

Booz Allen Hamilton

Third Quarter Fiscal 2015



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Forward Looking Safe Harbor Statement

The following information includes "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 projected Revenue, Diluted EPS, and Adjusted Diluted EPS, 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: cost cutting and efficiency initiatives, budget reductions, Congressionally mandated automatic spending cuts, and other efforts to reduce U.S. government spending, including automatic sequestration required by the Budget Control Act of 2011 (as amended by the American Taxpayer Relief Act of 2012 and the Consolidated Appropriations Act, 2014), which have reduced and delayed contract awards and funding for orders for services especially in the current political environment or otherwise negatively affect our ability to generate revenue under contract awards, including as a result of reduced staffing and hours of operation at U.S. government clients; delayed funding of our contracts due to uncertainty relating to and a possible failure of Congressional efforts to craft a long-term agreement on the U.S. government's ability to incur indebtedness in excess of its current limits, or changes in the pattern or timing of government funding and spending (including those resulting from or related to cuts associated with sequestration or other budgetary cuts made in lieu of sequestration); current and continued uncertainty around the timing, extent, nature, and effect of Congressional and other U.S. government action to address budgetary constraints, including, but not limited to, uncertainty around the outcome of Congressional efforts to craft a long-term agreement on the U.S. government's ability to incur indebtedness in excess of its current limits, and the U.S. deficit; 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; the size of our addressable markets and the amount of U.S. government spending on private contractors; failure to comply with numerous laws and regulations; 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; the loss of General Services Administration Multiple Award schedule contracts, or GSA schedules, or our position as prime contractor on government-wide acquisition contract vehicles; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts; our ability to generate revenue under certain of our contracts; our ability to realize the full value of and replenish our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in estimates used in recognizing revenue; an inability to attract, train, or retain employees with the requisite skills, experience, and security clearances; an inability to hire, assimilate, and deploy enough employees to serve our clients under existing contracts; an inability to timely and effectively utilize our employees; failure by us or our employees to obtain and maintain necessary security clearances; 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 use or release of our clients' sensitive or classified information; 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; increased competition from other companies in our industry; failure to maintain strong relationships with other contractors; 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; continued efforts to change how the U.S. government reimburses compensation related and other expenses or otherwise limit such reimbursements, including recent rules that expand the scope of existing reimbursement limitations, such as a reduction in allowable annual employee compensation to certain contractors as a result of the Bipartisan Budget Act of 2013, and an increased risk of compensation being deemed unallowable or payments being withheld as a result of U.S. government audit, review or investigation; internal system or service failures and security breaches, including, but not limited to, those resulting from external cyber attacks on our network and internal systems; risks related to changes to our operating structure, capabilities, or strategy intended to address client needs, grow our business or respond to market developments; risks associated with new relationships, clients, capabilities, and service offerings in our U.S. and international businesses; failure to comply with special U.S. government laws and regulations relating to our international operations; risks related to our indebtedness and credit facilities which contain financial and operating covenants; 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 completed and future acquisitions, including our ability to realize the expected benefits from such acquisitions; an inability to utilize existing or future tax benefits, including those related to our stock-based compensation expense, for any reason, including a change in law; variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements and indefinite delivery, indefinite quantity contracts. 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 22, 2014. All forward-looking statements attributable to Booz Allen or persons acting on Booz Allen's 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, Booz Allen undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Financial Data Information

Booz Allen discloses in the following information Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow which are not recognized measurements under GAAP, and when analyzing Booz Allen's performance or liquidity as applicable, investors should (i) evaluate each adjustment in our reconciliation of Operating and Net Income to Adjusted Operating Income, Adjusted EBITDA and Adjusted Net Income, and cash flow to free cash flow, and the explanatory footnotes regarding those adjustments, and (ii) use Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, and Adjusted Diluted EPS in addition to, and not as an alternative to operating income, net income or Diluted EPS as a measure of operating results with cash flow in addition to and not as an alternative to net cash generated from operating activities as a measure of liquidity, each as defined under GAAP. The Financial Appendix includes a reconciliation of Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow to the most directly comparable financial measure calculated and presented in accordance with GAAP. Booz Allen presents these supplemental performance 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 supplemental performance and liquidity measurements may vary from and may not be comparable to similarly titled measures by other companies in Booz Allen's industry. No reconciliation of the forecasted range for Adjusted Diluted EPS to Diluted EPS for any period during fiscal 2015 is included because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Long term track record of performance

