Fiscal Year 2016 Q1

INVESTOR HANDOUT

Booz | Allen | Hamilton

Disclaimer

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Forward Looking Safe Harbor Statement

The following information includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include information concerning Booz Allen’s preliminary financial results, financial outlook and guidance, including projected Revenue, Diluted EPS, and Adjusted Diluted EPS, as well as any other statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “forecasts,” “expects,” “intends,” “plans,” “anticipates,” “projects,” “outlook,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “preliminary,” or the negative of these terms or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. These forward-looking statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include: cost cutting and efficiency initiatives, budget reductions, Congressionally mandated automatic spending cuts, and other efforts to reduce U.S. government spending, including automatic sequestration required by the Budget Control Act of 2011 (as amended by the American Taxpayer Relief Act of 2012 and the Consolidated Appropriations Act, 2014), which have reduced and delayed contract awards and funding for orders for services especially in the current political environment or otherwise negatively affect our ability to generate revenue under contract awards, including as a result of reduced staffing and hours of operation at U.S. government clients; delayed funding of our contracts due to uncertainty relating to and a possible failure of Congressional efforts to craft a long-term agreement on the U.S. government’s ability to incur indebtedness in excess of its current limits, or changes in the pattern or timing of government funding and spending (including those resulting from or related to cuts associated with sequestration or other budgetary cuts made in lieu of sequestration); current and continued uncertainty around the timing, extent, nature, and effect of Congressional and other U.S. government action to address budgetary constraints, including, but not limited to, uncertainty around the outcome of Congressional efforts to craft a long-term agreement on the U.S. government’s ability to incur indebtedness in excess of its current limits, and the U.S. deficit; U.S. government facility closures due to weather-related events that limit our ability to provide services to our clients, which will negatively impact our ability to generate revenue under our contracts; any issue that compromises our relationships with the U.S. government or damages our professional reputation, including negative publicity concerning government contractors in general or us in particular; changes in U.S. government spending, including a continuation of efforts by the U.S. government to decrease spending for management support service contracts, and mission priorities that shift expenditures away from agencies or programs that we support; the size of our addressable markets and the amount of U.S. government spending on private contractors; failure to comply with numerous laws and regulations; our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us; the loss of General Services Administration Multiple Award schedule contracts, or GSA schedules, or our position as prime contractor on government-wide acquisition contract vehicles; changes in the mix of our contracts and our ability to accurately estimate or otherwise recover expenses, time, and resources for our contracts; our ability to generate revenue under certain of our contracts; our ability to realize the full value of and replenish our backlog and the timing of our receipt of revenue under contracts included in backlog; changes in estimates used in recognizing revenue; an inability to attract, train, or retain employees with the requisite skills, experience, and security clearances; an inability to hire, assimilate, and deploy enough employees to serve our clients under existing contracts; an inability to timely and effectively utilize our employees; failure by us or our employees to obtain and maintain necessary security clearances; the loss of members of senior management or failure to develop new leaders; misconduct or other improper activities from our employees or subcontractors, including the improper use or release of our clients' sensitive or classified information; increased insourcing by various U.S. government agencies due to changes in the definition of “inherently governmental” work, including proposals to limit contractor access to sensitive or classified information and work assignments; increased competition from other companies in our industry; failure to maintain strong relationships with other contractors; inherent uncertainties and potential adverse developments in legal or regulatory proceedings, including litigation, audits, reviews, and investigations, which may result in materially adverse judgments, settlements, withheld payments, penalties, or other unfavorable outcomes including debarment, as well as disputes over the availability of insurance or indemnification; continued efforts to change how the U.S. government reimburses compensation related and other expenses or otherwise limit such reimbursements, including recent rules that expand the scope of existing reimbursement limitations, such as a reduction in allowable annual employee compensation to certain contractors as a result of the Bipartisan Budget Act of 2013, and an increased risk of compensation being deemed unallowable or payments being withheld as a result of U.S. government audit, review or investigation; internal system or service failures and security breaches, including, but not limited to, those resulting from external cyber attacks on our network and internal systems or employee misconduct; risks related to changes to our operating structure, capabilities, or strategy intended to address client needs, grow our business or respond to market developments; risks associated with new relationships, clients, capabilities, and service offerings in our U.S. and international businesses; failure to comply with special U.S. government laws and regulations relating to our international operations; risks related to our indebtedness and credit facilities which contain financial and operating covenants; the adoption by the U.S. government of new laws, rules, and regulations, such as those relating to organizational conflicts of interest issues or limits; risks related to completed and future acquisitions, including our ability to realize the expected benefits from such acquisitions; an inability to utilize existing or future tax benefits, including those related to our stock-based compensation expense, for any reason, including a change in law; variable purchasing patterns under U.S. government GSA schedules, blanket purchase agreements and indefinite delivery, indefinite quantity contracts. Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K, filed with the SEC on May 21, 2015. All forward-looking statements attributable to Booz Allen or persons acting on Booz Allen’s behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made and, except as required by law, Booz Allen undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Financial Data Information

