

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 001-34972

**Booz Allen Hamilton Holding Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

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

26-2634160  
(I.R.S. Employer  
Identification No.)

22102  
(Zip Code)

(703) 902-5000

Registrant's telephone number, including area code  
(Former name, former address, and former fiscal year if changed since last report.)

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	BAH	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	<b>Shares Outstanding as of 10/24/2023</b>
Class A Common Stock	130,381,202

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands, except share and per share data)

	September 30, 2023 (Unaudited)	March 31, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 557,296	\$ 404,862
Accounts receivable, net	2,009,847	1,774,830
Prepaid expenses and other current assets	133,412	108,366
Total current assets	2,700,555	2,288,058
Property and equipment, net of accumulated depreciation	178,914	195,186
Operating lease right-of-use assets	169,640	187,798
Intangible assets, net of accumulated amortization	637,787	685,615
Goodwill	2,343,789	2,338,399
Deferred tax assets	833,597	573,780
Other long-term assets	298,327	281,816
Total assets	\$ 7,162,609	\$ 6,550,652
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 41,250	\$ 41,250
Accounts payable and other accrued expenses	1,056,369	1,316,640
Accrued compensation and benefits	435,576	445,205
Operating lease liabilities	46,141	51,238
Other current liabilities	26,405	42,721
Total current liabilities	1,605,741	1,897,054
Long-term debt, net of current portion	3,389,152	2,770,895
Operating lease liabilities, net of current portion	180,031	198,144
Income tax reserves	769,755	552,623
Other long-term liabilities	145,800	139,934
Total liabilities	6,090,479	5,558,650
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common stock, Class A - \$0.01 par value - authorized, 600,000,000 shares; issued, 166,669,125 shares at September 30, 2023 and 165,872,332 shares at March 31, 2023; outstanding, 130,573,866 shares at September 30, 2023 and 131,637,588 shares at March 31, 2023	1,667	1,659
Treasury stock, at cost — 36,095,259 shares at September 30, 2023 and 34,234,744 shares at March 31, 2023	(2,054,418)	(1,859,905)
Additional paid-in capital	834,042	769,460
Retained earnings	2,258,947	2,051,455
Accumulated other comprehensive income	31,892	29,333
Total stockholders' equity	1,072,130	992,002
Total liabilities and stockholders' equity	\$ 7,162,609	\$ 6,550,652

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

(Amounts in thousands, except per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 2,666,282	\$ 2,298,976	\$ 5,320,768	\$ 4,548,576
Operating costs and expenses:				
Cost of revenue	1,232,712	1,057,450	2,484,628	2,132,423
Billable expenses	824,788	684,941	1,637,092	1,359,207
General and administrative expenses	300,886	293,612	614,887	546,676
Depreciation and amortization	40,907	39,052	82,754	79,154
Total operating costs and expenses	<u>2,399,293</u>	<u>2,075,055</u>	<u>4,819,361</u>	<u>4,117,460</u>
Operating income	266,989	223,921	501,407	431,116
Interest expense	(44,756)	(28,342)	(80,230)	(52,997)
Other income, net	3,556	26,460	5,480	23,502
Income before income taxes	<u>225,789</u>	<u>222,039</u>	<u>426,657</u>	<u>401,621</u>
Income tax expense	55,071	51,258	94,551	92,747
Net income	<u>170,718</u>	<u>170,781</u>	<u>332,106</u>	<u>308,874</u>
Net loss attributable to non-controlling interest	—	151	—	342
Net income attributable to common stockholders	<u>\$ 170,718</u>	<u>\$ 170,932</u>	<u>\$ 332,106</u>	<u>\$ 309,216</u>
Earnings per common share (Note 4):				
Basic	<u>\$ 1.29</u>	<u>\$ 1.28</u>	<u>\$ 2.52</u>	<u>\$ 2.32</u>
Diluted	<u>\$ 1.29</u>	<u>\$ 1.28</u>	<u>\$ 2.51</u>	<u>\$ 2.31</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(Amounts in thousands)**

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Net income	\$ 170,718	\$ 170,781	\$ 332,106	\$ 308,874
Other comprehensive income, net of tax:				
Change in unrealized gain on derivatives designated as cash flow hedges	(416)	7,801	3,325	13,560
Change in postretirement plan costs	(383)	(2)	(766)	(4)
Total other comprehensive income, net of tax	(799)	7,799	2,559	13,556
Comprehensive income	169,919	178,580	334,665	322,430
Comprehensive loss attributable to non-controlling interest	—	151	—	342
Comprehensive income attributable to common stockholders	\$ 169,919	\$ 178,731	\$ 334,665	\$ 322,772

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(Amounts in thousands)	Six Months Ended September 30,	
	2023	2022
<b>Cash flows from operating activities</b>		
Net income	\$ 332,106	\$ 308,874
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82,754	79,154
Noncash lease expense	28,059	27,558
Stock-based compensation expense	37,510	32,222
Amortization of debt issuance costs	2,245	2,287
Loss on debt extinguishment	965	10,251
Losses (gains) on dispositions, and other	1,408	(30,151)
Changes in assets and liabilities:		
Accounts receivable, net	(235,244)	(39,358)
Deferred income taxes and income taxes receivable / payable	(67,978)	(130,843)
Prepaid expenses and other current and long-term assets	(22,149)	(15,885)
Accrued compensation and benefits	5,553	(26,629)
Accounts payable and other accrued expenses	(260,873)	41,453
Other current and long-term liabilities	(23,273)	(31,841)
Net cash (used in) provided by operating activities	(118,917)	227,092
<b>Cash flows from investing activities</b>		
Purchases of property, equipment, and software	(27,436)	(29,734)
Payments for business acquisitions and dispositions	(406)	—
Payments for cost method investments	(9,160)	—
Proceeds from sale of businesses	—	44,063
Net cash (used in) provided by investing activities	(37,002)	14,329
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	13,947	12,052
Stock option exercises	13,133	7,992
Repurchases of common stock	(209,187)	(103,266)
Cash dividends paid	(125,122)	(115,897)
Repayments on revolving credit facility, term loans, and Senior Notes	(520,625)	(396,443)
Net proceeds from debt issuance	636,207	414,751
Proceeds from revolving credit facility	500,000	—
Net cash provided by (used in) financing activities	308,353	(180,811)
Net increase in cash and cash equivalents	152,434	60,610
Cash and cash equivalents—beginning of period	404,862	695,910
Cash and cash equivalents—end of period	\$ 557,296	\$ 756,520
<b>Supplemental disclosures of cash flow information</b>		
Net cash paid during the period for:		
Interest	\$ 78,098	\$ 42,936
Income taxes	\$ 144,720	\$ 215,767

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited)

(Amounts in thousands, except share data)	Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance at June 30, 2023</b>	166,521,283	\$ 1,665	(35,404,913)	\$(1,972,886)	\$ 805,240	\$2,150,361	\$ 32,691	\$ 1,017,071
Issuance of common stock	107,930	1	—	—	7,021	—	—	7,022
Stock options exercised	39,912	1	—	—	1,956	—	—	1,957
Repurchase of common stock	—	—	(690,346)	(81,532)	—	—	—	(81,532)
Net income	—	—	—	—	—	170,718	—	170,718
Other comprehensive income, net of tax	—	—	—	—	—	—	(799)	(799)
Dividends declared of \$0.47 per share of common stock	—	—	—	—	—	(62,132)	—	(62,132)
Stock-based compensation expense	—	—	—	—	19,825	—	—	19,825
<b>Balance at September 30, 2023</b>	166,669,125	\$ 1,667	(36,095,259)	\$(2,054,418)	\$ 834,042	\$2,258,947	\$ 31,892	\$ 1,072,130
<b>Balance at March 31, 2023</b>	165,872,332	\$ 1,659	(34,234,744)	\$(1,859,905)	\$ 769,460	\$2,051,455	\$ 29,333	\$ 992,002
Issuance of common stock	504,499	5	—	—	13,942	—	—	13,947
Stock options exercised	292,294	3	—	—	13,130	—	—	13,133
Repurchase of common stock (1)	—	—	(1,860,515)	(194,513)	—	—	—	(194,513)
Net income	—	—	—	—	—	332,106	—	332,106
Other comprehensive income, net of tax	—	—	—	—	—	—	2,559	2,559
Dividends declared of \$0.94 per share of common stock	—	—	—	—	—	(124,614)	—	(124,614)
Stock-based compensation expense	—	—	—	—	37,510	—	—	37,510
<b>Balance at September 30, 2023</b>	166,669,125	\$ 1,667	(36,095,259)	\$(2,054,418)	\$ 834,042	\$2,258,947	\$ 31,892	\$ 1,072,130

(1) During the six months ended September 30, 2023, the Company purchased 1.7 million shares of the Company's Class A Common Stock in a series of open market transactions for \$180.1 million. Additionally, the Company repurchased shares for \$13.2 million during the six months ended September 30, 2023 to cover the minimum statutory withholding taxes on restricted stock units that vested on various dates during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited)

(Amounts in thousands, except share data)	Class A Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
<b>Balance at June 30, 2022</b>	164,900,879	\$ 1,650	(32,477,501)	\$(1,693,012)	\$ 679,632	\$2,095,093	\$ 14,342	\$ 1,419	\$ 1,099,124
Issuance of common stock	118,216	1	—	—	5,970	—	—	—	5,971
Stock options exercised	91,522	—	—	—	3,396	—	—	—	3,396
Repurchase of common stock	—	—	(318,157)	(29,869)	—	—	—	—	(29,869)
Net income	—	—	—	—	—	170,932	—	(151)	170,781
Other comprehensive income, net of tax	—	—	—	—	—	—	7,799	—	7,799
Dividends declared of \$0.43 per share of common stock	—	—	—	—	—	(57,073)	—	—	(57,073)
Stock-based compensation expense	—	—	—	—	18,406	—	—	—	18,406
Contribution to non-controlling interest	—	—	—	—	(784)	—	—	784	—
<b>Balance at September 30, 2022</b>	165,110,617	\$ 1,651	(32,795,658)	\$(1,722,881)	\$ 706,620	\$2,208,952	\$ 22,141	\$ 2,052	\$ 1,218,535
<b>Balance at March 31, 2022</b>	164,372,545	\$ 1,646	(31,788,197)	\$(1,635,454)	\$ 656,222	\$2,015,071	\$ 8,585	\$ 651	\$ 1,046,721
Issuance of common stock	503,225	4	—	—	12,048	—	—	—	12,052
Stock options exercised	234,847	1	—	—	7,991	—	—	—	7,992
Repurchase of common stock (2)	—	—	(1,007,461)	(87,427)	—	—	—	—	(87,427)
Net income	—	—	—	—	—	309,216	—	(342)	308,874
Other comprehensive income, net of tax	—	—	—	—	—	—	13,556	—	13,556
Dividends declared of \$0.86 per share of common stock	—	—	—	—	—	(115,335)	—	—	(115,335)
Stock-based compensation expense	—	—	—	—	32,102	—	—	—	32,102
Contribution to non-controlling interest	—	—	—	—	(1,743)	—	—	1,743	—
<b>Balance at September 30, 2022</b>	165,110,617	\$ 1,651	(32,795,658)	\$(1,722,881)	\$ 706,620	\$2,208,952	\$ 22,141	2,052	1,218,535

(2) During the six months ended September 30, 2022, the Company purchased 0.9 million shares of the Company's Class A Common Stock in a series of open market transactions for \$76.4 million. Additionally, the Company repurchased shares for \$11.0 million during the six months ended September 30, 2022 to cover the minimum statutory withholding taxes on restricted stock units that vested on various dates during the period.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in tables in thousands, except share and per share data or unless otherwise noted)**

## **1. Business Overview**

Booz Allen Hamilton Holding Corporation, including its wholly owned subsidiaries, or the Company, we, us, and our, was incorporated in Delaware in May 2008. The Company provides management and technology consulting, analytics, engineering, digital solutions, mission operations, and cyber services to U.S. and international governments, major corporations, and not-for-profit organizations. The Company reports operating results and financial data in one reportable segment. The Company is headquartered in McLean, Virginia, with approximately 33,100 employees as of September 30, 2023.

## **2. Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”) and should be read in conjunction with the information contained in the Company’s Annual Report on Form 10-K for the year ended March 31, 2023. The interim period unaudited condensed consolidated financial statements are presented as described below. Certain information and disclosures normally required for annual financial statements have been condensed or omitted pursuant to GAAP and SEC rules and regulations. In the opinion of management, all adjustments considered necessary for fair presentation of the results of the interim periods presented have been included. The Company’s fiscal year ends on March 31 and, unless otherwise noted, references to fiscal year or fiscal are for fiscal years ended March 31. The results of operations for the six months ended September 30, 2023 are not necessarily indicative of results to be expected for the full fiscal year.

The condensed consolidated financial statements and notes of the Company include its subsidiaries, and other entities over which the Company has a controlling financial interest or where the Company is a primary beneficiary.

Certain amounts reported in the Company’s prior fiscal year condensed consolidated financial statements have been reclassified to conform to the current fiscal year presentation.

### ***Investments in Variable Interest Entities and Other Investments***

The Company invests in certain companies that advance or develop new technologies applicable to its business. Each investment is evaluated for consolidation under the variable interest entities model and/or the voting interest model. The results of these investments are not material to the unaudited condensed and consolidated financial statements for the periods presented. The Company uses the equity method to account for investments in entities that it does not control if it is otherwise able to exert significant influence over the entities’ operating and financial policies. Equity investments in entities over which the Company does not have the ability to exercise significant influence and whose securities do not have a readily determinable fair value are accounted for under the measurement alternative. As of September 30, 2023 and March 31, 2023, respectively, the total of equity and other investments related to unconsolidated entities included in other long term assets of the Company’s condensed consolidated balance sheet were \$32.9 million and \$23.1 million.

### ***Accounting Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Areas of the financial statements where estimates may have the most significant effect include the provision for claimed indirect costs, valuation and expected lives of tangible and intangible assets, impairment of long-lived assets, accrued liabilities, revenue recognition, including the accrual of indirect costs, bonus and other incentive compensation, stock-based compensation, reserves for uncertain tax positions and valuation allowances on deferred tax assets, provisions for income taxes, postretirement obligations, collectability of receivables, and loss accruals for litigation. Actual results experienced by the Company may differ materially from management’s estimates.

**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in tables in thousands, except share and per share data or unless otherwise noted)**

**Recently Adopted Accounting Pronouncements**

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“Topic 848”). The guidance is intended to provide relief for entities impacted by reference rate reform. Topic 848 contains provisions and optional accounting expedients designed to simplify requirements around the designation of hedging relationships, probability assessments of hedged forecasted transactions, and accounting for modifications of contracts that refer to the London Interbank Offered Rate (“LIBOR”) or other rates affected by reference rate reform. The guidance is elective and is effective on the date of issuance. Topic 848 is applied prospectively to contract modifications and as of the effective date for existing and new eligible hedging relationships. During the first quarter of fiscal 2024, the Company modified its interest rate swap agreements to transition from LIBOR-indexed to term SOFR-indexed periodic swap payments to align with interest payments in connection with its term SOFR-indexed debt. As such, the Company elected the optional expedients under Topic 848 which allows the cash flow hedge to continue being recognized under hedge accounting without de-designation upon a change in critical terms affected by the reference rate reform. The adoption of this guidance did not have a material impact on the condensed consolidated financial statements and disclosures.

**Recent Accounting Pronouncements Not Yet Adopted**

Accounting and reporting pronouncements effective after September 30, 2023 and issued through the filing date are not expected to have a material impact on the Company's condensed consolidated financial statements.

**3. Revenue**

The Company's revenues from contracts with customers (clients) are derived from offerings that include management and technology consulting services, analytics, digital solutions, engineering, mission operations, and cyber services, substantially all with the U.S. government and its agencies and, to a lesser extent, subcontractors. The Company also serves foreign governments, as well as domestic and international commercial clients. The Company performs and generates revenue under three basic types of contracts, which include cost-reimbursable contracts, time-and-materials contracts, and fixed-price contracts.

**Contract Estimates**

We recognize revenue for many of our contracts under a contract cost-based input method and require an Estimate-at-Completion (“EAC”) process, which management uses to review and monitor the progress towards the completion of our performance obligations. Under this process, management considers various inputs and assumptions related to the EAC, including, but not limited to, progress towards completion, labor costs and productivity, material and subcontractor costs, and identified risks. Estimating the total cost at the completion of our performance obligations is subjective and requires management to make assumptions about future activity and cost drivers under the contract. Changes in these estimates can occur for a variety of reasons and, if significant, may impact the profitability of the Company's contracts. Changes in estimates related to contracts accounted for under the EAC process are recognized on a cumulative catch-up basis in the period when such changes are determinable and reasonably estimable. If the estimate of contract profitability indicates an anticipated loss on a contract, the Company recognizes the total loss at the time it is identified. For each of the three and six months ended September 30, 2023 and 2022, the aggregate impact of adjustments in contract estimates was not material.

**Disaggregation of Revenue**

We disaggregate our revenue from contracts with customers by contract type and by customer type, as well as by whether the Company acts as prime contractor or subcontractor, as we believe these categories best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. The following series of tables presents our revenue disaggregated by these categories.

**Revenue by Contract Type:**

We generate revenue under the following three basic types of contracts:

- **Cost-Reimbursable Contracts:** Cost-reimbursable contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fixed fee or award fee.
- **Time-and-Materials Contracts:** Under contracts in this category, we are paid a fixed hourly rate for each direct labor hour expended, and we are reimbursed for billable material costs and billable out-of-pocket expenses inclusive of allocable indirect costs. We assume the financial risk on time-and-materials contracts because our costs of performance may exceed negotiated hourly rates.

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- **Fixed-Price Contracts:** Under a fixed-price contract, we agree to perform the specified work for a predetermined price. To the extent our actual direct and allocated indirect costs decrease or increase from the estimates upon which the price was negotiated, we will generate more or less profit, respectively, or could incur a loss.

The table below presents the total revenue for each type of contract:

	<b>Three Months Ended September 30,</b>				<b>Six Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</b>		<b>2023</b>		<b>2022</b>	
Cost-reimbursable	\$ 1,463,949	55 %	\$ 1,201,407	52 %	\$ 2,914,133	55 %	\$ 2,392,235	53 %
Time-and-materials	638,607	24 %	564,438	25 %	1,274,340	24 %	1,110,340	24 %
Fixed-price	563,726	21 %	533,131	23 %	1,132,295	21 %	1,046,001	23 %
<b>Total Revenue</b>	<b>\$ 2,666,282</b>	<b>100 %</b>	<b>\$ 2,298,976</b>	<b>100 %</b>	<b>\$ 5,320,768</b>	<b>100 %</b>	<b>\$ 4,548,576</b>	<b>100 %</b>

Revenue by Customer Type:

	<b>Three Months Ended September 30,</b>				<b>Six Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</b>		<b>2023</b>		<b>2022</b>	
U.S. government <sup>(1)</sup> :								
Defense Clients	\$ 1,270,135	48 %	\$ 1,028,275	45 %	\$ 2,494,452	47 %	\$ 2,056,086	45 %
Intelligence Clients	444,982	17 %	425,874	18 %	921,479	17 %	829,997	18 %
Civil Clients	916,069	34 %	781,279	34 %	1,821,029	34 %	1,535,939	34 %
<b>Total U.S. government</b>	<b>2,631,186</b>	<b>99 %</b>	<b>2,235,428</b>	<b>97 %</b>	<b>5,236,960</b>	<b>98 %</b>	<b>4,422,022</b>	<b>97 %</b>
Global Commercial Clients	35,096	1 %	63,548	3 %	83,808	2 %	126,554	3 %
<b>Total Revenue</b>	<b>\$ 2,666,282</b>	<b>100 %</b>	<b>\$ 2,298,976</b>	<b>100 %</b>	<b>\$ 5,320,768</b>	<b>100 %</b>	<b>\$ 4,548,576</b>	<b>100 %</b>

<sup>(1)</sup> Certain contracts were reassigned between the various verticals of our U.S. government business shown in the table above to better align our operations to the customers we serve within each market. Prior year revenue by customer type has been recast to reflect the changes.

Revenue by Whether the Company Acts as a Prime Contractor or a Subcontractor:

	<b>Three Months Ended September 30,</b>				<b>Six Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</b>		<b>2023</b>		<b>2022</b>	
Prime Contractor	\$ 2,537,085	95 %	\$ 2,179,375	95 %	\$ 5,054,643	95 %	\$ 4,310,670	95 %
Subcontractor	129,197	5 %	119,601	5 %	266,125	5 %	237,906	5 %
<b>Total Revenue</b>	<b>\$ 2,666,282</b>	<b>100 %</b>	<b>\$ 2,298,976</b>	<b>100 %</b>	<b>\$ 5,320,768</b>	<b>100 %</b>	<b>\$ 4,548,576</b>	<b>100 %</b>

### Performance Obligations

Remaining performance obligations represent the transaction price of exercised contracts for which work has not yet been performed, irrespective of whether funding has or has not been authorized and appropriated as of the date of exercise. Remaining performance obligations exclude negotiated but unexercised options, the unfunded value of expired contracts, and certain variable consideration which the Company does not expect to recognize as revenue.

As of September 30, 2023 and March 31, 2023, the Company had \$9.8 billion and \$7.9 billion of remaining performance obligations, respectively. We expect to recognize approximately 75% of the remaining performance obligations at September 30, 2023 as revenue over the next 12 months, and approximately 85% over the next 24 months. The remainder is expected to be recognized thereafter.

### Contract Balances

The Company's performance obligations are typically satisfied over time and revenue is generally recognized using a cost-based input method. Fixed-price contracts are typically billed to the customer using milestone or fixed monthly payments, while cost-reimbursable-plus-fee and time-and-material contracts are typically billed to the customer at periodic intervals (e.g., monthly or weekly) as indicated by the terms of the contract. Disparities between the timing of revenue recognition and customer billings and cash collections result in net contract assets or liabilities being recognized at the end of each reporting period.

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Contract assets primarily consist of unbilled receivables typically resulting from revenue recognized exceeding the amount billed to the customer and right to payment is not just subject to the passage of time. Unbilled amounts represent revenues for which billings have not been presented to customers. These amounts are generally billed and collected within one year subject to various conditions including, without limitation, appropriated and available funding. Long-term unbilled receivables not anticipated to be billed and collected within one year, which are primarily related to retainage, holdbacks, and long-term rate settlements to be billed at contract closeout, are included in other long-term assets in the accompanying condensed consolidated balance sheets. Contract liabilities primarily consist of advance payments, billings in excess of costs incurred and deferred revenue. Contract assets and liabilities are reported on a net contract basis at the end of each reporting period. The Company maintains an allowance for credit losses to provide for an estimate of uncollectible receivables. Provision for credit losses recognized was not material for the three and six months ended September 30, 2023 and 2022.

The following table summarizes the contract assets and liabilities, and accounts receivable, net of allowance recognized on the Company's condensed consolidated balance sheets:

	September 30, 2023	March 31, 2023
<b>Current assets</b>		
Accounts receivable–billed	\$ 678,241	\$ 551,666
Accounts receivable–unbilled (contract assets)	1,331,785	1,223,482
Allowance for credit losses	(179)	(318)
Accounts receivable, net	2,009,847	1,774,830
<b>Other long-term assets</b>		
Accounts receivable–unbilled (contract assets)	59,653	59,455
Total accounts receivable, net	\$ 2,069,500	\$ 1,834,285
<b>Other current liabilities</b>		
Advance payments, billings in excess of costs incurred and deferred revenue (contract liabilities)	\$ 14,918	\$ 18,995

Changes in contract assets and contract liabilities are primarily due to the timing difference between the Company's performance of services and payments from customers. For the three months ended September 30, 2023 and 2022, we recognized revenue of \$1.7 million and \$3.7 million, respectively, and for the six months ended September 30, 2023 and 2022, we recognized revenue of \$16.2 million and \$20.0 million, respectively, related to our contract liabilities on April 1, 2023 and 2022, respectively. To determine revenue recognized from contract liabilities during the reporting periods, the Company allocates revenue to individual contract liability balances and applies revenue recognized during the reporting periods first to the beginning balances of contract liabilities until the revenue exceeds the balances.

#### 4. Earnings Per Share

The Company computes basic and diluted earnings per share amounts based on net income attributable to common stockholders for the periods presented. The Company uses the weighted average number of shares of common stock outstanding during the period to calculate basic earnings per share, or EPS. Diluted EPS adjusts the weighted average number of shares outstanding to include the dilutive effect of outstanding common stock options and other stock-based awards.

The Company currently has outstanding shares of Class A Common Stock. Holders of unvested Class A Restricted Common Stock are entitled to participate in non-forfeitable dividends or other distributions ("participating securities"). These unvested restricted shares participated in the Company's dividends declared and paid in the second quarter of fiscal 2024 and 2023. As such, EPS is calculated using the two-class method whereby earnings are reduced by distributed earnings as well as any available undistributed earnings allocable to holders of these unvested restricted shares. A reconciliation of the income used to compute basic and diluted EPS for the periods presented are as follows:

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	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
<b>Numerator<sup>(1)</sup>:</b>				
Earnings for basic computations	\$ 169,277	\$ 169,543	\$ 329,428	\$ 306,933
Earnings for diluted computations	\$ 169,280	\$ 169,546	\$ 329,434	\$ 306,939
<b>Denominator:</b>				
Weighted-average common stock shares outstanding, basic	130,792,215	132,266,373	130,913,026	132,317,689
Dilutive stock options and restricted stock	340,930	462,872	424,887	551,452
Weighted-average common stock shares outstanding, diluted <sup>(2)</sup>	131,133,145	132,729,245	131,337,913	132,869,141
<b>Earnings per common share:</b>				
Basic	\$ 1.29	\$ 1.28	\$ 2.52	\$ 2.32
Diluted <sup>(2)</sup>	\$ 1.29	\$ 1.28	\$ 2.51	\$ 2.31

<sup>(1)</sup> The difference between earnings for basic and diluted computations and net income presented on the condensed consolidated statements of operations is due to undistributed earnings and dividends allocated to the participating securities. There were approximately 1.1 million of participating securities for the three months ended September 30, 2023 and 2022, respectively, and 1.1 million and 1.0 million shares of participating securities for the six months ended September 30, 2023 and 2022, respectively.

