

EARNINGS CALL PRESENTATION

Fiscal Year 2024, Third Quarter

January 26, 2024

CALL PARTICIPANTS

HORACIO ROZANSKI

President and Chief Executive Officer

MATT CALDERONE

Chief Financial Officer

NATHAN RUTLEDGE

Director & Head of Investor Relations

DISCLAIMER

Forward Looking Safe Harbor Statement

Certain statements contained in this presentation 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, Adjusted EBITDA, Diluted EPS, 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. A number of important factors could cause actual results to differ materially from those contained in or implied by these forward-looking statements, including those factors discussed in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, which can be found at the SEC’s website at www.sec.gov. 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.

Note Regarding Non-GAAP Financial Data Information

Booz Allen discloses 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, which 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 EPS, and net cash provided by operating activities to Free Cash Flow and Free Cash Flow Conversion, and net debt to Net Leverage Ratio and the explanatory footnotes regarding those adjustments, each as defined under GAAP, (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 attributable to common stockholders 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 provided by 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. The Appendix includes a reconciliation of Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, 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. 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. With respect to our expectations under “Financial Outlook”, reconciliation of Adjusted Diluted EPS guidance, Adjusted EBITDA, and Adjusted EBITDA Margin on Revenue 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 with respect to Adjusted Diluted EPS, and our net income, net interest and other expenses with respect to Adjusted EBITDA and Adjusted EBITDA Margin on Revenue, during the course of fiscal 2024. With respect to Adjusted Diluted EPS guidance, projecting future stock price, equity grants and 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. For the same reason, a reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue guidance for fiscal 2024 and 2025 and of Adjusted EBITDA guidance through fiscal 2025 to the closest corresponding GAAP measures are not available without unreasonable efforts on a forward-looking basis due to our inability to predict specific quantifications of the amounts that would be required to reconcile such measures. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude these reconciliations.

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2024 RESULTS

	THIRD QUARTER ⁽¹⁾		FISCAL YEAR-TO-DATE (12/31/23) ⁽¹⁾	
Revenue	\$2.6 billion	+12.9%	\$7.9 billion	+15.6%
Revenue, Excluding Billable Expenses	\$1.8 billion	+13.0%	\$5.5 billion	+14.7%
Net Income	\$146 million	+374.6%	\$478 million	+40.7%
Adjusted EBITDA ²	\$291 million	+19.1%	\$888 million	+13.5%
Adjusted EBITDA Margin on Revenue ²	11.3%	+5.6%	11.3%	(1.7)%
Adjusted Net Income	\$184 million	+29.4%	\$547 million	+16.0%
Diluted EPS	\$1.11	+382.6%	\$3.62	+42.5%
Adjusted Diluted EPS	\$1.41	+31.8%	\$4.17	+17.5%
Net Cash Provided by Operating Activities	\$234 million	68.8%	\$115 million	(68.5)%

(1) Comparisons are to prior fiscal year period.

(2) Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue can be found on Slide 12. Net Income attributable to common stockholders was \$145.6 million and \$477.8 million for the three and nine months ended December 31, 2023, respectively. Net income margin attributable to common stockholders was 5.7% and 6.0% for the three and nine months ended December 31, 2023, respectively.

