Booz | Allen | Hamilton®

BOOZ ALLEN HAMILTON ANNOUNCES FIRST QUARTER FISCAL 2024 RESULTS

+ Company Enters Fiscal Year with Exceptional Results at the Top and Bottom Line, Fueled by Double-Digit Revenue Growth and Industry-Leading Organic Revenue Growth[1], Excellent Profit Margins, and Record Headcount Growth

+ Quarterly Revenue Increase of 18.0 percent over the Prior Year Period to $2.7 billion, 16.6 percent Organic Revenue Growth[1], and Revenue, Excluding Billable Expenses[2] Growth of 16.9 percent

+ Quarterly Diluted Earnings Per Share of $1.22 and Adjusted Diluted Earnings Per Share[2] of $1.47

+ 12.5 percent Year-Over-Year Client Staff Headcount Growth and 11.2 percent Year-Over-Year Total Headcount Growth

+ 9.3 percent Increase in Quarterly Backlog to $31.3 billion; Quarterly Book-to-Bill Ratio of 1.03x

+ Quarterly Dividend of $0.47 per Share

"We are pleased to enter the second year of our multi-year Investment Thesis with excellent performance and strong strategic momentum. In addition to our outstanding operational delivery, I am especially proud of Booz Allen's ability to attract, retain, and invest in an extraordinary workforce that continues to transform our business and bring emerging technologies to critical client missions."

— HORACIO ROZANSKI
President and Chief Executive Officer

McLean, Virginia; July 28, 2023 - Booz Allen Hamilton Holding Corporation (NYSE: BAH), the parent company of management and technology consulting and engineering services firm Booz Allen Hamilton Inc., today announced preliminary results for the first quarter of fiscal year 2024.

In the first quarter, the Company delivered outstanding overall performance at the top and bottom line, including double-digit organic revenue growth[1] across all federal markets and double-digit Adjusted EBITDA growth[2]. Supported by strong demand and record quarterly headcount growth, the Company continues to successfully execute against its VoLT strategy and build strong momentum for the delivery of its three-year Investment Thesis.

The Company reported the following first quarter fiscal year 2024 results as compared to first quarter fiscal year 2023: quarterly revenue growth of 18.0 percent, a 16.6 percent quarterly increase in organic revenue, and a 16.9 percent quarterly increase in Revenue, Excluding Billable Expenses; Net Income increased by 16.9 percent to $161.4 million, net income attributable to common stockholders increased by 16.7 percent to $161.4 million, and Adjusted Net Income increased by 28.0 percent to $193.1 million. Operating income increased by 13.1 percent to $234.4 million; Adjusted EBITDA increased by 21.5 percent to $307.0 million; Adjusted EBITDA Margin on Revenue increased by 3.6 percent to 11.6 percent; and Diluted EPS was $1.22, up $0.19 or 18.4 percent, while Adjusted Diluted EPS was $1.47, up by $0.34 or 30.1 percent.[2]

[1] Organic revenue as of June 30, 2023 is calculated as consolidated revenue adjusted for revenue attributable to acquisitions and divestitures. Calculation excludes approximately $36.0 million of revenue from EverWatch.

[2] Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Diluted EPS, Adjusted EBITDA Margin on Revenue, Free Cash Flow and organic revenue are non-GAAP financial measures. See "Non-GAAP Financial Information" below for additional detail.

FINANCIAL SUMMARY

First quarter ended June 30, 2023 - A summary of Booz Allen's results for the first quarter of fiscal year 2024 is below. All comparisons are to the prior year period. A description of key drivers can be found in the Company's Earnings Call Presentation for the first quarter posted on *investors.boozallen.com.*

FIRST QUARTER FY24

(Changes are compared to prior year period)

REVENUE:	
$2.65B	**+18.0 %**
EX. BILLABLE EXPENSES:	
$1.84B	**+16.9 %**
OPERATING INCOME:	
$234.4M	**+13.1 %**
ADJ. OPERATING INCOME:	
$278.2M	**+24.6 %**
NET INCOME:	
$161.4M	**+16.9 %**
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:	
$161.4M	**+16.7 %**
ADJUSTED NET INCOME:	
$193.1M	**+28.0 %**
EBITDA:	
$276.3M	**+11.6 %**
ADJUSTED EBITDA:	
$307.0M	**+21.5 %**
DILUTED EPS:	
$1.22	**up from $1.03**
ADJUSTED DILUTED EPS:	
$1.47	**up from $1.13**

Total backlog increased by 9.3 percent to $31.3 billion and the quarterly book-to-bill ratio was 1.03x. As of June 30, 2023, client staff headcount was approximately 3,300 higher than at the end of the prior year period, an increase of 12.5 percent, and approximately 700 higher than at the end of the prior quarter. Total headcount was approximately 3,300 higher than at the end of the prior year period, an increase of 11.2 percent, and approximately 600 higher than at the end of the prior quarter.

