

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 26, 2020

**Booz Allen Hamilton Holding Corporation**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

001-34972  
(Commission  
File Number)

26-2634160  
(IRS Employer  
Identification No.)

8283 Greensboro Drive,  
(Address of principal executive offices)

McLean,

Virginia

22102  
(Zip Code)

Registrant's telephone number, including area code: (703) 902-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of Each Class  
Class A Common Stock

Trading Symbol  
BAH

Name of Each Exchange on Which Registered  
New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On May 26, 2020, Booz Allen Hamilton Holding Corporation (the “Company”) issued a press release announcing its results of operations for the fiscal year and quarter ended March 31, 2020. A copy of the press release is attached hereto as Exhibit 99.1.

On May 26, 2020, the Company posted to the “Investor Relations” section of its website the presentation that accompanies the earnings conference call. A copy of the presentation is attached hereto as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit No.	Description
99.1	<a href="#">Press Release dated May 26, 2020</a>
99.2	<a href="#">Earnings Conference Call Presentation</a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Booz Allen Hamilton Holding Corporation

BY: /s/ Lloyd W. Howell, Jr.

\_\_\_\_\_  
Lloyd W. Howell, Jr.

Executive Vice President, Chief Financial Officer and  
Treasurer

Date: May 26, 2020

INDEX TO EXHIBITS

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## BOOZ ALLEN HAMILTON ANNOUNCES FOURTH QUARTER AND FULL YEAR FISCAL 2020 RESULTS

+ **Company Delivers Record Top and Bottom Line Performance in Fiscal 2020 and Projects Continued Growth in Fiscal 2021**

+ **Company Updated Goals of Three-Year Investment Thesis, Including Increase in Adjusted Diluted Earnings Per Share<sup>1</sup> Growth**

+ **Annual Revenue Increase of 11.3 percent over Prior Year to \$7.5 billion, and Revenue, Excluding Billable Expenses<sup>1</sup> Growth of 9.9 percent**

+ **Annual Diluted Earnings Per Share of \$3.41 and Adjusted Diluted Earnings Per Share<sup>1</sup> of \$3.18**

+ **7.3 percent Annual Increase in Total Backlog to \$20.7 billion**

+ **Quarterly Dividend of \$0.31 per Share**

“Our firm’s exceptional people and financial performance enabled us to quickly respond to the unprecedented challenges of the COVID-19 pandemic. Our focus has and will continue to be on maximizing the health and safety of our people, the effectiveness of our clients, and the strength of our institution. As an agile, innovative company, we believe we will continue to grow and succeed in FY21 and beyond.”

— HORACIO ROZANSKI  
President and Chief Executive Officer

McLean, Virginia; May 26, 2020 - 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 fourth quarter and full year of fiscal 2020.

The Company delivered record top and bottom line performance in fiscal 2020, announced guidance for fiscal 2021 revenue growth of 6 percent to 10 percent and Adjusted Diluted EPS<sup>1</sup> between \$3.40 and \$3.60, and updated goals of its three year investment thesis, including Adjusted Diluted EPS<sup>1</sup> of 70 percent to 80 percent. Financial performance included continued substantial revenue growth and strong margins and bottom line performance driven by robust demand for services and solutions and a 4.2 percent annual increase in headcount.

The Company reported annual revenue growth of 11.3 percent and an 9.9 percent annual increase in Revenue, Excluding Billable Expenses<sup>1</sup>. Full year Net Income increased by 15.3 percent to \$482.6 million and Adjusted Net Income increased by 13.6 percent to \$448.7 million. Strong top-line growth contributed to an 11.8 percent annual increase in Adjusted EBITDA<sup>1</sup> to \$754.1 million. Annual Adjusted EBITDA Margin on Revenue<sup>1</sup> was 10.1 percent. Full year Diluted Earnings per Share was \$3.41, up \$0.50 or 17.2 percent while Adjusted Diluted EPS<sup>1</sup> was \$3.18, up \$0.42 or 15.2 percent.

Total backlog increased by 7.3 percent over the end of the prior year to \$20.7 billion and the quarterly book-to-bill ratio was 0.38x. As of March 31, 2020, headcount was 1,104 higher than at the end of the prior year period, an increase of 4.2 percent, and remained flat since the end of the prior quarter.

### FINANCIAL SUMMARY

*Fourth Quarter and Full Year ended March 31, 2020* - A summary of Booz Allen’s results for the fourth quarter and full year of fiscal 2020 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 fourth quarter and full year posted on [investors.boozallen.com](http://investors.boozallen.com).