<sup>(2)</sup> The impact of anti-dilutive options excluded from the calculation of EPS was not material during the periods presented.

## 5. Acquisition, Goodwill and Intangible Assets

### Acquisition

On October 14, 2022, the Company completed the acquisition of EverWatch Corp. (“EverWatch”), a leading provider of advanced solutions to the defense and intelligence communities for approximately \$445.1 million, net of post-closing adjustments and incurred transaction costs as part of the acquisition. The acquisition was funded with cash on hand. As a result of the transaction, EverWatch became a wholly owned subsidiary of Booz Allen Hamilton Inc.

The Company recognized \$108.6 million of intangible assets which consists primarily of contract assets and were valued using the excess earnings method discounted cash flow approach, incorporating Level 3 inputs as described under the fair value hierarchy of Topic 820. These unobservable inputs reflect the Company’s own judgment about which assumptions market participants would use in pricing an asset on a non-recurring basis. The intangible assets are being amortized over the estimated useful life of 14 years. The goodwill of \$330.9 million is primarily attributable to EverWatch’s specialized workforce and the expected synergies between the Company and EverWatch, and is non-deductible for tax purposes.

The following table summarizes the consideration and the allocation of the purchase price paid for EverWatch:

Cash consideration (gross of cash acquired)	\$ 445,074
<b>Purchase price allocation:</b>	
Cash	4,779
Current assets	27,725
Operating lease right-of-use asset	7,894
Other long-term assets	5,078
Intangible assets	108,600
Deferred tax liabilities	(20,394)
Current liabilities	(11,612)
Operating lease liabilities - short-term	(1,362)
Operating lease liabilities - long-term	(6,532)
<b>Total fair value of identifiable net assets acquired</b>	<b>\$ 114,176</b>
<b>Goodwill</b>	<b>\$ 330,898</b>

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The acquisition was accounted for under the acquisition method of accounting, which requires the total acquisition consideration to be allocated to the assets acquired and liabilities assumed based on an estimate of the acquisition date fair value, with the difference reflected in goodwill. During the first quarter of fiscal 2024, the Company completed the determination of fair values of the acquired assets and liabilities assumed. Pro forma results of operations for this acquisition are not presented because the acquisition is not material to the Company's consolidated results of operations.

**Goodwill**

As of September 30, 2023 and March 31, 2023, goodwill was \$2,343.8 million and \$2,338.4 million, respectively. The \$5.4 million increase in the carrying amount of goodwill was attributable the Company's finalization of the accounting for the acquisition of EverWatch.

**Intangible Assets**

Intangible assets consisted of the following:

	September 30, 2023			March 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
<b>Amortizable intangible assets:</b>						
Programs and contract assets, channel relationships, and other amortizable intangible assets	\$ 591,894	\$ 203,365	\$ 388,529	\$ 599,794	\$ 169,316	\$ 430,478
Software	141,301	82,243	59,058	134,152	69,215	64,937
<b>Total amortizable intangible assets</b>	<b>\$ 733,195</b>	<b>\$ 285,608</b>	<b>\$ 447,587</b>	<b>\$ 733,946</b>	<b>\$ 238,531</b>	<b>\$ 495,415</b>
<b>Unamortizable intangible assets:</b>						
Trade name	\$ 190,200	\$ —	\$ 190,200	\$ 190,200	\$ —	\$ 190,200
<b>Total</b>	<b>\$ 923,395</b>	<b>\$ 285,608</b>	<b>\$ 637,787</b>	<b>\$ 924,146</b>	<b>\$ 238,531</b>	<b>\$ 685,615</b>

The decrease in the gross carrying value of intangible assets was primarily attributable to a \$7.9 million adjustment related to the Company's finalization of the accounting for the acquisition of EverWatch in the first quarter of fiscal 2024.

**6. Accounts Payable and Other Accrued Expenses**

Accounts payable and other accrued expenses consisted of the following:

	September 30, 2023	March 31, 2023
Vendor payables	\$ 603,188	\$ 597,808
Accrued expenses	453,181	718,832
<b>Total accounts payable and other accrued expenses</b>	<b>\$ 1,056,369</b>	<b>\$ 1,316,640</b>

Accrued expenses consisted primarily of the Company's provision for claimed indirect costs (approximately \$328.9 million and \$326.7 million as of September 30, 2023 and March 31, 2023, respectively). Accrued expenses at March 31, 2023 also included a \$350.0 million reserve associated with the settlement of the U.S. Department of Justice's investigation of the Company which was subsequently settled and paid in the second quarter of fiscal 2024. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further discussion of these items.

**7. Accrued Compensation and Benefits**

Accrued compensation and benefits consisted of the following:

	September 30, 2023	March 31, 2023
Bonus	\$ 64,810	\$ 120,023
Retirement	100,203	52,480
Vacation	217,421	203,627
Other	53,142	69,075
<b>Total accrued compensation and benefits</b>	<b>\$ 435,576</b>	<b>\$ 445,205</b>

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**8. Debt**

Debt consisted of the following:

	September 30, 2023		March 31, 2023	
	Interest Rate	Outstanding Balance	Interest Rate	Outstanding Balance
Term Loan A	6.67 %	\$ 1,608,750	5.97 %	\$ 1,629,375
Senior Notes due 2028	3.88 %	700,000	3.88 %	700,000
Senior Notes due 2029	4.00 %	500,000	4.00 %	500,000
Senior Notes due 2033	5.95 %	650,000		—
Less: Unamortized debt issuance costs and discount on debt		(28,348)		(17,230)
Total		3,430,402		2,812,145
Less: Current portion of long-term debt		(41,250)		(41,250)
Long-term debt, net of current portion		<u>\$ 3,389,152</u>		<u>\$ 2,770,895</u>

**Credit Agreement**

Booz Allen Hamilton Inc. (“Booz Allen Hamilton”), Booz Allen Hamilton Investor Corporation (“Investor”), and certain wholly owned subsidiaries of Booz Allen Hamilton are parties to a Credit Agreement dated as of July 31, 2012, as amended (the “Credit Agreement”), with certain institutional lenders and Bank of America, N.A., as Administrative Agent, Collateral Agent and Issuing Lender. As of September 30, 2023, the Credit Agreement provided Booz Allen Hamilton with a \$1,608.8 million Term Loan A (“Term Loan A”) and a \$1.0 billion revolving credit facility (the “Revolving Credit Facility”), with a sub-limit for letters of credit of \$200.0 million. As of September 30, 2023, the maturity date of the Term Loan A and the Revolving Commitments is September 7, 2027. Voluntary prepayments of the Term Loan A and the Revolving Loans are permitted at any time, in minimum principal amounts, without premium or penalty. Booz Allen Hamilton’s obligations and the guarantors’ guarantees under the Credit Agreement were secured by a first priority lien on substantially all of the assets (including capital stock of subsidiaries) of Booz Allen Hamilton, Investor and the subsidiary guarantors, subject to certain exceptions set forth in the Credit Agreement and related documentation; such security was released in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody’s and S&P. On September 7, 2022 (the “Ninth Amendment Effective Date”), the previously outstanding Term Loan B loans under the Credit Agreement were prepaid in full.

On July 27, 2023 (the “Tenth Amendment Effective Date”), Booz Allen Hamilton entered into a Tenth Amendment (the “Amendment”) to the Credit Agreement (as amended prior to the Tenth Amendment Effective Date, the “Existing Credit Agreement” and, as amended by the Amendment, the “Amended Credit Agreement”) with Bank of America, N.A., as administrative agent (in such capacity, the “Administrative Agent”), and the lenders and other financial institutions party thereto, in order to make permanent certain changes to the Existing Credit Agreement in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody’s and S&P and prepaying the Term Loan B loans in full and to make certain additional changes in connection therewith, including, among other things, (i) removing the requirements for the obligations under the Amended Credit Agreement to be secured, (ii) removing the requirement for any subsidiary or other affiliate of Booz Allen Hamilton (other than the Company) to provide any guarantee of the obligations under the Amended Credit Agreement, and (iii) removing or modifying certain covenants applicable to Booz Allen Hamilton. Pursuant to the Amendment, all guarantees in respect of the Existing Credit Agreement have been released. The Amendment did not impact any of the terms of the Credit Agreement related to amortization or payments.

On the Tenth Amendment Effective Date in connection with the Amendment, the Company entered into a Guarantee Agreement (the “Guarantee Agreement”) in favor of the Administrative Agent, pursuant to which the Company guarantees on an unsecured basis the obligations of Booz Allen Hamilton under the Amended Credit Agreement subject to certain conditions. Pursuant to the Amended Credit Agreement Booz Allen Hamilton has the option, though not any obligation, to join one or more of its domestic subsidiaries as a guarantor under the Guarantee Agreement.

The Term Loan A amortizes in consecutive quarterly installments in an amount equal to (i) on the last business day of each full fiscal quarter that begins after the Ninth Amendment Effective Date but on or before the two year anniversary of the Ninth Amendment Effective Date, 0.625% of the stated principal amount of the Term Loan A and (ii) on the last business day of each full fiscal quarter that begins after the two year anniversary of the Ninth Amendment Effective Date but before the five year anniversary of the Ninth Amendment Effective Date, 1.25% of the stated principal amount of the Term Loan A. The remaining balance of the Term Loan A will be payable upon maturity.

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The rate at which the Term Loan A and the Revolving Loans bear interest is based, at Booz Allen Hamilton's option, either on Term SOFR (subject to a 0.10% adjustment and a floor of zero) for the applicable interest period or a base rate (equal to the highest of (i) the administrative agent's prime corporate rate, (ii) the overnight federal funds rate plus 0.50% and (iii) three-month Term SOFR (subject to a 0.10% adjustment and a floor of zero) plus 1.00%), in each case plus an applicable margin, payable at the end of the applicable interest period and in any event at least quarterly. The applicable margin for the Term Loan A and the Revolving Loans ranges from 1.00% to 2.00% for Term SOFR loans and zero to 1.00% for base rate loans, in each case based on the lower of (i) the applicable rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable rate per annum determined pursuant to a ratings grid. Unused Revolving Commitments are subject to a quarterly fee ranging from 0.10% to 0.35% based on the lower of (i) the applicable fee rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable fee rate per annum determined pursuant to a ratings grid. Booz Allen Hamilton has also agreed to pay customary letter of credit and agency fees.

The Company occasionally borrows under the Revolving Credit Facility for our working capital needs. During the first and second quarters of fiscal 2024, we borrowed \$500.0 million on our Revolving Credit Facility for our working capital needs, which was subsequently repaid in the second quarter of fiscal 2024. As of March 31, 2023 and September 30, 2023, respectively, there was no outstanding balance on the Revolving Credit Facility.

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. In addition, Booz Allen Hamilton is required to meet a financial covenant at each quarter end based on a consolidated net total leverage ratio. As of September 30, 2023 and March 31, 2023, Booz Allen Hamilton was in compliance with all financial covenants associated with its debt and debt-like instruments. In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, activities restricted by certain negative covenants are permitted subject to pro forma compliance with the financial covenants and no events of default having occurred and continuing.

The following table summarizes interest payments made on the Company's term loans:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Term Loan A	\$ 27,007	\$ 7,846	\$ 53,098	\$ 14,165
Term Loan B	\$ —	\$ 2,793	\$ —	\$ 5,209
Total	\$ 27,007	\$ 10,639	\$ 53,098	\$ 19,374

Borrowings under the Term Loan A, and if used, the Revolving Credit Facility, incur interest at a variable rate. As of September 30, 2023, Booz Allen Hamilton had interest rate swaps with an aggregate notional amount of \$550.0 million. These instruments hedge the variability of cash outflows for interest payments on the Term Loans and Revolving Credit Facility. The Company's objectives in using cash flow hedges are to reduce volatility due to interest rate movements and to add stability to interest expense (See Note 9, "Derivatives," to our condensed consolidated financial statements).

#### Senior Notes

For information on the terms, conditions, and restrictions of Booz Allen Hamilton's 4.000% Senior Notes due July 1, 2029 (the "Senior Notes due 2029") and 3.875% Senior Notes due September 1, 2028 (the "Senior Notes due 2028"), see Note 10, "Debt," of the Company's consolidated financial statements included in the fiscal 2023 Annual Report on Form 10-K.

In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, certain negative covenants in the indentures governing the Senior Notes were suspended, and guarantees of the Senior Notes were released.

On August 4, 2023, Booz Allen Hamilton completed an offering of \$650.0 million aggregate principal amount of its 5.950% senior unsecured notes due August 4, 2033 (the "Senior Notes due 2033", and, together with the Senior Notes due 2028 and Senior Notes due 2029, the "Senior Notes"). The Senior Notes due 2033 were issued pursuant to an Indenture, dated as of August 4, 2023 (the "Base Indenture"), among Booz Allen Hamilton, Booz Allen Hamilton Holding Corporation, and U.S. Bank Trust Company, National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of August 4, 2023 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). The Indenture contains certain covenants, events of default, and other customary provisions. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by Booz Allen Hamilton Holding Corporation, pursuant to the Indenture.

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**Interest Expense**

Interest on debt and debt-like instruments consisted of the following:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
	(In thousands)		(In thousands)	
Term Loan A Interest Expense	27,312	12,118	53,415	18,477
Term Loan B Interest Expense	—	2,757	—	5,186
Revolving Credit Facility Interest Expense	1,420	—	1,438	—
Senior Notes Interest Expense	18,012	11,781	29,793	23,562
Amortization of Debt Issuance Cost (DIC) and Original Issue Discount (OID)	1,218	1,126	2,245	2,287
Interest Swap (Income) Expense	(3,702)	397	(7,271)	3,228
Other	496	163	610	257
<b>Total Interest Expense</b>	<b>\$ 44,756</b>	<b>\$ 28,342</b>	<b>\$ 80,230</b>	<b>\$ 52,997</b>

<sup>(1)</sup> DIC and OID on the Term Loans and senior notes are recorded as a reduction of long-term debt in the condensed consolidated balance sheet and are amortized ratably over the life of the related debt using the effective rate method. DIC on the Revolving Credit Facility is recorded as a long-term asset on the condensed consolidated balance sheet and amortized ratably over the term of the Revolving Credit Facility.

**9. Derivatives**

The Company utilizes derivative financial instruments to manage interest rate risk related to its variable rate debt. The Company's objectives in using these interest rate derivatives, which were designated as cash flow hedges, are to manage its exposure to interest rate movements and reduce volatility of interest expense.

The following table summarizes the material terms of the Company's outstanding interest rate swap derivative contracts as of September 30, 2023:

Effective Date	Maturity Date	Terms	Notional Amount
April 28, 2023 <sup>(1)</sup>	June 30, 2024	Variable to Fixed	\$ 200,000
April 28, 2023 <sup>(1)</sup>	June 30, 2025	Variable to Fixed	200,000
June 30, 2023	June 30, 2026	Variable to Fixed	150,000
Total \$			550,000

<sup>(1)</sup> Swap agreements were originally effective on April 30, 2019 and were amended during the first quarter of fiscal 2024 to transition from LIBOR-indexed to term SOFR-indexed periodic swap payments to align with interest payments in connection with its term SOFR-indexed debt. See Note 2, "Basis of Presentation," to the condensed consolidated financial statements for further information on the transition.

The floating-to-fixed interest rate swaps involve the exchange of variable interest amounts from a counterparty for the Company making fixed-rate interest payments over the life of the agreements without exchange of the underlying notional amount and effectively convert a portion of the variable rate debt into fixed interest rate debt.

Derivative instruments are recorded in the condensed consolidated balance sheet on a gross basis at estimated fair value. As of September 30, 2023, \$13.2 million and \$4.7 million, were classified as other current assets and other long-term assets, respectively, on the condensed consolidated balance sheet. As of March 31, 2023, \$11.2 million, \$3.5 million and \$1.4 million were classified as other current assets, other long-term assets and other long-term liabilities, respectively, on the condensed consolidated balance sheet.

For interest rate swaps designated as cash flow hedges, the changes in the fair value of derivatives are recorded in Accumulated Other Comprehensive Income, or AOCI, net of taxes, and is subsequently reclassified into interest expense, net in the period that the hedged forecasted interest payments are made on the Company's variable-rate debt. The effect of derivative instruments on the accompanying condensed consolidated financial statements for the three and six months ended September 30, 2023 and 2022 is as follows:

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Derivatives in Cash Flow Hedging Relationships	Location of Gain or Loss Recognized in Income on Derivatives	Three Months Ended September 30,			
		Amount of Pre-Tax Gain Recognized in AOCI on Derivatives		Amount of Pre-Tax Gain or (Loss) Reclassified from AOCI into Income <sup>(1)</sup>	
		2023	2022	2023	2022
Interest rate swaps	Interest income (expense)	\$ 3,173	\$ 10,173	\$ 3,702	\$ (388)

<sup>(1)</sup> The reclassifications from accumulated other comprehensive income to net income were reduced by tax (expense) benefit of (\$1.0 million) and \$0.1 million for the three months ended September 30, 2023 and 2022, respectively.

Derivatives in Cash Flow Hedging Relationships	Location of Gain or Loss Recognized in Income on Derivatives	Six Months Ended September 30,			
		Amount of Pre-Tax Gain or (Loss) Recognized in AOCL on Derivatives		Amount of Pre-Tax Gain or (Loss) Reclassified from AOCL into Income <sup>(2)</sup>	
		2023	2022	2023	2022
Interest rate swaps	Interest income (expense)	\$ 11,772	\$ 15,139	\$ 7,271	\$ (3,219)

<sup>(2)</sup> The reclassifications from accumulated other comprehensive loss to net income was reduced by tax (expense) benefit of (\$1.9 million) and \$0.8 million for the six months ended September 30, 2023 and 2022, respectively.

Over the next 12 months, the Company estimates that \$13.2 million will be reclassified as a decrease to interest expense. Cash flows associated with periodic settlements of interest rate swaps will be classified as operating activities in the condensed consolidated statement of cash flows.

The Company is subject to counterparty risk in connection with its interest rate swap derivative contracts. Credit risk related to a derivative financial instrument represents the possibility that the counterparty will not fulfill the terms of the contract. The Company mitigates this credit risk by entering into agreements with credit-worthy counterparties and regularly reviews its credit exposure and the creditworthiness of the counterparties.

#### 10. Income Taxes

The Company's effective income tax rates were 24.4% and 23.1% for the three months ended September 30, 2023 and 2022, respectively, and 22.2% and 23.1% for the six months ended September 30, 2023 and 2022, respectively. Our effective tax rates for these periods differ from the federal statutory rate of 21.0% primarily due to the inclusion of state and foreign income taxes and permanent rate differences, which are predominantly related to certain executive compensation and the accrual of reserves for uncertain tax positions, offset by research and development tax credits, excess tax benefits for employee share-based compensation, and the Foreign Derived Intangible Income deduction.

The Company is currently contesting tax assessments from the District of Columbia Office of Tax and Revenue ("DC OTR") for fiscal years 2013 through 2015. The assessment relates to \$11.7 million of taxes, net of federal tax benefits, as of September 30, 2023.

During fiscal 2022, the Company received notification that the District of Columbia Office of Administrative Hearings ruled in favor of the DC OTR. The Company is currently appealing the decision with the District of Columbia Court of Appeals. The Company intends to continue to vigorously defend this matter. Oral arguments occurred on September 26, 2023 and the Company continues to wait on further developments from the court.

The Company has taken similar tax positions with respect to subsequent fiscal years. As of September 30, 2023, the Company does not maintain reserves for any uncertain tax positions related to the contested tax benefits related to 2013 through 2015, nor does it maintain reserves for the similar tax positions taken in the subsequent fiscal years. Management continues to evaluate this position quarterly to determine if a change in estimate is needed. If an adverse final resolution were to occur with respect to the contested tax benefits or the similar tax positions taken for fiscal years 2013 through 2020, the total potential future tax expense that would arise would be approximately \$40.4 million to \$64.3 million, net of federal benefit.

During fiscal 2024, the Company expects to recognize an increase in reserves for uncertain tax positions related to an increase in research and development tax credits available, as in prior years, and the required capitalization of research and development expenditures which began in fiscal 2023. The unrecognized tax benefits related to the capitalization of research and development expenditures is expected to be offset by a deferred tax asset.

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**Tax Receivables and Payables**

The Company has both income tax receivables and income tax payable on its condensed consolidated balance sheets as follows:

	September 30, 2023	March 31, 2023
Current income tax receivable	24,031	23,633
Long term income tax receivable	167,821	167,821
Current income tax payable	6,668	14,523

Current income tax payable represents current liabilities associated with the Company's current tax returns that the Company intends to file in fiscal 2024 and fiscal 2025. This amount is classified as other current liabilities on the condensed consolidated balance sheets.

The long-term income tax receivable primarily represents the amended U.S. federal return refund claims for research and development tax credits and the carryback claim for the fiscal 2021 net operating loss which is classified as other long-term assets on the condensed consolidated balance sheet. The Company is currently under federal audit by the IRS for fiscal years 2016, 2017 and 2019-2021 and the receipt of our U.S federal return refund claims is contingent upon the completion of the ongoing IRS audits.

**11. Employee Benefit Plans**

The Company sponsors the Employees' Capital Accumulation Plan (the "ECAP") which is a qualified defined contribution plan that covers eligible U.S. and certain international employees. The ECAP provides for distributions to participants by reason of retirement, death, disability, or termination of employment. The Company provides an annual matching contribution of up to 6% of eligible annual compensation. Total expenses recognized for matching contributions under the ECAP were \$53.6 million and \$45.9 million for the three months ended September 30, 2023 and 2022, respectively, and \$108.1 million and \$92.1 million for the six months ended September 30, 2023 and 2022, respectively.

The Company also provides post-retirement healthcare benefits to former officers under a medical indemnity insurance plan, with premiums paid by the Company. As of September 30, 2023 and March 31, 2023, the unfunded status of the post-retirement medical plan was \$107.1 million and \$105.6 million, respectively, which is included in other long-term liabilities in the accompanying condensed consolidated balance sheets. Balance sheet and income statement impacts of any remaining benefit plans are immaterial for all periods presented in these condensed consolidated financial statements.

**12. Accumulated Other Comprehensive Income**

All amounts recorded in other comprehensive income are related to the Company's post-retirement plans and interest rate swaps designated as cash flow hedges. The following table shows the changes in accumulated other comprehensive loss, net of tax:

	Three Months Ended September 30, 2023			Six Months Ended September 30, 2023		
	Post-retirement plans	Derivatives designated as cash flow hedges	Totals	Post-retirement plans	Derivatives designated as cash flow hedges	Totals
Beginning of period	\$ 19,067	\$ 13,624	\$ 32,691	\$ 19,450	\$ 9,883	\$ 29,333
Other comprehensive income before reclassifications <sup>(1)</sup>	—	2,344	2,344	—	8,700	8,700
Amounts reclassified from accumulated other comprehensive income	(383)	(2,760)	(3,143)	(766)	(5,375)	(6,141)
Net current-period other comprehensive (loss) income	(383)	(416)	(799)	(766)	3,325	2,559
End of period	\$ 18,684	\$ 13,208	\$ 31,892	\$ 18,684	\$ 13,208	\$ 31,892

<sup>(1)</sup> Changes in other comprehensive income before reclassification for derivatives designated as cash flow hedges are recorded net of tax expense of \$0.8 million and \$3.1 million for the three and six months ended September 30, 2023, respectively. The tax impact of other comprehensive income before reclassification for post-retirement plans for the three and six months ended September 30, 2023 was immaterial.

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	Three Months Ended September 30, 2022			Six Months Ended September 30, 2022		
	Post-retirement plans	Derivatives designated as cash flow hedges	Totals	Post-retirement plans	Derivatives designated as cash flow hedges	Totals
Beginning of period	\$ 8,809	\$ 5,533	\$ 14,342	\$ 8,811	\$ (226)	\$ 8,585
Other comprehensive income before reclassifications <sup>(2)</sup>	—	7,514	7,514	(1)	11,181	11,180
Amounts reclassified from accumulated other comprehensive income (loss)	(2)	287	285	(3)	2,379	2,376
Net current-period other comprehensive (loss) income	(2)	7,801	7,799	(4)	13,560	13,556
End of period	<u>\$ 8,807</u>	<u>\$ 13,334</u>	<u>\$ 22,141</u>	<u>\$ 8,807</u>	<u>\$ 13,334</u>	<u>\$ 22,141</u>

<sup>(2)</sup> Changes in other comprehensive income before reclassification for derivatives designated as cash flow hedges are recorded net of tax expense of \$2.7 million and \$4.0 million for the three and six months ended September 30, 2022. The tax impact of other comprehensive income before reclassification for post-retirement plans for the three and six months ended September 30, 2022 was immaterial.

