

assets and goodwill, income taxes, stock-based compensation expense and contingencies. These estimates have been prepared by management on the basis of the most current and best available information; however, actual results could differ materially from those estimates. Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. We combined "Deferred tax liabilities" into "Other long-term liabilities" on the condensed consolidated balance sheets. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which consist of normal recurring adjustments, necessary for a fair presentation thereof. The results reported in these unaudited condensed consolidated financial statements are not necessarily indicative of the results that may be expected for the entire year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K filed on February 13, 2024. 8Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Accounting Standards Updates Issued But Not Yet Adopted ASU 2023-07 Segment Reporting In November 2023, the FASB issued ASU 2023-07, to improve reportable segment disclosure requirements. This update requires companies to disclose significant segment expense categories that are regularly provided to the chief operating decision maker ("CODM") on an interim and annual basis and expands disclosure requirements for interim reporting. Companies must also disclose how segment measures of profit or loss are used by the CODM. The amendments in this update are effective for public entities for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024. The amendments should be adopted on a retrospective basis and early adoption is permitted. We are evaluating the impact of the update and will adopt the amendments for annual disclosures in fiscal 2024. ASU 2023-09 Income Taxes In December 2023, the FASB issued ASU 2023-09, to enhance the transparency and usefulness of income tax disclosures. The update requires enhancements to the annual rate reconciliation, including disclosure of specific categories and additional information for reconciling items meeting a quantitative threshold. The update also requires disclosure of income taxes paid disaggregated by federal, state and foreign taxes, and individual jurisdictions meeting a quantitative threshold. The amendments in this update are effective for public business entities for annual periods beginning after December 15, 2024, and may be adopted on a prospective or retrospective basis. Early adoption is permitted. We are currently evaluating the impacts of this update and plan to adopt these amendments using the prospective approach for annual disclosures in fiscal 2025. Changes in Estimates on Contracts Changes in estimates related to contracts accounted for using the cost-to-cost method of accounting are recognized in the period in which such changes are made for the inception-to-date effect of the changes, with the exception of contracts acquired through a business combination, where the adjustment is made for the period commencing from the date of acquisition. Changes in estimates on contracts were as follows: Three Months Ended June 28, 2024 June 30, 2023 June 28, 2024 June 30, 2023 (in millions, except per share data) Favorable impact \$42A \$40A \$67A \$62A Unfavorable impact (54)(22)(79)(38) Net impact to income before income taxes (12)(5) \$18A \$(12)\$24A Impact on diluted EPS attributable to Leidos common stockholders \$(0.07)\$0.10A \$(0.06)\$0.13A The unfavorable impact for the three and six months ended June 28, 2024, included \$39A million and \$40A million, respectively, in write-downs on programs within our UK operations related to cost increases and schedule delays. The impact on diluted earnings per share ("EPS") attributable to Leidos common stockholders is calculated using the statutory tax rate. Revenue Recognized from Prior Obligations We reduced revenue from performance obligations satisfied in previous periods by \$16 million and \$21 million for the three and six months ended June 28, 2024, respectively, and recognized revenue of \$16 million and \$15 million for the three and six months ended June 30, 2023, respectively. The changes are primarily related to revisions of variable consideration including award and incentive fees, and revisions to estimates at completion resulting from changes in contract scope, mitigation of contract risks or true-ups of contract estimates at the end of contract performance. 9Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Cash and Cash Equivalents Our cash equivalents are primarily comprised of investments in several large institutional money market accounts, with original maturity of three months or less. At June 28, 2024, and December 29, 2023, \$88 million and \$136 million, respectively, of outstanding payments were included within "Cash and cash equivalents" and "Accounts payable and accrued liabilities" correspondingly on the condensed consolidated balance sheets. Restricted Cash We have restricted cash balances, primarily representing advances from customers that are restricted for use on certain expenditures related to that customer's contract. Restricted cash balances are included as "Other current assets" in the condensed consolidated balance sheets. Our restricted cash balances were \$118 million and \$151 million at June 28, 2024, and December 29, 2023, respectively. Note 2â Revenues Remaining Performance Obligations Remaining performance obligations ("RPO") represent the expected value of exercised contracts, both funded and unfunded, less revenue recognized to date. RPO does not include unexercised option periods and future potential task orders expected to be awarded under indefinite delivery/indefinite quantity ("IDIQ") contracts. General Services Administration Schedule or other master agreement contract vehicles, with the exception of certain IDIQ contracts where task orders are not competitively awarded and separately priced but instead are used as a funding mechanism, and where there is a basis for estimating future revenues and funding on future anticipated task orders. As of June 28, 2024, we had \$1.8A billion of RPO and expect to recognize approximately 63% and 79% over the next 12 months and 24 months, respectively, with the remainder to be recognized thereafter. Disaggregation of Revenues We disaggregate revenues by customer-type, contract-type and geographic location for each of our reportable segments. Disaggregated revenues by customer-type were as follows: Three Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) DoD and U.S. Intelligence Community \$1,247A \$255A \$4A \$441A \$1,947A Other U.S. government agencies (1) 520A 986A 81A 24A 1,611A Commercial and non-U.S. customers 28A 16A 475A 30A 549A Total \$1,795A \$1,257A \$560A \$495A \$4,107A Three Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) DoD and U.S. Intelligence Community \$1,193A \$268A \$7A \$385A \$1,853A Other U.S. government agencies (1) 555A 741A 80A 30A 1,406A Commercial and non-U.S. customers 31A 15A 457A 51A 554A Total \$1,779A \$1,024A \$544A \$466A \$3,813A (1) Includes federal government agencies other than the DoD and U.S. Intelligence Community, as well as state and local government agencies. 10Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Six Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) DoD and U.S. Intelligence Community \$2,468A \$512A \$14A \$866A \$3,860A Other U.S. government agencies (1) 1,045A 1,903A 154A 46A 3,148A Commercial and non-U.S. customers 61A 32A 900A 57A 1,050A Total \$3,574A \$2,447A \$1,068A \$969A \$8,058A Six Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) DoD and U.S. Intelligence Community \$2,347A \$540A \$15A \$775A \$3,677A Other U.S. government agencies (1) 1,124A 1,454A 60A 2,771A Commercial and non-U.S. customers 66A 29A 873A 76A 1,044A Total \$3,525A \$2,023A \$1,033A \$911A \$7,492A (1) Includes federal government agencies other than the DoD and U.S. Intelligence Community, as well as state and local government agencies. Disaggregated revenues by contract-type were as follows: Three Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) Cost-reimbursement and fixed-price-incentive-fees 948A \$451A \$90A \$313A \$1,802A Firm-fixed-price 494A 749A 352A 143A 1,738A Time-and-materials and fixed-price-level-of-effort 353A 57A 118A 39A 567A Total \$1,795A \$1,257A \$560A \$495A \$4,107A Three Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) Cost-reimbursement and fixed-price-incentive-fees 956A \$522A \$82A \$267A \$1,827A Firm-fixed-price 497A 454A 349A 157A 1,457A Time-and-materials and fixed-price-level-of-effort 326A 48A 113A 42A 529A Total \$1,779A \$1,024A \$544A \$466A \$3,813A 11Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Six Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) Cost-reimbursement and fixed-price-incentive-fees 1,894A \$898A \$175A \$614A \$3,581A Firm-fixed-price 986A 1,439A 671A 282A 3,378A Time-and-materials and fixed-price-level-of-effort 694A 110A 222A 73A 1,099A Total \$3,574A \$2,447A \$1,068A \$969A \$8,058A Six Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) Cost-reimbursement and fixed-price-incentive-fees 1,883A \$1,075A \$174A \$539A \$3,671A Firm-fixed-price 1,004A 857A 638A 291A 2,790A Time-and-materials and fixed-price-level-of-effort 638A 91A 221A 81A 1,031A Total \$3,525A \$2,023A \$1,033A \$911A \$7,492A Disaggregated revenues by geographic location were as follows: Three Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) United States \$1,788A \$1,255A \$227A \$479A \$3,749A International 7A 2A 333A 16A 358A Total \$1,795A \$1,257A \$560A \$495A \$4,107A Three Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) United States \$1,770A \$1,024A \$217A \$463A \$3,474A International 9A \$27A 3A 339A Total \$1,779A \$1,024A \$544A \$466A \$3,813A Six Months Ended June 28, 2024 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) United States \$3,558A \$2,444A \$435A \$947A \$7,384A International 16A 3A 633A 22A 674A Total \$3,574A \$2,447A \$1,068A \$969A \$8,058A 12Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Six Months Ended June 30, 2023 National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) United States \$3,505A \$2,022A \$409A \$904A \$6,840A International 20A 1A 624A 7A 652A Total \$3,525A \$2,023A \$1,033A \$911A \$7,492A Revenues by customer-type, contract-type and geographic location exclude lease income of \$25 million and \$49 million for the three and six months ended June 28, 2024, respectively, and \$25 million and \$45 million for the three and six months ended June 30, 2023, respectively. Contract Assets and Liabilities Performance obligations are satisfied either over time as work progresses or at a point in time. Firm-fixed-price contracts are typically billed to the customer using milestone payments while cost-reimbursable and time and materials contracts are typically billed to the customer on a monthly or bi-weekly basis as indicated by the negotiated billing terms and conditions of the contract. As a result, the timing of revenue recognition, customer billings and cash collections for each contract results in a net contract asset or liability at the end of each reporting period. Contract assets consist of unbilled receivables, which is the amount of revenue recognized that exceeds the amount billed to the customer. Unbilled receivables exclude amounts billable where the right to consideration is solely subject to the passage of time. Contract liabilities consist of deferred revenue, which represents cash advances received prior to performance for programs and billings in excess of revenue recognized. The components of contract assets and contract liabilities consisted of the following: Balance sheet line item June 28, 2024 December 29, 2023 (in millions) Contract assets - current: Unbilled receivables Receivables, net \$1,136A \$1,041A Contract liabilities - current: Deferred revenue (1) Accounts payable and accrued liabilities \$296A \$442A Contract liabilities - non-current: Deferred revenue (1) Other long-term liabilities \$16A \$21A (1) Certain contracts record revenue net of cost of revenues, and therefore, the respective deferred revenue balance will not fully convert to revenue. The increase in unbilled receivables was primarily due to revenue recognized on certain contracts, partially offset by the timing of billings. The decrease in deferred revenue was primarily due to revenue recognized during the period, offset by the timing of advanced payments from customers. For the three and six months ended June 28, 2024, \$54 million and \$211 million, respectively, of revenue recognized was included as a contract liability at December 29, 2023. For the three and six months ended June 30, 2023, \$32 million and \$187 million, respectively, of revenue recognized was included as a contract liability at December 30, 2022. 13Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 3â Goodwill and Intangible Assets Goodwill During the quarter ended March 29, 2024, the Company completed a business realignment, which resulted in identification of new reportable segments. The Company commenced operating and reporting under the new organizational structure effective the first day of fiscal 2024 (see "Note 10â Business Segments). Goodwill was allocated to the new reportable segments based on a relative fair value approach. The following table presents changes in the carrying amount of goodwill by reportable segment: National Security and Digital Health & Civil Commercial & International Defense Systems Total (in millions) Goodwill at December 30, 2022 \$2,755A \$1,366A \$1,389A \$1,186A \$6,696A Goodwill Impairment \$âA \$âA \$âA \$âA \$âA Acquisitions of a business (1) \$âA \$âA (4) Foreign currency translation adjustments \$3A \$âA 11A 2A 16A Goodwill at December 29, 2023 (2) \$2,758A \$1,366A \$800A \$1,188A \$6,112A Foreign currency translation adjustments \$âA \$âA (10) \$âA (10) Goodwill at June 28, 2024 (2) \$2,758A \$1,366A \$790A \$1,188A \$6,102A (1) Adjustment to goodwill resulting from a measurement period purchase accounting adjustment. (2) Carrying amount includes accumulated impairment loss of \$596A million within the Commercial & International segment. We evaluate qualitative factors that could cause us to believe the estimated fair value of each of our reporting units may be lower than the carrying value and trigger a quantitative assessment, including, but not limited to (i) macroeconomic conditions, (ii) industry and market considerations, (iii) our overall financial performance, including an analysis of our current and projected cash flows, revenues and earnings, (iv) a sustained decrease in share price and (v) other relevant entity-specific events including changes in management, strategy, partners or litigation. Operations of the Security Enterprise Solutions (SESâ) reporting unit rely heavily on the sales and servicing of security and detection products, which prior to fiscal 2024, have been negatively impacted due to delays in airline travel infrastructure projects as customer budgets recover from the pandemic. During fiscal 2023, the SES reporting unit refined its portfolio and made strategic business decisions to exit certain product offerings, and cease operations in certain countries in order to align the operations of the reporting unit with its strategic business plan. These decisions, along with the delays in airline travel infrastructure projects and higher than anticipated servicing costs, contributed to a significant reduction in the reporting unit's forecasted revenue and cash flows. Accordingly, we recognized a non-cash goodwill impairment charge of \$596 million at the SES reporting unit during the fiscal year ended December 29, 2023. The impairment was recorded within the Commercial & International reportable segment in the condensed consolidated statements of operations. In the event that there are significant unfavorable changes to the forecasted cash flows, forecasted revenue, terminal growth rates or the cost of capital used in the fair value estimates, we may be required to record an additional impairment of goodwill at a future date. In conjunction with the change in reportable segments in fiscal 2024, the Company evaluated goodwill for impairment both before and after the segment change and determined that goodwill was not impaired. 14Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Intangible Assets Intangible assets, net consisted of the following: June 28, 2024 December 29, 2023 Gross carrying value Accumulated amortization Net carrying value (in millions) Finite-lived intangible assets: Programs \$1,687A \$(1,233) \$454A \$1,689A \$(1,175) \$514A Software and technology 262A (155) 107A 263A (144) 119A Customer relationships 52A (25) 27A 52A (22) 30A Total finite-lived intangible assets 2,001A (1,413) \$588A 2,004A (1,341) \$667A Indefinite-lived intangible assets: Trade names 4A \$âA 4A 4A \$âA 4A Total intangible assets \$2,005A \$(1,413) \$592A 2,008A (1,341) \$667A Amortization expense was \$36A million and \$73A million for the three and six months ended June 28, 2024, respectively and \$51A million and \$103A million for the three and six months ended June 30, 2023, respectively. Program intangible assets are amortized over their respective estimated useful lives in proportion to the pattern of economic benefit based on expected future discounted cash flows. Customer relationships and software and technology intangible assets are amortized