### FULL YEAR FY20

(changes are compared to prior year period)

<b>REVENUE:</b>	
\$7.46B	+11.3%
<b>EX. BILLABLE EXPENSES<sup>1</sup>:</b>	
\$5.17B	+9.9%
<b>OPERATING INCOME:</b>	
\$669.2M	+11.1%
<b>ADJ. OPERATING INCOME<sup>1</sup>:</b>	
\$673.0M	+11.0%
<b>NET INCOME:</b>	
\$482.6M	+15.3%
<b>ADJUSTED NET INCOME<sup>1</sup>:</b>	
\$448.7M	+13.6%
<b>EBITDA:</b>	
\$750.3M	+11.8%
<b>ADJUSTED EBITDA<sup>1</sup>:</b>	
\$754.1M	+11.8%
<b>DILUTED EPS:</b>	
\$3.41	up from \$2.91
<b>ADJUSTED DILUTED EPS<sup>1</sup>:</b>	
\$3.18	up from \$2.76

Net cash provided by operating activities for fiscal 2020 was \$551.4 million as compared to \$499.6 million in the prior year, and \$185.0 million for the fourth quarter, compared to \$216.4 million in the prior year period. Free cash flow<sup>1</sup> for fiscal 2020 was \$423.3 million compared to \$404.9 million for the prior year, and \$147.6 million for the fourth quarter compared with \$179.8 million in the prior year period.

The Company declared a regular quarterly dividend of 31 cents per share, which is payable on June 30, 2020, to stockholders of record on June 15, 2020.

For fiscal 2021, the Company provided the following guidance:

## FINANCIAL OUTLOOK

- + **Revenue:** Growth in the 6 to 10 percent range
- + **Adjusted EBITDA Margin on Revenue<sup>1</sup>:** Approximately 10 percent
- + **Adjusted Diluted EPS<sup>1</sup>:** \$3.40 - \$3.60
- + **Cash from Operating Activities:** \$550 million - \$600 million

*This Adjusted Diluted EPS<sup>1</sup> estimate is based on fiscal 2021 estimated average diluted shares outstanding in the range of 136 million to 140 million shares, and assumes an effective tax rate in the range of 20 percent to 23 percent.*

## 3 YEAR INVESTMENT THESIS

The Company updated its goals for financial performance through Fiscal 2021 related to **ADEPS<sup>1</sup> growth** and **Adjusted EBITDA Margin**. For the three-year period from Fiscal Year 2018 through Fiscal Year 2021, the Investment Thesis is as follows:



<b>Unique Market Position</b>	<b>=</b>	<b>Strong Financial Returns</b> From FY 18 through FY 21	<b>+</b>	<b>Option Value</b>
<p>*Investments in innovation, talent, and capabilities position us to help clients adopt current and new technologies</p> <p>*First mover advantage enhanced by our ability to combine mission knowledge, consulting heritage and technical depth creating value for critical missions and top priorities</p>		<p>70% to 80% ADEPS Growth + ~2% Dividend Yield</p> <p>Supported by: 6 - 10% Annual Revenue Growth ~10% Adj. EBITDA Margin ~\$1.4B in Capital Deployment</p>		<p>Continued investment in new business lines and solutions that will drive future growth</p>

## CONFERENCE CALL INFORMATION

Booz Allen Hamilton will host a conference call at 8 a.m. EDT on Tuesday, May 26, 2020, to discuss the financial results for its fourth quarter and full year of fiscal 2020 (ended March 31, 2020). Analysts and institutional investors may participate on the call by dialing (877) 375-9141; International: (253) 237-1151, using the passcode 8675717. The conference call will be webcast simultaneously to the public through a link on the investor relations section of the Booz Allen Hamilton web site at [investors.boozallen.com](http://investors.boozallen.com). A replay of the conference call will be available online at [investors.boozallen.com](http://investors.boozallen.com) beginning at 11 a.m. EDT on May 26, 2020, and continuing for 30 days.

<sup>1</sup> Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted Net Income, Adjusted EBITDA, Adjusted Diluted EPS, Adjusted EBITDA Margin on Revenue and Free Cash Flow are non-GAAP financial measures. See "Non-GAAP Financial Information" below for additional detail.

## ABOUT BOOZ ALLEN HAMILTON

For more than 100 years, military government and business leaders have turned to Booz Allen Hamilton to solve their most complex problems. As a consulting firm with experts in analytics, digital, engineering and cyber, we help organizations transform. We are a key partner on some of the most innovative programs for governments worldwide and trusted by its most sensitive agencies. We work shoulder to shoulder with clients, using a mission-first approach to choose the right strategy and technology to help them realize their vision.

With global headquarters in McLean, Virginia, our firm employs about 27,200 people globally, and had revenue of \$7.5 billion for the 12 months ended March 31, 2020. To learn more, visit [www.boozallen.com](http://www.boozallen.com). (NYSE: BAH)

## FOURTH QUARTER FY20

(changes are compared to prior year period)

<b>REVENUE:</b>	
\$1.97B	+10.6%
<b>EX. BILLABLE EXPENSES<sup>1</sup>:</b>	
\$1.36B	+9.8%
<b>OPERATING INCOME:</b>	
\$149.1M	+10.3%
<b>ADJ. OPERATING INCOME<sup>1</sup>:</b>	
\$151.8M	+12.4%
<b>NET INCOME:</b>	
\$138.9M	+55.0%
<b>ADJUSTED NET INCOME<sup>1</sup>:</b>	
\$102.8M	+14.2%
<b>EBITDA:</b>	
\$169.8M	+10.8%
<b>ADJUSTED EBITDA<sup>1</sup>:</b>	
\$172.6M	+12.6%
<b>DILUTED EPS:</b>	
\$0.98	up from \$0.63
<b>ADJUSTED DILUTED EPS<sup>1</sup>:</b>	
\$0.73	up from \$0.64