### 13. Stock-Based Compensation

The following table summarizes stock-based compensation expense recognized in the condensed consolidated statements of operations:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Cost of revenue	\$ 9,038	\$ 9,654	\$ 16,952	\$ 17,136
General and administrative expenses	10,787	8,872	20,558	15,086
Total	<u>\$ 19,825</u>	<u>\$ 18,526</u>	<u>\$ 37,510</u>	<u>\$ 32,222</u>

The following table summarizes the total stock-based compensation expense recognized in the condensed consolidated statements of operations by the following types of equity awards, including stock options, time-based and performance-based restricted stock awards. Compensation expense for performance-based awards is estimated at each reporting date using management's expectation of the probable achievement of the specified performance criteria of each tranche during the respective performance periods:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Equity Incentive Plan Options	\$ 374	\$ 681	\$ 694	\$ 1,233
Restricted Stock and other awards	19,451	17,845	36,816	30,989
Total	<u>\$ 19,825</u>	<u>\$ 18,526</u>	<u>\$ 37,510</u>	<u>\$ 32,222</u>

As of September 30, 2023, there was \$95.1 million of total unrecognized compensation cost related to unvested stock-based compensation agreements. The unrecognized compensation cost as of September 30, 2023 is expected to be fully amortized over the next 4.00 years. Absent the effect of forfeiture or acceleration of stock compensation cost for any departures of employees, the following table summarizes the unrecognized compensation cost and the weighted-average period the cost is expected to be amortized:

	September 30, 2023	
	Unrecognized Compensation Cost	Weighted Average Remaining Period to be Recognized (in years)
Equity Incentive Plan Options	\$ 2,420	3.17
Restricted Stock Awards	92,693	1.89
Total	<u>\$ 95,113</u>	

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**Equity Incentive Plan**

As of September 30, 2023, there were 0.8 million EIP options outstanding, of which 0.3 million were unvested.

During the three and six months ended September 30, 2023, the Board of Directors granted 0.1 million and 0.9 million, respectively, time-based and performance-based restricted stock units to certain employees of the Company. The aggregate value of these awards was \$7.0 million and \$79.3 million for each respective period based on the grant date fair value. The performance-based awards granted during the six months ended September 30, 2023 included additional market conditions related to the Company's total shareholder return relative to its peer group over the three-year performance period. The Company recognizes compensation expense for these performance-based awards with market conditions based on the grant-date fair value calculated using a Monte Carlo model.

**14. Fair Value Measurements**

The accounting standard for fair value measurements establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: observable inputs such as quoted prices in active markets (Level 1); inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2); and unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions (Level 3).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The financial instruments measured at fair value in the accompanying condensed consolidated balance sheets consist of the following:

	<b>Recurring Fair Value Measurements as of September 30, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Current derivative instruments <sup>(2)</sup>	\$ —	\$ 13,183	\$ —	\$ 13,183
Long-term derivative instruments <sup>(2)</sup>	—	4,725	—	4,725
Long-term deferred compensation plan asset <sup>(1)</sup>	26,067	—	—	26,067
<b>Total Assets</b>	<b>\$ 26,067</b>	<b>\$ 17,908</b>	<b>\$ —</b>	<b>\$ 43,975</b>
<b>Liabilities:</b>				
Long-term deferred compensation plan liability <sup>(1)</sup>	26,067	—	—	26,067
<b>Total Liabilities</b>	<b>\$ 26,067</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 26,067</b>

	<b>Recurring Fair Value Measurements as of March 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Current derivative instruments <sup>(2)</sup>	\$ —	\$ 11,245	\$ —	\$ 11,245
Long-term derivative instruments <sup>(2)</sup>	—	3,530	—	3,530
Long-term deferred compensation plan asset <sup>(1)</sup>	20,090	—	—	20,090
<b>Total Assets</b>	<b>\$ 20,090</b>	<b>\$ 14,775</b>	<b>\$ —</b>	<b>\$ 34,865</b>
<b>Liabilities:</b>				
Long-term derivative instruments <sup>(2)</sup>	—	1,369	—	1,369
Long-term deferred compensation plan liability <sup>(1)</sup>	20,090	—	—	20,090
<b>Total Liabilities</b>	<b>\$ 20,090</b>	<b>\$ 1,369</b>	<b>\$ —</b>	<b>\$ 21,459</b>

<sup>(1)</sup> Investments in this category consist primarily of mutual funds whose fair values are determined by reference to the quoted market price per unit in active markets multiplied by the number of units held without consideration of transaction costs. These assets and liabilities represent investments held in a consolidated trust to fund the Company's non-qualified deferred compensation plan and are recorded in other long-term assets and other long-term liabilities on our condensed consolidated balance sheets.

<sup>(2)</sup> The Company's interest rate swaps are considered over-the-counter derivatives and fair value is estimated based on the present value of future cash flows using a model-derived valuation that uses Level 2 observable inputs such as interest rate yield curves. See Note 9, "Derivatives," to the condensed consolidated financial statements for further discussion on the Company's derivative instruments designated as cash flow hedges.

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We did not have any material items that were measured at fair value on a non-recurring basis as of September 30, 2023, with the exception of the assets and liabilities acquired through our acquisitions (see Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements).

The fair value of the Company's cash and cash equivalents, which are Level 1 inputs, approximated its carrying value at September 30, 2023 and March 31, 2023. The Company's cash and cash equivalent balances presented on the accompanying condensed consolidated balance sheets include \$286.3 million and \$237.8 million of marketable securities in money market funds as of September 30, 2023 and March 31, 2023, respectively.

The Company's long-term debt is carried at amortized cost and is measured at fair value quarterly for disclosure purposes. The estimated fair values are determined using quoted prices or other market information obtained from recent trading activity of the debt in markets that are not active (Level 2 inputs). The fair value is corroborated by prices derived from the interest rate spreads of recently completed leveraged loan transactions of a similar credit profile, industry, and terms to that of the Company. The fair value of the Senior Notes are determined using quoted prices or other market information obtained from recent trading activity in the high-yield bond market (Level 2 inputs). The carrying amount and estimated fair value of long-term debt consists of the following:

	September 30, 2023		March 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Term Loan A	\$ 1,608,750	\$ 1,588,641	\$ 1,629,375	\$ 1,600,861
3.88% Senior Notes due 2028	700,000	626,976	700,000	638,540
4.00% Senior Notes due 2029	500,000	442,195	500,000	451,930
5.95% Senior Notes due 2033	650,000	631,781	—	—

## 15. Commitments and Contingencies

### *Letters of Credit and Third-Party Guarantees*

As of September 30, 2023 and March 31, 2023, the Company was contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties that totaled \$4.4 million and \$6.1 million, respectively. These letters of credit and bank guarantees primarily support insurance and bid and performance obligations. At both September 30, 2023 and March 31, 2023, approximately \$1.3 million of these instruments reduced the available borrowings under the Revolving Credit Facility. The remainder is guaranteed under a separate \$7.5 million facility of which \$4.4 million and \$2.7 million were available to the Company at September 30, 2023 and March 31, 2023, respectively.

### *Government Contracting Matters - Provision for Claimed Indirect Costs*

For the three months ended September 30, 2023 and 2022, approximately 99% and 97%, respectively, of the Company's revenue was generated from contracts where the end user was an agency or department of the U.S. government, including contracts where the Company performed either as a prime contractor or subcontractor, and regardless of the geographic location in which the work was performed. For the six months ended September 30, 2023 and 2022, approximately 98% and 97%, respectively, of the Company's revenue was generated from such contracts. As noted in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, in the ordinary course of business, agencies of the U.S. government, including the Defense Contract Audit Agency ("DCAA"), audit the Company's claimed indirect costs and conduct inquiries and investigations of our business practices with respect to government contracts to determine whether the Company's operations are conducted in accordance with these requirements and the terms of the relevant contracts. During the second quarter of fiscal 2024, DCAA issued their findings related to the audit of the Company's claimed indirect costs for fiscal 2022. Based upon DCAA's audit findings, the Company reduced a portion of its provision for claimed indirect costs related to fiscal 2022 by approximately \$18.3 million during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, to reflect our best estimate of the final indirect cost rates for fiscal 2022. Operating income for the three and six months ended September 30, 2023 was accordingly increased by \$18.3 million and net income was increased by \$13.5 million (or \$0.10 of basic and diluted earnings per common share for the three and six months ended September 30, 2023). Our final indirect cost rates for fiscal 2022 remain subject to negotiation with the Defense Contract Management Agency ("DCMA") Administrative Contracting Officer. Management believes it has recorded the appropriate provision for claimed indirect costs for any audit, inquiry, or investigation of which it is aware that may be subject to any reductions and/or penalties. As of September 30, 2023 and March 31, 2023, the Company had recorded liabilities of approximately \$328.9 million and \$326.7 million, respectively, for estimated adjustments to claimed indirect costs based on its historical DCAA audit results, including the final resolution of such audits with DCMA, for claimed indirect costs incurred subsequent to fiscal 2011, and for contracts not yet closed that are subject to audit and final resolution.

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**Litigation**

Our performance under U.S. government contracts and compliance with the terms of those contracts and applicable laws and regulations are subject to continuous audit, review, and investigation by the U.S. government, which may include such investigative techniques as subpoenas or civil investigative demands. Given the nature of our business, these audits, reviews, and investigations may focus, among other areas, on various aspects of procurement integrity, labor time reporting, sensitive and/or classified information access and control, executive compensation, and post government employment restrictions. We are not always aware of our status in such matters, but we are currently aware of certain pending audits and investigations involving labor time reporting, procurement integrity, and classified information access. In addition, from time to time, we are also involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with clients and contractors, intellectual property disputes, and other business matters. These legal proceedings seek various remedies, including claims for monetary damages in varying amounts, none of which are considered material, or are unspecified as to amount. Although the outcome of any such matter is inherently uncertain and may be materially adverse, based on current information, we do not expect any of the currently ongoing audits, reviews, investigations, or litigation to have a material adverse effect on our financial condition and results of operations. As of September 30, 2023 and March 31, 2023, there were no material amounts accrued in the condensed consolidated financial statements related to these proceedings. As previously disclosed in Note 20, "Commitments and Contingencies," to the consolidated financial statements of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, the Company is not able to reasonably estimate the expected amount or range of cost or any loss associated with these matters.

On June 7, 2017, Booz Allen Hamilton was informed that the U.S. Department of Justice ("DOJ") was conducting a civil and criminal investigation of the Company. In connection with the investigation, the DOJ requested information from the Company relating to certain elements of the Company's cost accounting and indirect cost charging practices with the U.S. government. The investigation resulted from a *qui tam* lawsuit filed on or about September 26, 2016 in the United States District Court for the District of Columbia pursuant to the *qui tam* provisions of the civil False Claims Act (the "Civil Action"), which lawsuit was under judicial seal until July 21, 2023. After learning of the investigation, the Company engaged a law firm experienced in these matters to represent the Company in connection with this matter and respond to the government's requests. As is commonly the case with this type of matter, the Company was also contacted by other regulatory agencies and bodies, including the SEC, which notified the Company that it was conducting an investigation that the Company believes related to the matters that were also the subject of the DOJ's investigation.

On May 12, 2021, the Company was informed that the DOJ closed its criminal investigation.

On July 21, 2023, the Company entered into a Settlement Agreement (the "Settlement Agreement") with the United States of America, acting through the DOJ and on behalf of the Department of Defense and Defense Contract Management Agency (collectively the "United States"), and Relator Sarah A. Feinberg, to resolve the DOJ's civil investigation and the Civil Action. The Company entered into the Settlement Agreement to avoid the delay, uncertainty and expense of protracted litigation. The Settlement Agreement contains no admission of liability by the Company.

Under the terms of the Settlement Agreement, the Company agreed to pay to the United States \$377.5 million (the "Settlement Amount"). The Company paid the Settlement Amount with cash on hand and by drawing on its revolving credit facility. As of June 30, 2023, the Company had recorded a \$377.5 million reserve relating to this investigation and had previously disclosed that it believed the range of reasonably possible loss in connection with the investigation to be between \$350 million and \$378 million. Following the United States' receipt of the Settlement Amount, the Company was released from any civil or administrative monetary claims under the civil False Claims Act and other specified civil statutes and common law theories of liability for certain elements of the Company's cost accounting and indirect cost charging practices from April 1, 2011 through March 31, 2021, and the claim brought in the Civil Action was dismissed with prejudice.

On July 27, 2023, the Company was informed that the SEC concluded its investigation without recommending an enforcement action.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, and liquidity and capital resources. You should read this discussion in conjunction with our condensed consolidated financial statements and the related notes contained elsewhere in this Quarterly Report on Form 10-Q, or Quarterly Report.

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 filed with the Securities and Exchange Commission on May 26, 2023, or Annual Report, and under Part II, “Item 1A. Risk Factors,” and “—Special Note Regarding Forward Looking Statements” of this Quarterly Report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Our fiscal year ends March 31 and, unless otherwise noted, references to years or fiscal are for fiscal years ended March 31. See “—Results of Operations.”

### Overview

Trusted to transform missions with the power of tomorrow’s technologies, Booz Allen advances the nation’s most critical civil, defense, and national security priorities. Our ability to deliver value to our clients has always been, and continues to be, a product of the strong character, expertise and tremendous passion of our people. Our approximately 33,100 employees work to solve hard problems by making clients’ missions their own, combining decades of consulting and domain expertise with functional expertise in areas such as analytics, digital solutions, engineering, and cyber, all fostered by a culture of innovation that extends to all reaches of the Company.

Through our dedication to our clients’ missions, and a commitment to evolving our business to address their needs, we have longstanding relationships with our clients, the longest of which is more than 80 years. We support critical missions for a diverse base of federal government clients, including nearly all of the U.S. government’s cabinet-level departments, as well as for commercial clients, both domestically and internationally. We support our federal government clients by helping them tackle their most complex and pressing challenges such as protecting soldiers in combat and supporting their families, advancing cyber capabilities, keeping our national infrastructure secure, enabling and enhancing digital services, transforming the healthcare system, and improving government efficiency to achieve better outcomes. We serve commercial clients across industries including financial services, health and life sciences, energy, and technology.

### Financial and Other Highlights

During the second quarter of fiscal 2024, the Company generated year over year revenue growth and increased client staff headcount.

Revenue increased 16.0% in the three months ended September 30, 2023 from the three months ended September 30, 2022 and increased 17.0% in the six months ended September 30, 2023 from the six months ended September 30, 2022. The increase was primarily driven by strong demand for our services and solutions as well as continued headcount growth. The increase in revenue over the year-to-date period also includes approximately \$69.9 million of contributions related to the acquisition of EverWatch Corp. (“EverWatch”), as well as an increase of \$18.3 million representing the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024. See Note 15, “Commitments and Contingencies,” to the condensed consolidated financial statements for further information.

Operating income increased 19.2% to \$267.0 million in the three months ended September 30, 2023 from \$223.9 million in the three months ended September 30, 2022 and operating margin increased from 9.7% in the prior year period to 10.0%. Operating income increased 16.3% to \$501.4 million in the six months ended September 30, 2023 from \$431.1 million in the six months ended September 30, 2022, which reflects a decrease in operating margin from 9.5% to 9.4%. Year-to-date margins were impacted by a \$27.5 million 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). Margin results reflect strong contract-level performance coupled with ongoing cost management efforts, but also reflect higher billable expenses.

## Non-GAAP Measures

We publicly disclose certain non-GAAP financial measurements, including 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 Earnings Per Share, or Adjusted Diluted EPS, because management uses these measures for business planning purposes, including to manage our business against internal projected results of operations and measure our performance. We view 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 our core operating business, which exclude the impact of the items detailed below, 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. In addition, 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. We also utilize and discuss Free Cash Flow because management uses this measure for business planning purposes, measuring the cash generating ability of the operating business, and measuring liquidity generally. We present these supplemental measures because we believe that these measures provide investors and securities analysts with important supplemental information with which to evaluate our performance, long-term earnings potential, or liquidity, as applicable, and to enable them to assess our performance on the same basis as management. These supplemental performance measurements may vary from and may not be comparable to similarly titled measures by other companies in our industry. Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, Adjusted Diluted EPS, and Free Cash Flow are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing our performance or liquidity, as applicable, investors should (i) evaluate each adjustment in our reconciliation of revenue to Revenue, Excluding Billable Expenses, operating income to Adjusted Operating Income, net income to Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income and Adjusted Diluted Earnings Per Share, and net cash provided by operating activities to Free Cash Flow, (ii) use Revenue, Excluding Billable Expenses, Adjusted Operating Income, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses, Adjusted Net Income, and Adjusted Diluted EPS in addition to, and not as an alternative to, revenue, operating income, net income or diluted EPS, as measures of operating results, each as defined under GAAP and (iii) use Free Cash Flow in addition to, and not as an alternative to, net cash provided by operating activities as a measure of liquidity, each as defined under GAAP. We have defined the aforementioned non-GAAP measures as follows:

- "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 the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, significant acquisition amortization, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements. 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 the change in provision for claimed indirect costs, acquisition and divestiture costs, financing transaction costs, and the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements. "Adjusted EBITDA Margin on Revenue" is calculated as Adjusted EBITDA divided by revenue. "Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses" is calculated as Adjusted EBITDA divided by Revenue, Excluding Billable Expenses. The Company prepares Adjusted EBITDA, Adjusted EBITDA Margin on Revenue, and Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses to eliminate the impact of items it does not consider indicative of ongoing operating performance due to their inherent unusual, extraordinary or non-recurring nature or because they result from an event of a similar nature.

- “Adjusted Net Income” represents net income attributable to common stockholders before: (i) the change in provision for claimed indirect costs (ii) acquisition and divestiture costs, (iii) financing transaction costs, (iv) significant acquisition amortization, (v) the reserve associated with the U.S. Department of Justice investigation disclosed in Note 15, “Commitments and Contingencies,” to the condensed consolidated financial statements, (vi) gains associated with divestitures or deconsolidation, and (vii) amortization and write-off of debt issuance costs and debt discount, in each case net of the tax effect where appropriate calculated using an assumed effective tax rate. 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 the condensed consolidated financial statements.
- “Free Cash Flow” represents the net cash generated from operating activities less the impact of purchases of property, equipment, and software.

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

(In thousands, except share and per share data)	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
<b>Revenue, Excluding Billable Expenses</b>				
Revenue	\$ 2,666,282	\$ 2,298,976	\$ 5,320,768	\$ 4,548,576
Less: Billable expenses	824,788	684,941	1,637,092	1,359,207
Revenue, Excluding Billable Expenses*	\$ 1,841,494	\$ 1,614,035	\$ 3,683,676	\$ 3,189,369
<b>Adjusted Operating Income</b>				
Operating income	\$ 266,989	\$ 223,921	\$ 501,407	\$ 431,116
Change in provision for claimed indirect costs (a)	(18,345)	—	(18,345)	—
Acquisition and divestiture costs (b)	260	15,932	3,528	21,025
Financing transaction costs (c)	820	6,888	820	6,888
Significant acquisition amortization (d)	13,596	11,087	26,704	22,174
Legal matter reserve (e)	—	—	27,453	—
Adjusted Operating Income	\$ 263,320	\$ 257,828	\$ 541,567	\$ 481,203
<b>EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin on Revenue &amp; Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses</b>				
Net income attributable to common stockholders	\$ 170,718	\$ 170,932	\$ 332,106	\$ 309,216
Income tax expense	55,071	51,258	94,551	92,747
Interest and other, net (f)	41,200	1,882	74,750	29,495
Depreciation and amortization	40,907	39,052	82,754	79,154
EBITDA	307,896	263,124	584,161	510,612
Change in provision for claimed indirect costs (a)	(18,345)	—	(18,345)	—
Acquisition and divestiture costs (b)	260	15,932	3,528	21,025
Financing transaction costs (c)	820	6,888	820	6,888
Legal matter reserve (e)	—	—	27,453	—
Adjusted EBITDA	\$ 290,631	\$ 285,944	\$ 597,617	\$ 538,525
Net income margin attributable to common stockholders	6.4%	7.4%	6.2%	6.8%
Adjusted EBITDA Margin on Revenue	10.9%	12.4%	11.2%	11.8%
Adjusted EBITDA Margin on Revenue, Excluding Billable Expenses	15.8%	17.7%	16.2%	16.9%

(In thousands, except share and per share data)	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
	(Unaudited)		(Unaudited)	
<b>Adjusted Net Income</b>				
Net income attributable to common stockholders	\$ 170,718	\$ 170,932	\$ 332,106	\$ 309,216
Change in provision for claimed indirect costs (a)	(18,345)	—	(18,345)	—
Acquisition and divestiture costs (b)	260	15,932	3,528	21,025
Financing transaction costs (b)	820	6,888	820	6,888
Significant acquisition amortization (d)	13,596	11,087	26,704	22,174
Legal matter reserve (e)	—	—	27,453	—
Gains associated with divestitures or deconsolidation (g)	—	(31,160)	—	(31,160)
Amortization and write-off of debt issuance costs and debt discount	1,106	4,177	1,888	5,000
Adjustments for tax effect (h)	988	(77)	(11,954)	(4,498)
Adjusted Net Income	\$ 169,143	\$ 177,779	\$ 362,200	\$ 328,645
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	131,133,145	132,729,245	131,337,913	132,869,141
Diluted earnings per share	\$ 1.29	\$ 1.28	\$ 2.51	\$ 2.31
Adjusted Net Income Per Diluted Share (i)	\$ 1.29	\$ 1.34	\$ 2.76	\$ 2.47
<b>Free Cash Flow</b>				
Net cash provided by (used in) operating activities	\$ (47,385)	\$ 272,726	\$ (118,917)	\$ 227,092
Less: Purchases of property, equipment and software	(16,948)	(16,000)	(27,436)	(29,734)
Free cash flow	\$ (64,333)	\$ 256,726	\$ (146,353)	\$ 197,358
Operating cash flow conversion	(28)%	160%	(36)%	73%
Free cash flow conversion	(38)%	144%	(40)%	60%

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

- (a) Represents the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024, which resulted in a corresponding increase to revenue, as a result of the Defense Contract Audit Agency's findings related to its audit of our claimed indirect costs for fiscal 2022. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information.
- (b) Represents costs associated with the acquisition efforts of the Company related to transactions for which the Company has entered into a letter of intent to acquire a controlling financial interest in the target entity, as well as the divestiture costs incurred in divesting a portion of our business. Acquisition and divestiture costs primarily include costs associated with (i) buy-side and sell-side due diligence activities, (ii) compensation expenses associated with employee retention, and (iii) legal and advisory fees, primarily associated with the acquisitions of Liberty IT Solutions, LLC ("Liberty") and Tracepoint Holdings, LLC ("Tracepoint") in fiscal 2022, and the acquisition of EverWatch Corp. ("EverWatch") and the divestitures of our management consulting business serving the Middle East and North Africa ("MENA") and our Managed Threat Services business ("MTS") in fiscal 2023. See Note 5, "Acquisition, Goodwill and Intangible Assets," to the condensed consolidated financial statements for further information.
- (c) Reflects expenses associated with debt financing activities incurred during the second quarters of fiscal 2024 and 2023.
- (d) Amortization expense associated with acquired intangibles from significant acquisitions. Significant acquisitions include acquisitions which the Company considers to be beyond the scope of our normal operations. Significant acquisition amortization includes amortization expense associated with the acquisition of Liberty in the second quarter of fiscal 2022 and EverWatch in the third quarter of fiscal 2023.
- (e) Reserve associated with the U.S. Department of Justice's investigation of the Company. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information.
- (f) Reflects the combination of Interest expense and Other income (expense), net from the condensed consolidated statement of operations.
- (g) Represents the gain recognized on the MENA divestiture.

- (h) Reflects the tax effect of adjustments at an assumed effective tax rate of 26%, which approximates the blended federal and state tax rates, and consistently excludes the impact of other tax credits and incentive benefits realized. The tax effect of certain discrete items is calculated specifically and may vary from the general 26% rate. The tax effect also includes the indirect effects of uncertainty around the application of Section 174 of the Tax Cuts and Jobs Act of 2017.
- (i) Excludes adjustments of approximately \$1.4 million and \$2.7 million of net earnings for the three and six months ended September 30, 2023, respectively, and approximately \$1.4 million and \$2.3 million of net earnings for the three and six months ended September 30, 2022, respectively, associated with the application of the two-class method for computing diluted earnings per share.

### **Factors and Trends Affecting Our Results of Operations**

Our results of operations have been, and we expect them to continue to be, affected by the following factors, which may cause our future results of operations to differ from our historical results of operations discussed under “- Results of Operations.”