Low risk business which has delivered exceptional returns

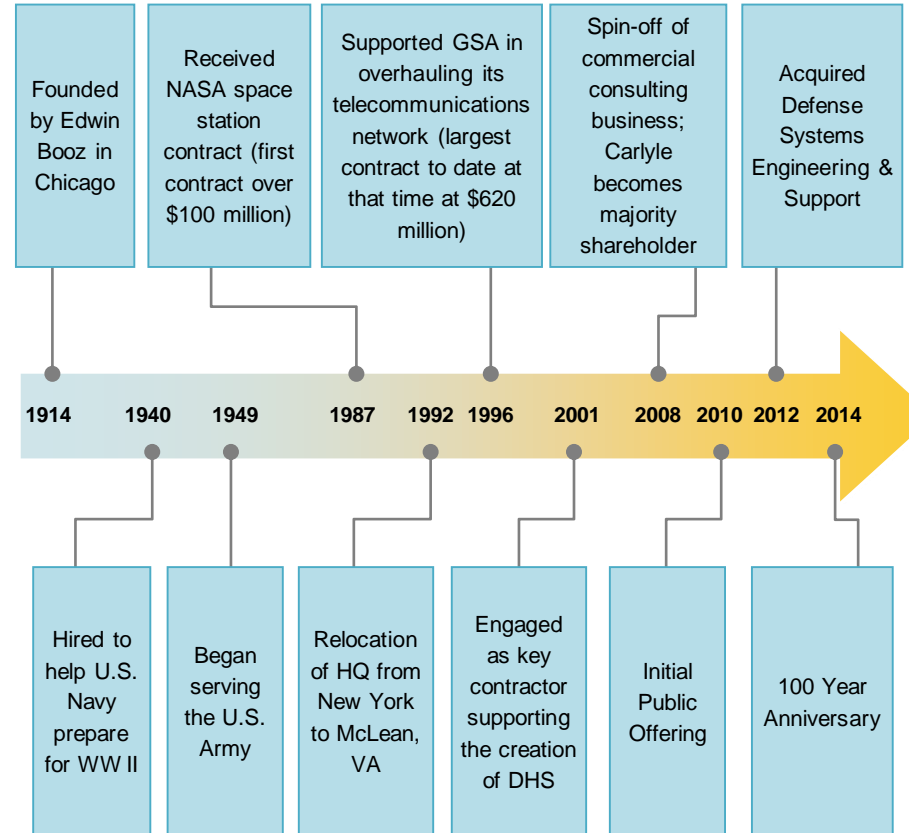
History of shareholder friendly capital deployment

Investing to Create Long Term Sustainable Quality Growth

Company Overview

- ▶ A leading provider of management consulting, technology and engineering services to the U.S. government in the defense, intelligence and civil markets
- ▶ Beginning our Second Century
- ▶ HQ in McLean, VA
- ▶ \$5.3 billion of LTM Revenue ⁽¹⁾
- ▶ \$523 million of LTM Adjusted EBITDA ⁽¹⁾⁽²⁾
- ▶ Approximately 22,300 employees as of Dec 31, 2014