## 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 consulting 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: transaction costs, fees, losses, and expenses, including fees associated with debt prepayments and supplemental employee benefits due to the COVID-19 outbreak. 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 before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including transaction costs, fees, losses, and expenses, including fees associated with debt prepayments and supplemental employee benefits due to the COVID-19 outbreak. “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 before: (i) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments, (ii) supplemental employee benefits due to the COVID-19 outbreak, (iii) tax credits, net of reserves for uncertain tax positions, (iv) amortization or write-off of debt issuance costs and write-off of original issue discount, (v) release of income tax reserves, and (vi) re-measurement of deferred tax assets and liabilities as a result of the Tax Cuts and Jobs Act (the “2017 Tax Act”) 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

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 of calculating EPS as required in accordance with accounting principles generally accepted in the United States, or GAAP.

“Free Cash Flow” represents the net cash generated from operating activities less the impact of purchases of property, equipment and software.

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, and Adjusted Diluted EPS 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, and Adjusted Diluted EPS 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 supplemental performance 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 consulting 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 supplemental performance

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, and Free Cash Flow 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 revenue to Revenue, Excluding Billable Expenses, operating income to Adjusted Operating Income, net income 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, and net cash provided by operating activities to Free Cash Flow, (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, and (iii) use Free Cash Flow, 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. 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, and Free Cash Flow 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 2021. 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.

In addition, management may discuss its expectation for EBITDA margin for fiscal 2021 from time to time. A reconciliation of EBITDA margin 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 quantifications 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.

#### 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; 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 funding of our contracts due to uncertainty relating to funding of the U.S. government and a possible failure of Congressional efforts to approve such funding and 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; 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 the COVID-19 outbreak, and other pandemics or widespread health epidemics, 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 GSA schedules, blanket purchase agreements and indefinite deliver, indefinite quantity, or IDIQ contracts; 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, 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 and 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 cyber attacks on our network and internal systems; risks related to the potential implementation and operation of new 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; 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 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 need, 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 completed and future acquisitions, including our ability to realize the expected benefits from such acquisitions;

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 limit 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; and 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. 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, 2020. 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 Consolidated Statements of Operations

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2020	2019	2020	2019
(Amounts in thousands, except per share data)				
	(Unaudited)			
<b>Revenue</b>	\$ 1,969,647	\$ 1,780,080	\$ 7,463,841	\$ 6,704,037
<b>Operating costs and expenses:</b>				
Cost of revenue	881,084	815,404	3,379,180	3,100,466
Billable expenses	606,870	538,833	2,298,413	2,004,664
General and administrative expenses	311,844	272,528	1,035,965	927,938
Depreciation and amortization	20,773	18,216	81,081	68,575
Total operating costs and expenses	1,820,571	1,644,981	6,794,639	6,101,643
<b>Operating income</b>	149,076	135,099	669,202	602,394
Interest expense	(21,679)	(22,160)	(96,960)	(89,517)
Other income (expense), net	1,307	4,941	7,192	2,526
<b>Income before income taxes</b>	128,704	117,880	579,434	515,403
Income tax (benefit) expense	(10,162)	28,305	96,831	96,874
<b>Net income</b>	\$ 138,866	\$ 89,575	\$ 482,603	\$ 418,529
<b>Earnings per common share:</b>				
Basic	\$ 0.99	\$ 0.64	\$ 3.43	\$ 2.94
Diluted	\$ 0.98	\$ 0.63	\$ 3.41	\$ 2.91

## Exhibit 2

### Booz Allen Hamilton Holding Corporation Consolidated Balance Sheets

(Amounts in thousands, except share and per share data)	March 31, 2020	March 31, 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 741,901	\$ 283,990
Accounts receivable, net of allowance	1,459,471	1,330,364
Prepaid expenses and other current assets	126,816	84,986
Total current assets	2,328,188	1,699,340
Property and equipment, net of accumulated depreciation	208,077	172,453
Deferred tax assets	—	—
Operating lease right-of-use assets	240,122	—
Intangible assets, net of accumulated amortization	300,987	287,051
Goodwill	1,581,160	1,581,160
Other long-term assets	135,432	91,837
Total assets	4,793,966	3,831,841
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 177,865	\$ 57,924
Accounts payable and other accrued expenses	698,011	664,948
Accrued compensation and benefits	348,775	325,553
Operating lease liabilities	49,021	—
Other current liabilities	54,006	130,814
Total current liabilities	1,327,678	1,179,239
Long-term debt, net of current portion	2,007,979	1,701,837
Operating lease liabilities, net of current portion	270,266	—
Income tax reserves	56,130	11,509
Deferred tax liabilities	88,086	33,238
Other long-term liabilities	187,471	230,652
Total liabilities	3,937,610	3,156,475
Stockholders' equity:		
Common stock, Class A — \$0.01 par value — authorized, 600,000,000 shares; issued, 161,333,973 shares at March 31, 2020 and 159,924,825 shares at March 31, 2019; outstanding, 138,719,921 shares at March 31, 2020 and 140,027,853 shares at March 31, 2019	1,613	1,599
Treasury stock, at cost — 22,614,052 at March 31, 2020 and 19,896,972 shares at March 31, 2019	(898,095)	(711,450)
Additional paid-in capital	468,027	401,596
Retained earnings	1,330,812	994,811
Accumulated other comprehensive loss	(46,001)	(11,190)
Total stockholders' equity	856,356	675,366
Total liabilities and stockholders' equity	\$ 4,793,966	\$ 3,831,841

