EXECUTIVE OFFICER-ELECT

OUR STRATEGY: INSPIRED BY OPPORTUNITIES

SAIC repositioned as a market leader



* Total locations comprised of SAIC facilities and customer sites