



Third Quarter 2017 Earnings Presentation

Delta Tucker Holdings, Inc.
Parent of DynCorp International Inc.
November 13, 2017

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 November 13, 2017 filed with the SEC on Current Report on Form 8-K and posted on our website.**

CEO George Krivo – Executive Summary

National Security Capabilities Supporting Critical Customer Missions

- Responding to Disaster and Humanitarian Relief In Puerto Rico
- Combating Forest Fire in California

Key Financial Results

- Revenue of \$503.0 Million
- Adjusted EBITDA of \$38.1 Million
- Adjusted EBITDA Margin of 7.6%

New Business In Evaluation

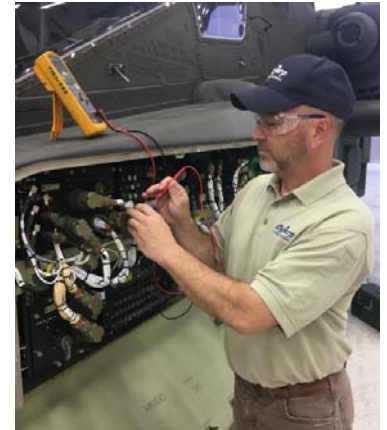
- Over \$3.5 Billion Submitted and Awaiting Award

Operational Highlights

Operational Highlights



Key Developments

- NORTHCOM LOGCAP IV Task Order Supporting U.S. Army and FEMA Hurricane Maria Relief \$69.8M
- Naval Test Wing Pacific (NTWP) Award \$276M
- Region 5 FireWatch Program \$12.5M
- ALiSS Task Order IRM Support Services \$52.8M
- FMX Field Level Maintenance Task Order under TS3 Contract Vehicle \$14.6M



Financial Review

Q3 2017 Results

	<i>Millions</i>	Q3 2017	2017 vs. 2016		
Revenue		\$503.0M	(\$0.5M)	(0.1%)	
Adjusted EBITDA		\$38.1M	\$11.6M	44.0%	
Adjusted EBITDA Margin		7.6%	232 bps		
			vs. Q4 2016		
Total Backlog		\$4,436M	\$720M	19.4%	

Q3 Highlights

Revenue		Adjusted EBITDA	
↑ LOGCAP IV		↑ JPATS T6	
↑ ALiSS		↑ CNTPO	
↑ NAWDC		↑ ALiSS	
↑ AFM TASM		↑ MD530	
↑ MSS Saudi		↑ GISS G4 INSCOM	
↑ JPATS T6		↓ NSP	
↑ GISS G4 INSCOM		↓ LOGCAP IV	
↑ MD530		↓ INL	
↓ Sheppard		↓ T34/44/6 CLS	
↓ INL		↓ AFM RASM-W	
↓ POS II			
↓ WRM			

AELS




<i>Millions</i>	Q3 2017	2017 vs. 2016	
Revenue	\$166.0M	(\$3.1M)	(1.9%)
Adjusted EBITDA	\$8.2M	\$14.8M	226.1%
Adjusted EBITDA Margin	5.0%	883 bps	
		vs. Q4 2016	
Total Backlog	\$1,533M	\$109M	7.7%




Q3 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ JPATS T6 ↑ NAWDC ↓ PAX River ↓ NASA ↓ Sheppard ↓ UAE 	<ul style="list-style-type: none"> ↑ Andrews ↑ JPATS T6 ↑ CalFire ↑ Pax River ↓ T34/44/6
Total Backlog	
<ul style="list-style-type: none"> ↑ JPATS T6 ↑ Naval Test Wing Pacific CA 	<ul style="list-style-type: none"> ↓ Andrews ↓ NASA AMOS ↓ CalFire ↓ T34-44/6 CLS

AOLC

	<i>Millions</i>	Q3 2017	2017 vs. 2016	
Revenue		\$141.9M	(\$15.4M)	(9.8%)
Adjusted EBITDA		\$19.1M	\$4.5M	30.6%
Adjusted EBITDA Margin		13.4%	416 bps	
			vs. Q4 2016	
Total Backlog		\$1,302M	\$250M	23.8%



