



# Investor Presentation

## NASDAQ: CA

May 2017



# Cautionary Statement Regarding Forward-Looking Statements

The declaration and payment of future dividends by the Company is subject to the determination of the Company's Board of Directors, in its sole discretion, after considering various factors, including the Company's financial condition, historical and forecasted operating results, and available cash flow, as well as any applicable laws and contractual covenants and any other relevant factors. The Company's practice regarding payment of dividends may be modified at any time and from time to time.

Repurchases under the Company's stock repurchase program may be made from time to time, subject to market conditions and other factors, in the open market, through solicited or unsolicited privately negotiated transactions or otherwise. The program does not obligate the Company to acquire any particular amount of common stock, and it may be modified or suspended at any time at the Company's discretion.

Certain statements in this communication (such as statements containing the words "believes," "plans," "anticipates," "expects," "estimates," "targets" and similar expressions relating to the future) constitute "forward-looking statements" that are based upon the beliefs of, and assumptions made by, the Company's management, as well as information currently available to management. These forward-looking statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. A number of important factors could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to achieve success in the Company's business strategy by, among other things, ensuring that any new offerings address the needs of a rapidly changing market while not adversely affecting the demand for the Company's traditional products or the Company's profitability to an extent greater than anticipated, enabling the Company's sales force to accelerate growth of sales to new customers and expand sales with existing customers, including sales outside of the Company's renewal cycle and to a broadening set of purchasers outside of traditional information technology operations (with such growth and expansion at levels sufficient to offset any decline in revenue and/or sales in the Company's Mainframe Solutions segment and in certain mature product lines in the Company's Enterprise Solutions segment), effectively managing the strategic shift in the Company's business model to develop more easily installed software, provide additional SaaS offerings and refocus the Company's professional services and education engagements on those engagements that are connected to new product sales, without affecting the Company's financial performance to an extent greater than anticipated, and effectively managing the Company's pricing and other go-to-market strategies, as well as improving the Company's brand, technology and innovation awareness in the marketplace; the failure to innovate or adapt to technological changes and introduce new software products and services in a timely manner; competition in product and service offerings and pricing; the ability of the Company's products to remain compatible with ever-changing operating environments, platforms or third party products; global economic factors or political events beyond the Company's control and other business and legal risks associated with global operations; the failure to expand partner programs and sales of the Company's solutions by the Company's partners; the ability to retain and attract qualified professionals; general economic conditions and credit constraints, or unfavorable economic conditions in a particular region, business or industry sector; the ability to successfully integrate acquired companies and products into the Company's existing business; risks associated with sales to government customers; breaches of the Company's data center, network and software products, and the IT environments of the Company's business partners and customers; the ability to adequately manage, evolve and protect the Company's information systems, infrastructure and processes; the failure to renew license transactions on a satisfactory basis; fluctuations in foreign exchange rates; changes in generally accepted accounting principles; discovery of errors or omissions in the Company's software products or documentation and potential product liability claims; the failure to protect the Company's intellectual property rights and source code; access to software licensed from third parties; risks associated with the use of software from open source code sources; third-party claims of intellectual property infringement and/or royalty payments; fluctuations in the number, terms and duration of the Company's license agreements, as well as the timing of orders from customers and channel partners; potential tax liabilities; changes in market conditions or the Company's credit ratings; events or circumstances that would require the Company to record an impairment charge relating to the Company's goodwill or capitalized software and other intangible assets balances; successful and secure outsourcing of various functions to third parties; and other factors described more fully in the Company's other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties occur, or should the Company's assumptions prove incorrect, actual results may vary materially from the forward-looking information described herein as believed, planned, anticipated, expected, estimated, targeted or similarly identified. We do not intend to update these forward-looking statements, except as otherwise required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

# CA Technologies

- 1 35+ YEARS AS A PUBLIC COMPANY
- 2 COMPONENT OF S&P 500, NASDAQ 100, RUSSEL 1000
- 3 PREDICTABLE AND RECURRING ECONOMICS
- 4 STRONG BALANCE SHEET
- 5 SHAREHOLDER FRIENDLY CAPITAL ALLOCATION STRATEGY

