perspecta™

Q1 FY2020 earnings presentation

August 14, 2019

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Cautionary note regarding forward-looking statements

All statements and assumptions in this presentation that do not directly and exclusively relate to historical facts could be deemed “forward-looking statements.” These statements represent current intentions, expectations, beliefs or projections, and no assurance can be given that the results described in such statements will be achieved. These statements are subject to numerous assumptions, risks, uncertainties and other factors that could cause actual results to differ materially from those described in such statements. Please refer to the “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors” sections of Perspecta’s Annual Report on Form 10-K for the year ended March 31, 2019, as may be updated or supplemented in our Quarterly Reports on Form 10-Q and our other filings with the Securities and Exchange Commission, which discuss these and other factors that could adversely affect our results. Readers are cautioned not to place undue reliance on such statements which speak only as of the date they are made. We do not undertake any obligation to update or release any revisions to any forward-looking statement or to report any events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events except as required by law.

Non-GAAP reconciliations

To aid investors and analysts with year-over-year comparability for the combined businesses of USPS, Vencore and KeyPoint, Perspecta is including certain pro forma financial information that combines the stand-alone USPS, Vencore and KeyPoint financial information as if the mergers had taken place on April 1, 2017. Also, Perspecta is including adjusted results that exclude costs directly associated with the spin-off and mergers and the ongoing integration process.

The tables in the Appendix of this presentation provide all appropriate reconciliations from pro forma and adjusted results to the most directly comparable GAAP measure. For additional information, please refer to the press release issued on August 14, 2019, entitled *Perspecta Announces Financial Results for First Quarter of Fiscal Year 2020 and Raises Its Full-Year Guidance*, available on the Investor Relations portion of the Perspecta web site.

Perspecta management believes that these non-GAAP financial measures provide useful additional information to investors regarding Perspecta's results of operations as they provide another measure of the Company's profitability and ability to service its debt and are considered important to financial analysts covering Perspecta's industry.

Perspecta's non-GAAP measures may be calculated differently than similarly named measures reported by other companies. In addition, using non-GAAP measures may have limited value as they exclude certain items that may have a material impact on reported financial results and cash flows. When analyzing Perspecta's performance, it is important to evaluate each adjustment in the reconciliation tables and use adjusted measures in addition to, and not as an alternative to, GAAP measures.

CEO key messages

1

Strong operational performance

- Exceeded consensus estimates on all of our key financial metrics
- Revenue up 1% sequentially and up 7% year-over-year (pro forma basis)
- Controlling for Q1 FY19 gain, adjusted EBITDA up 19%, adjusted diluted EPS up 18%
- Free cash generation stellar at 189% of adjusted net income

2

Two-year budget deal provides positive market backdrop

- Bipartisan Budget Act of 2019 increases spending limits by $323B in GFY20-21
- Permanently ends sequester threat, suspends debt limit through July 2021
- For GFY20, defense and civilian budgets up 3.1% and 4.5%, respectively
- May begin year with CR, but all agencies should have budgets this fall

3

Excellent new business awards

- Book-to-bill of 0.9x, with 76% representing new work; TTM book-to-bill ratio of 1.5x
- Key bookings: Trusted Workforce, Air Force SIPRNet and intelligence community
- Qualified pipeline of $77B, including $24B awaiting decision
- NGEN progressing; extension potentially to December 2020

4

Acquisition of Knight Point accelerates strategy

- $250M purchase price–single-digit EBITDA multiple, immediately accretive
- Rich legacy of innovation, patented IP and delivery of managed services programs
- Similar business model eases integration
- Focused at DHS and DISA in digital transformation, cloud, and cyber

Select results for Q1 2020

Income statement

Measure	Q1 FY20	Q1 FY19 (Pro forma)	Growth
Revenue (millions)	$1,107	$1,037	7%
Adjusted EBITDA (millions)	$204	$195	5%
Adjusted EBITDA margin	18.4%	18.8%	-40 bps
Adjusted diluted EPS	$0.52	$0.54	4%