Booz Allen discloses in the following information Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow which are not recognized measurements under GAAP, and when analyzing Booz Allen’s performance or liquidity as applicable, investors should (i) evaluate each adjustment in our reconciliation of Operating and Net Income to Adjusted Operating Income, Adjusted EBITDA and Adjusted Net Income, and net cash provided by operating activities to free cash flows, and the explanatory footnotes regarding those adjustments, and (ii) use Adjusted EBITDA, Adjusted Net Income, Adjusted Operating Income, and Adjusted Diluted EPS in addition to, and not as an alternative to operating income, net income or Diluted EPS as a measure of operating results with cash flow in addition to and not as an alternative to net cash generated from operating activities as a measure of liquidity, each as defined under GAAP. The Financial Appendix includes a reconciliation of Adjusted Operating Income, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow to the most directly comparable financial measure calculated and presented in accordance with GAAP. Booz Allen presents these supplemental performance measures because it believes that these measures provide investors and securities analysts with important supplemental information with which to evaluate Booz Allen’s performance, long term earnings potential, or liquidity, as applicable and to enable them to assess Booz Allen’s performance on the same basis as management. These supplemental performance and liquidity measurements may vary from and may not be comparable to similarly titled measures by other companies in Booz Allen’s industry. No reconciliation of the forecasted range for Adjusted Diluted EPS to Diluted EPS for any period during fiscal 2016 is included because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