# Large and Diverse Customer Base

**49 of 50**

Fortune 50<sup>1</sup>

**24 of 25**

Largest US Federal agencies<sup>1</sup>

**19 of 20**

Largest global banks<sup>1</sup>

**10 of 13**

Largest pharmaceutical companies<sup>1</sup>

**13 of 14**

Largest financial services companies<sup>1</sup>

**18 of 20**

Largest insurance companies<sup>1</sup>

**8 of 10**

Largest defense/aerospace companies<sup>1</sup>

**10 of 10**

Largest telecom companies<sup>1</sup>

[1] As per 2016 Fortune 500 list of companies, published 6/6/16; CA data as of 1/31/17

# Recognized Leader

## Gartner

### Gartner names CA a Leader in:

- API Management<sup>1</sup>
- Project and Portfolio Management<sup>2</sup>
- Application Release Automation<sup>3</sup>
- IT Portfolio Analysis Applications<sup>4</sup>
- Identity Governance and Administration<sup>5</sup>
- Enterprise Agile Planning Tools<sup>6</sup>

## Forrester

### Forrester names CA a Leader in:

- API Management<sup>7</sup>
- Application Performance Management<sup>8</sup>

## IDC Marketscape

### IDC MarketScape names CA a Leader in:

- Project and Portfolio Management<sup>9</sup>

## Ovum

### Ovum names CA a Leader in:

- API Management<sup>10</sup>
- Privileged Identity Management<sup>11</sup>

## KuppingerCole

### KuppingerCole names CA a leader in:

- Privileged Access Management<sup>12</sup>
- Single Sign-On<sup>13</sup>
- Adaptive Authentication<sup>14</sup>

[1] Magic Quadrant for Full Life Cycle API Management, Paolo Malverno and Mark O'Neill, October 27, 2016

[2] Magic Quadrant for IT Project and Portfolio Management Software Applications, Worldwide, Daniel B. Slang, Robert A. Handler, Teresa Jones, May 24, 2016

[3] Magic Quadrant for Application Release Automation, Colin Fletcher, David Williams, Laurie Wurster, August 1, 2016

[4] Magic Quadrant for Integrated IT Portfolio Analysis Applications, 2015, Daniel B. Slang and Stefan Van Der Zijden, November 22, 2016

[5] Magic Quadrant for Identity Governance and Administration, Felix Gschlitzner, Brian Herson, Perry Carpenter, Kevin Kampman, February 22, 2017

[6] Magic Quadrant for Enterprise Agile Planning Tools, Thomas E. Murphy, Mike West, Keith James Mann, April 27, 2017

Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

[7] Forrester Research Inc., The Forrester Wave™: API Management Solutions, Q4 2016, November 14, 2016.

[8] Forrester Research Inc., The Forrester Wave™: Application Performance Management, Q3 2016.

[9] IDC MarketScape: Worldwide Enterprise IT PPM 2016 Vendor Assessment—Enabling Business Execution and Optimization, February 2016, IDC #US40473615

[10] Ovum Decision Matrix: Ovum Decision Matrix: Selecting an API Management Solution 2016-2017

[11] Ovum Decision Matrix: Selecting a Privileged Identity Management Solution, 2015–2016

[12] KuppingerCole Leadership Compass: Privilege Management, December 2015.

[13] KuppingerCole Leadership Compass: Access Management and Federation, March 2016.

[14] KuppingerCole Leadership Compass Adaptive Authentication, February 2017

# THE MODERN SOFTWARE FACTORY

The capabilities you need,  
from mobile to mainframe to  
deliver the experiences  
customers want.



