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): January 27, 2023

Booz Allen Hamilton Holding Corporation
(Exact name of Registrant as specified in its charter)

Delaware	001-34972	26-2634160
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

8283 Greensboro Drive, McLean, Virginia	22102
(Address of principal executive offices)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class A Common Stock	BAH	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 January 27, 2023, Booz Allen Hamilton Holding Corporation (the “Company”) issued a press release announcing its results of operations for the fiscal quarter ended December 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

On January 27, 2023, 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.

The information in this Item 2.02 and Exhibits 99.1 and 99.2 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in that filing.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release dated January 27, 2023
99.2	Earnings Conference Call Presentation
104	The cover page of this Current Report on Form 8-K, formatted as inline XBRL.

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/ Matthew A. Calderone
Matthew A. Calderone
Executive Vice President and Chief Financial Officer

Date: January 27, 2023

Booz | Allen | Hamilton®

BOOZ ALLEN HAMILTON ANNOUNCES THIRD QUARTER FISCAL 2023 RESULTS

+ Exceptional Third Quarter Operational Performance Delivers Continued Momentum Supported by Industry-Leading Organic Growth[1]

+ Company Raises Midpoint of Full-Year Guidance

+ Quarterly Revenue Increase of 12.1 percent over the Prior Year Period to $2.3 billion, and Revenue, Excluding Billable Expenses Growth of 11.2 percent

+ Quarterly Diluted Earnings Per Share of $0.23 and Adjusted Diluted Earnings Per Share[2] of $1.07

+ 7.5 percent Year-Over-Year Client Staff Headcount Growth and 5.7 percent Year-Over-Year Total Headcount Growth

+ 8.2 percent Increase in Quarterly Backlog to $30.0 billion; Quarterly Book-to-Bill of 0.09x

+ Quarterly Dividend of $0.47 per Share

"I'm proud of this quarter's exceptional hiring, industry-leading organic revenue growth, and high demand, which provide the business with strong momentum. As we continue to execute our VoLT growth strategy, we are bringing differentiated technology solutions to critical missions faster than ever and are well-positioned for continued growth aligned with our Investment Thesis."

— HORACIO ROZANSKI
President and Chief Executive Officer

McLean, Virginia; January 27, 2023 - Booz Allen Hamilton Holding Corporation (NYSE: BAH), the parent company of management and technology consulting and engineering services firm Booz Allen Hamilton Inc., today announced preliminary results for the third quarter of fiscal year 2023.

The Company delivered exceptional overall performance, reporting double-digit revenue growth across all federal markets, excellent Adjusted EBITDA growth and quarterly backlog growth, and outstanding headcount growth, positioning the Company for successful delivery of its three-year Investment Thesis. The Company updated its full-fiscal year guidance announced in May 2022.

The Company reported the following third quarter fiscal year 2023 results as compared to third quarter fiscal year 2022: quarterly revenue growth of 12.1 percent and an 11.2 percent quarterly increase in Revenue, Excluding Billable Expenses; Net Income decreased by 76.2 percent to $30.7 million, net income attributable to common stockholders decreased by 76.0 percent to $31.0 million, and Adjusted Net Income increased by 4.0 percent to $142.5 million. Operating income decreased 66.9 percent to $58.6 million; Adjusted EBITDA increased 9.8 percent to $244.1 million; Adjusted EBITDA Margin on Revenue was 10.7 percent; and Diluted EPS was $0.23, down $0.72 or 75.8 percent, while Adjusted Diluted EPS was $1.07, up by $0.05 or 4.9 percent.[2]

During the third quarter of fiscal year 2023, the Company recorded a $124.0 million reserve related to the U.S. Department of Justice's investigation of the Company, previously disclosed in June 2017. See Note 15 to the Company's

[1] Organic revenue as of December 31, 2022 is calculated as consolidated revenue adjusted for revenue attributable to acquisitions and divestitures.

[2] 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.

FINANCIAL SUMMARY

Third quarter ended December 31, 2022 - A summary of Booz Allen's results for the third quarter of fiscal 2023 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 third quarter posted on *investors.boozallen.com.*

THIRD QUARTER FY23[2]

(changes are compared to prior year period)

REVENUE:	
$2.28B	+12.1 %
EX. BILLABLE EXPENSES:	
$1.57B	+11.2 %
OPERATING INCOME:	
$58.6M	(66.9)%
ADJ. OPERATING INCOME:	
$215.8M	+11.0 %
NET INCOME:	
$30.7M	(76.2)%
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:	
$31.0M	(76.0)%
ADJUSTED NET INCOME:	
$142.5M	+4.0 %
EBITDA:	
$101.0M	(53.4)%
ADJUSTED EBITDA:	
$244.1M	+9.8 %
DILUTED EPS:	
$0.23	down from $0.95
ADJUSTED DILUTED EPS	
$1.07	up from $1.02

Condensed Consolidated Financial Statements as of and for the three and nine months ended December 31, 2022 for additional information regarding this matter.

Compared to the third quarter fiscal 2022, the third quarter fiscal 2023 total backlog increased by 8.2 percent to $30.0 billion and the quarterly book-to-bill ratio was 0.09x. As of December 31, 2022, client staff headcount was 1,975 higher than at the end of the prior year period, an increase of 7.5 percent and 1,061 higher than the end of the prior quarter. Total headcount was 1,677 higher than at the end of the prior year period, an increase of 5.7 percent, and 1,118 higher than the end of the prior quarter.

For the nine months ended December 31, 2022, net cash provided by operating activities was $365.7 million, as compared to $481.2 million in the prior year period. Free cash flow for the nine months ended December 31, 2022 was $314.3 million, as compared to $429.5 million in the prior year period.