Company History

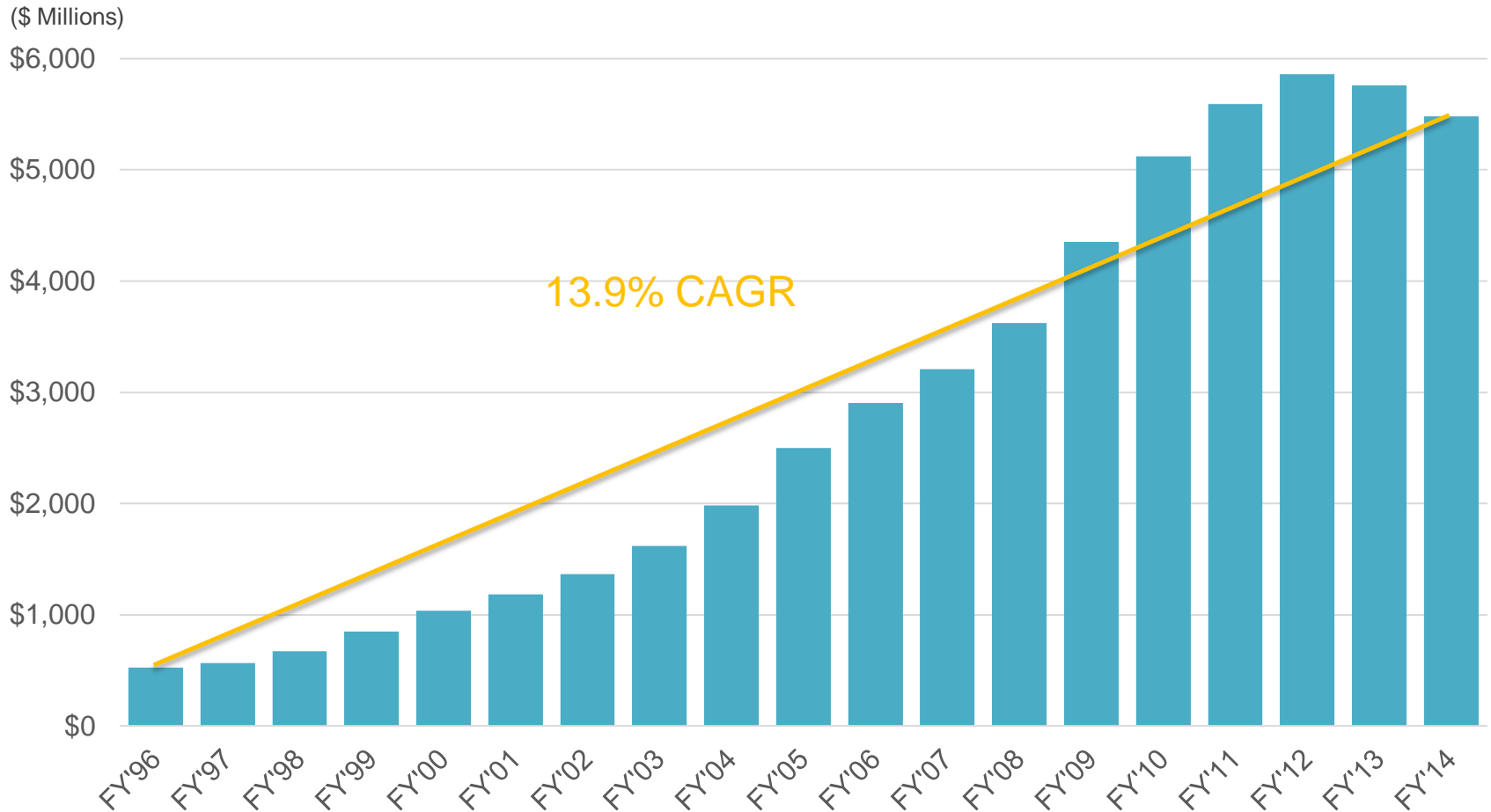


Notes:

(1) Last twelve months defined as period from Jan 1, 2014 to Dec 31, 2014.

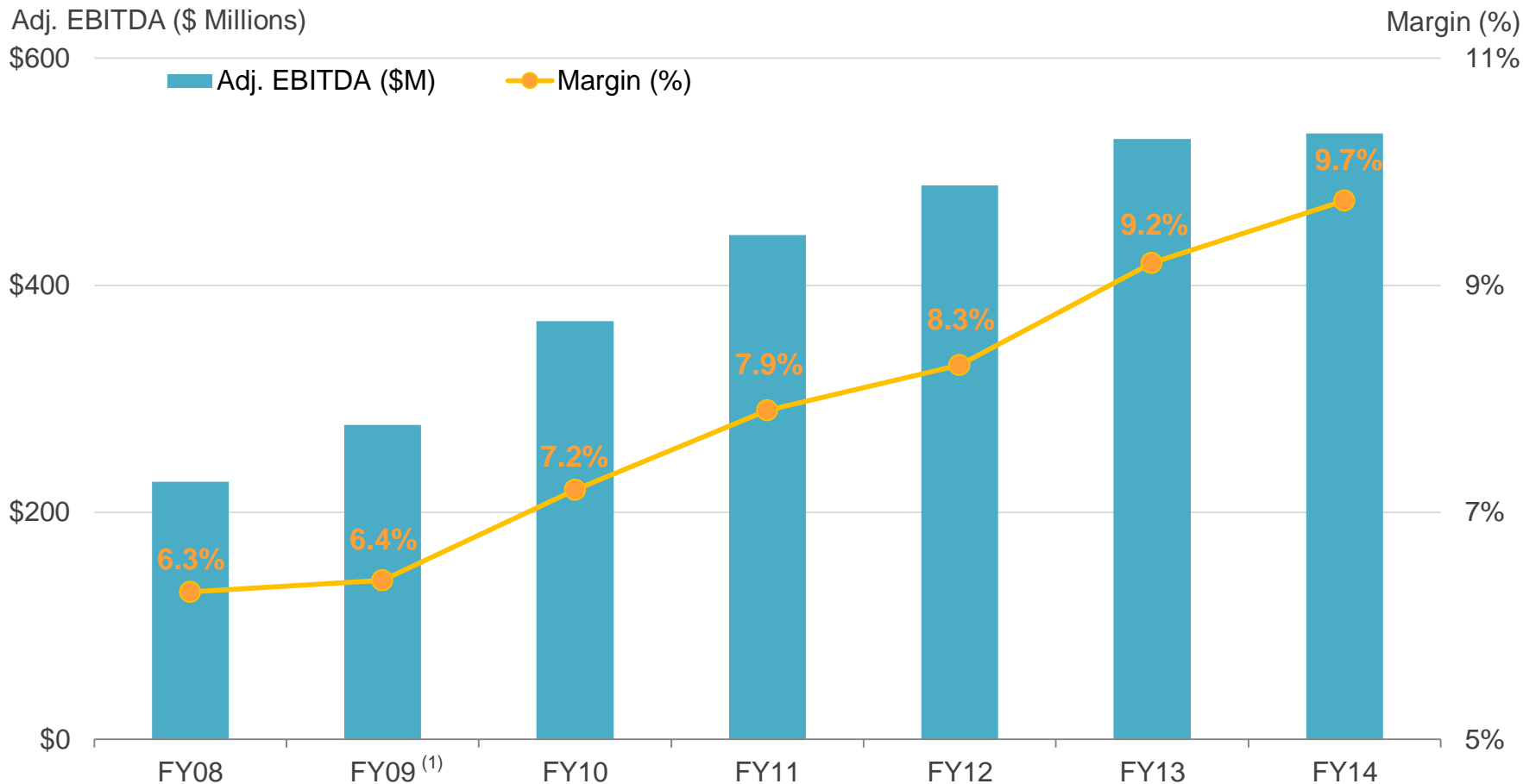
(2) See financial filings for definition and reconciliation.