#### ***Business Environment and Key Trends in Our Markets***

We believe that the following trends and developments in the U.S. government services industry and our markets may influence our future results of operations:

- uncertainty around the timing, extent, nature and effect of Congressional and other U.S. government actions to approve funding of the U.S. government, address budgetary constraints, including caps on the discretionary budget for defense and non-defense departments and agencies, as established by the Bipartisan Budget Control Act of 2011 (“BCA”) and subsequently adjusted by the American Taxpayer Relief Act of 2012, the Bipartisan Budget Act of 2013, the Bipartisan Budget Act of 2015, the Bipartisan Budget Act of 2018, and the Bipartisan Budget Act of 2019, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), and the Consolidated Appropriations Act of 2021, and address the ability of Congress to determine how to allocate the available budget authority and pass appropriations bills to fund both U.S. government departments and agencies that are, and those that are not, subject to the caps;
- budget deficits and the growing U.S. national debt increasing pressure on the U.S. government to reduce federal spending across all federal agencies together with associated uncertainty about the size and timing of those reductions;
- cost-cutting and efficiency initiatives, current and future budget restrictions, continued implementation of Congressionally mandated automatic spending cuts, and other efforts to reduce U.S. government spending could cause clients to reduce or delay funding for orders for services or invest appropriated funds on a less consistent or rapid basis or not at all, particularly when considering long-term initiatives and in light of current uncertainty around 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 generally in the current political environment, there is a risk that clients will not issue task orders in sufficient volume to reach current contract ceilings, alter historical patterns of contract awards, including the typical increase in the award of task orders or completion of other contract actions by the U.S. government in the period before the end of the U.S. government’s fiscal year on September 30, delay requests for new proposals and contract awards, rely on short-term extensions and funding of current contracts, or reduce staffing levels and hours of operation;
- delays in the completion of future U.S. government’s budget processes, which have in the past and could in the future delay procurement of the products, services, and solutions we provide;
- changes in the relative mix of overall U.S. government spending and areas of spending growth, with lower spending on homeland security, intelligence, defense-related programs as certain overseas operations end, and continued increased spending on cybersecurity, Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), advanced analytics, technology integration, and healthcare, including as a result of the presidential and administration transition;
- the extent, nature and effect of disease outbreaks, pandemics and widespread health epidemics, such as COVID-19, including the impact on federal budgets, current and pending procurements, supply chains, demand for services, deployment and productivity of our employees and the economic and societal impact of a pandemic, and the expected continued volatility in billable expenses;
- increased inflationary pressure that could impact the cost of doing business and/or reduce customer buying power;
- risks related to a possible recession and volatility or instability of the global financial system, including bank failures and the resulting impact on counterparties and business conditions generally;

- legislative and regulatory changes to limitations on the amount of allowable executive compensation permitted under flexibly priced contracts following implementation of interim rules adopted by federal agencies pursuant to the Bipartisan Budget Act of 2013, which substantially further reduce the amount of allowable executive compensation under these contracts and extend these limitations to a larger segment of our executives and our entire contract base;
- efforts by the U.S. government to address organizational conflicts of interest and related issues and the impact of those efforts on us and our competitors;
- increased audit, review, investigation, and general scrutiny by U.S. government agencies of government contractors' performance under U.S. government contracts and compliance with the terms of those contracts and applicable laws;
- the federal focus on refining the definition of “inherently governmental” work, including proposals to limit contractor access to sensitive or classified information and work assignments, which will continue to drive pockets of insourcing in various agencies, particularly in the intelligence market;
- negative publicity and increased scrutiny of government contractors in general, including us, relating to U.S. government expenditures for contractor services and incidents involving the mishandling of sensitive or classified information;
- U.S. government agencies awarding contracts on a technically acceptable/lowest cost basis, which could have a negative impact on our ability to win certain contracts;
- increased competition from other government contractors and market entrants seeking to take advantage of certain of the trends identified above, and an industry trend towards consolidation, which may result in the emergence of companies that are better able to compete against us;
- cost cutting and efficiency and effectiveness efforts by U.S. civilian agencies with a focus on increased use of performance measurement, “program integrity” efforts to reduce waste, fraud and abuse in entitlement programs, and renewed focus on improving procurement practices for and interagency use of IT services, including through the use of cloud based options and data center consolidation;
- restrictions by the U.S. government on the ability of federal agencies to use lead system integrators, in response to cost, schedule, and performance problems with large defense acquisition programs where contractors were performing the lead system integrator role;
- increasingly complex requirements and enforcement and reporting landscapes of the Department of Defense and the U.S. intelligence community, including cybersecurity, managing federal health care cost growth, competition, and focus on reforming existing government regulation of various sectors of the economy, such as financial regulation and healthcare; and
- increasing small business regulations across the Department of Defense and civilian agency clients continue to gain traction, agencies are required to meet high small business set aside targets, and large business prime contractors are required to subcontract in accordance with considerable small business participation goals necessary for contract award.

#### **Sources of Revenue**

Substantially all of our revenue is derived from services provided under contracts and task orders with the U.S. government, primarily by our client staff and, to a lesser extent, our subcontractors. Funding for our contracts and task orders is generally linked to trends in budgets and spending across various U.S. government agencies and departments. We provide services under a large portfolio of contracts and contract vehicles to a broad client base, and we believe that our diversified contract and client base lessens potential volatility in our business; however, a reduction in the amount of services that we are contracted to provide to the U.S. government or any of our significant U.S. government clients could have a material adverse effect on our business and results of operations. In particular, the Department of Defense is one of our significant clients, and the BCA originally required nine automatic spending cuts (referred to as “sequestration”) of \$109 billion annually from 2013 to 2021, half of which was intended to come from defense programs, though less than \$1 billion has been cut for defense programs per year under the BCA. Mandatory sequestrations under the BCA were subsequently extended by the Bipartisan Budget Acts of 2013, 2015, 2018 and 2019, the Military Retired Pay Restoration Act, the CARES Act and the Infrastructure Investment and Jobs Act. The extension of the mandatory sequestration applies an 8.3% reduction in defense spending in each year from 2021 to 2031. This could result in a commensurate reduction in the amount of services that we are contracted to provide to the Department of Defense and could have a material adverse effect on our business and results of operations, and given the uncertainty of when and how these automatic reductions required by the BCA may return and/or be applied, we are unable to predict the nature or magnitude of the potential adverse effect.

### Contract Types

We generate revenue under the following three basic types of contracts:

- **Cost-Reimbursable Contracts.** Cost-reimbursable contracts provide for the payment of allowable costs incurred during performance of the contract, up to a ceiling based on the amount that has been funded, plus a fixed fee or award fee. As we increase or decrease our spending on allowable costs, our revenue generated on cost-reimbursable contracts will increase, up to the ceiling and funded amounts, or decrease, respectively. We generate revenue under two general types of cost-reimbursable contracts: cost-plus-fixed-fee and cost-plus-award-fee, both of which reimburse allowable costs and provide for a fee. The fee under each type of cost-reimbursable contract is generally payable upon completion of services in accordance with the terms of the contract. Cost-plus-fixed-fee contracts offer no opportunity for payment beyond the fixed fee. Cost-plus-award-fee contracts also provide for an award fee that varies within specified limits based upon the client's assessment of our performance against a predetermined set of criteria, such as targets for factors like cost, quality, schedule, and performance.
- **Time-and-Materials Contracts.** Under contracts in this category, we are paid a fixed hourly rate for each direct labor hour expended, and we are reimbursed for billable material costs and billable out-of-pocket expenses inclusive of allocable indirect costs. We assume the financial risk on time-and-materials contracts because our costs of performance may exceed negotiated hourly rates. To the extent our actual direct labor, including allocated indirect costs, and associated billable expenses decrease or increase in relation to the fixed hourly billing rates provided in the contract, we will generate more or less profit, respectively, or could incur a loss.
- **Fixed-Price Contracts.** Under a fixed-price contract, we agree to perform the specified work for a predetermined price. To the extent our actual direct and allocated indirect costs decrease or increase from the estimates upon which the price was negotiated, we will generate more or less profit, respectively, or could incur a loss. Some fixed-price contracts have a performance-based component, pursuant to which we can earn incentive payments or incur financial penalties based on our performance. Fixed-price level of effort contracts require us to provide a specified level of effort (i.e., labor hours), over a stated period of time, for a fixed price.

The amount of risk and potential reward varies under each type of contract. Under cost-reimbursable contracts, there is limited financial risk, because we are reimbursed for all allowable costs up to a ceiling. However, profit margins on this type of contract tend to be lower than on time-and-materials and fixed-price contracts. Under time-and-materials contracts, we are reimbursed for the hours worked using the predetermined hourly rates for each labor category. In addition, we are typically reimbursed for other contract direct costs and expenses at cost. We assume financial risk on time-and-materials contracts because our labor costs may exceed the negotiated billing rates. Profit margins on well-managed time-and-materials contracts tend to be higher than profit margins on cost-reimbursable contracts as long as we are able to staff those contracts with people who have an appropriate skill set. Under fixed-price contracts, we are required to deliver the objectives under the contract for a predetermined price. Compared to time-and-materials and cost-reimbursable contracts, fixed-price contracts generally offer higher profit margin opportunities because we receive the full benefit of any cost savings but generally involve greater financial risk because we bear the impact of any cost overruns. In the aggregate, the contract type mix in our revenue for any given period will affect that period's profitability. Changes in contract type as a result of re-competes and new business could influence the percentage/mix in unanticipated ways.

The table below presents the percentage of total revenue for each type of contract:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Cost-reimbursable	55%	52%	55%	53%
Time-and-materials	24%	25%	24%	24%
Fixed-price	21%	23%	21%	23%

### Contract Diversity and Revenue Mix

We provide services to our clients through a large number of single award contracts, contract vehicles, and multiple award contract vehicles. Most of our revenue is generated under indefinite delivery/indefinite quantity, or IDIQ, contract vehicles, which include multiple award government wide acquisition contract vehicles, or GWACs, and General Services Administration Multiple Award Schedule Contracts, or GSA schedules, and certain single award contracts. GWACs and GSA schedules are available to all U.S. government agencies. Any number of contractors typically competes under multiple award IDIQ contract vehicles for task orders to provide particular services, and we earn revenue under these contract vehicles only to the extent that we are successful in the bidding process for task orders.

We generate revenue under our contracts and task orders through our provision of services as both a prime contractor and subcontractor, as well as from the provision of services by subcontractors under contracts and task orders for which we act as the prime contractor. The mix of these types of revenue affects our operating margin. Substantially all of our operating margin is derived from direct client staff labor, as the portion of our operating margin derived from fees we earn on services provided by our subcontractors is not significant. We view growth in direct client staff labor as the primary driver of earnings growth. Direct client staff labor growth is driven by client staff headcount growth, after attrition, and total backlog growth.

#### Our People

Revenue from our contracts is derived from services delivered by client staff and, to a lesser extent, from our subcontractors. Our ability to hire, retain, and deploy talent with skills appropriately aligned with client needs is critical to our ability to grow our revenue. We continuously evaluate whether our talent base is properly sized and appropriately compensated, and contains an optimal mix of skills to be cost competitive and meet the rapidly evolving needs of our clients. We seek to achieve that result through recruitment and management of capacity and compensation. As of September 30, 2023 and 2022, we employed approximately 33,100 and 30,000 people, respectively, of which approximately 30,200 and 27,200, respectively, were client staff.

#### Contract Backlog

We define backlog to include the following three components:

- *Funded Backlog.* Funded backlog represents the revenue value of orders for services under existing contracts for which funding is appropriated or otherwise authorized less revenue previously recognized on these contracts.
- *Unfunded Backlog.* Unfunded backlog represents the revenue value of orders (including optional orders) for services under existing contracts for which funding has not been appropriated or otherwise authorized.
- *Priced Options.* Priced contract options represent 100% of the revenue value of all future contract option periods under existing contracts that may be exercised at our clients' option and for which funding has not been appropriated or otherwise authorized.

Our backlog does not include contracts that have been awarded but are currently under protest and also does not include any task orders under IDIQ contracts, except to the extent that task orders have been awarded to us under those contracts.

The following table summarizes the value of our contract backlog at the respective dates presented:

	September 30, 2023	September 30, 2022
	(In millions)	
Backlog:		
Funded	\$ 6,282	\$ 5,475
Unfunded	10,128	10,380
Priced options	18,630	15,981
Total backlog	<u>\$ 35,040</u>	<u>\$ 31,836</u>

Our total backlog consists of remaining performance obligations, certain orders under contracts for which the period of performance has expired, and unexercised option period and other unexercised optional orders. As of September 30, 2023 and March 31, 2023, the Company had \$9.8 billion and \$7.9 billion of remaining performance obligations, respectively. We expect to recognize approximately 75% of the remaining performance obligations at September 30, 2023 as revenue over the next 12 months, and approximately 85% over the next 24 months. The remainder is expected to be recognized thereafter. However, given the uncertainties discussed below, as well as the risks described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, we can give no assurance that we will be able to convert our backlog into revenue in any particular period, if at all. Our backlog includes orders under contracts that in some cases extend for several years. The U.S. Congress generally appropriates funds for our clients on a yearly basis, even though their contracts with us may call for performance that is expected to take a number of years to complete. As a result, contracts typically are only partially funded at any point during their term and all or some of the work to be performed under the contracts may remain unfunded unless and until the U.S. Congress makes subsequent appropriations and the procuring agency allocates funding to the contract.

We view growth in total backlog and client staff headcount as the two key measures of our potential business growth. Growing and deploying client staff is the primary means by which we are able to achieve profitable revenue growth. To the extent that we are able to hire additional client staff and deploy them against funded backlog, we generally recognize increased revenue. Total backlog increased by 10.1% from September 30, 2022 to September 30, 2023. Additions to funded backlog during the twelve months ended September 30, 2023 totaled \$10.8 billion in comparison to \$9.4 billion for the comparable period in fiscal 2023, as a result of the conversion of unfunded backlog to funded backlog, the award of new contracts and task orders under which funding was appropriated, and the exercise and subsequent funding of priced options. We report internally on our backlog on a monthly basis and review backlog upon occurrence of certain events to determine if any adjustments are necessary.

We cannot predict with any certainty the portion of our backlog that we expect to recognize as revenue in any future period and we cannot guarantee that we will recognize any revenue from our backlog. The primary risks that could affect our ability to recognize such revenue on a timely basis or at all are: program schedule changes, contract modifications, and our ability to assimilate and deploy new client staff against funded backlog; cost-cutting initiatives and other efforts to reduce U.S. government spending, which could reduce or delay funding for orders for services; and delayed funding of our contracts due to delays in the completion of the U.S. government's budgeting process and the use of continuing resolutions by the U.S. government to fund its operations. The amount of our funded backlog is also subject to change, due to, among other factors: changes in congressional appropriations that reflect changes in U.S. government policies or priorities resulting from various military, political, economic, or international developments; changes in the use of U.S. government contracting vehicles, and the provisions therein used to procure our services and adjustments to the scope of services, or cancellation of contracts, by the U.S. government at any time. In our recent experience, none of the following additional risks have had a material negative effect on our ability to realize revenue from our funded backlog: the unilateral right of the U.S. government to cancel multi-year contracts and related orders or to terminate existing contracts for convenience or default; in the case of unfunded backlog, the potential that funding will not be made available; and, in the case of priced options, the risk that our clients will not exercise their options.

In addition, contract backlog includes orders under contracts for which the period of performance has expired, and we may not recognize revenue on the funded backlog that includes such orders due to, among other reasons, the tardy submission of invoices by our subcontractors and the expiration of the relevant appropriated funding in accordance with a predetermined expiration date such as the end of the U.S. government's fiscal year. The revenue value of orders included in contract backlog that has not been recognized as revenue due to period of performance expirations has not exceeded approximately 4.8% of total backlog as of September 30, 2023 and any of the four preceding fiscal quarters.

We expect to recognize revenue from a substantial portion of funded backlog as of September 30, 2023 within the next twelve months. However, given the uncertainties discussed above, as well as the risks described in "Part I, Item 1A. Risk Factors," of our fiscal 2023 Annual Report on Form 10-K, we can give no assurance that we will be able to convert our backlog into revenue in any particular period, if at all.

#### *Government Audit Impact on Operating Income*

As noted in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, in the ordinary course of business, agencies of the U.S. government for which the Company is engaged as a prime contractor or a subcontractor, including the Defense Contract Audit Agency, audit the Company's claimed indirect costs and conduct inquiries and investigations of our business practices with respect to government contracts. Such audits may result in, and have historically resulted in, the Company's inability to retain certain claimed indirect costs, including executive and employee compensation, due to differing views of the allowability and reasonableness of such costs.

Due to the previously disclosed civil and criminal investigation of the Company by the U.S. Department of Justice ("DOJ"), years subsequent to the Company's fiscal year 2011 remain subject to audit and final resolution. As discussed in Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements, the Company recognized a reserve for estimated adjustments to historical claimed indirect costs in respect of the years subsequent to fiscal 2011, based primarily on historical audit results for periods prior to 2011. Following the settlement of the civil and criminal investigation of the Company by the DOJ, as reported in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2023, audits for years subsequent to fiscal 2011 have resumed. As audits of the periods subsequent to 2011 are completed, our estimates of adjustment to claimed indirect costs for these periods could change. Any such change could materially impact our reported revenue, operating income, net income and basic and diluted earnings per common share.

#### **Operating Costs and Expenses**

Costs associated with compensation and related expenses for our people are the most significant component of our operating costs and expenses. The principal factors that affect our costs are additional people as we grow our business and are awarded new contracts, task orders, and additional work under our existing contracts, and the hiring of people with specific skill sets and security clearances as required by our additional work.

Our most significant operating costs and expenses are described below.

- *Cost of Revenue.* Cost of revenue includes direct labor, related employee benefits, and overhead. Overhead consists of indirect costs, including indirect labor relating to infrastructure, management and administration, and other expenses.
- *Billable Expenses.* Billable expenses include direct subcontractor expenses, travel expenses, and other expenses incurred to perform on contracts.
- *General and Administrative Expenses.* General and administrative expenses include indirect labor of executive management and corporate administrative functions, marketing and bid and proposal costs, legal costs and other discretionary spending.
- *Depreciation and Amortization.* Depreciation and amortization includes the depreciation of computers, leasehold improvements, furniture and other equipment, and the amortization of internally developed software, as well as third-party software that we use internally, and of identifiable long-lived intangible assets over their estimated useful lives.

### **Seasonality**

The U.S. government's fiscal year ends on September 30 of each year. While not certain, it is not uncommon for U.S. government agencies to award extra tasks or complete other contract actions in the weeks before the end of its fiscal year in order to avoid the loss of unexpended fiscal year funds. In addition, we also have historically experienced higher bid and proposal costs in the months leading up to the U.S. government's fiscal year end as we pursue new contract opportunities being awarded shortly after the U.S. government fiscal year end as new opportunities are expected to have funding appropriated in the U.S. government's subsequent fiscal year. We may continue to experience this seasonality in future periods, and our future periods may be affected by it. While not certain, changes in the government's funding and spending patterns have altered historical seasonality trends, supporting our approach to managing the business on an annual basis.

Seasonality is just one of a number of factors, many of which are outside of our control, which may affect our results in any period. See "Part I, Item 1A. Risk Factors," of our fiscal 2023 Annual Report on Form 10-K.

### **Critical Accounting Estimates and Policies**

Our critical accounting estimates and policies are disclosed in the Critical Accounting Estimates and Policies section in Part II, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended March 31, 2023. Other than the change in estimate resulting in a reduction to our provision for claimed indirect costs, there were no other material changes to our critical accounting policies, estimates or judgments that occurred in the quarterly period covered by this report. See Note 15, "Commitments and Contingencies," to our condensed consolidated financial statements for additional information related to the aforementioned change in estimate.

## Results of Operations

The following table sets forth items from our condensed consolidated statements of operations for the six months ended September 30, 2023 and September 30, 2022:

	Three Months Ended September 30,		Percent Change	Six Months Ended September 30,		Percent Change
	2023	2022		2023	2022	
	(Unaudited) (In thousands)	(Unaudited) (In thousands)		(Unaudited) (In thousands)	(Unaudited) (In thousands)	
Revenue	\$ 2,666,282	\$ 2,298,976	16.0 %	\$ 5,320,768	\$ 4,548,576	17.0 %
Operating costs and expenses:						
Cost of revenue	1,232,712	1,057,450	16.6 %	2,484,628	2,132,423	16.5 %
Billable expenses	824,788	684,941	20.4 %	1,637,092	1,359,207	20.4 %
General and administrative expenses	300,886	293,612	2.5 %	614,887	546,676	12.5 %
Depreciation and amortization	40,907	39,052	4.8 %	82,754	79,154	4.5 %
Total operating costs and expenses	2,399,293	2,075,055	15.6 %	4,819,361	4,117,460	17.0 %
Operating income	266,989	223,921	19.2 %	501,407	431,116	16.3 %
Interest expense	(44,756)	(28,342)	57.9 %	(80,230)	(52,997)	51.4 %
Other income, net	3,556	26,460	(86.6)%	5,480	23,502	(76.7)%
Income before income taxes	225,789	222,039	1.7 %	426,657	401,621	6.2 %
Income tax expense	55,071	51,258	7.4 %	94,551	92,747	1.9 %
Net income	170,718	170,781	— %	332,106	308,874	7.5 %
Net loss attributable to non-controlling interest	—	151	NM	—	342	NM
Net income attributable to common stockholders	\$ 170,718	\$ 170,932	(0.1)%	\$ 332,106	\$ 309,216	7.4 %

NM - Not meaningful.

### Revenue

Revenue increased 16.0% and 17.0%, respectively, for the three and six months ended September 30, 2023 as compared to the three and six months ended September 30, 2022. The increase was primarily driven by strong demand for our services and solutions as well as continued headcount growth. The increase in revenue over the year-to-date period also includes approximately \$70.0 million of contributions related to the Company's acquisition of EverWatch in the third quarter of fiscal 2023, as well as an increase of \$18.3 million representing the reduction to our provision for claimed indirect costs recorded during the second quarter of fiscal 2024. See Note 15, "Commitments and Contingencies," to the condensed consolidated financial statements for further information. Total headcount as of September 30, 2023 increased by approximately 3,100 as compared to September 30, 2022.

### Cost of Revenue

Cost of revenue as a percentage of revenue was 46.2% and 46.0% for the three months ended September 30, 2023 and 2022, respectively, and 46.7% and 46.9% for the six months ended September 30, 2023 and 2022, respectively. Cost of revenue increased 16.6% and 16.5% for the three and six months ended September 30, 2023, respectively, as compared to the three and six months ended September 30, 2022. The increases were primarily due to increases in salaries and salary-related benefits in the three and six months ended September 30, 2023 of \$152.7 million and \$324.9 million, respectively, driven by increased headcount and salary increases. Other business expenses and professional fees also increased \$19.5 million and \$28.9 million for the quarter and year-to-date periods.

### Billable Expenses

Billable expenses as a percentage of revenue were 30.9% and 29.8% for the three months ended September 30, 2023 and 2022, respectively, and 30.8% and 29.9% for the six months ended September 30, 2023 and 2022, respectively. Billable expenses increased 20.4% for both the three and six months ended September 30, 2023 and 2022, respectively. The increases were primarily attributable to increases in the use of subcontractors driven by client demand and timing of client needs, as well as increases in expenses from contracts requiring the Company to incur other direct expenses and travel on behalf of clients as compared to the prior year period.

### *General and Administrative Expenses*

General and administrative expenses as a percentage of revenue were 11.3% and 12.8% for the three months ended September 30, 2023 and 2022, respectively, and 11.6% and 12.0% for the six months ended September 30, 2023 and 2022, respectively. General and administrative expenses increased 2.5% and 12.5% for the three and six months ended September 30, 2023, respectively, as compared to the three and six months ended September 30, 2022.

For the three and six months ended September 30, 2023, the increases were primarily driven by increases in salary and salary related benefits of \$11.8 million and \$25.2 million respectively, driven by increased headcount and salary increases. The year-to-date period was also impacted by a \$27.5 million 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).

### *Depreciation and Amortization*

Depreciation and amortization expense increased 4.8% and 4.5% for the three and six months ended September 30, 2023, respectively, as compared to the three and six months ended September 30, 2022, primarily due to increases in intangible amortization related to the acquisitions in fiscal 2023.

### *Interest Expense*

Interest expense increased 57.9% and 51.4% for the three and six months ended September 30, 2023, respectively, as compared to the three and six months ended September 30, 2022, primarily due to an overall increase in interest rates, as well as an increase of approximately \$6.2 million related to the \$650.0 million senior notes the Company issued in August of fiscal 2024.

### *Other Income (Expense), net*

Other income (expense), net decreased to \$3.6 million net other income for the three months ended September 30, 2023 from \$26.5 million for the three months ended September 30, 2022, and decreased to \$5.5 million net other income for the six months ended September 30, 2023 from \$23.5 million for the six months ended September 30, 2022. The decreases were primarily driven by a \$31.2 million pre-tax gain associated with the divestiture of the Company's MENA business and \$3.4 million in fees related to the Company's debt refinancing, both in the second quarter of fiscal 2023, not present in the current year. This was partially offset by increases in interest income primarily due to an overall increase in interest rates.

### *Income Tax Expense*

Income tax expense increased to \$55.1 million for the three months ended September 30, 2023 from \$51.3 million for the three months ended September 30, 2022, an increase of 7.4%, and increased to \$94.6 million for the six months ended September 30, 2023 from \$92.7 million for the six months ended September 30, 2022, an increase of 1.9%.

The effective tax rate for the three months ended September 30, 2023 increased to 24.4% from 23.1% for the three months ended September 30, 2022 primarily due to an increase in items recognized discretely in the current period relating to interest accrued on prior period uncertain tax positions. The effective tax rate for the six months ended September 30, 2023 decreased to 22.2% from 23.1% for the six months ended September 30, 2022, primarily due to increases in the estimated Foreign Derived Intangible Income benefit and research tax credits, partially offset by an increase in items recognized discretely in the current period relating to interest accrued on prior period uncertain tax positions.

### **Liquidity and Capital Resources**

As of September 30, 2023, our total liquidity was \$1.6 billion, consisting of \$557.3 million of cash and cash equivalents and \$998.7 million available under the Revolving Credit Facility. In the opinion of management, we will be able to meet our liquidity and cash needs through a combination of cash flows from operating activities, available cash balances, and available borrowing under the Revolving Credit Facility. If these resources need to be augmented, additional cash requirements would likely be financed through the issuance of debt or equity securities.