either on a straight-line basis over their estimated useful lives or over their respective estimated useful lives in proportion to the pattern of economic benefit based on expected future discounted cash flows, as deemed appropriate. The estimated annual amortization expense as of June 28, 2024, was as follows: Fiscal year ending (in millions) 2024 (remainder of year) \$74.4 2025 120.4 2026 98.4 2027 72.2 2028 62.4 2029 and thereafter 162.4 \$588.4 15 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 4â€ƒ Fair Value Measurements The accounting standard for fair value measurements establishes a three-level fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: observable inputs such as quoted prices in active markets (Level 1); inputs other than quoted prices in active markets that are observable, either directly or indirectly, or quoted prices that are not active (Level 2); and unobservable inputs in which there is little or no market data (e.g., discounted cash flow and other similar pricing models), which requires us to develop our own market participant assumptions used in pricing the asset or liability (Level 3). The financial instruments measured at fair value on a recurring basis primarily consisted of the following: June 28, 2024 December 29, 2023 Carrying value Fair value Carrying value Fair value (in millions) Financial assets: Derivatives \$11.1 \$11.1 \$11.1 As of June 28, 2024, and December 29, 2023, our derivatives primarily consisted of the cash flow interest rate swaps on \$500 million of the variable rate senior unsecured term loan (see "Note 5â€ƒ Derivative Instruments"). The fair value of the cash flow interest rate swaps is determined based on observed values for underlying interest rates on the one-month Secured Overnight Financing Rate ("SOFR") rate (Level 2 inputs). The carrying amounts of our financial instruments, other than derivatives, which include cash equivalents, accounts receivable, accounts payable and accrued expenses, are reasonable estimates of their related fair values. As of June 28, 2024, and December 29, 2023, the fair value of debt was \$4.5 billion and \$4.6 billion, respectively, and the carrying amount was \$4.7 billion for both periods (see "Note 6â€ƒ Debt"). The fair value of long-term debt is determined based on current interest rates available for debt with terms and maturities similar to our existing debt arrangements and our credit rating (Level 2 inputs). As of June 28, 2024, we did not have any assets or liabilities measured at fair value on a non-recurring basis. 16 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 5â€ƒ Derivative Instruments We manage our risk to changes in interest rates through the use of derivative instruments. We do not hold derivative instruments for trading or speculative purposes. For variable rate borrowings, we use fixed interest rate swaps, effectively converting a portion of the variable interest rate payments to fixed interest rate payments. These swaps are designated as cash flow hedges. The fair value of the interest rate swaps was as follows: Asset derivatives Balance sheet line item June 28, 2024 December 29, 2023 (in millions) Cash flow interest rate swaps Other long-term assets \$11.1 \$11.1 The cash flows associated with the interest rate swaps are classified as operating activities in the condensed consolidated statements of cash flows. Cash Flow Hedges We have interest rate swap agreements to hedge the cash flows of \$500 million of the variable rate senior unsecured term loan (the "Variable Rate Loan"). These interest rate swap agreements have a maturity date of August 2025 and a fixed interest rate of 2.96%. The objective of these instruments is to reduce variability in the forecasted interest payments of the Variable Rate Loan. Under the terms of the interest rate swap agreements, we will receive monthly variable interest payments based on the one-month SOFR and will pay interest at a fixed rate. The interest rate swap transactions are accounted for as cash flow hedges. The gain/loss on the swaps is reported as a component of other comprehensive (loss) income and is reclassified into earnings when the interest payments on the underlying hedged items impact earnings. A qualitative assessment of hedge effectiveness is performed on a quarterly basis, unless facts and circumstances indicate the hedge may no longer be highly effective. The effect of the cash flow hedges on other comprehensive (loss) income and earnings for the periods presented was as follows: Three Months Ended Six Months Ended June 28, 2024 June 30, 2023 June 28, 2024 June 30, 2023 (in millions) Total interest expense, net presented in the condensed consolidated statements of operations in which the effects of cash flow hedges are recorded \$51.1 \$56.1 \$100.1 \$110.1 Amount recognized in other comprehensive income \$2.1 \$10.4 \$7.8 \$8.4 Amount reclassified from accumulated other comprehensive loss to interest expense, net \$(3.8) \$(5.6) \$(9.9) We expect to reclassify net gains of \$11 million from accumulated other comprehensive loss into earnings during the next 12 months. 17 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 6â€ƒ Debt Our debt consisted of the following: Stated interest rate Effective interest rate June 28, 2024 December 29, 2023 (in millions) Senior unsecured term loan: \$1,000.0 million term loan, due March 2028 6.8% 8.6% \$1,000.0 \$1,000.0 Senior unsecured notes: \$500.0 million notes, due May 2025 3.63% 3.76% \$500.0 \$500.0 \$750.0 million notes, due May 2034 3.8% 4.50% \$750.0 \$750.0 \$750.0 million notes, due March 2035 7.5% 5.81% \$750.0 \$750.0 \$1,000.0 million notes, due February 2032 1.2% 0.28% \$1,000.0 \$1,000.0 \$250.0 million notes, due July 2027 1.3% 4.3% \$250.0 \$300.0 \$300.0 million notes, due July 2035 5.0% 5.88% \$161.1 \$161.1 \$300.0 million notes, due December 2040 5.95% 6.03% \$218.4 \$218.4 Finance leases due on various dates through fiscal 2032 Various 1.84% - 6.31% \$82.9 \$91.4 Less: unamortized debt discounts and deferred debt issuance costs (35.3) (38.7) Total long-term debt 4,676.4 4,682.4 Less current portion (567.7) (18.7) Total long-term debt, net of current portion \$4,109.4 \$4,664.4 Term Loans and Revolving Credit Facility On March 10, 2023 (the "Credit Agreement"), we entered into a Credit Agreement (the "Credit Agreement") with certain financial institutions, which provided for a senior unsecured term loan facility in an aggregate principal amount of \$1.0 billion (the "Term Loan Facility") and a \$1.0 billion senior unsecured revolving facility (the "Revolving Facility") and, together with the Term Loan Facility, the "Credit Facilities"). The Credit Facilities will mature in March 2028. The Revolving Facility is subject to an annual commitment fee rate of 0.125% on the unused credit availability and permits two additional one-year extensions subject to lender consent. As of June 28, 2024, and December 29, 2023, there were no borrowings outstanding under the Revolving Facility. The proceeds of the Term Loan Facility and cash on hand on the Closing Date were used to repay in full all indebtedness, terminate all commitments and discharge all guarantees existing in connection with a predecessor \$1.9A billion senior unsecured term loan facility and a \$750.0 million senior unsecured revolving facility. Borrowings under the Credit Agreement bear interest at a rate determined, at our option, based on either an alternate base rate or a Term SOFR rate with a 0.10% per annum Term SOFR adjustment, plus, in each case, an applicable margin that varies depending on our credit rating. The applicable margin range for Term SOFR-denominated borrowings is from 1.00% to 1.50%. Based on our current ratings, the applicable margin for Term SOFR-denominated borrowings is 1.25%. Principal payments are made quarterly on the Term Loan Facility beginning in March 2025, with the majority of the principal due at maturity. Interest on the Term Loan Facility for Term SOFR-denominated borrowings is payable on a periodic basis, which must be at least quarterly. The financial covenants in the Credit Agreement require that we maintain, as of the last day of each fiscal quarter, a ratio of adjusted consolidated total debt to consolidated EBITDA of not more than 3.75 to 1.00, subject to increases to 4.50 to 1.00 for four fiscal quarters following a material acquisition, and a ratio of EBITDA to consolidated interest expense of not less than 1.50 to 1.00. 18 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Senior Notes In fiscal 2023, we issued and sold \$750.0 million aggregate principal amount of fixed-rate senior notes (the "Notes") maturing in March 2033. The Notes are senior unsecured obligations issued by Leidos, Inc. and guaranteed by Leidos Holdings, Inc. The annual interest rate for the Notes is 5.75% and is payable on a semi-annual basis. In connection with the issuance of the Notes, \$11 million of debt issuance costs and discount were recognized, which were recorded as an offset against the carrying value of debt. Commercial Paper We have a commercial paper program in which the Company may issue short-term unsecured commercial paper notes ("Commercial Paper Notes") not to exceed \$1.0A billion. The proceeds will be used for general corporate purposes, including working capital, capital expenditures, acquisitions and share repurchases. The Commercial Paper Notes are issued in minimum denominations of \$0.25A million and have maturities of up to 397 days from the date of issuance. The Commercial Paper Notes either bear a stated or floating interest rate, if interest bearing, or will be sold at a discount from the face amount. As of June 28, 2024, and December 29, 2023, we did not have any Commercial Paper Notes outstanding. The Credit Facilities, Commercial Paper Notes and senior unsecured notes are fully and unconditionally guaranteed and contain certain customary restrictive covenants, including among other things, restrictions on our ability to create liens and enter into sale and leaseback transactions under certain circumstances. We were in compliance with all covenants as of June 28, 2024. Note 7â€ƒ Accumulated Other Comprehensive Income (Loss) Changes in the components of Accumulated Other Comprehensive Income (Loss) ("AOCI") were as follows: Foreign currency translation adjustments Unrecognized gain (loss) on derivative instruments Pension adjustments Total AOCI (in millions) Balance at December 30, 2022 \$(73.1) \$13.4 \$(13.3) \$(73.0) Other comprehensive income (loss) 36.6 6.4 (1.4) 41.6 Taxes 2.1 1.4 â€ƒ 2.1 1.1 Reclassification from AOCI 1.5 1.5 1.5 Balance at December 29, 2023 (39.5) 14.4 (4.8) Other comprehensive income (loss) 22.7 1.1 (1.4) Taxes 3.4 â€ƒ 2.1 3.4 Reclassification from AOCI 1.6 (6.1) (6.1) Balance at June 28, 2024 \$(58.6) \$6.4 \$(13.3) (65.0) Reclassifications from unrecognized gain (loss) on derivative instruments are recorded in "Interest expense, net" in the condensed consolidated statements of operations. 