Q3 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ AFM TASM ↑ Contractor Logistics (CLS) ↑ MSS Saudi ↑ MD530 ↓ INL ↓ MAISR ↓ F2AST 	<ul style="list-style-type: none"> ↑ CNTPO ↑ MD530 ↑ SANG ↓ INL

Total Backlog	
<ul style="list-style-type: none"> ↑ MD530 ↑ CLS Transport 	<ul style="list-style-type: none"> ↓ AFM RASM/TASM ↓ INL ↓ SANG ↓ MSS Saudi

DynLogistics



<i>\$millions</i>	Q3 2017	2017 vs. 2016	
Revenue	\$195.8M	\$18.5M	10.4%
Adjusted EBITDA	\$12.9M	(\$8.5M)	(39.8%)
Adjusted EBITDA Margin	6.6%	(550) bps	
		vs. Q4 2016	
Total Backlog	\$1,601M	\$361M	29.1%



Q3 Highlights

Revenue	Adjusted EBITDA
<ul style="list-style-type: none"> ↑ LOGCAP IV ↑ ALiSS ↑ GISS G4 INSCOM ↓ Chemonics ↓ POS II ↓ WRM 	<ul style="list-style-type: none"> ↑ ALiSS ↑ GISS G4 INSCOM ↓ LOGCAP IV ↓ NSP

Total Backlog	
<ul style="list-style-type: none"> ↑ ALiSS ↑ LOGCAP IV ↑ WRM ↑ Chemonics 	<ul style="list-style-type: none"> ↓ POS II ↓ NEFRSC ↓ GISS ↓ ANA/ANP

Financial Review – Q3 Miscellaneous Items

Working Capital⁽¹⁾ of \$172.5 Million

- Up \$19.0 Million from Prior Year-end; 9.1% of Revenue
- DSO at 56 Days – No change from 2016 Year-End

YTD Free Cash Flow \$6.7 Million

Current Net Debt Position of \$468.2 Million

- Balance Sheet Cash Position of \$110.7 Million
- No Revolver Borrowings Outstanding At Quarter-end

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

2017 Full Year Financial Guidance – Update

Revenue \$1.95 Billion to \$1.98 Billion

- Includes Contributions from our INL Air Wing Program

Adjusted EBITDA \$148 Million to \$150 Million

- Guidance Increased Based On:
 - Strong Year to Date Results
 - Good Q4 Visibility
 - Recent Wins
- Includes Contributions from the INL Air Wing Program

INL Air Wing Program

- Guidance Assumes \$270 Million in Revenue

CEO Closing Remarks

Strong Quarter – On Track to Deliver Solid Year

- ✓ Revenue Growth
- ✓ Profit up
- ✓ Raising Guidance Again

Well positioned for 2018

Delivering Solutions Anywhere in the World

- ✓ Humanitarian Support in Puerto Rico
- ✓ Combating Wild Fire in California
- ✓ Growing LOGCAP Globally

Serving today for a better tomorrow!

Q & A

Appendix

Unaudited Consolidated Statements of Operations

(Amounts in thousands)