The following table presents selected financial information as of September 30, 2023 and March 31, 2023 and for the first six months of fiscal 2024 and 2023:

	<b>September 30, 2023</b>	<b>March 31, 2023</b>
	(Unaudited)	
	(In thousands)	
Cash and cash equivalents	\$ 557,296	\$ 404,862
Total debt	\$ 3,430,402	\$ 2,812,145
	<b>Six Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	(Unaudited)	
	(In thousands)	
Net cash (used in) provided by operating activities	\$ (118,917)	\$ 227,092
Net cash (used in) provided by investing activities	(37,002)	14,329
Net cash provided by (used in) financing activities	308,353	(180,811)
Total increase in cash and cash equivalents	<u>\$ 152,434</u>	<u>\$ 60,610</u>

From time to time, we evaluate alternative uses for excess cash resources once our operating cash flow and required debt servicing needs have been met. Some of the possible uses of our remaining excess cash at any point in time may include funding strategic acquisitions, further investment in our business and returning value to shareholders through share repurchases, quarterly dividends, and special dividends. While the timing and financial magnitude of these possible actions are currently indeterminable, the Company expects to be able to manage and adjust its capital structure in the future to meet its liquidity needs.

Historically, we have been able to generate sufficient cash to fund our operations, mandatory debt and interest payments, capital expenditures, and discretionary funding needs. However, due to fluctuations in cash flows, including as a result of the trends and developments described above under “—Factors and Trends Affecting Our Results of Operations” relating to U.S. government shutdowns, U.S. government cost-cutting, reductions or delays in the U.S. government appropriations and spending process and other budgetary matters, it may be necessary from time-to-time in the future to borrow under our Senior Credit Facility to meet cash demands. While the timing and financial magnitude of these possible actions are currently indeterminable, we expect to be able to manage and adjust our capital structure to meet our liquidity needs. Our expected liquidity and capital structure may also be impacted by discretionary investments and acquisitions that we could pursue. We anticipate that cash provided by operating activities, existing cash and cash equivalents, and borrowing capacity under our Revolving Credit Facility will be sufficient to meet our anticipated cash requirements for the next twelve months, which primarily include:

- operating expenses, including salaries;
- working capital requirements to fund both organic and inorganic growth of our business;
- capital expenditures which primarily relate to the purchase of computers, business systems, furniture and leasehold improvements to support our operations;
- the ongoing maintenance around all financial management systems;
- commitments and other discretionary investments;
- debt service requirements for borrowings under our Senior Credit Facility and interest payments for the Senior Notes due 2028, Senior Notes due 2029 and Senior Notes due 2033; and
- cash taxes to be paid.

Our ability to fund our operating needs depends, in part, on our ability to generate positive cash flows from operations or, if necessary, raise cash in the capital markets. In addition, from time to time we evaluate conditions to opportunistically access the financing markets to secure additional debt capital resources and improve the terms of our indebtedness.

On October 14, 2022, the Company acquired EverWatch Corp. (“EverWatch”) for approximately \$445.1 million, net of post-closing adjustments, and also incurred transaction costs as part of the acquisition. As a result of the transaction, EverWatch became a wholly owned subsidiary of Booz Allen Hamilton Inc. EverWatch is a leading provider of advanced solutions to the defense and intelligence communities. See Note 5, “Acquisition, Goodwill and Intangible Assets,” to our condensed consolidated financial statements for additional information related to the acquisition of EverWatch.

During the first and second quarters of fiscal 2024, we borrowed \$500.0 million on our Revolving Credit Facility for our working capital needs, which was subsequently repaid in the second quarter of fiscal 2024.

On July 21, 2023, the Company entered into a Settlement Agreement (the "Settlement Agreement") with the United States of America, acting through the U.S. Department of Justice and on behalf of the Department of Defense and Defense Contract Management Agency (collectively the "United States"), and Relator Sarah A. Feinberg, to resolve the civil investigation related to certain elements of the Company's cost accounting and indirect costs charging practices from April 1, 2011 through March 31, 2021. Under the terms of the Settlement Agreement, the Company agreed to pay to the United States \$377.5 million, which the Company paid with cash on hand and by drawing on its revolving credit facility. See Note 15, "Commitments and Contingencies," to our condensed consolidated financial statements for additional information related to the Settlement Agreement.

#### **Cash Flows**

Cash received from clients, either from the payment of invoices for work performed or for advances in excess of costs incurred, is our primary source of cash. We generally do not begin work on contracts until funding is appropriated by the client. Billing timetables and payment terms on our contracts vary based on a number of factors, including whether the contract type is cost-reimbursable, time-and-materials, or fixed-price. We generally bill and collect cash more frequently under cost-reimbursable and time-and-materials contracts, as we are authorized to bill as the costs are incurred or work is performed. In contrast, we may be limited to bill certain fixed-price contracts only when specified milestones, including deliveries, are achieved. In addition, a number of our contracts may provide for performance-based payments, which allow us to bill and collect cash prior to completing the work.

Accounts receivable is the principal component of our working capital and is generally driven by revenue growth with other short-term fluctuations related to the payment practices of our clients. Our accounts receivable reflects amounts billed to our clients as of each balance sheet date. Our clients generally pay our invoices within 30 days of the invoice date, although we experience a longer billing and collection cycle with our global commercial customers. At any month-end, we also include in accounts receivable the revenue that was recognized in the preceding month, which is generally billed early in the following month. Finally, we include in accounts receivable amounts related to revenue accrued in excess of amounts billed, primarily on our fixed-price and cost-reimbursable-plus-award-fee contracts. The total amount of our accounts receivable can vary significantly over time, but is generally sensitive to revenue levels and customer mix.

#### *Operating Cash Flow*

Net cash provided by operations is primarily affected by the overall profitability of our contracts, our ability to invoice and collect cash from clients in a timely manner, our ability to manage our vendor payments and the timing of cash paid for income taxes. Continued uncertainty in global economic conditions may also affect our business as customers and suppliers may decide to downsize, defer, or cancel contracts, which could negatively affect the operating cash flows. Net cash used in operations was \$118.9 million for the six months ended September 30, 2023 compared to \$227.1 million in the prior year period. Operating cash was aided by strong collection performance and overall revenue growth but was impacted by a \$377.5 million outflow related to the U.S. Department of Justice matter noted above.

Beginning in fiscal 2023, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures immediately in the year incurred and requires taxpayers to amortize such expenditures over five years for U.S. based research and development. This provision negatively impacted our fiscal 2023 cash from operations, but had an offsetting impact on the deferred tax asset. The Company expects a similar impact in fiscal 2024, although the impact to cash and deferred taxes is expected to be smaller than in fiscal 2023. Prospectively, the future impact of this provision will depend on if and when this provision is deferred, modified, or repealed by Congress, including if retroactively, any guidance issued by the Treasury Department regarding the identification of appropriate costs for capitalization, and the amount of future research and development expenses paid or incurred (among other factors). While the largest impact will be to fiscal 2023 cash from operations, the impact would continue over the five year amortization period, but would decrease over the period and is expected to be immaterial in year six.

#### *Investing Cash Flow*

Net cash used in investing activities was \$37.0 million in the six months ended September 30, 2023 compared to net cash provided by investing activities of \$14.3 million in the prior year period. The increase to investing cash used was primarily due to proceeds from the MENA divestiture in the prior year, partially offset by increases in cost method investments made by the Company in the current year.

### *Financing Cash Flow*

Net cash provided by financing activities was \$308.4 million in the six months ended September 30, 2023 compared to net cash used in financing activities of \$180.8 million in the prior year period. The increase in net cash provided by financing activities was primarily due to an increase in net proceeds of \$600.8 million associated with the Company's debt transactions year over year, partially offset by an increase of \$105.9 million in share repurchases and \$9.2 million in cash paid for dividends year over year.

### **Dividends and Share Repurchases**

On October 27, 2023, the Company announced a regular quarterly cash dividend in the amount of \$0.47 per share. The quarterly dividend is payable on December 4, 2023 to stockholders of record on November 15, 2023.

During the three and six months ended September 30, 2023, quarterly cash dividends of \$0.47 and \$0.94 per share, respectively, were declared and paid totaling \$62.1 million and \$125.1 million, respectively. During the three and six months ended September 30, 2022, quarterly cash dividends of \$0.43 and \$0.86 per share, respectively, were declared and paid totaling \$57.0 million and \$115.9 million, respectively.

On December 12, 2011, the Board of Directors approved a share repurchase program, which was most recently increased by \$400.0 million to \$2,560.0 million on July 27, 2022. The Company may repurchase shares pursuant to the program by means of open market repurchases, directly negotiated repurchases or through agents acting pursuant to negotiated repurchase agreements. During the first six months of fiscal 2024, the Company purchased 1.7 million shares of the Company's Class A Common Stock for an aggregate of \$180.1 million. As of September 30, 2023, the Company had approximately \$675.9 million remaining under the repurchase program.

Any determination to pursue one or more of the above alternative uses for excess cash is subject to the discretion of our Board of Directors, and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable law, our contracts, and our Credit Agreement as amended and other factors deemed relevant by our Board of Directors.

### **Indebtedness**

Booz Allen Hamilton Inc. ("Booz Allen Hamilton"), Booz Allen Hamilton Investor Corporation ("Investor"), and certain wholly owned subsidiaries of Booz Allen Hamilton are parties to a Credit Agreement dated as of July 31, 2012, as amended (the "Credit Agreement"), with certain institutional lenders and Bank of America, N.A., as Administrative Agent, Collateral Agent and Issuing Lender. As of September 30, 2023, the Credit Agreement provided Booz Allen Hamilton with a \$1,608.8 million Term Loan A ("Term Loan A") and a \$1.0 billion revolving credit facility (the "Revolving Credit Facility"), with a sub-limit for letters of credit of \$200.0 million. As of September 30, 2023, the maturity date of the Term Loan A and the Revolving Commitments is September 7, 2027. Voluntary prepayments of the Term Loan A and the Revolving Loans are permitted at any time, in minimum principal amounts, without premium or penalty. Booz Allen Hamilton's obligations and the guarantors' guarantees under the Credit Agreement were secured by a first priority lien on substantially all of the assets (including capital stock of subsidiaries) of Booz Allen Hamilton, Investor and the subsidiary guarantors, subject to certain exceptions set forth in the Credit Agreement and related documentation; such security was released in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P. On September 7, 2022 (the "Ninth Amendment Effective Date"), the previously outstanding Term Loan B loans under the Credit Agreement were prepaid in full.

On July 27, 2023 (the "Tenth Amendment Effective Date"), Booz Allen Hamilton entered into a Tenth Amendment (the "Amendment") to the Credit Agreement (as amended prior to the Tenth Amendment Effective Date, the "Existing Credit Agreement" and, as amended by the Amendment, the "Amended Credit Agreement") with Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and the lenders and other financial institutions party thereto, in order to make permanent certain changes to the Existing Credit Agreement in connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P and prepaying the Term Loan B loans in full and to make certain additional changes in connection therewith, including, among other things, (i) removing the requirements for the obligations under the Amended Credit Agreement to be secured, (ii) removing the requirement for any subsidiary or other affiliate of Booz Allen Hamilton (other than the Company) to provide any guarantee of the obligations under the Amended Credit Agreement and (iii) removing or modifying certain covenants applicable to Booz Allen Hamilton. Pursuant to the Amendment, all guarantees in respect of the Existing Credit Agreement have been released. The Amendment did not impact any of the terms of the Credit Agreement related to amortization or payments.

On the Tenth Amendment Effective Date in connection with the Amendment, the Company entered into a Guarantee Agreement (the "Guarantee Agreement") in favor of the Administrative Agent, pursuant to which the Company guarantees on an unsecured basis the obligations of Booz Allen Hamilton under the Amended Credit Agreement subject to certain conditions. Pursuant to the Amended Credit Agreement Booz Allen Hamilton has the option, though not any obligation, to join one or more of its domestic subsidiaries as a guarantor under the Guarantee Agreement.

The Term Loan A amortizes in consecutive quarterly installments in an amount equal to (i) on the last business day of each full fiscal quarter that begins after the Ninth Amendment Effective Date but on or before the two year anniversary of the Ninth Amendment Effective Date, 0.625% of the stated principal amount of the Term Loan A and (ii) on the last business day of each full fiscal quarter that begins after the two year anniversary of the Ninth Amendment Effective Date but before the five year anniversary of the Ninth Amendment Effective Date, 1.25% of the stated principal amount of the Term Loan A. The remaining balance of the Term Loan A will be payable upon maturity.

The rate at which the Term Loan A and the Revolving Loans bear interest is based, at Booz Allen Hamilton's option, either on Term SOFR (subject to a 0.10% adjustment and a floor of zero) for the applicable interest period or a base rate (equal to the highest of (i) the administrative agent's prime corporate rate, (ii) the overnight federal funds rate plus 0.50% and (iii) three-month Term SOFR (subject to a 0.10% adjustment and a floor of zero) plus 1.00%), in each case plus an applicable margin, payable at the end of the applicable interest period and in any event at least quarterly. The applicable margin for the Term Loan A and the Revolving Loans ranges from 1.00% to 2.00% for Term SOFR loans and zero to 1.00% for base rate loans, in each case based on the lower of (i) the applicable rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable rate per annum determined pursuant to a ratings grid. Unused Revolving Commitments are subject to a quarterly fee ranging from 0.10% to 0.35% based on the lower of (i) the applicable fee rate per annum determined pursuant to a consolidated total net leverage ratio grid and (ii) the applicable fee rate per annum determined pursuant to a ratings grid. Booz Allen Hamilton has also agreed to pay customary letter of credit and agency fees.

As of September 30, 2023 and March 31, 2023, the Company was contingently liable under open standby letters of credit and bank guarantees issued by our banks in favor of third parties that totaled \$4.4 million and \$6.1 million, respectively. These letters of credit and bank guarantees primarily support insurance and bid and performance obligations. At both September 30, 2023 and March 31, 2023, approximately \$1.3 million of these instruments reduced the available borrowings under the Revolving Credit Facility. The remainder is guaranteed under a separate \$7.5 million facility of which \$4.4 million and \$2.7 million were available to the Company at September 30, 2023 and March 31, 2023, respectively.

The Company occasionally borrows under the Revolving Credit Facility for our working capital needs. As of March 31, 2023 and September 30, 2023, respectively, there was no outstanding balance on the Revolving Credit Facility.

The Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants. In addition, Booz Allen Hamilton is required to meet a financial covenant at each quarter end based on a consolidated net total leverage ratio. As of September 30, 2023 and March 31, 2023, Booz Allen Hamilton was in compliance with all financial covenants associated with its debt and debt-like instruments. In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, activities restricted by certain negative covenants are permitted subject to pro forma compliance with the financial covenants and no events of default having occurred and continuing.

The following table summarizes interest payments made on the Company's term loans:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2023	2022	2023	2022
Term Loan A	\$ 27,007	\$ 7,846	\$ 53,098	\$ 14,165
Term Loan B	—	2,793	—	5,209
Total	\$ 27,007	\$ 10,639	\$ 53,098	\$ 19,374

Borrowings under the Term Loan A, and if used, the Revolving Credit Facility, incur interest at a variable rate. As of September 30, 2023, Booz Allen Hamilton had interest rate swaps with an aggregate notional amount of \$550.0 million. These instruments hedge the variability of cash outflows for interest payments on the Term Loans and Revolving Credit Facility. The Company's objectives in using cash flow hedges are to reduce volatility due to interest rate movements and to add stability to interest expense (See Note 9, "Derivatives," to our condensed consolidated financial statements).

## Senior Notes

For information on the terms, conditions, and restrictions of the Company's 4.000% Senior Notes due July 1, 2029 (the "Senior Notes due 2029") and 3.875% Senior Notes due 2028 (the "Senior Notes due 2028"), see Note 10, "Debt," of the Company's consolidated financial statements included in the fiscal 2023 Annual Report on Form 10-K.

In connection with Booz Allen Hamilton obtaining investment grade ratings from both Moody's and S&P, certain negative covenants in the indentures governing the Senior Notes were suspended, and guarantees of the Senior Notes were released.

On August 4, 2023, the Company completed an offering of \$650.0 million aggregate principal amount of its 5.950% senior unsecured notes due August 4, 2033 (the "Senior Notes due 2033"), and, together with the Senior Notes due 2028 and Senior Notes due 2029, the "Senior Notes"). The Senior Notes due 2033 were issued pursuant to an Indenture, dated as of August 4, 2023 (the "Base Indenture"), among Booz Allen Hamilton, the Company, and U.S. Bank Trust Company, National Association, as trustee, as supplemented by the First Supplemental Indenture, dated as of August 4, 2023 (the "Supplemental Indenture" and, together with the Base Indenture, the "Indenture"). The Indenture contains certain covenants, events of default, and other customary provisions. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by the Company, pursuant to the Indenture.

## Summarized Financial Information

The Senior Notes due 2033 were issued by Booz Allen Hamilton pursuant to the Base Indenture, among Booz Allen Hamilton, the Company and U.S. Bank Trust Company, National Association, as trustee, as supplemented by the Supplemental Indenture. The Senior Notes due 2033 are fully and unconditionally guaranteed on an unsecured and unsubordinated basis by the Company pursuant to the Indenture.

The tables below present the summarized financial information as combined for the Company and Booz Allen Hamilton as of March 31, 2023 and as of and for the six months ended September 30, 2023, after the elimination of intercompany transactions and balances between the Company and Booz Allen Hamilton and excluding the subsidiaries of the Company that are not issuers or guarantors of the Senior Notes due 2033, including earnings from and investments in these entities. The summarized financial information is provided in accordance with the reporting requirements of Rule 13-01 under Regulation S-X and is not intended to present our financial position or results of operations in accordance with GAAP.

## Summarized Statements of Financial Condition

(in thousands)

	September 30, 2023	March 31, 2023
Total current assets	\$ 2,557,931	\$ 2,160,182
Intercompany receivables from non-guarantor subsidiaries	\$ 20,765	\$ 162,431
Goodwill and intangible assets, net of accumulated amortization	\$ 1,603,380	\$ 1,463,800
Total non-current assets	\$ 1,469,013	\$ 1,239,763
Total current liabilities	\$ 1,551,615	\$ 1,845,691
Intercompany payables to non-guarantor subsidiaries	\$ 154,042	\$ 249,999
Long-term debt, net of current portion	\$ 3,389,152	\$ 2,770,895
Total non-current liabilities	\$ 1,076,295	\$ 870,176

## Summarized Statement of Operations

(in thousands)

	Six Months Ended September 30, 2023
Revenue	\$ 4,939,965
Revenue from non-guarantor subsidiaries	\$ 253,971
Operating income	\$ 214,618
Operating income from non-guarantor subsidiaries	\$ 205,607
Net income	\$ 268,900
Net income attributable to the Obligor Group	\$ 268,900

## Capital Structure and Resources

Our stockholders' equity amounted to \$1,072.1 million as of September 30, 2023, an increase of \$80.1 million, compared to stockholders' equity of \$992.0 million as of March 31, 2023. The increase was primarily due to net income of \$332.1 million and stock-based compensation expense of \$37.5 million during the six months ended September 30, 2023, partially offset by \$194.5 million in treasury stock resulting from the repurchase of shares of our Class A Common Stock, and \$124.6 million in quarterly dividend payments for the six months ended September 30, 2023.

## Capital Expenditures

Since we do not own any of our facilities, our capital expenditure requirements primarily relate to the purchase of computers, management systems, furniture, and leasehold improvements to support our operations. Direct facility and equipment costs billed to clients are not treated as capital expenses. Our capital expenditures for the six months ended September 30, 2023 and 2022 were \$27.4 million and \$29.7 million, respectively.

## Commitments and Contingencies

We are subject to a number of reviews, investigations, claims, lawsuits, and other uncertainties related to our business. For a discussion of these items, refer to Note 15, "Commitments and Contingencies," to our condensed consolidated financial statements.

## Special Note Regarding Forward Looking Statements

Certain statements contained or incorporated in this Quarterly Report on Form 10-Q, or Quarterly Report, include forward-looking statements. 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, including uncertainty relating to funding the U.S. government and increasing the debt ceiling;
- 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 disease outbreaks, pandemics, or widespread health epidemics, such as COVID-19, including disruptions to our workforce and the impact on government spending and demand for our solutions;
- our ability to compete effectively in the competitive bidding process and delays or losses of contract awards caused by competitors' protests of major contract awards received by us;
- variable purchasing patterns under U.S. government 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 threats, including 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 access, use or release of our or 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 a possible recession and volatility or instability of the global financial system, including the failures of financial institutions and the resulting impact on counterparties and business conditions generally;
- risks related to a deterioration of economic conditions or weakening in credit or capital markets;
- 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 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;
- the size of our addressable markets and the amount of U.S. government spending on private contractors;
- risks related to our indebtedness and credit facilities which contain financial and operating covenants;
- 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;
- the impact of ESG-related risks and climate change generally on our and our clients' businesses and operations; and
- other risks and factors listed under “Item 1A. Risk Factors” and elsewhere in this Quarterly Report, as well as those listed under “Risk Factors” in our Annual Report on Form 10-K for the year ended March 31, 2023.

In light of these risks, uncertainties and other factors, the forward-looking statements might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

During the first quarter of fiscal 2024, the Company modified its interest rate swap agreements to transition from LIBOR-indexed to term SOFR-indexed periodic swap payments to align with interest payments in connection with its term SOFR-indexed debt. See Note 9, “Derivatives,” to the condensed consolidated financial statements for further information on the interest rate swap agreements.

There have been no material changes during the period covered by this Quarterly Report on Form 10-Q to the information disclosed in the Quantitative and Qualitative Disclosures About Market Risk section in Part II, “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 filed with the Securities and Exchange Commission on May 26, 2023.

**Item 4. Controls and Procedures**

**Disclosure Controls and Procedures**

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or Exchange Act, as of the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective.

**Changes in Internal Control Over Financial Reporting**

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Our performance under U.S. government contracts and compliance with the terms of those contracts and applicable laws and regulations are subject to continuous audit, review, and investigation by the U.S. government which may include such investigative techniques as subpoenas or civil investigative demands. Given the nature of our business, these audits, reviews, and investigations may focus, among other areas, on various aspects of procurement integrity, labor time reporting, sensitive and/or classified information access and control, executive compensation, and post government employment restrictions. We are not always aware of our status in such matters, but we are currently aware of certain pending audits and investigations involving labor time reporting, procurement integrity, and classified information access. In addition, from time to time, we are also involved in legal proceedings and investigations arising in the ordinary course of business, including those relating to employment matters, relationships with clients and contractors, intellectual property disputes, and other business matters. These legal proceedings seek various remedies, including claims for monetary damages in varying amounts, none of which are considered material, or are unspecified as to amount. Although the outcome of any such matter is inherently uncertain and may be materially adverse, based on current information, we do not expect any of the currently ongoing audits, reviews, investigations, or litigation to have a material adverse effect on our financial condition and results of operations. As of September 30, 2023 and March 31, 2023, there were no material amounts accrued in the condensed consolidated financial statements related to these proceedings.

On June 7, 2017, Booz Allen Hamilton was informed that the U.S. Department of Justice (“DOJ”) was conducting a civil and criminal investigation of the Company. In connection with the investigation, the DOJ requested information from the Company relating to certain elements of the Company’s cost accounting and indirect cost charging practices with the U.S. government. The investigation resulted from a *qui tam* lawsuit filed on or about September 26, 2016 in the United States District Court for the District of Columbia pursuant to the *qui tam* provisions of the civil False Claims Act (the “Civil Action”), which lawsuit was under judicial seal until July 21, 2023. After learning of the investigation, the Company engaged a law firm experienced in these matters to represent the Company in connection with this matter and respond to the government’s requests. As is commonly the case with this type of matter, the Company was also contacted by other regulatory agencies and bodies, including the SEC, which notified the Company that it was conducting an investigation that the Company believes related to the matters that were also the subject of the DOJ’s investigation.

On May 12, 2021, the Company was informed that the DOJ closed its criminal investigation.

On July 21, 2023, the Company entered into a Settlement Agreement (the “Settlement Agreement”) with the United States of America, acting through the DOJ and on behalf of the Department of Defense and Defense Contract Management Agency (collectively the “United States”), and Relator Sarah A. Feinberg, to resolve the DOJ’s civil investigation and the Civil Action. The Company entered into the Settlement Agreement to avoid the delay, uncertainty and expense of protracted litigation. The Settlement Agreement contains no admission of liability by the Company.

Under the terms of the Settlement Agreement, the Company agreed to pay to the United States \$377.5 million (the “Settlement Amount”). The Company paid the Settlement Amount with cash on hand and by drawing on its revolving credit facility. As of June 30, 2023, the Company had recorded a \$377.5 million reserve relating to this investigation and had previously disclosed that it believed the range of reasonably possible loss in connection with the investigation to be between \$350 million and \$378 million. Following the United States’ receipt of the Settlement Amount, the Company was released from any civil or administrative monetary claims under the civil False Claims Act and other specified civil statutes and common law theories of liability for certain elements of the Company’s cost accounting and indirect cost charging practices from April 1, 2011 through March 31, 2021, and the claim brought in the Civil Action was dismissed with prejudice.

On July 27, 2023, the Company was informed that the SEC concluded its investigation without recommending an enforcement action.

