



Fourth Quarter and Full Year 2017 Earnings Presentation

Delta Tucker Holdings, Inc.
Parent of DynCorp International Inc.
March 21, 2018

AVIATION ■ LOGISTICS ■ OPERATIONS ■ INTELLIGENCE ■ TRAINING



DYNCORP INTERNATIONAL

We Serve Today for a Better Tomorrow.

Forward-Looking Statements and Non-GAAP Measures

- **This presentation includes forward-looking statements about the Company’s future business and financial performance, plans, goals, beliefs, or expectations. All of these forward-looking statements are based on estimates and assumptions made by the Company’s management that, although believed by the Company to be reasonable, are inherently uncertain. Forward-looking statements involve risks and uncertainties, including, but not limited to, our substantial level of indebtedness and our ability to refinance our indebtedness; the outcome of any litigation, government investigation, audit or other regulatory matters; award fee determination; termination or modification of key contracts; changes in the demand for services; acts of war or terrorist activities; changes in significant operating expenses; and other economic, competitive, governmental, political and technological factors outside of the Company’s control. These risks and uncertainties may cause the Company’s business, strategy or actual results or events to differ materially from the statements made herein.**
- **All forward looking statements included in this presentation are based upon information presently available. The Company undertakes no obligation to update or revise any forward-looking statement it makes to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under the caption “Risk Factors” and “Forward-Looking Statements” detailed from time to time in our reports filed with the SEC.**
- **This presentation includes non-GAAP financial measures, including Adjusted EBITDA, that are different from financial measures calculated in accordance with GAAP and may be different from non-GAAP calculations made by other companies. Management believes these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by investors, lenders and other interested parties in reviewing the Company. For a reconciliation of these non-GAAP financial measures to the most comparable GAAP financial measures, see the earnings press release dated March 21, 2018 filed with the SEC on Current Report on Form 8-K and posted on our website.**

CEO's 2017 Retrospective

Met Our Numbers

- \$2.0 Billion Revenue; 9.2% Year-Over-Year Growth
- \$152.5 Million Adjusted EBITDA; 7.6% Margin
- Reduced Net Debt to \$412.4 Million
- Strong Free Cash Flow \$63.6 Million

Capitalized on Opportunities – Booked Over \$2.9 Billion Orders

- New Wins in Core Business – CLS Transport; Naval Test Wing Pacific
- Held Key Re-competes – Pax River & WRM III
- Growth and Expansion of LOGCAP IV Program
 - Fort Irwin
 - Kwajalein
 - Puerto Rico Response

Strategic Rebalance of Operating Segments

- DynLogistics & DynAviation



Operational Highlights

Operational Highlights

- LOGCAP IV NORTHCOM – Puerto Rico
 - Establish and Operate Base Camp Support for the U.S. Army and FEMA Relief Operations – \$69.8M
 - USACE Warehouse Support and Logistics Award – \$22.1M
- LOGCAP IV PACOM – USAG Kwajalein Atoll
 - Base Life Operations, Maintenance and Logistics Support – \$9.2M
- Afghanistan National Army and Police 12-Month Extension – \$121.4M
- T34/44/6 CLS Expanded Scope \$11M; and Tenth Consecutive PMF Award
- INL Air Wing 6-Month Extension – \$120M
- AliSS NTE / NTP for Task Order 014 – Camp Eggers Support Services
- 2017 Materiel Readiness Award from the Army Aviation Association of America

Financial Review


2017 Results


 \$ millions	Q4 2017	CY 2017	CY 2017 vs. CY 2016		
	Revenue	\$567.3	\$2,004.4	\$168.3	
Adjusted EBITDA	\$38.6	\$152.5	\$51.5	50.9%	
Adjusted EBITDA Margin	6.8%	7.6%	210 bps		
Total Backlog	\$4,169		\$453	12.2%	