Net cash used in operating activities was $(71.5) million for fiscal year 2024, as compared to $(45.6) million in the prior year. Free cash flow for the first quarter of fiscal year 2024 was $(82.0) million, as compared to $(59.4) million in the prior year.

The Company declared a regular quarterly dividend of $0.47 per share, which is payable on August 31, 2023 to stockholders of record on August 15, 2023.

FINANCIAL OUTLOOK

OPERATING PERFORMANCE	FISCAL 2024 GUIDANCE
Revenue Growth[4]	7.0% – 11.0%
Adjusted EBITDA	$1,075 – $1,105 million
Adjusted EBITDA Margin on Revenue	High 10% to 11%
Adjusted Diluted EPS[5]	$4.80 – $4.95
Updated Net Cash Provided by Operating Activities[6]	$160 – $260 million

CONFERENCE CALL INFORMATION

Booz Allen Hamilton will host a conference call at 8 a.m. EDT on Friday, July 28, 2023 to discuss the financial results for its first quarter fiscal year 2024. Analysts and institutional investors may participate on the call by registering online at investors.boozallen.com. Participants are requested to register a minimum 15 minutes before the start of the call.

The conference call will be webcast simultaneously to the public through a link on the investor relations section of the Booz Allen Hamilton website at investors.boozallen.com. A replay of the conference call will be available online at investors.boozallen.com beginning at 11 a.m. EDT on July 28, 2023 and continuing for 30 days.

ABOUT BOOZ ALLEN HAMILTON

Trusted to transform missions with the power of tomorrow's technologies, Booz Allen Hamilton advances the nation's most critical civil, defense, and national security priorities. We lead, invest, and invent where it's needed most—at the forefront of complex missions, using innovation to define the future. We combine our in-depth expertise in AI and cybersecurity with leading-edge technology and engineering practices to deliver impactful solutions. Combining more than 100 years of strategic consulting expertise with the perspectives of diverse talent, we ensure results by integrating technology with an enduring focus on our clients. We're first to the future—moving missions forward to realize our purpose: Empower People to Change the World ®.

With global headquarters in McLean, Virginia, our firm employs approximately 32,600 people globally as of June 30, 2023 and had revenue of $9.3 billion for the 12 months ended March 31, 2023. To learn more, visit www.boozallen.com. (NYSE: BAH)

[3] Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Non-GAAP Financial Information."
[4] Fiscal 2024 Guidance includes approximately 1% of the targeted growth in revenue includes EverWatch, partially offset by the MENA and MTS divestitures.
[5] Fiscal 2024 Guidance assumes an effective tax rate of 23–25%; average diluted shares outstanding of 129–131 million, interest expense of $137-147 million, and depreciation and amortization of $165 million.
[6] Fiscal 2024 Guidance assumes cash taxes in connection with Section 174 of $100 million; capital expenditures in the range of $85-105 million; reflects estimated net impact of $340 million related to settlement with the Department of Justice.

"Revenue, Excluding Billable Expenses" represents revenue less billable expenses. Booz Allen uses Revenue, Excluding Billable Expenses because it provides management useful information about the Company's operating performance by excluding the impact of costs that are not indicative of the level of productivity of its client staff headcount and its overall direct labor, which management believes provides useful information to its investors about its core operations.

"Adjusted Operating Income" represents operating income before acquisition and divestiture costs, significant acquisition amortization, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended June 30, 2023. Booz Allen prepares Adjusted Operating Income to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

"Adjusted EBITDA" represents net income (loss) attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including acquisition and divestiture costs, financing transaction costs, the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended June 30, 2023, and restructuring costs. "Adjusted EBITDA Margin on Revenue" is calculated as Adjusted EBITDA divided by revenue. "Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses" is calculated as Adjusted EBITDA divided by Revenue, Excluding Billable Expenses. Booz Allen prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

"Adjusted Net Income" represents net income attributable to common stockholders before: (i) acquisition and divestiture costs, (ii) significant acquisition amortization, (iii) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to the Condensed Consolidated Financial Statements in the Company's Form 10-Q for the quarter ended June 30, 2023, and (iv) amortization and write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. Booz Allen prepares Adjusted Net Income to eliminate the impact of items, net of tax, it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature. Booz Allen views Adjusted Net Income as an important indicator of performance consistent with the manner in which management measures and forecasts the Company's performance and the way in which management is incentivized to perform.