Gross Revenue



Notes:

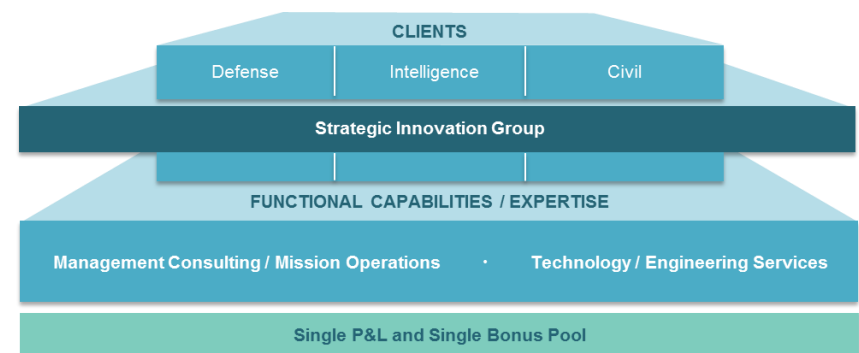
- (1) All years represent FYE March 31
- (2) 1996 through 2005 is based on revenue derived directly from Booz Allen's accounting system (JAMIS). 2006 and later revenue is based on revenue derived directly from Booz Allen's consolidated financial statements, which have been audited and prepared in accordance with GAAP