19 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 8â€ƒ Earnings Per Share The following table provides a reconciliation of the weighted average number of shares outstanding used to compute basic and diluted EPS for the periods presented: Three Months Ended Six Months Ended June 28, 2024 June 30, 2023 June 28, 2024 June 30, 2023 (in millions) Basic weighted average number of shares outstanding 135.4 137.4 135.4 137.4 Dilutive common share equivalentsâ€ƒ stock options and other stock awards 1.1 1.2 1.1 1.2 Diluted weighted average number of shares outstanding 136.5 138.6 136.5 138.6 Anti-dilutive stock-based awards are excluded from the weighted average number of shares outstanding used to compute diluted EPS. The total outstanding stock options and vesting stock awards that were anti-dilutive were not material for both the three and six months ended June 28, 2024, and 2A million for both the three and six months ended June 30, 2023. During the three and six months ended June 28, 2024, we made open market repurchases of our common stock for an aggregate purchase price of \$100A million and \$250A million, respectively, and \$25A million during the six months ended June 30, 2023. There were no share repurchases for the three months ended June 30, 2023. All shares repurchased were immediately retired. Note 9â€ƒ Income Taxes For the three months ended June 28, 2024, the effective tax rate was 23.9% compared to 23.4% for the three months ended June 30, 2023. The increase to the effective tax rate was primarily due to a reduced benefit in federal research tax credits, partially offset by a reduction of taxes related to foreign operations. In addition, our effective tax rate for the three months ended June 30, 2023, included a benefit from the release of an accrual for penalties. For the six months ended June 28, 2024, the effective tax rate was 23.6% compared to 22.2% for the six months ended June 30, 2023. The increase to the effective tax rate was primarily due to a reduced benefit in federal research tax credits and an increase in unrecognized tax benefits, partially offset by an increase in excess tax benefits related to employee stock-based payment transactions. 20 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Note 10â€ƒ Business Segments Our operations and reportable segments are organized around the customers and markets we serve. We define our reportable segments based on the way the CODM, currently our Chief Executive Officer, manages operations for the purposes of allocating resources and assessing performance. Effective the first day of fiscal 2024, we realigned our business to report into six operating segments, which are aggregated into four reportable segments in accordance with the criteria established under ASC 280: National Security and Digital, Health & Civil, Commercial & International and Defense Systems. Our reportable segments are focused on specific, defined capability sets that we bring to our customers. Additionally, we separately present the unallocable costs associated with corporate functions as Corporate. As a result of this change, prior year segment results have been recast to reflect the current reportable segment structure. National Security and Digital provides technology enabled services and mission software capabilities for defense and intelligence customers in the areas of cyber, logistics, security operations and decision analytics, as well as IT operations and digital transformation programs across all U.S. federal government customers. Our advanced capabilities include the delivery of technology-enabled services, mission software capabilities and IT modernization services. Our capabilities allow us to provide innovative technology solutions in the following categories: software development, engineering & design, modeling & simulation, analytics, cyber security, intelligence analysis, linguistics and mission operations. Health & Civil provides services and solutions to federal and commercial customers in the areas of public health, care coordination, life and environmental sciences and transportation. We are dedicated to delivering effective and affordable solutions that are responsible for the health and well-being of people, including service members and veterans. A core capabilities include health information management services, managed health services, systems and infrastructure modernization, and life sciences research and development. We help customers achieve their missions and take on the connected world with data-driven insights, improved efficiencies and technological advantages. Commercial & International provides technologically advanced services, solutions and products to commercial and international customers. Our key customers include United Kingdom and Australia government agencies, Transportation Security Administration, U.S. Customs and Border Protection, airports, and commercial utility providers. Our offerings include IT modernization, software solutions, mission support and logistics, Command, Control, Computers, Communications, Intelligence, Surveillance and Reconnaissance ("C4ISR") technologies and services, cloud services, power grid engineering, energy modernization and security products and services. Defense Systems develops and produces advanced space, aerial, surface, and sub-surface manned and un-manned defense systems for the U.S. Department of Defense, Army, Navy, Air Force, Marine Corps, United States Special Operations Command, NASA, Space Force, the Defense Intelligence Agency and International customers. Our solutions deliver innovative technology, systems engineering, integration and testing, rapid prototyping, software development, intelligence analysis, cybersecurity solutions and C4ISR technologies and services to support critical missions. Corporate includes the operations of various corporate activities, certain corporate expense items that are not reimbursed by our U.S. government customers and certain other expense items excluded from a reportable segment's performance. 21 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) The segment information for the periods presented was as follows: Three Months Ended Six Months Ended June 28, 2024 June 30, 2023 June 28, 2024 June 30, 2023 (in millions) Revenues: National Security and Digital \$1,813.4 \$1,791.4 \$3,606.4 \$3,548.4 Health & Civil 1,263.4 1,034.4 2,462.4 2,042.4 Commercial & International 561.4 547.4 1,070.4 1,036.4 Defense Systems 495.4 466.4 969.4 911.4 Total revenues \$4,132.6 \$3,838.6 \$8,107.4 \$7,537.4 Operating income (loss): National Security and Digital 183.4 \$172.4 \$358.4 \$317.4 Health & Civil 307.4 134.4 529.4 247.4 Commercial & International (11.3) 44.4 23.4 47.4 Defense Systems 34.4 21.4 55.4 44.4 Corporate (38.3) (30.7) (59.7) Total operating income \$475.4 \$331.4 \$890.4 \$596.4 The income statement performance measures used to evaluate segment performance are revenues and operating income. As a result, "Interest expense, net," "Other income (expense), net" and "Income tax expense" as reported in the condensed consolidated statements of operations are not allocated to our segments. Under U.S. Government Cost Accounting Standards, indirect costs including depreciation expense are collected in indirect cost pools, which are then collectively allocated to the reportable segments based on a representative causal or beneficial relationship of the costs in the pool to the costs in the base. As such, depreciation expense is not separately disclosed on the condensed consolidated statements of operations. Asset information by segment is not a key measure of performance used by the CODM. Note 11â€ƒ Commitments and Contingencies Legal Proceedings We are involved in various claims and lawsuits arising in the normal conduct of our business, none of which, in the opinion of management, based upon current information, will likely have a material adverse effect on our financial position, results of operations or cash flows. Contingencies Government Investigations and Reviews We are routinely subject to investigations and reviews relating to compliance with various laws and regulations with respect to our role as a contractor to federal, state and local government customers and in connection with performing services in countries outside of the United States. Adverse findings could have a material effect on our business, financial position, results of operations and cash flows due to our reliance on government contracts. 22 Table of Contents LEIDOS HOLDINGS, INC. NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) Defense Contract Audit Agency As of June 28, 2024, active indirect cost audits by the Defense Contract Audit Agency