"Adjusted Diluted EPS" represents diluted EPS calculated using Adjusted Net Income as opposed to net income. Additionally, Adjusted Diluted EPS does not contemplate any adjustments to net income as required under the two-class method as disclosed in the footnotes to the consolidated financial statements of the Company's Form 10-K for the fiscal year ended March 31, 2023.

"Free Cash Flow" represents the net cash generated from operating activities less the impact of purchases of property, equipment and software. "Free Cash Flow Conversion" is calculated as Free Cash Flow divided by Adjusted Net Income.

"Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

"Organic Revenue" and "Organic Revenue Growth" represents growth in consolidated revenue adjusted for revenue from acquisitions and divestitures.

Booz Allen utilizes and discusses in this release Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and organic revenue because management uses these measures for business planning purposes, including managing its business against internal projected results of operations and measuring its performance. Management views Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and organic revenue as measures of the core operating business, which exclude the impact of the items detailed in the supplemental exhibits, as these items are generally not operational in nature.

These non-GAAP measures also provide another basis for comparing period to period results by excluding potential differences caused by non-operational and unusual or non-recurring items.

Management also utilizes Revenue, Excluding Billable Expenses because it provides management useful information about the Company's operating performance by excluding the impact of costs that are not indicative of the level of productivity of its client staff headcount and its overall direct labor, which management believes provides useful information to its investors about its core operations. Booz Allen also utilizes and discusses Free Cash Flow in this release because management uses this measure for business planning purposes, measuring the cash generating ability of the operating business and measuring liquidity generally. Booz Allen presents these supplemental measures because it believes that these measures provide investors and securities analysts with important supplemental information with which to evaluate Booz Allen's performance, long-term earnings potential, or liquidity, as applicable, and to enable them to assess Booz Allen's performance on the same basis as management. These non-GAAP measurements may vary from and may not be comparable to similarly titled measures by other companies in Booz Allen's industry.

Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, Free Cash Flow Conversion, Net Leverage Ratio, and organic revenue growth are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing Booz Allen's performance or liquidity, as applicable, investors should (i) evaluate each adjustment in our reconciliation of revenue to Revenue, Excluding Billable Expenses, operating income to Adjusted Operating Income, net income attributable to common stockholders to Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, and Adjusted Diluted Earnings Per Share, net cash used in operating activities to Free Cash Flow and Free Cash Flow Conversion, and net debt to Net Leverage Ratio, (ii) use Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, and Adjusted Diluted EPS in addition to, and not as an alternative to, revenue, operating income, net income or diluted EPS as measures of operating results, each as defined under GAAP, (iii) use Free Cash Flow, Free Cash Flow Conversion, and Net Leverage Ratio, in addition to, and not as an alternative to, net cash used in operating activities as a measure of liquidity, each as defined under GAAP, and (iv) use Net Leverage Ratio in addition to, and not as an alternative to, net debt as a measure of Booz Allen's debt leverage.

Exhibit 4 includes a reconciliation of Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, Free Cash Flow, Free Cash Flow Conversion, and Net Leverage Ratio to the most directly comparable financial measure calculated and presented in accordance with GAAP.

With respect to our expectations under "Financial Outlook" above, a reconciliation of Adjusted Diluted EPS guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict our stock price, equity grants, and dividend declarations during the course of fiscal 2024. Projecting future stock price, equity grants, and the dividends to be declared would be necessary to accurately calculate the difference between Adjusted Diluted EPS and GAAP EPS as a result of the effects of the two-class method and related possible dilution used in the calculation of EPS. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. We expect the variability of the above charges to have an unpredictable, and potentially significant, impact on our future GAAP financial results. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

In addition, our expectations for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2024 is presented under "Financial Outlook" above and management may discuss its expectation for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2025 from time to time. A reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict specific quantification of the amounts that would be required to reconcile such measures. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