Key Investor Themes

Long term track record of performance

Low risk business which has delivered exceptional returns

History of shareholder friendly capital deployment

Investing to create sustainable quality growth

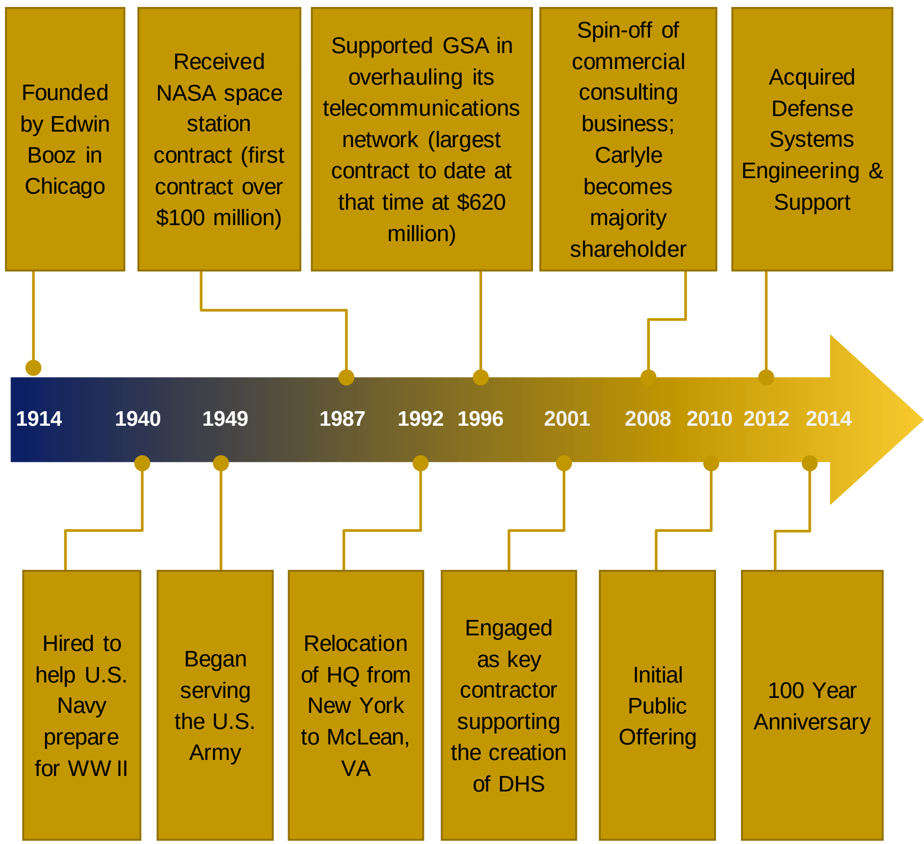
A Leader with a Proud History

Booz | Allen | Hamilton

Company Overview

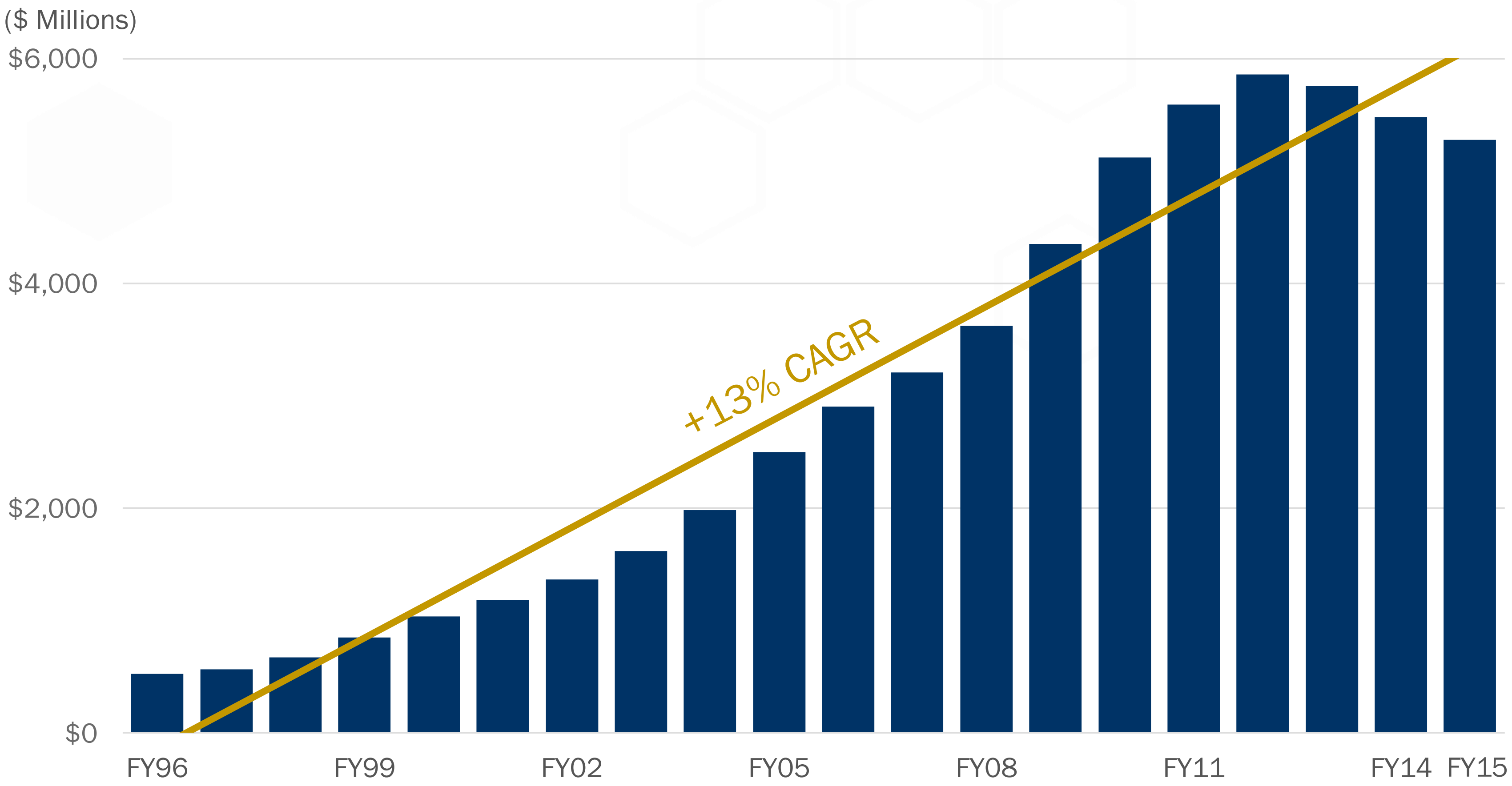
+ A leading provider of management consulting, technology, and engineering services to the U.S. government in the defense, intelligence and civil markets
+ Beginning our Second Century
+ HQ in McLean, VA
+ $5.3 billion FY15 revenue
+ $524 million of FY15 Adjusted EBITDA [(1)]
+ Approximately 22,500 employees as of March 31, 2015