remain open for fiscal 2022 and subsequent fiscal years. Although we have recorded contract revenues based upon an estimate of costs that we believe will be approved upon final audit or review, we cannot predict the outcome of any ongoing or future audits or reviews and adjustments, and if future adjustments exceed estimates, our profitability may be adversely affected. As of June 28, 2024, we believe we have adequately reserved for potential adjustments from audits or reviews of contract costs. Other Government Investigations and Reviews Through its internal processes, the Company discovered, in late 2021, activities by its employees, third party representatives and subcontractors, raising concerns related to a portion of our business that conducts international operations. The Company is conducting an internal investigation, overseen by an independent committee of the Board of Directors, with the assistance of external legal counsel, to determine whether the identified conduct may have violated the Company's Code of Conduct and potentially applicable laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"). The Company has voluntarily self-reported this investigation to the Department of Justice and the Securities and Exchange Commission and is cooperating with both agencies. Because the investigation is ongoing, the Company cannot anticipate the timing, outcome or possible impact of the investigation, although violations of the FCPA and other applicable laws may result in criminal and civil sanctions, including monetary penalties, and reputational damage. In September 2022, the Company received a Federal Grand Jury Subpoena related to the criminal investigation by the U.S. Attorney's Office for the Southern District of California, in conjunction with the U.S. Department of Justice's Fraud Division. The subpoena requests documents relating to the conduct that is the subject of the Company's internal investigation. The Company has responded to the subpoena. In February 2023, a former employee of the Company who was terminated at the outset of the investigation was indicted on wire fraud and other charges by a Federal Grand Jury in the U.S. District Court in the Southern District of California. These charges were later dismissed as a result of the death of the former employee. In August 2022, the Company received a Federal Grand Jury Subpoena in connection with a criminal investigation being conducted by the U.S. Department of Justice Antitrust Division. The subpoena requests that the Company produce a broad range of documents related to three U.S. Government procurements associated with the Company's Intelligence Group in 2021 and 2022. We are fully cooperating with the investigation, and we are conducting our own internal investigation with the assistance of outside counsel. It is not possible at this time to determine whether we will incur, or to reasonably estimate the amount of, any fines, penalties, or further liabilities in connection with the investigation pursuant to which the subpoena was issued. As of June 28, 2024, we have outstanding letters of credit of \$65 million, principally related to performance guarantees on contracts and outstanding surety bonds with a notional amount of \$104 million, principally related to performance and subcontractor payment bonds on contracts. The value of the surety bonds may vary due to changes in the underlying project status and/or contractual modifications. As of June 28, 2024, the future expirations of the outstanding letters of credit and surety bonds were as follows: Fiscal year ending (in millions) 2024 (remainder of year) \$42.2025 \$93.2026 \$217.42027 \$15.2028 \$169.2029 and thereafter \$169.2030. Table of Contents LEIDOS HOLDINGS, INC. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. The following discussion and analysis of Leidos Holdings, Inc.'s ("Leidos") financial condition, results of operations, and quantitative and qualitative discussion about business environment and trends should be read in conjunction with Leidos' condensed consolidated financial statements and related notes. The following discussion contains forward-looking statements, including statements regarding our intent, belief or current expectations with respect to, among other things, trends affecting our financial condition or results of operations, backlog, our industry, the impact of our merger and acquisition activity, government budgets and spending, our business contingency plans, interest rates and uncertainties in tax due to new tax legislation or other regulatory developments. In some cases, forward-looking statements can be identified by words such as "expect," "estimate," "plan," "anticipate," "continue" or similar expressions. Such statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ materially from those in the forward-looking statements as a result of various factors. Some of these factors include, but are not limited to, the risk factors set forth in our Annual Report on Form 10-K, as updated by the risk factor in this report under Part II, Item 1A. "Risk Factors" and as may be further updated in subsequent filings with the U.S. Securities and Exchange Commission. Due to such uncertainties and risks, you are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to update these factors or to publicly announce the results of any changes to our forward-looking statements due to future events or developments. Unless indicated otherwise, references in this report to "we," "us" and "our" refer collectively to Leidos and its consolidated subsidiaries. Overview Leidos, a member of the Fortune 500®, is a dynamic innovation company that is at the forefront of addressing the world's most challenging issues in national security and health sectors. With a global workforce of approximately 48,000, Leidos is committed to developing smarter technology solutions, particularly for customers in highly regulated industries. We bring domain-specific capability and cross-market innovations to customers in each of these markets by leveraging five technical core capabilities: digital modernization, cyber operations, mission software systems, integrated systems and mission operations. Our customers include the U.S. Department of Defense ("DoD"), the U.S. Intelligence Community, the U.S. Department of Homeland Security, the Federal Aviation Administration, the Department of Veterans Affairs, National Aeronautics and Space Administration and many other U.S. civilian, state and local government agencies, foreign government agencies and commercial businesses. Beginning in fiscal 2024, we realigned our business and operate in four reportable segments that are focused on specific, defined capability sets we bring to our customers. As a result of this change, prior year segment results and disclosures have been recast to reflect the current reportable segment structure. We now operate in the following reportable segments: National Security and Digital, Health & Civil, Commercial & International and Defense Systems. We also separately present the unallocable costs associated with corporate functions as Corporate (see "Note 10 Business Segments"). Business Environment and Trends U.S. Government Markets During the three and six months ended June 28, 2024, we generated approximately 86% and 87%, respectively, of total revenues from contracts with the U.S. government, as compared to 85% and 86% for the three and six months ended June 30, 2023, respectively. Accordingly, our business performance is affected by the overall level of U.S. government spending, especially on national security, homeland security and intelligence, and the alignment of our service and product offerings and capabilities with current and future budget priorities of the U.S. government. President Biden released the \$7.3 trillion government fiscal year ("GFY") 2025 President's Budget Request on March 11, 2024, which seeks to increase defense spending by 1% and non-defense discretionary spending by 2.4%. The U.S. Congress is currently working to pass the 12 appropriations bills that will fund the federal government in GFY 2025. Failure to pass the appropriations bills or a continuing resolution by September 30, 2024, will result in a full or partial federal government shutdown. Table of Contents LEIDOS HOLDINGS, INC. International Markets Sales to customers in international markets represented approximately 9% and 8% of total revenues for the three and six months ended June 28, 2024, respectively, as compared to 9% for both the three and six months ended June 30, 2023. Our international customers include foreign governments and their agencies. Our international business increases our exposure to international markets and the associated international regulatory and geopolitical risks. Changes in international trade policies, including higher tariffs on imported goods and materials, may increase the procurement cost of certain IT hardware used both on our contracts and internally. However, we expect to recover certain portions of these higher tariffs through our cost-plus contracts. We are currently evaluating the impact of higher tariffs, and do not expect the tariffs to have a significant impact to our business. Results of Operations The following table summarizes our condensed