The Company declared a regular quarterly dividend of $0.47 per share, which is payable on March 1, 2023 to stockholders of record on February 10, 2023.

Additionally, in November 2022, the Company released its Environmental, Social, Governance (ESG) Impact Report demonstrating continued alignment among ESG management, VoLT growth strategy, and sustainable value creation for stakeholders.

FINANCIAL OUTLOOK

The Company is updating its fiscal year 2023 guidance[3], as noted in the table below:

OPERATING PERFORMANCE	UPDATED FISCAL 2023 GUIDANCE	PRIOR FISCAL 2023 GUIDANCE
Revenue Growth[4]	9.5 – 10.5%	8.0 – 10.0%
Adjusted EBITDA	$995 – $1,015 million	$975 – $1,015 million
Adjusted EBITDA Margin on Revenue	High 10% to Low 11%	High 10% to Low 11%
Adjusted Diluted EPS[5]	$4.35 – $4.50	$4.25 – $4.50
Net Cash Provided by Operating Activities[6]	$875 – $950 million	$875 – $950 million

CONFERENCE CALL INFORMATION

Booz Allen Hamilton will host a conference call at 8 a.m. EST on Friday, January 27, 2023, to discuss the financial results for its third quarter fiscal year 2023. Analysts and institutional investors may participate on the call by registering online at investors.boozallen.com. Participants are requested to register a minimum 15 minutes before the start of the call.

The conference call will be webcast simultaneously to the public through a link on the investor relations section of the Booz Allen Hamilton website at investors.boozallen.com. A replay of the conference call will be available online at investors.boozallen.com beginning at 11 a.m. EST on January 27, 2023 and continuing for 30 days.

[3] Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Non-GAAP Financial Information.
[4] Updated Fiscal 2023 Guidance includes approximately 2% of the targeted growth in revenue includes Liberty, Tracepoint and EverWatch, partially offset by the MENA and MTS divestitures.
[5] Updated Fiscal 2023 Guidance assumes an effective tax rate of 23–25%; average diluted shares outstanding of 131–133 million, and interest expense of $117-122 million.
[6] Excludes approximately $315 million of net cash taxes we expect to pay in fiscal year 2023, which includes approximately $140 million associated with our interpretation of the current Section 174 legislation. Inclusive of cash to be paid for income taxes, we anticipate our total Operating Cash Flow for fiscal year 2023 will be between $560 million to $635 million.

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 solutions, 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 their 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 approximately 31,100 people globally as of December 31, 2022, and had revenue of $8.4 billion for the 12 months ended March 31, 2022. To learn more, visit www.boozallen.com. (NYSE: BAH)

YEAR-TO-DATE FY23[2]

(changes are compared to prior year period)

REVENUE:	
$6.83B	+11.4 %
EX. BILLABLE EXPENSES:	
$4.76B	+10.4 %
OPERATING INCOME:	
$489.8M	(8.8)%
ADJ. OPERATING INCOME:	
$697.0M	+7.0 %
NET INCOME:	
$339.6M	(9.6)%
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS:	
$340.2M	(9.5)%
ADJUSTED NET INCOME:	
$471.1M	+4.0 %
EBITDA:	
$611.6M	(4.7)%
ADJUSTED EBITDA:	
$782.6M	+7.2 %
DILUTED EPS:	
$2.54	down from $2.76
ADJUSTED DILUTED EPS:	
$3.55	up from $3.35

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 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 period ended December 31, 2022. 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 attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including acquisition and divestiture costs, financing transaction costs, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to our Condensed Consolidated Financial Statements in the Company's Form 10-Q for the period ended December 31, 2022. "Adjusted EBITDA Margin on Revenue" is calculated as Adjusted EBITDA divided by revenue. "Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses" is calculated as Adjusted EBITDA divided by Revenue, Excluding Billable Expenses. Booz Allen prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

"Adjusted Net Income" represents net income attributable to common stockholders before: (i) acquisition and divestiture costs, (ii) financing transaction costs, (iii) significant acquisition amortization, (iv) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15 to our Condensed Consolidated Financial Statements in the Company's Form 10-Q for the period ended December 31, 2022, (v) gain associated with equity method investment activity, (vi) gain 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, 2022.

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

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

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

Booz Allen utilizes and discusses in this release Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, 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 non-GAAP measures also provide another basis for comparing period to period results by excluding potential differences caused by non-operational and unusual or non-recurring items.

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

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

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

With respect to our expectations under "Financial Outlook" above, a reconciliation of Adjusted Diluted EPS guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict our stock price, equity grants and dividend declarations during the course of fiscal 2023. Projecting future stock price, equity grants and the dividends to be declared would be necessary to accurately calculate the difference between Adjusted Diluted EPS and GAAP EPS as a result of the effects of the two-class method and related possible dilution used in the calculation of EPS. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. We expect the variability of the above charges to have an unpredictable, and potentially significant, impact on our future GAAP financial results. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

In addition, our expectations for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2023 is presented under "Financial Outlook" above and management may discuss its expectation for Adjusted EBITDA and Adjusted EBITDA Margin on Revenue for fiscal 2025 from time to time. A reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to our inability to predict specific quantification of the amounts that would be required to reconcile such measures. Consequently, any attempt to disclose such reconciliation would imply a degree of precision that could be confusing or misleading to investors. Accordingly, Booz Allen is relying on the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K to exclude the reconciliation.