### Exhibit 3

#### Booz Allen Hamilton Holding Corporation Consolidated Statements of Cash Flows

(Amounts in thousands)	Fiscal Year Ended March 31,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net income	\$ 482,603	\$ 418,529
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	81,081	68,575
Noncash lease expense	55,096	—
Stock-based compensation expense	43,290	31,275
Deferred income taxes	65,434	23,006
Amortization of debt issuance costs and loss on extinguishment	6,139	9,354
Losses (gains) on dispositions and impairments	1,772	(5,464)
Changes in assets and liabilities:		
Accounts receivable, net of allowance	(129,107)	(196,453)
Income taxes receivable / payable	(122,977)	21,634
Prepaid expenses and other current assets	(13,500)	(2,328)
Other long-term assets	(6)	(15,346)
Accrued compensation and benefits	18,044	44,137
Accounts payable and other accrued expenses	48,260	107,644
Other current liabilities	5,016	(7,885)
Operating lease liabilities	(37,651)	—
Other long-term liabilities	3,313	3,210
Net cash provided by operating activities	551,428	499,610
<b>Cash flows from investing activities</b>		
Purchases of property, equipment, and software	(128,079)	(94,681)
Payments for businesses acquisitions, net of cash acquired	—	5,469
Net cash used in investing activities	(128,079)	(89,212)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	14,987	11,266
Stock option exercises	8,925	12,116
Repurchases of common stock	(182,224)	(252,824)
Cash dividends paid	(146,602)	(114,234)
Repayment of debt	(76,922)	(170,512)
Proceeds from debt issuance	497,891	102,071
Payment of deferred payment obligation	(80,000)	—
Other financing activities	(1,493)	(1,249)
Net cash provided by (used in) financing activities	34,562	(413,366)
Net increase (decrease) in cash and cash equivalents	457,911	(2,968)
Cash and cash equivalents — beginning of year	283,990	286,958
Cash and cash equivalents — end of year	\$ 741,901	\$ 283,990
<b>Supplemental disclosures of cash flow information</b>		
Net cash paid during the period for:		
Interest	\$ 84,125	\$ 76,731
Income taxes	\$ 109,754	\$ 52,512
<b>Supplemental disclosures of non-cash investing and financing activities</b>		
Share repurchases transacted but not settled and paid	\$ 10,736	\$ 6,315
Noncash financing activities	\$ 3,920	\$ 3,033

**Exhibit 4 - Booz Allen Hamilton Holding Corporation**  
**Non-GAAP Financial Information**

	Three Months Ended		Fiscal Year Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
(In thousands, except share and per share data)				
	(Unaudited)		(Unaudited)	
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 1,969,647	\$ 1,780,080	\$ 7,463,841	\$ 6,704,037
Billable expenses	606,870	538,833	2,298,413	2,004,664
Revenue, Excluding Billable Expenses	\$ 1,362,777	\$ 1,241,247	\$ 5,165,428	\$ 4,699,373
<b>Adjusted Operating Income</b>				
Operating Income	\$ 149,076	\$ 135,099	\$ 669,202	\$ 602,394
Transaction expenses (a)	—	—	1,069	3,660
COVID-19 supplemental employee benefit (b)	2,722	—	2,722	—
Adjusted Operating Income	\$ 151,798	\$ 135,099	\$ 672,993	\$ 606,054
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>				
Net income	\$ 138,866	\$ 89,575	\$ 482,603	\$ 418,529
Income tax (benefit) expense	(10,162)	28,305	96,831	96,874
Interest and other, net (c)	20,372	17,219	89,768	86,991
Depreciation and amortization	20,773	18,216	81,081	68,575
EBITDA	169,849	153,315	750,283	670,969
Transaction expenses (a)	—	—	1,069	3,660
COVID-19 supplemental employee benefit (b)	2,722	—	2,722	—
Adjusted EBITDA	\$ 172,571	\$ 153,315	\$ 754,074	\$ 674,629
Adjusted EBITDA Margin on Revenue	8.8%	8.6%	10.1%	10.1%
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	12.7%	12.4%	14.6%	14.4%
<b>Adjusted Net Income</b>				
Net income	\$ 138,866	\$ 89,575	\$ 482,603	\$ 418,529
Transaction expenses (a)	—	—	1,069	3,660
COVID-19 supplemental employee benefit (b)	2,722	—	2,722	—
Research and development tax credits (d)	(38,395)	—	(38,395)	—
Release of income tax reserves (e)	(68)	—	(68)	(462)
Re-measurement of deferred tax assets/liabilities (f)	—	—	—	(27,908)
Amortization or write-off of debt issuance costs and write-off of original issue discount	450	519	2,395	2,920
Adjustments for tax effect (g)	(824)	(135)	(1,608)	(1,711)
Adjusted Net Income	\$ 102,751	\$ 89,959	\$ 448,718	\$ 395,028
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	140,902,368	141,050,704	141,238,135	143,156,176
Adjusted Net Income Per Diluted Share (h)	\$ 0.73	\$ 0.64	\$ 3.18	\$ 2.76
<b>Free Cash Flow</b>				
Net cash provided by operating activities	\$ 184,969	\$ 216,407	\$ 551,428	\$ 499,610
Less: Purchases of property, equipment and software	(37,367)	(36,605)	(128,079)	(94,681)
Free Cash Flow	\$ 147,602	\$ 179,802	\$ 423,349	\$ 404,929