Company History



Notes:
(1) See financial filings for definition and reconciliation.

History of Revenue Growth



Notes:

(1) All years represent FYE March 31

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

Track Record of Margin Expansion

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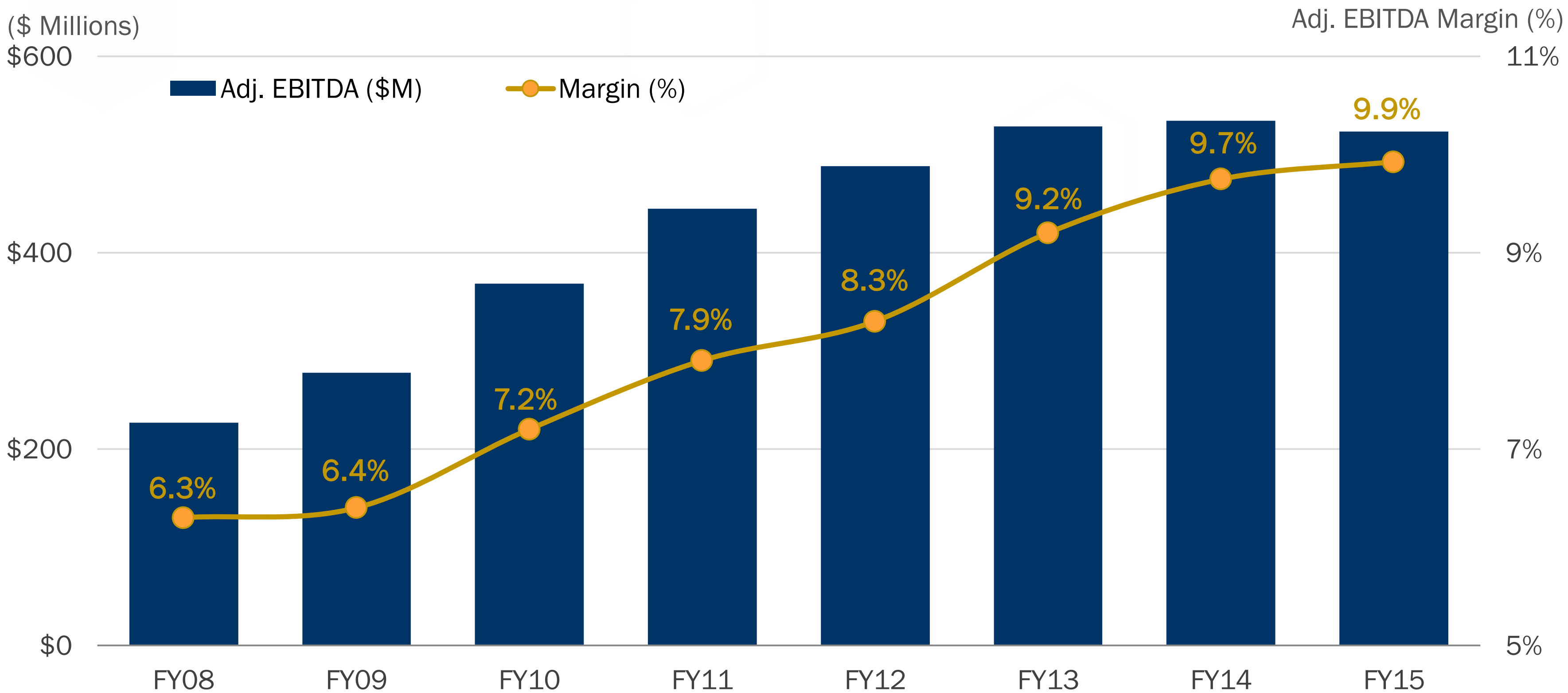
Ongoing Annual Goal to Expand Adj. EBITDA Margin by 10 Basis Points