Ongoing Annual Goal to Expand Adj. EBITDA Margin by 10 Basis Points

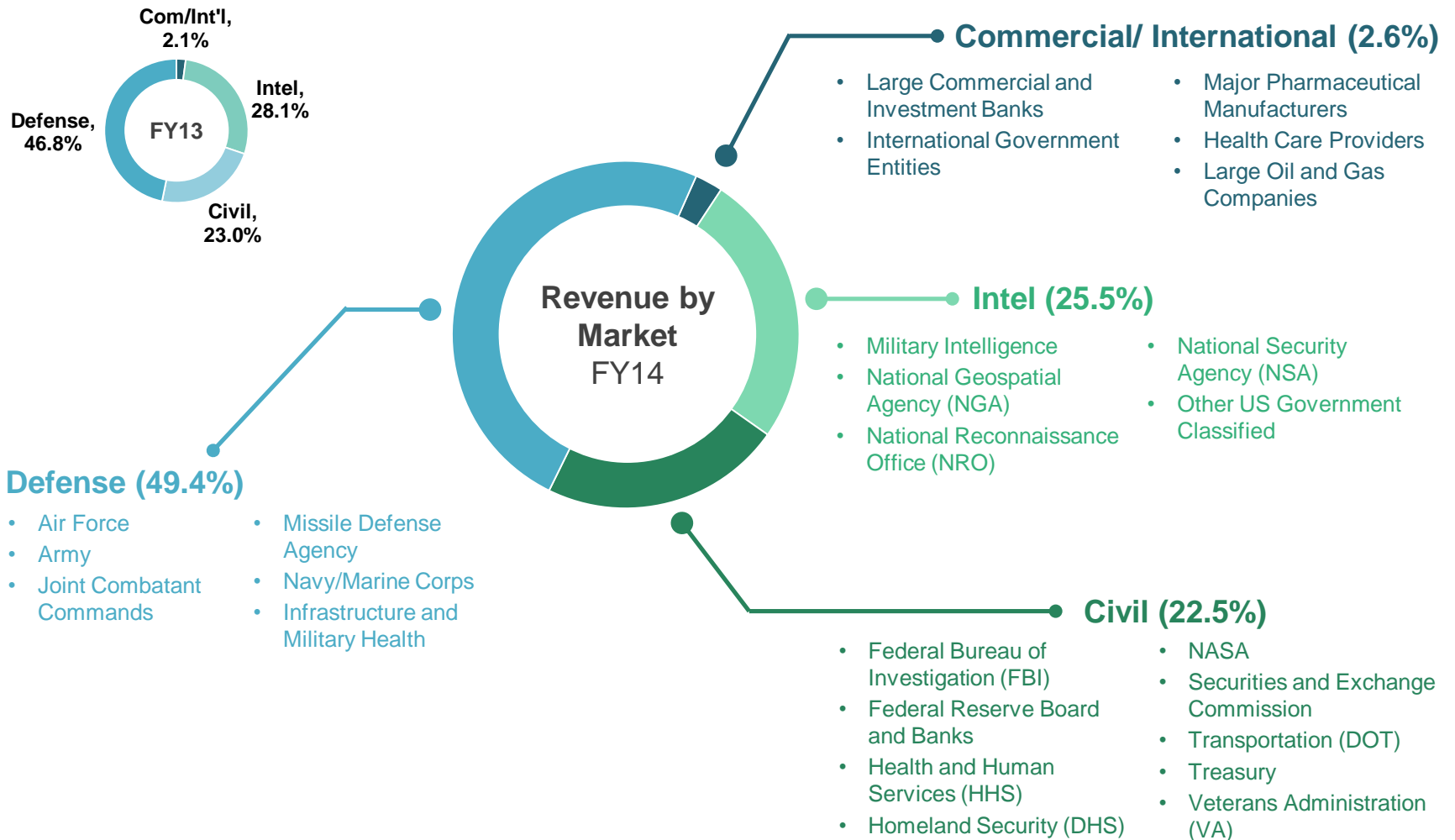
Notes:
 (1) FY09 is pro-forma for unaudited results of operations for the twelve months ended March 31, 2009, assuming the Acquisition of our Company by The Carlyle Group had been completed as of April 1, 2008

- ▶ **Diversified portfolio of clients and contracts across the federal government**
- ▶ **Differentiated Organization and Culture**
 - Collaborative culture with one P&L and single bonus pool for partners
 - 84 partners with an average tenure of 17 years ⁽¹⁾
 - Equity incentives broadly distributed to ensure long-term success and alignment with shareholders
 - Approximately 22,300 staff, 75% of which hold security clearances
- ▶ **Dynamic business model with highly variable cost base**
- ▶ **Strong cash generation**



Notes:

(1) As of March 31, 2014.



Note: Client listing include significant clients based on revenue, but the lists are not all-inclusive.

- ▶ Delivered on over 5,300 contracts and task orders in FY14
- ▶ Largest task order and largest non-ID/IQ contract are each only 2% of annual revenue ⁽¹⁾

Long-Term Client Relationships

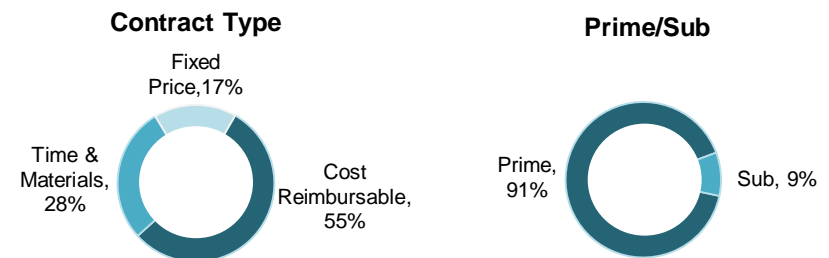
Client ⁽²⁾	Relationship Length (Years)
U.S. Navy	70+
U.S. Army	65+
U.S. Air Force	35+
Department of Energy	35+
National Security Agency	30+
Department of Homeland Security ⁽²⁾	30+
Federal Bureau of Investigation	20+
National Reconnaissance Office	15+
A U.S. Intelligence Agency	15+
Internal Revenue Service	15+

90% win rate on re-competed contracts and task orders ⁽¹⁾
57% win rate on new contracts and task orders ⁽¹⁾

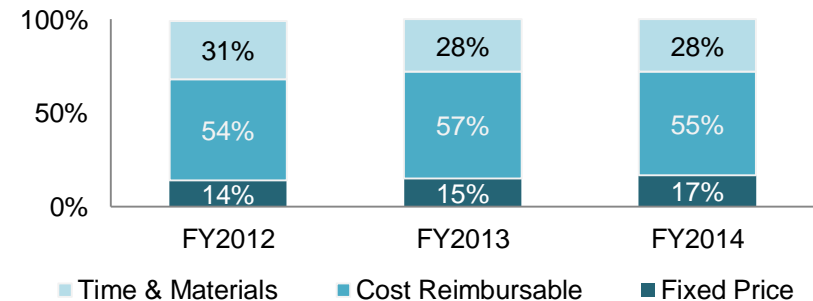
Notes:

- (1) Based on FY14 results.
- (2) Includes predecessor organizations.