- (a) Fiscal 2020 and fiscal 2019 reflect debt refinancing costs incurred in connection with the refinancing transactions consummated on November 26, 2019 and July 23, 2018, respectively.
- (b) Represents the supplemental contribution to employees dependent care FSA accounts in response to the COVID-19 outbreak.
- (c) Reflects the combination of Interest expense and Other income (expense), net from the consolidated statement of operations.
- (d) Reflects tax credits, net of reserves for uncertain tax positions, recognized in fiscal 2020 related to an increase in research and development credits available for fiscal years 2016 to 2020.
- (e) Release of pre-acquisition income tax reserves assumed by the Company in connection with the Carlyle Acquisition.
- (f) Reflects the adjustments made to the provisional income tax benefit associated with the re-measurement of the Company's deferred tax assets and liabilities as a result of the 2017 Tax Act.
- (g) 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.
- (h) Excludes adjustments of approximately \$0.4 million and \$1.6 million of net earnings for the three and twelve months ended March 31, 2020, respectively, and excludes adjustments of approximately \$0.4 million and \$1.8 million of net earnings for the three and twelve months ended March 31, 2019 associated with the application of the two-class method for computing diluted earnings per share.

## Exhibit 5

### Booz Allen Hamilton Holding Corporation Operating Data

(Amounts in millions)	As of March 31,	
	2020	2019
<b>Backlog</b>		
Funded	\$ 3,415	\$ 3,436
Unfunded	4,518	3,687
Priced Options	12,796	12,198
Total Backlog	\$ 20,729	\$ 19,321

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2020	2019	2020	2019
<b>Book-to-Bill *</b>	0.38	0.36	1.19	1.49

\* Book-to-bill is calculated as the change in total backlog during the relevant fiscal period plus the relevant fiscal period revenue, all divided by the relevant fiscal period revenue.

	As of March 31,	
	2020	2019
<b>Headcount</b>		
Total Headcount	27,173	26,069
Consulting Staff Headcount	24,218	23,379

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2020	2019	2020	2019
<b>Percentage of Total Revenue by Contract Type</b>				
Cost-Reimbursable	56%	54%	57%	53%
Time-and-Materials	24%	23%	23%	24%
Fixed-Price	20%	23%	20%	23%



# EARNINGS CALL PRESENTATION

*Fiscal Year 2020, Fourth Quarter*

May 26, 2020





## CALL PARTICIPANTS

HORACIO ROZANSKI

*President and Chief Executive Officer*

LLOYD HOWELL, JR.

*Chief Financial Officer and Treasurer*

NICHOLAS VEASEY

*Vice President of Investor Relations*

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# DISCLAIMER

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## 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 including forecasted revenue, Diluted EPS, Adjusted Diluted EPS, free cash flow, future quarterly dividends, and future improvements in operating margins, as well as a 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,” “should,” “forecasts,” “expects,” “intends,” “plans,” “anticipates,” “projects,” “outlook,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “preliminary,” or the like, or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance that 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 could cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed 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, 2020, which can be found at the SEC’s website at [www.sec.gov](http://www.sec.gov). All forward-looking statements attributable to us or persons acting on our behalf are expressed 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 in the following information 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 Free Cash Flow which are not recognized measures under 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 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, and net cash provided by operating activities to Free Cash Flow, 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, net cash provided by operating activities as a measure of liquidity, each as defined under GAAP. The Financial Appendix 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, 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 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. In respect to our expectations under “Fiscal 2021 Full Year Outlook,” 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 2021. Projecting future stock price, equity grants and dividends to be declared would be necessary to accurately calculate the difference between Adjusted Diluted EPS and the closest corresponding GAAP measure 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 be of 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 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 quantifications of the amounts that would be required to reconcile the above charges to the closest corresponding GAAP measure.