FORWARD LOOKING STATEMENTS

Certain statements contained in this press release and in related comments by our management include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include information concerning Booz Allen's preliminary financial results, financial outlook and guidance, including forecasted revenue, Diluted EPS, and Adjusted Diluted EPS, future quarterly dividends, and future improvements in operating margins, as well as any other statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "could," "should," "forecasts," "expects," "intends," "plans," "anticipates," "projects," "outlook," "believes," "estimates," "predicts," "potential," "continue," "preliminary," or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include:

- any issue that compromises our relationships with the U.S. government or damages our professional reputation, including negative publicity concerning government contractors in general or us in particular;
- changes in U.S. government spending, including a continuation of efforts by the U.S. government to decrease spending for management support service contracts, and mission priorities that shift expenditures away from agencies or programs that we support or as a result of the U.S. administration transition;
- efforts by Congress and other U.S. government bodies to reduce U.S. government spending and address budgetary constraints, and the U.S. deficit, as well as associated uncertainty around the timing, extent, nature, and effect of such efforts;
- delayed long-term funding of our contracts, including uncertainty relating to funding the U.S. government and increasing the debt ceiling;
- U.S. government shutdowns as a result of the failure by elected officials to fund the government;
- failure to comply with numerous laws and regulations, including, but not limited to, the Federal Acquisition Regulation (FAR), the False Claims Act, the Defense Federal Acquisition Regulation Supplement and FAR Cost Accounting Standards and Cost Principles;
- the effects of disease outbreaks, pandemics, or widespread health epidemics, such as COVID-19, including disruptions to our workforce and the impact on government spending and demand for our solutions;
- our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us;
- variable purchasing patterns under U.S. government General Services Administration Multiple Award schedule contracts, or GSA, schedules, blanket purchase agreements and indefinite delivery/indefinite quantity, or IDIQ, contracts;
- the loss of GSA schedules, or our position as prime contractor on government-wide acquisition contract vehicles, or GWACs;
- changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts;
- changes in estimates used in recognizing revenue;
- our ability to realize the full value of and replenish our backlog, generate revenue under certain of our contracts and the timing of our receipt of revenue under contracts included in backlog;
- internal system or service failures and security breaches, including, but not limited to, those resulting from external or internal threats, including cyber attacks, on our network and internal systems;
- risks related to the operation of financial management systems;
- an inability to attract, train, or retain employees with the requisite skills and experience;
- an inability to timely hire, assimilate and effectively utilize our employees, ensure that employees obtain and maintain necessary security clearances, and/or effectively manage our cost structure;
- risks related to inflation that could impact the cost of doing business and/or reduce customer buying power;
- the loss of members of senior management or failure to develop new leaders;
- misconduct or other improper activities from our employees or subcontractors, including the improper access, use or release of our or our clients' sensitive or classified information;
- increased competition from other companies in our industry;
- failure to maintain strong relationships with other contractors or the failure of contractors with which we have entered into a sub- or prime- contractor relationship to meet their obligations to us or our clients;
- inherent uncertainties and potential adverse developments in legal or regulatory proceedings, including litigation, audits, reviews, and investigations, which may result in materially adverse judgments, settlements, withheld payments, penalties, or other unfavorable outcomes including debarment, as well as disputes over the availability of insurance or indemnification;
- failure to comply with special U.S. government laws and regulations relating to our international operations;
- risks associated with increased competition, new relationships, clients, capabilities, and service offerings in our U.S. and international businesses;
- risks related to changes to our operating structure, capabilities, or strategy intended to address client needs, grow our business, or respond to market developments;
- the adoption by the U.S. government of new laws, rules, and regulations, such as those relating to organizational conflicts of interest issues or limits;
- risks related to a possible recession and volatility or instability of the global financial system, including the failures of financial institutions and the resulting impact on counterparties and business conditions generally;
- risks related to a deterioration of economic conditions or weakening in credit or capital markets;
- risks related to pending, completed, and future acquisitions and dispositions, including the ability to satisfy specified closing conditions for pending transactions, such as those related to receipt of regulatory approval or lack of regulatory intervention, and to realize the expected benefits from completed acquisitions and dispositions;
- the incurrence of additional tax liabilities, including as a result of changes in tax laws or management judgments involving complex tax matters;
- risks inherent in the government contracting environment;
- continued efforts to change how the U.S. government reimburses compensation-related costs and other expenses or otherwise limits such reimbursements and an increased risk of compensation being deemed unreasonable and unallowable or payments being withheld as a result of U.S. government audit, review, or investigation;
- increased insourcing by various U.S. government agencies due to changes in the definition of "inherently governmental" work, including proposals to limit contractor access to sensitive or classified information and work assignments;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- risks related to our indebtedness and credit facilities which contain financial and operating covenants;
- the impact of changes in accounting rules, and regulations, or interpretations thereof, that may affect the way we recognize and report our financial results, including changes in accounting rules governing recognition of revenue; and
- the impact of ESG-related risks and climate change generally on our and our clients' businesses and operations.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K filed with the SEC on May 26, 2023. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