On June 19, 2017, a purported stockholder of the Company filed a putative class action lawsuit in the United States District Court for the Eastern District of Virginia styled *Langley v. Booz Allen Hamilton Holding Corp.*, No. 17-cv-00696 naming the Company, its Chief Executive Officer, and its Chief Financial Officer as defendants purportedly on behalf of all purchasers of the Company’s securities from May 19, 2016 through June 15, 2017. On September 5, 2017, the court named two lead plaintiffs, and on October 20, 2017, the lead plaintiffs filed a consolidated amended complaint. The complaint asserts claims under Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, alleging misrepresentations or omissions by the Company purporting to relate to matters that are the subject of the DOJ investigation described above. The plaintiffs seek to recover from the Company and the individual defendants an unspecified amount of damages. The Company believes the suit lacks merit and intends to defend against the lawsuit. Motions to dismiss were argued on January 12, 2018, and on February 8, 2018, the court dismissed the amended complaint in its entirety without prejudice. On September 22, 2023, plaintiffs filed a motion for leave to amend the dismissed amended complaint or, in the alternative, for relief from the court’s prior dismissal order, and on October 16, 2023, the court denied plaintiffs’ motion. At this stage of the

lawsuit, the Company is not able to reasonably estimate the expected amount or range of cost or any loss associated with the lawsuit.

On November 13, 2017, a Verified Shareholder Derivative Complaint was filed in the United States District Court for the District of Delaware styled Celine Thum v. Rozanski et al., C.A. No. 17-cv-01638, naming the Company as a nominal defendant and numerous current and former officers and directors as defendants. The complaint asserts claims for breach of fiduciary duties, unjust enrichment, waste of corporate assets, abuse of control, gross mismanagement, and violations of Sections 14(a), 10(b), and 20(a) of the Exchange Act, purportedly relating to matters that are the subject of the DOJ investigation described above. The parties have stipulated to a stay of the proceedings pending the outcome of the securities litigation (described above), which the court so ordered on January 24, 2018. On December 12, 2019, the court ordered that the stay remain in effect and ordered the parties to submit periodic status reports. Starting on May 27, 2020, the parties have submitted periodic status reports as ordered by the court stating that plaintiff believes the stay should remain in effect and defendants do not object to the stay remaining in effect. At this stage of the lawsuit, the Company is not able to reasonably estimate the expected amount or range of cost or any loss associated with the lawsuit.

#### Item 1A. Risk Factors

There have been no material changes during the period covered by this Quarterly Report on Form 10-Q to the risk factors disclosed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 filed with the Securities and Exchange Commission on May 26, 2023.

#### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

##### Recent Sales of Unregistered Securities

None.

##### Issuer Purchases of Equity Securities

The following table shows the share repurchase activity for each of the three months in the quarter ended September 30, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
July 2023	89,347	\$111.92	89,347	\$ 745,857,468
August 2023	332,164	\$120.42	332,164	\$ 705,857,545
September 2023	262,337	\$114.36	262,337	\$ 675,857,638
Total	683,848		683,848	

<sup>(1)</sup> On December 12, 2011, the Board of Directors approved a share repurchase program, which was most recently increased by \$400.0 million to \$2,560.0 million on July 27, 2022. A special committee of the Board of Directors was appointed to evaluate market conditions and other relevant factors and initiate repurchases under the program from time to time. The share repurchase program may be suspended, modified or discontinued at any time at the Company's discretion without prior notice. The above table does not factor in any increases to the share repurchase program subsequent to September 30, 2023.

#### Item 3. Defaults Upon Senior Securities

None.

#### Item 4. Mine Safety Disclosures

Not applicable.

#### Item 5. Other Information

##### Disclosure of Trading Arrangements

Item 408(a) of Regulation S-K requires the Company to disclose whether any director or officer of the Company has adopted or terminated (i) any trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (a "Rule 10b5-1 trading arrangement"); and/or (ii) any written trading arrangement that meets the requirements of a "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

During the quarter ended September 30, 2023, the following activity occurred requiring disclosure under Item 408(a) of Regulation S-K.

Kristine M. Anderson, our Chief Operating Officer, adopted a new Rule 10b5-1 trading arrangement on August 3, 2023 that will terminate on August 2, 2024. Under the trading arrangement, up to an aggregate of 15,196 shares of common stock issuable upon the exercise of options are available to be sold by the broker upon reaching pricing targets defined in the trading arrangement.

**Item 6. Exhibits**

Exhibit Number	Description
3.1	<a href="#">Seventh Amended and Restated Certificate of Incorporation of Booz Allen Hamilton Holding Corporation (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 28, 2023 (File No. 001-34972)).</a>
3.2	<a href="#">Amended and Restated Bylaws of Booz Allen Hamilton Holding Corporation (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on July 28, 2023 (File No. 001-34972)).</a>
4.1	<a href="#">Indenture dated as of August 4, 2023, among Booz Allen Hamilton Inc., Booz Allen Hamilton Holding Corporation, as parent guarantor, and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 4, 2023 (File No. 001-34972)).</a>
4.2	<a href="#">Supplemental Indenture (including the form of 5.950% Senior Notes due 2033), dated as of August 4, 2023, among Booz Allen Hamilton Inc., Booz Allen Hamilton Holding Corporation, as parent guarantor, and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 4, 2023 (File No. 001-34972)).</a>
10.1	<a href="#">Tenth Amendment to Credit Agreement, dated as of July 27, 2023, among Booz Allen Hamilton Inc., as borrower, Bank of America, N.A., as administrative agent and the other lenders and financial institutions party thereto (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report for the period ended June 30, 2023 on Form 10-Q (file No. 001-34972)).</a>
10.2	<a href="#">Guarantee Agreement, dated as of July 27, 2023, made by Booz Allen Hamilton Holding Corporation in favor of Bank of America, N.A., as administrative agent (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report for the period ended June 30, 2023 on Form 10-Q (file No. 001-34972)).</a>
10.3	<a href="#">Settlement Agreement, dated as of July 21, 2023, by and among the United States of America, acting through the United States Department of Justice and on behalf of the Department of Defense and the Defense Contract Management Agency, Relator Sarah A. Feinberg, and Booz Allen Hamilton Holding Corporation (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report for the period ended June 30, 2023 on Form 10-Q (file No. 001-34972)).</a>
10.4†	<a href="#">2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation (incorporated by reference to Appendix C to the Company's Definitive Proxy Statement on Schedule 14A, filed with the Commission on June 15, 2023 (File No. 001-34972)).</a>
10.5†	<a href="#">Form of Restricted Stock Unit Agreement under the 2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation*</a>
10.6†	<a href="#">Form of Restricted Stock Agreement for Directors under the 2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation*</a>
10.7†	<a href="#">Form of Performance Restricted Stock Unit Agreement under the 2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation*</a>
10.8†	<a href="#">Form of Stock Option Agreement under the 2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation*</a>
31.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer*</a>
31.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer*</a>
32.1	<a href="#">Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)*</a>
32.2	<a href="#">Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350)*</a>
101	The following materials from Booz Allen Hamilton Holding Corporation's Quarterly Report on Form 10-Q for the three and six months ended September 30, 2023 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at September 30, 2023 and March 31, 2023; (ii) Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2023 and 2022; (iii) Condensed Consolidated Statements of Comprehensive Income for the three and six months ended September 30, 2023 and 2022; (iv) Condensed Consolidated Statements of Cash Flows for the six months ended September 30, 2023 and 2022; and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed electronically herewith.

† Management contract or compensatory arrangement.

**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  
Registrant

Date: October 27, 2023

By: /s/ Matthew A. Calderone  
Matthew A. Calderone  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**Restricted Stock Unit Agreement**  
**2023 EQUITY INCENTIVE PLAN OF**  
**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**GRANT NOTICE**

Unless otherwise defined herein, the terms defined in the 2023 Equity Incentive Plan (the “Plan”) of Booz Allen Hamilton Holding Corporation (the “Company”) shall have the same defined meanings in this Restricted Stock Unit Agreement, which includes the terms in this Grant Notice, including Exhibit A attached hereto (the “Grant Notice”) and Appendix A attached hereto, and any special terms and conditions set forth in Appendix B attached hereto with respect to your country of employment and/or residence (collectively, the “Agreement”). Capitalized terms used in this Grant Notice or in Appendix A without definition have the meanings given in the Plan.

You (the “Participant”) have been granted the number of restricted stock units on the date (the “Grant Date”), in each case as set forth on the Fidelity NetBenefits system at [www.netbenefits.com](http://www.netbenefits.com) (the “Restricted Stock Units”), subject to the terms and conditions of the Plan and this Agreement, including but not limited to the vesting schedule as set forth in Exhibit A to this Agreement, which shall be deemed part of and incorporated by reference into this Grant Notice.

Your acceptance of this grant indicates your agreement and understanding that the Restricted Stock Units granted herein are subject to the terms and conditions contained in the Agreement and the Plan. **ACCORDINGLY, PLEASE BE SURE TO READ THE PLAN AND THE AGREEMENT, EACH OF WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THE RESTRICTED STOCK UNITS.** In order to view the grant details and to accept this grant, please go to Fidelity NetBenefits at [www.netbenefits.com](http://www.netbenefits.com) and follow the instructions regarding this grant.

## APPENDIX A TO RESTRICTED STOCK UNIT AGREEMENT

1. Grant of Restricted Stock Units. Subject to the terms, conditions, and restrictions set forth in the Plan and this Agreement (including the Grant Notice and any special terms and conditions applicable to the Participant's country set forth in Appendix B to this Agreement), the Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of Restricted Stock Units specified in the Grant Notice. The Participant hereby agrees that, except as required or permitted by Applicable Law, he or she will not disclose to any Person other than the Participant's spouse and/or tax or financial advisor (if any) the grant of the Restricted Stock Units or any of the terms or provisions hereof without prior approval from the Administrator.

2. Restricted Stock Units Subject to Plan. This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern.

3. Vesting of Restricted Stock Units.

(a) Vesting. Except as otherwise provided in this Section 3, the Restricted Stock Units shall become vested in the amount(s) and on the vesting date(s) as set forth in Exhibit A (each, a "Vesting Date"), subject to the continued employment of the Participant with the Company or any Subsidiary thereof through such applicable Vesting Date.

(b) Termination of Employment or Service.

(i) Termination Due to Death. If a Participant's employment or service terminates due to the Participant's death, all unvested Restricted Stock Units shall immediately vest.

(ii) Termination Due to Disability. If a Participant's employment or service terminates due to Disability, all unvested Restricted Stock Units shall not be forfeited upon such termination and instead shall continue to vest in accordance with Section 3(a) of this Agreement.

(iii) Termination for Cause. If a Participant's employment or service terminates for Cause, all unvested Restricted Stock Units shall be immediately forfeited and canceled, effective as of the date of the Participant's termination of service. In addition, any Restricted Stock Units that vested during the twenty-four (24) months prior to or any time after the Participant engaged in the conduct that gave rise to the termination for Cause (and any stock or cash issued in settlement of such Restricted Stock Units) shall upon demand by the Administrator be immediately forfeited and disgorged or paid to the Company together with all gains earned or accrued due to the sale of Company Common Stock issued in settlement of any Restricted Stock Units.

(iv) Termination for Any Other Reason. If a Participant's employment is terminated for any reason other than death, Disability or by the Company or Employer for Cause, all unvested Restricted Stock Units shall immediately be forfeited and canceled, effective as of the date of the Participant's termination of service.

(c) Change in Control. In the event of a Change in Control prior to the applicable Vesting Date, notwithstanding anything in Article XIII of the Plan to the contrary, any unvested Restricted Stock Units shall remain outstanding and shall vest on the applicable Vesting Date, subject to the continued employment or service of the Participant with the Company, the Employer or any other Subsidiary through such date; provided, that, if the Participant's employment or service is terminated by the Company or the Employer without Cause or by the Participant for Good Reason (each, a "Qualifying CIC Termination") within two (2) years following the effective date of the Change in Control, such

outstanding Restricted Stock Units shall vest as of the date of such Qualifying CIC Termination. Vested Restricted Stock Units shall be settled as set forth in Section 4 of this Agreement.

(d) Other Forfeiture Provisions. Subject to Section 11.4 of the Plan, the Restricted Stock Units (including any gains earned or accrued due to the sale of Company Common Stock issued in settlement of such Restricted Stock Units) shall also be forfeited and subject to disgorgement and/or repayment to the Company (i) in the event the Participant (x) engages in or fails to prevent, as applicable, any financial or other misconduct (including but not limited to engaging in Competitive Activity (but excluding, only if the Participant is located in California, clause (a) of the definition of Competitive Activity contained in the Plan)) or (y) materially violates any restrictive covenant agreement (or any other agreement containing restrictive covenants) that the Participant has entered into with the Company, (ii) as required by Applicable Law or regulations or (iii) as otherwise provided in Section 11.4 of the Plan or generally applicable Company policies as to forfeiture, disgorgement and recoupment of Awards, including but not limited to any clawback policy adopted to comply with Section 303A.14 of the New York Stock Exchange Listed Company Manual.

(e) Administrator Discretion. Notwithstanding anything contained in this Agreement to the contrary, subject to Article XII of the Plan, the Administrator, in its sole discretion, may waive forfeiture provisions or accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Administrator shall determine; provided, however, that such waiver or acceleration of vesting shall not change the settlement date of the Restricted Stock Units provided in Section 4 of this Agreement.

(f) Post-Termination Informational Requirements. Before the settlement of any Restricted Stock Units following termination of employment or service, the Administrator may require the Participant (or the Participant's Eligible Representative, if applicable) to make such representations and provide such documents as the Administrator deems necessary or advisable to effect compliance with Applicable Law and determine whether Section 3(b)(iii) or Section 3(d) of this Agreement apply. Such representations and documents may include tax returns and all other relevant information and records from which the Administrator can determine the current or former employment status of the Participant during the vesting period. Notwithstanding anything in this Agreement to the contrary, the settlement of the Restricted Stock Units may be withheld until information deemed sufficient by the Administrator is delivered to it, and any unvested Restricted Stock Units shall be forfeited if the requested information is not provided in sufficient detail to the Administrator before the earlier of (i) ninety (90) calendar days after the issuance of a request from the Administrator for such information and (ii) December 31 of the calendar year in which the applicable Vesting Date occurs.

4. Settlement of Restricted Stock Units. Subject to Section 3(f) and Section 9 of this Agreement, the Company shall deliver to the Participant one (1) Share (or the value thereof) in settlement of each outstanding Restricted Stock Unit granted hereunder that has vested as provided in Section 3 on the first to occur of (i) the applicable Vesting Date (or within thirty (30) days thereafter), (ii) in the event of a termination of employment or service due to death, as soon as practicable following the Participant's termination of employment or service by reason of death or (iii) in the event of a Qualifying CIC Termination, within thirty (30) days following the effective date of the Participant's Qualifying CIC Termination, in each case (A) in Company Common Stock by either, (x) issuing one or more certificates evidencing the Company Common Stock to the Participant or (y) registering the issuance of the Company Common Stock in the name of the Participant through a book entry credit in the records of the Company's transfer agent, or (B) in the event of settlement upon a Change in Control, a cash payment equal to the Change in Control Price, multiplied by the number of vested Restricted Stock Units. No fractional Shares shall be issued in settlement of the Restricted Stock Units. Fractional Shares shall be rounded up to the nearest whole share; provided, that the Participant may not vest in more than the number of Restricted Stock Units specified in the Grant Notice.

Notwithstanding the foregoing, the Administrator, in its sole discretion, may provide for the settlement of the Restricted Stock Units in the form of Company Common Stock, but require the Participant to sell such Common Stock immediately or within a specified period following the Participant's termination of service (in which case, the Participant hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Common Stock on the Participant's behalf).

5. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the Shares acquired upon vesting of the Restricted Stock Units unless such Shares are registered under the Securities Act, or, if such Shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such Shares must also comply with other Applicable Law and regulations governing the Shares, and the Participant may not sell the Shares if the Company determines that such sale would not be in material compliance with such laws and regulations.

6. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder, including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to Shares underlying the Restricted Stock Units granted hereby unless and until such Shares are issued to the Participant in respect thereof.

(c) Dividend Equivalents. The Restricted Stock Units granted hereunder include the right for the Participant to be credited with Dividend Equivalents in the form of a right to a cash payment when cash dividends are paid on the Company Common Stock. Such cash payment shall equal the amount obtained by multiplying the amount of the dividend declared and paid for each Share by the number of Restricted Stock Units held by the Participant on the record date for such dividend. Any cash amounts in respect of the Dividend Equivalents credited to the Participant's account shall be paid to the Participant on the applicable payment date for the related cash dividend, and shall be forfeited by the Participant if the Restricted Stock Units granted hereunder are forfeited pursuant to Section 3(b) or Section 3(d) of this Agreement.

7. Participant's Representations, Warranties and Covenants.

(a) No Conflicts; No Consents. The execution and delivery by the Participant of this Agreement, the consummation of the transactions contemplated hereby and the performance of the Participant's obligations hereunder do not and will not (i) materially conflict with or result in a material violation or breach of any term or provision of any law applicable to either the Participant or the Restricted Stock Units or (ii) violate in any material respect, conflict with in any material respect or result in any material breach of, or constitute (with or without notice or lapse of time or both) a material default under, or require the Participant to obtain any consent, approval or action of, make any filing with or give any notice to any Person as a result or under the terms of, any contract, agreement, instrument, commitment, arrangement or understanding to which the Participant is a party.

(b) Compliance with Rule 144. If any Shares issued in respect of the Restricted Stock Units are to be disposed of in accordance with Rule 144 of the Securities Act, the Participant shall transmit to

the Company an executed copy of Form 144 (if required by Rule 144) no later than the time such form is required to be transmitted to the Securities and Exchange Commission for filing and such other documentation as the Company may reasonably require to assure compliance with Rule 144 in connection with such disposition.

(c) Participant Status. The Participant represents and warrants that, as of the date hereof, the Participant is an officer or other Service Provider of the Company, the Employer or a Subsidiary.

8. Adjustment in Capitalization. Subject to Section 14.1 of the Plan, the number and kind of Shares subject to any outstanding Restricted Stock Units, or the other terms and conditions of any such Restricted Stock Units, shall be adjusted by the Administrator to reflect any stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Company Common Stock in such manner as it determines in its sole discretion.

9. Tax Withholding. The Participant acknowledges that, regardless of any action taken by the Company or the Employer with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Participant's personal responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Participant's participation in the Plan, including, but not limited to, the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance or sale of Shares, or the receipt of any dividends or Dividend Equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Restricted Stock Units or any aspect of the Plan to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to any Tax-Related Items by one or a combination of the following: (a) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company and/or the Employer, (b) withholding from proceeds of the sale of Shares under the Plan, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent) to cover the Tax-Related Items required to be withheld, and (c) withholding in Shares to be issued upon vesting of the Restricted Stock Units.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

The Company or the Employer may defer the settlement of Restricted Stock Units until such withholding or other tax requirements are satisfied and if the Participant has not satisfied such withholding or other tax requirements as of the last day of the calendar year in which the Vesting Date occurs, the Restricted Stock Units shall be forfeited.

10. Nature of Grant. By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is voluntary and does not create any contractual or other right to receive future Restricted Stock Units or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(d) the grant of the Restricted Stock Units and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Subsidiary and shall not interfere with the ability of the Company, the Employer or any other Subsidiary to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are not intended to replace any pension rights or compensation;

(g) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any other Subsidiary, and which are outside the scope of the Participant's employment and the Participant's employment or service agreement, if any;

(h) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted with certainty and the value of such Shares may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units or recoupment of any gains earned or accrued due to the sale of Shares acquired in settlement of such Restricted Stock Units resulting from, but not limited to, the (1) termination of the Participant's employment (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment or service agreement, if any) and/or (2) application of any Applicable Law or regulations, or any recoupment policy or any recovery or clawback policy maintained by the Company or otherwise required by Applicable Law; and

(k) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Shares or any amounts due pursuant to the issuance of the Shares, or the subsequent sale of any Shares acquired pursuant to the Restricted Stock Units.

11. Employee Data Privacy. The collection, use, disclosure and transfer, in electronic or other form, of personally identifiable information to facilitate the grant of the Restricted Stock Units and

the administration of the Plan by and among, as applicable, the Company and the Employer, if different, any of the Company's Subsidiaries or Affiliates, or any agent of the Company administering or providing Plan services is governed by the Employee Privacy Notice (the "Privacy Notice") that Participant received in the course of his or her relationship with Company. The Participant understands that he or she may review the Privacy Notice or contact his or her local human resources representative to request a copy of the Privacy Notice. Please contact ethics@bah.com if the Participant has any questions or concerns about how the Company or its Subsidiaries and Affiliates process personally identifiable information.

12. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Advice Regarding Grant. The Participant acknowledges that neither the Company nor the Employer are providing any tax, legal or financial advice, or making any recommendations regarding the Participant's participation in the Plan. The Participant should consult his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

(c) Interpretation. For purposes of this Agreement, if the Participant is not employed by the Company, "Employer" means the Subsidiary that employs the Participant. This Agreement and the Restricted Stock Units granted hereunder are subject to the terms and conditions of the Plan, which are incorporated by reference herein. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator, acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine reasonably and in good faith any questions that arise in connection with this Agreement, and any such determination shall be final, binding and conclusive on all Participants and other individuals claiming any right under the Plan. The failure of the Company or the Participant to insist upon strict performance of any provision hereunder, irrespective of the length of time for which such failure continues, shall not be deemed a waiver of such party's right to demand strict performance at any time in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation or provision hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

(d) Country-Specific Provisions. The Participant's participation in the Plan shall be subject to any special terms and conditions set forth in Appendix B attached hereto applicable to the Participant's country. Moreover, if the Participant relocates to one of the countries included in Appendix B, the special terms and conditions applicable to such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix B constitutes a part of this Agreement.

(e) Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan and on any Shares acquired in settlement of the Restricted Stock Units granted hereunder, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(f) Applicable Law. The Participant acknowledges that the Company is organized under the laws of the State of Delaware. The Participant and the Company agree that this Agreement shall be

construed in accordance with and governed by the laws of the State of Delaware, without reference to principles of conflict of laws that would apply the laws of any other jurisdiction.

(g) Forum Selection. The Participant acknowledges that the Company's principal place of business is in, and a substantial portion of the Company's business is based out of, the Commonwealth of Virginia. The Participant also acknowledges that, as such, during the course of the Participant's service with the Company, the Employer or any other Subsidiary, the Participant shall have substantial contacts with the Commonwealth of Virginia. Accordingly, the Participant and the Company agree that the exclusive forum for any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to their breach, shall be in the appropriate state or federal court located in the Commonwealth of Virginia. The Participant and the Company hereby consent to the personal jurisdiction of such courts over the parties to this Agreement. The Participant expressly waives any defense that such courts lack personal jurisdiction or are inconvenient. The Participant and the Company further agree that in any such action for breach or enforcement of this Agreement, no party will seek to challenge the validity or enforceability of any part of this Agreement.

(h) Amendment. This Agreement may not be amended, modified or supplemented orally, but only by a written instrument executed by the Participant and the Company.

(i) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, provided that the Company may assign all or any portion of its rights or obligations under this Agreement to one or more Persons or other entities designated by it.

(j) Severability; Blue Pencil. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via the Company's website, the Fidelity NetBenefits website or any other online access system of the Company's third-party Plan administrator, email or other form of electronic delivery.

(l) Section 409A of the Code. This Agreement is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A of the Code and the regulations promulgated thereunder ("Section 409A"). Where reasonably practicable, the Agreement shall be administered in a manner to avoid the imposition on the Participant of immediate tax recognition and additional taxes pursuant to Section 409A. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Notwithstanding the foregoing, the Company shall not have any liability to any Person in the event Section 409A applies to any payment hereunder in a manner that results in adverse tax consequences to the Participant or any of the Participant's beneficiaries.

(m) Specified Employee Delay. Subject to Section 14.13 of the Plan, if the Participant is deemed a "specified employee" within the meaning of Section 409A, as determined by the Administrator, at a time when the Participant becomes eligible for settlement of the Restricted Stock Units upon his or her "separation from service" within the meaning of Section 409A, then to the extent necessary to comply with, and avoid the imposition on the Participant of any accelerated or additional tax, under Section 409A, such settlement will be delayed until the earlier of (a) the six (6)-month anniversary of the Participant's termination of service and (b) the Participant's death. Notwithstanding anything to the contrary in this Agreement, if settlement is to occur upon a termination of service other than due to death or Disability and the Participant is a specified employee, to the extent necessary to comply with, and

avoid imposition on the Participant of any additional tax or interest imposed under, Section 409A, settlement shall instead occur on the first business day following the six (6)-month anniversary of the Participant's termination of service (or, if earlier, upon the Participant's death), or as soon thereafter as practicable (but no later than ninety (90) days thereafter).

(n) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(o) Notices. All notices under this Agreement shall be (i) delivered by hand, (ii) sent by commercial overnight courier service, (iii) sent by registered or certified mail, return receipt requested, and first-class postage prepaid, (iv) sent by e-mail or any other form of electronic transfer or delivery approved by the Administrator, or (v) faxed, in each case to the parties at their respective addresses and facsimile numbers set forth in the records of the Company or at such other address or facsimile number as may be designated in a notice by either party to the other.

(p) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

## RESTRICTED STOCK AGREEMENT

This Restricted Stock Agreement (the “Agreement”), dated as of the Grant Date, between Booz Allen Hamilton Holding Corporation, a Delaware corporation (the “Company”), and the participant (the “Participant”), is being entered into pursuant to the 2023 Equity Incentive Plan of Booz Allen Hamilton Holding Corporation (the “Plan”). Capitalized terms used herein without definition have the meanings given in the Plan.