INVESTMENT THESIS

EXCEPTIONAL SHAREHOLDER VALUE CREATION

FY2023–FY2025 GOALS

**Competitive
Edge at the
Mission-
Innovation
Intersection**

**ADJUSTED EBITDA
GROWTH TO \$1.2–1.3B**

Organic
Revenue
5–8%



Strategic
Acquisitions &
Investments



Strong Mid 10%
Adjusted
EBITDA Margin

Disciplined
Capital
Deployment

\$2.0–3.5B

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2024 RESULTS

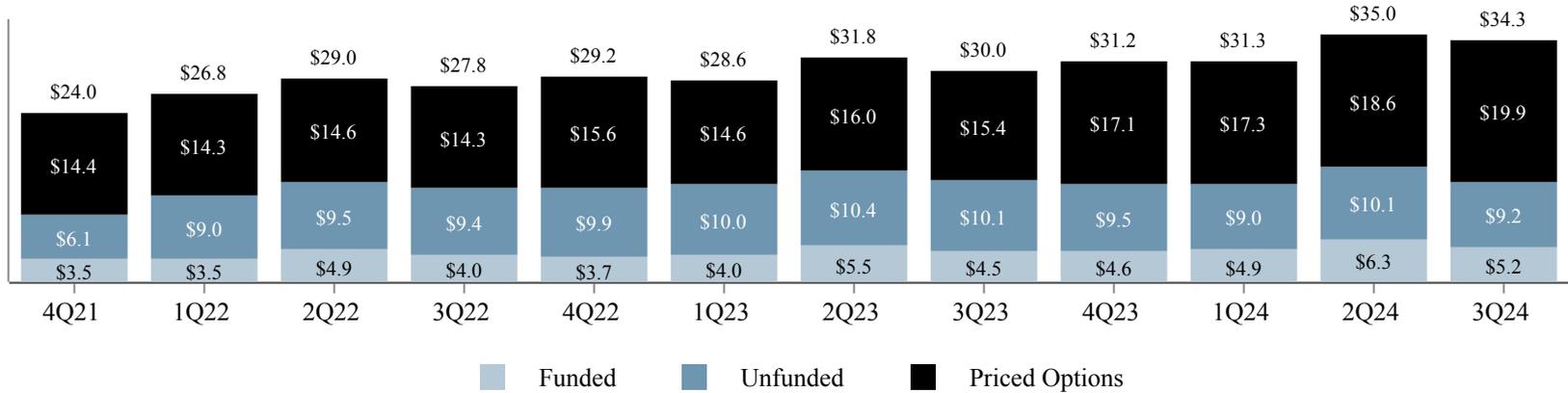
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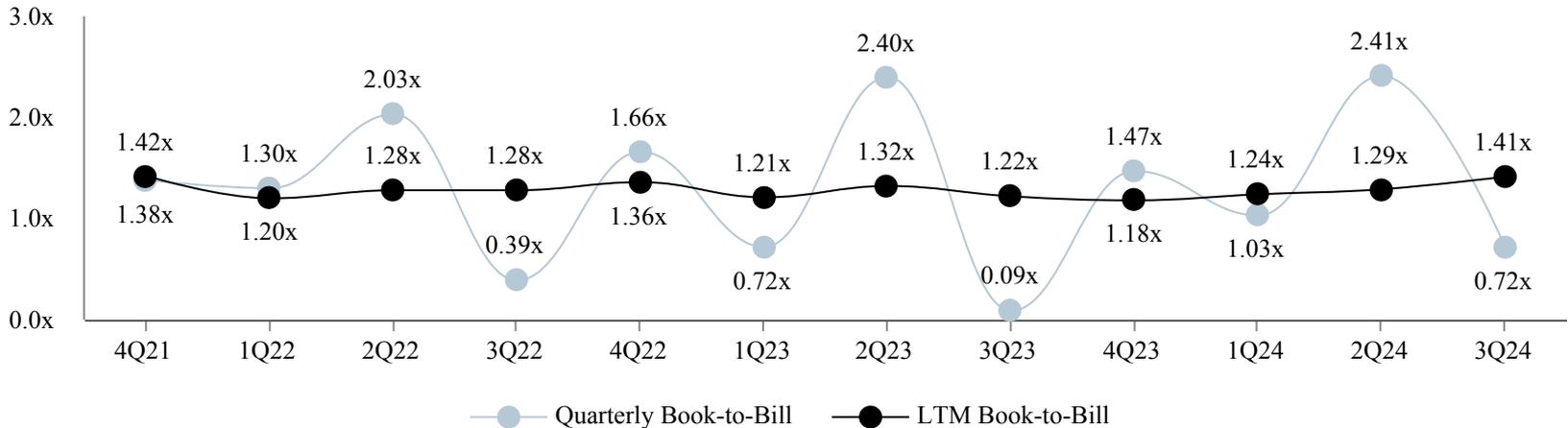
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HISTORICAL BACKLOG & BOOK-TO-BILL