Full Year Highlights

Revenue	Adjusted EBITDA
↑ LOGCAP IV	↑ JPATS T6 Consolidated
↑ AFM RASM/TASM	↑ CNTPO
↑ ALiSS	↑ ALiSS
↑ JPATS T6 Consolidated	↑ IMSS SANG
↑ CLS	↑ NAWDC
↑ CFT	↑ AFM RASM/TASM
↑ NAWDC	↑ CalFire
↓ INL	↓ INL
↓ Sheppard	↓ AFRICAP MALI
↓ MAISR	↓ Andrews
↓ Saudi AWACS	↓ Chemonics Consolidated
↓ POS II	↓ CivPol

AELS Results

	<i>\$ millions</i>	Q4 2017	CY 2017	CY 2017 vs. CY 2016	
	Revenue	\$167.1	\$605.6	\$20.4	3.5%
	Adjusted EBITDA	\$10.4	\$29.5	\$46.3	276.1%
	Adjusted EBITDA Margin	6.2%	4.9%	780 bps	
	Total Backlog	\$1,366		(\$58)	(4.1%)





Full Year Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ CFT ↑ NAWDC ↑ CalFire ↑ JPATS T6 Consolidated ↓ UAE Consolidated ↓ PAX River Consolidated ↓ Sheppard 	<ul style="list-style-type: none"> ↑ NAWDC ↑ CalFire ↑ JPATS T6 Consolidated ↑ T34/44/6 CLS ↑ Sheppard ↓ Andrews ↓ ERRC

Total Backlog	
<ul style="list-style-type: none"> ↑ Naval Test Wing Pacific ↓ NASA ↓ UAE Consolidated ↓ CalFire 	<ul style="list-style-type: none"> ↓ Andrews ↓ CFT ↓ PAX River ↓ T34/44/6


AOLC Results


	<i>\$ millions</i>	Q4 2017	CY 2017	CY 2017 vs. CY 2016		
Revenue		\$155.6	\$603.2	(\$14.1)	(2.3%)	
Adjusted EBITDA		\$14.7	\$66.0	\$9.2	16.2%	
Adjusted EBITDA Margin		9.5%	10.9%	170 bps		
Total Backlog		\$1,249		\$197	18.7%	

Full Year Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ MD530 ↑ IMSS SANG ↑ AFM RASM/TASM ↑ CLS ↓ INL ↓ MAISR ↓ Saudi AWACS 	<ul style="list-style-type: none"> ↑ MD530 ↑ IMSS SANG ↑ AFM RASM/TASM ↑ CNTPO ↓ INL ↓ MAISR
Total Backlog	
<ul style="list-style-type: none"> ↑ CLS ↑ MD530 ↑ CNTPO 	<ul style="list-style-type: none"> ↓ AFM RASM/TASM ↓ INL ↓ IMSS SANG ↓ Saudi MSS

DynLogistics Results

	<i>\$ millions</i>	Q4 2017	CY 2017	CY 2017 vs. CY 2016	
	Revenue	\$244.4	\$796.2	\$162.5	25.6%
	Adjusted EBITDA	\$20.4	\$73.5	\$2.0	2.8%
	Adjusted EBITDA Margin	8.3%	9.2%	(210 bps)	
	Total Backlog	\$1,554		\$314	25.3%



Full Year Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ ALISS ↑ GIS G4 INSCOM ↑ ANA/ANP ↑ LOGCAP IV ↓ POS II ↓ WRM II / III ↓ Al Taif 	<ul style="list-style-type: none"> ↑ ALISS ↑ ANA/ANP ↑ LOGCAP IV ↑ GIS G4 INSCOM ↓ AFRICAP MALI ↓ CivPol ↓ Chemonics Consolidated

Total Backlog	
<ul style="list-style-type: none"> ↑ ALISS ↑ ANA/ANP ↑ LOGCAP IV ↑ WRM II / III ↑ Chemonics Consolidated ↑ TACOM 	<ul style="list-style-type: none"> ↓ AFCAP IV ↓ CJPS ↓ Eagle ↓ GISS G4 INSCOM ↓ Taji ↓ NEFRSC