Notes:

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

Differentiated Business Model

+ **Diversified portfolio of clients and contracts across the federal government**

+ **Differentiated Organization and Culture**
  - Collaborative culture with one P&L and single bonus pool for partners
  - 83 partners with an average tenure of 17 years [1]
  - Equity incentives broadly distributed to ensure long-term success and alignment with shareholders
  - Approximately 22,500 staff, 72% of which hold security clearances

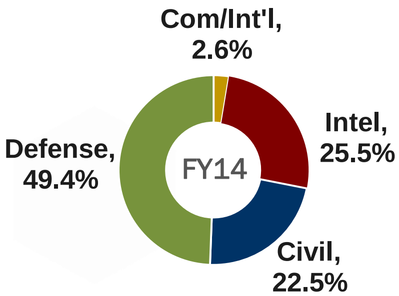
+ **Dynamic business model with highly variable cost base**

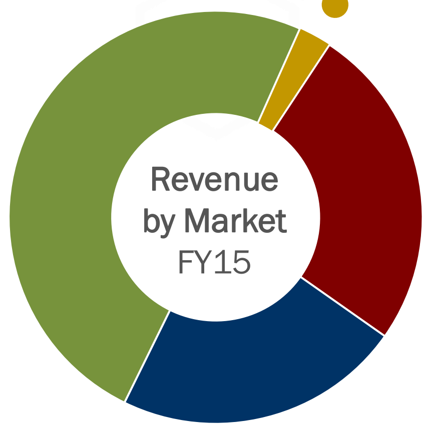
+ **Strong cash generation**

Notes:

(1) As of Mar 31, 2015

Diversified Client Base





Commercial/International (3.2%)

- **Commercial:** Major pharmaceutical manufacturers, health care providers, large banks, utilities, oil and gas companies, major retailers, Auto manufacturers
- **International:** UAE, Saudi Arabia, Qatar, Oman, and Kuwait, Singapore

Intel (24.9%)

- **U.S. Intelligence Agencies:** National Security Agency, National Geospatial-Intelligence Agency, National Reconnaissance Office, other classified clients
- **Military Intelligence:** Defense Intelligence Agency, Service Intelligence Centers, Intelligence Surveillance Reconnaissance units, Combatant Command

Defense (48.4%)

- Air Force
- Army
- Joint Combatant Commands
- Navy/Marine Corps
- Infrastructure & Military Health

Civil (23.5%)

- **Health:** Veteran Affairs, Health and Human Services
- **Finance and Economic Development:** IRS, Department of Labor, General Services Administration, National Science Foundation
- **Security, Law Enforcement, Justice:** Department of Homeland Security, Department of Justice, FBI
- **Energy, Environment, Transportation and Space:** Department of Energy, Environmental Protection Agency, Department of Transportation, NASA

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

Broad and Deep Client Relationships with Diversified Contract Base

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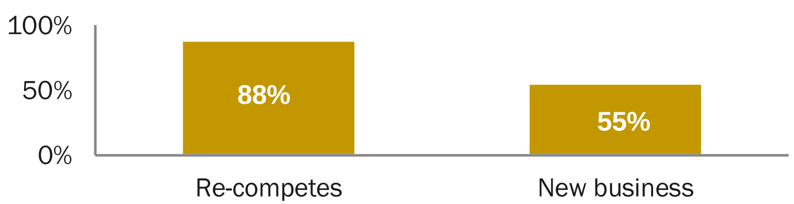
Long-Term Client Relationships