BACKLOG (\$ IN BILLIONS) ⁽¹⁾



BOOK-TO-BILL TRENDS



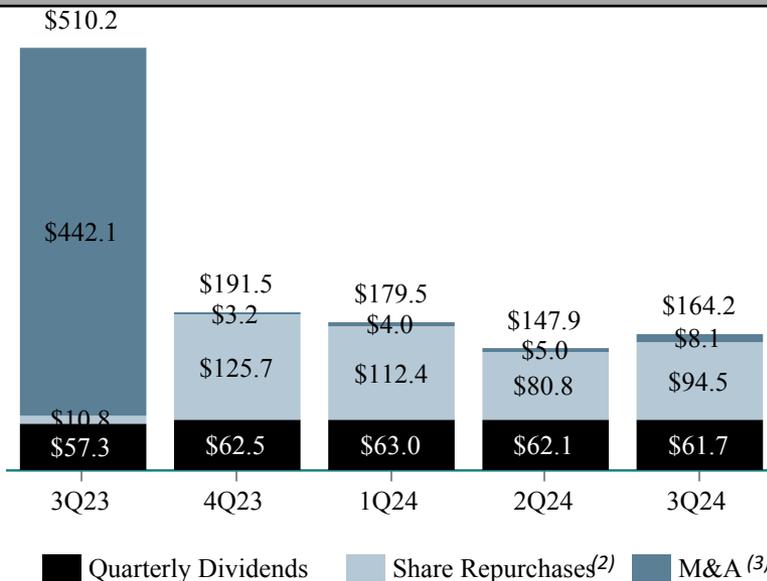
⁽¹⁾ For more information on the components of backlog, and the differences between backlog and remaining performance obligations, please see the Company's Form 10-K for the fiscal year ended March 31, 2023; totals may not sum due to rounding.

CAPITAL ALLOCATION

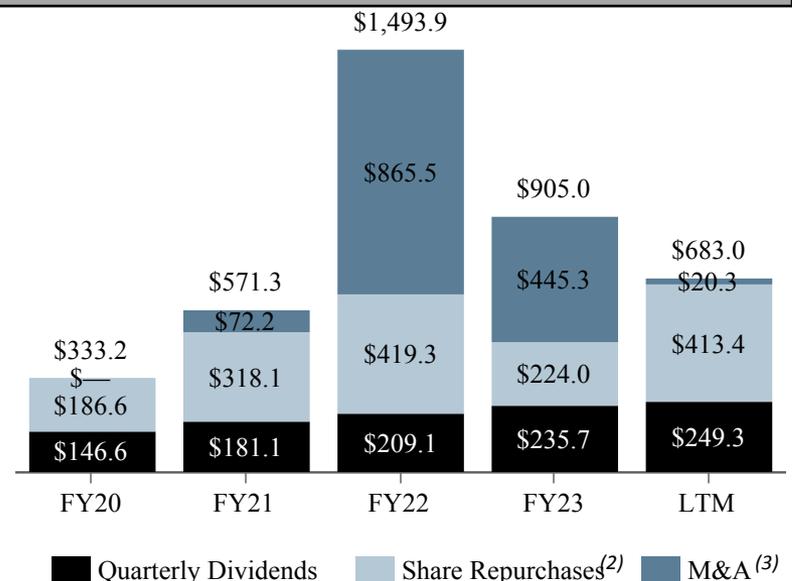
DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATEGY

- Our multi-year capital deployment plan follows a disciplined and opportunistic approach, subject to market conditions
- In Q3 FY 2024, we deployed approximately \$164.2 million:
 - \$61.7 million through quarterly dividends;
 - \$94.5 million through share repurchases; and
 - \$8.1 million through strategic investments and acquisitions
- The Board authorized a dividend of \$0.51 per share payable on March 1, 2024 to stockholders of record on February 12, 2024
- Share repurchase authorization capacity is \$583.2 million available as of December 31, 2023
- Our capital allocation priorities remain: operating needs, quarterly dividend, strategic M&A, share repurchases, and debt repayment

QUARTERLY CAPITAL DEPLOYMENT (\$ IN MILLIONS)⁽¹⁾



HISTORICAL CAPITAL DEPLOYMENT (\$ IN MILLIONS)⁽¹⁾



(1) Totals may not sum due to rounding.