FORWARD LOOKING STATEMENTS

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

- any issue that compromises our relationships with the U.S. government or damages our professional reputation, including negative publicity concerning government contractors in general or us in particular;
- changes in U.S. government spending, including a continuation of efforts by the U.S. government to decrease spending for management support service contracts, and mission priorities that shift expenditures away from agencies or programs that we support or as a result of the U.S. administration transition;
- efforts by Congress and other U.S. government bodies to reduce U.S. government spending and address budgetary constraints, and the U.S. deficit, as well as associated uncertainty around the timing, extent, nature, and effect of such efforts;
- delayed long-term funding of our contracts due to uncertainty relating to funding of the U.S. government 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;
- 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 COVID-19, and other pandemics or widespread health epidemics, including disruptions to our workforce and the impact on government spending and demand for our solutions, as well as the impact of our Company policy requiring full COVID-19 vaccinations of all employees, except for employees who qualify for medical or religious exemptions;
- our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us;
- variable purchasing patterns under U.S. government General Services Administration Multiple Award schedule contracts, or GSA, schedules, blanket purchase agreements and indefinite delivery/indefinite quantity, or IDIQ, contracts;
- the loss of GSA schedules, or our position as prime contractor on government-wide acquisition contract vehicles, or GWACs;
- changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts;
- changes in estimates used in recognizing revenue;
- our ability to realize the full value of and replenish our backlog, generate revenue under certain of our contracts and the timing of our receipt of revenue under contracts included in backlog;
- internal system or service failures and security breaches, including, but not limited to, those resulting from external or internal cyber attacks on our network and internal systems;
- risks related to the operation of financial management systems;
- an inability to attract, train, or retain employees with the requisite skills and experience;
- an inability to timely hire, assimilate and effectively utilize our employees, ensure that employees obtain and maintain necessary security clearances and/or effectively manage our cost structure;
- risks related to inflation that could impact the cost of doing business and/or reduce customer buying power;
- the loss of members of senior management or failure to develop new leaders;
- misconduct or other improper activities from our employees or subcontractors, including the improper 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 needs, grow our business or respond to market developments;
- the adoption by the U.S. government of new laws, rules, and regulations, such as those relating to organizational conflicts of interest issues or limits;
- risks related to pending, completed and future acquisitions and dispositions, including the ability to satisfy specified closing conditions for pending transactions, such as those related to receipt of regulatory approval or lack of regulatory intervention, and to realize the expected benefits from completed acquisitions and dispositions;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- the incurrence of additional tax liabilities, including as a result of changes in tax laws or management judgments involving complex tax matters;
- risks inherent in the government contracting environment;
- continued efforts to change how the U.S. government reimburses compensation-related costs and other expenses or otherwise limits such reimbursements and an increased risk of compensation being deemed unreasonable and unallowable or payments being withheld as a result of U.S. government audit, review, or investigation;
- increased insourcing by various U.S. government agencies due to changes in the definition of "inherently governmental" work, including proposals to limit contractor access to sensitive or classified information and work assignments;
- risks related to our indebtedness and credit facilities which contain financial and operating covenants;
- the impact of changes in accounting rules; and regulations, or interpretations thereof, that may affect the way we recognize and report our financial results, including changes in accounting rules governing recognition of revenue; and
- the impact of ESG-related risks and climate change generally on our and our clients' businesses and operations.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K filed with the SEC on May 20, 2022. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.

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

Exhibit 1

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Statements of Operations
(UNAUDITED)

(Amounts in thousands, except per share data)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Revenue	$ 2,277,074	$ 2,030,520	$ 6,825,650	$ 6,125,624
Operating costs and expenses:				
Cost of revenue	1,043,474	929,568	3,175,897	2,840,044
Billable expenses	710,526	621,550	2,069,733	1,817,215
General and administrative expenses	422,388	262,614	969,064	826,606
Depreciation and amortization	42,046	39,576	121,200	104,923
Total operating costs and expenses	2,218,434	1,853,308	6,335,894	5,588,788
Operating income	58,640	177,212	489,756	536,836
Interest expense	(32,031)	(23,677)	(85,028)	(69,201)
Other income, net	14,619	5,401	38,121	11,716
Income before income taxes	41,228	158,936	442,849	479,351
Income tax expense	10,539	30,090	103,286	103,569
Net income	$ 30,689	$ 128,846	$ 339,563	$ 375,782
Net loss attributable to non-controlling interest	308	85	650	85
Net income attributable to common stockholders	30,997	128,931	340,213	375,867
Earnings per common share:				
Basic	$ 0.23	$ 0.96	$ 2.55	$ 2.77
Diluted	$ 0.23	$ 0.95	$ 2.54	$ 2.76

Exhibit 2

Booz Allen Hamilton Holding Corporation
Condensed Consolidated Balance Sheets

(Amounts in thousands, except share and per share data)	December 31, 2022 (Unaudited)	March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 370,939	$ 695,910
Accounts receivable, net	1,807,776	1,622,989
Prepaid expenses and other current assets	106,651	126,777
Total current assets	2,285,366	2,445,676
Property and equipment, net of accumulated depreciation	192,306	202,229
Operating lease right-of-use assets	191,040	227,231
Intangible assets, net of accumulated amortization	714,861	646,682
Goodwill	2,337,584	2,021,931
Deferred tax assets	343,939	32,328
Other long-term assets	280,633	449,498
Total assets	$ 6,345,729	$ 6,025,575
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	$ 41,250	$ 68,379
Accounts payable and other accrued expenses	986,580	902,616
Accrued compensation and benefits	430,135	438,634
Operating lease liabilities	55,317	52,334
Other current liabilities	69,437	71,991
Total current liabilities	1,582,719	1,533,954
Long-term debt, net of current portion	2,780,461	2,731,693
Operating lease liabilities, net of current portion	199,439	247,070
Income tax reserves	425,603	79,176
Deferred tax liabilities	—	239,602
Other long-term liabilities	151,828	147,359
Total liabilities	5,140,050	4,978,854
Stockholders' equity:		
Common stock, Class A — $0.01 par value — authorized, 600,000,000 shares; issued, 165,262,848 shares at December 31, 2022 and 164,372,545 shares at March 31, 2022; outstanding, 132,355,835 shares at December 31, 2022 and 132,584,348 shares at March 31, 2022	1,653	1,646
Treasury stock, at cost — 32,907,013 shares at December 31, 2022 and 31,788,197 shares at March 31, 2022	(1,733,690)	(1,635,454)
Additional paid-in capital	733,022	656,222
Retained earnings	2,182,615	2,015,071
Accumulated other comprehensive loss	22,079	8,585
Total Booz Allen stockholders' equity	1,205,679	1,046,070
Non-controlling interest	—	651
Total stockholders' equity	1,205,679	1,046,721
Total liabilities and stockholders' equity	$ 6,345,729	$ 6,025,575