All such statements speak only as of the date made and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Exhibit 1

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Statements of Operations

(Amounts in thousands, except per share data)	Three Months Ended June 30, (unaudited) 2023	2022
Revenue	$ 2,654,486	$ 2,249,600
Operating costs and expenses:		
Cost of revenue	1,251,916	1,074,973
Billable expenses	812,304	674,266
General and administrative expenses	314,001	253,064
Depreciation and amortization	41,847	40,102
Total operating costs and expenses	2,420,068	2,042,405
Operating income	234,418	207,195
Interest expense	(35,474)	(24,655)
Other income (expense), net	1,924	(2,958)
Income before income taxes	200,868	179,582
Income tax expense	39,480	41,489
Net income	$ 161,388	$ 138,093
Net income attributable to non-controlling interest	—	191
Net income attributable to common stockholders	161,388	138,284
Earnings per common share:		
Basic	$ 1.22	$ 1.04
Diluted	$ 1.22	$ 1.03

Exhibit 2

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Balance Sheets

(Amounts in thousands, except share and per share data)	June 30, 2023	March 31, 2023
Assets	(Unaudited)	
Current assets:		
Cash and cash equivalents	$ 209,640	$ 404,862
Accounts receivable, net	2,099,966	1,774,830
Prepaid expenses and other current assets	98,150	108,366
Total current assets	2,407,756	2,288,058
Property and equipment, net of accumulated depreciation	183,316	195,186
Operating lease right-of-use assets	183,127	187,798
Intangible assets, net of accumulated amortization	657,780	685,615
Goodwill	2,343,789	2,338,399
Deferred tax assets	696,602	573,780
Other long-term assets	293,947	281,816
Total assets	$ 6,766,317	$ 6,550,652
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ 116,250	$ 41,250
Accounts payable and other accrued expenses	1,391,029	1,316,640
Accrued compensation and benefits	372,506	445,205
Operating lease liabilities	46,281	51,238
Other current liabilities	66,389	42,721
Total current liabilities	1,992,455	1,897,054
Long-term debt, net of current portion	2,761,333	2,770,895
Operating lease liabilities, net of current portion	195,473	198,144
Income tax reserves	654,341	552,623
Other long-term liabilities	145,644	139,934
Total liabilities	5,749,246	5,558,650
Stockholders' equity:		
Common stock, Class A — $0.01 par value — authorized, 600,000,000 shares; issued, 166,521,283 shares at June 30, 2023 and 165,872,332 shares at March 31, 2023; outstanding, 131,116,370 shares at June 30, 2023 and 131,637,588 shares at March 31, 2023	1,665	1,659
Treasury stock, at cost — 35,404,913 shares at June 30, 2023 and 34,234,744 shares at March 31, 2023	(1,972,886)	(1,859,905)
Additional paid-in capital	805,240	769,460
Retained earnings	2,150,361	2,051,455
Accumulated other comprehensive loss	32,691	29,333
Total stockholders' equity	1,017,071	992,002
Total liabilities and stockholders' equity	$ 6,766,317	$ 6,550,652

Exhibit 3

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Statements of Cash Flows
UNAUDITED