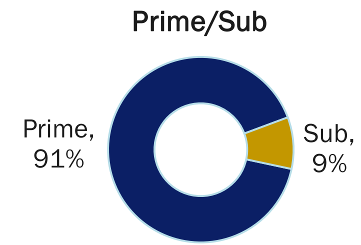
Client (2)	**Relationship Length** (Years)
U.S. Navy	75+
U.S. Army	65+
U.S. Air Force	35+
Department of Energy	35+
National Security Agency	30+
Department of Homeland Security (2)	30+
Federal Bureau of Investigation	20+
National Reconnaissance Office	20+
A U.S. Intelligence Agency	20+
Internal Revenue Service	20+

Win Rate (1)

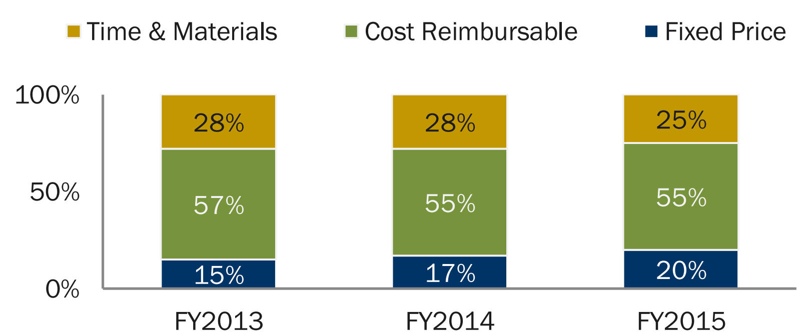


Diversified Contract Portfolio (1)

- Delivered on >5,400 contracts and task orders in FY15
- Largest single definite contract: 2.6% (1)
- Largest task order under an ID/IQ contract: 1.6% (1)



Historical Contract Mix



Notes:
(1) Based on FY15 results.
(2) Includes predecessor organizations.

A History of Shareholder Friendly Capital Deployment

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Capital Deployment Priorities

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

Notable Capital Deployment Actions

- Regular recurring quarterly dividend of 13 cents per share
  - Increased three times since initiated in 2012
  - ~2% yield
- Four acquisitions over past three years
- $11 per share in Special Dividends since 2010 IPO
- Stated goal of keeping share count relatively flat over time
  - Repurchased 3.2 million shares since November 2014
  - ~$96M repurchase authorization remains as of Jun 30, 2015

Executing our Strategy

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

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

+ **Investing in growth platforms to drive sustainable quality growth**
  - Our Innovation Agenda
  - Engineering
  - Systems Delivery (SD)
  - Cyber
  - Commercial and International Markets