Exhibit 3

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

(Amounts in thousands)	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Cash flows from operating activities		
Net income	$ 339,563	$ 375,782
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	121,200	104,923
Noncash lease expense	41,632	41,718
Stock-based compensation expense	50,992	45,187
Amortization of debt issuance costs	3,329	3,463
Loss on debt extinguishment	10,251	2,515
Gain on dispositions, and other	(45,711)	(3,564)
Gain associated with equity method investment activities	—	(12,761)
Changes in assets and liabilities:		
Accounts receivable, net	(169,375)	(150,156)
Deferred income taxes and income taxes receivable / payable	(206,065)	38,453
Prepaid expenses and other current and long-term assets	178,383	(19,953)
Accrued compensation and benefits	2,815	(5,371)
Accounts payable and other accrued expenses	79,550	88,529
Other current and long-term liabilities	(40,890)	(27,614)
Net cash provided by operating activities	365,674	481,151
Cash flows from investing activities		
Purchases of property, equipment, and software	(51,398)	(51,608)
Payments for business acquisitions, net of cash acquired	(440,069)	(780,213)
Payments for cost method investments	(2,000)	(3,000)
Proceeds from sale of businesses	53,409	—
Other investing activities	—	(427)
Net cash used in investing activities	(440,058)	(835,248)
Cash flows from financing activities		
Proceeds from issuance of common stock	18,003	17,240
Stock option exercises	10,705	3,558
Repurchases of common stock	(114,075)	(315,148)
Cash dividends paid	(173,216)	(151,664)
Repayments on revolving credit facility, term loans, and Senior Notes	(406,755)	(95,162)
Net proceeds from debt issuance	414,751	487,027
Proceeds from revolving credit facility	—	60,000
Net cash (used in) provided by financing activities	(250,587)	5,851
Net decrease in cash and cash equivalents	(324,971)	(348,246)
Cash and cash equivalents—beginning of period	695,910	990,955
Cash and cash equivalents—end of period	$ 370,939	$ 642,709
Supplemental disclosures of cash flow information		
Net cash paid during the period for:		
Interest	$ 67,782	$ 34,185
Income taxes	$ 123,214	$ 62,142

Exhibit 4 - Booz Allen Hamilton Holding Corporation
Non-GAAP Financial Information
(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Revenue, Excluding Billable Expenses				
Revenue	$2,277,074	$2,030,520	$6,825,650	$6,125,624
Less: Billable expenses	710,526	621,550	2,069,733	1,817,215
Revenue, Excluding Billable Expenses	$1,566,548	$1,408,970	$4,755,917	$4,308,409
Adjusted Operating Income				
Operating income	$ 58,640	$ 177,212	$ 489,756	$ 536,836
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted Operating Income	$ 215,837	$ 194,442	$ 697,040	$ 651,409
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	$ 30,997	$ 128,931	$ 340,213	$ 375,867
Income tax expense	10,539	30,090	103,286	103,569
Interest and other, net (e)	17,412	18,276	46,907	57,485
Depreciation and amortization	42,046	39,576	121,200	104,923
EBITDA	$ 100,994	$ 216,873	$ 611,606	$ 641,844
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted EBITDA	$ 244,090	$ 222,219	$ 782,615	$ 730,007
Net income margin attributable to common stockholders	1.4 %	6.3 %	5.0 %	6.1 %
Adjusted EBITDA Margin on Revenue	10.7 %	10.9 %	11.5 %	11.9 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	15.6 %	15.8 %	16.5 %	16.9 %
Adjusted Net Income				
Net income attributable to common stockholders	$ 30,997	$ 128,931	$ 340,213	$ 375,867
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Gain associated with equity method investment activity (f)	—	(7,095)	—	(12,761)
Gains associated with divestitures or deconsolidation (g)	(13,472)	—	(44,632)	—
Amortization and write-off of debt issuance costs and debt discount	780	821	5,780	2,524
Adjustments for tax effect (h)	(33,020)	(2,848)	(37,518)	(27,127)
Adjusted Net Income	$ 142,482	$ 137,039	$ 471,127	$ 453,076
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	132,759,877	134,262,250	132,831,569	135,314,226
Diluted earnings per share	$ 0.23	$ 0.95	$ 2.54	$ 2.76
Adjusted Net Income Per Diluted Share (i)	$ 1.07	$ 1.02	$ 3.55	$ 3.35
Free Cash Flow				
Net cash provided by operating activities	$ 138,582	$ 21,405	$ 365,674	$ 481,151
Less: Purchases of property, equipment and software	(21,664)	(21,933)	(51,398)	(51,608)
Free cash flow	$ 116,918	$ (528)	$ 314,276	$ 429,543
Operating cash flow conversion	447 %	17 %	107 %	128 %
Free cash flow conversion	82 %	— %	67 %	95 %

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

(b) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and second quarter of fiscal 2023.

(c) 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 first quarter of fiscal 2022 and the acquisition of EverWatch in the third quarter of fiscal 2023.