(Amounts in thousands)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Cash flows from operating activities		
Net income	$ 161,388	$ 138,093
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	41,847	40,102
Noncash lease expense	13,610	13,787
Stock-based compensation expense	17,685	13,696
Amortization of debt issuance costs	1,027	1,161
Net losses on dispositions, and other	1,208	1,293
Changes in assets and liabilities:		
Accounts receivable, net	(325,363)	(205,387)
Deferred income taxes and income taxes receivable / payable	31,509	34,802
Prepaid expenses and other current and long-term assets	(10,217)	(11,241)
Accrued compensation and benefits	(56,738)	(61,039)
Accounts payable and other accrued expenses	74,389	(4,287)
Other current and long-term liabilities	(21,877)	(6,614)
Net cash used in operating activities	(71,532)	(45,634)
Cash flows from investing activities		
Purchases of property, equipment, and software	(10,488)	(13,734)
Payments for business acquisitions and dispositions	(406)	—
Payments for cost method investments	(4,160)	—
Net cash used in investing activities	(15,054)	(13,734)
Cash flows from financing activities		
Proceeds from issuance of common stock	6,925	6,081
Stock option exercises	11,176	4,596
Repurchases of common stock	(128,390)	(73,397)
Cash dividends paid	(63,034)	(58,899)
Repayments on revolving credit facility, term loans, and Senior Notes	(10,313)	(17,095)
Proceeds from revolving credit facility	75,000	—
Net cash used in financing activities	(108,636)	(138,714)
Net decrease in cash and cash equivalents	(195,222)	(198,082)
Cash and cash equivalents—beginning of period	404,862	695,910
Cash and cash equivalents—end of period	$ 209,640	$ 497,828
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	$ 26,091	$ 8,735
Income taxes	$ 2,868	$ 2,952

Exhibit 4 - Booz Allen Hamilton Holding Corporation

Non-GAAP Financial Information

(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Revenue, Excluding Billable Expenses		
Revenue	$ 2,654,486	$ 2,249,600
Less: Billable expenses	812,304	674,266
Revenue, Excluding Billable Expenses	$ 1,842,182	$ 1,575,334
Adjusted Operating Income		
Operating Income	$ 234,418	$ 207,195
Acquisition and divestiture costs (a)	3,268	5,093
Significant acquisition amortization (b)	13,108	11,087
Legal matter reserve (c)	27,453	—
Adjusted Operating Income	$ 278,247	$ 223,375
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses		
Net income attributable to common stockholders	$ 161,388	$ 138,284
Income tax expense	39,480	41,489
Interest and other, net (d)	33,550	27,613
Depreciation and amortization	41,847	40,102
EBITDA	$ 276,265	$ 247,488
Acquisition and divestiture costs (a)	3,268	5,093
Legal matter reserve (c)	27,453	—
Adjusted EBITDA	$ 306,986	$ 252,581
Net income margin attributable to common stockholders	6.1 %	6.1 %
Adjusted EBITDA Margin on Revenue	11.6 %	11.2 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	16.7 %	16.0 %
Adjusted Net Income		
Net income attributable to common stockholders	$ 161,388	$ 138,284
Acquisition and divestiture costs (a)	3,268	5,093
Significant acquisition amortization (b)	13,108	11,087
Legal matter reserve (c)	27,453	—
Amortization or write-off of debt issuance costs and debt discount	782	823
Adjustments for tax effect (e)	(12,942)	(4,421)
Adjusted Net Income	$ 193,057	$ 150,866
Adjusted Diluted Earnings Per Share		
Weighted-average number of diluted shares outstanding	131,530,633	133,011,088
Diluted earnings per share	$ 1.22	$ 1.03
Adjusted Net Income Per Diluted Share (f)	$ 1.47	$ 1.13
Free Cash Flow		
Net cash provided by (used in) operating activities	$ (71,532)	$ (45,634)
Less: Purchases of property, equipment and software	(10,488)	(13,734)
Free Cash Flow	$ (82,020)	$ (59,368)
Operating cash flow conversion	(44)%	(33)%
Free cash flow conversion	(42)%	(39)%

(a) Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees, primarily associated with the acquisitions of Liberty IT Solutions, LLC (“Liberty”) and Tracepoint Holdings, LLC (“Tracepoint”) in fiscal 2022, and the acquisition of EverWatch Corp. (“EverWatch”) and the divestitures of our management consulting business serving the Middle East and North Africa (“MENA”) and our Managed Threat Services business (“MTS”) in fiscal 2023.See Note 5, “Acquisition, Goodwill and Intangible Assets” to the condensed consolidated financial statements for further information.

(b) Amortization expense associated with acquired intangibles from significant acquisitions. Significant acquisitions include acquisitions which the Company considers to be beyond the scope of our normal operations. Significant acquisition amortization includes amortization expense associated with the acquisition of Liberty in the second quarter of fiscal 2022 and EverWatch in the third quarter of fiscal 2023.