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# KEY FINANCIAL RESULTS

## FISCAL YEAR 2020 RESULTS

	FOURTH QUARTER <sup>(1)</sup>		FISCAL YEAR 2020 <sup>(1)</sup>	
Revenue	\$2.0 billion	10.6% Increase	\$7.5 billion	11.3% Increase
Revenue, Excluding Billable Expenses	\$1.4 billion	9.8% Increase	\$5.2 billion	9.9% Increase
Adjusted EBITDA	\$173 million	12.6% Increase	\$754 million	11.8% Increase
Adjusted EBITDA Margin on Revenue	8.8%	1.7% Increase	10.1%	0.4% Increase
Net Income	\$139 million	55.0% Increase	\$483 million	15.3% Increase
Adjusted Net Income	\$103 million	14.2% Increase	\$449 million	13.6% Increase
Diluted EPS	\$0.98	55.6% Increase	\$3.41	17.2% Increase
Adjusted Diluted EPS	\$0.73	14.1% Increase	\$3.18	15.2% Increase
Net Cash Provided by Operating Activities	\$185 million	(14.5)% Decrease	\$551 million	10.4% Increase

(1) Comparisons are to prior fiscal year period

# FY'20 PERFORMANCE:

ALIGNED WITH INVESTMENT THESIS

## UPDATED INVESTMENT THESIS



### Unique Market Position

- Investments in innovation, talent, and capabilities position us to help clients adopt current and new technologies
- First mover advantage enhanced by our ability to combine mission knowledge, consulting heritage and technical depth creating value for critical missions and top priorities



### Strong Financial Returns

FY'18 - FY'21

**70% - 80% ADEPS GROWTH BY FY'21**

+ ~2% DIVIDEND YIELD

**6 - 10%**

Annual Revenue Growth

**~10%**

Adj. EBITDA Margins

**~\$1.4B**

Capital Deployment



### Option Value

- Continued investment in new business lines and solutions that will drive future growth

### INDUSTRY LEADING ORGANIC REVENUE GROWTH

- Organic growth in revenue of 11.3% year-over-year driven by strong client demand
- Headcount and backlog year-over-year growth of 4.2% and 7.3%, respectively, to support future growth

### CONTRACT PERFORMANCE DRIVES MARGIN EXPANSION

- Adj. EBITDA Margin on Revenue of 10.1%; Adj. EBITDA of \$754.1 million (11.8% growth year-over-year)
- Organic growth and strong contract-level execution continue to drive profitability
- FY'21 guidance of Adj. EBITDA Margin on Revenue of approximately 10%

### PRUDENT CAPITAL DEPLOYMENT

- \$44 million in Q4 quarterly dividends; \$147 million through March 31, 2020
- \$156 million in Q4 share repurchases; \$187 million through March 31, 2020
- Reaffirming three-year goal to deploy ~\$1.4 billion through fiscal year 2021

# KEY FINANCIAL RESULTS

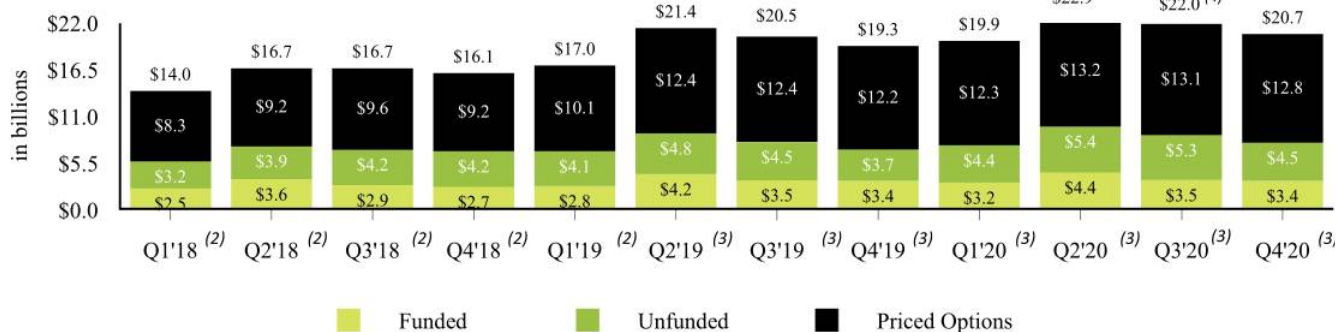
## FISCAL YEAR 2020 RESULTS

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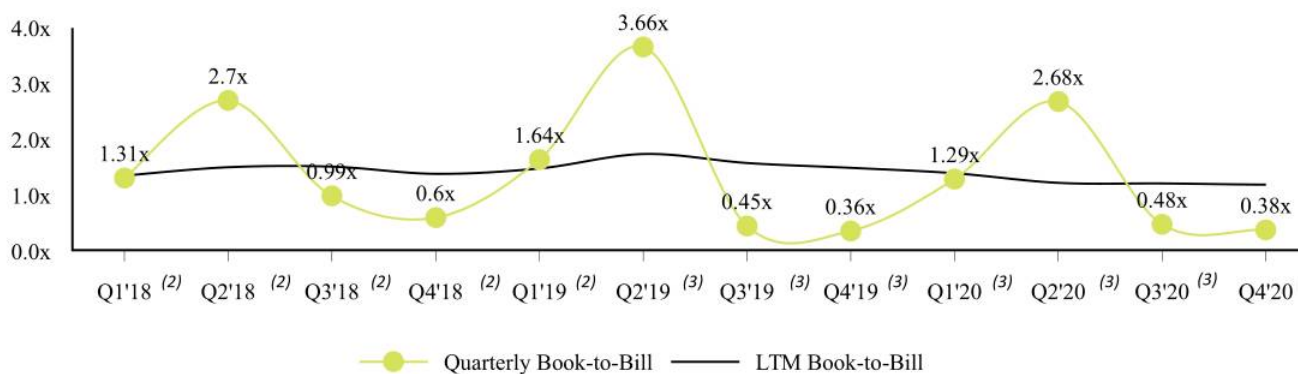
(1) Comparisons are to prior fiscal year period