Financial Review – Q4 Miscellaneous Items

Working Capital⁽¹⁾ of \$146.5 Million

- Down (\$7.0) Million from Prior Year-end; 7.3% of Revenue
- DSO at 54 Days – Decrease of 2 Days from Prior Year-end

2017 Free Cash Flow \$63.6 Million

Current Net Debt Position of \$412.4 Million

- Balance Sheet Cash Position of \$168.3 Million
- No Revolver Borrowings Outstanding At Quarter-end

Term Loan Payment Pursuant to Excess Cash Flow Provision – \$54.9M

⁽¹⁾ Working Capital = Accounts Receivable + Inventory + Work in Progress – Accounts Payable – Accrued Payroll and Employee Cost

2018 Full Year Financial Guidance

Full Year 2018 Revenue Estimate

- \$1.97 Billion to \$2.0 Billion
 - Full Year Contribution of Recent Wins Supports Year
 - CLS Transport Army C12
 - Naval Test Wing Pacific
 - LOGCAP Forecasted to Grow \$100 Million
 - Offsets Expected Decline in INL AIRWING
 - 2018 INL Revenue at \$100 Million

Full Year 2018 Adjusted EBITDA Estimate

- \$148 Million to \$153 Million
 - Recent Wins & LOGCAP Growth Offset Decline on INL AIRWING

Full Year 2018 Free Cash Flow Estimate

- \$50 Million

CEO Closing Remarks

Delivered a Great Year

- ✓ Revenue Growth
- ✓ Profit up
- ✓ Margin Expansion

Positioned for Success in 2018

- Expecting Further Growth on LOGCAP Program
- Healthy Backlog Levels
- New Business Opportunities Remain Strong
- Lower Debt Profile
- Strategic Rebalance

2018 Priorities – Maintain Focus on Growth

- Make Our Numbers / BD Focus
- Delight Our Customer Through Operational Excellence
- Maintain High Professional Standards

Serving Today for a Better Tomorrow!

Q & A

Appendix

Unaudited Consolidated Statements of Operations

(Amounts in thousands)

	Year Ended	
	December 31, 2017	December 31, 2016
Revenue	\$ 2,004,436	\$ 1,836,154
Cost of services	(1,761,534)	(1,636,331)
Selling, general and administrative expenses	(107,832)	(139,531)
Depreciation and amortization expense	(32,242)	(34,889)
Earnings from equity method investees	667	1,066
Impairment of goodwill, intangibles and long lived assets	—	(1,782)
Operating income	103,495	24,687
Interest expense	(70,717)	(72,361)
Loss on early extinguishment of debt	(24)	(328)
Interest income	353	212
Other income, net	416	4,935
Income (loss) before income taxes	33,523	(42,855)
Provision for income taxes	(1,722)	(10,138)
Net income (loss)	31,801	(52,993)
Noncontrolling interests	(1,201)	(1,071)
Net income (loss) attributable to DTH, Inc.	\$ 30,600	\$ (54,064)
Provision for income taxes	1,722	10,138
Interest expense, net of interest income	70,364	72,149
Depreciation and amortization ⁽¹⁾	34,191	35,954
EBITDA ⁽²⁾	\$ 136,877	\$ 64,177
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	6,317	9,561
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	2,018	1,756
Cerberus fees ⁽⁵⁾	1,984	3,053
Global Advisory Group expenses ⁽⁶⁾	6,943	23,057
Other ⁽⁷⁾	(1,647)	(581)
Adjusted EBITDA	\$ 152,492	\$ 101,023

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the consolidated statements of operations of Delta Tucker Holdings, Inc. included in the Annual Report on Form 10-K.

(2) We define EBITDA as GAAP net income (loss) attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.

(3) Includes the \$1.8 million impairment of investment in affiliates and certain costs associated with the Refinancing Transactions in 2016, as well as certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.

(4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.

(5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.

(6) Reflects Global Advisory Group cost incurred during the years ended December 31, 2017 and December 31, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30.0 million, which was fully utilized as of the second quarter of calendar year 2017.