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

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

(f) Represents a gain in the second quarter of fiscal 2022 associated with the Company's remeasurement of its previously held equity method investment in Tracepoint, and a gain in the third quarter of fiscal 2022 associated with the divestiture of a controlling financial interest in SnapAttack.

(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.

(i) Excludes adjustments of approximately $0.5 million and $2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, and $0.9 million and $2.4 million of net earnings for the three and nine months ended December 31, 2021, respectively, associated with the application of the two-class method for computing diluted earnings per share.

Exhibit 4 - Booz Allen Hamilton Holding Corporation
Non-GAAP Financial Information (Continued)
(UNAUDITED)

(In thousands, except share and per share data)	Three Months Ended 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	$ 90,795
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	$ 189,169
Acquisition and divestiture costs (b)	19,096	15,932	5,093	11,670
Financing transaction costs (c)	—	6,888	—	—
Legal matter reserve (d)	124,000	—	—	—
Restructuring costs (e)	—	—	—	4,164
Adjusted EBITDA	$ 244,090	$ 285,944	$ 252,581	$ 205,003
Last 12 months Adjusted EBITDA	$ 987,618			
Total Debt	$ 2,821,711			
Less: Cash	370,939			
Net Debt	$ 2,450,772			
Net Leverage Ratio (f)	2.5			

(In thousands, except share and per share data)	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021
Net income attributable to common stockholders	$ 128,931	$ 154,834	$ 92,102	$ 199,179
Income tax expense (benefit)	30,090	46,127	27,352	(48,937)
Interest and other, net (a)	18,276	17,406	21,803	20,765
Depreciation and amortization	39,576	37,602	27,745	21,455
EBITDA	$ 216,873	$ 255,969	$ 169,002	$ 192,462
Acquisition and divestiture costs (b)	5,346	13,680	66,789	411
Financing transaction costs (c)	—	—	2,348	—
Adjusted EBITDA	$ 222,219	$ 269,649	$ 238,139	$ 192,873
Last 12 months Adjusted EBITDA	$ 922,880			
Total Debt	$ 2,816,271			
Less: Cash	642,709			
Net Debt	$ 2,173,562			
Net Leverage Ratio (f)	2.4			

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

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

(c) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the second quarter of fiscal 2023.

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

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

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

Exhibit 5

Booz Allen Hamilton Holding Corporation
Operating Data
(UNAUDITED)

(Amounts in millions)	As of December 31, 2022	As of December 31, 2021
Backlog *		
Funded	$ 4,544	$ 4,044
Unfunded	10,131	9,415
Priced Options	15,373	14,302
Total Backlog	$ 30,048	$ 27,761

* Backlog presented includes backlog acquired from the Company's acquisition of EverWatch Corp. made during the three months ended December 31, 2022. Total backlog acquired from EverWatch Corp. was approximately $273 million as of December 31, 2022.

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2022	2021	2022	2021
Book-to-Bill *	0.09	0.39	1.07	1.25

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

	As of December 31, 2022	As of December 31, 2021
Headcount		
Total Headcount	31,130	29,453
Client Staff Headcount	28,269	26,294

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2022	2021	2022	2021
Percentage of Total Revenue by Contract Type				
Cost-Reimbursable	53%	53%	53%	54%
Time-and-Materials	25%	24%	25%	24%
Fixed-Price	22%	23%	22%	22%

Booz | Allen | Hamilton

EARNINGS CALL PRESENTATION

Fiscal Year 2023, Third Quarter

January 27, 2023

CONSULTING | ANALYTICS | DIGITAL SOLUTIONS | ENGINEERING | CYBER

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, 2022, 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 used in 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 used in operating activities as a measure of liquidity, each as defined under GAAP, and (iv) use Net Leverage Ratio in addition to, and not as an alternative to, net debt as a measure of Booz Allen's debt leverage. The 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, 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", "Fiscal Year 2023 Operating Cash Bridge" and "Fiscal Year 2023 ADEPS Bridge," 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 2023. 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 2023 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 2023 RESULTS

	THIRD QUARTER [1]		FISCAL YEAR-TO-DATE (12/31/22) [1]	
Revenue	$2.3 billion	+12.1%	$6.8 billion	+11.4%
Revenue, Excluding Billable Expenses	$1.6 billion	+11.2%	$4.8 billion	+10.4%
Net Income	$31 million	(76.2)%	$340 million	(9.6)%
Adjusted EBITDA[2]	$244 million	+9.8%	$783 million	+7.2%
Adjusted EBITDA Margin on Revenue[2]	10.7%	(1.8)%	11.5%	(3.4)%
Adjusted Net Income	$142 million	+4.0%	$471 million	+4.0%
Diluted EPS	$0.23	(75.8)%	$2.54	(8.0)%
Adjusted Diluted EPS	$1.07	+4.9%	$3.55	+6.0%
Net Cash Provided by Operating Activities	$139 million	+547.4%	$366 million	(24.0)%

(1) Comparisons are to prior fiscal year period.
(2) Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin on Revenue can be found on Slide 14. Net Income attributable to common stockholders was $31.0 million and $340.2 million for the three and nine months ended December 31, 2022. Net income margin attributable to common stockholders was 1.4% and 5.0% for the three and nine months ended December 31, 2022.