1. Grant of Restricted Shares. Subject to the terms and conditions of this Agreement and the Plan, the Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of a number of Shares of Restricted Stock (the “Restricted Shares”). Upon grant, the Company shall record the Restricted Shares in the books and records of the Company or a certificate representing Restricted Shares will be issued, which entry or certificate shall bear the legend set forth in Section 5(b) of this Agreement. Any certificate issued in respect of the Restricted Shares will be delivered on behalf of the Participant to the Secretary of the Company, to be held in custody until the later of the date on which (i) the Restricted Shares become vested in accordance with Section 3(a) below and (ii) the Participant requests such instrument from the Company.
2. Forfeiture Risk. The Participant hereby (i) appoints the Company as the limited attorney-in-fact of the Participant to take such actions as may be necessary or appropriate solely to effectuate a transfer of the record ownership of any unvested Restricted Shares that are forfeited hereunder or pursuant to the terms of the Plan, and (ii) agrees to sign such stock powers and take such other actions as the Company may reasonably request to accomplish the transfer of any unvested Restricted Shares that are forfeited hereunder or pursuant to the terms of the Plan. The Company does hereby indemnify and hold harmless the Participant from any wrongful use of the power of attorney granted in this Section 2.
3. Vesting of Restricted Shares.
  - (a) Restricted Period. Subject to the continued service of the Participant as a Director of the Company through the applicable vesting date, the Restricted Shares granted pursuant to this Agreement shall vest as provided on the Fidelity NetBenefits website at [www.netbenefits.com](http://www.netbenefits.com).
  - (b) Termination of Employment. Notwithstanding anything contained in this Agreement or the Plan to the contrary, if the Participant’s service as a Director of the Company terminates for any reason prior to the applicable vesting date, any then-unvested Restricted Shares shall be forfeited.
4. Restrictions on Transfer. Unvested Restricted Shares may not be transferred, other than by will or by the laws of descent and distribution and provided that the deceased Participant’s beneficiary or the representative of his or her estate acknowledges and agrees in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of the Plan and this Agreement as if such beneficiary or estate were the Participant.

5. Participant's Representations, Warranties and Covenants.

(a) No Conflicts; No Consents. The execution and delivery by the Participant of this Agreement, the consummation of the transactions contemplated hereby and the performance of the Participant's obligations hereunder do not and will not (a) materially conflict with or result in a material violation or breach of any term or provision of any law applicable to either Participant or the Restricted Shares or (b) violate in any material respect, conflict with in any material respect or result in any material breach of, or constitute (with or without notice or lapse of time or both) a material default under, or require the Participant to obtain any consent, approval or action of, make any filing with or give any notice to any Person as a result of or under the terms of, any contract, agreement, instrument, commitment, arrangement, or understanding to which the Participant is a party.

(b) Legends. The Participant acknowledges and agrees that the Restricted Shares granted hereunder and represented by physical certificate(s) will bear the following legend (or one to substantially similar effect):

“THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AND CERTAIN OTHER AGREEMENTS SET FORTH IN THE 2023 EQUITY INCENTIVE PLAN OF BOOZ ALLEN HAMILTON HOLDING CORPORATION AND A RESTRICTED STOCK AGREEMENT BETWEEN THE ISSUER AND THE HOLDER OF THIS CERTIFICATE DATED AS OF \_\_\_\_\_. A COPY OF SUCH PLAN AND AGREEMENT SHALL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST.”

(c) Compliance with Rule 144. If any of the Restricted Shares are to be disposed of in accordance with Rule 144 of the Securities Act, the Participant shall transmit to the Company an executed copy of Form 144 (if required by Rule 144) no later than the time such form is required to be transmitted to the Securities and Exchange Commission for filing and such other documentation as the Company may reasonably require to assure compliance with Rule 144 in connection with such disposition.

(d) Participant Status. The Participant represents and warrants that, as of the date hereof, the Participant is a Director of the Company or a Subsidiary.

(e) Section 83(b) Election. The Participant agrees that, within twenty (20) days of the date of this Agreement, the Participant shall give notice to the Company as to whether or not the Participant has made an election pursuant to Section 83(b) of the Code with respect to the Restricted Shares acquired hereunder (an “83(b) election”). Any such 83(b) election shall use as the value of the Restricted Shares the Fair Market Value of the Restricted Shares on the Grant Date determined as provided in the Plan, and the Participant shall take a consistent position on the Participant's tax returns.

6. Dividends, etc. The Participant shall be entitled to (i) receive all dividends or other distributions at the time (and in the same calendar year as) such dividends or distributions are paid with respect to those vested and unvested Restricted Shares of which the Participant is the record owner on the record date for such dividend or other distribution and (ii) vote any Restricted Shares of which the Participant is the record owner on the record date for such vote; provided, however, that any property (other than cash) distributed with respect to a Restricted Share (the “Associated Share”) acquired hereunder, including without limitation a distribution of Restricted Shares by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an Associated Share, shall be subject to the restrictions of this Agreement in the same manner and for so long as the Associated Share remains subject to such restrictions, and shall be promptly forfeited if and when the Associated Share is so forfeited.

7. Miscellaneous.

(a) Tax Withholding. Whenever any cash or other payment is to be made hereunder or with respect to the Restricted Shares, the Company or any Subsidiary shall have the power to withhold an amount (in cash or in Company Common Stock granted hereunder upon vesting) sufficient to satisfy all or any portion of any applicable Withholding Taxes relating to such transaction and the Company or such Subsidiary may defer the payment of cash or other payment until such Withholding Taxes are satisfied; provided, however, that in the event that the Company withholds Shares issuable to the Participant (or any portion thereof) to satisfy all or any portion of the applicable Withholding Taxes, the Company shall withhold a number of whole Shares having a Fair Market Value, determined as of the date of withholding, not in excess of such amount as may be necessary to avoid liability award accounting. The Participant shall be responsible for all Withholding Taxes and other tax consequences of the Restricted Shares acquired hereunder.

(b) No Right to Continued Service. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant’s service as a Director of the Company at any time, or confer upon the Participant any right to continue as a Director of the Company.

(c) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(d) Amendment. This Agreement may not be amended, modified or supplemented orally, but only by a written instrument executed by the Participant and the Company.

(e) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, provided that the

Company may assign all or any portion of its rights or obligations under this Agreement to one or more Persons or other entities designated by it.

(f) Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without reference to principles of conflict of laws which would give rise to the application of the substantive laws of any another jurisdiction.

(g) Forum Selection. The Participant acknowledges that the Company's principal place of business is in, and a substantial portion of the Company's business is based out of, the Commonwealth of Virginia. The Participant also acknowledges that, as such, during the course of the Participant's service with the Company and its Subsidiaries, the Participant shall have substantial contacts with the Commonwealth of Virginia. Accordingly, the Participant and the Company agree that the exclusive forum for any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to their breach, shall be in the appropriate state or federal court located in the Commonwealth of Virginia. The Participant and the Company hereby consent to the personal jurisdiction of such courts over the parties to this Agreement. The Participant expressly waives any defense that such courts lack personal jurisdiction or are inconvenient. The Participant and the Company further agree that in any such action for breach or enforcement of this Agreement, no party will seek to challenge the validity or enforceability of any part of this Agreement.

(h) Severability; Blue Pencil. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(i) Consent to Electronic Delivery. By executing this Agreement, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Shares via the Company's website, email or other form of electronic delivery.

(j) Section and Other Headings, etc. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(k) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by facsimile, by e-mail, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested), in each case, to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7(k)):

(i) if to the Company:

Booz Allen Hamilton Holding Corporation  
8283 Greensboro Drive

McLean, Virginia 22102  
Attention: Law Department  
Facsimile No.: (703) 902-3580

- (ii) if to the Participant, to the address set forth in the Company's records.

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**Performance Restricted Stock Unit Agreement**  
**2023 EQUITY INCENTIVE PLAN OF**  
**BOOZ ALLEN HAMILTON HOLDING CORPORATION**  
**PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT**  
**GRANT NOTICE**

Unless otherwise defined herein, the terms defined in the 2023 Equity Incentive Plan (the “Plan”) of Booz Allen Hamilton Holding Corporation (the “Company”) shall have the same defined meanings in this Performance Restricted Stock Unit Agreement, which includes the terms in this Grant Notice, including Exhibit A attached hereto (the “Grant Notice”), and Appendix A attached hereto, and any special terms and conditions set forth in Appendix B attached hereto with respect to your country of employment and/or residence (collectively, the “Agreement”).

You (the “Participant”) have been granted the target number of performance-based restricted stock units on the date (the “Grant Date”), in each case as set forth on the Fidelity NetBenefits system at [www.netbenefits.com](http://www.netbenefits.com) (the “Restricted Stock Units”), subject to the terms and conditions of the Plan and this Agreement, including but not limited to the vesting schedule and the satisfaction of the performance goals for the applicable performance period as set forth on Exhibit A to this Agreement, as delivered and made available to you by the Company, which shall be deemed part of and incorporated by reference into this Grant Notice.

Your acceptance of this grant indicates your agreement and understanding that the Restricted Stock Units granted herein are subject to the terms and conditions contained in the Agreement and the Plan. **ACCORDINGLY, PLEASE BE SURE TO READ THE PLAN AND THE AGREEMENT, EACH OF WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THE RESTRICTED STOCK UNITS.** In order to view the grant details and to accept this grant, please go to Fidelity NetBenefits at [www.netbenefits.com](http://www.netbenefits.com) and follow the instructions regarding this grant.

## APPENDIX A TO PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

1. Grant of Restricted Stock Units. Subject to the terms, conditions, and restrictions set forth in the Plan and this Agreement (including the Grant Notice and any special terms and conditions applicable to the Participant's country set forth in Appendix B to this Agreement), the Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the Restricted Stock Units specified in the Grant Notice. Each Restricted Stock Unit represents the right to receive a number of Shares (which could be less than or greater than one Share), subject to the terms and conditions set forth in the Plan and this Agreement (including Exhibit A and Appendix B). Except as otherwise provided in Section 3 below, the number of Restricted Stock Units that the Participant shall actually earn for the Performance Period (up to the maximum specified in the Grant Notice) will be determined by the Administrator based on the level of achievement of the performance goals specified in Exhibit A attached hereto (the "Performance Goals"). The Participant hereby agrees that, except as required or permitted by Applicable Law, the Participant will not disclose to any Person other than the Participant's spouse and/or tax or financial advisor (if any) the grant of the Restricted Stock Units or any of the terms or provisions hereof without prior approval from the Administrator.

2. Restricted Stock Units Subject to Plan. This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

3. Vesting of Restricted Stock Units.

(a) Vesting. For purposes of this Agreement, the term "Performance Period" shall mean the period set forth in Exhibit A. Except as otherwise provided in this Section 3, the Restricted Stock Units shall become vested as of the vesting date specified in Exhibit A (the "Vesting Date"), subject to the continued employment or service of the Participant with the Company or any Subsidiary thereof through the Vesting Date, and to the achievement of the Performance Goals set forth in Exhibit A for the Performance Period as determined by the Administrator pursuant to Section 4(a) of this Agreement. Restricted Stock Units that do not vest in accordance with this Section 3 shall be forfeited.

(b) Termination of Employment or Service.

(i) Termination Due to Death. If a Participant's employment or service terminates due to the Participant's death prior to the Vesting Date, all unvested Restricted Stock Units shall vest on the effective date of such termination of employment or service at Target Award levels (as specified on Exhibit A attached hereto). Vested Restricted Stock Units shall be settled as set forth in Section 4.

(ii) Termination by Reason of Disability. If a Participant's employment or service terminates prior to the Vesting Date by reason of the Participant's Disability, all unvested Restricted Stock Units shall vest as of the Vesting Date in a *pro rata* amount of the Restricted Stock Units that would have been earned and vested in accordance with Section 3(a) based on actual achievement of the Performance Goals as if the Participant's employment or service had not terminated, with such amount prorated for the portion of the Performance Period that lapsed prior to the Participant's termination of employment or service; provided, that, any "transition period" (within the meaning of the Company's Transition Policy, as may be amended from time to time) shall not be considered a period of employment or service for purposes of calculating the *pro rata* amount. Vested Restricted Stock Units shall be settled as set forth in Section 4 of this Agreement.

(iii) Termination by Reason of Retirement. (A) If a Participant's employment or service terminates prior to the Vesting Date by reason of a Participant's Qualifying Permanent Retirement (as defined below), provided that such termination occurs on or after March 31 (or if March 31 is not a business day, the last business day prior to March 31) of the first fiscal year of the Performance Period, the unvested Restricted Stock Units shall vest in accordance with Section 3(a) based on actual achievement of the Performance Goals as if the Participant's employment or service had not terminated; (B) if a Participant's employment or service terminates prior to March 31 (or if March 31 is not a business

day, the last business day prior to March 31) of the first fiscal year of the Performance Period by reason of a Participant's retirement (notwithstanding that such retirement may otherwise qualify as a Qualifying Permanent Retirement), all unvested Restricted Stock Units shall immediately be forfeited as of the termination date; and (C) if a Participant's employment or service terminates at any point prior to the Vesting Date by reason of a Participant's retirement that at any point during the Performance Period does not constitute a Qualifying Permanent Retirement, all unvested Restricted Stock Units shall immediately be forfeited as of the termination date or, if later, the date such retirement does not constitute a Qualifying Permanent Retirement. Vested Restricted Stock Units shall be settled as set forth in Section 4 of this Agreement. "Qualifying Permanent Retirement" means a termination of the Participant's employment or service by reason of a retirement (I) in accordance with the applicable Company retirement policy (as may be amended from time to time) and (II) that is a permanent retirement from all current and future employment, including but not limited to self-employment, unless such employment is approved by the Company in writing in advance of the Participant commencing such employment.

(iv) Termination for Cause. If a Participant's employment or service terminates for Cause, all unvested Restricted Stock Units shall be immediately forfeited and canceled, effective as of the date of the Participant's termination of service. In addition, any Restricted Stock Units that vested during the twenty-four (24) months prior to or any time after the Participant engaged in the conduct that gave rise to the termination for Cause (and any stock or cash issued to the Participant in settlement of such Restricted Stock Units) shall upon demand by the Administrator be immediately forfeited and disgorged or paid to the Company together with all gains earned or accrued due to the sale of Company Common Stock issued in settlement of any Restricted Stock Units.

(v) Termination for Any Other Reason. If a Participant's employment terminates for any reason other than death, Disability, in a Qualifying Permanent Retirement or by the Company or Employer for Cause, all unvested Restricted Stock Units shall immediately be forfeited and canceled, effective as of the date of the Participant's termination of service.

(c) Change in Control. In the event of a Change in Control prior to the Vesting Date, notwithstanding anything in Article XIII of the Plan to the contrary, an amount of Restricted Stock Units equal to the Target Award (as specified on Exhibit A attached hereto) shall remain outstanding and shall vest on the Vesting Date, subject to the continued employment or service of the Participant with the Company, the Employer or any other Subsidiary through such date, but without regard to achievement of any Performance Goals; provided, that, if the Participant's employment or service is terminated by the Company or the Employer without Cause or by the Participant for Good Reason (each, a "Qualifying CIC Termination") within two (2) years following the effective date of the Change in Control, such outstanding Restricted Stock Units shall vest as of the date of such Qualifying CIC Termination. Vested Restricted Stock Units shall be settled as set forth in Section 4 of this Agreement.

(d) Other Forfeiture Provisions. Subject to Section 11.4 of the Plan, the Restricted Stock Units (including any gains earned or accrued due to the sale of Company Common Stock issued in settlement of such Restricted Stock Units) shall also be forfeited and subject to disgorgement and/or repayment to the Company (i) in the event the Participant (x) engages in or fails to prevent, as applicable, any financial or other misconduct (including but not limited to engaging in Competitive Activity (but excluding, only if the Participant is located in California, clause (a) of the definition of Competitive Activity contained in the Plan)) or (y) materially violates any restrictive covenant agreement (or any other agreement containing restrictive covenants) that the Participant has entered into with the Company, (ii) as required by Applicable Law or regulations or (iii) as otherwise provided in Section 11.4 of the Plan or generally applicable Company policies as to forfeiture, disgorgement and recoupment of Awards, including but not limited to any clawback policy adopted to comply with Section 303A.14 of the New York Stock Exchange Listed Company Manual.

(e) Administrator Discretion. Notwithstanding anything contained in this Agreement to the contrary, subject to Article XII of the Plan, the Administrator, in its sole discretion, may waive forfeiture provisions or accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Administrator shall determine; provided, however, that such waiver or acceleration of vesting shall not change the settlement date of the Restricted Stock Units provided in Section 4 of this Agreement.

(f) Post-Termination Informational Requirements. Before the settlement of any Restricted Stock Units following termination of employment or service, the Administrator may require the Participant (or the Participant's Eligible Representative, if applicable) to make such representations and provide such documents as the Administrator deems necessary or advisable to effect compliance with Applicable Law and determine whether Section 3(b)(iii), 3(b)(iv) or 3(d) of this Agreement apply. Such representations and documents may include tax returns and all other relevant information and records from which the Administrator can determine the current or former employment status of the Participant during the Performance Period. Notwithstanding anything in this Agreement to the contrary, the settlement of the Restricted Stock Units may be withheld until information deemed sufficient by the Administrator is delivered to it, and any unvested Restricted Stock Units shall be forfeited if the requested information is not provided in sufficient detail to the Administrator before the earlier of (i) ninety (90) calendar days after the issuance of a request from the Administrator for such information and (ii) December 31 of the calendar year in which the Vesting Date occurs.

4. Administrator Certification; Settlement of Restricted Stock Units.

(a) Certification. As soon as practicable following completion of the Performance Period, the Administrator will review and determine (i) whether, and to what extent, the Performance Goals for the Performance Period have been achieved, in whole or in part, and (ii) the number of Restricted Stock Units that the Participant shall earn, if any, subject to compliance with the requirements of Section 3 (the "Administrator Certification"). All determinations of whether the Performance Goals have been achieved, the number of Restricted Stock Units earned by the Participant, and all other matters related to this Section 4(a) shall be made by the Administrator in its sole discretion and shall be final, conclusive and binding on the Participant.

(b) Settlement of Restricted Stock Units. Subject to Section 3(f), Section 4(a) and Section Sections 9 of this Agreement, the Company shall deliver to the Participant one (1) Share (or the value thereof) in settlement of each Restricted Stock Unit granted hereunder that has become earned and vested as provided in Section 3 on the first to occur of the following: (i) on or as soon as practicable following the date of the Administrator Certification (but in no event later than 2½ months after the Vesting Date); (ii) in the event of a termination of employment or service due to death, as soon as practicable following the Participant's termination of employment or service by reason of death; or (iii) in the event of a Qualifying CIC Termination, within thirty (30) days following the effective date of the Participant's Qualifying CIC Termination, in each case (A) in Company Common Stock by either, (x) issuing one or more certificates evidencing the Company Common Stock to the Participant or (y) registering the issuance of the Company Common Stock in the name of the Participant through a book entry credit in the records of the Company's transfer agent, or (B) in the event of settlement upon a Change in Control, a cash payment equal to the Change in Control Price, multiplied by the number of vested Restricted Stock Units. No fractional Shares shall be issued in settlement of the Restricted Stock Units. Fractional Shares shall be rounded up to the nearest whole share; provided, that the Participant may not vest in more than the maximum number of Restricted Stock Units specified in the Grant Notice.

Notwithstanding the foregoing, the Administrator, in its sole discretion, may provide for the settlement of the Restricted Stock Units in the form of Company Common Stock, but require the Participant to sell such Common Stock immediately or within a specified period following the Participant's termination of service (in which case, the Participant hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Common Stock on the Participant's behalf).

5. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the Shares acquired upon vesting of the Restricted Stock Units unless such Shares are registered under the Securities Act, or, if such Shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such Shares must also comply with other Applicable Law and regulations governing the Shares, and the Participant may not sell the Shares if the Company determines that such sale would not be in material compliance with such laws and regulations.

6. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder, including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to Shares underlying the Restricted Stock Units granted hereby unless and until such Shares are issued to the Participant in respect thereof.

(c) Dividend Equivalents. If the Company declares a cash dividend on the Company Common Stock, then the Participant shall be credited with Dividend Equivalents in the form of a right to a cash payment equal to (i) the amount of the dividend declared and paid for each Share, multiplied by (ii) (x) the number of Restricted Stock Units earned by the Participant as determined by the Administrator pursuant to Section 4(a) or (y) in the case of a termination of employment or service by reason of Death or a Qualifying CIC Termination, the number of Restricted Stock Units equal to the Target Award (as specified on Exhibit A attached hereto). Any Dividend Equivalents shall be subject to the same forfeiture restrictions as the Restricted Stock Units to which they are attributable and shall be paid on the same date the Restricted Stock Units to which they are attributable are settled in accordance with Section 4 hereof. Dividend Equivalents credited to a Participant's account shall be distributed in cash or, at the discretion of the Administrator, in Shares having a Fair Market Value equal to the amount of the Dividend Equivalents, if any.

#### 7. Participant's Representations, Warranties and Covenants.

(a) No Conflicts; No Consents. The execution and delivery by the Participant of this Agreement, the consummation of the transactions contemplated hereby and the performance of the Participant's obligations hereunder do not and will not (i) materially conflict with or result in a material violation or breach of any term or provision of any law applicable to either the Participant or the Restricted Stock Units or (ii) violate in any material respect, conflict with in any material respect or result in any material breach of, or constitute (with or without notice or lapse of time or both) a material default under, or require the Participant to obtain any consent, approval or action of, make any filing with or give any notice to any Person as a result or under the terms of, any contract, agreement, instrument, commitment, arrangement or understanding to which the Participant is a party.

(b) Compliance with Rule 144. If any Shares issued in respect of the Restricted Stock Units are to be disposed of in accordance with Rule 144 of the Securities Act, the Participant shall transmit to the Company an executed copy of Form 144 (if required by Rule 144) no later than the time such form is required to be transmitted to the Securities and Exchange Commission for filing and such other documentation as the Company may reasonably require to assure compliance with Rule 144 in connection with such disposition.

(c) Participant Status. The Participant represents and warrants that, as of the date hereof, the Participant is an officer or other Service Provider of the Company, the Employer or a Subsidiary.

8. Adjustment in Capitalization. Subject to Section 14.1 of the Plan, the number and kind of Shares subject to any outstanding Restricted Stock Units, or the other terms and conditions of any such Restricted Stock Units, shall be adjusted by the Administrator to reflect any stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Company Common Stock in such manner as it determines in its sole discretion.

9. **Tax Withholding.** The Participant acknowledges that, regardless of any action taken by the Company or the Employer with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's personal responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Participant's participation in the Plan, including, but not limited to, the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, the issuance or sale of Shares, or the receipt of any dividends or Dividend Equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Restricted Stock Units or any aspect of the Plan to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant agrees to make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to any Tax-Related Items by one or a combination of the following: (a) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company and/or the Employer, (b) withholding from proceeds of the sale of Shares under the Plan, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent) to cover the Tax-Related Items required to be withheld, and (c) withholding in Shares to be issued upon vesting of the Restricted Stock Units.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant will be deemed to have been issued the full number of Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

The Company or the Employer may defer the settlement of Restricted Stock Units until such withholding or other tax requirements are satisfied and if the Participant has not satisfied such withholding or other tax requirements as of the last day of the calendar year in which the Vesting Date occurs, the Restricted Stock Units shall be forfeited.

10. **Nature of Grant.** By accepting the Restricted Stock Units, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is voluntary and does not create any contractual or other right to receive future Restricted Stock Units or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Administrator;

(d) the grant of the Restricted Stock Units and the Participant's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Subsidiary and shall not interfere with the ability of the Company, the Employer or any other Subsidiary to terminate the Participant's employment relationship (if any);

(e) the Participant is voluntarily participating in the Plan;

(f) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are not intended to replace any pension rights or compensation;

(g) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any other Subsidiary, and which are outside the scope of the Participant's employment and the Participant's employment or service agreement, if any;

(h) the Restricted Stock Units and any Shares acquired pursuant to such Restricted Stock Units, and the income from and value of the same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;

(i) the future value of the Shares underlying the Restricted Stock Units is unknown, indeterminable and cannot be predicted with certainty and the value of such Shares may increase or decrease in the future;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units or recoupment of any gains earned or accrued due to the sale of Shares acquired in settlement of such Restricted Stock Units resulting from, but not limited to, the (1) termination of the Participant's employment (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment or service agreement, if any) and/or (2) application of any Applicable Law or regulations, or any recoupment policy or any recovery or clawback policy maintained by the Company or otherwise required by Applicable Law; and

(k) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Shares or any amounts due pursuant to the issuance of the Shares, or the subsequent sale of any Shares acquired pursuant to the Restricted Stock Units.

11. Employee Data Privacy. The collection, use, disclosure and transfer, in electronic or other form, of personally identifiable information to facilitate the grant of the Restricted Stock Units and the administration of the Plan by and among, as applicable, the Company and the Employer, if different, any of the Company's Subsidiaries or Affiliates, or any agent of the Company administering or providing Plan services is governed by the Employee Privacy Notice (the "Privacy Notice") that Participant received in the course of his or her relationship with Company. The Participant understands that he or she may review the Privacy Notice or contact his or her local human resources representative to request a copy of the Privacy Notice. Please contact ethics@bah.com if the Participant has any questions or concerns about how the Company or its Subsidiaries and Affiliates process personally identifiable information.

12. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any Person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Advice Regarding Grant. The Participant acknowledges that neither the Company nor the Employer are providing any tax, legal or financial advice, or making any recommendations regarding the Participant's participation in the Plan. The Participant should consult his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

(c) Interpretation. For purposes of this Agreement, if the Participant is not employed by the Company, “Employer” means the Subsidiary that employs the Participant. This Agreement and the Restricted Stock Units granted hereunder are subject to the terms and conditions of the Plan, which are incorporated by reference herein. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. The Administrator, acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine reasonably and in good faith any questions that arise in connection with this Agreement, and any such determination shall be final, binding and conclusive on all Participants and other individuals claiming any right under the Plan. The failure of the Company or the Participant to insist upon strict performance of any provision hereunder, irrespective of the length of time for which such failure continues, shall not be deemed a waiver of such party’s right to demand strict performance at any time in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation or provision hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

(d) Country-Specific Provisions. The Participant’s participation in the Plan shall be subject to any special terms and conditions set forth in Appendix B attached hereto applicable to the Participant’s country. Moreover, if the Participant relocates to one of the countries included in Appendix B, the special terms and conditions applicable to such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix B constitutes a part of this Agreement.