Agile



DevOps



Security



## CREATE AN AGILE BUSINESS

- Agile Central + Project & Portfolio Management
- API Management



## BUILD BETTER APPS, FASTER

- Agile Central + Continuous Testing + Release Automation
- Service Virtualization + BlazeMeter + Agile Requirements Designer + Test Data Manager + Continuous Delivery Director



## MAKE SECURITY A COMPETITIVE ADVANTAGE

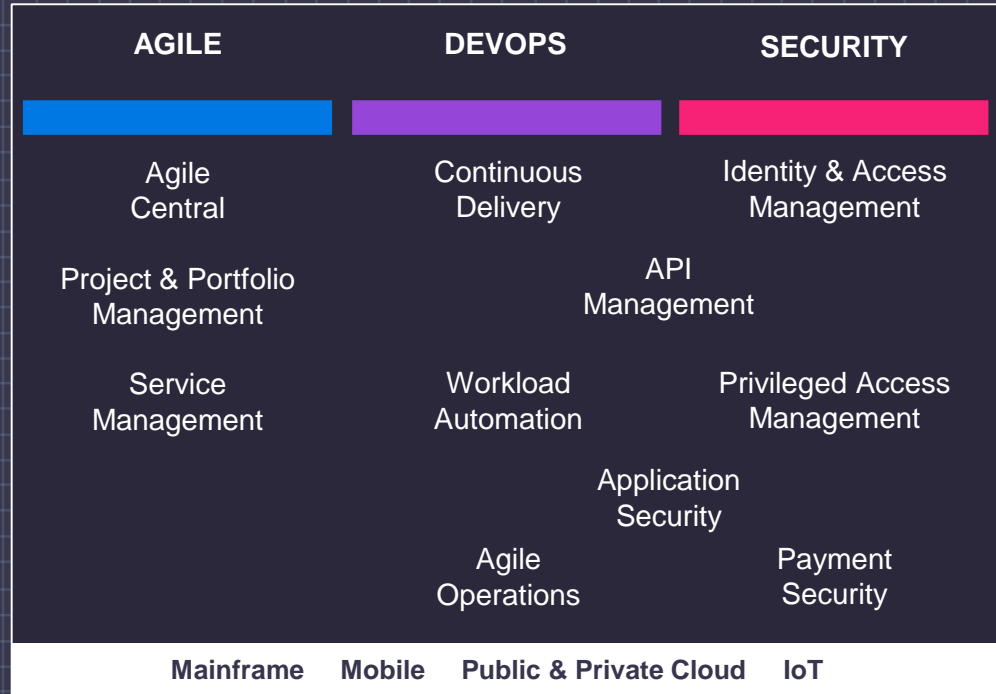
- Identity Management + Privileged Access Management + Threat Analytics
- Test Data Manager + Privileged Access Management + Data Content Discovery + Project & Portfolio Management



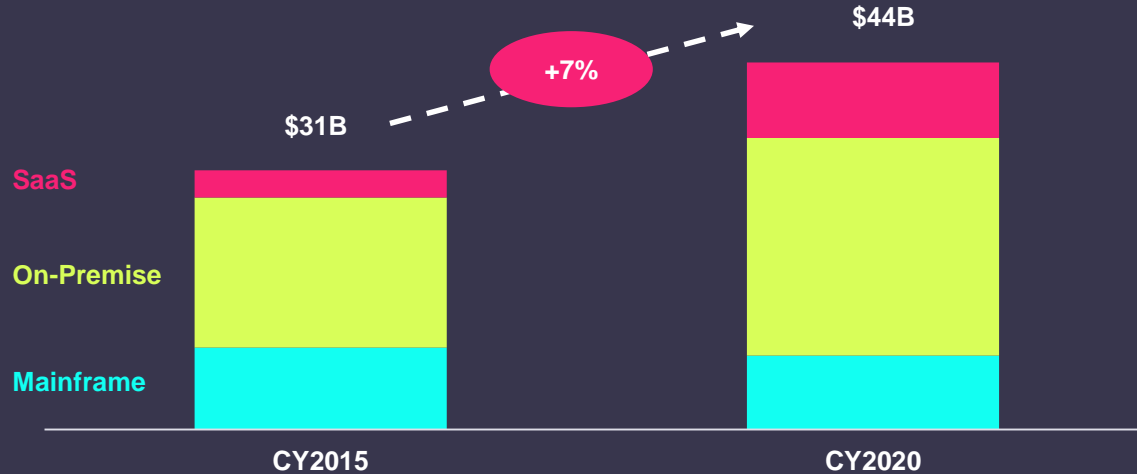
## MAXIMIZE APPLICATION PERFORMANCE

- Application Performance Management + API Management

Capabilities  
focused on  
three major  
pillars with  
solutions that  
span all  
platforms.