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 $3.5 – 4.5B

Page 4 intentionally repeated

KEY FINANCIAL RESULTS

THIRD QUARTER FISCAL YEAR 2023 RESULTS

	THIRD QUARTER [1]		FISCAL YEAR-TO-DATE (12/31/22) [1]	
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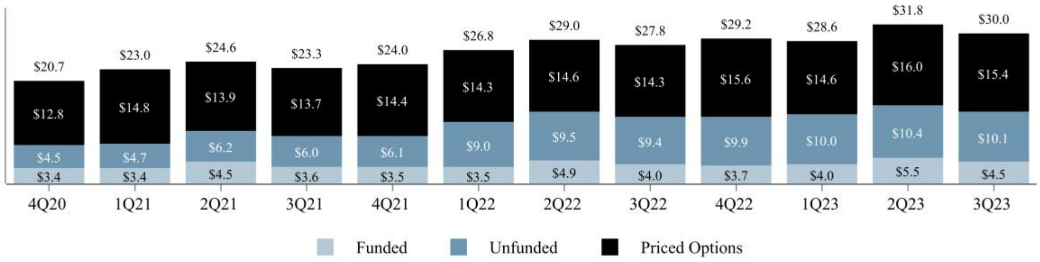
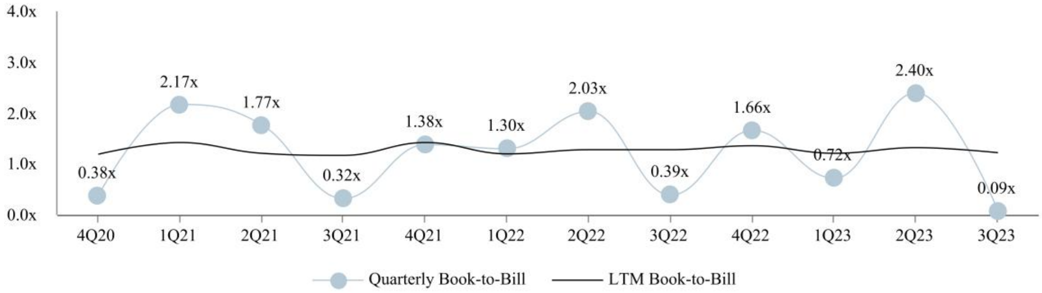
HISTORICAL BACKLOG & BOOK-TO-BILL

BACKLOG ($ IN BILLIONS) (1)(2)



BOOK-TO-BILL TRENDS



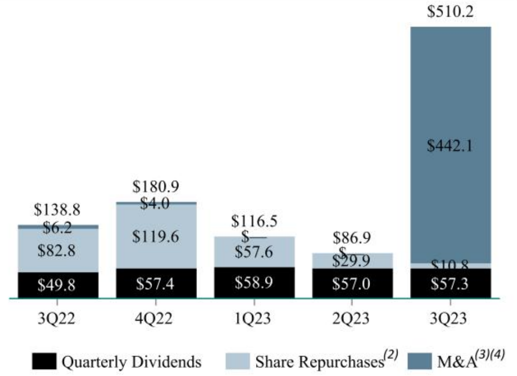
(1) For more information on the components of backlog, and the differences between backlog and remaining performance obligations, please see the Company's Form 10-K for the fiscal year ended March 31, 2022; totals may not sum due to rounding.
(2) Backlog presented includes backlog acquired in the Company's acquisition of EverWatch during the three months ended December 31, 2022. Backlog presented includes approximately $273 million from EverWatch as of December 31, 2022.

CAPITAL ALLOCATION

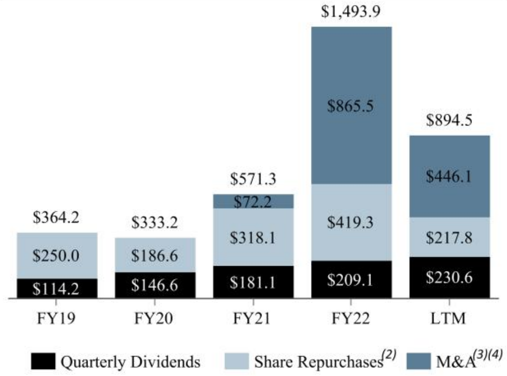
DELIVERING STRONG CAPITAL RETURNS THROUGH EFFICIENT CAPITAL DEPLOYMENT STRATEGY

- Our multi-year capital deployment plan is to follow a disciplined and opportunistic approach, subject to market conditions
- In Q3 FY2023, we deployed approximately $510.2 million:
  - $57.3 million through quarterly dividends;
  - $10.8 million through share repurchases; and
  - $442.1 million through our acquisition of EverWatch.
- The Board authorized a dividend of $0.47 per share payable on March 1, 2023 to stockholders of record on February 10, 2023
- Share repurchase authorization capacity is $965.2 million available as of December 31, 2022
- 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.
(4) Total amount of capital deployed for fiscal 2022 does not include ~$2 million in applicable fees related to our acquisition of Tracepoint.

FINANCIAL OUTLOOK

RAISING FULL YEAR FISCAL 2023 GUIDANCE[1]

OPERATING PERFORMANCE	Updated Fiscal 2023 Guidance	Prior Fiscal 2023 Guidance
Total Revenue Growth[2]	9.5% – 10.5%	8.0 – 10.0%
Adjusted EBITDA	\$995 – \$1,015 million	\$975 – \$1,015 million
Adjusted EBITDA Margin on Revenue	High 10%-to-Low 11%	High 10%-to-Low 11%
Adjusted Diluted EPS[3]	\$4.35 – \$4.50	\$4.25 – \$4.50
Net Cash Provided by Operating Activities[4]	\$875 – \$950 million	\$875 – \$950 million

(1) Reconciliations omitted in reliance on Item 10(e)(1)(i)(B) of Regulation S-K. See "Disclaimer".
(2) Updated Fiscal 2023 Guidance includes approximately 2% of the targeted growth in revenue includes Liberty, Tracepoint and EverWatch, partially offset by the MENA and MTS divestitures.
(3) Updated Fiscal 2023 Guidance assumes an effective tax rate of 23–25%; average diluted shares outstanding of 131–133 million, and interest expense of \$117-122 million.
(4) Excludes approximately \$315 million of net cash taxes we expect to pay in fiscal 2023, as detailed on Slide 10.