	Three Months Ended		Nine Months Ended	
	September 29, 2017	September 30, 2016	September 29, 2017	September 30, 2016
Revenue	\$ 502,974	\$ 503,434	\$ 1,437,133	\$ 1,374,392
Cost of services	(447,796)	(445,090)	(1,256,924)	(1,227,948)
Selling, general and administrative expenses	(21,243)	(38,357)	(80,129)	(109,405)
Depreciation and amortization expense	(8,792)	(8,875)	(25,936)	(26,078)
Earnings from equity method investees	53	60	105	761
Impairment of goodwill, intangibles and long lived assets	—	(1,782)	—	(1,782)
Operating income	25,196	9,390	74,249	9,940
Interest expense	(17,149)	(20,230)	(53,628)	(53,657)
Loss on early extinguishment of debt	—	—	(24)	(328)
Interest income	15	117	39	199
Other (expense) income, net	(43)	216	1,474	5,179
Income (loss) before income taxes	8,019	(10,507)	22,110	(38,667)
(Provision) benefit for income taxes	(3,338)	3,543	(11,677)	(7,681)
Net income (loss)	4,681	(6,964)	10,433	(46,348)
Noncontrolling interests	(295)	(307)	(858)	(803)
Net income (loss) attributable to DTH, Inc.	\$ 4,386	\$ (7,271)	\$ 9,575	\$ (47,151)
Provision (benefit) for income taxes	3,338	(3,543)	11,677	7,681
Interest expense, net of interest income	17,134	20,113	53,589	53,458
Depreciation and amortization ⁽¹⁾	9,320	9,122	27,245	26,799
EBITDA ⁽²⁾	\$ 34,178	\$ 18,421	\$ 102,086	\$ 40,787
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	3,409	(331)	2,171	8,080
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	296	339	1,771	1,000
Cerberus fees ⁽⁵⁾	479	762	1,755	2,394
Global Advisory Group expenses ⁽⁶⁾	—	7,499	6,943	17,256
Other ⁽⁷⁾	(247)	(220)	(817)	(504)
Adjusted EBITDA	\$ 38,115	\$ 26,470	\$ 113,909	\$ 69,013

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.

(2) We define EBITDA as GAAP net 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 impairment of investment in affiliates in the third quarter of 2016 and 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 three and nine months ended September 29, 2017 and September 30, 2016, respectively, 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, 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.

Unaudited Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)	DTH, Inc. CY17 QTD Q3				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating income (loss)	\$ 7,523	\$ 18,892	\$ 9,125	\$ (10,344)	\$ 25,196
Depreciation and amortization expense ⁽¹⁾	500	25	258	8,537	9,320
Noncontrolling interests	—	—	—	(295)	(295)
Other (expense) income, net	4	1	56	(104)	(43)
EBITDA ⁽²⁾	\$ 8,027	\$ 18,918	\$ 9,439	\$ (2,206)	\$ 34,178
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	—	3,168	241	3,409
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	69	18	123	86	296
Cerberus fees ⁽⁵⁾	143	119	171	46	479
Other ⁽⁶⁾	—	—	17	(264)	(247)
Adjusted EBITDA	\$ 8,239	\$ 19,055	\$ 12,918	\$ (2,097)	\$ 38,115

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

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Unaudited Credit Agreement Adjusted EBITDA Calculation by Segment

(Amount in thousands)	DTH, Inc. CY16 QTD Q3				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (7,137)	\$ 13,876	\$ 23,920	\$ (21,269)	\$ 9,390
Depreciation and amortization expense ⁽¹⁾	144	115	138	8,725	9,122
Noncontrolling interests	—	—	—	(307)	(307)
Other income (loss), net	89	(196)	(124)	447	216
EBITDA ⁽²⁾	\$ (6,904)	\$ 13,795	\$ 23,934	\$ (12,404)	\$ 18,421
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	475	(2,775)	1,969	(331)
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	106	85	89	59	339
Cerberus fees ⁽⁵⁾	248	234	209	71	762
Global Advisory Group expenses ⁽⁶⁾	—	—	—	7,499	7,499
Other ⁽⁷⁾	15	—	—	(235)	(220)
Adjusted EBITDA	\$ (6,535)	\$ 14,589	\$ 21,457	\$ (3,041)	\$ 26,470

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(3) Includes the impairment of investment in affiliates 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 three months ended September 30, 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 Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)	DTH, Inc. CY17 YTD Q3				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating income (loss)	\$ 16,793	\$ 49,267	\$ 50,424	\$ (42,235)	\$ 74,249
Depreciation and amortization expense ⁽¹⁾	1,066	73	594	25,512	27,245
Loss on early extinguishment of debt	—	—	—	(24)	(24)
Noncontrolling interests	—	—	—	(858)	(858)
Other (expense) income, net	(5)	1,052	103	324	1,474
EBITDA ⁽²⁾	\$ 17,854	\$ 50,392	\$ 51,121	\$ (17,281)	\$ 102,086
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	—	862	1,309	2,171
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	796	347	528	100	1,771
Cerberus fees ⁽⁵⁾	520	509	605	121	1,755
Global Advisory Group expenses ⁽⁶⁾	—	—	—	6,943	6,943
Other ⁽⁷⁾	—	—	58	(875)	(817)
Adjusted EBITDA	\$ 19,170	\$ 51,248	\$ 53,174	\$ (9,683)	\$ 113,909

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.