(2) Includes share repurchases transacted but not settled and paid.

(3) Represents payments for strategic investments, net of cash acquired.

FINANCIAL OUTLOOK

FULL YEAR FISCAL 2024 GUIDANCE⁽¹⁾

OPERATING PERFORMANCE	Updated Fiscal Year 2024 Guidance	Prior Fiscal Year 2024 Guidance
Revenue Growth	14.0% – 15.0%	11.0% – 14.0%
Adjusted EBITDA	\$1,155 – \$1,175 million	\$1,115 – \$1,145 million
Adjusted EBITDA Margin on Revenue	~11%	High 10% to 11%
Adjusted Diluted EPS	\$5.25 – \$5.40	\$4.95 – \$5.10
Updated Net Cash Provided by Operating Activities ⁽²⁾	\$200 – \$275 million	\$160 – \$260 million

KEY ASSUMPTIONS	Updated Fiscal Year 2024 Assumptions	Prior Fiscal Year 2024 Assumptions
Inorganic Revenue Contributions	~1.0%	~1.0%
Effective Tax Rate	22% – 23%	23% – 25%
Average Diluted Shares Outstanding	129 – 131 million	129 – 131 million
Interest Expense	\$170 – \$180 million	\$170 – \$180 million
Depreciation and Amortization	~\$165 million	~\$165 million
Cash Taxes Related to Section 174	~\$125 million	~\$100 million
Capital Expenditures	\$75 – \$95 million	\$75 – \$95 million

(1) Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Disclaimer."

(2) Reflects estimated net impact of settlement with the Department of Justice.

APPENDIX

NON-GAAP FINANCIAL INFORMATION

- “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 the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction 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 December 31, 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 the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, 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 December 31, 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) the change in provision for claimed indirect costs, (ii) acquisition and divestiture costs, (iii) financing transaction costs, (iv) significant acquisition amortization, (v) 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 December 31, 2023, (vi) gains associated with divestitures or deconsolidation, and (vii) 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.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(In thousands, except share and per share data)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2023	2022	2023	2022
Revenue, Excluding Billable Expenses				
Revenue	\$ 2,569,801	\$ 2,277,074	\$ 7,890,569	\$ 6,825,650
Less: Billable expenses	799,896	710,526	2,436,988	2,069,733
Revenue, Excluding Billable Expenses*	<u>\$ 1,769,905</u>	<u>\$ 1,566,548</u>	<u>\$ 5,453,581</u>	<u>\$ 4,755,917</u>
Adjusted Operating Income				
Operating Income	\$ 247,558	\$ 58,640	\$ 748,965	\$ 489,756
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted Operating Income	<u>\$ 263,107</u>	<u>\$ 215,837</u>	<u>\$ 804,674</u>	<u>\$ 697,040</u>
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	\$ 145,644	\$ 30,997	\$ 477,750	\$ 340,213
Income tax expense	61,740	10,539	156,291	103,286
Interest and other, net (f)	40,174	17,412	114,924	46,907
Depreciation and amortization	41,113	42,046	123,867	121,200
EBITDA	<u>288,671</u>	<u>100,994</u>	<u>872,832</u>	<u>611,606</u>
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Legal matter reserve (e)	—	124,000	27,453	124,000
Adjusted EBITDA	<u>\$ 290,623</u>	<u>\$ 244,090</u>	<u>\$ 888,240</u>	<u>\$ 782,615</u>
Net income margin attributable to common stockholders	5.7 %	1.4 %	6.1 %	5.0 %
Adjusted EBITDA Margin on Revenue	11.3 %	10.7 %	11.3 %	11.5 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	16.4 %	15.6 %	16.3 %	16.5 %