consolidated results of operations for the periods presented. Three Months Ended Six Months Ended June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Revenues \$4,132.4 \$3,838.4 \$294.7 7.7% \$8,107.4 \$7,537.0 \$570.4 7.6% Operating income \$475.3 \$314.4 \$160.9 51.2% Non-operating expense, net (57.8) (14.0) (43.8) (31.3%) Income before income taxes \$417.5 \$299.4 \$118.1 39.4% Income tax expense (102.6) (64.3) (38.3) 37.5% Net income \$314.9 \$235.1 \$79.8 33.9% Segment and Corporate Results Three Months Ended Six Months Ended National Security and Digital June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Revenues \$1,813.4 \$1,791.4 \$22.0 1.2% \$3,606.4 \$3,548.4 \$58.0 1.6% Operating income \$183.4 \$172.1 \$11.3 6.4% Non-operating expense, net (10.1) (9.6) (0.5) (5.2%) Income before income taxes \$173.3 \$162.5 \$10.8 6.6% Income tax expense (43.8) (31.3) (12.5) 39.6% Net income \$129.5 \$131.2 \$1.7 1.3% The increase in revenues for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily attributable to a net increase in volumes on certain programs and program wins, partially offset by the completion of certain contracts. The increase in operating income for the three months ended June 28, 2024, as compared to the three months ended June 30, 2023, was primarily attributable to a net increase in volumes and efficiencies on certain programs, partially offset by the completion of certain contracts. The increase in operating income for the six months ended June 28, 2024, as compared to the six months ended June 30, 2023, was primarily attributable to a net increase in volumes and efficiencies on certain programs, and program wins, partially offset by the completion of certain contracts. Table of Contents LEIDOS HOLDINGS, INC. Three Months Ended Six Months Ended Health & Civil June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Revenues \$1,263.4 \$1,034.4 \$229.0 22.1% \$2,462.4 \$2,042.0 \$420.4 20.6% Operating income \$307.4 \$134.7 \$172.7 127.4% The increase in revenues for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily attributable to higher volumes in the managed health services business, write-ups on certain programs and program wins. The increase in operating income for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily driven by a net increase in volumes and favorable business mix in the managed health services business and write-ups on certain programs. Three Months Ended Six Months Ended Commercial & International June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Revenues \$561.4 \$547.4 \$14.0 2.6% \$1,070.4 \$1,036.4 \$34.0 3.3% Operating (loss) income (11.3) (45.1) (33.8) 75.0% Operating margin (2.0)% (8.2)% The increase in revenues for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily attributable to higher material volumes within our Australia business and program wins. The increase was partially offset by the impact of write-downs on certain programs within our UK operations for which cost and schedule were rebaselined. The decrease in operating income for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily driven by the impact of write-downs on certain programs within our UK operations for which cost and schedule were rebaselined, and the completion of certain contracts. The decrease was partially offset by higher material volumes and program wins. Three Months Ended Six Months Ended Defense Systems June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Revenues \$495.4 \$466.4 \$29.0 6.2% \$969.4 \$911.4 \$58.0 6.4% Operating income \$34.2 \$13.6 \$20.6 151.5% The increase in revenues for the three and six months ended June 28, 2024, as compared to the three and six months ended June 30, 2023, was primarily attributable to program wins, partially offset by the completion of certain contracts. The increase in operating income for the three months ended June 28, 2024, as compared to the three months ended June 30, 2023, was primarily attributable to program wins and improved program execution on certain programs. The increase in operating income for the six months ended June 28, 2024, as compared to the six months ended June 30, 2023, was primarily attributable to program wins. Table of Contents LEIDOS HOLDINGS, INC. Three Months Ended Six Months Ended Corporate June 28, 2024 June 30, 2023 Dollar change Percent change June 28, 2024 June 30, 2023 Dollar change Percent change (dollars in millions) Operating loss \$(38.3) \$(30.8) \$7.5 24.3% The increase in operating loss for the three months ended June 28, 2024, as compared to the three months ended June 30, 2023, was primarily attributable to increased general and administrative expenses. The increase in operating loss for the six months ended June 28, 2024, as compared to the six months ended June 30, 2023, was primarily attributable to increased general and administrative expenses, partially offset by reduced legal fees. Non-Operating Expense, net Non-operating expense, net for the three months ended June 28, 2024, was \$49 million as compared to \$57 million for the three months ended June 30, 2023. The decrease was primarily driven by lower interest expense, as there were no commercial paper borrowings in the current year. Non-operating expense, net for the six months ended June 28, 2024, was \$96 million as compared to \$115 million for the six months ended June 30, 2023. The decrease was primarily driven by lower interest expense, as there were no commercial paper borrowings in the current year, increased interest income on higher cash balances and favorable exchange rate movements. Provision for Income Taxes For the three months ended June 28, 2024, our effective tax rate was 23.9% compared to 23.4% for the three months ended June 30, 2023. The increase to the effective tax rate was primarily due to a reduced benefit in federal research tax credits, partially offset by a reduction of taxes related to foreign operations. In addition, our effective tax rate for the three months ended June 30, 2023, included a benefit from the release of an accrual for penalties. For the six months ended June 28, 2024, our effective tax rate was 23.6% compared to 22.2% for the six months ended June 30, 2023. The increase to the effective tax rate was primarily due to a reduced benefit in federal research tax credits and an increase in unrecognized tax benefits, partially offset by an increase in excess tax benefits related to employee stock-based payment transactions. In December 2021, the Organization for Economic Cooperation and Development enacted model rules for a new 15% global minimum tax framework (Pillar Two). Many governments around the world have enacted or are in the process of enacting Pillar Two legislation. The Pillar Two legislation became effective for certain jurisdictions beginning in fiscal 2024. We will continue to evaluate the impact of the rules as additional legislation gets enacted but currently do not expect them to have a material impact. Table of Contents LEIDOS HOLDINGS, INC. Bookings and Backlog We recorded net bookings worth an estimated \$4.0 billion and \$7.7 billion during the three and six months ended June 28, 2024, respectively, as compared to \$2.9 billion and \$5.9 billion for the three and six months ended June 30, 2023, respectively. The estimated value of our total backlog was as follows: June 28, 2024 June 30, 2023 Segment Total Unfunded Total Funded Unfunded Total (in millions) National Security and Digital \$2,681.1 \$15,268.4 \$17,949.5 \$2,806.6 \$12,549.4 \$15,355.4 Health & Civil \$1,607.4 \$8,837.1 \$10,444.5 \$1,635.9 \$9,127.4 \$10,762.4 Commercial & International \$2,699.1 \$1,886.4 \$4,585.5 \$2,786.4 \$972.3 \$3,758.4 Defense Systems \$1,036.4 \$2,473.4 \$3,509.8 \$1,045.4 \$3,232.4 \$4,277.4 Total \$8,023.4 \$28,464.4 \$36,487.4 \$8,272.4 \$25,880.4 \$34,152.4 Backlog represents the estimated amount of future revenues to be recognized under negotiated contracts, both funded and unfunded. Backlog does not include unexercised option periods and future potential task orders expected to be awarded under indefinite delivery/indefinite quantity ("IDIQ") contracts, General Services Administration Schedule or other master agreement contract vehicles, with the exception of certain IDIQ contracts where task orders are not competitively awarded and separately priced but instead are used as a funding mechanism, and where there is a basis for estimating future revenues and funding on future anticipated task orders. Backlog estimates are subject to change and may be affected by factors including modifications of contracts and foreign currency movements. Liquidity and Capital Resources Overview As of June 28, 2024, we had \$823 million in cash and cash equivalents. We have a senior unsecured revolving credit facility which can provide up to \$1 billion in additional borrowing, if required. As of June 28, 2024, and December 29, 2023, there were no borrowings outstanding under the revolving credit facility. We had outstanding debt of \$4.7 billion at both June 28, 2024, and December 29, 2023. We have a commercial paper program in which we may issue short-term unsecured commercial paper notes ("Commercial Paper Notes") and have maturities of up to 397 days from the date of issuance. As of June 28, 2024, and December 29, 2023,