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

Innovation Growth Platform

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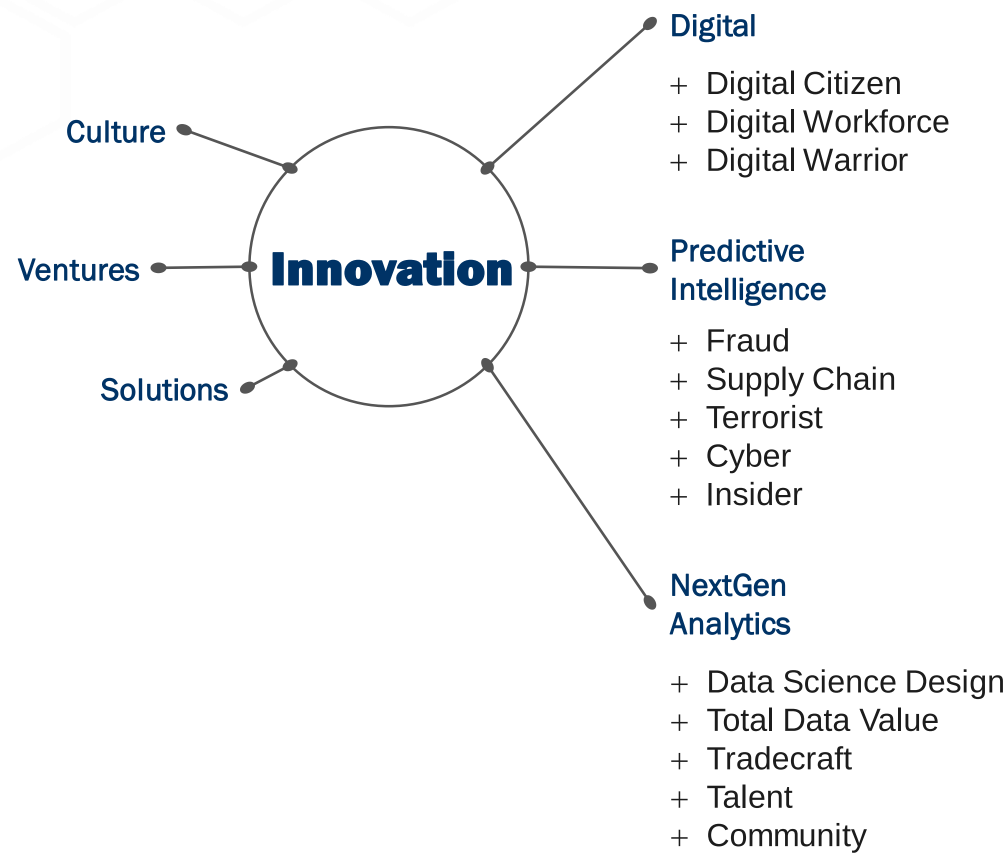
- Creating a CULTURE of INNOVATION
  - A series of cultural components and systems to source, supply and mature our firm's innovation practices
  - To enable an environment of sustainable growth
- Digital - Modernization of mission execution through integration and reuse of digital capabilities and open platforms across the enterprise
- Predictive Intelligence – Services to identify and mitigate threats across organizations that are increasingly vulnerable to business and mission disruptions
- NextGen Analytics – Comprehensive offerings of end-to-end data science solutions for our clients



Engineering Growth Platform

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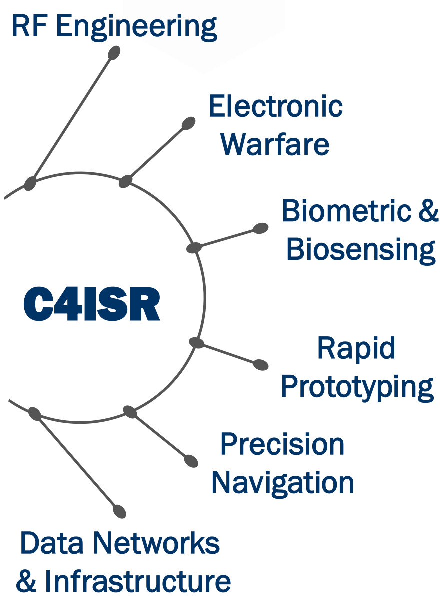
Differentiated via delivery of customized mission-centered solutions



Applying targeted methods that iterate at front end of the engineering process

- During concept definition, Research & Development, Design, Modeling & Simulation, and prototyping

+ Our engineering business is centered around core C4ISR capabilities in Electronics & Electromagnetics

+ Client applications:
  - Across US Government Defense & Intelligence
  - Justice, Homeland, and Transportation

+ Growth drivers:
  - Adjacencies in core C4ISR family of services
  - Mission focused cross cuts of
    - Space C4ISR
    - Directed Energy
    - Homeland Security
    - Integrated Air and Missile Defense
  - Application to Systems Engineering & Integration and Sustainment opportunities
  - Select strategic acquisitions

Systems Delivery Growth Platform

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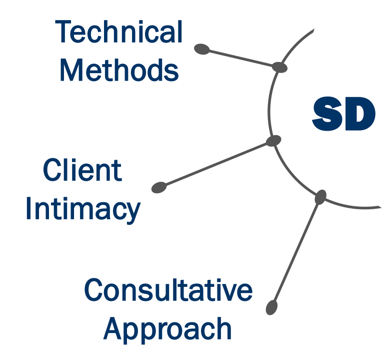
- Booz Allen's Systems Delivery (SD) business is a large and growing business
  - Delivering above average margins particularly for next generation technologies like digital, mobile and analytics
  - Our sweet spot is mission work in the $20-$50M range that involves emerging delivery methods (e.g., agile, DevOps) and next gen technologies.
- Targeting sustainable organic growth
- Inorganic opportunities being explored to bolster our depth and breadth of capability in next generation technologies and methodologies