Diversified Contract Portfolio ⁽¹⁾



Historical Contract Mix



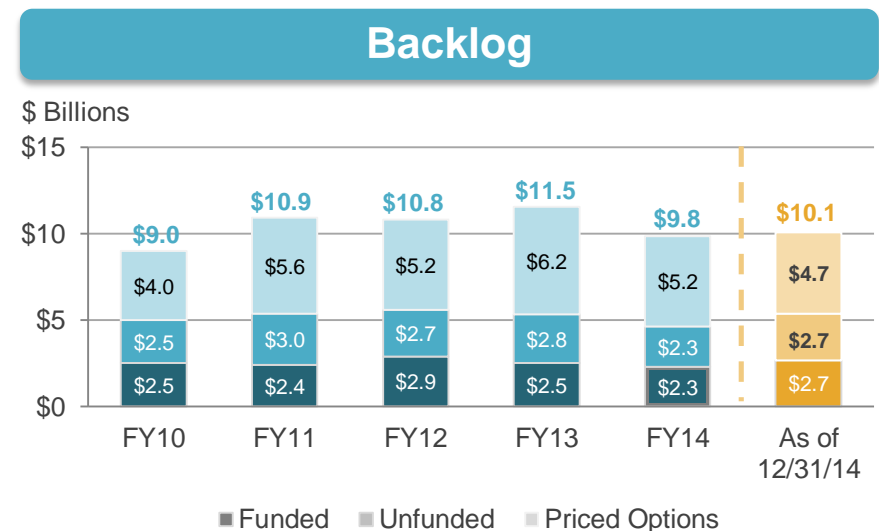
Capital Deployment Priorities

- ▶ Maintain sufficient working capital
- ▶ Maintain and potentially grow the regular recurring dividend over time
- ▶ Acquisitions
 - Strategically aligned
 - Priced right
 - Cultural fit
- ▶ Special Dividends
- ▶ Share Repurchase
- ▶ Debt Pay Down

Notable Capital Deployment Actions

- ▶ Regular recurring quarterly dividend of 13 cents per share
 - Increased three times since initiated
 - 1.7% yield
- ▶ Four acquisitions over past two years
- ▶ \$11 per share in Special Dividends since 2010 IPO
- ▶ Stated goal of keeping share count relatively flat over time
 - Repurchase of 2 million shares (One million each in November 2014 and February 2015)

- ▶ The Government Service market has faced a prolonged period of challenge as a result of pressures on the federal discretionary budget
- ▶ However, our client's **uncertainty** over budgets, rather than the level of discretionary budget has been the primary challenge for our business
- ▶ Seeing signs of a recovery in the government contracting market
 - Growth in funded and unfunded backlog
 - 0.36x book-to-bill ratio in December 2014, a significant improvement over the December quarter of prior two fiscal years



Fiscal YTD and Third Quarter Fiscal 2015 Results

	Year to Date		Third Quarter	
Revenue	\$3.93 billion	3.6% Decline	\$1.30 billion	2.5% Increase
Adjusted EBITDA	\$415.5 million	2.7% Decline	\$120.4 million	4.8% Increase
Adjusted Net Income	\$195.5 million	1.4% Increase	\$54.2 million	9.6% Increase
Adjusted Diluted EPS	\$1.30/share	Flat	\$0.36/share	9.1% Increase
Total Backlog	\$10.1 billion	3.0% Decline	\$10.1 billion	3.0% Decline

Comparisons are to prior fiscal year period

Vision 2020 is a comprehensive strategy to position Booz Allen to grow in our second century