FISCAL YEAR 2023 OPERATING CASH BRIDGE

Operating Cash Bridge FY22 to FY23	Current Guidance[1]	Original Guidance[1]
FY22 Operating Cash	$737 million	$737 million
FY22 Net Cash Paid for Income Taxes[2]	$(127) million	$(127) million
Adjusted EBITDA Growth[3]	~$60 – $80 million	~$40 – $80 million
Interest Expense[3]	~$(26) million	~$(25) million
Net Changes in Working Capital	~$(23) – $33 million	~$(4) – $31 million
FY23 Operating Cash Excluding Net Cash to be Paid for Income Taxes	$875 - $950 million	$875 - $950 million
Effective Tax Rate[3]	~$(175) million	~$(175) million
Tax Law Changes & Strategic Planning[4]	$—	$—
Section 174[5]	~$(140) million	~$(140) million
FY23 Operating Cash	$560 - $635 million	$560 - $635 million

(1) Totals may not sum due to rounding.
(2) Adding back fiscal year 2022 cash tax payments to show an equal comparison to fiscal year 2023 Operating Cash Flow before cash tax payments.
(3) Reflects the expected impact of the midpoints of fiscal 2023 Adjusted EBITDA range of $995-1,015 million, interest expense range of $117-122 million, and effective tax rate range of 23-25 percent.
(4) Guidance reflects (i) cash taxes associated with tax law changes and strategic planning of $175 million, offset by (ii) a partial tax refund of $175 million received in October 2022 associated with prior strategic tax planning initiatives.
(5) Reflects the Company's refined estimate of cash to be paid in fiscal 2023 based upon current tax obligations relating to research and development expenditures.

FISCAL YEAR 2023 ADEPS BRIDGE

ADEPS BRIDGE FROM FY22 TO FY23	Updated Guidance[1]	Original Guidance[1]
FY22 ADEPS	$4.21	$4.21
Revenue Growth	~$0.51 – $0.56	~$0.43 – $0.53
Adjusted EBITDA Margin	~$(0.15) – $(0.05)	~$(0.19) – $(0.05)
FY23 Operational ADEPS	$4.57 – $4.72	$4.45 – $4.70
Depreciation and Amortization[2]	~$(0.03)	~$(0.03)
Interest Expense[3]	~$(0.15)	~$(0.14)
Income Tax Expense[4]	~$(0.06)	~$(0.06)
Other Below-the-Line Items[5]	~$0.02	~$0.04
FY23 ADEPS	$4.35 – $4.50	$4.25 – $4.50

(1) Totals may not sum due to rounding.
(2) Reflects the incremental increase in depreciation and amortization related to investments in infrastructure and technology.
(3) Reflects the midpoint of the fiscal 2023 estimated interest expense range as compared to fiscal 2022 results.
(4) Reflects the midpoint of the fiscal 2023 estimated effective tax rate range as compared to fiscal 2022 results.
(5) Reflects the estimated interest income and lower average diluted shares outstanding from fiscal 2022 to fiscal 2023.

APPENDIX

NON-GAAP FINANCIAL INFORMATION

- "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 client 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 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 period ended December 31, 2022. 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 attributable to common stockholders before income taxes, net interest and other expense and depreciation and amortization and before certain other items, including acquisition and divestiture costs, financing transaction costs, 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 period ended December 31, 2022. "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. We prepare Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses 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 Net Income" represents net income attributable to common stockholders before: (i) acquisition and divestiture costs, (ii) financing transaction costs, (iii) significant acquisition amortization, (iv) 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 period ended December 31, 2022, (v) gain associated with equity method investment activity, (vi) gain 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. 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 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 our consolidated financial statements in our Form 10-K for the fiscal year ended March 31, 2022.
- "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, 2022	Three Months Ended December 31, 2021	Nine Months Ended December 31, 2022	Nine Months Ended December 31, 2021
Revenue, Excluding Billable Expenses				
Revenue	$ 2,277,074	$ 2,030,520	$ 6,825,650	$ 6,125,624
Less: Billable expenses	710,526	621,550	2,069,733	1,817,215
Revenue, Excluding Billable Expenses	$ 1,566,548	$ 1,408,970	$ 4,755,917	$ 4,308,409
Adjusted Operating Income				
Operating income	$ 58,640	$ 177,212	$ 489,756	$ 536,836
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted Operating Income	$ 215,837	$ 194,442	$ 697,040	$ 651,409
EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue & Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses				
Net income attributable to common stockholders	30,997	128,931	$ 340,213	$ 375,867
Income tax expense	10,539	30,090	103,286	103,569
Interest and other, net (e)	17,412	18,276	46,907	57,485
Depreciation and amortization	42,046	39,576	121,200	104,923
EBITDA	100,994	216,873	611,606	641,844
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Legal matter reserve (d)	124,000	—	124,000	—
Adjusted EBITDA	$ 244,090	$ 222,219	$ 782,615	$ 730,007
Net income margin attributable to common stockholders	1.4 %	6.3 %	5.0 %	6.1 %
Adjusted EBITDA Margin on Revenue	10.7 %	10.9 %	11.5 %	11.9 %
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	15.6 %	15.8 %	16.5 %	16.9 %
Adjusted Net Income				
Net income attributable to common stockholders	$ 30,997	$ 128,931	$ 340,213	$ 375,867
Acquisition and divestiture costs (a)	19,096	5,346	40,121	85,815
Financing transaction costs (b)	—	—	6,888	2,348
Significant acquisition amortization (c)	14,101	11,884	36,275	26,410
Legal matter reserve (d)	124,000	—	124,000	—
Gain associated with equity method investment activity (f)	—	(7,095)	—	(12,761)
Gains associated with divestitures or deconsolidation (g)	(13,472)	—	(44,632)	—
Amortization and write-off of debt issuance costs and debt discount	780	821	5,780	2,524
Adjustments for tax effect (h)	(33,020)	(2,848)	(37,518)	(27,127)
Adjusted Net Income	$ 142,482	$ 137,039	$ 471,127	$ 453,076
Adjusted Diluted Earnings Per Share				
Weighted-average number of diluted shares outstanding	132,759,877	134,262,250	132,831,569	135,314,226
Diluted earnings per share	$ 0.23	$ 0.95	$ 2.54	$ 2.76
Adjusted Net Income Per Diluted Share (i)	$ 1.07	$ 1.02	$ 3.55	$ 3.35
Free Cash Flow				
Net cash provided by operating activities	$ 138,582	$ 21,405	$ 365,674	$ 481,151
Less: Purchases of property, equipment and software	(21,664)	(21,933)	(51,398)	(51,608)
Free cash flow	$ 116,918	$ (528)	$ 314,276	$ 429,543
Operating cash flow conversion	447 %	17 %	107 %	128 %
Free cash flow conversion	82 %	— %	67 %	95 %