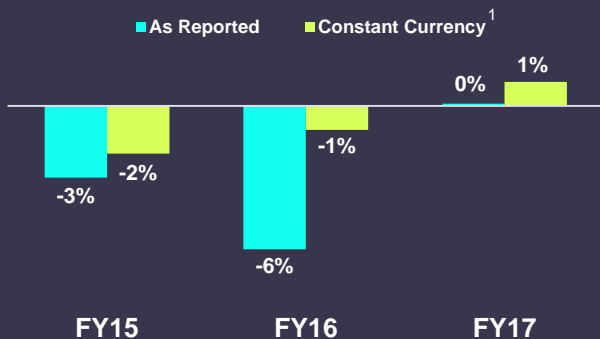
# Positioned in healthy and growing markets.



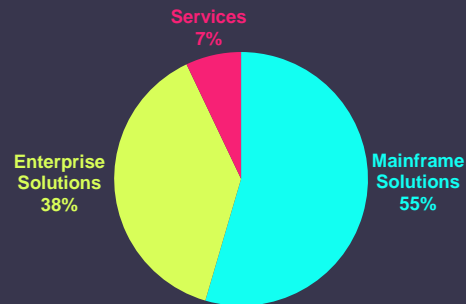
Significant growth opportunities in Enterprise Solutions, supported by powerful secular trends, while Mainframe leadership provides a strong foundation for future investments



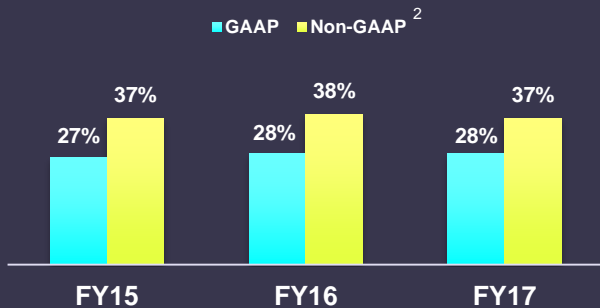
## Revenue Growth (y/y)



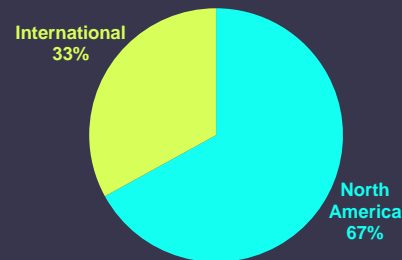
## Revenue by Segment (FY17)



## Operating Margin %



## Revenue by Geo (FY17)



[1] Constant currency information is presented to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than US dollars are converted into US dollars at the exchange rate in effect on the last day of the prior fiscal year (i.e., March 31, 2016, March 31, 2015 and March 31, 2014, respectively). Constant currency excludes the impacts from the Company's hedging program.

[2] Non-GAAP operating margin as reflected is a non-GAAP financial measure. A description of this measure and a reconciliation to its comparable GAAP margin is included in the appendix to this presentation.

# Capital Allocation

## DIVIDEND

Annual dividend of  
\$1.02 per share<sup>1</sup>

## BUY BACK

Authorization for \$750M share  
repurchase program, \$650M  
remaining

## INORGANIC INVESTMENT

On average, plan to spend \$300-  
500M annually on strategic  
investments, although this could be  
more or less in a given year

**PRUDENT USE OF OUR SHAREHOLDERS' CAPITAL**

[1] As and when declared by the Board of Directors

Quarterly Results by Segment

Annual Results by Segment

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	FY15	FY16	FY17
--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

**Mainframe Solutions (\$M)**

<b>Revenue</b>	614	610	596	572	560	554	554	547	551	550	546	535	2,392	2,215	2,182
y/y growth	-1%	-2%	-4%	-7%	-9%	-9%	-7%	-4%	-2%	-1%	-1%	-2%	-3%	-7%	-1%
y/y in cc <sup>1</sup>	-1%	-3%	-1%	-2%	-3%	-3%	-2%	-2%	-1%	-1%	-1%	-1%	-2%	-2%	-1%
<b>Operating Margin %</b>	62%	62%	58%	56%	62%	62%	61%	61%	62%	62%	61%	59%	59%	61%	61%