(7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)

DTH, Inc. CY17 QTD Q4

	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating income (loss)	\$ 9,760	\$ 14,806	\$ 17,017	\$ (12,337)	\$ 29,246
Depreciation and amortization expense ⁽¹⁾	415	112	315	6,104	6,946
Noncontrolling interests	—	—	—	(343)	(343)
Other (expense) income, net	(211)	1	(1,084)	236	(1,058)
EBITDA ⁽²⁾	\$ 9,964	\$ 14,919	\$ 16,248	\$ (6,340)	\$ 34,791
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	224	(250)	3,857	315	4,146
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	108	21	98	20	247
Cerberus fees ⁽⁵⁾	65	36	117	11	229
Other ⁽⁶⁾	2	2	39	(873)	(830)
Adjusted EBITDA	\$ 10,363	\$ 14,728	\$ 20,359	\$ (6,867)	\$ 38,583

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the consolidated statements of operations of Delta Tucker Holdings, Inc. included in the Annual Report on Form 10-K.

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(3) Includes certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.

(4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.

(5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.

(6) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)

DTH, Inc. CY16 QTD Q4

	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (3,676)	\$ 16,591	\$ 20,604	\$ (18,772)	\$ 14,747
Depreciation and amortization expense ⁽¹⁾	244	28	128	8,755	9,155
Noncontrolling interests	—	—	—	(268)	(268)
Other income (loss), net	42	(394)	(50)	158	(244)
EBITDA ⁽²⁾	\$ (3,390)	\$ 16,225	\$ 20,682	\$ (10,127)	\$ 23,390
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	420	794	267	1,481
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	297	302	148	9	756
Cerberus fees ⁽⁵⁾	198	186	203	72	659
Global Advisory Group expenses ⁽⁶⁾	—	—	—	5,801	5,801
Other ⁽⁷⁾	(123)	6	188	(148)	(77)
Adjusted EBITDA	\$ (3,018)	\$ 17,139	\$ 22,015	\$ (4,126)	\$ 32,010

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- (2) We define EBITDA as GAAP net income (loss) attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
- (3) Includes certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
- (6) Reflects Global Advisory Group cost incurred during the quarter ended December 31, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)

DTH, Inc. CY17 YTD

	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating income (loss)	\$ 26,553	\$ 64,073	\$ 67,441	\$ (54,572)	\$ 103,495
Depreciation and amortization expense ⁽¹⁾	1,481	185	909	31,616	34,191
Loss on early extinguishment of debt	—	—	—	(24)	(24)
Noncontrolling interests	—	—	—	(1,201)	(1,201)
Other (expense) income, net	(216)	1,053	(981)	560	416
EBITDA ⁽²⁾	\$ 27,818	\$ 65,311	\$ 67,369	\$ (23,621)	\$ 136,877
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	224	(250)	4,719	1,624	6,317
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	904	368	626	120	2,018
Cerberus fees ⁽⁵⁾	585	545	722	132	1,984
Global Advisory Group expenses ⁽⁶⁾	—	—	—	6,943	6,943
Other ⁽⁷⁾	2	2	97	(1,748)	(1,647)
Adjusted EBITDA	\$ 29,533	\$ 65,976	\$ 73,533	\$ (16,550)	\$ 152,492

- (1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the consolidated statements of operations of Delta Tucker Holdings, Inc. included in the Annual Report on Form 10-K.
- (2) We define EBITDA as GAAP net income (loss) attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
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- (5) Includes Cerberus Operations and Advisory Company expenses, net of recovery.
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- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)	DTH, Inc. CY16 YTD				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (19,213)	\$ 49,334	\$ 70,402	\$ (75,836)	\$ 24,687
Depreciation and amortization expense ⁽¹⁾	675	541	388	34,350	35,954
Loss on early extinguishment of debt	—	—	—	(328)	(328)
Noncontrolling interests	—	—	—	(1,071)	(1,071)
Other income (loss), net	71	4,261	(161)	764	4,935
EBITDA ⁽²⁾	\$ (18,467)	\$ 54,136	\$ 70,629	\$ (42,121)	\$ 64,177
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	1,436	(482)	8,607	9,561
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	758	343	356	299	1,756
Cerberus fees ⁽⁵⁾	935	883	847	388	3,053
Global Advisory Group expenses ⁽⁶⁾	—	—	—	23,057	23,057
Other ⁽⁷⁾	7	6	188	(782)	(581)
Adjusted EBITDA	\$ (16,767)	\$ 56,804	\$ 71,538	\$ (10,552)	\$ 101,023