Differentiated by our multi-dimensional approach to delivering successful systems efforts



Systems Deliver Practitioners	3000+
Microsoft Certified Professionals, Architects, Application Developers, Database Administrators, Systems Administrators	1400+

Gartner estimates that the market for next generation offerings will double by 2018
- $250B to $500B
- 18% CAGR between 2013 and 2018

Cyber Growth Platform

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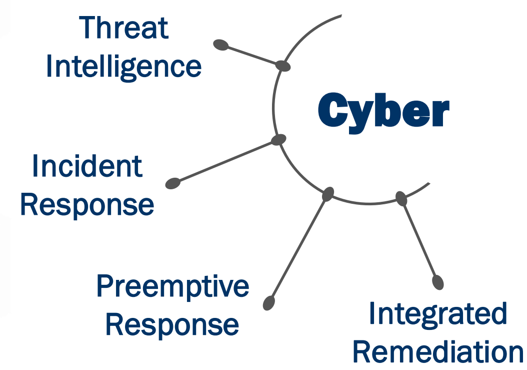
+ We have extensive operational experience and technical expertise in cyber built as an industry leader within the US Government
  - Developed over more than 30 years working with the U.S. Intelligence Community for the Nation's most critical missions
  - Extensive capabilities in cyber analytics, technology, policy, training, malware, and reverse engineering
+ We are already engaged in the evolution of cyber buying in the commercial market
  - Our capabilities are directly applicable to improving resilience, preventing penetration, and managing incidence
  - The reality of cyber is that all networks can be penetrated, so in the future the benchmark of success will be how quick companies can move from Detection to Mitigation – This is where we are focusing our capabilities
+ The challenge: A shortage of qualified talent required by a services model



Differentiated in the market by our holistic approach to cyber security

- Technical
- Analytics
- Policy
- Change Management

Cyber Certifications Held by Employees	7000+
Employees with Industry recognized Cyber certifications	3700+

As of 3/31/2015

Commercial and International Markets Growth Platform

Booz | Allen | Hamilton

Significant success to date with ongoing investment to drive growth

+ US Commercial Market
  - Focused on Financial Services, Energy, Healthcare, Retail, and Manufacturing end markets
  - Cyber and Analytics are our primary entry points in this market
  - Very strong traction in the market

+ International Market
  - Initial focus in Middle East North Africa region
  - Recent footprint expansion to Asia with opening of Singapore office
  - General Management Consulting model with high technology concentration
  - Five new partner hires now fully engaged in driving business

18% growth in FY15 in combined markets

Service offerings support high margin

Continued double digit annual growth expected

The Market is Stabalizing

We are seeing signs of a recovery with important demand signals

- Macro environment
  - Period of discretionary budget reductions ending
  - Clients showing more rational behavior in light of diminished uncertainty
- Opportunity Pipeline
  - Award environment continuing to show improvement
  - Solid opportunity pipeline and healthy increase in proposal activity
- Backlog
  - Funded backlog has seen year over year gains for the past 5 consecutive quarters
  - We expect a strong book to bill in the important September (end of Government FY)
- Headcount
  - We are maintaining the bench of consulting staff that we have built over the last year
  - Significant open requisitions for funded work

Key Financial Results

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First Quarter Fiscal 2016 Results		
	First Quarter	
Revenue	$1.4 billion	2.2% Increase
Adjusted EBITDA	$141.3 million	10.2% Decline
Adjusted Net Income	$65.7 million	11.9% Decline
Adjusted Diluted EPS	$0.44/share	12.0% Decline
Total Backlog	$9.3 billion	4.4% Decline

Comparisons are to prior fiscal year period

Fiscal 2016 Full Year Outlook	
Revenue growth forecast:	Roughly Flat, with a Range of Two Percent Growth to a Two Percent Decline
Diluted EPS forecast (1):	\$1.55 - \$1.65
Adjusted Diluted EPS forecast (1):	\$1.60 - \$1.70

As reaffirmed on our July 29, 2015 Earnings Call

(1) Full Fiscal Year 2016 Estimated Weighted Average Diluted Share Count: 150.4 million shares; assumes an effective tax rate of 40.7%

Thank You

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