**Enterprise Solutions (\$M)**

<b>Revenue</b>	368	378	405	368	338	368	398	380	371	393	389	400	1,519	1,484	1,553
y/y growth	-3%	-2%	-2%	-3%	-8%	-3%	-2%	3%	10%	7%	-2%	5%	-2%	-2%	5%
y/y in cc <sup>1</sup>	-3%	-2%	0%	2%	-2%	3%	3%	6%	10%	8%	-2%	6%	-1%	2%	5%
<b>Operating Margin %</b>	12%	13%	14%	4%	14%	3%	12%	10%	13%	18%	14%	1%	11%	10%	11%

**Services (\$M)**

<b>Revenue</b>	87	91	90	83	79	83	82	82	77	75	72	77	351	326	301
y/y growth	-11%	-6%	-4%	-8%	-9%	-9%	-9%	-1%	-3%	-10%	-12%	-6%	-7%	-7%	-8%
y/y in cc <sup>1</sup>	-11%	-8%	-2%	-3%	-3%	-3%	-4%	0%	-2%	-9%	-12%	-5%	-6%	-3%	-7%
<b>Operating Margin %</b>	6%	2%	6%	-4%	10%	5%	6%	7%	3%	3%	-4%	-3%	3%	7%	0%

[1] Constant currency information is presented to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than US dollars are converted into US dollars at the exchange rate in effect on the last day of the prior fiscal year (i.e., March 31, 2016, March 31, 2015 and March 31, 2014, respectively). Constant currency excludes the impacts from the Company's hedging program.



# Why CA?

1

STRONG RELATIONSHIPS WITH LARGE INSTALLED BASE;  
PROVEN VENDOR SUPPORTING MISSION CRITICAL APPLICATIONS

2

LARGE, INDEPENDENT SOFTWARE PROVIDER WITHOUT PLATFORM, HARDWARE OR  
SERVICES AGENDA

3

PREDICTABLE AND RECURRING ECONOMICS

4

GAAP OPERATING MARGIN IN THE HIGH 20% RANGE | NON-GAAP OPERATING  
MARGIN<sup>1</sup> IN THE HIGH 30% RANGE | ANNUAL CFFO OF APPROXIMATELY \$1B

5

DIVIDEND OF \$1.02 PER SHARE IN FY18<sup>2</sup>

[1] Non-GAAP operating margin as reflected is a non-GAAP financial measure. A description of this measure and a reconciliation to its comparable GAAP margin is included in the appendix to this presentation.

[2] As and when declared by the Board of Directors

# Appendix



# Non-GAAP Metrics

This presentation includes certain financial measures that exclude the impact of certain items and therefore have not been calculated in accordance with U.S. generally accepted accounting principles (GAAP). Non-GAAP metrics for operating margin exclude the following items: non-cash amortization of purchased software, internally developed software and other intangible assets; share-based compensation expense; charges relating to rebalancing initiatives that are large enough to require approval from the Company's Board of Directors and certain other gains and losses. The Company presents constant currency information to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than U.S. dollars are converted into U.S. dollars at the exchange rate in effect on the last day of the Company's prior fiscal year (i.e., March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, respectively). Constant currency excludes the impacts from the Company's hedging program. These non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. By excluding these items, non-GAAP financial measures facilitate management's internal comparisons to the Company's historical operating results, to competitors' operating results, and to estimates made by securities analysts. Management uses these non-GAAP financial measures internally to evaluate its performance and they are key variables in determining management incentive compensation. The Company believes these non-GAAP financial measures are useful to investors in allowing for greater transparency of supplemental information used by management in its financial and operational decision-making. In addition, the Company has historically reported similar non-GAAP financial measures to its investors and believes that the inclusion of comparative numbers provides consistency in its financial reporting. Investors are encouraged to review the reconciliation of the non-GAAP financial measures used in this presentation to their most directly comparable GAAP financial measures, which are included in this presentation.