# HISTORICAL BACKLOG & BOOK-TO-BILL

## BACKLOG <sup>(1)</sup>



## 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 3/31/20

(2) Revenue as adjusted from previously reported to reflect ASC 606 and ASU 2017-07

(3) Revenue as reported, reflecting ASC 606 and ASU 2017-07

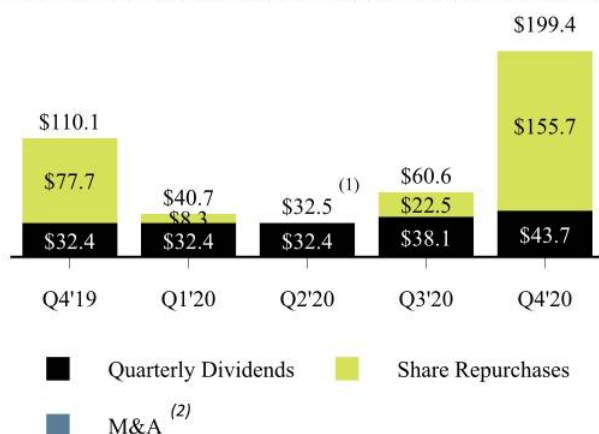
(4) Totals round to \$22.9 billion and \$22.0 billion, respectively

# CAPITAL ALLOCATION

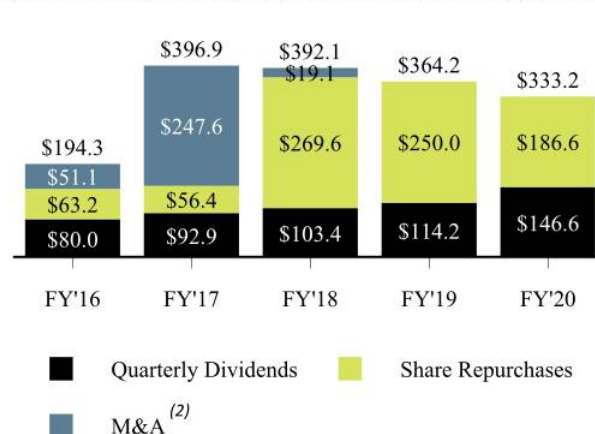
## DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATE

- Multi-year capital deployment plan remains on track, subject to market conditions
  - Deployed ~\$333 million during fiscal 2020, including ~\$199 million during the fourth quarter
  - Reaffirming three-year goal to deploy ~\$1.4 billion through fiscal year 2021
- \$485 million of share repurchase authorization remained as of March 31, 2020
- The Board authorized a regular dividend of 31 cents per share payable on June 30th to stockholders of record on June 15th
- Our capital allocation priorities remain unchanged: working capital needs, quarterly dividend, required capex, strategic acquisitions, share repurchases, special dividends, and debt repayment (in order)

QUARTERLY CAPITAL DEPLOYMENT (\$ IN MILLIONS)



HISTORICAL CAPITAL DEPLOYMENT (\$ IN MILLIONS)



(1) Includes ~\$0.1M of withhold to cover shares

(2) Represents Payments for Business Acquisitions, Net of Cash Acquired

# FINANCIAL OUTLOOK

## FULL YEAR '21 GUIDANCE

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OPERATING PERFORMANCE	CURRENT
Revenue Growth	6.0 - 10.0%
Adjusted EBITDA Margin on Revenue	Approximately 10%
Adjusted Diluted EPS	\$3.40 - \$3.60
Net Cash Provided by Operating Activities	\$550 - \$600 million

ASSUMPTIONS FOR ADEPS GUIDANCE	CURRENT
Tax Rate	20 - 23%
Share Count	136 - 140 million

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# APPENDIX

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# NON-GAAP FINANCIAL INFORMATION

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"Revenue, Excluding Billable Expenses" represents revenue less billable expenses. We use 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 our consulting staff headcount and our overall direct labor, which management believes provides useful information to our investors about our core operations.

"Adjusted Operating Income" represents operating income before transaction costs, fees, losses, and expenses, including fees associated with debt prepayments and supplemental employee benefits due to the COVID-19 outbreak. We prepare Adjusted Operating Income to eliminate the impact of items we do 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 before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including transaction costs, fees, losses, and expenses, including fees associated with debt prepayments and supplemental employee benefits due to the COVID-19 outbreak. "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. The Company 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 before: (i) transaction costs, fees, losses, and expenses, including fees associated with debt prepayments, (ii) supplemental employee benefits due to the COVID-19 outbreak, (iii) tax credits, net of reserves for uncertain tax positions, (iv) amortization or write-off of debt issuance costs and write-off of original issue discount, (v) release of income tax reserve and (vi) re-measurement of deferred tax assets and liabilities as a result of the 2017 Tax Act in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. We prepare Adjusted Net Income to eliminate the impact of items, net of tax, we do 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. We view net income excluding the impact of the re-measurement of the Company's deferred tax assets and liabilities as a result of the 2017 Tax Act 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 of calculating EPS as required in accordance with accounting principles generally accepted in the United States, or GAAP.