We did not have any Commercial Paper Notes outstanding. We made principal payments, excluding the impacts of our Commercial Paper Notes, on our debt of \$5 million and \$9 million during the three and six months ended June 30, 2024, respectively, and \$325 million and \$2,036 million for the three and six months ended June 30, 2023, respectively. The activity for the three months ended June 30, 2023, included a required principal payment of \$320 million to discharge the 364-day term loan credit agreement. The activity for the six months ended June 30, 2023, included a \$1,210 million payment to discharge the \$1.9A billion 5.77% senior unsecured term loan facility and a \$498 million payment to discharge the \$500A million 2.95% notes, due May 2023. Our credit facilities, commercial paper notes and senior unsecured notes outstanding as of June 30, 2024, contain financial covenants and customary restrictive covenants. We were in compliance with all covenants as of June 30, 2024. We paid dividends of \$51 million and \$104 million during the three and six months ended June 30, 2024, respectively, and \$50 million and \$100 million during the three and six months ended June 30, 2023, respectively. Stock repurchases of Leidos common stock may be made on the open market or in privately negotiated transactions with third parties including through accelerated share repurchase agreements. Whether repurchases are made and the timing and actual number of shares repurchased depends on a variety of factors including price, corporate capital requirements, other market conditions and regulatory requirements. The repurchase program may be accelerated, suspended, delayed or discontinued at any time.