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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.

Unaudited Credit Agreement Adjusted EBITDA Calculation by Segment

(Amounts in thousands)	DTH, Inc. CY16 YTD Q3				
	AELS	AOLC	DynLogistics	Headquarters/ Others	Consolidated
Operating (loss) income	\$ (15,537)	\$ 32,743	\$ 49,798	\$ (57,064)	\$ 9,940
Depreciation and amortization expense ⁽¹⁾	431	513	260	25,595	26,799
Loss on early extinguishment of debt	—	—	—	(328)	(328)
Noncontrolling interests	—	—	—	(803)	(803)
Other income (loss), net	29	4,655	(111)	606	5,179
EBITDA ⁽²⁾	\$ (15,077)	\$ 37,911	\$ 49,947	\$ (31,994)	\$ 40,787
Certain income/expense or gain/loss adjustments per our credit agreements ⁽³⁾	—	1,016	(1,276)	8,340	8,080
Employee share based compensation, severance, relocation and retention expense ⁽⁴⁾	461	41	208	290	1,000
Cerberus fees ⁽⁵⁾	737	697	644	316	2,394
Global Advisory Group expenses ⁽⁶⁾	—	—	—	17,256	17,256
Other ⁽⁷⁾	130	—	—	(634)	(504)
Adjusted EBITDA	\$ (13,749)	\$ 39,665	\$ 49,523	\$ (6,426)	\$ 69,013

(1) Includes certain depreciation and amortization amounts which are classified as Cost of services in the condensed consolidated statements of operations.

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

(6) Reflects Global Advisory Group cost incurred during the nine months ended September 30, 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 Sheets

(Amounts in thousands)

	As of	
	September 29, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,657	\$ 118,218
Restricted cash	—	7,664
Accounts receivable, net of allowances of \$10,350 and \$17,189, respectively	331,387	300,255
Other current assets	61,655	65,694
Total current assets	503,699	491,831
Non-current assets	161,133	184,706
Total assets	<u>\$ 664,832</u>	<u>\$ 676,537</u>
LIABILITIES AND DEFICIT		
Current portion of long-term debt	\$ 21,078	\$ 62,843
Other current liabilities	271,776	278,703
Total current liabilities	292,854	341,546
Long-term debt	557,825	569,613
Other long-term liabilities	25,390	27,315
Total deficit attributable to Delta Tucker Holdings, Inc.	(216,718)	(267,392)
Noncontrolling interests	5,481	5,455
Total deficit	(211,237)	(261,937)
Total liabilities and deficit	<u>\$ 664,832</u>	<u>\$ 676,537</u>

Unaudited Other Contract Data

(Amounts in millions)	As of	
	September 29, 2017	December 31, 2016
Backlog ⁽¹⁾ :		
Funded backlog	\$ 1,029	\$ 1,403
Unfunded backlog	3,407	2,313
Total Backlog	\$ 4,436	\$ 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 nine months ended	
	September 29, 2017	September 30, 2016
Cash Flow Information:		
Net cash provided by operating activities	\$ 10,744	\$ 24,677
Net cash provided by (used in) investing activities	5,784	(19,848)
Net cash used in financing activities	(24,089)	(14,672)
Net cash provided by operating activities	10,744	24,677
Less: Purchase of property and equipment	(3,931)	(2,762)
Proceeds from sale of property and equipment	537	832
Less: Purchase of software	(646)	(1,775)
Free cash flow	<u>\$ 6,704</u>	<u>\$ 20,972</u>