(c) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, “Commitments and Contingencies,” to the condensed consolidated financial statements for further information.

(d) Reflects the combination of Interest expense and Other income (expense), net from the condensed consolidated statement of operations.

(e) Reflects the tax effect of adjustments at an assumed effective tax rate of 26%, which approximates the blended federal and state tax rates, and consistently excludes the impact of other tax credits and incentive benefits realized. The tax effect of certain discrete items is calculated specifically and may vary from the general 26% rate. The tax effect also includes the indirect effects of uncertainty around the application of Section 174 of the Tax Cuts and Jobs Act of 2017.

(f) Excludes adjustments of approximately $1.2 million and $0.9 million of net earnings for the three months ended June 30, 2023 and June 30, 2022, respectively, associated with the application of the two-class method for computing diluted earnings per share.

Exhibit 4 - Booz Allen Hamilton Holding Corporation

Non-GAAP Financial Information (Continued)
(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022
Net income (loss) attributable to common stockholders	$ 161,388	$ (68,422)	$ 30,997	$ 170,932
Income tax (benefit) expense	39,480	(6,552)	10,539	51,258
Interest and other, net (a)	33,550	31,992	17,412	1,882
Depreciation and amortization	41,847	44,284	42,046	39,052
EBITDA	$ 276,265	$ 1,302	$ 100,994	$ 263,124
Acquisition and divestiture costs (b)	3,268	4,148	19,096	15,932
Financing transaction costs (c)	—	—	—	6,888
Legal matter reserve (d)	27,453	226,000	124,000	—
Adjusted EBITDA	$ 306,986	$ 231,450	$ 244,090	$ 285,944
Last 12 months Adjusted EBITDA	$ 1,068,470			
Total Debt	$ 2,877,583			
Less: Cash	209,640			
Net Debt	$ 2,667,943			
Net Leverage Ratio (e)	2.5			

(In thousands, except share and per share data)	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021
Net income attributable to common stockholders	$ 138,284	$ 90,873	$ 128,931	$ 154,834
Income tax expense	41,489	33,897	30,090	46,127
Interest and other, net (a)	27,613	23,653	18,276	17,406
Depreciation and amortization	40,102	40,824	39,576	37,602
EBITDA	$ 247,488	$ 189,247	$ 216,873	$ 255,969
Acquisition and divestiture costs (b)	5,093	11,670	5,346	13,680
Restructuring costs (e)	—	4,164	—	—
Adjusted EBITDA	$ 252,581	$ 205,081	$ 222,219	$ 269,649
Last 12 months Adjusted EBITDA	$ 949,530			
Total Debt	$ 2,783,876			
Less: Cash	497,828			
Net Debt	$ 2,286,048			
Net Leverage Ratio (f)	2.4			

(a) Reflects the combination of Interest expense and Other income (expense), net from the condensed consolidated statement of operations.

(b) Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees primarily associated with the acquisitions of Liberty and Tracepoint in fiscal 2022, and the acquisition of EverWatch and the divestitures of our MENA business and MTS business in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets", to the condensed consolidated financial statements for further information.

(c) Reflects expenses associated with debt financing activities incurred during the second quarter of fiscal 2023.

(d) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information.

(e) Represents restructuring charges of $8.3 million incurred during the fourth quarter of fiscal 2022, net of approximately $4.2 million of revenue recognized on recoverable expenses, associated with severance costs of a restructuring plan to reduce certain executive administrative personnel costs.

(f) "Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.

Exhibit 5

Booz Allen Hamilton Holding Corporation
Operating Data
(UNAUDITED)

(Amounts in millions)	As of June 30, 2023		As of June 30, 2022	
Backlog				
Funded	$	4,903	$	4,020
Unfunded		9,045		9,991
Priced Options		17,329		14,617
Total Backlog	$	31,277	$	28,628

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Book-to-Bill *	1.03	0.72

* Book-to-bill is calculated as net bookings, which represents the change in total backlog during the relevant fiscal period plus the relevant fiscal period revenue, divided by the relevant fiscal period revenue.

	As of June 30, 2023	As of June 30, 2022
Headcount		
Total Headcount	32,574	29,291
Client Staff Headcount	29,747	26,438

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
Percentage of Total Revenue by Contract Type		
Cost-Reimbursable	55%	53%
Time-and-Materials	24%	24%
Fixed-Price	21%	23%