Table of Contents
LEIDOS HOLDINGS, INC.
During the three and six months ended June 30, 2024, we made open market repurchases of our common stock for an aggregate purchase price of \$100A million and \$250A million, respectively, and \$25A million during the six months ended June 30, 2023. There were no share repurchases for the three months ended June 30, 2023. For the next 12 months, we anticipate that we will be able to meet our liquidity needs, including servicing our debt, through cash generated from operations, available cash balances, borrowings from our commercial paper program and, if needed, sales of accounts receivable and borrowings from our revolving credit facility.

Summary of Cash Flows
The following table summarizes cash flow information for the periods presented.

	Three Months Ended	Six Months Ended	June 28, 2024	June 30, 2023	June 28, 2024	June 30, 2023
(in millions)						
Net cash provided by operating activities	\$374	\$164	\$374	\$66	\$159	\$164
Net cash used in investing activities	(21)	(44)	(21)	(43)	(83)	(83)
Net cash used in financing activities	(159)	(164)	(159)	(164)	(387)	(221)
Net cash provided by operating activities increased	\$210	\$110	\$210	\$110	\$210	\$110

Net cash provided by operating activities increased \$210 million during the three months ended June 28, 2024, when compared to the prior year quarter. The increase was primarily due to higher earnings and a favorable change in working capital. Net cash provided by operating activities increased \$371A million during the six months ended June 28, 2024, when compared to the prior year. The increase was primarily due to higher earnings and lower tax payments of \$116 million mainly in connection with the Tax Cuts and Jobs Act provision requiring capitalization of research and development costs and a nonrecurring \$62 million payment for payroll taxes related to the CARES Act in the prior year, partially offset by an unfavorable change in other working capital. Net cash used in investing activities decreased \$23A million and \$50 million, respectively, for the three and six months ended June 28, 2024, when compared to the prior year quarter, primarily due to lower capital expenditures. Net cash used in financing activities decreased \$5A million for the three months ended June 28, 2024, when compared to the prior year quarter, primarily due to a decrease of \$120 million in net payments made from debt activities, partially offset by a net increase of \$114 million in stock repurchases. Net cash used in financing activities increased \$166A million for the six months ended June 28, 2024, when compared to the prior year. The increase was primarily due to a net increase of \$225 million in open market share repurchases and \$29 million increase in shares withheld for tax obligations, partially offset by a decrease of \$91 million in net payments made from debt activities.

Off-Balance Sheet Arrangements
We have outstanding performance guarantees and cross-indemnity agreements in connection with certain aspects of our business. We also have letters of credit outstanding principally related to performance guarantees on contracts and surety bonds outstanding principally related to performance and subcontractor payment bonds as described in "Note 11A - Commitments and Contingencies" of the notes to the condensed consolidated financial statements contained within this Quarterly Report on Form 10-Q. These arrangements have not had, and management does not believe it is likely that they will in the future have, a material effect on our liquidity, capital expenditures or capital resources, operations or financial condition.

Table of Contents
LEIDOS HOLDINGS, INC.
Guarantor and Issuer of Guaranteed Securities
Leidos Holdings, Inc. (the "Guarantor") has fully and unconditionally guaranteed the debt securities of its subsidiary, Leidos, Inc. (the "Issuer"), that were issued pursuant to transactions that were registered under the Securities Act of 1933, as amended (collectively, the "Registered Notes"). The following is a list of the Registered Notes guaranteed by Leidos Holdings, Inc. Senior unsecured Registered Notes: \$500 million 3.625% notes, due May 2025; \$750 million 4.375% notes, due May 2030; \$1,000 million 2.300% notes, due February 2031; \$750 million 5.750% notes, due March 2033. Leidos Holdings, Inc. has also fully and unconditionally guaranteed debt securities of Leidos, Inc. that were issued pursuant to transactions that were not registered under the Securities Act of 1933, as amended. The following is a list of unregistered debt securities guaranteed by Leidos Holdings, Inc. Senior unsecured unregistered debt securities issued by Leidos, Inc.: \$250 million 7.125% notes, due July 2032; \$300 million 5.500% notes, due July 2033. Additionally, Leidos, Inc. has fully and unconditionally guaranteed debt securities of Leidos Holding, Inc. that were issued pursuant to transactions that were not registered under the Securities Act of 1933, as amended. The following is a list of unregistered debt securities guaranteed by Leidos, Inc. Senior unsecured unregistered debt securities issued by Leidos Holdings, Inc.: \$300 million 5.950% notes, due December 2040. The following summarized financial information includes the assets, liabilities and results of operations for the Guarantor and Issuer of the Registered Notes described above. Intercompany balances and transactions between the Issuer and Guarantor have been eliminated from the financial information below. Investments in the consolidated subsidiaries of the Issuer and Guarantor that do not guarantee the senior unsecured notes have been excluded from the financial information. Intercompany payables represent amounts due to non-guarantor subsidiaries of the Issuer.