Revenue

- Best-ever YoY performance in each segment and overall
- Defense and Intel increased 13%—background investigations, new programs
- Civilian and Health Care decreased 4%—ramp downs on a few programs based on prior year underinvestment

Earnings

- Strong earnings performance
  - SG&A efficiency
  - High award fees
  - Contract portfolio heavily weighted to fixed price
- Excluding contract divestiture gain in the Q1 FY19:
  - Adjusted EBITDA up 19%
  - Adjusted diluted EPS up 18%

Select results for Q1 2020

Balance sheet and cash flow statement

Cash flow performance	• Adjusted free cash flow	$161M
	• Capital expenses, including finance leases	$36M
	• Capital expenses as a percentage of revenue	3%
Capital deployment	• Debt repayment	$22M
	• Cash dividends	$8M
	• Share repurchases ($325M authorization remaining)	$15M 665K Shares
Capital structure	• Liquidity ($179M cash, $600M available revolver)	$779M
	• Debt, including finance lease obligations	$2.7B
	• Net debt-to-total capitalization	51%

Fiscal year 2020 guidance

Measure	Current FY20 guidance	Prior FY20 guidance
Revenue (millions)	$4,400 - $4,500	$4,350 - $4,450
Adjusted EBITDA margin	17.0% - 18.0%	17.0% - 18.0%
Adjusted diluted EPS	$2.08 - $2.18	$2.05 - $2.16
Adjusted free cash flow conversion	95%+	95%+

- Increasing guidance for revenue and adjusted diluted EPS
- Guidance supported by:
  - Knight Point Systems being both larger and earlier than M&A forecast
  - Strong Q1 results
  - $10B backlog and $24B of pending awards
  - $762 million of new business won in the first quarter
- Adjusted EBITDA margin trending up to middle of the range

Note: All forward-looking non-GAAP measures exclude estimates for amortization of intangible assets; stock-based compensation expenses; restructuring, separation, transaction, and integration-related costs; mark-to-market changes associated with pension and other post-retirement benefit plans; and other non-recurring items. Perspecta is unable to provide a reconciliation of non-GAAP guidance measures to corresponding GAAP measures on a forward-looking basis without unreasonable effort due to the overall high variability and low visibility of most of the excluded items. Material changes to any one of these items could have a significant effect on future GAAP results.

Appendix

Non-GAAP reconciliation: Pro forma revenue

First quarters of fiscal year 2020 and fiscal year 2019

(in millions)	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018	
Revenue	$	1,107	$	793
Historical Vencore revenue [a] [b]		—		244
Pro forma revenue	$	1,107	$	1,037

Notes:

(a) Revenue prior to the May 31, 2018 mergers is from the most closely corresponding reporting period, which is April 1, 2018 to May 31, 2018, for the three months ended June 30, 2018.

(b) In this and all subsequent tables, financial data for "Vencore" includes the combined results of Vencore and KeyPoint.

Non-GAAP reconciliation: Pro forma and adjusted EBITDA / diluted EPS

First quarters of fiscal year 2020 and fiscal year 2019

(in millions)	Three Months Ended June 30, 2019		Three Months Ended June 30, 2018	
Net income	**$**	**31**	**$**	**29**
Income tax expense		11		12
Interest expense, net		35		10
Depreciation and amortization		101		64
EBITDA		**178**		**115**
Historical Vencore [a]		—		29
Effects of Spin-Off and Mergers		—		5
Restructuring costs		2		—
Separation, transaction and integration-related costs		19		44
Stock-based compensation		5		2
Adjusted EBITDA	**$**	**204**	**$**	**195**
***Adjusted EBITDA margin* [b]**		***18.4%***		***18.8%***
Depreciation and amortization [c]		(101)		(75)
Amortization of acquired intangibles [c]		48		33
Interest expense, net		(35)		(30)
Adjusted earnings before taxes		**116**	**$**	**123**
Income tax expense [d]		31	$	33
Adjusted net income	**$**	**85**		**90**
Adjusted diluted EPS [e]		**0.52**		**0.54**

Notes:

(a) Represents pro forma results associated with Vencore and KeyPoint for the period from April 1, 2018 to May 31, 2018. See our press release announcing the financial results for the quarter ended June 30, 2018 for a reconciliation of Vencore's adjusted EBITDA. The press release is available as an exhibit to our Form 8-K filed with the SEC on August 14, 2018.