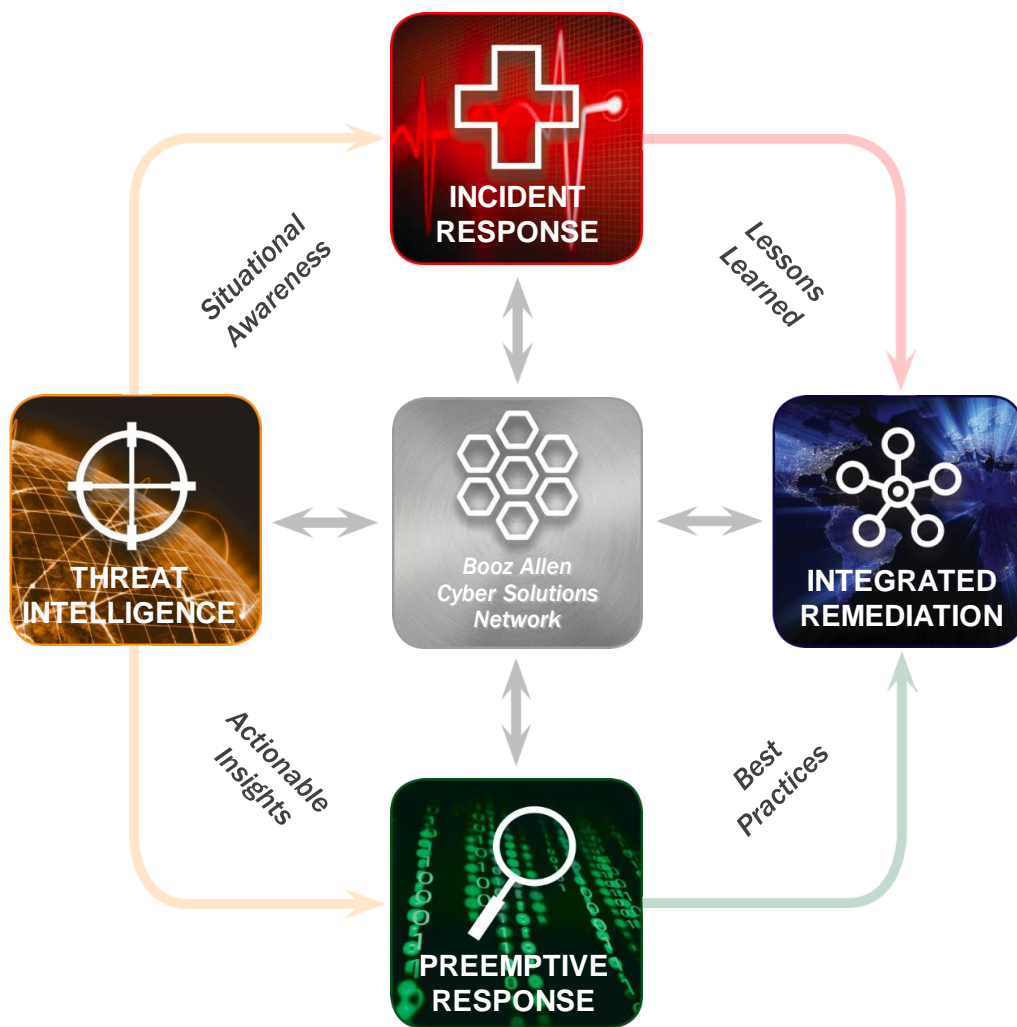
- ▶ Expanding our capacity to serve as our clients' essential partner, through a combination of:
 - Deep domain understanding
 - Market-leading consulting talent
 - Broader technical capabilities

- ▶ Investing in differentiated growth platforms, including:
 - Engineering and Systems Delivery (SD) capabilities
 - Cyber
 - Commercial and international markets
 - Our innovation agenda

- ▶ Building a distinctive business and people model to mobilize the best of our people and our culture across a broader range of markets, services, and solutions