* Revenue, Excluding Billable Expenses includes \$18.3 million of revenue resulting from the reduction to our provision for claimed indirect costs as noted on slide 14.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
Adjusted Net Income				
Net income attributable to common stockholders	\$ 145,644	\$ 30,997	\$ 477,750	\$ 340,213
Change in provision for claimed indirect costs (a)	—	—	(18,345)	—
Acquisition and divestiture costs (b)	1,952	19,096	5,480	40,121
Financing transaction costs (c)	—	—	820	6,888
Significant acquisition amortization (d)	13,597	14,101	40,301	36,275
Legal matter reserve (e)	—	124,000	27,453	124,000
Gains associated with divestitures or deconsolidation (g)	—	(13,472)	—	(44,632)
Amortization or write-off of debt issuance costs and debt discount	1,062	780	2,950	5,780
Adjustments for tax effect (h)	22,048	(33,020)	10,094	(37,518)
Adjusted Net Income	<u>\$ 184,303</u>	<u>\$ 142,482</u>	<u>\$ 546,503</u>	<u>\$ 471,127</u>
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	\$ 130,489,050	\$ 132,759,877	\$ 131,058,754	\$ 132,831,569
Diluted earnings per share	\$ 1.11	\$ 0.23	\$ 3.62	\$ 2.54
Adjusted Net Income Per Diluted Share (i)	<u>\$ 1.41</u>	<u>\$ 1.07</u>	<u>\$ 4.17</u>	<u>\$ 3.55</u>
Free Cash Flow				
Net cash provided by operating activities	233,985	138,582	115,068	365,674
Less: Purchases of property, equipment and software	(23,096)	(21,664)	(50,532)	(51,398)
Free Cash Flow	<u>\$ 210,889</u>	<u>\$ 116,918</u>	<u>\$ 64,536</u>	<u>\$ 314,276</u>
Operating cash flow conversion	161 %	447 %	24 %	107 %
Free cash flow conversion	114 %	82 %	12 %	67 %

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(a) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(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 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 in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(c) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.

(d) 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.

(e) 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 in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

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

(g) Represents the gain recognized on the divestitures of the Company's MENA business in the second quarter of fiscal 2023, its MTS business in the third quarter of fiscal 2023, and the gain on the deconsolidation of an artificial intelligence software platform business in the third quarter of fiscal 2023.

(h) 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 (\$26.0 million and \$22.0 million for the three and nine months ended December 31, 2023, respectively). See Note 10, "Income Taxes," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.

(i) Excludes adjustments of approximately \$1.2 million and \$3.9 million of net earnings for the three and nine months ended December 31, 2023, respectively, and approximately \$0.5 million and \$2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, associated with the application of the two-class method for computing diluted earnings per share.

NON-GAAP FINANCIAL INFORMATION (Unaudited)