Balance Sheet Information for the Guarantor and Issuer of Registered Notes
June 28, 2024 / December 29, 2023 (in millions)
Total current assets: \$2,520A / \$2,464A
Goodwill: \$5,673A / \$5,517A
Other long-term assets: \$1,323A / \$1,241A
Total assets: \$9,516A / \$9,222A
Total current liabilities: \$2,531A / \$1,983A
Long-term debt, net of current portion: \$4,108A / \$4,663A
Intercompany payables: \$2,817A / \$2,523A
Other long-term liabilities: \$618A / \$599A
Total liabilities: \$10,074A / \$9,768A

Table of Contents
LEIDOS HOLDINGS, INC.
Statement of Operations Information for the Guarantor and Issuer of Registered Notes
Six Months Ended June 28, 2024 (in millions)
Revenues, net: \$5,189A
Operating income: \$434A
Net income attributable to Leidos common stockholders: \$89A
Contractual Obligations and Commitments
We are subject to a number of reviews, investigations, claims, lawsuits, other uncertainties and future obligations related to our business. For a discussion of these items, see "Note 11A - Commitments and Contingencies" of the notes to the condensed consolidated financial statements contained within this Quarterly Report on Form 10-Q. Critical Accounting Policies
There were no material changes to our critical accounting policies, estimates or judgments during the period covered by this report from those discussed in our Annual Report on Form 10-K for the year ended December 29, 2023. Recently Adopted and Issued Accounting Standards
For a discussion of these items, see "Note 1A - Basis of Presentation and Summary of Significant Accounting Policies" of the notes to the condensed consolidated financial statements contained within this Quarterly Report on Form 10-Q.

Table of Contents
LEIDOS HOLDINGS, INC.
Item 3. Quantitative and Qualitative Disclosures About Market Risk
There were no material changes in our market risk exposure from those discussed in our Annual Report on Form 10-K for the year ended December 29, 2023.

Item 4. Controls and Procedures.
Evaluation of Disclosure Controls and Procedures
Our management, with the participation of our principal executive officer (our Chief Executive Officer) and principal financial officer (our Executive Vice President and Chief Financial Officer), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934) as of June 30, 2024. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission. These disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting
There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents
LEIDOS HOLDINGS, INC.
PART II - OTHER INFORMATION
Item 1. Legal Proceedings
We have furnished information relating to legal proceedings, and any investigations and reviews that we are involved with in "Note 11A - Commitments and Contingencies" of the notes to the condensed consolidated financial statements contained within this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors.
There were no material changes to the risks described in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 29, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.
(a) None
(b) None
(c) Purchases of Equity Securities by the Issuer
The following table presents information related to the repurchases of our common stock during the quarter ended June 28, 2024.

Period	Total Number of Shares (1) (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Repurchase Plans or Programs (2)	Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (2)
March 30, 2024 - March 31, 2024	4,488	\$118.37	626	4,864
April 1, 2024 - April 30, 2024	448	\$118.37	626	4,864
May 1, 2024 - May 31, 2024	677,221	\$147.55	677,221	11,160,405
June 1, 2024 - June 28, 2024	677,221	\$118.37	677,221	11,160,405

(1) The total number of shares purchased includes shares surrendered to satisfy statutory tax withholding obligations related to vesting of restricted stock units. (2) In February 2022, our Board of Directors authorized a share repurchase program of up to 20 million shares of our outstanding common stock. The shares may be repurchased from time to time in one or more open market repurchases or privately negotiated transactions, including accelerated share repurchase transactions. The actual timing, number and value of shares repurchased under the program will depend on a number of factors, including the market price of our common stock, general market and economic conditions, applicable legal requirements, compliance with the terms of our outstanding indebtedness and other considerations. There is no assurance as to the number of shares that will be repurchased, and the repurchase program may be suspended or discontinued at any time at our Board of Directors' discretion. This share repurchase authorization replaces the previous share repurchase authorization announced in February 2018.

Item 3. Defaults Upon Senior Securities.
None.

Item 4. Mine Safety Disclosures.
Not applicable.

Item 5. Other Information.
Rule 10b5-1 trading arrangement: We have a Rule 10b5-1 trading arrangement during the three months ended June 28, 2024, no director or officer of the Company adopted, modified or terminated a Rule 10b5-1 trading arrangement. Rule 10b5-1 trading arrangement: As each term is defined in Item 408(a) of Regulation S-K.

Table of Contents
LEIDOS HOLDINGS, INC.
Item 6. Exhibits.
Exhibit Number Description of Exhibit
22 List of Guarantors and Subsidiary Issuers of Guaranteed Securities.
Incorporated herein by reference to Exhibit 22 to our Annual Report on Form 10-K filed with the SEC on February 13, 2024.

31 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
33 Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 Interactive Data File.
The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104 Cover Page Interactive Data File.
The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

Table of Contents
LEIDOS HOLDINGS, INC.
SIGNATURES
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 30, 2024
A Leidos Holdings, Inc./s/ Christopher R. Cage
Christopher R. Cage
Executive Vice President and Chief Financial Officer
and a duly authorized officer.
35 Document Exhibit 31.
LEIDOS HOLDINGS, INC. CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.
Thomas A. Bell, certify that:
1. I have reviewed this quarterly report on Form 10-Q for the period ended June 28, 2024, of Leidos Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including the registrant's consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
Date: July 30, 2024
A/s/ Thomas A. Bell
Thomas A. Bell
Chief Executive Officer
Document Exhibit 31.
LEIDOS HOLDINGS, INC. CERTIFICATION OF EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.
Christopher R. Cage, certify that:
1. I have reviewed this quarterly report on Form 10-Q for the period ended June 28, 2024, of Leidos Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant

and have: a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including the registrant's consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Date: July 30, 2024 /s/ Christopher R. Cage Christopher R. Cage Executive Vice President and Chief Financial Officer Document Exhibit 32.1 LEIDOS HOLDINGS, INC. CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 In connection with the Quarterly Report of Leidos Holdings, Inc. ("Leidos") on Form 10-Q for the period ended June 28, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas A. Bell, Chief Executive Officer of Leidos Holdings, Inc., certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: 1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Date: July 30, 2024 /s/ Thomas A. Bell Thomas A. Bell Chief Executive Officer Document Exhibit 32.2 LEIDOS HOLDINGS, INC. CERTIFICATION OF EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 In connection with the Quarterly Report of Leidos Holdings, Inc. ("Leidos") on Form 10-Q for the period ended June 28, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher R. Cage, Executive Vice President and Chief Financial Officer of Leidos Holdings, Inc., certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: 1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and 2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Date: July 30, 2024 /s/ Christopher R. Cage Christopher R. Cage Executive Vice President and Chief Financial Officer