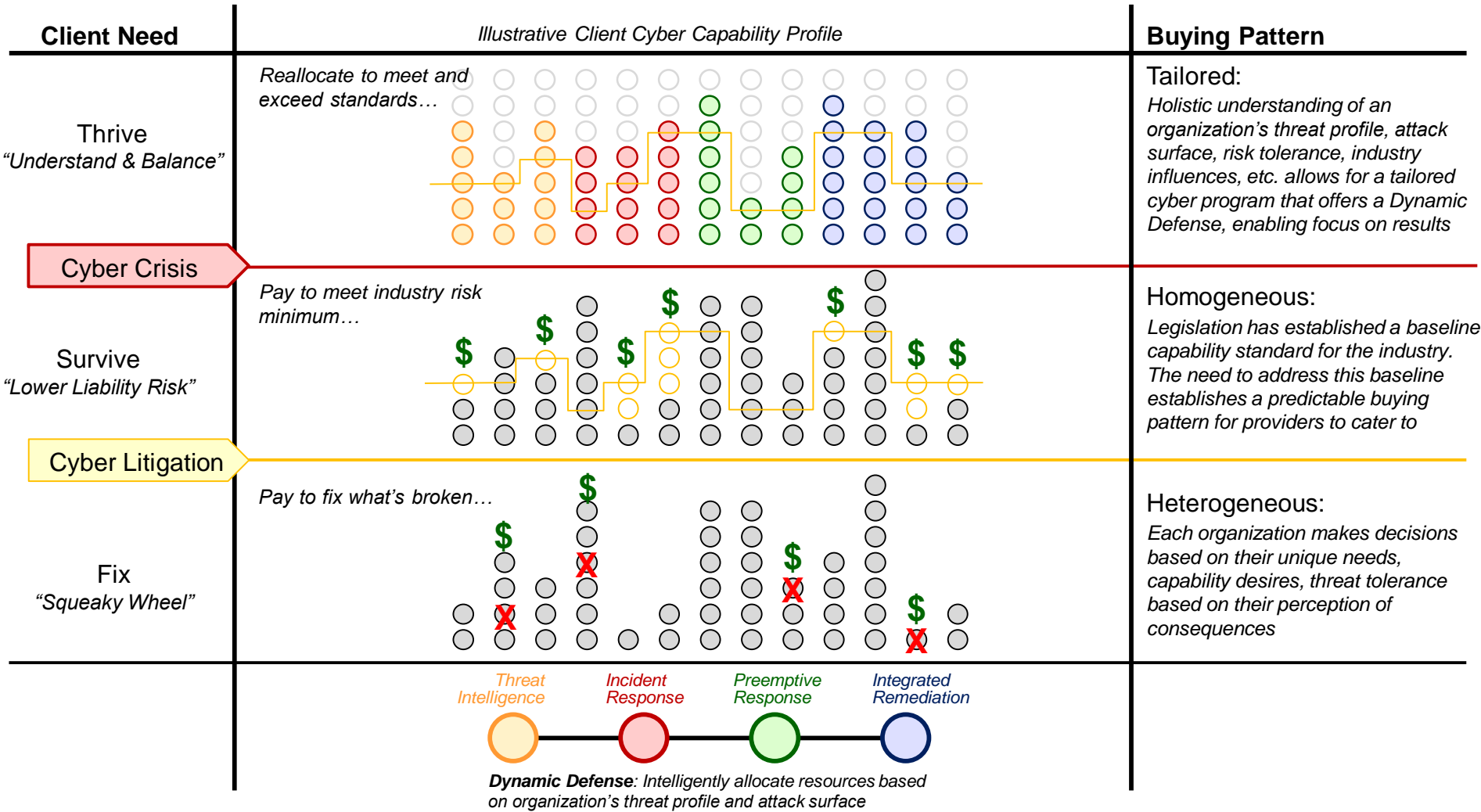
Booz Allen's Cyber Capabilities: Intelligence Driven Dynamic Defense

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- ▶ **Threat Intelligence:** We use a proven methodology, **Cyber4Sight**, to collect against multiple data sources to identify where an adversary's intentions and capabilities can be linked to opportunity attack vectors to conduct predictive analysis and develop Indications & Warnings.
- ▶ **Incident Response:** We use a non-signature based approach, **Automated First Responder (AFR)**, to conduct a full life cycle analysis to determine the exact nature of an adversary's presence, its origins, and the methods for controlling and remediating their presence while preventing further intrusions.
- ▶ **Preemptive Response:** We use a capability maturity model, **Cyber M3: Measure, Manage, and Mature**, to: implement holistic cyber security initiatives aligned with the needs of the business; develop a balanced portfolio of complementary capabilities; and prioritize how to satisfy the diverse needs of stakeholders through justifiable resource expenditures.
- ▶ **Integrated Remediation:** We have a multi-disciplined approach, encompassing policy, operations, technologies, management and people, to synchronize all remediation efforts, which ensure that cyber protection is fully integrated and effectively achieved.

Well Positioned for the Evolving Buying Patterns of Commercial Clients



- ▶ We have real (directly related) scale in cyber expertise which is needed in the commercial market and can influence the future buying pattern
 - Developed over more than three decades working with the U.S. Intelligence Community
 - Extensive capabilities in cyber analytics, technology, and policy

- ▶ We understand the evolution of cyber buying
 - Because we have been successful responding to this evolution in the federal space
 - We are leveraging this experience to scope our capability investment – focusing on the most relevant capabilities that are selling

- ▶ Real opportunities and success in multiple U.S. Commercial verticals
 - Financial Services
 - Healthcare
 - Energy
 - Retail
 - Automotive

- ▶ The challenge: A shortage of qualified talent required by a services model

Fiscal 2015 Full Year Outlook

Revenue growth forecast: **Low Single Digit Percentage Decline for Full Fiscal Year 2015**

Diluted EPS forecast ⁽¹⁾: **\$1.52 - \$1.56**

Adjusted Diluted EPS forecast ⁽¹⁾: **\$1.58 - \$1.62**

(1) Full Fiscal Year 2015 Estimated Weighted Average Diluted Share Count: 150.1 million; Assumes an effective tax rate of 39.4%

Thank You