- (1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the consolidated statements of operations of Delta Tucker Holdings, Inc. included in the Annual Report on Form 10-K.
- (2) We define EBITDA as GAAP net income (loss) attributable to DTH, Inc. adjusted for interest, taxes, depreciation and amortization. We believe these non-GAAP financial measures are useful in evaluating operating performance and are regularly used by security analysts, institutional investors and other interested parties in reviewing the Company. Non-GAAP financial measures are not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of the performance of other companies.
- (3) Includes the \$1.8 million impairment of investment in affiliates and certain costs associated with the Refinancing Transactions in 2016, as well as certain unusual income and expense items, as defined in the Indenture and New Senior Credit Facility.
- (4) Includes post-employment benefit expense related to severance in accordance with ASC 712 - *Compensation*, relocation expenses, retention expense and share based compensation expense.
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- (6) Reflects Global Advisory Group cost incurred during the year ended December 31, 2016 which we are able to add back to Adjusted EBITDA under the Indenture and New Senior Credit Facility in an aggregate amount up to a total of \$30 million.
- (7) Includes changes due to fluctuations in foreign exchange rates, earnings from affiliates not received in cash, costs incurred pursuant to ASC 805 - *Business Combination* and other immaterial items.

Unaudited Condensed Consolidated Balance Sheet

(Amounts in thousands)

	As of	
	December 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 168,250	\$ 118,218
Restricted cash	—	7,664
Accounts receivable, net of allowances of \$10,142 and \$17,189, respectively	352,550	300,255
Other current assets	52,542	65,694
Total current assets	573,342	491,831
Non-current assets	162,375	184,706
Total assets	\$ 735,717	\$ 676,537
LIABILITIES AND DEFICIT		
Current portion of long-term debt, net	\$ 53,652	\$ 62,843
Other current liabilities	331,872	278,703
Total current liabilities	385,524	341,546
Long-term debt, net	527,039	569,613
Other long-term liabilities	13,081	27,315
Total deficit attributable to Delta Tucker Holdings, Inc.	(195,456)	(267,392)
Noncontrolling interests	5,529	5,455
Total deficit	(189,927)	(261,937)
Total liabilities and deficit	\$ 735,717	\$ 676,537

Unaudited Other Contract Data

(Amounts in millions)	As of	
	December 31, 2017	December 31, 2016
Backlog ⁽¹⁾ :		
Funded backlog	\$ 968	\$ 1,403
Unfunded backlog	3,201	2,313
Total Backlog	\$ 4,169	\$ 3,716

- (1) Backlog consists of funded and unfunded amounts under contracts. Funded backlog is equal to the amounts appropriated by a customer for payment of goods and services less actual revenue recognized as of the measurement date under that appropriation. Unfunded backlog is the dollar value of unexercised, priced contract options, and the unfunded portion of exercised contract options. Most of our U.S. government contracts allow the customer the option to extend the period of performance of a contract for a period of one or more years.

Unaudited Condensed Statements of Cash Flows

(Amounts in thousands)

	For the year ended	
	December 31, 2017	December 31, 2016
Cash Flow Information:		
Net cash provided by operating activities	\$ 73,199	\$ 41,153
Net cash used in investing activities	(6,842)	(9,997)
Net cash used in financing activities	(23,989)	(14,777)
Net cash provided by operating activities	73,199	41,153
Less: Purchase of property and equipment	(8,848)	(5,346)
Proceeds from sale of property and equipment	537	832
Less: Purchase of software	(1,298)	(2,634)
Free cash flow	\$ 63,590	\$ 34,005