(b) Adjusted EBITDA margin is calculated as the ratio of adjusted EBITDA to revenue for the quarter ended June 30, 2019. Pro forma adjusted EBITDA margin is calculated as the ratio of pro forma adjusted EBITDA to pro forma revenue for the quarter ended June 30, 2018.

(c) Represents pro forma depreciation and amortization and pro forma amortization of acquired intangibles during the quarter ended June 30, 2018, updated for the final valuation of intangibles.

(d) Represents income tax expense utilizing an adjusted effective tax rate that adjusts for non-GAAP measures including: transaction costs, integration costs, and tax add backs for non-deductible prior-merger goodwill amortization. Adjusted effective tax rates are 27% for both quarters ended June 30, 2019 and 2018.

(e) Represents adjusted net income divided by the weighted average common shares on a diluted basis of 163.29 million and 165.93 million for the quarters ended June 30, 2019 and 2018, respectively.

Non-GAAP reconciliation: Adjusted free cash flow

First quarters of fiscal year 2020 and fiscal year 2019

		Three Months Ended June 30, 2018 [a]		
(in millions)	Three Months Ended June 30, 2019	Perspecta	Historical Vencore	Pro Forma
Net cash provided by operating activities	$ 185	$ 160	$ 16	$ 176
Purchases of property, equipment and software	(1)	(6)	(3)	(9)
Payments on finance lease obligations	(35)	(41)	—	(41)
Payments on restructuring, separation, transaction and integration-related costs	12	18	1	19
Adjusted free cash flow	$ 161	$ 131	$ 14	$ 145

Notes:

(a) Results for the quarter ended June 30, 2018 are pro forma, incorporating results associated with Vencore and KeyPoint for the period from April 1, 2018 to May 31, 2018.

Non-GAAP reconciliation: Segment operating profit

RECONCILIATION OF REPORTABLE SEGMENT PROFIT TO INCOME BEFORE TAXES (Unaudited)

	Three Months Ended	
(in millions)	June 30, 2019	June 30, 2018
Total profit for reportable segments	$ 151	$ 97
Less:		
Stock-based compensation	5	(2)
Amortization of acquired intangible assets	(48)	(25)
Restructuring costs	(2)	—
Separation, transaction and integration-related costs	(19)	(44)
Interest expense, net	(35)	(10)
Other unallocated, net	—	25
Income before taxes	$ 42	$ 41

Non-GAAP reconciliation: Adjusted segment operating profit

First quarters of fiscal year 2020 and fiscal year 2019

(in millions)	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018
Revenue		
Defense and Intelligence	$ 752	$ 437
Add: Historical Vencore and adjustments	—	230
Adjusted revenue [a]	$ 752	$ 667
Civilian and Health Care	$ 355	$ 356
Add: Historical Vencore and adjustments	—	14
Adjusted revenue [a]	$ 355	$ 370
Total revenue	**$ 1,107**	**$ 793**
Total adjusted revenue [a]	**$ 1,107**	**$ 1,037**
Segment operating profit		
Defense and Intelligence	$ 118	$ 36
Add: Historical Vencore and adjustments [b]	—	46
Adjusted segment operating profit [a]	$ 118	$ 82
Civilian and Health Care	$ 33	$ 61
Add: Historical Vencore and adjustments [b]	—	9
Adjusted segment operating profit [a]	$ 33	$ 70
Total segment operating profit	**$ 151**	**$ 97**
Total adjusted segment operating profit [a]	**$ 151**	**$ 152**

Notes:

(a) Adjusted results represent non-GAAP financial measures, and it should be considered in addition to, but not as substitute for, the information provided in accordance with GAAP. Note that amounts for the three months ended June 30, 2018 are pro forma and that results for the three months ended June 30, 2019 is a GAAP measure.

(b) Includes adjustments for certain separation-related and other costs, which are included in the segment results of operations.