# Additional Information on New Product, Capacity Sales and Renewal Yield

Our management looks within total bookings at renewal bookings, which we define as bookings attributable to the renewable value of a prior contract (i.e., the maintenance value and, in the case of non-perpetual licenses, the license value), and at total new product sales, which we define as sales of mainframe and enterprise solutions products and mainframe solutions capacity that are new or in addition to sales of products or mainframe solutions capacity previously contracted for by a customer.

Mainframe Solutions new product sales and capacity growth can be inconsistent on both a quarterly and annual basis. We believe the period-over-period change in Mainframe Solutions new product sales and capacity combined is an appropriate measure of performance and, therefore, we provide only total Mainframe Solutions new sales information, which includes mainframe solutions capacity. The amount of new product sales for a period, as currently tracked by us, requires estimation by management and has been historically reported by providing only growth rate comparisons. Within a given period, the amount of new product sales may not be material to the change in our total bookings or revenue compared with prior periods. New product sales can be reflected as subscription and maintenance bookings in the period (for which revenue would be recognized ratably over the term of the contract) or in software fees and other bookings (which are recognized as software fees and other revenue in the current period).

Within bookings, we also consider the yield on our renewals. We define "renewal yield" as the percentage of the renewable value of a prior contract (i.e., the maintenance value and, in the case of non-perpetual licenses, the license value) realized in current period bookings. The renewable value of a prior contract is an estimate affected by various factors including contractual renewal terms, price increases and other conditions. Price increases are not considered as part of the renewable value of the prior period contract. We estimate the aggregate renewal yield for a quarter based on a review of material transactions representing a majority of the dollar value of renewals during the current period. There may be no correlation between year-over-year changes in bookings and year-over-year changes in renewal yield, since renewal yield is based on the renewable value of contracts of various durations, most of which are longer than one year.

## Reconciliation of GAAP Results to Non-GAAP Results

	FY 2015	FY 2016	FY 2017
<b>Total Revenue</b>	<b>\$4,262</b>	<b>\$4,025</b>	<b>\$4,036</b>
GAAP Net Income	\$846	\$783	\$775
GAAP Income From Discontinued Operations, Net of Income Taxes	(36)	(14)	-
GAAP Income From Continuing Operations	\$810	\$769	\$775
GAAP Income Tax Expense	305	315	298
Interest Expense, Net	47	51	62
<b>GAAP Income From Continuing Operations Before Interest and Income Taxes</b>	<b>\$1,162</b>	<b>\$1,135</b>	<b>\$1,135</b>
<b>GAAP Operating Margin (% of revenue)</b>	<b>27%</b>	<b>28%</b>	<b>28%</b>
<b>Non-GAAP Adjustments</b>			
Purchased Software Amortization	124	146	164
Other Intangibles Amortization	58	44	19
Internally Developed Software Products Amortization	149	110	79
Share-based Compensation	87	97	108
Other Expenses (Gains), Net (1)	17	(1)	-
Total Non-GAAP Operating Adjustment	\$435	\$396	\$370
<b>Non-GAAP Income From Continuing Operations Before Interest and Income Taxes</b>	<b>\$1,597</b>	<b>\$1,531</b>	<b>\$1,505</b>
<b>Non-GAAP Operating Margin (% of revenue)</b>	<b>37%</b>	<b>38%</b>	<b>37%</b>

[1] Non-GAAP adjustment consists of charges relating to the FY2014 Board approved rebalancing initiative (the Fiscal 2014 Plan) and other miscellaneous costs. [2] As and when declared by the Board of Directors.

[2] Constant currency information is presented to provide a framework for assessing how the Company's underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than US dollars are converted into US dollars at the exchange rate in effect on the last day of the prior fiscal year (i.e., March 31, 2016, March 31, 2015 and March 31, 2014 and March 31, 2013, respectively). Constant currency excludes the impacts from the Company's hedging program.







---

## **Traci Tsuchiguchi**

Vice President, Investor Relations

[traci.tsuchiguchi@ca.com](mailto:traci.tsuchiguchi@ca.com)

## **Stefan Putyera**

Sr. Principal, Investor Relations

[stefan.putyera@ca.com](mailto:stefan.putyera@ca.com)



**Thank You.**