"Free Cash Flow" represents the net cash generated from operating activities less the impact of purchases of property, equipment, and software.

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# NON-GAAP FINANCIAL INFORMATION

(In thousands, except share and per share data)	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2020	2019	2020	2019
	(Unaudited)		(Unaudited)	
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 1,969,647	\$ 1,780,080	\$ 7,463,841	\$ 6,704,037
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Weighted-average number of diluted shares outstanding	140,902,368	141,050,704	141,238,135	143,156,176
Adjusted Net Income Per Diluted Share (h)	<u>\$ 0.73</u>	<u>\$ 0.64</u>	<u>\$ 3.18</u>	<u>\$ 2.76</u>
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Free Cash Flow	<u>\$ 147,602</u>	<u>\$ 179,802</u>	<u>\$ 423,349</u>	<u>\$ 404,929</u>

(a) Fiscal 2020 and fiscal 2019 reflect debt refinancing costs incurred in connection with the refinancing transactions consummated on November 26, 2019 and July 23, 2018, respectively.

(b) Represents the supplemental contribution to employees dependent care FSA accounts in response to the COVID-19 outbreak.

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

(d) Reflects tax credits, net of reserves for uncertain tax positions, recognized in fiscal 2020 related to an increase in research and development credits available for fiscal years 2019 to 2020.

(e) Release of pre-acquisition income tax reserve assumed by the Company in connection with the Carlyle Acquisition.

(f) Reflects the adjustments made to the provisional income tax benefit associated with the re-measurement of the Company's deferred tax assets and liabilities as a result of the 2017 Tax Act.

(g) 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.

(h) Excludes adjustments of approximately \$0.4 million and \$1.6 million of net earnings for the three and twelve months ended March 31, 2020, respectively, and excludes adjustments of approximately \$0.4 million and \$1.8 million of net earnings for the three and twelve months ended March 31, 2019 associated with the application of the two-class method for computing diluted earnings per share.

# FINANCIAL RESULTS – KEY DRIVERS

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**Fourth Quarter Fiscal 2020** – Below is a summary of the key factors driving results for the fiscal 2020 fourth quarter ended March 31, 2020 compared to the prior year period:

- Revenue increased by 10.6% to \$2.0 billion driven by sustained strength in client demand and increased client staff headcount to meet demand. Revenue also benefited from higher billable expenses as compared to the prior year period.
  - Revenue, Excluding Billable Expenses increased 9.8% to \$1.4 billion due to sustained strength in client demand and increased client staff headcount to meet that demand.
  - Operating Income increased 10.3% to \$149.1 million and Adjusted Operating Income increased 12.4% to \$151.8 million. Increases in both were primarily driven by the same factors driving revenue growth, as well as strong contract performance. Operating income in fiscal 2019 was negatively impacted by approximately \$10.0 million in COVID-19 related expenses, including transitional costs, temporary reduction in billability during the month of March of fiscal 2020, and charges related to certain contracts involving a ready workforce that we believe we may not be able to recover.
  - Net income increased 55.0% to \$138.9 million and Adjusted Net Income increased 14.2% to \$102.8 million. These changes were primarily driven by the same factors as Operating Income and Adjusted Operating Income. Net income also benefited from a lower effective tax rate in the current year due to the recognition of approximately \$38.0 million in available research and development credits, net of associated uncertain tax positions, recognized in the fourth quarter.
  - EBITDA increased 10.8% to \$169.8 million and Adjusted EBITDA increased 12.6% to \$172.6 million. These increases were due to the same factors as Operating Income and Adjusted Operating Income.
  - Diluted EPS decreased to \$0.98 from \$0.63 and Adjusted Diluted EPS increased to \$0.73 from \$0.64. The changes were primarily driven by the same factors as Net Income and Adjusted Net Income, respectively, as well as a lower share count in the fourth quarter of fiscal 2020.
  - As of March 31, 2020, total backlog was \$20.7 billion, an increase of 7.4%. Funded backlog was \$3.4 billion, a decrease of 0.6%.
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# FINANCIAL RESULTS – KEY DRIVERS

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**Fiscal Year Ended March 31, 2020** – Booz Allen's cumulative performance for fiscal 2020 has resulted in:

- Net cash provided by operating activities was \$551.4 million for the year ended March 31, 2020 as compared to \$499.6 million in the prior year. The increase in operating cash flows was primarily due to the collection of our revenue and net income growth partially offset by an increase in income taxes paid in fiscal 2020 as compared to the prior year. Free Cash Flow was \$423.3 million for the year ended March 2020 as compared to \$404.9 million for the year ended March 31, 2019. Free Cash Flow was affected by the same factors affecting cash provided by operating activities, partially offset by an increase in capital expenditures over the prior year primarily related to investments in our facilities, infrastructure and information technology.
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