NON-GAAP FINANCIAL INFORMATION (Unaudited)

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

(b) *Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and second quarter of fiscal 2023.*

(c) *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 first quarter of fiscal 2022 and the acquisition of EverWatch in the third quarter of fiscal 2023.*

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

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

(f) *Represents a gain in the second quarter of fiscal 2022 associated with the Company's remeasurement of its previously held equity method investment in Tracepoint, and a gain in the third quarter of fiscal 2022 associated with the divestiture of a controlling financial interest in SnapAttack.*

(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.*

(i) *Excludes adjustments of approximately $0.5 million and $2.6 million of net earnings for the three and nine months ended December 31, 2022, respectively, and $0.9 million and $2.4 million of net earnings for the three and nine months ended December 31, 2021, 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, 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	$ 90,795
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	$ 189,169
Acquisition and divestiture costs (b)	19,096	15,932	5,093	11,670
Financing transaction costs (c)	—	6,888	—	—
Legal matter reserve (d)	124,000	—	—	—
Restructuring costs (e)	—	—	—	4,164
Adjusted EBITDA	$ 244,090	$ 285,944	$ 252,581	$ 205,003
Last 12 months Adjusted EBITDA	$ 987,618			
Total Debt	$ 2,821,711			
Less: Cash	370,939			
Net Debt	$ 2,450,772			
Net Leverage Ratio (f)	2.5			

	Three Months Ended December 31, 2021	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021
Net income attributable to common stockholders	$ 128,931	$ 154,834	$ 92,102	$ 199,179
Income tax expense (benefit)	30,090	46,127	27,352	(48,937)
Interest and other, net (a)	18,276	17,406	21,803	20,765
Depreciation and amortization	39,576	37,602	27,745	21,455
EBITDA	$ 216,873	$ 255,969	$ 169,002	$ 192,462
Acquisition and divestiture costs (b)	5,346	13,680	66,789	411
Financing transaction costs (c)	—	—	2,348	—
Adjusted EBITDA	$ 222,219	$ 269,649	$ 238,139	$ 192,873
Last 12 months Adjusted EBITDA	$ 922,880			
Total Debt	$ 2,816,271			
Less: Cash	642,709			
Net Debt	$ 2,173,562			
Net Leverage Ratio (f)	2.4			

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

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

(c) Reflects expenses associated with debt financing activities incurred during the first quarter of fiscal 2022 and the second quarter of fiscal 2023.

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

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

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

FINANCIAL RESULTS – KEY DRIVERS

Third Quarter Fiscal 2023 – Below is a summary of the key factors driving results for the fiscal 2023 third quarter ended December 31, 2022 as compared to the prior year period:

- Revenue increased 12.1% to $2.3 billion and Revenue, Excluding Billable Expenses increased 11.2% to $1.6 billion. Revenue growth was primarily driven by a combination of headcount growth, salary increases, and strong demand for our solutions, as well as higher staff utilization as compared to the prior year period. The increase in revenue also includes approximately $28.6 million of contributions related to the Company's acquisition of EverWatch in the third quarter of fiscal 2023.
- Operating income decreased 66.9% to $58.6 million and Adjusted Operating Income increased 11.0% to $215.8 million. 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 of fiscal 2023, as well as less favorable contract mix, higher unallowable spending, higher billable expense mix and inflationary pressures, partially offset by strong contract-level performance. 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 decreased 76.2% to $30.7 million, and net income attributable to common stockholders decreased 76.0% to $31.0 million. These changes were primarily driven by the same factors as operating income, as well as higher interest expense, partially offset by a net gain 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. Adjusted Net income increased 4.0% to $142.5 million. The change in Adjusted Net Income was primarily driven by the same factors as Adjusted Operating Income, as well as higher income tax expense.
- EBITDA decreased 53.4% to $101.0 million and Adjusted EBITDA increased 9.8% to $244.1 million.These changes were due to the same factors as operating income and Adjusted Operating Income, respectively.
- Diluted EPS decreased to $0.23 from $0.95 and Adjusted Diluted EPS increased to $1.07 from $1.02. 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 second quarter of fiscal 2023.
- Net cash provided by operating activities was $138.6 million for the quarter ended December 31, 2022, as compared to $21.4 million in the prior year period. Free Cash Flow was $116.9 million for the three months ended December 31, 2022, as compared to $(0.5) million in the prior year period. The increase in net cash provided by operating activities was primarily driven by collections from revenue growth and a net benefit from cash taxes paid during the quarter, partially offset by acquisition and divestiture related costs paid during the third quarter of fiscal 2023.