(e) Other Requirements. The Company reserves the right to impose other requirements on the Participant’s participation in the Plan and on any Shares acquired in settlement of the Restricted Stock Units granted hereunder, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

(f) Applicable Law. The Participant acknowledges that the Company is organized under the laws of the State of Delaware. The Participant and the Company agree that this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without reference to principles of conflict of laws that would apply the laws of any other jurisdiction.

(g) Forum Selection. The Participant acknowledges that the Company’s principal place of business is in, and a substantial portion of the Company’s business is based out of, the Commonwealth of Virginia. The Participant also acknowledges that, as such, during the course of the Participant’s service with the Company, the Employer or any other Subsidiary, the Participant shall have substantial contacts with the Commonwealth of Virginia. Accordingly, the Participant and the Company agree that the exclusive forum for any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to their breach, shall be in the appropriate state or federal court located in the Commonwealth of Virginia. The Participant and the Company hereby consent to the personal jurisdiction of such courts over the parties to this Agreement. The Participant expressly waives any defense that such courts lack personal jurisdiction or are inconvenient. The Participant and the Company further agree that in any such action for breach or enforcement of this Agreement, no party will seek to challenge the validity or enforceability of any part of this Agreement.

(h) Amendment. This Agreement may not be amended, modified or supplemented orally, but only by a written instrument executed by the Participant and the Company.

(i) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, provided that the Company may assign all or any portion of its rights or obligations under this Agreement to one or more Persons or other entities designated by it.

(j) Severability; Blue Pencil. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

(k) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via the Company's website, the Fidelity NetBenefits website or any other online access system of the Company's third-party Plan administrator, email or other form of electronic delivery.

(l) Section 409A of the Code. This Agreement is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A of the Code and the regulations promulgated thereunder ("Section 409A"). Where reasonably practicable, the Agreement shall be administered in a manner to avoid the imposition on the Participant of immediate tax recognition and additional taxes pursuant to Section 409A. In addition, to the extent permissible under Section 409A, any series of installment payments under this Agreement shall be treated as a right to a series of separate payments. Notwithstanding the foregoing, the Company shall not have any liability to any Person in the event Section 409A applies to any payment hereunder in a manner that results in adverse tax consequences to the Participant or any of the Participant's beneficiaries.

(m) Specified Employee Delay. Subject to Section 14.13 of the Plan, if the Participant is deemed a "specified employee" within the meaning of Section 409A, as determined by the Administrator, at a time when the Participant becomes eligible for settlement of the Restricted Stock Units upon his or her "separation from service" within the meaning of Section 409A, then to the extent necessary to comply with, and avoid the imposition on the Participant of any accelerated or additional tax, under Section 409A, such settlement will be delayed until the earlier of (a) the six (6)-month anniversary of the Participant's termination of service and (b) the Participant's death. Notwithstanding anything to the contrary in this Agreement, if settlement is to occur upon a termination of service other than due to death or Disability and the Participant is a specified employee, to the extent necessary to comply with, and avoid imposition on the Participant of any additional tax or interest imposed under, Section 409A, settlement shall instead occur on the first business day following the six (6)-month anniversary of the Participant's termination of service (or, if earlier, upon the Participant's death), or as soon thereafter as practicable (but no later than ninety (90) days thereafter).

(n) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(o) Notices. All notices under this Agreement shall be (i) delivered by hand, (ii) sent by commercial overnight courier service, (iii) sent by registered or certified mail, return receipt requested, and first-class postage prepaid, (iv) sent by e-mail or any other form of electronic transfer or delivery approved by the Administrator, or (v) faxed, in each case to the parties at their respective addresses and facsimile numbers set forth in the records of the Company or at such other address or facsimile number as may be designated in a notice by either party to the other.

(p) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

**2023 EQUITY INCENTIVE PLAN OF  
BOOZ ALLEN HAMILTON HOLDING CORPORATION  
STOCK OPTION AGREEMENT  
GRANT NOTICE**

Unless otherwise defined herein, the terms defined in the 2023 Equity Incentive Plan (the “Plan”) of Booz Allen Hamilton Holding Corporation (the “Company”) shall have the same defined meanings in this Stock Option Agreement, which includes the terms in this Grant Notice, including Exhibit A attached hereto (the “Grant Notice”) and Appendix A attached hereto, and any special terms and conditions set forth in Appendix B attached hereto with respect to your country of employment and/or residence (collectively, the “Agreement”). Capitalized terms used in this Grant Notice or in Appendix A without definition have the meanings given in the Plan.

You (the “Optionee”) have been granted an option to purchase the number of Shares of Company Common Stock, and with an Option Price and on the date (the “Grant Date”), in each case as set forth on the Fidelity NetBenefits system at [www.netbenefits.com](http://www.netbenefits.com) (the “Option”), subject to the terms and conditions of the Plan and this Agreement, including but not limited to the vesting schedule as set forth on Exhibit A to this Agreement, which shall be deemed part of and incorporated by reference into this Grant Notice, and the following terms:

Type of Option:	Non-Qualified Stock Option
Final Expiration Date:	Ten (10) years from the Grant Date

Your acceptance of the Option indicates your agreement and understanding that the Option is subject to the terms and conditions contained in the Agreement and the Plan. **ACCORDINGLY, PLEASE BE SURE TO READ THE PLAN AND THE AGREEMENT, EACH OF WHICH CONTAINS THE SPECIFIC TERMS AND CONDITIONS OF THIS OPTION. IN PARTICULAR, BY ACCEPTANCE OF THE OPTION, YOU AGREE TO THE TERMS AND CONDITIONS CONTAINED IN THE AGREEMENT RELATING TO ELECTRONIC DELIVERY OF ANY DOCUMENTS RELATED TO THE OPTION.**

## APPENDIX A TO STOCK OPTION AGREEMENT

### ARTICLE I. GRANT OF OPTION

**Section 1.1 Grant of Option.** The Company hereby grants to the Optionee, effective as of the Grant Date, the Option specified in the Grant Notice upon the terms and conditions set forth in the Plan and this Agreement (including the Grant Notice and any special terms and conditions applicable to the Optionee's country set forth in Appendix B to this Agreement). The Optionee hereby agrees that, except as required or permitted by Applicable Law, he or she will not disclose to any Person other than the Optionee's spouse and/or tax or financial advisor (if any) the grant of the Option or any of the terms or provisions hereof without prior approval from the Administrator.

**Section 1.2 Option Subject to Plan.** The Option granted hereunder is subject to the terms and provisions of the Plan, including, but not limited to, Article V, Article XI, Article XII, Article XIII and Article XIV thereof.

**Section 1.3 Option Price.** The Option Price of the Shares subject to the Option is equal to the Fair Market Value of a Share on the Grant Date, as determined by the Administrator in accordance with the provisions set forth in the Plan, and does not include any commission or other charges. The Option Price has been communicated to the Optionee in a communication accompanying the Grant Notice.

### ARTICLE II. VESTING SCHEDULE; EXERCISABILITY

#### **Section 2.1 Vesting and Exercisability of the Option.**

(a) *Vesting.* Except as provided in this Section 2.1, the Option shall become vested and exercisable in the amount(s) and on the vesting date(s) set forth in Exhibit A (each, a "Vesting Date"), so long as the Optionee remains continuously in service as a Service Provider through such Vesting Date.

(b) *Discretionary Vesting.* The Administrator in its sole discretion may accelerate the vesting of any portion of the Option that does not otherwise vest pursuant to this Section 2.1.

#### **Section 2.2 Termination of Employment or Service.**

(a) *Termination Due to Death.* If an Optionee's employment or service terminates due to the Optionee's death, any unvested portion of the Option shall immediately vest and shall remain outstanding until (i) the first (1<sup>st</sup>) anniversary of the date of the Optionee's death or (ii) the Option's Final Expiration Date, whichever is earlier, after which any unexercised portion of the Option shall immediately terminate.

(b) *Termination Due to Disability.* If an Optionee's employment or service terminates due to the Optionee's Disability, any unvested portion of the Option shall not be forfeited and instead shall continue to vest in accordance with Section 2.1(a) of this Agreement. Any vested portion of the Option shall remain outstanding until (i) the later of the first (1<sup>st</sup>) anniversary of either (x) the date of termination due to Disability or (y) the date of vesting or (ii) the Option's Final Expiration Date, whichever is earlier, after which any unexercised portion of the Option shall immediately terminate.

(c) *Termination for Cause.* If the Optionee's employment or service terminates for Cause, the Option, whether vested or unvested, shall be immediately forfeited and canceled, effective as of the date of the Optionee's termination of employment or service. Notwithstanding the foregoing, unless otherwise determined by the Administrator and set forth in writing, any portion of the Option that vested during the twenty-four (24) months prior to or any time after the Optionee engaged in the conduct that gave rise to the termination for Cause shall upon demand by the Administrator be immediately forfeited

and disgorged or paid to the Company together with all gains earned or accrued due to the exercise of such Option or sale of Company Common Stock issued pursuant to such Option.

(d) *Termination for Any Other Reason.* Unless otherwise determined by the Administrator and set forth in writing, if an Optionee's employment or service terminates for any reason other than death, Disability or by the Company or Employer for Cause, any portion of the Option that is unvested shall be immediately forfeited and canceled, effective as of the date of the Optionee's termination of employment or service, and any portion of the Option that is vested shall remain outstanding until (x) the ninetieth (90<sup>th</sup>) day after the date of termination of Optionee's employment or service or (y) the Final Expiration Date, whichever is earlier, after which any unexercised portion of the Option shall immediately terminate.

Section 2.3 Additional Forfeiture Provisions. Subject to Section 11.4 of the Plan, the Optionee acknowledges and agrees that the Option shall be immediately forfeited and cease to be exercisable, and the Optionee shall be required to disgorge to the Company all gains earned or accrued due to the exercise of the Option or sale of any Shares issued pursuant to such Option (i) if the Optionee engages in or fails to prevent, as applicable, any financial or other misconduct (including but not limited to engaging in Competitive Activity (but excluding, only if the Optionee is located in California, clause (a) of the definition of Competitive Activity contained in the Plan)), (ii) as required by Applicable Law or regulations or (iii) as otherwise provided in Section 11.4 of the Plan or generally applicable Company policies as to forfeiture, disgorgement and recoupment of Awards, including but not limited to any clawback policy adopted to comply with Section 303A.14 of the New York Stock Exchange Listed Company Manual.

Section 2.4 Exercisability of the Option. The Optionee (or the Optionee's Eligible Representative) shall not have the right to exercise any portion of the Option until the date such portion of the Option becomes vested and exercisable pursuant to Section 2.1 or Section 2.2 of this Agreement. The date that the applicable portion of the Option becomes vested and exercisable is referred to herein as the "Exercise Commencement Date." Subject to Section 14.1 of the Plan, following the Exercise Commencement Date, such applicable portion of the Option shall remain exercisable by the Optionee (or the Optionee's Eligible Representative) until it becomes unexercisable under Section 2.5 of this Agreement. Once the Option becomes unexercisable, it shall be forfeited immediately.

Section 2.5 Expiration of Option. The Option may not be exercised after the first to occur of the following events:

- (a) the Final Expiration Date;
- (b) except for such longer period of time as the Administrator may otherwise approve, ninety (90) days following the date of the Optionee's termination of employment or service as a Service Provider for any reason other than Cause, death, or Disability;
- (c) except as the Administrator may otherwise approve, the date that the Company or the Employer terminates the Optionee's employment or service as a Service Provider for Cause;
- (d) except for such longer period of time as the Administrator may otherwise approve, the first (1<sup>st</sup>) anniversary of the Optionee's termination of employment or service as a Service Provider by reason of the Optionee's death;
- (e) except for such longer period of time as the Administrator may otherwise approve, in the event of the Optionee's termination of employment or service as a Service Provider by reason of the Optionee's Disability, the first (1<sup>st</sup>) anniversary of the later of (A) the Optionee's termination of

employment or service due to the Optionee's Disability or (B) the date of vesting of the applicable Option; or

(f) upon forfeiture of an Option as provided in Section 2.3 of this Agreement and Section 11.4 of the Plan.

**Section 2.6 Partial Exercise.** Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the date on which the Option or portion thereof becomes unexercisable under Section 2.5 of this Agreement.

**Section 2.7 Exercise of Option.** The exercise of the Option shall be governed by the terms of this Agreement and the terms of the Plan, including, without limitation, the provisions of Article V of the Plan.

**Section 2.8 Manner of Exercise.**

(a) As a condition to the exercise of the Option or any portion thereof, the Optionee shall (i) notify the Company at least three (3) days prior to exercise and no earlier than ninety (90) days prior to exercise that the Optionee intends to exercise and specifically stating the number of Shares with respect to such Option is being exercised, and (ii) provide the Company with payment of the aggregate Option Price of the Shares with respect to which such Option is being exercised, together with any amounts necessary to satisfy all Tax-Related Items (as defined in Section 3.1 below), which shall be payable to the Company in full as set forth in this Section 2.8.

(b) To the extent permitted by law or the applicable listing rules, if any, the Optionee may pay for the Shares with respect to which such Option or portion of such Option is exercised through (i) payment in cash; (ii) with the consent of the Administrator, the delivery of Shares which are owned by the Optionee, duly endorsed for transfer to the Company with a Fair Market Value on the date of delivery equal to the aggregate Option Price of such Shares with respect to which the Option is being exercised; (iii) with the consent of the Administrator, the surrender of Shares then-issuable upon exercise of the Option having a Fair Market Value on the date of the exercise of the Option equal to the aggregate Option Price of such Shares with respect to which the Option is being exercised; (iv) with the consent of the Administrator, a broker-assisted cashless exercise program established by the Company; or (v) with the consent of the Administrator, delivery of a notice that the Optionee has placed a market sell order with a broker with respect to Shares then-issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate Option Price; provided, that payment of such proceeds is then made to the Company upon settlement of such sale. Notwithstanding the foregoing, the consent of the Administrator shall not be required with respect to clauses (iii) and (v) of this Section 2.8(b) if the Optionee exercises such Option on or after the date of the Optionee's Retirement (as defined in the Company's Retirement Policy).

(c) Notwithstanding any provision of the Agreement to the contrary, if the Optionee resides and/or works outside of the United States, the Company may require that the Optionee (i) exercise the Option in a method other than specified above, (ii) exercise the Option only by means of a "same day sale" transaction (either a sell-all transaction or a sell-to-cover transaction) as it determines in its sole discretion, or (iii) sell any Shares he or she acquires under the Plan immediately or within a specified period following the termination of the Optionee's employment or service with the Company, the Employer or any Subsidiary (in which case, the Optionee hereby agrees that the Company shall have the authority to issue sale instructions in relation to such Shares on the Optionee's behalf).

**Section 2.9 Exercise by the Administrator.** If the Optionee has not exercised the Option or any portion thereof immediately prior to the expiration of the Option under Section 2.5 of this Agreement, and the Fair Market Value on the date of expiration exceeds the Option Price of such Option, the Administrator may, in its sole discretion, exercise the Option on behalf of the Optionee by causing the Option Price to be paid through a broker-assisted cashless exercise program established by the Company. For the avoidance of doubt, the Administrator will not be required to obtain the Optionee's consent prior to such exercise.

**Section 2.10 Change in Control.** In the event of a Change in Control prior to the Vesting Date, notwithstanding anything in Article XIII of the Plan to the contrary, any unvested Options shall remain outstanding and shall vest on the applicable Vesting Date, subject to the continued employment or service of the Participant by the Company or any Subsidiary thereof through such date; provided, that, if the Participant's employment or service is terminated by the Company or the Employer without Cause or by the Participant for Good Reason (each, a "Qualifying CIC Termination") within two (2) years following the effective date of the Change in Control, such outstanding Options shall vest as of the date of such Qualifying CIC Termination.

### **ARTICLE III. OTHER PROVISIONS**

**Section 3.1 Tax Withholding.** The Optionee acknowledges that, regardless of any action taken by the Company or, if different, the Optionee's employer (the "Employer") with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Optionee's participation in the Plan and legally applicable to the Optionee ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Optionee's personal responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Optionee further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Optionee's participation in the Plan, including, but not limited to, the grant of the Option, the vesting of the Option, the exercise of the Option, the issuance or sale of Shares, or the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the Option or any aspect of the Plan to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee is subject to Tax-Related Items in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Optionee agrees to make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to any Tax-Related Items by one or a combination of the following: (a) withholding from the Optionee's wages or other cash compensation payable to the Optionee by the Company and/or the Employer, (b) withholding from proceeds of the sale of Shares under the Plan, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization without further consent) to cover the Tax-Related Items required to be withheld, and (c) withholding in Shares to be issued upon exercise of the Option.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee will be deemed to have been issued the full number of Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

**Section 3.2 Nature of Grant.** By accepting the Option, the Optionee acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be terminated, suspended or amended by the Company at any time, to the extent permitted by the Plan;
- (b) the grant of the Option is voluntary and does not create any contractual or other right to receive future Options or benefits in lieu of Options, even if Options have been granted in the past;
- (c) all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Administrator;
- (d) the grant of the Option and the Optionee's participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any other Subsidiary and shall not interfere with the ability of the Company, the Employer or any other Subsidiary to terminate the Optionee's employment relationship (if any);
- (e) the Optionee is voluntarily participating in the Plan;
- (f) the Option and any Shares acquired pursuant to such Option, and the income from and value of the same, are not intended to replace any pension rights or compensation;
- (g) the Option and any Shares acquired pursuant to such Option, and the income from and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company, the Employer or any other Subsidiary, and which are outside the scope of the Optionee's employment and the Optionee's employment or service agreement, if any;
- (h) the Option and any Shares acquired pursuant to such Option, and the income from and value of the same, are not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, leave-related payments, pension or retirement or welfare benefits or similar mandatory payments;
- (i) the future value of the Shares underlying the Option is unknown, indeterminable and cannot be predicted with certainty and the value of such Shares may increase or decrease in the future;
- (j) if the underlying Shares do not increase in value, the Option will have no value;
- (k) if the Optionee exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Option Price;
- (l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option or recoupment of any gains earned or accrued due to the sale of Shares acquired upon exercise of the Option resulting from, but not limited to, the (1) termination of the Optionee's employment (regardless of the reason for the termination and whether or not the termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment or service agreement, if any) and/or (2) the application of any Applicable Law or regulations, or any recoupment policy or any recovery or clawback policy maintained by the Company or otherwise required by Applicable Law; and
- (m) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the United States Dollar that may affect the value of the Shares or any amounts due pursuant to the issuance of the Shares, or the subsequent sale of any Shares acquired pursuant to the Option.

Section 3.3 Shares Subject to Plan; Restrictions on the Transfer of Option and Company Common Stock. The Optionee acknowledges that this Option and any Shares acquired upon exercise of the Option are subject to the terms of the Plan, including, without limitation, the restrictions set forth in Section 5.8 and Section 5.9 of the Plan.

**Section 3.4 Registration of Shares.** The Company may postpone the issuance and delivery of Company Common Stock upon the exercise of the Option until such Shares may be issued in compliance with any applicable state or federal law, rule or regulation. Notwithstanding any other provision in this Agreement, the Optionee may not sell the Shares acquired upon exercise of the Option unless such Shares are registered under the Securities Act, or, if such Shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale must also comply with other Applicable Law and regulations governing the Shares, and the Optionee shall not sell the Shares if the Administrator determines that such sale would not be in compliance with such laws and regulations.

**Section 3.5 Construction.** This Agreement shall be administered, interpreted and enforced under the laws of the State of Delaware.

**Section 3.6 Conformity to Securities Laws.** The Optionee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, including without limitation Rule 16b-3. Notwithstanding anything herein to the contrary, the Plan and this Agreement shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

**Section 3.7 Amendment, Suspension and Termination.** This Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator, provided that, except as provided by Section 14.1 of the Plan, neither the amendment, modification, suspension nor termination of this Agreement (including the Grant Notice) shall, without the consent of the Optionee, materially alter or impair any rights or obligations under this Agreement.

**Section 3.8 Employee Data Privacy.** The collection, use, disclosure and transfer, in electronic or other form, of personally identifiable information by and among, as applicable, the Company, the Employer and its Subsidiaries and Affiliates, or any agent of the Company administering or providing Plan services, for the purpose of implementing, administering and managing the Optionee's participation in the Plan is governed by the Employee Privacy Notice (the "Privacy Notice") that Optionee received in the course of his or her relationship with the Company. The Optionee understands that he or she may review the Privacy Notice or contact his or her local human resources representative to request a copy of the Privacy Notice. Please contact ethics@bah.com if the Optionee has any questions or concerns about how the Company or its Subsidiaries and Affiliates process personally identifiable information.

**Section 3.9 No Advice Regarding Grant.** The Optionee acknowledges that neither the Company nor the Employer are providing any tax, legal or financial advice, or making any recommendations regarding the Optionee's participation in the Plan. The Optionee should consult his or her own personal tax, legal and financial advisors regarding the Optionee's participation in the Plan before taking any action related to the Plan.

**Section 3.10 Country-Specific Provisions.** The Optionee's participation in the Plan shall be subject to any special terms and conditions set forth in Appendix B attached hereto applicable to the Optionee's country. Moreover, if the Optionee relocates to one of the countries included in Appendix B, the special terms and conditions applicable to such country will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix B constitutes a part of this Agreement.

**Section 3.11 Other Requirements.** The Company reserves the right to impose other requirements on the Optionee's participation in the Plan and on any Shares acquired upon exercise of the Option granted hereunder, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**Section 3.12 Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to any Option granted under the Plan, including this Agreement, by electronic means

or request the Optionee's consent to participate in the Plan by electronic means. The Optionee hereby explicitly and unambiguously consents to receive such documents (including, without limitation, information required to be delivered to the Optionee pursuant to applicable securities laws) by electronic delivery and, if requested, agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third-party designated by the Company, and such consent shall remain in effect throughout the Optionee's term of employment or service with the Company and thereafter until withdrawn in writing by the Optionee. The Optionee acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Optionee by contacting the Company by telephone or in writing. The Optionee further acknowledges that the Optionee will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Optionee understands that the Optionee must provide the Company or any designated third-party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails.

Section 3.13 Miscellaneous.

(a) The Optionee shall have no rights as a stockholder of the Company with respect to the Shares subject to the Option until such time as the Option Price has been paid and the other requirements of Section 2.8 above have been satisfied, and the Shares have been issued and delivered to the Optionee.

(b) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or United States or foreign securities exchanges as may be required.

(c) The Optionee acknowledges that the Company is organized under the laws of the State of Delaware. The Optionee and the Company agree that this Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without reference to principles of conflict of laws that would apply the laws of any other jurisdiction.

(d) The Optionee acknowledges that the Company's principal place of business is in, and a substantial portion of the Company's business is based out of, the Commonwealth of Virginia, U.S.A. The Optionee also acknowledges that, as such, during the course of the Optionee's service with the Company and its Subsidiaries, the Optionee shall have substantial contacts with the Commonwealth of Virginia, U.S.A. Accordingly, the Optionee and the Company agree that the exclusive forum for any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to their breach, shall be in the appropriate state or federal court located in the Commonwealth of Virginia, U.S.A. The Optionee and the Company hereby consent to the personal jurisdiction of such courts over the parties to this Agreement. The Optionee expressly waives any defense that such courts lack personal jurisdiction or are inconvenient. The Optionee and the Company further agree that in any such action for breach or enforcement of this Agreement, no party will seek to challenge the validity or enforceability of any part of this Agreement.

(e) Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Participant without the prior written consent of the other party, provided that the Company may assign all or any portion of its rights or obligations under this Agreement to one or more Persons or other entities designated by it.

(f) All obligations of the Company under this Agreement and the Plan, with respect to the Option, shall be binding on any successor to the Company, whether the existence of such successor is the

result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(g) In the event that any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of this Agreement, and this Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

(h) This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

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**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Horacio D. Rozanski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Booz Allen Hamilton Holding Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2023

By: /s/ Horacio D. Rozanski  
Horacio D. Rozanski  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) OF THE  
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Matthew A. Calderone, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Booz Allen Hamilton Holding Corporation.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 27, 2023

By: /s/ Matthew A. Calderone  
Matthew A. Calderone  
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

**CERTIFICATIONS PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the report on Form 10-Q of Booz Allen Hamilton Holding Corporation (the "Company") for the fiscal quarter ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned President and Chief Executive Officer of the Company certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 27, 2023

By: /s/ Horacio D. Rozanski  
Horacio D. Rozanski  
President and Chief Executive Officer  
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Booz Allen Hamilton Holding Corporation and will be retained by Booz Allen Hamilton Holding Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATIONS PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the report on Form 10-Q of Booz Allen Hamilton Holding Corporation (the "Company") for the fiscal quarter ended September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Executive Vice President and Chief Financial Officer certifies, to the best of his knowledge and belief pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 27, 2023

By: /s/ Matthew A. Calderone

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Matthew A. Calderone  
Executive Vice President and Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Booz Allen Hamilton Holding Corporation and will be retained by Booz Allen Hamilton Holding Corporation and furnished to the Securities and Exchange Commission or its staff upon request.