(In thousands, except share and per share data)	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	Three Months Ended June 30, 2023	Three Months Ended March 31, 2023	
Net income (loss) attributable to common stockholders	\$ 145,644	\$ 170,718	\$ 161,388	\$ (68,422)	(a) Reflects the combination of Interest expense and Other income, net from the condensed consolidated statement of operations.
Income tax (benefit) expense	61,740	55,071	39,480	(6,552)	(b) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.
Interest and other, net (a)	40,174	41,200	33,550	31,992	
Depreciation and amortization	41,113	40,907	41,847	44,284	
EBITDA	\$ 288,671	\$ 307,896	\$ 276,265	\$ 1,302	
Change in provision for claimed indirect costs (b)	—	(18,345)	—	—	
Acquisition and divestiture costs (c)	1,952	260	3,268	4,148	
Financing transaction costs (d)	—	820	—	—	
Legal matter reserve (e)	—	—	27,453	226,000	(c) 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 in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.
Adjusted EBITDA	\$ 290,623	\$ 290,631	\$ 306,986	\$ 231,450	
Last 12 months Adjusted EBITDA	\$ 1,119,690				
Total Debt	\$ 3,421,106				
Less: Cash	601,813				
Net Debt	\$ 2,819,293				
Net Leverage Ratio (g)	2.5				
	Three Months Ended December 31, 2022	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	
Net income attributable to common stockholders	\$ 30,997	\$ 170,932	\$ 138,284	\$ 90,873	(d) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.
Income tax expense	10,539	51,258	41,489	33,897	
Interest and other, net (a)	17,412	1,882	27,613	23,653	
Depreciation and amortization	42,046	39,052	40,102	40,824	
EBITDA	\$ 100,994	\$ 263,124	\$ 247,488	\$ 189,247	(e) 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 in the Company's Form 10-Q for the quarter ended December 31, 2023 for further information.
Acquisition and divestiture costs (c)	19,096	15,932	5,093	11,670	
Financing transaction costs (d)	—	6,888	—	—	
Legal matter reserve (e)	124,000	—	—	—	
Restructuring costs (f)	—	—	—	4,164	(f) 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.
Adjusted EBITDA	\$ 244,090	\$ 285,944	\$ 252,581	\$ 205,081	
Last 12 months Adjusted EBITDA	\$ 987,696				
Total Debt	\$ 2,821,711				
Less: Cash	370,939				
Net Debt	\$ 2,450,772				(g) "Net Leverage Ratio" is calculated as net debt (total debt less cash) divided by Adjusted EBITDA over the prior twelve months.
Net Leverage Ratio (g)	2.5				

FINANCIAL RESULTS – KEY DRIVERS

Third Quarter Fiscal 2024 – Below is a summary of the key factors driving results for the fiscal 2024 third quarter ended December 31, 2023 as compared to the prior year period:

- Revenue increased 12.9% to \$2.6 billion and Revenue, Excluding Billable Expenses increased 13.0% to \$1.8 billion. Revenue growth was primarily driven by strong demand for our services and solutions as well as continued headcount growth.
- Operating income increased 322.2% to \$247.6 million and Adjusted Operating Income increased 21.9% to \$263.1 million. The increase was primarily driven by the same drivers benefiting revenue growth as well as strong contract-level performance coupled with ongoing cost management efforts. In addition, fiscal 2023 operating income was negatively impacted by a \$124.0 million reserve associated with the U.S. Department of Justice's investigation of the Company recorded in the third quarter. The increase in Adjusted Operating Income was driven by the same factors impacting operating income with the exception of the aforementioned legal matter reserve, which did not impact Adjusted Operating Income.
- Net income increased 374.6% to \$145.6 million and net income attributable to common stockholders increased 369.9% to \$145.6 million. These changes were primarily driven by the same factors as operating income, partially offset by a net gain in the prior year of \$8.9 million from the de-consolidation of an artificial intelligence software platform business, and a \$4.6 million pre-tax gain associated with the divestiture of the Company's Managed Threat Services business. In addition, an increase in the provision for income taxes associated with the reversal of an uncertain tax position related to Section 174 of the Tax Cuts and Jobs Act of 2017 had a negative impact on net income. Adjusted Net Income increased 29.4% to \$184.3 million. The change in Adjusted Net Income was primarily driven by the same factors as Adjusted Operating Income, as well as higher interest expense.
- EBITDA increased 185.8% to \$288.7 million and Adjusted EBITDA increased 19.1% to \$290.6 million. These changes were due to the same factors as operating income and Adjusted Operating Income, respectively.
- Diluted EPS increased to \$1.11 from \$0.23 and Adjusted Diluted EPS increased to \$1.41 from \$1.07. The changes were primarily driven by the same factors as net income and Adjusted Net Income, respectively, partially offset by a lower share count in the third quarter of fiscal 2024.
- Net cash used in operating activities was \$234.0 million for the quarter ended December 31, 2023, as compared to \$138.6 million in the prior year. Free Cash Flow was \$210.9 million for the quarter ended December 31, 2023, as compared to \$116.9 million in the prior year. Operating cash was aided by strong collection performance and overall revenue growth.